Names in the News: CCK & F

Crown Holdings, Inc. (CCK) & Ford Motor Company (F)

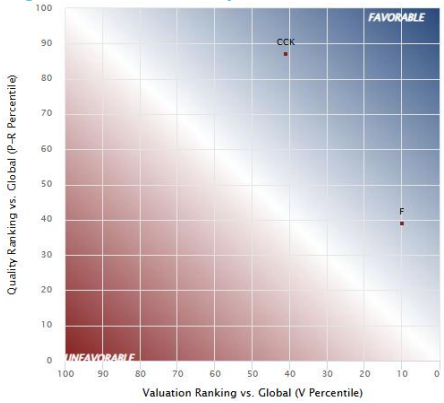
We cover two U.S. Large Cap names that look attractive in the PRVit framework, **Crown Holdings, Inc.** (**CCK**, rated '**Buy**') and **Ford Motor Company** (**F**, rated '**Overweight**'). **CCK**'s stock price surged 5.5% on Tuesday after the firm reported strong quarterly numbers, with economic profitability trending closer to record highs. **F**, an 'Attractive Value' play, has trended higher and is currently near the highest levels in 3.5 years after U.S. President Donald Trump approved a 25% tariff on imported medium and heavy-duty trucks and parts, effective November 1. The company's Q3 earnings call is scheduled for 5 P.M. ET today and will have high expectations after recent positive **GM** (rated 'Hold') guidance. **CCK**'s EVA Momentum (growth) has slowed down in the latest quarter but remains strong, at 1.4%, driven by accelerating top-line growth and improving asset efficiency. EBITDAR Margin has trended at historic highs of 18% over the recent two quarters. EVA Margin has seen five sequential quarters of expansion, trending 170bps higher, at 3.4%. The metric is 50bps away from record highs of 2022. Future Growth Reliance (FGR), our P/E equivalent, peaked out in September last year at 17% and has since decreased to 2.4% as of Oct 22nd. We maintain our bullish outlook on **CCK**, given the firm's very strong Quality amidst improving Valuation levels.

We also look at **F**. EVA Momentum for the firm turned negative in Q2, impacted by decelerating top-line growth and deteriorating P&L profitability. The Productive Capital Charge (lower is more favorable) is trending near historically low levels, relative to sales. EVA Margin (ex Goodwill and Special Items) has registered two sequential quarters of deterioration and is trending near the lowest level in 4 years, at 0.4% as of the June quarter. This is 130bps lower than the levels seen in December 2024. EVA Margin (incl. G/W and SI) turned negative in Q1 and worsened further to -1% as of Q2. MVA Spread, our economic price-to-book measure, has increased since bottoming out in December last year, but continues to trend negatively, at -20%. **F**'s Quality (P-R) is relatively weak at this stage amidst pressured EVA Fundamentals, but the firm looks attractive in the PRVit framework, given very cheap Valuation levels. We are bullish on this 'Attractive Value' firm.

Figure 1: EVA Summary

Name	Ticker	Country	Mkt Cap ($mm)	EVA Margin (%)	EVA Momentum (%)	PRVit Score	Quality (P-R)	Valuation Score (V)	Return YTD (%)	ESG Perf Score
CROWN HOLDINGS INC	CCK	U.S.	11,543	3.4%	1.4%	94	87	41	20.9%	56.34
FORD MOTOR CO	F	U.S.	49,470	-1.0%	-0.4%	64	39	10	31.6%	51.18

Figure 2: HEAT Map



PRVit and Sub-Factors

PRVit compares a company's operational Quality, based on EVA metrics, to the company's market-based Valuation. When Quality exceeds Valuation, the overall PRVit ranking will be higher.

Scoring
All factors scored from 0 to 100.
PRVit: 100 is most favorable.
Quality (P-R): 100 is highest Quality.
Profitability (P): 100 is most Profitable.
Risk (R): 0 is lowest Risk.
Valuation: 0 is cheapest.

Heat Map: The Heat Map shows the visual trade-off between Quality and Valuation: Companies in the favorable (blue) area offer higher quality and/or cheaper valuation than those in the unfavorable (red) area.

ISS ESG Performance: Page 4 includes the ISS ESG Performance ratings of both firms, coupled with their industry-specific rankings.

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About ISS EVA

We are an independent equity research provider offering investing insights through the use of our proprietary Economic Value Added (EVA) framework. Our experienced team of global analysts offers both fundamental and quantitative company analysis on our +29,000 stock universe.

