



Neste Q3 2021

Peter Vanacker | President and CEO | 27 Oct 2021

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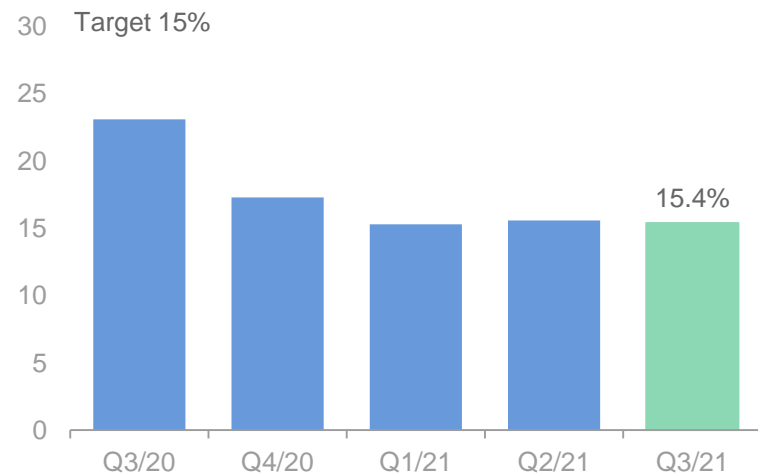


Strong performance in the third quarter amid significantly higher energy prices

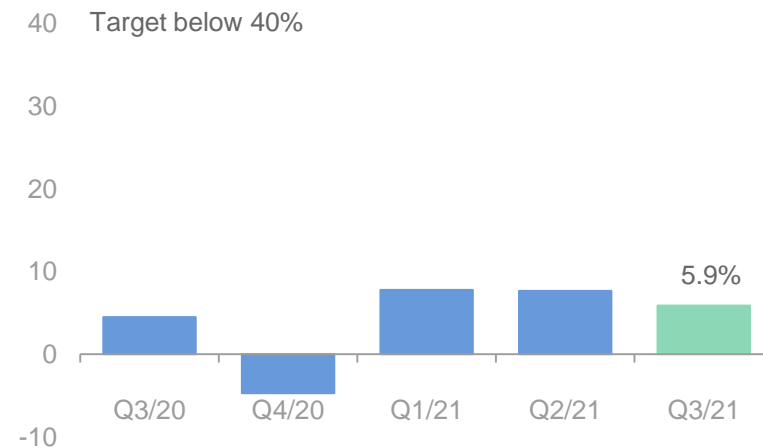
- Group comparable EBIT 368 MEUR in Q3
- Renewable Products with high sales volumes and healthy margin
- Oil Products performance improved as a result of uplift in reference margin, partly offset by substantially higher utility costs
- Marketing & Services performed very well
- Focus on strategy execution

