



UGI
CORPORATION



RELIABLE GROWTH FUELING A RENEWABLE FUTURE

JUNE 21, 2021

Our Team Welcomes You



Roger Perreault
President & CEO - Elect



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Robert Beard
Executive VP, Natural Gas



Hugh Gallagher
Chief Strategy Officer, Global LPG



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Tameka Morris
Director, Investor Relations

About This Presentation

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.

Use of Non-GAAP Measures

In this presentation, Management uses certain non-GAAP financial measures, including UGI Corporation adjusted diluted earnings per share, UGI Corporation Adjusted Earnings before interest, taxes, depreciation, and amortization (“EBITDA”), Midstream & Marketing Total Margin, AmeriGas Free Cash Flow and UGI International Free Cash Flow. These financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures. Management believes the presentation of these non-GAAP financial measures provides useful information to investors to more effectively evaluate period-over-period earnings, profitability and cash flow generation of the Company’s businesses. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with GAAP are presented in the Appendix of this presentation.

Agenda

UGI

Our Strategy



Reliable Earnings Growth



Renewable Energy Solutions



Converting Strategy to Financials



Environmental, Social and Governance Update



Q&A



Our Strategy

Roger Perreault

President and CEO – Elect
UGI Corporation

UGI: A Compelling Investment Opportunity

- **International distributor and marketer** of energy products and services, including natural gas, LPG, electricity and renewable solutions, with **well-developed infrastructure** in key markets
- Executing a **clear strategy** to drive reliable earnings growth, capitalize on **renewables opportunity** and rebalance our portfolio
- **Balanced capital allocation** framework leverages **strong cash flow** to capitalize on compelling opportunities to invest for growth and return capital to shareholders
- ESG efforts reflect **commitment to communities, UGI team and driving sustainability and returns**



Focused Growth Strategy



Reliable Earnings Growth

- Ongoing investments to grow predictable regulated utility, fee-based and weather resilient volume to enable strong stable returns
- Continuous improvements and focused growth across the business
- Reduce weather sensitivity



Renewables

- Significant capital allocation to a range of renewable energy solutions to drive continued earnings growth
- Leverage existing infrastructure and expertise
- Provide a platform for earnings growth



Rebalance

- Rebalance our portfolio towards a 50/50 split between Natural Gas and Global LPG, through disciplined capital deployment
- Maintain operational and geographic diversification

Our Engine to Deliver 6-10% EPS Growth and 4% Dividend Growth

Proven Business Model Driving Value Creation

<p>7.0% Dividend 10-year CAGR</p>	<p>7.7% EPS 10-year CAGR¹</p>	<p>34 years Consecutively Increasing Dividends</p>
<p>137 years Consecutively Paying Common Dividends</p>		<p>\$1.6B Available Liquidity²</p>
<p>\$1.1B FY20 Cash Flow from Operations</p>	<p>~11.4% Rate Base CAGR³</p>	<p>3M+ Customers⁴</p>

SAFETY

RESPECT

INTEGRITY

RESPONSIBILITY

EXCELLENCE

RELIABILITY

1. 10-year CAGR assumes midpoint of current 2021 guidance as of May 5th, 2021. Adjusted diluted EPS is a non-GAAP measure. Please see appendix for reconciliation. 2. Liquidity as of Q2 FY21. Liquidity is defined as Cash, cash equivalents and available borrowing capacity. 3. Pertains to period 2016 to 2020. 4. Represents physically connected customers across all UGI subsidiaries.

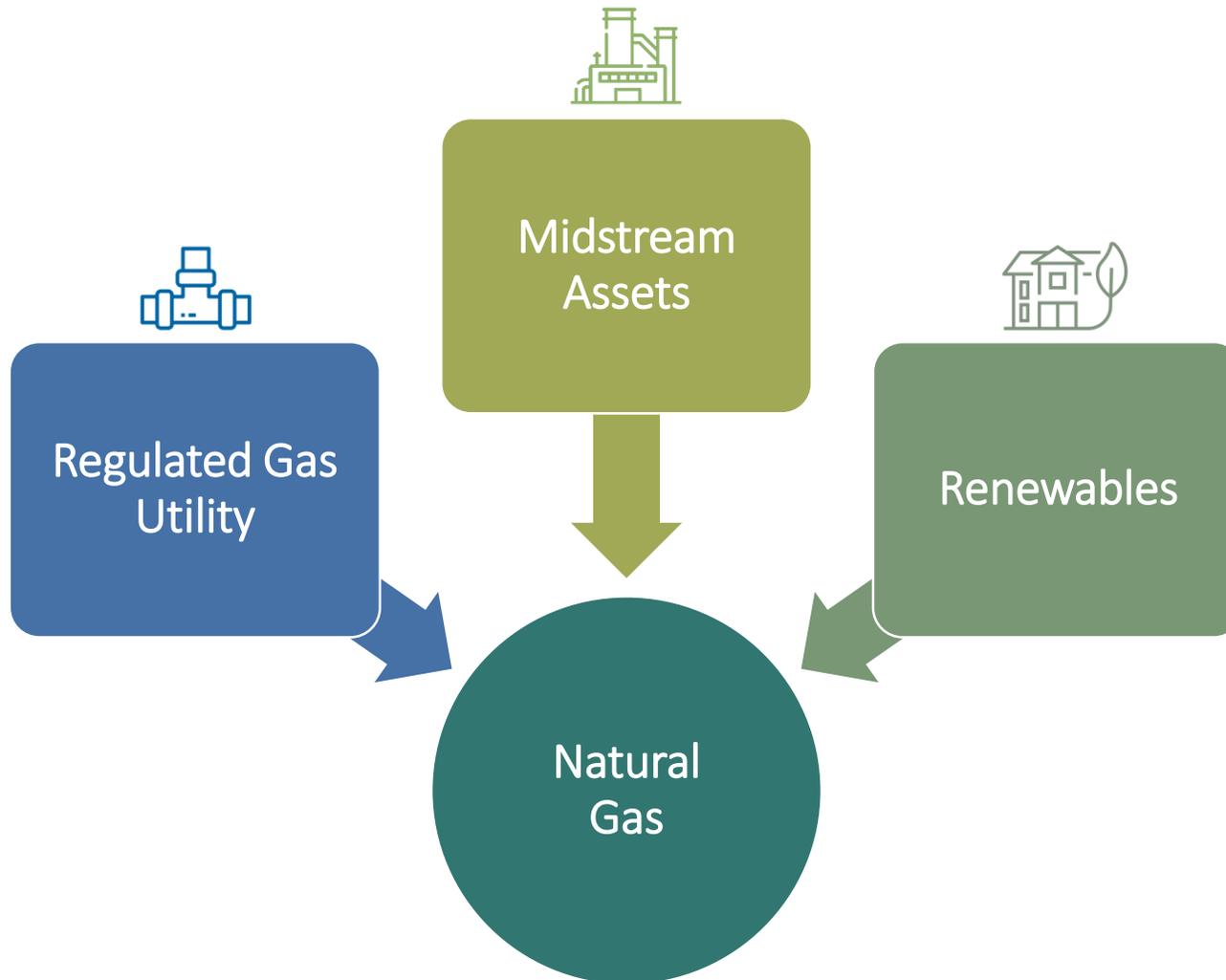


Reliable Earnings Growth from our Natural Gas Business

Robert F. Beard

Executive Vice President
Natural Gas, UGI

Our Natural Gas Businesses Deliver Stable Earnings Growth

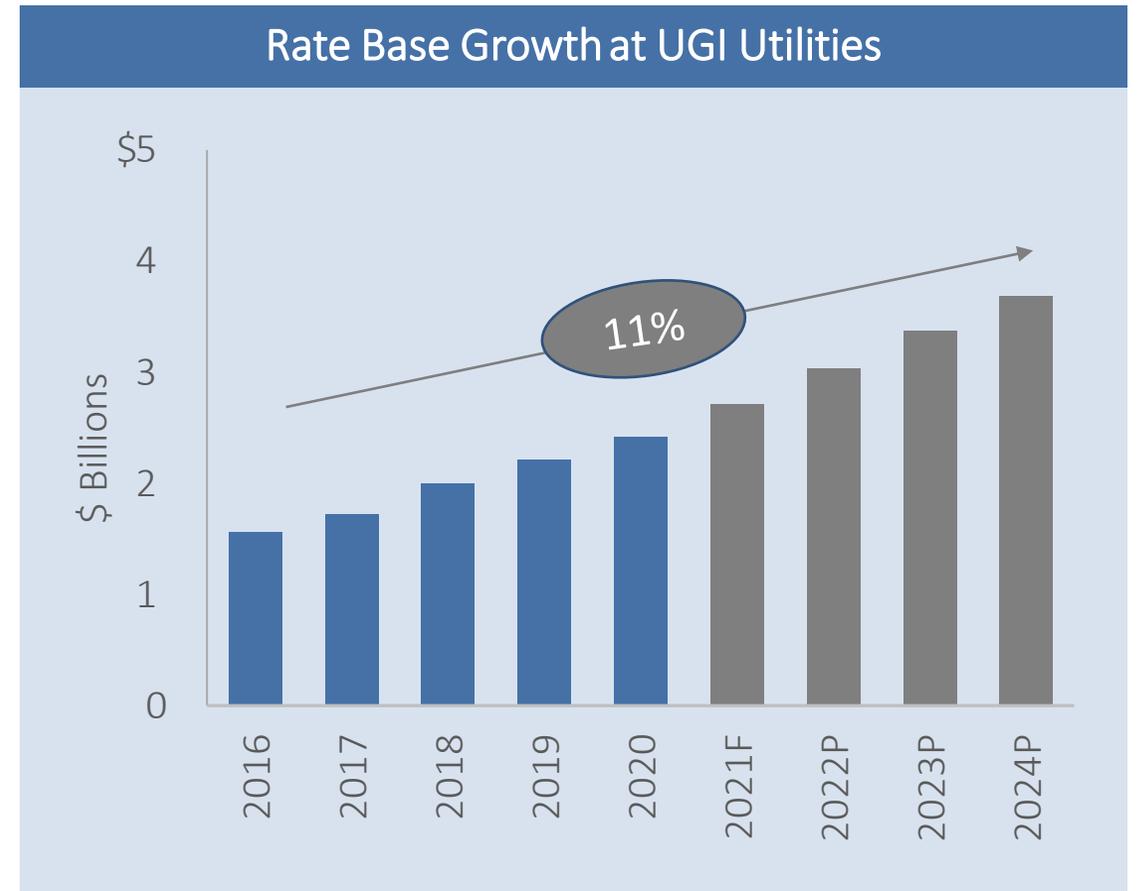
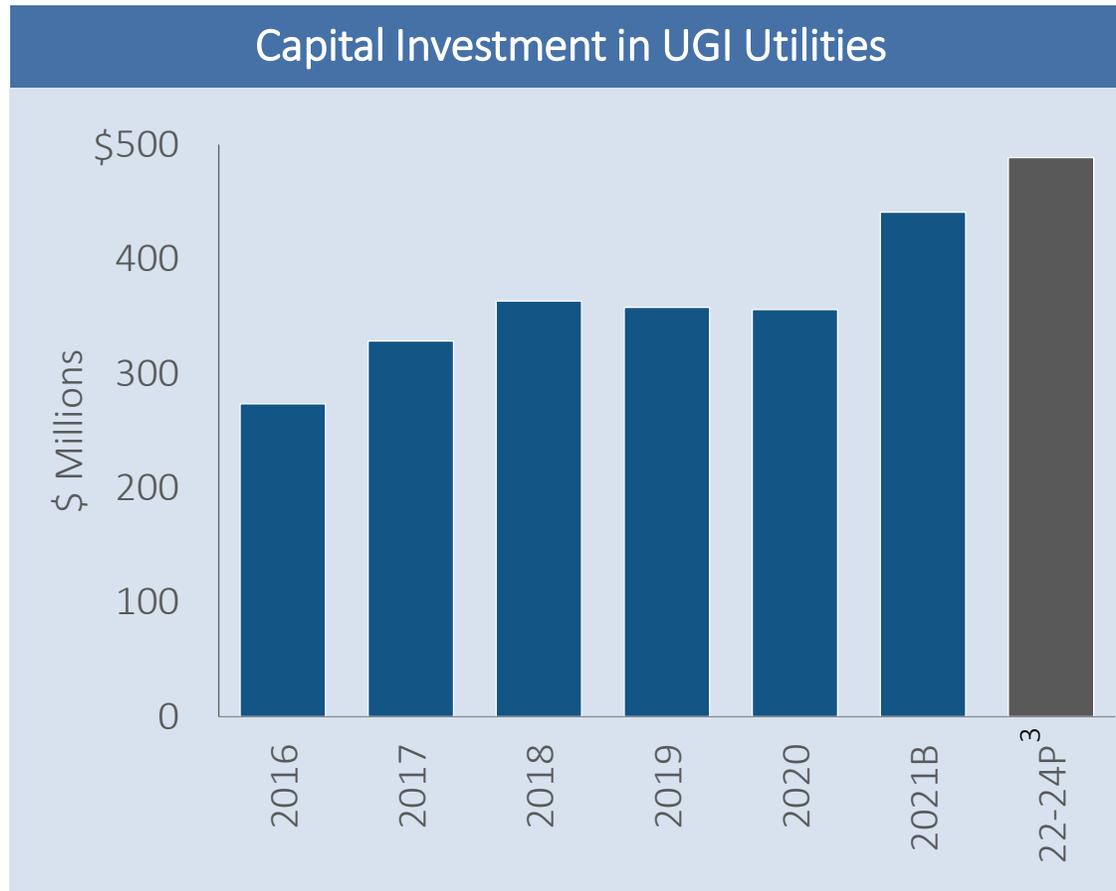


