



Fiscal 2019 Results  
and  
Fiscal 2020 Outlook

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# About This Presentation

This presentation contains statements, estimates and projections which are forward-looking statements (as defined in Section 21E of the Securities and Exchange Act of 1934, as amended). Management believes that these are 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, 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, and the interruption, disruption, failure, malfunction, or breach of our information technology systems, including due to cyber-attack the inability to complete pending or future pipeline projects, and our ability to achieve the operational and cost efficiencies expected from the completion of pending and future internal business transformation initiatives. 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.

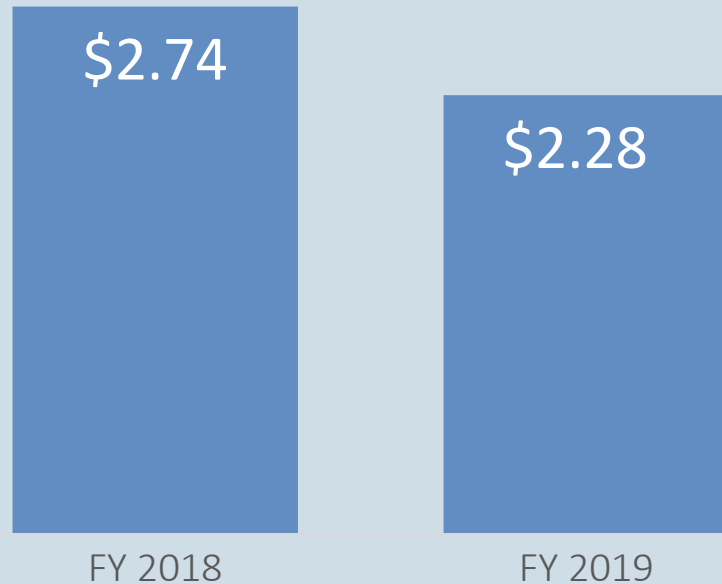
# Fiscal Year Recap

John L. Walsh  
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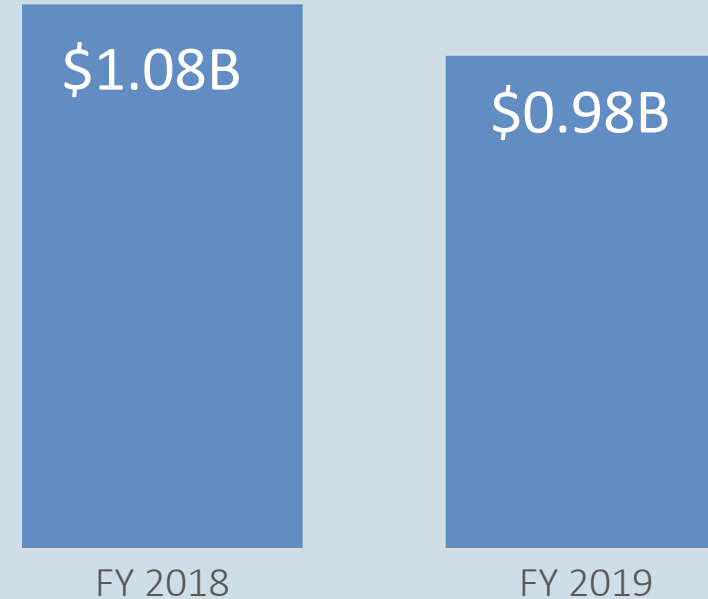


# Fiscal Year Earnings Recap

Adjusted EPS<sup>1</sup>



Reportable Segments  
EBIT<sup>2</sup>



- FY 2019 GAAP EPS of \$1.41 and Adjusted EPS<sup>1</sup> of \$2.28
  - Unfavorable weather at UGI International
  - Lower capacity management margin due to increased pipeline restrictions and lack of volatile weather
- FY 2019 Adjusted EPS includes \$0.08 dilution and seasonal loss associated with fourth quarter acquisitions
  - This impact is related to timing; AmeriGas expected to be accretive to EPS in FY20, CMG expected to be EPS neutral; both transactions expected to be highly cash positive