Solid financial position

ROACE, rolling 12 months, %



Leverage, %



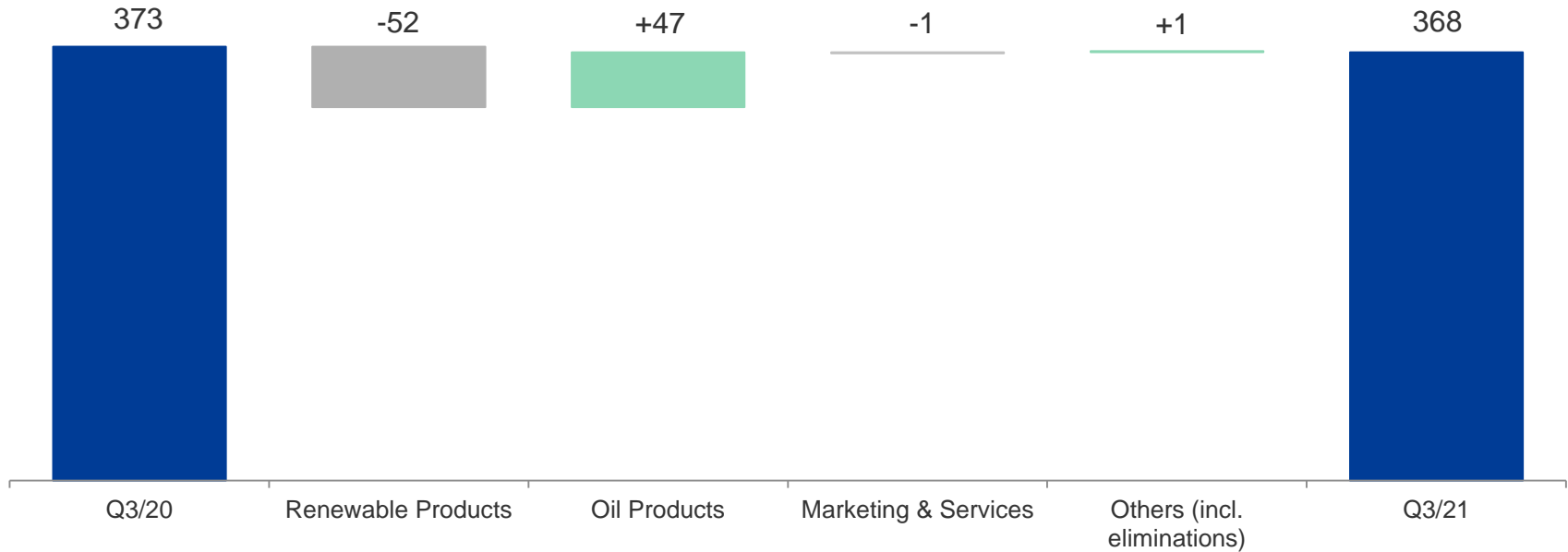
Q3 2021 Group financials

Group financials Q3/21

MEUR	Q3/21	Q3/20	1-9/21	1-9/20	2020
Revenue	4,026	2,881	10,181	8,723	11,751
EBITDA	735	552	1,919	1,210	1,508
Comparable operating profit	368	373	910	1,036	1,416
Renewable Products	300	352	880	996	1,334
Oil Products	47	-1	-19	13	50
Marketing & Services	25	26	60	53	68
Others (incl. eliminations)	-4	-5	-11	-26	-36
Operating profit	579	425	1,499	830	828
Cash flow before financing activities	171	315	-213	-51	1,019
Comparable earnings per share, EUR	0.42	0.40	1.04	1.16	1.60

