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Neste Financial Statements for fiscal 2025

Jukka Miettinen
We are here to discuss Neste's Q4 results that were published this morning. My name is Jukka Miettinen and VP for Investor Relations at Neste. Here with me, we have our President and CEO Heikki Malinen and our CFO Eeva Sipilä. We are referring to the presentation that was launched today on our website early this morning. In the presentation, we will go through the key highlights, for example, our Q4 financial performance and the status of our key focus areas, including the performance improvement program and the progress towards our financial targets. We will also be discussing the key regulatory developments, key opportunities and uncertainties in the market, as well as the outlook. We will have time for discussions with all of you, and please pay attention to the disclaimer as we will be making forward-looking statements in this call. With these remarks, I would like to hand over to our President and CEO, Heikki Malinen. Heikki, please.

Heikki Malinen
Thank you Jukka. Good morning. Good afternoon to everybody. Welcome also to this call on my behalf. Really looking forward to discussing with you about the 2025 results, the last quarter, and also the outlook for this year. Okay. So let's start with a couple of slides here. First, I want to start by discussing the key figures. But before I do that, let me just make a few comments to provide you with a bigger picture on how I see the situation at Neste after having been in charge of the company now for a bit over one year and a quarter, I think overall, if we look at 2025, we had a good year. We have been able to achieve a financial turnaround compared to where we were just a few years ago. I'm very pleased about the fact that in 2025, all of our businesses performed better. Each of them had their own successes. I want to highlight in the area of RP specifically, that we were able to increase our volumes from 3.7 to 4.1 million tons of sales. In OP, I'm specifically pleased by the operational performance of the Porvoo refinery. If you look at the utilization of the OP business, which is mainly Porvoo, we achieved 90% in the fourth quarter, which actually is one of the best years we've had operationally in Porvoo'shistory. And we were luckily, of course, then able to capture the spike in cracks in the fourth quarter. Marketing & Services, we rarely talk about that, but still, they were able to improve their results by 10%. And they actually launched some very exciting new retail concepts here in the Finnish market, which have been received very well by retail and business consumers. We also met our financial targets for 2025. I was especially pleased that the performance improvement program that Eeva will go through in more detail, performed really well. In fact, it performed better than I expected. I've done a number of these during my career, and I was really positively surprised how well the Neste team delivered on multiple areas very systematically, quickly and very efficiently. So, a big hats off to the team for what they did.
On the regulatory front, the year was filled with all kinds of rumors and expectations. But in the end, I think the tailwinds are supporting Neste, both in Europe and gradually in the United States as well with the RVO. And then we're starting to see initial green sprouts, so to speak, when it comes to SAF in Asia. And last but not least, I think overall where we are today, we have a good foundation then to perform better in 2026.
But then looking at Neste in a bit more detail, I always start with safety. This is the number one subject here in the company. Every meeting starts with safety. On the left hand side you can see our total recordable injury frequency rate. This really is people's safety, calculated on per 1 million hours worked. We were able to reduce it a bit. We have a long way to go here. I think we have all the means and tools and skills to bring this down. We just need more systematicity and discipline. But I'm not happy with the number. We can do much better. On the right hand side, we see process safety, which in the past has been pretty tough for Neste in some areas. But overall, if we look at last year, we made good progress. We are not yet at first quartile. We need to go lower. But still, I'm very pleased with how the year ended. 0.9 is a big improvement from the past, and one piece of information which is not shown in this slide, but which I want to mention specifically, is that in the Rotterdam Capacity Growth Project, our expansion, we actually have had a very good safety year as well. Good progress. And considering how large an undertaking Rotterdam is. We have thousands of people on the site. So far we've done well. Of course the work continues.
Then a few numbers from last year 2025, our comparable EBITDA was 1,683 MERU, an over 400 million improvement vis a vis the previous year. I was very pleased with that. On the other hand, you can see the comparable sales margins on Renewable Products $411 per tonne. We were impacted by the terms, term deals from the fourth quarter of 2024. They did impact that number in the second half. And in the final quarter, we saw prices rise, but we did not have that overhang, as we often do when we enter into annual term contracts for a part of the business. And then on the right-hand side, I want to highlight the SAF volume. We doubled it to 867,000 tons. I would say, this is pretty much at a reasonable level given the amount of volume being sold overall. As we know, the renewable SAF mandates have not risen as rapidly as we had hoped, but still over 800,000 delivered to our customers.
Then, as shown on the bottom left-hand side, our EBITDA for the fourth quarter was €601 million. We had a very strong finish to the year on multiple fronts. As I said, all of our businesses performed better than the year

before. And so of course, we're very pleased with that. Free cash flow in the last quarter was exceptionally strong, €809 million. Eeva, we'll talk about the balance sheet further. I think overall, I can say as far as the balance sheet is concerned, that the 40% leverage that we set at the beginning of the year as an absolute cap. Looking at the number, we can say that we're clearly now in much better shape than we were in the past. I don't know if we can say we're in clear waters, but clearly, you know, the direction of travel is very positive. So, good on that front.

