

YPF SOCIEDAD ANONIMA
Form 6-K
November 09, 2018
[Table of Contents](#)

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Issuer

**Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934**

For the month of November, 2018

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)

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Form 20-F

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Yes

No

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Yes

No

Table of Contents

YPF Sociedad Anónima

TABLE OF CONTENTS

ITEM

1 Translation of Consolidated Results Q3 2018.

Table of Contents

YPF S.A.

Consolidated Results

Q3 2018

Table of Contents

Consolidated Results Q3 2018

CONTENT

| | |
|--|-----------|
| <u>1. MAIN MILESTONES AND ECONOMIC MAGNITUDES FOR Q3 2018</u> | 3 |
| <u>2. ANALYSIS OF RESULTS FOR Q3 2018</u> | 4 |
| <u>3. ANALYSIS OF OPERATING RESULTS BY BUSINESS SEGMENT FOR Q3 2018</u> | 7 |
| <u>3.1 UPSTREAM</u> | 7 |
| <u>3.2 DOWNSTREAM</u> | 10 |
| <u>3.3 GAS AND ENERGY</u> | 13 |
| <u>3.4 CORPORATE AND OTHER</u> | 14 |
| <u>3.5 RELATED COMPANIES</u> | 14 |
| <u>4. LIQUIDITY AND SOURCES OF CAPITAL</u> | 14 |
| <u>5. TABLES AND NOTES</u> | 16 |
| <u>5.1 CONSOLIDATED STATEMENT OF INCOME</u> | 17 |
| <u>5.2 CONSOLIDATED BALANCE SHEET</u> | 18 |
| <u>5.3 CONSOLIDATED STATEMENT OF CASH FLOW</u> | 19 |
| <u>5.4 CONSOLIDATED BUSINESS SEGMENT INFORMATION</u> | 20 |
| <u>5.5 MAIN FINANCIAL MAGNITUDES IN U.S. DOLLARS</u> | 21 |
| <u>5.6 MAIN PHYSICAL MAGNITUDES</u> | 22 |

Table of Contents

Consolidated Results Q3 2018

Adj. EBITDA for Q3 2018 was Ps 36.8 billion, 116.0% higher than Q3 2017.

| Q3 2017 | Q2 2018 | Q3 2018 | Var.% Q3 18 / Q3 17 | | Jan-Sep 2017 | Jan-Sep 2018 | Var.% 2018 / 2017 |
|--------------------|--------------------|--------------------|--------------------------------|------------------------------|-------------------------|-------------------------|------------------------------|
| | | | | Revenues | | | |
| 66,034 | 93,034 | 121,188 | 83.5% | (Million Ps) | 183,199 | 290,045 | 58.3% |
| | | | | Operating income | | | |
| 3,050 | 1,746 | 12,685 | 315.9% | (Million Ps) | 11,027 | 31,785 | 188.2% |
| | | | | Net income | | | |
| 246 | 1,508 | 13,207 | 5268.7% | (Million Ps) | 710 | 20,701 | 2815.6% |
| | | | | Adj. EBITDA | | | |
| 17,043 | 24,782 | 36,821 | 116.0% | (Million Ps) | 50,046 | 98,095 | 96.0% |
| 17,043 | 24,782 | 36,821 | 116.0% | Recurring Adj. EBITDA | 50,046 | 86,115 | 72.1% |
| | | | | Earnings per share | | | |
| 0.24 | 5.08 | 33.50 | 14047.5% | (Ps per Share) | 0.84 | 54.05 | 6335.2% |
| | | | | Capital Expenditures | | | |
| 15,903 | 19,338 | 27,232 | 71.2% | (Million Ps) | 40,882 | 61,444 | 50.3% |

Adjusted EBITDA = Operating Income + Depreciation and Impairment of Property, Plant and Equipment and Intangible Assets + Amortization of Intangible Assets + Unproductive Exploratory Drillings.

Recurring Adjusted EBITDA: It is Adjusted EBITDA excluding the profit from the revaluation of YPF S.A.'s investment in YPF Energía Eléctrica (YPF EE) for Ps 12.0 billion in Q1 2018.

(Amounts are expressed in billions of Argentine pesos, except where indicated)

1. MAIN MILESTONES AND ECONOMIC MAGNITUDES FOR Q3 2018

Revenues for Q3 2018 were Ps 121.2 billion, 83.5% higher than Q3 2017.

Operating income for Q3 2018 was Ps 12.7 billion, 315.9% higher than Q3 2017.

Net income for Q3 2018 was a gain of Ps 13.2 billion compared to net income of Ps 0.2 billion recorded for Q3 2017.

Hydrocarbon production for Q3 2018 was 529.1 Kboed, 4.3% lower than Q3 2017.

Refinery processing levels in the Downstream business segment for Q3 2018 were 87.7%, 4.6% lower than Q3 2017.

Capital expenditures in property, plant and equipment for Q3 2018 were Ps 27.2 billion, 71.2% higher than Q3 2017.

Table of Contents

Consolidated Results Q3 2018

2. ANALYSIS OF RESULTS FOR Q3 2018

Revenues for Q3 2018 were Ps 121.2 billion, 83.5% higher than Q3 2017, due primarily to the following factors:

Diesel revenues increased Ps 18.6 billion, 89.6% higher than Q3 2017, due to a 74.3% increase in diesel mix average prices and an 8.8% increase in sales volumes. Sales volumes of Infinia Diesel, a premium diesel product, increased by 16.4%;

Gasoline revenues increased Ps 10.4 billion, 69.7% higher than Q3 2017, due to a 64.9% increase in gasoline mix average prices and a 2.9% increase in sales volumes.

Natural gas revenues increased Ps 8.5 billion, 73.8% higher than Q3 2017, due to higher average prices while sales volumes remained stable year over year;

Retail natural gas revenues (residential and small business and companies) increased Ps 3.5 billion, 101.3% higher than Q3 2017, mainly driven by YPF's controlled company Metrogas S.A. (Metrogas), which recorded a 122.0% increase in prices, partially offset by a 3.9% decrease in volumes sold through its distribution network;

Fuel oil revenues in the Argentine domestic market decreased Ps 0.7 billion, 85.1% lower than Q3 2017, due to a 91.6% decrease in sales volumes to power generation plants which was partially offset by a 78.0% increase in prices;

Remaining domestic sales increased Ps 9.8 billion, 114.2% higher than Q3 2017. We highlight the higher sales of LPG that increased 153.5%, jet fuel by 127.9%, of petrochemical products by 76.2%, coal by 189.8%, fertilizers by 86.4% and lubricants by 44.1%, in each case mainly due to the higher prices of these products and the larger traded volumes of virgin naphtha;

Export revenues increased by Ps 5.1 billion, 84.5% higher than Q3 2017. This was primarily due to a Ps 2.6 billion or 161.0% increase in jet fuel sales, due to higher average sales prices measured in Argentine pesos of 154.2% and a 2.7% increase in the volumes sold. Exports of petrochemical products increased by Ps 0.9 billion or 110.2% due to higher sales volumes and prices. Petroleum coal exports were also recorded for Ps 0.7 billion, which had not been registered in Q3 2017.