- 2nd largest regulated gas utility in Pennsylvania based on total customers
- Will include largest regulated gas utility in West Virginia after completion of pending Mountaineer Gas acquisition
- Historical rate base CAGR of ~11.4% (2016-20) at UGI Utilities
- Strategic midstream assets
- Significant fee-based income

Capital Investment Drives Rate Base Growth

\$2B in planned capital spend between FY21 – FY24¹

- Continue to retire aged infrastructure
- Strong growth, historically adding an average of 15,000+ heating customers annually²



1. Excludes the impact of the pending acquisition of Mountaineer Gas Company, which is anticipated to add \$2+ billion over the next 20 years. 2. Average annual customer growth between 2010 and 2020. 3. Multi-year average across FY22 to FY24.

Mountaineer Gas Company - A Strong Strategic Fit

Strong Rate Base Growth

- Increases UGI's rate base by ~14% to ~\$2.75 billion
- Anticipate 10% - 12% rate base growth CAGR over the long term, similar to UGI Utilities
- Infrastructure Replacement and Expansion program (IREP) encourages system upgrades

Significant Investment Opportunity

- MGC's ~6,000 miles of pipeline (25% bare steel) adds to UGI's existing footprint, presenting further opportunities
- Adds ~\$2 billion in regulated investment over 20+ years in MGC

Earnings and Customer Growth

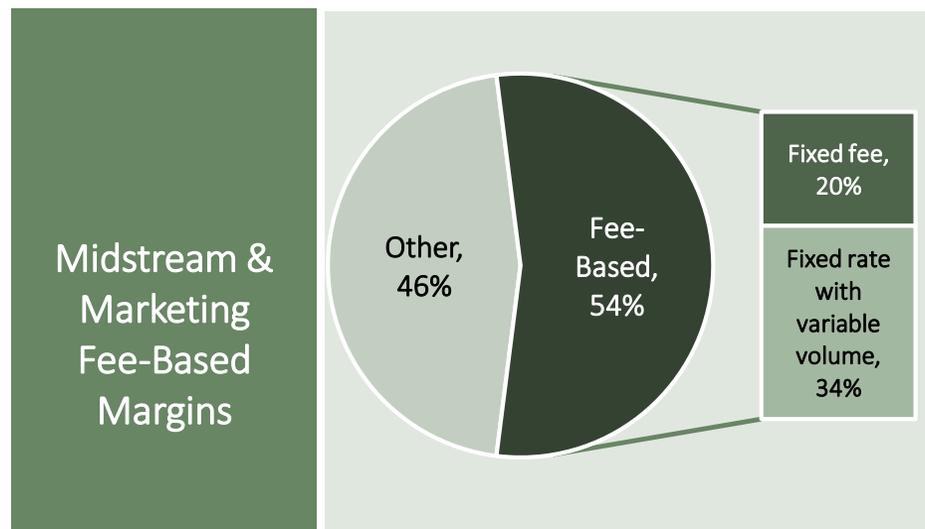
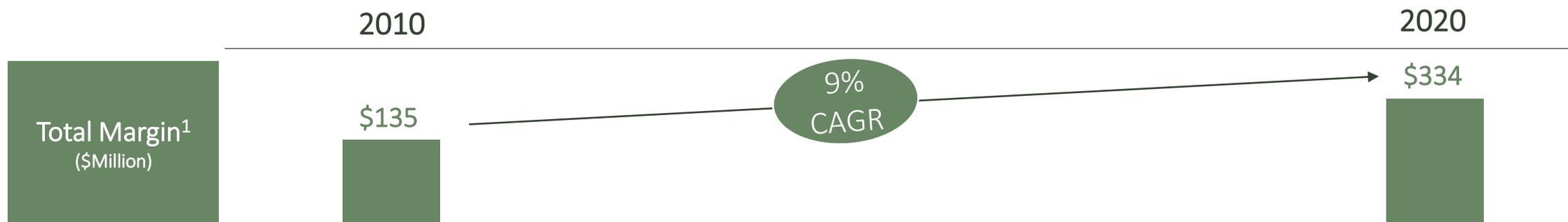
- Expands miles of gas mains to 18,000+
- Increases customer base of UGI Utilities by ~30%
- Opportunities to identify projects and strategies to increase earnings

Current Status

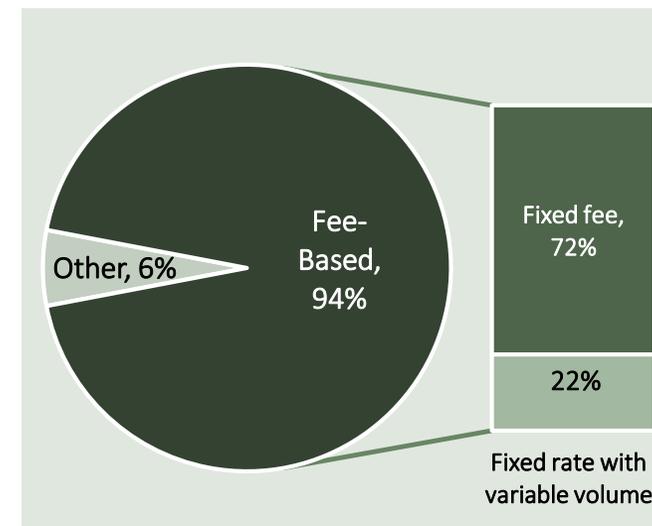
- Financing completed
 - Combination of debt, cash and equity units
- On track to close in the second half of the calendar year
- Accretive in the first full year of operations

Fee-Based Midstream Income Provides Reliable Earnings

Over the past 10 years, Midstream & Marketing has expanded to become a business of scale, offering both midstream and marketing services in the Appalachian basin and the eastern US. Fee-based income has also grown substantially as the business continues to prioritize asset-backed midstream investments.



- The Midstream & Marketing business provides stable earnings stream mostly underpinned by fee-based margin
- Fee-based margin includes minimum volume commitments (or take or pay) and other fee based income
 - Includes income from fixed fee peaking, storage and gathering, and fixed rate, variable volume gathering and marketing transactions



1. Total Margin is a non-GAAP measure. Please see appendix for reconciliation.

Compelling Opportunity to Drive Growth in Natural Gas

- Growing regulated business – a platform for significant capital investment and strong return on equity
 - Regulatory mechanism in place to encourage investment
 - Continued strong demand for natural gas provides reliable earnings growth
- Expanding midstream business with significant fee-based margin
 - Offering a full suite of midstream and marketing services
 - Quality assets located throughout the Marcellus / Utica production area
 - Strong margin underpins reliable earnings growth
- Well-positioned to grow our renewables business
 - Direct connections to 740,000+ customers
 - Trusted energy partner to our customers for decades
 - Distinctive assets and capabilities
 - Well-positioned as the foundation of a sustainable energy future



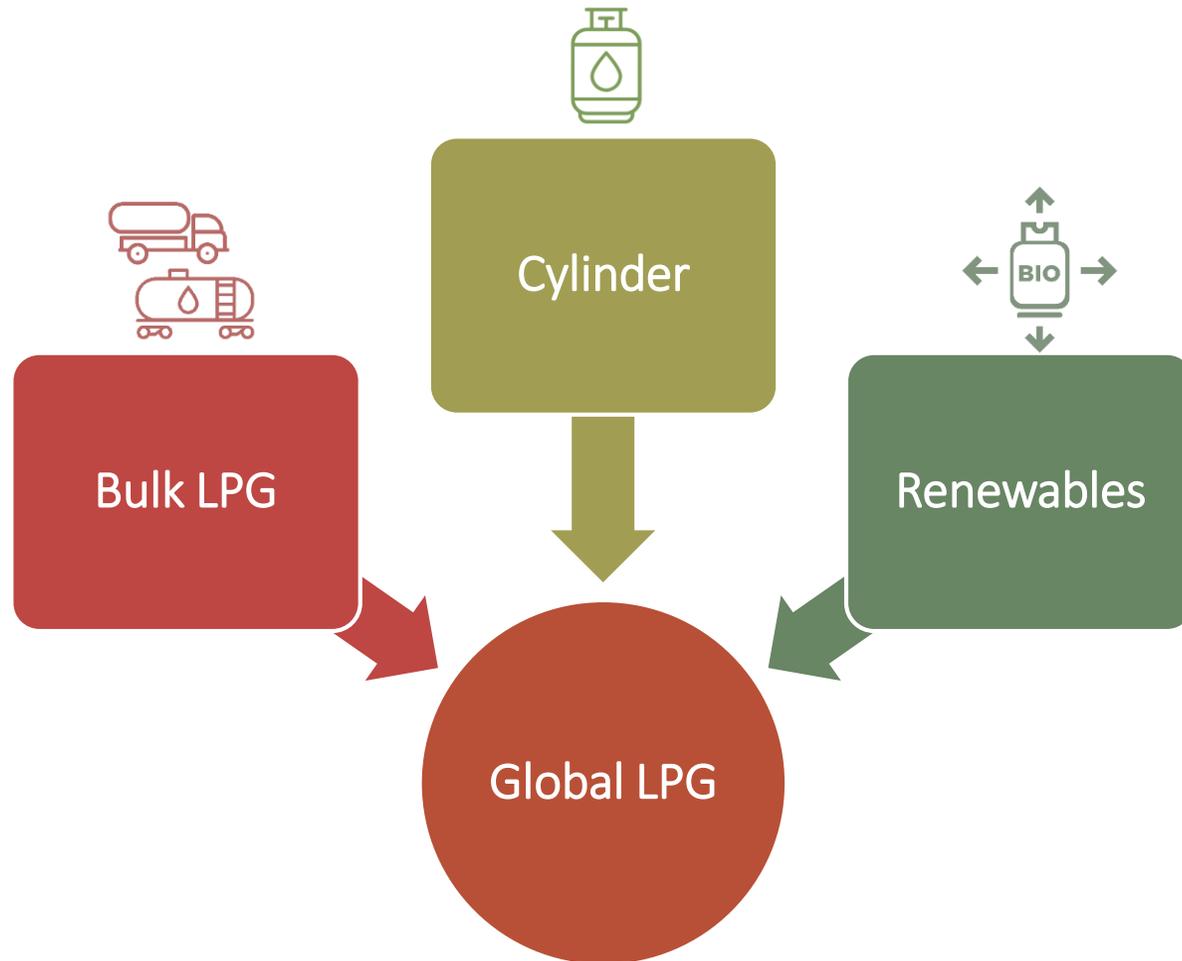


Reliable Earnings Growth in the Global LPG Business

Hugh Gallagher

Chief Strategy Officer, Global LPG

Global LPG Business Overview



- Largest LPG distributor in the U.S., France, Austria, Belgium, Norway, Denmark, and Luxembourg¹
- Significant geographic and end-use diversity
- Strong track record of innovative solutions, such as cylinder vending machines and Cynch
- Strategically positioned infrastructure assets that may be leveraged in the development of renewables
- Control over robust transportation and logistics infrastructure provides flexibility and supply reliability
- Proven record of strong cash generation

¹. Based on volume of propane gallons distributed annually.

