



UGI
CORPORATION

AmeriGas

Fiscal 2019
Second Quarter Results

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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 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 Merger Transaction (as defined herein), the possible diversion of management time on issues related to the Merger Transaction, the risk that the requisite approvals to complete the 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.

Second Quarter Recap

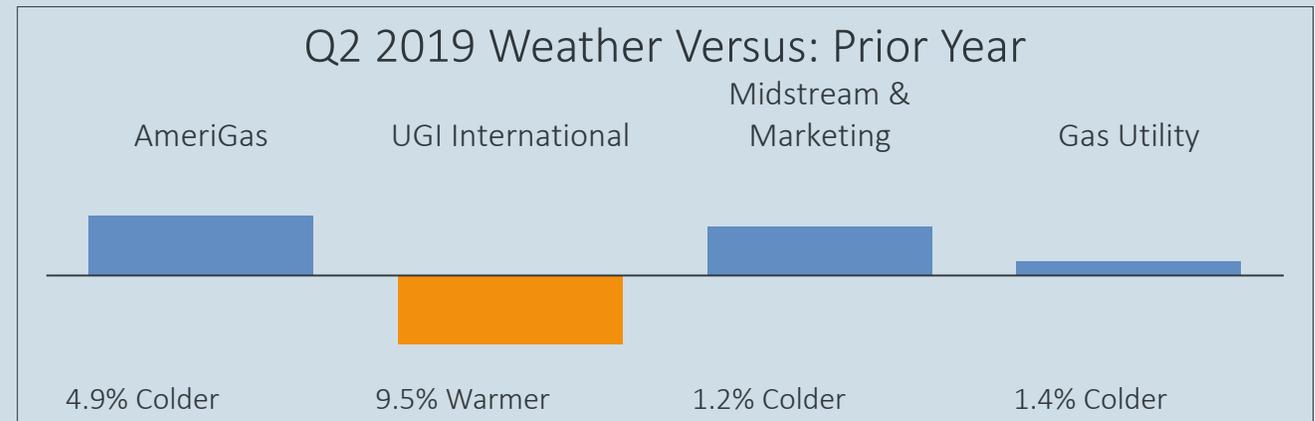
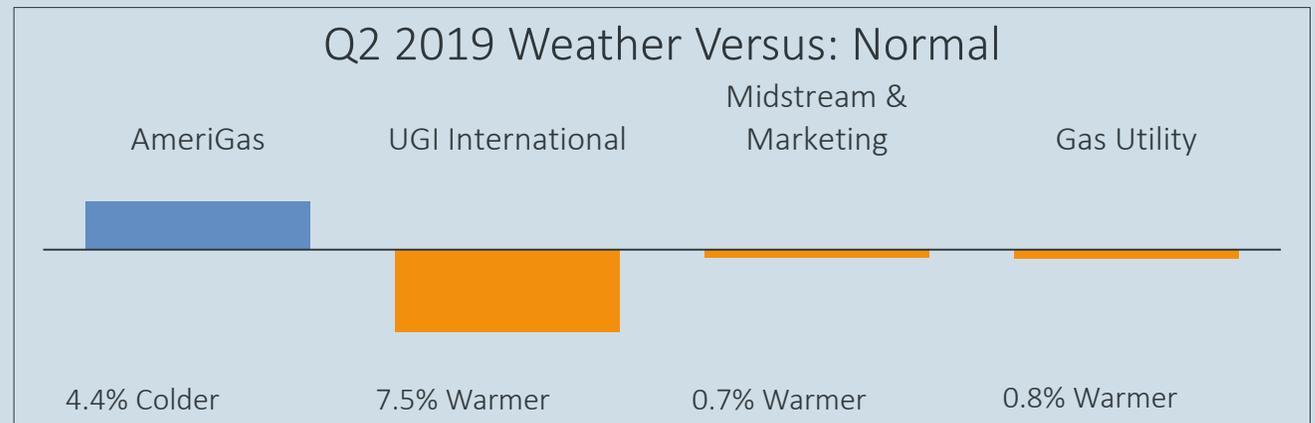
John L. Walsh
President & CEO, UGI



