

# INVESTOR DAY

DECEMBER 4, 2018



# 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 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, Europe, and in other foreign countries, including the current conflicts in the Middle East, and foreign currency exchange rate fluctuations (particularly the euro), changes in 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, and the interruption, disruption, failure, malfunction or breach of our information technology systems, including due to cyber-attack. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.

# Use of Non-GAAP Measures

In this presentation, Management uses certain non-GAAP financial measures, including UGI Corporation adjusted earnings per share, UGI Corporation Free Cash Flow, Midstream & Marketing Total Margin, UGI International Total Margin, and UGI France and AmeriGas Unit Margins. These 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 the presentation of these non-GAAP financial measures provide useful information to investors to more effectively evaluate period-over-period earnings, profitability and cash flow generation of the Company's businesses. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with GAAP are presented in the Appendix of this presentation

# Management Team

<b>UGI Corporation</b>	<b>Business Unit Management</b>
John Walsh – President & CEO	Robert Beard – Executive VP, Natural Gas and President and CEO, UGI Utilities
Ted Jastrzebski – CFO	Daniel Platt – CFO, UGI Utilities
Monica Gaudiosi – VP, General Counsel & Secretary	Joseph Hartz– President, UGI Energy Services
Gary Garcia – Treasurer	Ann Doerries– CFO, UGI Energy Services
Ann Kelly – VP & CAO	Hugh Gallagher– President and CEO, AmeriGas
Brendan Heck – Manager, Investor Relations	Anthony Rosback– COO, AmeriGas
	Roger Perreault – Executive VP, Global LPG and President, UGI International
	Paul Ladner – COO, UGI International
	Marie-Dominique Ortiz-Landazabal– CFO, UGI International

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# Investor Day – Agenda 2018

8:30	John Walsh – Opening Remarks	20 Minutes
8:50	Robert Beard – UGI Utilities	30 Minutes
9:20	Joseph Hartz – Energy Services	30 Minutes
9:50	Break	5 Minutes
9:55	3 Breakout Sessions (9:55 / 10:10 / 10:25)	45 Minutes
10:40	Break	5 Minutes
10:45	Roger Perreault – UGI International	30 Minutes
11:15	Hugh Gallagher– AmeriGas	30 Minutes
11:45	Ted Jastrzebski – Financial Outlook	30 Minutes
12:15	John Walsh – Closing Remarks / Q&A Session	30 Minutes
12:45	Lunch	

# Corporate Overview

UGI Corporation is a distributor and marketer of energy products and services including natural gas, propane, butane, and electricity

## Natural Gas

54% of Adjusted EPS<sup>1</sup>

## Global LPG

46% of Adjusted EPS<sup>1</sup>

### Utilities

Natural gas & electric utilities  
Serving ~700,000 total customers

28%

2018 Adjusted EPS

### Midstream & Marketing

Energy marketing, midstream, and power generation in the Eastern U.S.

26%

2018 Adjusted EPS

### AmeriGas Propane

LPG distribution in all 50 states.  
Master Limited Partnership

15%

2018 Adjusted EPS

### UGI International

LPG distribution in 17 countries  
Energy marketing in 4 countries

31%

2018 Adjusted EPS

<sup>1</sup> Adjusted EPS is a non-GAAP measure. Excludes Corporate & Other \$(0.08). Please see Appendix for reconciliation.

# Strategic Alignment

The enhanced leadership structure allows UGI to better support **strategic initiatives, accelerate growth, drive efficiencies,** and foster **best practice sharing** across the Company

## Natural Gas

*Robert Beard*

## Global LPG

*Roger Perreault*

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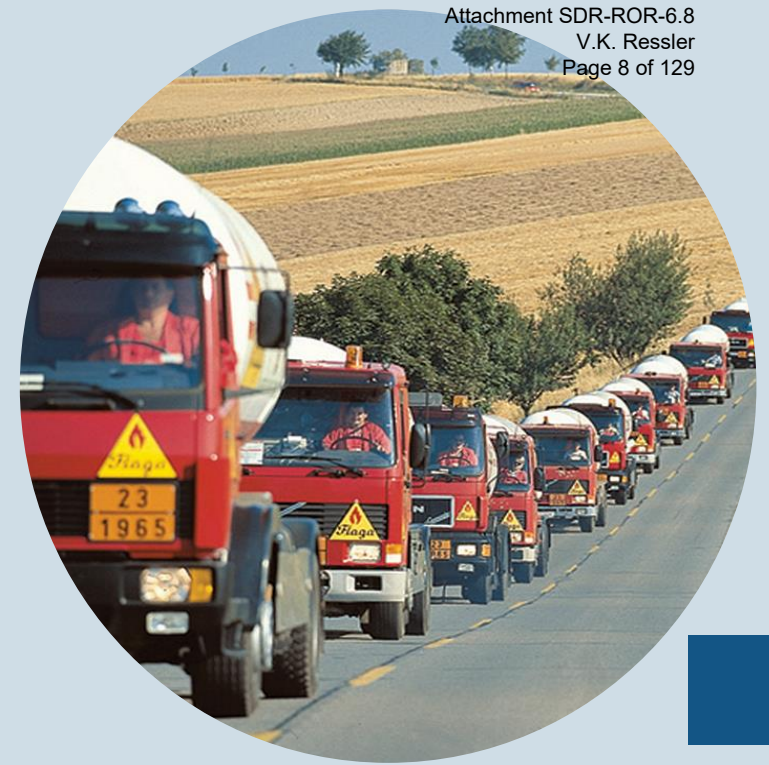
# Our Mission and Vision

## Mission

UGI's mission is to be the preeminent energy distribution company in our targeted markets – natural gas midstream and distribution in the eastern US and LPG distribution in the US and Europe – by providing a superior range of energy services to our customers

## Vision

At UGI we believe that safe, reliable, and affordable energy is a necessity for our customers and communities. We strive to deliver this fundamental need through best in class safety, operations, products, and services while enhancing the experience of our employees, customers, and the communities we serve





# Core Strategic Principles

Minimize commodity exposure

Distribution and services business, marketing volume hedged back-to-back, LPG customer volume hedged as service offering

Push boundaries of core business

Expanded into energy marketing in Europe, established portable LNG, entered Italian market LPG market

Maintain strong balance sheet

Outstanding cash flow, no debt at corporate level, additional debt capacity

Reduce weather dependence over time

Growing fee-based margin, AmeriGas Cylinder Exchange is counter-seasonal, National Accounts is less weather-dependent, increasing Utility fixed charges in base rate cases

Reduce P&L currency exchange rate volatility

Utilize a layered, three-year Fx hedging program to shave “peaks and valleys” caused by currency fluctuations

# Our Strategy

1

## **Be the preferred provider in all markets**

Build businesses of scale

Leverage our position as the last link in energy distribution

Protect and enhance our brands

Grow and Deliver Value

# Our Strategy

## 2

### **Capitalize on synergies and leverage strengths**

Leverage successful programs and services across the corporation

Expand further into midstream

Seek new international markets

Grow and Deliver Value

# Our Objectives

3

## Grow earnings through acquisitions, capital projects, and organic growth

Organic growth sets the foundation

Invest in adjacent geographies, leveraging our experience and products

Manage risk when investing in new areas or products

Focus on cash flow, limit commodity exposure, and execute

Grow and Deliver Value

# Key Takeaways

Consistently meet or exceed our commitments to shareholders

Superior earnings performance

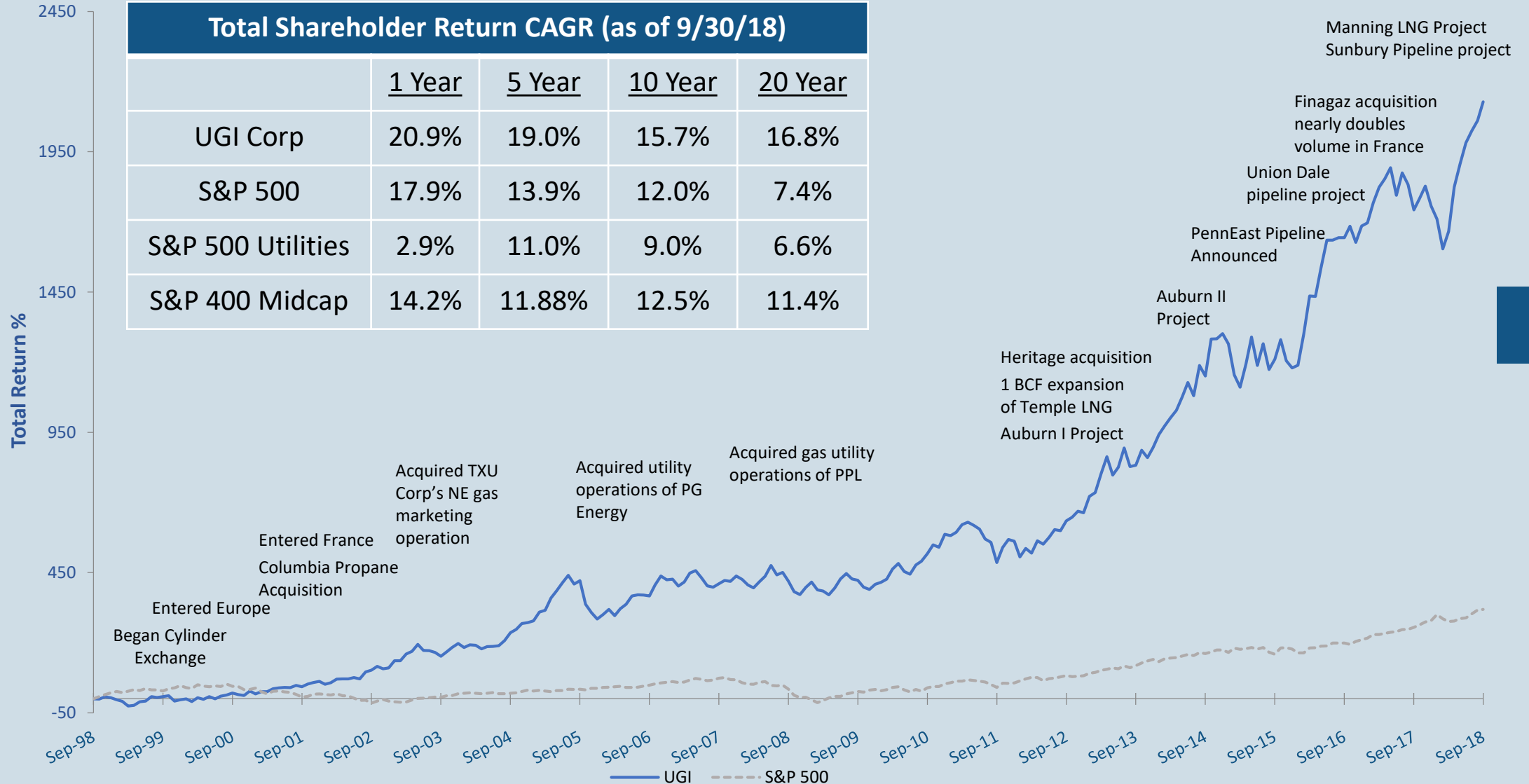
Outstanding cash generation

Strong track record of disciplined capital deployment

Clear path to growth

# Outperformance Driven by Cadence of Disciplined Investments

Total Shareholder Return CAGR (as of 9/30/18)				
	<u>1 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>20 Year</u>
UGI Corp	20.9%	19.0%	15.7%	16.8%
S&P 500	17.9%	13.9%	12.0%	7.4%
S&P 500 Utilities	2.9%	11.0%	9.0%	6.6%
S&P 400 Midcap	14.2%	11.88%	12.5%	11.4%

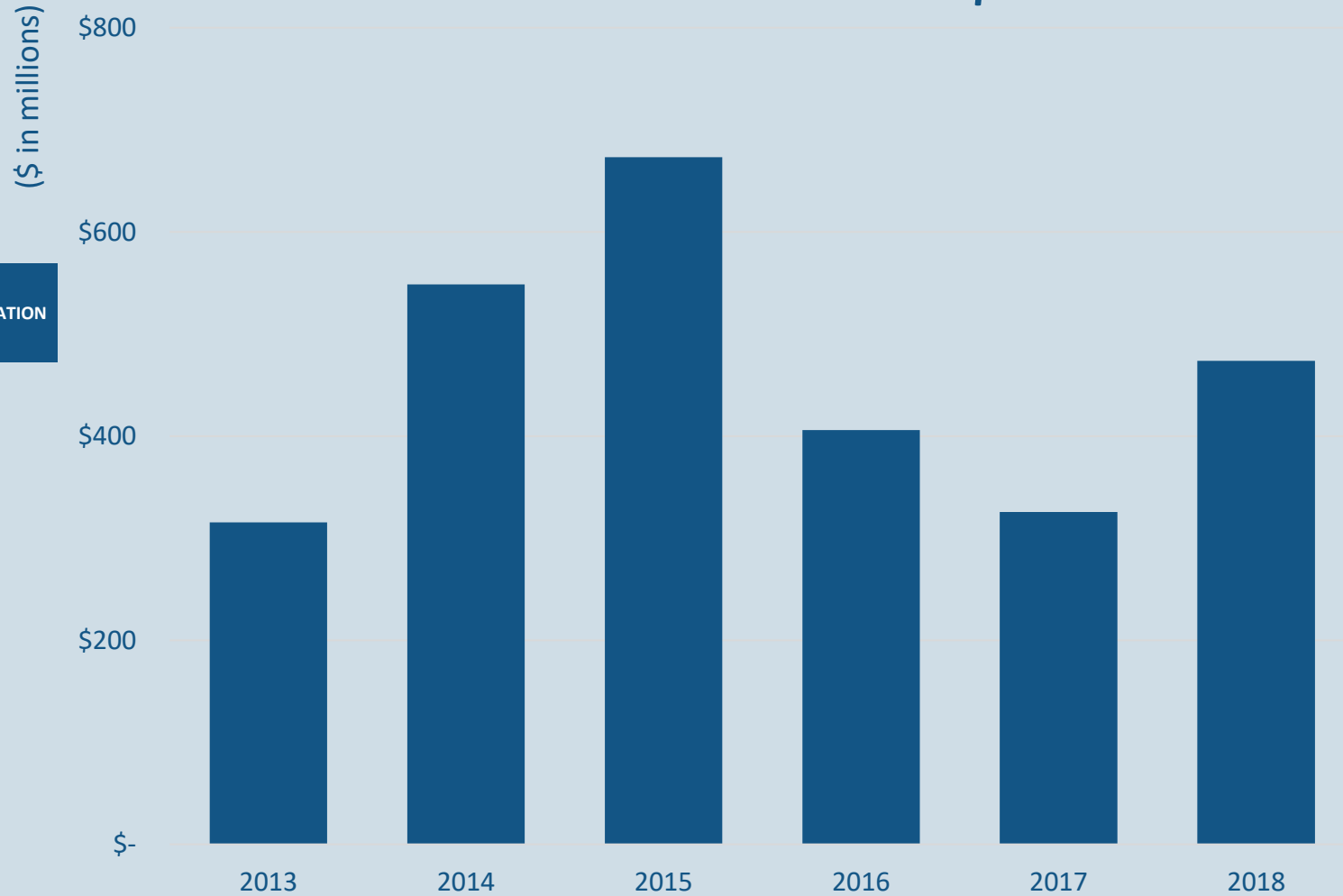


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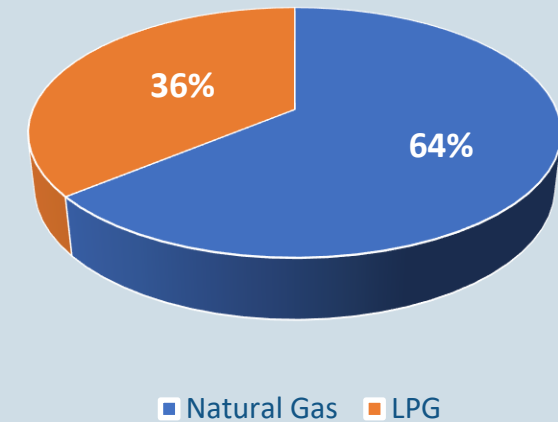
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# Free Cash Flow Growth

5 Year Total Free Cash Flow: **\$2.7 Billion**



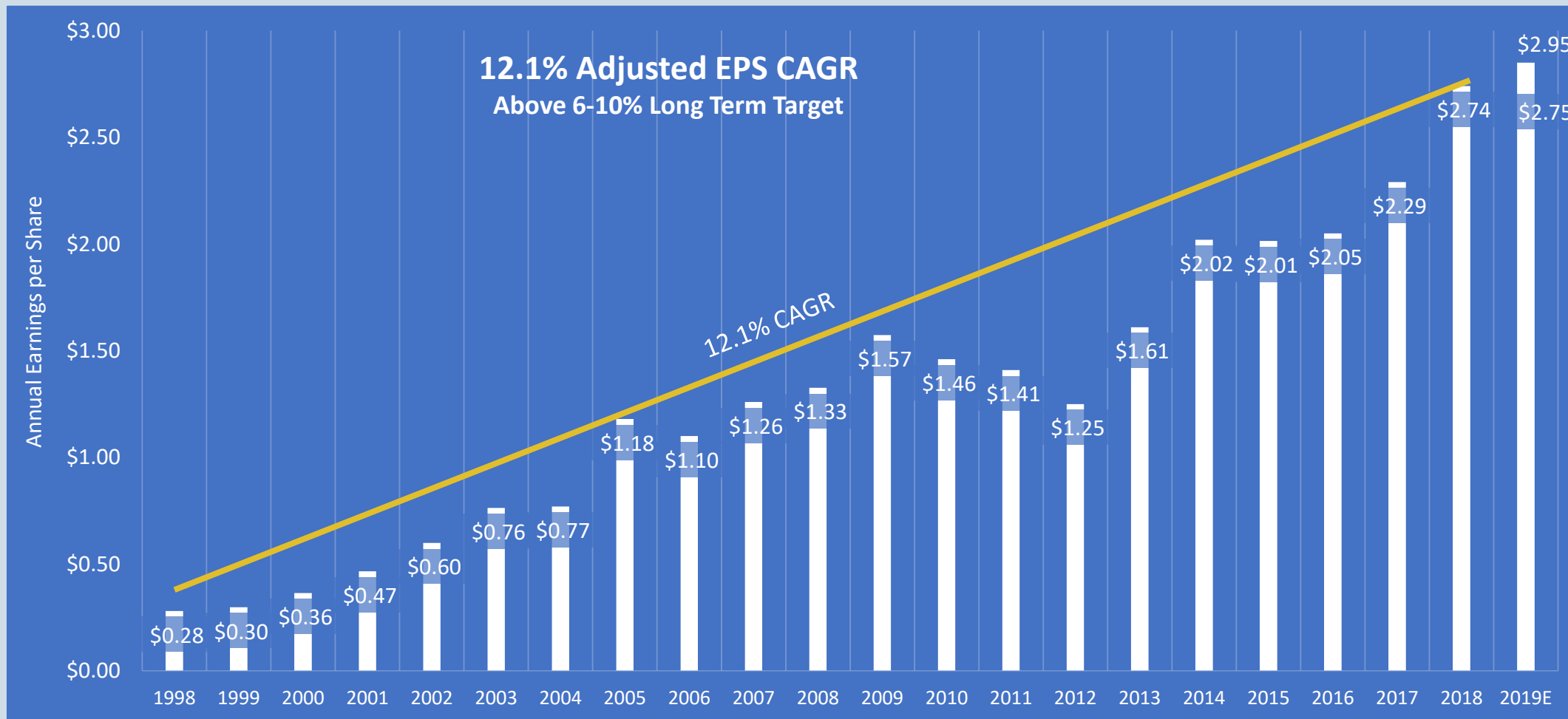
Capital Expenditures: 5-year Average



Free cash flow is a non-GAAP measure representing net cash from operating activities less cash capital expenditures but prior to cash acquisition expenditures.

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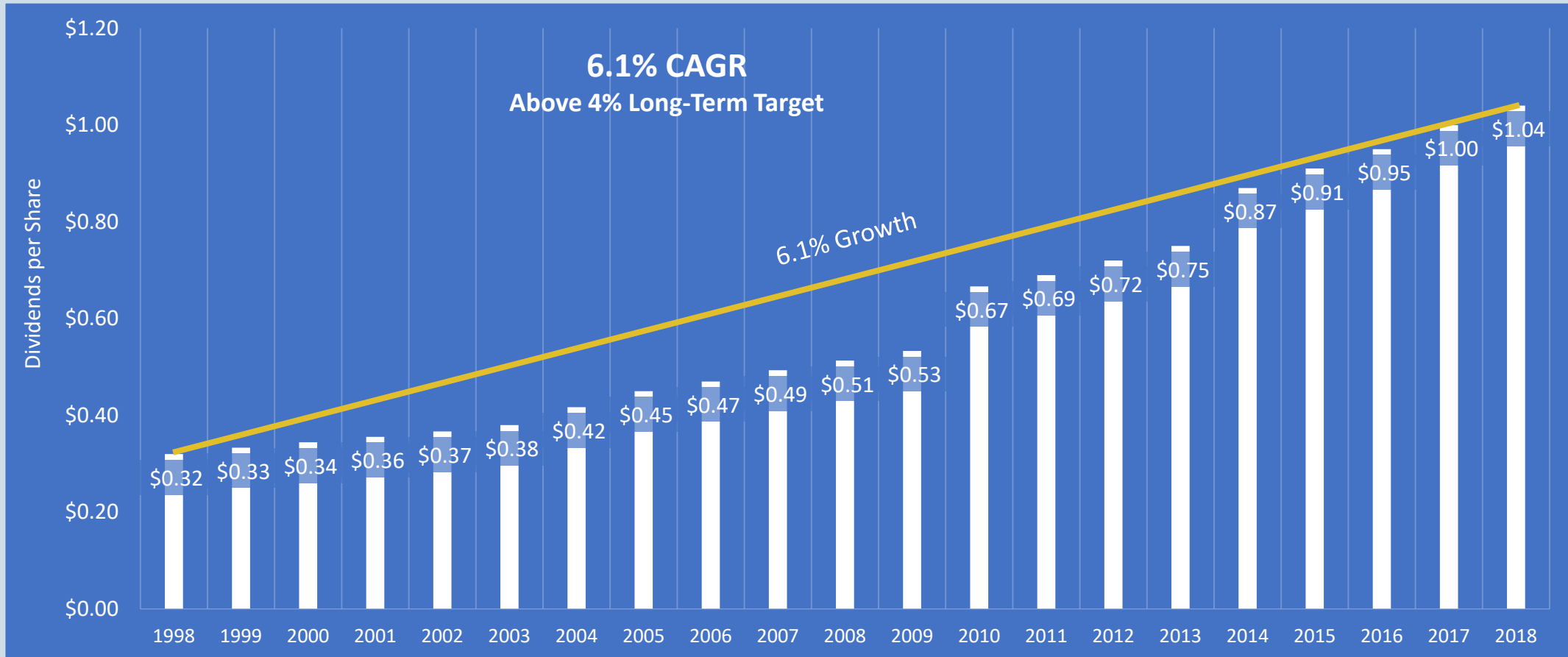
# Meeting our Commitments – EPS Growth



Earnings per share (EPS) for 1998 – 2009 represents GAAP EPS, adjusted for stock splits.  
2010-2018 EPS represents Adjusted EPS which is a non-GAAP measure. Please see appendix for reconciliation.



# Meeting our Commitments – Dividend Growth



UGI CORPORATION

Dividends per share, adjusted for stock splits

# Clear Path to Growth

UGI's businesses well-positioned to successfully execute on numerous projects and initiatives in the following areas:

- Strong and growing natural gas demand
- Utility rate base and customer growth
- Marcellus-based infrastructure
- National Accounts, Cylinder Exchange
- Targeted M&A
- LNG, energy marketing expansion
- Broadening of activities in Europe
- Technology-driven cost reductions
- Strong balance sheets to support growth



# A Strong and Stable AmeriGas

- Building a strong and stable AmeriGas is a high priority for both the UGI and AmeriGas boards
- AmeriGas saw their balance sheet and cash flow metrics strengthen in FY18 with more normal weather; should strengthen again in FY19
- A thorough review of our IDR structure is underway, as one element of a long-term balance sheet strengthening process
- We will focus intently on this issue over the next 120 days, as we assess progress and take further operational actions
- Standby Equity Commitment Agreement (“SECA”) remains available throughout the review period
- Expect a further update following the conclusion of the review

# How Have We Executed on Strategy?

## Be the preferred provider in all markets

- ✓ AmeriGas – largest domestic LPG distribution business
- ✓ Largest LPG distributor in France, Austria, Belgium, Denmark, Luxembourg, and Hungary
- ✓ Utilities – 2<sup>nd</sup> largest gas utility in PA
- ✓ Energy Services – building a strong midstream network

## Capitalize on synergies and leverage strengths

- ✓ Expanded our LNG capabilities – Manning, Steelton, portable peak shaving facilities
- ✓ Expanded LPG distribution business to Italy
- ✓ Enhancing technology platform across all businesses
- ✓ Extended gas and power marketing business internationally

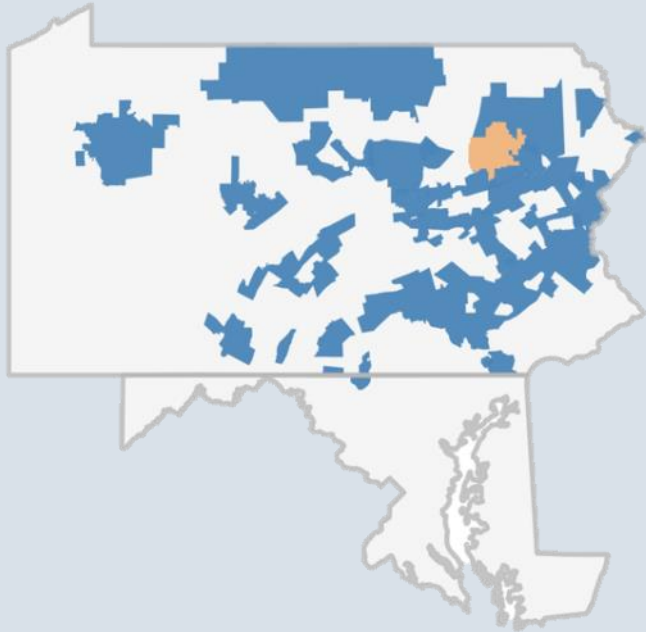
## Grow earnings through acquisitions, capital projects, and organic growth

- ✓ Successfully invested \$10.3 billion over the last 20 years to build our current business
- ✓ 20-year adjusted EPS<sup>1</sup> CAGR – 12.1%

<sup>1</sup>Adjusted earnings per share is a non-GAAP measure. Please see appendix for reconciliation.



