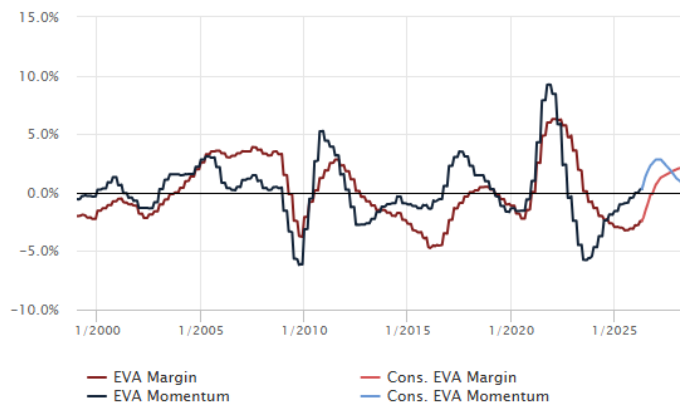


Global Materials RM Update: Growth Led by Metals & Mining

EVA Momentum Turns Positive

The Materials sector is the third-best-performing global sector, up 10% at the beginning of the week versus the all-world index, up around 5%. The Materials, Energy, and Industrials (M,E,I) sectors have performed strongly YTD, supported by improvements in EVA Momentum (growth). The Materials sector has seen 32 months of improving growth in economic Profitability, turning positive in April (**Figure 1**). We were 'Neutral' on the sector at the beginning of the year ([Global Materials 2026 Roadmap](#)), being held back from a positive view due to the plateauing at the time for EVA Momentum combined with already high investor expectations. This was at a time when precious and base metal prices were historically elevated. After an initial sell-off at the start of the Middle East conflict, metal prices have seen strong buying interest, also supported by AI (copper and silver) demand and concerns over higher inflation supporting gold prices.

Figure 1: Materials Sector EVA Fundamentals



With EVA Momentum turning positive, the sector is seeing good traction for a recovery in EVA Margin, which remains historically depressed. We previously stated that historically, investors generally have wanted to buy ahead of the EVA Momentum recovery, add through the positive inflection, and sell when EVA Momentum starts to roll over. With EVA-adjusted consensus estimating a peak in the growth of economic Profitability at the end of 2026, investors can continue to ride the wave through the rest of the year. Investor expectations for the sector are very elevated, with the Market Value Added (MVA) Spread (**Figure 2**), our P/B equivalent, reaching 18-year highs (88%) at the end of February. As of April end, the sector still achieves a 75% premium to Invested Capital.

Figure 2: Materials Sector MVA Spread



Key Point

EVA Momentum has turned positive after 32 months of improvement. While we believe the sector can continue to outperform, current Valuations already reflect a strong recovery, leaving no room for disappointment, especially for the Metals and Mining industry (which remains highly sensitive to gold, silver, and copper price movements) and the Chemicals industry (which has already started to see a turnaround in economic profitability amid high expectations). Both of these industries have been seeing an upward EVA Momentum trend.

Page 4 shows the updated data for the top stock picks at the beginning of the year.

EVA Momentum (Growth)

EVA Momentum (%): Trailing 4-quarter EVA minus trailing 4-quarter EVA a year ago, all divided by trailing 4-quarter sales. EVA Momentum indicates the rate of growth in economic profit, scaled to sales. This is a rough first derivative of EVA. A higher number indicates higher Performance.

Gavin Thomson

Global Director of Fundamental Research

ISS EVA Equity Research Team

evaanalytics@issgovernance.com

About ISS EVA

We are an independent equity research provider offering investing insights through the use of our proprietary Economic Value Added (EVA) framework. Our experienced team of global analysts offers both fundamental and quantitative company analysis on our +29,000 stock universe.