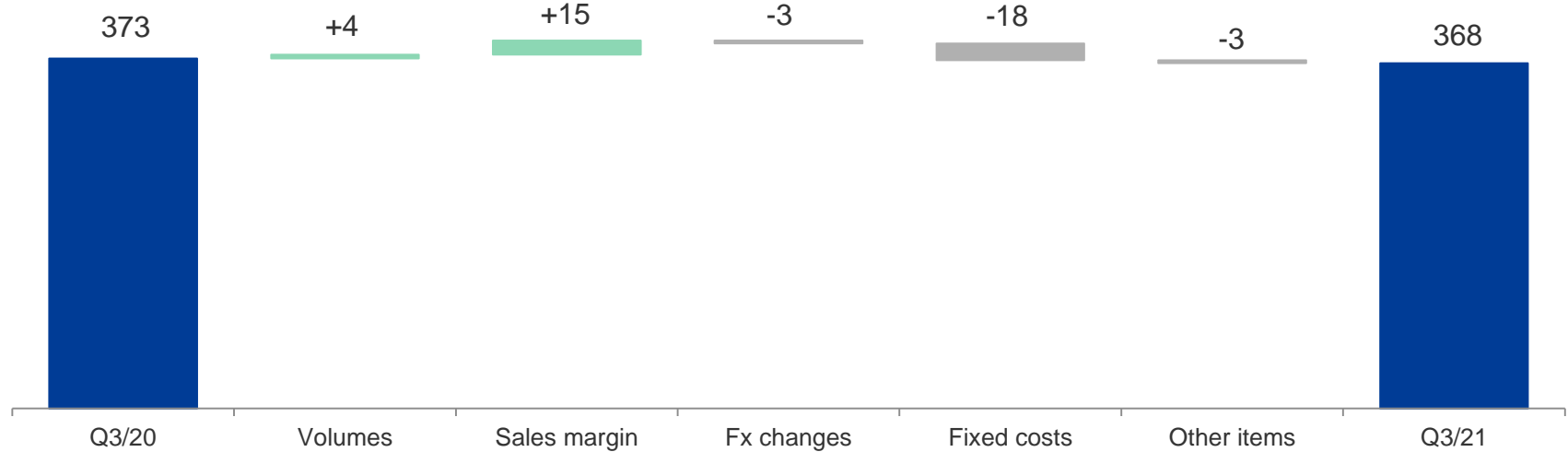
Improved performance in Oil Products

Group comparable EBIT by segments Q3/21 vs. Q3/20, MEUR



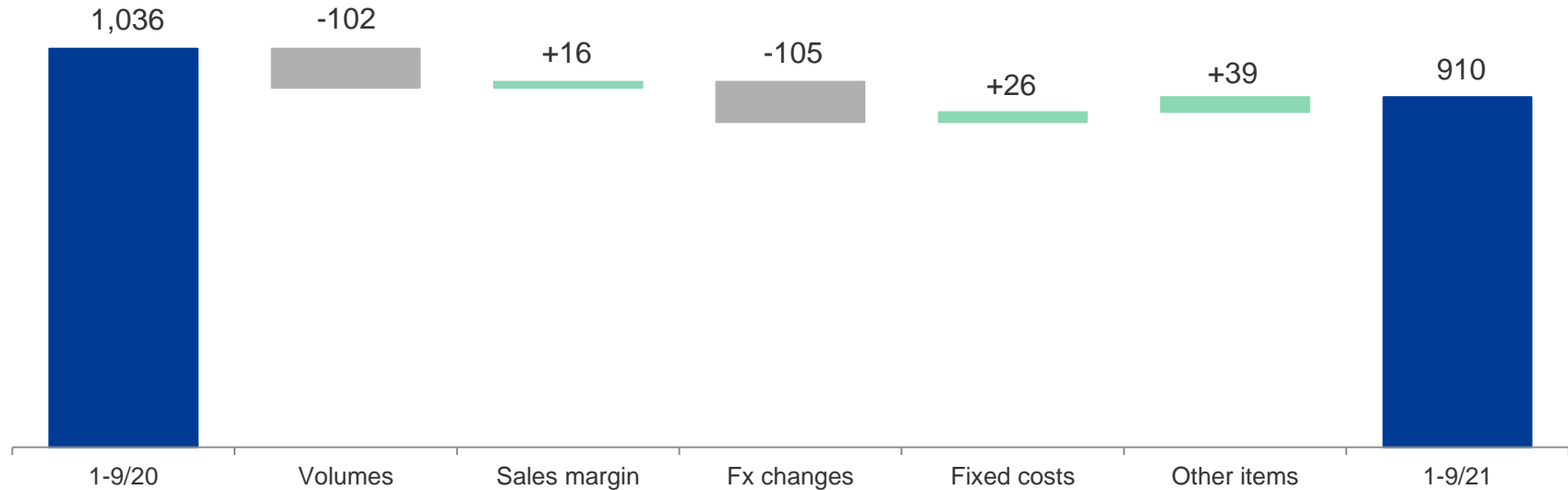
Higher sales margin supported results

Group comparable EBIT Q3/21 vs. Q3/20, MEUR



Nine-month result impacted by lower volumes due to scheduled Porvoo turnaround, Naantali shutdown and weak USD

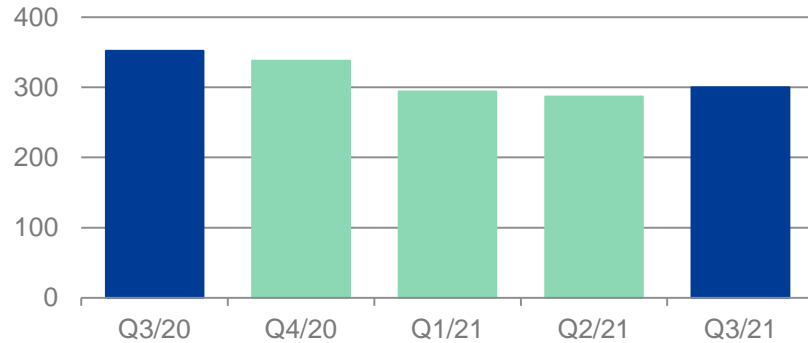
Group comparable EBIT 1-9/21 vs. 1-9/20, MEUR



