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Q1 2020

Peter Vanacker | President and CEO

NESTE

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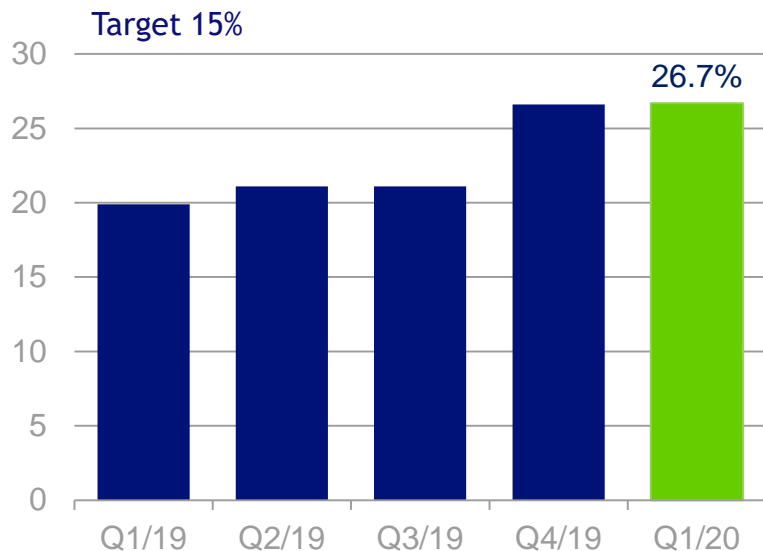


Good results amid increasing market uncertainty

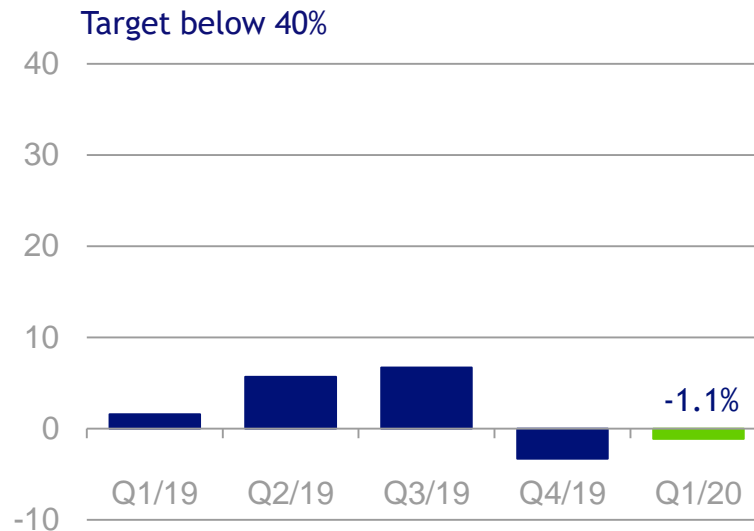
- Group comparable EBIT 408 MEUR
- High sales volumes in Renewable Products
- Oil Products' comparable EBIT at Q1 2019 level
- Marketing & Services' result impacted by COVID-19
- Good progress in strategy execution
- Dividend proposal revised

Strong financial position to navigate through market volatility

ROACE, rolling 12 months, %



Leverage, %



Impacts of COVID-19

- The COVID-19 pandemic has caused significant, unprecedented uncertainty related to economic development, and demand and prices of oil products.
- Global oil demand estimated to decline between 4 and 9 million bpd in 2020. This is expected to have a negative impact on demand, sales and profitability of Oil Products and Marketing & Services.
- Biofuel regulations and mandates expected to continue supporting renewable diesel demand. Possible decline in overall fuel demand could negatively impact sales and profitability of Renewable Products business.
- Neste has a strong balance sheet and liquidity position. Business continuity and contingency plans are in place, and corrective actions already started.
- Porvoo major turnaround split between years 2020 and 2021.
- Singapore expansion continues as planned. Possible restrictions by local government due to COVID-19 may cause risks to progress.
- Full faith in management and employees to navigate successfully through these challenging times.

