



**2015 Q1 Earnings  
Conference Call  
February 5, 2015**

# About This Presentation

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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 in the United States and in foreign countries, including the current conflicts in the Middle East and those involving Russia, and currency exchange rate fluctuations (particularly the euro), the timing of development of Marcellus Shale gas production, the timing and success of our acquisitions, 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

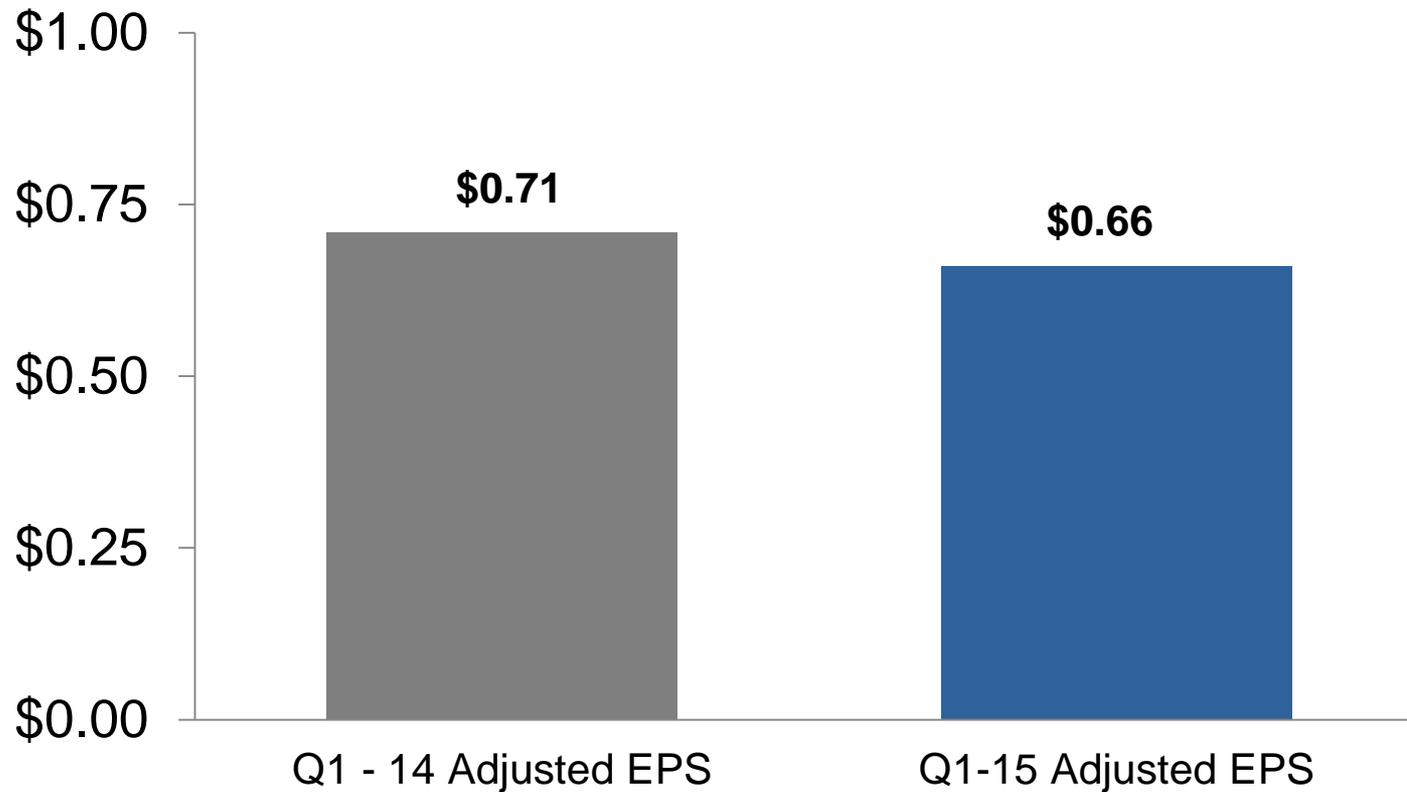
# **Kirk Oliver**

Chief Financial Officer, UGI

# **Jerry Sheridan**

President & CEO, AmeriGas

Adjusted EPS\*



\* See appendix for Adjusted EPS reconciliation.

## ***Midstream & Marketing***

- Expansion of Temple LNG facility is on track
  - ✓ *FERC approved*
  - ✓ *Expand liquefaction capacity by 50%*
  - ✓ *Expect to be on-stream by Q3*
- Continue to make progress on the Auburn Pipeline expansion
  - ✓ *Expect to be on-line by Fall 2015, in time for winter season*

## ***UGI Utilities***

- Added 6,500 customers in Q1
- Repaired record number of miles of cast iron and bare steel in FY14

## ***AmeriGas and UGI International***

- Solid quarter despite warm weather



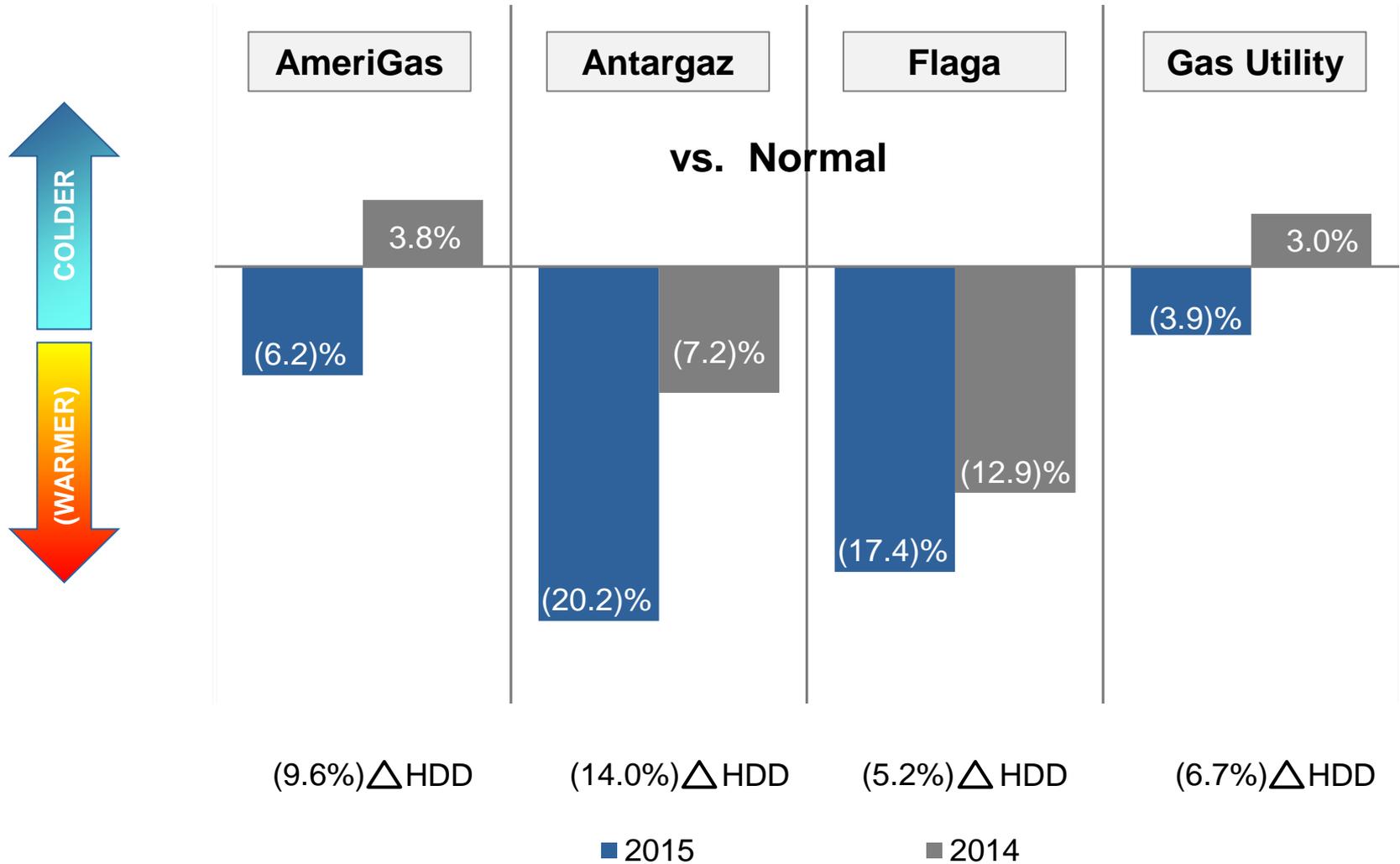
# Kirk Oliver

## Chief Financial Officer

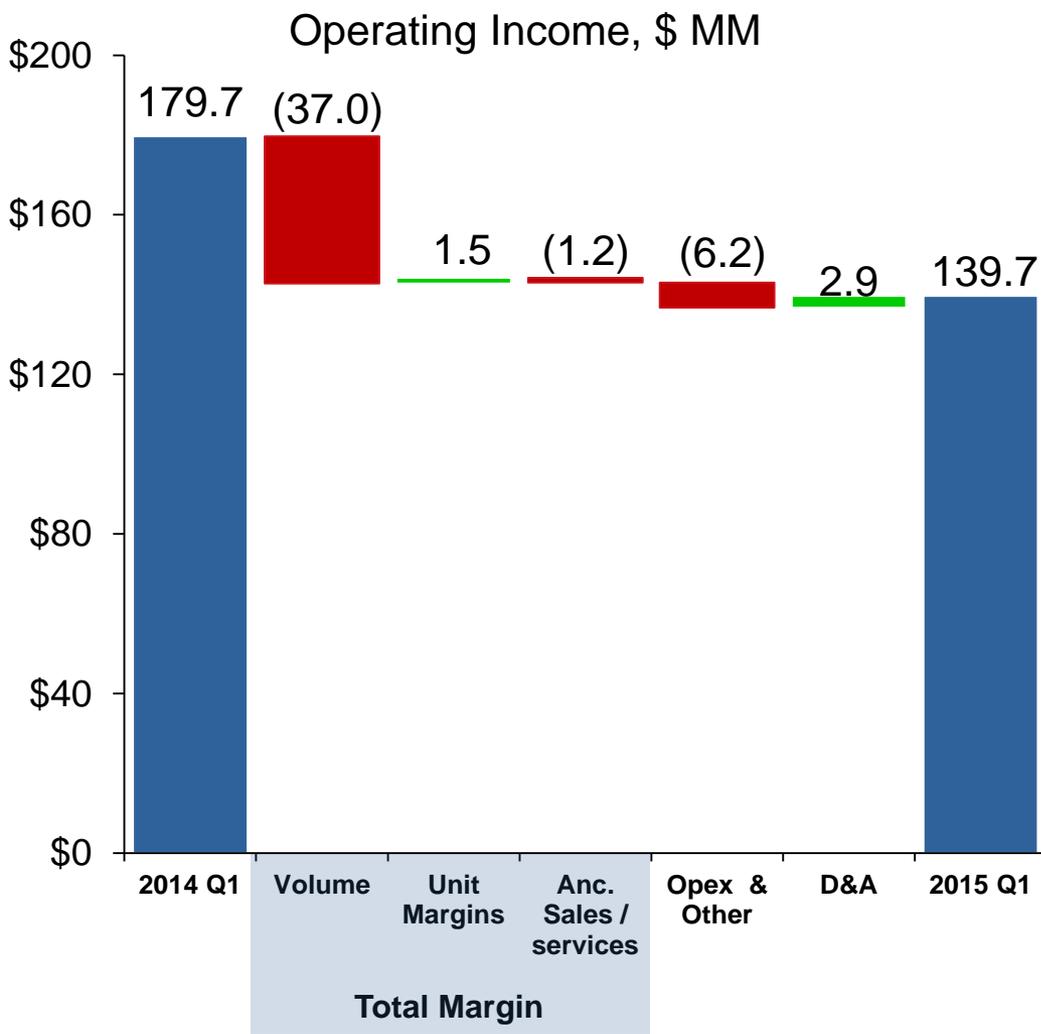
February 5, 2015

# 2015 Q1 Financial Results

	Three Months Ended December 31,	
	2014	2013
<b>Adjusted net income attributable to UGI Corporation:</b>		
Net income attributable to UGI Corporation	\$ 34.1	\$ 122.0
Net after-tax losses (gains) on commodity derivative instruments not associated with current period transactions	81.9	(4.2)
Retroactive impact of change in French tax law	0.0	5.7
Adjusted net income attributable to UGI Corporation	<u>\$ 116.0</u>	<u>\$ 123.5</u>
<b>Adjusted diluted earnings per share:</b>		
UGI Corporation earnings per share - diluted	\$ 0.19	\$ 0.70
Net after-tax losses (gains) on commodity derivative instruments not associated with current period transactions	0.47	(0.02)
Retroactive impact of change in French tax law	0.00	0.03
Adjusted diluted earnings per share	<u>\$ 0.66</u>	<u>\$ 0.71</u>



\*  $\Delta$  HDD = Percent change in Heating Degree Days versus prior year



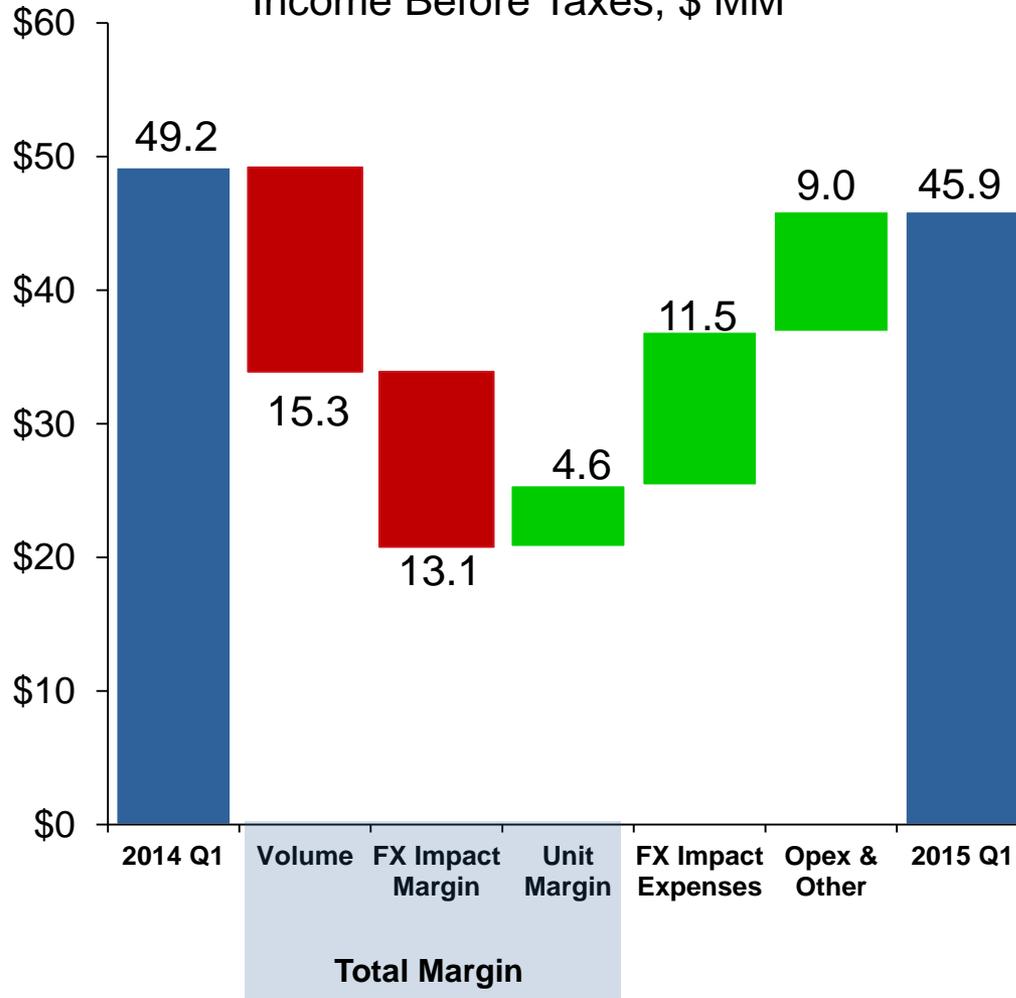
## MARGIN

- Warmer weather, particularly in Western regions

## OPEX

- Higher casualty and general liability expenses
- Lower vehicle operating and maintenance expenses

Income Before Taxes, \$ MM



## MARGIN

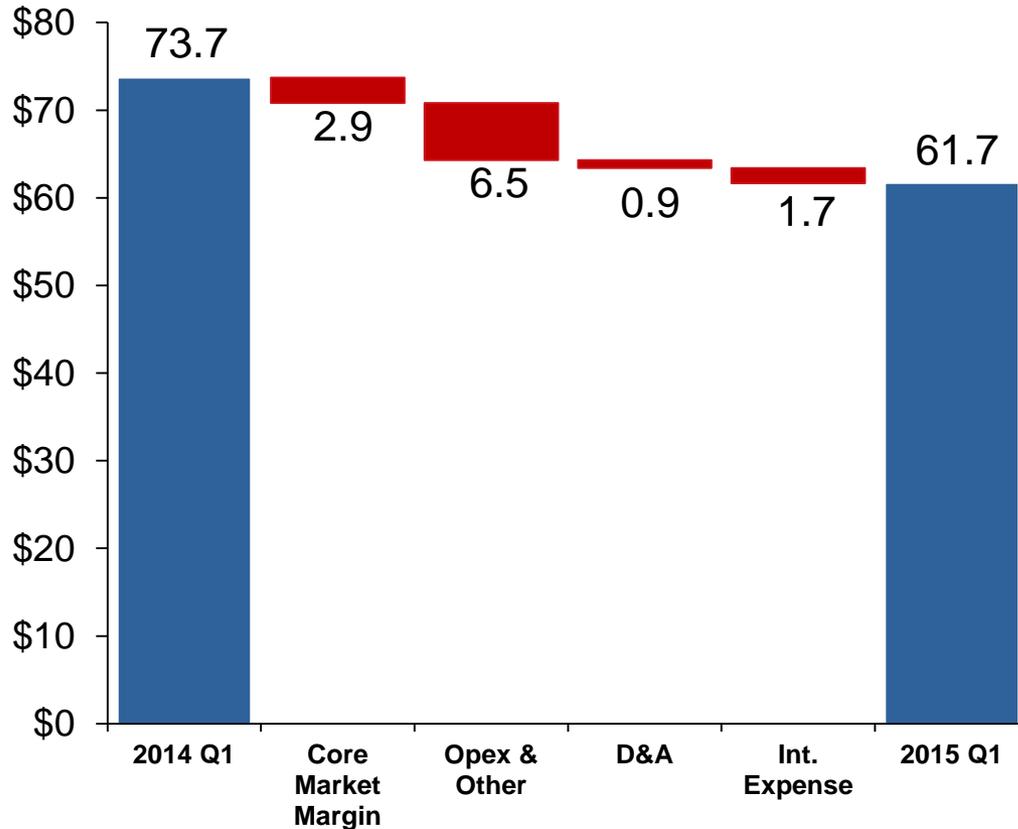
- Weaker Euro and British Pound Sterling
- Lower Antargaz and Flaga volumes
- Higher unit margins (in euros) at Antargaz

## OPEX

- Weaker Euro and British Pound Sterling
- Expenses related to proposed acquisition of Totalgaz in France

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

Income Before Taxes, \$ MM



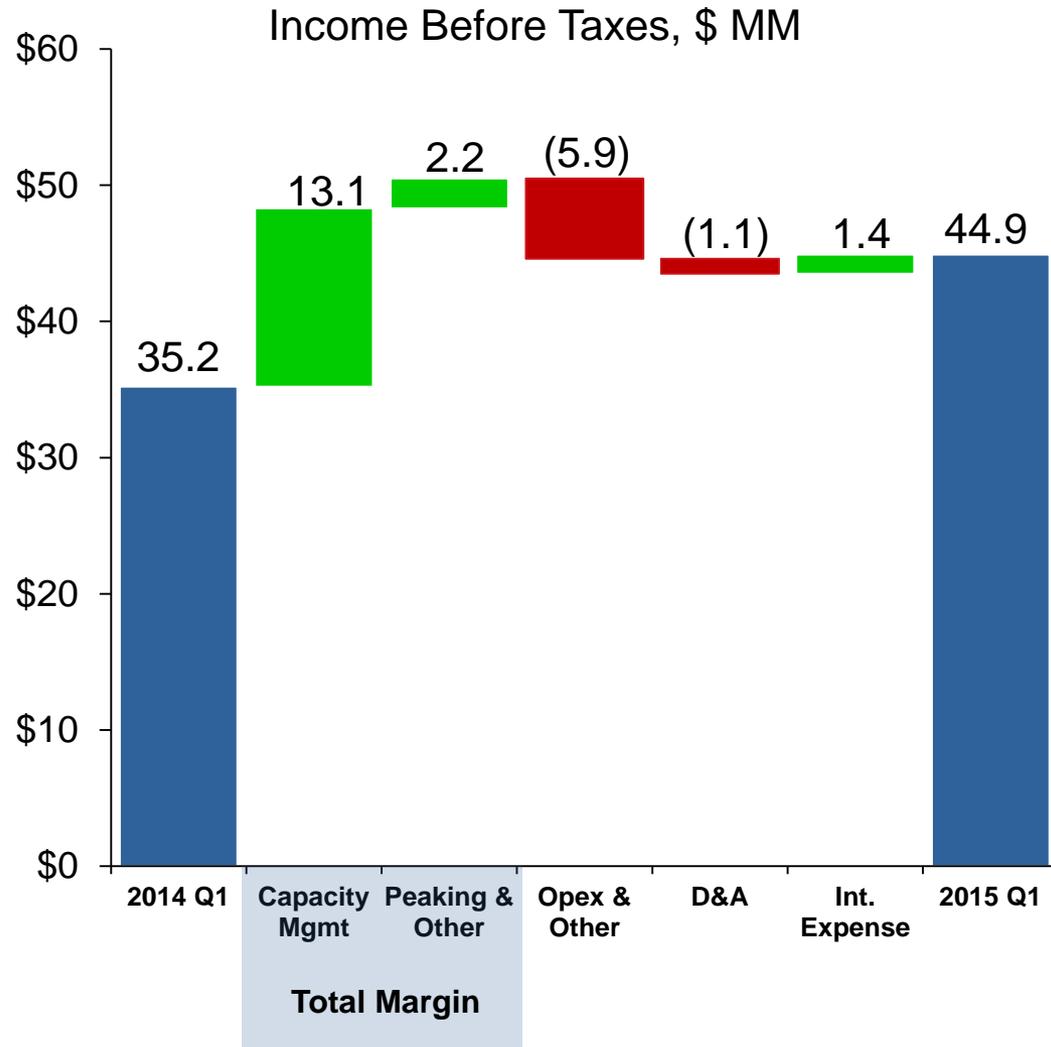
## MARGIN

- Warmer weather
- Customer Growth

## OPEX

- Higher distribution system maintenance
- Higher employee benefit and information technology expenses
- Higher depreciation expense

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



## MARGIN

- Higher capacity management and peaking service margin
- Higher natural gas gathering and storage margin
- Lower electric generation margin

## OPEX

- Planned outages at the Hunlock and Conemaugh generating stations
- Expansion of natural gas gathering assets

\* Excludes impact of mark-to-market changes in commodity hedging instruments.  
Total Margin represents total revenues less total cost of sales.

	<u>Total</u>	<u>UGI</u>			<u>Corporate</u>	
		<u>AmeriGas</u>	<u>International</u>	<u>Utilities</u>	<u>Midstream</u>	<u>&amp; Other</u>
Cash on Hand	<b>\$401.2</b>	\$18.5	\$107.0	\$5.3	\$14.5	\$255.9
Revolving Credit Facilities		\$525.0	\$118.6	\$300.0	\$240.0	NA
Accounts Receivable Facility		NA	NA	NA	96.5	NA
Drawn on Facilities		253.0	0.0	153.5	43.0	NA
Letters of Credit		64.7	34.3	2.0	0.0	NA
Available Facilities		\$207.3	\$84.3	\$144.5	\$293.5	
Available Liquidity		\$225.8	\$191.2	\$149.8	\$307.9	

Excluding cash residing at operating subsidiaries, UGI had \$245.8 million of cash at 12/31/14 compared with \$205.0 million at 12/31/13.

**FY 2015 Adjusted EPS\* Guidance Range: \$1.88 – \$1.98**

**AmeriGas**

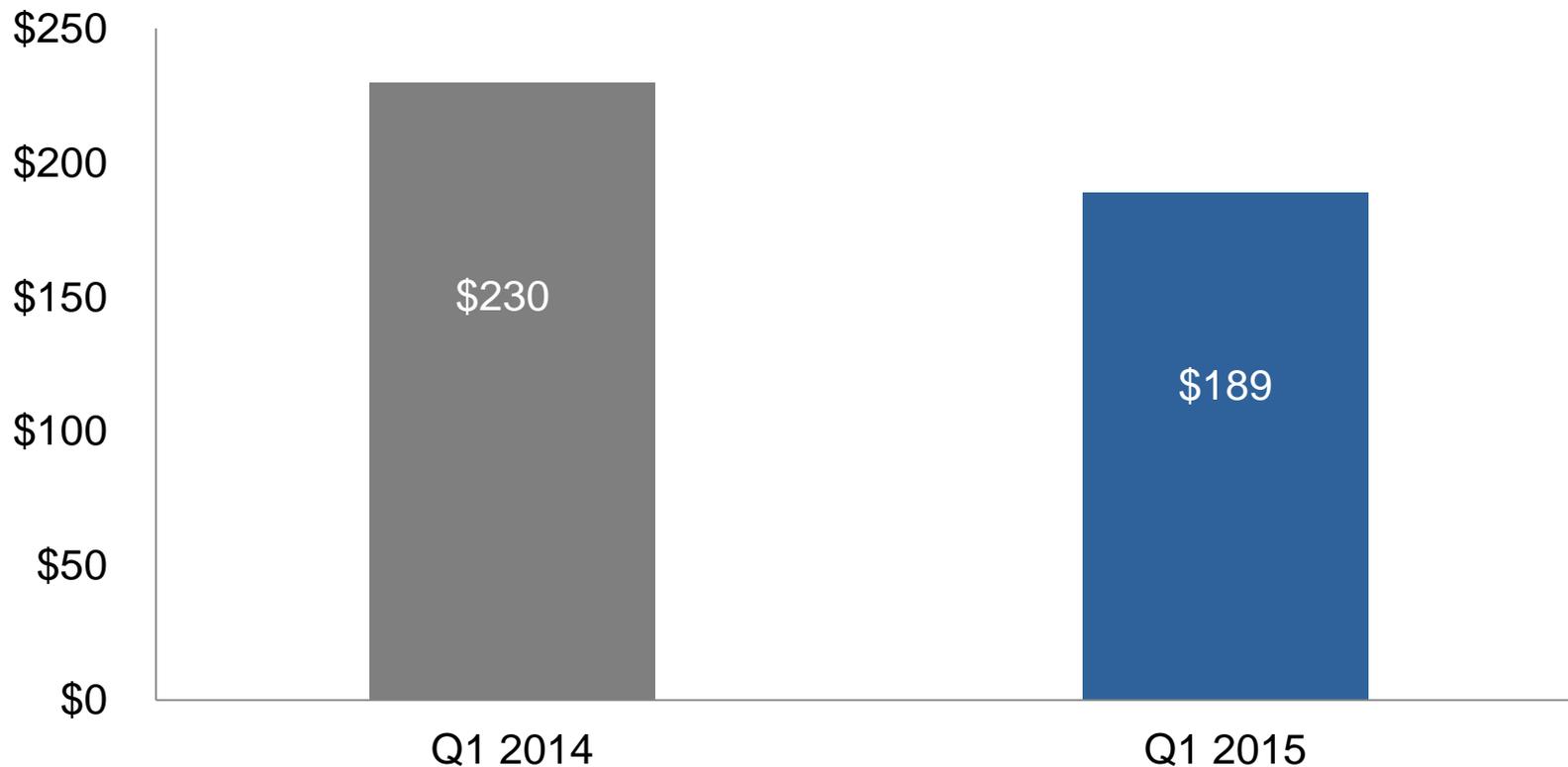
**UGI**  
**CORPORATION**

# Jerry Sheridan

CEO of AmeriGas



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



\* See appendix for Adjusted EBITDA reconciliation

- Volume decreased 9.1% (34 million gallons) on weather that was 9.6% warmer than last year
- Mt. Belvieu cost decreased 55% during the quarter
- Mark-to-market adjustments are non-cash and associated primarily with hedges for fixed-price customers
- Propane costs expected to remain low through the season
  - U.S. propane inventory at December 31, 2014 was 41% above the prior five-year average
- Guidance range updated to \$635-\$665 million for FY 2015

- The AmeriGas Propane Exchange program's volume increased 4% in the quarter and added 1,023 new locations year-over-year
- The National Account program's volume increased by 10%
- Completed four smaller scale acquisitions and pipeline remains strong
- Anticipate delivering positive free cash flow to cover growth and maintenance capital, acquisitions, and distributions
- Trend toward lower priced propane is good for the industry and will promote demand



# John Walsh

## President & CEO

February 5, 2015

## PennEast

- ~\$1bn project expected to deliver one bcf of gas per day
- Project partners have held a series of meetings in local communities; FERC will hold additional meetings
- Expected to be on-stream by late 2017

## Total LPG acquisition

- Progressing as planned
- Expect closing in the first half of calendar year 2015

## GET Gas

- Extremely well received
- Demand for natural gas remains at unprecedented levels

## Marcellus Projects

- Continue to develop a range of new infrastructure projects

- January was cold in the Mid-Atlantic and Northeastern U.S.
- Return to more normal temperatures in Europe
- Cold weather and infrastructure gap driving higher prices for pipeline capacity

- Solid quarter despite warmer weather
- Return to more normal weather so far in Q2
- Strong cash flows and balance sheets provide capacity to fund future growth
- Expect to deliver Adjusted EPS of \$1.88 – \$1.98 in FY 2015



**Q&A**



**Appendix**

- ❖ Management uses "adjusted net income attributable to UGI" and "adjusted diluted earnings per share," both of which are non-GAAP financial measures, when evaluating UGI's overall performance. Adjusted net income attributable to UGI is net income attributable to UGI after excluding net after-tax gains and losses on commodity derivative instruments not associated with current-period transactions and items that management regards as highly unusual and not expected to recur. Volatility in net income at UGI can occur as a result of gains and losses on derivative instruments not associated with current period transactions but included in earnings in accordance with U.S. generally accepted accounting principles ("GAAP"). Midstream & Marketing records gains and losses on commodity derivative instruments not associated with current-period transactions in cost of sales or revenues for all periods presented. Effective October 1, 2014, UGI International determined that on a prospective basis it would not elect cash flow hedge accounting for its commodity derivative transactions and also de-designated its then-existing commodity derivative instruments accounted for as cash flow hedges. Also effective October 1, 2014, AmeriGas Propane de-designated its remaining commodity derivative instruments accounted for as cash flow hedges. Previously, AmeriGas Propane had discontinued cash flow hedge accounting for all commodity derivative instruments entered into beginning April 1, 2014.
- ❖ Non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate the impact of (1) gains and losses on commodity derivative instruments not associated with current-period transactions and (2) those items that management regards as highly unusual in nature and not expected to recur.
- ❖ The following table reconciles consolidated net income attributable to UGI, the most directly comparable GAAP measure, to adjusted net income attributable to UGI, and reconciles diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above.

## Adjusted EPS to GAAP EPS Reconciliation

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
<b>Adjusted diluted earnings per share:</b>				
UGI Corporation earnings per share - diluted	\$ 0.19	\$ 0.70	\$ 1.42	\$ 1.71
Net after-tax losses (gains) on commodity derivative instruments not associated with current period transactions	0.47	(0.02)	0.53	(0.04)
Retroactive impact of change in French tax law	0.00	0.03	0.00	0.03
Adjusted diluted earnings per share	<u>\$ 0.66</u>	<u>\$ 0.71</u>	<u>\$ 1.95</u>	<u>\$ 1.70</u>

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

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
<b>Adjusted net income attributable to UGI Corporation:</b>				
Net income attributable to UGI Corporation	\$ 34.1	\$ 122.0	\$ 249.3	\$ 297.6
Net after-tax losses (gains) on commodity derivative instruments not associated with current period transactions (1)	81.9	(4.2)	92.7	(7.2)
Retroactive impact of change in French tax law	0.0	5.7	0.0	5.7
Adjusted net income attributable to UGI Corporation	\$ 116.0	\$ 123.5	\$ 342.0	\$ 296.1

- ❖ 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 business segments. UGI Corporation discloses the Partnership's EBITDA in its disclosures about its business segments as the profitability measure for its domestic propane segment.

# AmeriGas Partners EBITDA Reconciliation

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
<b>EBITDA and Adjusted EBITDA:</b>				
Net (loss) income attributable to AmeriGas Partners, L.P.	\$ (39,571)	\$ 134,898	\$ 115,424	\$ 259,455
Income tax expense	870	1,431	2,050	2,475
Interest expense	41,034	41,590	165,025	165,826
Depreciation	38,682	41,503	151,199	162,486
Amortization	10,686	10,819	43,062	43,356
<b>EBITDA</b>	<b>\$ 51,701</b>	<b>\$ 230,241</b>	<b>\$ 476,760</b>	<b>\$ 633,598</b>
Heritage Propane acquisition and transition expense	-	-	-	21,051
Add net losses on commodity derivative instruments not associated with current-period transactions	138,230	-	147,725	-
Noncontrolling interest in losses on commodity derivative instruments not associated with current-period transactions	(1,396)	-	(1,492)	-
<b>Adjusted EBITDA</b>	<b>\$ 188,535</b>	<b>\$ 230,241</b>	<b>\$ 622,993</b>	<b>\$ 654,649</b>

	Forecast Fiscal Year Ending September 30, 2015
Adjusted net income attributable to AmeriGas Partners, L.P. (estimate) (d)	\$ 286,000
Interest expense (estimate)	163,000
Income tax expense (estimate)	4,000
Depreciation (estimate)	154,000
Amortization (estimate)	43,000
Adjusted EBITDA (e)	\$ 650,000

- (d) Represents estimated net income attributable to AmeriGas Partners, L.P. after adjusting for gains and losses on commodity derivative instruments not associated with current-period transactions. It is impracticable to determine actual gains and losses on commodity derivative instruments not associated with current-period transactions that will be reported in GAAP net income as such gains and losses will depend upon future changes in commodity prices for propane which cannot be forecasted.
- (e) Represents the midpoint of Adjusted EBITDA guidance range for fiscal 2015.



**Investor Relations:**

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# Investor Presentation

## March - April 2015



# About This Presentation

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# Company Overview

UGI Corporation is a distributor and marketer of energy products and services including natural gas, propane, butane, and electricity.



