

Weekly Watchlist: Tracking the Top EVA Standouts

PRVit Improvers for the Week: JD/LN, 151 HK, and CNXC

Last week we started a new series in which we take a deep-dive look at select firms that have experienced at least a 5-point improvement in their PRVit Prime score (see sidebar) over the past week and are rated as “Overweight” or “Buy” in the framework. We screen Large and Mid-cap firms (with a Market Cap of \$2bn+) in Developed Markets that currently have a PRVit Prime score of 60 or above. In this report, we cover three names. We first look at U.K. JD Sports Fashion Plc (**JD/LN**), which achieved a PRVit Prime Score of 64 led by an improvement in the firm’s Risk profile (moving from Hold to Overweight). Next is Hong Kong-based firm Want Want China Holdings Ltd. (**151 HK**), with a PRVit Prime Score of 67, having seen a 10-point increase (remains Overweight). Lastly, we examine U.S. firm Concentrix Corporation (**CNXC**), which saw an impressive upswing in its Quality score (P-R) leading to a PRVit Prime Score of 84 (upgraded from Overweight to Buy).

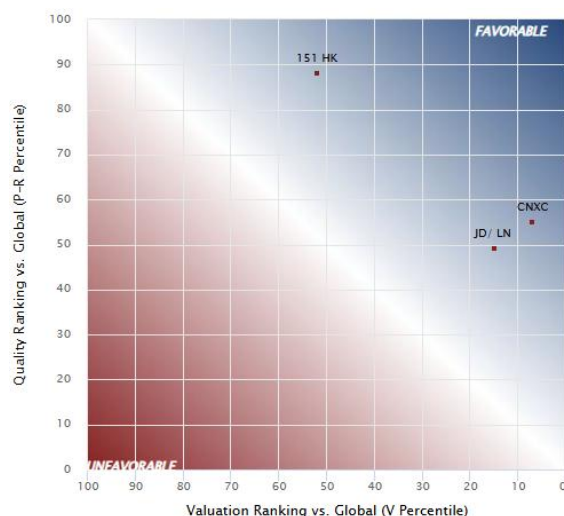
Figure 1: PRVit Change Table

Name	Ticker	GICS Sector	Country	Mkt Cap (\$mm)	PRVit Score	Quality (P-R)	Prof Score (P)	Risk Score (R)	Valuation Score (V)	Δ 1 Week PRVit Score	Return Ytd (%)
WANT WANT CHINA HLDGS LTD	151 HK	Consumer Staples	Hong Kong	8,117	67	88	73	6	52	10	17.9%
JD SPORTS FASHION PLC	JD / LN	Consumer Discretionary	U.K.	6,036	64	49	58	67	15	10	-6.5%
CONCENTRIX CORP	CNXC	Industrials	U.S.	3,007	84	55	51	38	7	22	12.5%

Quality & Value

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. **151 HK** has very high Quality with a relatively moderate valuation whereas **JD/LN** and **CNXC** have a lower level of Risk-Adjusted Profitability but are trading with very low Valuations, which leads to them offering an ‘Attractive Value’ opportunity.

Figure 2: HEAT Map



Attractive PRVit and Positive Change

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.

PRVit Prime score provides the percentile score of the ratio of a firm's Quality score as measured by its Performance and Risk metrics to its actual market Valuation (P-R)/V. PRVit Prime Score is measured against the market as a whole and is adjusted for any sub-sector or country biases.

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.

