



## **Fiscal 2016 Second Quarter Results**

**John Walsh**  
President & CEO, UGI

**Kirk Oliver**  
Chief Financial Officer, UGI

**Jerry Sheridan**  
President & CEO, AmeriGas



## About This Presentation

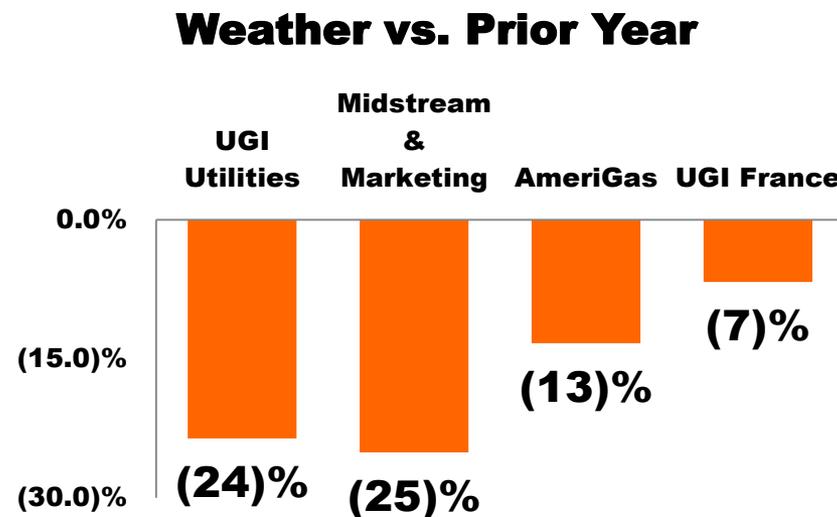
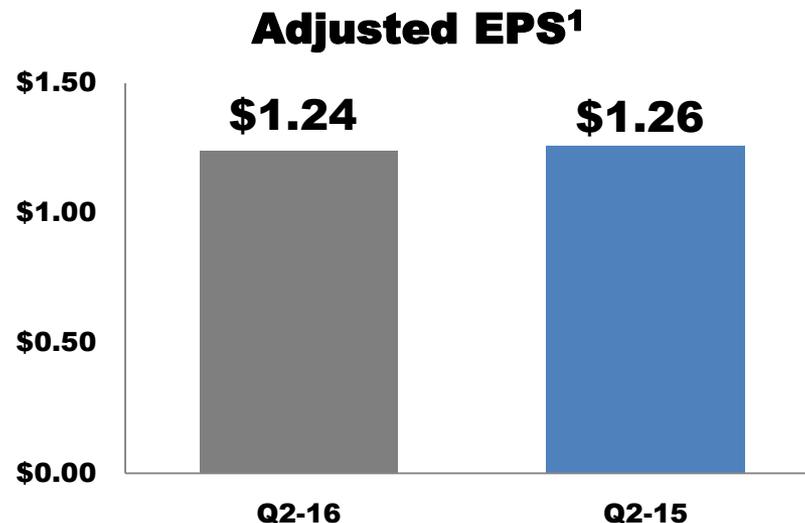
This presentation contains certain forward-looking statements that management believes to be reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. You should read 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.

## Second Quarter Recap

**John Walsh**  
President & CEO, UGI



- **Comparable adjusted earnings to prior year despite significantly warmer weather highlight benefits of diversification**
- **Results reflect impact of accretive investments over the past few years, cost controls, and solid unit margin management**
- **Weather-adjusted demand remains very strong**
- **Revising guidance to \$1.95-\$2.05 due to warm weather experienced in Q1 and Q2**



<sup>1</sup> Q2-16 GAAP was EPS \$1.33; Q2-15 GAAP EPS was \$1.40. See appendix for Adjusted EPS reconciliation.



- **UGI Gas filed a \$58 million rate case, its first in 21 years; Expected to be finalized in Q1-17**
- **Strong demand for peaking service driven by increased peak requirements, customer growth, and migration from interruptible to firm service**
- **Integration of Finagaz has gone exceedingly well with synergies on track to meet or exceed expectations**
- **Results highlight the benefits of diversification**



## Financial Review

**Kirk Oliver**  
Chief Financial Officer, UGI



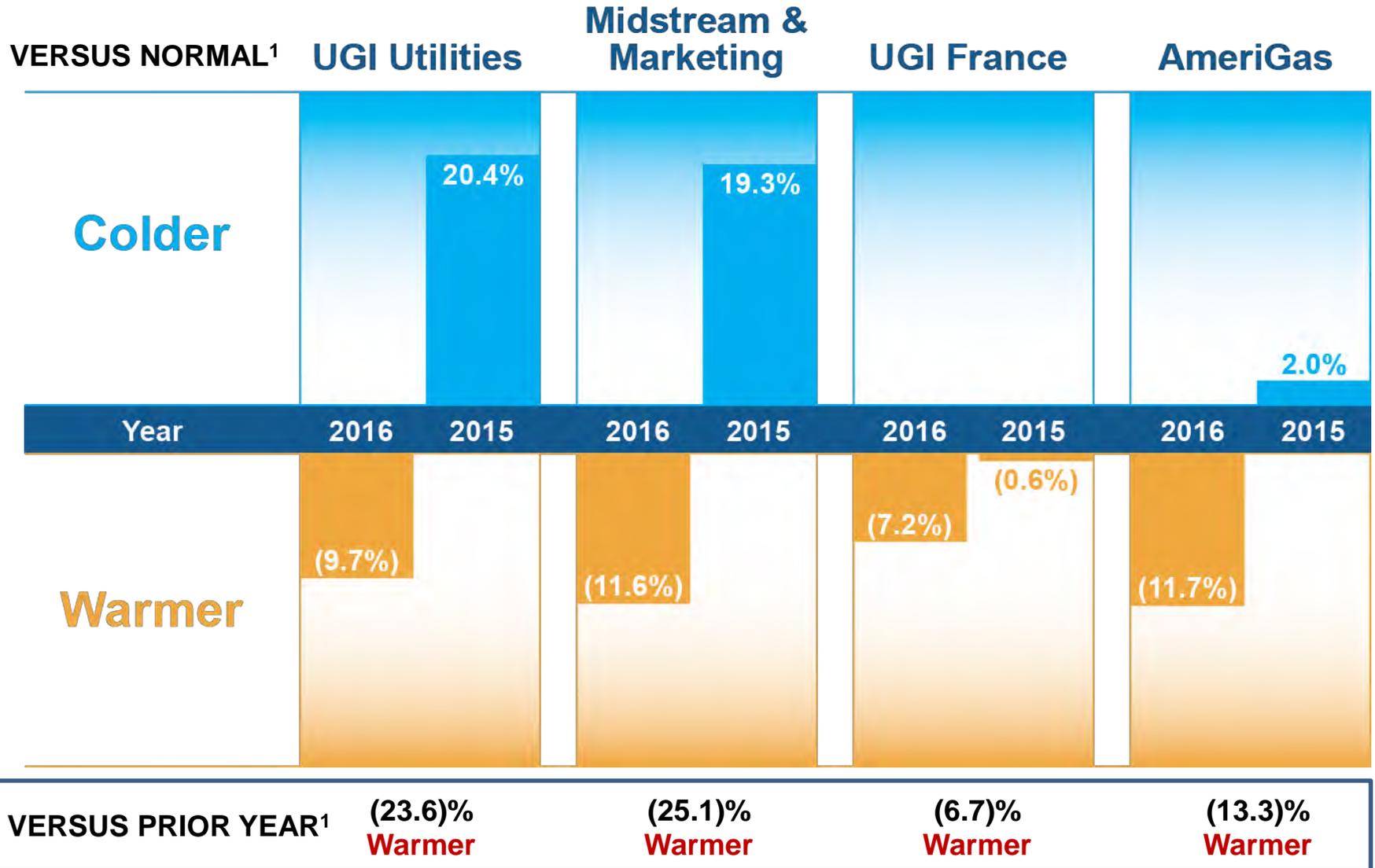
# Q2 Adjusted Earnings

	<b>Three Months Ended March 31, ( millions)</b>	
	<b><u>2016</u></b>	<b><u>2015</u></b>
	Net income attributable to UGI Corporation	\$233.2
Net after-tax (gains) on commodity derivative instruments <sup>1</sup>	(22.4)	(30.8)
Net after-tax acquisition and integration expenses <sup>2</sup>	5.4	5.1
<b>Adjusted net income attributable to UGI Corporation</b>	<b>\$216.2</b>	<b>\$220.8</b>

	<b>Three Months Ended March 31,</b>	
	<b><u>2016</u></b>	<b><u>2015</u></b>
	UGI Corporation – Diluted Earnings Per Share (GAAP)	\$1.33
Net after-tax (gains) on commodity derivative instruments <sup>1</sup>	(0.12)	(0.17)
Net after-tax acquisition and integration expenses <sup>2</sup>	0.03	0.03
<b>Adjusted diluted earnings per share</b>	<b>\$1.24</b>	<b>\$1.26</b>

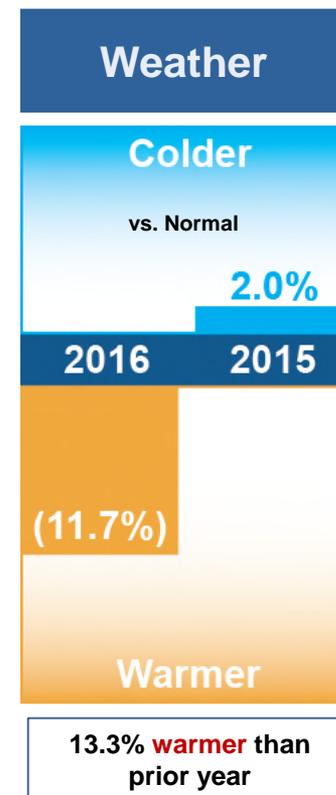
<sup>1</sup> Not associated with current period

<sup>2</sup> Related to the Finagaz acquisition



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

(millions)	FY 2015		FY 2016
<b>Q2 Operating Income</b>	<b>\$ 296.9</b>		
Retail Volume		\$ (75.1)	} Total Margin
Retail Unit Margin		\$ 11.2	
Wholesale and Other Total Margin		\$ (1.9)	
Operating and Administrative Expenses		\$ 18.9	
Depreciation and Amortization		\$ 0.7	
Other		\$ (0.3)	
<b>Q2 Operating Income</b>			<b>\$ 250.4</b>



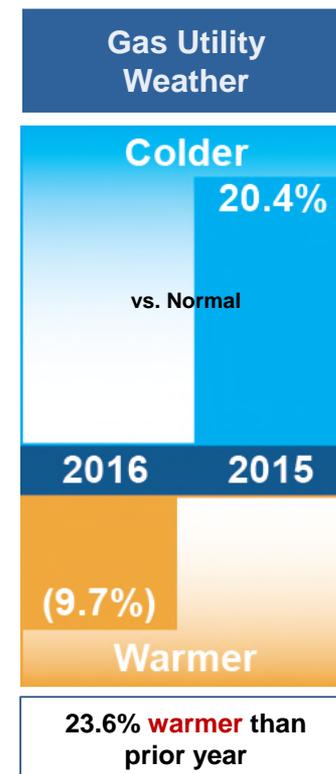
- Lower volume - weather 13% warmer than prior year
- Improved unit margins partially offset lower volume
- Lower compensation and benefits expenses, vehicle fuel, and bad debt expenses drove lower operating expenses

# Financial Results – UGI International

(millions)	FY 2015	FY 2016	UGI France Weather
<b>Q2 Income Before Taxes</b>	<b>\$ 58.8</b>		<div style="background-color: #00AEEF; color: white; padding: 5px; text-align: center;"> <b>Colder</b> vs. Normal                 </div> <div style="display: flex; justify-content: space-around; background-color: #0056b3; color: white; padding: 5px;"> <span>2016</span> <span>2015</span> </div> <div style="display: flex; justify-content: space-around; background-color: #FFC000; color: white; padding: 5px;"> <span>(7.2%)</span> <span>(0.6%)</span> </div> <div style="background-color: #FFC000; color: white; padding: 5px; text-align: center;"> <b>Warmer</b> </div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>6.7% warmer than prior year</b> </div>
Total Margin		\$ 111.2	
Operating and Administrative Expenses		\$ (51.5)	
Depreciation and Amortization		\$ (11.3)	
Interest Expense		\$ (0.7)	
Other		\$ (1.5)	
<b>Q2 Income Before Taxes</b>		<b>\$ 105.0</b>	
Acquisition and Transition Related Expenses	7.5	8.6	
<b>Adjusted Income Before Income Taxes</b>	<b>\$ 66.3</b>	<b>\$ 113.6</b>	

