

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): November 22, 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 Corporate Units | UGI UGIC | New York Stock Exchange 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 7.01 Regulation FD Disclosure.

On November 22, 2021, UGI International, LLC (“UGI International”), the indirect, wholly owned subsidiary of UGI Corporation (the “Company”), commenced a private offering (the “Offering”) pursuant to exemptions from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), for the issuance of €400,000,000 in aggregate principal amount of senior notes (the “Notes”). The Offering is subject to market conditions.

UGI International intends to use the net proceeds of the issuance of the Notes to redeem all of its outstanding 3.25% Senior Unsecured Notes due 2025 (the “2025 Notes”) and to pay fees and expenses in connection with the Offering, and the remainder will be used for general corporate purposes and/or be distributed to the Company. The obligation of the Company to redeem the 2025 Notes is conditioned on the consummation of the offering of the Notes. The redemption of the 2025 Notes is being made solely pursuant to the conditional notice of redemption that has been delivered pursuant to the indenture governing the 2025 Notes, and nothing contained in herein constitutes a notice of redemption thereof.

In connection with the Offering, UGI International has made available a presentation to prospective investors in connection with marketing the Offering. The investor presentation disclosed certain information that supplements or updates certain prior disclosures of the Company. Pursuant to Regulation FD, the Company is furnishing herewith such information as Exhibit 99.1 to this Form 8-K.

This information, including the Exhibit 99.1 referenced herein, is “furnished” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. It may be incorporated by reference in a filing by the Company under the Securities Exchange Act of 1934, as amended, only if and to the extent such subsequent filing specifically references the information herein as being incorporated by reference in such filing.

This Current Report on Form 8-K shall not constitute an offer to sell or the solicitation of an offer to buy the offered securities, nor shall there be any sales of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Item 8.01 Other Events.

On November 22, 2021, the Company issued a press release regarding the Offering. A copy of the press release is attached hereto as Exhibit 99.2.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit Number:</u> | <u>Description</u> |
|----------------------------|--|
| 99.1 | The Investor Presentation of UGI International, LLC dated November 22, 2021. |
| 99.2 | Press Release of UGI Corporation dated November 22, 2021. |
| 104 | The cover page from this Current Report, formatted as Inline XBRL. |

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

November 22, 2021

By: /s/ Jessica A. Milner

Name: Jessica A. Milner

Title: Assistant Secretary



Investor Presentation

Euro Senior Notes Offering
November 2021

This presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. 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 the preliminary Offering Memorandum dated November 22, 2021 (the "Preliminary Offering Memorandum") for more information about UGI International, LLC (the "Company") and this offering, including the risks of investing in the offered securities described in the "Risk Factors" section of the Preliminary Offering Memorandum, including adverse weather conditions, cost volatility and availability of all energy products, including propane, natural gas, electricity and fuel oil, and the capacity to transport product to our customers, increased customer conservation measures, adverse labor relations and our ability to address existing or potential workforce shortages, the impact of pending and future legal proceedings, continued analysis of recent tax legislation, liability for uninsured claims and for claims in excess of insurance coverage, domestic and international political, regulatory and economic conditions in the United States, Europe, and other foreign countries, and foreign currency fluctuations (particularly the euro), changes in Marcellus Shale gas production, the availability, timing and success of our acquisitions, commercial initiatives and investments to grow our business, our ability to successfully integrate acquired businesses and achieve anticipated synergies, and the interruption, disruption, failure, malfunction, or breach of information technology systems, and those of our third party vendors or service providers, including due to cyber attack. The Company undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.

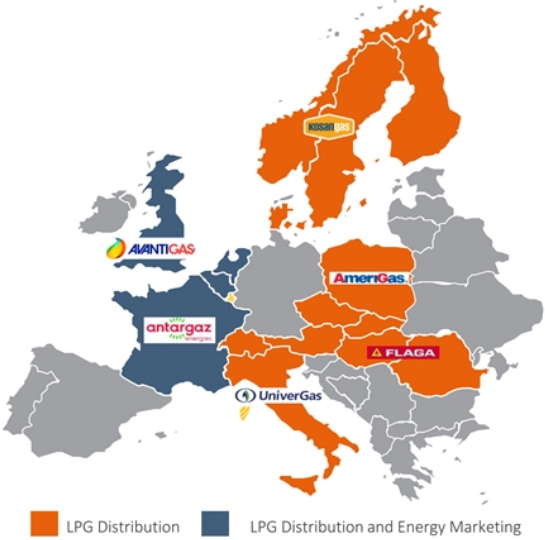
This presentation is strictly confidential. The offered securities have not and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") or any state securities laws, and may not be offered or sold within the United States, or to or for the account or benefit of U.S. persons, unless an exemption from the registration requirements of the Securities Act is available. Accordingly, any offer or sale of such securities will only be offered or sold (i) within the United States, to persons reasonably believed to be Qualified Institutional Buyers ("QIBs") and (ii) outside the United States in offshore transactions in accordance with Regulation S.

This presentation includes certain financial measures, such as EBITDA and Adjusted EBITDA, which are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). Management uses these Non-GAAP Measures as supplemental measures when assessing the Company's ability to service debt and meet loan covenants, and the Company believes this information, when viewed together with its GAAP financial results, could also be useful to investors. However, usefulness may be limited because the Non-GAAP Measures exclude certain items that are necessary and recurring elements of our cost structure. EBITDA and Adjusted EBITDA have significant limitations as analytical tools because they exclude certain material costs. Because of these limitations, management does not view EBITDA or Adjusted EBITDA in isolation.