Second Quarter Earnings Recap

- GAAP EPS of \$1.38 and Adjusted EPS¹ of \$1.43
 - Prior-year period included \$0.09 benefit related to TCJA at UGI Utilities
- Slightly warmer-than-normal weather at Midstream & Marketing and UGI Utilities
- Significantly warmer-than-normal weather at UGI International
- Colder-than-normal weather at AmeriGas

Adjusted EPS¹



Key Accomplishments



- AmeriGas Merger Transaction announced
 - Expected to be accretive to UGI in 2020
 - Expected to increase cash available for growth investments and dividends
 - Over \$200 million in additional annual free cash flow to UGI
- PennEast pipeline Project was granted survey access in PA and NJ for all non-state owned land; awaiting approval for access to a small number of state-owned land parcels
 - Construction type activities are expected to begin in 2020
- Growth and infrastructure replacement remain key themes at Utilities
 - Added 8,500 new residential heating and commercial customers YTD
 - CAPEX spend in FY2019 expected to be \$400 million
- National Accounts and Cylinder Exchange programs continue to perform as growth drivers for the business
- UGI International benefited from positive contributions from DVEP and Univergas acquisitions and effective margin management

Second Quarter Financial Review

Ted J. Jastrzebski
Chief Financial Officer, UGI



Second Quarter Adjusted Earnings

(\$ millions, except per share amounts)	Q2 2018	Q2 2019
Net income attributable to UGI Corporation (GAAP)	\$276.0	\$245.4
Net losses on commodity derivative instruments ^{1,3}	15.7	11.5
Unrealized losses (gains) on foreign currency derivative instruments ¹	1.3	(3.2)
Integration expenses associated with Finagaz ¹	6.8	-
Merger Expenses	-	0.2
Impact from change in French tax rate	3.7	-
Impact from Tax Cuts and Jobs Act	(5.3)	-
Adjusted net income attributable to UGI Corporation	\$298.2	\$253.9

