

The UGI Corporation logo is displayed in a white circular overlay. It features the letters "UGI" in a large, bold, blue sans-serif font, with the word "CORPORATION" in a smaller, blue sans-serif font directly below it.

# UGI CORPORATION

Fiscal 2020  
December/January



# About This Presentation

This presentation contains statements, estimates and projections which are forward-looking statements (as defined in Section 21E of the Securities and 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 and the seasonal nature of our business, 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, 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 potential withdrawal of the United Kingdom from the European Union, and foreign currency exchange rate fluctuations (particularly the euro), the timing of development of 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, including certain integration risks relating to the acquisition of CMG, and the interruption, disruption, failure, malfunction, or breach of our information technology systems, including due to cyber-attack, the inability to complete pending or future energy infrastructure projects, and our ability to achieve the operational benefits and cost efficiencies expected from the completion of pending and future transformation initiatives at our business units. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.

# Use of Non-GAAP Measures

In this presentation, Management uses certain non-GAAP financial measures, including UGI Corporation Adjusted Earnings Per Share, UGI Corporation Free Cash Flow, UGI Corporation Adjusted EBITDA, and UGI France Unit Margins. These 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 the presentation of these non-GAAP financial measures provides useful information to investors to more effectively evaluate period-over-period earnings, profitability and cash flow generation of the Company's businesses. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with GAAP are presented in the Appendix of this presentation.

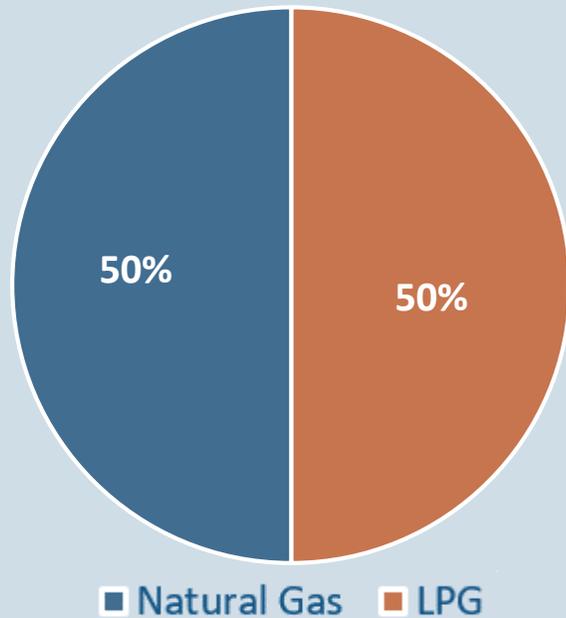
# Corporate Overview



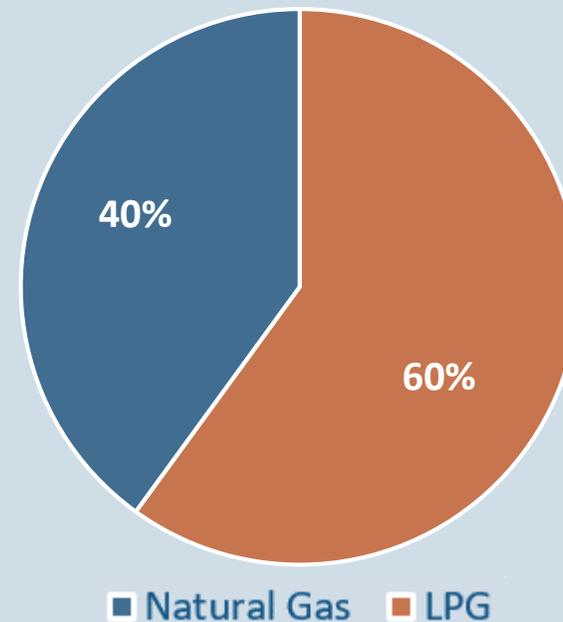
# Corporate Overview

UGI Corporation is a distributor and marketer of energy products and services including natural gas, propane, butane, and electricity

2019 Adjusted EPS<sup>1</sup>



2019 Pro Forma Adjusted EPS<sup>2</sup>



<sup>1</sup>Adjusted EPS is a non-GAAP measure. Excludes Corporate & Other \$(0.07). Please see Appendix for reconciliation.

<sup>2</sup>Pro Forma Adjusted EPS assumes full-year AmeriGas ownership. Excludes Corporate & Other \$(0.11).

# A Compelling Value Proposition

Outstanding cash generation

Highest 20-year free cash flow<sup>1</sup> as a % of Adjusted EBITDA<sup>1</sup> among Multi-Utilities in the S&P Utilities index

Strong track record of disciplined capital deployment and meeting our commitments

	Commitment	FY 1999-2019 Actual
Adjusted EPS <sup>1</sup>	6-10%	10.7%
Dividend	4%	7.1%

Clear path to growth

- ✓ Strong and growing natural gas demand
- ✓ Utility rate base and customer growth
- ✓ Marcellus-based infrastructure
- ✓ National Accounts and Cylinder Exchange
- ✓ Targeted M&A
- ✓ LNG and energy marketing expansion
- ✓ Broadening of activities in Europe

(1) Free cash flow, Adjusted EBITDA and Adjusted EPS are non-GAAP measures. See Appendix for reconciliation.

# Core Strategic Principles

Minimize commodity exposure

Distribution and services business, marketing volume hedged back-to-back, LPG customer volume hedged as service offering

Push boundaries of core business

Established portable LNG, entered Italian LPG market, expanded midstream platform into SW PA, eastern Ohio and the panhandle of West Virginia, integrated four bolt-on acquisitions in Europe

Maintain strong balance sheet

Outstanding cash flow and additional debt capacity

Reduce weather dependence over time

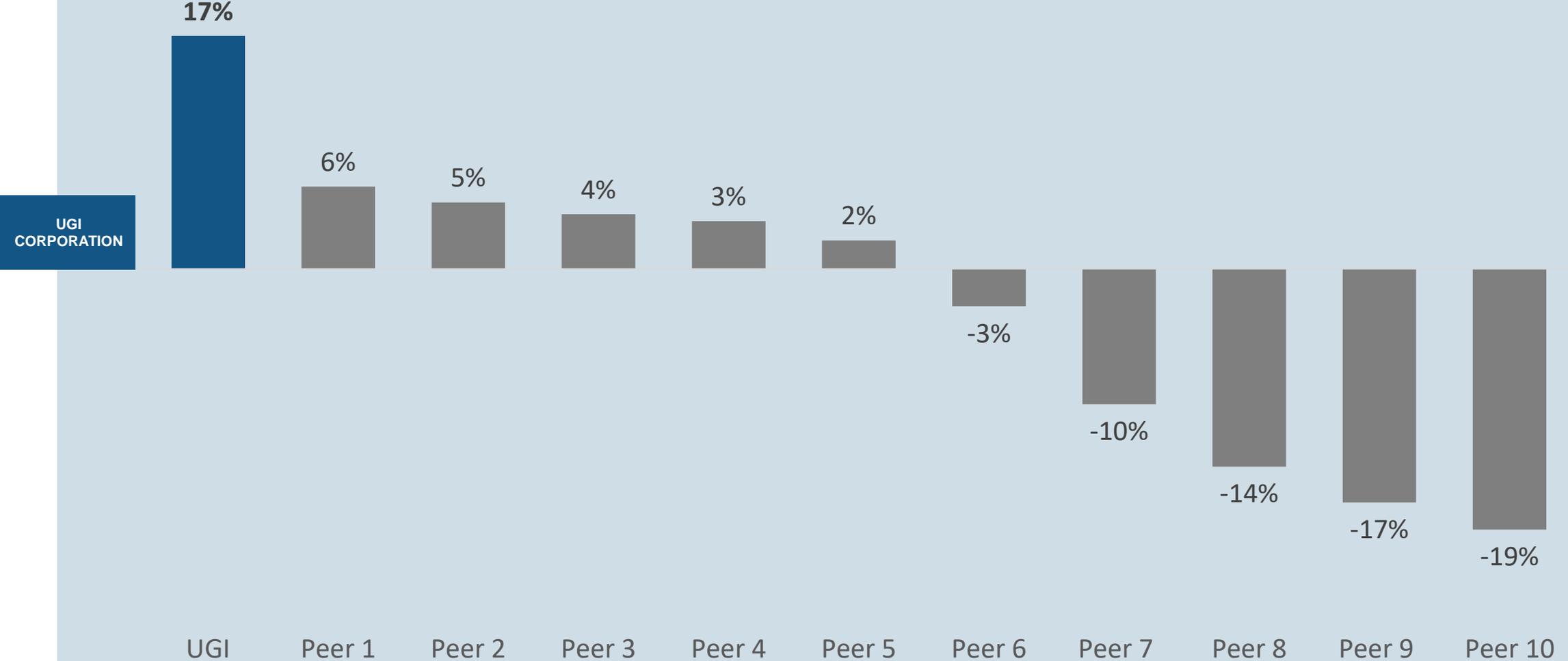
Growing Midstream's fee-based margin, AmeriGas Cylinder Exchange is counter-seasonal, National Accounts is less weather-dependent, increasing Utility fixed charges in base rate cases

Reduce P&L currency exchange rate volatility

Utilize a layered, three-year Fx hedging program to shave "peaks and valleys" caused by currency fluctuations

# Strongest Cash Flow Among Sector Peers

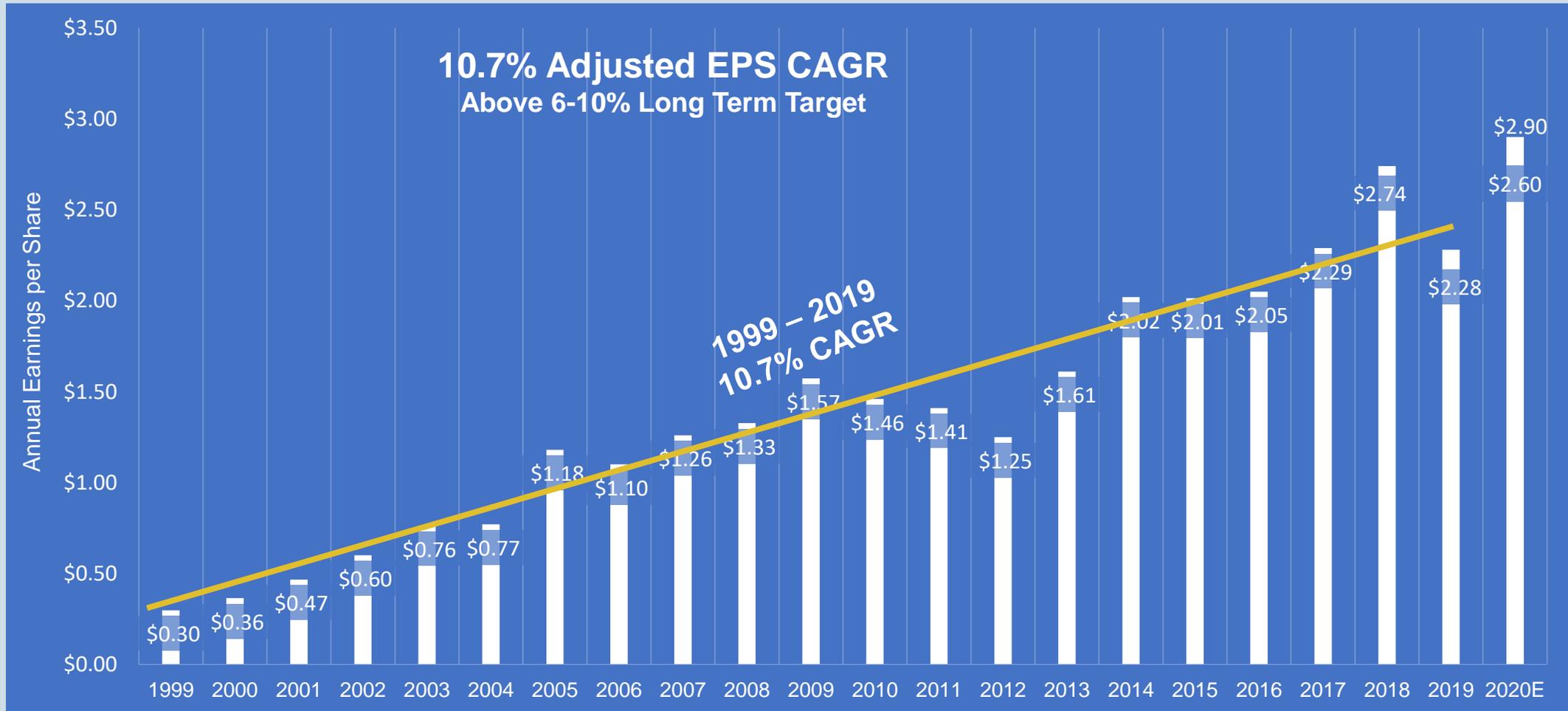
20 Year Free Cash Flow<sup>1</sup>/ 20 Year Adjusted EBITDA<sup>1</sup>  
S&P Utilities Index - Multi-Utilities



UGI CORPORATION

(1) UGI Free Cash Flow = Cash Provided by Operations less Capital Expenditures and less Distributions on AmeriGas Partners Publicly Held Units. Free cash flow and Adjusted EBITDA are non-GAAP measures. Please see appendix for reconciliation.

# Meeting our Commitments – EPS Growth



Earnings per share (EPS) for 1999 – 2009 represents GAAP EPS, adjusted for stock splits.  
2010-2019 EPS represents Adjusted EPS which is a non-GAAP measure. Please see appendix for reconciliation.

