31 March 2026

Tupras

Equity Research | CEEMEA/Turkey

Upgrade recommendation

Upgrade to Buy on Persistent Middle-Distillate Tightness and FCF Upside

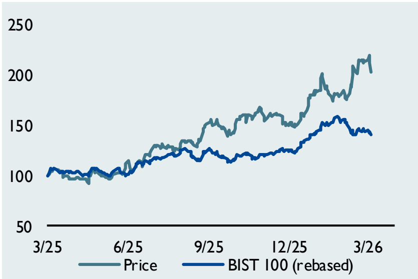
- **We upgrade Tupras to Buy:** We increase our 12M target price by 27% to TL330/share, implying 34% upside. Versus our pre-Iran-related regional conflict estimates, we now forecast FY26E/FY27E EBITDA of USD2.5bn/USD1.8bn and net income of USD1.5bn/USD1.0bn, implying upgrades of 75%/28% and 86%/31%, respectively. Accordingly, while the shares have returned 16% in USD and outperformed the BIST-100 by 28% since the beginning of the conflict, this move only partly reflects the change in the earnings base, in our view.
- **Valuation and cash returns support a positive tone:** On our revised numbers, Tupras trades at FY26E P/E of 6.9x and EV/EBITDA of 3.3x, while offering a prospective 13.0% div. yield. On our FY27E estimates, and on a more normalized basis, the stock trades on a P/E of 8.6x and EV/EBITDA of 4.1x, with a 10.5% dividend yield. Accordingly, Tupras is trading at a discount vs. its historic EV/EBITDA and higher yield vs. its historic div. yields. We are not arguing that the stock is extraordinarily cheap on every normalized outer-year lens. We are arguing that the 6–12M risk/reward is strong enough to justify a Buy: earnings revisions remain likely, dividend support is substantial, and the right-tail remains meaningful if disruption proves more persistent or escalates further. This is partly a tactical call, but the combination of a stronger near-term earnings base and visible cash-return support materially improves the downside profile versus a typical cyclical.
- **Tupras sits in an attractive sweet spot within the regional refining setup:** The company combines high utilization, strong domestic market exposure, a more resilient crude slate than the headline Hormuz narrative implies, and gas input costs linked to regulated domestic tariffs rather than directly to more volatile spot markets. We do not make lower relative gas volatility the core reason to own the stock, but it should help preserve margin capture if cracks remain firm. Likewise, direct crude-availability risk appears more manageable than the headline suggests: the bigger issue is likely to be higher landed cost, not outright inability to source barrels. Tupras is not immune to freight, insurance, or replacement-crude premia, but it appears better placed than many peers to keep running and monetize a stronger products environment even with a more expensive crude slate.
- **Mid-distillate crack strength is likely to prove to be persistent even if a rapid de-escalation is observed:** Tupras's earnings are much more directly exposed to diesel and jet cracks than to Brent in isolation. Even in a relatively fast de-escalation scenario, product flows, freight economics, insurance costs, refinery operating patterns, and inventory rebuilding are unlikely to normalize immediately. Our base case is not that today's spot conditions persist, but that 2026 remains above the old baseline for longer than the market is discounting. Tupras does not need peak cracks to hold; it is sufficient for margins to remain above pre-conflict assumptions for long enough to drive tangible EPS revisions.
- **The latest Russian refinery and export-terminal disruptions reinforce the persistence case, especially for diesel/gasoil:** We view the northwest Russian outages as an amplifier, not the original cause, of stronger European cracks. The key refinery incident is at Kirishi, while the broader Baltic evacuation chain has also been disrupted through Ust-Luga and Primorsk, alongside the halt at Novatek's Ust-Luga condensate complex. The practical implication is not a full outage for a full month, but a sharp initial hit followed by only gradual partial recovery, leaving a meaningful average run loss over the coming weeks and additional downside risk if repairs take longer or export bottlenecks persist. In a market already tightened by the Middle East disruption, this does not create the spike from scratch, but it does reduce the market's ability to rebalance, helping keep cracks elevated for longer. Diesel/gasoil remains the clearest beneficiary.

Recommendation:	BUY	From: HOLD
Target Price:	TL 330	From: TL259

*Stock ratings are relative to the relevant country benchmark.'Target price is for 12 months
Produced by: UNLU & Co

Share data	
RIC	TUPRS.IS
Sector	Commodities
Price (27 Mar 2026)	TL 240.50
Market cap. (TLm)	463,394
Enterprise value (TLm)	406,407
Market cap. (USDm)	10,463
Enterprise value (USDm)	9,176
Avg. daily trade value (USDm)	168.89
Free float (%)	49

Price relative to BIST 100



Historical performance relative to BIST 100 (%)			
Performance over	1M	3M	12M
Absolute (%)	14.6	35.3	93.7
Relative (%)	23.8	20.3	46.6

Source: Rasyonet, UNLU & Co

The price relative chart measures performance against the Turkey BIST 100 which closed at 12,698 on 27 Mar 2026.

Research Analyst
Koray Pamir
koray.pamir@unluco.com

Valuation metrics	2022A	2023A	2024A	2025A	2026E	2027E
P/E (x)	1.3	2.7	13.0	16.1	6.9	8.6
EV/EBITDA (x) (Unadjusted)	0.4	0.7	3.4	6.5	3.3	4.1
EV/sales (x)	0.0	0.1	0.2	0.5	0.3	0.3
Dividend yield (%)	4.8	9.9	9.4	6.9	13.0	10.5

Ratio analysis	2022A	2023A	2024A	2025A	2026E	2027E
ROE (headline basis) (%)	4.8	9.9	9.4	6.9	13.0	10.5
ROIC (EBIT basis) (%)	50.9	51.4	14.2	12.1	24.7	18.5
Gross margin (%)	12.3	16.0	8.4	9.8	12.9	10.5
EBITDA margin (%)	11.3	14.0	6.3	7.5	10.3	8.4
EBIT margin (%)	10.6	13.1	5.1	5.7	8.9	6.7
Net margin (%)	6.7	7.8	2.3	3.6	5.9	4.5
Net debt/EBITDA (x)	(0.3)	(0.7)	(1.1)	(0.9)	(0.6)	(0.4)
Interest coverage (to EBITDA) (x)	n.m.	5.7	9.4	n.m.	n.m.	n.m.

Profit and loss (TLm)	2022A	2023A	2024A	2025A	2026E	2027E
Revenue	**916,751**	**991,203**	**1,060,730**	**830,356**	**1,168,687**	**1,230,919**
Growth (y/y)	n.m.	8%	7%	-22%	41%	5%
Gross profit	113,080	158,431	89,046	81,232	150,547	129,580
EBITDA	**103,202**	**138,950**	**66,368**	**62,073**	**120,265**	**103,010**
Growth (y/y)	*n.m.*	*35%*	*-52%*	*-6%*	*94%*	*-14%*
EBIT	96,921	130,196	53,781	47,447	103,799	82,805
Growth (y/y)	*n.m.*	*34%*	*-59%*	*-12%*	*119%*	*-20%*
Other income/expense	(28,231)	(22,256)	(5,172)	(4,511)	(4,979)	(5,990)
Financial income/expense	(181)	(24,459)	(7,056)	833	920	1,106
Profit before tax	68,508	83,480	41,552	43,769	99,740	77,921
Tax	(6,963)	(5,700)	(16,639)	(13,896)	(29,922)	(21,818)
Effective tax rate	*10%*	*7%*	*40%*	*32%*	*30%*	*28%*
Minorities	232	426	940	349	817	656
Net income	**61,314**	**77,354**	**23,973**	**29,523**	**69,001**	**55,447**
Growth (y/y)	*n.m.*	*26%*	*-69%*	*23%*	*134%*	*-20%*
Weighted diluted number of shares (m)	1,927	1,927	1,927	1,927	1,927	1,927
Earnings per share (EPS) (TL)	31.8	40.1	12.4	15.3	35.8	28.8
Dividend per share (DPS) (TL)	14.0	22.3	15.2	17.1	32.2	25.9
Dividend pay-out ratio	*44%*	*56%*	*122%*	*112%*	*90%*	*90%*

Cash flow (TLm)	2024A	2025A	2026E	2027E
EBIT	53,781	47,447	103,799	82,805
D&A	12,587	14,626	16,466	20,205
Dec./(Inc.) in NWC	(10,362)	(18,309)	(6,175)	816
Taxes paid	(16,639)	(13,896)	(29,922)	(21,818)
Capex	(18,050)	(19,077)	(33,103)	(42,669)
Capex/EBITDA (x)	0.3	0.3	0.3	0.4
FCF	**21,317**	**10,791**	**51,065**	**39,340**
FCF Yield	*7%*	*2%*	*11%*	*8%*
Dividends paid	(43,000)	(29,300)	(33,000)	(62,101)
Dividend Yield	*14%*	*6%*	*7%*	*13%*
FCF (Post Dividend)	**(21,683)**	**(18,509)**	**18,065**	**(22,761)**
Change in Net Cash	(19,126)	(14,408)	12,917	(28,622)

Balance sheet (TLm)	2024A	2025A	2026E	2027E
Cash	96,251	107,237	120,054	91,332
Total current assets	242,924	236,931	295,658	279,359
Property, plant equipment	296,026	296,250	312,887	335,351
Intangible fixed assets	7,967	10,126	11,444	12,530
Total non-current assets	351,493	355,043	376,071	402,871
Total assets	**594,417**	**591,974**	**671,729**	**682,229**
Current liabilities	194,726	169,748	212,690	229,106
Total non-current liabilities	25,015	52,398	53,210	53,948
Total ordinary shareholders' equity	374,675	369,828	405,829	399,175
Total equity and liability	**594,417**	**591,974**	**671,729**	**682,229**
Net working capital	(8,299)	10,009	16,184	15,368
Net cash (debt)	**71,396**	**56,988**	**69,905**	**41,283**

Source: Company financials, ÜNLÜ & Co estimates

Figure 1: Product cracks (USD/bbl.) (diesel & gasoline)

Figure 2: Crude Oil Price Progression (USD/bbl.)