Note: The information included on this page is as of the fiscal year ended September 30, 2020.

Investments in High Growth and Weather-Resilient Areas



- **Margin management:** Cost improvement efforts institutionalized to stay ahead of highly dynamic environment
- **Digitalization:** Utilize technology and data analytics to optimize operations
- **Continuous improvement:** Sharing best practices across entities and leveraging centers of excellence



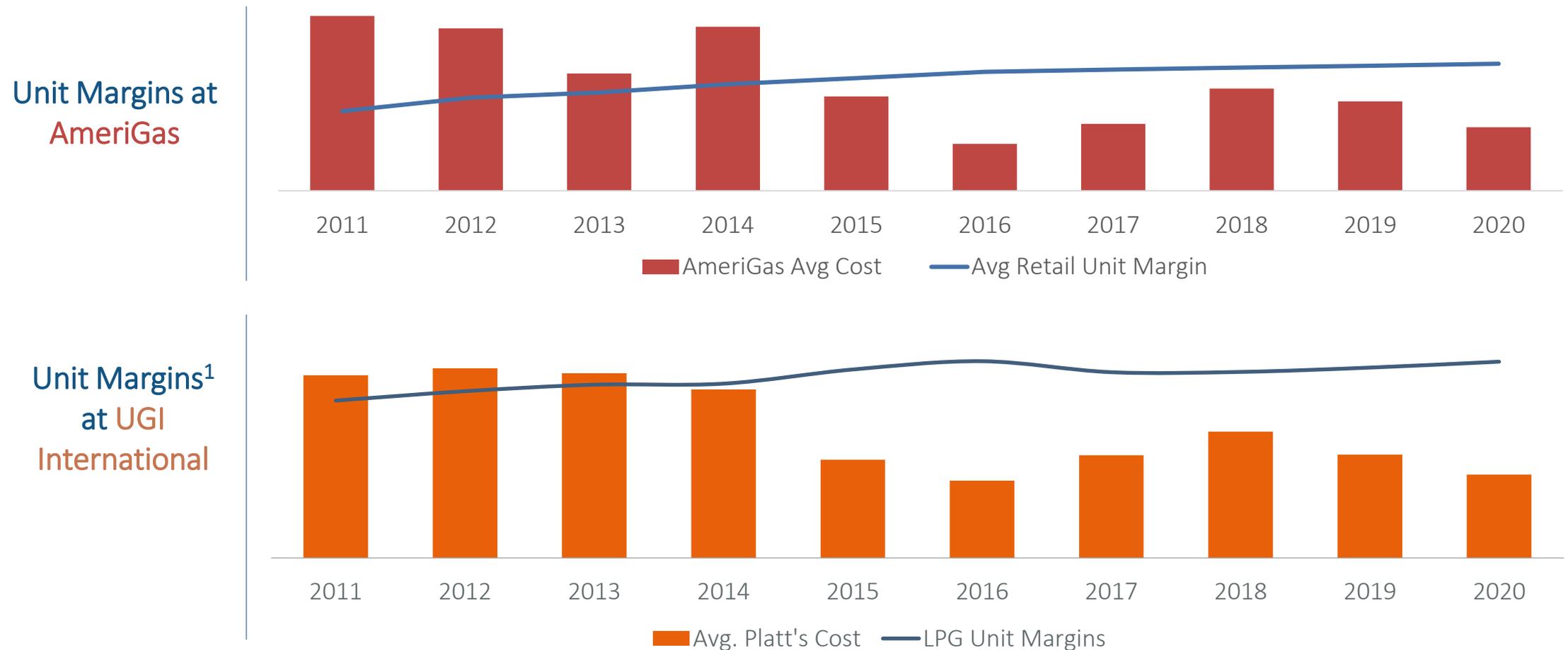
- **Investing in high growth and weather resilient business lines:**
 - **ACE and Cynch:** Strong growth driver with significant upside
 - **Vending Machines:** Expanding within our geographic footprint
 - **National Accounts:**
 - Utilizing scale to serve regional and national customers
 - Less weather sensitive than base business



- Leveraging core competencies and strategic assets **to increase renewable offerings** that lower carbon emissions, meet regulatory requirements and provide continued growth
- **BioLPG/rDME:** Continued growth through acquisitions, strategic JV's, supply agreements and infrastructure investments

Strong Margin Management Driving Reliable Earnings

Our Global LPG business consistently maintains strong unit margins to provide reliable earnings growth through varying economic cycles.



1. Margins pertain to the West unit of the business.

LPG Business Transformation Driving Efficiencies



Business Transformation Savings

AmeriGas

- Expect to realize **\$140 Million** in permanent annual savings by the end of FY22
 - Total estimated cost to implement: **~\$200 Million**
 - Expect to **invest about a third** of our cost savings in **high-value customer** retention initiatives

UGI International

- Expect to spend **~€55 Million** in total to implement transformation initiatives
- On track to deliver over **€30 Million** of annual savings by FY22

Compelling Opportunity to Drive Growth in Global LPG

- Strong free cash flow that enables rebalancing
- Stabilized earnings profile through disciplined margin management, business transformation initiatives and continuous improvement
- Proven growth in our cylinder exchange, vending and national accounts programs
- Strong focus on digitization, enhanced customer service, operational and commercial excellence
- Extensive infrastructure and geographic reach provides strong foundation for renewables strategy





Renewables

Roger Perreault

President and CEO – Elect
UGI Corporation

Matt Dutzman

VP – Strategy, Natural Gas

Neil Murphy

VP – Business Development,
Global LPG

Renewables: A Growth Engine for the Future

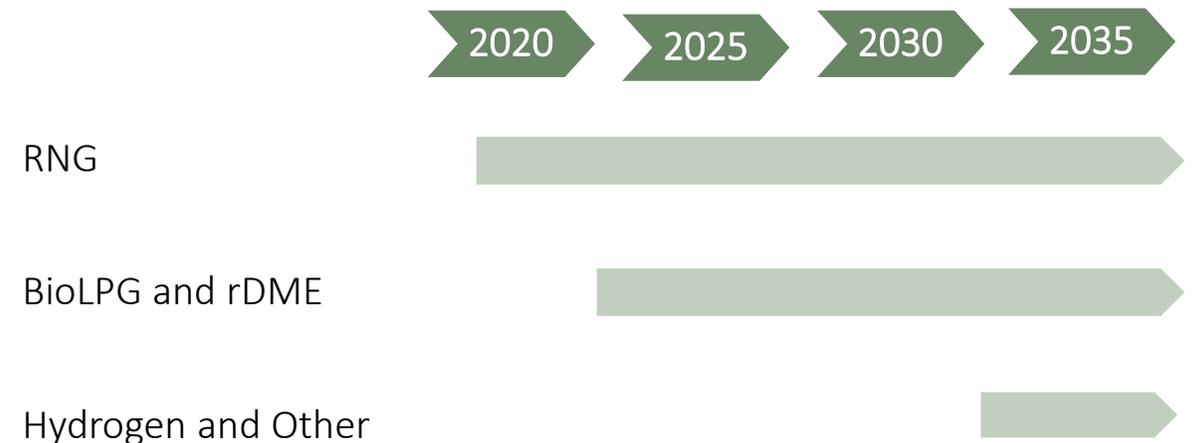
- Investments in renewable energy solutions provide a **pathway to defossilize / decarbonize existing energy solutions** through blending
- **Leverages existing infrastructure and our core competencies** to deliver innovative solutions to our existing and expanded customer base
- Supports **achieving carbon emission reduction goals and meeting existing regulatory mandates**
- Renewables investments provide a strong growth platform with **targeted 10%+ unlevered internal rates of return (IRR)**



>\$1 billion

Planned investment in Renewable Energy Solutions over the next 5 years

Areas of Investment



A Range of Renewable Energy Solutions

Providing renewable solutions that are highly compatible with existing infrastructure and customer usage.



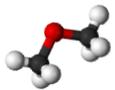
Renewable Natural Gas (RNG)

- Natural gas derived from organic waste, including farm, municipal and industrial waste
- A cost competitive renewable energy solution in comparison to hydrogen
- A zero carbon or negative carbon solution depending on the feedstock and local regulations



BioLPG

- Propane produced from renewable sources, including advanced bioethanol derived from industrial waste
- Can be used in natural form or blended with LPG



Renewable Dimethylether (rDME)

- A safe, clean-burning, sustainable fuel produced from renewable feedstock
- Could result in a significantly lower carbon intensity, when blended with other sources
- Can be used in transport, domestic and industrial heating and cooking when blended



We are focused on expanding capabilities in renewable energy solutions while leveraging strategic assets. Opportunities exist outside of our traditional geographic boundaries, from production through distribution.

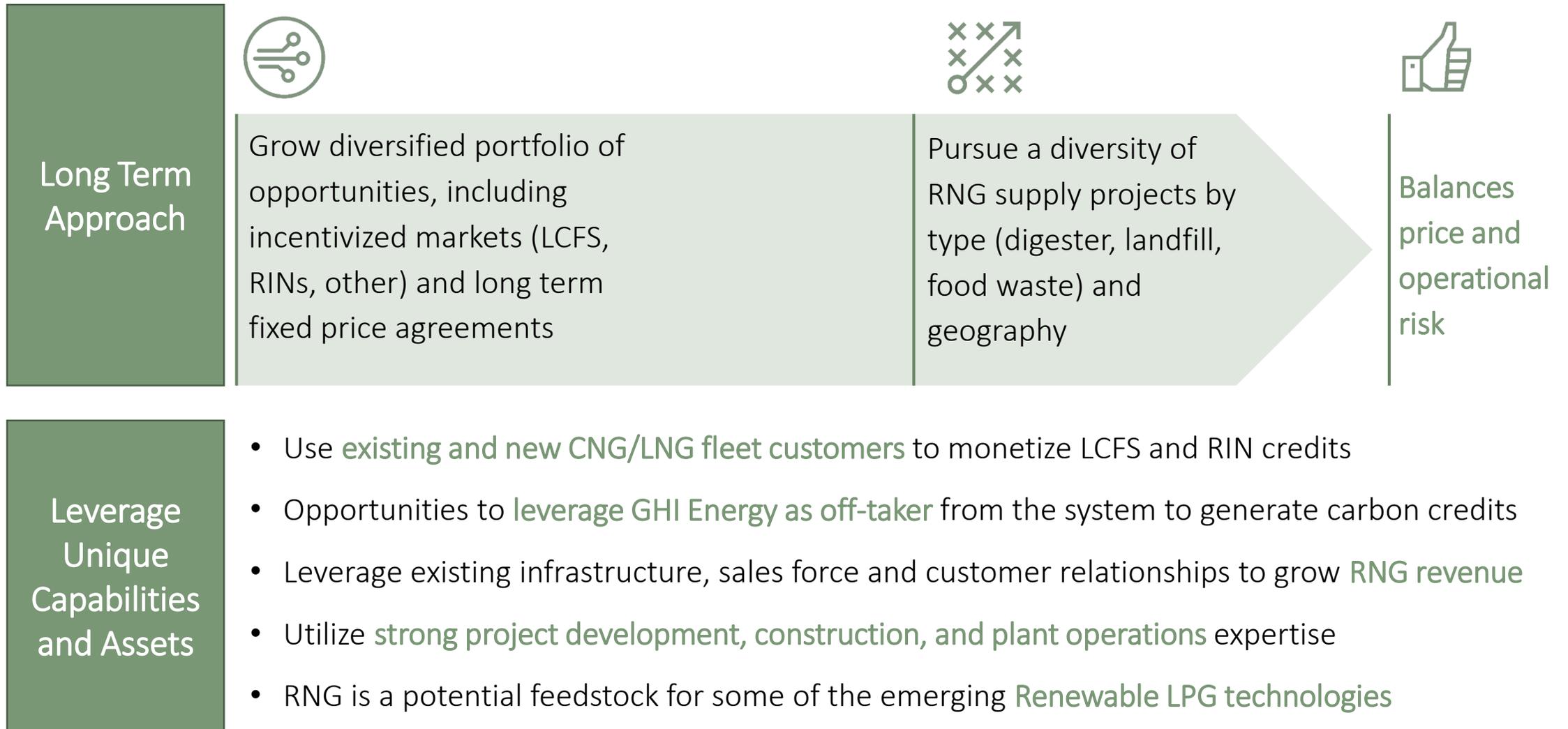
Emerging Renewables Opportunities



Hydrogen and Other

- Will continue to explore opportunities in other solutions, which may include renewable hydrogen, carbon capture, battery storage and other promising technologies

