



HF Sinclair (DINO)

Updated February 19th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	\$52	5 Year CAGR Estimate:	4.5%	Market Cap:	\$9.5 B
Fair Value Price:	\$49	5 Year Growth Estimate:	2.0%	Ex-Dividend Date:	3/2/2026
% Fair Value:	105%	5 Year Valuation Multiple Estimate:	-1.0%	Dividend Payment Date:	3/12/2026
Dividend Yield:	3.8%	5 Year Price Target	\$55	Years Of Dividend Growth:	0
Dividend Risk Score:	F	Sector:	Energy	Rating:	Sell

Overview & Current Events

In March 2022, HollyFrontier (HFC) changed its name to HF Sinclair (DINO) to reflect its acquisition of Sinclair Oil. The company was initially formed by the merger of two independent U.S. refiners, Holly Corporation and Frontier Oil, in 2011. It has a market cap of \$9.5 billion and operates in three segments: refining, lubricants, and Holly Energy Partners, which is a midstream entity. Nevertheless, HF Sinclair should be viewed primarily as a refiner. The refining segment posted a loss in 2024 due to a collapse in refining margins but generated 59% of the total operating income in 2025.

On November 1st, 2021, HF Sinclair completed the acquisition of the Puget Sound Refinery from Shell for \$350 million. The company funded the acquisition via the suspension of its dividend for one year and cash on hand.

On March 14th, 2022, the \$1.8 billion merger between HollyFrontier and Sinclair Oil was completed. The deal was funded with the issuance of ~60.2 million of shares. Sinclair has two refineries based at Rocky Mountain, a renewable diesel business and a branded marketing business. The timing of the deal was ideal, as refining margins skyrocketed to record levels in 2022-2023 due to the Ukrainian crisis.

On December 1st, 2023, HF Sinclair completed the acquisition of the remaining 53% stake in Holly Energy Partners (HEP) that it did not own in order to improve the efficiencies of its network of assets. Thanks to the attractive valuation of Holly Energy Partners, we view the deal as positive for HF Sinclair.

On February 18th, 2026, HF Sinclair reported results for Q4-2025. Refining margins more than doubled over the prior year's quarter. As a result, HF Sinclair switched from a loss per share of -\$1.02 to earnings-per-share of \$1.20, and exceeded the analysts' estimates by a massive \$0.75. However, the company announced that its CEO will take a leave of absence without mentioning the duration and the reason. The stock plunged -11% on the news.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$0.51	\$2.32	\$6.44	\$4.90	-\$0.87	\$1.52	\$14.73	\$9.51	\$1.01	\$5.06	\$4.80	\$5.30
DPS	\$1.32	\$1.32	\$1.32	\$1.34	\$1.40	\$0.35	\$1.20	\$1.80	\$2.00	\$2.00	\$2.00	\$2.10
Shares¹	177.4	177.4	174.3	162.9	162.2	162.7	199.5	187.0	188.3	183.0	180.0	180.0

Thanks to the proximity of its refineries to the domestic oil production, HF Sinclair buys its crude oil at a discount to WTI. Moreover, HF Sinclair is likely to benefit from the synergies it will achieve from its recent acquisitions of the Puget Sound Refinery and Sinclair Oil. We applaud management for suspending the dividend for one year in favor of acquisitions that have already resulted in earnings growth. We have seen many oil companies, including Exxon Mobil, curtailing their growth projects to defend their generous dividends, but such a strategy may not benefit long-term shareholders. Moreover, HF Sinclair has the strongest balance sheet in its peer group and hence it can endure downturns. The strong balance sheet is paramount in this cyclical business. Given the cyclical nature of the refining industry, we expect the earnings-per-share of HF Sinclair to grow 2.0% per year on average over the next five years. Nevertheless, investors should be aware of the extreme sensitivity of the results of HF Sinclair to the gyrations of refining margins.

