UGI Corporation Announces Plan to Pursue the Separation of Its Global Liquefied Petroleum Gas Business Into a Standalone Public Company

November 18, 2026

Planned Separation Intended to Unlock Long-Term Shareholder Value and Create Two Companies, Each a Leader in Its Respective Industry With Tailored Capital Allocation Priorities, Attractive Dividend Yield, and Meaningful Growth Opportunities

Enhances Strategic and Financial Flexibility for Each Company

Establishes UGI Corporation as a Premier Natural Gas Infrastructure Company Operating in Favorable U.S. Load-Growth Markets and Low-Cost Supply Regions

New Global LPG Company Expected To Be The Largest Publicly Listed LPG Distribution Company in The World Following The Separation

UGI Corporation to Host Conference Call and Webcast on Thursday, November 19, 2026, at 8:00 AM ET

VALLEY FORGE, Pa.--(BUSINESS WIRE)--Nov. 18, 2026-- UGI Corporation (NYSE: UGI) today announced that its Board of Directors unanimously approved a plan to pursue the separation of its Global LPG business (the new LPG Company) from UGI to create two publicly traded companies, each well-capitalized with tailored capital allocation strategies and strongly positioned to serve customers, pursue strategic growth objectives and create significant, long-term shareholder value. UGI intends to execute the separation through a spinoff of the new LPG Company that is expected to be tax-free to UGI and its shareholders for U.S. federal income tax purposes. The spinoff is expected to be completed during the second half of calendar year 2027.

"The creation of the new LPG Company is the next step in our company's transformation, building on the portfolio optimization, balance sheet strengthening, and operational improvements we have achieved. The separation positions both companies for long-term growth, strategic optionality, and significant value creation for shareholders and customers," said President and Chief Executive Officer, Robert Flexon. "Each company will have distinct strategies and operating priorities with capital allocation and supporting resources directed to its greatest opportunities for success and market leadership."

Flexon continued, "We move forward with great confidence in the future of both companies and their respective abilities to serve customers and communities with excellence."

Anticipated Benefits of the Planned Separation

As separate companies, the New UGI and the new LPG Company are expected to benefit from:

- **Sharper strategic alignment**: Focused management and business models aligned with each company's markets, customers, and capital needs;
- **Tailored capital structures**: Balance sheets and capital return policies aligned to each company's financial profile and cost of capital;
- **Capital and strategic flexibility**: Investments aligned with each company's growth opportunities and other long-term shareholder value-creating alternatives; and
- **Distinct investment profiles**: Discrete business models allowing investors to assess each company based on its operational and financial characteristics.

New UGI: A Premier Natural Gas Infrastructure Company in the Mid-Atlantic Region

Following the completion of the separation, the New UGI will be a premier natural gas infrastructure company with fully regulated natural gas utilities and complementary midstream assets located in a favorable long-term supply basin, with direct access to low-cost Marcellus and Utica supply, and ideally positioned to serve customers demanding safe, reliable, and affordable natural gas in the Mid-Atlantic region. Demand megatrends for natural gas, including the need for generation to support the power grid, data center development, and rising industrial activity, are expected to further drive sustainable growth for the New UGI. Its operations will include:

- **UGI Utilities, Inc.**: Operates the second largest regulated natural gas utility in Pennsylvania, serving approximately 700,000 customers across 46 counties;
- **Mountaineer Gas Company**: The largest regulated natural gas utility in West Virginia, serving more than 209,000 customers across 55 counties; and
- **UGI Energy Services, LLC**: Includes natural gas pipeline and gathering assets with a total capacity of 5.1 MMDth/day and storage facilities with approximately 15 Bcf of capacity, as well as LNG peaking assets.

The New UGI is expected to benefit from consistent earnings growth and solid, recurring cash flows backed by a constructive regulatory framework that allows over 90% recoverability of capital spend within 12 months, a $5 billion regulated rate base expected to grow 8 – 10% per year, and fee-based contract structures covering more than 80% of midstream margins. Approximately 90% of the New UGI's margins are de-risked through its regulated utility operations, take-or-pay and minimum volume commitments, and fixed-fee arrangements. Cash flows for the New UGI are expected to

be directed to capital investments that promote safe, reliable, affordable, and sustainable energy; targeted system expansion opportunities; maintaining a strong balance sheet and investment-grade credit profile; and an attractive dividend for shareholders.

