

## Names in the News: DELL & MO

### Dell Technologies Inc. (DELL) & Altria Group, Inc. (MO)

This week, we cover **Dell Technologies Inc. (DELL)**, rated 'Overweight' and **Altria Group, Inc. (MO)**, rated 'Buy'. **DELL** was upgraded to 'Buy' in PRVIT Global on January 6<sup>th</sup> this year. The firm's share price rose by more than 21% on Feb 27 after posting strong quarterly numbers, with EVA Momentum (Mo) trending above 1.5% for the fifth consecutive period, and a record AI server backlog of \$43B. **MO**, a 'High Quality and Cheap' name, maintained its attractive cash cow profile during its latest quarterly release on Jan 29 and announced another dividend increase, its 60<sup>th</sup> in the past 56 years. The firm registered its 6<sup>th</sup> consecutive quarter of positive EVA Mo as of Q4 2025.

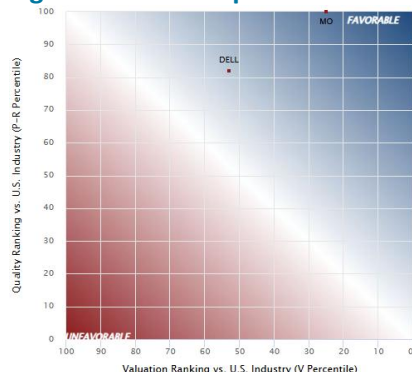
**DELL's** EVA Momentum (growth) trended above 1.5% throughout FY2025 and was at 1.8% as of the quarter ending January, driven by very strong sales growth and improving asset efficiency. EBITDAR Margin contracted during FY2025, impacted by increasing adjusted COGS expenses that were partly offset by moderating adjusted SG&A (both % of sales). Future Growth Reliance (FGR), our P/E ratio equivalent, increased to 24% as of March 13 after bottoming out at 8.3% in January, but remains well below the 50% level seen in April 2024, leading to improved (lower) Valuations on an industry-relative basis. We have a bullish outlook on **DELL**, given its very high Quality (P-R) that is supported by strong EVA growth trends.

**MO's** EVA Momentum (growth) has trended positively for six consecutive quarters. The metric slightly slowed over the last two quarters but remains positive at 1%, driven by a sustained expansion in EBITDAR Margin and improving asset efficiency. Sales growth (TFQ) has been pressured since 2022 due to declining volumes in the smokables category but is partly offset by strong growth in the E-Vapor and oral tobacco segments. EVA Margin hit an all-time high of 42.3% in Q3 2025 before stabilizing at 42.1% in Q4. **MO** has a very attractive Quality-Value profile, leaving us with a positive outlook for the firm. Investors continue to price the company for value destruction but have become less bearish, with FGR still negative but near 7-year highs, at a time when EVA Margin has made new record highs and EVA Mo (growth) has seen a sustained positive trend.

**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
DELL TECHNOLOGIES INC	DELL	U.S.	98,856	5.1%	1.8%	71	82	53	20.5%	66.99
ALTRIA GROUP INC	MO	U.S.	113,669	42.1%	1.0%	100	100	25	17.7%	45.02

**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

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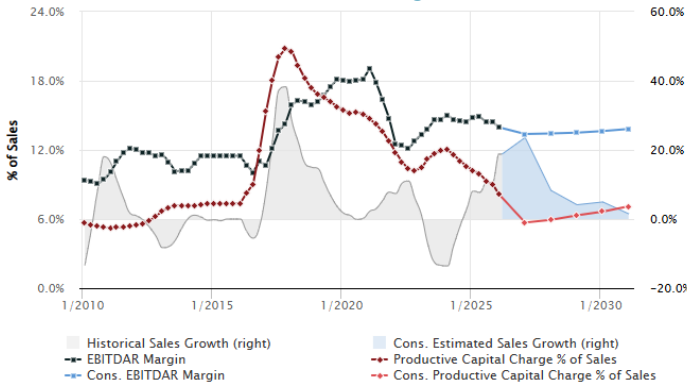
Visit our website [www.EVAexpress.com](http://www.EVAexpress.com)

