



MORNINGSTAR BEHIND THE MOAT CONFERENCE

NOVEMBER 6, 2019

GENTEX
CORPORATION

KEVIN NASH –
CFO, VP OF FINANCE, AND TREASURER

JOSH O'BERSKI –
DIRECTOR OF INVESTOR RELATIONS

SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The statements contained in this communication that are not purely historical are forward-looking statements. Forward-looking statements give the Company's current expectations or forecasts of future events. These forward-looking statements generally can be identified by the use of words such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "goal," "hope," "may," "plan," "project," "will," and variations of such words and similar expressions. Such statements are subject to risks and uncertainties that are often difficult to predict and beyond the Company's control, and could cause the Company's results to differ materially from those described.

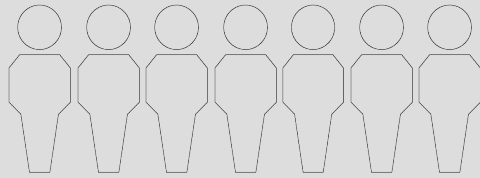
These risks and uncertainties include, without limitation: changes in general industry or regional market conditions; changes in consumer and customer preferences for our products (such as cameras replacing mirrors and/or autonomous driving); our ability to be awarded new business; continued uncertainty in pricing negotiations with customers; loss of business from increased competition; changes in strategic relationships; customer bankruptcies or divestiture of customer brands; fluctuation in vehicle production schedules; changes in product mix; raw material shortages; higher raw material, fuel, energy and other costs; unfavorable fluctuations in currencies or interest rates in the regions in which we operate; costs or difficulties related to the integration and/or ability to maximize the value of any new or acquired technologies and businesses; changes in regulatory conditions; warranty and recall claims and other litigation and customer reactions thereto; possible adverse results of pending or future litigation or infringement claims; changes in tax laws; import and export duty and tariff rates in or with the countries with which we conduct business; and negative impact of any governmental investigations and associated litigations including securities litigations relating to the conduct of our business. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made.

The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law or the rules of the NASDAQ Global Select Market. Accordingly, any forward-looking statement should be read in conjunction with the additional information about risks and uncertainties identified under the heading "Risk Factors" in the Company's latest Form 10-K and Form 10-Q filed with the SEC. Includes content supplied by IHS Markit Light Vehicle Production Forecast (October 16, 2019) (www.gentex.com/forecast-disclaimer).

COMPANY SNAPSHOT



Sales and Support Offices:
United States, Germany, France, United Kingdom,
Sweden, Korea, Japan, and China



Employee Count:
5,700+

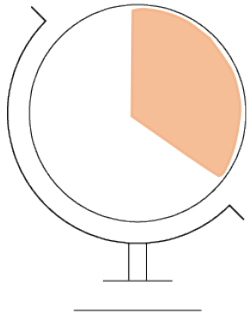
Shipping to:
30+ OEMs



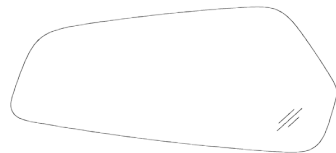
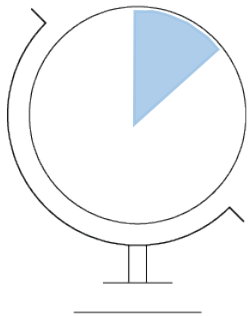
Available on:
500+ Nameplates



2018 PRODUCT PERFORMANCE



31.3% (Global Penetration)
Interior Auto-Dimming Mirrors (IEC)



12.6% (Global Penetration)
Outside Auto-Dimming Mirrors (OEC)

AUTO-DIMMING MIRROR SHIPMENTS

(thousands)

29,651 IECs (+5%)

28,332 in 2017

+

11,954 OECs (+9%)

11,010 in 2017

=

41,605 TOTAL MIRRORS (+6%)

39,343 in 2017

2018 PERFORMANCE

\$1.834B

Revenue

16.1%

Annual Tax Rate

37.6%

Gross Margin Performance

\$86M

Capital Expenditures

\$182M

Operating Expenses
(E, R&D and S, G&A)

