

## Tüpraş

We raise our 12-month target price to TL 352.00 from TL 271.00 and maintain our BUY recommendation. The main reason for the revision is not Brent itself, but the strengthening in middle-distillate margins (diesel and jet fuel), which has improved the outlook for net refining margins. Accordingly, we have revised our 2026 EBITDA forecast upward by 61%. Based on our updated estimates, the stock is trading at 7.1x 2026E P/E and 3.8x EV/EBITDA. We continue to keep the stock in our Model Portfolio, supported by its net cash position and dominant position in the domestic market, while it offers 38% upside from the current price.

**Geopolitical developments are providing structural support to product margins.** The U.S.-Israel-Iran conflict that began on 28 February, together with the effective closure of the Strait of Hormuz, has severely disrupted diesel and jet fuel flows from the Gulf to Europe. By the end of March, refinery and port disruptions in northwestern Russia further deepened the tightness. Diesel margins rose from around USD 20/bbl in February to approximately USD 58/bbl on average in March, while jet fuel margins increased from around USD 24/bbl to USD 84/bbl. Although we do not have a firm view on when the geopolitical process will conclude, we believe that even under a normalization scenario, the adjustment may take longer than the market is currently pricing in. Re-establishing physical product flows, normalizing refinery operations, and rebuilding Europe's inventories are all time-consuming processes; moreover, normalization coinciding with the high season could further prolong the process. In this context, we expect margins to remain above pre-conflict levels for most of 2026.

**Tüpraş is well positioned within the regional refining landscape.** Middle distillates accounted for 54% of the company's 4Q25 product slate (diesel 37%, jet fuel 17%) — in other words, the products with the strongest margin expansion are also the products Tüpraş sells the most. The company is already operating at a high utilization rate, with 93.6% capacity utilization, and is targeting 95–100% in 2026. While we expect the sharp increase in March margins to be reflected only partially in 1Q26 results, the more meaningful impact is likely to become visible from 2Q26 onward, alongside the high season.

**Supply risk and the cost structure remain manageable.** According to EMRA data, Russia/Kazakhstan accounted for approximately 49% of Türkiye's crude oil imports in 2025, followed by Iraq at 16% and Saudi Arabia at 7%; crude is also sourced from countries such as Nigeria, Libya, Guyana, and Norway. The restart of the Kirkuk-Ceyhan pipeline in 4Q25 and access to Azerbaijani crude via the BTC pipeline strengthen alternatives outside Hormuz. In this context, the main risk is less about a physical supply disruption and more about the higher cost associated with shifting to alternative sources; however, we believe the increase in product prices is sufficient to offset this additional cost. In addition, the fact that natural gas input costs are linked to BOTAŞ regulated tariffs provides a more predictable cost structure compared to European refiners that are exposed to spot energy prices.

## TUPRS

## BUY

Target Price TL 352  
Return potential 38%

### Share Data

Ticker:	TUPRS
Share price (as of 02.04.2026)	256,00
Share price (52 week range)	109 / 259
Market cap. (TL mn - USD mn)	493.260 - 11.106
# of shares (mn) & free float	1.927 - 49%
Foreign Ownership Rate	33%
Market	Star
Industry	Refining

Avg. trading volume	1M	3M	12M
USD mn	266,8	181,3	120,7

### Price performance

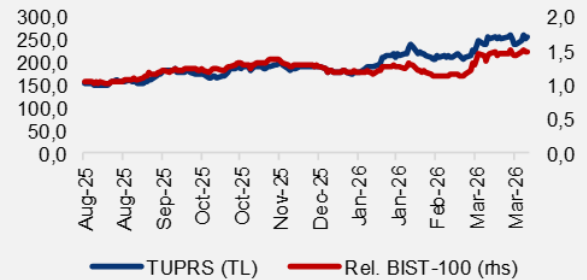
	1M	3M	Y-t-D
TL	19%	43%	45%
USD	17%	38%	39%
Rel. to BIST-100	21%	26%	25%

