Cheap Value for a Better World: Russell 2000

Cheap Value, Attractive PRVit, and Strong ESG Prime Score

We identify attractive names in the Russell 2000 Index with cheap Value scores (V), attractive PRVit, and strong ESG Performance Scores (see details in sidebar). 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** below contains a list of companies that meet the criteria outlined in the sidebar; they offer cheap Valuations and have strong ESG Performance.

Figure 1: Top Names

Name	Ticker	Sector	Market Cap (US$M)	PRVit	Quality (P - R)	Valuation (V)	ESGF	ESG Rating Decile	YTD TSR
August 26, 2025 Names									
MINERALS TECHNOLOGIES INC	MTX	Materials	2,021	96	69	16	C+	2	-15.75%
H2O AMERICA	HTO	Utilities	1,855	68	43	25	B	2	3.62%
NORTHWEST NATURAL HLDNG CO	NWN	Utilities	1,722	98	61	2	B-	2	7.43%
ARRAY TECHNOLOGIES INC	ARRY	Industrials	1,385	72	58	36	B-	1	56.71%
EMPIRE STATE REALTY TR INC	ESRT	Real Estate	1,297	80	67	28	C+	2	-26.76%
KIMBALL ELECTRONICS INC	KE	Info Tech	691	93	54	10	B-	1	53.60%
KEROS THERAPEUTICS INC	KROS	Health Care	654	100	86	16	C+	2	-5.40%
AMERICAN PUBLIC EDUCATION	APEI	Discr	559	92	56	12	B-	2	41.86%
ON24 INC	ONTF	Info Tech	245	68	24	6	C+	1	-15.17%
EHEALTH INC	EHTH	Financials	117	98	55	2	C+	1	-59.89%
PORTFOLIO AVERAGE									4.03%
RUSSELL 2000									5.80%

ISS ESG

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

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 Value

Our EVA Value score is comprised of Wealth Ratios (V1) and Wealth Multiples (V2). See more details on our Valuation Metrics on page 3.

Wealth Ratios Score (V1) includes Market Value Added divided by Sales (MVA/Sales) and Market Value Added to Capital (MVA/Capital), which are similar to Price-to-Book using cleaned versions of Capital.

Wealth Multiples Score (V2) considers the current market valuation as multiples of cash flow (EBITDAR), enterprise earnings (NOPAT), and EVA. This factor also includes our Future Growth Reliance (FGR), which computes the percentage of the market value that is coming from investors' expectations (value not explained by Capital and Current Value Added).

Notes

Criteria

- In Russell 2000
- Valuation ≤ 40 (cheapest 40%)
- PRVit ≥ 60 (most attractive 40%)
- ESG Rating Decile = 1 or 2

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

ISS ESG Performance Score 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.

The update on the following pages contain companies from our February 2025 report, January 2024 report, and September 2024 report, including a flag of whether each company continues to meet the criteria.

Casey Lea
Global Director of Quantitative Research

ISS EVA Equity Research Team
evaanalytics@iss-stoxx.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

Persistence and Performance

In **Figure 2**, we provide an update of our February 2025 report, including current scores (PRVit and ESG Rating Decile), price performance since the original report was published (TSR Since Report column), and a column indicating whether the company continues to fit the criteria of the screen. Six names continue to fit the criteria and are flagged with a 'Yes' in the 'Still Meet Criteria' column. Companies are listed in the same order as in the original report (descending market cap).

- ESG has fallen: **MD**
- Value has increased: **CWT**
- PRVit has fallen: **HRI**, **CWT**, **ZD**, and **CSTM**