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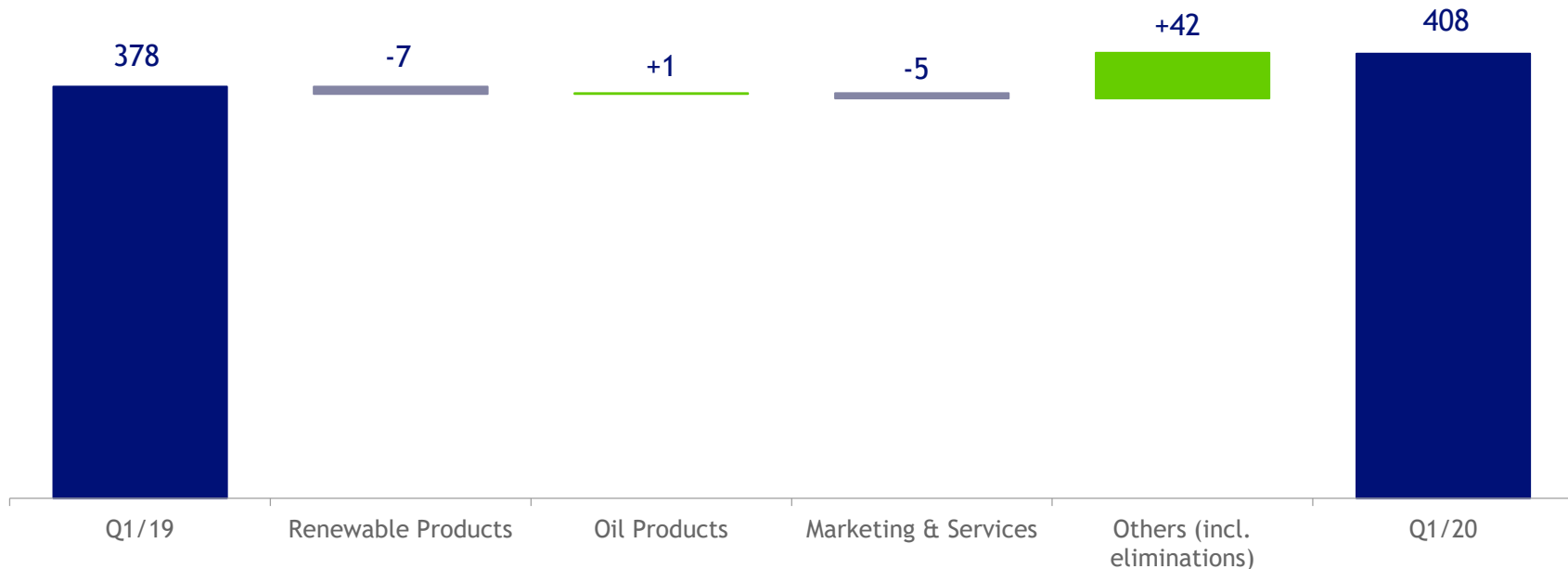
Q1 2020 Group financials

Group financials Q1/20

MEUR	Q1/20	Q1/19	Q4/19	2019
Revenue	3,270	3,769	4,053	15,840
EBITDA	326	486	1,164	2,731
Comparable operating profit	408	378	781	1,962
Renewable Products	329	337	671	1,599
Oil Products	74	73	117	386
Marketing & Services	8	13	11	77
Others (incl. eliminations)	-3	-44	-18	-100
Operating profit	197	383	1,046	2,229
Cash flow before financing activities	-120	8	943	1,154
Comparable earnings per share, EUR	0.50	0.38	0.92	2.04

