

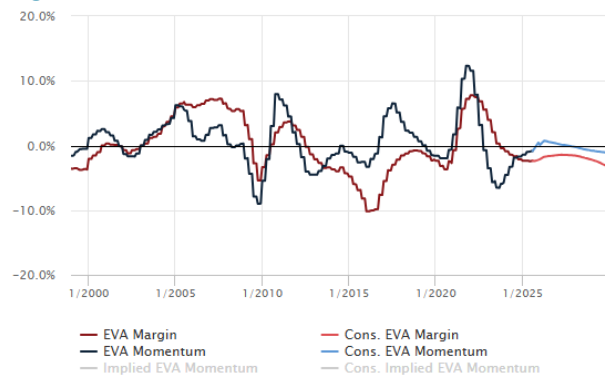
Global Metals & Mining: Gold Producers Strike the EVA Gold!

We published our [Global Materials: Mid-Year Review](#) last month wherein we maintained our positive outlook for the Metals & Mining industry given favorable Valuations. Aggregate EVA Margin for the industry (**Figure 1**) has stabilized around the lowest levels since 2021, showing some signs of bottoming out. EVA Momentum (growth) has continued to trend higher since bottoming out two years ago and has inched closer to positive territory as of July end, at -0.9%, supported by top-line growth becoming less negative and EBITDAR Margin trending higher in 2025 after bottoming out through 2024.

The industry has seen very strong returns on a YTD basis (**Figure 4**) with precious metal sub-industries demonstrating strong EVA growth, supported by high prices for Gold, Silver, and Platinum. Amidst economic uncertainty and geopolitical tensions, the demand for safe-haven assets such as Gold have continued to go up, with the yellow metal seeing a +28% increase on a YTD basis.

China's Q2 GDP numbers reflected [resilient industrial activity](#) and strong export growth for the world's second-largest economy, providing a favorable demand outlook for metals like Copper, Aluminum, and Steel. However, China's manufacturing activity shows [some signs of weakness](#), and global growth concerns amidst macroeconomic uncertainty are key risks to EVA growth recovery for the industry.

Figure 1: EVA Fundamentals – Global Metals & Mining



Market Value Added Spread (**Figure 2**) has trended higher through the first seven months of 2025 and was trading at a 3-year high of 32% at the end of July. Relative to the long-term trends, the economic price-to-book remains at relatively favorable levels.

Figure 2: Market Value Added (MVA) Spread – Global Metals & Mining



Key Summary

- We maintain a positive outlook for the Global Metals & Mining industry given favorable Valuations. EVA Margin has shown signs of bottoming out, while EVA Momentum has continued to trend higher over the last two years.
- We run two screens to search for attractive PRVIt-rated names in the DM and EM regions. We screen for names with positive EVA Shock over 1Q and 1Yr and filter out names in the top two quintiles of Valuation.
- In Screen 3, we look for deep value opportunities within the industry.

EVA Primer

1. EVA measures the true economic profit of a business after compensating shareholders for use of their capital and is therefore superior to standard accounting measures.
2. The value of a company is the capital invested plus the present value of future EVA generation. The math is like a DCF:
 $\text{Market Value} = \text{Capital} + \text{PV}(\text{EVA})$.
3. Therefore, more Economic Value Added (EVA) is better.

Gavin Thomson
Global Director of Fundamental Research

Daksh Vashist, CFA
Associate

ISS EVA Equity Research Team
evaanalytics@iss-stox.com

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.

Visit our website www.EVAexpress.com

While Asia ex Japan looks the most attractive from a PRVit perspective (**Figure 3**), given better Quality (P-R) compared to the other regions, we note that Quality remains largely unfavorable across all regions. Valuation is, however, very favorable (≤ 50) across all regions, with all but MEA having low or very low scores. North America, home to several gold producers, has a very high EVA Momentum (sales-weighted basis) of 5.7% and has also seen one of the highest YTD returns (market-cap weighted).

Figure 3: Metals & Mining – PRVit Ranking and YTD Returns by Region

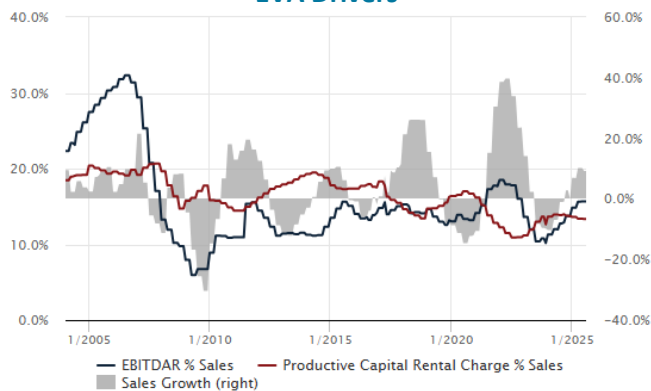
Metals & Mining	Global	North America	Europe	Asia ex Japan	Japan	Latin America	MEA
PRVit Score	55	47	40	68	50	43	31
Quality (P-R)	32	35	17	38	28	37	30
Valuation Score (V)	27	34	12	34	8	30	46
EVA Margin (%)	-1.9%	-0.8%	-3.2%	-1.5%	-3.6%	0.6%	-2.5%
EVA Momentum (%)	0.1%	5.7%	-0.8%	-0.3%	-2.0%	-2.1%	-0.1%
Returns YTD (%)	37.2%	57.6%	16.8%	29.2%	8.0%	33.9%	59.7%

Sub-Industry Level Analysis

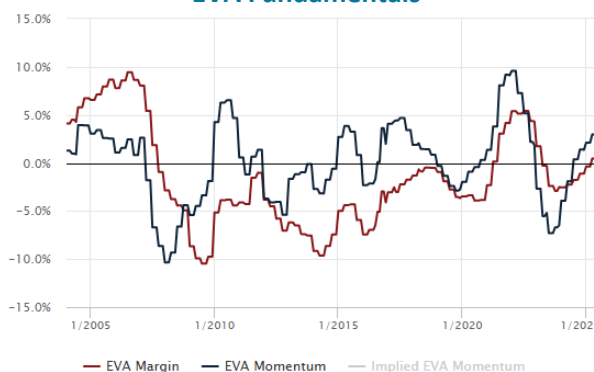
Below, we explore the sub-industry level trends within the global Metals & Mining space. The Precious Metals & Minerals, Gold, and Silver sub-industries have seen the highest YTD returns and have some of the highest (most expensive) Valuation scores in the industry. Aluminum, Copper, Steel, and Diversified Metals & Mining have also seen strong returns this year and continue to have attractive Valuation levels.

