



# Investor Presentation

July 2019

**YPF** LUZ

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This presentation contains certain non-IFRS ("International Financial Reporting Standards") financial measures, being Adjusted EBITDA and Adjusted EBITDA margin. Our management believes that disclosure of Adjusted EBITDA can provide useful supplemental information to investors and financial analysts in their review of our ability to service our debt requirements. These non-IFRS measures are provided to enhance investors' overall understanding of our current financial performance and its prospects for the future. Specifically, we believe the non-IFRS measures provide useful information to both management and investors by excluding certain expenses, gains and losses, as the case may be, that may not be indicative of our core operating results and business outlook. Adjusted EBITDA and Adjusted EBITDA margin may not be comparable to other similarly titled measures of other companies and have limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. Non-IFRS measures including Adjusted EBITDA and Adjusted EBITDA margin are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to operating profit or net profit, or as alternatives to cash flow from operating activities, or IFRS derived in accordance with IFRS.

**Key Credit Highlights**



**Technologically and geographically diverse portfolio of high-quality operating generation assets**

- ✓ Includes 8 thermal plants with weighted average availability of 91%

**New projects that support development of efficient, profitable, and sustainable businesses**

- ✓ 634 MW under construction with expected COD by mid 2020

**Best-in-class sponsors, local and international**

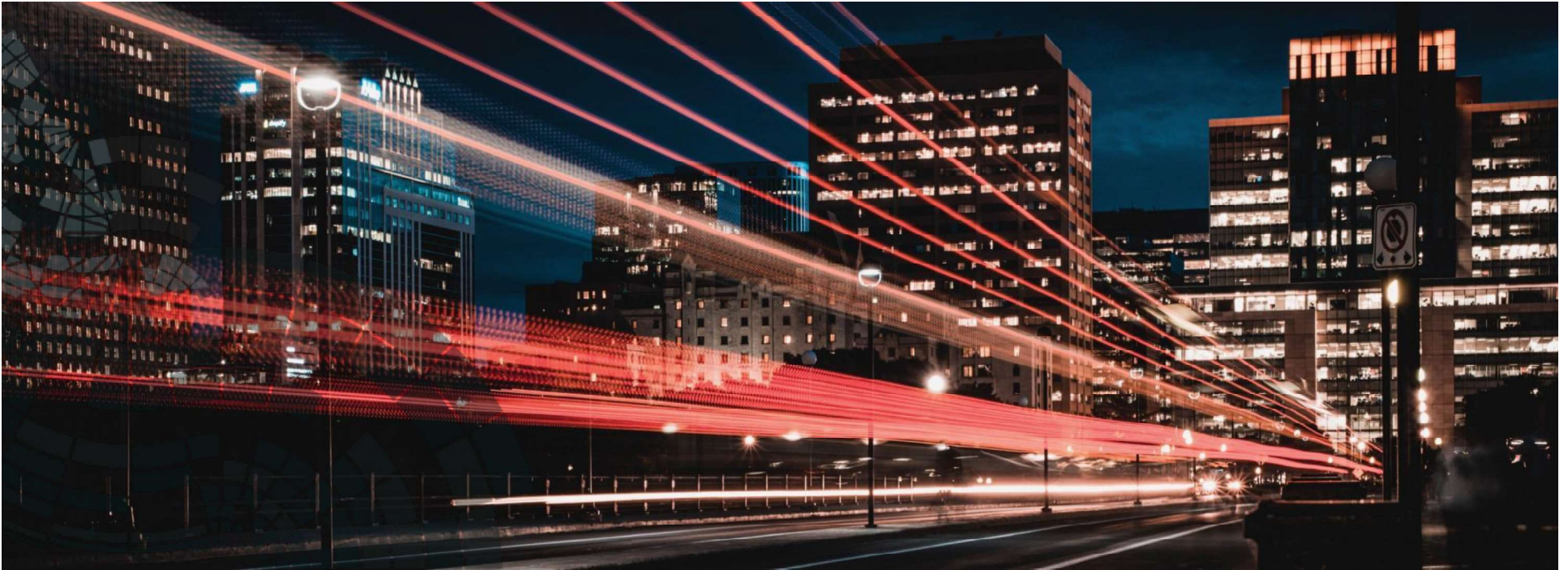


**Strong and growing US-denominated cash flow generation**

- ✓ Long-term USD-denominated PPAs, most with terms between 10 and 20 years

**Strong management team and high quality workforce**

- ✓ Management team over 20 years experience in the Argentine energy sector



**01** Our Company

**YPF Luz Overview**

**2013**

**YPF Energía Eléctrica ("YPF LUZ")** is founded as a result of a restructuring and spin-off agreement between **YPF** and **Pluspetrol Energy S.A.**

YPF LUZ grows very rapidly and transforms from a small subsidiary of YPF to a significant player in the Argentine power generation market.

