



UGI CORPORATION

Fiscal 2021
Second Quarter Results

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About This Presentation



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 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) and the seasonal nature of our business; cost volatility and availability of all energy products, including propane, natural gas, electricity and fuel oil 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; domestic and international political, regulatory and economic conditions in the United States and in foreign countries, including the current conflicts in the Middle East and the withdrawal of the United Kingdom from the European Union, 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 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 the global pandemics, including the duration and/or impact of the COVID-19 pandemic; and the extent to which we are able to utilize certain tax benefits currently available under the CARES Act and similar tax legislation and whether such benefits will remain available in the future.



Second Quarter Recap

John L. Walsh
President and CEO, UGI

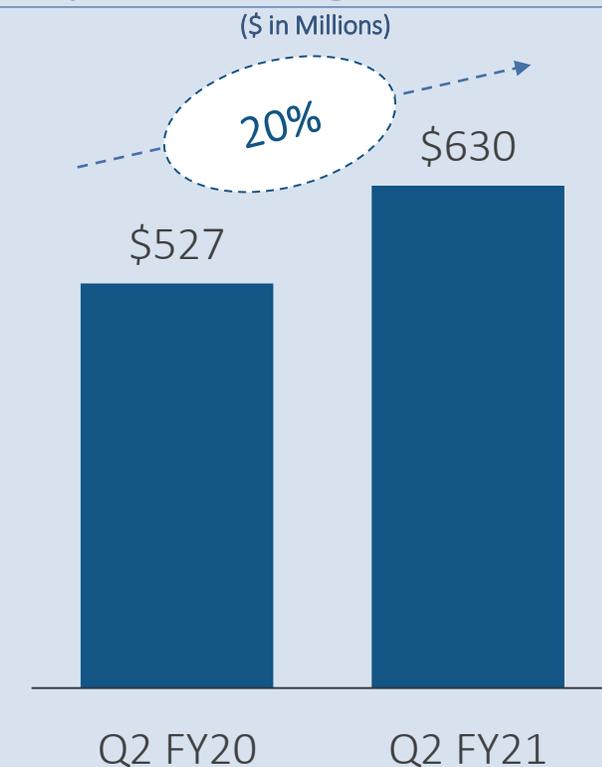
Second Quarter Highlights

Adjusted Diluted EPS¹



- Record Q2 **GAAP diluted EPS of \$2.33** (vs. Q2 FY20 GAAP diluted EPS of \$1.07) and **Adjusted diluted EPS¹ of \$1.99** in Q2 FY21 (vs. Q2 FY20 Adjusted diluted EPS of \$1.56)
- Strong results across the entire business, with each business unit delivering **increased EBIT vs. prior year**
 - Warmer than normal but colder than prior-year weather in all of UGI's service territories
 - Higher average LPG unit margin due to strong margin management, effective operating expense management, and increase in base rates at UGI Utilities
- Range of attractive and affordable investment **opportunities in Renewable Solutions**, with a particular focus on RNG, bio-LPG and renewable DME
- **Third Annual ESG report** to be issued later this month

Reportable Segments EBIT²



1. Adjusted EPS is a non-GAAP measure. See Slide 6 for reconciliation.

2. Reportable segments earnings before interest expense and income taxes represents an aggregate of our segment level EBIT as determined in accordance with GAAP.



