

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): August 4, 2021

**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 August 4, 2021, UGI Corporation (the "Company") issued a press release announcing financial results for the Company for the fiscal quarter ended June 30, 2021. 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 August 5, 2021, the Company will hold a live Internet Audio Webcast of its conference call to discuss its financial results for the fiscal quarter ended June 30, 2021.

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 August 4, 2021.</a>
99.2	<a href="#">Presentation of UGI Corporation dated August 5, 2021.</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

August 5, 2021

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



## UGI Reports Strong Third Quarter Results

August 4, 2021

VALLEY FORGE, PA - UGI Corporation (NYSE: UGI) today reported financial results for the fiscal quarter ended June 30, 2021.

### HEADLINES

- Q3 GAAP diluted earnings per share ("EPS") of \$0.71 and adjusted diluted EPS of \$0.13 compared to GAAP diluted EPS of \$0.41 and adjusted diluted EPS of \$0.08 in the prior-year period.
- Year-to-date GAAP diluted EPS of \$4.48 and adjusted diluted EPS of \$3.30 compared to GAAP diluted EPS of \$2.49 and adjusted diluted EPS of \$2.81 in the prior-year period.
- Q3 reportable segments earnings before interest expense and income taxes<sup>1</sup> ("EBIT") of \$98 million compared to \$81 million in the prior-year period.
- Strong results from our diversified business led by increased total margins at UGI International in comparison to the prior-year period and new base rates at UGI Utilities that went into effect on January 1, 2021.
- Completed another key milestone in the regulatory approval process related to the pending Mountaineer acquisition. The process is progressing well and we anticipate that the acquisition could potentially close as early as this fiscal year.

### ESG HIGHLIGHTS

- On May 14, 2021, UGI released its third ESG report and announced a commitment to reduce Scope I GHG Emissions by 55% by 2025.
- On May 17, 2021, UGI announced that UGI International and SHV Energy intend to launch a joint venture to advance the production and use of Renewable Dimethyl Ether ("rDME") in the LPG industry.
- On May 19, 2021, UGI announced that its President and CEO signed the CEO Action for Diversity & Inclusion™ pledge, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.
- On August 4, 2021, UGI announced that Energy Services entered into definitive agreements to develop innovative food waste digester projects to produce RNG in Ohio and Kentucky, through its investment in Hamilton RNG.

"UGI delivered strong third quarter results with GAAP diluted EPS of \$0.71 and adjusted diluted EPS of \$0.13," said Roger Perreault, President and Chief Executive Officer of UGI Corporation. "This performance was driven by higher total margins at UGI International primarily due to significantly colder than prior-year weather, new base rates in our Gas Utility that went into effect on January 1st, and execution on our key priorities, including our growth investments and business transformation initiatives. As a result of the strong year-to-date performance, we now expect the full year adjusted diluted EPS to be at the upper end of our guidance range of \$2.90 - \$3.00<sup>2</sup> for this fiscal year.

"Our businesses progressed well on several growth initiatives during the quarter. UGI Utilities continues to see solid customer growth and is on track to deliver compound annual rate base growth in line with historical trends, through the record capital expenditure plan. In connection with the pending acquisition of Mountaineer Gas, the largest gas distribution company in West Virginia, we filed a unanimous settlement before the Public Service Commission of West Virginia ("the Commission"). We provided testimony in a hearing before the Commission and expect to file a Proposed

Order by August 10th. While the precise timing of the Commission's approval is uncertain, we have completed several key steps in the regulatory approval process and now expect to close well before the end of the calendar year, and even potentially within this fiscal year. The transaction remains accretive to earnings in the first full year of operation.

"UGI continues to execute on the renewables strategy that we discussed during the June 2021 Investor Day. Today, we announced that UGI Energy Services entered into definitive agreements to produce renewable natural gas in Ohio and Kentucky, through the Hamilton RNG joint venture. This project aligns with our renewables strategy and our goal of providing affordable, reliable and sustainable energy solutions to our customers. Our teams continue to explore an exciting range of renewables opportunities with strong return profiles in the US and Europe.

"We remain focused on execution and are confident that the company is well positioned to deliver another strong year of financial performance. We are excited about the opportunities ahead and are committed to maintaining the proven track record of delivering on our financial and strategic commitments."