**2018**

**General Electric ("GE")** investment agreement. YPF LUZ becomes a power generation company co-controlled by YPF and GE.

Our *mission, vision, direction and values* are centered on-

- ✓ Profitability
- ✓ Efficiency
- ✓ Sustainability
- ✓ Contributing to the development of the energy industry in Argentina
- ✓ Responding to Argentina's expected long-term growth in energy demand

**YPF**

Argentina's largest energy company

75.01%

**YPF LUZ**

Diversified industrial company with operations in more than 180 countries



24.99%

**YPF Luz at a glance**

- Founded in 2013, YPF Luz is the power generation subsidiary of YPF
- We adapt to the needs of each client, providing **efficient thermal energy** (72%), **cogeneration** (9%), **distributed energy** (3%) and **renewable energy** (16%)<sup>(1)</sup>
- Approximately half of our MW under construction are in renewable energy, positioning us to take advantage of Argentine requirement to source renewables
- Key locations gives us proximity to users and access to multiple nodes of the Argentine SADI
- Operations secured by long-term USD cash flows
  - ✓ Long term PPAs representing more than 50% of our revenues, expecting 80% by 4Q 2020
  - ✓ PPAs with CAMMESA, YPF, and other top creditworthy groups in Argentina

**THE COMPANY IN NUMBERS**

**1819** MW  
IN OPERATION

INVESTMENTS FOR PROJECTS UNDER CONSTRUCTION  
**USD 915** MM

**634** MW  
UNDER CONSTRUCTION

ADDITIONS SINCE JULY 2017  
**723** MW

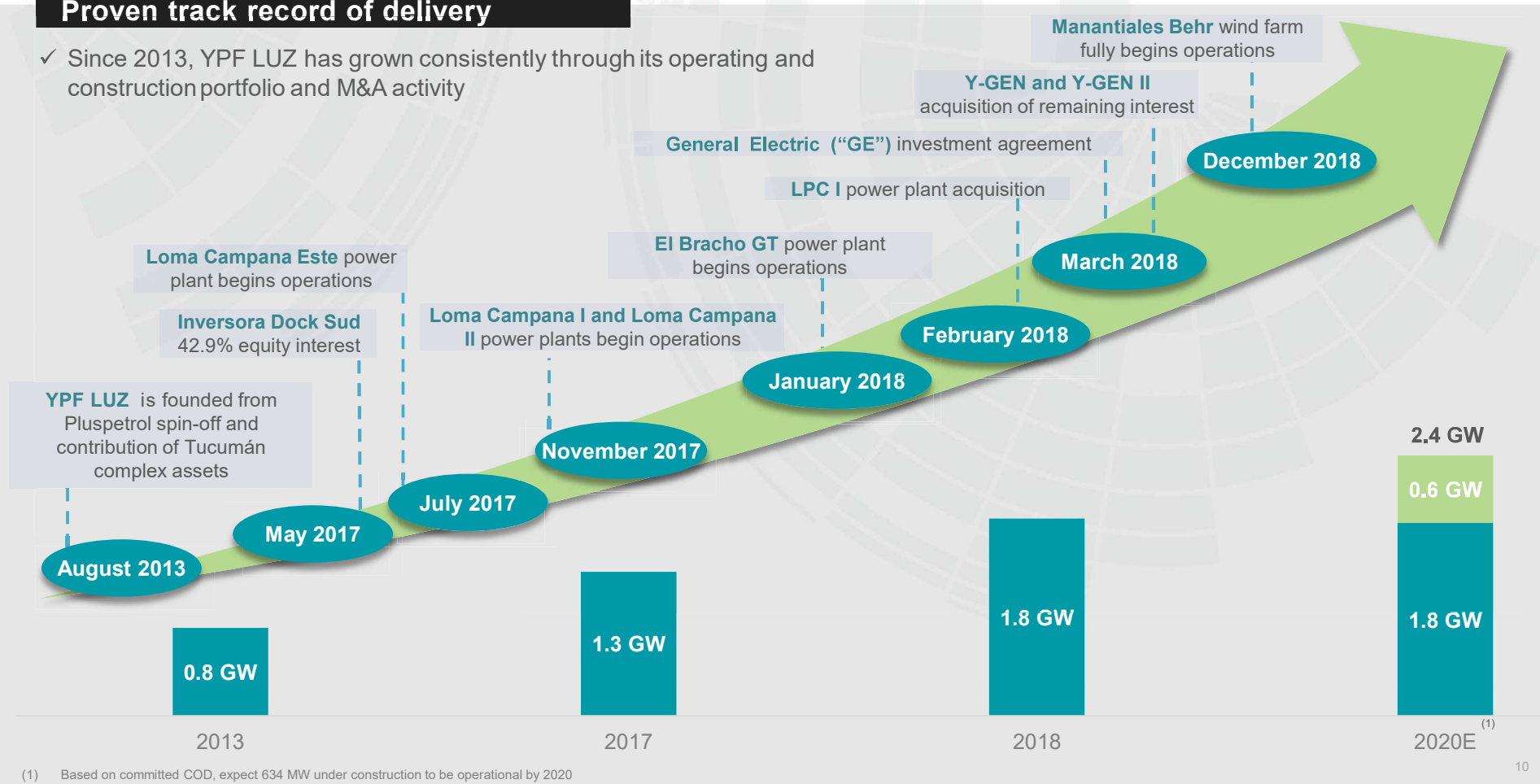
**\$268** MM  
2018 FY ADJ. EBITDA

**15** GENERATION PROJECTS, OPERATING AND IN CONSTRUCTION

(1) % of MW of our capacity includes MWs of projects under construction and our stake in CDS