¹ In millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	---	13.8	9.6	10.2	---	21.7	3.2	5.4	49.8	8.3	10.8	10.3
Avg. Yld.	4.5%	4.1%	2.1%	2.7%	4.9%	1.1%	2.6%	3.5%	4.0%	4.8%	3.8%	3.9%

HF Sinclair has surged 34% in the last 12 months thanks to its high sensitivity to refining margins and thus it is trading at 10.8 times its expected earnings in 2026. This earnings multiple is slightly higher than the historical average of 10.3 of the stock. If the stock trades at its average valuation level in five years, it will incur a -1.0% annualized valuation drag. While a price-to-earnings ratio of 10.3 may seem cheap to most investors, refining is a highly cyclical business and hence this earnings multiple is reasonable.

Safety, Quality, Competitive Advantage, & Recession Resiliency

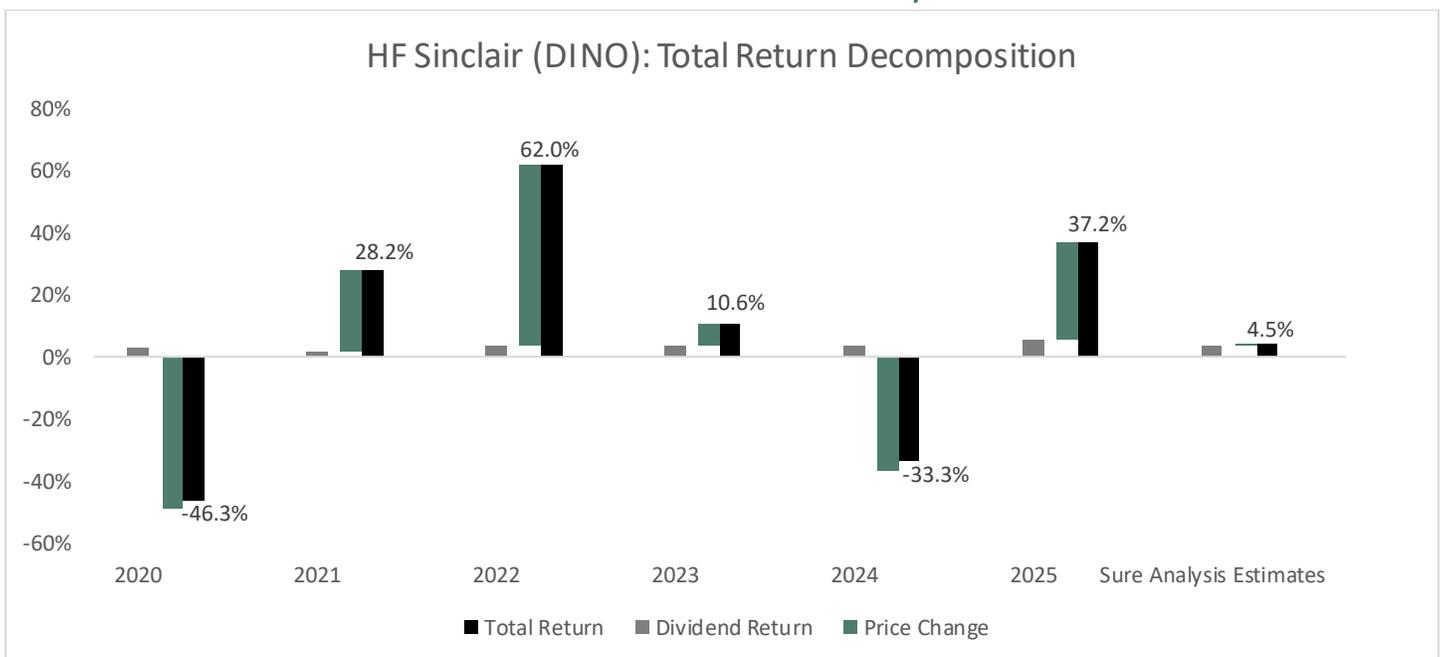
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	259%	56.9%	20.5%	27.3%	---	23.0%	8.1%	18.9%	198%	39.5%	41.7%	39.7%

The refineries of HF Sinclair usually enjoy a discount to WTI thanks to their inland location. On the other hand, investors should always remember that refining is a highly cyclical business and refiners are vulnerable to recessions and fluctuations in crack spreads. In the downturn caused by the pandemic, HF Sinclair incurred a loss in 2020, but it easily endured the downturn thanks to its solid balance sheet. Management should be praised for the lack of share repurchases during boom times, in contrast to most companies.