The work continues, of course, into this year. We have a number of major things we are working on. The performance improvement program, as discussed already, and Eeva goes through in more detail; the program delivered €376 million. So we actually achieved on a run rate basis, more than what we had set out as a target for the two-year program. So we've really done extremely well. What I want to do here is, now that we will report to you, we're actually going to continue this program for another year for ‘26, and then we will in ‘27, move more into a continuous improvement type of mode. And we're not setting new public targets for this year, but we will continue reporting to you on a quarterly basis how the work continues. What I can say is that after having observed the work for one year, I see there's still good potential to raise that number even more. So you'll then get reports on a quarterly basis, and we'll then see where we end up after 2026. What that total final tally is.

Rotterdam is a big undertaking. I go there almost every six weeks. During my last visit, I was impressed by the good work people are doing there. It's very, very busy, very intense. A lot of people there. They're making good progress. But as I said, 2027 is then the big year for the startup. And then finally, operationally, we continue the work to increase our own production, to make more advancements there and also to be commercially successful. And then, of course, gradually get ready for the Rotterdam launch in 2027. So those are some topics on the agenda of the company. We will be happy to discuss these with you in a moment when we get to the Q&A. Now, let me hand it over to Eeva to talk about the financials.

Eeva Sipilä

Good afternoon on my behalf as well. And I'll start with the renewables market. This slide shows the reference margin development of renewable diesel. And as you can clearly see, the fourth quarter was better than the previous quarters of 2025. We had a bit of a downward trend during the quarter, followed by a small jump at the year-end, which is quite typical as late buying tightened the market, and then typically, as in early January this year, eased back. So in this sort of a supportive market environment, our EBITDA on a comparable basis reached €601 million. In Renewable Products, we had a maintenance-heavy quarter, but higher sales volumes and margins offset the higher net production costs. In Oil Products; solid utilization and the November spike in gasoil market prices supported profitability. And finally, Marketing & Services, we saw a nice sales volume increase in Finland and Estonia.

Looking at the full year 2025. So we reached almost 1.7 billion in comparable EBITDA. And really, thanks to higher sales volume and lower costs, as you see on the right hand side graph. As already mentioned, all the business areas improved from the previous year and we're very pleased with that.

The performance improvement program, indeed one year ahead of schedule. So, exceeding €350 million by the end of 2025, instead of the original target, which was only for the end of the current year. Very pleased with that. Of the 376 million that is the run rate in the PNL of 2025. There is 172 million that has come through. And this is purely from the fact that the run rate is ahead as the program started a few months into the year and then getting all activities ramped up, and before that annual effect, it takes time for it to materialize over the coming quarters. Like Heikki said, very pleased with the amount of activities and actions and the overall engagement of the team in improving our competitiveness. So we're absolutely pushing forward. 75% of what we've achieved so far has come really from cost reduction and the big elements being general procurement and logistics. And then 25% coming from margin and volume optimization.

Then a bit more detail into the quarterly performance by segment. Starting with the Renewable Products. Indeed, despite significant maintenance activities in the quarter, the sales volume reached 1.1 million tons. Our commercial team worked very hard for this. The comparable EBITDA came pretty close to the third quarter level, which was always going to be a tough target, since that was one of our more solid operations. But as you can well see, sales volumes and margins were supporting, but the maintenance costs, visible in fixed costs, dragged the result down. But so, no sort of surprises there, per se.

Moving to Oil Products, high utilization. We are very proud of this and especially now in Q4. This was really worth a lot of money for us because the market prices in diesel cracks really went up to almost $30 a barrel. And of course, being agile and really on top of the market, and being able to leverage that, that opportunity was very important in reaching €321 million for the quarter. And, indeed, our refining margin of over $20 is something we are very pleased with and, as mentioned, did require quite a spike in the market price. But, good, really good work from the team here. And with all the volatility that we can expect to continue in the global oil markets, I think this agility continues to be something that we're focusing a lot on in our performance management.

