

YPF SOCIEDAD ANONIMA
Form 6-K
August 08, 2014

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934
For the month of August, 2014
Commission File Number: 001-12102

YPF Sociedad Anónima
(Exact name of registrant as specified in its charter)

Macacha Güemes 515
C1106BKK Buenos Aires, Argentina
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file

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annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K

in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K

in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

YPF Sociedad Anonima

TABLE OF CONTENTS

ITEM

1 Translation of Q2 2014 Earnings Presentation.

2

2nd Quarter 2014
Earnings Webcast
August 8, 2014

2

Disclaimer

2

Safe harbor statement under the US Private Securities Litigation Reform Act of 1995.

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 trends affecting YPF's future financial condition, financial, operating and other ratios, results of operations, business strategy, geographic concentration, business concentration, production and marketed volumes, reserves, YPF's plans, expectations or objectives with respect to future capital expenditures, investments, expansion and other projects, ownership interests, divestments, cost savings and dividend payout policies. These forward-looking statements may also include assumptions and other conditions, such as the future price of petroleum and petroleum products, refining and marketing margins and exchange rates, and do not guarantee future performance, prices, margins, exchange rates or other events and are subject to material risks, uncertainties, changing circumstances and other factors that 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, ownership interests, divestments, cost savings and dividend payout policies, as well as actual future economic conditions, such as the future price of petroleum and petroleum products, refining margins and exchange rates, could differ materially from

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These materials do not constitute an offer for sale of YPF S.A. bonds, shares or ADRs in the United States or elsewhere.

Contents	
Q2 2014 Results	
Financial Situation	
Summary	
1	
2	
3	
3	

Revenues of ARS 35.3 bn (+61% vs. Q2 2013)

Crude oil production 240.9 Kbbbl/d (+5.6%)

Natural gas production 43.5 Mm3/d (+31.8%)

Crude processed 292 Kbbbl/d (+20%)

Operating Income was ARS 6 bn (+168%)

Net Income was ARS 1.5 bn (+40%)

Total Capex

was ARS 10.9 bn (+67%)

Q2 2014 Results Highlights

Adj. EBITDA

(1)

reached ARS 10.5 bn (+82%)

Operating Cash Flow topped 11.4bn (+251%)

(1)

See description of Adj. EBITDA in footnote (2) on page 5

Solid demand, market share:

Gasoline 59% and diesel 58%

4

5

Production and Sales volumes growth at higher margins, resulted in solid y-o-y financial performance.

Revenues

(1)

(MUSD)

Operating Income

(1) (3)

(MUSD)

Adj. EBITDA

(1) (2)

(MUSD)

(1)

YPF financial statement values in IFRS converted to USD using average FX of 5.2 and 8 for Q2 2013 and Q2 2014, respectively

(2)

Adjusted

EBITDA

=

Net
income
attributable
to
shareholders
+
Net
income
(loss)
for
non-controlling
interest
-
Deferred
income
tax
-
Income
tax
-
Financial
income
(losses)
gains
on
liabilities
-
Financial
income
gains
(losses)
on
assets
-
Income
on
investments
in
companies
+
Depreciation
of
fixed
assets
+
Amortization
of
intangible
assets.
(3)

In Q2 2013 results do not include the impact of non cash provision relating to claims arising from the discontinuation of gas ex

+5%

+75%

+42%

Q2 2014 **Results Expressed in US Dollars**

920

1,307

Q2 2013

Q2 2014

425

743

Q2 2013

Q2 2014

4,203

4,413

Q2 2013

Q2 2014

6

In millions of ARS

Q2 2014 **Operating Income**

Operating Income increased by 168% in Q2 2014 driven mainly by higher revenues.

(1)

Does

not

include

the

impact

of

non

cash

provision

relating

to

claims

arising

from
the
discontinuation
of
gas
export
contracts
to
Brazil
in
2009.
2,218
5,950
13,389
477
-5,656
-1,881
-1,317
-723
-557
Q2 2013
Revenues
Others
expenses
Other costs
of sales
DD&A
Purchases
SG&A
Exploration
expenses
Q2 2014
(1)

7

Q2 2014 Operating Income

Solid performance across both business segments.

In millions of ARS

(1)

Does
not
include
the
impact
of
non
cash
provision
relating
to
claims
arising

from
the
discontinuation
of
gas
export
contracts
to
Brazil
in
2009.
2,218
5,950
1,862
1,711
159
Q2 2013
Upstream
Downstream
Others
Q2 2014
(1)

8
Q2 2014 Upstream Results
Upstream Operating Income reached ARS 3.3 bn (+129%) due to higher revenues driven by the increase in production of both crude oil and natural gas and by higher prices in pesos.

