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# Tupras

Although revenue fell short of expectations, EBITDA outperformed

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Tupras reported a net profit of TRY 97mn in 1Q25, somewhat in parallel with the market expectation of TRY 172mn and our estimate of TRY 53mn (1Q25: TRY 442mn, -78%), according to inflation-adjusted financials (IAS-29 impact). In this quarter, high operational expenses put pressure on profitability despite lower costs. Despite a net financial income of TRY 736mn the monetary loss of TRY 2,045mn and tax expense of TRY 2,413mn weighed on the bottom line.

In 1Q25, the company's production was at 5.9mn tons with a 83% CUR. Sales volume was at 6.4mn tons (-9% YoY). While domestic sales shrank 5% YoY, exports decreased 10%. **The company's net sales revenue, including the IAS-29 impact, came in at TRY 158,623mn in 1Q25, down 31% YoY**, falling short of both our estimate of TRY 173,936mn and the market expectation of TRY 170,800mn.

Mid-distillate cracks were lower y/y due to high stock levels; up q/q due to improved demand. The diesel margin was USD 17.3/bbl in 1Q25 (4Q24: USD 16.1; 1Q24: USD 26.5), while the jet fuel margin was USD 14.5/bbl (4Q24: USD 13.3; 1Q24: USD 23.7). The gasoline product margin was at USD 12.5/bbl compared to USD 11.9/bbl in 4Q24 and USD 19/bbl in 1Q24. HSFO remained strong due to low stock levels despite the increased demand from complex refineries. Meanwhile, the FOEB product margin was at USD 7.7/bbl in 4Q24 (4Q24: USD -7.4; 1Q24: USD -16.2).

Improvement in white product yield and low energy expenses supported the profit before taxes position despite lower cracks and narrowed differentials.

**EBITDA, including the IAS-29 impact, reached TRY 9,751mn in 1Q25 (1Q24: TRY 13,067mn, -25% YoY)**, significantly above our estimate of TRY 8,184mn and the market forecast of TRY 8,052mn. The EBITDA margin was at 6.1% (1Q24: 5.7%).

**Strong Net Cash Position:** Despite the dividend payment on March 28, Tupras maintained its strong cash position. The net cash position declined to TRY 25,596mn at the end of 03/2025 from from TRY 60,035mn at the end of 2024.

**2025 Guidance maintained:** 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 forecast at USD 600mn.

**Dividend:** The company made its first dividend payment installment of TRY 7.78 on March 28, 2025. The second payment will be made on September 30, 2025 (TRY 7.42). Thus, a total TRY 15,265 dividend will be paid per share.

- According to revisions to our macroeconomic estimates and risk-free rate using for valuation, we have revised our 12-month target price for TUPRS from 205.15/share to 192.27/share. Our target price has 53% upside potential compared to the stock's closing price on April 29, 2025. We maintain our OUTPERFORM recommendation.

**OUTPERFORM**  
**TP: TRY 192.27**  
Previous TP: TRY 205.15  
Upside: 53%

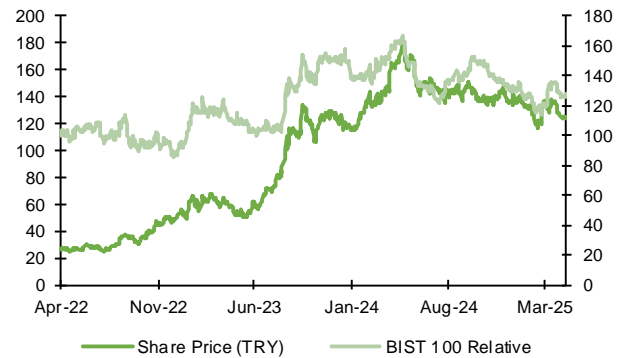
	TRY	US\$
Close	125,10	3,26
BIST 100	9.225	240
US\$/TRY(CB Bid Rate):	38,3403	
52 Week High:	179,38	5,56
52 Week Low:	116,36	3,20
Bloomberg/Reuters Ticker:	TUPRS.TI / TUPRS.IS	

Number of Shares (Mn):	1.927	
	(TRY Mn)	(US\$ Mn)
Current Mcap :	241.042	6.283
Free Float Mcap :	118.111	3.078

	1 M	YoY	Ytd
TRY Return (%):	-9,3	-27,4	-6,7
US\$ Return (%):	-10,4	-38,6	-14,4
BIST 100 Relative (%):	-5,1	-20,6	-0,6
Avg. Daily Vol. (TRY Mn):	3.148,0		
Avg. Daily Vol. (US\$ Mn):	92,2		

Beta	1,16
Volatility (Stock)	0,26
Volatility (BIST 100)	0,25

Shareholder Structure	%
Enerji Yatırımları A.Ş.	46,4
Others	46,8
Koç Holding A.Ş.	6,8
Total	100,0



Tüpraş released an update regarding its [Strategic Transition Plan](#), initially published in 2021.

