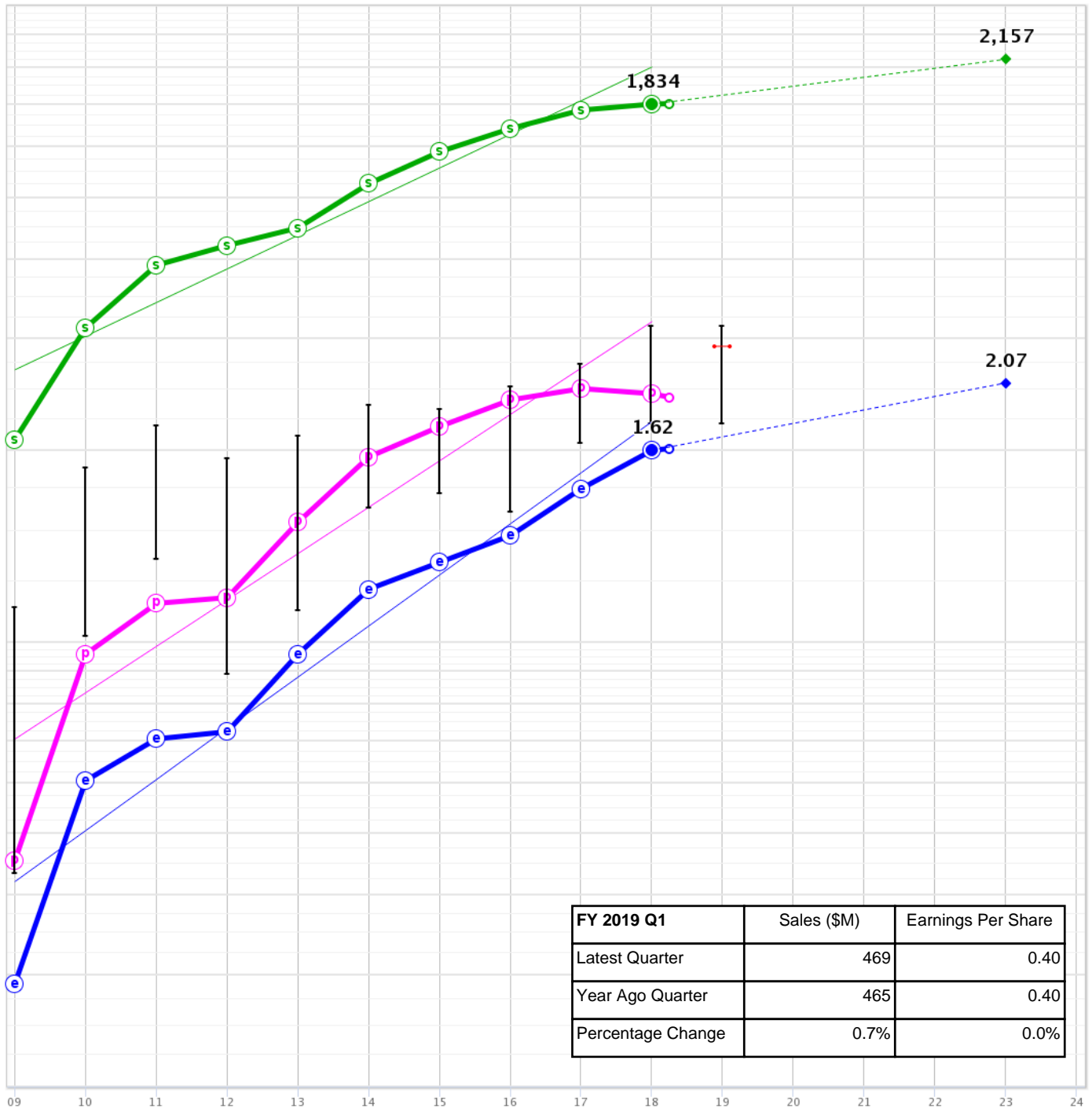


| | | | | | |
|--|-----------|--------------|-----------------|---------------|-----|
| Company | Gentex | | Date | 06/07/19 | |
| Prepared by | HERMAN | | Data taken from | BI Stock Data | |
| Where traded | NAS | | Industry | Auto Parts | |
| Capitalization --- Outstanding Amounts | Reference | | | | |
| Preferred (\$M) | 0.0 | % Insiders | % Institution | | |
| Common (M Shares) | 259.1 | 0.3 | 73.0 | | |
| Debt (\$M) | 0.0 | % to Tot Cap | 0.0 | % Pot Dil | 0.5 |

