

Neste Bond Investor Presentation

May 2017

NESTE



Table of Contents

- 1 Strategy
- 2 Oil Products
- 3 Renewable Products
- 4 Marketing & Services
- 5 Financial position
- 6 Concluding remarks

Disclaimer

The following information contains, or may be deemed to contain, “forward-looking statements”. These statements relate to future events or our future financial performance, including, but not limited to, strategic plans, potential growth, planned operational changes, expected capital expenditures, future cash sources and requirements, liquidity and cost savings that involve known and unknown risks, uncertainties and other factors that may cause Neste Corporation’s or its businesses’ actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. In some cases, such forward-looking statements can be identified by terminology such as “may,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “predict,” “potential,” or “continue,” or the negative of those terms or other comparable terminology. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the following forward-looking statements, possibly to a material degree. All forward-looking statements made in this presentation are based on information presently available to management and Neste Corporation assumes no obligation to update any forward-looking statements. Nothing in this presentation constitutes investment advice and this presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities or otherwise to engage in any investment activity.

Neste in 2016

Revenue
€ 11.7 billion

Comparable
operating profit
€ 983 million

Largest owner
the Finnish State
(50.1%)

5,000 employees,
operations in 18
countries

Investment highlights

Complex refining assets focused on high-value products

Strong position in the Baltic Sea market

Network of over 1,000 stations in Finland, the Baltic states and Russia

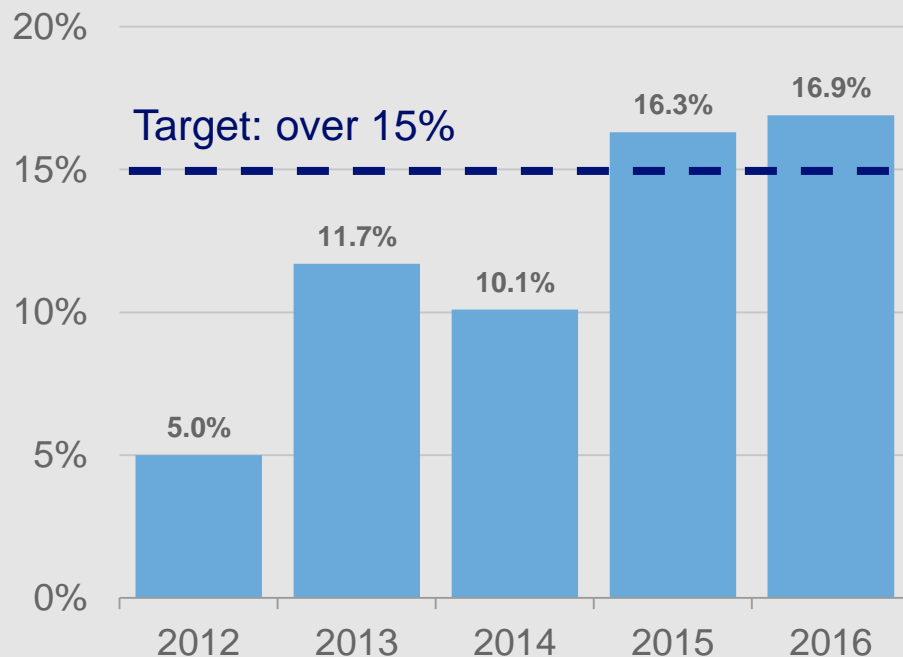
World's largest producer of renewable diesel

Growth opportunities in bio-based chemicals

Solid financial performance

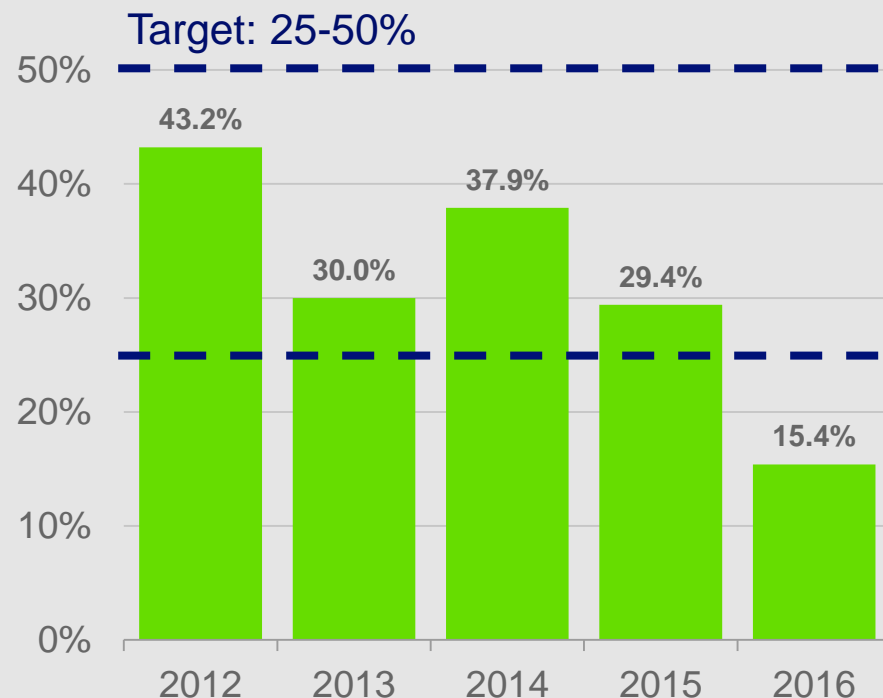
Solid performance visible in financial targets