Figure 2: February 2025 Names Update

Name	Ticker	Sector	Market Cap (US$M)	PRVit	Quality (P - R)	Valuation (V)	ESGF	ESG Rating Decile	Still Meet Criteria	TSR Since Report
February 26, 2025 Names										
HERC HOLDINGS INC	HRI	Industrials	4,312	47	34	24	C	2	No	-14.31%
BLACKBAUD INC	BLKB	Info Tech	3,224	92	86	31	C	2	Yes	-0.74%
ASGN INC	ASGN	Info Tech	2,371	68	35	12	C	2	Yes	-24.71%
CALIFORNIA WATER SERVICE GP	CWT	Utilities	2,835	34	20	41	B	1	No	2.81%
ZIFF DAVIS INC	ZD	Comm Srvcs	1,576	55	28	21	C	2	No	-12.05%
TELADOC HEALTH INC	TDOC	Health Care	1,359	62	13	0	C	2	Yes	-30.12%
ICF INTERNATIONAL INC	ICFI	Industrials	1,845	77	53	32	C+	2	Yes	-1.33%
CONSTELLIUM SE	CSTM	Materials	2,058	36	33	39	B-	1	No	26.33%
PEDIATRIX MEDICAL GROUP INC	MD	Health Care	1,481	96	58	3	C	4	No	12.90%
CRACKER BARREL OLD CTRY STOR	CBRL	Discr	1,211	67	39	27	C-	2	Yes	26.32%
AMN HEALTHCARE SERVICES INC	AMN	Health Care	795	74	36	12	C+	1	Yes	-21.24%
GOLDEN OCEAN GROUP	GOGL	Merged with CMB.TECH on August 20, 2025								-16.64%
PORTFOLIO AVERAGE										-4.40%
RUSSELL 2000										8.38%

In **Figure 3**, we provide an update of our September 2024 report, including current scores (PRVit and ESG Rating Decile), price performance since the original report was published (TSR Since Report column), and a column indicating whether the company continues to fit the criteria of the screen. Three names continue to fit the criteria and are flagged with a 'Yes' in the 'Still Meet Criteria' column. INVA and TILE are the only names that continue to fit the criteria. Companies are listed in the same order as in the original report (descending market cap).

Figure 3: September 2024 Names Update

Name	Ticker	Sector	Market Cap (US$M)	PRVit	Quality (P - R)	Valuation (V)	ESGF	ESG Rating Decile	Still Meet Criteria	TSR Since Report
September 17, 2024 Names										
MURPHY OIL CORP	MUR	Energy	3,434	26	7	24	C+	2	No	-29.12%
TRI POINTE HOMES INC	TPH	Discr	3,163	83	33	6	C	3	No	-21.00%
PEABODY ENERGY CORP	BTU	Energy	2,008	78	35	0	C-	3	No	-23.87%
BREAD FINANCIAL HOLDINGS INC	BFH	Financials	2,909	71	25	2	C-	5	No	24.09%
GOODYEAR TIRE & RUBBER CO	GT	Discr	2,483	44	29	6	C+	3	No	5.87%
BEAM THERAPEUTICS INC	BEAM	Health Care	1,720	38	9	27	C+	2	No	-35.93%
SUNSTONE HOTEL INVESTORS INC	SHO	Real Estate	1,820	72	38	27	C	4	No	-5.79%
KOSMOS ENERGY LTD	KOS	Energy	880	17	2	26	C+	1	No	-59.04%
HELIX ENERGY SOLUTIONS GROUP	HLX	Energy	938	43	21	17	C	2	No	-36.73%
INNOVIVA INC	INVA	Health Care	1,284	83	77	31	C+	2	Yes	1.07%
INTERFACE INC	TILE	Industrials	1,592	76	57	29	B	1	Yes	43.59%
PORTFOLIO AVERAGE										-12.44%
RUSSELL 2000										7.40%

Persistence and Performance

In **Figure 4**, we provide an update of our January 31, 2024 report, including current scores (PRVit and ESG Rating Decile), price performance since the original report was published (TSR Since Report column), and a column indicating whether the company continues to fit the criteria of the screen. Nine names continue to fit the criteria and are flagged with a 'Yes' in the 'Still Meet Criteria' column. Companies are listed in the same order as in the original report (descending market cap).

- **AMKR**, **CBT**, **CWK**, **MLKN**, **OMI**, **XNCR**, **FDP**, **DH**, and **PGRE** continue to fit the criteria.

