Par Pacific Holdings

The Bull Riders

Will Hawkins, Kasidee Lewis, Mia Gaona-Riveros, Logan Engelberg

10-19-2026

Investment Thesis

Company Overview

Company Name	Par Pacific Holdings, Inc.
Ticker	PARR
Current Price	$83.42
Current Date	10-19-2026
Target Price	$213.45
Industry	Oil & Gas Refining & Marketing
Sector	Energy
Shares Outstanding (M)	50.1
Market Cap (M)	$4,179.31
Monthly Trading Volume (M)	20.5
Beta	0.756

Par Pacific is an independent refiner and logistics operator. It can process about 219,000 barrels of crude oil throughput every day and sources crude from US inland fields, waterborne imports, and Canadian heavy oil, with the flexibility to switch when relative prices move. Its assets sit in four regions and are largely vertically integrated within self-sufficient markets, limiting exposure to supply disruptions. It reports two main external revenue-generating segments: "Refining" and "Retail", while their third "Logistics" segment is mostly internally driven.

BUY $20,000 of PARR in School Fund

PROS

- High earnings for market cap
- Low leverage
- Company wide margin increase

CONS

- Cyclical earnings and politically-driven
- Good news might already be priced in
- Highly volatile earnings

DCF – WACC

WACC Calculations		
Capital Structure		
Total Debt		$739.20
Total Equity		$4,179.31
Debt-to-Total Capitalization		15.0%
Equity-to-Total Capitalization		85.0%
Cost of Debt		
Pre-Tax Cost of Debt		*9.1%*
Tax Rate		*23.0%*
After-Tax Cost of Debt	7.02%	
Cost of Equity		
Risk-free Rate		*5.1%*
Market Risk Premium		4.4%
Levered Beta		*0.76*
Cost of Equity	10.0%	
WACC	**8.194%**	

WACC Assumptions

- Total market cap as of 10/16 was $4,179.31 million
- Total debt based on their most recent 10-Q was $739.20 million
- Debt on balance sheet and in external market was assumed to be the same
- Cost of debt was calculated based on their interest expense relative to their projected 2026 end debt level
- Stated tax rate was 23% as of their most recent 10-Q filing
- Market risk premium was based Professor Aswath Damodaran Oct 1st, 2026, ERP adjusted for 5.1% Treasury Rate (He used 5.29%)
- Levered beta was based on stated beta from Yahoo Finance and corroborated with manual calculation

Base DCF

	Projected Annual Forecast				
	2026	2027	2028	2029	2030
Period	1	2	3	4	5
Total Revenues	$9,585.20	$9,944.40	$10,675.10	$11,405.90	$12,136.60
EBITDA	$1,533.19	$694.57	$763.70	$832.82	$901.95
EBIT	$1,391.36	$526.37	$583.41	$640.45	$697.49
Tax Rate	23.00%	23.00%	23.00%	23.00%	23.00%
EBIAT	**$1,071.30**	**$405.30**	**$449.20**	**$493.10**	**$537.10**
Depreciation & Amortization	$141.80	$168.20	$180.30	$192.40	$204.50
Accounts Receivable	-$79.70	-$30.40	-$30.40	-$30.40	-$30.40
Inventories	-$270.70	-$153.20	-$93.10	-$123.20	-$123.20
Prepaid Expenses	-$46.40	-$9.40	-$9.40	-$9.40	-$9.40
Accounts Payable	$122.50	$47.70	$47.70	$47.70	$47.70
Accrued Expenses	$133.40	$61.70	$61.70	$61.70	$61.70
Capital Expenditures	-$165.60	-$144.50	-$155.90	-$167.30	-$178.70
Unlevered Free Cash Flows	**$906.70**	**$345.50**	**$450.10**	**$464.70**	**$509.30**
Discount Rate *(WACC)*	*8.2%*	*8.2%*	*8.2%*	*8.2%*	*8.2%*
PV of FCFs	$827.60	$287.90	$342.30	$322.50	$322.60
Sum of PVs of FCFs	$827.60	$1,115.40	$1,457.70	$1,780.20	$2,102.80

Terminal Value	
Growth in Perpetuity Method	
Long Term Growth Rate	2%
WACC	8.2%
Free Cash Flow (t+1)	$519.4
Terminal Value	$8386.7
Present Value of Terminal Value	$5657
NPV Per Share	$156.25

Enterprise Value to Equity Value	
Enterprise Value	$7828.2
Less: Net Debt	554.2
Equity Value	**$7274**
Diluted Shares Outstanding	50.1
Equity Value Per Share	**$145.19**
Enterprise Value Per Share	**$156.25**