**Proven track record of delivery**

✓ Since 2013, YPF LUZ has grown consistently through its operating and construction portfolio and M&A activity



(1) Based on committed COD, expect 634 MW under construction to be operational by 2020

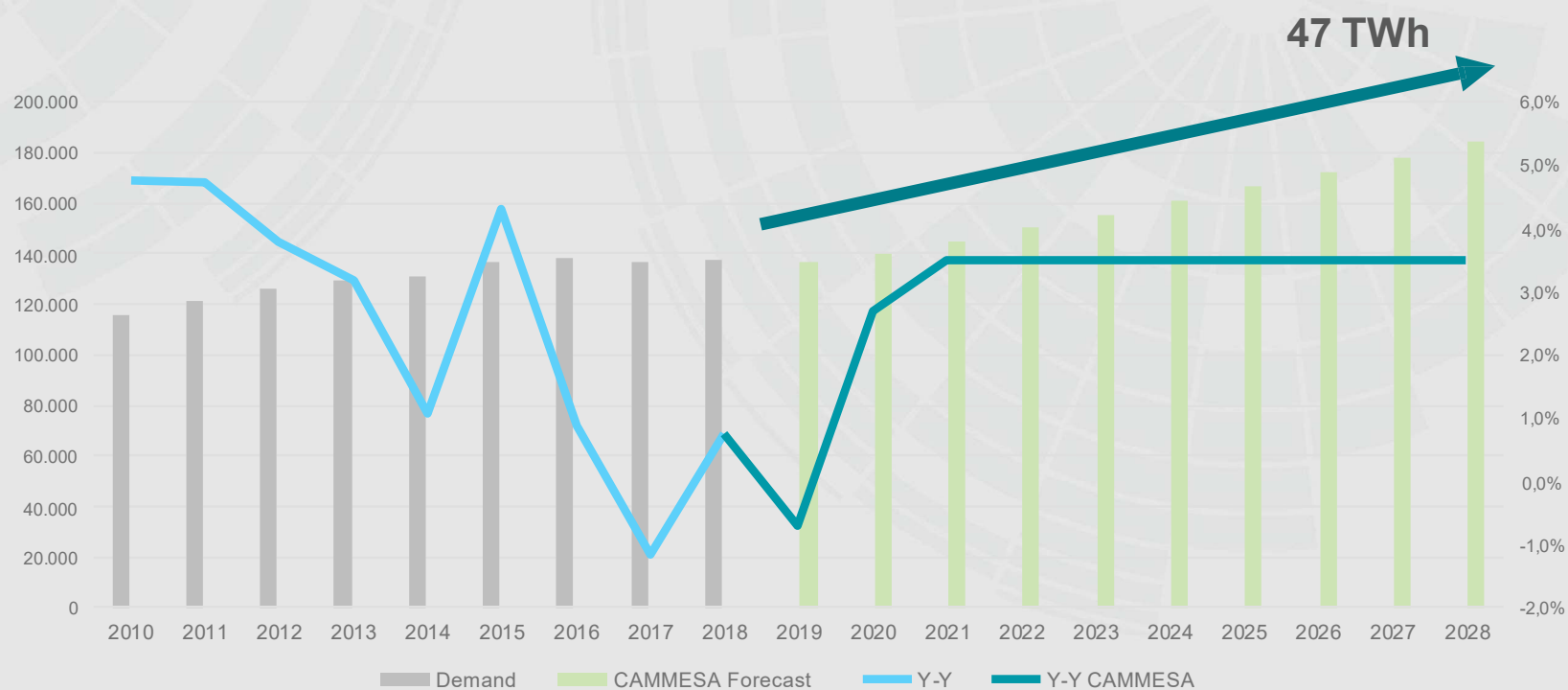


## 02 Market Dynamics



**Argentine power market – Projected demand**

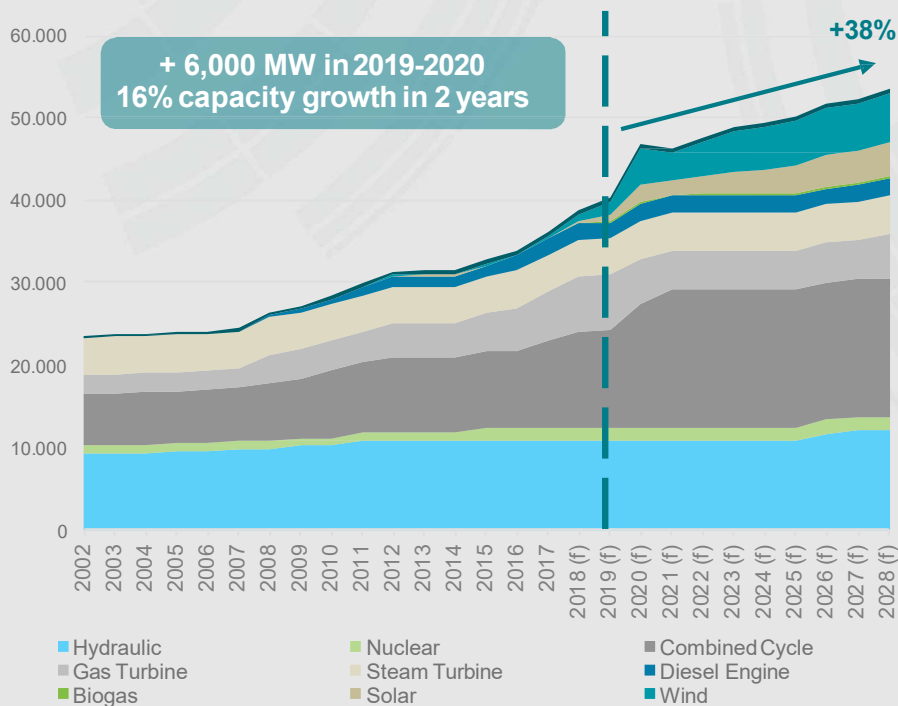
Demand (GWh)



