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Market Intelligence

# **Delek US Holdings, Inc.**

NYSE:DK

## *Earnings Call*

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CALL PARTICIPANTS	2
PRESENTATION	3
QUESTION AND ANSWER	6

# Call Participants

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*President, CEO & Director*

**Mark Hobbs**

*Executive VP & CFO*

**Mohit Bhardwaj**

*Senior Vice President of Strategy & Growth*

**Robert Wright**

*Executive VP, Deputy CFO & Chief Accounting Officer*

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**Douglas George Blyth Leggate**

*Wolfe Research, LLC*

**Jason Daniel Gabelman**

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**Ryan M. Todd**

*Piper Sandler & Co., Research  
Division*

**Yim Chuen Cheng**

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# Presentation

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## Operator

Thank you for standing by. My name is Jayle, and I will be your conference operator today. At this time, I would like to welcome everyone to the Delek US Fourth Quarter Earnings Call.

[Operator Instructions]

I would now like to turn the conference over to Robert Wright, EVP, Delek. You may begin.

## Robert Wright

*Executive VP, Deputy CFO & Chief Accounting Officer*

Good morning, and welcome to the Delek US Fourth Quarter Earnings Conference Call. Participants joining me on today's call will include Avigal Soreq, President and CEO; Mark Hobbs, EVP, Chief Financial Officer; as well as other members of our management team.

Today's presentation material can be found on the Investor Relations section of the Delek US website. Slide 2 contains our safe harbor statement regarding forward-looking information. As a reminder, this conference call will contain forward-looking information as defined under the federal securities laws, including statements regarding guidance and future business outlook. Any forward-looking statements made during today's call will involve risks and uncertainties that may cause actual results to differ materially from today's comments. Factors that could cause actual results to differ are included in our SEC filings. The company assumes no obligation to update any forward-looking statements.

I will now turn the call over to Avigal for opening remarks. Avigal?

## Avigal Soreq

*President, CEO & Director*

Thank you, Robert. Good morning, and thank you for joining us today. 2025 was a transformational year for Delek. We have made progress on all fronts, including improving the free cash flow profile of the company and increasing the economic separation between DK and DKL. The year also concluded with a strong fourth quarter results. In Q4 2025, excluding SRE, Delek reported an adjusted EPS of \$0.44 and adjusted EBITDA of approximately \$226 million. These results highlight the accelerating momentum at Delek and the stability of our strategy.

Now I will cover some of the achievements in 2025 in detail. Starting with EOP, I'm proud of how we have created a culture of continuous improvement through our enterprise optimization plan. EOP drove substantial value throughout the year with a strong execution and measurable progress across all business units. As a result of continued success, we are once again raising our enterprise optimization plan target to at least \$200 million on an annual run rate basis.

Our sum of the parts initiatives continue to advance. 2026 is expected to have highest economic separation between DK and DKL. 2025 was a record year for DKL with approximately \$536 million in adjusted EBITDA. DKL continued to build on its premier position in the Permian Basin through its full suite of service and strong organic growth. Continuing the momentum, DKL today announced its 2026 EBITDA guidance to be in the range of \$520 million to \$560 million. DKL is close to the finish line on its industry-leading comprehensive sour gas solution, including gathering, treatment, processing and acid gas injection, providing market access for residue gas and NGLs. These capabilities will provide DKL the ability to fully capitalize on its growth opportunity in the Delaware Basin and maintain its best-in-class EBITDA growth and yield.

In 2026, on a pro forma basis, with continued growth in third-party cash flow, we expected DKL third-party EBITDA to exceed 80%. Achieving this level of economic separation has been cornerstone of our sum-of-the-parts strategy. We are taking additional action to ensure the strength of DKL third-party midstream service are fully reflected in the share price and unit price.

As I always do, I will now give an update on our key long-term priorities. First, safe and reliable operations. We had a strong operational quarter in our refining system with solid performance from our 4 refineries. At Big Spring, our first quarter 2026 planned turnaround is progressing well and remains on track. The focus of this turnaround is to further enhance reliability and operational flexibility, positioning the refinery for improved cost structure and margin capture. We expect this enhancement to drive meaningful performance improvement once the refinery returns to full operations. This is our only planned turnaround in 2026, which sets our refining system up well for the remainder of the year.

Second, I would like to add a little more context on our Enterprise Optimization Plan. As a reminder, we started EOP with an aim to improve DK cash flow by \$80 million to \$120 million on a run rate basis, starting in the second half of 2025. As a result of the strong buy-in from the organization, we have been able to continue to increase our EOP range. We are again increasing our expectation for EOP-related cash flow improvement to at least \$200 million annually.

