

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 4, 2022

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

Pennsylvania  
(State or Other Jurisdiction  
of Incorporation)

1-11071  
(Commission  
File Number)

23-2668356  
(IRS Employer  
Identification No.)

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

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

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

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

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, without par value	UGI	New York Stock Exchange
Corporate Units	UGIC	New York Stock Exchange

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

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

On May 4, 2022, UGI Corporation (the “Company”) issued a press release announcing financial results for the Company for the fiscal quarter ended March 31, 2022. 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 5, 2022, 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, 2022.

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 4, 2022.</a>
99.2	<a href="#">Presentation of UGI Corporation dated May 5, 2022.</a>
101.INS	XBRL Instance - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UGI Corporation

May 5, 2022

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



## UGI Reports Second Quarter Results and Updates Fiscal 2022 Guidance

May 4, 2022

VALLEY FORGE, PA - UGI Corporation (NYSE: UGI) today reported financial results for the fiscal quarter ended March 31, 2022.

### HEADLINES

- Q2 GAAP diluted earnings per share ("EPS") of \$4.32 and adjusted diluted EPS of \$1.91 compared to GAAP diluted EPS of \$2.33 and adjusted diluted EPS of \$1.99 in the prior-year period.
- Year-to-date GAAP diluted EPS of \$3.87 and adjusted diluted EPS of \$2.84 compared to GAAP diluted EPS of \$3.77 and adjusted diluted EPS of \$3.17 in the prior-year period.
- Q2 reportable segments earnings before interest expense and income taxes<sup>1</sup> ("EBIT") of \$631 million compared to \$630 million in the prior-year period.
- Strong balance sheet with available liquidity of approximately \$1.9 billion as of March 31, 2022.
- On May 4, 2022, UGI's Board of Directors approved an increase to its quarterly dividend to \$0.36 per share marking the 35th consecutive year of annual dividend increases.
- Updated Fiscal 2022 adjusted EPS guidance to a range of \$2.90 - \$3.00<sup>2</sup> per share.

"Despite ongoing macro-economic headwinds and the current geopolitical environment, our business demonstrated tremendous resiliency during the fiscal second quarter to deliver adjusted EBIT for our reportable segments of \$631 million, which was fairly consistent with the prior fiscal year," said Roger Perreault, President and Chief Executive Officer of UGI Corporation. "Our natural gas businesses delivered strong results which reflected incremental earnings from Mountaineer and higher base rates at UGI Utilities. Higher LPG margins and disciplined expense control actions throughout the business partially offset the decline in energy marketing margin at UGI International and lower volumes at AmeriGas, largely stemming from customer service challenges experienced in the prior year and increased price sensitivity in the higher commodity cost environment.

"Given the fiscal year to date performance, we expect adjusted EPS for fiscal 2022 to be within a revised guidance range of \$2.90 to \$3.00. Our teams have implemented margin management and expense control actions which are expected to provide incremental benefits for the remainder of the fiscal year, significantly changing our fiscal 2022 earnings profile for the back half of the year when compared to our historical trend.

"We are focused on our strategy to deliver reliable earnings growth, invest in renewables and rebalance our portfolio. With that in mind, we have initiated a strategic review of the energy marketing business at UGI International. Separately, our Utilities segment remains on track to achieve yet another record capital investment year.

"Looking forward, we are optimistic about the opportunities ahead and believe UGI is well-positioned to build increasing value and long-term growth for its shareholders."

## KEY DRIVERS OF SECOND QUARTER RESULTS

- *AmeriGas*: Lower total margin due to 8% decline in retail volume; higher average LPG unit margins
- *UGI International*: Higher LPG total margin due to margin management efforts; lower energy marketing margin due to significant increases and volatility in commodity prices
- *Midstream & Marketing*: Total margin down \$10 million, largely reflecting lower capacity management margin resulting from the timing of settlement of storage hedge contracts
- *Utilities*: EBIT up \$52 million, largely driven by incremental earnings from Mountaineer, higher base rates and benefits from the Distribution System Improvement Charge (DSIC) at UGI Utilities

## EARNINGS CALL AND WEBCAST

UGI Corporation will hold a live Internet Audio Webcast of its conference call to discuss the quarterly earnings and other current activities at 9:00 AM ET on Thursday, May 5, 2022. Interested parties may listen to the audio webcast both live and in replay on the Internet at <https://www.ugicorp.com/investors/financial-reports/presentations> or by visiting the company website <https://www.ugicorp.com> and clicking on Investors and then Presentations. A telephonic replay will be available from 12:00 PM ET on May 5 through 11:59 PM ET May 12. The replay may be accessed toll free at 855-859-2056 and internationally at +1 404-537-3406, conference ID 9390638.

## CONTACT INVESTOR RELATIONS

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

## ABOUT UGI

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

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

## USE OF NON-GAAP MEASURES

Management uses "adjusted diluted earnings per share," a non-GAAP financial measure, when evaluating UGI's overall performance. Management believes that this non-GAAP measure provides meaningful information to investors about UGI's performance because it eliminates the impact of (1) gains and losses on commodity and certain foreign currency derivative instruments not associated with current-period transactions and (2) other significant discrete items that can affect the comparison of period-over-period results. Volatility in net income at UGI can occur as a result of gains and losses on commodity and certain foreign currency derivative instruments not associated with current-period transactions but included in earnings in accordance with U.S. generally accepted accounting principles ("GAAP").

Non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures.

Tables on the last page reconcile net 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> Reportable segments' earnings before interest expense and income taxes represents an aggregate of our operating segment level EBIT, as determined in accordance with GAAP.

