

**GENTEX**  
CORPORATION

# RESILIENCE BY DESIGN



**ANNUAL SHAREHOLDER MEETING - 2022**

May 19, 2022

# 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," "future," "goal," "guidance," "hope," "intend," "may," "opinion," "optimistic," "plan," "poised," "predict," "project," "should," "strategy," "target," "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 (including the impact of customer employee strikes); changes in product mix; raw material and other supply shortages; supply chain constraints and disruptions; our dependence on information systems; 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; negative impact of any governmental investigations and associated litigation including securities litigation relating to the conduct of our business; the length and severity of the COVID-19 (coronavirus) pandemic, including its impact across our business on demand, operations, and the global supply chain, and the Occupational Safety and Health Administration's (OSHA) Emergency Temporary Standard (ETS) (vaccine mandate) that would require employees to be either vaccinated or tested weekly if the employee is unvaccinated. 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, which risks and uncertainties now include the impacts of COVID-19 (coronavirus) pandemic and supply chain constraints that have affected, and will continue to affect, general economic and industry conditions, customers, suppliers, and the regulatory environment in which the Company operates.

Includes content supplied by IHS Markit Light Vehicle Production Forecast of April 19, 2022 ([gentex.com/forecast-disclaimer](https://www.gentex.com/forecast-disclaimer)).