Cost of sales for Q3 2018 was Ps 96.0 billion, 71.1% higher than Q3 2017. This includes a 63.2% increase in production costs, substantially affected by the increase in depreciations, and a 115.5% increase in purchases. Cash costs, which include costs of production and purchases but exclude depreciation and amortization, increased by 84.1%. This increase was driven by the following factors:

a) Costs of production:

Depreciation of property, plant and equipment increased Ps 8.8 billion, 66.7% higher than Q3 2017, due to an increase in the value of assets based on their valuation in U.S. dollars, which is the functional currency of the Company;

Table of Contents

Consolidated Results Q3 2018

Lifting costs increased Ps 5.6 billion, 51.3% higher than Q3 2017, reflecting a 61.2% increase in the unit indicator in Argentine peso terms, weighted by the lower production of the period;

Royalties and other production related costs increased Ps 4.9 billion, 108.5% higher than Q3 2017. Of this increase, Ps 3.7 billion was related to an increase in royalties for crude oil production, and Ps 1.1 billion was related to an increase in royalties for natural gas production, due to higher wellhead values of these products, which are set in U.S. dollars;

Transportation costs increased Ps 1.1 billion, 47.1% higher than Q3 2017, primarily due to increases in rates and higher transported volumes;

Refining costs increased Ps 0.5 billion, 18.5% higher than Q3 2017, due primarily to higher costs for repair and maintenance services, for the consumption of materials, spare parts and other supplies, reflecting a 24.3% increase in the unit indicator in Argentine peso terms, weighted by the lower volumes processed during the period.

b) Purchases:

Fuel imports increased Ps 8.1 billion, 722.1% higher than Q3 2017, mainly due to imports of premium diesel and gasoline due to higher volumes and higher international prices of these products, also considering the devaluation occurred during the period;

Crude oil purchases from third parties increased Ps 4.0 billion, 67.7% higher than Q3 2017, due to a 131.4% increase in the average purchase price from third parties in Argentine peso terms. This increase in the purchase price was mainly due to the increase in the international reference price, and considering the devaluation of the Argentine peso against the U.S. dollar, partially offset by a decrease in purchased volumes of approximately 27.5%;

Purchases of natural gas from other producers for resale in the retail distribution segment (residential and small businesses and industries) increased Ps 2.9 billion, 138.0% higher than Q3 2017 due to an increase in the purchase prices of approximately 145.1%, partially offset by a decrease in volumes purchased of 2.9%;

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Biofuel purchases increased Ps 1.7 billion, 37.1% higher than Q3 2017, due to higher FAME and ethanol biofuel prices of 53.3% and 21.2%, respectively, and a 1.7% increase in volumes purchased of ethanol biofuel, partially offset by lower volumes purchased of FAME of 2.3%;

Fertilizer purchases for resale increased Ps 1.3 billion, 204.6% higher than Q3 2017, driven by a 135.6% increase in purchase prices and a 29.3% increase in volumes purchased.

Selling expenses for Q3 2018 were Ps 7.1 billion, 51.9% higher than Q3 2017. This was driven primarily by increases in transport expenses, primarily due to higher volumes sold and higher rates paid for domestic transport of fuels, as well as higher charges for depreciation of fixed assets, higher personnel expenses, higher charges in allowances for bad debt and environmental contingencies and higher taxes on banks debits and credits.

Administration expenses for Q3 2018 were Ps 3.7 billion, 68.8% higher than Q3 2017. The increase was principally due to higher personnel expenses, higher IT costs, many of which are dollarized, higher charges related to institutional advertising and higher depreciation of fixed assets.

Table of Contents

Consolidated Results Q3 2018

Exploration expenses for Q3 2018 were Ps 1.1 billion, 224.0% higher than Q3 2017 mainly due to higher negative results from unproductive exploratory drilling and higher expenses on geological and geophysical studies.

Other operating results, net, for Q3 2018 was a loss of Ps 0.6 billion, compared to a gain of Ps 0.3 billion for Q3 2017 driven by higher charges in the provision for judicial contingencies, which had recorded certain reversals in Q3 2017.

Financial results for Q3 2018 were a gain of Ps 25.5 billion compared to a loss of Ps 2.5 billion in Q3 2017. This change was primarily driven by a positive foreign exchange effects on net liabilities in Argentine peso terms of Ps 30.0 billion, generated by the depreciation of the Argentine peso in Q3 2018 compared to Q3 2017 when the devaluation of the local currency had been substantially lower. Higher interest expenses of Ps 2.8 billion were also recorded in Q3 2018 due to higher average indebtedness, measured in Argentine pesos, compared to Q3 2017.

Income tax expense for Q3 2018 reached Ps 23.4 billion compared to the resulting expense of Ps 0.8 billion in Q3 2017. This difference is mainly due to the higher negative charge of Ps 22.4 billion for deferred tax recorded in both periods, resulting from the effects of the exchange rate movements in both periods, as previously mentioned.

Net income for Q3 2018 was a gain of Ps 13.2 billion, compared to a gain of Ps 0.2 billion in Q3 2017.

Capital expenditures in property, plant and equipment in Q3 2018 were Ps 27.2 billion, 71.2% higher than Q3 2017.

Table of Contents

Consolidated Results Q3 2018

3. ANALYSIS OF OPERATING RESULTS BY BUSINESS SEGMENT FOR Q3 2018**3.1 UPSTREAM**

| Q3 2017 | Q2 2018 | Q3 2018 | Var. % Q3 18 / Q3 17 | | Jan-Sep 2017 | Jan-Sep 2018 | Var. % 2018/2017 |
|--------------------|--------------------|--------------------|---------------------------------|--|-------------------------|-------------------------|-----------------------------|
| | | | | Operating income | | | |
| 360 | 2,868 | 12,215 | 3293.1% | (Million Ps) | 375 | 17,231 | 4494.9% |
| | | | | Revenues | | | |
| 29,935 | 46,308 | 63,466 | 112.0% | (Million Ps) | 84,318 | 148,478 | 76.1% |
| | | | | Crude oil production | | | |
| 227.2 | 226.3 | 227.5 | 0.1% | (Kbbld) | 226.5 | 227.1 | 0.3% |
| | | | | NGL production | | | |
| 48.6 | 41.6 | 26.9 | -44.6% | (Kbbld) | 51.5 | 38.4 | -25.5% |
| | | | | Gas production | | | |
| 44.1 | 44.0 | 43.7 | -1.0% | (Mm3d) | 44.6 | 43.8 | -1.9% |
| | | | | Total production | | | |
| 553.2 | 544.6 | 529.1 | -4.3% | (Kboed) | 558.8 | 541.0 | -3.2% |
| | | | | Exploration costs | | | |
| 334 | 464 | 1,082 | 224.0% | (Million Ps) | 1,760 | 1,869 | 6.2% |
| | | | | Capital Expenditures | | | |
| 12,499 | 16,099 | 22,547 | 80.4% | (Million Ps) | 31,852 | 51,679 | 62.2% |
| | | | | Depreciation | | | |
| 11,483 | 19,689 | 18,946 | 65.0% | (Million Ps) | 31,497 | 54,935 | 74.4% |
| | | | | Realization Prices | | | |
| | | | | Crude oil prices in domestic market | | | |
| 51.4 | 64.6 | 64.3 | 25.0% | Period average (USD/bbl) | 52.3 | 64.6 | 23.5% |
| | | | | Average gas price (*) | | | |
| 4.92 | 4.89 | 4.76 | -3.3% | | 4.93 | 4.80 | -2.6% |

(USD/Mmbtu)

(*) The average price of gas for Q2 2018 has been recalculated. The price for Q3 2018 is preliminary. Operating income for the Upstream business segment for Q3 2018 was Ps 12.2 billion, compared to Ps 0.4 billion in Q3 2017.

