



**GENTEX**  
CORPORATION

# VISION FOR THE FUTURE

DIMMABLE DEVICES | DIGITAL VISION  
CONNECTIVITY | SENSING

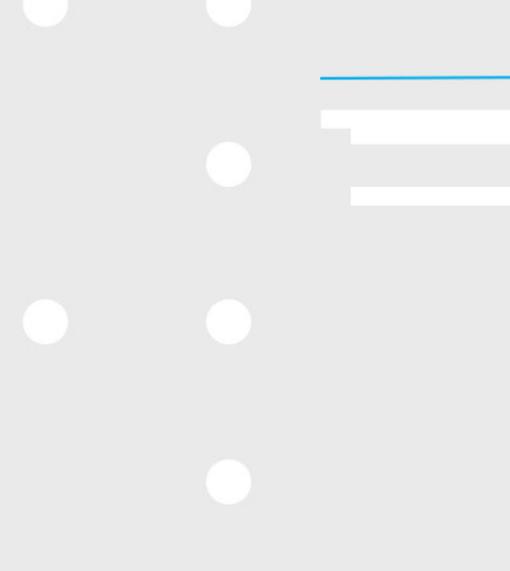
Annual Shareholder Meeting – May 18, 2023

# 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 S&P Global Mobility Light Vehicle Production Forecast of April 19, 2023 ([gentex.com/forecast-disclaimer](https://www.gentex.com/forecast-disclaimer)).



