



# Full Year 2017 EARNINGS WEBCAST

March 05, 2018

**YPF**

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# CONTENTS



**01** 2017 Highlights

**02** Review of Operations

**03** Financial Results

**04** Financial Situation

**05** Summary

## 2017 RESULTS HIGHLIGHTS



- Revenues of Ps 252.8 billion (+20.3%)
- Adj. EBITDA<sup>(1)</sup> of Ps 66.8 billion (+14.7%)
- Net Income of Ps 12.7 billion
- Operating cash flow of Ps 72.0 billion (+21.8%)
- Total hydrocarbon production down 3.9%
- Gasoline sales volumes increase of 6.8%
- Diesel sales volumes down 0.7%

(1) See description of Adj. EBITDA in footnote (2) on page 6

# CONTENTS



**01** 2017 Highlights

**02** Review of Operations

**03** Financial Results

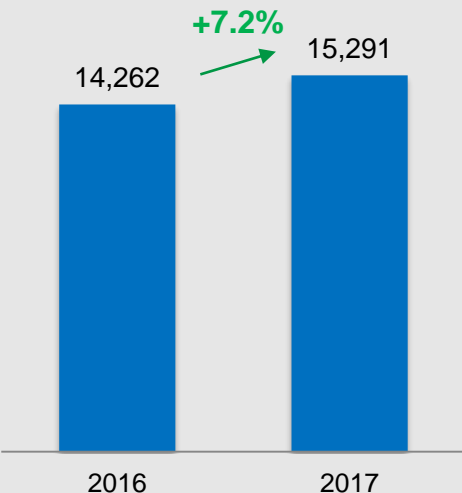
**04** Financial Situation

**05** Summary

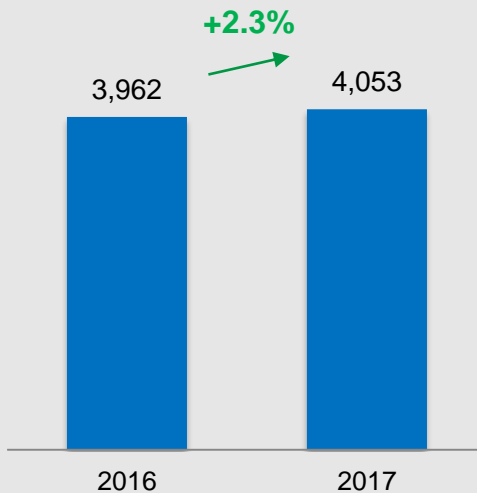
**REVIEW OF FY 2017 OPERATIONS RESULTS EXPRESSED IN US DOLLARS**

Adj. EBITDA increased by 2.3% driven by a 7.2% increase in Revenues partially offset by a 8.7% increase in Cash Costs and one-time gains in 2016.

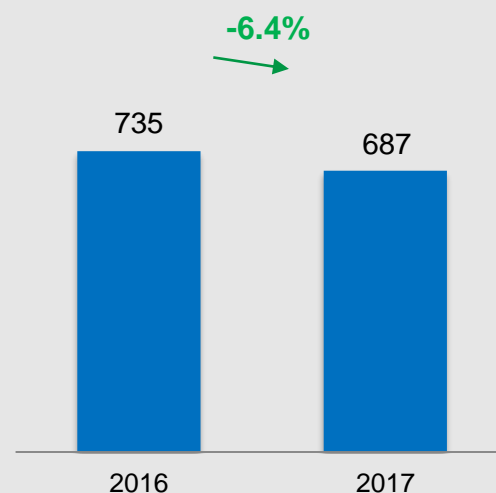
**REVENUES** <sup>(1)</sup>  
(IN MILLIONS OF USD)



**ADJ. EBITDA** <sup>(1) (2)</sup>  
(IN MILLIONS OF USD)



**OPERATING INCOME** <sup>(1) (3)</sup>  
(IN MILLIONS OF USD)



(1) YPF financial statements values in IFRS converted to USD using average FX of each period.

(2) Adjusted EBITDA = Operating income + Depreciation and impairment of property, plant and equipment and intangible assets + Amortization of intangible assets + unproductive exploratory drillings.

(3) Operating Income before impairment charge of Ps 34.9 billion (USD 2.2 billion) in Upstream segment for 2016 and reversal gain of Ps 5.0 billion (USD 271 million) for 2017.

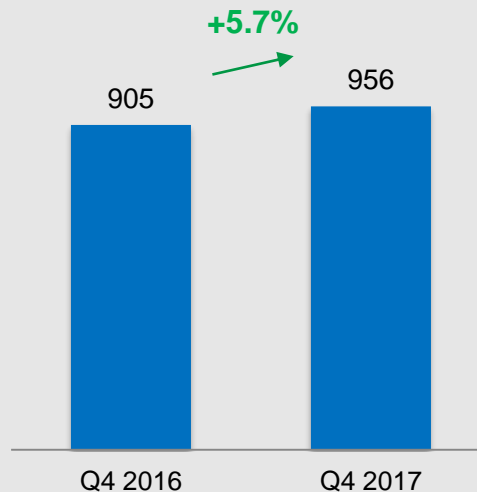
**REVIEW OF Q4 2017 OPERATIONS RESULTS EXPRESSED IN US DOLLARS**

Adj. EBITDA increased by 5.7% driven by a 12.2% increase in Revenues and partially offset by a 14.2% increase in Cash Costs.

**REVENUES (1)**  
(IN MILLIONS OF USD)



**ADJ. EBITDA (1) (2)**  
(IN MILLIONS OF USD)



**OPERATING INCOME (1)(3)**  
(IN MILLIONS OF USD)



(1) YPF financial statement values in IFRS converted to USD using average exchange rate of Ps 15.40 and Ps 17.51 per U.S \$1.00 for Q4 2016 and Q4 2017, respectively.  
 (2) Adjusted EBITDA = Operating income + Depreciation and impairment of property, plant and equipment and intangible assets + Amortization of intangible assets + unproductive exploratory drillings.  
 (3) Operating Income before reversal gain of Ps 1.2 billion (USD 79 million) in Upstream segment and 5.0 billion (USD 271 million) for Q4 2016 and Q4 2017, respectively.

