

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): May 6, 2020

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

Pennsylvania  
(State or Other Jurisdiction  
of Incorporation)

1-11071  
(Commission  
File Number)

23-2668356  
(I.R.S. 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: 610 337-7000

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b 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 May 6, 2020, UGI Corporation (the “Company”) issued a press release announcing financial results for the Company for the fiscal quarter ended March 31, 2020. 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 May 7, 2020, the Company will hold a live Internet Audio Webcast of its conference call to discuss its financial results for the fiscal quarter ended March 31, 2020.

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 May 6, 2020.</a>
99.2	<a href="#">Presentation of UGI Corporation dated May 7, 2020.</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)

**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

May 7, 2020

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

# UGI Reports Second Quarter Results

May 6, 2020

VALLEY FORGE, PA - UGI Corporation (NYSE: UGI) today reported financial results for the fiscal quarter ended March 31, 2020.

## HEADLINES

- Q2 GAAP EPS of \$1.07 and adjusted EPS of \$1.56 per diluted share compared to GAAP EPS of \$1.38 and adjusted EPS of \$1.43 per diluted share in the prior-year period.
- Year-to-date GAAP EPS of \$2.08 and adjusted EPS of \$2.73 per diluted share represent a 20% increase in GAAP EPS and a 22% increase in adjusted EPS compared to the prior year.
- Q2 Reportable segments earnings before interest expense and income taxes of \$527.4 million compared to \$550.5 million in the prior-year period.
- Significantly warmer-than-normal weather in all of UGI's service territories.
- On April 21, 2020, UGI's Board of Directors approved an increase to its quarterly dividend to \$0.33 per share marking the 33rd consecutive year of annual dividend increases.
- As of March 31, 2020, UGI Corporation had available liquidity of \$1.2 billion.
- Decreased capital expenditures guidance to \$730 million from \$850 million for fiscal 2020 as a result of delays related to COVID-19. These projects are expected to be executed in fiscal 2021. The updated timing of the projects supports free cash flow in fiscal 2020.
- Updated fiscal year 2020 adjusted EPS guidance to a range of \$2.45 - \$2.55 per share prior to the COVID-19 impact, and anticipate that the pandemic could negatively impact earnings by an additional \$0.20 - \$0.30 per share.

"As we announce our second quarter results, our employees, customers, communities and the world continue to address the major impacts of the COVID-19 pandemic," said John L. Walsh, President and Chief Executive Officer of UGI Corporation. "We continue to serve our customers, prioritize the safety of our employees and customers, and support the communities we serve. UGI's businesses have contributed time and resources to support front line workers and community-based agencies providing critical services to our local communities. UGI has adapted its work practices to ensure we do our part to limit the spread of the virus and we remain committed to being a trusted partner for all of our stakeholders.

"Our solid year-to-date earnings were delivered despite the impact of historically warm weather in our second quarter. UGI's core operations were positioned to deliver adjusted EPS of approximately \$2.45 - \$2.55 for fiscal 2020 before the COVID-19 pandemic<sup>1</sup>. COVID-19 did not materially impact our results through March 31st, but we expect to experience some volume losses for the remainder of the year, particularly relating to commercial customers. As each day passes, we receive more information and will continue to assess uncertainties and refine our projections. Currently we anticipate that the pandemic could negatively impact fiscal year 2020 earnings by approximately \$0.20 - \$0.30 per share. We will continue to update you as more information becomes available.

"Our liquidity position remains very strong as a result of disciplined balance sheet management through all market conditions. As of March 31, 2020, our total available liquidity was \$1.2 billion. Two weeks ago, we announced that UGI increased its dividend for the 33rd consecutive year.

"Lastly, we want you to know that the health, well-being and safety of our employees, customers, and communities remains our top priority" Mr. Walsh concluded.

#### KEY DRIVERS OF SECOND QUARTER RESULTS

- *AmeriGas*: Retail volume decreased 11.4% on weather that was 12.9% warmer than the prior year; Cylinder Exchange volumes increased 17.7% while National Accounts volumes decreased 2.7% compared to the prior-year period; lower operating and administrative expenses due to disciplined expense management
- *UGI International*: Retail volume decreased 10.9% largely a result of weather that was 5.8% warmer than the prior year and from the termination of a low margin autogas contract in Italy; volume loss was partially offset by higher average LPG unit margins due to effective margin management and higher margins from energy marketing; lower operating and administrative expenses due to disciplined expense management
- *Midstream & Marketing*: Higher natural gas gathering margin attributable to UGI Appalachia; higher peaking margin due to higher LNG trucking volume and additional peaking contracts compared to the prior-year period
- *UGI Utilities*: Core market volumes decreased 17.4% due to weather that was 18.9% warmer than the prior-year period; despite lower volumes, total margin only decreased slightly due to the increase in base rates

#### EARNINGS CALL and WEBCAST

UGI Corporation will hold a live Internet Audio Webcast of its conference call to discuss second quarter earnings and other current activities at 9:00 AM ET on Thursday, May 7, 2020. Interested parties may listen to the audio webcast both live and in replay on the Internet at <http://www.ugicorp.com/investor-relations/events-and-presentations/default.aspx> or at the company website <https://www.ugicorp.com> under Investor Relations. A telephonic replay will be available from 12:00 PM ET on May 7th through 11:59 PM ET on May 14th. The replay may be accessed at (800) 585-8367, and internationally at 1-416-621-4642, conference ID 7616849.