	Base	Downside	Upside
Equity Value Per Share	$145.19	$74.21	$162.30
Enterprise Value Per Share	$156.25	$85.27	$173.36

DCF – Assumptions Base

					Projected Annual Forecast				
	2022	2023	2024	2025	2026	2027	2028	2029	2030
Period					1	2	3	4	5
Revenue (M)	$7,321.8	$8,232.0	$7,974.5	$7,464.7	$9,585.2	$9,944.4	$10,675.1	$11,405.9	$12,136.6
Growth Rate (%)		*12.4%*	*(3.1%)*	*(6.4%)*	*28.4%*	*3.7%*	*7.3%*	*6.8%*	*6.4%*
Segments									
Refining	$7,046.1	$7,969.5	$7,509.8	$7,018.1	$8,962.2	$9,298.0	$9,981.3	$10,664.5	$11,347.7
Growth Rate (%)		*13.1%*	*(5.8%)*	*(6.5%)*	*27.7%*	*3.7%*	*7.3%*	*6.8%*	*6.4%*
Retail	$570.2	$592.5	$474.3	$468.5	$623.0	$646.4	$693.9	$741.4	$788.9
Growth Rate (%)		*3.9%*	*(19.9%)*	*(1.2%)*	*33.0%*	*3.7%*	*7.3%*	*6.8%*	*6.4%*
EBITDA	$533.0	$805.6	$175.4	$704.6	$1,533.2	$694.6	$763.7	$832.8	$902.0
EBITDA Margin (%)	*7.3%*	*9.8%*	*2.2%*	*9.4%*	*16.0%*	*7.0%*	*7.2%*	*7.3%*	*7.4%*
EBIT	433.2	685.8	43.8	560.3	$1,391.36	$526.37	$583.41	$640.45	$697.49
EBIT Margin (%)	*5.9%*	*8.3%*	*0.5%*	*7.5%*	*14.5%*	*5.3%*	*5.5%*	*5.6%*	*5.7%*
Depreciation & Amortization	$99.8	$119.8	$131.6	$144.3	$141.83	$168.19	$180.28	$192.37	$204.46
D&A as a % of revenue	*1.4%*	*1.5%*	*1.7%*	*1.9%*	*1.5%*	*1.9%*	*1.9%*	*1.9%*	*1.9%*

Comparable

	Market and Financial Data						Valuation		
Company Name	Price	Market Cap (M)	Enterprise Value (M)	LTM Sales (M)	LTM EBITDA (M)	Earnings (M)	EV / Sales	EV / EBITDA	P/E
Target									
Par Pacific Holdings	$83.42	$4,179.31	$4,733.51	$8,620.00	$1,320.00	$856.90	0.5x	3.6x	4.9x
Comparable Companies									
Phillips 66	$293.17	$116,980.96	$133,446.96	$152,170.00	$12,870.00	$7,090.00	0.9x	10.4x	16.5x
Marathon Petroleum Corporation	$478.07	$134,253.91	$159,301.91	$153,580.00	$17,610.00	$8,550.00	1.0x	9.0x	15.7x
Valero Energy Corporation	$444.71	$128,044.24	$131,519.24	$139,400.00	$13,660.00	$7,210.00	0.9x	9.6x	17.8x
HF Sinclair Corporation	$125.29	$22,274.53	$22,784.53	$31,230.00	$3,590.00	$1,920.00	0.7x	6.3x	11.6x
PBF Energy	$84.52	$10,018.73	$10,873.73	$34,370.00	$2,660.00	$1,350.00	0.3x	4.1x	7.4x

*North America

Comparable – Summary

SUMMARY						
Metrics	**Comps**	**Implied EV**	**Net Debt**	**Equity Value**	**Shares**	**Share Price**
EV/Sales						
25 Percentile	0.7x	$6,289	$554	$5,735	50.1	$114.47
75 Percentile	0.9x	$8,133	$554	$7,578	50.1	$151.27
Mean	0.8x	$6,730	$554	$6,176	50.1	$123.27
EV/EBITDA						
25 Percentile	6.3x	$8,378	$554	$7,823	50.1	$156.16
75 Percentile	9.6x	$12,709	$554	$12,155	50.1	$242.61
Mean	7.9x	$10,422	$554	$9,868	50.1	$196.96
P/E						
25 Percentile	11.6x			$9,941	50.1	$198.43
75 Percentile	16.5x			$14,139	50.1	$282.21
Mean	13.8x			$11,823	50.1	$235.98

