

Tüpraş Refining Margins

Tüpraş announced its product margins for September. Among middle distillate products, diesel margin improved by 3% on a monthly basis but declined by 58% year-on-year, reaching \$14.8/bbl. The jet fuel margin decreased by 5% month-on-month and 63% year-on-year, settling at \$12.2/bbl. Meanwhile, the gasoline margin dropped by 19% from the previous month and 54% year-on-year, reaching \$11.3/bbl. The fuel oil margin was recorded at -\$13.3/bbl. During the same period, the average Brent crude oil price stood at \$74.3/bbl.

Highlights

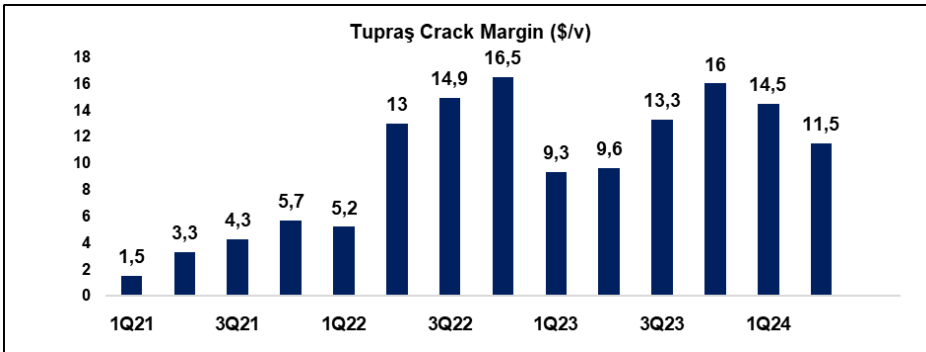
Figure 1: Tüpraş Refining Margins (September 2024)

Product Cracks (USD/bbl)	September 24	September 23	y/y (%)	August 24	m/m (%)	2023	2024
Brent	74,3	94,0	-21%	80,9	-8%	82,6	82,5
Product Cracks							
Diesel (USD/bbl)	14,8	35,1	-58%	14,3	3%	26,6	20,2
Gasoline (USD/bbl)	11,3	24,4	-54%	13,9	-19%	21,2	18,2
Jet Fuel (USD/bbl)	12,2	32,6	-63%	12,8	-5%	25,4	17,8
Fuel Oil	-13,3	-10,0	n.m.	-14,3	n.m.	-16,8	-14,0

Source: Company Data, Tacirler Investment

Normalization in product margins continues... While margins have contracted year-on-year due to the high base effect of last year, we are seeing improvements on a monthly basis. Product margins continue to hover around the 5-year averages. Accordingly, all product margins, except fuel oil among middle distillates, have come in below their 5-year averages. We view the announced data as neutral, given the monthly improvements in gasoline and fuel oil product margins, which have a significant share in product yields, despite the decline in the gasoline margin.

Turkey Fuel Market, 7A24... In the first seven months of 2024, diesel sales decreased by 1.2% compared to the same period last year, amounting to 14.6 million tons. Jet fuel sales increased by 6% compared to the same period last year, reaching 3.2 million tons. Gasoline sales rose by 17.4% year-on-year, reaching 2.7 million tons, while LPG sales decreased by 7%, falling to 2.4 million tons.



TUPRS

BUY

Target Price TL208.10
Return potential 34%

Share Data

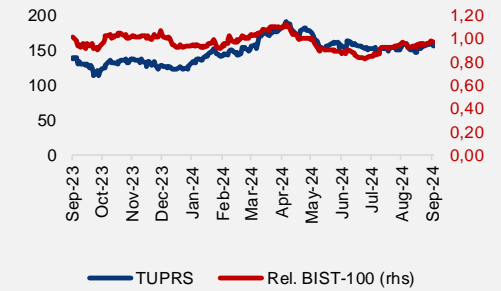
Ticker: TUPRS TI
Share price (as of 30 May 2024) 155,20
Share price (52 week range) 112 / 190
Market cap. (TL mn - USD mn) 305589,8 - 8964,2
of shares outstanding (mn) 1.927
Free Float 49%

Avg. trading volume 1M 3M 12M
USD mn 96,7 103,2 126,2

Price performance 1M 3M Y-t-D
TL 4% 1% 27%
USD 3% -3% 9%
Rel. to BIST-100 3% 10% -3%

TL mn 2021 2022 2023
Revenues 152.492 916.751 686.529
EBITDA 13.396 103.202 96.240
Net Earnings 3.495 61.314 53.577

Valuation 2021 2022 2023
P/E 87,4x 11,3x 3,6x
P/BV 2,4x 3,4x 2,9x
EV/EBITDA 27,2x 4,4x 1,7x
EV/Sales 0,5x 0,4x 0,2x



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Tupras Refining Margins (September 2024)