- **#1 Propane distributor in U.S.**



- **Premier LPG distributor in Europe**



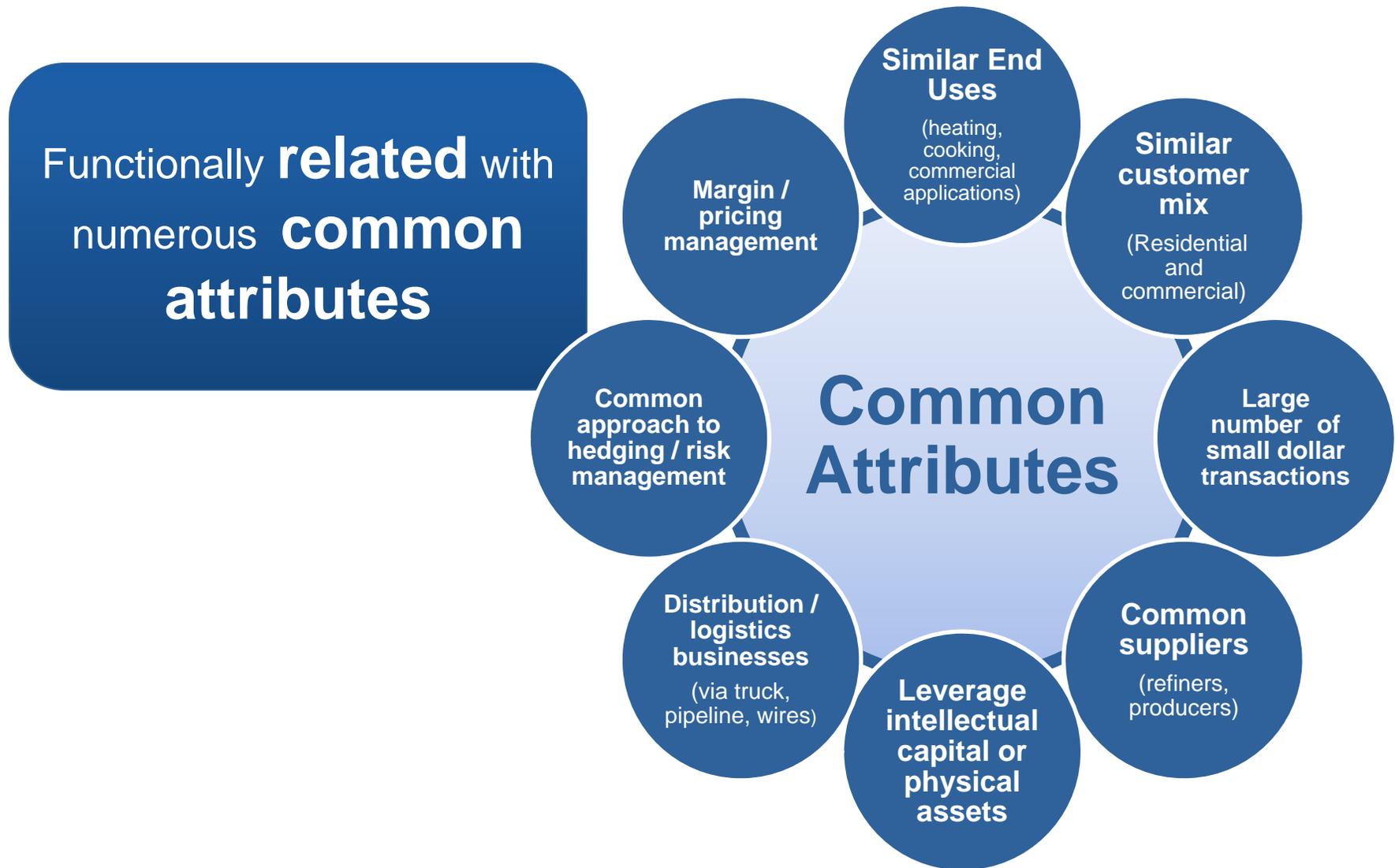
- **Energy marketing, midstream, and power generation**



- **Gas & Electric Utilities in Pennsylvania and Maryland**

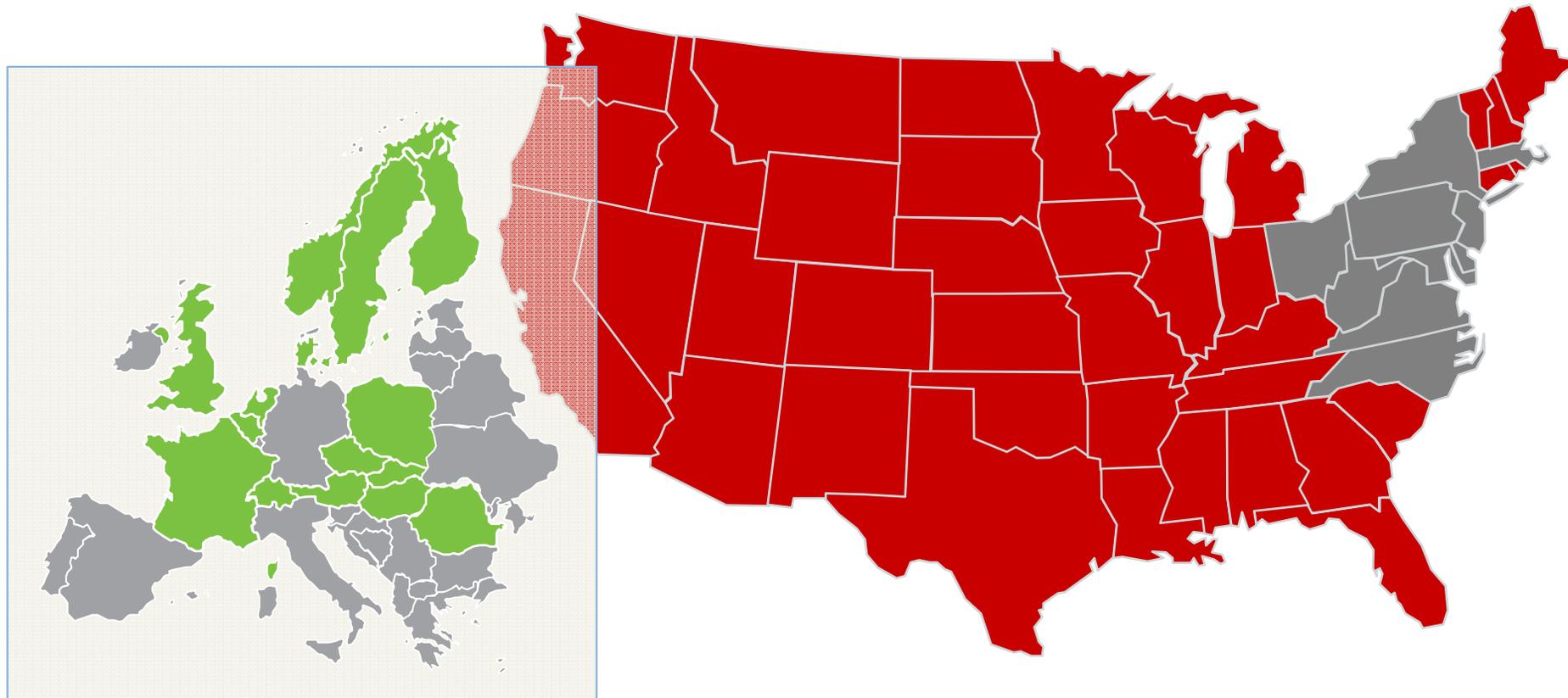
\*100% GP interest and 25% of outstanding LP units  
Largest retail propane distributor in U.S. based on volume

# UGI's Businesses



# Where We Are

UGI operates in 50 states and 16 European countries



**AmeriGas**  
(all 50 states)

**UGI International**  
(16 European countries)

**Energy Services**  
(PA, NJ, DE, NY, MA, OH, MD, VA, NC, DC)

**UGI Utilities**  
(PA, MD)

## Why Invest in UGI?

- **We are a balanced Growth and Income investment**
  - **6-10% EPS Growth**
  - **4% Dividend Growth**
- **We have a track record of delivering on our commitments**
- **Our portfolio of growth opportunities has never been stronger**



# Significant Growth Opportunities

## Base Growth

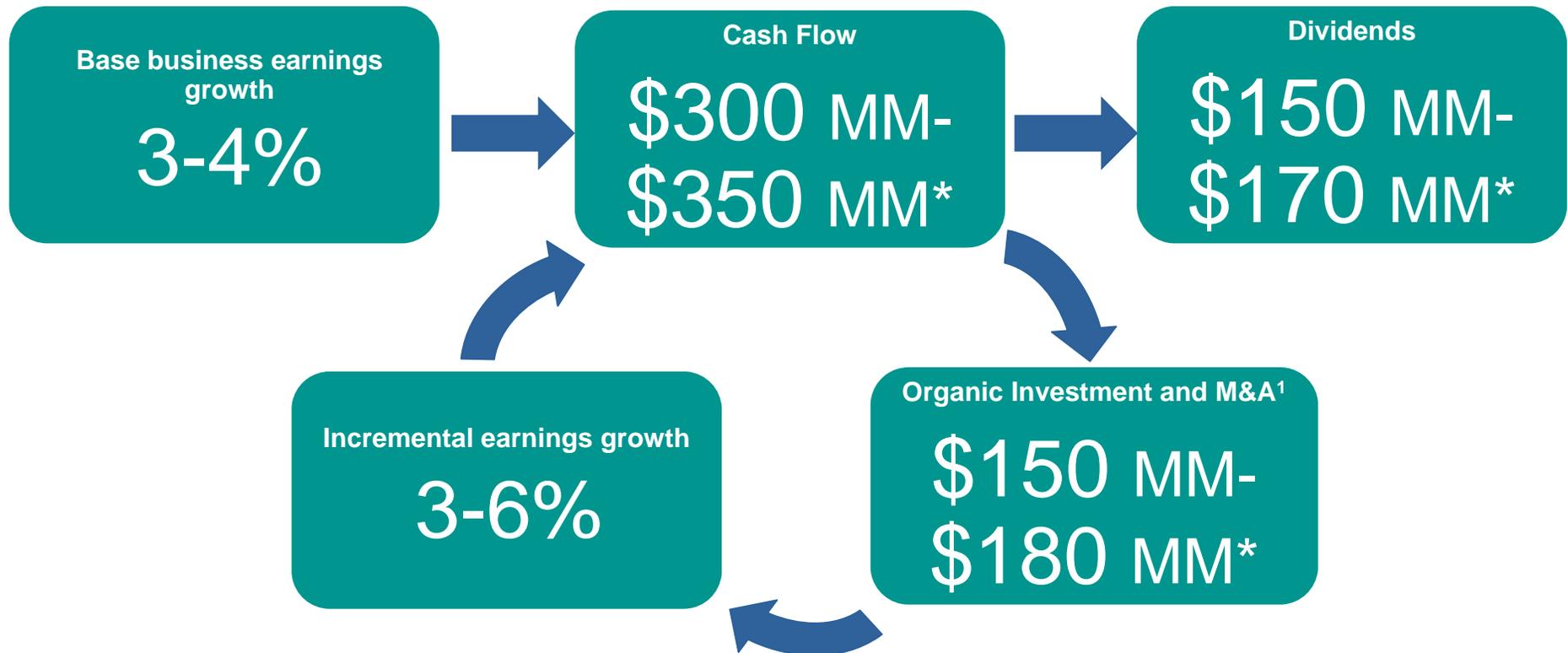
- **Utility:** Conversions / Network Extensions (GET Gas)
- **Midstream & Marketing:** Asset Network and Customer Growth
- **AmeriGas:** Propane Exchange and National Accounts Growth
- **International:** Natural Gas Marketing in France and Belgium and Heating Oil to LPG Conversions in Northern and Eastern Europe

## Identified Projects / Acquisitions

- European Acquisitions / Totalgaz
- PennEast and Sunbury Pipelines
- LNG Expansion
- Utilities Major Capital Projects
- AmeriGas Acquisitions

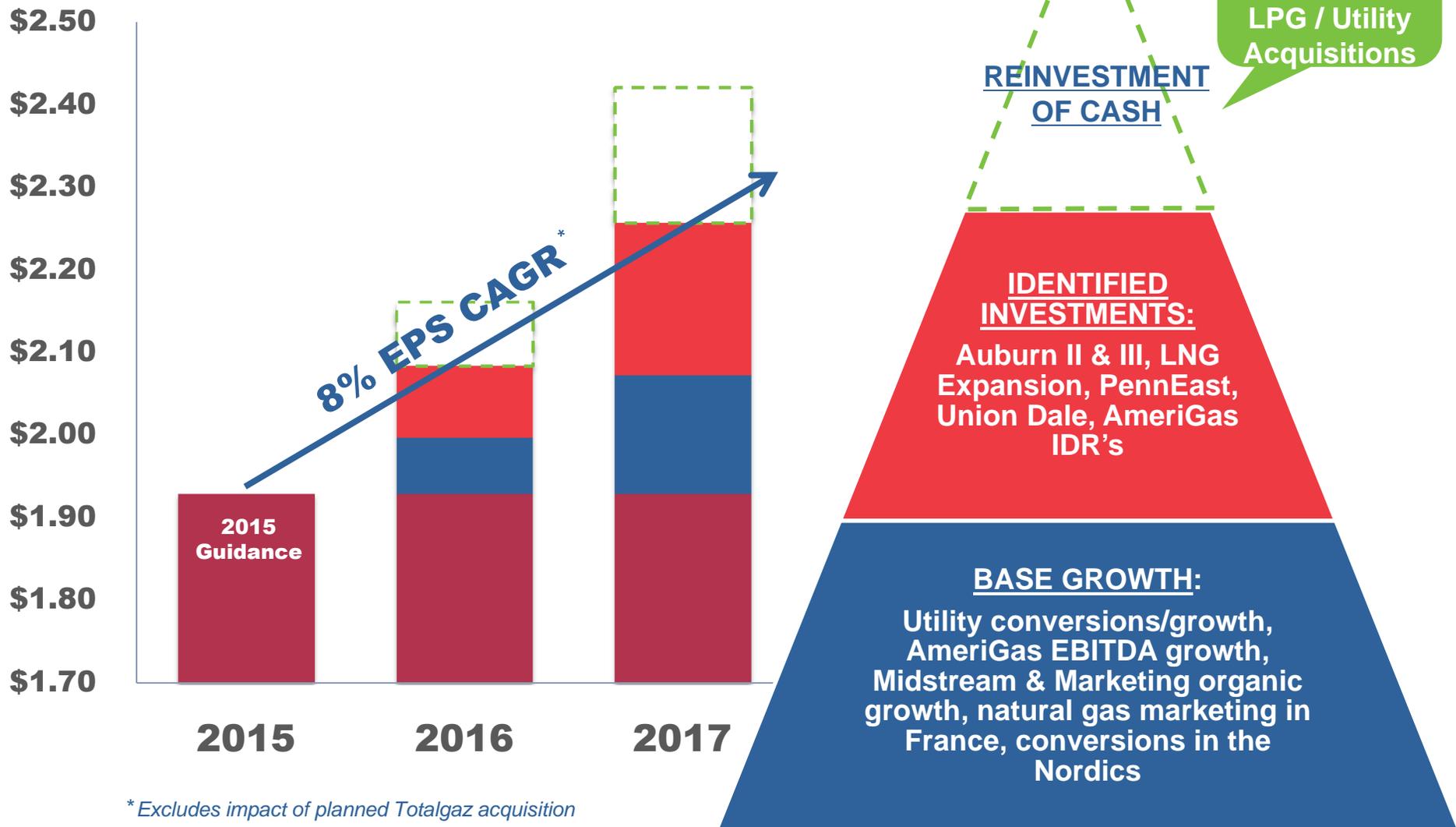
# The UGI “Growth Engine”

Income-producing businesses generate cash for growth opportunities and dividends



\*multi-year average forecast  
<sup>1</sup> after business unit CAPEX

# EPS Growth Guidance: 6% to 10%

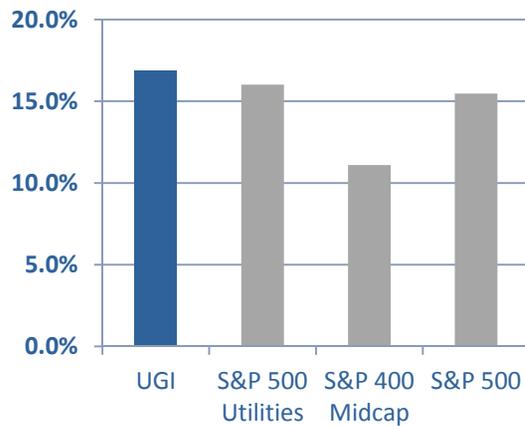


\* Excludes impact of planned Totalgaz acquisition

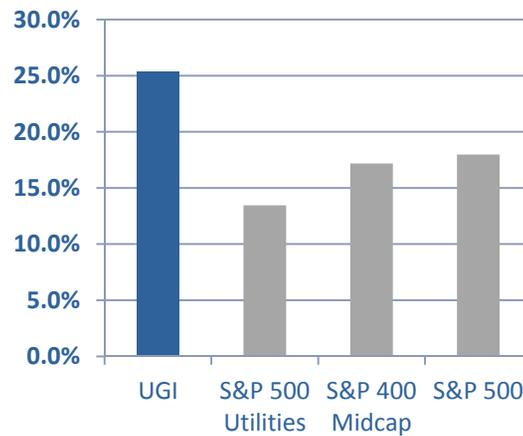
# Total Shareholder Return as of 2/28/15

## Outstanding Total Returns over the short, medium, and long-term

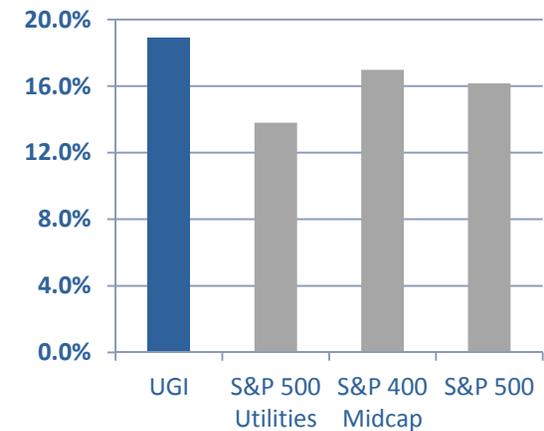
### 1 Year Total Return



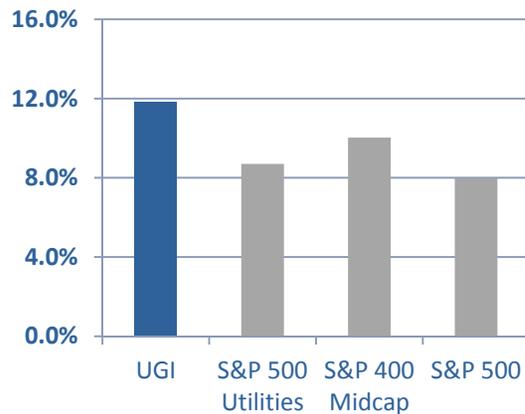
### 3 Year Total Return



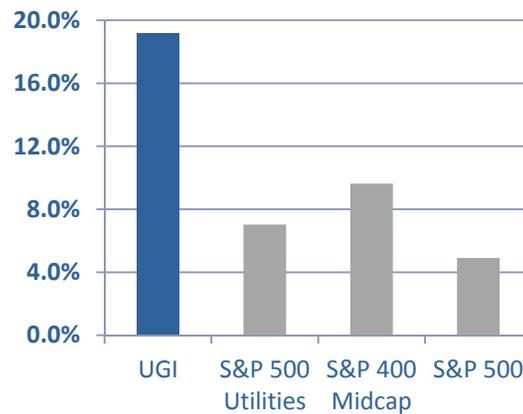
### 5 Year Total Return



### 10 Year Total Return



### 15 Year Total Return



### 20 Year Total Return



## Investment Summary

- ✓ **Common attributes across our portfolio enables operational efficiency and effective capital allocation**
- ✓ **Diversification mitigates risk and increases opportunity set**
- ✓ **Strong business model and strategy, supported by excellent track record**
- ✓ **Clear view of opportunities that will deliver strong earnings and cash flow growth**



# Energy Services



# Lines of Business



## MARKETING

- Natural Gas
- Power



## GENERATION

- Power Generation
- Renewable Energy



## MIDSTREAM

- Pipelines & Gathering
- Peaking
- Asset Management
- Storage

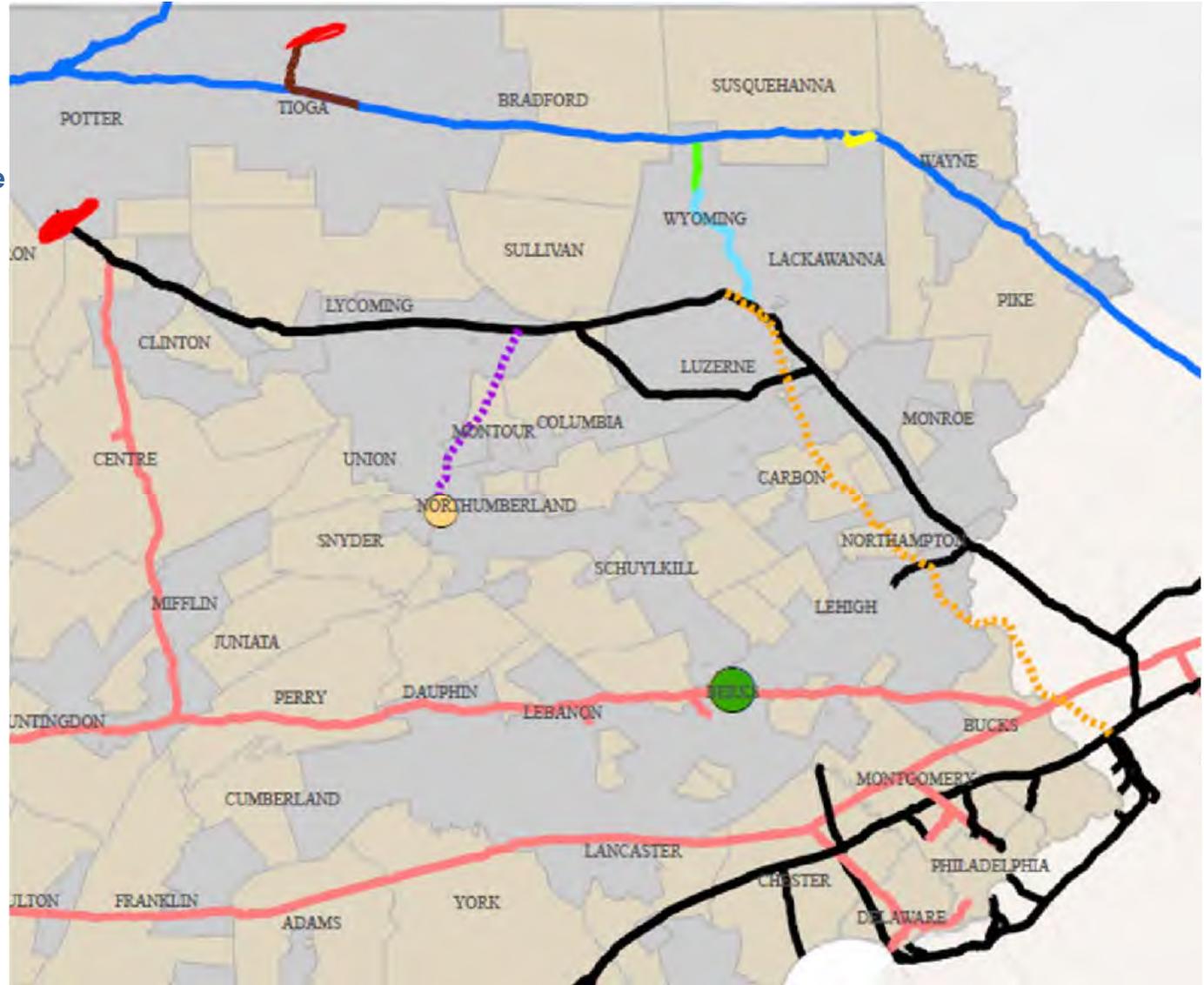
# Marcellus Midstream Assets

## UGI Legend

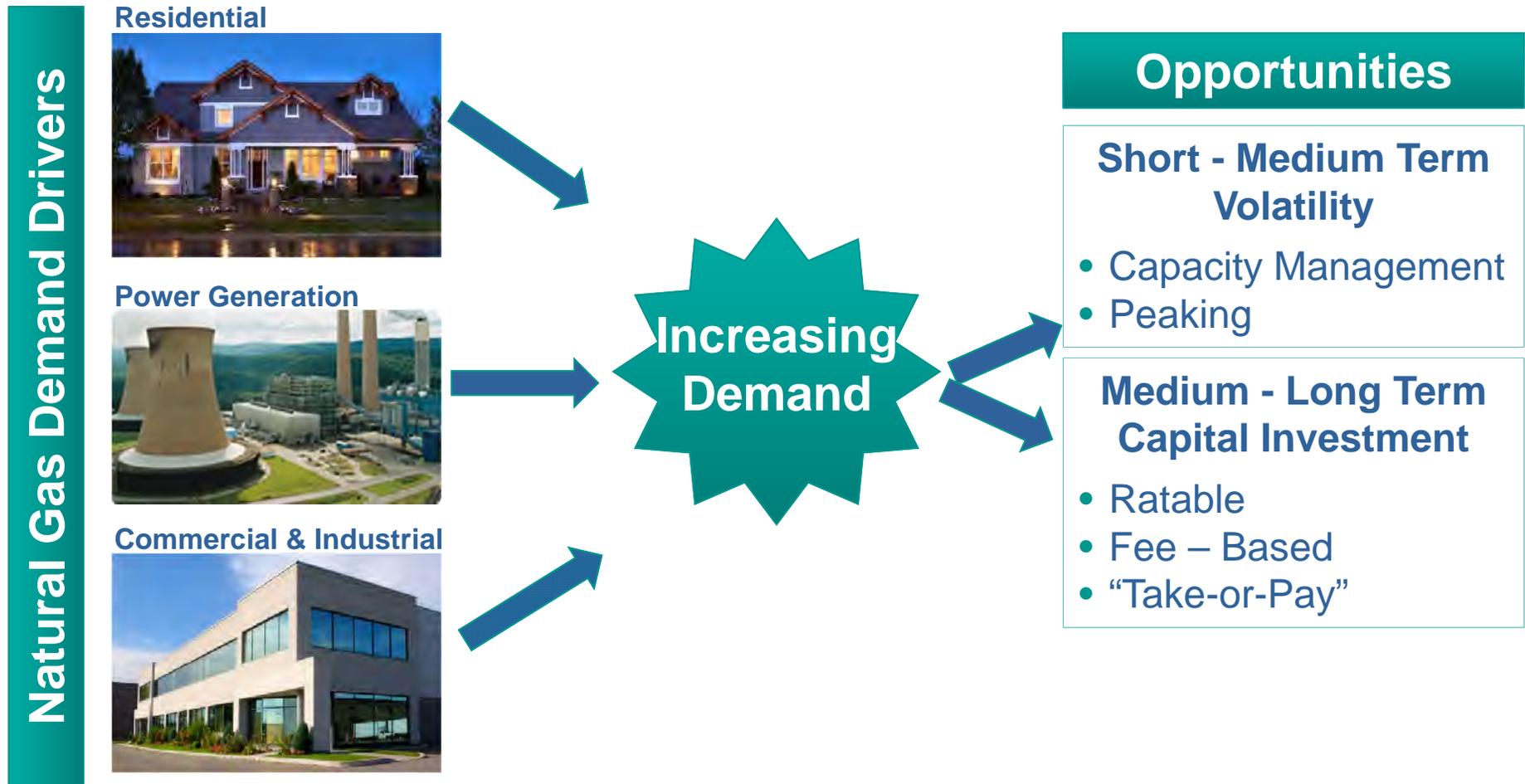
- 1.25 BCF LNG Storage
- 15 BCF Storage
- UGI Service Area
- Storage Transmission
- Auburn I
- Auburn II
- Union Dale
- PennEast
- Sunbury

## Other Legend

- Hummel Station  
(expected to be operational in second half of 2017)
- Transco
- Tennessee
- Texas Eastern



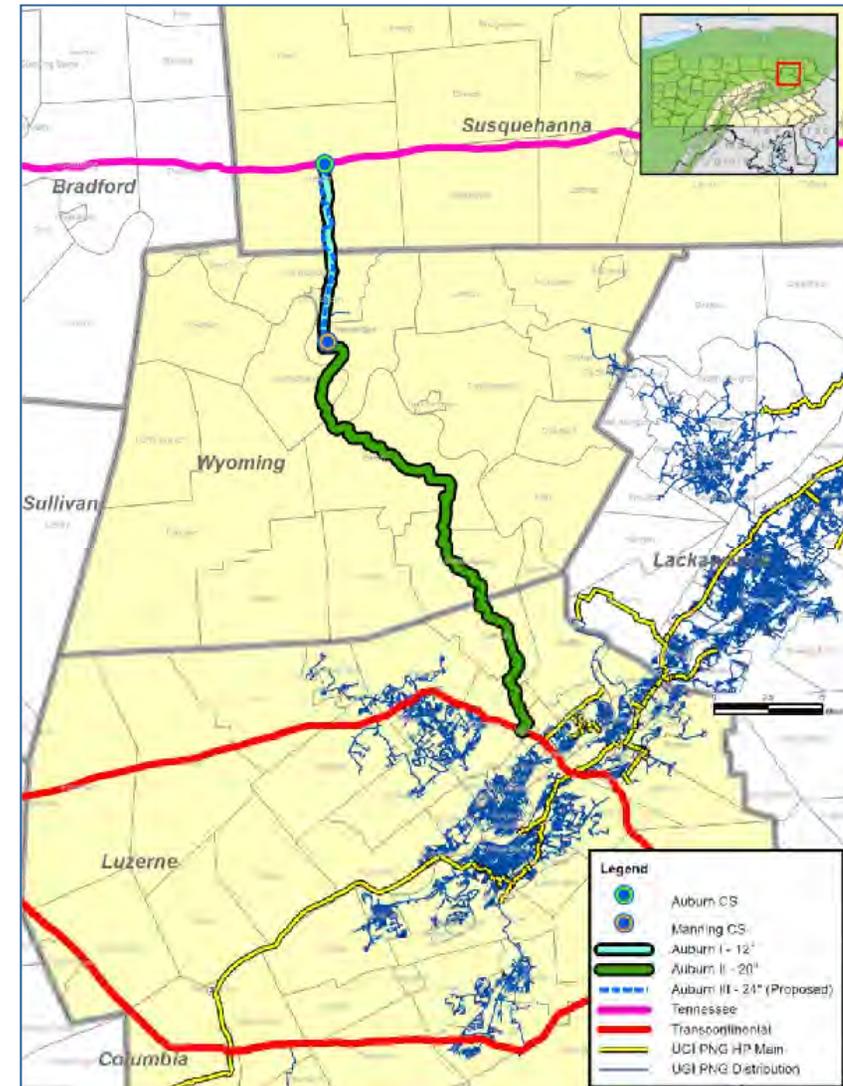
# Natural Gas Demand



# Auburn System

## Auburn Gathering System

- **Auburn I:** 9-mile 12" pipeline
- **Auburn II:** 28-mile 20" pipeline
- **Auburn III:** 9-mile pipeline loop and compression
- Total investment: ~ \$230 million
- Auburn gathering system capacity to be expanded by 150,000 Dth/d to 470,000 Dth/d by Fall 2015
- Supported by long-term agreements



# Growth Projects: Auburn III and Union Dale

## Auburn III

- 50,000 dth/d came on-line in October 2014
- Additional 150,000 dth/d on-line by Fall of 2015
- Total capacity of Auburn system will be 470,000 dth/d
- Capital ~ \$60MM



## Union Dale Lateral

- 6-mile, 12" pipeline serving UGI PNG service territory
- 100,000 dth/d
- On-line November 1, 2014
- Capital ~ \$22MM

# Temple LNG Plant

- 1.25 BCF Storage
- 205,000 Dth/day peaking capacity
- Peaking revenue is demand fee based
- LNG liquids trucking business is growing
- Peak Utility demand increasing



# Growth Project: Temple LNG Expansion

## Temple LNG Expansion

- Increase liquefaction capacity by 50%
- Capital ~ \$10MM
- Supports LDC peak shaving demand and other emerging LNG segments
- On-line during Q2 FY2015

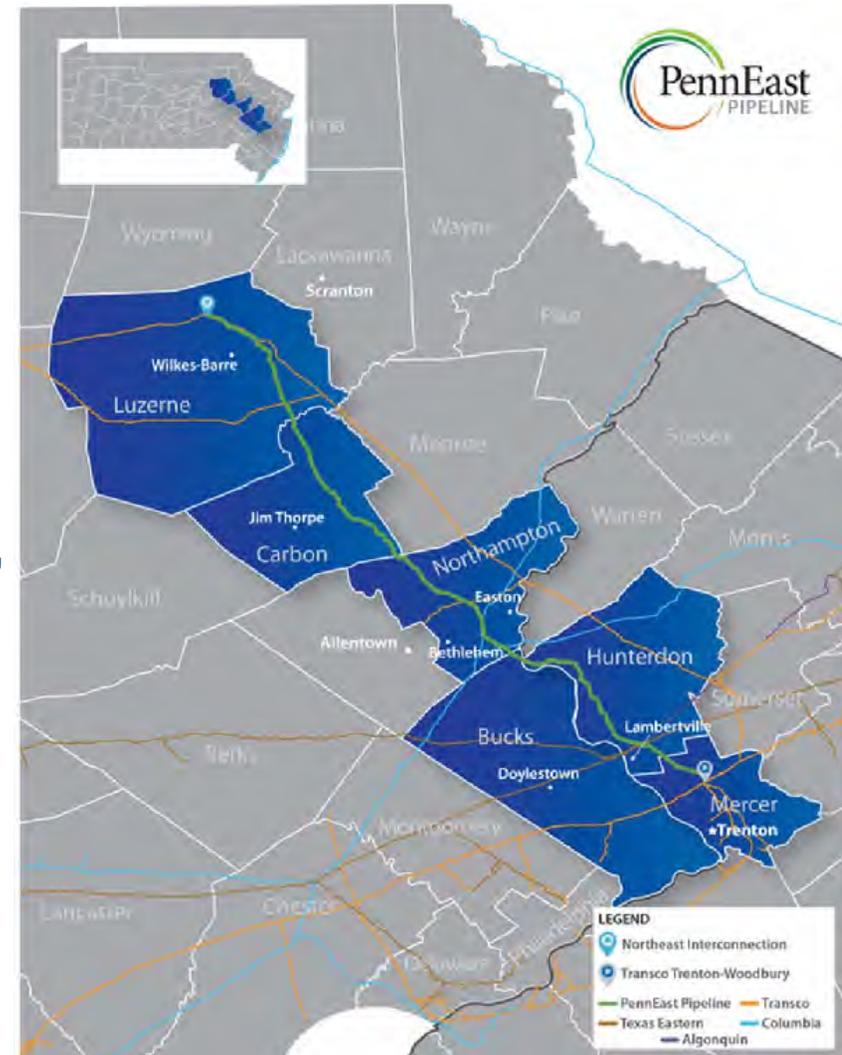
**Actively developing other LNG projects in the Marcellus**



# Growth Project: PennEast Pipeline

## PennEast Pipeline

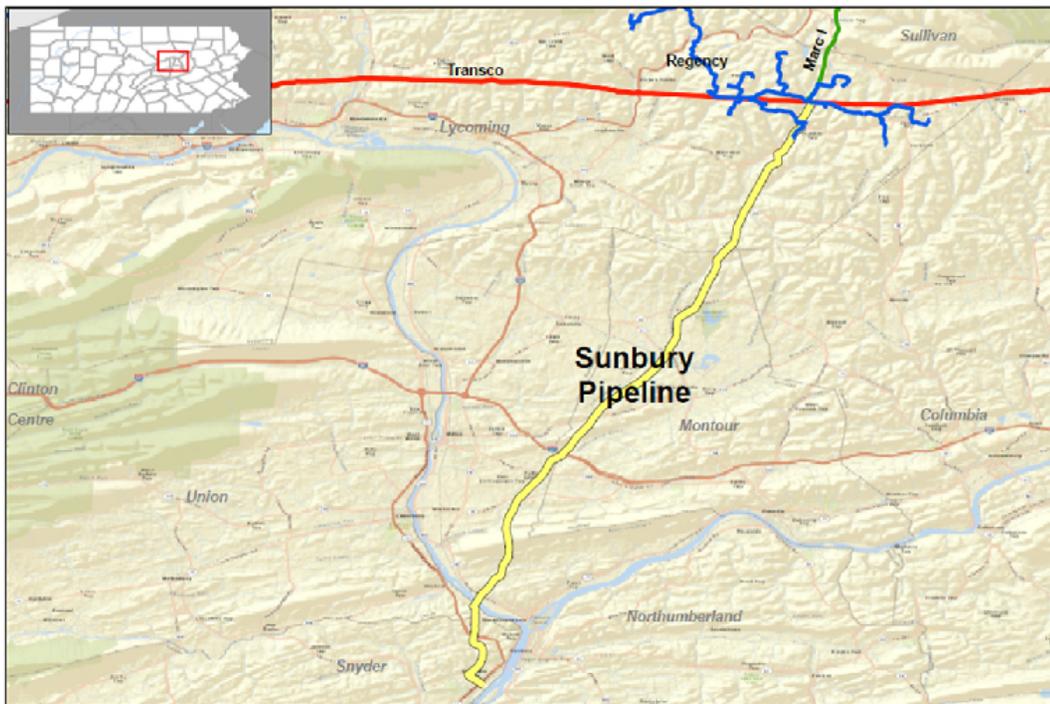
- **Will bring low cost Marcellus gas to Southeastern PA and New Jersey**
  - ~ 100 mile pipeline
  - Initial capacity up to 1bcf
  - Backed by long-term contracts
- **Joint project of AGL, New Jersey Resources, South Jersey Industries, PSEG, Spectra and UGI**
  - Total project investment of ~ \$1 billion
  - UGI is the project manager and will operate the pipeline
  - UGI - 20% equity ownership
- **FERC scoping period concluded in February; schedule remains on track**





# Growth Project: Sunbury Pipeline

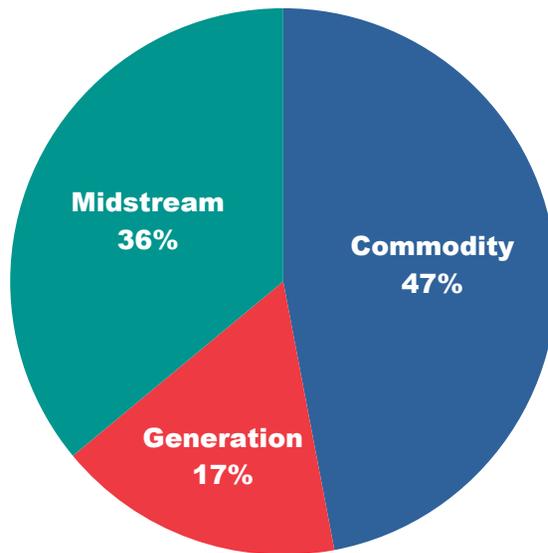
*New Project Announced in February 2015;  
Partner with Panda Power Funds*



- 35 Mile Pipeline will supply low-cost Marcellus Shale gas to growing natural gas markets in Pennsylvania
- Will support Hummel Station, a power plant that will generate enough power for one million homes
- System reinforcement to UGI PNG and UGI CPG
- Total project ~\$160mm capital investment
- Expected to be operational by early 2017

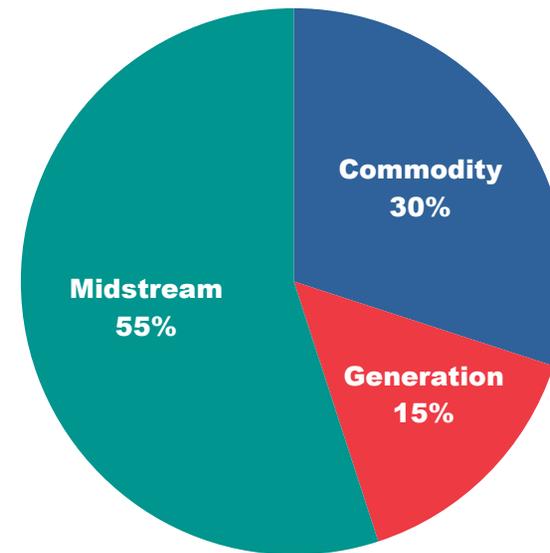
# Increasing Midstream Margin Contribution

## Historical Margin



Represents multi-year historical average

## Future Margin



Represents multi-year forward average

**Fee-based income contribution increasing as proportion of Midstream segment grows**

# Key Points – Energy Services



- **Well positioned for long-term leadership in Marcellus midstream**
- **Strong track record of project execution**
- **Asset network is well positioned to deliver value during periods of volatility**
- **New Sunbury pipeline on track with FERC**
- **Auburn system expansion progressing**
- **Penn East process underway**

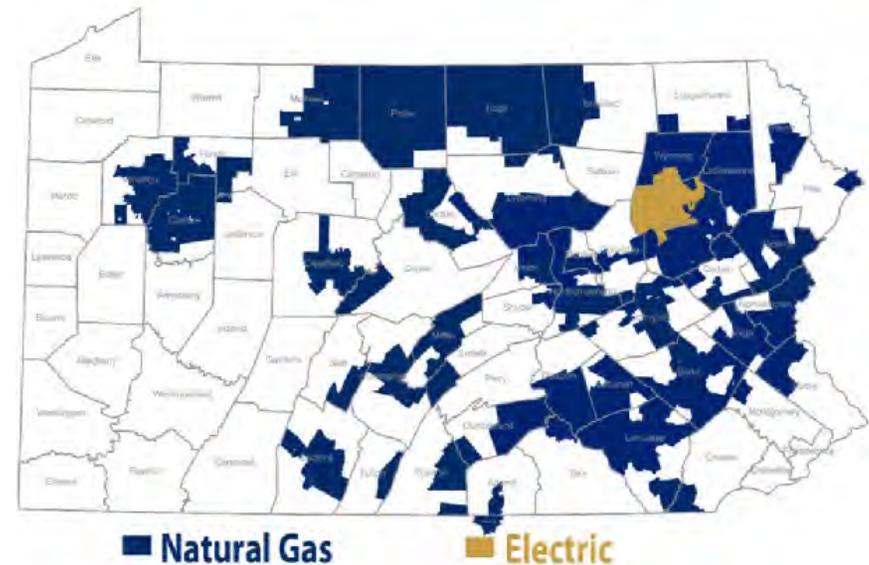
**UGI**  
CORPORATION

# UGI Utilities



# UGI Utilities Overview

- ✓ Serve over 615,000 Gas Customers and approximately 62,000 Electric Customers
- ✓ Pennsylvania's 2<sup>nd</sup> Largest Gas Utility
- ✓ ~12,000 miles of gas mains
- ✓ Service territories lie within or adjacent to the Marcellus
- ✓ Strong Outlook for Continued Customer Growth



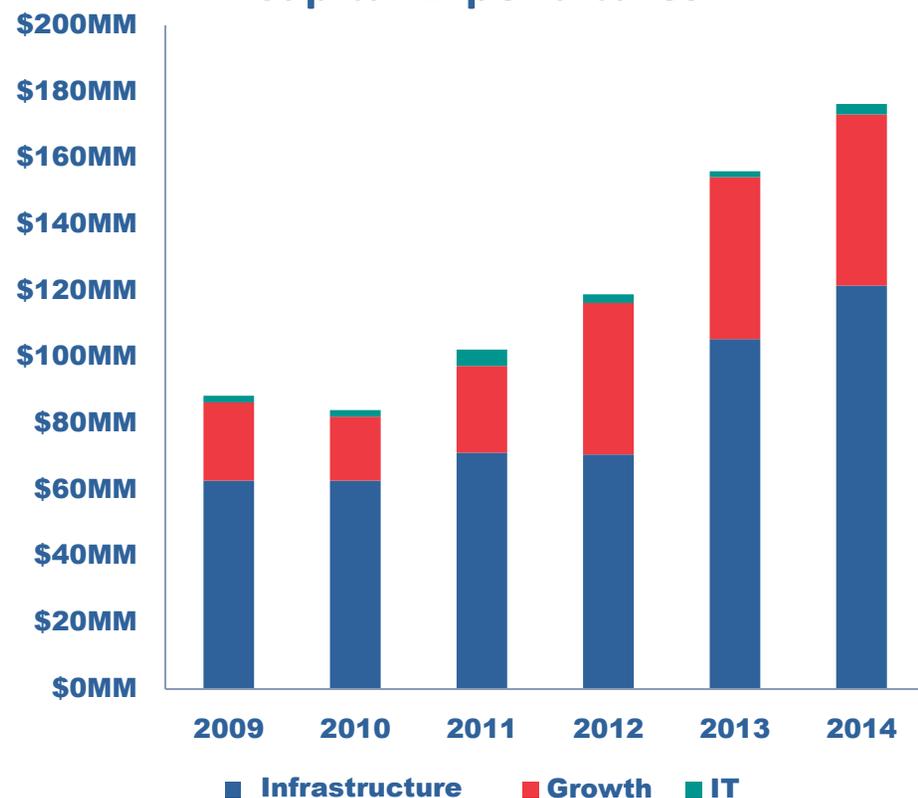
**Customer CAGR of ~2% since 2009**

# Infrastructure Management

Making smart investments today, for tomorrow...