Implied Stock Price	
25 Percentile	$156.35
75 Percentile	$225.36
Mean	$185.40

Precedent Transactions

Date	Target	Buyer	Transaction Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA
8/16/2023	Holly Energy Partners LP	HF Sinclair	$3,748.21	$501.10	$296.07	7.48x	12.66x
1/5/2023	DCP Midstream LP	Phillips 66	$3,783.87	$3,179.72	$250.26	1.19x	15.12x
7/28/2022	PBF Logistics LP	PBF Energy Inc	$1,096.91	$348.23	$221.15	3.15x	4.96x
10/27/2021	Phillips 66 Partners LP	Phillips 66	$2,333.84	$203.83	$78.63	11.45x	29.68x
5/8/2019	Andeavor Logistics LP	Marathon Petroleum Corp	$10,178.07	$1,895.36	$961.10	5.37x	10.59x
10/18/2018	Valero Energy Partners LP	Valero Energy Corp	$950.47	$173.13	$126.06	5.49x	7.54x
4/30/2018	Andeavor	Marathon Petroleum Corp	$29,019.66	$38,692.88	$2,691.99	0.75x	10.78x
					Mean	4.98x	13.05x
					Median	5.37x	10.78x
					25 Percentile	2.17x	9.07x
					75 Percentile	6.49x	13.89x
					Standard deviation	3.745	8.042

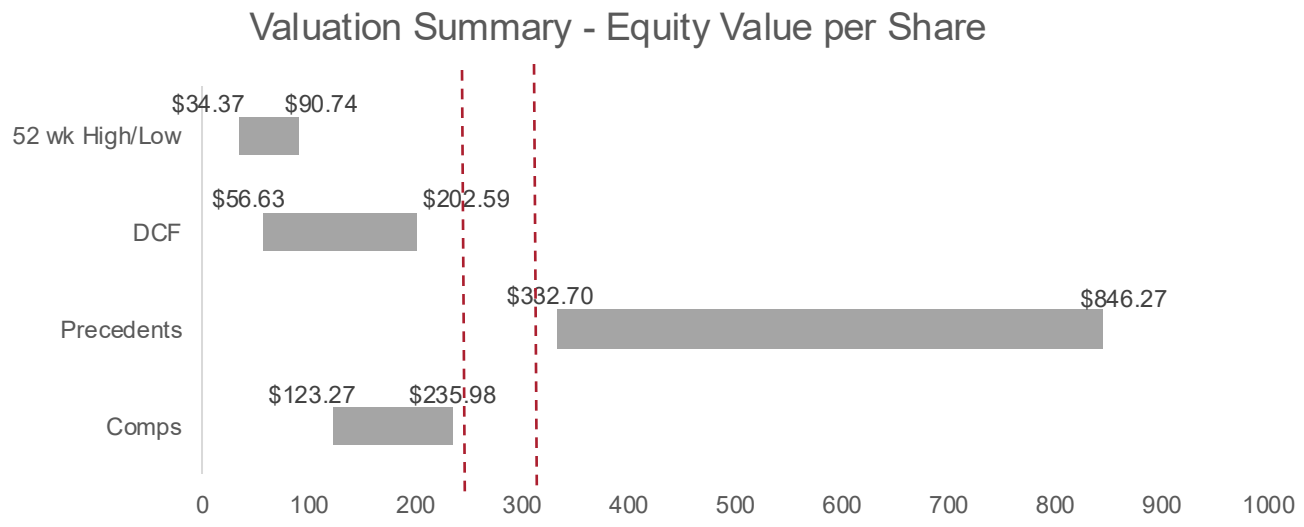
Weighted Valuation – Assumptions Base

Metrics	Comps	Implied EV	Net Debt	Equity Value	Shares	Share Price
Mean EV/EBITDA	7.9x	$10,422	$554	$9,868	50.1	$196.96
Mean EV/Sales	0.8x	$6,730	$554	$6,176	50.1	$123.27
Mean P/E	13.8x			$11,823	50.1	$235.98

Metrics	Comps	Implied EV	Net Debt	Equity Value	Shares	Share Price
Mean EV/EBITDA	13.0x	$17,222	$554	$16,668	50.1	$332.70
Mean EV/Sales	5.0x	$42,952	$554	$42,398	50.1	$846.27

Approach	Base	Downside	Upside
Perpetuity	$145.19	$56.63	$202.59

	Low Bar	Difference	High Bar
Comparables	$123.27	$112.71	$235.98
Precedents	$332.70	$513.57	$846.27
DCF	$56.63	$145.19	$202.59
52 wk High/Low	$34.37	$56.37	$90.74



