



# UGI CORPORATION

## Fiscal 2022 First Quarter Results

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# About This Presentation



This presentation contains forward-looking statements, including estimates and projections, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are based on management’s beliefs and assumptions and can often be identified by terms and phrases that include believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” “intend,” “target,” “project,” “forecast,” or other similar words. 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; accordingly, there is no assurance that results will be realized. 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 (including increasingly uncertain weather patterns due to climate change) and the seasonal nature of our business; cost volatility and availability of all energy products, including propane, natural gas, electricity and fuel oil as well as the availability of LPG cylinders; increased customer conservation measures; the impact of pending and future legal or regulatory proceedings, inquiries or investigations, 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 the withdrawal of the United Kingdom from the European Union, and foreign currency exchange rate fluctuations (particularly the euro); the timing of development of Marcellus and Utica 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; the interruption, disruption, failure, malfunction, or breach of our information technology systems, including due to cyberattack; the inability to complete pending or future energy infrastructure projects; our ability to achieve the operational benefits and cost efficiencies expected from the completion of pending and future transformation initiatives including the impact of customer disruptions resulting in potential customer loss due to the transformation activities; uncertainties related to a global pandemic, including the duration and/or impact of the COVID-19 pandemic; the impact of proposed or future tax legislation, including the potential reversal of existing tax legislation that is beneficial to us; and our ability to overcome supply chain issues that may result in delays or shortages in, as well as increased costs of, equipment, materials or other resources that are critical to our business operations.



# First Quarter Summary

**Roger Perreault**  
President and CEO,  
UGI Corporation

# Q1 FY22 Financial Highlights

**\$0.93**

Q1 FY22 Adjusted Diluted EPS<sup>1</sup>

**6 – 10%**

Long-term EPS Growth  
Commitment

- Adjusted diluted EPS<sup>1</sup> of \$0.93 in Q1 FY22 vs \$1.18 in Q1 FY21
  - GAAP diluted EPS of (\$0.46) vs. \$1.44 in Q1 FY21
- Results impacted by:
  - record warm weather in the U.S. in December
  - the effects of significant increases and volatility in commodity prices on LPG and energy marketing margins in Europe
  - partially offset by incremental contribution from strategic investments in the natural gas businesses



## Reliable Earnings Growth

- Utilities invested **\$110+ million of capital** and **adds 4,500+ customers**
- Mountaineer delivered **solid Q1 results** and provides an avenue for growth
- AmeriGas benefitted from **disciplined margin management** efforts
- UGI Utilities filed a request with the PAPUC on January 28<sup>th</sup>
  - Includes request to **increase base rates by ~ \$83 million** and approve a **weather normalization adjustment mechanism**



## Renewables

- Received **approval for JV with SHV Energy** to advance the production and use of rDME<sup>1</sup>
- Announced **15-year agreement with California-based Vertimass** to produce renewable fuels in U.S. and Europe
- In December 2021, **MSCI upgraded UGI Corporation's ESG Rating to "AA"**



## Rebalance

- Acquired **Stonehenge Appalachia for ~\$190M** on January 27<sup>th</sup>
  - 47+ miles of pipeline and associated compression assets with gathering capacity of **130 million cu. ft. per day**
  - Immediately **accretive to adjusted earnings**

1. rDME stands for renewable dimethyl ether.