<sup>2</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 2022 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 that are forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended). Management believes that these are reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. You should read UGI's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q for a more extensive list of factors that could affect results. Among them are adverse weather conditions (including increasingly uncertain weather patterns due to climate change) resulting in reduced demand, and the seasonal nature of our business; cost volatility and availability of all energy products, including propane and other LPG, natural gas, and electricity, as well as the availability of LPG cylinders; increased customer conservation measures; the impact of pending and future legal or regulatory proceedings, inquiries or investigations; liability for uninsured claims and for claims in excess of insurance coverage; political, regulatory and economic conditions in the United States, Europe and other foreign countries, including uncertainties related to the military conflict between Russia and Ukraine, and foreign currency exchange rate fluctuations (particularly the euro); the timing of development of Marcellus and Utica Shale gas production; the availability, timing and success of our acquisitions, commercial initiatives and investments to grow our business; our ability to successfully integrate acquired businesses and achieve anticipated synergies; the interruption, disruption, failure, malfunction, or breach of our information technology systems, and those of our third-party vendors or service providers, including due to cyber-attack; the inability to complete pending or future energy infrastructure projects; our ability to achieve the operational benefits and cost efficiencies expected from the completion of pending and future transformation initiatives, including the impact of customer disruptions resulting in potential customer loss due to the transformation activities; uncertainties related to global pandemics, including the duration and/or impact of the COVID-19 pandemic; the impact of proposed or future tax legislation, including the potential reversal of existing tax legislation that is beneficial to us; and our ability to overcome supply chain issues that may result in delays or shortages in, as well as increased costs of, equipment, materials or other resources that are critical to our business operations.

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

AmeriGas Propane

For the fiscal quarter ended March 31,	2022	2021	Increase (Decrease)	
Revenues	\$ 1,048	\$ 940	\$ 108	11 %
Total margin (a)	\$ 503	\$ 509	\$ (6)	(1)%
Operating and administrative expenses	\$ 240	\$ 233	\$ 7	3 %
Operating income/earnings before interest expense and income taxes	\$ 227	\$ 239	\$ (12)	(5)%
Retail gallons sold (millions)	329	356	(27)	(8)%
Heating degree days - % colder (warmer) than normal (b)	2.9 %	(2.2)%		
Capital expenditures	\$ 36	\$ 30	\$ 6	20 %

- Temperatures were 4.8% colder than the prior-year period.
- Retail gallons sold decreased 8% largely due to the continued impact of customer service challenges that occurred in Fiscal 2021 and increased price sensitivity in the higher commodity cost environment.
- Total margin decreased \$6 million compared to the prior-year period, primarily due to lower retail volumes (\$33 million), partially offset by higher average retail unit margins.
- Operating and administrative expenses increased \$7 million largely due to higher general insurance (\$6 million), vehicle fuel (\$4 million) and bad debt reserves (\$4 million), with partial offset from lower employee compensation and benefits (\$7 million). Total operating and administrative expenses were also impacted by the inflationary cost environment.

UGI International

For the fiscal quarter ended March 31,	2022	2021	Increase (Decrease)	
Revenues	\$ 1,224	\$ 834	\$ 390	47 %
Total margin (a)	\$ 294	\$ 343	\$ (49)	(14)%
Operating and administrative expenses (a)	\$ 162	\$ 164	\$ (2)	(1)%
Operating income	\$ 111	\$ 147	\$ (36)	(24)%
Earnings before interest expense and income taxes	\$ 120	\$ 149	\$ (29)	(19)%
LPG retail gallons sold (millions)	247	242	5	2 %
Heating degree days - % warmer than normal (b)	(5.7)%	(3.4)%		
Capital expenditures	\$ 23	\$ 18	\$ 5	28 %

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 2022 and 2021 three-month periods, the average unweighted euro-to-dollar translation rates were approximately \$1.12 and \$1.21, respectively, and the average unweighted British pound sterling-to-dollar translation rates were approximately \$1.34 and \$1.38, respectively.

- Retail volume increased 2% despite weather that was 4.9% warmer than the prior-year period, largely due to the recovery of certain bulk and autogas volumes that were negatively affected by the COVID-19 pandemic.
- Average propane wholesale selling prices in northwest Europe were approximately 59% higher than the prior-year period.
- Total margin decreased \$49 million compared to the prior-year period, largely due to lower energy marketing margin and the translation effects of the weaker foreign currencies (approximately \$20 million), partially offset by higher total LPG margins. The lower energy marketing margin was impacted by significant volatility in commodity costs and its effects on the unit margins of certain customer contracts.
- Operating income decreased \$36 million compared to the prior-year period, largely due to lower total margin.
- Earnings before interest expense and income taxes decreased \$29 million compared to the prior-year period due to the lower operating income, partially offset by higher realized gains on foreign currency exchange contracts (\$5 million).

## Midstream & Marketing

For the fiscal quarter ended March 31,

	2022	2021	Increase (Decrease)	
Revenues	\$ 671	\$ 484	\$ 187	39 %
Total margin (a)	\$ 131	\$ 141	\$ (10)	(7)%
Operating and administrative expenses	\$ 30	\$ 28	\$ 2	7 %
Operating income	\$ 85	\$ 90	\$ (5)	(6)%
Earnings before interest expense and income taxes	\$ 90	\$ 100	\$ (10)	(10)%
Heating degree days - % warmer than normal (b)	(2.8)%	(5.8)%		
Capital expenditures	\$ 10	\$ 12	\$ (2)	(17)%

- Total margin decreased \$10 million, primarily reflecting lower margins from capacity management and natural gas marketing, partially offset by higher peaking margins and incremental margin from the Stonehenge acquisition.
- Operating income decreased \$5 million, primarily reflecting the decrease in total margin with partial offset from the absence of a contingent consideration adjustment related to the GHI acquisition in the prior-year.