II. UGI International Overview

| LPG DISTRIBUTION | ENERGY MARKETING |
|--|---|
| Over 975 Million gallons of LPG sold in FY 2021 | ~36 BCF of natural gas sold in FY 2021 |
| Largest distributor in France, Austria, Belgium, Hungary, Norway, Denmark and Luxembourg | Natural gas and electricity marketing across France, Belgium, the Netherlands, and the UK |
| ~20 million cylinders in circulation | ~3,300 GWh of electricity sold in FY 2021 |
| 517,000+ bulk customers | ~4% of 2021 Adjusted Total Margin ¹ |



Operations in 17 Countries
(~815 000 Total Customers)

¹ Adjusted Total Margin is a non-GAAP metric

UGI International At A Glance



LPG Distribution

Distributes LPG for use in space heating, cooking, water heating, motor fuel, leisure activities, crop drying, irrigation, construction, power generation, manufacturing and as an aerosol propellant

Bulk



- LPG bulk tanks are provided as a source of energy for both **residential** (heating, cooking, hot water generation, lighting, etc.) and **commercial** clients (heating, hot water generation, process energy, motorgas, etc.)

Cylinders



- UGI provides a wide range of steel and composite cylinder products to accommodate a variety of energy needs
- Serves both **residential** (for heating, cooking, drying, etc.) and **commercial** customers (for forklift trucks, hotels, road construction and welding)

Wholesale



- Depending on customers' volume, demand and the timing of deliveries, UGI offices across Europe can arrange and accommodate larger-scale wholesale LPG deliveries

Autogas



- Most common alternative automotive fuel worldwide
- Typically mix of propane and butane
- Benefits include comparatively low price and significantly reduced amount of emissions
- Plays a significant role in transportation in many countries

Energy Marketing

Markets and supplies natural gas and electricity to small and medium enterprises, schools, and municipalities through third party distribution systems

Natural Gas



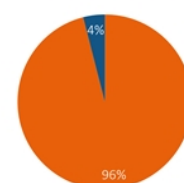
- Further expanded its organically grown business through acquisition of Dutch energy marketer DVEP
- Differentiation through Digital and Data
- Strong end-to-end systems and processes to manage low cost

Electricity



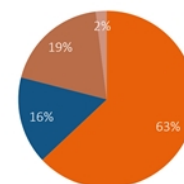
- Power growth will be propagated through focused use of existing channels, and development will be prioritized around the SME business unit
- Leverage DVEP power marketing platform to expand into adjacent markets (Germany, France, the UK and Benelux)

FY21 Adj. Total Margin Breakdown¹



■ LPG Distribution ■ Energy Marketing

FY21 LPG Distribution Volume by Category



■ Bulk ■ Cylinder ■ Wholesale ■ Autogas

¹ Adjusted Total Margin is a non-GAAP metric

Decades of operational experience support strong brand recognition across an extensive customer base



- Market leader in France in the distribution of propane and butane in gas bottles, and propane in gas tanks¹
- Antargaz is also a leading energy supplier in the Benelux, supplying natural gas, LPG and electricity
 - Services both private individuals (hot water, cooking and heating) and professionals (industry, agriculture, hotel and catering trade)



- Leading provider of LPG in Austria¹
- Services customers in 6 countries across Europe
- Customers primarily use LPG for heating, cooking, hot water generation, lightening, cooling, motor fuel, leisure activities, construction work, manufacturing, crop drying, power generation and irrigation
- Sells LPG in small, medium and large bulk tanks and cylinders



- LPG Distribution Business with operations in northern and central regions of Italy
- With the takeover and rebranding of TotalErg's Italian LPG business in October 2017 UGI made the first step into the Italian gas market
- Sells LPG in small, medium and large bulk tanks



- AmeriGas Polska is one of the leading LPG distributors in Poland¹
- Offers superlight new generation gas cylinders, which can be connected without the use of any tools
- Distributes gas in cylinders to individual and industrial customers and tank installations for liquefied gas



- Through over 90 years of operations, Kosan Gas has deep roots within Nordic gas history, supplying gas to businesses and private consumers
- Services customers in 4 countries across Europe
- The business has an entrenched footprint as one of Scandinavia's leading suppliers of LPG¹
- In Denmark, Kosan Gas is also the market leader in bulk and cylinder



- DVEP markets natural gas and electricity, produced mainly from renewable sources, primarily to small and medium enterprises in the Netherlands
- One of DVEP's core businesses is the provision of fee-based services to other energy marketers in the Netherlands



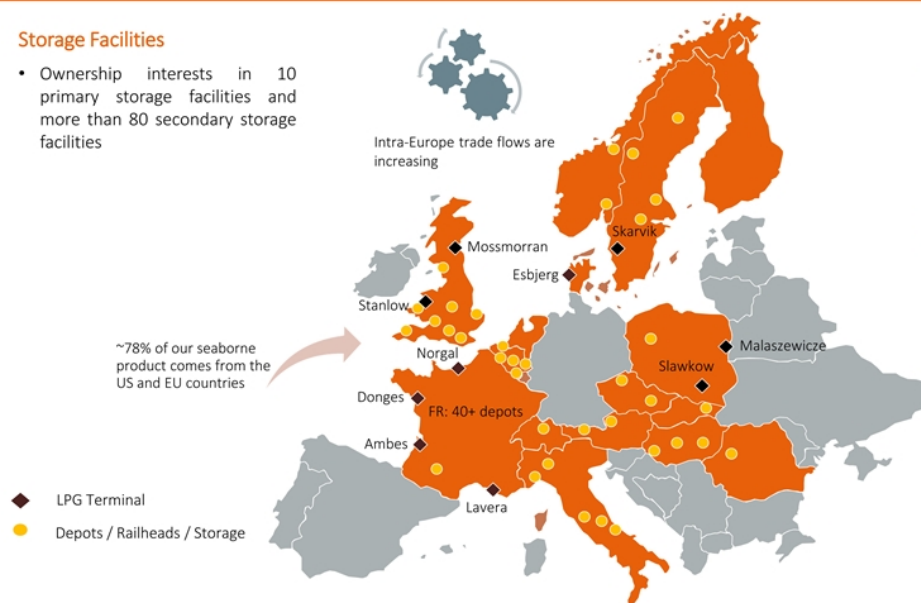
- One of the UK's leading suppliers in off-grid energy solutions to homes and businesses¹
- Offers a range of energy products and service solutions including off-grid LPG bulk gas, LPG gas bottles, aerosol propellant, biomass renewables, on-grid mains gas
- AvantiGas' customers primarily use LPG for heating, cooking, motor fuel (including forklifts), leisure activities, industrial processes and as an aerosol propellant
- AvantiGas sells LPG in small, medium, and large bulk tanks and cylinders