ROACE*, % (rolling 12 months)

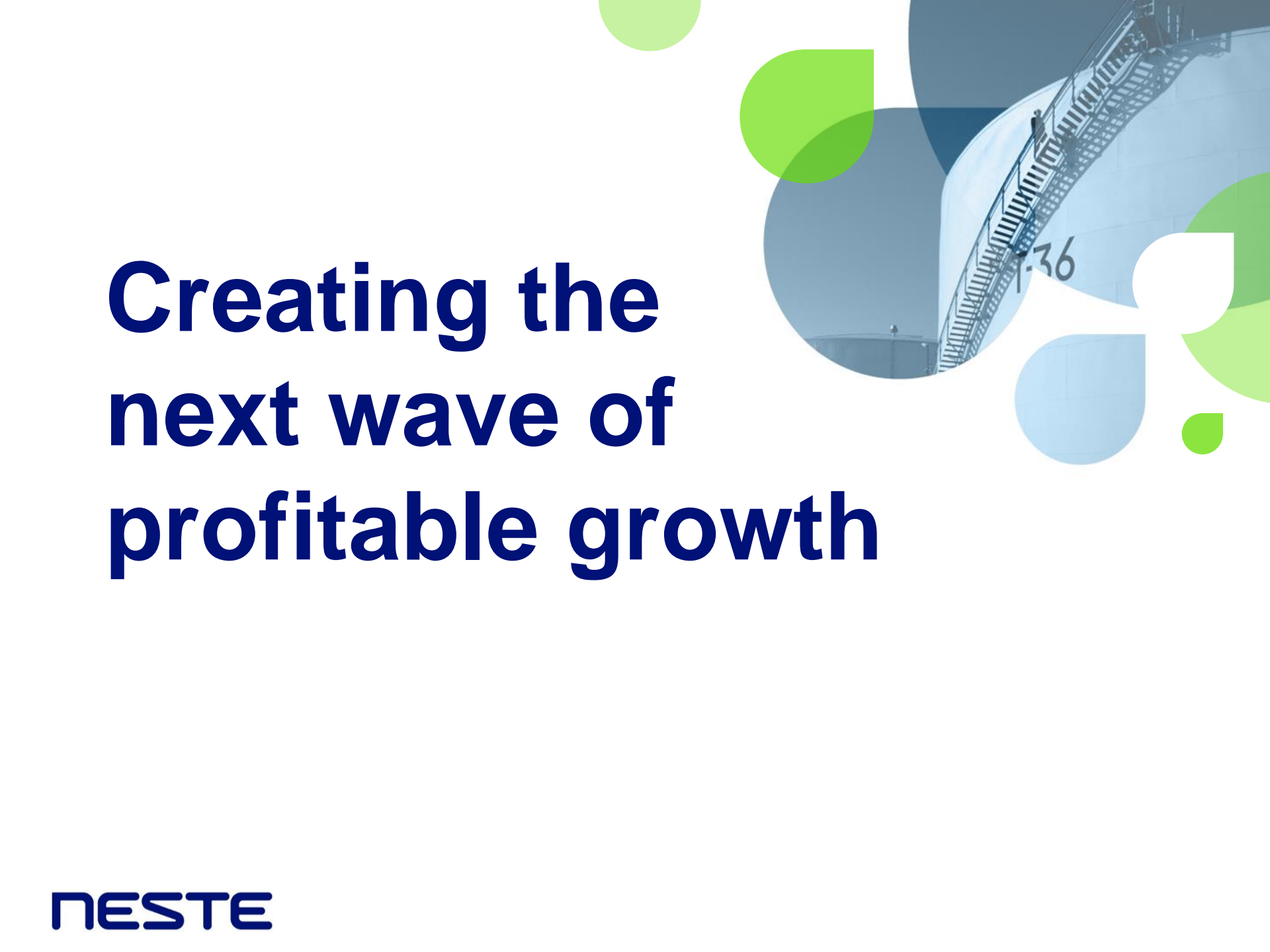


* ROACE: $100 \times ((\text{Comparable operating profit} + \text{financial income} + \text{exchange rate and fair value gains and losses} - \text{income tax expense} - \text{tax on other items affecting ROACE, last 12 months}) / \text{Capital employed average, 5 quarters end values})$

Leverage**, %



** Leverage: $100 \times (\text{Interest-bearing net debt} / (\text{Interest bearing net debt} + \text{total equity}))$

The background features a collage of overlapping circles in shades of blue and green. On the right side, there is a photograph of an industrial staircase with a person walking on it. The number '1-36' is visible on the wall next to the stairs.

