
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-11071

UGI CORPORATION

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

23-2668356
(I.R.S. Employer
Identification No.)

500 North Gulph Road, King of Prussia, PA 19406

(Address of Principal Executive Offices) (Zip Code)

(610) 337-1000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol(s):	Name of each exchange on which registered:
Common Stock, without par value	UGI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer
Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

At April 30, 2025, there were 214,441,328 shares of UGI Corporation Common Stock, without par value, outstanding.

UGI CORPORATION AND SUBSIDIARIES

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GLOSSARY OF TERMS AND ABBREVIATIONS

Terms and abbreviations used in this Form 10-Q are defined below:

UGI Corporation and Related Entities

AmeriGas Finance Corp. - A wholly owned subsidiary of AmeriGas Partners

AmeriGas OLP - AmeriGas Propane, L.P., the principal operating subsidiary of AmeriGas Partners

AmeriGas Partners - AmeriGas Partners, L.P., an indirect wholly owned subsidiary of UGI; also referred to, together with its consolidated subsidiaries, as the “Partnership”

AmeriGas Propane - Reportable segment comprising AmeriGas Propane, Inc. and its subsidiaries, including AmeriGas Partners and AmeriGas OLP

AmeriGas Propane, Inc. - A wholly owned second-tier subsidiary of UGI and the general partner of AmeriGas Partners

AvantiGas - AvantiGas Limited, an indirect wholly owned subsidiary of UGI International, LLC

Company - UGI and its consolidated subsidiaries collectively

DVEP - DVEP Investeringen B.V., an indirect wholly owned subsidiary of UGI International, LLC

Electric Utility - UGI Utilities’ regulated electric distribution utility

Energy Services - UGI Energy Services, LLC, a wholly owned subsidiary of Enterprises

Enterprises - UGI Enterprises, LLC, a wholly owned subsidiary of UGI

ESFC - Energy Services Funding Corporation, a wholly owned subsidiary of Energy Services

Flaga - Flaga GmbH, an indirect wholly owned subsidiary of UGI International, LLC

Gas Utility - UGI’s regulated natural gas businesses, inclusive of PA Gas Utility and WV Gas Utility

MBL Bioenergy - MBL Bioenergy, LLC

Midstream & Marketing - Reportable segment comprising Energy Services and subsidiaries including UGID

Mountaineer - Mountaineer Gas Company, a natural gas distribution company in West Virginia and a wholly owned subsidiary of Mountaintop Energy Holdings, LLC

Mountaintop Energy Holdings, LLC - Parent company of Mountaineer and wholly owned subsidiary of UGI

PA Gas Utility - UGI Utilities’ regulated natural gas distribution business, primarily located in Pennsylvania

Partnership - AmeriGas Partners and its consolidated subsidiaries, including AmeriGas OLP; also referred to as “AmeriGas Partners”

Pine Run - Pine Run Gathering, LLC

UGI - UGI Corporation or, collectively, UGI Corporation and its consolidated subsidiaries

UGI France - UGI France SAS (*a Société par actions simplifiée*), an indirect wholly owned subsidiary of UGI International, LLC

UGI International - Reportable segment principally comprising UGI International, LLC and its foreign operations

UGI International, LLC - UGI International, LLC, a wholly owned subsidiary of Enterprises

UGI Utilities - UGI Utilities, Inc., a wholly owned subsidiary of UGI comprising PA Gas Utility and Electric Utility

UGID - UGI Development Company, a wholly owned subsidiary of Energy Services prior to its sale on September 30, 2024

UniverGas - UniverGas Italia S.r.l, an indirect wholly owned subsidiary of UGI International, LLC

Utilities - Reportable segment comprising UGI Utilities and Mountaintop Energy Holdings, LLC

WV Gas Utility - Mountaineer's regulated natural gas distribution business, located in West Virginia

Other Terms and Abbreviations

2024 Annual Report - UGI Annual Report on Form 10-K for the fiscal year ended September 30, 2024

2024 six-month period - Six months ended March 31, 2024

2024 three-month period - Three months ended March 31, 2024

2025 six-month period - Six months ended March 31, 2025

2025 three-month period - Three months ended March 31, 2025

2024 Purchase Contract - A forward stock purchase contract issued by UGI Corporation in May 2021, as a part of the issuance of Equity Units which obligated holders to purchase a number of shares of UGI Common Stock from the Company on June 1, 2024

5.24% Senior Note - A private placement of \$50 million principal amount of senior notes due November 30, 2029, issued by UGI Utilities

5.52% Senior Note - A private placement of \$125 million principal amount of senior notes due November 30, 2034, issued by UGI Utilities

5.50% Senior Notes - An underwritten private offering of senior notes due May 2025, co-issued by AmeriGas Partners and AmeriGas Finance Corp

6.11% Senior Note - A private placement of \$50 million principal amount of senior notes due June 1, 2035, to be issued by Mountaineer on or before May 30, 2025

6.21% Senior Note - A private placement of \$20 million principal amount of senior notes due June 1, 2037, to be issued by Mountaineer on or before May 30, 2025

AmeriGas Senior Secured Revolving Credit Facility - Revolving credit agreement entered into by AmeriGas OLP on August 2, 2024 and scheduled to expire in August 2029

AOCI - Accumulated Other Comprehensive Income (Loss)

ASC - Accounting Standards Codification

ASC 606 - ASC 606, "Revenue from Contracts with Customers"

ASU - Accounting Standards Update

Bcf - Billions of cubic feet

COA - Consent Order and Agreement

CODM - Chief Operating Decision Maker as defined in ASC 280, "Segment Reporting"

Common Stock - Shares of UGI common stock

Convertible Preferred Stock - Preferred stock of UGI titled 0.125% series A cumulative perpetual convertible preferred stock without par value and having a liquidation preference of \$1,000 per share

DS - Default service

DSIC - Distribution System Improvement Charge

Energy Services Term Loan Credit Agreement - Term loan credit agreement entered into by Energy Services in August 2019, as amended, with a final maturity of February 2030

Equity Unit - A corporate unit consisting of a 2024 Purchase Contract and 1/10th or 10% undivided interest in one share of Convertible Preferred Stock

Exchange Act - Securities Exchange Act of 1934, as amended

FASB - Financial Accounting Standards Board

FDIC - Federal Deposit Insurance Corporation

FERC - Federal Energy Regulatory Commission

Fiscal 2024 - The fiscal year ended September 30, 2024

Fiscal 2025 - The fiscal year ending September 30, 2025

Fiscal 2026 - The fiscal year ending September 30, 2026

GAAP - U.S. generally accepted accounting principles

Gwh - Millions of kilowatt hours

ICE - Intercontinental Exchange

IREP - Infrastructure Replacement and Expansion Plan

IRPA - Interest rate protection agreement

LNG - Liquefied natural gas

LPG - Liquefied petroleum gas

MDPSC - Maryland Public Service Commission

MGP - Manufactured gas plant

NOAA - National Oceanic and Atmospheric Administration

NPNS - Normal purchase and normal sale

NTSB - National Transportation Safety Board

NYDEC - New York State Department of Environmental Conservation

NYMEX - New York Mercantile Exchange

OSHA - Occupational Safety and Health Administration

PADEP - Pennsylvania Department of Environmental Protection

PAPUC - Pennsylvania Public Utility Commission

PGA - Purchased gas adjustment

PGC - Purchased gas costs

PRP - Potentially responsible party

Receivables Facility - A receivables purchase facility of Energy Services with an issuer of receivables-backed commercial paper

Retail core-market - Comprises firm residential, commercial and industrial customers to whom Utilities has a statutory obligation to provide service that purchase their natural gas from Utilities

RNG - Renewable natural gas

ROD - Record of Decision

SEC - U.S. Securities and Exchange Commission

U.S. - United States of America

UGI Corporation Senior Notes - Aggregate \$700 million convertible senior notes entered into by UGI Corporation on June 11, 2024, with a final maturity date of June 2028

UGI Corporation 2025 Credit Agreement - Secured senior facilities agreement entered into by UGI Corporation on October 11, 2024, comprising a \$475 million revolving credit facility, with a maturity date of October, 11, 2028, and a \$400 million term loan facility with a maturity date of October 11, 2027.

UGI Corporation Credit Facility Agreement - An amended and restated unsecured senior credit facilities agreement entered into by UGI Corporation on May 4, 2021, comprising (1) a \$250 million term loan facility, (2) a \$300 million term loan facility, (3) a \$300 million delayed draw term loan facility, and (4) a \$300 million revolving credit facility, paid off in full and terminated in October 2024

USD - U.S. dollar

VDP - Voluntary Departure Plan

WVPSC - Public Service Commission of West Virginia

UGI CORPORATION AND SUBSIDIARIES

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited)
(Millions of dollars)

	March 31, 2025	September 30, 2024	March 31, 2024
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 426	\$ 213	\$ 263
Restricted cash	12	15	45
Accounts receivable (less allowances for doubtful accounts of \$77, \$68 and \$83, respectively)	1,183	709	1,192
Accrued utility revenues	101	36	98
Income taxes receivable	40	56	36
Inventories	341	411	375
Derivative instruments	47	29	38
Prepaid expenses and other current assets	150	182	167
Total current assets	2,300	1,651	2,214
Property, plant and equipment, (less accumulated depreciation of \$5,062, \$4,910 and \$4,781, respectively)	8,816	8,763	8,608
Goodwill	2,845	2,871	3,048
Intangible assets, net	362	391	415
Utility regulatory assets	299	301	301
Derivative instruments	26	9	18
Other assets	1,098	1,112	1,020
Total assets	\$ 15,746	\$ 15,098	\$ 15,624
LIABILITIES AND EQUITY			
Current liabilities:			
Current maturities of long-term debt	\$ 18	\$ 235	\$ 54
Short-term borrowings	413	465	333
Accounts payable	605	544	579
Derivative instruments	16	28	33
Other current liabilities	812	788	824
Total current liabilities	1,864	2,060	1,823
Long-term debt	6,600	6,443	6,730
Deferred income taxes	1,081	1,008	1,030
Derivative instruments	17	31	26
Other noncurrent liabilities	1,163	1,202	1,184
Total liabilities	10,725	10,744	10,793
Commitments and contingencies (Note 9)			
Equity:			
UGI Corporation stockholders' equity:			
Preferred stock, without par value (authorized – 5,000,000 shares; issued – 0, 0 and 220,000 Series A shares, respectively)	—	—	167
UGI Common Stock, without par value (authorized — 450,000,000 shares; issued — 216,345,460, 216,124,332 and 211,052,608 shares, respectively)	1,684	1,676	1,505
Retained earnings	3,671	2,978	3,460
Accumulated other comprehensive income (loss)	(268)	(253)	(254)
Treasury stock, at cost	(75)	(56)	(56)
Total UGI Corporation stockholders' equity	5,012	4,345	4,822
Noncontrolling interests	9	9	9
Total equity	5,021	4,354	4,831
Total liabilities and equity	\$ 15,746	\$ 15,098	\$ 15,624

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

(Millions of dollars, except per share amounts)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
Revenues	\$ 2,666	\$ 2,467	\$ 4,696	\$ 4,588
Costs and expenses:				
Cost of sales (excluding depreciation and amortization shown below)	1,301	1,030	2,224	2,232
Operating and administrative expenses	546	591	1,043	1,121
Depreciation and amortization	138	138	276	275
Loss on disposal of business	—	—	—	28
Other operating expense (income), net	(19)	(9)	(34)	(17)
	1,966	1,750	3,509	3,639
Operating income	700	717	1,187	949
Income (loss) from equity investees	3	1	6	2
Other non-operating income (expense), net	(7)	11	22	(2)
Interest expense	(102)	(100)	(204)	(200)
Income before income taxes	594	629	1,011	749
Income tax benefit (expense)	(115)	(133)	(157)	(159)
Net income attributable to UGI Corporation	\$ 479	\$ 496	\$ 854	\$ 590
Earnings per common share attributable to UGI Corporation stockholders:				
Basic	\$ 2.23	\$ 2.36	\$ 3.97	\$ 2.81
Diluted	\$ 2.19	\$ 2.30	\$ 3.93	\$ 2.74
Weighted-average common shares outstanding (thousands):				
Basic	214,976	209,826	214,965	209,789
Diluted	218,944	215,245	217,331	215,393

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)
(Millions of dollars)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
Net income attributable to UGI Corporation	\$ 479	\$ 496	\$ 854	\$ 590
Other comprehensive income (loss):				
Net gains (losses) on derivative instruments (net of tax of \$2, \$(5), \$(3) and \$2, respectively)	(4)	12	11	(3)
Reclassifications of net (gains) losses on derivative instruments (net of tax of \$0, \$5, \$0 and \$8, respectively)	1	(9)	(1)	(19)
Foreign currency adjustments (net of tax of \$11, \$(7), \$(9) and \$5, respectively)	47	(24)	(25)	25
Benefit plans (net of tax of \$0, \$0, \$0 and \$0, respectively)	1	(1)	—	(1)
Other comprehensive income (loss)	45	(22)	(15)	2
Comprehensive income attributable to UGI Corporation	\$ 524	\$ 474	\$ 839	\$ 592

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)
(Millions of dollars)

	Six Months Ended March 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income attributable to UGI Corporation	\$ 854	\$ 590
Adjustments to reconcile net income attributable to UGI Corporation to net cash provided by operating activities:		
Depreciation and amortization	276	275
Deferred income tax expense (benefit), net	78	95
Provision for uncollectible accounts	33	35
Changes in unrealized gains and losses on derivative instruments	(107)	54
Loss on disposal of business	—	28
Amortization of Energy Services interest rate swap settlement	—	(11)
Other, net	(12)	(11)
Net change in:		
Accounts receivable and accrued utility revenues	(577)	(404)
Income taxes receivable	16	—
Inventories	65	63
Utility deferred fuel and power costs, net of changes in unsettled derivatives	(1)	3
Accounts payable	113	(20)
Derivative instruments collateral deposits received (paid)	67	(38)
Other current assets	34	19
Other current liabilities	9	(37)
Net cash provided by operating activities	<u>848</u>	<u>641</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(357)	(325)
Net proceeds from the disposition of assets	13	19
Investments in equity method investees	(25)	(47)
Other, net	2	—
Net cash provided (used) by investing activities	<u>(367)</u>	<u>(353)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends on UGI Common Stock	(161)	(157)
Issuances of long-term debt, net of discount and issuance costs	899	409
Repayments of long-term debt and finance leases, including redemption premiums	(942)	(245)
(Decrease) increase in short-term borrowings	(48)	(310)
Receivables Facility net (repayments) borrowings	—	(10)
Payments on Purchase Contracts	—	(8)
Issuances of UGI Common Stock	1	—
Repurchases of UGI Common Stock	(17)	—
Net cash provided (used) by financing activities	<u>(268)</u>	<u>(321)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(3)	1
Cash, cash equivalents and restricted cash increase (decrease)	<u>\$ 210</u>	<u>\$ (32)</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Cash, cash equivalents and restricted cash at end of period	\$ 438	\$ 308
Cash, cash equivalents and restricted cash at beginning of period	228	340
Cash, cash equivalents and restricted cash increase (decrease)	<u>\$ 210</u>	<u>\$ (32)</u>

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited)

(Millions of dollars, except per share amounts)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
Preferred stock, without par value				
Balance, beginning of period	\$ —	\$ 167	\$ —	\$ 167
Balance, end of period	\$ —	\$ 167	\$ —	\$ 167
Common stock, without par value				
Balance, beginning of period	\$ 1,679	\$ 1,501	\$ 1,676	\$ 1,503
Common Stock issued in connection with employee and director plans, net of tax withheld	1	—	1	—
Equity-based compensation (income) expense	4	4	7	2
Balance, end of period	\$ 1,684	\$ 1,505	\$ 1,684	\$ 1,505
Retained earnings				
Balance, beginning of period	\$ 3,272	\$ 3,042	\$ 2,978	\$ 3,027
Net income attributable to UGI Corporation	479	496	854	590
Cash dividends on UGI Common Stock (\$0.375, \$0.375, \$0.75 and \$0.75, respectively)	(80)	(78)	(161)	(157)
Balance, end of period	\$ 3,671	\$ 3,460	\$ 3,671	\$ 3,460
Accumulated other comprehensive income (loss)				
Balance, beginning of period	\$ (313)	\$ (232)	\$ (253)	\$ (256)
Net gains (losses) on derivative instruments	(4)	12	11	(3)
Reclassification of net (gains) losses on derivative instruments	1	(9)	(1)	(19)
Benefit plans	1	(1)	—	(1)
Foreign currency adjustments	47	(24)	(25)	25
Balance, end of period	\$ (268)	\$ (254)	\$ (268)	\$ (254)
Treasury stock				
Balance, beginning of period	\$ (58)	\$ (55)	\$ (56)	\$ (55)
Repurchases of UGI Common Stock	(17)	—	(17)	—
Reacquired UGI Common Stock - employee and director plans	—	(1)	(2)	(1)
Balance, end of period	\$ (75)	\$ (56)	\$ (75)	\$ (56)
Total UGI stockholders' equity	\$ 5,012	\$ 4,822	\$ 5,012	\$ 4,822
Noncontrolling interests				
Balance, beginning of period	\$ 8	\$ 9	\$ 9	\$ 8
Other	1	—	—	1
Balance, end of period	\$ 9	\$ 9	\$ 9	\$ 9
Total equity	\$ 5,021	\$ 4,831	\$ 5,021	\$ 4,831

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

Note 1 — Nature of Operations

UGI is a holding company that, through subsidiaries and affiliates, distributes, stores, transports and markets energy products and related services in the U.S. and Europe. We own and operate (1) natural gas and electric distribution utilities; (2) energy marketing, midstream infrastructure, storage, natural gas gathering and processing, natural gas production, electricity generation prior to the sale of UGID in September 2024 and energy services businesses; and (3) retail propane and other LPG marketing and distribution businesses.

Our Utilities segment includes UGI Utilities and Mountaineer. PA Gas Utility serves customers in eastern and central Pennsylvania and in portions of one Maryland county, and WV Gas Utility serves customers in West Virginia. Electric Utility serves customers in portions of Luzerne and Wyoming counties in northeastern Pennsylvania. PA Gas Utility is subject to regulation by the PAPUC and FERC and, with respect to its customers in Maryland, the MDPSC. WV Gas Utility is subject to regulation by the WVPSC and FERC. Electric Utility is subject to regulation by the PAPUC and FERC.

Energy Services conducts, directly and through subsidiaries and affiliates, energy marketing, including RNG, midstream transmission, LNG storage, natural gas gathering and processing, natural gas and RNG production, electricity generation prior to the sale of UGID in September 2024 and energy services businesses primarily in the eastern region of the U.S., eastern Ohio, the panhandle of West Virginia and California. Energy Services and its subsidiaries' storage, LNG and portions of its midstream transmission operations are subject to regulation by the FERC. Prior to its sale in September 2024, UGID owned electricity generation facilities principally located in Pennsylvania.

UGI International, LLC, through its subsidiaries and affiliates, primarily conducts an LPG distribution business throughout much of Europe. The LPG business is conducted principally through our subsidiaries, UGI France, Flaga, AvantiGas, and UniverGas. As of the end of the first quarter of Fiscal 2024, UGI International had exited substantially all of its European energy marketing business which primarily marketed natural gas and electricity to customers through third-party distribution systems in France, Belgium, the Netherlands, and the United Kingdom. See Note 5 for additional information regarding the UGI International energy marketing business.

We conduct a domestic propane marketing and distribution business through AmeriGas Partners. AmeriGas Partners conducts its propane marketing and distribution business through its principal operating subsidiary AmeriGas OLP.