Aluminum: Looking through the PRVit lens, Aluminum is the most attractive sub-industry, given moderate Quality and attractive Valuation levels. EVA Margin inflected positive in March and EVA Momentum (growth) has seen a sustained acceleration in incremental EVA creation. This has been supported by top-line growth that has improved since turning positive in late 2024 and steady expansion in EBITDAR Margin.

EVA Drivers

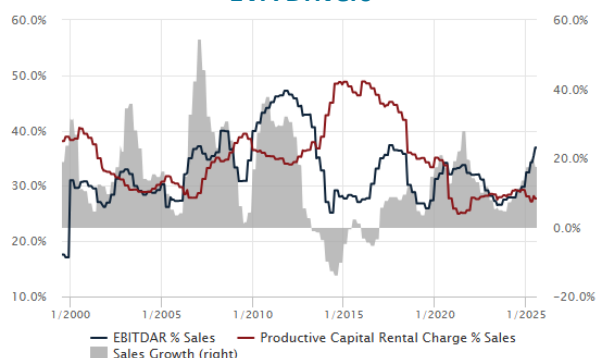


EVA Fundamentals



Gold: Gold is the second-most attractive sub-industry from a PRVit standpoint, supported by strong Quality (highest in the industry). EVA Margin has expanded to the highest level in three years. EVA Momentum has trended close to record highs as the industry has registered strong incremental EVA creation, supported by very strong top-line growth and P&L profitability at the upper-end of the 10-year range as of July-end.

EVA Drivers

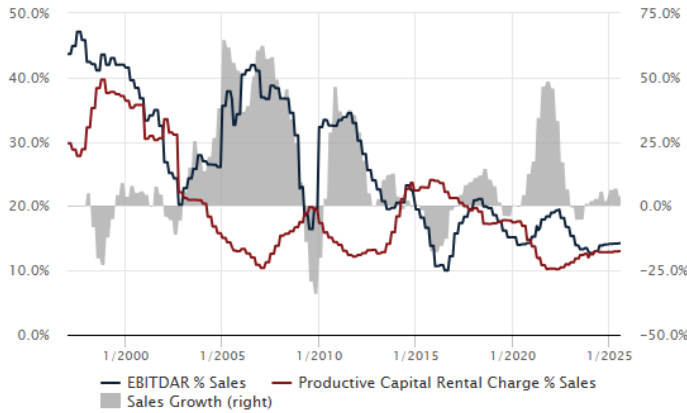


EVA Fundamentals



Copper: Despite relatively weak Quality (P-R), the sub-industry looks attractive with favorable Valuations. While EVA Momentum continues to trend above 0% since inflecting positive in December of last year, it has seen signs of pressure in recent months as top-line growth rolled over while EBITDAR Margin has moved sideways since June of last year. EVA Margin expanded slightly through H2 of last year but contracted again over the first half of 2025.

EVA Drivers

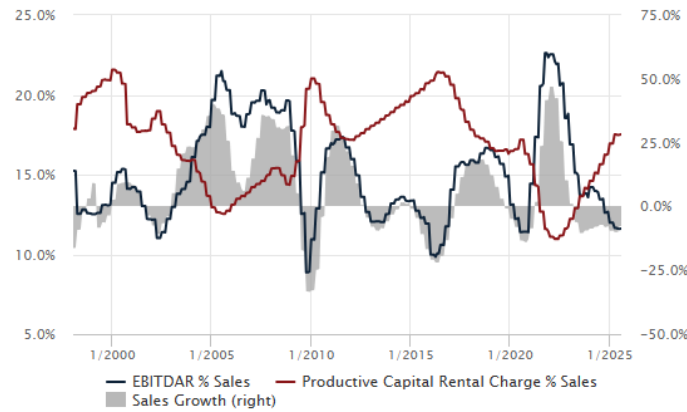


EVA Fundamentals



Steel: EVA Margin has continued to contract since peaking out in January 2022 but has shown initial signs of bottoming out in recent months. EVA Momentum (growth) has shown some improvement in the last few months as sales growth turned slightly less negative and P&L Profitability showed signs of potentially bottoming out. Attractive Valuation levels result in a favorable PRVIt score.

EVA Drivers

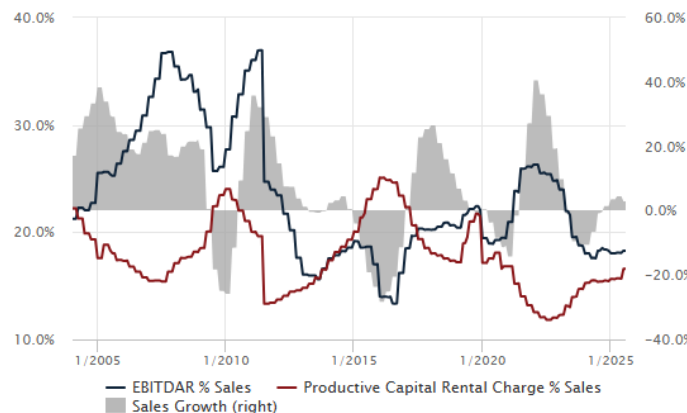


EVA Fundamentals

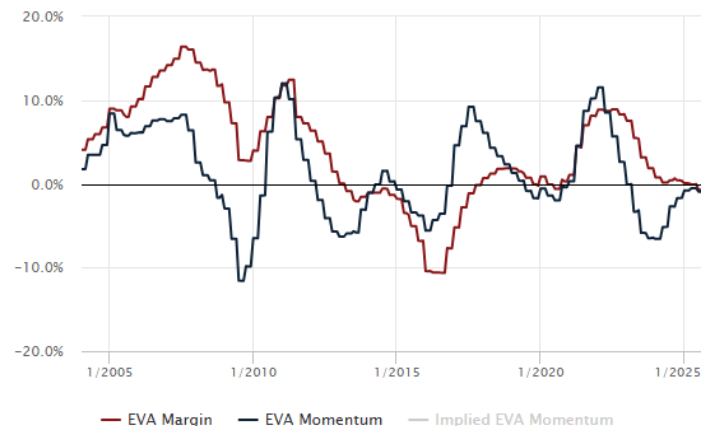


Diversified Metals & Mining: EVA Margin showed signs of improvement in H2 last year but has remained pressured, turning negative in March. EVA Momentum (growth) had been on an improving trajectory between Q1 2024 and May 2025 before showing some signs of peaking out in June, impacted by decelerating top-line growth, plateauing EBITDAR Margin, and deteriorating Capital intensity.

