



UGI
CORPORATION

AmeriGas

Fiscal 2019
Third Quarter Results

John L. Walsh
President & CEO, UGI Corporation

Ted J. Jastrzebski
Chief Financial Officer, UGI Corporation

Hugh J. Gallagher
President & CEO, AmeriGas



About This Presentation

This presentation contains certain forward-looking statements that management believes to be reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. You should read UGI's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q for a more extensive list of factors that could affect results. Among them are adverse weather conditions, cost volatility and availability of all energy products, including propane, natural gas, electricity and fuel oil, increased customer conservation measures, the impact of pending and future legal proceedings, including, but not limited to, pending litigation relating to the AmeriGas Merger, continued analysis of recent tax legislation, liability for uninsured claims and for claims in excess of insurance coverage, domestic and international political, regulatory and economic conditions in the United States and in foreign countries, including the current conflicts in the Middle East, and foreign currency exchange rate fluctuations (particularly the euro), the timing of development of Marcellus Shale gas production, the availability, timing and success of our acquisitions, commercial initiatives and investments to grow our business, our ability to successfully integrate acquired businesses and achieve anticipated synergies, including certain integration risks relating to the acquisition of CMG, the interruption, disruption, failure, malfunction, or breach of our information technology systems, including due to cyber-attack, the failure to realize the anticipated benefits of the AmeriGas Merger Transaction (as defined herein), the possible diversion of management time on issues related to the AmeriGas Merger Transaction, the risk that the requisite approvals to complete the AmeriGas Merger Transaction are not obtained, the performance of AmeriGas, and the potential need to address any reviews, investigations or other proceedings by governmental authorities or shareholder actions. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today. In addition, this presentation uses certain non-GAAP financial measures. Please see the appendix for reconciliations of these measures to the most comparable GAAP financial measure.

