



## UGI Announces Proposed Equity Units Offering

May 17, 2021

VALLEY FORGE, Pa.--(BUSINESS WIRE)--May 17, 2021-- UGI Corporation (NYSE: UGI) announced today its intention to offer, subject to market and other conditions, 2,000,000 equity units (the "units") in a public offering registered under the Securities Act of 1933, as amended. UGI also expects to grant the underwriters of the units a 30-day option to purchase up to an additional 200,000 units solely to cover over-allotments. UGI intends to use the net proceeds from the offering to pay a portion of the purchase price of its previously announced pending acquisition of Mountaineer Gas Company, and related fees and expenses, and for general corporate purposes.

Each unit will have a stated amount of \$100 and will initially consist of a stock purchase contract and a 1/10th, or 10%, undivided interest in one share of a new series of preferred stock of UGI titled its series A cumulative perpetual convertible preferred stock (the "convertible preferred stock"), without par value and having a liquidation preference of \$1,000 per share. Each purchase contract will obligate the holder to pay \$100 to UGI to purchase a variable number of shares of UGI's common stock on the purchase contract settlement date, which is scheduled to occur on June 1, 2024. However, holders of the purchase contracts may elect to settle their purchase contracts early in certain circumstances. The number of shares of UGI common stock to be issued upon settlement of the purchase contracts will be determined over a span of 20 consecutive trading days preceding the settlement date, subject to a maximum settlement rate.

UGI expects to pay quarterly contract adjustment payments on the stated amount of the units and cumulative dividends, when, as and if declared by UGI's board of directors, on the liquidation preference of the convertible preferred stock. UGI may elect to pay contract adjustment payments and dividends in cash, shares of its common stock or a combination of cash and shares of common stock, at UGI's election, subject to certain limitations. UGI will also have the right to defer contract adjustment payments on the units.

The convertible preferred stock has no stated maturity or required redemption date, but UGI will have the right to redeem all or any portion of the convertible preferred stock at any time, and from time to time, on or after September 3, 2024 (or such later date as may be established in connection with a successful remarketing of the convertible preferred stock, as described below) for cash at a redemption price equal to the liquidation preference of the convertible preferred stock being redeemed plus any accumulated and unpaid dividends. Each share of convertible preferred stock may be converted at the option of the holders only after it is separated from the units and, prior to June 1, 2024, only if certain fundamental change events occur before a successful remarketing of the convertible preferred stock. UGI will settle conversions by paying or delivering (i) one share of UGI's series B preferred stock (or, for conversions in connection with a redemption of the convertible preferred stock, up to \$1,000 in cash) per share of convertible preferred stock being converted; and (ii) to the extent the conversion value exceeds the liquidation preference of the convertible preferred stock, shares of UGI's common stock. The series B preferred stock will have terms that are substantially identical to the convertible preferred stock, including having the same dividend rate and redemption provisions, except that series B preferred stock will not be convertible.

The convertible preferred stock is expected to be remarketed during either an optional remarketing period beginning on, and including, March 1, 2024 and ending on, and including, May 13, 2024 or a final remarketing period beginning on, and including, May 23, 2024 and ending on, and including, May 30, 2024. Upon a successful remarketing, the conversion rate and dividend rate of the convertible preferred stock may be increased, and the earliest redemption date for the convertible preferred stock may be changed to a later date that is on or before August 29, 2025.

The maximum settlement rate and contract adjustment rate of the purchase contracts, the initial conversion rate of the convertible preferred stock and the initial dividend rate of the convertible preferred stock and the series B preferred stock will be determined at the pricing of the offering.

Wells Fargo Securities, BofA Securities, Credit Suisse, Goldman Sachs & Co. LLC and J.P. Morgan are acting as active bookrunners for the offering.

The offering is being made pursuant to an effective shelf registration statement on file with the Securities and Exchange Commission (the "SEC"). The offering will be made only by means of a prospectus supplement and an accompanying prospectus. An electronic copy of the preliminary prospectus supplement, together with the accompanying prospectus, is available on the SEC's website at [www.sec.gov](http://www.sec.gov). Alternatively, copies of the preliminary prospectus supplement, together with the accompanying prospectus, can be obtained by contacting: Wells Fargo Securities, Attention: Equity Syndicate Department, 500 West 33rd Street, New York, New York, 10001, at (800) 326-5897 or email a request to [cmclientsupport@wellsfargo.com](mailto:cmclientsupport@wellsfargo.com); BofA Securities, by mail at NC1-004-03-43, 200 North College Street, 3rd Floor, Charlotte, North Carolina 28255-0001, Attention: Prospectus Department, or by email at [dq.prospectus\\_requests@bofa.com](mailto:dq.prospectus_requests@bofa.com); Credit Suisse Securities, by mail, Attention: Credit Suisse Prospectus Department, One Madison Avenue, New York, New York, 10010, by telephone at (800) 221-1037, or by email at [newyork.prospectus@credit-suisse.com](mailto:newyork.prospectus@credit-suisse.com); Goldman Sachs & Co. LLC, by mail at Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282, Attention: Prospectus Department, by telephone at (866) 471-2526 or (212) 902-1171, by facsimile at (212) 902-9316 or by email at [prospectus-ny@ny.email.gs.com](mailto:prospectus-ny@ny.email.gs.com); or J.P. Morgan, by mail, Attention: c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, New York 11717, or by telephone at (866) 803-9204.

This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities referred to in this press release, nor will there be any sale of any such securities, in any state or other jurisdiction in which such offer, sale or solicitation would be unlawful prior to registration or qualification under the securities laws of such state or jurisdiction.

### About UGI Corporation

UGI Corporation is a distributor and marketer of energy products and services. Through subsidiaries, UGI operates natural gas and electric utilities in Pennsylvania, distributes LPG both domestically (through AmeriGas) and internationally (through UGI International), manages midstream energy assets in Pennsylvania, Ohio, and West Virginia and electric generation assets in Pennsylvania, and engages in energy marketing, including renewable natural gas, in 12 states and the District of Columbia and internationally in France, Belgium, the Netherlands and the United Kingdom.

### Forward-Looking Statements

This press release includes forward-looking statements, including statements regarding the anticipated terms of the units being offered, the completion, timing and size of the proposed offering, the intended use of the proceeds and the completion of the pending acquisition of Mountaineer Gas Company. Forward-looking statements represent UGI's current expectations regarding future events and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those implied by the forward-looking statements. Among those risks and uncertainties are market conditions, including market interest rates, the trading price and volatility of UGI's common stock and risks relating to UGI's business, including those described in periodic reports that UGI files from time to time with the SEC. UGI may not consummate the proposed offering described in this press release and, if the proposed offering is consummated, cannot provide any assurances regarding the final terms of the offering or the units or its ability to effectively apply the net proceeds or complete its pending acquisition of Mountaineer Gas Company as described above. The forward-looking statements included in this press release speak only as of the date of this press release, and UGI does not undertake to update the statements included in this press release for subsequent developments, except as may be required by law.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20210517005481/en/): <https://www.businesswire.com/news/home/20210517005481/en/>

**Investor Relations**

Tameka Morris, 610-456-6297

Arnab Mukherjee, 610-768-7498

Shelly Oates, 610-992-3202

Source: UGI Corporation