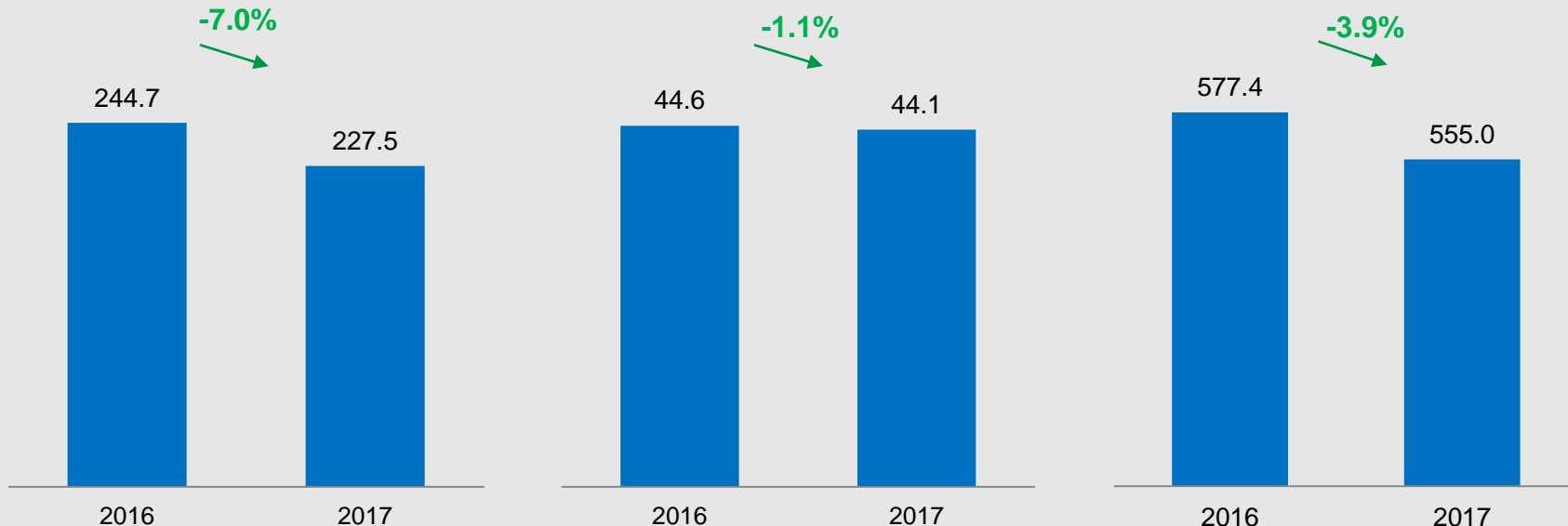
# REVIEW OF FY 2017 OPERATIONS PRODUCTION

Total production was down 3.9%. Crude oil production was down mainly due to a reduction in drilling activity and the effects of the severe weather conditions in Q2 2017.

**CRUDE OIL PRODUCTION**  
(KBBL/D)

**NATURAL GAS PRODUCTION**  
(MM<sup>3</sup>/D)

**TOTAL PRODUCTION**  
(KBOE/D)

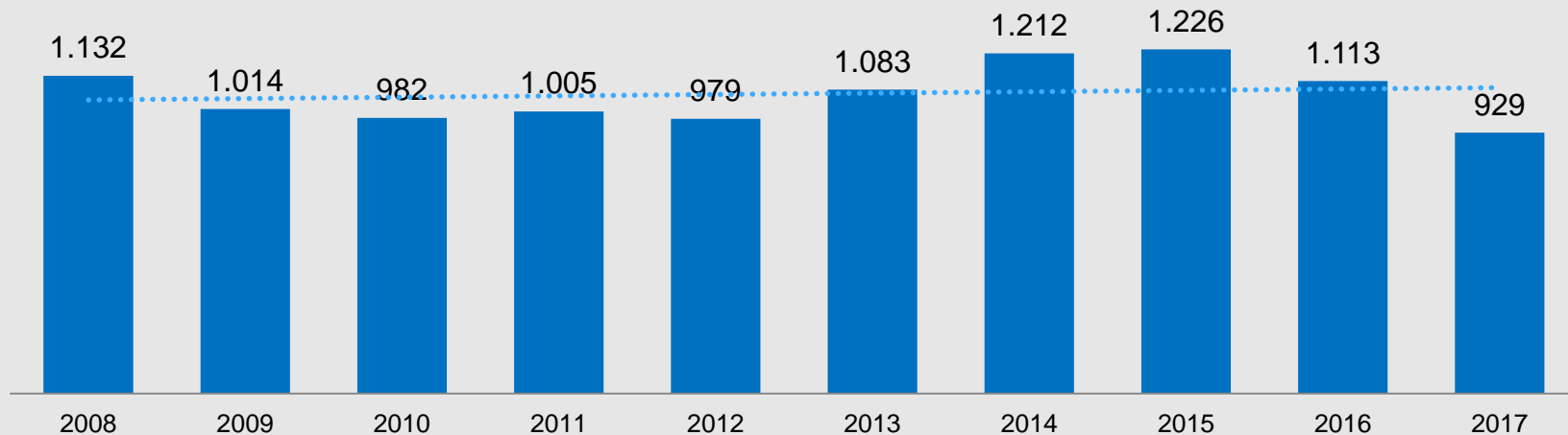




# REVIEW OF FY 2017 OPERATIONS RESERVES

Proved Reserves decreased by 16.5%, partially affected by lower domestic crude oil prices.

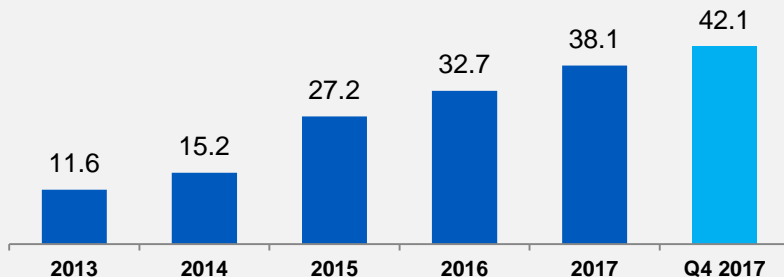
**TOTAL HYDROCARBON RESERVES**  
(MBOE)



# REVIEW OF FY 2017 OPERATIONS SHALE OIL & GAS UPDATE

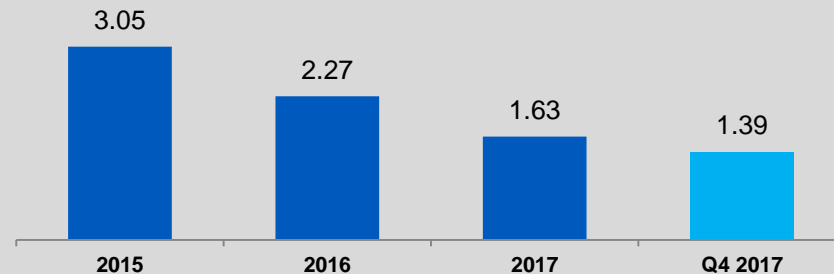
## NET SHALE O&G PRODUCTION

(KBOE/D)



## LOMA CAMPANA HORIZONTAL WELL COST

(KUSD/LATERAL FT.)



