

Roadmap: Global Consumer Staples 2026 Outlook

‘Underweight’ – Aggregate Economic Profitability Pressured on Weak Pricing Power

Starting off for 2026, we maintain an ‘Underweight’ stance on the global Consumer Staples sector. Aggregate economic profitability was pressured through 2025, with growth struggling to turn positive, while embedded growth expectations continued to increase throughout the year. Sales growth (TFQ) for the industry trended higher last year and consensus estimates suggest further acceleration this year; however, EVA growth struggled through 2025, with input-cost pressures starting to reflect in a contracting EBITDAR Margin from H2. Within the U.S., EVA growth is expected to pick up in 2026 based on EVA-adjusted consensus estimates, but companies will have to balance between being able to support volume growth and maintaining favorable P&L Profitability. Although Valuations in the U.S. are somewhat cheap on a market-relative basis, absolute Valuation levels, especially within the large cap space, look very expensive relative to history. We favor a high Quality (P-R) or growth tilt when it comes to U.S. stock picking for 2025, at a time when sectoral EVA growth remains scarce. At the global level, Valuation (Low V) continues to be an important factor.

Figure 1: Industry-level PRVit Metrics (Sales-Weighted)

Industry PRVit	PRVit Score	Quality (P-R)	Profitability Score (P)	Risk Score (R)	Valuation Score (V)	EVA Margin (%)	EVA Momentum (%)	ESG Perf Score	Returns 2025
Household Products	52	84	72	14	65	7.9%	-1.3%	54.14	-8.1%
Food Products	50	56	55	44	39	1.9%	0.2%	38.44	15.7%
Tobacco	49	80	78	36	61	16.3%	0.6%	44.88	33.3%
Beverages	46	68	66	39	54	7.7%	-0.8%	44.60	6.2%
Distribution & Retail	45	64	64	46	53	1.0%	0.0%	42.03	17.2%
Personal Care Products	34	71	66	34	62	4.8%	-0.9%	51.08	4.5%
Consumer Staples	47	64	63	43	50	2.8%	-0.1%	42.30	12.6%

Industry Overview

Figure 2: Industry 2025 Returns

Industry	2025 Returns
Tobacco	33.3%
Distribution & Retail	17.2%
Food Products	15.7%
Consumer Staples (Sector)	12.6%
Beverages	6.2%
Personal Care Products	4.5%
Household Products	-8.1%

Household Products (+): Very strong aggregate Risk-Adjusted Profitability, together with EVA Momentum (growth) approaching closer to a bottom.

Food Products (+/-): Moderate Quality and attractive Valuations; EVA Mo is positive but decelerated in 2025. Asia ex Japan and North America are rated more favorably compared to Europe, given better Quality-Value profiles.

Tobacco (+/-): Very strong Quality (P-R) offset by expensive Valuation levels. EVA Mo has seen some slowdown during H2 2025, impacted by deceleration in top-line growth and some deterioration in P&L Profitability.

Beverages (+/-): EVA Margin has deteriorated for four consecutive years since peaking out in mid-2021. EVA Mo turned further negative through 2025 due to worsening asset efficiency and contracting P&L Profitability. North America presents stock-picking opportunities amidst strong Quality and EVA Fundamentals showing signs of bottoming out.

Distribution & Retail (-): Valuations remain elevated in the U.S., with FGR near 25-year highs, while EVA Fundamentals are yet to demonstrate a meaningful recovery.

Personal Care Products (-): Expensive Valuations are a drag on the industry’s PRVit score; The level of economic profitability has contracted to 23-year lows.

Key Points

- For 2026, we start off with an ‘Underweight’ stance for the global Consumer Staples sector.
- At the industry level, we hold a positive stance towards the Household Products industry, seeing EVA Momentum approach closer to bottoming out at a time when absolute Valuation levels have moved lower.
- We favor a high Quality (P-R) or growth tilt when it comes to U.S. stock picking for 2025, at a time when sectoral EVA growth remains pressured. At the global level, Valuation (Low V) continues to be an important factor.

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Consumer Staples EVA Drivers and EVA Fundamentals

Shown within **Figure 3**, Sales Growth (on a Trailing Four Quarter basis) for the Global ex U.S. Consumer Staples aggregate bottomed out in Q1 2025 and demonstrated a 230bps acceleration throughout the year, to 3.0% as of December. The sector saw a prolonged period of top-line growth deterioration between 2022 and 2024. While top-line growth is projected to accelerate further during 2026, Consensus expects continued pressure on EBITDAR Margin amidst inflationary concerns. The U.S. sectoral aggregate (**Figure 4**) has also seen similar trends, with top-line growth accelerating while EBITDAR Margin remained pressured during 2025. Globally, the Productive Capital Charge (our measure of Capital intensity) has worsened (trended higher as a % of sales) despite accelerating top-line growth, reflecting the increased net investment (PP&E charge), coupled with a higher Intangible Capital charge.

Figure 3: EVA Drivers (Global ex U.S.)

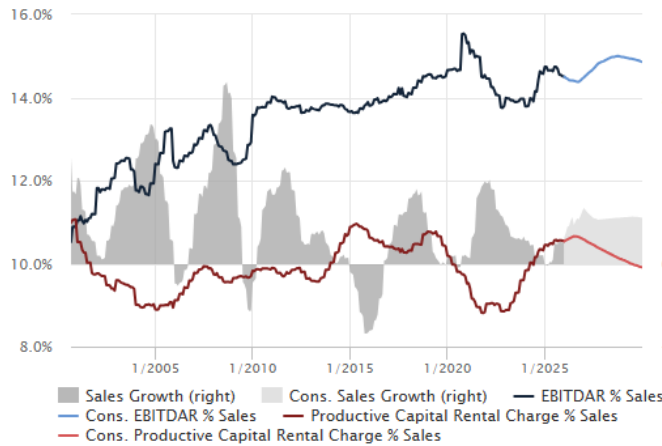
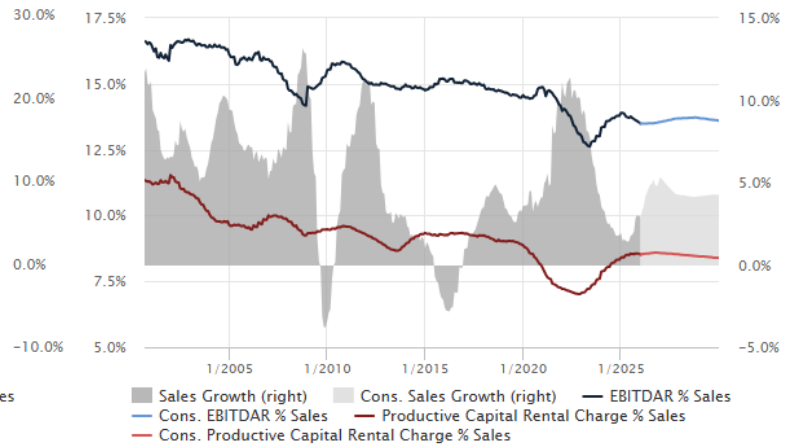


Figure 4: EVA Drivers (U.S.)



In the U.S., EVA Margin (**Figure 6**, red line) saw a contraction of -40bps in 2025, to 3.2% as of December, reflecting a further weakening in the absolute level of aggregate economic profitability, which is now at the lowest level in 16 years. EVA Momentum (growth) saw a brief period of recovery in mid-2025, but rolled over during Q4, failing to enter positive territory before trending down again in Q4. At the global ex U.S. level, EVA Margin (**Figure 5**, red line) demonstrated a recovery in H2 last year and registered a 20bps expansion for 2025 to 2.7%. EVA Momentum at the global ex U.S. level trended near 0% in 2025 but is yet to decisively turn positive despite improving sales growth, being impacted by weaker P&L Profitability and deteriorating asset efficiency.

Figure 5: EVA Fundamentals (Global ex U.S.)

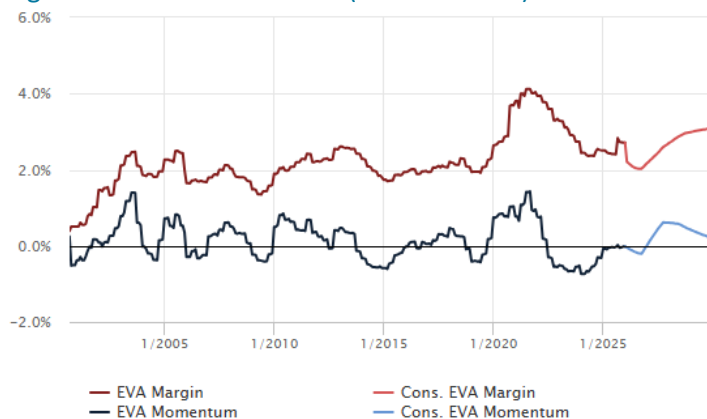


Figure 6: EVA Fundamentals (U.S.)



Global Consumer Staples Expectations

Figure 7 and **Figure 8** illustrate the Capital base (blue area), which has continued to trend upwards throughout 2025 as aggregate investment picked up pace from prior levels, especially in the global ex U.S. region. The red area represents Current Value Added (CVA), which is the current level of Profitability taken into perpetuity, assuming no growth. Within the U.S., CVA (**Figure 8**) saw a further contraction through 2025 to levels last seen in 2019. Given the Market Value, the EVA Capital base, and CVA, we can derive Future Value Added (FVA, grey area), which is the amount of EVA growth or destruction investors are pricing in. The key trend to focus on is the magnitude of the grey area (FVA): embedded expectations remain very strong relative to history. Therefore, starting off for 2026, we maintain a cautious stance towards the current absolute sectoral Valuation level in the United States, especially at a time when aggregate economic profitability is yet to demonstrate conclusive signs of a bottoming out.

Figure 7: Enterprise Value Components (Global ex U.S.)

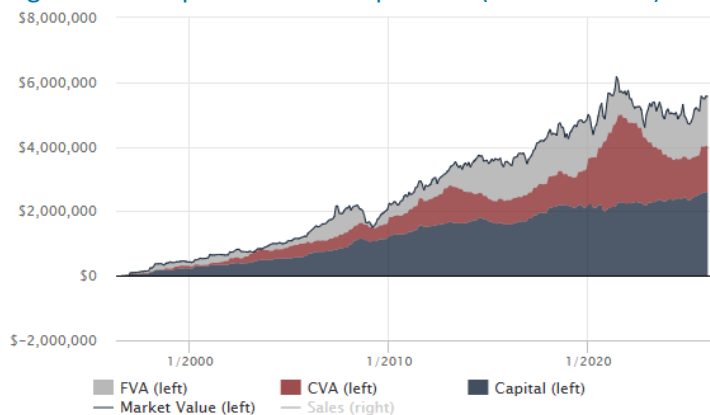


Figure 8: Enterprise Value Components (U.S.)

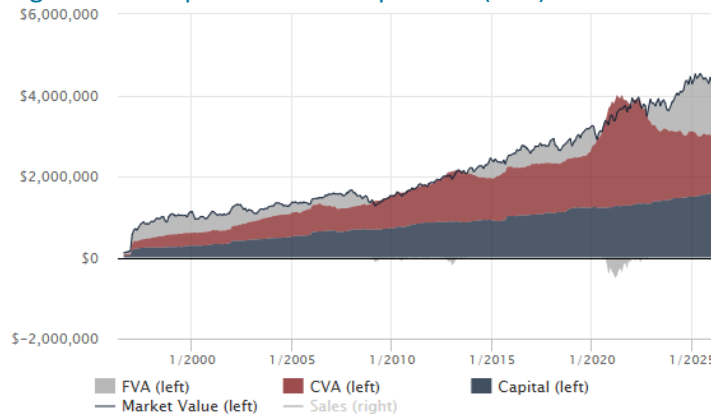


Figure 9 and **Figure 10** illustrate Future Growth Reliance (FGR) for both regional levels. FGR is a function of FVA and Market Value which measures the percentage of the sector’s Market Value that is dependent on future growth in EVA. We utilize FGR to determine the level of premium or discount that a sector, industry, or company is trading at and to then make relative comparisons respective to historic behavior. In the U.S., FGR currently trades at a premium of 31.2%, which is near the upper end of the 23-year range but slightly lower than the 34% seen in May last year. This reflects a slight correction in investor expectations for growth at a time when aggregate economic profitability has continued to deteriorate. At the global ex U.S. level (**Figure 9**), FGR saw a steep increase during H1 2025 and plateaued during H2, trending near the upper end of the post-COVID range as of December 2025.

Figure 9: Future Growth Reliance (Global ex U.S.)

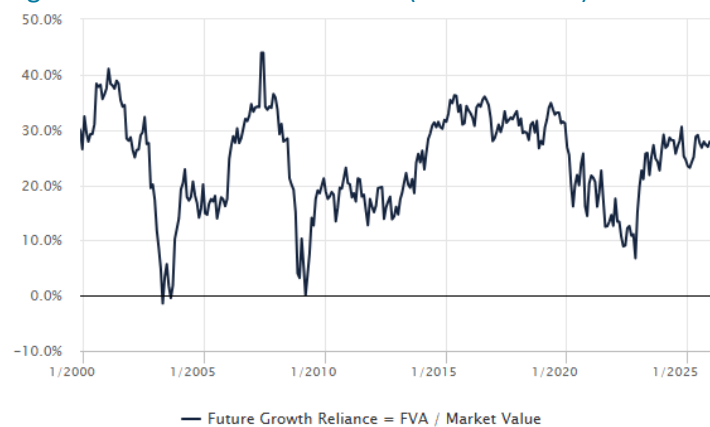
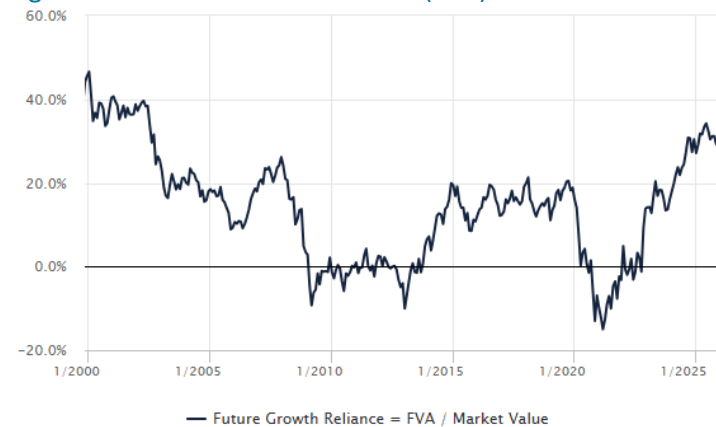


Figure 10: Future Growth Reliance (U.S.)



Relative Expectations - Future Growth Reliance (FGR)

A key driver of our Valuation outlook is the embedded expectations of the market: for this, we use the Future Growth Reliance (FGR) metric, which computes the implied future EVA growth. **Figures 11** and **12** below plot our FGR over the last 10 years: the gray area is the overall range (min to max), the orange lines represent the mean, the greenish-blue lines show the mean plus/minus 1 standard deviation, the green diamonds represent the current value, the red 'X's indicate lows from March 2009, and the blue 'X's represent the lows of March 2020. The dashed red lines indicate the Consumer Staples sector. Within the global Large Cap space (**Figure 11a**), FGR for Consumer Staples currently trades at the plus 1 standard deviation level. U.S. Large Cap FGR is currently near the upper-end of the 10-year range.

Figure 11a: Global Large Cap FGR

Figure 11b: U.S. Large Cap FGR

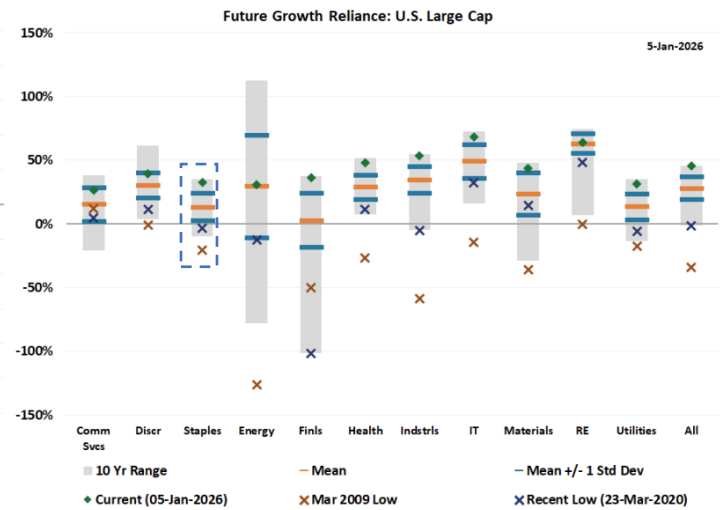
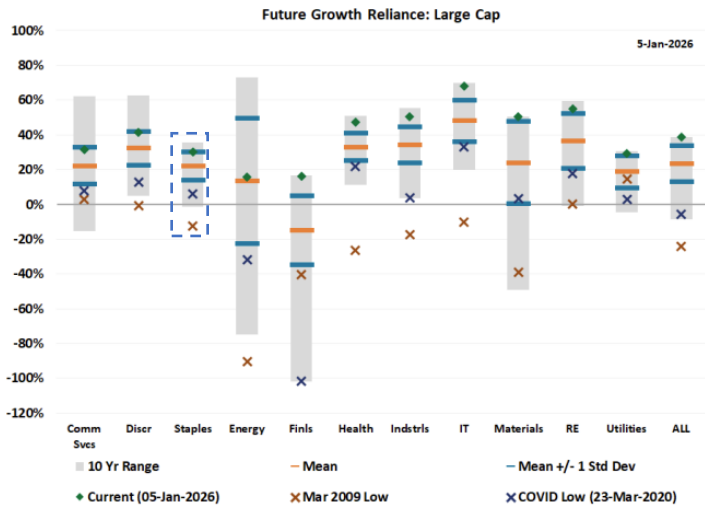
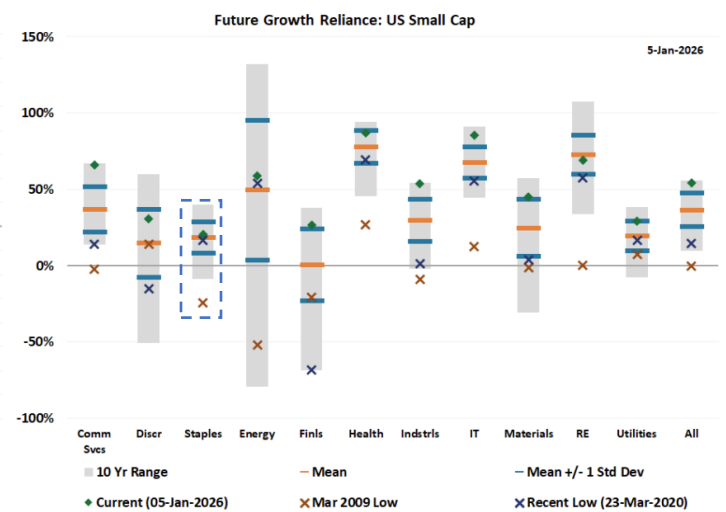
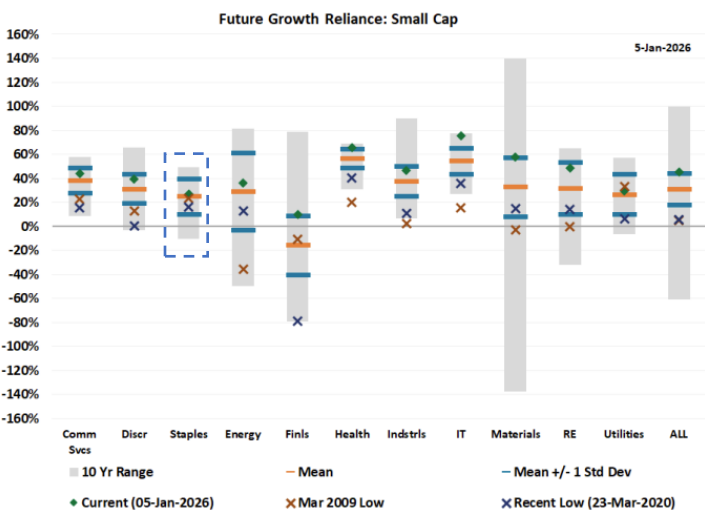


Figure 12a: Global Small Cap FGR

Figure 12b: U.S. Small Cap FGR



Below, Page 5 illustrates the global and U.S. relative expectations examined using Market Value Added (MVA) Spread.

