



# YPF INVESTOR DAY

New York | October 25, 2017

## Important notice

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This document contains statements that YPF believes constitute forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995.

These forward-looking statements may include statements regarding the intent, belief, plans, current expectations or objectives of YPF and its management, including statements with respect to YPF's future financial condition, financial, operating, reserve replacement and other ratios, results of operations, business strategy, geographic concentration, business concentration, production and marketed volumes and reserves, as well as YPF's plans, expectations or objectives with respect to future capital expenditures, investments, expansion and other projects, exploration activities, ownership interests, divestments, cost savings and dividend payout policies. These forward-looking statements may also include assumptions regarding future economic and other conditions, such as future crude oil and other prices, refining and marketing margins and exchange rates. These statements are not guarantees of future performance, prices, margins, exchange rates or other events and are subject to material risks, uncertainties, changes and other factors which may be beyond YPF's control or may be difficult to predict.

YPF's actual future financial condition, financial, operating, reserve replacement and other ratios, results of operations, business strategy, geographic concentration, business concentration, production and marketed volumes, reserves, capital expenditures, investments, expansion and other projects, exploration activities, ownership interests, divestments, cost savings and dividend payout policies, as well as actual future economic and other conditions, such as future crude oil and other prices, refining margins and exchange rates, could differ materially from those expressed or implied in any such forward-looking statements. Important factors that could cause such differences include, but are not limited to, oil, gas and other price fluctuations, supply and demand levels, currency fluctuations, exploration, drilling and production results, changes in reserves estimates, success in partnering with third parties, loss of market share, industry competition, environmental risks, physical risks, the risks of doing business in developing countries, legislative, tax, legal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, wars and acts of terrorism, natural disasters, project delays or advancements and lack of approvals, as well as those factors described in the filings made by YPF and its affiliates with the Securities and Exchange Commission, in particular, those described in "Item 3. Key Information—Risk Factors" and "Item 5. Operating and Financial Review and Prospects" in YPF's Annual Report on Form 20-F for the fiscal year ended December 31, 2016 filed with the US Securities and Exchange Commission. In light of the foregoing, the forward-looking statements included in this document may not occur.

Except as required by law, YPF does not undertake to publicly update or revise these forward-looking statements even if experience or future changes make it clear that the projected performance, conditions or events expressed or implied therein will not be realized.

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# Agenda

01

## Unlocking the value of YPF

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**Miguel Gutierrez**  
Chairman



02

## Upstream

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**Pablo Bizzotto**  
EVP Upstream



03

## Downstream

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**Santiago Martínez Tanoira**  
EVP Downstream



04

## Gas & Power

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**Marcos Browne**  
EVP Gas & Power



05

## Finance

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**Daniel González**  
CFO



06

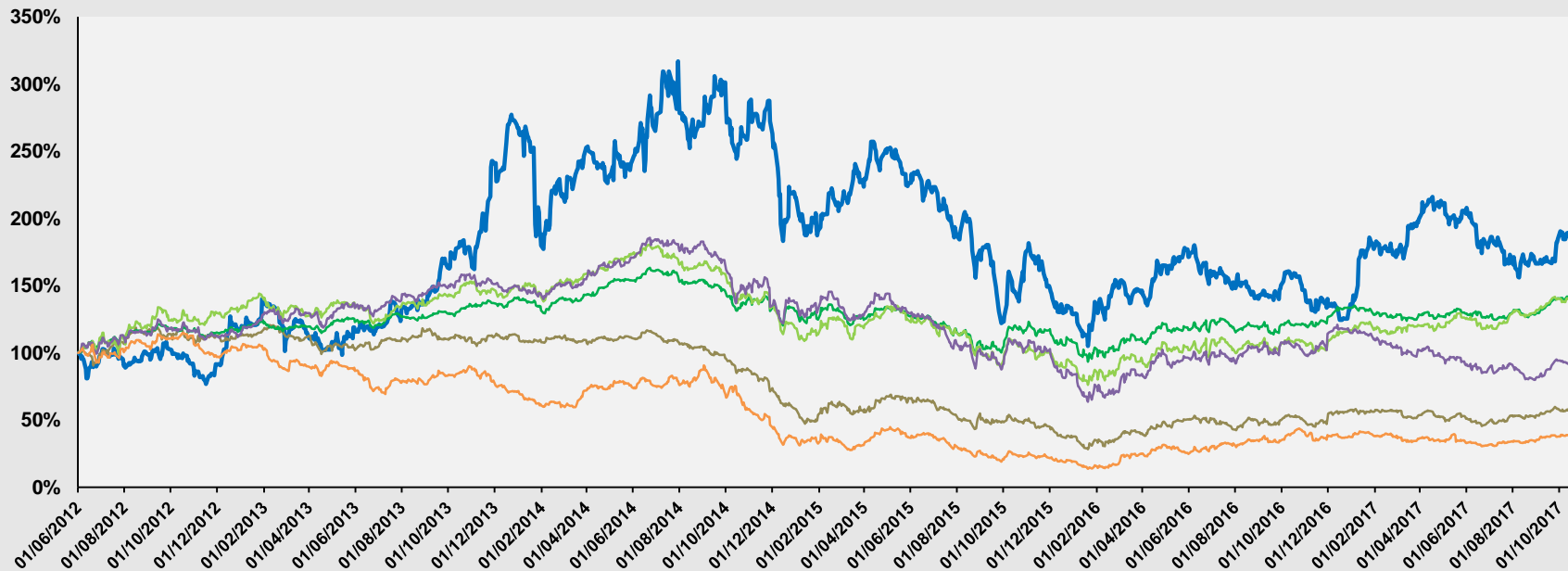
## Q&A



# UNLOCKING THE VALUE OF YPF

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# YPF Stock performance<sup>(1)</sup> since June 2012



(1) Total investment return, includes gross dividends

Majors: **Chevron, Exxon, BP, Shell, ENI, Total**

Europeans: **Statoil, Repsol**

Independents: **Devon, Hess Corp., Marathon Oil, Anadarko, Occidental Petroleum, Apache**

Latam Oil & Gas: **Petrobras, Ecopetrol**

■ **YPF S.A.** ■ **Brent** ■ **Majors** ■ **Europeans**  
■ **Independents** ■ **Latam Oil & Gas**

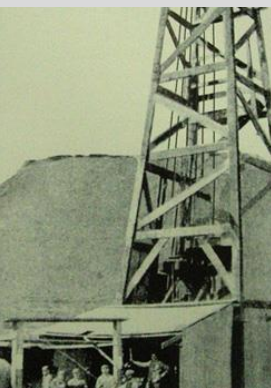




**YPF today**

**YPF value  
moving forward**

# About YPF



**A 95-year-old** company, the largest in Argentina

**Publicly traded corporation** since 1993

**The largest O&G producer** in Argentina

Over 560 kBOE daily

44% market share

**World class shale producer**

The largest outside the U.S.

Over 67.4 kBOE daily

550 producing wells

**The leading downstream player** in Argentina

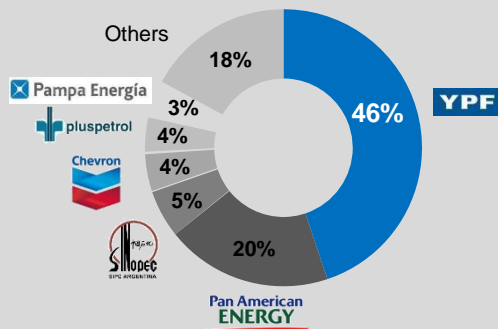
- 3 refineries: 50% of Argentina's capacity. Over 320 kBBI/day
- +1,500 gas stations. +36% MS
- +55% MS of diesel and gasoline
- 120 branches covering the agro sector
- #1 petrochemical manufacturer: output of over 2.2 mm tons/year

**Fifth-largest power generator** in Argentina: 1.9 GW

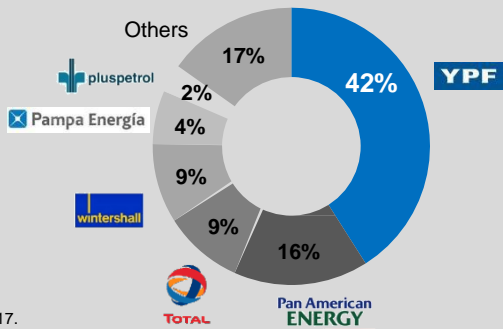
# Leading Argentine O&G company

## Upstream Market share breakdown (%)

### Oil Production <sup>1</sup>

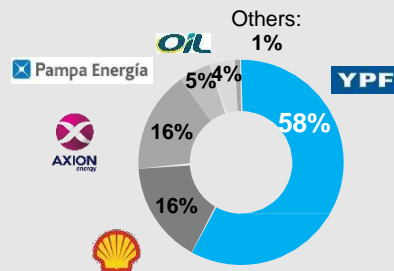


### Gas Production <sup>1</sup>

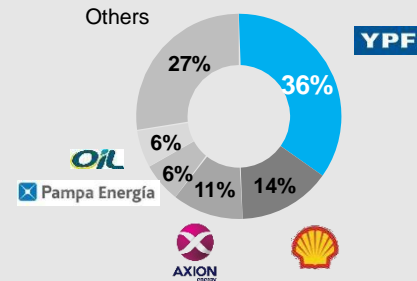


## Downstream Market share breakdown (%)

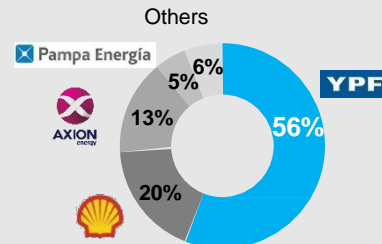
### Crude Processing <sup>2</sup>



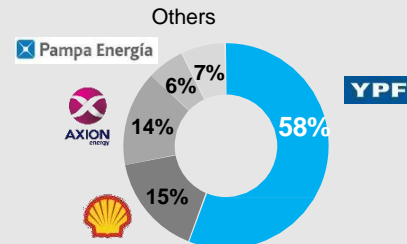
### No. of Gas Stations <sup>2</sup>



### Gasoline <sup>1</sup>



### Diesel <sup>1</sup>



Source: IAPG

(1) Cumulative Jan – Jun 2017.

(2) As of December 31st, 2016



# Safety is paramount

Safety is one of  
our core values,  
and **our number  
one priority**

Our six golden  
rules guide  
our **workers and  
keep them safe**

Injury Frequency  
Index **0.59**





## Our Vision

Unlock the full value of YPF

Unlock the potential and value across all energy paradigms to **better serve our clients**

Generating energy for our clients

Energy that is both affordable and profitable...

