



UGI
CORPORATION

AmeriGas

Fiscal 2019
First Quarter Results

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About This Presentation

This presentation contains certain forward-looking statements that management believes to be reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. You should read UGI's Annual Report on Form 10-K for a more extensive list of factors that could affect results. Among them are adverse weather conditions, cost volatility and availability of all energy products, including propane, natural gas, electricity and fuel oil, increased customer conservation measures, the impact of pending and future legal proceedings, continued analysis of recent tax legislation, liability for uninsured claims and for claims in excess of insurance coverage, domestic and international political, regulatory and economic conditions in the United States and in foreign countries, including the current conflicts in the Middle East, and foreign currency exchange rate fluctuations (particularly the euro), changes in Marcellus Shale gas production, the availability, timing and success of our acquisitions, commercial initiatives and investments to grow our business, our ability to successfully integrate acquired businesses and achieve anticipated synergies, and the interruption, disruption, failure, malfunction, or breach of our information technology systems, including due to cyber-attack. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today. In addition, this presentation uses certain non-GAAP financial measures. Please see the appendix for reconciliations of these measures to the most comparable GAAP financial measure.

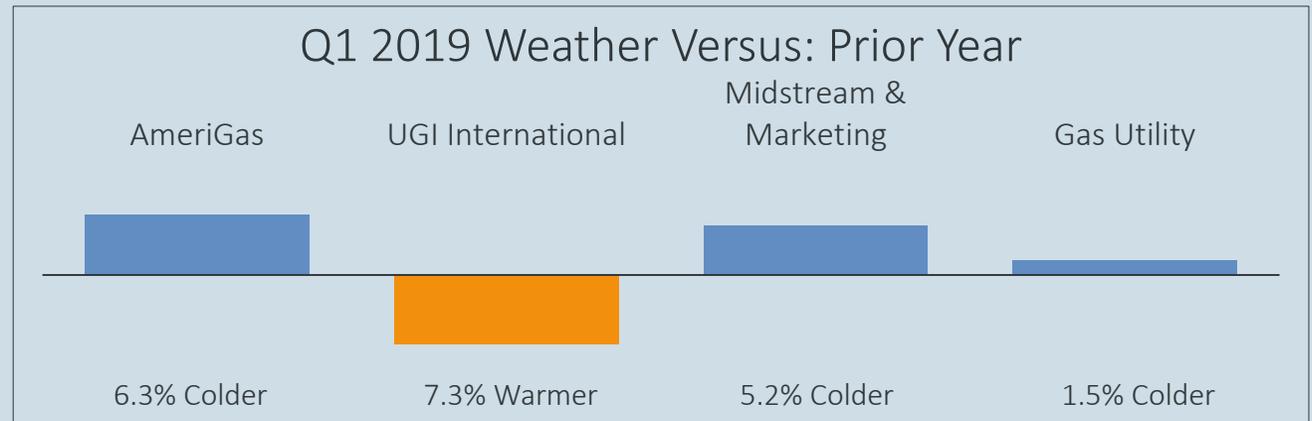
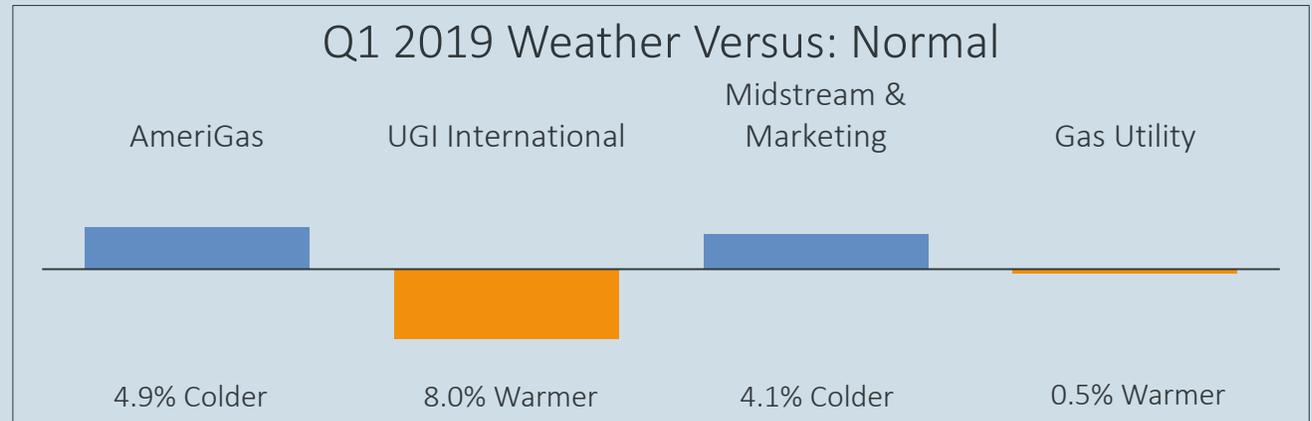
First Quarter Recap

