

**UGI**  
CORPORATION

**AmeriGas**



**UGI**

BALANCED  
DIVERSIFIED  
DISCIPLINED  
INNOVATIVE  
STRATEGIC

Fourth Quarter 2013  
Earnings Conference Call  
November 19, 2013

This presentation contains certain forward-looking statements that management believes to be reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. You should read UGI's Annual Report on Form 10-K for a more extensive list of factors that could affect results. Among them are adverse weather conditions, cost volatility and availability of all energy products, including propane, natural gas, electricity and fuel oil, increased customer conservation measures, the impact of pending and future legal proceedings, domestic and international political, regulatory and economic conditions including currency exchange rate fluctuations (particularly the euro), the timing of development of Marcellus Shale gas production, the timing and success of our commercial initiatives and investments to grow our business, and our ability to successfully integrate acquired businesses and achieve anticipated synergies. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.



# **John Walsh**

President & CEO, UGI

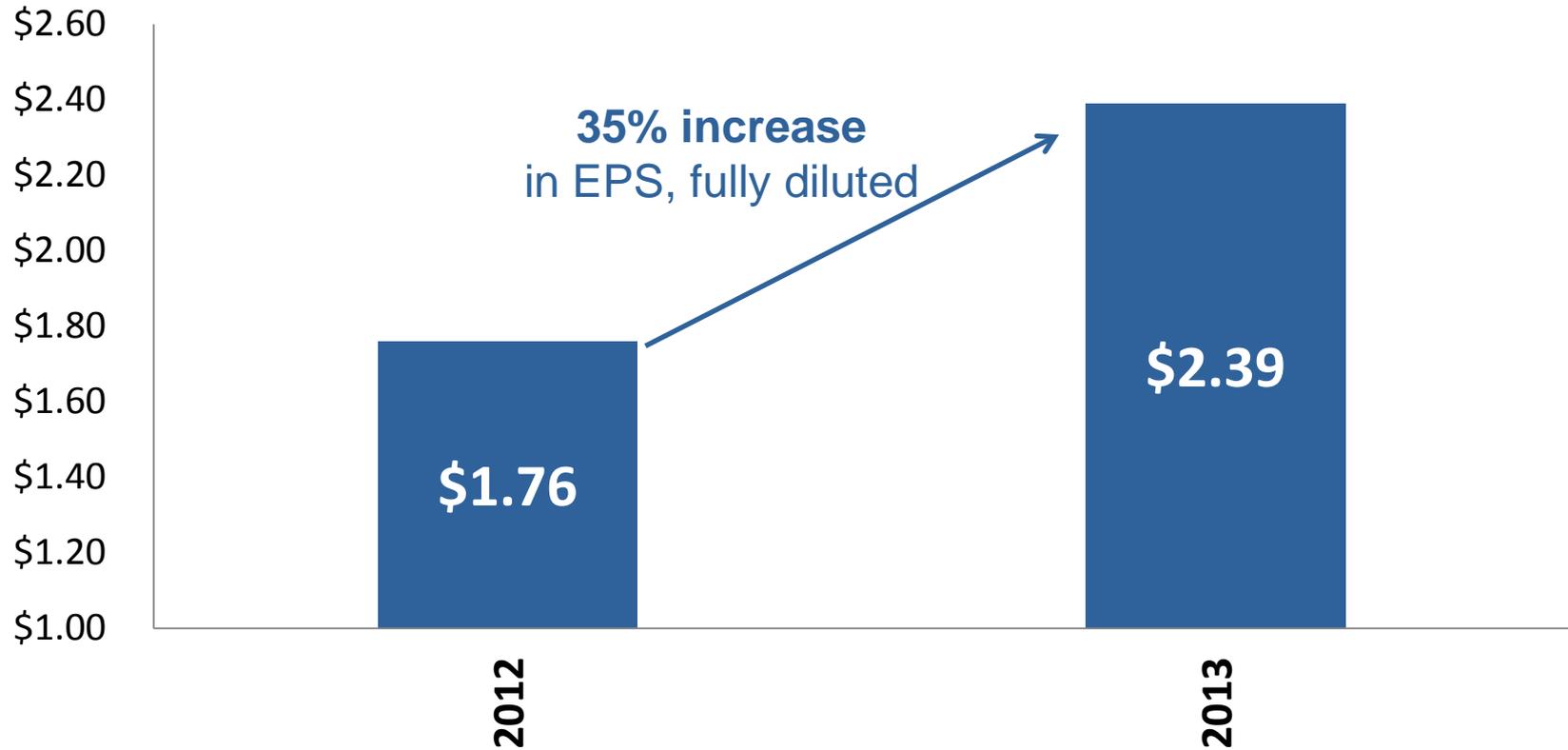
# **Kirk Oliver**

Chief Financial Officer, UGI

# **Jerry Sheridan**

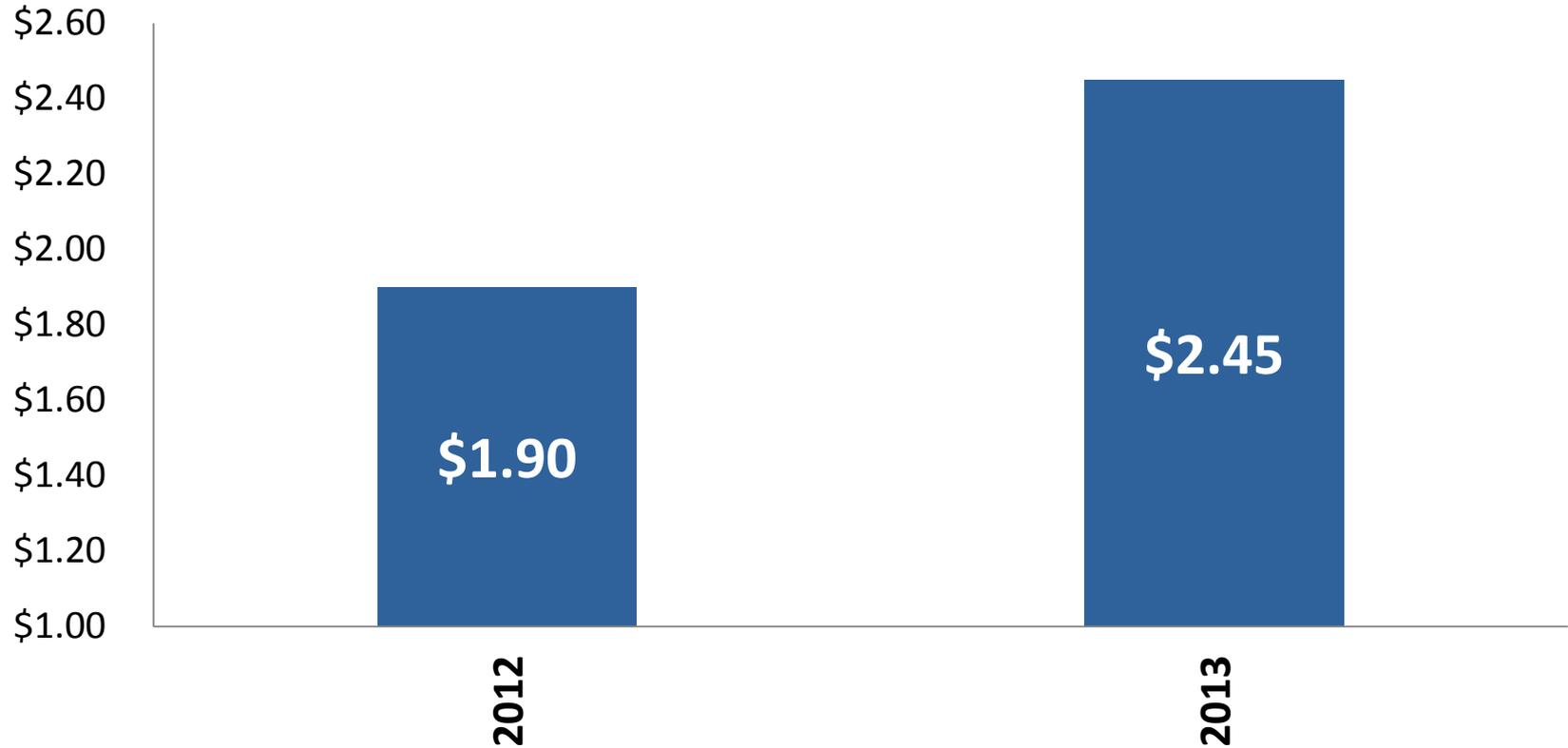
President & CEO, AmeriGas

**GAAP EPS**



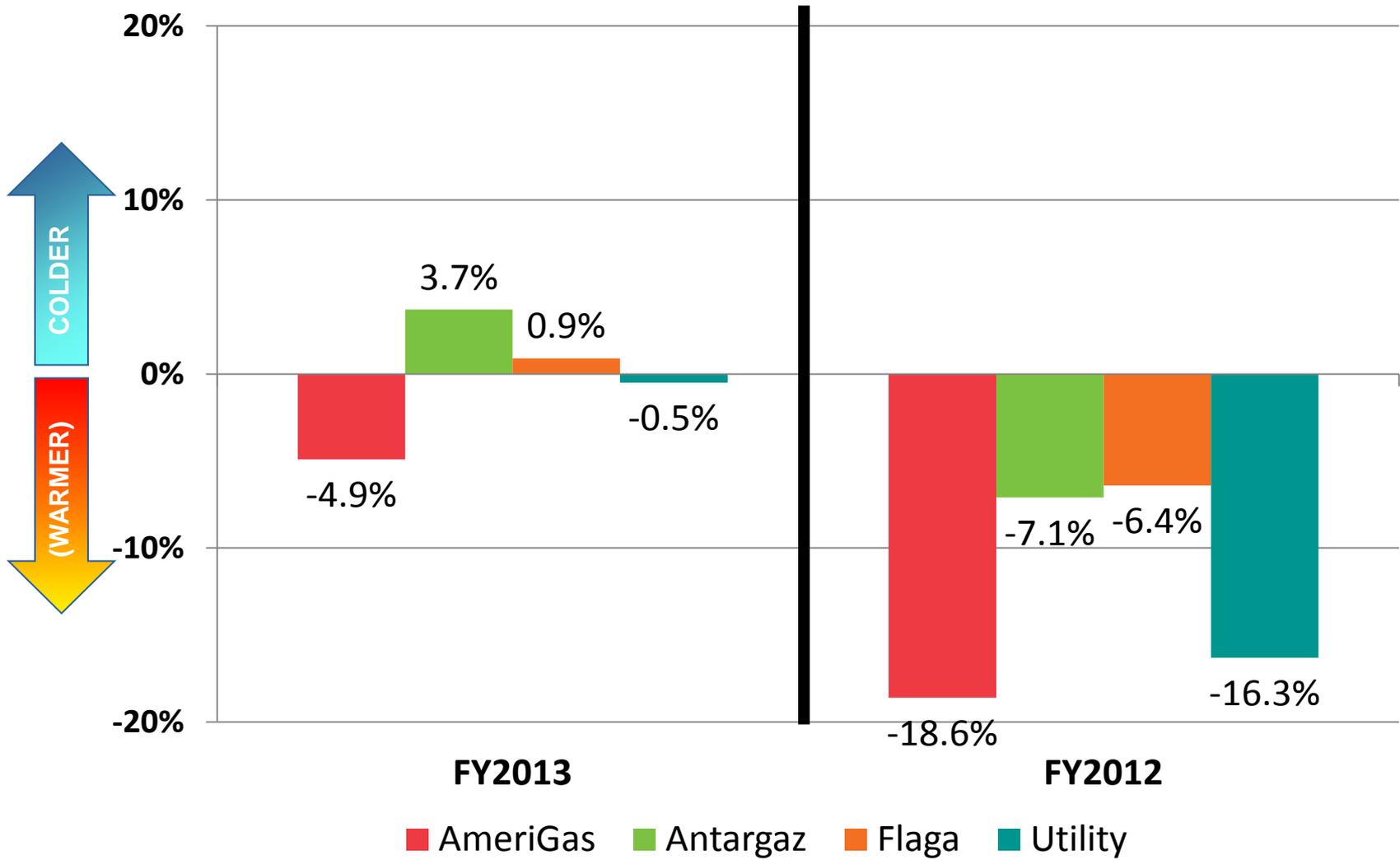
**Fiscal 2014 EPS Guidance: \$2.60 - \$2.70**