Creating the next wave of profitable growth

NESTE

Clear strategic objectives



**Baltic Sea
champion**

**Global
renewables
growth**

Current supporting trends

Oil demand
growth
continues

Oil product
supply and
demand
balanced mid-
term

Urals-Brent
price spread
widened

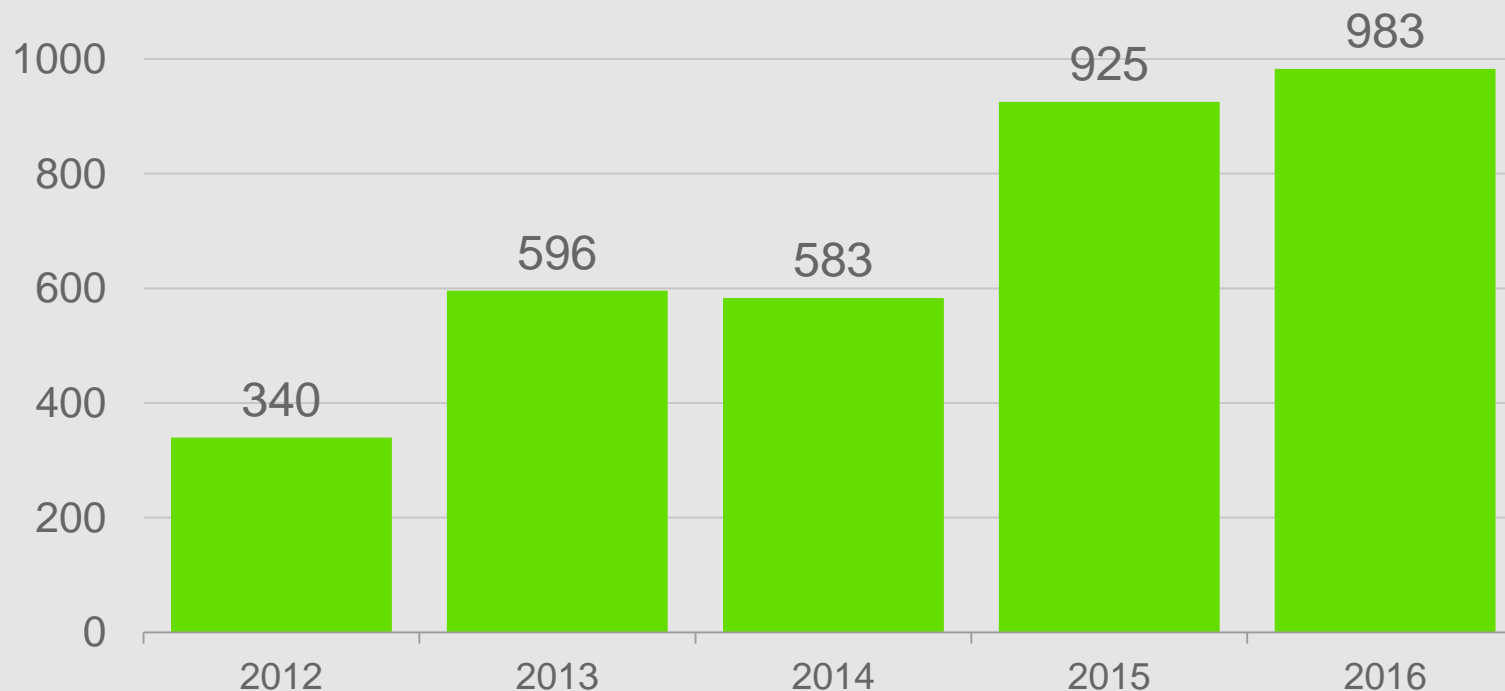
Paris
agreement
confirms global
commitment to
tackle climate
change

Decarbonization
of global
economy

Regulators in
core markets
raising GHG
reduction and
biofuels targets

Strategy implementation visible in financial performance

Comparable EBIT, MEUR





Oil Products

NESTE

Baltic Sea champion

Leader in low carbon solutions in the Baltic Sea markets

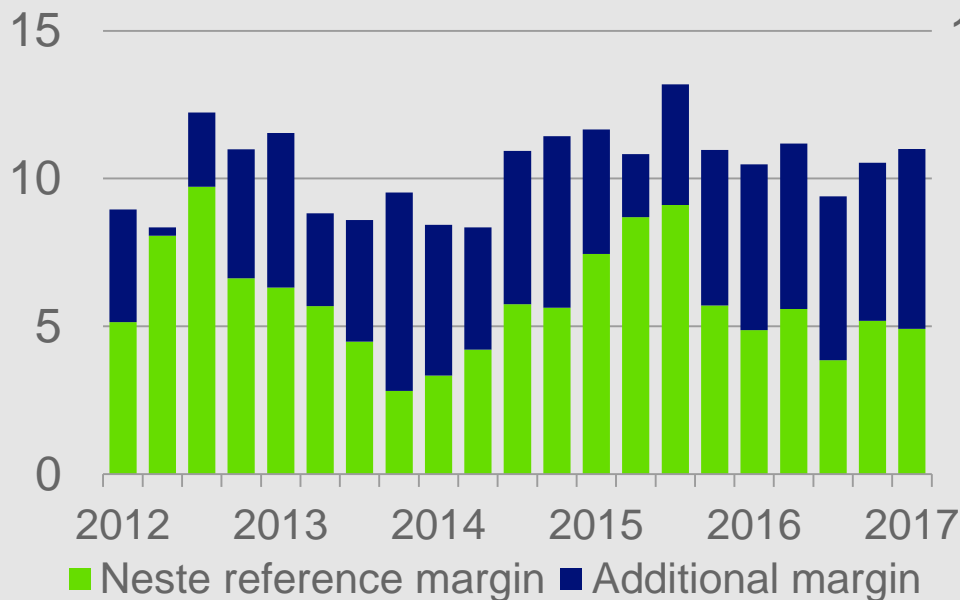
Differentiation
through unique
customer driven
offering