# First Quarter Financial Review

**Ted J. Jastrzebski**  
Chief Financial Officer,  
UGI Corporation

# Q1 FY22 Adjusted Diluted Earnings per Share

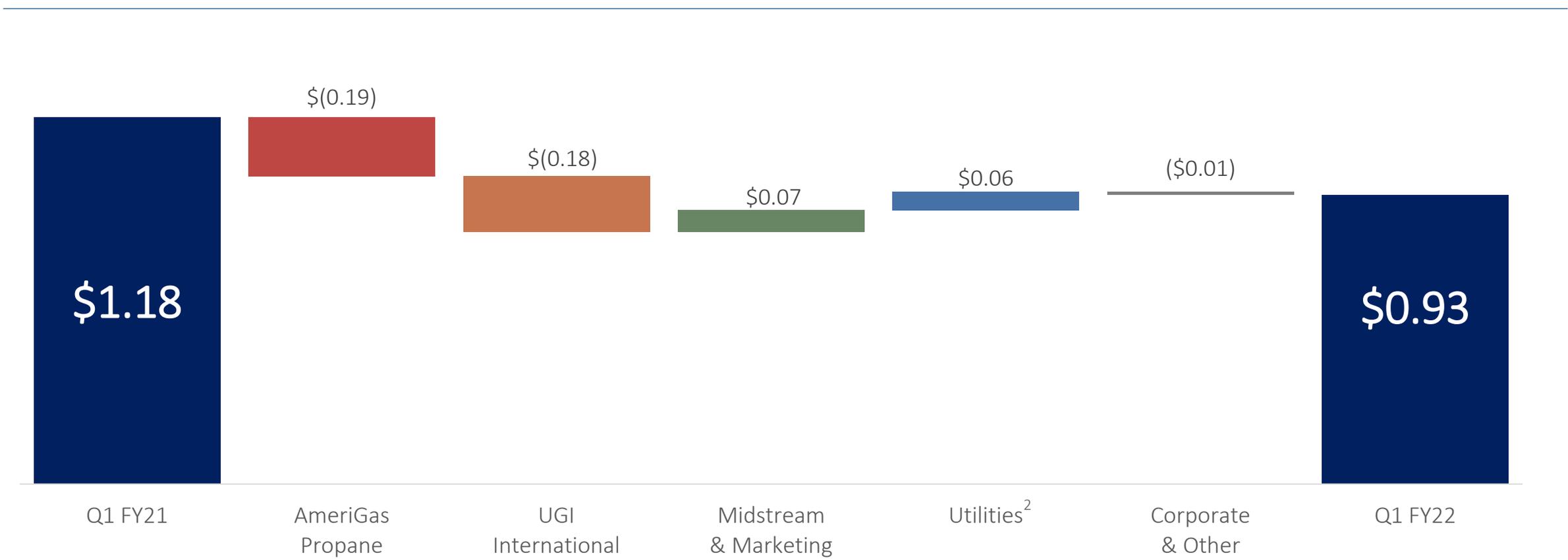


	Q1 FY22	Q1 FY21
AmeriGas Propane	\$0.16	\$0.35
UGI International	0.26	0.44
Midstream & Marketing	0.24	0.17
Utilities	0.29	0.23
Corporate & Other (a)	(1.41)	0.25
<b>(Loss) earnings per share – diluted (b)</b>	<b>(0.46)</b>	<b>1.44</b>
Net losses (gains) on commodity derivative instruments not associated with current-period transactions	1.37	(0.40)
Unrealized (gains) losses on foreign currency derivative instruments	(0.02)	0.07
Loss on extinguishment of debt	0.03	—
Acquisition and integration expenses associated with the Mountaineer Acquisition	—	0.01
Business transformation expenses	0.01	0.06
<b>Total adjustments (a)</b>	<b>1.39</b>	<b>(0.26)</b>
<b>Adjusted earnings per share – diluted (b)</b>	<b>\$0.93</b>	<b>\$1.18</b>

(a) Corporate & Other includes certain adjustments made to our reporting segments in arriving at net income attributable to UGI Corporation. These adjustments have been excluded from the segment results to align with the measure used by our Chief Operating Decision Maker in assessing segment performance and allocating resources. (b) The loss per share for the three months ended December 31, 2021, was determined excluding the effect of 6.49 million dilutive shares as the impact of such shares would have been antidilutive to the net loss for the period. Adjusted earnings per share for the three months ended December 31, 2021, was determined based upon fully diluted shares of 216.16 million.