**Adjusted EPS\***

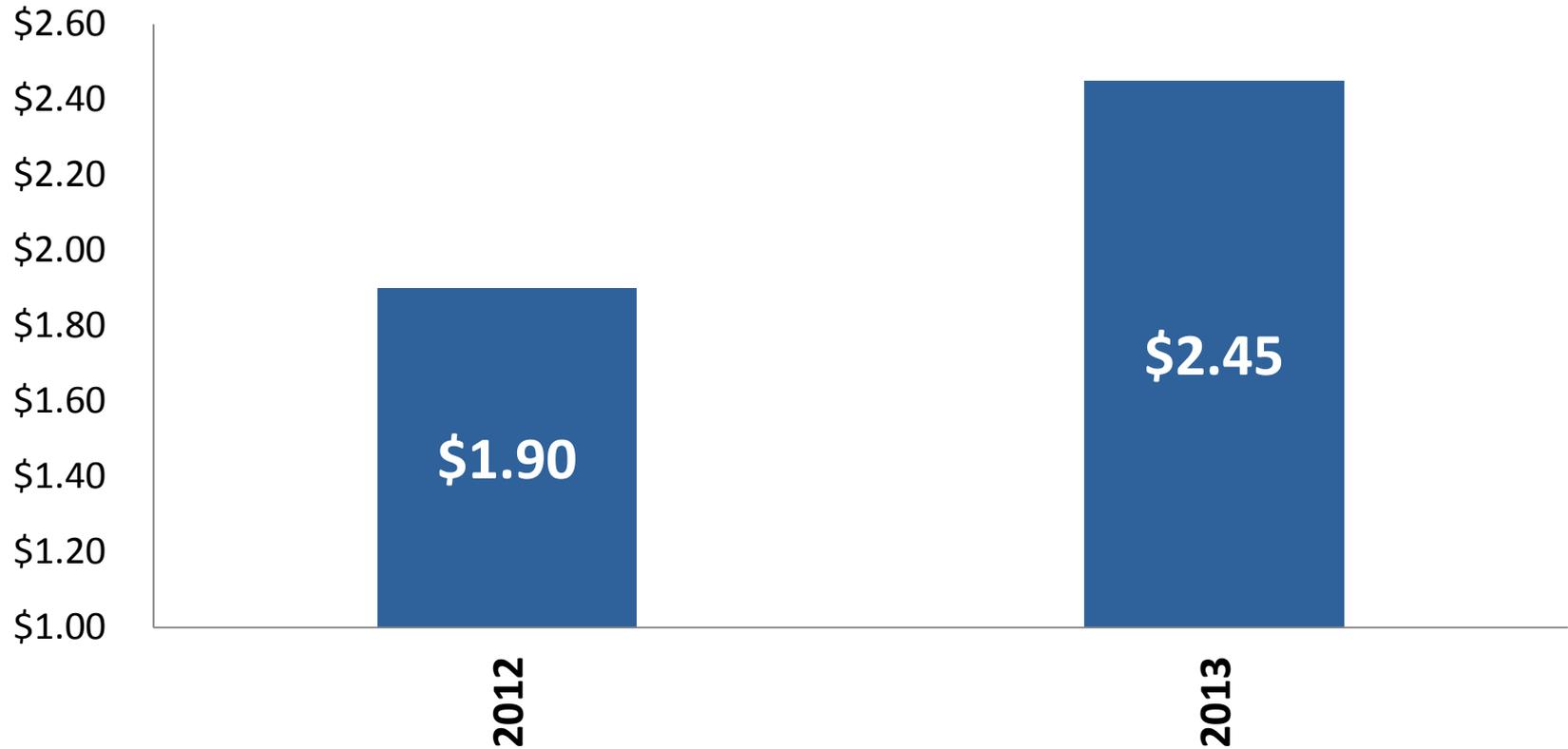


**Fiscal 2014 EPS Guidance: \$2.60 - \$2.70**

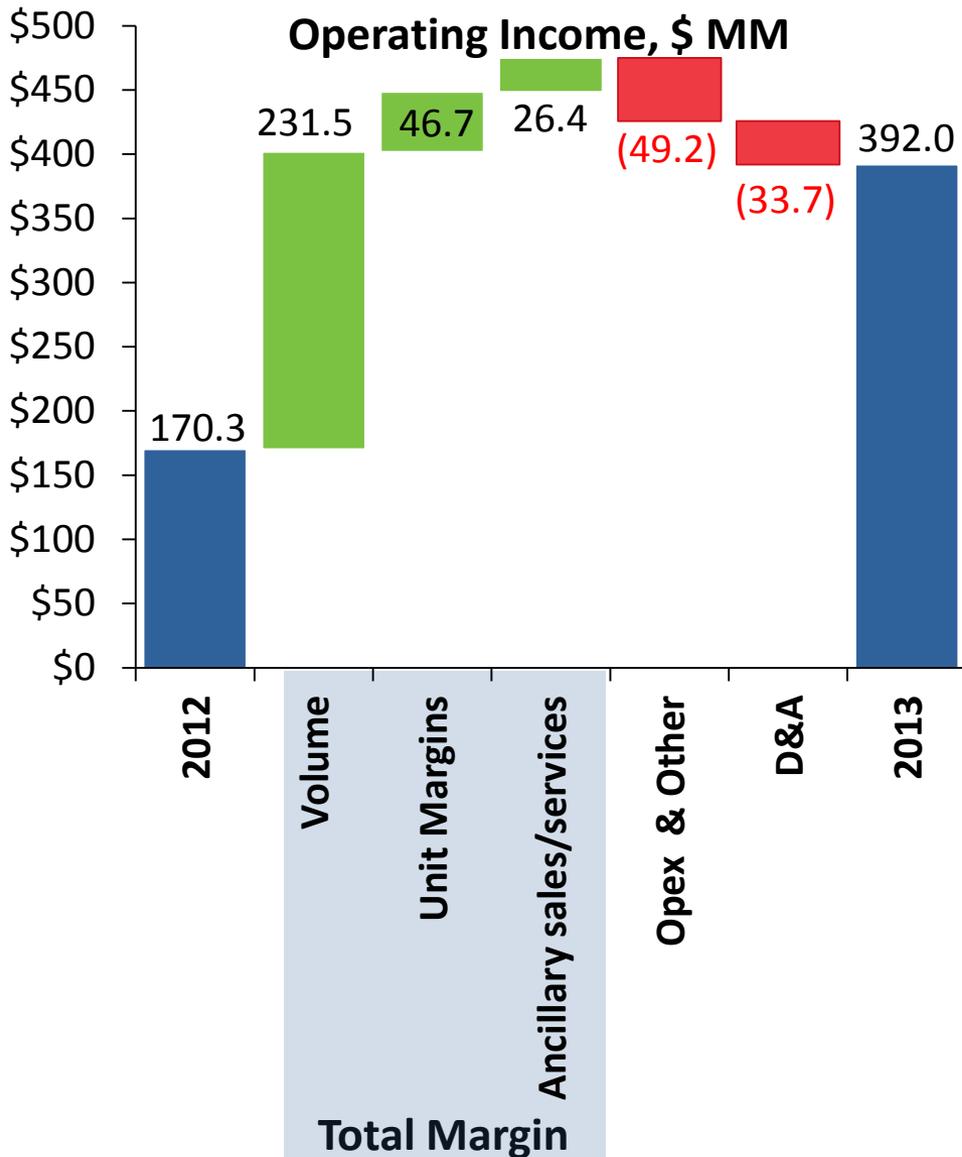
\* See reconciliation in appendix



## Adjusted EPS\*



\* See reconciliation in appendix



## VOLUME

- Full-year impact of Heritage
- Colder weather
- ACE and National Accounts

## MARGIN

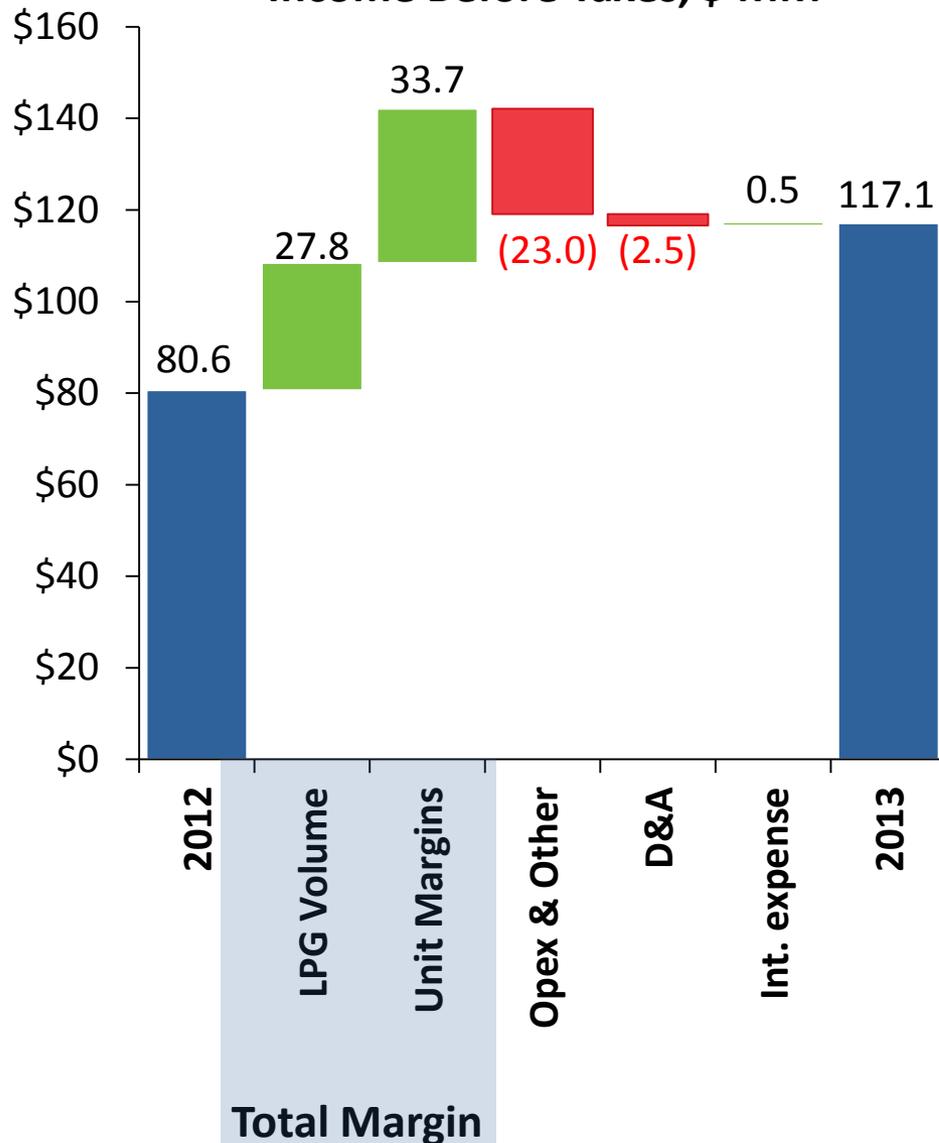