Visit our website www.EVAexpress.com

EVA Changes So Far in 2026

The Metals and Mining industry, which had the largest representation in our 2026 top picks, has seen a weighted 13% return YTD. We were neutral on the Materials sector at the beginning of the year but most positive on the Metals & Mining industry, which has gone on to see the strongest improvement in EVA Fundamentals and the second highest market return in the sector. The positioning of the industries at the beginning of the year are below:

2026 most preferred industries: **Containers & Packaging** and **Metals & Mining**

Least preferred industries: **Paper & Forest Products** and **Construction Materials**

Industries apart from Paper & Forest Products have seen an improvement in EVA Momentum from the start of the year (**Figure 3**). We think this trend will continue through the next few quarters. We think EVA Momentum change will continue to be one of the key drivers of market performance across the sector. At the beginning of the year we highlighted Chemicals, Metals & Mining, and Construction Materials as all seeing an upward 'recent' trend in EVA Momentum. Today we see Chemicals, Metals & Mining, and Construction Materials continuing to see a favorable trend, while Containers & Packaging and Paper & Forest Products are seeing a downtrend.

Figure 3: EVA Fundamentals & Trend by Sub-Industry (weighted average)

Industry	EVA Margin	EVA Margin Chg	EVA Momentum	EVA Momentum Chg	Return YTD (%)
Chemicals	-3.9%	-0.1%	-0.9%	0.1%	22.7%
Metals & Mining	-0.6%	1.3%	2.0%	1.4%	13.1%
Construction Materials	-3.4%	0.1%	0.2%	0.7%	-1.4%
Containers & Packaging	-1.1%	-0.5%	-1.2%	0.0%	-4.7%
Paper & Forest Products	-7.5%	-2.1%	-1.7%	-0.5%	-2.5%
Materials Sector	-2.1%	0.6%	0.6%	0.8%	14.2%

Sales Weighted average, > \$1bn market cap, sorted by EVA Margin

Relative Industry Ranking

Figure 4 shows the current EVA data for each of the industries. Containers & Packaging and Metals & Mining look most attractive in the PRVit framework. With Containers & Packaging the support is coming from low Valuations. The industry may see a further de-rating if EVA Fundamentals continue to weaken, as they have through 2026. Construction Materials looks neutral in the PRVit framework (the same as January 2026). Chemicals industry has seen a decline in its PRVit score due to an increase in relative Valuations since January and now looks the least attractive. The industry has a historically low level of EVA Margin, which goes some way to explain why investors are very bullish on the recovery. With depressed cyclical sectors, expectations can look very high at the bottom of the cycle, and we expect, as a recovery takes hold, for economic Profitability to 'grow' into investor expectations. If the expected recovery failed to manifest, the industry would see strong downside pressure from the market.

Figure 4: Industry EVA 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	Return YTD
Materials	52	37	41	62	36	-2.1%	0.6%	35	14.2%
Containers & Packaging	64	43	42	49	26	-1.1%	-1.2%	52	-4.7%
Metals & Mining	55	38	44	67	35	-0.6%	2.0%	34	13.1%
Construction Materials	50	37	42	63	34	-3.4%	0.2%	41	-1.4%
Paper & Forest Products	48	22	23	62	19	-7.5%	-1.7%	46	-2.5%
Chemicals	47	36	37	57	40	-3.9%	-0.9%	33	22.7%

PRVit Industry Ranking

Figure 5 shows the current positioning of the industries on an average PRVit score basis on the Heat Map. **Figure 6** shows the industries as sales-weighted average scores. Paper & Forest Products is noticeably less attractive across the two Heat Maps. Containers and Packaging is the only industry in the upper half of the Heat Map, having the highest level of Quality (P-R). Chemicals and Metals & Mining industries have the highest Valuations across the sector.