- **Accelerated capital replacement plan**
  - Highest percentage of contemporary pipe in Pennsylvania among major LDCs
- UGI will replace all **cast iron main by 2027** and all **bare steel by 2043**
- Supports the continued development of our **service territory**

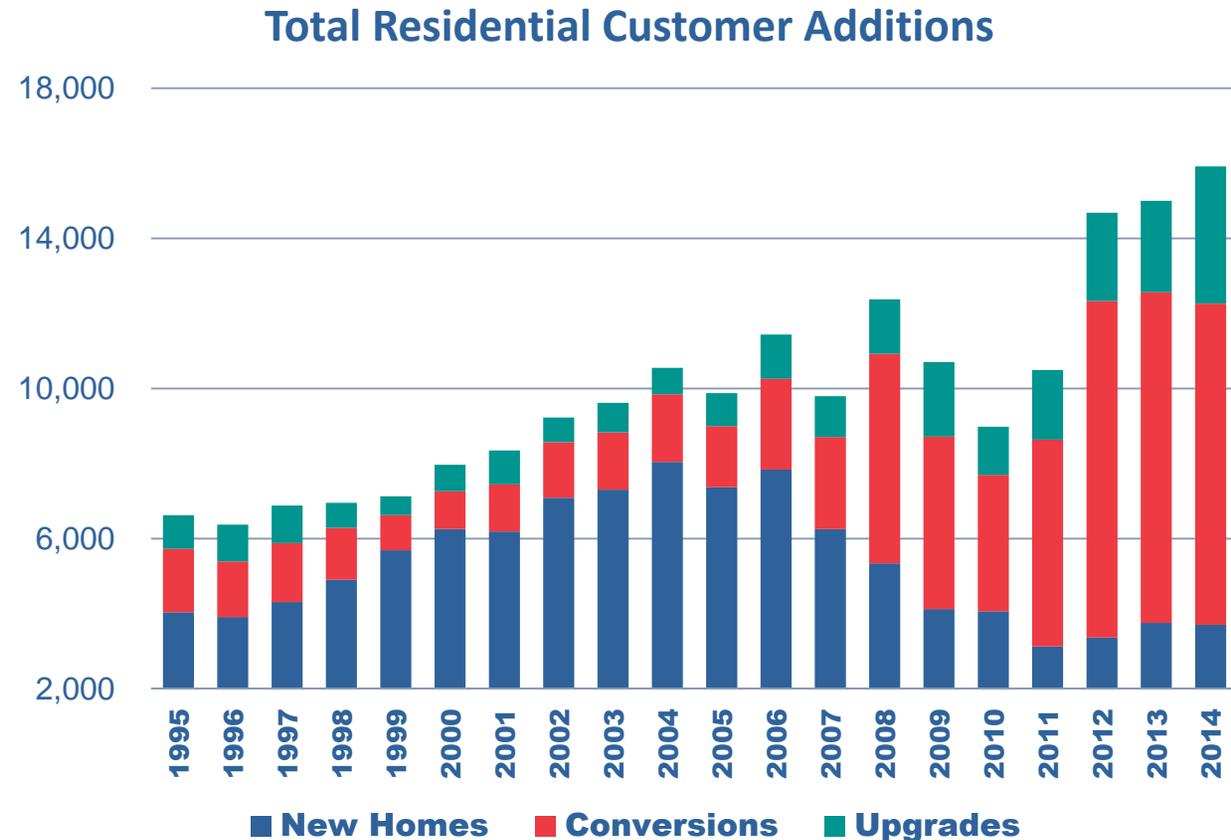
Capital Expenditures



# Growth in the Residential Business

Focus on customer conversions has yielded strong results

- Added ~16,000 residential natural gas heating customers in FY14
- Low cost tariffs benefit our customers



~400,000 potential customers within 80 feet of UGI gas mains

## Key Points – Utilities



- **Major infrastructure program on schedule**
- **Highest rated in customer satisfaction among large natural gas utilities in the Eastern U.S.<sup>1</sup>**
- **Invested over \$325mm in capital over the last two years and planning for increased CapEx in FY15 and beyond**
- **Reviewing potential future rate case filings**
- **Conversion growth remains strong**
- **GET Gas is off to a great start**

<sup>1</sup> J.D. Power and Associates 2014 Gas Utility Residential Customer Satisfaction Survey



# AmeriGas



# Business Overview

**Largest Player in a Fragmented Market  
with ~15% Market Share<sup>1</sup>**

**~Two Million  
Customers**

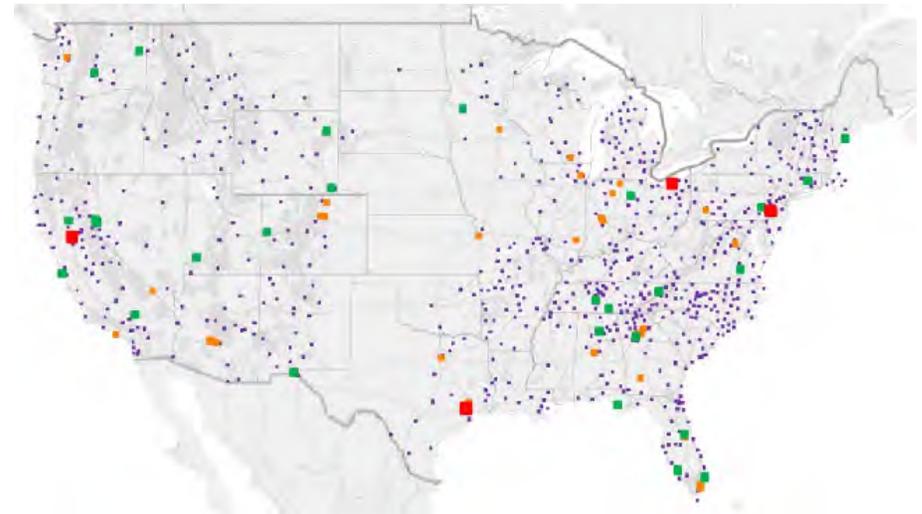
**Over 2,000 Propane  
Distribution Locations**

**~8,400 Employees**

**~49,000 Cylinder  
Exchange Retail  
Locations**

**~1.4  
Billion  
Gallons  
Sold  
FY14**

**Operations in all 50 states**



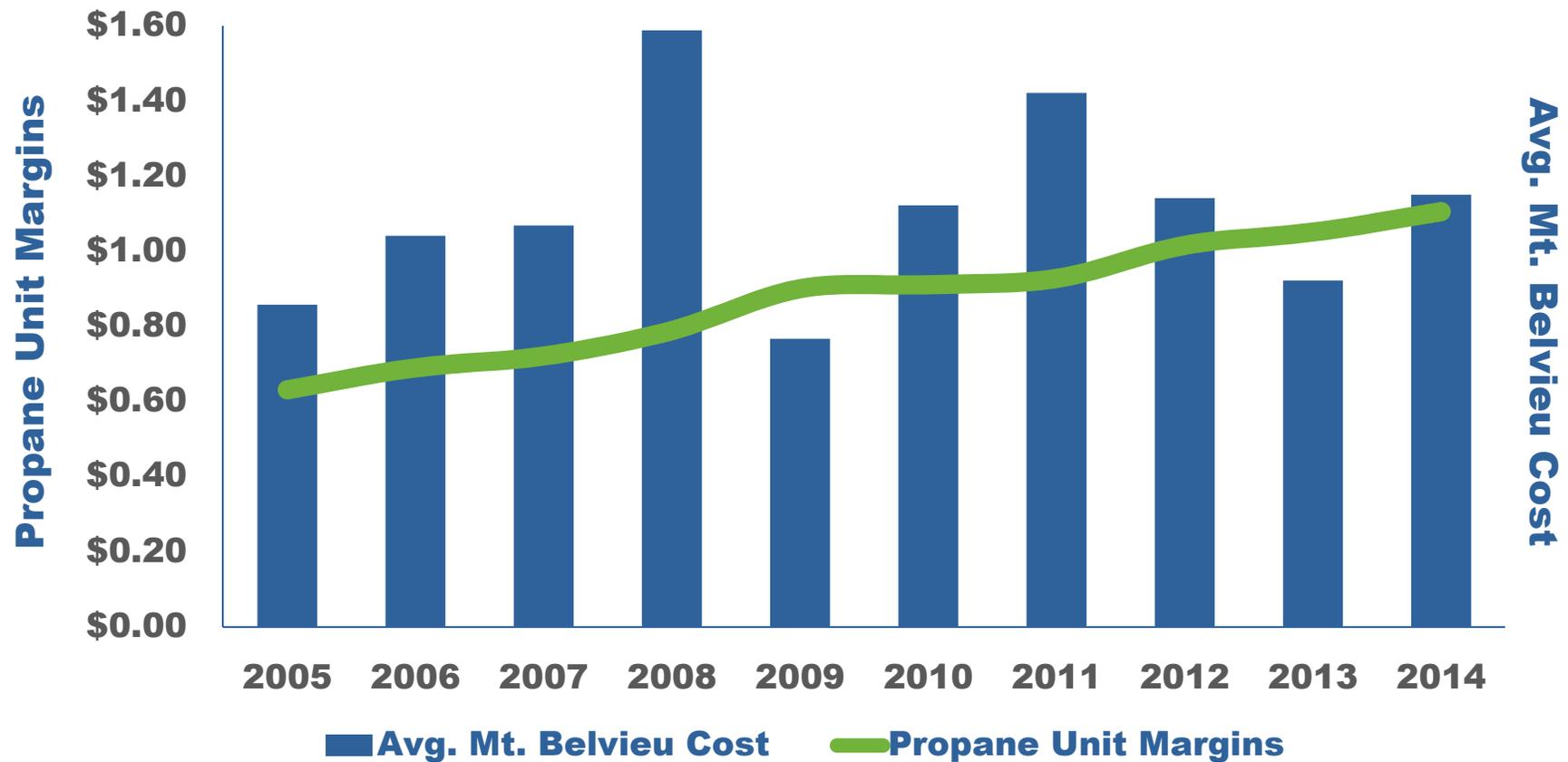
<sup>1</sup> Based on retail propane volumes sold in the United States as published by the American Petroleum Institute

# Competitive Advantage

- **Unmatched geographic coverage**
  - Customer density = efficiency
  - Advantage in acquisitions, serving multi-state customers
- Significant transportation and logistics assets and ability to flex workforce = certainty of supply
- Geographic and end-use **diversity**
- Demonstrated ability to manage margins in varying product cost environments
- Counter-seasonal businesses and non-volumetric revenue streams **reduce reliance** on weather
- Track record of successful **acquisition integration in a fragmented industry**
- **Strong balance sheet**, conservative financing practices

# Unit Margin Management

A long track record of **exceptional margin management** through volatile propane cost environments



## Meeting Commitments – Promise to Investors

### GOALS

**DISTRIBUTION  
GROWTH: 5%**

**EBITDA  
GROWTH: 3-4%**

**HERITAGE  
SYNERGIES:  $\geq$  \$50mm**

### ACCOMPLISHMENTS



**5.4% Average  
Distribution Growth  
2006-2014**



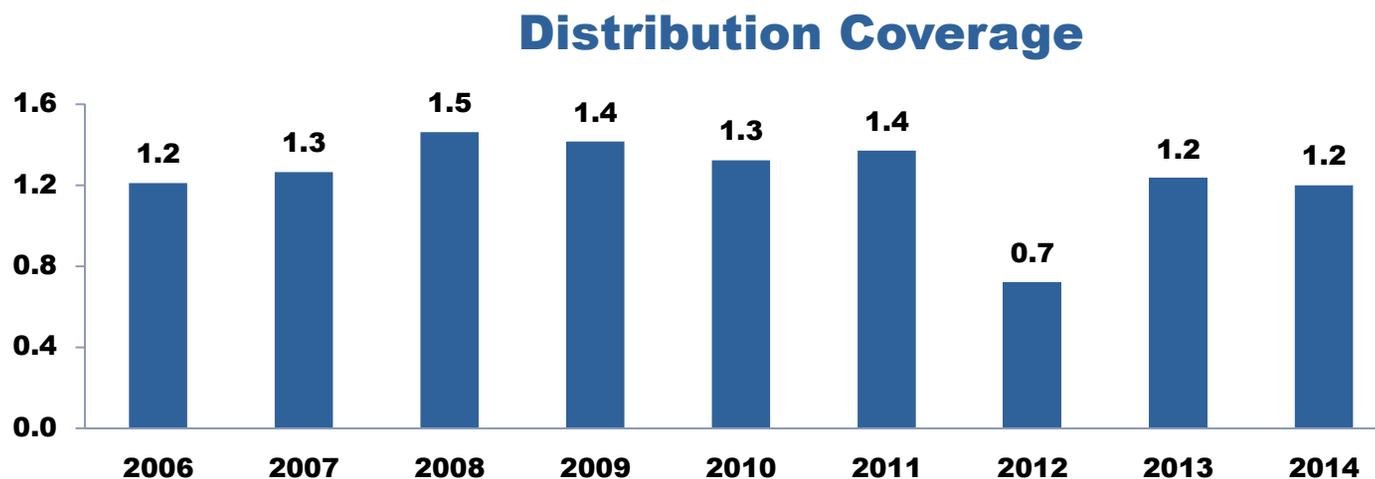
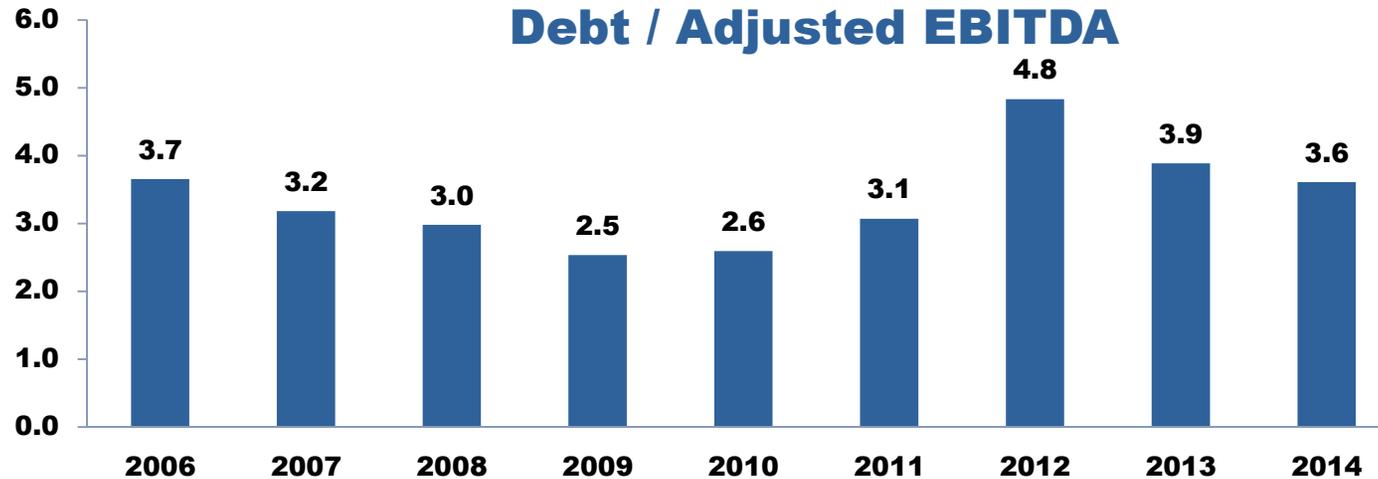
**Adj. EBITDA Growth  
2006-2011: ~6%  
2006-2014: ~13%**



**\$60 million+ in  
synergies**

# Balance Sheet Commitments

- AmeriGas has nearly doubled adjusted EBITDA while returning to pre-acquisition credit metrics



# Growth: AmeriGas Propane Exchange

- **Counter seasonal** due to summer grilling demand
- Product of **convenience**
- Safe, reliable service
- Nearly 49,000 retail locations
- Platform grows as US retailers expand
- Highly **targeted programs driving awareness** in key growth states
- 33 strategically located refilling facilities



## ACCOMPLISHMENTS

**4% Volume Growth in Q1**



**6% same store sales growth on existing business in FY 2014**



**1,300+ net new installations in FY 2014**



**8% Volume growth in FY 2014**



**4% EBITDA growth\***

*\* Estimate represents multi-year average*

# Growth: National Accounts

Utilize nationwide distribution footprint to serve commercial customers with multiple locations:

- One bill, one point of contact
- Less weather sensitive vs. residential
- Built-in geographic diversity
- Multiple delivery points
- Largest sales force in the industry
- Electronic proof of delivery

## ACCOMPLISHMENTS

**10% Volume Growth in Q1**



**22% volume growth in fiscal 2014**



**Rich pipeline of targets identified**



**Over 50 new accounts added in fiscal 2014**



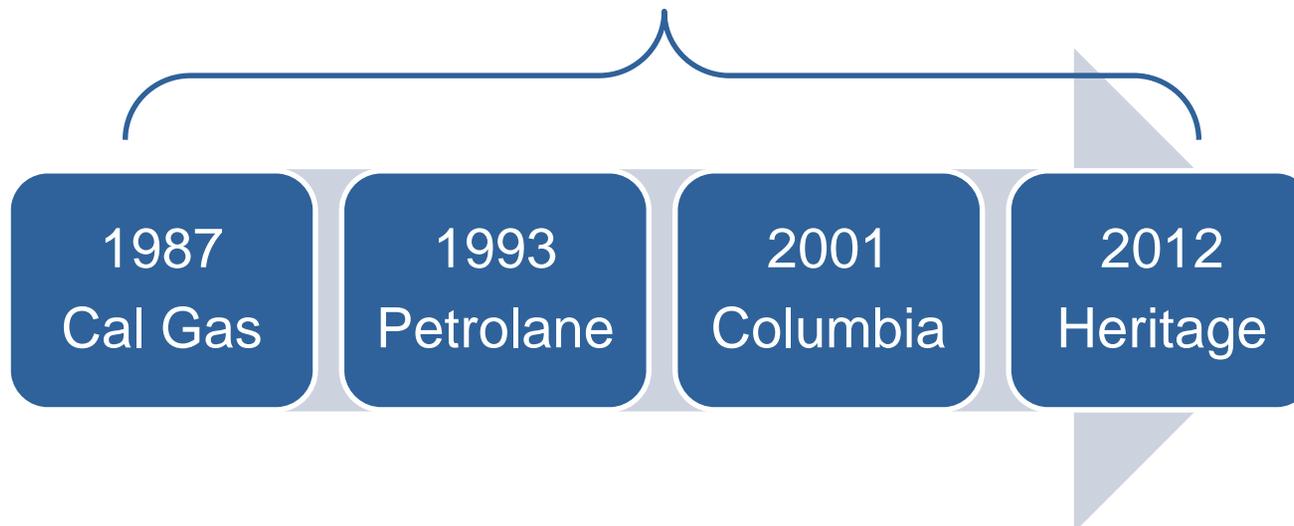
**4-6% EBITDA growth\***

*\* Estimate represents multi-year average*

## Growth: Local Acquisitions

- ✓ Synergies in every geography
- ✓ Integration is a core competency
- ✓ Seven deals closed in 2014; over 70 in the past 10 years

Over 175 acquisitions since the early 1980s



## Key Points – AmeriGas

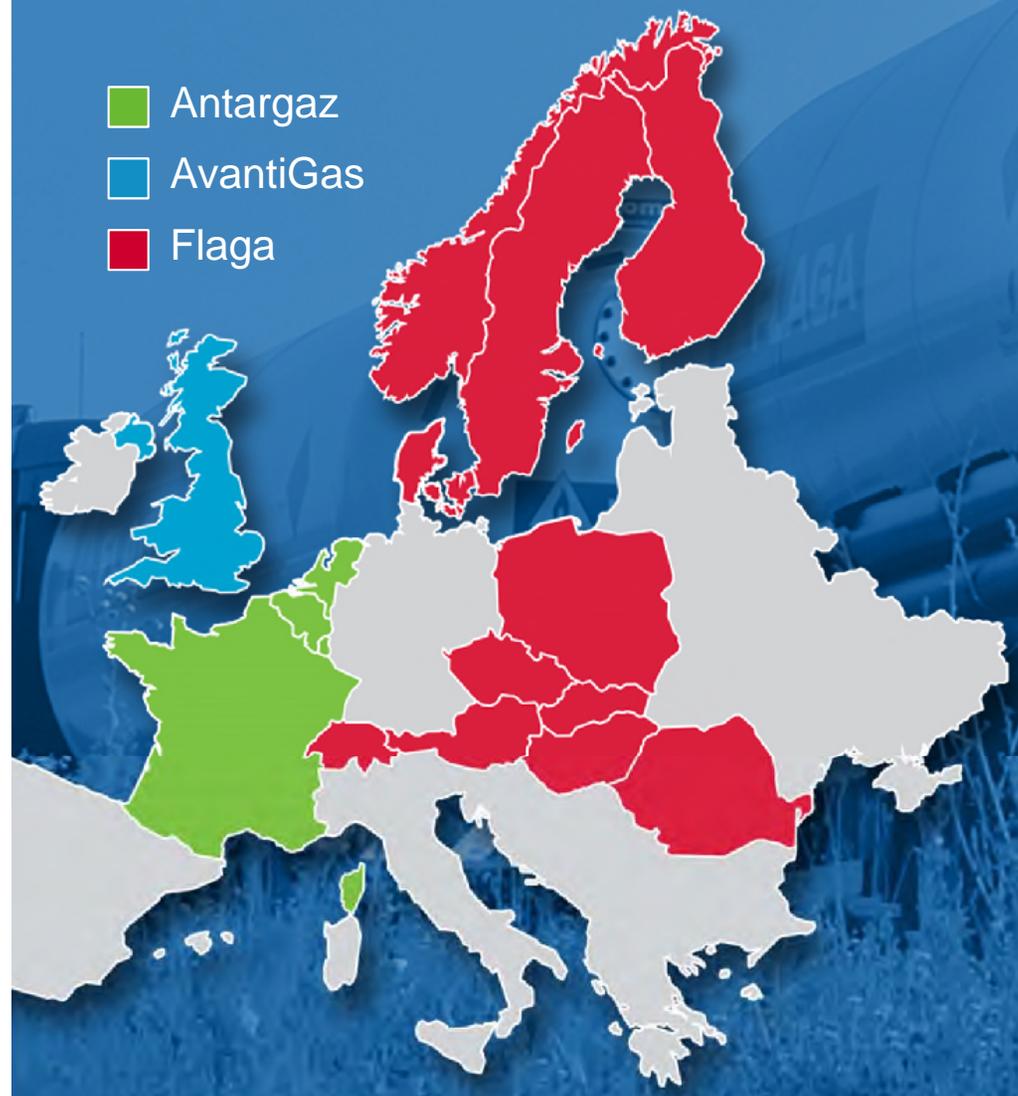


- **Strong performance delivering the Heritage business case**
- **High growth segments being developed effectively**
  - ✓ **Propane Exchange (4% growth in Q1)**
  - ✓ **National Accounts (10% growth in Q1)**
  - ✓ **Local Acquisitions (Four acquisitions in Q1)**
- **Strong cash flow, distribution coverage, and balance sheet**



# UGI International

- Antargaz
- AvantiGas
- Flaga

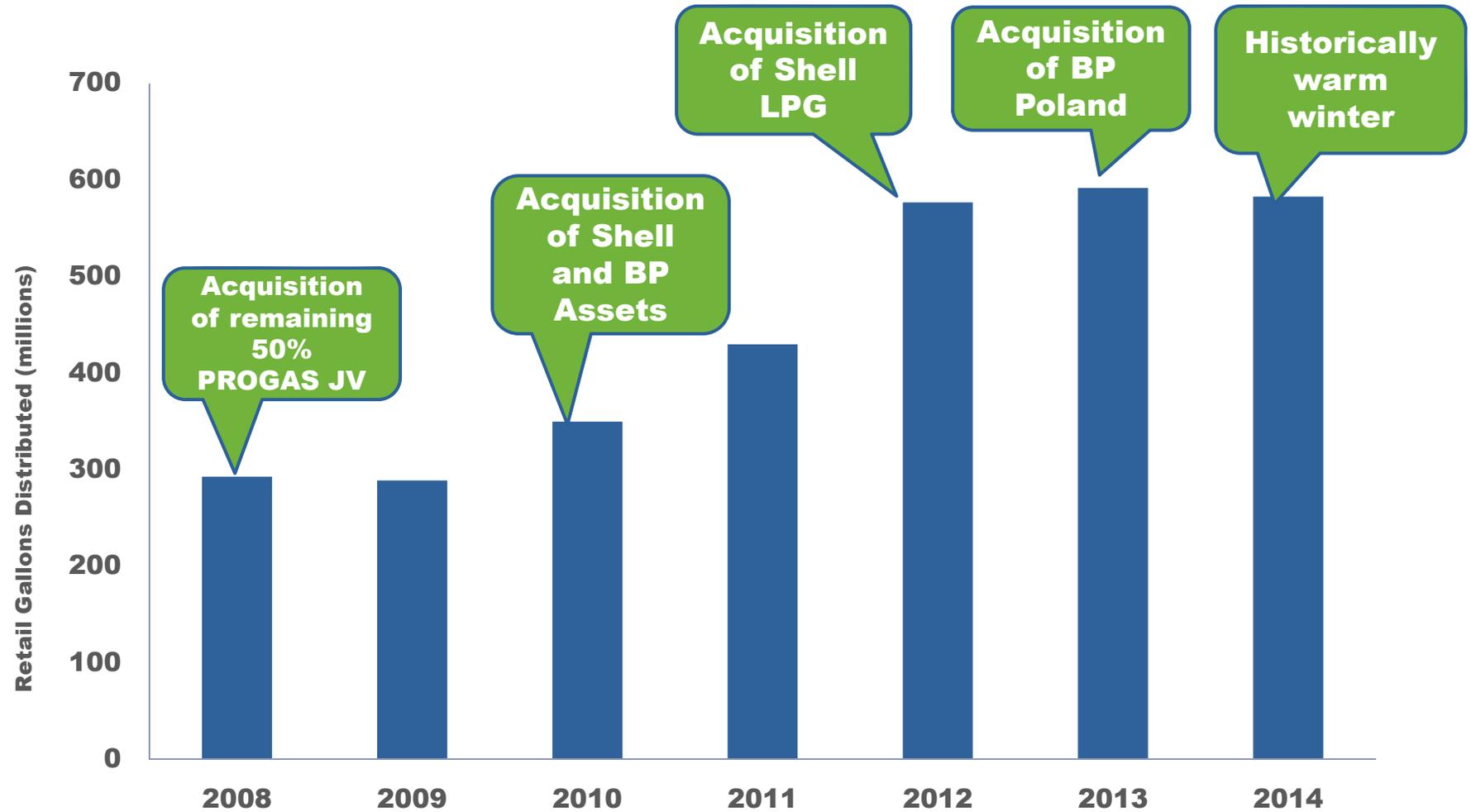


738 CR

# UGI International Summary

- **One Company with strong local presence**
- **Delivering a core service in a stable environment**
- **Diverse, actively-managed supply portfolio**

# Volume Growth



# Commonality with AmeriGas

<b>CUSTOMER SEGMENTS</b>	<u>UNITED STATES</u>	<u>EUROPE</u>
Bulk delivery business (250 – 1,000 gallons)	✓	✓
Cylinder exchange	✓	✓
Motor fuel – forklifts	✓	✓
Motor fuel – over the road autogas		✓

<b>COMPETITIVE ADVANTAGES</b>	<u>UNITED STATES</u>	<u>EUROPE</u>
Scale	✓	✓
“Hub and spoke” truck-based delivery logistics	✓	✓
Risk management – credit and supply	✓	✓
Safety	✓	✓
Customer service	✓	✓

# Antargaz Overview

**One of the largest retail LPG distributors in France and the Netherlands**

**Large customer base:**

- **Over 220,000 bulk customers\***
- **~10 million cylinders in circulation\***
- **Over 275 MM gallons\***

**Competitive advantages:**

- **Independent supply structure**
- **Customer density = efficiency**

**Focus on:**

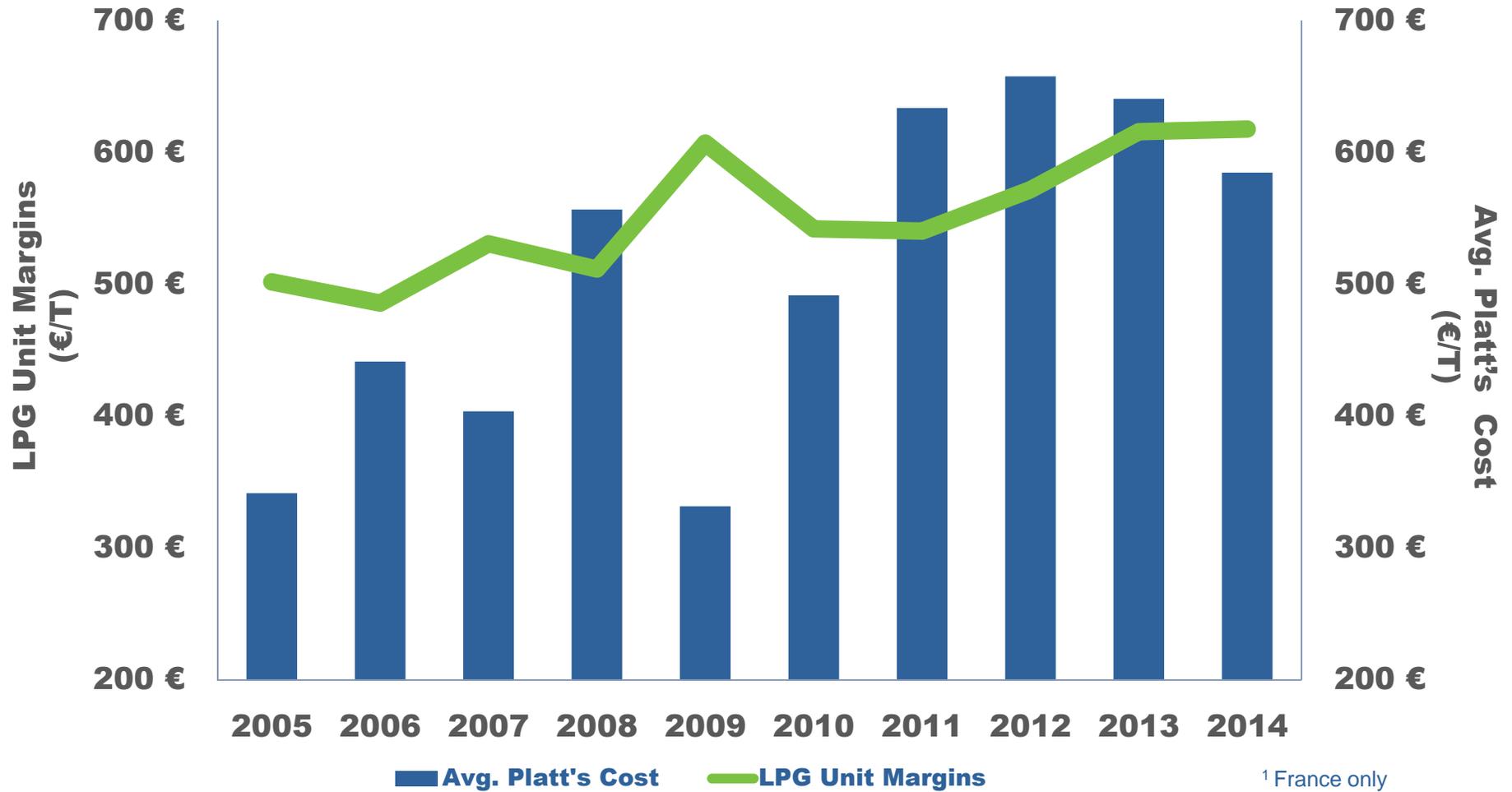
- **Customer service**
- **Innovation**
- **Developing new market segments**



\*Includes Benelux

# Unit Margin Management

## Antargaz<sup>1</sup> Unit Margin History

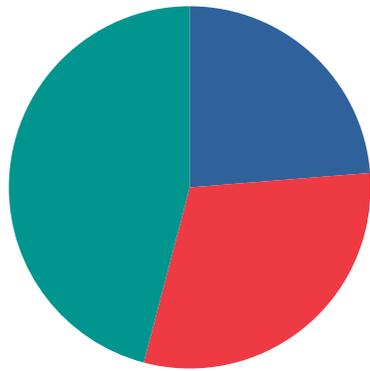


<sup>1</sup> France only

# Totalgaz Acquisition

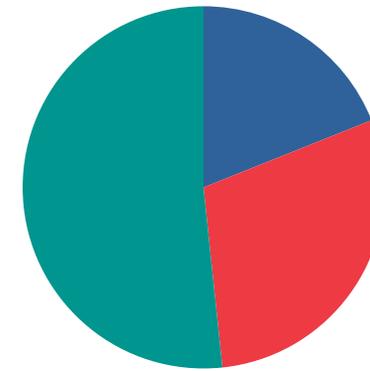
## 2013<sup>1</sup> Retail Gallons Distributed

Antargaz – 257mm



■ Cylinder ■ Small Bulk ■ Large Bulk

Totalgaz – 266mm



■ Cylinder ■ Small Bulk ■ Large Bulk

### Regulatory approval update:

- Works councils processes: **completed**
- European Commission referred process to French competition authority
- French authority review is on track

**Expected to close** during first half of calendar 2015

Dedicated project team to plan and execute integration

<sup>1</sup> Calendar Year

## Key Points – International



- **High quality distribution network across northern and central Europe**
- **Pursuing growth**
  - ✓ **Heating Oil to LPG conversion**
  - ✓ **Natural Gas marketing**
  - ✓ **Potential Acquisition Opportunities**
- **Successfully integrated BP Poland**
- **Totalgaz acquisition remains on track to close by first half of calendar year 2015**

# UGI Investment Summary

- **Exceptional track record**
- **Opportunities in all four business units**
- **Identified project pipeline supported by strong balance sheet and proven execution capabilities**
- **Disciplined capital stewardship**



# Appendix



# AmeriGas Cash Flow Reconciliation

## AmeriGas Partners, L.P. Historical Distributable Cash Flow Reconciliation

	Year Ended September 30,								
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Net Cash Provided by Operating Activities</b>	\$ 179.5	\$ 207.1	\$ 180.2	\$ 367.5	\$ 218.8	\$ 188.9	\$ 344.4	\$ 355.6	\$ 480.1
Add: Acquisition and Transition expenses							46.2	26.5	-
Exclude the impact of working capital changes:									
Accounts Receivable	21.0	17.1	51.3	(74.1)	47.9	65.6	(78.7)	43.4	15.2
Inventories	9.0	18.8	19.0	(57.8)	24.6	20.5	(53.1)	(5.4)	22.8
Accounts Payable	(7.6)	(17.8)	(8.1)	58.1	(15.6)	(25.7)	34.6	0.7	16.6
Collateral Deposits	-	-	17.8	(17.8)	-	-			
Other Current Assets	(15.1)	(0.3)	5.3	(16.2)	4.4	(2.9)	(11.9)	2.3	(2.4)
Other Current Liabilities	-	12.3	(10.4)	21.6	(10.5)	37.4	(24.1)	42.8	(11.0)
Provision for Uncollectible Accounts	(10.8)	(9.5)	(15.9)	(9.3)	(12.5)	(12.8)	(15.1)	(16.5)	(26.4)
Other cash flows from operating activities, net	6.0	(4.9)	1.4	(0.3)	(2.1)	2.8	(1.0)	5.1	6.3
<b>(A) Distributable cash flow before capital expenditures</b>	<b>182.0</b>	<b>222.9</b>	<b>240.7</b>	<b>271.5</b>	<b>254.9</b>	<b>273.8</b>	<b>241.3</b>	<b>454.5</b>	<b>501.2</b>
<b>Capital Expenditures:</b>									
Growth	(47.1)	(46.6)	(33.7)	(41.2)	(42.1)	(39.0)	(40.5)	(39.2)	(43.6)
Heritage acquisition transition capital							(17.6)	(20.4)	
<b>(B) Maintenance</b>	<b>(23.6)</b>	<b>(27.2)</b>	<b>(29.1)</b>	<b>(37.5)</b>	<b>(41.1)</b>	<b>(38.2)</b>	<b>(45.0)</b>	<b>(51.5)</b>	<b>(70.3)</b>
<b>Expenditures for property, plant and equipment</b>	<b>(70.7)</b>	<b>(73.8)</b>	<b>(62.8)</b>	<b>(78.7)</b>	<b>(83.2)</b>	<b>(77.2)</b>	<b>(103.1)</b>	<b>(111.1)</b>	<b>(113.9)</b>
<b>Distributable cash flow (A-B)</b>	<b>\$ 158.4</b>	<b>\$ 195.7</b>	<b>\$ 211.6</b>	<b>\$ 234.0</b>	<b>\$ 213.8</b>	<b>\$ 235.6</b>	<b>\$ 196.3</b>	<b>\$ 403.0</b>	<b>\$ 430.9</b>
Divided by: Distributions paid	\$ 130.8	\$ 154.7	\$ 144.7	\$ 165.3	\$ 161.6	\$ 171.8	\$ 271.8	\$ 327.0	\$ 346.7
<b>Equals: Distribution Coverage</b>	<b>1.2</b>	<b>1.3</b>	<b>1.5</b>	<b>1.4</b>	<b>1.3</b>	<b>1.4</b>	<b>0.7</b>	<b>1.2</b>	<b>1.2</b>
<b>Distribution rate per limited partner unit - end of year</b>	<b>\$ 2.32</b>	<b>\$ 2.44</b>	<b>\$ 2.56</b>	<b>\$ 2.68</b>	<b>\$ 2.82</b>	<b>\$ 2.96</b>	<b>\$ 3.20</b>	<b>\$ 3.36</b>	<b>\$ 3.52</b>



**2015 Q2 Earnings  
Conference Call  
May 5, 2015**

# About This Presentation

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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 and quarterly reports on Form 10-Q 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 in the United States and in foreign countries, including the current conflicts in the Middle East and those involving Russia, and currency exchange rate fluctuations (particularly the euro), the timing of development of Marcellus Shale gas production, the timing and success of our acquisitions, 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**

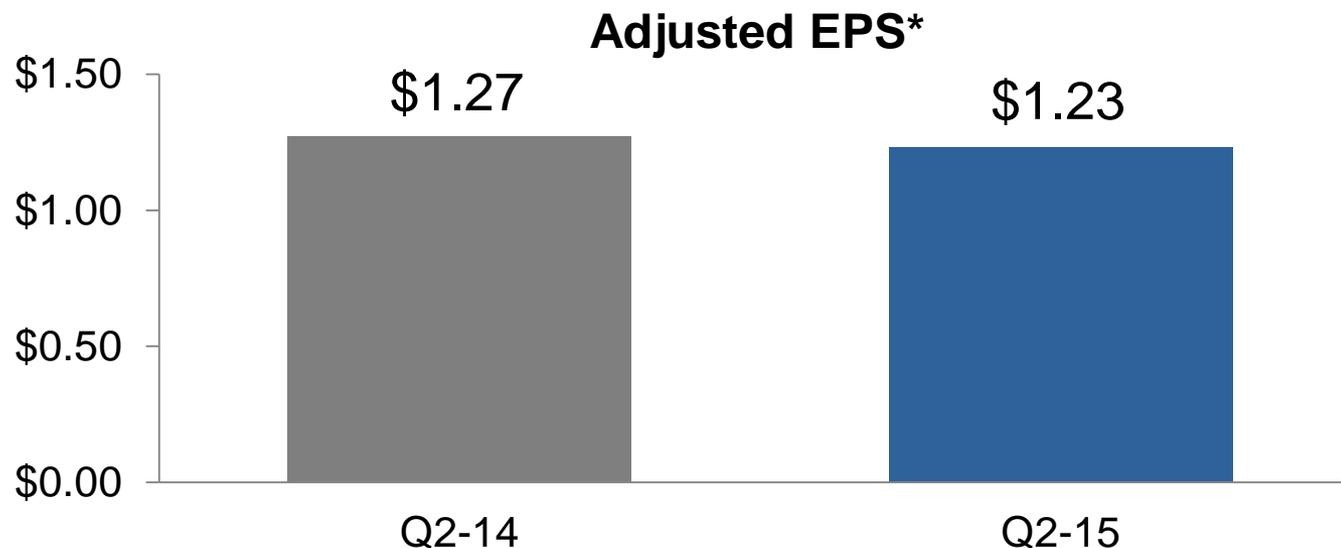
President & CEO, UGI

# **Kirk Oliver**

Chief Financial Officer, UGI

# **Jerry Sheridan**

President & CEO, AmeriGas



- Q2-15 GAAP EPS was \$1.40
- Q2-15 Adjusted EPS includes \$0.03 of acquisition related expenses

**Increasing FY 2015 Adjusted EPS Guidance Range: \$2.00 – \$2.10**

\* See appendix for Adjusted EPS reconciliation.