¹ Based on industry data and management estimates; market size by country based on data from a well-known industry source

Strategically Located Assets and Diversified Supply Channels

Storage Facilities

- Ownership interests in 10 primary storage facilities and more than 80 secondary storage facilities



Diverse Supplier Base

- UGI holds supply contracts with over 40 different suppliers
- Seaborne product represents ~41% of our total supply in FY21
- Balance of supply is obtained from local refineries

Majority of Supply Contracted → Limited Exposure to Energy Shortages

- 95% of UGI's supply volume is contracted
- Our supply diversification mitigates supply risk

Limited Exposure to Disruptions

- Supply disruptions can easily be mitigated via contractual flexibilities, inventories, and diverting supply cross-border at minimal cost
- UGI uses state of the art routing and scheduling software to determine the most efficient delivery routes from its storage locations to customers

- We have identified synergies and cost saving best practices across Europe, with a continued emphasis on customer service and safe operations
- Main savings drivers include:
 - ❑ **Commercial Excellence** – continuous improvement to customer experience
 - ❑ **Operational Excellence** – focus on distribution network and filling plants
- These transformation initiatives are substantially complete and have yielded approximately €14 million in benefits in Fiscal 2021, and they are expected to generate significant annual benefits by the end of Fiscal 2022

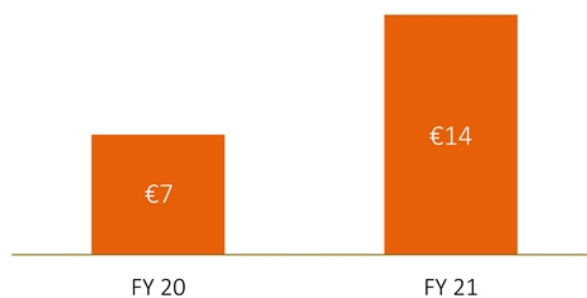
~€55 million

Estimated Cost to Implement

Most of the costs were incurred through FY21

Transformation Benefits

€ in Million



Strong strides in renewables 2015 - 2021

- Began marketing Bio-LPG in parts of Northern Europe
- Sourcing bio-molecules from Preem's refinery in Sweden to augment existing Bio-LPG sources
- In February 2021, announced a new supply and development partnership with Ekobenz, a Polish technology specialist in catalytic conversion of bioethanol to bio-gasoline and Bio-LPG
- Regulatory process to create a JV with SHV Energy for the production and use of rDME ¹ progressing
- Completed 110+ solar projects, installing ~30,000 solar panels on behalf of our customers



Focused on building a strong renewable portfolio

1. New market opportunities:

- New Renewable Fuels - "De-fossilize" LPG via acquisitions and supply sources
- Green Projects - Expanding energy marketing into new territories

2. Synergistic growth:

- Scalability benefits from improved tech-enabled sales channel development
- Strong support from parent, UGI Corp, which is positioning itself as a leader of a renewable energy future

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

ESG Journey under Strong UGI Corp Leadership

Current Focus Areas

- “S” Leadership
 - Executive compensation linked to safety and diversity & inclusion initiative performance
- Set ambitious near-term goals
 - 35% reduction in Total Recordable Injuries by 2025 (Per 200,000 hours; 2017 baseline)
 - 50% reduction in Accountable Vehicle Incidents by 2025 (Per 1,000,000 miles; 2017 baseline)
 - 55% reduction in Scope I emissions by 2025 using 2020 as the base year
- To ensure continued focus on topics that are most significant to our stakeholders, UGI will conduct its second Materiality Assessment in FY 2022

UGI International reports both rates in accordance with its Industrial Management System guidelines.

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 updates on achievement of goals