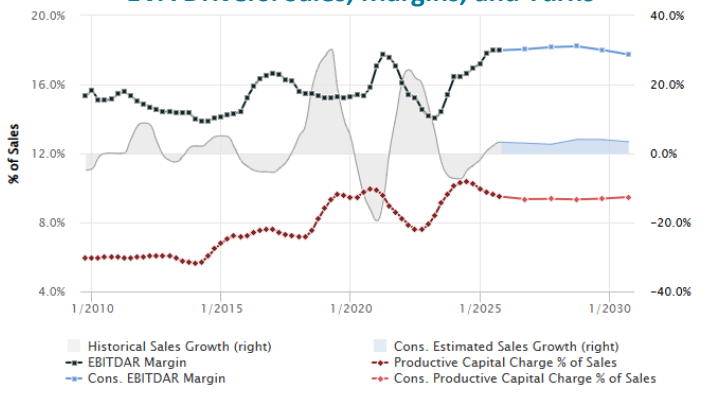
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Crown Holdings, Inc. (CCK)

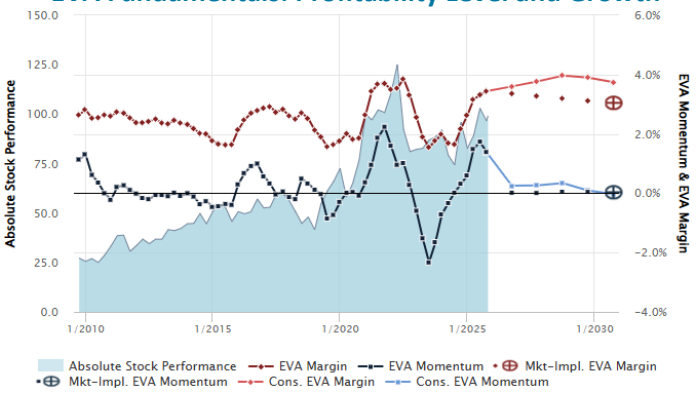
PRVit Recommendation: 'Buy' – Very Strong Quality at Favorable Valuations

- Sales Growth (TFQ) has continued to accelerate since turning positive in Q1 and is trending at 3.3% as of the quarter ending September, driven by strong growth in the Americas Beverage and European Beverage segments.
- EBITDAR Margin has trended at historic highs of 18% over the recent two quarters, supported by improving adjusted COGS (% of sales) and slightly offset by increasing adjusted SG&A expenses.
- The Productive Capital Charge (lower is preferable) has seen five sequential quarters of improvement, supported by decreases in the Working Capital and PP&E charges.
- EVA Margin has registered five sequential quarters of expansion, trending 170bps higher, at 3.4%. The metric is 50bps away from record highs of 2022.
- EVA Momentum (growth) has slowed down in the latest quarter but remains strong at 1.4%, driven by strong top-line growth and improving asset efficiency.
- Embedded expectations for growth (FVA) turned neutral in September, at a time when Current Value Added (CVA) has trended higher. Future Growth Reliance (FGR), our P/E equivalent, peaked out in September last year at 17% and has since decreased to 2.4%. We maintain our bullish outlook on the firm, given **CCK**'s very strong Quality amidst improving Valuation levels.

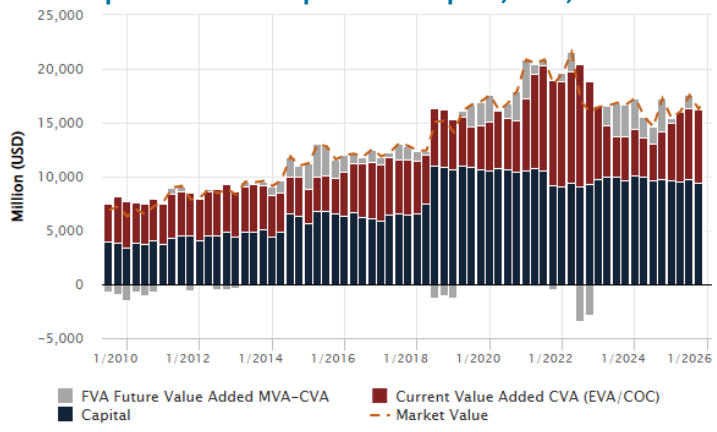
EVA Drivers: Sales, Margins, and Turns



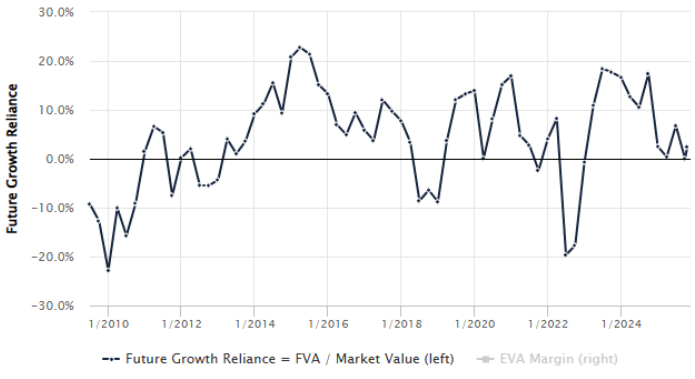
EVA Fundamentals: Profitability Level and Growth