In millions of ARS

(1)
Does
not
include
the
impact
of
non
cash
provision
relating
to
claims

arising
from
the
discontinuation
of
gas
export
contracts
to
Brazil
in
2009.

(2)

Includes inventory variation and purchases of -131 MARS and SG&A of 472 MARS.

(2)

1,443

3,305

5,970

341

191

-2,035

-1,296

-752

-557

Q2 2013

Revenues

Other

expenses

Afiliates

Production

costs

DD&A

Royalties

Exploration

Expenses

Q2 2014

(1)

9

Crude oil production

(1)

(Kbbl/d)

Natural gas production

(1)

(Mm

3

/d)

Q2 2014 Upstream Results

Production

Total production

(1)

(Kboe/d)

+5.6%

+31.8%

+15.5%

Total y-o-y production growth of 15.5%, 5.6% in crude oil and 31.8% in natural gas.

(1)

Q2 2014 includes production of YSUR and Puesto Hernández acquired in Q1 2014.

228.2

240.9

Q2 2013

Q2 2014

33.0

43.5

Q2 2013

Q2 2014

481.4

555.8

Q2 2013

Q2 2014

10

Q2 2014 Upstream Results

Production

Crude oil production

(kbbbl/d)

Natural gas production

(Mm

3

/d)

Solid conventional y-o-y natural gas production increase of 4.4%, coupled with inorganic growth and continued shale and tight progress.

YSUR + Puesto Hernández

Tight + Shale

Conventional

226.3

228.2

235.1

239.3

241.6
240.9
31.4
33.0
35.6
35.5
37.2
43.5
222.1
222.8
227.2
229.9
229.2
220.5
6.0
13.6
4.2
5.4
7.9
9.5
6.4
6.8
Q1 13
Q2 13
Q3 13
Q4 13
Q1 14
Q2 14
30.7
32.3
34.7
33.2
32.9
33.7
1.3
6.0
0.7
0.7
0.9
2.3
3.1
3.8
Q1 13
Q2 13
Q3 13
Q4 13
Q1 14
Q2 14

Confirming Well Productivity

Vaca Muerta

Vertical Well Production

Loma Campana -

Sweet Spots

Vaca Muerta Figures

> 2 bn USD invested

> 200 development wells drilled

21 drilling rigs in LC

40 exploration wells outside LC

Total Gross Production

(Kboe/d)

50,000

45,000

40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
H
V
5.9
7.9
9.8
13.3
17.3
18.6
23.2
Q4 12
Q1 13
Q2 13
Q3 13
Q4 13
Q1 14
Q2 14
0
1
2
3
4
5
6
7
8
9
10
11
12
2011: 15 wells
2012: 10 wells
2013: 93 wells
Type well curve
Avg well West Sweet Spot: 15 wells
2014 Sweet Spot: 24 wells

Q2 2014 Downstream Results

Downstream Operating Income grew 141% in Q2 2014, due to higher revenues in the domestic market.

In millions of ARS

1,210

2,921

11,044

177

-7,839

-1,084

-392

-195

Q2 2013

Revenues

Affiliates

Purchases

Production

costs

SG&A
DD&A
Q2 2014
12

13
20%
Crude processed
(kbbbl/d)
Domestic sales of refined products
+7%
Q2 2014 Downstream Results -
Sales
+6%
-0.7%
Refinery output restored after La Plata Refinery incident in Q2 2013.
+198%
243
292
Q2 2013
Q2 2014
3,819
4,087

Q2 2013
Q2 2014
Others
LPG
Fuel Oil
JP1
Gasoline
Diesel
(Km)
3

14

Q2 2014 Refined Products Demand

Diesel volumes

(1)

(Jan-13 base = 100)

Strong YPF performance in a challenging domestic market.

Gasoline volumes

(1)

(Jan-13 base = 100)

(1)

Source: Argentine Secretariat of Energy (SEN)

YPF

Rest of the market

YPF

Rest of the market

15

Q2 2014 Capex

(1)

(1)

Economic capex figures as expressed in Note 2.g of Q2 2014 YPF financial statements.

(2)

Active rigs at end of period.