#### CONTACT INVESTOR RELATIONS

610-337-1000  
Brendan Heck, ext. 6608  
Alanna Zahora, ext. 1004  
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, 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 in eleven states, the District of Columbia 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 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 income attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net income attributable to UGI Corporation, and diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above.

<sup>1</sup> 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 commodity and certain foreign currency derivative instruments we cannot reconcile fiscal year

2020 adjusted diluted earnings per share, a non-GAAP measure, to diluted earnings per share, the most directly comparable GAAP measure, in reliance on the “unreasonable efforts” exception set forth in SEC rules.

## USE OF FORWARD-LOOKING STATEMENTS

This press release 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. This presentation also includes forward-looking statements addressing the anticipated impact of COVID-19 on our business, operations and financial condition. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.

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

### AmeriGas Propane

<i>For the fiscal quarter ended March 31,</i>	2020	2019	Increase (Decrease)	
Revenues	\$ 802.0	\$ 971.6	\$ (169.6)	(17.5)%
Total margin (a)	\$ 476.4	\$ 536.4	\$ (60.0)	(11.2)%
Operating and administrative expenses	\$ 230.2	\$ 250.2	\$ (20.0)	(8.0)%
Operating income/earnings before interest expense and income taxes	\$ 206.0	\$ 247.3	\$ (41.3)	(16.7)%
Retail gallons sold (millions)	340.0	383.6	(43.6)	(11.4)%
Heating degree days - % (warmer) colder than normal	(9.1)%	4.4%		
Capital expenditures	\$ 35.9	\$ 25.8	\$ 10.1	39.1 %

- Retail gallons sold decreased 11.4%, principally due to temperatures that were 9.1% warmer-than-normal and 12.9% warmer than the prior-year period.
- Total margin decreased \$60.0 million compared to the prior-year period principally due to the decrease in retail volumes sold (\$54.8 million) and lower average retail unit margins (\$4.1 million).
- Operating and administrative expenses decreased \$20.0 million primarily due to lower compensation and benefits costs (\$12.1 million), decreased vehicle and equipment operating and maintenance expenses (\$5.1 million), and lower business travel expense (\$1.2 million).
- Earnings before interest expense and income taxes decreased \$41.3 million largely reflecting the lower total margin partially offset by the decreased operating and administrative expenses.

## UGI International

For the fiscal quarter ended March 31,

	2020	2019	Increase (Decrease)	
Revenues	\$ 703.4	\$ 783.2	\$ (79.8)	(10.2)%
Total margin (a)	\$ 301.8	\$ 322.3	\$ (20.5)	(6.4)%
Operating and administrative expenses (a)	\$ 154.9	\$ 165.1	\$ (10.2)	(6.2)%
Operating income	\$ 116.8	\$ 126.9	\$ (10.1)	(8.0)%
Earnings before interest expense and income taxes	\$ 126.2	\$ 130.1	\$ (3.9)	(3.0)%
LPG retail gallons sold (millions)	230.4	258.7	(28.3)	(10.9)%
Heating degree days - % (warmer) than normal	(12.9)%	(7.5)%		
Capital expenditures	\$ 21.6	\$ 22.1	\$ (0.5)	(2.3)%

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 2020 and 2019 three-month periods, the average unweighted euro-to-dollar translation rates were approximately \$1.10 and \$1.14, respectively, and the average unweighted British pound sterling-to-dollar translation rates were approximately \$1.28 and \$1.30, respectively.

- Retail volume decreased 10.9% principally due to weather that was 12.9% warmer than normal and from the termination of a low-margin autogas contract in Italy.
- Average propane wholesale selling prices in northwest Europe were approximately 21% lower than the prior-year period.
- Total margin decreased \$20.5 million compared to the prior-year period reflecting the decrease in total volumes and the translation effects of the weaker euro (approximately \$9 million). The effects of these factors were partially offset by higher average LPG unit margins including margin management efforts and, to a much lesser extent, higher margins from energy marketing.
- The decrease in operating and administrative expenses largely reflects the translation effects of the weaker euro (approximately \$5 million), decreased distribution costs attributable to the lower volumes, and lower outside services costs.
- Operating income decreased \$10.1 million compared to the prior-year period primarily due to the decrease in total margin partially offset by lower operating and administrative expenses.
- Earnings before interest expense and income taxes decreased \$3.9 million compared to the prior-year period due to the lower operating income partially offset by higher pre-tax realized gains on foreign currency exchange contracts entered into in order to reduce volatility in UGI International net income resulting from the translation effects of changes in foreign currency exchange rates (\$6 million).

