Good Growth for a Better World: Russell 2000

Good Growth, Attractive PRVit, and Strong ESG Prime Score

We identify attractive names in the Russell 2000 Index with strong EVA growth scores (Profitability Trend, P2), attractive PRVit, and strong ESG Performance Scores (see details below). The PRVit framework compares a firm's operational Quality to the Value paid in the market: the greater the disconnect between Quality and Value, the more favorable the stock. **Figure 1** includes all companies that meet the criteria except the names that still fit the criteria on the other lists, which can be found in **Figures 2**, **3**, and **4**.

Figure 1: Top Names

Name	Ticker	Sector	Market Cap (US$M)	PRVit	Profit Trend (P2)	Quality (P - R)	Valuation (V)	ESGF	ESG Rating Decile	YTD TSR
August 28, 2025 Names										
WATTS WATER TECHNOLOGIES INC	WTS	Industrials	9,361	69	76	92	80	B-	2	38.80%
SILICON LABORATORIES INC	SLAB	Info Tech	4,799	73	84	85	90	B-	2	14.49%
CUSHMAN & WAKEFIELD	CWK	Real Estate	3,607	100	76	91	36	C+	2	22.25%
AVIENT CORP	AVNT	Materials	3,447	65	64	62	60	C	2	-6.46%
PELOTON INTERACTIVE INC	PTON	Discr	3,275	70	100	70	65	C	2	-13.68%
KINETIK HOLDINGS INC	KNTK	Energy	2,586	71	96	90	86	B-	1	-24.75%
UPWORK INC	UPWK	Industrials	1,986	95	98	89	42	B-	1	-8.81%
H2O AMERICA	HTO	Utilities	1,855	68	60	43	25	B-	2	4.31%
FRESH DEL MONTE PRODUCE INC	FDP	Staples	1,759	97	80	74	13	B-	1	13.69%
NORTHWEST NATURAL HLDNG CO	NWN	Utilities	1,722	98	63	61	2	C+	2	8.25%
VERIS RESIDENTIAL INC	VRE	Real Estate	1,440	76	91	89	43	C+	1	-8.10%
ARRAY TECHNOLOGIES INC	ARRY	Industrials	1,385	72	76	58	36	B-	1	54.30%
STOKE THERAPEUTICS INC	STOK	Health Care	1,119	88	94	88	51	B-	2	71.08%
KEROS THERAPEUTICS INC	KROS	Health Care	654	100	95	86	16	B-	2	-6.76%
OWENS & MINOR INC	OMI	Health Care	390	99	61	64	6	C	2	-60.75%
EHEALTH INC	EHTH	Financials	117	98	100	55	2	C+	1	-59.68%
AVERAGE										2.39%
RUSSELL 2000										5.80%

Criteria

- In Russell 2000 Index
- Profitability Trend Score (P2) ≥ 60 (highest 40%)
- PRVit ≥ 60 (most attractive 40%)
- ESG Rating Decile = 1 or 2 (top 20% of ESG ratings)

ISS ESG

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 Score, however, is comparable across all rated entities. All rated entities with values greater than or equal to 50 are considered 'Prime': they score well across Environmental, Social, and Governance metrics.

ESG Rating Decile Rank: This factor indicates decile rank relative to industry group (companies) and covered entities (countries) based on an 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 low relative ESG performance.

EVA Profitability Trend

Our Profitability Trend (P2) score measures EVA Momentum on a quarterly, annual, and 3-year trend perspective.

EVA Momentum is the rate of growth in economic profit, scaled to sales. EVA Momentum can be measured over any time period, with the default period measuring the trailing 4-quarter period. It is measured as the Trailing 4-quarter EVA minus trailing 4-quarter EVA a year ago, all divided by trailing 4-quarter sales. This is a rough first derivative of EVA. A higher number indicates higher growth of incremental economic value creation.

Notes

Criteria

- In Russell 2000
- Profitability Trend ≥ 60 (top 40%)
- PRVit ≥ 60 (most attractive 40%)
- ESG Rating Decile = 1 or 2

We provide an update on our February 20, 2025 report, September 12, 2024 report, and our January 31, 2024 report in **Figures 2**, **3**, and **4**. We provide current scores, a flag indicating if the company continues to meet the criteria, and market performance since the report was published.

