

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of The Securities Exchange Act of 1934  
Date of Report (Date of earliest event reported): February 2, 2022

UGI Corporation  
(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania  
(State or Other Jurisdiction  
of Incorporation)

1-11071  
(Commission  
File Number)

23-2668356  
(IRS Employer  
Identification No.)

460 North Gulph Road, King of Prussia, PA 19406  
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: 610 337-1000

Not Applicable  
Former Name or Former Address, if Changed Since Last Report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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
Corporate Units	UGIC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

**Item 2.02 Results of Operations and Financial Condition.**

On February 2, 2022, UGI Corporation (the “Company”) issued a press release announcing financial results for the Company for the fiscal quarter ended December 31, 2021. A copy of the press release is furnished as Exhibit 99.1 to this report and is incorporated herein by reference.

**Item 7.01 Regulation FD Disclosure.**

On February 3, 2022, the Company will hold a live Internet Audio Webcast of its conference call to discuss its financial results for the fiscal quarter ended December 31, 2021.

Presentation materials containing certain historical and forward-looking information relating to the Company (the “Presentation Materials”) have been made available on the Company’s website. A copy of the Presentation Materials is furnished as Exhibit 99.2 to this report and is incorporated herein by reference in this Item 7.01. All information in Exhibit 99.2 is presented as of the particular dates referenced therein, and the Company does not undertake any obligation to, and disclaims any duty to, update any of the information provided.

*In accordance with General Instruction B.2 of Form 8-K, the information in this report, including Exhibits 99.1 and 99.2, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and will not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in that filing.*

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits. The following exhibits are being furnished herewith:

99.1	<a href="#">Press Release of UGI Corporation dated February 2, 2022.</a>
99.2	<a href="#">Presentation of UGI Corporation dated February 3, 2022.</a>
101.INS	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	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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**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 hereunto duly authorized.

UGI Corporation

February 3, 2022

By: /s/ Ted J. Jastrzebski  
Name: Ted J. Jastrzebski  
Title: Chief Financial Officer



## UGI Reports First Quarter Results and Solid Progress on Rebalancing Strategy

February 2, 2022

VALLEY FORGE, PA - UGI Corporation (NYSE: UGI) today reported financial results for the fiscal quarter ended December 31, 2021.

### HEADLINES

- Q1 GAAP diluted earnings per share ("EPS") of \$(0.46) and adjusted diluted EPS of \$0.93 compared to GAAP diluted EPS of \$1.44 and adjusted diluted EPS of \$1.18 in the prior-year period.
- Results reflect the impact of all-time record warm weather in the U.S. in December and significant increases and volatility in commodity prices on LPG and energy marketing margins in Europe, partially offset by incremental contribution from strategic investments in the natural gas businesses.
- Received a rating upgrade to "AA" in the MSCI ESG rating assessment in December 2021.
- Obtained regulatory approval for the intended joint venture with SHV Energy and announced a 15-year agreement with Vertimass to utilize their catalytic technology to produce renewable fuels.
- Completed the previously announced acquisition of Stonehenge on January 27, 2022.
- Filed a gas base rate case for UGI Utilities for an overall distribution rate increase of approximately \$83 million and a request for a weather normalization adjustment mechanism with the PA Public Utility Commission on January 28, 2022.

Roger Perreault, President and Chief Executive Officer of UGI Corporation, stated "This quarter, we navigated the challenging macro-economic environment that provided rising cost inflation and a tight labor market. With this backdrop, UGI reported lower first quarter 2022 adjusted results, which were impacted by unfavorable weather in the U.S. as the country experienced the warmest December on record. AmeriGas reported lower volumes due to weather, the impact of customer service challenges from the prior year after establishing the new operating business model, and the effect of higher commodity prices on customer usage. We also saw significantly higher and unprecedented volatility in commodity prices in Europe that had a negative impact on average LPG unit and energy marketing margins at UGI International. Our natural gas businesses delivered strong results, despite the warmer weather, due to incremental earnings from Mountaineer and higher margin from renewable energy marketing activities.

"Consistent with our past practice, we do not discuss adjusted EPS guidance until the completion of the second fiscal quarter. However, we remain focused on executing our strategy in order to achieve our long-term EPS growth commitment of 6 – 10%. We have developed a robust plan to leverage our proven capabilities of focused margin and expense management and expect increased benefits as fiscal 2022 progresses due to ongoing expense control and other actions to recover the Q1 shortfall. In addition, there is still a significant portion of the heating season ahead and we are encouraged that January was colder than normal in the U.S.