### Financials (TL mn)

	2024	2025	2026E
Revenues	1.060.730	830.356	1.240.618
EBITDA	66.368	62.073	115.174
Net Earnings	24.914	29.873	70.175

### Valuation

	2024	2025	2026E
P/E	20,6x	16,7x	7,1x
P/BV	1,3x	1,4x	1,2x
EV/EBITDA	6,7x	7,1x	3,8x



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**In light of the developments summarized above, we have revised our 2026 forecasts upward.** We derive our target price using a Discounted Cash Flow (DCF) methodology. In our revised model, we assume an average Brent price of USD 87.5/bbl and a net refining margin of USD 11.10/bbl for 2026. In our crack assumptions, we use effective diesel, jet fuel, and gasoline margins of USD 34/bbl, USD 43/bbl, and USD 17/bbl, respectively. Tüpraş's 2026 guidance implies a net refining margin of USD 6–7/bbl; however, if the current crack environment persists, we note the possibility of an upward revision to this guidance. On the FX side, we assume an average USD/TRY rate of 48.50. Operationally, based on company guidance, we assume roughly 29 million tons of production, around 30 million tons of sales, and a capacity utilization rate of 95–100%. Under these assumptions, our 12-month target price stands at TL 352.00, implying 38% upside from the current price.

**The main downside risks to our valuation can be summarized as follows:** a faster-than-expected resolution of the geopolitical process and a rapid normalization in margins, USD/TRY coming in below our forecast, and weaker-than-expected operational performance, particularly in terms of sales volumes and capacity utilization.