Benchmark in
asset quality and
operational
excellence

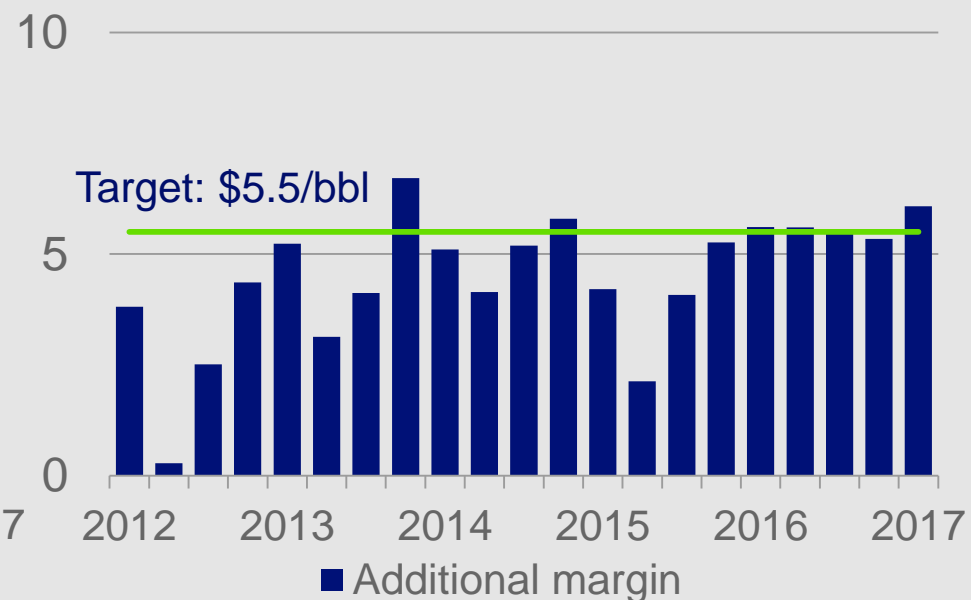
Strong
financials

Increasing our annual additional margin target from USD 5.0 to 5.5/bbl

Total refining margin, USD/bbl



Additional margin, USD/bbl



Long term asset development

- Productivity investments with short pay back
- Feedstock flexibility optimization
- Disciplined baseload maintenance capex

One Refinery program

- SDA investment at Porvoo refinery
- Naantali reconfiguration and new role
- Increased fuel oil to distillates conversion
- Improved feedstock flexibility

Renewable Products

NESTE



Global renewables growth

Creating the next wave of profitable growth

Expanding to new markets and drop-in solutions

New capacity increase program

Strong waste and residue feedstock position globally

Global climate targets supporting long term demand for renewables

US

Regulation up to 2018

- EPA has confirmed 5% annual biomass-based diesel demand growth until 2017 and proposes similar increase for 2018
- Reintroduction of BTC for 2017 open

Longer term outlook

- Federal RFS renewable fuel targets firmly in place until 2022
- California targets 10% carbon reduction with LCFS program by 2020, and 40% overall GHG reduction by 2030

EUROPE

Regulation up to 2030

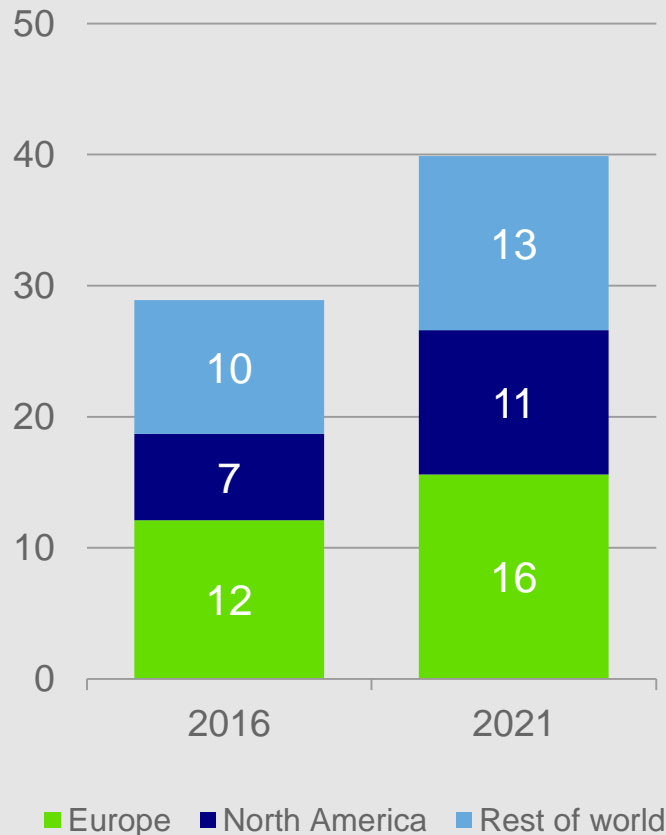
- RED II proposal sets target of minimum 6.8 % of renewable energy for fuel suppliers

Longer term outlook

- EU committed to 40% GHG reduction and 27% renewable energy target by 2030
- Transport to be EU's largest GHG sector by 2030 → European Strategy for low Emission Mobility by European Commission

Road transport market growing for high quality biofuels

Bio-/renewable diesel demand, Mton/a



- European mandates continue to drive demand towards 20 Mton of biofuel in diesel pool by 2021
- US mandates translate into almost doubling current demand up to 10 Mton by 2021
- More stringent GHG reduction targets and blending limitations for conventional biofuels support doubling of drop-in biofuels such as Renewable Diesel demand