## Midstream & Marketing

For the fiscal quarter ended March 31,

	2020	2019	Increase (Decrease)	
Revenues	\$ 422.2	\$ 542.4	\$ (120.2)	(22.2)%
Total margin (a)	\$ 123.9	\$ 93.1	\$ 30.8	33.1 %
Operating and administrative expenses	\$ 33.8	\$ 31.5	\$ 2.3	7.3 %
Operating income	\$ 71.3	\$ 51.3	\$ 20.0	39.0 %
Earnings before interest expense and income taxes	\$ 79.2	\$ 52.8	\$ 26.4	50.0 %
Heating degree days - % (warmer) than normal	(19.2)%	(0.7)%		
Capital expenditures	\$ 23.5	\$ 32.3	\$ (8.8)	(27.2)%

- Temperatures were 19.2% warmer than normal and 18.6% warmer than the prior-year period.
- Total margin increased \$30.8 million reflecting higher natural gas gathering margin (\$25.7 million) largely attributable to incremental margins from UGI Appalachia and, to a much lesser extent, higher peaking (\$4.5 million) and a refund received in connection with pipeline contract rates (\$3.0 million). The effect of these increases was partially offset by lower electric generation margin (\$1.6 million) largely attributable to lower volumes at the Hunlock generation facility.
- Operating and administrative expenses increased \$2.3 million largely due to UGI Appalachia.
- Operating income increased due to the higher total margin partially offset by higher depreciation and amortization expense (\$7.5 million) and the increased operating and administrative expenses largely attributable to UGI Appalachia.
- Earnings before interest expense and income taxes increased due to the higher operating income and equity income from the Pennant system which was acquired as part of the UGI Appalachia Acquisition.

## UGI Utilities

For the fiscal quarter ended March 31,

	2020	2019	Increase (Decrease)	
Revenues	\$ 392.6	\$ 429.6	\$ (37.0)	(8.6)%
Total margin (a)	\$ 207.3	\$ 210.2	\$ (2.9)	(1.4)%
Operating and administrative expenses	\$ 65.3	\$ 67.7	\$ (2.4)	(3.5)%
Operating income	\$ 116.0	\$ 119.9	\$ (3.9)	(3.3)%
Earnings before interest expense and income taxes	\$ 116.0	\$ 120.3	\$ (4.3)	(3.6)%
Gas Utility system throughput - billions of cubic feet				
Core market	33.2	40.2	(7.0)	(17.4)%
Total	97.9	96.6	1.3	1.3 %
Gas Utility heating degree days - %(warmer) than normal	(20.5)%	(0.8)%		
Capital expenditures	\$ 78.0	\$ 70.8	\$ 7.2	10.2 %

- Gas Utility service territory experienced temperatures that were 20.5% warmer than normal and 18.9% warmer than the prior-year period.
- Core market volumes decreased due to the warmer weather, partially offset by customer growth and higher average use per customer.
- Total Gas Utility distribution throughput increased reflecting higher interruptible delivery service volumes (5.9 bcf) and higher large firm delivery service volumes (2.4 bcf), partially offset by lower core market volumes (7.0 bcf).
- Total margin decreased \$2.9 million reflecting lower total margin from Gas Utility core market customers (\$9.7 million) due to lower volumes partially offset by the impact of the increase in base rates which became effective October 11, 2019. The margin decrease was partially offset by an unallocated negative surcharge revenue reduction (\$10.5 million) in the 2019 three-month period as a result of a PAPUC Order related to the Tax Cuts and Jobs Act.
- Operating and administrative expenses decreased \$2.4 million reflecting, among other things, decreases in contractor expenses and allocated corporate expenses.
- Earnings before interest expense and income taxes decreased reflecting the lower total margin and greater depreciation expense (\$3.5 million) attributable to continued IT and distribution system capital expenditure activity. These effects were partially offset by the lower operating and administrative expenses.

(a) Total margin represents total revenue less total cost of sales and excludes pre-tax gains and losses on commodity derivative instruments not associated with current period transactions. In the case of UGI Utilities, total margin is reduced by revenue-related tax expenses (which have been excluded from UGI Utilities' operating and administrative expenses presented). In the case of UGI International, total margin represents revenues less cost of sales and, in the 2019 three-month period, French energy certificate costs of \$16.2 million. For financial statement purposes, French energy certificate costs in the March 2019 period are included in "Operating and administrative expenses" on the Condensed Consolidated Statements of Income (but excluded from operating and administrative expenses presented above). For financial statement purposes, French energy certificate costs in the March 2020 period are included in Cost of Sales.