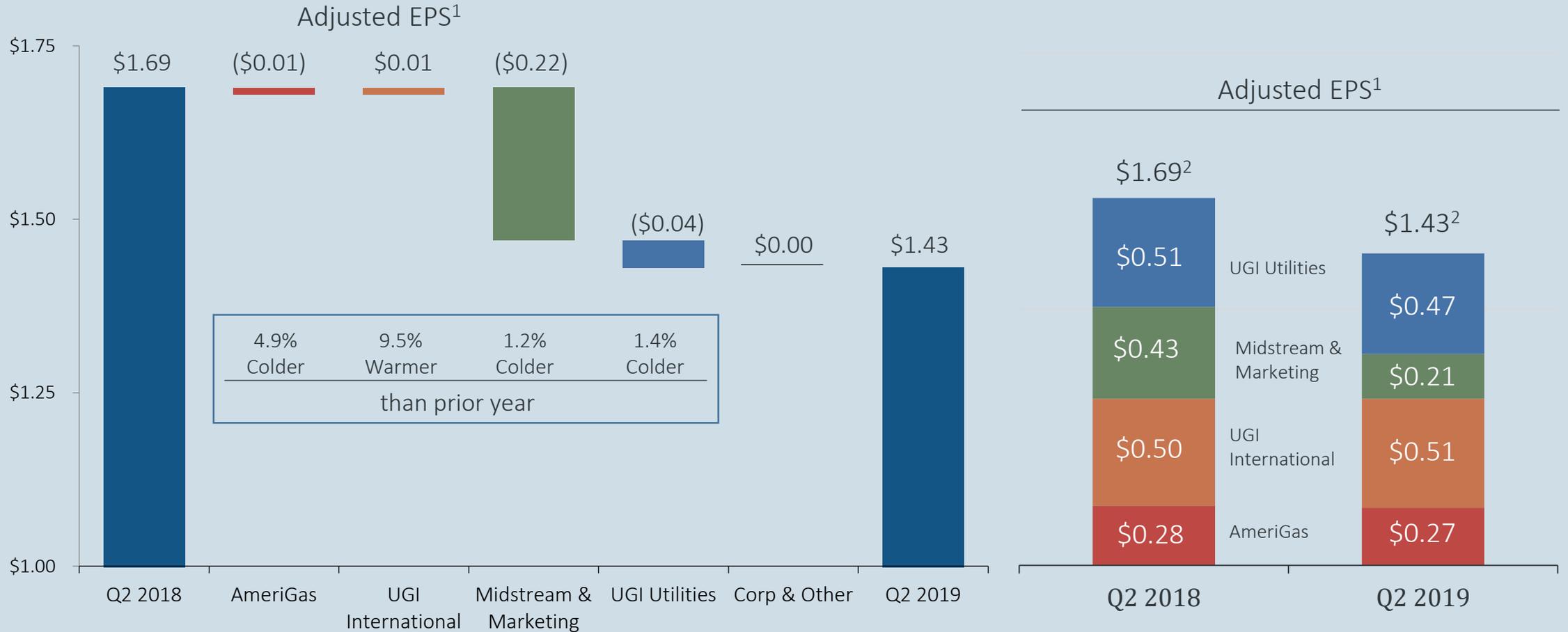
	Q2 2018	Q2 2019
UGI Corporation - Diluted Earnings Per Share (GAAP)	\$1.57	\$1.38
Net losses on commodity derivative instruments ³	0.08	0.07
Unrealized losses (gains) on foreign currency derivative instruments ²	0.01	(0.02)
Integration expenses associated with Finagaz	0.04	-
Impact from change in French tax rate	0.02	-
Impact from Tax Cuts and Jobs Act	(0.03)	-
Adjusted diluted earnings per share	\$1.69	\$1.43

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

² Includes the effects of rounding associated with per share amounts

³ Derivative instruments not associated with current period

Second Quarter Results Recap



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

²Includes (\$0.03) Corporate & Other

Financial Results - AmeriGas

(Millions of dollars)	Q2 FY18	Q2 FY19
Adjusted EBITDA¹	\$309.5	
Retail Margin	(20.3)	} Total Margin
Wholesale and Other Total Margin	0.1	
Partnership Operating and Administrative Expenses	2.4	
Other Income and Expense, net	(1.4)	
Adjusted EBITDA¹		\$290.3

Item	Primary Drivers
Retail Margin ↓	Lower retail volumes sold as AmeriGas experienced significantly warmer-than-normal weather in the southeastern U.S. during January & February
Operating and Admin Expenses ↓	Lower general insurance and self-insured casualty and liability expense

Weather versus normal

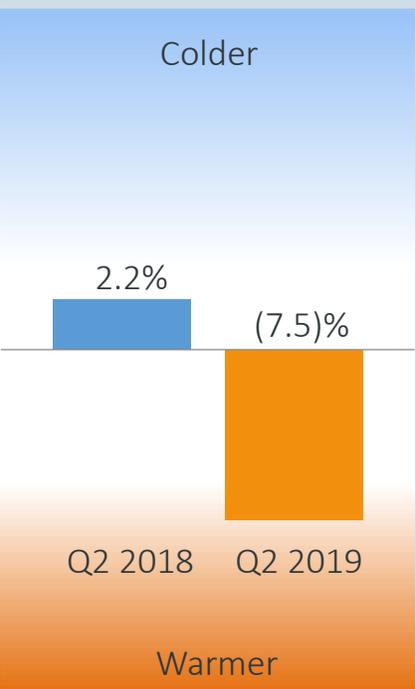


Financial Results – UGI International

(Millions of dollars)	Q2 FY18	Q2 FY19
Income Before Taxes	\$117.5	
Total Margin		(30.0)
Operating and Administrative Expenses		18.0
Depreciation and Amortization		4.3
Interest Expense		(0.9)
Other Income and Expense, net		15.1
Income Before Taxes		\$124.0
Integration Expenses	11.3	-
Adjusted Income Before Taxes¹	\$128.8	\$124.0