Relative Expectations - Market Value Added (MVA) Spread

The Market Value Added (MVA) Spread metric measures MVA/Capital – i.e., our version of the Price-to-Book ratio. **Figure 13** and **Figure 14** plot the range of values we have observed over the past ten years in all Global and U.S. sectors, while showing how current levels compare to the financial crisis (displayed as a red “X”) and the most recent market low on March 23, 2020 (blue “X”). The objective is to identify the potential floor to valuation in relation to the financial crisis. The gray area is the overall range (min/max), the light orange line is the mean, the dark blue lines show the mean plus/minus 1 standard deviation, and the green diamonds represent the current value. The dashed red lines indicate the Consumer Staples sector. MVA Spread within the global Large Cap Staples sector (**Figure 13a**) currently trades near the Mean levels.

Figure 13a: Global Large Cap MVA Spread

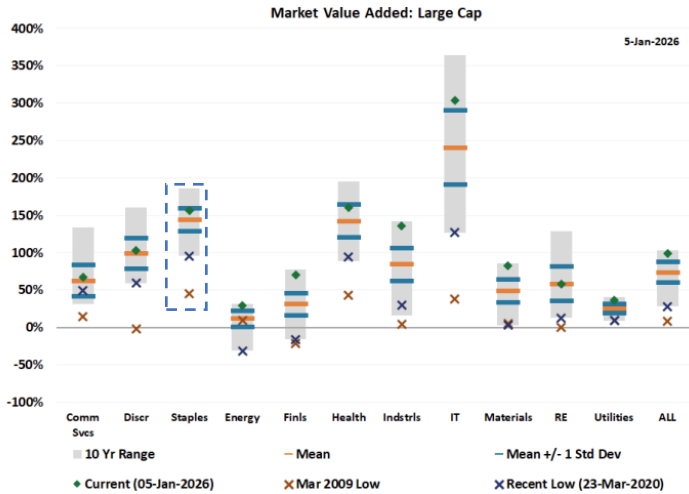


Figure 13b: U.S. Large Cap MVA Spread

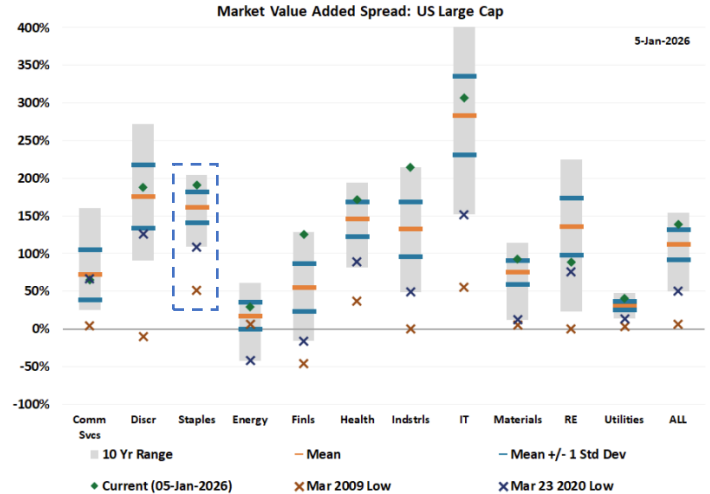


Figure 14a: Global Small Cap MVA Spread

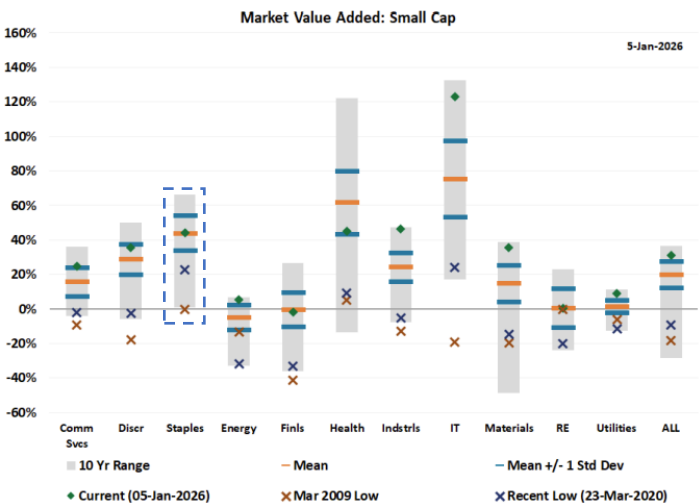
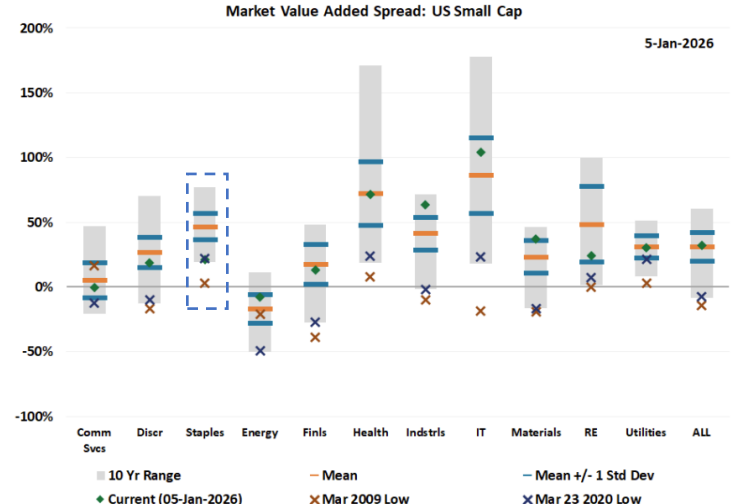


Figure 14b: U.S. Small Cap MVA Spread

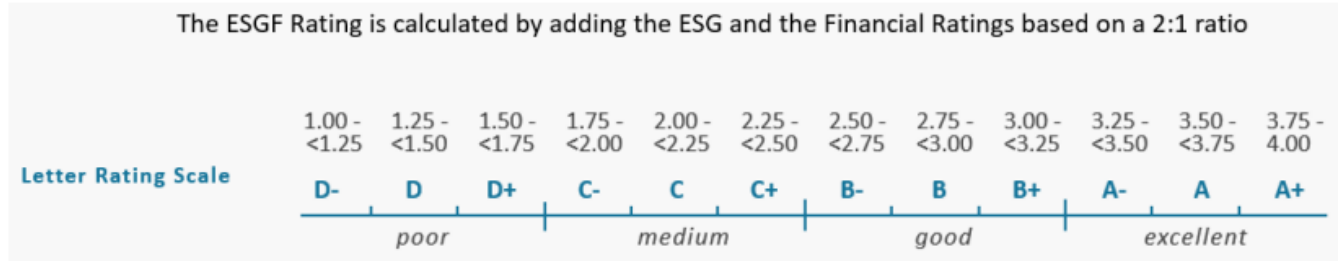


Below, Page 6 shows the EVA, PRVit, and Sustainability Performance of each Consumer Staples industry.

PRVit & Sustainability Ratings

Figure 15 illustrates the sales-weighted aggregate PRVit, Profitability, Risk, Valuation, and ESG Performance scores for each Consumer Staples industry, with a firm-level cutoff of a U.S.\$1bn market cap minimum. Similarly, **Figure 16** tabulates the same factors, but on a simple equal-weighted basis. Within the last column, we also include the ESGF Ratings at the sectoral and industry level. By combining EVA Risk-Adjusted Profitability with the ESG Corporate Rating, ESGF has the true double materiality approach to considering the ESG and Financial Quality of a firm.

ESGF Ranking System



As illustrated below on a sales-weighted basis, Household Products is the most attractive within the PRVit model, primarily because of very strong Risk-Adjusted Profitability (Quality), offset by relatively expensive Valuation levels. All industries within the sector demonstrate favorable Quality scores. Valuations, however, pull down the PRVit scores for the sector. When looking at the absolute level of economic profitability, Household Products, Tobacco, Beverages, and Personal Care Products have an EVA Margin well above the sectoral aggregate of 2.8%. While these industries exhibit comparatively strong levels of economic profitability, EVA Margin remained pressured during 2025, primarily due to a backdrop of weaker pricing power and deteriorating asset efficiency.

Figure 15: Sales-Weighted Aggregate Industry PRVit, EVA Fundamentals, & ESG Scores

Industry PRVit	PRVit Score	Quality (P-R)	Profitability Score (P)	Risk Score (R)	Valuation Score (V)	EVA Margin (%)	EVA Momentum (%)	ESG Perf Score	Return 2025	ESGF Score
Household Products	52	84	72	14	65	7.9%	-1.3%	54.14	-8.1%	2.56
Food Products	50	56	55	44	39	1.9%	0.2%	38.44	15.7%	1.86
Tobacco	49	80	78	36	61	16.3%	0.6%	44.88	33.3%	2.36
Beverages	46	68	66	39	54	7.7%	-0.8%	44.60	6.2%	2.21
Consumer Staples Distribution & Retail	45	64	64	46	53	1.0%	0.0%	42.03	17.2%	2.10
Personal Care Products	34	71	66	34	62	4.8%	-0.9%	51.08	4.5%	2.35
Consumer Staples	47	64	63	43	50	2.8%	-0.1%	42.30	12.6%	2.08

Figure 16: Average Industry PRVit, EVA Fundamentals, & ESG Scores

Industry PRVit	PRVit Score	Quality (P-R)	Profitability Score (P)	Risk Score (R)	Valuation Score (V)	EVA Margin (%)	EVA Momentum (%)	ESG Perf Score	Return 2025	ESGF Score
Tobacco	55	72	70	34	56	10.0%	-0.3%	38.06	22.8%	2.12
Household Products	51	76	66	21	61	3.9%	-0.5%	47.91	-0.9%	2.43
Consumer Staples Distribution & Retail	51	62	59	39	46	0.4%	0.2%	37.85	17.2%	2.09
Food Products	51	64	60	36	49	2.6%	0.9%	39.39	15.9%	2.13
Beverages	47	67	64	35	60	5.7%	-0.7%	38.77	4.5%	2.17
Personal Care Products	44	69	63	30	62	3.3%	-0.8%	44.22	15.3%	2.25
Consumer Staples	50	65	61	35	52	2.9%	0.2%	39.66	13.9%	2.15

Below, Page 7 illustrates the average and Sales-weighted PRVit HEAT Maps, along with factor performance tables.

PRVit Heat Maps

Figure 17a: Average Industry PRVit Heat Map

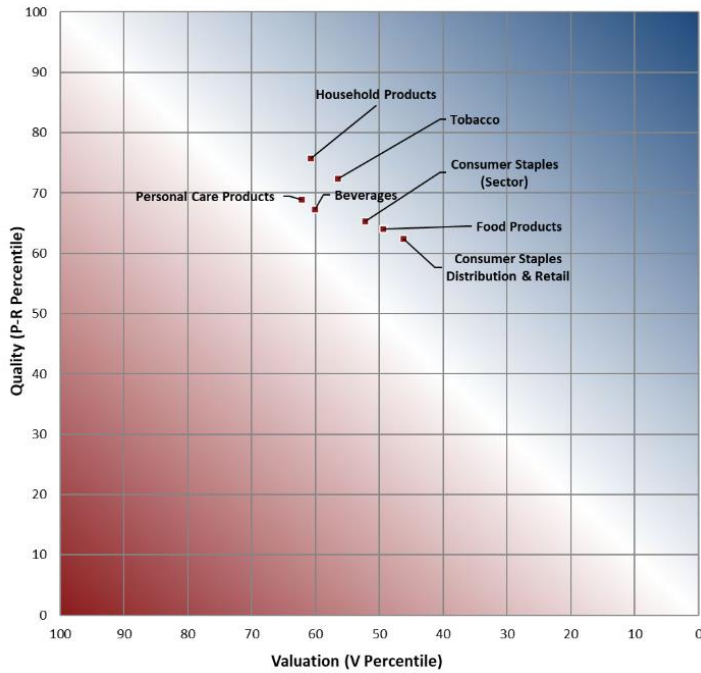
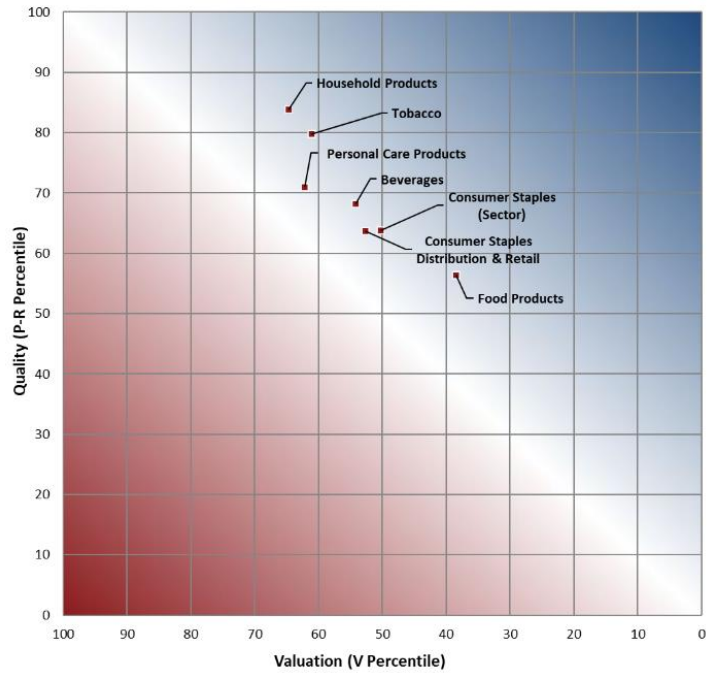


Figure 17b: Sales Weighted Industry PRVit Heat Map

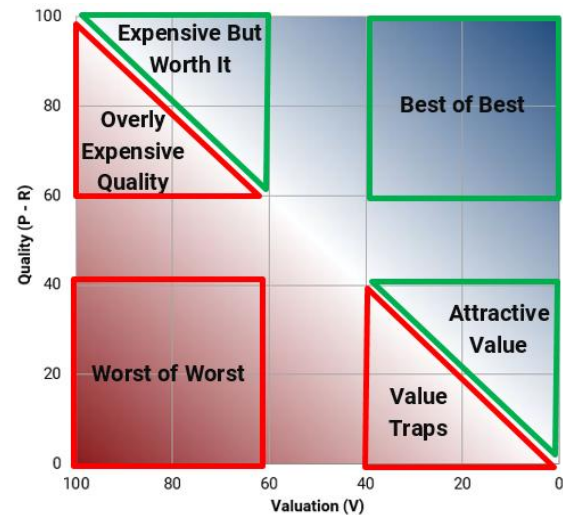


HEAT MAP: Examining the Zones

Zones Explained

Our HEAT Map captures the key factors that constitute PRVit: the trade-off between Quality and Valuation. Our Quality score is plotted on the y-axis where the higher the value, the better the quality. Our Valuation factor is plotted on the x-axis, where the cheaper values are to the right and the expensive values are to the left. The green areas are in the 'Favorable' region: the upper-left one is our 'Expensive But Worth It' category, where PRVit > 70, Quality > 60, and Valuation > 60, while the lower-right one is our 'Attractive Value' category, where PRVit > 70, Quality < 40, and Valuation < 40. Our 'Best of Best' green box, which is PRVit > 70, Quality > 60, and Valuation < 40, contains companies with the largest disconnect between their Quality and Value. The red areas are in the 'Unfavorable' region: the upper-left one is our 'Overly Expensive Quality,' where PRVit < 30, Quality > 60, and Valuation > 60, while the lower-right one is our 'Value Traps,' where PRVit < 30, Quality < 40, and Valuation < 40. And, of course, we highlight the 'Worst of Worst' in the red box, where PRVit < 30, Quality < 40, and Valuation > 60: we sometimes refer to these as 'Story Stocks' because if you own these, you better have a good story (see Figure 17c).

Figure 17c: HEAT Map



Global Consumer Staples: Cumulative Performance of HEAT Map Zones

Within Figure 18, we summarize the performance of each HEAT Map zone for the global Consumer Staples sector across various time slices.

Figure 18: HEAT Map Zone Alpha for Global Consumer Staples

Global Staples Zones	Average Spread Over/(Under) Universe Average						
	1M	3M	1Y	3Y	5Y	10Y	Dec-98
Best of the Best	0.58%	0.84%	1.02%	0.78%	0.83%	0.41%	0.42%
Expensive But Worth It	0.71%	0.30%	-0.43%	0.20%	0.13%	0.11%	0.32%
Overly Expensive Quality	-2.21%	-0.18%	0.58%	0.54%	0.26%	0.32%	-0.15%
Attractive Value	0.68%	1.53%	0.23%	0.14%	0.28%	0.00%	0.07%
Value Trap	0.09%	-1.40%	0.27%	0.76%	0.46%	0.14%	-0.18%
Worst of the Worst	-0.24%	-0.78%	-0.84%	-1.10%	-1.08%	-0.74%	-0.61%

Consumer Staples PRVit Factor Performance

Figure 19 and **Figure 20** tabulate the cumulative factor performance for the Consumer Staples sector, within the Global and U.S. regional levels, respectively. The top-bottom spread (“spread”) is the difference between the average return of the top 20% and the bottom 20% of stocks ranked by a factor. The information coefficient (“IC”) is the cross-sectional correlation between the factor ranks and future returns. An IC around 5% indicates a very monotonic result. In other words, the top quintile should outperform the 2nd quintile, the 2nd quintile should outperform the 3rd quintile, etc.