# Business Overview



**Gas Utility**

UGI Utilities (gas, ~642,000 customers)

**Electric Utility**

UGI Electric (electric, ~62,000 customers)

Regulated gas & electric utilities serving over **700,000** customers

Most contemporary distribution system in Pennsylvania

Service territories lie within or adjacent to the **Marcellus Shale** production area

**2<sup>nd</sup> Largest** gas utility in Pennsylvania<sup>1</sup> serving 44 of 67 counties

<sup>1</sup> Based on total customers

# Update since 2016 Investor Day

- Added ~30,000 new customers
- Installed pipeline to 1,400MW power plant customer
- Successfully executed \$675MM capital program
  - ~130 miles of infrastructure replacement
- Completed PNG rate case
- Completed UGI Electric rate case
- Completed the merger of PNG and CPG into UGI Utilities on October 1, 2018

# Strategic Advantages

Safety focus

Constructive regulatory environment

Record capital investment

Proximity to Marcellus Shale

Top-decile customer service

- Reduced OSHA injuries and preventable motor vehicle accidents by 40% and 37%, respectively, since FY14
- Partnered with DuPont Sustainable Solutions to conduct a safety culture and initiatives assessment
- Fully Projected Future Test Year
- Distribution System Improvement Charge
- Act 58 - Alternative Rate Making
- Increasing system reliability
- Growing rate base
- Supporting growth
- Provides growth opportunities
- Lower gas cost = lower customer bills
- Increase in Marcellus gas sourced for power generation
- Top performer (#1 or #2) in residential customer satisfaction surveys for the past five years within our utility peer group



# Fiscal Year 2018 Regulatory - Highlights

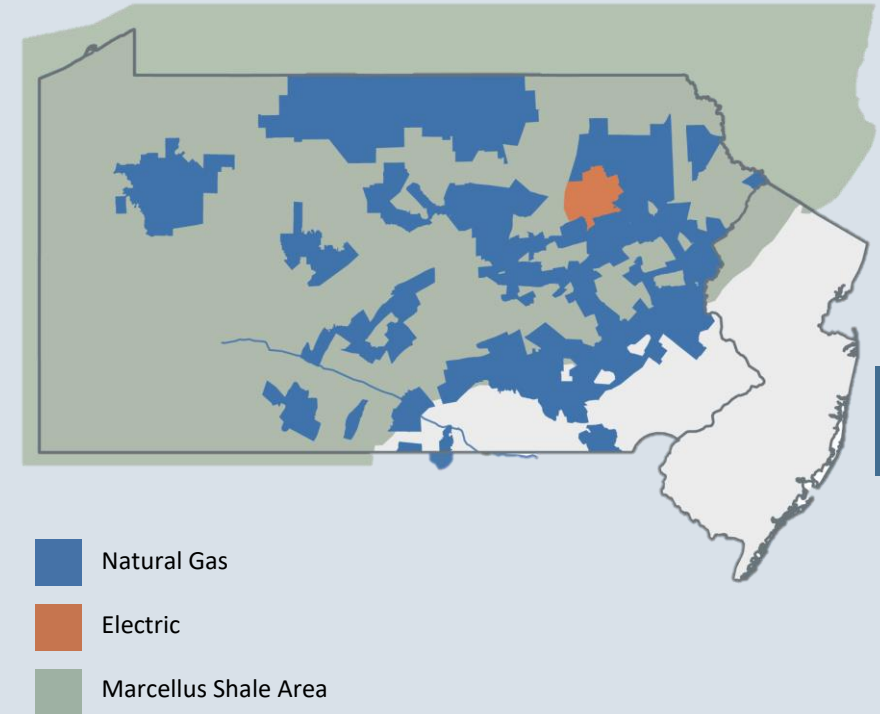
- Received approval for the merger of the three gas utilities
- Began collecting DSIC revenue for UGI Gas
- Both Gas Utility and Electric Utility eligible to utilize the DSIC mechanism
- Completed UGI Electric rate case
  - First since 1996
  - ~\$3.0MM additional revenue
  - 9.85% ROE
  - Successfully litigated the use of the Fully Projected Future Test Year

# Key Messages

- Geographic proximity to the Marcellus Shale production area
- Planned record capital investment
- Rate base growth combined with minimal regulatory lag
- UN1TE - Multi-year, multi-phase update for the IT portfolio of applications
- Customer growth
- Peak day growth
- Continued focus on improving the customer experience

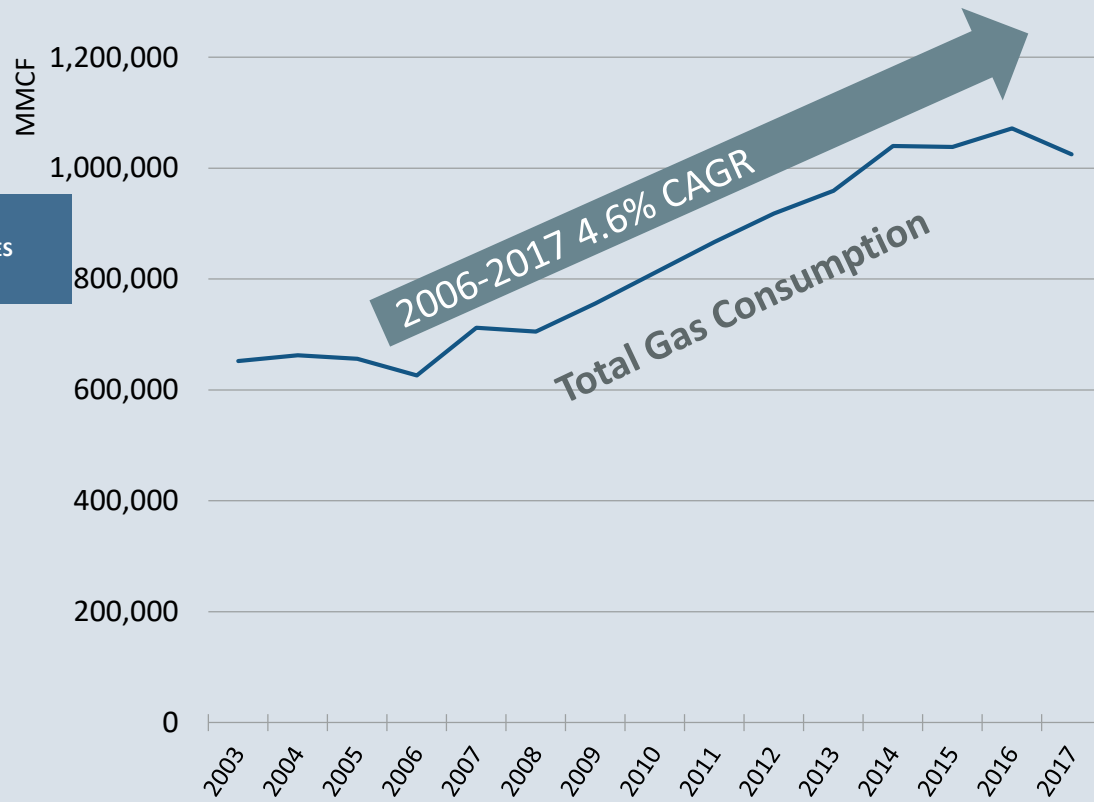
# Marcellus Advantage

- Over 90% of UGI Utilities natural gas sourced from the Marcellus Shale
  - Marcellus natural gas priced at over 29% discount to NYMEX during FY18
- Strong demand for natural gas (conversions, power generation, etc.)
- Favorable environment for economic development
- Significant value for customers
  - Collectively, our customers paid ~\$615MM less in 2018 than in 2008
  - Average residential customer saved ~\$1,000 in fiscal year 2018 vs. heating oil customers

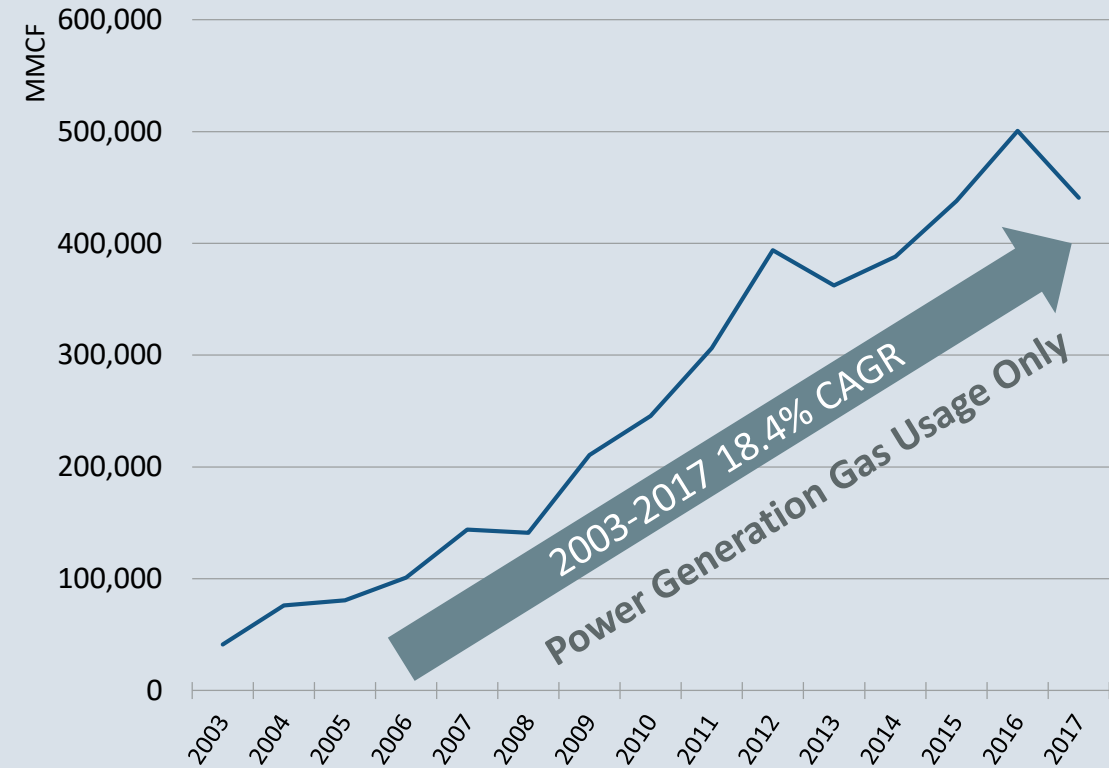


# Marcellus Gas Driving Growth in PA

## Natural Gas Delivered to Customers in PA



## PA Natural Gas Delivered to Electric Power Customers



UTILITIES

# Compressed Natural Gas (CNG)

Plentiful and economical natural gas from the Marcellus also advances adoption of CNG for UGI and its customers

- CNG burns more cleanly, reducing emissions by as much as 90%
- Completed one UGI CNG station in FY18, second scheduled for FY19
- In FY19, CNG vehicles will account for 12% of the UGI fleet
- UGI fuels the Lehigh and Northampton Transportation Authority (LANta) natural gas bus fleet, 34 CNG buses by the end of 2019

UTILITIES

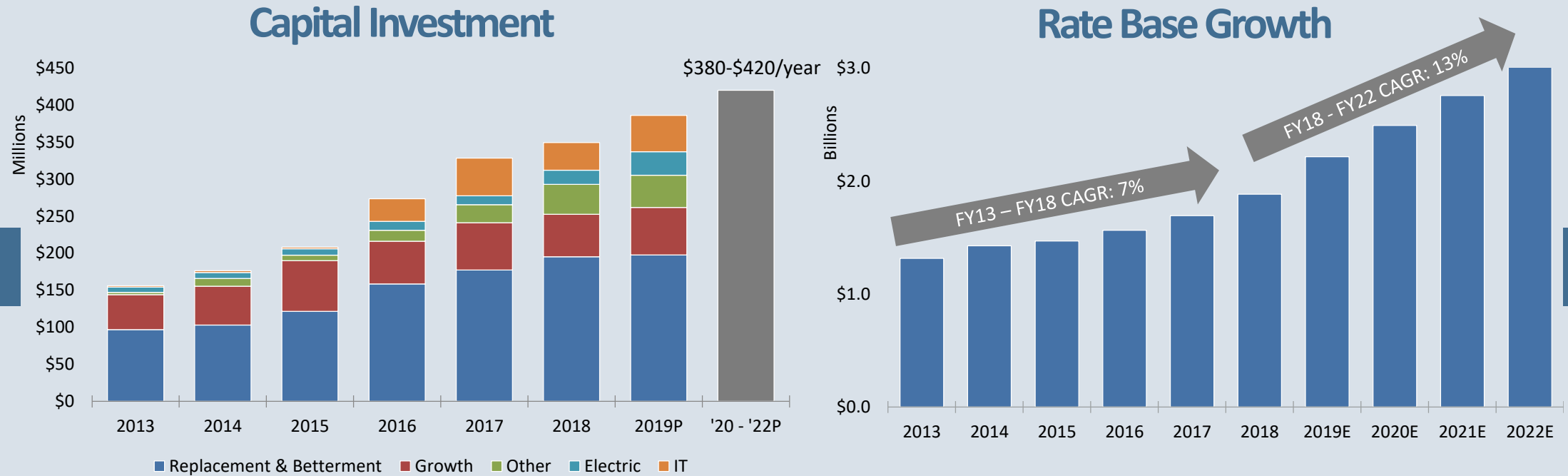


New Lehigh CNG Station



New Lehigh and Northampton Transportation Authority CNG Station

# Capital Investment Drives Rate Base Growth



UTILITIES

## Capital Drivers FY19 – FY22 (\$1.6B in planned capital spend)

- Gradually increase infrastructure replacement and building and grounds investment
- IT upgrade (Asset Management, Geographic Information Systems, Work Management)

# Investment Creating Value

- Reducing regulatory lag:
  - Fully Projected Future Test Year
  - Distribution System Improvement Charge
- Additional programs drive growth:
  - Technology and Economic Development Rider
  - Growth Extension Tariff
  - Energy Efficiency & Conservation
- Expect more frequent rate case cadence

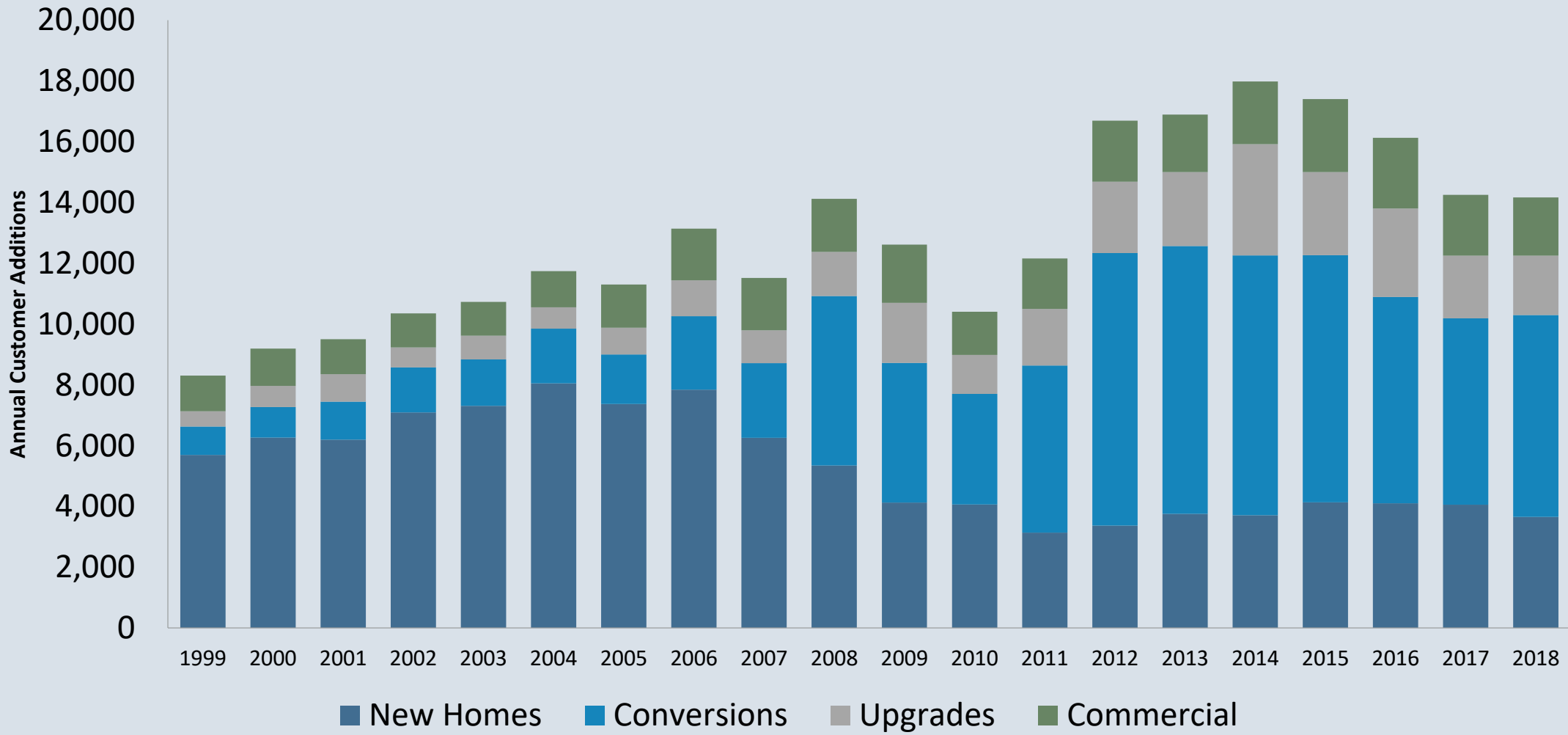
# Financing the Plan

- Credit ratings allow access to debt
  - Fitch affirmed A- rating and stable outlook
  - Moody's affirmed A2 rating and stable outlook
- No plans to issue equity
- Constructive regulatory environment



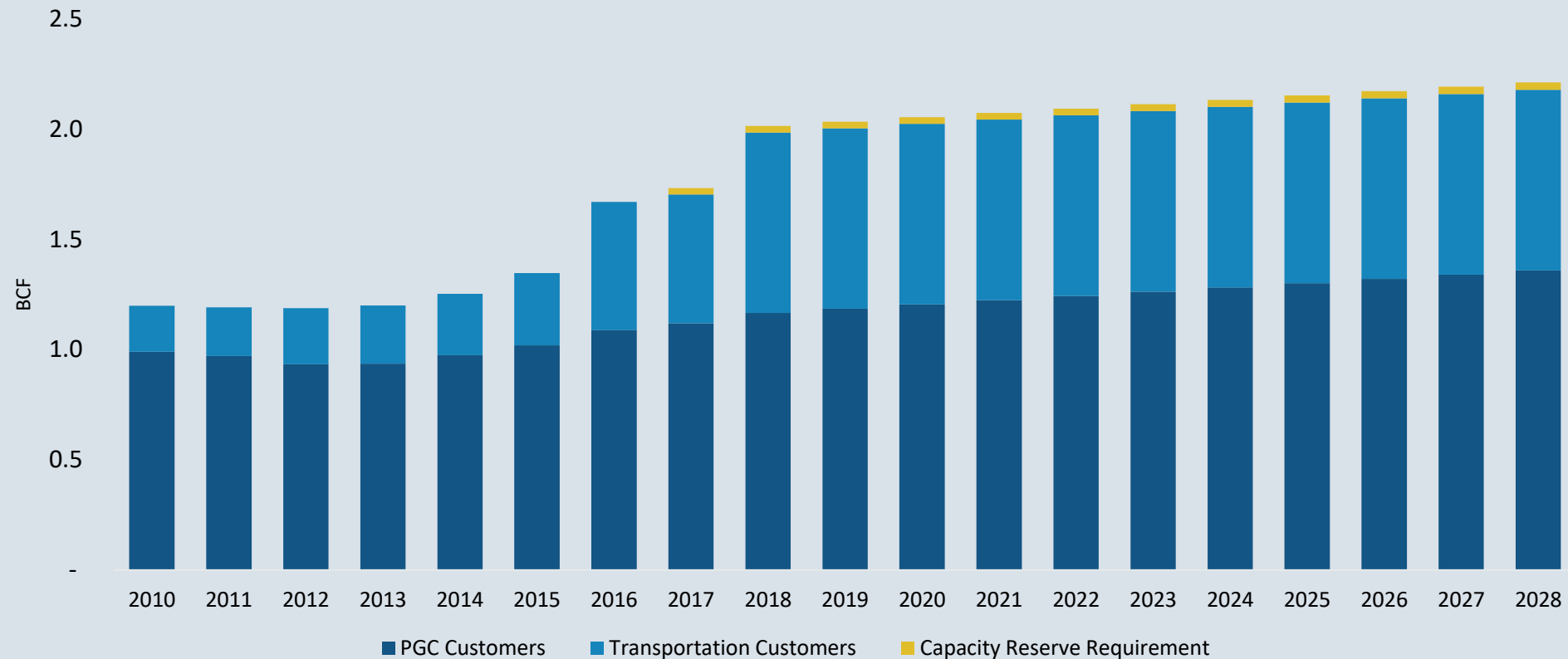
# Annual Customer Growth

258,600 customers added 1999 - 2018



UTILITIES

# Peak Day Growth



UTILITIES

- Peak day demand growth driven by above average customer growth, power generation and large commercial & industrial customers
- Peak Day Demand expected to increase by 10% 2018-2028
- Demand for new services expected to increase 38% in same period

Assumes existing service agreements are renewed

# Peak Day Summary

## Purchased Gas Cost Customers

- Gas Purchased from UGI
- Distributed through UGI distribution system
- Represents ~60% of peak day demand
- Benefit from LNG peaking contracts (lowest price alternative, “on-system” assets enhance reliability)

## Transportation Customers

- Gas purchased from third parties
- Distributed through UGI distribution system
- Represents ~40% of peak day demand
- Supply – deliveries are coordinated by third-party marketers

# Positioned for Continued Growth

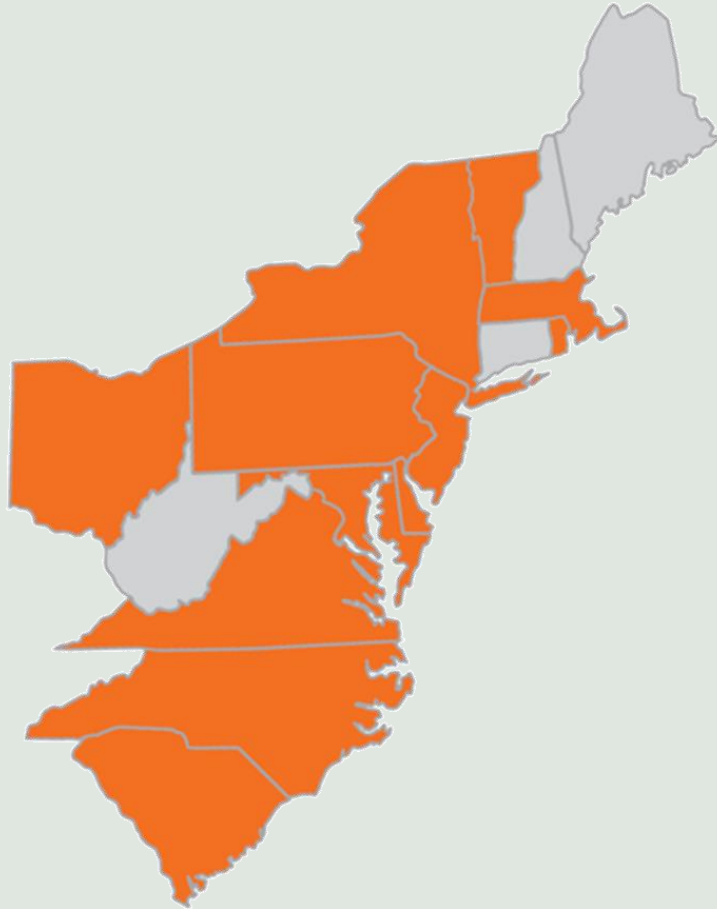
- **Since 2008 UGI converted:**
  - ~82,000 households and businesses
  - Over 80 large commercial & industrial facilities
- **Growth Opportunities**
  - ~ 300,000 conversion prospects remain near gas mains
  - GET Gas program enables growth in underserved areas
- **Fiscal Year 2019 growth capital budget of ~\$64MM**
  - Pre-2015 average annual spend was \$40MM
- **New Technologies / Future Demand**
  - Combined Heat and Power Projects
  - Natural Gas Vehicle fueling stations
  - Large potential industrial customers on deck
  - Distributed generation

# Summary

- Strong profitable growth due to customer additions (residential and commercial) and rate base growth
- Continued focus on operational excellence
- Proximity to Marcellus Shale
  - Low gas cost for customers
  - Attracting commercial investment
- Constructive regulatory environment
  - Timely recovery of prudent rate base investment
- Strong balance sheet



# Business Overview



ENERGY SERVICES

**Significant assets in the Marcellus Shale – well positioned to participate in the build-out and serve growing natural gas demand through a broad range of investments**

## Midstream Assets

- Nearly 200 miles of pipeline
- 15 MMDth of natural gas storage
- ~2 MMDth LNG and propane storage used to support liquefaction and vaporization peak shaving

## Commodity Marketing

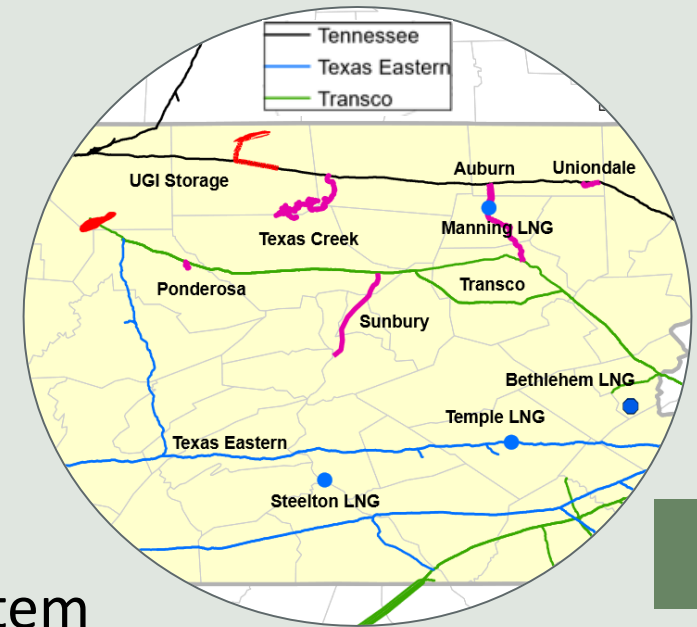
- Serving 13,000 residential, commercial, and industrial customers on 41 gas utility systems and 20 electric utility systems

## Electricity Generation

- ~300 MWs of electric generation capacity

# Update since 2016 Investor Day

- Successful project execution:
  - Sunbury Pipeline
  - Manning LNG Liquefaction Plant
  - Steelton LNG Peak Shaving Plant
- Acquired Texas Creek and Ponderosa gathering systems
- Announced further expansion of Auburn Gathering System
  - Two part expansion – to be completed by November 2019
- Planned construction of Bethlehem LNG Plant
- Portable LNG expansion
- PennEast received FERC Certificate
- Acquired 44 MW natural gas-fired peaking turbine at Hunlock





# Strategic Advantages

Strong and stable commodity marketing business

Experienced sales team that manages customer relationships; no speculative trading

Unique asset portfolio

Many complementary assets including storage, LNG and pipeline capacity

Supply knowledge and market expertise

Over 30 years of experience supplying gas into deregulated markets

Strong track record of project execution

Sunbury Pipeline completed ahead of schedule and under budget

Strategically positioned at eastern edge of Marcellus

Access to low-cost resource to serve constrained asset network

# Evolution of Marcellus Shale Investments



ENERGY SERVICES



■ Marcellus Shale

- 2010** • Announced \$300MM in Marcellus Development Projects

**2010 Total Margin<sup>1</sup>: \$167MM**



- 2011-2012** • Acquired 15MM Dths of storage  
 • Announced \$150MM Auburn expansion  
 • Completed 4-fold expansion of Temple LNG facility



- 2013 -2014** • Completed 1<sup>st</sup> phase of Auburn expansion  
 • Announced Union Dale lateral, PennEast Pipeline project, and Temple liquefaction expansion



- 2015-2016** • Initiated construction of Manning and Steelton LNG facilities  
 • Announced Sunbury Pipeline



- 2017-2018** • Acquired Texas Creek and Ponderosa Gathering Systems  
 • Announced Bethlehem LNG  
 • Received FERC Certificate for PennEast

**2018 Total Margin<sup>1</sup>: \$331MM**  
**9% CAGR**

<sup>1</sup>Total Margin is a non-GAAP measure. Please see appendix for reconciliation.