Weighted Valuation

Implied Stock Price	
Total DCF	$145.19
Comparables	$185.40
Precedents	$589.48

Weights	
DCF	30%
Comparables	60%
Precedents	10%

Target Price	**$213.45**

Current price	**$83.42**

Weighted Valuation Assumptions

- Comparables are weighted the most (60%) due to the extreme similarities in company business models and products
- DCF weighted second highest (30%) due to the volatile nature of their income, meaning it is harder to accurately predict
- Precedents weighted lowest (10%) since the transactions are extremely discrepant in multiples and are believed to be less representative than the other two factors

Risk Management

Reason 1: Earnings may be at a cyclical peak

Par's profits depend on unusually wide refining margins. Morningstar expects margins to stay elevated through year-end and then drift back toward mid-cycle levels, and says current refiner earnings look cyclically elevated rather than durable. Par's own results show the swing: refining Adjusted EBITDA was $69M in Q1 2026 versus $552M in Q2. morningstarstockanalysis

Counterpoint: The decline is expected to be gradual, not sudden, since product inventories are low and restocking demand is high. Par is also using the windfall well. It cut term debt by more than $130 million through a $500 million notes offering, so it is better able to withstand weaker margins. morningstarnasdaq

Reason 2: The stock may already price in the good news

Par sits at the top of its range. Yahoo Finance lists a 52-week range of $26.88 to $87.03 and a one-year analyst target estimate of $83 (when the stock was around $69), which is below our $87 entry price. It also rose 114% over 2025. Yahoo Financefool

Counterpoint: The earnings multiple is still low. Yahoo showed a trailing P/E of 4.05 on EPS of $17.04. At $87, that works out to roughly 5x, though this is my own calculation and EPS has likely changed since. A multiple that low suggests the market is already assuming margins fall. If they stay above mid-cycle longer than expected, the stock has room to run. Yahoo Finance

Reason 3: Small scale and regional concentration

Par is far smaller than Valero or Marathon, so it has less diversification. Q2 also showed operational bumps: Hawaii throughput fell to 73 Mbpd from 88 Mbpd, and Retail Adjusted EBITDA slipped to $17.3 million from $23.3 million. nasdaqparpacific

Counterpoint: The regional focus helped this quarter. Hawaii's index averaged $46.06 per barrel versus $8.57 a year earlier, and margin indices rose in all four regions. The Hawaii dip came from a turnaround, and management said the annual turnaround maintenance is substantially complete. Logistics also held steady at $29.8M [Par Q2 release]. nasdaqparpacific

Conclusion

Company Overview

Company Name	Par Pacific Holdings, Inc.
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Target Price	$213.45
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Sector	Energy
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Beta	0.756

Par Pacific is an independent refiner and logistics operator. It can process about 219,000 barrels of crude oil throughput every day and sources crude from US inland fields, waterborne imports, and Canadian heavy oil, with the flexibility to switch when relative prices move. Its assets sit in four regions and are largely vertically integrated within self-sufficient markets, limiting exposure to supply disruptions. It reports two main external revenue-generating segments: "Refining" and "Retail", while their third "Logistics" segment is mostly internally driven.

BUY $20,000 of PARR in School Fund

PROS

- High earnings for market cap
- Low leverage
- Company wide margin increase

CONS

- Cyclical earnings and politically-driven
- Good news might already be priced in
- Highly volatile earnings

Appendix

Bear DCF

Terminal Value

Growth in perpetuity method:

Long term growth rate	2.0%
WACC	8.2%
Free cash flow (t+1)	$188.9
Terminal Value	$3,050.5
Present Value of Terminal Value	$2,057.6
NPV Per Share	$67.69

Enterprise Value to Equity Value

Enterprise Value	$3,391.5
Less: Net debt	554.2
Equity Value	**$2,837.3**
Diluted Shares Outstanding	50.1
Equity Value Per Share	**$56.63**
Enterprise Value Per Share	**$67.69**

We used a 2% long-term growth rate in our bear case because it matches the Federal Reserve's long-run inflation target, so Par's cash flows grow only with prices, which fits a mature refiner facing volatile margins and uncertain long-term fuel demand.

DCF	Implied Share Price		
Approach	**Base**	**Downside**	**Upside**
Perpetuity	$117.80	$68.45	$162.30

Bull DCF

Terminal Value

Growth in perpetuity method:	
Long term growth rate	2.5%
WACC	8.2%
Free cash flow (t+1)	$670.8
Terminal Value	$11,780.6
Present Value of Terminal Value	$7,946.2
NPV Per Share	$213.65

Enterprise Value to Equity Value

Enterprise Value	$10,703.7
Less: Net debt	554.2
Equity Value	**$10,149.5**
Diluted Shares Outstanding	50.1
Equity Value Per Share	**$202.59**
Enterprise Value Per Share	**$213.65**

We used a 2.5% in our bull case, slightly above inflation, because Par could grow modestly faster through its Hawaii Renewables business and its regional markets, while staying below long-run economic growth, so we don't assume Par outgrows the economy.

