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Tupras

4Q24 results print below expectations

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Tupras reported a net profit of TRY 3,891mn in 4Q24, below the market expectation of TRY 5,145mn and in line with our estimate of TRY 3,939mn (4Q23: TRY 52,484mn, -93%), according to inflation-adjusted financials (IAS-29 impact). In this quarter, high costs and operational expenses put pressure on profitability. Despite a net financial income of TRY 1,246mn, the monetary loss of TRY 1,194mn and tax expense of TRY 2,486mn weighed on the bottom line.

In the 4Q24, the company's production was at 6.8mn tons with a 93.4% CUR. Sales volume was at 7.5mn tons. While domestic sales increased 3% YoY, exports decreased 35%. An annual 24% increase has effected the increase in domestic sales. **The company's net sales revenue, including the IAS-29 impact, came in at TRY 173,476mn in 4Q24, down 35% YoY**, falling short of both our estimate of TRY 206,158mn and the market expectation of TRY 192,092mn.

Mid-distillate cracks were lower y/y due to the high base; higher q/q due to improved demand and lower capacity utilization. The diesel margin was USD 16.1/bbl in 4Q24 (3Q24: USD 15.7; 4Q23: USD 27.2), while the jet fuel margin was USD 13.3/bbl (3Q24: USD 13.5; 4Q23: USD 27.2). The gasoline product margin was at USD 11.9/bbl compared to USD 14.1/bbl in 3Q24 and USD 12.1/bbl in 4Q23. HSFO remained strong due to global supply constraints. Meanwhile, the FOEB product margin was at USD 18.6/bbl in 4Q24 (3Q24: -USD 8.2; 4Q23: -USD 7.4)

EBITDA, including the IAS-29 impact, reached TRY 8,052mn in 4Q24 (4Q23: TRY 31,963mn, -75% YoY), significantly below our estimate of TRY 12,588mn and the market forecast of TRY 9,931mn. The EBITDA margin was at 4.6% (4Q23: 12%).

Strong Net Cash Position: Despite the USD 700mn Eurobond payment on October 18, Tupras maintained its strong cash position. The net cash position declined to USD 2.1bn at the end of 2024 from USD 3.1bn at the end of 09/2024.

2024 Performance: In 2024, Tüpräs recorded sales revenue of TRY 810,386mn, down 18% compared to the previous year (2023: TRY 991,202mn). The company achieved 30.4mn tons of sales (guidance: ~30mn tons) and 26.7mn tons of production (guidance: ~26mn tons). The average product cracks stood at USD 11.2/bbl, slightly below the company's guidance of USD 12/bbl. The net refinery margin was at USD 6.3/bbl. Total CAPEX amounted to USD 376mn, compared to the USD 400mn guidance.

Dividend: The Board of Directors will propose a total gross dividend of TRY 15.2065 per share to the General Assembly, with the first installment of TRY 7.78 to be paid on March 28, 2025, and the second installment of TRY 7.42 on September 30, 2025.

2025 Guidance: For 2025, Tupras expects a refinery margin of USD 5-6/bbl. Production is projected to remain flat at approximately 26mn tons, with sales of around 30mn tons. The capacity utilization rate (CUR) is expected to average at 90-95%, while CAPEX is forecasted at USD 600mn.

- In light of the 4Q24 financial results and our expectations, we have revised our 12-month target price for TUPRS from 230.64/share to 205.15/share. Our target price has 54% upside potential compared to the stock's closing price on February 17, 2025. We maintain our OUTPERFORM recommendation.

OUTPERFORM
TP: TRY 205.15
Previous TP: TRY 230.64
Upside: 54%

	TRY	US\$		
Close	133,40	3,69		
BIST 100	9.836	272		
US\$/TRY(CB Bid Rate):	36,1270			
52 Week High:	189,77	5,88		
52 Week Low:	133,40	3,69		
Bloomberg/Reuters Ticker:	TUPRS.TI / TUPRS.IS			
Number of Shares (Mn):	1.927			
	(TRY Mn)	(US\$ Mn)		
Current Mcap :	257.035	7.110		
Free Float Mcap :	125.947	3.484		
	1 M	YoY	YtD	
TRY Return (%):	-9,9	-8,7	-6,0	
US\$ Return (%):	-11,7	-22,4	-8,3	
BIST 100 Relative (%):	-8,6	-14,1	-6,0	
Avg. Daily Vol. (TRY Mn):	3.374,3			
Avg. Daily Vol. (US\$ Mn):	101,8			
Beta	1,16			
Volatility (Stock)	0,26			
Volatility (BIST 100)	0,22			
Shareholder Structure	%			
Enerji Yatırımları A.Ş.	46,4			
Others	46,8			
Koç Holding A.Ş.	6,8			
Total	100,0			



Figure 1: Financials (Including IAS-29)

TRY Million	YE23	YE24	YoY	4Q23	4Q24	YoY
Revenues	991.203	810.386	-18,2%	266.616	173.476	-34,9%
Gross Profit	158.431	68.030	-57,1%	38.575	11.359	-70,6%
<i>Gross Profit Margin</i>	<i>16,0%</i>	<i>8,4%</i>		<i>14,5%</i>	<i>6,5%</i>	
EBIT	130.196	41.088	-68,4%	29.718	6.086	-79,5%
<i>EBIT Margin</i>	<i>13,1%</i>	<i>5,1%</i>		<i>11,1%</i>	<i>3,5%</i>	
EBITDA	138.950	50.704	-63,5%	31.963	8.052	-74,8%
<i>EBITDA Margin</i>	<i>14,0%</i>	<i>6,3%</i>		<i>12,0%</i>	<i>4,6%</i>	
Net Profit	77.354	18.315	-76,3%	52.484	3.891	-92,6%
<i>Net Profit Margin</i>	<i>7,8%</i>	<i>2,3%</i>		<i>19,7%</i>	<i>2,2%</i>	

