



**UGI**  
CORPORATION



# About This Presentation

This presentation contains certain forward-looking statements that management believes to be reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. You should read UGI's Annual Report on Form 10-K for the fiscal year ended September 30, 2018, and its Quarterly Report on Form 10-Q for the three months ended March 31, 2019, for a more extensive list of factors that could affect results. Among them are adverse weather conditions, cost volatility and availability of all energy products, including propane, natural gas, electricity and fuel oil, increased customer conservation measures, the impact of pending and future legal proceedings, continued analysis of recent tax legislation, liability for uninsured claims and for claims in excess of insurance coverage, domestic and international political, regulatory and economic conditions in the United States and in foreign countries, including the current conflicts in the Middle East, and foreign currency exchange rate fluctuations (particularly the euro), 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, the interruption, disruption, failure, malfunction, or breach of our information technology systems, including due to cyber-attack, the failure to realize the anticipated benefits of the AmeriGas Merger Transaction (as defined herein) , the possible diversion of management time on issues related to the AmeriGas Merger Transaction, the risk that the requisite approvals to complete the AmeriGas Merger Transaction are not obtained, the performance of AmeriGas, and the potential need to address any reviews, investigations or other proceedings by governmental authorities or shareholder actions. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today. In addition, this presentation uses certain non-GAAP financial measures. Please see the appendix for reconciliations of these measures to the most comparable GAAP financial measure.

## 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, Midstream & Marketing Total Margin, UGI International Total Margin, and UGI France and AmeriGas 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 provide 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.

# Legal Disclaimer

## No Offer or Solicitation

This presentation is for informational purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities pursuant to the proposed transaction or otherwise, nor shall there be any sale of securities in any jurisdiction in which the offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

## Additional Information and Where You Can Find It

In connection with the AmeriGas Merger Transaction, UGI Corporation and AmeriGas Partners, L.P., as applicable, filed a registration statement on Form S-4, including a proxy statement/prospectus, and other related documents, including a Schedule 13E-3, with the SEC on May 6, 2019. In addition, UGI Corporation and AmeriGas Partners, L.P. each filed with the SEC on April 2, 2019 a Current Report on Form 8-K, which contained, among other things, a copy of the merger agreement and the support agreement. This presentation is not a substitute for the merger agreement, proxy statement/prospectus, the Schedule 13E-3 or any other document that UGI Corporation or AmeriGas Partners, L.P. may file with the SEC in connection with the transaction. BEFORE MAKING ANY VOTING DECISION OR ELECTION, SECURITY HOLDERS OF AMERIGAS ARE ADVISED TO CAREFULLY READ THE MERGER AGREEMENT, THE PROXY STATEMENT/PROSPECTUS (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO), THE SCHEDULE 13E-3, AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE TRANSACTION, WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION, THE PARTIES TO THE TRANSACTION AND THE RISKS ASSOCIATED WITH THE TRANSACTION. A definitive proxy statement/prospectus will be sent to AmeriGas Partners, L.P. unitholders in connection with the special meeting. Investors and security holders may obtain a free copy of the proxy statement/prospectus (when available), the Schedule 13E-3 (when available) and other relevant documents filed by UGI Corporation or AmeriGas Partners, L.P. with the SEC from the SEC's website at [www.sec.gov](http://www.sec.gov). Security holders and other interested parties will also be able to obtain, without charge, a copy of the proxy statement/prospectus, the Schedule 13E-3 and other relevant documents (when available) from [www.ugicorp.com](http://www.ugicorp.com) under the tab "Investor Relations" and then under the heading "SEC Filings."

## Participants in the Solicitation

UGI Corporation, AmeriGas Partners, L.P., AmeriGas Propane, Inc. and each of their respective directors, executive officers and certain other members of management may be deemed to be participants in the solicitation of proxies from their respective security holders with respect to the transaction. Information about these persons is set forth in UGI Corporation's proxy statement relating to its 2019 Annual Meeting of Shareholders, which was filed with the SEC on December 20, 2018, and AmeriGas Partners, L.P.'s Annual Report on Form 10-K for the fiscal year ended September 30, 2018, which was filed with the SEC on November 20, 2018, and subsequent statements of changes in beneficial ownership on file with the SEC. Security holders and investors may obtain additional information regarding the interests of such persons, which may be different than those of the respective companies' security holders generally, by reading the joint proxy statement/prospectus and other relevant documents regarding the transaction, which will be filed with the SEC.

# Corporate Overview

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

## Natural Gas

## Global LPG

UGI CORPORATION

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### Utilities

Natural gas & electric utilities  
Serving ~700,000 total customers

33%  
First half of 2019  
Adjusted EPS<sup>1</sup>

### Midstream & Marketing

Energy marketing, midstream, and power generation in the Eastern U.S.

17%  
First half of 2019  
Adjusted EPS<sup>1</sup>

### AmeriGas Propane

LPG distribution in all 50 states. Master Limited Partnership

19%  
First half of 2019  
Adjusted EPS<sup>1</sup>

### UGI International

LPG distribution in 17 countries  
Energy marketing in 4 countries

31%  
First half of 2019  
Adjusted EPS<sup>1</sup>

<sup>1</sup>Adjusted EPS is a non-GAAP measure. Excludes Corporate & Other \$(0.05). Please see Appendix for reconciliation.

# A Compelling Value Proposition

Outstanding cash generation

Highest 10-year free cash flow as a % of EBITDA among Multi-Utilities in the S&P Utilities index

Strong track record of disciplined capital deployment and meeting our commitments

	Commitment	FY 13-18 Actual
Adjusted EPS <sup>1</sup>	6-10%	11.2%
Dividend	4%	6.8%

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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) Adjusted EPS is a non-GAAP measure. 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

Expanded into energy marketing in Europe, established portable LNG, entered Italian market LPG market

Maintain strong balance sheet

Outstanding cash flow, no debt at corporate level, additional debt capacity

Reduce weather dependence over time

Growing 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

# AmeriGas Merger Transaction Summary

- UGI Corp (NYSE: UGI) has executed a definitive agreement to acquire the 69.2 million common units of AmeriGas Partners, L.P. (NYSE: APU) not already owned by UGI for a total transaction value of approximately \$4.6 billion<sup>1</sup>
- AmeriGas unitholders will receive 0.500 shares of UGI plus \$7.63 in cash for each common unit of AmeriGas
  - Implies a 21.9% premium to AmeriGas' 30-day volume weighted average price and 13.5% premium to April 1, 2019 closing price
- Allows UGI to increase its dividend by 25%; 15% increase to the next quarterly dividend and the remaining 10% following transaction close
- All existing debt at AmeriGas will remain outstanding at close
- Transaction results in a significant step up in basis to UGI and is taxable to APU common unitholders<sup>2</sup>
- Filed S-4 Registration Statement with the SEC on May 6, 2019
- Transaction expected to close in FY19 Q4
  - The transaction has been approved by the Boards of UGI and the general partner of AmeriGas (the "General Partner") as well as the General Partner's Audit Committee, comprised solely of independent directors
  - Requires approval from a majority of AmeriGas' outstanding common units