"We continue to advance on our strategy to further invest in renewables and rebalance our business in order to deliver reliable earnings growth. The Stonehenge acquisition that closed in January 2022 represents an important step in both our rebalancing and reliability efforts. This investment is in some of the most prolific production areas in the Appalachian Basin, is immediately accretive to earnings and has stable cash flows underpinned by a long-term contract with minimum volume commitments.

"In December 2021, we were pleased to receive regulatory approval of the intended joint venture with SHV Energy to produce rDME. In addition, we have announced several partnerships related to renewables, with the most recent being a partnership with Vertimass to produce and distribute renewable energy solutions within the U.S. and Europe. Our continued efforts to advance our ESG programs and activities were recognized with the upgrade to "AA" by MSCI."

#### KEY DRIVERS OF FIRST QUARTER RESULTS

- *AmeriGas*: Lower total margin due to 13% decline in retail volume; higher average LPG unit margins due to effective margin management
- *UGI International*: Retail volume up 6% on weather that was 6.6% colder than the prior-year period; lower LPG and energy marketing margin with the significant increases and volatility in commodity prices
- *Midstream & Marketing*: Higher total margin reflecting increased margin from renewable energy marketing activities and capacity management
- *Utilities*: Higher earnings before interest expense and income taxes<sup>1</sup> ("EBIT") largely driven by incremental earnings from Mountaineer, higher gas base rates and implementation of a Distribution System Improvement Charge (DSIC) at UGI Utilities

#### EARNINGS CALL AND WEBCAST

UGI Corporation will hold a live Internet Audio Webcast of its conference call to discuss the quarterly earnings and other current activities at 9:00 AM ET on Thursday, February 3, 2022. Interested parties may listen to the audio webcast both live and in replay on the Internet at <https://www.ugicorp.com/investors/financial-reports/presentations> or by visiting the company website <https://www.ugicorp.com> and clicking on Investors and then Presentations. A telephonic replay will be available from 12:00 PM ET on February 3 through 11:59 PM ET February 10. The replay may be accessed toll free at 855-859-2056 and internationally at +1 404-537-3406, conference ID 9390638.

#### CONTACT INVESTOR RELATIONS

610-337-1000  
Tameka Morris, ext. 6297  
Arnab Mukherjee, ext. 7498  
Shelly Oates, ext. 3202

#### ABOUT UGI

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

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

#### USE OF NON-GAAP MEASURES

Management uses "adjusted diluted earnings per share," a non-GAAP financial measure, when evaluating UGI's overall performance. Management believes that this non-GAAP measure provides meaningful information to investors about UGI's performance because it eliminates 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. 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.

Tables on the last page reconcile net (loss) income attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net income attributable to UGI Corporation, and diluted (loss) earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above.

<sup>1</sup> Reportable segments earnings before interest expense and income taxes represents an aggregate of our operating segment level EBIT as determined in accordance with GAAP.

#### USE OF FORWARD-LOOKING STATEMENTS

This press release contains statements, estimates and projections that are forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended). Management believes that these are reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. You should read UGI's Annual Report on Form 10-K for a more extensive list of factors that could affect results. Among them are adverse weather conditions (including increasingly uncertain weather patterns due to climate change) resulting in reduced demand, and the seasonal nature of our business; cost volatility and availability of all energy products, including propane and other LPG, natural gas, and electricity, as well as the availability of LPG cylinders; increased customer conservation measures; the impact of pending and future legal or regulatory proceedings, inquiries or investigations; liability for uninsured claims and for claims in excess of insurance coverage; political, regulatory and economic conditions in the United States, Europe and other foreign countries, and foreign currency exchange rate fluctuations (particularly the euro); the timing of development of Marcellus and Utica Shale gas production; the availability, timing and success of our acquisitions, commercial initiatives and investments to grow our business; our ability to successfully integrate acquired businesses and achieve anticipated synergies; the interruption, disruption, failure, malfunction, or breach of our information technology systems, and those of our third-party vendors or service providers, including due to cyber-attack; the inability to complete pending or future energy infrastructure projects; our ability to achieve the operational benefits and cost efficiencies expected from the completion of pending and future transformation initiatives, including the impact of customer disruptions resulting in potential customer loss due to the transformation activities; uncertainties related to global pandemics, including the duration and/or impact of the COVID-19 pandemic; the impact of proposed or future tax legislation, including the potential reversal of existing tax legislation that is beneficial to us; and our ability to overcome supply chain issues that may result in delays or shortages in, as well as increased costs of, equipment, materials or other resources that are critical to our business operations.