Source: Neste

Figure 3: Diesel crack (USD/bbl.) progression

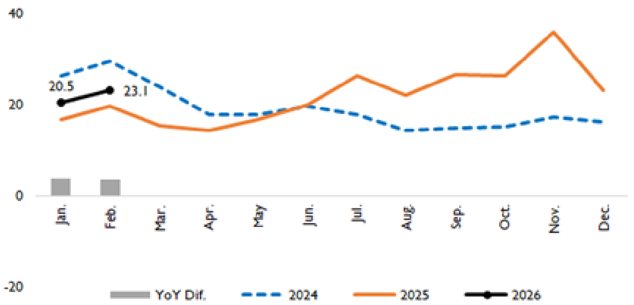


Figure 4: Jet fuel crack (USD/bbl.) progression

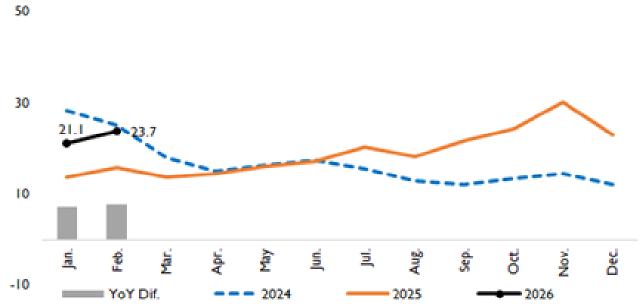


Figure 5: Gasoline crack (USD/bbl.) progression

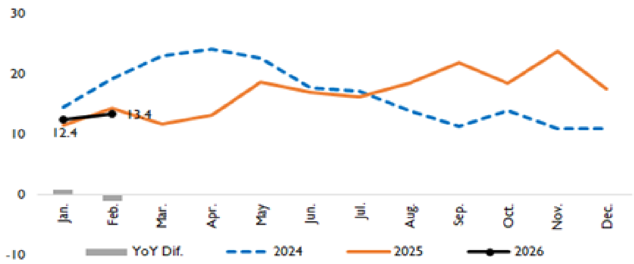


Figure 6: HSFO crack (USD/bbl.) progression

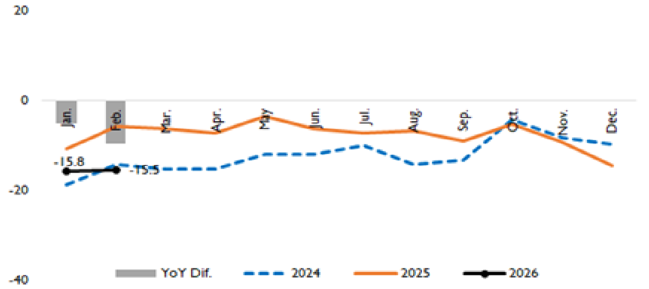
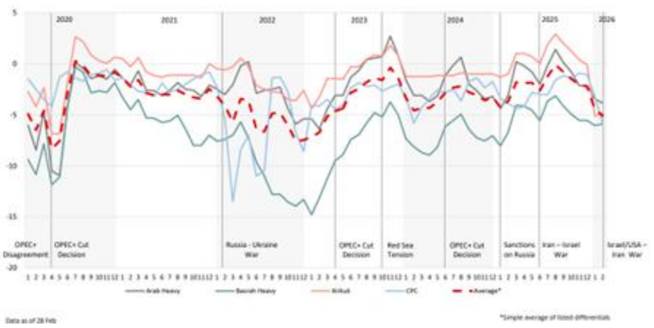
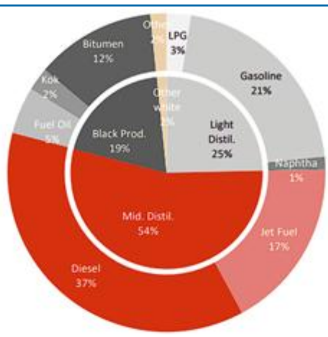


Figure 7: Heavy Crude Differentials to Brent (USD/bbl.) *



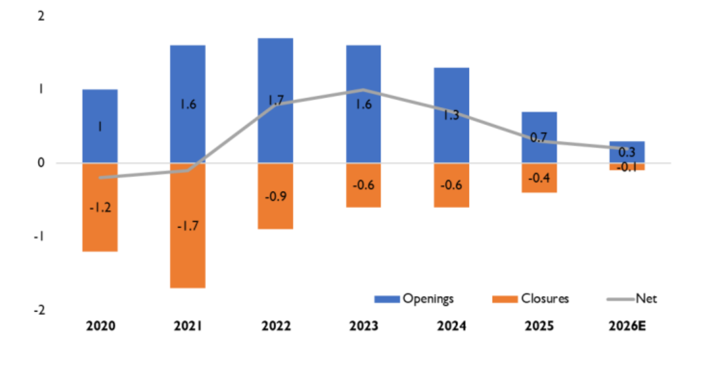
*Source: The Company, * simple average of listed differentials*

Figure 8: Tupras 4Q25 Product Yields



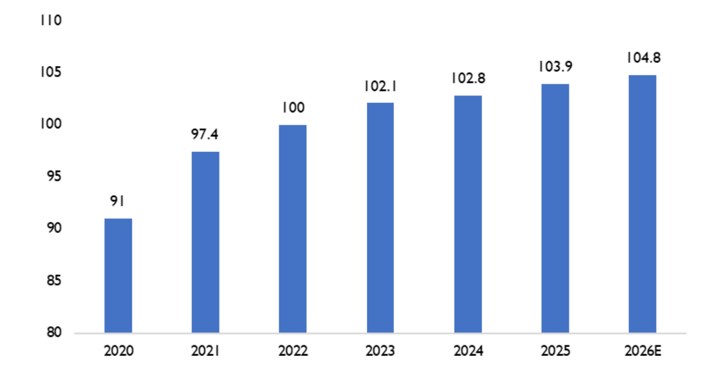
Source: The Company

Figure 9: Global Refinery Capacity Changes (mn bbl./day)



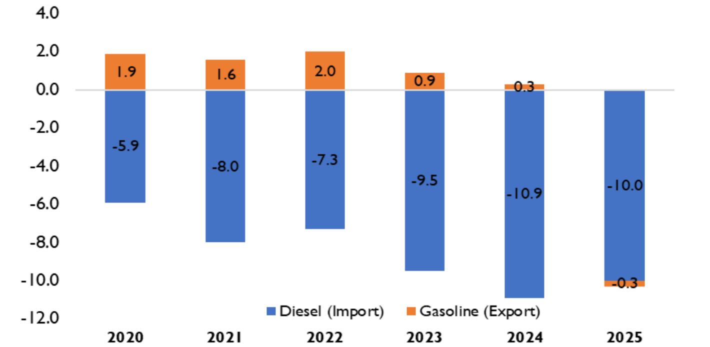
Source: The Company

Figure 10: Global Oil Demand (mn bbl./day)



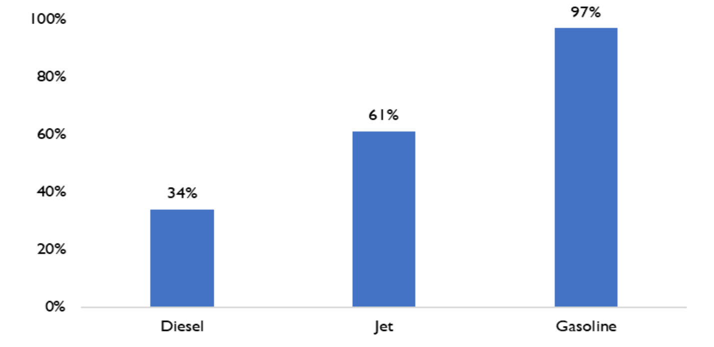
Source: The Company

Figure 11: Turkey's Net Import/ Export Balance (Diesel & Gasoline)