# Q1 FY22 Results Recap

## Q1 FY22 Adjusted Diluted EPS<sup>1</sup> Compared to Q1 FY21



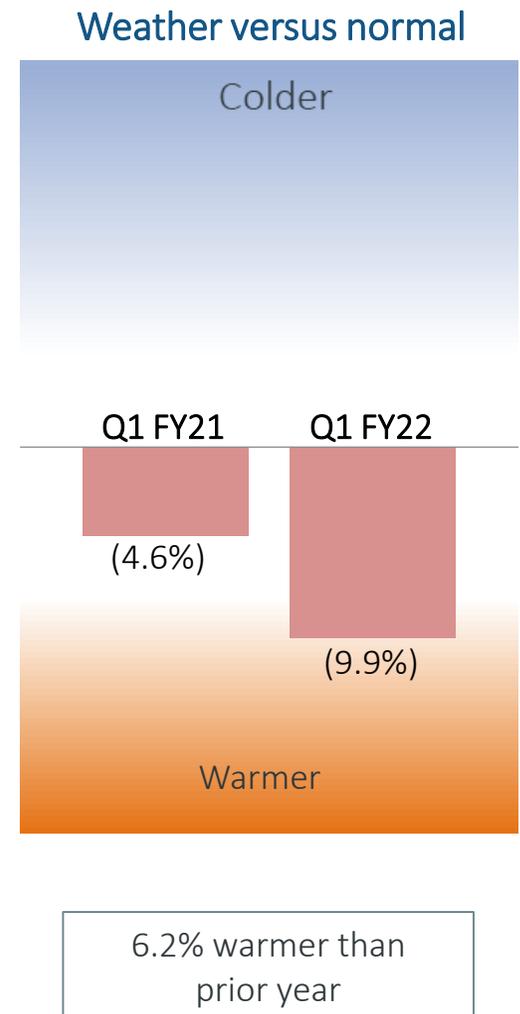
**Q1 FY22 GAAP diluted EPS of \$(0.46) compared to \$1.44 in Q1 FY21**

1. Adjusted Diluted EPS is a non-GAAP measure. See Slide 7 for reconciliation. 2. Includes Mountaineer Gas Company acquired on September 1, 2021.

# Financial Results – AmeriGas Propane

(Dollars in Millions)	Q1 FY21	Q1 FY22
<b>Earnings Before Interest Expense &amp; Income Taxes</b>	<b>\$141</b>	
Total Margin		(34)
Operating and Administrative Expenses		(19)
Depreciation and Amortization		(1)
Other Income and Expense, net		(1)
<b>Earnings Before Interest Expense &amp; Income Taxes</b>		<b>\$86</b>

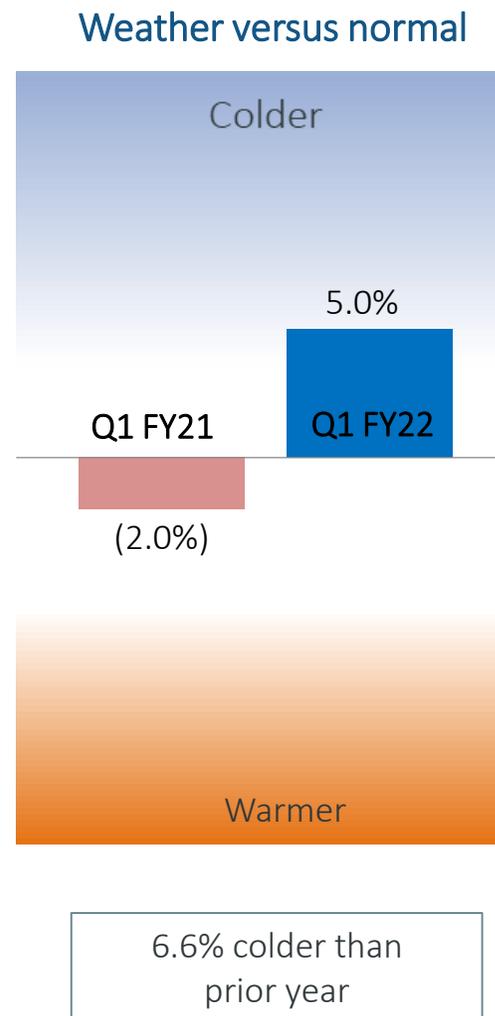
Item	Primary Drivers
Volume ↓	Total retail gallons sold decreased 13% principally due to the warmer weather, the effect of higher commodity prices on customer usage, certain challenges associated with the implementation our new operating business model and the impact of COVID-19 on cylinder exchange and resale volumes
Total Margin ↓	Attributable to the lower retail propane volumes partially offset by higher average propane selling prices
Operating and Admin Expenses ↑	Largely due to higher general insurance, vehicle fuel, bad debt reserves, advertising expenses and telecommunications expenses, driven, in part, by the inflationary cost environment



# Financial Results – UGI International

(Dollars in Millions)	Q1 FY21	Q1 FY22
<b>Earnings Before Interest Expense &amp; Income Taxes</b>	<b>\$136</b>	
Total Margin		(61)
Operating and Administrative Expenses		(4)
Depreciation and Amortization		2
Realized FX Gains		3
Other Income and Expense, net		6
<b>Earnings Before Interest Expense &amp; Income Taxes</b>		<b>\$82</b>