Renewable Natural Gas Growth Opportunities



Illustrative Example: From Waste to Renewable Natural Gas



Farm waste

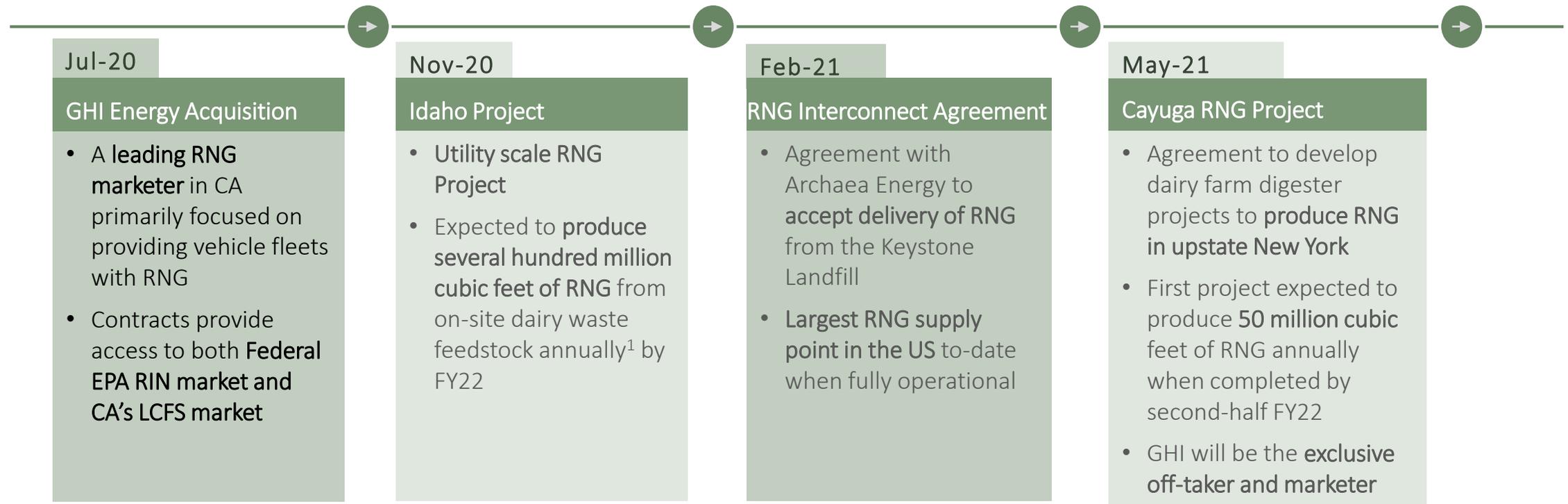
Anaerobic digestion creates biogas from which RNG is extracted

RNG injected into pipeline for distribution to end customer

RNG Investments and Partnerships

Multiple RNG acquisitions and partnerships in the past 12 months

- Investments have broadened the UGI footprint outside of the Mid-Atlantic region to California, Idaho and upstate New York
- Work with regulators to develop framework for further adoption of RNG
- Explore multiple RNG opportunities where we can leverage strategic assets and competencies



1. Once the project reaches full production which is expected in FY22.

Renewable Dimethylether (rDME) Production Pathways

rDME supports defossilization of the LPG portfolio with a flexible approach that can be blended to achieve net carbon neutrality in each jurisdiction.

- rDME can be produced through various processes depending on the energy source
- Carbon intensity depends on feed stock, process and calculation method prescribed by local regulations

Illustration of an rDME production pathway



Sustainable feedstock
(MSW, residues, etc.)



Gasification +
catalytic
synthesis



rDME



rDME Usage

Transport



Heating



Cooking



Recent Collaborations in Global LPG

Collaborations to Accelerate the Transition of the LPG Industry to a Sustainable Future.

- Collaboration to **advance the production and use of rDME**
- Anticipate the development of up to 6 production plants within the next 5 years
 - Targeting a total production capacity of 300 kilotons of rDME per year by 2027
 - **40% of production capacity available to UGI** in the US and Europe positions us to satisfy potential emissions reduction standards
- **Leverages expertise, innovation capabilities and distribution power** of both parties, and partnerships with technology providers
- Aggregate planned investment up to **\$1 billion, including third parties investment**
- Based on proven technology



Intent to
Create Joint
Venture with
SHV Energy

Exclusive
Supply
Partnership
with Ekobenz

- **Exclusive rights to bioLPG supply** in order to meet customer demand
- Currently modest supply of biofuels annually (**~23 kilotons annually**)
- Supports the defossilization of our business and the 2050 net zero targets



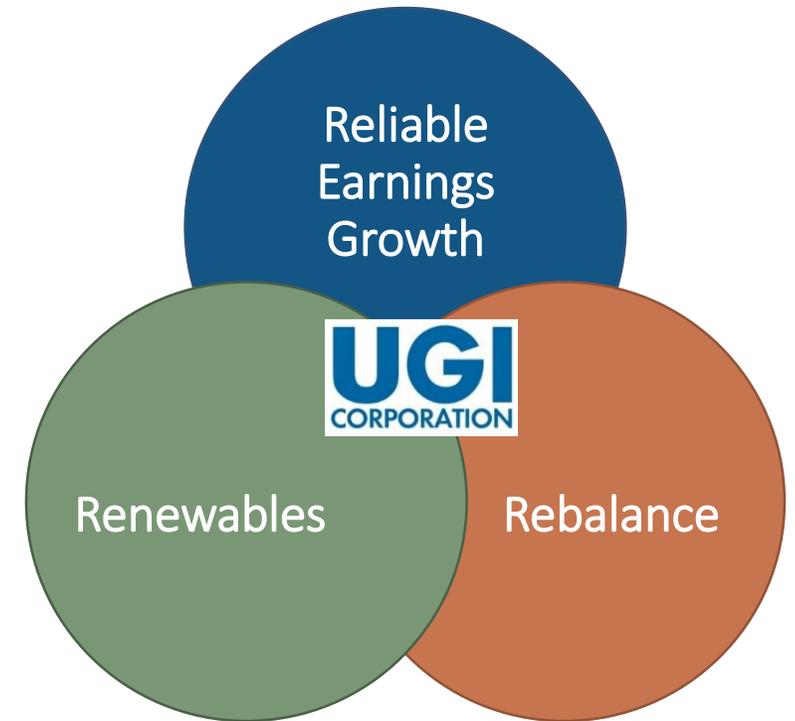


Converting Strategy to Financials

Ted J. Jastrzebski
Chief Financial Officer, UGI

Clear Financial Objectives to Continue Delivering Shareholder Value

- UGI is a **balanced growth and income investment**
- **Excellent cash generation**; FY20 cash flow from operations of \$1.1B
- Well positioned to deliver **consistent earnings growth** through:
 - Record capital deployment and strong customer growth in our regulated business
 - Strong contracted and strategic midstream assets
 - Disciplined margin and OPEX management
 - Business transformation and continuous improvement
 - Investment in high-growth and weather resilient areas
 - Renewables investments
- **Strong balance sheet position** - \$1.6 billion in available liquidity¹ as of March 31, 2021
- Proven track record for **capital stewardship**
- **Rebalance** towards a 50/50 split between Natural Gas and Global LPG



¹. Defined as Cash, cash equivalents and available borrowing capacity.

Business Unit Growth Drives UGI Performance



Well positioned to achieve guidance based on the strong performance in the first half of the fiscal year, projected 10-cents negative impact from COVID-19 and 12-cents in non-recurring tax benefits.

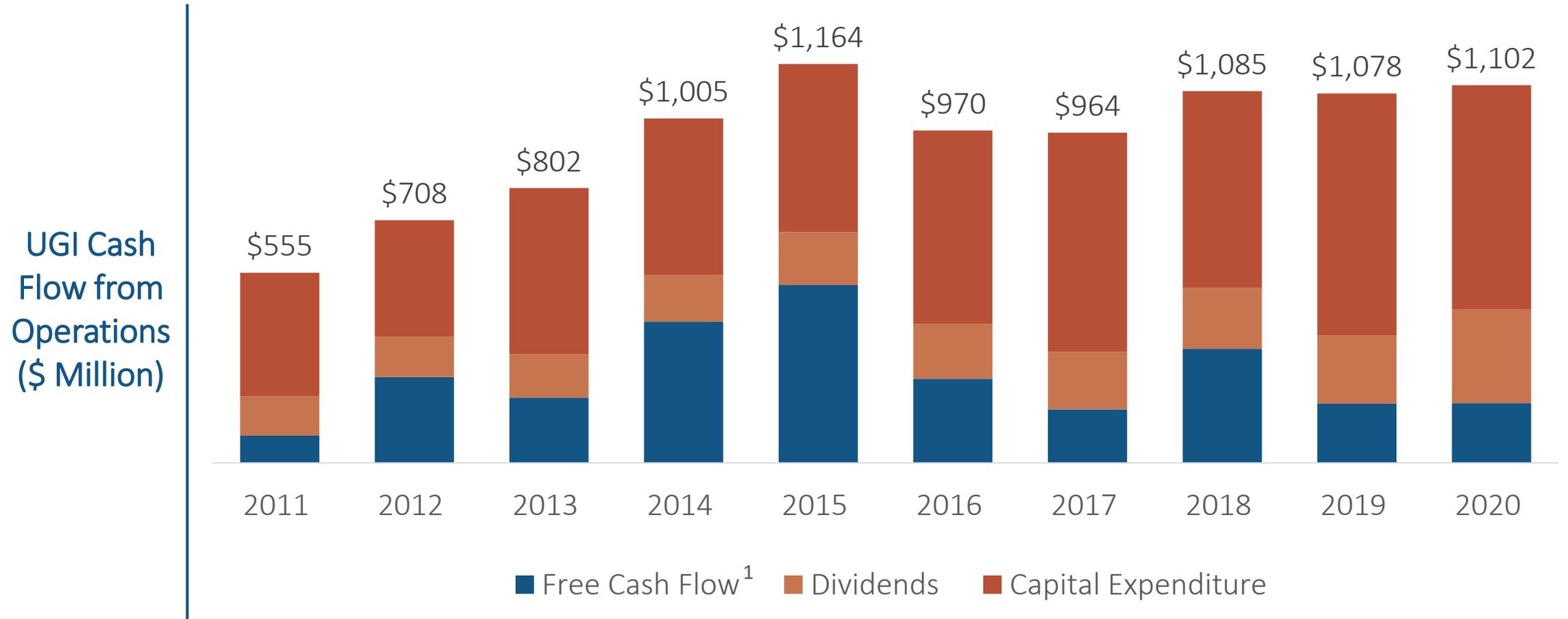


Significant cash generation provides funding source for disciplined capital deployment in renewables, natural gas, and high-growth areas to deliver reliable and consistent earnings growth.

1. Adjusted Diluted EPS is a non-GAAP measure. 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 and fiscal 2024 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.

Cash Flow Stability

Cash flow stability and growth remains a key differentiator for UGI. Focus on liquidity provides resilience against macro risks as well as flexibility in our capital project execution and operational process innovation.

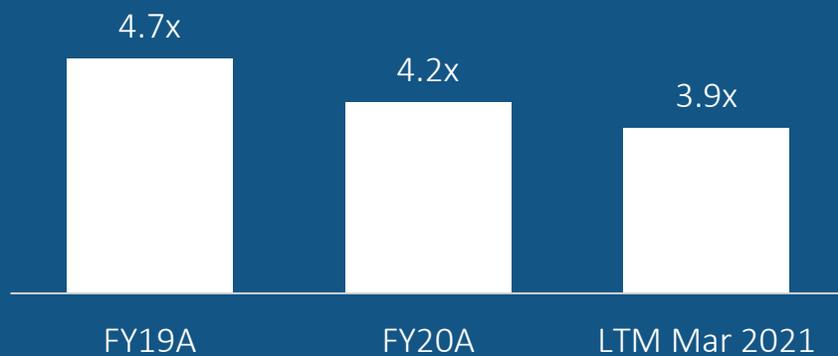


1.. Free Cash flow is a non-GAAP measure and is calculated as Cash Flow from Operations – Dividends – Capital Expenditures.