...in a sustainable way



# Unlocking value

Extract maximum value from our mature conventional operations

Develop and expand sophisticated and **cost efficient** shale operation

Partner with **leading O&G players** worldwide

**Expand our power generation** capabilities to become one of the top 3 generators in the country

**Asset portfolio management**

Create a **new Supply Chain** organization to modernize procurement and logistics

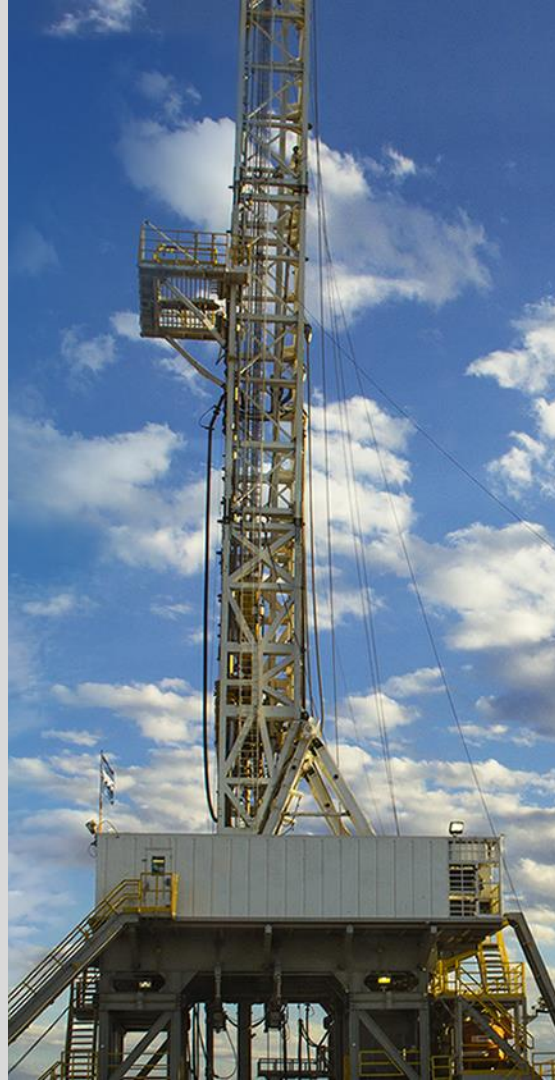
Incorporate **technology and innovation** in all business segments to ensure operational excellence

Commit to a **transformation program** that looks for efficiency, value and growth initiatives

**Make sustainability** an integral part of who we are: target of 10% CO2 emission reduction

**Renew our marketing organization** to make YPF fully “client-centric” both B2B and B2C

# The opportunity



YPF has

The **geology**

The **best partners**

The **corporate governance**

The **talent**

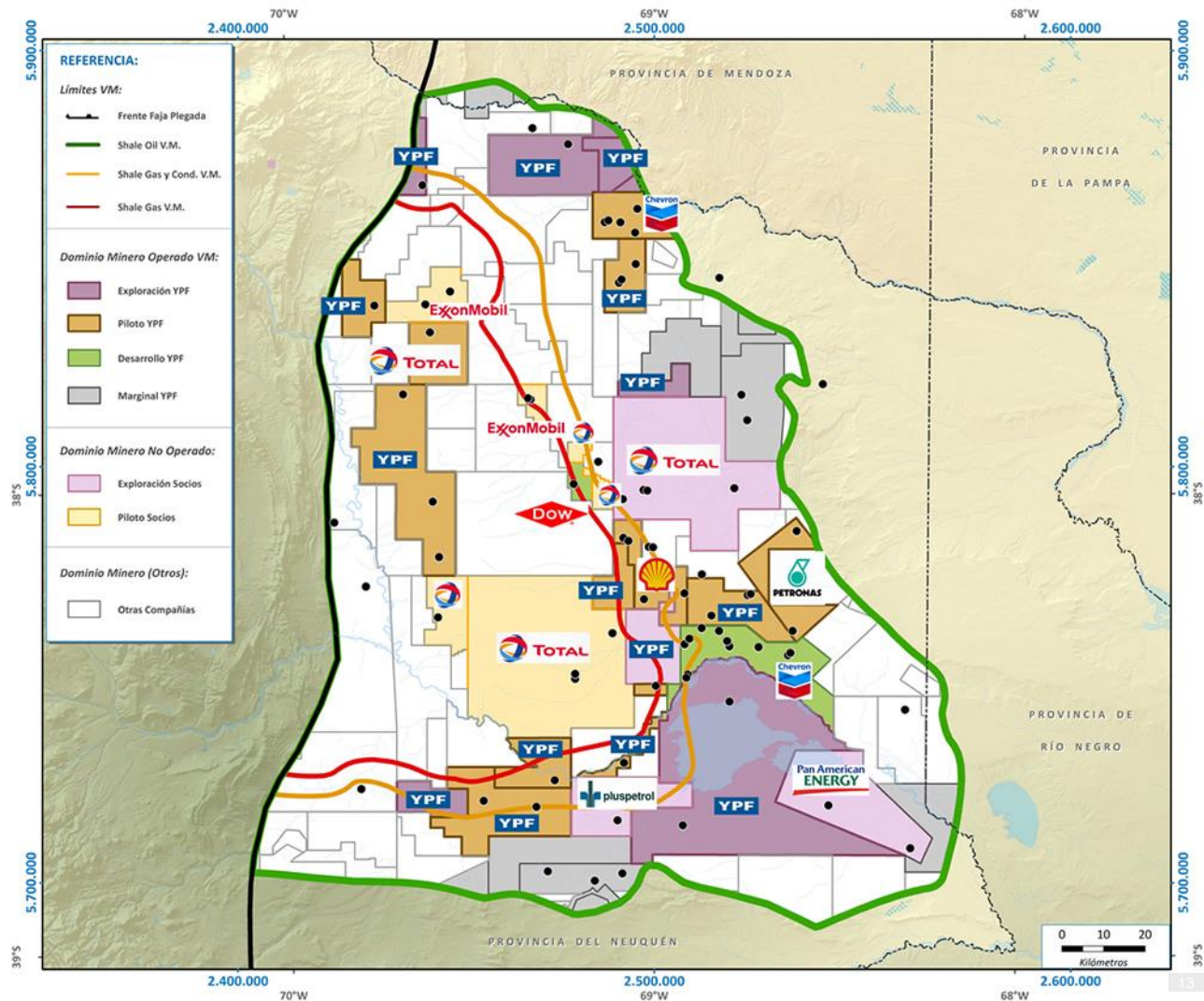
The **political and economic environment**

The **market**



# Geology and partners

YPF participates in 50% of the Vaca Muerta area (34% Net)





# Corporate governance

**Professional Management** that is independent from the Government

The majority shareholder is **not involved** in YPF operations and decisions

An active, independent Board, made up mostly of **renowned energy experts** and independent professionals

The Board has a **proactive role**:

- Audit Committee
- Risk and Sustainability Committee
- Compliance Committee
- Compensation and Nomination Committee
- Strategy and Transformation Committee



# Talent

Alignment of the **best talent**

New top management team:

- 3 new VPs hired from the market
- 2 new VPs internally promoted
- Creation of CMO and CTO positions

**Board and management role segregation**

Creation of an **Executive Management Committee**

Cultural and Operational **change**

**Diversity and Gender parity agenda**



# Political and economic framework



The government of Argentina is **proactively seeking** market normalization

Specifically in the energy sector, the government is

- Focusing on this area as main driver of **growth and a competitive economy**
- **Aligning with international markets:** price parity with imported crude and fuels
- Setting a path for **gas prices that promotes shale processing and production**
- **Promoting renewable energies** and energy efficiency
- Setting an environment that allows YPF to **lead successful negotiations** with unions and local governments

This favorable economic and political environment has just received a **strong endorsement** at the midterm elections

# Market

**Strong economy, strong demand for YPF products**

Continued reduction of country risk **will boost investment**

As the Argentine economy mobilizes, so will YPF **growth opportunities:**

- YPF is a key player in the government's ambitious road infrastructure program, which aims to build 1,000 miles of new roads
- Through its ag division, YPF will also profit from the growth of Argentina's agricultural sector



# The future: YPF plan



## Profitable Growth

- O&G production
- Power generation
- Petrochemical business
- Renewables

## Focus on Operational Excellence and Sustainability

- Energy efficiency
- Reliable and efficient operations

## Cost reduction and strict capital allocation

## Actively Managed Portfolio

## Financial Discipline

## Innovation and Technology

- Customer experience
- Digital Innovation



# Our targets



**Annual  
production  
Increase  
of 5%**

**Reserve  
Replacement  
Ratio > 1**

**Leverage to  
1.5x EBITDA**

**Annual CAPEX  
of \$4 - \$4.5  
Billion**

**+10% Annual  
EBITDA  
Increase**



We energize  
our **clients'** lives...