Third Quarter Recap

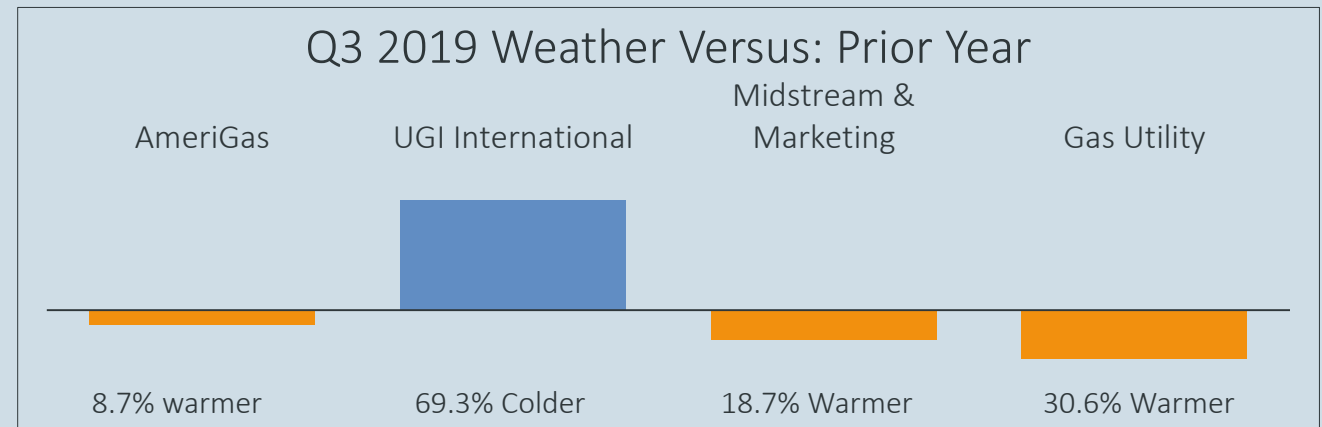
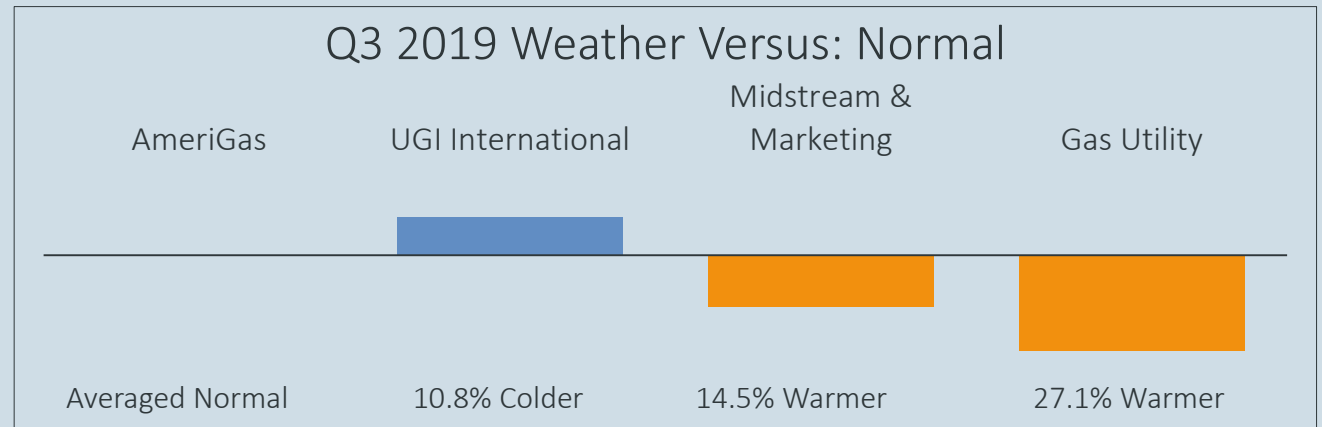
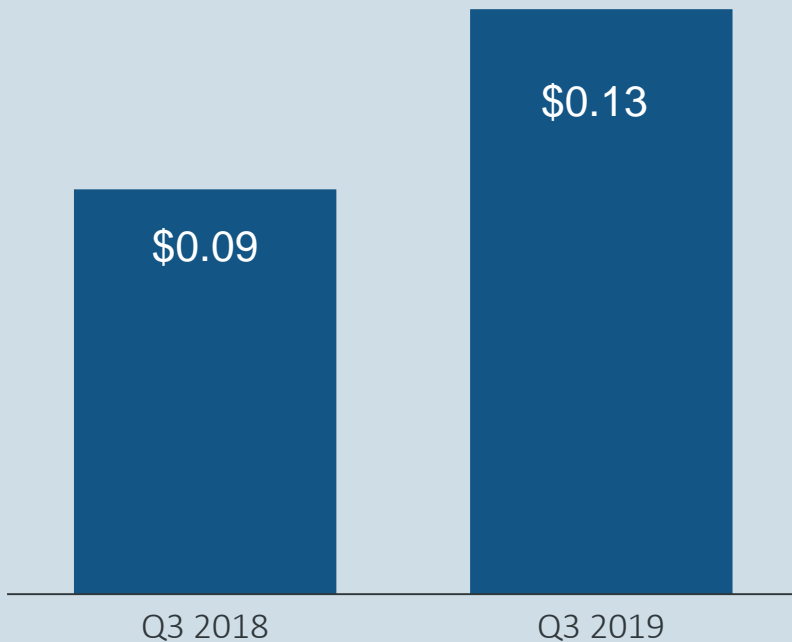
John L. Walsh
President & CEO, UGI



Third Quarter Earnings Recap

- GAAP EPS of \$(0.01) and Adjusted EPS¹ of \$0.13
- Averaged warmer-than-normal weather in domestic service territories; colder-than-normal weather at UGI International

Adjusted EPS¹



Key Accomplishments



- UGI Utilities filed a joint settlement petition with the PAPUC in late July for our first combined gas utilities rate case; the petition is currently under review and is expected to become effective by early Fall; added ~11,000 new residential and commercial heating customers YTD; continuing to invest record capital on infrastructure R&B
- Energy Services is nearing completion of ~\$50MM Auburn IV expansion project which will expand capacity by 150,000 Dth/day; fully underwritten by a 10 year take-or-pay commitment
- LPG businesses benefitted from efficiency programs; International business leveraging scale to ensure best practices in areas such as sourcing, distribution and marketing
- Update on PennEast Pipeline Project
 - PA DEP determined that permit applications are administratively complete and is now performing its technical review; two-thirds of the pipeline is in PA
 - In NJ, all required field surveys have been conducted and we expect to file for permits in the coming weeks
 - Project remains on track to commence construction once all necessary approvals have been received