Marketing & Services also did well, 28 million. Unit margins were seasonally weaker and then the fixed costs were also higher. We have slightly higher investments ongoing in IT. And then also the new retail concept,

Huili, here in the retail market. However, good work on sales volumes from the team then supported the result on to the other direction.
Moving then to cash flow and this certainly increased markedly. Obviously improved results helped, but also, a lot of good work on the net working capital side. 809 million was the cash flow for the quarter. And this then resulted in a full year cash flow before financing activities of €759 million. And this really despite cash-out investments being €260 million in the quarter, a figure somewhat higher than the previous two quarters, reflecting the Rotterdam expansion and additional maintenance work. And as we've said earlier, the Rotterdam investment will keep our investment level high also in 2026. And then we have the Porvoo refinery turnaround coming up every two and a half years, and this is now the time it comes. And so that of course, adds to the CapEx, but we are guiding on cash-out investments to be between €1 billion and €1.2 billion. So I would say very well in line with what we've said a year back. And still on the net working capital, maybe a few words. So, on the inventory side, you'll remember we were very clear that the fourth quarter would be one of reduced inventories as we really push out the pre-maintenance build-up that we had to do in Q3, which hurt cash flow at that time. Succeeded in that. But in addition, we had a lot of focus on AP and AR, and I think again, the team did very well on that. And we are certainly very, very pleased with the outcome.
And this then leads to us being well on track with our financial targets. So as you already mentioned, leverage is clearly now below the 40%. And the other financial target on the performance improvement is also being accomplished now. Work continues on both of these areas and we have a lot of things we can and need to do still at Neste to improve, but for successful delivery in any case for 2025. And with that, handing back to you, Heikki.

Heikki Malinen
Thank you, Eeva. So let's then talk a bit about regulatory matters on this list. There's a lot of text here, sorry for that, but we wanted to give you a full compendium of all the things we see happening on the regulatory front, both in North America, Europe and Asia for different products. I think just the fact that the list is quite long and much longer than we had earlier, sends a message that things are happening here again. What's particularly interesting on the right-hand side is how much activity we see across all of Asia. Yes, there are small numbers. There are small mandates, 1-2%. In some countries, they're more on SAF for international flights, not for domestic flights. But still, Singapore has taken the lead with Japan, and now other countries are following. In Europe, of course, for us, the big thing is the implementation of the Renewable Energy Directive III, and specifically what that does to Germany. Since we last spoke, the process has continued in Germany. Now they are in parliamentary review in the Bundestag, and we hope in the coming months then to get a final resolution. But so far so good. Direction of travel is positive. And as we estimate, by the end of the decade, the volume of renewable diesel should go from 5 million to over 10+ million tons in Europe. And of course, for us at Neste, where we can produce both SAF and RD in our refinery, so this is really good news. And then in Europe, of course, the mandates will rise in 2030. We are going to continue discussions with the European Union to make sure that that really then materializes. So overall very good. And in the US, we're waiting for more news on the RVO Renewable Volume Obligation, a decision which was part of that Big Beautiful Bill. And also there we should hopefully get some more news towards the end of the first quarter.
Focus areas for this year. I already talked about these a little bit, but if I just summarize what's still on my and my team's agenda. So really continuing with the performance improvement program. There's a lot of activity. I've been positively surprised how much Team Neste actually is able to do on this front. Maximization of our asset utilization. Here I would say that we have our work. We still have work to do. Need to put more effort into predictive maintenance, make sure that we really prepare for our turnarounds really well. We get maintenance done on time and on budget. And this year in particular, we have the big Porvoo turnaround coming in the fourth quarter or towards the fourth quarter. It's a very big undertaking, but we're monitoring that carefully. So far, what I've seen, I feel good about the preparatory work, and we also do external benchmarking to see how well we're getting ready. And that benchmarking data also indicates that the team has done good work and we will be prepared then for the turnaround. And then Rotterdam, as we already discussed, is moving according to plan at the moment.
Market opportunities. Overall, our world in renewables can be a bit volatile from time to time. As said already, a lot of positive things are happening now on the regulatory front. Let's see how those get implemented. But still, the wind is clearly more positive. The big unknown for us is Chinese SAF volumes - how much will come into Europe. We know there's volume coming. Need to wait and see for the customs data to get a better view on that. We continue the work on SAF anti-dumping duties to make sure we have a level playing field on SAF. And then on uncertainties. I want to highlight the feedstock prices. Of course, in our business, feedstocks account for a very large share of the variable costs. So, depending on how they progress for animal fats and UCO and then for these Annex IX feedstocks, their progress will be critical in determining the final margin of our products. So, we can hedge these costs to some degree, but not fully. And then I think on geopolitics and trade. Otherwise, I don't