## Utilities

For the fiscal quarter ended March 31,

	2022	2021	Increase	
Revenues	\$ 707	\$ 442	\$ 265	60 %
Total margin (a)	\$ 317	\$ 238	\$ 79	33 %
Operating and administrative expenses	\$ 91	\$ 67	\$ 24	36 %
Operating income	\$ 191	\$ 142	\$ 49	35 %
Earnings before interest expense and income taxes	\$ 194	\$ 142	\$ 52	37 %
Gas Utility system throughput - billions of cubic feet				
Core market	52	38	14	37 %
Total	123	100	23	23 %
Gas Utility heating degree days - % warmer than normal (b)	(3.4)%	(8.1)%		
Capital expenditures	\$ 101	\$ 64	\$ 37	58 %

- Gas Utility service territory experienced temperatures that were 3.7% colder than the prior-year period.
- Core market and total gas utility volumes increased due to colder weather and incremental volume from Mountaineer.
- Total margin increased \$79 million compared to the prior-year period, primarily reflecting the incremental margin from Mountaineer (\$52 million), increased volumes due to colder weather, higher base rates, and a DSIC that was implemented effective April 1, 2021.
- Operating income increased \$49 million compared to the prior-year period, largely reflecting the higher total margin, partially offset by higher operating and administrative expenses and higher depreciation expense both principally due to the incremental expenses attributable to Mountaineer.

(a) Total margin represents total revenue less total cost of sales. In the case of Utilities, total margin is also reduced by certain revenue-related taxes.

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



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

	Three Months Ended March 31,		Six Months Ended March 31,		Twelve Months Ended March 31,	
	2022	2021	2022	2021	2022	2021
Revenues:						
AmeriGas Propane	\$ 1,048	\$ 940	\$ 1,826	\$ 1,606	\$ 2,834	\$ 2,455
UGI International	1,224	834	2,273	1,534	3,390	2,306
Midstream & Marketing	671	484	1,206	825	1,787	1,277
Utilities	707	442	1,126	742	1,463	1,050
Corporate & Other (a)	(184)	(119)	(292)	(194)	(401)	(252)
Total revenues	<u>\$ 3,466</u>	<u>\$ 2,581</u>	<u>\$ 6,139</u>	<u>\$ 4,513</u>	<u>\$ 9,073</u>	<u>\$ 6,836</u>
Earnings before interest expense and income taxes:						
AmeriGas Propane	\$ 227	\$ 239	\$ 313	\$ 380	\$ 318	\$ 382
UGI International	120	149	202	285	234	318
Midstream & Marketing	90	100	172	159	203	186
Utilities	194	142	292	220	314	241
Total reportable segments	631	630	979	1,044	1,069	1,127
Corporate & Other (a)	717	69	308	145	1,328	297
Total earnings before interest expense and income taxes	<u>1,348</u>	<u>699</u>	<u>1,287</u>	<u>1,189</u>	<u>2,397</u>	<u>1,424</u>
Interest expense:						
AmeriGas Propane	(38)	(40)	(79)	(80)	(158)	(161)
UGI International	(8)	(6)	(15)	(13)	(29)	(29)
Midstream & Marketing	(10)	(11)	(20)	(21)	(41)	(40)
Utilities	(16)	(14)	(32)	(28)	(60)	(55)
Corporate & Other, net (a)	(10)	(7)	(17)	(14)	(29)	(26)
Total interest expense	<u>(82)</u>	<u>(78)</u>	<u>(163)</u>	<u>(156)</u>	<u>(317)</u>	<u>(311)</u>
Income before income taxes	1,266	621	1,124	1,033	2,080	1,113
Income tax expense (b)	<u>(332)</u>	<u>(132)</u>	<u>(286)</u>	<u>(241)</u>	<u>(567)</u>	<u>(227)</u>
Net income including noncontrolling interests	934	489	838	792	1,513	886
Deduct net income attributable to noncontrolling interests	(1)	—	(2)	—	(2)	—
Net income attributable to UGI Corporation	<u>\$ 933</u>	<u>\$ 489</u>	<u>\$ 836</u>	<u>\$ 792</u>	<u>\$ 1,511</u>	<u>\$ 886</u>
Earnings per share attributable to UGI shareholders:						
Basic	<u>\$ 4.44</u>	<u>\$ 2.34</u>	<u>\$ 3.98</u>	<u>\$ 3.79</u>	<u>\$ 7.21</u>	<u>\$ 4.24</u>
Diluted	<u>\$ 4.32</u>	<u>\$ 2.33</u>	<u>\$ 3.87</u>	<u>\$ 3.77</u>	<u>\$ 7.02</u>	<u>\$ 4.23</u>
Weighted Average common shares outstanding (thousands):						
Basic	<u>210,163</u>	<u>208,930</u>	<u>209,919</u>	<u>208,849</u>	<u>209,598</u>	<u>208,750</u>
Diluted	<u>215,928</u>	<u>210,092</u>	<u>215,936</u>	<u>209,863</u>	<u>215,216</u>	<u>209,527</u>
Supplemental information:						
Net income attributable to UGI Corporation:						
AmeriGas Propane	\$ 138	\$ 150	\$ 172	\$ 224	\$ 116	\$ 167
UGI International	89	99	146	191	176	216
Midstream & Marketing	58	64	109	99	117	105
Utilities	134	99	197	148	193	141
Total reportable segments	419	412	624	662	602	629
Corporate & Other (a)	514	77	212	130	909	257
Total net income attributable to UGI Corporation	<u>\$ 933</u>	<u>\$ 489</u>	<u>\$ 836</u>	<u>\$ 792</u>	<u>\$ 1,511</u>	<u>\$ 886</u>

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

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

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

The following tables reconcile net income attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net income attributable to UGI Corporation, and reconcile diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to previously:

	Three Months Ended March 31,		Six Months Ended March 31,		Twelve Months Ended March 31,	
	2022	2021	2022	2021	2022	2021
<b>Adjusted net income attributable to UGI Corporation (millions):</b>						
Net income attributable to UGI Corporation	\$ 933	\$ 489	\$ 836	\$ 792	\$ 1,511	\$ 886
Net gains on commodity derivative instruments not associated with current-period transactions (net of tax of \$204, \$22, \$93, \$53, \$429 and \$131, respectively)	(535)	(52)	(243)	(137)	(1,107)	(318)
Unrealized (gains) losses on foreign currency derivative instruments (net of tax of \$(1), \$4, \$1, \$(1), \$4 and \$(8), respectively)	—	(11)	(4)	4	(14)	20
Loss on extinguishment of debt (net of tax of \$0, \$0, \$(3), \$0, \$(3) and \$0, respectively)	—	—	8	—	8	—
Acquisition and integration expenses associated with the Mountaineer Acquisition (net of tax of \$0, \$0, \$0, \$(1), \$(3) and \$(1), respectively)	—	1	1	2	9	2
Business transformation expenses (net of tax of \$0, \$(5), \$(1), \$(9), \$(19), and \$(16), respectively)	2	14	3	27	50	46
Impairment of investment in PennEast (net of tax of \$0, \$0, \$0, \$0, \$0 and \$0, respectively)	—	—	—	—	93	—
Impact of change in Italian tax law	—	(23)	—	(23)	—	(23)
Impairment of customer relationship intangible (net of tax of \$0, \$0, \$0, \$0, \$(5) and \$0, respectively)	—	—	—	—	15	—
Loss on disposals of Conemaugh and HVAC (net of tax of \$0, \$0, \$0, \$0, \$0 and \$(15), respectively)	—	—	—	—	—	39
Restructuring costs (net of tax of \$(5), \$0, \$(5), \$0, \$(5) and \$0, respectively)	—	—	—	—	—	—
Total adjustments (1)	13	—	13	—	13	—
	(520)	(71)	(222)	(127)	(933)	(234)
Adjusted net income attributable to UGI Corporation	<u>\$ 413</u>	<u>\$ 418</u>	<u>\$ 614</u>	<u>\$ 665</u>	<u>\$ 578</u>	<u>\$ 652</u>
<b>Adjusted diluted earnings per share:</b>						
UGI Corporation earnings per share — diluted (2)	\$ 4.32	\$ 2.33	\$ 3.87	\$ 3.77	\$ 7.02	\$ 4.23
Net gains on commodity derivative instruments not associated with current-period transactions	(2.48)	(0.25)	(1.11)	(0.65)	(5.13)	(1.52)
Unrealized (gains) losses on foreign currency derivative instruments	—	(0.05)	(0.02)	0.02	(0.07)	0.10
Loss on extinguishment of debt	—	—	0.03	—	0.04	—
Acquisition and integration expenses associated with the Mountaineer Acquisition	—	—	—	0.01	0.04	0.01
Business transformation expenses	0.01	0.07	0.01	0.13	0.23	0.22
Impairment of investment in PennEast	—	—	—	—	0.43	—
Impact of change in Italian tax law	—	(0.11)	—	(0.11)	—	(0.11)
Impairment of customer relationship intangible	—	—	—	—	0.07	—
Loss on disposals of Conemaugh and HVAC	—	—	—	—	—	0.18
Restructuring costs	0.06	—	0.06	—	0.06	—
Total adjustments	(2.41)	(0.34)	(1.03)	(0.60)	(4.33)	(1.12)
Adjusted diluted earnings per share	<u>\$ 1.91</u>	<u>\$ 1.99</u>	<u>\$ 2.84</u>	<u>\$ 3.17</u>	<u>\$ 2.69</u>	<u>\$ 3.11</u>

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



# UGI CORPORATION

## Fiscal 2022 Second Quarter Results

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

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

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



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



## Second Quarter Summary

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

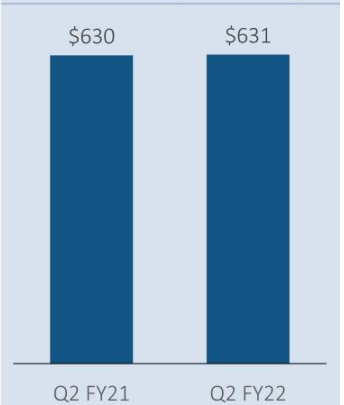
# Q2 FY22 Financial Highlights

## Q2 FY22 Adjusted Diluted EPS<sup>1</sup>



- GAAP diluted EPS of \$4.32 vs. \$2.33 in Q2 FY22
  - Adjusted diluted EPS<sup>1</sup> of \$1.91 in Q2 FY22 vs \$1.99 in Q2 FY21
- Results reflect:
  - Incremental contribution from strategic investments in the natural gas businesses, including Mountaineer
  - Impact of significant increases and volatility in commodity prices on energy marketing margins in Europe
  - Lower retail volumes at AmeriGas
  - Margin management and expense control efforts
- Revised guidance range of \$2.90 to \$3.00<sup>3</sup>

## Reportable Segments Earnings before interest expense and income taxes (\$ in Million)<sup>2</sup>



<sup>1</sup> Adjusted Diluted EPS is a non-GAAP measure. See Slide 7 and Appendix for reconciliation. <sup>2</sup> Excludes EBIT related to Corporate & Other. <sup>3</sup> The previous guidance for Adjusted EPS provided on November 19, 2022, was \$3.05 – \$3.25. 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 2022 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.

# Recent Accomplishments

## *Reliable Earnings Growth*



- ~4,000 customers added in Q2 FY22 at the Utilities; 8,400+ customers in YTD FY22
- Strong contributions from recent strategic acquisitions: Mountaineer and Stonehenge
- Continued growth in ACE and National Accounts volumes when compared to pre-pandemic levels

## *Renewables*



- In February, entered agreement with Global Clean Energy Holdings to purchase and distribute renewable LPG in California
- In April, acquired a 33% equity interest in Ag-Grid Energy, a renewable energy producer with projects in the US

## *Rebalance*



- Integration of Stonehenge progressing smoothly; incremental earnings realized during the quarter
- Utilities segment on track for record capital spend in FY22





