

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(MARK ONE)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2000, OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NO. 0-10235

GENTEX CORPORATION

(Exact name of registrant as specified in its charter)

MICHIGAN

(State or other jurisdiction of incorporation or organization)

38-2030505

(I.R.S. Employer Identification No.)

600 N. CENTENNIAL, ZEELAND, MICHIGAN
(Address of principal executive offices)

49464
(Zip Code)

(616) 772-1800

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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APPLICABLE ONLY TO CORPORATE USERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class -----	Shares Outstanding at April 18, 2000 -----
Common Stock, \$0.06 Par Value	73,831,898

Exhibit Index located at page 10

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

GENTEX CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

AT MARCH 31, 2000 AND DECEMBER 31, 1999

	ASSETS	

	March 31, 2000	December 31, 1999
	-----	-----
CURRENT ASSETS		
Cash and cash equivalents	\$86,774,377	\$69,227,972
Short term investments	24,097,109	25,505,657
Accounts receivable, net	39,960,129	30,633,501
Inventories	10,390,888	9,975,178
Prepaid expenses and other	1,943,559	2,873,276
	-----	-----
Total current assets	163,166,062	138,215,584
PLANT AND EQUIPMENT - NET	76,709,555	71,338,053
OTHER ASSETS		
Long-term investments	132,750,634	125,816,629
Patents and other assets, net	2,197,351	2,302,504
	-----	-----
Total other assets	134,947,985	128,119,133
	-----	-----
Total assets	\$374,823,602	\$337,672,770
	=====	=====
LIABILITIES AND SHAREHOLDERS' INVESTMENT		

CURRENT LIABILITIES		
Accounts payable	\$9,924,200	\$8,288,327
Accrued liabilities	17,272,144	8,181,884
	-----	-----
Total current liabilities	27,196,344	16,470,211
DEFERRED INCOME TAXES	4,834,558	4,151,143
SHAREHOLDERS' INVESTMENT		
Common stock	4,428,887	4,404,739
Additional paid-in capital	86,056,026	79,670,301
Other shareholders' equity	252,307,787	232,976,376
	-----	-----
Total shareholders' investment	342,792,700	317,051,416
	-----	-----
Total liabilities and shareholders' investment	\$374,823,602	\$337,672,770
	=====	=====

See accompanying notes to condensed consolidated financial statements.

GENTEX CORPORATION AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 FOR THE THREE MONTHS ENDED MARCH 31, 2000 AND 1999

	2000	1999
	-----	-----
NET SALES	\$73,876,538	\$65,618,190
COST OF GOODS SOLD	41,369,621	36,624,710
	-----	-----
Gross profit	32,506,917	28,993,480
OPERATING EXPENSES:		
Research and development	3,873,935	3,291,327
Selling, general & administrative	4,139,139	3,414,208
	-----	-----
Total operating expenses	8,013,074	6,705,535
	-----	-----
Income from operations	24,493,843	22,287,945
OTHER INCOME		
Interest and dividend income	2,676,282	1,644,479
Other, net	278,909	824,260
	-----	-----
Total other income	2,955,191	2,468,739
	-----	-----
Income before provision for federal income taxes	27,449,034	24,756,684
PROVISION FOR FEDERAL INCOME TAXES	8,899,000	8,047,000
	-----	-----
NET INCOME	\$18,550,034	\$16,709,684
	=====	=====
Earnings Per Share		
Basic	\$0.25	\$0.23
Diluted	\$0.25	\$0.22
Weighted Average Shares:		
Basic	73,521,804	72,412,314
Diluted	75,617,308	74,688,492

See accompanying notes to condensed consolidated financial statements.