Final Thoughts & Recommendation

HF Sinclair thrived in 2022-2023 thanks to the exceptionally high refining margins, which resulted from the war in Ukraine. In addition, the refiner has promising growth prospects thanks to its recent acquisitions. However, the stock has surged 34% in the last 12 months and hence it has become less attractive. It could offer a 4.5% average annual return over the next five years, as its 3.8% dividend and 2.0% growth of earnings-per-share may be partly offset by a -1.0% valuation headwind. The stock receives a sell rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	10,536	14,251	17,715	17,487	11,184	18,389	38,205	31,964	28,580	26,869
Gross Profit	1,699	2,482	3,200	3,178	1,425	2,629	6,816	5,139	3,209	1,392
Gross Margin	16.1%	17.4%	18.1%	18.2%	12.7%	14.3%	17.8%	16.1%	11.2%	5.2%
SG&A Exp.	126	266	290	354	314	362	426	498	447	---
D&A Exp.	363	410	437	510	521	504	657	771	832	---
Operating Profit	552	920	1,624	1,430	(188)	749	4,054	2,203	278	936
Operating Margin	5.2%	6.5%	9.2%	8.2%	-1.7%	4.1%	10.6%	6.9%	1.0%	3.5%
Net Profit	(260)	805	1,098	772	(601)	558	2,923	1,590	177	586
Net Margin	-2.5%	5.7%	6.2%	4.4%	-5.4%	3.0%	7.7%	5.0%	0.6%	2.2%
Free Cash Flow	127	679	1,243	1,255	128	(407)	3,253	1,912	640	---
Income Tax	19	(12)	347	299	(232)	124	895	442	34	146

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	9,436	10,692	10,995	12,165	11,507	12,917	18,125	17,716	16,643	16510
Cash & Equivalents	711	631	1,155	885	1,368	234	1,665	1,354	800	---
Accounts Receivable	479	721	672	880	630	1,242	1,703	1,725	1,251	---
Inventories	1,136	1,630	1,354	1,474	1,173	2,122	3,215	2,922	2,798	---
Goodwill & Int. Ass.	2,059	2,444	2,429	2,747	2,629	2,592	3,442	3,388	3,328	---
Total Liabilities	4,134	4,795	4,536	5,655	5,785	6,622	8,108	7,479	7,297	---
Accounts Payable	935	1,221	873	1,216	1,001	1,613	2,334	2,206	2,236	---
Long-Term Debt	2,235	2,499	2,412	2,456	3,143	3,073	3,255	2,739	2,638	2,769
Shareholder's Equity	4,681	5,371	5,919	5,978	5,168	5,688	9,244	10,169	9,278	---
LTD/E Ratio	0.48	0.47	0.41	0.41	0.61	0.54	0.35	0.27	0.28	0.30

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	-2.9%	8.0%	10.1%	6.7%	-5.1%	4.6%	18.8%	8.9%	1.0%	3.5%
Return on Equity	-5.2%	16.0%	19.5%	13.0%	-10.8%	10.3%	39.1%	15.7%	1.8%	6.3%
ROIC	-3.6%	10.1%	12.7%	8.7%	-6.7%	6.1%	25.8%	12.1%	1.4%	4.8%
Shares Out.	177.4	177.4	174.3	162.9	162.2	162.7	202.6	190.0	192.1	186.5
Revenue/Share	59.83	80.43	100.27	104.47	69.04	113.12	188.60	168.20	148.80	144.10
FCF/Share	0.72	3.83	7.04	7.50	0.79	(2.50)	16.06	10.06	3.33	---

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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