Revenues were Ps 63.5 billion for Q3 2018, 112.0% higher than Q3 2017, primarily due to the following factors:

Crude oil revenues totaled Ps 42.7 billion, 131.8% or Ps 24.3 billion higher than Q3 2017. The average realization price for crude oil in Q3 2018 increased by 25.0% to US\$64.3/bbl. Crude oil volumes transferred between segments increased 1.0%, while those sold to third parties decreased by 14.0%;

Natural gas revenues reached Ps 21.0 billion, 79.2% or Ps 9.3 billion higher than Q3 2017. The average realization price for natural gas in Q3 2018 decreased 3.3% to US\$4.76/Mmbtu while natural gas volumes remained stable compared to Q3 2017. However, prices in terms of pesos increased 79.7% YoY, resulting in the increase of revenues.

Hydrocarbon production for Q3 2018 was 529.1 Kboed, 4.3% lower than Q3 2017. Crude oil production for Q3 2018 remained essentially stable at 227.5 Kbbld. Natural gas production for Q3 2018 was 43.7 Mm3d, 1.0% lower than Q3 2017 due to the lower demand in the quarter. NGL production for Q3 2018 was 26.9 Kbbld, 44.6% lower than Q3 2017, negatively affected by the temporary stoppage of Compañía MEGA.

Table of Contents

Consolidated Results Q3 2018

With respect to development activity, 95 wells were put in production in Q3 2018, including the shale and tight wells mentioned below.

Hydrocarbon production in shale areas, net to YPF, for Q3 2018 totaled 57.5 Kboed, 58.3% higher than Q3 2017. This includes 23.6 Kbbld of crude oil, 4.8 Kbbld of NGL and 4.6 Mm3d of natural gas. During Q3 2018, 19 wells were put in production targeting the Vaca Muerta formation, for a total of 659 wells, including 12 active drilling rigs and 11 workovers.

With respect to tight development, net production in Q3 2018 reached a total of 13.0 Mm3d of natural gas, plus 3.3 Kbbld of NGL and 5.7 Kbbld of crude oil, of which 89.0% comes from YPF operated areas. During Q3 2018, 19 new wells were put into production, 9 in Estación Fernández Oro, 4 in Río Neuquén, 2 in Rincón del Mangrullo, 2 in Aguada Toledo Sierra Barrosa, 1 in Al Norte de la Dorsal, and 1 in Octógono.

Operating costs for Q3 2018 were Ps 49.8 billion, 67.6% higher than Q3 2017 (excluding exploration expenses), mainly due to the following:

Depreciation of property, plant and equipment increased by Ps 7.5 billion, 64.9% higher than Q3 2017, primarily due to an increase in the value of assets based on their valuation in U.S. dollars, which is the functional currency of the Company;

Lifting costs increased Ps 5.6 billion, 51.3% higher than Q3 2017, reflecting a 61.2% increase in the unit indicator in Argentine peso terms, weighted by the lower production of the period;

Royalties and other production related costs increased Ps 4.9 billion, 108.5% higher than Q3 2017. Of this increase, Ps 3.7 billion was related to an increase in royalties for crude oil production, and Ps 1.1 billion was related to an increase in royalties for natural gas production, due to higher wellhead values of these products, which are set in U.S. dollars;

Transportation costs related to production (truck, pipelines and polyducts in deposit) increased Ps 0.5 billion, 61.4% higher than Q3 2017.

It is noteworthy that the exploratory investment for Q3 2018 was 879.1% higher than Q3 2017, totaling Ps 1.5 billion. Exploration expenses for Q3 2018 were Ps 1.1 billion, increasing 224.0% compared to Ps 0.3 billion for Q3 2017. This variation was mainly due to a Ps 0.4 billion increase in negative results from unproductive exploratory wells in Q3 2018 compared to Q3 2017. Expenses for the development of geological and geophysical studies increased by Ps 56 million between Q3 2018 and Q3 2017.

In Q3 2018, the results of this segment also included higher charges in the provision for judicial contingencies, which had recorded certain reversals in Q3 2017.

Unit cash costs in U.S. dollars decreased 3.5% to US\$19.8/boe for Q3 2018 from US\$20.6/boe for Q3 2017, including taxes of US\$6.6/boe and US\$5.8/boe, respectively. In turn, the average lifting cost for YPF in Q3 2018 was US\$10.5/boe, 16.5% lower than US\$12.6/boe for Q3 2017.

Table of Contents

Consolidated Results Q3 2018

CAPEX

Capital expenditures for the Upstream business segment for Q3 2018 were Ps 22.5 billion, 80.4% higher than Q3 2017.

Of these capital expenditures, 71.4% were invested in drilling and workover activities, 20.0% in facilities, 8.2% in exploration and the remaining 0.4% in other activities of the Upstream business segment.

In the Neuquina basin area, activities for Q3 2018 were focused on the development of the Loma Campana, Estación Fernandez Oro, El Orejano, La Amarga Chica, Rincón del Mangrullo, Río Neuquén, Chachahuen, Octógono, Punta Barda, Filo Morado and Loma La Lata blocks. Activity continues with the pilots targeting Vaca Muerta in the following blocks: Rincón del Mangrullo, La Ribera, Bajo del Toro and Aguada de la Arena. Development activities continued at the Cuyana basin, mainly in the Mesa Verde, Ugarteche, Loma Alta Sur, Barrancas, La Ventana and Cerro Fortunoso blocks. In the Golfo San Jorge basin, activity was focused on the following blocks: Manantiales Behr, El Trébol-Escalante, Seco León, Zona Central, Cañadón Yatel, Barranca Baya, Los Perales, Las Heras y Cerro de Piedra.

Exploration activities for Q3 2018 covered the Neuquina, Golfo San Jorge, Austral, Noroeste Argentino and Cuyana basins. In the Neuquina basin, exploratory activity was focused in the Filo Morado, Los Caldenes, Malargüe, Las Manadas, CNQ7 and CNQ7A blocks. In the Golfo San Jorge basin, exploration activity was focused in the Los Perales-Las Mesetas and El Trebol-Escalante blocks. In the Austral basin, exploration activity continues in Cañadón Piedra-Cabo Nombre and Los Chorrillos blocks. As for the Cuyana basin, exploratory activity was carried out in the Mesa Verde block. Additionally, in the Noroeste Argentino basin the activity was concentrated in the Aguaragüe block.

During Q3 2018, 6 (six) exploratory wells were completed: 3 (three) natural gas and 3 (three) crude oil exploratory wells.