<sup>1</sup>Please see appendix for components of the transaction value

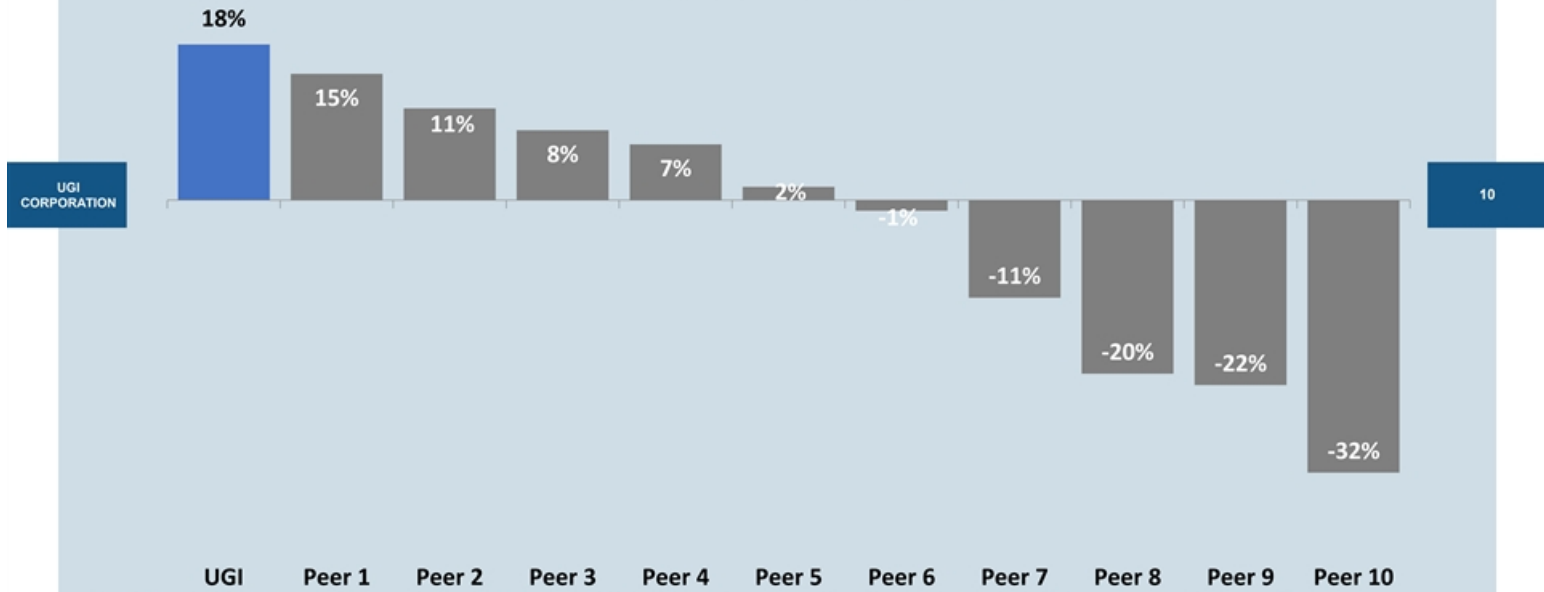
<sup>2</sup>Taxes paid will vary depending on individual common unitholder tax attributes

# Benefits of AmeriGas Merger Transaction

- Strong business with exceptional cash flow
- Expected to increase cash available for growth investments and dividends
  - Over \$200 million in additional annual free cash flow to UGI
- Funds growth opportunities across the business
- Reduces MLP administrative and structural complexities
- Resolves AmeriGas' distribution coverage challenges
- Expected to be accretive to UGI beginning in FY20

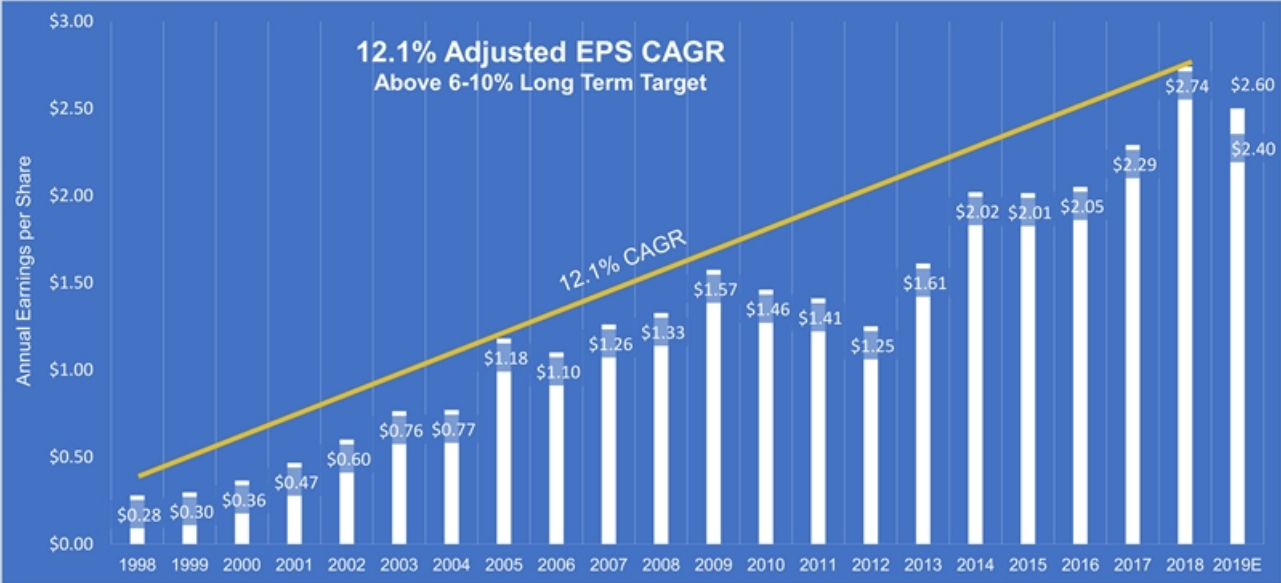
# Strongest Cash Flow Among Sector Peers

10 Year Free Cash Flow<sup>(1)</sup> / 10 Year EBITDA  
S&P Utilities Index – Multi-Utilities



(1) UGI Free Cash Flow = Cash Provided by Operations less Capital Expenditures and less Distributions on AmeriGas Partners Publically Held Units. Free cash flow is a non-GAAP measure. Please see appendix for reconciliation.

# Meeting our Commitments – EPS Growth



Earnings per share (EPS) for 1998 – 2009 represents GAAP EPS, adjusted for stock splits.  
 2010-2018 EPS represents Adjusted EPS which is a non-GAAP measure. Please see appendix for reconciliation.

# UGI to Increase Dividend by 25%

- Two part increase
- \$0.04 increase to next quarterly dividend and an additional \$0.025 following the closing of the transaction



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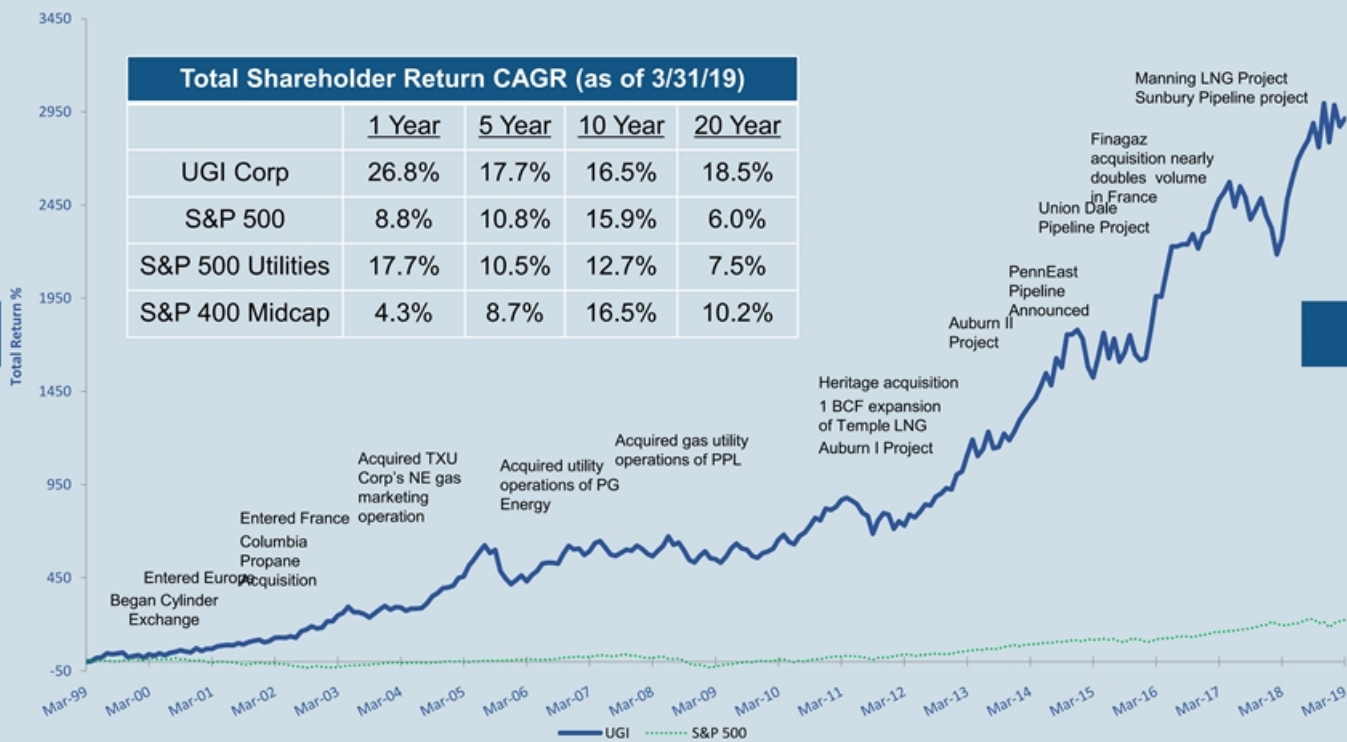
<sup>1</sup>Dividends per share, adjusted for stock splits.