John L. Walsh
President & CEO, UGI



First Quarter Earnings Recap

- GAAP EPS of \$0.36 and Adjusted EPS¹ of \$0.81
- Domestic temperatures were marginally colder than prior year and less volatile
- International temperatures were significantly warmer-than-normal and warmer than prior year



Key Accomplishments



- The Steelton LNG storage and vaporization facility is fully online and operational for the current heating season
- Midstream & Marketing acquired South Jersey Energy's retail natural gas business which includes 2,500 commercial and industrial customer contracts supplying ~6,000 locations
- Utilities added approximately 4,500 new residential heating and commercial customers in Q1 and remains on pace with its infrastructure replacement program
- National Accounts and Cylinder Exchange programs continue to perform as growth drivers for the business
- UGI International refinanced its existing capital structure with €350MM 3.25% senior notes due 2025, a €300MM term loan, and a €300MM revolving credit facility

First Quarter Financial Review

Ted J. Jastrzebski
Chief Financial Officer, UGI



First Quarter Adjusted Earnings

(Millions of dollars, except per share)	Q1 FY18	Q1 FY19
Net income attributable to UGI Corporation (GAAP)	\$ 365.9	\$ 64.2
Net (gains) losses on commodity derivative instruments ^{1,3}	(4.6)	81.2
Unrealized losses (gains) on foreign currency derivative instruments ¹	0.1	(5.8)
Loss on extinguishments of debt ¹	—	4.2
Integration expenses associated with Finagaz ¹	1.2	—
Impact of French Finance Bill	(17.3)	—
Remeasurement Impact from Tax Cuts and Jobs Act	(166.0)	—
Adjusted net Income attributable to UGI Corporation	\$ 179.3	\$ 143.8