## 2021 PERFORMANCE

**\$1.73B**  
Revenue

**35.8%**  
Gross Margin Performance

**\$209.9M**  
Operating Expenses  
(E, R&D and S, G&A)

**13.3%**  
Annual Tax Rate

**\$75.1M**  
Capital Expenditures

**\$99.1M**  
Depreciation &  
Amortization

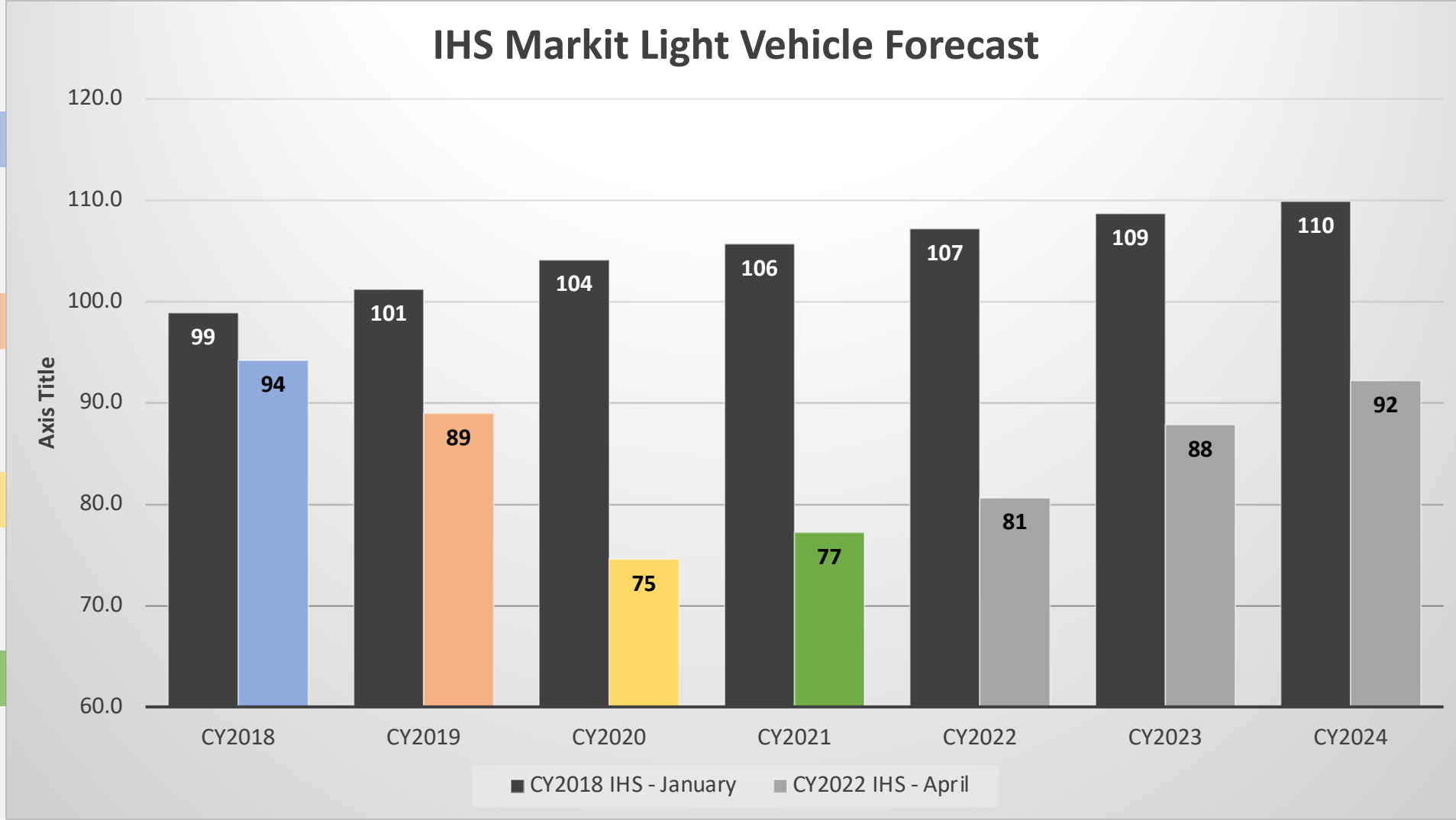
# WHAT HAPPENED TO THE AUTO MARKET

**2018**  
WLTP

**2019**  
UAW Strike

**2020**  
COVID-19

**2021**  
Component Shortages



# 2022 GUIDANCE

Updated April 22, 2022

\$1.87 – 2.02B  
Revenue

15 – 17%  
Annual Tax Rate

35 – 36%  
Gross Margin

\$150 – 175M  
Capital Expenditures

\$230 – 240M  
Operating Expenses  
(E, R&D and S, G&A)

\$100 - 110M  
Depreciation  
& Amortization

# 2023 GUIDANCE

Updated April 22, 2022

15-20% Revenue  
Growth above 2022



# CAPITAL ALLOCATION STRATEGY

- Utilizing Free Cash Flow
  - Capital Expenditures
  - Dividends
    - Dividend of \$.48 per year
  - Repurchases
    - Additional 25M share authorization (Aug 2021)
  - M&A