## ***Midstream & Marketing***

- Benefited from strong capacity demand as underlying demand for natural gas continues to outpace new pipeline capacity
- This “infrastructure gap” creates significant opportunities for UGI
- Our existing asset portfolio enables us to deliver exceptional value during periods of volatility

## ***International***

- Solid quarter with effective unit margin and operating expense management
- Seeing benefit of lower LPG costs

## ***UGI Utilities***

- Highest quarterly operating income in its history
- Have added almost 11,000 heating customers this fiscal year
- Remain focused on our infrastructure replacement program; on track with commitments

## ***AmeriGas***

- Record quarterly adjusted EBITDA

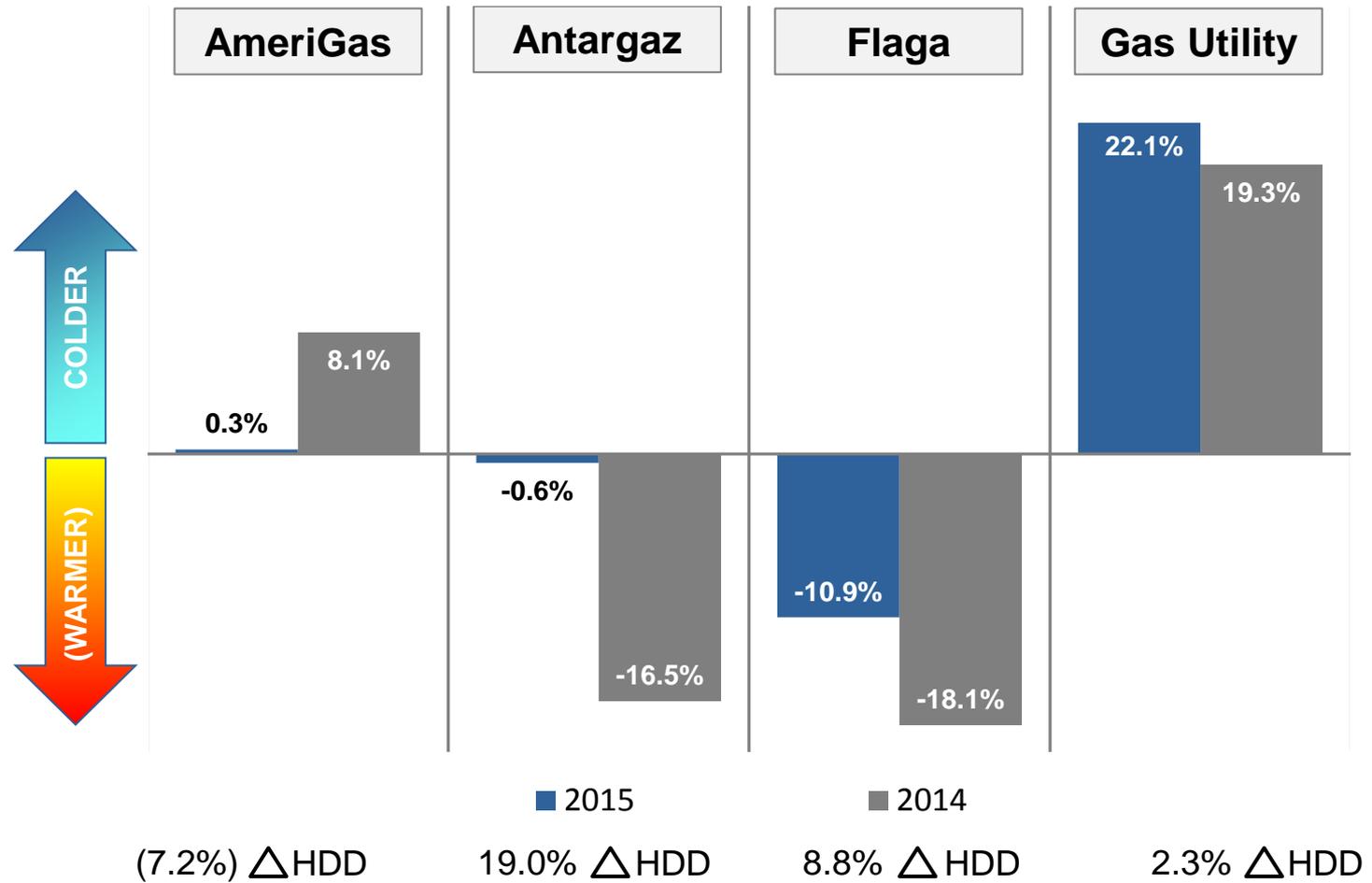


# Kirk Oliver

## Chief Financial Officer

May 5, 2015

	Three Months Ended	
	March 31,	
(Millions of dollars, except per share amounts)	<u>2015</u>	<u>2014</u>
<b>Adjusted net income attributable to UGI Corporation:</b>		
Net income attributable to UGI Corporation	\$ 246.5	\$214.4
Net after-tax (gains) losses on commodity derivative instruments not associated with current period transactions	(30.8)	7.7
Adjusted net income attributable to UGI Corporation	<u>\$ 215.7</u>	<u>\$222.1</u>
<b>Adjusted diluted earnings per share:</b>		
UGI Corporation earnings per share - diluted	\$ 1.40	\$ 1.22
Net after-tax (gains) losses on commodity derivative instruments not associated with current period transactions	(0.17)	0.05
Adjusted diluted earnings per share	<u>\$ 1.23</u>	<u>\$ 1.27</u>

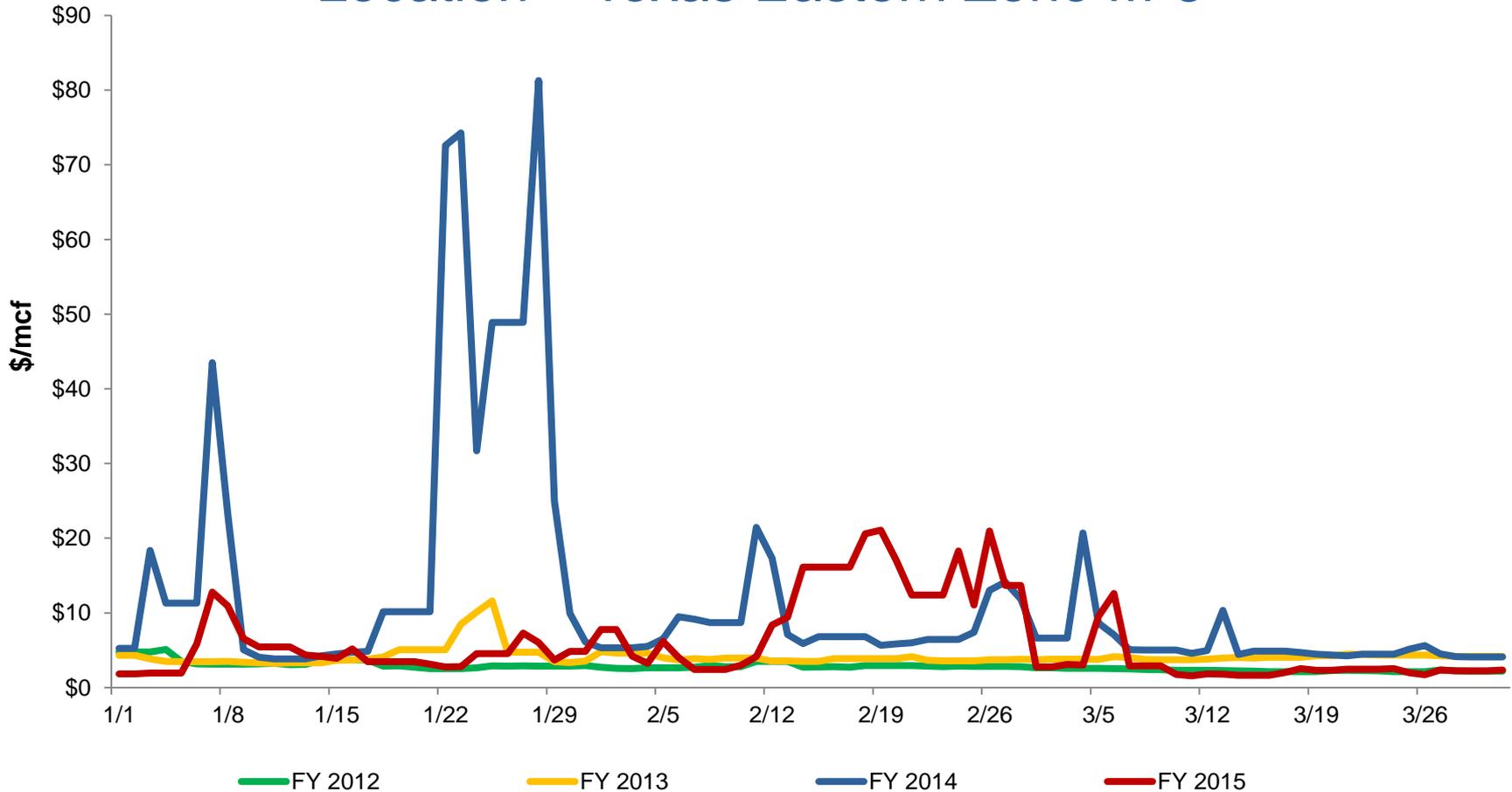


\*  $\Delta$  HDD = Percent change in Heating Degree Days versus prior year

- Very strong quarter
- High peaking and capacity management margins in Midstream & Marketing
- Record-high throughput and margins at Utilities
- Strong unit margins in the International business
- Focus on cost management at AmeriGas

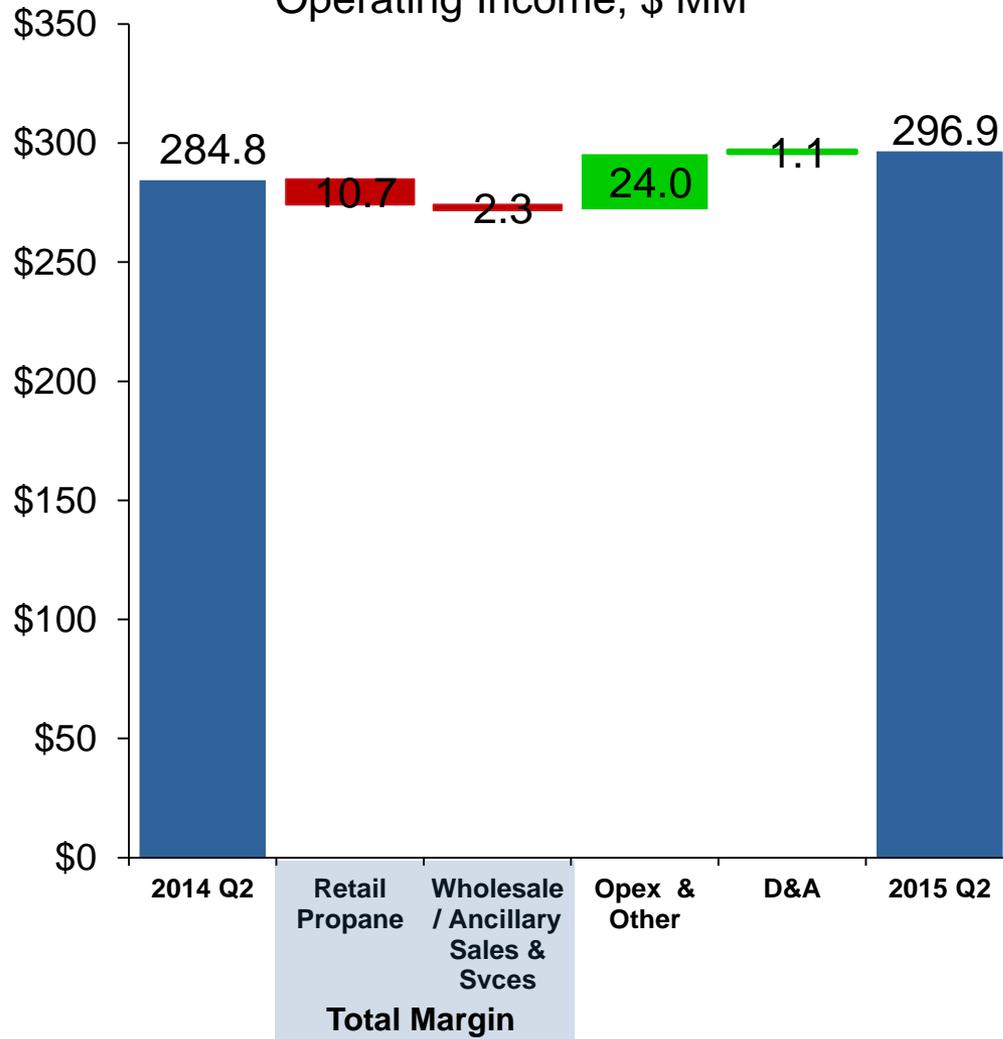
## Spot Price Comparison

### Location – Texas Eastern Zone M-3



**Less extreme price volatility in FY15 vs. FY14**

Operating Income, \$ MM



## MARGIN

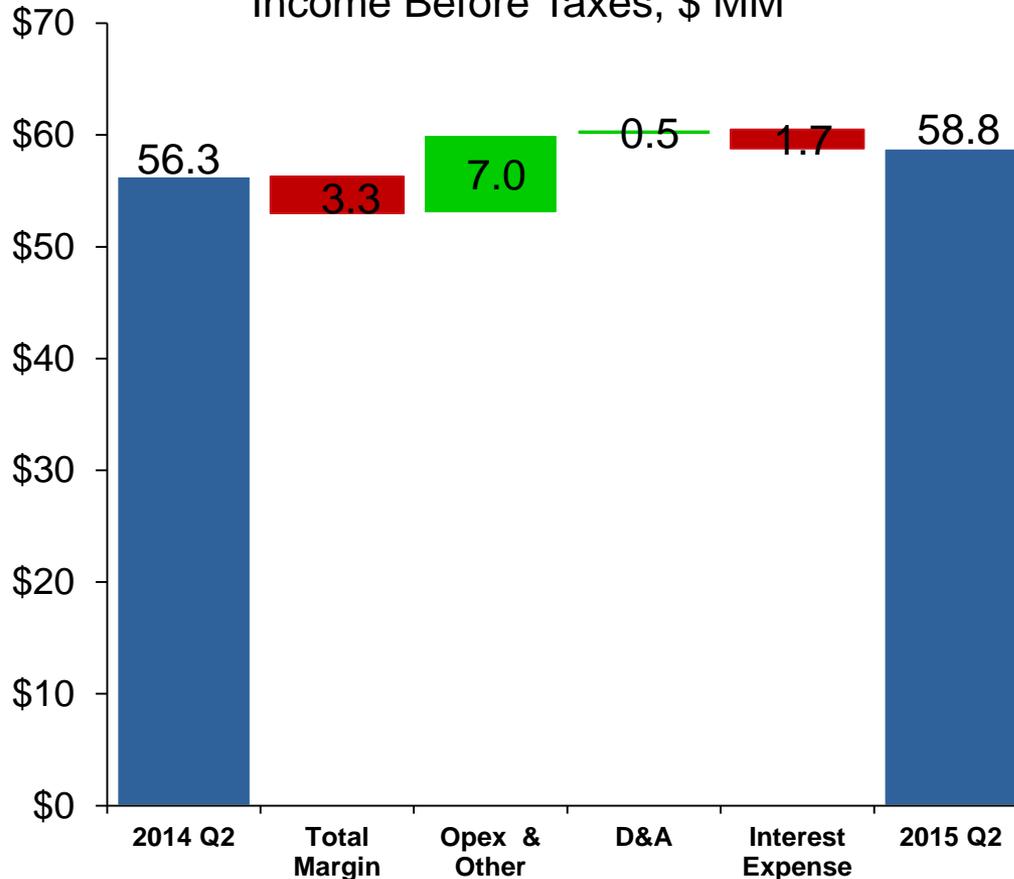
- Warmer weather than the prior year led to lower volume

## OPEX

- Lower vehicle operating and maintenance expenses
- Lower uncollectible accounts
- Lower compensation and benefits expenses

Opex includes all operating expenses, net of miscellaneous income. Excludes impact of mark-to-market changes in commodity hedging instruments. Total Margin represents total revenues less total cost of sales.

Income Before Taxes, \$ MM



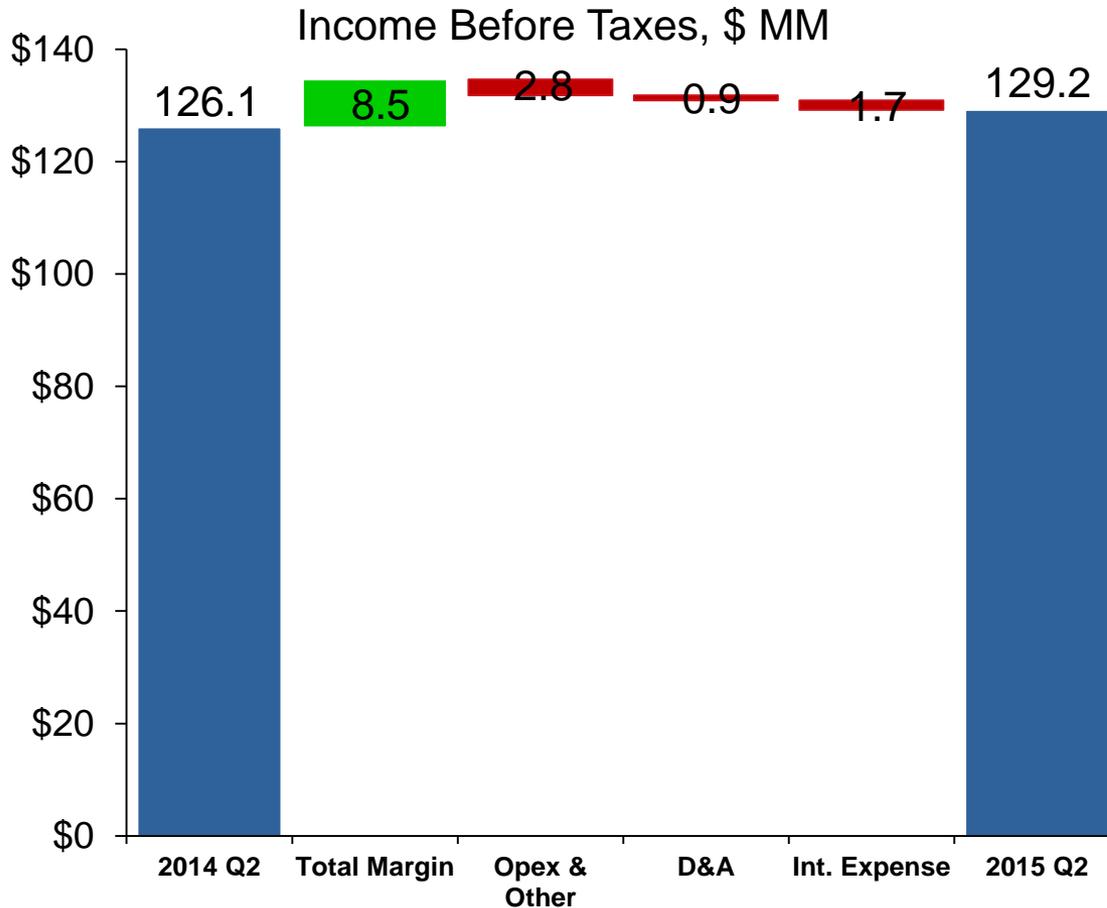
## MARGIN

- Weaker Euro and British Pound Sterling
- Colder weather than prior year
- Increased unit margin in local currency

## OPEX

- Weaker Euro and British Pound Sterling
- Expenses related to proposed acquisition of Totalgaz in France

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

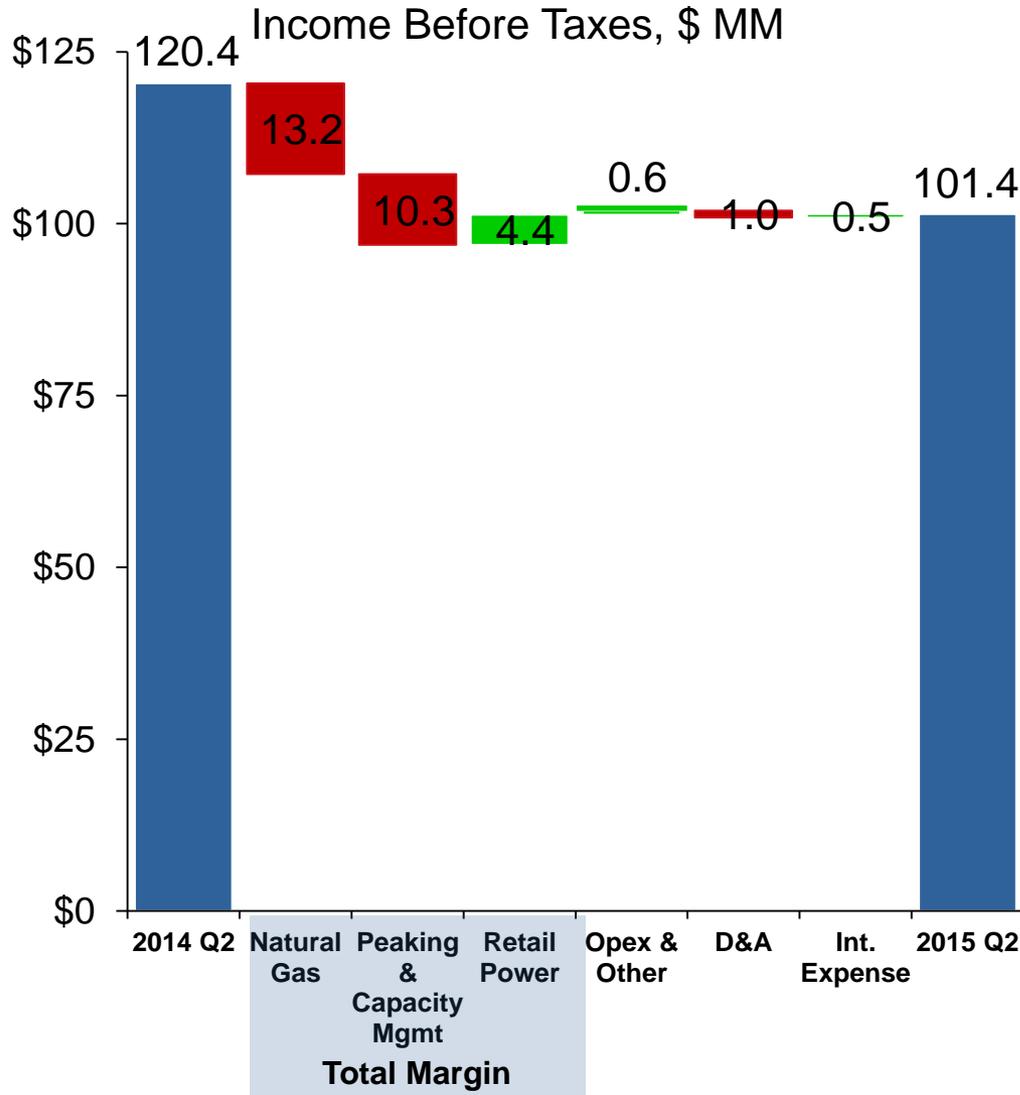


## MARGIN

- Colder weather
- Customer Growth

## OPEX

- Higher distribution system maintenance
- Higher employee benefit and information technology expenses
- Higher depreciation expense



## MARGIN

- Timing of natural gas basis margins associated with fixed-basis customers
- Lower locational basis differentials due to less volatility than the prior year
- Higher retail power margin

## OPEX

- Higher compensation expenses
- Lower business development, and uncollectible accounts expense

\* Excludes impact of mark-to-market changes in commodity hedging instruments.  
Total Margin represents total revenues less total cost of sales.

	<u>Total</u>	<u>AmeriGas</u>	<u>UGI International</u>	<u>Utilities</u>	<u>Midstream</u>	<u>Corporate &amp; Other</u>
Cash on Hand	<b>\$445.6</b>	\$21.4	\$189.4	\$16.0	\$15.0	\$203.7
Revolving Credit Facilities		\$525.0	\$105.2	\$300.0	\$240.0	NA
Accounts Receivable Facility		NA	NA	NA	96.9	NA
Drawn on Facilities		55.0	0.0	30.5	0.0	NA
Letters of Credit		64.7	22.3	2.0	0.0	NA
Available Facilities		\$405.3	\$82.9	\$267.5	\$336.9	
Available Liquidity		\$426.7	\$272.2	\$283.5	\$351.9	

**AmeriGas**

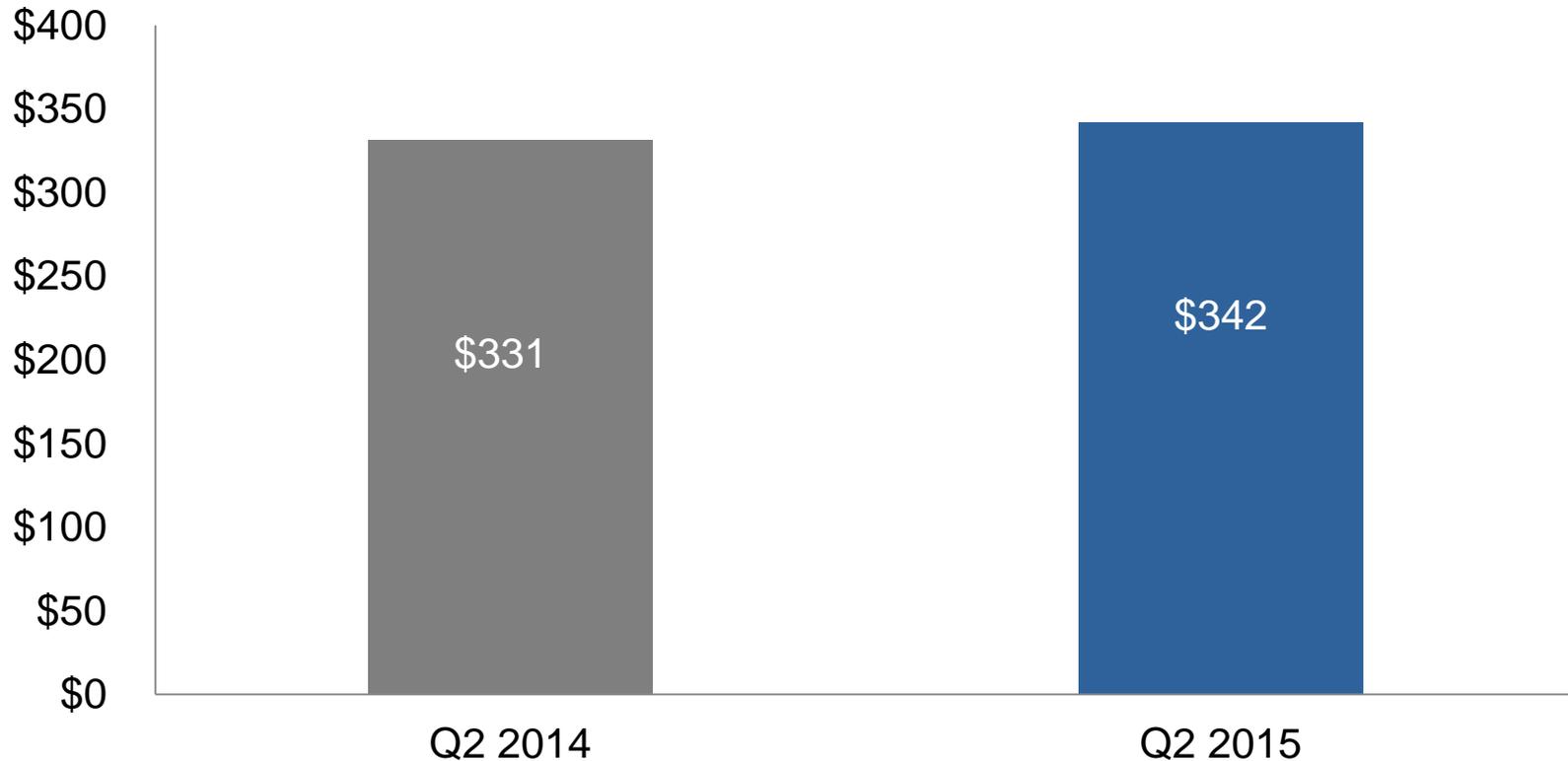
**UGI**  
**CORPORATION**

# Jerry Sheridan

CEO of AmeriGas



### Adjusted EBITDA\*, \$ Millions



**Record level of Adjusted EBITDA in Q2**

- Retail volume decreased 5.7% (27 million gallons) on weather that was 7% warmer than the prior year
- Mt. Belvieu cost was 30% lower than Q1 and 60% lower than the prior year period
- Sold off remaining higher cost inventory and reduced average selling price by approximately 20% while maintaining slightly higher margins
- Operating expenses were down 9% on lower bad debt, fuel and maintenance, and overtime expenses

- The AmeriGas Propane Exchange program's volume increased 3% in the quarter
- National Accounts program increased 14% in the quarter
- Pipeline of acquisition opportunities remains strong; completed one small scale acquisition in the quarter
- Stability of lower priced propane is good for the industry and will promote demand
- Maintaining our previous guidance range of \$635-\$665 million for FY 2015



# John Walsh

## President & CEO

May 5, 2015

## PennEast

- ~\$1bn project expected to deliver one bcf of gas per day
- Currently progressing through the FERC pre-approval process
- Expected to be on-stream in late calendar year 2017

## Announced Two Marcellus Pipeline Projects

- Midstream & Marketing segment announced project to supply 1000MW plant in Sunbury, PA
- Utility segment announced project to supply natural gas to a power generation facility operated by Invenergy

## Panda Energy Project

- Nearing completion of a \$25 million project to serve a 1000MW plant operated by Panda Power Funds

## Totalgaz Acquisition On Track

- Currently being reviewed by French Competition Authority; we believe closing remains on track for the first half of this year

- This quarter demonstrated the strength of our earnings capacity across our balanced portfolio
- Made significant progress on both our capital projects and acquisitions
- Weather, increased volatility, and focus on operations drove this quarter's results
- The “infrastructure gap” will remain for some time and opens new investment opportunities while enhancing the value of our existing assets



**Q&A**



**Appendix**

- ❖ Management uses "adjusted net income attributable to UGI" and "adjusted diluted earnings per share," both of which are non-GAAP financial measures, when evaluating UGI's overall performance. Adjusted net income attributable to UGI is net income attributable to UGI after excluding net after-tax gains and losses on commodity derivative instruments not associated with current-period transactions and items that management regards as highly unusual and not expected to recur. Volatility in net income at UGI can occur as a result of gains and losses on derivative instruments not associated with current period transactions but included in earnings in accordance with U.S. generally accepted accounting principles ("GAAP"). Midstream & Marketing records gains and losses on commodity derivative instruments not associated with current-period transactions in cost of sales or revenues for all periods presented. Effective October 1, 2014, UGI International determined that on a prospective basis it would not elect cash flow hedge accounting for its commodity derivative transactions and also de-designated its then-existing commodity derivative instruments accounted for as cash flow hedges. Also effective October 1, 2014, AmeriGas Propane de-designated its remaining commodity derivative instruments accounted for as cash flow hedges. Previously, AmeriGas Propane had discontinued cash flow hedge accounting for all commodity derivative instruments entered into beginning April 1, 2014.
- ❖ Non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate the impact of (1) gains and losses on commodity derivative instruments not associated with current-period transactions and (2) those items that management regards as highly unusual in nature and not expected to recur.
- ❖ The following table reconciles consolidated net income attributable to UGI, the most directly comparable GAAP measure, to adjusted net income attributable to UGI, and reconciles diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above.

## Adjusted Net Income and EPS

	Three Months Ended	
	March 31	
	2015	2014
<b>Adjusted net income attributable to UGI Corporation:</b>		
Net income attributable to UGI Corporation	\$ 246.5	\$ 214.4
Net after-tax losses (gains) on commodity derivative instruments not associated with current period transactions (1)	(30.8)	7.7
Adjusted net income attributable to UGI Corporation	\$ 215.7	\$ 222.1

	Three Months Ended	
	March 31	
	2015	2014
<b>Adjusted diluted earnings per share:</b>		
UGI Corporation earnings per share - diluted	\$ 1.40	\$ 1.22
Net after-tax losses (gains) on commodity derivative instruments not associated with current period transactions (2)	(0.17)	0.05
Adjusted diluted earnings per share	\$ 1.23	\$ 1.27

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

(2) Includes impact of rounding

- ❖ 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 business segments. UGI Corporation discloses the Partnership's EBITDA in its disclosures about its business segments as the profitability measure for its domestic propane segment.

## AmeriGas Partners EBITDA Reconciliation

	Three Months Ended	
	March 31	
	2015	2014
EBITDA and Adjusted EBITDA:		
Net income attributable to AmeriGas Partners, L.P.	\$ 326,055	\$ 240,103
Income tax expense (benefit)	806	(74)
Interest expense	41,096	42,046
Depreciation	37,402	38,353
Amortization	10,713	10,804
EBITDA	<u>416,072</u>	<u>331,232</u>
(Subtract net gains) on commodity derivative instruments not associated with current-period transactions	(74,739)	-
Noncontrolling interest in net (losses) gains on commodity derivative instruments not associated with current-period transactions	755	-
Adjusted EBITDA	<u><u>\$ 342,088</u></u>	<u><u>\$ 331,232</u></u>

	Forecast Fiscal Year Ending September 30, <u>2015</u>
Adjusted net income attributable to AmeriGas Partners, L.P. (estimate) (d)	\$ 286,000
Interest expense (estimate)	163,000
Income tax expense (estimate)	4,000
Depreciation (estimate)	154,000
Amortization (estimate)	<u>43,000</u>
Adjusted EBITDA (e)	<u><u>\$ 650,000</u></u>

- (d) Represents estimated net income attributable to AmeriGas Partners, L.P. after adjusting for gains and losses on commodity derivative instruments not associated with current-period transactions. It is impracticable to determine actual gains and losses on commodity derivative instruments not associated with current-period transactions that will be reported in GAAP net income as such gains and losses will depend upon future changes in commodity prices for propane which cannot be forecasted.
- (e) Represents the midpoint of Adjusted EBITDA guidance range for fiscal 2015.



**Investor Relations:**

Will Ruthrauff  
610-456-6571  
[ruthrauffw@ugicorp.com](mailto:ruthrauffw@ugicorp.com)



Attachment SDR-ROR-6.4  
M. Matern  
Page 1 of 37  
**John Walsh**  
**President &**  
**Chief Executive Officer**

**May 18, 2015**



# 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 and quarterly reports on Form 10-Q 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 in the United States and in foreign countries, including the current conflicts in the Middle East and those involving Russia, currency exchange rate fluctuations (particularly the euro), the timing of development of Marcellus Shale gas production, the timing and success of our acquisitions, 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.

# UGI Attendees

**John Walsh:** President & Chief Executive Officer  
**Bob Beard:** President, Utilities  
**Kirk Oliver:** Chief Financial Officer  
**Dan Platt:** Treasurer  
**Will Ruthrauff:** Director, Investor Relations

# Company Overview

UGI Corporation is a distributor and marketer of energy products and services including natural gas, propane, butane, and electricity.