During the fourth quarter of 2025, we estimate approximately \$50 million of EOP contribution in our P&L. The success of EOP is clearly visible in the performance of El Dorado refinery supply and marketing results and G&A. This improvements are here to stay and have set us up for long-term success. I'm confident that EOP will remain a core strength well into the future. As mentioned last quarter, we pursued a proactive strategy to monetize the 2023 and 2024 RINs granted after the EPA cleared the backlog of pending 2019 to 2024 SRE petitions. I'm pleased to announce that we were able to monetize a large portion of our '23 and '24 RINs faster versus our original plan and have been able to use the proceeds to reduce our inventory intermediation agreement. The restructuring of the IIA will improve our free cash flow generation on the top of EOP by at least \$40 million on a yearly basis.

We remain actively involved in our effort to get full value for the 2019 to 2022 RINs for which we were provided invalid relief. Finally, we believe that the current administration, Senate, Congress and EPA realize the importance of SREs, not only for the refineries which qualify under the program but also to the local communities they serve. We believe SREs will remain a core part of the current administration energy policy as it advance its energy dominance agenda.

The final piece of our strategy is being shareholder-friendly and having a strong balance sheet. During the quarter, we paid approximately \$15 million in dividend and bought back approximately \$20 million of our shares. Our strong balance sheet, improved reliability and confidence in EOP enable us to do countercyclical buyback in 2025. I'm proud to continue our strong shareholder return, dividend and buyback through the cycle. We remain committed to a disciplined and balanced approach to capital allocation and look forward to continue rewarding our shareholders.

In closing, thank you for our team for their hard work and dedication through 2025. I'm proud of the progress in Delek over the last year and look forward to continue this progress in 2026.

Now I will turn the call over to Mark, who will provide additional color on the quarter.

**Mark Hobbs**  
*Executive VP & CFO*

Thank you, Avigal. For the fourth quarter, Delek had net income of \$78 million or \$1.26 per share. Adjusted net income was \$143 million or \$2.31 per share, and adjusted EBITDA was approximately \$375 million.

Moving to Slide 5. We show the breakout of adjusted EBITDA and adjusted EPS for the fourth quarter. Excluding SREs, adjusted EBITDA and adjusted EPS were approximately \$226 million and \$0.44 per share, respectively. This removes the reduction in cost of materials of \$75 million associated with prior year SREs and the impact of our RVO exemption recognition for the fourth quarter of \$74 million. For the full year 2025, excluding SREs, our adjusted EBITDA was approximately \$763 million.

On Slide 19, the breakdown of adjusted EBITDA, excluding SREs from the third quarter of 2025 to the fourth quarter shows that there was one main driver for the decrease in EBITDA. The primary driver was in the refining segment, where adjusted EBITDA declined by \$91 million, largely due to seasonality. Excluding SREs, supply and marketing contributed approximately \$23 million in the quarter. Of that

amount, approximately \$35 million was generated by wholesale marketing. Asphalt contributed a loss of \$4.2 million with the remaining contribution coming from supply. In the logistics segment, we continue to have another strong quarter, delivering approximately \$142 million in adjusted EBITDA.

Moving to Slide 20 to discuss cash flow. Cash flow provided by operations in the fourth quarter was \$503 million. This includes our net income for the period adjusted for noncash items, monetization of SREs and a net inflow related to changes in working capital of \$26 million. When adjusting for working capital and SREs, cash flow from operations was \$119 million. This was an improvement of \$211 million when compared to the fourth quarter of last year. This improvement was driven by an increase in net margin in the quarter versus last year and the continued success we are having with our enterprise optimization plan.

Investing activities of \$117 million in the quarter includes approximately \$26 million for growth projects primarily at DKL. Financing activities of \$391 million includes approximately \$380 million related to the paydown of our inventory intermediation agreement and associated inventory financing, which will result in at least a \$40 million reduction in annual interest expense. \$20 million in share repurchases, approximately \$15 million in dividend payments and approximately \$22 million in DKL distribution payments to public unitholders.

On Slide 21, we outline our fourth quarter capital spending with \$82 million invested at Delek stand-alone and \$31 million at DKL, largely for growth projects. Our net debt position is broken out between Delek and Delek Logistics on Slide 22. Excluding Delek Logistics, our Delek stand-alone net debt remained largely in line with prior quarters.