SEGMENT RESULTS (\$ in millions, except where otherwise indicated)

AmeriGas Propane

<i>For the fiscal quarter ended December 31,</i>	2021	2020	Increase (Decrease)	
Revenues	\$ 778	\$ 666	\$ 112	17 %
Total margin (a)	\$ 360	\$ 394	\$ (34)	(9)%
Operating and administrative expenses	\$ 240	\$ 221	\$ 19	9 %
Operating income/earnings before interest expense and income taxes	\$ 86	\$ 141	\$ (55)	(39)%
Retail gallons sold (millions)	241	276	(35)	(13)%
Heating degree days - % warmer than normal (b)	(9.9)%	(4.6)%		
Capital expenditures	\$ 35	\$ 27	\$ 8	30 %

- Temperatures were 6.2% warmer than the prior-year period and 12% warmer in December when compared to the prior-year.
- Retail gallons sold decreased 13% largely due to warmer weather, the impact of customer service challenges from the prior year after establishing the new operating business model, the effect of higher commodity prices on customer usage and the impact of COVID-19 on cylinder exchange and resale volumes.
- Total margin decreased \$34 million compared to the prior-year period primarily due to lower retail volumes (\$43 million), partially offset by higher average retail unit margins.
- Operating and administrative expenses increased \$19 million largely due to higher general insurance, vehicle fuel and maintenance expenses, bad debt reserves and advertising expenses. These expenses were impacted by the inflationary cost environment.
- Operating income and earnings before interest expense and income taxes each decreased \$55 million compared to the prior-year period reflecting the lower total margin and higher operating and administrative expenses.

UGI International

<i>For the fiscal quarter ended December 31,</i>	2021	2020	Increase (Decrease)	
Revenues	\$ 1,049	\$ 700	\$ 349	50 %
Total margin (a)	\$ 256	\$ 317	\$ (61)	(19)%
Operating and administrative expenses (a)	\$ 161	\$ 157	\$ 4	3 %
Operating income	\$ 78	\$ 135	\$ (57)	(42)%
Earnings before interest expense and income taxes	\$ 82	\$ 136	\$ (54)	(40)%
LPG retail gallons sold (millions)	249	236	13	6 %
Heating degree days - % colder (warmer) than normal (b)	5.0 %	(2.0)%		
Capital expenditures	\$ 23	\$ 29	\$ (6)	(21)%

UGI International base-currency results are translated into U.S. dollars based upon exchange rates experienced during the reporting periods. Differences in these translation rates affect the comparison of line item amounts presented in the table above. 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 2021 and 2020 three-month periods, the average unweighted euro-to-dollar translation rates were approximately \$1.14 and \$1.19, respectively, and the average unweighted British pound sterling-to-dollar translation rates were approximately \$1.35 and \$1.32, respectively.

- Retail volume increased 6% largely due to weather that was 6.6% colder than the prior-year period, favorable crop-drying campaign, and the recovery of certain autogas volumes that were negatively affected by the COVID-19 pandemic.
- Average propane wholesale selling prices in northwest Europe were approximately 100% higher than the prior-year period.
- Total margin decreased \$61 million compared to the prior-year period largely due to lower average LPG unit margins and total energy marketing margin, both impacted by significant increases and volatility in commodity prices. In addition, energy marketing margin was impacted by increased commodity cost due to higher-than-anticipated volumes purchased by certain customers through fixed price sales contracts. These impacts were partially offset by the translation effects of weaker foreign currencies (\$11 million).
- Operating income decreased \$57 million compared to the prior-year period largely due to lower total margin.
- Earnings before interest expense and income taxes decreased \$54 million compared to the prior-year period due to the lower operating income, partially offset by higher realized gains on foreign currency exchange contracts (\$3 million).