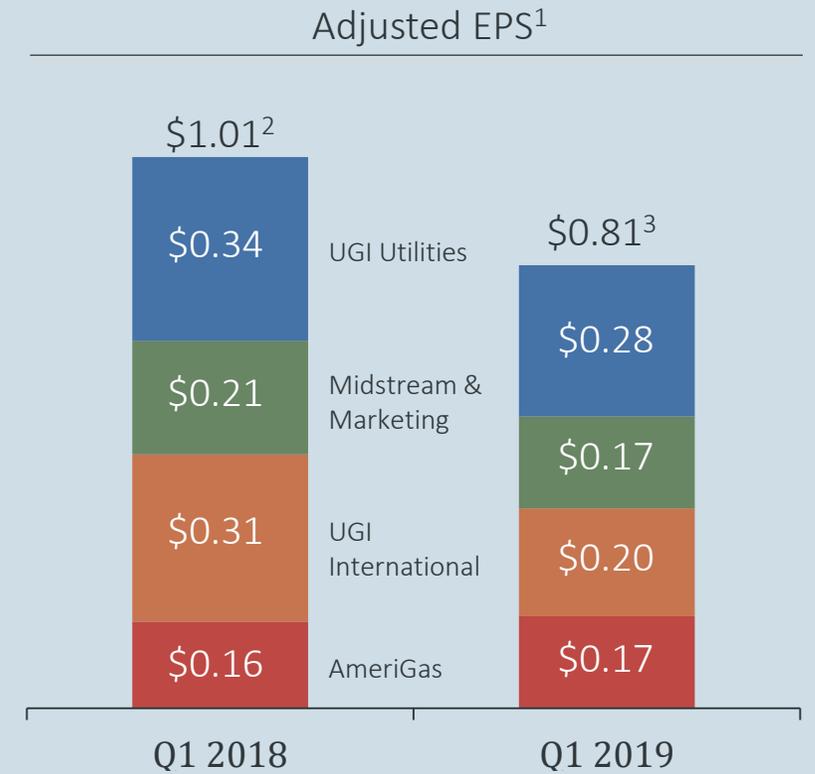
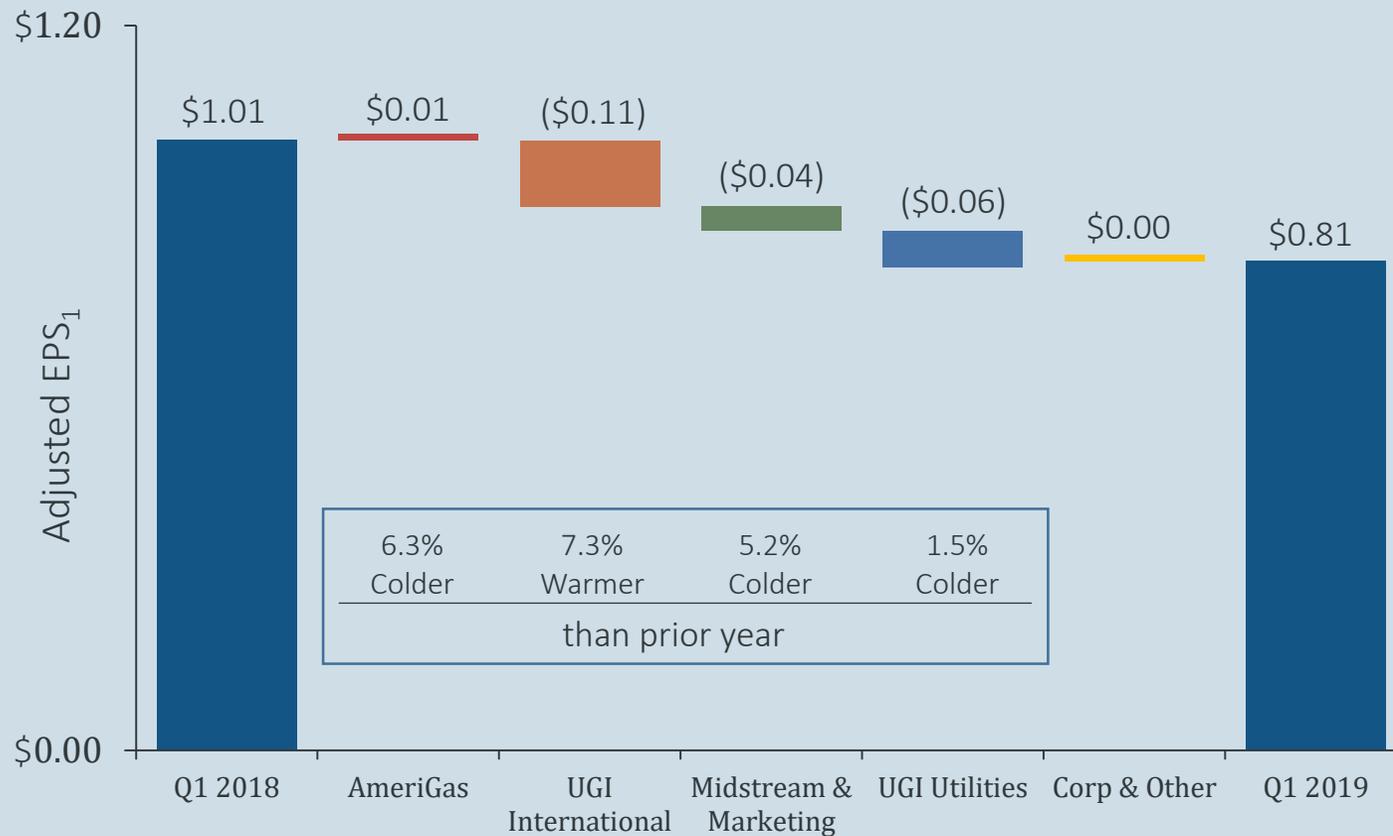
	Q1 FY18	Q1 FY19
UGI Corporation earnings per share - diluted (GAAP)	\$ 2.07	\$ 0.36
Net (gains) losses on commodity derivative instruments ²	(0.03)	0.46
Unrealized losses (gains) on foreign currency derivative instruments	—	(0.03)
Loss on extinguishments of debt	—	0.02
Integration expenses associated with Finagaz	0.01	—
Impact of French Finance Bill	(0.10)	—
Remeasurement Impact from Tax Cuts and Jobs Act	(0.94)	—
Adjusted earnings per share - diluted	\$ 1.01	\$ 0.81

¹ Income taxes associated with pre-tax adjustments determined using statutory business unit tax rates

² Includes the effects of rounding associated with per share amounts

³ Derivative instruments not associated with current period

First Quarter Results Recap



¹Adjusted EPS is a non-GAAP measure. See Appendix for reconciliation.