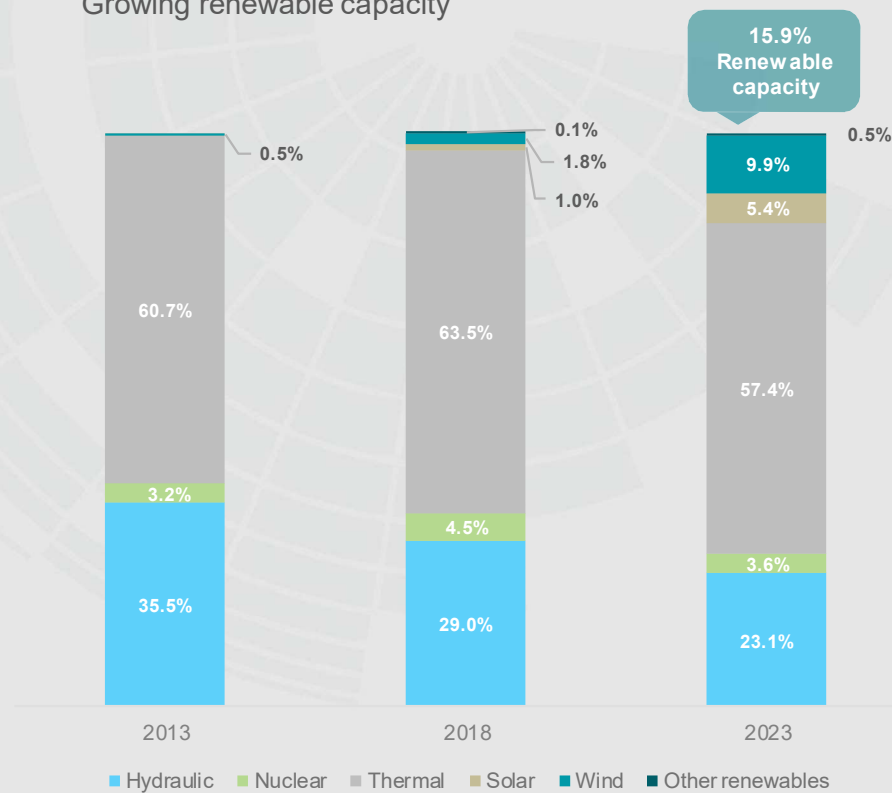
Source: Information from CAMMESA

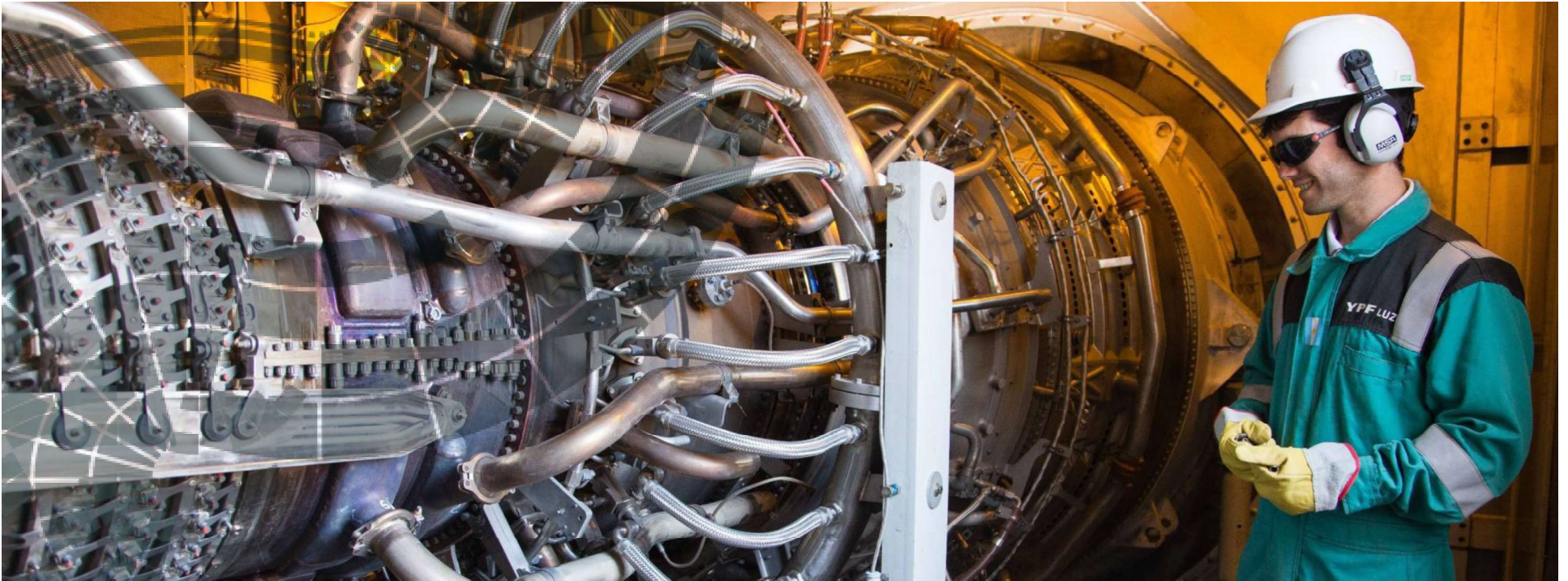
## Argentine power market – Projected installed capacity

Installed Capacity (MW)



Growing renewable capacity





**03** Our Portfolio

## Our asset base divisions

### Thermal Energy

- We develop and operate efficient thermal power plants that optimize the use of natural gas

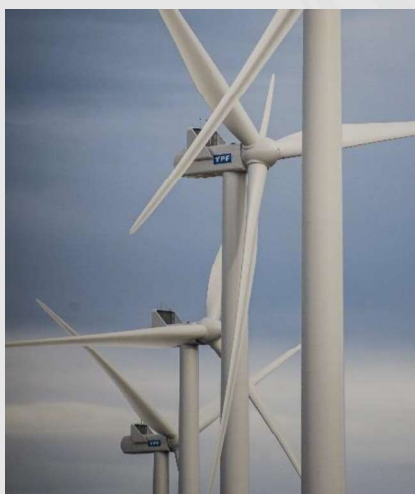
✓ **1,773 MW<sup>(1)</sup>**



### Renewable Energy

- We develop and operate renewable energy wind farms with high quality technology located in places with high potential wind resources

✓ **392 MW<sup>(1)</sup>**



### Cogeneration

- We develop and operate cogeneration plants for industrial processes

✓ **213 MW<sup>(1)</sup>**



### Distributed Power Generation

- We develop and operate distributed power generation plants for industries or isolated areas

✓ **75 MW<sup>(1)</sup>**



(1) MW shown include capacity in operation and under construction

## Our generation plants

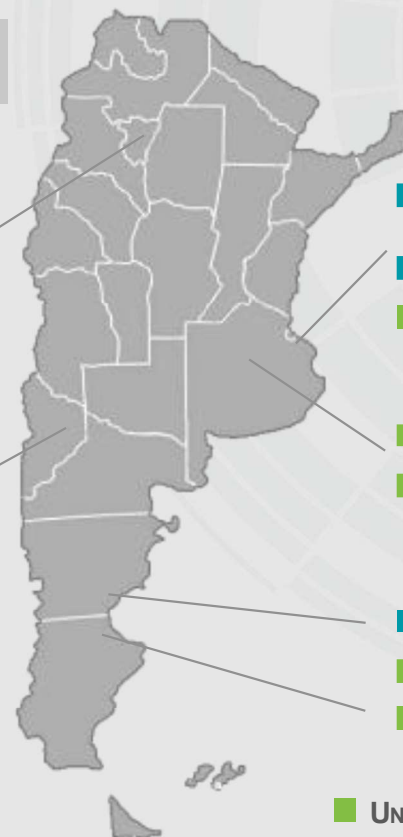
YPF LUZ's power generation portfolio is strategically diversified throughout Argentina



