

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): February 5, 2020

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

Pennsylvania
(State or Other Jurisdiction
of Incorporation)

1-11071
(Commission
File Number)

23-2668356
(I.R.S. 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: 610 337-7000

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b 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 February 5, 2020, UGI Corporation (the “Company”) issued a press release announcing financial results for the Company for the fiscal quarter ended December 31, 2019. 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 February 6, 2020, the Company will hold a live Internet Audio Webcast of its conference call to discuss its financial results for the fiscal quarter ended December 31, 2019.

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	Press Release of UGI Corporation dated February 5, 2020.
99.2	Presentation of UGI Corporation dated February 6, 2020.
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)

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

February 6, 2020

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

UGI Reports First Quarter Results

February 5, 2020

VALLEY FORGE, PA - UGI Corporation (NYSE: UGI) today reported financial results for the fiscal quarter ended December 31, 2019.

HIGHLIGHTS

- GAAP EPS of \$1.00 and adjusted EPS of \$1.17 per diluted share compared to GAAP EPS of \$0.36 and adjusted EPS of \$0.81 per diluted share in the prior-year period.
- Reportable segments earnings before interest expense and income taxes of \$418.7 million compared to \$345.6 million in the prior-year period.
- Gas Utility's new base rates went into effect on October 11, 2019.
- Auburn IV expansion completed on time and placed into service on November 1, 2019.

"This was an important quarter for UGI as we completed our first full period of results after the AmeriGas Merger and CMG Acquisition," said John L. Walsh, president and chief executive officer of UGI Corporation. "UGI delivered GAAP earnings per share of \$1.00, adjusted earnings per share of \$1.17 and continued to make progress on our strategic initiatives. Gas Utility's new base rates went into effect on October 11th and on January 28th we filed a request for an overall distribution rate increase of approximately \$75 million. The Midstream and Marketing team completed the expansion of our Auburn gathering system and remains on target to complete the construction of the Bethlehem LNG facility in late 2020. Additionally, we were pleased to see the CMG system deliver solid results in the quarter. The LPG businesses made good progress on business transformation initiatives and continued to deliver strong performance from our growth drivers. All of these key investments support our long-term goal to grow and deliver value for our shareholders."

KEY DRIVERS OF FIRST QUARTER RESULTS

- *AmeriGas*: Retail volume decreased 1.9% on weather that was 1.2% warmer than the prior year; Cylinder Exchange and National Accounts volume increased 6.8% and 12.0%, respectively
- *UGI International*: Retail volume increased 3.7% despite weather that was 2.7% warmer than the prior year, reflecting solid core demand and higher crop drying volumes; higher total margin driven by lower cost of LPG, effective recovery of costs associated with energy conservation certificates and sound expense management
- *Midstream & Marketing*: Higher gas gathering margin attributable to CMG and Auburn IV gathering systems; higher LNG trucking volume and additional peaking contracts compared to the prior-year period
- *UGI Utilities*: Core market volumes decreased 1.5% due to weather that was 3.7% warmer than the prior-year period; higher total margin driven by the increase in base rates and higher margin from large firm and interruptible delivery service customers

EARNINGS CALL and WEBCAST

UGI Corporation will hold a live Internet Audio Webcast of its conference call to discuss first quarter earnings and other current activities at 9:00 AM ET on Thursday, February 6, 2020. Interested parties may listen to the audio webcast both live and in replay on the Internet at <http://www.ugicorp.com/investor-relations/events-and-presentations/default.aspx> or at the company website <https://www.ugicorp.com> under Investor Relations. A telephonic replay will be available from 2:00 PM ET on February 6th through 11:59 PM ET on February 13th. The replay may be accessed at (855) 859-2056, and internationally at 1-404-537-3406, conference ID 8645628.

CONTACT INVESTOR RELATIONS

610-337-1000

Brendan Heck, ext. 6608

Alanna Zahora, ext. 1004

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 in eleven states, 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 net income attributable to UGI Corporation" and "adjusted earnings per share," both of which are non-GAAP financial measures, when evaluating UGI's overall performance. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate 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.