As a regulated utility and in keeping with UGI's current focus on affordability and service excellence, the separation transaction should not have an impact on customers or customer rates.

New LPG Company: The Largest Publicly Traded LPG Distribution Company in the World Following the Separation

The new standalone LPG Company is expected to be a scaled leader in Europe and the largest retail propane distributor in the United States. The new LPG Company's assets meet critical energy needs in the regions it serves and are strategically located near diverse supply channels, providing a competitive advantage that has resulted in a broad and diverse customer base spanning the residential, commercial, industrial, and agricultural sectors. With resilient unit margins, a targeted EBITDA margin of 17 – 20%, and expected growth in free cash flow, the new LPG Company will be well positioned to deliver a compelling and growing dividend, combined with share repurchases, while investing in targeted growth opportunities. Its operations will include:

- **UGI International**: A leading distributor of LPG in nine countries in western and northern Europe and the largest in France, Belgium, Denmark, Luxembourg and Finland; and
- **AmeriGas Propane, Inc.**: Serves approximately 950,000 customers in 49 states from approximately 1,300 distribution locations and a network of more than 41,700 cylinder-exchange outlets.

Contract structures and hedging programs within the new LPG Company will continue to support strong cash flow generation. UGI International has a track record of solid operational execution, and AmeriGas Propane has made meaningful progress on its operating improvement and safety initiatives while strengthening its balance sheet, leaving the business better positioned for volumetric growth. Building on these efforts will be a priority for the new LPG Company as it enters its next phase of growth.

Following the separation, cash flows for the new LPG Company, are expected to be directed to a compelling and growing dividend, share repurchases, and targeted strategic growth investments, while maintaining a strong balance sheet and industry-leading credit profile.

Separation Transaction Details

Under the proposed spinoff plan, UGI's shareholders will retain their current shares of UGI common stock and receive a pro-rata distribution of shares of the new LPG Company's stock in a transaction that is intended to be tax-free to UGI and its shareholders for U.S. federal income tax purposes. After the completion of the spinoff, the New UGI may retain a stake of up to 19.9% in the new LPG Company, which would be exited in a tax-efficient manner over time.

The spinoff transaction is subject to final approval from the UGI Board of Directors, the effectiveness of a registration statement on Form 10 to be filed with the Securities and Exchange Commission, and satisfaction of other customary conditions, including receipt of required consents, waivers or amendments under our and our subsidiaries' debt agreements, or repayment under or termination of such agreements. There can be no assurance that any separation transaction will ultimately occur or, if one does occur, its structure, terms, timing, or tax treatment.

UGI intends to continue its quarterly dividend, subject to approval by its Board of Directors, with a payout ratio in line with peers, building on its 142 consecutive years of dividend payments.

Further details regarding the proposed capital structure, capital allocation strategy, dividend policy, governance, and leadership team for each company will be defined as part of the separation planning and communicated at a later date.

Conference Call and Webcast

UGI will hold a live audio webcast of its conference call to discuss this announcement and its fiscal 2026 financial results at **8:00 AM ET on Thursday, November 19, 2026**.

Interested parties may listen to the webcast both live and in replay on the Internet at https://www.ugicorp.com/investors/financial-reports/events-and-presentations or by visiting the UGI website at https://www.ugicorp.com and clicking on "Investors" and then "Events and Presentations."

Advisors

J.P. Morgan Securities LLC is serving as lead financial advisor to UGI, and Latham & Watkins LLP is serving as legal advisor.

About UGI

UGI Corporation (NYSE: UGI) is a distributor and marketer of energy products and services in the U.S. and Europe. UGI offers safe, reliable, affordable, and sustainable energy solutions to customers through its subsidiaries, which provide natural gas transmission and distribution, electric generation and distribution, midstream services, propane distribution, renewable natural gas generation, distribution and marketing, and energy marketing services.

Comprehensive information about UGI Corporation is available on the Internet at https://www.ugicorp.com.