# Fiscal Year Overview



- Conclusion of major acquisitions:
  - AmeriGas Merger transaction: enhanced cash flow to pay down debt and fund capital investments in our natural gas businesses; simplified structure will drive synergies/operational efficiencies
  - Columbia Midstream Group acquisition: expanded breadth and scale of midstream activities; strong throughput in August and September across the 5 newly acquired networks; meaningful opportunity for expansion over the next 3-5 years
- UGI Energy Services completed ~\$50 million Auburn IV expansion project on November 1<sup>st</sup>; increased capacity by ~150,000 DtH/day; supported by a 10 year take-or-pay contract
- UGI Utilities completed first combined gas utilities rate case; \$30 million rate increase effective October; deployed a record \$355 million of capital; added over 14,000 residential and commercial heating customers; continued to invest record capital on infrastructure replacement and betterment
- AmeriGas delivered strong growth with ACE and National Accounts programs; deployed technology-enabled vending solutions for ACE customers; launched the barbecue cylinder home delivery program; continued focus on customer service
- UGI International integrated four LPG distribution businesses located in Belgium, the Netherlands and the United Kingdom; deployed technology-enabled solutions to enhance the customer experience; refinanced debt portfolio which included the first time issuance of senior notes (€350 million) at an attractive rate of 3.25%
- Increased dividend by 25%, from \$0.26 to \$0.325 on a quarterly basis

# Fiscal Year Financial Review

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Chief Financial Officer, UGI  
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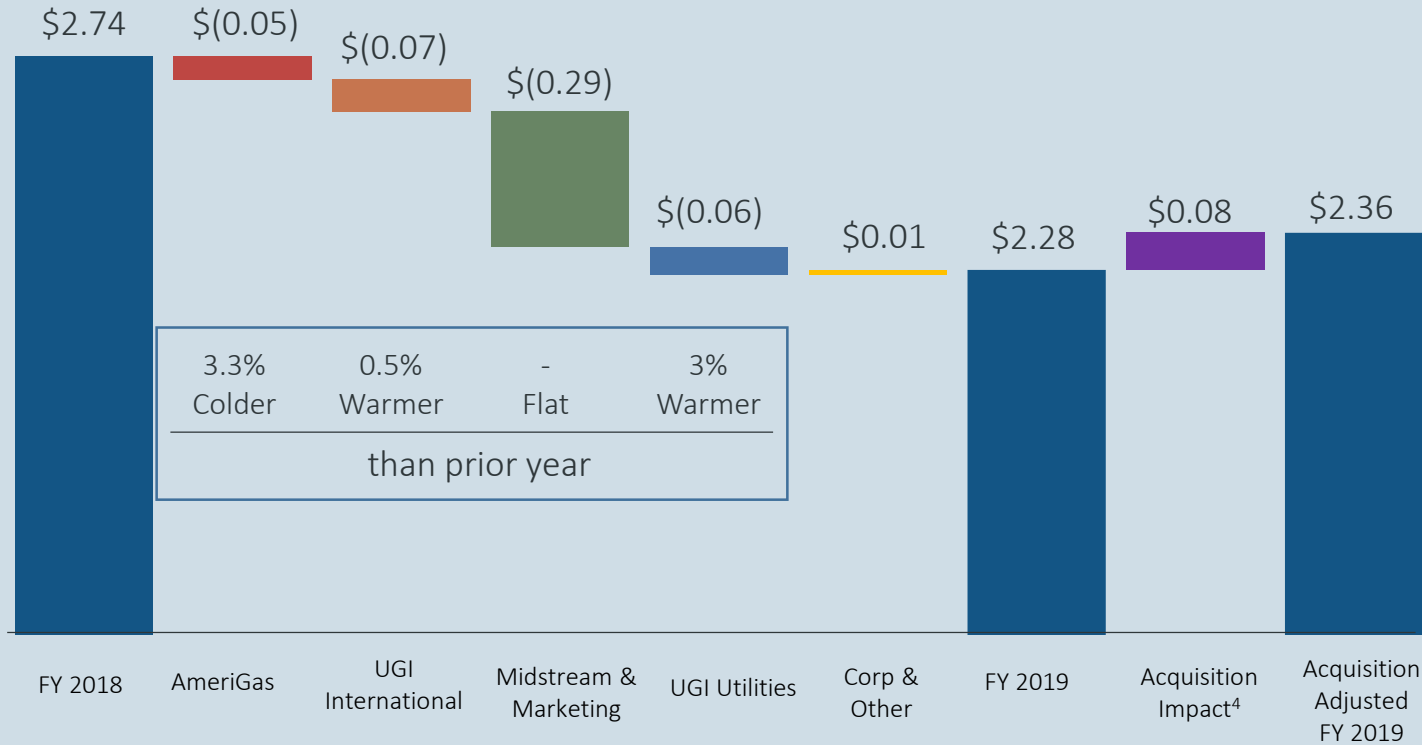


