



# ANALYST AND INVESTOR DAY

AUGUST 21, 2019



**GENTEX**  
CORPORATION

EMAIL QUESTIONS TO [JOSH.OBERSKI@GENTEX.COM](mailto:JOSH.OBERSKI@GENTEX.COM)

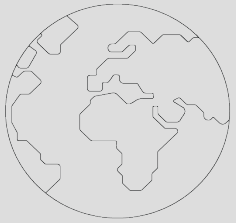
# SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

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.

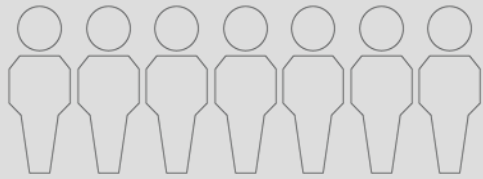
These risks and uncertainties include, without limitation: changes in general industry or regional market conditions; changes in consumer and customer preferences for our products (such as cameras replacing mirrors and/or autonomous driving); our ability to be awarded new business; continued uncertainty 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 (July 16, 2019) ([www.gentex.com/forecast-disclaimer](http://www.gentex.com/forecast-disclaimer)).

# COMPANY SNAPSHOT

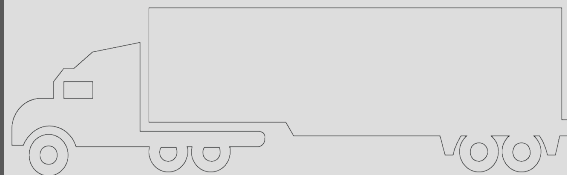


Sales and Support Offices:  
United States, Germany, France, United Kingdom,  
Sweden, Korea, Japan, and China

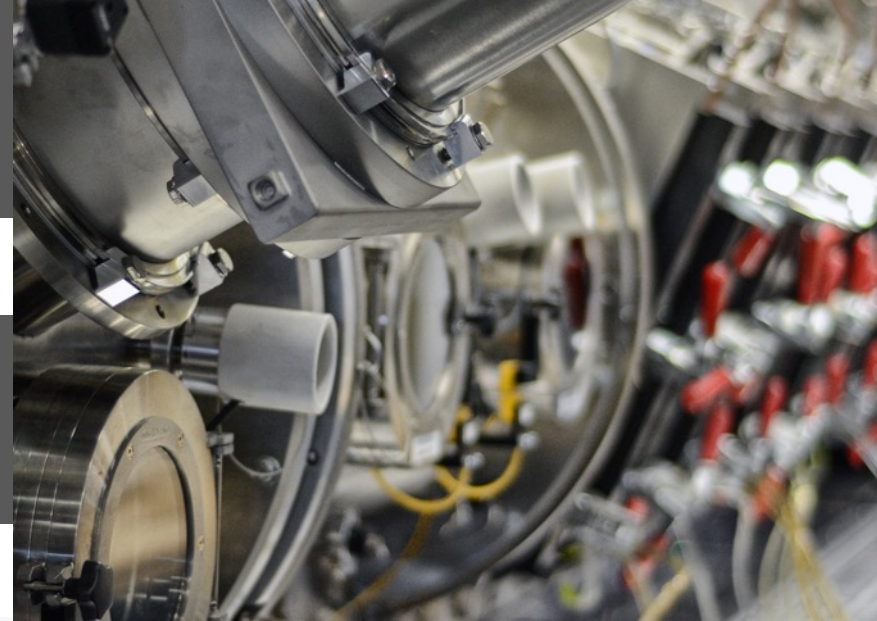


Employee Count:  
5,700+

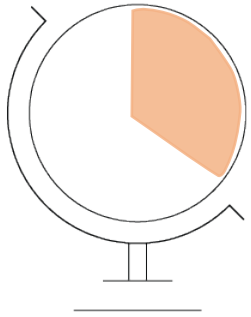
Shipping to:  
30+ OEMs



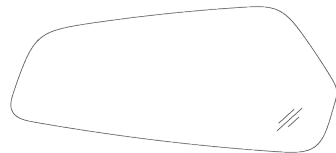
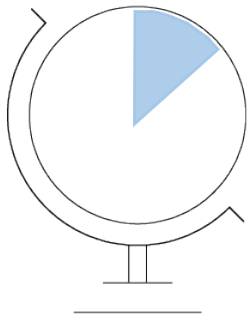
Available on:  
500+ Nameplates