# Key Messages

- LNG/Peaking business growth
  - Bethlehem, PA storage and vaporization system
  - Portable LNG units that can be quickly deployed
- Pipeline build out from Marcellus continues
  - Auburn Expansion
  - Texas Creek
  - PennEast
- Commodity marketing territory expansion
  - New England
  - North Carolina
- Broad range of investment opportunities
- Increasing fee-based income

# Midstream Assets Overview

## LNG Peaking:

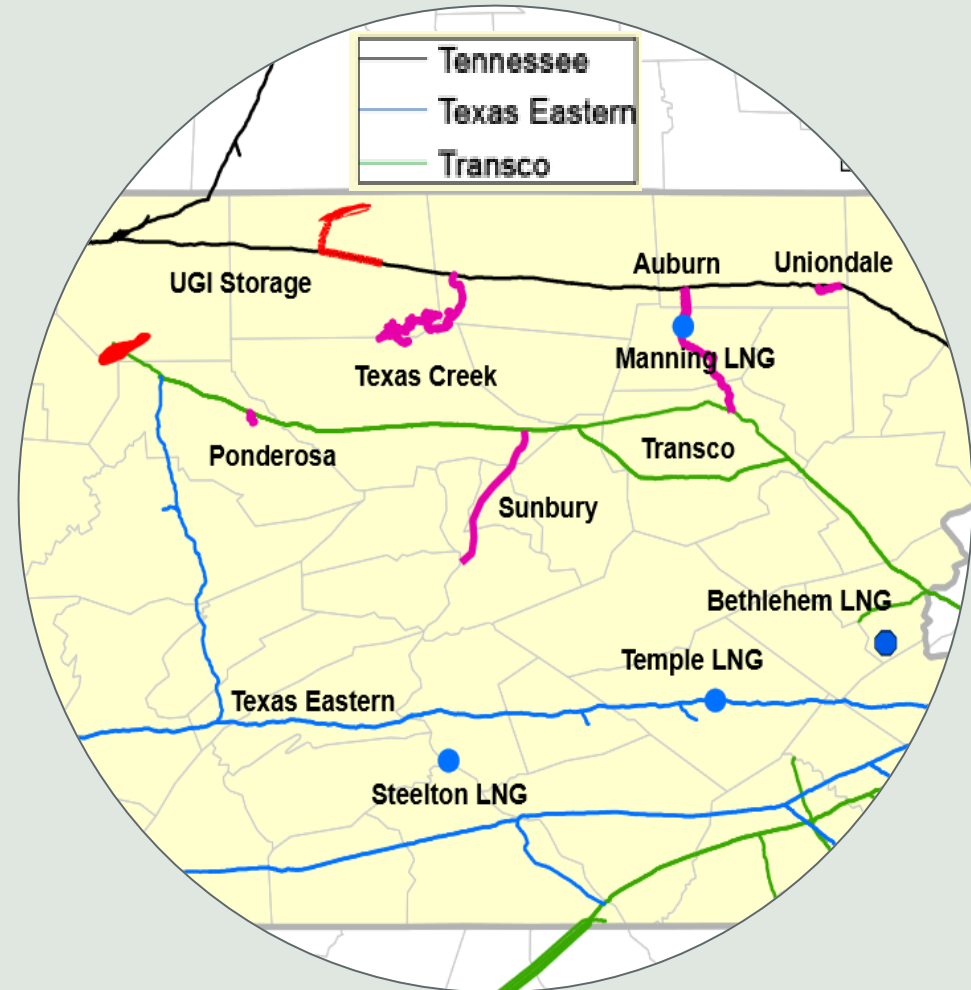
- Temple LNG (205,000 Dth/day vaporization, 1.25 MMdth storage)
- Manning liquefaction (10,000 to 15,000 Dth/day)
- Steelton vaporization (65,000 Dth/day)
- Bethlehem vaporization (70,000 Dth/day)
- Portable LNG vaporization (15,000 Dth/day)

## Built Pipeline capacity:

- Auburn system (470,000 Dth/day)
- Sunbury Pipeline (200,000 Dth/day)
- Union Dale (100,000 Dth/day)
- Texas Creek (200,000 Dth/day)
- Ponderosa (33,000 Dth/day)

## Storage:

- 15 MMdth natural gas storage



# LNG Expansion



**Location:** Bethlehem, PA

**Purpose:** Vaporization and storage facility

**Scope:** 70,000 Dth/day of LNG vaporization capacity and 2 million gallons of LNG storage

**Schedule:** Target Q4 2020

**Cost:** ~\$60MM



**Location:** Various

**Purpose:** Portable LNG peak shaving facilities

**Scope:** Two mobile systems capable of 10,000 Dth/day of LNG vaporization

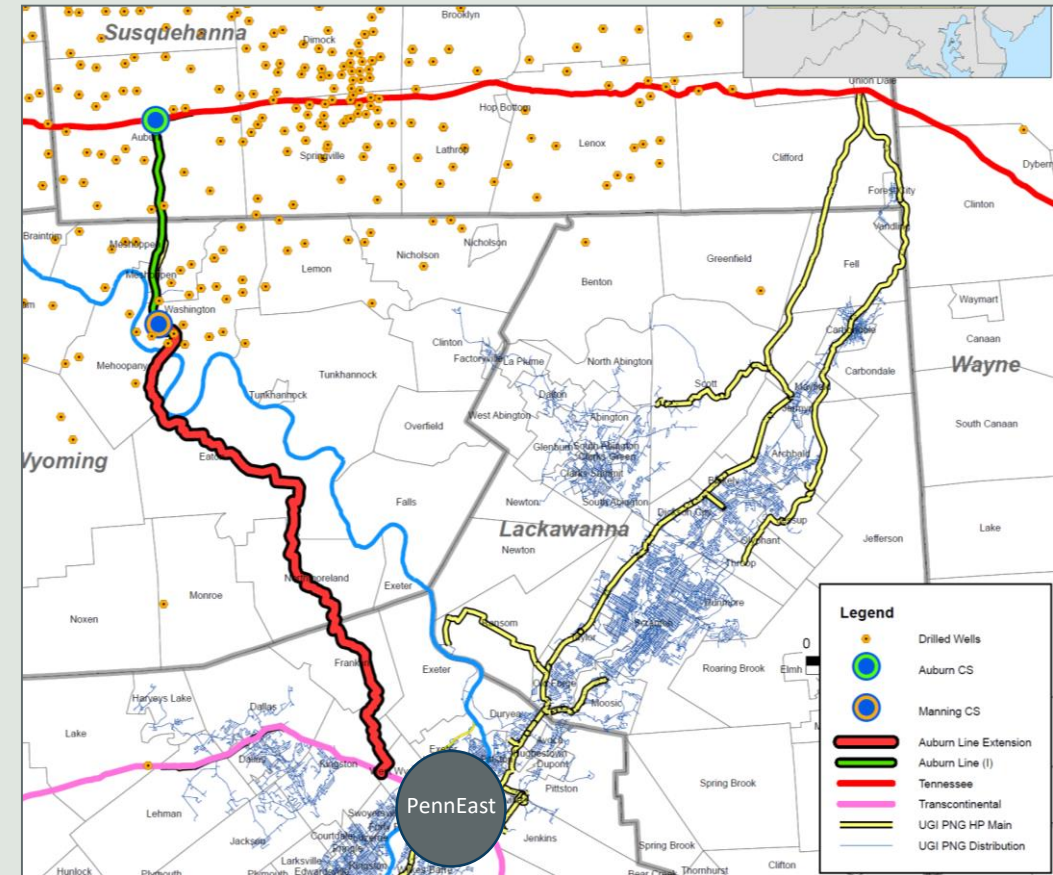
**Schedule:** Target Q4 2019

# Midstream – Auburn Expansion

## System Highlights

- Prior to November 1, 2018 system capable of moving **470,000 dth/d to multiple end markets**
  - 46 miles of pipeline connecting to Tennessee, Transco, and other end-users
- Expanded system will be **capable of moving 620,000 dth/d**
  - Cost ~\$50MM
  - Anticipate completion November 2019

Current Auburn System



ENERGY SERVICES

# Midstream – Texas Creek

## System Highlights

- >60 miles of gathering in Tioga, Lycoming, and Bradford Counties
- Compressor stations and dehydration capable of moving >200,000 Dth/d
- Delivery to Tennessee and Transco (via Regency)
  - Provides producers end-market optionality
- Adjacent to numerous other Appalachian Basin producers

## Texas Creek Gathering System



# Midstream – PennEast Pipeline

## System Highlights

- Connecting abundant Marcellus gas supply to high-value southeastern PA and western NJ markets
  - 120 Mile, 36” diameter, \$1.0+ billion interstate pipeline
- Partnership between UGI (project manager), Spectra Energy Partners, Southern Company Gas, New Jersey Resources, South Jersey Industries
- System capable of moving 1.1 Bcf/d to multiple end markets:
  - Awaiting approvals to proceed in PA and NJ

## PennEast Pipeline (Red)



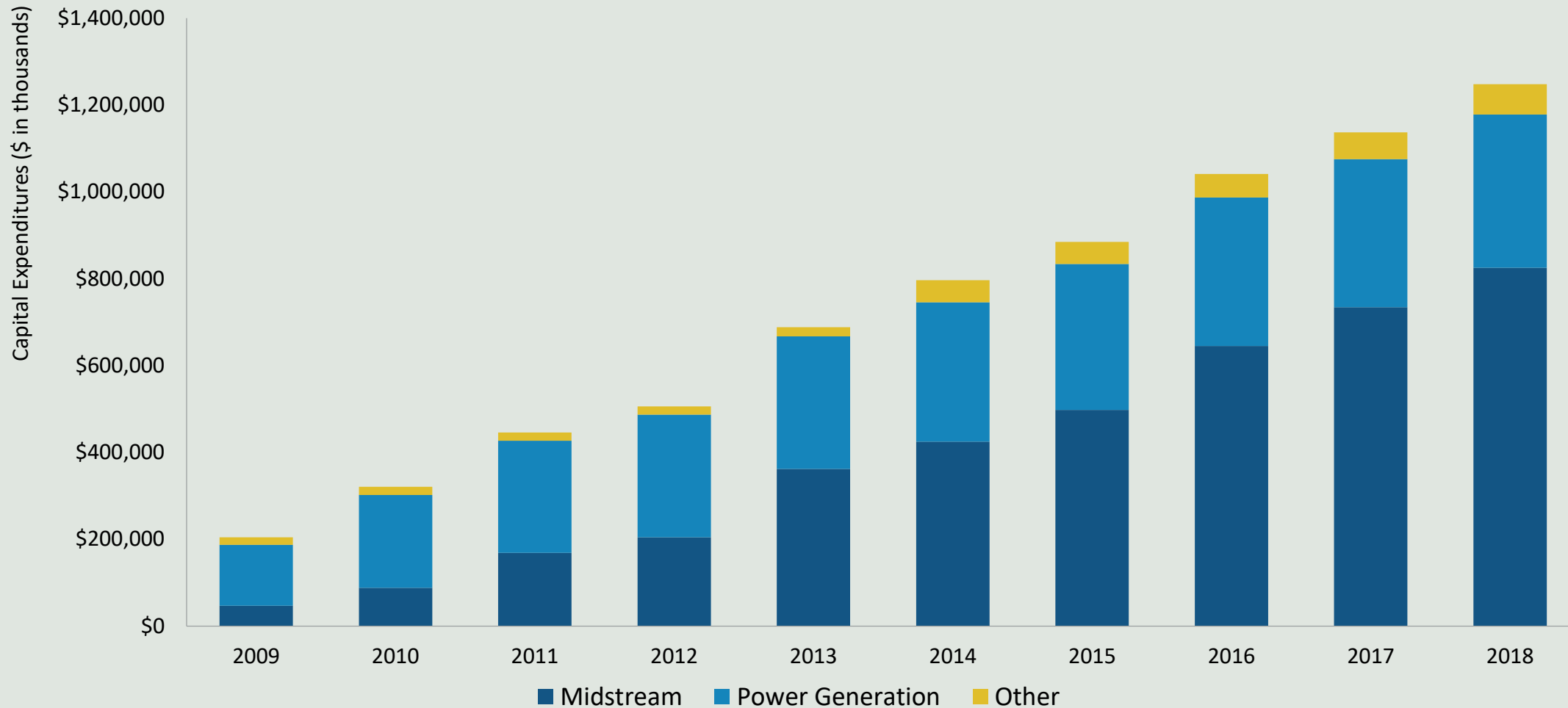
ENERGY SERVICES



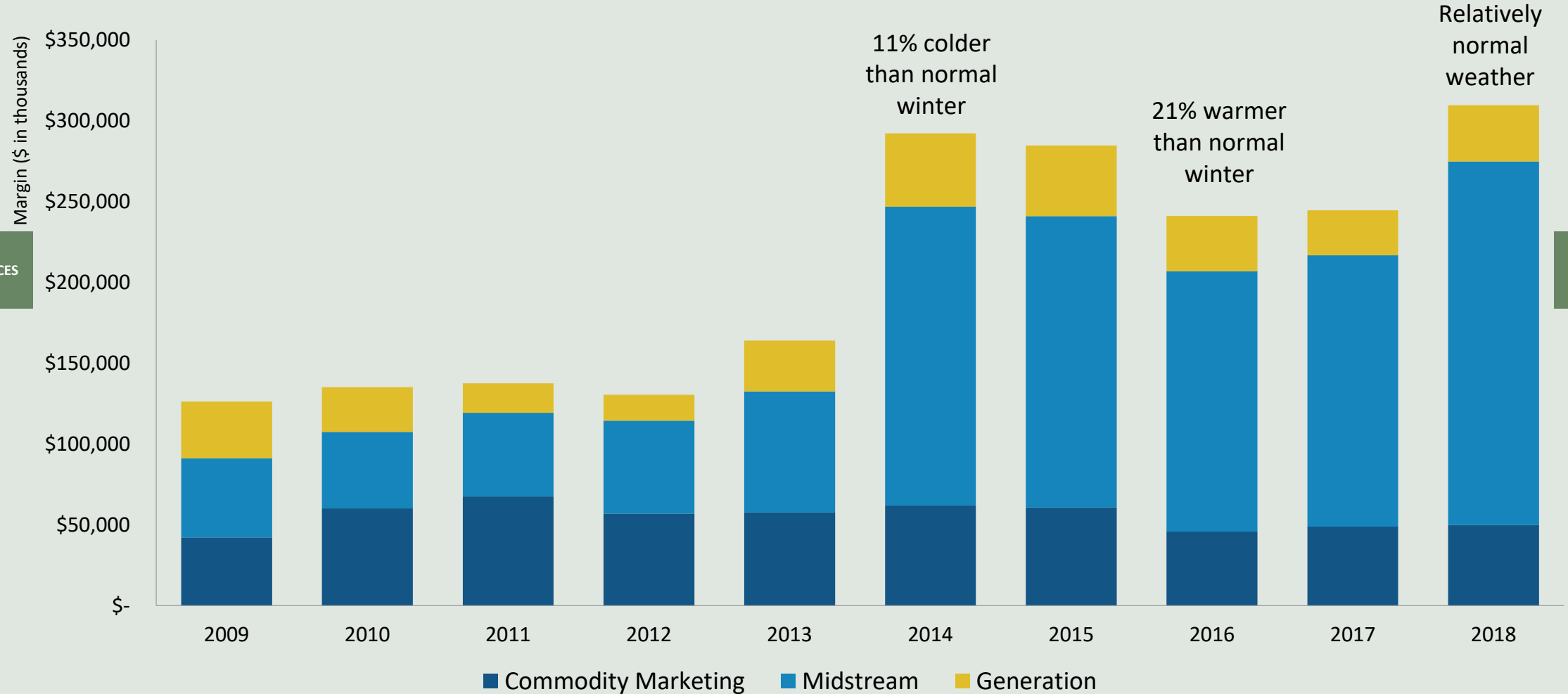
# Commodity Marketing

- Supply natural gas to approximately 36,000 gas customer locations throughout the Eastern U.S.
- Successful expansion to New England and North and South Carolina
- Target small & medium size businesses
- Focus on long-term contracts and customer retention
- No speculative trading
- Low risk business

# Cumulative Capital Investment



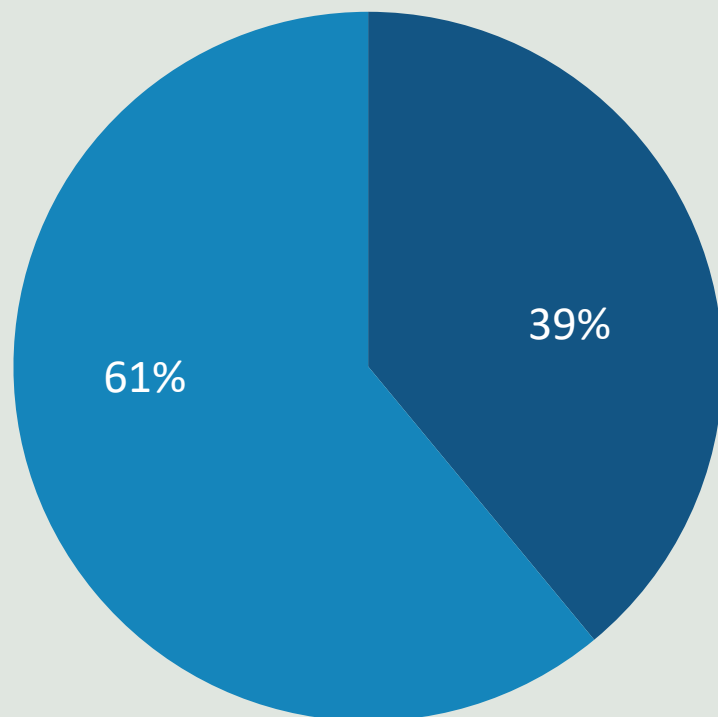
# Margin Growth Driven by Midstream Expansion



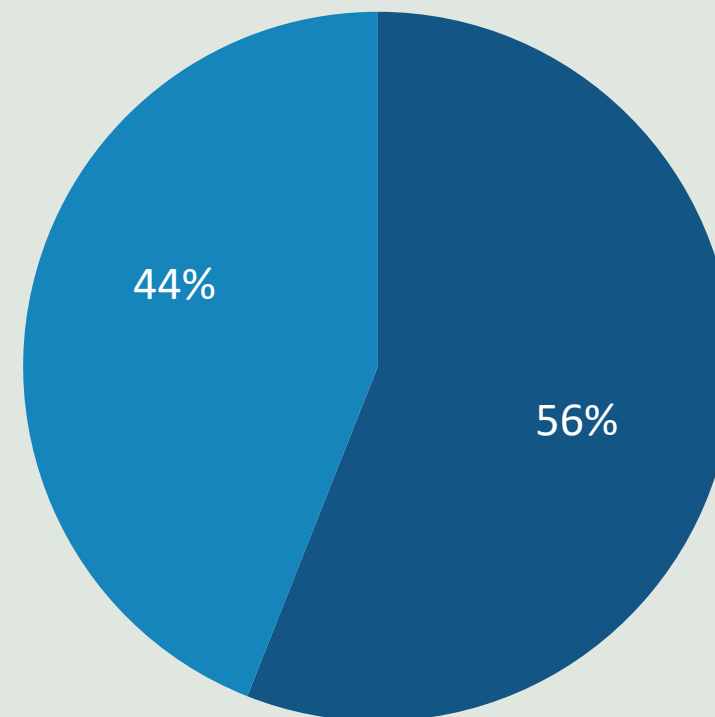
<sup>1</sup>Total margin is a non-GAAP measure. Please see appendix for reconciliation.

# Fee-Based Income Stabilizes Earnings

2013 Margin<sup>1</sup>



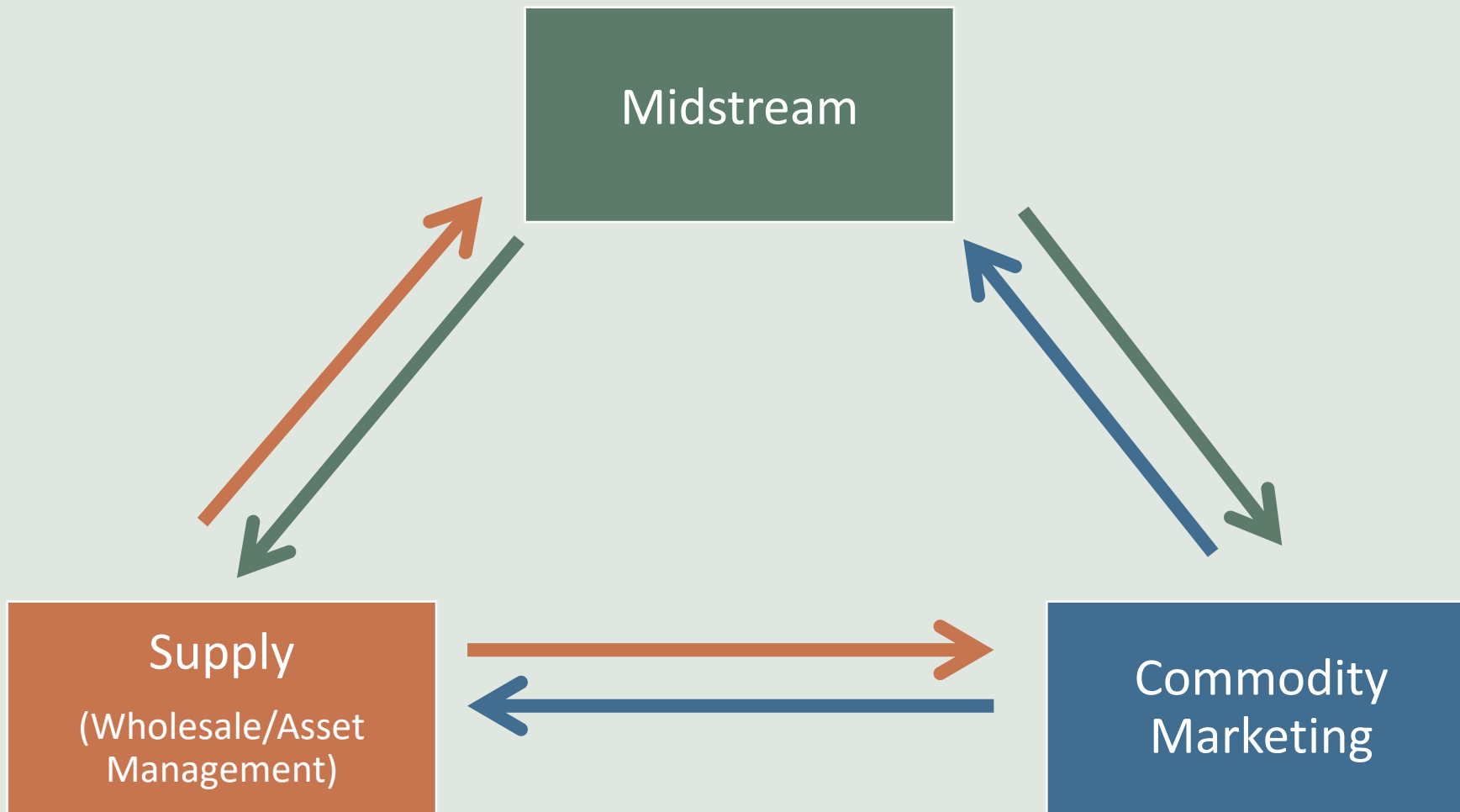
Anticipated 2022 Margin



■ Fee-Based Margin    ■ All Other Margin

<sup>1</sup>Margin is a non-GAAP measure. Please see appendix for reconciliation.

# Diversified Portfolio – Natural Synergy



# Conclusion

- Built diverse, complementary portfolio of Marcellus-based assets
  - Provides flexibility to grow in varying market conditions
  - Prudent expansion of our geographic footprint
- Continue to expand our midstream business
  - Auburn IV, Texas Creek, Ponderosa, PennEast
- Broad pipeline of capital projects
  - Growing fee-based margin to over 56% by 2022
- LNG is a core competency and will continue to provide investment opportunities
  - Bethlehem and portable peak shaving facilities
- Expanding commodity marketing base
  - New England and the Carolinas



# UGI International Overview

## Operations in 17 Countries

~550,000 Total Customers

### LPG Distribution

### Energy Marketing

~1 Billion gallons  
of LPG sold in FY 2018

~28 BCF  
of natural gas sold in FY 2018

Largest distributor in France, Austria, Belgium, Denmark, Luxembourg, and Hungary

~5% of 2018 total  
margin

18.5 million cylinders in circulation

Over 500,000 bulk customers



INTERNATIONAL

 LPG Distribution       LPG Distribution and Energy Marketing



# Update since 2016 Investor Day

- Finagaz integration complete (€50MM synergies)
- Continued geographic expansion by acquiring LPG distribution businesses in Italy and Sweden
  - Began marketing Bio-LPG in parts of Northern Europe
- Launched an energy marketing business in the U.K.
- Acquired an energy marketing business in the Netherlands (DVEP)
- Margin expansion through effective price management and efficiencies
- New UGI International management structure
  - Appointed UGI International COO
  - Realigned management into 4 regions
  - Established EU-wide roles for critical functions
    - Group supply
    - Industrial management
    - Business development
    - Finance
- Recent refinancing strengthens balance sheet, provides flexibility, and positions business for continued growth

# Strategic Advantages

Market leader in Europe

Largest LPG distributor in Austria, Denmark, France, Hungary, Belgium, and Luxembourg; significant participant in Czech Republic, Norway, Poland, Slovakia, Sweden and UK

Global LPG

LPG is a core business to UGI. International business continues to benefit from a strong management focus and sharing best practices with U.S. operations

Supply assets

Strategically located supply assets and purchasing leverage reduces pricing risk and ensures sources of supply

Growing energy marketing business

Business has expanded to four locations: Belgium, France, the Netherlands, and the UK; centralized management

# UGI International - 2008

**8 Countries**

**LPG Distribution only**

**Total Gallons – 365 million**

**Total Margin - \$473 million**



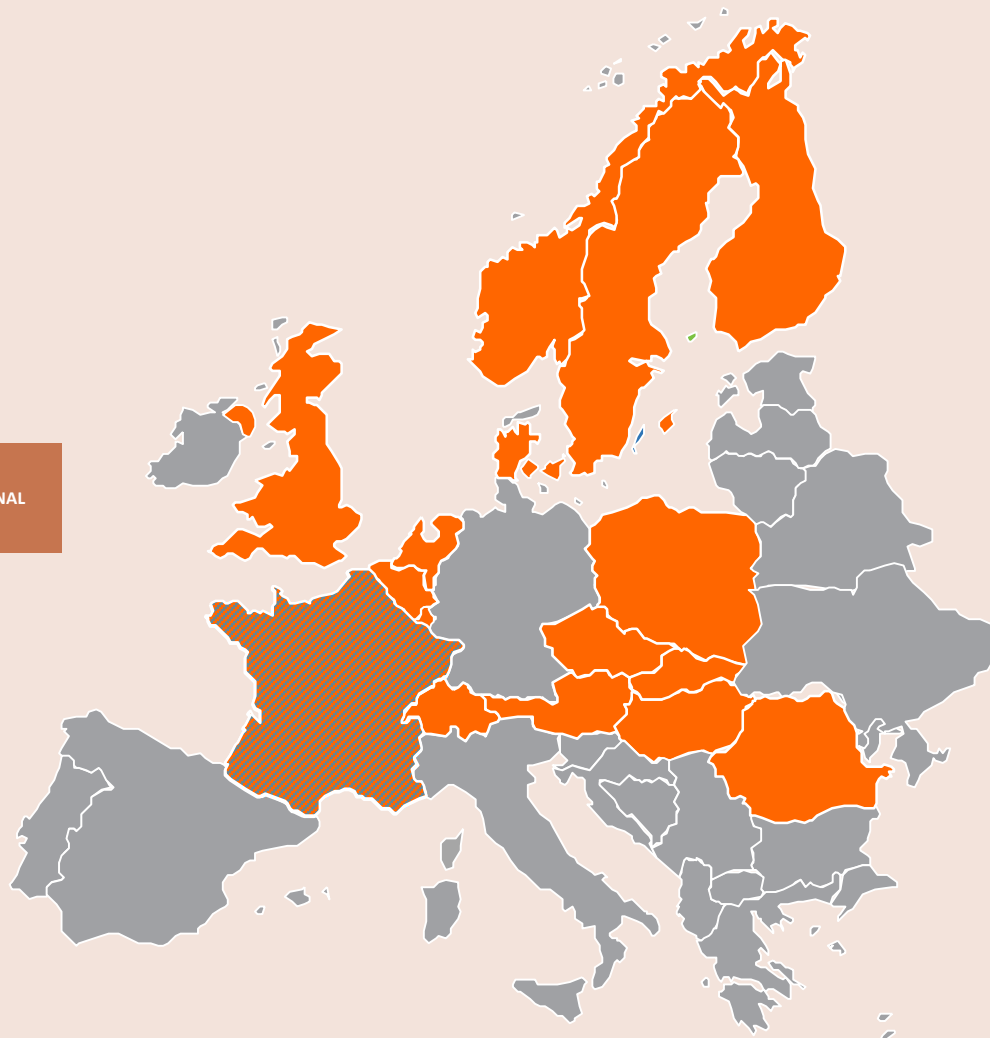
INTERNATIONAL

 LPG Distribution

<sup>1</sup>Total margin is a non-GAAP measure. Please see appendix for reconciliation.