# Fiscal Year Adjusted Earnings continued

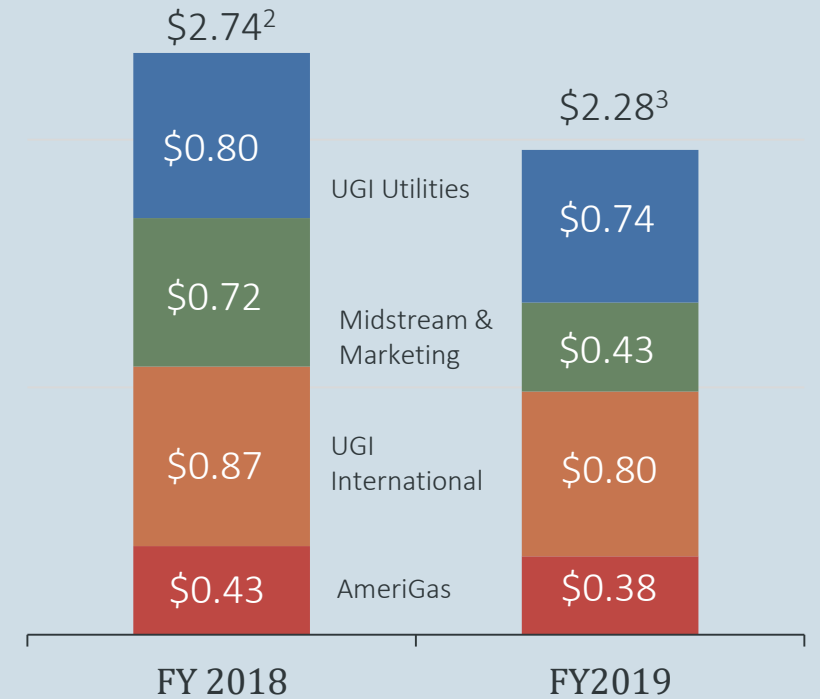
	FY 2018	FY 2019
UGI Corporation - Diluted Earnings Per Share (GAAP)	\$4.06	\$1.41
Net (gains) losses on commodity derivative instruments	(0.39)	0.82
Unrealized (gains) on foreign currency derivative instruments	(0.11)	(0.13)
Loss on extinguishment of debt	-	0.02
AmeriGas Merger expenses	-	0.01
CMG acquisition and integration expenses	-	0.06
LPG business transformation costs	-	0.09
Integration expenses associated with Finagaz	0.10	-
Impairment of Partnership tradenames and trademarks	0.08	-
Remeasurement impact of French Finance Bill	(0.07)	-
Remeasurement impact from Tax Cuts and Jobs Act	(0.93)	-
Adjusted diluted earnings per share	\$2.74	\$2.28

# FY 2019 Results Recap

Adjusted EPS<sup>1</sup>



Adjusted EPS<sup>1</sup>



<sup>1</sup>Adjusted EPS is a non-GAAP measure. See Appendix for reconciliation.

<sup>2</sup>Includes (\$0.08) Corporate & Other

<sup>3</sup>Includes (\$0.07) Corporate & Other

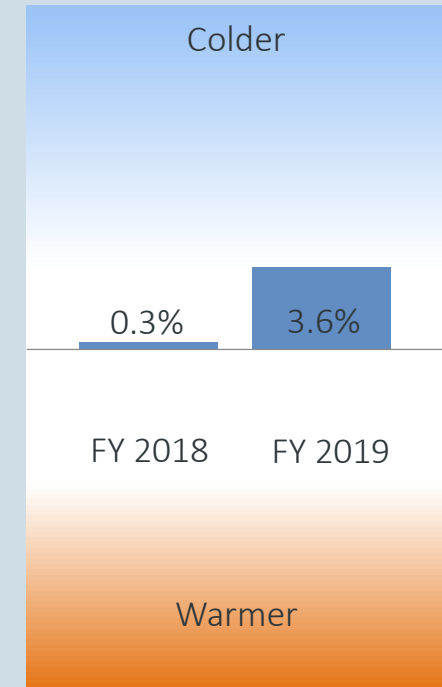
<sup>4</sup>Related to the timing of the fourth quarter close



# Financial Results - AmeriGas

(Millions of dollars)	FY 2018	FY 2019
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$605.5</b>	
Retail Margin		(21.7)
Wholesale and Other Total Margin		4.1
Operating and Administrative Expenses		(4.3)
Other Income and Expense, net		(3.3)
<b>Adjusted EBITDA<sup>1</sup></b>		<b>\$580.3</b>