Enterprise Value Components: Capital, CVA, and FVA



Future Growth Reliance (FGR)

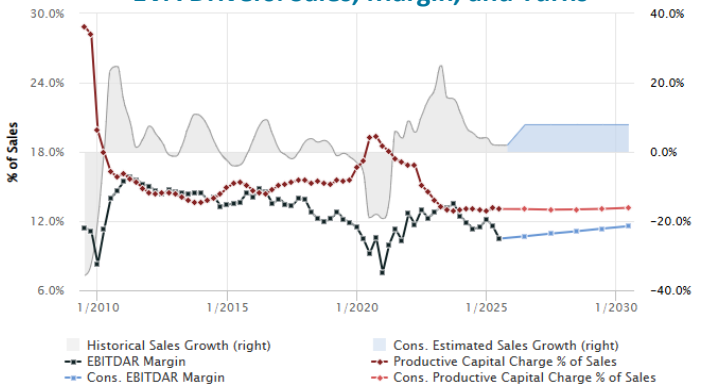


Ford Motor Company (F)

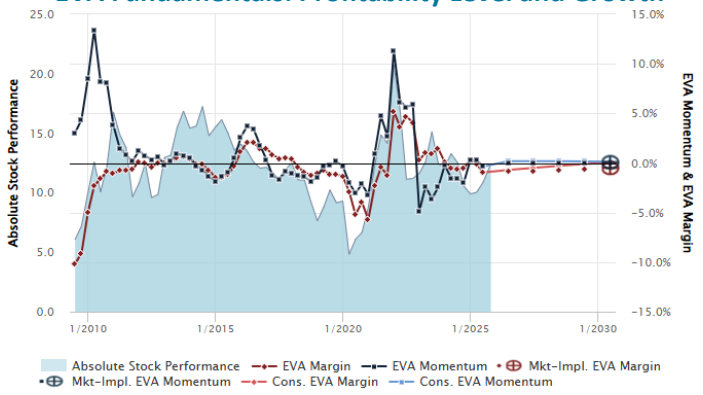
PRVit Recommendation: 'Overweight' – Attractive Value

- Sales Growth (TFQ) has continued to decelerate since peaking out in Q1 2023, but trends positively at 1.9% as of the June quarter.
- EBITDAR Margin has seen a 170bps contraction through H1 2025, impacted by an increase in adjusted COGS. The metric is currently at an historically low level of 10.5% (excluding the 2020 lows of 7.6%).
- The Productive Capital Charge (lower is more favorable) is trending near record low levels, at 13.1%, driven by decreases in the PP&E, R&D, and Ad&Promo charges, relative to sales.
- EVA ex Goodwill and Special Items Margin has registered two sequential quarters of deterioration and is trending near the lowest level in 4 years, at 0.4%. This is 130bps lower than the levels seen in December 2024. EVA Margin (incl. G/W and SI) turned negative in Q1 and worsened further to -1% as of Q2.
- EVA Momentum (growth) inflected negatively in Q2, impacted by decelerating top-line growth and deteriorating P&L profitability.
- Embedded expectations for growth (Future Value Added, FVA) have improved through the last few quarters but remain negative amidst volatile and weak trends for the Current Value Added (CVA). MVA Spread, our economic price-to-book measure, continues to trend negatively, at -20%. However, the metric has increased since bottoming out around -35% in December last year, reflective of the market's outlook on the firm turning slightly less bearish.
- **F**'s Quality (P-R) is relatively weak at this stage amidst pressured EVA Fundamentals, but the firm looks attractive in the PRVit framework, given very cheap Valuation levels. We are bullish on this 'Attractive Value' firm.