²Includes (\$0.01) Corporate & Other

³Includes (\$0.01) Corporate & Other

Financial Results - AmeriGas

(Millions of dollars)	Q1 FY18	Q1 FY19
Adjusted EBITDA¹	\$194.1	
Retail Margin	19.5	} Total Margin
Wholesale and Other Total Margin	1.0	
Operating and Administrative Expenses	(4.8)	
Other Income and Expense, net	0.9	
Adjusted EBITDA¹		\$210.7

Item	Primary Drivers
Volume ↑	Cold weather in October and November
Total Margin ↑	Increased retail unit margins and higher volume
Operating and Admin Expenses ↑	Labor and overtime costs to deliver increased volume and higher vehicle expenses

Weather versus normal



Financial Results – UGI International

(Millions of dollars)	Q1 FY18	Q1 FY19
Income Before Taxes	\$82.6	
Total Margin		(37.3)
Operating and Administrative Expenses		(0.7)
Depreciation and Amortization		0.8
Interest Expense		0.2
Other Income and Expense, net		1.9
Income Before Taxes		\$47.5
Debt Extinguishment	0.0	6.1
Integration Expenses	1.9	0.0
Adjusted Income Before Taxes¹	\$84.5	\$53.6

Item	Primary Drivers
Volume ↓	Warm, dry summer and warm heating season
Total Margin ↓	Lower volumes, translation effects of the weaker euro and sterling, and slightly lower unit margins
Operating and Admin Expenses ↑	Compliance costs associated with energy conservation and costs related to strategic projects; both costs substantially offset by the translation effects of the weaker euro and British pound sterling, and lower cylinder repair costs
Other Income ↑ & Expense	Realized gains on foreign currency exchange contracts and asset-related sales, partially offset by loss on debt extinguishment

Weather versus normal



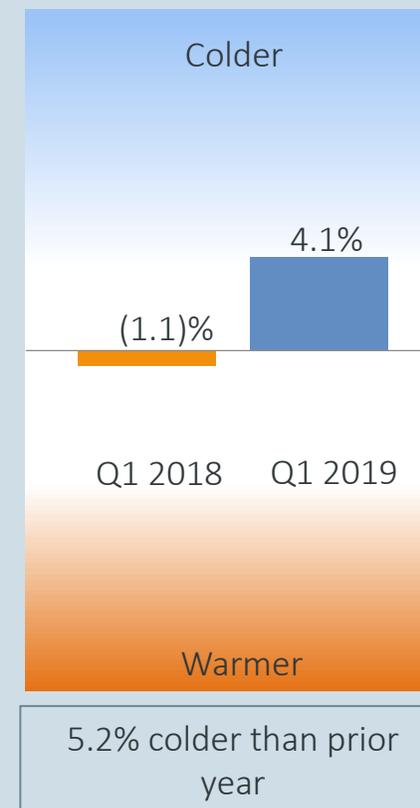
7.3% warmer than prior year

Financial Results – Midstream & Marketing

(Millions of dollars)	Q1 FY18	Q1 FY19
Income Before Taxes	\$52.6	
Total Margin		(7.1)
Operating and Administrative Expenses		(3.6)
Depreciation and Amortization		(1.4)
Interest Expense		0.4
Other Income and Expense, net		1.2
Income Before Taxes		\$42.1

Item	Primary Drivers
Total Margin ↓	Lower capacity management margin from less volatile/extreme weather; lower electric generation margin from lower off-peak volumes; partially offset by higher peaking and natural gas gathering
Operating and Admin Expenses ↑	Midstream and Marketing: Compensation and benefits; increased peaking, LNG, and gathering activity. Electric Generation: Planned maintenance at Conemaugh generating station
Depreciation and Amortization ↑	Expansion of LNG and peaking assets

Weather versus normal



Financial Results – Utilities

(Millions of dollars)	Q1 FY18	Q1 FY19
Income Before Taxes	\$85.4	
Total Margin		(8.1)
Operating and Administrative Expenses		(8.3)
Depreciation		(2.1)
Interest Expense		(0.8)
Other Income and Expense, net		(0.4)
Income Before Taxes		\$65.7