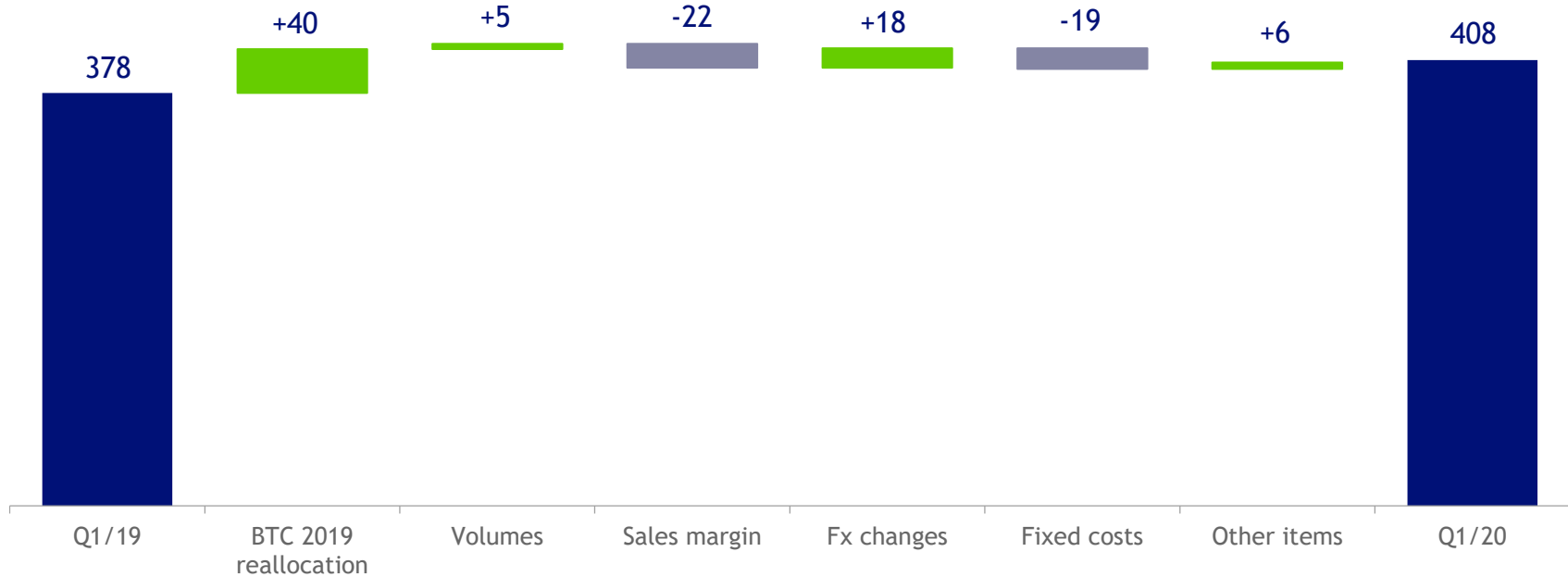
Solid start to the year

Group comparable EBIT by segments Q1/20 vs. Q1/19, MEUR



Good results despite margin pressure

Group comparable EBIT Q1/20 vs. Q1/19, MEUR

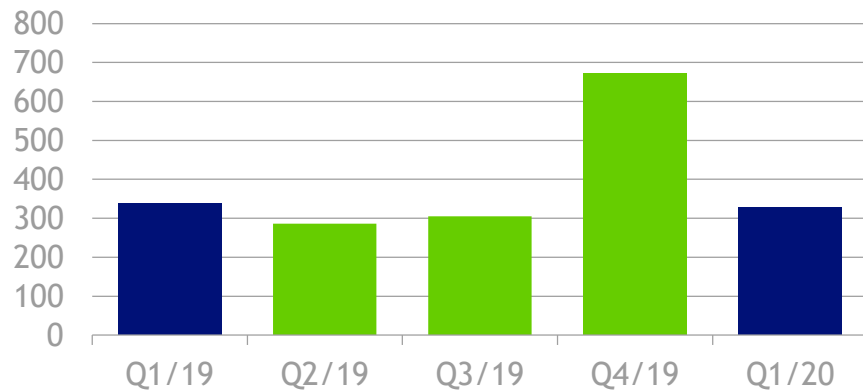


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Q1 2020 Segment reviews

Renewable Products' solid performance continued in Q1

Comparable EBIT, MEUR



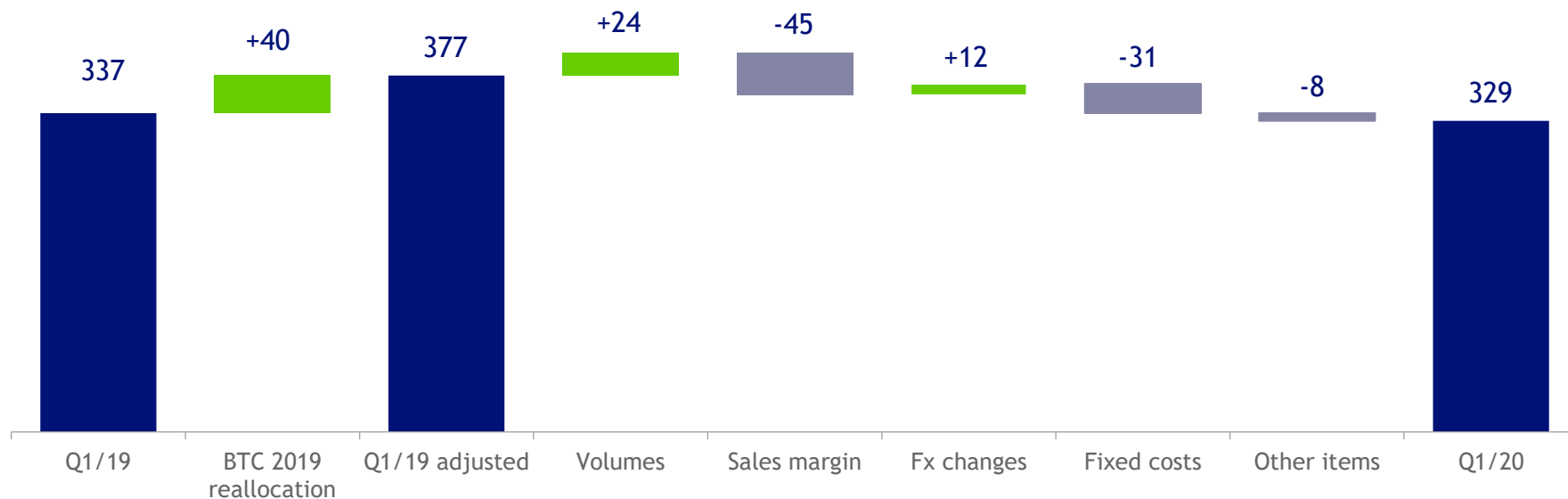
MEUR	Q1/20	Q1/19	2019
Revenue	1,065	973	4,033
Comparable EBIT	329	337	1,599
Net assets	3,165	2,116	3,137