see anything particularly new happening on that front that would impact Neste at the moment. So that pretty much is that story.
Then, in terms of dividend, our Board recommends to the annual shareholders meeting that the dividend would be kept at the same level as last year. So that is €0.20 overall.
And then finally, the outlook for this fiscal year. So Renewable Products' sales volumes in 2026 are expected to be approximately at the same level as in 2025. Oil Products' sales volumes in 2026 are expected to be lower than 2025 due to the planned maintenance turnaround at the Porvoo refinery.
So, those are our key messages at this stage, and I think we will hand it over to the operator and take your questions. So thank you very much.

Q&A

Alejandro Vigil, Santander
Hello. Thank you for taking my questions. The first one is about the outlook for 2026. Of course, you are talking about this guidance of volumes, a flat year on year and wondering if something is going on in the utilization rates or why you see this flattish performance year on year? That's the first question. And the second is regarding profitability. We have seen in the last couple of quarters EBITDA in the Renewable Products' division of about €250 to €270 million per quarter. This is a good indication of the current status of the market in terms of margins for Neste in this division? Thank you.

Heikki Malinen
So if I take the outlook and if you talk about the profitability. At the moment, with respect to our refineries, we are running fairly close to our current capacity. We're constantly optimizing and trying to squeeze out more. But in our situation, any debottlenecking that we can do to get more out, will have to happen during the turnarounds. And the next opportunity for debottlenecking will be end of this year, early 2027, when we have the next turnarounds in Rotterdam and Singapore. So, you cannot do debottlenecking until you have done a certain amount of engineering and you've ordered different types of equipment and pipes, etc. So, there is always delays to how quickly you can do turnarounds and debottlenecking. That will be a story more towards the end of this year, early next year. And then Rotterdam will be the significant volume increase, and that will come in 2027. So that is the situation. And as said we are trying to squeeze out safely and reliably as much as possible, but we have to overcome those debottlenecking challenges first.

Eeva Sipilä
And, Alejandro, on your profitability development question; obviously sales market prices are important. We've had tailwind that we see continuing. At the same time, if you look at feedstock prices 2025 versus 2024, they were higher. So, we need to continue the work on finding the right feedstock and utilizing the whole global network that we have to maximize the margins. But importantly, then, obviously, there is the Performance Improvement Program. A lot of the actions are RP focused. And as mentioned, we have more in the pipeline just from a timing perspective, but are still working on new actions. So, we're certainly very focused on improving the profitability of RP. I think this is not a level where we are yet satisfied in any way.

Paul Redman, BNPP
Hi, guys. And thank you very much for your time. Yeah. Two, please. The first one is just back to sales volumes. Could you just be clear? You used to provide a breakout of weeks by refinery of how much turnaround activity will go on in the year. Could you just go through each refinery just highlighting how many weeks turnaround you're expecting in 2026? Or you just mentioned Rotterdam and Singapore, possibly for 2027? And then secondly, I have a question that's a bit longer term. So when we look beyond 2026, you previously guided to a material reduction in CapEx post 2026 as a Rotterdam facility comes online. If margins continue to be strong, the balance sheet will de-gear. How do you think about financial priorities post 2026?

Heikki Malinen
Okay, so I will start and let Eeva continue. So, in terms of this fiscal year. So we have catalyst changes pretty much every year. And I cannot really give you an exact week number here yet for the turnaround in Rotterdam or in Singapore, because they will also include debottlenecking work. It isn't just the pure catalyst change, but there will be others. But the Rotterdam turnaround will be at the end of sometime in the fourth quarter, and then Singapore will start line two. Now, that's the first TA on line two in Singapore that will be starting probably as it was this time, mid-December, somewhere there. And it will flow then into the first quarter. But the exact date still will depend a bit also on the holiday season in Singapore with Chinese New Year, etc. So, but anyway, roughly there. So, for Singapore, this is projected more towards 2027. And that will also include then the

bottlenecking work, which has to be done. Now then to your question about beyond ‘26 and CapEx and how we're thinking about that. So maybe Eeva.