<sup>2</sup> Payable in FY20. Annualized for 25% dividend increase scheduled in FY19 in conjunction with APU transaction

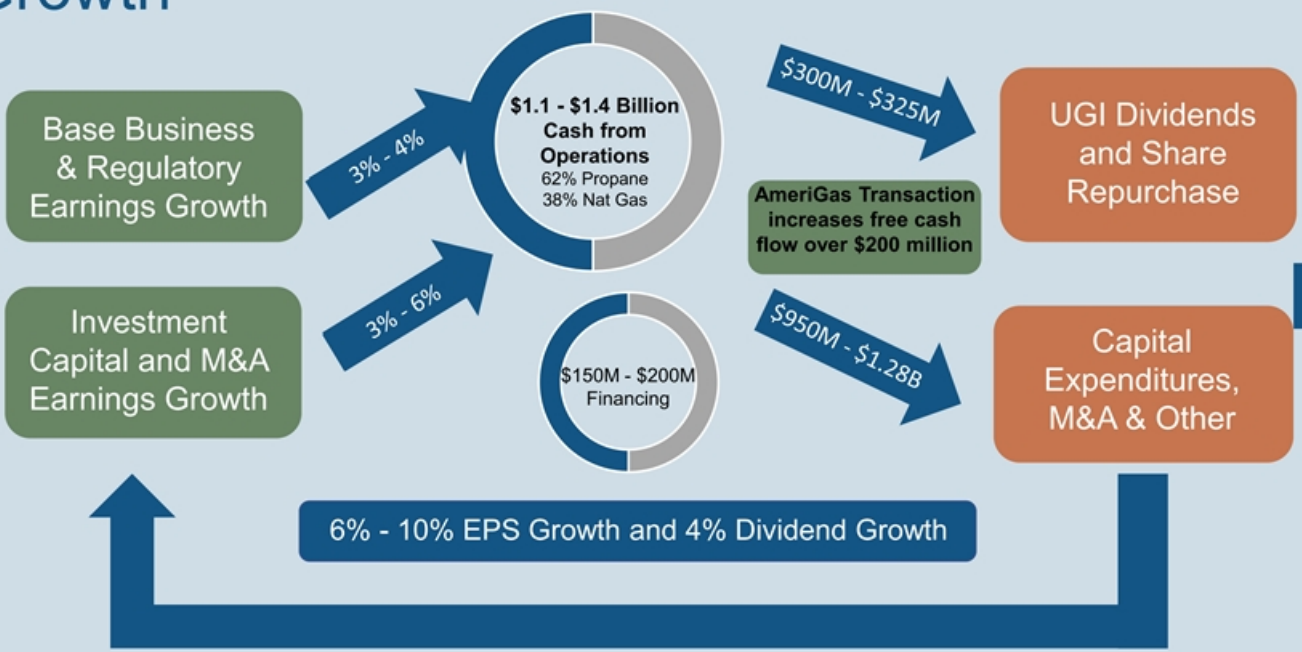
Red circles indicate dividend increases above 10%

# Outperformance Driven by Cadence of Disciplined Investments

Total Shareholder Return CAGR (as of 3/31/19)				
	1 Year	5 Year	10 Year	20 Year
UGI Corp	26.8%	17.7%	16.5%	18.5%
S&P 500	8.8%	10.8%	15.9%	6.0%
S&P 500 Utilities	17.7%	10.5%	12.7%	7.5%
S&P 400 Midcap	4.3%	8.7%	16.5%	10.2%



# Cash Engine Drives Future EPS and Dividend Growth

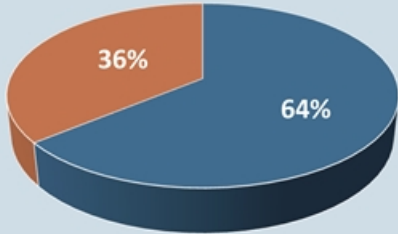


All figures represent multi-year average targets.

# Record Capital Deployment

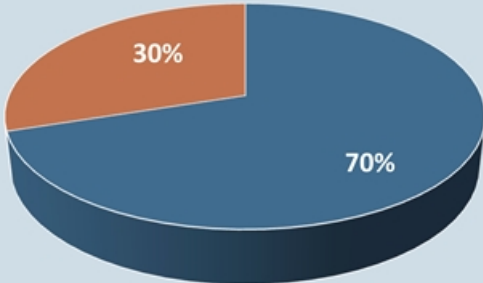
CAPEX expected to increase to **~\$900 million** in FY20

Capital Expenditures: 2013-2017  
\$2.6 Billion



■ Natural Gas ■ LPG

Capital Expenditures: 2018-2022  
\$3.7 Billion

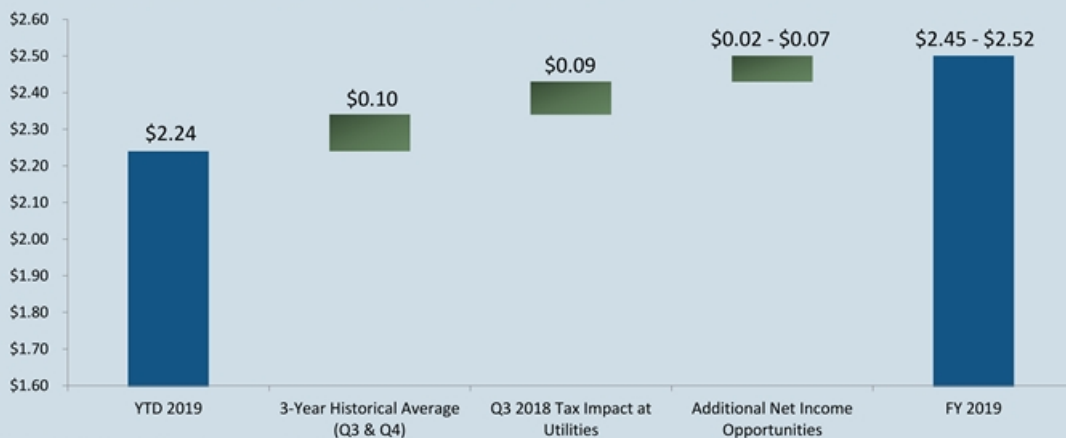


■ Natural Gas ■ LPG

# Second Half Update

## UGI FY19 Guidance

- Adjusted EPS \$2.40 - \$2.60<sup>1</sup>
  - Improvements versus prior years
    - OpEx Management
    - Additional margin increase from new Midstream assets
    - Realized margin from LPG price increases enacted in prior quarters at UGI International
    - Tax effect impact at UGI Utilities, \$22.7 million revenue reduction in Q3 2018 not a factor in 2019
  - UGI remains well-positioned to deliver long-term 6% - 10% EPS growth

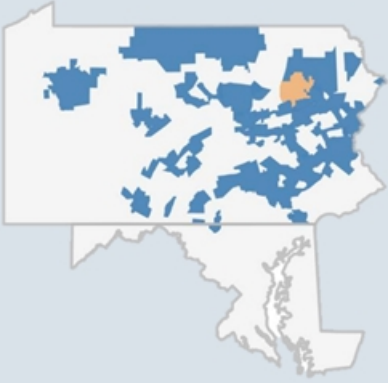


<sup>1</sup>Adjusted EPS is a non-GAAP measure. Please see appendix for reconciliation.



