



ENERGY
INDUSTRY

DELIVERING ONEUGI FOR INVESTORS, CUSTOMERS, AND EMPLOYEES

BY: RICARDO GUZMAN

Roger Perreault

President & CEO / UGI Corporation

UGI Corporation is a holding company that, through subsidiaries and affiliates, is an international distributor and marketer of energy products and services, including natural gas, liquefied petroleum gas (LPG), electricity, and renewable solutions, with well-developed infrastructure in key markets.

UGI

CORPORATION

\$7.46 billion
Revenue11,000+
EmployeesPennsylvania, US
HQNYSE: UGI
STOCK

UGI'S "3R STRATEGY" – Reliable Earnings Growth, Renewables, and Rebalancing its portfolio – is setting UGI up for success now and in the long term. Looking ahead, the company is emphasizing an OneUGI-approach that creates centers of excellence in its core functions – Legal, Human Resources, IT, Finance, Construction, Engineering,

and Procurement – and is engaged in the energy transition with a focus on renewable energy that supports the customers it serves.

UGI Corporation, a Pennsylvania-based company, relies on its unique and diversified structure and its four business segments – the Utilities, Midstream & Marketing, UGI International, and AmeriGas – as a strategic and competitive advantage to support its customers, provide the most efficient service, and offer employees an engaging experience and a wide variety of career opportunities.

The NYSE-listed company has been in business for more than 140 years, operates in 18 countries, and has more than

“We are guided by operational excellence. For every energy distribution company safety is always at the forefront, and you must think about tomorrow and reinvent all the time.”

ROGER PERREAULT / PRESIDENT & CEO,
UGI CORPORATION

3 million customers, and approximately 10,000 employees. UGI's main businesses include natural gas and electric utility services, which is a regulated Local Distribution Company (LDC); midstream and marketing services for natural gas, electricity, and liquid fuels; LPG Distri-

bution, which operates as AmeriGas, the nation's largest retail propane marketer, and UGI International in 17 countries throughout Europe.

"We are an energy distribution company and an energy provider with a couple of unique attributes in our business," says UGI President and CEO Roger Perreault. "One example is that UGI has midstream assets, which help in the storing, transporting, and marketing of energy. So, we know how midstream works and that it is part of the vertically integrated distribution process. We also market natural gas and renewable natural gas," Perreault tells us.

"The midstream business offers a lot of investment opportunities and has enabled us to build pipelines, LNG facilities for liquified natural, and build gas robustness in the distribution of energy in the North-east."

ROGER PERREAULT / PRESIDENT & CEO,
UGI CORPORATION

Renewable natural gas is biogas that has been processed to purity standards to match pipeline quality and can be used in natural gas vehicles. According to Perreault, having a diversified portfolio of businesses is a unique advantage in the energy industry. "There is no direct peer. We don't see other companies that are comparable to us," he notes.

UGI generates strong cash flow from its propane distribution businesses, which is deployed to help other parts of the business grow, such as the company's utilities and midstream and marketing businesses. This helps contribute to UGI's overall financial performance and its commitment to 6-10% EPS growth and 4% dividend growth over the long term.

UGI, THEIR MISSION & VALUES

UGI Corporation (NYSE: UGI) is a holding company that distributes and markets energy products and services through their subsidiaries and the company's common stock is a balanced growth and income investment. UGI Corporation has paid common dividends for more than 137 consecutive years.

UGI's mission is to be the preeminent energy distribution company in their targeted markets by providing a superior range of clean and sustainable energy solutions to our customers.

At UGI, they believe that safe, reliable, affordable, and sustainable energy solutions are a necessity for their customers and communities. They strive to deliver this fundamental need through best-in-class safety, operations, products, and services while enhancing the quality of life of their employees, customers, and the communities they serve.



SAFETY

Safety is a way of life for them. They take the time to be safe, safeguard one another and make safety a priority in their interactions with their colleagues, customers and communities.



RESPECT

They embrace the diversity and uniqueness of individuals and cultures and the varied perspectives they provide. They recognize that their success depends upon the commitment and capabilities of their employees to create greater value for all.