\$102M

Depreciation &
Amortization

6%

Unit Shipment Growth

8%

Net Income Growth

2%

Revenue Growth

15%

Diluted EPS Growth



2018 RETURN TO SHAREHOLDERS

\$0.44

Dividend Per Share

\$116.6M

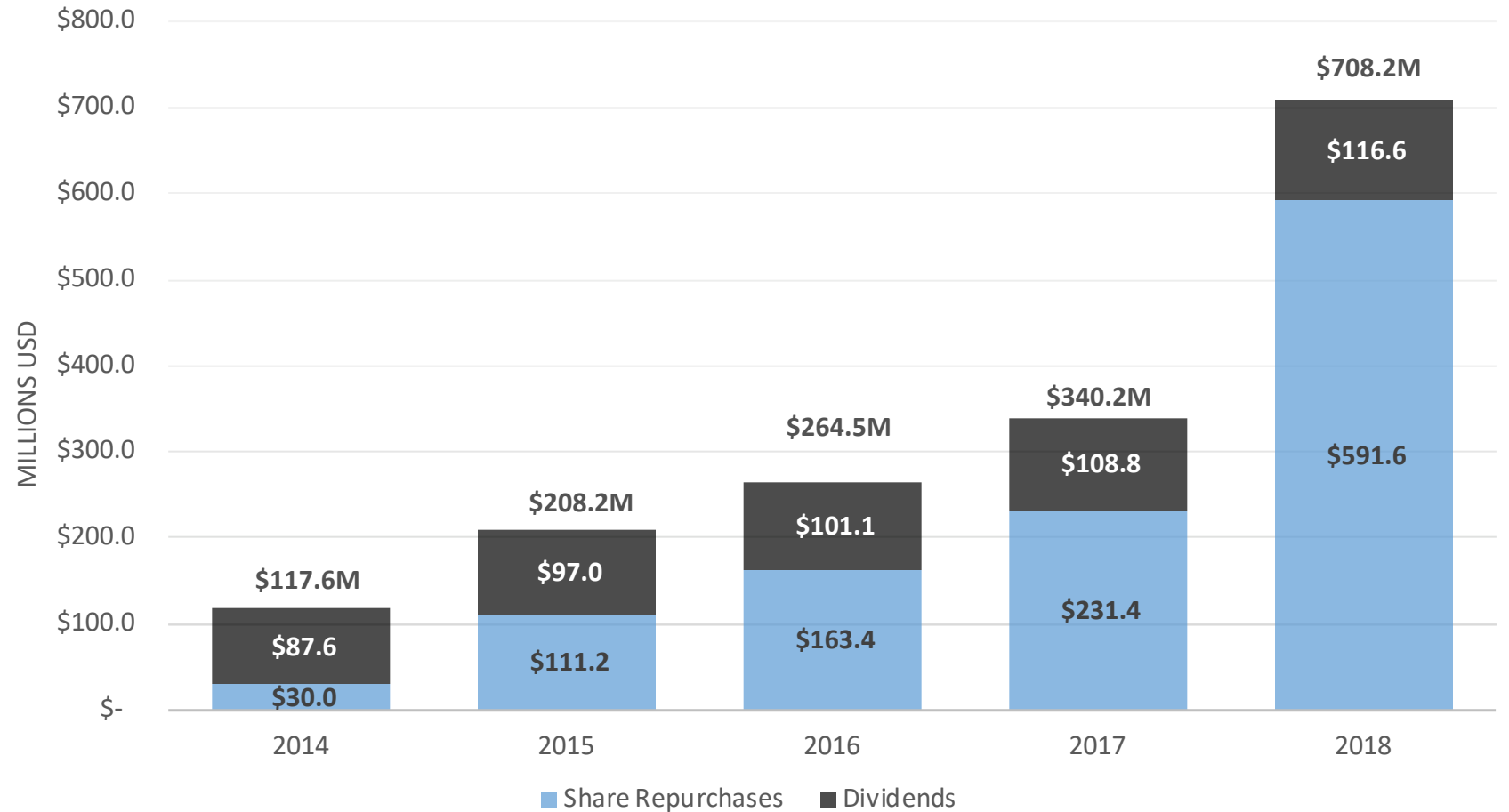
Dividends Paid

26.4M

Shares Repurchased

\$591.6M

Share Repurchases



2019 GUIDANCE

Updated October 18, 2019

\$1.84 – 1.87B
Revenue

16 – 16.5%
Annual Tax Rate

36.6 – 37%
Gross Margin

\$90 – 100M
Capital Expenditures

\$198 – 200M
Operating Expenses
(E, R&D and S, G&A)

\$104 - 107M
Depreciation & Amortization

2020 GUIDANCE

3-8% Revenue
Growth above 2019



CAPITAL ALLOCATION STRATEGY

- Announced March 8, 2019
 - Dividend Increase +5% - \$.46 per year
 - New Share Authorization - 25M additional shares
- Utilizing Free Cash Flow
 - Capital Expenditures
 - Dividends
 - Repurchases
 - M&A