- Tucumán Generation Complex CC · 829 MW
- El Bracho GT · 267 MW
- El Bracho ST · 198 MW



- Loma Campana I GT · 105 MW
- Loma Campana II GT · 107 MW
- Loma Campana Este · 17 MW



- Central Dock Sud CC + GT · 869.5 MW  
*(YPF Luz 30.76% stake)*

- La Plata Cogeneration · 128 MW
- La Plata Cogeneration II · 85 MW

- Los Teros WF · 123 MW
- Los Teros II WF · 50MW

- Manantiales Behr WF · 99 MW
- Manantiales Behr Thermal · 58MW
- Cañadon Leon WF · 120 MW<sup>(1)</sup>



■ **OPERATING (1,819 MW)**  
THERMAL (1,720 MW)  
RENEWABLE (99 MW)

■ **UNDER CONSTRUCTION (634 MW)**  
THERMAL (341 MW)  
RENEWABLE (293 MW)

(1) Considered as an SPV with 50% stake

**Portfolio backed by USD income**

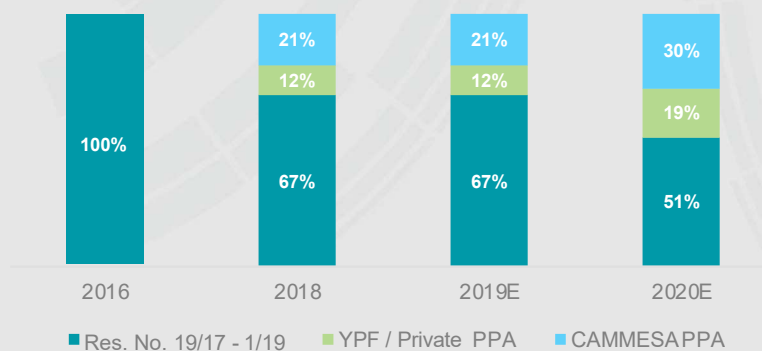
	CAMMESA Res. No. 1/2019	YPF PPA	Private PPA	CAMMESA PPA Res. No. 21/2016	CAMMESA PPA Res. No. 287/2017	RenovAr 2.0 <sup>(2)</sup>
<b>Operating Assets</b>						
<i>Tucuman Complex</i>	✓					
<i>Central Dock Sud</i>	✓					
<i>La Plata Cogeneration</i>	✓	✓				
<i>Loma Campana I</i>		✓				
<i>Loma Campana East</i>		✓				
<i>Manantiales Behr WF<sup>(1)</sup></i>		✓	✓			
<i>Loma Campana II</i>				✓		
<i>El Bracho GT</i>				✓		
<b>Construction Projects</b>						
<i>El Bracho ST</i>					✓	
<i>La Plata Cogeneration II</i>		✓			✓	
<i>Cañadon Leon WF</i>			✓			✓
<i>Los Teros WF<sup>(1)</sup></i>		✓	✓			
<i>Los Teros II WF<sup>(1)</sup></i>		✓	✓			
<i>Manantiales Behr Engines</i>		✓				

**100%  
USD**

(1) Projects awarded with dispatch priority  
 (2) 20-year PPA denominated in USD for a 99 MW wind project