Moving now to Slide 23, where we cover first quarter outlook items. Our throughput guidance for the first quarter of 2026 is 70,000 to 74,000 barrels per day at Tyler, 66,000 to 71,000 barrels per day at El Dorado, due to the planned turnaround Big Spring will run 22,000 to 28,000 barrels per day, and lastly, Krotz Springs will run 82,000 to 86,000 barrels per day. Our implied system throughput target for the first quarter in the 240,000 to 259,000 barrels per day range.

In addition to throughput guidance for the first quarter, we expect operating expenses to be between \$210 million and \$220 million. Our guidance for the first quarter incorporates increased operating expenses associated with preparing for winter storm Fern. G&A to be between \$47 million and \$52 million. D&A is expected to be between \$100 million and \$110 million and net interest expense to be between \$75 million and \$85 million.

With that, we will now open the call for questions.

## Question and Answer

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### Operator

[Operator Instructions] Your first question comes from the line of Doug Leggate of Wolfe Research.

### Douglas George Blyth Leggate

*Wolfe Research, LLC*

I won't if -- it's great to see these SREs showing up. But I wonder if I could just ask a couple of questions relating to what you've already booked. So I guess I'm really looking for the cash inflow and what's remaining still to be recognized for the SREs that you've already been awarded. And maybe you could address how you -- what the path is to get the pre-2023 SREs recognized. That's my first question.

My second question is on the go-forward SRE value because it's obviously massive. And there's a lot of other things we could talk about like the EOP and so on today. But the dominant issue, we think, is the value of the '25 through '28 RINs and any risks from legislative changes that you see there. So could you maybe offer any insight you can on why you continue to risk the 2025 RINs specifically?

### Avigal Soreq

*President, CEO & Director*

Yes, absolutely, Doug. And with your permission, I will try to start with the future. And again, this is one person opinion about what the situation exactly. But when we are talking about the future, first of all, we need to understand it's not a Delek topic. It's a way broader topic than that. It's directly impacting close to 40 refineries and indirectly impact to the breadth, half of our industry. So it's a huge, huge topic. And I want to make it even more clear than that. The whole point of SRE is disproportionate economic harm, disproportionate economic harm. And that's -- and the essence of the law behind it is to maintain high-paying jobs, local -- to support local communities and to be able to have affordable fuel for those communities. So it's very, very, very important.

SRE and small refineries are critical to meet the energy dominance policy of energy, critical in our mind and are here to stay. About the 2019 to 2022, you asked that as well. I want to say something that relief and eligibility are coming together. So we are obviously eligible for those SREs but we got invalid RINs. There is an acronym for those RINs lately, it's a zombie RINs. That's what the people just called them. And since those twins of relief and eligibility coming together, we believe in our case around that, and we believe that we'll get full value for what we already pay.

So Mark, why don't you touch the proceeds?

### Mark Hobbs

*Executive VP & CFO*

Yes, yes, sure, Avigal. And Doug, I appreciate the question. And as Avigal mentioned in his prepared remarks, look, we're extremely excited and proud of the progress we made during the quarter. We saw an opportunity during the quarter to restructure and pay down our inventory intermediation agreement, and our team did a great job, and they were actually able to monetize a vast majority of the RINs from our prior year SREs from 2023, 2024, that \$400 million that we mentioned on last quarter's call, much earlier than our original estimate of 6 to 9 months, raising approximately \$360 million during the fourth quarter. And at the end of the quarter, near the very end, we used these proceeds and available cash to pay down approximately \$380 million under the IIA and associated inventory financing, which was a large portion of what we actually had outstanding under the program. And these activities are going to reduce our annual interest expense associated with the IIA by at least \$40 million.

This further enhances our free cash flow generation. And as Avigal also mentioned in his prepared remarks, this is on top of and beyond everything that we've discussed to date with regards to our EOP initiatives.

**Mohit Bhardwaj***Senior Vice President of Strategy & Growth*

And Doug, just to Doug, one more thing -- yes, I just wanted to add to what Mark and Avigal just talked about. And I think you were mentioning and you're trying to touch upon this point about whether some of this value is reflected in our stock price or not. But if you look at just on a mid-cycle basis, preinventory intermediation agreement restructuring, we would have made \$150 million of free cash flow. And Mark just talked about another \$40 million on top of that. If you take that \$190 million of value at 10% free cash flow, that's \$32 a share. And if you look at our value of DKL, that's another \$32 a share. So that's at least \$65 a share that's missing. And that's got nothing to do with SREs at all. So we definitely agree with you that there's a lot of value that's still not reflected in our shares.