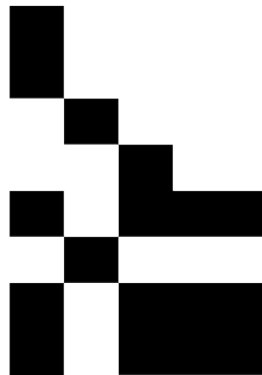


FUTURE DIRECTION



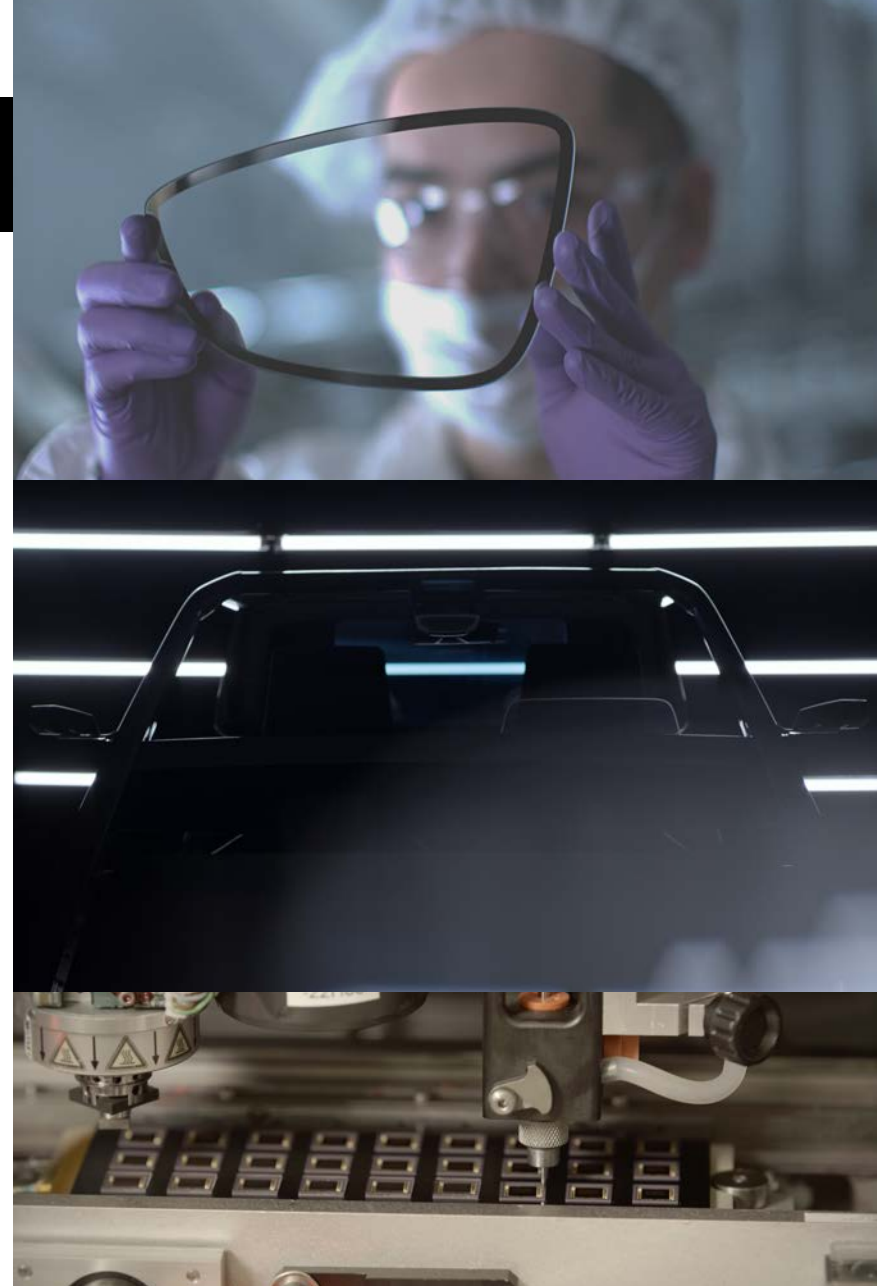
CORE COMPETENCIES

- Electronics & Microelectronics
- Vision Systems, Cameras, & Optics
- Software Design
- Chemistry & Coatings
- Automated Assembly
- Glass Processing



COMPETITIVE ADVANTAGES

- Distinct Products and Locations
- Superior Quality
- Strong Intellectual Property
- Dominant Market Share
- Unique Fusion of Technologies