UGI International is a key element of UGI Corp's line of sight to ESG leadership



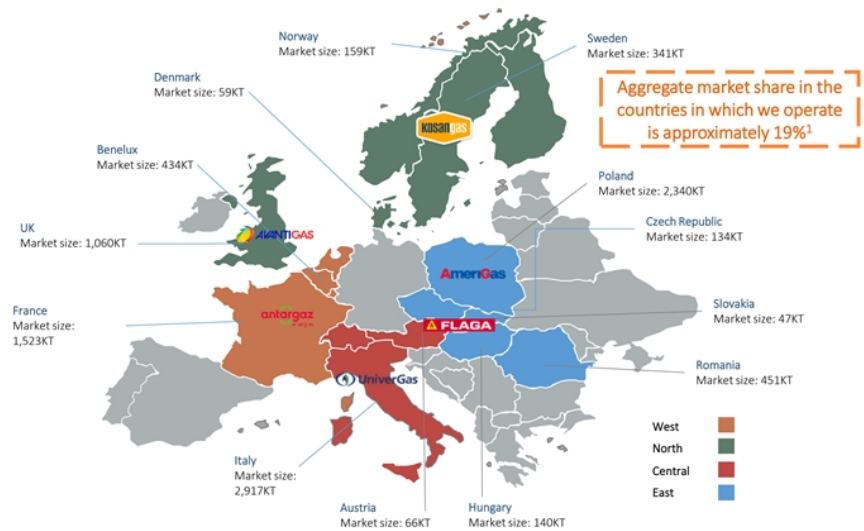
IV. Key Credit Highlights



1. Market Leading Position

UGI International is a market leader in 12 of 17 countries in which it operates

- Largest LPG distributor in France, Austria, Belgium, Denmark, Hungary, Luxembourg and Norway
- In our largest market, France, we estimate we had over 50% market share in calendar year 2020
- One of the largest distributors of LPG in Poland, the Czech Republic, Slovakia, the Netherlands and Sweden
- Natural gas and electricity marketing across France, Belgium, the Netherlands, and the UK. Sold ~36 BCF of natural gas and ~3,300 GWh of electricity in FY 2021



¹ Based on 2020 industry data and management estimates; Market size by country based on data from a well-known industry source

2. Diverse Product Portfolio from Regionally Recognized Brands

LPG for Consumers

Bulk Gas



Cylinder Gas



Autogas



LPG for Business

Bulk Gas



Cylinder Gas



Autogas



Wholesale



3. Serving a Diverse Customer Base, with Limited Customer Concentration

UGI serves customers across a broad market



Commercial & Industrial
Stable market with predictable demand



Residential
Growth from heating oil conversions



Agriculture
Large market off-season



Autogas
Market demand is government policy dependent



Aerosol
Growth expected in UK and across Europe

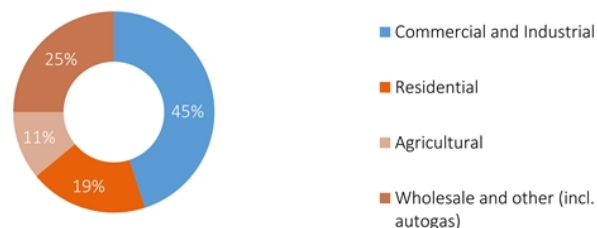


Energy Marketing
Growth opportunities in the natural gas and electric sectors

Customer Overview

- UGI International's largest volume comes from commercial and industrial customers, followed by wholesale and residential customers
- No single customer represents more than 5% of total revenues for UGI International
- As of FY 2021, UGI had nearly 517,500 bulk LPG customers, and over 20 million cylinders in circulation

FY21 LPG Distribution Volume by Segment

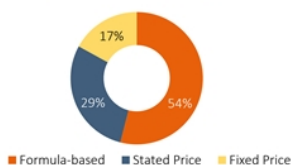


4. Operating Structure Supports Strong Unit Margins

UGI International has a long track record of sustainable margin management and can effectively pass through commodity cost despite exposure to LPG price volatility. The Company achieves this through its contract structures and hedging strategy.

1. Majority of Contracts Have Pass-Through Structures

FY 2021 Contract Types by Volume



- **Formula-based:** Prices are calculated based on three main indices, CIF ARA (Northern and Western Europe), Daf Brest (Eastern Europe) and Sonatrach; change as LPG spot market changes
- **Stated Price:** Update price at our own discretion based on commodity market changes
- **Fixed Price:** Are set contractually with customers. UGI typically hedges the bulk of the LPG volumes projected under fixed-price contracts.

2. Hedging for LPG & F/X

- UGI International has a propane and commodities hedging strategy to protect margins for fixed price customers
- UGI International has both a EUR/USD and GBP/USD hedging strategy to meet investors' earnings expectations in dollars while reducing FX volatility risk

These arrangements allow us to pass through the majority of our costs to our customers and are critical to our unit margin stability. As an example, at UGI West, we have, over the long-term, steadily increased LPG unit margins despite fluctuations in energy prices.



¹ Unit margin is a non-GAAP measure.

5. History of Solid Growth

Stable Industry Outlook

- While weather can be a significant driver of consumption in a given year, largely non-discretionary demand and increasing LPG adoption provide favorable tailwinds
- Looking forward, LPG is gaining importance in various end-uses owing to the aim of European Union to be climate neutral by 2050

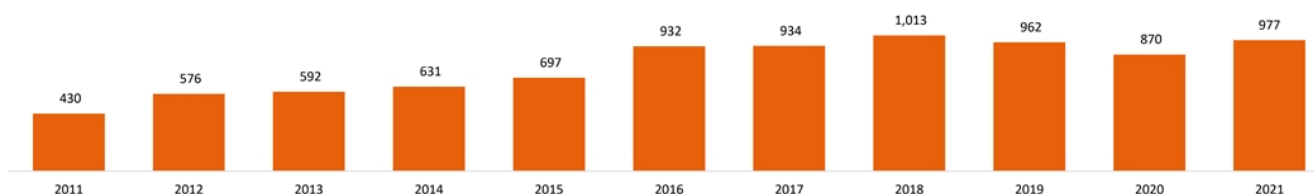


Market Leading Position

- UGI is a market leader with approximately 19% share of the aggregate LPG volumes sold in the 17 European countries in which it operates
- Strong track record of acquisition integration has provided meaningful growth

8.5% CAGR in LPG volumes from FY 2011 to FY 2021

Historical LPG Volumes (million gallons)



6. Historically Strong Parent Support and Modest Financial Policy

UGI Corp Overview

- UGI Corporation is a holding company that, through its subsidiaries and affiliates, distributes, stores, transports and markets energy products and related services, in the United States and internationally. It is comprised of AmeriGas Propane (Ba2/BB), UGI International (Ba1/BB+), UGI Energy Services LLC (Ba3/BB), UGI Utilities (A2/A-), and Mountaineer Gas Company (BB+)
- UGI International is a core business to UGI Corp and continues to benefit from a strong management focus and sharing of best practices with U.S. Operations
- UGI Corp. has strong financial / capital capacity for providing support with a Market Capitalization of \$9.18 billion as of November 19 and FY2021 revenues of \$7.4 billion

