Delek Logistics Partners (DKL)

Updated May 5th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$51	**5 Year CAGR Estimate:**	11.6%	**Market Cap:**	$2.8 B
Fair Value Price:	$50	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	5/4/2026
% Fair Value:	101%	**5 Year Valuation Multiple Estimate:**	-0.2%	**Dividend Payment Date:**	5/11/2026
Dividend Yield:	8.9%	**5 Year Price Target**	$64	**Years Of Dividend Growth:**	11
Dividend Risk Score:	F	**Sector:**	Energy	**Rating:**	Hold

Overview & Current Events

Delek Logistics Partners, LP (DKL) is a master limited partnership focused on owning, operating, acquiring, and developing midstream energy infrastructure assets in the United States. Formed by Delek US Holdings in 2012 and headquartered in Plano, Texas, the company's operations span crude oil gathering, pipelines, storage, and associated logistics assets that connect production to refining and end markets. Delek's business model emphasizes fee-based and commodity-sensitive revenue streams from its high-performance systems, including Delaware Gathering and other gathering systems, sour gas handling, and related infrastructure. The partnership seeks to generate stable cash flows and grow distributions to unitholders through operational execution, strategic expansions, and targeted acquisitions that complement its core midstream footprint.

On April 29th, 2026, Delek Logistics Partners released its first-quarter results for fiscal 2026. Earnings-per-share and distributable cash flow per share decreased -18% and -4%, respectively, over the prior year's quarter due to the impact of winter storm Fern. Despite this headwind, the MLP exhibited solid business execution and thus its management reiterated its guidance for 2026. It still expects EBITDA of $520-$560 million, thus implying just 1% growth at the mid-point. We expect the MLP to benefit from the ongoing war in Iran, as U.S. producers are likely to increase their output amid sky-high oil prices. Delek Logistics Partners is likely to benefit from an increase in the volumes transported through its network. As a result, the company is likely to grow its distributable cash flow this year.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
DCFPU	$3.62	$3.49	$4.98	$5.20	$6.18	$4.96	$5.01	$5.69	$5.63	$5.38	***$5.60***	***$7.15***
DPS	$2.58	$2.84	$3.12	$3.44	$3.61	$3.79	$3.98	$4.16	$4.37	$4.45	***$4.52***	***$4.99***
Shares	24.3	24.4	24.4	24.4	24.4	43.5	43.6	43.6	53.7	53.6	***53.6***	***53.6***

Delek Logistics Partners has a solid growth profile, as the company plans to leverage a combination of strategic acquisitions, organic growth projects, and unit repurchases. Current initiatives include increasing profits from sour natural gas treating and acid gas injection capabilities, integrating recent acquisitions such as Gravity Water Midstream, and an announced $150 million unit repurchase program. Given that the distribution payout ratio is high, it is likely that the distribution will grow meaningfully slower than the DCF per unit. As a result, we expect 5.0% average annual growth of DCF per unit but 2.0% growth of distribution per unit through 2031. Notably, Delek Logistics Partners has grown its DCF per unit at a 4.5% average annual rate over the last decade and has proved much less vulnerable to the dramatic cycles of the oil industry than the vast majority of oil stocks thanks to its defensive, fee-based business model.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg P/D	8.0	9.5	7.0	7.9	5.2	8.5	9.4	7.7	7.5	8.0	***9.1***	***9.0***
Avg. Yld.	8.9%	8.6%	8.9%	8.4%	11.3%	9.0%	8.5%	9.5%	10.4%	10.3%	***8.9%***	***7.8%***

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Given the decent growth profile, we think that a price-to-DCF ratio of 9.0, which is roughly in line with the 5-year average of Delek Logistics Partners, is a good approximation of fair value. The stock is currently trading at a price-to-DCF ratio of 9.1. If it trades at its fair valuation level in five years, it will incur a -0.2% annualized valuation drag.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	71%	81%	63%	66%	58%	76%	79%	73%	78%	83%	***81%***	***70%***