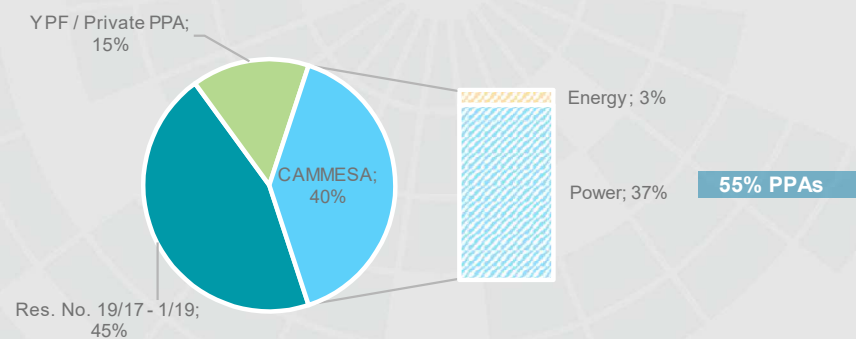
**Predictable, and steady incomes**

Capacity by power offtaker

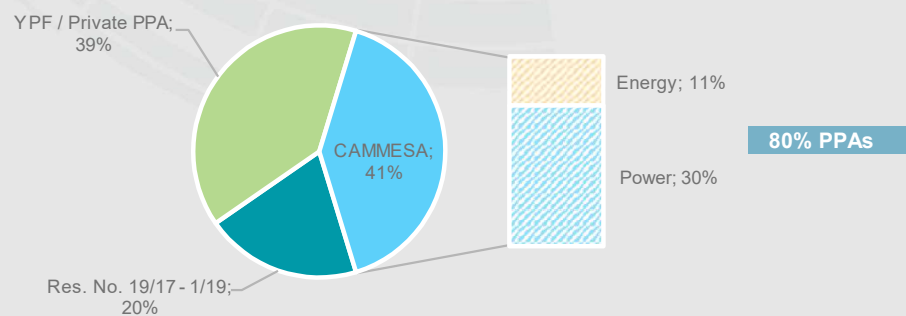


**Increasing capacity / incomes coming from PPAs**

Income allocation by power offtaker, 2018



Income allocation by power offtaker, 2020



(1) Operating & under construction capacity

**Strong cash flow secured by long-term contracts**

**Thermal Energy**

**Renewable Energy**

**YPF / Private PPA**

**3** 3-to-20-year thermal YPF PPA denominated in USD  
**15.5 years** Average life of the thermal YPF / Private PPA Contracts<sup>(1)</sup>

**PPACAMMESA**

**4** 10-to-20-year PPAs denominated in USD, including both capacity and variable energy payments  
**12.2 years** Average life of the thermal PPA CAMMESA Contracts<sup>(1)</sup>