- Higher total margin, operating expenses, and depreciation due to Finagaz acquisition as well as smaller acquisitions
- LPG costs 32% lower than prior year contributed to higher unit margins
- Finagaz synergies on track to meet or exceed expectations

(millions)	FY 2015	FY 2016
<b>Q2 Income Before Taxes</b>	<b>\$ 132.0</b>	
Total Margin		\$ (37.4)
Operating and Administrative Expenses		\$ 14.2
Depreciation and Amortization		\$ (1.3)
Interest Expense		\$ 1.3
Other		\$ (3.6)
<b>Q2 Income Before Taxes</b>		<b>\$ 105.2</b>



- 24% warmer weather than prior year drove 23% lower core market throughput and lower margin
- Lower margin partially offset by lower operating and administrative expenses
- Rate case filed in January expected to conclude by October

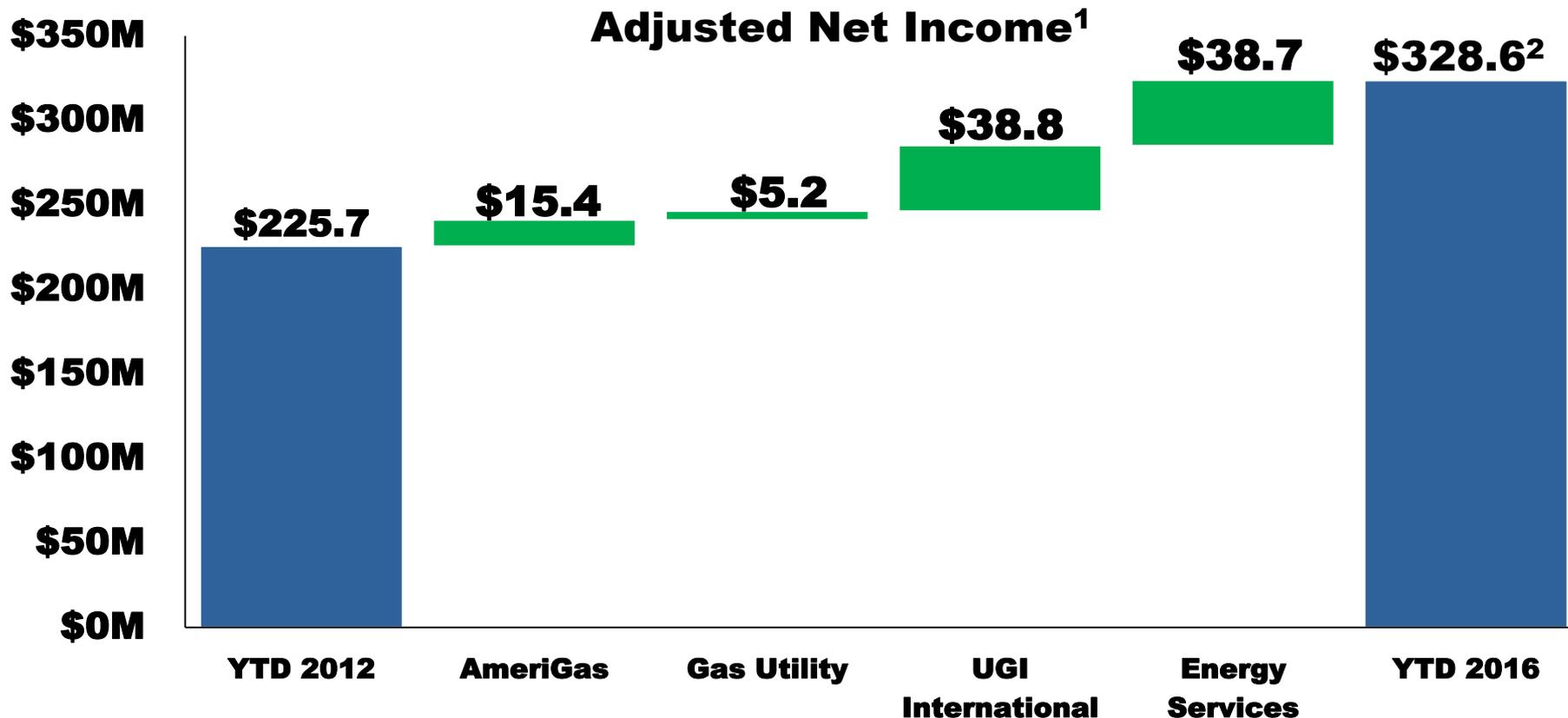
(millions)	FY 2015	FY 2016
<b>Q2 Income Before Taxes</b>	<b>\$ 98.6</b>	
Total Margin		\$ (24.9)
Operating and Administrative Expenses		\$ 4.2
Depreciation and Amortization		\$ (0.5)
Interest Expense		\$ -
Other		\$ (0.1)
<b>Q2 Income Before Taxes</b>		<b>\$ 77.3</b>



- Weather that was 25% warmer than the prior year led to lower capacity management, retail gas, power marketing, and electric generation margin
- Lower volatility in capacity values drove decrease in capacity management margins
- Asset and fee-based businesses contributed \$14 million of incremental margin compared to the prior year

# Comparison of YTD FY16 vs. YTD FY12

**The October – March YTD periods in 2012 and 2016 had comparable weather**



	YTD 2012	AmeriGas	Gas Utility	UGI International	Energy Services	YTD 2016
<b>EPS</b>	<b>\$1.33</b>	<b>\$.08</b>	<b>\$.01</b>	<b>\$.21</b>	<b>\$.22</b>	<b>\$1.88<sup>3</sup></b>

<sup>1</sup> See appendix for reconciliation of adjusted net income to GAAP net income.

<sup>2</sup> Includes \$4.7 million in Corporate & Other.

<sup>3</sup> Includes \$0.03 in Corporate & Other.

## Liquidity

- **\$466 million of cash on hand**
- **Adequate bank capacity**
- **\$400 million private placement**
  - **Delayed draw feature**
  - **Repay existing maturities**
  - **Fund capital expenditures**

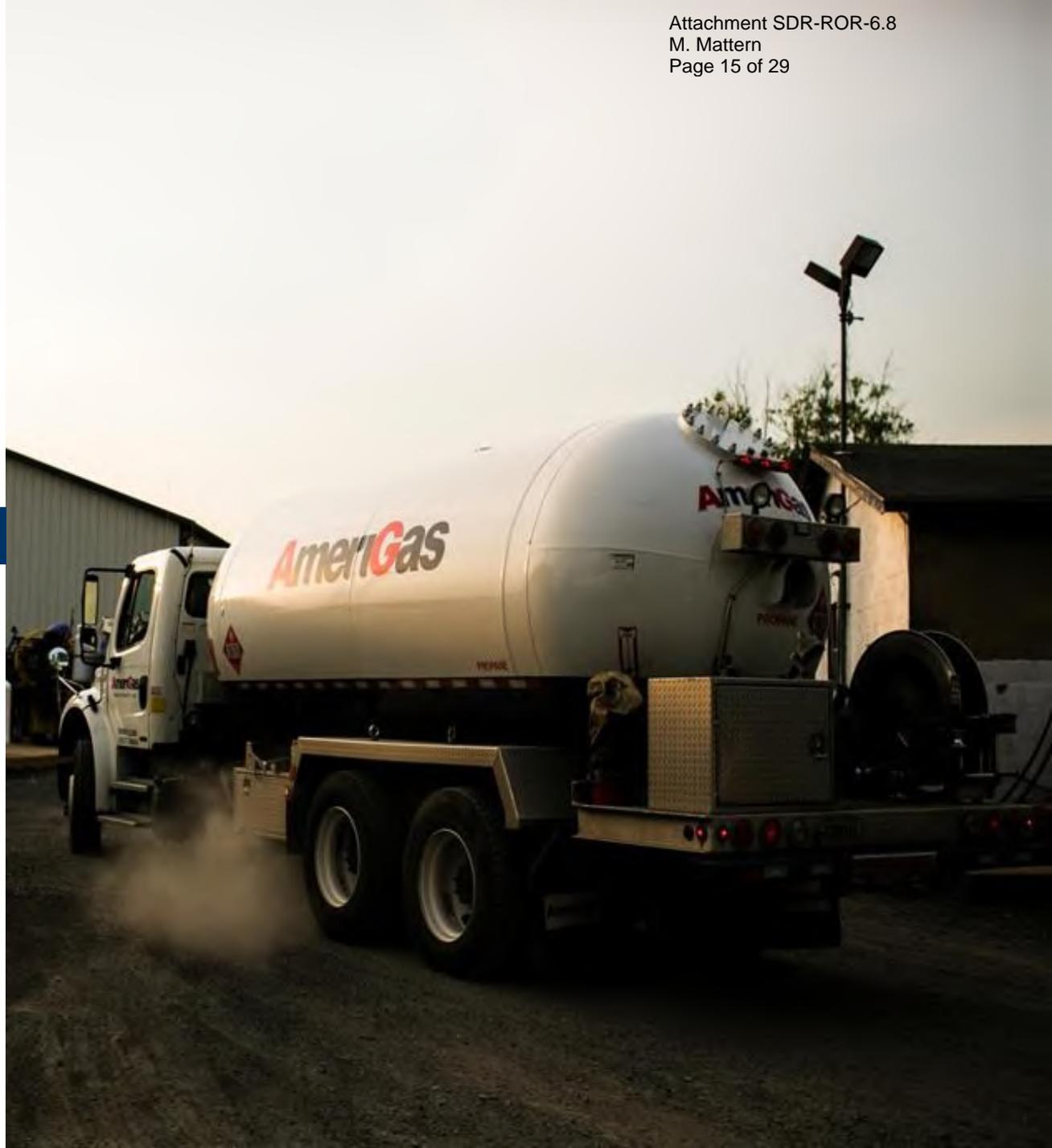
## Guidance

- **Updating guidance range due to warm weather**
- **Expect adjusted earnings per share of \$1.95 to \$2.05**

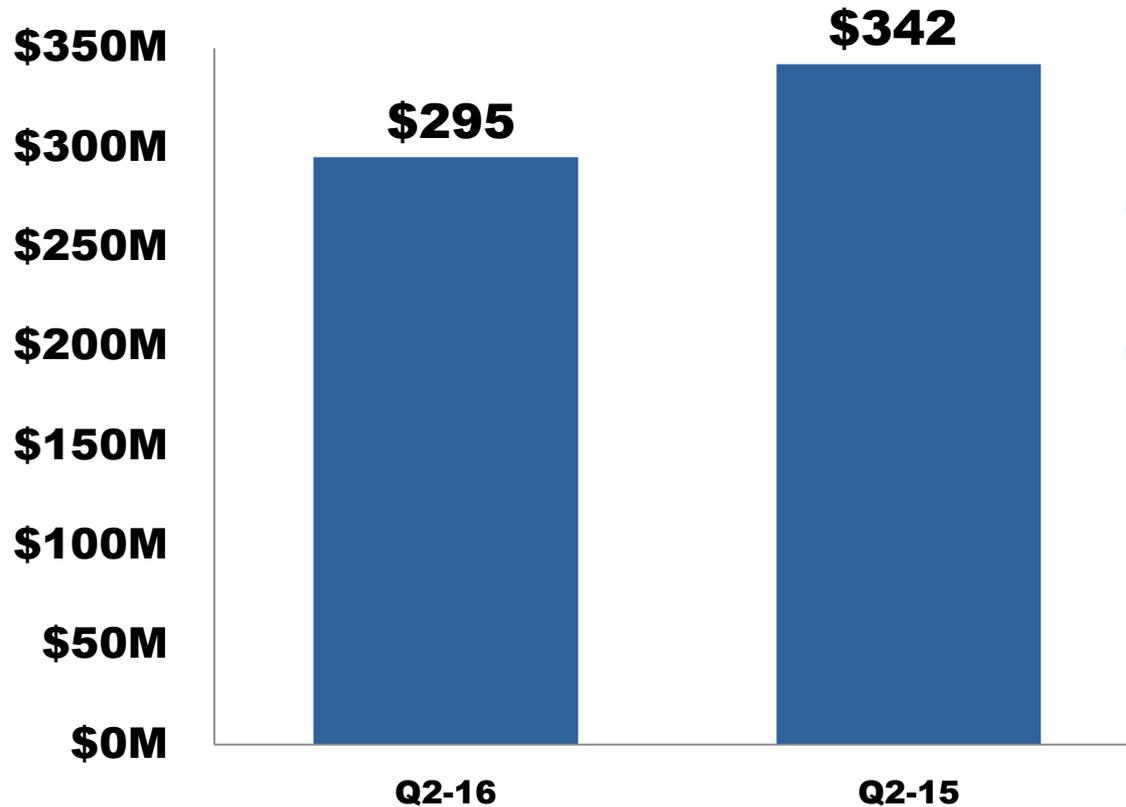


## Second Quarter Recap

**Jerry Sheridan**  
President & CEO, AmeriGas



## Adjusted EBITDA<sup>1</sup>



- **March quarter was the second warmest on record which led to lower volume**
- **Unit margins \$0.03 higher than the prior year**
- **Operating expenses \$19mm, or 7%, lower than the prior year**