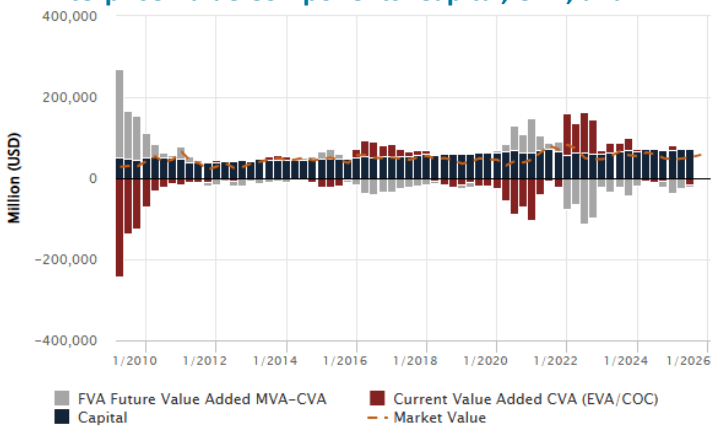
EVA Drivers: Sales, Margin, and Turns



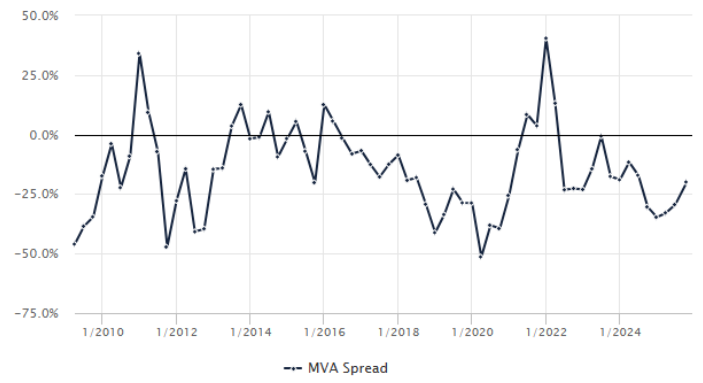
EVA Fundamentals: Profitability Level and Growth



Enterprise Value Components: Capital, CVA, and FVA



Market Value Added (MVA) Spread



ISS ESG Performance analysis of both names can be found below.

ISS ESG Performance for Crown Holdings, Inc. (CCK)

ESG RATING

C+

PERFORMANCE SCORE



PRIME STATUS

Prime

PRIME THRESHOLD

C+

DISTRIBUTION OF RATINGS

43 companies in the industry



ISS ESG Performance for Ford Motor Company (F)

ESG RATING

C+

PERFORMANCE SCORE



PRIME STATUS

Prime

PRIME THRESHOLD

C+

DISTRIBUTION OF RATINGS

50 companies in the industry



ISS ESG Definitions

ESG Performance Score: This factor provides a numerical score from 0 to 100. Prime Status is based on the ESG rating and a sector-specific Prime threshold. The ESG Rating and Performance Scores, however, are comparable over all rated entities. All rated entities with values greater than or equal to 50 are Prime, companies with values less than 50 are not Prime.
ESG Rating Decile Rank: This factor indicates decile rank relative to industry group (companies) and covered entities (countries) based on assessment of Environmental (E), Social (S), and Governance (G) performance. A decile rank of 1 indicates a high relative performance, while a 10 indicates a lower relative ESG performance.

About ISS EVA

We are an independent equity research provider offering investing insights through the use of our proprietary Economic Value Added (EVA) framework.
EVA converts accounting profits into economic profits and charges businesses for the use of Invested Capital. EVA is superior to traditional measures of profit because it is comparable across companies, industries, and countries, links to a consistent, transparent valuation framework, and provides a unique, unbiased view of Quality, Value, and Growth.

Our experienced team of analysts offers both fundamental and quantitative company analysis through written research, bespoke research, a stock selection model, an online analytical tool offering +29,000 companies as viewed through the EVA framework, custom screening, and portfolio analysis.

Key EVA Concepts

The value of a firm = Capital + PV of EVA

If EVA is increasing then the intrinsic value of the firm is too, suggesting that market value should follow (and vice versa).

EVA = NOPAT - Capital Charge

EVA is profit after all TRVs, including the CCK of giving shareholders a decent return.

EVA Margin = EVA / Sales

A true economic profit margin covering income and asset efficiency. Our EVA Income Statement examines EVA's line item drivers and offers key insights into business profitability.

EVA Momentum = Δ EVA / Sales

An incremental EVA growth rate indicator and key valuation signal and screening measure. The more positive the Momentum, the greater the growth in EVA, and upward pressure on shareholder returns. Inflections in EVA Momentum are an early and more reliable indicator of stock price inflections.

EVA Shock = Δ EVA Momentum

Changes in EVA Momentum is a powerful signal within our framework, with significant relationship with stock price performance.

Market Implied Momentum (MIM)

The annual EVA improvement required for 10 years to justify the prevailing market enterprise value, expressed as a percent of sales; represents a market implied, long-range EVA margin improvement target.

Future Growth Reliance (FGR) = (Market implied value of future EVA growth) / EV

Measures the % of a company's total enterprise value represented by expectations for future growth in EVA. FGR is key to understanding embedded expectations today and versus history. A low FGR versus history coupled with improving EVA trends indicates that the market is not pricing in the improving business model.

Additional Resources

evaExpress.com (link): Our online offering provides a comprehensive suite of fundamental and quantitative tools utilizing the EVA framework
EVA for Investors (link): A full introduction to the key EVA concepts and metrics

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