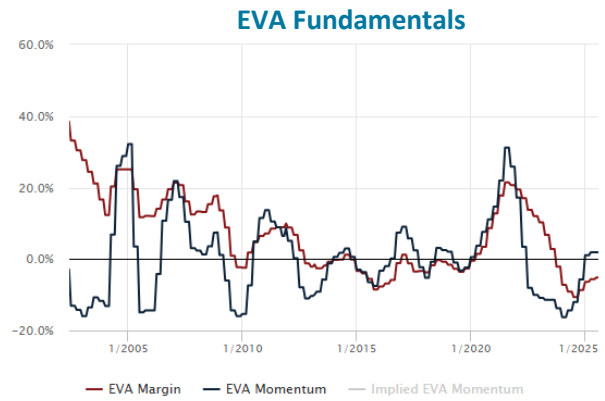
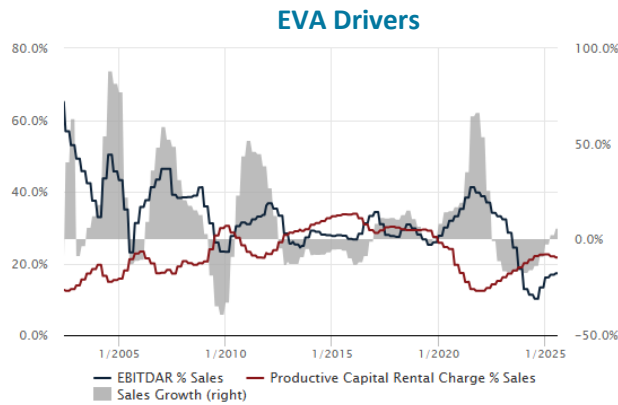
EVA Drivers



EVA Fundamentals



Precious Metals & Minerals: The industry looks unattractive from a PRVIt perspective due to an unfavorable Quality-Value tradeoff. EVA Margin for the industry has moved higher but remains negative at this stage; however, EVA Momentum (growth) inflected positive in December last year and remains strong, led by top-line growth turning positive in March and accelerating further, combined with an expanding EBITDAR Margin and improving asset efficiency.



Silver: EVA Margin bottomed out in May 2024 and has since trended higher, currently being above the 10-year mid-range level. EVA Momentum (growth) has seen a strong acceleration this year, given very strong sales growth, improving Capital intensity, and EBITDAR Margin expanding closer to the highest levels in 10 years. Weak Quality and unfavorable Valuation levels pull down the aggregate PRVIt score to unattractive levels.

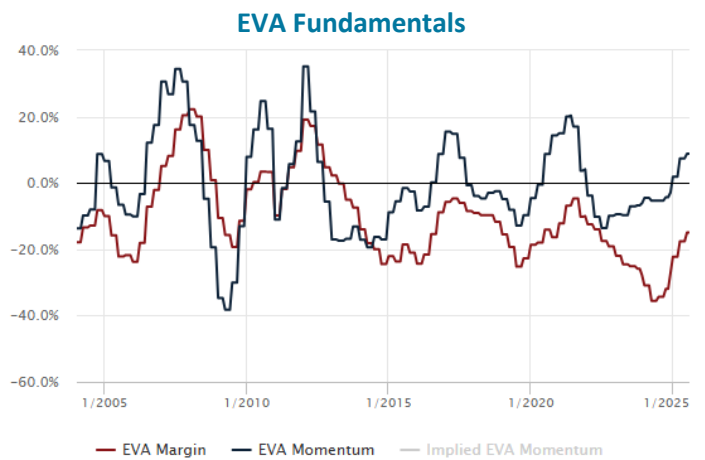
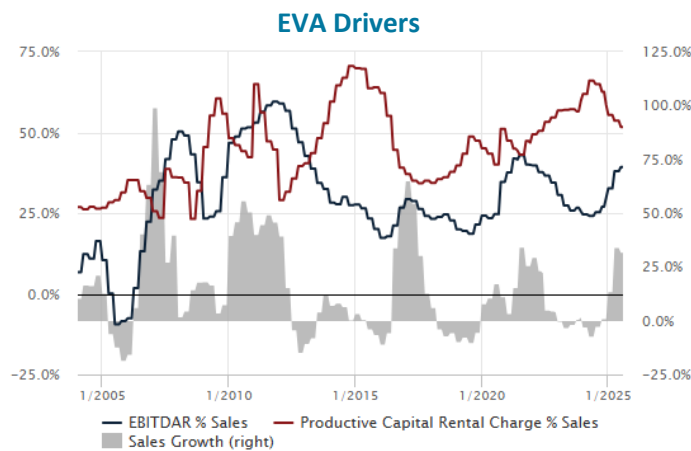


Figure 4: Metals & Mining – EVA Metrics, PRVIt Ranking, and YTD Returns by Sub-Industry

The table below highlights the EVA and PRVIt metrics, on a sales-weighted basis, for the seven sub-industries along with their ESG Performance scores and YTD returns (market-cap weighted).

Sub-Industry	EVA Margin (%)	EVA Momentum (%)	EVA Shock (1 Qtr.)(%)	PRVIt Score	Quality (P-R)	Profitability Score (P)	Risk Score (R)	Valuation Score (V)	Returns YTD (%)	ESG Perf Score
Aluminum	0.3%	3.2%	0.5%	76	47	54	64	25	27.2%	28.96
Gold	3.1%	11.3%	3.5%	68	58	68	67	49	70.6%	36.55
Copper	-1.2%	0.9%	-0.0%	65	33	38	64	29	12.2%	22.68
Steel	-4.4%	-3.0%	0.3%	51	24	23	57	21	15.6%	30.35
Diversified Metals & Mining	-0.5%	-0.7%	0.5%	48	28	36	75	25	21.3%	34.62
Precious Metals & Minerals	-3.5%	5.6%	6.6%	37	39	40	59	50	120.2%	36.50
Silver	-17.8%	8.3%	6.1%	25	26	42	90	51	38.6%	42.02

In the next page, we list the top 5 largest players in each sub-industry.

