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Tupras

EBITDA in line with our expectations...

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Tupras reported a net profit of TL 3,710mn in 1Q26 under inflation-adjusted (TAS-29) financials. This figure exceeded our estimate of TL 3,439mn by 8%, while coming 3% below the market median expectation of TL 3,808mn. Net profit painted a slightly positive picture compared to our expectations, while remaining slightly below market expectations. Net profit increased strongly on a yearly basis, while declining quarter-on-quarter due to the high base of 4Q25.

Tupras generated EBITDA of TL 15,796mn in 1Q26. The figure was broadly in line with our estimate of TL 15,794mn, while coming 4% below the market median expectation of TL 16,392mn. EBITDA increased by 23.8% YoY, while rising slightly by 0.8% QoQ. The EBITDA margin stood at 6.1% in 1Q26. The strong trend in middle distillate product margins, positive inventory effect and high capacity utilization supported operational profitability, while crude oil differentials and higher natural gas costs limited part of the positive contribution from product margins.

Tupras posted 1Q26 net sales of TL 258,254mn, 7% above our estimate of TL 241,719mn and 9% above the market median expectation of TL 237,820mn. Net sales increased by 24.4% YoY and 14.0% QoQ. The strong sales performance was mainly driven by the supportive trend in refined product prices, domestic demand outlook and strong sales volumes. The company recorded a sales volume of 7.4mn tons in 1Q26, while production volume stood at 6.8mn tons.

Operational developments... Tupras produced 6.8mn tons in 1Q26 with a capacity utilization rate of 95%. Accordingly, the company reached its highest first-quarter capacity utilization rate since 2017. High capacity utilization indicates that operational flexibility was maintained despite the volatile macroeconomic environment, while the supportive refining environment was reflected in production and sales volumes.

OUTPERFORM
TP: 355,76 TL
Previous TP: 355,76 TL
Upside: %31

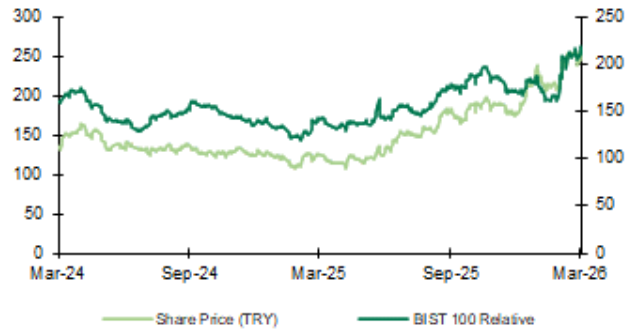
	TRY	US\$
Close	271,00	6,00
BIST 100	14.917	330
US\$/TRY (CB Bid Rate):	45,23	
52 Week High:	275,50	6,13
52 Week Low:	108,63	2,82
Bloomberg/Reuters Ticker:	TUPRS.TI /TUPRS.IS	

	1.926,8 (TRY Mn)	(US\$ Mn)
Number of Shares (Mn):		
Current Mcap:	522.162	11.567
Free Float Mcap:	255.859	5.668

	1 M	YOY	YTD
TRY Return (%):	5,7	145,3	53,0
US\$ Return (%):	4,0	109,3	45,3
BIST 100 Relative (%):	-7,1	50,2	15,5
Avg. Daily Vol. (TRY Mn):	4.934,34		
Avg. Daily Vol. (US\$ Mn):	115,71		

Beta	0,65
Volatility (Stock)	0,35
Volatility (BIST 100)	0,23

Shareholder Structure	%
Enerji Yatırımları A.Ş.	46,40
Koç Holding A.Ş.	4,27
Companies Owned By Koc Family Members	0,48
Public Float	48,85
Total	100,00



On the refinery margins front, middle distillate product margins maintained their supportive trend in 1Q26. Diesel and jet fuel margins remained above historical averages due to disruptions in the Middle East, temporary refinery outages and restrictions in product and crude oil flows. According to the company's 1Q26 investor presentation, the diesel product margin reached USD 34.0/bbl, while the jet fuel product margin stood at USD 43.1/bbl in 1Q26. The gasoline margin increased YoY despite the low season, whereas HSFO margins declined YoY due to higher supply and weaker demand.