Source: Neste estimates

New HVO capacity emerging as expected

Europe

- ENI's Venice refinery conversion done and Gela refinery conversion announced
- Total's La Mede refinery conversion ongoing

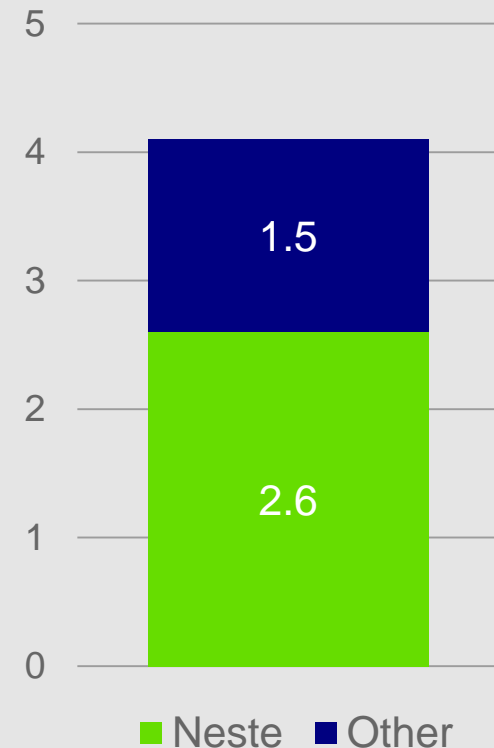
Competitors' capacity estimated to increase by 1.2 Mton/a by 2021

United States

- Diamond Green Diesel announced plans to expand current capacity by 2018
- AltAir Fuels production started

Competitors' capacity estimated to increase by 0.3 Mton/a by 2021

Global HVO capacity in 2016, Mton



Source: Neste estimates

Making outside road traffic applications significant part of our renewables business

**20% of sales
volume by 2020**

New capacity increase program



- Europe and North America remain key markets for our renewable products
- Our ambition is to increase renewable products capacity further to maintain global market leadership
- Debottlenecking of existing units to 3 Mton/a by 2020
- We are exploring different options for the new capacity in the US and Singapore

Strong waste and residue feedstock player



- We intend to develop our global waste and residue position further by investing in capability to process lower quality raw materials
- Pre-treatment capacity acquired in Sluiskil, Netherlands

Marketing & Services

NESTE



Marketing & Services to be the market leader in Finland and the Baltics

- Strong market position
- Captive marketing channel
- Light assets and high RONA
- Retail network sales and wholesale

