



ISS Acquires EVA Dimensions After ESG Success

BY [SANFORD BRAGG](#) FEBRUARY 13, 2018

Proxy advisor Institutional Shareholder Services (ISS) acquired EVA Dimensions LLC, a provider of cash-flow based analysis of corporate performance, for an undisclosed sum. The purchase follows ISS's integration of ESG metrics into its proxy service.

ISS intends to integrate EVA Dimensions' metrics into its pay-for-performance analysis, which gauges whether corporate bosses are worth their paychecks. EVA Dimensions says it calculates economic value added statistics, which compare a firm's rate of return on its operations to its cost of financing, for 12,000 companies.

Last week ISS launched an 'Environmental & Social QualityScore' which incorporates ESG analysis into its corporate profiling offering. ISS has been expanding its ESG research over the last three years. ISS bought Scandinavian ESG provider Ethix SRI Advisors in 2015, now rebranded ISS-Ethix. At the same time, ISS formed a strategic partnership with ESG data provider RepRisk to distribute RepRisk's workstation, data feeds and reports providing ESG information on 75,000 public and private companies globally. It [acquired](#) US ESG provider IW Financial in January 2017.

EVA Dimensions was founded in 2004 by Bennett Stewart, who was a co-founder of Stern Stewart & Co which pioneered EVA analysis in the 1980's. Selling EVA research to the buy side is only a portion of the firm's business which also targets corporations and consulting firms. EVA Dimensions suffered [turnover](#) of the executive leading its buy-side unit and the head of equity research in 2015 as it focused more on the corporate side of its business.

Our Take

EVA analysis became all the rage in the 1990's and early 2000's, but subsequently waned, arguably because of the increasingly short-term focus of financial markets. A handful of EVA research providers remain, most notably Credit Suisse's HOLT offering, EVA pioneer Stern Stewart (which is mainly centered on corporate consulting), The Applied Finance Group and New Constructs, which has been [adopting](#) new technologies to bolster its product.

The appeal of EVA Dimensions for ISS is not only as a vehicle to enhance its corporate performance metrics, but also to add to the services it offers corporates looking to improve their standing with the proxy service.

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