...and create **value**  
for our investors

## CONTENT

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**02 Upstream**

03 Downstream

04 Gas & Power

05 Finance

06 Q&A

## Upstream at a glance



Largest O&G producer in Argentina

Over 17,000 active wells

Daily production of over 560 KBOE (50% NG and 50% Oil)  
44% market share



1.1 Bn BOE in proven reserves

110 development concessions

23 exploration permits



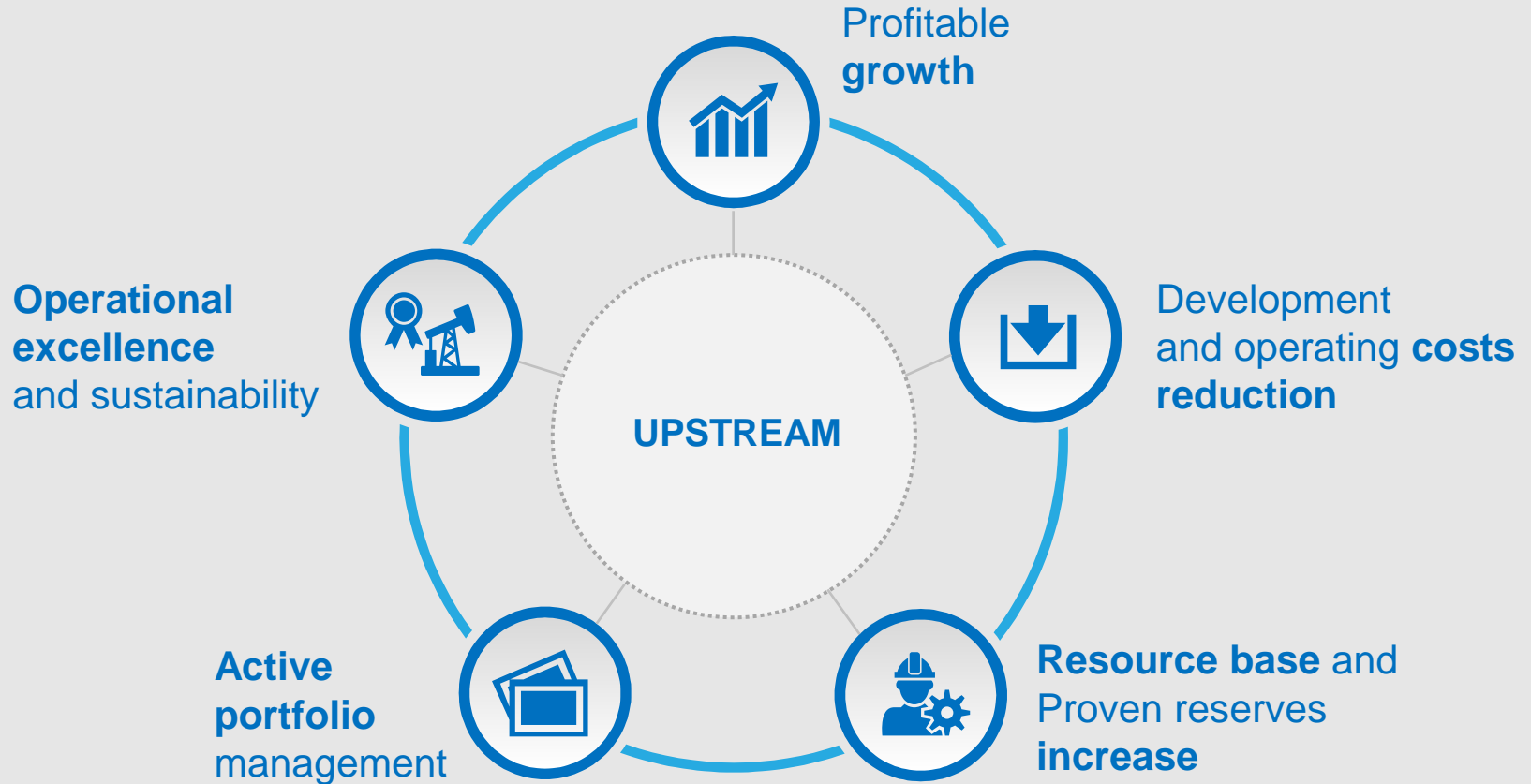
The largest shale operator outside North America with a daily production exceeding 67.4 KBOE

Net acreage of 1.8 MM acres in the most prospective sections of Vaca Muerta

Over 550 producing wells, 168 of which are horizontal wells

Largest tight gas operator in Argentina, with a daily production of 16.6 MMm<sup>3</sup>





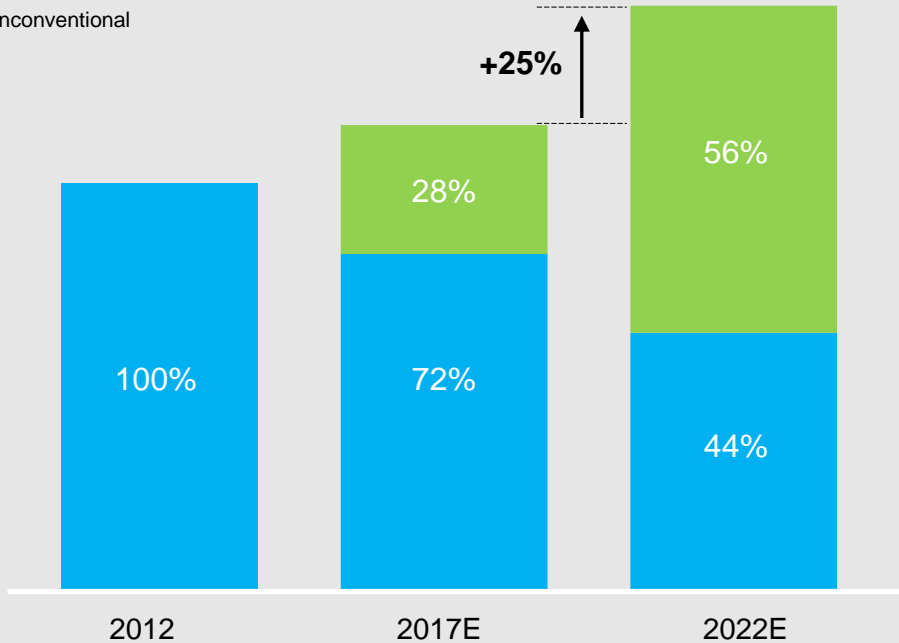


# We expect to increase production 25% while reducing annual CAPEX by 13%

## PRODUCTION

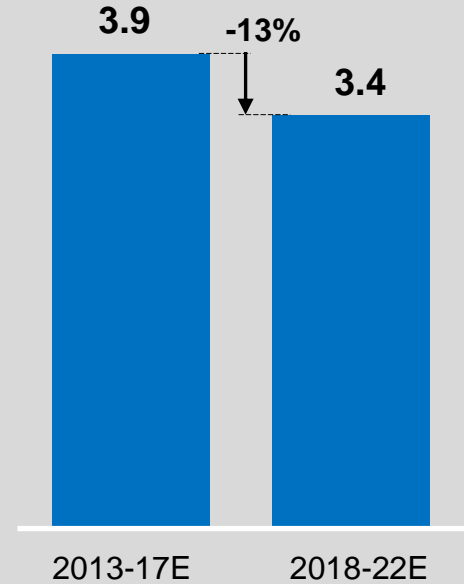
kBOE/DAY,  
2012-2022

- Conventional
- Unconventional



## CAPEX

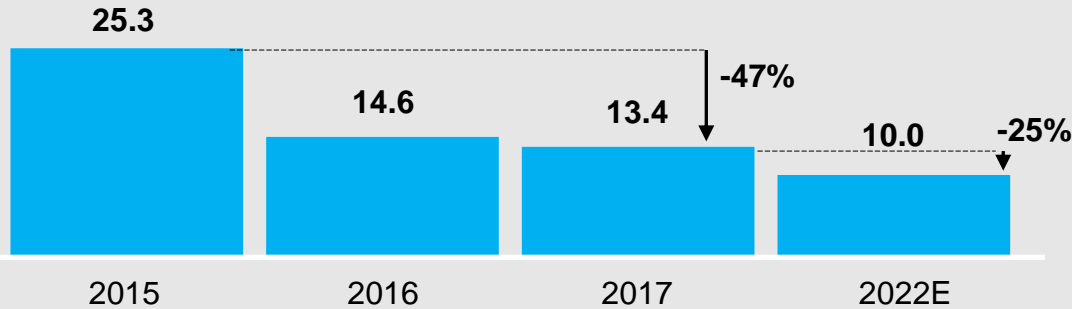
USD MM/YEAR,  
2013-2022



# Unconventionals: we plan to increase production through strategic partnerships and expect to reduce development cost

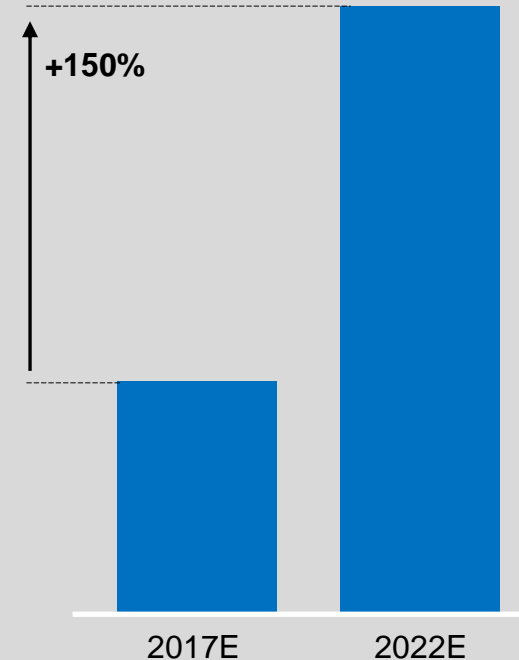
## DEVELOPMENT COST<sup>(1)</sup>

LOMA CAMPANA,  
USD/BOE, 2015-2022



## UNCONVENTIONAL PRODUCTION

KBOE, 2017-2022

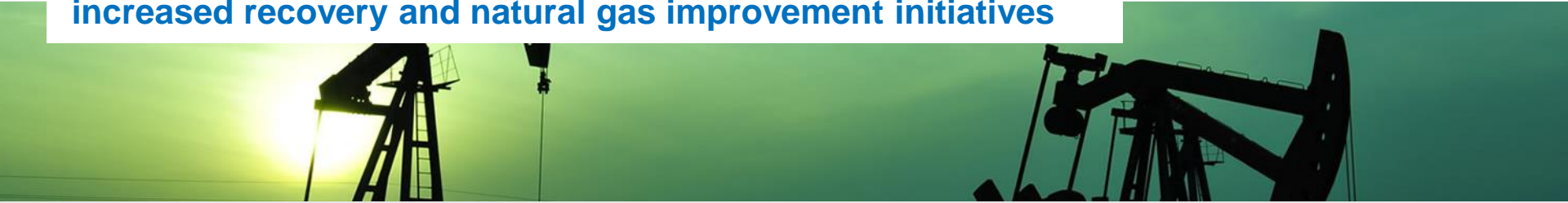


## STRATEGIC PARTNERSHIPS



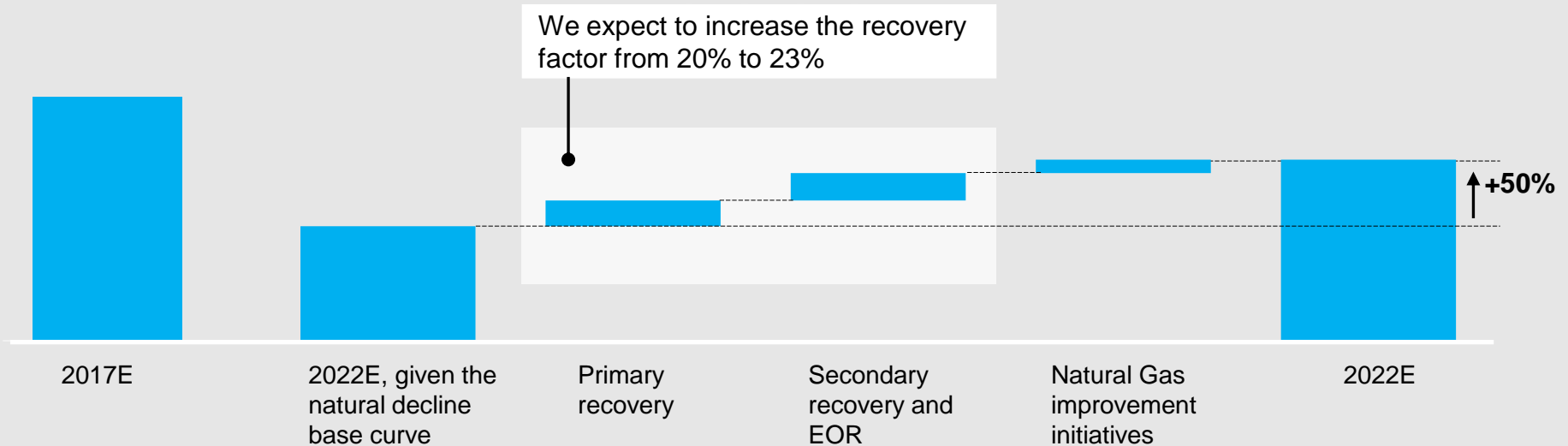
(1) Development costs figures corresponds to Q4 2015/16 and Q2 2017