- Comparable EBIT 329 MEUR (337)
- Comparable sales margin USD 685/ton (756), including BTC
- Sales volume 731 kton (692), share of Europe 75% (74%)
- Record-high production volume 795 kton (713)
- Share of waste and residues feedstock 82% (80%)
- Investments 101 MEUR (14)
- Comparable RONA* 60.7% (53.5%)

* Last 12 months

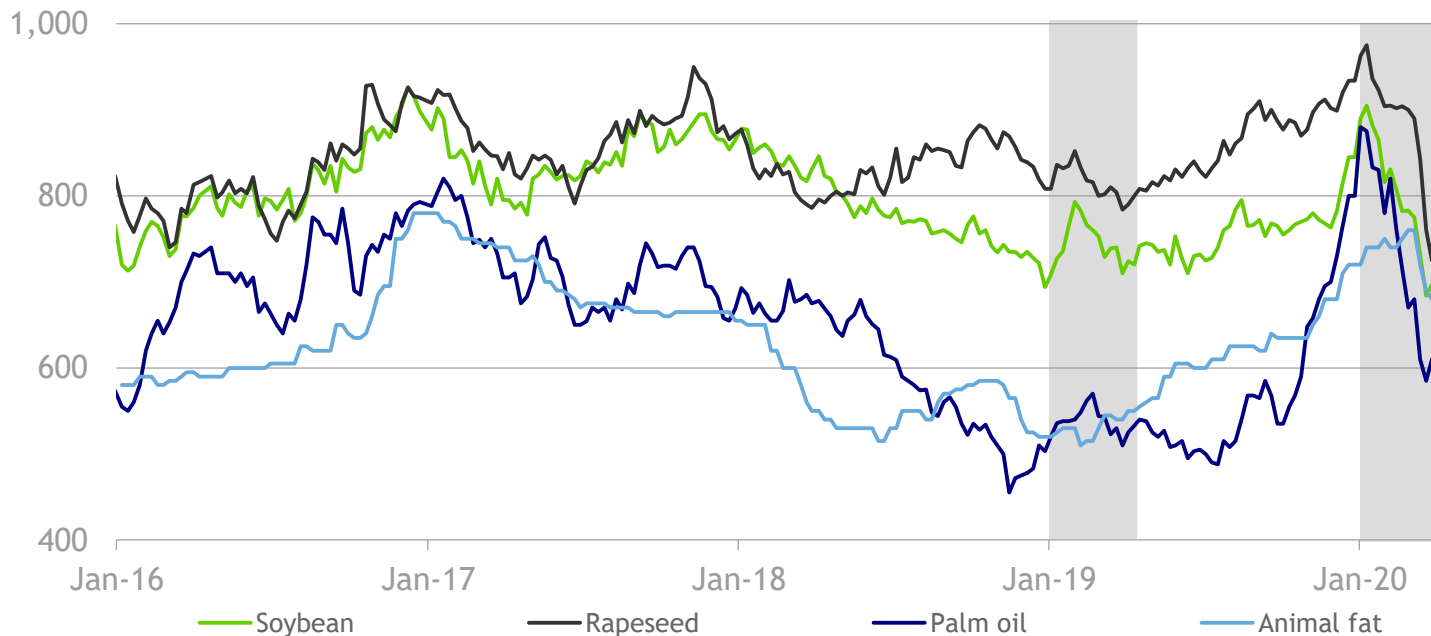
Higher sales volumes and stronger USD offset margin decline

Comparable EBIT Q1/20 vs. Q1/19, MEUR



High volatility in feedstock prices

Vegetable oil and animal fat prices*, USD/ton



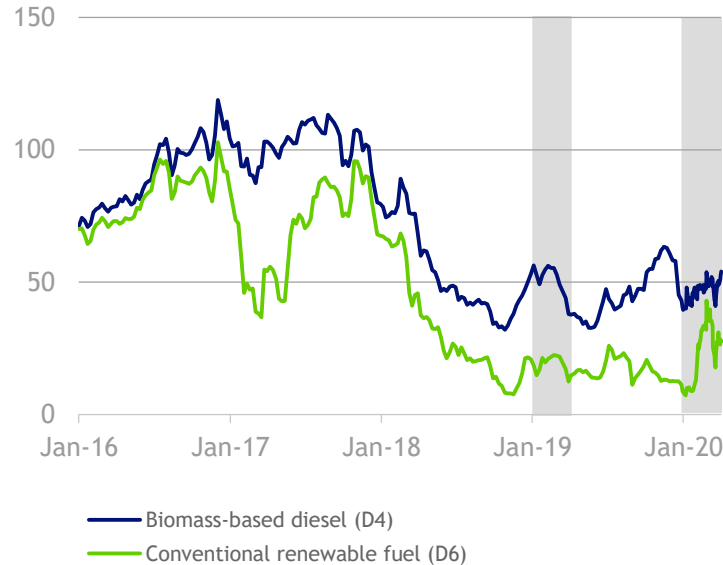
*Quotations in NWE, source: Oil World, The Jacobsen