Source: Finnet, Seker Invest Research

Figure 2: Key financials (Including IAS-29)

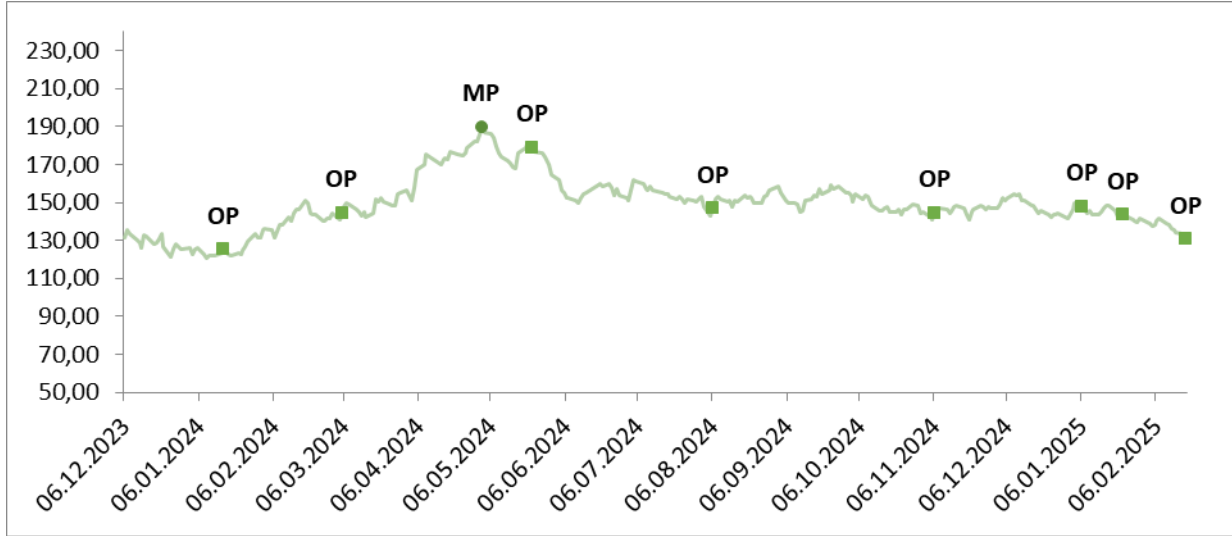
BALANCE SHEET (TRY Mn)	2023/12	2024/12	%
PP&E	262.531	226.161	-14%
Intangibles	8.347	6.090	-27%
Other Non-Current Assets	54.040	36.286	-33%
Trade Receivables	79.323	37.072	-53%
Cash&Equivalents	190.900	73.534	-61%
Other Current Assets	124.338	74.985	-40%
Total Assets	719.480	454.128	-37%
Long Term Debt	10.510	9.935	-5%
Other Non current liabilities	6.324	9.177	45%
Short Term Debt	4.625	3.770	-18%
Trade Payables	192.145	103.880	-46%
Other Current Liabilities	107.801	41.118	-62%
Total Liabilities	321.404	167.880	-48%
Total Equity	398.076	286.248	-28%
Total Equity&Liabilities	719.480	454.128	-37%

INCOME STATEMENT (TRY Mn)	2022/12	2023/12	2024/12	%
Net Sales	1.323.594	991.203	810.386	(18)
COGS	1.160.331	832.772	742.355	(11)
Gross Profit/(Loss)	163.263	158.431	68.030	(57)
Operating Expenses	23.330	28.235	26.942	(5)
Operating Profit/(Loss)	139.933	130.196	41.088	(68)
Net Other Operational Gain/(Loss)	(29.840)	(23.893)	(5.378)	N.M.
Income/(Loss) from Investing Activities	(10.898)	119	(16)	N.M.
Financial Income/(Expense)	(19.434)	(7.499)	9.192	N.M.
Monetary Gain / (Loss)	13.280	(16.961)	(12.279)	N.M.
Share of profit of equity accounted investments	(22)	1.518	1.442	(5)
Profit Before Tax (Loss)	98.911	83.480	31.746	(62)
Tax	10.053	5.700	12.712	123
Net Profit/(Loss)	88.858	77.780	19.034	(76)
Minority Interest	334	426	718	68,8
Parent Equity	88.524	77.354	18.315	(76,3)

TUPRS

Source: Seker Invest

Historical Recommendations and target prices



Date	Recommendation	Target Price (TRY)
16-Jan-24	OutPerform (OP)	195.45
5-Mar-24	OutPerform (OP)	195.45
2-May-24	Market Perform (MP)	195.45
23-May-24	OutPerform (OP)	238.46
6-Aug-24	OutPerform (OP)	238,46
6-Nov-24	OutPerform (OP)	238,46
7-Jan-25	OutPerform (OP)	230.64
18-Feb-25	OutPerform (OP)	205.15

Basis for 12m equity ratings

Outperform: The total return is expected to exceed the return of the BIST 100 by more than 10%.

Underperform: The total return is expected to fall below the return of the BIST 100 by more than 10%.

Market Perform: The total return is expected to be in line with the return of the BIST 100.

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