## Midstream & Marketing

For the fiscal quarter ended December 31,

	2021	2020	Increase (Decrease)	
Revenues	\$ 535	\$ 341	\$ 194	57 %
Total margin (a)	\$ 122	\$ 104	\$ 18	17 %
Operating and administrative expenses	\$ 29	\$ 32	\$ (3)	(9)%
Operating income	\$ 74	\$ 52	\$ 22	42 %
Earnings before interest expense and income taxes	\$ 82	\$ 59	\$ 23	39 %
Heating degree days - % warmer than normal (b)	(15.8)%	(5.0)%		
Capital expenditures	\$ 6	\$ 17	\$ (11)	(65)%

- Temperatures were 11.4% warmer than the prior-year period.
- Total margin increased \$18 million primarily reflecting increased margins from renewable energy marketing activities (\$12 million) and capacity management compared to the prior-year period.
- Operating income increased \$22 million primarily reflecting the increase in total margin and lower operating and administrative expenses, in comparison to the prior-year period.

## Utilities

For the fiscal quarter ended December 31,

	2021	2020	Increase	
Revenues	\$ 419	\$ 300	\$ 119	40 %
Total margin (a)	\$ 213	\$ 167	\$ 46	28 %
Operating and administrative expenses	\$ 80	\$ 60	\$ 20	33 %
Operating income	\$ 96	\$ 77	\$ 19	25 %
Earnings before interest expense and income taxes	\$ 98	\$ 78	\$ 20	26 %
Gas Utility system throughput - billions of cubic feet				
Core market	29	23	6	26 %
Total	93	83	10	12 %
Gas Utility heating degree days - % warmer than normal (b)	(15.1)%	(9.8)%		
Capital expenditures	\$ 111	\$ 79	\$ 32	41 %

- Gas Utility service territory experienced temperatures that were 7.9% warmer than the prior-year period.
- Core market and total gas utility volumes increased due to the incremental volume from Mountaineer.
- Total margin increased \$46 million compared to the prior-year period primarily reflecting the incremental margin from Mountaineer (\$33 million), higher gas base rates that went into effect in Fiscal 2021, and a Distribution System Improvement Charge that was implemented effective April 1, 2021.
- Operating income increased \$19 million compared to the prior-year period largely reflecting the higher total margin, partially offset by higher operating and administrative expenses and higher depreciation expense both principally due to the incremental expenses attributable to Mountaineer.

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

(b) Deviation from average heating degree days is determined on a 10-year period utilizing volume-weighted weather data.



REPORT OF EARNINGS – UGI CORPORATION  
(Millions of dollars, except per share)  
(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2021	2020	2021	2020
Revenues:				
AmeriGas Propane	\$ 778	\$ 666	\$ 2,726	\$ 2,317
UGI International	1,049	700	3,000	2,176
Midstream & Marketing	535	341	1,600	1,215
Utilities	419	300	1,198	1,001
Corporate & Other (a)	(108)	(75)	(336)	(225)
Total revenues	<u>\$ 2,673</u>	<u>\$ 1,932</u>	<u>\$ 8,188</u>	<u>\$ 6,484</u>
(Loss) earnings before interest expense and income taxes:				
AmeriGas Propane	\$ 86	\$ 141	\$ 330	\$ 349
UGI International	82	136	263	295
Midstream & Marketing	82	59	213	165
Utilities	98	78	262	215
Total reportable segments	348	414	1,068	1,024
Corporate & Other (a)	(409)	76	680	83
Total (loss) earnings before interest expense and income taxes	<u>(61)</u>	<u>490</u>	<u>1,748</u>	<u>1,107</u>
Interest expense:				
AmeriGas Propane	(41)	(40)	(160)	(162)
UGI International	(7)	(7)	(27)	(31)
Midstream & Marketing	(10)	(10)	(42)	(40)
Utilities	(16)	(14)	(58)	(54)
Corporate & Other, net (a)	(7)	(7)	(26)	(29)
Total interest expense	<u>(81)</u>	<u>(78)</u>	<u>(313)</u>	<u>(316)</u>
(Loss) income before income taxes	(142)	412	1,435	791
Income tax expense (b)	46	(109)	(367)	(168)
Net (loss) income including noncontrolling interests	<u>(96)</u>	<u>303</u>	<u>1,068</u>	<u>623</u>
Deduct net income attributable to noncontrolling interests	(1)	—	(1)	—
Net (loss) income attributable to UGI Corporation	<u>\$ (97)</u>	<u>\$ 303</u>	<u>\$ 1,067</u>	<u>\$ 623</u>
Earnings per share attributable to UGI shareholders:				
Basic	\$ (0.46)	\$ 1.45	\$ 5.10	\$ 2.98
Diluted	<u>\$ (0.46)</u>	<u>\$ 1.44</u>	<u>\$ 4.99</u>	<u>\$ 2.97</u>
Weighted Average common shares outstanding (thousands):				
Basic	209,673	208,774	209,291	208,896
Diluted	<u>209,673</u>	<u>209,640</u>	<u>213,759</u>	<u>209,599</u>
Supplemental information:				
Net (loss) income attributable to UGI Corporation:				
AmeriGas Propane	\$ 34	\$ 74	\$ 128	\$ 139
UGI International	57	92	186	192
Midstream & Marketing	51	35	123	91
Utilities	63	49	158	124
Total reportable segments	205	250	595	546
Corporate & Other (a)	(302)	53	472	77
Total net (loss) income attributable to UGI Corporation	<u>\$ (97)</u>	<u>\$ 303</u>	<u>\$ 1,067</u>	<u>\$ 623</u>