At the global level (**Figure 19**) PRVit has added alpha over the short- and long-term with a positive average monthly spread over the past 10 years of 79 basis points. Over the medium-to-long term, our Quality (High P-R) factor has been consistently strong, as firms with higher Risk-Adjusted Profitability (Quality) outperformed low Quality names. Valuation (Low V) factor has consistently been an important factor for the sector over the short-, medium-, and long-term. In the U.S. (**Figure 20**), Quality (High P-R) has added alpha over the medium- and long-term, with a positive average monthly spread over the past 10 years of 61 basis points. Profitability (High P) struggled over the past year, but both Profitability Level and Profitability Trend have added significant alpha over the past one month and generally over the medium to long-term. Vulnerability (Low R2) has seen positive average monthly spread over all time periods in the U.S. Staples universe. Therefore, given the distribution of results, we broadly favor a high Quality or growth tilt when it comes to U.S. stock picking for 2026. However, at the global level, we are cognizant that Valuation (Low V) continues to be an important factor.

Figure 19: Global Consumer Staples Factor Performance

Consumer Staples	1M		3M		1Y		3Y		5Y		10Y		Since Dec'98	
	IC	Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread
Profitability (High P)	1.6%	-0.09%	2.3%	0.06%	-0.7%	-0.26%	1.6%	0.41%	1.8%	0.49%	2.6%	0.61%	2.8%	0.57%
Profitability Level (High P1)	-0.7%	-0.99%	2.2%	0.31%	-1.4%	-0.12%	0.4%	0.21%	1.0%	0.35%	2.4%	0.58%	2.4%	0.52%
Profitability Trend (High P2)	4.8%	1.02%	1.2%	0.27%	0.1%	-0.08%	2.5%	0.51%	2.0%	0.43%	1.9%	0.43%	2.4%	0.54%
Risk (Low R)	-0.4%	0.28%	4.9%	0.83%	0.8%	-0.19%	2.8%	0.38%	2.2%	0.29%	2.3%	0.26%	2.2%	0.36%
Volatility (Low R1)	10.4%	0.89%	8.0%	1.23%	2.3%	-0.53%	4.7%	0.31%	3.3%	0.18%	2.8%	0.14%	1.4%	0.04%
Vulnerability (Low R2)	-10.1%	-1.36%	-2.0%	-0.25%	-0.7%	0.03%	0.0%	0.12%	0.3%	0.06%	0.9%	0.16%	1.9%	0.44%
Quality (High P - R)	-0.2%	-0.78%	3.4%	0.57%	-0.5%	-0.65%	2.5%	0.34%	2.4%	0.45%	3.2%	0.60%	3.3%	0.67%
Valuation (Low V)	4.4%	0.50%	3.9%	1.00%	7.6%	1.29%	5.2%	0.77%	4.7%	0.90%	2.0%	0.33%	1.2%	0.19%
Valuation Ratios (Low V1)	4.2%	0.87%	2.8%	1.04%	6.7%	1.26%	4.1%	0.76%	3.7%	0.81%	1.2%	0.19%	0.3%	0.10%
Valuation Multiples (Low V2)	3.9%	1.21%	6.3%	1.45%	8.3%	1.26%	6.6%	0.96%	5.9%	1.19%	3.4%	0.57%	2.8%	0.49%
PRVit	3.5%	0.05%	6.5%	0.93%	5.7%	0.66%	6.5%	1.13%	5.7%	1.18%	4.5%	0.79%	4.1%	0.78%
PRVit Prime	-2.1%	-0.50%	3.3%	0.63%	2.4%	0.28%	3.8%	0.82%	4.0%	0.89%	3.3%	0.60%	3.6%	0.68%

Figure 20: U.S. Consumer Staples Factor Performance

Staples (U.S.)	1M		3M		1Y		3Y		5Y		10Y		Since Dec'98	
	IC	Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread
Profitability (High P)	14.1%	1.32%	-2.1%	-0.82%	-0.3%	-0.33%	5.0%	0.94%	4.7%	1.08%	3.6%	0.89%	1.4%	0.34%
Profitability Level (High P1)	6.7%	1.63%	-4.3%	-0.32%	-0.4%	0.45%	3.2%	0.89%	3.4%	0.96%	3.1%	0.91%	0.8%	0.37%
Profitability Trend (High P2)	19.8%	4.01%	-3.9%	-1.73%	-1.6%	-1.48%	4.7%	1.03%	4.2%	0.95%	2.3%	0.51%	1.4%	0.31%
Risk (Low R)	-4.6%	-1.36%	-2.9%	-0.13%	-2.1%	-0.66%	2.7%	0.38%	2.9%	0.42%	1.0%	0.01%	0.9%	0.29%
Volatility (Low R1)	-12.9%	-2.16%	-10.5%	-0.30%	-5.2%	-0.99%	0.4%	0.07%	1.7%	0.51%	2.0%	0.26%	1.1%	0.13%
Vulnerability (Low R2)	7.9%	1.78%	4.2%	0.93%	3.9%	0.77%	3.0%	1.13%	2.1%	0.56%	-0.6%	0.07%	0.4%	0.11%
Quality (High P - R)	6.4%	0.90%	-4.7%	-1.34%	-0.7%	-0.56%	5.5%	1.36%	5.2%	1.28%	3.2%	0.61%	1.6%	0.36%
Valuation (Low V)	-6.0%	-1.61%	-5.3%	-0.31%	-1.0%	0.02%	-5.1%	-1.67%	-0.8%	-0.15%	-1.7%	-0.31%	0.7%	0.16%
Valuation Ratios (Low V1)	-0.5%	-0.08%	0.5%	1.76%	-0.2%	0.39%	-5.1%	-1.36%	-1.0%	-0.13%	-1.9%	-0.44%	0.6%	0.01%
Valuation Multiples (Low V2)	-2.4%	-1.28%	-4.6%	-0.57%	-0.1%	0.00%	-4.5%	-1.20%	0.1%	0.24%	-0.9%	-0.13%	1.8%	0.40%
PRVit	6.1%	0.01%	-5.6%	-0.46%	-1.0%	-1.16%	0.3%	-0.36%	2.8%	0.76%	0.4%	-0.13%	2.6%	0.46%

On the following pages, we screen for the most attractive firms within the global Consumer Staples sector.

Picking the Stocks: Large-Mid Cap Screen Global Ex U.S.

There are 618 firms that have a market cap over U.S.\$1bn within our global Consumer Staples EVA coverage. In our Large-Mid Cap screen below (**Figure 21a**), we search for names (global ex U.S.) that are rated favorably within the PRVit framework: they achieve strong Profitability, avoid very high Risk, and have favorable Valuation levels. These large-mid cap screened names have market caps above \$2.5bn.

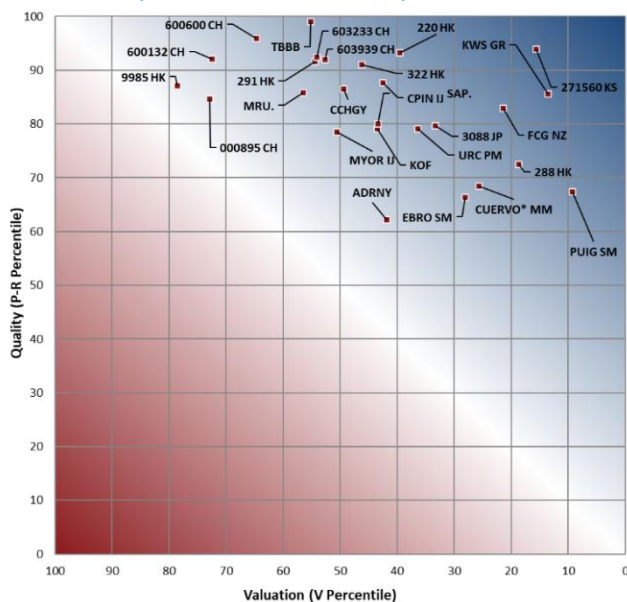
Screen Criteria

- PRVit ≥ 60
- Positive EVA Margin
- Quality ≥ 60
- P2 Profitability (Profitability Trend) ≥ 60
- 1Q EVA Shock ≥ 0%
- Risk ≤ 80
- Valuation ≤ 80

Figure 21a: Global (ex U.S.) Consumer Staples Top Picks (Large-Mid Cap, Sorted by Descending Market Cap)

Name	Ticker	Industry	Country	Mkt Cap (\$mm)	EVA Margin (%)	EVA Momentum (%)	1Q EVA Shock (%)	PRVit Prime Score	Quality (P-R)	P2 Profitability Trend	Risk Score (R)	Valuation Score (V)	1Y Returns (%)	ESG Perf Score
KONINKLIJKE AHOLD DELHAIZE -ADR	ADRNY	Distribution & Retail	Netherlands	34,870	0.28%	-0.05%	0.16%	60	62	60	46	42	6.75%	54.52
COCA-COLA FEMSA SAB DE CV -ADR	KOF	Beverages	Mexico	20,627	4.29%	0.05%	0.14%	61	79	62	32	44	22.45%	50.61
COCA-COLA HBC AG -ADR	CCHGY	Beverages	Switzerland	19,214	6.53%	1.08%	0.85%	74	87	82	38	49	35.73%	63.96
METRO INC	MRU.	Distribution & Retail	Canada	15,207	2.52%	0.13%	0.22%	68	86	63	11	57	10.59%	42.05
WH GROUP LTD	288 HK	Food Products	Hong Kong	14,071	2.06%	7.16%	0.07%	84	72	67	41	19	64.62%	32.05
HENAN SHUANGHUI INVT & DEV	000895 CH	Food Products	China	12,850	5.15%	0.32%	0.00%	70	85	60	31	73	6.47%	26.6
SAPUTO INC	SAP.	Food Products	Canada	12,187	0.25%	0.29%	0.42%	69	80	69	5	43	71.45%	51.22
CHINA RESOURCES BEER (HLDGS)	291 HK	Beverages	China	10,978	8.15%	0.41%	0.50%	92	92	65	11	54	11.76%	37.31
TSINGTAO BREWERY CO LTD	600600 CH	Beverages	China	10,554	9.60%	-0.72%	1.18%	91	96	75	12	65	-14.91%	33.77
TINGYI (CAYMAN ISLANDS) HLDG	322 HK	Food Products	Hong Kong	8,611	3.37%	1.35%	0.11%	80	91	84	19	46	7.38%	30.98
MATSUKIYOCOCOKARA & CO	3088 JP	Distribution & Retail	Japan	6,909	2.51%	0.32%	0.12%	64	80	66	24	33	17.57%	26.56
FONTERRA CO-OPERATIVE GRP	FCG NZ	Food Products	New Zealand	5,541	2.43%	1.85%	3.03%	92	83	81	24	21	60.89%	
BECLE SAB DE CV	CUERVO* MM	Beverages	Mexico	4,594	6.57%	7.32%	3.50%	68	68	89	72	26	5.48%	
UNI-PRESIDENT CHINA HLDG LTD	220 HK	Food Products	Hong Kong	4,449	4.08%	2.64%	0.33%	88	93	87	10	40	2.12%	30.09
CHAROEN POKPHAND INDONESIA	CPIN IJ	Food Products	Indonesia	4,381	4.39%	4.42%	3.10%	83	88	86	37	43	-4.21%	21.16
YIFENG PHARMACY CHAIN	603939 CH	Distribution & Retail	China	3,856	3.02%	-0.20%	0.02%	95	92	61	6	53	-6.30%	30.51
BBB FOODS INC	TBBB	Distribution & Retail	Mexico	3,836	18.91%	22.39%	12.97%	87	99	99	16	55	11.03%	
WEILONG DELICIOUS GLOBAL	9985 HK	Food Products	China	3,795	11.74%	2.66%	0.33%	67	87	91	53	79	70.24%	
CHONG QING BREWERY CO LTD	600132 CH	Beverages	China	3,631	7.37%	0.59%	0.87%	80	92	74	28	72	-4.09%	
EBRO FOODS SA	EBRO SM	Food Products	Spain	3,275	0.41%	-0.04%	0.01%	65	66	61	28	28	14.68%	
PUIG BRANDS S A	PUIG SM	Personal Care Products	Spain	3,255	4.49%	0.34%	2.39%	83	67	65	54	9	-9.78%	53.32
DASHENLIN PHARMACE	603233 CH	Distribution & Retail	China	2,998	1.70%	1.41%	1.16%	95	92	71	4	54	33.54%	18.44
KWS SAAT SE & CO KGAA	KWS GR	Food Products	Germany	2,798	8.48%	-6.37%	1.97%	94	86	63	25	14	27.02%	24.41
ORION CORPORATION	271560 KS	Food Products	South Korea	2,796	8.31%	3.03%	0.49%	98	94	75	6	16	3.33%	25.78
MAYORA INDAH (PT)	MYOR IJ	Food Products	Indonesia	2,781	4.06%	-1.63%	2.70%	63	79	66	34	51	-21.43%	
UNIVERSAL ROBINA CORP	URC PM	Food Products	Philippines	2,557	2.88%	0.35%	1.35%	63	79	66	18	36	-5.12%	26.73
<i>Average</i>				8,485	5.14%	1.89%	1.46%	78	84	73	26	43	16.05%	35.79

Figure 21b: Top Picks PRVit Heat Map



There are ten names within the top-right ‘Best of the Best’ HEAT Map zone: **220 HK, 3088 JP, URC PM, EBRO SM, CUERVO* MM, FCG NZ, 288 HK, KWS GR, 271560 KS, and PUIG SM**. These firms achieve comparatively strong Risk-Adjusted Profitability (Quality), coupled with relatively cheap EVA Valuation levels.

Conversely, there are four names located within the top left ‘Expensive but Worth It’ HEAT Map zone: **600600 CH, 600132 CH, 9985 HK, and 000895 CH**. These names have strong Quality but come with a trade-off of relatively expensive EVA Valuation levels.

Picking the Stocks: Small Cap Screen Global Ex U.S.

Similarly, our Small Cap screen below (**Figure 22a**) lists the top names that meet the listed screening criteria, which have a market cap between \$1bn to \$2.5bn. We also screen for companies with a positive 1Q EVA Shock figure to search for names that demonstrate a positive trend in the sequential change in EVA Momentum.

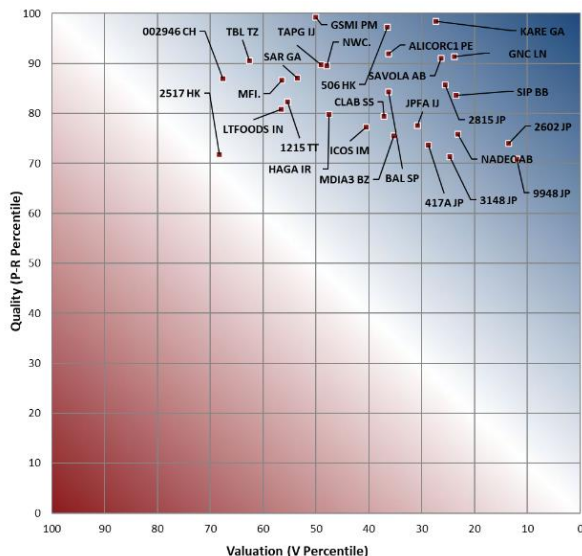
Screen Criteria

- PRVit ≥ 60
- Positive EVA Margin
- Quality ≥ 60
- P2 Profitability (Profitability Trend) ≥ 60
- 1Q EVA Shock ≥ 0%
- Risk ≤ 80
- Valuation ≤ 80

Figure 22a: Global (ex U.S.) Consumer Staples Top Picks (Small Cap, Sorted by Descending Market Cap)

Name	Ticker	Industry	Country	Mkt Cap (\$mm)	EVA Margin (%)	EVA Momentum (%)	1Q EVA Shock (%)	PRVit Prime Score	Quality (P-R)	P2 Profitability Trend	Risk Score (R)	Valuation Score (V)	1Y Returns (%)	ESG Perf Score
NEW HOPE DAIRY CO	002946 CH	Food Products	China	2,305	3.10%	1.13%	0.02%	78	87	78	27	68	22.88%	
BLUE ZONES HOLD CO LTD	417A JP	Distribution & Retail	Japan	2,280	1.04%	0.16%	0.08%	61	74	68	31	29	-5.46%	20.57
JAPFA COMFEED INDONESIA (PT)	JPFA IJ	Food Products	Indonesia	2,256	3.02%	1.33%	1.23%	82	78	82	44	31	46.56%	
MAPLE LEAF FOODS INC	MFI.	Food Products	Canada	2,225	3.43%	4.07%	0.86%	63	87	92	36	56	43.15%	44.13
ALICORP SA	ALICORC1 PE	Food Products	Peru	1,959	3.41%	2.81%	0.47%	91	92	82	8	36	56.43%	
BUMITAMA AGRI LTD	BAL SP	Food Products	Indonesia	1,776	9.19%	4.22%	2.63%	84	84	64	31	36	81.34%	34.23
PT TRIPUTRA AGRO PERSADA TBK	TAPG IJ	Food Products	Indonesia	1,772	27.27%	22.09%	2.92%	80	90	94	51	49	122.00%	
SAVOLA GROUP	SAVOLA AB	Food Products	Saudi Arabia	1,710	28.24%	27.71%	0.95%	95	91	95	50	26	-43.61%	17.44
NORTH WEST CO INC	NWC.	Distribution & Retail	Canada	1,708	4.22%	0.29%	0.25%	81	89	68	12	48	7.06%	27.42
CHINA FOODS LTD	506 HK	Beverages	China	1,568	3.25%	1.02%	0.31%	99	97	86	5	37	72.63%	
M DIAS BRANCO SA IND	MDIA3 BZ	Food Products	Brazil	1,540	1.64%	-0.86%	1.06%	68	75	69	37	35	26.50%	36.02
NATL AGRICULTURAL DEV CO	NADEC AB	Food Products	Saudi Arabia	1,480	14.08%	11.38%	0.35%	86	76	91	71	23	-23.90%	
CREATE SD HOLDINGS CO LTD	3148 JP	Distribution & Retail	Japan	1,423	1.79%	0.24%	0.26%	63	71	66	42	25	22.48%	22.17
GREENCORE GROUP PLC	GNC LN	Food Products	Ireland	1,414	2.99%	1.37%	0.27%	94	91	82	8	24	33.82%	56.76
LT FOODS LTD	LTFOODS IN	Food Products	India	1,411	3.15%	-0.02%	0.27%	62	81	67	28	57	-10.01%	
GINEBRA SAN MIGUEL INC	GSMI PM	Beverages	Philippines	1,397	9.85%	0.80%	0.00%	84	99	90	5	50	11.95%	
INTERCOS S P A	ICOS IM	Personal Care Products	Italy	1,329	2.39%	0.96%	0.51%	69	77	73	33	41	-14.39%	56.83
CLOETTA AB	CLAB SS	Food Products	Sweden	1,305	3.33%	1.12%	1.06%	79	79	76	11	37	73.06%	43.5
CHAROEN POKPHAND ENTERPRISES	1215 TT	Food Products	Taiwan	1,292	3.73%	3.09%	1.72%	61	82	84	35	55	56.80%	
GUOQUAN FOOD SHANGHAI CO	2517 HK	Distribution & Retail	China	1,276	2.40%	1.80%	0.87%	63	72	92	77	68	107.92%	
ARCS CO LTD	9948 JP	Distribution & Retail	Japan	1,255	0.45%	0.01%	0.13%	76	71	63	20	12	34.06%	
KARELIA TOBACCO CO INC SA	KARE GA	Tobacco	Greece	1,164	23.15%	4.30%	7.67%	98	98	76	4	27	8.05%	
NISSHIN OILIO GROUP LTD	2602 JP	Food Products	Japan	1,140	1.73%	1.99%	1.28%	73	74	85	41	14	10.42%	
ARIAKE JAPAN CO LTD	2815 JP	Food Products	Japan	1,116	7.40%	5.10%	2.36%	75	86	75	16	26	4.14%	13.95
TANZANIA BREWERIES LTD	TBL TZ	Beverages	Tanzania	1,070	11.83%	7.53%	0.11%	68	91	88	41	63	-9.93%	44.75
SIPEF NV	SIP BB	Food Products	Belgium	1,047	10.34%	7.55%	5.25%	87	84	66	22	23	73.85%	
HAGAR HF	HAGA IR	Distribution & Retail	Iceland	1,040	2.76%	0.98%	0.56%	74	80	83	47	48	14.42%	
GREGORY SARANTIS SA	SAR GA	Personal Care Products	Greece	1,033	3.14%	0.47%	0.00%	70	87	79	19	53	30.59%	33.76
<i>Average</i>				1,510	6.77%	4.02%	1.19%	77	84	79	30	39	30.46%	34.73