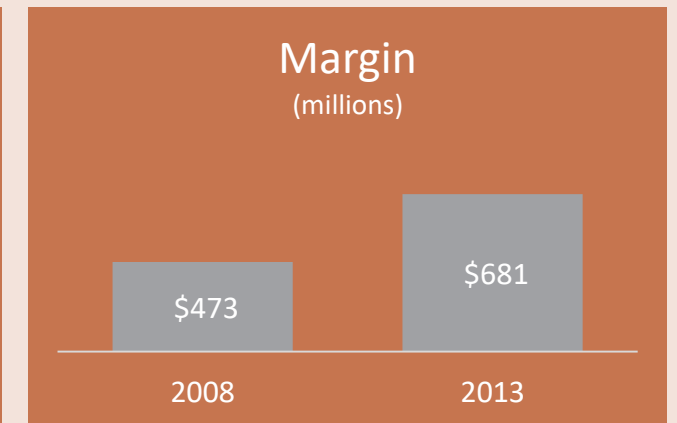
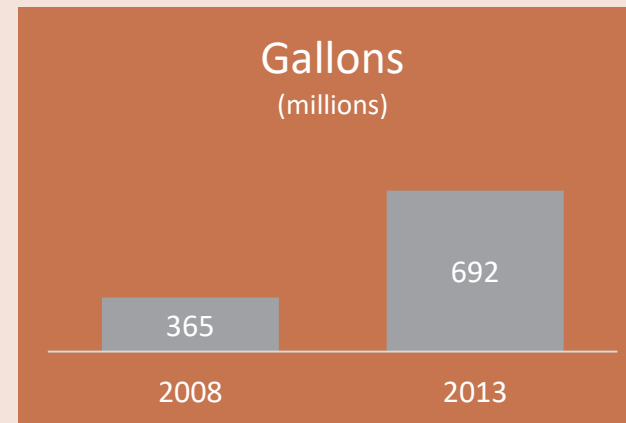
# UGI International - 2013

INTERNATIONAL




## 15 Countries

## LPG Distribution and Natural Gas Marketing



 LPG Distribution

 LPG Distribution and Energy Marketing

<sup>1</sup>Total margin is a non-GAAP measure. Please see appendix for reconciliation.

# UGI International - Today

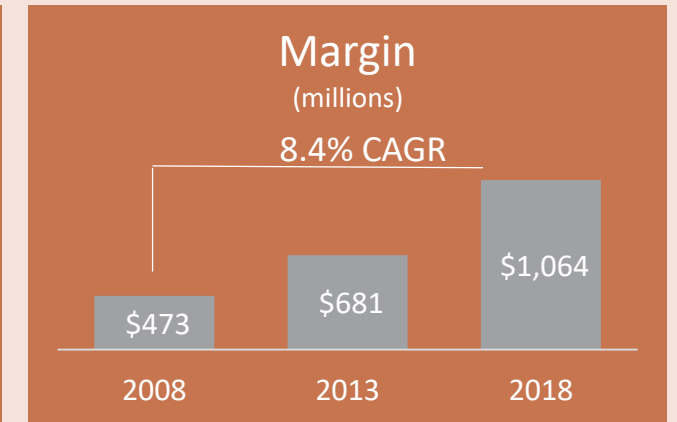
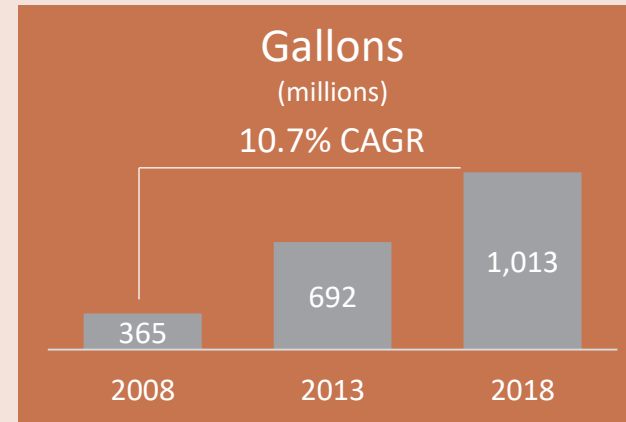
INTERNATIONAL

## 17 Countries

## LPG Distribution, Natural Gas Marketing, Electricity Marketing



LPG Distribution      LPG Distribution and Energy Marketing

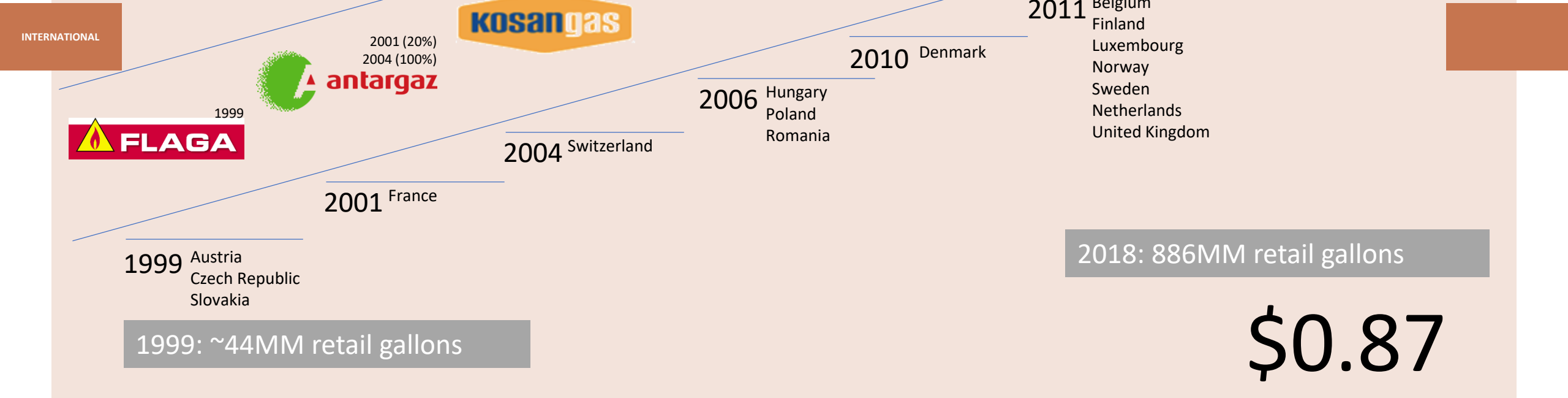


<sup>1</sup>Total margin is a non-GAAP measure. Please see appendix for reconciliation.

# Key Messages

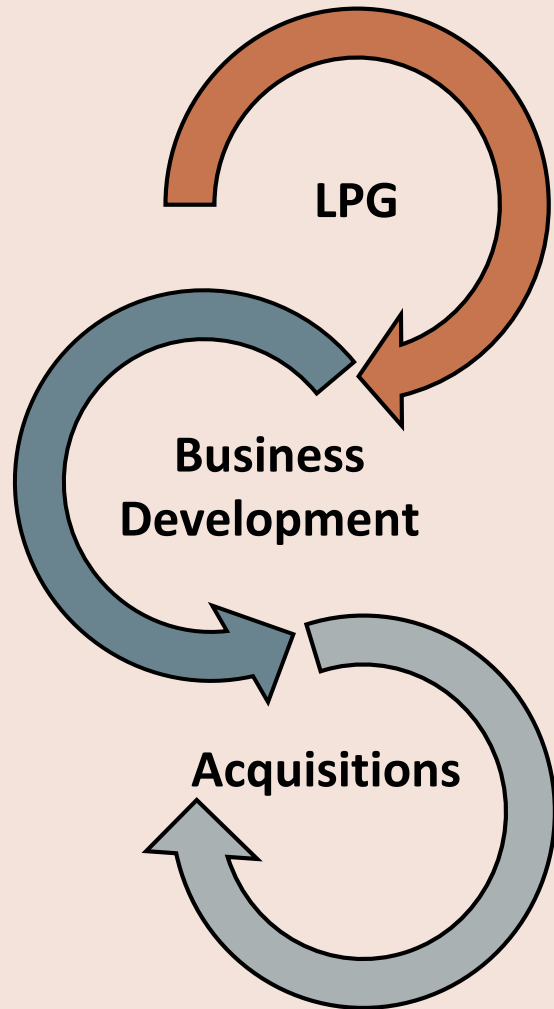
- International segment managed as one company with strong local presence
- Track record of successful integration of accretive businesses
- Operations focused on goal-based, strategic execution
  - LPG core focus, energy marketing, acquisitions
  - Strategies to yield consistent earnings growth over the next three years
- Attractive cash flow generation
- Track record for margin management
- Minimal direct exposure to commodity price movements
- Strategically located supply assets provide flexibility
- Tremendous opportunities for continued growth

# Evolution – Major Acquisitions



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

# Clear Vision for Future Growth



**Focus** on core LPG business

**Develop** Nat Gas and Electricity in selected markets and explore LNG

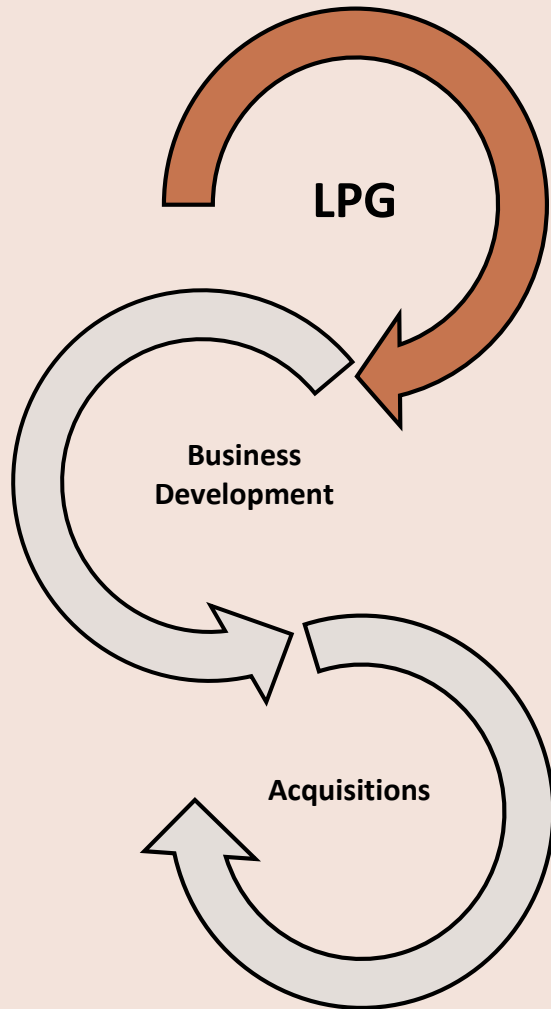
**Expand** within and outside our footprint

**Evaluate** LPG in emerging markets





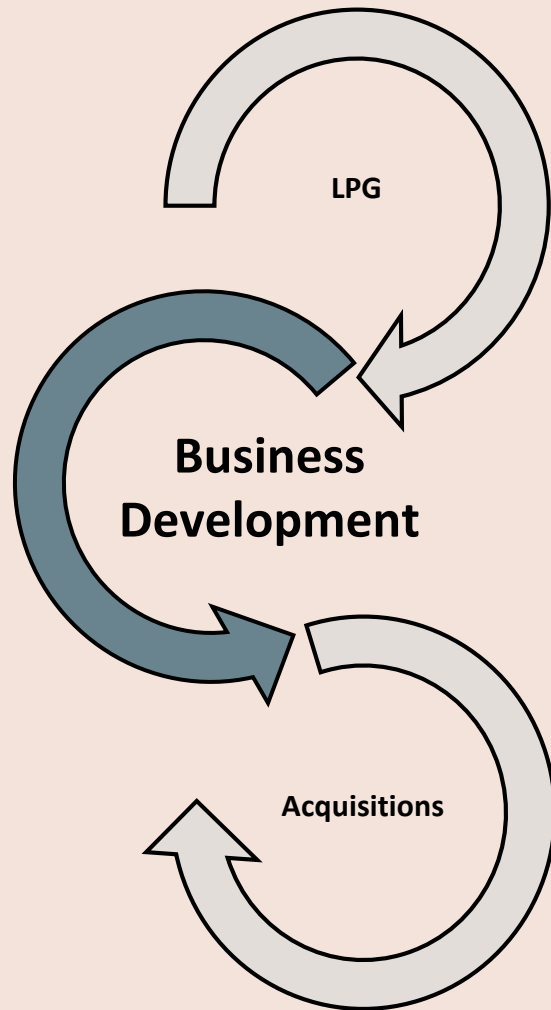
# Focus on LPG



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- Achieve organic growth in cylinder business
  - Strategic alliances with retailers
  - Investment in service and packaging innovation
- Grow bulk business
  - Superior customer service
  - Service-based innovation
- Focus on cost efficiencies
  - Offset 1%-2% structural decline resulting from energy conservation efforts

# Develop New Business



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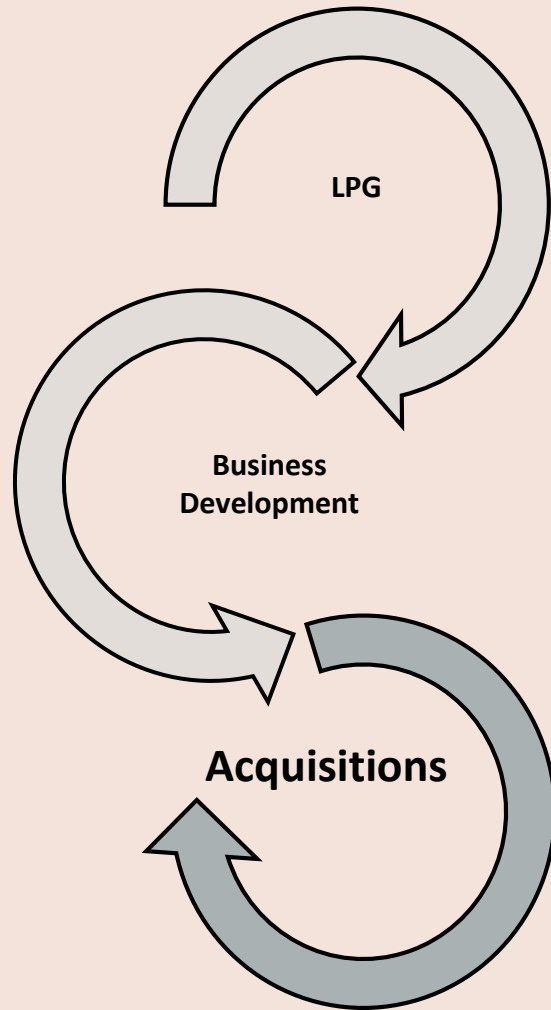
- **Natural Gas Marketing**

- Liberalizing natural gas markets in Europe creating opportunity
- Marketing business has expanded to four countries:
  - France, Netherlands, Belgium, and the UK
- Explore small-scale LNG as an alternative fuel source for off-grid customers currently using oil

- **Electricity Marketing**

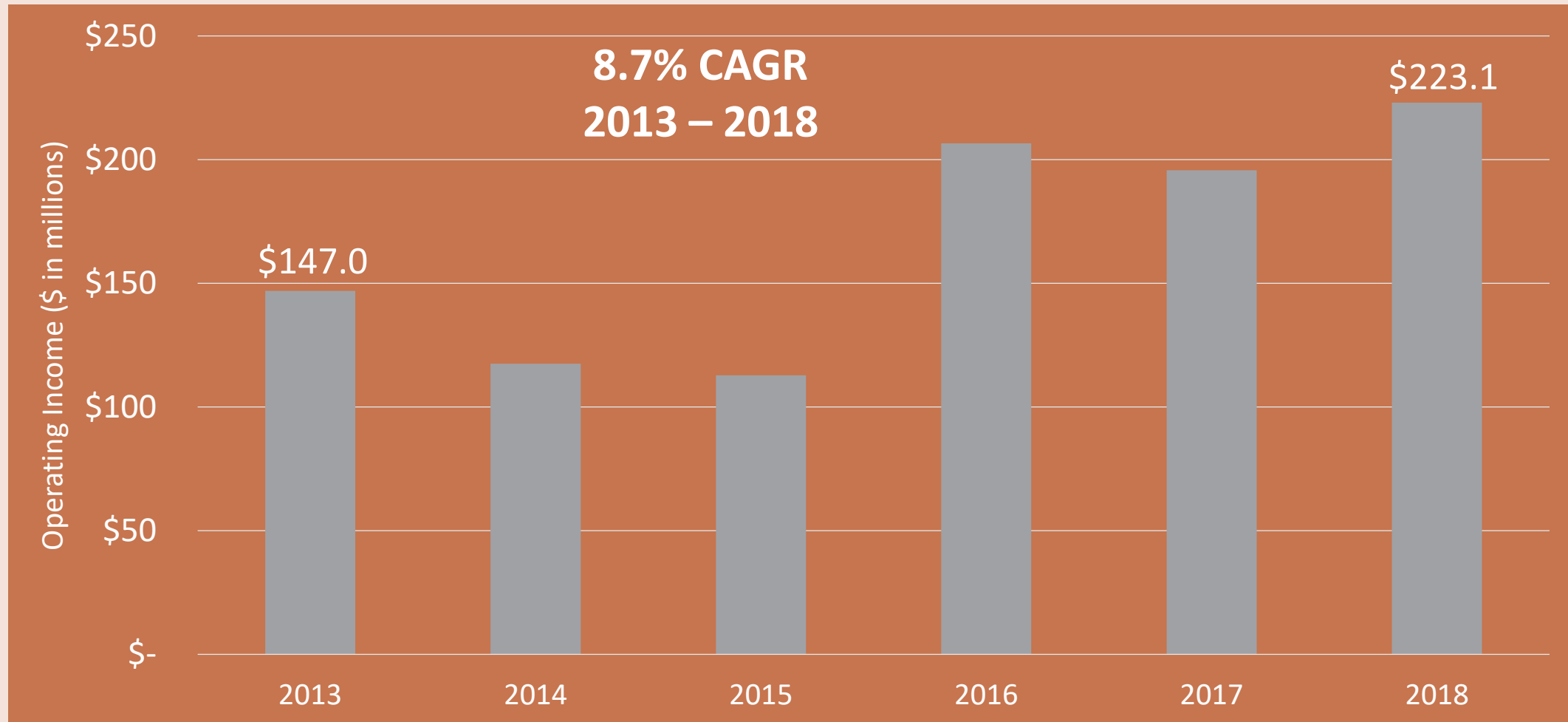
- DVEP business in the Netherlands
- Target small and medium enterprises

# Grow Strategic Acquisitions and Investments



- Continue to evaluate investments in our existing footprint
- Evaluate acquisition opportunities outside our footprint
- Margin enhancement through growth in certain midstream markets
- Growing scale and consolidating business operations has created greater synergy opportunities

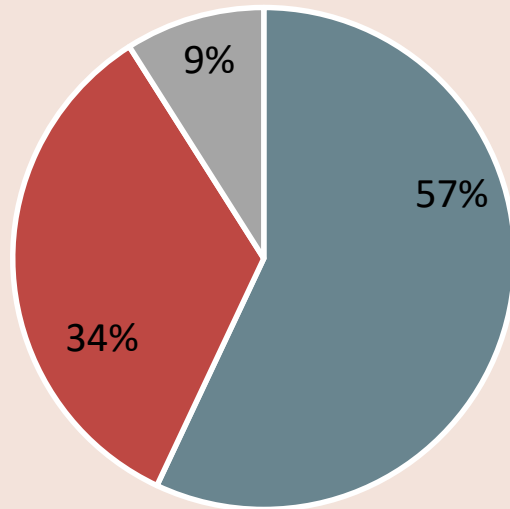
# Consistent Earnings Growth



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# Bulk LPG Customer Contracts

Contract Types by Volume



■ Formula-based ■ Stated Price ■ Fixed Price

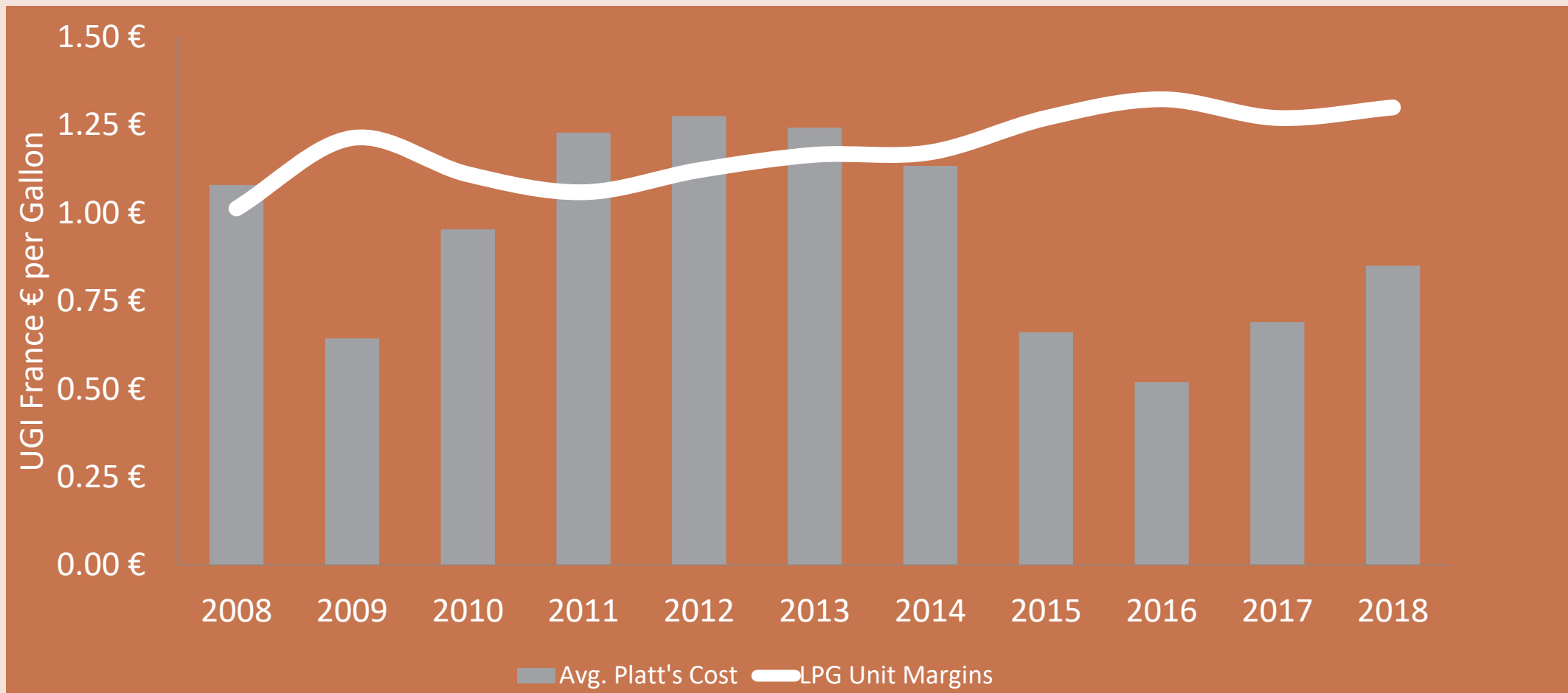
Formula-based – calculated based on three main indices

Stated Price – Change as commodity price changes

Fixed Price – Set once a year with customers; UGI typically hedges the bulk of volume committed

Steady margins; minimal commodity exposure

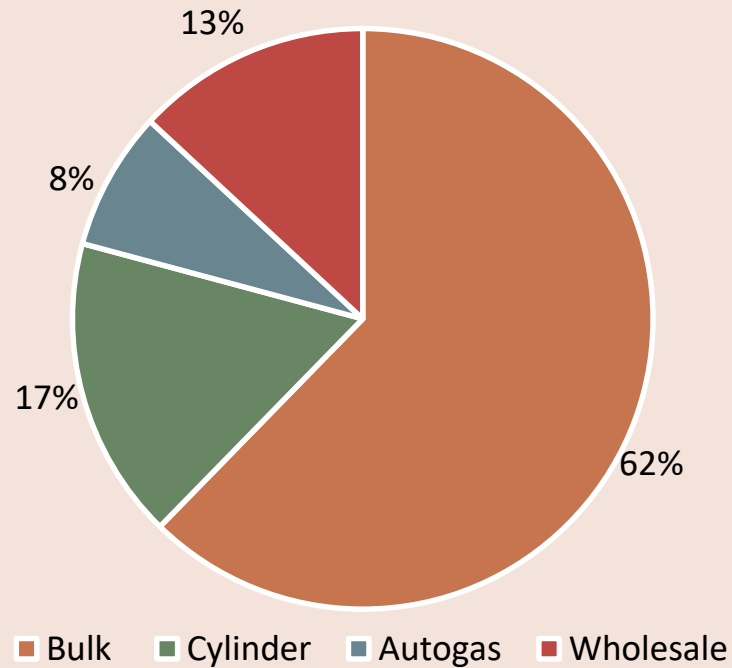
# Track Record of Margin Management



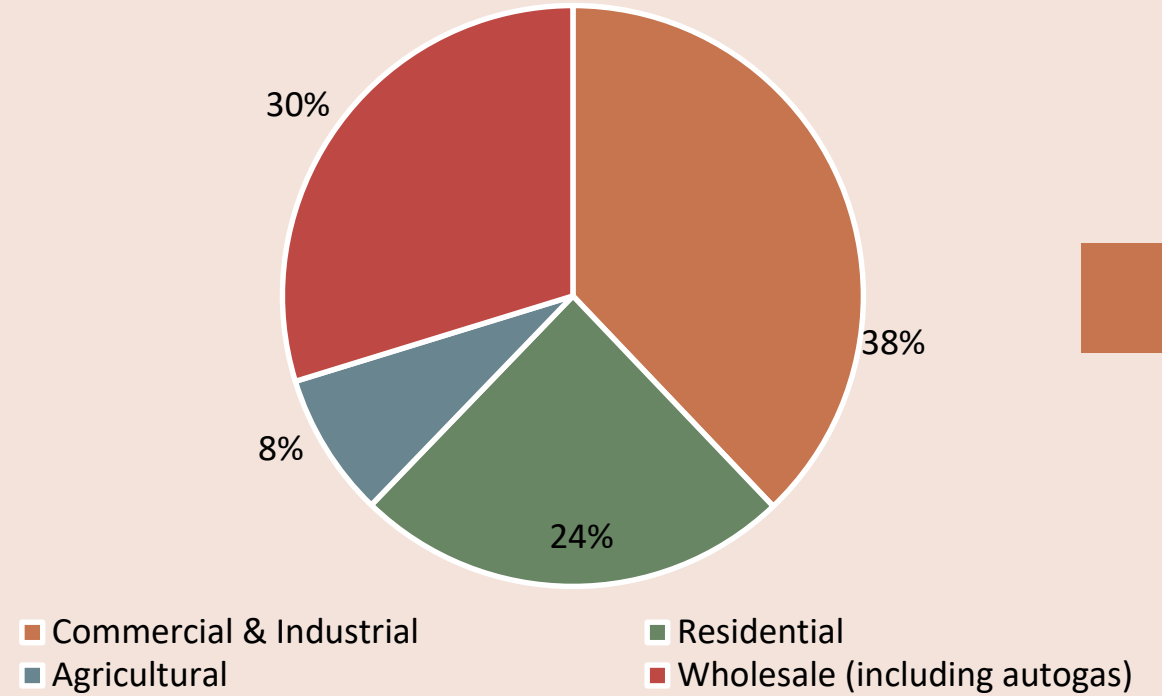
Unit margin is a non-GAAP measure. Please see appendix for reconciliation.