## Second Quarter Financial Review

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



## Q2 FY22 Adjusted Diluted Earnings per Share



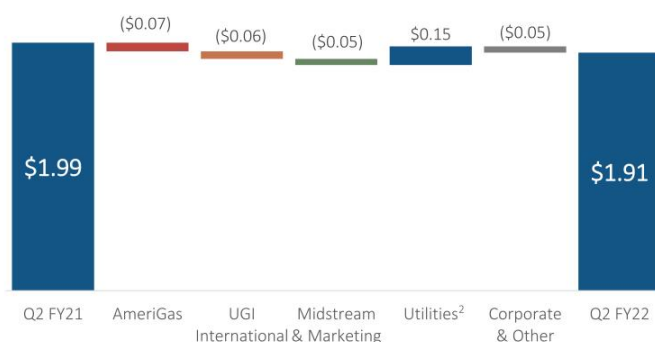
	Q2 FY22	Q2 FY21
AmeriGas Propane	\$0.64	\$0.71
UGI International	0.41	0.47
Midstream & Marketing	0.26	0.31
Utilities	0.62	0.47
Corporate & Other (a)	2.39	0.37
<b>Earnings per share – diluted</b>	<b>4.32</b>	<b>2.33</b>
Net gains on commodity derivative instruments not associated with current-period transactions	(2.48)	(0.25)
Unrealized gains on foreign currency derivative instruments	—	(0.05)
Business transformation expenses	0.01	0.07
Impact of change in Italian tax law	—	(0.11)
Restructuring costs	0.06	—
<b>Total adjustments (a) (b)</b>	<b>(2.41)</b>	<b>(0.34)</b>
<b>Adjusted earnings per share – diluted (b)</b>	<b>\$1.91</b>	<b>\$1.99</b>

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

# Q2 FY22 Results Recap

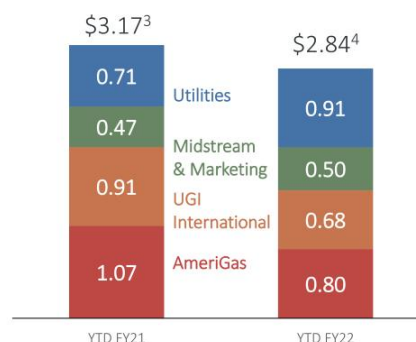


## Q2 FY22 Adjusted Diluted EPS<sup>1</sup> Compared to Q2 FY21



**Q2 FY22 GAAP diluted EPS of \$4.32 compared to \$2.33 in Q2 FY21**

## YTD Adjusted Diluted EPS<sup>1</sup> by Segment



**YTD FY22 GAAP diluted EPS of \$3.87 compared to \$3.77 in YTD FY21**

1. Adjusted Diluted EPS is a non-GAAP measure. See Slide 7 and Appendix for reconciliation. 2. Includes Mountaineer Gas Company acquired on September 1, 2021. 3. Includes \$0.01 Corporate & Other. 4. Includes (\$0.05) Corporate & Other.

# Financial Results – AmeriGas Propane

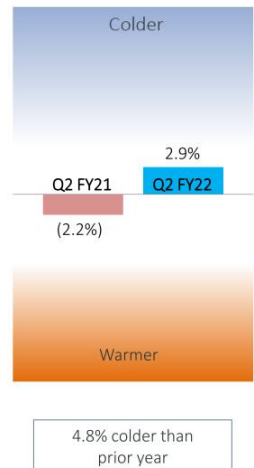


(Dollars in Millions)

	Q2 FY21	Q2 FY22
Earnings Before Interest Expense & Income Taxes	\$239	
Total Margin	(6)	
Operating and Administrative Expenses	(7)	
Other Income and Expense, net	1	
Earnings Before Interest Expense & Income Taxes		\$227

Item	Primary Drivers
Volume ↓	Retail volume declined 8% largely due to the continued impact of customer service challenges in FY 2021 and increased price sensitivity in higher commodity cost environment and the prior-year impact of COVID-19 on cylinder exchange and resale volumes
Total Margin ↓	Total margin decreased largely attributable to the lower retail propane volumes (\$33 million) partially offset by higher average retail unit margins
Operating and Admin Expenses ↑	Higher operating and administrative expenses due to inflationary cost environment and reflects, among other things, higher expenses associated with general insurance (\$6 million), vehicle fuel (\$4 million) and bad debt reserves (\$4 million), partially offset by lower employee compensation and benefits (\$7 million)

Weather versus normal



# Financial Results – UGI International



(Dollars in Millions)

	Q2 FY21	Q2 FY22
<b>Earnings Before Interest Expense &amp; Income Taxes</b>	<b>\$149</b>	
Total Margin	(49)	
Operating and Administrative Expenses	2	
Depreciation and Amortization	5	
Realized FX Gains	5	
Other Income and Expense, net	8	
<b>Earnings Before Interest Expense &amp; Income Taxes</b>		<b>\$120</b>

Item	Primary Drivers
Total Volume ↑	Total LPG retail gallons sold increased slightly and was attributable to the recovery of certain bulk and autogas volumes that were negatively impacted by COVID-19 offset by the effects of warmer weather
Total Margin ↓	Decreased primarily reflecting lower total margin from energy marketing business and the translation effects of weaker foreign currencies (~\$20 million), partially offset by higher total LPG margins
Other Income and Expense, net ↑	Includes gains on the sale of assets

Weather versus normal



# Financial Results – Midstream & Marketing

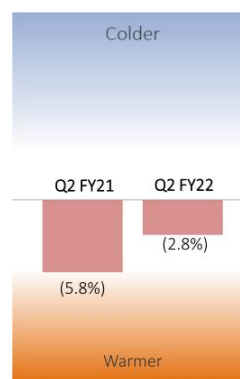


(Dollars in Millions)

	Q2 FY21	Q2 FY22
Earnings Before Interest Expense & Income Taxes	\$100	
Total Margin	(10)	
Operating and Administrative Expenses	(2)	
Depreciation and Amortization	1	
Other Income and Expense, net	1	
Earnings Before Interest Expense & Income Taxes		\$90

Item	Primary Drivers
Total Margin ↓	Total margin decreased largely reflecting lower margin from capacity management contracts (\$15 million) and natural gas marketing activities (\$3 million), partially offset by improved margin from peaking contracts (\$6 million) and incremental margin attributable to the Stonehenge acquisition (\$4 million)