#### KEY DRIVERS OF THIRD QUARTER RESULTS

- *AmeriGas*: National accounts volume increased 18%; lower total margin was primarily due to a decrease in cylinder exchange volumes as sales normalized after the higher pandemic volumes seen in Q3 FY20 resulting in slightly lower average retail unit margins
- *UGI International*: Retail volume increased 21% on weather that was 54.7% colder than the prior-year period; Q3 FY21 EBIT of \$41 million compared to \$21 million in the prior-year period
- *Midstream & Marketing*: Higher EBIT reflecting equity income from the investment in Pine Run; Q3 FY21 EBIT of \$21 million compared to \$20 million in the prior-year period
- *UGI Utilities*: Higher EBIT largely driven by the increase in base rates, higher margin from large delivery service customers and customer growth

#### 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, August 5, 2021. 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 August 5 through 11:59 PM ET August 12. The replay may be accessed toll free at 855-859-2056 and internationally at +1 404-537-3406, conference ID 7457165.

#### 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, 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 twelve states and the District of Columbia and internationally in France, Belgium, the Netherlands and the UK.

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

#### USE OF NON-GAAP MEASURES

Management uses "adjusted 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 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.

#### 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 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.

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

AmeriGas Propane

<i>For the fiscal quarter ended June 30,</i>	2021		2020		Increase (Decrease)		
Revenues	\$	526	\$	451	\$	75	17 %
Total margin (a)	\$	259	\$	273	\$	(14)	(5)%
Operating and administrative expenses	\$	212	\$	209	\$	3	1 %
Operating income/earnings before interest expense and income taxes	\$	11	\$	19	\$	(8)	(42)%
Retail gallons sold (millions)		184		182		2	1 %
Heating degree days - % colder than normal (b)		2.5 %		16.9 %			
Capital expenditures	\$	26	\$	30	\$	(4)	(13)%

- Temperatures were 12.3% warmer than the prior-year period.
- Retail gallons sold increased 1% reflecting higher national account volumes, partially offset by lower cylinder exchange volumes compared to the significant increase experienced in the prior-year period, lower residential volumes, structural conservation and other residual volume loss.
- Total margin decreased \$14 million primarily due to lower higher-margin residential and cylinder exchange volumes. This was partially offset by an increase in lower-margin national account volumes.
- Operating and administrative expenses increased \$3 million largely due to higher vehicle fuel and maintenance expenses, advertising costs and general insurance costs. The effect of these increases were partially offset by LPG transformation savings.
- Operating income and earnings before interest expense and income taxes each decreased \$8 million reflecting the lower total margin (\$14 million) and higher operating and administrative expenses, slightly offset by higher other income from finance charges and one-time gains on asset sales.

UGI International

<i>For the fiscal quarter ended June 30,</i>	2021		2020		Increase		
Revenues	\$	572	\$	371	\$	201	54 %
Total margin (a)	\$	217	\$	166	\$	51	31 %
Operating and administrative expenses (a)	\$	144	\$	121	\$	23	19 %
Operating income	\$	40	\$	17	\$	23	135 %
Earnings before interest expense and income taxes	\$	41	\$	21	\$	20	95 %
LPG retail gallons sold (millions)		166		137		29	21 %
Heating degree days - % colder (warmer) than normal (b)		24.4 %		(17.3)%			
Capital expenditures	\$	21	\$	20	\$	1	5 %

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 2021 and 2020 three-month periods, the average unweighted euro-to-dollar translation rates were approximately \$1.21 and \$1.10, respectively, and the average unweighted British pound sterling-to-dollar translation rates were approximately \$1.40 and \$1.24, respectively.

- Retail volume increased 21% largely due to weather that was 54.7% colder than the prior-year period. The increased volume reflects higher bulk and cylinder volumes including the recovery of certain volume decreases due to the COVID-19 pandemic.
- Average propane wholesale selling prices in northwest Europe were approximately 81% higher than the prior-year period.
- Total margin increased \$51 million compared to the prior-year period reflecting increases in volumes and the translation effects of the stronger euro, partially offset by a slight decrease in average LPG unit margins.
- The increase in operating and administrative expenses reflects higher costs attributable to increased volumes, increased compensation and employee benefits-related costs and the translation effects of the stronger euro.
- Operating income increased \$23 million compared to the prior-year period reflecting the translation effects of the stronger euro of \$4 million.
- Earnings before interest expense and income taxes increased \$20 million compared to the prior-year period due to the higher operating income, partially offset by lower pre-tax realized gains on foreign currency exchange contracts (\$2 million).