Item	Primary Drivers
Total Volume ↑	LPG retail gallons sold increased 6% largely attributable to the colder weather which positively impacted heating-related bulk volumes, favorable crop drying campaigns and recovery of certain autogas volumes negatively impacted by COVID-19
Total Margin ↓	Primarily reflects lower total margin from energy marketing business and lower average LPG unit margins that were impacted by significant increase and unprecedented volatility in commodity prices. Energy marketing margin was also impacted by increased commodity costs associated with higher-than-anticipated volumes purchased by certain customers through fixed price sales contracts
Operating and Admin Expenses ↑	Primarily attributable to distribution and packaging costs associated with higher retail LPG volumes sold
Other Income and Expense, net ↑	Primarily attributable to higher gains on sales of assets

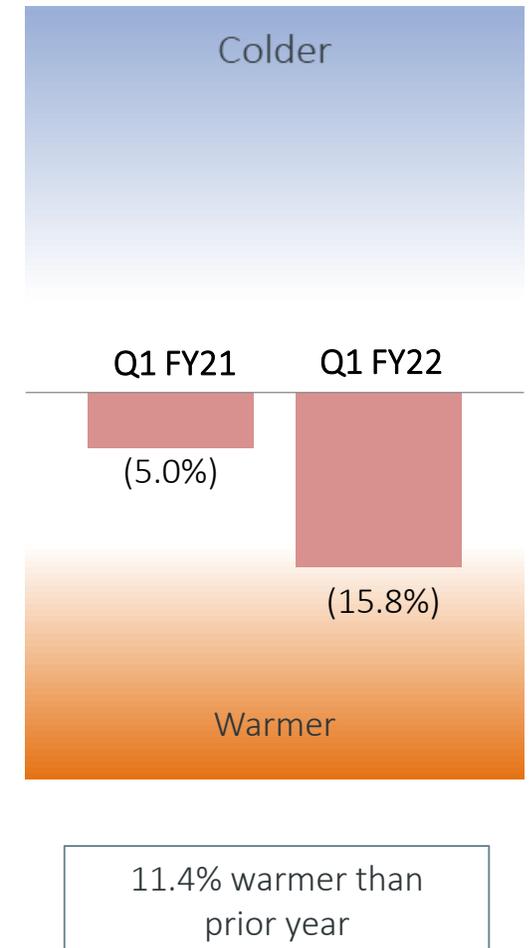


# Financial Results – Midstream & Marketing

(Dollars in Millions)	Q1 FY21	Q1 FY22
<b>Earnings Before Interest Expense &amp; Income Taxes</b>	<b>\$59</b>	
Total Margin		18
Operating and Administrative Expenses		3
Depreciation and Amortization		(1)
Other Income and Expense, net		3
<b>Earnings Before Interest Expense &amp; Income Taxes</b>		<b>\$82</b>

Item	Primary Drivers
Total Margin ↑	Largely reflecting higher margin from renewable energy marketing activities (including impact of increased sales volumes and average pricing related to environmental credits), and improved margins from capacity management and peaking contracts, partially offset by lower margin from natural gas marketing activities
Operating and Admin Expenses ↓	Reflects, among other things, lower wages and benefits compared to the prior-year period
Other Income and Expense, net ↑	Primarily relates to the absence of an adjustment to the contingent consideration related to the GHI acquisition

## Weather versus normal

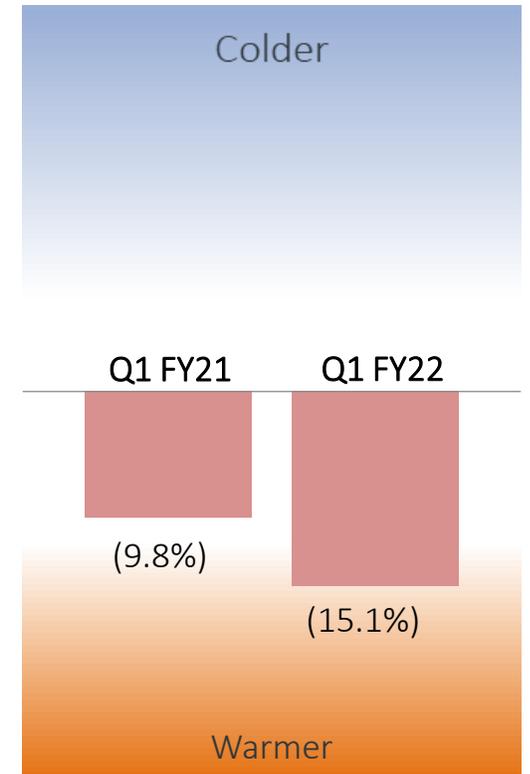


# Financial Results – Utilities

(Dollars in Millions)	Q1 FY21	Q1 FY22 <sup>1</sup>
Earnings Before Interest Expense & Income Taxes	\$78	
Total Margin		46
Operating and Administrative Expenses		(20)
Depreciation		(6)
Earnings Before Interest Expense & Income Taxes		\$98