Weather versus normal



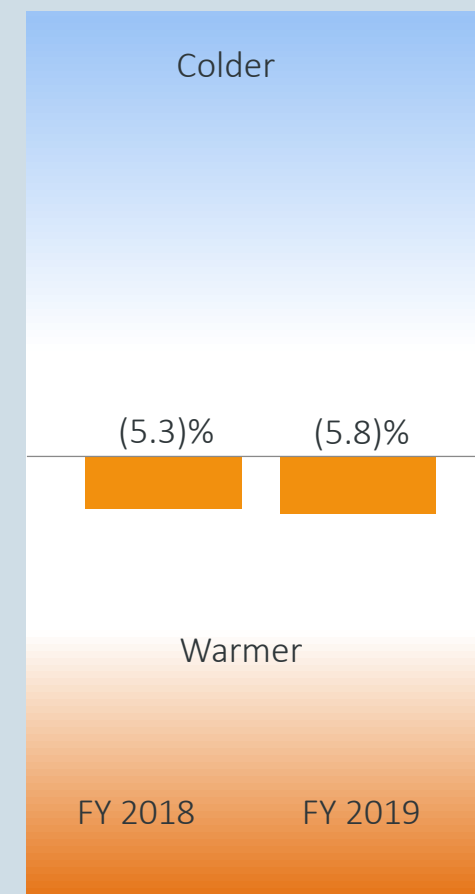
Item	Primary Drivers
Retail Margin ↓	Lower base retail volumes sold including the impact of significantly warmer than normal temperatures in the southeast U.S. during the critical heating months of January and February; partially offset by higher base retail margins and higher tank rent and service total margin
Operating and Admin Expenses ↑	Higher accruals for litigation and a correction of a prior-period accounting error; substantially offset by lower general insurance and self-insured casualty and liability expense

# Financial Results – UGI International

(Millions of dollars)	FY 2018	FY 2019
<b>Earnings Before Interest Expense &amp; Income Taxes</b>	<b>\$240.4</b>	
Total Margin		(87.4)
Operating and Administrative Expenses		46.6
Depreciation and Amortization		16.8
Realized FX Gains		18.3
Other Income and Expense, net		(0.4)
<b>Earnings Before Interest Expense &amp; Income Taxes</b>		<b>\$234.3</b>

Item	Primary Drivers
Volume ↓	Lower crop drying volume due to warm and dry summer; effects of warmer weather on residential heating bulk customers during peak heating months
Total Margin ↓	Translation effects of the weaker euro and British pound sterling; partially offset by margin management efforts and recovery of energy conservation compliance costs
Operating and Admin Expenses ↓	Translation effects of the weaker euro and British pound sterling. In local currency, lower operating expenses due to decreased operational safety requirements, lower IT and outside services expense
Depreciation and Amortization ↓	Adjustments recorded in prior-year period resulting from changes in depreciable lives of certain cylinders and tanks

## Weather versus normal

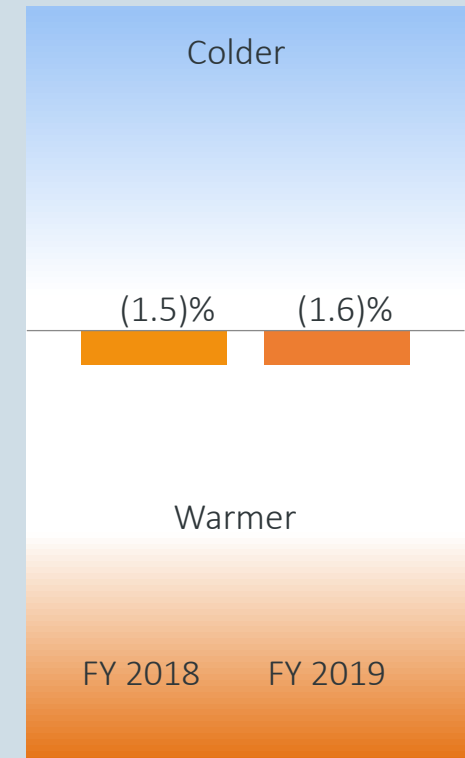


# Financial Results – Midstream & Marketing

(Millions of dollars)	FY 2018	FY 2019
<b>Earnings Before Interest Expense &amp; Income Taxes</b>	<b>\$178.7</b>	
Total Margin		(56.4)
Operating and Administrative Expenses		(6.7)
Depreciation and Amortization		(7.9)
Other Income and Expense, net		6.4
<b>Earnings Before Interest Expense &amp; Income Taxes</b>		<b>\$114.1</b>

Item	Primary Drivers
Total Margin ↓	Lower capacity management due to lower baseload capacity values; lower electric generation from our Hunlock Station; lower gas marketing margin due to lower average unit margins
Operating and Admin Expenses ↑	Increased natural gas gathering, LNG and peaking activities; including incremental expenses associated with CMG
Depreciation and Amortization ↑	Expansion of gas gathering assets including CMG and to a lesser extent our peaking and LNG assets
Other Income ↑	Incremental equity income from Pennant system acquired as part of CMG acquisition