Note 2 — Summary of Significant Accounting Policies

The accompanying condensed consolidated financial statements and footnotes are unaudited and have been prepared in accordance with GAAP and the rules and regulations of the SEC. They include all adjustments that we consider necessary for a fair statement of the results for the interim periods presented. Such adjustments consisted only of normal recurring items unless otherwise disclosed. The September 30, 2024, Condensed Consolidated Balance Sheet was derived from audited financial statements but does not include all footnote disclosures from the annual financial statements.

These financial statements should be read in conjunction with the financial statements and related notes included in the Company's 2024 Annual Report. Due to the seasonal nature of our businesses, the results of operations for interim periods are not necessarily indicative of the results to be expected for a full year.

Restricted Cash. Restricted cash principally represents those cash balances in our commodity futures brokerage accounts and certain other cash balances that are restricted from withdrawal. The following table provides a reconciliation of the total cash, cash equivalents and restricted cash reported on the Condensed Consolidated Balance Sheets to the corresponding amounts reported on the Condensed Consolidated Statements of Cash Flows.

	March 31, 2025	March 31, 2024
Cash and cash equivalents	\$ 426	\$ 263
Restricted cash	12	45
Cash, cash equivalents and restricted cash	<u>\$ 438</u>	<u>\$ 308</u>

UGI CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

Earnings Per Common Share. Basic earnings per share attributable to UGI stockholders reflect the weighted-average number of common shares outstanding. Diluted earnings per share attributable to UGI stockholders include the effects of dilutive stock options, common stock awards, UGI Corporation Senior Notes, and prior to their June 2024 settlement, Equity Units. Shares used in computing basic and diluted earnings per share are as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
Denominator (thousands of shares):				
Weighted-average common shares outstanding — basic	214,976	209,826	214,965	209,789
Incremental shares issuable for stock options, common stock awards, and Equity Units (a)(b)	757	5,419	684	5,604
UGI Corporation Senior Notes (c)	3,211	—	1,682	—
Weighted-average common shares outstanding — diluted	218,944	215,245	217,331	215,393

- (a) For the three months ended March 31, 2025 and 2024, there were 6,121 and 8,659 shares, respectively, associated with outstanding stock option awards that were not included in the computation of diluted earnings per share above because their effect was antidilutive. For the six months ended March 31, 2025 and 2024, there were 6,915 and 8,468 shares, respectively, associated with outstanding stock option awards that were not included in the computation of diluted earnings per share above because their effect was antidilutive.
- (b) The Equity Units were settled in June 2024. See Note 13 in the Company's 2024 Annual Report for additional information on the Equity Units.
- (c) See Note 8 for additional information on the UGI Corporation Senior Notes.

Derivative Instruments. Derivative instruments are reported on the Condensed Consolidated Balance Sheets at their fair values, unless the NPNS exception is elected. The accounting for changes in fair value depends upon the purpose of the derivative instrument, whether it is subject to regulatory ratemaking mechanisms or if it qualifies and is designated as a hedge for accounting purposes.

Certain of our derivative instruments qualify and are designated as cash flow hedges. For cash flow hedges, changes in the fair values of the derivative instruments are recorded in AOCI, to the extent effective at offsetting changes in the hedged item, until earnings are affected by the hedged item. We discontinue cash flow hedge accounting if occurrence of the forecasted transaction is determined to be no longer probable. Hedge accounting is also discontinued for derivatives that cease to be highly effective. We do not designate our commodity and certain foreign currency derivative instruments as hedges under GAAP. Changes in the fair values of these derivative instruments are reflected in net income. Gains and losses on substantially all of the commodity derivative instruments used by Utilities are included in regulatory assets or liabilities because it is probable such gains or losses will be recoverable from, or refundable to, customers. From time to time, we also enter into net investment hedges. Gains and losses on net investment hedges that relate to our foreign operations are included in the cumulative translation adjustment component in AOCI until such foreign net investment is substantially sold or liquidated.

Cash flows from derivative instruments, other than certain net investment hedges, are included in cash flows from operating activities on the Condensed Consolidated Statements of Cash Flows. Cash flows from net investment hedges are included in cash flows from investing activities on the Condensed Consolidated Statements of Cash Flows.

For a more detailed description of the derivative instruments we use, our accounting for derivatives, our objectives for using them and other information, see Note 12.

Use of Estimates. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and costs. These estimates are based on management's knowledge of current events, historical experience and various other assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results may be different from these estimates and assumptions.

Goodwill. We do not amortize goodwill, but test it at least annually for impairment at the reporting unit level. A reporting unit is an operating segment, or one level below an operating segment (a component) if it constitutes a business for which discrete

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financial information is available and regularly reviewed by segment management. Components are aggregated into a single reporting unit if they have similar economic characteristics. Each of our reporting units with goodwill is required to perform impairment tests annually or whenever events or circumstances indicate that the value of goodwill may be impaired.

As previously disclosed in Note 12 in the Company's 2024 Annual Report, a non-cash pre-tax goodwill impairment charge of \$195 was recognized in Fiscal 2024 to reduce the carrying value of the AmeriGas Propane reporting unit to its fair value. The Company continues to monitor the AmeriGas Propane reporting unit for any changes in facts and circumstances that would indicate it is more likely than not that the fair value of the AmeriGas Propane reporting unit is less than its carrying amount. No such indicators were identified at March 31, 2025, however if AmeriGas Propane were not able to achieve its anticipated results and/or if its discount rate were to increase, its fair value would be adversely affected, which may result in further impairment. There was \$1.1 billion of goodwill in this reporting unit as of March 31, 2025.

With respect to UGI International's Fiscal 2024 goodwill impairment test, we determined that UGI International's fair value exceeded its carrying value by approximately 30%. While the Company believes that its judgments used in the quantitative assessment of UGI International's fair value are reasonable based upon currently available facts and circumstances, if UGI International were not able to achieve its anticipated results and/or if its discount rate were to increase, its fair value would be adversely affected, which may result in an impairment. There were no changes in facts and circumstances that would indicate that it is more likely than not that the fair value of the UGI International reporting unit may not be in excess of its book value at March 31, 2025. There was \$922 of goodwill in this reporting unit as of March 31, 2025.

The Company will continue to monitor its reporting units and related goodwill for any possible future non-cash impairment charges.

Note 3 — Accounting Changes**Accounting Standards Not Yet Adopted**

Disaggregation of Income Statement Expenses. In November 2024, the FASB issued ASU 2024-03, "Disaggregation of Income Statement Expenses (Subtopic 220-40)" which requires enhanced disclosure of income statement expense categories to improve transparency and provide financial statement users with more detailed information about the nature, amount and timing of expenses impacting financial performance. This new guidance is effective for the Company for annual periods beginning October 1, 2027 (Fiscal 2028) and interim periods beginning October 1, 2028 (Fiscal 2029). Early adoption is permitted. The amendments in this ASU may be adopted using the prospective or retrospective methods. The Company is in the process of assessing the impact on its financial statements and determining the transition method and the period in which the new guidance will be adopted.

Segment Reporting. In November 2023, the FASB issued ASU 2023-07, "Improvements to Reportable Segment Disclosures (Topic 280)" which requires enhanced disclosure of (1) significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss, (2) the amount and description of the composition of other segment items which reconcile to segment profit or loss, and (3) the title and position of the entity's CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and allocating resources. The amendments also expand the interim segment disclosure requirements. This new guidance is effective for the Company for annual periods beginning October 1, 2024 (Fiscal 2025) and interim periods beginning October 1, 2025 (Fiscal 2026). Early adoption is permitted. The amendments in this ASU apply retrospectively to all prior periods presented in the financial statements. The Company will adopt the new guidance effective for the year ending September 30, 2025 and provide the additional disclosures, if any, as required by the new guidance.

Improvements to Income Tax Disclosures. In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures (Topic 740)" which requires entities to disclose, among other items, disaggregated information about a reporting entity's effective tax rate reconciliation and income taxes paid. This new guidance is effective for the Company for annual periods beginning October 1, 2025 (Fiscal 2026). Early adoption is permitted. The amendments in this ASU may be adopted using the prospective or retrospective methods. The Company is in the process of assessing the impact on its financial statements and determining the transition method and the period in which the new guidance will be adopted.

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Note 4 — Revenue from Contracts with Customers

The Company recognizes revenue when control of promised goods or services is transferred to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. See Note 4 in the Company's 2024 Annual Report for additional information on our revenues from contracts with customers.

Revenue Disaggregation

The following tables present our disaggregated revenues by reportable segment:

Three Months Ended March 31, 2025	Total	Eliminations (a)	Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corporate & Other
Revenues from contracts with customers:							
Utility:							
Core Market:							
Residential	\$ 434	\$ —	\$ 434	\$ —	\$ —	\$ —	\$ —
Commercial & Industrial	176	—	176	—	—	—	—
Large delivery service	64	—	64	—	—	—	—
Off-system sales and capacity releases	34	(46)	80	—	—	—	—
Other	8	—	8	—	—	—	—
Total Utility	716	(46)	762	—	—	—	—
Non-Utility:							
LPG:							
Retail	1,313	—	—	—	564	749	—
Wholesale	78	—	—	—	43	35	—
Energy Marketing	370	(82)	—	437	15	—	—
Midstream:							
Pipeline	59	—	—	59	—	—	—
Peaking	23	(62)	—	85	—	—	—
Other	6	—	—	6	—	—	—
Other	68	—	—	—	19	49	—
Total Non-Utility	1,917	(144)	—	587	641	833	—
Total revenues from contracts with customers	2,633	(190)	762	587	641	833	—
Other revenues (c)	33	—	11	—	9	15	(2)
Total revenues	\$ 2,666	\$ (190)	\$ 773	\$ 587	\$ 650	\$ 848	\$ (2)

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Three Months Ended March 31, 2024	Total	Eliminations (a)	Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corporate & Other
Revenues from contracts with customers:							
<u>Utility:</u>							
Core Market:							
Residential	\$ 353	\$ —	\$ 353	\$ —	\$ —	\$ —	\$ —
Commercial & Industrial	144	—	144	—	—	—	—
Large delivery service	54	—	54	—	—	—	—
Off-system sales and capacity releases	32	(24)	56	—	—	—	—
Other	11	—	11	—	—	—	—
Total Utility	594	(24)	618	—	—	—	—
<u>Non-Utility:</u>							
LPG:							
Retail	1,267	—	—	—	570	697	—
Wholesale	89	—	—	—	60	29	—
Energy Marketing	311	(38)	—	332	17	—	—
Midstream:							
Pipeline	65	—	—	65	—	—	—
Peaking	8	(69)	—	77	—	—	—
Other	4	—	—	4	—	—	—
Electricity Generation	6	—	—	6	—	—	—
Other	67	—	—	—	16	51	—
Total Non-Utility	1,817	(107)	—	484	663	777	—
Total revenues from contracts with customers	2,411	(131)	618	484	663	777	—
Other revenues (c)	56	—	28	(1)	10	18	1
Total revenues	\$ 2,467	\$ (131)	\$ 646	\$ 483	\$ 673	\$ 795	\$ 1

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Six Months Ended March 31, 2025	Total	Eliminations (a)	Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corporate & Other
Revenues from contracts with customers:							
<u>Utility:</u>							
Core Market:							
Residential	\$ 710	\$ —	\$ 710	\$ —	\$ —	\$ —	\$ —
Commercial & Industrial	281	—	281	—	—	—	—
Large delivery service	116	—	116	—	—	—	—
Off-system sales and capacity releases	53	(61)	114	—	—	—	—
Other	16	—	16	—	—	—	—
Total Utility	1,176	(61)	1,237	—	—	—	—
<u>Non-Utility:</u>							
LPG:							
Retail	2,384	—	—	—	1,102	1,282	—
Wholesale	150	—	—	—	93	57	—
Energy Marketing	622	(113)	—	701	34	—	—
Midstream:							
Pipeline	117	—	—	117	—	—	—
Peaking	24	(102)	—	126	—	—	—
Other	10	—	—	10	—	—	—
Other	138	—	—	—	39	99	—
Total Non-Utility	3,445	(215)	—	954	1,268	1,438	—
Total revenues from contracts with customers	4,621	(276)	1,237	954	1,268	1,438	—
Other revenues (c)	75	—	21	—	20	37	(3)
Total revenues	\$ 4,696	\$ (276)	\$ 1,258	\$ 954	\$ 1,288	\$ 1,475	\$ (3)

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Six Months Ended March 31, 2024	Total	Eliminations (a)	Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corporate & Other
Revenues from contracts with customers:							
Utility:							
Core Market:							
Residential	\$ 635	\$ —	\$ 635	\$ —	\$ —	\$ —	\$ —
Commercial & Industrial	252	—	252	—	—	—	—
Large delivery service	103	—	103	—	—	—	—
Off-system sales and capacity releases	53	(36)	89	—	—	—	—
Other	20	—	20	—	—	—	—
Total Utility	1,063	(36)	1,099	—	—	—	—
Non-Utility:							
LPG:							
Retail	2,324	—	—	—	1,094	1,230	—
Wholesale	160	—	—	—	109	51	—
Energy Marketing (b)	638	(64)	—	604	140	—	(42)
Midstream:							
Pipeline	130	—	—	130	—	—	—
Peaking	11	(111)	—	122	—	—	—
Other	7	—	—	7	—	—	—
Electricity Generation	14	—	—	14	—	—	—
Other	138	—	—	—	35	103	—
Total Non-Utility	3,422	(175)	—	877	1,378	1,384	(42)
Total revenues from contracts with customers	4,485	(211)	1,099	877	1,378	1,384	(42)
Other revenues (c)	103	—	40	—	20	40	3
Total revenues	\$ 4,588	\$ (211)	\$ 1,139	\$ 877	\$ 1,398	\$ 1,424	\$ (39)

(a) Includes intersegment revenues principally among Midstream & Marketing, and Utilities.

(b) Corporate & Other includes reduction of revenues of \$42 associated with the early termination of certain DVEP customer contracts. See Note 5 for additional information.

(c) Primarily represents (1) revenues from tank rentals at UGI International and AmeriGas Propane; (2) revenues from certain gathering assets at Midstream & Marketing; (3) revenues from alternative revenue programs at Utilities, including the weather normalization adjustment rider for PA Gas Utility beginning November 1, 2022 and for WV Gas Utility beginning October 1, 2024; and (4) gains and losses on commodity derivative instruments not associated with current-period transactions reflected in Corporate & Other, none of which are within the scope of ASC 606 and are accounted for in accordance with other GAAP.

Contract Balances

The timing of revenue recognition may differ from the timing of invoicing to customers or cash receipts. Contract assets represent our right to consideration after the performance obligations have been satisfied when such right is conditioned on something other than the passage of time. Contract assets were not material for all periods presented. Substantially all of our receivables are unconditional rights to consideration and are included in "Accounts receivable" and, in the case of Utilities, "Accrued utility revenues" on the Condensed Consolidated Balance Sheets. Amounts billed are generally due within the following month.

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Contract liabilities arise when payment from a customer is received before the performance obligations have been satisfied and represent the Company's obligations to transfer goods or services to a customer for which we have received consideration. The balances of contract liabilities were \$99, \$140 and \$126 at March 31, 2025, September 30, 2024 and March 31, 2024, respectively, and are included in "Other current liabilities" and "Other noncurrent liabilities" on the Condensed Consolidated Balance Sheets. Revenues recognized for the six months ended March 31, 2025 and 2024, from the amounts included in contract liabilities at September 30, 2024 and 2023, were \$95 and \$114, respectively.

Remaining Performance Obligations

The Company excludes disclosures related to the aggregate amount of the transaction price allocated to certain performance obligations that are unsatisfied as of the end of the reporting period because these contracts have an initial expected term of one year or less, or we have a right to bill the customer in an amount that corresponds directly with the value of services provided to the customer to date. Certain contracts with customers at Midstream & Marketing and Utilities contain minimum future performance obligations through 2047 and 2053, respectively. At March 31, 2025, Midstream & Marketing and Utilities expect to record approximately \$2.1 billion and \$0.2 billion of revenues, respectively, related to the minimum future performance obligations over the remaining terms of the related contracts.

Note 5 — Dispositions**UGI International Energy Marketing Transactions**

As of the end of the first quarter of Fiscal 2024, pursuant to its previously announced decision, the Company had exited substantially all of its European energy marketing business which primarily marketed natural gas and electricity to customers through third-party distribution systems in France, Belgium, the Netherlands, and the United Kingdom.

France. In October 2023, UGI International, through a wholly-owned subsidiary, sold substantially all of its energy marketing business located in France. In conjunction with the sale, during the first quarter of Fiscal 2024, the Company recorded a pre-tax loss of \$28, which amount is reflected in "Loss on disposal of business" on the Condensed Consolidated Statements of Income for the six months ended March 31, 2024.

Netherlands. In September 2023, a substantial number of DVEP's customers agreed to modify their energy marketing contracts whereby the Company would continue to provide the delivery of electricity and natural gas at fixed prices through December 31, 2023, with the Company's obligations to provide future services terminated effective January 1, 2024. As consideration for the early termination of such contracts, the Company has agreed to make cash payments to the customers equal to the fair values of specific commodity derivative instruments associated with periods after December 31, 2023. The early termination agreements with DVEP customers are considered contract modifications and the cash consideration paid to these customers has been reflected as a reduction in revenues, on a pro-rata basis, over the remaining performance period of such agreements through December 31, 2023. During the first quarter of Fiscal 2024, the Company reduced its revenues from these customers by \$42, which represents the pro-rated performance obligation from October 1, 2023 through December 31, 2023.

Additionally, in December 2023, DVEP completed a sale of a substantial portion of its power purchase agreements for a total consideration to the buyer of \$5 and recorded a loss of \$5, which is reflected in "Other operating expense (income), net" on the Condensed Consolidated Statements of Income for the six months ended March 31, 2024.

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Note 6 — Inventories

Inventories comprise the following:

	March 31, 2025	September 30, 2024	March 31, 2024
Non-utility LPG and natural gas	\$ 179	\$ 195	\$ 196
Gas Utility natural gas	6	50	8
Energy certificates	58	69	63
Materials, supplies and other	98	97	108
Total inventories	\$ 341	\$ 411	\$ 375

Note 7 — Utility Regulatory Assets and Liabilities and Regulatory Matters

For a description of the Company's regulatory assets and liabilities, other than those described below, see Note 9 in the Company's 2024 Annual Report. Other than removal costs, Utilities currently does not recover a rate of return on its regulatory assets listed below. The following regulatory assets and liabilities associated with Utilities are included on the Condensed Consolidated Balance Sheets:

	March 31, 2025	September 30, 2024	March 31, 2024
Regulatory assets (a):			
Income taxes recoverable	\$ 109	\$ 105	\$ 93
Underfunded pension plans	104	106	109
Environmental costs	25	28	32
Deferred fuel and power costs	4	—	—
Removal costs, net	29	28	23
Other	41	52	55
Total regulatory assets	\$ 312	\$ 319	\$ 312
Regulatory liabilities (a):			
Postretirement benefits	\$ 12	\$ 13	\$ 11
Deferred fuel and power refunds	37	17	34
State income tax benefits — distribution system repairs	45	44	44
Excess federal deferred income taxes	246	247	250
Other	16	8	8
Total regulatory liabilities	\$ 356	\$ 329	\$ 347

(a) Current regulatory assets are included in "Prepaid expenses and other current assets" and regulatory liabilities are included in "Other current liabilities" and "Other noncurrent liabilities" on the Condensed Consolidated Balance Sheets.