**PRODUCING WELLS**

**607**

**NEW WELLS IN 2017 (1)**

**64**

**KBOE/D Q4 2017 SHALE GROSS PRODUCTION (2)**

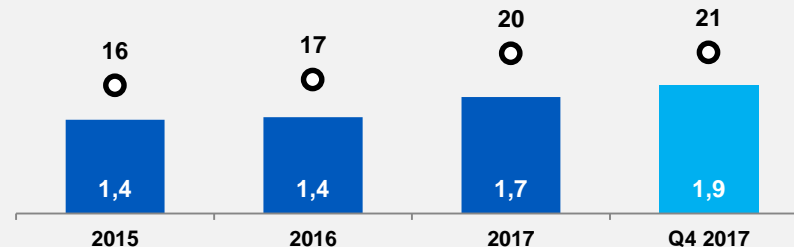
**81.3**

(1) Includes 11 wells in Q4 2017

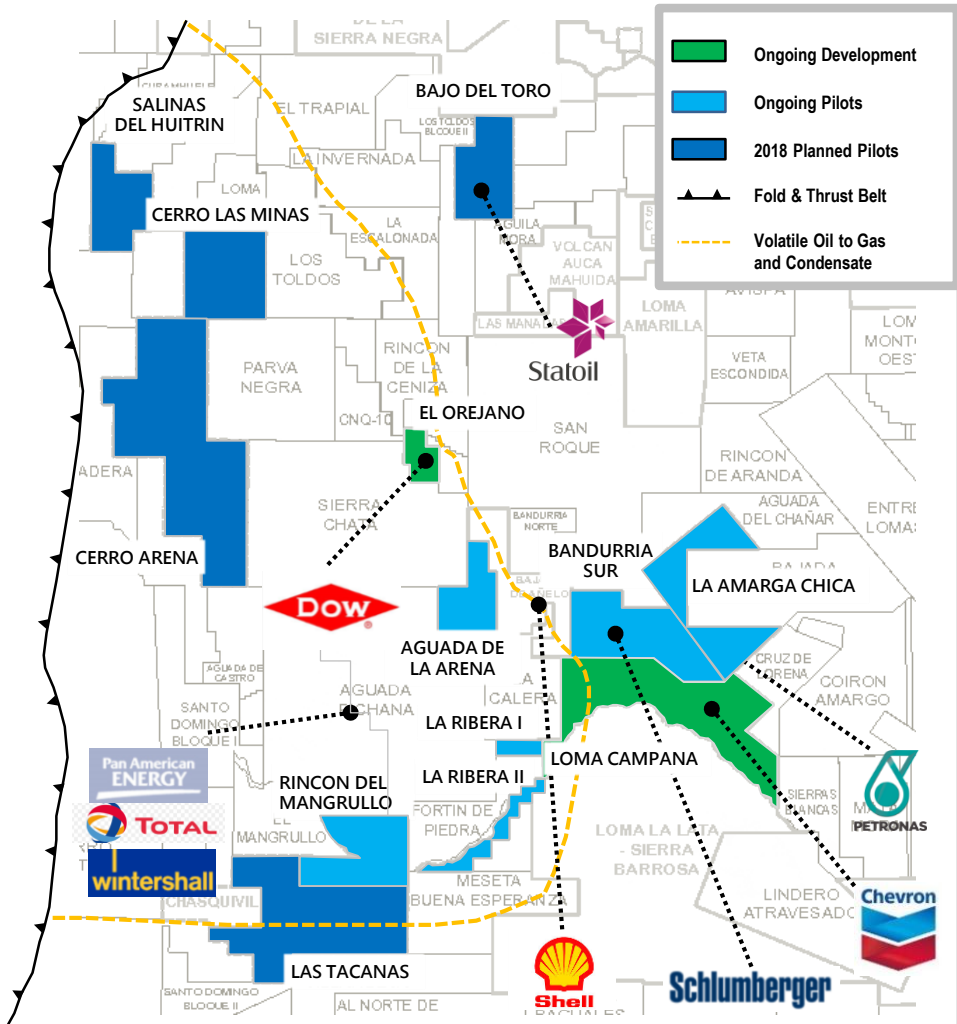
(2) Total operated production (Loma Campana + El Orejano + Bandurria+ La Amarga Chica + Narambuena + Bajo del Toro + Bajada de Añelo)

## LOMA CAMPANA HORIZONTAL WELL OPERATIONAL PERFORMANCE

■ Average lateral length (Km) ● Average frac stages



# REVIEW OF FY 2017 OPERATIONS SHALE OIL & GAS UPDATE



3,200 meters long lateral well successfully drilled in Loma Campana

Development cost in El Orejano below 1 USD/mmtbu area.

3-phase pilot in La Amarga Chica expected to be finalized in the second half of 2018

USD 300 million JV with Statoil closed

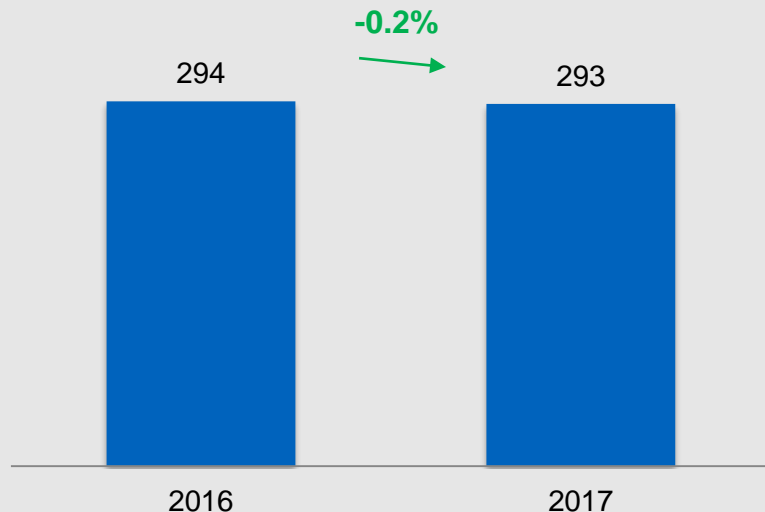
5 pilot projects expected to be launched in 2018

More than 100 wells expected to be drilled in Vaca Muerta in 2018 in 11 different areas

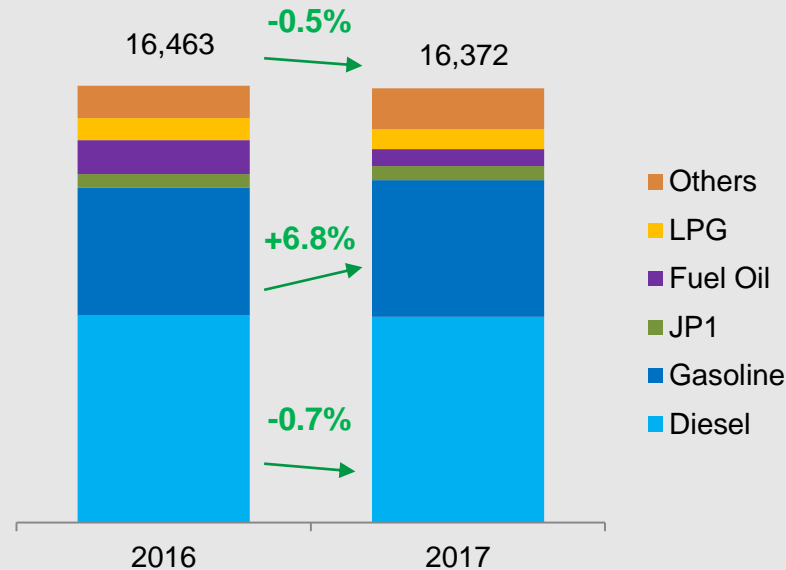
# REVIEW OF FY 2017 OPERATIONS DOWNSTREAM PERFORMANCE

Sales volumes decreased by 0.5% due to lower sales volumes of fuel oil, LPG and diesel that more than offset higher sales volumes of gasoline and jet fuel. Refinery output flat.