- Higher unit margins

## OPEX

- Full-year impact of Heritage
- Synergies
- Lower transition expenses than prior-year period

\* Opex includes all operating expenses, net of miscellaneous income.  
Total Margin represents total revenues less total cost of sales.

**Income Before Taxes, \$ MM**



**VOLUME**

- Colder weather

**MARGIN**

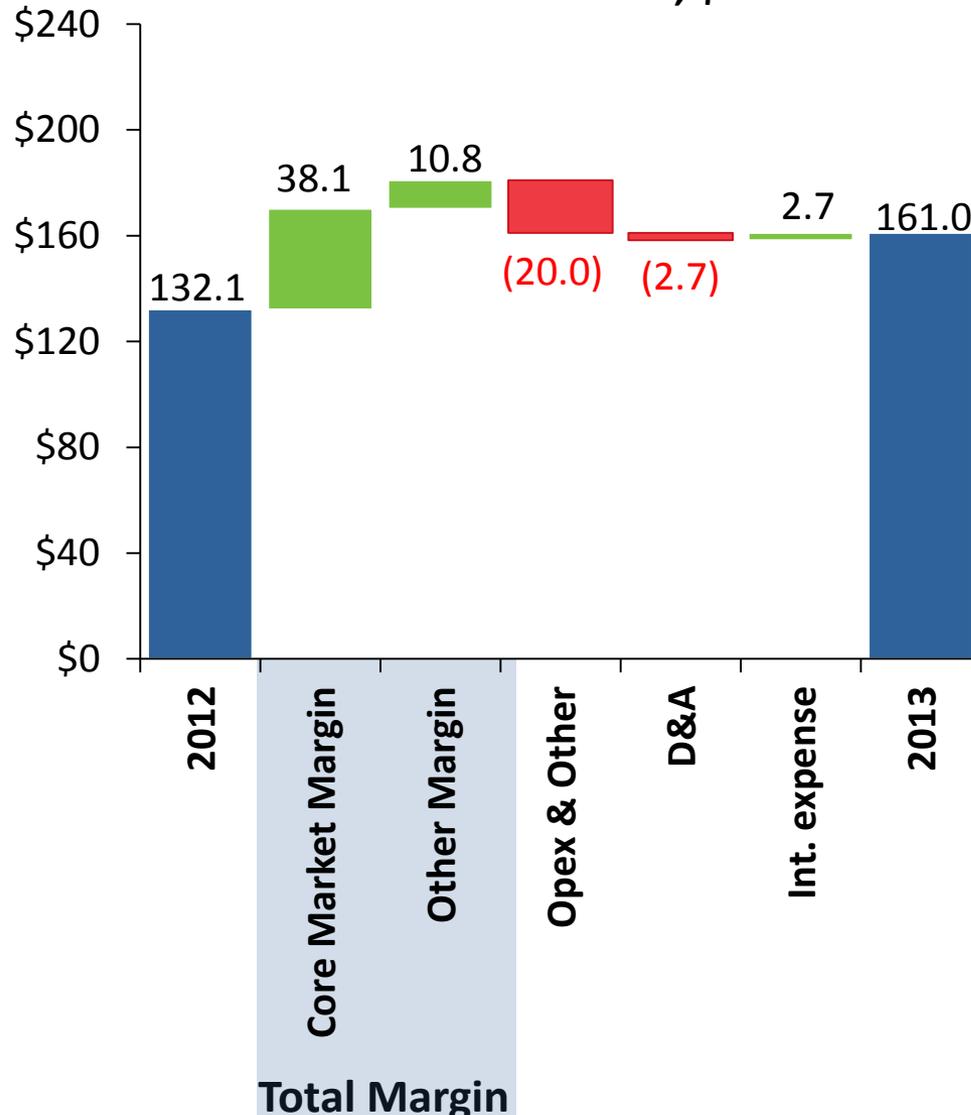
- Higher unit margins at Antargaz, and to a lesser extent, AvantiGas and Flaga

**OPEX**

- Antargaz operating expenses (compensation, benefits, and delivery expense)
- BP Poland acquisition

\* Opex includes all operating expenses, net of miscellaneous income.  
Total Margin represents total revenues less total cost of sales.