USE OF FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements that management believes to be reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. You should read UGI's Annual Report on Form 10-K for a more extensive list of factors that could affect results. Among them are adverse weather conditions (particularly during the winter heating season), cost volatility and availability of all energy products, including propane, other LPG, natural gas, electricity and fuel oil, increased customer conservation measures, the impact of pending and future legal proceedings, the capacity to transport product to our customers, liability for uninsured claims and for claims in excess of insurance coverage, political, regulatory and economic conditions in the United States, Europe, and in other foreign countries, including the current conflicts in the Middle East, the withdrawal of the United Kingdom from the European Union, and foreign currency exchange rate fluctuations (particularly the euro), changes in 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 infrastructure projects, and our ability to achieve operational benefits and cost efficiencies from our business transformation initiatives. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.

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

AmeriGas Propane

For the fiscal quarter ended December 31,

	2019	2018	Increase (Decrease)	
Revenues	\$ 730.4	\$ 820.2	\$ (89.8)	(10.9)%
Total margin (a)	\$ 441.2	\$ 441.7	\$ (0.5)	(0.1)%
Operating and administrative expenses	\$ 240.0	\$ 235.1	\$ 4.9	2.1 %
Operating income/earnings before interest expense and income taxes	\$ 165.3	\$ 166.6	\$ (1.3)	(0.8)%
Retail gallons sold (millions)	304.4	310.3	(5.9)	(1.9)%
Heating degree days - % colder than normal	3.7%	4.9%		
Capital expenditures	\$ 38.5	\$ 31.0	\$ 7.5	24.2 %

- Retail gallons sold decreased 1.9%, principally due to temperatures in December 2019 that were 8.6% warmer-than-normal.
- Total margin was relatively flat as the impact of lower retail volumes sold was largely offset by higher average retail unit margins.
- Operating and administrative expenses increased primarily due to higher general insurance and self-insured casualty and liability expense (\$2.7 million) and higher vehicle lease expense (\$2.1 million).
- Other operating income increased \$2.3 million largely related to higher income from the sale of excess real estate.
- Earnings before interest expense and income taxes decreased slightly reflecting the higher operating and administrative expenses and the lower total margin, partially offset by the increase in other operating income and lower depreciation and amortization expense.

UGI International

For the fiscal quarter ended December 31,

	2019	2018	Increase (Decrease)	
Revenues	\$ 651.4	\$ 710.7	\$ (59.3)	(8.3)%
Total margin (a)	\$ 283.0	\$ 252.1	\$ 30.9	12.3 %
Operating and administrative expenses (a)	\$ 157.5	\$ 164.4	\$ (6.9)	(4.2)%
Operating income	\$ 95.8	\$ 58.3	\$ 37.5	64.3 %
Earnings before interest expense and income taxes	\$ 100.2	\$ 59.0	\$ 41.2	69.8 %
LPG retail gallons sold (millions)	246.4	237.6	8.8	3.7 %
Heating degree days - % (warmer) than normal	(10.3)%	(8.0)%		
Capital expenditures	\$ 20.3	\$ 27.8	\$ (7.5)	(27.0)%

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 2019 and 2018 three-month periods, the average unweighted euro-to-dollar translation rates were approximately \$1.11 and \$1.14, respectively, and the average unweighted British pound sterling-to-dollar translation rate was approximately \$1.29 during both periods.