## Midstream & Marketing

For the fiscal quarter ended June 30,

	2021		2020		Increase (Decrease)		
Revenues	\$	261	\$	222	\$	39	18 %
Total margin (a)	\$	65	\$	64	\$	1	2 %
Operating and administrative expenses	\$	31	\$	31	\$	—	— %
Operating income	\$	14	\$	13	\$	1	8 %
Earnings before interest expense and income taxes	\$	21	\$	20	\$	1	5 %
Heating degree days - % (warmer) colder than normal (b)		(1.5)%		21.0 %			
Capital expenditures	\$	3	\$	15	\$	(12)	(80)%

- Temperatures were 18.6% warmer than the prior-year period.
- Total margin increased \$1 million primarily reflecting increased margins from capacity management, gas gathering and renewable energy marketing activities compared to the prior-year period. The effect of these increases was partially offset by the absence of margins attributable to HVAC and Conemaugh that were divested in Fiscal 2020.
- Earnings before interest expense and income taxes reflects the increase in total margin and equity income from the investment in Pine Run, in comparison to the prior-year period.

## UGI Utilities

For the fiscal quarter ended June 30,

	2021		2020		Increase (Decrease)		
Revenues	\$	181	\$	179	\$	2	1 %
Total margin (a)	\$	113	\$	110	\$	3	3 %
Operating and administrative expenses	\$	59	\$	61	\$	(2)	(3)%
Operating income	\$	24	\$	21	\$	3	14 %
Earnings before interest expense and income taxes	\$	25	\$	21	\$	4	19 %
Gas Utility system throughput - billions of cubic feet							
Core market		10		12		(2)	(17)%
Total		62		61		1	2 %
Gas Utility heating degree days - % colder than normal (b)		5.0 %		25.4 %			
Capital expenditures	\$	112	\$	68	\$	44	65 %

- Gas Utility service territory experienced temperatures that were 16.2% warmer than the prior-year period.
- Core market volumes decreased due to the warmer weather compared to the prior-year period, partially offset by customer growth.
- Total Gas Utility distribution throughput increased 1 bcf reflecting higher large delivery service volumes, partially offset by lower core market volumes.
- Total margin increased \$3 million primarily due to increase in base rates that went into effect on January 1, 2021 and higher customer fees, partially offset by the decrease in core market volumes.
- Operating income increased largely reflecting the higher total margin.

(a) Total margin represents total revenue less total cost of sales. In the case of UGI Utilities, total margin is reduced by revenue-related tax expenses. In the case of UGI International, total margin represents revenues less cost of sales and, in the 2020 three-month period, LPG cylinder filling costs of \$7 million. For financial statement purposes, LPG cylinder filling costs in the 2020 three-month period are included in "Operating and administrative expenses" on the Condensed Consolidated Statements of Income (but excluded from operating and administrative expenses presented above). For financial statement purposes, LPG cylinder filling costs in the 2021 three-month period are included in "Cost of Sales".

(b) Beginning in Fiscal 2021, deviation from average heating degree days is determined on a rolling 10-year period utilizing volume-weighted weather data. Prior-period amounts have been restated to conform to the current-period presentation.