## UGI CORPORATION

The logo for AmeriGas, featuring the word "AmeriGas" in a bold, sans-serif font. "Ameri" is in red and "Gas" is in blue. A small asterisk is positioned to the upper right of the "s".

- **#1 Propane distributor in U.S.**

The logo for UGI International, featuring the letters "UGI" in a large, bold, blue sans-serif font, with the word "INTERNATIONAL" in a smaller, blue sans-serif font centered below it.

- **Premier LPG distributor in Europe**

The logo for UGI Energy Services, featuring a stylized circular icon with orange, green, and blue segments to the left of the text "UGI Energy Services" in a blue sans-serif font.

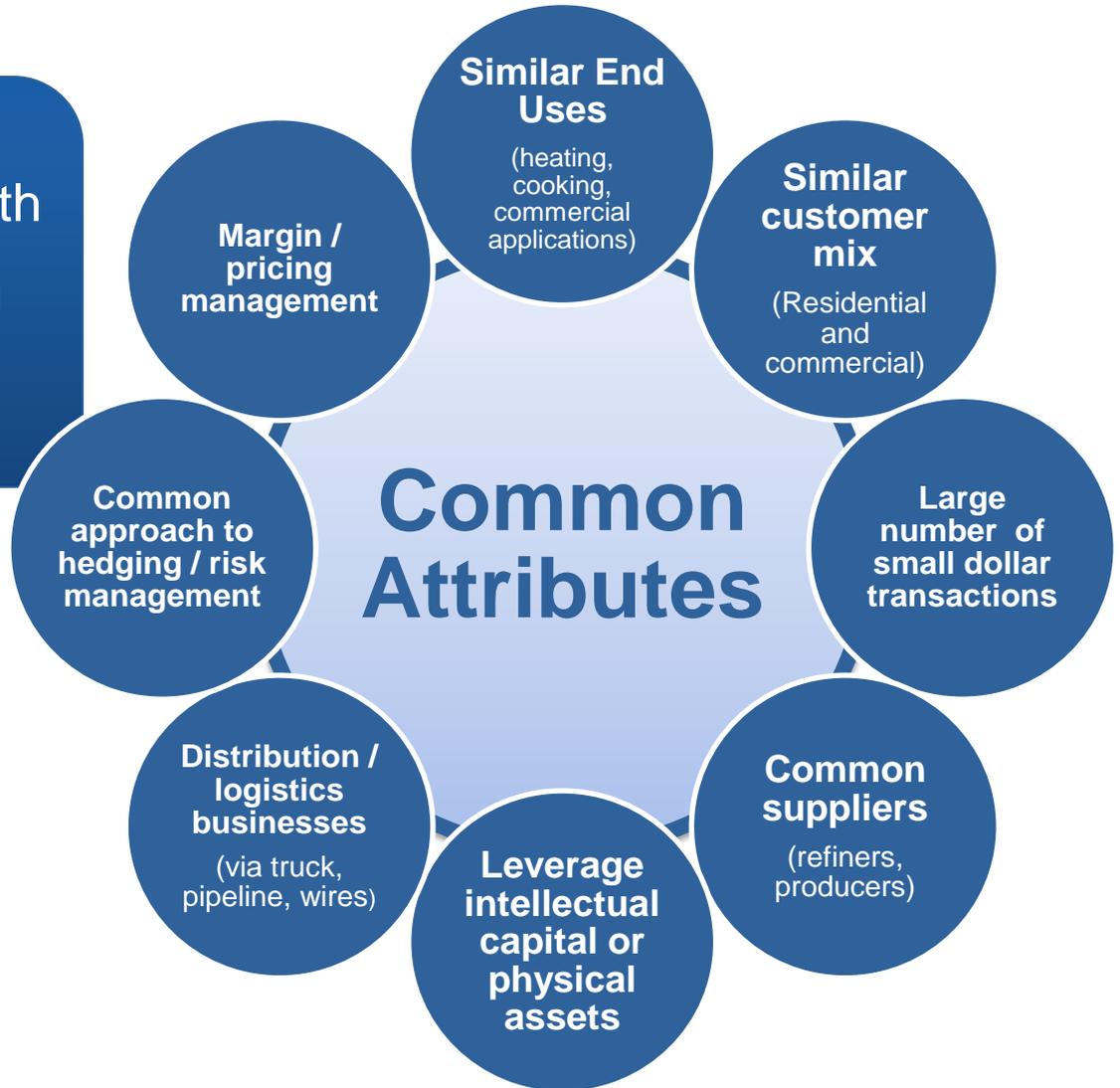
- **Energy marketing, midstream, and power generation**

The logo for UGI Utilities, Inc., featuring the letters "UGI" in a large, bold, blue sans-serif font, with "UTILITIES, INC." in a smaller, blue sans-serif font centered below it.

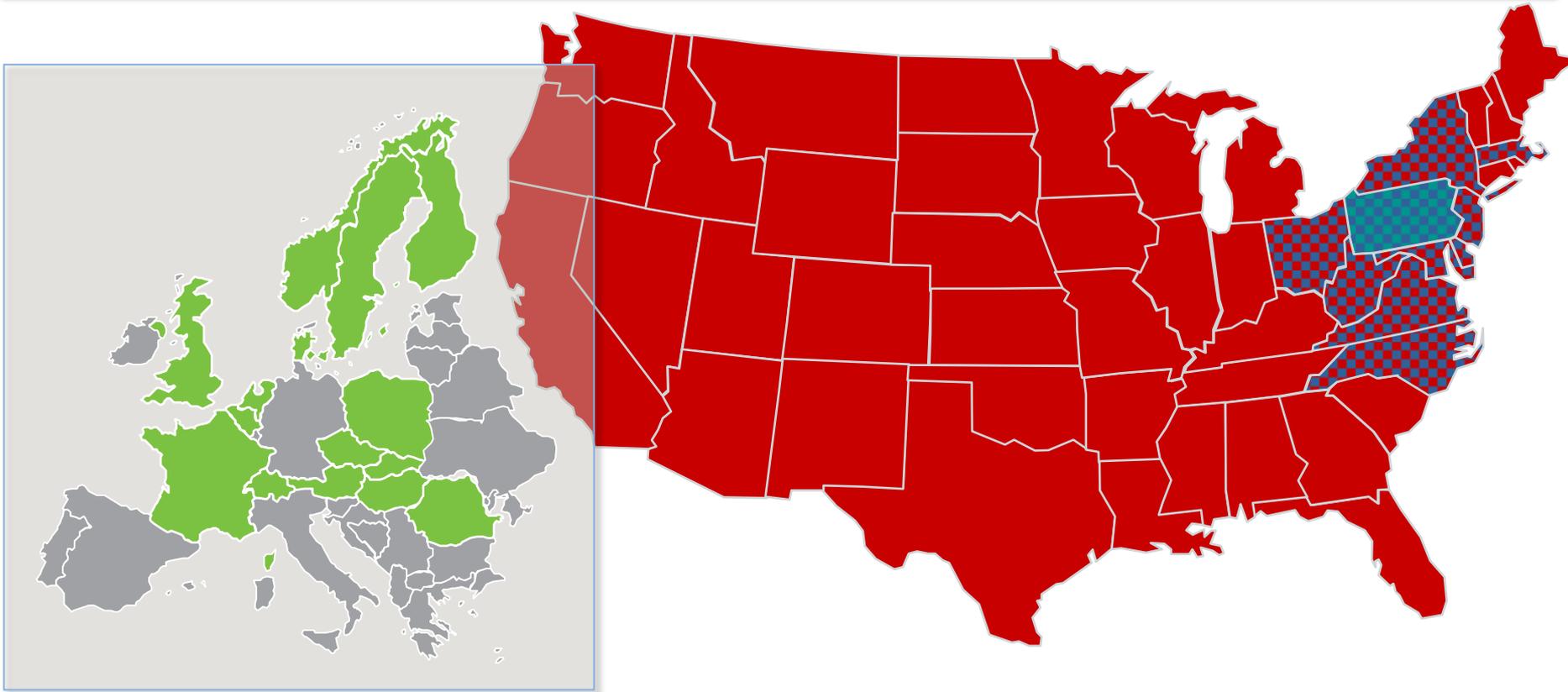
- **Gas & Electric Utilities in Pennsylvania and Maryland**

\*100% GP interest and 25% of outstanding LP units  
Largest retail propane distributor in U.S. based on volume

Functionally **related** with numerous **common attributes**



UGI operates in 50 states and 16 European countries



**AmeriGas**  
(all 50 states)

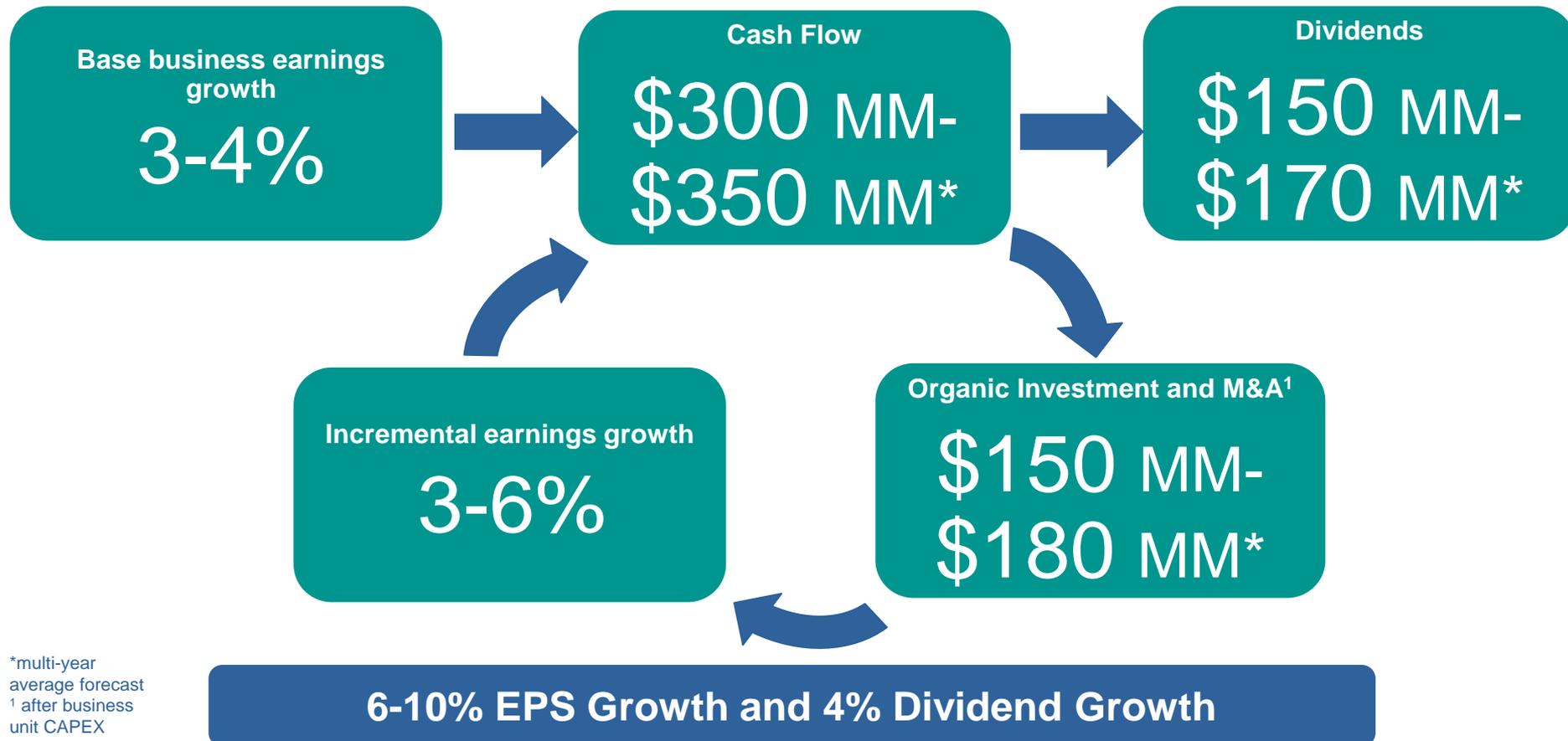
**UGI International**  
(16 European countries)

**Energy Services**  
(PA, NJ, DE, NY, MA, OH, MD, VA, NC, DC)

**UGI Utilities**  
(PA, MD)

# The UGI “Growth Engine”

Income-producing businesses generate cash for growth opportunities and dividends

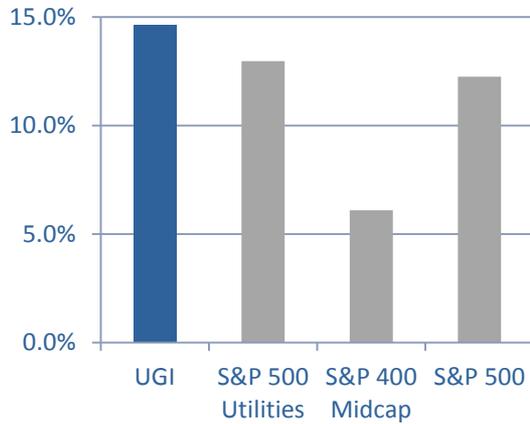


\*multi-year average forecast  
<sup>1</sup> after business unit CAPEX

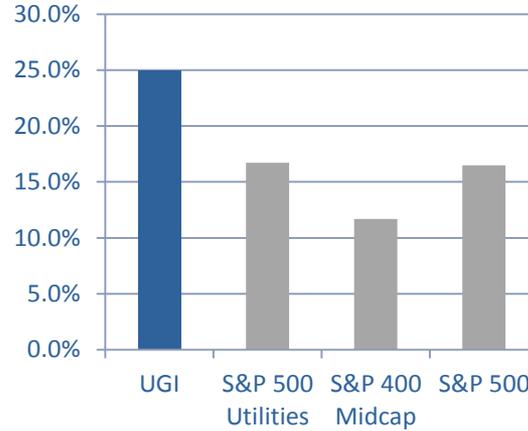
# Total Shareholder Return as of 4/30/15

## Outstanding Total Returns over the short, medium, and long-term

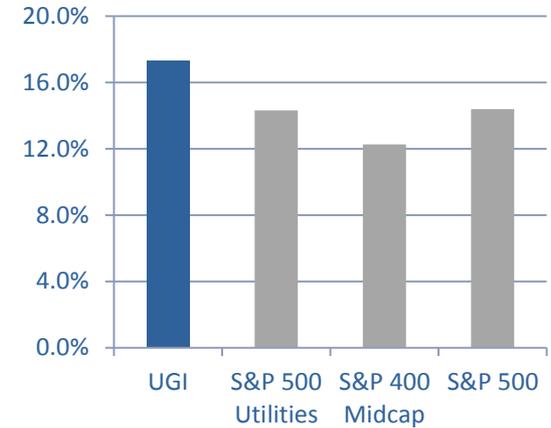
### 1 Year Total Return



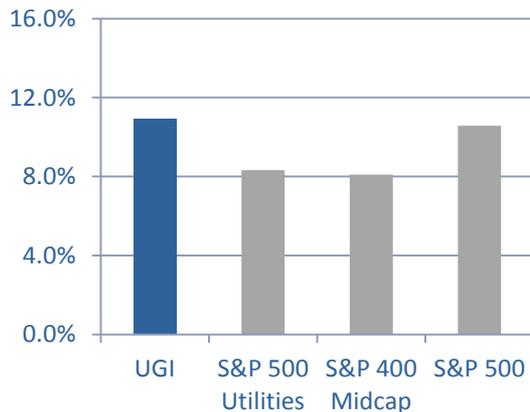
### 3 Year Total Return



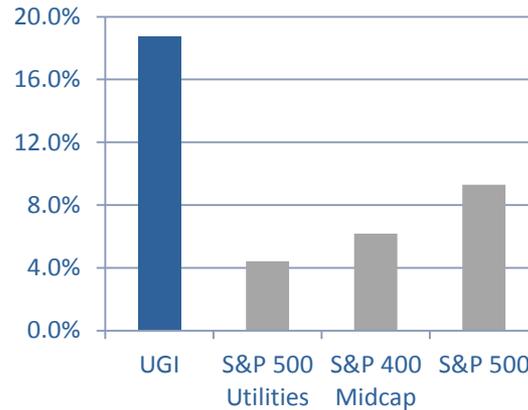
### 5 Year Total Return



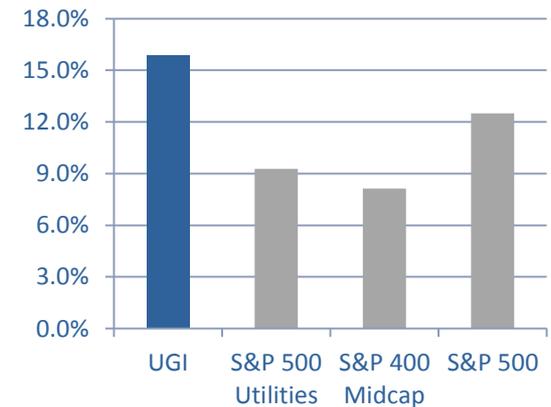
### 10 Year Total Return



### 15 Year Total Return



### 20 Year Total Return



# Why Invest in UGI?

- ✓ **We are a balanced **Growth and Income** investment**
  - **6-10% EPS Growth**
  - **4% Dividend Growth**
  
- ✓ **Strong business model and strategy, supported by excellent **track record****
  
- ✓ **Our portfolio of **growth** opportunities has never been stronger**

# YTD FY15: Strong Start

- ✓ Excellent second quarter, near record set last year
  - Positive contributions from new investments
- ✓ Announced two new pipeline projects
  - Sunbury – Energy Services project to supply generating facility operated by Panda Power
  - Invenergy – Utility project to supply generating facility in Jessup, PA
- ✓ Completed the 50% capacity expansion of our Temple LNG facility in April
- ✓ Strong growth in the Utility – have added ~11,000 heating customers in FY15
- ✓ AmeriGas announced record adjusted EBITDA in Q2 of \$342mm
- ✓ Continuing to make progress on the PennEast pipeline

**Increased our fiscal year guidance  
to \$2.00 - \$2.10 (from \$1.88-1.98)**

# YTD FY15: LNG Facility at Manning

- New Liquefied Natural Gas (LNG) facility to be constructed adjacent to our existing compression facility in Manning, PA
- Serves growing demand from truck fleets, oil and gas drilling rigs, and remote industrial users, and supports peaking business
- Liquefaction capacity of 10,000 Dth/day
  - Complements our existing LNG facility in Temple, PA that was recently expanded by 50%
  - Between Temple and Manning LNG facilities, total UGI liquefaction capacity will reach 20,000 Dth/day
- Includes both liquefaction and storage
- Expected to be operational by early 2017

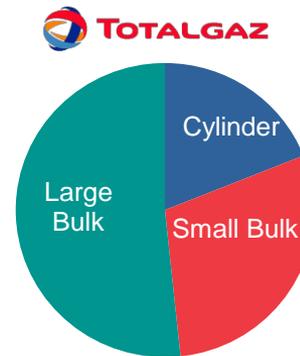
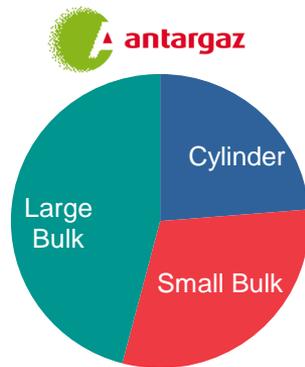


Temple LNG facility

# YTD FY15: Totalgaz Acquisition (€400-€450)

- Obtained French Competition approval – May closing
- Doubles retail distribution in France to ~500mm gallons per year
- Accretion / Dilution:
  - Expect \$0.14-\$0.18 of dilution in FY15 - \$0.04 in first half
  - Accretive to EPS in FY16 and beyond

## Retail Gallons Distributed

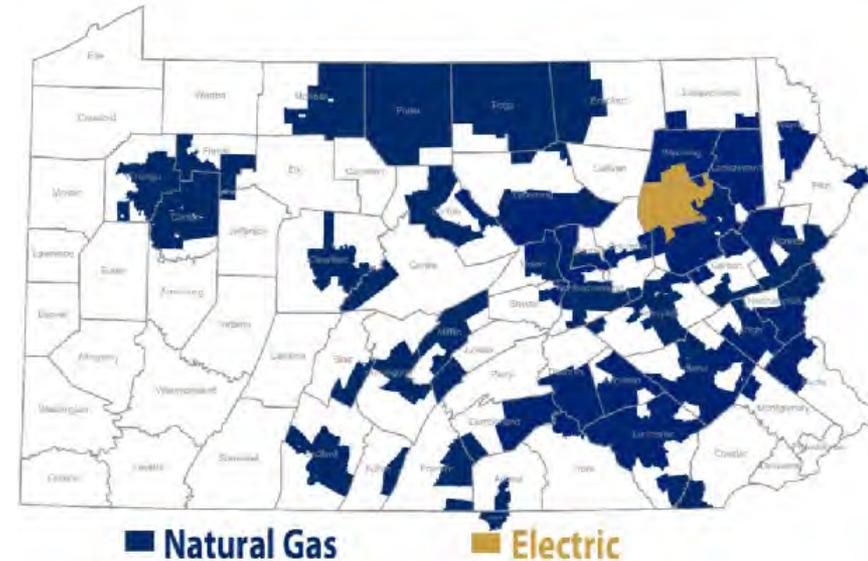


**Both businesses have balanced customer bases**



# UGI Utilities Overview

- ✓ Serve over 615,000 Gas Customers and approximately 62,000 Electric Customers
- ✓ Pennsylvania's 2<sup>nd</sup> Largest Gas Utility
- ✓ ~12,000 miles of gas mains
- ✓ Service territories lie within or adjacent to the Marcellus
- ✓ Strong Outlook for Continued Customer Growth

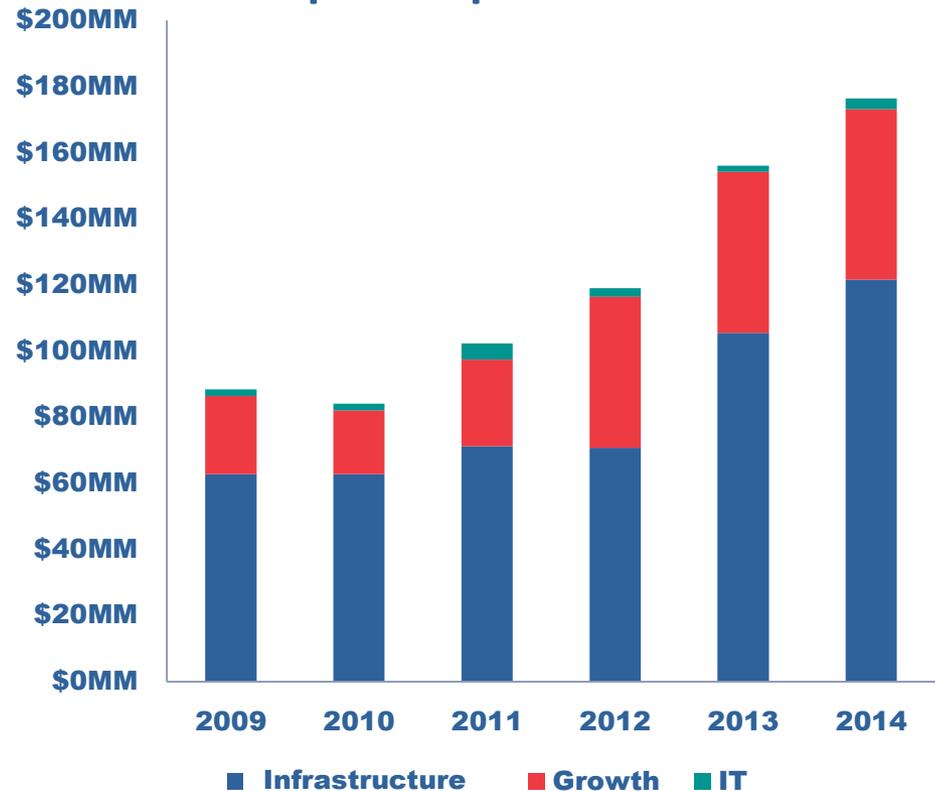


**Customer CAGR of ~2% since 2009**

## Making smart investments today, for tomorrow...

- **Accelerated capital replacement plan**
  - Highest percentage of contemporary pipe in Pennsylvania among major LDCs
- UGI will replace all **cast iron main by 2027** and all **bare steel by 2043**
- Supports the continued development of our **service territory**

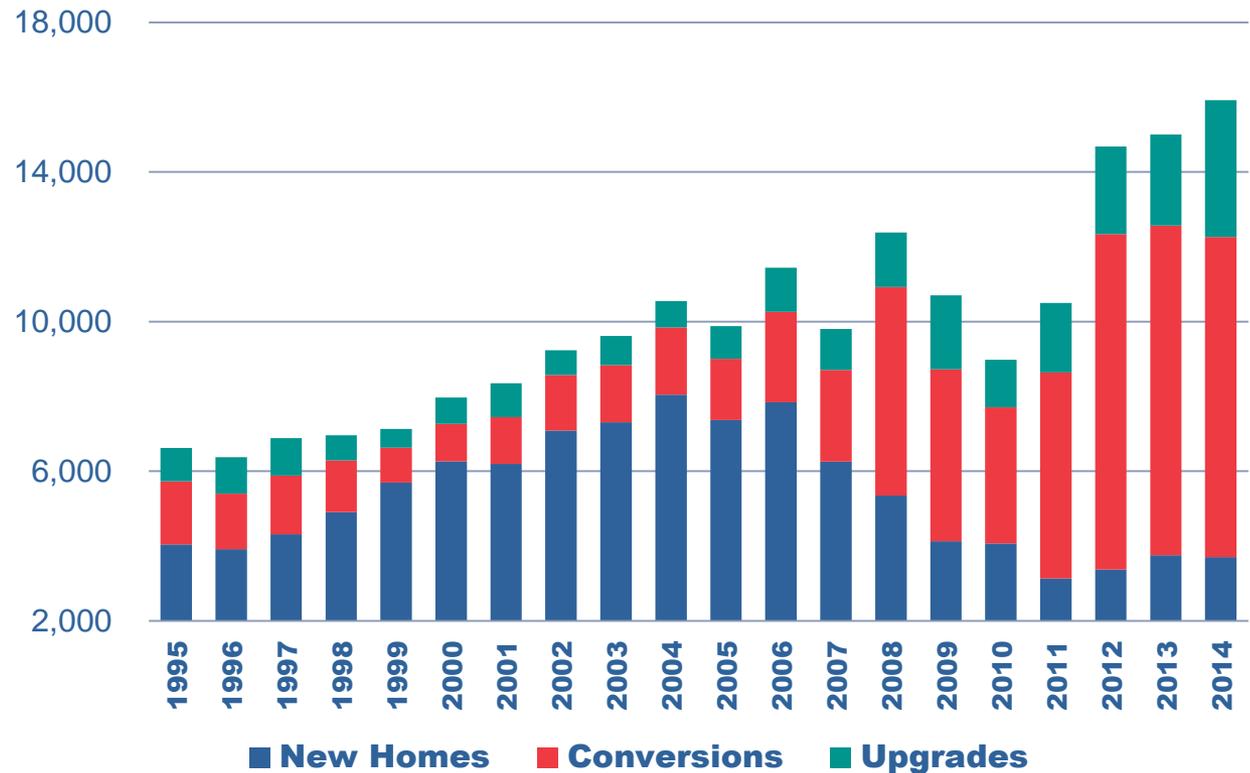
### Capital Expenditures



# Growth in the Residential Business

Focus on customer conversions has yielded strong results

### Total Residential Customer Additions



- Added ~16,000 residential natural gas heating customers in FY14

- Low cost tariffs benefit our customers

~400,000 potential customers within 80 feet of UGI gas mains

# Key Points – Utilities



*Energy to do more®*

- **Major infrastructure program on schedule**
- **Highest rated in customer satisfaction among large natural gas utilities in the Eastern U.S.<sup>1</sup>**
- **Invested over \$325mm in capital over the last two years and planning for increased CapEx in FY15 and beyond**
- **Reviewing potential future rate case filings**
- **Conversion growth remains strong**

<sup>1</sup> J.D. Power and Associates 2014 Gas Utility Residential Customer Satisfaction Survey



# Lines of Business



## MIDSTREAM

- Pipelines & Gathering
- Peaking
- Asset Management
- Storage



## MARKETING

- Natural Gas
- Power



## GENERATION

- Power Generation
- Renewable Energy

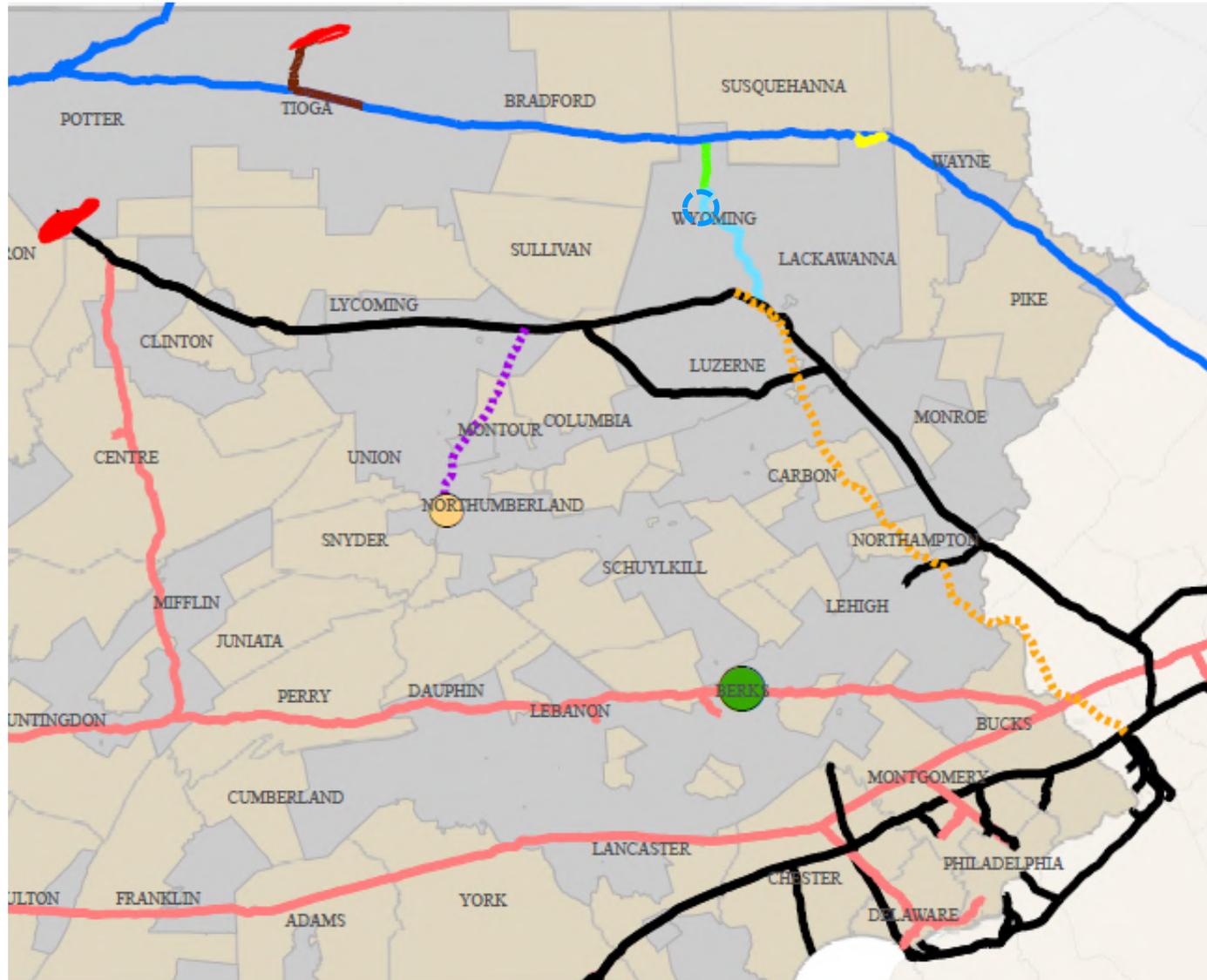
# Marcellus Midstream Assets

## UGI Legend

- Temple LNG
- Manning LNG
- 15 BCF Storage
- UGI Service Area
- Storage Transmission
- Auburn I
- Auburn II
- Union Dale
- PennEast
- Sunbury

## Other Legend

- Hummel Station  
(expected to be operational in second half of 2017)
- Transco
- Tennessee
- Texas Eastern



# Our Growth Projects

## 1) Auburn Gathering System

- Auburn I: 9-mile 12" pipeline (complete)
- Auburn II: 28-mile 20" pipeline (complete)
- Auburn III: 9-mile pipeline loop and compression (in process)

} Reaching 470,000  
Dth/d by Fall 2015

## 2) Union Dale Lateral Pipeline

- 6-mile 12" pipeline serving UGI PNG service territory; 100,000 Dth/d

## 3) LNG Expansion

- Increased Temple liquefaction capacity by 50% in April to 10,000 Dth/day
- Announced construction of Manning LNG facility – will have 10,000 Dth/day liquefaction capacity

## 4) PennEast Pipeline

- ~100 mile pipeline will bring low cost Marcellus gas to Southeast PA and New Jersey
- Joint Project of UGI with AGL, New Jersey Resources, South Jersey Industries, PSEG, Spectra
- Total project investment of ~\$1 billion; UGI – 20% equity ownership

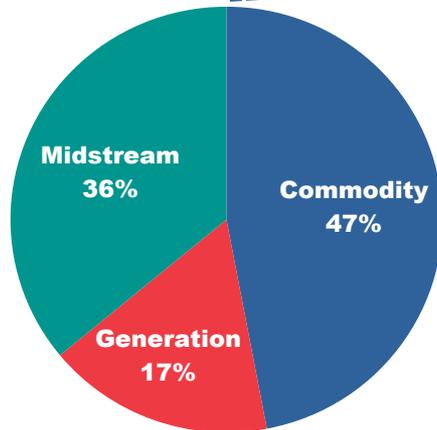
## 5) Sunbury Pipeline

- New project announced February 2015; Partner with Panda Power Funds
- 35 mile pipeline will supply low cost gas to growing natural gas markets in Pennsylvania
- Total project investment of ~\$160mm

**Actively Developing Other Projects in the Marcellus**

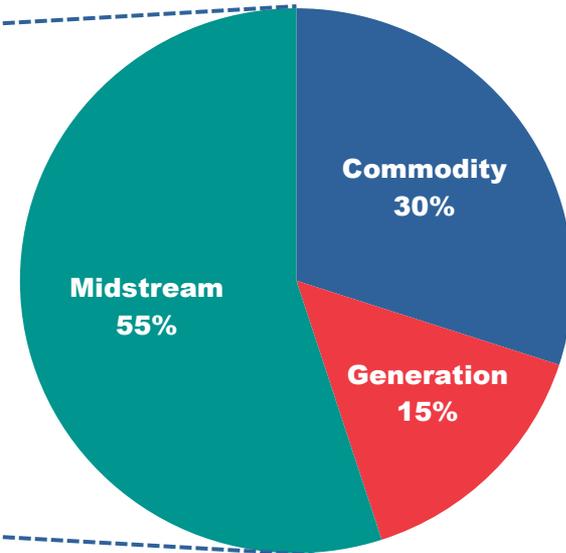
# Increasing Midstream Margin Contribution

## Historical Margin



Represents multi-year historical average

## Future Margin



Represents multi-year forward average

**Fee-based income contribution increasing as proportion of Midstream segment grows**

# Key Points – Energy Services



- **Well positioned for long-term leadership in Marcellus midstream**
- **Strong track record of project execution**
- **Asset network is well positioned to deliver value during periods of volatility**
- **New PennEast and Sunbury pipeline projects on track with FERC**
- **Auburn system expansion progressing**



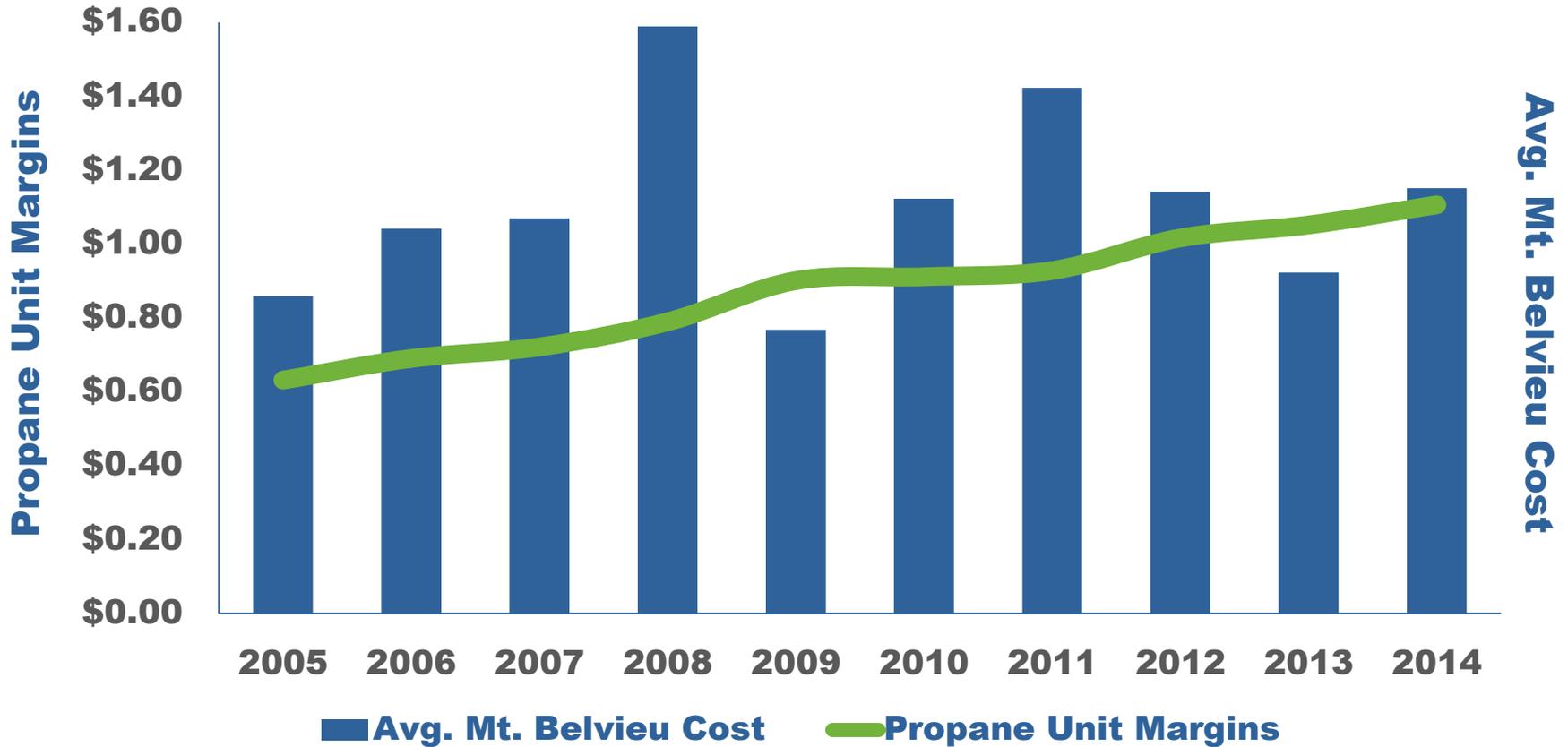
## Largest Player in a Fragmented Market with ~15% Market Share<sup>1</sup>