(a) Corporate & Other includes specific items attributable to our reportable segments that are not included in profit measures used by our chief operating decision maker in assessing our reportable segments' performance or allocating resources. These specific items are shown in the section titled "Non-GAAP Financial Measures - Adjusted Net Income Attributable to UGI"

and Adjusted Diluted Earnings Per Share" below. Corporate & Other also includes the elimination of certain intercompany transactions.  
(b) Income tax expense for the twelve months ended December 31, 2021 includes a \$23 million income tax benefit from adjustments due to a step-up in tax basis in Italy as a result of Italian tax legislation.

**Non-GAAP Financial Measures - Adjusted Net Income Attributable to UGI and Adjusted Diluted Earnings Per Share**

The following tables 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 comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to previously:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2021	2020	2021	2020
<b>Adjusted net income attributable to UGI Corporation (millions):</b>				
Net (loss) income attributable to UGI Corporation	\$ (97)	\$ 303	\$ 1,067	\$ 623
Net losses (gains) on commodity derivative instruments not associated with current-period transactions (net of tax of \$(111), \$31, \$247 and \$68, respectively)	292	(85)	(624)	(177)
Unrealized (gains) losses on foreign currency derivative instruments (net of tax of \$2, \$(5), \$9 and \$(11), respectively)	(4)	15	(25)	30
Acquisition and integration expenses associated with the Mountaineer Acquisition (net of tax of \$0, \$(1), \$(3) and \$(1), respectively)	1	1	10	1
Business transformation expenses (net of tax of \$(1), \$(4), \$(22) and \$(16), respectively)	1	13	62	46
Loss on extinguishment of debt (net of tax of \$(3), \$0, \$(3) and \$0, respectively)	8	—	8	—
Impairment of investment in PennEast (net of tax of \$0, \$0, \$0 and \$0, respectively)	—	—	93	—
Impact of change in Italian tax law	—	—	(23)	—
Impairment of customer relationship intangible (net of tax of \$0, \$0, \$(5) and \$0, respectively)	—	—	15	—
Loss on disposals of Conemaugh and HVAC (net of tax of \$0, \$0, \$0 and \$(15), respectively)	—	—	—	39
Total adjustments (1)	298	(56)	(484)	(61)
Adjusted net income attributable to UGI Corporation	<u>\$ 201</u>	<u>\$ 247</u>	<u>\$ 583</u>	<u>\$ 562</u>
<b>Adjusted diluted earnings per share:</b>				
UGI Corporation (loss) earnings per share — diluted (2)	\$ (0.46)	\$ 1.44	\$ 4.99	\$ 2.97
Net losses (gains) on commodity derivative instruments not associated with current-period transactions	1.37	(0.40)	(2.92)	(0.85)
Unrealized (gains) losses on foreign currency derivative instruments	(0.02)	0.07	(0.12)	0.14
Acquisition and integration expenses associated with the Mountaineer Acquisition	—	0.01	0.05	0.01
Business transformation expenses	0.01	0.06	0.29	0.22
Loss on extinguishment of debt	0.03	—	0.04	—
Impairment of investment in PennEast	—	—	0.44	—
Impact of change in Italian tax law	—	—	(0.11)	—
Impairment of customer relationship intangible	—	—	0.07	—
Loss on disposals of Conemaugh and HVAC	—	—	—	0.18
Acquisition and integration expenses associated with the CMG Acquisition	—	—	—	0.01
Total adjustments (2)	1.39	(0.26)	(2.26)	(0.29)
Adjusted diluted earnings per share (2)	<u>\$ 0.93</u>	<u>\$ 1.18</u>	<u>\$ 2.73</u>	<u>\$ 2.68</u>