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

	Three Months Ended March 31,		Six Months Ended March 31,		Twelve Months Ended March 31,	
	2020	2019	2020	2019	2020	2019
Revenues:						
AmeriGas Propane	\$ 802.0	\$ 971.6	\$ 1,532.4	\$ 1,791.8	\$ 2,422.6	\$ 2,787.2
UGI International	703.4	783.2	1,354.8	1,493.9	2,233.1	2,483.9
Midstream & Marketing	422.2	542.4	794.7	1,001.8	1,308.6	1,530.3
UGI Utilities	392.6	429.6	721.9	752.3	1,018.2	1,038.3
Corporate & Other (a)	(91.3)	(120.7)	(168.3)	(233.5)	(232.9)	(319.4)
Total revenues	<u>\$ 2,228.9</u>	<u>\$ 2,606.1</u>	<u>\$ 4,235.5</u>	<u>\$ 4,806.3</u>	<u>\$ 6,749.6</u>	<u>\$ 7,520.3</u>
Earnings (loss) before interest expense and income taxes:						
AmeriGas Propane	\$ 206.0	\$ 247.3	\$ 371.3	\$ 413.9	\$ 361.4	\$ 421.6
UGI International	126.2	130.1	226.4	189.1	271.6	205.4
Midstream & Marketing	79.2	52.8	140.8	95.4	159.5	112.3
UGI Utilities	116.0	120.3	207.6	197.7	235.6	203.8
Total reportable segments	527.4	550.5	946.1	896.1	1,028.1	943.1
Corporate & Other (a)	(145.8)	(2.2)	(192.3)	(175.7)	(336.4)	(105.3)
Total earnings before interest expense and income taxes	<u>381.6</u>	<u>548.3</u>	<u>753.8</u>	<u>720.4</u>	<u>691.7</u>	<u>837.8</u>
Interest expense:						
AmeriGas Propane	(41.2)	(42.2)	(83.7)	(84.6)	(166.5)	(166.1)
UGI International	(7.7)	(6.1)	(15.3)	(11.5)	(28.8)	(21.8)
Midstream & Marketing	(11.4)	(0.5)	(22.9)	(1.0)	(30.9)	(1.8)
UGI Utilities	(13.5)	(12.2)	(27.1)	(23.9)	(52.8)	(44.8)
Corporate & Other, net (a)	(8.6)	—	(17.5)	(0.2)	(24.1)	(0.5)
Total interest expense	(82.4)	(61.0)	(166.5)	(121.2)	(303.1)	(235.0)
Income before income taxes	299.2	487.3	587.3	599.2	388.6	602.8
Income tax expense	(73.6)	(90.6)	(149.7)	(114.0)	(128.3)	(137.1)
Net income including noncontrolling interests	225.6	396.7	437.6	485.2	260.3	465.7
(Deduct net income) add net loss attributable to noncontrolling interests, principally in AmeriGas Partners, L.P.	(0.1)	(151.3)	(0.1)	(175.6)	123.8	(79.3)
Net income attributable to UGI Corporation	<u>\$ 225.5</u>	<u>\$ 245.4</u>	<u>\$ 437.5</u>	<u>\$ 309.6</u>	<u>\$ 384.1</u>	<u>\$ 386.4</u>
Earnings per share attributable to UGI shareholders:						
Basic	\$ 1.08	\$ 1.41	\$ 2.09	\$ 1.77	\$ 1.96	\$ 2.22
Diluted	<u>\$ 1.07</u>	<u>\$ 1.38</u>	<u>\$ 2.08</u>	<u>\$ 1.74</u>	<u>\$ 1.94</u>	<u>\$ 2.18</u>
Weighted Average common shares outstanding (thousands) (b):						
Basic	208,941	174,501	209,151	174,461	195,716	174,331
Diluted	209,808	177,318	210,494	177,446	197,589	177,306
Supplemental information:						
Net income (loss) attributable to UGI Corporation:						
AmeriGas Propane	\$ 121.5	\$ 47.7	\$ 212.6	\$ 78.3	\$ 245.9	\$ 76.3
UGI International	75.6	89.7	148.3	126.4	169.1	137.5
Midstream & Marketing	50.0	38.1	86.0	69.1	113.6	81.5
UGI Utilities	82.4	82.8	143.2	132.7	143.7	124.2
Total reportable segments	329.5	258.3	590.1	406.5	672.3	419.5
Corporate & Other (a)	(104.0)	(12.9)	(152.6)	(96.9)	(288.2)	(33.1)
Total net income attributable to UGI Corporation	<u>\$ 225.5</u>	<u>\$ 245.4</u>	<u>\$ 437.5</u>	<u>\$ 309.6</u>	<u>\$ 384.1</u>	<u>\$ 386.4</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) The three, six and twelve months ended March 31, 2020, reflects the August 2019 issuance of 34.6 million shares of UGI Common Stock in connection with the AmeriGas Merger.