# LPG – Serving a Diverse Customer Base

FY18 Volume by Segment

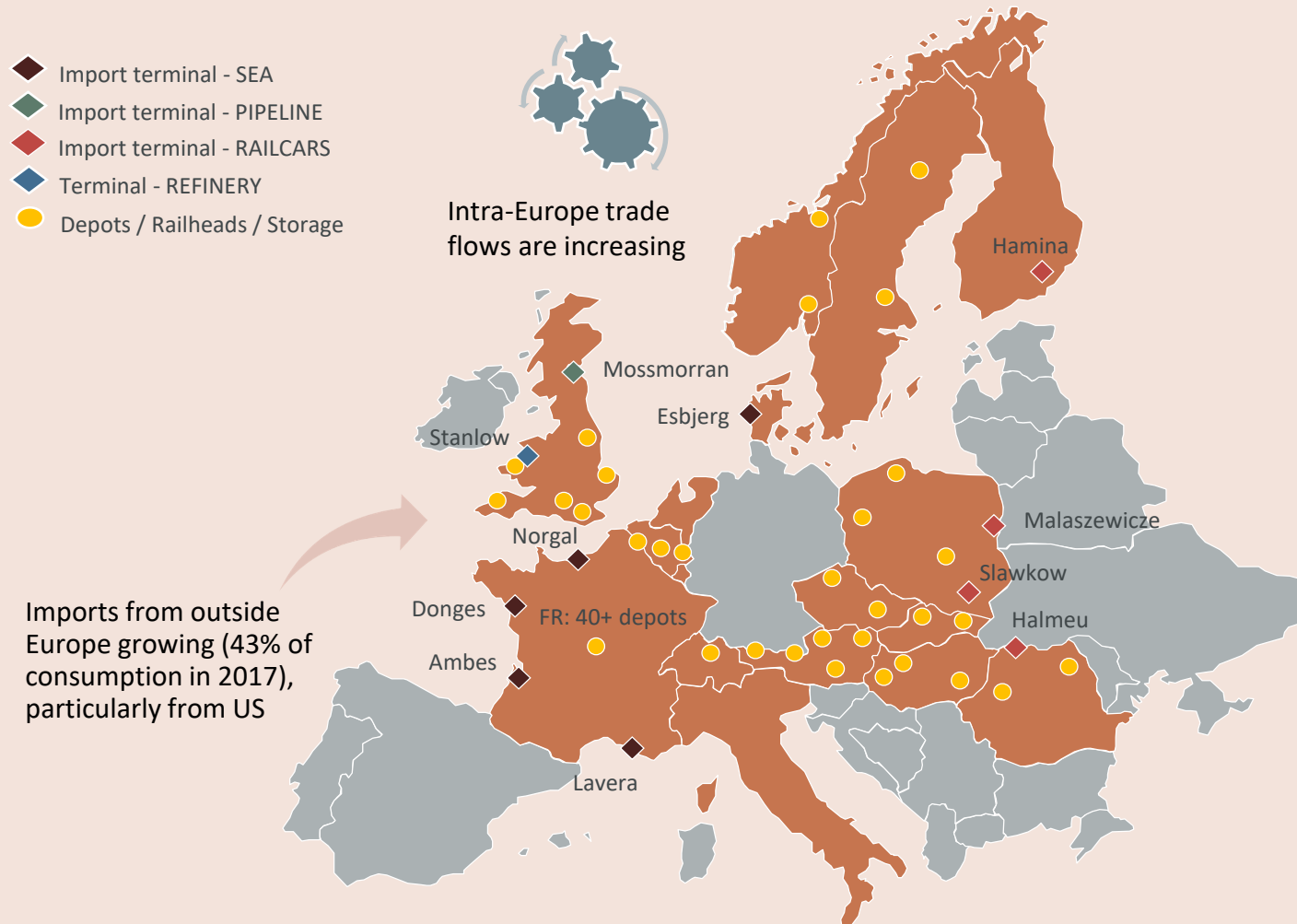


FY18 Volume by Customer Base



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# Strategically located LPG Supply Assets Provide Flexibility



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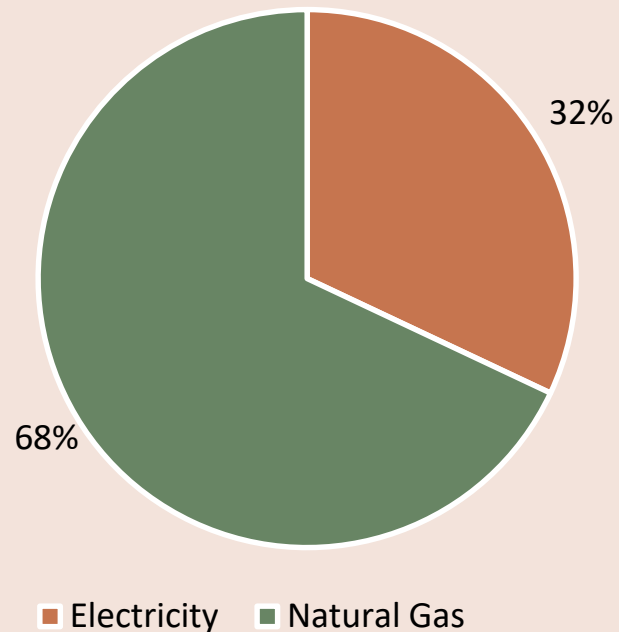
Imports from outside Europe growing (43% of consumption in 2017), particularly from US

- UGI stores LPG at various storage facilities and terminals across UGI
  - Ownership interests in 10 primary storage facilities and over 70 secondary storage facilities
- Manages extensive logistics and transportation network

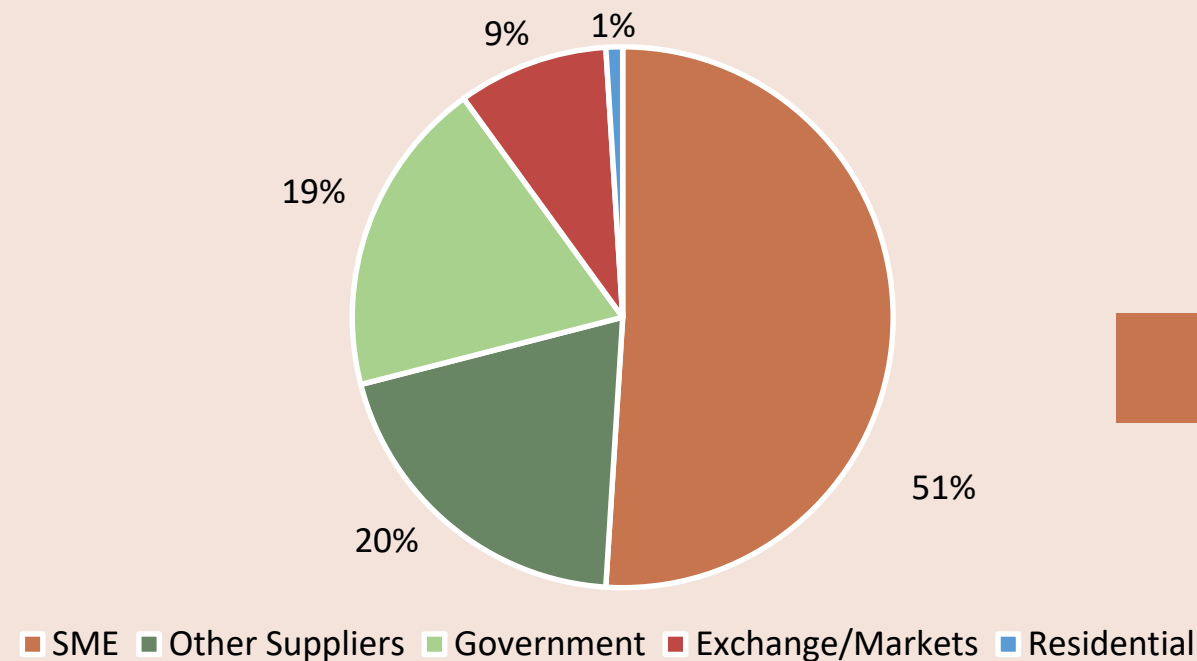


# Energy Marketing – A Focused Strategy

FY18 GWh by Energy Type



Total (Gas and Power) Volume Split by Segment



Our primary focus is on Small and Medium Enterprises (SME)

- Offer customer-focused solutions
  - Support customers in energy purchase decisions
- Fixed price requirement contracts hedged back to back to mitigate risk

# Energy Marketing – Renewable Portfolio

- Our Energy Marketing business has a significant position in renewable energy including production through Wind and Solar
  - Installed 400MW Wind
  - Installed 70MW solar
- Generating power equivalent to 40% of the total power demand of our electric customer portfolio
- Additionally we undertake the planning and installation of Solar projects for our existing clients
  - Currently we have completed more than 110 projects, installing approximately 30,000 solar panels on behalf of our customers



# Summary & Conclusion

- Goal-based operational strategies provide clear path for continued **growth**
- Strong **market position** in 17 countries under 8 brands throughout Europe
- Stable operating performance and limited capital intensity lead to **strong cash flow generation**
- Track record for acquisition **integration** and **margin management**

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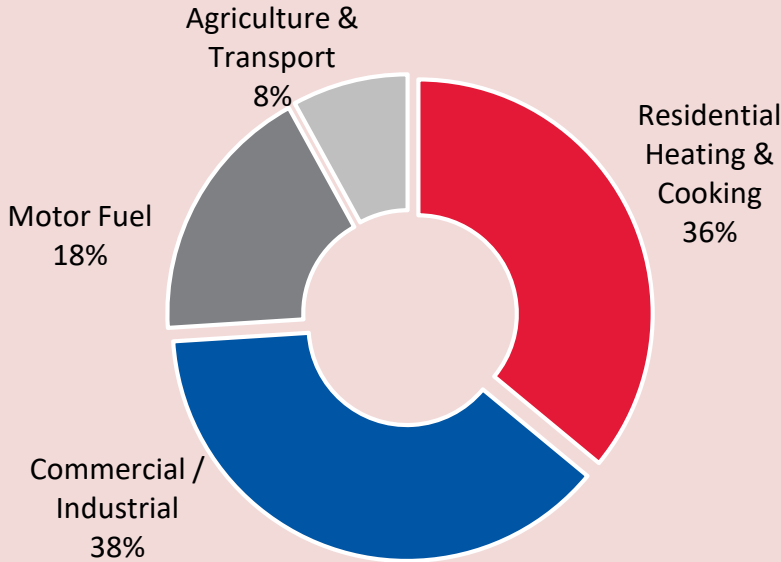
**AmeriGas**



# AmeriGas Overview

## Largest LPG Distributor in U.S.<sup>1</sup>

~1.1 billion  
retail gallons sold in  
FY18



1.7 million  
customers

AMERIGAS



### Bulk Distribution

1mm tanks with 120 – 1,200 gallon capacity



### National Accounts

Utilizing scale to serve regional and national customers



### Cylinder Exchange

Portable tanks for barbecues and outdoor heating

<sup>1</sup> Based on volume of propane gallons distributed annually.

# Business Overview



AMERIGAS

**38%**

Commercial /  
Industrial

**36%**

Residential  
Heating & Cooking

**18%**

Motor  
Fuel

**8%**

Agriculture  
& Transport

*Represents approximate percentages*

# Update since 2016 Investor Day

- ACE and National Accounts delivered record results
- Completed 7 bolt-on acquisitions
- Enhanced technology platform to reduce expenses and improve customer experience
- Completed refinancing of \$981 million of senior notes, reducing interest rates and extending maturities
- Amended and extended revolving credit facility agreement through 2022

# Strategic Advantages

Service

Significant transportation and logistics infrastructure ensures certainty of supply; deploying tools that are enhancing the customer experience

Geographic coverage

Provides customer, weather, and end-market diversification

AMERIGAS

Scale

Largest distributor of propane in the U.S. enables AmeriGas to realize procurement benefits

Transportation & logistics network

Best-in-class national supply network enables AmeriGas to offer National Accounts programs and utilize assets & people dynamically to serve customers

M&A

Unmatched operational synergy opportunities due to nationwide footprint

Margin management

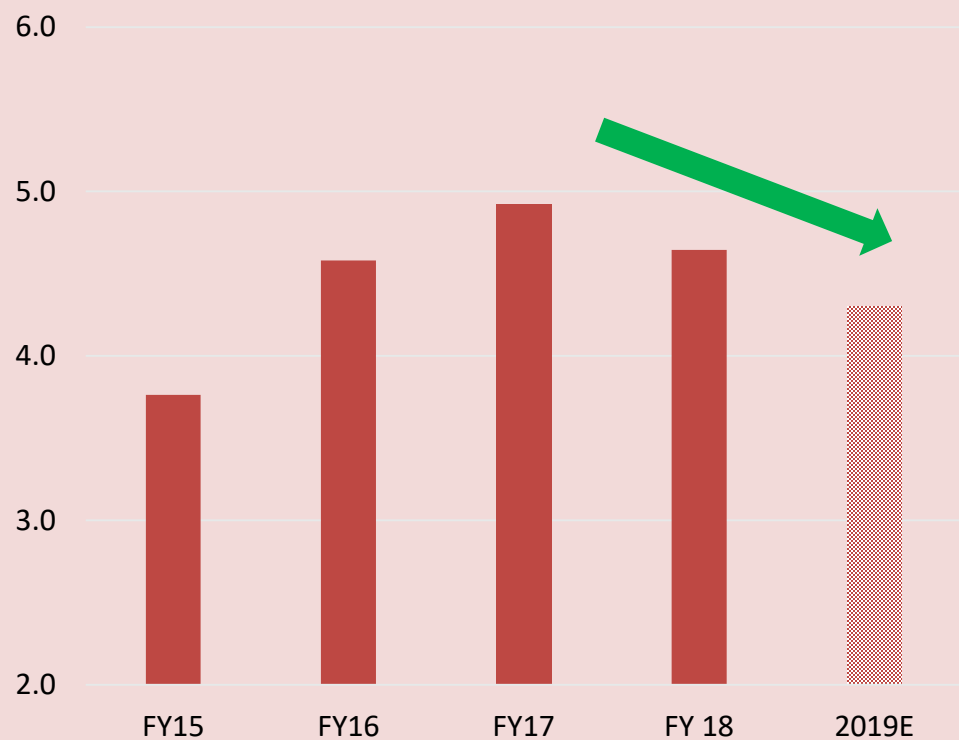
Demonstrated ability to manage margins in all cost environments



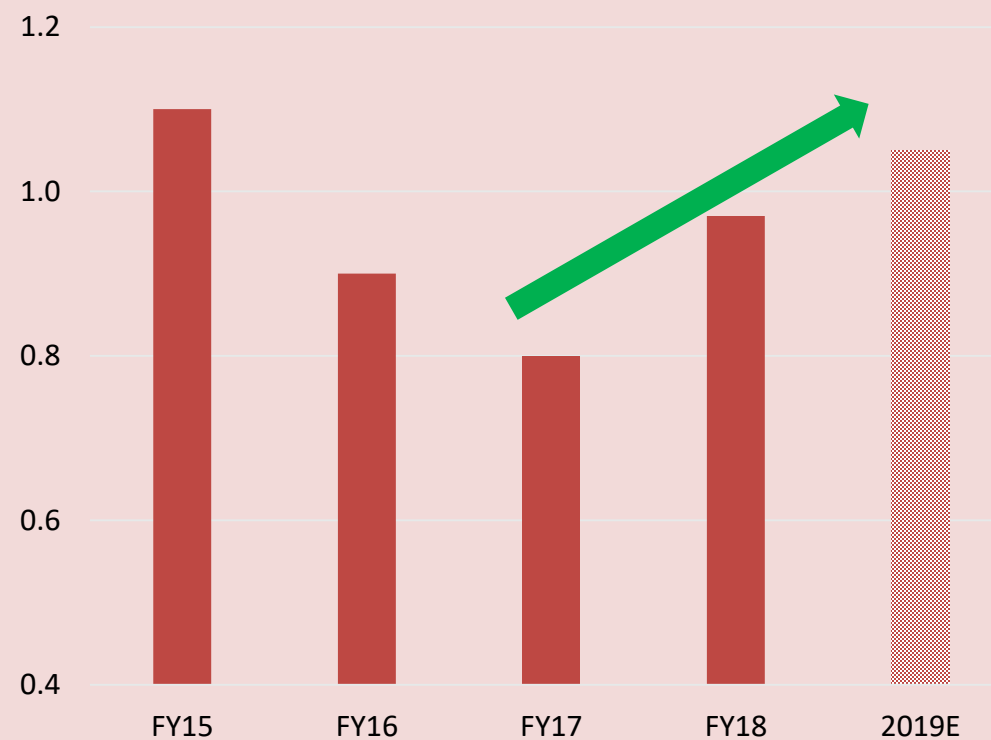
# Financial metrics recovering after two warm winters

Warm weather in FY16 and FY17 pressured balance sheet, FY18 returned to more normal conditions

### Debt/EBITDA



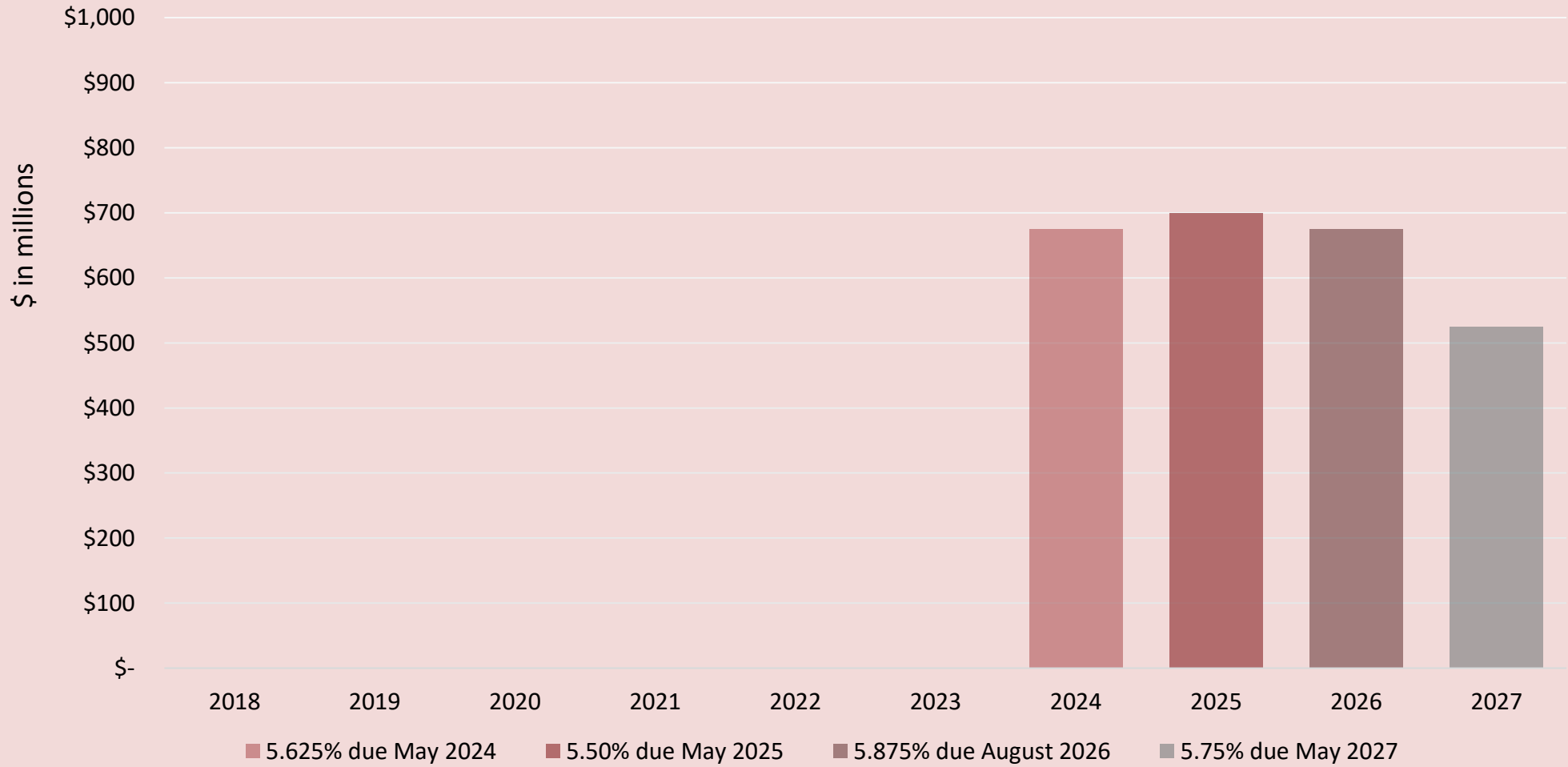
### Distribution Coverage



# No Near-Term Debt Maturities

FY16 and FY17 refinancings resulted in lower interest costs and financial flexibility

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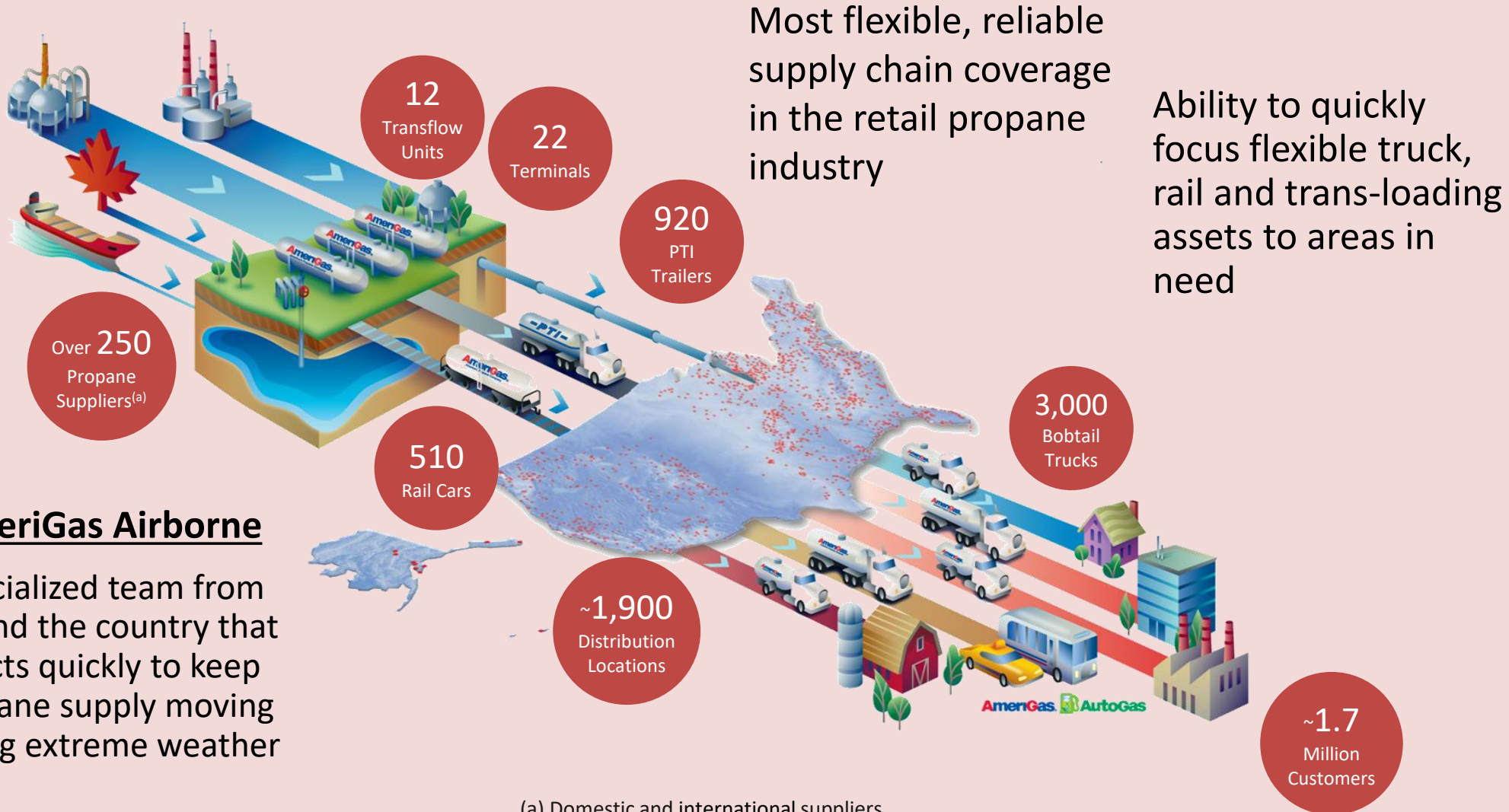


# Key Messages

- Improved customer experience through enhanced technology platform
- Track record of margin management
- Continued focus on operational excellence to drive structural cost reductions
- Base business growth, ACE, National Accounts, Autogas
- Track record of successful acquisitions; large pool of potential bolt-on targets

# Significant Transportation & Logistics Network

AMERIGAS



Most flexible, reliable supply chain coverage in the retail propane industry

Ability to quickly focus flexible truck, rail and trans-loading assets to areas in need

## AmeriGas Airborne

Specialized team from around the country that reacts quickly to keep propane supply moving during extreme weather

(a) Domestic and international suppliers

# Technology to Drive Efficiency

- Efficiency benefits are implemented across a broad platform
- Improved distribution efficiency
  - Miles per stop improved 3% from FY17 and 7% from FY16
  - Low fuel deliveries improved 7% from FY17 and 16% from FY16
- Route planning and visualization
- Enhanced performance monitoring
- Technology-enabled marketing efforts
- Ability to identify coaching and training opportunities



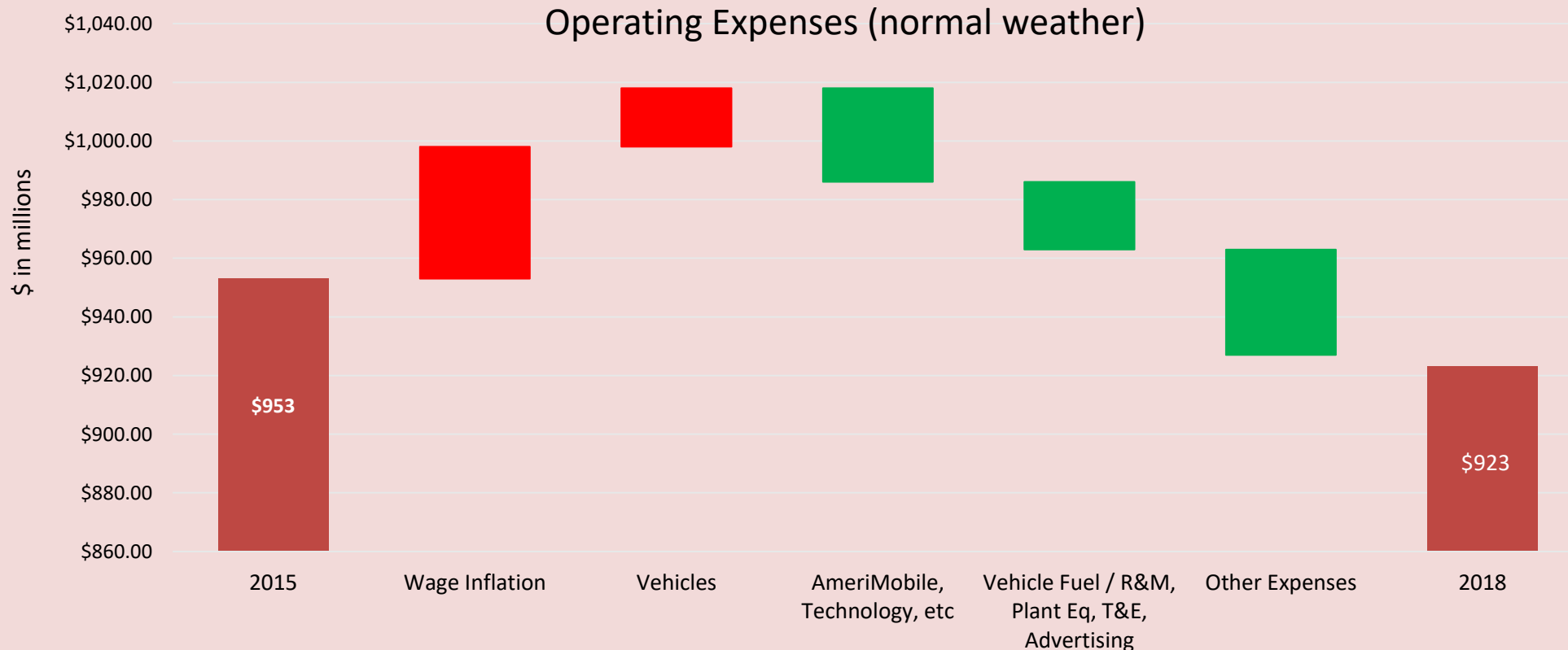
AMERIGAS

AmeriMobile Routing  
Cost Savings 2016-2018  
**\$20MM**

Real-time performance  
indicators facilitate deeper  
insight into day-to-day  
management

# Operational Excellence – OPEX Reduction

- Operational excellence offsets inflation and conservation
- Expected to continue as we increase our strategic use of technology and continue to enhance our operating model



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# National Accounts Program

- Roughly 50% less weather sensitive than base business
- Customer-focused solution
  - Best in class back office
  - Turnkey installation options
  - Unparalleled footprint
- Leverage AmeriGas scale
  - 1,900 distribution points across all 50 states
  - Technology improvements (distribution, route optimization, etc.)