ISS ESG Performance: Page 5 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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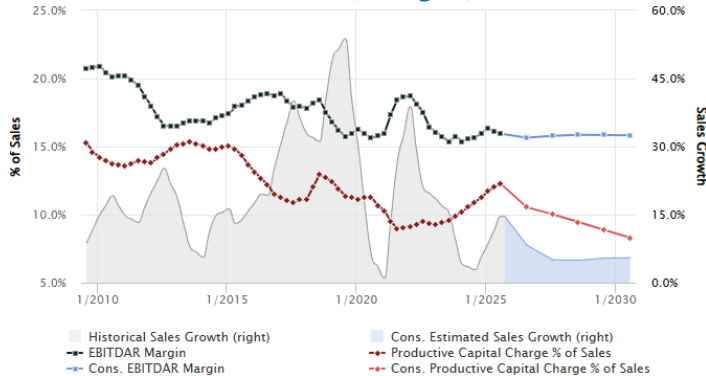
Visit our website www.EVAexpress.com

JD Sports Fashion Plc (JD/LN)

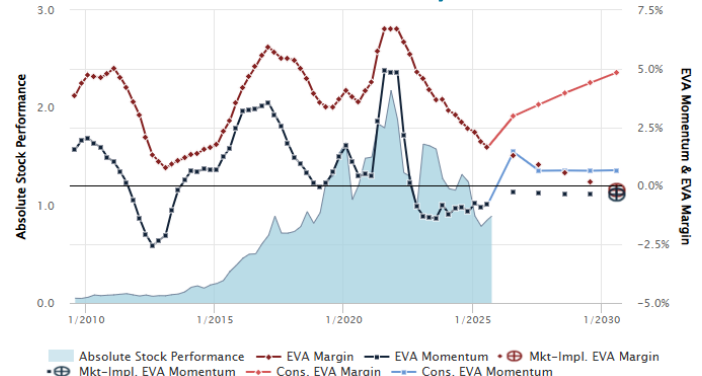
PRVit Recommendation: 'Overweight' – Attractive Value

- The 10-point improvement in PRRit score increase has been driven by an increase in relative Profitability and a relative reduction in EVA-assessed Risk, which measures Volatility and Vulnerability.
- Sales Growth (TFQ) bottomed out at 2.9% in July 2024 and bounced up to 14.6% in the latest print.
- EBITDAR Margin saw a 50bps contraction from the beginning of the year, at 15.9%, driven by higher SG&A expenses as a percentage of sales.
- The Productive Capital Charge (higher is unfavorable) is the highest since 2018 as asset efficiency has struggled over the past 10 quarters due to increased net investment. This high Productive Capital Charge is reflected in high PP&E charges and an increase in the Working Capital charge as a percentage of sales.
- EVA Margin has been in a downtrend for the past 3 years and currently sits at 1.8%, its lowest level in 10 years, pressured by lower Sales growth, a weaker EBITDAR Margin, and increased new investments (as a % of sales).
- EVA Momentum bottomed out at -1.4% in July 2023 and has moved mostly sideways in negative territory since, as the firm has continued to destroy incremental value.
- Embedded expectations for growth (Future Value Added, FVA) have remained negative since the pandemic while Current Value Added (CVA) has been contracting. Future Growth Reliance (FGR) levels bottomed out in April this year and have moved higher but continue to trade at a significant discount, around -35.9% as of September end, as investors expect further value destruction, with a 40bps decline in EVA Margin factored in over the next 12 months.
- We remain cognizant of JD/LN's deteriorating EVA Profitability but see the positive outlook on the firm, given the potential improvement in EVA Drivers and the current attractive Quality-Value trade-off.