**CRUDE PROCESSED**  
(KBBL/D)



**DOMESTIC SALES OF REFINED PRODUCTS**  
(KM<sup>3</sup>)

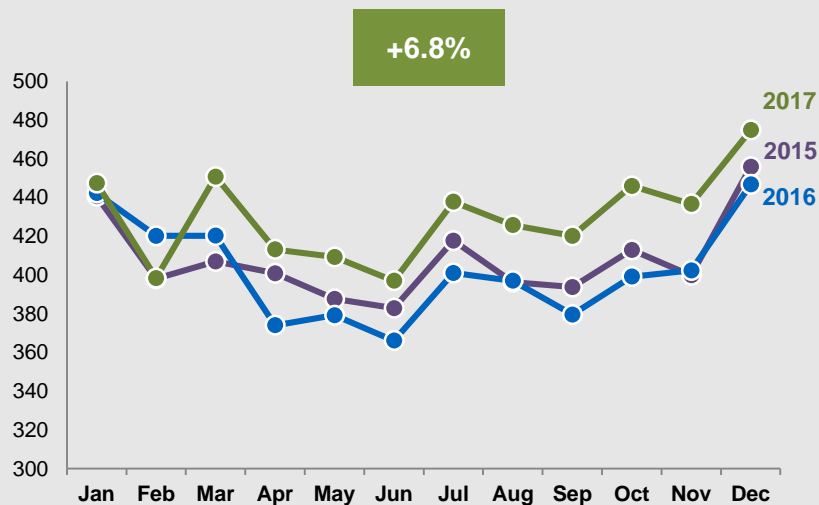


## REVIEW OF FY 2017 OPERATIONS REFINED PRODUCTS DEMAND

Strong gasoline demand pushed volumes sold up 7%; total diesel demand decreased by 0.7% driven by the lower demand from power generators.

### MONTHLY GASOLINE SALES

(KM<sup>3</sup>)



**Gasoline**  
Market Share

2015

**56.8%**

2016

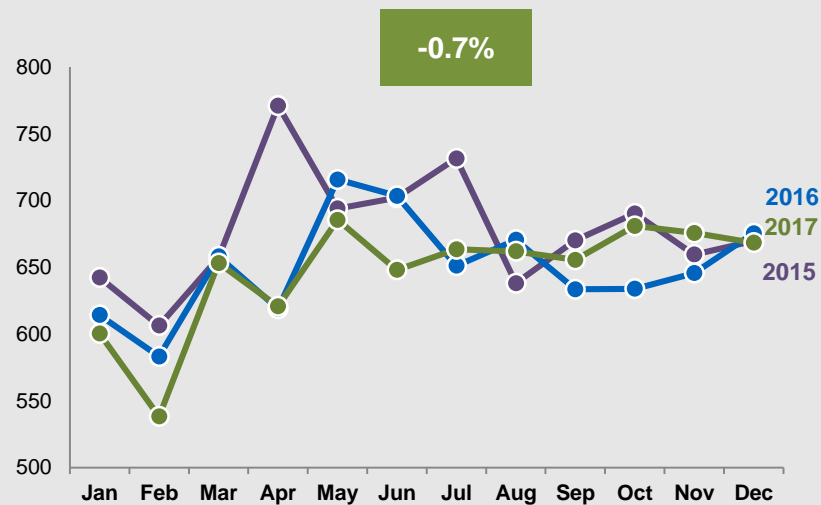
**54.8%**

2017

**55.1%**

### MONTHLY DIESEL SALES

(KM<sup>3</sup>)



**Diesel**  
Market Share

2015

**58.5%**

2016

**56.1%**

2017

**56.7%**

## REVIEW OF FY 2017 OPERATIONS GAS &amp; POWER UPDATE



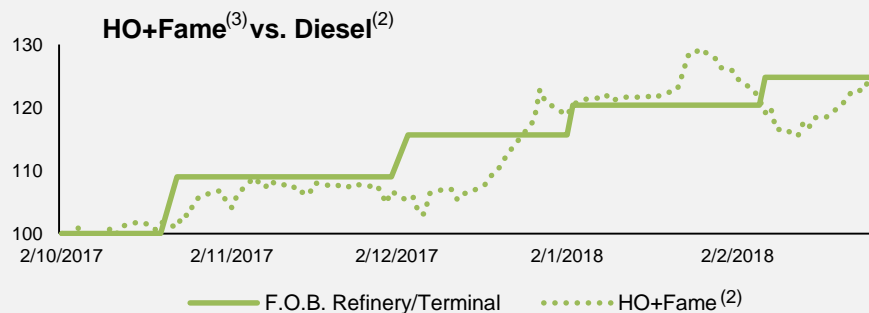
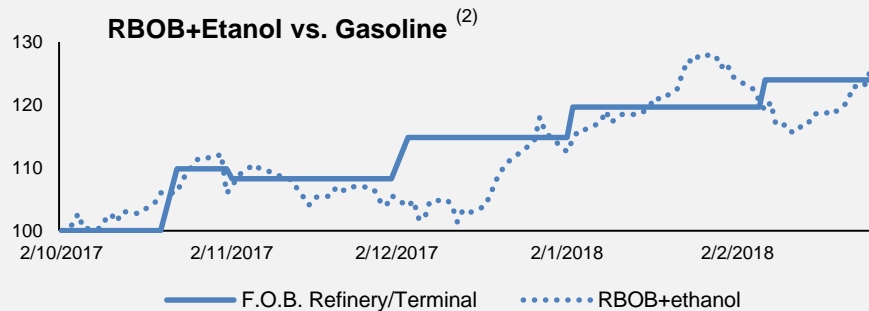
- Recently announced an agreement with **GE** to capitalize **YPF EE**; YPF would get diluted to **75%**.
- Subscription value of **USD 275 M**, plus a contingent payment of **USD 35 M**.
- In advanced negotiations with a **3rd party** to subscribe an additional **24.5%** under similar terms
- Implied valuation of **YPF EE** of **USD 1,100 M** to **USD 1,240 M**
- **YPF EE** has **1,807 MW** <sup>(1)</sup> of total installed capacity and another **485 MW** under construction

(1) In addition, YPF has 157 MW of installed capacity within its upstream business.