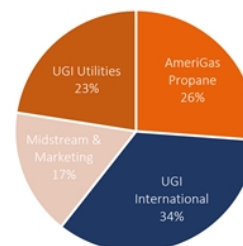
Modest Financial Policy

- UGI International has a low, long-term gross leverage goal of 2.0x – 2.5x total net debt to Adj. EBITDA, and maintains adequate liquidity via cash on hand and revolving credit facility capacity
- UGI International is operating with substantial cushion to its target leverage profile, with less than 0.5x net leverage pro forma for this financing

UGI Corp. Stock Performance



2021 UGI Corp Adjusted Earnings by Segment¹



¹ Excludes Corporate & Other earnings

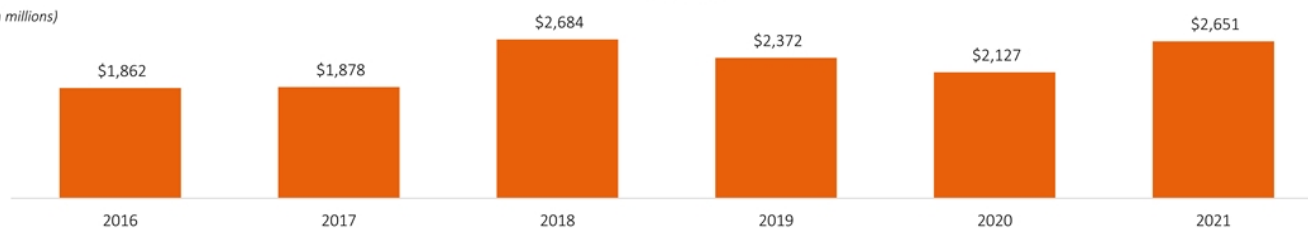


V. Financial Overview

Summary Financial Performance

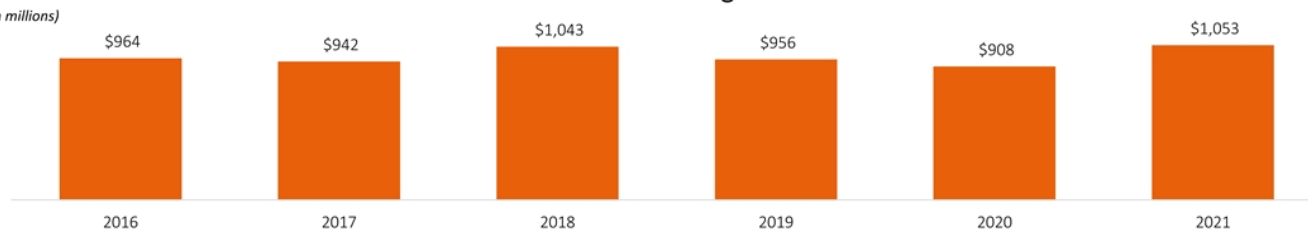
Revenue¹

(\$ in millions)



Total Margin¹

(\$ in millions)



Total Margin CAGR: 1.8%

¹ Source: UGI Corporation SEC filings for UGI International Segment

Historical Financial Overview

- Given commodity market volatility and UGI International's ability to pass through the costs of underlying LPG prices to customers, Adjusted Total Margin is a more representative measure of the Company's performance than revenues
- Adjusted Total Margin increased from \$956 million in FY 2019 to \$1,053 in FY 2021 as volumes have recovered to pre-COVID levels and margin per unit has grown
- Adjusted EBITDA increased at a 13.5% CAGR from \$350 million in FY 2019 to \$451 million in FY 2021 due to disciplined expense management, driven partially by UGI International's operating efficiency initiatives
- The Company has seen increasing free cash flow generation over the recent historical period, increasing at a 18.8% CAGR from \$244 million in FY 2019 to \$344 million in FY 2021
- Free cash flow conversion has approached 76.3% in FY 2021 and 76.8% in FY 2020 due to capex controls driven by COVID in 2020 and profitability improvements in 2021

| (\$ in millions) | FY Ending September 30 | | | CAGR |
|------------------------------------|------------------------|--------|---------|-----------|
| | 2019 | 2020 | 2021 | '19 - '21 |
| LPG Gallons Sold (millions) | 962 | 870 | 977 | 0.8% |
| YoY Increase | - | -9.5% | 12.3% | |
| Adjusted Total Margin ¹ | \$956 | \$908 | \$1,053 | 5.0% |
| YoY Increase | - | -5.0% | 16.0% | |
| Adjusted Total Margin Per Unit | \$0.99 | \$1.04 | \$1.08 | 4.1% |
| Adjusted EBITDA ¹ | \$350 | \$384 | \$451 | 13.5% |
| Capex | 106 | 89 | 107 | 0.3% |
| Free Cash Flow ² | \$244 | \$295 | \$344 | 18.8% |
| % Conversion | 69.7% | 76.8% | 76.3% | |

¹ Adjusted Total Margin and Adjusted EBITDA are non-GAAP measures ² Free Cash Flow defined as Adjusted EBITDA less capex. FCF Conversion defined as the ratio of FCF / Adjusted EBITDA.