Third Quarter Financial Review

Ted J. Jastrzebski
Chief Financial Officer, UGI



Third Quarter Adjusted Earnings

(\$ millions, except per share amounts)	Q3 2018	Q3 2019
Net income (loss) attributable to UGI Corporation (GAAP)	\$52.4	\$(1.9)
Net (gains) losses on commodity derivative instruments ¹	(38.0)	25.0
Unrealized (gains) losses on foreign currency derivative instruments ¹	(17.7)	0.5
Integration expenses associated with Finagaz ¹	4.6	-
Merger expenses ¹	-	0.3
Impairment of Partnership tradenames and trademarks ¹	14.5	
Impact of French Finance Bill	0.1	-
Impact from Tax Cuts and Jobs Act	(0.8)	-
Adjusted net income attributable to UGI Corporation	\$15.1	\$23.9

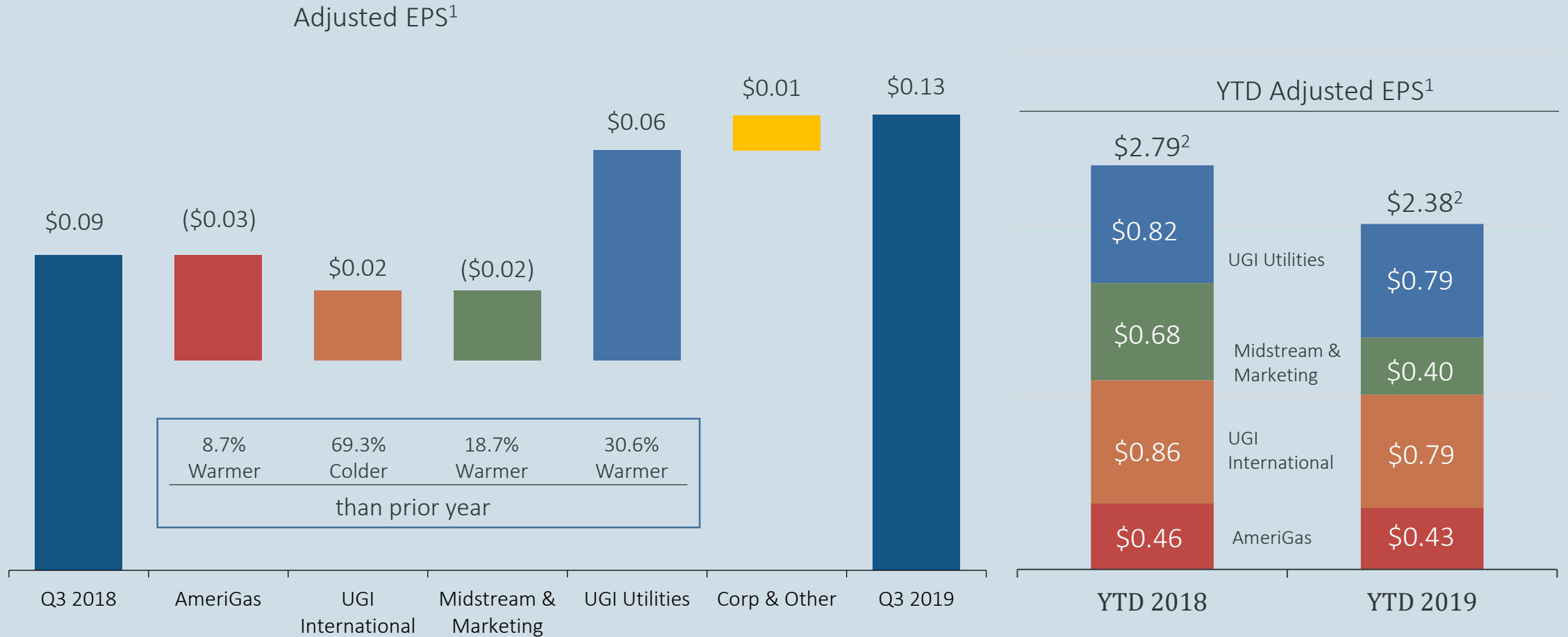
	Q3 2018	Q3 2019
UGI Corporation - Diluted Earnings (Loss) Per Share (GAAP)	\$0.30	\$(0.01)
Net (gains) losses on commodity derivative instruments ³	(0.21)	0.14
Unrealized (gains) losses on foreign currency derivative instruments	(0.10)	-
Integration expenses associated with Finagaz ²	0.02	-
Impairment of Partnership tradenames and trademarks	0.08	-
Adjusted diluted earnings per share ³	\$0.09	\$0.13