Global Metals & Mining – Top 5 Largest Companies by Sub-industry

Name	Ticker	Sub-Industry	Country	Mkt Cap (\$mm)	EVA Margin (%)	EVA Momentum (%)	EVA Shock (1 Qtr.)(%)	PRVit Score	Quality (P-R)	Profitability Score (P)	Risk Score (R)	Valuation Score (V)	Returns YTD (%)	ESG Perf Score
CHINA HONGQIAO GROUP LTD	1378 HK	Aluminum	China	27,407	6.9%	8.0%	-1.1%	96	63	83	84	32	96.1%	27.30
HINDALCO INDUSTRIES LTD	HNDL IN	Aluminum	India	17,275	2.4%	2.0%	0.3%	92	65	74	62	28	12.5%	47.52
ALUMINUM CORP CHINA LTD	2600 HK	Aluminum	China	17,183	0.1%	0.7%	0.5%	96	56	62	58	25	46.4%	26.62
NORSK HYDRO ASA -ADR	NHYDY	Aluminum	Norway	12,391	-1.2%	4.0%	1.7%	63	23	37	82	4	6.5%	64.17
PRESS METAL ALUMINIUM HLD BHD	PMAH MK	Aluminum	Malaysia	10,547	5.3%	2.5%	-0.4%	36	76	84	61	86	11.6%	54.34
SOUTHERN COPPER CORP	SCCO	Copper	U.S.	80,488	26.5%	7.5%	-6.0%	40	76	91	74	87	11.7%	38.29
FREEMONT-MCMORAN INC	FCX	Copper	U.S.	60,288	-8.9%	-0.1%	0.5%	33	15	20	73	23	11.5%	46.03
PT AMMAN MINERAL INTERNASION	AMMN IJ	Copper	Indonesia	38,835	-40.6%	-33.3%	-26.7%	0	2	3	90	92	1.7%	40.45
ANTOFAGASTA PLC	ANTO LN	Copper	U.K.	26,844	-4.0%	-4.2%	3.9%	3	10	20	89	62	36.8%	45.44
FIRST QUANTUM MINERALS LTD	FM.	Copper	Canada	14,417	-15.7%	-0.4%	1.4%	18	7	15	90	20	28.2%	36.28
BHP GROUP LTD -ADR	BHP	Diversified Metals & Mining	Australia	133,228	16.6%	1.6%	-0.6%	76	52	66	73	35	9.3%	45.46
RIO TINTO GROUP -ADR	RIO	Diversified Metals & Mining	U.S.	104,687	3.2%	-2.2%	-1.7%	41	23	37	83	15	7.9%	37.30
SAUDI ARABIAN MINING CO	MAADEN AB	Diversified Metals & Mining	Saudi Arabia	54,085	-3.2%	5.0%	0.1%	12	28	46	90	75	3.8%	35.10
GRUPO MEXICO SAB DE CV	GMEXICOB MM	Diversified Metals & Mining	Mexico	51,782	11.8%	4.6%	-2.3%	59	60	75	77	46	24.6%	41.92
GLENCORE PLC	GLEN LN	Diversified Metals & Mining	Switzerland	46,176	-3.4%	-1.1%	0.2%	27	5	12	91	10	-12.4%	39.07
ZIJIN MINING GROUP CO LTD	601899 CH	Gold	China	78,461	2.1%	3.5%	2.6%	77	65	75	66	66	38.4%	37.24
NEWMONT CORP	NEM	Gold	U.S.	75,947	13.8%	37.0%	6.3%	87	75	89	72	42	86.7%	53.39
AGNICO EAGLE MINES LTD	AEM	Gold	Canada	68,243	18.1%	30.9%	6.8%	56	79	89	64	70	74.7%	37.23
WHEATON PRECIOUS METALS CORP	WPM	Gold	U.S.	45,774	19.1%	24.9%	10.6%	38	82	85	49	96	79.8%	56.52
BARRICK MINING CORP	B	Gold	U.S.	40,296	-13.0%	3.1%	2.2%	79	35	35	52	8	52.6%	49.93
FRESNILLO PLC	FRES LN	Precious Metals & Minerals	Mexico	16,863	8.7%	16.5%	1.8%	47	84	88	50	82	202.8%	42.92
VALTERRA PLATINUM LIMITED	VAL SJ	Precious Metals & Minerals	South Africa	13,018	-6.3%	-8.1%	-1.8%	4	10	11	70	55	63.7%	59.94
INDUSTRIAS PENOLES SAB DE CV	PE_OLES* MM	Precious Metals & Minerals	Mexico	12,501	6.5%	18.2%	0.8%	69	72	87	73	50	119.0%	35.72
IMPALA PLATINUM HOLDINGS LTD	IMP SJ	Precious Metals & Minerals	South Africa	8,968	-16.0%	-9.1%	4.8%	8	13	4	49	41	100.3%	49.07
SIBANYE-STILLWATER LIMITED	SSW SJ	Precious Metals & Minerals	South Africa	6,395	-9.5%	18.4%	27.3%	4	9	21	96	52	167.2%	43.65
HECLA MINING CO	HL	Silver	U.S.	5,092	-5.3%	21.6%	2.2%	28	45	63	86	64	54.9%	35.77
FIRST MAJESTIC SILVER CORP	AG	Silver	U.S.	4,187	-25.2%	8.0%	7.6%	16	18	36	97	47	56.9%	54.30
ENDEAVOUR SILVER CORP	EDR.	Silver	U.S.	1,574	-53.4%	-31.1%	-7.0%	2	2	1	88	66	48.0%	42.00
AYA GOLD & SILVER INC	AYA.	Silver	Canada	1,309	-29.5%	-15.2%	36.3%	1	9	23	98	84	15.3%	
VALE SA -ADR	VALE	Steel	Brazil	46,377	-3.2%	-11.0%	1.1%	27	20	19	56	22	1.5%	44.03
FORTESCUE LTD	FMG AU	Steel	Australia	37,884	12.4%	-15.1%	-6.9%	59	40	49	70	36	11.8%	43.75
NUCOR CORP	NUE	Steel	U.S.	32,101	-1.7%	-6.0%	2.3%	19	15	21	75	39	20.0%	48.89
JSW STEEL LTD	JSTL IN	Steel	India	29,319	-2.8%	-3.4%	1.2%	13	16	21	71	57	16.7%	49.00
ARCELORMITTAL -ADR	MT	Steel	Luxembourg	28,672	-6.9%	-2.9%	0.5%	44	11	10	65	2	44.8%	43.00
Average				36,665	-2.8%	2.2%	2.0%	40	37	46	74	48	45.6%	43.99

In the Metals & Mining industry, we think that a strong opportunity lies in looking at names that are closer to seeing a potential bottoming in EVA Fundamentals. It is noteworthy that, given the cyclical nature of the industry, some names may offer attractive buying opportunities at the bottom of their cycle when earnings are depressed and FGR, our P/E equivalent, is high, as the company grows into the “elevated” expectations.