INTEGRITY

They do the right thing and act with honesty. They are ethical and trustworthy in all of their relationships.



SUSTAINABILITY

UGI is committed to responsible business practices and growing the Company in an environmentally responsible way. Natural gas and LPG are clean-burning, efficient, cost-effective, and abundantly available energy sources. They will continue to supplement and replace with innovative, efficient and renewable energy solutions to benefit their customers and our communities.



EXCELLENCE

The Company is committed to achieving exceptional performance through disciplined growth, execution and continuous improvement. Their goal is to deliver the best value for investors as a high-performing investment, for customers as a best-in-class service provider, for employees as a great place to work and for communities as a valued neighbor.



RELIABILITY

UGI is a reliable service provider with a long-standing history in their community. They recognize that their customers and communities rely on the products and services they provide. In turn, they support the communities they serve through their investment in critical infrastructure and their team's commitment to philanthropic activities.



A SPECIAL FOCUS ON PROPANE

UGI owns AmeriGas, the nation's largest retail propane marketer, with more than 1 billion gallons sold annually. "We operate in a very fragmented market with thousands of propane distributors across the U.S.," Perreault tells CEO North America in an exclusive interview. UGI International's operations are also mostly in propane distribution using the same model as AmeriGas, scaling the company's footprint.

"In the past, oil companies in Europe like Total, BP, or Shell held on to the propane distribution business as a strategic lever. They made the product available in the refinery," Perreault explains. "We saw that at some point they would divest these assets, which is something that happened, and that we would be well positioned to execute on a roll-up strategy in Europe that ultimately grew our international businesses," he adds.

RENEWABLES FOCUS AND INVESTMENT

When he was named UGI CEO in June 2021, Perreault immediately went to work to ensure that the company focused on meeting its sustainability goals, such as reducing its Scope 1 emissions by 55% by 2025 and remaining aligned with the 2015 Paris Agreement climate goals. In its

UGI IN NUMBERS



139

YEARS



18

COUNTRIES



3
MILLION

CUSTOMERS

"We will invest about \$1 billion into renewables. We are committed, with a couple of hundred million in renewable natural gas."

ROGER PERREAU / PRESIDENT & CEO,
UGI CORPORATION

fiscal year 2021, UGI made progress on its sustainability commitments and received an upgraded Environmental, Social and Governance (ESG) Rating Assessment to AA (leader) by MSCI, a prominent voice in assessing corporate ESG practices. This places UGI among the leading companies worldwide for action across ESG matters.

"One of the pillars of our strategy is renewables and we are highly focused and motivated to come up with practical ideas to not only decarbonize but also to leverage our existing infrastructure. This will help us best serve our customers and grow our business over the long-term," explained the INSEAD AMP graduate.

Perreault says he "loves being on this side of the fence", where UGI is a big part of the solution, having committed to investing more than \$1 billion in renewables over 5 years. "We are committed to lowering our carbon intensity, while also



continuing to ensure that our customers get good, affordable, and reliable service where, when, and how they need it,” Perreault tells us.