Figure 22b: Top Small Cap Picks PRVit Heat Map



There are sixteen names located within the top-right ‘Best of the Best’ HEAT Map zone: **417A JP, JPFA IJ, ALICORC1 PE, BAL SP, SAVOLA AB, 506 HK, MDIA3 BZ, NADEC AB, 3148 JP, GNC LN, CLAB SS, 9948 JP, KARE GA, 2602 JP, 2815 JP, and SIP BB.**

TBL TZ, 002946 CH, and 2517 HK are in the top-left ‘Expensive but Worth It’ HEAT Map zone.

When it comes to pure defensive strategy, we often look at names that have a deep ‘EVA Margin Moat’; examining for firms that have a high level of economic profitability and their ability to sustain a high EVA Margin through sustained periods of broader cyclical stress. **TAPG IJ, SAVOLA AB, NADEC AB, KARE GA, TBL TZ, and SIP BB** have a very strong absolute level of economic profitability, with an average EVA Margin of +19%.

U.S. Screen – EVA Fundamentals, PRVit & ESG Performance Overview

Just to give an overview of the U.S. Large Cap space, **Figure 23a** shows firms that currently have a positive EVA Margin and achieve comparatively strong Risk-Adjusted Profitability scores within the PRVit model.

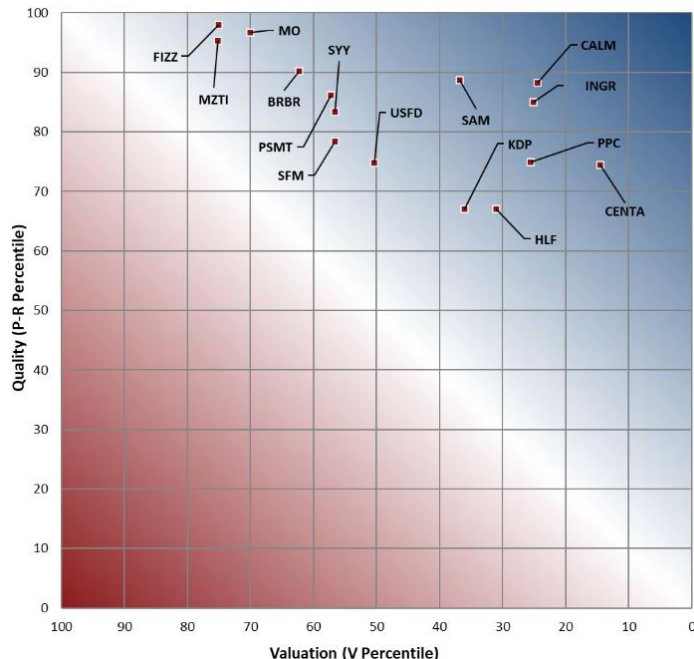
Screen Criteria

- PRVit ≥ 60
- Positive EVA Margin
- Quality ≥ 60
- P2 Profitability (Profitability Trend) ≥ 60
- Risk ≤ 80
- Valuation ≤ 80

Figure 23a: U.S. Consumer Staples Overview

Name	Ticker	Industry	Mkt Cap (\$mm)	EVA Margin (%)	EVA Momentum (%)	1Q EVA Shock (%)	PRVit Prime Score	Quality (P-R)	P2 Profitability Trend	Risk Score (R)	Valuation Score (V)	1Y Returns (%)	ESG Perf Score
ALTRIA GROUP INC	MO	Tobacco	96,574	42.31%	1.74%	-0.54%	74	97	82	20	70	19.81%	42.58
KEURIG DR PEPPER INC	KDP	Beverages	37,758	1.26%	0.10%	0.54%	66	67	61	26	36	-9.96%	49.72
SYSCO CORP	SY	Distribution & Retail	35,660	1.80%	-0.01%	0.12%	70	83	63	17	57	2.08%	50.2
US FOODS HOLDING CORP	USFD	Distribution & Retail	17,049	0.79%	0.07%	-0.09%	65	75	67	24	50	10.80%	52.49
PILGRIM'S PRIDE CORP	PPC	Food Products	9,212	5.34%	1.36%	-1.71%	84	75	75	60	26	2.70%	37.08
SPROUTS FARMERS MARKET	SFM	Distribution & Retail	7,543	4.53%	2.02%	-0.07%	62	78	87	64	57	-44.94%	42.76
INGREDION INC	INGR	Food Products	7,257	6.10%	0.77%	-1.17%	92	85	68	17	25	-12.51%	50.67
MARZETTI CO (THE)	MZTI	Food Products	4,626	5.65%	0.41%	0.25%	64	95	76	1	75	1.23%	15.37
PRICESMART INC	PSMT	Distribution & Retail	4,143	1.35%	0.04%	0.15%	72	86	63	4	57	45.22%	26.09
CAL-MAINE FOODS INC	CALM	Food Products	3,512	23.85%	16.03%	-14.49%	94	88	88	55	24	-21.32%	22.95
NATIONAL BEVERAGE CORP	FIZZ	Beverages	3,101	13.31%	0.12%	-0.32%	72	98	72	4	75	-24.03%	14.24
BELLRING BRANDS INC	BRBR	Personal Care Products	2,970	12.61%	0.34%	-1.45%	66	90	76	39	62	-65.76%	32.14
BOSTON BEER INC -CL A	SAM	Beverages	2,230	1.91%	0.33%	-1.54%	88	89	62	4	37	-24.54%	23.1
CENTRAL GARDEN & PET CO	CENTA	Household Products	1,867	0.62%	1.23%	0.73%	90	74	68	23	14	-3.10%	16.03
HERBALIFE LTD	HLF	Personal Care Products	1,565	5.39%	1.08%	-0.06%	71	67	60	65	31	125.60%	26.14
<i>Average</i>			15,671	8.45%	1.71%	-1.31%	75	83	71	28	46	0.09%	33.44

Figure 23b: U.S. Screen PRVit HEAT Map



Typically, investors search for growth opportunities in the market when it is harder to find, as is currently the case in the U.S. Consumer Staples universe, on aggregate. **KDP, SY, MZTI, PSMT,** and **CENTA** are firms from within our U.S. top picks that have registered an improvement in their EVA Momentum (growth) on a sequential basis, reflected in positive 1Q EVA Shock.

SAM, KDP, HLF, CALM, INGR, PPC, and **CENTA** are in the 'High Quality and Cheap' HEAT Map zone. The firms in this zone achieve relatively strong Risk-Adjusted Profitability (Quality), coupled with comparatively cheap EVA Valuation levels.

Household Products Industry Review & Outlook

Household Products (+): Very Strong Quality (P-R), EVA Growth Closer to Bottoming Out

Shown below, within **Figure 24**, the Household Products industry is rated favorably within the PRVit model (on a sales-weighted basis), primarily driven by very strong Risk-Adjusted Profitability (Quality), although aggregate Valuations are relatively high. We hold an ‘Overweight’ stance towards the industry. EVA Momentum is currently near record low levels and has historically seen instances of improving EVA growth after bottoming out near those levels. In the U.S., conversely, FGR has trended lower throughout 2025. While Valuations are still trading at a premium relative to historical trends, investors have turned less bullish on the EVA growth recovery story for U.S. Household Products industry. The market is relatively more cautious on the industry’s EVA growth outlook at this stage, but we watch for a potential bottoming out in EVA Momentum through 2026. North America and LatAm have the strongest levels of Quality (P-R), which comes with a trade-off of relatively expensive EVA Valuation levels.

Figure 24: Household Products PRVit Ranking and ESG Scores (Sales-Weighted Average)

Household Products	Global	North America	Europe	Asia ex Japan	Japan	Latin America	MEA
PRVit Prime Score	52	52	59	44	35	32	49
Quality (P-R)	84	89	73	67	73	88	76
Valuation Score (V)	65	73	45	72	45	79	65
EVA Margin (%)	7.9%	10.4%	2.3%	2.5%	3.2%	12.5%	4.9%
EVA Momentum (%)	-1.3%	-1.0%	-2.2%	0.2%	-1.3%	-1.8%	-1.8%
ESG Perf Score	54	53	63	16	50	50	

For the global ex U.S. universe (**Figure 25**), sales growth (TFQ) improved through H2 2025 and has approached closer to positive territory as of December, at -0.3%. Meanwhile, EBITDAR Margin saw a weak start to 2025, rolling over in H1 primarily due to higher adjusted SG&A expenses (relative to sales) but stabilizing during H2 at comparatively strong levels of 20.9%. The Productive Capital Charge (lower is more favorable) peaked out in August 2024 near 20-year highs, subsequently plateauing near those levels. Shown within **Figure 26**, Sales growth (TFQ) in the U.S. for the Household Products industry bottomed out in May last year and was at -0.2% as of December. EBITDAR Margin saw a 30bps expansion in 2025 and was trending near record highs as of December, at 38%. Asset efficiency has continued to deteriorate, as measured by the Productive Capital Charge (higher is less favorable) and is currently near 6-year highs, with Consensus expecting a further deterioration through 2026 before peaking out.

Figure 25: Global ex U.S. EVA Drivers

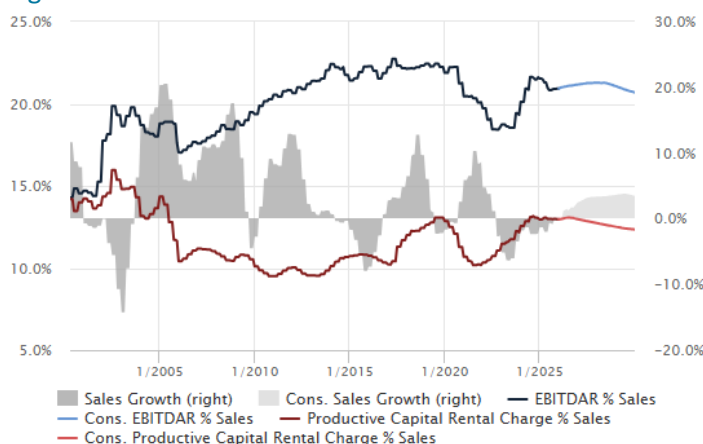
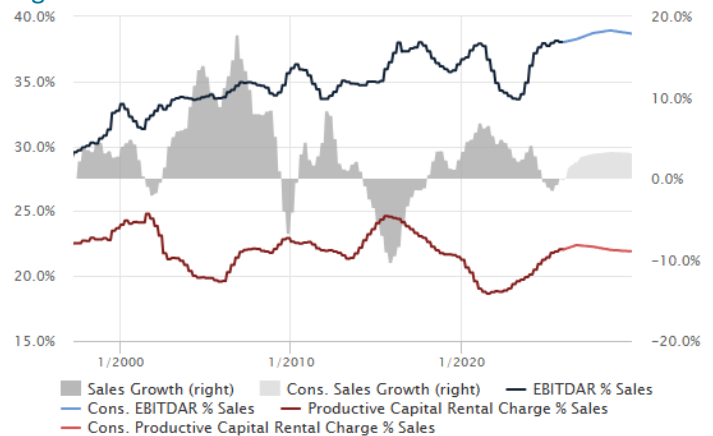


Figure 26: U.S. EVA Drivers



Illustrated within **Figures 27** and **28** below, we note a significant disparity between U.S. and global ex U.S. aggregate EVA Fundamentals. At the global ex U.S. level, EVA Margin touched a 23-year low in June last year, at 2.5%, followed by signs of a bottoming out through H2 and stabilizing at 2.6%. EVA Momentum, currently trending near historically low levels and showing signs of bottoming out, has previously seen two instances (2015 and 2023) where it bottomed out near these levels before staging a recovery in EVA growth. In the U.S., EVA Margin saw an 80bps contraction in 2025, after peaking out in Q4 2024 but is still above the pre-COVID highs. EVA Momentum for the region has continued to deteriorate since Q2 2024 but has not seen a bottom yet, primarily impacted by negative (but approaching positive levels) sales growth and deteriorating asset efficiency.

Figure 27: Global ex U.S. EVA Fundamentals

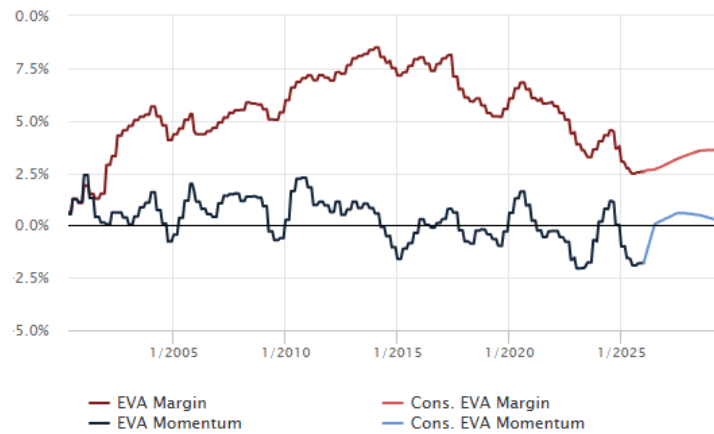
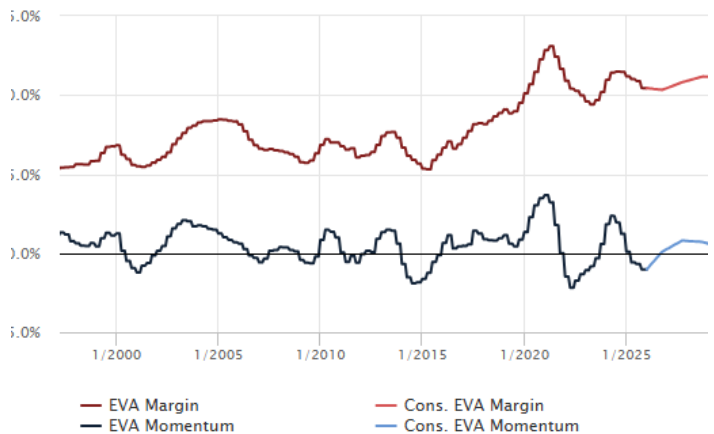


Figure 28: U.S. EVA Fundamentals



Looking at **Figure 29**, at the global ex U.S. level, embedded growth expectations trended higher in 2025 and Future Growth Reliance, our P/E ratio equivalent, is currently trending near the highest level in 7 years at a time when EVA Fundamentals have started showing signs of bottoming out near multi-decade lows. In the U.S., conversely, FGR (**Figure 30**) has trended lower throughout 2025. While Valuations are still trading at a premium relative to historical trends, investors have turned less bullish on the EVA growth recovery story for U.S. Household Products industry.

Figure 29: Global ex U.S. Industry FGR

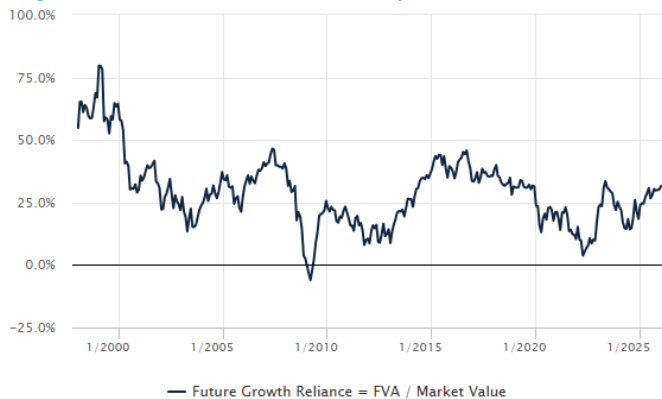


Figure 30: U.S. Industry FGR

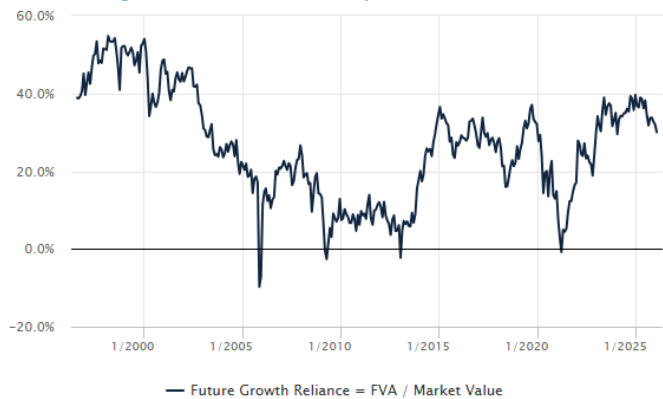
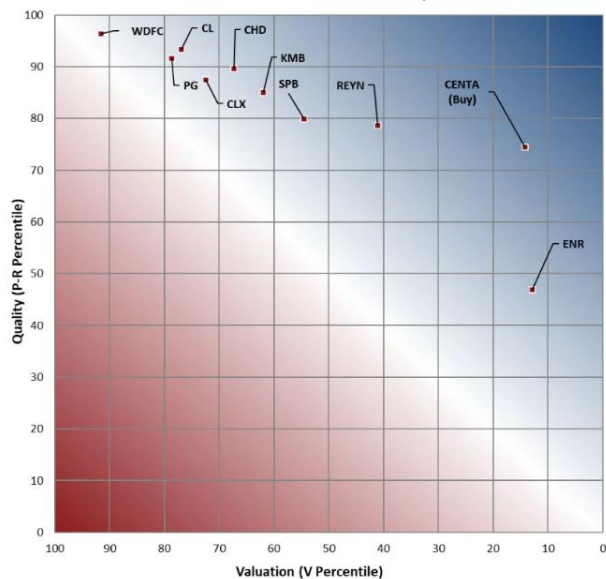


Figure 31: Household Products U.S. Firms (Mcap ≥ \$1B)

Within **Figure 31**, we illustrate the Roadmap picks from the Food Products industry.