## Income Before Taxes, \$ MM



## MARGIN

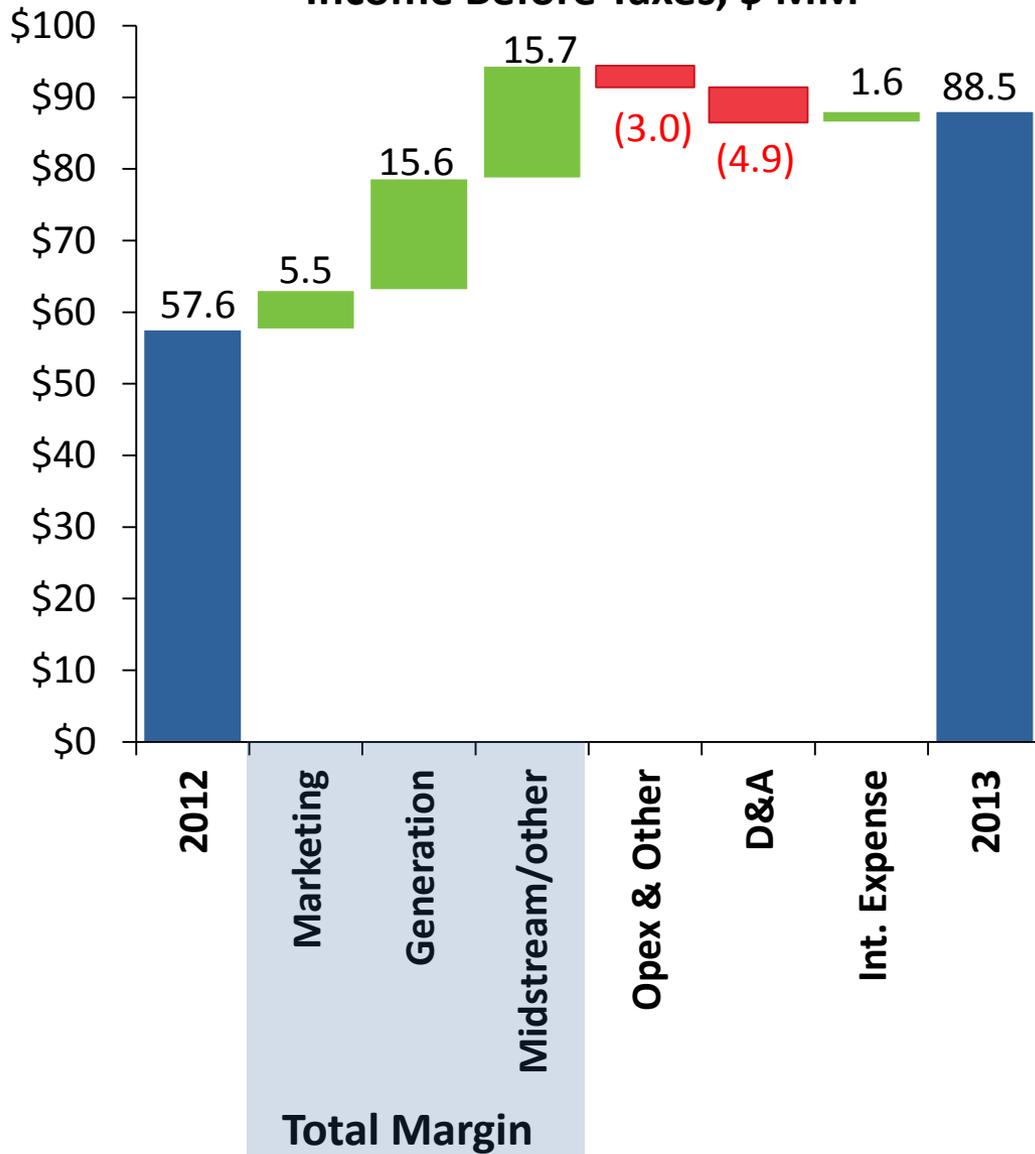
- Colder weather than prior-year period
- Conversions from heating oil

## OPEX

- Higher pension and benefits and distribution expense

\* Opex includes all operating expenses, net of miscellaneous income.  
Total Margin represents total revenues less total cost of sales.

## Income Before Taxes, \$ MM



## MARGIN

- Higher electric generation total margin
- Lower power marketing margins
- Higher peaking, capacity management, and gas marketing margin

## Opex

- Higher operating expenses and depreciation associated with midstream assets

\* Total Margin represents total revenues less total cost of sales.

	<u>Total</u>	<u>AmeriGas</u>	<u>Int'l</u> <u>Propane</u>	<u>Utilities</u>	<u>Midstream</u>	<u>Corporate /</u> <u>Other</u>
Cash on Hand	<b>\$389.3</b>	\$12.6	\$186.2	\$4.7	\$5.2	\$180.6
Revolving Credit Facilities		\$525.0	\$132.6	\$300.0	\$240.0	NA
Accounts Receivable Facility		NA	NA	NA	43.0	NA
Drawn on Facilities		116.9	0.3	17.5	87.0	NA
Letters of Credit		53.7	38.7	2.0	0.0	NA
Available Facilities		\$354.4	\$93.5	\$280.5	\$196.0	
Available Liquidity		\$367.0	\$279.8	\$285.2	\$201.2	

Excluding cash residing at operating subsidiaries, UGI had \$171.6 million of cash at 9/30/13 compared with \$107.9 million at 9/30/12.