GENTEX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 3 MONTHS ENDED MARCH 31, 2000 AND 1999

	2000	1999
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$18,550,034	\$16,709,684
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization	2,722,208	2,291,241
(Gain) Loss on disposal of equipment	(3,142)	0
Deferred income taxes	(36,213)	(3,613)
Amortization of deferred compensation	183,090	165,581
Change in assets and liabilities:		
Accounts receivable, net	(9,326,628)	(1,605,603)
Inventories	(415,710)	(592,445)
Prepaid expenses and other	1,070,609	(61,712)
Accounts payable	1,635,873	3,024,173
Accrued liabilities	9,090,260	7,484,924
	-----	-----
Net cash provided by operating activities	23,470,381	27,412,230
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) Decrease in short-term investments	1,408,548	(1,088,125)
Plant and equipment additions	(8,069,857)	(2,674,055)
Proceeds from sale of plant and equipment	3,700	0
(Increase) Decrease in long-term investments	(5,280,473)	1,101,599
(Increase) Decrease in other assets	55,733	(180,312)
	-----	-----
Net cash used for investing activities	(11,882,349)	(2,840,893)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common stock and tax benefit of stock plan transactions	5,958,373	4,303,196
	-----	-----
Net cash provided by financing activities	5,958,373	4,303,196
	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,546,405	28,874,533
CASH AND CASH EQUIVALENTS, beginning of period	69,227,972	50,027,747
	-----	-----
CASH AND CASH EQUIVALENTS, end of period	\$86,774,377	\$78,902,280
	=====	=====

GENTEX CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- (1) The condensed consolidated financial statements included herein have been prepared by the Registrant, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Registrant believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Registrant's 1999 annual report on Form 10-K.
- (2) In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only a normal and recurring nature, necessary to present fairly the financial position of the Registrant as of March 31, 2000, and December 31, 1999, and the results of operations and cash flows for the interim periods presented.
- (3) Inventories consisted of the following at the respective quarter ends:

	March 31, 2000 -----	December 31, 1999 -----
Raw materials	\$ 4,998,735	\$4,910,081
Work-in-process	1,299,680	1,194,632
Finished goods	4,092,473	3,870,465
	-----	-----
	\$ 10,390,888	\$9,975,178
	=====	=====

- (4) Comprehensive income reflects the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. For Gentex, comprehensive income represents net income adjusted for items such as unrealized gains and losses on certain investments and foreign currency translation adjustments. Comprehensive income was as follows:

	March 31, 2000 -----	March 31, 1999 -----
Quarter Ended	\$ 19,599,821	\$ 15,668,361

- (5) The increase in common stock and additional paid-in capital during the quarter ended March 31, 2000, is attributable to the issuance of 419,582 shares of the Company's common stock under its stock-based compensation plans.
- (6) The Company currently manufactures electro-optic products, including automatic-dimming rearview mirrors for the automotive industry and fire protection products for the commercial building industry:

	Quarter Ended March 31, -----	
Revenue:	2000 ----	1999 ----
Automotive Products	\$68,761,212	\$60,629,567
Fire Protection Products	5,115,326	4,988,623
	-----	-----

Total	\$73,876,538 =====	\$65,618,190 =====
Operating Income:		
Automotive Products	\$23,633,033	\$21,490,887
Fire Protection Products	860,810 -----	797,058 -----
Total	\$24,493,843 =====	\$22,287,945 =====

GENTEX CORPORATION AND SUBSIDIARIES

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS:

FIRST QUARTER 2000 VERSUS FIRST QUARTER 1999

Net Sales. Net sales for the first quarter of 2000 increased by approximately \$8,258,000, or 13%, when compared with the first quarter last year. Net sales of the Company's automotive mirrors increased by 13% as automatic mirror unit shipments increased by 16% from approximately 1,490,000 in the first quarter of 1999 to 1,733,000 in the current quarter. This increase reflected increased penetration on 2000 model year vehicles for interior and exterior electrochromic Night Vision Safety(TM) (NVS(R)) Mirrors. Shipments to customers in North America increased by 6%, primarily due to increased interior mirror shipments, partially offset by exterior mirror package changes on certain General Motors sport/utility vehicles. Mirror unit shipments to automotive customers outside North America increased by 45% compared with the first quarter in 1999, primarily due to increased interior and exterior mirror sub-assembly shipments to European automakers. Net sales of the Company's fire protection products increased 3% for the quarter compared to the same period in the prior year.

Cost of Goods Sold. As a percentage of net sales, cost of goods sold remained at 56% in the first quarter of 1999 and 2000. This unchanged percentage primarily reflected automotive customer price reductions offset by improved glass yields, increased employee productivity, and increased sales volume spread over fixed overhead expenses.