Delivering to over  
**50,000**  
Customer Locations

**21%**  
Volume increase  
since 2016

# Autogas Growth

- Propane autogas continues to expand and provide new growth opportunities
  - Gallons increased 13% vs. last year
- Schools districts are deploying propane buses to displace diesel
- Additional OEMs entered school bus segment in 2018





# Cylinder Exchange Program - Footprint

- 59,000 total locations
  - 57,000 retail locations
  - 2,000 patio heat and restaurant locations
- Added nearly 5,000 locations over the past two years
- Volume has increased ~12% over the past two years

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# Cylinder Exchange Program – Key Attributes

- Product of Convenience
  - Industry leader in automated vending
  - Developing home delivery concept in FY19
- Continue to optimize distribution
- National footprint
  - 35 cylinder processing facilities
  - Completed infrastructure upgrades to support recent growth

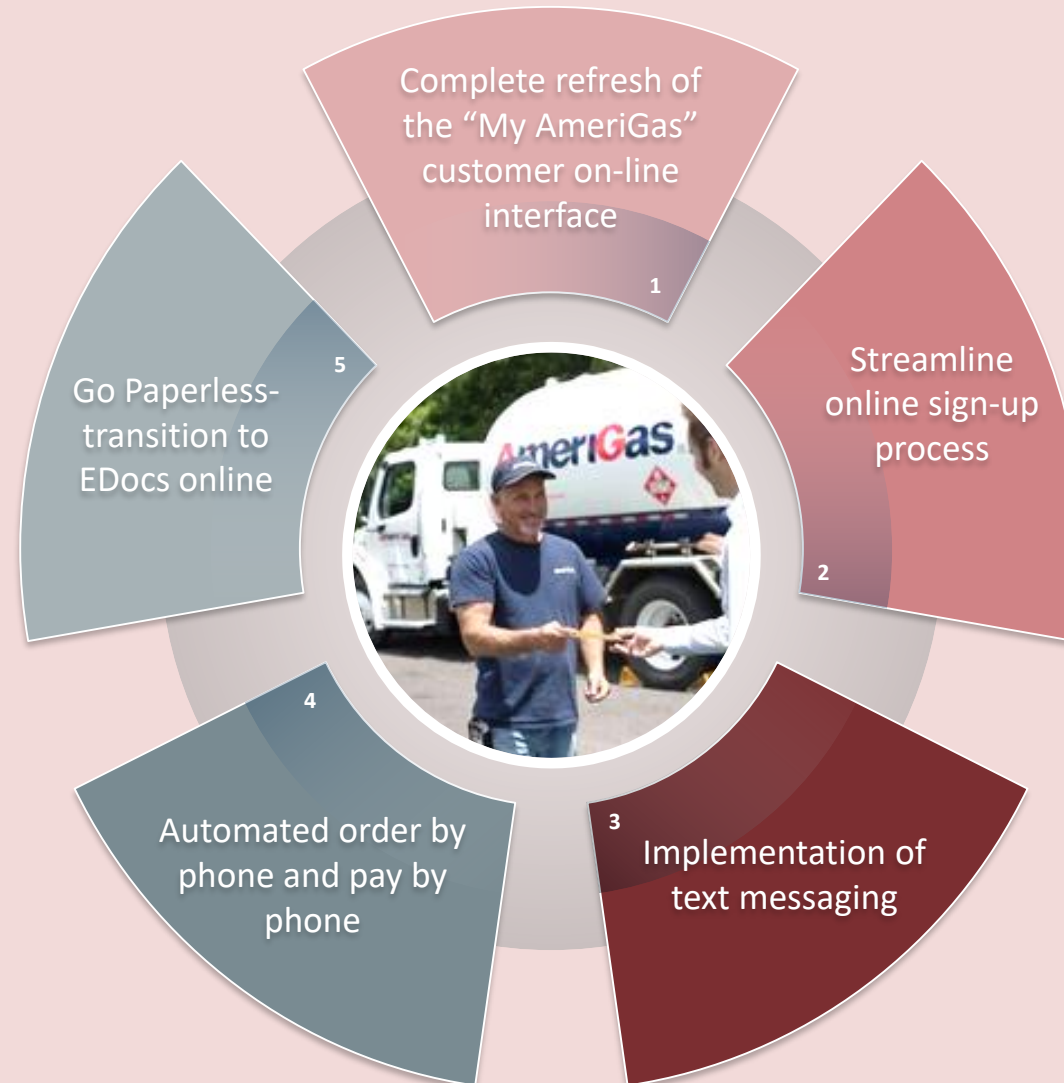


# Acquisition Opportunities

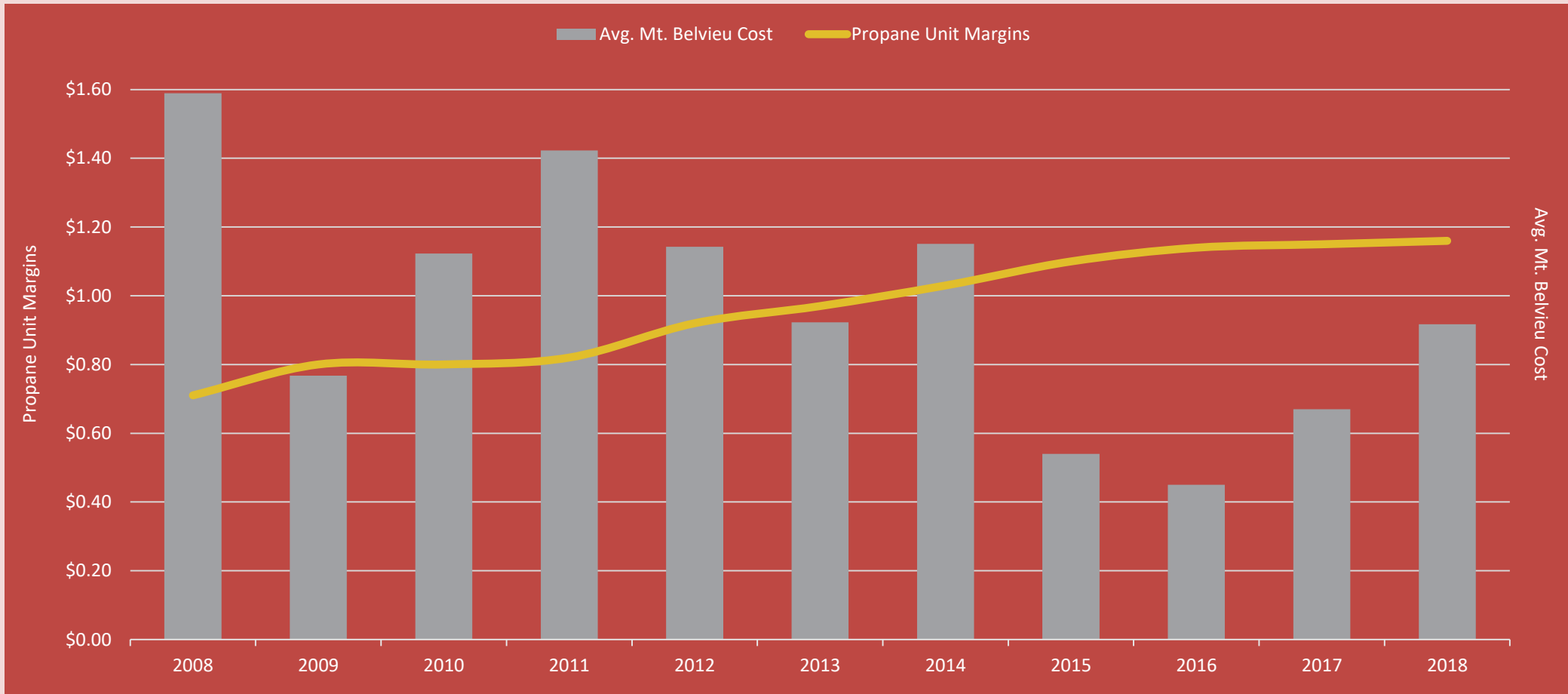
- Completed over 200 acquisitions since the early 1980s
- 7 acquisitions in the last two years
- Roll-up story continues to offer growth opportunities
  - Unmatched operational synergy opportunities due to nationwide footprint
  - Highly fragmented market
- Corporate development team continues to identify accretive opportunities
  - Retail distributors
  - Commercial distributors
  - Cylinder/Forklift distributors

# Exceptional Customer Experience

AmeriGas has the following enhancements planned for FY19



# Driving Unit Margin Growth in All Cost Environments

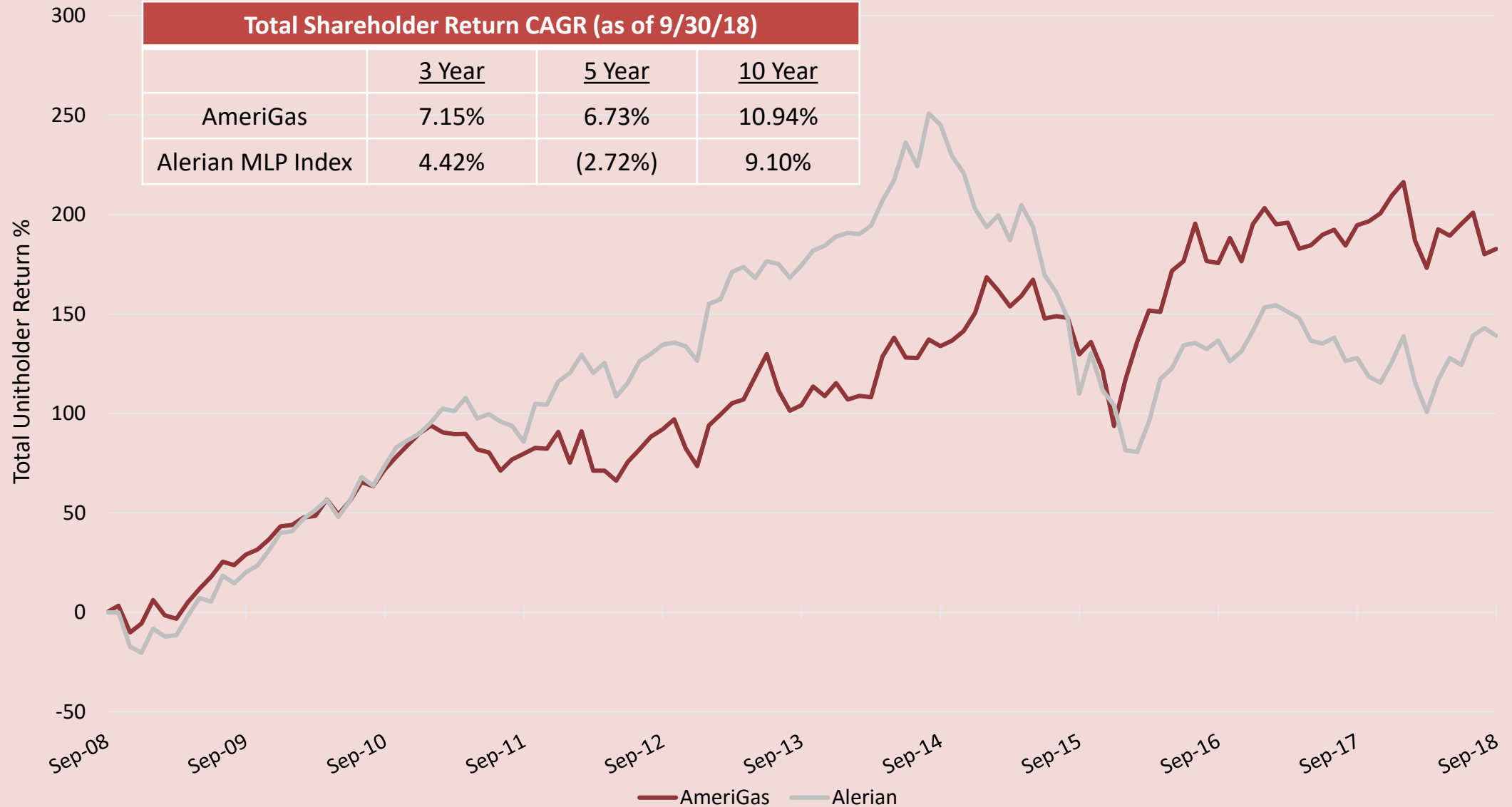


AMERIGAS

*Unit margin is a non-GAAP measure. See appendix for reconciliation.*

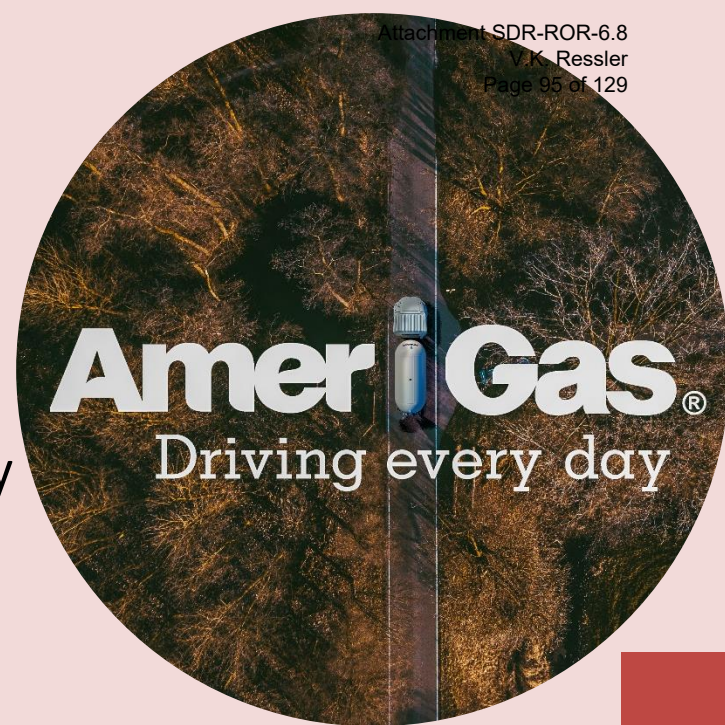
# Outperformance Over the Long-Term

AMERIGAS



# Summary & Conclusion

- AmeriGas balance sheet remains a priority
  - SECA in place through July 1, 2019 should we experience another warm winter
  - Long term balance sheet strengthening process is underway
- Focus on operational excellence
  - Leverage best-in-class transportation and logistics network
  - Technology investments to drive out costs and enhance customer experience
- Continue to build on track record of success from growth drivers
  - ACE, National Accounts, Acquisitions
  - Build on new opportunities – autogas and ACE home delivery concepts



# FINANCIAL OUTLOOK



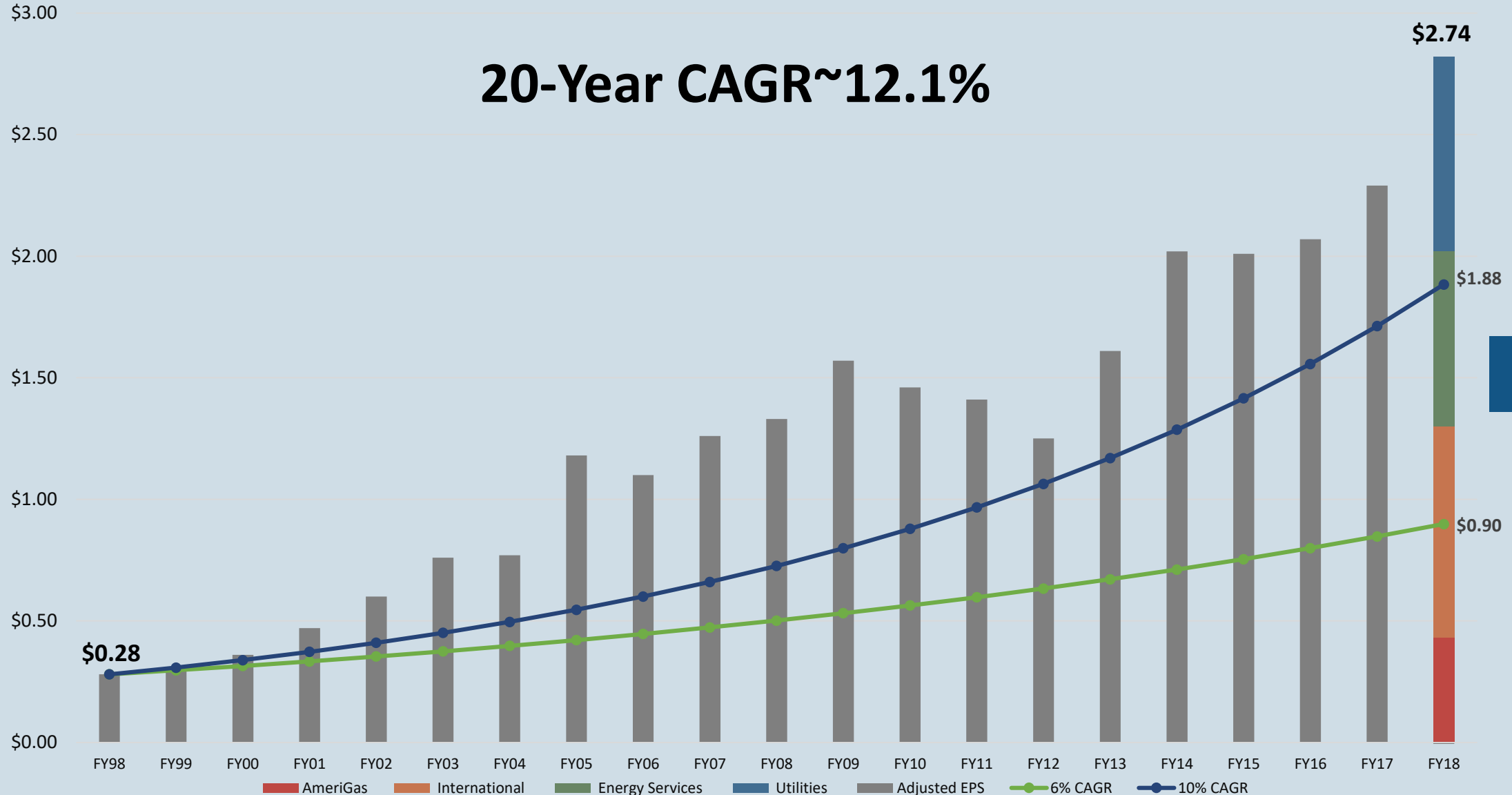


# Key Takeaways

- UGI is a balanced growth & income investment
- Positioned to build on our history of strong earnings and cash flow growth
  - Utilities – record capital deployment and customer growth
  - Energy Services – well-positioned to enhance footprint in the Marcellus Shale
  - AmeriGas – ACE, National Accounts, and bolt-on acquisitions
  - UGI International – goal-based operational strategies, growing marketing business
- Capital expenditures for natural gas assets increasing
- Balance Sheet strengthened with recent financings
  - Over \$1.6 billion of available liquidity
- Track record for capital stewardship
  - Strong and growing cash available for Regulatory Capital, Investment, and M&A
  - Growth opportunities at all businesses

# EPS Growth Exceeding Long-Term Target

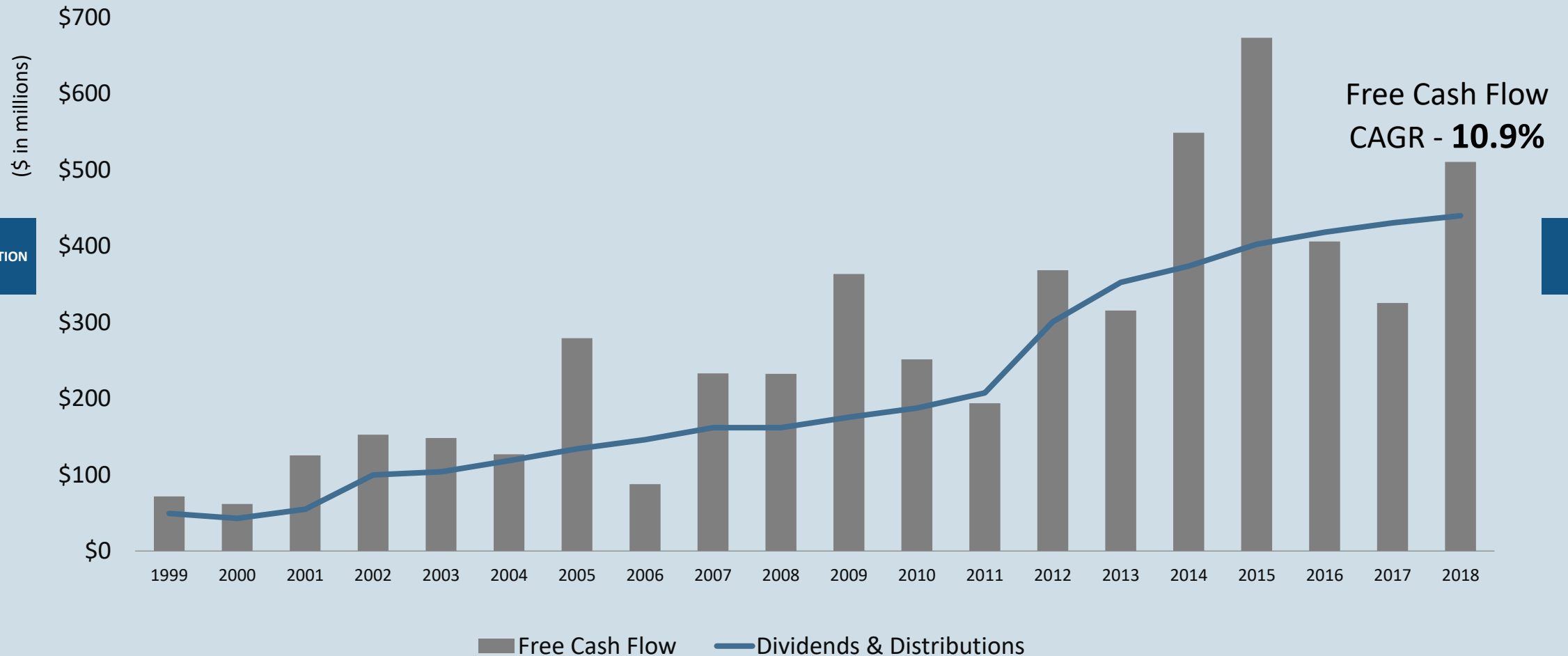
## 20-Year CAGR~12.1%



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EPS for 1998-2009 represents GAAP EPS, adjusted for stock splits. EPS for 2010-2018 EPS represents Adjusted EPS which is a non-GAAP measure. Please see appendix for reconciliation.