US margins supported by strong LCFS credit prices

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

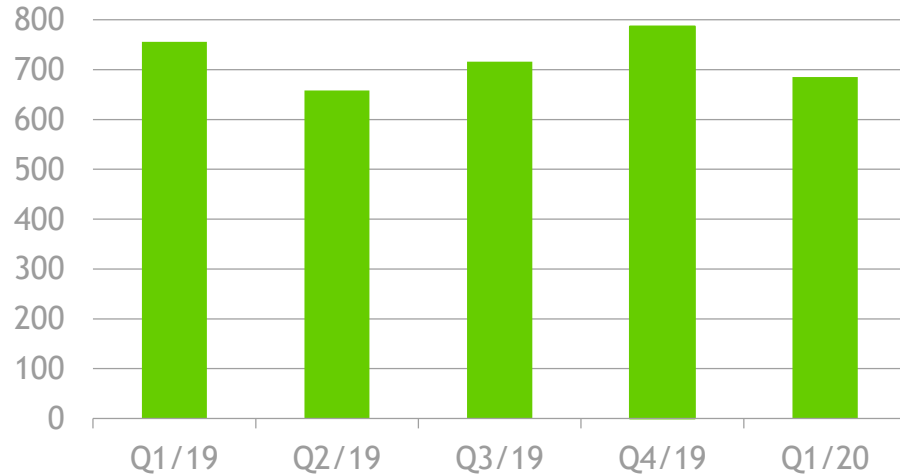


RIN prices, US cent /gal



Sales margin at a good level

Renewable Products comp. sales margin,
including BTC, USD/ton

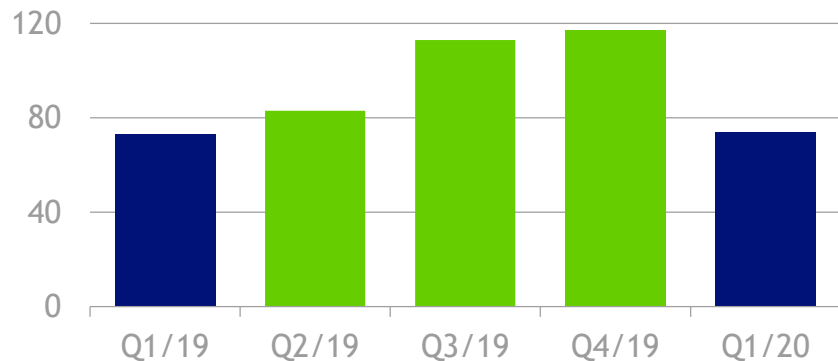


- Comparable sales margin USD 685/ton (756), including BTC*
- California LCFS credit USD 206/ton (194)
- D4 RIN USD 0.47/gal (0.50)
- Sales of 100% Neste MY diesel 27% (22%)
- Utilization rate 101% (99%)