<sup>1</sup> Based on retail propane volumes sold in the United States as published by the American Petroleum Institute

# Unit Margin Management

A long track record of **exceptional margin management** through volatile propane cost environments



# Meeting Commitments – Promise to Investors

## GOALS

**DISTRIBUTION  
GROWTH: 5%**

**EBITDA  
GROWTH: 3-4%**

**HERITAGE  
SYNERGIES:  $\geq$  \$50mm**

## ACCOMPLISHMENTS



**5.4% Average  
Distribution Growth  
2006-2014**



**Adj. EBITDA Growth  
2006-2011: ~6%  
2006-2014: ~13%**



**\$60 million+ in  
synergies**



# Key Growth Drivers

## National Accounts

- Utilize nationwide distribution footprint to serve commercial customers with multiple locations
- One bill and one point of contact
- Less weather sensitive vs. residential
- 22% volume growth in FY 2014

## AmeriGas Propane Exchange (Barbecue cylinder)

- Counter-seasonal due to summer grilling demand
- Approximately 47,000 retail locations
- 6% same store sales growth in FY 2014

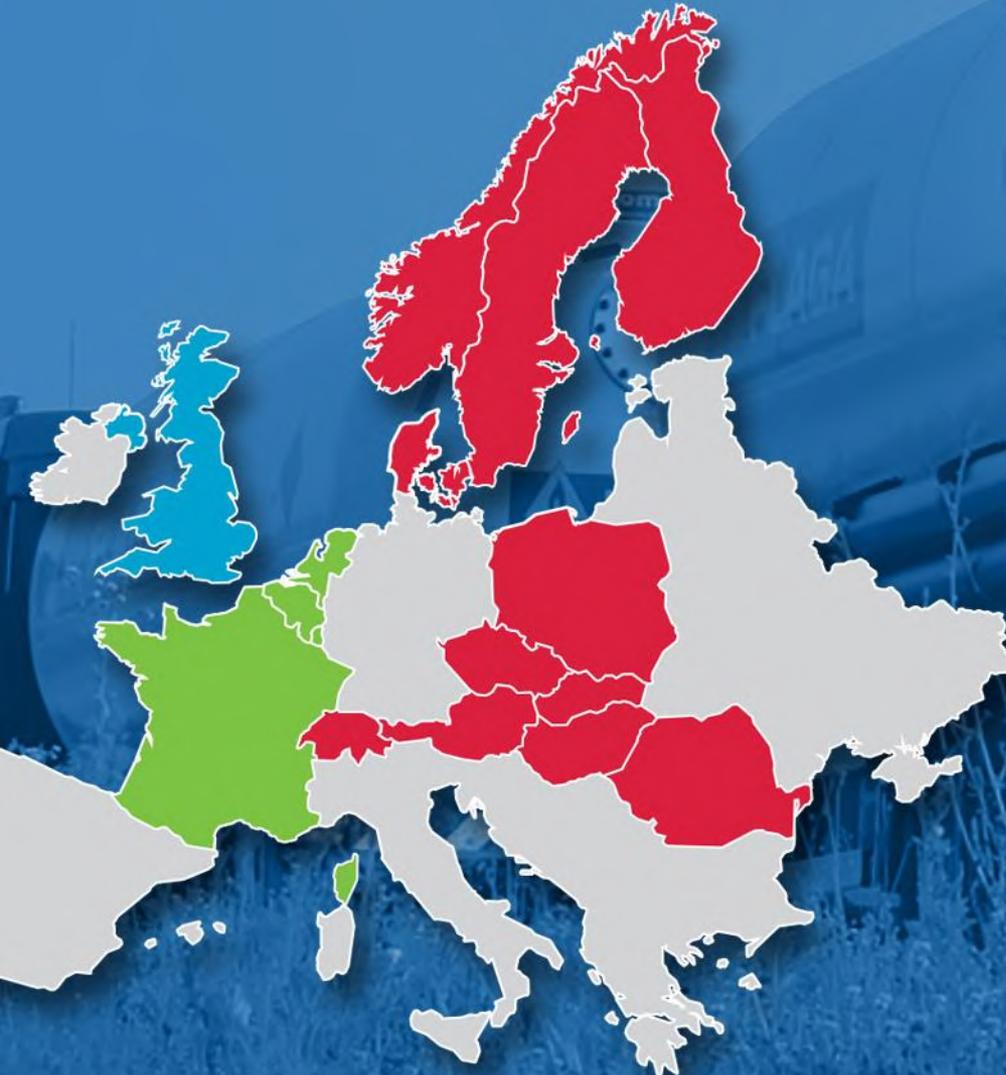
## Acquisitions

- Fragmented industry provides many highly synergistic and immediately accretive opportunities
- Integration is a core competency
- Seven deals closed in 2014; over 70 in the past 10 years; and over 175 deals closed since early 1980s

# Key Points – AmeriGas

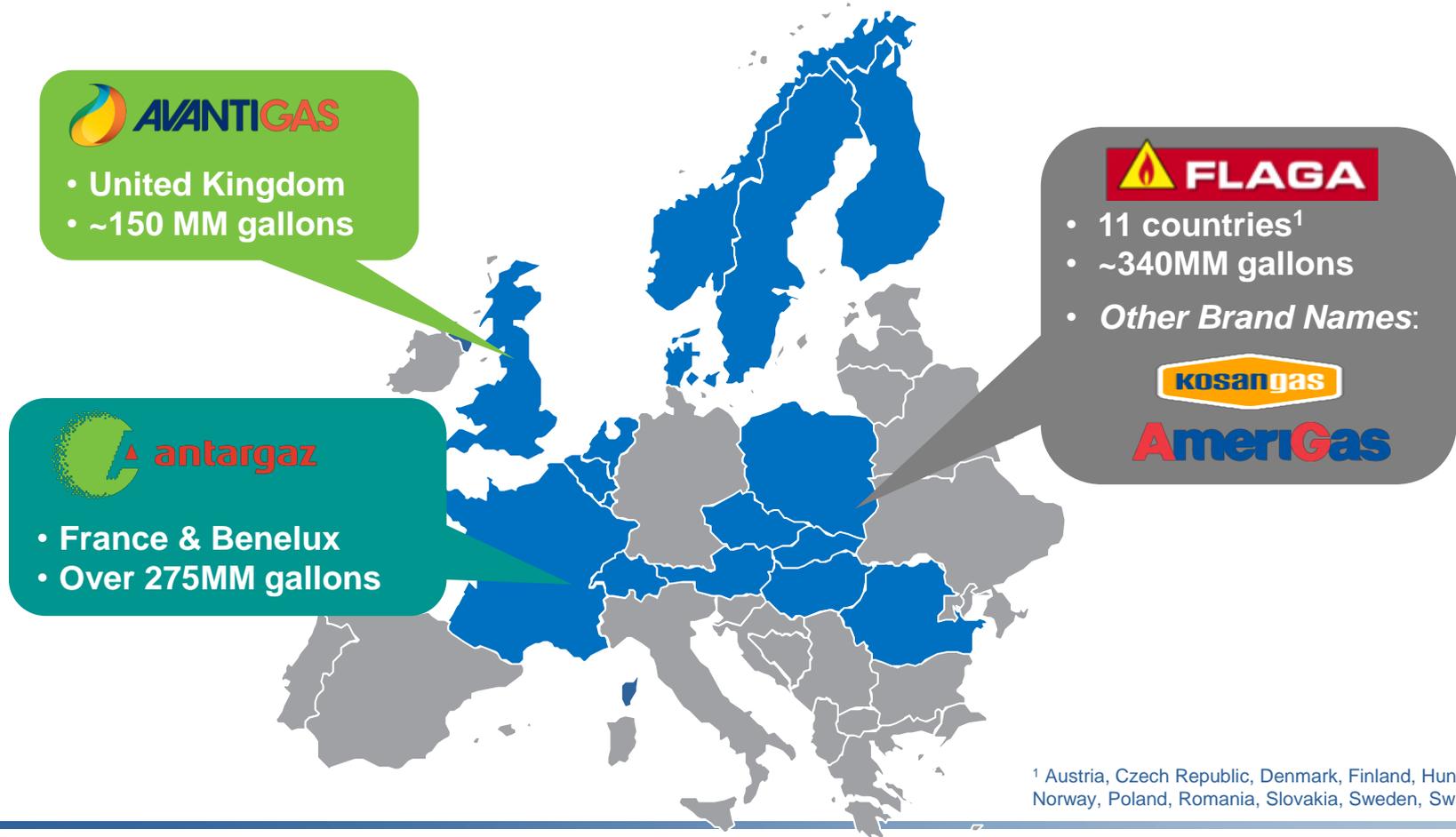


- **Strong performance delivering the Heritage business case**
- **High growth segments being developed**
  - ✓ **Propane Exchange (3% growth in Q2)**
  - ✓ **National Accounts (14% growth in Q2)**
  - ✓ **Local Acquisitions (Six acquisitions closed fiscal 2015 to date)**
- **Strong cash flow, distribution coverage, and balance sheet**



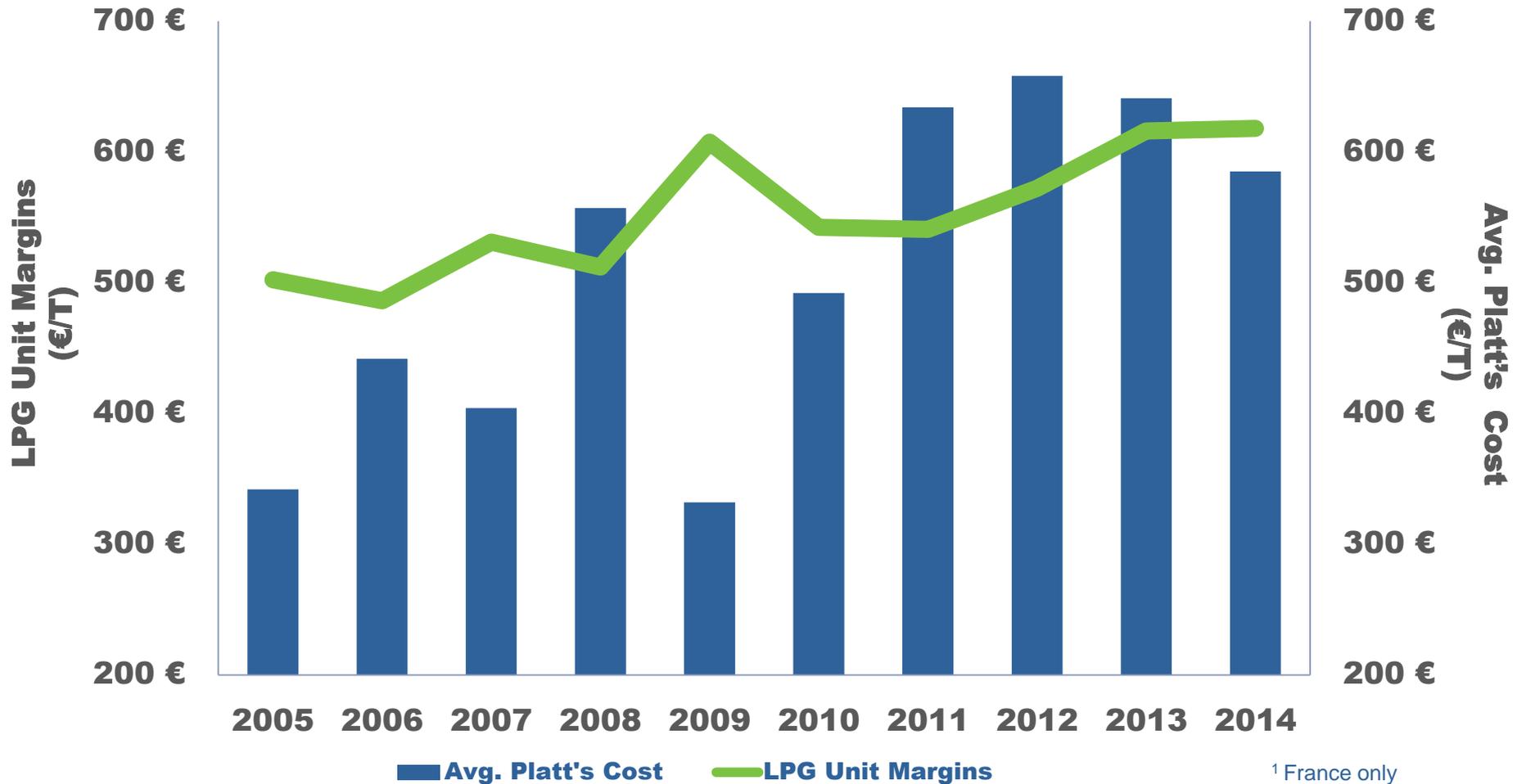
# UGI International Summary

- One company with strong local presence
- Delivering a core service in a stable environment
- Diverse, actively-managed supply portfolio



<sup>1</sup> Austria, Czech Republic, Denmark, Finland, Hungary, Norway, Poland, Romania, Slovakia, Sweden, Switzerland

## Antargaz<sup>1</sup> Unit Margin History



<sup>1</sup> France only

# Key Points – International



- **High quality distribution network across northern and central Europe**
- **Pursuing growth**
  - ✓ **Heating Oil to LPG conversion**
  - ✓ **Natural Gas marketing**
  - ✓ **Potential Acquisition Opportunities**
- **Successfully integrated BP Poland**
- **Totalgaz acquisition expected to close on May 29<sup>th</sup>**

# Why Invest in UGI?

- ✓ **We are a balanced **Growth and Income** investment**
  - **6-10% EPS Growth**
  - **4% Dividend Growth**
- ✓ **Strong business model and strategy, supported by excellent **track record****
- ✓ **Our portfolio of **growth** opportunities has never been stronger**



# Appendix



# Description and Reconciliation of Non-GAAP Measures – AmeriGas Partners

Earnings before interest expense, income taxes, depreciation and amortization (“EBITDA”) should not be considered as an alternative to net income (loss) attributable to AmeriGas Partners, L.P. (as an indicator of operating performance) and is not a measure of performance or financial condition under accounting principles generally accepted in the United States of America (“GAAP”). Management believes EBITDA is a meaningful non-GAAP financial measure used by investors to (1) compare the Partnership’s operating performance with that of other companies within the propane industry and (2) assess the Partnership’s ability to meet loan covenants. The Partnership’s definition of EBITDA may be different from those used by other companies.

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. In view of the omission of interest, income taxes, depreciation and amortization from 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 EBITDA to assess the profitability of the Partnership which is one of UGI Corporation’s reportable segments. UGI Corporation discloses the Partnership’s EBITDA in its disclosure about reportable segments as the profitability measure for its domestic propane segment.

Adjusted EBITDA is a non-GAAP financial measure. Management believes the presentation of this measure provides useful information to more effectively evaluate the period-over-period results of operations of the Partnership. Management uses Adjusted EBITDA to exclude from AmeriGas Partners, L.P. EBITDA unrealized and realized gains and losses on commodity derivative instruments entered into beginning April 1, 2014, not associated with current-period transactions and other 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. Adjusted EBITDA is not comparable to measures used by other entities and should only be considered in conjunction with net income (loss) attributable to AmeriGas Partners, L.P.

	Three Months Ended	
	March 31	
	2015	2014
EBITDA and Adjusted EBITDA:		
Net income attributable to AmeriGas Partners, L.P.	\$ 326,055	\$ 240,103
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Adjusted EBITDA	\$ 342,088	\$ 331,232



**2015 Q3 Earnings  
Conference Call  
August 4, 2015**

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# **John Walsh**

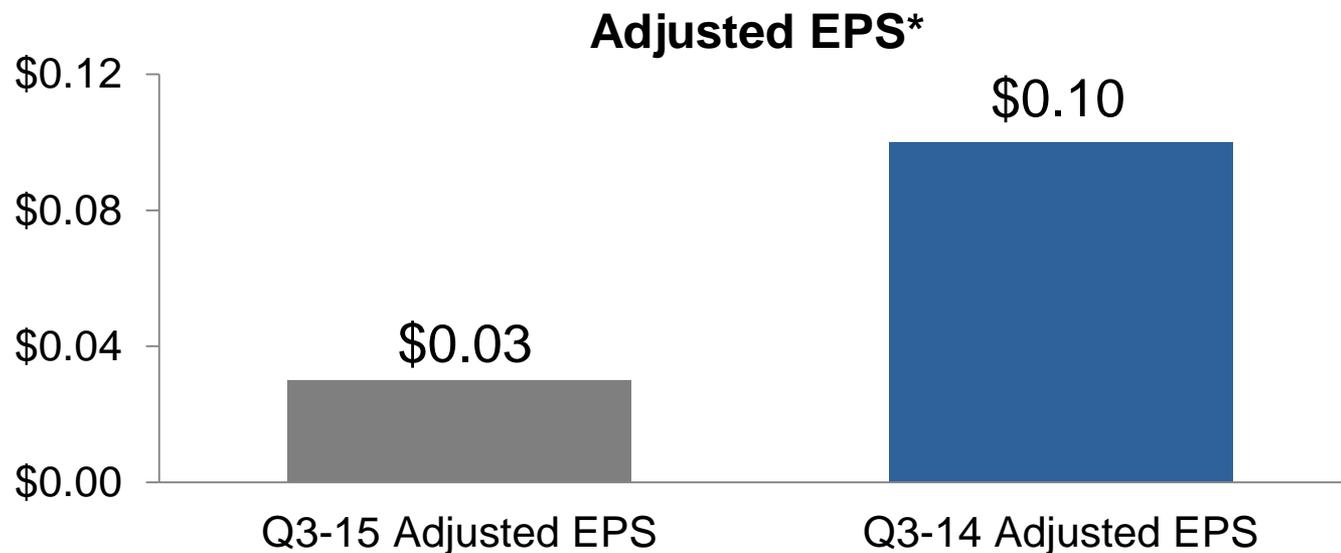
President & CEO, UGI

# **Kirk Oliver**

Chief Financial Officer, UGI

# **Jerry Sheridan**

President & CEO, AmeriGas



- Q3-15 GAAP EPS was \$0.05
- Q3-15 Adjusted EPS includes \$0.06 loss related to impact of the Totalgaz acquisition

- Expect FY Adjusted EPS at lower end of updated guidance of \$2.00 – \$2.10
- In-line with last year's record performance

\* See appendix for Adjusted EPS reconciliation.

- **Demand for natural gas continues to grow**
- **Pipeline capacity will remain constrained in medium-term due to “infrastructure gap”**
- **Conversion activity remains strong as Gas Utility has added ~14,000 new heating customers YTD**
- **AmeriGas National Accounts volume continues to ramp up**
- **Low cost good for business and industry**
  - European LPG cost down over 50% in past 24 months
  - Domestic LPG cost down over 60% in June y/y



# Kirk Oliver

## Chief Financial Officer

August 4, 2015

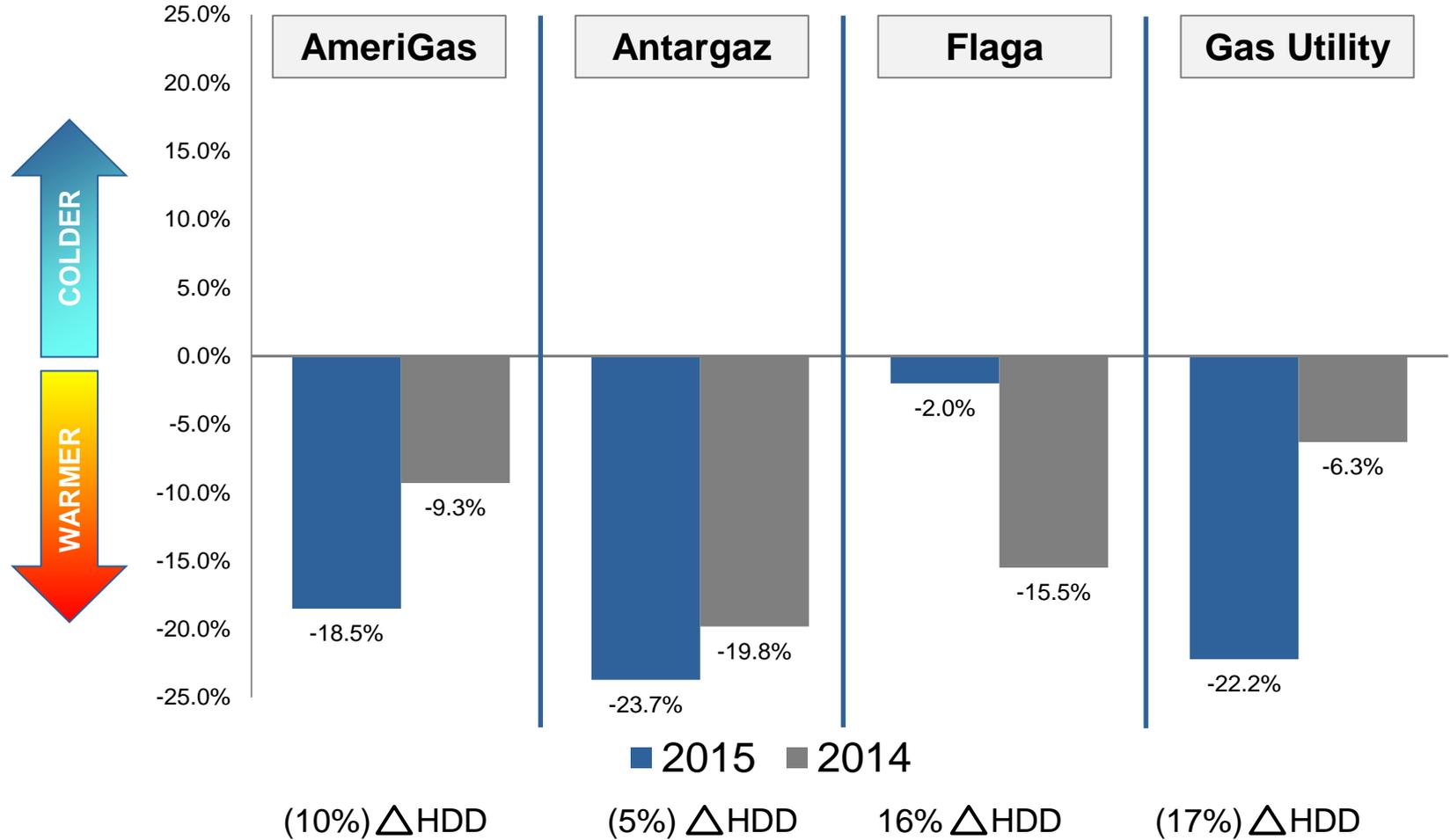
# 2015 Q3 Financial Results

	<b>Three Months Ended</b>	
	<b>June 30,</b>	
	<b>2015</b>	<b>2014</b>
<b>Adjusted diluted earnings per share:</b>		
UGI Corporation earnings per share - diluted	\$ 0.05	\$ 0.12
Net after-tax (gains) losses on commodity derivative instruments not associated with current period transactions (1) (2)	(0.02)	(0.02)
Adjusted diluted earnings per share	<u>\$ 0.03</u>	<u>\$ 0.10</u>
<b>Totalgaz impact:</b>		
Seasonal Impact of Operations	\$ (0.01)	\$ -
Acquisition-related expenses (3)	(0.05)	-
Total	<u>\$ (0.06)</u>	<u>\$ -</u>
Adjusted diluted earnings per share excluding impact of Totalgaz acquisition	<u>\$ 0.09</u>	<u>\$ 0.10</u>

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

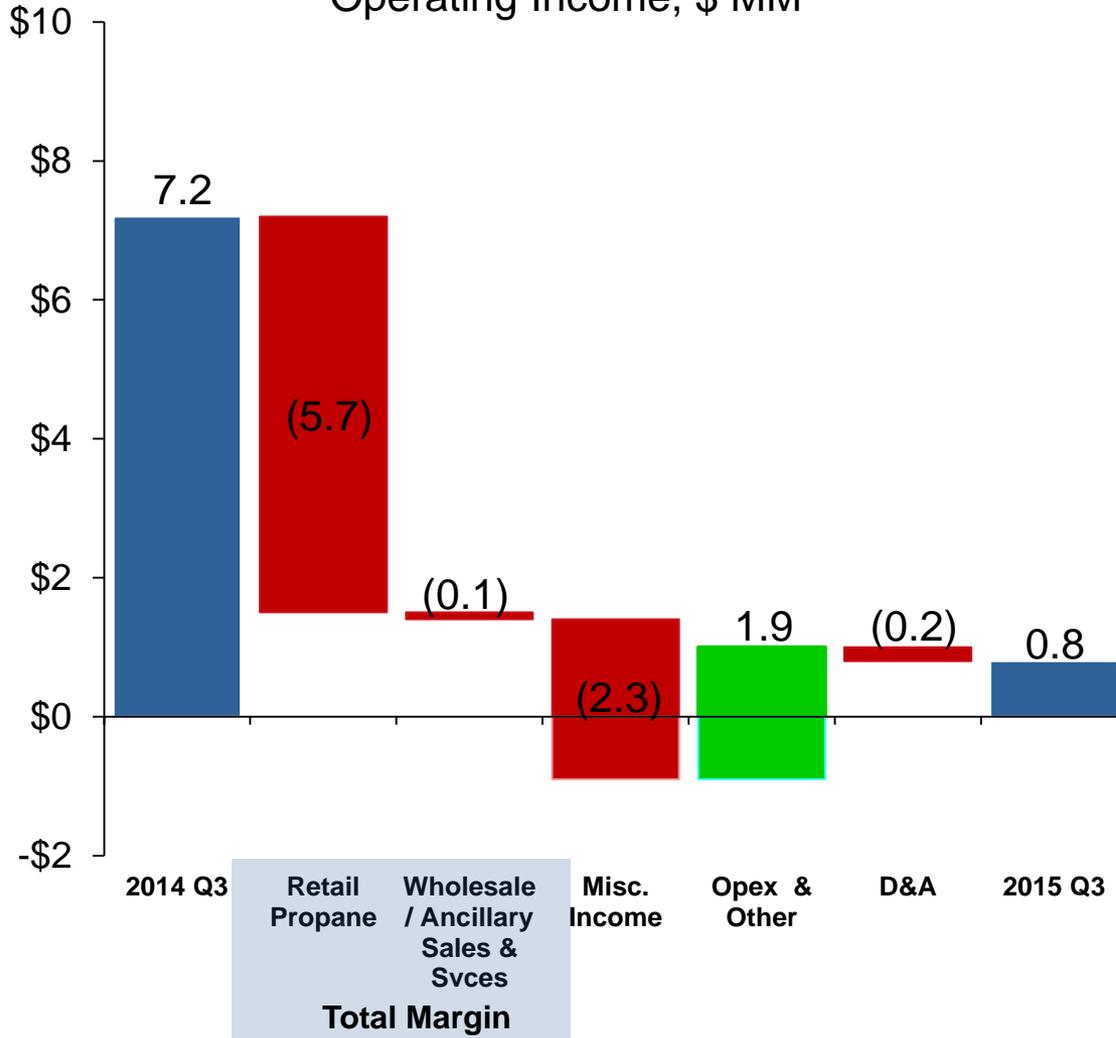
(2) Includes impact of rounding.

(3) Includes \$0.03 loss related to the breaking of an interest rate swap agreement in connection with the early extinguishment of debt.



\* Δ HDD = Percent change in Heating Degree Days versus prior year

Operating Income, \$ MM



## MARGIN

- Warmer weather than the prior year
- Unit margins up

## MISC INCOME

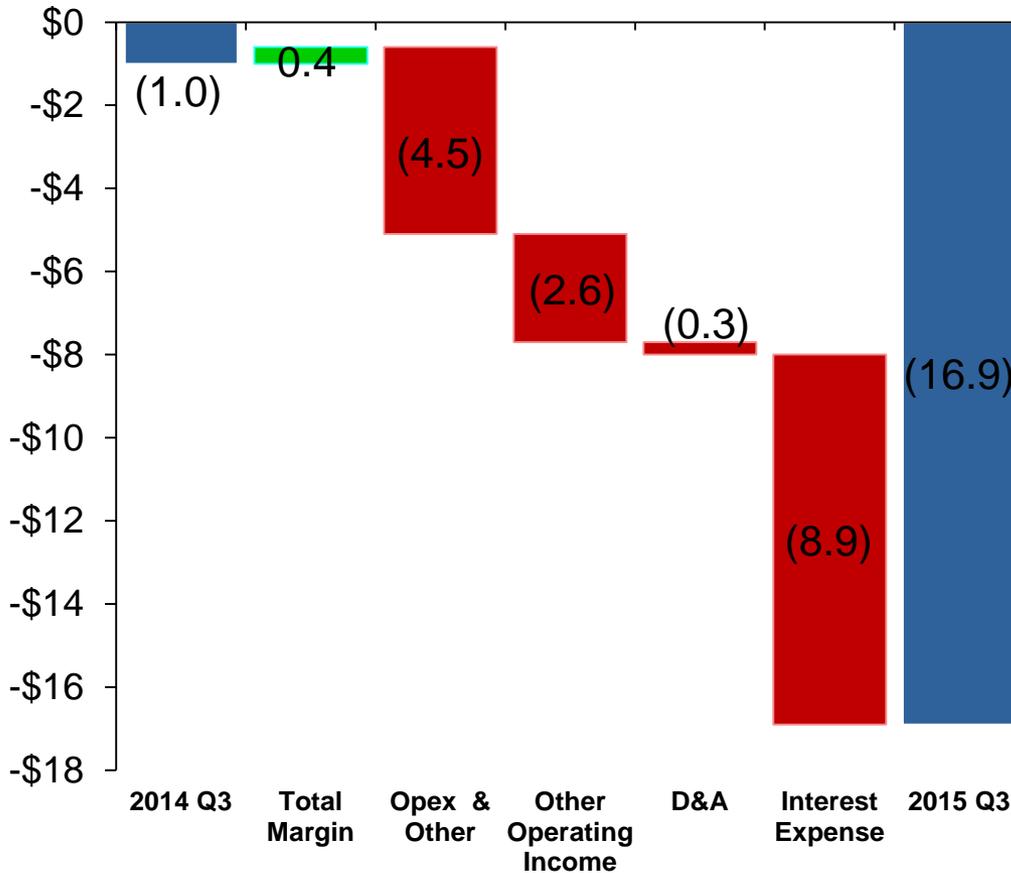
- Lower finance charges

## OPEX

- Lower vehicle fuel expenses
- Lower uncollectible accounts

Opex includes all operating expenses, net of miscellaneous income. Excludes impact of mark-to-market changes in commodity hedging instruments. Total Margin represents total revenues less total cost of sales.

Income Before Taxes, \$ MM



## MARGIN

- Warmer weather than prior year at Antargaz
- Higher local currency gross margin
- Weaker Euro and British Pound Sterling

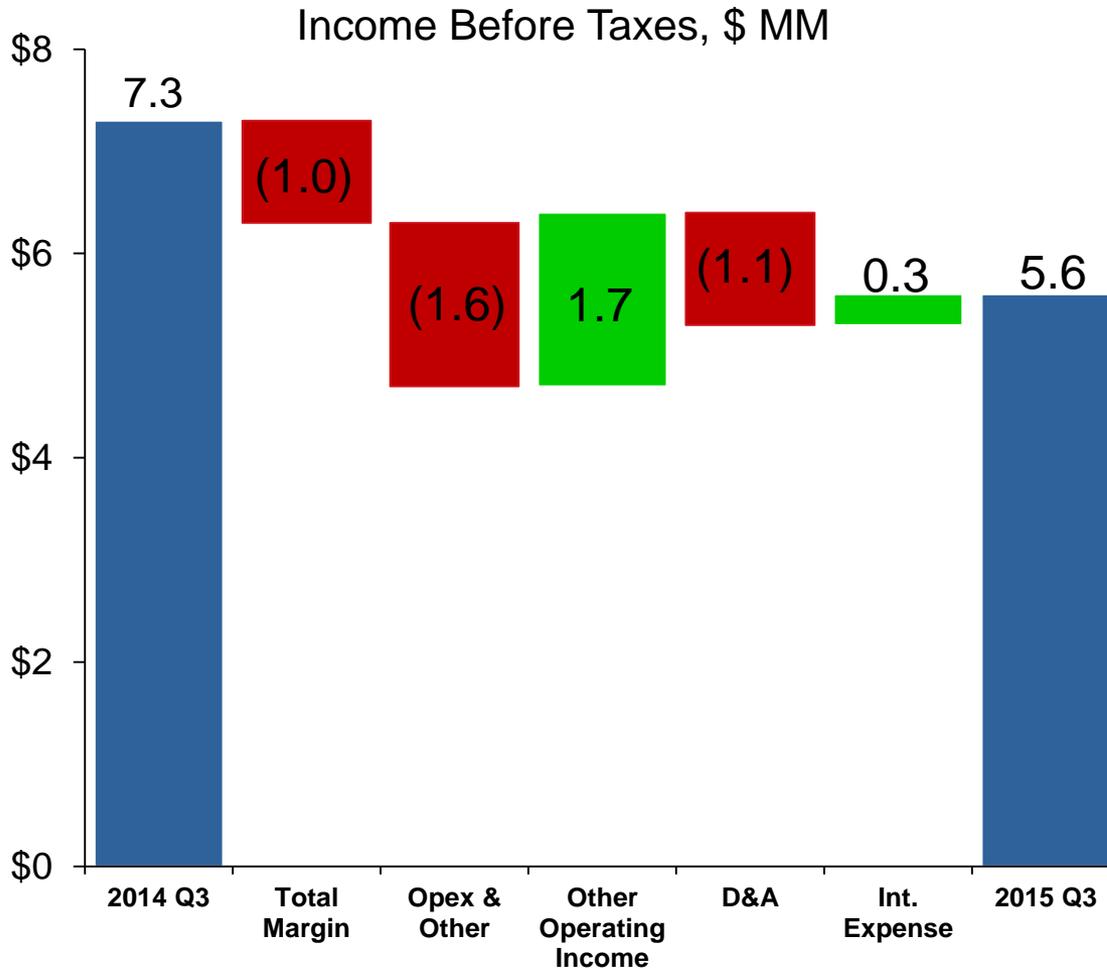
## OPEX

- Expenses related to acquisition of Totalgaz
- Weaker Euro and British Pound Sterling

## INTEREST EXPENSE

- Interest rate derivative settlement and early extinguishment of debt related to acquisition of Totalgaz

- LPG cost of sales f/x hedging program mitigates the impact of foreign exchange changes on UGI earnings; FY15 hedge program average f/x rate is ~ \$1.32 / €1.
- Opex includes all operating expenses, net of miscellaneous income.
- Total Margin represents total revenues less total cost of sales.



## MARGIN

- Warmer Weather
- Customer Growth

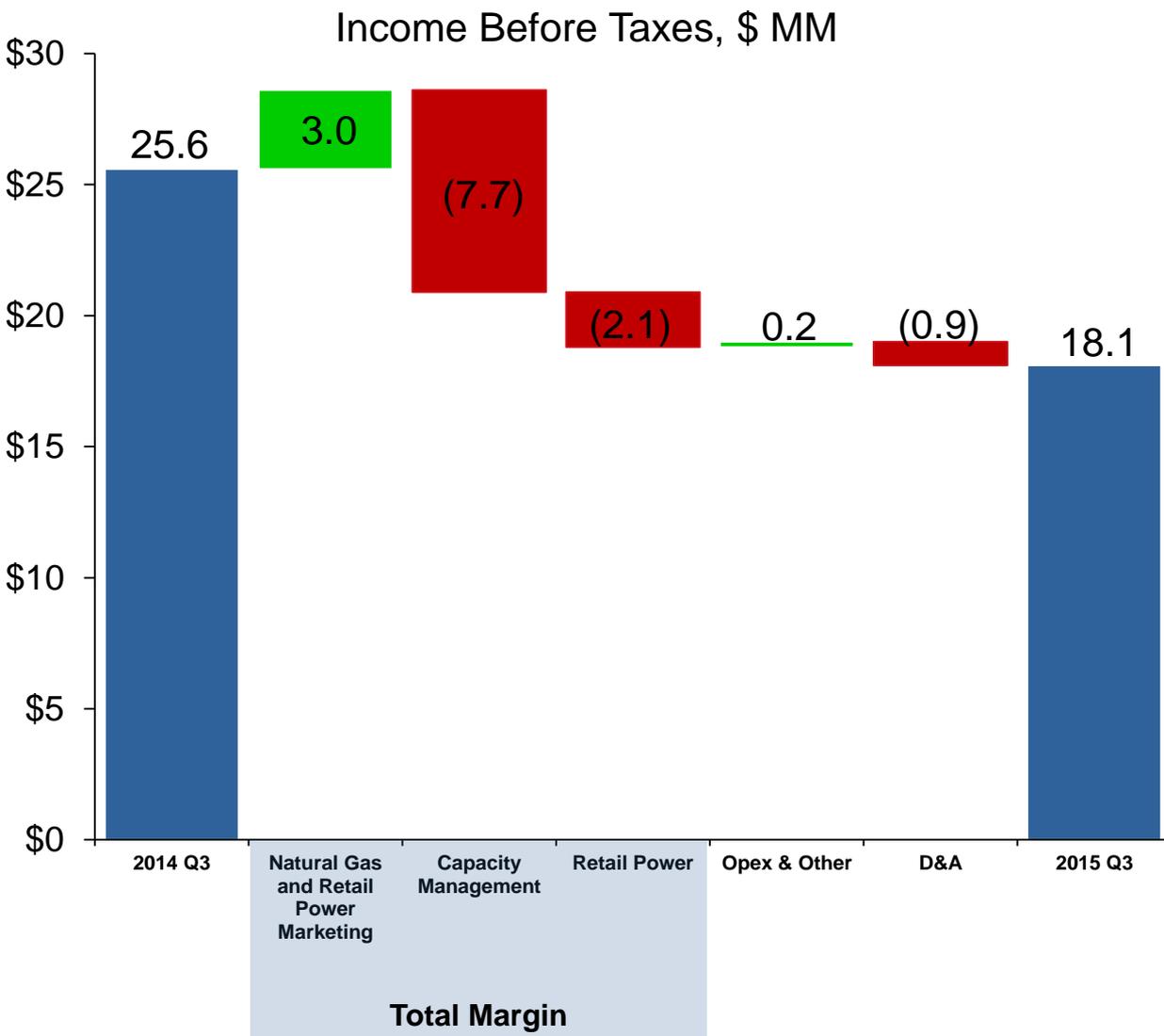
## OPEX

- Higher distribution system maintenance
- Higher general and administrative expenses
- Higher depreciation expense

## OTHER

- Incremental margin from construction services

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



## MARGIN

- Higher natural gas and retail power margin
- Lower capacity management margin due to lower volatility

## OPEX

- Higher compensation expenses
- Lower business development, and uncollectible accounts expense
- Higher depreciation expense

\* Excludes impact of mark-to-market changes in commodity hedging instruments.  
Total Margin represents total revenues less total cost of sales.

