Attractive EU & UK Firms with a Solid EVA Track Record

Hunting for Economic Value Creators

We often get asked by our clients to screen for wealth-compounding firms that look attractive in the EVA framework. EVA wealth compounding firms are those that have seen strong value creation over a long period of time. We use Current Value Added (CVA, measuring the capitalized amount of profits, assuming no growth) to gauge the value creation of a firm. In this screening, we haven't excluded firms that saw CVA dip during COVID. The firms, however, do have to have demonstrated long-run performance in value creation bars getting bigger over time. As an example, in **Figure 1** we show the CVA part of our Enterprise value components' chart for **ASML** (ASMAL NA, rated Overweight). **ASML**, as a wealth creator, has seen the EVA Margin go from 7.5% in 2015 to currently around 24.6%. The trend line (blue line) shows that the firm has seen particularly strong value creation since 2019. Generally, these types of firms trade with a higher level of Valuation, unless they are seeing a downturn in economic profitability. For ASML the market has maintained its bet on the outlook for further value creation, with around 74% of market value dependent on EVA growth going forward. The stock today is trading between our "Expensive but Worth it" and "Overly Expensive Quality" Heat Map zones.

Figure 1: ASML Current Value Added (CVA)

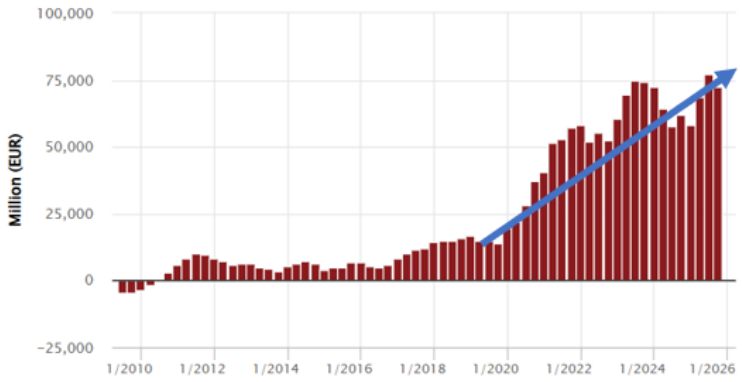
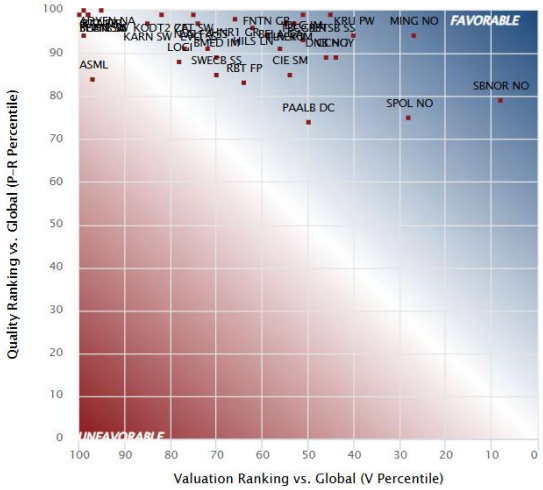


Figure 2: Top Picks PRVit Heat Map



In the screen we look for firms that have been long-term wealth compounders or firms that have demonstrated stable profitability. **Figure 2** shows the firms' positioning on the PRVit Heat Map, between the upper right "High Quality and Cheap" and upper left "Expensive But Worth It" zones.

Key Point

We seek out European & U.K firms with a market cap over $2bn that have been compounding wealth over time and have an attractive trade-off between Quality and Valuation. The factor performance shows that a strong Profitability Trend has mattered for performance in Europe and the U.K., which is the area we also capture with a wealth compounder, demonstrating a persistence in economic Profitability.

PRVit Framework

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

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About ISS EVA

We are an independent equity research provider offering investing insights using 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

Factor Performance

In **Figure 3**, we show the PRVit performance broken down by factor for Europe and in **Figure 4** the same breakdown for the U.K. Over the past year, high Profitability and in particular high Profitability Trend (P2) and low Valuation have driven returns in Europe. The same pattern can also be seen over the longer term, along with strong alpha generation from PRVit overall at +83bps over the last 3 years.

Figure 3: Europe PRVit Factor Performance

Europe	1M		3M		1Y		3Y		5Y		10Y		Since Dec'98	
Industry Scores	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)	2.9%	0.22%	0.6%	-0.66%	4.6%	0.68%	3.3%	0.65%	2.5%	0.42%	3.0%	0.56%	2.9%	0.59%
Profitability Level (High P1)	-0.4%	-0.57%	-1.5%	-1.56%	3.1%	0.21%	2.7%	0.56%	2.1%	0.31%	2.7%	0.47%	2.5%	0.47%
Profitability Trend (High P2)	7.5%	2.69%	3.9%	0.30%	6.0%	1.04%	3.3%	0.72%	2.6%	0.52%	2.3%	0.51%	2.9%	0.70%
Risk (Low R)	-7.1%	-3.11%	-8.0%	-3.07%	-0.2%	-0.65%	1.4%	0.06%	1.4%	-0.04%	2.0%	0.24%	2.7%	0.48%
Volatility (Low R1)	-8.6%	-3.85%	-9.2%	-2.94%	0.5%	-0.40%	1.0%	-0.07%	1.4%	-0.21%	1.9%	0.12%	2.5%	0.28%
Vulnerability (Low R2)	-2.5%	-0.92%	-2.9%	-1.31%	-0.7%	-0.23%	1.0%	0.11%	0.9%	0.14%	1.1%	0.19%	1.4%	0.39%
Quality (High P - R)	-0.8%	-1.52%	-3.4%	-2.15%	3.6%	0.23%	3.2%	0.53%	2.5%	0.26%	3.3%	0.50%	3.5%	0.78%
Valuation (Low V)	2.4%	0.58%	4.8%	1.43%	3.4%	0.79%	1.5%	0.41%	2.3%	0.81%	0.4%	0.16%	1.2%	0.54%
Valuation Ratios (Low V1)	1.8%	0.34%	4.3%	1.29%	2.5%	0.58%	0.9%	0.30%	1.9%	0.71%	0.0%	0.11%	0.4%	0.37%
Valuation Multiples (Low V2)	2.8%	-0.74%	5.5%	-0.08%	6.0%	0.69%	3.2%	0.60%	3.3%	0.83%	1.5%	0.27%	2.6%	0.74%
PRVit	1.6%	-0.65%	0.8%	-1.22%	6.3%	0.87%	4.1%	0.88%	3.9%	0.83%	3.1%	0.62%	3.8%	0.97%
PRVit Prime	0.9%	-0.19%	0.7%	-1.18%	5.7%	0.64%	4.0%	0.83%	3.4%	0.74%	2.8%	0.56%	3.5%	0.86%