Use of Non-GAAP Measures

Management uses free cash flow ("FCF") and EBITDA margin, each a non-GAAP financial measure, to evaluate the new LPG Company's cash generation and operating performance. Management believes these measures provide investors with useful supplemental information about the new LPG Company's historical cash generation and expected performance, including its capacity to fund dividends, share repurchases and growth investments.

- We define FCF as cash from operating activities and proceeds from the sale of assets in the normal course of business,

less capital expenditures.
- We define EBITDA margin as adjusted EBITDA divided by revenue.

These non-GAAP measures are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”) and should be considered in addition to, and not as a substitute for, the most directly comparable GAAP measures.

Targets for EBITDA margin and expected growth in FCF are forward-looking non-GAAP measures. UGI has not provided reconciliations of these measures to their most directly comparable GAAP measures because the information necessary for reconciliation to their most directly comparable GAAP measure is unavailable without unreasonable effort.

Use of Forward-Looking Statements

This press release contains statements, estimates and projections that are forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended). Such statements use forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “intend,” “target,” “may,” or other similar words and terms of similar meaning, although not all forward-looking statements contain such words. These statements discuss plans, strategies, events or developments that we expect or anticipate will or may occur in the future. These include statements regarding the proposed separation of our LPG businesses into a separate publicly traded company; the timing, structure and completion of the separation, including its expected completion during the second half of calendar year 2027, and the proposed distribution of shares to UGI shareholders; the intended tax treatment of the transaction; the potential retention of a stake of up to 19.9% in the new LPG Company and subsequent exit from that stake, including the timing and intended tax treatment of such exit; the anticipated benefits of the separation, including enhanced strategic alignment and operating focus, investor recognition of each company’s value, tailored capital structures, financial policies and capital allocation strategies, increased capital and strategic flexibility to pursue growth opportunities and value-creating strategic options, distinct investment profiles, opportunities for employees and shareholder value creation; the expected composition, market positions, financial and operating performance, unit margins, cash flows, growth opportunities, rate base growth, capital investments and operating improvement, safety and deleveraging initiatives of the New UGI and the new LPG Company, including the new LPG Company’s targeted EBITDA margin and expected growth in free cash flow; the expected impact of the separation on customers and customer rates; capital structures, financial policies, dividend intentions, share repurchases, payout targets, credit-profile targets, governance and leadership for the companies, including UGI’s intended continuation of its quarterly dividend and targeted payout ratio pending completion of the separation; and the consideration of other pathways to maximize long-term shareholder value. 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. Risks and uncertainties relating to the proposed separation and the companies’ businesses and expected performance include final approval by our Board of Directors; the effectiveness of the registration statement on Form 10; the satisfaction of other conditions necessary to complete the separation, including receipt of required consents, waivers or amendments under our and our subsidiaries’ debt agreements, or repayment under or termination of such agreements, on a timely basis or at all; the ability to qualify the separation for its intended tax treatment; the finalization of the companies’ capital structures and the completion of any necessary financing transactions on satisfactory terms; our ability to successfully separate the businesses, realize the anticipated benefits of the separation and achieve the expected market positions; the evaluation and pursuit of other strategic pathways that could affect the separation, its timing or its anticipated benefits; uncertainty regarding market conditions, investor perceptions and the trading prices of each company’s shares following the separation; the ability to exit any retained stake in the new LPG Company with the intended tax treatment; costs and disruptions caused by or related to the separation, including potential impacts on customers and customer rates; changes in energy demand, including whether anticipated natural gas demand from commercial and industrial activity, data center development and power generation materializes; regulatory outcomes and the ability to recover costs, earn expected returns on planned utility investments and achieve projected rate base growth; the availability and cost of natural gas and LPG supplies, weather conditions, commodity price fluctuations and the effectiveness of contract structures and hedging programs in supporting margins and cash flows; the ability of each company to generate sufficient cash flows to fund its planned capital allocation priorities and maintain its targeted credit profile, and the ability of the new LPG Company to achieve expected growth in free cash flow; board approval of dividends and share repurchases; and the ability of each company to manage and grow its businesses and execute its business and growth strategies following the separation, including operating improvement, safety and deleveraging initiatives. You should read UGI’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q for a more extensive list of factors that could affect results. We undertake no obligation (and expressly disclaim any obligation) to update publicly any forward-looking statement, whether as a result of new information or future events, except as required by the federal securities laws.

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