* Retrospective BTC 2019 allocated to quarters

Good operational and supply performance in Oil Products

Comparable EBIT, MEUR



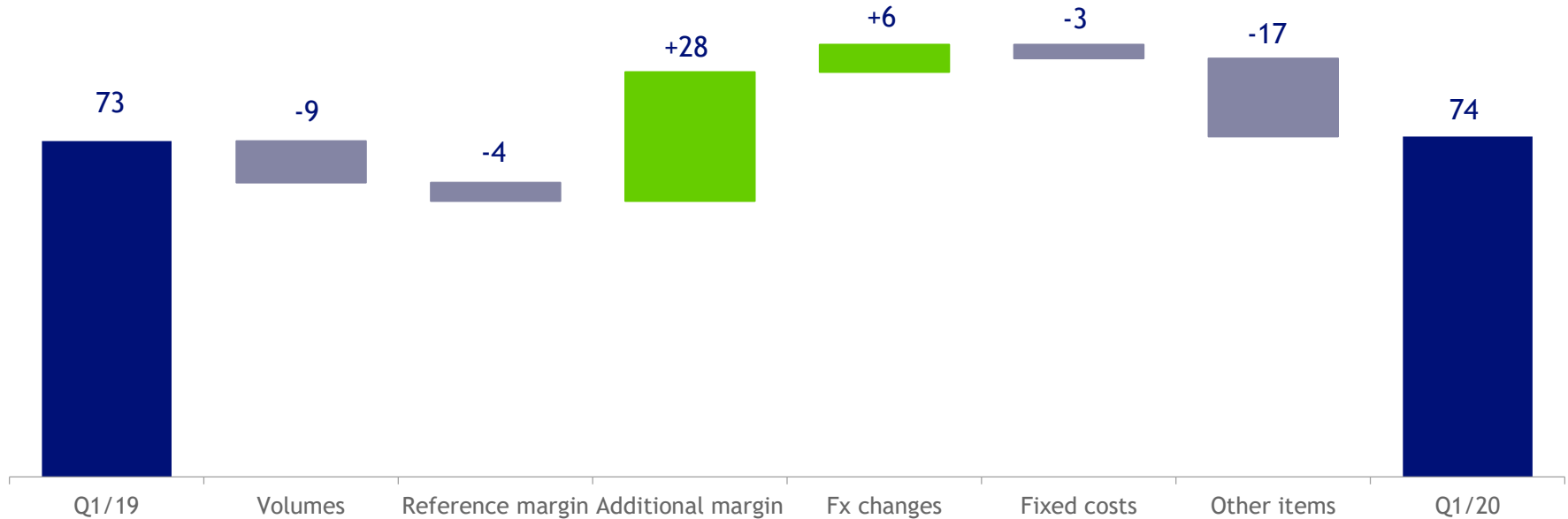
MEUR	Q1/20	Q1/19	2019
Revenue	1,860	2,514	10,416
Comparable EBIT	74	73	386
Net assets	2,439	2,581	2,313

- Comparable EBIT 74 MEUR (73)
- Sales volume 3.4 Mton (3.6)
- Refinery average utilization rate 94% (95%)
- Additional margin USD 6.7/bbl (5.0)
- Reference margin USD 4.3/bbl (4.5)
- Urals' share of feed 74% (67%)
- Investments 81 MEUR (40)
- Comparable RONA* 15.2% (14.5%)

* Last 12 months

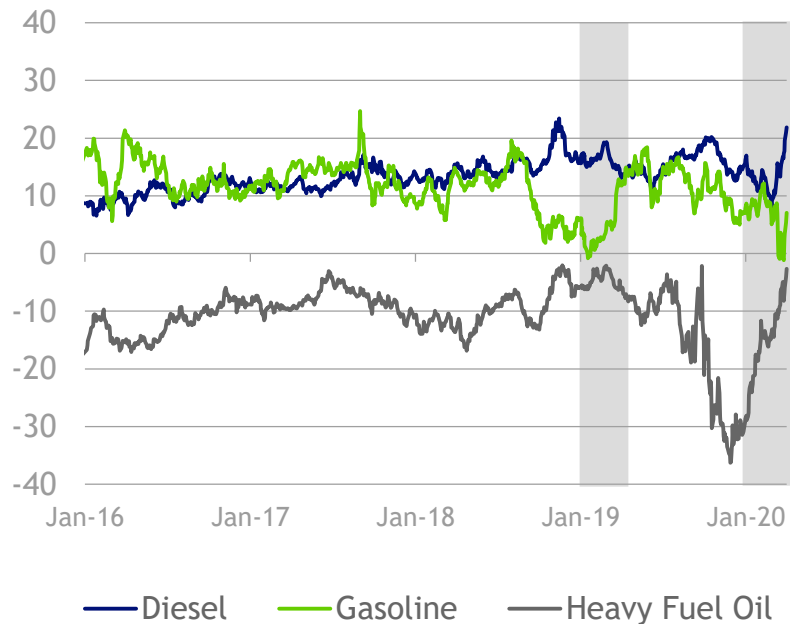
Additional margin substantially supported Q1 results