Q3 2021 Segment reviews

Solid performance in Renewable Products continued

Comparable EBIT, MEUR



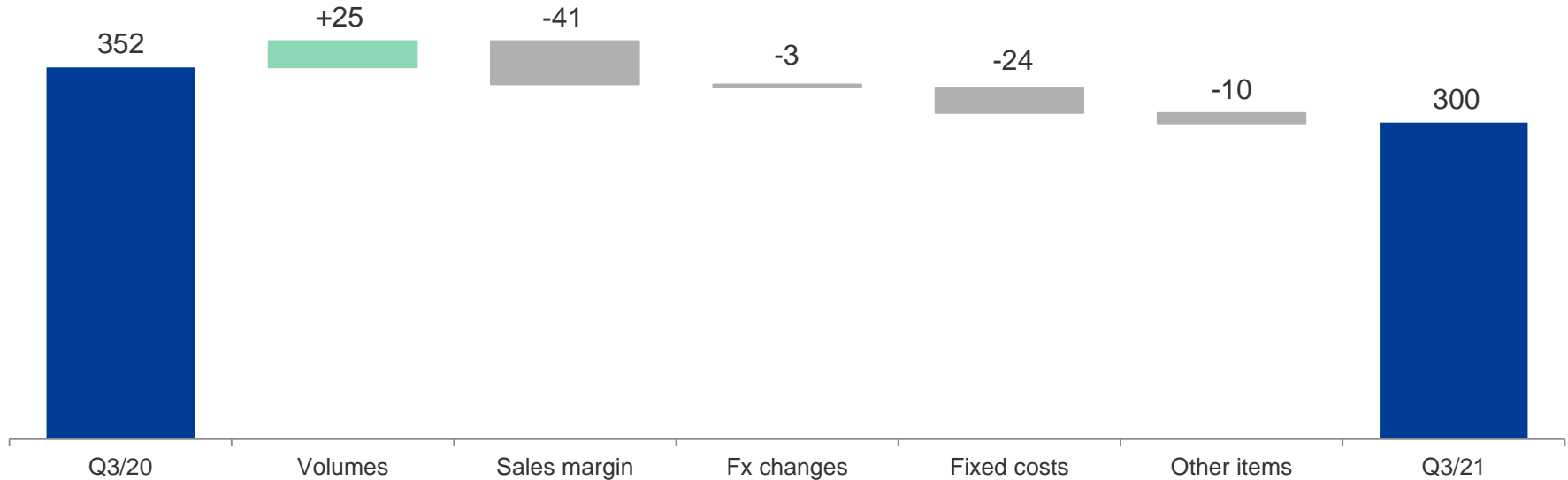
- Comparable EBIT 300 MEUR (352)
- Comparable sales margin USD 679/ton (744)
- High sales volume 772 kton (730), share of Europe 71% (72%)
- Production volume 670 kton (762)
- Share of waste and residues feedstock 91% (86%)
- Investments 156 MEUR (118)
- Comparable RONA* 30.4% (52.0%)

MEUR	Q3/21	Q3/20	2020
Revenue	1,503	1,074	4,270
Comparable EBIT	300	352	1,334
Net assets	4,537	3,695	3,470

* Last 12 months

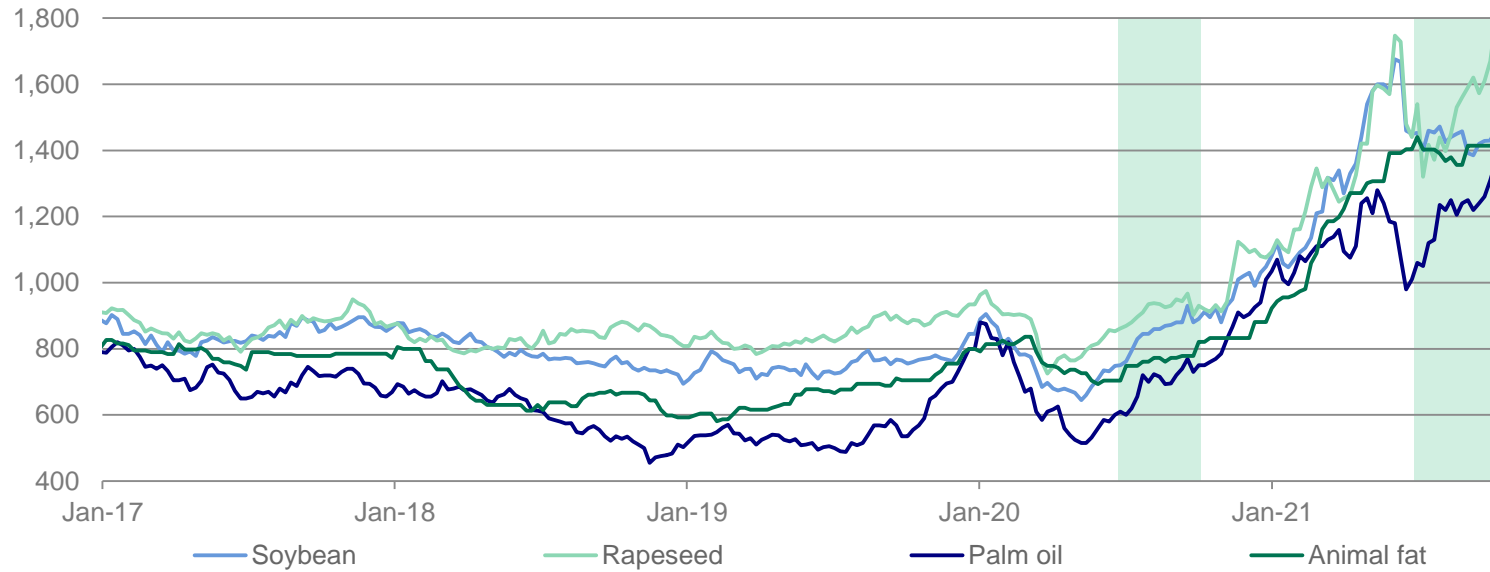
High sales volumes despite scheduled Singapore turnaround