**Cogeneration**

**YPF / Private PPA**

**1** 15-year YPF PPA denominated in USD for steam supply (one under negotiation).



**13.4 years** Average life of the renewable YPF / Private PPA Contracts<sup>(1)</sup>

(1) Weighted average term

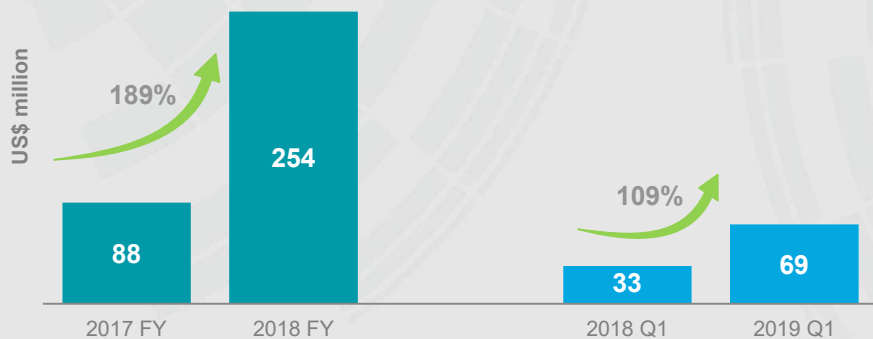




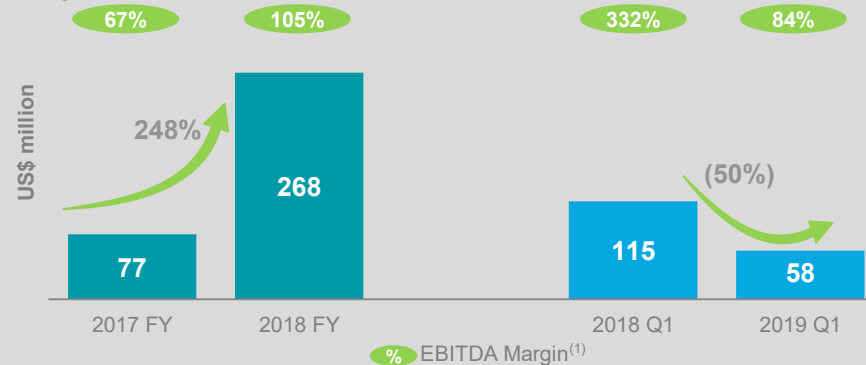
**04** Our Financial Performance

**Financial Results**

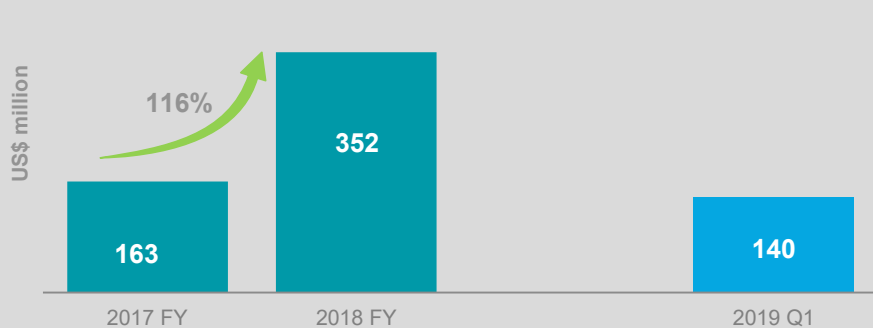
**Revenues**



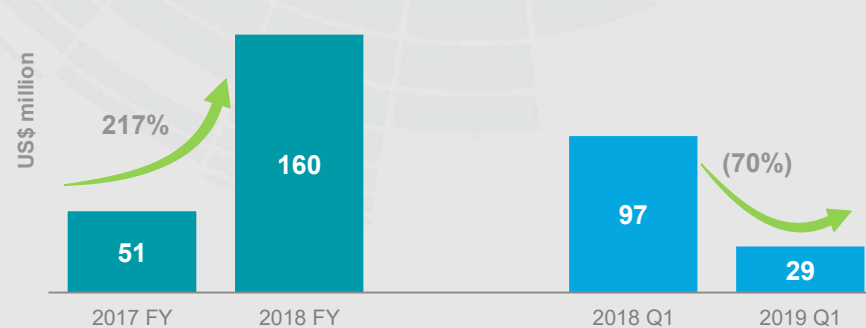
**Adj. EBITDA**



**CAPEX**



**Net Profit**



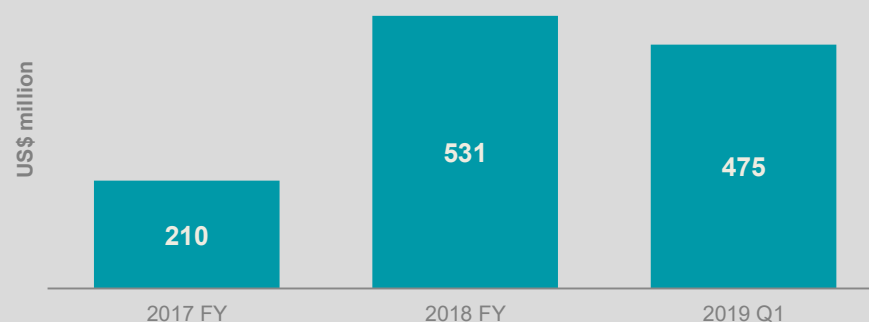
(1) Margins calculated using continuing and discontinuing operations revenues  
 ARS numbers converted using average and period-end exchange rates for U.S. dollars for the periods indicated, based on rates quoted by the Argentine Central Bank: 2017 Avg.: 16.76 ARS/USD; 2018 Avg: 28.09 ARS/USD; 1Q 19 Avg: 39.06 ARS/USD; 1Q 18 Avg: 21.97 ARS/USD; 2017 EOP: 18.77 ARS/USD; 2018 EOP: 37.81 ARS/USD; 1Q 19 EOP: 43.35 ARS/USD