¹ Income taxes associated with pre-tax adjustments determined using statutory business unit tax rates

² Includes the effects of rounding associated with per share amounts

³ For the three months ended June 30, 2019, based upon fully diluted shares of 177.336 million

Third Quarter Results Recap

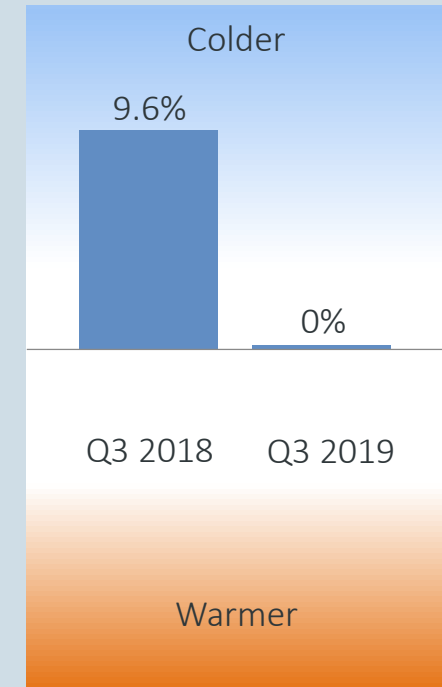


Financial Results - AmeriGas

(Millions of dollars)	Q3 FY18	Q3 FY19
Adjusted EBITDA¹	\$67.2	
Retail Margin	(16.1)	} Total Margin
Wholesale and Other Total Margin	0.6	
Partnership Operating and Administrative Expenses	(10.2)	
Other Income and Expense, net	1.0	
Adjusted EBITDA¹		\$42.5

Item	Primary Drivers
Retail Margin ↓	Lower retail volumes sold as AmeriGas experienced April weather that was significantly warmer than the prior year
Operating and Admin Expenses ↑	Higher reserves for litigation and a correction of a prior-period accounting error; excludes merger expenses

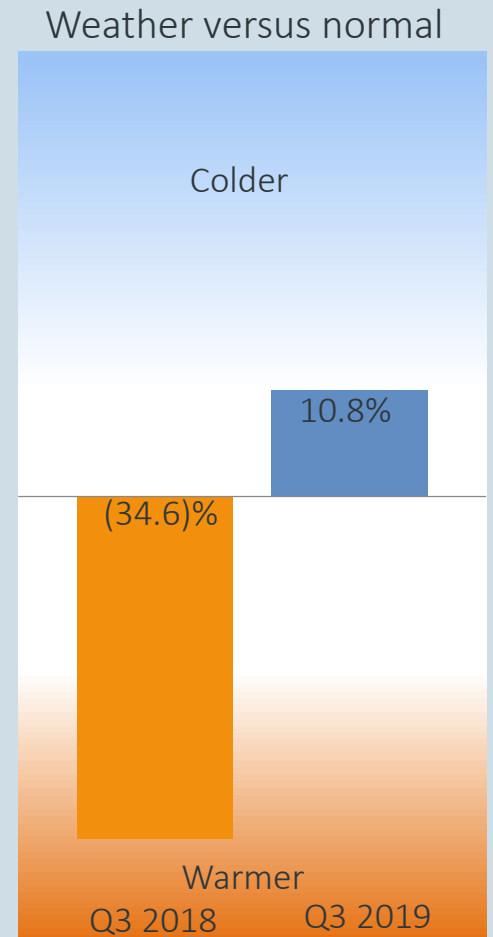
Weather versus normal



Financial Results – UGI International

(Millions of dollars)	Q3 FY18	Q3 FY19
Income Before Taxes	\$3.0	
Total Margin		(11.2)
Operating and Administrative Expenses		17.1
Depreciation and Amortization		9.0
Interest Expense		(0.3)
Other Income and Expense, net		5.3
Income Before Taxes		\$22.9
Integration Expenses	7.6	-
Adjusted Income Before Taxes¹	\$10.6	\$22.9