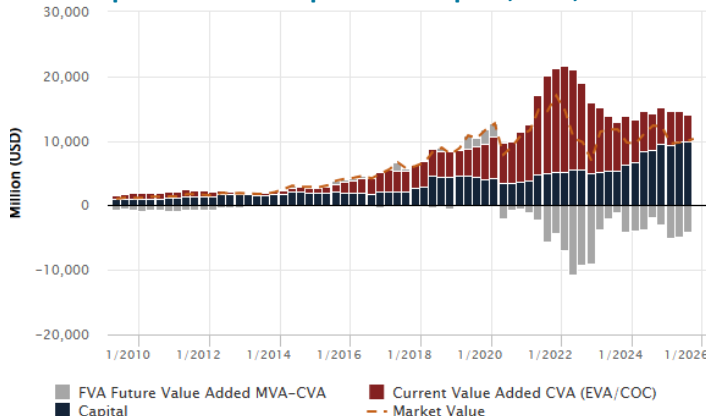
EVA Drivers: Sales, Margins, and Turns



EVA Fundamentals: Profitability Level and Growth



Enterprise Value Components: Capital, CVA, and FVA



Future Growth Reliance (FGR): Market Expectations

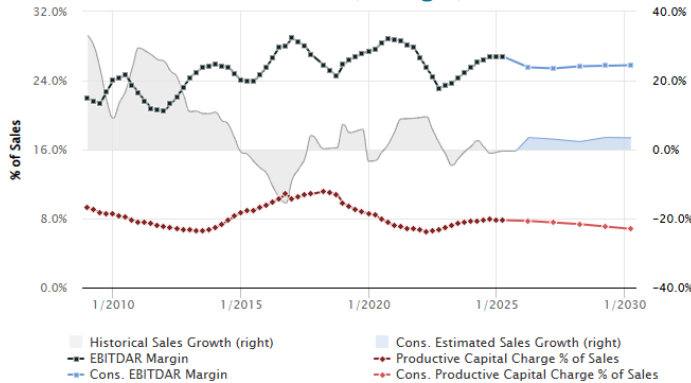


Want Want China Holdings Ltd (151 HK)

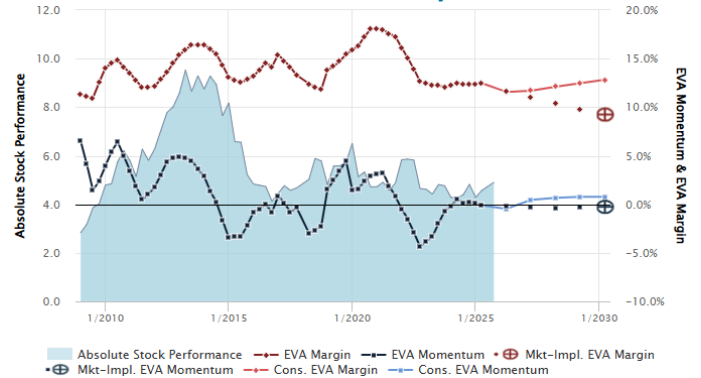
PRVIt Recommendation: 'Overweight' – Attractive Quality

- The 10-point improvement in PRVIt score has been driven by an improvement in the relative Risk ranking, with the firm having low Volatility and strong FCF. There has also been a pullback in relative Valuation.
- Sales Growth (TFQ) has been negative but bottomed out in September 2024 and has expanded 60 bps over the past two quarters, currently being at -0.5%.
- EBITDAR Margin has held onto the expansion seen through 2023 and 2024, remaining stable at 26.8% for the last 3 quarters, towards the upper end of its long-term range. This expansion is driven by good cost management and easing pressure of negative top-line growth.
- The Productive Capital Charge (lower is more favorable) has seen some moderation since the beginning of the year, currently being at 7.8%, the lower end of its long-term range. Lower PP&E Charges (% of sales) have helped offset a higher Working Capital Charge (% of sales).
- EVA Margin has moved mostly sideways the past 3 years and currently sits near the lower end of the historical range, at 12.5%.
- EVA Momentum, which had briefly turned positive in 2024, dipped into negative territory after four quarters of contraction, to current levels of -0.1%. Consensus expects EVA Momentum to turn positive again in March 2027.
- Embedded expectations for growth (Future Value Added, FVA) have become less negative at a time when Current Value Added (CVA) has also moved lower. Future Growth Reliance (FGR) levels have moved less negative, trading at a discount of -10.1%, but investors remain bearish on the outlook.
- The EVA framework has a positive outlook on **151 HK**, given the firm's stable Risk-Adjusted Profitability (Quality) and relatively cheap Valuation levels.