- Despite weather that was 10.3% warmer than normal and 2.7% warmer than the prior-year period, retail volume increased 3.7% reflecting strong bulk volumes associated with crop drying .
- Average propane wholesale selling prices in northwest Europe were approximately 15% lower than the prior-year period.
- Total margin increased \$30.9 million reflecting higher average LPG unit margins, effective recovery of costs associated with energy conservation certificates and higher volumes associated with crop drying, partially offset by the translation effect of the weaker euro (approximately \$8 million), lower cylinder volumes and the effects of warmer weather on heating-related bulk sales.
- The decrease in operating and administrative expenses largely reflects the translation effects of the weaker euro (approximately \$4 million) and lower maintenance and outside services costs.
- Operating income increased primarily due to the increase in total margin and lower operating and administrative expenses.
- Earnings before income taxes increased due to the higher operating income (\$37.5 million) and higher pre-tax realized gains on foreign currency exchange contracts used to reduce volatility in UGI International net income from changes in foreign currency exchange rates (\$3.6 million).

Midstream & Marketing

For the fiscal quarter ended December 31,

	2019	2018	Increase (Decrease)	
Revenues	\$ 372.5	\$ 459.4	\$ (86.9)	(18.9)%
Total margin (a)	\$ 108.3	\$ 81.9	\$ 26.4	32.2 %
Operating and administrative expenses	\$ 34.9	\$ 29.2	\$ 5.7	19.5 %
Operating income	\$ 55.1	\$ 41.1	\$ 14.0	34.1 %
Earnings before interest expense and income taxes	\$ 61.6	\$ 42.6	\$ 19.0	44.6 %
Heating degree days - % (warmer) colder than normal	(0.6)%	4.1%		
Capital expenditures	\$ 22.5	\$ 25.1	\$ (2.6)	(10.4)%

- Temperatures were slightly warmer than normal and 4.6% warmer than the prior-year period.
- Total margin increased \$26.4 million reflecting higher natural gas gathering margin (\$32.8 million) largely attributable to incremental margins from CMG and, to a much lesser extent, our Auburn IV gathering system. The effect of these increases was partially offset by lower capacity management margin and lower margins from the Hunlock generating facility.
- Operating and administrative expenses increased \$5.7 million largely due to CMG.
- Operating income increased due to the higher total margin (\$26.4 million) partially offset by higher depreciation and amortization expense (\$6.9 million) and increased operating and administrative expenses (\$5.7 million).
- Earnings before interest expense and income taxes increased due to the higher operating income and equity income from the Pennant system which was acquired as part of the CMG Acquisition.

UGI Utilities

For the fiscal quarter ended December 31,

	2019	2018	Increase (Decrease)	
Revenues	\$ 329.3	\$ 322.7	\$ 6.6	2.0 %
Total margin (a)	\$ 176.6	\$ 161.9	\$ 14.7	9.1 %
Operating and administrative expenses	\$ 58.1	\$ 61.2	\$ (3.1)	(5.1)%
Operating income	\$ 91.8	\$ 77.0	\$ 14.8	19.2 %
Earnings before interest expense and income taxes	\$ 91.6	\$ 77.4	\$ 14.2	18.3 %
Gas Utility system throughput - billions of cubic feet				
Core market	26.1	26.5	(0.4)	(1.5)%
Total	84.5	75.7	8.8	11.6 %
Gas Utility heating degree days - %(warmer) than normal	(4.2)%	(0.5)%		
Capital expenditures	\$ 70.5	\$ 77.3	\$ (6.8)	(8.8)%

- Gas Utility service territory experienced temperatures that were 4.2% warmer than normal and 3.7% warmer than the prior-year period.
- Core market volumes decreased slightly due to the warmer weather, partially offset by customer growth and higher average use per customer.
- Total Gas Utility distribution throughput increased reflecting higher interruptible delivery service volumes and higher large firm delivery service volumes, partially offset by a slight decrease in core market volumes.
- Total margin increased \$14.7 million reflecting higher total margin from Gas Utility core market customers (\$9.2 million) including the impact of the recent increase in base rates and higher large firm and interruptible delivery service total margin (\$1.0 million).
- Operating and administrative expenses decreased reflecting, among other things, lower compensation and benefits expense and lower uncollectible accounts expense.
- Earnings before interest expense and income taxes increased reflecting higher total margin and lower operating and administrative expenses. These effects were partially offset by greater depreciation expense (\$3.2 million) attributable to increased distribution system capital expenditure activity.