The U.K. market has also been driven by outperformance of the high Profitability Trend (P2) factor, which has consistently added alpha over the short and long term. The performance of low Valuation has been mixed with investors willing to pay up (pay a higher valuation) for growth in Profitability.

Figure 4: UK PRVit Factor Performance

U.K.	1M		3M		1Y		3Y		5Y		10Y		Since Dec'98	
Industry Scores	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)	-1.2%	-0.61%	-2.2%	-0.90%	1.7%	0.51%	2.2%	0.27%	2.1%	0.08%	3.4%	0.45%	3.2%	0.52%
Profitability Level (High P1)	-7.0%	-3.40%	-4.6%	-2.17%	-0.1%	-0.10%	0.9%	0.03%	1.5%	-0.02%	3.1%	0.35%	2.9%	0.45%
Profitability Trend (High P2)	6.4%	1.89%	2.2%	1.26%	4.1%	1.15%	3.4%	0.67%	2.3%	0.33%	2.3%	0.34%	2.9%	0.64%
Risk (Low R)	-6.6%	-2.13%	-7.8%	-2.62%	-2.6%	-0.79%	-0.4%	-0.18%	0.4%	-0.18%	1.8%	0.12%	2.4%	0.33%
Volatility (Low R1)	-7.1%	-3.50%	-11.5%	-4.14%	-3.7%	-1.49%	-0.8%	-0.73%	0.2%	-0.60%	1.3%	-0.13%	2.4%	0.12%
Vulnerability (Low R2)	-5.1%	-1.89%	-0.4%	-0.61%	-0.6%	-0.65%	0.2%	-0.09%	0.6%	0.09%	1.2%	0.32%	0.8%	0.10%
Quality (High P - R)	-3.3%	-1.81%	-4.8%	-2.02%	0.4%	-0.15%	1.7%	0.01%	1.8%	0.03%	3.4%	0.46%	3.7%	0.58%
Valuation (Low V)	2.9%	-0.17%	-3.8%	-1.26%	0.3%	-0.33%	2.3%	0.67%	3.4%	1.22%	0.4%	0.33%	1.1%	0.42%
Valuation Ratios (Low V1)	1.6%	-1.04%	-3.8%	-1.46%	-0.4%	-0.82%	1.7%	0.41%	2.8%	1.04%	-0.1%	0.14%	0.8%	0.33%
Valuation Multiples (Low V2)	1.2%	-0.64%	-3.0%	-1.61%	2.5%	0.25%	3.1%	0.60%	4.3%	1.05%	1.5%	0.24%	2.3%	0.40%
PRVit	-1.3%	-1.25%	-7.6%	-2.30%	0.9%	-0.03%	3.1%	0.67%	3.8%	0.85%	3.0%	0.60%	4.1%	0.86%
PRVit Prime	-0.9%	-0.69%	-7.6%	-2.37%	1.0%	0.01%	3.2%	0.66%	3.9%	0.89%	3.0%	0.63%	4.2%	0.92%

Wealth Compounders

The factor performance shows that a strong Profitability Trend (P2) has mattered for performance in Europe and the U.K. Given wealth compounding firms also have strong P2 scores (average score is 87 for the chosen firms), they are demonstrating a persistence in economic Profitability. **Figure 5** shows the European and U.K. firms that meet our criteria from an economic Profitability perspective and still look attractive in the PRVit model. We identify firms that have been growing their Current Value Added (CVA) over time or have demonstrated stable Profitability over time. CVA is the current level of profitability taken into perpetuity, assuming no growth (EVA/Cost of Capital). The firms also must be rated 'Overweight' or 'Buy' in the PRVit framework, with the trade-off between Quality and Valuation being favorable.

Screen Criteria:

- EU & U.K.
- Market Cap > $2bn
- EVA Margin ≥ 2% (Returning above the cost of capital)
- EVA Momentum > 0% (Growth in Profitability)
- PRVit ≥ 60 (Buy or Overweight)
- Quality ≥ 70 (Strong to very strong)
- Current Value Added (CVA) positive since 2013 (Long-term value creation)
- CVA growth trend has generally been positive (not counting 2021 Covid dip)

Figure 5: Attractive CVA Compounders (> $10bn Market Cap)