Item	Primary Drivers
Volume ↓	Warm weather impacted residential heating customers
Total Margin ↓	Lower volumes, translation effects of the weaker euro and sterling, offset by slightly higher unit margins
Operating and Admin Expenses ↓	Higher compliance costs associated with energy conservation and costs related to strategic projects; increased costs continue to be recovered through margin management; prior-year period included \$11.3MM of Finagaz integration expenses
Other Income & Expense ↑	Higher realized gains on foreign currency exchange contracts

Weather versus normal



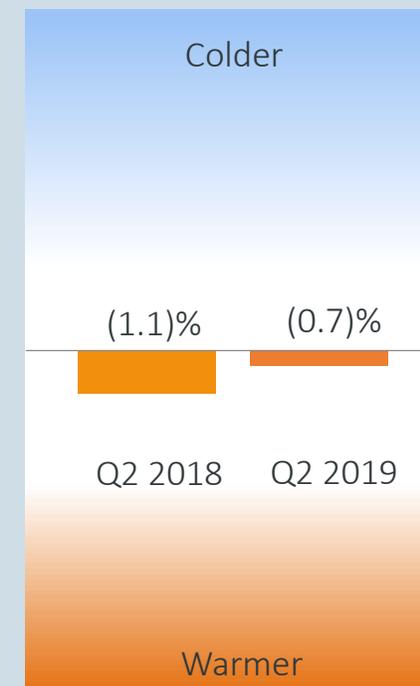
9.5% warmer than prior-year period

Financial Results – Midstream & Marketing

(Millions of dollars)	Q2 FY18	Q2 FY19
Income Before Taxes	\$107.6	
Total Margin		(53.5)
Operating and Administrative Expenses		(3.2)
Depreciation and Amortization		(0.7)
Interest Expense		0.2
Other Income and Expense, net		1.9
Income Before Taxes		\$52.3

Item	Primary Drivers
Total Margin ↓	Lower capacity management margin from less volatile weather and increased pipeline restrictions; to a lesser extent lower electric generation and peaking margin
Operating and Admin Expenses ↑	Higher compensation and benefits; slightly higher expenses associated with increased gas gathering, peaking, and LNG activities
Depreciation and Amortization ↑	Expansion of gas gathering, peaking, and LNG assets

Weather versus normal



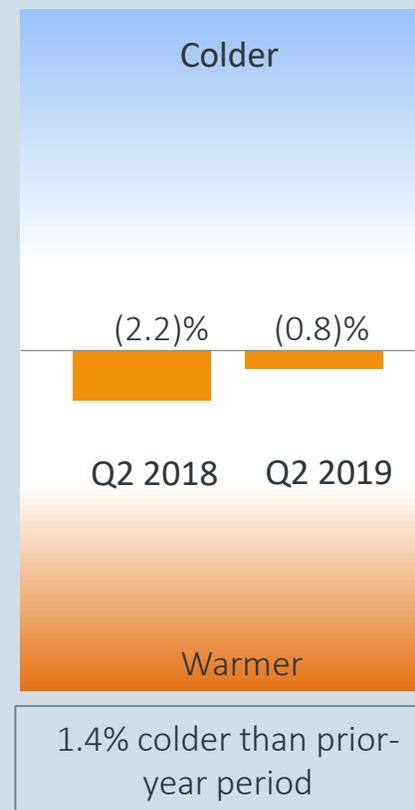
1.2% colder than prior-year period

Financial Results – Utilities

(Millions of dollars)	Q2 FY18	Q2 FY19
Income Before Taxes	\$124.0	
Total Margin		(14.4)
Operating and Administrative Expenses		1.1
Depreciation		(1.2)
Interest Expense		(1.1)
Other Income and Expense, net		(0.3)
Income Before Taxes		\$108.1