## Weather versus normal

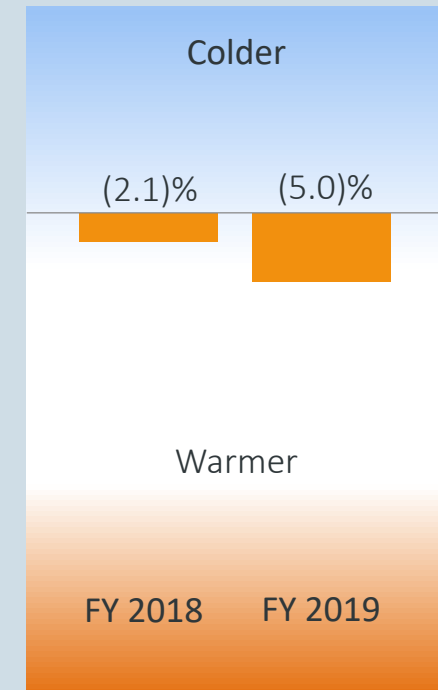


# Financial Results – Utilities

(Millions of dollars)	FY 2018	FY 2019
<b>Earnings Before Interest Expense &amp; Income Taxes</b>	<b>\$237.5</b>	
Total Margin		(1.9)
Operating and Administrative Expenses		(2.1)
Depreciation		(8.2)
Other Income and Expense, net		0.4
<b>Earnings Before Interest Expense &amp; Income Taxes</b>		<b>\$225.7</b>

Item	Primary Drivers
Total Margin ↓	Excluding the effects of the revenue reduction associated with the TCJA, total margin increased compared to the prior year
Operating and Admin Expenses ↑	Higher contractor and outside services expense, higher IT maintenance and consulting expenses; partially offset by lower uncollectible accounts expense
Depreciation ↑	Increased distribution system and IT capital expenditure activities

## Weather versus normal



# EPS Seasonality Pre and Post AmeriGas Transaction

Percentage of UGI Adjusted EPS  
by Quarter

Quarter	Historical Avg.	FY 20 Budget
Q1	~35%	~40%
Q2	~60%	~70%
Q3	~5%	~0%
Q4	~0%	~(10%)
Full Year	100%	100%

- AmeriGas acquisition changes seasonal earnings profile of UGI
  - Historically, on average, ~95% of FY Adjusted EPS was generated in the first half of the year
  - LPG segments generate greater proportion of yearly earnings during the first half of the year
  - Larger capital expenditures at natural gas businesses will slowly shift UGI back to historical averages
- CMG acquisition lessens the seasonality impact of the AmeriGas Merger
  - Earnings generated more evenly throughout the year

# Global LPG Update

Roger Perreault  
Executive Vice President,  
Global LPG, UGI  
Corporation



# LPG Business Transformation Initiatives - AmeriGas

- Identified over \$120 million of permanent annual savings and operational efficiencies that will be fully implemented over the next 24 months
- Acceleration of Pace and Scale of Initiatives:
  - Customer Digital Experience
  - Customer Relationship Management
  - Operations Process Redesign and Specialization
  - Distribution and Routing Automation
  - Sales Effectiveness
  - Procurement and G&A
  - Supply & Logistics
- Estimated Cost to Implement ~ \$175 million
  - Majority of cost will occur over the next 24 months
- Expect ~\$30 million P&L Benefits in FY20; more significant benefits build in FY21 and beyond



# LPG Business Transformation Initiatives – UGI International

- Identified over €30 million of permanent annual savings and operational efficiencies that will be fully realized by the end of FY22
- Centralization of back office functions
- Identification of synergies and best practices across Europe
  - Continued emphasis on customer service and safe operations
- Establishment of 2 Centers of Excellence
  - Commercial Excellence – continuous improvement to customer experience
  - Operational Excellence – focus on distribution network and filling plants
- Estimated Cost to Implement ~ €55 million
  - Majority of cost will occur over the next 24 months
- Expect ~€5 million P&L benefit in FY20; more significant benefits build in FY21 and beyond





