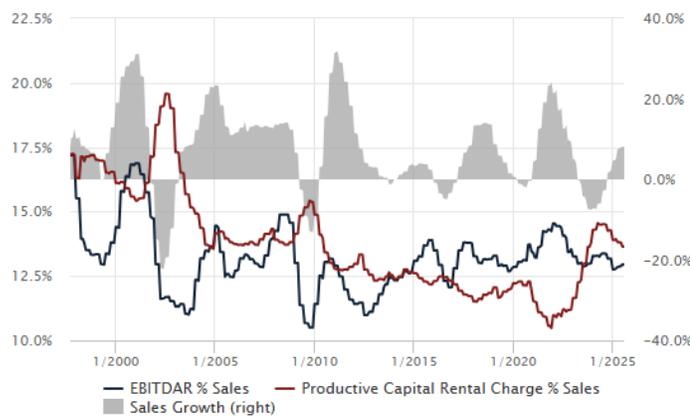


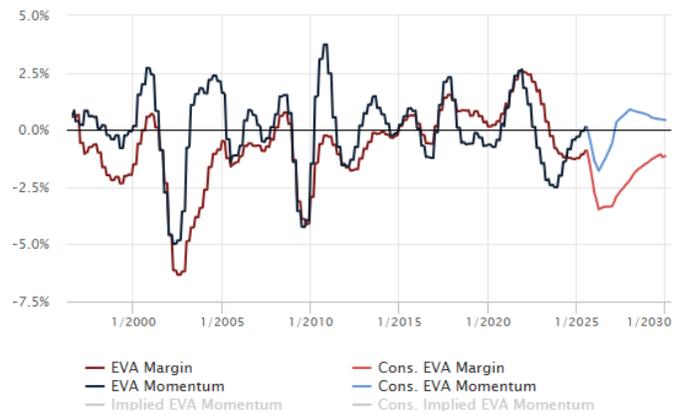
Industry Snapshot: Global Electronic Equipment, Instruments & Components

- Summary:** On average, Large Cap firms look neutral in the PRVit model, demonstrating strong levels of Risk-Adjusted Profitability, offset by expensive Valuations. EVA Fundamentals for the industry have improved through the year with EVA Momentum turning positive in June. Embedded investor expectations for growth (FVA) are at their long-term peak, with all three EVA Drivers having moved favorably in 2025 so far.
- EVA Drivers:** Sales growth turned positive in Q3 2024 and has increased through 2025, having further risen by 50 bps in the last quarter. EBITDAR Margin bottomed out in December last year and has recovered in 2025, currently at 12.9%. The Productive Capital Charge (lower is more favorable) has steadily improved since H2 2024 with the recovery in top-line growth while new investment remains high.
- EVA Fundamentals:** EVA Margin bottomed out in late 2024 and has expanded by 30 bps since the start of 2025, albeit still negative. EVA Momentum has progressively improved after bottoming out in November last year, turning positive in June for the first time in 3 years. Consensus estimates EVA Fundamentals to remain pressured and EVA Momentum to turn back negative before the year-end.
- Expectations:** Embedded expectations for growth (Future Value Added, FVA) are very elevated relative to history at a time when Current Value Added (CVA) has bottomed out and is showing signs of improvement. With Future Growth Reliance (FGR) at 62%, highest in 15 years, investors have high expectations for continued incremental EVA growth going forward at a time when EVA Momentum has inflected positive.