Station network



Financial position

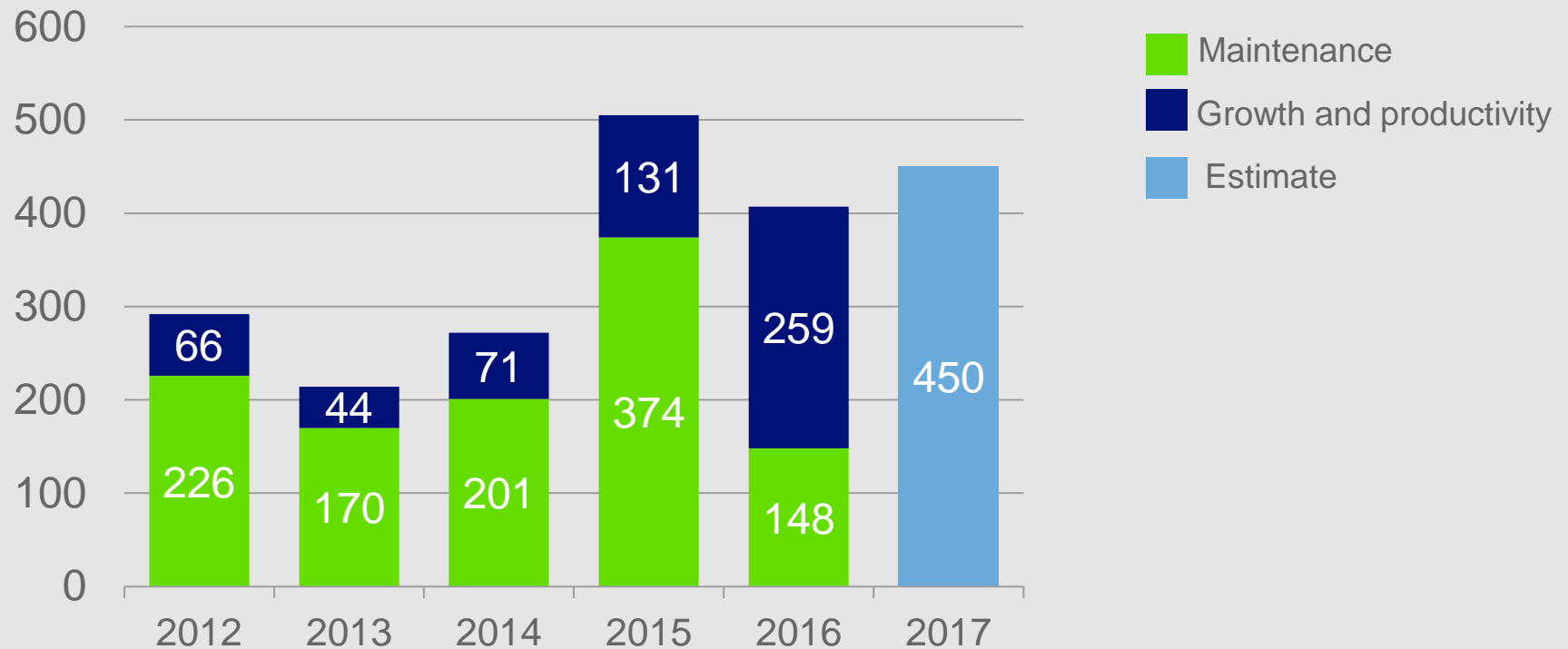


Group financials

MEUR	Q1/2017	Q1/2016	2016
Revenue	3,071	2,306	11,689
Comparable EBITDA	293	262	1,349
IFRS EBITDA	361	341	1,521
Comparable operating profit	204	175	983
Oil Products	126	86	453
Renewable Products	80	80	469
Marketing & Services	11	22	90
Others (incl. eliminations)	-14	-13	-29
IFRS operating profit	271	254	1,155
Cash flow before financing activities	-25	73	834
Comparable earnings per share, EUR	0.56	0.57	3.10

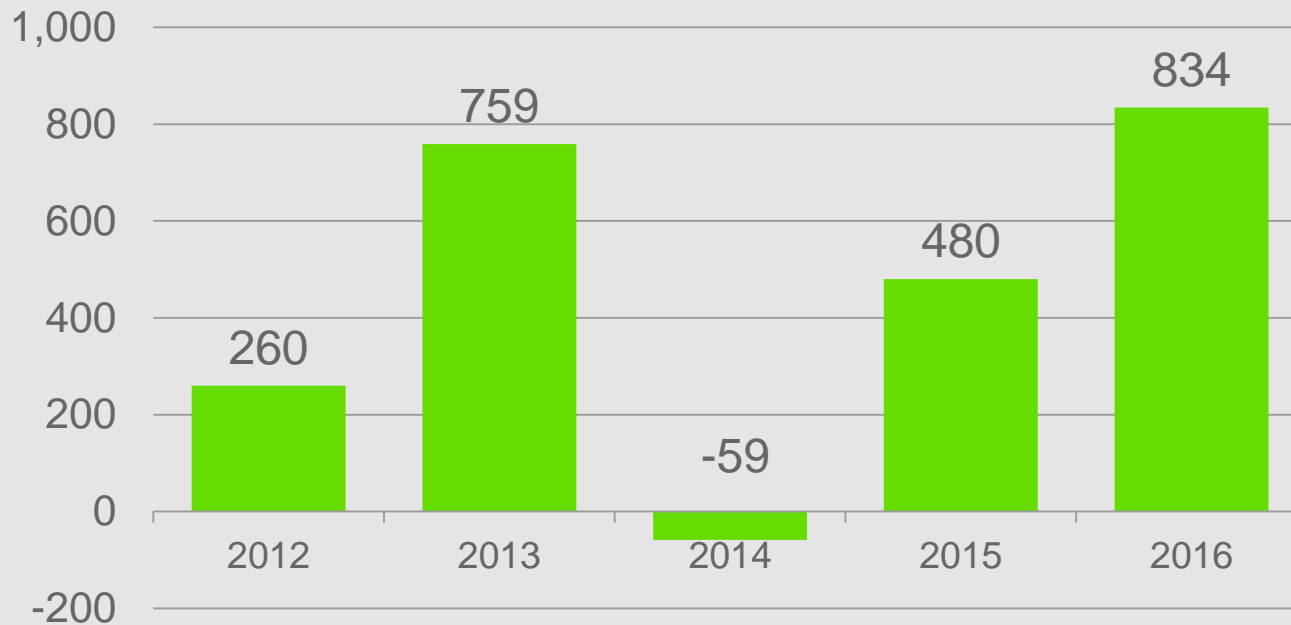
Investments focusing on growth and productivity

Cash-out capex, MEUR



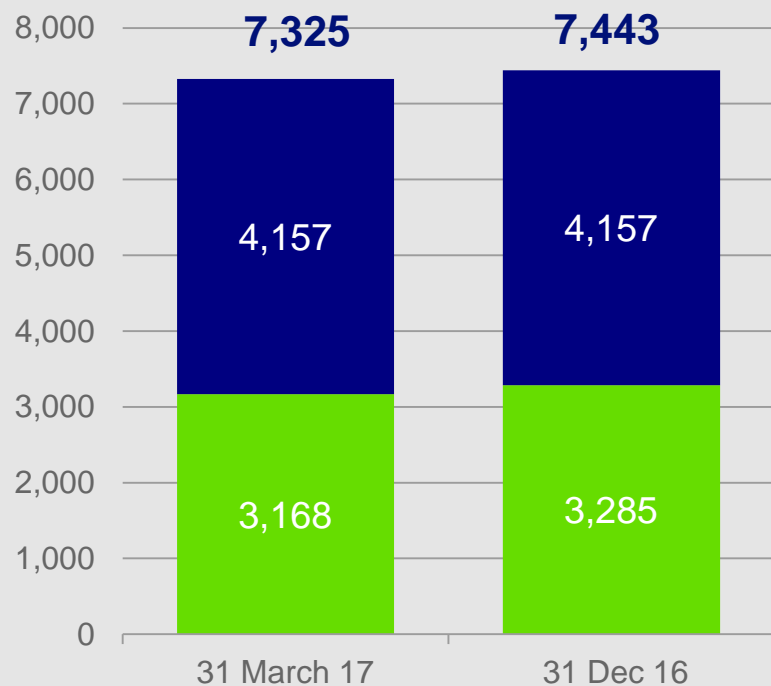
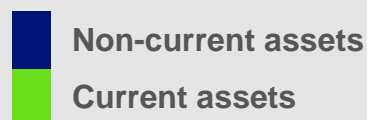
Strong free cash flow generation