**UG**  
Energy to do more®

# Business Overview



- Gas Utility**  
UGI Utilities (gas, ~642,000 customers)
- Electric Utility**  
UGI Electric (electric, ~62,000 customers)

Regulated gas & electric utilities serving over **700,000** customers

Most contemporary distribution system in Pennsylvania

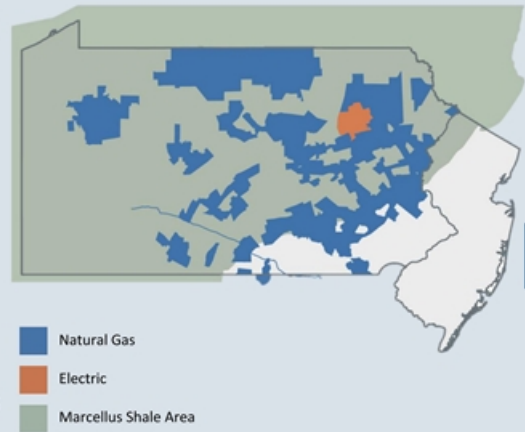
Service territories lie within or adjacent to the Marcellus Shale production area

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

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

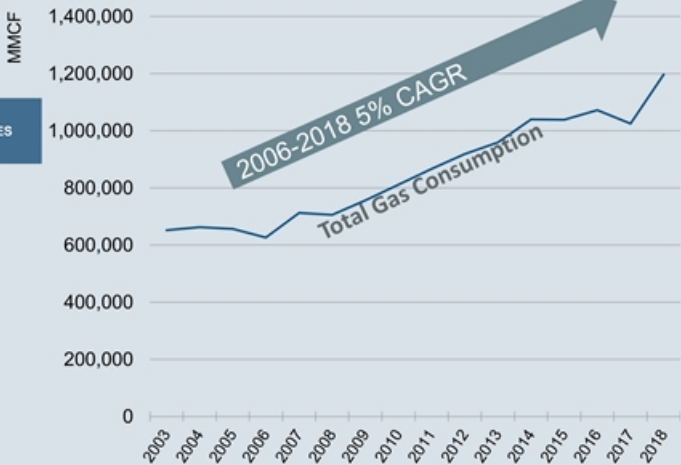
# Marcellus Advantage

- Over 90% of UGI Utilities natural gas sourced from the Marcellus Shale
  - Marcellus natural gas priced at over 29% discount to NYMEX during FY18
- Strong demand for natural gas (conversions, power generation, etc.)
- Favorable environment for economic development
- Significant value for customers
  - Collectively, our customers paid ~\$615MM less in 2018 than in 2008
  - Average residential customer saved ~\$1,000 in fiscal year 2018 vs. heating oil customers

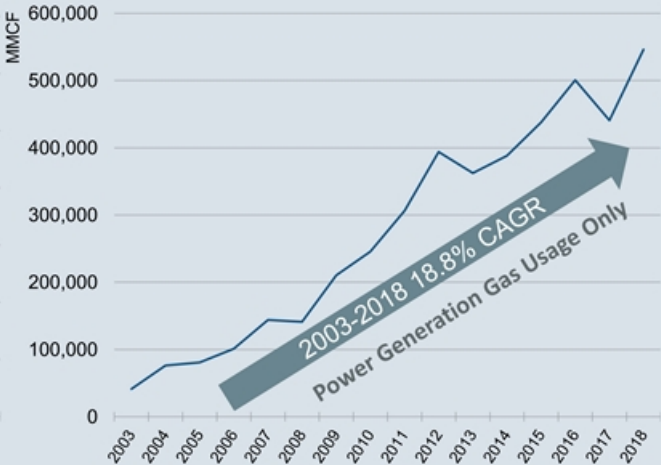


# Marcellus Gas Driving Growth in PA

## Natural Gas Delivered to Customers in PA

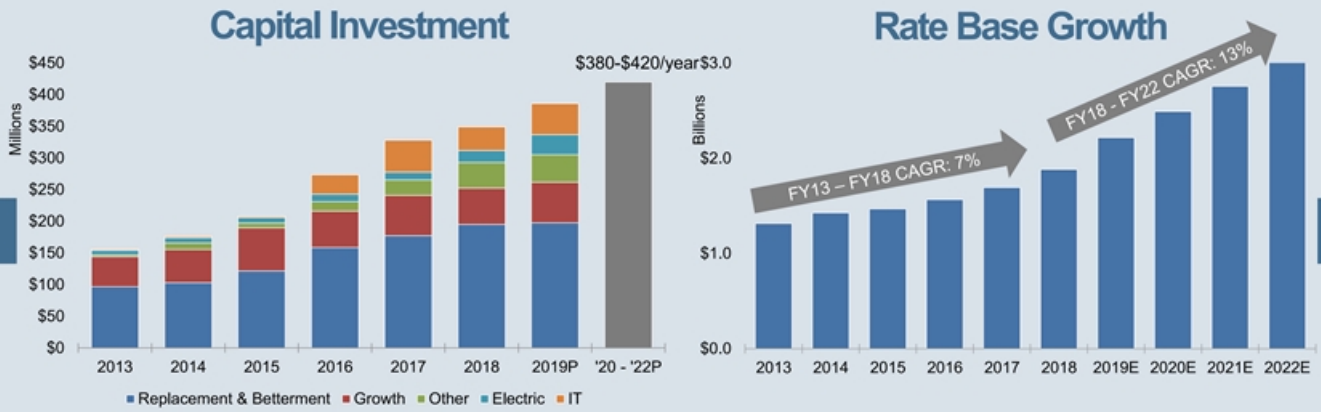


## PA Natural Gas Delivered to Electric Power Customers



Source: Energy Information Administration

# Capital Investment Drives Rate Base Growth

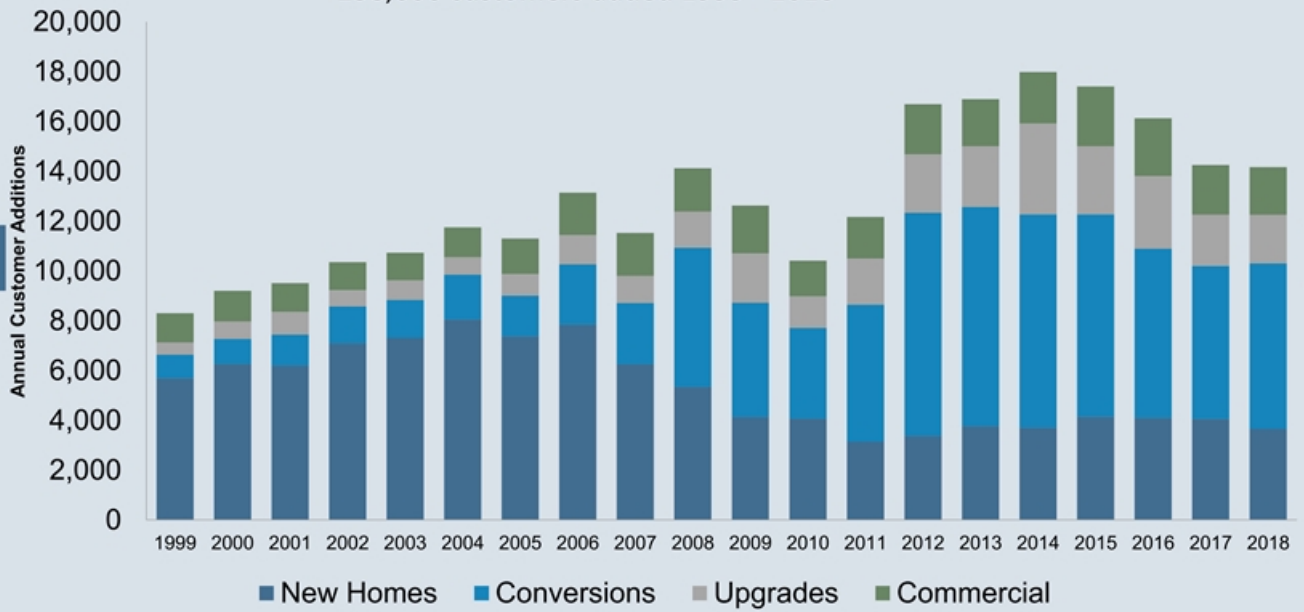


Capital Drivers FY19 – FY22 (\$1.6B in planned capital spend)