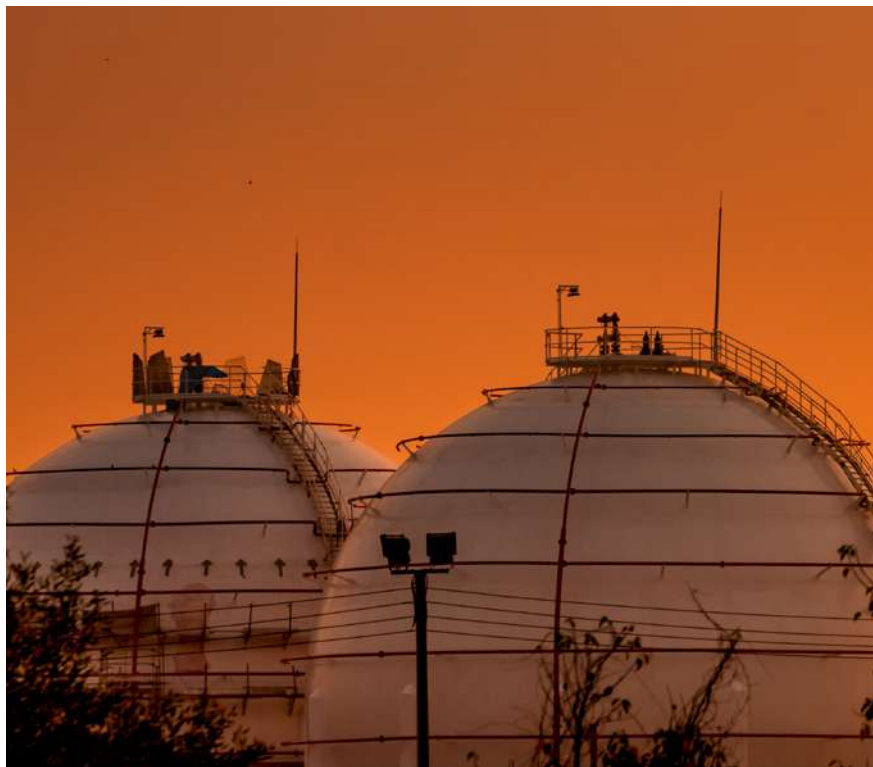
The factor that makes a difference, he explains, is renewables, which offer highly effective solutions for establishing greater sustainability. “Some people believe that electrification is renewables. The common belief says: ‘If we electrify, we effectively decarbonize’, and that is not true because the starting point for enabling energy security, sustainability, and affordability is diversification. The right solution moving forward is a mix of technologies and solutions where electrification will play a major role,” Perreault states.

Displacing more coal for natural gas helps to significantly boost decarbonization efforts, as does replacing heavy heating oil with propane, which is lighter and cleaner, and moving towards cleaner gas molecules in pipelines.

MOVING FORWARD TO THE ONEUGI COMPANY

According to Perreault, UGI Corporation is in a solid position to scale in all markets where it operates, taking advantage of its significant assets and capabilities. “Our robust strategic assets and integrated asset portfolio, including pipelines, gathering systems, natural gas storage, and LNG, positions us well to meet the energy needs of customers today and in the future, and provides a competitive advantage to deliver sustained growth. There is a strong underlying demand for the energy solutions that we offer. We are making new investments, have a long pipeline of opportunities to invest capital in our regulated utilities businesses, and a strong balance sheet with ample liquidity to meet capital needs.”

Perreault is committed to building the best UGI possible. The company’s Belonging, Inclusion, Diversity, and Equity (“BIDE”) imperative has helped to create



a workplace culture where differences in cultural perspectives, life experiences, and viewpoints are nurtured, which helps UGI align around its core values of safety, integrity, respect, sustainability, reliability, and excellence.

UGI has also launched several initiatives to foster diversity and inclusion and to support diverse segments of its workforce through employee resource groups (“ERGs”). ERGs are a key component of the BIDE strategy. These groups are open to participation for all employees to learn from a cultural perspective and support each other through allyship. UGI’s ERGs include Black Organizational Leadership and Development (“BOLD”), Women’s Impact Network (“WIN”), and Veteran Employee Team (“VET”).

Finally, Perreault is highly committed to establishing OneUGI to create opportunities for all employees to grow within the organization and a better, more optimized operation. “For example, having a OneUGI centralized procurement op-

eration is good for us and our suppliers and partners. Establishing one procurement team with category specialists in different areas leverages our businesses and our relationships with suppliers. This example, and others in each of our key functions, creates opportunities for employees, serves customers better, and makes our company both more productive and efficient,” he says.

Perreault explains that in the journey to bring the company together – listening to the various teams in the organization and leveraging their capabilities, knowledge, skills, and assets across the business segments to find the right solutions has been key.

Using modern tools to simplify processes is another major area of focus, according to Perreault. “By doing this we bring more attention and focus to what matters most, which is providing great service to our customers, delivering results for our investors, and offering a fun and engaging employee experience,” Perreault finishes. ▀