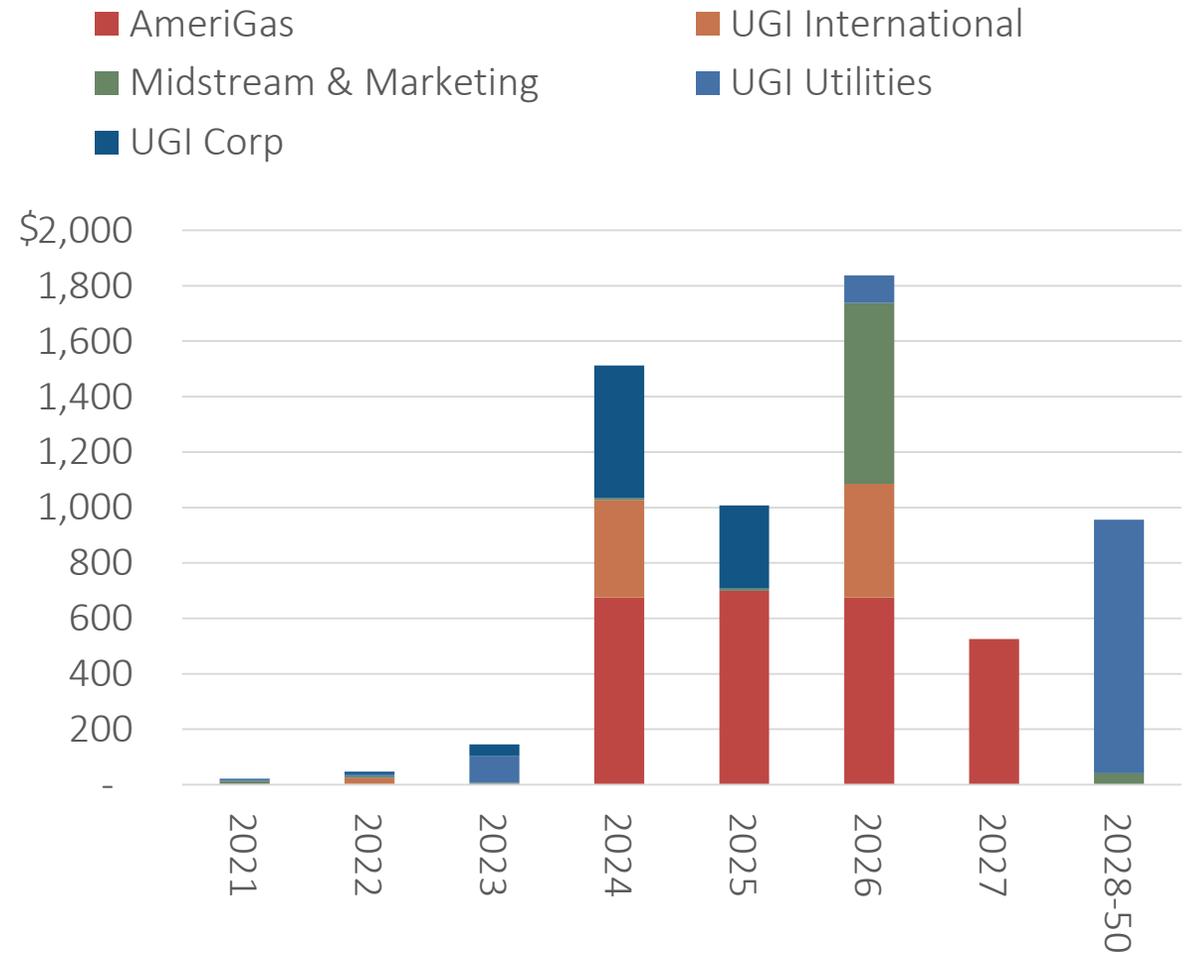
Balance Sheet - Leverage

Leverage^{1,2}

- UGI’s philosophy is to hold debt at its business units and keep capacity at the holding company level for strategic opportunities
- Plans to achieve leverage² of 3.0x - 3.5x over the next several years
- Enabled UGI to use its balance sheet to finance a portion of the AmeriGas merger and CMG acquisition in FY19 at the holding company level
- Limited near term financing needs

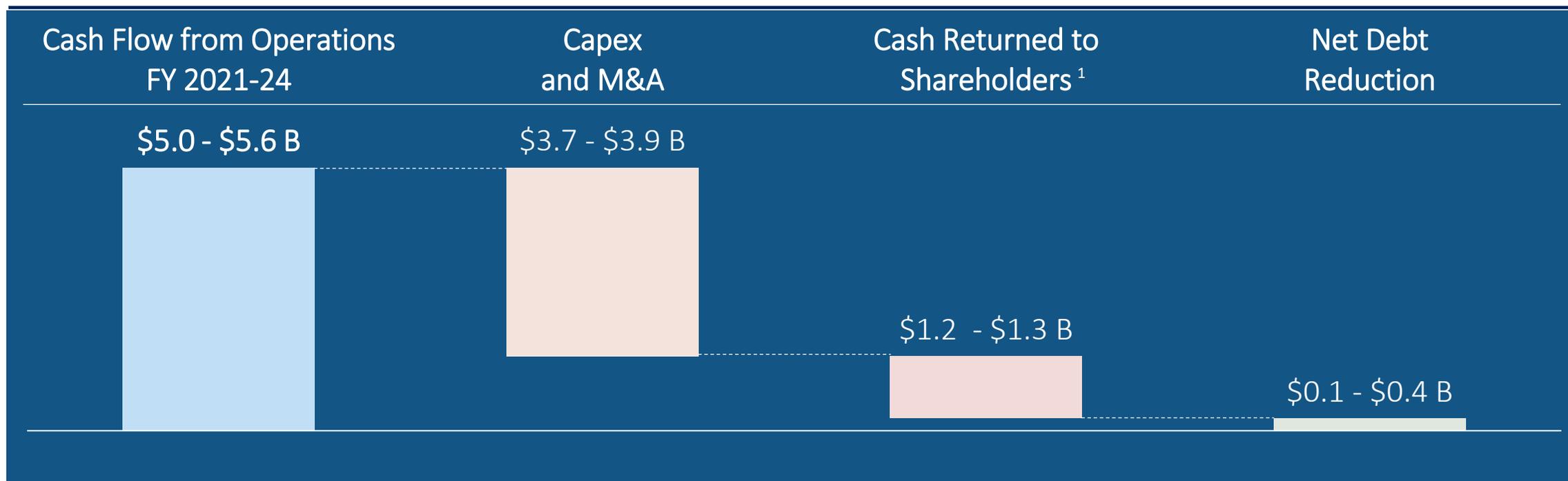


Debt Maturities (\$ Million)



1. Estimated using long-term business planning and debt repayment assumptions. 2. Total debt over Adjusted EBITDA. Adjusted EBITDA is a non-GAAP measure. Please see Appendix for reconciliation.

Strategic Capital Allocation



- Continuing to build a resilient company ready for the next phase of sustainable growth

- Capital plan at Utilities
- Renewable energy solutions
- Growth on UGI Appalachia system
- Natural Gas infrastructure buildout
- LPG Business Transformation

- Meet commitment to shareholders to grow annual dividend by 4%
- Maintain competitive dividend payout ratio of 35% - 45%

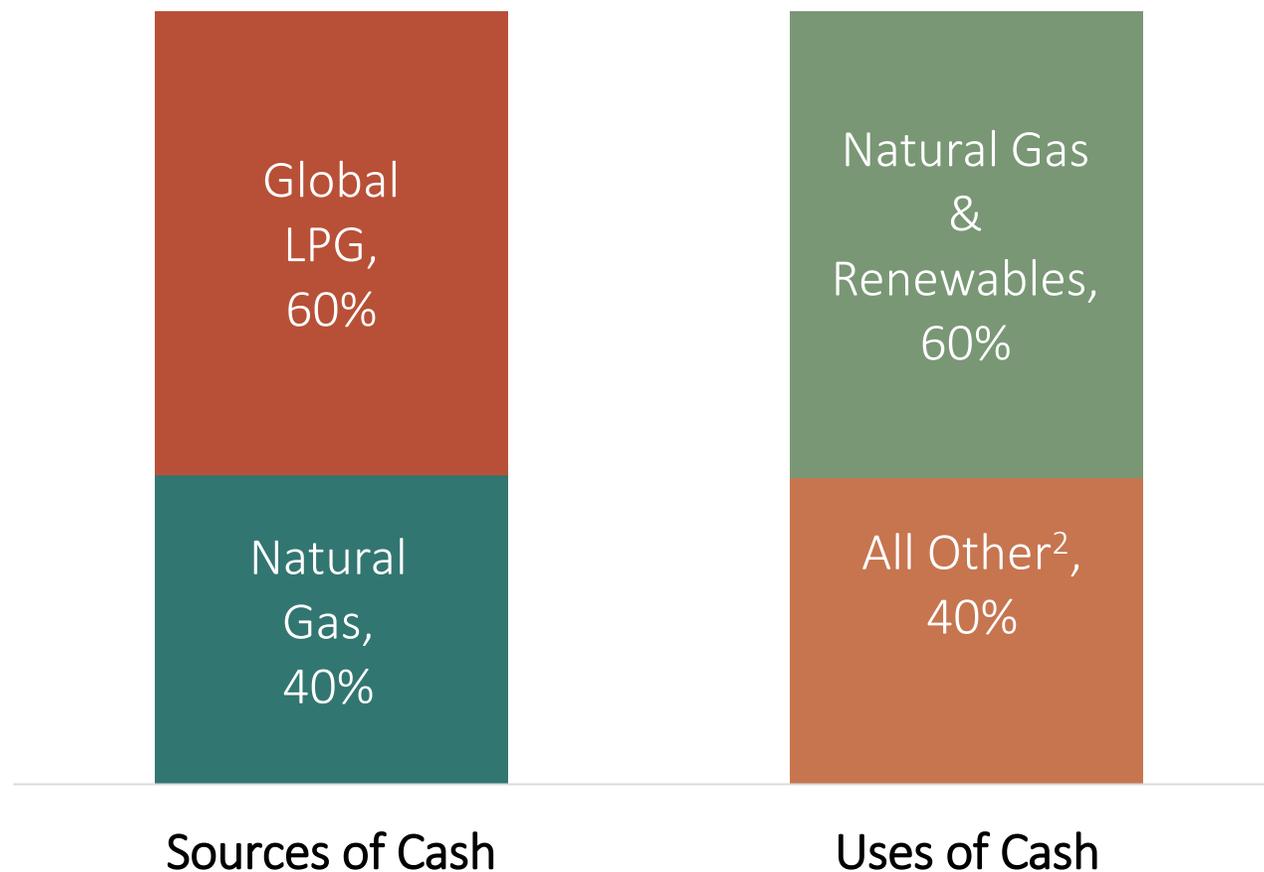
- Reduce consolidated leverage to levels before recent strategic transactions

¹. Includes dividends and share repurchases.

Cash Engine Drives Rebalancing

- Our businesses are expected to generate ~\$5.0 - \$5.6 Billion in Cash Flow from Operations between FY21-24 that **drive growth investments and the achievement of long-term financial commitments**
- **75%+ of planned capital deployed** between FY21 and FY24 is focused on utility investments and renewables, organically rebalancing the portfolio
- Replacement of aging infrastructure **reduces emissions and improves operational efficiency**, while contributing to ~10 – 12% rate base growth

FY21 – 24 Sources and Uses of Cash¹



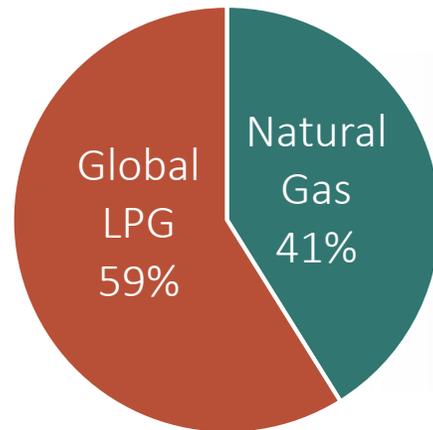
¹ Plotted using the mid-point of the ranges for both sources and uses of cash provided on the previous page. The forward-looking information used on this slide is for illustrative purposes only. Actual sources and uses of cash may differ from the figures presented.

