Neste
Q1 2021

Peter Vanacker | President and CEO| 29 Apr 2021

NESTE

Contents

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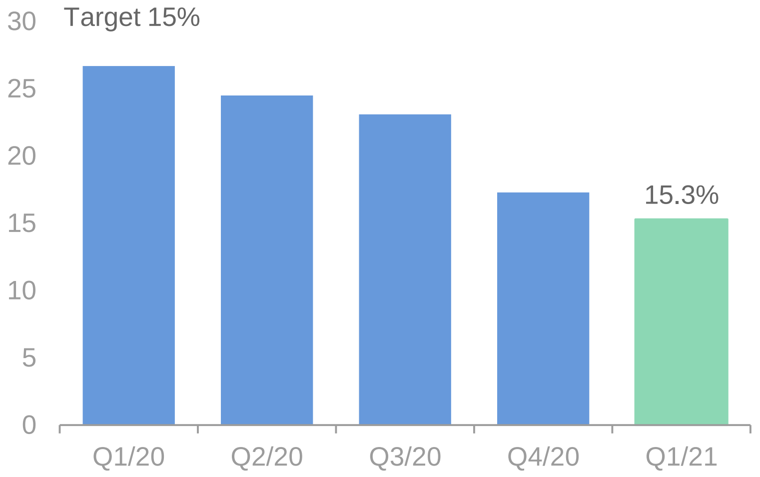
Resilient Renewable Products – challenging market in Oil Products continued

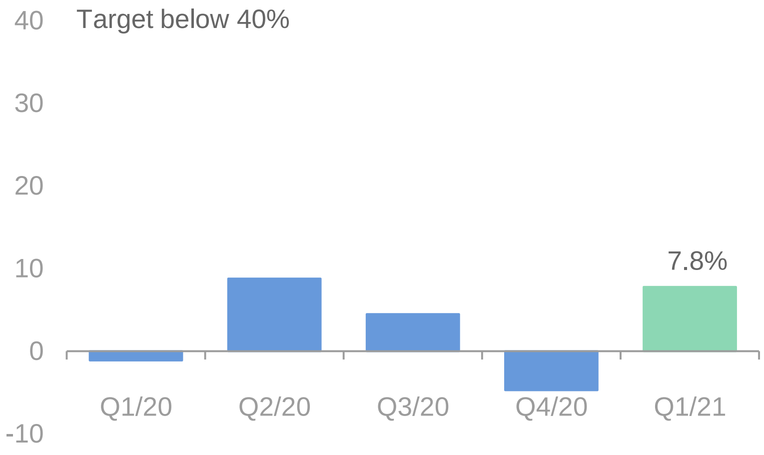
- Group comparable EBIT 302 MEUR
- Renewable Products with healthy margin and high production and sales volumes
- Oil Products continued to suffer from weak refining market
- Marketing & Services performed very well
- Focus on strategy execution