# RETURN TO SHAREHOLDERS

**2021**

**\$0.48**

Dividend Per Share

**\$115.3M**

Dividends Paid

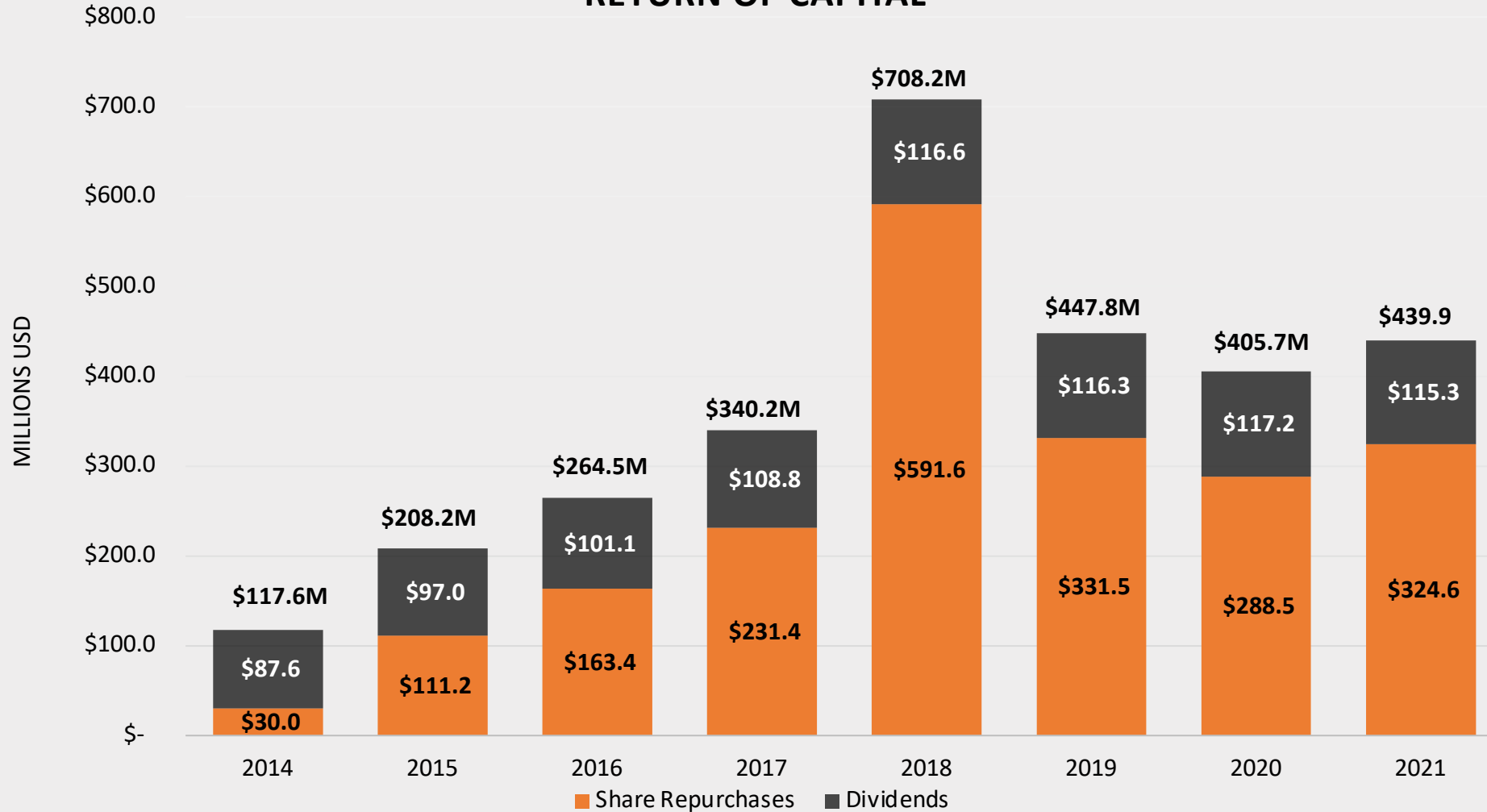
**9.6M**

Shares Repurchased

**\$324.6M**

Share Repurchases

## RETURN OF CAPITAL



# ACQUISITIONS/PARTNERSHIPS

- Targets
  - Aligns with or expands our core competencies
  - Unique/proprietary technology or capabilities
  - Extends current product portfolio and offerings
  - Creates opportunities in new verticals
- Recent Acquisitions/Partnerships
  - Mayo Clinic – Partnership – 2019
  - PayByCar – Partnership – 2020
  - RetiSpec – Partnership – 2020
  - Simplenight – Partnership – 2020
  - Vaporsens – Acquired – 2020
  - Argil – Acquired – 2020
  - Air-Craftglass – Acquired – 2020
  - Guardian – Acquired – 2021
  - eSight – Partnership – 2022