# GENTEX STRATEGY FOR AN INDUSTRY IN FLUX

**GENTEX**  
CORPORATION



## 2022 PERFORMANCE

**\$1.92B**

Revenue

**13.8%**

Annual Tax Rate

**31.8%**

Gross Margin Performance

**\$146.4M**

Capital Expenditures

**\$239.8M**

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

**\$96.6M**

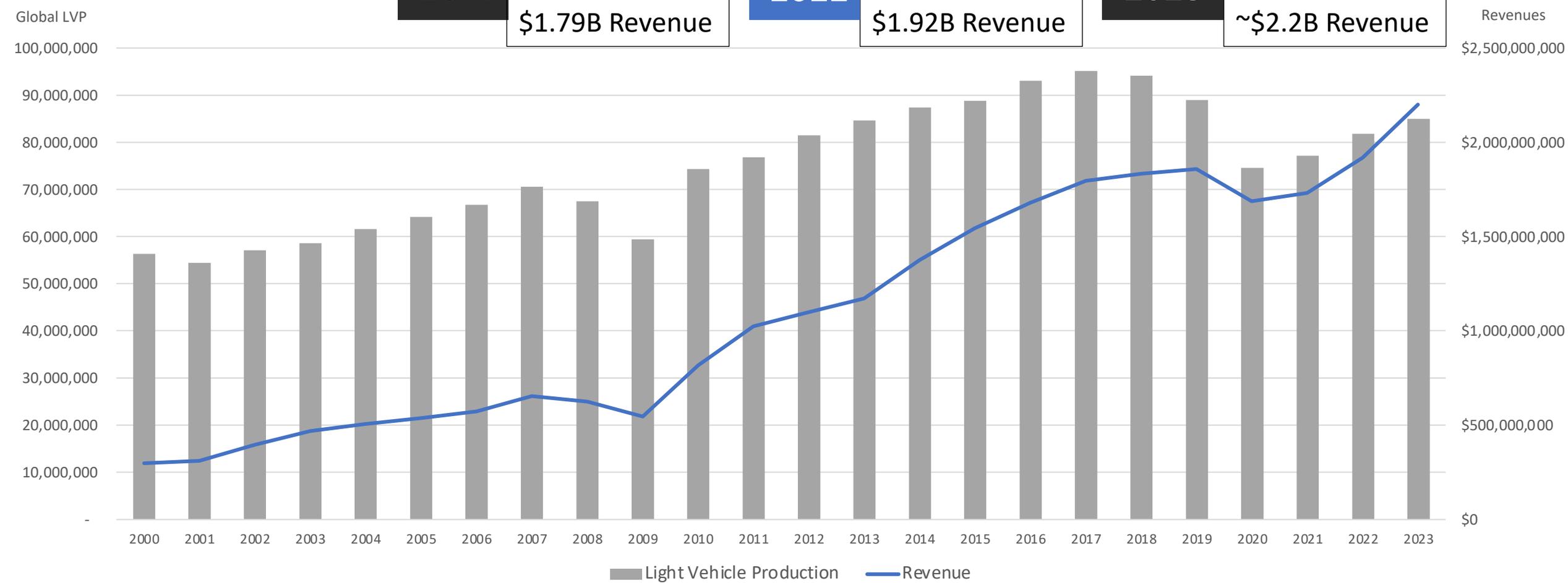
Depreciation &  
Amortization

# GROWTH THROUGH NEW FEATURES AND VEHICLE CONTENT

**2017** 95M Vehicles  
\$1.79B Revenue

**2022** 81M Vehicles  
\$1.92B Revenue

**2023\*** 85M Vehicles  
~\$2.2B Revenue



\*Estimates as of April 28, 2023

# 2023 GUIDANCE

Updated April 28, 2023

Approx. \$2.2B  
Revenue

32 – 33%  
Gross Margin

\$260 – 270M  
Operating Expenses  
(E, R&D and S, G&A)

15 – 17%  
Annual Tax Rate

\$200 – 225M  
Capital Expenditures

\$100 - 110M  
Depreciation  
& Amortization

# 2024 GUIDANCE

Updated April 28, 2023

**+10% Revenue**  
Growth above 2023

# CAPITAL ALLOCATION STRATEGY

- Utilizing Free Cash Flow
  - Capital Expenditures
  - Dividends
    - Dividend of \$.48 per year
  - Repurchases
    - Approximately 19.7M shares available for repurchase under current plan (April 2023)
  - M&A
- New Facilities/Expansions
  - China – opened in 2022
  - North Riley – 2022 began construction
  - State Street Expansion – opened in 2023
  - Grand Rapids – 2023 opening
  - Childcare Facility with ODCC – 2024 opening