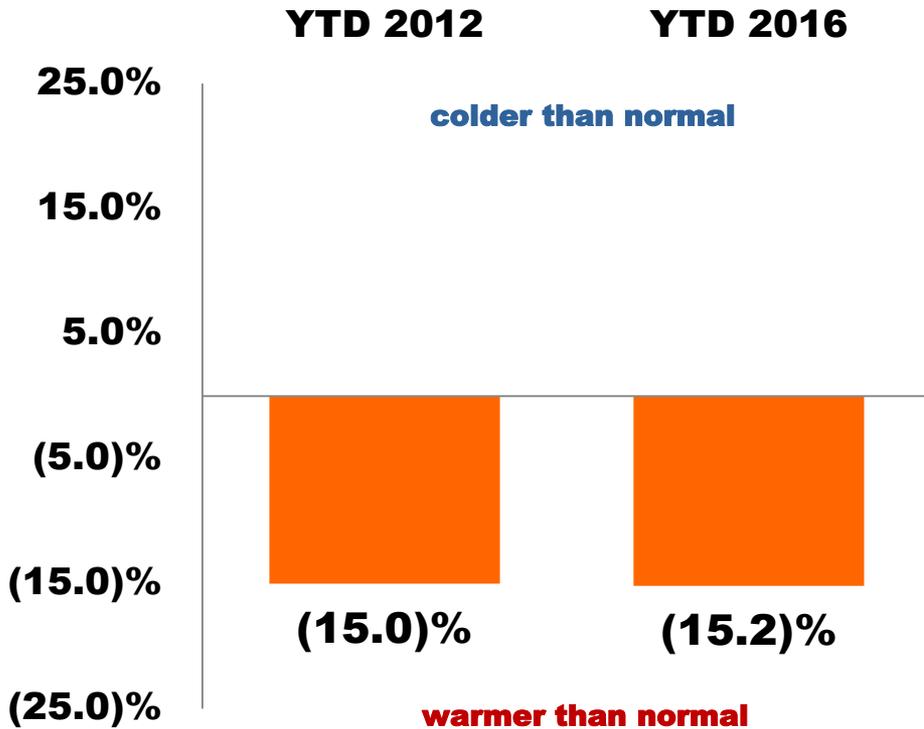
**Revised FY16  
Guidance**

**Adjusted EBITDA  
\$575-\$600 million**

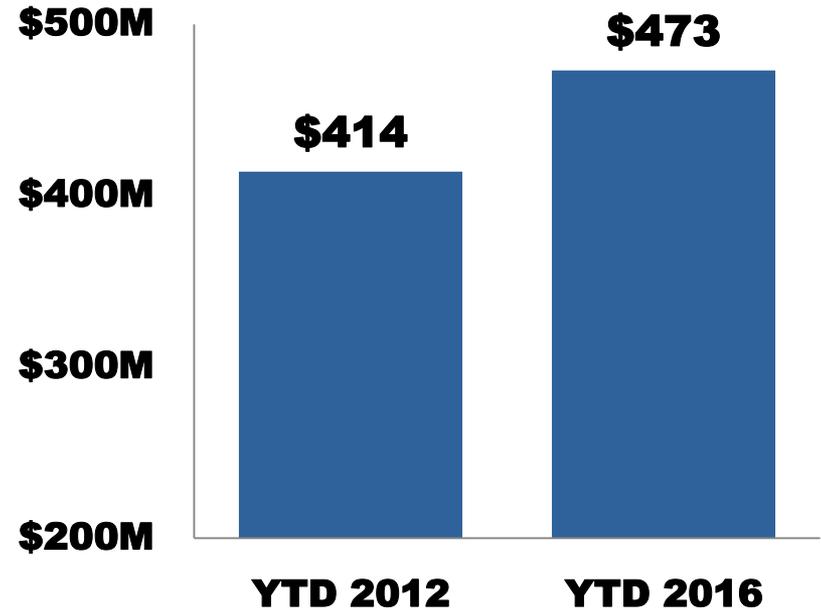
<sup>1</sup> See appendix for reconciliation of Adjusted EBITDA to GAAP EBITDA.

# Comparison of YTD FY16 vs. YTD FY12

## Comparable Weather



## 14% Higher Adjusted EBITDA



## Cylinder Exchange

- **Weather-related volume decline due to lower patio heater utilization rates**
- **Added 2,500 locations in the quarter bringing the total to approximately 51,000**

## National Accounts

- **Volume down ~8.4% in the quarter on warm weather**
- **Have added 31 new customer contracts so far this year**

## Distribution

- **Recently announced increase in our distribution to \$3.76**
- **Represents our 12th consecutive distribution increase**
- **Target distribution coverage of ~1.2x**

## Conclusion

**John Walsh**  
President & CEO, UGI



## Midstream & Marketing

- **Received FERC certificate for the Sunbury pipeline on April 29, 2016 and preparing for the field execution phase**
- **PennEast received the Notice of Schedule from the FERC that set December 16, 2016 for the completion of its environmental review**

## Utilities

- **Deploying capital to support customer base and infrastructure replacement**
- **Expect to deploy \$1 billion over the next four years**

## AmeriGas

- **Outstanding job of managing warm weather through cost controls and margin management**
- **Announced 12<sup>th</sup> consecutive distribution increase**

## International

- **Great performance in warm weather**
- **Strong results at both Finagaz and smaller scale acquisitions**

- **Revised guidance is related to warm weather**
- **Solid results year-to-date demonstrate benefits of our balanced portfolio**
- **Continue driving growth through organic investments in our Midstream and Utility businesses, and acquisitions in the U.S. and Europe**
- **Underlying weather-adjusted demand remains strong**
- **Infrastructure gap will provide investment opportunities for the next several years while enhancing the value of our existing assets**



**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. 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.



(millions)	Six Months Ended March 31, <u>2012</u>
<b>Adjusted net income attributable to UGI Corporation:</b>	
GAAP Net Income Attributable to UGI Corporation	\$ 211.2
Net after-tax (gains) losses on commodity derivative instruments not associated with current period transactions	9.9
Net after-tax losses on extinguishment of debt	2.2
Net after-tax acquisition and transition expenses associated with Heritage	2.4
<b>Adjusted net income attributable to UGI Corporation</b>	<b><u>\$ 225.7</u></b>

- ❖ 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 2012 Pro Forma Adjusted EBITDA

	Six Months Ended March 31, <u>2012</u>
(thousands)	
Pro Forma Net Income attributable to AmeriGas Partners, L.P.	196,362
Pro Forma Tax Expense	3,231
Pro forma Interest Expense	94,304
Pro Forma Amortization expense	20,991
Pro Forma depreciation Expense	<u>73,895</u>
Pro Forma EBITDA	388,783
Loss on Extinguishment of Debt	13,379
Heritage Acquisition and Transition Expenses (MD&A)	11,855
Pro Forma Adjusted EBITDA	<u><u>414,017</u></u>

Note 4 to AmeriGas Partners' Form 10-Q for the six-month period ended March 31, 2012 disclosed the pro forma impact on AmeriGas Partners' revenues, net income attributable to AmeriGas Partners and income per limited partner unit of its acquisition of Heritage Propane on January 12, 2012. AmeriGas Partners' net income attributable to AmeriGas Partners for the six-month period ended March 31, 2012 was \$176,410.



**Investor Relations:**

Will Ruthrauff  
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**American Gas Association  
Financial Forum**

**John Walsh  
President &  
Chief Executive Officer**

**May 16, 2016**



## About This Presentation

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## UGI Attendees

### **John L. Walsh**

President & Chief Executive Officer  
UGI Corporation

### **Kirk R. Oliver**

Chief Financial Officer  
UGI Corporation

### **Robert F. Beard**

President & Chief Executive Officer  
UGI Utilities, Inc.

### **Bradley C. Hall**

President  
UGI Enterprises, LLC

### **Daniel J. Platt**

Vice President and Chief Financial Officer  
UGI Utilities, Inc.

### **Ann P. Kelly**

Assistant Treasurer  
UGI Corporation

### **William B. Ruthrauff**

Director, Investor Relations  
UGI Corporation



# Company Overview

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



~55%  
of net income<sup>1</sup>

~45%  
of net income<sup>1</sup>



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



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



- **Premier LPG distributor in Europe**



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

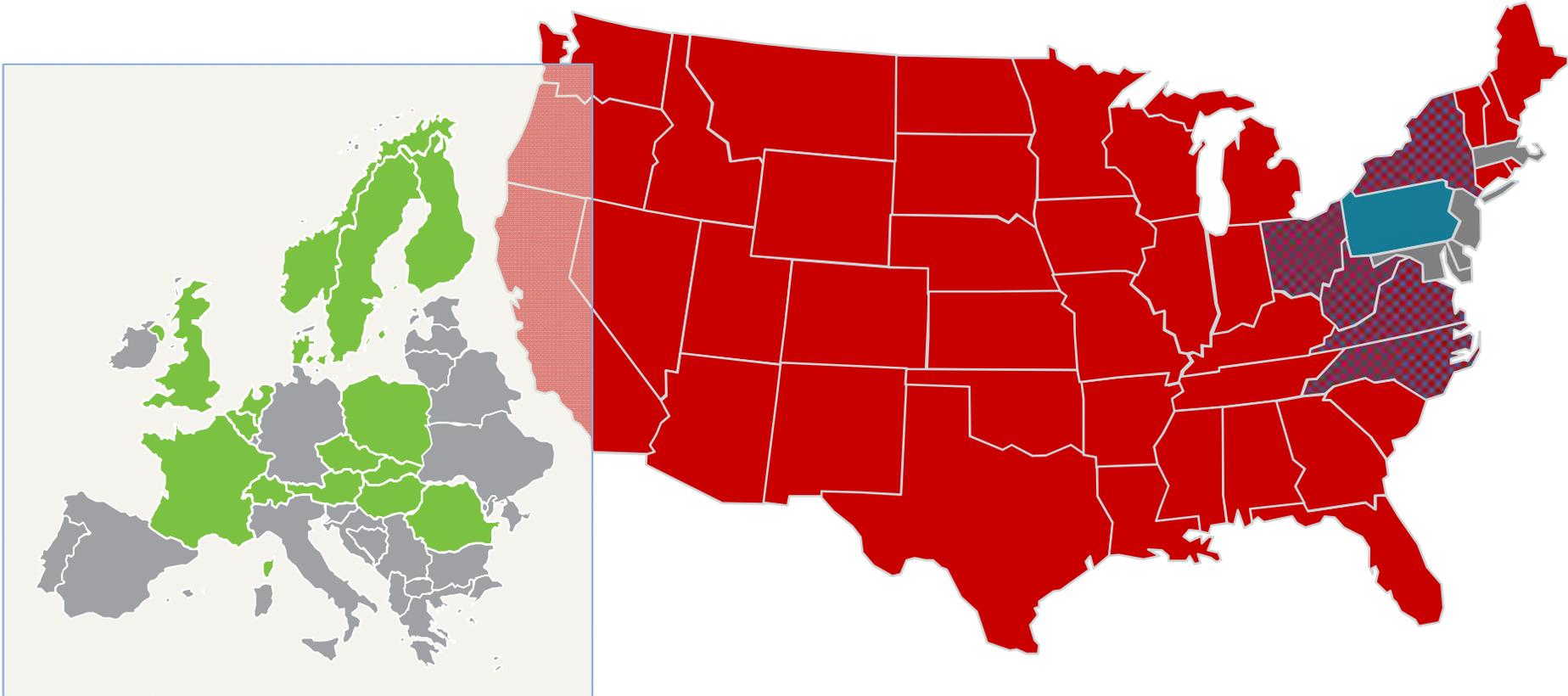
\* 100% GP interest and 26% of outstanding LP units. Largest retail propane distributor in U.S. based on volume

<sup>1</sup> Trailing Twelve Months ended March 31, 2016. Excludes Corporate & Other.