Name	Ticker	Mkt Cap (\$mm)	EVA Margin (%)	EVA Momentum (%)	1Q EVA Shock (%)	PRVit Prime Score	Quality (P-R)	P2 Profitability Trend	Risk Score (R)	Valuation Score (V)	1Y Returns (%)	ESG Perf Score
PROCTER & GAMBLE CO PG		337,577	12.70%	-1.18%	-0.20%	48	92	56	13	79	-6.89%	56.41
COLGATE-PALMOLIVE CCL		66,185	10.91%	-0.56%	-0.73%	55	93	59	10	77	-2.74%	53.98
KIMBERLY-CLARK CORP KMB		32,629	7.29%	-1.06%	0.28%	57	85	50	15	62	-16.99%	54.25
CHURCH & DWIGHT INC CHD		20,935	6.90%	-0.40%	-0.11%	58	90	53	7	67	-13.39%	52.37
CLOROX CO/DE	CLX	13,049	7.34%	-2.22%	-3.43%	48	87	45	14	72	-28.98%	55.16
REYNOLDS CONSUMER IREYN		4,993	3.64%	-1.36%	-0.23%	73	79	55	16	41	-5.48%	23.27
WD-40 CO	WDFC	2,585	9.69%	0.29%	-1.10%	44	96	64	2	92	-18.82%	38.49
CENTRAL GARDEN & PE1CENTA		1,856	0.62%	1.23%	0.73%	90	74	68	23	14	-1.21%	16.03
SPECTRUM BRND HLDG SPB		1,505	3.27%	-1.50%	-0.10%	59	80	53	36	55	-22.13%	40.51
ENERGIZER HOLDINGS I ENR		1,431	1.29%	-0.33%	-0.63%	66	47	50	66	13	-36.58%	38.7

Figure 32: Household Products Roadmap Names HEAT Map



CENTA (rated 'Buy') is in the 'Best of the Best: High Quality and Cheap' HEAT Map zone. Sales growth for the company has been pressured over the last three years, but the firm has registered a strong EBITDAR Margin expansion, supported by moderating adjusted COGS as a % of sales.

Food Products Industry Review & Outlook

Food Products (+/-): Favorable Quality & Cheap Valuations, U.S. EVA Growth Near 25-Year Lows

The Food Products industry achieves relatively favorable Quality (P-R), coupled with cheap Valuations at the global level. Regionally, North America, Asia ex Japan, and the Middle East & Africa have the strongest Quality scores. Aggregate EVA Margin expanded significantly through the first three quarters of 2025 before slightly rolling over in Q4. Our main concern is that while aggregate EVA growth demonstrated a very strong recovery in 2024, turning positive after two years, EVA Momentum decelerated through 2025. The industry saw a strong acceleration in top-line growth during H2 2025 but contended with input cost pressures as EBITDAR Margin contracted back to 2024 levels. For 2026, we reiterate our 'Neutral' stance toward the industry. We recommend focusing on firms that have demonstrated resilient EBITDAR Margin trends, often a reflection of good cost control and strong pricing power. Over the very long term, the industry has broadly been Valuation driven; our Valuation (Low V) factor has seen consistent outperformance, as generally stocks with relatively cheaper EVA Valuations have performed strongly. However, while cheap Valuations matter, it is important to differentiate stocks that have a genuine Quality and Valuation disparity from those stocks that are consistently priced in for value destruction.

Figure 33: Food Products PRVit Ranking and ESG Scores (Sales-Weighted Average)

Food Products	Global	North America	Europe	Asia ex Japan	Japan	Latin America	MEA
PRVit Prime Score	50	53	34	61	39	32	55
Quality (P-R)	56	52	52	62	60	45	78
Valuation Score (V)	39	30	48	40	31	37	56
EVA Margin (%)	1.9%	0.7%	4.0%	1.4%	0.5%	1.4%	11.4%
EVA Momentum (%)	0.2%	-0.8%	-1.2%	1.5%	-0.5%	1.1%	9.4%
ESG Perf Score	38	47	49	28	32	36	23

Shown within **Figure 34**, at the global ex U.S. regional level, Sales Growth (TFQ) turned positive in March 2025 and continued to accelerate through the rest of the year, coupled with a strong EBITDAR Margin expansion in H1, which rolled over in the second half of the year. In the U.S. (**Figure 35**), however, top-line growth was slower to turn positive, while EBITDAR Margin peaked out in Q4 2024 and contracted through 2025 to the lower end of the 10-year range due to significantly higher adjusted COGS that was partly offset by a moderating adjusted SG&A expense (% of sales). Asset efficiency, as measured by the Productive Capital Charge (lower is more favorable) in both the universes deteriorated during the first half of last year, but has shown signs of peaking out after acceleration in top-line growth during H2.

Figure 34: Global ex U.S. EVA Drivers

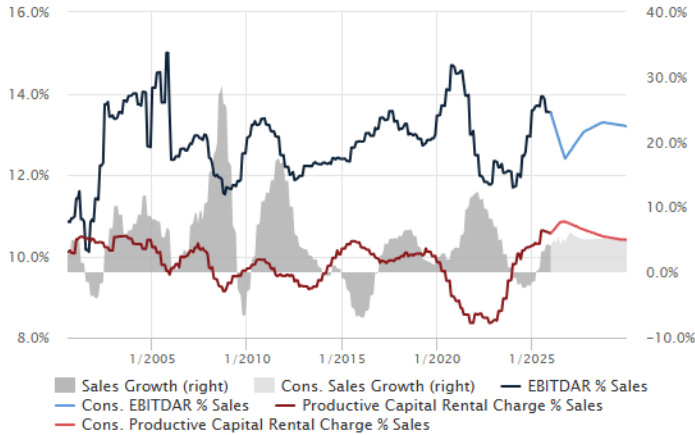
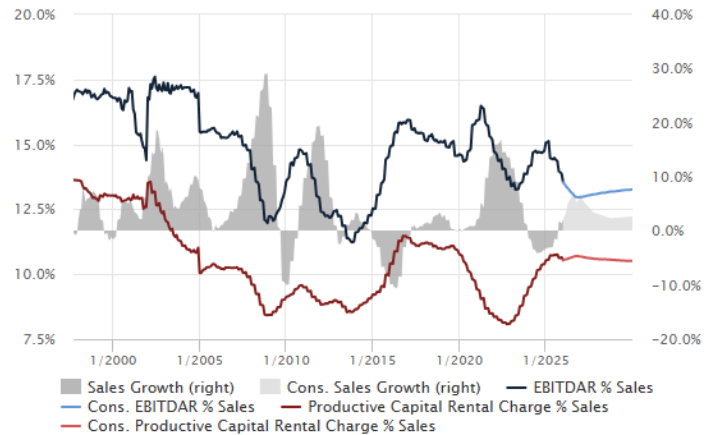


Figure 35: U.S. EVA Drivers



At the global ex U.S. level (**Figure 36**), EVA Margin continued its 2024 trend and expanded through the first three quarters of 2025, but rolling over in Q4. EVA Momentum (growth) slowed in 2025 but is still positive, supported by an acceleration sales growth trend and EBITDAR Margin trending near historically favorable levels despite a small contraction in H2 last year caused by higher adjusted COGS. In the U.S., EVA Momentum (**Figure 37**, blue line) saw a further deterioration in 2025, with EVA growth dropping to the lowest level in 23 years as of December. Aggregate economic profitability also recorded its 5th consecutive year of contraction. EVA Margin for the U.S. Food Products aggregate is now at record lows of 0.7%.

Figure 36: Global ex U.S. EVA Fundamentals

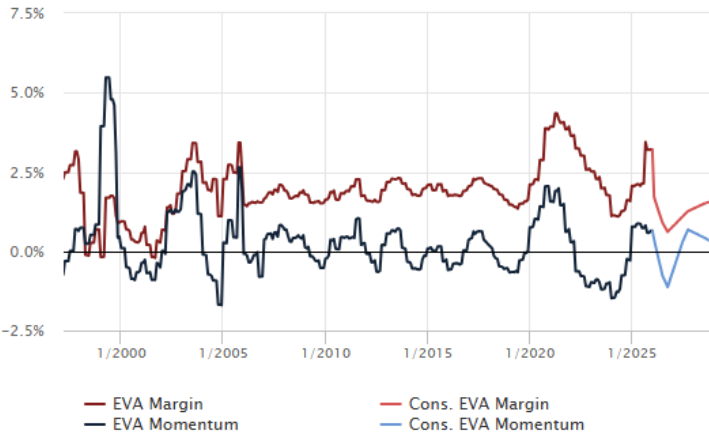
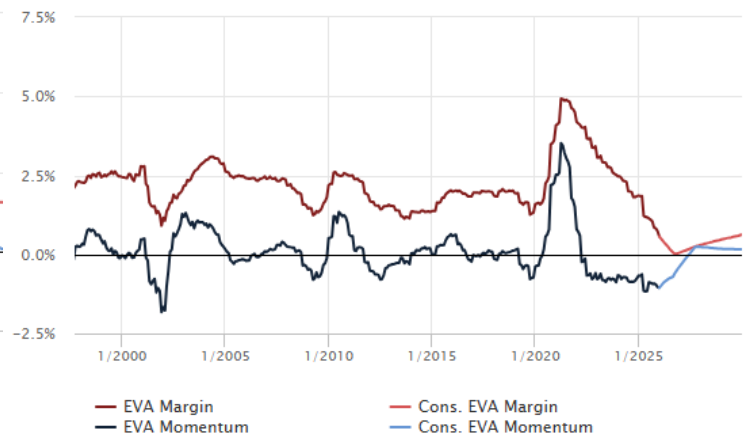


Figure 37: U.S. EVA Fundamentals



Charted below, Future Growth Reliance (FGR) at the global ex U.S. level (**Figure 38**) moved somewhat sideways through 2025 around the long-term mid-range at a time when EVA growth is showing signs of rolling over. We observe a similar Valuation dynamic in the U.S. as FGR trades near the middle of the long-term range as investors await a bottoming out in EVA Momentum (growth) for the industry aggregate before turning more bullish on the industry’s EVA growth outlook.

Figure 38: Global ex U.S. Industry FGR

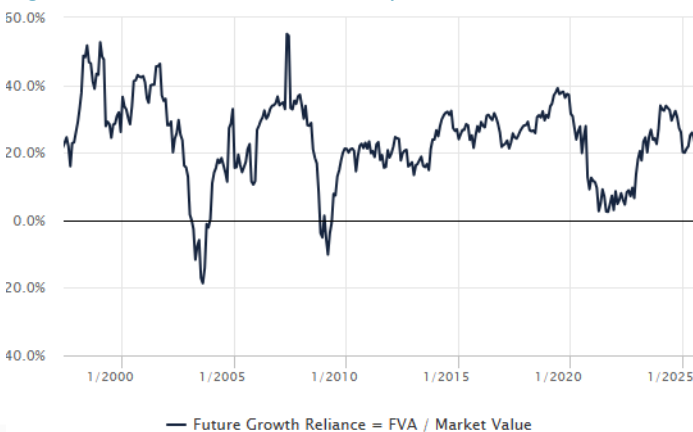


Figure 39: U.S. Industry FGR

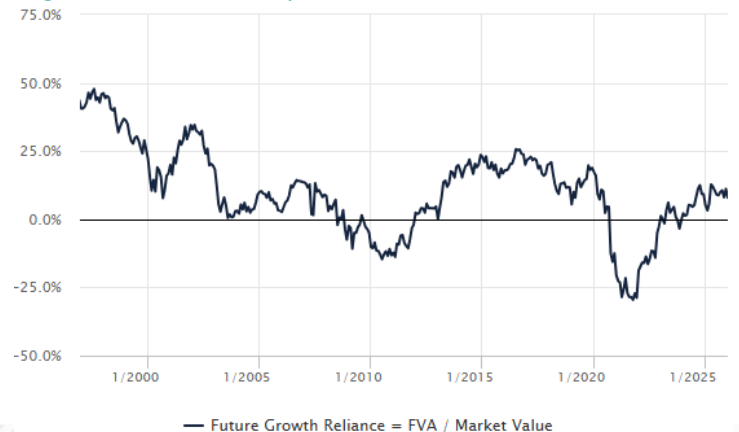
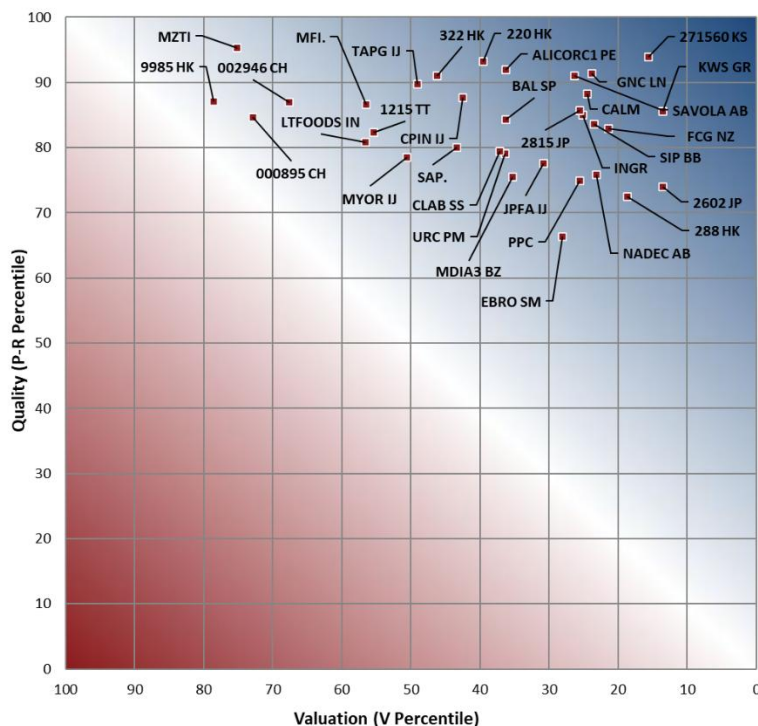


Figure 40: Global Food Products Roadmap Picks

Within **Figure 40**, we illustrate the Roadmap picks from the Food Products industry.

Name	Ticker	Country	Mkt Cap (\$mm)	EVA Margin (%)	EVA Momentum (%)	1Q EVA Shock (%)	PRVit Prime Score	Quality (P-R)	P2 Profitability Trend	Risk Score (R)	Valuation Score (V)	1Y Returns (%)	ESG Perf Score
WH GROUP LTD	288 HK	Hong Kong	14,071	2.06%	7.16%	0.07%	84	72	67	41	19	64.62%	32.05
HENAN SHUANGHUI INVT & DEV	000895 CH	China	12,850	5.15%	0.32%	0.00%	70	85	60	31	73	6.47%	26.60
SAPUTO INC	SAP.	Canada	12,187	0.25%	0.29%	0.42%	69	80	69	5	43	71.45%	51.22
PILGRIM'S PRIDE CORP	PPC	U.S.	9,212	5.34%	1.36%	-1.71%	84	75	75	60	26	2.70%	37.08
TINGYI (CAYMAN ISLANDS) HLDG	322 HK	Hong Kong	8,611	3.37%	1.35%	0.11%	80	91	84	19	46	7.38%	30.98
INGREDION INC	INGR	U.S.	7,257	6.10%	0.77%	-1.17%	92	85	68	17	25	-12.51%	50.67
FONTERRA CO-OPERATIVE GRP	FCG NZ	New Zealand	5,541	2.43%	1.85%	3.03%	92	83	81	24	21	60.89%	
MARZETTI CO (THE)	MZTI	U.S.	4,626	5.65%	0.41%	0.25%	64	95	76	1	75	-1.23%	15.37
UNI-PRESIDENT CHINA HLDG LTD	220 HK	Hong Kong	4,449	4.08%	2.64%	0.33%	88	93	87	10	40	2.12%	30.09
CHAROEN POKPHAND INDONESIA	CPIN IJ	Indonesia	4,381	4.39%	4.42%	3.10%	83	88	86	37	43	-4.21%	21.16
WEILONG DELICIOUS GLOBAL	9985 HK	China	3,795	11.74%	2.66%	0.33%	67	87	91	53	79	70.24%	
CAL-MAINE FOODS INC	CALM	U.S.	3,512	23.85%	16.03%	-14.49%	94	88	88	55	24	-21.32%	22.95
EBRO FOODS SA	EBRO SM	Spain	3,275	0.41%	-0.04%	0.01%	65	66	61	28	28	14.68%	
KWS SAAT SE & CO KGAA	KWS GR	Germany	2,798	8.48%	-6.37%	1.97%	94	86	63	25	14	27.02%	24.41
ORION CORPORATION	271560 KS	South Korea	2,796	8.31%	3.03%	0.49%	98	94	75	6	16	3.33%	25.78
MAYORA INDAH (PT)	MYOR IJ	Indonesia	2,781	4.06%	-1.63%	2.70%	63	79	66	34	51	-21.43%	
UNIVERSAL ROBINA CORP	URC PM	Philippines	2,557	2.88%	0.35%	1.35%	63	79	66	18	36	-5.12%	26.73
NEW HOPE DAIRY CO	002946 CH	China	2,305	3.10%	1.13%	0.02%	78	87	78	27	68	22.88%	
JAPFA COMFEED INDONESIA (PT)	JPFA IJ	Indonesia	2,256	3.02%	1.33%	1.23%	82	78	82	44	31	46.56%	
MAPLE LEAF FOODS INC	MFI.	Canada	2,225	3.43%	4.07%	0.86%	63	87	92	36	56	43.15%	
ALICORP SA	ALICORC1 PE	Peru	1,959	3.41%	2.81%	0.47%	91	92	82	8	36	56.43%	
BUMITAMA AGRI LTD	BAL SP	Indonesia	1,776	9.19%	4.22%	2.63%	84	84	64	31	36	81.34%	
PT TRIPUTRA AGRO PERSADA TBK	TAPG IJ	Indonesia	1,772	27.27%	22.09%	2.92%	80	90	94	51	49	122.00%	
SAVOLA GROUP	SAVOLA AB	Saudi Arabia	1,710	28.24%	27.71%	0.95%	95	91	95	50	26	-43.61%	
M DIAS BRANCO SA IND	MDIA3 BZ	Brazil	1,540	1.64%	-0.86%	1.06%	68	75	69	37	35	26.50%	
NATL AGRICULTURAL DEV CO	NADEC AB	Saudi Arabia	1,480	14.08%	11.38%	0.35%	86	76	91	71	23	-23.90%	
GREENCORE GROUP PLC	GNC LN	Ireland	1,414	2.29%	1.37%	0.27%	94	91	82	8	24	33.82%	
LT FOODS LTD	LTFOODS IN	India	1,411	3.15%	-0.02%	0.27%	62	81	67	28	57	-10.01%	
CLOETTA AB	CLAB SS	Sweden	1,305	1.33%	1.12%	1.06%	79	79	76	11	37	73.06%	
CHAROEN POKPHAND ENTERPRISES	1215 TT	Taiwan	1,292	3.73%	3.09%	1.72%	61	82	84	35	55	56.80%	
NISSHIN OILIO GROUP LTD	2602 JP	Japan	1,140	1.73%	1.99%	1.28%	73	74	85	41	14	10.42%	
ARIAKE JAPAN CO LTD	2815 JP	Japan	1,116	7.40%	5.10%	2.36%	75	86	75	16	26	4.14%	
SIPEF NV	SIP BB	Belgium	1,047	10.34%	7.55%	5.25%	87	84	66	22	23	73.85%	