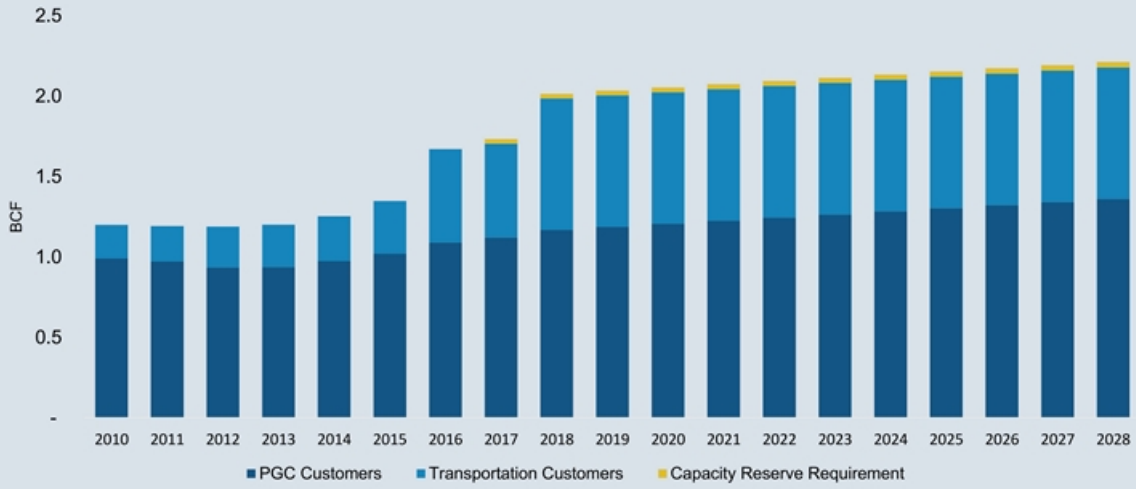
- Gradually increase infrastructure replacement and building and grounds investment
- IT upgrade (Asset Management, Geographic Information Systems, Work Management)

# Annual Customer Growth

258,600 customers added 1999 - 2018



# Peak Day Growth



UTILITIES

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- Peak day demand growth driven by above average customer growth, power generation and large commercial & industrial customers
- Peak Day Demand expected to increase by 10% 2018-2028

Assumes existing service agreements are renewed

 UGI  
Energy Services



# Business Overview



ENERGY  
SERVICES

**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

- Nearly 200 miles of pipeline
- 15 MMDth of natural gas storage
- ~2 MMDth LNG and propane storage used to support liquefaction and vaporization peak shaving

## Commodity Marketing

- Serving 13,000 residential, commercial, and industrial customers on 41 gas utility systems and 20 electric utility systems

## Electricity Generation

- ~300 MWs of electric generation capacity

# Midstream Assets 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 Dth/day)
- Bethlehem vaporization (70,000 Dth/day)
- Portable LNG vaporization (15,000 Dth/day)

## Built Pipeline capacity:

- Auburn system (470,000 Dth/day)
- Sunbury Pipeline (200,000 Dth/day)
- Union Dale (100,000 Dth/day)
- Texas Creek (200,000 Dth/day)
- Ponderosa (33,000 Dth/day)

## Storage:

- 15 MMdth natural gas storage



# Midstream – PennEast Pipeline

## System Highlights

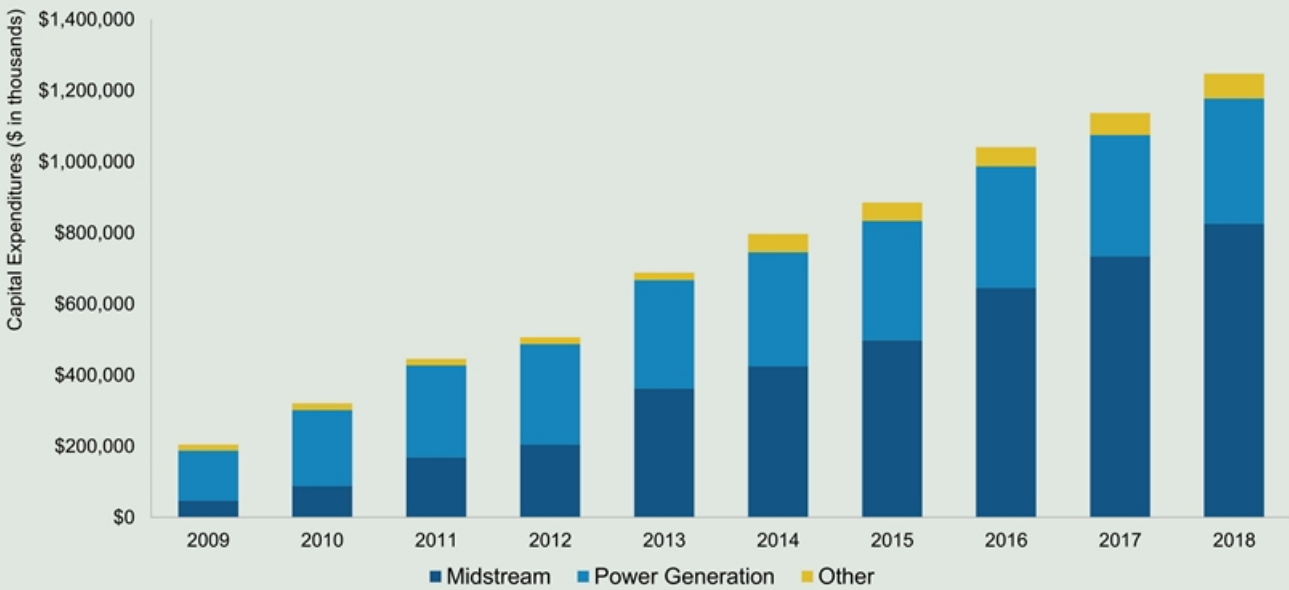
- Connecting abundant Marcellus gas supply to high-value southeastern PA and NJ markets
  - 120 Mile, 36" diameter, \$1.0+ billion interstate pipeline
- Partnership between UGI (project manager), Spectra Energy Partners, Southern Company Gas, New Jersey Resources, South Jersey Industries
- System capable of moving 1.1 Bcf/d to multiple end markets
- Construction type activities expected to begin in 2020:
  - Working through the PA and NJ permitting process

## PennEast Pipeline (Red)



# Cumulative Capital Investment

ENERGY SERVICES

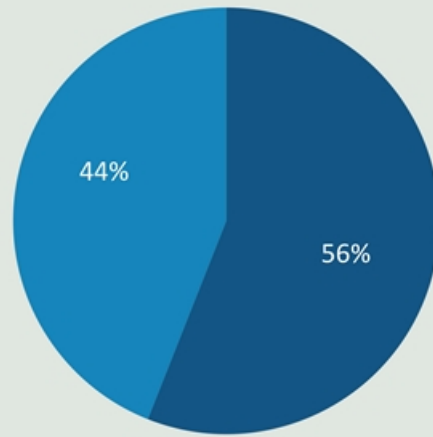
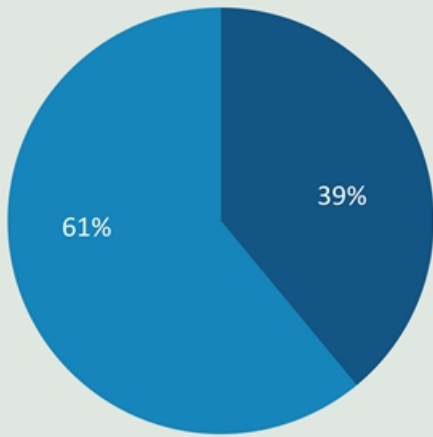


# Fee-Based Income Stabilizes Earnings

2013 Margin<sup>1</sup>

Anticipated 2022 Margin

ENERGY SERVICES

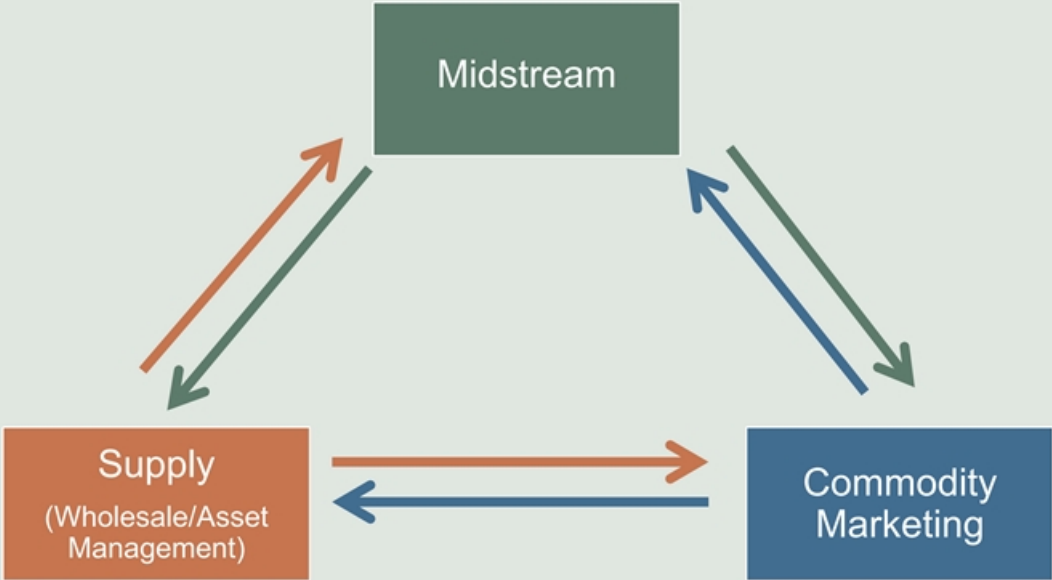


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■ Fee-Based Margin ■ All Other Margin