**Dell Technologies Inc. (DELL)**

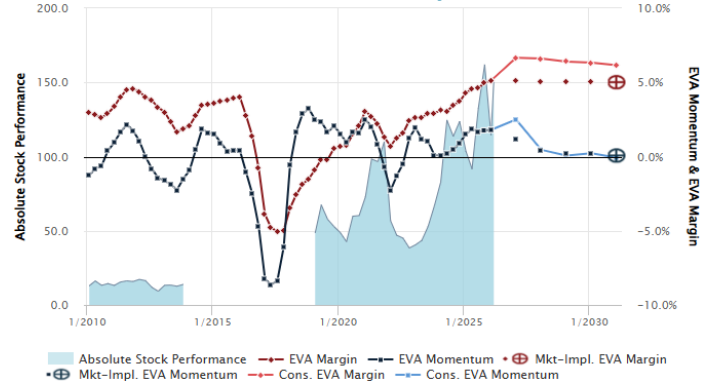
**PRVit Recommendation: 'Overweight' – Economic Profit Recovery Intact**

- Sales growth (TFQ) has accelerated to 18.8% as of the quarter ending January 2026, driven by very strong growth in the AI-Optimized Servers segment, at 166% on a year-on-year basis ([quarterly report](#)).
- EBITDAR Margin saw an 80bps contraction during FY2025 to the lowest level in 11 quarters as of Q4, at 14%, impacted by increasing adjusted COGS (% of sales) that were partly offset by moderating adjusted SG&A expenses.
- The Productive Capital Charge (lower is more favorable) has decreased to the lowest level since 2016 amid a backdrop of strong top-line growth and lower PP&E and R&D Charges.
- EVA Margin has seen a period of strong expansion over the past 16 quarters, to record highs of 5.1% as of the quarter ending January 2026.
- EVA Momentum (growth) trended above 1.5% throughout FY2025 and was at 1.8% as of the quarter ending January 2026, driven by very strong sales growth and improving asset efficiency.
- Embedded expectations for growth (FVA) decreased significantly as of January-end compared to the previous quarter, at a time when Current Value Added (CVA) continued to hit record highs. Future Growth Reliance (FGR), our P/E ratio equivalent, increased to 24% as of March 13 after bottoming out at 8.3% in January, but remains well below the 50% level seen in April 2024, leading to improved (lower) Valuations on an industry-relative basis.
- We have a bullish outlook on **DELL**, given its very high Quality (P-R) that is supported by strong EVA growth trends.

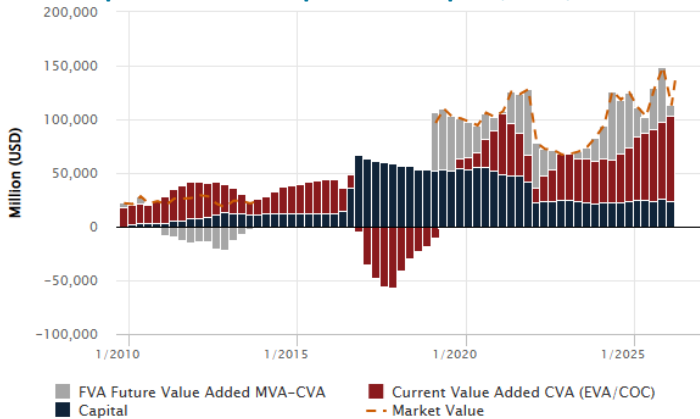
**EVA Drivers: Sales, Margins, and Turns**



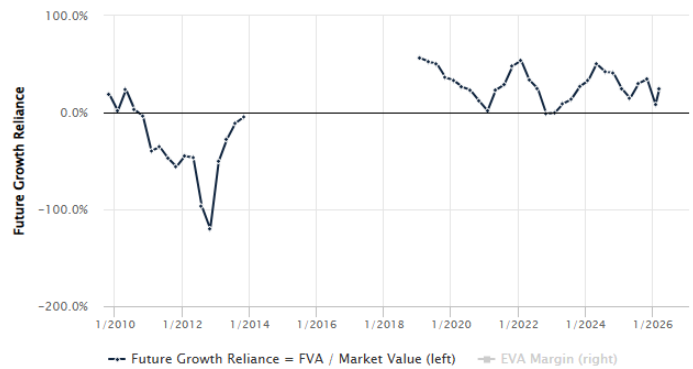
**EVA Fundamentals: Profitability Level and Growth**