Stock Selection Guide

Symbol: GNTX

1 VISUAL ANALYSIS of Sales, Earnings, and Price



- | | | | |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 13.0% | (3) Historical Earnings Per Share Growth | 20.3% |
| (2) Estimated Future Sales Growth | 3.3% | (4) Estimated Future Earnings Per Share Growth | 5.0% |

2 EVALUATING Management

Gentex

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | Last 5 Year Avg. |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------------------|
| Pre-tax Profit on Sales | 17.7% | 24.9% | 23.9% | 22.7% | 28.0% | 30.2% | 30.0% | 30.4% | 29.6% | 28.5% | 29.7% |
| % Earned on Equity | 8.8% | 15.6% | 16.7% | 14.9% | 18.0% | 19.3% | 18.8% | 18.5% | 19.5% | 22.8% | 19.8% |
| % Debt To Capital | 0.0% | 0.0% | 0.0% | 0.0% | 17.1% | 14.5% | 11.9% | 8.9% | 3.7% | 0.0% | 7.8% |

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 23.60 (06/07/19)

HIGH THIS YEAR 25.41

LOW THIS YEAR 17.80

| | A | B | C | D | E | F | G | H |
|------------------------------------|-------|------|-----------|------------------------------------|-----------|-----------|-------------|--------------|
| Year | Price | | Earnings | Price Earnings Ratio | | Dividend | % Payout | % High Yield |
| | High | Low | Per Share | High A / C | Low B / C | Per Share | F / C * 100 | F / B * 100 |
| 2014 | 19.1 | 13.2 | 0.98 | 19.4 | 13.4 | 0.31 | 31.6 | 2.4 |
| 2015 | 18.8 | 13.8 | 1.08 | 17.4 | 12.8 | 0.34 | 31.0 | 2.4 |
| 2016 | 20.4 | 12.9 | 1.19 | 17.1 | 10.9 | 0.36 | 29.8 | 2.7 |
| 2017 | 22.1 | 16.6 | 1.41 | 15.7 | 11.8 | 0.39 | 27.7 | 2.4 |
| 2018 | 25.4 | 17.8 | 1.62 | 15.7 | 11.0 | 0.33 | 20.4 | 1.9 |
| AVERAGE | | 14.9 | | 17.1 | 12.0 | | 28.1 | |
| CURRENT/TTM | | | 1.63 | | | 0.46 | 28.2 | |
| AVERAGE PRICE EARNINGS RATIO: 14.5 | | | | CURRENT PRICE EARNINGS RATIO: 14.5 | | | | |

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 17.0 X Estimate High Earnings/Share 2.07 = Forecasted High Price \$ 35.1

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 12.0 X Estimate Low Earnings/Share 1.63 = Forecasted Low Price \$ 19.6

(b) Avg. Low Price of Last 5 Years 14.9

(c) Recent Market Low Price 16.6

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.46}{2.75\%} = 16.8$

Selected Forecasted Low Price \$ 19.6

C ZONING using 25%-50%-25%

Forecasted High Price 35.1 Minus Forecasted Low Price 19.6 = 15.5 Range. 25% of Range 3.9

Buy Zone 19.6 to 23.5

Hold Zone 23.5 to 31.3

Sell Zone 31.3 to 35.1

Present Market Price of 23.60 is in the **HOLD** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{35.1 - 23.60}{23.60 - 19.6} = \frac{11.55}{4.00} = 2.9$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{35.1 - 23.60}{23.60} = 1.4894 \times 100 = 148.94 - 100 = 48.9\%$ % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{0.33}{23.60} = 0.0195 = 1.9\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{28.1\%}{17.00} = 1.7\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{28.1\%}{14.50} = 1.9\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 8.3 %
Average Yield 1.7 %
Annualized Rate of Return 9.9 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 4.9 %
Average Yield 1.9 %
Annualized Rate of Return 6.8 %