(a) Total margin represents total revenue less total cost of sales and excludes pre-tax gains and losses on commodity derivative instruments not associated with current period transactions. In the case of UGI Utilities, total margin is reduced by revenue-related tax expenses (which have been excluded from UGI Utilities' operating and administrative expenses presented). In the case of UGI International, total margin represents revenues less cost of sales and, in the 2018 three-month period, French energy certificate costs of \$10.0 million. For financial statement purposes, French energy certificate costs in the December 2018 period are included in "Operating and administrative expenses" on the consolidated statement of income (but excluded from operating and administrative expenses presented above). For financial statement purposes, French energy certificate costs in the December 2019 period are included in cost of sales.

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	2019	2018
Revenues:				
AmeriGas Propane	\$ 730.4	\$ 820.2	\$ 2,592.2	\$ 2,855.9
UGI International	651.4	710.7	2,312.9	2,610.3
Midstream & Marketing	372.5	459.4	1,428.8	1,553.1
UGI Utilities	329.3	322.7	1,055.2	1,092.0
Corporate & Other (a)	(77.0)	(112.8)	(262.3)	(385.1)
Total revenues	<u>\$ 2,006.6</u>	<u>\$ 2,200.2</u>	<u>\$ 7,126.8</u>	<u>\$ 7,726.2</u>
Earnings (loss) before interest expense and income taxes:				
AmeriGas Propane	\$ 165.3	\$ 166.6	\$ 402.7	\$ 440.9
UGI International	100.2	59.0	275.5	209.3
Midstream & Marketing	61.6	42.6	133.1	167.8
UGI Utilities	91.6	77.4	239.9	218.6
Total reportable segments	<u>418.7</u>	<u>345.6</u>	<u>1,051.2</u>	<u>1,036.6</u>
Corporate & Other (a)	<u>(46.5)</u>	<u>(173.5)</u>	<u>(192.8)</u>	<u>(167.9)</u>
Total earnings before interest expense and income taxes	372.2	172.1	858.4	868.7
Interest expense:				
AmeriGas Propane	(42.5)	(42.4)	(167.5)	(164.9)
UGI International	(7.6)	(5.4)	(27.2)	(20.9)
Midstream & Marketing	(11.5)	(0.5)	(20.0)	(2.0)
UGI Utilities	(13.6)	(11.7)	(51.5)	(43.7)
Corporate & Other, net (a)	<u>(8.9)</u>	<u>(0.2)</u>	<u>(15.5)</u>	<u>(0.6)</u>
Total interest expense	(84.1)	(60.2)	(281.7)	(232.1)
Income before income taxes	288.1	111.9	576.7	636.6
Income tax expense	<u>(76.1)</u>	<u>(23.4)</u>	<u>(145.3)</u>	<u>(159.9)</u>
Net income including noncontrolling interests	212.0	88.5	431.4	476.7
Deduct net income attributable to noncontrolling interests, principally in AmeriGas Partners, L.P.	<u>—</u>	<u>(24.3)</u>	<u>(27.4)</u>	<u>(59.7)</u>
Net income attributable to UGI Corporation	<u>\$ 212.0</u>	<u>\$ 64.2</u>	<u>\$ 404.0</u>	<u>\$ 417.0</u>
Earnings per share attributable to UGI shareholders:				
Basic	<u>\$ 1.01</u>	<u>\$ 0.37</u>	<u>\$ 2.16</u>	<u>\$ 2.40</u>
Diluted	<u>\$ 1.00</u>	<u>\$ 0.36</u>	<u>\$ 2.13</u>	<u>\$ 2.36</u>
Weighted Average common shares outstanding (thousands) (b):				
Basic	<u>209,439</u>	<u>174,413</u>	<u>187,248</u>	<u>174,099</u>
Diluted	<u>211,258</u>	<u>177,566</u>	<u>189,608</u>	<u>177,065</u>
Supplemental information:				
Net income (loss) attributable to UGI Corporation:				
AmeriGas Propane	\$ 91.1	\$ 30.6	\$ 128.7	\$ 78.4
UGI International	72.7	36.7	180.8	135.5
Midstream & Marketing	36.0	31.0	83.0	120.0
UGI Utilities	60.8	49.9	144.1	130.6
Total reportable segments	<u>260.6</u>	<u>148.2</u>	<u>536.6</u>	<u>464.5</u>
Corporate & Other (a)	<u>(48.6)</u>	<u>(84.0)</u>	<u>(132.6)</u>	<u>(47.5)</u>
Total net income attributable to UGI Corporation	<u>\$ 212.0</u>	<u>\$ 64.2</u>	<u>\$ 404.0</u>	<u>\$ 417.0</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.