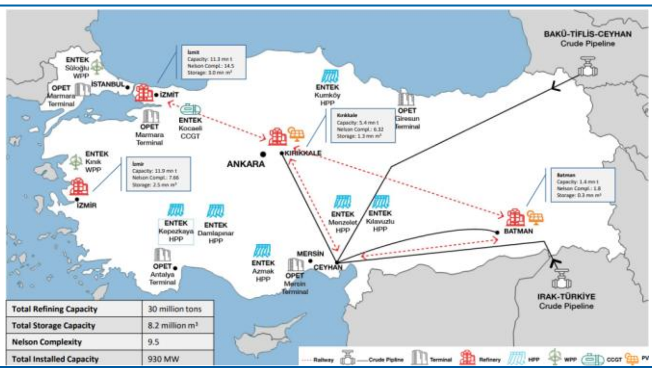
Source: The Company

Figure 12: Tupras' market share in the domestic market



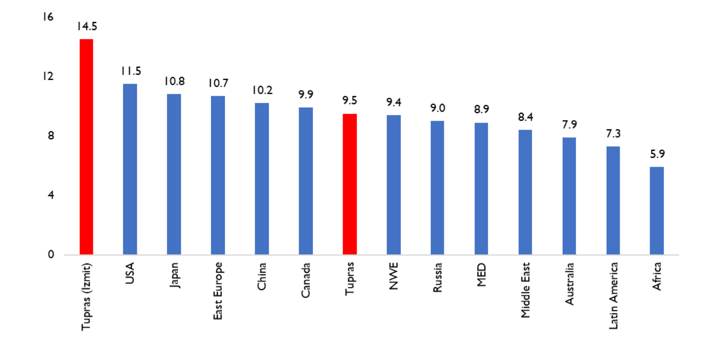
Source: The Company

Figure 13: Tupras' Refining Assets & Distribution Network



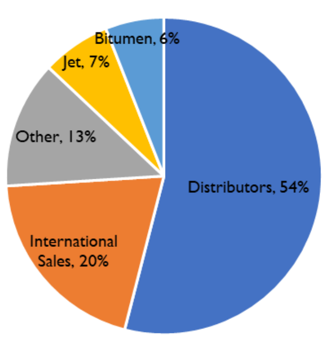
Source: The Company

Figure 14: Nelson Complexity of Refining Companies (by Regions)



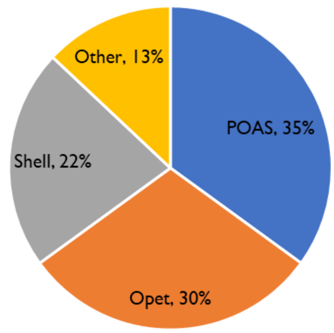
Source: The Company

Figure 15: Tupras Customer Groups (2025)



Source: The Company

Figure 16: Tupras Sales to Distributors (2025)

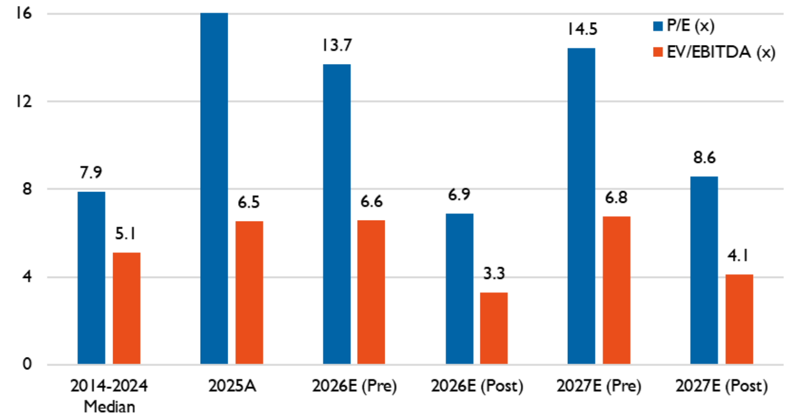


Source: The Company

Upgrade to Buy on Persistent Middle-Distillate Tightness and FCF Upside

We upgrade Tupras to Buy from Hold and raise our 12M target price by 27% to TL330/share, implying 34% upside. The rating change reflects a materially stronger near-term earnings base following the Iran-related regional conflict and our view that the market still underestimates how long middle-distillate margins can remain above the old baseline. On our revised numbers, Tupras trades at FY26E P/E of 6.9x and EV/EBITDA of 3.3x, while offering a prospective 13.0% yield. On our FY27E estimates, and on a more normalized basis, the stock trades on a P/E of 8.6x and EV/EBITDA of 4.1x, with a 10.5% dividend yield.

Figure 17: Historic, 2025A and Forward Pre & Post Conflict Multiples (x)



Source: The Company, UNLUe

We still upgrade after the tangible share action as the earnings reset has exceeded the stock reaction: Since the start of the Iran-related regional conflict, Tupras shares have returned 16% and outperformed the BIST-100 by 28%. We do not dispute that the stock has moved. Our point is that the move still looks smaller than the reset in earnings. Accordingly, compared to our pre Iran-related regional conflict estimates, we have revised our FY26E/FY27E EBITDA up by 75%/28% respectively to USD2.5bn and USD1.8bn, and FY26E/FY27E net income up by 86%/31% respectively to USD1.5bn and USD1.0bn. In our view, the market has repriced the stock for a better setup, but not yet enough for the new earnings and cash-return profile.

Figure 18: Pre and Post Conflict Tupras Scenario Analysis on Key Financials

		Pre Conflict	Post Conflict	Δ	Pre Conflict	Post Conflict	Δ
Key financials (USDm)	**2025A**	**2026E**	**2026E**	***2026E***	**2027E**	**2027E**	***2027E***
Revenues	21,018	21,307	24,713	*16%*	20,302	21,636	*7%*
EBITDA	1,571	1,450	2,543	*75%*	1,415	1,811	*28%*
Net Income	747	784	1,459	*86%*	742	975	*31%*
Key assumptions (USD/bbl.) (Average)							
Brent	69	68	80	*17%*	65	73	*12%*
Diesel Crack	22	21	35	*65%*	20	27	*35%*
Jet Crack	19	19	44	*133%*	18	24	*34%*
Gasoline Crack	17	16	18	*15%*	15	22	*46%*

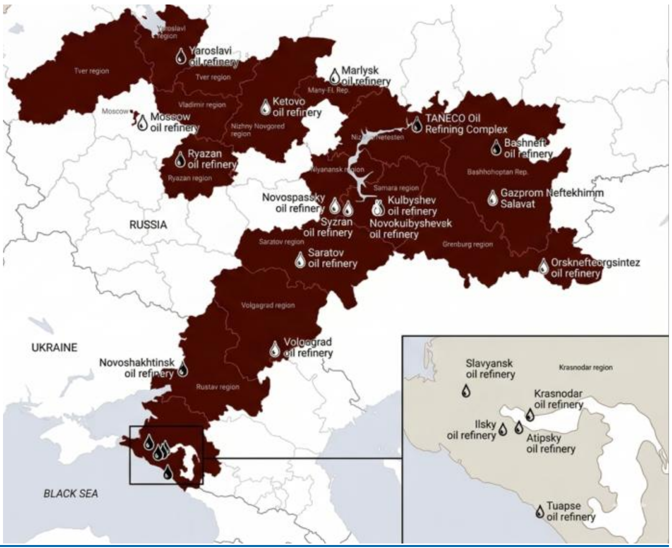
*Source: Various, * Period Averages, Regional European Cracks via Tupras and Neste*

Mid distillate crack strength could persist going forward, albeit on a declining trend: The key transmission channel for Tupras is refined products, especially diesel and jet fuel, rather than Brent in isolation. The current disruption has tightened the part of the barrel that matters most for Tupras. For Tupras, what matters is the interaction between crude costs, product cracks, freight and insurance, and the company's ability to capture those conditions through throughput and product mix.

Normalization is likely to lag headlines, and the latest Russian disruptions strengthen that case: Our Buy case does not require a multi-year structural super cycle. It requires a narrower and, in our view, more realistic conclusion: the lag between de-escalation and normalization is long enough to matter for 2026 earnings. Product markets do not reset as quickly as headlines do. Refiners need time to reset run plans, freight and insurance costs need time to normalize, customers need time to revert procurement patterns, and inventories need time to rebuild. Even where alternative routes or pipeline redirections are available, they only partially offset the disruption. This is why we think most of 2026 can remain above the old baseline, even if current spot conditions do not persist.

The latest Russian refinery and export-terminal disruptions are an incremental but material bullish factor for European cracks: We view the northwest Russian outages as an amplifier rather than the sole driver of the move. The key incident is at Kirishi, one of Russia's largest refineries, which processed 17.5mt in 2024, equivalent to c.350kbpd, and produced c.2.0mt of gasoline, 7.1mt of diesel, and 6.1mt of fuel oil. Damage reportedly forced an initial halt in processing. At the same time, the broader Baltic logistics chain was hit: Ust-Luga stopped receiving rail cargoes after damage to unloading infrastructure, Primorsk was also disrupted, and Novatek's Ust-Luga condensate processing complex, with c.8–9mt annual throughput capacity, has also been halted. The practical conclusion is not a full 350kbpd loss for a full month, but rather a sharp initial outage followed by only gradual partial recovery, implying an average Kirishi run loss of c.100–200kbpd over the next 2–4 weeks, with additional downside risk if repairs take longer or export bottlenecks persist.