Eeva Sipilä
Financial priorities post ’26, Paul, I think it was. So, no news here really. Deleveraging is the one word I would say that obviously whilst we now had good cash flow and we've clearly turned a corner in leverage, the amount of gross debt remains high. And this year, being still a CapEx-intensive year, is not going to fundamentally change that. So then as we go into ‘27-‘28, that's really the main focus. And of course, in order to build ourselves a stronger balance sheet then that we have more optionality a few years after that.

Henri Patricot, UBS
Yes. Hello, everyone. Thank you for the presentation. I have two questions, please. The first one is just another follow-up on the volumes for this year. Because you mentioned that you're running fairly close to capacity at the moment, but your utilization rate last year was 73%. And Neste used to run much closer to full capacity. So, are you saying that we should assume that full utilization would be close to this level because of the frequency of the catalyst changes? Or is there some upside to that utilization rate over the next couple of years? And then secondly, on the sales structure for 2026, can you give us an update on the term contracts for this year? Where did you end up in terms of the split between term sales versus spot? And any comment you can make on how the term premium looks in 2026 versus 2025.

Heikki Malinen
Thank you very much for those questions. Yes. I would also like to see the utilization level higher. So, but that will require some more work in the refineries. There's also a bit of how much we swing between RD and SAF. So last year we made over 870,000 tons of SAF. So, you know, how much we're swinging back and forth between that also impacts utilization. It isn't just that we're happy about the flexibility; putting the SAF lines on also impacts utilization a bit. So the more we can run with one grade, RD in particular, that helps. But we are going to try to improve that further and then do some more debottlenecking. Then in terms of the term contracts, I mentioned in the last call that we would take our time and not rush. Well, in the end, we ultimately termed about 60%, roughly the same level as the year before. So, about that. Anything you want to add, Eeva?

Eeva Sipilä
Maybe just to mention, Henri, on the premium. So significantly higher than a year back. Obviously, the market situation was healthy. And thanks to that, that actually was behind our decision to term that much. Originally, I think we discussed also with you that we'd aim a bit higher, but when the market was as good as it was, we felt it was the best decision for shareholder value.

Adnan Dhanani, RBC
Hi. Thanks for taking my questions. Two for me, please. The first one on your CapEx, you were able to lower your guidance a couple of times last year and still ended up spending less than the final guidance at the end of the year. Just can we get some color on the moving parts there? Is that just a phasing thing? And if so, could that mean that this year's spend could be towards the higher end of the range you provided? And then secondly, on your performance improvement program, obviously very solid results so far. You've noted that the work continues in 2026. Are you able to provide any color on how much further upside there could be beyond the 376 million that's already been achieved? Thank you.

Heikki Malinen
Thank you. Maybe I'll take the second one first, and then Eeva can take a crack on the first one. On the performance improvement program we had four modules, namely, the efficient organization, which has been completed. There were items on procurements or sourcing. A lot of work has happened. Some of it will flow also into this year. There's the commercial piece. We have optimized our logistics and terminal networks. We've closed some terminals which had very low utilization, so much of that work has been done. On the refinery side we do see a lot of further opportunity. That module has been slower to progress because of the changes we need to make to these lines. Some of them may need some money, or they just need some design work, and it just takes more time to do these adjustments, let's say safely. Plus it's just simply more complex work. So we will continue focusing, especially on the refinery side in 2026. We are not going to set or give you any guidance or estimate on the upside, as I said, I only can state that I'm really pleased with what we have accomplished this year. We're going to continue focusing particularly on the upside on refineries. And we will then report on a quarterly basis and try to provide you as much color as we can. That is the current way we're going to move forward. And then in terms of the CapEx. So, anything you would like to say regarding?

Eeva Sipilä
We certainly think it's not an atypical phenomenon to have a bit of slipping. I wouldn't say that it was more than a few tens of millions. So indeed we were expecting that that slipped. Now the estimate is based on what we currently have. And then obviously we've given a range just because there are some uncertainties, and I'm comfortable with the range, but indeed, I think it's a typical phenomenon. It's sometimes really difficult to estimate exactly right on how the sort of payments then go out, but not a big thing for last year.

Artem Beletski, SEB
Yes. Good afternoon and thank you for taking my questions. I have two questions. The first one is relating to renewables' volume outlook for this year and basically split between RD and SAF. Is it fair to assume that there will be growth in RD and maybe SAF volumes coming down? Just looking at the market fundamentals currently and the SAF market being pressured by import volumes coming from China. And then the second question relates to Q4 fixed costs regarding renewables. There has been quite a significant increase sequentially, I think more than €30 million. How big a portion of it was related to this maintenance activity happening in the quarter? And maybe you can provide some guidelines for this year as well. Thank you.