Solid financial position

ROACE, rolling 12 months, %



Leverage, %



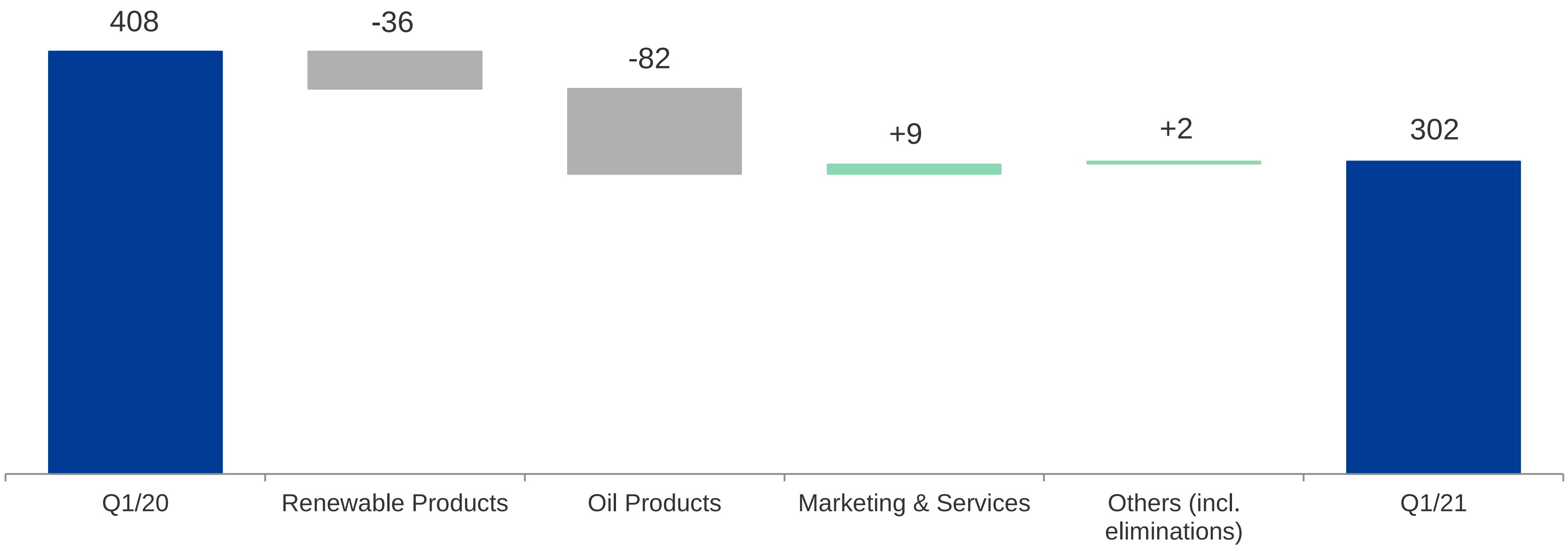
Q1 2021
Group financials

Group financials Q1/21

MEUR	Q1/21	Q1/20	Q4/20	2020
Revenue	3,132	3,270	3,028	11,751
EBITDA	585	326	297	1,508
Comparable operating profit	302	408	380	1,416
Renewable Products	294	329	338	1,334
Oil Products	-8	74	37	50
Marketing & Services	16	8	15	68
Others (incl. eliminations)	0	-3	-10	-36
Operating profit	458	197	-2	828
Cash flow before financing activities	-645	-120	1,069	1,019
Comparable earnings per share, EUR	0.31	0.50	0.44	1.60

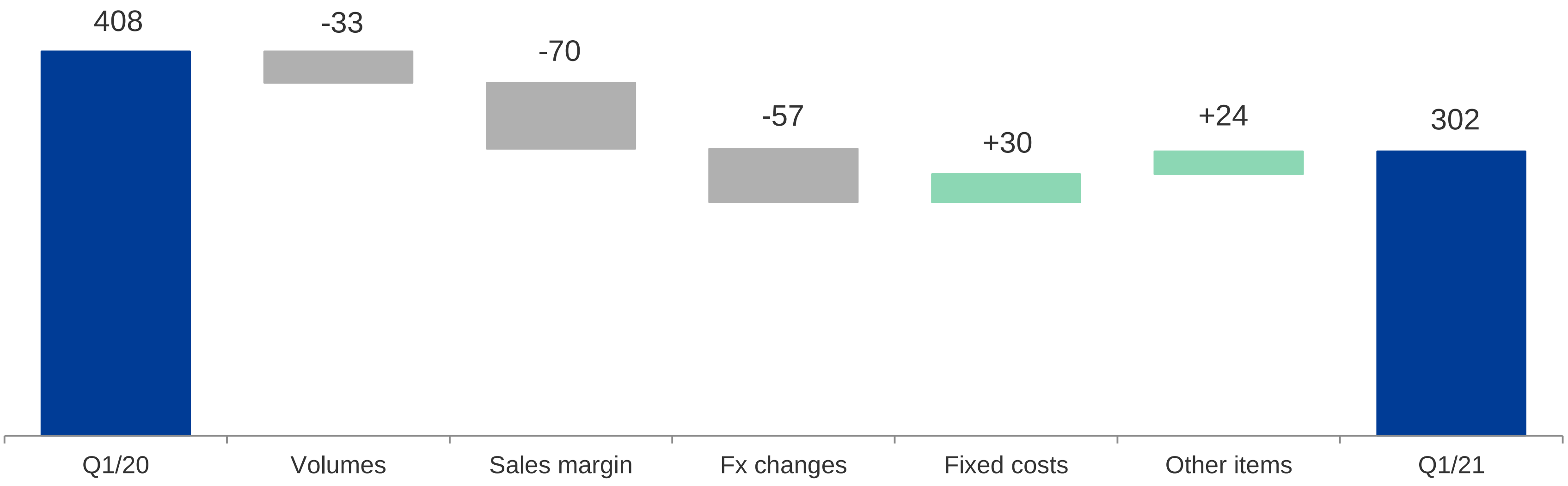
Resilient Renewables and weak refining market