Figure 19: Russia's Oil Refineries Targeted By Ukraine*



*Source: United24Media, * as of March 16, 2026*

Figure 20: Details on the recently impacted refineries

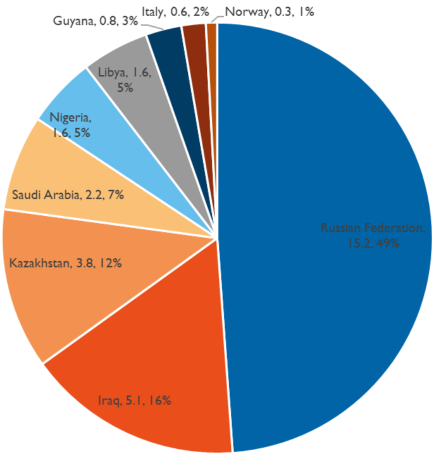
Asset	Owner	Attack date	Current status (30 Mar 2026)	Site size	Directly hit capacity	Currently impaired capacity
Kirishi refinery	Surgutneftegaz	26-Mar-26	Halted; no verified restart	17.5mt in 2024 / 350kbpd	n/d; 2 primary units + some secondary units damaged	Full site at last verified report / 350kbpd
Saratov refinery	Rosneft	21-Mar-26	CDU-6 shut; no verified restart	5.8mt in 2024; official capacity 7.0mtpa	CDU-6: 20,000tpd / 147kbpd	Primary crude processing off / 147kbpd
Volgograd refinery	Lukoil	11-Feb-26	Fully shut at last verified report; no verified restart	13.7mt in 2024; official capacity 15.7mtpa	CDU-1: 18,600tpd / 140kbpd	Full site at last verified report
Ust-Luga gas condensate processing complex	Novatek	25–29 Mar 2026	Halted	8.0mt processed in 2025; 9.0mtpa capacity	n/d; processing units + storage damaged	Full complex / 9.0mtpa

Source: Reuters

The European transmission mechanism is straightforward: Europe no longer imports Russian diesel in the way it did before sanctions, but Russian barrels still shape Atlantic Basin product balances. A loss of Russian refining or export flexibility forces other buyers to compete more aggressively for non-Russian barrels. That matters especially now because European cracks were already exceptionally strong on the back of the Middle East disruption and the loss or delay of a large volume of diesel and jet flows that would otherwise have moved west. In that context, the Russian outages do not create the tight market from scratch, but they do meaningfully reduce the market's ability to rebalance, thereby helping keep cracks elevated for longer. Kirishi's diesel-heavy yield is especially relevant, while the Ust-Luga bottleneck also raises the risk of secondary run cuts at other western Russian refineries if fuel oil cannot be evacuated efficiently. Net/net, we view the Russian refinery and port disruptions as supportive for European gasoil and jet cracks through April, with diesel/gasoil the clearest beneficiary.

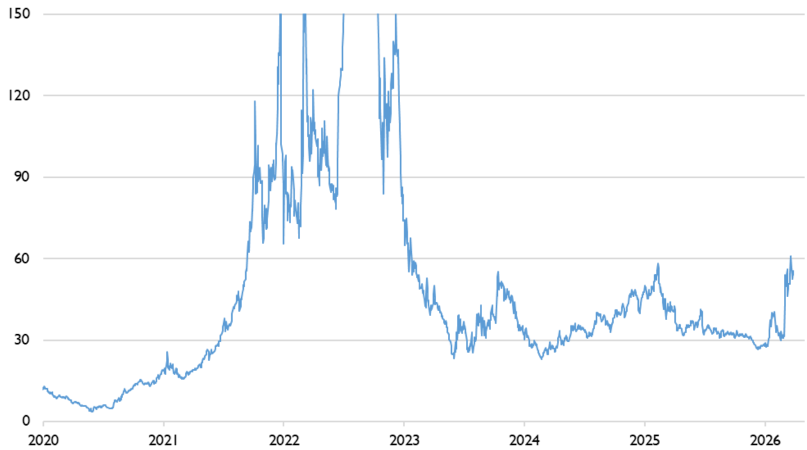
Tupras is in a sweet spot operationally: Not every refiner benefits equally from this setup. Tupras does for several reasons. First, this is not a recovery-in-volume story but a capture story; stronger cracks are more valuable when the system is already running at high utilization. Second, the main crude-related risk appears to be higher landed cost and more expensive replacement barrels, not outright inability to secure feedstock. That is an important distinction. Tupras is not immune to freight, insurance, or replacement-crude premia, but it appears better placed than many peers to keep running and monetize a stronger products environment even with a more expensive crude slate. Third, gas input costs linked to regulated domestic pricing should imply a slower and less volatile adjustment path than a direct pass-through from spot gas. We view this as supportive, but secondary to the products thesis.

Figure 21: Turkey's crude oil imports in 2025 by country



Source: EMRA (in mt), excluding imports with negligible share from USA, Ecuador, Angola

Figure 22: TTF (EUR/MW) Price Progression



Source: Bloomberg

The dividend materially improves the downside profile: A prospective 13.0% 2026E dividend yield is not a side point. It materially changes the distribution of outcomes. This is one of the main reasons we are comfortable upgrading after a rally. Even if the stock does not rerate immediately to our target on earnings revisions alone, the cash-return profile provides visible support. That matters even more if the broader market remains defensive. In that environment, Tupras is not only an upside expression of stronger cracks, but also a relatively better downside-protected cyclical..

Figure 23: Pre & Post Conflict Dividend Yield Progression

Source: The Company, UNLUe

Estimate revision still has room to run: The core of the Buy remains the earnings reset. Accordingly, compared to our pre Iran-related regional conflict estimates, we have revised our FY26E/FY27E EBITDA up by 75%/28% respectively to USD2.5bn and USD1.8bn, and FY26E/FY27E net income up by 86%/31% respectively to USD1.5bn and USD1.0bn. Importantly, we do not think this shows up evenly across the year. 1Q26 should only partly/marginally reflect the new regime with some inventory benefit, while the cleaner crack-led improvement should become more visible in subsequent quarters. That sequencing matters because it means the story is not fully exhausted by the recent share move. The next leg, if it comes, is more likely to be driven by published estimate revisions and guidance changes than by another immediate multiple rerating.

Figure 24: Tupras Guidance Summary

KPI	2024A	2025A	2026G*
Net Refining Margin (USD/bbl.)	6.3	7	6.5
Production (m tons)	26.8	26.8	29
Sales (m tons)	30.4	29.4	30
CUR (%)	*92.60%*	*93.60%*	*97.50%*
EBITDA (USDm) *	1,549	1,439	1,450
Crack Averages			
Diesel	*19*	*22*	*22*
Gasoline	*17*	*17*	*13*
Jet	*17*	*19*	*22*
HSFO	*-12*	*-8*	*-16*

*Source: Various, * EBITDA equivalent estimate, 2026 Crack averages are for January, February Only*

Valuation remains supportive, but we stay firm headed on outer-year normalization: Tupras looks compelling on 2026E numbers, while 2027E–2028E remain supportive but less dramatic. That is precisely why we frame the call as a 12M Buy with explicit tactical support, not as a multi-year permanent-rerating story. Our TL330/share target price is based on a blended framework using 5.0x FY26E EV/EBITDA, 5.5x FY27E EV/EBITDA, 8.0x FY26E P/E, 8.5x FY27E P/E, and DCF. We view the framework as disciplined rather than aggressive.

Valuation & Risks: Our 12M TP is based on a blended valuation framework incorporating forward EV/EBITDA, forward P/E, and DCF. The main upside risks include a more persistent-than-expected middle-distillate margin environment, stronger crack capture, a longer normalization period in product flows and logistics, and a more prolonged impact from the latest Russian refinery and export-terminal disruptions. The main downside risks include faster-than-expected normalization, a broader macro-driven demand slowdown, higher-than-expected freight, insurance or input-cost offsets, possible policy intervention in fuel markets, and weaker-than-expected operational capture. Net/net, we think the combination of a stronger earnings base, delayed normalization, incremental support from the latest Russian disruptions, visible estimate revision potential, and substantial dividend-supported downside protection is strong enough to justify an upgrade to Buy.

Peer Comparison & Multiple Evolution

Figure 25: Peer Comparison

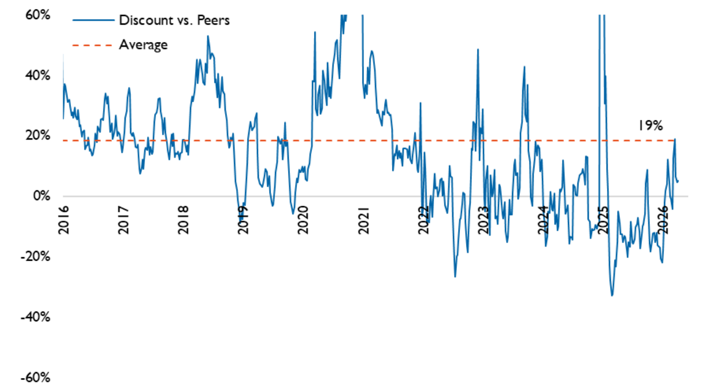
	Mcap	P/E (x)			EV/EBITDA (x)			ROE		
	(USDm	2025A	2026E	2027E	2025A	2026E	2027E	2025A	2026E	2027E
Mol Hungarian Oil And Gas Pl	9,669	8.0	7.0	7.8	3.7	3.7	3.6	9%	10%	9%
Orlen Sa	40,551	11.6	8.2	9.5	4.4	3.8	3.9	9%	11%	9%
Motor Oil (Hellas) Sa	4,748	5.6	7.4	8.4	5.0	5.5	5.9	23%	16%	13%
Neste Oyj	23,853	52.3	16.5	15.9	15.4	9.7	9.2	4%	13%	12%
Helleniq Energy Holdings Sa	3,379	7.2	9.1	10.8	5.1	5.9	5.6	13%	12%	5%
Omv Ag	23,082	10.7	9.4	10.1	4.8	4.5	4.7	10%	13%	13%
Median		**9.3**	**8.7**	**9.8**	**4.9**	**5.0**	**5.2**	**9%**	**12%**	**11%**
Tupras	**10,422**	**14.3**	**7.0**	**9.4**	**6.6**	**5.4**	**5.2**	**10%**	**13%**	**10%**
Premium/Discount			*-19%*	*-4%*		*7%*	*1%*			