DCF	Implied Share Price		
Approach	**Base**	**Downside**	**Upside**
Perpetuity	$117.80	$68.45	$162.30

Business Model

- **Who are the customers?** Par sells refined products to a diverse customer base, mostly through short-term contracts or on the spot market, and one refining customer accounted for 12% of 2025 revenue. It also sells directly to drivers through its own Hele, nomnom and 76 fuel outlets and convenience stores in Hawaii, Washington and Idaho. Par operates pipelines that serve Joint Base Lewis-McChord in Washington and Ellsworth Air Force Base in South Dakota. PAR PACIFIC HOLDINGS, INC. - Form 10-K - FY2025 +2
- **Why do they buy it?** Par supplies fuel in its regional markets: Hawaii's gasoline, jet fuel and utility fuel demand, and the Northern Rockies and Dakotas, where its Montana and Wyoming refineries serve nearby cities and an Air Force base. Its Logistics segment, which includes storage, pipelines and terminals, moves these products to customers. sec
- **What are the key products?** Gasoline, distillates (diesel and jet fuel), asphalt (from Montana), propane, butane and other products. Its Hawaii Renewables joint venture, which began commercial operations in April 2026, is expected to produce about 61 million gallons per year of renewable diesel, sustainable aviation fuel, renewable naphtha and low-carbon LPG. Par also operates convenience stores under the Hele, 76 and nomnom brands. sec
- **How does it make money?** Mostly from the spread between the crude it buys and the fuels it sells. Refining produced $552 million of Q2 2026 Adjusted EBITDA out of the $571.3 million total, or about 97% (my arithmetic). Logistics contributed about $30 million. The segments add up to more than the total because corporate and other items reduce it. Par Pacific (PARR) Q2 2026 Earnings Call Transcript +2
- **How is pricing set?** Par measures each refinery's margin against a regional benchmark: Hawaii uses the Singapore 3-1-2 crack spread, Wyoming a 2-1-1 crack, and Montana a 6-3-2-1 crack. In Q2 2026 the Montana index averaged $25.76 per barrel and the Wyoming index $28.73. A crack spread is the value of the fuels made from a barrel of crude minus the crude's cost, so Par's results follow market prices, and crude costs are its main lever. stockanalysis
- **Where is it in the value chain?** Downstream. Par buys crude, refines it, moves it through its own storage and pipeline assets, and sells it wholesale and through its own stations. It doesn't produce oil, so it has crude price exposure without upstream profits. Its only upstream stake is a 46% interest in Laramie Energy, which produces natural gas, not oil.

Industry Overview

Par Pacific

OVERVIEW

Par Pacific Holdings, Inc., headquartered in Houston, Texas, is a growth-oriented energy company providing both renewable and conventional fuels to the western United States.

Our business is organized into three primary segments:

1) **Refining** - We own and operate four refineries with total operating crude oil throughput capacity of 219 Mbpd. Our refineries in Kapolei, Hawaii, Newcastle, Wyoming, Tacoma, Washington, and Billings, Montana, convert crude oil into gasoline, distillate, asphalt and other products to serve the state of Hawaii and areas ranging from Washington state to the Dakotas and Wyoming.

2) **Retail** - We operate fuel retail outlets in Hawaii, Washington, and Idaho. We operate convenience stores and fuel retail sites under our "Hele" and "nomnom" brands, "76" branded fuel retail sites and other sites operated by third parties that sell gasoline, diesel, and retail merchandise such as soft drinks, prepared foods, and other sundries. We also operate unattended cardlock stations.

3) **Logistics** - We operate an extensive multi-modal logistics network spanning the Pacific, the Northwest, and the Rocky Mountain regions. This network includes an SPM in Hawaii, a unit train-capable rail loading terminal in Washington, and other terminals, pipelines, trucking operations, marine vessels, storage facilities, loading and truck racks, and rail facilities for the movement of petroleum, refined products, and ethanol in and among the Hawaiian islands, between the U.S. West Coast and Hawaii, and in areas ranging from the state of Washington to the Dakotas and Wyoming.