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

(2) The loss per share for the three months ended December 31, 2021, was determined excluding the effect of 6.49 million dilutive shares as the impact of such shares would have been antidilutive to the net loss for the period. Adjusted earnings per share for the three months ended December 31, 2021, was determined based upon fully diluted shares of 216.16 million.



**UGI**  
CORPORATION

**Fiscal 2022  
First Quarter Results**

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

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

**Robert F. Beard**  
Executive Vice President, Natural Gas, Global Engineering &  
Construction and Procurement



This presentation contains forward-looking statements, including estimates and projections, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include believe, "plan," "anticipate," "continue," "estimate," "expect," "may," "intend," "target," "project," "forecast," or other similar words. Management believes that these are reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control; accordingly, there is no assurance that results will be realized. You should read UGI's Annual Report on Form 10-K for a more extensive list of factors that could affect results. Among them are adverse weather conditions (including increasingly uncertain weather patterns due to climate change) and the seasonal nature of our business; cost volatility and availability of all energy products, including propane, natural gas, electricity and fuel oil as well as the availability of LPG cylinders; increased customer conservation measures; the impact of pending and future legal or regulatory proceedings, inquiries or investigations, liability for uninsured claims and for claims in excess of insurance coverage; domestic and international political, regulatory and economic conditions in the United States and in foreign countries, including the current conflicts in the Middle East and the withdrawal of the United Kingdom from the European Union, and foreign currency exchange rate fluctuations (particularly the euro); the timing of development of Marcellus and Utica Shale gas production; the availability, timing and success of our acquisitions, commercial initiatives and investments to grow our business; our ability to successfully integrate acquired businesses and achieve anticipated synergies; the interruption, disruption, failure, malfunction, or breach of our information technology systems, including due to cyberattack; the inability to complete pending or future energy infrastructure projects; our ability to achieve the operational benefits and cost efficiencies expected from the completion of pending and future transformation initiatives including the impact of customer disruptions resulting in potential customer loss due to the transformation activities; uncertainties related to a global pandemic, including the duration and/or impact of the COVID-19 pandemic; the impact of proposed or future tax legislation, including the potential reversal of existing tax legislation that is beneficial to us; and our ability to overcome supply chain issues that may result in delays or shortages in, as well as increased costs of, equipment, materials or other resources that are critical to our business operations.



## First Quarter Summary

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

# Q1 FY22 Financial Highlights



**\$0.93**

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

**6 – 10%**

Long-term EPS Growth  
Commitment

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

1. Adjusted Diluted EPS is a non-GAAP measure. See Slide 7 for reconciliation.

## Reliable Earnings Growth

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

## Renewables

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

## Rebalance

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

1. rDME stands for renewable dimethyl ether.





## First Quarter Financial Review

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



# Q1 FY22 Adjusted Diluted Earnings per Share



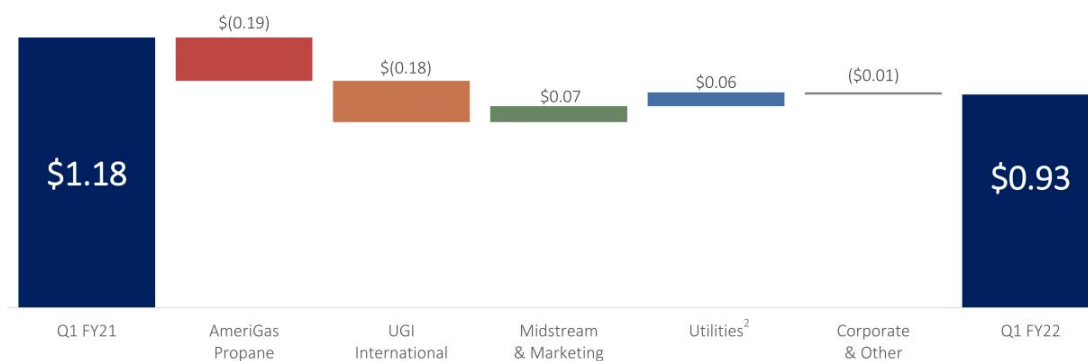
	Q1 FY22	Q1 FY21
AmeriGas Propane	\$0.16	\$0.35
UGI International	0.26	0.44
Midstream & Marketing	0.24	0.17
Utilities	0.29	0.23
Corporate & Other (a)	(1.41)	0.25
<b>(Loss) earnings per share – diluted (b)</b>	<b>(0.46)</b>	<b>1.44</b>
Net losses (gains) on commodity derivative instruments not associated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