Below, we show two screens to look for growth-oriented names within the industry, in both the DM and EM regions. We also run a third screen to search for deep value opportunities in the industry that have seen three or more consecutive quarters of deterioration in EVA Momentum (growth) and look attractive through the PRVit lens at this stage.

Screens on the following pages.

Screen 1: Attractive Metals & Mining Firms in Developed Markets

In **Screen 1**, we search for DM names within the Metals & Mining industry (Market cap ≥ \$2B) that look attractive in the PRVit framework (≥ 60). The Valuation (Low V) factor has historically worked over the medium- to long-term, as we noted in our [Global Materials Sector 2025 Outlook](#) back in January; therefore, we filter out companies within the top two quintiles of the Valuation factor (V ≤ 60). Finally, we filter in companies that have seen an improving value creation trend over the previous one-quarter and one-year period (EVA Shock 1Q and 1Yr ≥ 0%).

Specific Screen Criteria

- Market cap ≥ \$2B
- EVA Shock (1Q, 1Yr) ≥ 0%
- PRVit Score ≥ 60
- Valuation Score (V) ≤ 60

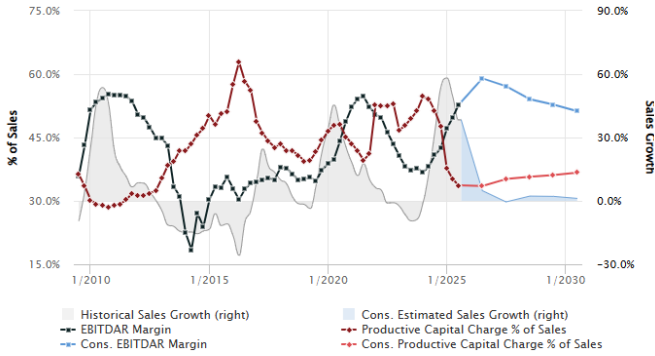
Name	Ticker	Sub-Industry	Country	Mkt Cap (\$mm)	EVA Margin (%)	EVA Momentum (%)	EVA Shock (1 Yr.)(%)	EVA Shock (1 Qtr.)(%)	PRVit Score	Quality (P-R)	Profitability Score (P)	Risk Score (R)	Valuation Score (V)	Returns YTD (%)	ESG Perf Score
NEWMONT CORP	NEM	Gold	U.S.	75,947	13.8%	37.0%	45.1%	6.3%	87	75	89	72	42	86.7%	53.39
BARRICK MINING CORP	B	Gold	U.S.	40,296	-13.0%	3.1%	5.8%	2.2%	79	35	35	52	8	52.6%	49.93
ANGLOGOLD ASHANTI PLC	AU	Gold	U.S.	28,982	10.1%	19.0%	15.8%	1.0%	65	62	87	96	52	152.3%	49.63
KINROSS GOLD CORP	KGC	Gold	U.S.	23,155	-2.9%	19.4%	17.4%	7.2%	88	62	65	51	26	105.4%	45.81
NORSK HYDRO ASA -ADR	NHYDY	Aluminum	Norway	12,391	-1.2%	4.0%	9.9%	1.7%	63	23	37	82	4	6.5%	64.17
PAN AMERICAN SILVER CORP	PAAS	Gold	U.S.	11,584	-2.2%	16.7%	22.3%	3.4%	67	62	66	54	50	59.2%	45.78
ENDEAVOUR MINING PLC	EDV.	Gold	Canada	7,955	7.8%	29.2%	38.8%	16.5%	95	79	86	58	22	78.5%	40.93
THYSSENKRUPP AG	TKA GR	Steel	Germany	7,172	-1.1%	5.5%	9.9%	0.4%	86	52	59	60	17	155.7%	49.58
AURUBIS AG	NDA GR	Copper	Germany	5,019	1.9%	4.2%	6.0%	0.7%	91	60	75	76	15	26.7%	68.28
CHINA NONFERROUS MINING	1258 HK	Copper	Hong Kong	3,902	6.6%	2.4%	3.3%	1.1%	98	87	80	23	22	54.6%	22.01
HUBBAY MINERALS INC	HBM	Dvrsfd Metals & Mining	Canada	3,813	-3.2%	4.8%	4.9%	1.5%	81	46	62	81	11	19.0%	43.28
OCEANAGOLD CORP	OGC.	Gold	Canada	3,794	15.8%	35.5%	46.5%	15.2%	93	81	91	62	31	98.5%	44.25
RAMELIUS RESOURCES LTD	RMS AU	Gold	Australia	3,520	20.7%	30.8%	20.2%	7.4%	93	85	95	60	46	37.7%	34.08
SSR MINING INC	SSRM	Gold	U.S.	3,084	-10.7%	11.0%	12.5%	1.6%	64	27	40	79	13	118.0%	29.27
TOREX GOLD RESOURCES INC	TXG.	Gold	Canada	2,581	10.9%	7.5%	14.3%	0.1%	76	50	73	94	21	45.3%	43.72
MATERION CORP	MTRN	Dvrsfd Metals & Mining	U.S.	2,213	-1.4%	0.4%	2.5%	0.2%	66	59	47	20	48	8.0%	35.29
MARUICHI STEEL TUBE LTD	5463 JP	Steel	Japan	2,038	1.3%	0.0%	0.2%	1.9%	94	73	51	1	8	4.7%	15.27
FORTUNA MINING CORP	FSM	Gold	Canada	2,021	5.9%	14.3%	8.4%	3.4%	96	77	84	58	15	53.5%	52.28
<i>Average</i>				13,304	3.3%	13.6%	15.8%	4.0%	82	61	68	60	25	64.6%	43.72

Summary firm-level commentary on the following page.