Free cash flow, MEUR

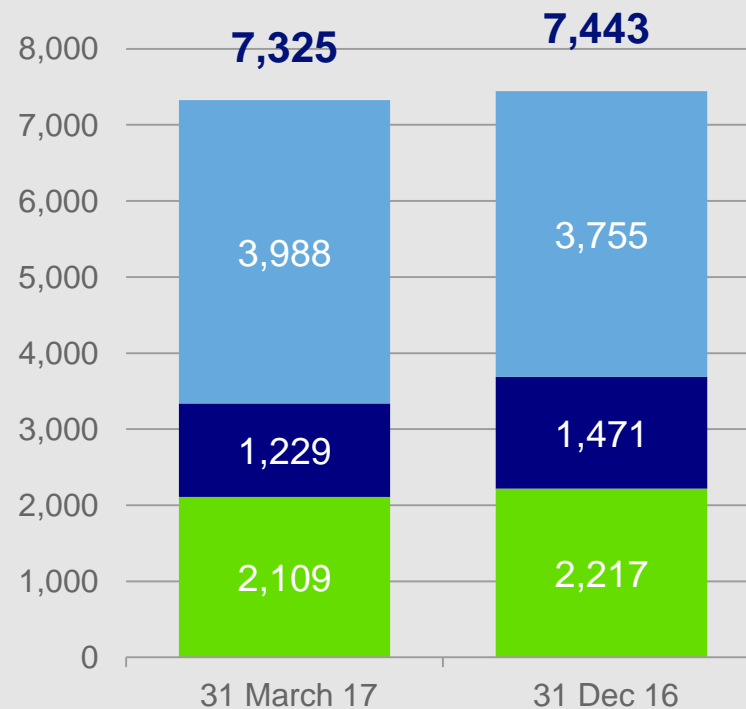
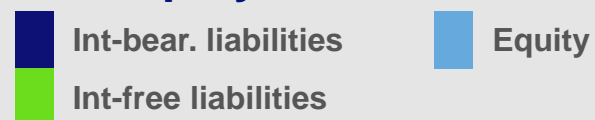