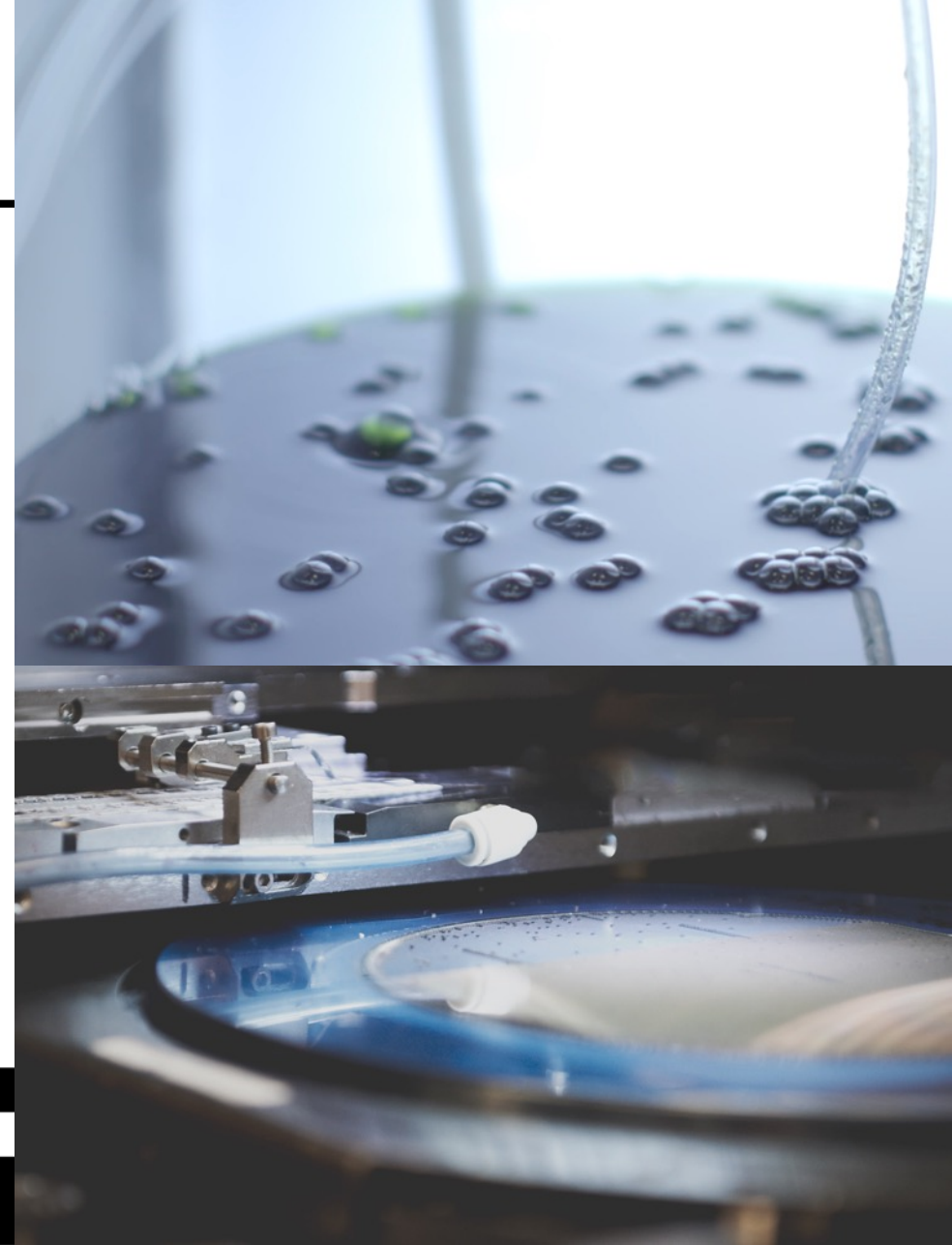


# PRODUCT VIDEO

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# CORE COMPETENCIES

- Existing Core Competencies
  - Electronics & Microelectronics
  - Vision Systems, Cameras, & Optics
  - Software Design
  - Chemistry & Coatings
  - Automated Assembly
  - Glass Processing
- Developing Core Competencies:
  - Driver Monitoring & Cabin Monitoring
  - Nano-sensing
  - Advanced Coatings & Films
  - Connected Functionality
  - Medical Technology