**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 reconciles 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 March 31,		Six Months Ended March 31,		Twelve Months Ended March 31,	
	2020	2019	2020	2019	2020	2019
<b>Adjusted net income attributable to UGI Corporation (millions):</b>						
Net income attributable to UGI Corporation	\$ 225.5	\$ 245.4	\$ 437.5	\$ 309.6	\$ 384.1	\$ 386.4
Net losses on commodity derivative instruments not associated with current-period transactions (net of tax of \$(40.2), \$(0.9), \$(41.6), \$(36.4), \$(64.7) and \$(3.7), respectively)	89.5	11.5	99.7	92.7	154.4	13.5
Unrealized (gains) losses on foreign currency derivative instruments (net of tax of \$0.6, \$1.4, \$(3.8), \$3.7, \$1.8 and \$13.7, respectively)	(1.8)	(3.2)	9.5	(9.0)	(4.4)	(30.0)
Acquisition and integration expenses associated with the CMG Acquisition (net of tax of \$(0.3), \$0, \$(0.5), \$0, \$(5.0) and \$0, respectively)	0.7	—	1.2	—	12.4	—
LPG business transformation expenses (net of tax of \$(5.8), \$0, \$(10.3), \$0, \$(15.4) and \$0, respectively)	13.7	—	25.9	—	41.5	—
Loss on extinguishments of debt (net of tax of \$0, \$0, \$0, \$(1.9), \$0 and \$(1.9), respectively)	—	—	—	4.2	—	4.2
AmeriGas Merger expenses (net of tax of \$0, \$(0.1) \$0, \$(0.1), \$(0.3) and \$(0.1), respectively)	—	0.2	—	0.2	1.0	0.2
Impairment of Partnership tradenames and trademarks (net of tax of \$0, \$0, \$0, \$0 and \$(5.8), respectively)	—	—	—	—	—	14.5
Integration expenses associated with Finagaz (net of tax of \$0, \$0, \$0, \$0 and \$(6.8), respectively)	—	—	—	—	—	10.5
Impact of change in French tax rate	—	—	—	—	—	5.0
Remeasurement impact from TCJA	—	—	—	—	—	1.5
Total adjustments (1) (2)	102.1	8.5	136.3	88.1	204.9	19.4
Adjusted net income attributable to UGI Corporation	\$ 327.6	\$ 253.9	\$ 573.8	\$ 397.7	\$ 589.0	\$ 405.8
<b>Adjusted diluted earnings per share:</b>						
UGI Corporation earnings per share — diluted (3)	\$ 1.07	\$ 1.38	\$ 2.08	\$ 1.74	\$ 1.94	\$ 2.18
Net losses on commodity derivative instruments not associated with current-period transactions (4)	0.43	0.07	0.47	0.53	0.78	0.08
Unrealized (gains) losses on foreign currency derivative instruments	(0.01)	(0.02)	0.05	(0.05)	(0.02)	(0.17)
Acquisition and integration expenses associated with the CMG Acquisition	—	—	0.01	—	0.06	—
LPG business transformation expenses	0.07	—	0.12	—	0.21	—
Loss on extinguishments of debt	—	—	—	0.02	—	0.02
AmeriGas Merger expenses	—	—	—	—	0.01	—
Impairment of Partnership tradenames and trademarks	—	—	—	—	—	0.08
Integration expenses associated with Finagaz	—	—	—	—	—	0.06
Impact of change in French tax rate	—	—	—	—	—	0.03
Remeasurement impact from TCJA	—	—	—	—	—	0.01
Total adjustments (1) (3)	0.49	0.05	0.65	0.50	1.04	0.11
Adjusted diluted earnings per share (3)	\$ 1.56	\$ 1.43	\$ 2.73	\$ 2.24	\$ 2.98	\$ 2.29

(1) Corporate & Other includes certain adjustments made to our reporting segments in arriving at net income attributable to UGI Corporation, including the impact of the anticipated tax benefits resulting from the carryback of a NOL for Fiscal 2020 pursuant to the provisions of the CARES Act. 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.

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

(3) The three, six and twelve months ended March 31, 2020, include the impact from the August 2019 issuance of 34.6 million shares of UGI Common Stock in connection with the AmeriGas Merger.

(4) Includes the effects of rounding.



Fiscal 2020  
Second Quarter Results

John L. Walsh  
President & CEO, UGI Corporation

Ted J. Jastrzebski  
Chief Financial Officer, UGI Corporation

Robert F. Beard  
Executive Vice President Natural Gas, UGI Corporation

Roger Perreault  
Executive Vice President Global LPG, UGI Corporation



# 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. This presentation also includes forward-looking statements addressing the anticipated impact of COVID-19 on our business, operations and financial condition. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.



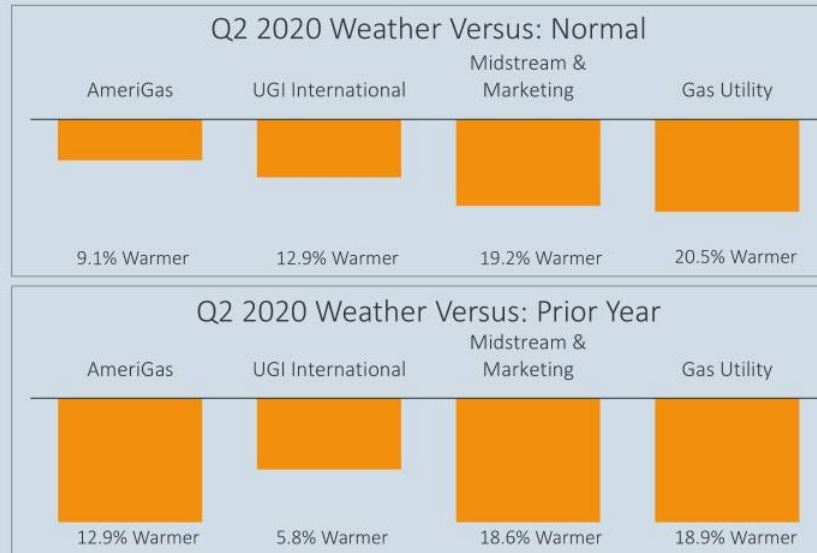
# Second Quarter Recap

John L. Walsh  
President & CEO, UGI



# Second Quarter Earnings Recap

- GAAP EPS of \$1.07 and Adjusted EPS<sup>1</sup> of \$1.56
- Historically warm weather
- YTD GAAP EPS and YTD Adjusted EPS<sup>1</sup> increased 20% and 22%, respectively, versus the prior-year period