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 reconciles 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 December 31,		Twelve Months Ended December 31,	
	2019 (3)	2018	2019 (3)	2018
Adjusted net income attributable to UGI Corporation (millions):				
Net income attributable to UGI Corporation	\$ 212.0	\$ 64.2	\$ 404.0	\$ 417.0
Net losses on commodity derivative instruments not associated with current-period transactions (net of tax of \$(1.4), \$(35.5), \$(25.4) and \$(10.9), respectively) (1)(2)	10.2	81.2	76.4	17.7
Unrealized losses (gains) on foreign currency derivative instruments (net of tax of \$(4.4), \$2.3, \$2.6 and \$11.6, respectively) (2)	11.3	(5.8)	(5.8)	(25.5)
Acquisition and integration expenses associated with the CMG Acquisition (net of tax of \$(0.2), \$0, \$(4.7) and \$0, respectively) (2)	0.5	—	11.7	—
LPG business transformation expenses (net of tax of \$(4.5), \$0, \$(9.6) and \$0, respectively) (2)	12.2	—	27.8	—
Loss on extinguishments of debt (net of tax of \$0, \$(1.9), \$0 and \$(1.9), respectively) (2)	—	4.2	—	4.2
AmeriGas Merger expenses (net of tax of \$0, \$0, \$(0.4) and \$0, respectively) (2)	—	—	1.2	—
Impairment of Partnership tradenames and trademarks (net of tax of \$0, \$0, \$0 and \$(5.8), respectively) (2)	—	—	—	14.5
Integration expenses associated with Finagaz (net of tax of \$0, \$0, \$0 and \$(11.3), respectively) (2)	—	—	—	17.3
Impact of change in French tax rate	—	—	—	5.2
Remeasurement impact from TCJA	—	—	—	(0.3)
Total adjustments	34.2	79.6	111.3	33.1
Adjusted net income attributable to UGI Corporation	<u>\$ 246.2</u>	<u>\$ 143.8</u>	<u>\$ 515.3</u>	<u>\$ 450.1</u>
Adjusted diluted earnings per share:				
UGI Corporation earnings per share — diluted	\$ 1.00	\$ 0.36	\$ 2.13	\$ 2.36
Net losses on commodity derivative instruments not associated with current-period transactions (1)	0.05	0.46	0.40	0.09
Unrealized losses (gains) on foreign currency derivative instruments (1)	0.06	(0.03)	(0.03)	(0.14)
Acquisition and integration expenses associated with the CMG Acquisition	—	—	0.06	—
LPG business transformation expenses	0.06	—	0.15	—
Loss on extinguishments of debt	—	0.02	—	0.02
AmeriGas Merger expenses	—	—	0.01	—
Impairment of Partnership tradenames and trademarks	—	—	—	0.08
Integration expenses associated with Finagaz	—	—	—	0.10
Impact of change in French tax rate	—	—	—	0.03
Remeasurement impact from TCJA	—	—	—	—
Total adjustments	0.17	0.45	0.59	0.18
Adjusted diluted earnings per share	<u>\$ 1.17</u>	<u>\$ 0.81</u>	<u>\$ 2.72</u>	<u>\$ 2.54</u>

(1) Includes the impact of rounding.