# COMPETITIVE ADVANTAGES

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



# OUR TECHNOLOGY PLATFORMS

## DIMMABLE DEVICES



## VISION SYSTEMS



## CONNECTIVITY

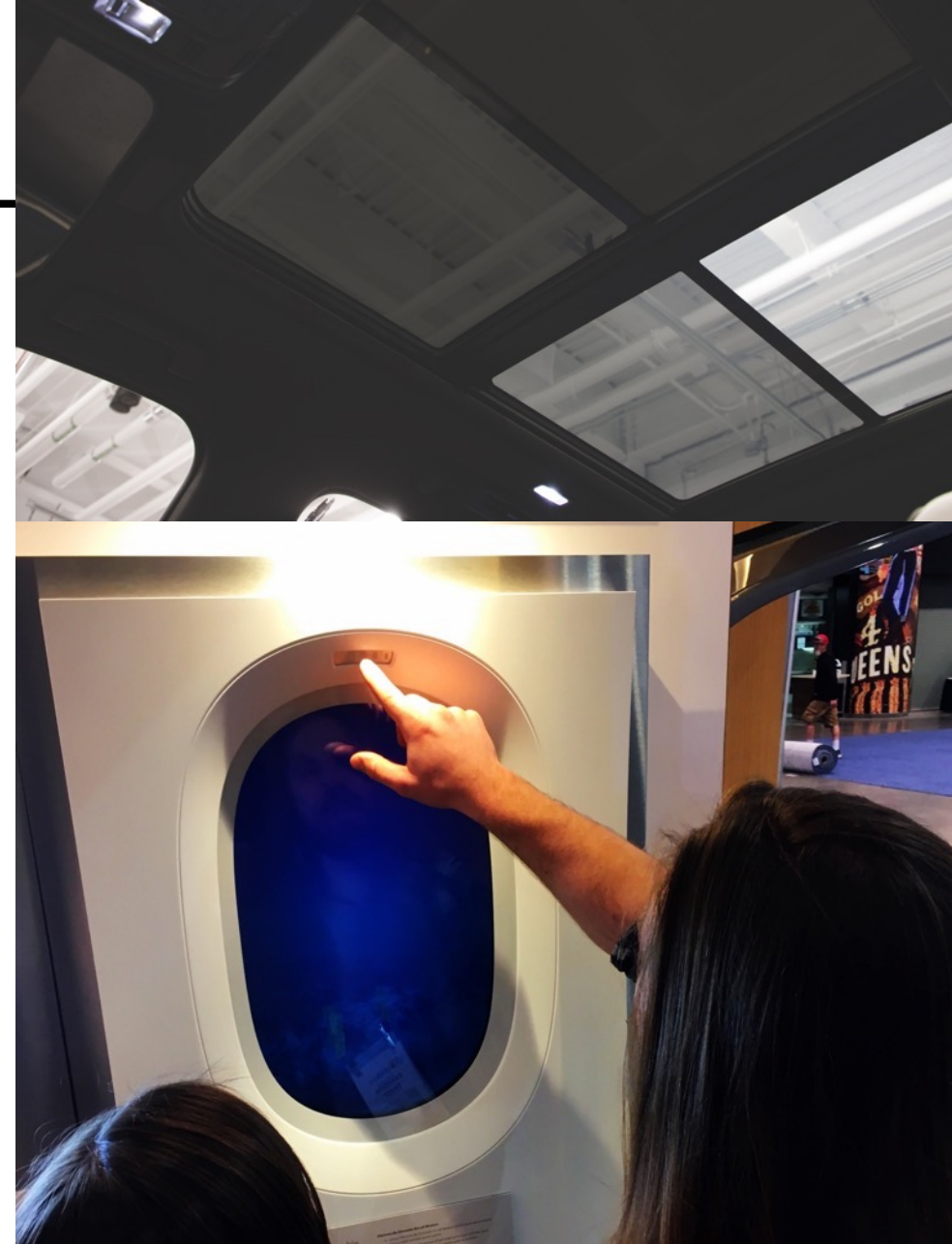


## SENSING



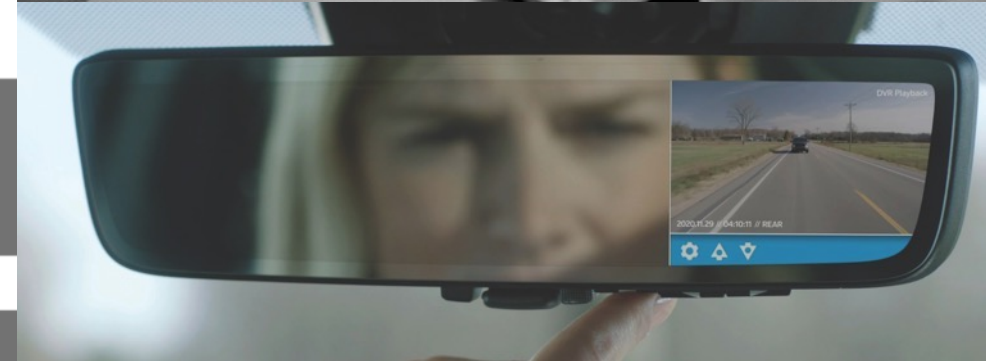
# DIMMABLE DEVICE PLATFORM

- Strategy
  - Leverage our market-leading position in dimming technology to accelerate growth in aerospace, auto, 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