Figure 41: Food Products Roadmap Names HEAT Map



Given the Valuation-driven nature of the industry over the long-term, together with the present underlying scarcity of EVA growth, we recommend focusing on the top-right High Quality & Cheap zone of the HEAT Map. There are 21 names within the 'Best of the Best' zone: **288 HK, PPC, INGR, FCG NZ, 220 HK, CALM, EBRO SM, KWS GR, 271560 KS, URC PM, JPFA IJ, ALICORC1 PE, BAL SP, SAVOLA AB, MDIA3 BZ, NADEC AB, GNC LN, CLAB SS, 2602 JP, 2815 JP, and SIP BB.**

PPC, 2875 JP, BBTC IN, and LAS.A have registered 4 or more quarters of deterioration in EVA Momentum (growth), as measured by an EVA Mo Post-Inflection Count of -4 or lower. These names are worth considering from a potential EVA growth bottoming out perspective.

Tobacco Industry Review & Outlook

Tobacco (+/-): Very Strong Quality (P-R); Valuations Less Appealing at This Stage

The Tobacco industry in 2025 was an EVA growth-driven story. While Valuation disparity for the industry has significantly narrowed over the last five years, EVA Momentum (growth) continued to trend strongly in 2025. At this stage, embedded growth expectations are trading near the highest level in 25 years, with markets moving from moderating expectations for value destruction to expectations for value creation going forward. Large cap names continue to transition towards the high-margin smoke-free business as traditional combustibles continue to see pressured volumes in developed markets (DM). For 2026, we take a neutral stance towards the global Tobacco industry. We are bullish on the industry’s outlook for sustained EVA creation but remain cognizant of comparatively elevated Valuation levels after two years of strong returns. At this stage, we recommend taking a more positive stance towards high Quality, growth-focused opportunities. As shown in **Figure 42**, North America and Europe demonstrate very strong Quality, supported by strong EVA Fundamentals and positive EVA growth, but Valuations in North America are also very high at this stage.

Figure 42: Tobacco PRVit Ranking and ESG Scores (Sales-Weighted Average)

Tobacco	Global	North America	Europe	Asia ex Japan	Japan	MEA
PRVit Prime Score	49	46	65	54	14	5
Quality (P-R)	80	88	83	67	63	51
Valuation Score (V)	61	80	43	57	62	84
EVA Margin (%)	16.3%	27.4%	12.8%	4.5%	8.5%	15.9%
EVA Momentum (%)	0.6%	2.2%	-0.1%	-0.5%	-0.9%	-1.7%
ESG Perf Score	45	50	47	35	39	3

In the global ex U.S. universe (**Figure 43**), sales growth (TFQ) picked up through H1 2025, peaking out at 5% in July and has since slowed to 3.3%. EBITDAR Margin saw a 130bps contraction in Q4 last year, impacted by higher adjusted COGS (relative to sales). In the U.S. (**Figure 44**), top-line growth plateaued during most of 2025 before seeing a sudden deceleration to 3.1% in December. EBITDAR Margin for the U.S. sectoral aggregate, however, saw a 150bps expansion in 2025, to 50.9%. Productive Capital Charge, our measure for asset efficiency, improved for the global aggregate (both the U.S. and global ex U.S.) through 2025.

Figure 43: Global ex U.S. EVA Drivers

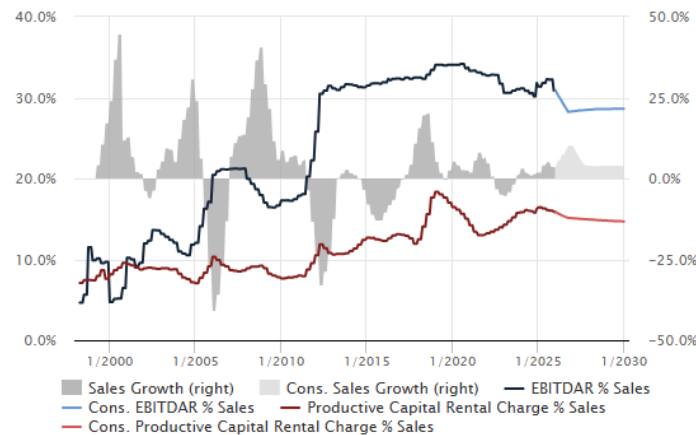
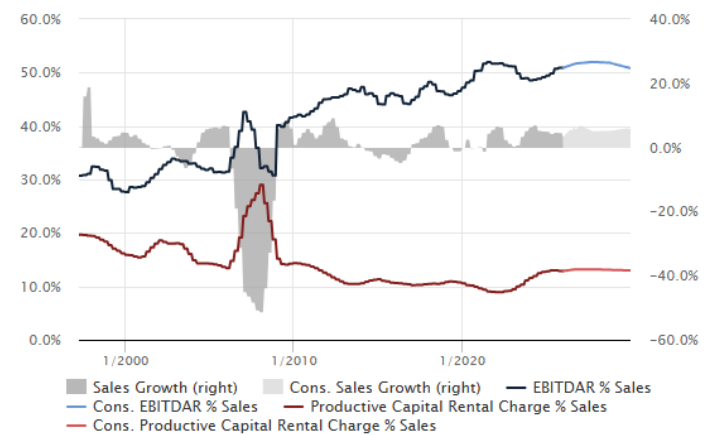


Figure 44: U.S. EVA Drivers



We continue our industry analysis on the page below.

Below, **Figures 45** and **46** illustrate aggregate EVA Fundamentals at the global ex U.S. and U.S. levels, respectively. The absolute level of economic profitability remains stronger in the U.S., with EVA Margin seeing a 110bps improvement in 2025 and trending at 27.3%. EVA Momentum in the U.S. somewhat decelerated in Q4 but was trending positively as of December, at 2.2%. For global ex. U.S., EVA Momentum, currently at 0.2%, turned positive in June 2025 after bottoming out in late 2024 and seeing a significant improvement through H1 2025. EVA Margin for the region improved through most of 2025 before deteriorating to the same level as at the end of 2024, at 10.1%.

Figure 45: Global ex U.S. EVA Fundamentals

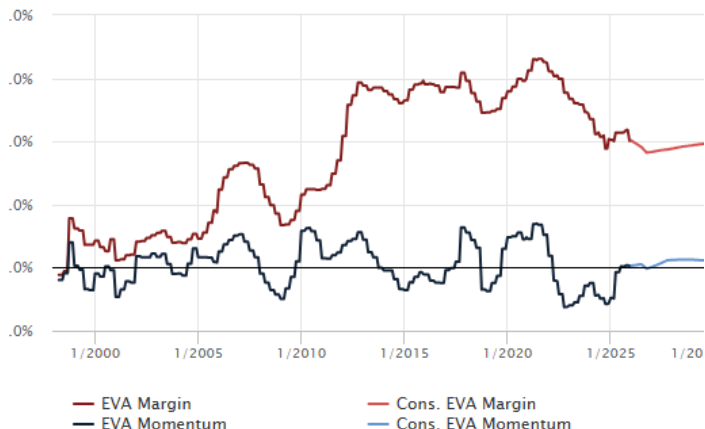


Figure 46: U.S. EVA Fundamentals

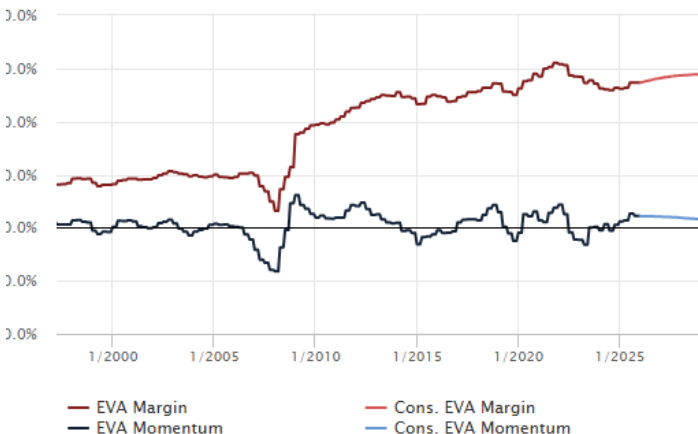


Figure 47 and **48** below illustrate Future Growth Reliance (FGR) for the Tobacco industry (blue line) at the global ex U.S. and U.S. levels, respectively. We have written about the Valuation disparity having significantly corrected for the global Tobacco industry aggregate over the last four years (report), making the Valuations less appealing. In the U.S., FGR peaked out in May last year at 16%, the highest level since 2008, and continues to trade near the upper end of the 15-year range, at 8%. For the global ex U.S. aggregate, FGR was trading around 4% in December, near 7-year highs.

Figure 47: Global ex U.S. Industry FGR

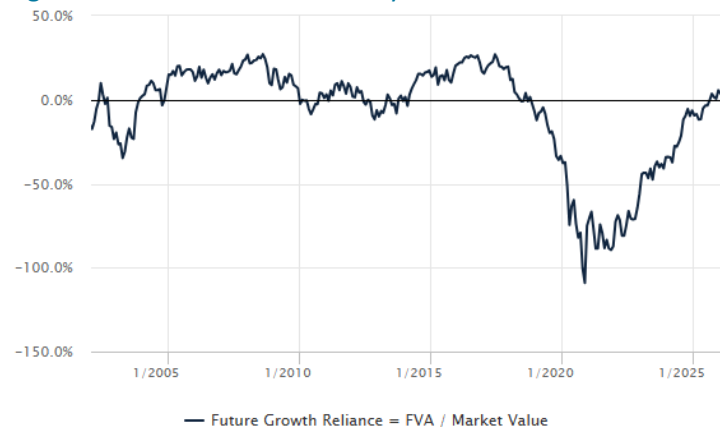


Figure 48: U.S. Tobacco FGR vs. U.S. Staples FGR



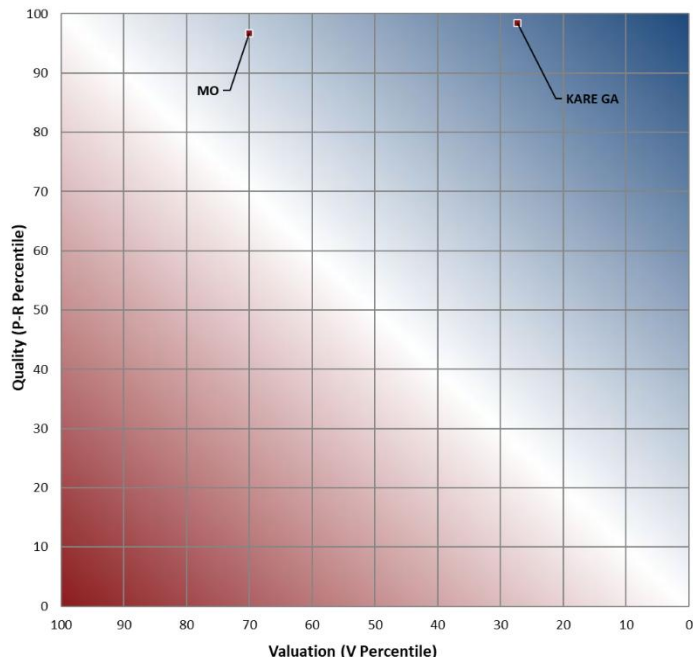
We provide an industry-level screen on the page below.

Figure 49: Global Tobacco EVA Fundamentals, PRVit Scores, ESG Performance, and 1-Year Returns

In Figure 49, we examine global Tobacco names under the EVA and PRVit framework, along with respective ISS ESG scores where available. At the individual stock level, we think it will be important to capitalize on firms that show potential for sustained improvements in EVA Momentum (growth).

Name	Ticker	Country	Mkt Cap (\$mm)	EVA Margin (%)	EVA Momentum (%)	1Q EVA Shock (%)	PRVit Prime Score	Quality (P-R)	P2 Profitability Trend	Risk Score (R)	Valuation Score (V)	1Y Returns (%)	ESG Perf Score
ALTRIA GROUP INC	MO	U.S.	96,574	42.31%	1.74%	-0.54%	74	97	82	20	70	19.81%	42.58
KARELIA TOBACCO CO INC SA	KARE GA	Greece	1,164	23.15%	4.30%	7.67%	98	98	76	4	27	8.05%	

Figure 50: Tobacco Industry HEAT Map



MO (rated 'Overweight') is located within the top-left 'Expensive but Worth It' zone. While top-line growth continues to remain pressured, underlying EBITDAR Margin improvements coupled with favorable Capital discipline have translated into a 180bps expansion of EVA Margin within the first three reported quarters of 2025. Although the relative Valuation is expensive, FGR continues to trade at a significant discount of -47%.

KARE GA (rated 'Buy') is in the 'High Quality and Cheap' HEAT Map zone.

Beverages Industry Review & Outlook

Beverages (+/-): Favorable Quality; Continued Deterioration in EVA Growth

We take a neutral stance towards the global Beverages industry for 2026. The industry achieves strong aggregate Risk-Adjusted Profitability (Quality), but we note deteriorating EVA growth during 2025, especially within the backdrop of relatively expensive Valuation levels. Aggregate top-line growth for the industry turned positive in September last year. EBITDAR Margin continues to trend near record highs, but the industry has seen elevated cost pressures in H2 2025. We recommend focusing on high Quality (P-R) firms that are well positioned to demonstrate strong earnings through balancing between underlying margins and driving higher volumes, along with efficient utilization of Ad. & Promo. expenditure. Asia ex Japan and North America have very strong Quality at this stage, combined with relatively the most expensive Valuations.

Figure 51: Beverages PRVit Ranking and ESG Scores (Sales-Weighted Average)

Beverages	Global	North America	Europe	Asia ex Japan	Japan	Latin America	MEA
PRVit Prime Score	46	42	40	66	41	44	63
Quality (P-R)	68	76	57	82	53	72	48
Valuation Score (V)	54	67	43	71	24	53	31
EVA Margin (%)	7.7%	10.3%	3.7%	18.2%	-1.7%	3.7%	4.6%
EVA Momentum (%)	-0.8%	-1.3%	-0.3%	-1.0%	-1.2%	0.1%	-2.2%
ESG Perf Score	45	47	52	30	46	41	36

Sales growth (TFQ) for the global ex U.S. aggregate (**Figure 52**) improved through 2025, turning positive in December, at 1.4%. EBITDAR Margin, on the other hand, saw a small contraction during H2 last year, impacted by increase in both the adjusted COGS and SG&A expenses, relative to sales. The Productive Capital Charge continued to worsen for the global ex U.S. Beverages aggregate given increased net investment in PP&E. In the U.S. (**Figure 53**), sales growth decelerated during H1, seeing an acceleration in Q3 before rolling over in Q4 to 1.6%. The industry has managed input cost pressures well, with EBITDAR Margin in the U.S. steady near the highest level in 20 years throughout 2025. Amidst the backdrop of slowing Sales Growth (TFQ), the Productive Capital Charge (our measure of Capital intensity) continued to deteriorate though 2025 as a result of higher net investment (PP&E charge) and increased Intangible Capital charge (higher Ad. & Promo. spending), currently trending at the highest level in nearly 22 years.

Figure 52: Global ex U.S. EVA Drivers

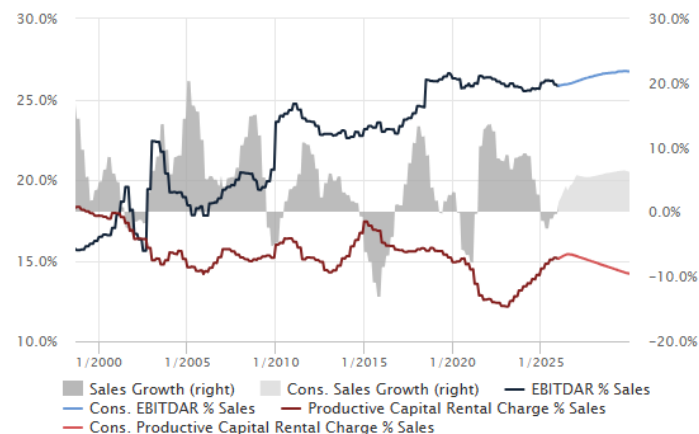
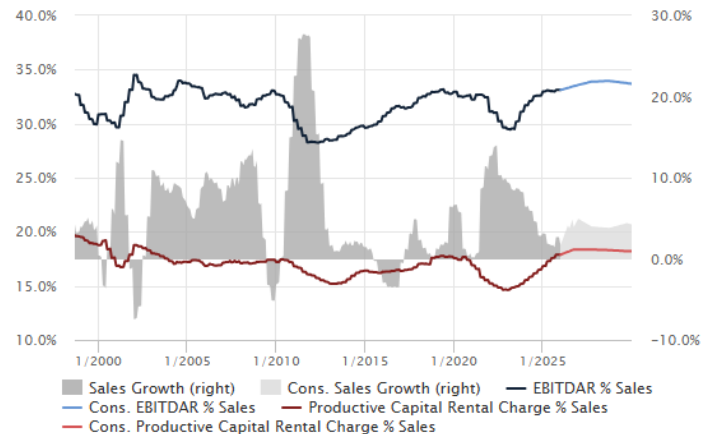


Figure 53: U.S. EVA Drivers



EVA Fundamentals for both the global ex U.S. and the U.S. aggregates saw a continued downtrend in 2025, with EVA growth remaining pressured at the global level. In the U.S. (**Figure 55**), EVA Margin has seen 6 sequential quarters of deterioration to the lower end of the 5-year range. EVA Momentum (growth) in the U.S. is now closer to the levels previously seen in 1999, 2009, and 2022. In all three instances historically, EVA growth significantly picked up over the following four quarters. In the current cycle, while EBITDAR Margin is already near multi-decade highs, the recovery in top-line growth and a subsequent improvement in asset efficiency can potentially drive the recovery in EVA Momentum. For the global ex U.S. aggregate (**Figure 54**), EVA Momentum moved sideways for the first three quarters before dropping further in Q4, impacted by a contracting EBITDAR Margin. EVA Margin has seen a sustained deterioration for 4.5 years, back to levels last seen in early 2021.