Figure 5: Average PRVit by Industry

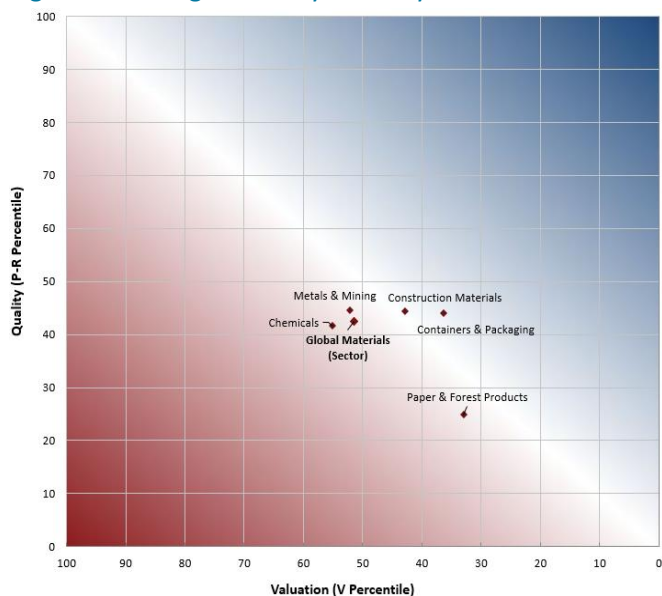
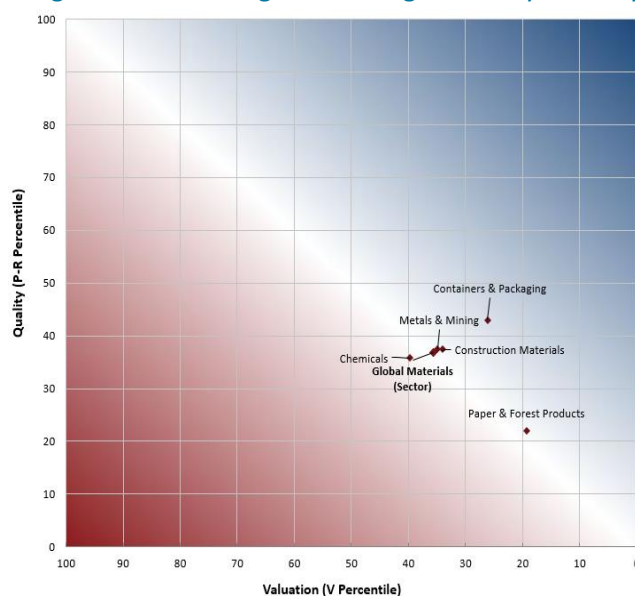


Figure 6: Sales-Weighted Average PRVit by Industry



2026 Roadmap Stock Picks

At the beginning of the year, we screened 1,096 global Materials firms under EVA coverage with a market cap over \$1bn (**Figure 7**). We looked for firms that were highly rated in the PRVit framework with strong EVA Profitability while having attractive levels of Valuation. The firms were also required to have an ISS STOXX Sustainability Performance score of 20 or above, which avoided the worst-performing ESG firms.

Specific Screen Criteria Used in January

- PRVit > 60
- EVA Margin > -4%
- EVA Momentum > -1.5%
- EVA Momentum post-inflection count $\neq$ -1 or -2 (Avoiding early stage slowing in economic growth)
- Profitability > 50
- Profitability Trend (P2) > 50
- Valuation < 80
- Valuation V2 Wealth Multiples < 70
- ISS STOXX Sustainability Performance score > 20 (where covered)