# UGI Increased Dividend by 25%

- Two part increase
- In total, annualized dividend increased \$0.26 from FY18 to FY19



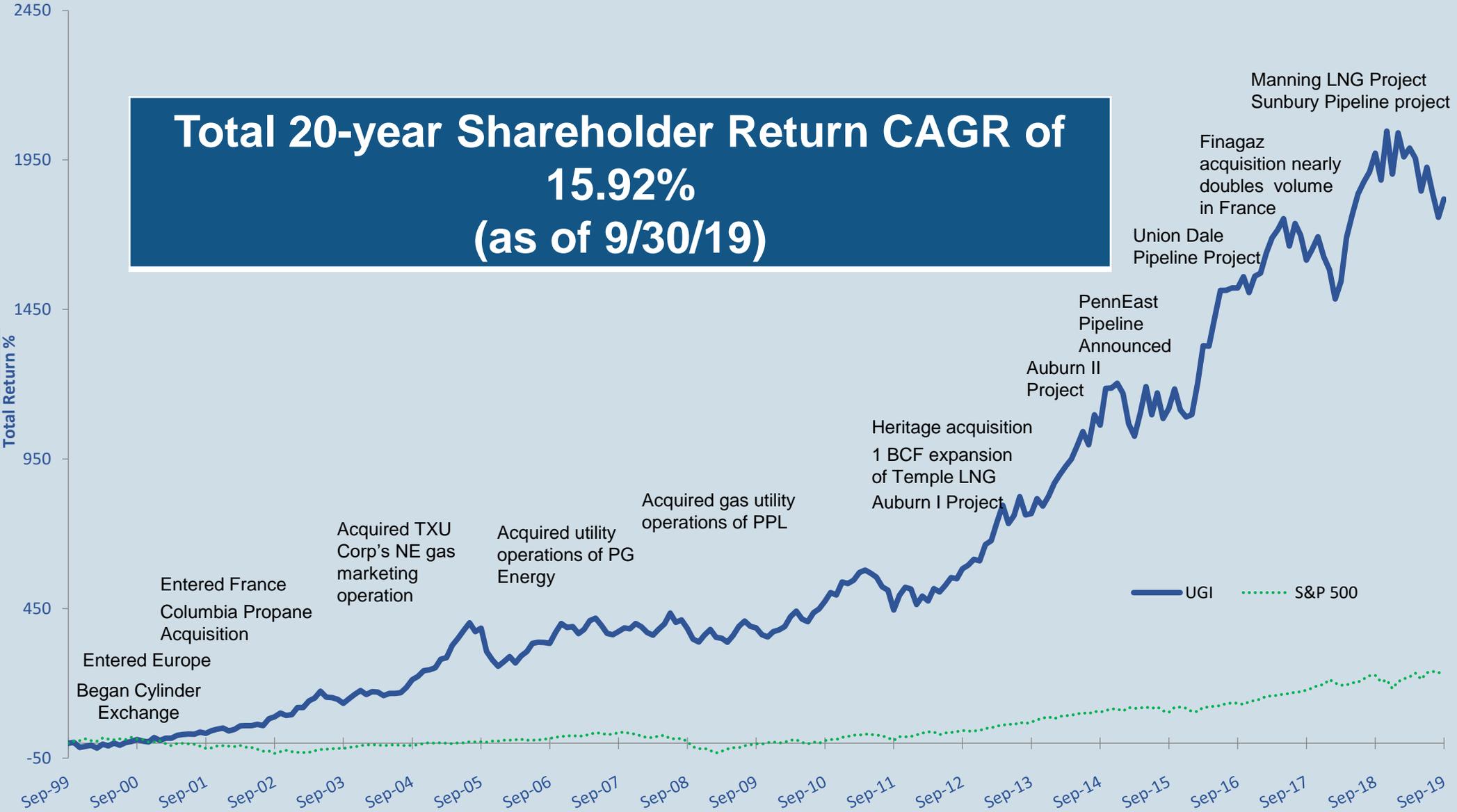
<sup>1</sup>Dividends per share, adjusted for stock splits.

<sup>2</sup> Payable in FY20.

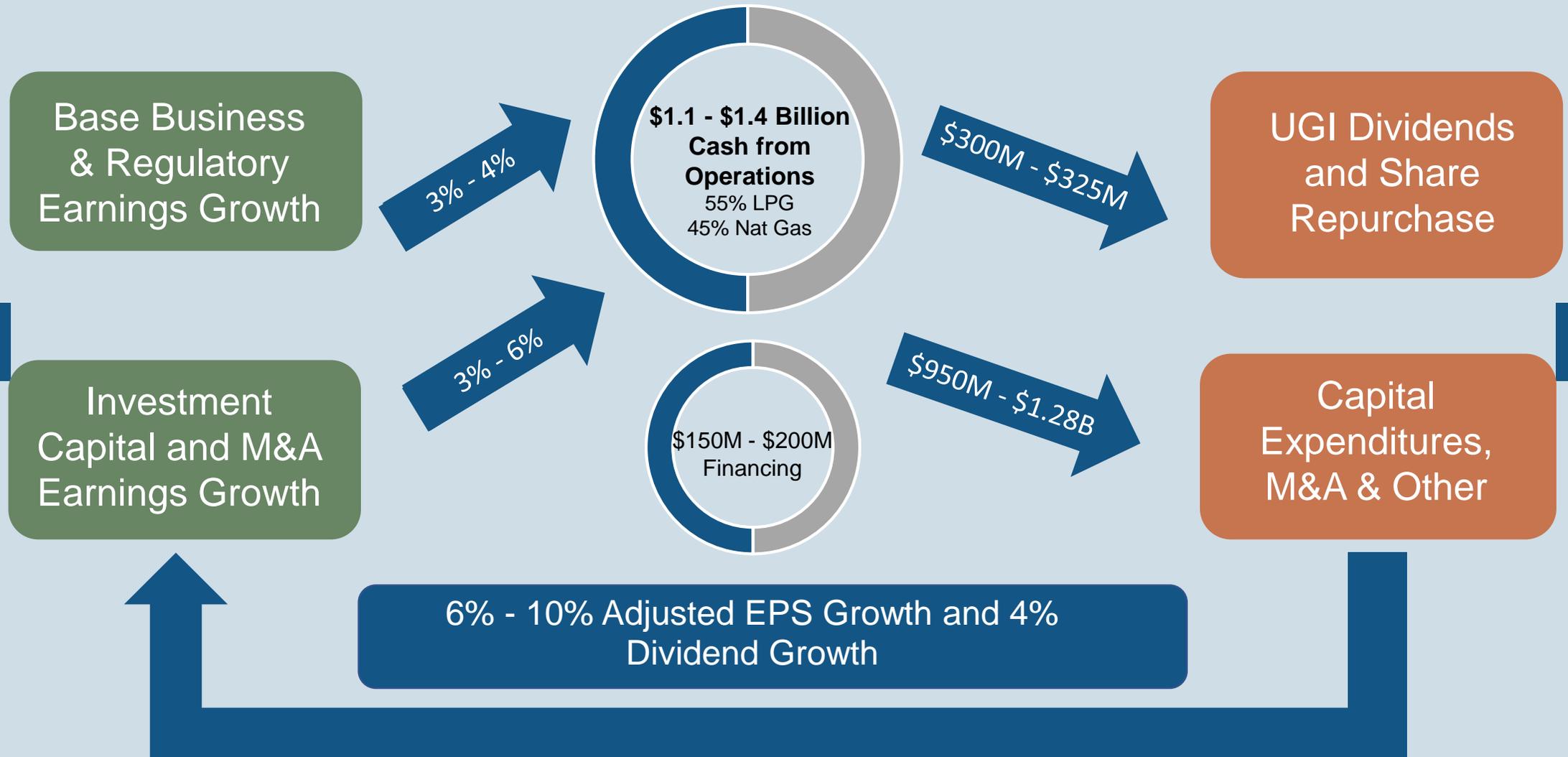
Red circles indicate dividend increases above 10%

# Outperformance Driven by Cadence of Disciplined Investments

**Total 20-year Shareholder Return CAGR of 15.92% (as of 9/30/19)**



# Cash Engine Drives Future EPS and Dividend Growth



All figures represent multi-year average targets.

# Capital Allocation Priorities

## Grow and Deliver Value

### 1.) Capex and Other

- Supports commitment to shareholders to grow Adjusted EPS by 6% - 10% annually
- Maintain and grow existing business
- Add assets that complement core competencies
- Execute on robust capital plan at Utilities
- Support productivity initiatives

### 2.) Return Capital to Shareholders

- Meet commitment to shareholders to grow annual dividend by 4%
- Maintain competitive dividend payout ratio of 35% - 45%
- Share repurchase program maintains steady float

### 3.) Optimize Leverage

- Commitment to balance sheet strength
- Increased cash flow from recent acquisitions supports debt reduction
- Reduce AmeriGas leverage to target range of 4.0x – 4.25x
- Maintain capacity at holdco level for enterprise-changing opportunities

# UGI's Growing Cash Flows Support Capital Deployment



- Capital plan at Utilities
- Organic growth on CMG system
- LPG Business Transformation Initiatives
- Natural Gas infrastructure buildout (Eastern Marcellus)
- Technology solutions at LPG businesses

- Meet commitment to shareholders to grow annual dividend by 4%
- Maintain competitive dividend payout ratio of 35% - 45%

- Reduce AmeriGas leverage to target range of 4.0x – 4.25x
- Reduce consolidated leverage to pre-acquisition levels

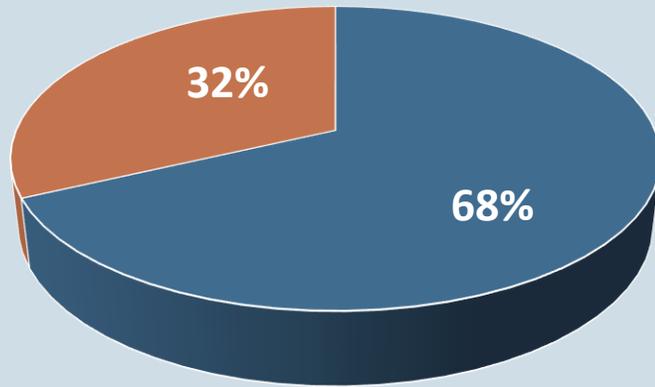
**Grow and Deliver Value**

# Record Capital Deployment

CAPEX expected to increase to **~\$850 million** in FY20

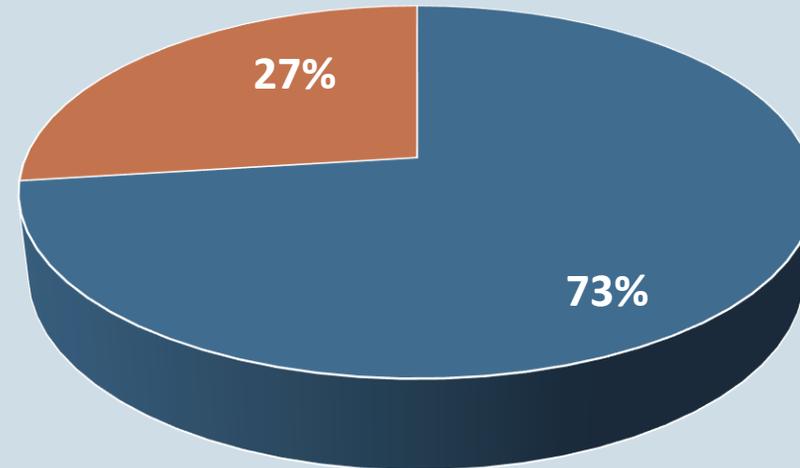
-Includes capex associated with LPG business transformation

Capital Expenditures: 2014-2018  
\$2.7 Billion



■ Natural Gas ■ LPG

Capital Expenditures: 2019-2023  
\$4.5 Billion

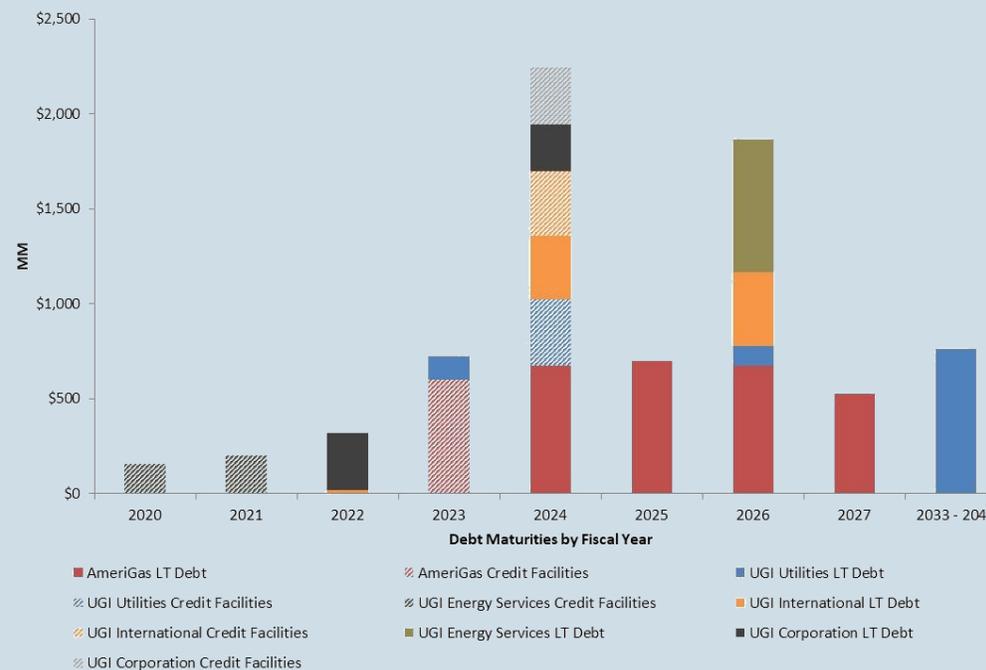
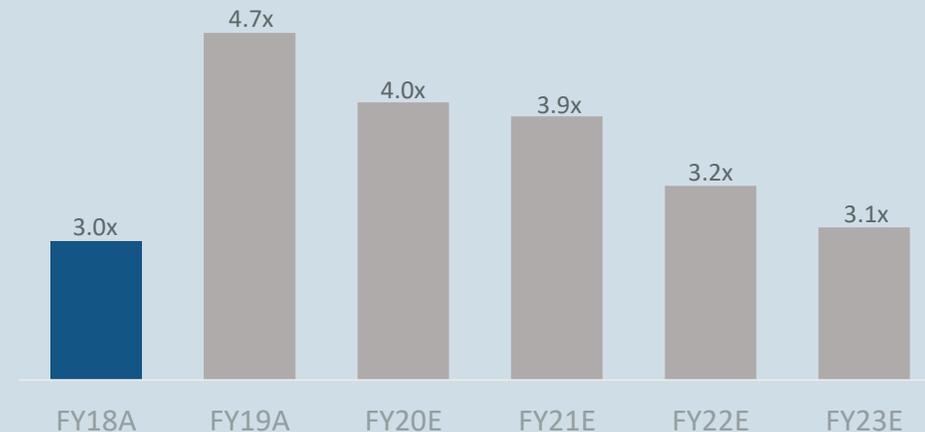


■ Natural Gas ■ LPG

# Debt Repayment

- UGI’s philosophy to hold debt at its business units and keep capacity at the holdco level for enterprise-changing investments enabled UGI to use its balance sheet to finance a portion of the AmeriGas merger and CMG acquisition in FY19 at the holdco level
- Plan to reduce AmeriGas leverage to 4.0x – 4.25x range
- Limited near term financing needs