Item	Primary Drivers
Volume ↑	Colder weather and core market customer growth
Total Margin ↓	Revenue reduction of \$13.5MM to reflect give back of the tax savings of the TCJA; Excluding this reduction, total margin increased \$5.4MM
Operating and Admin Expenses ↑	Absence of prior year favorable payroll tax adjustment; increase in uncollectable accounts, IT maintenance and consulting and outside services
Depreciation ↑	Increased distribution system and IT capital

Weather versus normal

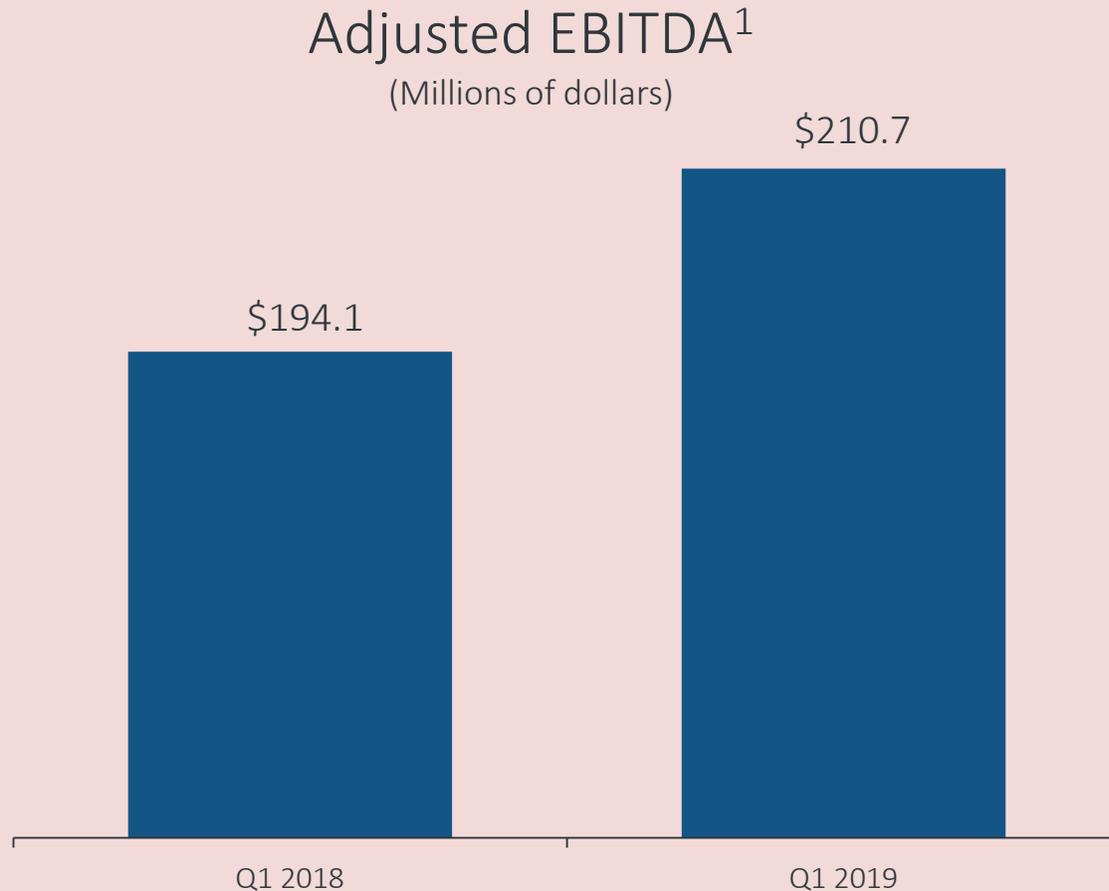


AmeriGas First Quarter Recap

Hugh J. Gallagher
President and CEO, AmeriGas



First Quarter Earnings Recap



- Q1 Adjusted EBITDA¹ up 9% year over year
- Weather in Q1 was 5% colder than normal and 6% colder than Q1 2018
 - December was 6% warmer than normal and 9% warmer than December Q1 2018 minimizing the colder than normal fall
- Retail volume was up 2% and retail unit margins were also up 4% from Q1 2018

Growth Initiatives

National Accounts and Cylinder Exchange

- ~3,700 more Cylinder Exchange locations than Q1 2018
- Added 12 new National Accounts customers in Q1 2019
- Both continue to perform as growth drivers for the business