## Debt overview

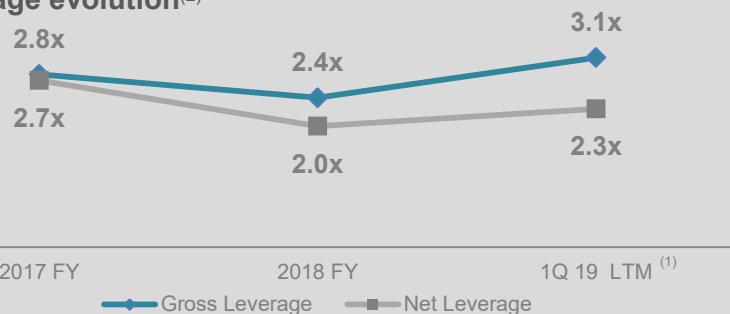
### Debt Characteristics

- ✓ Sound relationships with international and domestic banks, and multilaterals
- ✓ Cash flow hedges and variable interest rate funds partially offset our loans at floating rates

### Net debt evolution

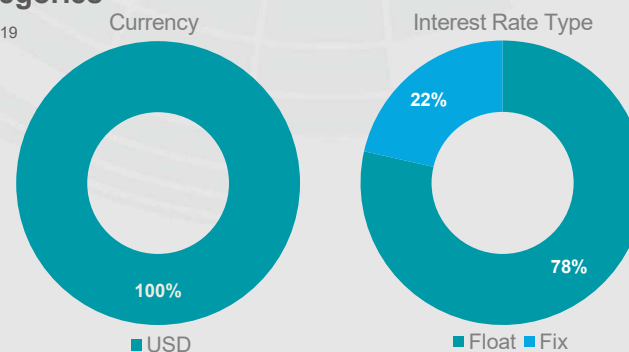


### Leverage evolution<sup>(2)</sup>



### Debt categories

As of Mar. 31 2019



(1) 1Q 19 LTM calculated as: 2018 FY + 1Q 19 - 1Q 18

(2) (Loans + Lease liabilities) - Cash and cash equivalents (for Net Leverage) / Adjusted EBITDA

ARS numbers converted using average and period-end exchange rates for U.S. dollars for the periods indicated, based on rates quoted by the Argentine Central Bank: 2017 Avg.: 16.76 ARS/USD; 2018 Avg: 28.09 ARS/USD; 1Q 19 Avg: 39.06 ARS/USD; 1Q 18 Avg: 22.19.70 ARS /USD; 2017 EOP: 18.77 ARS/USD; 2018 EOP: 37.81 ARS/USD; 1Q 19 EOP: 43.35 ARS/USD

**YPF** LUZ



**Thank you for your attention**