² Includes capital expenditures for LPG business, dividends, share repurchases and debt repayment.

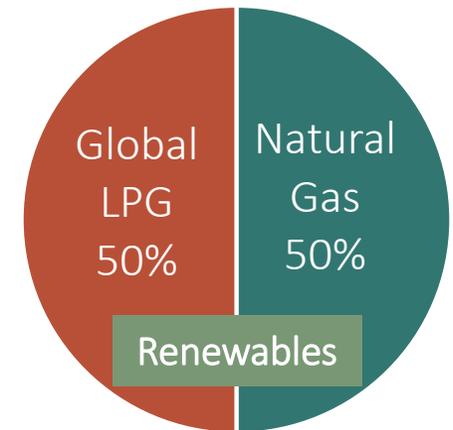
Diverse Businesses Fueling Long-Term Growth

Rebalancing our Portfolio

FY20 Contribution¹ by Business



Targeted Contribution² by Business

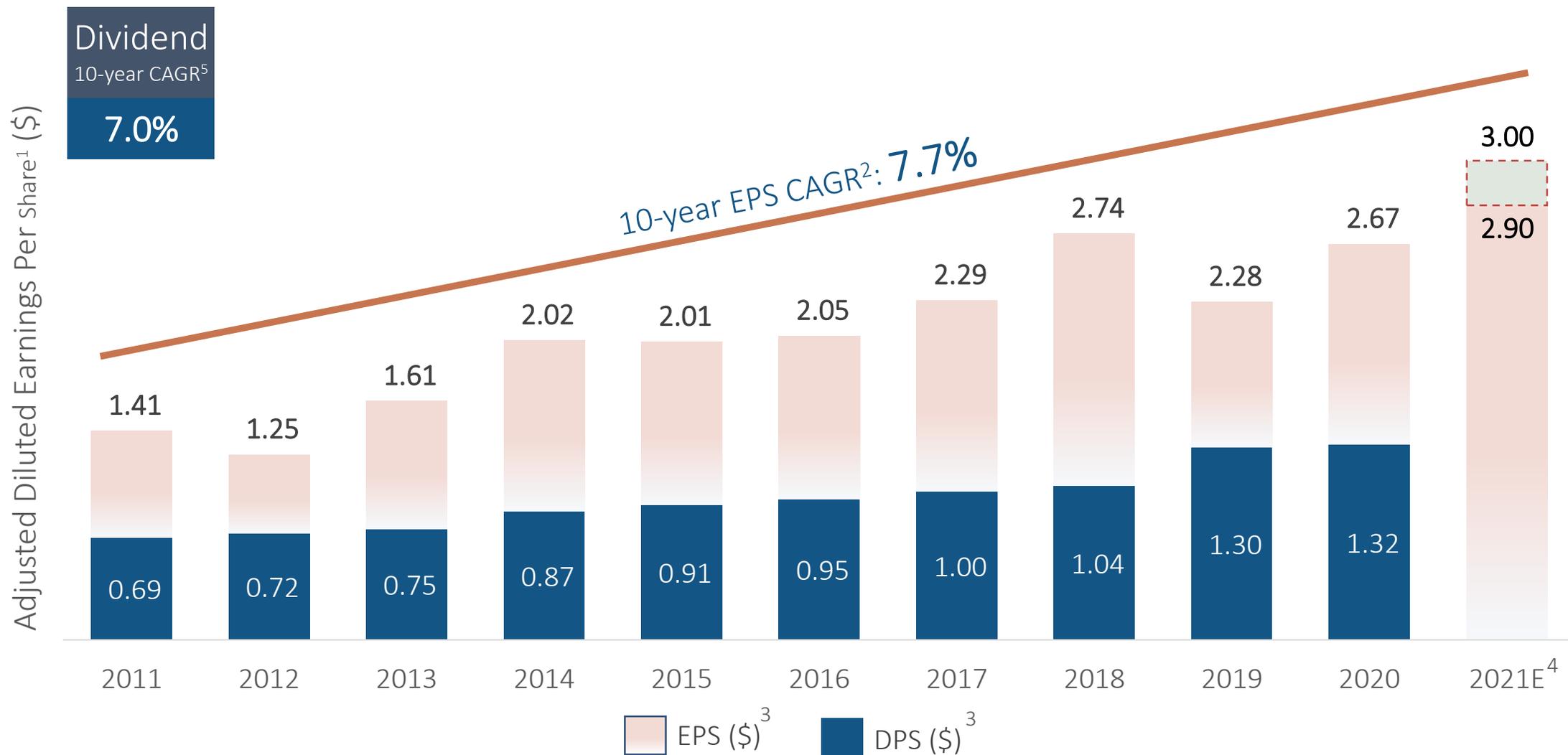


Achieving Optimal Business Mix

- Organic Growth
- Disproportionate Investment in Natural Gas
 - \$2+ billion in UGI Utilities over the next 5 years for infrastructure upgrade
 - Pending Mountaineer Gas acquisition and additional investment
 - M&A
- Investment in Renewable Energy Solutions

1. Contribution to Adjusted Diluted Earnings Per Share in FY20 excluding Corporate & Other. 2. The forward-looking information used on this slide is for illustrative purposes only. Actual contribution may differ substantially from the depiction on this slide.

History of Value Creation and Shareholder Return



1. Adjusted Diluted EPS is a Non-GAAP measure. Please see appendix for reconciliation. 2. 10-year CAGR assumes midpoint of 2021 guidance. 3. Adjusted for stock splits. 4. 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. 5. Dividend CAGR from 2010 to 2020. 2010 Dividend-per-share was \$0.67.



Environmental, Social and Governance

Brendan Heck

VP, ESG

Our ESG Journey

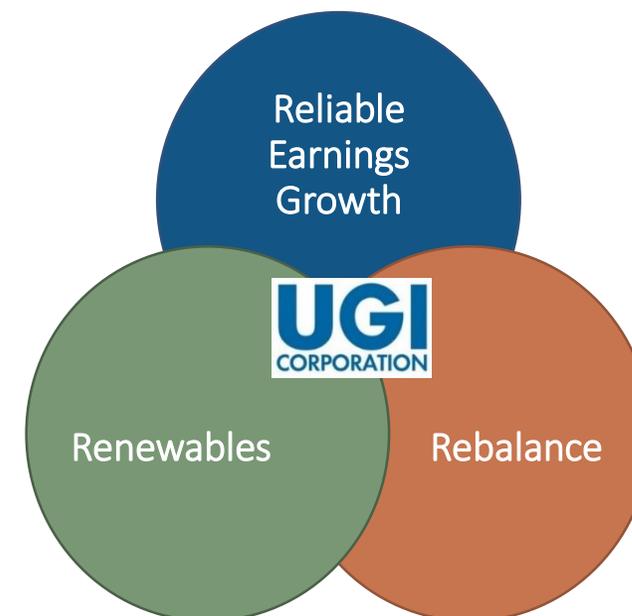
Current Focus Areas

- **“S” Leadership**
 - Executive compensation linked to safety and diversity & inclusion initiative performance
- **Set ambitious *near-term* targets**
 - 35% reduction in Total Recordable Injuries (2025)¹
 - 50% reduction in Accountable Vehicle Incidents (2025)¹
 - 55% reduction in Scope I emissions (2025)¹
- To ensure **continued focus on topics that are most significant to our stakeholders**, UGI will conduct its second Materiality Assessment in FY 2022

Going Forward

- **Operations and disclosures focused on several frameworks**, including SASB, GRI, CDP, SDG and TCFD
- Continue identifying opportunities to drive efficiency and lower emission
- Provide regular update on achievement of goals

*UGI aims to deliver on its **economic, social, and environmental goals** as a direct outcome of its strong execution on the 3R Strategy*



UGI has a clear line of sight to ESG leadership

¹. See Appendix for additional information

Commitment to the Environment

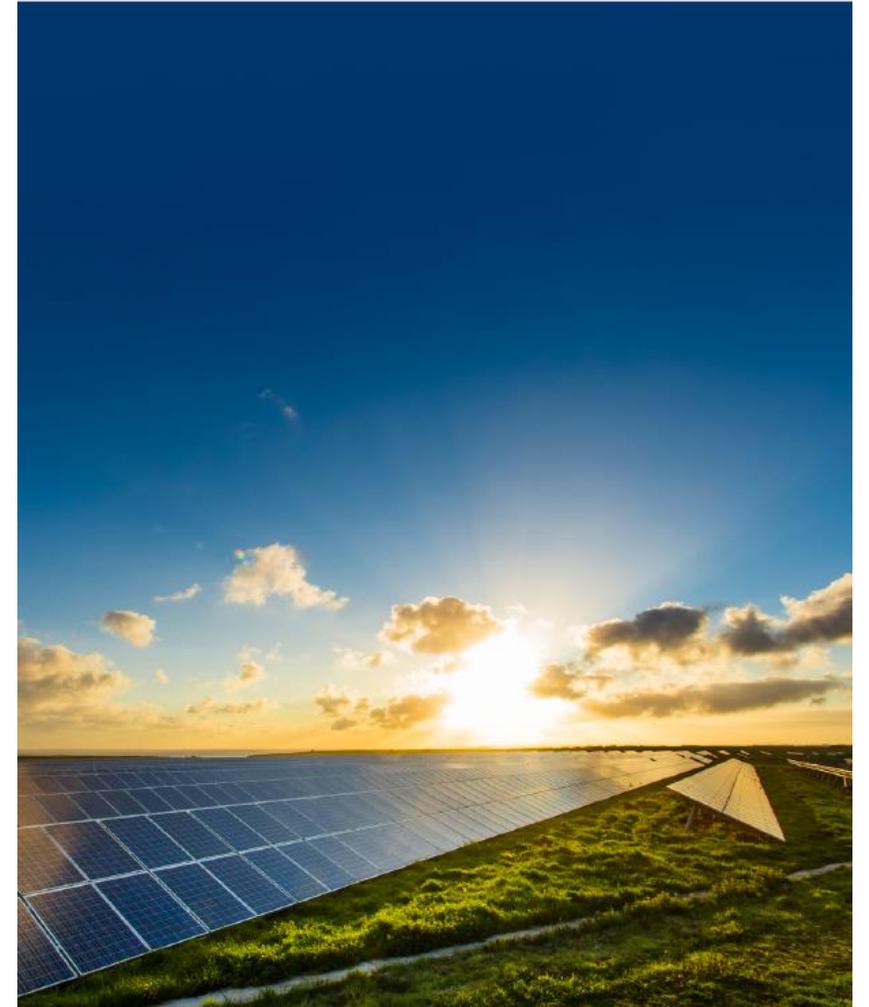


Our Commitments

Committed to reducing Scope 1 emissions by 55% by 2025 using 2020 as the base year.¹