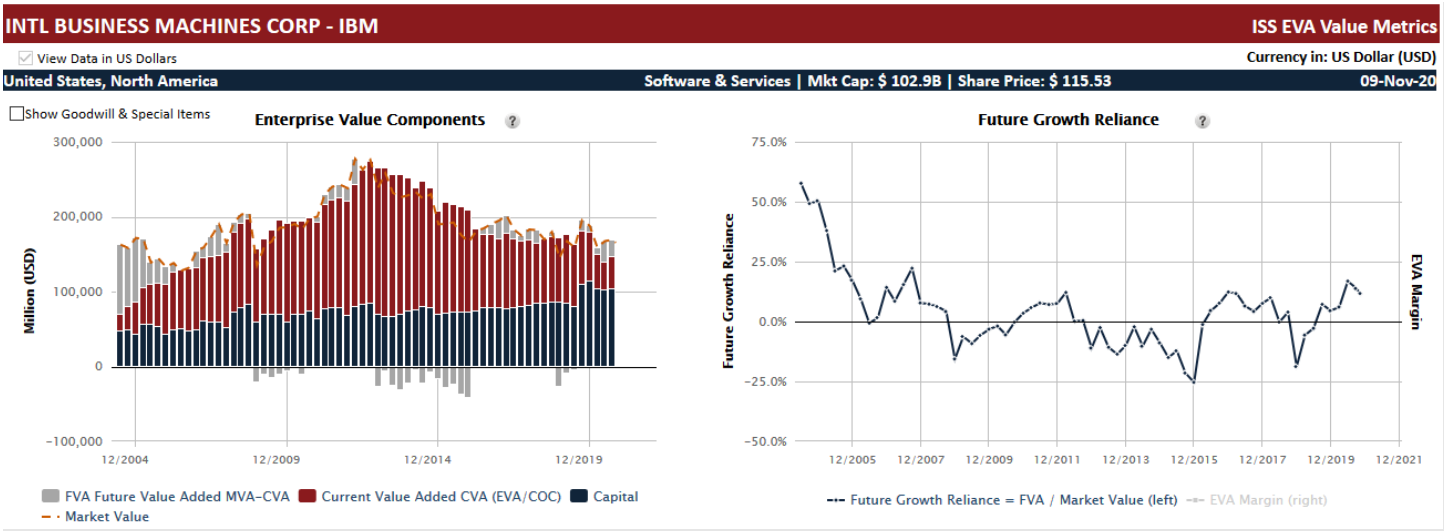
Figure 4: January 2024 Names Update

Name	Ticker	Sector	Market Cap (US$M)	PRVit	Quality (P - R)	Valuation (V)	ESGF	ESG Rating Decile	Still Meet Criteria	TSR Since Report
January 31, 2024 Names										
AMKOR TECHNOLOGY INC	AMKR	Info Tech	5,971	69	27	5	B-	2	Yes	-20.46%
MERITAGE HOMES CORP	MTH	Discr	5,698	17	11	28	C	2	No	-3.40%
KB HOME	KBH	Discr	4,421	33	28	39	C+	2	No	9.56%
PAGSEGURO DIGITAL LTD	PAGS	Financials	2,548	98	65	11	C-	3	No	-31.73%
CABOT CORP	CBT	Materials	4,442	100	87	38	C+	2	Yes	16.32%
ADIENT PLC	ADNT	Discr	2,020	59	35	3	C+	3	No	-27.31%
ABM INDUSTRIES INC	ABM	Industrials	3,092	45	33	33	C+	2	No	24.08%
PROGRESS SOFTWARE CORP	PRGS	Info Tech	2,029	55	33	17	C	4	No	-18.84%
CUSHMAN & WAKEFIELD	CWK	Real Estate	3,607	100	91	36	C+	2	Yes	51.19%
XEROX HOLDINGS CORP	XRX	Info Tech	484	28	11	0	B-	2	No	-76.51%
ADTALEM GLOBAL EDUCATION INC	ATGE	Discr	4,868	84	84	56	B	1	No	172.15%
MILLERKNOLL INC	MLKN	Industrials	1,517	61	31	16	C+	2	Yes	-13.80%
DIAMONDROCK HOSPITALITY CO	DRH	Real Estate	1,737	53	41	29	C	5	No	-2.62%
CSG SYSTEMS INTL INC	CSGS	Industrials	1,824	98	95	33	C+	3	No	30.51%
OWENS & MINOR INC	OMI	Health Care	390	99	64	6	C+	2	Yes	-74.43%
STEELCASE INC	SCS	Industrials	2,210	57	41	35	B	1	No	38.23%
VIR BIOTECHNOLOGY INC	VIR	Health Care	645	48	10	0	C+	2	No	-52.55%
XENCOR INC	XNCR	Health Care	621	67	38	10	C+	2	Yes	-58.07%
HUDSON PACIFIC PPTYS INC	HPP	Real Estate	1,020	57	0	1	C+	2	No	-66.62%
FRESH DEL MONTE PRODUCE INC	FDP	Staples	1,759	97	74	13	C+	1	Yes	56.67%
DEFINITIVE HEALTH CORP	DH	Health Care	425	88	50	1	C	1	Yes	-54.18%
PARAMOUNT GROUP INC	PGRE	Real Estate	1,499	86	32	16	C+	1	Yes	42.77%
INTL GAME TECHNOLOGY PLC	IGT	Acquired by Apollo July 1, 2025								-18.02%
PORTFOLIO AVERAGE										-3.35%
RUSSELL 2000										22.78%

Value Explained

On the left, we see the build up to IBM's Enterprise Value: Capital (blue), Current Value Added (red), and Future Value Added (gray). Capital is the EVA-adjusted Capital invested in the business (including capitalized R&D, leases, etc). Current Value Added (CVA) is the current level of profitability (value creation) taken into perpetuity – a no-growth scenario. Finally, Future Value Added (FVA) is the difference between the Market Value of the firm and the value explained by Capital and CVA: this is the implied growth investors are expecting from the business. On the right, we look at the FVA divided by the Market Value (MV) to get our Future Growth Reliance (FGR), which indicates which percentage of the MV is coming from the FVA. When FGR is negative, the market is expecting the company to incrementally destroy value in the future. Valuation Scores are relative to the industry.