Weather versus normal



0.2% colder than prior year

# Financial Results – Utilities

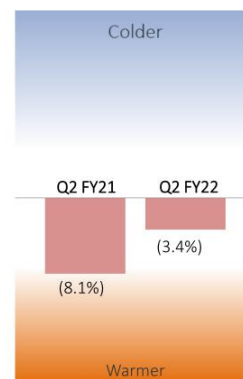


(Dollars in Millions)

	Q2 FY21	Q2 FY22 <sup>1</sup>
Earnings Before Interest Expense & Income Taxes	\$142	
Total Margin	79	
Operating and Administrative Expenses	(24)	
Depreciation	(7)	
Other Income and Expense, net	4	
Earnings Before Interest Expense & Income Taxes		\$194

Item	Primary Drivers
Volume ↑	Core market and total volume were up over prior-year largely due to the incremental volume from Mountaineer and colder weather
Total Margin ↑	Total margin increased largely reflecting incremental margin attributable to Mountaineer. Other factors include implementation of a DSIC, higher margin from large delivery service customers including the effects of customer growth compared to the prior-year period, and higher volumes
Operating and Admin Expenses ↑	Primarily related to incremental expenses attributable to Mountaineer
Depreciation ↑	Primarily related to incremental expenses attributable to Mountaineer

Weather versus normal



3.7% colder than prior year

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

- **Strong balance sheet position**
- \$1.9 Billion in available liquidity<sup>1</sup> as of March 31, 2022
- On May 4, our Board of Directors approved an increased **quarterly dividend of \$0.36 per share**
- This marks the 35th consecutive year of annual dividend increases
- Average 10-year Dividend Payout Ratio of 47% (2011-21)

## Available Liquidity



## Strong Long-term Dividend Growth



1. Defined as cash and cash equivalents, and available borrowing capacity on our revolving credit facilities. 2. Adjusted for stock splits.

# FY22 Updated Guidance



*With focus on margin management and disciplined expense control actions, UGI is well positioned to deliver strong Fiscal 2022 results despite the impact of warmer than normal weather and significant increases and volatility in commodity costs, particularly on the international energy marketing business.*

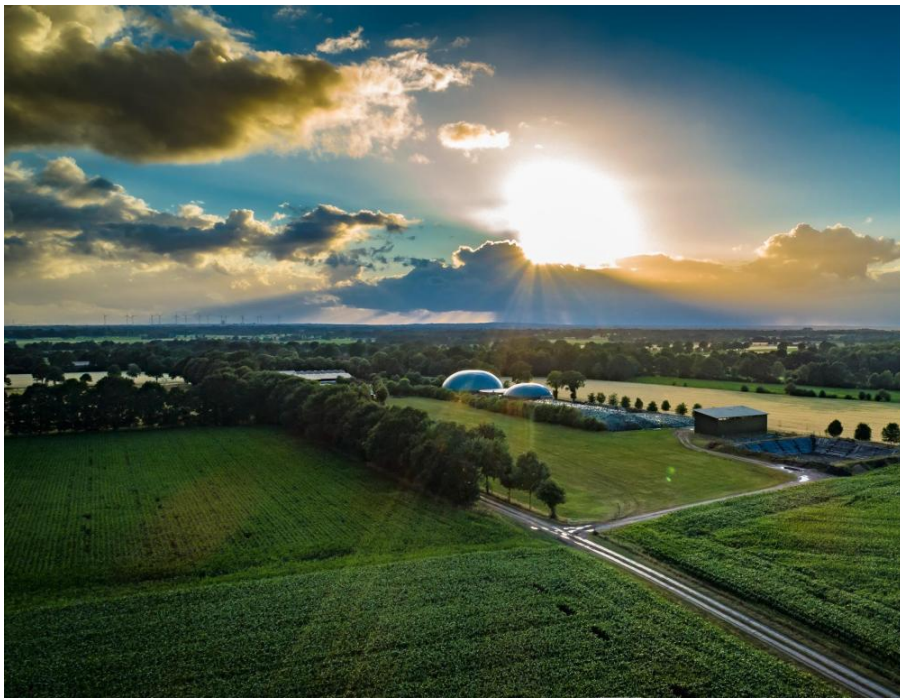
- YTD, energy marketing has reported ~\$80 million loss in EBIT, in comparison to the prior year; we expect to recover nearly half in FY22
- Strategic review of the energy marketing business at UGI International, including options to exit the business

YTD Adjusted EPS <sup>1</sup>	\$2.84
Margin Management	↑
Expense Control	↑
Updated Guidance <sup>2</sup> (May 5, 2022)	\$2.90 – \$3.00



1. Adjusted EPS is a non-GAAP measure. Please see Appendix for reconciliation. 2. The previous guidance for Adjusted EPS provided on November 19, 2021, was \$3.05 – \$3.25. 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 2022 adjusted diluted earnings per share, a non-GAAP measure, to diluted earnings per share, the most directly comparable GAAP measure. 14





## Conclusion

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

# Conclusion



*Reliable Earnings  
Growth*



*Renewables*



*Rebalance*

We continue to remain well-positioned to deliver on our long-term commitments to shareholders of **6-10% annual EPS growth** and **4% dividend growth**.

- On track to publish 4<sup>th</sup> ESG report in May 2022







## Appendix

- Management uses “adjusted net income attributable to UGI Corporation” and “adjusted diluted earnings per share,” both of which are non-GAAP financial measures, when evaluating UGI’s overall performance. Management believes that these non-GAAP measures provide meaningful information to investors about UGI’s performance because they eliminate gains and losses on commodity and certain foreign currency derivative instruments not associated with current-period transactions and other significant discrete items that can affect the comparison of period-over-period results.
- Management does not designate its commodity and certain foreign currency derivative instruments as hedges under GAAP. Volatility in net income attributable to UGI can occur as a result of such gains and losses on commodity and certain foreign currency derivative instruments not associated with current-period transactions. These gains and losses result principally from recording changes in unrealized gains and losses on unsettled commodity and certain foreign currency derivative instruments and, to a much lesser extent, certain realized gains and losses on settled commodity derivative instruments that are not associated with current-period transactions. However, because these derivative instruments economically hedge anticipated future purchases or sales of energy commodities, or in the case of certain foreign currency derivatives, reduce volatility in anticipated future earnings associated with our foreign operations, we expect that such gains or losses will be largely offset by gains or losses on anticipated future energy commodity transactions or mitigate volatility in anticipated future earnings.
- Non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures.
- The table on slide 20 reconciles net income attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net income attributable to UGI Corporation, and the table on slide 7 reconciles diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above.