# UGI's COVID – 19 Response

## Employees

- Implemented working from home procedures across the organization for over 4,000 employees
- Revised critical work practices to protect the safety of over 7,400 of our field-based employees
- Expanded existing paid leave policies for domestic employees

## Customers

- Provided uninterrupted essential service to our 3 million customers
- Maintained a high level safety and customer service performance
- Temporarily suspended disconnections due to non-payment until further notice
- Available 24 hours a day, 7 days a week to respond to emergency calls

## Communities

- Provided critical services to hundreds of healthcare centers and testing facilities
- Donated over \$600,000 in financial support to organizations in many of the communities in which we operate to assist residents in need
- Partnered with the American Red Cross blood drive

# Natural Gas Business Update

- Natural Gas businesses exceeded expectations given the headwind of weather
- COVID-19 Impact
  - Minimal disruption on volumes and associated margin
  - PA PUC moratorium on service terminations began in March
    - Investigating possibility of seeking special regulatory treatment for COVID-19 related costs
    - Working closely with regulators and industry peers
  - Primary focus remains on the safety of our employees, customers and general public; established strict protocols to keep all safe while executing work
  - Both teams have done an exceptional job ensuring critical work continues
- Utilities Rate Case Update
  - Rate case ongoing; continue to expect new rates to be effective during Q1 of FY21
  - Continued capital investment; \$2B over the next 4 years; rate base CAGR of 11.5%
- UGI Appalachia
  - Continues to perform very well; margins outpace investment case
  - Committed to expansion of systems as additional production is brought to market





# Global LPG Business Update

- Business Transformation Update
  - Remain on track; reaffirm cost savings projections for FY20
    - \$30M in cost savings for AmeriGas
    - €5M in savings for UGI International
    - Adaptation to COVID-19 protocols validated strategic direction for investments in new technology solutions and digital transformation efforts to enhance the customer experience
  - Well positioned to ramp up activities in our non-heating season months
- Impact of COVID-19
  - Domestic businesses
    - Decreased Commercial and Autogas volumes
    - Increased Cylinder Exchange volumes and increased activity in residential volumes
    - Record-level volumes for Cynch, our newly launched home delivery service
  - International businesses
    - Decreased Commercial volumes
  - Resiliency of both teams to adapt to a rapidly changing environment



# FY 2020 Guidance Update

- Updated fiscal year 2020 adjusted EPS guidance to a range of \$2.45 - \$2.55<sup>1</sup> per share excluding the COVID-19 impact
- COVID-19 pandemic could negatively impact earnings by an additional \$0.20 - \$0.30 per share
  - Estimate is uncertain and will depend on future developments including:
    - Ultimate geographic spread of the virus
    - Severity of the disease
    - Duration of the outbreak
    - Actions prescribed or ordered by governmental authorities
    - When and to what extent normal economic and operating conditions can resume
- Expect some reduced volumes from commercial customers

<sup>1</sup>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 commodity and certain foreign currency derivative instruments, we cannot reconcile fiscal year 2020 adjusted diluted earnings per share, a non-GAAP measure, to diluted earnings per share, the most directly comparable GAAP measure, in reliance on the "unreasonable efforts" exception set forth in the rules.

# Second Quarter Financial Review

Ted J. Jastrzebski  
Chief Financial Officer, UGI



# Liquidity Update

- Total available liquidity as of 3/31/20: \$1.2 billion
- Natural Gas and Global LPG businesses have access to capital, as available financing capacity evenly distributed
- Lower working capital requirements in Q1 and Q2 as a result of low commodity prices; high cash generation and lower working capital requirements in Q3 and Q4
- No near-term senior note or term loan maturities
- COVID-19 related delays are pushing certain capital projects to FY21; revised capital expenditure guidance to \$730M
  - Delays support free cash flow in FY20
- Sound balance sheet management in all market conditions enabled UGI to increase its dividend for the 33<sup>rd</sup> consecutive year