Name	Ticker	Sector	Country	Mkt Cap ($mm)	EVA Margin (%)	EVA Momentum (%)	PRVit Score	Quality (P-R)	Profitability Score (P)	Risk Score (R)	Valuation Score (V)	Share Price Ytd (%)
ASML HOLDING NV -ADR	ASML	IT	Netherlands	396,455	24.9%	8.4%	70	86	99	66	97	29.8%
NOVARTIS AG -ADR	NVS	Health Care	Switzerland	277,872	23.7%	8.3%	83	92	96	43	77	38.5%
ADYEN N.V	ADYEN NA	Financials	Netherlands	53,187	62.2%	18.6%	61	94	100	40	99	0.7%
DNB BANK ASA	DNB NO	Financials	Norway	39,935	23.0%	1.6%	73	89	86	31	46	26.3%
HANNOVER RUECK SE	HNR1 GR	Financials	Germany	35,192	55.7%	74.9%	71	98	99	23	66	7.4%
PARTNERS GROUP AG	PGHN SW	Financials	Switzerland	32,561	45.3%	12.7%	61	99	97	8	98	-18.0%
ALFA LAVAL AB PUBL	ALFA SS	Industrials	Sweden	19,573	5.2%	1.1%	79	91	81	13	71	-1.4%
COCA-COLA HBC AG -ADR	CCHGY	Staples	Switzerland	17,325	6.5%	1.1%	83	89	86	32	45	23.6%
LOGITECH INTERNATIONAL SA	LOGI	IT	Switzerland	16,208	9.6%	2.3%	70	88	89	39	79	35.1%
EVOLUTION AB (PUBL)	EVO SS	Con Discr	Sweden	15,705	37.6%	6.2%	86	97	97	22	74	-11.5%
BANCA MEDIOLANUM	BMED IM	Financials	Italy	14,301	33.8%	9.1%	63	89	97	54	70	48.7%
BELIMO HOLDING AG	BEAN SW	Industrials	Switzerland	12,435	13.8%	3.4%	66	99	95	4	99	35.2%
RATIONAL AG	RAA GR	Industrials	Germany	8,679	20.1%	1.9%	67	100	98	4	95	-18.8%
BANCA TRANSILVANIA SA	TLV RO	Financials	Romania	6,968	31.7%	6.2%	81	97	99	26	56	29.2%
GAZTRANSPORT ET TECHNIGAZ	GTT FP	Energy	France	6,801	45.0%	10.4%	62	100	100	8	99	25.1%
SECTRA AB	SECTB SS	Health Care	Sweden	6,049	13.0%	2.4%	70	99	97	12	100	6.7%
SWECO AB	SWECB SS	Industrials	Sweden	5,861	2.6%	0.8%	70	85	75	21	70	-5.3%
DE LONGHI SPA	DLG IM	Con Discr	Italy	5,378	4.5%	1.1%	85	93	83	13	51	5.4%
REPLY SPA	REY IM	IT	Italy	5,153	6.7%	2.2%	95	97	91	13	53	-22.3%
JUMBO SA	BELA GA	Con Discr	Greece	4,209	17.9%	0.8%	91	91	90	34	56	8.9%
CIE AUTOMOTIVE SA	CIE SM	Con Discr	Spain	3,822	4.4%	0.3%	60	86	78	25	54	11.3%
FREENET AG	FNTN GR	Comm Srvcs	Germany	3,733	9.0%	1.9%	83	94	92	25	59	4.9%
TBC BANK GROUP PLC	TBCG LN	Financials	United Kingdom	3,086	37.7%	10.1%	77	99	98	13	52	45.0%
SPAREBANKEN NORGE	SBNOR NO	Financials	Norway	2,984	30.9%	10.0%	91	79	93	72	8	31.1%
CIE FINANCIERE TRADITION	CFT SW	Financials	Switzerland	2,886	7.8%	2.1%	85	99	92	1	74	58.7%
KARDEX HOLDING AG	KARN SW	Industrials	Switzerland	2,834	8.5%	0.5%	72	97	90	12	85	11.3%
SPAREBANK 1 SMN	MING NO	Financials	Norway	2,760	22.5%	2.2%	91	94	89	21	28	19.9%
SPAREBANK 1 OSTLANDET	SPOL NO	Financials	Norway	2,519	17.8%	7.1%	71	75	89	72	29	25.1%
KRUK SA	KRU PW	Financials	Poland	2,384	54.6%	5.8%	90	94	97	35	40	11.8%
PER AARSLEFF HOLDING AS	PAALB DC	Industrials	Denmark	2,265	1.2%	0.1%	65	74	73	43	50	49.8%
BETSSON AB (PUBL)	BETSB SS	Con Discr	Sweden	2,210	12.1%	1.3%	98	99	95	4	45	8.0%
HILL & SMITH PLC	HILS LN	Materials	United Kingdom	2,208	5.9%	1.2%	86	96	86	5	62	12.0%
KONCAR DISTRIBUTION AND SPEC	KODT2 ZA	Industrials	Croatia	2,135	24.9%	9.1%	73	99	99	14	82	81.8%
ROBERTET SA	RBT FP	Materials	France	2,068	5.6%	1.1%	66	83	78	30	64	-2.4%
Average				29,934	21.3%	6.6%	76	92	91	26	66	18.0%

ASML (AMSL NA)

PRVit Recommendation: 'Overweight' – Expensive Wealth Compounder

ASML has been able to increase its EVA Margin by 13.9% over the past 6 years to 24.6%. EVA Momentum did see a contraction in the latest quarter but remained strong at over 5%. Growth has been driven by the ongoing expansion in EBITDAR Margin, which is at a record high. Sales Growth had been expanding through 2025 before a slowdown in September but remains in double digits at 13.9% (TFQ). The Productive Capital Charge also moved unfavorably (higher is less favorable) on an increase in new investment as a percentage of sales, which has moved from around 4% as the average over the past 4 years to 6.3% of sales in the latest quarter. R&D has also increased from around 11% to 13% of sales to 14%. We like the way the firm has been increasing investment in both fixed and intangible assets, investing in the future at a time when EVA Profitability is around a historical high. Investor expectations for growth are around 2021 levels as the market remains bullish on the outlook for value creation. The firm has maintained the current levels of Future Growth Reliance (FGR) over the past 12 years, meaning the level of premium is high but one investors have been used to paying. The firm has been able to grow EVA profitability and is in the top 4% of most economically profitable firms globally.