Tupras' net refining margin stood at USD 9.4/bbl in 1Q26, above the company's 2026 guidance range of USD 6-7/bbl. European middle distillate inventories remaining below their five-year averages in the first quarter and limited growth in Turkish fuel demand provided a supportive backdrop for product margins. On the heavy crude differentials versus Brent front, a broadly stable trend was observed in 1Q26 compared to the same period of last year. Nevertheless, Tupras' complex refinery structure and product mix enabled the company to benefit from strong middle distillate margins.

Net debt and working capital... Tupras' net cash position increased from TL 62.7bn at end-2025 to TL 74.7bn at end-1Q26. Net Debt/EBITDA stood at -1.0x. Looking at the cash breakdown, the total cash position stood at TL 129.9bn. The increase in net cash position and the YoY improvement in working capital supported the balance sheet outlook. Working capital stood at TL -7.2bn at end-1Q26, indicating that the efficient structure of the company's operating cycle was maintained.

Dividend plan... Under Tupras' previously announced total dividend distribution plan of TL 33bn, the first installment of TL 20bn was paid on March 16, 2026. The remaining second installment of TL 13bn is planned to be paid on September 30, 2026. The company's net cash position and cash generation capacity provide a supportive outlook for financing the remaining dividend payment and capital expenditures.

Company Guidance for 2026... Tupras has maintained its operational guidance for 2026. Accordingly, the company guides for a net refining margin of USD 6-7/bbl, production of approximately 29mn tons, total sales of approximately 30mn tons and average capacity utilization of 95-100%. Planned consolidated capital expenditures amount to around USD 700mn for 2026.

The net refining margin of USD 9.4/bbl realized in 1Q26 was above the company's guidance range, while the 95% capacity utilization rate was in line with company guidance. While the supportive trend in middle distillate product margins supported 1Q26 financials, we believe that the more visible impact of rising product prices and inventory effect-driven contributions on operational profitability may be seen in the coming quarters, particularly in 2Q26 and 3Q26.

Following the 1Q26 financial results, we maintain our 12-month target price at TL 355.76 per share. Our target implies a 31% upside potential over the last closing price, and we reiterate our "OUTPERFORM" recommendation for Tupras shares.

Figure 1: Financials (Including IAS -29)

TRY Million	1Q25	1Q26	YoY	4Q25	QoQ
Revenues	207.582	258.254	24,4%	226.635	14,0%
Gross Profit	17.228	21.575	25,2%	22.983	-6,1%
<i>Gross Profit Margin</i>	<i>8,3%</i>	<i>8,4%</i>		<i>10,1%</i>	
EBIT	8.831	11.656	32,0%	11.579	0,7%
<i>EBIT Margin</i>	<i>4,3%</i>	<i>4,5%</i>		<i>5,1%</i>	
EBITDA	12.761	15.796	23,8%	15.676	0,8%
<i>EBITDA Margin</i>	<i>6,1%</i>	<i>6,1%</i>		<i>6,9%</i>	
Net Profit	127	3.710	2820,2%	7.428	-50,1%
<i>Net Profit Margin</i>	<i>0,1%</i>	<i>1,4%</i>		<i>3,3%</i>	

Source: Finnet, Seker Invest Research

Figure 2: Key Financials (Including IAS-29)