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

(3) The three and twelve months ended December 31, 2019, include the impact from the August 2019 issuance of 34.6 million shares of UGI Common Stock in connection with the AmeriGas Merger.



Fiscal 2020
First Quarter Results

John L. Walsh
President & CEO, UGI Corporation

Ted J. Jastrzebski
Chief Financial Officer, UGI Corporation

Robert F. Beard
Executive Vice President Natural Gas, UGI Corporation



About This Presentation

This presentation contains certain forward-looking statements that management believes to be reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. You should read UGI's Annual Report on Form 10-K for a more extensive list of factors that could affect results. Among them are adverse weather conditions (particularly during the winter heating season), cost volatility and availability of all energy products, including propane, other LPG, natural gas, electricity and fuel oil, increased customer conservation measures, the impact of pending and future legal proceedings, the capacity to transport product to our customers, liability for uninsured claims and for claims in excess of insurance coverage, political, regulatory and economic conditions in the United States, Europe, and in other foreign countries, including the current conflicts in the Middle East, the withdrawal of the United Kingdom from the European Union, and foreign currency exchange rate fluctuations (particularly the euro), changes in 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 infrastructure projects, and our ability to achieve operational benefits and cost efficiencies from our business transformation initiatives. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.

First Quarter Recap

John L. Walsh
President & CEO, UGI



First Quarter Earnings Recap

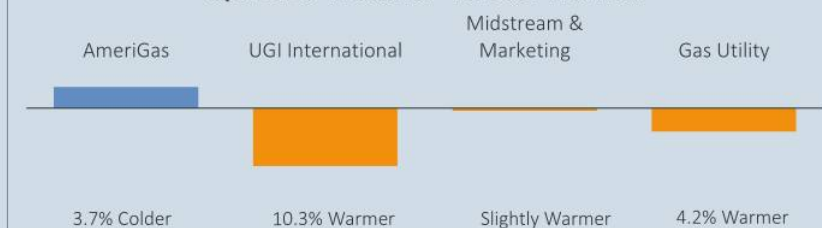
- GAAP EPS of \$1.00 and Adjusted EPS¹ of \$1.17
- Domestic temperatures were warmer than prior year and less volatile
- International temperatures were significantly warmer than normal and warmer than prior year

Adjusted EPS¹

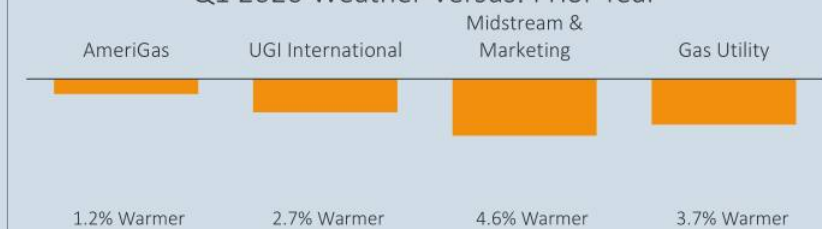


UGI Corporation | Fiscal 2020 First Quarter Results

Q1 2020 Weather Versus: Normal



Q1 2020 Weather Versus: Prior Year



¹Adjusted EPS is a non-GAAP measure. See slide 7 for reconciliation.

Key Accomplishments



- Midstream & Marketing had a very successful first full quarter with the CMG systems and team fully integrated. The additional fee-based revenue contributed to a 45% EBIT increase vs. the prior year.
- Utilities added approximately 4,000 new residential heating and commercial customers in Q1 and remains on pace with its infrastructure replacement program.
- Growth drivers continue to deliver for AmeriGas as National Accounts and Cylinder Exchange volumes increased 12% and 7%, respectively.
- UGI International benefitted from higher grain drying volumes, strong margin management enabled by lower LPG costs, and lower operating expenses resulting from lower maintenance and outside services costs.