As of December 31, 2025, we owned a 46% equity investment in Laramie Energy, LLC ("Laramie Energy"), an entity focused on developing and producing natural gas in Garfield, Mesa, and Rio Blanco counties, Colorado. As of December 31, 2025, through the Billings Acquisition (as defined in "Note 6—Acquisitions" under Item 8 of this Annual Report on Form 10-K), we own a 65% and a 40% equity investment in Yellowstone Energy Limited Partnership ("YELP") and Yellowstone Pipeline Company ("YPLC"), respectively. As of December 31, 2025, we also held a 63.5% ownership interest in Hawaii Renewables, LLC ("Hawaii Renewables").

Historical Financial Performance

PARR Historical Financials

Metric	2021	2022	2023	2024	2025
Revenue	$4,710.09	$7,321.79	$8,231.96	$7,974.46	$7,464.65
Revenue Growth	50.78%	55.45%	12.43%	-3.13%	-6.39%
Operating Income	$(7.62)	$437.90	$680.01	$47.63	$538.76
Operating Margin	-0.16%	5.98%	8.26%	0.60%	7.22%
Net Income	$(81.30)	$364.19	$728.64	$(33.32)	$369.39
Operating Cash Flow	$(27.62)	$452.61	$579.16	$83.78	$445.34
Capex	$29.53	$53.03	$82.28	$135.54	$148.87
Free Cash Flow	$(57.16)	$399.58	$496.88	$(51.76)	$296.46

What the Historical Financials Tell Us

1) Profitability rebounds despite lower revenue

Operating margin recovered from 0.6% in 2024 to 7.2% in 2025, while net income improved from a $33.3M loss to a $369.4M profit.

2) Free cash flow recovers despite rising CapEx

Operating margin recovered from 0.6% in 2024 to 7.2% in 2025, while net income improved from a $33.3M loss to a $369.4M profit.

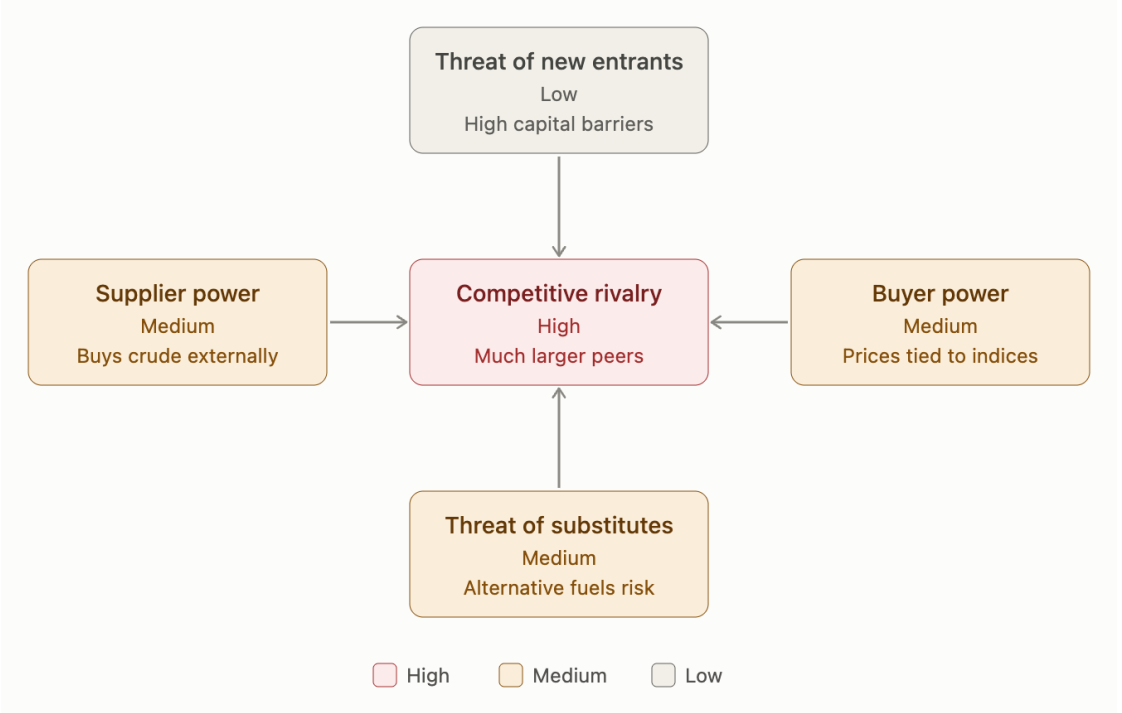
3) Revenue Growth is slowing

Revenue peaked at $8.23B in 2023 before declining 3.1% in 2024 and 6.4% in 2025, reflecting the volatility of the refining industry.