Heikki Malinen
Thank you Artem. So I'll take a crack at the first one and then Eeva can talk about the fixed costs. So last year, we sold 870 on the SAF, if I remember correctly. And then the rest was RD. I think I said on the call last time that if the SAF market doesn't develop well, then we have always the option to sell RD and that is what we will do. So we are constantly optimizing and depending on what really makes sense financially for our shareholders, we will run the refineries according to that. So it is possible that this year will have a bit less SAF. But let's see. It's early. We're just in January, and let's see how the markets develop and what happens with the imports. We really don't know yet. We don't have any data yet really for 2026. And then based on that, we'll have to make the choice. But we will go with what really maximizes the value for the company.

Eeva Sipilä
And then on the fixed cost, Artem. Indeed, the growth in fixed costs was really all around the maintenance. And looking into 2026, we'll have a similar phenomenon that obviously we have some of the performance improvement savings coming through in the fixed cost and that's supportive. But then at the same time, we will be somewhat increasing the money spent on maintenance for the obvious reason that we do want to max out on utilization and reach better utilization, as Heikki already mentioned. So that will probably mean that, in a way net-net, there's not much improvement in fixed cost per se to be expected. But of course, we're very focused on all elements on the margin to improve profitability. But nevertheless, fixed cost, relatively speaking, is not the main item.

Artem Beletski This is very clear, thank you.

Henry Tarr, Berenberg
Hi. And thanks for taking my questions. The first one is just on premiums and margins. So I think you talked about higher premiums into the term contracts. Obviously there are lots of push and pull factors, etc. driving margins in the renewables business. But as we stand here today, then, looking into 2026, does it make sense as a starting point to think about the sort of second half levels from last year being a good base as we think about modeling renewable products? That's my first question.

Eeva Sipilä
I think that if you use the second half as a reference, it wasn't that impressive in the beginning. So I would say that we are aiming upwards on that. But as you rightly say, it's obviously the premium we fixed is also dependent on what happens on the feedstock side and how we're able to optimize. But I think it's fair to say that our ambition is higher, and hence the higher term rate.

Heikki Malinen
I think feedstock pricing is of course, really critical here for the final margins.

Henry Tarr
And that's probably my second question then, which is what are the key drivers and risks that you see for this year on feedstock.

Heikki Malinen

We try to buy from all jurisdictions globally. We're continuing to expand our reach both for animal fat and for UCO. And what's been really interesting, of course, now with the new RED III requirements, are these Annex IX feedstocks. I think we're well positioned, actually pretty well positioned on these Annex IX feedstocks, which I think could become an asset here as we go forward. But let's see. And then in terms of UCO, what I think is playing here a lot into the equation is, you know, how much will Chinese demand be hard to predict. And then also what happens with these, the RIN 50 in North America. So I think those are the two potential triggers which could then impact both UCO and animal fat prices. And then, of course, how much supply of animal fat is available, particularly out of Australia. So, I think those are the dimensions influencing the market. But as I said, I think overall we are probably the largest buyer of these feedstocks globally and we have a good sourcing organization. I think we're very well on the pulse of the market. And we have multiple sources to buy from. If one area looks more expensive, we then always have the opportunity to look for other sources. I think that is an advantage. Feedstocks are really critical in this industry.

Nash Cui, Barclays
Hey good afternoon everyone. Two questions please. The first one is a follow up on term sales. I just want to clarify on the ability to lock the margin from your previous answers, am I right to understand that you can lock the sales price, but not the feedstock price, so we can still see a bit of volatility on the margin? Then my second question is on your peer's comment; another European energy company CEO, which mentioned some bearish comment on SAF mandate. I wonder what's your view on that. Thank you.

Heikki Malinen
Well, do you want to comment on the hedging.

Eeva Sipilä
Yeah, sure. So indeed I think the challenge on the feedstock side is that not all of those products can really be hedged. They are not open, transparent markets. So, more on where you can hedge is then on the soya-palm side. And that means that there are certain limitations when we sort of term the sale. But of course, they do over time usually have a correlation. And then we try to optimize based on the experience we've built on how to do so. But indeed there is a certain open position and hence our cautiousness on commenting on the final sales margin.