Second Quarter Financial Review

Ted J. Jastrzebski
Chief Financial Officer, UGI

Second Quarter Adjusted Diluted Earnings per Share



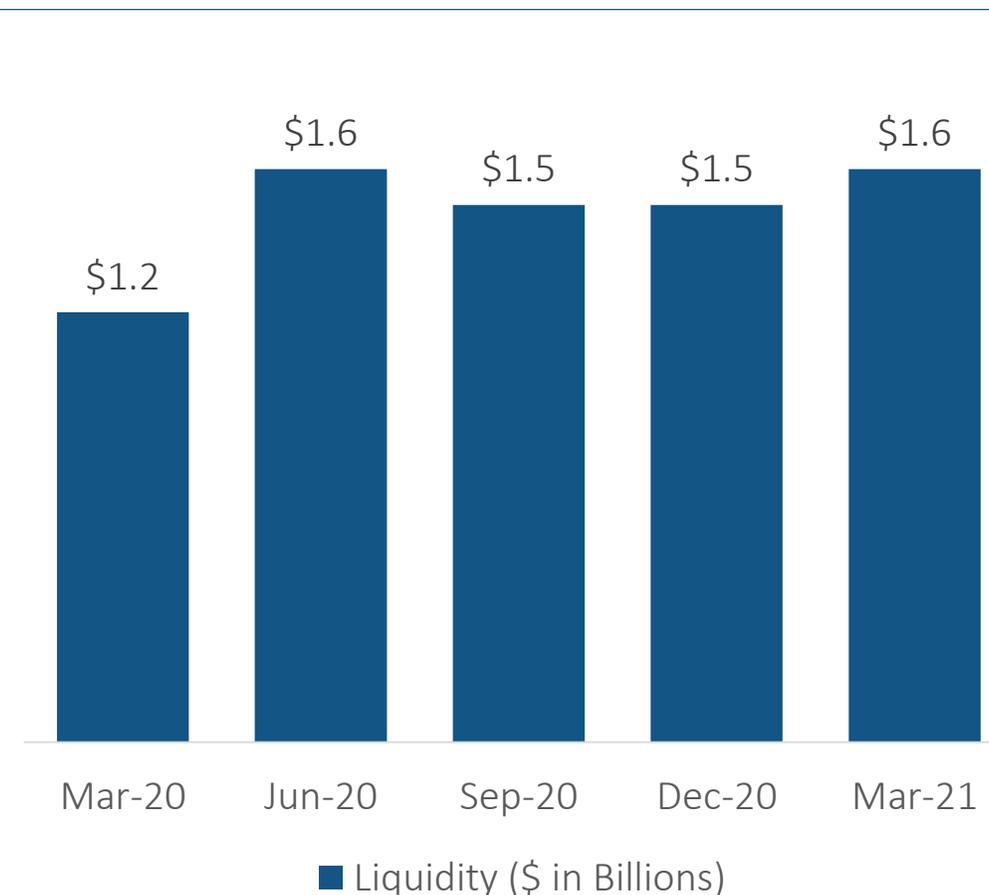
	Q2 FY21	Q2 FY20
AmeriGas Propane	\$0.71	\$0.58
UGI International	0.47	0.36
Midstream & Marketing	0.31	0.24
UGI Utilities	0.47	0.39
Corporate & Other (a)	0.37	(0.50)
Earnings per share – diluted	2.33	1.07
Net (gains) losses on commodity derivative instruments not associated with current-period transactions	(0.25)	0.43
Unrealized gains on foreign currency derivative instruments	(0.05)	(0.01)
Business transformation expenses	0.07	0.07
Impact of change in Italian tax law	(0.11)	-
Total adjustments (a)	(0.34)	0.49
Adjusted earnings per share – diluted	\$1.99	\$1.56

(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.

Liquidity Update

- Cash Flow from Operating Activities of \$646M in 6-months ended March 31, 2021, compared to \$562M in prior-year period
 - **\$120M (143%) increase in free cash flow¹** in the 6-months ended March 31, 2021, compared to the prior-year period
- **Strong balance sheet position** - \$1.6 billion in available liquidity² as of March 31, 2021
- On May 4, 2021, UGI amended the existing UGI Corporation Senior Credit Facility
 - Extended maturity of the \$300M existing term loan due August 2022 to May 2025
 - Included a new 4-year \$300M term loan commitment; Proceeds may be used to finance a portion of the Mountaineer Acquisition and for general corporate purposes
- On May 5, 2021, UGI's Board of Directors declared a quarterly dividend of \$0.345 per share
 - Marks the **137th consecutive year** of dividend payments and the **34th consecutive year** of annual dividend increases