# REVIEW OF DOMESTIC FUEL AND CRUDE OIL PRICES

## F.O.B. REFINERY/TERMINAL VS IMPORT PARITY (1)

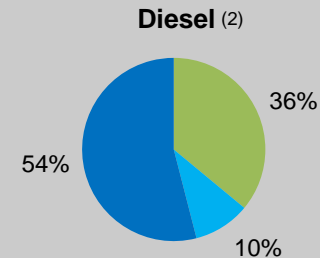
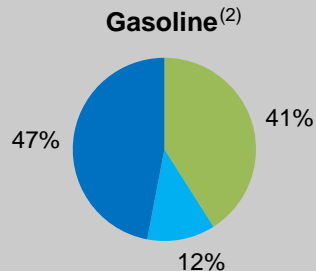
% VARIATION



## PUMP PRICES BREAKDOWN

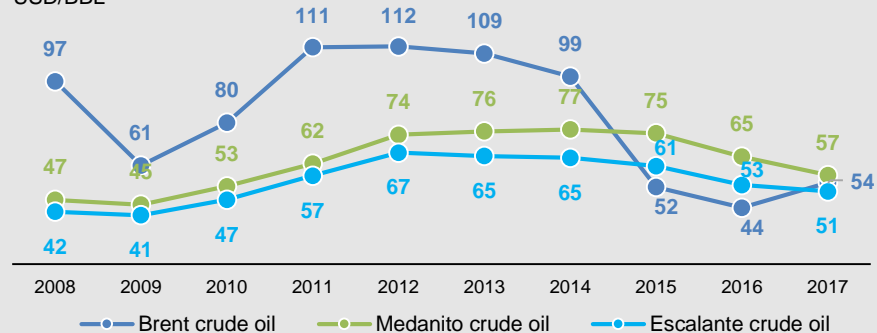
% - AS OF MARCH 1<sup>ST</sup> 2018

■ F.O.B. Refinery/Terminal ■ Taxes  
■ Comission & Freight



## HISTORICAL PRICES OF BRENT AND DOMESTIC CRUDE OIL

USD/BBL



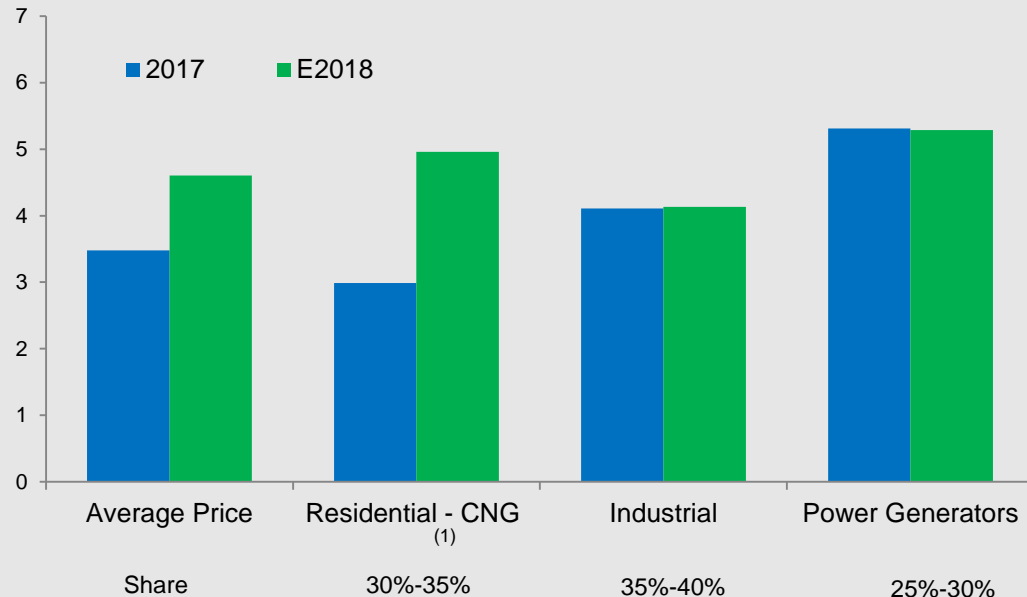
(1) Import parity includes international reference price and domestic price for biofuels. Does not include internationalization costs. (2) Based on our regular products. (3) Fatty acid methyl esters ("FAME").

# REVIEW OF NATURAL GAS PRICE SCHEME

Market prices are increasing while subsidies are being reduced; average realization price for YPF expected to remain flat.

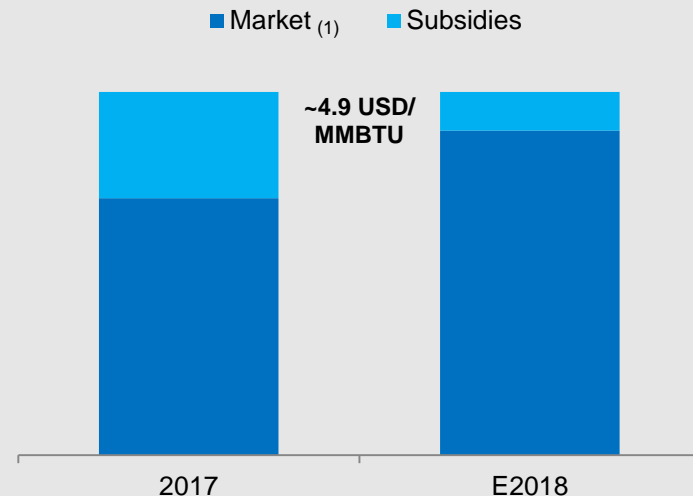
## NATURAL GAS MARKET PRICES <sup>(1)</sup>

USD/MMBTU,  
2017-E2018



## PLAN GAS INCENTIVES

% VOLUMES, USD/MMBTU  
2017-E2018



(1) In 2018 market price includes subsidies to demand.



## CONTENTS



01 2017 Highlights

02 Review of Operations

03 **Financial Results**

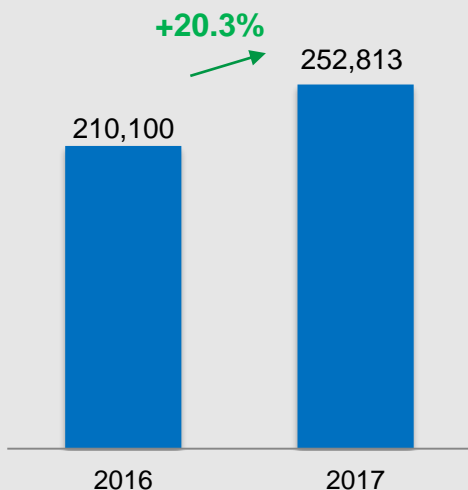
04 Financial Situation

05 Summary

**FY 2017 FINANCIAL RESULTS**

Adj. EBITDA increased by 14.7% driven by a 20.3% increase in Revenues partially offset by one-time gains in 2016, a 35.5% increase in Purchases and a 16% increase in Production Cost.

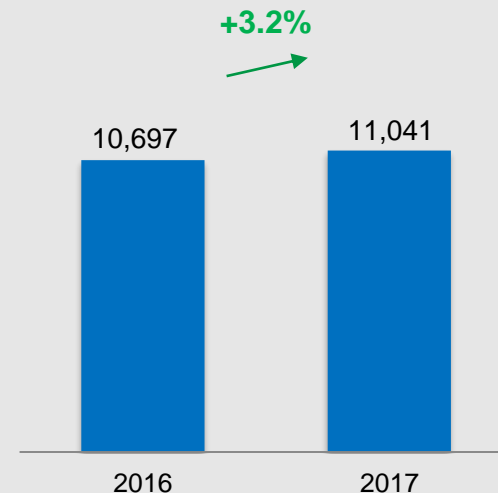
**REVENUES**  
(IN MILLIONS OF PS)