Source: Bloomberg

Figure 26: 10Y historic EV/EBITDA (x)*

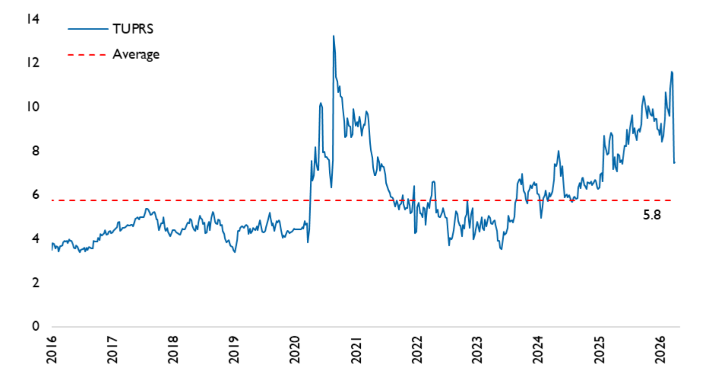
*Source: Bloomberg, * One year blended forward, based on consensus estimates.*

Figure 27: 10Y Discount vs. Peers (EV/EBITDA (x)* basis)



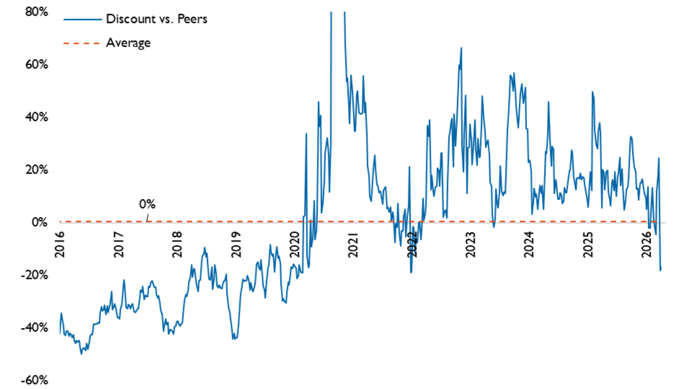
*Source: Bloomberg, * One year blended forward, based on consensus estimates.*

Figure 28: 10Y Historic P/E (x)*



*Source: Bloomberg, * One year blended forward, based on consensus estimates.*

Figure 29: 10Y Discount vs. Peers (P/E (x)* basis)



*Source: Bloomberg, * One year blended forward, based on consensus estimates.*

APPENDIX

Why Middle-Distillate Tightness can Persist in NWE?

Product disruption matters more than the crude headline: March IEA data indicate that close to 20 mb/d of crude and product exports were disrupted by the effective shutdown in Hormuz-linked flows, with Gulf producers having exported c.3.3 mb/d of refined products and c.1.5 mb/d of LPG in 2025. More importantly, this is not simply a tanker-transit issue. Export-oriented refineries in the region also face storage and logistics constraints, which means product availability can remain impaired even after the initial geopolitical backdrop begins to improve. A crude risk premium can come out relatively quickly; product tightness usually takes longer to unwind.

The composition of that c.3.3 mb/d refined-product stream is important: The largest volumes are LPG and naphtha, but the more earnings-relevant part of the disruption sits in middle distillates. The IEA's March breakdown implies Middle East Gulf exports of c.730 kb/d of gasoil/diesel and c.380 kb/d of jet/kerosene in 2025. Europe appears more exposed on jet than on diesel in direct terms, but both products matter for the broader balancing system. Jet loses a meaningful direct source of supply, while diesel loses flexibility within the wider Atlantic Basin clearing mechanism. In both cases, the tightening reaches the part of the barrel that matters most for Tupras.

Diesel and jet matter more for Tupras than Brent in isolation: This remains the key transmission channel. For Tupras, the earnings question is not whether Brent is high or low in absolute terms, but whether diesel and jet cracks remain above the prior baseline for long enough to support a stronger 2026 earnings profile. That is why the central issue is middle-distillate persistence rather than a generic oil-price view. Tupras's product slate is clearly exposed to the relevant part of the barrel. The company's latest disclosures show Q4 2025 mid-distillate yield at 54%, including diesel at 37% and jet at 17%, while white-product yield stood at c.79.8%. In other words, the current dislocation is concentrated in the product categories that have the greatest earnings relevance for Tupras.

Europe's jet exposure illustrates the lag in normalization: The clearest example is jet. The IEA estimates that Middle East jet exports to OECD Europe averaged c.280 kb/d in 2025, equivalent to c.60% of OECD Europe's jet imports and just under a quarter of regional demand. That is a meaningful supply gap to replace quickly, particularly in a market where other refining systems are already operating with a strong middle-distillate bias. This is one reason we think the market may be too quick to assume that an improved geopolitical backdrop would translate into rapid product normalization. It may improve directionally, but the physical recovery can still take time. Europe can manage a temporary shock through inventories, scheduling changes and substitution at the margin, but that is not the same as restoring the earlier supply balance.

Diesel is somewhat different, though not necessarily less relevant: Europe's direct dependence on Gulf diesel is lower than its dependence on Gulf jet, yet Europe still competes for the same marginal replacement barrels once middle-distillate markets tighten globally. A tighter jet market can pull refinery optimization toward kerosene-rich economics where possible, while a tighter Atlantic Basin diesel market raises the clearing price for import-dependent regions. The point is not that all products move identically. It is that the middle-distillate complex clears as a system, and once that system is disrupted, it often takes longer to normalize than the crude.

Physical normalization lags are likely to be multi-layered: Even a relatively fast de-escalation would still leave several physical frictions in place. Freight and insurance are the first layer. War-risk premia do not typically move from stressed levels back to normal overnight. During the early March escalation, reported hull war-risk rates moved from c.0.25% pre-conflict to c.1%-1.5%, with peak indications cited as high as 3% for some voyages. Even if those levels do not persist, the underlying point remains:

freight economics can stay impaired after the political backdrop has already started to improve. That keeps delivered product costs elevated and slows the return of normal trade flows.

- **The second layer is refinery run-plan reset:** Several Gulf refineries are not simply waiting for a geopolitical signal to improve; they are also managing storage constraints, disrupted product offtake and operating decisions around shut-in units. Once tanks fill, run cuts tend to follow. Once run cuts become deeper shutdowns, restarting is usually sequential rather than immediate. Units do not all return on the same day, product logistics do not all clear at once, and refiners do not automatically return to their prior optimization mode. That is particularly relevant when the system has been pushed into short-term defensive operating patterns.
- **The third layer is inventory rebuilding**: The end of acute disruption is not the same as full normalization. Product cracks usually move back toward prior ranges only after inventories stop drawing and begin to rebuild. If Europe and other import-dependent regions have had to bridge the disruption through stock draws and emergency supply management, the first phase of de-escalation typically slows the draw, the second stabilizes the balance, and the third allows replenishment. Only after that process does the product system begin to look structurally more normal. This is one reason we think the 2026 margin environment can remain above the old baseline even without today's spot conditions persisting.
- **The fourth layer is procurement and route reset**: Buyers do not necessarily revert immediately to prior patterns once shipping lanes reopen. Chartering, credit, scheduling, quality compatibility, term contracts and port rotations all take time to normalize. The same applies to route optimization. Even where alternative routes or bypass mechanisms are available, they tend to relieve pressure only partially and not all at once. The market can adapt, but the adjustment process itself can keep the product system tighter for longer.

The slower-moving parts are the ones that matter more for Tupras: Freight costs and insurance conditions generally normalize more gradually. Product flows tend to recover after crude flows, not at the same time. Refinery operating patterns take time to reset. Inventory rebuilding is slower than inventory draw. Procurement patterns do not revert in a single week. This is why the market's default assumption of "headline de-escalation equals margin normalization" appears too simple. It is directionally reasonable over time, but the path may be long enough to matter for 2026.

Implication for Tupras: The core point is not that current spot cracks represent a new permanent normal. The more practical point is that middle-distillate tightness can outlast the geopolitical headline by long enough to matter for 2026 earnings, because the binding constraints are physical rather than rhetorical: freight, insurance, refinery restarts, inventory rebuilding and procurement reset. For Tupras, whose earnings are materially more exposed to diesel and jet than to Brent in isolation, that remains the relevant asymmetry. The stock does not need peak conditions to hold. It only needs the product system to normalize more slowly than the market is currently discounting.

Russian Baltic Refinery and Export-Chain Disruptions

The Russian events appear to be an amplifier rather than the primary driver: We continue to view the northwest Russian disruptions as an amplifier rather than the main cause of stronger European cracks. That distinction is important. The broader tightening in middle distillates was already underway due to the Middle East disruption. The Russian Baltic events matter because they reduce the system's ability to rebalance. In other words, they do not create the move on their own, but they can make normalization more difficult once the market is already under pressure.

What has been hit, and where caution is still needed: The confirmed core of the issue is reasonably clear. Kirishi is the main refinery incident. Reuters reported that Kirishi halted product output after the March attack. The site processed c.17.5 m tons in 2024 and is a large middle-distillate producer, with reported 2024 output of c.7.1 m tons of diesel, c.2.0 m tons of gasoil and c.6.1 m tons of fuel oil. That product slate is useful because it shows why the refinery matters to distillates, but also why fuel oil sits near the center of the operating constraint. The second confirmed node is Ust-Luga. The important point here is not only that a terminal was affected, but that Ust-Luga is a major fuel-oil evacuation outlet. Reuters described the affected terminal as handling c.18 m tons of fuel oil per year in normal conditions. If that outlet is impaired, the effect reaches back into refinery operations rather than remaining only a terminal issue. The third confirmed node is Novatek's Ust-Luga condensate split complex. Reported design capacity is up to c.9 m tons per year, with c.8 m tons processed in 2025. The complex produces naphtha, jet fuel, ship fuel oil and gasoil. That means the disruption matters not only because it removes some product output directly, but also because it tightens the broader Baltic product chain at a time when replacement middle-distillate supply is already limited.