\$ MM

	Total	AmeriGas	UGI International	Utilities	Midstream & Marketing	Corporate & Other
Cash on Hand	<b>\$385.9</b>	\$16.2	\$275.8	\$16.5	\$16.3	\$61.1
Revolving Credit Facilities		\$525.0	\$68.6	\$300.0	\$240.0	NA
Accounts Receivable Facility		NA	NA	NA	42.9	NA
Drawn on Facilities		43.6	0.0	2.7	20.0	NA
Letters of Credit		64.7	1.5	2.0	0.0	NA
Available Facilities		<b>\$416.7</b>	<b>\$67.1</b>	<b>\$295.3</b>	<b>\$262.9</b>	
Available Liquidity		<b>\$432.9</b>	<b>\$342.8</b>	<b>\$311.8</b>	<b>\$279.2</b>	

**AmeriGas**

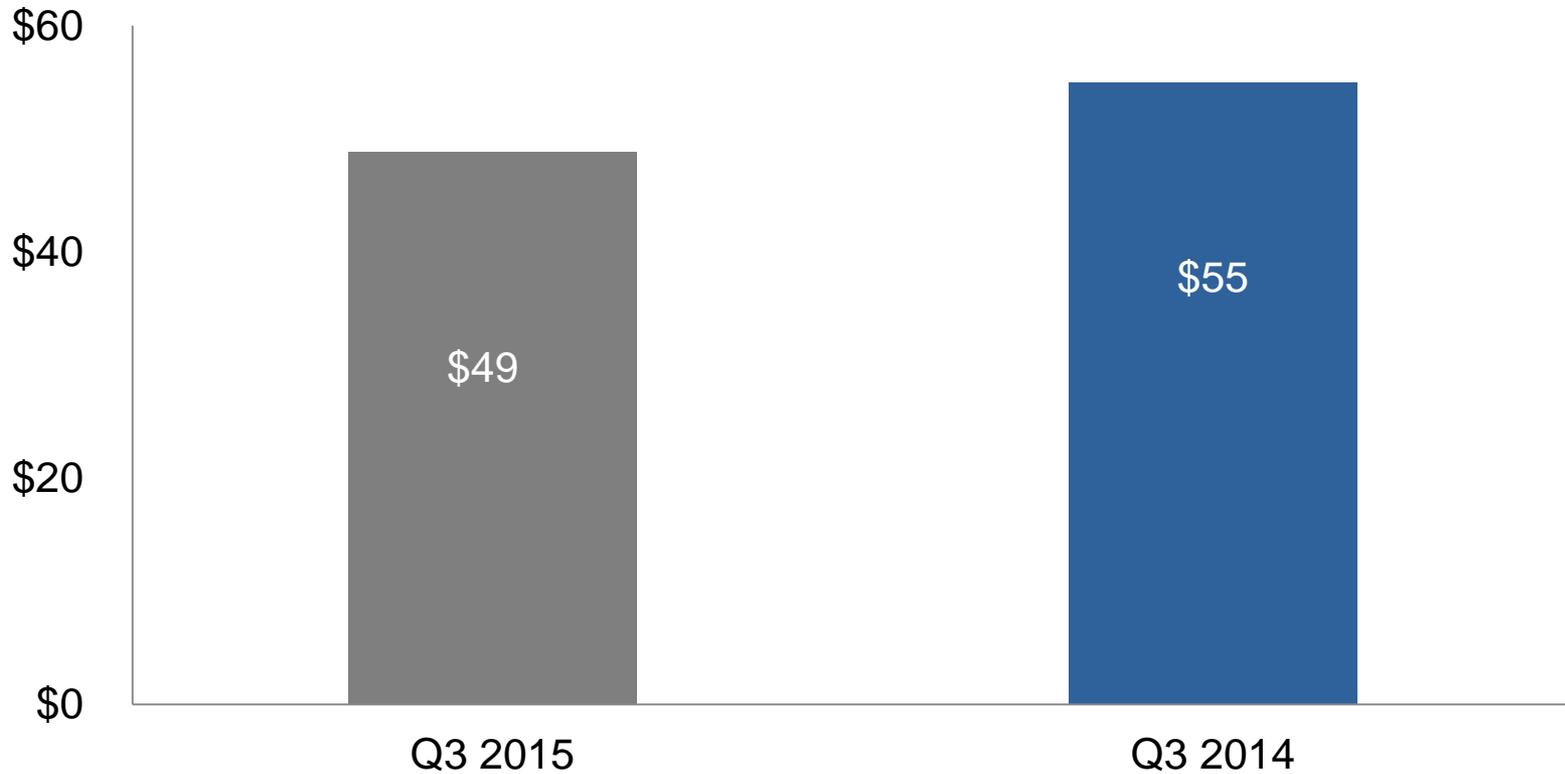
**UGI**  
**CORPORATION**

# Jerry Sheridan

CEO of AmeriGas



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



\* See appendix for Adjusted EBITDA reconciliation

- Weather was 18% warmer than normal and 10% warmer than the prior year while retail volume was 6% lower than the prior year
- Cylinder exchange volume declined 2% as the quarter was the second wettest on record
- Despite impact of weather, National Accounts volume up substantially

- Unit margin expanded \$0.04 as propane prices were 56% lower than the prior year
- Operating expenses 1% lower than last year as vehicle fuel was 30% less expensive
- YTD completed 7 acquisitions
- FY15 guidance range \$635-645mm



# John Walsh

## President & CEO

August 4, 2015

## Totalgaz Acquisition

- Closed on May 29, 2015
- Business focused on integration

## LNG Peaking Activities

- Dramatic increase in peak demand
- Transport, Marine, and Distributed Generation are new demand segments
- Announced \$60 million Manning LNG facility in May 2015

## Continued Progress on Pipeline Projects

### *Midstream & Marketing*

- PennEast Partnership expects to file with the FERC in September 2015
- Sunbury pipeline filed FERC application on on July 1, 2015

### *Utilities*

- Mechanical completion of project to serve 1000MW Panda Energy plant
- Invenergy project in early stages

## Foundation for Future Growth

- Approximately \$600 million in active or recently completed capital projects

- Strong YTD performance demonstrates value of balanced portfolio
- Focused on delivering outstanding customer service and operational efficiency
- Significant progress on organic investments and M&A
- Continued opportunities due to growth of natural gas demand and the infrastructure gap



**Q&A**



**Appendix**

<b>Pipeline Projects</b>	<b>Capital Cost</b>	<b>Expected In-Service Date (Calendar Year)</b>	<b>Description</b>
PennEast	\$200mm <sup>1</sup>	Nov 2017	117 miles; 1 bcf/day
Sunbury	\$160mm	Early 2017	35 miles; 200,000 Dth/day
Auburn Loop	\$80mm	Fall 2015	9 mile loop; 150,000 Dth/day
Union Dale		Complete	6 miles; 100,000 Dth/day
<b>Peaking Projects</b>			
Manning LNG	\$60mm	Early 2017	10,000 Dth/day
Temple LNG	\$10mm	Fall 2015	10,000 Dth/day
<b>Utility Large Customer Additions</b>			
	\$85mm	2016-2017	Power Generation
<b>International Acquisitions</b>			
Totalgaz Acquisition	€423mm	Complete	Doubles French Distribution
Total Hungary Acquisition	€13-17mm	Sept 2015	Doubles Hungary Distribution

**~\$600mm in Identified Capital Projects**

<sup>1</sup> Total project is \$1bn. UGI is 20% equity partner.

- ❖ Management uses "adjusted net income attributable to UGI" and "adjusted diluted earnings per share," both of which are non-GAAP financial measures, when evaluating UGI's overall performance. Adjusted net income attributable to UGI is net income attributable to UGI after excluding net after-tax gains and losses on commodity derivative instruments not associated with current-period transactions and items that management regards as highly unusual and not expected to recur. Volatility in net income at UGI can occur as a result of gains and losses on derivative instruments not associated with current period transactions but included in earnings in accordance with U.S. generally accepted accounting principles ("GAAP"). Midstream & Marketing records gains and losses on commodity derivative instruments not associated with current-period transactions in cost of sales or revenues for all periods presented. Effective October 1, 2014, UGI International determined that on a prospective basis it would not elect cash flow hedge accounting for its commodity derivative transactions and also de-designated its then-existing commodity derivative instruments accounted for as cash flow hedges. Also effective October 1, 2014, AmeriGas Propane de-designated its remaining commodity derivative instruments accounted for as cash flow hedges. Previously, AmeriGas Propane had discontinued cash flow hedge accounting for all commodity derivative instruments entered into beginning April 1, 2014.
- ❖ Non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate the impact of (1) gains and losses on commodity derivative instruments not associated with current-period transactions and (2) those items that management regards as highly unusual in nature and not expected to recur.
- ❖ The following table reconciles consolidated net income attributable to UGI, the most directly comparable GAAP measure, to adjusted net income attributable to UGI, and reconciles diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above.

## Adjusted Net Income and EPS

	Three Months Ended June 30,	
	<u>2015</u>	<u>2014</u>
<b>Adjusted net income attributable to UGI Corporation:</b>		
Net income attributable to UGI Corporation	\$ 9.6	\$ 20.6
Net after-tax (gains) losses on commodity derivative instruments not associated with current period transactions (1)	<u>(4.9)</u>	<u>(3.5)</u>
Adjusted net income attributable to UGI Corporation	<u><u>\$ 4.7</u></u>	<u><u>\$ 17.1</u></u>

	Three Months Ended June 30,	
	<u>2015</u>	<u>2014</u>
<b>Adjusted diluted earnings per share:</b>		
UGI Corporation earnings per share - diluted	\$ 0.05	\$ 0.12
Net after-tax (gains) losses on commodity derivative instruments not associated with current period transactions (1) (2)	<u>(0.02)</u>	<u>(0.02)</u>
Adjusted diluted earnings per share	<u><u>\$ 0.03</u></u>	<u><u>\$ 0.10</u></u>

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

(2) Includes impact of rounding.

- ❖ 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 business segments. UGI Corporation discloses the Partnership's EBITDA in its disclosures about its business segments as the profitability measure for its domestic propane segment.

	Three Months Ended June 30,	
	2015	2014
<b>EBITDA and Adjusted EBITDA:</b>		
Net (loss) income attributable to AmeriGas Partners, L.P.	\$ (25,578)	\$ (37,761)
Income tax expense	802	847
Interest expense	40,274	41,328
Depreciation	37,370	37,069
Amortization	10,666	10,788
EBITDA	63,534	52,271
 (Subtract net gains) add net losses on commodity derivative instruments not associated with current-period transactions	 (14,813)	 2,781
 Noncontrolling interest in net gains (losses) on commodity derivative instruments not associated with current-period transactions	 150	 (28)
Adjusted EBITDA	\$ 48,871	\$ 55,024

	Forecast Fiscal Year Ending September 30, 2015
Adjusted net income attributable to AmeriGas Partners, L.P. (estimate) (d)	\$ 280,000
Interest expense (estimate)	163,000
Income tax expense (estimate)	4,000
Depreciation (estimate)	151,000
Amortization (estimate)	42,000
Adjusted EBITDA (e)	\$ 640,000

(d) Represents estimated net income attributable to AmeriGas Partners, L.P. after adjusting for gains and losses on commodity derivative instruments not associated with current-period transactions. It is impracticable to determine actual gains and losses on commodity derivative instruments not associated with current-period transactions that will be reported in GAAP net income as such gains and losses will depend upon future changes in commodity prices for propane which cannot be forecasted.

(e) Represents the midpoint of Adjusted EBITDA guidance range for fiscal 2015.



## **Investor Relations:**

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FQ4 and FY15 Results  
FY16 Outlook

**John Walsh**  
President & CEO, UGI

**Kirk Oliver**  
Chief Financial Officer, UGI

**Jerry Sheridan**  
President & CEO, AmeriGas



# 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 and quarterly reports on Form 10-Q 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 in the United States and in foreign countries, including the current conflicts in the Middle East and those involving Russia, and currency exchange rate fluctuations (particularly the euro), the timing of development of Marcellus Shale gas production, the timing and success of our acquisitions, 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.

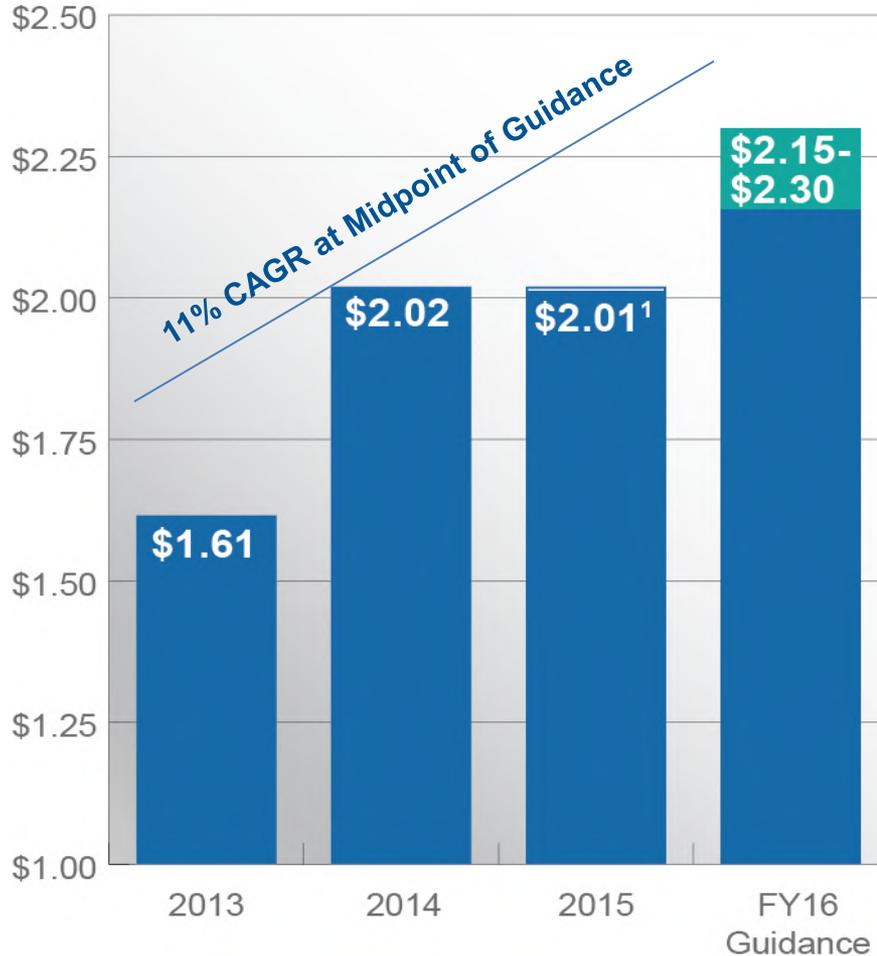
## 2015 Fiscal Year Recap

**John Walsh**  
President & CEO, UGI



# FY15 Earnings Recap

## Adjusted Diluted Earnings Per Share



- **Second consecutive year of record-level results**
- **Strong operational performance, but with less extreme cold weather and volatility than in FY14**
- **FY16 guidance reflects underlying strength of the business and contributions from new investments**

<sup>1</sup> Includes \$0.01 seasonal loss related to Finagaz operations.

# Key Accomplishments – FY15



## Midstream & Marketing

- Completed Auburn III expansion, Union Dale lateral, and Temple LNG expansion
- Announced Sunbury Pipeline and filed with FERC
- Filed PennEast Pipeline with FERC
- Announced Manning LNG expansion
- Solid organic growth in Gas Marketing



## Gas Utility

- Added ~15,000 new residential customers
- Added ~2,400 commercial and industrial accounts
- Several large commercial and industrial projects underway
- Infrastructure replacement remains on accelerated schedule

# Key Accomplishments – FY15



## AmeriGas

- 14% growth in National Accounts
- Closed 9 acquisitions
- Continued investment in technology to drive efficiencies



## International

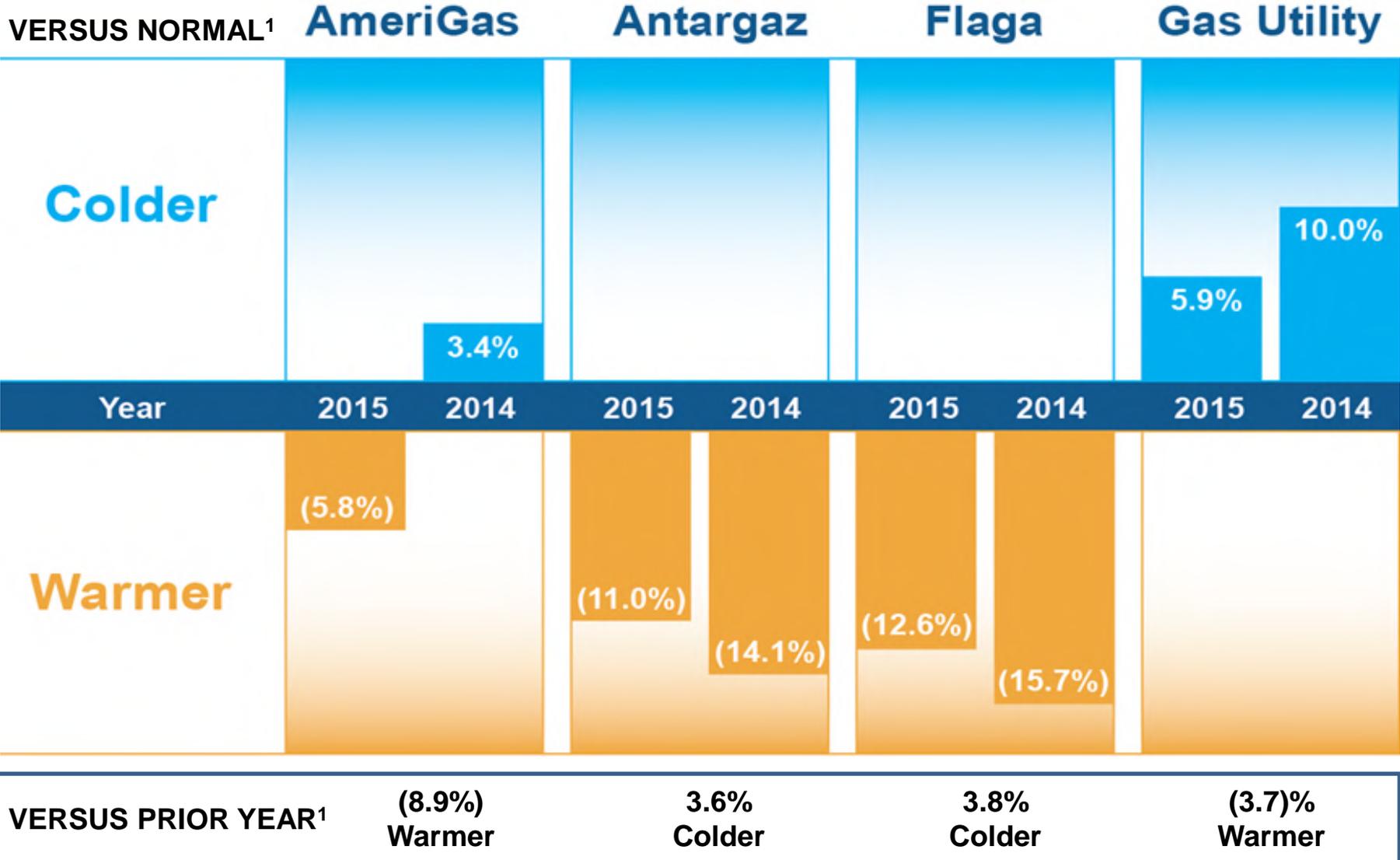
- Acquired Finagaz (Total's LPG distribution in France) for €423 million
  - Significantly accretive in FY16
- Acquired Total's LPG distribution business in Hungary

## Financial Review

**Kirk Oliver**  
Chief Financial Officer, UGI



# Weather



<sup>1</sup>Percent change in Heating Degree Days.



# Financial Results – Gas Utility

Gas Utility	2014	2015	Weather
(\$ in millions)			
2014 Income Before Taxes	\$ 199.6		<div style="text-align: center;"> <p><b>Colder</b></p> <p>vs. Normal</p> <p>10.0%</p> <p>5.9%</p> <p>2015    2014</p> <p><b>Warmer</b></p> <p>3.7% warmer than prior year</p> </div>
Total Margin	\$ 4.0		
Operating and Administrative Expenses	\$ (13.1)		
Depreciation and Amortization	\$ (4.2)		
Interest Expense	\$ (2.5)		
Other	\$ 3.6		
2015 Income Before Taxes		\$ 187.4	

- Customer growth led to higher throughput and total margin despite warmer temperatures
- Higher distribution system expenses, driven by cold weather and increasing demand on the system
- Increased distribution system capex led to higher depreciation

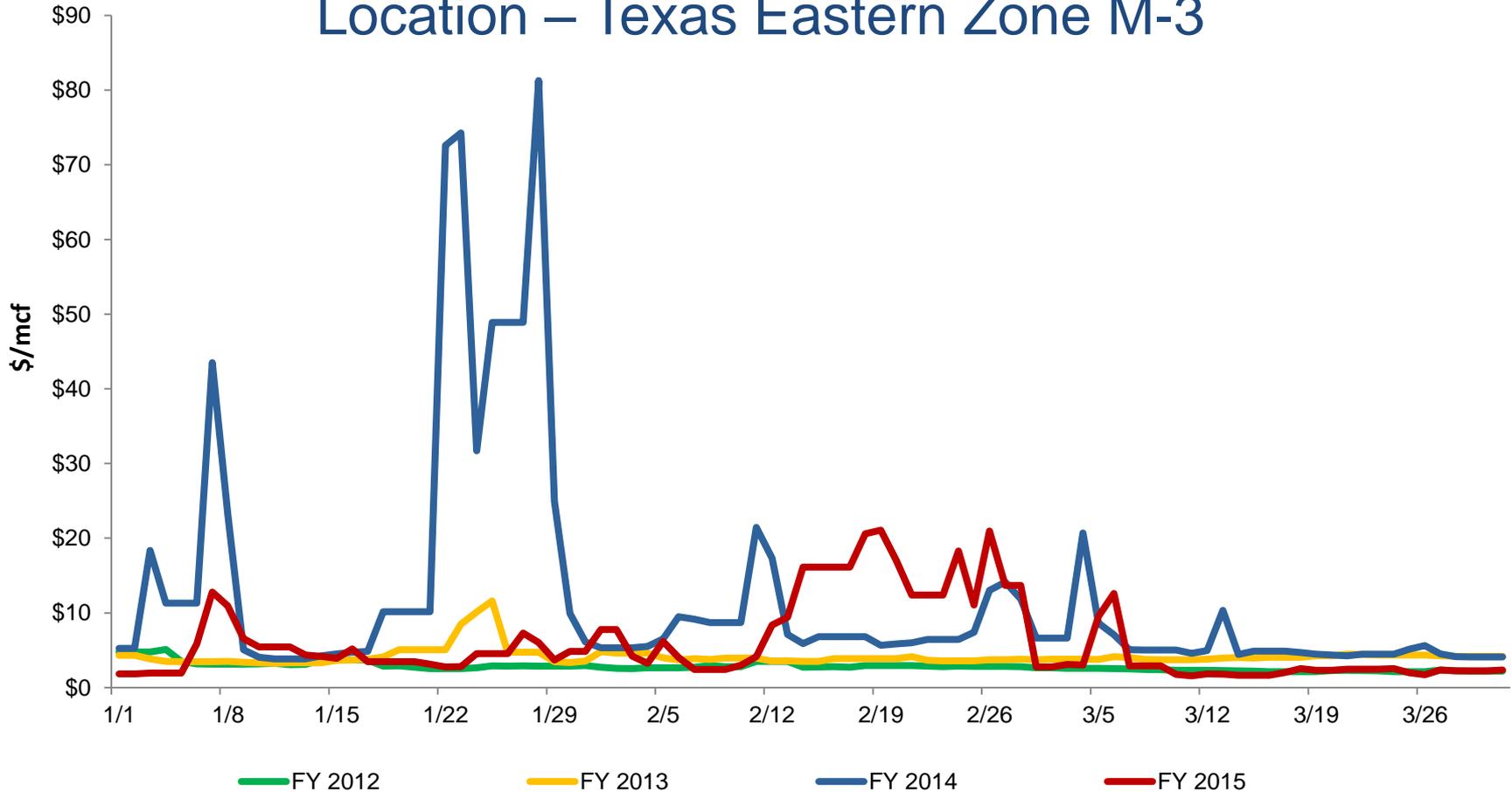
<b>Midstream &amp; Marketing</b>	<b>2014</b>	<b>2015</b>
(\$ in millions)		
2014 Income Before Taxes	\$ 195.7	
Total Margin	\$ (7.6)	
Operating and Administrative Expenses	\$ (2.4)	
Depreciation and Amortization	\$ (4.1)	
Interest Expense	\$ 0.8	
Other	\$ 0.3	
2015 Income Before Taxes		\$ 182.7

- Lower margin in natural gas marketing, peaking, and capacity management offset by higher retail power margin
- Lower average unit margins
- Higher depreciation associated with storage and natural gas gathering assets

# Volatility – Q2 Basis Differentials



## Spot Price Comparison Location – Texas Eastern Zone M-3



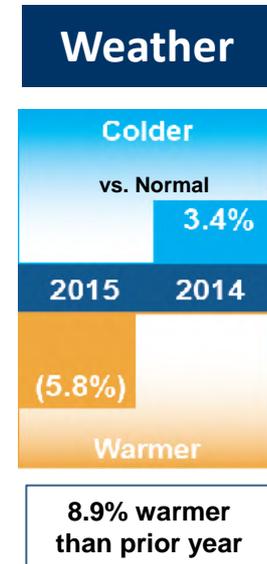
**Less extreme price volatility in FY15 vs. FY14**



# Financial Results – AmeriGas

AmeriGas	2014	2015
(\$ in millions)		
2014 Operating Income	\$ 472.0	
Retail Volume		\$ (101.0)
Retail Unit Margin	\$ 47.2	
Wholesale and Other Total Margin	\$ (6.7)	
Operating and Administrative Expenses	\$ 10.0	
Depreciation and Amortization	\$ 2.3	
Other	\$ 3.8	
2015 Operating Income		\$ 427.6

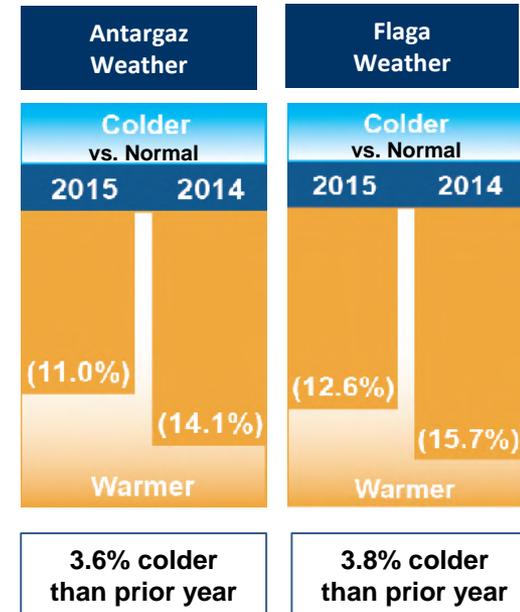
Total Margin



- Warmer weather than prior year led to lower volume, partially offset by higher retail unit margin
- Lower operating expenses driven by lower vehicle expenses, primarily lower fuel costs and lower uncollectible accounts
- Other primarily reflects the sale of excess assets/properties

# Financial Results – UGI International

UGI International	2014	2015
(\$ in millions)		
<b>2014 Income Before Taxes</b>	<b>\$ 87.4</b>	
Total Margin	\$ 24.1	
Operating and Administrative Expenses	\$ (23.5)	
Depreciation and Amortization	\$ (5.3)	
Interest Expense	\$ (5.2)	
Other	\$ (1.1)	
<b>2015 Income Before Taxes</b>		<b>\$ 76.4</b>
Acquisition and Transition related expenses	\$ 6.5	\$ 22.6
Loss on Debt Extinguishment	\$ -	\$ 10.3
<b>Adjusted Income Before Taxes</b>	<b>\$ 93.9</b>	<b>\$ 109.3</b>



- Higher total margin from Finagaz contribution and higher unit margins
- Increase in operating expenses driven primarily by Finagaz acquisition and transition costs
- Early extinguishment of debt in France drove increase in interest expense

# Finagaz Acquisition Update

- Immediately accretive in FY16
- Integration has been progressing as planned, with some operational efficiencies achieved ahead of schedule
- Expect ~\$0.15 accretion in FY16, with results improving as operations are aligned over the next few years
- Transition expenses expected to be ~€50-60mm over the next four years
  - Approximately €6-10mm of transition expenses will be incurred in FY16



# Growth Profile

11% EPS CAGR at midpoint of guidance driven by several growth projects



<sup>1</sup> Relatively normal weather year

## Strong Pipeline of Projects

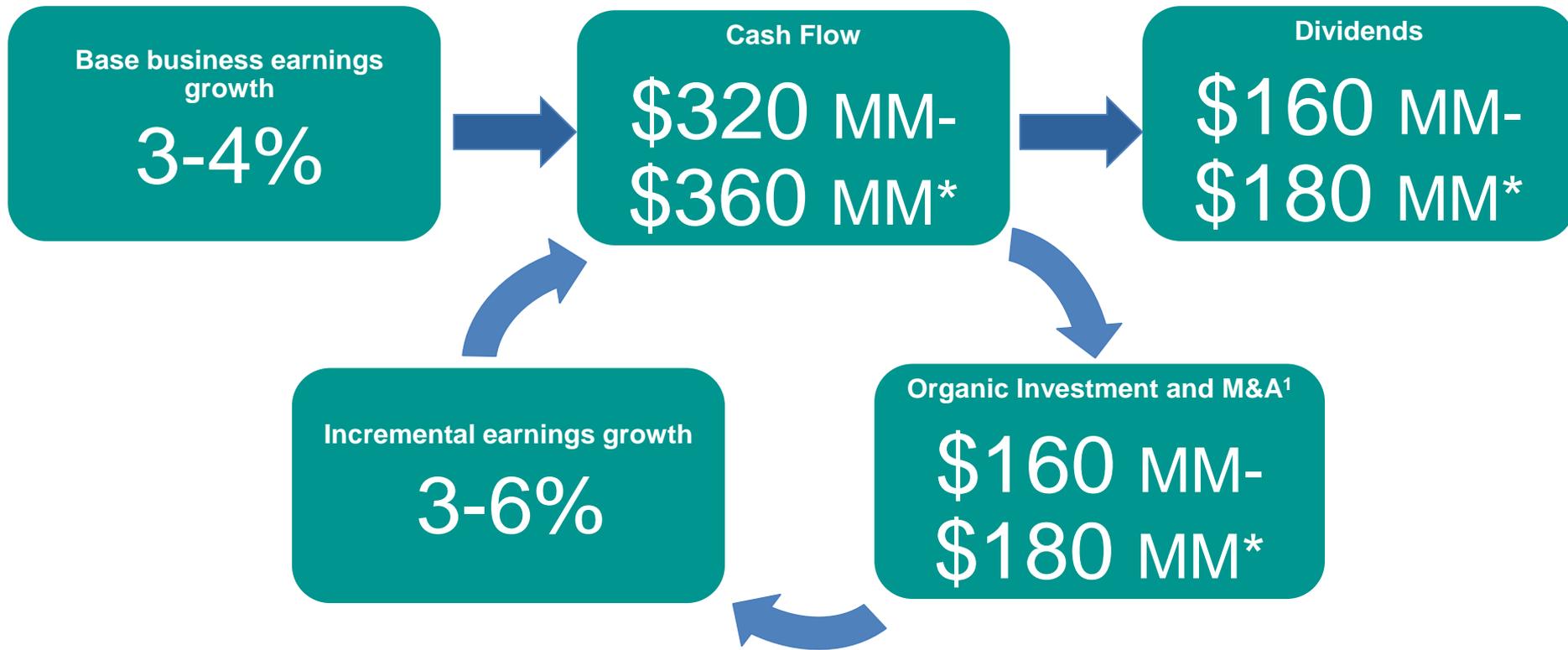


- 380,000 Potential New Gas Customers
- UGI Gas Rate Case
- Large C&I Gas Conversions
- PennEast Pipeline
- Sunbury Pipeline
- Manning LNG Expansion

- Continued Marcellus Build-Out
- AmeriGas Acquisitions, ACE and National Accounts Growth
- AmeriGas IDRs
- Finagaz – Full Realization
- Continued European Acquisitions

# Accelerating Cash Generation

Income-producing businesses generate cash for growth opportunities and dividends

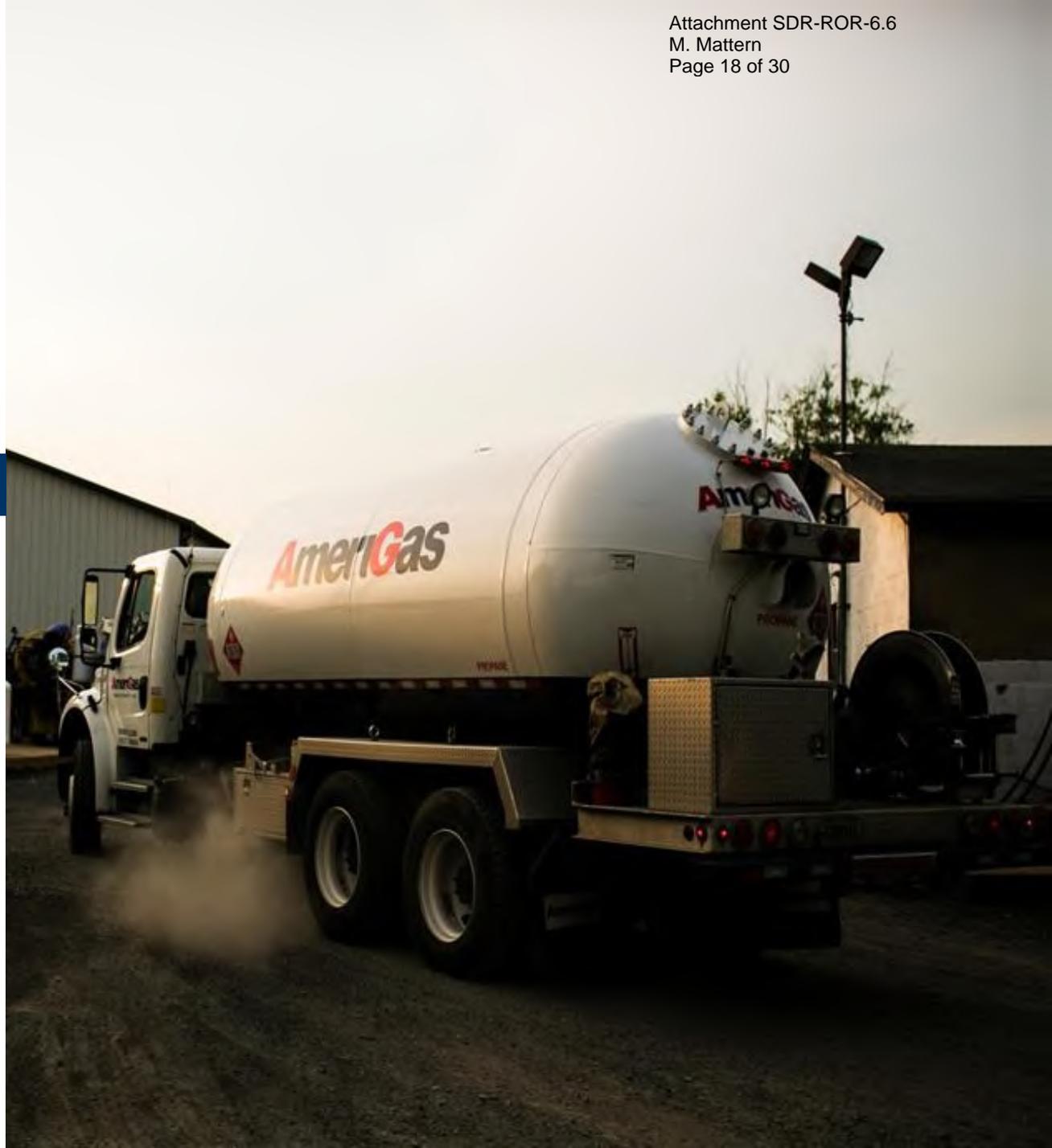


\*multi-year average forecast  
<sup>1</sup> after business unit CAPEX

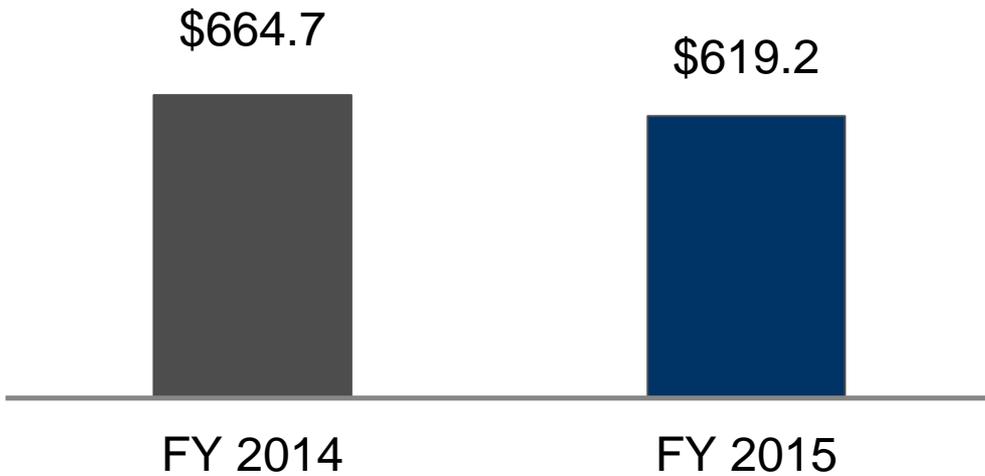
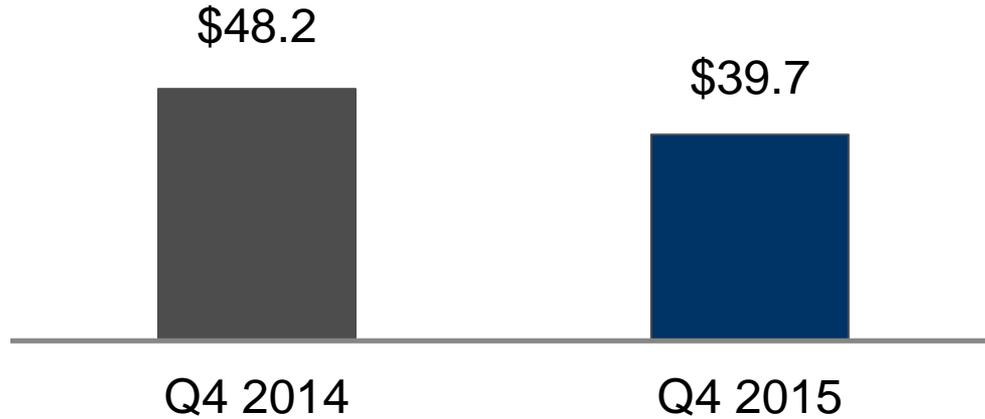


## Fiscal Year Recap

**Jerry Sheridan**  
President & CEO, AmeriGas



# Q4 and FY15 Adjusted EBITDA



- Weather in FY15 was 8.9% warmer than FY14
- Weather in Q4 was 32% warmer than the prior year period driven by September weather that was 38% warmer than the prior year
- FY15 Unit margins \$0.08 higher y/y



# Growth Initiatives

- National Accounts volume increased 14% in fiscal 2015
- Closed nine acquisitions
  - 3<sup>rd</sup> consecutive year acquisitions were funded by the proceeds of the sale of excess assets
  - Acquisition pipeline remains strong
- AmeriGas Cylinder Exchange continued to grow
- Continued focus on enhanced customer service

**FY 2016 Guidance:  
\$660-690mm Adjusted EBITDA**

## Conclusion

**John Walsh**  
President & CEO, UGI



# Conclusion

- ***Unprecedented demand for natural gas, along with the lag in pipeline capacity have accentuated the infrastructure gap***
- ***Our Pipeline, LNG, and Utility capital projects have several benefits:***
  - ✓ Closing the infrastructure gap
  - ✓ Doubling our ability to meet peaking demand
  - ✓ Fee-based revenue streams
  - ✓ Majority of fees guaranteed
- ***Lower Propane and Butane costs are good for our business and customers:***
  - ✓ *Down 60-75% over past twelve months*
  - ✓ *Near 15 year historic lows*

- ✓ Major investments in FY15 are all accretive to FY16
- ✓ Cash flow and balance sheet strength to support additional investments and continue long track record of profitable growth



# Appendix

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# UGI Supplemental Footnotes

- ❖ Management uses "adjusted net income attributable to UGI" and "adjusted diluted earnings per share," both of which are non-GAAP financial measures, when evaluating UGI's overall performance. Adjusted net income attributable to UGI is net income attributable to UGI Corporation after excluding net after-tax gains and losses on commodity derivative instruments not associated with current period transactions, loss on extinguishment of debt, Finagaz transition and acquisition expenses and the retroactive impact of a change in French tax law. Volatility in net income at UGI can occur as a result of gains and losses on commodity derivative instruments not associated with current period transactions but included in earnings in accordance with U.S. generally accepted accounting principles ("GAAP"). Midstream & Marketing records gains and losses on commodity derivative instruments not associated with current-period transactions in cost of sales or revenues for all periods presented. Effective October 1, 2014, UGI International determined that on a prospective basis it would not elect cash flow hedge accounting for its commodity derivative transactions and also de-designated its then-existing commodity derivative instruments accounted for as cash flow hedges. Also effective October 1, 2014, AmeriGas Propane de-designated its remaining commodity derivative instruments accounted for as cash flow hedges. Previously, AmeriGas Propane had discontinued cash flow hedge accounting for all commodity derivative instruments entered into beginning April 1, 2014.
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- ❖ The following table reconciles 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.