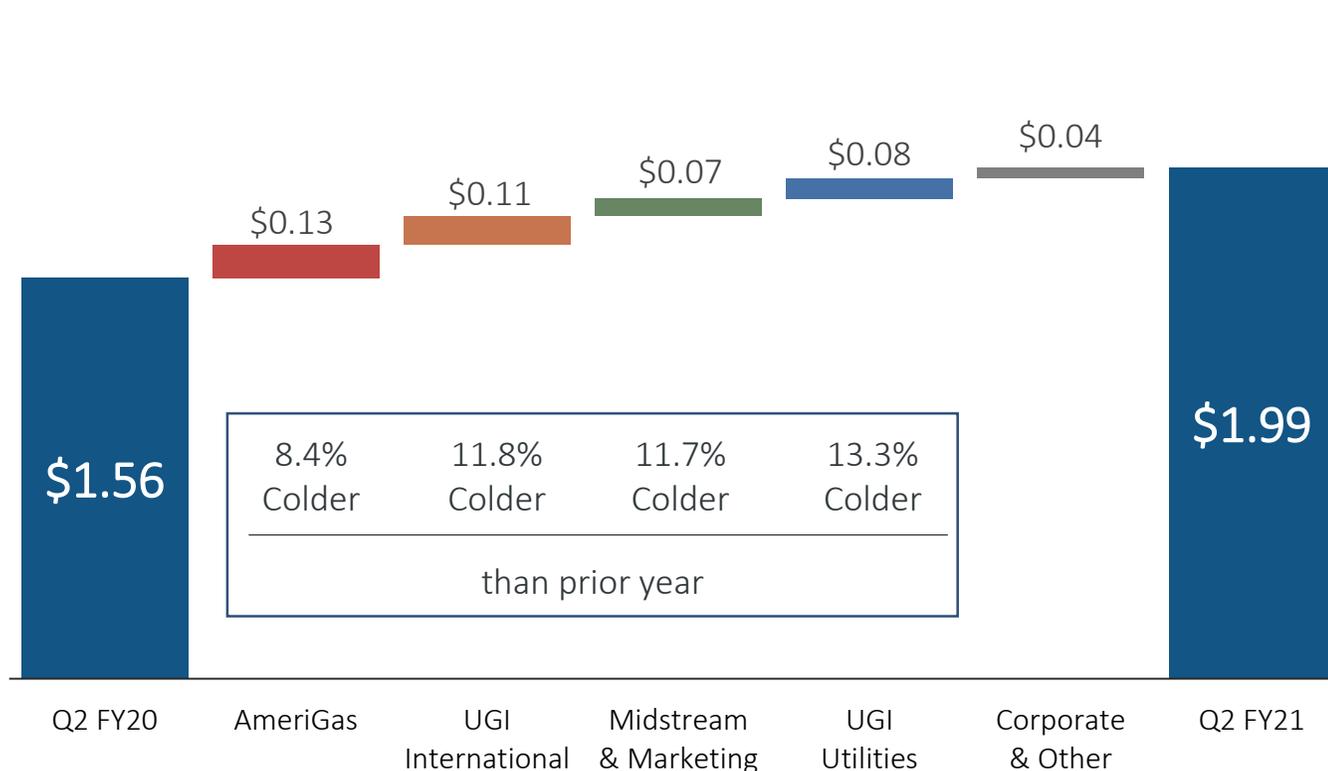
Available Liquidity



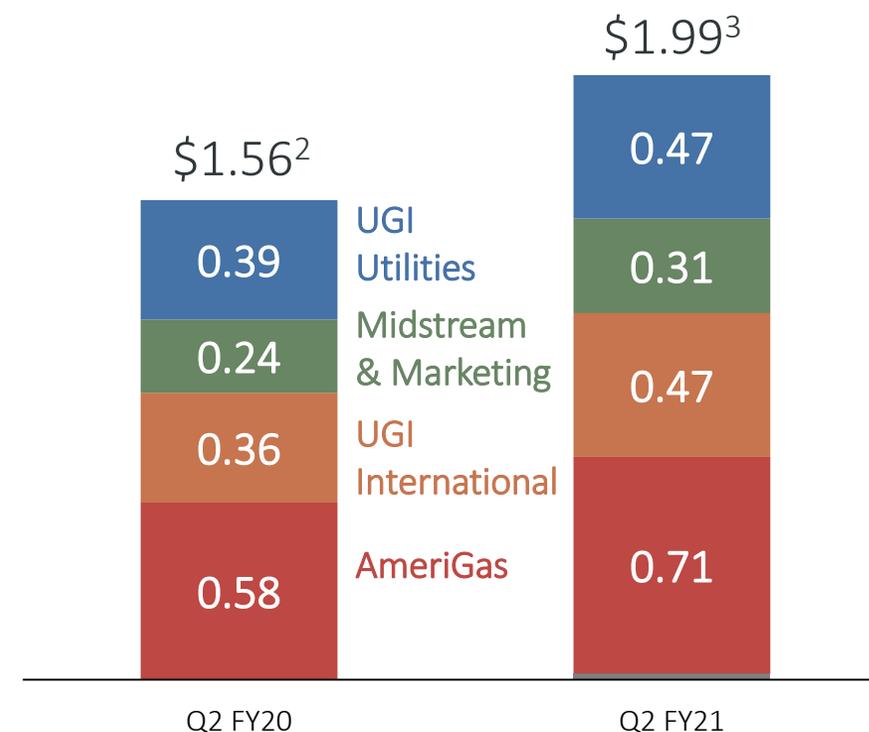
Second Quarter Results Recap



Adjusted Diluted EPS¹ – Comparison with Q2 FY20



Adjusted Diluted EPS¹ – Segment Split



Q2 FY21 GAAP diluted EPS of \$2.33 compared to GAAP diluted EPS of \$1.07 in Q2 FY20.

1. Adjusted diluted EPS is a non-GAAP measure. See Slide 6 for reconciliation. 2. Includes (\$0.01) Corporate & Other. 3. Includes \$0.03 Corporate & Other.

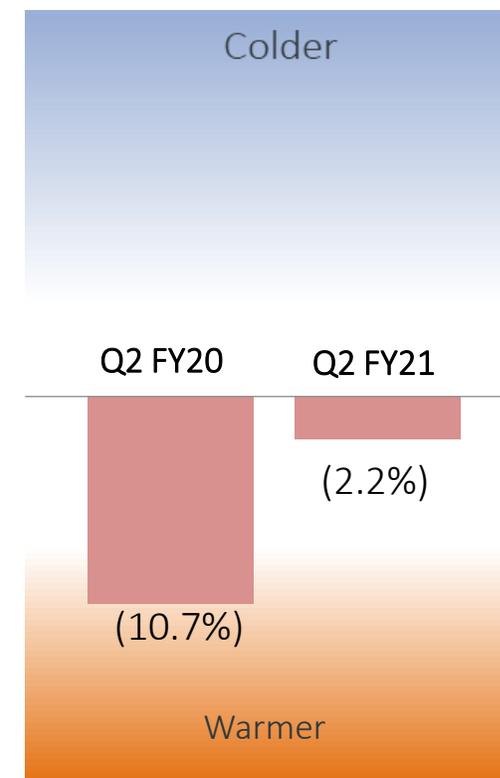
Financial Results - AmeriGas



(Millions of dollars)	Q2 FY20	Q2 FY21
Earnings Before Interest Expense & Income Taxes	\$206	
Total Margin		32
Operating and Administrative Expenses		(2)
Depreciation and Amortization		1
Other Income and Expense, net		2
Earnings Before Interest Expense & Income Taxes		\$239

Item	Primary Drivers
Total Volume ↑	Colder than prior-year weather led to higher retail volume, including an increase in National Accounts volume of 15%. Cylinder Exchange volumes increased 5% and largely offset the impact of COVID-19 on commercial and motor fuel volumes, and other residual volume loss
Total Margin ↑	Total margin reflects higher retail propane volumes and higher average retail unit margins, partially offset by lower non-propane margin attributable to fees and services