Item	Primary Drivers
Volume ↓	Lower volume due to competitive pricing in the East
Total Margin ↑	Translation effects of the weaker euro and British pound sterling. In local currency, margin increased principally due to margin management and the recovery of costs associated with energy conservation
Operating and Admin Expenses —	Translation effects of the weaker euro and British pound sterling. In local currency, operating expenses flat despite the incremental impact of recent acquisitions
Depreciation and Amortization ↓	Adjustments recorded in prior-year period resulting from changes in depreciable lives of certain cylinders and tanks
Other Income & Expense ↑	Income from the settlement of a customer contract

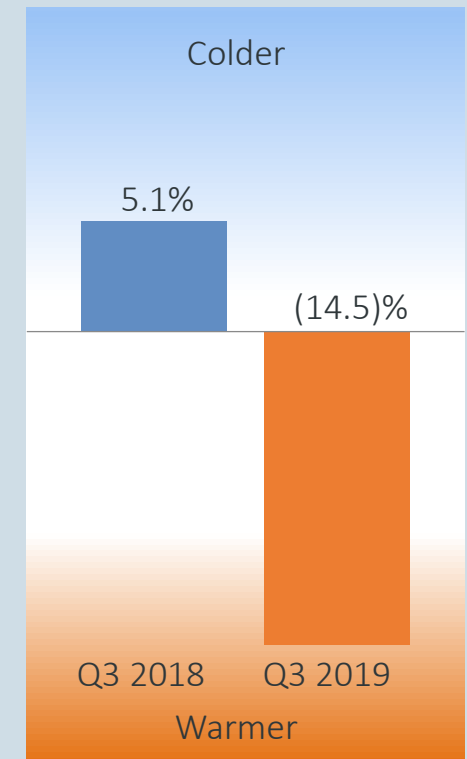


Financial Results – Midstream & Marketing

(Millions of dollars)	Q3 FY18	Q3 FY19
Income Before Taxes	\$8.2	
Total Margin		(6.9)
Operating and Administrative Expenses		3.0
Depreciation and Amortization		(0.7)
Interest Expense		(0.2)
Other Income and Expense, net		0.2
Income Before Taxes		\$3.6

Item	Primary Drivers
Total Margin ↓	Lower capacity management due to lower baseload capacity values; to a lesser extent lower electric generation due to lower volumes at our Hunlock generating facility
Operating and Admin Expenses ↓	Lower compensation, legal and consulting expenses
Depreciation and Amortization ↑	Expansion of gas gathering and LNG assets

Weather versus normal

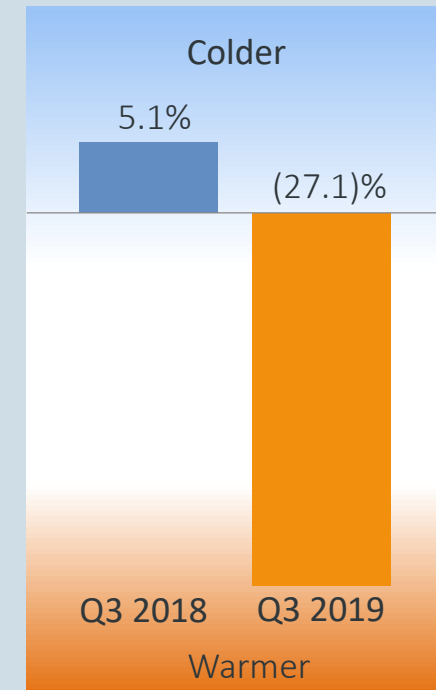


Financial Results – Utilities

(Millions of dollars)	Q3 FY18	Q3 FY19
Loss Before Taxes	\$(6.1)	
Total Margin		15.7
Operating and Administrative Expenses		2.5
Depreciation		(1.8)
Interest Expense		(2.4)
Other Income and Expense, net		0.5
Income Before Taxes		\$8.4

