

Prevas

Feedback from ABGSC's Investor Days

- Prioritising profitability, targeting 12% EBITA margin
- Building on the 15+ years of defence expertise
- Disciplined M&A approach, waiting for the right fit

A Nordic technical consulting firm

Last week, we hosted Prevas CEO Magnus Welén at ABGSC's Investor Days. The company is a technical consultancy focused on product and production development, specialised in engineering, defence, life science and energy. Founded in 1985 and listed since 1998, Prevas operates across three main markets: Sweden (~81% of total sales, including Norway and other operations), Finland (~12%) and Denmark (~8%). Defence in particular is the fastest growing segment, up 22% in Q1'26 and now representing ~17% of total sales.

Takeaways from the presentation

We took away three key points from the presentation. 1) The current main priority is not rapid growth but rather restoring profitability towards the 12% EBITA margin target, with the adj. EBITA margin having improved for three consecutive quarters. To get there, the company is continuing to adjust the business towards the demand picture seen today, and more specifically, putting extra focus on higher-margin niches such as EAM. 2) Defence was highlighted as a structurally attractive area, where Prevas has built up security systems, processes and customer understanding over 15 years. We also asked about concentration risk, and management said they are comfortable with the current ~17% exposure of total sales, viewing defence as a structural growth area that is here to stay. 3) On M&A, the tone was disciplined, with management noting that new technologies, customer value and cultural fit all need to be right, so we expect M&A activity to remain limited near-term.

Gradual margin recovery underway

As is well known in the consultancy sector, margins have been weighed down by lower demand, leading to increased competition and pricing pressure. Over time, Prevas has undergone several organisational and structural changes to meet demand, as Mr. Welén also discussed, reflected in the one-offs in Q1'26. The result has been improving margins in recent quarters, with management sounding incrementally more positive than two quarters ago. We agree, seeing a gradual margin recovery continuing in the coming quarters, and expect the company to return to positive organic growth in H2'26.

Fast comment

Commissioned research

Not rated

Services

PREV.B-SE/PREVB SS

Share price (SEK)	22/5/2026	80.60
MCap (SEKm)		1,039
MCap (EURm)		96
No. of shares (m)		12.5
Free float (%)		52.6
Av. daily volume (k)		77

Next event

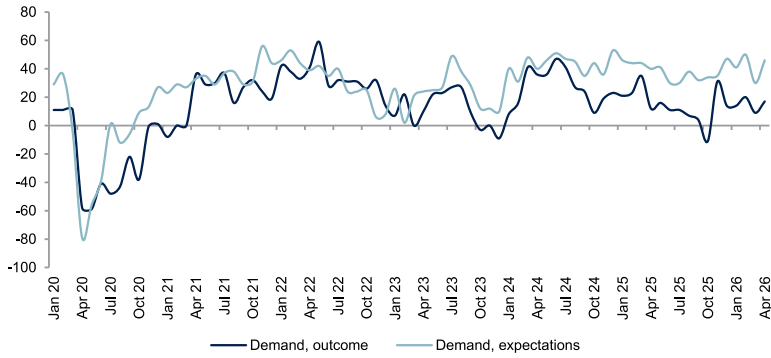
Q2 report 17 July 2026

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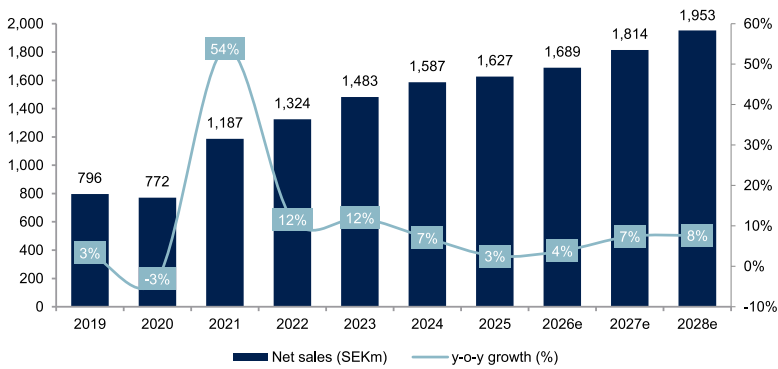
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Demand outcome and expectations



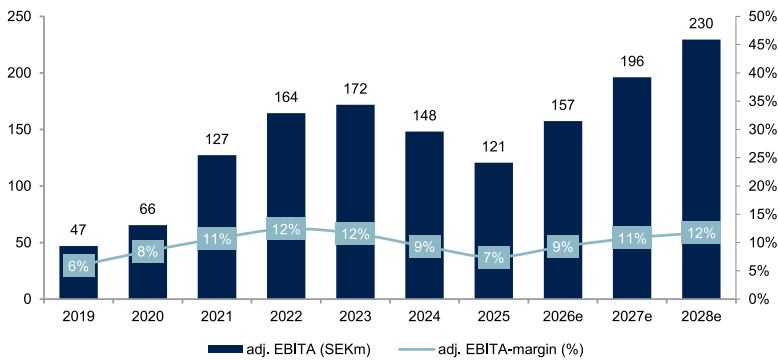
Source: National Institute of Economic Research (Swe: Konjunkturinstitutet).

Net sales and y-o-y growth



Source: ABG Sundal Collier, Company data

adj. EBITA and margins



Source: ABG Sundal Collier, Company data

SEKm	2024	2025	2026e	2027e	2028e
Sales	1,587	1,627	1,689	1,814	1,953
<i>Sales growth (%)</i>	7.0	2.5	3.8	7.4	7.7
EBITDA	175	165	203	246	283
<i>EBITDA margin (%)</i>	11.0	10.2	12.0	13.6	14.5
EBIT adj.	138	108	145	183	217
<i>EBIT adj. margin (%)</i>	8.7	6.7	8.6	10.1	11.1
Pretax profit	120	93	132	171	203
EPS	7.13	5.49	7.85	10.21	12.16
<i>EPS growth (%)</i>	-22.8	-22.9	43.0	30.0	19.0
EPS adj.	8.79	6.66	8.81	11.22	13.21
DPS	4.75	4.00	4.75	5.00	5.25
EV/EBITDA (x)	7.9	8.2	6.5	5.1	4.1
EV/EBIT adj. (x)	10.0	12.6	9.1	6.8	5.3
P/E (x)	11.3	14.7	10.3	7.9	6.6
P/E adj. (x)	9.2	12.1	9.1	7.2	6.1
EV/sales (x)	0.87	0.84	0.78	0.69	0.59
FCF yield (%)	-6.1	11.5	11.6	16.8	19.4
Le. adj. FCF yld. (%)	-9.5	8.0	8.5	13.1	15.7
Dividend yield (%)	5.9	5.0	5.9	6.2	6.5
Net IB debt/EBITDA (x)	1.7	1.6	1.1	0.6	0.2
Le. adj. ND/EBITDA (x)	0.9	0.9	0.5	0.0	-0.4

Source: ABG Sundal Collier, Company Data

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