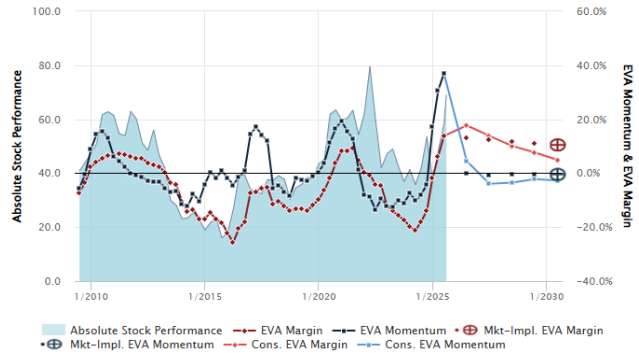
Newmont Corporation

Newmont Corporation (NEM, rated 'Buy'): Top-line growth (TFQ) rolled over through H1 2025 but remains very strong, at 38.4%. EBITDAR Margin has continued to expand through the last six quarters and is currently near the upper end of the long-term range on moderating adjusted COGS and SG&A expenses, relative to sales. EVA Momentum (growth), supported by favorably moving EVA drivers, has accelerated to record highs. After three quarters of improvement, EVA Margin inflected positive in Q1 2025 and has expanded further, as of the quarter ending June, to record highs of 13.8%. MVA Spread, our price-to-book equivalent, was around 0% in December last year and has since increased to trading at 67%. While we like the firm, given the strong Quality (P-R) backdrop, we note that EVA Fundamentals are currently at record highs and the firm has, in the past, seen EVA growth roll over after trending higher for 4-6 quarters.

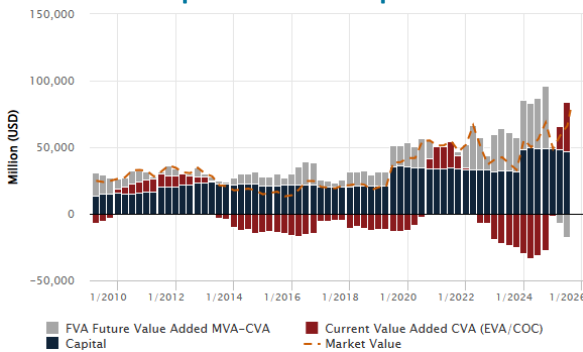
EVA Drivers



EVA Fundamentals



Enterprise Value Components



Market Value Added (MVA) Spread



Screen 2 on the next page.

Screen 2: Attractive Metals & Mining Firms in Emerging Markets

In **Screen 2**, we search for EM names within the Metals & Mining industry (Market cap ≥ \$2B) that look attractive in the PRVit framework (≥ 60). We filter out companies within the top two quintiles of the Valuation factor (V ≤ 60). Finally, we filter for companies that have seen an improving value creation trend over the last one-quarter and one-year period (EVA Shock 1Q and 1Yr ≥ 0%).

Specific Screen Criteria

- Market cap ≥ \$2B
- EVA Shock (1Q, 1Yr) ≥ 0%
- PRVit Score ≥ 60
- Valuation Score (V) ≤ 60