Deferred fuel and power - costs and refunds. Utilities' tariffs contain clauses that permit recovery of all prudently incurred purchased gas and power costs through the application of PGC rates, PGA rates and DS tariffs. These clauses provide for periodic adjustments to PGC, PGA and DS rates for differences between the total amount of purchased gas and electric generation supply costs billed to customers and recoverable costs incurred. Net unbilled costs are classified as a regulatory asset and net overbillings are classified as a regulatory liability.

PA Gas Utility uses derivative instruments to reduce volatility in the cost of gas it purchases for retail core-market customers. Realized and unrealized gains or losses on natural gas derivative instruments are included in deferred fuel and power costs or refunds. Net unrealized gains (losses) on such contracts at March 31, 2025, September 30, 2024 and March 31, 2024 were \$19, \$2 and \$(7), respectively.

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Other Regulatory Matters

UGI Utilities. On January 27, 2025, PA Gas Utility filed a request with the PAPUC to increase its base operating revenues for residential, commercial and industrial customers by \$110 annually. The increased revenues would fund ongoing system improvements and operations necessary to maintain safe and reliable natural gas service. PA Gas Utility requested the new gas rates become effective March 28, 2025. The PAPUC entered an Order on February 20, 2025, suspending the effective date for the rate increase to allow for investigation and public hearings. Unless a settlement is reached sooner, the review process is expected to last up to nine months from the date of filing. The Company cannot predict the timing or the ultimate outcome of the rate case review process.

Mountaineer. On July 31, 2024, WV Gas Utility submitted its 2024 IREP filing to the WVPSC requesting recovery of \$19, which includes \$3 of prior year under-recovery, for costs associated with capital investments after December 31, 2022, that total \$197, including \$74 in calendar year 2025. The filing included capital investments totaling \$418 over the 2025 - 2029 period. On October 28, 2024, the WVPSC issued an order approving WV Gas Utility's request, with new rates effective January 1, 2025.

On July 31, 2023, WV Gas Utility submitted its 2023 IREP filing to the WVPSC requesting recovery of \$10, an increase of \$6, for costs associated with capital investments after December 31, 2022, that total \$131, including \$67 in calendar year 2024. With new base rates expected to be effective January 1, 2024, revenues from IREP rates would decrease by \$12. The filing included capital investments totaling \$383 over the 2024 - 2028 period. On December 20, 2023, the WVPSC issued a final order approving a settlement effective January 1, 2024.

On March 6, 2023, WV Gas Utility submitted a base rate case filing with the WVPSC seeking a net revenue increase of \$20, which consisted of an increase in base rates of \$38 and a decrease in the IREP rates of \$18 annually to be effective on April 5, 2023. On March 31, 2023, the WVPSC suspended the effective date of the requested rate change increase until January 1, 2024 to allow for a full review of the filing. On October 6, 2023, WV Gas Utility filed a joint stipulation and agreement for settlement of the base rate case, which included a \$14 net revenue increase. On December 21, 2023, the WVPSC issued a final order approving the joint stipulation and agreement, except the WVPSC authorized WV Gas Utility to implement a weather normalization adjustment rider as a five-year pilot program beginning on October 1, 2024. The new rates went into effect on January 1, 2024. On April 11, 2024, the WVPSC approved the calculation methodology submitted by WV Gas Utility on March 28, 2024. Under this rider, when weather deviates from normal by more than 2%, for service rendered during the period October 1 through May 31, residential and small commercial customer billings for distribution services are adjusted for weather related impacts exceeding the 2% threshold.

Note 8 — Debt**Significant Financing Activities**

The following significant financing activities occurred during Fiscal 2025.

Utilities

Mountaineer Senior Notes. In April 2025, Mountaineer entered into a note purchase agreement which provides for the private placement of (1) \$50 aggregate principal amount of 6.11% Senior Notes due June 1, 2035, and (2) \$20 aggregate principal amount of 6.21% Senior Notes due June 1, 2037. The Senior Notes are expected to be funded on or before May 30, 2025. These Senior Notes, when funded, are unsecured and will rank equally with Mountaineer's existing outstanding senior debt. Mountaineer expects to use the net proceeds from the issuance of the Senior Notes to reduce short-term borrowings and for general corporate purposes. The note purchase agreement contains customary covenants and default provisions and requires compliance with certain financial covenants including a leverage ratio and interest coverage ratio as defined in the agreement.

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UGI Utilities Senior Notes. In November 2024, UGI Utilities entered into a note purchase agreement with a consortium of lenders. Pursuant to the note purchase agreement, UGI Utilities issued \$50 aggregate principal amount of 5.24% Senior Notes due November 30, 2029, and \$125 aggregate principal amount of 5.52% Senior Notes due November 30, 2034. The note purchase agreement contains customary covenants and default provisions and requires compliance with certain financial covenants including a leverage ratio and priority debt ratio as defined in the agreement. These Senior Notes are unsecured and rank equally with UGI Utilities' existing outstanding senior debt. The net proceeds from these issuances were used to reduce short-term borrowings and for general corporate purposes.

Midstream & Marketing

Energy Services Receivables Facility. Energy Services has a Receivables Facility with an issuer of receivables-backed commercial paper. In October 2024, the expiration date of the Receivables Facility was extended to October 2025. The Receivables Facility provides Energy Services with the ability to borrow up to \$150 of eligible receivables during the period October 18, 2024 to April 30, 2025, and up to \$75 of eligible receivables during the period May 1, 2025 to October 17, 2025, with the option to request an increase of \$50. The interest rate of the Receivables Facility was replaced with a SOFR based interest rate effective with the extension in October 2024. Energy Services uses the Receivables Facility to fund working capital, margin calls under commodity futures contracts, capital expenditures, dividends and for general corporate purposes.

AmeriGas Propane

AmeriGas Partners Senior Notes. On February 4, 2025, UGI International borrowed \$221 under its revolving credit facility. The proceeds from these borrowings were subsequently used to fund an intercompany loan of \$221 to AmeriGas Partners. In March 2025, AmeriGas Partners and AmeriGas Finance Corp, using the cash on hand from borrowings under the intercompany loan, redeemed all of the \$218 outstanding aggregate principal balance of the 5.50% Senior Notes due May 2025, plus accrued and unpaid interest. As of March 31, 2025, borrowings outstanding on the intercompany loan were \$200.

AmeriGas Senior Secured Revolving Credit Facility. In October 2024, AmeriGas OLP amended the AmeriGas Senior Secured Revolving Credit Facility to increase total commitments from \$200 to a total of \$300. The maximum borrowings permitted to be made at any time under the Credit Agreement is equal to the lesser of (x) the Formula Amount for the borrowing base and (y) the Maximum Revolving Advance Amount, as defined in the agreement.

UGI Corporation

UGI Corporation 2025 Credit Agreement. In October 2024, UGI entered into a new UGI Corporation 2025 Credit Agreement, consisting of (1) a \$475 senior secured revolving credit facility, including a \$10 sublimit for letters of credit and (2) a \$400 senior secured variable-rate term loan. The revolving credit facility is scheduled to expire in October 2028 and the term loan facility is scheduled to mature in October 2027. Borrowings under the credit agreement are secured by a pledge of UGI's equity in its material subsidiaries, as defined in the UGI Corporation 2025 Credit Agreement, excluding UGI Utilities and Mountaintop Energy Holdings, LLC, subject to certain additional exceptions and carveouts. Proceeds from the UGI Corporation 2025 Credit Agreement were used to prepay all borrowings under the UGI Corporation Credit Facility Agreement due August 29, 2025 and, concurrent with such repayment, terminated the agreement.

Borrowings under the UGI Corporation 2025 Credit Agreement bear interest, subject to our election, at a rate per annum equal to (i) the alternative base rate plus the applicable rate as defined by the agreement or (ii) the adjusted Term SOFR rate plus the applicable rate as defined by the agreement. The Company has entered into an interest rate swap agreement that will generally fix the underlying market-based interest rate on the variable-rate loan through September 2027. Borrowings under the credit agreement can be used for general corporate purposes and ongoing working capital needs of the Company. Because management currently intends to maintain a substantial portion of the amounts outstanding under the \$475 revolving credit facility beyond twelve months, and has the ability to do so under the terms of the UGI Corporation 2025 Credit Agreement, borrowings under this revolving credit facility have been classified as "Long-term debt" on the Condensed Consolidated Balance Sheet.

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UGI Corporation Senior Notes. In June 2024, UGI issued, in an underwritten private placement, an aggregate \$700 principal amount of 5.00% UGI Corporation Senior Notes due June 2028. The UGI Corporation Senior Notes are convertible subject to the occurrence of certain events and circumstances. As of March 31, 2025, none of the events permitting the noteholders to convert their notes early occurred. Accordingly, the UGI Corporation Senior Notes are classified as “Long-term debt” on the Condensed Consolidated Balance Sheets. For the three and six months ended March 31, 2025, the Company recognized \$10 and \$20, respectively, of interest expense, including amortization of debt issuance costs, related to the UGI Corporation Senior Notes at the effective interest rate of 5.62%.

We estimate the fair value of long-term debt by using current market rates and by discounting future cash flows using rates available for similar type debt (Level 2). The estimated fair values of the UGI Corporation Senior Notes were \$904 and \$744 at March 31, 2025 and September 30, 2024, respectively.

See the Company’s 2024 Annual Report for additional information on our UGI Corporation Senior Notes.

Note 9 — Commitments and Contingencies**Environmental Matters*****UGI Utilities***

From the late 1800s through the mid-1900s, UGI Utilities and its former subsidiaries owned and operated a number of MGPs prior to the general availability of natural gas. Some constituents of coal tars and other residues of the manufactured gas process are today considered hazardous substances under the Superfund Law and may be present on the sites of former MGPs. Between 1882 and 1953, UGI Utilities owned the stock of subsidiary gas companies in Pennsylvania and elsewhere and also operated the businesses of some gas companies under agreement. By the early 1950s, UGI Utilities divested all of its utility operations other than certain gas and electric operations. Beginning in 2006 and 2008, UGI Utilities also owned and operated two acquired subsidiaries, with similar histories of owning, and in some cases operating, MGPs in Pennsylvania.

UGI Utilities is subject to a COA with the PADEP to address the remediation of specified former MGP sites in Pennsylvania, which is scheduled to terminate at the end of 2035. In accordance with the COA, UGI Utilities is required to either obtain a certain number of points per calendar year based on defined eligible environmental investigatory and/or remedial activities at the MGPs, or make expenditures for such activities in an amount equal to an annual environmental minimum expenditure threshold. The annual minimum expenditure threshold of the COA is \$5. At March 31, 2025, September 30, 2024 and March 31, 2024, our aggregate estimated accrued liabilities for environmental investigation and remediation costs related to the COA totaled \$51, \$54 and \$56, respectively.

We do not expect the costs for investigation and remediation of hazardous substances at Pennsylvania MGP sites to be material to UGI Utilities’ results of operations because UGI Utilities receives ratemaking recovery of actual environmental investigation and remediation costs associated with the sites covered by the COA. This ratemaking recognition reconciles the accumulated difference between historical costs and rate recoveries with an estimate of future costs associated with the sites. As such, UGI Utilities has recorded an associated regulatory asset for these costs because recovery of these costs from customers is probable (see Note 7).

From time to time, UGI Utilities is notified of sites outside Pennsylvania on which private parties allege MGPs were formerly owned or operated by UGI Utilities or owned or operated by a former subsidiary. Such parties generally investigate the extent of environmental contamination or perform environmental remediation. Management believes that under applicable law, UGI Utilities should not be liable in those instances in which a former subsidiary owned or operated an MGP. There could be, however, significant future costs of an uncertain amount associated with environmental damage caused by MGPs outside Pennsylvania that UGI Utilities directly operated, or that were owned or operated by a former subsidiary of UGI Utilities if a court were to conclude that (1) the subsidiary’s separate corporate form should be disregarded, or (2) UGI Utilities should be considered to have been an operator because of its conduct with respect to its subsidiary’s MGP. Neither the undiscounted nor the accrued liability for environmental investigation and cleanup costs for UGI Utilities’ MGP sites outside Pennsylvania were material for all periods presented.

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AmeriGas Propane

AmeriGas OLP Saranac Lake. In 2008, the NYDEC notified AmeriGas OLP that the NYDEC had placed property purportedly owned by AmeriGas OLP in Saranac Lake, New York on the New York State Registry of Inactive Hazardous Waste Disposal Sites. A site characterization study performed by the NYDEC disclosed contamination related to a former MGP. AmeriGas OLP responded to the NYDEC in 2009 to dispute the contention it was a PRP as it did not operate the MGP and appeared to only own a portion of the site. In 2017, the NYDEC communicated to AmeriGas OLP that the NYDEC had previously issued three RODs related to remediation of the site totaling approximately \$28 and requested additional information regarding AmeriGas OLP's purported ownership. AmeriGas OLP renewed its challenge to designation as a PRP and identified potential defenses. The NYDEC subsequently identified a third party PRP with respect to the site.

The NYDEC commenced implementation of the remediation plan in the spring of 2018. In Fiscal 2024, the NYDEC informed AmeriGas OLP that the remediation plan had been completed at a total cost of approximately \$19. The New York Office of the Attorney General, as counsel for the NYDEC, invited AmeriGas OLP to participate in settlement discussions. Based on our evaluation of the available information as of March 31, 2025, the Partnership has an undiscounted environmental remediation liability of \$8 related to the site. Our share of the actual remediation costs could be significantly more or less than the accrued amount.

Other Matters

West Reading, Pennsylvania Explosion. On March 24, 2023, an explosion occurred in West Reading, Pennsylvania which resulted in seven fatalities, injuries to at least ten others, and extensive property damage to buildings owned by R.M. Palmer, a local chocolate manufacturer, and neighboring structures. The NTSB investigated and the PAPUC is investigating the West Reading incident. The NTSB investigative team included representatives from the Company, the local fire department and the Pipeline and Hazardous Materials Safety Administration. The Company cooperated with the investigation. In September 2023, OSHA closed their investigation of this matter, without any finding pertaining to UGI Utilities.

On December 10, 2024, the NTSB staff presented its draft findings to the NTSB Board. On April 8, 2025, the NTSB released its final report concluding that a fracture in an R.M. Palmer steam pipe created elevated underground temperatures that caused thermal degradation of a UGI Utilities service tee, resulting in a natural gas leak, and recommended UGI Utilities inventory and address risks to plastic gas assets in high-temperature environments.

The Company has received claims as a result of the explosion and is involved in lawsuits relative to the incident. With the issuance of the final NTSB report, discovery in the litigation will now begin. The Company maintains liability insurance for personal injury, property and casualty damages and believes that third-party claims associated with the explosion, in excess of the Company's deductible, are recoverable through the Company's insurance. The Company cannot predict the result of these pending or future claims and legal actions at this time.

Regarding these pending claims and legal actions, the Company does not believe, at this early stage, that there is sufficient information available to reasonably estimate a range of loss, if any, or conclude that the final outcome of these matters will or will not have a material effect on our financial statements.

In addition to the matters described above, there are other pending claims and legal actions arising in the normal course of our businesses. Although we cannot predict the final results of these pending claims and legal actions, including those described above, we believe, after consultation with counsel, that the final outcome of these matters will not have a material effect on our financial statements.

UGI International. In the first quarter of Fiscal 2024, UGI France initiated VDPs in consultation with the French Works Councils, pursuant to which employees were incentivized to voluntarily terminate employment or could be subject to involuntary termination to achieve certain workforce reductions. As of March 31, 2024, likelihood of termination benefits under VDPs was probable and the amount of such benefits was reasonably estimable. As a result, in the second quarter of Fiscal 2024, UGI International recorded pre-tax severance and other related expenses of \$34, which were reflected in "Operating and administrative expenses" on the Condensed Consolidated Statements of Income for the three and six months ended March 31, 2024.

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Note 10 — Defined Benefit Pension and Other Postretirement Plans

The Company maintains defined benefit pension plans and other postretirement plans for certain current and former employees. The service cost component of our pension and other postretirement plans, net of amounts capitalized, is reflected in “Operating and administrative expenses” on the Condensed Consolidated Statements of Income. The non-service cost components, net of amounts capitalized by Utilities as a regulatory asset, are reflected in “Other non-operating income (expense), net” on the Condensed Consolidated Statements of Income. Other postretirement benefit cost was not material for all periods presented.

Net periodic pension benefit cost (income) includes the following components:

Three Months Ended March 31,	Pension Benefits	
	2025	2024
Service cost	\$ 3	\$ 2
Interest cost	8	9
Expected return on plan assets	(12)	(11)
Amortization of:		
Actuarial loss (gain)	1	1
Net benefit cost (income)	<u>\$ —</u>	<u>\$ 1</u>
Six Months Ended March 31,	2025	2024
Service cost	\$ 5	\$ 4
Interest cost	17	18
Expected return on plan assets	(24)	(22)
Amortization of:		
Actuarial loss (gain)	2	1
Net benefit cost (income)	<u>\$ —</u>	<u>\$ 1</u>

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Note 11 — Fair Value Measurements
Recurring Fair Value Measurements

The following table presents, on a gross basis, our financial assets and liabilities, including both current and noncurrent portions, that are measured at fair value on a recurring basis within the fair value hierarchy:

	Asset (Liability)			Total
	Level 1	Level 2	Level 3	
March 31, 2025:				
Derivative instruments:				
Assets:				
Commodity contracts	\$ 213	\$ 28	\$ —	\$ 241
Foreign currency contracts	\$ —	\$ 14	\$ —	\$ 14
Interest rate contracts	\$ —	\$ 1	\$ —	\$ 1
Liabilities:				
Commodity contracts	\$ (150)	\$ (9)	\$ —	\$ (159)
Foreign currency contracts	\$ —	\$ (1)	\$ —	\$ (1)
Interest rate contracts	\$ —	\$ (11)	\$ —	\$ (11)
Non-qualified supplemental postretirement grantor trust investments (a)	\$ 32	\$ —	\$ —	\$ 32
September 30, 2024:				
Derivative instruments:				
Assets:				
Commodity contracts	\$ 106	\$ 27	\$ —	\$ 133
Foreign currency contracts	\$ —	\$ 6	\$ —	\$ 6
Interest rate contracts	\$ —	\$ 1	\$ —	\$ 1
Liabilities:				
Commodity contracts	\$ (120)	\$ (32)	\$ —	\$ (152)
Foreign currency contracts	\$ —	\$ (9)	\$ —	\$ (9)
Interest rate contracts	\$ —	\$ (22)	\$ —	\$ (22)
Non-qualified supplemental postretirement grantor trust investments (a)	\$ 43	\$ —	\$ —	\$ 43
March 31, 2024:				
Derivative instruments:				
Assets:				
Commodity contracts	\$ 107	\$ 39	\$ —	\$ 146
Foreign currency contracts	\$ —	\$ 16	\$ —	\$ 16
Interest rate contracts	\$ —	\$ 11	\$ —	\$ 11
Liabilities:				
Commodity contracts	\$ (184)	\$ (38)	\$ —	\$ (222)
Foreign currency contracts	\$ —	\$ (1)	\$ —	\$ (1)
Interest rate contracts	\$ —	\$ (3)	\$ —	\$ (3)
Non-qualified supplemental postretirement grantor trust investments (a)	\$ 41	\$ —	\$ —	\$ 41

(a) Consists primarily of mutual fund investments held in grantor trusts associated with non-qualified supplemental retirement plans.