Comparable EBIT Q1/20 vs. Q1/19, MEUR



High volatility due to crude oil price drop and COVID-19 crisis

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

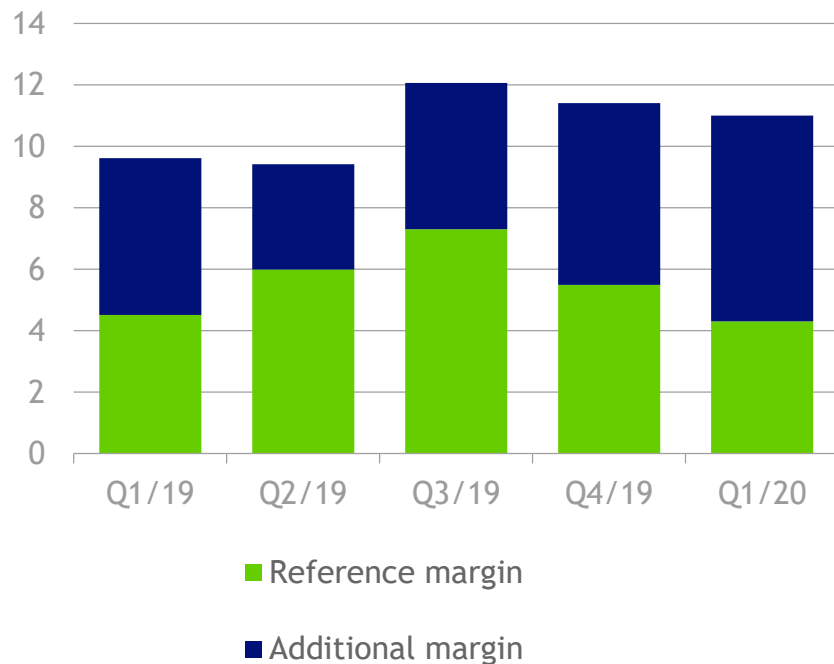


Urals vs. Brent price differential,
USD/bbl



Total refining margin supported by strong additional margin

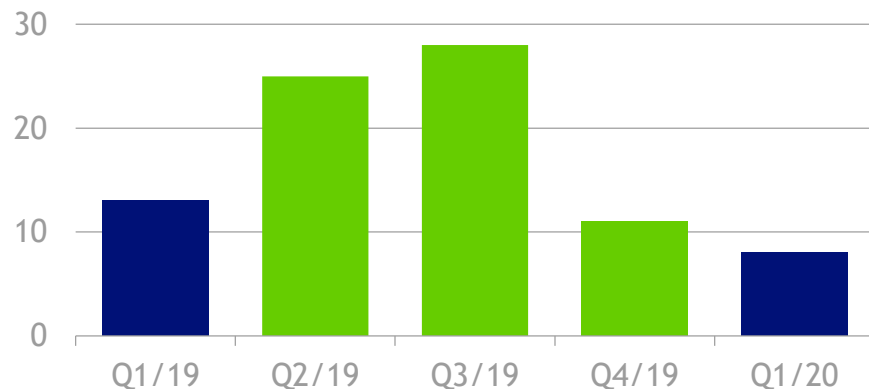
Total refining margin, USD/bbl



- Total refining margin USD 11.0/bbl (9.5)
- Reference margin USD 4.3/bbl (4.5)
- Additional margin USD 6.7/bbl (5.0)
- Refinery production costs USD 4.2/bbl (4.6)

Marketing & Services' result impacted by reduced market demand

Comparable EBIT, MEUR



MEUR	Q1/20	Q1/19	2019
Revenue	846	1,042	4,193
Comparable EBIT	8	13	77
Net assets	249	319	235

- Comparable EBIT 8 MEUR (13)
- Unit margins maintained
- Sales volumes declined due to COVID-19
- Russian business sold in Q3/19; EBIT impact -3 MEUR in Q1/20
- Lower fixed costs
- Investments 4 MEUR (5)
- Comparable RONA* 24.9% (28.1%)

* Last 12 months

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Current topics

Good progress on strategy implementation

Focus areas

Progress during Q1

Scale up faster and bolder



- Singapore expansion project on track
- New agreement on Sustainable Aviation Fuel signed with Finnair and JetBlue
- Acquisition of Mahoney Environmental, a collector and recycler of used cooking oil in the United States
- Strategic co-operation with Borealis for production of renewable polypropylene started
- Combined investment with Mirova into Recycling Technologies Ltd, a specialist plastic recycling technology provider

Drive efficiency in operations



- Neste Excellence: good progress and targets increased

Increase innovations



- Power-to-X and Renewable H2 platforms: Minority stake investment made in Sunfire, a leading SOEC electrolyzer technology provider

Segment outlook for Q2/2020

RENEWABLE PRODUCTS

MARKET

Sales volumes for Renewable Diesel expected to remain relatively stable in Q2. Feedstock markets expected to remain very tight.

UTILIZATION RATE

Utilization rates expected to remain good in Q2, except for scheduled 4-week catalyst change at Singapore refinery, which is estimated to have approx. -50 MEUR impact on comp. EBIT. Exact timing of catalyst change subject to lockdown restrictions by local authorities.

OIL PRODUCTS

MARGIN

Market demand expected to be severely reduced by the COVID-19 pandemic. Reference margin also expected to be lower than in Q1. Very high volatility to continue.

UTILIZATION RATE

Porvoo major turnaround postponed to 2021. Only business critical unit maintenance will be performed during Q2, which is estimated to have approx. -85 MEUR impact on comp. EBIT, mainly in Q2.

MARKETING & SERVICES

UNIT MARGINS AND SALES VOLUMES

Significant negative impact on the demand and sales volumes in Q2 due to COVID-19 pandemic.