Novartis (NOVN SW)

PRVit Recommendation: 'Buy' – Record High EVA Profitability

NOVN SW has grown in its economic profitability in two periods, the 2018 to 2022 (12.8% EVA Margin increase) period and the March 2023 to current period (17.5% increase). EVA Momentum positively inflected in June 2023, turned positive in September 2023, peaked in March 2024, and has since slowed in growth but remains strong at 8.3%. Growth has been supported by all three EVA Drivers moving favorably since the 2H of 2023. Sales Growth averaged around 12%, EBITDAR Margin reached an all-time high, and the firm has seen strong operating leverage, with our asset efficiency measure back to 2021 levels. The market has turned less optimistic about the opportunities for growth going forward since peaking in 2023. Through 2025 investors have, however, started to become more bullish on the outlook for value creation, but the overall Valuation levels remain more appealing today, with an FGR around 23% compared to 47% in 2023.

ALFA LAVAL (ALFA SS)

PRVit Recommendation: 'Overweight' – Expanding Recovery Trend

Growth in EVA Profitability has been expanding for the last two years, which has seen EVA Margin improve by 120bps, but is still 108bps off the 2021 high. An expansion in EBITDAR Margin has offset the contraction in Sales Growth, which remains positive. There has been a recent increase in Productive Capital Charge (higher is unfavorable) after 4 prior quarters of improvement. The level of asset efficiency remains around historically favorable levels, however. Market expectations had expanded from June 2022, as CVA had started to decline, and peaked in September 2024, when EVA bottomed out. Today, around 48% of market value is dependent on growth coming through, which compares to the high of 57%, 13 months ago.

Stock Snapshots for ASML, Novartis, and Alfa Laval are on the following pages.

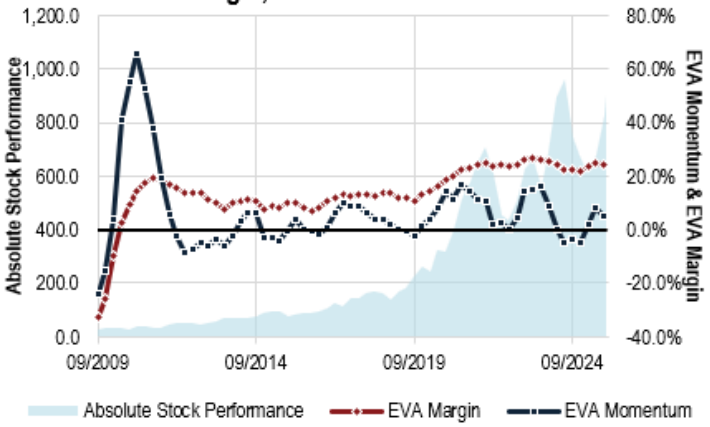
ISS EVA

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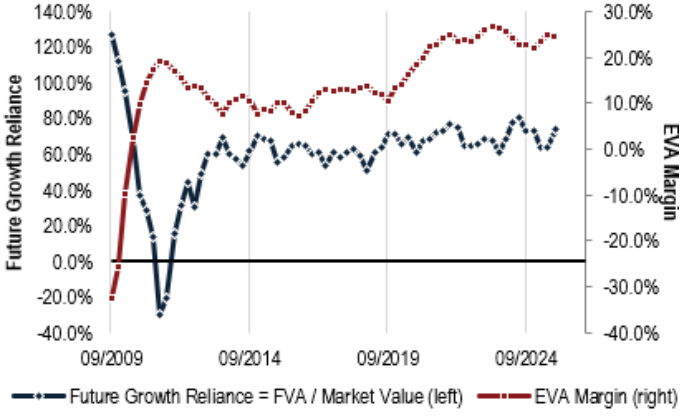
ASML HOLDING NV -ADR - ASML