Changes outlined in the report:

#### Sector Forecasts:

- Turkey's fossil fuel consumption is expected to peak in 2035. (2021 SDP: 2030)
- Unlike the 2021 SDP, demand projections now include two-wheeled vehicles and agricultural machinery, while the increase in road transport demand reflects the growth achieved so far. (2021 STP 2050 Demand: 52 mtoe)
- H<sub>2</sub>, to grow from 2040 onwards. (2021 SDP: 2030)
- While diesel will be partially substituted by H<sub>2</sub>, the need for existing domestic refining capacity will continue.
- Before 2040, electric vehicles will become the dominant passenger vehicle type.
- Sustainable Aviation Fuel (SAF) is projected to account for ~10% of aviation fuel demand by 2035. (2021 SDP: 2030)

Tüpraş has revised its expectations across operational areas:

#### Sustainable Refining:

- 2022-35 CapEx forecast: USD 2.3bn (2021 SDP)
- 2025-35 CapEx forecast: USD 3.9bn (updated)
- 2022-35 EBITDA forecast: ~USD 13bn (2021 SDP)
- 2025-35 EBITDA forecast: ~USD 13bn (reaffirmed) (USD 7.1bn EBITDA achieved between 2022-24)

#### Zero-Carbon Power:

- 2022-35 CapEx forecast: USD 1.3bn (2021 SDP)
- 2025-35 CapEx forecast: USD 2.8bn (updated)
- 2022-35 EBITDA forecast: ~USD 2.8bn (2021 SDP)
- 2025-35 EBITDA forecast: ~USD 2.0bn (updated)

#### Sustainable Aviation Fuel:

- 2022-35 CapEx forecast: USD 600mn (2021 SDP)
- 2025-35 CapEx forecast: USD 800mn (updated)
- 2022-35 EBITDA forecast: ~USD 800mn (2021 SDP)
- 2025-35 EBITDA forecast: ~USD 1.9bn (updated)

#### Green Hydrogen:

- 2022-35 CapEx forecast: USD 690mn (2021 SDP)
- 2025-35 CapEx forecast: USD 750mn (updated)
- 2022-35 EBITDA forecast: ~USD 640mn (2021 SDP)
- 2025-35 EBITDA forecast: ~USD 300mn (updated)

With the implementation of the Strategic Transformation Plan, EBITDA, which stood at USD 1,457mn in 2024, is expected to reach USD 1,700mn by 2030. The company will maintain its 80% dividend payout policy. (Dividend distribution of USD 6bn is projected for 2025-2035.) The Net Debt/EBITDA ratio is targeted to remain below 2.0x, while the CapEx/EBITDA ratio is expected to stay below 0.5x. POSITIVE

*\*Figures have not been adjusted for inflation accounting under IAS-29.*

Figure 1: Financials (Including IAS-29)

TRY Million	1Q24	1Q25	YoY	4Q24	1Q25	QoQ
<b>Revenues</b>	<b>228.525</b>	<b>158.623</b>	<b>-30,6%</b>	<b>190.932</b>	<b>158.623</b>	<b>-16,9%</b>
<b>Gross Profit</b>	<b>18.195</b>	<b>13.165</b>	<b>-27,6%</b>	<b>12.502</b>	<b>13.165</b>	<b>5,3%</b>
<i>Gross Profit Margin</i>	<i>8,0%</i>	<i>8,3%</i>		<i>6,5%</i>	<i>8,3%</i>	
<b>EBIT</b>	<b>10.112</b>	<b>6.748</b>	<b>-33,3%</b>	<b>6.698</b>	<b>6.748</b>	<b>0,8%</b>
<i>EBIT Margin</i>	<i>4,4%</i>	<i>4,3%</i>		<i>3,5%</i>	<i>4,3%</i>	
<b>EBITDA</b>	<b>13.067</b>	<b>9.751</b>	<b>-25,4%</b>	<b>8.862</b>	<b>9.751</b>	<b>10,0%</b>
<i>EBITDA Margin</i>	<i>5,7%</i>	<i>6,1%</i>		<i>4,6%</i>	<i>6,1%</i>	
<b>Net Profit</b>	<b>442</b>	<b>97</b>	<b>-78,1%</b>	<b>57.765</b>	<b>97</b>	<b>-99,8%</b>
<i>Net Profit Margin</i>	<i>0,2%</i>	<i>0,1%</i>		<i>30,3%</i>	<i>0,1%</i>	

Source: Finnet, Seker Invest Research

Figure 2: Key financials (Including IAS-29)