Home Delivery

- Integration of business acquired in FY 2018 going smoothly
- Expect to roll-out a pilot in several cities later this year



Conclusion and Q&A

John L. Walsh
President & CEO, UGI



Strategic Overview

- The PennEast Partnership submitted its PA DEP permit application and received approval to perform necessary surveys on the privately owned properties in NJ. We expect to have the pipeline in service by the end of 2020
- New Bethlehem LNG storage and vaporization will come online for the winter of FY21
- The Auburn Gathering System expansion is expected to be completed in the first quarter of FY20
- UGI Utilities filed the first combined rate case for the Gas Utility
 - Request is for \$71.1MM increase in operating revenues
- UGI Utilities plans to deploy close to \$400MM in capital expenditure in FY19 and \$1.6B in capital over the next 4 years
- AmeriGas strategic review is progressing and we are on track to provide an update following the conclusion of our review in April

Q&A

Appendix



UGI Supplemental Footnotes

- Management uses "adjusted net income attributable to UGI" and "adjusted diluted earnings per share," both of which are non-GAAP financial measures, when evaluating UGI's overall performance. For the periods presented, adjusted net income attributable to UGI is net income attributable to UGI Corporation after excluding net after-tax gains and losses on commodity and certain foreign currency derivative instruments not associated with current period transactions (principally comprising changes in unrealized gains and losses on derivative instruments), Finagaz integration expenses, losses associated with extinguishments of debt and the remeasurement impact on net deferred tax liabilities from a change in French corporate income tax rates and the Tax Cuts and Jobs Act. Volatility in net income at UGI can occur as a result of gains and losses on commodity and certain foreign currency derivative instruments not associated with current period transactions but included in earnings in accordance with U.S. generally accepted accounting principles ("GAAP").
- 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. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate the impact of (1) gains and losses on commodity and certain foreign currency derivative instruments not associated with current-period transactions and (2) other significant discrete items that can affect the comparison of period-over-period results.
- The tables on the following slides reconcile net income attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net income attributable to UGI Corporation, and reconciles diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above.

UGI Adjusted Net Income and EPS

Three months Ended December 31, 2018 (Millions of dollars, except per share)	Total	AmeriGas Propane	UGI International	Midstream & Marketing	UGI Utilities	Corporate & Other (b)
Adjusted net income attributable to UGI Corporation:						
Net income (loss) attributable to UGI Corporation	\$ 64.2	\$ 30.6	\$ 32.5	\$ 31.0	\$ 49.9	\$ (79.8)
Net losses on commodity derivative instruments not associated with current-period transactions (net of tax of \$(35.5)) (a)	81.2	—	—	—	—	81.2
Unrealized gains on foreign currency derivative instruments (net of tax of \$2.3) (a)	(5.8)	—	—	—	—	(5.8)
Loss on extinguishments of debt (net of tax of \$(1.9)) (a)	4.2	—	4.2	—	—	—
Adjusted net Income (loss) attributable to UGI Corporation	<u>\$ 143.8</u>	<u>\$ 30.6</u>	<u>\$ 36.7</u>	<u>\$ 31.0</u>	<u>\$ 49.9</u>	<u>\$ (4.4)</u>
Adjusted diluted earnings per share:						
UGI Corporation earnings (loss) per share - diluted	\$ 0.36	\$ 0.17	\$ 0.18	\$ 0.17	\$ 0.28	\$ (0.44)
Net losses on commodity derivative instruments not associated with current-period transactions (b)	0.46	—	—	—	—	0.46
Unrealized gains on foreign currency derivative instruments	(0.03)	—	—	—	—	(0.03)
Loss on extinguishments of debt	0.02	—	0.02	—	—	—
Adjusted diluted Income (loss) per share	<u>\$ 0.81</u>	<u>\$ 0.17</u>	<u>\$ 0.20</u>	<u>\$ 0.17</u>	<u>\$ 0.28</u>	<u>\$ (0.01)</u>
(a) Income taxes associated with pre-tax adjustments determined using statutory business unit tax rates						
(b) Includes the effects of rounding with per share amounts						