Figure 7: Stock Picks with Updated Data

Name	Ticker	Industry	Country	Mkt Cap (\$mm)	EVA Margin (%)	EVA Momentum (%)	EVA Mo Post-Inflection Count	PRVIt Prime Score	Quality (P-R)	Profitability Score (P)	P2 Profitability Trend	Risk Score (R)	Valuation Score (V)	V2 Wealth Multiples	Return Ytd (%)	ESG Perf Score
NEWMONT CORP	NEM	Metals & Mining	U.S.	116,238	26.1%	26.7%	-2	86	80	95	97	73	49	19	8.8%	54.38
BARRICK MINING CORP	B	Metals & Mining	U.S.	64,248	3.1%	19.0%	5	91	63	72	91	63	24	11	-11.1%	47.25
CHINA HONGQIAO GROUP LTD	1378 HK	Metals & Mining	China	42,005	4.8%	-1.9%	-6	85	49	66	52	83	40	21	-1.4%	35.18
KINROSS GOLD CORP	KGC	Metals & Mining	U.S.	34,596	12.8%	27.3%	7	93	78	85	96	58	34	13	2.6%	47.21
ALUMINUM CORP CHINA LTD	2600 HK	Metals & Mining	China	28,264	1.2%	1.6%	1	97	69	72	81	52	34	15	-6.9%	27.37
DUPONT DE NEMOURS INC	DD	Chemicals	U.S.	18,811	-15.2%	1.6%	4	40	44	30	58	20	53	50	13.5%	50.84
SOC MINERA CERRO VERDE SAA	CVERDEC1 PE	Metals & Mining	Peru	18,483	14.3%	12.2%	2	93	88	87	91	38	46	24	12.7%	48.92
YUNNAN ALUMINIUM CO LTD	000807 CH	Metals & Mining	China	16,147	7.2%	7.0%	3	94	84	91	92	58	60	43	-3.2%	35.25
ENDEAVOUR MINING PLC	EDV.	Metals & Mining	Canada	13,778	17.5%	23.0%	-2	94	82	94	97	66	36	11	9.2%	50.84
EVERETT DENISON CORP	AVY	Containers & Packaging	U.S.	12,342	3.6%	0.0%	1	86	81	67	59	16	49	35	-11.3%	55.73
SYMRISE AG	SY1 GR	Chemicals	Germany	12,195	-2.3%	-4.3%	-2	26	40	33	30	35	54	52	8.3%	59.51
DANGOTE CEMENT PLC	DANGCEM NL	Construction Materials	Nigeria	11,932	15.0%	5.9%	5	53	83	87	66	51	79	60	59.3%	34.37
CCL INDUSTRIES -CL B	CCLB	Containers & Packaging	Canada	10,555	5.6%	0.0%	-3	92	87	72	62	9	48	32	-3.7%	44.99
NMDC LTD	NMDC IN	Metals & Mining	India	8,221	13.8%	-3.2%	-1	77	75	76	42	47	58	35	10.1%	42.69
JINDAL STAINLESS LTD	JDSL IN	Metals & Mining	India	6,735	2.4%	-0.1%	3	74	79	67	53	20	64	54	-7.1%	44.68
NEWMARKET CORP	NEU	Chemicals	U.S.	6,255	10.2%	-2.1%	-5	80	86	76	49	20	65	40	-0.6%	21.27
SIG GROUP AG	SIGN SW	Containers & Packaging	Switzerland	6,151	-2.6%	0.3%	-2	54	38	46	55	68	32	30	12.9%	63.87
B2GOLD CORP	BTG	Metals & Mining	Canada	5,787	9.0%	12.3%	2	97	66	83	89	78	9	4	-4.5%	46.31
AXALTA COATING SYSTEMS LTD	AXTA	Chemicals	U.S.	5,713	2.2%	-0.8%	-6	95	74	61	60	19	24	13	-17.4%	36.89
UPL LTD	UPL IN	Chemicals	India	5,700	-1.1%	4.6%	4	82	53	53	57	45	28	24	-19.1%	42.53
JCHX MINING MANAGEMENT GROUP	603979 CH	Metals & Mining	China	5,690	9.7%	9.0%	3	94	90	93	93	42	69	55	-18.2%	
FUCHS SE	FPE3 GR	Chemicals	Germany	5,496	5.2%	-0.6%	1	95	93	79	70	6	39	20	3.8%	38.74
ANEKA TAMBANG TBK (PT)	ANTM IJ	Metals & Mining	Indonesia	5,258	6.1%	6.6%	-1	87	71	90	90	82	39	17	20.6%	35.51
PERSEUS MINING LTD	PRU AU	Metals & Mining	Australia	5,253	16.6%	-2.7%	-2	67	64	80	55	76	58	35	-3.4%	49.53
ZHEJIANG JIULI HI-TECH METAL	002318 CH	Metals & Mining	China	4,309	3.0%	-4.4%	-7	82	74	58	34	12	71	64	4.0%	