Prvit Rating: OVERWEIGHT (68)
Share Price: € 899.00 | Market Cap: € 348.9B

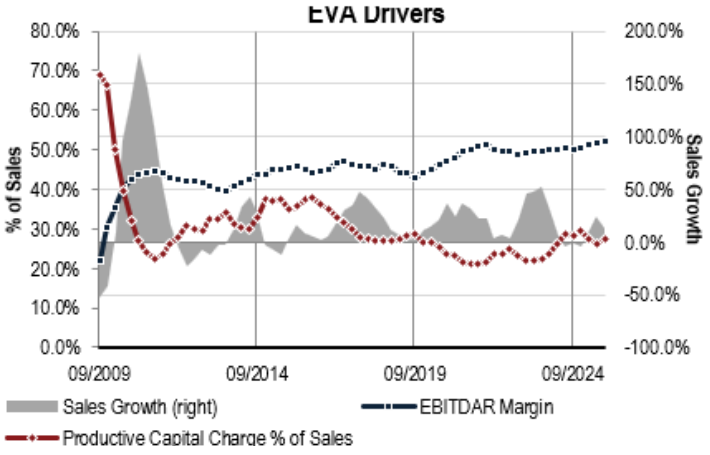
EVA Margin, Momentum vs. Share Price



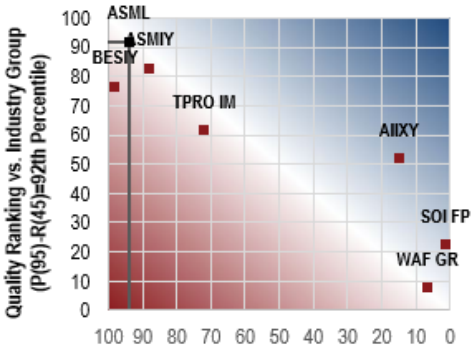
Future Growth Reliance



EVA Drivers



PRVit Score vs. Industry Group



Fiscal Period:	2016TFQ3	2017TFQ3	2018TFQ3	2019TFQ3	2020TFQ3	2021TFQ3	2022TFQ3	2023TFQ3	2024TFQ3	2025TFQ3
Period Ending:	9/30/16	9/30/17	9/30/18	9/30/19	9/30/20	9/30/21	9/30/22	9/30/23	9/30/24	9/30/25
Sales	€6,206	€8,412	€10,332	€10,595	€14,424	€17,782	€18,357	€27,872	€27,794	€31,647
Sales Growth Rate (y-o-y)	*1.3%*	*35.5%*	*22.8%*	*2.6%*	*36.1%*	*23.3%*	*3.2%*	*51.8%*	*-0.3%*	*13.9%*
COGS (Adjusted)	49.7%	49.1%	49.3%	52.3%	50.1%	46.3%	46.1%	46.1%	45.5%	44.0%
SG&A (Adjusted)	5.7%	4.6%	4.5%	4.7%	2.9%	2.8%	4.4%	4.2%	4.3%	3.7%
EBITDAR Margin	**44.6%**	**46.3%**	**46.3%**	**43.1%**	**47.0%**	**50.9%**	**49.5%**	**49.8%**	**50.2%**	**52.3%**
Working Capital Charge	7.6%	5.9%	5.6%	6.3%	4.8%	4.4%	6.2%	5.9%	7.3%	6.5%
PP&E Charge	9.1%	7.2%	5.7%	5.6%	4.5%	3.5%	3.9%	4.4%	6.1%	6.3%
EVA From Operations Margin	**27.9%**	**33.2%**	**34.9%**	**31.2%**	**37.7%**	**43.0%**	**39.3%**	**39.5%**	**36.9%**	**39.5%**
Intangible Capital Charge	19.5%	17.0%	15.7%	17.0%	14.1%	13.1%	14.9%	12.2%	14.7%	14.8%
R&D Charge	17.3%	14.3%	13.3%	14.6%	12.4%	11.8%	13.6%	11.3%	13.9%	14.1%
Book Intangibles Charge	2.2%	2.7%	2.4%	2.4%	1.7%	1.3%	1.3%	0.9%	0.8%	0.7%
EVA Before Tax Margin	**8.4%**	**16.2%**	**19.2%**	**14.2%**	**23.5%**	**29.9%**	**24.4%**	**27.3%**	**22.1%**	**24.7%**
EVA Effective Tax Rate	0.8%	14.0%	16.1%	12.6%	19.6%	21.2%	20.3%	21.6%	18.9%	19.1%
EVA After Tax Margin	**8.3%**	**14.0%**	**16.1%**	**12.4%**	**18.9%**	**23.5%**	**19.5%**	**21.4%**	**17.9%**	**20.0%**
Other EVA	3.9%	3.8%	1.4%	2.1%	2.0%	2.8%	6.1%	6.4%	6.4%	6.1%
EVA Excluding Goodwill & Special Items Margin	**12.2%**	**17.7%**	**17.5%**	**14.5%**	**21.0%**	**26.3%**	**25.6%**	**27.8%**	**24.3%**	**26.1%**
Goodwill & Cum Unusual Items Charge	4.8%	5.5%	4.6%	4.3%	2.8%	2.2%	2.2%	1.7%	1.9%	1.7%
EVA Margin	**8.3%**	**12.8%**	**13.5%**	**10.7%**	**18.5%**	**24.4%**	**23.7%**	**26.3%**	**22.6%**	**24.6%**
EVA	**€517**	**€1,077**	**€1,389**	**€1,129**	**€2,664**	**€4,333**	**€4,342**	**€7,330**	**€6,284**	**€7,778**
ΔEVA	**-€97**	**€560**	**€313**	**-€261**	**€1,536**	**€1,668**	**€10**	**€2,987**	**-€1,046**	**€1,495**
EVA Momentum (ΔEVA/Trailing Sales)	-1.6%	9.0%	3.7%	-2.5%	14.5%	11.6%	0.1%	16.3%	-3.8%	5.4%
Productivity Gains (ΔEVA Margin)	**-1.7%**	**4.5%**	**0.7%**	**-2.8%**	**7.8%**	**5.9%**	**-0.7%**	**2.7%**	**-3.7%**	**2.0%**
Profitable Growth (Sales Growth Rate x EVA Margin)	**0.1%**	**4.5%**	**3.1%**	**0.3%**	**6.7%**	**5.7%**	**0.8%**	**13.6%**	**-0.1%**	**3.4%**

PRVit Score		
Factors	Ind.	Mkt
PRVit	68	38
Quality	92	84
Performance	95	97
Profitability (P1)	98	98
Momentum (P2)	90	90
Risk (R)	45	66
Volatility (R1)	64	82
Vulnerability (R2)	36	36
Valuation (V)	94	97
Price/Book (V1)	94	98
Price/Earnings(V2)	90	89

PRVit 100 is best.
Quality 100 is best
Performance 100 is best
Risk 100 is most risky
Valuation 100 is most expensive