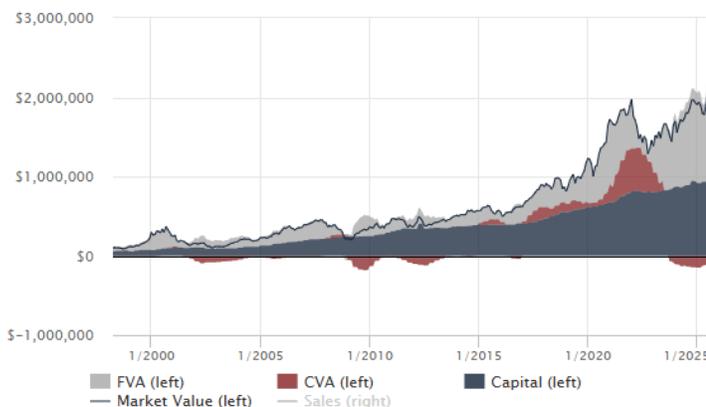
EVA Drivers



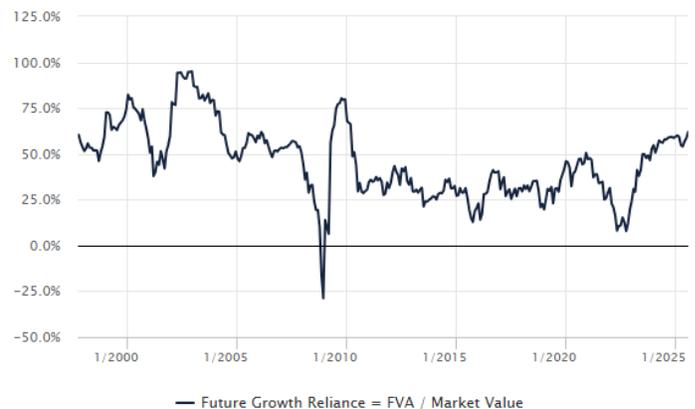
EVA Fundamentals



Enterprise Value Components



Future Growth Reliance (FGR)



Gavin Thomson
Global Director of Fundamental Research

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

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Top 10 Largest Firms by Market Cap

- The cohort, on average, scores moderately within the PRVit model as strong Risk-Adjusted Profitability (Quality) is negatively offset by expensive Valuation levels (higher is less favorable). **601138 CH, 2317 TT, 2308 TT** (all three rated 'Overweight'), and **002415 CH** (rated 'Buy') look the most attractive.
- **APH, 601138 CH, 2317 TT, TEL,** and **2308 TT** reported positive EVA Fundamentals as of their latest quarter.
- Five firms in the cohort currently achieve an ISS ESG Prime rating (ISS ESG Performance score ≥ 50): **2317 TT, TEL, 2308 TT, DELTA TB,** and **002475 CH.**

Name	Ticker	Country	Mkt Cap (\$mm)	EVA Margin (%)	EVA Momentum (%)	PRVit Score	Quality (P-R)	Profitability Score (P)	Risk Score (R)	Valuation Score (V)	Return Ytd (%)	ESG Perf Score
AMPHENOL CORP	APH	U.S.	137,930	11.4%	6.8%	38	79	94	72	92	57.7%	47.59
FOXCONN INDUSTRIAL	601138 CH	China	124,050	1.2%	0.4%	61	61	78	79	75	111.6%	47.56
HON HAI PRECISION IND CO LTD	2317 TT	Taiwan	95,743	0.1%	0.3%	74	47	65	85	30	15.7%	55.56
KEYENCE CORP	6861 JP	Japan	91,784	26.4%	-0.6%	30	85	73	15	89	-14.0%	23.88
TE CONNECTIVITY PLC	TEL	U.S.	60,249	5.5%	1.1%	49	68	76	63	70	42.7%	53.47
DELTA ELECTRONICS INC	2308 TT	Taiwan	59,329	6.6%	2.8%	62	86	89	45	84	61.0%	65.35
DELTA ELECTRONICS (THAILAND)	DELTA TB	Thailand	57,478	6.8%	-1.2%	27	73	82	62	99	-1.7%	60.49
CORNING INC	GLW	U.S.	56,188	-2.0%	2.0%	12	33	49	82	75	38.9%	43.59
LUXSHARE PRECISION INDUSTRY	002475 CH	China	38,968	-0.4%	-0.6%	47	36	55	89	59	-4.8%	52.01
HANGZHOU HIK-VISION DIGITAL	002415 CH	China	38,004	5.5%	-3.8%	83	73	55	10	67	-1.4%	32.88
<i>Average</i>				6.1%	0.7%	48	64	72	60	74	30.6%	48.24

PRVit is scored 0 to 100 where 100 is the most attractive. Profitability and Quality are both scored 0 to 100 where 100 is the best. Valuation is scored 0 to 100 where 100 is the most expensive.