Other 2020 topics

GROUP CAPEX

- Capital expenditures in 2020 expected to be reduced from previously estimated approx. 1.2 BEUR to 950 MEUR, excluding possible M&A

RENEWABLE PRODUCTS

- Scheduled 4-week catalyst change at Rotterdam refinery in Q4, which is estimated to have approx. -50 MEUR on comp. EBIT
- One renewable diesel unit at Porvoo refinery is expected to have 3-week maintenance break in Q3, which is estimated to have approx. -10 MEUR impact on comp. EBIT

Appendix

Renewable Products comparable EBIT calculation

	Q1/19	Q2/19	Q3/19	Q4/19	2019	Q1/20
Sales volume, kton	692	745	716	693	2,846	731
Comparable sales margin, including BTC, USD/ton	756	658	716	787	733	685
Comparable sales margin, MEUR	461	447	465	493	1,866	454
Fixed costs, MEUR	-50	-55	-59	-81	-246	-81
Depreciations, MEUR	-36	-36	-46	-49	-166	-44
Reallocation of BTC 2019, MEUR	-40	-70	-56	-64		
BTC 2019 & 2018, MEUR (added back)				372	142	
Comparable EBIT, MEUR	337	286	305	671	1,599	329

Refinery production costs, Porvoo & Naantali

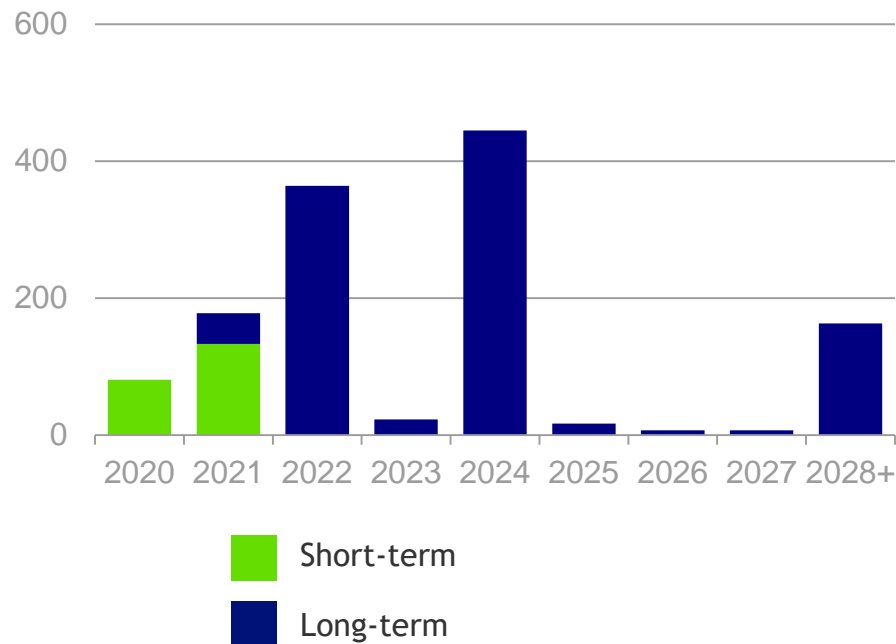
		Q1/19	Q2/19	Q3/19	Q4/19	2019	Q1/20
Refined products	Million barrels	26.9	27.5	26.9	27.9	109.2	29.7
Exchange rate	EUR/USD	1.14	1.12	1.11	1.11	1.12	1.10
Utilities costs	MEUR	52.6	50.6	49.8	58.5	211.4	49.7
	USD/bbl	2.2	2.1	2.1	2.3	2.2	1.8
Fixed costs	MEUR	57.2	62.1	61.2	75.9	256.4	63.3
	USD/bbl	2.4	2.5	2.5	3.0	2.6	2.4
External cost sales	MEUR	-0.5	-0.4	-0.3	-0.3	-1.5	-0.4
	USD/bbl	0.0	0.0	0.0	0.0	0.0	0.0
Total	MEUR	109.2	112.2	110.7	134.2	466.3	112.5
	USD/bbl	4.6	4.6	4.6	5.3	4.8	4.2

Cash flow

MEUR	Q1/20	Q1/19	Q4/19	2019
EBITDA	326	486	1,164	2,731
Capital gains/losses	0	0	-27	-37
Other adjustments	-120	111	-159	-77
Change in net working capital	37	-401	181	-780
Net finance costs	0	-9	-20	-48
Income taxes paid	-50	-87	-144	-333
Net cash generated from operating activities	193	100	995	1,456
Capital expenditure	-198	-71	-222	-568
Other investing activities	-115	-21	170	265
Cash flow before financing activities	-120	8	943	1,154

Liquidity & maturity profile

MEUR



- Group's liquidity EUR 2,700 million at end of March 2020
 - Liquid funds EUR 1,350 million
 - Unused committed credit facilities EUR 1,350 million
- Average interest rate for interest-bearing liabilities was 2.0% and maturity 2.9 years at end of March*
- No financial covenants in Group companies' existing loan agreements

*Average interest rate for interest-bearing liabilities and average maturity exclude leases since 1 Jan 2019.