**ADJ. EBITDA <sup>(1)</sup>**  
(IN MILLIONS OF PS)



**OPERATING INCOME <sup>(2)</sup>**  
(IN MILLIONS OF PS)

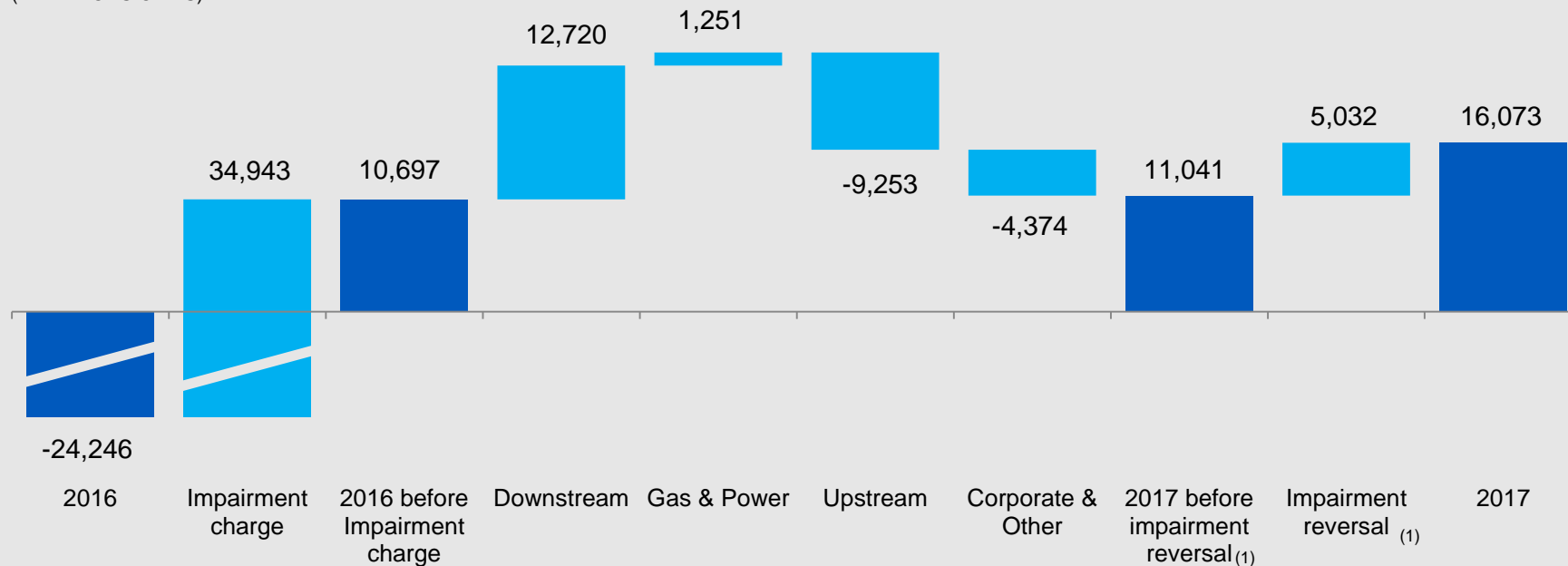


(1) Adjusted EBITDA = Operating income + Depreciation and impairment of property, plant and equipment and intangible assets + Amortization of intangible assets + unproductive exploratory drillings.  
 (2) Operating Income before impairment charge of Ps 34.9 billion (USD 2.2 million) in Upstream segment and reversal gain of Ps 5.0 billion (USD 271 million) for 2016 and 2017, respectively.

# FY 2017 RESULTS OPERATING INCOME

Very strong downstream results partially offset by upstream operating loss.

OPERATING INCOME  
(IN MILLIONS OF PS)

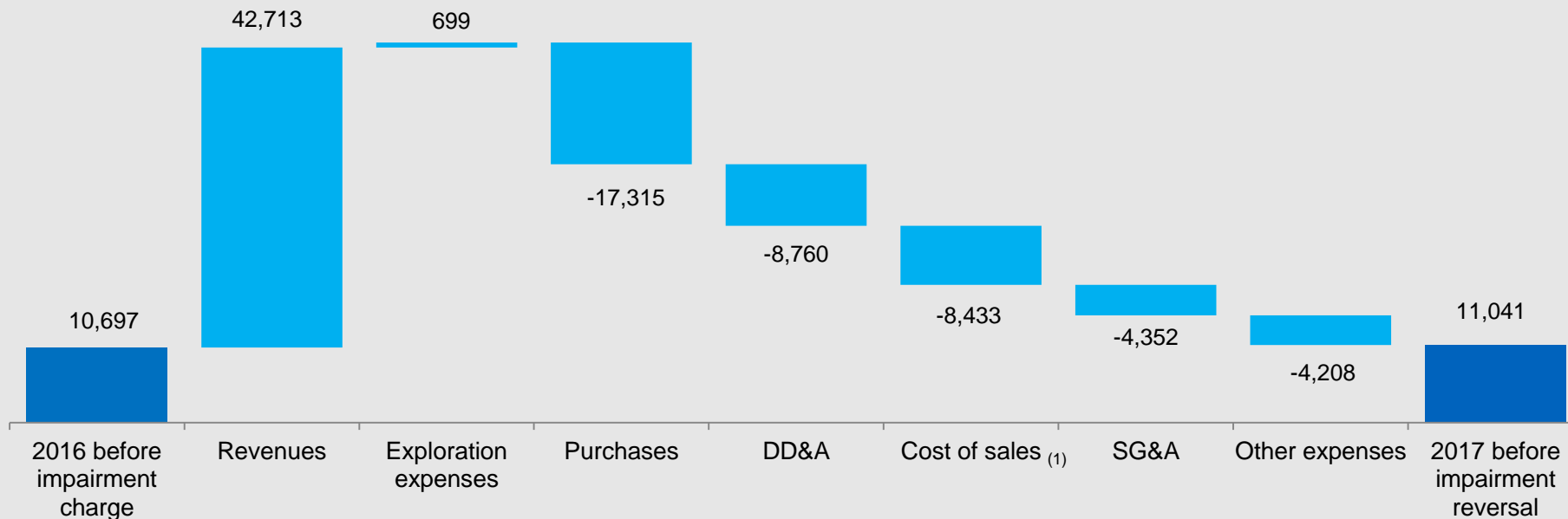


(1) Partial reversal of charge for impairment of property, plant & equipment.

# FY 2017 RESULTS OPERATING INCOME

Strong revenues growing above Cost of Sales and SG&A; DD&A and Purchases on the negative side.