PRVit compares the Quality of a firm's Risk-Adjusted Profitability to the Value paid in the market.

ISS ESG Rating Decile is a composite score of different Environmental, Social, and Governance factors that assess corporate sustainability performance and impact.

ESGF takes into consideration both ESG and financial measures to provide a comprehensive insight into a firm's position on the quality curve.

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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.

Visit our website www.EVAexpress.com

Persistence and Performance

In **Figure 2**, we provide an update of our February 20, 2025 report, including current scores (PRVit and ESGF), price performance since the original report was published (TSR Since Report), and a column indicating whether the company continues to fit the criteria of the screen (only two still fit the criteria).

- ESG Rating Decile has fallen so they no longer fit the criteria: **ZWS**, **KTB**, and **GBIO**.
- Profitability Trend (P2) score has fallen so they no longer fit the criteria: **ZWS**, **KBH**, **NMIH**, and **CWT**.
- PRVit score has fallen so they no longer fit the criteria: **ZWS**, **KBH**, **KTB**, and **CWT**.

Figure 2: February 2025 Report Update

Name	Ticker	Sector	Market Cap (US$M)	PRVit	Profit Trend (P2)	Quality (P - R)	Valuation (V)	ESGF	ESG Rating Decile	Still Fit?	TSR Since Report
February 18, 2025 Names											
ZURN ELKAY WATER SOLUTI CORP	ZWS	Industrials	7,759	51	58	78	79	C+	3	No	28.95%
KB HOME	KBH	Discr	4,421	33	44	28	39	C	2	No	1.00%
KONTOOR BRANDS INC	KTB	Discr	4,313	44	81	74	70	B-	3	No	-9.51%
ITRON INC	ITRI	Info Tech	5,814	81	90	83	42	C+	2	Yes	26.49%
ADTALEM GLOBAL EDUCATION INC	ATGE	Discr	4,868	84	72	84	56	B	1	Yes	27.78%
NMI HOLDINGS INC	NMIH	Financials	3,151	67	47	70	47	C+	2	No	11.70%
CALIFORNIA WATER SERVICE GP	CWT	Utilities	2,835	34	37	20	41	B-	1	No	3.20%
GENERATION BIO CO	GBIO	Health Care	45	75	70	42	0	C	3	No	-12.17%
GOLDEN OCEAN GROUP	GOGL	Merged with CMB.TECH on August 20, 2025									-14.37%
CHAMPIONX CORP	CHX	Acquired by SLB July 16, 2025									-14.29%
AVERAGE											4.88%
RUSSELL 2000											2.90%

Persistence and Performance

In **Figure 3**, we provide an update of our September 12, 2024 report, including current scores (PRVit and ESGF), price performance since the original report was published (TSR Since Report), and a column indicating whether the company continues to fit the criteria of the screen (only **TILE** still fits the criteria).