Heikki Malinen
Regarding your question about the SAF mandate. So, I have said before that at least based on the conversations I've had and we've had with the European Union, they are pretty committed to implementing the SAF mandates for 2030. Between now and 2030, nothing specifically will happen. There will be a review, probably somewhere between now and 2030, about these mandates. I know the airlines are of course pushing back and trying to move the 6% into the longer-term future. But I said our indication is that the mandates are going to grow. And six is the number that has been decided. I'm very pleased with what we're seeing in Asia, gradually starting to see mandates coming there as well. I think that's a very positive sign. If Asia now starts to move forward, why would Europe then suddenly move backward, especially when Europe has been the one really pushing for SAF to start off with. If we hear something different, we will report to you. But, I'm not aware of anything that would derail the 2030 program, at least not at the moment.

Nash Cui
That's very helpful. Thank you so much.

Alice Winograd, Morgan Stanley
Hi. Just one from me, please. So you said about 60% of sales were termed. Can you give maybe a breakdown between Europe and the US within the term sales? Because EU margins have been extremely high for the better part of the second half, I think upwards of $900 per ton. So, if there's any indication that a significant portion of these term sales are in Europe as opposed to the US, this has some read across to margins. Right. So appreciate any color you can give. Thank you.

Heikki Malinen
Thank you for your question. Unfortunately, we only provide information on the aggregated number of terms across the region, so we do not break that out by markets in more specific detail. So sorry about that, but thanks for your question.

Iiris Theman, DNB Carnegie
Hi. Thanks for your presentation. I have two questions, please. The first one is related to the renewable diesel

prices, which have come slightly down from Q4 over the past 2 to 3 weeks. So, what has been driving prices lower? And do you see any drivers that could affect prices for the remainder of Q1? Yes. This is my first question. And the second question is related to your utilization rate in Renewable Products. Previously you highlighted the 80% utilization rate as a good proxy for this year in RP, while now it seems to be 75% or something like that. So is there anything that has changed since the Q3 presentation when you highlighted this 80% proxy? Did you, for example, have a longer maintenance in Rotterdam or Singapore that basically has impacted your volumes this year?

Heikki Malinen
So thank you, Iiris, for your questions on the RD prices on the last few weeks. I cannot report anything particular. I think partially it can be also a bit sentiment driven. You know how these mandates are coming into play. But I think overall I cannot report anything specific about that. I think what is good is that the level is of course much higher for us compared to where we were last year. I think we've now gotten to a more healthy level. And I think that is what is really critical here. On the utilization level, as I said earlier, we feel that we have more work to do in terms of these refineries. At the moment, we are running at a level which is fairly close to the day's expected performance. Part of our PIP program, our performance improvement program specifically focuses on getting more improvements out of the refineries. And therefore, we want to also get that number up. But that is the health of the refinery at the moment. Regarding the turnarounds that you referred to, Singapore, I think, is very close to starting, if not already starting, and both turnarounds have been completed. We don't comment specifically on individual turnarounds per se, but both of them have now been completed.

Iiris Theman
Okay. Thank you.

Christopher Kuplent, BofA
Good afternoon. I'm afraid I'm going to keep asking about turnarounds. I'm going to focus on Porvoo and the Oil Products division. As far as I can recall, this used to be a four year cadence for major turnarounds. I think the last one we had was in Q2 of 2024. And maybe my recollection is off, but I thought it was next going to be in 2027, which was already earlier to me than the usual four-year cadence. And you're now, as far as I can tell, telling us that 2027 may actually happen in 2026. So I wonder not whether you can give us the exact week when it's happening, but I wonder what your thinking is behind reducing the cadence and what can explain the more regular turnarounds and shutdowns? And lastly, again, this is not about a turnaround, but about Rotterdam and the ramp up that we're looking forward to for 2027. Can you give us an insight into how fast you think that ramp up can happen once you've gone through the latest rounds of debottlenecking by the end of this year, and you then bring the new units online. Is this a three-month process, a 24 month process, 12 months? What's a reasonable expectation for the speed of that ramp up, please? Thank you.