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

	Three Months Ended June 30,		Nine Months Ended June 30,		Twelve Months Ended June 30,	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
AmeriGas Propane	\$ 526	\$ 451	\$ 2,132	\$ 1,983	\$ 2,530	\$ 2,395
UGI International	572	371	2,106	1,726	2,507	2,118
Midstream & Marketing	261	222	1,086	1,017	1,316	1,264
UGI Utilities	181	179	923	901	1,052	1,033
Corporate & Other (a)	(44)	(24)	(238)	(192)	(272)	(225)
Total revenues	<u>\$ 1,496</u>	<u>\$ 1,199</u>	<u>\$ 6,009</u>	<u>\$ 5,435</u>	<u>\$ 7,133</u>	<u>\$ 6,585</u>
<b>Earnings (loss) before interest expense and income taxes:</b>						
AmeriGas Propane	\$ 11	\$ 19	\$ 391	\$ 390	\$ 374	\$ 381
UGI International	41	21	326	247	338	263
Midstream & Marketing	21	20	180	161	187	176
UGI Utilities	25	21	245	229	245	236
Total reportable segments	98	81	1,142	1,027	1,144	1,056
Corporate & Other (a)	208	96	353	(96)	409	(199)
Total earnings before interest expense and income taxes	<u>306</u>	<u>177</u>	<u>1,495</u>	<u>931</u>	<u>1,553</u>	<u>857</u>
<b>Interest expense:</b>						
AmeriGas Propane	(40)	(41)	(120)	(124)	(160)	(165)
UGI International	(8)	(8)	(21)	(23)	(29)	(31)
Midstream & Marketing	(10)	(11)	(31)	(34)	(39)	(41)
UGI Utilities	(14)	(14)	(42)	(41)	(55)	(54)
Corporate & Other, net (a)	(5)	(6)	(19)	(25)	(25)	(32)
Total interest expense	<u>(77)</u>	<u>(90)</u>	<u>(233)</u>	<u>(247)</u>	<u>(308)</u>	<u>(323)</u>
Income before income taxes	229	97	1,262	684	1,245	534
Income tax expense (c)	(79)	(12)	(320)	(161)	(294)	(142)
Net income including noncontrolling interests	150	85	942	523	951	392
Deduct net income attributable to noncontrolling interests, principally in AmeriGas Partners, L.P.	—	—	—	—	—	79
Net income attributable to UGI Corporation	<u>\$ 150</u>	<u>\$ 85</u>	<u>\$ 942</u>	<u>\$ 523</u>	<u>\$ 951</u>	<u>\$ 471</u>
<b>Earnings per share attributable to UGI shareholders:</b>						
Basic	<u>\$ 0.72</u>	<u>\$ 0.41</u>	<u>\$ 4.51</u>	<u>\$ 2.50</u>	<u>\$ 4.55</u>	<u>\$ 2.31</u>
Diluted	<u>\$ 0.71</u>	<u>\$ 0.41</u>	<u>\$ 4.48</u>	<u>\$ 2.49</u>	<u>\$ 4.53</u>	<u>\$ 2.29</u>
<b>Weighted Average common shares outstanding (thousands) (b):</b>						
Basic	<u>209,099</u>	<u>208,598</u>	<u>208,934</u>	<u>208,989</u>	<u>208,863</u>	<u>204,168</u>
Diluted	<u>210,851</u>	<u>208,975</u>	<u>210,194</u>	<u>210,009</u>	<u>209,983</u>	<u>205,490</u>
<b>Supplemental information:</b>						
<b>Net income (loss) attributable to UGI Corporation:</b>						
AmeriGas Propane	\$ (20)	\$ (15)	\$ 204	\$ 198	\$ 162	\$ 189
UGI International	31	(11)	222	137	258	141
Midstream & Marketing	8	7	107	93	106	99
UGI Utilities	9	4	157	147	146	141
Total reportable segments	28	(15)	690	575	672	570
Corporate & Other (a)	122	100	252	(52)	279	(99)
Total net income attributable to UGI Corporation	<u>\$ 150</u>	<u>\$ 85</u>	<u>\$ 942</u>	<u>\$ 523</u>	<u>\$ 951</u>	<u>\$ 471</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) Earnings per share for the twelve months ended June 30, 2020 reflect 34.6 million incremental shares of UGI Common Stock issued in connection with UGI's buy-in of the outstanding common units of AmeriGas Partners, L.P. ("AmeriGas Merger").