# VISION SYSTEM PLATFORM

- Strategy
  - Continue our long tradition of mirror growth in emerging markets while growing digital content opportunities in developed regions
- Core Competencies / Competitive Advantages
  - Electronics & Microelectronics
  - Software Design
  - Chemistry & Coatings
  - Glass Processing
  - Distinct Products and Location
  - Unique Fusion of Technologies
- Execution
  - Auto Dimming Mirrors - IEC and OEC
  - Camera Systems and Custom CMOS Imagers
  - Combination of Cameras and Displays
    - Rear Camera Display (RCD)
    - Full Display Mirror (FDM)
    - Camera Monitoring Systems (CMS)



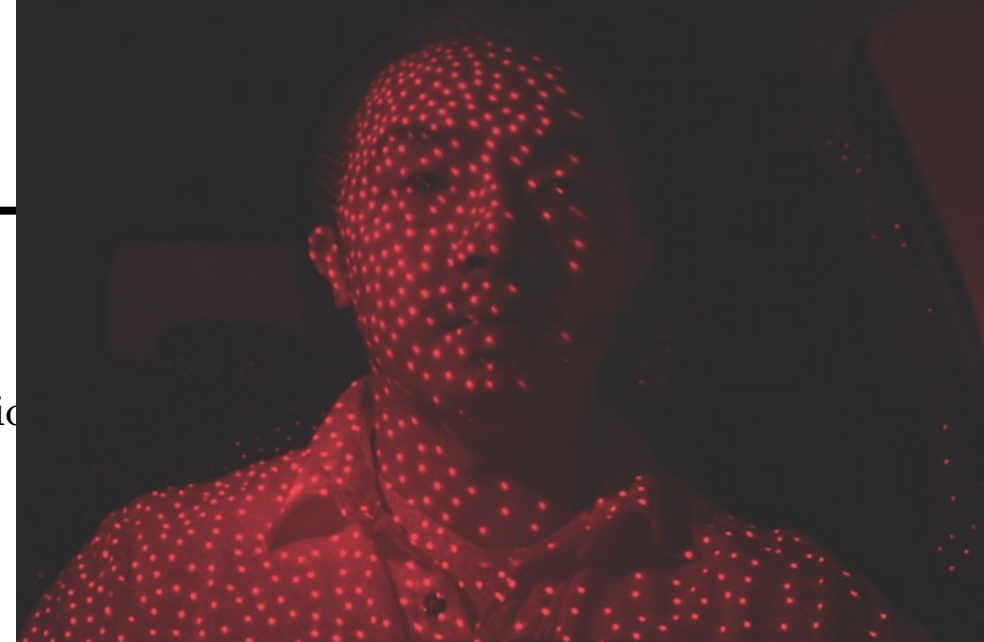
# CONNECTIVITY PLATFORM

- 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
  - Simplenight
  - PayByCar



# SENSING PLATFORM

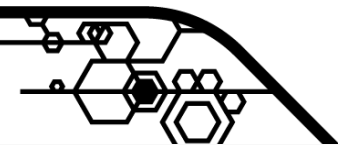
- Strategy
  - Expand our sensing technologies through development and acquisition to grow in new and existing markets
- Core Competencies / Competitive Advantages
  - Electronics & Microelectronics
  - Vision Systems, Cameras, & Optics
  - Software Design – Machine Learning and AI
  - Automated Assembly
  - Driver Monitoring & Cabin Monitoring
  - Nano-sensing
- Execution
  - Fire Protection
  - Iris Biometrics
  - Air quality monitoring
  - In-vehicle sensing systems
  - Medical vision systems





# ESG PERFORMANCE

- Updates
  - 2022 Sustainability Report
    - [\[Link\]](#)
  - Sustainability Page on Gentex website
    - [\[Link\]](#)
  - Carbon Reduction & Neutrality Goals
    - 5-Year (2026) – 15% below 2020 levels
    - 10-Year (2031) – 40% below 2020 levels
    - 20-Year (2041) – 70% below 2020 levels
    - **2049 – Carbon Neutral**
  - Landfill Mitigation Targets
    - 5-Year (2026) – 20% below 2020 levels
    - 10-Year (2031) – 60% below 2020 levels
    - 20-Year (2041) – 90% below 2020 levels
    - **2045 – 100% zero landfill waste**



**NEW VIDEO**

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# THANK YOU

- For more information, visit
  - [ir.Gentex.com](http://ir.Gentex.com)
  - [Gentex.com](http://Gentex.com)
  - [fulldisplaymirror.com](http://fulldisplaymirror.com)