Top 10 Highest PRVit Firms

- Dominated by Asian firms, the top 10 most attractive PRVit firms exhibit very strong Quality (P – R) and cheap Valuation levels, on average.
- **002106 CH** has the highest Risk Score (R = 80) in the cohort, negatively impacting the firm’s Quality (P-R).
- **BAR BB** achieves an ISS ESG Prime rating (ISS ESG Performance score ≥ 50).

Name	Ticker	Country	Mkt Cap (\$mm)	EVA Margin (%)	EVA Momentum (%)	PRVit Score	Quality (P-R)	Profitability Score (P)	Risk Score (R)	Valuation Score (V)	Return Ytd (%)	ESG Perf Score
WASION GROUP HOLDINGS LTD	3393 HK	China	1,110	3.2%	0.3%	100	81	76	32	19	24.7%	
HANGZHOU SUNRISE TECH CO LTD	300360 CH	China	1,212	21.8%	4.2%	99	98	97	18	54	3.3%	
HENGDIAN GROUP DMEGC MAGNETI	002056 CH	China	3,848	6.8%	1.2%	99	92	93	35	51	34.6%	
CHONGQING CHUANYI AUTOMATION	603100 CH	China	1,461	4.5%	-0.2%	99	92	78	4	52	-2.5%	
BARCO NV	BAR BB	Belgium	1,511	1.3%	0.7%	98	89	77	12	28	37.4%	57.84
SHENZHEN LAIBAO HI-TECH CO	002106 CH	China	1,088	3.7%	2.1%	97	65	82	80	27	2.4%	
CANON MARKETING JAPAN INC	8060 JP	Japan	4,265	2.4%	0.5%	97	90	73	0	20	10.5%	35.41
PRIMAX ELECTRONICS LTD	4915 TT	Taiwan	1,235	1.1%	0.1%	96	75	62	19	23	10.0%	49.50
JENOPTIK AG	JEN GR	Germany	1,194	-0.9%	-0.5%	96	67	58	27	11	-18.9%	41.88
KAGA ELECTRONICS CO LTD	8154 JP	Japan	1,250	1.5%	-0.7%	95	78	59	3	11	12.4%	21.40
<i>Average</i>				4.5%	0.8%	97	83	76	23	30	11.4%	41.21

ESG Performance Score provides a numerical score from 0 to 100. Prime Status is based on the ESG rating and a sector-specific Prime threshold. The ESG Rating and Performance Scores, however, are comparable across all rated entities. All rated entities with values greater than or equal to 50 are Prime; companies with values less than 50 are not Prime.

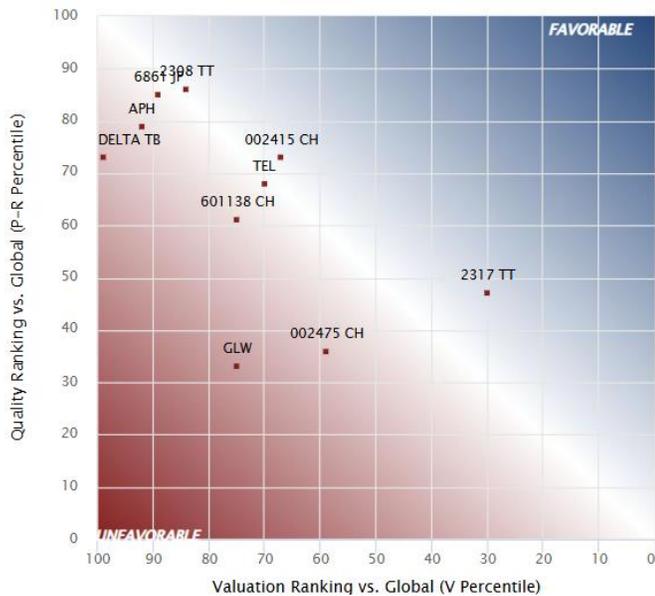
See page 3 for HEAT Maps of the Largest Firms and the Most Attractive Firms.