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

# Q1 FY22 Results Recap



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



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

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

# Financial Results – AmeriGas Propane

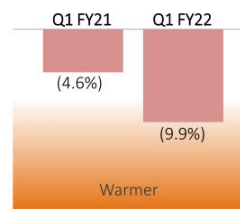
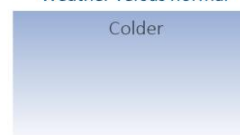


(Dollars in Millions)

	Q1 FY21	Q1 FY22
Earnings Before Interest Expense & Income Taxes	\$141	
Total Margin		(34)
Operating and Administrative Expenses		(19)
Depreciation and Amortization		(1)
Other Income and Expense, net		(1)
Earnings Before Interest Expense & Income Taxes		\$86

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

Weather versus normal



6.2% warmer than prior year

# Financial Results – UGI International

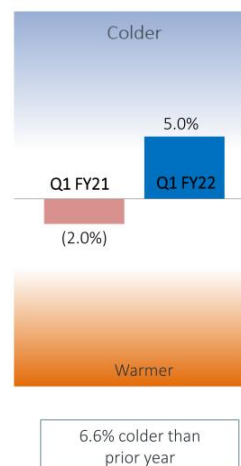


(Dollars in Millions)

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

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

Weather versus normal



# Financial Results – Midstream & Marketing

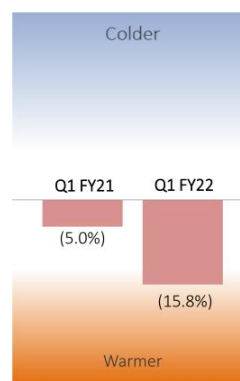


(Dollars in Millions)

	Q1 FY21	Q1 FY22
Earnings Before Interest Expense & Income Taxes	\$59	
Total Margin	18	
Operating and Administrative Expenses	3	
Depreciation and Amortization	(1)	
Other Income and Expense, net	3	
Earnings Before Interest Expense & Income Taxes		\$82

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

Weather versus normal



# Financial Results – Utilities

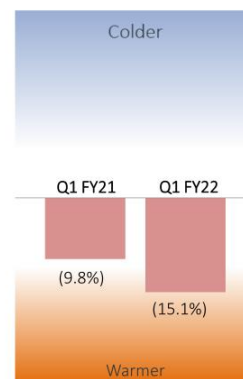


(Dollars in Millions)

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

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

Weather versus normal



7.9% warmer than prior year

<sup>1</sup> Includes Mountaineer Gas Company acquired on September 1, 2021.

- Strong balance sheet position

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

Available Liquidity



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



## Conclusion

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



# Conclusion



Reliable Earnings Growth



Renewables



Rebalance

## Driving FY22 performance

Leveraging  
core  
competencies

Focused Margin  
Management

- Recovery of higher commodity cost

Disciplined  
Expense  
Management

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

## Our long-term commitments

**6 - 10%**

Long-term EPS  
Growth Target

**4%**

Long-term Dividend  
Growth Target

SAFETY

RESPECT

INTEGRITY

SUSTAINABILITY

EXCELLENCE

RELIABILITY





## Appendix

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

# Q1 FY22 Adjusted Net Income



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

(a) Corporate & Other includes certain adjustments made to our reporting segments in arriving at net income attributable to UGI Corporation. These adjustments have been excluded from the segment results to align with the measure used by our Chief Operating Decision Maker in assessing segment performance and allocating resources.  
(b) Income taxes associated with pre-tax adjustments determined using statutory business unit tax rates.

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**UGI**  
CORPORATION