Table of Contents

Consolidated Results Q3 2018

3.2 DOWNSTREAM

| Q3 2017 | Q2 2018 | Q3 2018 | Var.% Q3 18 / Q3 17 | | Jan-Sep 2017 | Jan-Sep 2018 | Var.% 2018/2017 |
|----------------|----------------|----------------|----------------------------|---|---------------------|---------------------|------------------------|
| 3,204 | 361 | -908 | N/A | Operating income | 10,661 | 3,462 | -67.5% |
| | | | | (Million Ps) | | | |
| 9,845 | 70,273 | 91,220 | 83.0% | Revenues | 139,636 | 221,830 | 58.9% |
| | | | | (Million Ps) | | | |
| 4,119 | 4,048 | 4,150 | 0.7% | Sales of refined products in domestic market | 12,244 | 12,109 | -1.1% |
| | | | | (Km3) | | | |
| 361 | 393 | 343 | -5.0% | Exportation of refined products | 1,069 | 1,248 | 16.8% |
| | | | | (Km3) | | | |
| 198 | 208 | 203 | 2.5% | Sales of petrochemical products in domestic market (*) | 586 | 618 | 5.5% |
| | | | | (Ktn) | | | |
| 54 | 138 | 73 | 35.2% | Exportation of petrochemical products | 149 | 271 | 81.8% |
| | | | | (Ktn) | | | |
| 294 | 275 | 280 | -4.6% | Crude oil processed | 293 | 282 | -3.8% |
| | | | | (Kboed) | | | |
| 92% | 86% | 88% | -4.6% | Refinery utilization | 92% | 88% | -3.8% |
| | | | | (%) | | | |
| 2,434 | 2,673 | 3,660 | 50.4% | Capital Expenditures | 5,648 | 7,588 | 34.3% |
| | | | | (Million Ps) | | | |
| 1,837 | 2,596 | 3,465 | 88.6% | Depreciation | 5,027 | 8,137 | 61.9% |
| | | | | (Million Ps) | | | |
| 642 | 634 | 585 | -8.8% | Average domestic market gasoline price (**) | 655 | 637 | -2.6% |
| | | | | (USD/m3) | | | |
| 602 | 613 | 577 | -4.1% | Average domestic market diesel price (**) | 622 | 616 | -1.0% |
| | | | | (USD/m3) | | | |

(*) Fertilizer sales not included.

(**) Includes gross income and net of deductions, commissions and other taxes.

Operating income for the Downstream business segment for Q3 2018 was a loss of Ps 0.9 billion, in comparison to the operating profit of Ps 3.2 MM reported in Q3 2017.

Revenues were Ps 91.2 billion in Q3 2018, 83.0% higher than Q3 2017, primarily due to the following factors:

Diesel revenues increased Ps 18.6 billion, 89.6% higher than Q3 2017 due to a 74.3% increase in diesel mix prices and an 8.8% increase in sales volumes, including a 16.4% increase in sales volumes of Infinia Diesel, a premium diesel product;

Gasoline revenues increased Ps 10.4 billion, 69.7% higher than Q3 2017, due to a 64.9% increase in gasoline mix prices and a 2.9% increase in sales volumes;

Fuel oil revenues in the Argentine domestic market decreased Ps 0.7 billion, 85.1% lower than Q3 2017, due to a 91.6% decrease in sales volumes to power generation plants partially offset by a 78.0% increase in prices;

The remaining revenues in the domestic market increased by Ps 8.1 billion, 109.0% higher than Q3 2017. We highlight the higher sales of LPG by 153.5%, of jet fuel by 127.9%, of petrochemical products by 76.2%, of coal by 189.8%, fertilizers by 86.4% and lubricants by 44.1%, in each case mainly due to the higher prices of these products. In addition, larger traded volumes of virgin naphtha were recorded;

Table of Contents

Consolidated Results Q3 2018

Export revenues in the Downstream segment increased by Ps 5.1 billion, 84.5% higher than Q3 2017. We highlight the increase in exports of jet fuel of Ps 2.6 billion, 161.0% higher than Q3 2017 due to an increase in average sales prices measured in Argentine pesos of 154.2%, and an increase of 2.7% in volumes sold. Exports of petrochemical products increased by Ps 0.9 billion or 110.2%. Exports of petroleum coal were also recorded for Ps 0.7 billion, which had not been recorded in the previous year.

Cost of sales and operating expenses for Q3 2018 were Ps 85.1 billion with an increase of Ps 43.1 billion, or 102.7%, compared to Q3 2017, primarily due to the following factors:

Crude oil purchases increased Ps 28.5 billion, 118.0% higher than Q3 2017, due to an increase in prices in Argentine peso terms of crude oil purchased of 131.8%, mainly due to the increase in the international reference price. Crude oil volumes purchased from third parties decreased 27.5% while volumes transferred from the Upstream business segment increased 1.0%;

Fuel imports increased Ps 8.1 billion, 722.1% higher than Q3 2017 due to higher imports of diesel and premium gasoline driven by the higher volumes purchased and the higher international prices of these products, considering also the devaluation that occurred in this period;

Biofuel purchases increased Ps 1.7 billion, 37.1% higher than Q3 2017, mainly due to an increase of 53.3% in the price of FAME and 21.2% in the price of ethanol biofuel and the increase in purchased volumes of ethanol biofuel of 1.7%, partially offset by a decrease in purchased volumes of FAME of 2.3%;

Fertilizer purchases for resale of Ps 1.3 billion, 204.6% higher than Q3 2017. This increase was due to an increase in the average price of approximately 135.6% and a 29.3% in the volumes sold;

Refining costs increased Ps 0.5 billion, 18.5% higher than Q3 2017. This increase was mainly driven by higher charges for repair and maintenance services, consumption of materials, spare parts and other supplies. As a result of this, and considering also that the processing level in refineries was 4.6% lower, the unit refining cost increased in Q3 2018 by 24.3% compared to the Q3 2017. In turn, transportation costs linked to production (shipping, oil pipelines and polyducts) showed an increase of Ps 0.5 billion, which represents an increase of 36.4%;

Depreciation of property, plant and equipment increased Ps 1.3 billion, 82.8%, higher than Q3 2017, due to an increase in the value of assets based on their valuation in U.S. dollars, which is the functional currency of the

Company.

Selling expenses increased Ps 2.2 billion, or 48.9% higher than Q3 2017, mainly driven by higher transported volumes due to higher sales and higher costs for transporting products, mainly linked to the increase in fuel prices in the domestic market, higher charges for depreciation of fixed assets, higher personnel expenses, higher charges in allowances for bad debt and environmental contingencies and higher taxes on bank debits and credits.

Table of Contents

Consolidated Results Q3 2018

The volume of crude oil processed in Q3 2018 was 280 Kbbld, 4.6% lower than Q3 2017 due to scheduled maintenance stoppages in our industrial complexes. These lower processing levels resulted in a 5.8% increase in gasoline production, a 0.2% decrease in diesel production and an increase in the production of other refined products such as LPG and petroleum coal and a decrease in the production of fuel oil, asphalts, lubricants bases and petrochemical gasoline, all in comparison to Q3 2017.

CAPEX

Capital expenditures for the Downstream business segment for Q3 2018 were Ps 3.7 billion, 50.4% higher than Q3 2017.

During Q3 2018, work continued on the blending of gasoline in the Luján de Cuyo refinery to increase the production capacity of premium gasoline, and on increasing diesel blending capacity at La Plata Refinery, in order to increase the production of premium diesel. These activities are expected to conclude by Q4 2018. The foregoing complies with the new specifications for fuels pursuant to Resolution 5/2017 of the Hydrocarbon Resources Secretary, for which the main modifications will become effective in 2019 and in 2022. Additionally, YPF continues with the development of the engineering for the new gasoline and diesel hydrotreatment units to be carried out in the aforementioned refineries.

With respect to refining, logistics and oil product dispatch facilities, work continued with improvements in infrastructure, safety and environmental performance. The construction of the crude oil reception works in the La Plata Industrial Complex is particularly noteworthy since it will allow greater flexibility in processing crude oil. In addition, this will improve the safety conditions of both, the installed facilities and of the associated logistics facilities.

