



## FEATURED OPTIONS RADAR REPORT



### Bulls Position for Upside into Gentex Results

Ticker/Price: GNTX (\$28)

#### Analysis:

**Gentex (GNTX)** will report tomorrow morning and shares have closed higher on results five of its last six quarters with an average max move near 6%. GNTX saw unusual opening buys of 3000 November \$27.50 calls on 10/21 \$1.55 to \$1.80 and has elevated call open interest in December \$27.5 and \$30 strikes for a name that is usually lightly traded. GNTX shares also have a nice technical set-up into the report with the weekly range of \$25/\$28 breaking out that targets a move back to \$31 and seeing positive Automotive indications in peer reports this quarter. GNTX is focused on automatic-dimming rearview mirrors and electronics positioned in digital content opportunities and specific key technologies across the automotive industry. It should be positioned to further capture higher content per vehicle. The \$6.85B Company trades at attractive valuation of 16.5X Earnings, 4.27X Sales and 22.85X FCF with a 1.7% yield and a debt-free balance sheet. Analysts have an average target of \$29 on shares and short interest low at 1.6% of the float. GNTX has a 90% market share in the automatic dimming rearview mirrors market with increasing penetration rates across vehicles. GNTX has recently made inroads to expand its technology portfolio beyond the automotive market, namely aerospace, and, more recently, medical applications. Jefferies out positive 8/7 seeing a positive set-up for 2H to benefit from restocking given its outsized exposure to N.A. and Europe and the company's improved cost structure and potential upside to 2021 with a sales recovery, a \$32 target. KeyBanc upgraded shares to Overweight with a \$33 target in July seeing significant earnings power. Hedge Fund ownership slipped 2% in Q2 filings.

#### Hawk Vision:



**Hawk's Perspective:** GNTX should come through with a solid number and outlook with read-throughs from other Auto Parts names, and it remains a favorite for its strong balance sheet and position in growth areas.

**Confidence Ranking:** \$\$