Primorsk should probably be treated with more caution. It clearly matters as part of the wider Baltic export corridor, and the market references it for that reason. But corridor disruption and confirmed asset damage are not the same thing. The more balanced analytical approach is therefore to frame Primorsk as part of the regional evacuation system whose flexibility becomes more important when Kirishi, Ust-Luga and the Novatek complex are already under stress.

The key transmission mechanism is fuel-oil evacuation: The binding constraint is not simply that a refinery was hit. It is that the system can become unable to evacuate the product that clears the marginal barrel. Reuters' reporting on the Ust-Luga disruption was particularly helpful here because it highlighted fuel oil as the bottleneck product. At the affected refineries, fuel oil reportedly accounts for c.18%-35% of crude runs, while domestic demand for that fuel oil is limited. Once export evacuation is disrupted, the storage system begins to fill. Once storage fills, refiners tend to cut runs. That appears to be the mechanism through which the disruption reaches the broader market.

This matters because it is easy to focus only on the higher-value products: But a refinery cannot continue maximizing diesel while fuel oil becomes stranded. The barrel must clear as a whole. If the dark-product outlet is blocked, the refinery may need to reduce crude intake, and that lowers all products, including diesel and jet. That is why the Russian Baltic issue may matter more than a simple headline about "damage near a refinery" would suggest. It is an operating constraint with direct implications for middle-distillate balances.

Kirishi illustrates this reasonably well: Its 2024 output data show why fuel oil cannot be treated as incidental. This is not a refinery that can produce large diesel volumes while ignoring fuel-oil evacuation. If fuel-oil exports are constrained, run cuts are likely to follow, and diesel falls with them. The same broad logic applies to the wider Baltic chain: once one or more dark-product evacuation points are constrained, the system loses flexibility and the average run rate across the affected chain comes under pressure.

Why this matters for diesel and gasoil more than a generic oil-supply story: The reason the market should care is not that Russia loses some notional volume of "oil." It is that the Atlantic Basin loses some flexibility in middle-distillate balancing. A crude disruption can often be redirected more easily than a refined-product disruption. Here, the stress sits inside a refined-product chain that already matters for distillates.

That is also why this should not be framed as a single linear outage number. A refinery may not be fully down for a full month, and a port may not be completely unusable for the entire period. But that is not necessarily the most relevant lens. The more useful approach is average effective run loss over the coming weeks once logistics, tankage and restart sequencing are taken into account. In that framework, even a sharp initial hit followed by only gradual partial recovery can still be supportive for cracks.

The Novatek Ust-Luga complex adds to the same story from another angle. It is not a crude refinery in the classical sense, but it remains part of the product system and produces middle-distillate-relevant streams, including jet and gasoil. When it is impaired at the same time as the Kirishi/Ust-Luga chain is under stress, the result is not only a local operational issue. It also reduces the market's ability to supply the marginal barrels needed to ease the wider product complex.

Europe can still feel the effect even without the earlier direct Russian diesel trade: One possible pushback is that Europe no longer imports Russian diesel in the way it did before sanctions, so Baltic disruptions should have less relevance. We think that conclusion may be too narrow. Europe does not need to be importing the same barrels directly for the disruption to matter. The effect runs through global and Atlantic Basin clearing, not only through bilateral trade. This is particularly relevant because Europe already appears most exposed on jet. If Europe is short c.280 kb/d of Middle East jet in normal 2025 terms and must compete harder for replacement molecules, then any separate reduction in Baltic middle-distillate availability further tightens the replacement pool. The market does not rebalance in isolated boxes. It rebalances through arbitrage, substitution and the marginal barrel. Russian Baltic disruptions therefore matter because they remove part of the system's ability to supply that marginal barrel at a time when the market needs more flexibility.

That is one reason diesel/gasoil still looks like the most direct beneficiary. The Russian Baltic chain remains important in a dark-product-to-distillate operating context, and any pressure on run rates there has a read-through to gasoil availability. Europe may no longer be buying Russian diesel in the old way, but Europe still competes in a system whose marginal balances are affected by Russian refinery runs and Baltic export-chain functionality.

The immediate hit is reasonably well established: Kirishi halted product output, the Ust-Luga fuel-oil chain was disrupted, and the Novatek Ust-Luga complex had already been affected earlier in the year. The more relevant question for investors is what the next several weeks look like on average. Our reading is that the most likely outcome is not a full outage sustained for a full month, but neither does it look like a clean V-shaped normalization. The more probable path is a sharp initial disruption followed by only gradual partial recovery, leaving a meaningful average run loss over the coming weeks and keeping downside risk open if repairs, rail flows or export bottlenecks take longer to resolve.

Why this matters for Tupras: For Tupras, the Russian Baltic disruptions strengthen the persistence case rather than create a separate standalone thesis. They reduce the market's ability to rebalance at a time when Europe is already tight in middle distillates, especially jet and diesel/gasoil. The transmission to Tupras is therefore relatively straightforward. If northwest Russian outages and Baltic evacuation bottlenecks keep European gasoil and jet balances tighter for longer, then the part of the crack complex that matters most for Tupras should retain more support than the market may currently be assuming. That is why we view these Russian events as incremental, but still relevant. They do not need to be the main driver to matter in the current setup.

Recent Tupras Related Material Developments

At the management level, the 18 March 2026 CFO rotation appears to be a routine intra-group transition rather than a signal of strategic change. Gokhan Dizemen moved from Aygaz to take over the CFO role at Tupras, while Dogan Korkmaz moved from Tupras to Koc Holding, and Zeynep Keskin, previously Tupras Finance Group Director, was appointed as finance chief at Aygaz. We read this as broadly neutral. The changes fit the established pattern of management mobility within the Koc group and, if anything, point more to continuity and institutional depth than to any shift in capital-allocation priorities or operating direction at Tupras.

The re-activation of the temporary fuel tax stabilizer through SCT adjustments is more relevant from a macro and domestic-demand perspective than from a direct refinery-margin perspective. Under the revised framework, fuel-price increases driven by oil or FX are only partly passed through to the pump, with up to 75% of the increase absorbed through lower SCT and the associated VAT base effect; communicated temporary SCT-cut headroom was TL14.8277/l for gasoline, TL13.9006/l for diesel, and TL11.3830/kg for LPG. The mechanism is therefore designed to dampen the immediate CPI impulse from higher fuel prices, effectively shifting part of the shock from consumers to the fiscal side. For Tupras, the first-order effect should remain broadly neutral, since the intervention is in taxation rather than refinery pricing or mandated margin compression. The more relevant second-order effect is likely smoother domestic demand and less volatility in offtake and working-capital swings during periods of sharp oil and FX moves, which is modestly supportive operationally even if not a core earnings driver in itself.

Developments around Iraq and the regional crude-export system have attracted attention, but the direct read-across for Tupras remains limited in our view. During March, Baghdad sought negotiated tanker access through Hormuz while also accelerating alternative northern export routes via Turkey's Ceyhan corridor. Iraq subsequently restarted Kirkuk exports to Ceyhan, with initial export capacity reported at c.250kbpd, while longer-term capacity could rise toward c.450kbpd depending on route configuration and the eventual inclusion of Kurdish barrels. Directionally, these developments are positive for regional export flexibility and modestly reduce the risk of a more severe crude-logistics squeeze.

From a market-technical perspective, Koc Holding's accelerated bookbuild of a 2.08% Tupras stake at TL233/share is relevant chiefly because it increased free float and broadened institutional ownership while leaving control unchanged. The placement was upsized from the initially announced 1.56% following demand, implying TL9.32bn of gross proceeds, or c.USD240m at spot. Following settlement, Koc Holding's direct stake declines to 4.3%, while free float rises to 48.9%; effective control remains intact at 50.7% through direct and indirect ownership via Enerji Yatirimlari.

The most clearly positive development in the recent news flow is Fitch's revision of Tupras's Outlook to Positive from Stable while affirming the BB- ratings. Fitch cited the company's strong balance sheet, low leverage, solid free cash flow generation, leading domestic market position, refinery complexity, and diversified crude sourcing as key strengths. The agency noted that Tupras ended 2025 with c.USD2.1bn of cash against c.USD1.3bn of total debt, and expects gross EBITDA leverage to remain below 1.2x through 2026-2029, with net leverage close to zero. Fitch also highlighted sourcing diversification, noting that Tupras imports 85-90% of its crude needs but sources from 12 foreign countries, including access to Russian and Kazakh crude via CPC/Novorossiysk and pipeline links with Azerbaijan and Iraq. While rating actions are not usually the primary driver of equity performance here, the Outlook revision is nonetheless meaningful because it validates the broader point that Tupras combines cyclical upside with an unusually strong financial cushion for the sector.