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The fair values of our Level 1 exchange-traded commodity futures and option contracts and non-exchange-traded commodity futures and forward contracts are based upon actively quoted market prices for identical assets and liabilities. Substantially all of the remaining derivative instruments are designated as Level 2. The fair values of certain non-exchange-traded commodity derivatives designated as Level 2 are based upon indicative price quotations available through brokers, industry price publications or recent market transactions and related market indicators. The fair values of our Level 2 interest rate contracts and foreign currency contracts are based upon third-party quotes or indicative values based on recent market transactions. The fair values of investments held in grantor trusts are derived from quoted market prices as substantially all of the investments in these trusts have active markets.

Other Financial Instruments

The carrying amounts of other financial instruments included in current assets and current liabilities (except for current maturities of long-term debt) approximate their fair values because of their short-term nature. We estimate the fair value of long-term debt by using current market rates and by discounting future cash flows using rates available for similar type debt (Level 2). The carrying amounts and estimated fair values of our long-term debt (including current maturities but excluding unamortized debt issuance costs) were as follows:

	March 31, 2025	September 30, 2024	March 31, 2024
Carrying amount	\$ 6,670	\$ 6,733	\$ 6,826
Estimated fair value	\$ 6,642	\$ 6,663	\$ 6,647

Financial instruments other than derivative instruments, such as short-term investments and trade accounts receivable, could expose us to concentrations of credit risk. We limit credit risk from short-term investments by investing only in investment-grade commercial paper, money market mutual funds, securities guaranteed by the U.S. Government or its agencies and FDIC insured bank deposits. The credit risk arising from concentrations of trade accounts receivable is limited because we have a large customer base that extends across many different U.S. markets and a number of foreign countries. For information regarding concentrations of credit risk associated with our derivative instruments, see Note 12.

Note 12 — Derivative Instruments and Hedging Activities

We are exposed to certain market risks related to our ongoing business operations. Management uses derivative financial and commodity instruments, among other things, to manage: (1) commodity price risk; (2) interest rate risk; and (3) foreign currency exchange rate risk. Although we use derivative financial and commodity instruments to reduce market risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes. The use of derivative instruments is controlled by our risk management and credit policies, which govern, among other things, the derivative instruments we can use, counterparty credit limits and contract authorization limits. Although our commodity derivative instruments extend over a number of years, a significant portion of our commodity derivative instruments economically hedge commodity price risk during the next twelve months. See Note 2 for information on the accounting for our derivative instruments.

The following sections summarize the types of derivative instruments used by the Company to manage these market risks.

Commodity Price Risk**Regulated Utility Operations***Natural Gas*

PA Gas Utility's tariffs contain clauses that permit recovery of all prudently incurred costs of natural gas it sells to retail core-market customers, including the cost of financial instruments used to hedge purchased gas costs. As permitted and agreed to by the PAPUC pursuant to PA Gas Utility's annual PGC filings, PA Gas Utility currently uses NYMEX natural gas futures and option contracts to reduce commodity price volatility associated with a portion of the natural gas it purchases for its retail core-market customers. See Note 7 for further information on the regulatory accounting treatment for these derivative instruments.

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Non-utility Operations*LPG*

In order to manage market price risk associated with the Partnership's fixed-price programs and to reduce the effects of short-term commodity price volatility, the Partnership uses over-the-counter derivative commodity instruments, principally price swap contracts. In addition, the Partnership and our UGI International operations also use over-the-counter price swap and option contracts to reduce commodity price volatility associated with a portion of their forecasted LPG purchases.

Natural Gas

In order to manage market price risk relating to fixed-price sales contracts for physical natural gas, Midstream & Marketing enters into NYMEX and over-the-counter natural gas futures and over-the-counter and ICE natural gas basis swap contracts. In addition, Midstream & Marketing uses NYMEX and over-the-counter futures and options contracts to economically hedge price volatility associated with the gross margin derived from the purchase and anticipated later near-term sale of natural gas storage inventories. Outside of the financial market, Midstream & Marketing also uses ICE and over-the-counter forward physical contracts. Prior to the exit of substantially all of the Company's energy marketing business in Europe (see Note 5), UGI International also used natural gas futures and forward contracts to economically hedge market price risk associated with a substantial portion of anticipated volumes under fixed-price sales contracts with its customers.

Electricity

In order to manage market price risk relating to fixed-price sales contracts for electricity, Midstream & Marketing entered into electricity futures and forward contracts. Prior to the sale of UGID in September 2024, Midstream & Marketing, through UGID, also used NYMEX and over-the-counter electricity futures contracts to economically hedge the price of a portion of its anticipated future sales of electricity from its electric generation facilities. Prior to the exit of substantially all of the Company's energy marketing business in Europe (see Note 5), UGI International also used electricity futures and forward contracts to economically hedge market price risk associated with fixed-price sales and purchase contracts for electricity.

Interest Rate Risk

Certain of our long-term debt agreements have interest rates that are generally indexed to short-term market interest rates. In order to fix the underlying short-term market interest rates, we may enter into pay-fixed, receive-variable interest rate swap agreements and designate such swaps as cash flow hedges. In March 2023, in connection with the Energy Services Amended Term Loan Credit Agreement, Energy Services terminated and settled its existing interest rate swap associated with the Energy Services Term Loan Credit Agreement at a \$32 gain. This gain was deferred in AOCI and was amortized to interest expense over the remaining term of the initial interest rate swap through July 2024.

The remainder of our long-term debt is typically issued at fixed rates of interest. As this long-term debt matures, we typically refinance such debt with new debt having interest rates reflecting then-current market conditions. In order to reduce market rate risk on the underlying benchmark rate of interest associated with near- to medium-term forecasted issuances of fixed-rate debt, from time to time we enter into IRPAs. We account for IRPAs as cash flow hedges. There were no unsettled IRPAs during any of the periods presented. At March 31, 2025, the amount of pre-tax net (gains) losses associated with interest rate hedges expected to be reclassified into earnings during the next twelve months is \$8.

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Foreign Currency Exchange Rate Risk**Forward Foreign Currency Exchange Contracts**

In order to reduce the volatility in net income associated with our foreign operations, principally as a result of changes in the USD exchange rate to the euro and British pound sterling, we enter into forward foreign currency exchange contracts. We layer in these foreign currency exchange contracts over multi-year periods to eventually equal approximately 90% of anticipated UGI International foreign currency earnings before income taxes. Because these contracts are not designated as hedging instruments, realized and unrealized gains and losses on these contracts are recorded in “Other non-operating income (expense), net” on the Condensed Consolidated Statements of Income.

Net Investment Hedges

From time to time, we also enter into certain forward foreign currency exchange contracts to reduce the volatility of the USD value of a portion of our UGI International euro-denominated net investments, including anticipated foreign currency denominated dividends. We account for these foreign currency exchange contracts as net investment hedges and all changes in the fair value of these contracts are reported in the cumulative translation adjustment component in AOCI. We use the spot rate method to measure ineffectiveness of our net investment hedges.

Our euro-denominated long-term debt has also been designated as net investment hedges, representing a portion of our UGI International euro-denominated net investment. We recognized pre-tax gains (losses) associated with these net investment hedges in the cumulative translation adjustment component in AOCI of \$(33) and \$17 during the three months ended March 31, 2025 and 2024, respectively, and \$22 and \$(15) during the six months ended March 31, 2025 and 2024, respectively.

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Quantitative Disclosures Related to Derivative Instruments

The following table summarizes by derivative type the gross notional amounts related to open derivative contracts at March 31, 2025, September 30, 2024 and March 31, 2024, and the final settlement dates of the Company's open derivative contracts as of March 31, 2025, but excluding those derivatives that qualified for the NPNS exception:

Type	Units	Settlements Extending Through	Notional Amounts (in millions)		
			March 31, 2025	September 30, 2024	March 31, 2024
Commodity Price Risk:					
<i>Regulated Utility Operations</i>					
PA Gas Utility NYMEX natural gas futures and option contracts	Dekatherms	February 2026	18	26	13
<i>Non-utility Operations</i>					
LPG swaps	Gallons	September 2027	414	458	425
Natural gas futures, forward, basis swap, options and pipeline contracts	Dekatherms	March 2029	266	325	339
Electricity forward and futures contracts	Kilowatt hours	December 2027	842	1,113	544
Interest Rate Risk:					
Interest rate swaps	Euro	March 2026	€ 300	€ 300	€ 300
Interest rate swaps	USD	September 2027	\$ 1,224	\$ 1,231	\$ 1,263
Foreign Currency Exchange Rate Risk:					
Forward foreign currency exchange contracts	USD	September 2027	\$ 202	\$ 389	\$ 240
Net investment hedge forward foreign exchange contracts	Euro	December 2026	€ 181	€ 181	€ 256

Derivative Instrument Credit Risk

We are exposed to risk of loss in the event of nonperformance by our derivative instrument counterparties. Our derivative instrument counterparties principally comprise large energy companies and major U.S. and international financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits or entering into netting agreements that allow for offsetting counterparty receivable and payable balances for certain financial transactions, as deemed appropriate.

We have concentrations of credit risk associated with derivative instruments and we evaluate the creditworthiness of our derivative counterparties on an ongoing basis. As of March 31, 2025, the maximum amount of loss, based upon the gross fair values of the derivative instruments, we would incur if these counterparties failed to perform according to the terms of their contracts was \$256. In general, many of our over-the-counter derivative instruments and all exchange contracts call for the posting of collateral by the counterparty or by the Company in the forms of letters of credit, parental guarantees or cash. At March 31, 2025, we had received cash collateral from derivative instrument counterparties totaling \$45. In addition, we may have offsetting derivative liabilities and certain accounts payable balances with certain of these counterparties, which further mitigates the previously mentioned maximum amount of losses. Certain of the Partnership's derivative contracts have credit-risk-related contingent features that may require the posting of additional collateral in the event of a downgrade of the Partnership's debt rating. At March 31, 2025, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

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Offsetting Derivative Assets and Liabilities

Derivative assets and liabilities are presented net by counterparty on the Condensed Consolidated Balance Sheets if the right of offset exists. We offset amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral against amounts recognized for derivative instruments executed with the same counterparty. Our derivative instruments include both those that are executed on an exchange through brokers and centrally cleared and over-the-counter transactions. Exchange contracts utilize a financial intermediary, exchange or clearinghouse to enter, execute or clear the transactions. Over-the-counter contracts are bilateral contracts that are transacted directly with a third party. Certain over-the-counter and exchange contracts contain contractual rights of offset through master netting arrangements, derivative clearing agreements and contract default provisions. In addition, the contracts are subject to conditional rights of offset through counterparty nonperformance, insolvency or other conditions.

In general, many of our over-the-counter transactions and all exchange contracts are subject to collateral requirements. Types of collateral generally include cash or letters of credit. Cash collateral paid by us to our over-the-counter derivative counterparties, if any, is reflected in the table below to offset derivative liabilities. Cash collateral received by us from our over-the-counter derivative counterparties, if any, is reflected in the table below to offset derivative assets. Certain other accounts receivable and accounts payable balances recognized on the Condensed Consolidated Balance Sheets with our derivative counterparties are not included in the table below but could reduce our net exposure to such counterparties because such balances are subject to master netting or similar arrangements.

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Fair Value of Derivative Instruments

The following table presents the Company's derivative assets and liabilities by type, as well as the effects of offsetting:

	March 31, 2025	September 30, 2024	March 31, 2024
Derivative assets:			
Derivatives designated as hedging instruments:			
Foreign currency contracts	\$ 12	\$ 6	\$ 11
Interest rate contracts	1	1	11
	<u>13</u>	<u>7</u>	<u>22</u>
Derivatives subject to PGC and DS mechanisms:			
Commodity contracts	19	4	8
Derivatives not designated as hedging instruments:			
Commodity contracts	222	129	138
Foreign currency contracts	2	—	5
	<u>224</u>	<u>129</u>	<u>143</u>
Total derivative assets — gross	256	140	173
Gross amounts offset in the balance sheet	(138)	(88)	(111)
Cash collateral received	(45)	(14)	(6)
Total derivative assets — net	<u>\$ 73</u>	<u>\$ 38</u>	<u>\$ 56</u>
Derivative liabilities:			
Derivatives designated as hedging instruments:			
Interest rate contracts	\$ (11)	\$ (22)	\$ (3)
Derivatives subject to PGC and DS mechanisms:			
Commodity contracts	—	(1)	(14)
Derivatives not designated as hedging instruments:			
Commodity contracts	(159)	(151)	(208)
Foreign currency contracts	(1)	(9)	(1)
	<u>(160)</u>	<u>(160)</u>	<u>(209)</u>
Total derivative liabilities — gross	(171)	(183)	(226)
Gross amounts offset in the balance sheet	138	88	111
Cash collateral pledged	—	36	56
Total derivative liabilities — net	<u>\$ (33)</u>	<u>\$ (59)</u>	<u>\$ (59)</u>

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Effects of Derivative Instruments

The following tables provide information on the effects of derivative instruments on the Condensed Consolidated Statements of Income and changes in AOCI:

Three Months Ended March 31,:

	Gain (Loss) Recognized in AOCI		Gain (Loss) Reclassified from AOCI into Income		Location of Gain (Loss) Reclassified from AOCI into Income
	2025	2024	2025	2024	
Cash Flow Hedges:					
Interest rate contracts	\$ (6)	\$ 17	\$ (1)	\$ 14	Interest expense
Net Investment Hedges:					
Foreign currency contracts	\$ (6)	\$ 8			
	Gain (Loss) Recognized in Income				
Derivatives Not Designated as Hedging Instruments:	2025	2024	Location of Gain (Loss) Recognized in Income		
Commodity contracts	\$ (1)	\$ (1)	Revenues		
Commodity contracts	67	26	Cost of sales		
Commodity contracts	—	(1)	Other operating expense (income), net		
Foreign currency contracts	(9)	8	Other non-operating income (expense), net		
Total	\$ 57	\$ 32			

Six Months Ended March 31,:

	Gain (Loss) Recognized in AOCI		Gain (Loss) Reclassified from AOCI into Income		Location of Gain (Loss) Reclassified from AOCI into Income
	2025	2024	2025	2024	
Cash Flow Hedges:					
Interest rate contracts	\$ 14	\$ (5)	\$ 1	\$ 27	Interest expense
Net Investment Hedges:					
Foreign currency contracts	\$ 7	\$ (2)			
	Gain (Loss) Recognized in Income				
Derivatives Not Designated as Hedging Instruments:	2025	2024	Location of Gain (Loss) Recognized in Income		
Commodity contracts	\$ (2)	\$ 1	Revenues		
Commodity contracts	136	(129)	Cost of sales		
Commodity contracts	(1)	2	Other operating expense (income), net		
Foreign currency contracts	16	(8)	Other non-operating income (expense), net		
Total	\$ 149	\$ (134)			

We are also a party to a number of other contracts that have elements of a derivative instrument. However, these contracts qualify for NPNS exception accounting because they provide for the delivery of products or services in quantities that are expected to be used in the normal course of operating our business and the price in these contracts are based on an underlying that is directly associated with the price of the product or service being purchased or sold. These contracts include, among others, binding purchase orders, contracts that provide for the purchase and delivery, or sale, of energy products, and service contracts that require the counterparty to provide commodity storage, transportation or capacity service to meet our normal sales commitments.

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Note 13 — Accumulated Other Comprehensive Income (Loss)

The tables below present changes in AOCI, net of tax:

	Postretirement Benefit Plans	Derivative Instruments	Foreign Currency	Total
Three Months Ended March 31, 2025				
AOCI — December 31, 2024	\$ 9	\$ (10)	\$ (312)	\$ (313)
Other comprehensive income (loss) before reclassification adjustments	—	(4)	47	43
Amounts reclassified from AOCI	1	1	—	2
Other comprehensive income (loss) attributable to UGI	1	(3)	47	45
AOCI — March 31, 2025	\$ 10	\$ (13)	\$ (265)	\$ (268)
Three Months Ended March 31, 2024				
AOCI — December 31, 2023	\$ 17	\$ 1	\$ (250)	\$ (232)
Other comprehensive income (loss) before reclassification adjustments	—	12	(24)	(12)
Amounts reclassified from AOCI	(1)	(9)	—	(10)
Other comprehensive income (loss) attributable to UGI	(1)	3	(24)	(22)
AOCI — March 31, 2024	\$ 16	\$ 4	\$ (274)	\$ (254)
Six Months Ended March 31, 2025				
AOCI — September 30, 2024	\$ 10	\$ (23)	\$ (240)	\$ (253)
Other comprehensive income (loss) before reclassification adjustments	—	11	(25)	(14)
Amounts reclassified from AOCI	—	(1)	—	(1)
Other comprehensive income (loss) attributable to UGI	—	10	(25)	(15)
AOCI — March 31, 2025	\$ 10	\$ (13)	\$ (265)	\$ (268)
Six Months Ended March 31, 2024				
AOCI — September 30, 2023	\$ 17	\$ 26	\$ (299)	\$ (256)
Other comprehensive income (loss) before reclassification adjustments	—	(3)	25	22
Amounts reclassified from AOCI	(1)	(19)	—	(20)
Other comprehensive income (loss) attributable to UGI	(1)	(22)	25	2
AOCI — March 31, 2024	\$ 16	\$ 4	\$ (274)	\$ (254)

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Note 14 — Equity Method Investments

We account for privately held equity securities of entities without readily determinable fair values in which we do not have control, but have significant influence over operating and financial policies, under the equity method. Our equity method investments principally comprise a number of investments in biomass and other renewable energy projects at Midstream & Marketing. Equity method investments are included in "Other assets" on the Condensed Consolidated Balance Sheets and equity method earnings are included in "Income (loss) from equity investees" on the Condensed Consolidated Statements of Income.

Equity method investments comprise the following:

Investees	Carrying Value			Ownership Interest		
	March 31, 2025	September 30, 2024	March 31, 2024	March 31, 2025	September 30, 2024	March 31, 2024
Midstream & Marketing:						
Aurum Renewables	\$ 47	\$ 47	\$ 46	40%	40%	40%
Pine Run	91	86	81	49%	49%	49%
MBL Bioenergy	221	206	157	99.99%	99.99%	99.99%
Other	23	20	21	various	various	various
Total Midstream & Marketing	382	359	305			
UGI International (a)	10	10	35	various	various	various
Other	1	1	—	various	various	various
Total investments in equity method investees	\$ 393	\$ 370	\$ 340			

(a) During Fiscal 2024, UGI International recognized an other-than-temporary pre-tax impairment loss of \$26 related to its investment in a joint venture that invests in renewable energy projects.

See the Company's 2024 Annual Report for additional information on our equity method investments.

Note 15 — Segment Information

Our operations comprise four reportable segments generally based upon products or services sold, geographic location and regulatory environment: (1) Utilities; (2) Midstream & Marketing; (3) UGI International; and (4) AmeriGas Propane.

Corporate & Other includes certain items that are excluded from our CODM's assessment of segment performance (see below for further details on these items). Corporate & Other also includes the net expenses of UGI's captive general liability insurance company, UGI's corporate headquarters facility and UGI's unallocated corporate and general expenses as well as interest expense on UGI debt that is not allocated. Corporate & Other assets principally comprise cash and cash equivalents of UGI and its captive insurance company, and UGI corporate headquarters' assets. The accounting policies of our reportable segments are the same as those described in Note 2, "Summary of Significant Accounting Policies," in the Company's 2024 Annual Report.