Item	Primary Drivers
Total Margin ↓	Excluding the \$22.7 million revenue reduction associated with the TCJA, total margin decreased \$7MM due to lower volumes as a result of significantly warmer weather in April
Operating and Admin Expenses ↓	Lower uncollectible accounts, lower IT maintenance and consulting, lower travel and entertainment, and lower allocated corporate expenses
Depreciation ↑	Increased distribution system capital expenditure activities

Weather versus normal



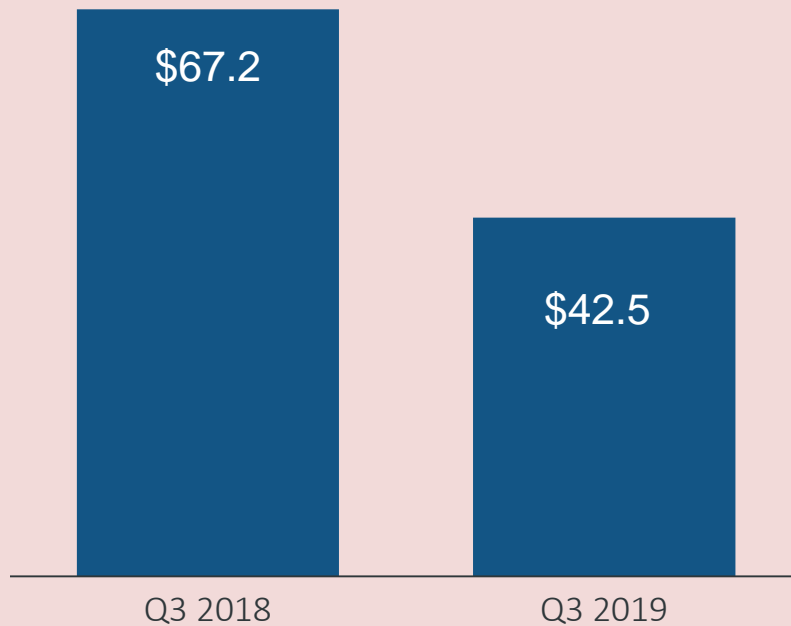
AmeriGas Third Quarter Recap

Hugh J. Gallagher
President and CEO,
AmeriGas



Third Quarter Earnings Recap

Adjusted EBITDA¹
(Millions of dollars)



- Weather in Q3 was 8.7% warmer than the prior-year period; April weather averaged 30% warmer than prior year
- Retail volumes decreased 6.7%
- Cylinder Exchange and National Accounts volumes increased 4.5% and 0.6%, respectively, from Q3 2018

Growth Initiatives

Home Delivery

- Launched “Cynch” in the Philadelphia market in June

Cylinder Exchange

- Completed expansion plans with major retailer and large convenience store chain
 - Roll-out underway of “24/7” automated cylinder vending machines

Technology/Scale

- Leverage technology and scale to improve operational efficiency and enhance the customer experience

Merger Transaction

- Proxy Solicitation underway
- Unitholder Meeting scheduled for August 21st
- Transaction expected to close shortly thereafter



Conclusion and Q&A

John L. Walsh
President & CEO, UGI



Strategic Overview

- CMG transaction closed on August 1st
 - All eligible members of the Columbia Midstream team have joined UGI
 - Expect to invest \$300 - \$500 million in a series of projects over the next 3 - 5 years
 - Short-term focus includes welcoming the new team, meeting the key customers and producers on each of the systems, and executing our detailed roadmap for future investments
- The AmeriGas Merger transaction is on schedule
 - Unitholder meeting scheduled for August 21st
 - Transaction expected to significantly increase our free cash flow
 - Enhanced cash flow will support a broader funding foundation for the major capital investments in our natural gas businesses and future M&A across the entire corporation