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

# Diversified Portfolio – Natural Synergy





# UGI International Overview

## Operations in 17 Countries

~550,000 Total Customers

### LPG Distribution

~1 Billion gallons  
of LPG sold in FY 2018

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

18.5 million cylinders in circulation

Over 500,000 bulk customers

### Energy Marketing

~28 BCF  
of natural gas sold in FY  
2018

~5% of 2018 total  
margin



LPG Distribution

LPG Distribution and Energy Marketing

INTERNATIONAL

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# Evolution – Major Acquisitions

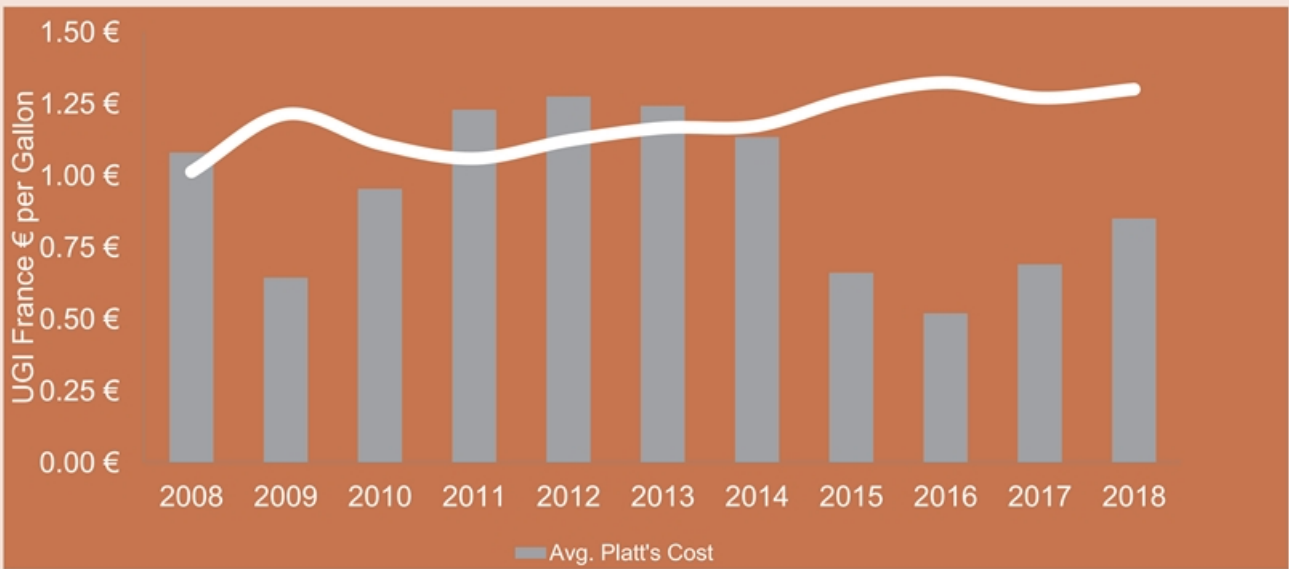
INTERNATIONAL

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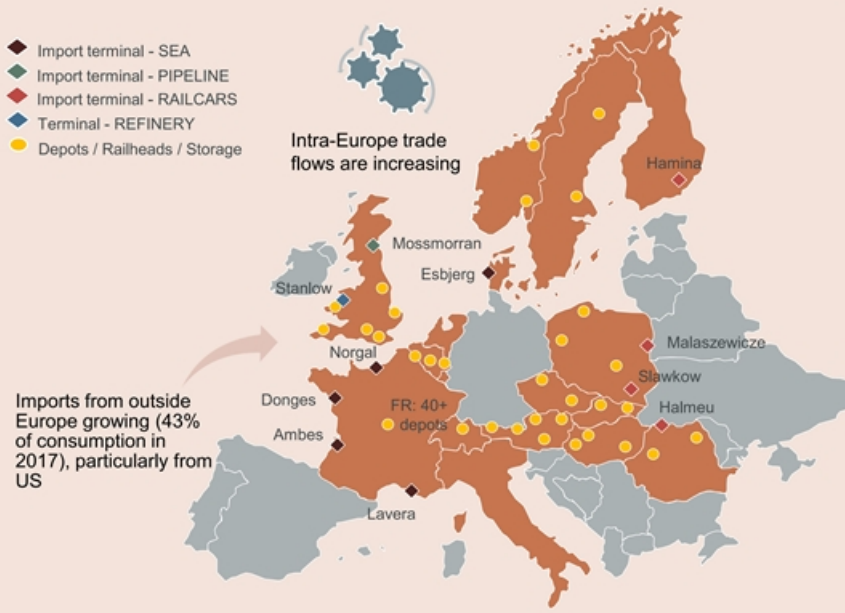
<sup>1</sup>Adjusted EPS is a non-GAAP measure. See appendix for reconciliation.

# Track Record of Margin Management



Unit margin is a non-GAAP measure. Please see appendix for reconciliation.

# Strategically located LPG Supply Assets Provide Flexibility



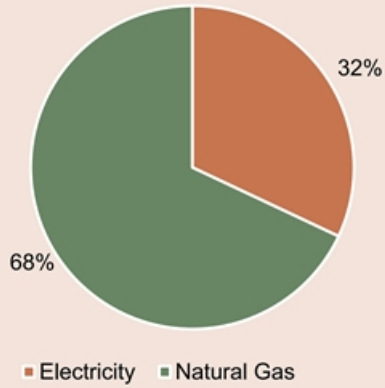
INTERNATIONAL

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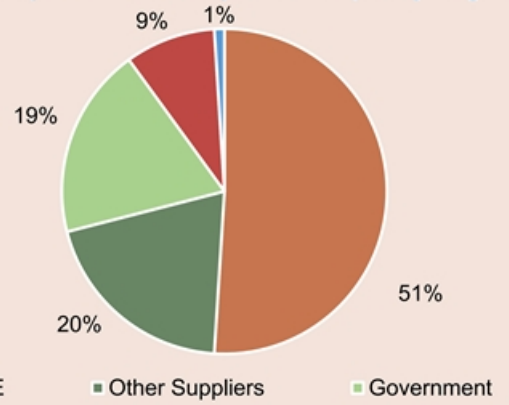
- UGI stores LPG at various storage facilities and terminals across UGI
  - Ownership interests in 10 primary storage facilities and over 70 secondary storage facilities
- Manages extensive logistics and transportation network

# Energy Marketing – A Focused Strategy

FY18 GWh by Energy Type



Total (Gas and Power) Volume Split by Segment



INTERNATIONAL

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Our primary focus is on Small and Medium Enterprises (SME)

- Offer customer-focused solutions
  - Support customers in energy purchase decisions
- Fixed price requirement contracts hedged back to back to mitigate risk

# Energy Marketing – Renewable Portfolio

- Our Energy Marketing business has a significant position in renewable energy including production through Wind and Solar
  - Installed 400MW Wind
  - Installed 70MW solar
- Generating power equivalent to 40% of the total power demand of our electric customer portfolio
- Additionally we undertake the planning and installation of Solar projects for our existing clients
  - Currently we have completed more than 110 projects, installing approximately 30,000 solar panels on behalf of our customers



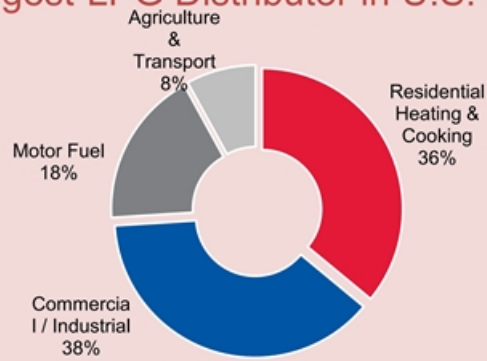
**AmeriGas**



# AmeriGas Overview

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

~1.1 billion  
retail gallons sold  
in FY18



1.7 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 propane gallons distributed annually.