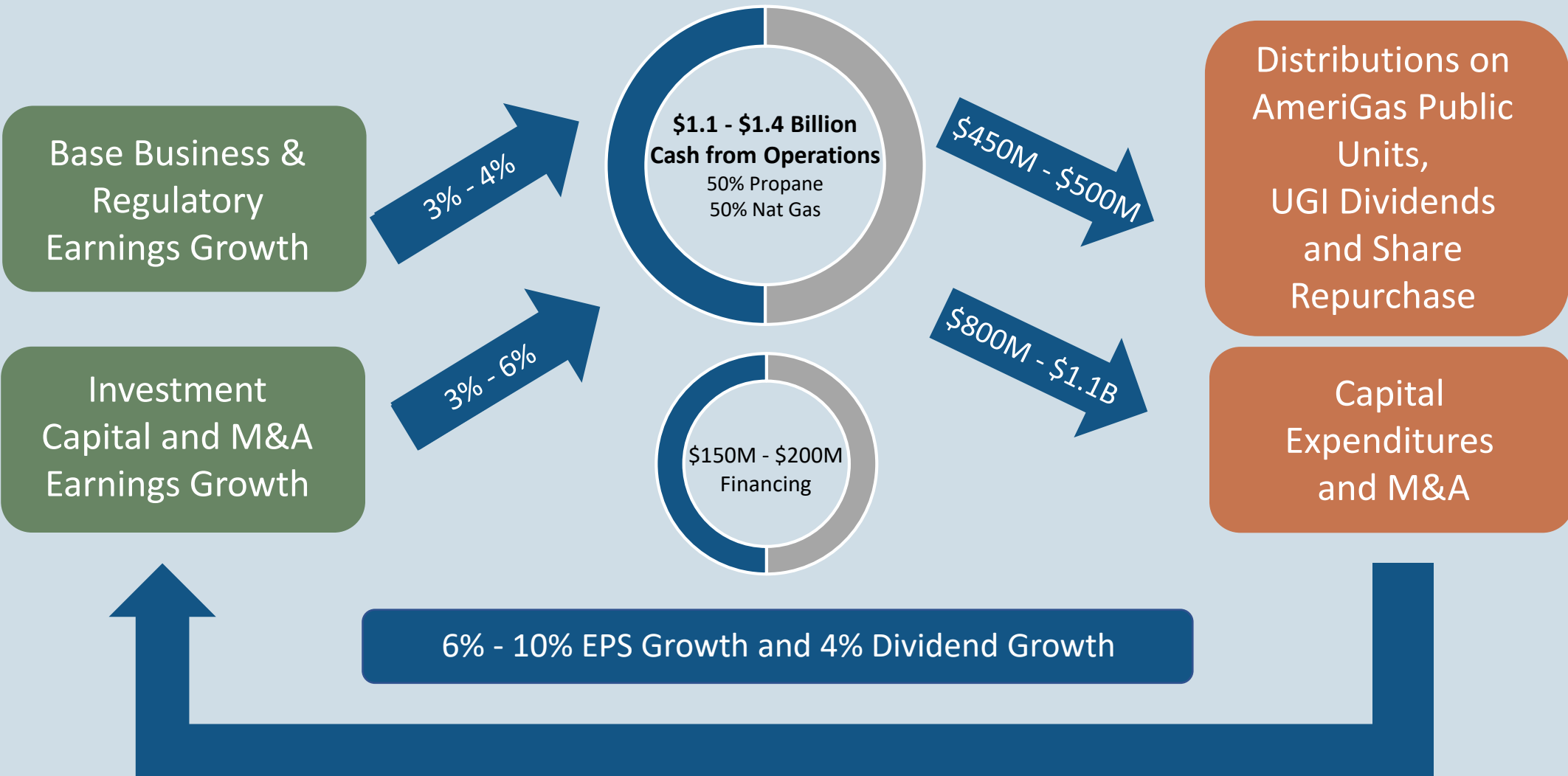
# Cash Flow & Dividends



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Free cash flow is a non-GAAP measure. Please see appendix for reconciliation.

# Cash Engine Drives Future EPS and Dividend Growth

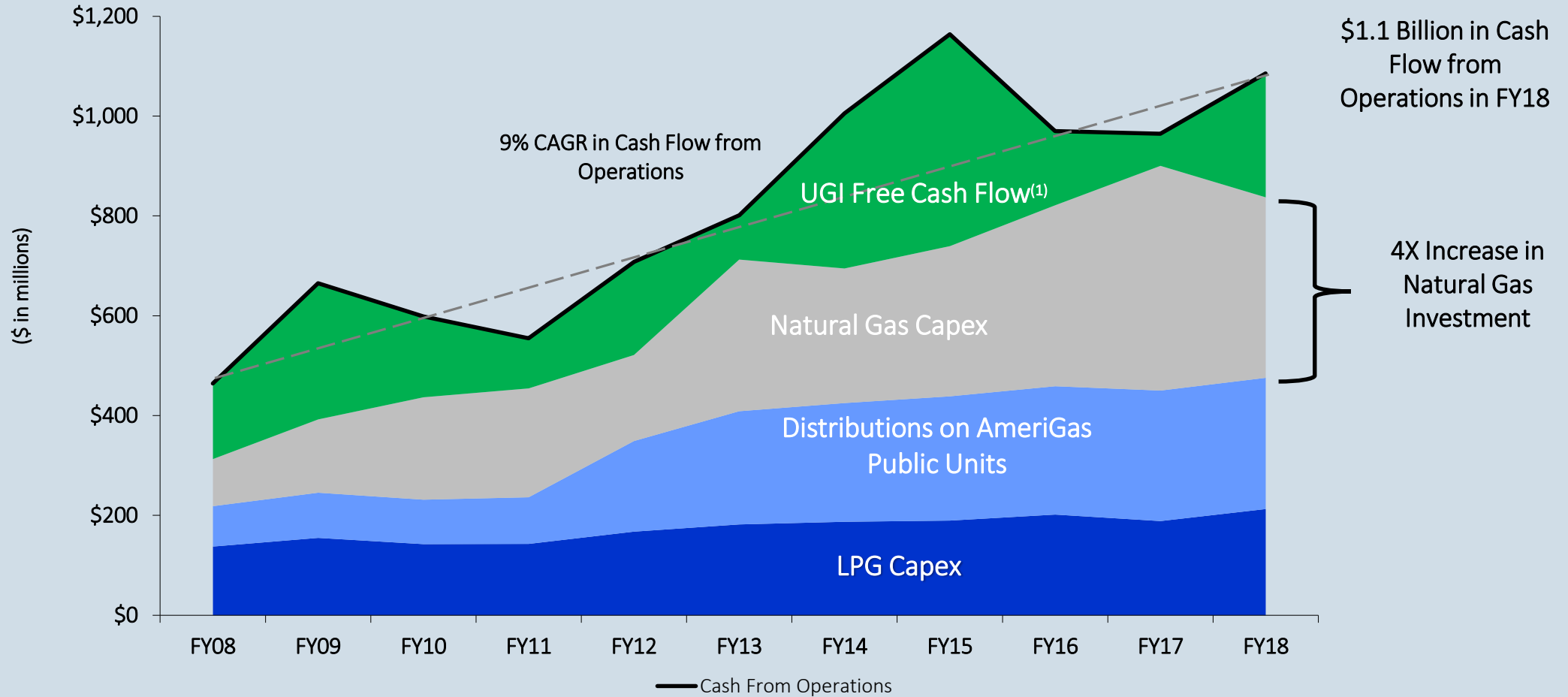


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All figures represent multi-year average targets.

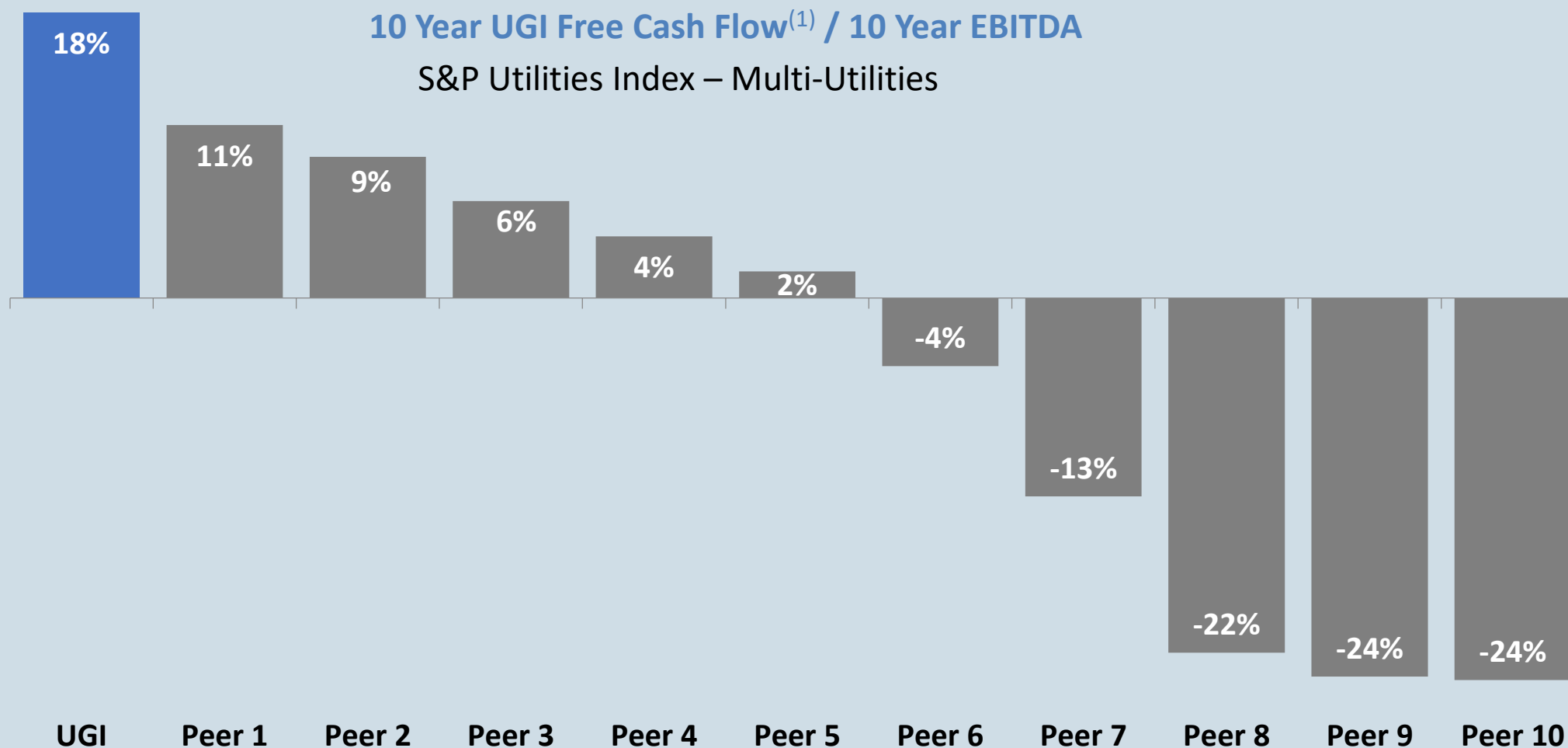
# Strong Cash Flow Supports Significant Natural Gas Investment

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(1) UGI Free Cash Flow = Cash Provided by Operations less Capital Expenditures and less Distributions on AmeriGas Partners Publicly Held Units. Free cash flow is a non-GAAP measure. Please see appendix for reconciliation.

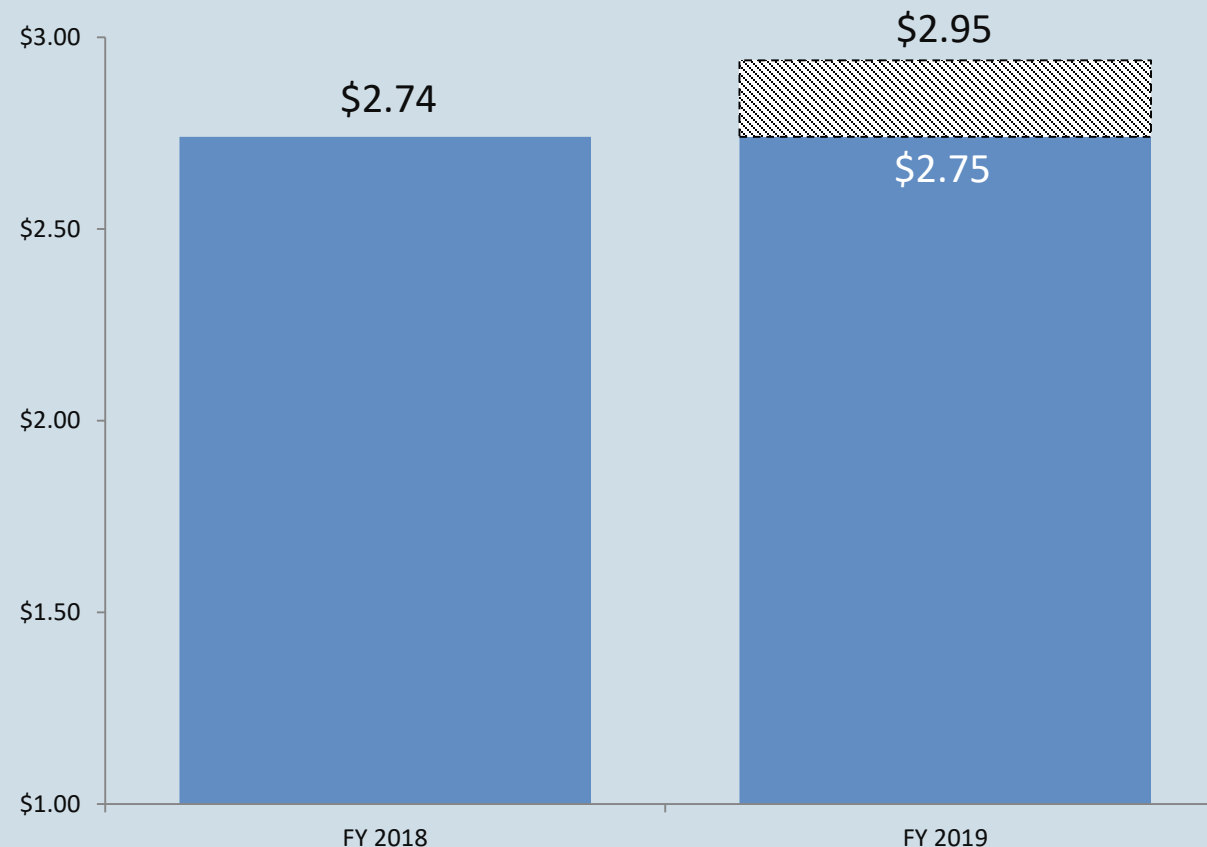
# Strongest Free Cash Flow Among Sector Peers



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(1) UGI Free Cash Flow = Cash Provided by Operations less Capital Expenditures and less Distributions on AmeriGas Partners Publically Held Units. Free cash flow is a non-GAAP measure. Please see appendix for reconciliation.

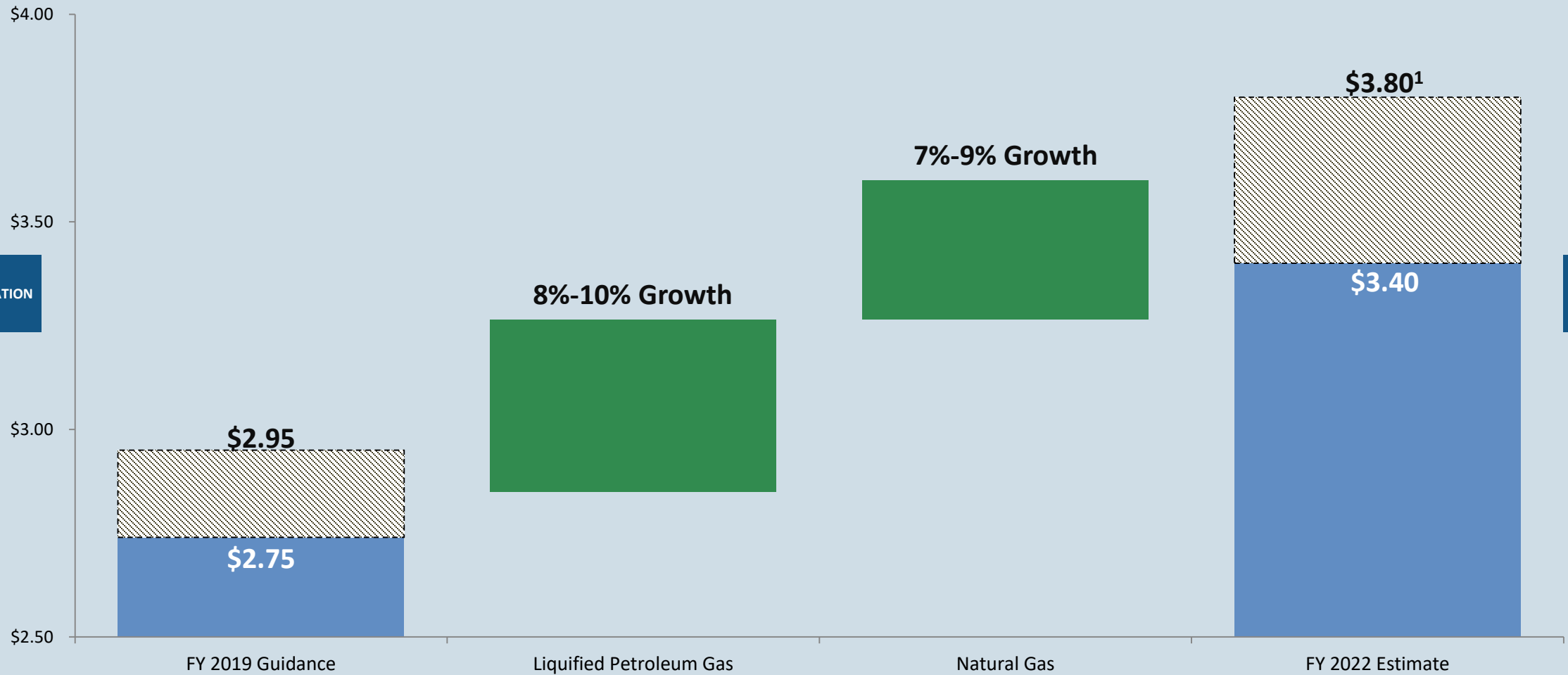
# FY 19 Adjusted EPS Guidance of \$2.75 - \$2.95



## Key Drivers

- ✓ Normal weather based on 15-year average
- ✓ Record capital deployment and customer additions
- ✓ Full year of Texas Creek, Ponderosa, Steelton and LNG peaking
- ✓ Continued growth in International LPG and energy marketing businesses
- ✓ ACE and National Accounts growth, M&A, use of technology to reduce costs

# Business Unit Growth Drives UGI Performance

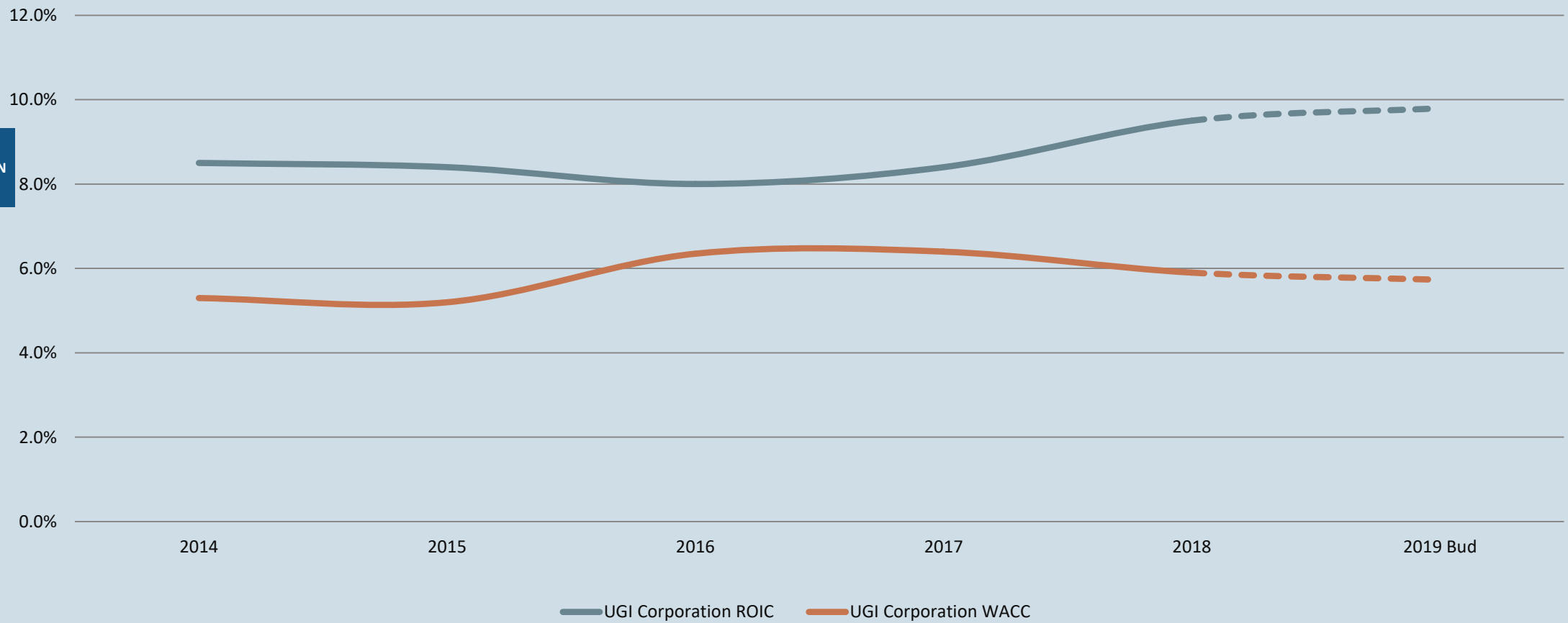


<sup>1</sup>Estimated using long-term EPS guidance range of 6-10% from the midpoint of 2019 guidance. Adjusted EPS is a non-GAAP measure. Because we are unable to predict certain potentially material items affecting diluted earnings per share on a GAAP basis, principally mark-to-market gains and losses on derivative instruments, we cannot reconcile 2019 and 2022 Adjusted EPS to diluted EPS, the most comparable GAAP measure



# ROIC Increasing even as UGI plans Record Capital Deployment

- 2019 Capex: **\$770 million**
  - Increase of over \$100 million (17%) vs. FY18



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See appendix for definitions of ROIC and WACC

# Record Capital Deployment

CAPEX expected to increase to **~\$900 million** in FY20

## Midstream & Marketing

- Expanding Marcellus-based footprint
  - Pipelines, LNG infrastructure, natural gas gathering

## Utilities

- Record capital investment
  - Gradually increase infrastructure replacement and building and grounds investment
  - UN1TE Phase 3

## AmeriGas

- Technology-based improvements to improve business and customer experience
- ACE and National Accounts

## International

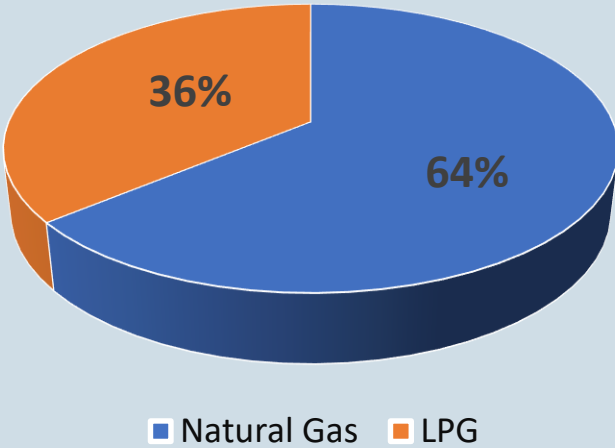
- Cylinder logistics and vending machines
- Expansion of bulk customer base

## UGI Businesses

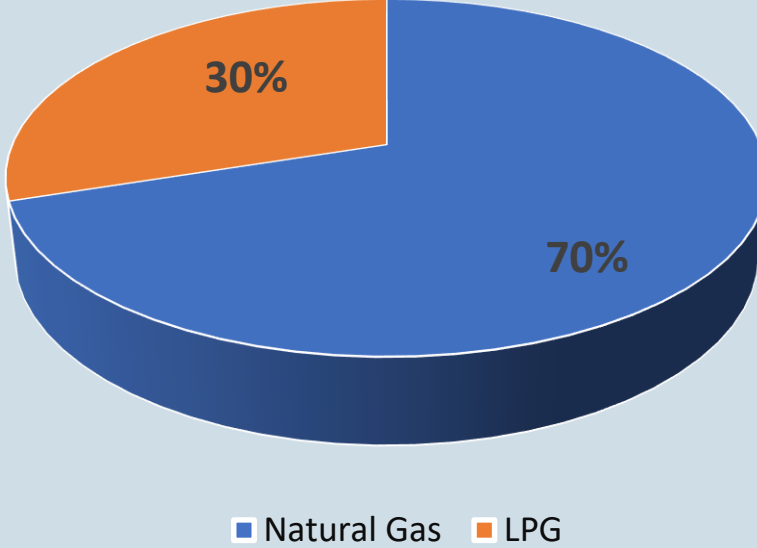
- UGI Businesses continue to invest in IT Infrastructure to ensure we are appropriately positioned for continued growth and as a platform to delight our customers

# Capex for Marcellus-based infrastructure increasing

Total Capital Expenditures: 2013-2017  
\$2.6 Billion



Total Capital Expenditures: 2018-2022  
\$3.7 Billion



UGI CORPORATION

# Strategic Alignment – Leveraging Internal Synergies

## Enterprise-wide

- HR Information System
- Shared services (Treasury, IR, reporting)
- IT Infrastructure / Security

## Across Business Units

- Supply management
- SAP ERP Infrastructure
- Digital customer self-service
- Logistics and service efficiency

# ESG Efforts Across UGI

## Utility Conversions



**90,000** households over last 10 years  
**\$108MM** in annual energy cost savings  
Reduction in GHG emissions equivalent to removing **103,000** passenger vehicles from the road for a year

## Landfill Gas Recovery



Methane & landfill gas consumption at Broad Mountain generation facility is about **1mm Dths** per year  
Enough Dths to heat **10,000 homes**  
Reduction in GHG emissions equivalent to removing **14,000** passenger vehicles from the road for a year

## Energy Efficiency



**\$5.5mm** in rebates paid to participants; added Gas Energy Efficiency and Conservation in 2017  
**26 Combined Heating and Power customers totaling 170 MW;**  
6 new projects underway

## Solar Facilities



**17,000 MWh** generated per year  
Electricity to power **1,700 homes**  
Reduction in GHG emissions equivalent to removing **2,700** passenger vehicles from the road for a year

## Commitment to our Communities

- In October 2017 UGI Utilities procured a 5-year, \$125 million term loan
- The deal was led by PNC, and included a number of local, community banks
- Diversified UGI's portfolio of financial firms
- Provided a platform to invest in the growth and economic vitality of the communities we serve

# Balance Sheet Strength

- Over \$1.6B of available liquidity
  - Provides capacity for strategic transactions
- Focus on financial integrity
- Each business unit self-funds growth
  - No debt at UGI Corporation
- No plans to raise equity to fund record capital spend
  - UGI has not issued equity since 2004

# UGI International Financing

- UGI International in October refinanced its existing capital structure with:
  - €350mm 3.25% senior notes due 2025
  - €300mm term loan maturing 2023
  - €300mm revolving credit facility maturing 2023
- Proceeds used to repay existing debt at the subsidiary level to create a consolidated borrowing group across Europe and add liquidity for future business needs

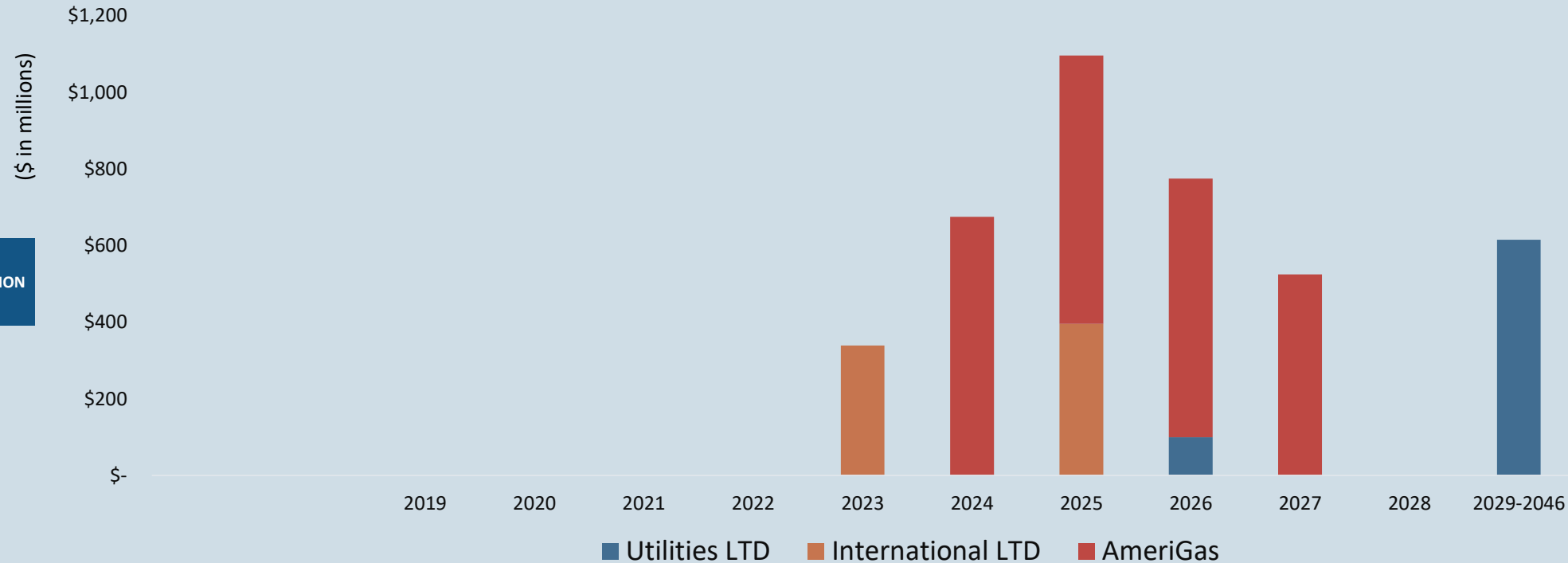
# AmeriGas – Balance Sheet Management

- AmeriGas has taken advantage of strong credit markets and historically low interest rates
  - Refinanced nearly all of long-term debt
  - Extended weighted average maturity (6.9 years); first notes due 2024
  - Average interest rate 5.68%
- In June 2018, Moody's moved AmeriGas' outlook to Stable from Negative
  - In June 2017, propane peers received downgrade while AmeriGas was put on Negative outlook



# No Significant Near-Term Maturities

Long-Term Debt Maturities by Year



Revolving Credit Facility Maturities:

- UGI Utilities \$450MM – 2020
- Energy Services \$240MM – 2021
- AmeriGas \$600MM – 2022
- UGI International €300MM – 2023

UGI International Euro denominated debt converted to USD using 10/31/18 spot rate.