MARKET PERCEPTION: THE BEAR CASE

CAMERAS REPLACE MIRRORS



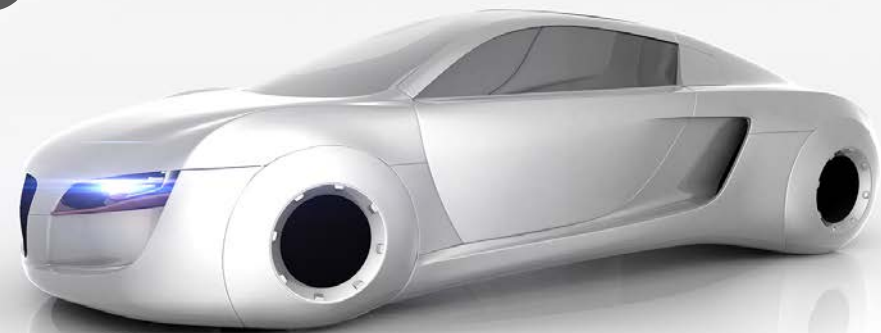
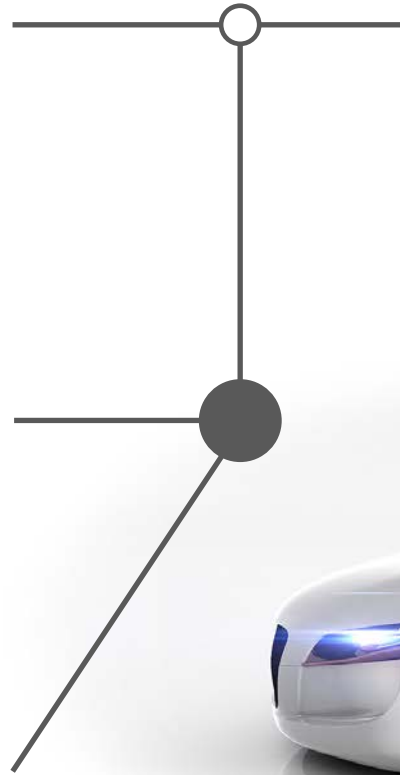
RIDE SHARING AND LOWER VEHICLE PRODUCTION STALL GROWTH



APPS REPLACE HOMELINK



AUTONOMOUS VEHICLES REMOVE MIRRORS

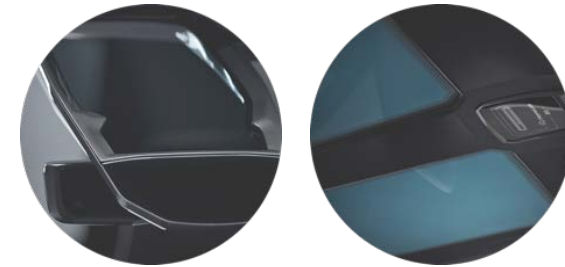


OUR TECHNOLOGY STRATEGY

VISION SYSTEMS



DIMMABLE DEVICES

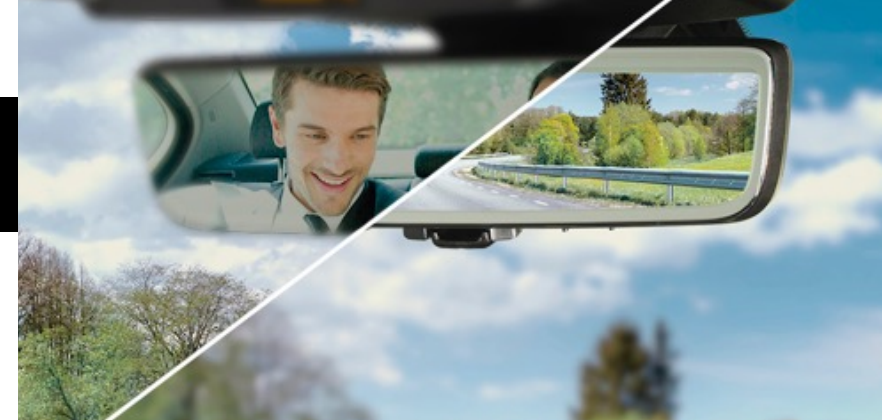


CONNECTIVITY



VISION SYSTEMS

- Strategy
 - Continue our long tradition of mirror growth in emerging markets while benefiting from digital content opportunities in developed regions
- Core Competencies / Competitive Advantages
 - Leverages all core competencies and competitive advantages
- Execution
 - Auto Dimming Mirrors - IEC and OEC
 - Camera Systems - SmartBeam
 - Combination of Cameras and Displays
 - Rear Camera Display (RCD)
 - Full Display Mirror (FDM)
 - Camera Monitoring Systems (CMS)