# Conclusion and Q&A

John L. Walsh  
President & CEO, UGI  
Corporation



# Strategic Overview & Summary

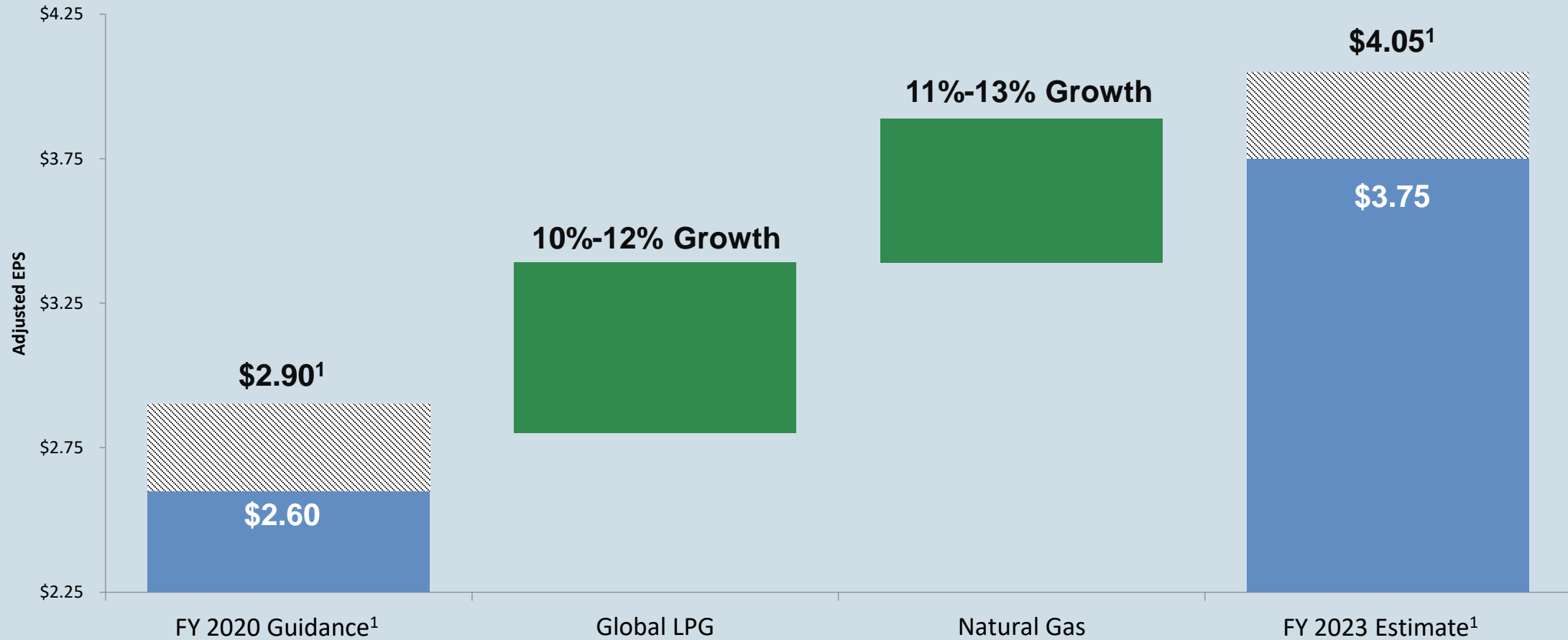
## FY20 Adjusted EPS Guidance Range \$2.60 - \$2.90<sup>1</sup>

- Significant activities across our businesses continue to generate strong cash flows
- Utilities expects to invest \$1.8 billion over the next four years
- Improved efficiency of our LPG distribution businesses
- Diversified natural gas asset base will provide an attractive range of investment opportunities
  - Auburn IV expansion project (completed November 1<sup>st</sup>)
  - Build-out of LNG storage and vaporization facility in Bethlehem, PA
  - Expansion opportunities on newly-acquired CMG systems
  - Expect to spend ~\$50 million on attractive expansion projects on our Texas Creek and Marshlands systems
- AmeriGas to expand on our industry-leading second generation vending solution

## **Remain well-positioned to deliver on our commitments to our shareholders**

<sup>1</sup>Because we are unable to predict certain potentially material items affecting diluted earnings per share on a GAAP basis, principally mark-to-market gains and losses on commodity and certain foreign currency derivative instruments we cannot reconcile fiscal year 2020 adjusted diluted earnings per share, a non-GAAP measure, to diluted earnings per share, the most directly comparable GAAP measure, in reliance on the “unreasonable efforts” exception set forth in SEC rules.

# Key Investments Drive Earnings



<sup>1</sup>Adjusted EPS is a non-GAAP measure. Because we are unable to predict certain potentially material items affecting diluted earnings per share on a GAAP basis, principally mark-to-market gains and losses on derivative instruments as well as due to the unknown effect, timing and potential significance of certain other income statement items, we cannot reconcile 2020 and 2023 Adjusted EPS to diluted EPS, the most comparable GAAP measure. We have based these estimates on our expectations and assumptions about future events, and UGI undertakes no obligation to update to reflect events or circumstances occurring after today. While our management believes the assumptions to be reasonable, due to the timeframe over which the above estimates are projected, and their subjectivity to a variety of uncertainties that we do not control, our results could differ materially from these estimates.