Table of Contents

Consolidated Results Q3 2018

3.3 GAS AND ENERGY

| Q3 2017 | Q2 2018 | Q3 2018 | Var.% Q3 18 / Q3 17 | | Jan-Sep 2017 | Jan-Sep 2018 | Var.% 2018/2017 |
|--------------------|--------------------|--------------------|--------------------------------|-----------------------------|-------------------------|-------------------------|----------------------------|
| | | | | Operating income | | | |
| 1,481 | 849 | 2,920 | 97.2% | (Million Ps) | 3,064 | 16,020 | 422.8% |
| | | | | Revenues | | | |
| 17,178 | 23,912 | 31,539 | 83.6% | (Million Ps) | 46,672 | 72,469 | 55.3% |
| | | | | Capital Expenditures | | | |
| 670 | 196 | 442 | -34.0% | (Million Ps) | 2,605 | 1,017 | -61.0% |
| | | | | Depreciation | | | |
| 67 | 64 | 73 | 9.0% | (Million Ps) | 197 | 194 | -1.5% |

The Gas and Energy business segment, which includes activities related to transportation, distribution and the sale of natural gas to third parties, regasification services for liquefied natural gas (LNG) and electricity generation, reported an operating income of Ps 2.9 billion, a 97.2% increase compared to Ps 1.5 billion in Q3 2017.

Separately, our subsidiary Metrogas S.A., recorded an operating profit of Ps 2.5 billion in Q3 2018, which was higher than the operating profit of Ps 0.7 billion in Q3 2017, mainly due to a change in the estimation methodology and determination of purchase prices of natural gas to producers, and in accordance with the latest policies of the National Secretariat of Energy in this regard.

As a consequence of the agreement for the capitalization of YPF Energía Eléctrica, this company is no longer consolidated in Q3 2018, whereas in Q3 2017 it contributed Ps 0.3 billion in operating income to the results of the Group.

Table of Contents

Consolidated Results Q3 2018

3.4 CORPORATE AND OTHER

This business segment involves mainly corporate costs and other activities that are not reported in any of the previously-mentioned business segments.

Corporate operating income for Q3 2018 was a loss of Ps 1.6 billion, compared to a loss of Ps 1.3 billion in Q3 2017. The variation is mainly related to an increase in personnel expenses, higher IT costs, which are mainly dollar denominated, and institutional advertising, coupled with higher charges for depreciation of fixed assets.

Consolidation adjustments to eliminate results among business segments not transferred to third parties were positive Ps 62 million for Q3 2018. These adjustments were negative Ps 0.7 billion in Q3 2017. In the current quarter the gap between transfer prices between businesses and the replacement cost of the company's inventories remained constant, compared to a higher gap in Q3 2017. In both cases, the movement of transfer prices reflects changes in market prices, especially of crude oil.

3.5 RELATED COMPANIES

Results from related companies for Q3 2018 were a loss of Ps 1.6 billion, compared to a gain of Ps 0.4 billion for Q3 2017. This variation was due primarily to the negative results obtained by YPF Energía Eléctrica, which was consolidated in the Gas & Power segment during Q3 2017.

4. LIQUIDITY AND SOURCES OF CAPITAL

In Q3 2018, net cash flows provided by operating activities were Ps 32.2 billion, 137.7% higher than Q3 2017. This increase of Ps 18.7 billion was due to an increase in EBITDA of Ps 19.8 billion, and with working capital variations that were offset each other. The generation of funds during Q3 2018 allowed the Company to substantially exceed the amount it required to finance the investments made during the current period.

Net cash flows used in investing activities were Ps 22.4 billion for Q3 2018, 60.7% higher than Q3 2017. Investments in fixed and intangible assets were Ps 23.4 billion in Q3 2018, 44.0% higher than Q3 2017. On the other hand, the holdings of public securities BONAR 2020 and 2021 were partially liquidated, with a cash inflow of Ps 1.0 billion.

As a result of its financing activities, in Q3 2018 the Company had a net decrease in funds of Ps 14.0 billion, compared to a net increase of Ps 2.6 billion in Q3 2017. This difference was generated by a lower net borrowing and refinancing debt maturities of Ps 13.3 billion and by a higher interest payment of Ps 3.3 billion.

The previously explained cash generation, together with the Company's investment in Argentine sovereign bonds, including those received to cancel the accounts receivables of the Gas Plan program for the year 2015, which are still in the portfolio, resulted in a position of cash and cash equivalents of Ps 72.4 billion₍₁₎ as of September 30, 2018.

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Total debt in U.S. dollars was US\$9.1 billion, net debt was US\$7.3 billion⁽¹⁾ with a Net debt/recurring adjusted EBITDA LTM ratio of 1.67x⁽²⁾.

Table of Contents

Consolidated Results Q3 2018

The average interest rate for debt denominated in Argentine pesos at the end of Q3 2018 was 36.70%, while the average interest rate for debt denominated in U.S. dollars was 7.34%.

(1) Includes investments in financial assets (government securities) of US\$351 million at market value

(2) Net Debt: US\$7,349 million/Recurring adjusted EBITDA LTM: US\$4,409 million = 1.67x

Table of Contents

Consolidated Results Q3 2018

5. TABLES AND NOTES

Q3 2018 Results

16

Table of Contents

Consolidated Results Q3 2018

5.1 CONSOLIDATED STATEMENT OF INCOME**YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES**

(Unaudited, figures expressed in millions of pesos)

| Q3 2017 | Q2 2018 | Q3 2018 | Var.% Q3 18 / Q3 17 | | Jan-Sep 2017 | Jan-Sep 2018 | Var.% 2018 / 2017 |
|--------------------|--------------------|--------------------|--------------------------------|---|-------------------------|-------------------------|------------------------------|
| 66,034 | 93,034 | 121,188 | 83.5% | Revenues | 183,199 | 290,045 | 58.3% |
| (56,108) | (81,966) | (95,993) | 71.1% | Costs | (151,581) | (241,397) | 59.3% |
| 9,926 | 11,068 | 25,195 | 153.8% | Gross profit | 31,618 | 48,648 | 53.9% |
| (4,684) | (5,890) | (7,113) | 51.9% | Selling expenses | (12,780) | (18,184) | 42.3% |
| (2,174) | (2,951) | (3,669) | 68.8% | Administration expenses | (5,965) | (8,974) | 50.4% |
| (334) | (464) | (1,082) | 224.0% | Exploration expenses | (1,760) | (1,869) | 6.2% |
| 316 | (17) | (646) | N/A | Other operating results, net | (86) | 12,164 | N/A |
| 3,050 | 1,746 | 12,685 | 315.9% | Operating income (loss) | 11,027 | 31,785 | 188.2% |
| 432 | (1,139) | (1,573) | N/A | Income (loss) of interests in companies and joint ventures | 546 | (2,498) | N/A |
| 4,350 | 46,126 | 46,980 | 980.0% | Finance Income | 8,963 | 101,005 | 1026.9% |
| (7,297) | (24,326) | (22,501) | 208.4% | Finance Cost | (18,865) | (55,750) | 195.5% |
| 491 | 1,027 | 988 | 101.2% | Other financial results | 1,224 | 3,157 | 157.9% |
| (2,456) | 22,827 | 25,467 | N/A | Net financial results | (8,678) | 48,412 | N/A |
| 1,026 | 23,434 | 36,579 | 3465.2% | Net (loss) profit before income tax | 2,895 | 77,699 | 2583.9% |
| (780) | (21,926) | (23,372) | 2896.4% | Income tax | (2,185) | (56,998) | 2508.6% |
| 246 | 1,508 | 13,207 | 5268.7% | Net (loss) profit for the period | 710 | 20,701 | 2815.6% |
| 153 | (485) | 4 | -97.4% | Net (loss) profits for noncontrolling interest | 380 | (562) | N/A |
| 93 | 1,993 | 13,203 | 14096.8% | Net (loss) profit for shareholders of the parent company | 330 | 21,263 | 6343.3% |

| | | | | | | | |
|---------------|---------------|----------------|-----------------|--|---------------|----------------|----------------|
| 0.24 | 5.08 | 33.50 | 14047.5% | Earnings per share, basic and diluted | 0.84 | 54.05 | 6335.2% |
| 5,634 | 69,295 | 106,585 | 1791.8% | Other comprehensive Income | 11,584 | 189,389 | 1534.9% |
| 5,880 | 70,803 | 119,792 | 1937.3% | Total comprehensive income for the period | 12,294 | 210,090 | 1608.9% |
| 17,043 | 24,782 | 36,821 | 116.0% | Adj. EBITDA (*) | 50,046 | 98,095 | 96.0% |

Note: Information reported in accordance with International Financial Reporting Standards (IFRS), except adjusted EBITDA.