**Enterprise Value Components: Capital, CVA, and FVA**



**Future Growth Reliance (FGR): Market Expectations**

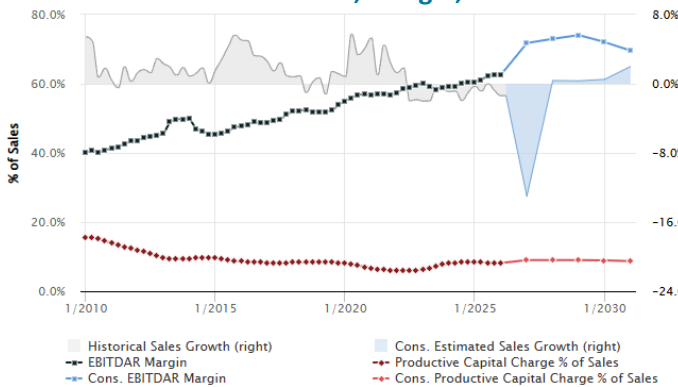


**Altria Group, Inc. (MO)**

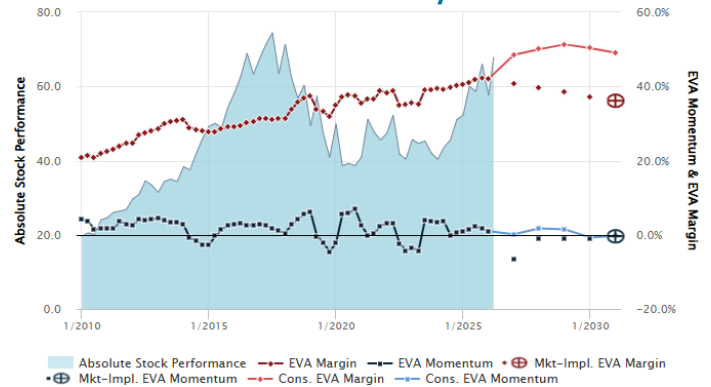
**PRVit Recommendation: 'Buy' – High Quality and Cheap**

- Sales growth (TFQ) has been pressured over the past four years, impacted by declining volumes in the smokeable product category, partly offset by strong growth in the E-Vapor and oral tobacco segments.
- EBITDAR Margin saw a strong 200bps expansion during 2025, peaking out at a record high of 62.7% in Q3 and ending the year at 62.6%, driven by lower adjusted COGS (% of sales), which was somewhat offset by higher adjusted SG&A.
- The Productive Capital Charge (lower is more favorable) peaked out in Q2 2024 and has steadily trended lower through the past 6 quarters, supported by lower PP&E and Book Intangible charges as a % of sales.
- EVA Margin expanded by 160bps through 2025, hitting an all-time high of 42.3% in Q3 and moderating to 42.1% as of the quarter ending December 2025.
- EVA Momentum (growth) has slowed within the last two quarters, but remains strong at 1%, driven by expanding EBITDAR Margin and improving asset efficiency (measured by Productive Capital Charge). The metric has trended positively for six consecutive quarters.
- Embedded expectations for growth (Future Value Added, FVA) bottomed out in 2020 and have continued to increase (become less negative) since. FGR, which has historically moved negatively for **MO**, has moved higher over the past five years and is currently around the highest level in 7 years, at -29%.
- **MO** has a very attractive Quality-Value profile, leaving us with a positive outlook for the firm. Investors continue to price the company for value destruction, but have become less bearish, at a time when EVA Margin has made new record highs and EVA Mo (growth) has seen a sustained positive trend.