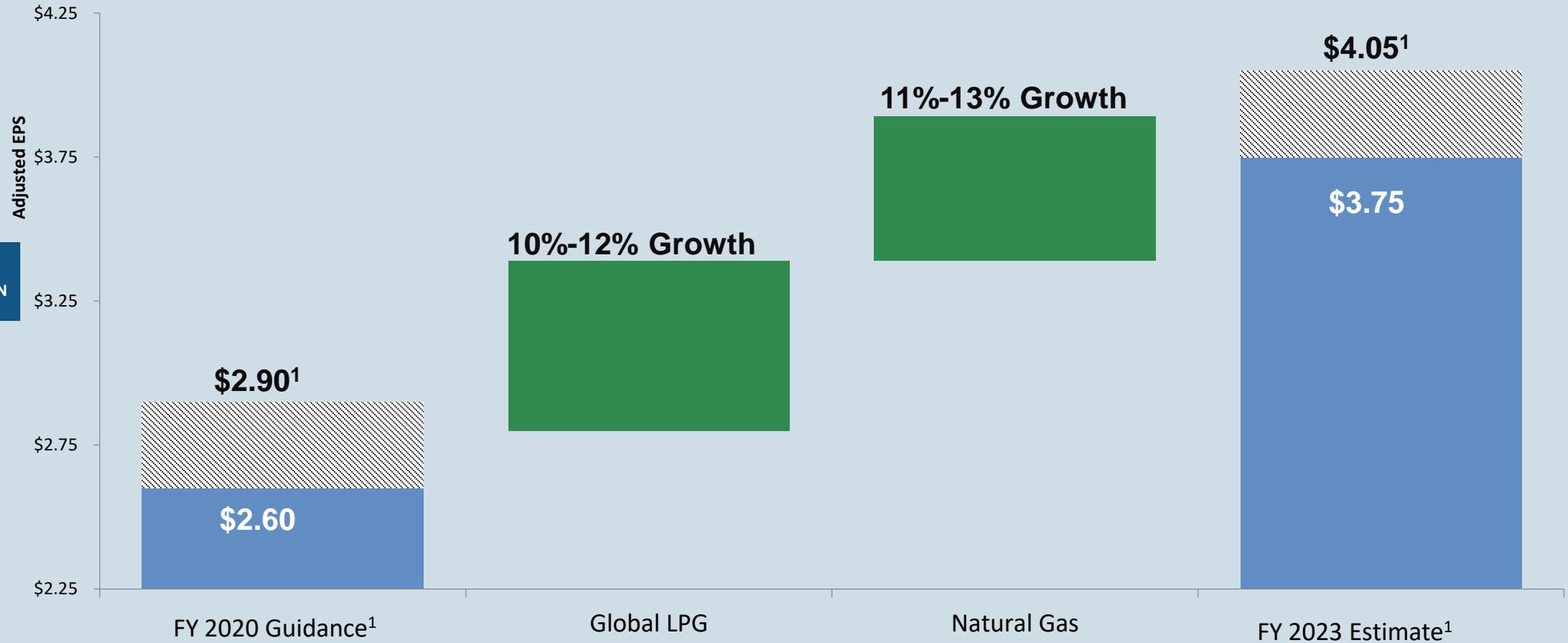
Leverage<sup>1,2</sup>



<sup>1</sup>Estimated using long-term business planning and debt repayment assumptions

<sup>2</sup>Total debt over Adjusted EBITDA

# Key Investments Drive Earnings



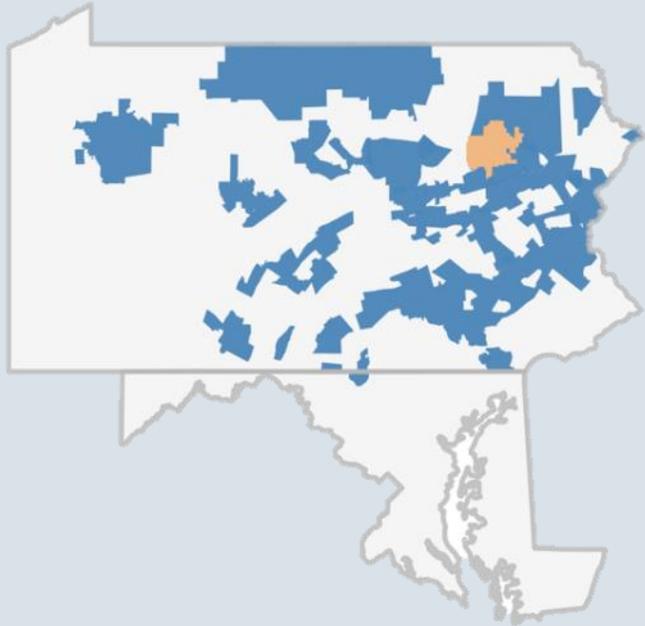
<sup>1</sup>Adjusted EPS is a non-GAAP measure. Because we are unable to predict certain potentially material items affecting diluted earnings per share on a GAAP basis, principally mark-to-market gains and losses on derivative instruments as well as due to the unknown effect, timing and potential significance of certain other income statement items, we cannot reconcile 2020 and 2023 Adjusted EPS to diluted EPS, the most comparable GAAP measure. We have based these estimates on our expectations and assumptions about future events, and UGI undertakes no obligation to update to reflect events or circumstances occurring after today. While our management believes the assumptions to be reasonable, due to the timeframe over which the above estimates are projected, and their subjectivity to a variety of uncertainties that we do not control, our results could differ materially from these estimates.



Energy to do more®



# Business Overview



**Gas Utility**

UGI Utilities (gas, ~655,000 customers)

**Electric Utility**

UGI Electric (electric, ~62,000 customers)

Regulated gas & electric utilities serving over **715,000** customers

Most contemporary distribution system in Pennsylvania

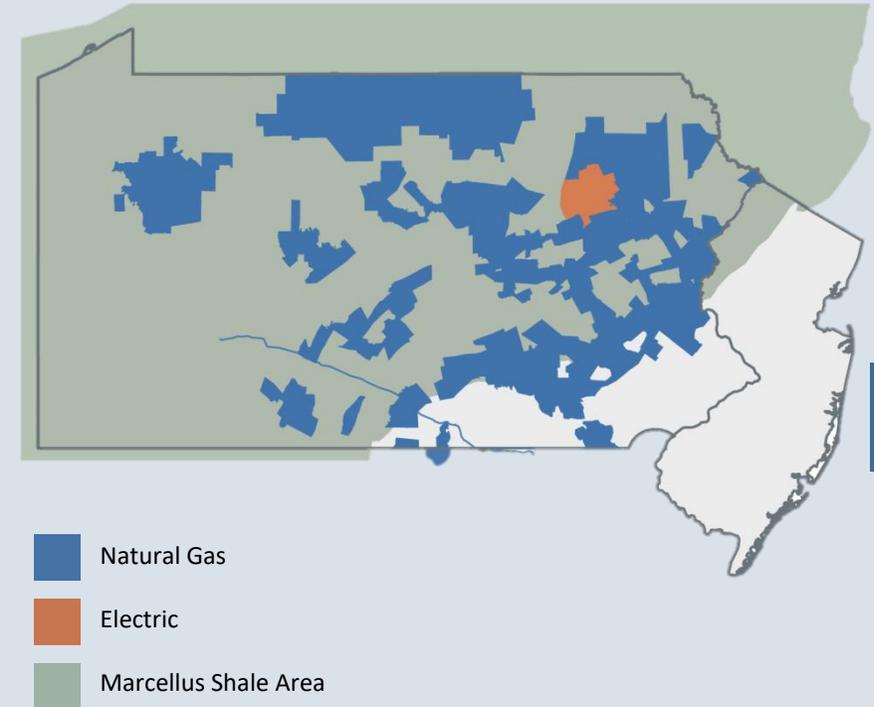
Service territories lie within or adjacent to the **Marcellus Shale** production area

**2<sup>nd</sup> Largest** gas utility in Pennsylvania<sup>1</sup> serving 44 of 67 counties

<sup>1</sup> Based on total customers

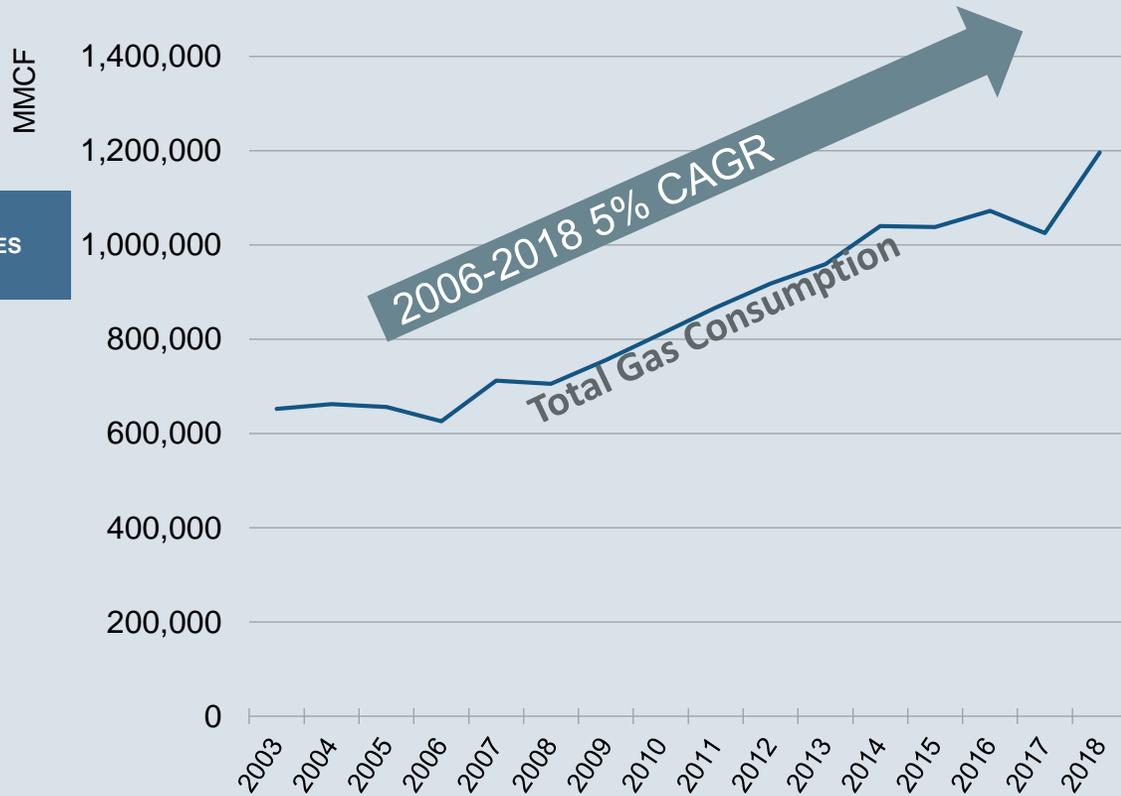
# Marcellus Advantage

- Over 90% of UGI Utilities natural gas sourced from the Marcellus Shale
  - Marcellus natural gas priced at over 15% discount to NYMEX during FY19
- Strong demand for natural gas (conversions, power generation, etc.)
- Favorable environment for economic development
- Significant value for customers
  - Collectively, our customers paid ~\$360MM less in 2019 than in 2009
  - Average residential customer saved ~\$950 in fiscal year 2019 vs. heating oil customers