# 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

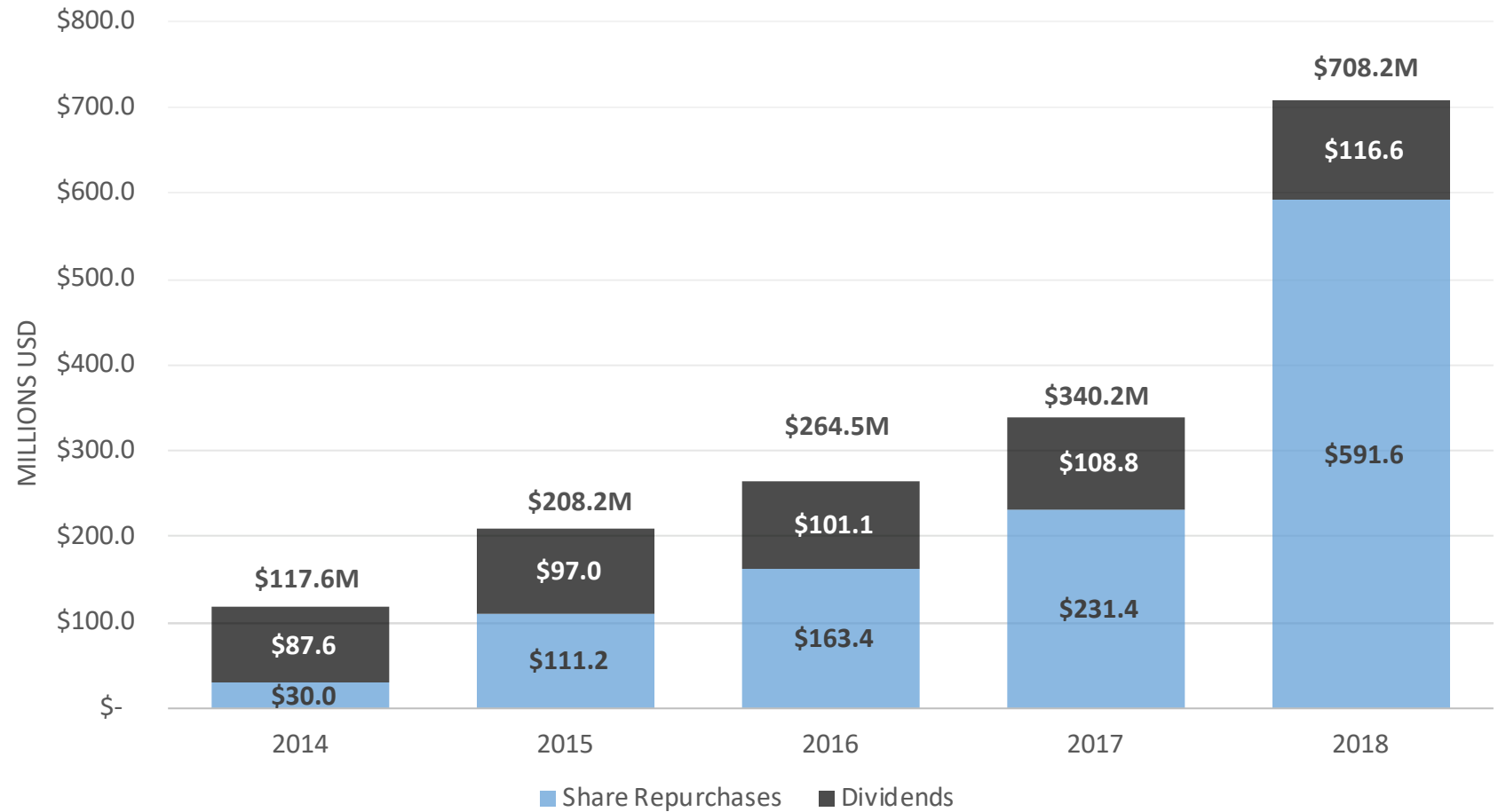
Dividends Paid

26.4M

Shares Repurchased

\$591.6M

Share Repurchases



# 2019 GUIDANCE

\$1.87 – 1.90B  
Revenue

16 – 17%  
Annual Tax Rate

36.5 – 37.5%  
Gross Margin

\$90 – 100M  
Capital Expenditures

\$195 – 200M  
Operating Expenses  
(E, R&D and S, G&A)