UGI CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

Three Months Ended March 31, 2025	Total	Eliminations	Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corporate & Other (b)
Revenues from external customers	\$ 2,666	\$ —	\$ 727	\$ 443	\$ 650	\$ 848	\$ (2)
Intersegment revenues	\$ —	\$ (190) (a)	\$ 46	\$ 144	\$ —	\$ —	\$ —
Cost of sales	\$ 1,301	\$ (190) (a)	\$ 378	\$ 385	\$ 348	\$ 402	\$ (22)
Operating income	\$ 700	\$ (4) (a)	\$ 240	\$ 151	\$ 139	\$ 154	\$ 20
Income (loss) from equity investees	3	—	—	3	—	—	—
Other non-operating income (expense), net	(7)	—	1	—	4	—	(12)
Earnings before interest expense and income taxes	696	(4) (a)	241	154	143	154	8
Interest expense	(102)	3 (a)	(25)	(12)	(11)	(37)	(20)
Income (loss) before income taxes	\$ 594	\$ (1)	\$ 216	\$ 142	\$ 132	\$ 117	\$ (12)
Depreciation and amortization	\$ 138	\$ —	\$ 44	\$ 20	\$ 29	\$ 45	\$ —
Capital expenditures (including the effects of accruals)	\$ 160	\$ —	\$ 100	\$ 27	\$ 17	\$ 16	\$ —

Three Months Ended March 31, 2024	Total	Eliminations	Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corporate & Other (b)
Revenues from external customers	\$ 2,467	\$ —	\$ 623	\$ 375	\$ 673	\$ 795	\$ 1
Intersegment revenues	\$ —	\$ (131) (a)	\$ 23	\$ 108	\$ —	\$ —	\$ —
Cost of sales	\$ 1,030	\$ (131) (a)	\$ 274	\$ 283	\$ 368	\$ 362	\$ (126)
Operating income	\$ 717	\$ 1	\$ 225	\$ 151	\$ 124	\$ 138	\$ 78
Income (loss) from equity investees	1	—	—	2	(1)	—	—
Other non-operating income (expense), net	11	—	1	—	8	—	2
Earnings before interest expense and income taxes	729	1	226	153	131	138	80
Interest expense	(100)	—	(24)	(9)	(11)	(40)	(16)
Income before income taxes	\$ 629	\$ 1	\$ 202	\$ 144	\$ 120	\$ 98	\$ 64
Depreciation and amortization	\$ 138	\$ —	\$ 41	\$ 22	\$ 29	\$ 44	\$ 2
Capital expenditures (including the effects of accruals)	\$ 167	\$ —	\$ 91	\$ 33	\$ 19	\$ 24	\$ —

UGI CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

Six Months Ended March 31, 2025	Total	Eliminations	Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corporate & Other (b)
Revenues from external customers	\$ 4,696	\$ —	\$ 1,197	\$ 739	\$ 1,288	\$ 1,475	\$ (3)
Intersegment revenues	\$ —	\$ (276) (a)	\$ 61	\$ 215	\$ —	\$ —	\$ —
Cost of sales	\$ 2,224	\$ (276) (a)	\$ 582	\$ 614	\$ 722	\$ 682	\$ (100)
Operating income	\$ 1,187	\$ (3) (a)	\$ 378	\$ 242	\$ 245	\$ 228	\$ 97
Income (loss) from equity investees	6	—	—	7	(1)	—	—
Other non-operating income (expense), net	22	—	4	—	9	—	9
Earnings before interest expense and income taxes	1,215	(3) (a)	382	249	253	228	106
Interest expense	(204)	3 (a)	(51)	(24)	(21)	(70)	(41)
Income before income taxes	\$ 1,011	\$ —	\$ 331	\$ 225	\$ 232	\$ 158	\$ 65
Depreciation and amortization	\$ 276	\$ —	\$ 88	\$ 40	\$ 58	\$ 90	\$ —
Capital expenditures (including the effects of accruals)	\$ 335	\$ —	\$ 206	\$ 59	\$ 31	\$ 39	\$ —
As of March 31, 2025							
Total assets	\$ 15,746	\$ (366)	\$ 6,261	\$ 3,378	\$ 3,171	\$ 3,110	\$ 192
Six Months Ended March 31, 2024							
Revenues from external customers	\$ 4,588	\$ —	\$ 1,103	\$ 702	\$ 1,398	\$ 1,424	\$ (39)
Intersegment revenues	\$ —	\$ (211) (a)	\$ 36	\$ 175	\$ —	\$ —	\$ —
Cost of sales	\$ 2,232	\$ (211) (a)	\$ 495	\$ 522	\$ 814	\$ 645	\$ (33)
Operating income (loss)	\$ 949	\$ —	\$ 359	\$ 250	\$ 237	\$ 209	\$ (106)
Income (loss) from equity investees	2	—	—	5	(3)	—	—
Other non-operating income (expense), net	(2)	—	2	—	14	—	(18)
Earnings (loss) before interest expense and income taxes	949	—	361	255	248	209	(124)
Interest expense	(200)	—	(47)	(20)	(22)	(81)	(30)
Income (loss) before income taxes	\$ 749	\$ —	\$ 314	\$ 235	\$ 226	\$ 128	\$ (154)
Depreciation and amortization	\$ 275	\$ —	\$ 82	\$ 44	\$ 59	\$ 88	\$ 2
Capital expenditures (including the effects of accruals)	\$ 300	\$ —	\$ 173	\$ 52	\$ 31	\$ 44	\$ —
As of March 31, 2024							
Total assets	\$ 15,624	\$ (131)	\$ 5,850	\$ 3,204	\$ 3,030	\$ 3,467	\$ 204

(a) Represents the elimination of intersegment transactions, including intersegment interest income and expense.

(b) Corporate & Other includes specific items attributable to our reportable segments that are not included in the segment profit measures used by our CODM in assessing our reportable segments' performance or allocating resources. The following table presents such pre-tax gains (losses) which have been included in Corporate & Other, and the reportable segments to which they relate:

UGI CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

Three Months Ended March 31, 2025	Location on Income Statement	Midstream & Marketing	UGI International	AmeriGas Propane
Net gains (losses) on commodity derivative instruments not associated with current-period transactions	Revenues	\$ (1)	\$ —	\$ —
Net gains (losses) on commodity derivative instruments not associated with current-period transactions	Cost of sales	\$ 26	\$ (8)	\$ 3
Unrealized gains (losses) on foreign currency derivative instruments	Other non-operating income (expense), net	\$ —	\$ (13)	\$ —
Interest income from intersegment loan	Other operating expense (income), net	\$ —	\$ 3	\$ —
Three Months Ended March 31, 2024	Location on Income Statement	Midstream & Marketing	UGI International	AmeriGas Propane
Net gains (losses) on commodity derivative instruments not associated with current-period transactions	Cost of sales	\$ 41	\$ 53	\$ 34
Net gains (losses) on commodity derivative instruments not associated with current-period transactions	Other operating expense (income), net	\$ —	\$ 1	\$ —
Restructuring costs	Operating and administrative expenses	\$ —	\$ (34)	\$ —
AmeriGas operations enhancement for growth project	Operating and administrative expenses	\$ —	\$ —	\$ (6)
Unrealized gains (losses) on foreign currency derivative instruments	Other non-operating income (expense), net	\$ —	\$ 1	\$ —
Costs associated with exit of the UGI International energy marketing business	Operating and administrative expenses/Other operating expense (income), net	\$ —	\$ (2)	\$ —
Impairment of assets	Other operating expense (income), net	\$ —	\$ (7)	\$ —

UGI CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

Six Months Ended March 31, 2025	Location on Income Statement	Midstream & Marketing	UGI International	AmeriGas Propane
Net gains (losses) on commodity derivative instruments not associated with current-period transactions	Revenues	\$ (2)	\$ —	\$ —
Net gains (losses) on commodity derivative instruments not associated with current-period transactions	Cost of sales	\$ 85	\$ 4	\$ 10
Net gains (losses) on commodity derivative instruments not associated with current-period transactions	Other operating expense (income), net	\$ —	\$ 1	\$ —
Unrealized gains (losses) on foreign currency derivative instruments	Other non-operating income (expense), net	\$ —	\$ 9	\$ —
Interest income from intersegment loan	Other operating expense (income), net	\$ —	\$ 3	\$ —
Six Months Ended March 31, 2024	Location on Income Statement	Midstream & Marketing	UGI International	AmeriGas Propane
Net gains (losses) on commodity derivative instruments not associated with current-period transactions	Revenues	\$ 1	\$ 1	\$ —
Net gains (losses) on commodity derivative instruments not associated with current-period transactions	Cost of sales	\$ (6)	\$ 12	\$ 28
Net gains (losses) on commodity derivative instruments not associated with current-period transactions	Other operating expense (income), net	\$ —	\$ (2)	\$ —
Restructuring costs	Operating and administrative expenses	\$ —	\$ (34)	\$ —
Unrealized gains (losses) on foreign currency derivative instruments	Other non-operating income (expense), net	\$ —	\$ (19)	\$ —
AmeriGas operations enhancement for growth project	Operating and administrative expenses	\$ —	\$ —	\$ (13)
Costs associated with exit of the UGI International energy marketing business	Revenues	\$ —	\$ (42)	\$ —
Costs associated with exit of the UGI International energy marketing business	Operating and administrative expenses/Other operating expense (income), net	\$ —	\$ (10)	\$ —
Costs associated with exit of the UGI International energy marketing business	Loss on disposal of business	\$ —	\$ (28)	\$ —
Impairment of assets	Other operating expense (income), net	\$ —	\$ (7)	\$ —

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**Forward-Looking Statements**

Information contained in this Quarterly Report on Form 10-Q contains forward-looking statements 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. Such statements use forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "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. All forward-looking statements made in this Quarterly Report on Form 10-Q rely upon the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. However, we caution you against relying on any forward-looking statement as these statements are subject to risks and uncertainties that may cause actual results to vary from assumed facts or bases, and the differences between actual results and assumed facts or bases can be material, depending on the circumstances. When considering forward-looking statements, you should keep in mind those factors set forth in Item 1A. Risk Factors in the Company's 2024 Annual Report and the following important factors that could affect our future results and could cause those results to differ materially from those expressed in our forward-looking statements: (1) weather conditions (including increasingly uncertain weather patterns due to climate change) resulting in reduced demand, the seasonal nature of our business, and disruptions in our operations and supply chain; (2) cost volatility and availability of energy products, including propane and other LPG, electricity, and natural gas, as well as the availability of LPG cylinders, and the capacity to transport product to our customers; (3) changes in domestic and foreign laws and regulations, including safety, health, tax, transportation, consumer protection, data privacy, accounting, trade restrictions and policies, such as tariffs and related sanctions, and environmental matters, such as regulatory responses to climate change; (4) inability to timely recover costs through utility rate proceedings; (5) the impact of pending and future legal or regulatory proceedings, inquiries or investigations; (6) competitive pressures from the same and alternative energy sources; (7) failure to acquire new customers or retain current customers thereby reducing or limiting any increase in revenues; (8) liability for environmental claims; (9) increased customer conservation measures due to high energy prices and improvements in energy efficiency and technology resulting in reduced demand; (10) adverse labor relations and our ability to address existing or potential workforce shortages; (11) customer, counterparty, supplier, or vendor defaults; (12) liability for uninsured claims and for claims in excess of insurance coverage, including those for personal injury and property damage arising from explosions, acts of war, terrorism, natural disasters, pandemics, and other catastrophic events that may result from operating hazards and risks incidental to generating and distributing electricity and transporting, storing and distributing natural gas and LPG in all forms; (13) transmission or distribution system service interruptions; (14) political, regulatory and economic conditions in the United States, Europe and other foreign countries, including uncertainties related to the war between Russia and Ukraine, the conflict in the Middle East, the European energy crisis, the adoption and expansion of tariffs or other trade restrictions and policies, and foreign currency exchange rate fluctuations, particularly the euro; (15) credit and capital market conditions, including reduced access to capital markets and interest rate fluctuations; (16) changes in commodity market prices resulting in significantly higher cash collateral requirements; (17) impacts of our indebtedness and the restrictive covenants in our debt agreements; (18) reduced distributions from subsidiaries impacting the ability to pay dividends or service debt; (19) changes in Marcellus and Utica Shale gas production; (20) the success of our strategic initiatives and investments intended to advance our business strategy; (21) our ability to successfully integrate acquired businesses and achieve anticipated synergies; (22) the interruption, disruption, failure, malfunction, or breach of our information technology systems, and those of our third-party vendors or service providers, including due to cyber attack; (23) the inability to complete pending or future energy infrastructure projects; (24) our ability to attract, develop, retain and engage key employees; (25) uncertainties related to global pandemics; (26) the impact of a material impairment of our assets; (27) the impact of proposed or future tax legislation; (28) the impact of changes in governmental policies related to tariffs, reciprocal and retaliatory tariffs, and other tariff-related measures, trade agreements, or policies; (29) the impact of declines in the stock market or bond market, and a low interest rate environment, on our pension liability; (30) our ability to protect our intellectual property; (31) 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; and (32) our ability to control operating costs and realize cost savings.

These factors, and those factors set forth in Item 1A. Risk Factors in the Company's 2024 Annual Report, are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. Any forward-looking statement speaks only as of the date on which such statement is made. 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.

ANALYSIS OF RESULTS OF OPERATIONS

The following analyses compare the Company's results of operations for the 2025 three-month period with the 2024 three-month period and the 2025 six-month period with the 2024 six-month period. Our analysis of results of operations should be read in conjunction with the segment information included in Note 15 to Condensed Consolidated Financial Statements.

Because most of our businesses sell or distribute energy products used in large part for heating purposes, our results are significantly influenced by temperatures in our service territories, particularly during the heating-season months of October through March. Accordingly, our results of operations, after adjusting for the effects of gains and losses on derivative instruments not associated with current-period transactions as further discussed below, are significantly higher in our first and second fiscal quarters.

Non-GAAP Financial Measures

UGI 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.

UGI does not designate its commodity and certain foreign currency derivative instruments as hedges under GAAP. Volatility in net income attributable to UGI Corporation can occur as a result of gains and losses on such 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.

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The following tables reflect the adjustments referred to above and reconcile net income attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net income attributable to UGI Corporation, and reconcile diluted earnings per share, the most directly comparable GAAP measure, to adjusted diluted earnings per share:

Adjusted net income attributable to UGI Corporation: (Dollars in millions)	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
Utilities	\$ 166	\$ 155	\$ 255	\$ 241
Midstream & Marketing	150	120	239	212
UGI International	93	91	193	174
AmeriGas Propane	25	37	(21)	53
Corporate & Other (a)	45	93	188	(90)
Net income attributable to UGI Corporation	479	496	854	590
Net losses (gains) on commodity derivative instruments not associated with current-period transactions (net of tax of \$15, \$19, \$29 and \$1, respectively)	(5)	(110)	(69)	(33)
Unrealized losses (gains) on foreign currency derivative instruments (net of tax of \$(3), \$0, \$3 and \$(6), respectively)	10	(1)	(6)	13
AmeriGas operations enhancement for growth project (net of tax of \$0, \$(1), \$0 and \$(3), respectively)	—	5	—	10
Restructuring costs (net of tax of \$0, \$(9), \$0 and \$(10), respectively)	—	27	—	30
Costs associated with exit of UGI International energy marketing business (net of tax of \$0, \$(1), \$0 and \$(14), respectively)	—	1	—	66
Impairment of assets (net of tax of \$0, \$(2), \$0 and \$(2), respectively)	—	5	—	5
Total adjustments (a) (b)	5	(73)	(75)	91
Adjusted net income attributable to UGI Corporation	\$ 484	\$ 423	\$ 779	\$ 681

Adjusted diluted earnings per share:	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
Utilities	\$ 0.76	\$ 0.72	\$ 1.17	\$ 1.12
Midstream & Marketing	0.69	0.56	1.10	0.98
UGI International	0.42	0.42	0.89	0.81
AmeriGas Propane	0.11	0.17	(0.10)	0.25
Corporate & Other (a)	0.21	0.43	0.87	(0.42)
Diluted earnings per share	2.19	2.30	3.93	2.74
Net losses (gains) on commodity derivative instruments not associated with current-period transactions	(0.03)	(0.50)	(0.32)	(0.16)
Unrealized losses (gains) on foreign currency derivative instruments	0.05	—	(0.03)	0.06
AmeriGas operations enhancement for growth project	—	0.02	—	0.05
Restructuring costs	—	0.13	—	0.14
Costs associated with exit of UGI International energy marketing business	—	—	—	0.31
Impairment of assets	—	0.02	—	0.02
Total adjustments (a)	0.02	(0.33)	(0.35)	0.42
Adjusted diluted earnings per share	\$ 2.21	\$ 1.97	\$ 3.58	\$ 3.16

- (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 CODM in assessing segment performance and allocating resources. See Note 15 to Condensed Consolidated Financial Statements for additional information related to these adjustments, as well as other items included within Corporate & Other.
- (b) Income taxes associated with pre-tax adjustments determined using statutory business unit tax rates.

Executive Overview

2025 three-month period compared with 2024 three-month period

Net income attributable to UGI Corporation for the 2025 three-month period was \$479 million (equal to \$2.19 per diluted share) compared to \$496 million (equal to \$2.30 earnings per diluted share) for the 2024 three-month period. These results include net gains (losses) from changes in unrealized commodity derivative instruments and certain foreign currency derivative instruments of \$(5) million and \$111 million during the 2025 and 2024 three-month periods, respectively.

Net income attributable to UGI Corporation during the 2024 three-month period also includes (1) restructuring costs of \$27 million, largely attributable to a reduction in workforce and related costs primarily at UGI International; (2) an impairment of assets of \$5 million at UGI International; (3) external advisory fees of \$5 million associated with AmeriGas operations enhancement for growth project; and (4) \$1 million of costs associated with the exit of our UGI International energy marketing business in Europe.

Adjusted net income attributable to UGI Corporation for the 2025 three-month period was \$484 million (equal to \$2.21 per diluted share) compared to adjusted net income of \$423 million (equal to \$1.97 per diluted share) for the 2024 three-month period. The increase in adjusted net income attributable to UGI Corporation during the 2025 three-month period reflects higher earnings contributions primarily from our Midstream & Marketing and Utilities segments and, to a much lesser extent, our UGI International segment, partially offset by lower earnings contributions from the AmeriGas Propane segment. In addition, the increase in adjusted net income during the 2025 three-month period also reflects significantly lower income tax expenses primarily related to an increase in investment tax credits in our Midstream & Marketing segment and the release of a valuation allowance on deferred tax assets expected to be utilized in the current year in our UGI International segment. During the 2025 three-month period, temperatures in all of our segments were significantly colder than the prior-year period.

Utilities' adjusted net income attributable to UGI Corporation increased \$11 million in the 2025 three-month period compared to the prior-year period, primarily attributable to higher total margin due in large part to higher core market volumes.

Midstream & Marketing's adjusted net income attributable to UGI Corporation increased \$30 million in the 2025 three-month period, primarily attributable to lower income tax expenses, reflecting higher investment tax credits in the 2025 three-month period.

UGI International's adjusted net income attributable to UGI Corporation increased \$2 million in the 2025 three-month period, reflecting lower operating and administrative expenses substantially offset by higher income tax expenses.

AmeriGas Propane's adjusted net income attributable to UGI Corporation decreased \$12 million in the 2025 three-month period as higher total margin, primarily resulting from higher retail propane volumes sold and higher average retail propane unit margins was more than offset by higher income tax expenses.

2025 six-month period compared with 2024 six-month period

Net income attributable to UGI Corporation for the 2025 six-month period was \$854 million (equal to \$3.93 per diluted share) compared to \$590 million (equal to \$2.74 per diluted share) for the 2024 six-month period. These results include net gains from changes in unrealized commodity derivative instruments and certain foreign currency derivative instruments of \$75 million and \$20 million during the 2025 and 2024 six-month periods, respectively.