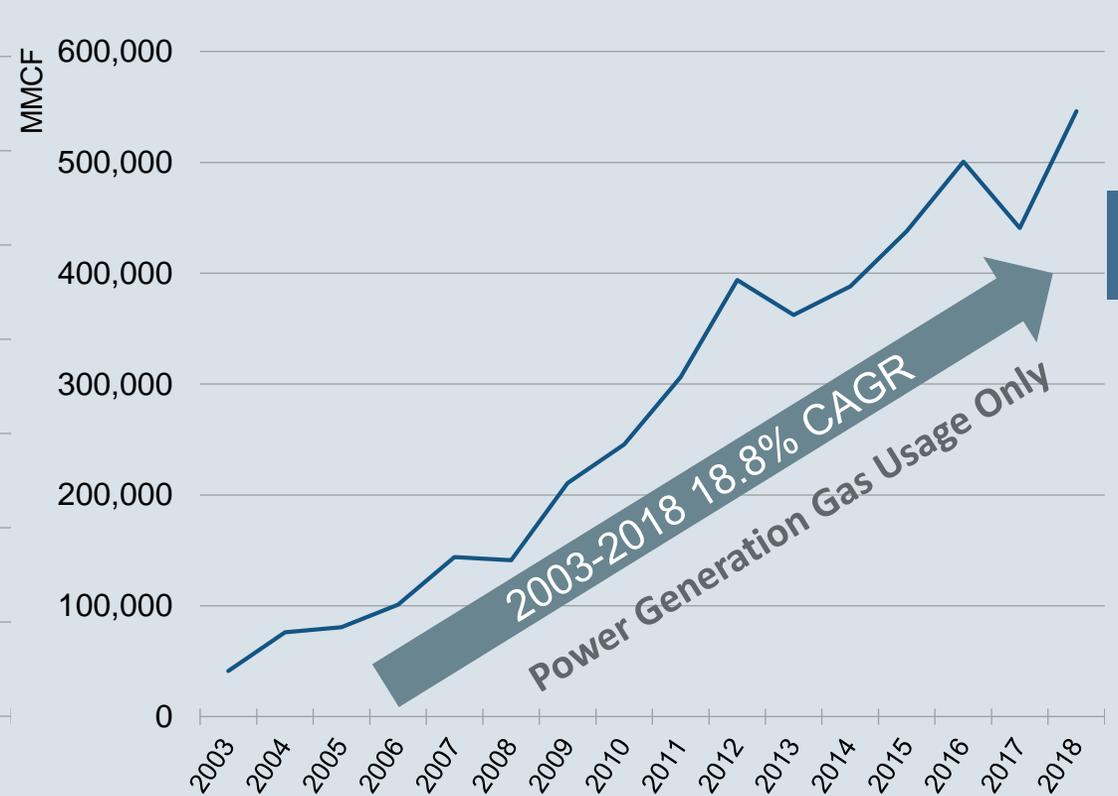


# Marcellus Gas Driving Growth in PA

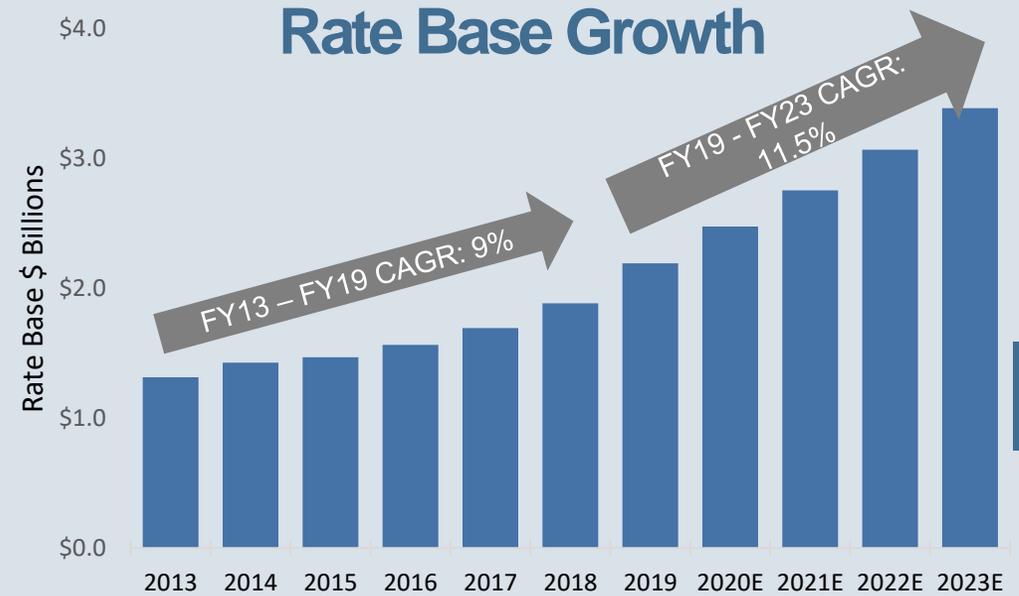
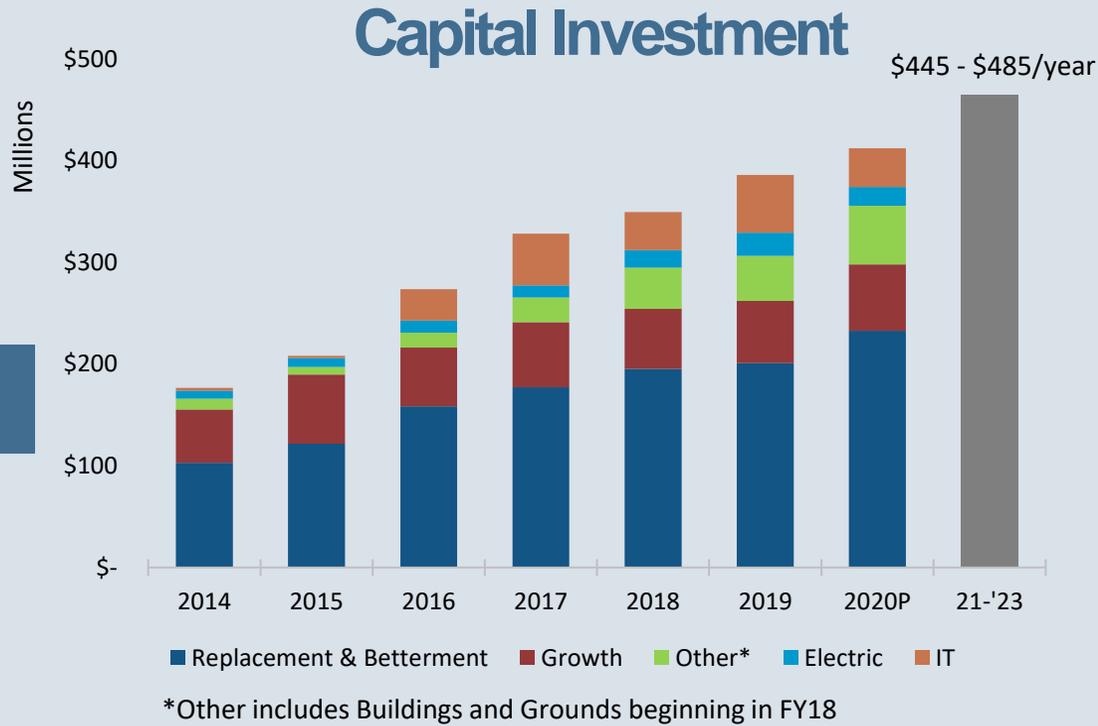
## Natural Gas Delivered to Customers in PA



## PA Natural Gas Delivered to Electric Power Customers



# Capital Investment Drives Rate Base Growth

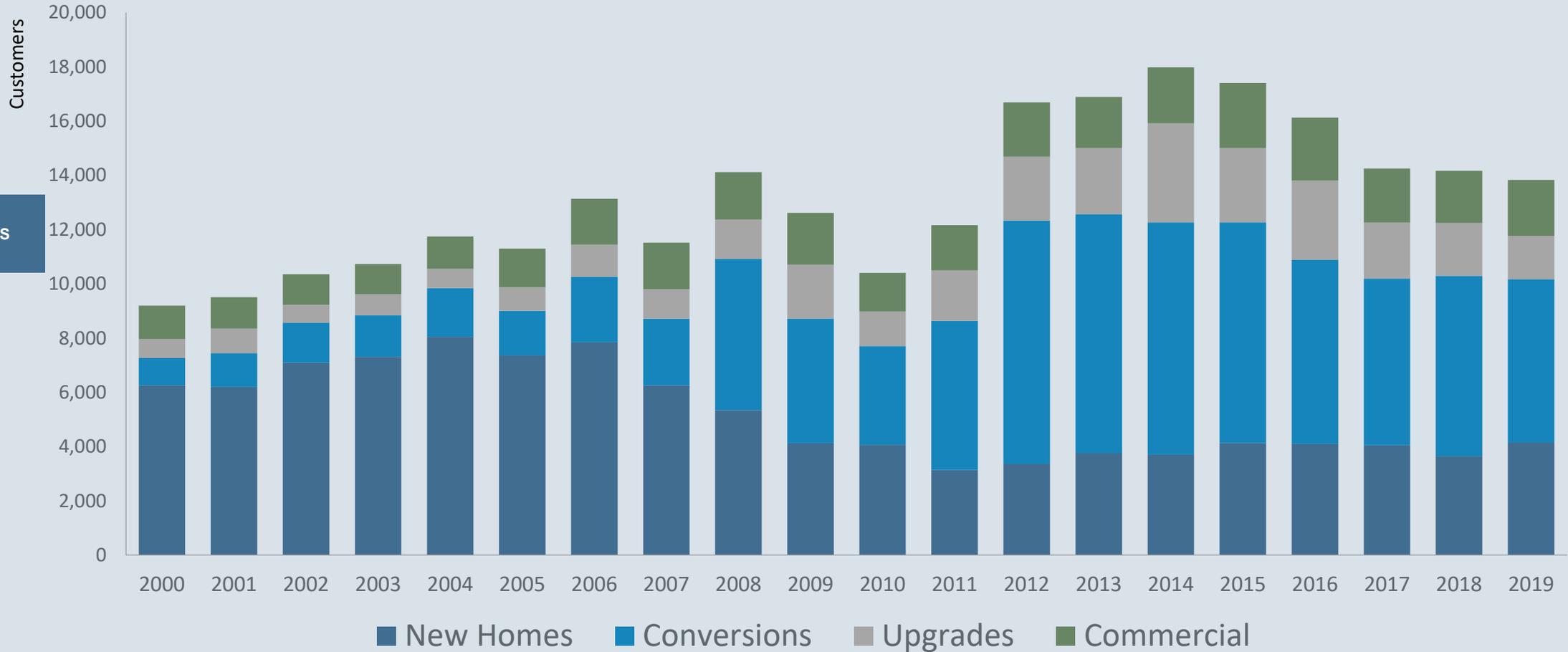


## Capital Drivers FY20 – FY23 (\$1.8B in planned capital spend)

- Gradually increase infrastructure replacement and building and grounds investment
- IT upgrade (Asset Management, Geographic Information Systems, Work Management)

# Annual Customer Growth

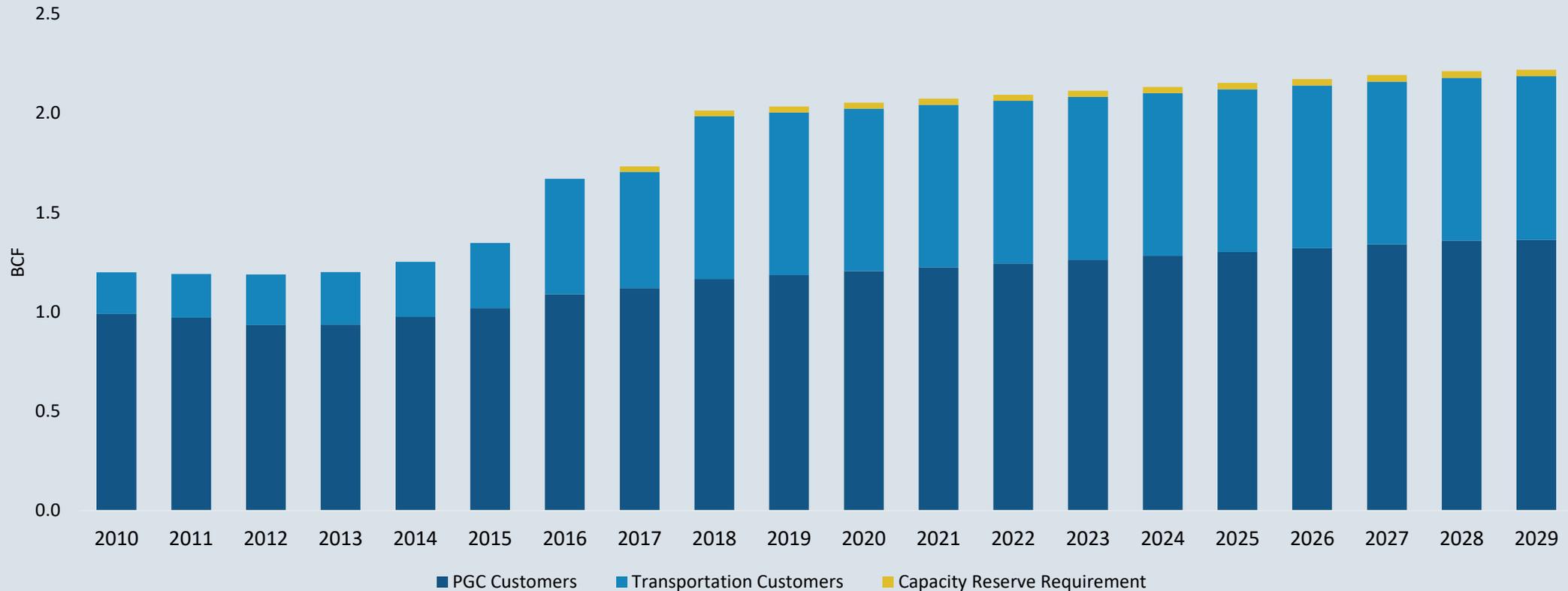
~ 265,000 customers added 2000 - 2019



UTILITIES

23

# Peak Day Growth



UTILITIES

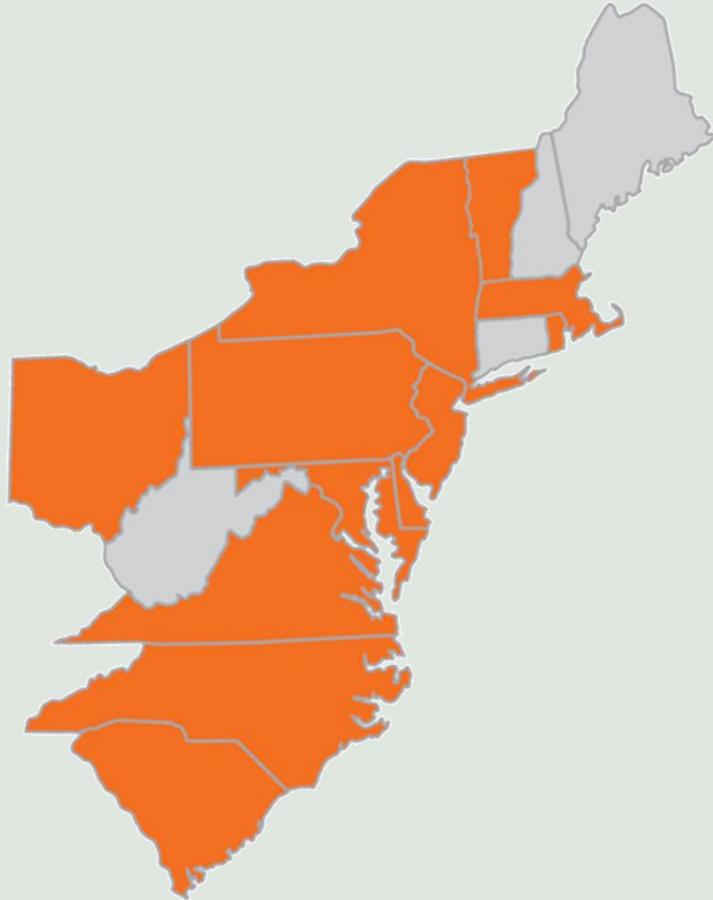
24

- Peak day demand growth driven by above average customer growth, power generation and large commercial & industrial customers
- Peak Day Demand expected to increase by 9% 2019-2029

Assumes existing service agreements are renewed



# Business Overview



**Significant assets in the Marcellus Shale – well positioned to participate in the build-out and serve growing natural gas demand through a broad range of investments**

## Midstream Assets

- LNG Peaking
  - Total vaporization (360,000 Dth/day)
  - Total liquefaction (15,000 Dth/day)
- Built Pipeline Capacity
  - Total capacity (~3,925,000 Dth/day)
- Natural Gas Storage
  - 15 MMdth