Group comparable EBIT by segments Q1/21 vs. Q1/20, MEUR



Results impacted by low refining margin and weak USD

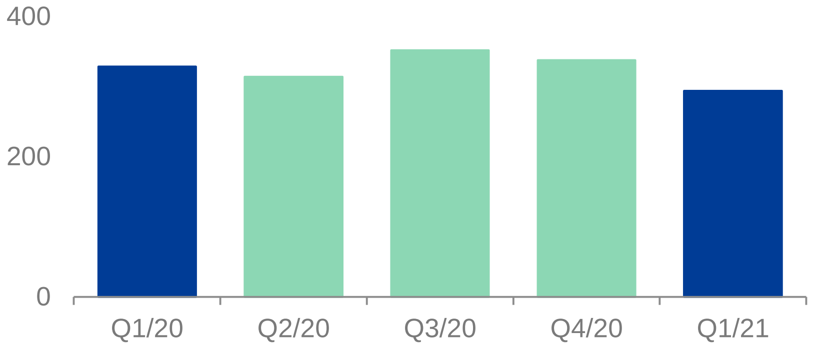
Group comparable EBIT Q1/21 vs. Q1/20, MEUR



Q1 2021
Segment reviews

Solid performance in Renewable Products

Comparable EBIT, MEUR



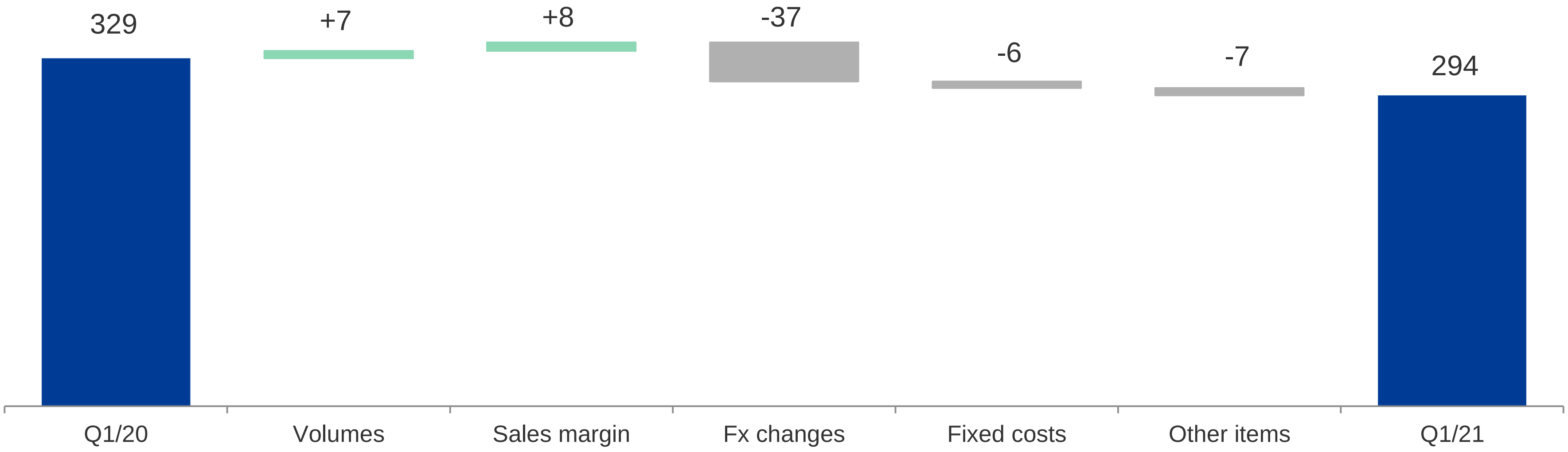
MEUR	Q1/21	Q1/20	2020
Revenue	1,231	1,065	4,270
Comparable EBIT	294	329	1,334
Net assets	4,099	3,165	3,470

- Comparable EBIT 294 MEUR (329)
- Comparable sales margin USD 699/ton (685)
- Sales volume 743 kton (731), share of Europe 65% (75%)
- Record-high production volume 829 kton (795)
- High share of waste and residues feedstock 90% (82%)
- Investments 390 MEUR (101), including Bunge refinery acquisition
- Comparable RONA* 36.0% (60.7%)