Net income attributable to UGI Corporation during the 2024 six-month period also includes (1) \$66 million of costs associated with the exit of our UGI International energy marketing business in Europe, principally reflecting wind-down activities in the Netherlands and the loss on the sale of the energy marketing business located in France; (2) restructuring costs of \$30 million largely attributable to a reduction in workforce and related costs; (3) external advisory fees of \$10 million associated with AmeriGas operations enhancement for growth project; and (4) an impairment of assets of \$5 million at UGI International.

UGI CORPORATION AND SUBSIDIARIES

Adjusted net income attributable to UGI Corporation for the 2025 six-month period was \$779 million (equal to \$3.58 per diluted share) compared to \$681 million (equal to \$3.16 per diluted share) for the 2024 six-month period. The increase in adjusted net income attributable to UGI Corporation for the 2025 six-month period reflects higher earnings contributions from our Midstream & Marketing, UGI International and Utilities segments, partially offset by lower earnings contributions from the AmeriGas Propane segment. In addition, the increase in adjusted net income during the 2025 six-month period also reflects significantly lower income tax expenses primarily related to an increase in investment tax credits in our Midstream & Marketing segment and the release of a valuation allowance on deferred tax assets expected to be utilized in the current year in our UGI International segment. During the 2025 six-month period, temperatures in all of our segments were significantly colder than the prior-year period.

Utilities' adjusted net income attributable to UGI Corporation increased \$14 million in the 2025 six-month period. The increase was largely attributable to higher total margin due in large part to higher core market volumes and the increase in the base rate at WV Gas Utility effective January 2024, partially offset by higher operating and administrative expenses.

Midstream & Marketing's adjusted net income attributable to UGI Corporation increased \$27 million in the 2025 six-month period. The increase is primarily attributable to lower income tax expenses, reflecting higher investment tax credits in the 2025 six-month period, partially offset by lower total margin from lower midstream margins.

UGI International's adjusted net income attributable to UGI Corporation increased \$19 million in the 2025 six-month period. The increase is mainly attributable to lower operating and administrative expenses and lower income tax expenses, partially offset by lower margin contributions primarily from our energy marketing activities, reflecting the exit of substantially all of UGI International's energy marketing business in Fiscal 2024.

AmeriGas Propane's adjusted net income attributable to UGI Corporation decreased \$74 million in the 2025 six-month period. The decrease principally reflects higher income tax expenses, partially offset by higher total margin and lower operating and administrative expenses in the 2025 six-month period.

Analysis of Segment Results
2025 Three-Month Period Compared with the 2024 Three-Month Period
Utilities

For the three months ended March 31, (Dollars in millions)	2025	2024	Increase (Decrease)	
Revenues	\$ 773	\$ 646	\$ 127	20 %
Total margin (a)	\$ 385	\$ 363	\$ 22	6 %
Operating and administrative expenses (a)	\$ 103	\$ 97	\$ 6	6 %
Operating income	\$ 240	\$ 225	\$ 15	7 %
Earnings before interest expense and income taxes	\$ 241	\$ 226	\$ 15	7 %
Gas Utility system throughput—bcf				
Core market	53	45	8	18 %
Total	128	121	7	6 %
Electric Utility distribution sales - gwh	279	266	13	5 %
Gas Utility degree days—% colder (warmer) than normal (b)	0.3 %	(16.4)%	—	—

(a) Total margin represents revenues less cost of sales and revenue-related taxes (i.e., gross receipts and business and occupation taxes) of \$10 million and \$9 million during the 2025 and 2024 three-month periods, respectively. For financial statement purposes, revenue-related taxes are included in "Operating and administrative expenses" on the Condensed Consolidated Statements of Income (but are excluded from operating and administrative expenses presented above).

(b) Deviation from average heating degree days is determined on a 10-year period utilizing volume-weighted weather data based on weather statistics provided by NOAA for airports located within Gas Utility's service territories.

UGI CORPORATION AND SUBSIDIARIES

Temperatures in Gas Utility's service territories during the 2025 three-month period were 0.3% colder than normal and 15.1% colder than the prior-year period. Gas Utility core market volumes increased 18% during the 2025 three-month period, principally reflecting the impact from the significantly colder weather compared to the prior-year period. Total Gas Utility volume increased 6% during the 2025 three-month period, mainly reflecting the increase in core market volumes. The increase in Electric Utility distribution sales volumes is primarily attributable to colder weather during the 2025 three-month period.

Utilities revenues increased \$127 million in the 2025 three-month period, primarily reflecting higher Gas Utility revenues (\$122 million). The increase in Gas Utility revenues was largely attributable to the higher core market volumes and higher off-system sales, partially offset by the effects of the weather normalization adjustments. The increase in Electric Utility revenues (\$5 million) in the 2025 three-month period is principally attributable to the higher sales volumes and higher DS rates.

Utilities cost of sales increased \$105 million in the 2025 three-month period, primarily reflecting higher Gas Utility cost of sales (\$100 million). The increase in Gas Utility cost of sales was largely attributable to the higher core market volumes and higher cost of sales associated with off-system sales. The increase in Electric Utility cost of sales (\$5 million) is principally attributable to the higher sales volumes and higher DS rates.

Utilities total margin increased \$22 million during the 2025 three-month period, reflecting higher Gas Utility total margin (\$22 million). The increase in Gas Utility total margin mainly reflects the higher core market volumes, partially offset by the effects of the weather normalization adjustments. Electric Utility margin was comparable to the prior-year period.

Utilities operating income and earnings before interest expense and income taxes each increased \$15 million during the 2025 three-month period. These increases largely reflect the increase in total margin (\$22 million), partially offset by higher operating and administrative expenses (\$6 million) and higher depreciation expense (\$3 million). The higher operating and administrative expenses reflect, among other things, higher maintenance expense and slightly higher uncollectible accounts expenses. The higher depreciation expense compared to the prior-year period reflects the effects of continued distribution system capital expenditure activity.

Midstream & Marketing

For the three months ended March 31, (Dollars in millions)	2025		2024		Increase (Decrease)	
Revenues	\$	587	\$	483	\$	104 22 %
Total margin (a)	\$	202	\$	200	\$	2 1 %
Operating and administrative expenses	\$	31	\$	29	\$	2 7 %
Operating income	\$	151	\$	151	\$	— — %
Earnings before interest expense and income taxes	\$	154	\$	153	\$	1 1 %

(a) Total margin represents revenues less cost of sales.

Average temperatures across Midstream & Marketing's energy marketing territory during the 2025 three-month period were 2.5% colder than normal and 14.9% colder than the prior-year period.

Midstream & Marketing revenues increased \$104 million compared to the prior-year period, primarily reflecting higher revenues from natural gas marketing activities (\$97 million), including the effects of capacity management activities, that were primarily impacted by the colder weather, and higher midstream revenues (\$5 million), mainly from higher peaking revenues. These increases were partially offset by absence of revenues from UGID that was sold in September 2024 (\$9 million).

Midstream & Marketing cost of sales increased \$102 million compared to the prior-year period, primarily reflecting higher natural gas costs (\$89 million) related to the previously mentioned natural gas marketing activities and higher midstream cost of sales (\$10 million), mainly from higher peaking activities. These increases were partially offset by absence of cost of sales from UGID that was sold in September 2024 (\$6 million).

Midstream & Marketing total margin was slightly higher than the prior-year period as the effects of higher capacity management margin (\$5 million) and higher total margin from natural gas marketing activities (\$3 million) was largely offset by lower midstream margins (\$5 million), mainly from lower natural gas gathering and processing activities, and absence of margins from UGID that was sold in September 2024 (\$3 million).

UGI CORPORATION AND SUBSIDIARIES

Midstream & Marketing operating income and earnings before interest expense and income taxes during the 2025 three-month period were comparable to the prior-year period as slightly higher total margin was substantially offset by slightly higher operating and administrative expenses.

UGI International

For the three months ended March 31, (Dollars in millions)	2025	2024	Increase (Decrease)	
Revenues	\$ 650	\$ 673	\$ (23)	(3)%
Total margin (a)	\$ 302	\$ 305	\$ (3)	(1)%
Operating and administrative expenses	\$ 142	\$ 155	\$ (13)	(8)%
Operating income	\$ 139	\$ 124	\$ 15	12 %
Earnings before interest expense and income taxes	\$ 143	\$ 131	\$ 12	9 %
LPG retail gallons sold (millions)	213	221	(8)	(4)%
Degree days—% (warmer) than normal (b)	(2.2)%	(13.2)%	—	—

(a) Total margin represents revenues less cost of sales.

(b) Deviation from average heating degree days is determined on a rolling 10-year period utilizing volume-weighted weather data at locations in our UGI International service territories.

Average temperatures during the 2025 three-month period were 2.2% warmer than normal and 10.4% colder than the prior-year period. Notwithstanding the colder weather, total LPG retail gallons sold during the 2025 three-month period were 4% lower than the prior-year period, largely due to continued structural conservation and the absence of certain customers who previously converted from natural gas to LPG, substantially offset by the impact from the colder weather.

UGI International base-currency results are translated into USD based upon exchange rates experienced during the reporting periods. The functional currency of a significant portion of our UGI International results is the euro and, to a much lesser extent, the British pound sterling. During the 2025 and 2024 three-month periods, the average unweighted euro-to-USD translation rates were approximately \$1.05 and \$1.09, respectively, and the average unweighted British pound sterling-to-USD translation rates were approximately \$1.26 and \$1.27, respectively. Fluctuations in these foreign currency exchange rates can have a significant impact on the individual financial statement components discussed below. The Company uses forward foreign currency exchange contracts entered into over multi-year periods to reduce the volatility in earnings that may result from such changes in foreign currency exchange rates. These forward foreign currency exchange contracts resulted in realized net gains of \$3 million and \$6 million in the 2025 and 2024 three-month periods, respectively.

Average wholesale prices for propane and butane during the 2025 three-month period in northwest Europe were approximately 11.1% and 10.2% higher, respectively, compared with the prior-year period. UGI International revenues and cost of sales decreased \$23 million and \$20 million, respectively, during the 2025 three-month period compared to the prior-year period. The decrease in revenues principally reflects lower LPG volumes sold and the translation effects of the weaker foreign currencies (approximately \$19 million), substantially offset by the effects of LPG price increases across Europe. The decrease in cost of sales principally reflects lower LPG volumes sold and the translation effects of the weaker foreign currencies (approximately \$10 million), substantially offset by higher LPG product costs.

UGI International total margin decreased \$3 million during the 2025 three-month period, primarily reflecting lower margin contributions from our LPG business. The lower margin contribution from our LPG business reflects lower LPG retail volumes sold and the translation effects of the weaker foreign currencies (approximately \$9 million), substantially offset by the effects of higher average unit margins attributable to strong margin management efforts. Our energy marketing activities did not have a material impact on either of the three-month periods as the aforementioned exit of substantially all of UGI International's energy marketing business was completed as of the end of the first quarter of Fiscal 2024.

UGI CORPORATION AND SUBSIDIARIES

UGI International operating income and earnings before interest expense and income taxes increased \$15 million and \$12 million, respectively, during the 2025 three-month period. The increase in operating income principally reflects lower operating and administrative expenses (\$13 million) and slightly higher other operating income, partially offset by the \$3 million decrease in total margin. The lower operating and administrative expenses in the 2025 three-month period primarily reflects lower personnel and maintenance expenses, lower distribution expenses due to lower retail volumes sold and the translation effects of the weaker foreign currencies (approximately \$6 million), partially offset by the effects of inflationary increases. The increase in earnings before interest expense and income taxes in the 2025 three-month period largely reflects the \$15 million increase in operating income, partially offset by lower realized gains on foreign currency exchange contracts entered into in order to reduce volatility in UGI International earnings resulting from the effects of changes in foreign currency exchange rates (\$3 million).

AmeriGas Propane

For the three months ended March 31, (Dollars in millions)	2025		2024		Increase (Decrease)		
Revenues	\$	848	\$	795	\$	53	7 %
Total margin (a)	\$	446	\$	433	\$	13	3 %
Operating and administrative expenses	\$	257	\$	258	\$	(1)	— %
Operating income / earnings before interest expense and income taxes	\$	154	\$	138	\$	16	12 %
Retail gallons sold (millions)		269		261		8	3 %
Degree days—% colder (warmer) than normal (b)		2.8 %		(8.6)%		—	—

(a) Total margin represents total revenues less total cost of sales.

(b) Deviation from average heating degree days is determined on a rolling 10-year period utilizing volume-weighted weather data based on weather statistics provided by NOAA for 344 regions in the U.S., excluding Alaska and Hawaii.

Average temperatures during the 2025 three-month period were 2.8% colder than normal and 10.5% colder than the prior-year period. Total retail gallons sold increased 3% during the 2025 three-month period primarily due to the impact from the colder weather, partially offset by continuing customer attrition.

Average daily wholesale propane commodity prices during the 2025 three-month period at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 7% higher than such prices during the 2024 three-month period. Total revenues increased \$53 million during the 2025 three-month period largely reflecting the effects of higher average retail propane selling prices (\$30 million), higher retail volumes sold (\$21 million) and higher wholesale revenues (\$6 million), partially offset by lower fee income (\$4 million).

Total cost of sales increased \$40 million during the 2025 three-month period largely reflecting the higher retail propane product costs (\$22 million), the higher volumes sold (\$10 million) and the higher wholesale cost of sales (\$8 million).

Total margin increased \$13 million in the 2025 three-month period largely attributable to the higher retail propane volumes sold (\$12 million) and higher average retail propane unit margins (\$7 million), partially offset by lower fee income (\$4 million).

Operating income and earnings before interest expense and income taxes each increased \$16 million during the 2025 three-month period, primarily reflecting the increase in total margin (\$13 million) and higher gains on asset sales (\$4 million). Operating and administrative expenses were comparable to the prior-year period as lower compensation expenses were substantially offset by higher general insurance expenses.

Interest Expense and Income Taxes

Our consolidated interest expense during the 2025 three-month period was \$102 million compared to \$100 million during the 2024 three-month period. The slight increase in interest expense reflects the effects of higher average long-term debt outstanding at Utilities and UGI Corporation, substantially offset by lower interest expense from lower average long-term debt outstanding at AmeriGas Propane and lower average credit agreement borrowings during the 2025 three-month period.

The decrease in the Company's income tax rate for the 2025 three-month period principally reflects an increase in investment tax credits in our Midstream & Marketing segment and the release of a valuation allowance on deferred tax assets expected to be utilized by our UGI International segment.

2025 Six-Month Period Compared with the 2024 Six-Month Period
Utilities

For the six months ended March 31, (Dollars in millions)	2025	2024	Increase (Decrease)	
Revenues	\$ 1,258	\$ 1,139	\$ 119	10 %
Total margin (a)	\$ 659	\$ 628	\$ 31	5 %
Operating and administrative expenses (a)	\$ 194	\$ 185	\$ 9	5 %
Operating income	\$ 378	\$ 359	\$ 19	5 %
Earnings before interest expense and income taxes	\$ 382	\$ 361	\$ 21	6 %
Gas Utility system throughput—bcf				
Core market	84	75	9	12 %
Total	226	225	1	— %
Electric Utility distribution sales - gwh	521	507	14	3 %
Gas Utility degree days—% (warmer) than normal (b)	(1.1)%	(14.2)%	—	—

(a) Total margin represents revenues less cost of sales and revenue-related taxes (i.e., gross receipts and business and occupation taxes) of \$17 million and \$16 million during the 2025 and 2024 six-month periods, respectively. For financial statement purposes, revenue-related taxes are included in “Operating and administrative expenses” on the Condensed Consolidated Statements of Income (but are excluded from operating and administrative expenses presented above).

(b) Deviation from average heating degree days is determined on a 10-year period utilizing volume-weighted weather data based on weather statistics provided by NOAA for airports located within Gas Utility’s service territories.

Temperatures in Gas Utility’s service territories during the 2025 six-month period were 1.1% warmer than normal and 10.1% colder than the prior-year period. Gas Utility core market volumes increased 12% during the 2025 six-month period, principally reflecting the impact from the colder weather compared to the prior-year period. Total Gas Utility volume was comparable to the prior year period, notwithstanding the increase in core market volumes, primarily reflecting lower large firm delivery service volumes. The increase in Electric Utility distribution sales volumes is primarily attributable to colder weather during the 2025 six-month period.

Utilities revenues increased \$119 million in the 2025 six-month period, primarily reflecting higher Gas Utility revenues (\$114 million). The increase in Gas Utility revenues was largely attributable to the higher core market volumes, the increase in the base rate for WV Gas Utility effective January 1, 2024 and higher off-system sales. These increases were partially offset by the effects of the weather normalization adjustments. The increase in Electric Utility revenues (\$5 million) in the 2025 six-month period is principally attributable to the higher sales volumes and higher DS rates.

Utilities cost of sales increased \$88 million in the 2025 six-month period, primarily reflecting higher Gas Utility cost of sales (\$84 million). The increase in Gas Utility cost of sales was largely attributable to the higher core market volumes and higher cost of sales associated with off-system sales. The increase in Electric Utility cost of sales (\$4 million) is principally attributable to the higher sales volumes and higher DS rates.

Utilities total margin increased \$31 million during the 2025 six-month period, reflecting higher Gas Utility total margin. The increase in Gas Utility total margin mainly reflects the higher core market volumes and the increase in the base rate for WV Gas Utility effective January 1, 2024, partially offset by the effects of the weather normalization adjustments. Electric Utility margin was comparable to the prior-year period.

Utilities operating income and earnings before interest expense and income taxes increased \$19 million and \$21 million, respectively, during the 2025 six-month period. These increases largely reflect the increase in total margin (\$31 million), partially offset by higher operating and administrative expenses (\$9 million) and higher depreciation expense (\$6 million). The higher operating and administrative expenses reflect, among other things, higher maintenance expenses, higher personnel expenses and higher uncollectible accounts expenses. The higher depreciation expense compared to the prior-year period reflects the effects of continued distribution system capital expenditure activity.

UGI CORPORATION AND SUBSIDIARIES
Midstream & Marketing

For the six months ended March 31, (Dollars in millions)	2025		2024		Increase (Decrease)		
Revenues	\$	954	\$	877	\$	77	9 %
Total margin (a)	\$	340	\$	355	\$	(15)	(4)%
Operating and administrative expenses	\$	60	\$	60	\$	—	— %
Operating income	\$	242	\$	250	\$	(8)	(3)%
Earnings before interest expense and income taxes	\$	249	\$	255	\$	(6)	(2)%

(a) Total margin represents revenues less cost of sales.

Average temperatures across Midstream & Marketing's energy marketing territory during the 2025 six-month period were 0.1% warmer than normal and 10.5% colder than the prior-year period.

Midstream & Marketing revenues increased \$77 million compared to the prior-year period, primarily reflecting higher revenues from natural gas marketing activities (\$84 million), including the effects of capacity management activities, that were primarily impacted by the colder weather, and higher revenues from renewable energy (\$6 million). These increases were partially offset by absence of revenues from UGID that was sold in September 2024 (\$18 million).

Midstream & Marketing cost of sales increased \$92 million compared to the prior-year period, primarily reflecting higher natural gas costs (\$81 million) related to the previously mentioned natural gas marketing activities, higher midstream cost of sales (\$13 million), mainly from higher peaking activities, and higher cost of sales from renewable energy (\$4 million). These increases were partially offset by absence of cost of sales from UGID that was sold in September 2024 (\$11 million).

Midstream & Marketing total margin decreased \$15 million compared to the prior-year period, primarily reflecting lower midstream margins (\$15 million), mainly from lower natural gas gathering and processing activities, and absence of margins from UGID that was sold in September 2024 (\$7 million). These increases were partially offset by higher total margin from natural gas marketing activities (\$3 million) and higher margins from renewable energy (\$2 million).