Item	Primary Drivers
Volume ↑	Gas Utility core market volumes increased largely due to incremental volumes attributable to Mountaineer
Total Margin ↑	Largely reflects incremental margin attributable to Mountaineer, higher gas base rates (went into effect in FY2021), and a Distribution System Improvement Charge (effective April 1, 2021)
Operating and Admin Expenses ↑	Principally related to incremental expenses attributable to Mountaineer
Depreciation ↑	Principally related to incremental expenses attributable to Mountaineer

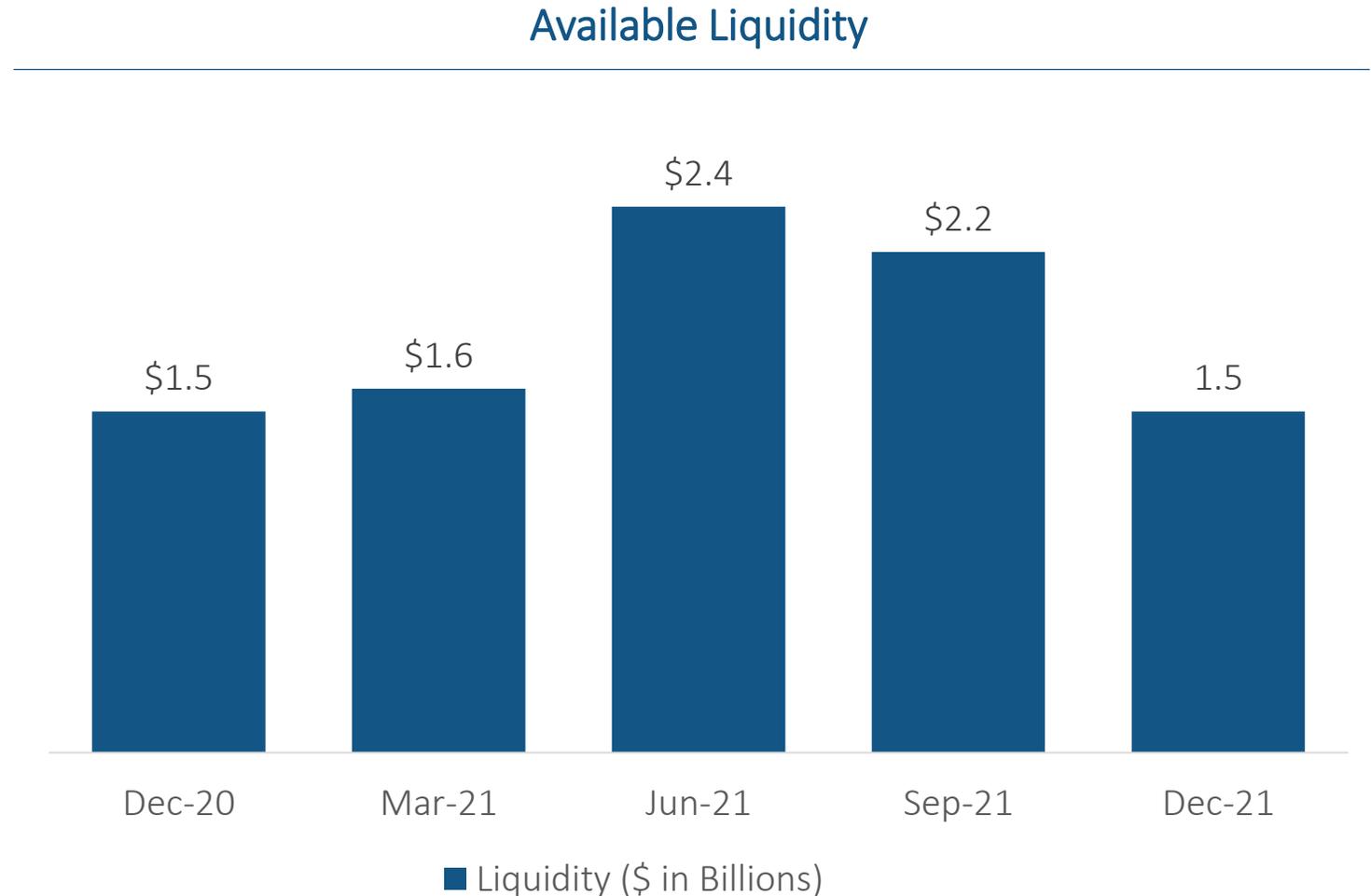
## Weather versus normal



7.9% warmer than prior year

1. Includes Mountaineer Gas Company acquired on September 1, 2021.

- **Strong balance sheet position**
  - \$1.5 Billion in available liquidity<sup>1</sup> as of December 31, 2021
- On February 2<sup>nd</sup>, our Board of Directors:
  - Declared a **quarterly dividend of \$0.345 per share**
  - Approved extension of the existing **share repurchase program for up to 8 million shares**, for an additional four-year period through February 2026



<sup>1</sup>. Defined as cash and cash equivalents, and available borrowing capacity on our revolving credit facilities.



# Conclusion

**Roger Perreault**  
President and CEO,  
UGI Corporation

# Conclusion



Reliable Earnings Growth



Renewables



Rebalance

## Driving FY22 performance

## Our long-term commitments

Leveraging  
core  
competencies

Focused Margin  
Management

- Recovery of higher commodity cost

Disciplined  
Expense  
Management

- Control of operating expenses
- Accelerating the Corporate Functions Transformation initiative

6 - 10%

Long-term EPS  
Growth Target

4%

Long-term Dividend  
Growth Target



Q

&

A



## Appendix

- Management uses “adjusted net income attributable to UGI Corporation” and “adjusted diluted earnings per share,” both of which are non-GAAP financial measures, when evaluating UGI’s overall performance. Management believes that these non-GAAP measures provide meaningful information to investors about UGI’s performance because they eliminate gains and losses on commodity and certain foreign currency derivative instruments not associated with current-period transactions and other significant discrete items that can affect the comparison of period-over-period results.