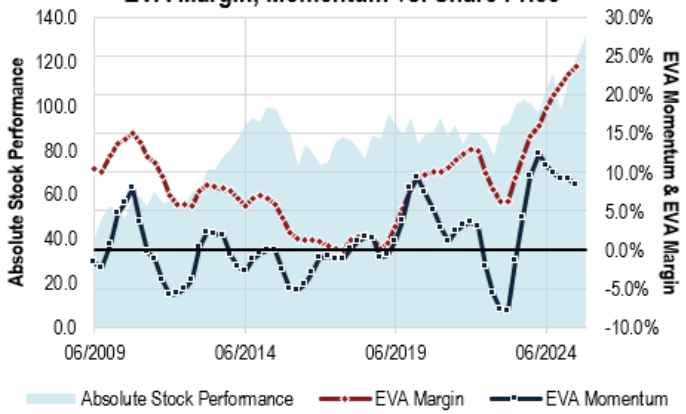
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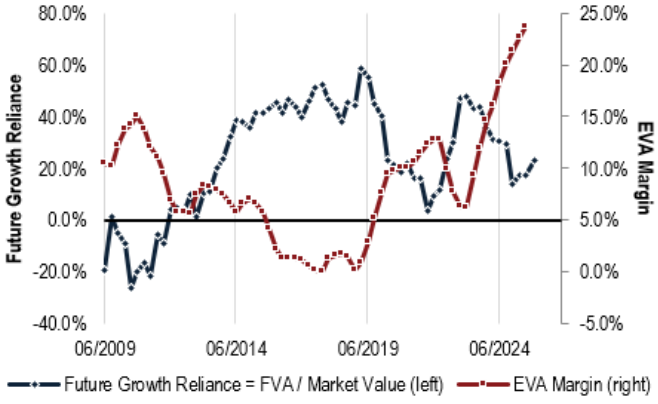
NOVARTIS AG -ADR - NVS

Prvit Rating: BUY (83)
Share Price: $ 131.60 | Market Cap: $ 278.0B

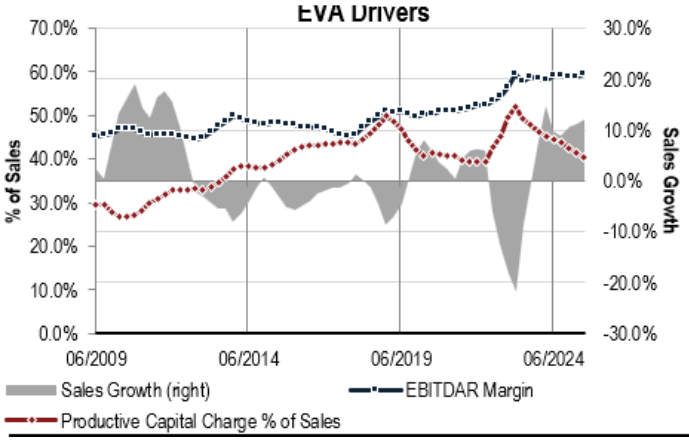
EVA Margin, Momentum vs. Share Price



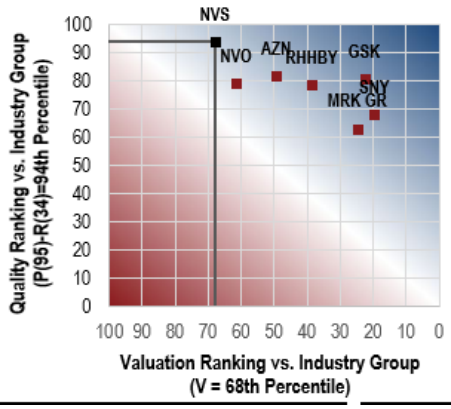
Future Growth Reliance



EVA Drivers



PRVit Score vs. Industry Group



Fiscal Period:	2016TFQ2	2017TFQ2	2018TFQ2	2019TFQ2	2020TFQ2	2021TFQ2	2022TFQ2	2023TFQ2	2024TFQ2	2025TFQ2
Period Ending:	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25
Sales	$48,855	$48,229	$47,615	$45,469	$48,205	$50,396	$47,397	$43,303	$47,546	$53,263
Sales Growth Rate (y-o-y)	*-3.9%*	*-1.3%*	*-1.3%*	*-4.5%*	*6.0%*	*4.5%*	*-6.0%*	*-8.6%*	*9.8%*	*12.0%*
COGS (Adjusted)	35.1%	34.9%	32.2%	29.3%	30.0%	25.2%	17.7%	15.1%	16.3%	16.4%
SG&A (Adjusted)	17.9%	19.5%	19.3%	19.8%	19.8%	23.5%	28.8%	27.0%	24.6%	24.3%
EBITDAR Margin	**47.1%**	**45.6%**	**48.5%**	**50.8%**	**50.2%**	**51.4%**	**53.5%**	**57.9%**	**59.1%**	**59.3%**
Working Capital Charge	1.8%	1.8%	2.0%	1.9%	1.5%	1.3%	1.5%	2.0%	1.7%	1.7%
PP&E Charge	6.2%	6.2%	7.0%	6.9%	5.4%	4.7%	4.4%	5.6%	10.2%	4.0%
EVA From Operations Margin	**39.2%**	**37.6%**	**39.5%**	**42.0%**	**43.4%**	**45.3%**	**47.6%**	**50.4%**	**47.2%**	**53.5%**
Intangible Capital Charge	35.2%	35.7%	36.8%	38.1%	34.4%	33.6%	36.7%	41.7%	32.5%	34.8%
R&D Charge	21.7%	22.6%	23.8%	25.2%	23.4%	22.0%	23.7%	26.6%	24.8%	22.6%
Book Intangibles Charge	13.5%	13.0%	13.1%	12.9%	11.0%	11.7%	13.0%	15.0%	7.7%	12.2%
EVA Before Tax Margin	**4.0%**	**1.9%**	**2.6%**	**3.9%**	**9.0%**	**11.7%**	**10.9%**	**8.7%**	**14.7%**	**18.8%**
EVA Effective Tax Rate	18.9%	14.3%	-6.8%	-30.1%	-0.8%	3.3%	-9.6%	-39.0%	-21.4%	-12.8%
EVA After Tax Margin	**3.2%**	**1.7%**	**2.8%**	**5.1%**	**9.0%**	**11.3%**	**11.9%**	**12.1%**	**17.9%**	**21.2%**
Other EVA	0.4%	0.9%	1.7%	0.6%	2.1%	1.7%	-0.2%	-0.4%	1.5%	3.5%
EVA Excluding Goodwill & Special Items Margin	**3.7%**	**2.5%**	**4.5%**	**5.6%**	**11.1%**	**13.0%**	**11.7%**	**11.7%**	**19.4%**	**24.7%**
Goodwill & Cum Unusual Items Charge	2.3%	2.4%	2.7%	2.7%	1.4%	1.6%	1.9%	2.4%	1.1%	1.0%
EVA Margin	**1.3%**	**0.2%**	**1.8%**	**2.9%**	**9.7%**	**11.5%**	**9.9%**	**9.3%**	**18.3%**	**23.7%**
EVA	**$655**	**$88**	**$838**	**$1,322**	**$4,673**	**$5,794**	**$4,681**	**$4,038**	**$8,690**	**$12,613**
ΔEVA	**-$2,281**	**-$567**	**$750**	**$484**	**$3,351**	**$1,120**	**-$1,113**	**-$643**	**$4,651**	**$3,923**
EVA Momentum (ΔEVA/Trailing Sales)	-4.5%	-1.2%	1.6%	1.0%	7.4%	2.3%	-2.2%	-1.4%	10.7%	8.3%
Productivity Gains (ΔEVA Margin)	**-4.4%**	**-1.2%**	**1.6%**	**1.2%**	**6.8%**	**1.8%**	**-1.6%**	**-0.6%**	**9.0%**	**5.4%**
Profitable Growth (Sales Growth Rate x EVA Margin)	**-0.1%**	**0.0%**	**0.0%**	**-0.1%**	**0.6%**	**0.5%**	**-0.6%**	**-0.8%**	**1.8%**	**2.8%**