# RETURN TO SHAREHOLDERS

**2022**

**\$0.48**

Dividend Per Share

**\$113.1M**

Dividends Paid

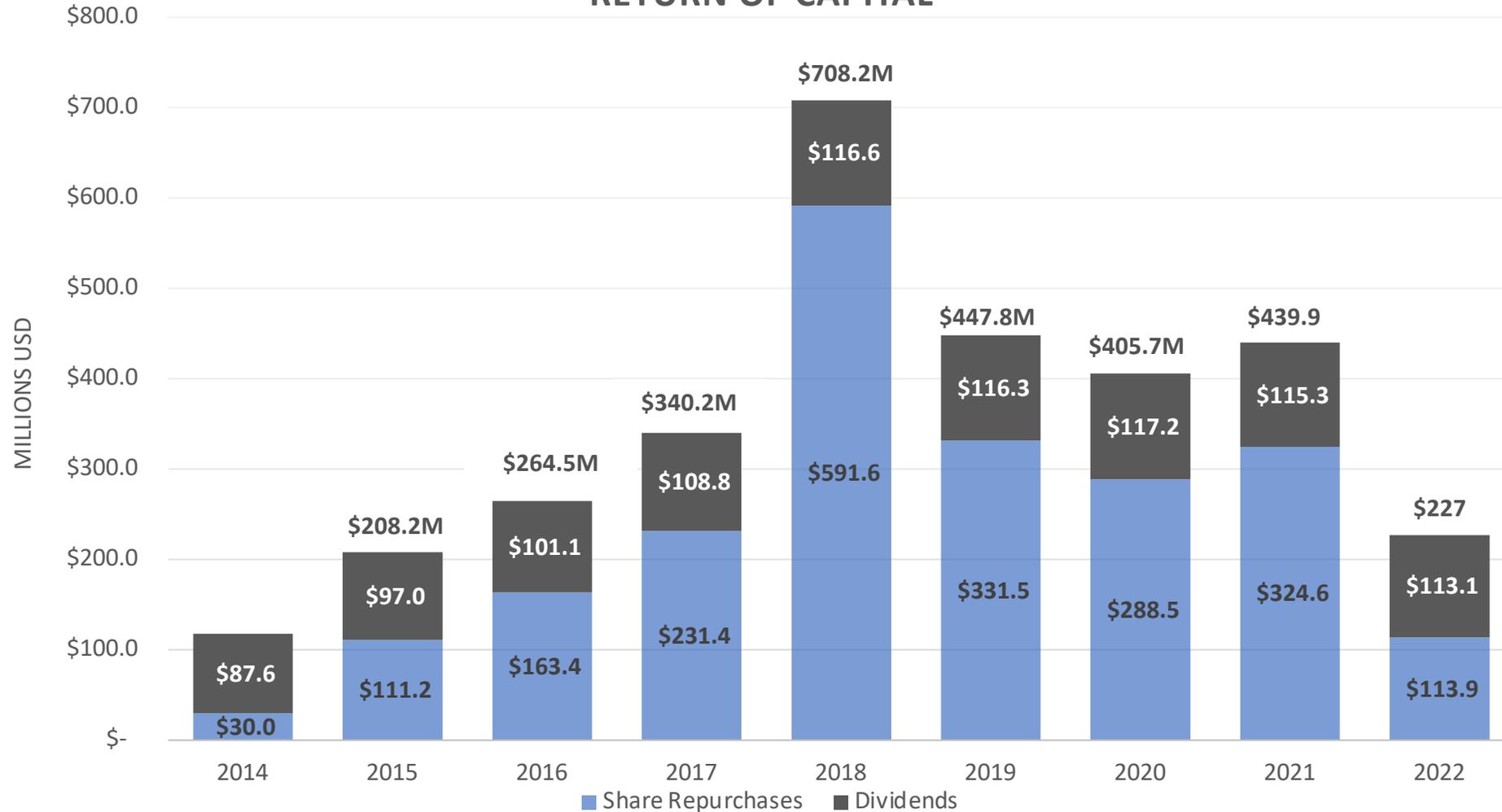
**4.04M**

Shares Repurchased

**\$113.9M**

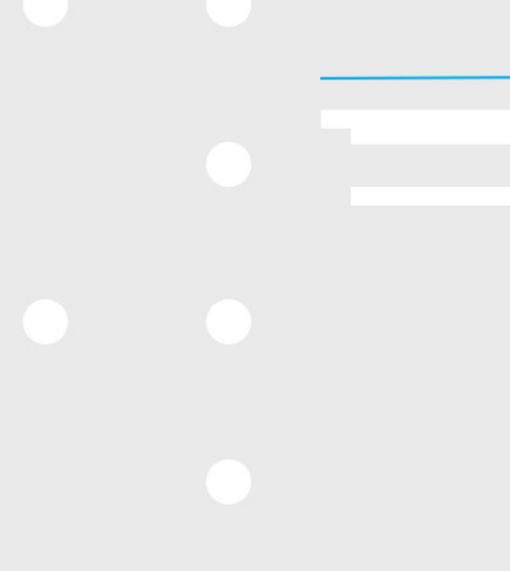
Share Repurchases

## RETURN OF CAPITAL





# PRODUCT STRATEGY



**GENTEX**  
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# AUTOMOTIVE - AN INDUSTRY IN FLUX

- Unprecedented time of transition
- Multiple disruptive trends occurring simultaneously