TITAN S A	TITC GA	Construction Materials	Belgium	4,215	5.2%	-0.1%	-1	89	77	72	69	35	29	10	-12.4%	59.57
ZHUZHOU SMELTER GROUP CO LTD	600961 CH	Metals & Mining	China	4,161	4.7%	5.0%	1	95	89	92	94	45	65	50	64.5%	
KCC CORP	002380 KS	Chemicals	South Korea	3,461	13.0%	18.9%	3	99	62	90	96	100	5	10	39.8%	27.32
WELSPUN CORP LTD	WLCO IN	Metals & Mining	India	3,430	6.2%	3.6%	4	73	80	89	91	61	67	62	52.1%	
CENTERRA GOLD INC	CGAU	Metals & Mining	Canada	3,346	15.1%	18.5%	3	95	70	88	94	80	20	7	15.4%	40.72
ENAE-EMP NAC DE EXPLOSIVOS	ENAE CI	Chemicals	Chile	3,329	3.9%	0.8%	-1	78	76	70	60	33	55	42	3.7%	
VIDRALA SA	VID SM	Containers & Packaging	Spain	3,163	7.2%	-1.8%	-3	89	80	68	53	21	39	18	-13.4%	55.73
FORTUNA MINING CORP	FSM	Metals & Mining	Canada	2,810	15.4%	24.7%	5	97	82	92	96	61	23	8	-6.1%	52.31
ACC LTD	ACC IN	Construction Materials	India	2,756	2.6%	1.5%	2	88	71	75	75	54	33	25	-19.1%	54.65
FAUJI FERTILIZER CO LTD	FFC PK	Chemicals	Pakistan	2,630	17.0%	-1.0%	-4	69	87	92	74	48	52	15	-12.4%	
MALAYAN CEMENT BHD	LMC MK	Construction Materials	Malaysia	2,435	5.0%	4.1%	4	90	65	74	87	62	25	12	-8.2%	
AEROSPACE INTELLIGENT MANUFA	300446 CH	Chemicals	China	2,351	5.2%	-1.0%	-1	85	65	78	62	72	58	44	-25.1%	
SN PLUS INC	VNP.	Chemicals	Canada	2,320	8.2%	10.0%	7	62	92	89	93	28	89	91	100.0%	
JIAOZUO WANFANG ALUMINUM	000612 CH	Metals & Mining	China	2,320	5.2%	6.4%	3	93	77	84	94	58	55	46	20.6%	
SHENZHEN BATIAN ECOLOGICAL	002170 CH	Chemicals	China	1,973	8.8%	13.1%	-1	97	94	92	93	25	68	53	14.1%	
INMOCEMENTO S A	IMC SP	Construction Materials	Spain	1,953	3.2%	7.9%	2	94	64	71	88	58	7	9	2.2%	
DEHUA TB NEW DECOR MAT	002043 CH	Paper & Forest Products	China	1,802	7.1%	1.3%	3	99	98	92	84	9	64	45	2.9%	
EAST PIPES INTEGRATED CO	1321 SR	Metals & Mining	Saudi Arabia	1,666	16.5%	-0.4%	1	84	93	93	85	35	74	53	43.5%	
EID PARRY (INDIA) LTD	EID IN	Chemicals	India	1,593	1.2%	1.2%	2	99	87	72	71	11	22	8	-17.5%	
NAN PAO RESINS CHE	4766 TT	Chemicals	Taiwan	1,426	7.0%	-0.2%	-7	94	93	83	73	12	54	36	19.1%	
JINAN ACETATE CHEMICAL CO	4763 TT	Chemicals	Taiwan	1,337	40.4%	-12.8%	-7	93	87	88	61	43	47	13	-17.5%	
TIANJIN YOU FA STEEL PIPE	601686 CH	Metals & Mining	China	1,200	3.3%	2.0%	4	100	97	88	86	8	37	14	-6.5%	
NEXA RESOURCES PERU SAA	MILPOC1 PE	Metals & Mining	Peru	1,185	13.5%	11.7%	2	97	67	90	94	89	8	6	34.5%	
ELOPAK ASA	ELO NO	Containers & Packaging	Norway	1,040	3.0%	0.7%	2	94	76	77	79	46	31	13	-29.6%	
QUECHEN SILICON CHEMICAL CO	605183 CH	Chemicals	China	1,033	8.8%	-1.4%	-3	94	77	68	45	25	53	39	-14.8%	
FATIMA FERTILIZER CO LTD	FATIMA PK	Chemicals	Pakistan	1,000	8.6%	-1.9%	-2	81	79	75	42	37	29	10	-10.8%	
FUJI SEAL INTERNATIONAL INC	7864 JP	Containers & Packaging	Japan	961	3.1%	1.9%	2	98	92	75	85	1	10	3	-18.8%	40.15
MITANI SEKISAN CO LTD	5273 JP	Construction Materials	Japan	903	8.8%	2.3%	4	97	97	87	87	6	22	6	-16.3%	
Average					7.8%	4.7%	0	86	77	78	74	43	43	29	4.6%	44.81

