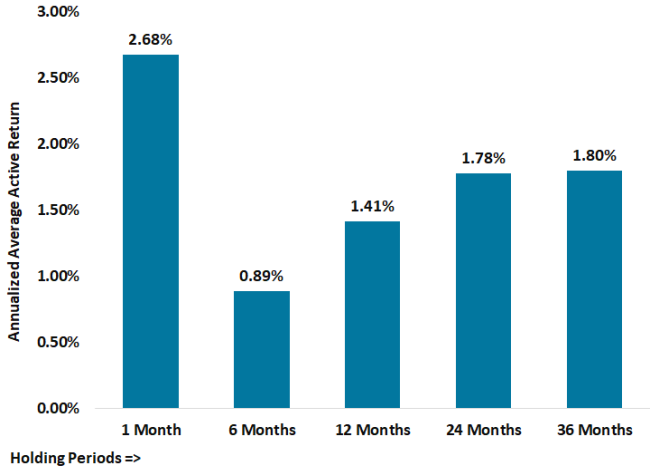
Upgrades Outperform

Russell 1000

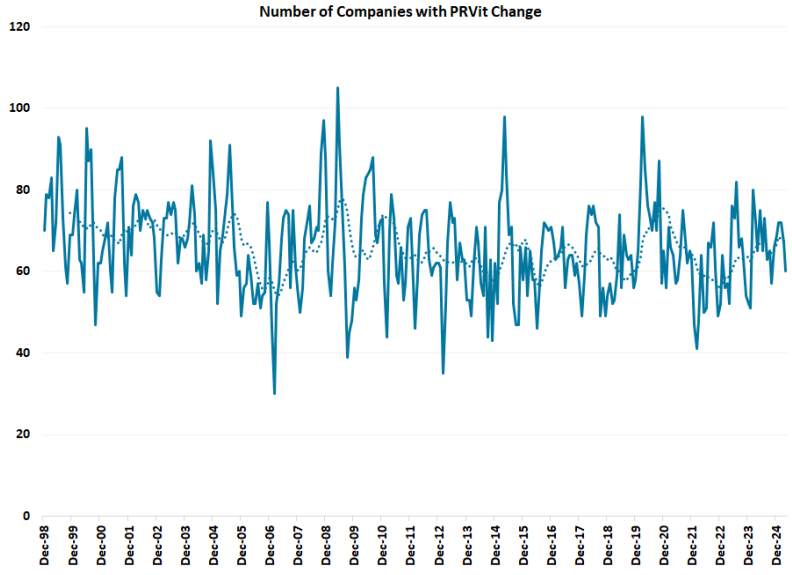
In many of our reports, we screen company lists using PRVit and tend to focus on companies rated as 'Buy' (PRVit > 80) and 'Overweight' (PRVit > 60 and PRVit < 80). In **Figure 1** below, we look at the annualized average active return (alpha versus the universe average) of companies that have seen their PRVit score go from under 40 (a 'Sell' or 'Underweight') to over 40 in the last quarter. We provide the results based on several different holding horizons: 1 month, 6 months, 12 months, 24 months, and 36 months.

Figure 1: Annualized Average Active Return



Results are based on an equal-weighted portfolio of companies seeing their PRVit score rise from under 40 three months ago to over 40 in the current period. The active return is the average return of the portfolio less the average return of the equal-weighted Russell 1000 Index. We create a portfolio every month and hold that portfolio for the specified holding periods listed in the graph above. Companies are held regardless of any additional changes in PRVit. Since December 1998, the monthly portfolios of companies experiencing the change in PRVit averages 65 companies.

Figure 2: Companies Fitting the Criteria (PRVit below 40 to above 40)



Contents

Strong PRVit scores tend to outperform as we have shown in our monthly PRVit Factor Reports, the latest of which can be found here:

Global
United States
Europe/United Kingdom
Asia/Japan

In this report, we look at the change in PRVit score, specifically companies going from below a score of 40 (PRVit < 40) three months ago to above 40 in the current period. These would be companies going from a 'Sell' or 'Underweight' rating to a 'Hold,' 'Overweight,' or 'Buy' rating.

We note that this movement is rare: we see only about 65 companies fitting these criteria on a monthly basis for the Russell 1000. See the last report we did on the Persistence of PRVit Factors back in August of 2024, which shows the average level of improvement and decay of PRVit, Quality, and Valuation for the Russell 1000 over various time horizons.