HEAT Maps

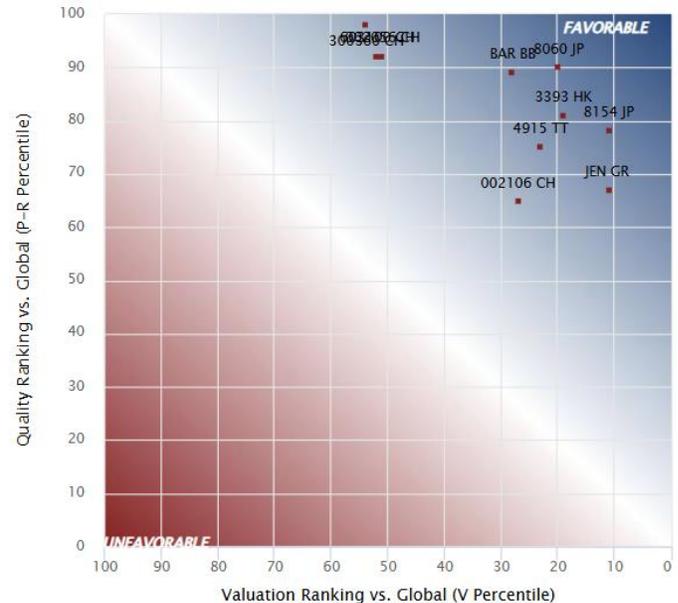
Our HEAT Map shows the visual trade-off between Quality (y-axis) and Value (x-axis). Higher Quality firms will be found at the top of the HEAT Map and cheaper Valuation firms will be further to the right. The companies in the upper-right corner are high-Quality, cheap-Value names with the most attractive PRVit scores.

- The HEAT Map on the left illustrates the largest firms in the industry, individually placed as a function of Quality and Valuation Rankings.
 - **002415 CH** falls in the ‘Expensive but Worth It’ zone, exhibiting high Quality but also having a high Valuation premium attached. **2308 TT** (PRVit = 62), also positioned in the ‘Expensive but Worth It’ HEAT Map Zone, looks attractive but falls short of our score criteria, i.e., PRVit Score > 70.
 - **DELTA TB** and **6861 JP** are positioned in the ‘Overly Expensive Quality’ HEAT Map zone. With a PRVit Score > 30, **601138 CH**, **TEL** and **APH** exceed our score criteria to qualify as ‘Overly Expensive Quality’ firms.
 - **GLW** is in the bottom left ‘Worst of the Worst’ HEAT Map zone, with low Quality and expensive Valuation levels.
- The HEAT Map on the right shows the most attractive names of the industry.
 - **BAR BB**, **8060 JP**, **3393 HK**, **8154 JP**, **002106 CH**, **4915 TT**, and **JEN GR** are within the upper right ‘Best of the Best: High Quality and Cheap’ HEAT Map zone. These firms exhibit strong Quality (P-R) combined with favorable (cheap) Valuation levels.

Top 10 Largest Firms HEAT Map



Top 10 PRVit Firms HEAT Map



About ISS EVA

We are an independent equity research provider offering investing insights through the use of our proprietary Economic Value Added (EVA) framework.

EVA converts accounting profits into economic profits and charges businesses for the use of Invested Capital. EVA is superior to traditional measures of profit because it is comparable across companies, industries, and countries, links to a consistent, transparent valuation framework, and provides a unique, unbiased view of Quality, Value, and Growth.

Our experienced team of analysts offers both fundamental and quantitative company analysis through written research, bespoke research, a stock selection model, an online analytical tool offering +29,000 companies as viewed through the EVA framework, custom screening, and portfolio analysis.

Key EVA Concepts

The value of a firm = Capital + PV of EVA

If EVA is increasing then the intrinsic value of the firm is too, suggesting that market value should follow (and vice versa).

EVA = NOPAT - Capital Charge

EVA is profit after all 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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