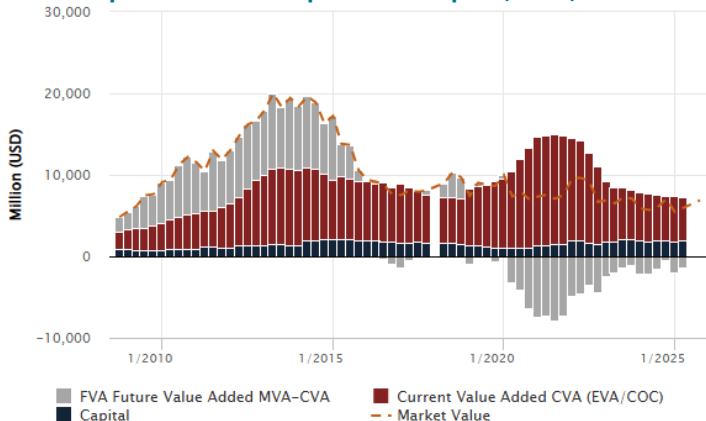
EVA Drivers: Sales, Margin, and Turns



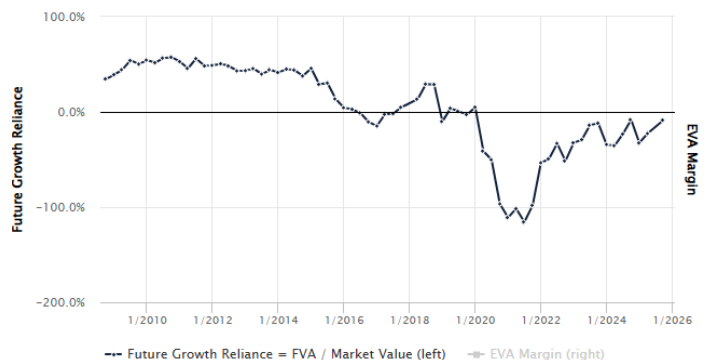
EVA Fundamentals: Profitability Level and Growth



Enterprise Value Components: Capital, CVA, and FVA



Future Growth Reliance (FGR): Market Expectations

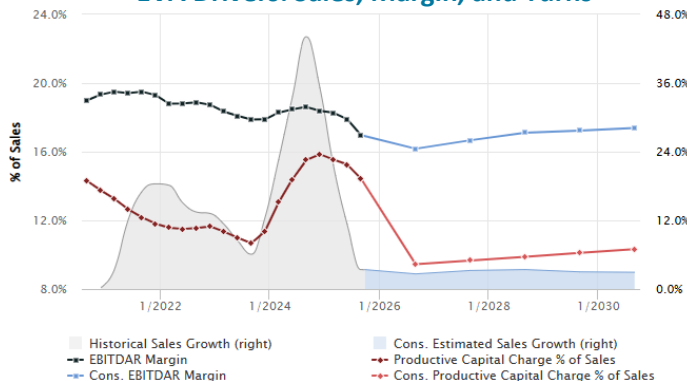


Concentrix Corporation (CNXC)

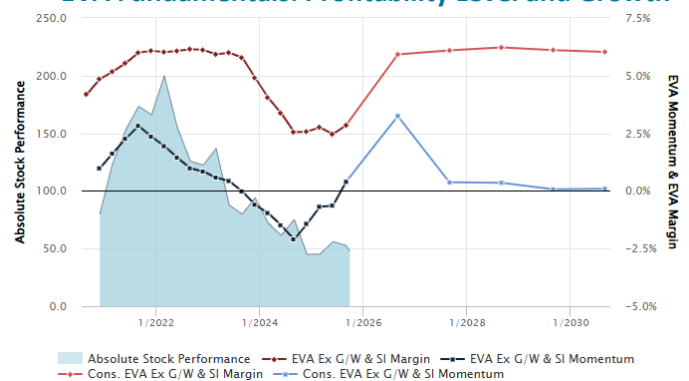
PRVit Recommendation: 'Buy' – Attractive Value