# Second Quarter Adjusted Earnings

Adjusted net income attributable to UGI Corporation (Dollars in millions)	Three Months Ended March 31,		Six Months Ended March 31,	
	2020	2019	2020	2019
<b>Net income attributable to UGI Corporation</b>	225.5	245.4	437.5	309.6
Net losses on commodity derivative instruments not associated with current-period transactions (net of tax of \$(40.2), \$(0.9), \$(41.6) and \$(36.4), respectively)	89.5	11.5	99.7	92.7
Unrealized (gains) losses on foreign currency derivative instruments (net of tax of \$0.6, \$1.4, \$(3.8) and \$3.7, respectively)	(1.8)	(3.2)	9.5	(9.0)
Loss on extinguishments of debt (net of tax of \$0, \$0, \$0 and \$(1.9), respectively)	—	—	—	4.2
AmeriGas Merger expenses (net of tax of \$0, \$(0.1), \$0 and \$(0.1), respectively)	—	0.2	—	0.2
Acquisition and integration expenses associated with the CMG Acquisition (net of tax of \$(0.3), \$0, \$(0.5) and \$0, respectively)	0.7	—	1.2	—
LPG business transformation expenses (net of tax of \$(5.8), \$0, \$(10.3) and \$0, respectively)	13.7	—	25.9	—
<b>Total adjustments (a) (b)</b>	<b>102.1</b>	<b>8.5</b>	<b>136.3</b>	<b>88.1</b>
<b>Adjusted net income attributable to UGI Corporation</b>	<b>\$ 327.6</b>	<b>\$ 253.9</b>	<b>\$ 573.8</b>	<b>\$ 397.7</b>
<b>Adjusted diluted earnings per share</b>	Three Months Ended March 31,		Six Months Ended March 31,	
	2020	2019	2020	2019
<b>Earnings per share - diluted (c)</b>	1.07	1.38	2.08	1.74
Net losses on commodity derivative instruments not associated with current-period transactions (d)	0.43	0.07	0.47	0.53
Unrealized (gains) losses on foreign currency derivative instruments	(0.01)	(0.02)	0.05	(0.05)
Loss on extinguishments of debt	—	—	—	0.02
AmeriGas Merger expenses	—	—	—	—
Acquisition and integration expenses associated with the CMG Acquisition	—	—	0.01	—
LPG business transformation expenses	0.07	—	0.12	—
<b>Total adjustments (a) (c)</b>	<b>0.49</b>	<b>0.05</b>	<b>0.65</b>	<b>0.50</b>
<b>Adjusted earnings per share - diluted (c)</b>	<b>\$ 1.56</b>	<b>\$ 1.43</b>	<b>\$ 2.73</b>	<b>\$ 2.24</b>

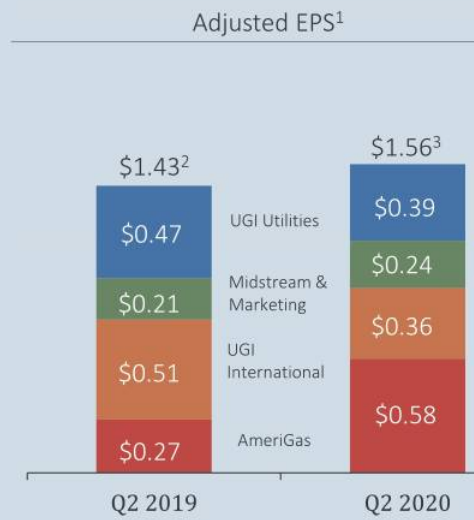
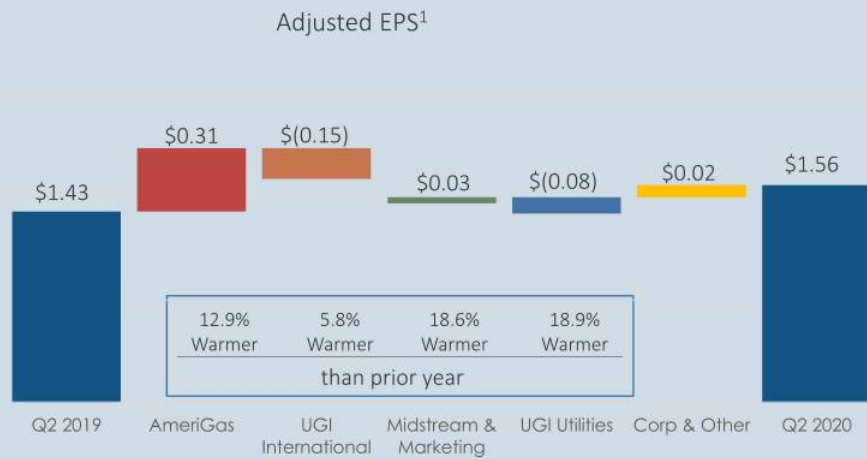
(a) Corporate & Other includes certain adjustments made to our reporting segments in arriving at net income attributable to UGI Corporation. These adjustments have been excluded from the segment results to align with the measure used by our CODM in assessing segment performance and allocating resources. See Note 16 to Condensed Consolidated Financial Statements for additional information related to these adjustments, as well as other items included within Corporate & Other.

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

(c) Earnings per share for the 2020 three- and six-month periods reflect 34.6 million incremental shares of UGI Common Stock issued in conjunction with the AmeriGas Merger.

(d) Includes the effects of rounding.