# Where We Are

UGI operates in 50 states and 16 European countries



**UGI Utilities**  
(PA, MD)

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

**UGI International**  
(16 European countries)

**AmeriGas**  
(all 50 states)



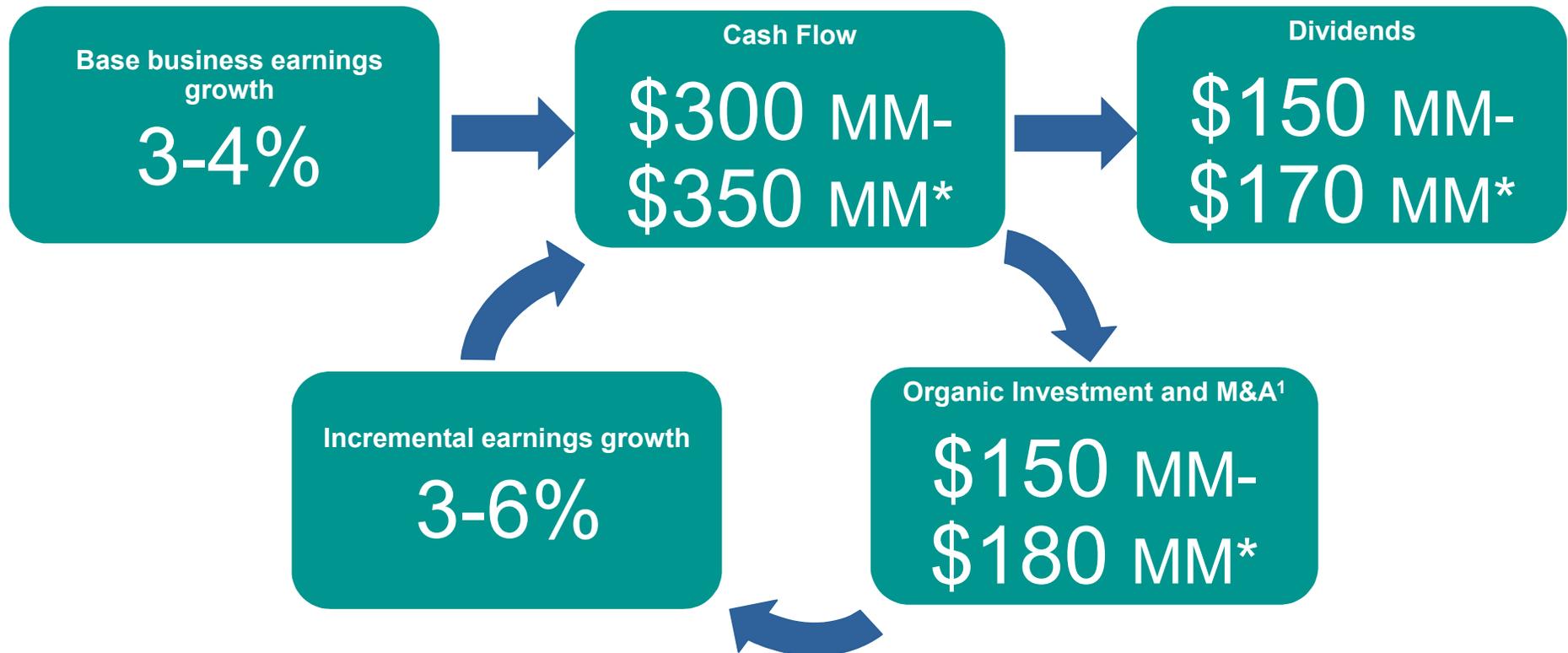
## Why Invest in UGI?

- ✓ **We are a balanced Growth and Income investment**
  - **6-10% EPS Growth**
  - **4% Dividend Growth**
- ✓ **Excellent Cash Generation**
- ✓ **Disciplined deployment of capital supported by track record**
- ✓ **Our portfolio of growth opportunities has never been stronger**



# 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

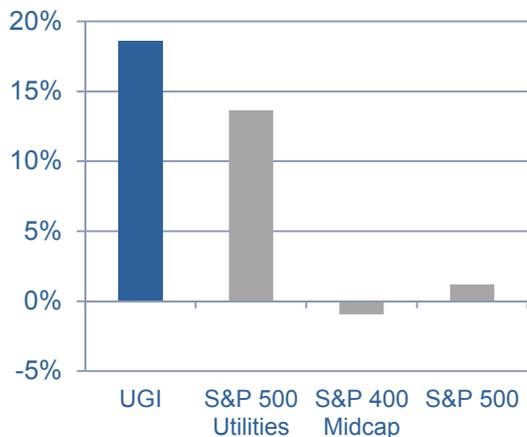
6-10% EPS Growth and 4% Dividend Growth



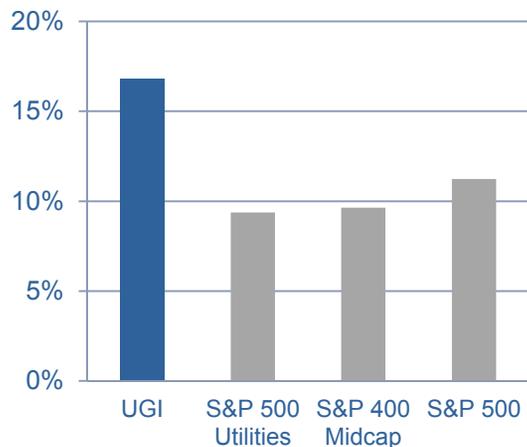
# Total Shareholder Return as of 4/30/16

**UGI has consistently outperformed**

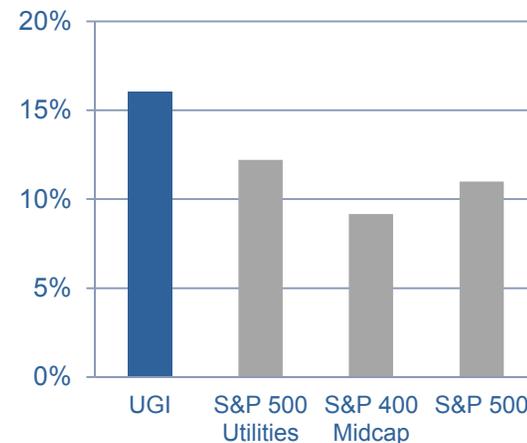
**1 Year Total Return**



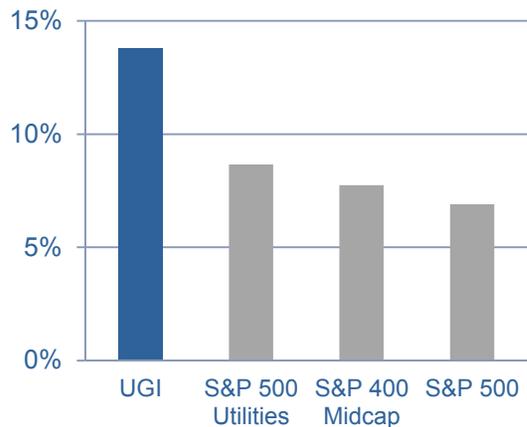
**3 Year Total Return**



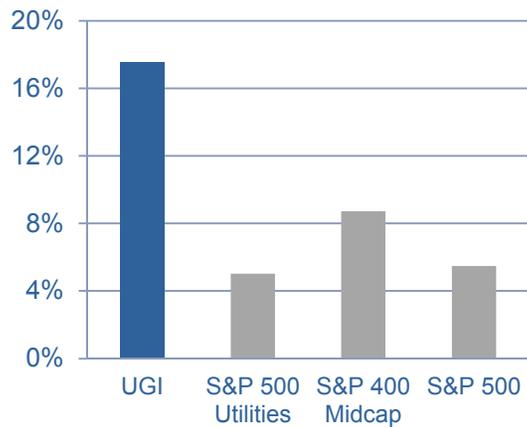
**5 Year Total Return**



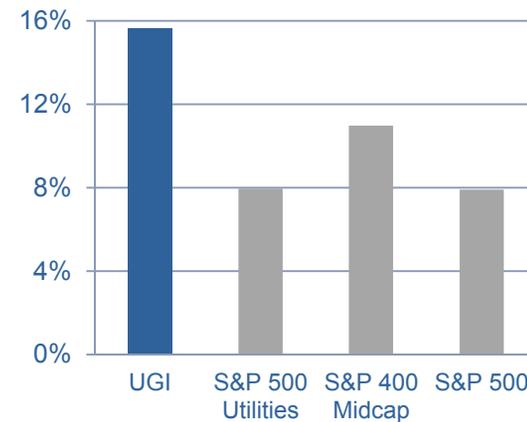
**10 Year Total Return**



**15 Year Total Return**

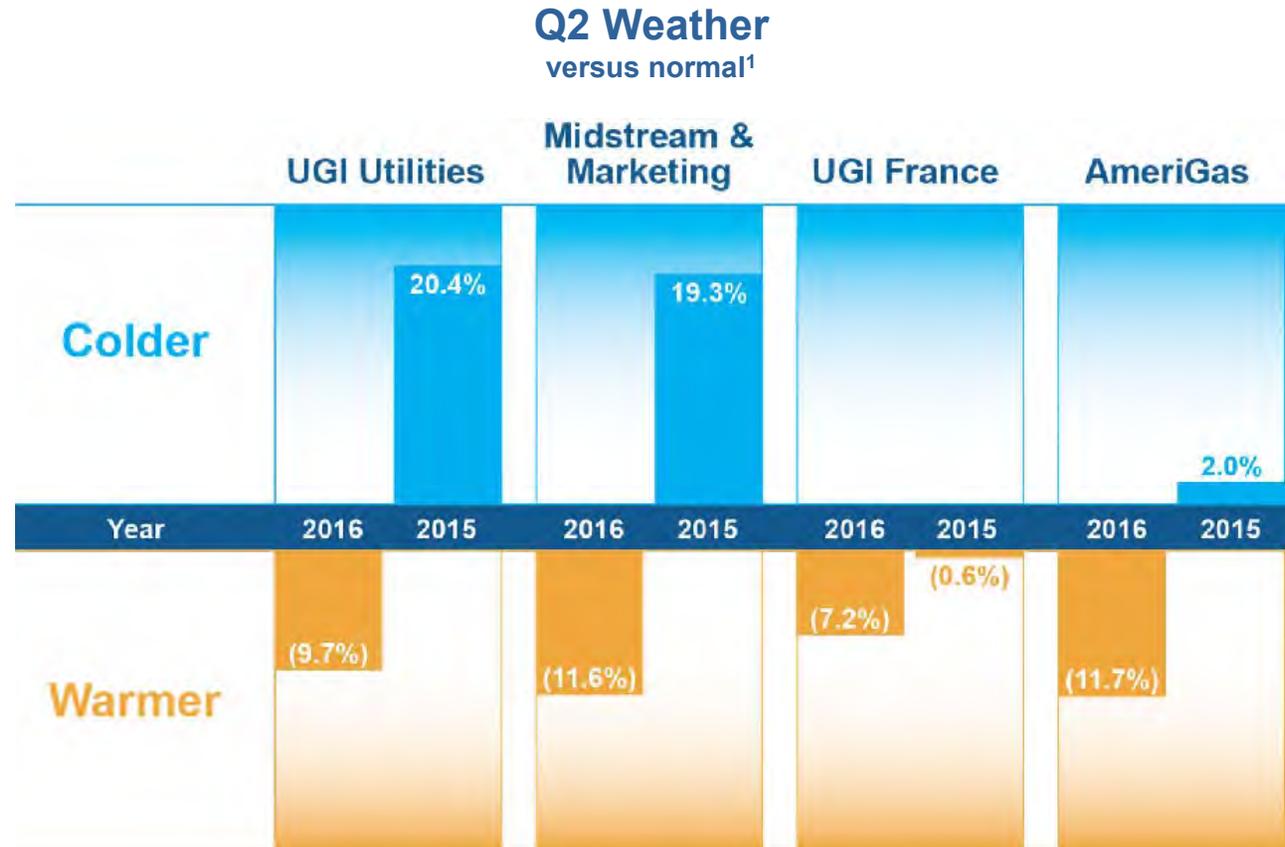


**20 Year Total Return**



# Second Quarter Update

- **Comparable adjusted earnings to prior year despite significantly warmer weather highlight benefits of diversification**
- **Results reflect impact of accretive investments over the past few years, cost controls, and solid unit margin management**
- **Weather-adjusted demand remains very strong**
- **Revising guidance to \$1.95-\$2.05 due to warm weather experienced in Q1 and Q2**