Industry Analysis

Porter's Five Forces: Par Pacific (PARR)

- **Competitive rivalry: HIGH.** Par's competitors include major integrated, national and independent energy companies, and many have greater financial and technical resources. Par's four refineries have a combined capacity of 219,000 barrels per day. In retail, Par competes with Shell, Costco and Safeway in Hawaii, and with Chevron, Exxon and Costco in the Pacific Northwest. Because its refineries are in a few limited regions, Par is also more exposed to local economic conditions than more geographically diversified competitors. PAR PACIFIC HOLDINGS, INC. - Form 10-K - FY2025 +2
- **Buyer power: MEDIUM.** Par sells to a diverse customer base, mostly through short-term contracts or on the spot market, so buyers can switch easily. That is partly offset by the fact that no customer beyond one refining customer, at 12% of revenue, exceeds 10%. In retail, competition is strong, and non-traditional retailers such as club stores have taken a significant share of the market, so consumers have many alternatives. PAR PACIFIC HOLDINGS, INC. - Form 10-K - FY2025 +2
- **Supplier power: MEDIUM.** Unlike integrated oil companies, Par must buy all of its crude from unaffiliated sources and competes globally for it. Its Hawaii refinery's crude is bought and delivered under an agreement with Citi, which exposes Par to that counterparty. On the other side, Par sources crude from North America, Asia, Latin America, Africa and the Middle East, and its largest named grade, Western Canadian Select heavy crude, was 22% of system crude in the twelve months to September 2025. That spread keeps this from being HIGH. PAR PACIFIC HOLDINGS, INC. - Form 10-K - FY2025 +3
- **Threat of new entrants: LOW.** Refineries face extensive and increasingly stringent environmental regulation, and building or expanding them requires permits. Local rules add barriers: Tacoma prohibits new petroleum storage, and a federal law may limit new oil terminals and rail facilities in Washington. Par itself grew by acquiring existing refineries, including Hawaii from Tesoro in 2013 and Wyoming in 2016, not by building new ones. PAR PACIFIC HOLDINGS, INC. - Form 10-K - FY2025 +2
- **Threat of substitutes: MEDIUM.** Par's 10-K warns that alternative products, regulation and consumer demand could reduce demand for its fuels. Examples it cites include Washington's low-carbon fuel standard, which targets a 20% cut in fuel carbon intensity by 2038 and is likely to reduce fuel demand, and Hawaii's goal of 100% renewable energy by 2045. Par is responding with Hawaii Renewables: the facility began commercial operations in April 2026, with capacity of about 61 million gallons per year. That is small relative to Par's refining capacity, so it softens this risk without removing it.



Management and Employees



Will Monteleone
President and CEO

Par Pacific Track Record & Future Potential

Wins:

- **Earnings jump:** Q2 2026 Adjusted EBITDA was $571.3M, up from $137.8M a year earlier.
- **Refinancing:** $500M of senior notes cut term debt by more than $130M.
- **Operations:** The Washington refinery hit a quarterly record of 41.2 Mbpd in Q2.

Losses:

- **Hawaii and Retail:** Hawaii throughput fell to 73 Mbpd from 88 Mbpd, and Retail EBITDA slipped to $17.3M from $23.3M.
- **Earnings swings:** Refining EBITDA was $69M in Q1 2026 versus $552M in Q2.
- **Environmental liabilities:** $15.8M accrued for Wyoming remediation; another ~$11.6M estimated for wastewater projects.

Company Structure & Culture

- **Board quality:** 8 of 10 directors deemed independent in 2026 proxy; expertise spans refining, energy, finance, and operations..
- **Leadership:** Will Monteleone is President and CEO since April 2024; formerly Par CFO (2017–2022) and M&A executive. Previously at Sam Zell's Equity Group Investments.
- **Recent changes:** In May 2026, Par closed $500M of 7.375% senior notes due 2034 and increased and extended its ABL.
- **Compensation:** Performance-linked salary, cash incentives and equity; CEO received $4.41M total reported 2025 compensation.
- **Culture & employees:** 1,758 employees in FY2025; 1,047 Refining & Logistics, 522 Retail, and 189 Corporate. Core values: respect, integrity, innovation, and heart.
- **Competitive advantage:** Four refineries (Hawaii, Montana, Washington, Wyoming) plus Retail and Logistics. Q2 2026 margin indices rose year over year in every region.