\$100 - 110M  
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



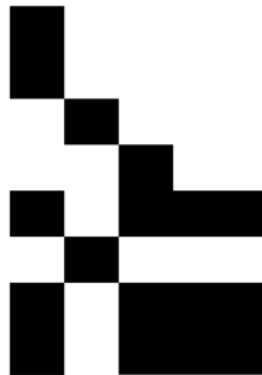


# FUTURE DIRECTION



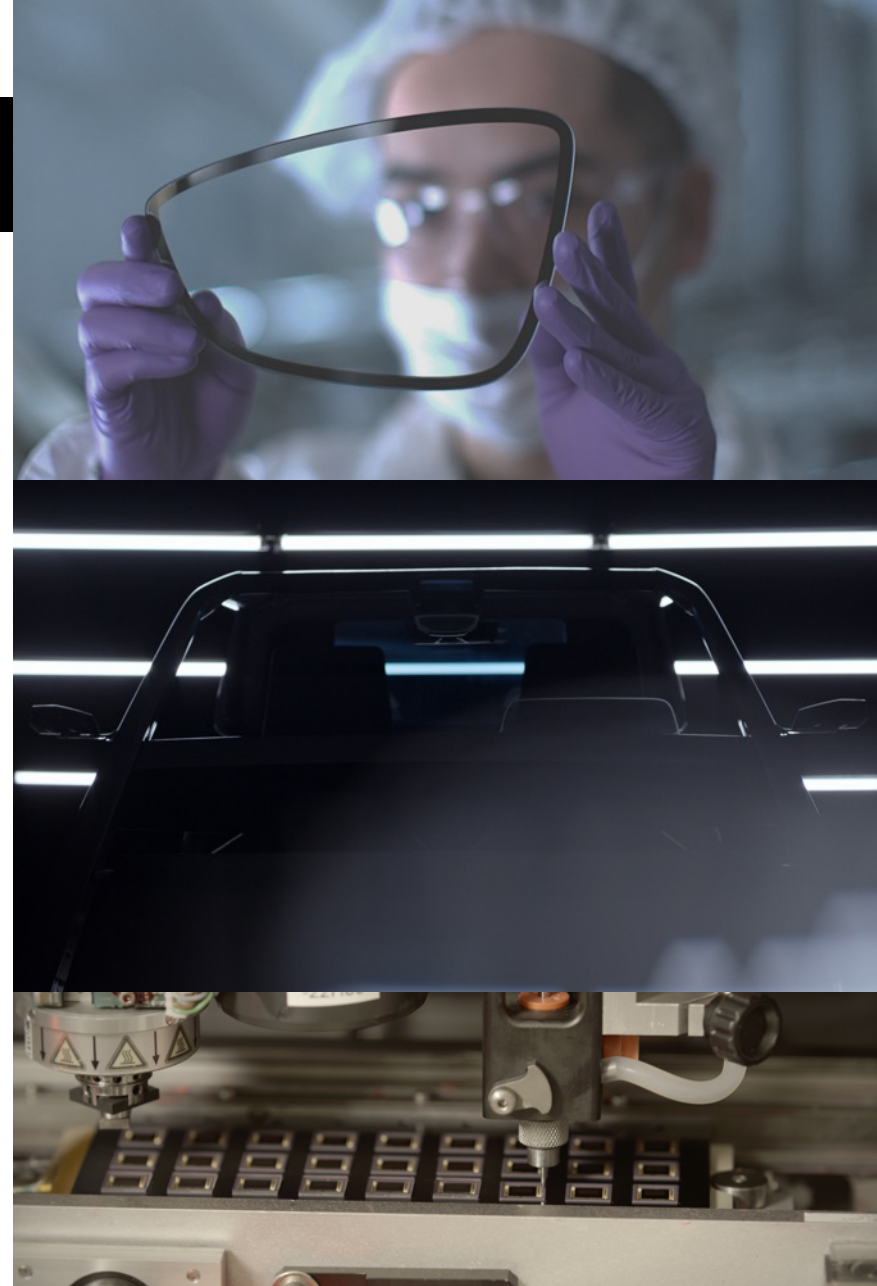
# CORE COMPETENCIES

- 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



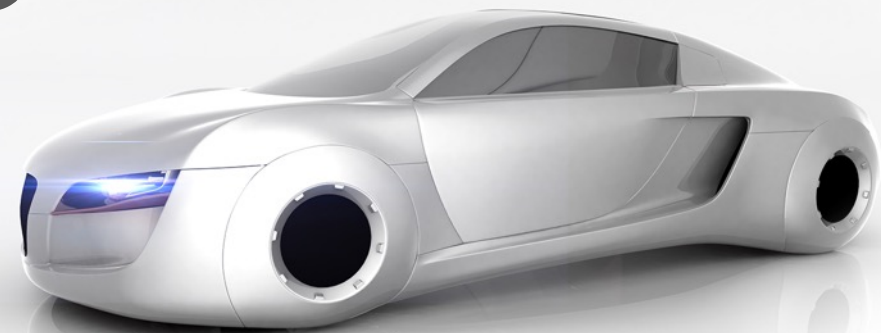
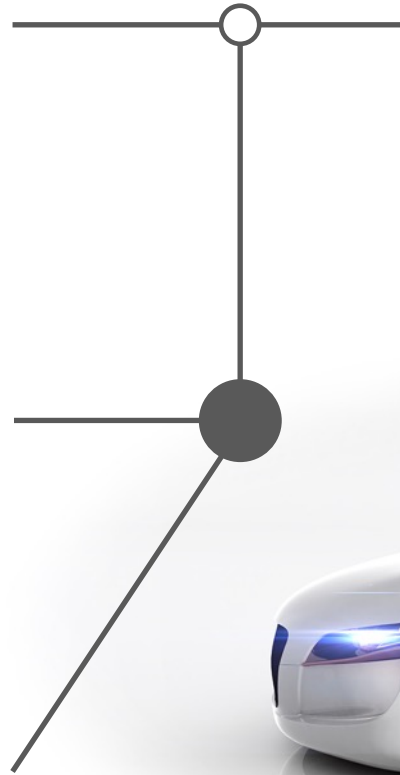
RIDE SHARING AND LOWER  
VEHICLE PRODUCTION  
STALL GROWTH



APPS REPLACE HOMELINK