# Second Quarter Results Recap



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

<sup>2</sup>Includes (\$0.03) Corporate & Other

<sup>3</sup>Includes (\$0.01) Corporate & Other

# Financial Results - AmeriGas

(Millions of dollars)

	Q2 FY 2019	Q2 FY 2020
Earnings Before Interest Expense & Income Taxes	\$247.3	
Total Margin	(60.0)	
Operating and Administrative Expenses	20.0	
Depreciation and Amortization	(0.6)	
Other Income and Expense, net	(0.7)	
Earnings Before Interest Expense & Income Taxes		\$206.0

Item	Primary Drivers
Total Margin ↓	Lower retail volumes sold (\$54.8 million) reflecting the effects of significantly warmer weather on heating-related sales and structural conservation; lower average retail unit margins (\$4.1 million)
Operating and Admin Expenses ↓	Lower compensation and benefits costs (\$12.1 million), decreased vehicle and equipment operating and maintenance expenses, and lower business travel expense

Weather versus normal



# Financial Results – UGI International

(Millions of dollars)	Q2 FY 2019	Q2 FY 2020
Earnings Before Interest Expense & Income Taxes	\$130.1	
Total Margin	(20.5)	
Operating and Administrative Expenses	10.2	
Realized FX Gains	6.0	
Other Income and Expense, net	0.4	
Earnings Before Interest Expense & Income Taxes		\$126.2

Item	Primary Drivers
Volume ↓	Warmer-than-normal weather impacted heating bulk sales and cylinder volumes
Total Margin ↓	Lower volumes and translation effects of weaker euro, partially offset by higher average LPG unit margins including margin management efforts, and to a lesser extent, higher margins from energy marketing; offset by impact of COVID-19 on commercial volumes
Operating and Admin Expenses ↓	Weaker euro (\$5 million), decreased distribution costs attributable to the lower volumes, and lower outside services costs

Weather versus normal





# Financial Results – Midstream & Marketing

(Millions of dollars)	Q2 FY2019	Q2 FY 2020
Earnings Before Interest Expense & Income Taxes	\$52.8	
Total Margin		30.8
Operating and Administrative Expenses		(2.3)
Depreciation and Amortization		(7.5)
Other Income and Expense, net		5.4
Earnings Before Interest Expense & Income Taxes		\$79.2

Item	Primary Drivers
Total Margin ↑	Higher natural gas gathering margin (\$25.7 million) largely attributable to incremental margin from UGI Appalachia and to a much lesser extent, higher peaking (\$4.5 million) and a refund received in connection with pipeline contract rates (\$3.0 million), partially offset by lower electric generation margin (\$1.6 million) largely attributable to lower volumes at the Hunlock generation
Operating and Admin Expenses ↑	Largely due to UGI Appalachia expenses
Depreciation and Amortization ↑	Expansion of gathering assets, principally UGI Appalachia
Other Income ↑	Equity income from Pennant system acquired as part of the UGI Appalachia Acquisition

UGI Corporation | Fiscal 2020 Second Quarter Results

Weather versus normal



# Financial Results – Utilities

(Millions of dollars)

	Q2 FY 2019	Q2 FY2020
Earnings Before Interest Expense & Income Taxes	\$120.3	
Total Margin	(2.9)	
Operating and Administrative Expenses	2.4	
Depreciation	(3.5)	
Other Income and Expense, net	(0.3)	
Earnings Before Interest Expense & Income Taxes		\$116.0

Item	Primary Drivers
Core Market Volume ↓	Significantly warmer weather, partially offset by customer growth and higher average use per customer
Total Margin ↓	Lower volumes, partially offset by the impact of the increase in base rates, which became effective October 11, 2019; lower margin partially offset by prior year unallocated negative surcharge revenue reduction (\$10.5 million) as a result of a PAPUC Order related to the Tax Cuts and Jobs Act
Operating and Admin Expenses ↓	Lower contractor and allocated corporate expenses
Depreciation ↑	Continued IT and distribution system capital expenditure activity

Weather versus normal



## Conclusion and Q&A

John L. Walsh  
President & CEO, UGI



# Strategic Overview

- Dramatic fall in oil prices and impact on production levels will benefit UGI's midstream business
  - Upward movement of future strip for natural gas will positively impact production in the NE and Marcellus
- UGI Appalachia positioned well to serve increase in production
  - Total volumes shipped on our 5 systems increased 14% from prior year levels
- Strong demand on Auburn system
  - Producer shipment grew by almost 91% over the first 6 months of FY20
  - Stable margins derived from take-or-pay fees under long term contracts
- Continued build-out of LNG asset network; rising demand for peaking services
  - \$60 million project; adds ~2 million gallons of LNG storage to our network
- LPG Business Transformation programs remain on track
- Strength of cash flow and liquidity
  - Free Cash Flow strength in FY20 positions us well into FY21

Q&A

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## Appendix





# UGI Supplemental Footnotes

- 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 Corporation as determined in accordance with GAAP can occur as a result of gains and losses on commodity and certain foreign currency derivative instruments not associated with current-period transactions. The 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 11 reconcile net income attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net income attributable to UGI Corporation, and reconciles diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above.

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