Operating Expenses. Research and development expenses increased approximately \$583,000, but remained at 5% of net sales, when compared with the same quarter last year, primarily reflecting additional staffing for new product development, including mirrors with additional electronic features. Selling, general and administrative expenses increased approximately \$725,000, and increased from 5% to 6% of net sales, when compared with the first quarter of 1999. This increased expense primarily reflected the start-up and expansion of the Company's overseas sales and engineering offices.

Other Income - Net. Other income increased by approximately \$486,000 when compared with the first quarter of 1999, primarily due to higher interest rates and investable fund balances, partially offset by lower realized gains on the sale of equity investments.

FINANCIAL CONDITION:

Management considers the Company's working capital and long-term investments totaling approximately \$268,720,000 at March 31, 2000, together with internally generated cash flow and an unsecured \$5,000,000 line of credit from a bank, to be sufficient to cover anticipated cash needs for the foreseeable future.

TRENDS AND DEVELOPMENTS:

The Company is subject to market risk exposures of varying correlations and volatilities, including foreign exchange rate risk, interest rate risk and equity price risk.

The Company has some assets, liabilities and operations outside the United States, which currently are not significant. Because the Company sells its automotive mirrors throughout the world, it could be significantly affected by weak economic conditions in foreign markets that could reduce demand for its products.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION - CONTINUED

RESULTS OF OPERATIONS - CONTINUED:

TRENDS AND DEVELOPMENTS - CONTINUED:

In addition to price reductions over the life of its long-term agreements, the Company continues to experience pricing pressures from its automotive customers, which have affected, and which will continue to affect, its margins to the extent that the Company is unable to offset the price reductions with productivity improvements, engineering and purchasing cost reductions, and increases in unit sales volume. In addition, the Company continues to experience some pressure for select raw material cost increases.

The Company currently supplies NVS(R) Mirrors to DaimlerChrysler AG and General Motors Corporation under long-term agreements. The long-term supply agreement with DaimlerChrysler AG runs through the 2003 Model Year, while the GM contract runs through the 2002 Model Year for inside mirrors.

YEAR 2000 READINESS DISCLOSURE:

The Company has not experienced any significant problems with its computer systems' compliance with the year 2000, nor have any customer shipments been adversely impacted. In addition, the Company does not consider there to be any significant continuing exposure to year 2000 issues.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information called for by this item is provided under the caption "Trends and Developments" under Item 2 - Management's Discussion and Analysis of Results of Operations and Financial Condition.

Statements in this Quarterly Report on Form 10-Q which express "belief", "anticipation" or "expectation" as well as other statements which are not historical fact, are forward-looking statements and involve risks and uncertainties described under the headings "Management's Discussion and Analysis of Results of Operations and Financial Condition," "Trends and Developments" and "Year 2000 Readiness Disclosure" that could cause actual results to differ materially from those projected. All forward-looking statements in this Report are based on information available to the Company on the date hereof, and the Company assumes no obligation to update any such forward-looking statements.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

- (a) See Exhibit Index on Page 10.
- (b) No reports on Form 8-K were filed during the three months ended March 31, 2000.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GENTEX CORPORATION

Date: 05/03/00

/s/ Fred T. Bauer

Fred T. Bauer
Chairman and Chief
Executive Officer

Date: 05/03/00

/s/ Enoch C. Jen

Enoch C. Jen
Vice President - Finance,
Principal Financial and
Accounting Officer