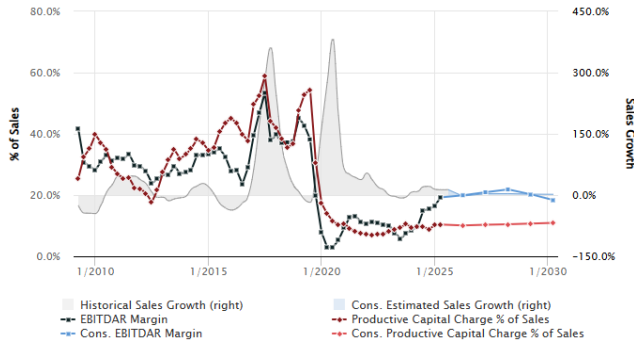
Name	Ticker	Sub-Industry	Country	Mkt Cap (\$mm)	EVA Margin (%)	EVA Momentum (%)	EVA Shock (1 Yr.)(%)	EVA Shock (1 Qtr.)(%)	PRVit Score	Quality (P-R)	Profitability Score (P)	Risk Score (R)	Valuation Score (V)	Returns YTD (%)	ESG Perf Score
CMOC GROUP LIMITED	603993 CH	Dvrsfd Metals & Mining	China	28,723	5.7%	4.2%	1.8%	0.8%	98	87	93	50	47	50.6%	46.86
VEDANTA LTD	VEDL IN	Dvrsfd Metals & Mining	India	19,279	2.1%	0.9%	1.3%	0.7%	67	42	51	68	33	-1.4%	49.95
HINDALCO INDUSTRIES LTD	HNDL IN	Aluminum	India	17,275	2.4%	2.0%	2.3%	0.3%	92	65	74	62	28	12.5%	47.52
ALUMINUM CORP CHINA LTD	2600 HK	Aluminum	China	17,183	0.1%	0.7%	1.2%	0.5%	96	56	62	58	25	46.4%	26.62
SOC MINERA CERRO VERDE SAA	CVERDEC1 PE	Copper	Peru	14,002	7.0%	10.1%	19.1%	8.8%	92	81	66	14	39	0.0%	46.03
INDUSTRIAS PENOLES SAB DE CV	PE_OLES* MM	Precious Metals & Minerals	Mexico	12,501	6.5%	18.2%	17.1%	0.8%	69	72	87	73	50	119.0%	35.72
ZHONGJIN GOLD CO LTD	600489 CH	Gold	China	10,142	0.5%	0.9%	0.4%	0.5%	91	70	68	41	52	28.2%	13.62
JIANGXI COPPER CO LTD	358 HK	Copper	China	9,866	-1.1%	0.1%	1.0%	0.1%	87	33	41	67	19	37.8%	15.98
CITIC PACIFIC SPECIAL STEEL	000708 CH	Steel	China	9,134	-1.5%	-1.0%	3.9%	0.2%	80	37	31	39	32	18.4%	32.69
TONGLING NONFERROUS METAL	000630 CH	Copper	China	7,177	-1.8%	-0.8%	0.8%	0.1%	75	30	31	54	30	27.9%	8.60
SHANDONG NANSHAN ALUMINIUM	600219 CH	Aluminum	China	6,661	3.5%	6.5%	8.2%	0.1%	100	89	80	19	15	7.7%	38.54
TIANSHAN ALUMINUM GRP CO LTD	002532 CH	Aluminum	China	6,268	3.1%	8.1%	13.2%	2.8%	95	66	72	57	37	25.5%	
HENAN SHENHUO COAL INDUSTRY	000933 CH	Dvrsfd Metals & Mining	China	5,777	0.6%	-3.2%	5.0%	1.7%	62	23	32	76	32	12.1%	8.59
XIAMEN TUNGSTEN CO LTD	600549 CH	Dvrsfd Metals & Mining	China	5,231	-1.8%	0.0%	2.5%	0.8%	85	60	48	23	50	25.0%	
GRUPO SIMEC SA DE CV -ADR	SIM	Steel	Mexico	4,749	12.2%	7.8%	13.7%	1.0%	91	87	73	10	41	-4.2%	
COMPANIA DE MINAS BUENAVENTU -ADR	BVN	Gold	Peru	4,678	3.2%	21.1%	14.5%	7.2%	76	68	79	67	47	25.7%	31.09
ANEKA TAMBANG TBK (PT)	ANTM IJ	Gold	Indonesia	4,571	2.8%	9.7%	18.1%	9.0%	65	65	79	73	50	112.6%	34.18
NATIONAL ALUMINIUM CO LTD	NACL IN	Aluminum	India	3,933	24.5%	26.6%	24.0%	9.0%	96	90	99	52	44	-9.6%	28.11
INNER MONGOLIA ERDOS RESOURC	600295 CH	Dvrsfd Metals & Mining	China	3,667	-3.1%	1.4%	5.4%	1.6%	88	44	36	33	30	12.2%	11.24
HBIS COMPANY LTD	000709 CH	Steel	China	3,497	-10.3%	-1.7%	2.1%	0.8%	71	14	14	64	12	11.3%	10.93
BAIYIN NONFERROUS GROUP CO	601212 CH	Dvrsfd Metals & Mining	China	3,453	-1.9%	0.6%	2.2%	0.2%	96	63	43	6	30	20.7%	
MINSUR SA	MIN PE	Dvrsfd Metals & Mining	Peru	3,284	11.0%	6.4%	9.5%	3.5%	98	82	72	22	18	-15.2%	
NANSHAN ALUMINIUM INTERNATIO	2610 HK	Aluminum	Indonesia	2,741	33.8%	47.0%	36.1%	11.6%	92	91	100	50	50		
POONGSAN CORP	103140 KS	Dvrsfd Metals & Mining	South Korea	2,461	-0.1%	2.2%	3.5%	0.3%	81	55	63	62	34	149.5%	
HENAN MINGTAI AL INDUSTRIAL	601677 CH	Aluminum	China	2,254	-1.3%	-0.7%	2.1%	1.2%	98	60	38	1	17	9.6%	
LIUZHOU IRON&STEEL CO LTD	601003 CH	Steel	China	2,183	-4.4%	0.7%	1.9%	0.1%	64	33	31	48	42	121.7%	
<i>Average</i>				8,103	3.5%	6.4%	8.1%	2.4%	85	60	60	46	35	33.8%	28.60

Summary firm-level commentary on the following page.

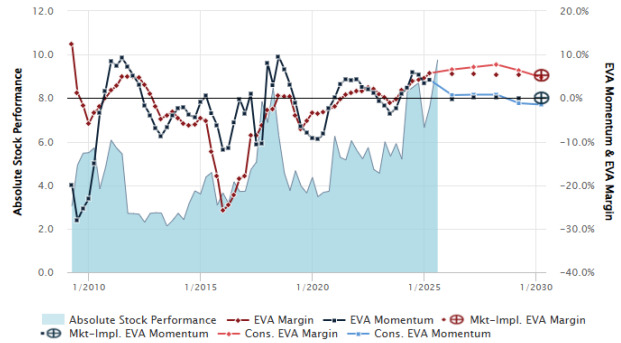
CMOC Group Limited

CMOC Group Limited (603993 CH, rated 'Buy'): EVA Momentum (growth) saw an upward inflection, as of the quarter ending March, on favorable top-line growth and EBITDAR Margin expanding to the highest levels since 2020. EVA Margin (economic profitability) has trended higher through seven consecutive quarters and is currently at 15-year highs. Valuations have moved higher over the last two months, but the firm continues to look very attractive through the PRvit lens, on very strong Quality (P-R) and a strong EVA value creation backdrop.

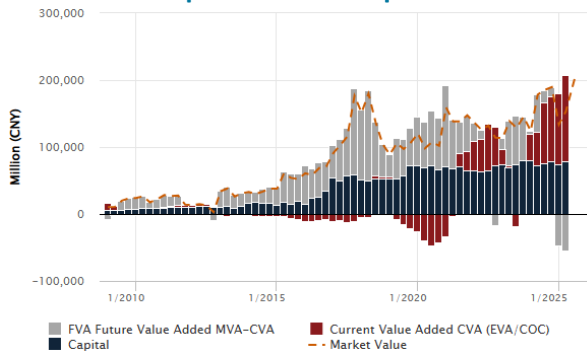
EVA Drivers



EVA Fundamentals



Enterprise Value Components



Market Value Added (MVA) Spread



Screen 3 on the next page.

Screen 3: Deep Value Opportunities

In **Screen 3**, we search for deep value ($V \leq 40$) names in the industry (Market cap \geq \$1B) that have seen 3 or more quarters of deterioration (reaching closer to a bottom) in EVA Momentum (growth) and look favorable in the PRVit framework (≥ 50).