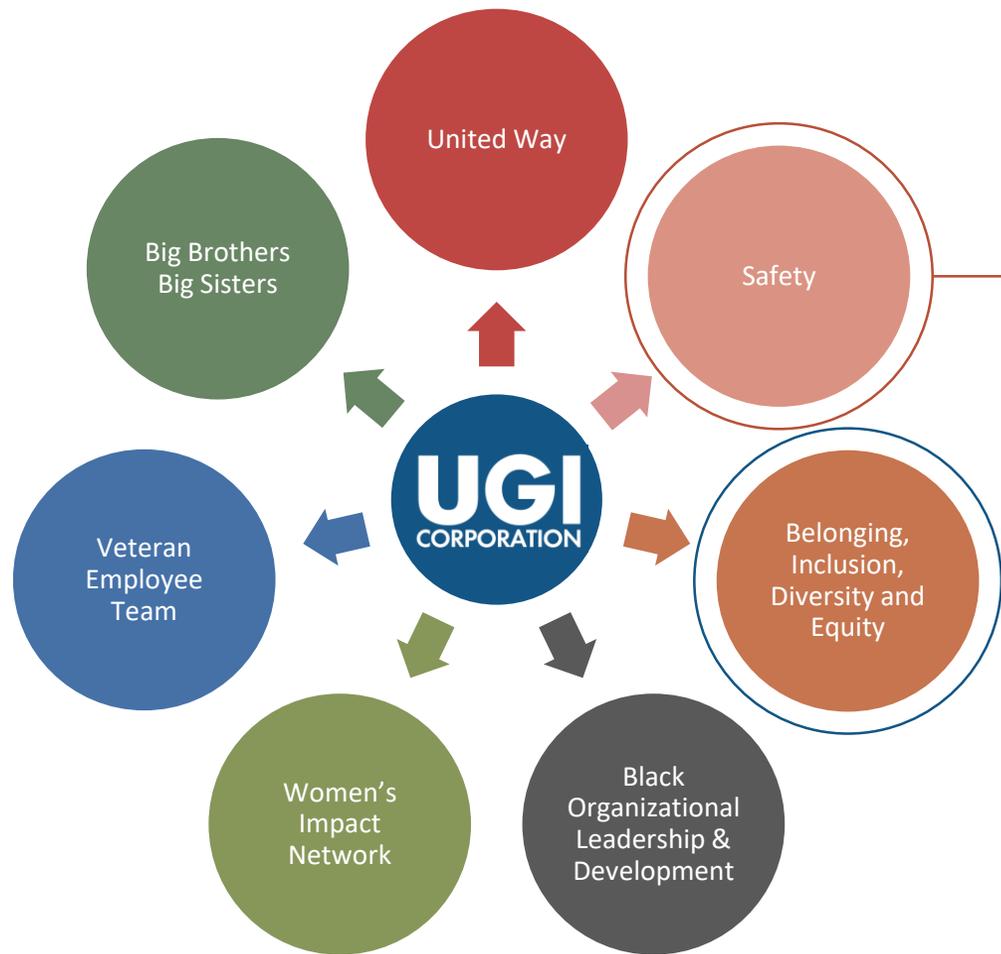
Plan to invest ~\$2.5B to reduce UGI and customer emissions over this time and sell non-core assets such as Conemaugh

- **Pipeline Replacement & Betterment** program
- **Converting diesel fuel** to renewable or bio-diesel, CNG or LPG
- **Leak detection** technology
- Equipment at **compressor stations** to decrease emissions
- Efficiencies such as **route optimization** technology



¹. See Appendix for additional information.

Enhancing a Culture of Social Responsibility



Our Commitments

- 35% Reduction in Total Recordable Injuries by 2025^{1,3}
- 50% Reduction in Accountable Vehicle Incidents (AVI) by 2025^{2,3}



UGI's Core Four - Belonging, Inclusion, Diversity and Equity (BIDE)



Culture



Career



Community



Commerce

1. Per 200,000 hours; 2017 baseline 2. Per 1,000,000 miles; 2017 baseline. 3. See Appendix for additional information

Our Business is Built on Strong Governance

UGI falls in the top decile of Governance scores as per Institutional Shareholder Services



Active and Engaged Board of Directors



Publication of ESG Report



Diverse Board of Directors



Active Shareholder Relations



Corporate Governance Guidelines



Governmental Relations



1. Average tenure is calculated as of January 29, 2021. For directors who were appointed in 2020, their average tenure was calculated as a proration based on their month of appointment. 2. As defined under the rules of the New York Stock Exchange.



Key Takeaways

Roger Perreault

President and CEO – Elect
UGI Corporation

Key Takeaways: From Strategy to Execution

- Strategy of providing reliable earnings growth, investing in renewable energy solutions and rebalancing our portfolio remains unchanged
- Recent announcements and financial performance demonstrate continued execution of our strategy:
 - Pending Mountaineer Gas Company acquisition
 - RNG partnerships and collaborations
 - BioLPG and rDME partnerships and collaborations
 - Strong financial performance
 - 34th consecutive year of dividend increase
- Clear path to growth
- Accelerated renewables investments with key focus areas emerging
- Growing cash generation, strong liquidity and disciplined capital deployment
- Made strong progress on our objective to be an ESG Leader



6-10% EPS Growth and 4% Dividend Growth

Appendix



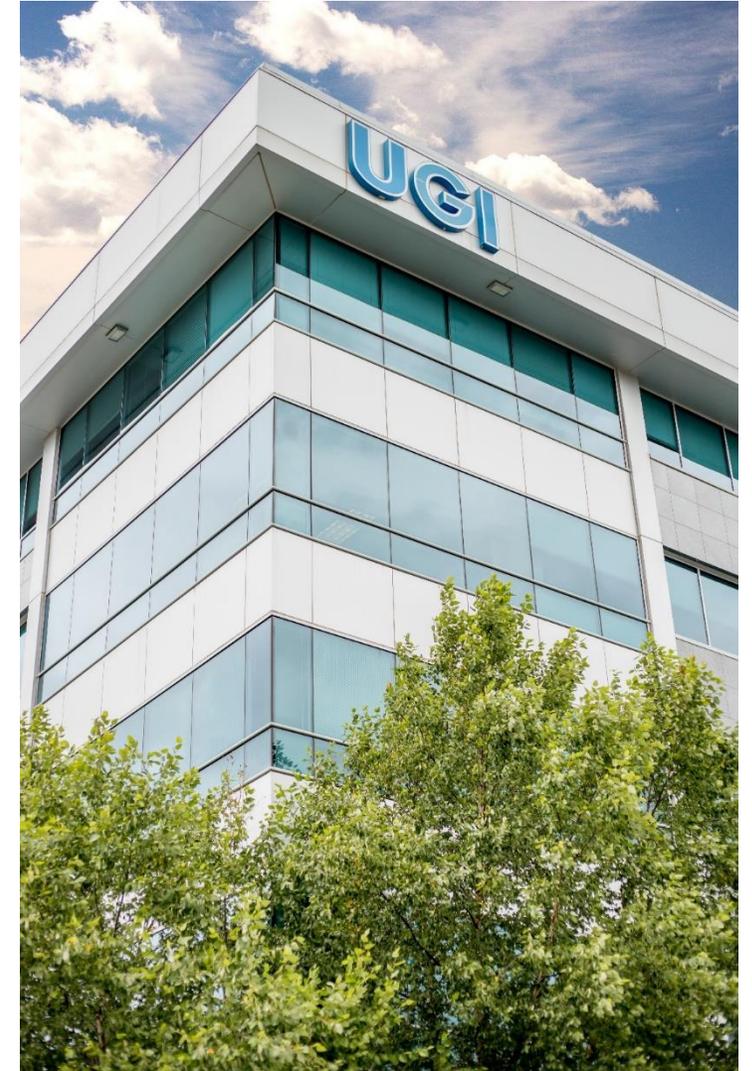
Our Vision and Mission

Vision

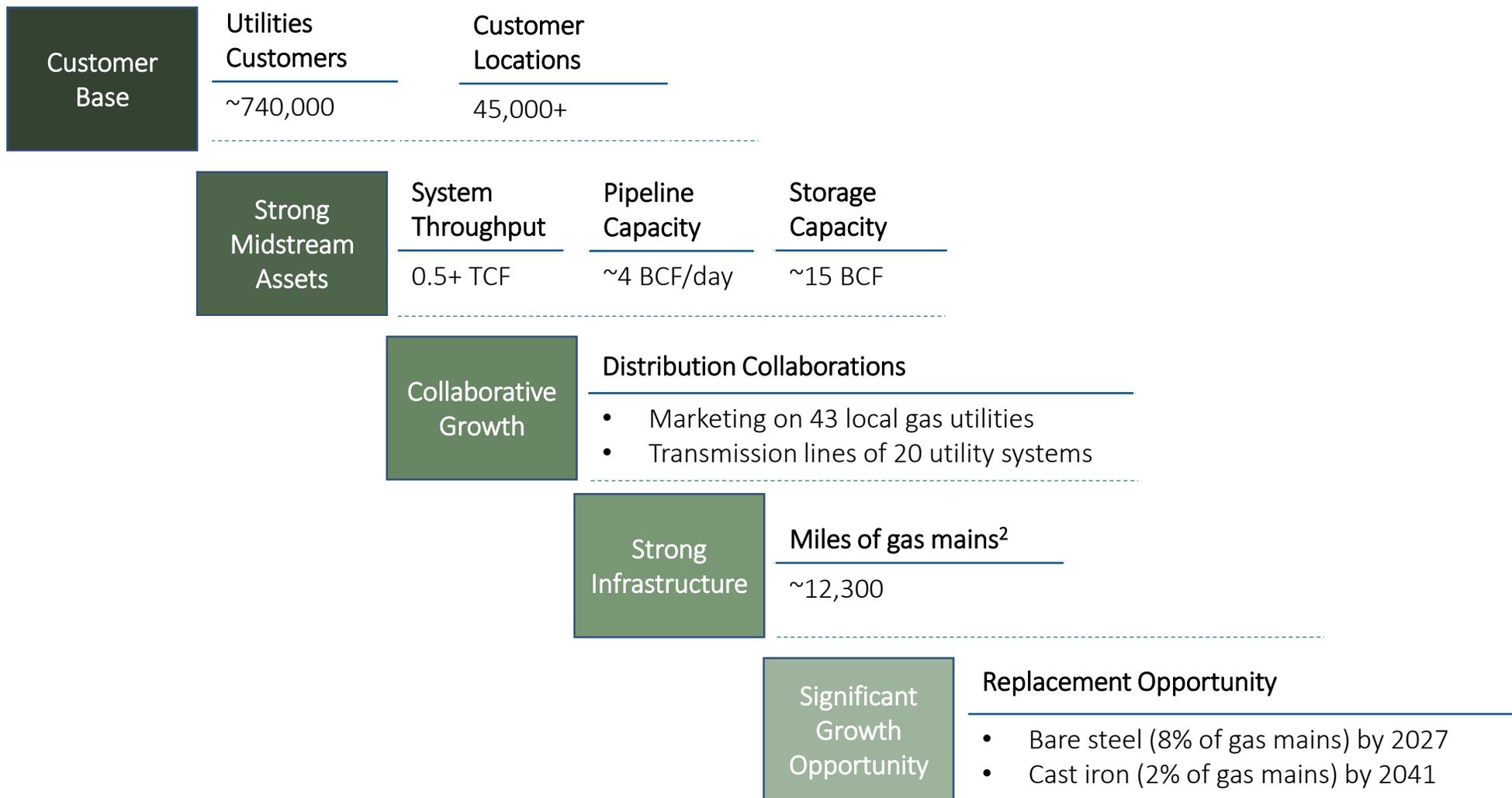
At UGI, we believe that **safe, reliable, affordable, and sustainable energy solutions** are a necessity for our customers and communities. We strive to deliver this fundamental need through best-in-class **safety, operations, products, and services** while enhancing the quality of life of our employees, customers, and the communities we serve.

UGI's mission is to be the **preeminent energy distribution company in our targeted markets** by providing a superior range of **clean and sustainable energy solutions** to our customers.

