TACİRLER INVESTMENT

# Tüpraş

**Tüpraş reported TL386.4bn in net sales, TL54.3bn in EBITDA and TL45.9bn in net income in 2Q26. Consensus stood at TL374.5bn, TL39.2bn and TL30.7bn respectively, while our estimates were TL400.1bn, TL37.4bn and TL26.0bn. Net sales came in close to expectations, whereas EBITDA beat consensus by 39% and net income by 49%. The EBITDA deviation was driven by product margins coming in stronger than we had assumed, while the beat in net income reflected solid operating performance alongside the favourable impact of the corporate tax cut on deferred tax accounts. In our previous reports we noted that the rise in product margins following the conflicts in the Middle East had only partially fed through to the first quarter, with the bulk of the contribution due in the second. That effect came through in 2Q, and the company raised its full-year net refining margin guidance to USD13-15/bbl from USD6-7/bbl. We maintain our TL352 target price and BUY rating. While the results were strong, the recent rally in the shares has largely priced in this performance, and the margin outlook remains tied to the geopolitical backdrop. Our target price implies 21% upside potential, and Tüpraş remains in our model portfolio.**

**Stronger product margins fed through to EBITDA…** Tüpraş produced 6.9mn tonnes and sold 7.9mn tonnes in the quarter, with capacity utilisation at 96%. The net refining margin rose to USD21.4/bbl from USD9.4/bbl in the first quarter. Diesel, jet fuel and gasoline margins stood at USD49.3, USD52.0 and USD24.3/bbl respectively, all above our assumptions. The EBITDA margin came in at 14.1%, double the 7.1% posted a year earlier.

**Tax provided an additional lift to operating performance…** The reduction in the corporate tax rate applied to manufacturing activities to 12.5% from 25% as of 2027 had a positive impact on deferred tax accounts, and the effective tax rate came in at 7.5%. The monetary loss was limited at TL0.8bn, while net financial income reached TL3.1bn. Consolidated net cash rose to TL130.7bn.

**Margins entered the third quarter at elevated levels…** Diesel, jet fuel and gasoline margins rose markedly again in July. Although there has been a modest retreat in early August, levels remain strong. Global refinery capacity utilisation at 74.4%, below last year's 81.4%, is one of the key factors supporting margins. An end to the conflicts could bring some normalisation in margins, but we think margins can stay above historical averages given limited new refining capacity and the structural supply tightness in the middle distillate market.

**Outlook…** The company left its production, sales, capacity utilisation and capex targets unchanged. The first-half net refining margin of USD15.6/bbl came in above the upper end of the new guidance range. In the fourth quarter, the FCC and LPG units at İzmit will be down for 12 weeks, the platformer and unifiner for six weeks, and the crude and vacuum units at Batman for four weeks.

## TUPRS — BUY

| | |
|---|---|
| **Target Price** | **TL 352** |
| **Return potential** | **21%** |

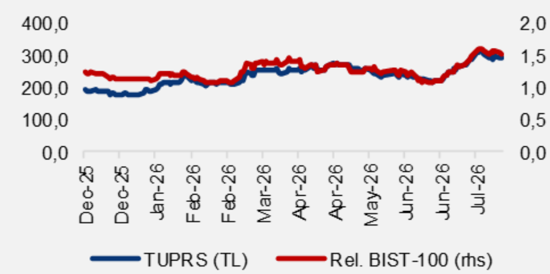
| **Share Data** | |
|---|---|
| **Ticker:** | **TUPRS** |
| **Share price (as of 04.08.2026)** | 290,25 |
| **Share price (52 week range)** | 148 / 315 |
| **Market cap. (TL mn - USD mn)** | 559.252 - 11.781 |
| **# of shares (mn) & free float** | 1.927 - 49% |
| **Foreign Ownership Rate** | 35% |
| **Market** | Star |
| **Industry** | Refining |

| **Avg. trading volume** | **1M** | **3M** | **12M** |
|---|---|---|---|
| USD mn | 157,2 | 132,0 | 153,2 |

| **Price performance** | **1M** | **3M** | **Y-t-D** |
|---|---|---|---|
| TL | 17% | 7% | 64% |
| USD | 15% | 2% | 48% |
| Rel. to BIST-100 | 23% | 12% | 35% |

| **Financials (TL mn)** | **2024** | **2025** | **2026E** |
|---|---|---|---|
| Revenues | 1.249.099 | 977.815 | 1.240.618 |
| EBITDA | 78.153 | 73.096 | 115.174 |
| Net Earnings | 29.338 | 35.178 | 70.175 |

| **Valuation** | **2024** | **2025** | **2026E** |
|---|---|---|---|
| P/E | 19,8x | 16,1x | 7,1x |
| P/BV | 1,3x | 1,3x | 1,2x |
| EV/EBITDA | 5,5x | 5,9x | 3,8x |