- The 22-point improvement in PRRit score was due to an increase in relative Profitability, reduction in Risk score, and lower Valuation. The company in essence has seen a de-rating by the market.
- Sales Growth (TFQ) for the firm reached its historical peak of 44.1% in August 2024 and then contracted for four consecutive quarters to the lows of 3.4%.
- EBITDAR Margin has declined to the lows of 17.0% due to higher COGS and a backdrop of deteriorating top-line growth.
- The Productive Capital Charge (higher is less favorable) has come down from the historical highs observed in November last year, as the firm has pulled back spending, with a moderation in PP&E charges and Intangible capital charges as a percentage of sales.
- The firm is carrying a large portion of Goodwill. EVA excluding Goodwill and Special Items Margin bottomed out at 2.5% in May and expanded by 30 bps to reach 2.8% in the latest quarter. However, EVA Margin including Goodwill is negative at -0.9% as of August 2025.
- EVA excluding Goodwill and Special Items Momentum saw four quarters of expansion after dipping to record lows in Q3 2024. Growth turned positive to 0.4% in August for the first time since 2023.
- Embedded expectations for growth (Future Value Added, FVA) is negative at a time when the Current Value Added (CVA) is also in negative territory. The firm's Capital, which gained a sizeable Goodwill component after its acquisition of 'Webhelp' in 2023, has been priced at a discount by the market, with the Market Value Added (MVA) spread, our price-to-book equivalent, trending negatively since November last year, currently being at -18.0%. Future Growth Reliance (FGR) levels (not shown), our price-to-earnings equivalent, are also trading at a discount of -10.8%
- The framework is positive on **CNXC**, given the improvement in its EVA Momentum over the last four quarters. The firm looks interesting from a Value perspective, with both FGR and MVA Spread trading at a discount.

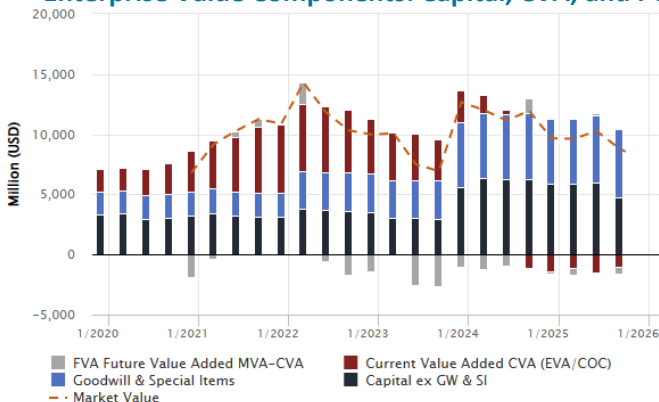
EVA Drivers: Sales, Margin, and Turns



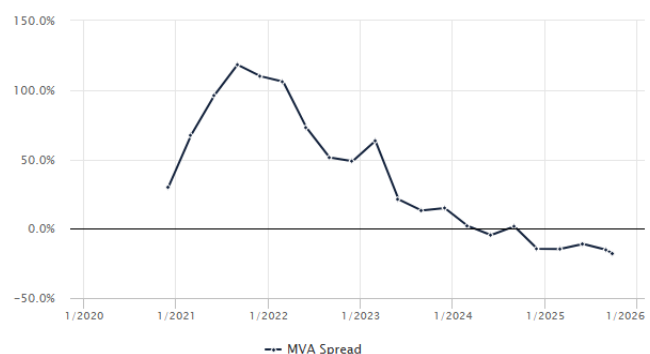
EVA Fundamentals: Profitability Level and Growth



Enterprise Value Components: Capital, CVA, and FVA



Market Value Added (MVA) Spread: Expectations



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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 BIDU 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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