Four firms from the initial 53 roadmap picks (**DD**, **SY1 GR**, **DANGCEM NL**, and **SIGN SW**) no longer look attractive in the PRVIt framework (PRVIt < 60).

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

Analyst Certification - The Research Analyst(s) who prepared this report hereby certify that the views expressed herein accurately reflect the analyst(s) personal view(s) about the subject company and their securities and that they have not been and will not be directly or indirectly compensated for expressing specific recommendation(s) or view(s) in the report.

Disclaimer - This report and all of the information contained in it, including without limitation all text, data, graphs and charts, is the property of ISS STOXX and/or its licensors and is provided for informational purposes only. The information may not be modified, reverse-engineered, reproduced or disseminated, in whole or in part, without prior written permission from ISS STOXX.

This report and the recommendations, ratings and/or other analytical content in the report has not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body.

The user of this report assumes all risks of any use that it may make or permit to be made of the information. While ISS STOXX exercised due care in compiling this report, ISS STOXX makes no express or implied warranties or representations with respect to the information in, or any results to be obtained by the use of, the report. In particular, the recommendations, ratings and/or other analytical content in the report are not intended to constitute an offer, solicitation or advice to buy or sell securities nor are they intended to solicit votes or proxies. ISS STOXX shall not be liable for any losses or damages arising from or in connection with the information contained herein or the use of, reliance on, or inability to use any such information.

Please note the issuer(s) mentioned within this report and/or material may have a commercial relationship with ISS Corporate Solutions, Inc. ("ISS-Corporate"), a wholly owned subsidiary of Institutional Shareholder Services Inc., or ISS-Corporate may have provided advisory or analytical services to the issuer(s) in connection with the information described in this report. No employee of ISS-Corporate played a role in the preparation of this report. If you are an institutional client of ISS STOXX, you may inquire about any issuer's use of products and services from ISS-Corporate via ProxyExchange or by emailing disclosure@issgovernance.com.

Additionally, the issuer(s) mentioned within this report and/or material may be a client of ISS STOXX, or the parent of, or affiliated with, a client of ISS STOXX. One or more of the proponents of a shareholder proposal at an upcoming meeting may be a client of ISS STOXX, or the parent of, or affiliated with, a client of ISS STOXX. None of the sponsors of any shareholder proposal(s) played a role in preparing this report.

ISS STOXX is majority owned by Deutsche Börse AG ("DB"), an international exchange organization. Both ISS STOXX and DB have established standards and procedures to protect the integrity and independence of the research, recommendations, ratings and other analytical offerings ("Research Offerings") produced by ISS STOXX.

Further information about conflict mitigation can be found [here](#).

Registered Trademarks - EVA®, EVA Momentum® and PRVit® are registered trademarks, and VARP™ and Value-At-A-Reasonable-Price™ are trademarks of Institutional Shareholder Services Inc. and EVA Dimensions, LLC. Russell 3000 is a registered trademark of The Frank Russell Company. S&P is a registered trademark of The McGraw-Hill Companies.

EVA is a registered services mark of Institutional Shareholder Services Inc. (in the field of financial data, valuation analytics and investment management) and of Stern Stewart & Co. (in the field of financial and incentive consulting).

© 2026 Copyright Institutional Shareholder Services Inc. All rights reserved.

Research Division

Senior Management Team

Casey Lea

Executive Director

Global Director of Quantitative Research

Gavin Thomson

Executive Director

Global Director of Fundamental Research