Midstream & Marketing operating income and earnings before interest expense and income taxes during the 2025 six-month period decreased \$8 million and \$6 million, respectively, compared to the prior-year period. The decrease in operating income is largely attributable to the lower total margin (\$15 million), partially offset by higher other operating income (\$4 million) and lower depreciation and amortization expense (\$4 million). The decrease in earnings before interest expense and income taxes principally reflects the decrease in operating income (\$8 million), partially offset by slightly higher income from equity investees (\$2 million).

UGI International

For the six months ended March 31, (Dollars in millions)	2025		2024		Increase (Decrease)		
Revenues	\$	1,288	\$	1,398	\$	(110)	(8)%
Total margin (a)	\$	566	\$	584	\$	(18)	(3)%
Operating and administrative expenses	\$	276	\$	302	\$	(26)	(9)%
Operating income	\$	245	\$	237	\$	8	3 %
Earnings before interest expense and income taxes	\$	253	\$	248	\$	5	2 %
LPG retail gallons sold (millions)		431		435		(4)	(1)%
Degree days—% (warmer) than normal (b)		(2.8)%		(12.7)%		—	—

(a) Total margin represents revenues less cost of sales.

(b) Deviation from average heating degree days is determined on a rolling 10-year period utilizing volume-weighted weather data at locations in our UGI International service territories.

UGI CORPORATION AND SUBSIDIARIES

Average temperatures during the 2025 six-month period were 2.8% warmer than normal and 9.4% colder than the prior-year period. Notwithstanding the colder weather, total LPG retail gallons sold during the 2025 six-month period slightly decreased compared to the prior-year period, largely attributable to continued structural conservation and the absence of certain customers who previously converted from natural gas to LPG, substantially offset by the impact from the colder weather and higher crop drying campaigns.

UGI International base-currency results are translated into USD based upon exchange rates experienced during the reporting periods. The functional currency of a significant portion of our UGI International results is the euro and, to a much lesser extent, the British pound sterling. During the 2025 and 2024 six-month periods, the average unweighted euro-to-USD translation rates were approximately \$1.06 and \$1.08, respectively, and the average unweighted British pound sterling-to-USD translation rates were approximately \$1.27 and \$1.26, respectively. Fluctuations in these foreign currency exchange rates can have a significant impact on the individual financial statement components discussed below. The Company uses forward foreign currency exchange contracts entered into over multi-year periods to reduce the volatility in earnings that may result from such changes in foreign currency exchange rates. These forward foreign currency exchange contracts resulted in realized net gains of \$7 million and \$10 million in the 2025 and 2024 six-month periods, respectively.

Average wholesale prices for propane and butane during the 2025 six-month period in northwest Europe were approximately 12.3% and 7.8% higher, respectively, compared with the prior-year period. UGI International revenues and cost of sales decreased \$110 million and \$92 million, respectively, during the 2025 six-month period compared to the prior-year period. The decrease in revenues and cost of sales principally reflects significantly lower energy marketing activities during the 2025 six-month period resulting from the exit of substantially all of UGI International's energy marketing business in Belgium, France and the Netherlands in Fiscal 2024. The decrease in revenues was also attributable to the lower LPG retail volumes sold and the translation effects of the weaker foreign currencies (approximately \$24 million), partially offset by LPG price increases across Europe. The decrease in cost of sales was also attributable to the lower LPG retail volumes sold and the translation effects of the weaker foreign currencies (approximately \$12 million), substantially offset by higher LPG product costs.

UGI International total margin decreased \$18 million during the 2025 six-month period primarily reflecting the translation effects of the weaker foreign currencies (approximately \$12 million) and lower margin contributions primarily from our energy marketing activities, partially offset by slightly higher margin contributions from our LPG business. The lower margin from our energy marketing activities reflects the impact of the aforementioned exit of substantially all of UGI International's energy marketing business. The slightly higher margin from our LPG business primarily reflects the effects of higher average unit margins in the 2025 six-month period, substantially offset by the lower LPG retail volumes sold.

UGI International operating income and earnings before interest expense and income taxes increased \$8 million and \$5 million, respectively, during the 2025 six-month period. The increase in operating income principally reflects lower operating and administrative expenses (\$26 million), partially offset by the decrease in total margin (\$18 million). The lower operating and administrative expenses in the 2025 six-month period primarily reflects lower personnel and maintenance expenses in our LPG business, the translation effects of the weaker foreign currencies (approximately \$7 million) and a decline in energy marketing-related operating expenses, partially offset by the effects of inflationary increases. The increase in earnings before interest expense and income taxes in the 2025 six-month period largely reflects the \$8 million increase in operating income, partially offset by lower realized gains on foreign currency exchange contracts entered into in order to reduce volatility in UGI International earnings resulting from the effects of changes in foreign currency exchange rates (\$3 million).

AmeriGas Propane

For the six months ended March 31, (Dollars in millions)	2025	2024	Increase (Decrease)	
Revenues	\$ 1,475	\$ 1,424	\$ 51	4 %
Total margin (a)	\$ 793	\$ 779	\$ 14	2 %
Operating and administrative expenses	\$ 493	\$ 501	\$ (8)	(2)%
Operating income / earnings before interest expense and income taxes	\$ 228	\$ 209	\$ 19	9 %
Retail gallons sold (millions)	473	467	6	1 %
Degree days—% (warmer) than normal (b)	(1.1)%	(7.7)%	—	—

(a) Total margin represents total revenues less total cost of sales.

(b) Deviation from average heating degree days is determined on a rolling 10-year period utilizing volume-weighted weather data based on weather statistics provided by NOAA for 344 regions in the U.S., excluding Alaska and Hawaii.

UGI CORPORATION AND SUBSIDIARIES

Average temperatures during the 2025 six-month period were 1.1% warmer than normal and 6.1% colder than the prior-year period. Total retail gallons sold increased 1% during the 2025 six-month period, primarily due to the impact from the colder weather, partially offset by continuing customer attrition.

Average daily wholesale propane commodity prices during the 2025 six-month period at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 11% higher than such prices during the 2024 six-month period. Total revenues increased \$51 million during the 2025 six-month period reflecting the effects of higher average retail propane selling prices (\$36 million), higher retail volumes sold (\$16 million) and higher wholesale revenues (\$6 million), partially offset by lower fee income (\$7 million).

Total cost of sales increased \$37 million during the 2025 six-month period largely reflecting higher retail propane product costs (\$22 million), the higher volumes sold (\$7 million) and the higher wholesale cost of sales (\$8 million).

Total margin increased \$14 million in the 2025 six-month period reflecting higher average retail propane unit margins (\$14 million) and the higher retail propane volumes sold (\$9 million), partially offset by lower fee income (\$7 million).

Operating income and earnings before interest expense and income taxes each increased \$19 million during the 2025 six-month period, primarily reflecting the increase in total margin (\$14 million) and lower operating and administrative expenses (\$8 million). The decrease in operating and administrative expenses primarily reflects lower compensation expenses.

Interest Expense and Income Taxes

Our consolidated interest expense during the 2025 six-month period was \$204 million compared to \$200 million during the 2024 six-month period. The slight increase in interest expense reflects the effects of higher average long-term debt outstanding at Utilities and UGI Corporation, substantially offset by lower interest expense from lower average long-term debt outstanding at AmeriGas Propane and lower average credit agreement borrowings during the 2025 six-month period.

The decrease in the Company's income tax rate for the 2025 six-month period principally reflects an increase in investment tax credits in our Midstream & Marketing segment and the release of a valuation allowance on deferred tax assets expected to be utilized by our UGI International segment.

FINANCIAL CONDITION AND LIQUIDITY

The Company expects to have sufficient liquidity including cash on hand and available borrowing capacity, to continue to support long-term commitments and ongoing operations. Our total available liquidity balance, comprising cash and cash equivalents and available borrowing capacity on our revolving credit facilities, totaled approximately \$1.9 billion and \$1.5 billion at March 31, 2025 and September 30, 2024, respectively. The Company does not have any senior notes or term loans maturing in the next twelve months. UGI and its subsidiaries were in compliance with all of its debt covenants as of March 31, 2025.

We depend on both internal and external sources of liquidity to provide funds for working capital and to fund capital requirements. Our short-term cash requirements not met by cash from operations are generally satisfied with borrowings under credit facilities and, in the case of Midstream & Marketing, also from a Receivables Facility. Long-term cash requirements are generally met through the issuance of long-term debt or equity linked securities. We believe that each of our business units has sufficient liquidity in the forms of cash and cash equivalents on hand; cash expected to be generated from operations; credit facility and Receivables Facility borrowing capacity; and the ability to obtain long-term financing to meet anticipated contractual and projected cash commitments. Issuances of debt and equity securities in the capital markets and additional credit facilities may not, however, be available to us on acceptable terms.

The primary sources of UGI's cash and cash equivalents are the dividends and other cash payments made to UGI or its corporate subsidiaries by its principal business units. Our cash and cash equivalents totaled \$426 million at March 31, 2025, compared with \$213 million at September 30, 2024. Excluding cash and cash equivalents that reside at UGI's operating subsidiaries, at March 31, 2025 and September 30, 2024, UGI had \$162 million and \$72 million of cash and cash equivalents, respectively. Such cash is available to pay dividends on UGI Common Stock and for investment purposes.

Long-term Debt and Credit Facilities
Long-term Debt

The Company's debt outstanding at March 31, 2025 and September 30, 2024, comprises the following:

(Millions of dollars)	March 31, 2025						September 30, 2024	
	Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corp & Other	Eliminations (a)	Total	Total
Short-term borrowings	\$ 105	\$ —	\$ 308	\$ —	\$ —	\$ —	\$ 413	\$ 465
Long-term debt (including current maturities):								
Senior notes	\$ 1,930	\$ —	\$ 433	\$ 1,669	\$ 700	\$ —	\$ 4,732	\$ 4,788
Term loans	120	782	324	—	400	—	1,626	1,759
Other long-term debt	15	41	13	200	243	(200)	312	186
Unamortized debt issuance costs	(7)	(12)	(5)	(7)	(21)	—	(52)	(55)
Total long-term debt	\$ 2,058	\$ 811	\$ 765	\$ 1,862	\$ 1,322	\$ (200)	\$ 6,618	\$ 6,678
Total debt	\$ 2,163	\$ 811	\$ 1,073	\$ 1,862	\$ 1,322	\$ (200)	\$ 7,031	\$ 7,143

(a) Represents the elimination of the intersegment loan between UGI International to AmeriGas Partners.

Significant Financing Activities

The following significant financing activities occurred during Fiscal 2025. See Note 8 to Condensed Consolidated Financial Statements for additional information on these transactions.

Mountaineer Senior Notes. In April 2025, Mountaineer entered into a note purchase agreement which provides for the private placement of (1) \$50 million aggregate principal amount of 6.11% Senior Notes due June 1, 2035, and (2) \$20 million aggregate principal amount of 6.21% Senior Notes due June 1, 2037. The Senior Notes are expected to be funded on or before May 30, 2025. These Senior Notes, when funded, are unsecured and will rank equally with Mountaineer's existing outstanding senior debt. Mountaineer expects to use the net proceeds from the issuance of the Senior Notes to reduce short-term borrowings and for general corporate purposes.

UGI Utilities Senior Notes. In November 2024, UGI Utilities entered into a note purchase agreement with a consortium of lenders. Pursuant to the note purchase agreement, UGI Utilities issued \$50 million aggregate principal amount of 5.24% Senior Notes due November 30, 2029, and \$125 million aggregate principal amount of 5.52% Senior Notes due November 30, 2034. The net proceeds from these issuances were used to reduce short-term borrowings and for general corporate purposes.

AmeriGas Partners Senior Notes. On February 4, 2025, UGI International borrowed \$221 million under its revolving credit facility. The proceeds from these borrowings were subsequently used to fund an intercompany loan of \$221 million to AmeriGas Partners. In March 2025, AmeriGas Partners and AmeriGas Finance Corp, using the cash on hand from borrowings under the intercompany loan, redeemed all of the \$218 million outstanding aggregate principal balance of the 5.50% Senior Notes due May 2025, plus accrued and unpaid interest. As of March 31, 2025, borrowings outstanding on the intercompany loan were \$200 million.

AmeriGas Senior Secured Revolving Credit Facility. In October 2024, AmeriGas OLP amended the AmeriGas Senior Secured Revolving Credit Facility to increase total commitments from \$200 million to a total of \$300 million.

UGI Corporation 2025 Credit Agreement. In October 2024, UGI entered into the UGI Corporation 2025 Credit Agreement, providing a \$475 million revolving credit facility, including a \$10 million sublimit for letters of credit, and a \$400 million term loan facility. Borrowings under the credit agreement can be used for general corporate purposes, including refinancing a portion of the UGI Corporation Credit Facility Agreement and ongoing working capital needs of the Company. The revolving credit facility is scheduled to expire in October 2028, and the term loan facility is scheduled to mature in October 2027. In connection with entering into the UGI Corporation 2025 Credit Agreement, the Company paid off in full and terminated the UGI Corporation Credit Facility Agreement.

Credit Facilities

Additional information related to the Company’s credit agreements can be found in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and Note 6 to Consolidated Financial Statements in the Company’s 2024 Annual Report.

Information about the Company’s principal credit agreements (excluding the Receivables Facility discussed below) as of March 31, 2025 and 2024, is presented in the table below.

(Millions of dollars or euros)	Total Capacity	Borrowings Outstanding	Letters of Credit and Guarantees Outstanding	Available Borrowing Capacity
As of March 31, 2025				
AmeriGas OLP (a)	\$ 299	\$ —	\$ 1	\$ 298
UGI International, LLC (b)	€ 500	€ 284	€ —	€ 216
Energy Services	\$ 300	\$ —	\$ —	\$ 300
UGI Utilities	\$ 375	\$ 37	\$ —	\$ 338
Mountaineer	\$ 150	\$ 68	\$ —	\$ 82
UGI Corporation (c)	\$ 475	\$ 243	\$ —	\$ 232
As of March 31, 2024				
AmeriGas OLP	\$ 400	\$ —	\$ 2	\$ 398
UGI International, LLC (b)	€ 500	€ 135	€ —	€ 365
Energy Services	\$ 260	\$ —	\$ —	\$ 260
UGI Utilities	\$ 375	\$ 87	\$ —	\$ 288
Mountaineer	\$ 150	\$ 64	\$ —	\$ 86
UGI Corporation (c)	\$ 300	\$ 260	\$ —	\$ 40

- (a) The maximum amount available for borrowing at any time under the AmeriGas Senior Secured Revolving Credit Facility is limited to the borrowing base valuation, as defined by the agreement.
- (b) Permits UGI International, LLC or UGI International Holdings B.V. to borrow in euros or USD. At March 31, 2025, the amount borrowed consisted of euro-denominated borrowings equivalent to \$87 million and USD-denominated borrowings of \$221 million. At March 31, 2024, the amount borrowed consisted of euro-denominated borrowings equivalent to \$146 million.
- (c) Borrowings outstanding have been classified as “Long-term debt” on the Condensed Consolidated Balance Sheets.

UGI CORPORATION AND SUBSIDIARIES

The average daily and peak short-term borrowings under the Company's principal credit agreements are as follows:

(Millions of dollars or euros)	For the six months ended March 31, 2025		For the six months ended March 31, 2024	
	Average	Peak	Average	Peak
AmeriGas OLP	\$ 41	\$ 85	\$ —	\$ 25
UGI International, LLC	€ 135	€ 294	€ 179	€ 229
Energy Services	\$ —	\$ —	\$ 30	\$ 62
UGI Utilities	\$ 115	\$ 263	\$ 192	\$ 316
Mountaineer	\$ 101	\$ 118	\$ 88	\$ 104
UGI Corporation	\$ 251	\$ 283	\$ 238	\$ 289

Receivables Facility. Energy Services has a Receivables Facility with an issuer of receivables-backed commercial paper. In October 2024, the expiration date of the Receivables Facility was extended to October 2025. The Receivables Facility provides Energy Services with the ability to borrow up to \$150 million of eligible receivables during the period October 18, 2024 to April 30, 2025, and up to \$75 million of eligible receivables during the period May 1, 2025 to October 17, 2025, with the option to request an increase of \$50 million. The interest rate of the Receivables Facility was replaced with a term SOFR based interest rate effective with the extension in October 2024. Energy Services uses the Receivables Facility to fund working capital, margin calls under commodity futures contracts, capital expenditures, dividends and for general corporate purposes.

Under the Receivables Facility, Energy Services transfers, on an ongoing basis and without recourse, its trade accounts receivable to its wholly owned, special purpose subsidiary, ESFC, which is consolidated for financial statement purposes. ESFC, in turn, has sold and, subject to certain conditions, may from time to time sell, an undivided interest in some or all of the receivables to a major bank. Amounts sold to the bank are reflected as "Short-term borrowings" on the Condensed Consolidated Balance Sheets. ESFC was created and has been structured to isolate its assets from creditors of Energy Services and its affiliates, including UGI. Trade receivables sold to the bank remain on the Company's balance sheet and the Company reflects a liability equal to the amount advanced by the bank. The Company records interest expense on amounts owed to the bank. Energy Services continues to service, administer and collect trade receivables on behalf of the bank, as applicable.

At March 31, 2025, the outstanding balance of ESFC trade receivables was \$110 million, none of which were sold to the bank. At March 31, 2024, the outstanding balance of ESFC trade receivables was \$87 million, \$36 million of which was sold to the bank. There were no sales of receivables under the Receivables Facility during the six months ended March 31, 2025. During the six months ended March 31, 2024, peak sales of receivables and average daily amounts sold were \$97 million and \$42 million, respectively.

Dividends and Repurchases of Common Stock

On November 20, 2024, UGI's Board of Directors declared a cash dividend equal to \$0.375 per common share. The dividend was paid on January 1, 2025, to shareholders of record on December 16, 2024. On February 5, 2025, UGI's Board of Directors declared a cash dividend equal to \$0.375 per common share. The dividend was paid on April 1, 2025, to shareholders of record on March 17, 2025. On May 7, 2025, UGI's Board of Directors declared a quarterly dividend of \$0.375 per common share. The dividend is payable July 1, 2025, to shareholders of record on June 16, 2025.

Pursuant to the UGI share repurchase program authorized in February 2022, which allows for the repurchase of up to 8 million shares of UGI Common Stock, expiring February 2026, during the six months ended March 31, 2025, the Company purchased 0.5 million shares on the open market at a total purchase price of approximately \$17 million.

Cash Flows

Due to the seasonal nature of the Company's businesses, cash flows from operating activities are generally strongest during the second and third fiscal quarters when customers pay for natural gas, LPG, electricity and other energy products and services consumed during the peak heating season months. Conversely, operating cash flows are generally at their lowest levels during the fourth and first fiscal quarters when the Company's investment in working capital, principally inventories and accounts receivable, is generally greatest.

Operating Activities. Year-to-year variations in our cash flows from operating activities can be significantly affected by changes in operating working capital, especially during periods with significant changes in energy commodity prices. Cash flow provided by operating activities was \$848 million in the 2025 six-month period compared to cash provided by operating activities of \$641 million in the 2024 six-month period. Cash flow provided by operating activities before changes in operating working capital was \$1,122 million in the 2025 six-month period compared to \$1,055 million in the 2024 six-month period. Cash used to fund changes in operating working capital totaled \$274 million in the 2025 six-month period, as compared to the \$414 million of cash used to fund changes in operating working capital in the 2024 six-month period. The current-year period includes \$67 million of derivative instrument collateral deposit receipts principally at our Midstream & Marketing segment compared to \$38 million of such repayments principally at our UGI International segment in the prior-year period. The decrease in cash required to fund changes in operating working capital in the 2025 six-month period reflects, among other things, an increase in cash from accounts payable and other current assets partially offset by increased cash required to fund accounts receivable.