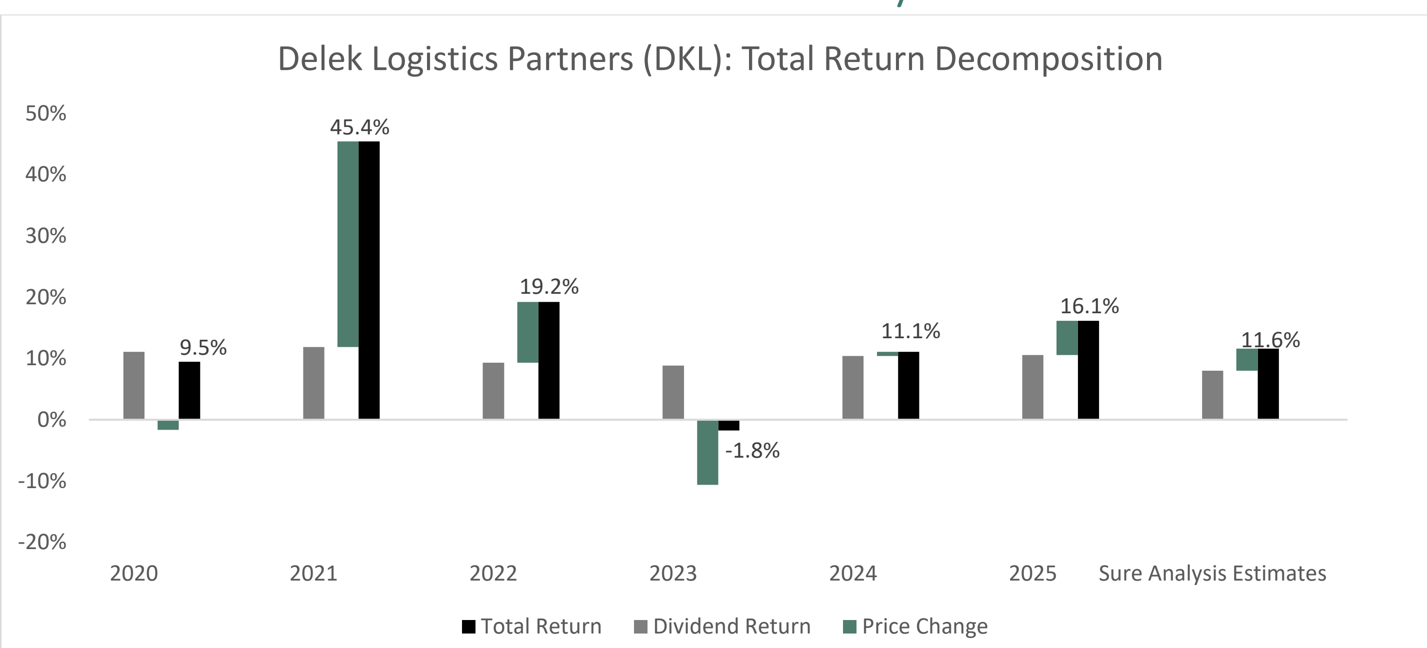
Delek Logistics Partners maintains a competitive advantage through its strategic asset base, including an extensive network of pipelines, terminals, and storage facilities, complemented by strong customer relationships and strategic partnerships. Delek Logistics Partners is engaged in the highly cyclical oil industry but it has modest exposure to fluctuations in commodity and refined product prices, primarily when it takes ownership of these products. Direct commodity price exposure is limited, suggesting a degree of insulation from market volatility. This is clearly reflected in the performance record of the MLP. While the vast majority of oil companies saw their earnings collapse in the downturn of the sector in 2014-2016 and in 2020 due to the pandemic, Delek Logistics Partners remained highly profitable throughout both downturns. Moreover, Delek Logistics Partners has a moderate amount of leverage and is actively working to reduce it.

On the other hand, the company is characterized by slow growth and tends to underperform its sector significantly during boom periods. The 8.9% distribution of the stock is attractive, as it is unlikely to be cut in the absence of a downturn thanks to the defensive business model of the MLP. Nevertheless, the distribution may come under pressure whenever the next downturn of the oil industry shows up.

Final Thoughts & Recommendation

Delek Logistics Partners is one of the most defensive stocks in the oil industry and appears attractive right now. The stock could offer an 11.6% annual total return over the next five years thanks to 5.0% growth of DCF per unit and its 8.9% distribution, partly offset by a -0.2% valuation drag. Due to its dividend risk score of F, the stock receives a hold rating.

Total Return Breakdown by Year



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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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	448	538	658	584	563	701	1,036	1,020	941	1,013
Gross Profit	93	106	149	151	207	216	249	285	244	212
Gross Margin	20.8%	19.7%	22.6%	25.9%	36.7%	30.8%	24.1%	27.9%	25.9%	20.9%
SG&A Exp.	10	12	17	21	23	21	34	25	36	29
D&A Exp.	21	22	32	34	43	50	70	100	101	126
Operating Profit	78	88	126	126	180	190	210	254	203	183
Operating Margin	17.3%	16.4%	19.1%	21.5%	31.9%	27.2%	20.2%	24.9%	21.6%	18.0%
Net Profit	63	69	90	97	159	165	159	126	143	176
Net Margin	14.0%	12.9%	13.7%	16.6%	28.3%	23.5%	15.3%	12.4%	15.2%	17.4%
Free Cash Flow	89	70	(4)	121	180	251	45	125	75	(43)
Income Tax	0	(0)	1	1	0	0	0	1	0	0

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	416	444	625	744	956	935	1,679	1,642	2,042	2,779
Cash & Equivalents	0	5	5	6	4	4	8	4	5	11
Accounts Receivable	19	23	22	13	22	15	53	70	88	331
Inventories	9	21	5	13	3	2	1	2	5	18
Goodwill & Int. Ass.	27	28	150	159	172	166	392	355	294	383
Total Liabilities	429	473	759	896	1,065	1,039	1,790	1,804	2,006	2,773
Accounts Payable	11	19	22	21	7	73	63	26	41	293
Long-Term Debt	393	423	700	833	992	899	1,662	1,704	1,875	2,377
Shareholder’s Equity	(13)	(29)	(135)	(151)	(108)	(104)	(111)	(162)	36	6

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	15.9%	16.2%	16.9%	14.1%	18.7%	17.4%	12.2%	7.6%	7.7%	7.3%
ROIC	16.9%	17.0%	16.1%	12.6%	17.4%	17.4%	12.4%	7.5%	8.0%	8.2%
Shares Out.	24.3	24.4	24.4	24.4	24.4	43.5	43.6	43.6	51.5	53.6
Revenue/Share	18.39	22.07	26.95	23.92	16.77	16.13	23.82	23.40	19.81	18.92
FCF/Share	3.67	2.89	(0.17)	4.97	5.35	5.78	1.05	2.87	1.57	(0.81)

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