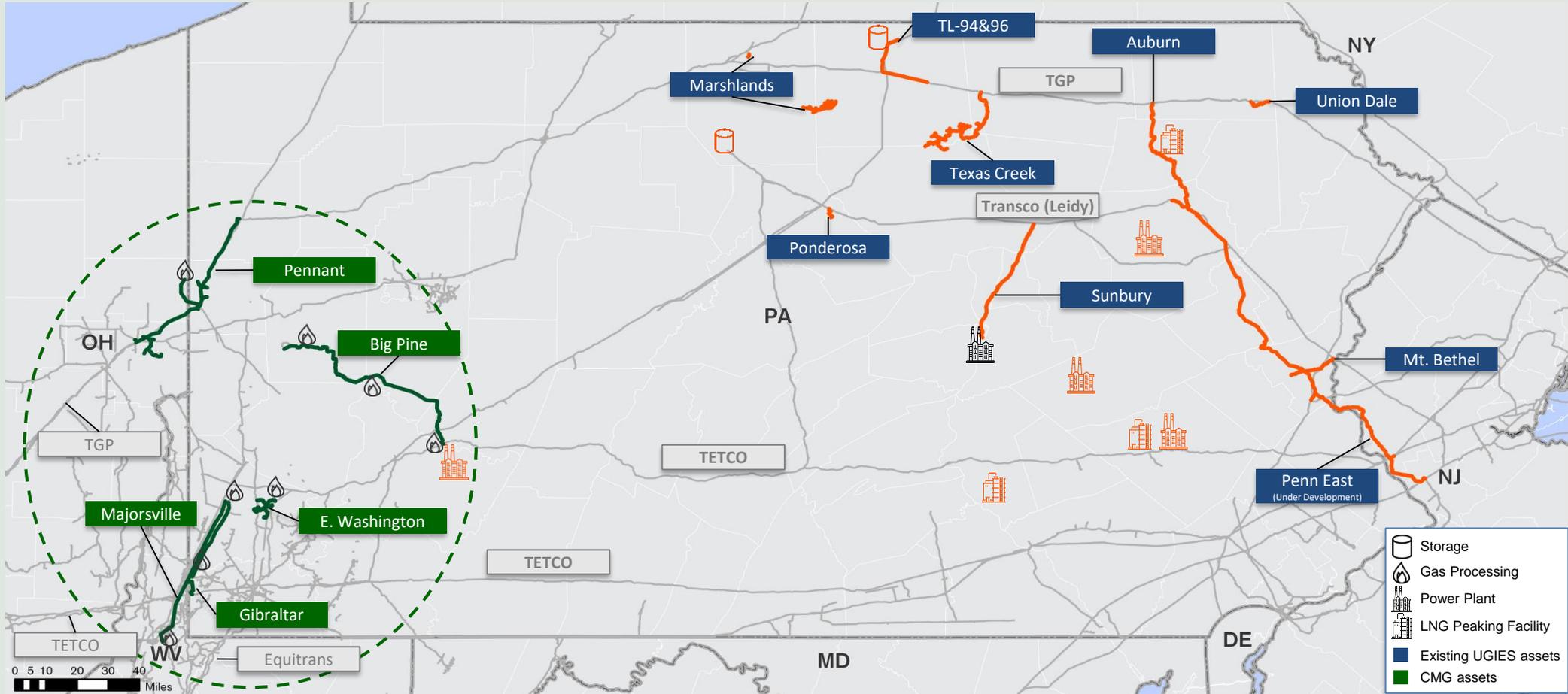
## Commodity Marketing

- Serving more than 13,000 residential, commercial, and industrial customers on 42 gas utility systems and 20 electric utility systems

## Electricity Generation

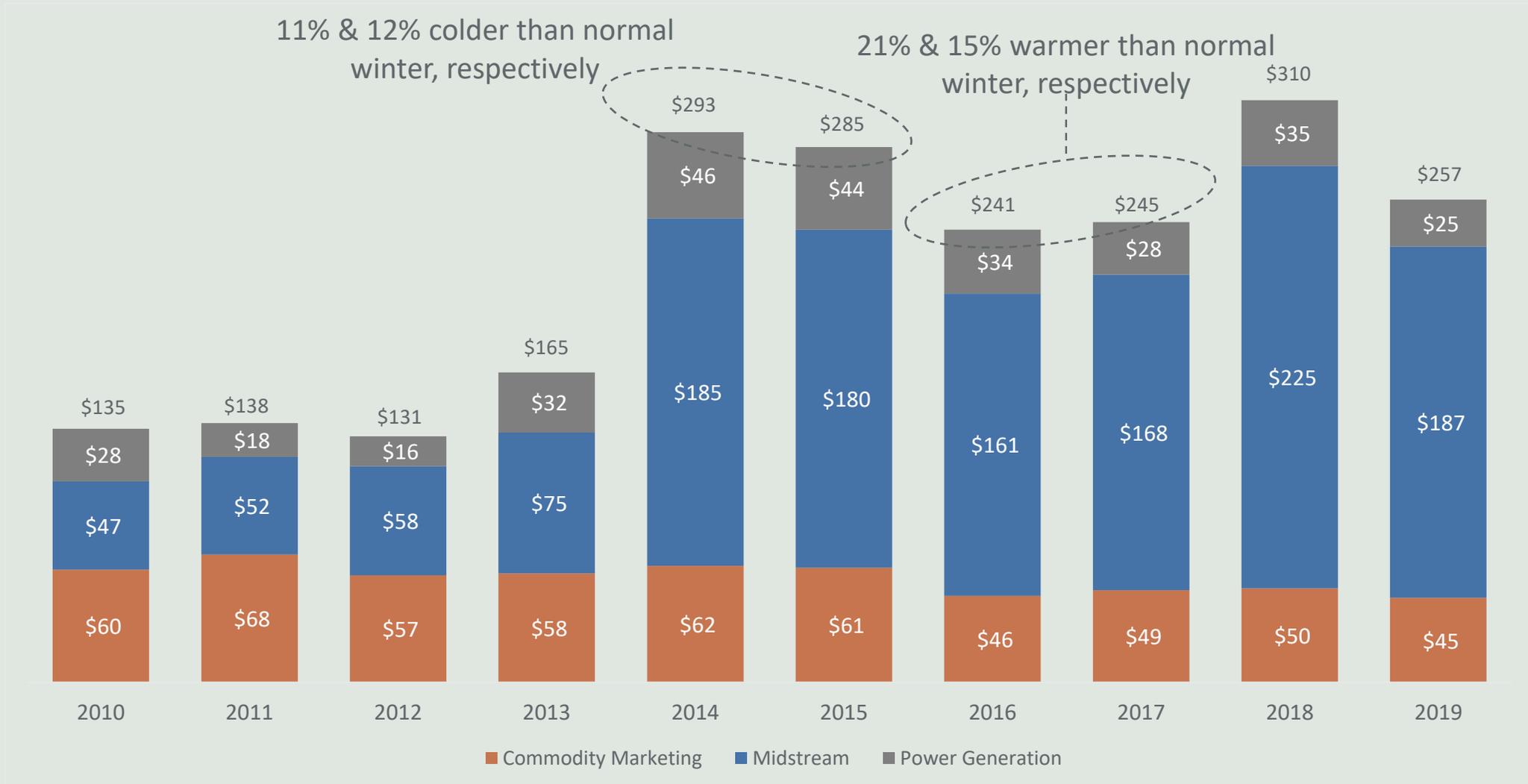
- ~300 MWs of electric generation capacity

# Full Suite of Midstream Services in Appalachia Region



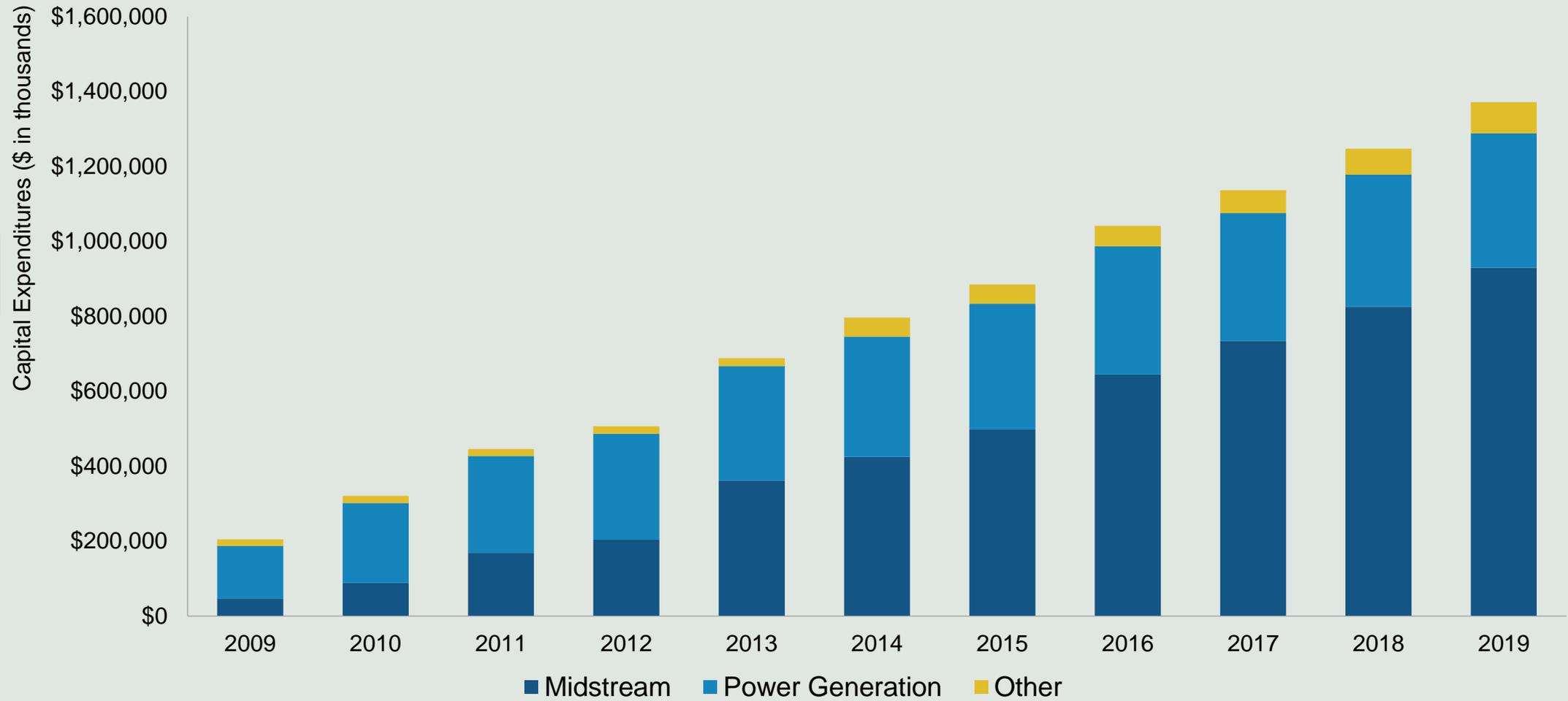
- Addition of complementary CMG assets increases the breadth and scale of our midstream activities across the Appalachian Region
- Multiple downstream interconnections to interstate pipelines

# UGIES Historical Margin<sup>1</sup> Breakdown



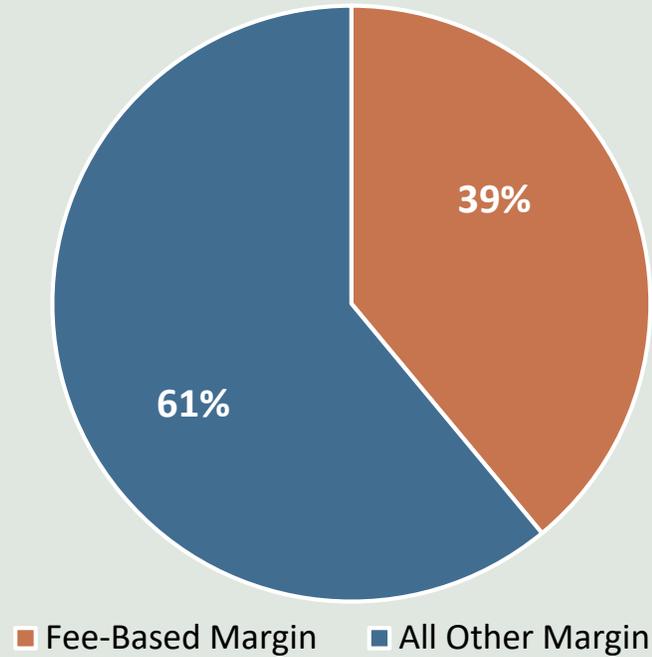
<sup>1</sup>Margin is a non-GAAP measure. See GAAP reconciliation in the appendix

# Cumulative Capital Investment

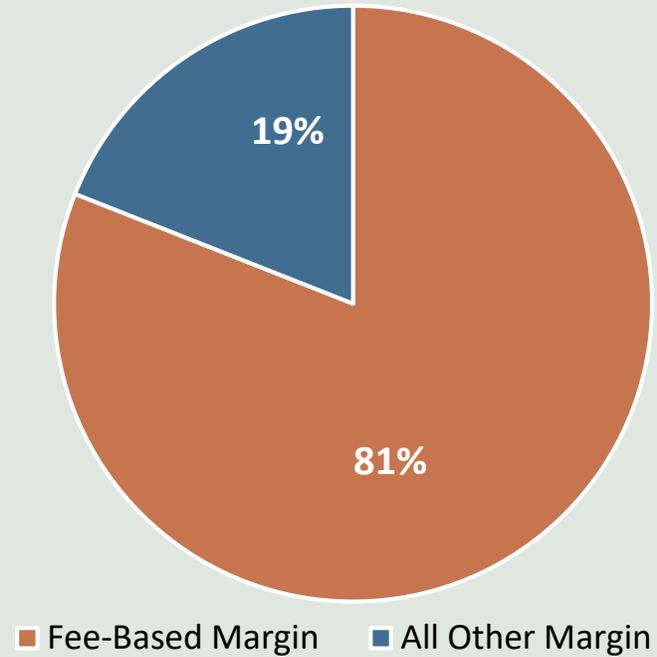


# Fee-Based Income Stabilizes Earnings

2013 Margin<sup>1</sup>



Anticipated 2023 Margin<sup>1</sup>



<sup>1</sup>Revenue less Cost of Sales



**UGI**  
INTERNATIONAL



# UGI International Overview

**Operations in 17 Countries**  
Over 615,000 Total Customers

## LPG Distribution

Over **960** million gallons  
of LPG sold in FY 2019

Leader distributor in France, Austria,  
Belgium, Denmark, Luxembourg, and  
Hungary

**Over 19 million** cylinders in circulation

Over **527,000** bulk customers



# Business Transformation Initiative

- Identified over **€30 million** of permanent annual savings and operational efficiencies that will be implemented by the end of FY22
- Establishment of 2 Centers of Excellence
  - Commercial Excellence – continuous improvement to customer experience
  - Operational Excellence – focus on distribution network and filling plants
- Identification of synergies and best practices across Europe – continued emphasis on customer service and safe operations