Item	Primary Drivers
Volume ↑	Core market customer growth and slightly colder temperatures; higher large firm delivery service volumes
Total Margin ↓	Excluding the revenue reduction associated with the TCJA, total margin increased \$8MM
Operating and Admin Expenses ↓	Lower uncollectible accounts expense and lower benefit-related expenses; higher contractor and outside services and allocated corporate expenses
Depreciation ↑	Increased distribution system capital expenditure activities

Weather versus normal



Recent Financial Highlights

UGI FY19 Guidance

- Adjusted EPS \$2.40 - \$2.60¹
 - 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

UGI Dividend Increase

- Announced 15.4% dividend increase last week
- The remainder of the cumulative 25% increase (from \$0.30 to \$0.325) will be enacted following the close of the proposed AmeriGas merger

¹Excluding the impact of the proposed AmeriGas merger.

Because UGI is unable to predict certain potentially material items affecting diluted earnings per share on a GAAP basis, principally mark-to-market gains and losses on derivative instruments, it cannot reconcile FY19 Adjusted EPS to diluted EPS, the most comparable GAAP measure.

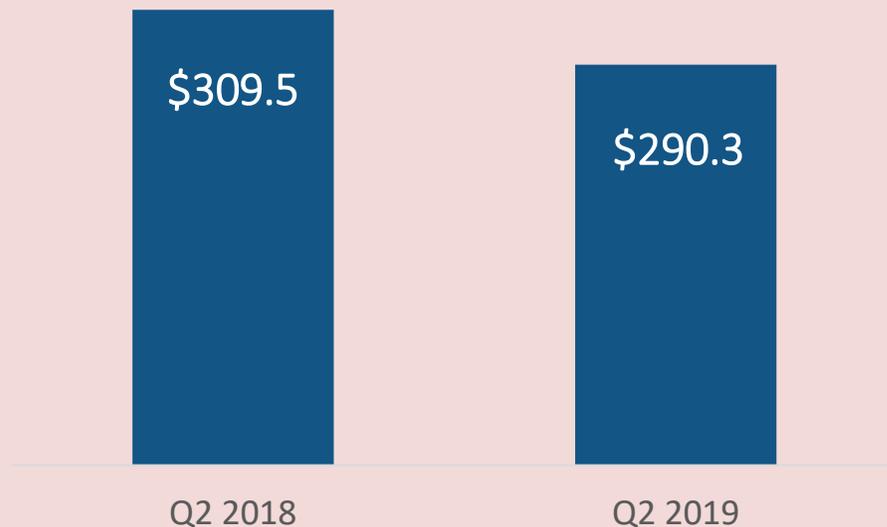
AmeriGas Second Quarter Recap

Hugh J. Gallagher
President and CEO, AmeriGas



Second Quarter Earnings Recap

Adjusted EBITDA¹
(Millions of dollars)



- Weather in Q2 was 4% colder than normal and 5% colder than Q2 2018
- Retail volumes decreased 4% as AmeriGas experienced January and February weather that was a combined 17% warmer than normal in the southeastern U.S.
- National Accounts and Cylinder Exchange volumes were up over 6% and 7%, respectively, from Q2 2018

Growth Initiatives

Home Delivery

- Pilot program will go live this summer season

Cylinder Exchange

- Expansion with major retailer and large convenience store chain
 - Roll-out a significant number of additional “24/7” automated cylinder vending locations by the end of the calendar year

Technology/Innovation

- Leverage technology and scale to advance customer-facing capabilities and generate business efficiencies