UGI Adjusted Net Income and EPS

Three months Ended December 31, 2017 (Millions of dollars, except per share)	Total	AmeriGas Propane	UGI International	Midstream & Marketing	UGI Utilities	Corporate & Other
Adjusted net income attributable to UGI Corporation:						
Net income (loss) attributable to UGI Corporation	\$ 365.9	\$ 141.6	\$ 61.1	\$ 112.0	\$ 68.3	\$ (17.1)
Net gains on commodity derivative instruments not associated with current-period transactions (net of tax of \$2.1) (a)	(4.6)	—	—	—	—	(4.6)
Unrealized losses on foreign currency derivative instruments (net of tax of (0.0)) (a)	0.1	—	—	—	—	0.1
Integration expenses associated with Finagaz (net of tax of \$(0.7)) (a)	1.2	—	1.2	—	—	—
Impact of French Finance Bill	(17.3)	—	(17.3)	—	—	—
Remeasurement impact of TCJA	(166.0)	(113.1)	9.3	(74.3)	(8.1)	20.2
Adjusted net Income (loss) attributable to UGI Corporation	<u>\$ 179.3</u>	<u>\$ 28.5</u>	<u>\$ 54.3</u>	<u>\$ 37.7</u>	<u>\$ 60.2</u>	<u>\$ (1.4)</u>
Adjusted diluted earnings per share:						
UGI Corporation earnings (loss) per share - diluted	\$ 2.07	\$ 0.80	\$ 0.35	\$ 0.63	\$ 0.39	\$ (0.10)
Net gains on commodity derivative instruments not associated with current-period transactions	(0.03)	—	—	—	—	(0.03)
Unrealized losses on foreign currency derivative instruments	—	—	—	—	—	—
Integration expenses associated with Finagaz	0.01	—	0.01	—	—	—
Impact of French Finance Bill	(0.10)	—	(0.10)	—	—	—
Remeasurement impact of TCJA	(0.94)	(0.64)	0.05	(0.42)	(0.05)	0.12
Adjusted diluted Income (loss) per share	<u>\$ 1.01</u>	<u>\$ 0.16</u>	<u>\$ 0.31</u>	<u>\$ 0.21</u>	<u>\$ 0.34</u>	<u>\$ (0.01)</u>
(a) Income taxes associated with pre-tax adjustments determined using statutory business unit tax rates						

AmeriGas Supplemental Footnotes

- The enclosed supplemental information contains a reconciliation of earnings before interest expense, income taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA to Net Income.
- EBITDA and Adjusted EBITDA are not measures of performance or financial condition under GAAP. Management believes EBITDA and Adjusted EBITDA are meaningful non-GAAP financial measures used by investors to compare the Partnership's operating performance with that of other companies within the propane industry. The Partnership's definitions of EBITDA and Adjusted EBITDA may be different from those used by other companies.
- EBITDA and Adjusted EBITDA should not be considered as alternatives to net income (loss) attributable to AmeriGas Partners, L.P. Management uses EBITDA to compare year-over-year profitability of the business without regard to capital structure as well as to compare the relative performance of the Partnership to that of other master limited partnerships without regard to their financing methods, capital structure, income taxes or historical cost basis. Management uses Adjusted EBITDA to exclude from AmeriGas Partners' EBITDA gains and losses that competitors do not necessarily have to provide additional insight into the comparison of year-over-year profitability to that of other master limited partnerships. In view of the omission of interest, income taxes, depreciation and amortization, gains and losses on commodity derivative instruments not associated with current-period transactions, and other gains and losses that competitors do not necessarily have from Adjusted EBITDA, management also assesses the profitability of the business by comparing net income attributable to AmeriGas Partners, L.P. for the relevant periods. Management also uses Adjusted EBITDA to assess the Partnership's profitability because its parent, UGI Corporation, uses the Partnership's Adjusted EBITDA to assess the profitability of the Partnership, which is one of UGI Corporation's business segments. UGI Corporation discloses the Partnership's Adjusted EBITDA as the profitability measure for its domestic propane segment.

AmeriGas EBITDA and Adjusted EBITDA

(Millions of dollars)	Three months Ended December 31,	
	2018	2017
EBITDA and Adjusted EBITDA		
Net income attributable to AmeriGas Partners	\$ 44.5	\$ 104.4
Income tax expense	0.4	2.4
Interest Expense	42.4	40.6
Depreciation and amortization	45.7	47.4
EBITDA	133.0	194.8
Add net losses (subtract net gains) on commodity derivative instruments not associated with current-period transactions	78.5	(0.7)
Noncontrolling interest in net gains and losses on commodity derivative instruments (a)	(0.8)	—
Adjusted EBITDA	<u>\$ 210.7</u>	<u>\$ 194.1</u>
(a) Includes the impact of rounding		

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