VI. Appendix

LPG Distribution Overview: Bulk Gas

In Fiscal Year 2021, UGI International sold approximately 610 million gallons of bulk LPG

Products / Customers

Residential: underground & above-ground tanks, providing energy for:

- Single family homes, apartment buildings and town houses, residential developments

Non-residential: underground & above-ground tanks, providing energy for:

- Construction & industrial businesses, hotels & restaurants, agricultural businesses, municipalities & hospitals

Description & Applications

Small Bulk

- **Largest customer portion of UGI's business in terms of revenue and margin**, consisting primarily of residential and small business users that use LPG mainly for heating and cooking

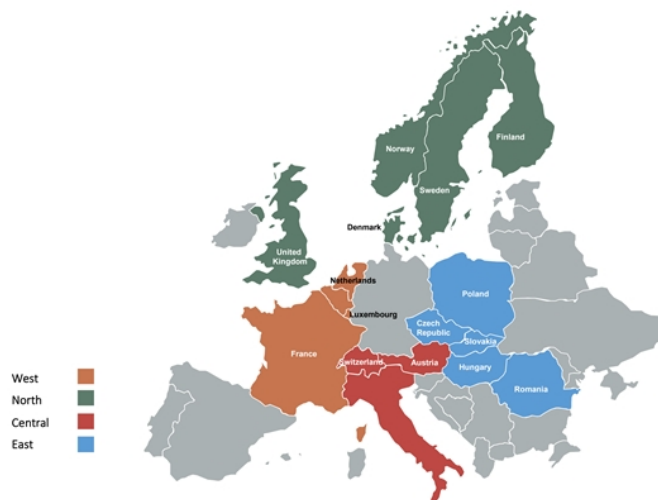
Medium Bulk

- Large residential housing developments, hospitals, hotels, municipalities, medium-sized industrial enterprises and poultry brooders

Large Bulk

- **Largest customer portion of UGI's business in terms of volume**, and includes agriculture and other businesses that use LPG in their industrial processes

Bulk Footprint



In Fiscal Year 2021, UGI International sold approximately 150 million gallons of LPG in cylinders

Products / Customers

LPG sold in different sized steel and composite cylinders, which provide a safe, portable and eco-friendly source of energy.

- **Residential:** Principal end-users of cylinders
- **Non-residential:** Construction and industrial businesses, hotels, restaurants, leisure businesses, laboratories, and universities

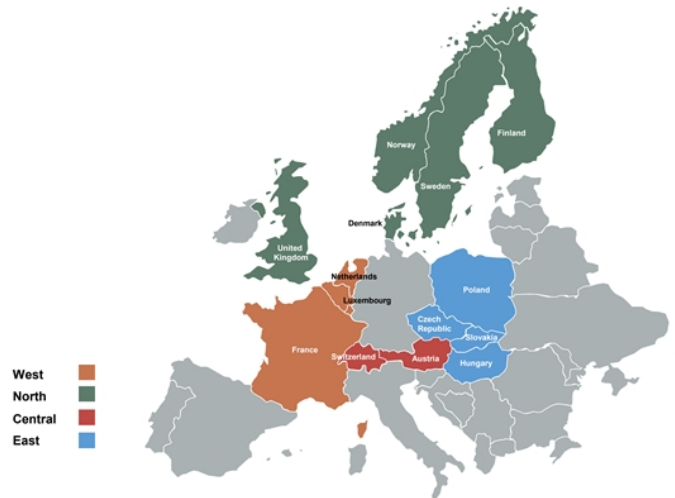


Description & Applications

Used as a source of energy for a variety of needs

- **Residential examples:** cooking and barbecue, camping and caravans, heating, drying and cooling different locations
- **Non-residential examples:**
 - Welding, cutting, burning, soldering, curving, hardening
 - Roofing, asphaltting, road construction, eco-friendly alternative for weed control
 - Heating, drying and cooling different locations, fuel for forklift trucks
 - Laboratory usage and physics courses at schools

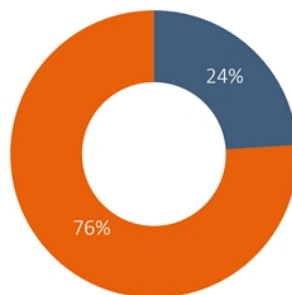
Cylinder Footprint



- Our primary focus is on Small and Medium Enterprises (SME)

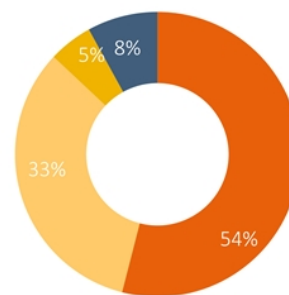
- Offer customer-focused solutions
- Support customers in energy purchase decisions
- Fixed price requirement contracts hedged back to back to mitigate risk
- Substantial organic growth opportunities from incumbent and often state-owned suppliers

FY21 GWh by Energy Type



■ Electricity
■ Natural Gas

FY21 Total (Gas and Power) Volume Split by Segment



■ SME
■ Large (tenders/municipalities, industry)
■ Production
■ BRP*

Income Statement



UGI International - Historical Income Statements¹

| \$MM | 2019 | 2020 | 2021 |
|---|--------------|--------------|--------------|
| Revenues | 2,372 | 2,127 | 2,651 |
| Costs and expenses: | | | |
| Cost of sales | 1,559 | 1,191 | 533 |
| Operating and administrative expenses | 621 | 582 | 664 |
| Operating and administrative expenses - related parties | 9 | 9 | 11 |
| Depreciation and amortization | 124 | 125 | 134 |
| Other operating income, net | (9) | (4) | (17) |
| | 2,304 | 1,903 | 1,325 |
| Operating income | 68 | 224 | 1,326 |
| Loss on extinguishments of debt | (6) | — | — |
| Other non-operating income (expense), net | 38 | (19) | 11 |
| Interest expense | (25) | (31) | (27) |
| Income before income taxes | 75 | 174 | 1,310 |
| Income tax expense | (23) | (37) | (331) |
| Net income | 52 | 137 | 979 |