* Last 12 months

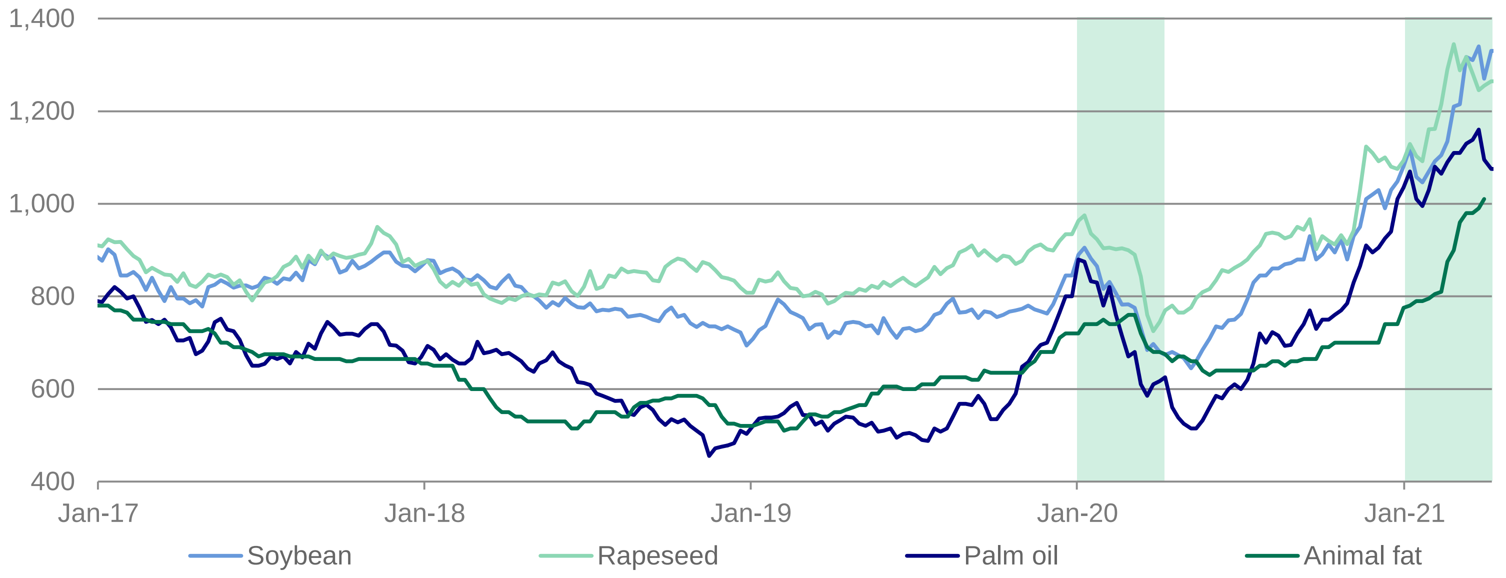
High sales volumes and healthy margins

Comparable EBIT Q1/21 vs. Q1/20, MEUR



Feedstock market tightened further

Vegetable oil and animal fat prices*, USD/ton

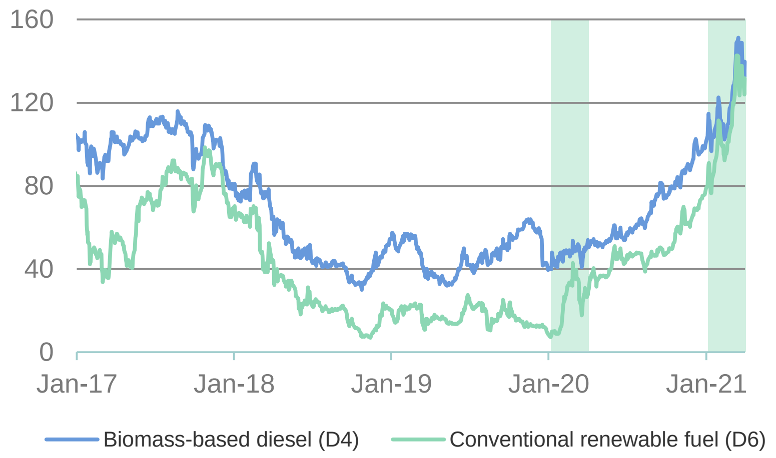


*Quotations in NWE, source: Oil World, The Jacobsen

Particularly RIN supported US margins

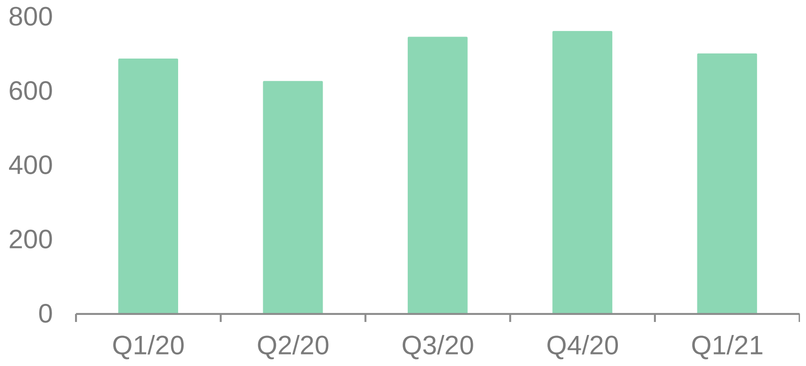
California Low Carbon Fuel Standard, LCFS credit price, USD/ton

RIN prices, US cent /gal