Comparable EBIT Q3/21 vs. Q3/20, MEUR



Feedstock market continued to be tight

Vegetable oil and animal fat prices*, USD/ton



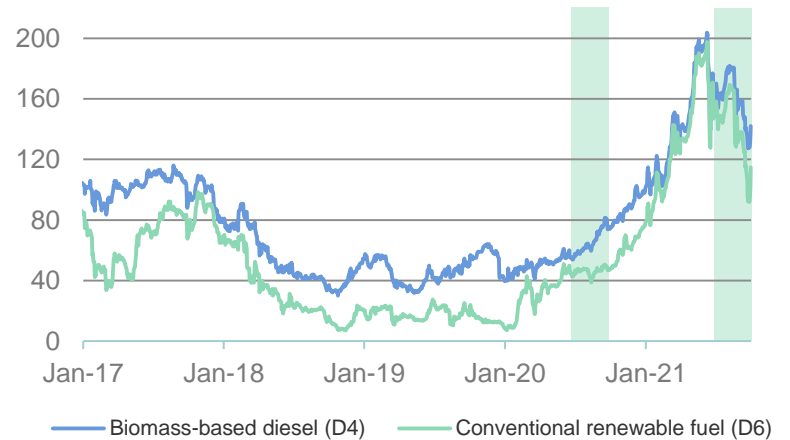
*Quotations in NWE, source: Oil World, The Jacobsen

US RIN and LCFS prices softened slightly

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

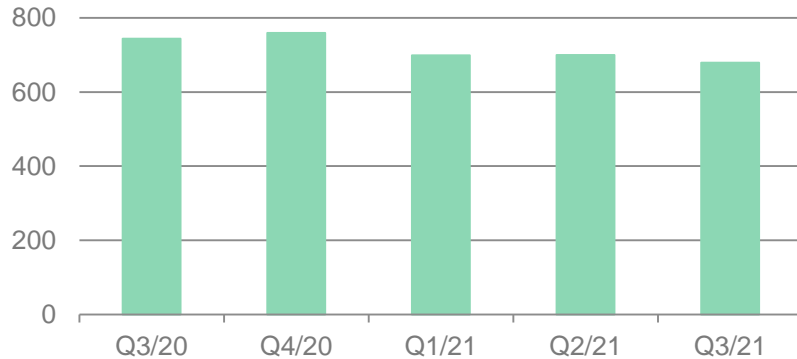


RIN prices, US cent /gal



Successful sales performance and hedging supported sales margin

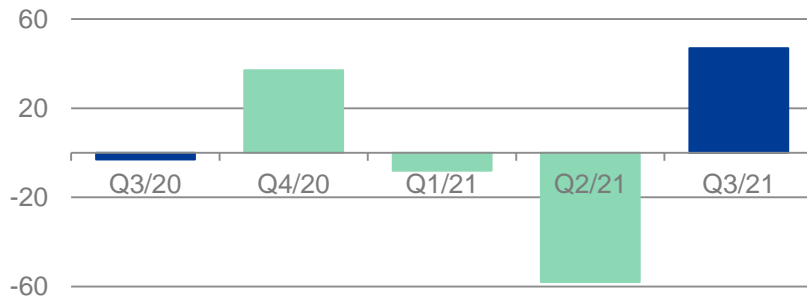
Comparable sales margin, USD/ton



- Comparable sales margin USD 679/ton (744)
- California LCFS credit USD 176/ton (196)
- D4 RIN USD 1.60/gal (0.67)
- Sales of 100% Neste MY diesel 25% (31%)
- Utilization rate 83% (95%)