4Q25 Results Review

EBITDA slightly below, net income beat, DPS of TL17.1 proposed, FY26 guidance announced: Tupras announced TL205.9bn in revenues (down 9% y/y, down 11% q/q; Consensus: TL210.5bn, UNLUe: TL207.5bn), TL14.7bn in EBITDA (up 35% y/y, down 31% q/q; Consensus: TL15.4bn, UNLUe: TL15.2bn) and TL6.8bn in net income (up 33% y/y, down 47% q/q; Consensus: TL5.2bn, UNLUe: TL4.2bn) in its 4Q25 results. While EBITDA was slightly below expectations, the bottom line came in better than expected, mainly due to lower-than-expected tax expenses (c.TL4.3bn in 4Q25; flat q/q). The q/q decline in key operating metrics reflects seasonality, while the y/y improvement was driven by a stronger crack environment. Key highlights are:

• <u>4Q25 crack margins were materially stronger y/y across middle distillates and gasoline.</u> diesel cracks increased to USD28.4/bbl. (vs USD16.1/bbl. in 4Q24) and jet fuel cracks rose to USD25.8/bbl. (vs USD13.3/bbl.), supported by geopolitically induced supply-side constraints and lower global capacity utilization. Gasoline cracks also strengthened to USD19.9/bbl. (vs USD11.9/bbl.), exceeding the last 5-year range on refinery outages and strong demand. HSFO cracks softened y/y to -USD9.8/bbl. (vs -USD7.4/bbl.), reflecting increased supply. On crude, differentials widened q/q in Q4 due to seasonality; the Kirkuk pipeline started operating in Q4 and Basrah Heavy continued to provide wider discounts compared to the rest of the slate.

• <u>Tupras' quarterly operating metrics were broadly in-line with expectations.</u> Total CUR came to 93.2% in 4Q25 (vs 100.3% in 3Q25 and 93.4% in 4Q24). Net refining margin printed at USD8.6/bbl. in 4Q25 (vs USD9.7/bbl. in 3Q25 and USD4.8/bbl. in 4Q24). EBITDA (CCS) was realized at TL15.3bn in 4Q25 (vs TL13.4bn in 4Q24) with inventory losses of TL0.6bn in the quarter (vs inventory loss of TL1.8bn in 4Q24). Production was 6.7mn tons in 4Q25, while total product sales were 7.5mn tons (flat y/y).

• <u>Lower than expected tax expenses were the primary reason for net income beat:</u> Tax expenses were broadly flat q/q and better than our estimates (notably vs the elevated deferred tax charges across industrials in the quarter) and were the key swing factor behind the net income beat. Tupras recorded TL0.8bn in monetary losses in 4Q25 (vs TL0.5bn in 3Q25 and TL1.6bn in 4Q24). Net/net, Tupras posted a net income of TL6.8bn in the quarter (down 47% q/q).

• <u>Net cash declined by TL17.4bn q/q</u> (4.6% of EV) to TL57.0bn in 4Q25, mainly due to a TL14.3bn dividend payment in 4Q25. Working capital was broadly unchanged q/q.

• <u>FY26 guidance:</u> Tupras disclosed its FY26 net refinery margin expectation at USD6.0 to 7.0/bbl. vs FY25 realization of USD7.0/bbl., broadly in-line with our assumptions. The Company expects c.29mn tons in annual production (vs 26.9mn tons in FY25) and 95%–100% average CUR (vs 93.6% in FY25), both slightly above our base case (UNLUe: ~28mn tons for FY26). Tupras also guided to ~30mn tons in annual sales (vs 29.4mn tons in FY25). FY26 consolidated capex guidance stands at ~USD700mn, broadly in line with our expectations, but higher y/y vs FY25 realized capex of USD476mn.

Figure 30: Earnings Review: Tupras

						Estimates		Deviation vs.				
TLm	4Q24	3Q25	4Q25	y/y	q/q	Ünlü	Cons	Ünlü	Cons	2024	2025	y/y
Revenues	227.064	230.276	205.953	-9%	-11%	207.530	210.489	-1%	-2%	1.060.730	830.356	-22%
EBITDA	10.539	20.649	14.245	35%	-31%	15.189	15.395	-6%	-7%	66.368	62.073	-6%
EBITDA margin	4.6%	9.0%	6.9%	2.3pp	-2.1pp	7.3%	7.3%			6.3%	7.5%	1.2pp
Net profit	5.094	12.691	6.750	33%	-47%	4.245	5.190	59%	30%	23.973	29.523	23%
Net margin	2.2%	5.5%	3.3%	1.0pp	-2.2pp	2.0%	2.5%			2.3%	3.6%	1.3pp

Source: Company data, Unlu&Co estimates, Rasyonet survey

Companies Mentioned
Tupras <TUPRS TI, Buy>
Aygaz <AYGAZ TI, Hold>
Koc Holding <KCHOL TI, Buy>

Disclosure Appendix

Important Global Disclosures

The information and opinions in this research report were prepared by UNLU Menkul Degerler A.S ("UNLU & Co").

For valuation methodology and risks associated with any price targets referenced in this research report, please email: UnluResearch@unluco.com with a request for valuation methodology and risks on a particular stock.

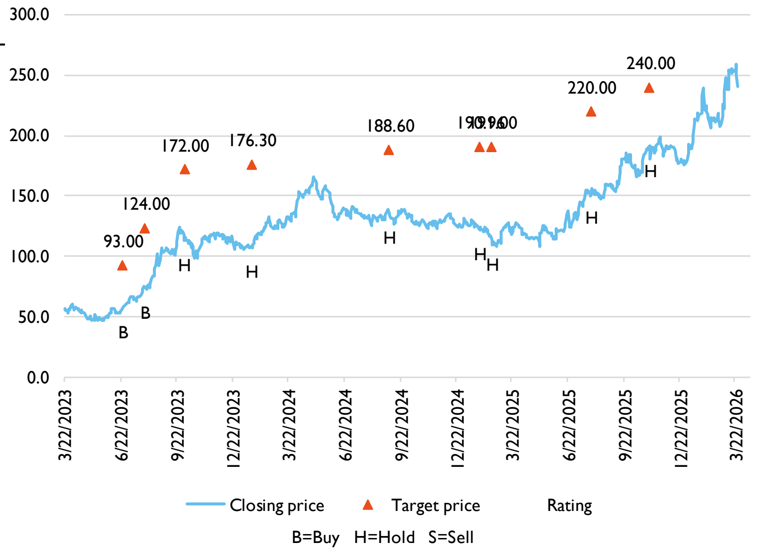
The following analyst/s: Koray Pamir certify(ies), with respect to the companies or securities under analysis, that (1) the views expressed in this report accurately reflect his/her/their personal views about all of the subject companies and securities and (2) no part of their compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

* Any other material conflict of interest of the research analyst or member (Unlu Securities Inc., the US broker-dealer) that the research analyst or an associated person of the member with the ability to influence the content of a research report knows or has reason to know at the time of the publication or distribution of a research report is as follows: NONE

See the Companies Mentioned section for full company names.

3-Year Price, Target Price and Rating Change History Chart for TUPRS.IS

TUPRS.IS Date	Closing Price	Target Price	Rating	Initiation/ Assumption
6/26/2023	57.58	**93.00**	**BUY**	
8/1/2023	73.83	**124.00**	**BUY**	
10/4/2023	112.91	**172.00**	**HOLD**	
1/22/2024	107.86	**176.30**	**HOLD**	
9/3/2024	135.66	**188.60**	**HOLD**	
1/29/2025	122.07	**190.96**	**HOLD**	
2/18/2025	113.60	**191.00**	**HOLD**	
7/30/2025	152.41	**220.00**	**HOLD**	
11/3/2025	190.87	**240.00**	**HOLD**	



Analysts' stock ratings are defined as follows*:

Buy (B): The stock's total return* is expected to be more than 20% (or more, depending on perceived risk) over the next 12 months.

Hold (H): The stock's total return is expected to be in the range of 10-20% over the next 12 months.

Sell (S): The stock's total return is expected to be less than 10% over the next 12 months.

Restricted (R): In certain circumstances, UNLU & Co and/or applicable law and regulations preclude certain types of communications, including an investment recommendation, during the course of UNLU & Co's engagement in an investment banking transaction and in certain other circumstances.

Speculative Buy: UNLU & Co may issue a "Speculative Buy" when the Research Analyst covering the Company is of the view that the risk/reward tradeoff is somewhat less compelling than that of a BUY rating. These companies tend to have very high upside potential, but also a great degree of risk or uncertainty with regard to future financial results.

Relative Three-Month Ratings: UNLU & Co may also assign a three-month relative call (or rating) to a stock to highlight expected out-performance (most preferred) or under-performance (least preferred) versus the geographic and industry sector over a three (3) month period. The relative call may highlight a specific near-term catalyst or event impacting the Company or the market that is anticipated to have a short-term price impact on the equity securities of the Company. Absent any specific catalyst the analyst(s) will indicate the most and least preferred stocks in the universe of stocks under coverage, explaining the basis for this short-term view. This three-month view may be different from and does not affect a stock` fundamental equity rating, which reflects a longer-term total absolute return expectation.

Volatility Indicator [V]: A stock is defined as volatile if the stock price has moved up or down by 20% or more in a month in at least 8 of the past 24 months or the analyst expects significant volatility going forward.

Analysts' coverage universe weightings are distinct from analysts' stock ratings and are based on the expected performance of an analyst's coverage universe* versus the relevant broad market benchmark:**

Overweight: Industry expected to outperform the relevant broad market benchmark over the next 12 months.

Market Weight: Industry expected to perform in-line with the relevant broad market benchmark over the next 12 months.

Underweight: Industry expected to underperform the relevant broad market benchmark over the next 12 months.

Not Covered: UNLU & Co Equities Research does not cover the issuer or offer an investment view on the issuer or any securities related to it. Any communication from Research on securities or companies that UNLU & Co does not cover is factual or a reasonable, non-material deduction based on an analysis of publicly available information or consensus forecasts

*Total return is calculated as the sum of the stock's expected Capital Appreciation and expected Dividend Yield.