OPERATING INCOME  
(IN MILLIONS OF PS)

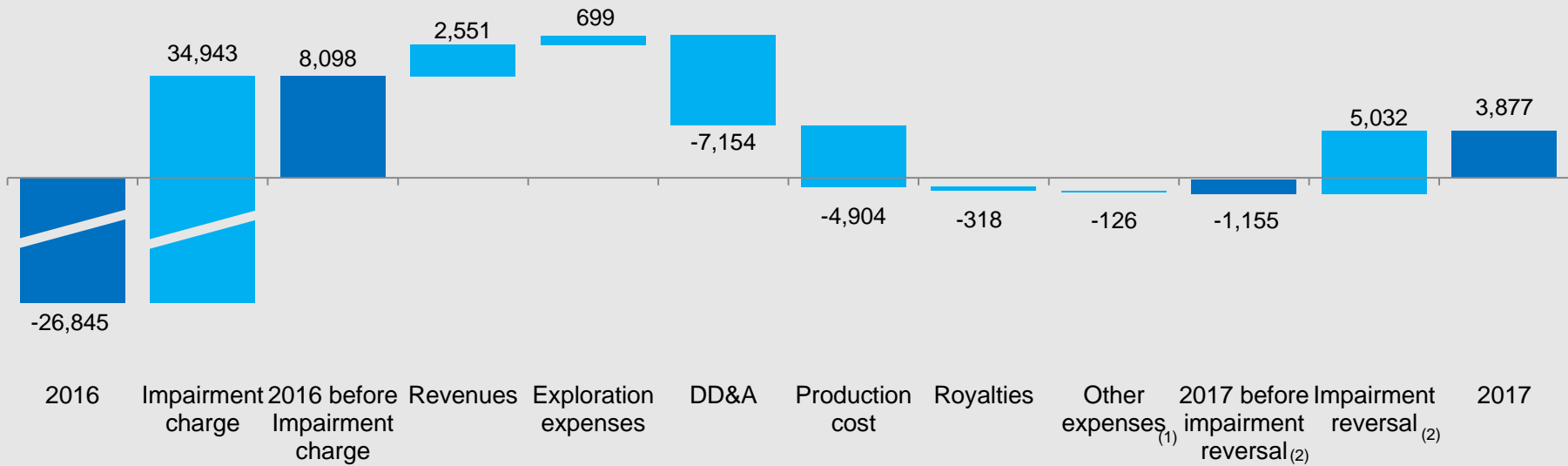


(1) Includes variations in value of inventory.

**FY 2017 RESULTS UPSTREAM**

Upstream revenues increased on better pricing; however, the increase in DD&A resulted in an operating loss before impairment reversal.

OPERATING INCOME  
(IN MILLIONS OF PS)



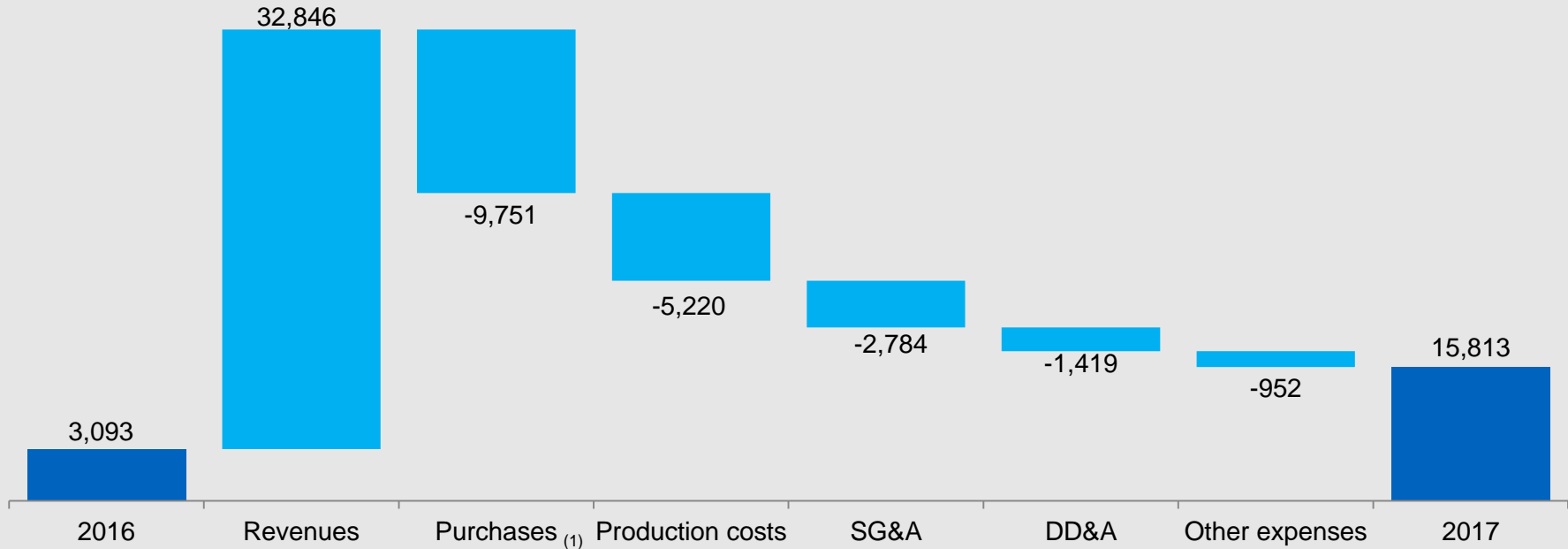
(1) Other expenses include: Ps +961 million of Purchases and product stock variations, Ps -1,512 million of Other expenses and Ps +425 million of SG&A.

(2) Partial reversal of Impairment of property, plant & equipment.

**FY 2017 RESULTS DOWNSTREAM**

Downstream Operating Income increased more than 5x as revenues increased by 20.1% due to strong sales volumes and higher prices, while costs of sales increased by 11.2%.

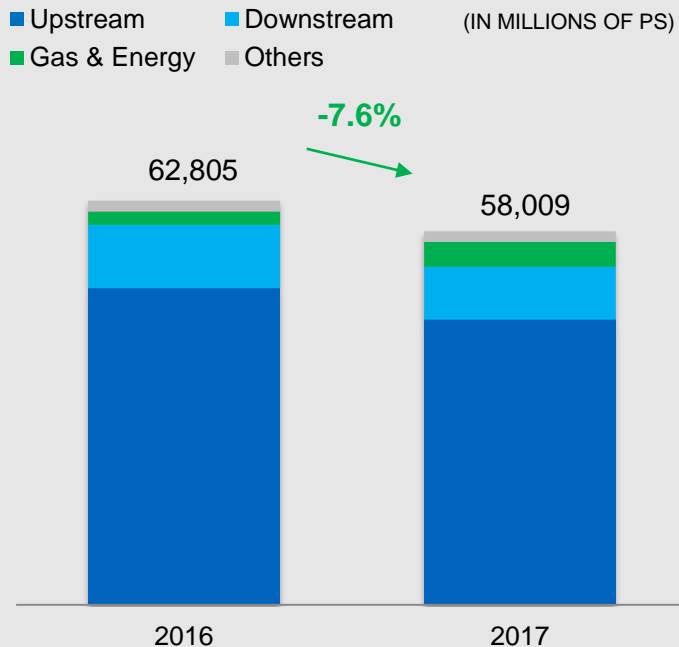
OPERATING INCOME  
(IN MILLIONS OF PS)



(1) Includes product stock variations.

## CAPEX BREAKDOWN

Capex was down 7.6% in peso terms and 17.8% in USD terms, mainly due to the decrease in activity in the Upstream segment.



### Upstream

Activity breakdown: 70% in drilling and workovers, 24% in facilities and 6% in exploration and other upstream activities.

### Downstream

Activity breakdown: 53% in refining, 23% in logistics, 14% in chemical and 10% in marketing.