- Management does not designate its commodity and certain foreign currency derivative instruments as hedges under GAAP. Volatility in net income attributable to UGI can occur as a result of such gains and losses on commodity and certain foreign currency derivative instruments not associated with current-period transactions. These gains and losses result principally from recording changes in unrealized gains and losses on unsettled commodity and certain foreign currency derivative instruments and, to a much lesser extent, certain realized gains and losses on settled commodity derivative instruments that are not associated with current-period transactions. However, because these derivative instruments economically hedge anticipated future purchases or sales of energy commodities, or in the case of certain foreign currency derivatives, reduce volatility in anticipated future earnings associated with our foreign operations, we expect that such gains or losses will be largely offset by gains or losses on anticipated future energy commodity transactions or mitigate volatility in anticipated future earnings.
- 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.
- The table on slide 19 reconciles net income attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net income attributable to UGI Corporation, and the table on slide 7 reconciles diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above.

# Q1 FY22 Adjusted Net Income



(Dollars in Millions)	Q1 FY22	Q1 FY21
AmeriGas Propane	\$34	\$74
UGI International	57	92
Midstream & Marketing	51	35
Utilities	63	49
Corporate & Other (a)	(302)	53
<b>Net (loss) income attributable to UGI Corporation</b>	<b>(97)</b>	<b>303</b>
Net losses (gains) on commodity derivative instruments not associated with current-period transactions (net of tax of \$(111) and \$31, respectively)	292	(85)
Unrealized (gains) losses on foreign currency derivative instruments (net of tax of \$2 and \$(5), respectively)	(4)	15
Loss on extinguishment of debt (net of tax of \$(3) and \$0, respectively)	8	-
Acquisition and integration expenses associated with the Mountaineer Acquisition (net of tax of \$0 and \$(1), respectively)	1	1
Business transformation expenses (net of tax of \$(1) and \$(4), respectively)	1	13
<b>Total adjustments (a) (b)</b>	<b>298</b>	<b>(56)</b>
<b>Adjusted net income attributable to UGI Corporation</b>	<b>\$201</b>	<b>\$247</b>

(a) Corporate & Other includes certain adjustments made to our reporting segments in arriving at net income attributable to UGI Corporation. These adjustments have been excluded from the segment results to align with the measure used by our Chief Operating Decision Maker in assessing segment performance and allocating resources.

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

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