**DIGITALIZATION**



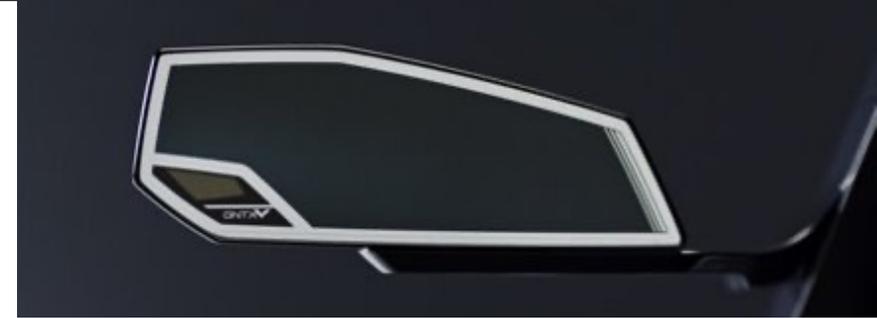
**ELECTRIFICATION**



**AUTONOMOUS DRIVING**

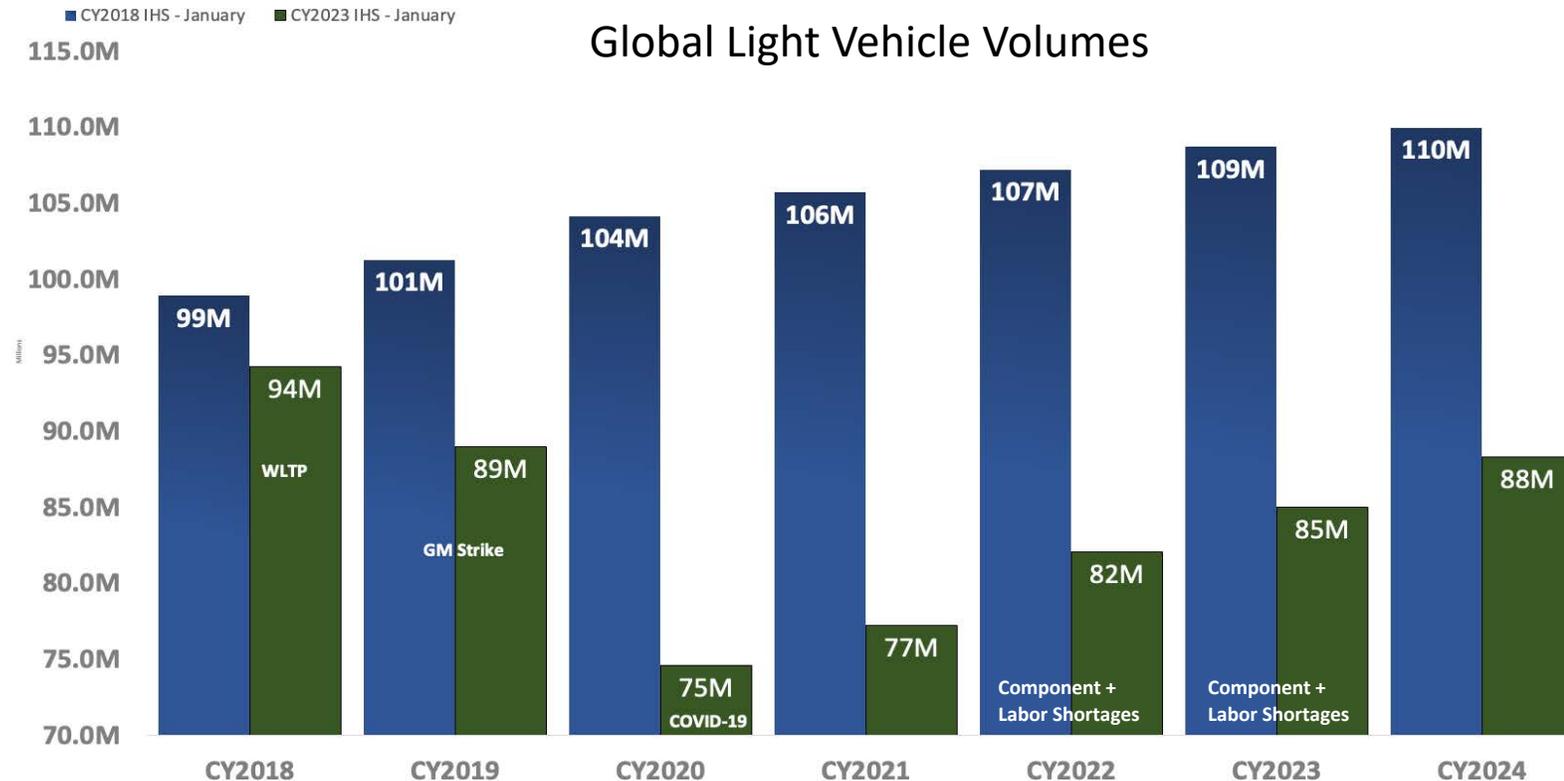
# CHALLENGE: AUTONOMOUS VEHICLES VS. DRIVER-CENTRIC FEATURES

- The autonomous movement jeopardizes the product portfolio of many smaller, niche suppliers
- Many Gentex products have been focused on the driver
- The issue revolves around how to compete for OEM R&D spend and vehicle budget
- Our product strategy addresses these key concerns



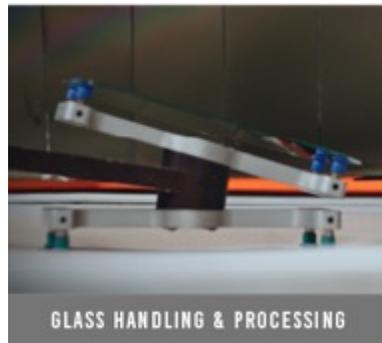
# BUSINESS ENVIRONMENT IN FLUX

- Today's business environment:
  - Light vehicle production declines
  - Chip shortage
  - Supply chain issues
  - Record inflation
  - Labor shortage
- Gentex is attempting to systematically tackle each of these issues through creative ideas
- **Content growth through new features is the only natural offset for lower light vehicle production**