Oil Products' performance improved

Comparable EBIT, MEUR



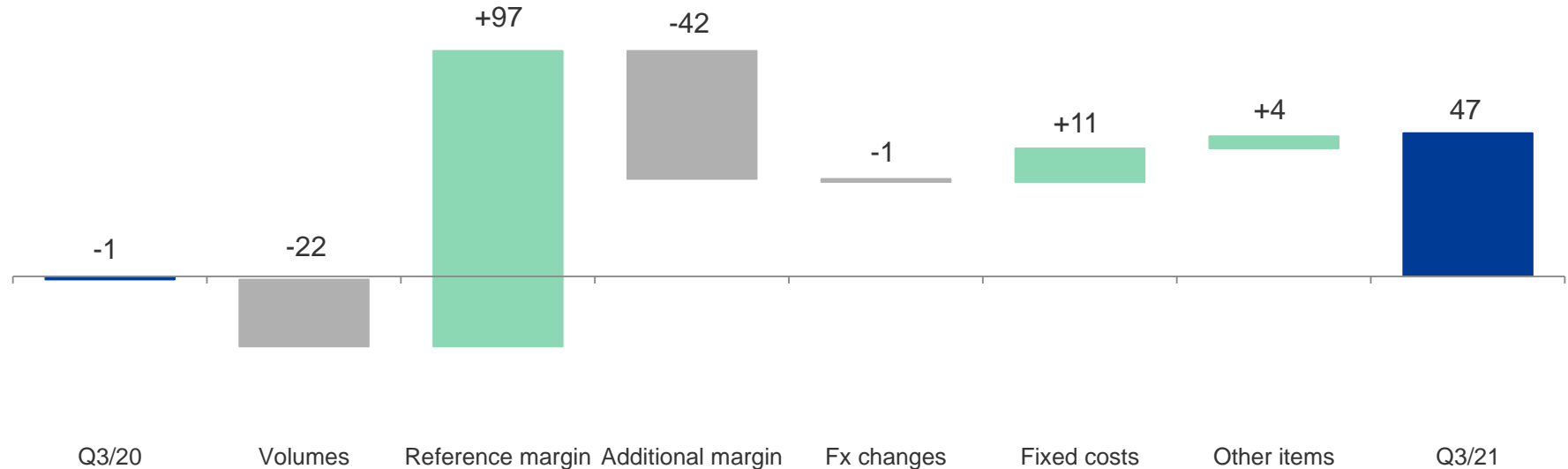
MEUR	Q3/21	Q3/20	2020
Revenue	2,148	1,405	6,063
Comparable EBIT	47	-1	50
Net assets	2,515	2,630	1,848

- Comparable EBIT 47 MEUR (-1)
- Sales volume 2.7 Mton (3.3)
- Refinery average utilization rate 91% (87%)
- Urals' share of feed 59% (65%)
- Investments 180 MEUR (63)
- Comparable RONA* 0.8% (5.1%)

* Last 12 months

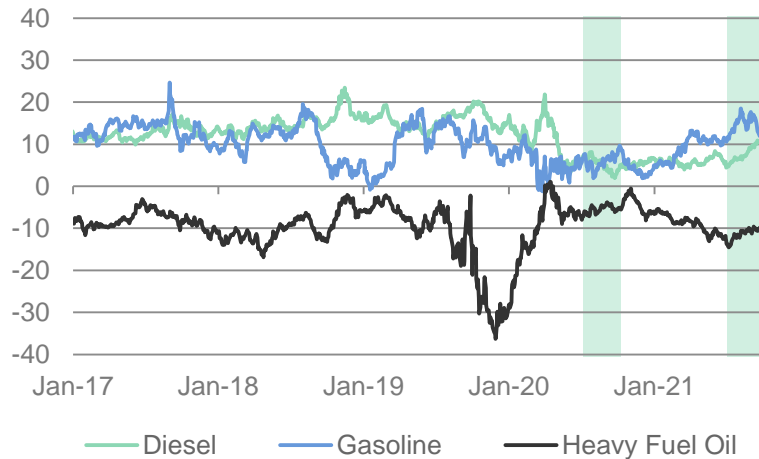
Reference margin increase boosted the result