PRVit Score		
Factors	Ind.	Mkt
PRVit	83	69
Quality	94	91
Performance	95	96
Profitability (P1)	94	93
Momentum (P2)	89	94
Risk (R)	34	43
Volatility (R1)	35	53
Vulnerability (R2)	42	39
Valuation (V)	68	77
Price/Book (V1)	77	86
Price/Earnings(V2)	38	48

PRVit 100 is best.
Quality 100 is best
Performance 100 is best
Risk 100 is most risky
Valuation 100 is most expensive

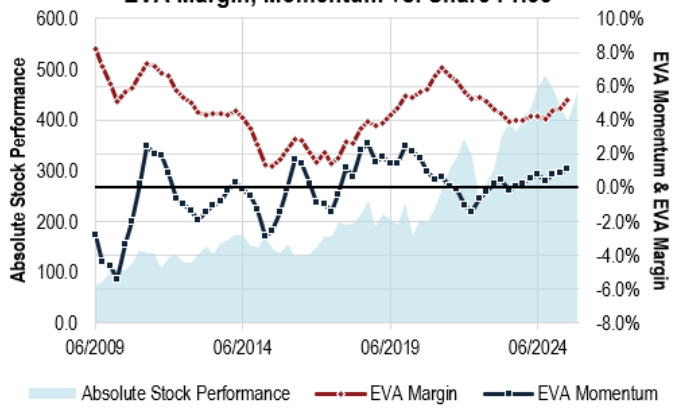
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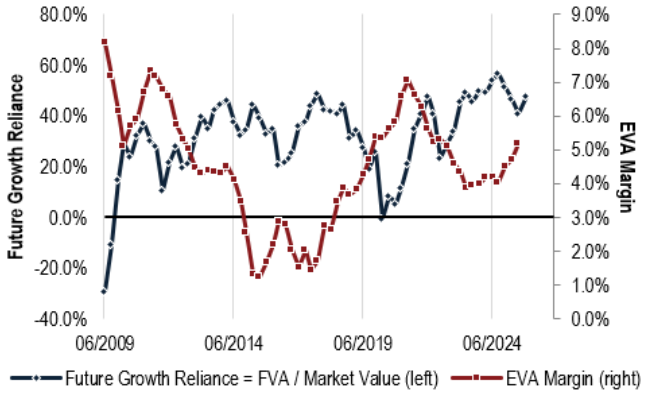
ALFA LAVAL AB PUBL - ALFA SS