### Gas & Power

Start up of the Loma Campana I thermoelectric plant and the initial testing of the Tucumán thermoelectric generation plant. Progress of the Manantiales Behr wind farm.

## CONTENTS



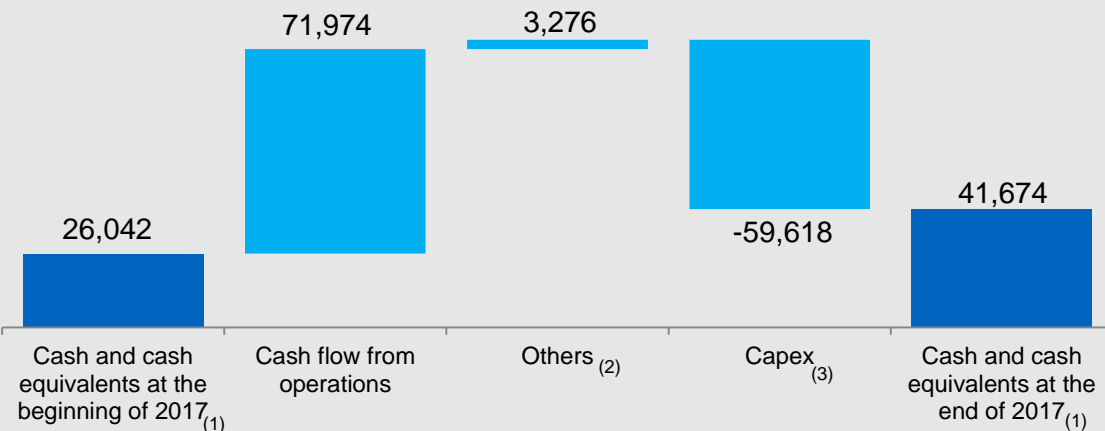
- 01 2017 Highlights
- 02 Review of Operations
- 03 Financial Results
- 04 Financial Situation**
- 05 Summary



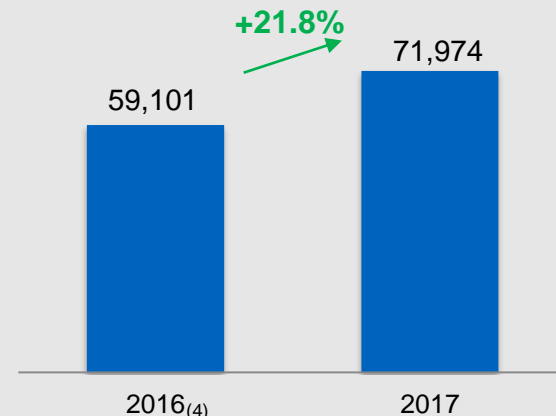
# FINANCIAL SITUATION

Strong cash position at the end of 2017 and positive free cash flow; cash flow from operations up by 21.8%.

**CONSOLIDATED STATEMENT OF ADJUSTED CASH FLOWS**  
(IN MILLION OF PS)



**CASH FLOW FROM OPERATIONS**  
(IN MILLION OF PS)



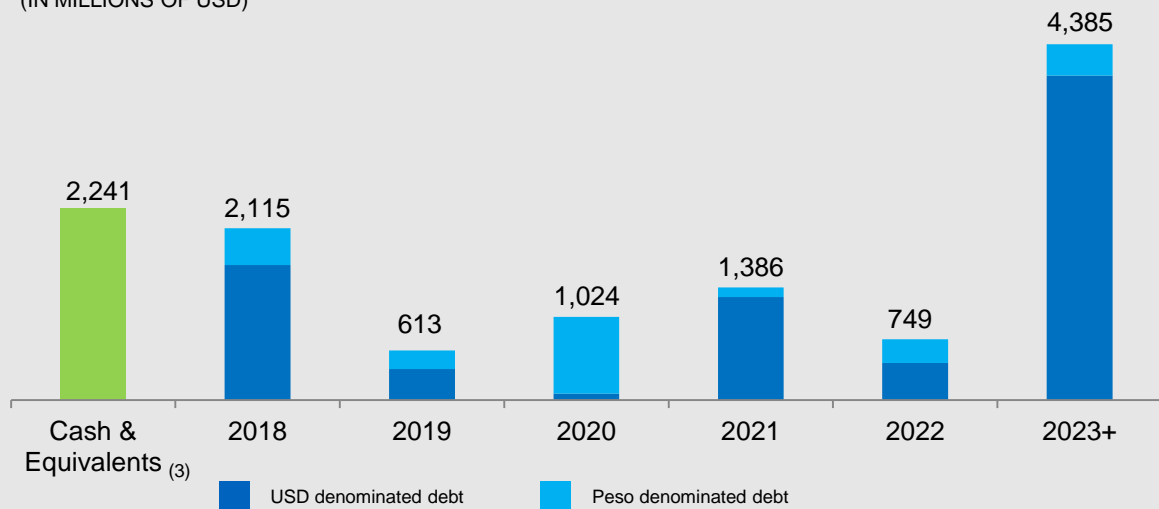
(1) Includes cash & cash equivalents, including Argentine sovereign bonds BONAR 2020 and BONAR 2021.  
 (2) Includes Ps 4,306 million of net financing, Ps -891 million of other investment activities and Ps -139 million of reclassification of assets for YPF Energía Eléctrica.  
 (3) Effective spending in fixed asset acquisitions during the year.  
 (4) Includes Ps 9.9 billion of BONAR 2020 sovereign bonds received as payment for 2015 Plan Gas receivables.

## FINANCIAL SITUATION

Cash position strengthened by new debt issuances and strong cash flow generation in 2017.

### FINANCIAL DEBT AMORTIZATION SCHEDULE <sup>(1)</sup> <sup>(2)</sup>

(IN MILLIONS OF USD)



(1) As of December 31, 2017.

(2) Converted to USD using the December 31, 2017 exchange rate of Ps 18.60 to U.S \$1.00.

(3) Includes cash & equivalent, including Argentine sovereign bonds BONAR 2020 and BONAR 2021.

(4) Net debt to Adj. EBITDA calculated in USD. Net debt at period end exchange rate of Ps 18.60 to U.S \$1.00 and LTM Adj. EBITDA calculated as sum of quarters.



76.4% denominated in USD and 23.6% in Argentine Pesos

Average interest rates of 7.43% in USD and 23.37% in Pesos

Average life of 6.4 years

Net Debt / LTM Adj. EBITDA **1.98x** <sup>3)</sup><sup>(4)</sup>

## CONTENTS



- 01 2017 Highlights
- 02 Review of Operations
- 03 Financial Results
- 04 Financial Situation
- 05 Summary**

## SUMMARY

Reaffirm 5-year business plan unveiled in 2017

Strong economy is resulting in continued demand growth for all our products

New market environment with liberalized prices in the downstream business; focus on margins

Production was down mainly as a consequence of severe weather conditions and operating challenges; sustainable activity level

Natural gas revenues less dependant on subsidies for 2018 and beyond.

Upstream activity in 2018 focused on building base for future growth; shale pilots.



# Questions and Answers

Full year 2017 Earnings Webcast



# Full Year 2017 EARNINGS WEBCAST

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