Figure 2

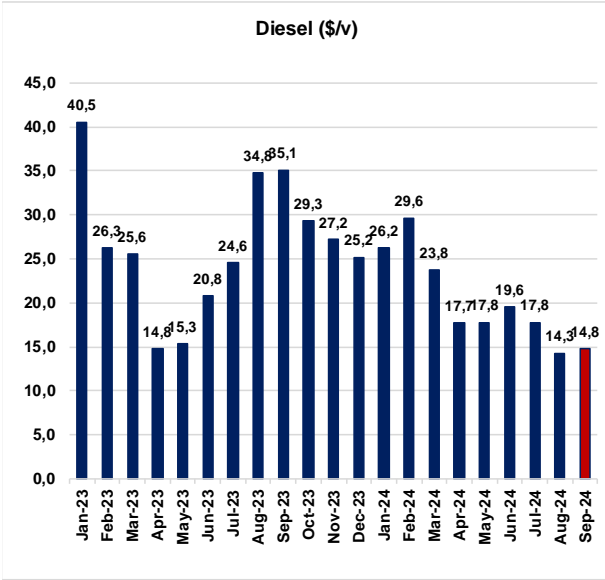


Figure 3

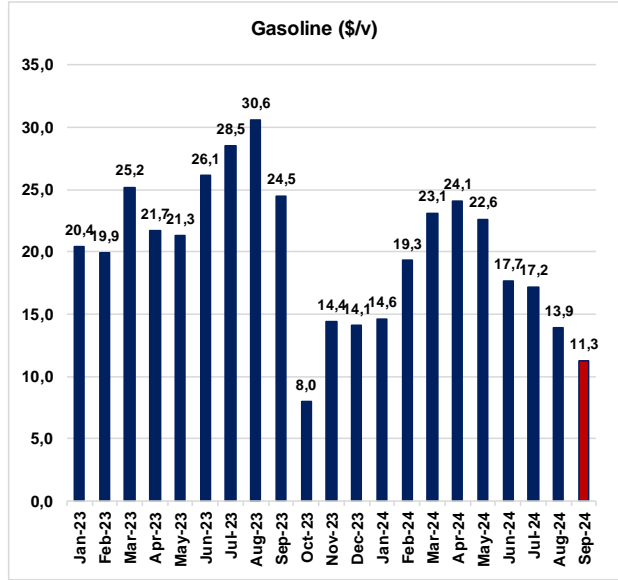


Figure 4

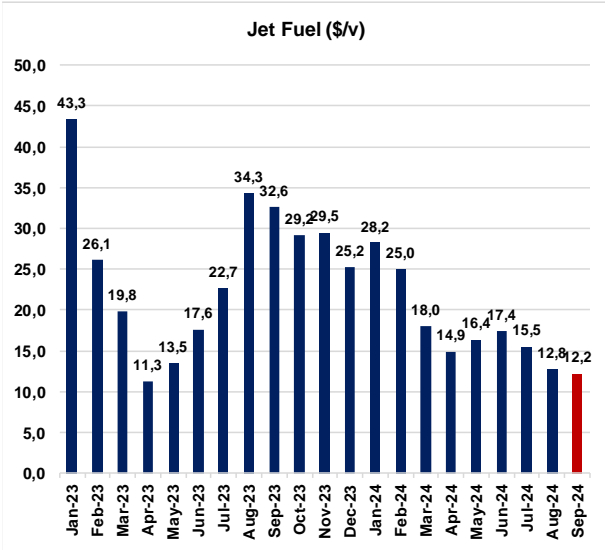
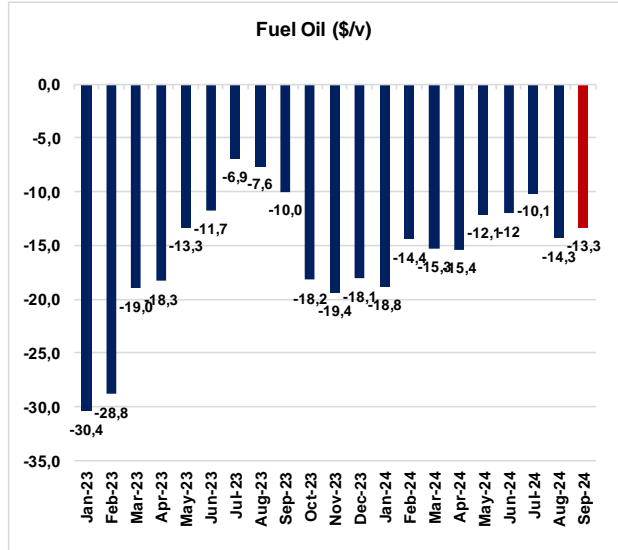


Figure 5



Source: Company Data, Tacirler Investment

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