Figure 4: IBM Value Metrics



What Is PRVit?

PRVit is a platform that translates underlying EVA Fundamentals into EVA metrics (Profitability, Risk, Value) that can be ranked and then compared relative to the broader market or intra-industry. To be clear, PRVit is not a black box ranking system. PRVit systematically links company fundamentals and market values to economic (EVA) metrics and the resulting score is a percentile rank. In other words, a company with a PRVit rank of 80 is in the 80th percentile in its industry with respect to its underlying economics relative to the price of the stock in the market. Higher PRVit is better. When fundamentals exceed valuation, the overall PRVit ranking will move higher. See below for more, including the individual factors which constitute the PRVit score.

Profitability Score ("P") is a percentile rank from 0 to 100 (higher is better) that ranks all companies vs. their industry. Profitability consists of current EVA Profitability Level metrics ("P1") and EVA Profitability Trends ("P2") over the last quarter, year, and three years. These two components are then re-ranked vs. the industry to calculate an overall EVA Profitability score ("P").

To determine the level of confidence that EVA Profitability is sustainable, EVA Profitability is scaled to risk and measured by the **Risk Score ("R")** (also from 0 to 100, where lower is less risky). Volatility ("R1") measures the 3-year standard deviations of stock price and EVA Margin; Vulnerability ("R2") measures FCF and leverage. FCF Rate = (ROC – Capital Growth Rate). Op Cash Gen. Return = FCF before Capex, but net of working capital.

EVA Profitability ("P") and Risk ("R") scores are then indexed to form the Risk-Adjusted **Quality** ("P – R") ranking, which is then compared to the **Valuation Score ("V")**, a composite of EVA-centric valuation multiples (lower means cheaper).

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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