# UGI Adjusted Net Income and EPS

	Three Months Ended		Twelve Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
<b>Adjusted net income attributable to UGI:</b>				
Net (loss) income attributable to UGI Corporation	\$ (9.2)	\$ (19.8)	\$ 281.0	\$ 337.2
Net after-tax losses on commodity derivative instruments not associated with current period	7.1	6.6	53.3	6.6
Net after-tax acquisition and integration expenses associated with Finagaz	4.0	4.3	14.9	4.3
Loss on Antargaz extinguishment of debt	0.0	0.0	4.6	0.0
Retroactive impact of change in French tax law	0.0	0.0	0.0	5.7
Adjusted net income attributable to UGI Corporation	<u>\$ 1.9</u>	<u>\$ (8.9)</u>	<u>\$ 353.8</u>	<u>\$ 353.8</u>

	Three Months Ended		Twelve Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
<b>Adjusted diluted earnings per share:</b>				
UGI Corporation (loss) earnings per share - diluted	\$ (0.05)	\$ (0.11)	\$ 1.60	\$ 1.92
Net after-tax losses on commodity derivative instruments not associated with current period	0.04	0.04	0.30	0.04
Net after-tax acquisition and integration expenses associated with Finagaz	0.02	0.02	0.08	0.03
Loss on Antargaz extinguishment of debt	0.00	0.00	0.03	0.00
Retroactive impact of change in French tax law	0.00	0.00	0.00	0.03
Adjusted diluted earnings per share	<u>\$ 0.01</u>	<u>\$ (0.05)</u>	<u>\$ 2.01</u>	<u>\$ 2.02</u>

(1) Includes impact of rounding.

# AmeriGas Supplemental Footnotes

- ❖ The enclosed supplemental information contains a reconciliation of earnings before interest expense, income taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA to Net Income.
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# AmeriGas Adjusted EBITDA

	Three Months Ended		Twelve Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
<b>EBITDA and Adjusted EBITDA:</b>				
Net income (loss) attributable to AmeriGas Partners, L.P.	\$ (49,695)	\$ (47,347)	\$ 211,211	\$ 289,893
Income tax expense	420	407	2,898	2,611
Interest expense	40,438	40,617	162,842	165,581
Depreciation	38,750	37,095	152,204	154,020
Amortization	10,611	10,784	42,676	43,195
EBITDA	40,524	41,556	571,831	655,300
(Subtract net gains) add net losses on commodity derivative instruments not associated with current-period transactions	(837)	6,714	47,841	9,495
Noncontrolling interest in net gains (losses) on commodity derivative instruments not associated with current-period	9	(68)	(483)	(96)
Adjusted EBITDA	\$ 39,696	\$ 48,202	\$ 619,189	\$ 664,699

# AmeriGas Adjusted EBITDA Guidance

	Forecast Fiscal Year Ending September 30, 2016
Net income attributable to AmeriGas Partners, L.P. (estimate) (d)	\$ 317,000
Interest expense (estimate)	166,000
Income tax expense (estimate)	3,000
Depreciation (estimate)	147,000
Amortization (estimate)	42,000
Adjusted EBITDA (e)	<u>\$ 675,000</u>

- (d) Represents estimated net income attributable to AmeriGas Partners, L.P. after adjusting for gains and losses on commodity derivative instruments not associated with current-period transactions. It is impracticable to determine actual gains and losses on commodity derivative instruments not associated with current-period transactions that will be reported in GAAP net income as such gains and losses will depend upon future changes in commodity prices for propane which cannot be forecasted.
- (e) Represents the midpoint of Adjusted EBITDA guidance range for fiscal 2016.

- Balance sheet remains flexible with significant borrowing capacity
- All segments have sufficient liquidity to meet investment needs

	Total	AmeriGas	UGI International	Utilities	Midstream & Marketing	Corporate & Other
Cash on Hand	\$384.1	\$14.8	\$272.6	\$3.1	\$20.6	\$73.0
Revolving Credit Facilities		\$525.0	142.4	\$300.0	\$240.0	NA
Accounts Receivable Facility		NA	NA	NA	44.1	NA
Drawn on Facilities		68.1	0.5	71.7	49.5	NA
Letters of Credit		64.7	23.7	2.0	0.0	NA
Available Facilities		\$392.2	\$118.1	\$226.3	\$234.6	
Available Liquidity		\$407.0	\$390.6	\$229.4	\$255.2	

Excluding cash residing at operating subsidiaries, UGI had \$77.2 million of cash at 9/30/15 compared with \$229.6 million at 9/30/14.



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Fiscal 2016  
First Quarter Results

**John Walsh**  
President & CEO, UGI

**Kirk Oliver**  
Chief Financial Officer, UGI

**Jerry Sheridan**  
President & CEO, AmeriGas





# 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, 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 in the United States and in foreign countries, including the current conflicts in the Middle East, and currency exchange rate fluctuations (particularly the euro), the timing of development of Marcellus Shale gas production, the timing and success of our acquisitions, 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.

## First Quarter Recap

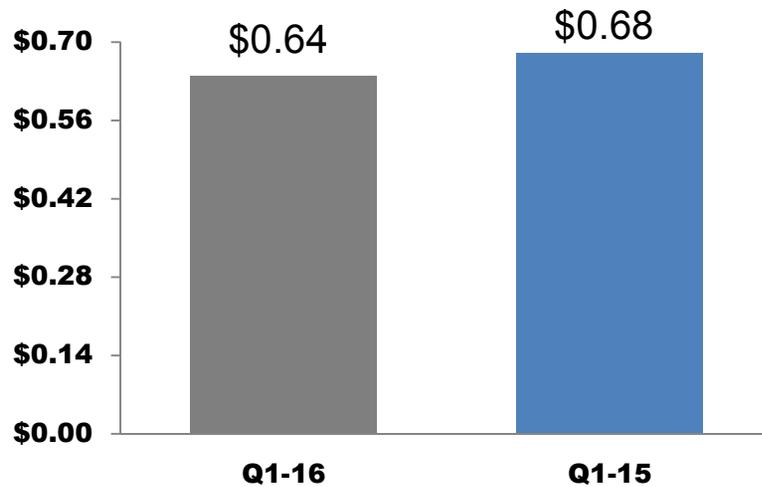
**John Walsh**  
President & CEO, UGI



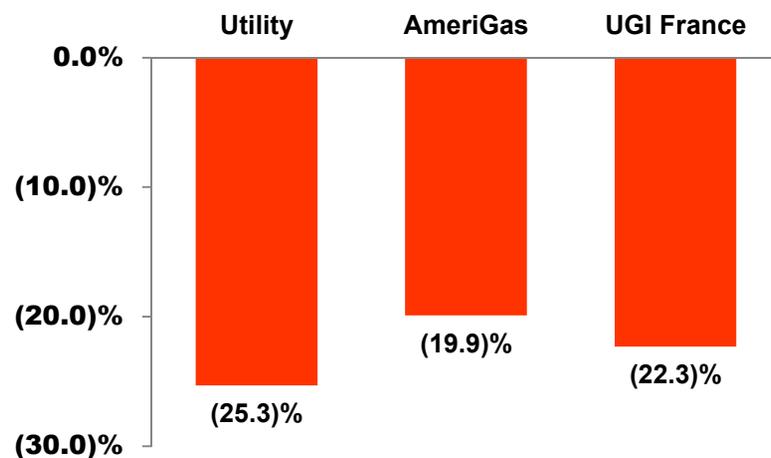


# First Quarter Earnings Recap

**Adjusted EPS<sup>1</sup>**



**Weather vs. Normal**



**Results impacted by significantly warmer weather than prior year primarily offset by:**

- Benefits of Midstream & Marketing investments and increased peaking activity
- Accretion from Finagaz acquisition

<sup>1</sup> Q1-16 GAAP was EPS \$0.65, Q1-15 GAAP EPS was \$0.19. See appendix for Adjusted EPS reconciliation.



# Market Recap



- Increased our Peaking volumes with additional Temple LNG capacity
- Completed foundation work of Manning LNG facility
- Added 5,400 new Gas Utility customers in the quarter
- Continued focus on unit margins, working capital, and operating expense control in LPG businesses
- UGI Gas filed first rate case in 21 years at beginning of Q2

## Financial Review

**Kirk Oliver**  
Chief Financial Officer, UGI





# Q1 Adjusted Earnings

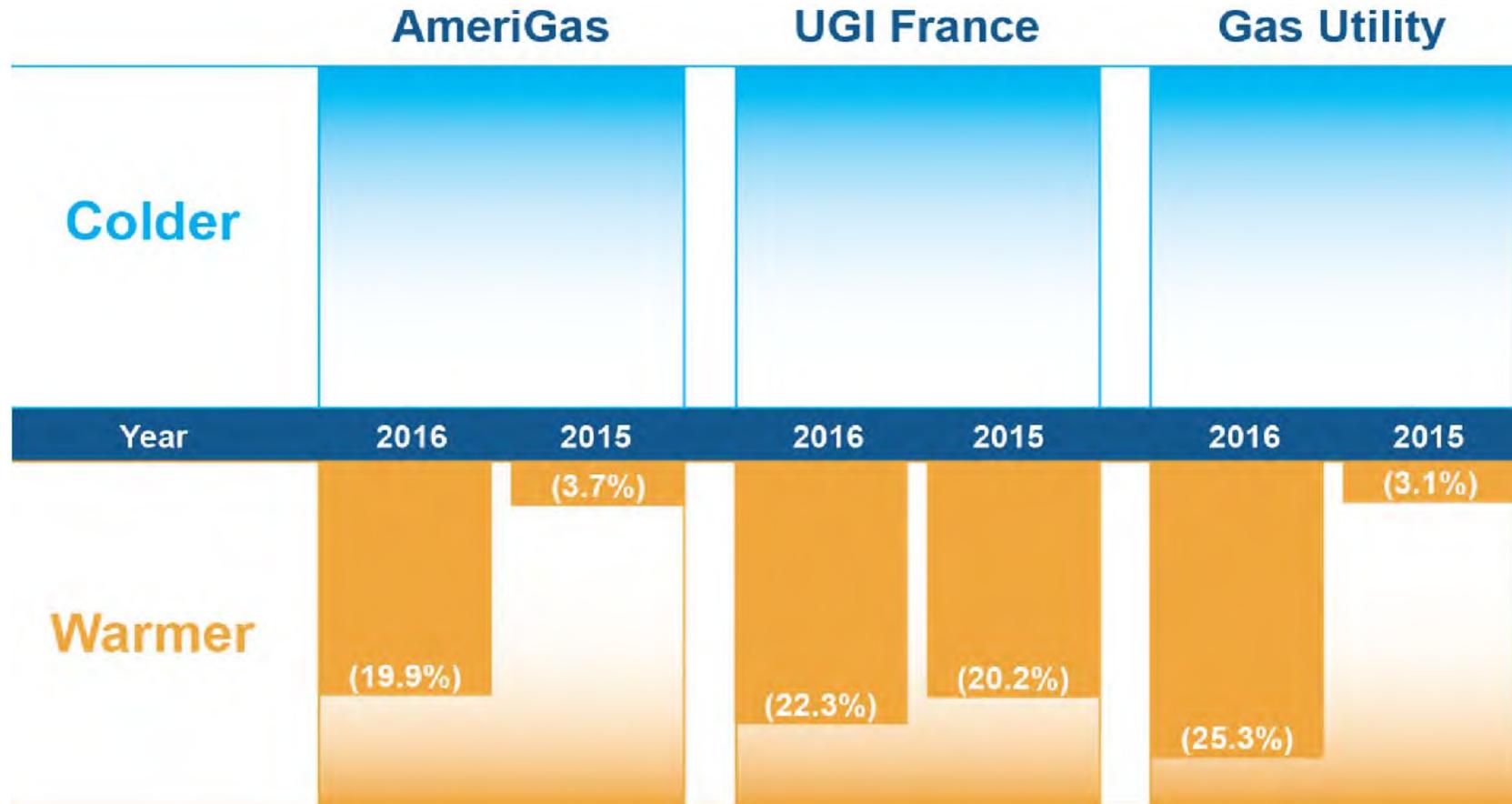
	Three Months Ended	
	December 31,	
	2015	2014
<b>Adjusted net income attributable to UGI Corporation:</b>		
GAAP Net income attributable to UGI Corporation	\$ 114.6	\$ 34.1
Net after-tax (gains) losses on commodity derivative instruments not associated with current period transactions	(3.6)	81.9
Net after-tax acquisition and integration expenses associated with Finagaz	1.4	2.7
<b>Adjusted net income attributable to UGI Corporation</b>	<b>\$ 112.4</b>	<b>\$ 118.7</b>
<b>Adjusted diluted earnings per share:</b>		
UGI Corporation GAAP earnings per share - diluted	\$ 0.65	\$ 0.19
Net after-tax (gains) losses on commodity derivative instruments not associated with current period transactions (1)	(0.02)	0.47
Net after-tax acquisition and integration expenses associated with Finagaz	0.01	0.02
<b>Adjusted diluted earnings per share</b>	<b>\$ 0.64</b>	<b>\$ 0.68</b>

(1) Includes impact of rounding.



# Weather – Q1

VERSUS NORMAL<sup>1</sup>



VERSUS PRIOR YEAR <sup>1</sup>	AmeriGas	UGI France	Gas Utility
	(16.8)% Warmer	(2.6)% Warmer	(22.9)% Warmer

<sup>1</sup>Percent change in Heating Degree Days.



# Financial Results – AmeriGas

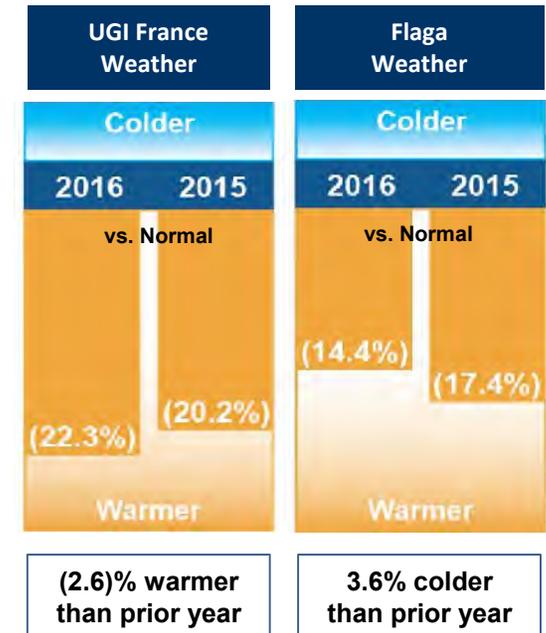
AmeriGas	FY 2015	FY 2016	Weather
(\$ in millions)			
<b>Q1 Operating Income</b>	<b>\$ 139.7</b>		
Retail Volume		\$ (49.3)	<p>2016 2015</p> <p>(3.7%)</p> <p>vs. Normal</p> <p>(19.9%)</p> <p>Warmer</p> <p>16.8% warmer than prior year</p>
Retail Unit Margin		\$ 28.3	
Wholesale and Other Total Margin		\$ (4.5)	
Operating and Administrative Expenses		\$ 16.3	
Depreciation and Amortization		\$ 0.2	
Other		\$ (1.1)	
<b>Q1 Operating Income</b>		<b>\$ 129.6</b>	

- Weather that was almost 17% warmer than the prior year led to lower volume
- Higher unit margins partially offset lower volume
- Focus on cost controls led to a \$16mm decrease in operating and administrative expenses



# Financial Results – UGI International

UGI International	FY 2015	FY 2016
(\$ in millions)		
<b>Q1 Income Before Taxes</b>	<b>\$ 45.9</b>	
Total Margin		\$ 94.8
Operating and Administrative Expenses		\$ (48.4)
Depreciation and Amortization		\$ (7.8)
Interest Expense		\$ 0.1
Other Income		\$ (6.1)
<b>Q1 Income Before Taxes</b>		<b>\$ 78.5</b>
<hr/>		
Acquisition and Transition related expenses	\$ 3.9	\$ 2.3
<b>Adjusted Income Before Taxes</b>	<b>\$ 49.8</b>	<b>\$ 80.8</b>



- Higher total margin, operating expenses, and depreciation due to Finagaz acquisition
- Falling LPG costs contributed to higher unit margins
- Integration progressing on or ahead of schedule



# Financial Results – UGI Utilities

UGI Utilities	FY 2015	FY 2016	Gas Utility Weather
(\$ in millions)			Colder
<b>Q1 Income Before Taxes</b>	<b>\$ 65.0</b>		2016 2015 (3.1%)
Total Margin		\$ (21.3)	vs. Normal (25.3%) Warmer
Operating and Administrative Expenses		\$ (0.9)	
Depreciation and Amortization		\$ (1.3)	
Interest Expense		\$ 1.1	
Other		\$ (3.8)	
<b>Q1 Income Before Taxes</b>		<b>\$ 38.8</b>	22.9% warmer than prior year

- Unusually warm temperatures reduced core market throughput
- Customer additions partially offset weather impact
- Increased distribution system capex led to higher depreciation
- Other includes a non-recurring charge related to the settlement of litigation
- Filed \$58.6 million rate case with Pennsylvania PUC

# Financial Results – Midstream & Marketing

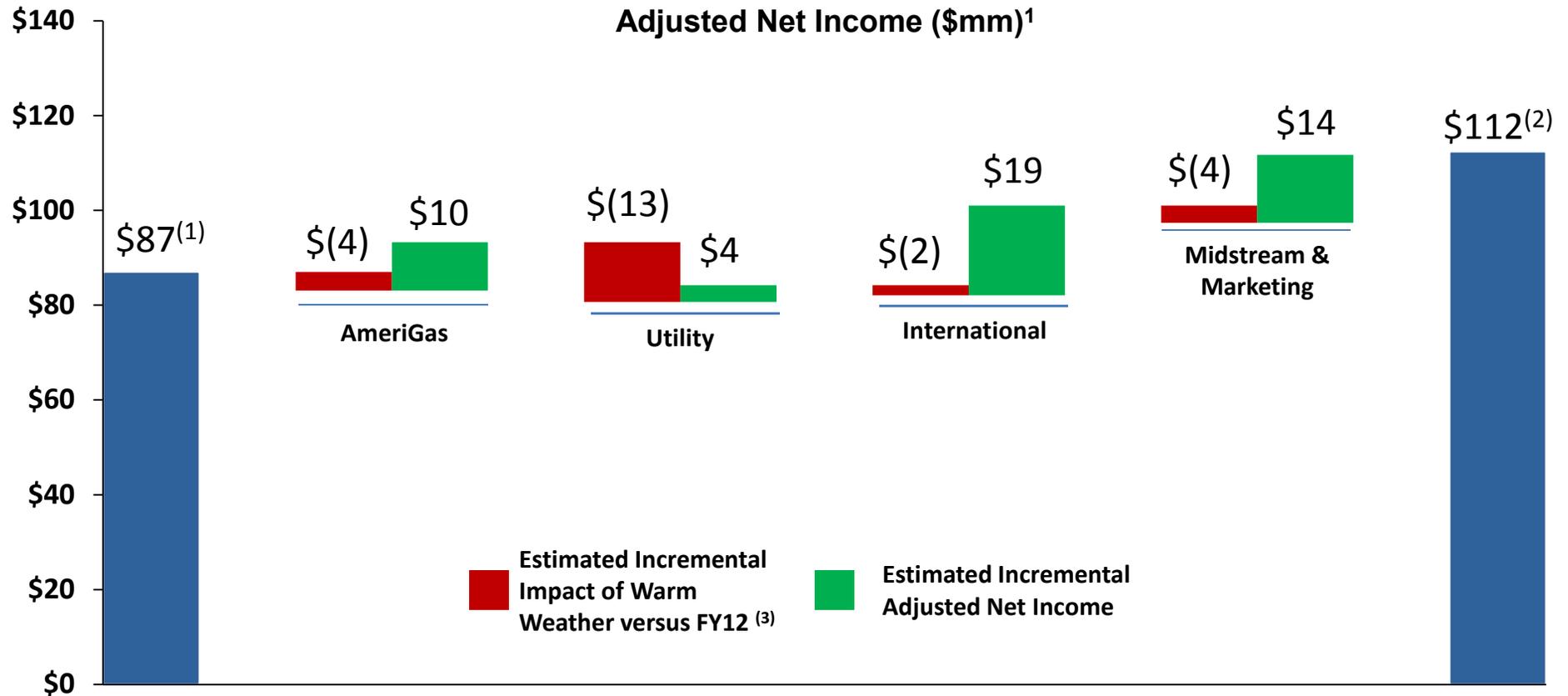


Midstream & Marketing	FY 2015	FY 2016
(\$ in millions)		
<b>Q1 Income Before Taxes</b>	<b>\$ 45.0</b>	
Total Margin		\$ (5.6)
Operating and Administrative Expenses		\$ 3.7
Depreciation and Amortization		\$ (0.9)
Interest Expense		\$ (0.2)
Other		\$ 0.1
<b>Q1 Income Before Taxes</b>		<b>\$ 42.1</b>

- Lower capacity management total margin offset by higher gathering total margin as Auburn system came online, and higher peaking activity
- Lower operating expenses due to prior year planned outages at Hunlock and Conemaugh
- Higher depreciation associated with storage and natural gas gathering assets



# Comparison of Q1 FY16 vs. Q1 FY12



- Record warm weather has significantly impacted UGI's businesses.
- Growth from acquisitions and midstream investments more than offset weather impact.

<sup>1</sup> See appendix for reconciliation of Adjusted Net Income numbers to GAAP income.

<sup>2</sup> Includes \$1mm of Corporate & Other.

<sup>3</sup> Represents management's estimate of the impact of weather on volumes.



# Liquidity

	<b>Total</b>	AmeriGas	UGI International	Utilities	Midstream & Marketing	Corporate & Other
Cash on Hand	<b>\$403.0</b>	\$17.3	\$305.6	\$15.6	\$20.3	\$44.2
Revolving Credit Facilities		\$525.0	120.9	\$300.0	\$240.0	NA
Accounts Receivable Facility		NA	NA	NA	55.4	NA
Drawn on Facilities		182.0	0.0	217.7	26.0	NA
Letters of Credit		63.2	19.6	2.0	0.0	NA
Available Facilities		\$279.8	\$101.3	\$80.3	\$269.4	
<b>Available Liquidity</b>		<b>\$297.1</b>	<b>\$407.0</b>	<b>\$95.9</b>	<b>\$289.7</b>	

**Sufficient liquidity across all businesses**

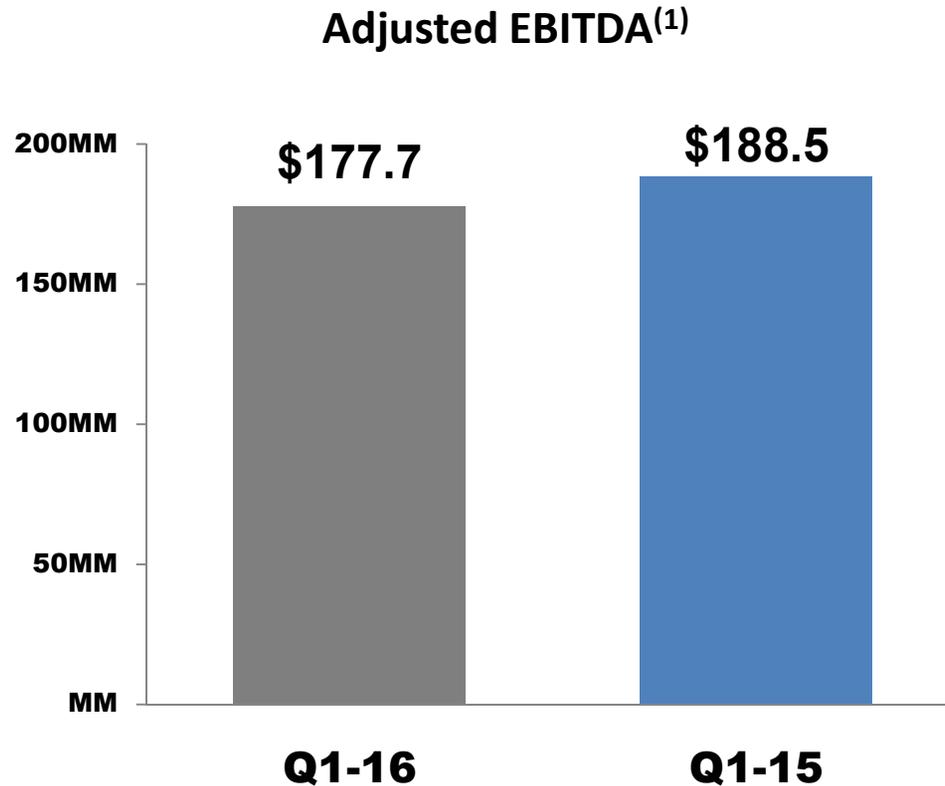


## First Quarter Recap

**Jerry Sheridan**  
President & CEO, AmeriGas



# First Quarter Recap



- Adjusted EBITDA down 6% with weather that was 20% warmer than normal and 24% warmer than normal in December
- Unit Margins up \$0.10
- Expenses \$16mm lower than prior year



1. See appendix for reconciliation of Adjusted EBITDA to GAAP EBITDA.



# Growth Initiatives

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- **Cylinder Exchange**

- Volume slightly below prior year
- Secured new customers that will add ~2,500 new locations during the year

- **National Accounts**

- Volume approximately flat despite warmer weather
- Added 21 new customer contracts

- **M&A**

- Closed 3 acquisitions that are expected to add ~6 million gallons annually

# We Are a Unique MLP



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**Commodity Price Exposure**

**No**

---

**Capital Intensity**

**Modest**  
Self-funded

---

**Weather Risk**

**Yes**

---

**Need to Access Capital  
Markets to Fund Growth**

**No**

---

**Credit Fears**

**No**

---

**Customer Concentration Risk**

**No**

## Conclusion

**John Walsh**  
President & CEO, UGI





# Conclusion

- **PennEast and Sunbury pipeline projects continue to progress through FERC approval process**
- **Rate case filed on January 19, 2016 with anticipated completion in Fall 2016**
- **Outstanding progress on Finagaz integration in first 8 months**
- **AmeriGas increased its unit margins and made good progress on all three of its growth initiatives**

- ✓ **We are a distributor and marketer of energy – can perform well at any point in the energy cycle**
- ✓ **Low commodity costs are *good* for our business**
- ✓ **The performance relative to Q1-12 demonstrates the benefits of our investments since that time**



**UGI**  
CORPORATION

**AmeriGas**



**Appendix**



# UGI Supplemental Footnotes

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- ❖ Management uses "adjusted net income attributable to UGI" and "adjusted diluted earnings per share," both of which are non-GAAP financial measures, when evaluating UGI's overall performance. For the periods presented, adjusted net income attributable to UGI is net income attributable to UGI Corporation after excluding net after-tax gains and losses on commodity derivative instruments not associated with current period transactions, loss on extinguishment of debt and Finagaz transition and acquisition expenses. Volatility in net income at UGI can occur as a result of gains and losses on commodity derivative instruments not associated with current period transactions but included in earnings in accordance with U.S. generally accepted accounting principles ("GAAP"). Effective October 1, 2014, UGI International determined that on a prospective basis it would not elect cash flow hedge accounting for its commodity derivative transactions and also de-designated its then-existing commodity derivative instruments accounted for as cash flow hedges. Also effective October 1, 2014, AmeriGas Propane de-designated its remaining commodity derivative instruments accounted for as cash flow hedges. Previously, AmeriGas Propane had discontinued cash flow hedge accounting for all commodity derivative instruments entered into beginning April 1, 2014.
- ❖ Non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate the impact of (1) gains and losses on commodity derivative instruments not associated with current-period transactions and (2) other discrete items that can affect the comparison of period-over-period results.
- ❖ The following table reconciles 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.



# UGI Adjusted Net Income and EPS

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	2014	2015	2014
<b>Adjusted net income attributable to UGI Corporation:</b>				
Net income attributable to UGI Corporation	\$ 114.6	\$ 34.1	\$ 361.5	\$ 249.3
Net after-tax (gains) losses on commodity derivative instruments not associated with current period	(3.6)	81.9	(32.2)	92.7
Net after-tax acquisition and integration expenses associated with Finagaz	1.4	2.7	13.6	6.9
After-tax loss on Antargaz extinguishment of debt	0.0	0.0	4.6	0.0
Adjusted net income attributable to UGI Corporation	<u>\$ 112.4</u>	<u>\$ 118.7</u>	<u>\$ 347.5</u>	<u>\$ 348.9</u>
	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	2014	2015	2014
<b>Adjusted diluted earnings per share:</b>				
UGI Corporation earnings per share - diluted	\$ 0.65	\$ 0.19	\$ 2.06	\$ 1.42
Net after-tax (gains) losses on commodity derivative instruments not associated with current period	(0.02)	0.47	(0.19)	0.53
Net after-tax acquisition and integration expenses associated with Finagaz	0.01	0.02	0.08	0.04
After-tax loss on Antargaz extinguishment of debt	0.00	0.00	0.03	0.00
Adjusted diluted earnings per share	<u>\$ 0.64</u>	<u>\$ 0.68</u>	<u>\$ 1.98</u>	<u>\$ 1.99</u>

(1) Includes impact of rounding.



# UGI Adjusted Segment Results

	Three Months Ended December 31, 2015			
	<b>GAAP Net Income</b>	Mark-to- Market	Finagaz Transition Exp	<b>Adjusted Net Income</b>
<b>Net income attributable to UGI Corporation:</b>				
AmeriGas Propane	\$ 18.6			\$ 18.6
UGI International	46.4		1.4	47.8
UGI Utilities	23.4			23.4
Midstream & Marketing	24.6			24.6
Corporate & Other	1.6	(3.6)		(2.0)
<b>Total adjusted net income attributable to UGI Corporation</b>	<b>\$ 114.6</b>	<b>\$ (3.6)</b>	<b>\$ 1.4</b>	<b>\$ 112.4</b>



# UGI Q1 FY12 Adjusted Net Income

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	Three Months Ended December 31 <u>2011</u>
<b>Adjusted net income attributable to UGI Corporation:</b>	
GAAP Net income attributable to UGI Corporation	\$ 74.9
Net after-tax (gains) losses on commodity derivative instruments not associated with current period transactions	11.3
Net after-tax acquisition and integration expenses associated with Heritage	<u>1.0</u>
<b>Adjusted net income attributable to UGI Corporation</b>	<b><u>\$ 87.2</u></b>



# UGI Q1 FY12 Adjusted Segment Results

	Three Months Ended December 31, 2011			
	<b>GAAP<sup>1</sup></b>	Mark-to- Market	Heritage Transition Exp	<b>Adjusted Net Income</b>
<b>Net income attributable to UGI Corporation:</b>				
AmeriGas Propane	\$ 11.3		1.0	\$ 12.3
UGI International	31.0			31.0
UGI Utilities	32.6			32.6
Midstream & Marketing	2.6	11.3		13.9
Corporate & Other	(2.6)			(2.6)
<b>Total adjusted net income attributable to UGI Corporation</b>	<b>\$ 74.9</b>	<b>\$ 11.3</b>	<b>\$ 1.0</b>	<b>\$ 87.2</b>

<sup>1</sup> Corrected to conform to restated summary data filed in 2013

# UGI Q1 FY16 & Q1 FY12 Adjusted Net Income



	Three Months Ended December 31,	
	2015	2011
<b>Net income attributable to UGI Corporation:</b>		
AmeriGas Propane	\$ 18.6	\$ 12.3
UGI International	47.8	31.0
UGI Utilities	23.4	32.5
Midstream & Marketing	24.6	13.9
Corporate & Other	(2.0)	(2.6)
<b>Total adjusted net income attributable to UGI Corporation<sup>(1)</sup></b>	<b>\$ 112.4</b>	<b>\$ 87.2</b>

<sup>1</sup> See prior slides for reconciliation of Adjusted Net Income to GAAP Net Income for Q1 FY16 and Q1 FY12.

# AmeriGas Supplemental Footnotes



- ❖ The Partnership's management uses certain non-GAAP financial measures, including adjusted total margin, EBITDA, adjusted EBITDA and adjusted net income attributable to AmeriGas Partners, L.P., when evaluating the Partnership's overall performance. These financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures.
- ❖ Management believes earnings before interest, income taxes, depreciation and amortization ("EBITDA"), as adjusted for the effects of gains and losses on commodity derivative instruments not associated with current-period transactions and other gains and losses that competitors do not necessarily have ("Adjusted EBITDA"), is a meaningful non-GAAP financial measure used by investors to (1) compare the Partnership's operating performance with that of other companies within the propane industry and (2) assess the Partnership's ability to meet loan covenants. The Partnership's definition of Adjusted EBITDA may be different from those used by other companies. Management uses Adjusted 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, the effects of gains and losses on commodity derivative instruments not associated with current-period transactions or historical cost basis. In view of the omission of interest, income taxes, depreciation and amortization, gains and losses on commodity derivative instruments not associated with current-period transactions and other gains and losses that competitors do not necessarily have from 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 Adjusted EBITDA to assess the Partnership's profitability because its parent, UGI Corporation, uses the Partnership's EBITDA, as adjusted to exclude gains and losses on commodity derivative instruments not associated with current-period transactions, to assess the profitability of the Partnership which is one of UGI Corporation's industry segments. UGI Corporation discloses the Partnership's EBITDA, as so adjusted, in its disclosure about industry segments as the profitability measure for its domestic propane segment. Management believes the presentation of other non-GAAP financial measures, comprised of adjusted total margin and adjusted net income (loss) attributable to AmeriGas Partners, L.P., provide useful information to investors to more effectively evaluate the period-over-period results of operations of the Partnership. Management uses these non-GAAP financial measures because they eliminate the impact of (1) gains and losses on commodity derivative instruments that are not associated with current-period transactions and (2) other gains and losses that competitors do not necessarily have to provide insight into the comparison of period-over-period profitability to that of other master limited partnerships.
- ❖ The following tables include reconciliations of adjusted total margin, EBITDA, adjusted EBITDA and adjusted net income attributable to AmeriGas Partners, L.P. to the most directly comparable financial measure calculated and presented in accordance with GAAP for all the periods presented.

# AmeriGas Adjusted EBITDA



	Three Months Ended	
	December 31,	
	2015	2014
Adjusted total margin:		
Total revenues	\$ 644,098	\$ 888,792
Cost of sales - propane	(227,922)	(578,541)
Cost of sales - other	(20,867)	(22,040)
Total margin	395,309	288,211
Add net losses (subtract net gains) on commodity derivative instruments not associated with current-period transactions	5,633	138,230
Adjusted total margin	<u>\$ 400,942</u>	<u>\$ 426,441</u>
Adjusted net income attributable to AmeriGas Partners, L.P.:		
Net income (loss) attributable to AmeriGas Partners, L.P.	\$ 80,973	\$ (39,571)
Add net losses (subtract net gains) on commodity derivative instruments not associated with current-period transactions	5,633	138,230
Noncontrolling interest in net gains (losses) on commodity derivative instruments not associated with current-period	(57)	(1,396)
Adjusted net income attributable to AmeriGas Partners, L.P.	<u>\$ 86,549</u>	<u>\$ 97,263</u>
	Three Months Ended	
	December 31,	
	2015	2014
EBITDA and Adjusted EBITDA:		
Net income (loss) attributable to AmeriGas Partners, L.P.	\$ 80,973	\$ (39,571)
Income tax expense	910	870
Interest expense	41,025	41,034
Depreciation	38,606	38,682
Amortization	10,600	10,686
EBITDA	172,114	51,701
Add net losses (subtract net gains) on commodity derivative instruments not associated with current-period transactions	5,633	138,230
Noncontrolling interest in net gains (losses) on commodity derivative instruments not associated with current-period	(57)	(1,396)
Adjusted EBITDA	<u>\$ 177,690</u>	<u>\$ 188,535</u>

**UGI**  
CORPORATION

**AmeriGas**

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