Prvit Rating: OVERWEIGHT (78)
Share Price: kr 453.40 | Market Cap: kr 187.4B

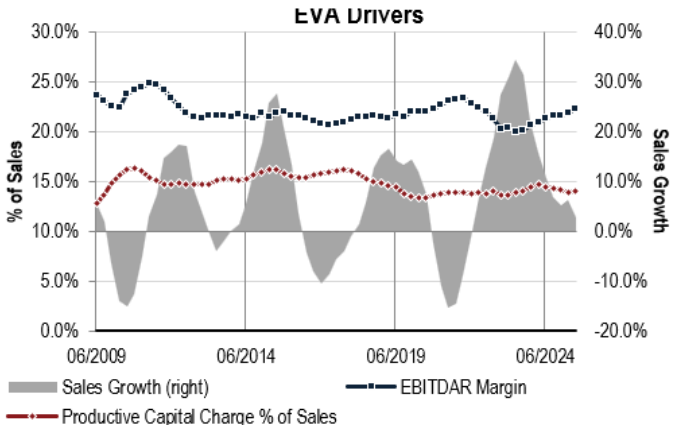
EVA Margin, Momentum vs. Share Price



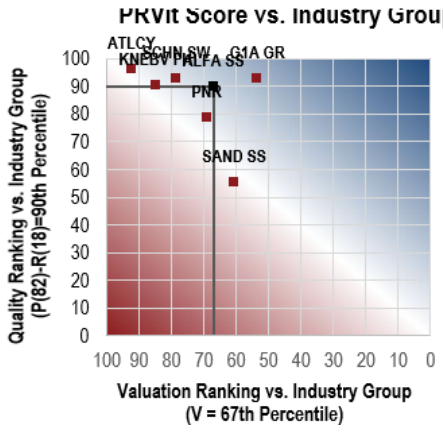
Future Growth Reliance



EVA Drivers



PRVit Score vs. Industry Group



Fiscal Period:	2016TFQ2	2017TFQ2	2018TFQ2	2019TFQ2	2020TFQ2	2021TFQ2	2022TFQ2	2023TFQ2	2024TFQ2	2025TFQ2
Period Ending:	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25
Sales	kr37,647	kr35,518	kr37,607	kr42,876	kr46,065	kr39,367	kr44,434	kr59,659	kr66,043	kr67,803
Sales Growth Rate (y-o-y)	*-4.2%*	*-5.7%*	*5.9%*	*14.0%*	*7.4%*	*-14.5%*	*12.9%*	*34.3%*	*10.7%*	*2.7%*
COGS (Adjusted)	61.6%	61.1%	60.5%	61.2%	61.6%	59.9%	59.6%	63.3%	63.0%	60.7%
SG&A (Adjusted)	17.2%	18.2%	18.1%	17.2%	16.5%	17.0%	18.4%	16.8%	15.7%	17.1%
EBITDAR Margin	**21.3%**	**20.7%**	**21.4%**	**21.7%**	**21.9%**	**23.2%**	**22.0%**	**19.9%**	**21.3%**	**22.3%**
Working Capital Charge	4.0%	4.0%	4.3%	4.5%	4.2%	3.9%	4.2%	5.0%	5.5%	5.4%
PP&E Charge	4.6%	5.0%	4.5%	4.2%	4.2%	4.6%	4.6%	4.2%	4.4%	4.9%
EVA From Operations Margin	**12.7%**	**11.7%**	**12.6%**	**12.9%**	**13.6%**	**14.6%**	**13.2%**	**10.7%**	**11.3%**	**12.0%**
Intangible Capital Charge	6.8%	7.0%	6.5%	5.7%	5.0%	5.3%	5.0%	4.7%	4.5%	3.7%
R&D Charge	2.2%	2.5%	2.5%	2.3%	2.3%	2.8%	2.7%	2.2%	2.2%	2.4%
Book Intangibles Charge	4.6%	4.5%	4.0%	3.4%	2.7%	2.5%	2.3%	2.5%	2.3%	1.3%
EVA Before Tax Margin	**5.9%**	**4.7%**	**6.1%**	**7.3%**	**8.6%**	**9.3%**	**8.2%**	**6.0%**	**6.8%**	**8.3%**
EVA Effective Tax Rate	16.0%	16.8%	20.8%	21.8%	22.2%	22.5%	21.9%	22.1%	22.3%	22.6%
EVA After Tax Margin	**4.9%**	**3.9%**	**4.8%**	**5.7%**	**6.7%**	**7.2%**	**6.4%**	**4.7%**	**5.3%**	**6.4%**
Other EVA	2.1%	2.1%	3.2%	2.7%	2.4%	3.1%	3.2%	3.3%	3.0%	2.9%
EVA Excluding Goodwill & Special Items Margin	**7.0%**	**6.0%**	**8.0%**	**8.4%**	**9.0%**	**10.3%**	**9.6%**	**7.9%**	**8.3%**	**9.3%**
Goodwill & Cum Unusual Items Charge	4.2%	4.5%	4.5%	4.1%	3.4%	3.7%	4.2%	4.1%	4.1%	4.1%
EVA Margin	**2.8%**	**1.5%**	**3.5%**	**4.3%**	**5.6%**	**6.6%**	**5.3%**	**3.9%**	**4.2%**	**5.2%**
EVA	**kr1,054**	**kr520**	**kr1,309**	**kr1,837**	**kr2,593**	**kr2,615**	**kr2,370**	**kr2,312**	**kr2,773**	**kr3,526**
ΔEVA	**kr568**	**-kr534**	**kr789**	**kr527**	**kr756**	**kr22**	**-kr246**	**-kr58**	**kr461**	**kr753**
EVA Momentum (ΔEVA/Trailing Sales)	1.5%	-1.4%	2.2%	1.4%	1.8%	0.1%	-0.6%	-0.1%	0.8%	1.1%
Productivity Gains (ΔEVA Margin)	**1.6%**	**-1.3%**	**2.0%**	**0.8%**	**1.4%**	**1.0%**	**-1.3%**	**-1.5%**	**0.3%**	**1.0%**
Profitable Growth (Sales Growth Rate x EVA Margin)	**-0.1%**	**-0.1%**	**0.2%**	**0.6%**	**0.4%**	**-1.0%**	**0.7%**	**1.3%**	**0.4%**	**0.1%**

PRVit Score

Factors	Ind.	Mkt
PRVit	78	74
Quality	90	91
Performance	82	81
Profitability (P1)	75	72
Momentum (P2)	80	80
Risk (R)	18	13
Volatility (R1)	8	7
Vulnerability (R2)	43	43
Valuation (V)	67	72
Price/Book (V1)	67	70
Price/Earnings(V2)	61	67

PRVit 100 is best.
Quality 100 is best
Performance 100 is best
Risk 100 is most risky
Valuation 100 is most expensive

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 TRVs, including the BIDU 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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