Excellent sales performance and volume allocation supported sales margin

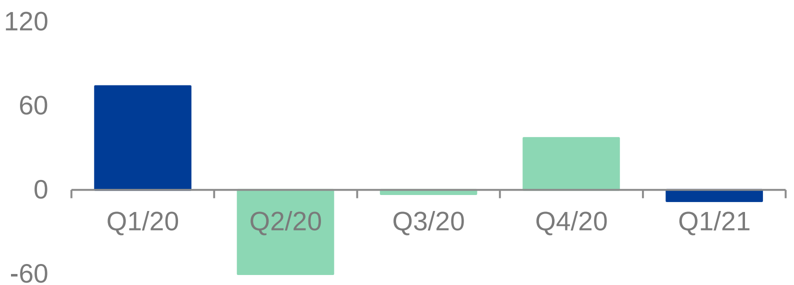
Comparable sales margin, USD/ton



- Comparable sales margin USD 699/ton (685)
- California LCFS credit USD 195/ton (206)
- D4 RIN USD 1.20/gal (0.47)
- Sales of 100% Neste MY diesel 31% (27%)
- Utilization rate 104% (101%)

Oil Products' very weak market continued

Comparable EBIT, MEUR



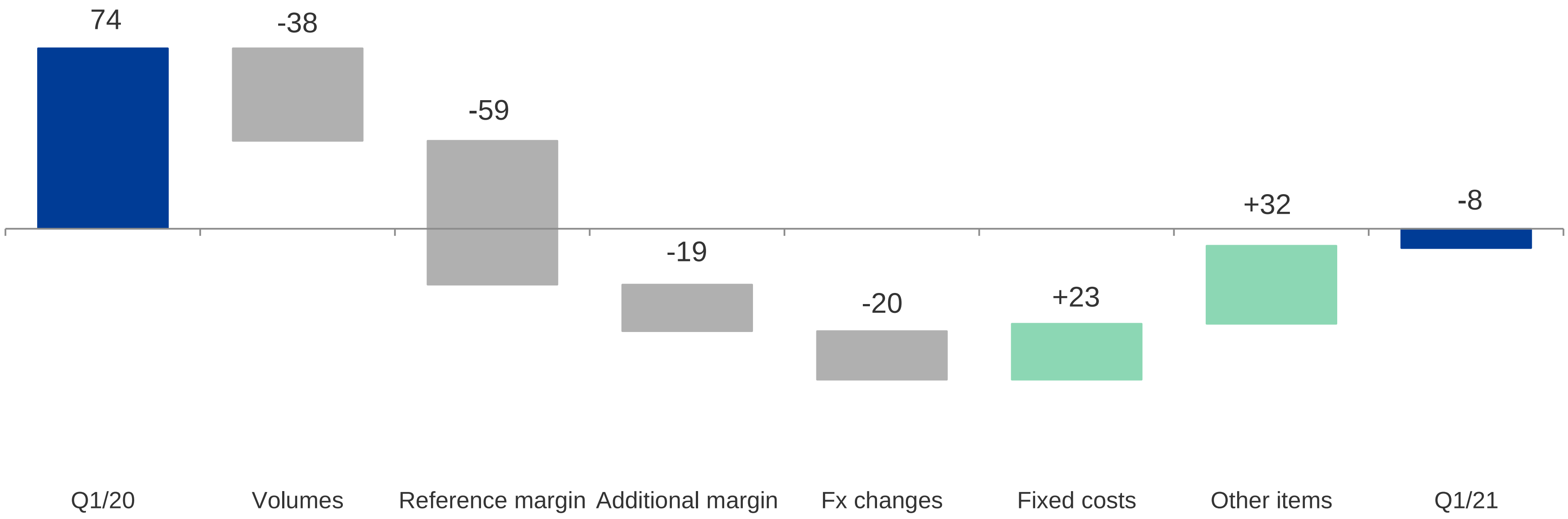
MEUR	Q1/21	Q1/20	2020
Revenue	1,559	1,860	6,063
Comparable EBIT	-8	74	50
Net assets	2,338	2,439	1,848