Balance sheet

Total assets

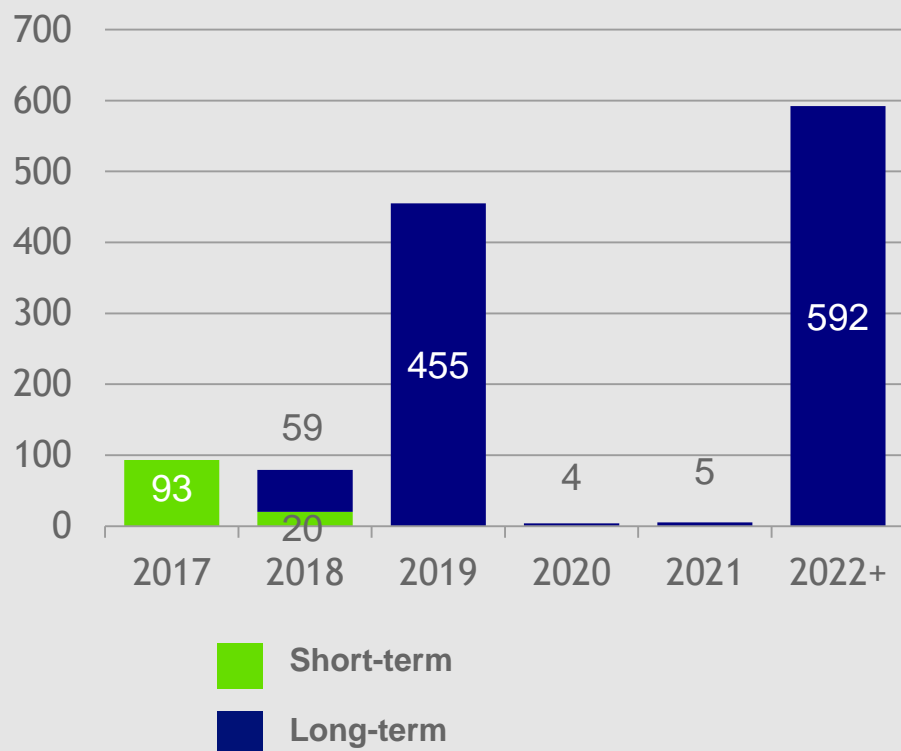


Total equity & liabilities



Liquidity and maturity profile

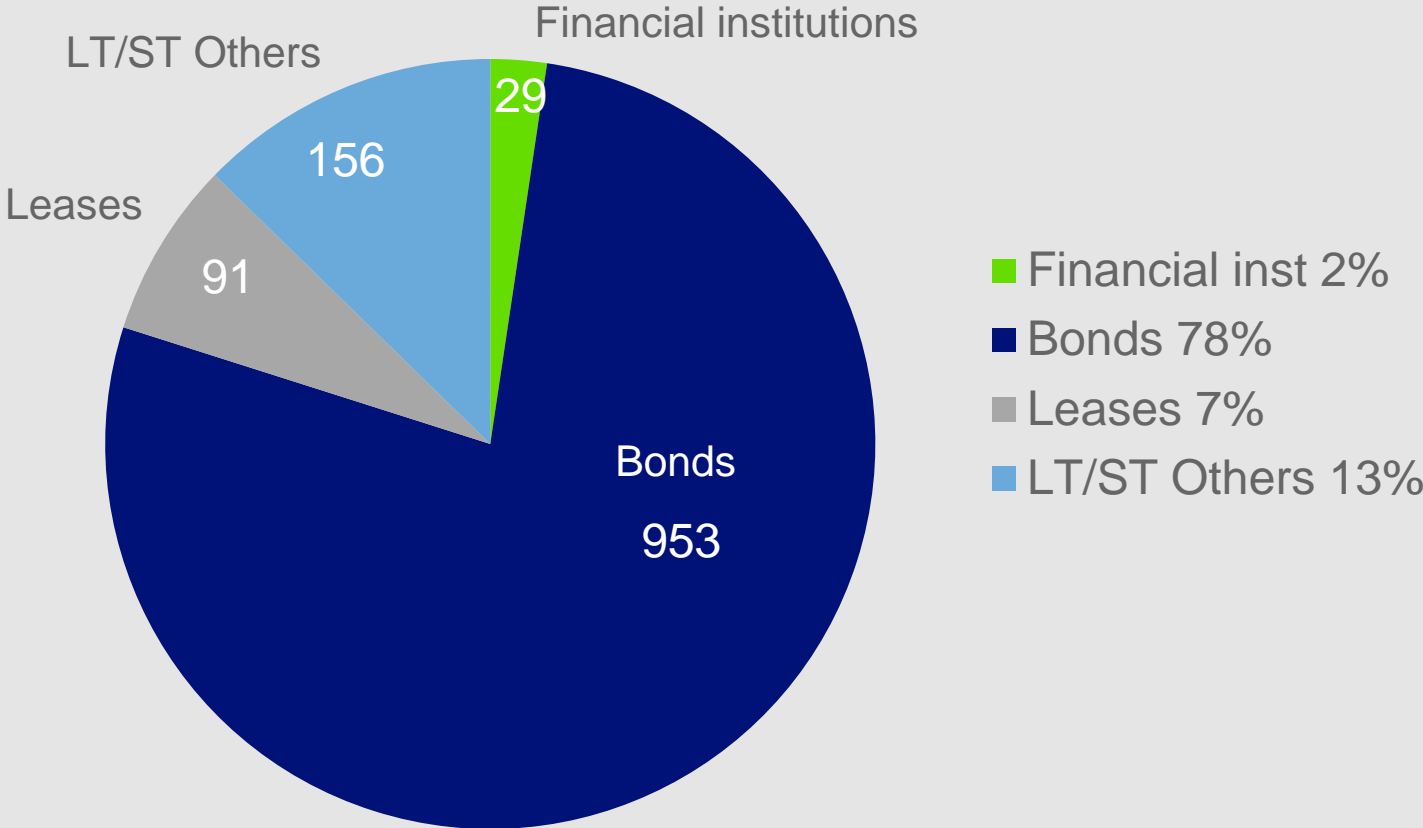
Maturity profile, MEUR



- Total liquidity at the end of March 2017 was EUR 2,561 million
 - Cash and cash equivalents totalled EUR 511 million
 - Unused committed credit facilities totalled EUR 1,650 million
 - Unused CP programmes (not committed) totalled EUR 400 million
- Average interest rate for interest-bearing liabilities was 3.5% and maturity 4.0 years at the end of March
- No financial covenants in Group companies' existing loan agreements

Funding sources

Q1/2017, EUR Million



Interest bearing liabilities totaling EUR 1 229 million of which EUR 113 million short term debt

Concluding remarks



Proposed Offering & Debt Repurchase

Issuer:	Neste Corporation
Currency / Size:	Minimum EUR 300m
Tenor:	7 years
Status:	Senior Unsecured
Rating:	Unrated
Coupon:	Fixed (Annual)
Use of Proceeds:	The partial repurchase of the outstanding EUR 400mn 4% 2019 and EUR 500mn 2.125% 2022 notes and the remaining proceeds for general corporate purposes
Redemption:	Bullet
Denominations:	100,000 + 100,000
Documentation:	Standalone
Governing Law:	Finnish law
Covenants:	Change of control, Negative pledge, Cross default
Issuer Call Option:	3-month Par Call
Listing:	Nasdaq Helsinki
Joint Lead Managers:	BNP Paribas, ING and Nordea

- Neste also invites the holders of the its outstanding 2019 and 2022 notes to tender their notes for cash
- Neste intends to accept any and all of the 2019 notes tendered. Neste also intends to accept the 2022 notes up to an aggregate nominal amount of EUR 400m /less the nominal principal amount of the 2019 notes validly tendered and accepted
- The acceptance of any notes for tender is subject to a successful new issue
- Tender period expires on 30 May
- Priority allocation in the new issue is available to tendering accounts
- Nordea is dealer manager and tender agent on the tender offer

Consistent cash allocation strategy

Investing in
growth and
productivity

Optimizing
leverage

Paying out
favorable
dividends

Investment highlights

Complex refining assets focused on high-value products

Strong position in the Baltic Sea market

Network of over 1,000 stations in Finland, the Baltic states and Russia

World's largest producer of renewable diesel

Growth opportunities in bio-based chemicals

Solid financial performance