- **Sufficient capacity** to meet our liquidity requirements
- FY14 Guidance is **\$2.60-\$2.70**, excluding any additional BP Poland transition costs

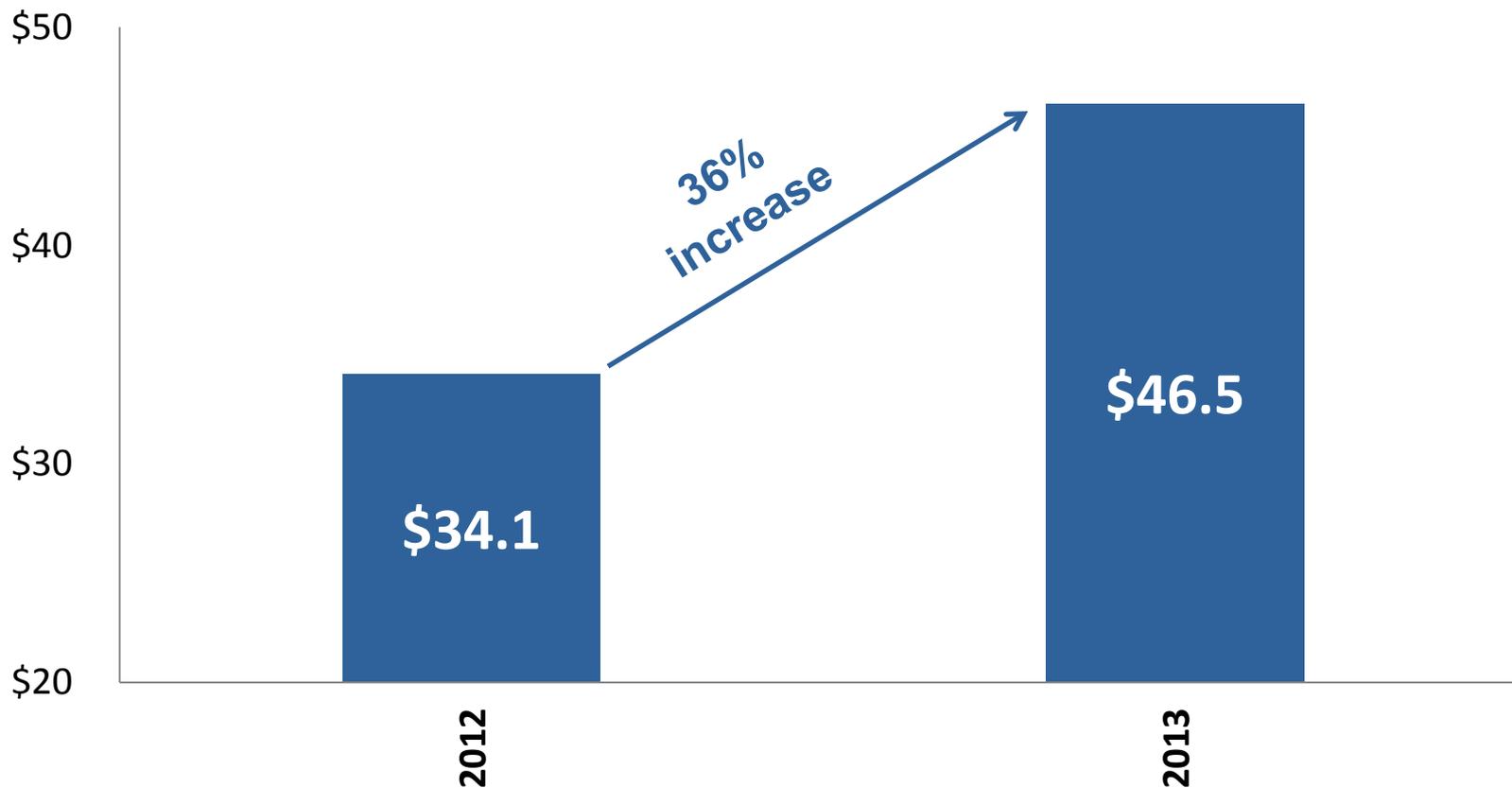
**AmeriGas**

**UGI**  
CORPORATION

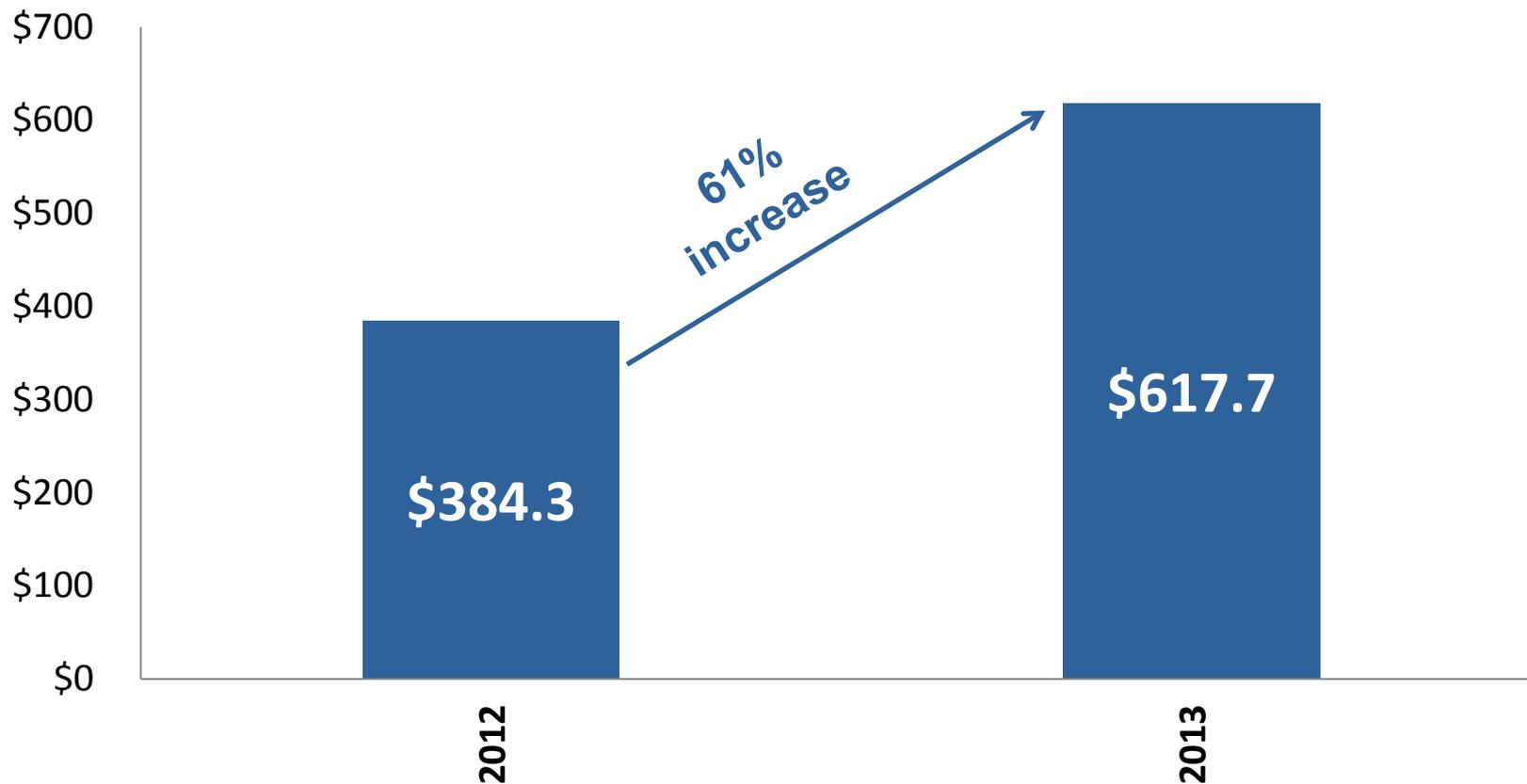
**Jerry Sheridan**  
CEO of AmeriGas



**Adjusted EBITDA\*, \$ Millions**



## Adjusted EBITDA\*, \$ Millions



## Operations

- Volume increased 1% versus last year's fourth quarter despite weather that was 6% warmer than normal
- **Continued decrease in operating expenses:** \$9.4 MM decrease from Q4 of fiscal 2012 due to Heritage synergies (excluding Heritage transition expenses)

## Growth Initiatives

- **AmeriGas Cylinder Exchange (ACE):** Volume growth of 6% from the prior-year quarter, 2,800 new outlets added
- **National Accounts:** Volume increased over 30% from the prior-year quarter
- **Acquisitions:** Closed one acquisition, adding an annualized 4.3 MM gallons

- **FY14 Guidance \$645 MM - \$675 MM**
- Achieved all major milestones set at the beginning of the Heritage Propane integration



# John Walsh

President & CEO

November 19, 2013

## AmeriGas and UGI International

- US and European propane businesses are clearly demonstrating the benefits of the major acquisitions completed in fiscal 2012
- **AmeriGas:** Strong performance in both ACE and National Accounts; expanded nationwide footprint makes us an attractive supply partner for key customers
- **UGI International:** Operating income increased over 30% from fiscal 2012
- **BP Poland acquisition expected to be accretive** in fiscal 2014

## Gas Utility

- **Productive year for infrastructure replacement:** fiscal 2013 infrastructure capex was approximately 30% above fiscal 2012 level
- **Strong demand for natural gas:** UGI Utilities connected almost 17,000 residential, commercial, and industrial customers in fiscal 2013

## Midstream & Marketing

- **Auburn II pipeline achieved mechanical completion** and is subscribed to near-capacity levels for this phase under firm contracts
- Project provides critical new gas distribution infrastructure in northeast PA