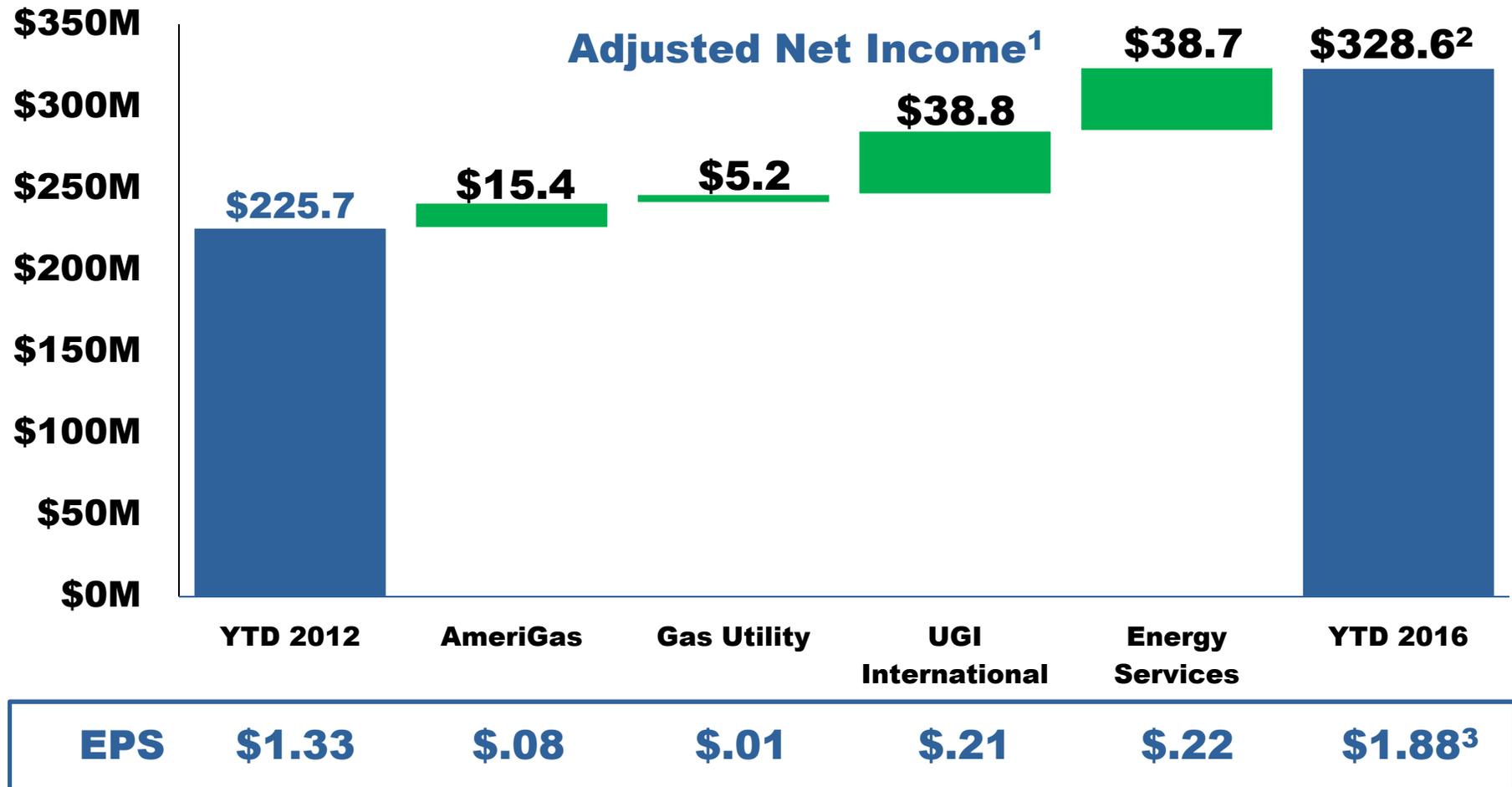


<sup>1</sup> Percent change in heating degree days



# Comparison of YTD FY16 vs. YTD FY12

**The October – March YTD periods in 2012 and 2016 had comparable weather**



<sup>1</sup> See appendix for reconciliation of adjusted net income to GAAP net income.  
<sup>2</sup> Includes \$4.7 million in Corporate & Other.  
<sup>3</sup> Includes \$0.03 in Corporate & Other.

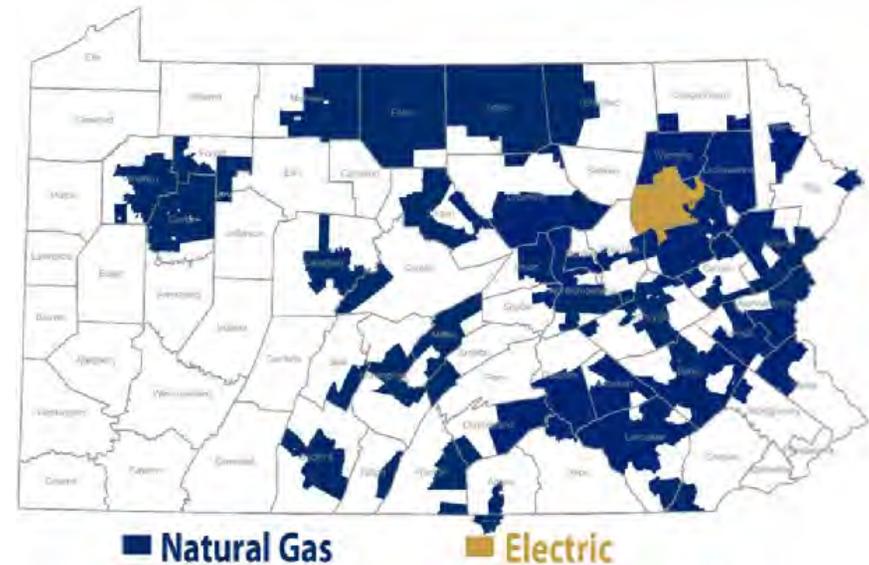
**UGI**  
CORPORATION

# UGI Utilities



# UGI Utilities Overview

- ✓ Three Gas Utilities – UGI Gas, CPG, and PNG and one electric utility
- ✓ Serve nearly 617,000 gas customers and approximately 62,000 electric customers
- ✓ Pennsylvania's 2<sup>nd</sup> largest gas utility<sup>1</sup>
- ✓ Strong outlook for continued customer growth
- ✓ Major infrastructure program underway



**Five Year Customer Growth CAGR of ~2%**

<sup>1</sup> Based on total customers



## Key Points – UGI Utilities

- **Record of strong customer growth and opportunities to grow through conversions and new housing**
- **Infrastructure upgrades are on track**
  - **Cast iron: replaced by March 2027**
  - **Bare steel: replaced by September 2041**
- **Deploying record levels of capital**
- **Constructive regulatory environment**
- **Investment grade credit ratings**

# Constructive Regulatory Environment

- **Committed Long Term Infrastructure Improvement Plan (LTIIP) to replace cast iron and bare steel pipe covered by DSIC**
- **Majority of gas is low-cost – sourced from the Marcellus**
- **Commitment to low income customer assistance programs**
- **Distribution integrity, third party damages and workplace safety initiatives**
- **In January, UGI Gas filed \$58.6 million base rate case**
  - **First rate case in 21 years**
  - **UGI Gas currently has lowest residential distribution rates in PA**
  - **UGI Gas has made over \$1 billion in system investments since 1995**
- **New customer programs (as proposed)**
  - **Energy Efficiency and Conservation plan**
  - **Technology and Economic Development rider to provide the needed rate flexibility to expand availability and use of natural gas**

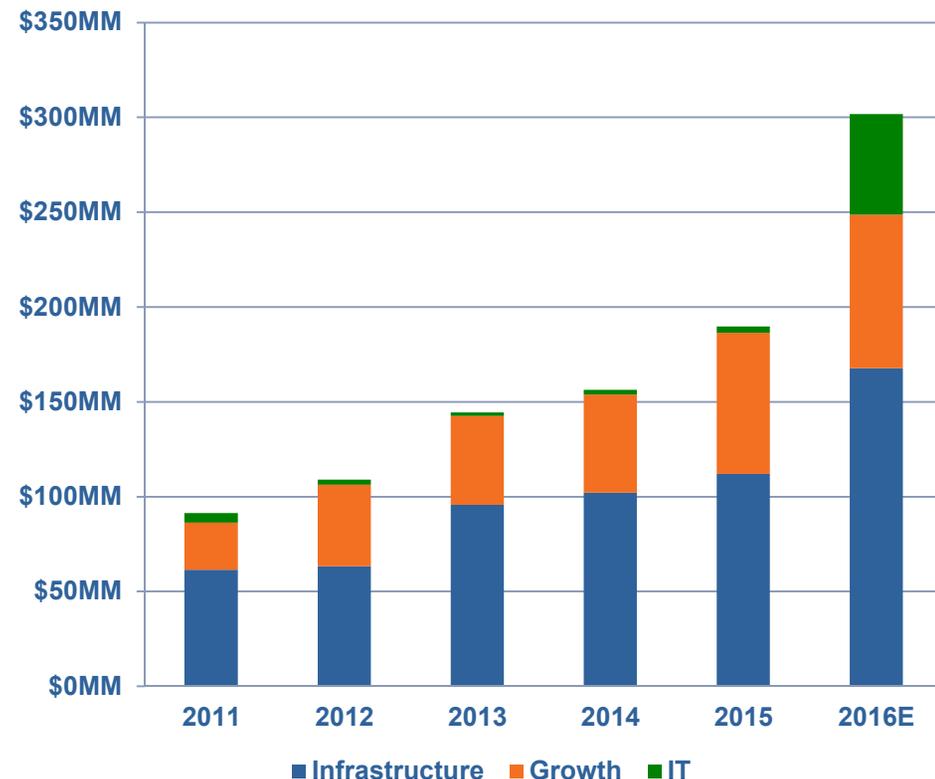


# Infrastructure Management

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 2041**
- Supports the continued development of our **service territory**

## Capital Expenditures

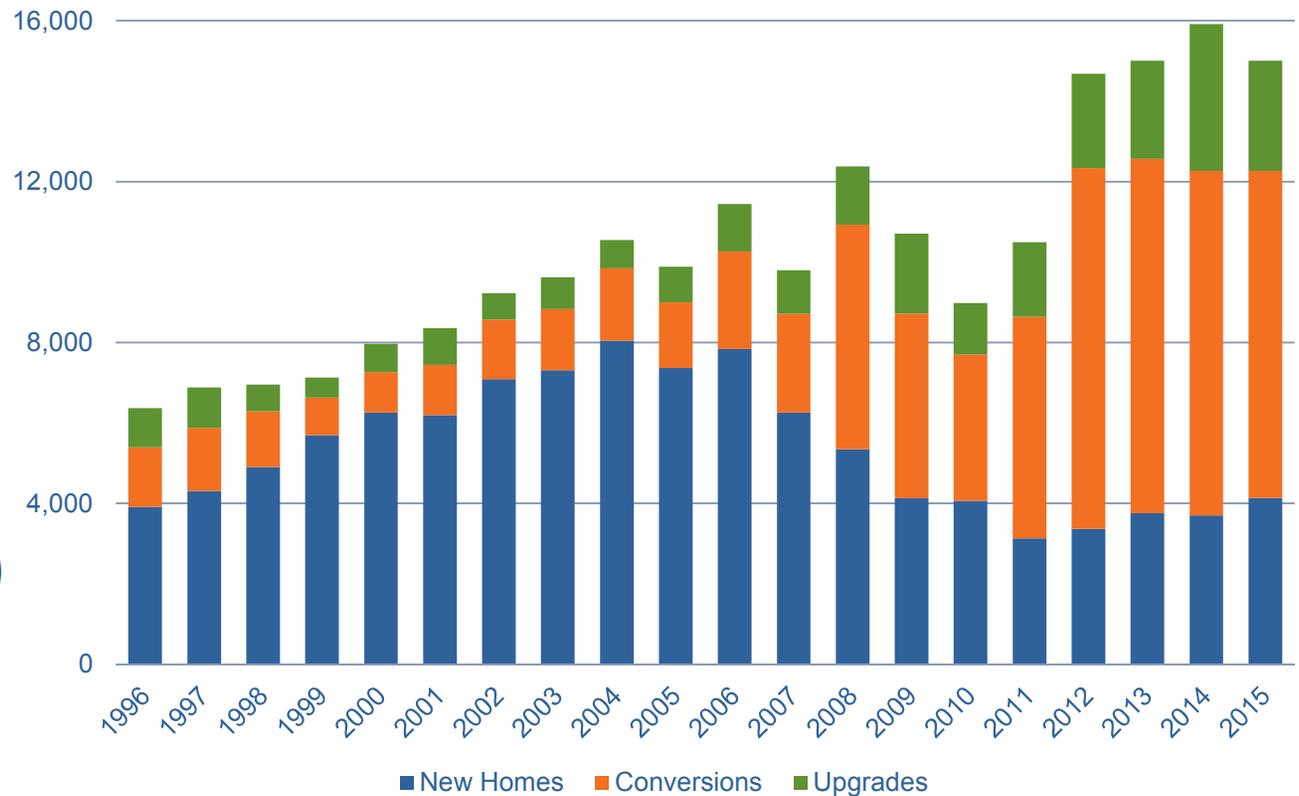


# Growth in the Residential Business

Focus on customer conversions has yielded strong results

### Total Residential Customer Additions

- Added ~15,000 residential natural gas heating customers in FY15
- Added ~134,000 residential customers since 2005