(*) Adjusted EBITDA = Operating income + Depreciation and impairment of properties, plant and equipment and intangible assets + Amortization of intangible assets + Unproductive exploratory drillings.

Table of Contents

Consolidated Results Q3 2018

5.2 CONSOLIDATED BALANCE SHEET**YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES**

(Q3 2018 figures unaudited)

| | 12/31/2017 | 09/30/2018 |
|--|-------------------|-------------------|
| Noncurrent Assets | | |
| Intangible assets | 9,976 | 21,385 |
| Properties, plant and equipment | 354,443 | 755,903 |
| Investments in companies and joint ventures | 6,045 | 26,602 |
| Assets held for disposal | 8,823 | |
| Deferred tax assets, net | 588 | 1,920 |
| Other receivables | 1,335 | 4,849 |
| Trade receivables | 2,210 | 33,398 |
| Total Non-current assets | 383,420 | 844,057 |
| Current Assets | | |
| Inventories | 27,149 | 63,483 |
| Contract assets | 142 | 458 |
| Other receivables | 12,684 | 20,405 |
| Trade receivables | 40,649 | 67,748 |
| Investment in financial assets | 12,936 | 14,462 |
| Cash and equivalents | 28,738 | 57,915 |
| Total current assets | 122,298 | 224,471 |
| Total assets | 505,718 | 1,068,528 |
| Shareholders equity | | |
| Shareholders contributions | 10,402 | 10,430 |
| Reserves, other comprehensive income and retained earnings | 141,893 | 352,247 |
| Noncontrolling interest | 238 | (324) |
| Total Shareholders equity | 152,533 | 362,353 |

Noncurrent Liabilities

| | | |
|--|----------------|----------------|
| Provisions | 54,734 | 119,226 |
| Liabilities associated with assets held for disposal | 4,193 | |
| Deferred tax liabilities, net | 37,645 | 95,000 |
| Contract liabilities | 1,470 | 2,371 |
| Other taxes payable | 220 | 2,765 |
| Loans | 151,727 | 294,947 |
| Other liabilities | 277 | 579 |
| Accounts payable | 185 | 214 |
| Total Noncurrent Liabilities | 250,451 | 515,102 |

Current Liabilities

| | | |
|----------------------------------|----------------|----------------|
| Provisions | 2,442 | 4,021 |
| Income tax payable | 191 | 376 |
| Contract liabilities | 1,460 | 3,529 |
| Other taxes payable | 6,879 | 11,670 |
| Salaries and social security | 4,132 | 4,612 |
| Loans | 39,336 | 79,855 |
| Other liabilities | 2,383 | 783 |
| Accounts payable | 45,911 | 86,227 |
| Total Current Liabilities | 102,734 | 191,073 |

Total Liabilities **353,185** **706,175**

Total Liabilities and Shareholders Equity **505,718** **1,068,528**

Note: Information reported in accordance with International Financial Reporting Standards (IFRS).

Table of Contents

Consolidated Results Q3 2018

5.3 CONSOLIDATED STATEMENT OF CASH FLOW**YPF SOCIEDAD ANONIMA AND CONTROLLED COMPANIES**

(Unaudited, figures expressed in millions of pesos)

| Q3 2017 | Q2 2018 | Q3 2018 | | Jan-Sep 2017 | Jan-Sep 2018 |
|---|--------------------|--------------------|--|-------------------------|-------------------------|
| Operating activities | | | | | |
| 246 | 1,508 | 13,207 | Net income (loss) | 710 | 20,701 |
| (432) | 1,139 | 1,573 | Income (loss) of interests in companies and joint ventures | (546) | 2,498 |
| 13,718 | 22,689 | 23,251 | Depreciation of property, plant and equipment | 37,454 | 64,654 |
| 222 | 314 | 450 | Amortization of intangible assets | 605 | 1,011 |
| 1,034 | 1,548 | 2,735 | Losses of property, plant and equipment and intangible assets and consumption of materials | 3,218 | 5,749 |
| 780 | 21,926 | 23,372 | Income tax charge | 2,185 | 56,998 |
| 135 | 1,969 | 2,415 | Net increase in provisions | 2,316 | 5,977 |
| 1,904 | (22,295) | (25,730) | Interest, exchange differences and other | 7,249 | (47,988) |
| 46 | 73 | 80 | Stock compensation plans | 116 | 206 |
| | | (270) | Accrued insurance | | (270) |
| | | | Results due to revaluation of companies | | (11,980) |
| Changes in assets and liabilities: | | | | | |
| (8,952) | (7,677) | (14,041) | Trade receivables | (7,827) | (25,948) |
| (766) | 1,489 | (958) | Other receivables | 2,131 | (4,304) |
| 149 | 910 | (5,144) | Inventories | (1,148) | (4,172) |
| 2,598 | 3,629 | 9,570 | Accounts payable | 2,587 | 16,440 |
| 752 | 753 | 1,506 | Other Taxes payable | 2,196 | 4,447 |
| 706 | 277 | 926 | Salaries and Social Security | 293 | 340 |
| 452 | 457 | 251 | Other liabilities | (480) | (1,222) |
| (315) | (619) | (775) | Decrease in provisions included in liabilities for payments / utilization | (981) | (1,777) |
| (183) | (42) | (162) | Contract Assets | (183) | (316) |
| 1,723 | 80 | (126) | Contract Liabilities | 1,723 | 825 |
| 17 | 22 | 348 | Dividends received | 328 | 474 |
| | | 476 | Insurance charge for loss of profit | | 476 |
| (282) | (540) | (744) | Income tax payments | (761) | (1,573) |
| 13,552 | 27,610 | 32,210 | Net cash flow from operating activities | 51,185 | 81,246 |