Weather versus normal



8.4% colder than prior year

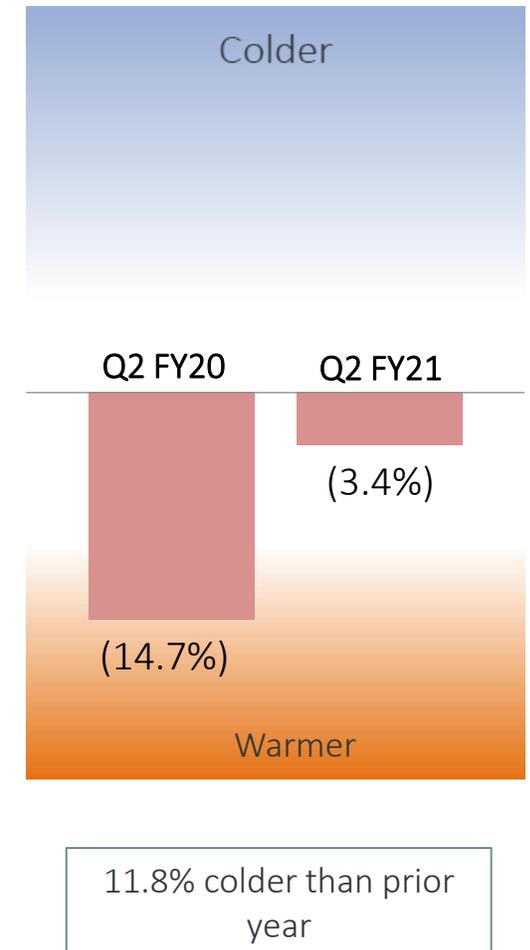
Financial Results – UGI International



(Millions of dollars)	Q2 FY20	Q2 FY21
Earnings Before Interest Expense & Income Taxes	\$126	
Total Margin		48
Operating and Administrative Expenses		(17)
Depreciation and Amortization		(3)
Realized FX Gains		(7)
Other Income and Expense, net		2
Earnings Before Interest Expense & Income Taxes		\$149

Item	Primary Drivers
Total Margin ↑	Increases in bulk volume attributable to heating-related bulk sales due to colder than prior-year weather, higher cylinder volumes, higher average LPG unit margins attributable to margin management efforts, and the translation effects of the stronger euro
Operating and Admin Expenses ↑	Translation effects of the stronger euro, higher maintenance and distribution costs related to the increased volumes, partially offset by lower employee costs and uncollectible accounts expense
Realized FX Gains ↓	Lower realized gains on foreign currency derivative instruments

Weather versus normal

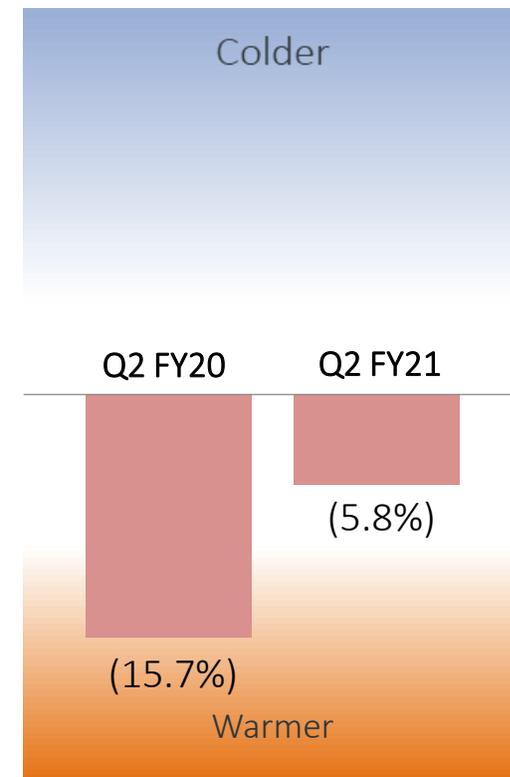


Financial Results – Midstream & Marketing

(Millions of dollars)	Q2 FY20	Q2 FY21
Earnings Before Interest Expense & Income Taxes	\$79	
Total Margin		18
Operating and Administrative Expenses		6
Other Income and Expense, net		(3)
Earnings Before Interest Expense & Income Taxes		\$100

Item	Primary Drivers
Total Margin ↑	Higher margin from natural gas and renewable energy marketing activities, improved capacity management margin, and higher margin from natural gas gathering activities, partially offset by the absence of margins attributable to HVAC and Conemaugh
Operating and Admin Expenses ↓	Absence of the divested assets partially offset by increases related to acquisitions and new assets placed into service
Other Income and Expense, net ↓	Adjustment to the contingent consideration related to the GHI acquisition, partially offset by incremental equity earnings related to the investment in Pine Run Midstream