Specific Screen Criteria

- Market cap \geq \$1B
- EVA Momentum Post-Inflection Count \leq -3
- PRVit Score \geq 50
- Valuation Score (V) \leq 40

Name	Ticker	Sub-Industry	Country	Mkt Cap (\$mm)	EVA Margin (%)	EVA Momentum (%)	EVA Mo Post-Inflection Count	PRVit Score	Quality (P-R)	Profitability Score (P)	Risk Score (R)	Valuation Score (V)	Returns YTD (%)	ESG Perf Score
FORTESCUE LTD	FMG AU	Steel	Australia	37,884	12.4%	-15.1%	-4	59	40	49	70	36	11.8%	43.75
EREGLI DEMIR VE CELIK FABRIK	EREGL TI	Steel	Turkey	4,673	-13.8%	-8.2%	-3	62	6	4	72	11	12.3%	25.25
YAMATO KOGYO CO LTD	5444 JP	Steel	Japan	3,997	-3.8%	-30.2%	-4	52	30	12	17	9	25.1%	20.09
NANJING IRON & STEEL CO LTD	600282 CH	Steel	China	3,931	-3.6%	-1.5%	-4	90	38	22	20	18	-0.5%	
CHENGTUN MINING GROUP CO LTD	600711 CH	Diversified Metals & Mining	China	3,425	-1.7%	1.7%	-3	88	51	59	64	36	63.8%	
ISKENDERUN DEMIR VE CELIK AS	ISDMR TI	Steel	Turkey	2,830	-9.8%	-5.6%	-3	69	13	5	50	17	-1.5%	26.48
NINGBO POWERWAY ALLOY MATERI	601137 CH	Diversified Metals & Mining	China	2,123	1.6%	-1.7%	-4	85	47	64	83	36	-5.0%	
XINXING DUCTILE IRON PIPES	000778 CH	Steel	China	2,107	-9.1%	-0.6%	-3	87	30	20	32	14	0.0%	
SANSTEEL MINGUANG CO LTD	002110 CH	Steel	China	1,664	-6.3%	-2.8%	-4	53	6	11	87	12	48.2%	
EZZ STEEL CO S A E	ESRS EY	Steel	Egypt	1,543	10.2%	-0.9%	-3	69	59	78	85	17	20.2%	
CENTERRA GOLD INC	CGAU	Gold	Canada	1,464	0.5%	-7.4%	-4	92	53	61	62	3	20.1%	41.83
HBIS RESOURCES CO LTD	000923 CH	Steel	China	1,293	-8.4%	-13.6%	-3	63	14	11	59	18	6.0%	
TOKYO STEEL MANUFACTURING CO	5423 JP	Steel	Japan	1,212	3.0%	-2.8%	-4	78	46	31	19	3	10.8%	27.80
KAISER ALUMINUM CORP	KALU	Aluminum	United States	1,196	-2.9%	-0.9%	-3	55	34	38	61	28	10.7%	38.71
PERENTI LTD	PRN AU	Diversified Metals & Mining	Australia	1,163	-2.1%	-1.2%	-6	93	56	50	36	15	39.8%	37.49
MONGOLIAN MINING CORP	975 HK	Steel	Mongolia	1,069	13.7%	-1.6%	-6	96	67	85	80	11	12.1%	
JIANGSU ASIA PACIFIC LIGHT	002540 CH	Aluminum	China	1,067	-1.6%	-3.5%	-8	90	56	39	14	38	2.9%	
MAHARASHTRA SEAMLESS LTD	MHS IN	Steel	India	1,010	5.1%	-4.4%	-5	97	81	63	6	27	-5.9%	
Average				4,092	-0.9%	-5.5%	-4	77	40	39	51	19	15.0%	32.68

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 costs, including the cost 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

Analyst Certification - The Research Analyst(s) who prepared this report hereby certify that the views expressed herein accurately reflect the analyst(s) personal view(s) about the subject company and their securities and that they have not been and will not be directly or indirectly compensated for expressing specific recommendation(s) or view(s) in the report.

Disclaimers – Copyright © 2024 Institutional Shareholder Services Inc. and/or its subsidiaries (“ISS STOXX”). All rights reserved.

This report and all of the information contained in it, including without limitation all text, data, graphs and charts, is the property of ISS STOXX and/or its licensors and is provided for informational purposes only. The information may not be modified, reverse-engineered, reproduced or disseminated, in whole or in part, without prior written permission from ISS STOXX.

This report and the recommendations, ratings and/or other analytical content in the report has not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body.

The user of this report assumes all risks of any use that it may make or permit to be made of the information. While ISS STOXX exercised due care in compiling this report, ISS STOXX makes no express or implied warranties or representations with respect to the information in, or any results to be obtained by the use of, the report. In particular, the recommendations, ratings and/or other analytical content in the report are not intended to constitute an offer, solicitation or advice to buy or sell securities nor are they intended to solicit votes or proxies. ISS STOXX shall not be liable for any losses or damages arising from or in connection with the information contained herein or the use of, reliance on, or inability to use any such information.

Please note the issuer(s) mentioned within this report and/or material may have a commercial relationship with ISS Corporate Solutions, Inc. (“ISS-Corporate”), a wholly owned subsidiary of Institutional Shareholder Services Inc., or ISS-Corporate may have provided advisory or analytical services to the issuer(s) in connection with the information described in this report. No employee of ISS-Corporate played a role in the preparation of this report. If you are an institutional client of ISS STOXX, you may inquire about any issuer’s use of products and services from ISS-Corporate via ProxyExchange or by emailing disclosure@issgovernance.com.

Additionally, the issuer(s) mentioned within this report and/or material may be a client of ISS STOXX, or the parent of, or affiliated with, a client of ISS STOXX. One or more of the proponents of a shareholder proposal at an upcoming meeting may be a client of ISS STOXX, or the parent of, or affiliated with, a client of ISS STOXX. None of the sponsors of any shareholder proposal(s) played a role in preparing this report.

ISS STOXX is majority owned by Deutsche Börse AG (“DB”), an international exchange organization. Both ISS STOXX and DB have established standards and procedures to protect the integrity and independence of the research, recommendations, ratings and other analytical offerings (“Research Offerings”) produced by ISS STOXX.

Further information about conflict mitigation can be found [here](#).

Registered Trademarks - EVA®, EVA Momentum® and PRVit® are registered trademarks, and VARP™ and Value-At-A-Reasonable-Price™ are trademarks of Institutional Shareholder Services Inc. and EVA Dimensions, LLC. Russell 3000 is a registered trademark of The Frank Russell Company. S&P is a registered trademark of The McGraw-Hill Companies.

EVA is a registered services mark of Institutional Shareholder Services Inc. (in the field of financial data, valuation analytics and investment management) and of Stern Stewart & Co. (in the field of financial and incentive consulting).

Research Division

Senior Management Team

Gavin Thomson
Executive Director

Global Director of Fundamental Research

Casey Lea
Executive Director

Global Director of Quantitative Research