And to answer one last piece of your question, yes, there's some more left beyond the monetization that we have done for 2023 and 2024 RINs, still left to be -- which we expect to be monetizing in the first half of 2026, most likely in the first quarter.

**Douglas George Blyth Leggate***Wolfe Research, LLC*

Guys, I don't want to hog the question here but I want to make sure you understood my question about the forward. Slide 18, you're showing a range of 50% to 100%, \$468 million on a 100% basis. But you're also giving us guidance that all 4 refineries are going to be under 75,000 barrels a day. So why should we risk that number in '25 or for that matter, '26 through '28?

**Mohit Bhardwaj***Senior Vice President of Strategy & Growth*

Yes. I think, Doug, again, a very good question. And I just want to make sure that this point about disproportionate economic harm comes across. Like you're absolutely right. So these RINs are not a windfall, right? So we -- the way if you are a refiner like us who stays in compliance, you pay for these RINs and then these RINs -- the cost of these RINs are returned to you a year later. So we cannot decide for the EPA. The EPA will decide how they will rule upon these petitions. But so far, all we can say is that EPA has done a good job in clearing the backlog that was created from 2019 to 2024. And they have been very good in creating a forward-looking guidance as well.

So we just expect them to continue with this good work, and we'll see what happens as far as our 2025 petitions are concerned on a go-forward basis. For us, we just wanted you to have the \$468.4 million RVO obligation on a 2025 basis, and that's what we have provided. What percentage of that is approved, that's in EPA's hands.

**Operator**

Your next question comes from the line of Paul Cheng of Scotiabank.

**Yim Chuen Cheng***Scotiabank Global Banking and Markets, Research Division*

Yes, very good quarter. Avigal, just curious, what's left in the consolidation of the DKL and in terms of time line? And also ultimately, then what is the ownership that you think you need or you want to have in DKL?

And second question is that in the Big Spring refinery, you're going to have a full plant turnaround currently going. So what initiative other than the normal turnaround that you are taking that will lead to the improvement of the performance going forward? What other than, say, the normal full plant turnaround that you typically would do every 4 or 5 years? What else are you doing in this turnaround?

**Avigal Soreq***President, CEO & Director*

Yes. Thank you. Paul, with your permission, I would start with a bigger discussion about sum-of-the-parts and deconsolidation and all of that topic. So I want to make sure that the point is coming across very, very

clearly. The whole point of sum-of-the-parts is to make sure that the value of our business, the midstream business that we are building is fully reflected in the unit price and share price. That's the objective. Obviously, we have done a tremendous amount of work in the last 18 months around that. It's very visible to the market. We have sold retail in the past you liked. We have done 2 acquisitions of a midstream company before the market realized what the value is. We probably bought it around half of the market versus what it is today. We have done -- build a gas plant in a very, very good location with very good capabilities and develop those business very, very nicely, and we are very proud of that. Obviously, we reduced our ownership from close to 80% to around 60% now while doing that increase the distribution. So we checked many, many boxes around creating value for both unitholders and shareholders.

At that junction, we are working extensively on 4 paths and maybe some of them we are working together. One is sell the entire asset for the right value. And when I'm saying the entire value, if you're looking on the intrinsic value of each business unit in DKL, you get to a 7 handle number on the DKL unit. We can always monetize one of the assets of DKL for the right price. We have the free tax between DK and DKL to allow DKL to buy units back from DK, and we always can do M&A and reduce our ownership like we have done so far. So we are working many angles. I think that there is a tremendous amount of activity that's visible to the market. And you need to remember that the lack of announcement is not lack of work or lack of progress. Stay tuned.

Around the Big Spring, you had another question. So around the Big Spring, we are very happy with the team over there. The team -- it's also visible in the Q4 numbers. They made a very good progress. And I would focus the Big Spring after the turnaround in 4 areas, right? One, improve reliability; second, improve our crude slate and optimization; and third, improve the product slate. So we are very excited to see how Big Spring is going to perform after turnaround, and let's all stay tuned.

**Yim Chuen Cheng**

*Scotiabank Global Banking and Markets, Research Division*

Avigal, for Big Spring, is there any new technology being introduced or new unit being at or anything that we should be aware in this full plan turnaround?

**Avigal Soreq**

*President, CEO & Director*

No. It's a cycle turnaround. The last turnaround we've done in Big Spring was 2020. So that's on the cycle. We are not doing any huge capital projects but we are making sure that those 3 boxes that I've said are being very clear, the operational reliability, the crude slate and the product mix after that.