# Conventionals: we plan to partially offset natural decline with increased recovery and natural gas improvement initiatives



## CONVENTIONAL PRODUCTION

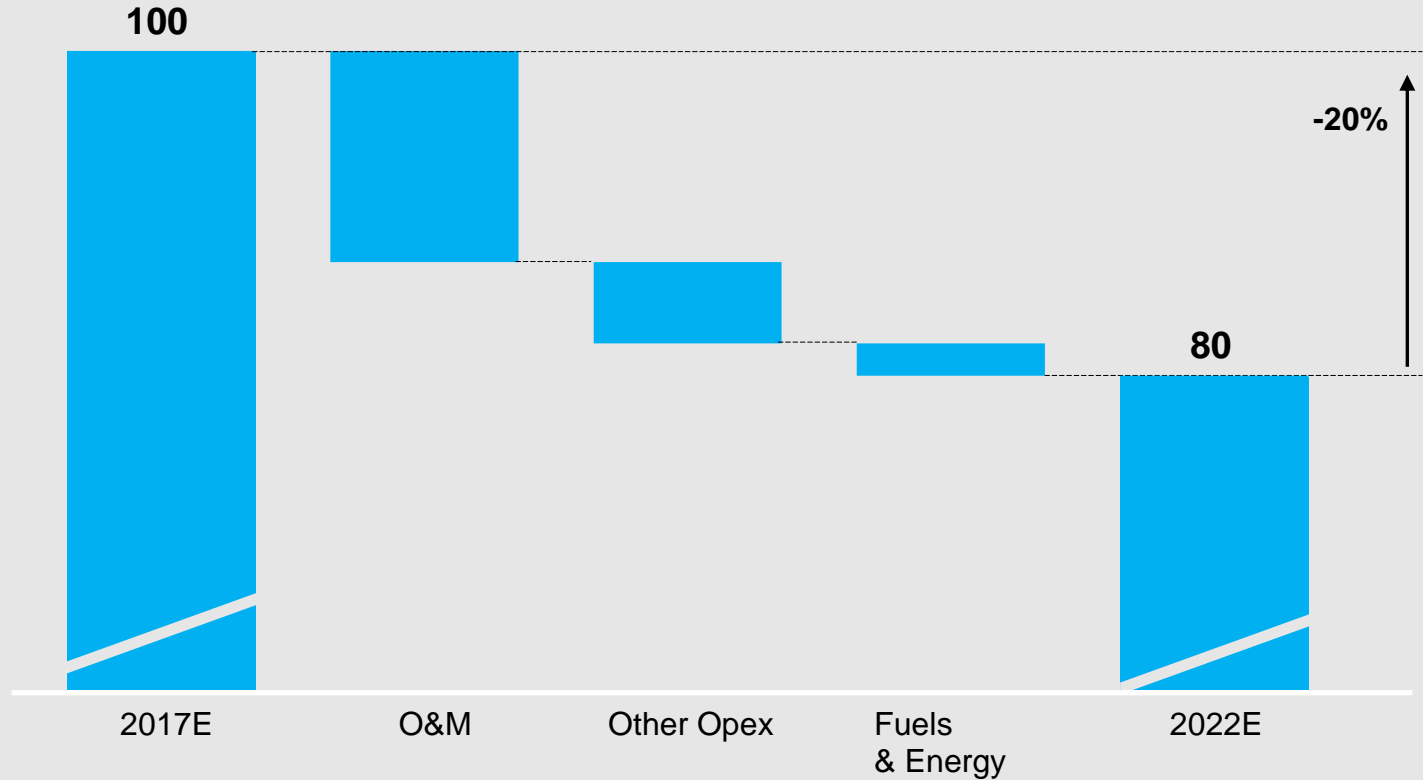
KBOE/DAY, 2017-2022



# We aim to increase production while reducing operating costs by 20%

## OPERATING COSTS

%, 2017-2022



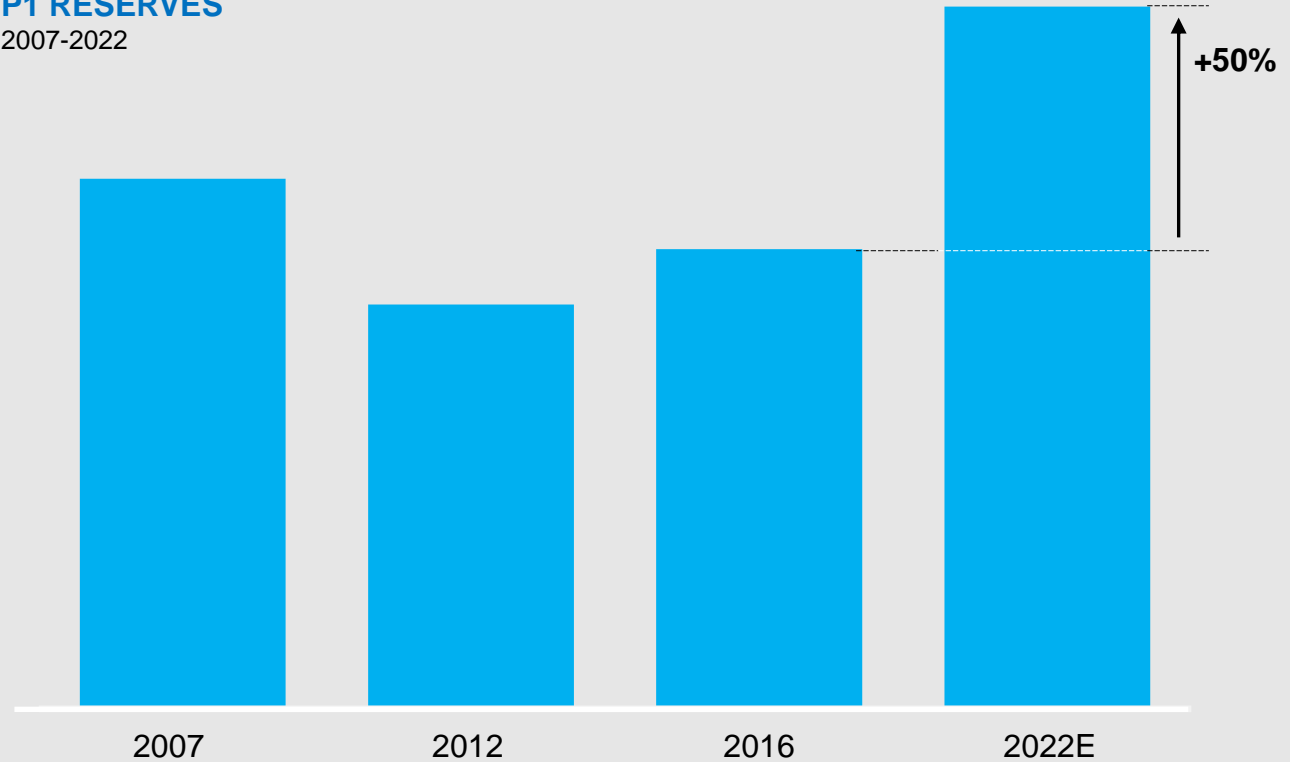
# As a result, we expect YPF to grow P1 reserves by 50%