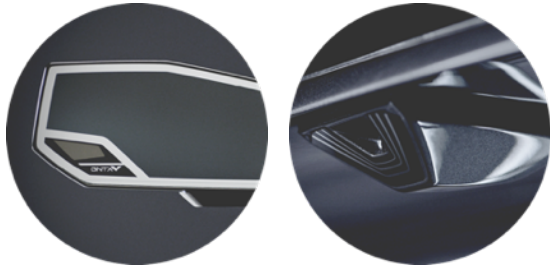


AUTONOMOUS VEHICLES  
REMOVE MIRRORS

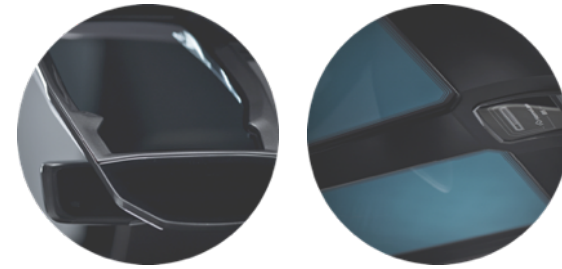


# OUR TECHNOLOGY STRATEGY

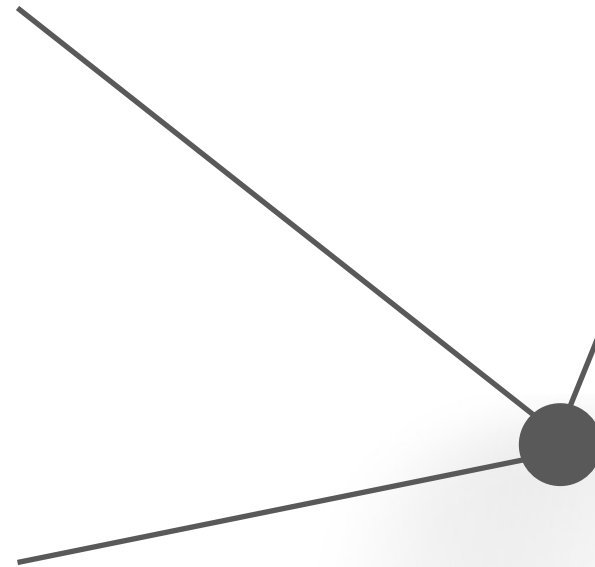
## VISION SYSTEMS



## DIMMABLE DEVICES



## CONNECTED CARS



# 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)



# CONNECTED CAR

- 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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