(c) Income tax expense for the nine and twelve months ended June 30, 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 June 30,		Nine Months Ended June 30,		Twelve Months Ended June 30,	
	2021	2020	2021	2020	2021	2020
<b>Adjusted net income attributable to UGI Corporation (millions):</b>						
Net income attributable to UGI Corporation	\$ 150	\$ 85	\$ 942	\$ 523	\$ 951	\$ 471
Net (gains) losses on commodity derivative instruments not associated with current-period transactions (net of tax of \$94, \$49, \$147, \$6, \$176 and \$(7), respectively)	(231)	(114)	(368)	(15)	(435)	14
Unrealized losses on foreign currency derivative instruments (net of tax of \$(1), \$(3), \$(2), \$(6), \$(6) and \$0, respectively)	—	4	4	14	16	—
Acquisition and integration expenses associated with the CMG Acquisition (net of tax of \$0, \$0, \$0, \$(1), \$0 and \$(6), respectively)	—	—	—	1	—	12
Acquisition expenses associated with the pending Mountaineer Acquisition (net of tax of \$0, \$0, \$(1), \$0, \$(1) and \$0, respectively)	1	—	3	—	3	—
Business transformation expenses (net of tax of \$(6), \$(3), \$(15), \$(13), \$(19) and \$(18), respectively)	15	4	42	30	57	46
AmeriGas Merger expenses (net of tax of \$0, \$0, \$0, \$0 and \$0, respectively)	—	—	—	—	—	1
Impairment of assets held-for-sale (net of tax of \$0, \$(15), \$0, \$(15), \$0 and \$(15), respectively)	—	37	—	37	2	37
Impairment of investment in PennEast (net of tax of \$0, \$0, \$0, \$0, \$0 and \$0, respectively)	93	—	93	—	93	—
Impact of change in Italian tax law	—	—	(23)	—	(23)	—
Total adjustments (1) (2)	(122)	(69)	(249)	67	(287)	110
Adjusted net income attributable to UGI Corporation	\$ 28	\$ 16	\$ 693	\$ 590	\$ 664	\$ 581
<b>Adjusted diluted earnings per share:</b>						
UGI Corporation earnings per share — diluted (3)	\$ 0.71	\$ 0.41	\$ 4.48	\$ 2.49	\$ 4.53	\$ 2.29
Net (gains) losses on commodity derivative instruments not associated with current-period transactions	(1.09)	(0.55)	(1.75)	(0.07)	(2.07)	0.08
Unrealized losses on foreign currency derivative instruments	—	0.02	0.03	0.07	0.09	—
Acquisition and integration expenses associated with the CMG Acquisition	—	—	—	0.01	—	0.06
Acquisition expenses associated with the pending Mountaineer Acquisition	—	—	0.01	—	0.01	—
Business transformation expenses	0.07	0.02	0.20	0.14	0.27	0.22
AmeriGas Merger expenses	—	—	—	—	—	—
Impairment of assets held-for-sale	—	0.18	—	0.17	—	0.18
Impairment of investment in PennEast	0.44	—	0.44	—	0.44	—
Impact of change in Italian tax law	—	—	(0.11)	—	(0.11)	—
Total adjustments (1) (3)	(0.58)	(0.33)	(1.18)	0.32	(1.37)	0.54
Adjusted diluted earnings per share (3)	\$ 0.13	\$ 0.08	\$ 3.30	\$ 2.81	\$ 3.16	\$ 2.83

(1) Corporate & Other includes certain adjustments made to our reporting segments in arriving at net income attributable to UGI Corporation, including the impact of the tax benefits resulting from tax law changes during Fiscal 2020. These adjustments have been excluded from the segment results to align with the measure used by our chief operating decision maker in assessing segment performance and allocating resources.

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

(3) Earnings per share for the twelve months ended June 30, 2020 reflect 34.6 million in incremental shares of UGI Common Stock issued in connection with the AmeriGas Merger.



# UGI CORPORATION

Fiscal 2021  
Third 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, UGI Corporation



This presentation 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.

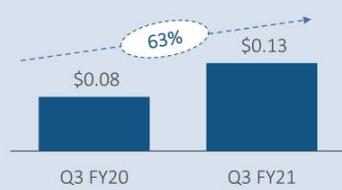


## Third Quarter Summary

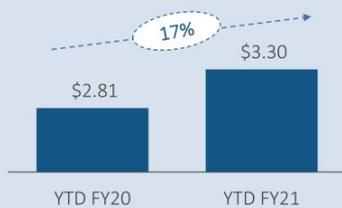
**Roger Perreault**  
President and CEO,  
UGI Corporation

# Third Quarter and YTD 2021 Financial Overview

## Q3 FY21 Adjusted Diluted EPS<sup>1</sup>



## YTD FY21 Adjusted Diluted EPS<sup>1</sup>



- GAAP diluted EPS of \$0.71 in Q3 FY21 vs. \$0.41 in Q3 FY20
  - Q3 FY21 adjusted diluted EPS<sup>1</sup> of \$0.13
- Record YTD GAAP diluted EPS of \$4.48 vs. \$2.49 for YTD FY20
  - YTD adjusted diluted EPS<sup>1</sup> of \$3.30
- Strong results for the quarter from the diversified business led by:
  - Increased total margins at UGI International
  - New base rates at UGI Utilities effective from January 1, 2021
- Expect to deliver at the top end of the FY2021 guidance range of \$2.90 - \$3.00<sup>2</sup>

<sup>1</sup> Adjusted EPS is a non-GAAP measure. See Slide 7 and Appendix for Q3 FY21 and YTD reconciliations, respectively.

<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 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.

- Strong results from our diversified business for the quarter
- UGI Utilities continues **strong customer growth** and is on track for **another record year of capital expenditure**
  - Anticipate continued strong rate base growth; 11.4% rate base CAGR between FY2016-20
  - 2,200+ heating and commercial customers added in Q3 FY21
- Midstream & Marketing business continues to leverage its **strategic supply assets**; **Pine Run assets** performing well
- **LPG businesses** on track to deliver previously targeted benefits from the business transformation initiatives
- UGI continues to **execute on its renewables strategy**
  - Expands RNG production capabilities with **Hamilton RNG joint venture**
    - Hamilton RNG has entered into definitive agreements to develop innovative food waste digester projects to produce RNG in Ohio and Kentucky
    - GHI will be the exclusive off-taker and marketer of RNG for Hamilton RNG
  - Regulatory process to create a **JV with SHV Energy for the production and use of rDME<sup>1</sup>** progressing

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1. rDME stands for Renewable Dimethyl Ether, which is a low-carbon sustainable liquid gas.