*UNLU & Co Small and Mid-Cap Advisor stock: Stock ratings are relative to the Borsa Istanbul A.S ("BIST") index.

**An analyst's coverage universe consists of all companies covered by the analyst within the relevant sector.

UNLU & Co distribution of stock rating is:

Ratings Distribution as of the date of this report	Buy	Hold	Sell	RESTRICTED
All Recommendations (%)	73	25	2	-

* our stock ratings of **BUY**, **HOLD**, and **SELL** most closely correspond to Buy, Hold, and Sell, respectively; however, the meanings are not the same, as our stock ratings are determined on a relative basis. (Please refer to definitions above.) An investor's decision to buy or sell a security should be based on investment objectives, current holdings, and other individual factors.

UNLU & Co policy is to update research reports as it deems appropriate, based on developments with the subject company, the sector or the market that may have a material impact on the research views or opinions stated herein.

UNLU & Co policy is only to publish investment research that is impartial, independent, clear, fair and not misleading. For more detail please contact the Compliance Division of UNLU & Co and request their Policies for Managing Conflicts of Interest in connection with Investment Research.

UNLU & Co does not provide any tax advice. Any statement herein regarding any US federal tax is not intended or written to be used, and cannot be used, by any taxpayer for the purposes of avoiding any penalties.

Unlu Menkul Degerler A.S. ("UNLU & Co"), is authorized and regulated by the Capital Markets Board of Turkey ("CMB") and a member of Borsa Istanbul A.S. ("BIST"). Under CMB's legislation, the information, comments and recommendations contained in this report fall outside of the definition of investment advisory services. Investment advisory services are provided by authorized entities by taking into account the risk and return preferences of the concerned persons. The comments and recommendations contained in this report have general nature. These recommendations may not fit to your financial status, risk and return preferences. For this reason, to make an investment decision by relying solely to this information stated here may not bring about outcomes that fit your expectations.

12M Price Target: TL330/share
Methods: Target P/E & EV/EBITDA multiples and DCF
Risks: 1) Unexpected changes in the underlying product prices and costs, **2)** Unexpected cash outflows from the Company.

Company Specific Disclosures: Important Disclosures, including price charts are available for compendium reports and all UNLU & Co covered companies by emailing UnluResearch@unluco.com or calling +90 212 367 3690 with your request. UNLU & Co Research team may screen companies not covered by Unlu & Co For important disclosures for these companies, please call + 90 212 367 3817 or e-mail UNSCompliance@unluco.com

Important Regional Disclosures

This report covers Tupras. All other companies were used for illustrative purposes only. We are not commenting on the investment merit of the securities of these companies
Singapore recipients should contact a Singapore financial adviser for any matters arising from this research report.
The analyst(s) involved in the preparation of this report have not visited the material operations of the subject company (Tupras TI) within the past 12 months.
As of the date of this report, UNLU & Co does not act as a market maker or liquidity provider in the equities securities that are the subject of this report.
Principal is not guaranteed in the case of equities because equity prices are variable.
Commission is the commission rate, or the amount agreed with a customer when setting up an account or at any time after that.
Investors should carefully consider their own investment risk.
Investment results are the responsibility of the individual investor. Reports may not be reprinted without permission of Unlu & Co

Important UNLU & Co Disclosures

Potential Conflicts

Company	Disclosure
Tupras	E

A: The analyst, a team member, a member of the analyst's household or a team member's household serves as an officer, director or advisory board member of the subject company
B: The company beneficially owns 5% or more of the equity shares of UNLU & Co as at date of this report
C: UNLU & Co beneficially owns 1% or more of the equity shares of the company
D: The Company is a client of UNLU & Co
E: UNLU & Co has led managed or co-lead managed a public offering of securities in the Company or any related derivatives in the last 12 months
F: UNLU & Co has received compensation for investment banking services from the company within the last 12 months
G: UNLU & Co expects to receive, or intends to seek, compensation for investment banking services from the company during the next 3 months
H: UNLU & Co has sent extracts of this research report to the subject company prior to publication for the purpose of verifying factual accuracy. Based on information provided by the subject company, factual changes have been made as a result.
I: Analyst or a member of their household holds long or short personal positions in a class of common equity securities of this company
J: UNLU & Co is a market maker or liquidity provider in the financial instruments of the relevant issuer or any related derivatives
K: UNLU & Co provided non-investment banking services, which may include Sales and Trading services, to the subject company within the past 12 months
L: UNLU & Co has received compensation for products and services other than investment banking services from the subject company within the past 12 months
M: UNLU & Co beneficially owns 5% or more of the equity shares of the Company

** Disclosures are correct as of date of this report*

For purposes CMB, in connection to the distribution of UNLU & Co research, UNLU & Co must disclose certain material conflicts of interest.

This report may include references to UNLU & Co's research recommendations. For further information and for published UNLU & Co reports in their entirety, please visit the website at www.unlumenkul.com

For UNLU & Co disclosure information on other companies mentioned in this report, please visit the website at www.unlumenkul.com.

Disclaimers continue on next page.

Disclaimer and Confidentiality Note

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject UNLU & Co to any registration or licensing requirement within such jurisdiction. All material presented in this report, unless specifically indicated otherwise, is under copyright to Unlu & Co None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of Unlu & Co All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of UNLU & Co or their subsidiaries.

The information, tools and material presented in this report are provided to you for information purposes only and are not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. UNLU & Co may not has taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. UNLU & Co will not treat recipients as their customers by virtue of their receiving the report. The investments or services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you. UNLU & Co does not offer advice on the tax consequences of investment and you are advised to contact an independent tax adviser. Please note in particular that the bases and levels of taxation may change.

UNLU & Co believe the information and opinions in the Disclosure Appendix of this report are accurate and complete. Information and opinions presented in the other sections of the report were obtained or derived from sources UNLU & Co believe are reliable, but UNLU & Co makes no representations as to their accuracy or completeness. Additional information is available upon request. UNLU & Co accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to Unlu & Co This report is not to be relied upon in substitution for the exercise of independent judgment. UNLU & Co may have issued, and may in the future issue, a trading call regarding this security. In addition, UNLU & Co may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them, and UNLU & Co is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report. UNLU & Co are involved in many businesses that relate to companies mentioned in this report.

Descriptions of any company or issuer or their securities or the markets or developments mentioned in the Research are not intended to be complete. The Research should not be regarded by recipients as a substitute for the exercise of their own judgment as the Research has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment at its original date of publication by UNLU & Co and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments. Investors in securities such as ADRs, the values of which are influenced by currency volatility, effectively assume this risk.

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility, and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct their own investigation and analysis of the product and consult with their own professional advisers as to the risks involved in making such a purchase.

Some investments may not be readily realizable since the market in the securities is illiquid or there is no secondary market for the investor's interest and therefore valuing the investment and identifying the risk to which the investor is exposed may be difficult to quantify. Investments in illiquid securities involve a high degree of risk and are suitable only for sophisticated investors who can tolerate such risk and do not require an investment easily and quickly converted into cash. Other risk factors affecting the price, value or income of an investment include but are not necessarily limited to political risks, economic risks, credit risks and market risks.

Some investments discussed in this report have a high level of volatility. High volatility investments may experience sudden and large falls in their value causing losses when that investment is realised. Those losses may equal your original investment. Indeed, in the case of some investments the potential losses may exceed the amount of initial investment, in such circumstances you may be required to pay more money to support those losses. Income yields from investments may fluctuate and, in consequence, initial capital paid to make the investment may be used as part of that income yield. Some investments may not be readily realisable, and it may be difficult to sell or realise those investments, similarly it may prove difficult for you to obtain reliable information about the value, or risks, to which such an investment is exposed.

UNLU & Co maintains information barriers between their Research Analysts and the rest of their and their shareholders business divisions, more specifically the Investment Banking business. UNLU & Co analysts', strategists' and economists' compensation is not linked to Investment Banking or Capital Markets transactions performed by UNLU & Co or their shareholders. Facts and views presented in UNLU & Co research has not been reviewed by, and may not reflect information known to, professionals in other UNLU & Co business areas, including investment banking personnel.

This report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of UNLU & Co has not reviewed the linked site and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to UNLU & Co's own website material) is provided solely for your convenience and information and the content of the linked site does not in any way form part of this document. Accessing such website or following such link through this report shall be at your own risk.

In jurisdictions where UNLU & Co is not already registered or licensed to trade in securities, transactions will only be affected in accordance with applicable securities legislation, which will vary from jurisdiction to jurisdiction and may require that the trade be made in accordance with applicable exemptions from registration or licensing requirements. **US investors transacting in the securities featured or mentioned in this research report must deal directly through a U.S. Registered broker-dealer.**

This document does not constitute or form part of, and should not be construed as, an offer or invitation to subscribe for or purchase any securities, and neither this document nor anything contained herein shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever. This document has not been published generally and has only been made available to institutional investors. Any decision to subscribe for or purchase securities in any offering must be made solely on the basis of the information contained in an offering memorandum (and supplements thereto) or any other offering document issued in connection with any proposed offering.

UNLU & Co does not form a fiduciary relationship or constitute advice and this Research is not and should not be construed as an offer or a solicitation of an offer of securities or related financial instruments or an invitation or inducement to engage in investment activity, and cannot be relied upon as a representation that any particular transaction necessarily could have been or can be effected at the stated price.

Please note that this report was originally prepared by UNLU & Co for distribution to market professionals and institutional investor customers. Recipients who are not market professionals or institutional investor customers of UNLU & Co should seek the advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents.

UNLU & Co is a member of the BIST