Estimated Cost to  
Implement ~€55 million

~ 35-40% attributable to capex

-Majority of cost will occur by the end of FY22

Expect ~€5million in  
P&L Benefits in FY20

-More significant benefits build in FY21  
and beyond

# Evolution – Major Acquisitions



Major Acquisitions



1999

1999 Austria  
Czech Republic  
Slovakia

1999: ~44MM retail gallons



2001 (20%)  
2004 (100%)

2001 France



2010

2004 Switzerland



2011

2006 Hungary  
Poland  
Romania



2015

2010 Denmark



2017

2011 Belgium  
Finland  
Luxembourg  
Norway  
Sweden  
Netherlands  
United Kingdom



2017

2017 Italy

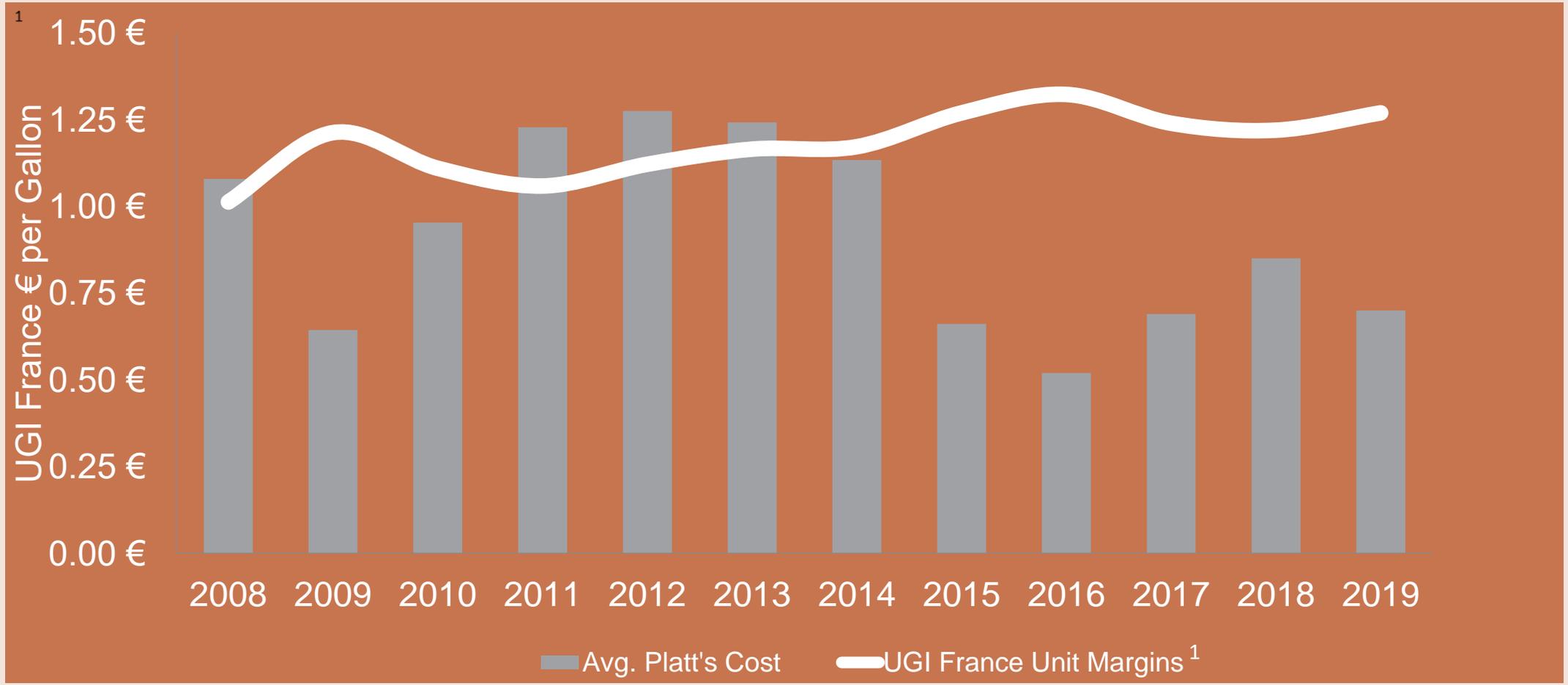
2019: Over 832MM retail gallons

**\$0.80**

FY 19 Adjusted  
EPS<sup>1</sup>

<sup>1</sup>Adjusted EPS is a non-GAAP measure. See appendix for reconciliation.

# Track Record of Margin Management

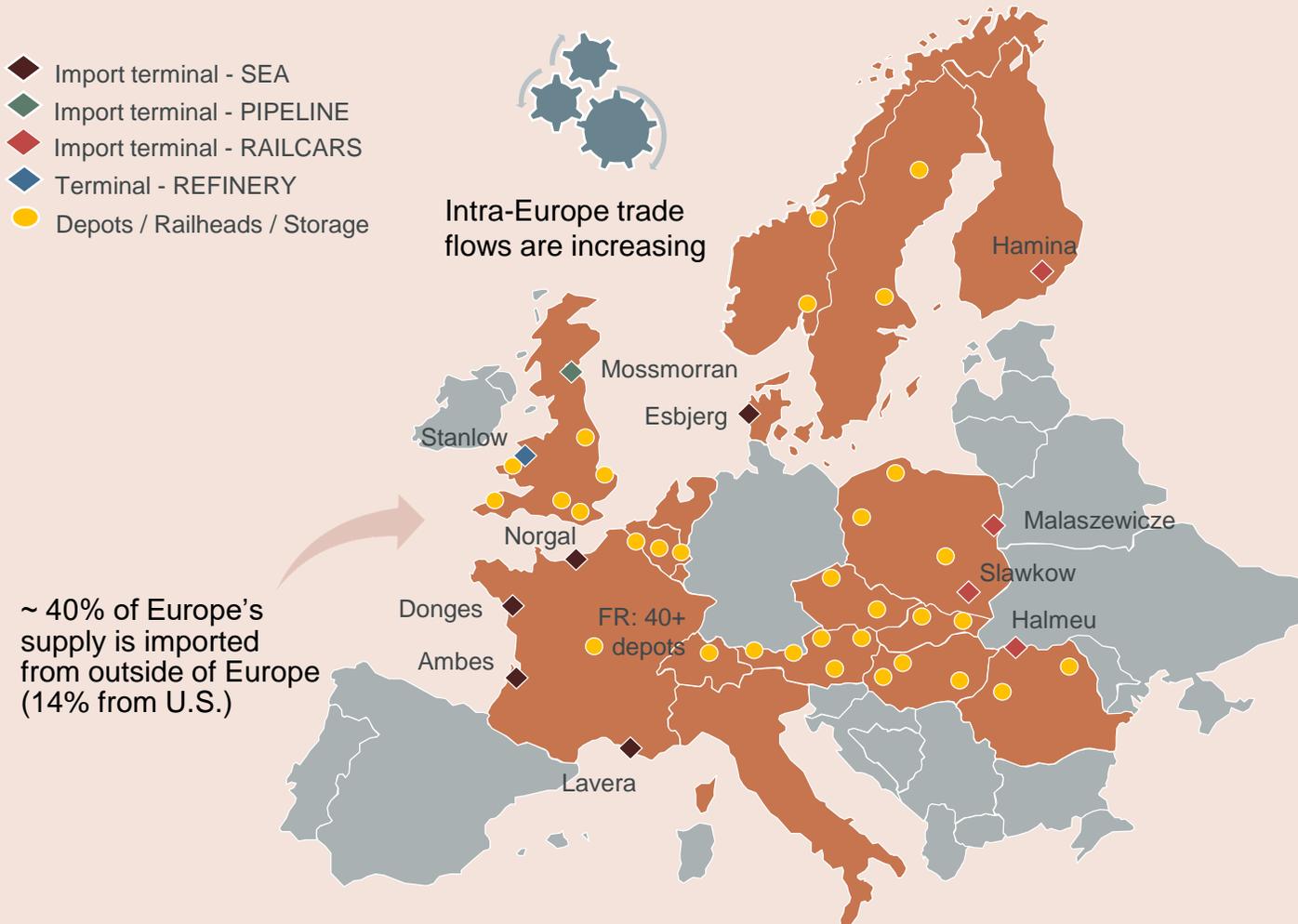


INTERNATIONAL

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<sup>1</sup>Unit margin is a non-GAAP measure. Please see appendix for reconciliation.

# Strategically located LPG Supply Assets Provide Flexibility



- UGI stores LPG at various storage facilities and terminals across UGI
  - Ownership interests in 10 primary storage facilities and more than 80 secondary storage facilities
- Manages extensive logistics and transportation network

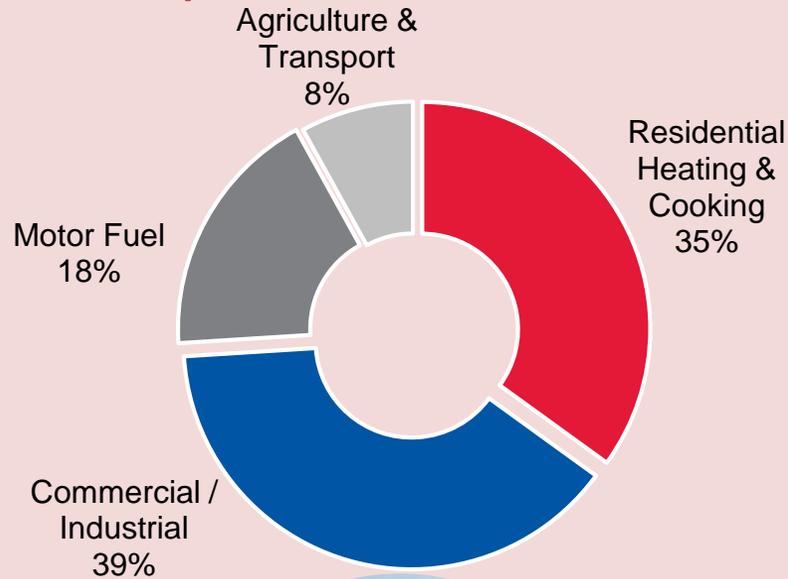
**AmeriGas**



# AmeriGas Overview

Largest Propane Distributor in U.S.<sup>1</sup>

~1.1 billion  
retail gallons sold  
in FY19



1.6 million  
customers

AMERIGAS

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## Bulk Distribution

1mm tanks with 120 – 1,200 gallon capacity



## National Accounts

Utilizing scale to serve regional and national customers



## Cylinder Exchange

Portable tanks for barbecues and outdoor heating

<sup>1</sup> Based on volume of retail propane gallons distributed annually.

# Business Transformation Initiative

- Identified over **\$120 million** of permanent annual savings and operational efficiencies that will be implemented by the end of FY22
- Acceleration of Pace and Scale of Initiatives
  - Customer Digital Experience
  - Customer Relationship Management
  - Operations Process Redesign and Specialization
  - Distribution and Routing Automation
  - Sales Effectiveness
  - Procurement and G&A
  - Supply & Logistics



Estimated Cost to  
Implement ~\$175 million

~ 55-60% attributable to capex

-Majority of cost will occur by the end of FY22

Expect ~\$30 million in  
P&L Benefits in FY20

-More significant benefits build in FY21  
and beyond

# National Accounts Program

- Roughly 50% less weather sensitive than base business
- Customer-focused solution
  - Best in class back office
  - Turnkey installation options
  - Unparalleled footprint
- Leverage AmeriGas scale
  - 1,800 distribution points across all 50 states
  - Technology improvements (including distribution and route optimization)

Delivering to nearly

**52,000**

Customer Locations

**44%**

Volume increase  
since 2014

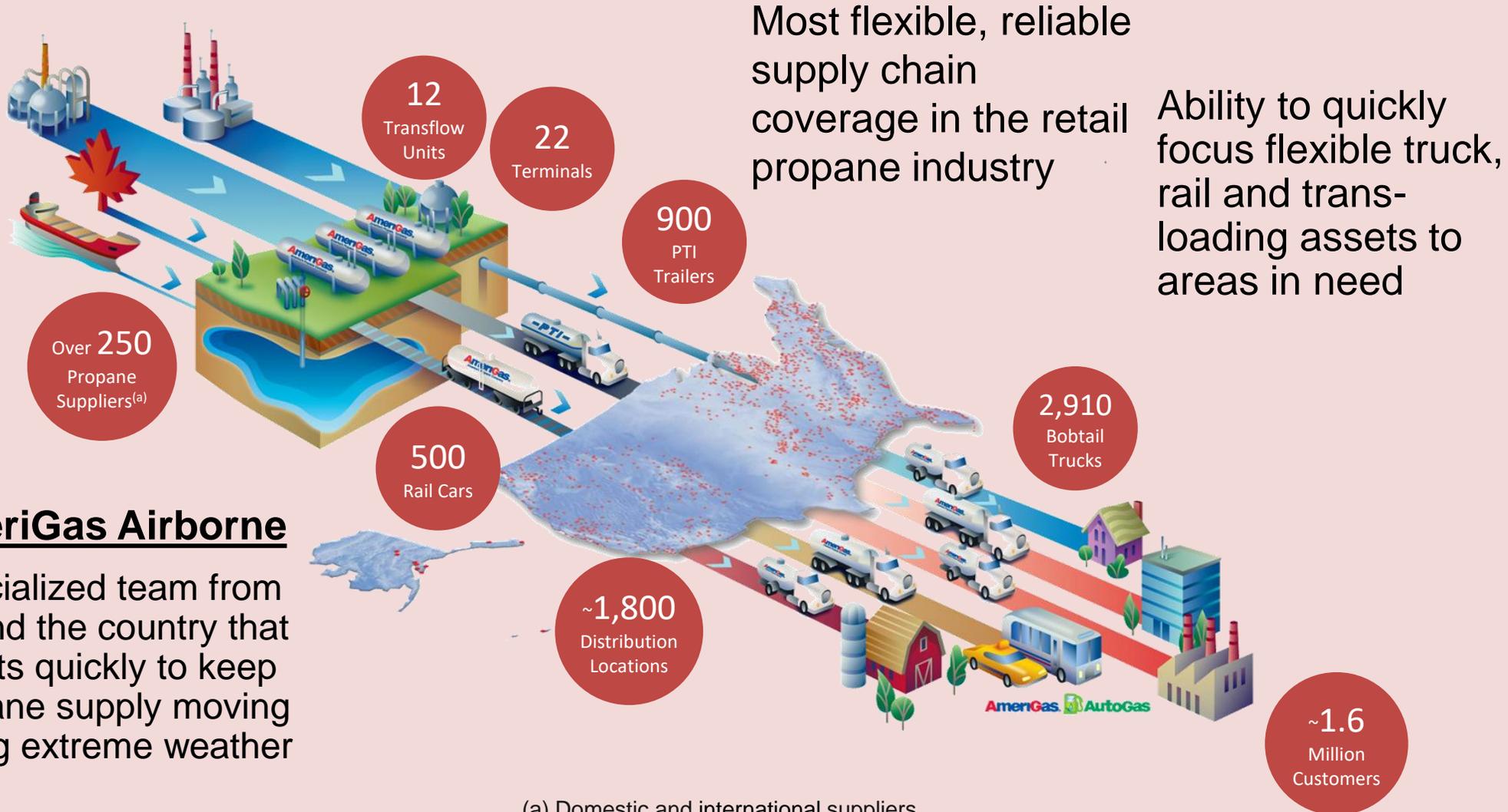
# Cylinder Exchange Program – Key Attributes

- Product of Convenience
  - Industry leader in automated vending
  - Home delivery pilot went live in summer of FY19
- Continue to optimize distribution
- National footprint
  - Expansion with major retailer and large convenience store chain
  - Roll-out several hundred “24/7” automated cylinder vending locations by the end of the calendar year
  - Available at over 62,000 locations throughout the U.S.