## Q2 FY22 Adjusted Net Income



(Dollars in Millions)	Q2 FY22	Q2 FY21
AmeriGas Propane	\$138	\$150
UGI International	89	99
Midstream & Marketing	58	64
Utilities	134	99
Corporate & Other (a)	514	77
<b>Net income attributable to UGI Corporation</b>	<b>933</b>	<b>489</b>
Net gains on commodity derivative instruments not associated with current-period transactions (net of tax of \$204 and \$22, respectively)	(535)	(52)
Unrealized gains on foreign currency derivative instruments (net of tax of \$(1) and \$4, respectively)	—	(11)
Acquisition and integration expenses associated with the Mountaineer Acquisition (net of tax of \$0 and \$0, respectively)	—	1
Business transformation expenses (net of tax of \$0 and \$(5), respectively)	2	14
Impact of change in Italian tax law	—	(23)
Restructuring costs (net of tax of \$(5) and \$0, respectively)	13	—
<b>Total adjustments (a) (b)</b>	<b>(520)</b>	<b>(71)</b>
<b>Adjusted net income attributable to UGI Corporation</b>	<b>\$413</b>	<b>\$418</b>

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



# YTD FY22 Adjusted Diluted Earnings per Share



(Dollars in Millions)	YTD FY22	YTD FY21
AmeriGas Propane	\$0.80	\$1.07
UGI International	0.68	0.91
Midstream & Marketing	0.50	0.47
Utilities	0.91	0.71
Corporate & Other (a)	0.98	0.61
<b>Earnings per share – diluted</b>	<b>3.87</b>	<b>3.77</b>
Net gains on commodity derivative instruments not associated with current-period transactions	(1.11)	(0.65)
Unrealized (gains) losses on foreign currency derivative instruments	(0.02)	0.02
Loss on extinguishment of debt	0.03	—
Acquisition and integration expenses associated with the Mountaineer Acquisition	—	0.01
Business transformation expenses	0.01	0.13
Impact of change in Italian tax law	—	(0.11)
Restructuring costs	0.06	—
<b>Total adjustments (a) (b)</b>	<b>(1.03)</b>	<b>(0.60)</b>
<b>Adjusted earnings per share – diluted (b)</b>	<b>\$2.84</b>	<b>\$3.17</b>

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

# Adjusted Net Income and Adjusted Diluted EPS Reconciliations (1/2)



(Millions of dollars, except per share amounts)

	Year Ended September 30,							
	2010	2011	2012	2013	2014	2015	2016	2017
<b>NON-GAAP RECONCILIATION:</b>								
<b>Adjusted net income attributable to UGI Corporation:</b>								
Net income attributable to UGI Corporation	\$252	\$245	\$210	\$278	\$337	\$281	\$365	\$437
Net losses (gains) on commodity derivative instruments not associated with current-period transactions (net of tax of \$(6), \$12, \$6, \$3, \$(5), \$(31), \$14 and \$32 respectively) (a) (b)	8	(17)	(9)	(4)	7	53	(30)	(51)
Integration and acquisition expenses associated with Finagaz (net of tax of \$(2), \$(8), \$(11) and \$(14) in 2014, 2015, 2016 and 2017 respectively) (a)	-	-	-	-	4	15	17	26
Unrealized losses (gains) on foreign currency derivative instruments (net of tax of \$(10) in 2017 (a))	-	-	-	-	-	-	-	14
Loss on extinguishments of debt (net of tax of \$(1), \$(5) and \$(6) in 2012, 2016 and 2017 respectively) (a)	-	-	2	-	-	-	8	9
Costs associated with extinguishment of debt (net of tax of \$(7) and \$(6) in 2011 and 2015 respectively) (a) (c)	-	10	-	-	-	5	-	-
Impact of retroactive change in French tax law	-	-	-	-	6	-	-	-
Integration and acquisition expenses associated with the acquisition of Heritage Propane (net of tax of \$(6) and \$(3) in 2012 and 2013 respectively) (a)	-	-	9	4	-	-	-	-
Impact from change in French tax rate	-	-	-	-	-	-	-	(29)
Gain on sale of Atlantic Energy (net of tax of \$19 in 2010) (a)	(17)	-	-	-	-	-	-	-
Adjusted net income attributable to UGI Corporation (d)	\$243	\$238	\$212	\$278	\$354	\$354	\$360	\$406
<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
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)
Integration and acquisition expenses associated with Finagaz	-	-	-	-	0.03	0.08	0.10	0.15
Unrealized losses (gains) on foreign currency derivative instruments	-	-	-	-	-	-	-	0.08
Loss on extinguishments of debt	-	0.06	0.01	-	-	-	0.04	0.05
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 acquisition of Heritage Propane	-	-	0.05	0.03	-	-	-	-
Impairment of Partnership trademarks and trademarks	-	-	-	-	-	-	-	-
Impact from change in French tax rate	-	-	-	-	-	-	-	(0.16)
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

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

(b) Includes the effects of rounding.

(c) Costs associated with extinguishment of debt in 2015 are included in interest expense on the Consolidated Statements of Income.

(d) Management uses "adjusted net income attributable to UGI Corporation" and "adjusted diluted earnings per share," both of which are financial measures not in accordance with GAAP, when evaluating UGI's overall performance. 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. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate the impact of 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.