# WHAT WE DO WELL: GENTEX CORE COMPETENCIES

- Self-analysis: what makes us unique?
- Highly vertically integrated in:



# IP

PRIMARY MARKETS

# 1,980

PATENTS



711 US Patents  
1,128 Foreign Patents



50 US Patents  
54 Foreign Patents



19 US Patents  
12 Foreign Patents



6 US Patents (Other)

# 400

TRADEMARKS



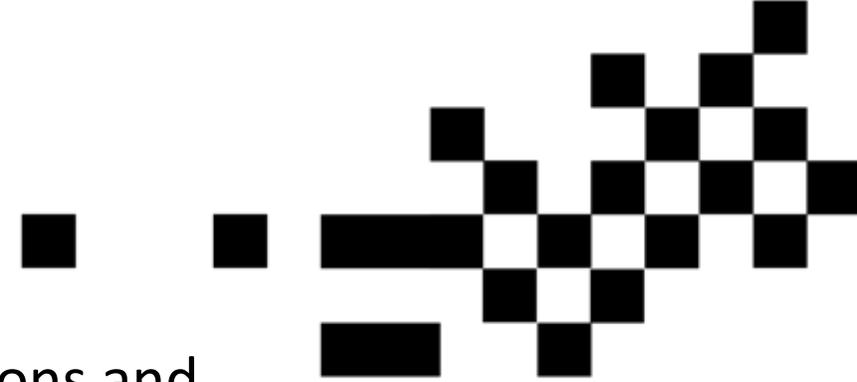
31 US Trademarks  
344 Foreign Trademarks



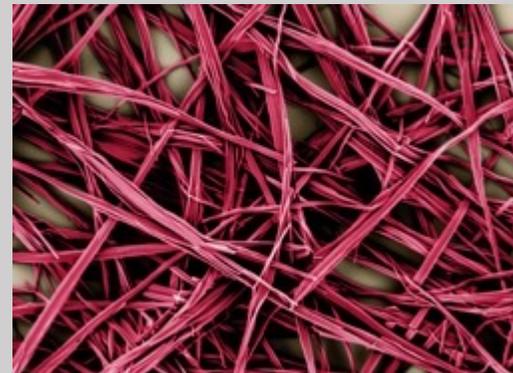
9 US Trademarks  
16 Foreign Trademarks

# AUGMENTING OUR TECH PORTFOLIO

- Enhance in-house skill sets
- Add new complementary technologies through acquisitions and partnerships



IN-CABIN  
MONITORING



CHEMICAL (NANO)  
SENSING



ADVANCED COATINGS  
AND FILMS



V2I/V2X PRODUCTS  
AND MOBILE PAYMENTS

# STRATEGY



Gentex's strategy is to leverage our core competencies to cultivate emerging technologies that address the industry's macro trends while also acting as innovation platforms for today's vehicles.