## Third Quarter Financial Review

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

# Third Quarter Adjusted Diluted Earnings per Share



	Q3 FY21	Q3 FY20
AmeriGas Propane	\$(0.10)	\$(0.07)
UGI International	0.15	(0.05)
Midstream & Marketing	0.04	0.03
UGI Utilities	0.04	0.02
Corporate & Other (a)	0.58	0.48
<b>Earnings per share – diluted</b>	<b>0.71</b>	<b>0.41</b>
Net gains on commodity derivative instruments not associated with current-period transactions	(1.09)	(0.55)
Unrealized losses on foreign currency derivative instruments	-	0.02
Business transformation expenses	0.07	0.02
Impairment of investment in PennEast	0.44	-
Impairment of assets held-for-sale	-	0.18
<b>Total adjustments (a)</b>	<b>(0.58)</b>	<b>(0.33)</b>
<b>Adjusted earnings per share – diluted</b>	<b>\$0.13</b>	<b>\$0.08</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.

# Third Quarter and YTD 2021 Results Recap



Q3 FY21 Adjusted Diluted EPS<sup>1</sup> – Comparison with Q3 FY20



YTD Adjusted Diluted EPS<sup>1</sup> – Segment Split



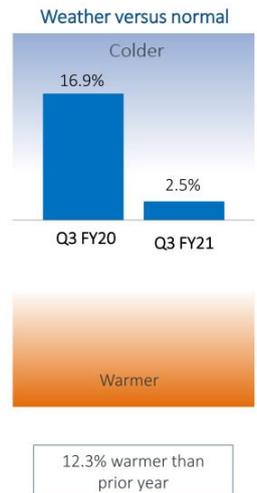
**Q3 FY21 GAAP diluted EPS of \$0.71 compared to \$0.41 in Q3 FY20**  
**YTD FY21 GAAP diluted EPS of \$4.48 compared to \$2.49 in YTD FY20**

1. Adjusted Diluted EPS is a non-GAAP measure. See Slide 7 and Appendix for Q3 FY21 and YTD reconciliations, respectively. 2. Includes \$0.08 Corporate & Other. 3. Includes \$0.01 Corporate & Other.

# Financial Results - AmeriGas

(Millions of dollars)	Q3 FY20	Q3 FY21
<b>Earnings Before Interest Expense &amp; Income Taxes</b>	<b>\$19</b>	
Total Margin		(14)
Operating and Administrative Expenses		(3)
Depreciation and Amortization		2
Other Income and Expense, net		7
<b>Earnings Before Interest Expense &amp; Income Taxes</b>		<b>\$11</b>

Item	Primary Drivers
Total Volume ↑	Retail gallons sold increased 1% largely due to higher national account volumes (18% increase), partially offset by lower residential and cylinder exchange volumes, structural conservation and other residual volume loss
Total Margin ↓	Decrease primarily attributable to lower average retail unit margins due to the lower cylinder exchange volumes, partially offset by the growth in national account volumes
Operating and Admin Expenses ↑	Higher vehicle fuel and maintenance expenses, advertising costs and general insurance costs; effect partially offset by LPG transformation savings
Other Income and Expense ↑	Primarily attributable to absence of late customer fees in the prior-year period and one-time gains on asset sales



# Financial Results – UGI International



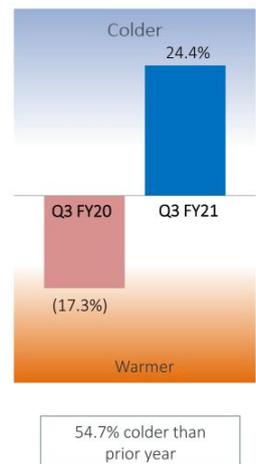
(Millions of dollars)

	Q3 FY20	Q3 FY21
<b>Earnings Before Interest Expense &amp; Income Taxes</b>	<b>\$21</b>	
Total Margin	51	
Operating and Administrative Expenses	(23)	
Depreciation and Amortization	(3)	
Realized FX Gains	(2)	
Other Income and Expense, net	(3)	
<b>Earnings Before Interest Expense &amp; Income Taxes</b>		<b>\$41</b>