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# FY2019 Outlook

- Our guidance for FY19 is \$2.75 - \$2.95
  - Assumes normal weather
- Continue to execute new investments and growth initiatives across businesses
  - Investments in Marcellus infrastructure
  - Record capital deployment at the Utility; first full year as one Gas Utility
  - Growth programs at AmeriGas; investments in technology
  - Enhancing position in Europe and expanding capabilities
- Full year with new strategic alignment

# Conclusion & Q&A

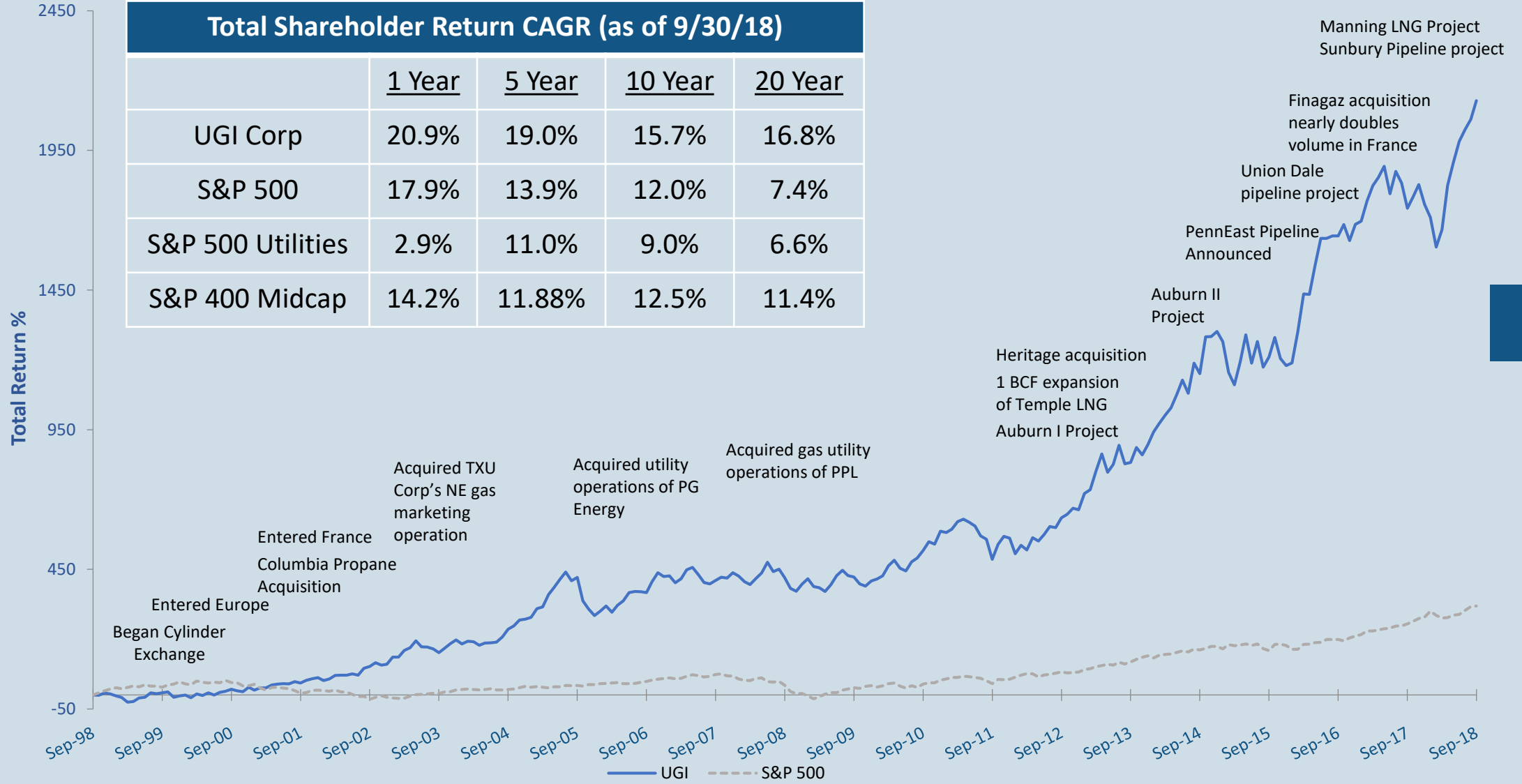


# Summary

- Proven track record of exceeding our commitments to our shareholders
- Well-positioned to build on our momentum
  - Strong and growing natural gas demand
  - Utility rate base and customer growth
  - Marcellus-based infrastructure
  - National Accounts, Cylinder Exchange
  - M&A
  - LNG, energy market expansion
  - Broadening of activities in Europe
  - Enhanced technology platform to support growth and improve customer experience
- Balance sheet strength funds growth
  - No plans to issue equity
- Diversified and growing cash generation

# Outperformance Driven by Cadence of Disciplined Investments

Total Shareholder Return CAGR (as of 9/30/18)				
	<u>1 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>20 Year</u>
UGI Corp	20.9%	19.0%	15.7%	16.8%
S&P 500	17.9%	13.9%	12.0%	7.4%
S&P 500 Utilities	2.9%	11.0%	9.0%	6.6%
S&P 400 Midcap	14.2%	11.88%	12.5%	11.4%



UGI CORPORATION

# APPENDIX



# Definitions

**Return on Invested Capital (ROIC)** – Trailing twelve months operating income reduced by taxes using the effective tax rate (NOPAT) divided by a twelve-month average of total capitalization (total equity plus total debt) less cash with the exception of FY19 which uses forecasted NOPAT divided by a two-year average total capitalization.

**Weighted Average Cost of Capital (WACC) -**

$$\text{WACC}^1 = ((\text{Total Equity}/\text{Total Capitalization}) * \text{Cost of Equity}) + ((\text{Debt}/\text{Total Capitalization}) * \text{After-Tax Cost of Debt})$$

<sup>1</sup> Based on UGI Utilities Cost of Debt and Capital Structure

# 2018 AmeriGas Net Income Attributable to UGI

## GP Interest in OLP

APU Statement of Operations:  
 Net income attributable to noncontrolling interest

+

## GP Interest in MLP

APU Statement of Operations:  
 Net income attributable to AmeriGas Partners, L.P.

+

## GP IDR Income

APU footnote 5

+

## GP L.P. Ownership

APU Statement of Operations:  
 Limited partners' interest in net income attributable to AmeriGas Partners, L.P.

+

## GP Portion of MTM on Derivatives

APU Statements of Cash Flows:  
 Change in unrealized gains and losses on derivative instruments

=

**Net Income Attributable to UGI Pre Tax**

**Net Income Attributable to UGI Post Tax**

+

**Remeasurement Impact from TCJA**

=

**Net Income Attributable to UGI**

\$3.5MM

+

\$190.5MM x 1%  
 (1% = GP's MLP Ownership)

+

\$45.3MM

+

\$143.3MM x 26%  
 (26% = GP's L.P. Ownership)

+

\$(12.5)MM x 28%  
 (28% = GP's OLP, MLP, and  
 L.P. Ownership)

=

\$84.5MM

\$61.8MM

+

\$112.9MM

=

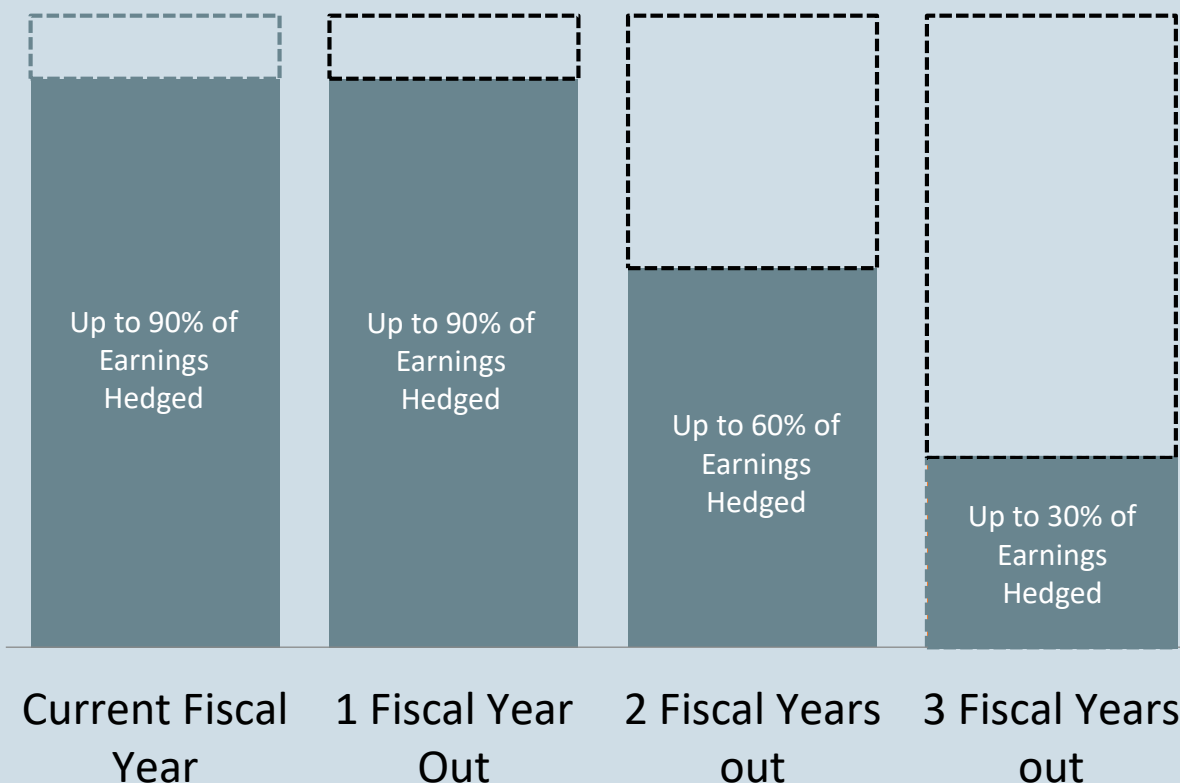
~\$174.7MM

- Result is approximate due to rounding and one time remeasurement impact of TCJA



# Foreign Exchange Hedging Strategy

We hedge up to 90% of expected pre-tax earnings. The goal is to smooth earnings translation by layering currency hedges on a rolling annual basis.



## Program considerations

- We hedge the following currency pairs
  - EUR to USD
  - GBP to USD
- Hedging is accomplished primarily through FX forward contracts
- Hedges are initiated seasonally throughout the year
- Hedges will be marked-to-market with both unrealized and realized gains/(losses) reflected in GAAP income

# UGI Corporation Adjusted Earnings Per Share

(Million of dollars, except per share amounts)

	Year Ended September 30,								
	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>NON-GAAP RECONCILIATION:</b>									
<b>Adjusted net income attributable to UGI Corporation:</b>									
Net income attributable to UGI Corporation	\$ 251.8	\$ 245.4	\$ 210.2	\$ 278.1	\$ 337.2	\$ 281.0	\$ 364.7	\$ 436.6	\$ 718.7
Net losses (gains) on commodity derivative instruments not associated with current-period transactions (net of tax of \$(5.8), \$11.5, \$6.3, \$3.1, \$(4.5), \$(30.9), \$13.5, \$31.9, and \$26.7 respectively) (a) (b)	8.2	(17.4)	(8.9)	(4.3)	6.6	53.3	(29.9)	(51.2)	(68.1)
Integration and acquisition expenses associated with Finagaz acquired on May 29, 2015 (net of tax of \$0, \$0, \$0, \$0, \$(2.2), \$(7.7), \$(10.6), \$(13.7), and \$(13.7) respectively) (a)	-	-	-	-	4.3	14.9	17.3	26.2	18.5
Unrealized losses (gains) on foreign current derivative instruments (net of tax of \$(9.9) and \$9.3 in 2017 and 2018, respectively) (a)	-	-	-	-	-	-	-	13.9	(19.6)
Loss on extinguishments of debt (net of tax of \$0, \$0, \$(1.4), \$0, \$0, \$0, \$(5.0), \$(6.1), and \$0 respectively) (a)	-	-	2.2	-	-	-	7.9	9.6	-
Costs associated with extinguishment of debt (net of tax of \$0, \$(6.6), \$0, \$0, \$0, \$(5.7), \$0, \$0, and \$0 respectively) (a) (c)	-	10.4	-	-	-	4.6	-	-	-
Impact of retroactive change in French tax law	-	-	-	-	5.7	-	-	-	-
Integration and acquisition expenses associated with the retail propane businesses of Energy Transfer Partners, L.P. ("Heritage Propane") acquired by the Partnership on January 12, 2012 (net of tax of \$0, \$0, \$(5.6), \$(2.8), \$0, \$0, \$0, \$0, and \$0 respectively) (a)	-	-	8.8	4.4	-	-	-	-	-
Impairment of Partnership tradenames and trademarks (net of tax of \$(5.8) in 2018)	-	-	-	-	-	-	-	-	14.5
Impact from change in French tax rate	-	-	-	-	-	-	-	(29.0)	(12.1)
Reameasurement impact from TCJA	-	-	-	-	-	-	-	-	(166.3)
Gain on sale of Atlantic Energy (net of tax of \$19.3 in 2010)	(17.2)	\$0.00	-	-	-	-	-	-	-
Adjusted net income attributable to UGI Corporation (d)	\$ 242.8	\$ 238.4	\$ 212.3	\$ 278.2	\$ 353.8	\$ 353.8	\$ 360.0	\$ 406.1	\$ 485.6
<b>Adjusted diluted earnings per common share attributable to UGI stockholders:</b>									
UGI Corporation earnings per share - diluted	\$ 1.52	\$ 1.45	\$ 1.24	\$ 1.60	\$ 1.92	\$ 1.60	\$ 2.08	\$ 2.46	\$ 4.06
Net losses (gains) on commodity derivative instruments not associated with current-period transactions (b)	0.05	(0.10)	(0.05)	(0.02)	0.04	0.30	(0.17)	(0.29)	(0.39)
Integration and acquisition expenses associated with Finagaz acquired on May 29, 2015	-	-	-	-	0.03	0.08	0.10	0.15	0.10
Unrealized losses (gains) on foreign current derivative instruments	-	-	-	-	-	-	-	0.08	(0.11)
Loss on extinguishments of debt	-	0.06	0.01	-	-	-	0.04	0.05	-
Costs associated with extinguishment of debt	-	-	-	-	-	0.03	-	-	-
Impact of retroactive change in French tax law	-	-	-	-	0.03	-	-	-	-
Integration and acquisition expenses associated with the retail propane businesses of Energy Transfer Partners, L.P. ("Heritage Propane") acquired by the Partnership on January 12, 2012	-	-	0.05	0.03	-	-	-	-	-
Impairment of Partnership tradenames and trademarks	-	-	-	-	-	-	-	-	0.08
Impact from change in French tax rate	-	-	-	-	-	-	-	(0.16)	(0.07)
Reameasurement impact from TCJA	-	-	-	-	-	-	-	-	(0.93)
Gain on sale of Atlantic Energy	(0.11)	-	-	-	-	-	-	-	-
Adjusted diluted earnings per share (d)	\$ 1.46	\$ 1.41	\$ 1.25	\$ 1.61	\$ 2.02	\$ 2.01	\$ 2.05	\$ 2.29	\$ 2.74

# 2018 UGI Corporation Adjusted EPS by Segment

Year Ended September 30, 2018	Total	AmeriGas Propane	UGI International	Midstream & Marketing	UGI Utilities	Corporate & Other
<b>Adjusted diluted earnings per share:</b>						
UGI Corporation earnings per share - diluted	\$ 4.06	\$ 0.99	\$ 0.78	\$ 1.11	\$ 0.84	\$ 0.34
Net gains on commodity derivative instruments not associated with current-period transactions (b)	(0.39)	—	—	—	—	(0.39)
Unrealized gains on foreign currency derivative instruments	(0.11)	—	—	—	—	(0.11)
Integration expenses associated with Finagaz	0.10	—	0.10	—	—	—
Impairment of Partnership tradenames and trademarks	0.08	0.08	—	—	—	—
Impact from December 2017 French Finance Bills	(0.07)	—	(0.07)	—	—	—
Remeasurement impact from TCJA (b)	(0.93)	(0.64)	0.06	(0.39)	(0.04)	0.08
<b>Adjusted diluted earnings (loss) per share</b>	<b>\$ 2.74</b>	<b>\$ 0.43</b>	<b>\$ 0.87</b>	<b>\$ 0.72</b>	<b>\$ 0.80</b>	<b>\$ (0.08)</b>

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

(b) Includes the effects of rounding.

# UGI Corporation Free Cash Flow

(\$ in millions)

	Year Ended September 30,										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net Cash Provided By Operating Activities	\$ 178.5	\$ 141.9	\$ 132.7	\$ 203.5	\$ 247.5	\$ 249.1	\$ 260.7	\$ 437.7	\$ 279.4	\$ 456.2	\$ 464.4
Less: Expenditures for property, plant, and equipment	(69.2)	(70.2)	(71.0)	(78.0)	(94.7)	(100.9)	(133.7)	(158.4)	(191.7)	(223.1)	(232.1)
Free Cash Flow Before Distributions on AmeriGas Partners Publically Held Common Units	\$ 109.3	\$ 71.7	\$ 61.7	\$ 125.5	\$ 152.8	\$ 148.2	\$ 127.0	\$ 279.3	\$ 87.7	\$ 233.1	\$ 232.3
Less: Distributions on AmeriGas Partners Publically Held Common Units	(39.0)	(39.0)	(39.1)	(44.3)	(53.5)	(56.4)	(62.4)	(66.6)	(73.6)	(85.0)	(80.9)
UGI Free Cash Flow After Distributions on AmeriGas Partners Publically Held Common Un	\$ 70.3	\$ 32.7	\$ 22.6	\$ 81.2	\$ 99.3	\$ 91.8	\$ 64.6	\$ 212.7	\$ 14.1	\$ 148.1	\$ 151.4

	Year Ended September 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Cash Provided By Operating Activities	\$ 665.0	\$ 598.8	\$ 554.7	\$ 707.7	\$ 801.5	\$ 1,005.4	\$ 1,163.8	\$ 969.7	\$ 964.4	\$ 1,085.3
Less: Expenditures for property, plant, and equipment	(301.8)	(347.3)	(360.7)	(339.4)	(486.0)	(456.8)	(490.6)	(563.8)	(638.9)	(574.9)
Free Cash Flow Before Distributions on AmeriGas Partners Publically Held Common Units	\$ 363.2	\$ 251.5	\$ 194.0	\$ 368.3	\$ 315.5	\$ 548.6	\$ 673.2	\$ 405.9	\$ 325.5	\$ 510.4
Less: Distributions on AmeriGas Partners Publically Held Common Units	(90.4)	(89.1)	(93.7)	(181.7)	(226.5)	(237.7)	(248.9)	(257.3)	(261.6)	(263.0)
UGI Free Cash Flow After Distributions on AmeriGas Partners Publically Held Common Un	\$ 272.8	\$ 162.4	\$ 100.3	\$ 186.6	\$ 89.0	\$ 310.9	\$ 424.3	\$ 148.6	\$ 63.9	\$ 247.4

# Midstream & Marketing Total Margin

(\$ in millions)

	Year Ended September 30,											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Revenues	\$ 1,409.8	\$ 1,696.4	\$ 1,309.5	\$ 1,222.6	\$ 1,155.9	\$ 942.2	\$ 1,122.8	\$ 1,473.7	\$ 1,181.4	\$ 876.6	\$ 1,121.2	\$ 1,421.7
Total Cost of Sales	(1,282.3)	(1,541.0)	(1,147.8)	(1,055.5)	(986.5)	(779.7)	(927.3)	(1,149.8)	(872.4)	(612.2)	(856.7)	(1,090.8)
Net Margin	\$ 127.5	\$ 155.3	\$ 161.7	\$ 167.1	\$ 169.4	\$ 162.5	\$ 195.5	\$ 323.9	\$ 309.0	\$ 264.4	\$ 264.5	\$ 330.9
Margin Breakdown:												
Commodity Marketing	\$ 42.7	\$ 38.9	\$ 42.2	\$ 60.2	\$ 67.5	\$ 56.9	\$ 57.6	\$ 61.9	\$ 60.6	\$ 45.7	\$ 48.8	\$ 49.8
Midstream	30.7	46.1	49.0	47.4	51.7	57.5	74.9	184.9	180.4	161.1	168.0	225.0
Power Generation	27.5	39.2	35.0	27.7	18.2	16.0	31.5	45.5	43.6	34.2	27.9	34.9
HVAC	26.6	31.2	35.5	31.9	31.9	32.1	31.5	31.7	24.4	23.3	19.8	21.2
Net Margin	\$ 127.5	\$ 155.3	\$ 161.7	\$ 167.1	\$ 169.4	\$ 162.5	\$ 195.6	\$ 323.9	\$ 309.0	\$ 264.4	\$ 264.5	\$ 330.9

Margin excludes commodity derivative mark-to-market adjustments

# AmeriGas Unit Margins

(\$ in thousands)

	Year Ended September 30,										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Propane revenues	\$2,624,672	\$2,091,890	\$2,158,800	\$2,360,439	\$2,677,631	\$2,884,766	\$3,440,868	\$2,612,401	\$2,053,160	\$2,183,538	\$2,545,794
Propane cost of sales	(1,836,917)	(1,254,332)	(1,340,615)	(1,546,161)	(1,642,658)	(1,571,574)	(2,034,592)	(1,301,167)	(719,842)	(891,261)	(1,215,616)
Adjustment for Commodity Mark-to-Market (gain) loss	-	-	-	-	-	-	9,496	47,841	(66,079)	(31,062)	(12,473)
Total adjusted propane margin	\$ 787,755	\$ 837,558	\$ 818,185	\$ 814,278	\$1,034,973	\$1,313,192	\$1,415,772	\$1,359,075	\$1,267,239	\$1,261,215	\$1,317,705
Total Retail and Wholesale Gallons Sold	1,104,400	1,047,900	1,022,600	999,000	1,123,100	1,347,000	1,369,000	1,238,700	1,115,222	1,096,010	1,143,565
Average Adjusted Propane Margin per Gallon	\$ 0.71	\$ 0.80	\$ 0.80	\$ 0.82	\$ 0.92	\$ 0.97	\$ 1.03	\$ 1.10	\$ 1.14	\$ 1.15	\$ 1.15

# UGI International Total Margin

(\$ in millions)

	Year Ended September 30,		
	2008	2013	2018
Total Revenues	\$ 1,124.8	\$ 2,179.2	\$ 2,683.8
Total Cost of Sales	(651.9)	(1,498.4)	(1,620.1)
Net Margin	\$ 472.9	\$ 680.8	\$ 1,063.7

# UGI France Unit Margins

(\$ in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
LPG revenues	\$ 1,062,561	\$ 837,676	\$ 887,067	\$ 1,050,628	\$ 1,083,666	\$ 1,244,753	\$ 1,169,610	\$ 942,511	\$ 1,160,013	\$ 1,144,939	\$ 1,349,884
LPG cost of sales	(615,944)	(362,425)	(465,867)	(649,824)	(650,305)	(774,097)	(727,029)	(461,567)	(432,429)	(441,559)	(612,295)
<b>Total adjusted LPG margin (USD)</b>	<b>\$ 446,617</b>	<b>\$ 475,251</b>	<b>\$ 421,200</b>	<b>\$ 400,804</b>	<b>\$ 433,361</b>	<b>\$ 470,656</b>	<b>\$ 442,581</b>	<b>\$ 480,944</b>	<b>\$ 727,584</b>	<b>\$ 703,380</b>	<b>\$ 737,589</b>
Foreign Currency Exchange Rates (Euro/USD)	1.51	1.35	1.36	1.40	1.30	1.31	1.36	1.15	1.11	1.11	1.19
<b>Total adjusted LPG margin (Euro)</b>	<b>€ 296,261</b>	<b>€ 350,903</b>	<b>€ 310,608</b>	<b>€ 286,427</b>	<b>€ 332,758</b>	<b>€ 358,630</b>	<b>€ 326,279</b>	<b>€ 418,212</b>	<b>€ 657,678</b>	<b>€ 633,676</b>	<b>€ 619,823</b>
Total Retail Tons Sold	567	561	542	524	575	596	539	639	963	983	960
Gallons/ton	516	516	516	516	516	516	516	516	516	516	516
<b>Total Retail Gallons Sold</b>	<b>292,616</b>	<b>289,290</b>	<b>279,889</b>	<b>270,542</b>	<b>296,704</b>	<b>307,771</b>	<b>278,320</b>	<b>329,947</b>	<b>497,028</b>	<b>507,228</b>	<b>495,360</b>
<b>Average Adjusted LPG Margin per Gallon</b>	<b>€ 1.01</b>	<b>€ 1.21</b>	<b>€ 1.11</b>	<b>€ 1.06</b>	<b>€ 1.12</b>	<b>€ 1.17</b>	<b>€ 1.17</b>	<b>€ 1.27</b>	<b>€ 1.32</b>	<b>€ 1.25</b>	<b>€ 1.25</b>

Margin excludes commodity derivative mark-to-market adjustments



# 2018 Cash Flow Drives EPS and Dividend Growth