~380,000 potential customers within 80 feet of UGI gas mains



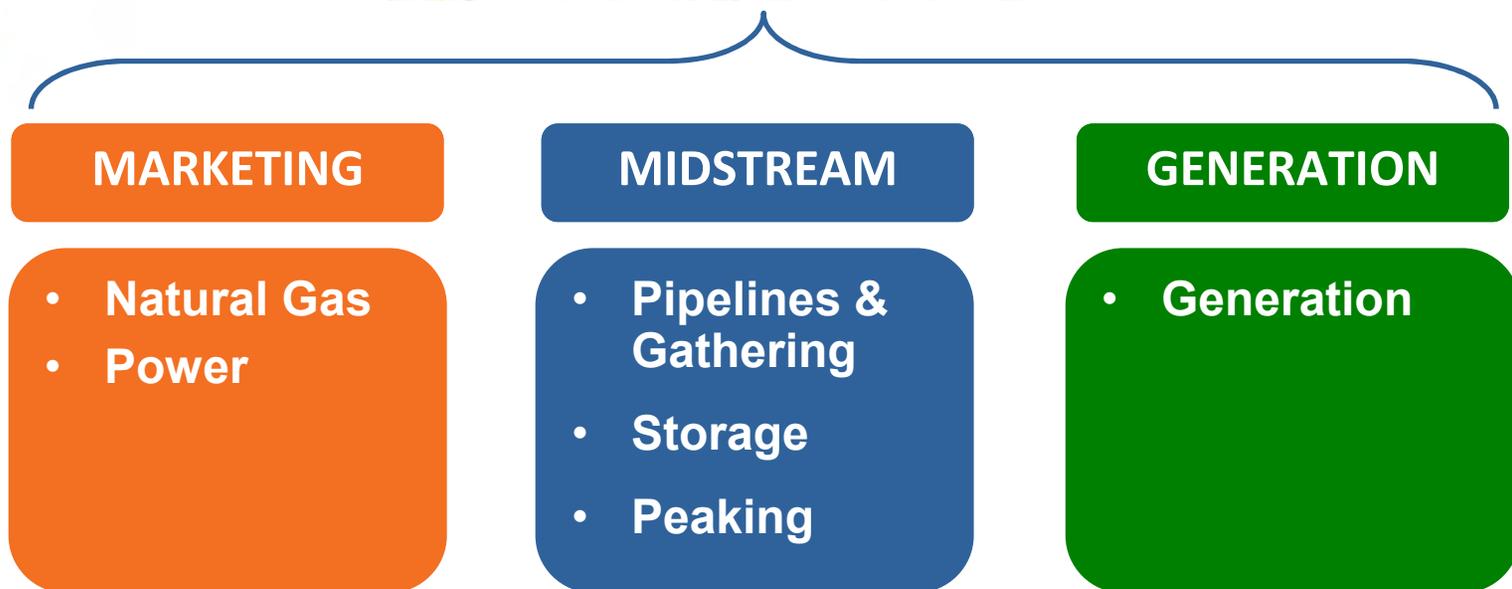


# Energy Services



# Business Lines

Grew out of Gas Utility following deregulation; started in 1995



Data for Fiscal Year 2015.

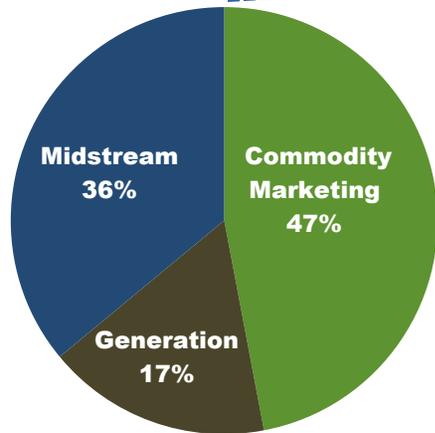
## Key Points – Energy Services



- **Well positioned for long-term leadership in Marcellus midstream**
  - **Strong track record of project execution**
  - **Sunbury FERC certificate and Notice of Schedule for PennEast are positive developments**
- **Increased fee-based income provides reliable earnings base and reduces weather volatility**
- **Asset network is well positioned to deliver additional value during periods of volatility**
- **Track record of earnings growth in marketing business**
- **Business mix evolving rapidly as midstream grows**

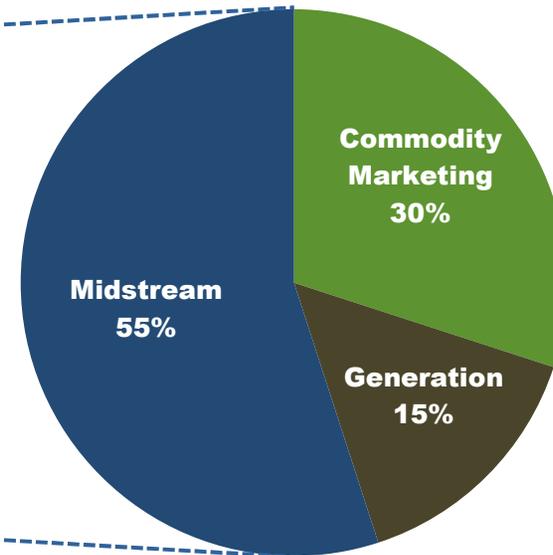
# Increasing Midstream Margin Contribution

## 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**

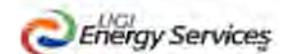
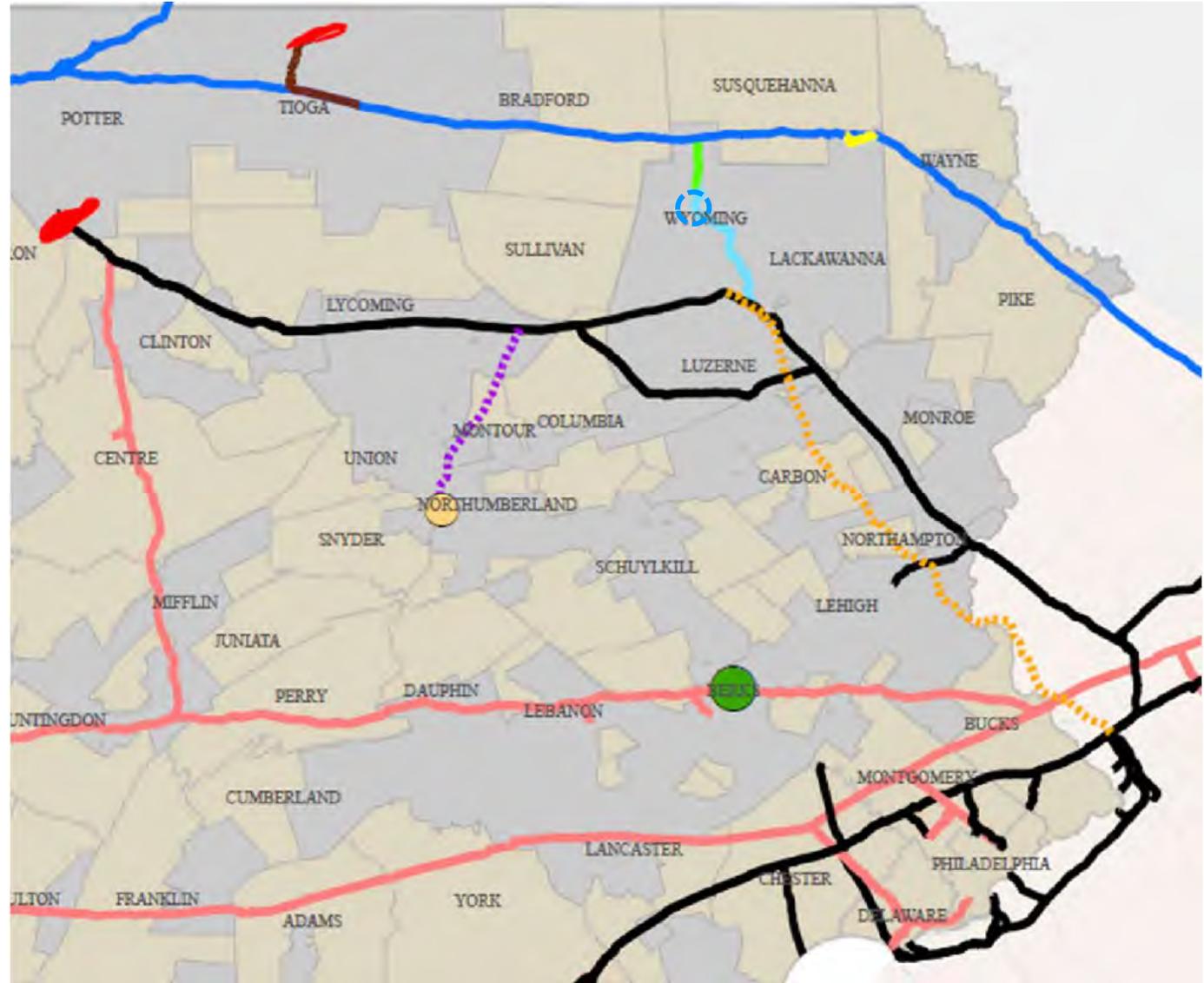
# Building Our Marcellus Midstream Asset Network

## 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



## Current Growth Projects

### Manning LNG

~\$60mm

- Located in at the site of UGIES' Manning Compressor Station
- 10,000 Dth/day of LNG capacity
- 280,000 gallons of storage and trucking-loading capability
- Natural gas supplied by the Auburn Gathering System
- Expected completion early 2017

### Sunbury Pipeline

~\$160mm

- 35 mile, 20" pipeline will supply low cost gas to 1000MW Hummel Station
- Announced February 2015; Partner with Panda Power Funds
- Received FERC approval in April 2016
- Construction of pipeline and Hummel Station expected to create ~850 jobs
- Expected completion late 2016

### PennEast Pipeline

~\$200 million

- ~118 mile, 36" pipeline will bring low cost Marcellus gas to Pennsylvania and New Jersey
- FERC scheduled to complete environmental review by Dec 2016
- Estimated \$1.62 billion positive economic impact; ~12,000 jobs
- Expected completion 2h 2018

Over \$400 million in active projects

# Completed Projects

## Auburn System

~\$230mm

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

## Temple LNG

~\$10 million

- Completed expansion in 2015
- 1.25 BCF Storage; 15 million gallons LNG
- 205,000 Dth/day peaking capacity
- Liquefaction Capacity of 10,000 Dth and 120,000 gallons per day
- LNG liquids trucking business is growing
- Peak Utility demand increasing

## Union Dale Lateral

~\$22mm

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

**AmeriGas**

**AmeriGas**



# Business Overview

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



**Operations in all 50 states**

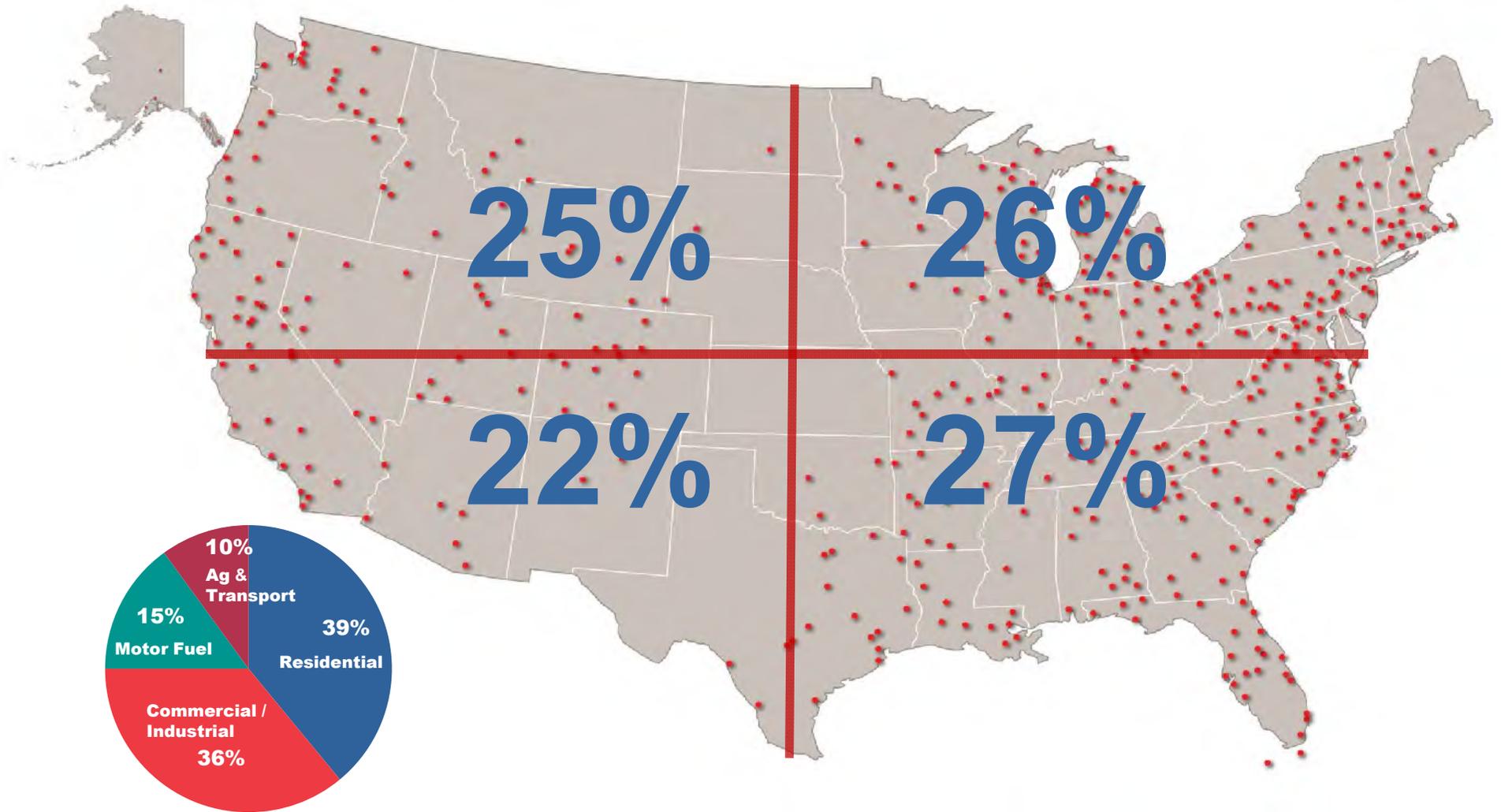
<sup>1</sup> Based on retail propane volumes sold in the United States as published by the American Petroleum Institute