Figure 54: Global ex U.S. EVA Fundamentals

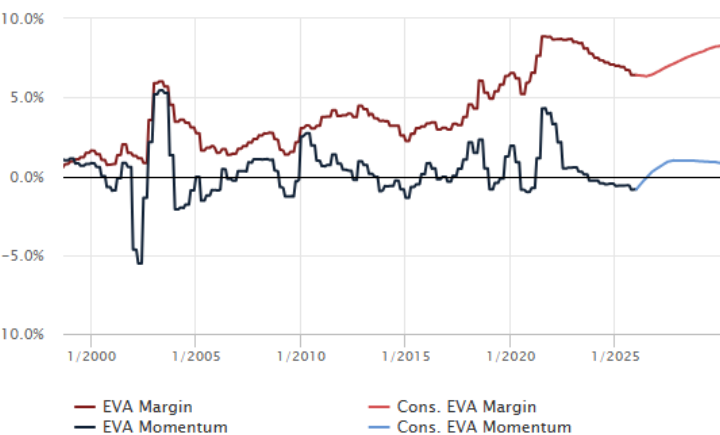
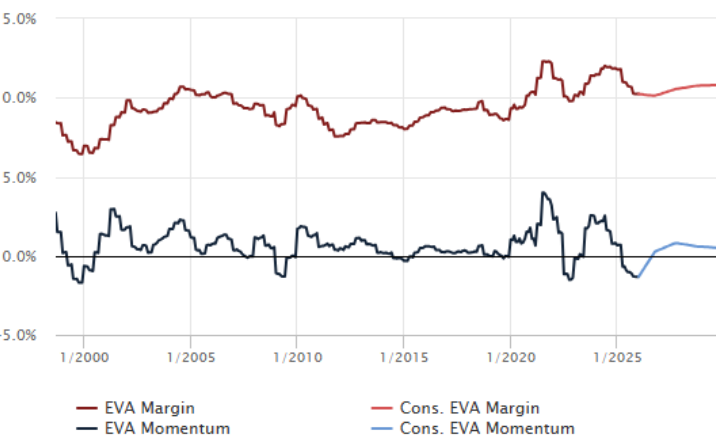


Figure 55: U.S. EVA Fundamentals



Assessing Valuations at the global ex U.S. level (**Figure 56**), Future Growth Reliance (FGR) traded sideways near the 15-year mid-range in 2025 as investors look for signs of bottoming out in EVA growth for the aggregate. In the U.S. (**Figure 57**), FGR was trading at 24% in December, up from 17% seen at the end of the year, at a time when EVA Momentum approaches closer to a likely bottom. However, we remain cognizant of the significantly pressured economic profitability at this stage.

Figure 56: Global ex U.S. Industry FGR

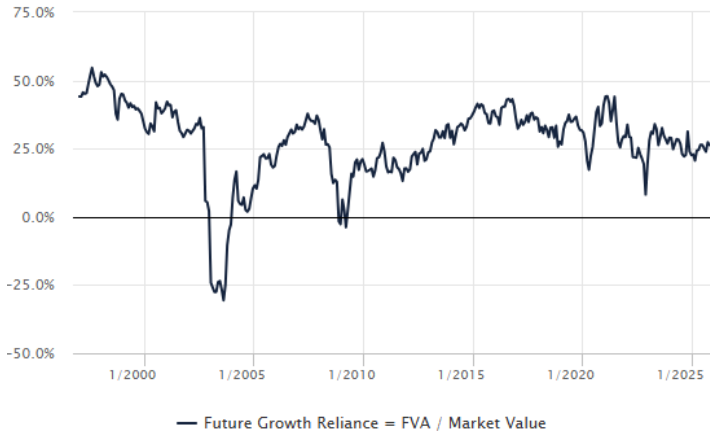


Figure 57: U.S. Industry FGR

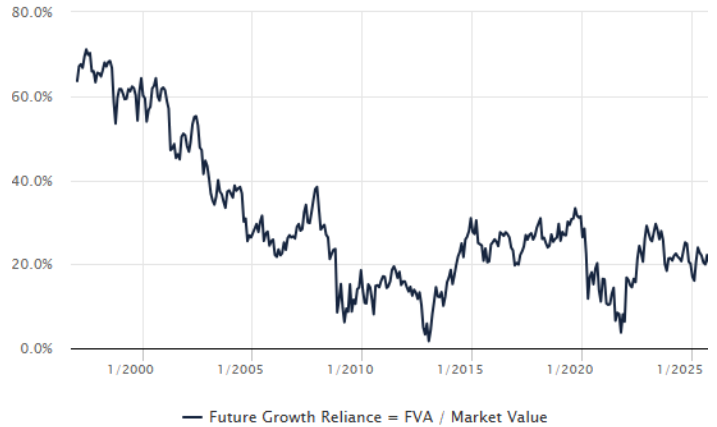
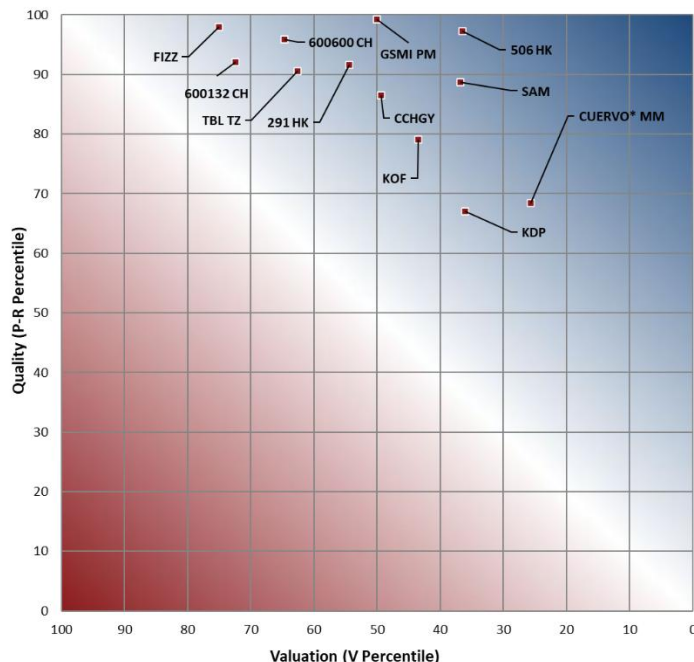


Figure 58: Global Beverages Roadmap Picks

Within **Figure 58**, we illustrate the Roadmap picks from the Beverages industry.

Name	Ticker	Country	Mkt Cap (\$mm)	EVA Margin (%)	EVA Momentum (%)	1Q EVA Shock (%)	PRVIt Prime Score	Quality (P-R)	P2 Profitability Trend	Risk Score (R)	Valuation Score (V)	1Y Returns (%)	ESG Perf Score
KEURIG DR PEPPER INC	KDP	U.S.	37,758	1.26%	0.10%	0.54%	66	67	61	26	36	-9.96%	49.72
COCA-COLA FEMSA SAB DE CV -ADR	KOF	Mexico	20,627	4.29%	0.05%	0.14%	61	79	62	32	44	22.45%	50.61
COCA-COLA HBC AG -ADR	CCHGY	Switzerland	19,214	6.53%	1.08%	0.85%	74	87	82	38	49	35.73%	63.96
CHINA RESOURCES BEER (HLDGS)	291 HK	China	10,978	8.15%	0.41%	0.50%	92	92	65	11	54	11.76%	37.31
TSINGTAO BREWERY CO LTD	600600 CH	China	10,554	9.60%	-0.72%	1.18%	91	96	75	12	65	-14.91%	33.77
BECLE SAB DE CV	CUERVO* MM	Mexico	4,594	6.57%	7.32%	3.50%	68	68	89	72	26	5.48%	
CHONG QING BREWERY CO LTD	600132 CH	China	3,631	7.37%	0.59%	0.87%	80	92	74	28	72	-4.09%	
NATIONAL BEVERAGE CORP	FIZZ	U.S.	3,101	13.31%	0.12%	-0.32%	72	98	72	4	75	-24.03%	14.24
BOSTON BEER INC -CL A	SAM	U.S.	2,230	1.91%	0.33%	-1.54%	88	89	62	4	37	-24.54%	23.1
CHINA FOODS LTD	506 HK	China	1,568	3.25%	1.02%	0.31%	99	97	86	5	37	72.63%	
GINEBRA SAN MIGUEL INC	GSMI PM	Philippines	1,397	9.85%	0.80%	0.00%	84	99	90	5	50	11.95%	
TANZANIA BREWERIES LTD	TBL TZ	Tanzania	1,070	11.83%	7.53%	0.11%	68	91	88	41	63	-9.93%	

Figure 59: Beverages Roadmap Names HEAT Map



506 HK, SAM, KDP, and CUERVO* MM are located within the top-right 'Best of the Best' zone with strong Quality (P-R) coupled with relatively cheap EVA Valuation levels.

CUERVO* MM has the lowest Valuation score within the industry top picks at this stage, with FGR currently trading at a discount of -33%. The company has seen two strong quarters of EVA Momentum (growth) acceleration.

FIZZ, 600132 CH, 600600 CH, and TBL TZ are in the 'Expensive but Worth It' HEAT Map zone, reflecting strong Quality (P-R) at relatively expensive Valuation levels.

Distribution & Retail Industry Review & Outlook

Distribution & Retail (-): EVA Momentum Pressured; Valuations at 25-Year Highs

The industry looks unattractive from a purely quantitative perspective: the Distribution & Retail space achieves comparatively strong Quality (Figure 60), offset by moderate Valuation levels. From an EVA Fundamentals standpoint, EVA Margin has halved in the last five years, and EVA Momentum has started to show signs of weakness after turning positive for the first time in 3 years. Valuation, as measured by FGR, is currently near the highest level since 2000. We take the view that embedded market expectations have potentially run too far ahead of a materialized recovery in economic profitability at this stage. Tabulated within Figure 60, Europe and Asia have relatively cheaper EVA Valuations, and North America has the highest Quality score, which is combined with the highest relative Valuation score.

Figure 60: Distribution & Retail PRVit Ranking and ESG Scores (Sales-Weighted Average)

Consumer Staples Distribution & Retail	Global	North America	Europe	Asia ex Japan	Japan	Latin America	MEA
PRVit Prime Score	45	44	51	53	30	48	51
Quality (P-R)	64	69	54	57	52	67	66
Valuation Score (V)	53	63	31	42	37	48	47
EVA Margin (%)	1.0%	1.7%	0.2%	-0.6%	-0.4%	1.9%	1.6%
EVA Momentum (%)	0.0%	0.1%	-0.1%	-0.3%	0.1%	0.3%	0.0%
ESG Perf Score	42	44	52	34	31	31	26

Illustrated within Figure 61, Sales Growth (TFQ) within the global ex U.S. aggregate plateaued in H2 2025, while EBITDAR Margin saw a small improvement but remains near historically unfavorable levels. Asset efficiency started to peak out in early 2025 after two years of deterioration, but the Productive Capital Charge (higher is less favorable) started to pick up again during Q4 last year. Sales growth in the U.S. improved for the industry aggregate, but EBITDAR Margin resumed its long-term downtrend throughout last year after seeing a period of expansion during the 6 quarters prior to 2025. The consumer continues to remain price sensitive, combined with strong competition from discount retailers, preventing firms from leveraging higher pricing to offset elevated cost pressures. There continues to also be prevalence of trade-down and private label risk, which has led to a more defensive pricing stance for most names within the industry (higher reliance on discounting). This has translated into EBITDAR Margin remaining weak relative to history globally, especially in the U.S.

Figure 61: Global ex U.S. EVA Drivers

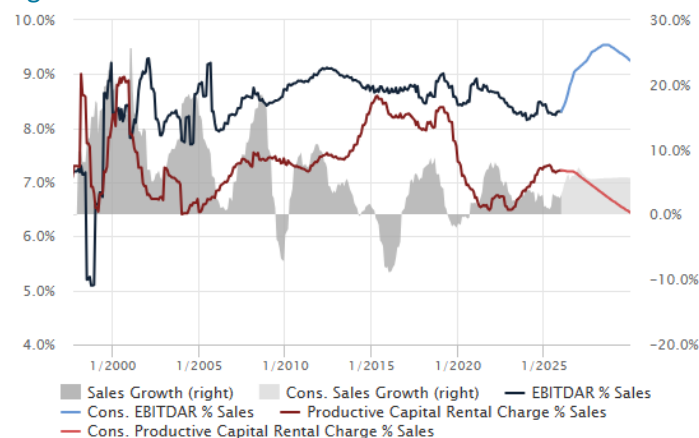
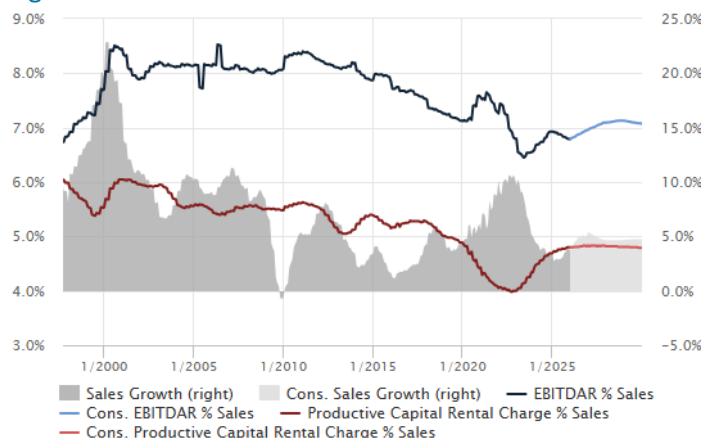


Figure 62: U.S. EVA Drivers



We continue our industry analysis on the next page.

The absolute level of economic profitability in the U.S. has bottomed out near 6-year lows over the last two years and has shown signs of improvement during H2 2025. EVA growth in the country picked up during Q3 last year but has rolled over again as of Q4. EVA Margin remains stronger in the U.S., at 1.6%, which is 140bps above the global ex U.S. level. After 4 years of contraction in economic profitability, H2 2025 saw EVA Margin start to register some recovery for the global ex U.S. aggregate, at a time when EVA Momentum has also continued to improve but has trended negatively for three consecutive years.

Figure 63: Global ex U.S. EVA Fundamentals

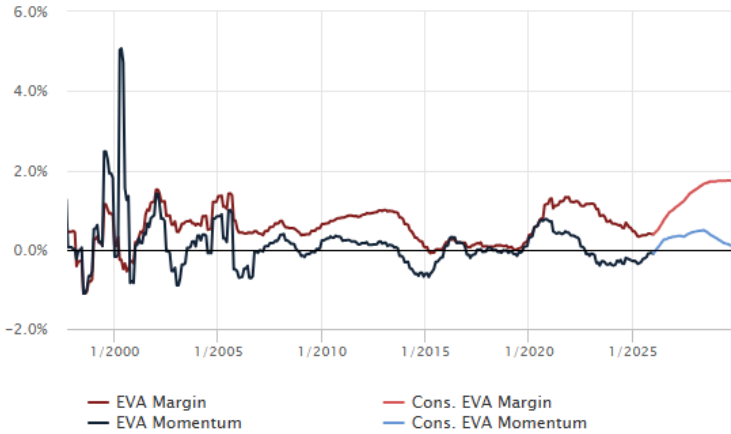
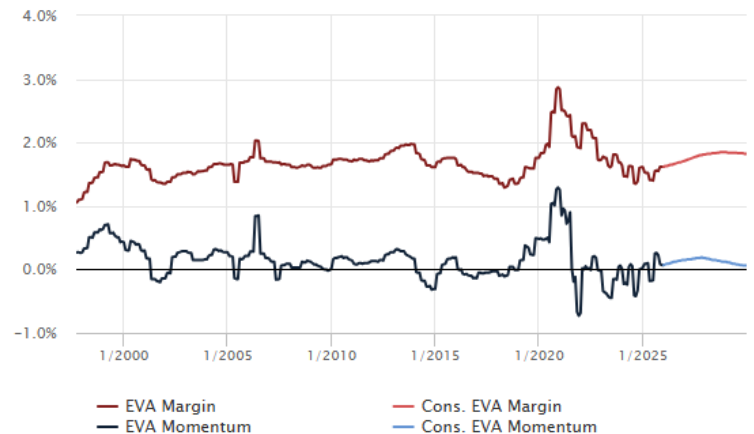


Figure 64: U.S. EVA Fundamentals



Shown within **Figure 66**, U.S. Future Growth Reliance (FGR) was already at historically high levels at the start of 2025 and inched further up through the year. The metric is now at the levels previously seen in 1999-2000. This leaves little room for disappointment in the EVA growth story for the U.S. Distribution and Retail space at a time when EVA Momentum is yet to conclusively trend higher. Growth expectations are not as high at the global ex U.S. level as they are in the U.S. but are still near the upper end of the 10-year range at this stage, while EVA Momentum is yet to turn positive.