- Comparable EBIT -8 MEUR (74)
- Low sales volume 2.7 Mton (3.4)
- Refinery average utilization rate 83% (94%)
- Urals' share of feed 69% (74%)
- Investments 18 MEUR (81)
- Comparable RONA* -1.3% (15.2%)

* Last 12 months

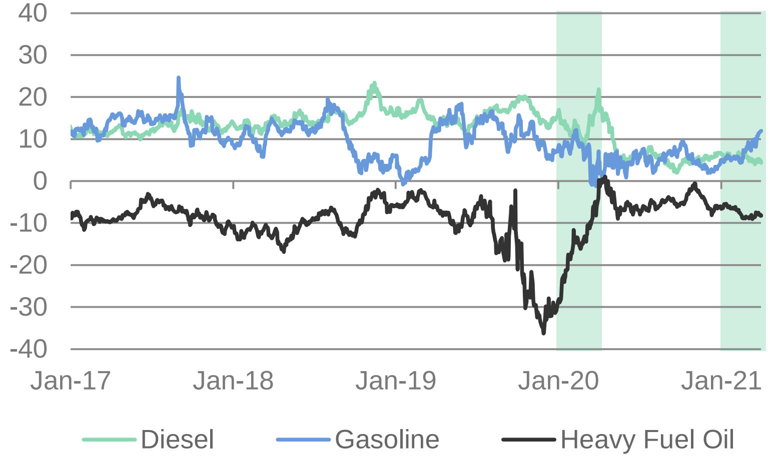
Oil Products result burdened by very weak market and low volumes