EXHIBIT INDEX

EXHIBIT NO. -----	DESCRIPTION -----	PAGE ----
3(a)(1)	Registrant's Articles of Incorporation were filed in 1981 as Exhibit 2(a) to a Registration Statement on Form S-18 (Registration No. 2-74226C), an Amendment to those Articles was filed as Exhibit 3 to Registrant's Report on Form 10-Q in August of 1985, an additional Amendment to those Articles was filed as Exhibit 3(a)(i) to Registrant's Report on Form 10-Q in August of 1987, an additional Amendment to those Articles was filed as Exhibit 3(a)(2) to Registrant's Report on Form 10-K dated March 10, 1992, an Amendment to Articles of Incorporation, adopted on May 9, 1996, was filed as Exhibit 3(a)(2) to Registrant's Report on Form 10-Q dated July 31, 1996, and an Amendment to Articles of Incorporation, adopted on May 21, 1998, was filed as Exhibit 3(a)(2) to Registrant's Report on Form 10-Q dated July 30, 1998, all of which are hereby incorporated herein by reference.	
3(b)(1)	Registrant's Bylaws as amended and restated August 18, 1995, were filed as Exhibit 3(b) to Registrant's Report on Form 10-Q dated November 1, 1995, and the same is incorporated herein by reference.	
3(b)(2)	First Amendment to Bylaws, adopted on August 25, 1997, was filed as Exhibit 3(c) to Registrant's Report on Form 10-Q dated October 31, 1997, and the same is hereby incorporated herein by reference.	
4(a)	A specimen form of certificate for the Registrant's common stock, par value \$.06 per share, was filed as part of a Registration Statement on Form S-18 (Registration No. 2-74226C) as Exhibit 3(a), as amended by Amendment No. 3 to such Registration Statement, and the same is hereby incorporated herein by reference.	
4(b)	Shareholder Protection Rights Agreement, dated as of August 26, 1991, including as Exhibit A the form of Certificate of Adoption of Resolution Establishing Series of Shares of Junior Participating Preferred Stock of the Company, and as Exhibit B the form of Rights Certificate and of Election to Exercise, was filed as Exhibit 4(b) to Registrant's Report on Form 8-K on August 20, 1991, and the same is hereby incorporated herein by reference.	
4(b)(1)	First Amendment to Shareholder Protection Rights Agreement, effective April 1, 1994, was filed as Exhibit 4(b)(1) to Registrant's Report on Form 10-Q on April 29, 1994, and the same is hereby incorporated herein by reference.	
4(b)(2)	Second Amendment to Shareholder Protection Rights Agreement, effective November 8, 1996, was filed as Exhibit 4(b)(2) to Registrant's Report on Form 10-K, dated March 7, 1997, and the same is hereby incorporated herein by reference.	
4(b)(3)	Third Amendment to Shareholder Protection Rights Agreement, effective March 12, 1999, was filed as Exhibit 4(b)(3) to Registrant's Report on Form 10-Q on April 30, 1999, and the same is hereby incorporated herein by reference.	
10(a)(1)	A Lease dated August 15, 1981, was filed as part of a Registration Statement (Registration Number 2-74226C) as Exhibit 9(a)(1), and the same is hereby incorporated herein by reference.	

EXHIBIT NO. -----	DESCRIPTION -----	PAGE ----
10(a)(2)	A First Amendment to Lease dated June 28, 1985, was filed as Exhibit 10(m) to Registrant's Report on Form 10-K dated March 18, 1986, and the same is hereby incorporated herein by reference.	
*10(b)(1)	Gentex Corporation Qualified Stock Option Plan (as amended and restated, effective August 25, 1997) was filed as Exhibit 10(b)(1) to Registrant's Report on Form 10-Q, and the same is hereby incorporated herein by reference.	
*10(b)(2)	Gentex Corporation 1987 Incentive Stock Option Plan (as amended through May 24, 1989) was filed as Exhibit 10(g)(3) to Registrant's Report on Form 10-K dated March 1, 1990, and the same is hereby incorporated herein by reference.	
*10(b)(3)	Gentex Corporation Restricted Stock Plan was filed as Exhibit 10(b)(3) to Registrant's Report on Form 10-K dated March 10, 1992, and the same is hereby incorporated herein by reference.	
*10(b)(4)	Gentex Corporation Non-Employee Director Stock Option Plan (as amended and restated, effective March 7, 1997), was filed as Exhibit 10(b)(4) to Registrant's Report on Form 10-K dated March 7, 1997, and the same is incorporated herein by reference.	
10(e)	The form of Indemnity Agreement between Registrant and each of the Registrant's directors was filed as a part of a Registration Statement on Form S-2 (Registration No. 33-30353) as Exhibit 10(k) and the same is hereby incorporated herein by reference.	
27	Financial Data Schedule	

*Indicates a compensatory plan or arrangement.

3-MOS

DEC-31-2000

MAR-31-2000

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24,097,109

39,960,129

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10,390,888

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