Figure 65: Global ex U.S. Industry FGR

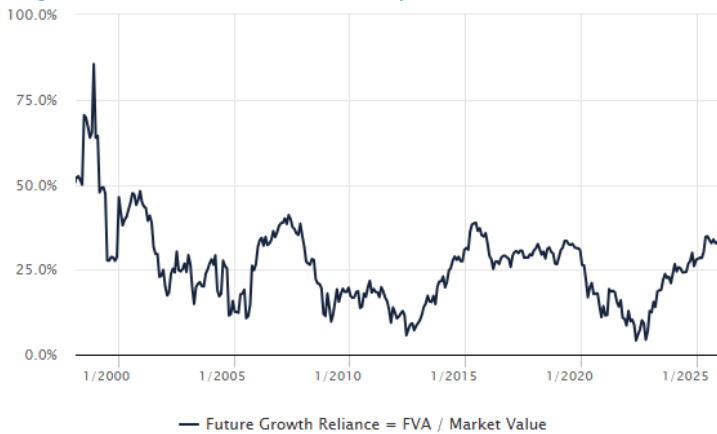
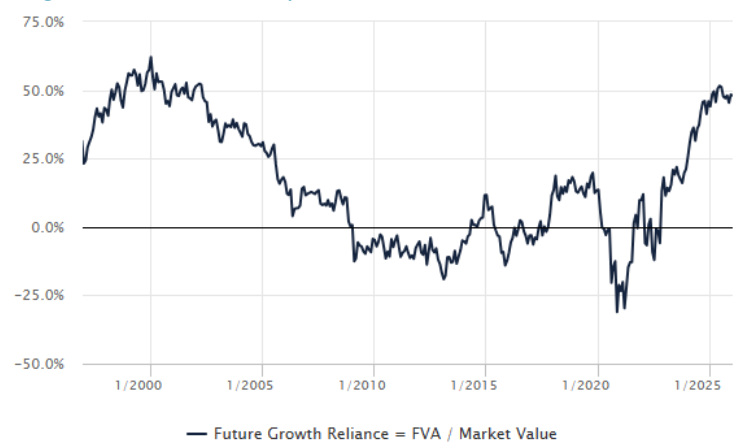


Figure 66: U.S. Industry FGR

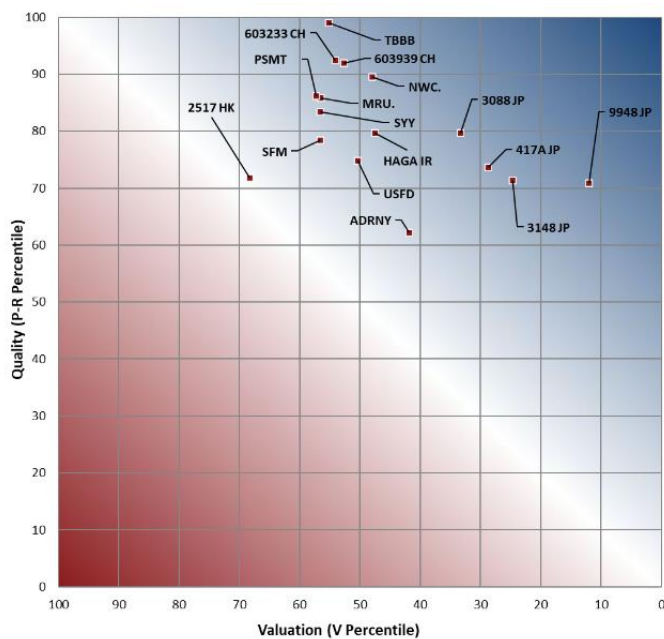


Within **Figure 67** below, we illustrate the Roadmap picks from the Distribution & Retail industry.

Figure 67: Global Distribution & Retail Roadmap Picks

Name	Ticker	Country	Mkt Cap (\$mm)	EVA Margin (%)	EVA Momentum (%)	1Q EVA Shock (%)	PRVIt Prime Score	Quality (P-R)	P2 Profitability Trend	Risk Score (R)	Valuation Score (V)	1Y Returns (%)	ESG Perf Score
SYSCO CORP	SY	U.S.	35,660	1.80%	-0.01%	0.12%	70	83	63	17	57	2.08%	50.20
KONINKLIJKE AHOLD DELHAIZE -ADR	ADRNY	Netherlands	34,870	0.28%	-0.05%	0.16%	60	62	60	46	42	6.75%	54.52
US FOODS HOLDING CORP	USFD	U.S.	17,049	0.79%	0.07%	-0.09%	65	75	67	24	50	10.80%	52.49
METRO INC	MRU.	Canada	15,207	2.52%	0.13%	0.22%	68	86	63	11	57	10.59%	42.05
SPROUTS FARMERS MARKET	SFM	U.S.	7,543	4.53%	2.02%	-0.07%	62	78	87	64	57	-44.94%	42.76
MATSUKIYOCOCOKARA & CO	3088 JP	Japan	6,909	2.51%	0.32%	0.12%	64	80	66	24	33	17.57%	26.56
PRICESMART INC	PSMT	U.S.	4,143	1.35%	0.04%	0.15%	72	86	63	4	57	45.22%	26.09
YIFENG PHARMACY CHAIN	603939 CH	China	3,856	3.02%	-0.20%	0.02%	95	92	61	6	53	-6.30%	30.51
BBB FOODS INC	TBBB	Mexico	3,836	18.91%	22.39%	12.97%	87	99	99	16	55	11.03%	
DASHENLIN PHARMACE	603233 CH	China	2,998	1.70%	1.41%	1.16%	95	92	71	4	54	33.54%	18.44
BLUE ZONES HOLD CO LTD	417A JP	Japan	2,280	1.04%	0.16%	0.08%	61	74	68	31	29	-5.46%	
NORTH WEST CO INC	NWC.	Canada	1,708	4.22%	0.29%	0.25%	81	89	68	12	48	7.06%	
CREATE SD HOLDINGS CO LTD	3148 JP	Japan	1,423	1.79%	0.24%	0.26%	63	71	66	42	25	22.48%	
GUOQUAN FOOD SHANGHAI CO	2517 HK	China	1,276	2.40%	1.80%	0.87%	63	72	92	77	68	107.92%	
ARCS CO LTD	9948 JP	Japan	1,255	0.45%	0.01%	0.13%	76	71	63	20	12	34.06%	
HAGAR HF	HAGA IR	Iceland	1,040	2.76%	0.98%	0.56%	74	80	83	47	48	14.42%	

Figure 68: Distribution & Retail Roadmap Names HEAT Map



SY looks attractive within the PRVIt model, primarily as a result of very strong Risk-Adjusted Profitability (Quality) offsetting moderate Valuation levels. EVA Momentum (growth) has seen five sequential quarters of improvement, supported by slowing but positive top-line growth and favorable EBITDAR Margin levels. EVA Margin for the firm inflected upwards as of the quarter ending September 2025 after eight sequential quarters of contraction. The Valuation score for the firm has continued to improve over the last three years on a global-relative basis.

Personal Care Products Industry Review & Outlook

Personal Care Products (-): Depressed Aggregate Economic Profitability; Expensive Valuations

The Personal Care industry looks unattractive in the PRVIt model, primarily because of expensive Valuation levels, which negatively offset relatively strong levels of Quality (P-R). The global aggregate EVA Margin has seen a prolonged period of contraction and is currently near 23-year lows, struggling to find a bottom. EVA growth showed some signs of bottoming out through H2 last year, but we are concerned that it broadly remains weak, impacted by contracting P&L profitability. The industry has seen top-line growth turn positive towards the end of 2025, with asset efficiency showing signs of peaking out, but we are bearish on the industry’s outlook given weak EVA Fundamentals and elevated Valuation levels.

We continue our industry analysis on the next page.

Figure 69: Personal Care PRVit Ranking and ESG Scores (Sales-Weighted Average)

Personal Care Products	Global	North America	Europe	Asia ex Japan	Japan	Latin America	MEA
PRVit Prime Score	34	41	29	49	25	35	39
Quality (P-R)	71	57	81	67	60	24	61
Valuation Score (V)	62	48	73	60	46	4	66
EVA Margin (%)	4.8%	0.1%	8.1%	3.4%	0.0%	-6.9%	-3.3%
EVA Momentum (%)	-0.9%	-1.7%	-0.8%	-1.6%	1.1%	-1.4%	-6.5%
ESG Perf Score	51	44	58	35	52	59	

Shown within **Figure 70**, at the global ex U.S. regional level, Sales Growth (TFQ) has been volatile over the past 12 months, seeing a strong positive inflection as of December, while EBITDAR Margin reached record highs in Q4 2024 before significantly deteriorating in the following year. Capital intensity, as measured by the Productive Capital Charge (lower is more favorable), rolled over in the second half of last year, but continues to trend near historically high levels (% of sales) as of December. This is driven by increases in the PP&E and Intangible Capital charges within the last three years. EVA Drivers look comparatively weaker in the U.S. (**Figure 71**), with top-line growth continuing to trend negatively despite a small improvement, with companies seeing pressured P&L Profitability in a bid to support declining volumes. At the global level, the Productive Capital Charge showed signs of peaking out during H2 after three sequential years of deterioration.

Figure 70: Global ex U.S. EVA Drivers

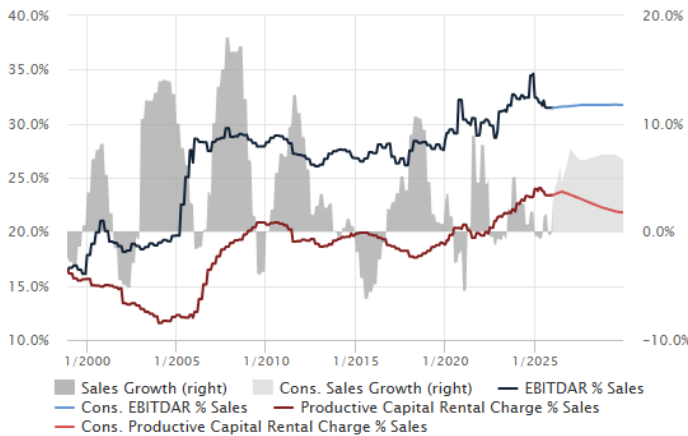
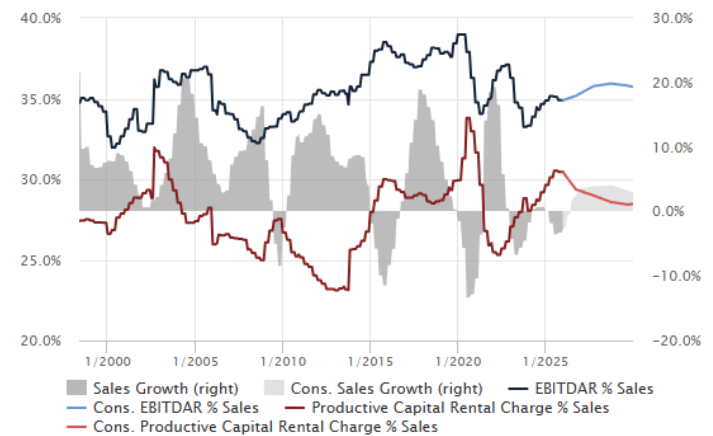


Figure 71: U.S. EVA Drivers



Global ex U.S. EVA Margin (**Figure 72**) recorded a sharp drop from multi-decade highs at the end of 2024 to the lowest level in 8 years by the end of 2025. EVA Momentum (growth) saw some improvement, driven by accelerating sales growth, but growth has struggled to turn positive. In the U.S., the absolute level of economic profitability is much more depressed. EVA Margin turned negative for the first time in over 25 years in June last year and has since contracted further. EVA Momentum (**Figure 73**, blue line) was trending higher until February last year but rolled over in Q3 before turning positive.

Figure 72: Global ex U.S. EVA Fundamentals

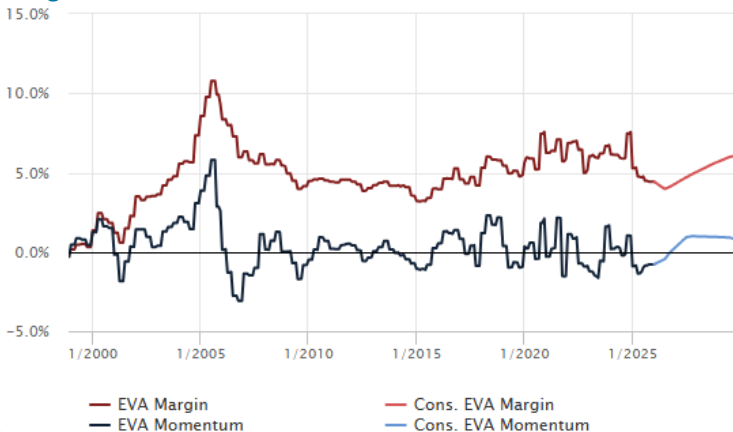
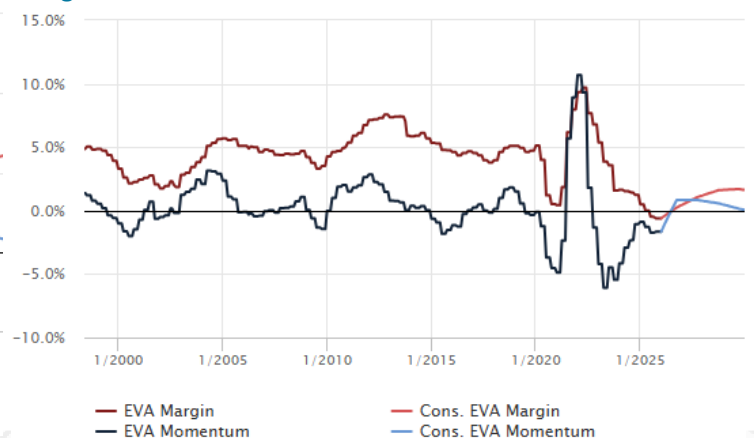


Figure 73: U.S. EVA Fundamentals



Charted below, Future Growth Reliance (FGR) at the global ex U.S. level (**Figure 74**) increased in Q1 but reverted to start of 2025 levels in Q4. Investors moved to moderate their growth expectations slightly as economic profitability continued to deteriorate. FGR ended the year almost flat in the U.S. as well, near the upper end of the long-term range (excluding early 2021 highs). While investors remain bullish on the industry’s outlook going forward, they turned cautious through 2025 as the industry continues to struggle with pressured economic profitability, especially in the U.S.

Figure 74: Global ex U.S. Industry FGR

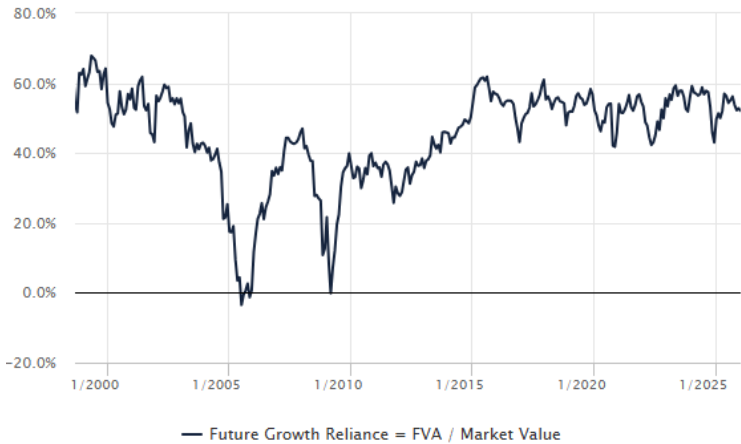


Figure 75: U.S. Industry FGR

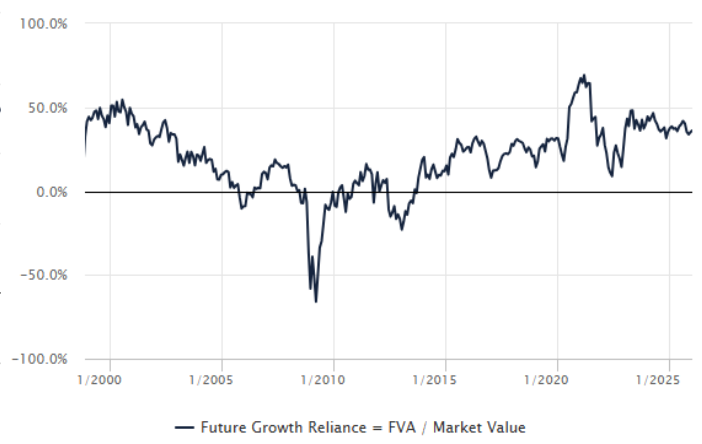
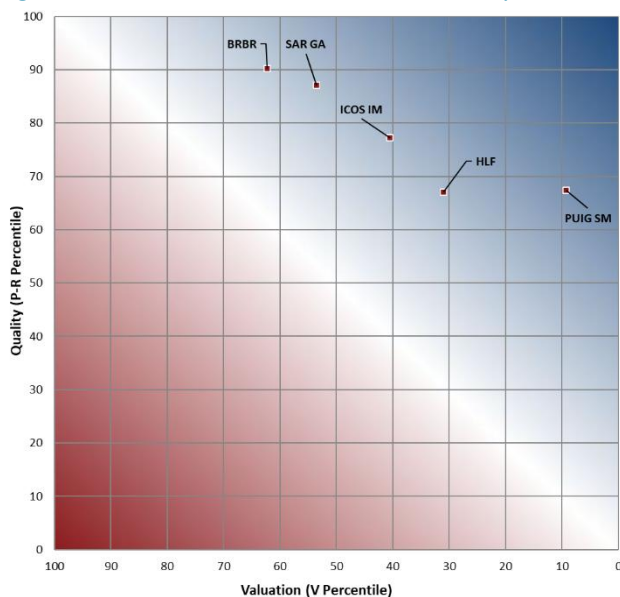


Figure 76: Global Personal Care Products Roadmap Picks

Within **Figure 76**, we illustrate the Roadmap picks from the Personal Care Products industry.

Name	Ticker	Country	Mkt Cap (\$mm)	EVA Margin (%)	EVA Momentum (%)	1Q EVA Shock (%)	PRVIt Prime Score	Quality (P-R)	P2 Profitability Trend	Risk Score (R)	Valuation Score (V)	1Y Returns (%)	ESG Perf Score
PUIG BRANDS S A	PUIG SM	Spain	3,255	4.49%	0.34%	2.39%	83	67	65	54	9	-9.78%	53.32
BELLRING BRANDS INC	BRBR	U.S.	2,970	12.61%	0.34%	-1.45%	66	90	76	39	62	-65.76%	32.14
HERBALIFE LTD	HLF	U.S.	1,565	5.39%	1.08%	-0.06%	71	67	60	65	31	125.60%	26.14
INTERCOS S P A	ICOS IM	Italy	1,329	2.39%	0.96%	0.51%	69	77	73	33	41	-14.39%	
GREGORY SARANTIS SA	SAR GA	Greece	1,033	3.14%	0.47%	0.00%	70	87	79	19	53	30.59%	

Figure 77: Personal Care Products Roadmap Names HEAT Map



Given the Valuation-driven nature of the industry over the long-term, together with the present underlying scarcity of EVA growth, we recommend focusing on the top-right High Quality & Cheap zone of the HEAT Map. There are two names within the ‘Best of the Best’ zone: **HLF**, and **PUIG SM**.

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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

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