Comparable EBIT Q1/21 vs. Q1/20, MEUR

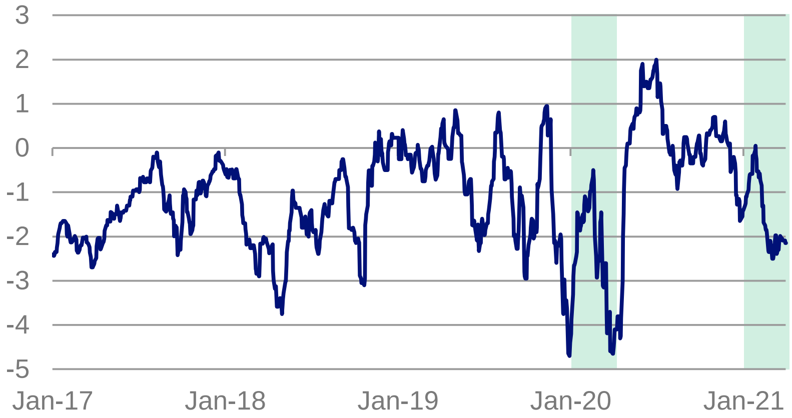


Weak product margins and improved Urals-Brent differential

Product margins (price differential vs. Brent), USD/bbl

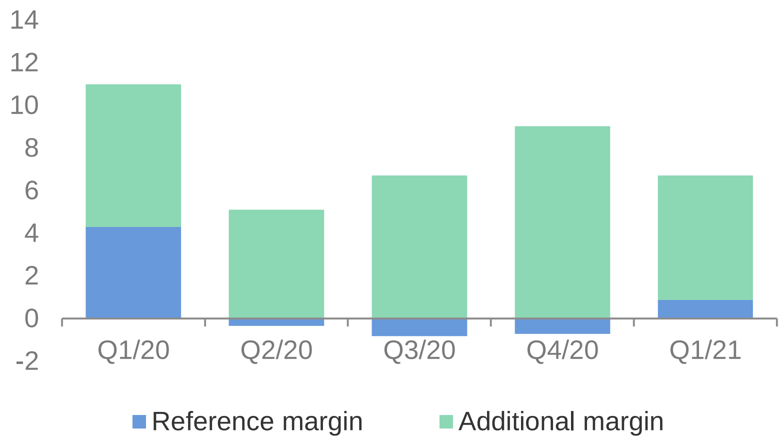


Urals vs. Brent price differential, USD/bbl



Currency hedging supported additional margin

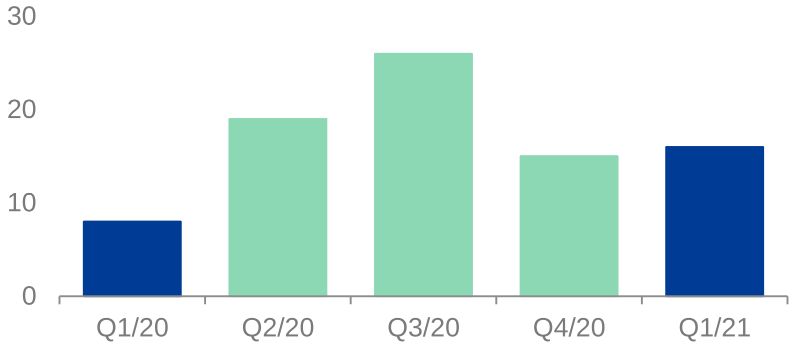
Total refining margin, USD/bbl



- Total refining margin USD 6.7/bbl (11.0)
- Reference margin USD 0.9/bbl (4.3)
- Additional margin USD 5.9/bbl (6.7)
- Refinery production costs USD 5.6/bbl (4.2)

Marketing & Services performed very well

Comparable EBIT, MEUR



MEUR	Q1/21	Q1/20	2020
Revenue	814	846	3,055
Comparable EBIT	16	8	68
Net assets	213	249	192

- Comparable EBIT 16 MEUR (8)
- Improved unit margins supported by inventory gains
- Sales volumes still impacted by COVID-19, particularly in aviation and marine
- Successful fixed cost management
- Investments 1 MEUR (4)
- Comparable RONA* 35.7% (24.9%)

* Last 12 months

Current topics

Focusing on strategy implementation

Scale up faster and bolder

Progress during Q1

- Singapore expansion project proceeding according to revised schedule
- Bunge refinery acquisition completed
- Rotterdam chosen as location for possible next renewables plant
- Final investment decision on Rotterdam 500 kton SAF optionality project
- Green Finance Framework established and first 500 MEUR green bond successfully issued
- Several commercial agreements in Renewable Aviation and Renewable Polymers & Chemicals

Drive efficiency in operations

Progress during Q1

- Refinery operations shut down in Naantali successfully completed
- Short-term cost reduction measures successfully implemented
- Preparations for Porvoo refinery major turnaround to ensure safety, efficiency and productivity

Increase innovations

Progress during Q1

- EU Innovation Fund applications for Renewable Hydrogen and Lignofuels invited for 2nd round
- 4 research and co-innovation projects approved by Business Finland and to receive approx. 8 MEUR in funding

Segment outlook for Q2/2021

Renewable Products

- Sales volumes of renewable diesel expected to be on same level as in previous quarter
- Waste and residue markets anticipated to remain tight
- Sales margin expected to remain healthy
- Margin will not be supported by similar hedging gains as in 2020 and hedging rate is expected to be lower than normal
- Utilization rates forecasted to remain high, except for the scheduled Porvoo refinery maintenance, with estimated -30 MEUR impact on comp. EBIT

Oil Products

- Market demand will continue to be depressed due to several extended lockdowns as a result of COVID-19 pandemic
- Reference margin expected to remain low and volatile
- Scheduled 12-week major turnaround at Porvoo refinery, with estimated -110 MEUR impact on comp. EBIT, mainly in Q2

Marketing & Services

- Sales volumes and unit margins are expected to follow previous years' seasonality pattern
- Some negative impact anticipated on demand and sales volumes due to COVID-19 pandemic

Other 2021 topics

Group CAPEX

- Cash-out capital expenditure in 2021 estimated to be approx. 1.2 BEUR, excluding M&A