And Mohit, you want to chime in, please?

**Mohit Bhardwaj**

*Senior Vice President of Strategy & Growth*

No, Avigal, I just want to add to what you just said. And Paul, you're asking the right question. For us, the most important piece about Big Spring is to improve its reliability. And once we improve the reliability, our cost structure is going to improve, and it has been -- we've been making great progress in improving its cost structure, and we expect after turnaround that cost structure will improve even more. And if you look at the product side, that will help with the margin capture as well. So I think we are very excited about this turnaround, as Avigal just mentioned, and we look forward to updating you about this at our next earnings call.

**Operator**

Your next question comes from the line of Alexa Petrick of Goldman Sachs.

**Alexa Petrick**

*Goldman Sachs Group, Inc., Research Division*

We wanted to ask a follow-up on the cash flow profile. Can you unpack the drivers of the raised cash flow guidance? And then how do we think about potential upside from that number, just given you've raised it a few times?

**Avigal Soreq**

*President, CEO & Director*

Yes. So Alexa, that's a very nice question. I will make a step back, and I will give a broader context because I think that the real discussion is EOP because EOP is all about free cash flow. That's the essence of the program, and that's what we got the organization laser-focused on. And I want to make it very clear. It's not just projects. It's a lifestyle. It's a language that the organization speak and everyone in this company speak that language, and it's bubbling from bottom up. So it's very exciting and pleasant to see how it's becoming part of our culture, and it's a cornerstone in our culture, and I'm very proud of that. So -- and if you think about it, where we started 1.5 years ago around BOP, we started with a guidance of around \$100 million. Now we are saying it's at least \$200 million. So we more than doubled that. And if you look at the rest of it, it's very rare that the company is able to increase time over time over time.

But I want to tell another thing that you're probably going to be happy to hear that we are not stopping here. We are not stopping here. And we have a big plan about the future EOP, and more to come, and it's going to be in the gross margin, in the G&A, in supply and marketing in many other -- in many areas of the business that we are very excited for. So still more to come.

**Alexa Petrick**

*Goldman Sachs Group, Inc., Research Division*

Okay. That's helpful. And then a follow-up on that. You've got EOP, SREs and IIA. As we think about the implications of incremental free cash flow, how should we think about the capital allocation priorities? Should we expect you to maybe lean more into buybacks? Or any thoughts there would be helpful.

**Avigal Soreq**

*President, CEO & Director*

Yes. So that's a great question. Thank you for asking that question. We are very proud of our capital allocation strategy. We said that we're going to maintain dividend through the cycle. We can check the box around that. We said that we're going to do a balanced approach between balance sheet and buyback. We can definitely check the box around that. We did in 2025, countercyclical buyback. And actually, our total return to shareholders is higher by 4% than the average of our refining peers. So our philosophy of capital allocation did not change. And we are very consistent about that. We communicate to investors very clearly, and we always take opportunity to reward investors. So that's the goal we have, and we'll keep doing it.

**Operator**

Your next question comes from the line of Jason Gabelman of TD Cowen.

**Jason Daniel Gabelman**

*TD Cowen, Research Division*

I wanted to ask on the supply line because it's now been 2 consecutive quarters where that supply and other part of the supply line has been above \$50 million. And I know it includes kind of a grab bag of items. So you could just talk about kind of what drove the strength in 4Q? How much of it was EOP versus any onetime benefits? And how we should think about that subline item within the overall supply line moving forward?

**Avigal Soreq**

*President, CEO & Director*

Yes, absolutely, and thank you for joining our call this morning. We appreciate you. In reality, as I said in my prepared remarks and you probably listened, it's very visible that the EOP progress in the supply and marketing. We see that very, very clearly. We see that in other places. We've seen that in the G&A,

basically cutting the cost by close to half versus what it used to be. You've seen that in El Dorado that we were able to increase -- to improve our capture by \$2 a barrel on the top of the crack. So a great team over there, very proud of the progress. We still see more opportunities over there.

And I will let Mohit touch the specific question about DKTS?

**Mohit Bhardwaj**

*Senior Vice President of Strategy & Growth*

Jason, good to hear from you. As far as supply and marketing is concerned, I think I talked about this last quarter as well. So the 2 specific businesses which are part of the supply and marketing are wholesale and asphalt, and we're making great progress in both. Especially as it comes to wholesale, we have been improving the business in 3 phases. The first phase was to have the right products available to supply the markets that we are serving. And second has been contract renegotiations and increased logistics, which has allowed us to access these markets. Currently, we are in Phase II where we are optimizing the markets we are participating in. So some markets, we are trying to put more product in and other markets, we are exiting. So that's the main reason why we are seeing reduced seasonality in the supply and marketing line item. This will not avoid the seasonality completely but we are trying to reduce the impact of that seasonality.