| Investing activities | | | | | |
|---|-----------------|-----------------|---|-----------------|-----------------|
| (16,273) | | | Acquisitions of property, plant and equipment and Intangible assets | (43,951) | (57,325) |
| (92) | (18,105) | (23,426) | Contributions and acquisitions of interests in companies and joint ventures | (429) | (284) |
| 2,404 | 452 | 997 | Collection for sale of financial assets | 2,404 | 6,402 |
| | 293 | | Interest received from financial assets | 511 | 293 |
| (13,961) | (17,364) | (22,429) | Net cash flow from investing activities | (41,465) | (50,914) |
| Financing activities | | | | | |
| (9,797) | (5,093) | (18,267) | Payment of loans | (24,877) | (32,795) |
| (4,948) | (4,964) | (8,248) | Payment of interests | (13,525) | (18,611) |
| 17,343 | 7,481 | 12,530 | Proceeds from loans | 33,403 | 28,677 |
| | (120) | | Acquisition of own shares | (100) | (120) |
| 2,598 | (2,696) | (13,985) | Net cash flow from financing activities | (5,099) | (22,849) |
| 237 | | | Effect of changes in exchange rates on cash and equivalents | 503 | 21,694 |
| | 5,190 | 15,868 | | | |
| 2,426 | 12,740 | 11,664 | Increase (decrease) in Cash and Equivalents | 5,124 | 29,177 |
| 13,455 | 33,511 | | Cash and equivalents at the beginning of the period | 10,757 | 28,738 |
| 15,881 | 46,251 | 11,664 | Cash and equivalents at the end of the period | 15,881 | 57,915 |
| 2,426 | 12,740 | 11,664 | Increase (decrease) in Cash and Equivalents | 5,124 | 29,177 |
| COMPONENTS OF CASH AND EQUIVALENT AT THE END OF THE PERIOD | | | | | |
| 6,639 | 5,318 | 9,215 | Cash | 6,639 | 9,215 |
| 9,242 | 40,933 | 48,700 | Other Financial Assets | 9,242 | 48,700 |
| 15,881 | 46,251 | 57,915 | TOTAL CASH AND EQUIVALENTS AT THE END OF THE PERIOD | 15,881 | 57,915 |

Note: Information reported in accordance with International Financial Reporting Standards (IFRS).

Table of Contents

Consolidated Results Q3 2018

5.4 CONSOLIDATED BUSINESS SEGMENT INFORMATION

(Unaudited, figures expressed in millions of pesos)

| Q3 2018 | Upstream | Gas & Power | Downstream | Corporate and Other | Consolidation Adjustments | Total |
|---|-----------------|------------------------|-------------------|----------------------------|----------------------------------|------------------|
| Revenues | 322 | 29,051 | 90,734 | 2,464 | (1,383) | 121,188 |
| Revenues from intersegment sales | 63,144 | 2,488 | 486 | 3,096 | (69,214) | |
| Revenues | 63,466 | 31,539 | 91,220 | 5,560 | (70,597) | 121,188 |
| Operating Income (loss) | 12,215 | 2,920 | (908) | (1,604) | 62 | 12,685 |
| Investments in companies | | (1,866) | 293 | | | (1,573) |
| Depreciation of property, plant and equipment | 18,946 | 73 | 3,465 | 767 | | 23,251 |
| Impairment of property, plant and equipment and intangible assets | | | | | | |
| Acquisitions of fixed assets | 22,547 | 442 | 3,660 | 583 | | 27,232 |
| Assets | 532,413 | 106,252 | 343,644 | 96,701 | (10,482) | 1,068,528 |

| Q3 2017 | Upstream | Gas & Power | Downstream | Corporate and Other | Consolidation Adjustments | Total |
|---|-----------------|------------------------|-------------------|----------------------------|----------------------------------|----------------|
| Revenues | 240 | 16,209 | 49,558 | 706 | (679) | 66,034 |
| Revenues from intersegment sales | 29,695 | 969 | 287 | 1,808 | (32,759) | |
| Revenues | 29,935 | 17,178 | 49,845 | 2,514 | (33,438) | 66,034 |
| Operating Income (loss) | 360 | 1,481 | 3,204 | (1,273) | (722) | 3,050 |
| Investments in companies | | 244 | 188 | | | 432 |
| Depreciation of property, plant and equipment | 11,483 | 67 | 1,837 | 331 | | 13,718 |
| Impairment of property, plant and equipment and intangible assets | | | | | | |
| Acquisitions of fixed assets | 12,499 | 670 | 2,434 | 300 | | 15,903 |
| Assets | 234,575 | 48,463 | 139,815 | 39,844 | (1,413) | 461,284 |

Table of Contents

Consolidated Results Q3 2018

5.5 MAIN FINANCIAL MAGNITUDES IN U.S. DOLLARS

(Unaudited figures)

| <i>Million USD</i> | 2017 Q3 | 2018 Q2 | 2018 Q3 | Var Q3 18 / Q3 17 | 2017 Jan-Sep | 2018 Jan-Sep | Var 2018 / 2017 |
|--|------------|--------------|--------------|----------------------|-----------------|-----------------|--------------------|
| INCOME STATEMENT | | | | | | | |
| Revenues | 3,831 | 3,963 | 3,784 | -1.2% | 11,315 | 11,605 | 2.6% |
| Costs of sales | -3,255 | -3,491 | -2,998 | -7.9% | -9,354 | -9,717 | 3.9% |
| Gross profit | 576 | 471 | 787 | 36.6% | 1,962 | 1,888 | -3.7% |
| Other operating expenses, net | -399 | -397 | -391 | -2.1% | -1,275 | -535 | -58.0% |
| Operating income | 177 | 74 | 396 | 123.8% | 687 | 1,353 | 97.1% |
| Depreciation and impairment of property, plant & equipment and intangible assets | 796 | 966 | 726 | -8.8% | 2,312 | 2,645 | 14.4% |
| Amortization of intangible assets | 13 | 13 | 14 | 9.1% | 37 | 40 | 7.1% |
| Unproductive exploratory drillings | 3 | 1 | 14 | 341.7% | 61 | 24 | -60.7% |
| Adj. EBITDA | 989 | 1,056 | 1,150 | 16.3% | 3,097 | 4,062 | 31.2% |
| Recurring Adj. EBITDA | 989 | 1,056 | 1,150 | 16.3% | 3,097 | 3,453 | 11.5% |
| UPSTREAM | | | | | | | |
| Revenues | 1,737 | 1,973 | 1,982 | 14.1% | 5,211 | 5,924 | 13.7% |
| Operating income | 21 | 122 | 381 | 1726.1% | 22 | 613 | 2682.1% |
| Depreciation & amortization | 667 | 840 | 592 | -11.1% | 1,947 | 2,262 | 16.2% |
| Capital expenditures | 725 | 686 | 704 | -2.9% | 1,961 | 2,053 | 4.7% |
| Adj. EBITDA | 691 | 963 | 987 | 43.0% | 2,030 | 2,899 | 42.8% |
| DOWNSTREAM | | | | | | | |
| Revenues | 2,892 | 2,993 | 2,849 | -1.5% | 8,628 | 8,912 | 3.3% |
| Operating income | 186 | 15 | -28 | N/A | 662 | 191 | -71.2% |
| Depreciation & amortization | 117 | 122 | 119 | 11.9% | 340 | 357 | 5.0% |
| Capital expenditures | 141 | 114 | 114 | -19.1% | 346 | 292 | -15.7% |
| Adj. EBITDA | 303 | 137 | 91 | -68.9% | 1,002 | 548 | -45.3% |
| GAS & ENERGY | | | | | | | |
| Revenues | 997 | 1,019 | 985 | -1.2% | 2,881 | 2,869 | -0.4% |
| Operating income | 86 | 36 | 91 | 6.1% | 187 | 751 | 301.4% |

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| | | | | | | | |
|-----------------------------|----|----|----|--------|-----|-----|--------|
| Depreciation & amortization | 4 | 3 | 3 | -21.0% | 13 | 9 | -33.1% |
| Capital expenditures | 39 | 8 | 14 | -64.5% | 162 | 41 | -74.5% |
| Adj. EBITDA | 90 | 39 | 94 | 4.9% | 200 | 760 | 279.1% |

CORPORATE AND OTHER

| | | | | | | | |
|----------------------|-----|-----|-----|--------|------|------|-------|
| Operating income | -74 | -65 | -50 | -32.2% | -172 | -166 | -3.9% |
| Capital expenditures | 17 | 16 | 18 | 4.6% | 48 | 44 | -7.1% |

CONSOLIDATION

ADJUSTMENTS

| | | | | | | | |
|------------------|-----|-----|---|-----|-----|-----|--------|
| Operating income | -42 | -34 | 2 | N/A | -12 | -35 | 185.3% |
|------------------|-----|-----|---|-----|-----|-----|--------|

| | | | | | | | |
|--|--------------|--------------|--------------|--|--------------|--------------|--|
| <i>Average exchange rate of period</i> | 17.23 | 23.48 | 32.02 | | 16.18 | 25.05 | |
|--|--------------|--------------|--------------|--|--------------|--------------|--|

| | | | | | | | |
|------------------------------------|--------------|--------------|--------------|--|--------------|--------------|--|
| <i>Exchange rate end of period</i> | 17.26 | 28.80 | 41.15 | | 17.26 | 41.15 | |
|------------------------------------|--------------|--------------|--------------|--|--------------|--------------|--|

NOTE: The calculation of the main financial figures in U.S. dollars is derived from the calculation of the financial results expressed in Argentine pesos using the average exchange rate for each period.