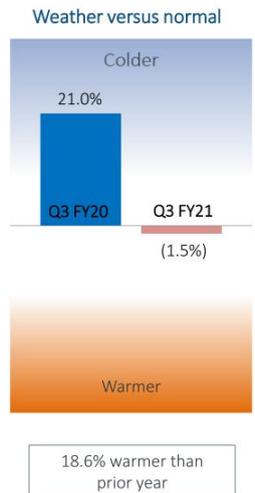
Item	Primary Drivers
Total Volume ↑	Retail LPG gallons increased 21% due to colder than prior-year weather and continued recovery from the COVID-19 pandemic
Total Margin ↑	Reflects increases in volumes and the translation effects of the stronger euro (\$20 Million), partially offset by slightly lower average LPG unit margins
Operating and Admin Expenses ↑	Primarily reflects higher costs attributable to increased volumes, increased compensation and employee benefits-related costs and the translation effects of the stronger euro (\$13 Million)
Realized FX Gains ↓	Lower realized gains on foreign currency derivative instruments

## Weather versus normal



# Financial Results – Midstream & Marketing

(Millions of dollars)		Q3 FY20	Q3 FY21
Earnings Before Interest Expense & Income Taxes		\$20	
Total Margin			1
Earnings Before Interest Expense & Income Taxes			\$21
Item	Primary Drivers		
Total Margin ↑	Primarily reflects increased margins from capacity management, gas gathering and renewable energy marketing activities, largely offset by absence of margins attributable to HVAC and Conemaugh that were divested in FY20		

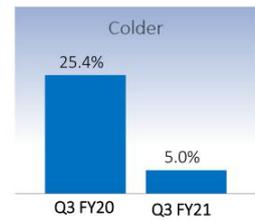


# Financial Results – Utilities

(Millions of dollars)	Q3 FY20	Q3 FY21
<b>Earnings Before Interest Expense &amp; Income Taxes</b>	<b>\$21</b>	
Total Margin	3	
Operating and Administrative Expenses	2	
Depreciation	(3)	
Other Income and Expense, net	2	
<b>Earnings Before Interest Expense &amp; Income Taxes</b>		<b>\$25</b>

Item	Primary Drivers
Volume ↑	Throughput increased 1 bcf reflecting higher large delivery service volumes, partially offset by lower core market volumes
Total Margin ↑	Reflects base rate increase that went into effect on January 1, 2021 and higher customer fees
Operating and Admin Expenses ↓	Includes lower uncollectible accounts expense, lower payroll taxes, and lower environmental expenses, partially offset by higher contracted labor costs
Depreciation ↑	Continued distribution system and IT capital expenditure activity

## Weather versus normal



16.2% warmer than prior year

- Year-to-date Cash Flow from Operating Activities of \$1,047 Million compared to \$963 Million in the prior-year period
  - **\$377M (31% increase) in free cash flow<sup>1</sup>** in the nine months ended June 30, 2021, compared to the prior-year period
- **Strong balance sheet position** with \$2.4 Billion in available liquidity<sup>2</sup> as of June 30, 2021
  - \$220 Million attributable to the Equity Unit Issuance
  - \$215 Million related to Term Loan Commitment; proceeds may be used to finance portion of the Mountaineer Acquisition and for general corporate purposes



1. Free Cash Flow is a non-GAAP measure and is defined as Cash Flow from Operating Activities – Capital Expenditures – Dividends paid. Please see Appendix for reconciliation. 2. Defined as cash and cash equivalents, undrawn upon senior note and term loan commitments, and available borrowing capacity on our revolving credit facilities.