+66.9%

In millions of ARS

10,866

Downstream

Upstream

Progress of the new coke unit
at the La Plata Refinery and
other multi-year projects

Neuquina

basin:

Loma

La
Lata,
Loma Campana, Rincón del
Mangrullo and Aguada Toledo
Golfo San Jorge basin:
Manantiales Behr, El Trébol,
Barranca Baya and Los Perales
Drilling
rigs
(2)
+192%
Q2 2013
Q2 2014
Upstream
Downstream
Others
6,510
25
36
42
46
52
58
63
65
69
73
Q1 12Q2 12Q3 12Q4 12Q1 13Q2 13Q3 13Q4 13Q1 14Q2 14

Contents	
Q1 2014 Results	
Financial Situation	
Summary	
1	
2	
3	
16	

In millions of ARS

(1)

Includes effect of changes in exchange rates.

(2)

Effective
spendings

in

fixed

asset

acquisitions

during

the

quarter

.

(3)

Net

debt

to

Adj.EBITDA
 calculated
 in
 USD,
 Net
 debt
 at
 period
 end
 FX
 of
 8.1
 and
 Adj.
 EBITDA
 LTM
 at
 6.8;
 4,298
 /
 4,813
 =
 0.89.
Q2 2014 Cash Flow From Operations
 Cash flow from operations grew ARS 8 bn against Q2 2013.
 Sound
 capital
 structure
 (Net
 Debt
 /
 Adj.
 EBITDA
 LTM
 of
 0.9x)
 (3)
 .
 (1)
 (2)
 +251%
 3,109
 11,448
 11,430
 6,041
 -9,132
 Cash at the
 beginning of Q2
 2014
 Cashflow from

operations
Net financing
Capex
Cash at the end of
Q2 2014
3,253
6,715
11,430
Q2 2013
Q1 2014
Q2 2014
17

18

(1)

Converted to USD using average FX of: Q2 2012= 4.3, Q3 2012= 4.6, Q4 2012= 4.8, 5, Q1 2013= 5.2, Q2 2013= 5.6, Q4 2013= 5.6

(2)

Adj. EBITDA margin is Adj. EBITDA divided by Consolidated Revenues.

(3)

Operating margin is Operating Income divided by Consolidated Revenues.

Q2 2014 Margin Evolution

Healthy recovery based on production increase and pricing discipline.

Adj. EBITDA and Adj. EBITDA margin

(1) (2)

(MUSD -

%)

Operating Income and Operating margin

(1) (3)

(MUSD -

%)

886

865
850
948
920
1,182
1,212
1,101
1,307
23.8%
22.9%
21.5%
25.4%
21.9%
27.1%
28.9%
27.3%
29.6%
Q2
2012
Q3
2012
Q4
2012
Q1
2013
Q2
2013
Q3
2013
Q4
2013
Q1
2014
Q2
2014
433
368
386
507
425
619
632
578
743
11.6%
9.7%
9.8%
13.6%
10.1%
14.2%

15.1%
14.3%
16.8%
Q2
2012
Q3
2012
Q4
2012
Q1
2013
Q2
2013
Q3
2013
Q4
2013
Q1
2014
Q2
2014

19

Peso denominated debt **32%**

Financial debt amortization schedule

(1) (2)

(MUSD)

Average interest rates of **28.04%**

in USD and **6.76%**

in ARS

(1)

As of June 30, 2014 / (2) Converted to USD using June 30, 2014 FX of 8.1

Cash position covers next 18-month debt maturities.

Continued to extend average life of debt.

Financial Situation Update

Average life of almost **4**

years

1,415

Cash

2014 (Jul-Dec)

2015

2016

2017

2018

2019

2020+

Trade facilities

Term Loans

Senior Bonds

and Notes

8%

13%

79%

1

Contents	
Q1 2014 Results	
Financial Situation	
Summary	
1	
2	
3	
20	

Summary

Continued to **increase results and expand margins** despite
currency devaluation

Increased
oil
&
gas
production
by
15.5%
as
a
result
of
a
balanced
mix
of conventional and unconventional production coupled with inorganic growth

Strong operating cash flow
allowed continued increase
in capex without increasing leverage
Solid capital structure with significant cash reserves
provides stability regardless of the sovereign situation
21

2
nd
Quarter 2014 Earnings Webcast
Questions and Answers

2nd Quarter 2014
Earnings Webcast
August 8, 2014

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

YPF Sociedad Anónima

Date: August 8, 2014

By: /s/ Alejandro Cherniacov
Name: Alejandro Cherniacov
Title: Market Relations Officer