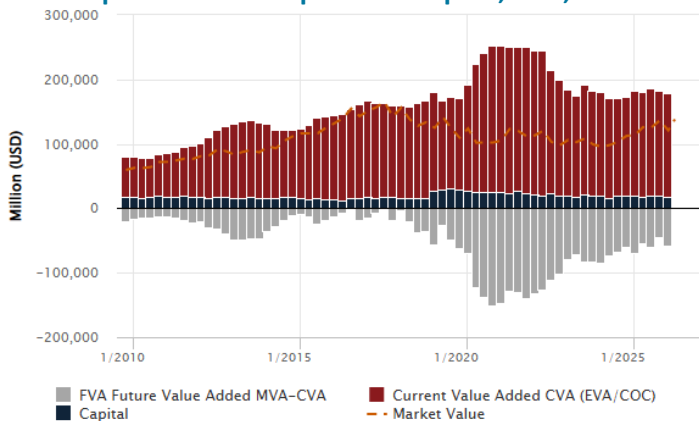
**EVA Drivers: Sales, Margin, and Turns**



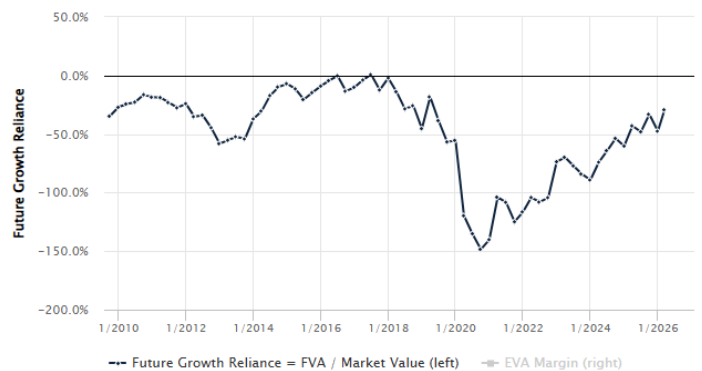
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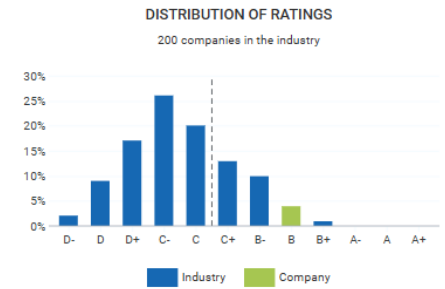
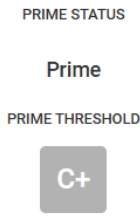
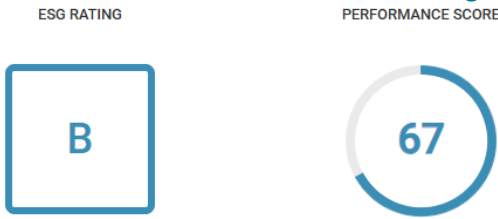


**Future Growth Reliance (FGR): Market Expectations**

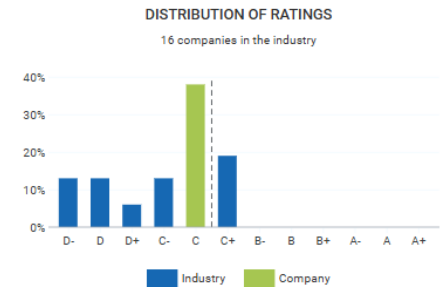
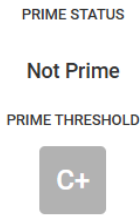
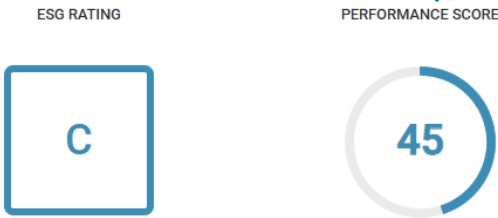


ISS ESG Performance analysis of both names can be found below.

**ISS ESG Performance for Dell Technologies Inc. (DELL)**



**ISS ESG Performance for Altria Group, Inc. (MO)**



**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 ROK 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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