Increase in P1 reserves

More projects

The strategic plan takes into account only 3.5% of the current resources

**P1 RESERVES**  
2007-2022





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## Downstream at a glance



### REFINING & LOGISTICS

+320 KBBL/day, over 50% of Argentina's total capacity

Feedstock flexibility

Pace-setter in mechanical availability

Over 4,500 km of pipeline carrying crude oil and refinery products



### MARKETING

#1 brand recognition in fuels and lubricants in Argentina

Over 1,500 gas stations with +55% market share in fuels

Highly developed B2B segment

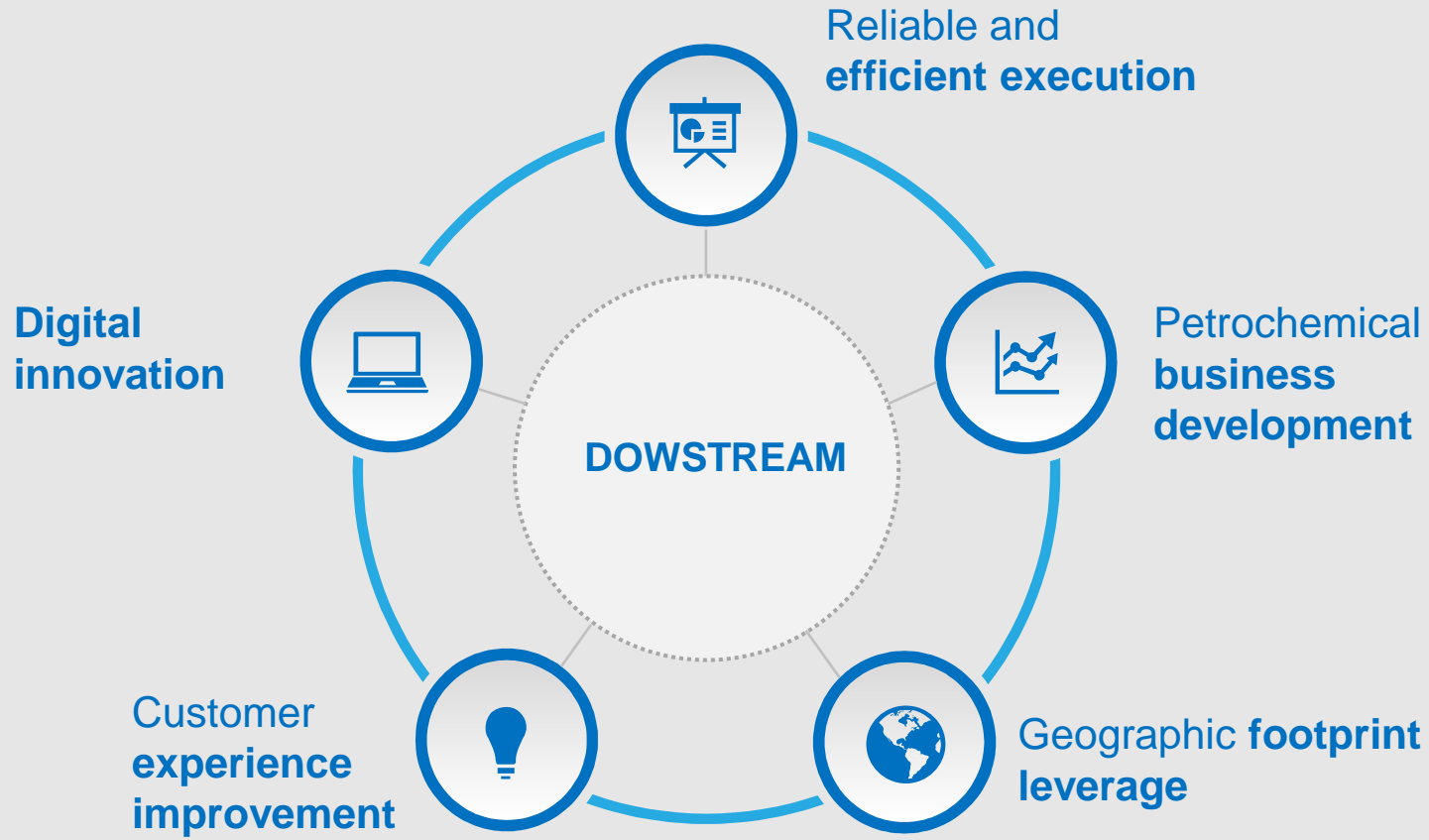


### PETROCHEMICAL

+2.2 mm tons/year, #1 petrochemical producer in Argentina

High integration with natural gas and refining

World-class urea and ammonia complex

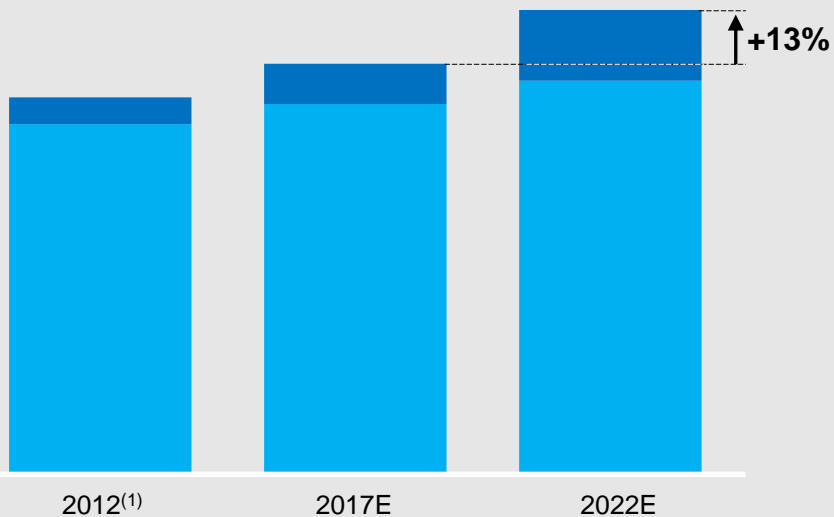


# Argentina is a net importer of fuels with an increasing demand, and YPF presents strong economics to sustain its leadership position

## ARGENTINA IS A NET FUEL IMPORTER, AND DEMAND HAS BEEN GROWING CONSISTENTLY...

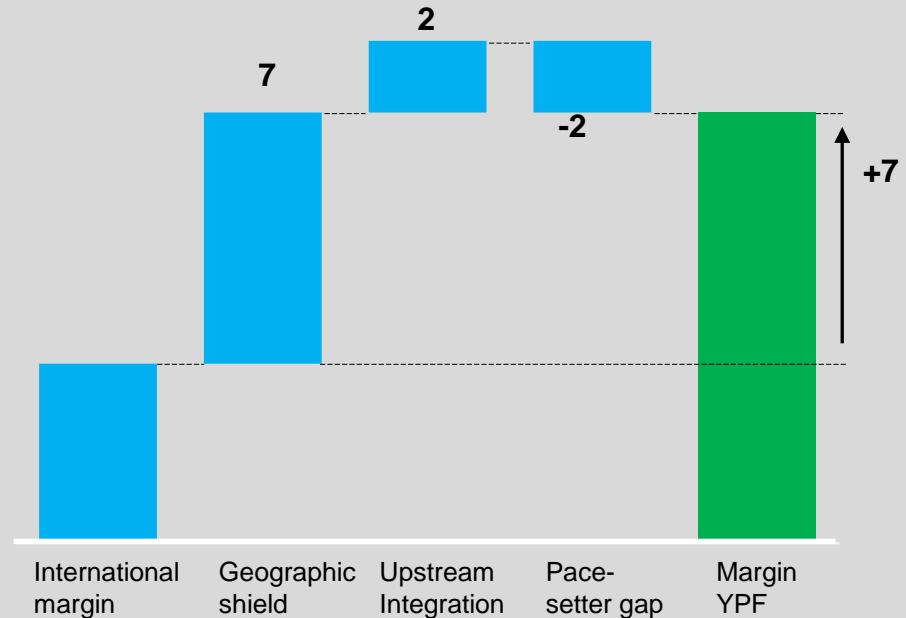
Km<sup>3</sup>/DAY, 2012-2022

■ Imports



## ...YPF CAN TAKE ADVANTAGE OF ITS ROBUST ECONOMICS

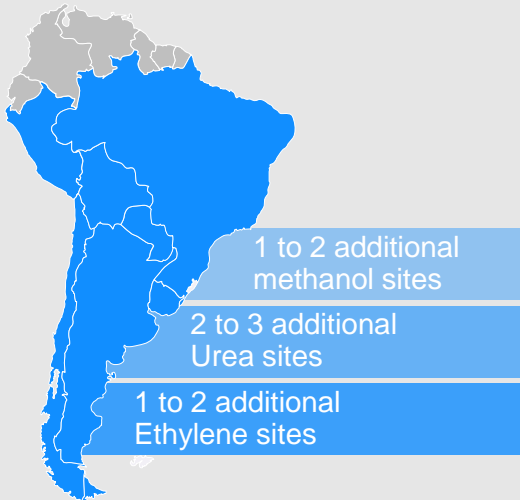
REM MARGINS, USD/BBL 2017



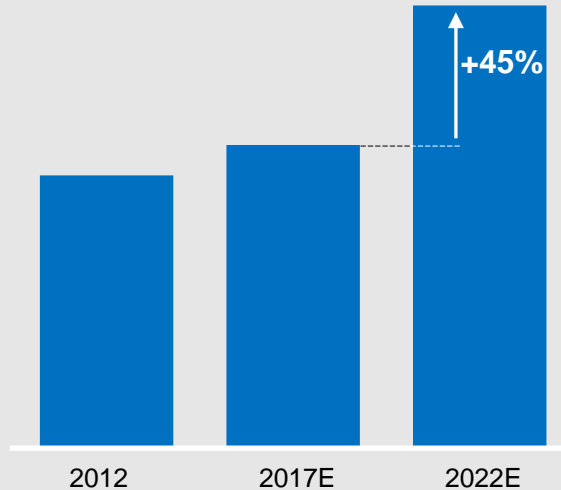
(1) Source: Ministry of Energy and Mining

# In petrochemicals, we have identified opportunities to take advantage of the regional market imbalance together with shale gas growth

**THE REGION IS A NET PETROCHEMICAL IMPORTER, WITH ROOM FOR A WORLD SCALE COMPLEX**



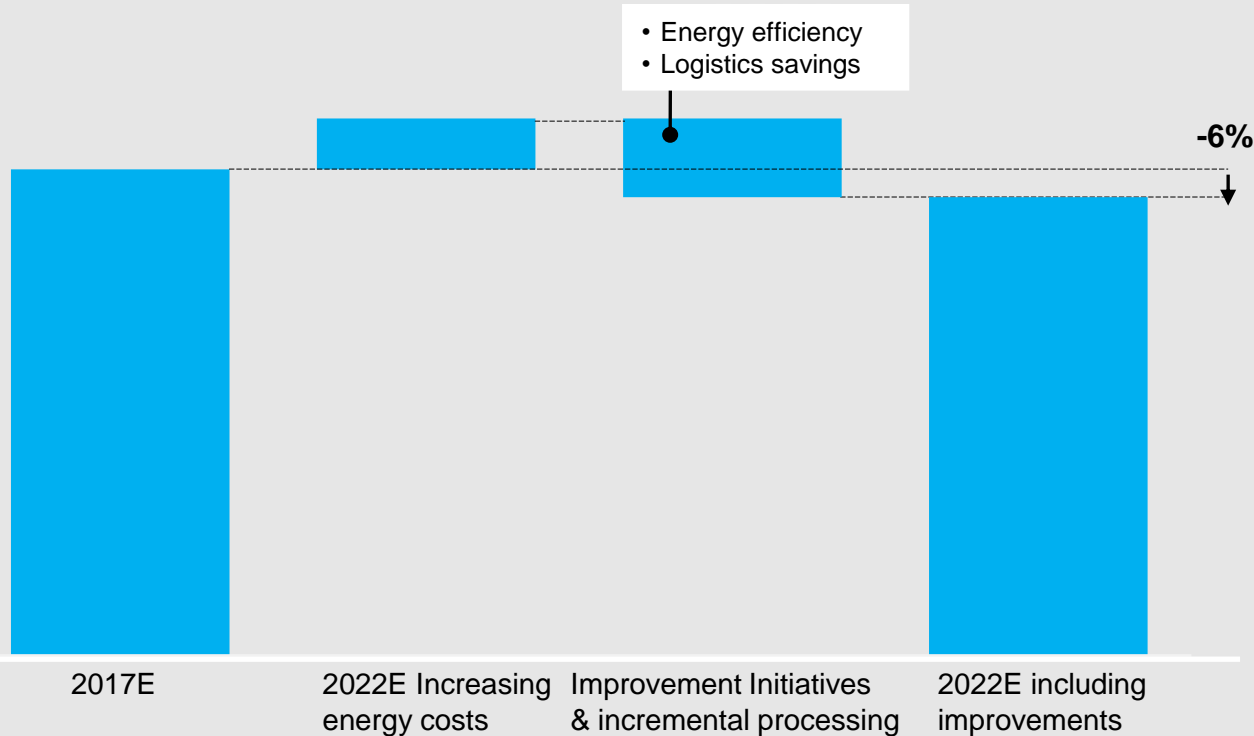
**SHALE GAS GROWTH WILL INCREASE NGL's AVAILABILITY**  
NGL's, KBBL/DAY, 2012 - 2022