First Quarter Financial Review

Ted J. Jastrzebski
Chief Financial Officer, UGI



First Quarter Adjusted Earnings

(Millions of dollars, except per share amounts)	Three Months Ended December 31,	
	2019	2018
Adjusted net income attributable to UGI Corporation:		
Net income attributable to UGI Corporation	\$ 212.0	\$ 64.2
Net losses on commodity derivative instruments not associated with current-period transactions (net of tax of \$(1.4) and \$(35.5), respectively) (a) (b)	10.2	81.2
Unrealized losses (gains) on foreign currency derivative instruments (net of tax of \$(4.4) and \$2.3, respectively) (a)	11.3	(5.8)
Loss on extinguishments of debt (net of tax of \$0 and \$(1.9), respectively) (a)	—	4.2
Acquisition and integration expenses associated with the CMG Acquisition (net of tax of \$(0.2) and \$0, respectively) (a)	0.5	—
LPG business transformation expenses (net of tax of \$(4.5) and \$0, respectively) (a)	12.2	—
Total adjustments	34.2	79.6
Adjusted net income attributable to UGI Corporation	\$ 246.2	\$ 143.8
Adjusted diluted earnings per share:		
UGI Corporation earnings per share - diluted	\$ 1.00	\$ 0.36
Net losses on commodity derivative instruments not associated with current-period transactions	0.05	0.46
Unrealized losses (gains) on foreign currency derivative instruments (b)	0.06	(0.03)
Loss on extinguishments of debt	—	0.02
Acquisition and integration expenses associated with the CMG Acquisition	—	—
LPG business transformation expenses	0.06	—
Total adjustments	0.17	0.45
Adjusted diluted earnings per share	\$ 1.17	\$ 0.81

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

(b) Includes the effects of rounding associated with per share amounts.

First Quarter Results Recap



Financial Results - AmeriGas

(Millions of dollars)	FY 2019	FY 2020
Earnings Before Interest Expense & Income Taxes	\$166.6	
Total Margin	(0.5)	
Operating and Administrative Expenses	(4.9)	
Depreciation and Amortization	1.8	
Other Income and Expense, net	2.3	
Earnings Before Interest Expense & Income Taxes		\$165.3

Item	Primary Drivers
Volume ↓	Colder weather in October and November offset by December weather that was 9% warmer than normal
Total Margin —	Lower volume largely offset by higher retail and wholesale unit margins
Operating and Admin Expenses ↑	Higher general insurance and vehicle lease expenses
Other Income ↑	Gain on sale of excess real estate

Weather versus normal

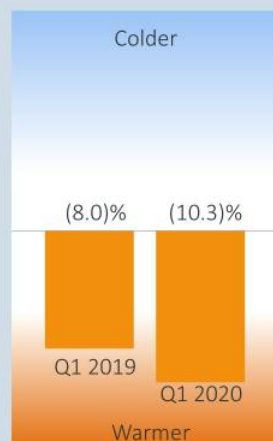


Financial Results – UGI International

(Millions of dollars)	FY 2019	FY 2020
Earnings Before Interest Expense & Income Taxes	\$59.0	
Total Margin		30.9
Operating and Administrative Expenses		6.9
Realized FX Gains		3.6
Other Income and Expense, net		(0.2)
Earnings Before Interest Expense & Income Taxes		\$100.2

Item	Primary Drivers
Volume ↑	Strong bulk volumes associated with crop drying
Total Margin ↑	Higher LPG unit margins, higher crop drying volumes, partially offset by the translation effects of the weaker euro, lower cylinder volumes and the effects of warm weather on heating-related bulk sales
Operating and Admin Expenses ↓	Weaker euro (\$4 million), lower maintenance and outside service costs

Weather versus normal



2.7% warmer than prior year

Financial Results – Midstream & Marketing

(Millions of dollars)

	FY 2019	FY 2020
Earnings Before Interest Expense & Income Taxes	\$42.6	
Total Margin	26.4	
Operating and Administrative Expenses	(5.7)	
Depreciation and Amortization	(6.9)	
Other Income and Expense, net	5.2	
Earnings Before Interest Expense & Income Taxes		\$61.6