Conclusion and Q&A

John L. Walsh
President & CEO, UGI



Strategic Overview

- Continue to build our fee-based income stream
 - Began construction on new LNG storage and vaporization facility near Bethlehem, PA; \$60 million investment
- Deploying record levels of capital at the Utility; expect to invest approximately \$2 billion in capital over the next five years
- Filed our largest rate case request of \$71.1 million with the PA PUC in January; expect that the process will conclude later this year
- Announced merger transaction with AmeriGas on April 2nd
 - Will significantly enhance cash available and will provide a broader funding foundation for major capital investments in our natural gas businesses
 - Expected to close in fiscal fourth quarter

Q&A

Appendix



UGI Supplemental Footnotes

- Management uses "adjusted net income attributable to UGI" and "adjusted diluted earnings per share," both of which are non-GAAP financial measures, when evaluating UGI's overall performance. For the periods presented, adjusted net income attributable to UGI is net income attributable to UGI Corporation after excluding net after-tax gains and losses on commodity and certain foreign currency derivative instruments not associated with current period transactions (principally comprising changes in unrealized gains and losses on such derivative instruments), losses associated with extinguishments of debt, Finagaz integration expenses, the remeasurement impact on net deferred tax liabilities from changes in U.S. and French tax rates and merger expenses. 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. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate 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.
- The tables on the following slides reconcile net income attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net income attributable to UGI Corporation, and reconciles diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above.

UGI Adjusted Net Income and EPS

Three Months Ended March 31, 2019	Total	AmeriGas Propane	UGI International	Midstream & Marketing	UGI Utilities	Corporate & Other
Adjusted net income attributable to UGI Corporation (Dollars in millions, except per share amounts):						
Net income (loss) attributable to UGI Corporation	\$ 245.4	\$ 47.5	\$ 89.7	\$ 38.1	\$ 82.8	\$ (12.7)
Net losses on commodity derivative instruments not associated with current-period transactions (net of tax of \$(0.9)) (2)	11.5	—	—	—	—	11.5
Unrealized gains on foreign currency derivative instruments (net of tax of \$1.4) (2)	(3.2)	—	—	—	—	(3.2)
Merger expenses (net of tax of \$(0.1)) (2)	0.2	0.2	—	—	—	—
Adjusted net income (loss) attributable to UGI Corporation	<u>\$ 253.9</u>	<u>\$ 47.7</u>	<u>\$ 89.7</u>	<u>\$ 38.1</u>	<u>\$ 82.8</u>	<u>\$ (4.4)</u>
Adjusted diluted earnings per share:						
UGI Corporation earnings (loss) per share — diluted	\$ 1.38	\$ 0.27	\$ 0.51	\$ 0.21	\$ 0.47	\$ (0.08)
Net losses on commodity derivative instruments not associated with current-period transactions (1)	0.07	—	—	—	—	0.07
Unrealized gains on foreign currency derivative instruments	(0.02)	—	—	—	—	(0.02)
Merger expenses	—	—	—	—	—	—
Adjusted diluted earnings (loss) per share	<u>\$ 1.43</u>	<u>\$ 0.27</u>	<u>\$ 0.51</u>	<u>\$ 0.21</u>	<u>\$ 0.47</u>	<u>\$ (0.03)</u>
(2) Income taxes associated with pre-tax adjustments determined using statutory business unit tax rates.						