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# Financials

| Balance Sheet | 2023 | 2024 | 2025 |
|---|---|---|---|
| Cash | 216.581 | 113.343 | 126.280 |
| Accounts receivables | 89.994 | 57.141 | 62.120 |
| Inventory | 98.951 | 92.910 | 73.181 |
| Financial investments | 1.562 | 0 | 0 |
| Fixed assets | 307.312 | 357.978 | 360.782 |
| Other non-current assets | 101.867 | 78.604 | 74.732 |
| **Total assets** | **816.267** | **699.976** | **697.097** |
| Short-term financial loans | 66.691 | 13.955 | 25.696 |
| Accounts payables | 217.993 | 160.118 | 124.250 |
| Long-term financial loans | 11.924 | 15.313 | 33.477 |
| Other long-term payables | 72.878 | 75.593 | 84.917 |
| **Non-current liabilities** | **369.486** | **264.979** | **268.341** |
| **Shareholders' equity** | **446.781** | **434.997** | **428.756** |
| Paid in Capital | 2.970 | 2.269 | 1.927 |
| Other Equity | 443.811 | 432.728 | 426.829 |
| **Total liabilities & equity** | **816.267** | **699.976** | **697.097** |
| Net debt | -137.966 | -84.075 | -67.108 |
| Net working capital | -29.048 | -10.067 | 11.051 |

| Per share | 2023 | 2024 | 2025 |
|---|---|---|---|
| EPS | 62,22 | 15,23 | 18,26 |
| BVPS | 231,88 | 225,76 | 222,52 |
| DPS | -39,56 | -39,01 | -21,30 |

| Ratios | 2023 | 2024 | 2025 |
|---|---|---|---|
| **Profitability** | | | |
| ROE | 28,5% | 6,7% | 8,1% |
| Net margin | 7,8% | 2,3% | 3,6% |
| Asset turnover | 1,9x | 1,6x | 1,4x |
| Leverage | 1,9x | 1,7x | 1,6x |
| ROA | 15,1% | 3,9% | 5,0% |
| **Leverage** | | | |
| Financial debt/Total assets | 10% | 4% | 8% |
| Net debt/Equity | -0,31 | -0,19 | -0,16 |
| Net debt/EBITDA | -0,64 | -1,08 | -0,92 |

| Income statement | 2023 | 2024 | 2025 |
|---|---|---|---|
| **Revenues** | **1.527.809** | **1.249.099** | **977.815** |
| Gross profit | 244.200 | 104.859 | 95.658 |
| Operating expenses | -43.520 | -41.528 | -39.785 |
| Operating profit | 200.680 | 63.331 | 55.873 |
| **EBITDA** | **214.174** | **78.153** | **73.096** |
| Other income, net | -36.828 | -8.289 | -6.830 |
| Financial income, net | -37.701 | -8.309 | 981 |
| Earnings before taxes | 128.674 | 48.931 | 51.541 |
| Tax expense | -8.786 | -19.594 | -16.364 |
| **Net earnings** | **119.888** | **29.338** | **35.178** |

| Cashflow statement | 2023 | 2024 | 2025 |
|---|---|---|---|
| EBITDA | **214.174** | **78.153** | **73.096** |
| Taxes on EBIT | -50.170 | -15.833 | -13.968 |
| Capital expenditures | -27.560 | -21.256 | -22.465 |
| Chg. in NWC | -46.638 | 18.981 | 21.118 |

| Growth & margins | 2023 | 2024 | 2025 |
|---|---|---|---|
| Revenues | -25% | -18% | -22% |
| EBITDA | -7% | -64% | -6% |
| Net earnings | -12% | -76% | 20% |
| Gross margin | 16,0% | 8,4% | 9,8% |
| Operating margin | 13,1% | 5,1% | 5,7% |
| EBITDA margin | 14,0% | 6,3% | 7,5% |
| Net margin | 7,8% | 2,3% | 3,6% |

| Valuation | 2023 | 2024 | 2025 |
|---|---|---|---|
| P/E | 4,7x | 19,8x | 16,1x |
| P/BV | 1,3x | 1,3x | 1,3x |
| EV/EBITDA | 2,0x | 5,5x | 5,9x |

*Source: Company Data, Tacirler Investment*
** All figures are stated in millions of TRY unless otherwise stated.*
***Figures in the table are adjusted for inflation.*

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