# Significant Transportation & Logistics Network

AMERIGAS



Most flexible, reliable supply chain coverage in the retail propane industry

Ability to quickly focus flexible truck, rail and trans-loading assets to areas in need

## AmeriGas Airborne

Specialized team from around the country that reacts quickly to keep propane supply moving during extreme weather

(a) Domestic and international suppliers

# Summary

- Proven track record of exceeding our commitments to our shareholders
  - 6% - 10% long-term annual Adjusted EPS growth
  - 4% annual dividend growth
- Well-positioned to build on our momentum
  - Strong and growing natural gas demand
  - Utility rate base and customer growth
  - LPG Business Transformation Initiatives
  - Marcellus-based infrastructure; 2<sup>nd</sup> Order Investment Opportunities on CMG Assets
  - National Accounts, Cylinder Exchange
  - Targeted M&A
  - LNG, energy marketing expansion
  - Broadening of activities in Europe
  - Enhanced technology platform to support growth and improve customer experience
- Diversified and growing cash generation

# Appendix



# UGI Corporation Adjusted EPS

(Millions of dollars, except per share amounts)

	Year Ended September 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Non-GAAP Reconciliation:</b>										
<b>Adjusted net income attributable to UGI Corporation:</b>										
Net income attributable to UGI Corporation	\$ 251.8	\$ 245.4	\$ 210.2	\$ 278.1	\$ 337.2	\$ 281.0	\$ 364.7	\$ 436.6	\$ 718.7	\$ 256.2
Net losses (gains) on commodity derivative instruments not associated with current-period transactions (net of tax of \$(59.5), \$26.7, \$31.9, \$13.5 and \$(30.9), respectively) (a) (b)	8.2	(17.4)	(8.9)	(4.3)	6.6	53.3	(29.9)	(51.2)	(68.1)	147.4
Unrealized (gains) losses on foreign currency derivative instruments (net of tax of \$9.3, \$9.3, \$(9.9), \$0 and \$0), respectively) (a)		-	-	-	-	-	-	13.9	(19.6)	(22.9)
Loss on extinguishments of debt (net of tax of \$(1.9), \$0, \$(6.1), \$(5.0) and \$0, respectively) (a)		-	2.2	-	-	-	7.9	9.6	-	4.2
AmeriGas Merger expenses (net of tax of \$(0.4), \$0, \$0, \$0 and \$0, respectively) (a)		-	-	-	-	-	-	-	-	1.2
Acquisition and integration expenses associated with the CMG Acquisition (net of tax of \$(4.5), \$0, \$0, \$0 and \$0, respectively) (a)		-	-	-	-	-	-	-	-	11.2
LPG business transformation costs (net of tax of \$(5.1), \$0, \$0, \$0 and \$0, respectively) (a)		-	-	-	-	-	-	-	-	15.6
Integration expenses associated with Finagaz (net of tax of \$0, \$(12.0), \$(13.7), \$(10.6) and \$(7.7), respectively) (a)		-	8.8	4.4	4.3	14.9	17.3	26.2	18.5	-
Impairment of Partnership tradenames and trademarks (net of tax of \$0, \$(5.8), \$0, \$0 and \$0, respectively) (a)		-	-	-	-	-	-	-	14.5	-
Impact from change in French tax rate		-	-	-	-	-	-	(29.0)	(12.1)	-
Remeasurement impact from TCJA		-	-	-	-	-	-	-	(166.3)	-
Costs associated with extinguishment of debt (net of tax of \$0, \$0, \$0, \$0 and \$(5.7), respectively) (a) (c)		10.4	-	-	-	4.6	-	-	-	-
Impact of retroactive change in French tax law		-	-	-	5.7	-	-	-	-	-
Gain on Sale of Atlantic Energy (net of tax of \$19.3 in 2010)	(17.2)									
Adjusted net income attributable to UGI Corporation (d)	\$242.8	\$238.4	\$212.3	\$278.2	\$353.8	\$353.8	\$360.0	\$406.1	\$485.6	\$412.9
<b>Adjusted diluted earnings per share:</b>										
UGI Corporation earnings per share - diluted	\$ 1.52	\$ 1.45	\$ 1.24	\$ 1.60	\$ 1.92	\$ 1.60	\$ 2.08	\$ 2.46	\$ 4.06	\$ 1.41
Net losses (gains) on commodity derivative instruments not associated with current-period transactions (b)	0.05	(0.10)	(0.05)	(0.02)		0.30	(0.17)	(0.29)	(0.39)	0.82
Unrealized (gains) losses on foreign currency derivative instruments		-	-	-		-	-	0.08	(0.11)	(0.13)
Loss on extinguishments of debt		0.06	0.01	-		-	0.04	0.05	-	0.02
AmeriGas Merger expenses		-	-	-		-	-	-	-	0.01
Acquisition and integration expenses associated with the CMG Acquisition		-	-	-		-	-	-	-	0.06
LPG business transformation costs		-	-	-		-	-	-	-	0.09
Integration expenses associated with Finagaz		-	-	-		0.08	0.10	0.15	0.10	-
Integration and acquisition expenses associated with the retail propane businesses of Energy Transfer Partners, L.P. ("Heritage Propane") acquired by the Partnership on January 12, 2012		-	0.05	0.03						
Impairment of Partnership tradenames and trademarks		-	-	-		-	-	-	0.08	-
Impact from change in French tax rate		-	-	-		-	-	(0.16)	(0.07)	-
Remeasurement impact from TCJA		-	-	-		-	-	-	(0.93)	-
Costs associated with extinguishment of debt		-	-	-		0.03	-	-	-	-
Gain on sale of Atlantic Energy	(0.11)									
Adjusted diluted earnings per share (d)	\$ 1.46	\$ 1.41	\$ 1.25	\$ 1.61	\$ 2.02	\$ 2.01	\$ 2.05	\$ 2.29	\$ 2.74	\$ 2.28

# UGI Corporation Free Cash Flow

(\$ in millions)

	Year Ended September 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Net Cash Provided By Operating Activities	\$ 132.7	\$ 203.5	\$ 247.5	\$ 249.1	\$ 260.7	\$ 437.7	\$ 279.4	\$ 456.2	\$ 464.4	\$ 665.0
Less: Expenditures for property, plant, and equipment	(71.0)	(78.0)	(94.7)	(100.9)	(133.7)	(158.4)	(191.7)	(223.1)	(232.1)	(301.8)
Free Cash Flow Before Distributions on AmeriGas Publicly Held Common Units	61.7	125.5	152.8	148.2	127.0	279.3	87.7	233.1	232.3	363.2
Less: Distributions on AmeriGas Partners Publicly Held Common Units	(39.1)	(44.3)	(53.5)	(56.4)	(62.4)	(66.6)	(73.6)	(85.0)	(80.9)	(159.1)
Free Cash Flow	\$ 22.6	\$ 81.2	\$ 99.3	\$ 91.8	\$ 64.6	\$ 212.7	\$ 14.1	\$ 148.1	\$ 151.4	\$ 204.1

	Year Ended September 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net Cash Provided By Operating Activities	\$ 598.8	\$ 554.7	\$ 707.7	\$ 801.5	\$ 1,005.4	\$ 1,163.8	\$ 969.7	\$ 964.4	\$ 1,085.3	\$1,078.1
Less: Expenditures for property, plant, and equipment	(347.3)	(360.7)	(339.4)	(486.0)	(456.8)	(490.6)	(563.8)	(638.9)	(574.9)	(704.6)
Free Cash Flow Before Distributions on AmeriGas Publicly Held Common Units	251.5	194.0	368.3	315.5	548.6	673.2	405.9	325.5	510.4	373.5
Less: Distributions on AmeriGas Partners Publicly Held Common Units	(89.1)	(93.7)	(181.7)	(226.5)	(237.7)	(248.9)	(257.3)	(261.6)	(263.0)	(263.1)
Free Cash Flow	\$ 162.4	\$ 100.3	\$ 186.6	\$ 89.0	\$ 310.9	\$ 424.3	\$ 148.6	\$ 63.9	\$ 247.4	\$ 110.4

# UGI Energy Services Historical Margin

(\$ in millions)

	Year Ended September 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Revenues - Midstream & Marketing	\$ 1,222.6	\$ 1,155.9	\$ 942.2	\$ 1,122.8	\$ 1,473.7	\$ 1,181.4	\$ 876.6	\$ 1,121.2	\$ 1,421.7	\$ 1,534.9
Total Cost of Sales - Midstream & Marketing	(1,055.5)	(986.5)	(779.7)	(927.3)	(1,149.8)	(872.4)	(612.2)	(856.7)	(1,090.8)	(1,254.2)
Margin - Midstream & Marketing	167.1	169.4	162.5	195.5	323.9	309.0	264.4	264.5	330.9	280.7
Less: HVAC Margin	(31.8)	(32.0)	(32.1)	(31.5)	(31.6)	(24.4)	(23.4)	(19.8)	(21.2)	(23.2)
<b>UGIES Margin</b>	<b>\$ 135.3</b>	<b>\$ 137.4</b>	<b>\$ 130.4</b>	<b>\$ 164.0</b>	<b>\$ 292.3</b>	<b>\$ 284.6</b>	<b>\$ 241.0</b>	<b>\$ 244.7</b>	<b>\$ 309.7</b>	<b>\$ 257.5</b>

## Margin Breakdown:

Commodity Marketing	\$ 60.2	\$ 67.5	\$ 56.9	\$ 57.6	\$ 61.9	\$ 60.6	\$ 45.7	\$ 48.8	\$ 49.8	\$ 45.0
Midstream	47.4	51.7	57.5	74.9	184.9	180.4	161.1	168.0	225.0	187.3
Power Generation	27.7	18.2	16.0	31.5	45.5	43.6	34.2	27.9	34.9	25.2
<b>UGIES Margin</b>	<b>\$ 135.3</b>	<b>\$ 137.4</b>	<b>\$ 130.4</b>	<b>\$ 164.0</b>	<b>\$ 292.3</b>	<b>\$ 284.6</b>	<b>\$ 241.0</b>	<b>\$ 244.7</b>	<b>\$ 309.7</b>	<b>\$ 257.5</b>

# UGI Corporation Adjusted EBITDA

(\$ in millions)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
<b>Net income (1)</b>	\$ 382.0	\$ 305.3	\$ 311.2	\$ 224.9	\$ 217.4	\$ 159.1	\$ 133.5	\$ 103.5	\$ 80.1	\$ 51.0
Income taxes	159.1	134.5	126.7	98.5	119.2	64.4	60.7	46.9	45.4	40.1
Interest expense	141.1	142.5	139.6	123.6	130.2	119.1	109.2	109.1	104.8	98.5
Depreciation	180.2	163.8	150.6	130.9	127.8	119.9	97.1	88.2	75.7	69.3
Amortization	20.7	20.6	18.6	17.8	18.6	12.4	5.9	5.3	29.5	28.2
<b>EBITDA/Adjusted EBITDA</b>	<b>\$ 883.1</b>	<b>\$ 766.7</b>	<b>\$ 746.7</b>	<b>\$ 595.7</b>	<b>\$ 613.2</b>	<b>\$ 474.9</b>	<b>\$ 406.4</b>	<b>\$ 353.0</b>	<b>\$ 335.5</b>	<b>\$ 287.1</b>

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Net income (1)</b>	\$ 307.9	\$ 822.4	\$ 523.8	\$ 488.8	\$ 414.0	\$ 532.6	\$ 427.6	\$ 197.7	\$ 320.0	\$ 346.6
Income taxes	92.6	32.1	177.6	221.2	177.8	235.2	162.8	106.9	145.4	162.8
Interest expense	257.8	230.1	223.5	228.9	241.9	237.7	240.3	220.4	138.0	133.8
Depreciation	388.5	396.5	357.3	338.6	313.2	305.7	301.4	263.2	201.0	187.6
Amortization	59.6	58.6	59.0	62.3	60.9	57.2	61.7	51.8	26.7	22.6
<b>EBITDA</b>	<b>1,106.4</b>	<b>1,539.7</b>	<b>1,341.2</b>	<b>1,339.8</b>	<b>1,207.8</b>	<b>1,368.4</b>	<b>1,193.8</b>	<b>840.0</b>	<b>831.1</b>	<b>853.4</b>
Unrealized losses (gains) on commodity derivative contract	290.3	(103.9)	(105.8)	(91.6)	119.1	18.0	(7.4)	(15.1)	(29.8)	13.9
Unrealized (gains) losses on foreign currency derivative contract	(32.2)	(28.9)	23.8	-	-	-	-	-	-	-
Heritage integration expenses	-	-	-	-	-	-	26.5	46.2	-	-
Finagaz integration expenses	-	30.5	39.9	27.9	22.6	6.5	-	-	-	-
AmeriGas Merger expenses	6.3	-	-	-	-	-	-	-	-	-
CMG acquisition and transition expenses	15.6	-	-	-	-	-	-	-	-	-
Impairment of Partnership tradenames	-	75.0	-	-	-	-	-	-	-	-
Loss on extinguishments of debt	6.1	-	59.7	48.9	-	-	-	13.3	38.1	-
LPG Business Transformation expenses	23.8	-	-	-	-	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>\$ 1,416.3</b>	<b>\$ 1,512.4</b>	<b>\$ 1,358.8</b>	<b>\$ 1,325.0</b>	<b>\$ 1,349.5</b>	<b>\$ 1,392.9</b>	<b>\$ 1,212.9</b>	<b>\$ 884.4</b>	<b>\$ 839.4</b>	<b>\$ 867.3</b>

(1) Net income before noncontrolling interests.