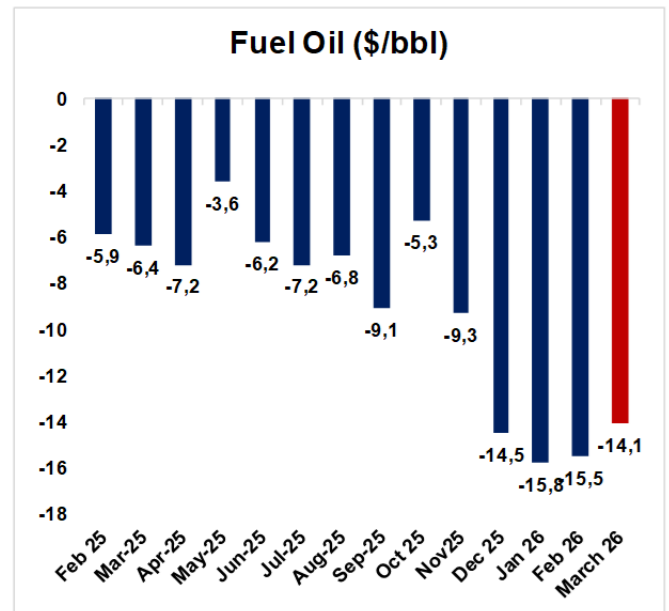
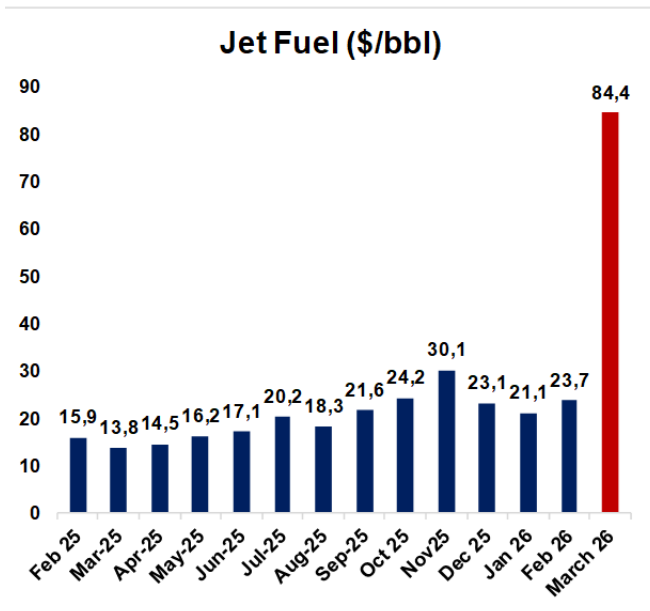
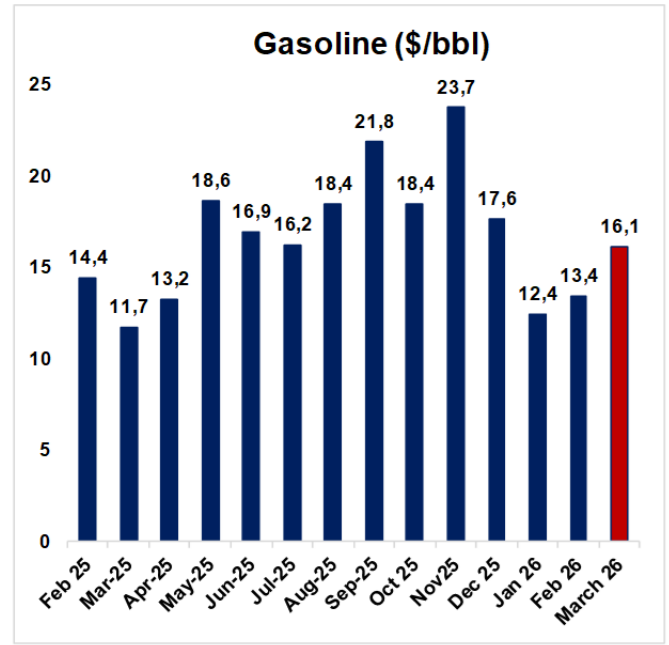
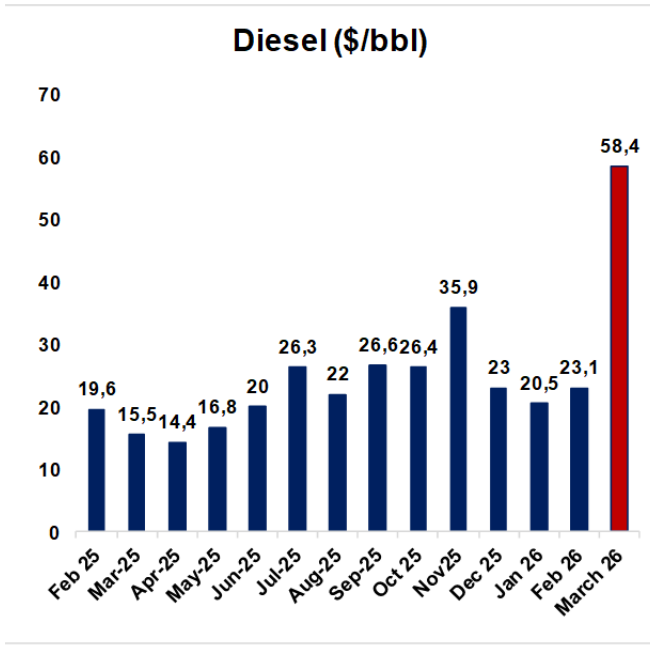
**Figure:** Pre- and Post-Conflict Forecast Comparison

		Old	New	Δ
mn USD	2025A	2026E	2026E	2026E
<b>Net Sales</b>	<b>19.380</b>	<b>20.690</b>	<b>25.580</b>	<b>24%</b>
<b>EBITDA</b>	<b>1.449</b>	<b>1.472</b>	<b>2.375</b>	<b>61%</b>
<i>EBITDA Margin</i>	7,5%	7,1%	9,3%	210%
<b>Net Income</b>	<b>689</b>	<b>1.164</b>	<b>1.447</b>	<b>24%</b>
<i>Net Margin</i>	3,6%	5,6%	5,7%	0,1

\*Assuming an average USD/TRY exchange rate of 48.50.

