GENTEX CORP. NDG-GNTX

GENTEX reported decent second-quarter results. Sales during the period rose 5% compared to the previous year, driven by a 6% increase in auto-dimming mirror shipments, to 9.8 million units. International demand was strong, which more than offset ongoing softness in North America. This was another stellar showing for the company, particularly given the fact that overall industry light-vehicle production in the Gentex's primary markets decreased 13% during the quarter. Margins narrowed slightly during the quarter, owing to annual customer price decreases, which were only partially offset by purchasing cost reductions. An unfavorable product mix also hurt the bottom line. All told, share earnings of $0.31 were only a penny higher than the previous-year tally.

We look for solid top- and bottom-line growth this year. Management narrowed its previous sales guidance for the year, to between $2.79 billion and $3.83 billion. As such, we think a favorable product mix toward higher-margin auto-dimming mirrors with advanced features should help to offset these concerns. Ongoing share repurchases, as well as purchasing cost reductions, should also help to boost the bottom line. All told, we look for share net to rise nearly 10% this year.

Shares of Gentex are ranked to track the broader market averages in the coming six to 12 months. Over the 3- to 5-year period, the stock, which has a solid dividend yield, offers wide appreciation potential at the current quotation. Iason Dalavagas September 15, 2017

Gentex manufactures automotive-rearview mirrors. Its Night Vision Safety products consist of automotive night vision systems, which can project information onto the windshield. The company also producesジー.com.

BUSINESS: Gentex Corporation manufactures automotive-rearview mirrors, its Night Vision Safety mirrors use sensors and electronic circuitry to detect glare from trailing approaches to lights at night, and darken accordingly to protect the driver’s vision. Sells to most of the major automakers (has 3 customers, but 80% of total sales to 4). Core businesses include automotive mirrors, which account for 80% of total sales. Other markets include fire safety, medical, and marine industries.

International sales represent 67% of 2016 sales. Also makes commercial fire protection products. Has approximately 5,315 employees and operates 24 plants in the United States and Canada and 2 in South Korea. Also recently purchased 1,820,000 shares of its common stock at $77-$80 a share. 2017

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