

GENTEX CORP
Form 10-Q
August 05, 2016
UNITED STATES
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 June 30, 2016, 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 Number: 0-10235
GENTEX CORPORATION
(Exact name of registrant as specified in its charter)

Michigan 38-2030505
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

600 N. Centennial, Zeeland, Michigan 49464
(Address of principal executive offices) (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: No:

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes: No:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes: No:

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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 Sections 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: No:

APPLICABLE ONLY TO CORPORATE ISSUERS:

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, July 22, 2016
Common Stock, \$.06 Par Value	286,790,889

GENTEX CORPORATION AND SUBSIDIARIES

For the Three and Six Months Ended June 30, 2016

FORM 10-Q

Index

	Page
Part I - Financial Information	
Item 1. <u>Unaudited Consolidated Financial Statements</u>	<u>3</u>
<u>Unaudited Condensed Consolidated Balance Sheets</u>	<u>3</u>
<u>Unaudited Condensed Consolidated Statements of Income</u>	<u>4</u>
<u>Unaudited Condensed Consolidated Statements of Comprehensive Income</u>	<u>5</u>
<u>Unaudited Condensed Consolidated Statements of Cash Flows</u>	<u>6</u>
<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	<u>7</u>
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>19</u>
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>28</u>
Item 4. <u>Controls and Procedures</u>	<u>28</u>
Part II - Other Information	
Item 1A. <u>Risk Factors</u>	<u>29</u>
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>29</u>
Item 6. <u>Exhibits</u>	<u>30</u>
<u>Signatures</u>	<u>31</u>
<u>Exhibit Index</u>	<u>32</u>

Table of Contents

PART I — FINANCIAL INFORMATION

Item 1. Unaudited Consolidated Financial Statements.

GENTEX CORPORATION AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

As of June 30, 2016 and December 31, 2015

	June 30, 2016 (Unaudited)	December 31, 2015 (Note)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$499,493,964	\$ 551,557,527
Short-term investments	145,335,532	4,547,355
Accounts receivable, net	219,442,950	195,969,400
Inventories	176,226,597	174,695,411
Prepaid expenses and other	15,104,858	57,239,099
Total current assets	1,055,603,901	984,008,792
PLANT AND EQUIPMENT—NET	431,695,399	412,720,270
OTHER ASSETS		
Goodwill	307,365,845	307,365,845
Long-term investments	73,457,358	95,156,539
Intangible Assets, net	317,925,000	327,575,000
Patents and other assets, net	21,211,703	21,846,482
Total other assets	719,959,906	751,943,866
Total assets	\$2,207,259,206	\$ 2,148,672,928
LIABILITIES AND SHAREHOLDERS' INVESTMENT		
CURRENT LIABILITIES		
Accounts payable	\$81,823,157	\$ 66,353,774
Accrued liabilities	87,260,676	64,652,772
Total current liabilities	169,083,833	131,006,546
LONG TERM DEBT	206,875,000	225,625,000
DEFERRED INCOME TAXES	46,377,195	69,524,621
TOTAL LIABILITIES	422,336,028	426,156,167
SHAREHOLDERS' INVESTMENT		
Common stock	17,255,461	17,480,281
Additional paid-in capital	638,336,658	596,782,695
Retained earnings	1,132,806,657	1,109,384,621
Accumulated other comprehensive income	(3,475,598)	(1,130,836)
Total shareholders' investment	1,784,923,178	1,722,516,761
Total liabilities and shareholders' investment	\$2,207,259,206	\$ 2,148,672,928

Note: The condensed consolidated balance sheet at December 31, 2015 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by accounting principles

generally accepted in the United States for complete financial statements.

See accompanying notes to condensed consolidated financial statements.

3

Table of Contents

GENTEX CORPORATION AND SUBSIDIARIES
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 For the Three and Six Months Ended June 30, 2016 and 2015

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
NET SALES	\$423,800,778	\$379,258,477	\$829,368,564	\$748,195,932
COST OF GOODS SOLD	257,028,219	233,715,046	503,905,217	459,560,092
Gross profit	166,772,559	145,543,431	325,463,347	288,635,840
OPERATING EXPENSES:				
Engineering, research and development	23,071,788	22,315,244	46,162,997	43,902,795
Selling, general & administrative	14,955,050	15,095,357	29,705,639	28,891,709
Total operating expenses	38,026,838	37,410,601	75,868,636	72,794,504
Income from operations	128,745,721	108,132,830	249,594,711	215,841,336
OTHER INCOME (LOSS)				
Investment income	774,102			