## Key Points - AmeriGas

- **Geographically balanced**
- **Long track record of steady unit margin expansion**
- **Investing in technologies that will generate significant operating savings**
- **Steady growth through acquisitions, national accounts, and cylinder exchange programs**
- **No commodity price exposure**
- **No need to access the capital markets to fund planned growth**

# Geographic and Customer Diversity<sup>1</sup>



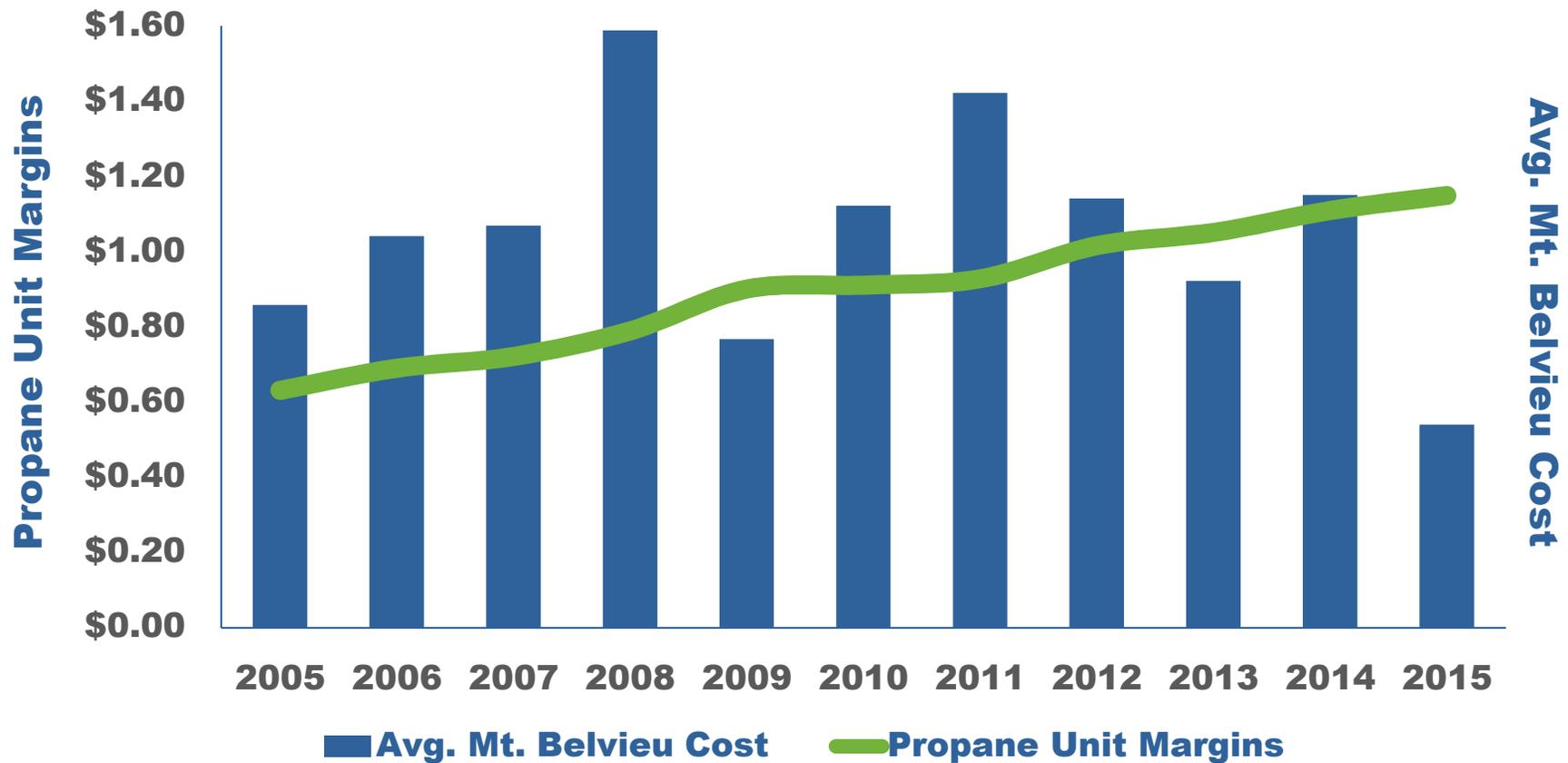
<sup>1</sup>Based upon retail gallons sold



# Unit Margin Management



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





# Investing in Technology

We have invested in technology that improves our customer service and drives operational efficiency



**Route Monitoring**



**Call Center Technology**



**AmeriMobile**  
*Mobile devices for real-time field communications*



**Personnel Training**



**AccuGas**  
*Tank monitoring*



**AmeriGas.com**

# Key Growth Drivers

## Cylinder Exchange

- Counter-seasonal due to summer grilling demand
- Have added 2,500 retail locations this year
- Approximately 51,000 retail locations

## National Accounts

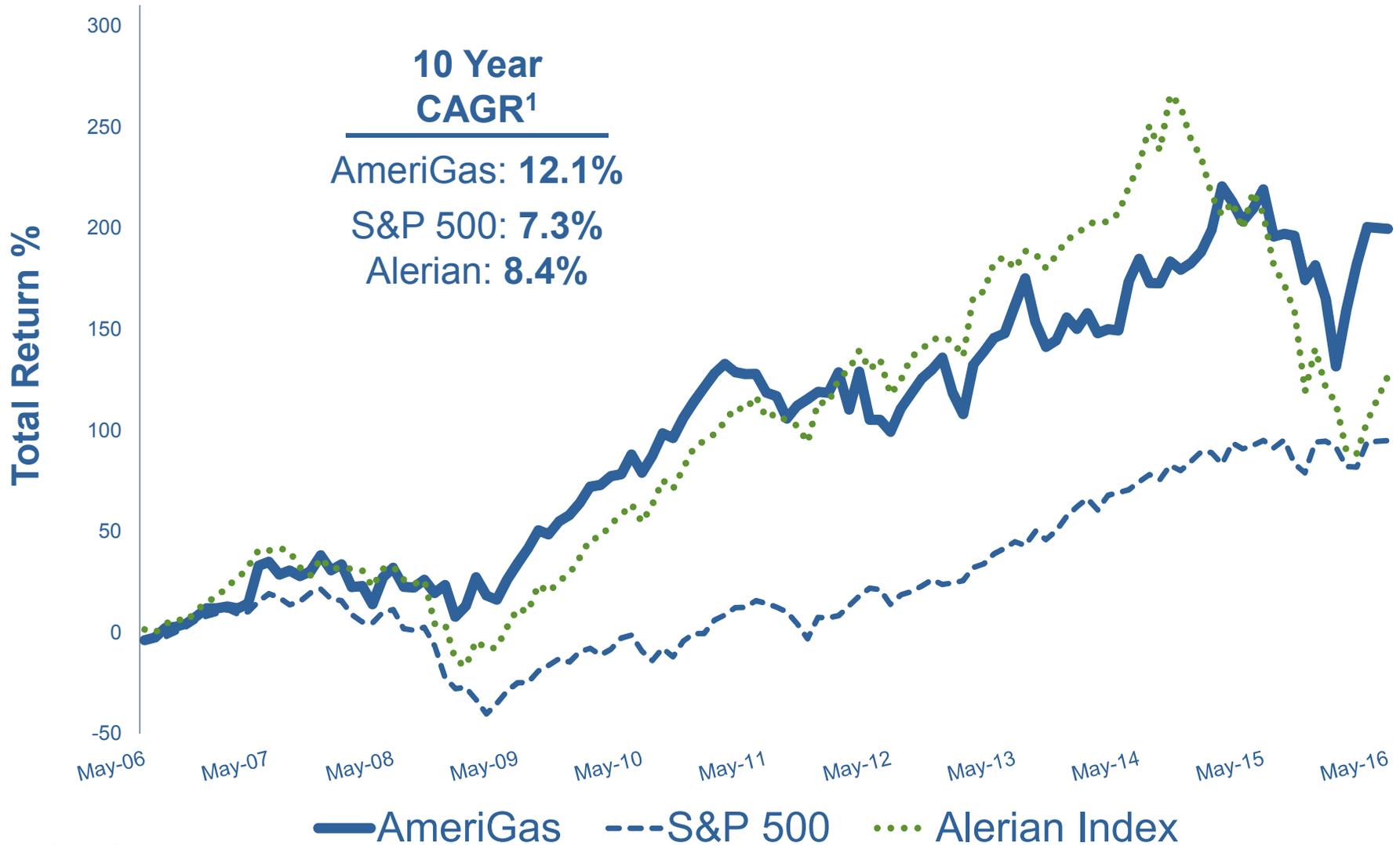
- Utilize nationwide distribution footprint to serve commercial customers with multiple locations
- One bill and one point of contact
- Less weather sensitive vs. residential
- Have added 31 new accounts this year

## Acquisitions

- Fragmented industry provides many highly synergistic and immediately accretive opportunities
- Integration is a core competency
- Over 175 deals closed since early 1980s; Have closed 3 acquisitions this year