Mission

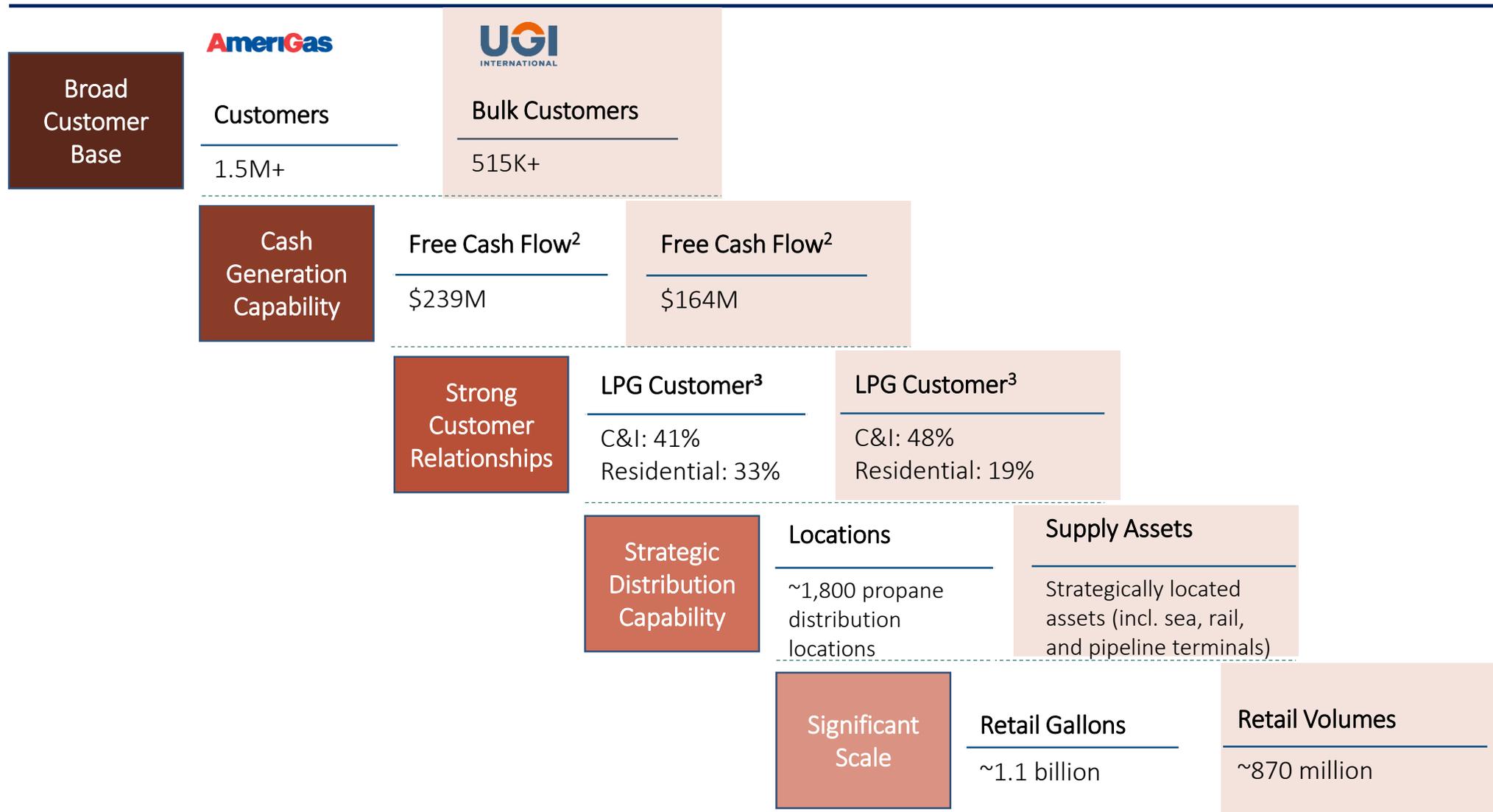


Key Facts – Natural Gas¹



1. Information presented on this slide is as of the fiscal year ended September 30, 2020. 2. 18,000+ after the completion of the pending Mountaineer acquisition

Key Facts – Global LPG¹



1. The information included on this page is as of the fiscal year ended September 30, 2020. 2. Free Cash Flow figures presented for AmeriGas and UGI International are calculated as Cash Flow from Operations less Capital Expenditures. This calculation does not include the effects of dividends paid from subsidiaries to UGI or other subsidiaries as these transactions are eliminated when we consolidate. Please see page 51 for reconciliation. 3. As a percentage of volume sold.

UGI Corp Adjusted Net Income and Adjusted Diluted Earnings Per Share

(Millions of dollars, except per share amounts)

	Year Ended September 30,										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
NON-GAAP RECONCILIATION:											
Adjusted net income attributable to UGI Corporation:											
Net income attributable to UGI Corporation	\$252	\$245	\$210	\$278	\$337	\$281	\$365	\$437	\$719	\$256	\$532
Net losses (gains) on commodity derivative instruments not associated with current-period transactions (net of tax of \$(6), \$12, \$6, \$3, \$(5), \$(31), \$14, \$32, \$27, \$(60) and \$35 respectively) (a) (b)	8	(17)	(9)	(4)	7	53	(30)	(51)	(69)	148	(82)
Integration and acquisition expenses associated with Finagaz (net of tax of \$(2), \$(8), \$(11), \$(14) and \$(12) in 2014, 2015, 2016, 2017 and 2018 respectively) (a)	-	-	-	-	4	15	17	26	19	-	-
Unrealized losses (gains) on foreign currency derivative instruments (net of tax of \$(10) \$9, \$9, \$(10) in 2017, 2018, 2019 and 2020, respectively) (a)	-	-	-	-	-	-	-	14	(20)	(23)	26
Loss on extinguishments of debt (net of tax of \$(1), \$(5), \$(6) and \$(2) in 2012, 2016, 2017 and 2019 respectively) (a)	-	-	2	-	-	-	8	9	-	4	-
AmeriGas Merger expenses (net of tax \$0 across all years) (a)	-	-	-	-	-	-	-	-	-	1	-
Acquisition and integration expenses associated with the CMG Acquisition (net of tax of \$(5) and \$(1) in 2019 and 2020, respectively) (a)	-	-	-	-	-	-	-	-	-	11	1
LPG business transformation expenses (net of tax of \$(5) and \$(17) in 2019 and 2020, respectively) (a)	-	-	-	-	-	-	-	-	-	16	45
Loss on disposals of Conemaugh and HVAC (net of tax of \$(15) in 2020) (a)	-	-	-	-	-	-	-	-	-	-	39
Costs associated with extinguishment of debt (net of tax of \$(7) and \$(6) in 2011 and 2015 respectively) (a) (c)	-	10	-	-	-	5	-	-	-	-	-
Impact of retroactive change in French tax law	-	-	-	-	6	-	-	-	-	-	-
Integration and acquisition expenses associated with the acquisition of Heritage Propane (net of tax of \$(6) and \$(3) in 2012 and 2013 respectively) (a)	-	-	9	4	-	-	-	-	-	-	-
Impairment of Partnership tradenames and trademarks (net of tax of \$(6) in 2018) (a)	-	-	-	-	-	-	-	-	15	-	-
Impact from change in French tax rate	-	-	-	-	-	-	-	(29)	(12)	-	-
Remeasurement impact from TCJA	-	-	-	-	-	-	-	-	(166)	-	-
Gain on sale of Atlantic Energy (net of tax of \$19 in 2010) (a)	(17)	-	-	-	-	-	-	-	-	-	-
Adjusted net income attributable to UGI Corporation (d)	\$243	\$238	\$212	\$278	\$354	\$354	\$360	\$406	\$486	\$413	\$561
Adjusted diluted earnings per common share attributable to UGI stockholders:											
UGI Corporation earnings per share - diluted	\$1.52	\$1.45	\$1.24	\$1.60	\$1.92	\$1.60	\$2.08	\$2.46	\$4.06	\$1.41	\$2.54
Net losses (gains) on commodity derivative instruments not associated with current-period transactions (b)	0.05	(0.10)	(0.05)	(0.02)	0.04	0.30	(0.17)	(0.29)	(0.39)	0.82	(0.39)
Integration and acquisition expenses associated with Finagaz	-	-	-	-	0.03	0.08	0.10	0.15	0.10	-	-
Unrealized losses (gains) on foreign currency derivative instruments	-	-	-	-	-	-	-	0.08	(0.11)	(0.13)	0.12
Loss on extinguishments of debt	-	0.06	0.01	-	-	-	0.04	0.05	-	0.02	-
AmeriGas Merger expenses	-	-	-	-	-	-	-	-	-	0.01	-
Acquisition and integration expenses associated with the CMG Acquisition	-	-	-	-	-	-	-	-	-	0.06	0.01
LPG business transformation expenses	-	-	-	-	-	-	-	-	-	0.09	0.21
Loss on disposals of Conemaugh and HVAC	-	-	-	-	-	-	-	-	-	-	0.18
Costs associated with extinguishment of debt	-	-	-	-	-	0.03	-	-	-	-	-
Impact of retroactive change in French tax law	-	-	-	-	0.03	-	-	-	-	-	-
Integration and acquisition expenses associated with the the acquisition of Heritage Propane	-	-	0.05	0.03	-	-	-	-	-	-	-
Impairment of Partnership tradenames and trademarks	-	-	-	-	-	-	-	-	0.08	-	-
Impact from change in French tax rate	-	-	-	-	-	-	-	(0.16)	(0.07)	-	-
Remeasurement impact from TCJA	-	-	-	-	-	-	-	-	(0.93)	-	-
Gain on sale of Atlantic Energy	(0.11)	-	-	-	-	-	-	-	-	-	-
Adjusted diluted earnings per share (d)	\$1.46	\$1.41	\$1.25	\$1.61	\$2.02	\$2.01	\$2.05	\$2.29	\$2.74	\$2.28	\$2.67

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

(b) Includes the effects of rounding.

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

(d) Management uses "adjusted net income attributable to UGI Corporation" and "adjusted diluted earnings per share," both of which are financial measures not in accordance with GAAP, when evaluating UGI's overall performance. Non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate the impact of gains and losses on commodity and certain foreign currency derivative instruments not associated with current-period transactions and other significant discrete items that can affect the comparison of period-over-period results

Free Cash Flow for the LPG Businesses (\$ in millions)

AmeriGas

Year Ended September 30

2020

Net Cash Provided by Operating Activities

\$374

Less: Expenditures for property, plant and equipment

(135)

Free Cash Flow

\$239

UGI International

Year Ended September 30

2020

Net Cash Provided by Operating Activities

\$253

Less: Expenditures for property, plant and equipment

(89)

Free Cash Flow

\$164

Midstream & Marketing Total Margins (\$ in millions)

	Year Ended September 30,	
	2010	2020
Total Revenues	\$1,223	\$1,247
Total Cost of Sales	(1,055)	(892)
Margin - Midstream & Marketing	\$167	\$355
Less: HVAC	32	21
UGIES Margin	\$135	\$334
Margin Breakdown:		
Commodity Marketing	\$60	\$40
Midstream	47	274
Power Generation	28	20
UGIES Margin	\$135	\$334

UGI Corporation Adjusted EBITDA and Leverage Ratio

(\$ in millions)

	Year Ended September 30,		Six Months Ended March 31,		Twelve Months
	2019	2020	2020	2021	Ended March 31, 2021
Net income including noncontrolling interests	\$308	\$532	\$438	\$792	\$886
Income taxes	93	135	149	241	227
Interest expense	258	322	167	156	311
Depreciation and amortization	448	484	240	250	494
EBITDA	1,107	1,473	994	1,439	1,918
Unrealized losses (gains) on commodity derivative instruments	290	(117)	142	(190)	(449)
Unrealized (gains) losses on foreign currency derivative instruments	(32)	36	13	5	28
Loss on extinguishments of debt	6	-	-	-	-
AmeriGas Merger expenses	6	-	-	-	-
Acquisition and integration expenses associated with the CMG Acquisition	16	2	2	-	-
Acquisition expenses associated with the pending Mountaineer Acquisition	-	-	-	3	3
LPG business transformation expenses	23	62	36	36	62
Loss on disposals of Conemaugh and HVAC	-	54	-	-	54
Adjusted EBITDA	\$1,416	\$1,510	\$1,187	\$1,293	\$1,616
Total Debt	\$6,600	\$6,381			\$6,344
Leverage	4.7x	4.2x			3.9x

Notes to ESG Commitments

Committed to reducing Scope I emissions by 55% by 2025 using 2020 as the base year

1. Scope 1 emissions reduction target does not include emissions from the Mountaineer acquisition, which is expected to close in 2021. The emissions from the Pine Run acquisition, announced in February 2021, will be included in the baseline 2020 number as this investment will contribute to our five year goal. The 2020 base number also takes a 5-year emissions average from the Hunlock generation facility to account for year-over-year differences in run time

35% Reduction in Total Recordable Injuries by 2025

1. All domestic UGI companies use the OSHA definition for Total Recordable Injuries (“TRIR”). TRIR represents the number of work-related injuries or illness’s requiring medical treatment beyond first aid, per 200,000 hours.
2. UGI International reports rates in accordance with the Industrial Management System guidelines. A TRIR represents a work-related recordable injury to an employee or hired staff that requires medical treatment beyond first aid, as well as one that causes death, or days away from work.

50% Reduction in Accountable Vehicle Incidents (AVI) by 2025

1. UGI Utilities and UGI Energy Services use the American Gas Association definition for AVI, which defines an AVI as a reportable motor vehicle incident in which the driver failed to do everything that reasonably could have been done to avoid the incident.
 2. UGI International reports rates in accordance with the Industrial Management System guidelines. An AVI represents an incident that caused or contributed to, in whole or in part, by actions of the company driver or contractor driver, or an incident that could have been avoided by the company driver, using reasonable defensive driving measures, which resulted in injury or damage, either to the vehicle, or to the object struck, regardless of value.
 3. AmeriGas defines an AVI as any incident that could have been preventable
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