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**Q&A**



# Appendix



- ❖ Adjusted EPS is not a measure of performance or financial condition under accounting principles generally accepted in the United States ("GAAP"). Adjusted EPS is calculated by excluding the effect of non-recurring items from the calculation of reported EPS. Management believes Adjusted EPS is a meaningful non-GAAP financial measure that provides an additional means of analyzing the Company's performance excluding the effect of non-recurring items. The Company's definition of Adjusted EPS may be different from that used by other companies.
- ❖ Adjusted EPS should not be considered a substitute for financial information presented in accordance with GAAP.

# Adjusted EPS to GAAP EPS Reconciliation

(millions of dollars)	<u>2013</u>	<u>2012</u>
<b>GAAP Net Income</b>	\$ 275.8	\$ 199.4
<b>Adjustments:</b>		
<b>Loss on early extinguishment of debt at AmeriGas</b>		(2.2)
<b>Acquisition and transition costs - Heritage and Shell LPG</b>		(13.3)
<b>Acquisition and transition costs - BP Poland</b>	(3.2)	
<b>Valuation adjustment - renewable energy partnership</b>	(3.7)	
<b>Adjusted Net Income</b>	<b>\$ 282.7</b>	<b>\$ 214.9</b>
<b>GAAP EPS</b>	\$2.39	\$1.76
<b>Adjusted EPS</b>	\$2.45	\$1.90
<b>Diluted Shares Outstanding</b>	115.5	113.4

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

# AmeriGas Partners EBITDA Reconciliation

	Three Months Ended		Twelve Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Net (loss) income attributable to AmeriGas Partners, L.P.	\$ (54,056)	\$ (76,003)	\$ 221,222	\$ 11,025
Income tax expense	1,155	925	1,671	1,931
Interest expense	41,213	39,210	165,432	142,641
Depreciation	41,638	39,632	159,306	134,225
Amortization	10,740	10,996	43,565	34,898
EBITDA	\$ 40,690	\$ 14,760	\$ 591,196	\$ 324,720
Heritage Propane acquisition and transition expense	5,793	19,295	26,539	46,187
Loss on extinguishments of debt	-	-	-	13,349
Adjusted EBITDA	\$ 46,483	\$ 34,055	\$ 617,735	\$ 384,256

# Investor Relations:

610-337-1000

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