¹ Includes the effects of rounding

Balance Sheet

UGI International - Historical Balance Sheets¹

| \$MM | 2020 | 2021 | \$MM | 2020 | 2021 |
|---|--------------|--------------|--|--------------|--------------|
| ASSETS | | | LIABILITIES AND EQUITY | | |
| Current assets: | | | Current liabilities: | | |
| Cash and cash equivalents | 209 | 606 | Current maturities of long-term debt | 1 | 21 |
| Restricted cash | 13 | 1 | Short-term borrowings | 1 | — |
| Accounts receivable | 313 | 430 | Accounts payable | 178 | 370 |
| Inventories | 69 | 145 | Employee compensation and benefits accrued | 44 | 60 |
| Derivative instruments | 16 | 500 | Derivative instruments | 30 | 28 |
| Prepaid expenses and other current assets | 64 | 81 | Other current liabilities | 175 | 208 |
| Total current assets | 684 | 1,763 | Total current liabilities | 429 | 687 |
| Property, plant and equipment: | | | Long-term debt | 777 | 749 |
| Gross property, plant and equipment | 1,978 | 2,004 | Deferred income taxes | 200 | 463 |
| Accumulated depreciation | (880) | (933) | Derivative instruments | 17 | 16 |
| Net property, plant and equipment | 1,098 | 1,071 | Customer tank and cylinder deposits | 300 | 296 |
| Goodwill | 997 | 993 | Other noncurrent liabilities | 89 | 98 |
| Intangible assets, net | 197 | 156 | Total liabilities | 1,812 | 2,309 |
| Derivative instruments | 21 | 277 | Equity: | | |
| Other assets | 126 | 161 | Member's equity | 1,302 | 2,103 |
| Total assets | 3,123 | 4,421 | Noncontrolling interests | 9 | 9 |
| | | | Total equity | 1,311 | 2,112 |
| | | | Total liabilities and equity | 3,123 | 4,421 |

¹ Includes the effects of rounding

Cash Flow Statement



UGI International - Historical Cash Flow Statements¹

| \$MM | 2019 | 2020 | 2021 |
|--|------------|------------|------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income including noncontrolling interests | 52 | 137 | 979 |
| Adjustments to reconcile net income including noncontrolling interests to net cash provided by operating activities: | | | |
| Depreciation and amortization | 124 | 125 | 134 |
| Deferred income tax (benefit) expense, net | (54) | (8) | 251 |
| Changes in unrealized gains and losses on derivative instruments | 110 | 36 | (1,073) |
| Impairment of customer relationship intangible | — | — | 20 |
| Other, net | 9 | 12 | 10 |
| Net change in: | | | |
| Accounts receivable | 62 | 8 | (126) |
| Inventories | 39 | 1 | (78) |
| Accounts payable | (54) | (24) | 198 |
| Derivative instruments collateral (paid) received | (13) | 1 | 326 |
| Other current assets | 16 | (34) | (3) |
| Other current liabilities | (8) | (1) | 5 |
| Net cash provided by operating activities | 283 | 253 | 643 |

¹ Includes the effects of rounding

Cash Flow Statement (cont.)

UGI International - Historical Cash Flow Statements (Cont.)¹

| \$MM | 2019 | 2020 | 2021 |
|---|--------------|--------------|--------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Expenditures for property, plant and equipment | (106) | (89) | (107) |
| Acquisitions of businesses, net of cash acquired | (43) | — | — |
| Other, net | 6 | 7 | 21 |
| Net cash used by investing activities | (143) | (82) | (86) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase (decrease) in short-term borrowings | 210 | (210) | (1) |
| Distributions paid | (386) | (25) | (153) |
| Capital contribution received | 65 | — | 5 |
| Distribution related to common control transaction | — | — | (9) |
| Issuances of long-term debt, net of issuance costs | 729 | — | — |
| Repayments of long-term debt and capital leases | (717) | (1) | — |
| Other | (4) | — | — |
| Net cash used by financing activities | (103) | (236) | (158) |
| Foreign exchange effect on cash, cash equivalents and restricted cash | (16) | 28 | (14) |
| Cash, cash equivalents and restricted cash increase (decrease) | 21 | (37) | 385 |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH | | | |
| Cash, cash equivalents and restricted cash at end of year | 259 | 222 | 607 |
| Cash, cash equivalents and restricted cash at beginning of year | 238 | 259 | 222 |
| Cash, cash equivalents and restricted cash increase (decrease) | 21 | (37) | 385 |

Note: Audited financial statements (E&Y) for Fiscal Years

¹ Includes the effects of rounding

Adj. EBITDA Reconciliation

Adj. EBITDA Reconciliation¹

| \$MM | 2019 | 2020 | 2021 |
|---|------------|------------|--------------|
| Net income attributable to UGI International, LLC | 52 | 137 | 979 |
| + Net income attributable to noncontrolling interests | - | - | - |
| + Income tax | 23 | 37 | 331 |
| + Interest expense | 25 | 31 | 27 |
| + D&A | 124 | 125 | 134 |
| EBITDA | 224 | 330 | 1,471 |
| ¹ +/- commodity derivative instruments not associated with current-period transactions | 143 | - | (1,065) |
| +/- on foreign currency derivative instruments | (32) | 36 | (8) |
| + Loss on extinguishments of debt | 6 | - | - |
| + Business transformation expenses | 9 | 18 | 33 |
| + Impairment of customer relationship intangible | - | - | 20 |
| Adjusted EBITDA | 350 | 384 | 451 |

¹ \$1,065 million adjustment in 2021 attributable to significant mark-to-market gains on our commodity derivative instruments resulting from the steep rise in commodity prices during Fiscal 2021. After-tax value of \$763 million