SWOT Analysis

Strengths

- **Earnings surge:** Q2 2026 Adjusted EBITDA was $571.3 million, up from $137.8 million a year earlier. parpacific
- **Margins up in every region:** Hawaii's index averaged $46.06 per barrel versus $8.57, and Montana and Washington also rose. Wyoming climbed from $21.41 to $28.73. nasdaqparpacific
- **Stronger balance sheet:** A $500 million notes offering let Par cut term debt by more than $130 million. nasdaq
- **Crude flexibility:** Par draws on U.S. inland, waterborne, and Canadian heavy crude and can switch when relative prices move. nasdaq

Weaknesses

- **Small scale:** Par processes about 219,000 barrels a day, versus Valero's 3.2 million. nasdaq
- **Volatile results:** Refining Adjusted EBITDA was $69M in Q1 2026 versus $552M in Q2. stockanalysis
- **No crude of its own:** Unlike integrated oil companies, Par must buy all of its crude from unaffiliated sources. All crude delivered to its Hawaii refinery runs under a Supply and Offtake Agreement with J. Aron. secsec
- **Soft spots in Q2:** Hawaii throughput fell to 73 Mbpd from 88 Mbpd, and Retail Adjusted EBITDA slipped to $17.3 million from $23.3 million. nasdaqparpacific

Opportunities

Margins may stay elevated near term: Management attributed Q2 to reduced exports from the Persian Gulf and Russia and trade restrictions, but the stock fell 7.45% after earnings as investors questioned whether such a quarter can repeat. Yahoo Financeinvesting
Turnaround behind it: Par's Hawaii turnaround is substantially complete, but its financial impact will be concentrated in the third quarter. secstockanalysis
Renewable fuels: The Hawaii Renewables joint venture began commercial operations in April 2026 with capacity of about 61 million gallons per year. Par owns 63.5%, and Mitsubishi and ENEOS paid $100 million for the rest. It is small relative to Par's 219,000 barrels per day of refining capacity. **Heavy crude exposure:** Western Canadian Select heavy crude made up 22% of Par's system crude in the twelve months to September 2025. Heavy crude usually sells for less than light, sweet crude, which supports Par's margins. marketscreenereia
Capital returns: Par does not pay dividends, since its debt agreements restrict them. It has a $250 million buyback program, with $137.2 million remaining at December 31, 2025, and it moderated repurchases in Q2 to pay down debt.

Threats

- **Margin normalization:** Morningstar expects margins to return gradually toward mid-cycle levels, and says current refiner earnings look cyclically elevated. Another analysis argues that either crude prices rise or product prices fall, which would erode refiners' margins. morningstarhydrocarbonprocessing
- **High expectations:** Yahoo lists a 52-week range of $26.88 to $87.03, so the stock is near the top of that range at $87.00. Yahoo Finance
- **Alternative fuels and regulation:** Par's 10-K warns that alternatives driven by regulation, technology, and consumer demand could affect pricing, demand, and profitability. sec
- **Island market risk:** If Hawaii's supply exceeds demand, Par may have to ship products off-island, which could lower margins.

Summary & Recommendation

- **Investment Thesis: Buy $20k** of PARR.
- **Business Model:** Independent refiner with three segments (Refining, Retail, Logistics). Refining generated $552.0 million of the $571.3 million Q2 2026 Adjusted EBITDA, so earnings track refining margins. Parpacific
- **Industry Analysis:** Refining is cyclical and margin-driven, not a growth industry with a durable moat. Par's refining Adjusted EBITDA swung from negative $14.3 million in Q1 2025 to $552.0 million in Q2 2026, and the stock fell 7.45% after Q2 earnings as investors questioned whether such a quarter can repeat. Par is small, at 219,000 barrels per day, and its competitors include major integrated companies with greater financial and technical resources. Its edge is regional: Montana runs low-cost Western Canadian and Rocky Mountain crude, and its refineries are tied to local markets through their own pipelines and terminals. We have no regional market share data, so this edge rests on location and logistics.
- **Risks & Growth:** Growth is strong now: Q2 revenue rose to $2,968.9 million from $1,893.4 million (about 57%, my calculation). The main risks are margin normalization and a stock already near its high. Yahoo lists a 52-week range of $26.88 to $87.03. The balance sheet is better placed to absorb that: a $500 million notes offering let Par cut term debt by more than $130 million. Par Pacific Holdings Reports Second Quarter 2026 Results +2
- **Governance:** Will Monteleone is President and CEO.
- **Valuation:** Our blended valuation puts Par Pacific's fair value at $213.45 per share, about 156% above the current price of $83.42, which suggests the market is pricing in a sharp fall from today's peak refining margins.
- **Recommendation: Buy $20,000** of PARR (**239.8** shares at $83.42. For scale, $10,000 would buy about 119.9 shares. **We want to use cash from the school fund.**
- **Target Price:** $213.45