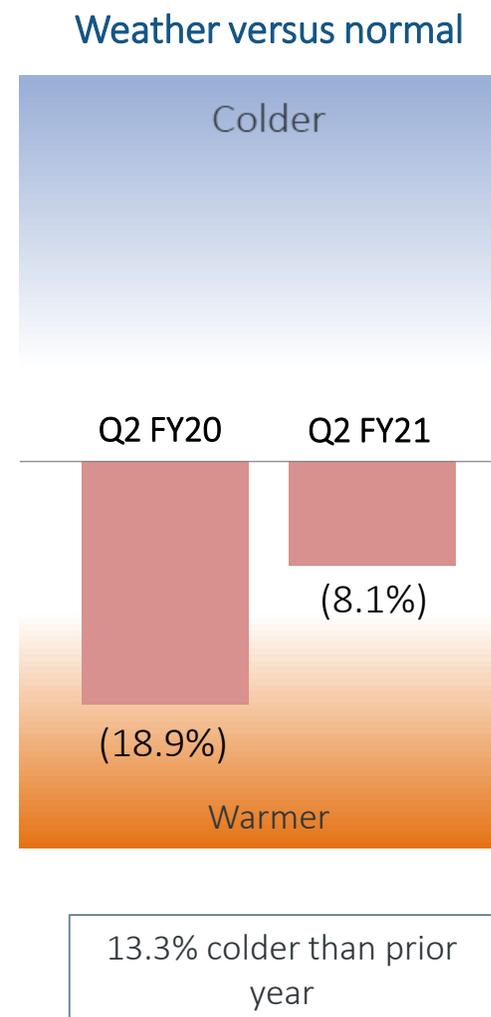
Weather versus normal



Financial Results – Utilities

(Millions of dollars)	Q2 FY20	Q2 FY21
Earnings Before Interest Expense & Income Taxes	\$116	
Total Margin		31
Operating and Administrative Expenses		(1)
Depreciation		(3)
Other Income and Expense, net		(1)
Earnings Before Interest Expense & Income Taxes		\$142

Item	Primary Drivers
Core Market Volume ↑	15% higher core market throughput due to colder weather and customer growth
Total Margin ↑	Higher core market throughput, higher large firm delivery service total margin, and increase in gas base rates effective January 1, 2021
Depreciation ↑	Continued distribution system and IT capital expenditure activity



Increase in Fiscal Year 2021 Guidance

As a result of the strong performance in the first half of the fiscal year despite warmer than normal weather, we increased our FY21 adjusted EPS guidance to a range of \$2.90 - \$3.00¹ per share, inclusive of the negative impact from COVID-19 and positive tax benefits.

Original FY21 Adjusted EPS Guidance (November 18, 2020)	Updated FY21 Adjusted EPS Guidance (May 5, 2021)
\$2.65 - \$2.95	\$2.90 - \$3.00 ¹
<ul style="list-style-type: none">• COVID-19 headwind of 10 cents• Minimal impact from new tax legislation	<ul style="list-style-type: none">• Warmer than normal weather• COVID-19 headwind in line with previous guidance• Non-recurring tax benefits of ~12 cents related to the CARES Act and strategic tax planning

1. 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 2021 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.



Natural Gas Business

Robert F. Beard

Executive Vice President
Natural Gas, UGI

Natural Gas Business Update



- In Q2 FY21, UGI Energy Services, through a joint venture, acquired a **49% equity interest in Pine Run Midstream for \$56M**
 - Added 43-miles of dry gas gathering pipeline and compression assets to UGI's portfolio of midstream assets in the Appalachian basin
- Added **3,800+ heating customers** at UGI Utilities in Q2 FY21
- Triggered DSIC rider to add \$4M in margin in FY21
- Plan to invest **\$400M+ at Utilities**; on track for another record year of capital expenditure
- On February 8th, the UGI Utilities' Electric Division filed an **overall annual rate increase of ~\$9M** with the Pennsylvania Public Utility Commission
- Mountaineer acquisition on track; expected to close in the second half of calendar year 2021
- On May 4th, UGI Energy Services, through a joint venture, entered into definitive agreements to develop **dairy farm digester projects to produce RNG in upstate New York**
 - GHI will be the exclusive off-taker and marketer of RNG for Cayuga RNG