¹ Includes the effects of rounding

Adj. Total Margin Reconciliation



Adj. Total Margin Reconciliation¹

| \$MM | 2019 | 2020 | 2021 |
|---|------------|------------|--------------|
| Total revenue | 2,372 | 2,127 | 2,651 |
| COGS | (1,559) | (1,191) | (533) |
| LPG cylinder filling costs | - | (28) | - |
| Total margin | 813 | 908 | 2,118 |
| Net gains on commodity derivative instruments not associated with current-period transactions | 143 | - | (1,065) |
| Adjusted Total Margin | 956 | 908 | 1,053 |

Adj. Total Margin by Segment¹

| | | | |
|------------------------------|------------|------------|--------------|
| LPG distribution business | 914 | 879 | 1,009 |
| Energy marketing business | 28 | 28 | 41 |
| Other | 13 | 1 | 3 |
| Adjusted Total Margin | 956 | 908 | 1,053 |

¹ Includes the effects of rounding

Free Cash Flow Reconciliation

| Free Cash Flow Reconciliation ¹ | | | | |
|--|-------|------|-------|--|
| \$MM | 2019 | 2020 | 2021 | |
| Adjusted EBITDA | 350 | 384 | 451 | |
| + Capex | (106) | (89) | (107) | |
| FCF | 244 | 295 | 344 | |

¹ Includes the effects of rounding

UGI West Unit Margins



(\$ & € in thousands, except unit margin)

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|------------------|------------------|------------------|------------------|------------------|
| LPG revenues | \$1,083,666 | \$1,244,753 | \$1,169,610 | \$942,511 | \$1,160,013 |
| LPG cost of sales | (650,305) | (774,097) | (727,029) | (461,567) | (432,429) |
| Total adjusted LPG margin (in 000's USD) | \$433,361 | \$470,656 | \$442,581 | \$480,944 | \$727,584 |
| Foreign Currency Exchange Rates (Euro/USD) | 1.30 | 1.31 | 1.36 | 1.15 | 1.11 |
| Total adjusted LPG margin (in 000's Euro) | €332,758 | €358,630 | €326,279 | €418,212 | €657,678 |
| Total Tons Sold | 575 | 596 | 539 | 639 | 963 |
| Gallons/ton | 516 | 516 | 516 | 516 | 516 |
| Total Gallons Sold | 296,704 | 307,771 | 278,320 | 329,947 | 497,028 |
| Average Adjusted LPG Margin per Gallon | €1.12 | €1.17 | €1.17 | €1.27 | €1.32 |

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|------------------|------------------|------------------|------------------|------------------|
| LPG revenues | \$1,144,939 | \$1,349,884 | \$1,220,970 | \$1,123,796 | \$1,290,721 |
| LPG cost of sales | (441,559) | (612,295) | (540,290) | (453,293) | (547,081) |
| Total adjusted LPG margin (000's USD) | \$703,380 | \$737,589 | \$680,680 | \$670,503 | \$743,640 |
| Foreign Currency Exchange Rates (Euro/USD) | 1.11 | 1.19 | 1.12 | 1.13 | 1.20 |
| Total adjusted LPG margin (000's Euro) | €633,676 | €619,823 | €607,750 | €593,365 | €619,700 |
| Total Tons Sold* | 983 | 960 | 920 | 871 | 924 |
| Gallons/ton | 516 | 516 | 516 | 516 | 516 |
| Total Gallons Sold | 507,228 | 495,360 | 474,720 | 449,477 | 476,922 |
| Average Adjusted LPG Margin per Gallon | €1.25 | €1.25 | €1.28 | €1.32 | €1.30 |

Through the period, the components of the cost of sales have been changed to better reflect the performance of the business. Table above might include rounding differences.



UGI International Commences Senior Notes Offering

VALLEY FORGE, PA., November 22, 2021 – UGI Corporation (“UGI” or the “Company”) (NYSE: UGI) announced today that its indirect, wholly owned subsidiary, UGI International, LLC (“UGI International”), intends to offer €400,000,000 in aggregate principal amount of senior unsecured notes (the “Notes”) to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), and outside the United States in compliance with Regulation S under the Securities Act.

The Notes will be fully and unconditionally guaranteed by certain subsidiaries of UGI International that guarantee UGI International’s obligations under its existing €300,000,000 senior unsecured term loan facility and its existing €300,000,000 senior unsecured revolving credit facility, but will not be guaranteed by the Company. UGI International expects to use the net proceeds of the offering to redeem its €350,000,000 principal amount of senior unsecured notes due 2025 in full and to pay fees and expenses in connection with the offering, and the remainder will be used for general corporate purposes and/or be distributed to the Company. The Notes offering is subject to market conditions.

The Notes will not be registered under the Securities Act, or any state securities laws, and may not be offered or sold in the United States absent registration, except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such an offer, solicitation or sale would be unlawful.

Cautionary Statement Concerning Forward-Looking Statements

This press release contains statements that are forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended), including statements regarding the aggregate principal amount of the Notes to be sold or the intended use of proceeds from the offering of the Notes. 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 most recent 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, and the capacity to transport product to our customers; increased customer conservation measures; adverse labor relations and our ability to address existing or potential workforce shortages; 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, Europe and other foreign countries, 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, and those of our third-party vendors or service providers, 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; the impact of proposed or future tax legislation, including potential reversal of existing tax legislation that is beneficial to us; and our ability to overcome supply chain issues that may result in delays or shortages in, as well as increased costs of, equipment, materials or other resources that are critical to our business operations. The Company undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.

About UGI

UGI is a distributor and marketer of energy products and services. Through subsidiaries, UGI operates natural gas and electric utilities in Pennsylvania, natural gas utilities in West Virginia, 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 the Mid-Atlantic region of the United States and California and internationally in France, Belgium, the Netherlands and the UK.

INVESTOR RELATIONS

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