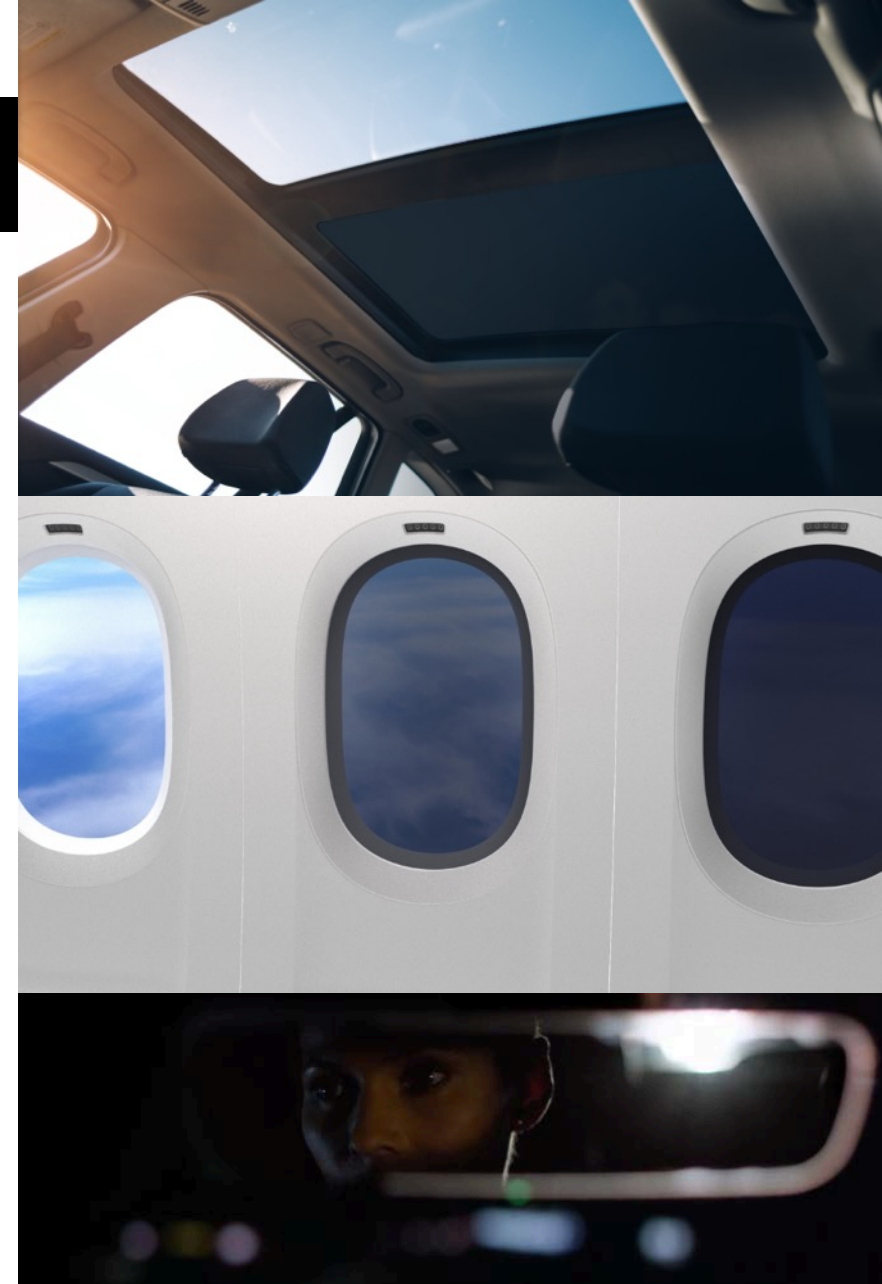
CONNECTIVITY

- Strategy
 - Combine existing HomeLink RF technology with cloud-based functionality and transactional capability to provide car-to-home and car-to-infrastructure solutions.
- Core Competencies / Competitive Advantages
 - Electronics & Microelectronics
 - Software Design
 - Strong IP
 - Unique fusion of technologies
- Execution
 - HomeLink
 - HomeLink Connect
 - Integrated Toll Module
 - Biometrics



DIMMABLE DEVICES

- Strategy
 - Leverage our market-leading position in dimming technology to accelerate growth in aerospace, automotive, and new markets.
- Core Competencies / Competitive Advantages
 - Chemistry & Coatings
 - Glass Processing
 - Distinct Products and Location
 - Superior Quality
 - Strong IP
 - Unique Fusion of Technologies
- Execution
 - 787 and 777x Aerospace Windows
 - Auto-dimming Mirrors
 - Large Area Dimmable Devices for Automotive





THANK YOU

FOR MORE INFORMATION VISIT [GENTEXTECH.COM](https://www.gentex.com)



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