# 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, merger expenses associated with the AmeriGas Merger, acquisition and integration expenses associated with the CMG and Finagaz acquisitions, LPG business transformation costs, impairments of Partnership tradenames and trademarks and remeasurement impacts on income tax assets and liabilities resulting from the enactments of the TCJA and French Finance Bills. 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

(Millions of dollars, except per share amounts)	Year Ended September 30,		
	2019	2018	2017
	Dollars	Dollars	Dollars
<b>Adjusted net income attributable to UGI Corporation:</b>			
Net income attributable to UGI Corporation	\$ 256.2	\$ 718.7	\$ 436.6
Net losses (gains) on commodity derivative instruments not associated with current-period transactions (net of tax of \$(59.5), \$26.7 and \$31.9) (a) (b)	147.4	(68.1)	(51.2)
Unrealized (gains) losses on foreign currency derivative instruments (net of tax of \$9.3, \$9.3 and \$(9.9)) (a)	(22.9)	(19.6)	13.9
Loss on extinguishments of debt (net of tax of \$(1.9), \$0, and \$(6.1)) (a)	4.2	—	9.6
AmeriGas Merger expenses (net of tax of \$(0.4), \$0 and \$0) (a)	1.2	—	—
Acquisition and transition expenses associated with the CMG acquisition (net of tax of \$(4.5), \$0 and \$0) (a)	11.2	—	—
LPG business transformation costs (net of tax of \$(5.1), \$0 and \$0) (a)	15.6	—	—
Integration expenses associated with Finagaz (net of tax of \$0, \$(12.0) and \$(13.7)) (a)	—	18.5	26.2
Impairment of Partnership tradenames and trademarks (net of tax of \$0, \$(5.8) and \$0) (a)	—	14.5	—
Impact from change in French tax rate	—	(12.1)	(29.0)
Remeasurement impact from TCJA	—	(166.3)	—
<b>Total Adjustments</b>	<b>156.7</b>	<b>(233.1)</b>	<b>(30.5)</b>
<b>Adjusted net income attributable to UGI Corporation</b>	<b>\$ 412.9</b>	<b>\$ 485.6</b>	<b>\$ 406.1</b>

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

(b) Includes the effects of rounding.

# UGI Adjusted Net Income and EPS

## Adjusted diluted earnings per share:

UGI Corporation earnings per share - diluted	\$ 1.41	\$ 4.06	\$ 2.46
Net losses (gains) on commodity derivative instruments not associated with current-period transactions	0.82	(0.39)	(0.29)
Unrealized (gains) losses on foreign currency derivative instruments	(0.13)	(0.11)	0.08
Loss on extinguishments of debt	0.02	—	0.05
AmeriGas Merger expenses	0.01	—	—
Acquisition and transition expenses associated with the CMG acquisition	0.06	—	—
LPG business transformation costs	0.09	—	—
Integration expenses associated with Finagaz	—	0.10	0.15
Impairment of Partnership tradenames and trademarks	—	0.08	—
Impact from change in French tax rate	—	(0.07)	(0.16)
Remeasurement impact from TCJA	—	(0.93)	—
Adjusted diluted earnings per share	<u>\$ 2.28</u>	<u>\$ 2.74</u>	<u>\$ 2.29</u>

(Dollars in millions, except per share amounts)	2019		2018		2017	
	Amount	Adjusted Diluted EPS	Amount	Adjusted Diluted EPS	Amount	Adjusted Diluted EPS
AmeriGas Propane	\$ 68.2	\$ 0.38	\$ 76.3	\$ 0.43	\$ 54.2	\$ 0.30
UGI International	144.8	0.80	153.1	0.87	155.8	0.88
Midstream & Marketing	78.0	0.43	126.7	0.72	86.9	0.49
UGI Utilities	133.2	0.74	140.9	0.80	116.0	0.66
Corporate & Other	(11.3)	(0.07)	(11.4)	(0.08)	(6.8)	(0.04)
Net income attributable to UGI Corporation	<u>\$ 412.9</u>	<u>\$ 2.28</u>	<u>\$ 485.6</u>	<u>\$ 2.74</u>	<u>\$ 406.1</u>	<u>\$ 2.29</u>