And then market is going to help us as well. So if you look at what's happening later this year, Magellan is going to bring its pipeline online, which is going to clear -- start clearing the group and put more products into PADD 4. And once these West Coast pipelines come online, those West Coast barrels will be supplied by the group and the Mid-Continent. So the market is also helping us -- is going to help us, not helping us currently but it's going to help us as these pipelines come online. So we are very excited about the steps we are taking, and we'll take -- if the market also starts to help us, we'll definitely take that too.

**Jason Daniel Gabelman**

*TD Cowen, Research Division*

Yes. I appreciate the detail. The question was more about not the wholesale or asphalt but the third part of that supply and marketing business, which has been, I think, above \$50 million for a couple of consecutive quarters. And I was wondering if you think that's a good rate moving forward or you expect it to be kind of volatile quarter-to-quarter?

**Mohit Bhardwaj**

*Senior Vice President of Strategy & Growth*

Yes, Jason. So we did call out a \$43 million onetime impact for the last quarter. That's for 3Q. This quarter, that line item is more in line with what we expect. But there would be some volatility in that line item but that's not a reflection of the core business. So I just wanted to focus on what our core business is and where most of the improvements are coming. And if you want to talk more about it, we can take it offline.

**Jason Daniel Gabelman**

*TD Cowen, Research Division*

All right. Great. My follow-up is on DKL and the transactions you announced this morning, which were, I think, about \$85 million. Wondering what the EBITDA contribution is going to be from those, the structure of the deal between cash and perhaps units and why the second part of the deal is closing in October 2027.

**Avigal Soreq**

*President, CEO & Director*

Absolutely. Robert, do you want to take it?

**Robert Wright**

*Executive VP, Deputy CFO & Chief Accounting Officer*

Yes, sure. Thanks. Great question. What we really completed here was furthering the economic separation of the 2 public companies. DKL now has 82% of their EBITDA on a third-party basis. But what really got accomplished here was DK materially is complete with putting the right assets under the right roof. And really, at a high level, these transactions from an EBITDA perspective are not material. And so I think -- and I guess the other piece of your question was the timing, and we've kind of laid out the 2 timing. That's really the phasing the cash flows between the 2 parties.

**Operator**

Your next question comes from the line of Ryan Todd of Piper Sandler.

**Ryan M. Todd**

*Piper Sandler & Co., Research Division*

Congrats on the result. Maybe just a question. I know you've touched on this in some of the things already but obviously, margin capture was very strong across multiple regions. I know some of that you've highlighted to some degree in terms of EOP drivers. But can you talk about what has gone well, what -- and how you see that sustainably going forward in terms of what may have been structural drivers versus what may have been some transient impacts and what you see in terms of margin capture going forward?

**Avigal Soreq**

*President, CEO & Director*

Yes. So I think that what you see is our strategy coming into a reflection in the results. That's the essence of that. And our strategy, there is a big component for a safe and reliable operation and EOP. So in order to have the right capture, you need 3 legs, right? You need a safe and reliable operation. You need very strong commercial activity led by our Chief Commercial Officer, Israel, that is here with us today, and you need a strong EOP. The combination of those 3 together improve capture over time. We are very proud of the results. You can see both in Tyler and KSR, post turnaround -- you see a meaningful improvement in capture, and that's something that we are very proud of post turnaround improvement before plan.

Mohit, do you want to chime in?

**Mohit Bhardwaj**

*Senior Vice President of Strategy & Growth*

Yes. And Avigal, you rightly pointed out EOP as the reason for it. And because of EOP, we have been able to produce more high octane products and sell them all year round. So that is helping as well. We also have a very high distillate deal, which helped -- and we have increased our total liquid volume yield, which is also part of our enterprise optimization plan, and that is showing results in our capture.

**Operator**

With no further questions, I'd like to pass it back to Avigal for closing remarks.

**Avigal Soreq**

*President, CEO & Director*

Yes. So I want to just say thank you for the team here that did a very good job to our Board of Directors that help and guide us and lead us to our investors that like the story and stay with the story and most importantly, to our great employees that make the company that great company. Thank you, and we'll talk again next quarter.

**Operator**

This concludes today's conference call. You may now disconnect.

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