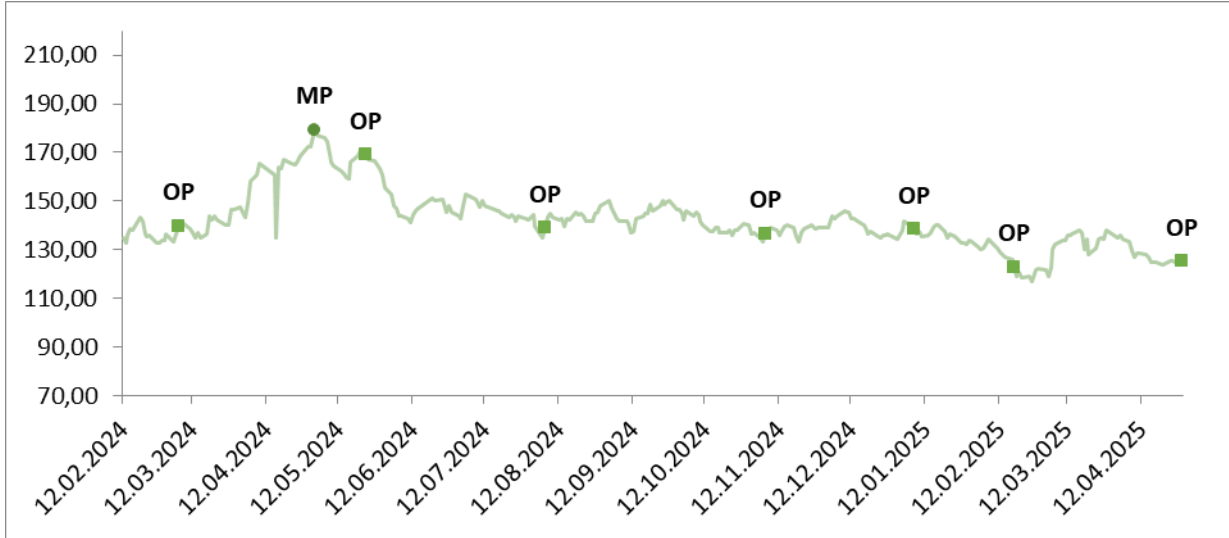
BALANCE SHEET (TRY Mn)	2024/12	2025/03	%
PP&E	248.919	248.876	0,0%
Intangibles	6.703	7.734	15,4%
Other Non-Current Assets	39.938	40.141	0,5%
Trade Receivables	40.802	44.436	8,9%
Cash&Equivalents	80.934	46.671	-42,3%
Other Current Assets	82.531	88.042	6,7%
<b>Total Assets</b>	<b>499.826</b>	<b>475.900</b>	<b>-4,8%</b>
Long Term Debt	10.934	11.229	2,7%
Other Non current liabilities	10.100	12.625	25,0%
Short Term Debt	4.149	4.649	12,0%
Trade Payables	114.334	90.819	-20,6%
Other Current Liabilities	45.256	70.069	54,8%
Total Liabilities	184.774	189.391	2,5%
Total Equity	315.053	286.509	-9,1%
<b>Total Equity&amp;Liabilities</b>	<b>499.826</b>	<b>475.900</b>	<b>-4,8%</b>

INCOME STATEMENT (TRY Mn)	2024/12	2024/03	2025/03	%
Net Sales	891.935	228.525	158.623	(31)
COGS	817.058	210.330	145.458	(31)
Gross Profit/(Loss)	74.876	18.195	13.165	(28)
Operating Expenses	29.654	8.083	6.417	(21)
Operating Profit/(Loss)	45.223	10.112	6.748	(33)
Net Other Operational Gain/(Loss)	(5.919)	(4.616)	(2.857)	N.M.
Income/(Loss) from Investing Activities	(17)	(0)	7	N.M.
Financial Income/(Expense)	10.117	4.475	736	(84)
Monetary Gain / (Loss)	(14.583)	(7.747)	(2.045)	N.M.
Share of profit of equity accounted investments	1.587	389	(56)	N.M.
<b>Profit Before Tax (Loss)</b>	<b>34.940</b>	<b>2.613</b>	<b>2.533</b>	<b>(3)</b>
Tax	13.991	2.040	2.413	18
<b>Net Profit/(Loss)</b>	<b>20.949</b>	<b>573</b>	<b>120</b>	<b>(79)</b>
Minority Interest	791	131	23	(82,4)
Parent Equity	20.158	442	97	(78,1)

TUPRS

Source: Seker Invest

## Historical Recommendations and target prices



Date	Recommendation	Target Price (TRY)
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
30-Apr-25	OutPerform (OP)	192.27

## 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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