Q&A

Appendix



UGI Supplemental Footnotes

- Management uses "adjusted net income attributable to UGI" and "adjusted diluted earnings per share," both of which are non-GAAP financial measures, when evaluating UGI's overall performance. For the periods presented, adjusted net income attributable to UGI is net income attributable to UGI Corporation after excluding net after-tax gains and losses on commodity and certain foreign currency derivative instruments not associated with current period transactions (principally comprising changes in unrealized gains and losses on such derivative instruments), losses associated with extinguishments of debt, Finagaz integration expenses, the remeasurement impact on net deferred tax liabilities from changes in U.S. and French tax rates, impairment of Partnership tradenames and trademarks and merger expenses. Volatility in net income at UGI can occur as a result of gains and losses on commodity and certain foreign currency derivative instruments not associated with current period transactions but included in earnings in accordance with U.S. generally accepted accounting principles ("GAAP").
- Non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate the impact of (1) gains and losses on commodity and certain foreign currency derivative instruments not associated with current-period transactions and (2) other significant discrete items that can affect the comparison of period-over-period results.
- The tables on the following slides reconcile net income attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net income attributable to UGI Corporation, and reconciles diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above.

UGI Adjusted Net Income and EPS

Three Months Ended June 30, 2019	Total	AmeriGas Propane	UGI International	Midstream & Marketing	UGI Utilities	Corporate & Other
(Dollars in millions, except per share data)						
Adjusted net income attributable to UGI Corporation:						
Net (loss) income attributable to UGI Corporation	\$ (1.9)	\$ (2.3)	\$ 14.8	\$ 2.2	\$ 6.7	\$ (23.3)
Net losses on commodity derivative instruments not associated with current-period transactions (net of tax of \$(11.1)) (a)	25.0	—	—	—	—	25.0
Unrealized losses on foreign currency derivative instruments (net of tax of \$(0.2)) (a)	0.5	—	—	—	—	0.5
Merger expenses (net of tax of \$(0.1)) (a)	0.3	0.3	—	—	—	—
Adjusted net income (loss) attributable to UGI Corporation	\$ 23.9	\$ (2.0)	\$ 14.8	\$ 2.2	\$ 6.7	\$ 2.2
Adjusted diluted earnings per share:						
UGI Corporation (loss) earnings per share — diluted	\$ (0.01)	\$ (0.01)	\$ 0.08	\$ 0.01	\$ 0.04	\$ (0.13)
Net losses on commodity derivative instruments not associated with current-period transactions	0.14	—	—	—	—	0.14
Unrealized losses on foreign currency derivative instruments	—	—	—	—	—	—
Merger expenses	—	—	—	—	—	—
Adjusted diluted earnings (loss) per share (c)	\$ 0.13	\$ (0.01)	\$ 0.08	\$ 0.01	\$ 0.04	\$ 0.01

UGI Adjusted Net Income and EPS

Three Months Ended June 30, 2018 (Dollars in millions, except per share data)	Total	AmeriGas Propane	UGI International	Midstream & Marketing	UGI Utilities	Corporate & Other
Adjusted net income attributable to UGI Corporation:						
Net income (loss) attributable to UGI Corporation	\$ 52.4	\$ (11.2)	\$ 6.5	\$ 5.8	\$ (3.0)	\$ 54.3
Net gains on commodity derivative instruments not associated with current-period transactions (net of tax of \$16.5) (a)	(38.0)	—	—	—	—	(38.0)
Unrealized gains on foreign currency derivative instruments (net of tax of \$8.4) (a)	(17.7)	—	—	—	—	(17.7)
Integration expenses associated with Finagaz (net of tax of \$(3.0)) (a)	4.6	—	4.6	—	—	—
Impairment of Partnership tradenames and trademarks (net of tax of \$(5.8)) (a)	14.5	14.5	—	—	—	—
Impact of French Finance Bill	0.1	—	0.1	—	—	—
Remeasurement impact of TCJA	(0.8)	(0.2)	(0.5)	0.5	(1.1)	0.5
Adjusted net income (loss) attributable to UGI Corporation	<u>\$ 15.1</u>	<u>\$ 3.1</u>	<u>\$ 10.7</u>	<u>\$ 6.3</u>	<u>\$ (4.1)</u>	<u>\$ (0.9)</u>
Adjusted diluted earnings per share:						
UGI Corporation earnings (loss) per share - diluted	\$ 0.30	\$ (0.06)	\$ 0.04	\$ 0.03	\$ (0.02)	\$ 0.31
Net gains on commodity derivative instruments not associated with current-period transactions	(0.21)	—	—	—	—	(0.21)
Unrealized gains on foreign currency derivative instruments	(0.10)	—	—	—	—	(0.10)
Integration expenses associated with Finagaz (b)	0.02	—	0.02	—	—	—
Impairment of Partnership tradenames and trademarks	0.08	0.08	—	—	—	—
Impact of French Finance Bill	—	—	—	—	—	—
Remeasurement impact of TCJA	—	—	—	—	—	—
Adjusted diluted earnings (loss) per share	<u>\$ 0.09</u>	<u>\$ 0.02</u>	<u>\$ 0.06</u>	<u>\$ 0.03</u>	<u>\$ (0.02)</u>	<u>\$ 0.00</u>