Global LPG Business

Roger Perreault

Executive Vice President
Global LPG, UGI

President and CEO, UGI
Corporation (effective June 26,
2021)

Global LPG Business Update



- **LPG Business Transformation Initiatives remain on track** to realize annual benefits by the end of FY22
 - Centralized customer engagement services center, enhanced customer management tools and a new routing and logistics tool
 - Two centers of excellence now fully in place and delivering value
 - **Operational Excellence:** Sharing and implementing best practices between various operating LPG entities, including AmeriGas
 - **Commercial Excellence:** Focus includes renewable solutions development
- Continued **National Accounts and Cylinder Exchange growth**
 - Cynch rolled out in 21 cities; on track to reach 40 cities by FY22
 - 15% increase in National Accounts volume over the prior year
 - 5% increase in Cylinder Exchange volume over the prior year

Strategy and Long-term Commitments Remain Unchanged

Embedded in a strong culture of innovation, UGI continues to be driven by its core values

Portfolio Rebalancing

- Rebalance UGI's business mix through:
 - Investment in capital projects
 - Renewables investments
 - Acquisitions



ESG

- Advance environmental, social and governance goals:
 - Provide safe, reliable, affordable, and sustainable energy solutions
 - Cultivate a culture of Belonging, Inclusion, Diversity & Equity (BIDE)

Renewable Energy Solutions

- Invest up to \$1B in renewable energy solutions over the next 5 years:
 - Renewable Natural Gas ("RNG")
 - Bio-Gas (BioLPG, rDME etc.)
 - Hydrogen



Our Long Term Commitments

• **6-10% EPS Growth**

7.7%
EPS
10-year CAGR¹

• **4% Dividend Growth**

7.0%
Dividend
10-year CAGR²

1. 10-year CAGR assumes midpoint of updated 2021 guidance.

2. 6.9% CAGR previously disclosed represented the aggregate of actual dividends paid during FY2020 (\$1.31). The 7.0% CAGR mentioned above uses FY 2020 dividend of \$1.32, which reflects an annualized figure based on the last dividend issued in FY 2020.



Conclusion and Q&A

John L. Walsh

President and CEO, UGI



Appendix

- Management uses “adjusted net income attributable to UGI Corporation”, “free cash flow” and “adjusted diluted earnings per share,” all three of which are non-GAAP financial measures, when evaluating UGI’s overall performance. Management believes that these non-GAAP measures provide meaningful information to investors about UGI’s performance because they eliminate gains and losses on commodity and certain foreign currency derivative instruments not associated with current-period transactions and other significant discrete items that can affect the comparison of period-over-period results.
- Management does not designate its commodity and certain foreign currency derivative instruments as hedges under GAAP. Volatility in net income attributable to UGI Corporation as determined in accordance with GAAP can occur as a result of gains and losses on commodity and certain foreign currency derivative instruments not associated with current-period transactions. 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 22 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 6 reconciles diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above. Slide 23 reconciles the free cash flow to the Net cash provided by operating activities.

UGI Adjusted Net Income



(Dollars in millions)	Q2 FY21	Q2 FY20
AmeriGas Propane	\$150	\$122
UGI International	99	75
Midstream & Marketing	64	50
UGI Utilities	99	82
Corporate & Other (a)	77	(103)
Net income attributable to UGI Corporation	489	226
Net (gains) losses on commodity derivative instruments not associated with current-period transactions (net of tax of \$22 and \$(41), respectively)	(52)	89
Unrealized gains on foreign currency derivative instruments (net of tax of \$4 and \$1, respectively)	(11)	(1)
Acquisition expenses associated with the pending Mountaineer Acquisition (net of tax of \$0 and \$0, respectively)	1	-
Business transformation expenses (net of tax of \$(5) and \$(5), respectively)	14	14
Impact of change in Italian tax law	(23)	-
Total adjustments (a) (b)	(71)	102
Adjusted net income attributable to UGI Corporation	\$418	\$328

(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.

Free Cash Flow

	Six Months Ended March 31,	
(Dollars in millions)	2021	2020
Net cash provided by operating activities	\$646	\$562
(-) Expenditures for property, plant and equipment	(304)	(342)
(-) Dividends on UGI Common Stock	(138)	(136)
Free Cash Flow	\$204	\$84

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