# Business Overview



AMERIGAS

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**38%**

Commercial /  
Industrial

**36%**

Residential  
Heating & Cooking

**18%**

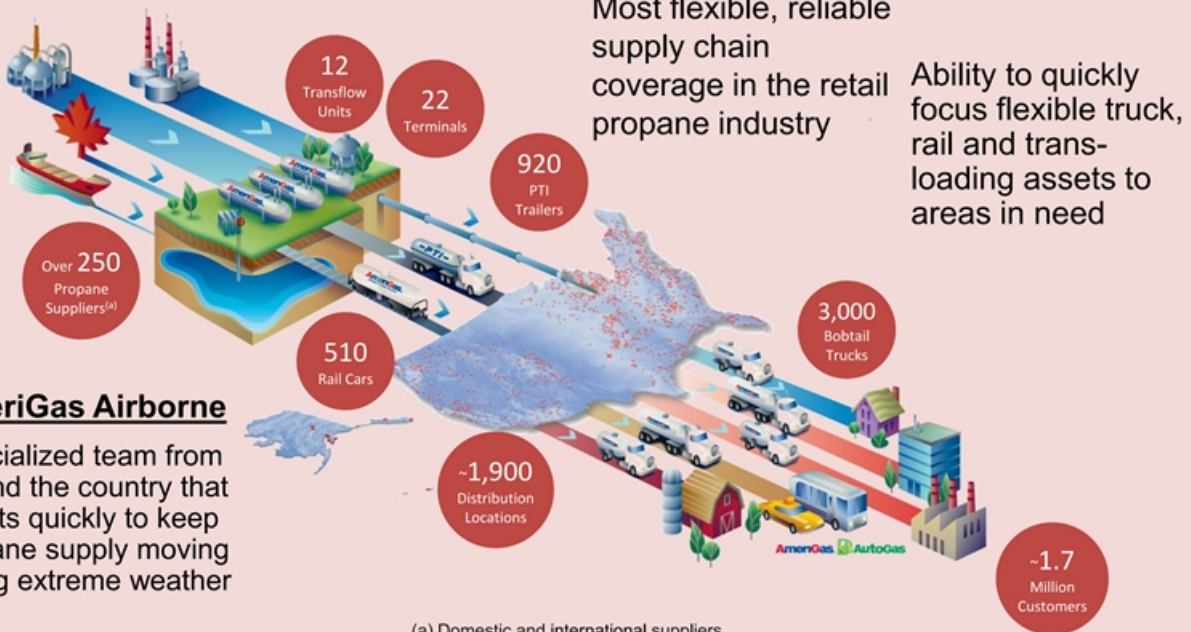
Motor  
Fuel

**8%**

Agriculture  
& Transport

*Represents approximate percentages*

# Significant Transportation & Logistics Network



(a) Domestic and international suppliers

# Technology to Drive Efficiency

- Efficiency benefits are implemented across a broad platform
- Improved distribution efficiency
  - Miles per stop improved 3% from FY17 and 7% from FY16
  - Low fuel deliveries improved 7% from FY17 and 16% from FY16
- Route planning and visualization
- Enhanced performance monitoring
- Technology-enabled marketing efforts
- Ability to identify coaching and training



AMERIGAS

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AmeriMobile Routing  
Cost Savings 2016-  
2018  
**\$20MM**

Real-time performance  
indicators facilitate  
deeper insight into day-  
to-day management

# 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
  - 1,900 distribution points across all 50 states
  - Technology improvements (distribution, route optimization, etc.)

Delivering to over  
**50,000**  
Customer Locations

**21%**  
Volume increase  
since 2016

# Cylinder Exchange Program – Key Attributes

- Product of Convenience
  - Industry leader in automated vending
  - Home delivery pilot will go live this summer season
- 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



# Summary

- Proven track record of exceeding our commitments to our shareholders
  - 6% - 10% long-term annual 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
  - Marcellus-based infrastructure
  - Proposed AmeriGas transaction
  - 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 Earnings Per Share

(Million 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	
Net losses (gains) on commodity derivative instruments not associated with current-period transactions (net of tax of \$(5.8), \$11.5, \$6.3, \$3.1, \$(4.5), \$(30.9), \$13.5, \$31.9, and \$26.7 respectively) (a) (b)	8.2	(17.4)	(8.9)	(4.3)	6.6	53.3	(29.9)	(51.2)	(68.1)	
Integration and acquisition expenses associated with Finagaz acquired on May 29, 2015 (net of tax of \$0, \$0, \$0, \$(2.2), \$(7.7), \$(10.6), \$(13.7), and \$(13.7) respectively) (a)	-	-	-	-	4.3	14.9	17.3	26.2	18.5	
Unrealized losses (gains) on foreign current derivative instruments (net of tax of \$(9.9) and \$9.3 in 2017 and 2018, respectively) (a)	-	-	-	-	-	-	-	13.9	(19.6)	
Loss on extinguishments of debt (net of tax of \$0, \$0, \$(1.4), \$0, \$0, \$(5.0), \$(6.1), and \$0 respectively) (a)	-	-	2.2	-	-	-	7.9	9.6	-	
Costs associated with extinguishment of debt (net of tax of \$0, \$(6.6), \$0, \$0, \$(5.7), \$0, \$0, and \$0 respectively) (a) (c)	-	10.4	-	-	-	4.6	-	-	-	
Impact of retroactive change in French tax law	-	-	-	-	5.7	-	-	-	-	
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 (net of tax of \$0, \$0, \$(5.6), \$(2.8), \$0, \$0, \$0, and \$0 respectively) (a)	-	-	8.8	4.4	-	-	-	-	-	
Impairment of Partnership tradenames and trademarks (net of tax of \$(5.8) in 2018)	-	-	-	-	-	-	-	-	14.5	
Impact from change in French tax rate	-	-	-	-	-	-	-	(29.0)	(12.1)	
Re measurement impact from TCJA	-	-	-	-	-	-	-	-	(166.3)	
Gain on sale of Atlantic Energy (net of tax of \$19.3 in 2010)	(17.2)	\$0.00	-	-	-	-	-	-	-	
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	
<b>Adjusted diluted earnings per common share attributable to UGI stockholders:</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	
Net losses (gains) on commodity derivative instruments not associated with current-period transactions (b)	0.05	(0.10)	(0.05)	(0.02)	0.04	0.30	(0.17)	(0.29)	(0.39)	
Integration and acquisition expenses associated with Finagaz acquired on May 29, 2015	-	-	-	-	0.03	0.08	0.10	0.15	0.10	
Unrealized losses (gains) on foreign current derivative instruments	-	-	-	-	-	-	-	0.08	(0.11)	
Loss on extinguishments of debt	-	0.06	0.01	-	-	-	0.04	0.06	-	
Costs associated with extinguishment of debt	-	-	-	-	-	0.03	-	-	-	
Impact of retroactive change in French tax law	-	-	-	-	0.03	-	-	-	-	
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)	
Re measurement impact from TCJA	-	-	-	-	-	-	-	-	(0.93)	
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	

# 2019 UGI Corporation Adjusted EPS by Segment

Six Months Ended March 31, 2019	Total	AmeriGas Propane	UGI International	Midstream & Marketing	UGI Utilities	Corporate & Other
<b>(Dollars in millions, except per share data)</b>						
<b>Adjusted net income attributable to UGI Corporation:</b>						
Net income (loss) attributable to UGI Corporation	\$ 309.6	\$ 78.1	\$ 122.2	\$ 69.1	\$ 132.7	\$ (92.5)
Net losses on commodity derivative instruments not associated with current-period transactions (net of tax of \$(36.4)) (a)	92.7	—	—	—	—	92.7
Unrealized gains on foreign currency derivative instruments (net of tax of \$3.7) (a)	(9.0)	—	—	—	—	(9.0)
Loss on extinguishments of debt (net of tax of \$(1.9)) (a)	4.2	—	4.2	—	—	—
Merger expenses (net of tax of \$(0.1))	0.2	0.2	—	—	—	—
Adjusted net income (loss) attributable to UGI Corporation	\$ 397.7	\$ 78.3	\$ 126.4	\$ 69.1	\$ 132.7	\$ (8.8)
<b>Adjusted diluted earnings per share:</b>						
UGI Corporation earnings (loss) per share — diluted	\$ 1.74	\$ 0.44	\$ 0.69	\$ 0.39	\$ 0.75	\$ (0.53)
Net losses on commodity derivative instruments not associated with current-period transactions (b)	0.53	—	—	—	—	0.53
Unrealized gains on foreign currency derivative instruments	(0.05)	—	—	—	—	(0.05)
Loss on extinguishments of debt	0.02	—	0.02	—	—	—
Merger expenses	—	—	—	—	—	—
Adjusted diluted earnings (loss) per share	\$ 2.24	\$ 0.44	\$ 0.71	\$ 0.39	\$ 0.75	\$ (0.05)

(a) Income taxes associated with pre-tax adjustments determined using statutory business unit tax rates.  
(b) Includes the effects of rounding associated with per share amounts.