# UGI France Unit Margins

(\$ & € in thousands, except unit margin)

	Year Ended September 30,											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
LPG revenues	\$ 1,062,561	\$ 837,676	\$ 887,067	\$ 1,050,628	\$ 1,083,666	\$ 1,244,753	\$ 1,169,610	\$ 942,511	\$ 1,160,013	\$ 1,144,939	\$ 1,349,884	\$ 1,218,105
LPG cost of sales	(615,944)	(362,425)	(465,867)	(649,824)	(650,305)	(774,097)	(727,029)	(471,511)	(418,358)	(438,172)	(612,693)	(602,104)
Adjustment for Commodity Mark-to-Market loss (gain)	-	-	-	-	-	-	-	9,944	(14,071)	(9,187)	(20,102)	63,925
<b>Total adjusted LPG margin (USD)</b>	<b>\$ 446,617</b>	<b>\$ 475,251</b>	<b>\$ 421,200</b>	<b>\$ 400,804</b>	<b>\$ 433,361</b>	<b>\$ 470,656</b>	<b>\$ 442,581</b>	<b>\$ 480,944</b>	<b>\$ 727,584</b>	<b>\$ 697,580</b>	<b>\$ 717,089</b>	<b>\$ 679,926</b>
Foreign Currency Exchange Rates (Euro/USD)	1.51	1.35	1.36	1.40	1.30	1.31	1.36	1.15	1.11	1.11	1.19	1.13
<b>Total adjusted LPG margin (Euro)</b>	<b>€ 296,261</b>	<b>€ 350,903</b>	<b>€ 310,608</b>	<b>€ 286,427</b>	<b>€ 332,758</b>	<b>€ 358,630</b>	<b>€ 326,279</b>	<b>€ 418,212</b>	<b>€ 657,678</b>	<b>€ 628,450</b>	<b>€ 602,596</b>	<b>€ 602,771</b>
Total Tons Sold	567	561	542	524	575	596	539	639	963	983	960	923
Gallons/ton	516	516	516	516	516	516	516	516	516	516	516	516
<b>Total Gallons Sold</b>	<b>292,616</b>	<b>289,290</b>	<b>279,889</b>	<b>270,542</b>	<b>296,704</b>	<b>307,771</b>	<b>278,320</b>	<b>329,947</b>	<b>497,028</b>	<b>507,228</b>	<b>495,360</b>	<b>476,268</b>
<b>Average Adjusted LPG Margin per Gallon</b>	<b>€ 1.01</b>	<b>€ 1.21</b>	<b>€ 1.11</b>	<b>€ 1.06</b>	<b>€ 1.12</b>	<b>€ 1.17</b>	<b>€ 1.17</b>	<b>€ 1.27</b>	<b>€ 1.32</b>	<b>€ 1.24</b>	<b>€ 1.22</b>	<b>€ 1.27</b>

Margin excludes commodity derivative mark-to-market adjustments

# CMG: The Acquired Assets

System	Asset Type	Initial In-service	Length (miles)	Diameter (in)	Capacity ('000 MMBtu/d)
Big Pine	Dry gas gathering	2013	67	20, 24	~425
East Washington	Infield gathering	2015	21	8, 12, 16	~300
Gibraltar	Dry gas gathering	2017	25	36	~1,000
Majorsville	Wet gas gathering	2010	46	16, 20	~350
Pennant <sup>1</sup>	Gas gathering and processing	2014	82	16, 20, 24	~600 (gathering) <sup>2</sup> ~240 (processing) <sup>2</sup>
Total					~2,675 (gathering) ~240 (processing)

- Provides UGI with a full suite of midstream services including in-basin transportation, dry and wet gas gathering and natural gas processing
- Total volumes on acquired assets have a CAGR of ~20% over the past two years

<sup>1</sup> Includes a 47% interest in the Pennant system.

<sup>2</sup> Reflects 100% of the capacity on the system.

# UGI Energy Services: Critical Midstream Infrastructure Serving High-Demand Markets

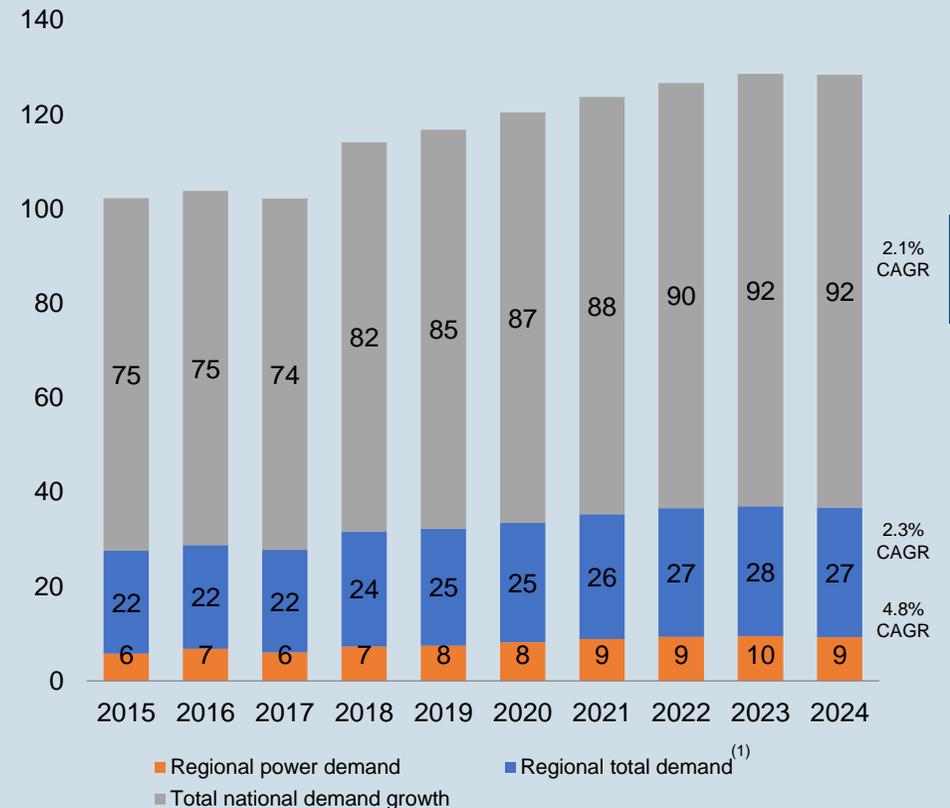
## Low cost supply:

- Our assets are located in the core region of the Appalachian Basin, with volumes supported by a long-lived, low-cost resources
  - Production from the Appalachian region has grown at a CAGR of 14% from 2014
  - Projections show both Marcellus and Utica will account for 32% of U.S. gas production by 2024

## Growing regional and national demand:

- Natural gas demand is poised to continue growing in the U.S. and especially in the regions served by the assets
  - U.S. demand set to grow 1.9% to 2024, with the NE growing at 2.5%
  - National demand growth is supported by increasing long-haul takeaway capacity to serve growing Gulf Coast demand
  - Regional demand story driven by proximity to major population centers and a major transition of the Northeastern power generation fleet from coal to gas

## Natural Gas Demand Projections



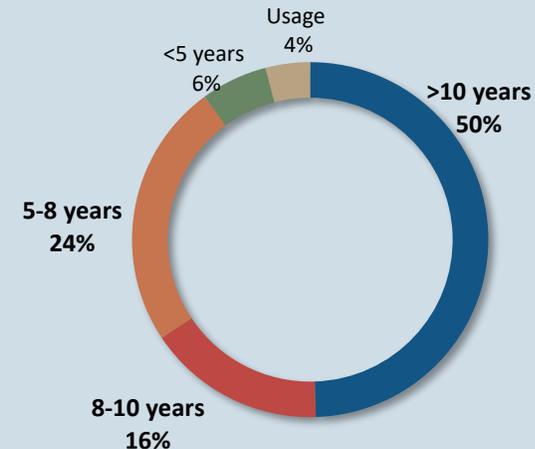
# Strategic Platform Underpinned by Long-Term Contracts

High quality assets with long-term fee-based contracts in one of North America's most prolific shale basins

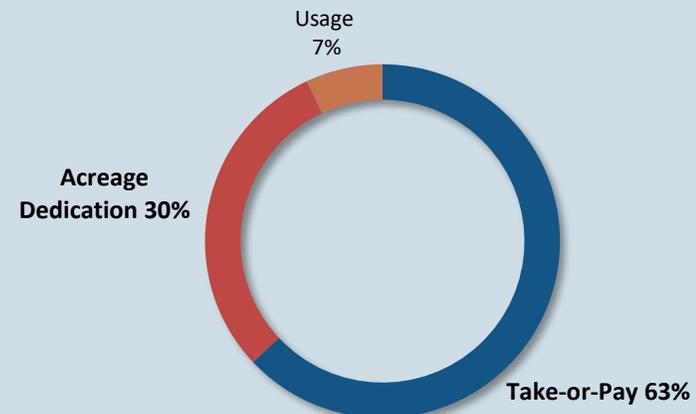
- Five recently-constructed assets enhance our existing gathering business and bring UGI into wet gas gathering and processing
- ~93% of CMG's 2020E revenue is from take-or-pay contracts and acreage dedications with active operators in the Appalachian Basin
- Diversified customer base; 90% of current contracts have tenor greater than 5 years
- Connectivity to key market hubs creates optimization opportunities
  - Each system provides multiple interconnections or processing hubs enhancing producer optionality and net backs
  - Allows customers to fill capacity commitments on interconnecting pipelines
- Strategically-located assets adjacent to long-haul, interstate pipelines allows for future expansion

2019 Revenue Breakdown by contract tenor and profile

## Contract Tenor



## Contract Profile



# Midstream Asset Overview

## LNG Peaking:

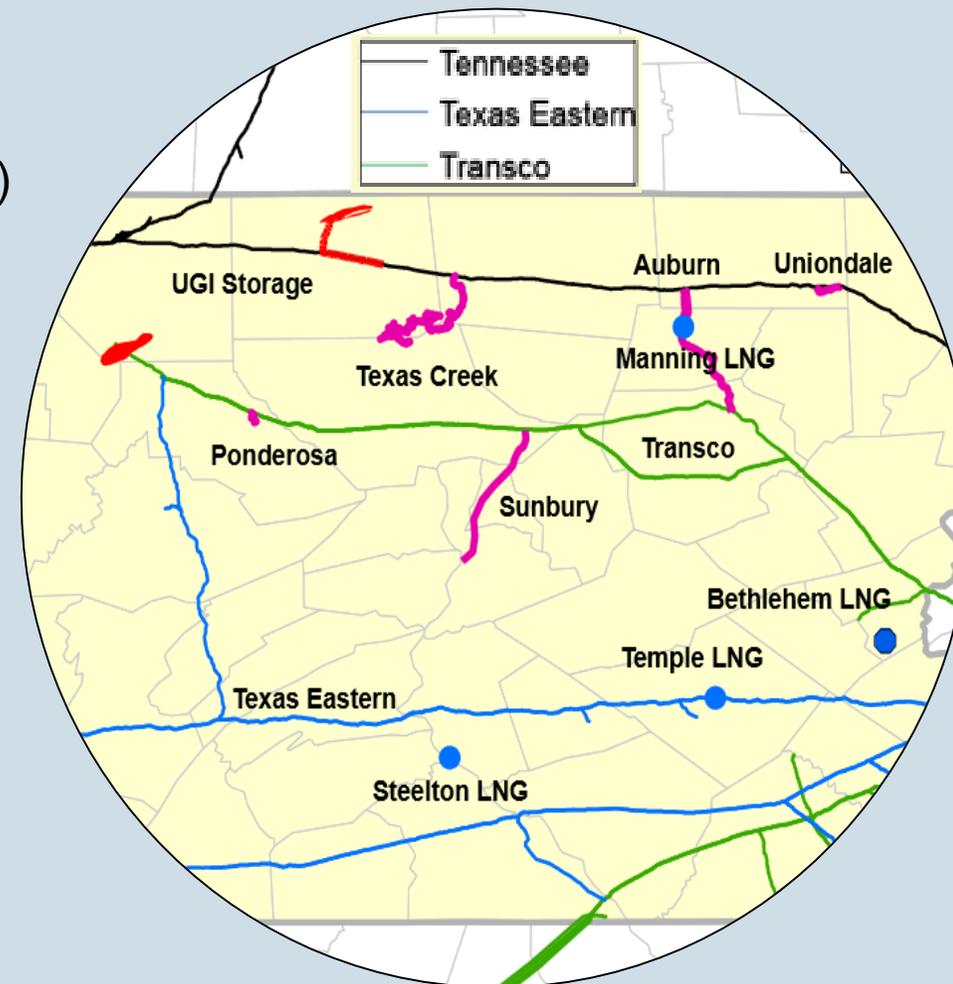
- Temple LNG (205,000 Dth/day vaporization, 1.25 MMdth storage)
- Manning liquefaction (10,000 to 15,000 Dth/day)
- Steelton vaporization (65,000 to 70,000 Dth/day)
- Bethlehem vaporization (65,000 to 70,000 Dth/day)
- Portable LNG vaporization
  - In-service (15,000 Dth/day)
  - Under construction (5,000 Dth/day)

## Built Pipeline capacity:

- Auburn system (635,000 Dth/day)
- Sunbury Pipeline (200,000 Dth/day)
- Union Dale (100,000 Dth/day)
- Texas Creek (200,000 Dth/day)
- Marshlands (80,000 Dth/day)
- Ponderosa (33,000 Dth/day)
- CMG (2,675,000 Dth/day)

## Storage:

- 15 MMdth natural gas storage



# Midstream – PennEast Pipeline

## System Highlights:

- 120-mile natural gas pipeline from Luzerne County, Pennsylvania to the Trenton-Woodbury interconnection in New Jersey
- Affiliates of all members plan to be customers of the pipeline under 15-year contracts

## PennEast Update:

- September 2019 – a panel of the U.S. Court of Appeals for the Third Circuit ruled that NJ’s Eleventh Amendment immunity barred PennEast from bringing an eminent domain lawsuit in federal court, under the Natural Gas Act, against the State of NJ
- PennEast has filed a petition for declaratory order with FERC regarding interpretation of the Natural Gas Act
- PennEast expects to file a petition for a writ of certiorari to seek U.S. Supreme Court review of the Third Circuit decision

## PennEast Pipeline (Red)