Comparable EBIT Q3/21 vs. Q3/20, MEUR



Improved product margins and volatile Urals-Brent differential

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

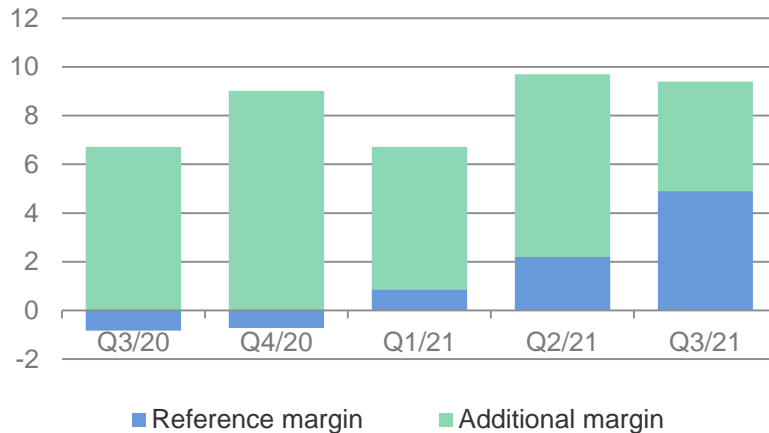


Urals vs. Brent price differential, USD/bbl



Additional margin burdened by higher utility costs

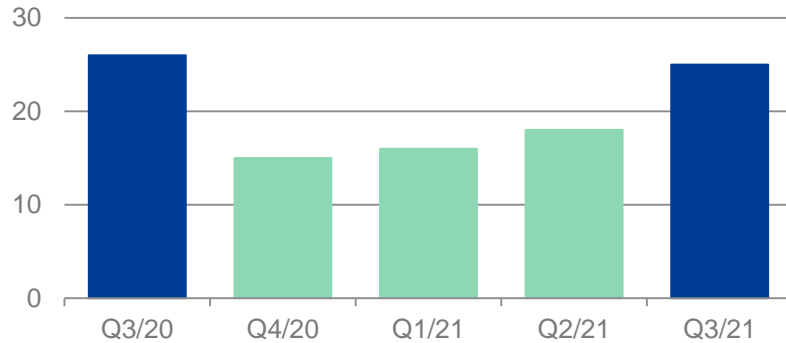
Total refining margin, USD/bbl



- Total refining margin USD 9.4/bbl (5.9)
- Reference margin USD 4.9/bbl (-0.8)
- Additional margin USD 4.5/bbl (6.7)
- Refinery production costs USD 4.7/bbl (4.2)

Marketing & Services performed very well

Comparable EBIT, MEUR



- Comparable EBIT 25 MEUR (26)
- Sales volumes increased, aviation and marine still impacted by COVID-19
- Higher fixed costs
- Investments 3 MEUR (5)
- Comparable RONA* 36.9% (26.1%)

MEUR	Q3/21	Q3/20	2020
Revenue	999	788	3,055
Comparable EBIT	25	26	68
Net assets	211	208	192

* Last 12 months

Current topics

Focusing on strategy implementation

Scale up faster and bolder

Progress during Q3

- Singapore expansion project currently on schedule for start-up by end of Q1 2023
- Engineering phase of possible next world-scale Renewables refinery in Rotterdam targeting investment decision readiness in early 2022
- Acquisition of Agri Trading to strengthen renewable raw material trading and sourcing
- Agreement to sell base oils business to Chevron

Drive efficiency in operations

Progress during Q3

- Singapore maintenance completed successfully ahead of schedule
- Good progress with Neste Excellence program and targets increased to EUR 350 million by end 2022 and to EUR 500 million by 2030

Increase innovations

Progress during Q3

- Successful start-up of continuous pilot process unit for testing and upgrading of very challenging W&R feedstocks
- New partnership established in the field of Lignocellulosic Business Platform, for development and scale-up of promising technologies

Segment outlook for Q4/2021

Renewable Products

- Sales volumes of renewable diesel expected to remain high
- Waste and residue markets anticipated to continue tight
- Sales margin expected to remain healthy
- Utilization rates forecast to remain high, except for scheduled four-week maintenance turnaround at the Rotterdam refinery, with estimated -50 MEUR impact on comp. EBIT