Renewable Products

- Scheduled 7-week turnaround at Singapore refinery in Q3, which is estimated to have negative impact of approx. 80 MEUR on comp. EBIT
- Scheduled 4-week catalyst change at Rotterdam refinery in Q4, which is estimated to have negative impact of approx. 50 MEUR on comp. EBIT

Appendix

Renewable Products comparable EBIT calculation

	Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21
Sales volume, kton	731	773	730	732	2,966	**743**
Comparable sales margin, USD/ton	**685**	**625**	**744**	**760**	**703**	**699**
Comparable sales margin, MEUR	454	439	464	466	1,824	**432**
Fixed costs, MEUR	-81	-82	-66	-79	-307	**-88**
Depreciations, MEUR	-44	-43	-47	-50	-184	**-51**
Comparable EBIT, MEUR	**329**	**314**	**352**	**338**	**1,334**	**294**

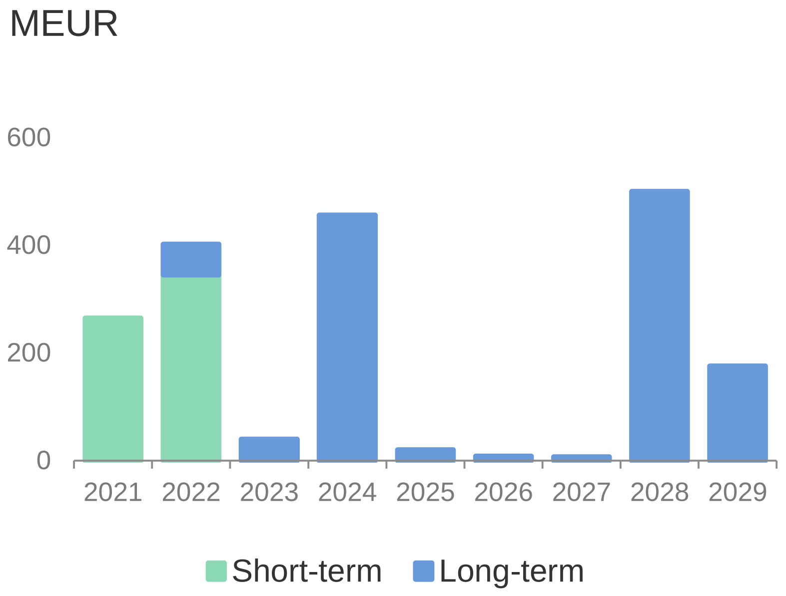
Refinery production costs, Porvoo & Naantali

		Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21
Refined products	Million barrels	29.7	23.0	26.7	23.8	103.3	22.8
Exchange rate	EUR/USD	1.10	1.10	1.17	1.19	1.14	1.21
Utilities costs	MEUR	49.7	41.3	48.7	45.8	185.4	61.0
	USD/bbl	1.8	2.0	2.1	2.3	2.1	3.2
Fixed costs	MEUR	63.3	76.6	48.4	53.2	241.4	45.8
	USD/bbl	2.4	3.7	2.1	2.7	2.7	2.4
External cost sales	MEUR	-0.4	-0.3	-0.3	-0.3	-1.3	-0.3
	USD/bbl	0.0	0.0	0.0	0.0	0.0	0.0
Total	MEUR	112.5	117.6	96.8	98.6	425.5	106.4
	USD/bbl	4.2	5.6	4.2	4.9	4.7	5.6

Cash flow

MEUR	Q1/21	Q1/20	Q4/20	2020
EBITDA	585	326	297	1,508
Capital gains/losses	-1	0	-1	-1
Other adjustments	98	-120	159	277
Change in net working capital	-801	37	872	460
Net finance costs	-6	0	-17	-54
Income taxes paid	-27	-50	-4	-133
Net cash generated from operating activities	**-153**	**193**	**1,307**	**2,057**
Capital expenditure	-417	-198	-231	-972
Other investing activities	-74	-115	-7	-67
Cash flow before financing activities	**-645**	**-120**	**1,069**	**1,019**

Liquidity & maturity profile



- Group’s liquidity EUR 2,747 million at end of March 2021
    - Liquid funds EUR 1,397 million
    - Unused committed credit facilities EUR 1,350 million
- Average interest rate for interest-bearing liabilities was 1.5% and maturity 3.7 years at end of March 2021
- No financial covenants in Group companies’ existing loan agreements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Change runs on renewables