Investing Activities. Investing activity cash flow is principally affected by cash expenditures for property, plant and equipment; cash paid for acquisitions of businesses and assets; investments in equity method investees; and cash activity associated with dispositions of businesses and assets. Cash flow used by investing activities was \$367 million in the 2025 six-month period compared to \$353 million in the 2024 six-month period. Cash expenditures for property, plant and equipment were \$357 million in the 2025 six-month period compared with \$325 million in the 2024 six-month period principally reflecting higher cash capital expenditures at our Midstream & Marketing and Utilities segments. Investments in equity method investments during the 2025 six-month period principally reflects our continuing investments in renewable energy projects at our Midstream & Marketing segment.

Financing Activities. Changes in cash flow from financing activities are primarily due to issuances and repayments of long-term debt; net short-term borrowings; dividends on UGI Common Stock; quarterly payments on outstanding Purchase Contracts; and issuances and repurchases of equity instruments.

Cash flow used by financing activities was \$268 million in the 2025 six-month period compared to \$321 million in the 2024 six-month period. The 2025 six-month period includes, among other things, (a) the issuance by UGI Utilities of \$50 million and \$125 million principal amount of senior notes (b) entering into the UGI Corporation 2025 Credit Agreement consisting of (1) a \$475 million revolving credit facility and (2) a \$400 million variable-rate term loan, proceeds from the UGI Corporation 2025 Credit Agreement were used to prepay all borrowings under the UGI Corporation Credit Facility Agreement due August 29, 2025 and, concurrent with such repayment, terminated the agreement, (c) the repurchase by AmeriGas Propane of the \$218 outstanding aggregate principal balance of the 5.50% Senior Notes due May 2025. The 2024 six-month period includes the issuance by UGI Utilities of \$250 million principal amount of senior notes.

UTILITY REGULATORY MATTERS

UGI Utilities. On January 27, 2025, PA Gas Utility filed a request with the PAPUC to increase its base operating revenues for residential, commercial and industrial customers by \$110 million annually. The increased revenues would fund ongoing system improvements and operations necessary to maintain safe and reliable natural gas service. PA Gas Utility requested the new gas rates become effective March 28, 2025. The PAPUC entered an Order on February 20, 2025, suspending the effective date for the rate increase to allow for investigation and public hearings. Unless a settlement is reached sooner, the review process is expected to last up to nine months from the date of filing. The Company cannot predict the timing or the ultimate outcome of the rate case review process.

Mountaineer. On July 31, 2024, WV Gas Utility submitted its 2024 IREP filing to the WVPSC requesting recovery of \$19 million, which includes \$3 million of prior year under-recovery, for costs associated with capital investments after December 31, 2022, that total \$197 million, including \$74 million in calendar year 2025. The filing included capital investments totaling \$418 million over the 2025 - 2029 period. On October 28, 2024, the WVPSC issued an order approving WV Gas Utility's request, with new rates effective January 1, 2025.

On July 31, 2023, WV Gas Utility submitted its 2023 IREP filing to the WVPSC requesting recovery of \$10 million, an increase of \$6 million, for costs associated with capital investments after December 31, 2022, that total \$131 million, including \$67 million in calendar year 2024. With new base rates expected to be effective January 1, 2024, revenues from IREP rates would decrease by \$12 million. The filing included capital investments totaling \$383 million over the 2024 - 2028 period. On December 20, 2023, the WVPSC issued a final order approving a settlement effective January 1, 2024.

On March 6, 2023, WV Gas Utility submitted a base rate case filing with the WVPSC seeking a net revenue increase of \$20 million, which consisted of an increase in base rates of \$38 million and a decrease in the IREP rates of \$18 million annually to be effective on April 5, 2023. On March 31, 2023, the WVPSC suspended the effective date of the requested rate change increase until January 1, 2024 to allow for a full review of the filing. On October 6, 2023, WV Gas Utility filed a joint stipulation and agreement for settlement of the base rate case, which included a \$14 million net revenue increase. On December 21, 2023, the WVPSC issued a final order approving the joint stipulation and agreement, except the WVPSC authorized WV Gas Utility to implement a weather normalization adjustment rider as a five-year pilot program beginning on October 1, 2024. The new rates went into effect on January 1, 2024. On April 11, 2024, the WVPSC approved the calculation methodology submitted by WV Gas Utility on March 28, 2024. Under this rider, when weather deviates from normal by more than 2%, for service rendered during the period October 1 through May 31, residential and small commercial customer billings for distribution services are adjusted for weather related impacts exceeding the 2% threshold.

OTHER MATTERS

West Reading, Pennsylvania Explosion. On March 24, 2023, an explosion occurred in West Reading, Pennsylvania which resulted in seven fatalities, injuries to at least ten others, and extensive property damage to buildings owned by R.M. Palmer, a local chocolate manufacturer, and neighboring structures. The NTSB investigated and the PAPUC is investigating the West Reading incident. The NTSB investigative team included representatives from the Company, the local fire department and the Pipeline and Hazardous Materials Safety Administration. The Company cooperated with the investigation. In September 2023, OSHA closed their investigation of this matter, without any finding pertaining to UGI Utilities.

On December 10, 2024, the NTSB staff presented its draft findings to the NTSB Board. On April 8, 2025, the NTSB released its final report concluding that a fracture in an R.M. Palmer steam pipe created elevated underground temperatures that caused thermal degradation of a UGI Utilities service tee, resulting in a natural gas leak, and recommended UGI Utilities inventory and address risks to plastic gas assets in high-temperature environments.

The Company has received claims as a result of the explosion and is involved in lawsuits relative to the incident. With the issuance of the final NTSB report, discovery in the litigation will now begin. The Company maintains liability insurance for personal injury, property and casualty damages and believes that third-party claims associated with the explosion, in excess of the Company's deductible, are recoverable through the Company's insurance. The Company cannot predict the result of these pending or future claims and legal actions at this time.

Regarding these pending claims and legal actions, the Company does not believe, at this early stage, that there is sufficient information available to reasonably estimate a range of loss, if any, or conclude that the final outcome of these matters will or will not have a material effect on our financial statements.

In addition to the matters described above, there are other pending claims and legal actions arising in the normal course of our businesses. Although we cannot predict the final results of these pending claims and legal actions, including those described above, we believe, after consultation with counsel, that the final outcome of these matters will not have a material effect on our financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our primary market risk exposures are (1) commodity price risk; (2) interest rate risk; and (3) foreign currency exchange rate risk. Although we use derivative financial and commodity instruments to reduce market price risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes.

Commodity Price Risk

The risk associated with fluctuations in the prices the Partnership and our UGI International operations pay for LPG is principally a result of market forces reflecting changes in supply and demand for LPG and other energy commodities. Their profitability is sensitive to changes in LPG supply costs. Increases in supply costs are generally passed on to customers. The Partnership and UGI International may not, however, always be able to pass through product cost increases fully or on a timely basis, particularly when product costs rise rapidly. In order to reduce the volatility of LPG market price risk, the Partnership uses contracts for the forward purchase or sale of propane, propane fixed-price supply agreements and over-the-counter derivative commodity instruments including price swap and option contracts. Our UGI International operations use over-the-counter derivative commodity instruments and may from time to time enter into other derivative contracts, similar to those used by the Partnership, to reduce market risk associated with a portion of their LPG purchases. Over-the-counter derivative commodity instruments used to economically hedge forecasted purchases of LPG are generally settled at expiration of the contract.

Utilities' tariffs contain clauses that permit recovery of all prudently incurred costs of natural gas it sells to its retail core-market customers, including the cost of financial instruments used to hedge purchased gas costs. The recovery clauses provide for periodic adjustments for the difference between the total amounts actually billed to customers through PGC and PGA rates and the recoverable costs incurred. Because of this ratemaking mechanism, there is limited commodity price risk associated with our Utilities operations. PA Gas Utility uses derivative financial instruments, including natural gas futures and option contracts traded on the NYMEX, to reduce volatility in the cost of gas it purchases for its retail core-market customers. The cost of these derivative financial instruments, net of any associated gains or losses, is included in PA Gas Utility's PGC recovery mechanism.

In order to manage market price risk relating to substantially all of Midstream & Marketing's fixed-price sale contracts for physical natural gas, Midstream & Marketing enters into NYMEX, ICE and over-the-counter natural gas futures and option contracts, and natural gas basis swap contracts or enters into fixed-price supply arrangements. Although Midstream & Marketing's fixed-price supply arrangements mitigate most risks associated with its fixed-price sales contracts, should any of the suppliers under these arrangements fail to perform, increases, if any, in the cost of replacement natural gas would adversely impact Midstream & Marketing's results. In order to reduce this risk of supplier nonperformance, Midstream & Marketing has diversified its purchases across a number of suppliers. In order to manage market price risk relating to fixed-price sales contracts for electricity, Midstream & Marketing entered into electricity futures and forward contracts. Prior to the sale of UGID in September 2024, Midstream & Marketing, through UGID, also used NYMEX and over-the-counter electricity futures contracts to economically hedge the price of a portion of its anticipated future sales of electricity from its electric generation facilities. Prior to the exit of substantially all of the Company's energy marketing business in Europe (see Note 5), UGI International's natural gas and electricity marketing businesses also used natural gas and electricity futures and forward contracts to economically hedge market risk associated with a substantial portion of anticipated volumes under fixed-price sales and purchase contracts.

Interest Rate Risk

We have both fixed-rate and variable-rate debt. Changes in interest rates impact the cash flows of variable-rate debt but generally do not impact their fair value. Conversely, changes in interest rates impact the fair value of fixed-rate debt but do not impact their cash flows.

Our variable-rate debt at March 31, 2025, includes revolving credit facility borrowings and variable-rate term loans at UGI International, Utilities, Energy Services and UGI Corporation. These debt agreements have interest rates that are generally indexed to short-term market interest rates. We have entered into pay-fixed, receive-variable interest rate swap agreements on a significant portion of the term loans' principal balances and a significant portion of the term loans' tenor. We have designated these interest rate swaps as cash flow hedges. At March 31, 2025, combined borrowings outstanding under variable-rate debt agreements, excluding the previously mentioned effectively fixed-rate debt, totaled \$693 million.

Long-term debt associated with our domestic businesses is typically issued at fixed rates of interest based upon market rates for debt with similar terms and credit ratings. As these long-term debt issues mature, we may refinance such debt with new debt having interest rates reflecting then-current market conditions. In order to reduce interest rate risk associated with near- to medium-term forecasted issuances of fixed rate debt, from time to time we enter into IRPAs.

Foreign Currency Exchange Rate Risk

Our primary currency exchange rate risk is associated with the USD versus the euro and, to a lesser extent, the USD versus the British pound sterling. The USD value of our foreign currency denominated assets and liabilities will fluctuate with changes in the associated foreign currency exchange rates. From time to time, we use derivative instruments to hedge portions of our net investments in foreign subsidiaries, including anticipated foreign currency denominated dividends. Gains or losses on these net investment hedges remain in AOCI until such foreign operations are sold or liquidated. With respect to our net investments in our UGI International operations, a 10% decline in the value of the associated foreign currencies versus the USD would reduce their aggregate net book value at March 31, 2025, by approximately \$80 million, which amount would be reflected in other comprehensive income. We have designated certain euro-denominated borrowings as net investment hedges.

In order to reduce the volatility in net income associated with our foreign operations, principally as a result of changes in the USD exchange rate between the euro and British pound sterling, we enter into forward foreign currency exchange contracts. We layer in these foreign currency exchange contracts over a multi-year period to eventually equal approximately 90% of anticipated UGI International foreign currency earnings before income taxes.

Derivative Instrument Credit Risk

We are exposed to risk of loss in the event of nonperformance by our derivative instrument counterparties. Our derivative instrument counterparties principally comprise large energy companies and major U.S. and international financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits or entering into netting agreements that allow for offsetting counterparty receivable and payable balances for certain financial transactions, as deemed appropriate.

We have concentrations of credit risk associated with derivative instruments and we evaluate the creditworthiness of our derivative counterparties on an ongoing basis. As of March 31, 2025, the maximum amount of loss, based upon the gross fair values of the derivative instruments, we would incur if these counterparties failed to perform according to the terms of their contracts was \$256 million. In general, many of our over-the-counter derivative instruments and all exchange contracts call for the posting of collateral by the counterparty or by the Company in the forms of letters of credit, parental guarantees or cash. At March 31, 2025, we had received cash collateral from derivative instrument counterparties totaling \$45 million. In addition, we may have offsetting derivative liabilities and certain accounts payable balances with certain of these counterparties, which further mitigates the previously mentioned maximum amount of losses. Certain of the Partnership's derivative contracts have credit-risk-related contingent features that may require the posting of additional collateral in the event of a downgrade of the Partnership's debt rating. At March 31, 2025, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

The following table summarizes the fair values of unsettled market risk sensitive derivative instrument assets (liabilities) held at March 31, 2025 and changes in their fair values due to market risks. Certain of UGI Utilities' commodity derivative instruments are excluded from the table below because any associated net gains or losses are refundable to or recoverable from customers in accordance with UGI Utilities ratemaking.

(Millions of dollars)	Asset (Liability)	
	Fair Value	Change in Fair Value
March 31, 2025		
Commodity price risk (1)	\$ 63	\$ (97)
Interest rate risk (2)	\$ (10)	\$ (11)
Foreign currency exchange rate risk (3)	\$ 13	\$ (23)

(1) Change in fair value represents a 10% adverse change in the market prices of certain commodities.

(2) Change in fair value represents a 50 basis point adverse change in prevailing market interest rates.

(3) Change in fair value represents a 10% adverse change in the value of the Euro and the British pound sterling versus the USD.

ITEM 4. CONTROLS AND PROCEDURES**(a) Evaluation of Disclosure Controls and Procedures**

The Company's disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by the Company in reports filed or submitted under the Securities Exchange Act of 1934, as amended, is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this report, were not effective because of the material weakness in our internal control over financial reporting that was previously disclosed in our Annual Report on Form 10-K for the year ended September 30, 2024.

Notwithstanding the material weakness, we have concluded that the Company's unaudited interim consolidated financial statements included in this report are fairly stated in all material respects in accordance with U.S. generally accepted accounting principles for each of the periods presented.

Internal Control over Financial Reporting

As previously disclosed in our Annual Report on Form 10-K for the year ended September 30, 2024, management concluded that our internal control over financial reporting was not effective due to the material weakness. As of March 31, 2025, management is in the process of designing and implementing additional controls to timely validate cash flows used in the goodwill impairment test. Through March 31, 2025, management has engaged a third-party specialist who has begun to assist in the development of valuation models and in establishing sound and reasonable assumptions.

The material weakness identified in our Annual Report on Form 10-K for the year ended September 30, 2024, cannot be considered remediated until the applicable controls have operated for a sufficient period of time and management has concluded, through testing, that these controls are designed and operating effectively. Accordingly, we will continue to monitor and evaluate the effectiveness of our internal control over financial reporting.

(b) Change in Internal Control over Financial Reporting

Except for the material weakness as described above, during the most recent fiscal quarter, no change in the Company's internal control over financial reporting occurred that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth in Note 9 to Condensed Consolidated Financial Statements included in Item 1 of Part I of this report, is incorporated herein by reference.

ITEM 1A. RISK FACTORS

In addition to the information presented in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our 2024 Annual Report, which could materially affect our business, financial condition or future results. The risks described in our 2024 Annual Report are not the only risks facing the Company. Other unknown or unpredictable factors could also have material adverse effects on future results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table sets forth information with respect to the Company’s repurchases of its common stock during the quarter ended March 31, 2025.

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (1)
January 1, 2025 to January 31, 2025	—	\$0.00	—	6.50 million
February 1, 2025 to February 28, 2025	—	\$0.00	—	6.50 million
March 1, 2025 to March 31, 2025	500,000	\$33.25	500,000	6.00 million
Total	500,000		500,000	

(1) Shares of UGI Common Stock are repurchased through an extension of a previous share repurchase program announced by the Company on February 2, 2022. The UGI Board of Directors authorized the repurchase of up to 8 million shares of UGI Common Stock over a four-year period expiring in February 2026.

ITEM 6. EXHIBITS

The exhibits filed as part of this report are as follows (exhibits incorporated by reference are set forth with the name of the registrant, the type of report and last date of the period for which it was filed, and the exhibit number in such filing):

Exhibit No.	Incorporation by Reference			Exhibit
	Exhibit	Registrant	Filing	
4.1	Note Purchase Agreement, dated April 24, 2025, by and among Mountaineer Gas Company and the purchasers listed as signatories thereto.	UGI	Form 8-K (4/24/25)	4.1
10.1	Second Amendment to Revolving Credit and Security Agreement, dated February 14, 2025, by and among AmeriGas Propane, L.P., the lenders party thereto and PNC Bank, National Association, as agent.	UGI	Form 8-K (2/14/25)	10.1
31.1	Certification by the Chief Executive Officer relating to the Registrant’s Report on Form 10-Q for the quarter ended March 31, 2025, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
31.2	Certification by the Chief Financial Officer relating to the Registrant’s Report on Form 10-Q for the quarter ended March 31, 2025, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			

32	Certification by the Chief Executive Officer and the Chief Financial Officer relating to the Registrant's Report on Form 10-Q for the quarter ended March 31, 2025, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

UGI CORPORATION AND SUBSIDIARIES

EXHIBIT INDEX

31.1	Certification by the Chief Executive Officer relating to the Registrant's Report on Form 10-Q for the quarter ended March 31, 2025, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Chief Financial Officer relating to the Registrant's Report on Form 10-Q for the quarter ended March 31, 2025, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification by the Chief Executive Officer and the Chief Financial Officer relating to the Registrant's Report on Form 10-Q for the quarter ended March 31, 2025, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

UGI CORPORATION AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 8, 2025

UGI Corporation
(Registrant)

By: /s/ Sean P. O'Brien

Sean P. O'Brien
Chief Financial Officer

Date: May 8, 2025

By: /s/ Jean Felix Tematio Dontsop

Jean Felix Tematio Dontsop
Vice President, Chief Accounting Officer
and Corporate Controller

CERTIFICATION

I, Robert C. Flexon, certify that:

1. I have reviewed this periodic report on Form 10-Q of UGI Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

/s/ Robert C. Flexon

Robert C. Flexon
President and Chief Executive Officer of UGI Corporation

CERTIFICATION

I, Sean P. O'Brien, certify that:

1. I have reviewed this periodic report on Form 10-Q of UGI Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

/s/ Sean P. O'Brien

Sean P. O'Brien

Chief Financial Officer of UGI Corporation

**Certification by the Chief Executive Officer and Chief Financial Officer
Relating to a Periodic Report Containing Financial Statements**

I, Robert C. Flexon, Chief Executive Officer, and I, Sean P. O'Brien, Chief Financial Officer, of UGI Corporation, a Pennsylvania corporation (the "Company"), hereby certify that to our knowledge:

- (1) The Company's periodic report on Form 10-Q for the period ended March 31, 2025 (the "Form 10-Q") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

CHIEF EXECUTIVE OFFICER

/s/ Robert C. Flexon

Robert C. Flexon

Date: May 8, 2025

CHIEF FINANCIAL OFFICER

/s/ Sean P. O'Brien

Sean P. O'Brien

Date: May 8, 2025