Item	Primary Drivers
Total Margin ↑	Incremental margin from CMG and Auburn IV, partially offset by lower capacity management and generation margins
Operating and Admin Expenses ↑	Largely due to CMG expenses
Depreciation and Amortization ↑	Expansion of gathering assets, principally CMG
Other Income ↑	Equity income from Pennant system acquired as part of the CMG Acquisition

Weather versus normal



Financial Results – Utilities

(Millions of dollars)	FY 2019	FY 2020
Earnings Before Interest Expense & Income Taxes	\$77.4	
Total Margin	14.7	
Operating and Administrative Expenses	3.1	
Depreciation	(3.2)	
Other Income and Expense, net	(0.4)	
Earnings Before Interest Expense & Income Taxes		\$91.6

Item	Primary Drivers
Core Market Volume ↓	Warm weather partially offset by customer growth and higher use per customer
Total Margin ↑	Increase in base rates and higher margin from large firm and interruptible delivery service customers
Operating and Admin Expenses ↓	Lower uncollectible accounts and compensation and benefits expenses
Depreciation ↑	Increased IT and distribution system capital expenditure activity

Weather versus normal



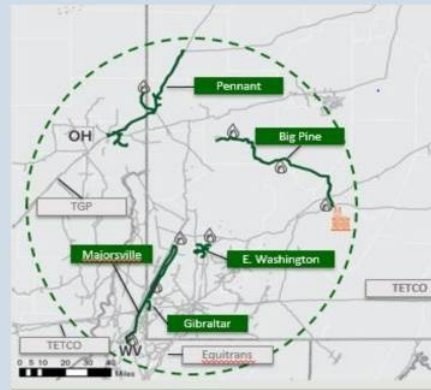
Update on CMG Acquisition & Natural Gas Business

Robert F. Beard
Executive Vice President Natural
Gas, UGI



Update

- CMG delivered solid performance in Q1
 - Driven by throughput contracts and efficiency gains
 - \$300 - \$500 million of expansion opportunities
- Auburn IV placed in service November 1st; increasing the throughput of the system by over 40%
- PennEast recently filed two requests with FERC
 - Routine filing to extend in-service date by 2 years
 - Request to phase construction of the project; initial delivery points in Pennsylvania include originally planned connections with UGI Utilities and Columbia Pipeline and an additional delivery to the Adelphia Gateway Pipeline
- PennEast intends to file a petition with the US Supreme Court
 - Review 3rd Circuit decision regarding tracts in which the state holds an interest
 - FERC issued a declaratory order that aligns with PennEast's view that the Natural Gas Act gives FERC the authority to grant condemnation rights over tracts in which the state holds an interest
- On January 28th UGI Utilities filed a request with the PA PUC to increase base rates by \$75 million
 - Driven by record capital spending to expand and replace infrastructure; \$2 billion over the next 5 years



Conclusion and Q&A

John L. Walsh
President & CEO, UGI



Strategic Overview

- Continue to see significant demand for LNG peaking
 - Bethlehem storage and vaporization facility remains on schedule for late 2020 completion
 - Portable LNG systems
- Remain active in the NE Marcellus
 - Auburn IV expansion project placed in service November 1st, supported by 10-year take or pay commitment
- PennEast to pursue a phased development plan
- Made significant progress in Q1 on LPG business transformation programs
 - AmeriGas – target of \$120 million of permanent operational efficiencies
 - UGI International –target of €30 million of permanent operational efficiencies
- On January 28th we filed a new rate case for our Gas Utility
 - Request totals \$74.6 million
 - Expect the process will conclude by early fall

Q&A

Appendix



UGI Supplemental Footnotes

- Management uses "adjusted net income attributable to UGI Corporation" and "adjusted earnings per share," both of which are non-GAAP financial measures, when evaluating UGI's overall performance. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they 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.
- The table on slide 7 reconcile net income attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net income attributable to UGI Corporation, and reconciles diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above.

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