# YPF has specific initiatives to improve efficiency and reliability

## OPEX OPTIMIZATION EXCEEDS THE INCREASE IN THE COST OF ENERGY

USD/BBL, 2017-2022



CAPEX EFFICIENCY INCLUDES SPECIFIC INITIATIVES

ATTRACT MAJOR INTERNATIONAL CONTRACTORS

LEAD NEGOTIATIONS OF NEW LABOR AGREEMENTS



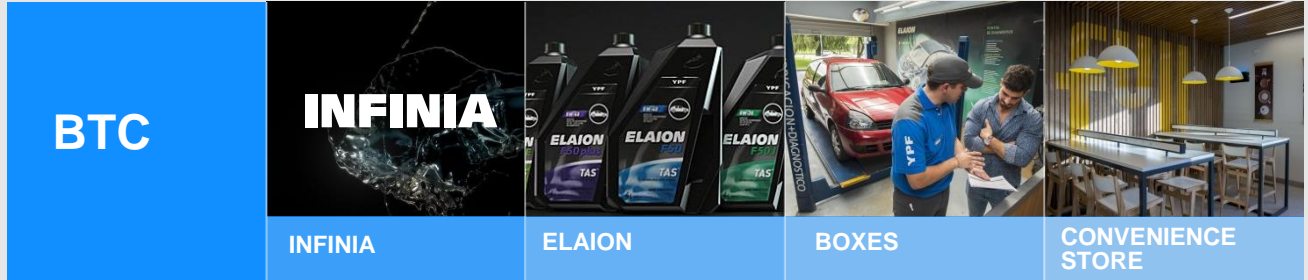
# We will build on our strong brand to upgrade our value proposition



**STRONG BRAND**

**#1 IN BRAND  
RECOGNITION  
IN ARGENTINA**

## COMPREHENSIVE RANGE OF PRODUCTS AND SERVICES



## A COMPLETE PRODUCT OFFERING FOR KEY INDUSTRIES





YPF is already working on new technologies to be prepared for the future



**MOBILITY**

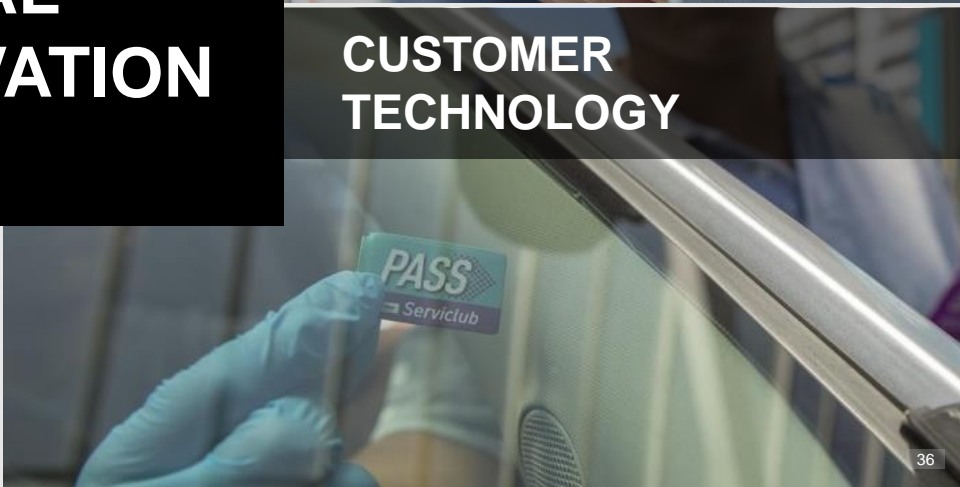
**OPERATIONAL  
TECHNOLOGY**



**ANALYTICS**

**CUSTOMER  
TECHNOLOGY**

**DIGITAL  
INNOVATION**



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03 Downstream

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# Gas and Power at a glance



## NATURAL GAS

Supplies over 32% of the country's demand

## METROGAS

Largest distribution company in Argentina



## MEGA

Largest liquids separation and fractionation plant in Argentina

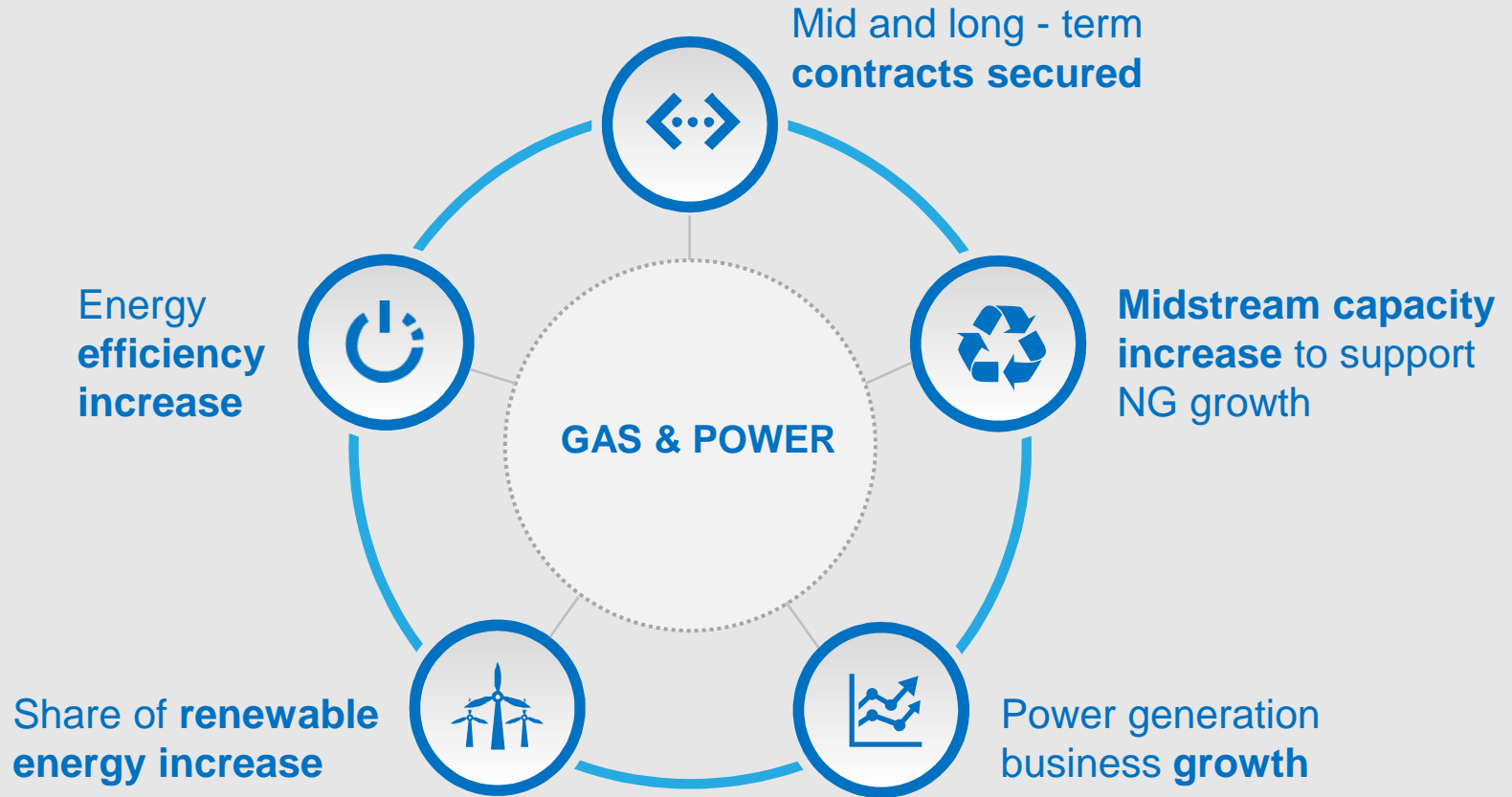
Total annual capacity of 13,000 MMm<sup>3</sup>



## POWER GENERATION

1.9 GW of power generation capacity

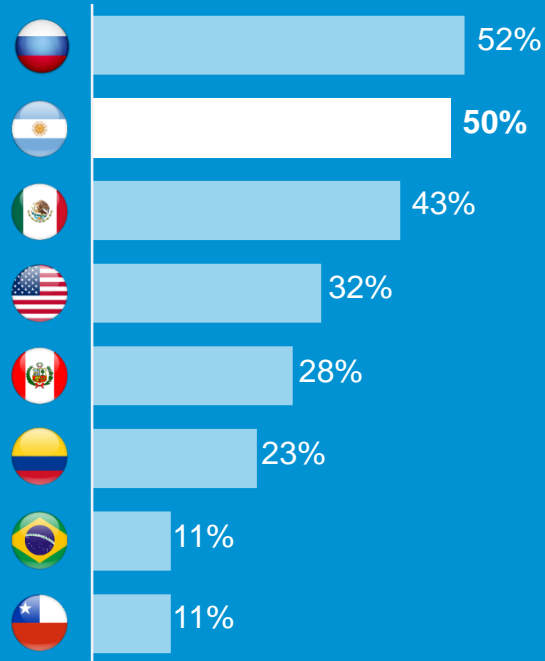
Fifth-largest power generator in Argentina



# Argentina's Natural Gas market is highly developed

## HIGH PENETRATION IN THE NATIONAL ENERGY GRID <sup>(1)</sup>

%, 2017



(1) Source: BP Statistical Review of World Energy 2017

## TRANSPORT AND GATHERING ARE HIGHLY CONCENTRATED...



## ... WHILE DISTRIBUTION HAS HIGH CAPILLARITY

2017

**GAS**

**9 MM**  
CLIENTS <sup>(2)</sup>

**LPG**

**5 MM**  
CLIENTS <sup>(3)</sup>

(2) Source: ENARGAS

(3) Source: Indec



# NG prices have been increasing steadily and are expected to converge to market prices

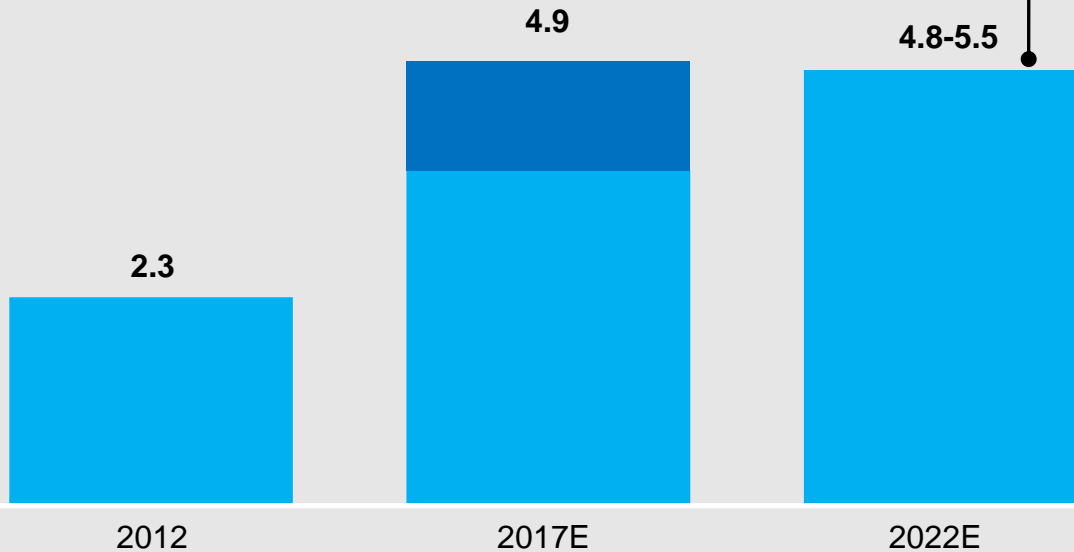
## WELLHEAD GAS PRICES IN ARGENTINA

USD/MMBTU, 2012-2022

■ Subsidies

Market prices will be defined by:

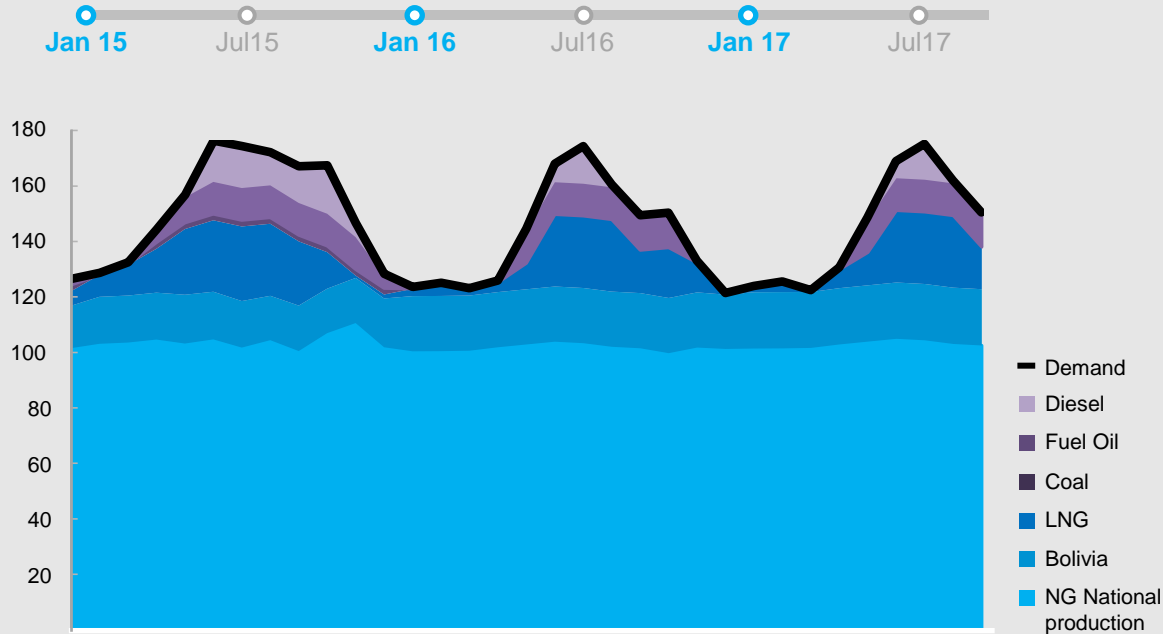
- Supply demand imbalance
- Seasonality
- Import parity
- Regulatory framework



# We are developing opportunities to stimulate demand for Natural Gas

## DEMAND IN ARGENTINA IS HIGHLY SEASONAL<sup>(1)</sup>...

MMm<sup>3</sup>/d



(1) Source: ENARGAS

... WE ARE DEVELOPING OPPORTUNITIES TO GENERATE INCREMENTAL DEMAND

## INDUSTRY

Power generation

Petrochemicals

- Polyolefins
- Methanol
- Urea

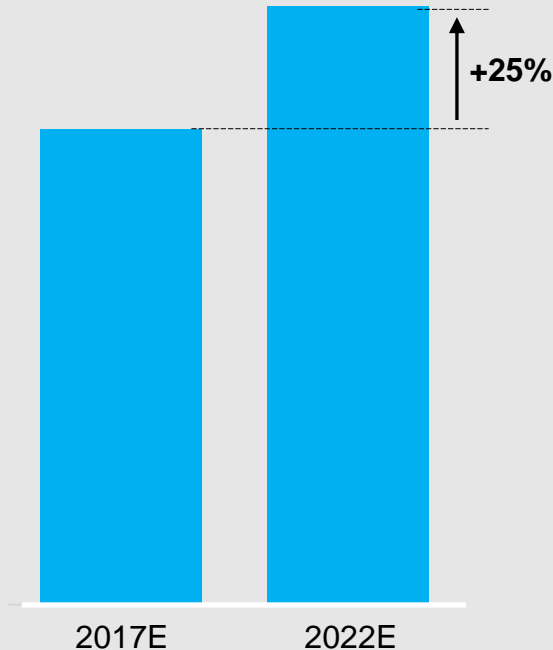
## EXPORTS

- Chile
- Uruguay
- Brazil

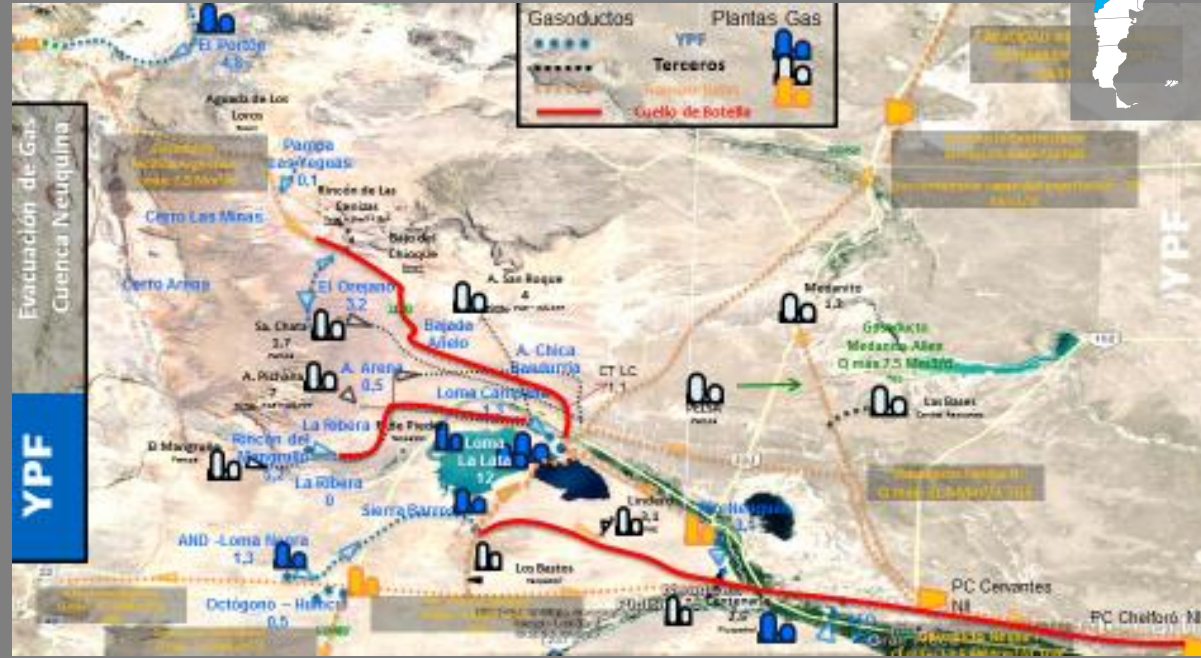
# YPF plans to lead the development of an efficient midstream network to make unconventional Natural Gas growth feasible

## GROWING NATURAL GAS PRODUCTION

MMm<sup>3</sup>/d, 2017-2022



## DEVELOPED A PLAN TO GROW MIDSTREAM CAPACITY



11 projects

40 MMm<sup>3</sup>/d  
capacity increase

Investments through affiliates and  
third parties using a PPA scheme

# YPF EE plans to continue increasing its power-generation capacity

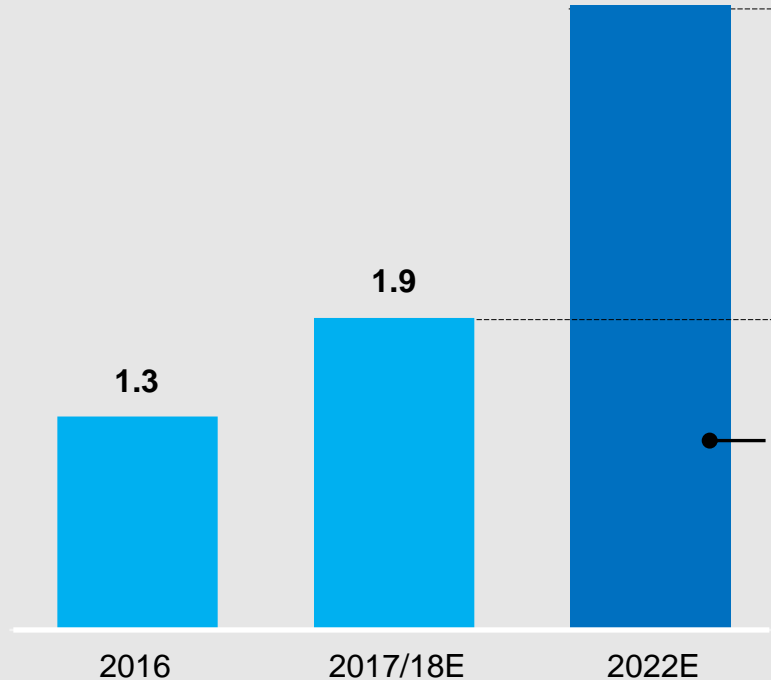
## THE ELECTRICITY MARKET IN ARGENTINA

DEMAND IS  
PROJECTED TO GROW  
3.5% A YEAR

GENERATION IS  
OUTDATED AND  
HIGHLY INEFFICIENT

## YPF POWER GENERATION

GW, 2017-2022



## RATIONALE FOR INVESTMENT

- EBITDA growth
- Leverage expertise and off-balance-sheet funding
- Anchor natural gas demand to our own supply