# Transaction Value

Equity

+

Cash

+

Debt

=

Transaction Value

$$(\$69.2\text{MM} \times 0.500) \times \$55.39 = \$1.92\text{BN}$$

Converted AmeriGas units times UGI's current stock price

+

$$\$7.63 \times 69.2\text{MM} = \$528\text{MM}$$

Cash consideration for each common unit of AmeriGas

+

$$\$2.9\text{BN} \times 0.74 = \$2.15\text{BN}$$

Proportion of total debt related to 74% ownership not held by UGI affiliates

=

$$\$1.92\text{BN} + \$528\text{MM} + 2.15\text{BN} = \$4.6\text{BN}$$

Total Transaction Value

# UGI Corporation Free Cash Flow

(\$ in millions)

	Year Ended September 30,										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net Cash Provided By Operating Activities	\$ 178.5	\$ 141.9	\$ 132.7	\$ 203.5	\$ 247.5	\$ 249.1	\$ 260.7	\$ 437.7	\$ 279.4	\$ 456.2	\$ 464.4
Less: Expenditures for property, plant, and equipment	(69.2)	(70.2)	(71.0)	(78.0)	(94.7)	(100.9)	(133.7)	(158.4)	(191.7)	(223.1)	(232.1)
Free Cash Flow Before Distributions on AmeriGas Partners Publically Held Common Units	\$ 109.3	\$ 71.7	\$ 61.7	\$ 125.5	\$ 152.8	\$ 148.2	\$ 127.0	\$ 279.3	\$ 87.7	\$ 233.1	\$ 232.3
Less: Distributions on AmeriGas Partners Publically Held Common Units	(39.0)	(39.0)	(39.1)	(44.3)	(53.5)	(56.4)	(62.4)	(66.6)	(73.6)	(85.0)	(80.9)
UGI Free Cash Flow After Distributions on AmeriGas Partners Publically Held Common Un	\$ 70.3	\$ 32.7	\$ 22.6	\$ 81.2	\$ 99.3	\$ 91.8	\$ 64.6	\$ 212.7	\$ 14.1	\$ 148.1	\$ 151.4

	Year Ended September 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Cash Provided By Operating Activities	\$ 665.0	\$ 598.8	\$ 554.7	\$ 707.7	\$ 801.5	\$ 1,005.4	\$ 1,163.8	\$ 969.7	\$ 964.4	\$ 1,085.3
Less: Expenditures for property, plant, and equipment	(301.8)	(347.3)	(360.7)	(339.4)	(486.0)	(456.8)	(490.6)	(563.8)	(638.9)	(574.9)
Free Cash Flow Before Distributions on AmeriGas Partners Publically Held Common Units	\$ 363.2	\$ 251.5	\$ 194.0	\$ 368.3	\$ 315.5	\$ 548.6	\$ 673.2	\$ 405.9	\$ 325.5	\$ 510.4
Less: Distributions on AmeriGas Partners Publically Held Common Units	(90.4)	(89.1)	(93.7)	(181.7)	(226.5)	(237.7)	(248.9)	(257.3)	(261.6)	(263.0)
UGI Free Cash Flow After Distributions on AmeriGas Partners Publically Held Common Un	\$ 272.8	\$ 162.4	\$ 100.3	\$ 186.6	\$ 89.0	\$ 310.9	\$ 424.3	\$ 148.6	\$ 63.9	\$ 247.4

# Midstream & Marketing Total Margin

(\$ in millions)

	Year Ended September 30,											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Revenues	\$ 1,409.8	\$ 1,696.4	\$ 1,309.5	\$ 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
Total Cost of Sales	(1,282.3)	(1,541.0)	(1,147.8)	(1,055.5)	(986.5)	(779.7)	(927.3)	(1,149.8)	(872.4)	(612.2)	(856.7)	(1,090.8)
Net Margin	\$ 127.5	\$ 155.3	\$ 161.7	\$ 167.1	\$ 169.4	\$ 162.5	\$ 195.5	\$ 323.9	\$ 309.0	\$ 264.4	\$ 264.5	\$ 330.9
Margin Breakdown:												
Commodity Marketing	\$ 42.7	\$ 38.9	\$ 42.2	\$ 60.2	\$ 67.5	\$ 56.9	\$ 57.6	\$ 61.9	\$ 60.6	\$ 45.7	\$ 48.8	\$ 49.8
Midstream	30.7	46.1	49.0	47.4	51.7	57.5	74.9	184.9	180.4	161.1	168.0	225.0
Power Generation	27.5	39.2	35.0	27.7	18.2	16.0	31.5	45.5	43.6	34.2	27.9	34.9
HVAC	26.6	31.2	35.5	31.9	31.9	32.1	31.5	31.7	24.4	23.3	19.8	21.2
Net Margin	\$ 127.5	\$ 155.3	\$ 161.7	\$ 167.1	\$ 169.4	\$ 162.5	\$ 195.6	\$ 323.9	\$ 309.0	\$ 264.4	\$ 264.5	\$ 330.9

Margin excludes commodity derivative mark-to-market adjustments

# AmeriGas Unit Margins

(\$ in thousands)

	Year Ended September 30,										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Propane revenues	\$2,624,672	\$2,091,890	\$2,158,800	\$2,360,439	\$2,677,631	\$2,884,766	\$3,440,868	\$2,612,401	\$2,053,160	\$2,183,538	\$2,545,794
Propane cost of sales	(1,836,917)	(1,254,332)	(1,340,615)	(1,546,161)	(1,642,658)	(1,571,574)	(2,034,592)	(1,301,167)	(719,842)	(691,261)	(1,215,616)
Adjustment for Commodity Mark-to-Market (gain) loss	-	-	-	-	-	-	9,496	47,841	(66,079)	(31,062)	(12,473)
Total adjusted propane margin	\$ 787,755	\$ 837,558	\$ 818,185	\$ 814,278	\$1,034,973	\$1,313,192	\$1,415,772	\$1,359,075	\$1,267,239	\$1,261,215	\$1,317,705
Total Retail and Wholesale Gallons Sold	1,104,400	1,047,900	1,022,600	999,000	1,123,100	1,347,000	1,369,000	1,238,700	1,115,222	1,096,010	1,143,565
Average Adjusted Propane Margin per Gallon	\$ 0.71	\$ 0.80	\$ 0.80	\$ 0.82	\$ 0.92	\$ 0.97	\$ 1.03	\$ 1.10	\$ 1.14	\$ 1.15	\$ 1.15

# UGI International Total Margin

(\$ in millions)

	Year Ended September 30,		
	2008	2013	2018
Total Revenues	\$ 1,124.8	\$ 2,179.2	\$ 2,683.8
Total Cost of Sales	(651.9)	(1,498.4)	(1,620.1)
Net Margin	\$ 472.9	\$ 680.8	\$ 1,063.7

Margin excludes commodity derivative mark-to-market adjustments

# UGI France Unit Margins

(\$ in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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
LPG cost of sales	(615,944)	(362,425)	(465,867)	(649,824)	(650,305)	(774,097)	(727,029)	(461,567)	(432,429)	(441,559)	(612,295)
<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>\$ 703,380</b>	<b>\$ 737,589</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
<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>€ 633,676</b>	<b>€ 619,823</b>
Total Retail Tons Sold	567	561	542	524	575	596	539	639	963	983	980
Gallons/ton	516	516	516	516	516	516	516	516	516	516	516
<b>Total Retail 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>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>€ 1.25</b>	<b>€ 1.25</b>

Margin excludes commodity derivative mark-to-market adjustments