Please contact our client services team (evaanalytics@issgovernance.com) for help in setting up the screen found on the next page or to subscribe to our First Look email service, which delivers changes to your inbox each morning.

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Global Director of Quantitative Research

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Screening Criteria – Upgrades

In the Russell 1000, PRVit (t-3 months) < 40, PRVit(t) > 40 where t is June 25, 2025.

Figure 3: Current Russell 1000 Companies with a PRVit Change from under 40 to over 40

Name	Ticker	GICS Sector	Common Market Cap - TFQ	PRVit [US vs Industry] - TFQ (Current)	PRVit [US vs Industry] - TFQ (-1Q)	Quality (P - R) [US vs Industry] - TFQ	Valuation (V) [US vs Industry] - TFQ
BROADCOM INC	AVGO	Information Technology	$1,240,635	59	15	84	94
LILLY (ELI) & CO	LLY	Health Care	$737,414	43	33	86	100
UNITEDHEALTH GROUP INC	UNH	Health Care	$278,913	43	16	52	70
GE AEROSPACE	GE	Industrials	$266,586	50	33	74	68
PROGRESSIVE CORP-OHIO	PGR	Financials	$155,941	59	29	92	95
AMGEN INC	AMGN	Health Care	$149,422	73	29	91	79
UNION PACIFIC CORP	UNP	Industrials	$136,589	47	35	86	95
AUTOMATIC DATA PROCESSING	ADP	Industrials	$126,706	61	24	100	95
LOWE'S COS INC	LOW	Consumer Discretionary	$123,380	42	38	85	80
CINTAS CORP	CTAS	Industrials	$90,868	45	38	100	100
SHERWIN-WILLIAMS CO	SHW	Materials	$87,503	42	35	92	100
PARKER-HANNIFIN CORP	PH	Industrials	$87,190	43	35	88	96
ELEVANCE HEALTH INC	ELV	Health Care	$85,238	49	27	48	48
UNITED PARCEL SERVICE INC	UPS	Industrials	$85,227	51	28	60	67
SOUTHERN COPPER CORP	SCCO	Materials	$77,922	61	31	97	94
NORTHROP GRUMMAN CORP	NOC	Industrials	$69,730	42	39	42	50
JOHNSON CONTROLS INTL PLC	JCI	Industrials	$68,352	45	7	65	64
NEWMONT CORP	NEM	Materials	$65,061	94	11	94	70
MONSTER BEVERAGE CORP	MNST	Consumer Staples	$62,441	48	38	97	98
TRAVELERS COS INC	TRV	Financials	$60,799	60	38	79	87
TRUIST FINANCIAL CORP	TFC	Financials	$54,280	53	9	35	19
CHENIERE ENERGY INC	LNG	Energy	$53,461	43	37	72	91
COPART INC	CPRT	Industrials	$47,518	47	39	96	96
BROWN & BROWN INC	BRO	Financials	$36,158	58	35	76	71
CARNIVAL CORPORATION & PLC	CCL	Consumer Discretionary	$33,693	47	32	49	53
CONSTELLATION BRANDS	STZ	Consumer Staples	$29,177	56	20	66	59
KELLANOVA	K	Consumer Staples	$27,490	41	36	77	77
TYLER TECHNOLOGIES INC	TYL	Information Technology	$25,593	59	37	83	77
UBIQUITI INC	UI	Information Technology	$24,054	48	32	86	95
HUNTINGTON BANCSHARES	HBAN	Financials	$23,726	48	28	55	55
DOLLAR TREE INC	DLTR	Consumer Staples	$20,788	42	38	38	42
WILLIAMS-SONOMA INC	WSM	Consumer Discretionary	$19,419	72	35	90	79
TRIMBLE INC	TRMB	Information Technology	$17,586	47	31	77	79
PACKAGING CORP OF AMERICA	PKG	Materials	$17,043	63	19	84	95
PENTAIR PLC	PNR	Industrials	$16,712	51	29	78	73
BAXTER INTERNATIONAL INC	BAX	Health Care	$15,730	43	31	48	38
CF INDUSTRIES HOLDINGS INC	CF	Materials	$15,593	47	24	74	77
ZEBRA TECHNOLOGIES CP -CL A	ZBRA	Information Technology	$15,320	49	22	68	67