In short, we look to introduce features for today based on tomorrow's emerging technology paths.



**TODAY'S FEATURES, TOMORROW'S TECHNOLOGY**

# TECHNOLOGY PATHS / PRODUCT PORTFOLIO



DIGITAL VISION



DIMMABLE GLASS



CONNECTIVITY



SENSING

# DIGITAL VISION PLATFORM

Managing the evolution from analog to digital rear vision.



Full Display Mirror/Digital Mirror



Camera Monitoring Systems

Technology Path

Vision for the Future



# DIMMABLE DEVICE PLATFORM

Controlling light transmission for safety, privacy and performance.



Dimmable Sunroofs



Dimmable Sun Visors



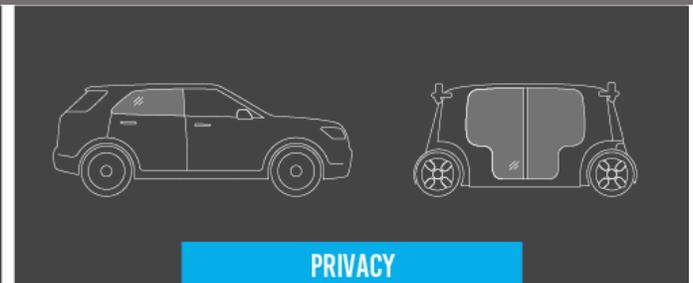
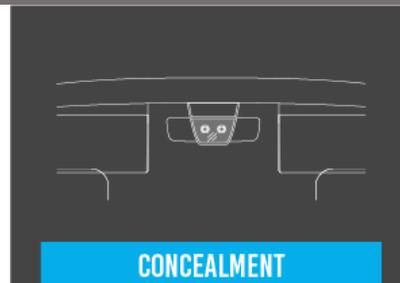
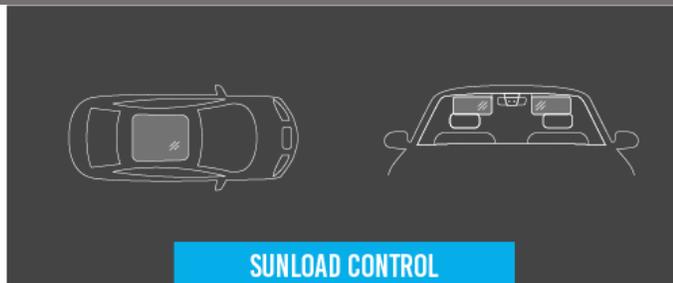
Aerospace Windows



Dimmable Privacy Glass

Technology Path

Vision for the Future



# CONNECTIVITY PLATFORM

Streamlining connectivity with home, infrastructure, and travel.



HomeLink / HomeLink Connect



Transactional Vehicle



Concierge and Experiential

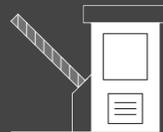
Technology Path



Vision for the Future



CAR TO HOME



PAYMENTS AND INFRASTRUCTURE



RIDE SHARING/USER-SPECIFIED CONTROL

# SENSING PLATFORM

Keeping passengers safe and vehicles up and running



Biometrics/Iris Scanning



In-Cabin Monitoring



Particulate & Chemical Sensing



ADASKY

Technology Path



Vision for the Future

BIOMETRICS

DRIVER MONITORING

IN-CABIN MONITORING

IN-CABIN SENSING



# GENTEX PRODUCT STRATEGY

- Our strategy is easily summarized by 2 key ideas:
  - Expand in automotive through a deeper product portfolio based on new tech
  - Expand in new industries outside of automotive based on new tech from our expanding list of core competencies

Markets:



AUTOMOTIVE



AEROSPACE



FIRE PROTECTION



MEDICAL

# 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**



# THANK YOU

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