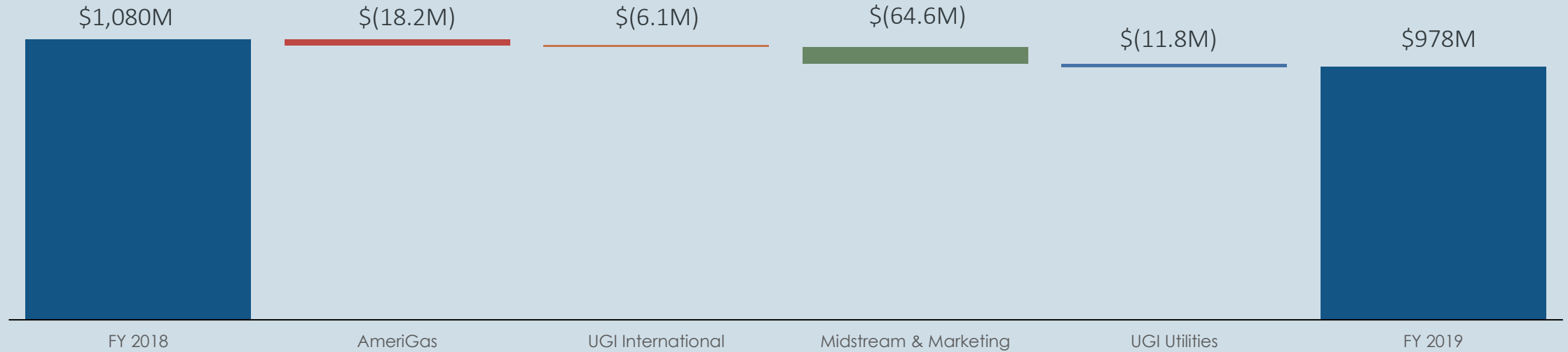


# Income Before Income Taxes and Adjusted EBITDA

	2019	2018
Income before income taxes	\$ 236.6	\$ 259.1
Interest expense	167.4	163.1
Depreciation and amortization	179.4	185.8
Noncontrolling interest (i)	(3.1)	(2.5)
Partnership Adjusted EBITDA	<u>\$ 580.3</u>	<u>\$ 605.5</u>

(i) principally represents 1.01% noncontrolling interest in AmeriGas OLP.

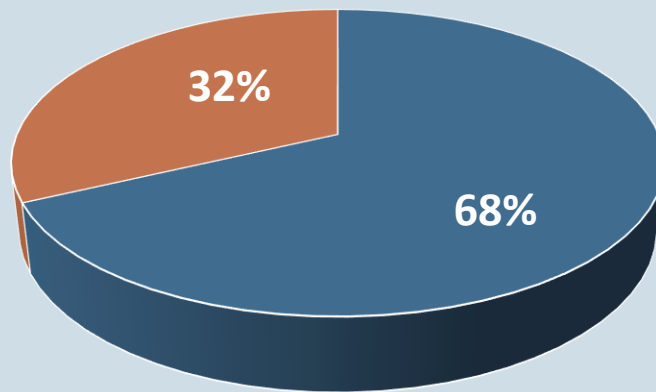
# Reportable Segments Earnings before Interest Expense and Income Tax



# Record Capital Deployment

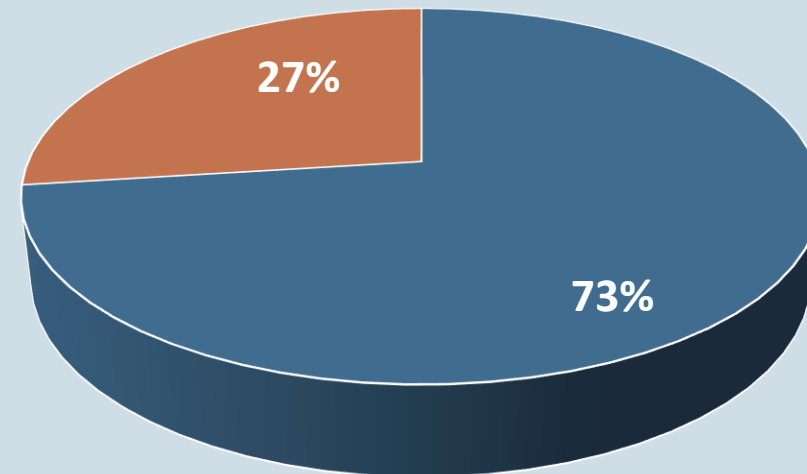
CAPEX expected to increase to **~\$850 million** in FY20  
-Includes capex associated with LPG business transformation

Capital Expenditures: 2014-2018  
\$2.7 Billion



■ Natural Gas ■ LPG

Capital Expenditures: 2019-2023  
\$4.5 Billion



■ Natural Gas ■ LPG

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