UGI Adjusted Net Income and EPS

Three Months Ended March 31, 2018	Total	AmeriGas Propane	UGI International	Midstream & Marketing	UGI Utilities	Corporate & Other
Adjusted net income attributable to UGI Corporation (Dollars in millions, except per share amounts):						
Net income (loss) attributable to UGI Corporation	\$ 276.0	\$ 49.8	\$ 77.4	\$ 76.6	\$ 89.2	\$ (17.0)
Net losses on commodity derivative instruments not associated with current-period transactions (net of tax of \$(8.1)) (2)	15.7	—	—	—	—	15.7
Unrealized losses on foreign currency derivative instruments (net of tax of \$(0.7)) (2)	1.3	—	—	—	—	1.3
Integration expenses associated with Finagaz (net of tax of \$(4.5)) (2)	6.8	—	6.8	—	—	—
Impact of French Finance Bill	3.7	—	3.7	—	—	—
Remeasurement impact of TCJA	(5.3)	—	(0.2)	—	—	(5.1)
Adjusted net income (loss) attributable to UGI Corporation	<u>\$ 298.2</u>	<u>\$ 49.8</u>	<u>\$ 87.7</u>	<u>\$ 76.6</u>	<u>\$ 89.2</u>	<u>\$ (5.1)</u>
Adjusted diluted earnings per share:						
UGI Corporation earnings (loss) per share - diluted	\$ 1.57	\$ 0.28	\$ 0.44	\$ 0.43	\$ 0.51	\$ (0.09)
Net losses on commodity derivative instruments not associated with current-period transactions (1)	0.08	—	—	—	—	0.08
Unrealized losses on foreign currency derivative instruments	0.01	—	—	—	—	0.01
Integration expenses associated with Finagaz	0.04	—	0.04	—	—	—
Impact of French Finance Bill	0.02	—	0.02	—	—	—
Remeasurement impact of TCJA	(0.03)	—	—	—	—	(0.03)
Adjusted diluted earnings (loss) per share	<u>\$ 1.69</u>	<u>\$ 0.28</u>	<u>\$ 0.50</u>	<u>\$ 0.43</u>	<u>\$ 0.51</u>	<u>\$ (0.03)</u>

(1) Includes the impact of rounding.

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

AmeriGas Supplemental Footnotes

- The enclosed supplemental information contains a reconciliation of earnings before interest expense, income taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA to Net Income.
- EBITDA and Adjusted EBITDA are not measures of performance or financial condition under GAAP. Management believes EBITDA and Adjusted EBITDA are meaningful non-GAAP financial measures used by investors to compare the Partnership's operating performance with that of other companies within the propane industry. The Partnership's definitions of EBITDA and Adjusted EBITDA may be different from those used by other companies.
- EBITDA and Adjusted EBITDA should not be considered as alternatives to net income (loss) attributable to AmeriGas Partners, L.P. Management uses EBITDA to compare year-over-year profitability of the business without regard to capital structure as well as to compare the relative performance of the Partnership to that of other master limited partnerships without regard to their financing methods, capital structure, income taxes or historical cost basis. Management uses Adjusted EBITDA to exclude from AmeriGas Partners' EBITDA gains and losses that competitors do not necessarily have to provide additional insight into the comparison of year-over-year profitability to that of other master limited partnerships. In view of the omission of interest, income taxes, depreciation and amortization, gains and losses on commodity derivative instruments not associated with current-period transactions, and other gains and losses that competitors do not necessarily have from Adjusted EBITDA, management also assesses the profitability of the business by comparing net income attributable to AmeriGas Partners, L.P. for the relevant periods. Management also uses Adjusted EBITDA to assess the Partnership's profitability because its parent, UGI Corporation, uses the Partnership's Adjusted EBITDA to assess the profitability of the Partnership, which is one of UGI Corporation's business segments. UGI Corporation discloses the Partnership's Adjusted EBITDA as the profitability measure for its domestic propane segment.

AmeriGas EBITDA and Adjusted EBITDA

(Dollars in millions)	Three Months Ended March 31,	
	2019	2018
EBITDA and Adjusted EBITDA:		
Net income attributable to AmeriGas Partners	\$ 219.1	\$ 191.8
Income tax expense (a)	0.7	0.6
Interest expense	42.2	41.0
Depreciation and amortization	44.3	45.2
EBITDA	306.3	278.6
(Subtract net gains) add net losses on commodity derivative instruments not associated with current-period transactions	(17.1)	31.2
Merger expenses	0.9	—
Noncontrolling interest in net gains and losses on commodity derivative instruments and merger expenses	0.2	(0.3)
Adjusted EBITDA	\$ 290.3	\$ 309.5

(a) Certain amounts include the impact of rounding.

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