(a) Income taxes associated with pre-tax adjustments determined using statutory business unit tax rates.

(b) Includes the effects of rounding associated with per share amounts.

(c) Adjusted diluted earnings per share for the three months ended June 30, 2019, is based upon fully diluted shares of 177.336 million.

AmeriGas Supplemental Footnotes

- The enclosed supplemental information contains a reconciliation of earnings before interest expense, income taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA to Net Income.
- EBITDA and Adjusted EBITDA are not measures of performance or financial condition under GAAP. Management believes EBITDA and Adjusted EBITDA are meaningful non-GAAP financial measures used by investors to compare the Partnership's operating performance with that of other companies within the propane industry. The Partnership's definitions of EBITDA and Adjusted EBITDA may be different from those used by other companies.
- EBITDA and Adjusted EBITDA should not be considered as alternatives to net income (loss) attributable to AmeriGas Partners, L.P. Management uses EBITDA to compare year-over-year profitability of the business without regard to capital structure as well as to compare the relative performance of the Partnership to that of other master limited partnerships without regard to their financing methods, capital structure, income taxes or historical cost basis. Management uses Adjusted EBITDA to exclude from AmeriGas Partners' EBITDA gains and losses that competitors do not necessarily have to provide additional insight into the comparison of year-over-year profitability to that of other master limited partnerships. In view of the omission of interest, income taxes, depreciation and amortization, gains and losses on commodity derivative instruments not associated with current-period transactions, and other gains and losses that competitors do not necessarily have from Adjusted EBITDA, management also assesses the profitability of the business by comparing net income attributable to AmeriGas Partners, L.P. for the relevant periods. Management also uses Adjusted EBITDA to assess the Partnership's profitability because its parent, UGI Corporation, uses the Partnership's Adjusted EBITDA to assess the profitability of the Partnership, which is one of UGI Corporation's business segments. UGI Corporation discloses the Partnership's Adjusted EBITDA as the profitability measure for its domestic propane segment.

AmeriGas EBITDA and Adjusted EBITDA

(Dollars in millions)	Three Months Ended June 30,	
	2019	2018
EBITDA and Adjusted EBITDA:		
Net (loss) income attributable to AmeriGas Partners	\$ (49.0)	\$ (74.4)
Income tax expense (a)	0.7	0.7
Interest expense	41.6	40.4
Depreciation and amortization	44.0	46.4
EBITDA	37.3	13.1
Add net losses (subtract net gains) on commodity derivative instruments not associated with current-period transactions (a)	3.5	(20.3)
Impairment of Heritage tradenames and trademarks	—	75.0
Merger expenses	1.8	—
Noncontrolling interest in net gains and losses on commodity derivative instruments and merger expenses (a)	(0.1)	(0.6)
Adjusted EBITDA	\$ 42.5	\$ 67.2

(a) Certain amounts include the impact of rounding.

Investor Relations:

Brendan Heck
610-456-6608
heckb@ugicorp.com

Alanna Zahora
610-337-1004
zahoraa@ugicorp.com