Figure 3: September 2024 Report Update

Name	Ticker	Sector	Market Cap (US$M)	PRVit	Profit Trend (P2)	Quality (P - R)	Valuation (V)	ESGF	ESG Rating Decile	Still Fit?	TSR Since Report
September 11, 2024 Picks											
MURPHY OIL CORP	MUR	Energy	3,434	26	26	7	24	C-	2	No	-24.74%
SELECT MEDICAL HOLDINGS CORP	SEM	Health Care	1,664	81	48	56	27	C	3	No	-26.68%
BLACKBAUD INC	BLKB	Info Tech	3,224	92	56	86	31	C+	2	No	-19.83%
HERC HOLDINGS INC	HRI	Industrials	4,312	47	42	34	24	C	2	No	0.31%
ARTISAN PARTNERS ASSET MGMT	APAM	Financials	3,292	86	80	100	55	C+	5	No	25.49%
PROTAGONIST THERAPEUTICS INC	PTGX	Health Care	3,746	40	58	79	91	C+	3	No	26.99%
CONSTELLIUM SE	CSTM	Materials	2,058	36	42	33	39	C+	1	No	-12.86%
GOODYEAR TIRE & RUBBER CO	GT	Discr	2,483	44	21	29	6	C	3	No	10.97%
RAPID7 INC	RPD	Info Tech	1,349	80	51	55	20	C+	3	No	-40.69%
BEAM THERAPEUTICS INC	BEAM	Health Care	1,720	38	10	9	27	C-	2	No	-31.84%
SUNSTONE HOTEL INVESTORS INC	SHO	Real Estate	1,820	72	0	38	27	C-	4	No	-0.64%
KOSMOS ENERGY LTD	KOS	Energy	880	17	4	2	26	C-	1	No	-51.42%
STEELCASE INC	SCS	Industrials	2,210	57	69	41	35	B-	1	No	27.22%
DORIAN LPG LTD	LPG	Energy	1,369	24	43	43	59	C-	3	No	2.52%
HELIX ENERGY SOLUTIONS GROUP	HLX	Energy	938	43	48	21	17	C-	2	No	-31.79%
INTERFACE INC	TILE	Industrials	1,592	76	63	57	29	B-	1	Yes	48.18%
CONDUENT INC	CNDT	Industrials	446	26	14	5	2	C-	3	No	-26.27%
ARCTURUS THERAPETCS HOLD INC	ARCT	Health Care	544	72	15	43	23	C	3	No	-15.59%
TRUECAR INC	TRUE	Comm Srvcs	180	76	69	31	3	C-	8	No	-35.31%
AVERAGE				Hit Ratio: 21%							-9.26%
RUSSELL 2000											12.63%

Persistence and Performance

In **Figure 4**, we provide an update of our January 31, 2024 report, including current scores (PRVit and ESGF), price performance since the original report was published (TSR Since Report), and a column indicating whether the company continues to fit the criteria of the screen (only **CBT** still fits the criteria).

Figure 4: January 2024 Report Update

Name	Ticker	Sector	Market Cap (US$M)	PRVit	Profit Trend (P2)	Quality (P - R)	Valuation (V)	ESGF	ESG Rating Decile	Still Fit?	TSR Since Report
January 31, 2024 Names											
TRINET GROUP INC	TNET	Industrials	3,353	79	43	71	52	C	5	No	-38.66%
EXLSERVICE HOLDINGS INC	EXLS	Industrials	7,136	65	94	98	89	B+	1	No	40.22%
MERIT MEDICAL SYSTEMS INC	MMSI	Health Care	5,348	36	39	66	60	C+	2	No	12.59%
PAGSEGURO DIGITAL LTD	PAGS	Financials	2,548	98	91	65	11	C+	3	No	-31.05%
CABOT CORP	CBT	Materials	4,442	100	69	87	38	C+	2	Yes	16.33%
BOX INC	BOX	Info Tech	4,619	79	75	99	71	B-	4	No	20.94%
ADIENT PLC	ADNT	Discr	2,020	59	65	35	3	C	3	No	-27.86%
DIAMONDROCK HOSPITALITY CO	DRH	Real Estate	1,737	53	12	41	29	C-	5	No	-2.91%
DEFINITIVE HEALTH CORP	DH	Health Care	425	88	42	50	1	C	1	No	-53.06%
AMALGAMATED FINANCIAL CORP	AMAL	Financials	915	91	45	86	49	C+	2	No	14.05%
KIMBALL ELECTRONICS INC	KE	Info Tech	691	93	43	54	10	C+	1	No	20.48%
LYELL IMMUNOPHARMA INC	LYEL	Health Care	214	53	39	22	0	C-	2	No	-70.03%
CARIBOU BIOSCIENCE INC	CRBU	Health Care	176	47	11	6	2	C-	4	No	-69.33%
WAVE LIFE SCIENCES LTD	WVE	Health Care	1,676	17	21	25	65	C-	3	No	130.09%
AVERAGE				Hit Ratio: 14%					Hit Ratio: 14%		-2.73%
RUSSELL 2000											22.78%

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 + Present Value 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

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