Heikki Malinen
Thank you very much. I think the first question is easier for me to answer. It's a good question. The reason why we have gone to a more frequent turnaround is very straightforward. Here in Finland, in the Nordic markets, what we have concluded is that the four-year cycle is simply too big a turnaround to pull off safely and reliably. There are certain limitations on how many workers and contractors we can actually physically get into this fairly small market. And, therefore, we've concluded that breaking it into smaller parts simply makes the turnaround more manageable. This is purely driven by efficiency, safety, and productivity, rather than anything particularly different. So it will be a bit smaller scope but then more frequency. So, the two-and-a-half-year cycle is the way that our engineers have concluded is the safest and most efficient way to do it. Obviously, I cannot tell you the exact date when we're starting. We will report back to you on that later. But we are spending a lot of time really to do our utmost to get this turnaround to be good. The previous turnaround we had actually was quite successful. If we look at the performance at Porvoo, I think part of the explanation why we've done so well in terms of utilization is that the previous turnaround was done really well. So, taking learnings from the previous one into the 2026 program will hopefully then yield good results. Regarding Rotterdam ramp up, unfortunately here I cannot give you any information yet. We're so in the midst of building the refinery. We are one year late from the initial schedule that was published, I think, in the summer of 2022, if I remember. And so there's still a fair amount of work to do. I think when we are closer to startup and when we are in that phase, we will then start telling you more about the ramp-up curve. But at the moment, unfortunately, I don't have any meaningful information to share with you. So sorry about that.

Christopher Coupland
No problem.

Yulia Bocharnikova, Goldman Sachs
Hi. Thank you for taking my questions. I have two please. First on SAF. So given we see currently SAF trading at a discount to RD, is it correct to assume that 100% of SAF should be sold on term contracts. And if you could give any clarification if there is any premium of SAF to RD in terms of prices in term contracts. And the second one on hedging. So you mentioned there is still palm oil or soybean hedging. Is my understanding correct that if we further see lower diesel prices and higher palm oil prices, that would result in a positive hedging impact in Q1 26? Thank you.

Heikki Malinen
Hey, Yulia, how are you? So let me address the first one. And then on hedging, Eeva. So, indeed, you are right that SAF is trading, unfortunately, at a discount to RD. I mean, SAF should be trading at a premium because it's obviously a more advanced and higher value-added product. But that's how the market is today. I can't comment on the particular prices or how we do the terms. The only thing which I will just say is what I said earlier, is that when we look at the SAF business for us, we pretty much optimize it based on what creates more value for us. And depending on the commercial returns, we will then adjust our lines accordingly. That's really all I want to say about these commercial aspects. Hedging then please.

Eeva Sipilä
Yeah. And I would say, Yulia, that higher diesel is better both in RP and OP, irrespective of hedging now. Now obviously that can sort of have some impact, but so I would in that sense, your conclusion maybe is a bit too focused on the palm oil side. So, the diesel component is important in both businesses, and of course, what we've seen so far in the quarter is a healthy level of diesel prices, even if we're not where we were in the November spike.

Matti Kaurola, OP Financial Group
Hi. Thank you. Two questions. First, regarding your production flexibility. Could you open up your flexibility to produce more SAF in case the market is recovering? So, how easy are the switches? Are we speaking about, such as the S&OP horizon, one quarter, or something like that? And then the second one is regarding trade policy. So could you help me to understand why this ADD for Chinese SAF is pending, because isn't it pretty much the same facilities as RD assigned, where we already have those ADDs in place.

Heikki Malinen
So, on production flexibility. So, the advantage of our production system is that we can fairly quickly move back and forth in the lines, a capability that is inherent in our system. I mean, these lines do have that flexibility, but of course, we only do it if we think it is financially viable. The switch is, we're not talking very long lead times to go from one product to another. So, I don't know if I have much else to say there. And then on the trade policy. Yeah. We are actually working with the European Union on this, but the European Union has its own procedures, methods, and approaches on how they review these things. They have to do a lot of data collection. And sometimes it just takes time to get the data for them to do the actual calculations on potential injury. So, we don't have deep insight into how the processes work inside the Union. But we are hopeful that in 2026, we actually could see some progress. So, we will report back to you the moment we know that the European Union is moving forward. I really hope they will make a decision this year. I really hope so.

Matti Kaurola
Thank you so much.

Heikki Malinen
Okay. Well, thank you for your questions. Thanks for taking the time to discuss with us the 2025 and 2026 outlook. I want to really summarize our presentation with four main points. Looking at last year, I'm very happy with how we were able to deliver the financial turnaround compared to 2024. As you've heard, phenomenally good success on the improvement program, very happy with exceeding the targets. And I believe there's more to come, and we will report to you on a quarterly basis. Regulatory development looks to be favorable. And that's referring to Matti's question about provisional anti-dumping duties. Hopefully, we can report something on that as well in 2026. And really I believe we have a good foundation. There is still opportunity to improve the company, and we are working towards getting full asset utilization in place in 2026, and then in 2027, Rotterdam 2 is coming. So with those messages both from Eeva, me and Jukka, I wish you all a very good day and look forward to seeing you then after Q1. Take care.