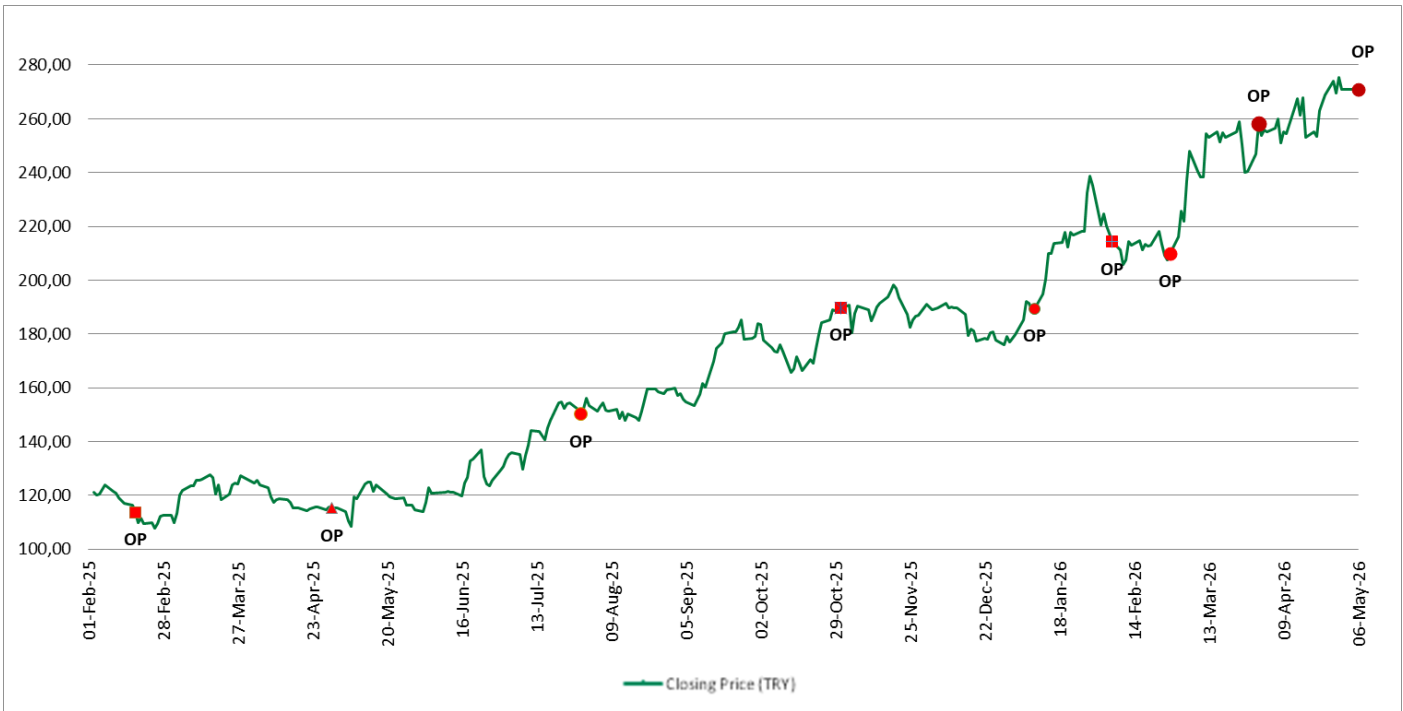
BALANCE SHEET (TRY Mn)	2025/12K	2026/03K	Chg%
PP&E	325.994	325.672	(0)
Intangibles	11.147	10.794	(3)
Other Non-Current Assets	53.548	53.102	(1)
Trade Receivables	58.049	76.810	32
Cash&Equivalents	118.004	129.900	10
Other Current Assets	84.666	108.466	28
Total Assets	651.408	704.745	8
Long Term Debt	31.283	35.818	14
Other Non current liabilities	26.375	22.345	(15)
Short Term Debt	24.012	19.376	(19)
Trade Payables	116.107	146.082	26
Other Current Liabilities	46.673	121.045	159
Total Liabilities	244.449	344.667	41
Total Equity	406.959	360.079	(12)
Total Equity&Liabilities	651.408	704.745	8

Source: Finnet, Seker Invest

INCOME STATEMENT (TRY Mn)	2025/03K	2026/03K	Chg%
Net Sales	207.582	258.254	24
COGS	190.354	236.678	24
Gross Profit/(Loss)	17.228	21.575	25
Operating Expenses	8.397	9.919	18
Operating Profit/(Loss)	5.092	11.392	124
Net Other Operational Gain/(Loss)	(3.739)	(264)	N.M.
Income/(Loss) from Investing Activities	9	(0)	N.M.
Financial Income/(Expense)	964	1.536	59
Monetary Gain/Loss	(2.676)	(2.462)	N.M.
Share of profit of equity accounted investments	(73)	(83)	N.M.
Profit Before Tax (Loss)	3.315	10.383	213
Tax	3.158	6.568	108
Net Profit/(Loss)	157	3.815	2.327
Minority Interest	30	105	249
Parent Equity	127	3.710	2.820,2

Source: Finnet, Seker Invest

Historical Recommendations and Target Price



Date	Recommendation	Target Price (TRY)
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
29-Jul-25	Outperform (OP)	237,80
31-Oct-25	Outperform (OP)	237,80
9-Jan-26	Outperform (OP)	283,79
6-Feb-26	Outperform (OP)	283,79
27-Feb-26	Outperform (OP)	283,79
31-Mar-26	Outperform (OP)	355,76
6-May-26	Outperform (OP)	355,76

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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