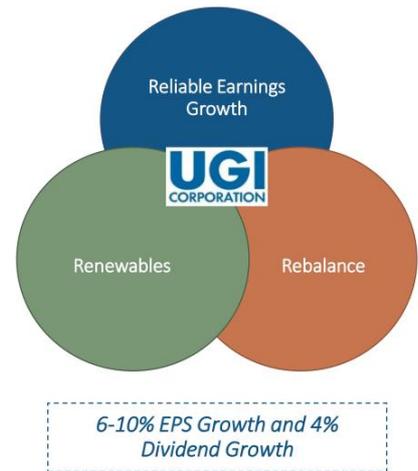
## Business Update & Conclusion

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



- Pending acquisition of the **Mountaineer Gas Company**, largest gas LDC in West Virginia (WV)
  - Filed a unanimous settlement and testified before the WV Public Service Commission
  - Expect to file a Proposed Order by August 10<sup>th</sup> for the Commission's approval
  - **Anticipate closing well before the calendar year-end**, potentially as early as within this fiscal year
  - Financing completed and **accretive to earnings in the first full year of operations**
- **UGI Utilities Electric Division** reached an agreement on its rate case with the PA Public Utility Commission
  - Filed a Joint Petition for Approval of Settlement on July 19<sup>th</sup> for a **\$6.15 Million annual base distribution rate increase**; expect new rates from November 2021
- **Second phase of base rate increase of \$10 Million at Gas Utilities** implemented effective July 1<sup>st</sup>
- Construction of **new state-of-the-art safety training facility** completed
- Launched **Cynch in 3 additional markets**; now serving 23 cities in the US

- ✓ Strong year-to-date performance highlights the **benefits of our diversified business**
- ✓ Expect to be at the top end of our FY2021 guidance range of **\$2.90 - \$3.00<sup>1</sup>**
- ✓ **Balance sheet remains strong** to meet liquidity and capital investment needs
- ✓ Well positioned to deliver **reliable earnings growth**
- ✓ Committed to **continuous improvement and driving efficiencies** in our operations
- ✓ Continuing to invest in our **Natural Gas business** and progress **opportunities in renewable energy solutions**
- ✓ UGI remains committed to **meeting its long-term financial targets and delivering value to its customers, employees and shareholders**



<sup>1</sup> Because we are unable to predict certain potentially material items affecting diluted earnings per share on a GAAP basis, principally mark to market gains and losses on commodity and certain foreign currency derivative instruments, we cannot reconcile fiscal year 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.





## 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 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 reconcile diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above. Slide 22 reconciles the free cash flow to the Net cash provided by operating activities.

# Third Quarter Adjusted Net Income



(Dollars in Millions)	Q3 FY21	Q3 FY20
AmeriGas Propane	\$(20)	\$(15)
UGI International	31	(11)
Midstream & Marketing	8	7
UGI Utilities	9	4
Corporate & Other (a)	122	100
<b>Net income attributable to UGI Corporation</b>	<b>150</b>	<b>85</b>
Net gains on commodity derivative instruments not associated with current-period transactions (net of tax of \$94 and \$49, respectively)	(231)	(114)
Unrealized losses on foreign currency derivative instruments (net of tax of \$(1) and \$(3), respectively)	-	4
Acquisition expenses associated with the pending Mountaineer Acquisition (net of tax of \$0 and \$0, respectively)	1	-
Business transformation expenses (net of tax of \$(6) and \$(3), respectively)	15	4
Impairment of assets held-for-sale (net of tax of \$0 and \$(15), respectively)	-	37
Impairment of investment in PennEast (net of tax of \$0 and \$0, respectively)	93	-
<b>Total adjustments (a) (b)</b>	<b>(122)</b>	<b>(69)</b>
<b>Adjusted net income attributable to UGI Corporation</b>	<b>\$28</b>	<b>\$16</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 Adjusted Diluted Earnings per Share



	YTD FY21	YTD FY20
AmeriGas Propane	\$0.97	\$0.94
UGI International	1.06	0.65
Midstream & Marketing	0.51	0.44
UGI Utilities	0.75	0.70
Corporate & Other (a)	1.19	(0.24)
<b>Earnings per share – diluted</b>	<b>4.48</b>	<b>2.49</b>
Net gains on commodity derivative instruments not associated with current-period transactions	(1.75)	(0.07)
Unrealized losses on foreign currency derivative instruments	0.03	0.07
Acquisition and integration expenses associated with the CMG Acquisition	-	0.01
Acquisition expenses associated with the pending Mountaineer Acquisition	0.01	-
Business transformation expenses	0.20	0.14
Impairment of assets held-for-sale	-	0.17
Impairment of investment in PennEast	0.44	-
Impact of change in Italian tax law	(0.11)	-
<b>Total adjustments (a)</b>	<b>(1.18)</b>	<b>0.32</b>
<b>Adjusted earnings per share – diluted</b>	<b>\$3.30</b>	<b>\$2.81</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.

# Free Cash Flow



(Dollars in Millions)	YTD 2021	YTD 2020
Net cash provided by operating activities	\$1,047	\$963
(-) Expenditures for property, plant and equipment	(460)	(471)
(-) Dividends on UGI Common Stock	(210)	(204)
<b>Free Cash Flow</b>	<b>\$377</b>	<b>\$288</b>

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