Table of Contents

Consolidated Results Q3 2018

5.6 MAIN PHYSICAL MAGNITUDES

(Unaudited figures)

| | Unit | Q1 | Q2 | 2017 Q3 | Q4 | Cum. 2017 | Q1 | 2018 Q2 | Q3 | Cum. 2018 |
|------------------------------------|-------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|----------------|
| Production | | | | | | | | | | |
| Crude oil production | Kbbl | 21,058 | 19,867 | 20,904 | 21,219 | 83,048 | 20,483 | 20,591 | 20,933 | 62,007 |
| NGL production | Kbbl | 4,923 | 4,680 | 4,469 | 4,309 | 18,381 | 4,228 | 3,781 | 2,477 | 10,487 |
| Gas production | Mm3 | 4,076 | 4,056 | 4,057 | 3,893 | 16,082 | 3,935 | 4,004 | 4,018 | 11,957 |
| Total production | Kboe | 51,618 | 50,055 | 50,891 | 50,012 | 202,576 | 49,460 | 49,554 | 48,679 | 147,693 |
| Henry Hub | USD/Mbtu | 3.32 | 3.18 | 3.00 | 2.93 | 3.11 | 3.00 | 2.80 | 2.90 | 2.90 |
| Brent | USD/Bbl | 53.68 | 49.67 | 52.11 | 61.53 | 54.25 | 66.81 | 74.50 | 75.22 | 72.18 |
| Sales | | | | | | | | | | |
| Sales of petroleum products | | | | | | | | | | |
| Domestic market | | | | | | | | | | |
| Gasoline | Km3 | 1,297 | 1,220 | 1,284 | 1,358 | 5,159 | 1,373 | 1,288 | 1,321 | 3,982 |
| Diesel | Km3 | 1,792 | 1,954 | 1,981 | 2,025 | 7,752 | 1,870 | 2,023 | 2,154 | 6,047 |
| Jet fuel and kerosene | Km3 | 134 | 117 | 140 | 143 | 534 | 135 | 125 | 146 | 406 |
| Fuel Oil | Km3 | 220 | 264 | 121 | 37 | 642 | 7 | 10 | 10 | 27 |
| LPG | Km3 | 152 | 241 | 189 | 159 | 741 | 146 | 185 | 196 | 527 |
| Others (*) | Km3 | 357 | 377 | 406 | 408 | 1,548 | 381 | 416 | 323 | 1,120 |
| Total domestic market | Km3 | 3,952 | 4,173 | 4,121 | 4,130 | 16,376 | 3,912 | 4,047 | 4,150 | 12,109 |
| Export market | | | | | | | | | | |
| Petrochemical naphtha | Km3 | 57 | 23 | 46 | 58 | 184 | 24 | 44 | 0 | 68 |
| Jet fuel and kerosene | Km3 | 135 | 123 | 139 | 142 | 539 | 141 | 136 | 144 | 421 |
| LPG | Km3 | 115 | 39 | 70 | 98 | 322 | 194 | 91 | 41 | 326 |
| | Km3 | 83 | 74 | 102 | 116 | 375 | 101 | 72 | 65 | 238 |

| | | | | | | | | | | |
|--|------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|
| Bunker (Diesel and Fuel Oil) | | | | | | | | | | |
| Others (*) | Km3 | 28 | 29 | 4 | 53 | 114 | 52 | 50 | 93 | 195 |
| Total export market | Km3 | 418 | 288 | 361 | 467 | 1,534 | 512 | 393 | 343 | 1,248 |
| Total sales of petroleum products | Km3 | 4,370 | 4,461 | 4,482 | 4,597 | 17,910 | 4,424 | 4,440 | 4,493 | 13,357 |
| Sales of petrochemical products | | | | | | | | | | |
| Domestic market | | | | | | | | | | |
| Fertilizers | Ktn | 35 | 39 | 139 | 111 | 324 | 38 | 85 | 117 | 240 |
| Methanol | Ktn | 57 | 84 | 73 | 99 | 313 | 69 | 93 | 64 | 226 |
| Others | Ktn | 116 | 130 | 125 | 129 | 500 | 138 | 115 | 139 | 392 |
| Total domestic market | Ktn | 208 | 253 | 337 | 339 | 1,137 | 245 | 293 | 320 | 858 |
| Export market | | | | | | | | | | |
| Methanol | Ktn | 1 | 2 | 1 | 2 | 6 | 24 | 75 | 31 | 130 |
| Others | Ktn | 42 | 51 | 53 | 55 | 201 | 36 | 63 | 42 | 141 |
| Total export market | Ktn | 43 | 53 | 54 | 57 | 207 | 60 | 138 | 73 | 271 |
| Total sales of petrochemical products | Ktn | 251 | 306 | 391 | 396 | 1,344 | 305 | 431 | 393 | 1,129 |
| Sales of other products | | | | | | | | | | |
| Grain, flours and oils | | | | | | | | | | |
| Domestic market | Ktn | 21 | 37 | 21 | 18 | 97 | 30 | 23 | 92 | 145 |
| Export market | Ktn | 159 | 291 | 331 | 253 | 1,034 | 169 | 236 | 177 | 582 |
| Total Grain, flours and oils | Ktn | 180 | 328 | 352 | 271 | 1,131 | 199 | 259 | 269 | 727 |
| Main products imported | | | | | | | | | | |
| Gasolines and Jet Fuel | Km3 | 3 | 40 | 13 | 98 | 154 | 114 | 59 | 49 | 222 |
| Diesel | Km3 | 152 | 230 | 77 | 85 | 544 | 111 | 161 | 355 | 627 |

(*) Principally includes sales of oil and lubricant bases, grease, asphalt and residual carbon, among others.

Table of Contents

Consolidated Results Q3 2018

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 as of the date hereof of YPF and its management, including statements with respect to trends affecting 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 the future price of petroleum and petroleum products, 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 in 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, exploration activities, ownership interests, divestments, cost savings and dividend payout policies, as well as actual future economic and other conditions, such as the future price of petroleum and petroleum products, 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 fluctuations in the price of petroleum and petroleum products, 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 before the Comisión Nacional de Valores in Argentina and with the U.S. 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, 2017 filed with the 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.

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

The information contained herein has been prepared to assist interested parties in making their own evaluations of YPF.

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Table of Contents

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: November 9, 2018

By: /s/ Diego Celaá

Name: Diego Celaá

Title: Market Relations Officer