**Source:** Tacirler Investment Research, Rasyonet, Matriks

## Tüpraş Product Margins (March 2026)



Source: Company Data, Tacirler Investment Research

## Financials

<b>Balance Sheet</b>	<b>2024</b>	<b>2025</b>	<b>2026E</b>	<b>Income statement</b>	<b>2024</b>	<b>2025</b>	<b>2026E</b>
Cash	96.251	107.237	169.491	<b>Revenues</b>	<b>1.060.730</b>	<b>830.356</b>	<b>1.240.618</b>
Accounts receivables	48.524	52.753	68.860	Gross profit	89.046	81.232	146.180
Inventory	78.899	62.145	95.534	Operating expenses	-35.265	-33.785	-47.997
Financial investments	0	0	0	Operating profit	53.781	47.447	98.183
Fixed assets	303.993	306.376	331.450	<b>EBITDA</b>	<b>66.368</b>	<b>62.073</b>	<b>115.174</b>
Other non-current assets	66.750	63.463	63.463	Other income, net	-7.039	-5.800	-8.666
<b>Total assets</b>	<b>594.417</b>	<b>591.974</b>	<b>728.796</b>	Financial income, net	-7.056	833	1.245
Short-term financial loans	11.851	21.821	22.912	Earnings before taxes	41.552	43.769	92.235
Accounts payables	135.971	105.513	176.399	Tax expense	-16.639	-13.896	-22.060
Long-term financial loans	13.004	28.429	29.850	<b>Net earnings</b>	<b>24.914</b>	<b>29.873</b>	<b>70.175</b>
Other long-term payables	64.194	72.112	99.182	<b>Cashflow statement</b>			
<b>Non-current liabilities</b>	<b>225.019</b>	<b>227.875</b>	<b>328.343</b>	EBITDA	<b>66.368</b>	<b>62.073</b>	<b>115.174</b>
<b>Shareholders' equity</b>	<b>369.397</b>	<b>364.099</b>	<b>400.454</b>	Taxes on EBIT	-12.907	-11.387	-23.564
Paid in Capital	1.927	1.927	1.927	Capital expenditures	-18.050	-19.077	-42.565
Other Equity	367.470	362.172	398.527	Chg. in NWC	16.119	17.934	-22.257
<b>Total liabilities &amp; equity</b>	<b>594.417</b>	<b>591.974</b>	<b>728.796</b>	<b>Growth &amp; margins</b>			
Net debt	-71.396	-56.988	-116.729	Revenues	-18%	-22%	49%
Net working capital	-8.549	9.385	-12.006	EBITDA	-64%	-6%	86%
				Net earnings	-76%	20%	135%
<b>Per share</b>				Gross margin	8,4%	9,8%	11,8%
EPS	12,93	15,50	36,42	Operating margin	5,1%	5,7%	7,9%
BVPS	191,72	188,97	207,83	EBITDA margin	6,3%	7,5%	9,3%
DPS	-33,13	-18,08	-17,13	Net margin	2,3%	3,6%	5,7%
<b>Ratios</b>				<b>Valuation</b>			
<b>Profitability</b>				P/E	20,6x	16,7x	7,1x
ROE	13,2%	8,1%	18,4%	P/BV	1,3x	1,4x	1,2x
Net margin	2,3%	3,6%	5,7%	EV/EBITDA	6,7x	7,1x	3,8x
Asset turnover	3,5x	1,4x	1,9x				
Leverage	1,6x	1,6x	1,7x				
ROA	8,2%	5,0%	10,6%				
<b>Leverage</b>							
Financial debt/Total assets	4%	8%	7%				
Net debt/Equity	-0,19	-0,16	-0,29				
Net debt/EBITDA	-1,08	-0,92	-1,01				

Source: Company Data, Tacirler Investment

## Appendix – Tüpraş Expectations

**Figure:** Tüpraş 2025 Actual Results and 2026 Guidance

Guidance	2025A	2026E
<b>Tüpraş net refining margin (USD/bbl)</b>	7	6,0 - 7,0
<b>Capacity utilization rate</b>	94%	%95 - %100
<b>Production (m tons)</b>	26,80	~29
<b>Sales (m tons)</b>	29,4	~30
<b>CAPEX</b>	USD476mn	~USD700mn

**Source:** Tacirler Investment Research, Tüpraş

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