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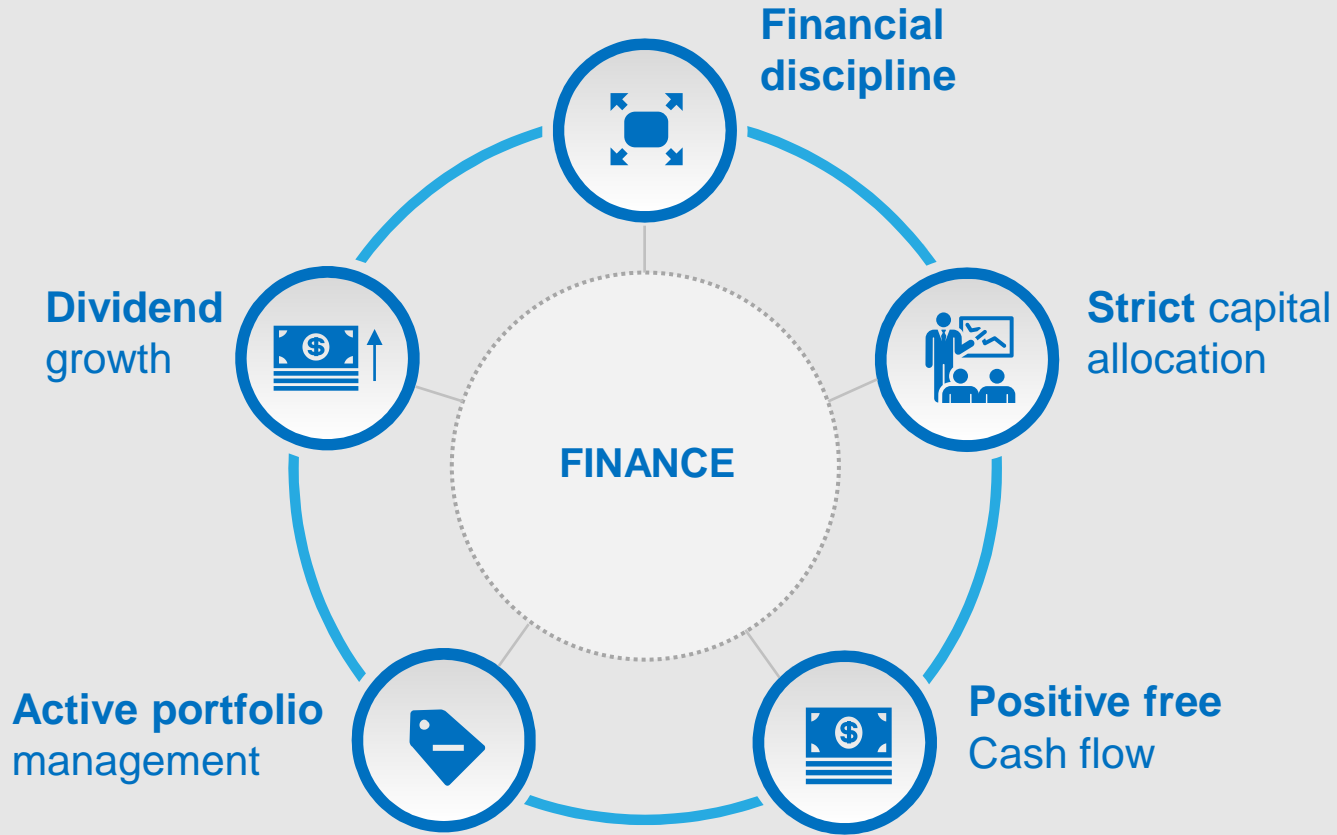
03 Downstream

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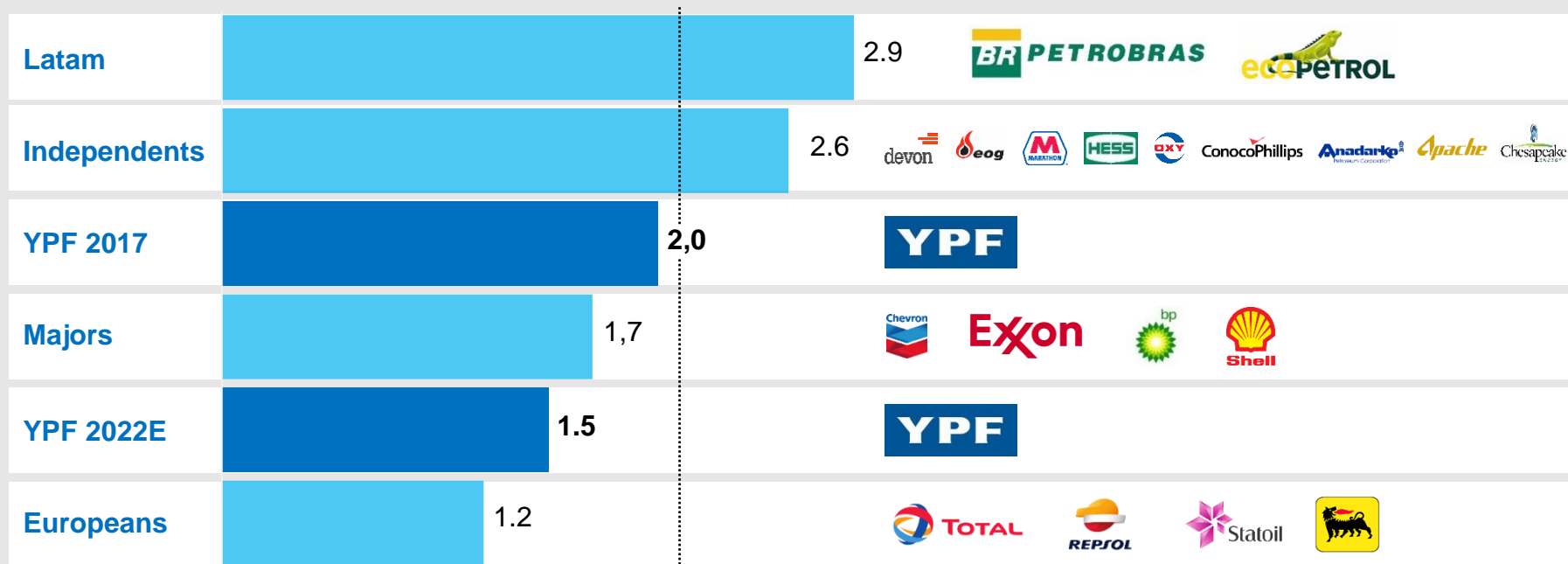




# YPF Net Debt to EBITDA ratio is below the industry average

## NET DEBT TO EBITDA<sup>(1)</sup>

2017



2.1 Industry average<sup>(2)</sup>

(1) Source: Bloomberg. Figures as of 2Q 17. See page 48 for an explanation of EBITDA.

(2) Average calculation does not include YPF net debt to EBITDA ratio

# Return to growth by increasing cash flow and reducing leverage

## KEY FINANCIAL METRICS

2018-2022

**EBITDA<sup>(1)</sup>**

CAGR  
2018 - 2022

**+10%**

**CAPEX**

Bn USD / YEAR  
2018 - 2022

**4/4.5**

**NET DEBT  
TO EBITDA**

**~1.5x**

**DIVIDEND  
YIELD**

Target 2022

**3%  
area**

(1) EBITDA = Net income attributable to shareholders + Net income (loss) for non-controlling interest - Deferred income tax - Income tax - Financial income gains (losses) on liabilities - Financial income gains (losses) on assets - Income on investments in companies + Depreciation of property, plant and equipment + Amortization of intangible assets + Unproductive exploratory drilling + Impairment of property, plant and equipment.

## Important notice

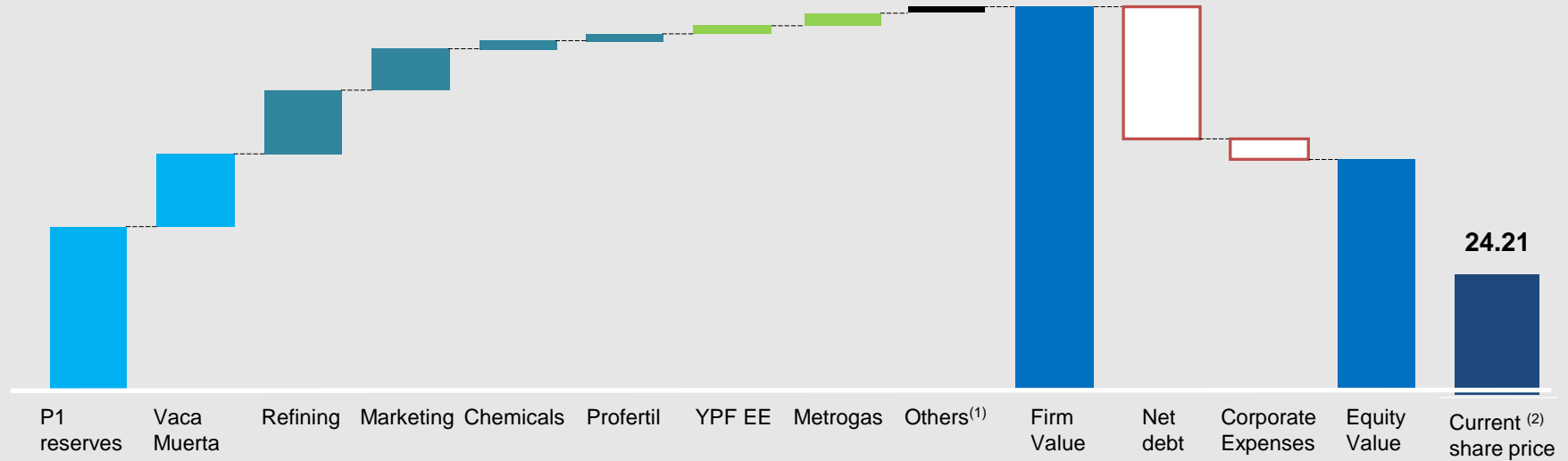
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The market multiples used herein are based on observed multiples for comparable public companies in the energy business, such as Bloomberg, Facset and Capital IQ. There can be no assurance that such multiples will be applicable to YPF or any of its business segments or operations. In addition to factors particular to YPF, such as its financial performance and prospects, as to which no assurances can be given with respect to future developments, prices of securities are also affected by numerous other factors, many of which are unrelated to YPF, such as changes in economic trends or the continuation of current economic conditions, industry cycles and trends, changes in governmental and environmental regulations, the conditions of the financial markets generally, and the financial performance or prospects for other companies in the same industry. These and other factors may lower the price of YPF's securities regardless of YPF's actual performance or perceived asset value. In the event of a drop in the price of YPF's securities, an investor therein could lose a substantial part or all of their investment.

# The share price does not reflect the company's fundamental value

## SUM-OF-THE-PARTS VALUATION EXERCISE @MARKET MULTIPLES

2017, USD/SHARE



Market multiple	10 - 13	4.5 - 5.5	6 - 7	7 - 9	7 - 9	7 - 9	8 - 9	Market Value	7 - 8
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Multiple Metric	EV/P1	USD/Acre	EV/Ebitda	EV/Ebitda	EV/Ebitda	EV/Ebitda	EV/Ebitda	Market Value	EV/Ebitda
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(1) Includes: AESA + MEGA  
 (2) Close price as of October 23<sup>rd</sup>.



## CONTENT

01 Unlocking the value of YPF

02 Upstream

03 Downstream

04 Gas & Power

05 Finance

06 Q&A

# Q&A

## YPF INVESTOR DAY



**Miguel Gutierrez**  
Chairman



**Pablo Bizzotto**  
EVP Upstream



**Santiago  
Martinez Tanoira**  
EVP Downstream



**Marcos Browne**  
EVP Gas & Power



**Daniel González**  
CFO



**Carlos Alfonsi**  
EVP Operations  
& transformation



**Sebastian Mocerrea**  
EVP Corporate matters  
Communication  
& Marketing