BJS WHSL CLUB HLDGS INC	BJ	Consumer Staples	$15,127	50	35	81	77
ASTERA LABS INC	ALAB	Information Technology	$14,642	48	23	78	97
ILLUMINA INC	ILMN	Health Care	$14,552	50	19	56	47
TEXTRON INC	TXT	Industrials	$14,355	54	33	35	39
DICKS SPORTING GOODS INC	DKS	Consumer Discretionary	$14,251	45	30	58	59
AMERICAN HOMES 4 RENT	AMH	Real Estate	$13,578	51	40	74	55
BROWN FORMAN CORP	BF.B	Consumer Staples	$12,434	54	18	72	66
ITT INC	ITT	Industrials	$12,205	45	28	87	91
CORE & MAIN INC	CNM	Industrials	$11,293	59	37	86	86
OMEGA HEALTHCARE INVS INC	OHI	Real Estate	$10,739	53	33	76	56
ESSENTIAL UTILITIES INC	WTRG	Utilities	$10,618	44	12	49	63
HASBRO INC	HAS	Consumer Discretionary	$10,180	68	14	89	89
BIRKENSTOCK HOLDING PLC	BIRK	Consumer Discretionary	$9,471	52	28	88	88
MASIMO CORP	MASI	Health Care	$9,350	45	26	81	79
PLANET FITNESS INC	PLNT	Consumer Discretionary	$9,063	42	25	80	93
OGE ENERGY CORP	OGE	Utilities	$9,003	68	38	80	60
LITHIA MOTORS INC -CL A	LAD	Consumer Discretionary	$8,857	46	37	30	37
NORWEGIAN CRUISE LINE HLDGS	NCLH	Consumer Discretionary	$8,675	44	29	24	29
COMMERCE BANCSHARES INC	CBSH	Financials	$8,238	60	35	94	97
AXIS CAPITAL HOLDINGS LTD	AXS	Financials	$8,095	89	19	94	76
AZEK COMPANY INC (THE)	AZEK	Industrials	$7,542	42	34	74	84
ALCOA CORP	AA	Materials	$7,458	85	33	36	0
POPULAR INC	BPOP	Financials	$7,454	59	34	66	57
CHURCHILL DOWNS INC	CHDN	Consumer Discretionary	$7,285	49	33	71	71
GITLAB INC	GTLB	Information Technology	$7,071	41	33	59	74
LYFT INC	LYFT	Industrials	$6,667	65	40	81	70
SIMPSON MANUFACTURING INC	SSD	Industrials	$6,666	46	31	61	55
APA CORP	APA	Energy	$6,574	57	27	21	4
WAYFAIR INC	W	Consumer Discretionary	$6,504	40	11	74	72
KBR INC	KBR	Industrials	$6,205	52	36	35	35
BOK FINANCIAL CORP	BOKF	Financials	$6,142	68	24	62	44
CREDIT ACCEPTANCE CORP	CACC	Financials	$6,098	43	13	77	93
CHOICE HOTELS INTL INC	CHH	Consumer Discretionary	$5,890	60	15	82	80
VALVOLINE INC	VVV	Consumer Discretionary	$4,755	60	35	96	93
THOR INDUSTRIES INC	THO	Consumer Discretionary	$4,663	50	38	56	59
DUN & BRADSTREET HOLDNGS INC	DNB	Industrials	$4,056	53	35	32	33
CONCENTRIX CORP	CNXC	Industrials	$3,459	58	38	18	15
HOWARD HUGHES HOLDINGS INC	HHH	Real Estate	$3,446	63	38	54	38
HAYWARD HOLDINGS INC	HAYW	Industrials	$3,076	51	21	49	41
WENDY'S CO	WEN	Consumer Discretionary	$2,383	45	39	52	48
APELLIS PHARMACEUTICALS	APLS	Health Care	$2,374	68	23	72	52
BOSTON BEER INC -CL A	SAM	Consumer Staples	$2,187	100	34	95	43
GROCERY OUTLET HLDNG CORP	GO	Consumer Staples	$1,350	46	20	27	27

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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.

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EVA Shock = Δ EVA Momentum
Changes in EVA Momentum is a powerful signal within our framework, with significant relationship with stock price performance.

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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
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