Oil Products

- Market demand will continue to be impacted by COVID-19 pandemic
- Reference margin has increased due to the ongoing energy crisis and it is expected to be volatile
- Positive impact of higher reference margin is expected to be fully offset by very high utility costs

Marketing & Services

- Sales volumes and unit margins are expected to follow previous years' seasonality pattern
- COVID-19 pandemic continues to have some negative impact on demand and sales volumes

Other 2021 topics

Group CAPEX

- Cash-out capital expenditure in 2021 estimated to be approx. 1.1 BEUR, excluding M&A

Appendix

Renewable Products comparable EBIT calculation

	Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21
Sales volume, kton	730	732	2,966	743	732	772
Comparable sales margin, USD/ton	744	760	703	699	700	679
Comparable sales margin, MEUR	464	466	1,824	432	425	445
Fixed costs, MEUR	-66	-79	-307	-88	-86	-90
Depreciations, MEUR	-47	-50	-184	-51	-54	-57
Comparable EBIT, MEUR	352	338	1,334	294	287	300

Oil Products' refinery production costs

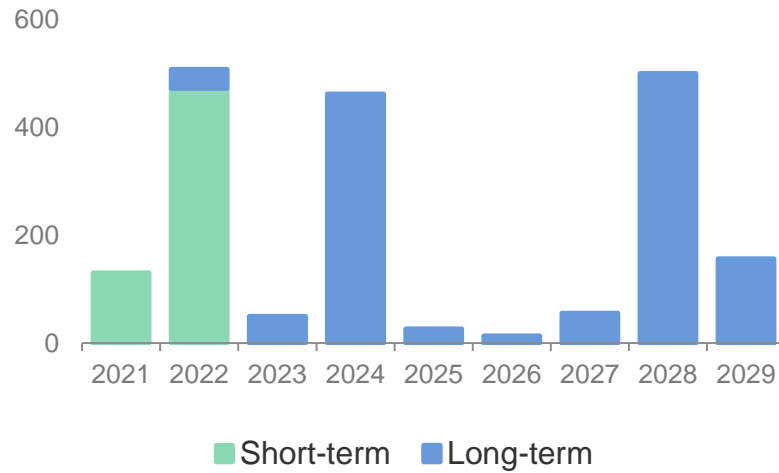
		Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21
Refined products	Million barrels	26.7	23.8	103.3	22.8	5.8	22.2
Exchange rate	EUR/USD	1.17	1.19	1.14	1.21	1.21	1.18
Utilities costs	MEUR	48.7	45.8	185.4	61.0	38.6	56.2
	USD/bbl	2.1	2.3	2.1	3.2	8.1	3.0
Fixed costs	MEUR	48.4	53.2	241.4	45.8	64.7	33.6
	USD/bbl	2.1	2.7	2.7	2.4	13.5	1.8
External cost sales	MEUR	-0.3	-0.3	-1.3	-0.3	-0.2	-0.4
	USD/bbl	0.0	0.0	0.0	0.0	0.0	0.0
Total	MEUR	96.8	98.6	425.5	106.4	103.1	89.4
	USD/bbl	4.2	4.9	4.7	5.6	21.5	4.7

Cash flow

MEUR	Q3/21	Q3/20	Q2/21	1-9/21	1-9/20	2020
EBITDA	735	552	599	1,919	1,210	1,508
Capital gains/losses	2	0	0	0	0	-1
Other adjustments	-177	19	-48	-127	118	277
Change in net working capital	-158	-17	75	-884	-412	460
Net finance costs	-1	-18	-18	-25	-37	-54
Income taxes paid	-22	-38	-41	-90	-129	-133
Net cash generated from operating activities	379	497	567	793	751	2,057
Capital expenditure	-347	-195	-239	-1,004	-741	-972
Other investing activities	139	14	-67	-2	-60	-67
Cash flow before financing activities	171	315	261	-213	-51	1,019

Liquidity & maturity profile

MEUR



- Group's liquidity EUR 2,836 million at end of September 2021
 - Liquid funds EUR 1,486 million
 - Unused committed credit facilities EUR 1,350 million
- Average interest rate for interest-bearing liabilities was 1.4% and maturity 3.3 years at end of September 2021
- No financial covenants in Group companies' existing loan agreements



NESTE

Change runs on renewables