# Adjusted Net Income and Adjusted Diluted EPS Reconciliations (2/2)



(Millions of dollars, except per share amounts)

	Year Ended September 30,			
	2018	2019	2020	2021
<b>NON-GAAP RECONCILIATION:</b>				
<b>Adjusted net income attributable to UGI Corporation:</b>				
Net income attributable to UGI Corporation	\$719	\$256	\$532	\$1,467
Net losses (gains) on commodity derivative instruments not associated with current-period transactions (net of tax of \$27, \$(60) and \$35 respectively) (a) (b)	(69)	148	(82)	(1,001)
Integration and acquisition expenses associated with Finislar (net of tax of \$(12) in 2018 respectively) (a)	19	-	-	-
Unrealized losses (gains) on foreign currency derivative instruments (net of tax of \$9, \$9, \$(10) in 2018, 2019 and 2020, respectively) (a)	(20)	(23)	26	(6)
Loss on extinguishments of debt (net of tax of \$(2) in 2019) (a)	-	4	-	-
AmeriGas Merger expenses (net of tax \$0 across all years) (a)	-	3	-	-
Acquisition and integration expenses associated with the CMG Acquisition (net of tax of \$(5) and \$(1) in 2019 and 2020, respectively) (a)	-	11	1	-
LPG business transformation expenses (net of tax of \$(5) and \$(17) in 2019 and 2020, respectively) (a)	-	16	45	74
Loss on disposals of Conemaugh and HVAC (net of tax of \$(15) in 2020) (a)	-	-	39	-
Impairment of Partnership tradenames and trademarks (net of tax of \$(6) in 2018) (a)	15	-	-	-
Impact from change in French tax rate	(12)	-	-	-
Remeasurement impact from TCJA	(166)	-	-	-
Acquisition and integration expenses associated with the Mountaineer Acquisition (net of tax of \$(4) in 2021)	-	-	-	10
Impairment of customer relationship intangible (net of tax of \$(5) in 2021)	-	-	-	15
Impairment of investment in PennEast (net of tax of \$0 in 2021)	-	-	-	93
Impact of change in Italian tax law	-	-	-	(23)
Adjusted net income attributable to UGI Corporation (d)	\$485	\$413	\$561	\$629
<b>Adjusted diluted earnings per common share attributable to UGI stockholders:</b>				
UGI Corporation earnings per share - diluted	\$4.06	\$1.41	\$2.54	\$6.92
Net losses (gains) on commodity derivative instruments not associated with current-period transactions (b)	(0.39)	0.82	(0.39)	(4.72)
Integration and acquisition expenses associated with Finislar	0.10	-	-	-
Unrealized losses (gains) on foreign currency derivative instruments	(0.11)	(0.13)	0.12	(0.03)
Loss on extinguishments of debt	-	0.02	-	-
AmeriGas Merger expenses	-	0.01	-	-
Acquisition and integration expenses associated with the CMG Acquisition	-	0.06	0.01	-
LPG business transformation expenses	-	0.09	0.21	0.35
Loss on disposals of Conemaugh and HVAC	-	-	0.18	-
Impairment of Partnership tradenames and trademarks	0.08	-	-	-
Impact from change in French tax rate	(0.07)	-	-	-
Remeasurement impact from TCJA	(0.93)	-	-	-
Acquisition and integration expenses associated with the Mountaineer Acquisition	-	-	-	0.04
Impairment of customer relationship intangible	-	-	-	0.07
Impairment of investment in PennEast	-	-	-	0.44
Impact of change in Italian tax law	-	-	-	(0.11)
Adjusted diluted earnings per share (d)	\$2.74	\$2.28	\$2.67	\$2.96

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

(b) Includes the effects of rounding.

(c) Costs associated with extinguishment of debt in 2015 are included in interest expense on the Consolidated Statements of Income.

(d) Management uses "adjusted net income attributable to UGI Corporation" and "adjusted diluted earnings per share," both of which are financial measures not in accordance with GAAP, when evaluating UGI's overall performance. 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. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate the impact of 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.

## Q2 FY22 Segment Reconciliation (GAAP) (\$ in Million)



	Total	AmeriGas Propane	UGI International	Midstream & Marketing	Utilities	Corp & Other
Revenues	\$3,466	\$1,048	\$1,224	\$671	\$707	\$(184)
Cost of sales	(1,470)	(545)	(930)	(540)	(380)	925
<b>Total margin</b>	<b>1,996</b>	<b>503</b>	<b>294</b>	<b>131</b>	<b>327<sup>1</sup></b>	<b>741</b>
Operating and administrative expenses	(553)	(240)	(162)	(30)	(101) <sup>1</sup>	(20)
Depreciation and amortization	(128)	(44)	(29)	(18)	(36)	(1)
Other operating income (expense), net	17	8	8	2	1	(2)
<b>Operating income</b>	<b>1,332</b>	<b>227</b>	<b>111</b>	<b>85</b>	<b>191</b>	<b>718</b>
Income from equity investees	5	-	-	5	-	-
Other non-operating income (expense), net	11	-	9	-	3	(1)
Earnings before income taxes and interest expense	1,348	227	120	90	194	717
Interest expense	(82)	(38)	(8)	(10)	(16)	(10)
<b>Income before income taxes</b>	<b>1,266</b>	<b>189</b>	<b>112</b>	<b>80</b>	<b>178</b>	<b>707</b>
Income tax expense	(332)	(51)	(22)	(22)	(44)	(193)
Net income including noncontrolling interests	934	138	90	58	134	514
Deduct net income attributable to noncontrolling interests	(1)	-	(1)	-	-	-
<b>Net income attributable to UGI Corporation</b>	<b>\$933</b>	<b>\$138</b>	<b>\$89</b>	<b>\$58</b>	<b>\$134</b>	<b>\$514</b>

<sup>1</sup> For US GAAP purposes, certain revenue-related taxes within our Utilities segment are included in "Operating and administrative expenses" above. Such costs reduce margin for Management's Results of Operations reported in our periodic filings.

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