**Grow  
Adjusted  
EBITDA 3-4%  
per year**

# Strong Total Return Over Long-Term



<sup>1</sup> Source: Bloomberg





# UGI International



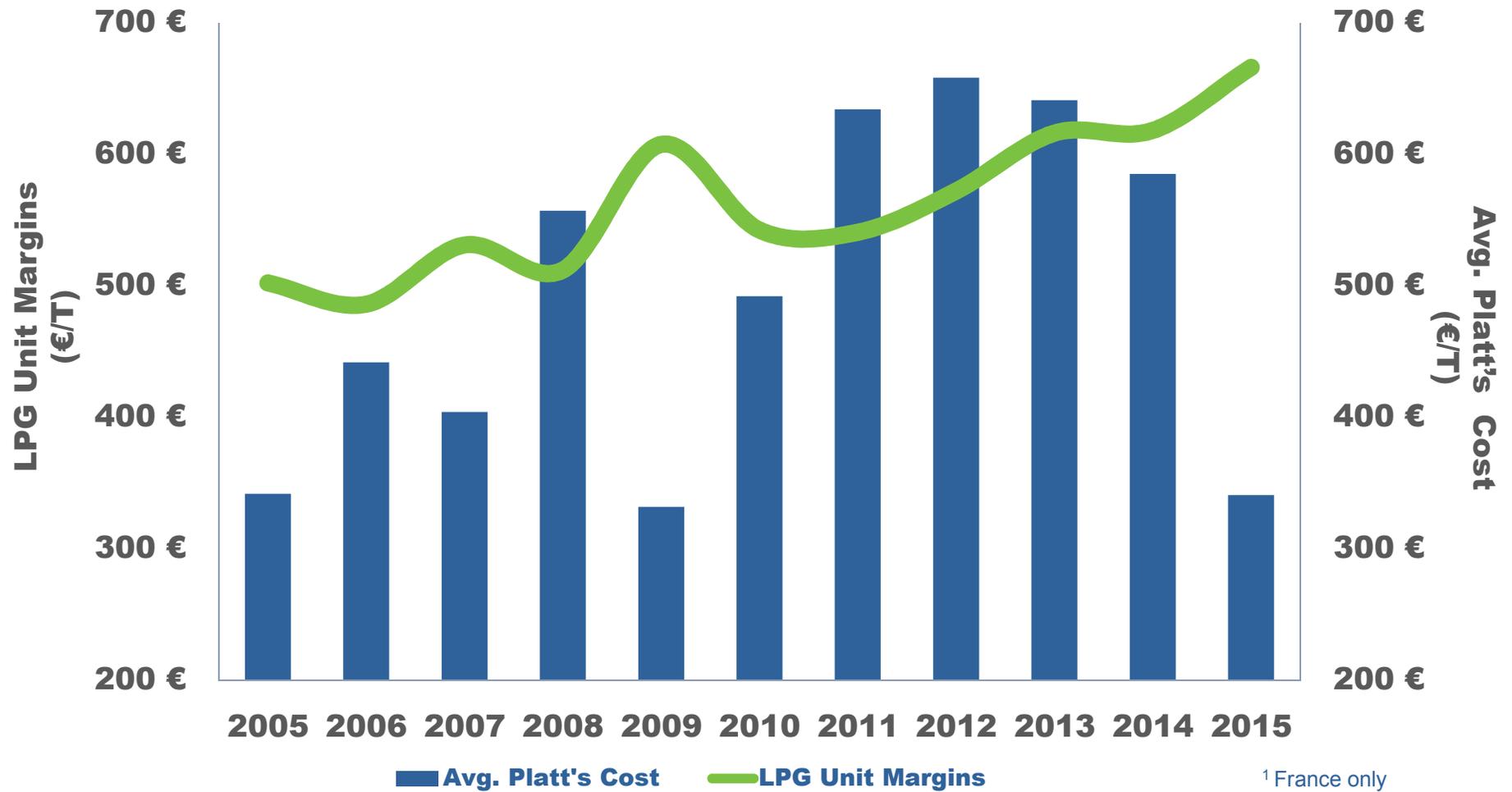
738 CR

## Key Points – International

- **High quality distribution network across northern and central Europe**
  - **One company with strong local presence**
  - **Delivering a core service in a stable environment**
  - **Diverse, actively-managed supply portfolio**
  
- **Pursuing growth**
  - **Heating Oil to LPG conversion**
  - **Natural Gas marketing**
  - **Potential Acquisition Opportunities**
  
- **Finagaz acquisition integration on track to deliver investment case**

# Unit Margin Management

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



<sup>1</sup> France only

## Finagaz Acquisition



- Acquisition from Total approximately doubled our business in France
- Closed in May 2015
- Immediately accretive in FY16
- Integration has gone extremely well
  - Synergies on track to meet or exceed expectations while enhancing service levels and broadening our product and service offering



## Why Invest in UGI?

- ✓ **We are a balanced Growth and Income investment**
  - **6-10% EPS Growth**
  - **4% Dividend Growth**
- ✓ **Excellent Cash Generation**
- ✓ **Disciplined deployment of capital supported by track record**
- ✓ **Our portfolio of growth opportunities has never been stronger**



**UGI**  
CORPORATION

**Q&A**





# 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.
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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 Q2 YTD FY12 Adjusted Net Income

---

(millions)	Six Months Ended March 31, <u>2012</u>
<b>Adjusted net income attributable to UGI Corporation:</b>	
GAAP Net Income Attributable to UGI Corporation	\$ 211.2
Net after-tax (gains) losses on commodity derivative instruments not associated with current period transactions	9.9
Net after-tax losses on extinguishment of debt	2.2
Net after-tax acquisition and transition expenses associated with Heritage	2.4
<b>Adjusted net income attributable to UGI Corporation</b>	<b><u>\$ 225.7</u></b>

# Commodity Marketing Overview

Targeting small/medium C&I customers that value our services

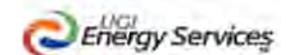
## Steady Earnings Growth Through Disruptive Events



## Highlights

Supplying natural gas, liquid fuels, and electricity to ~20,000 residential, commercial, and industrial customers

- ▶ No trading/speculation – volume is back-to-back hedged
- ▶ Very high customer retention rates
- ▶ Low bad debt
- ▶ Steady growth in volume and geography
- ▶ Calculated growth results in long-term commitment to markets we serve while also entering new markets



# Natural Gas Peaking

**A customized, low-cost alternative to firm pipeline capacity designed to serve a Utility's needs on the coldest days of winter**

- ✓ Functions as an insurance contract – utilities pay for access to capacity to cover peak load
- ✓ Less expensive than pipeline capacity
- ✓ Fee-based; assets do not have to run to generate earnings
- ✓ ~15% CAGR since 2008



## **UGI's Peaking Fleet:**

- ✓ Increased Temple liquefaction capacity by 50% in 2015 to 10,000 Dth/day
- ✓ Currently constructing Manning LNG facility – 10,000 Dth/day liquefaction and storage

### ***Peaking demands growing:***

- 1) Natural gas customers increasing
- 2) More interruptible customers moving to firm commitment

# UGI International Summary



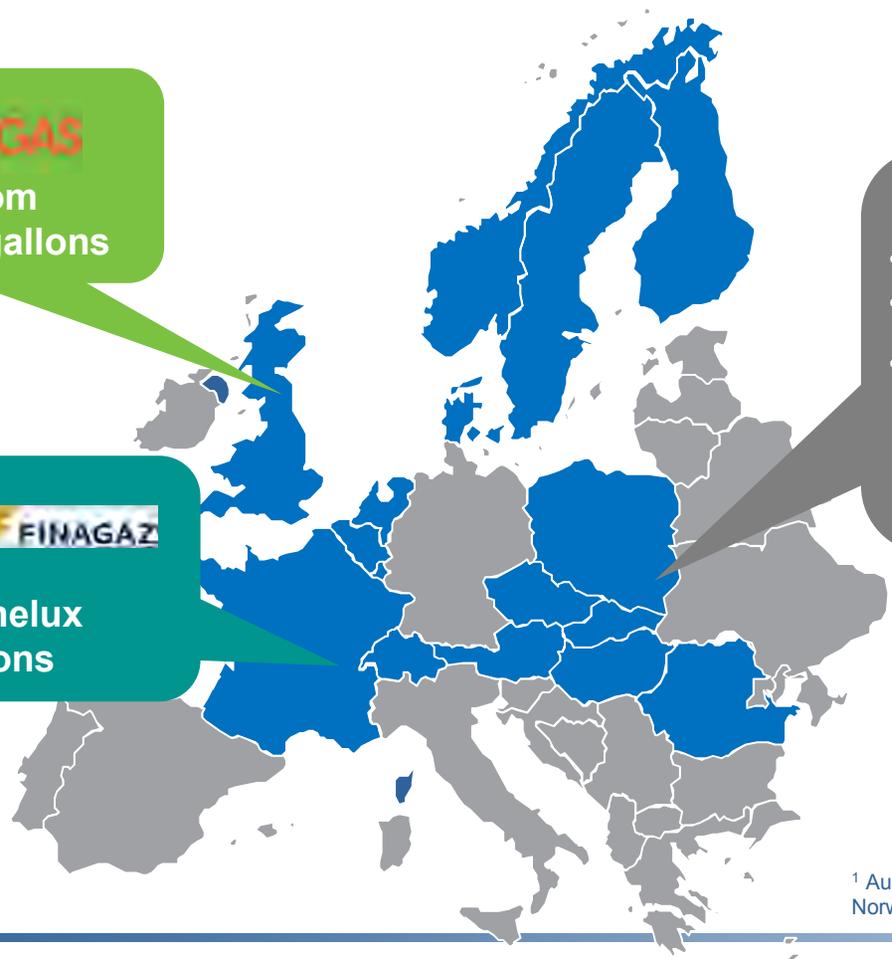
- United Kingdom
- Over 156MM gallons



- France & Benelux
- ~330MM gallons



- 11 countries<sup>1</sup>
- ~326MM gallons
- *Other Brand Names:*



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



## **Fiscal 2016 Third 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. In addition, this presentation uses certain non-GAAP financial measures. Please see the appendix for reconciliations of these measures to the most comparable GAAP financial measure.

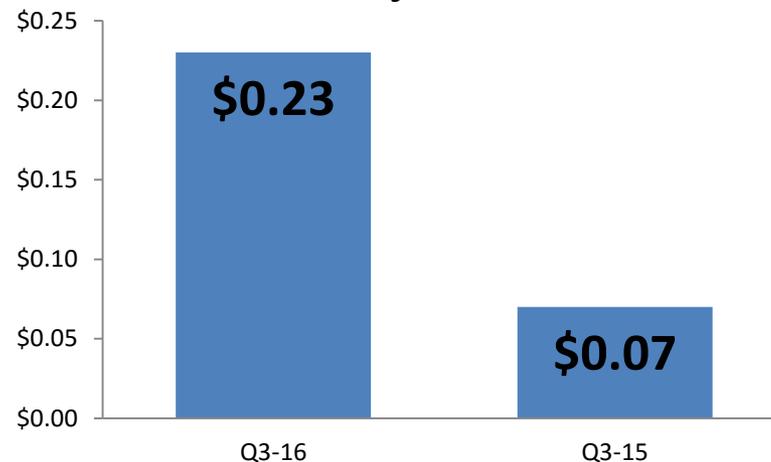
## Third Quarter Recap

**John Walsh**  
President & CEO, UGI

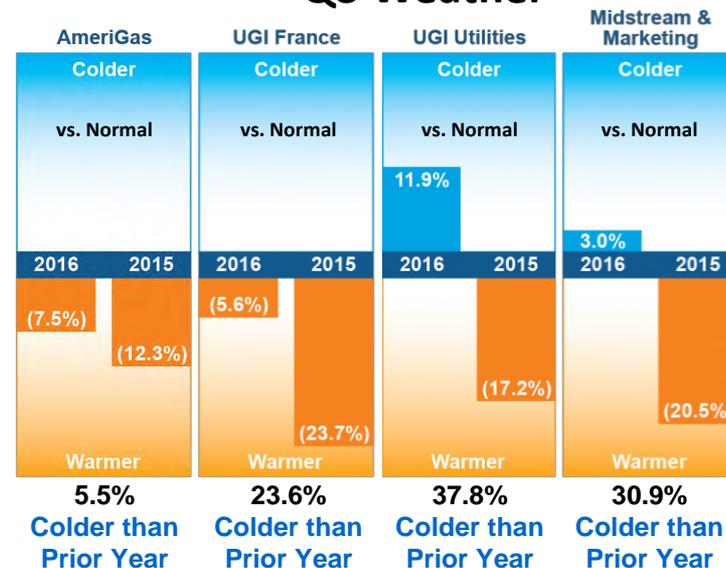


- Superior execution aided by cooler weather in early spring shoulder months
- International segment delivered outstanding results driven by Finagaz acquisition and higher unit margins
- On track to deliver record full year results despite year-to-date weather that was significantly warmer than normal
- Our integrated Marcellus portfolio provides significant opportunities to expand our network with major new investments

## Adjusted EPS<sup>1</sup>



## Q3 Weather



<sup>1</sup> Q3-16 GAAP was EPS \$0.34; Q3-15 GAAP EPS was \$0.05. See appendix for Adjusted EPS reconciliation.



- **Filed UGI Gas rate case settlement in June. If approved, our new rates would increase by \$27 million and become effective mid-October**



- **Recently expanded LNG facility in Temple, PA is being fully utilized**



- **\$1.35 billion AmeriGas refinancing will lower its cost of capital and address long-term refinancing needs**



- **International segment results driven by:**
  - **Solid margin management**
  - **Strong contribution from Finagaz acquisition**

## Financial Review

**Kirk Oliver**  
Chief Financial Officer, UGI



# Q3 Adjusted Earnings

	Three Months Ended June 30, (millions)	
	<u>2016</u>	<u>2015</u>
Net income attributable to UGI Corporation	\$60.7	\$9.6
Net after-tax gains on commodity derivative instruments <sup>1</sup>	(29.6)	(4.9)
Net after-tax acquisition and integration expenses <sup>2</sup>	2.8	3.1
Loss on extinguishments of debt <sup>3</sup>	6.1	4.6
<b>Adjusted net income attributable to UGI Corporation</b>	<b>\$40.0</b>	<b>\$12.4</b>

	Three Months Ended June 30,	
	<u>2016</u>	<u>2015</u>
UGI Corporation - Diluted Earnings Per Share (GAAP)	\$0.34	\$0.05
Net after-tax gains on commodity derivative instruments <sup>1</sup>	(0.16)	(0.03)
Net after-tax acquisition and integration expenses <sup>2</sup>	0.02	0.02
Loss on extinguishments of debt <sup>3</sup>	0.03	0.03
<b>Adjusted diluted earnings per share</b>	<b>\$0.23</b>	<b>\$0.07</b>

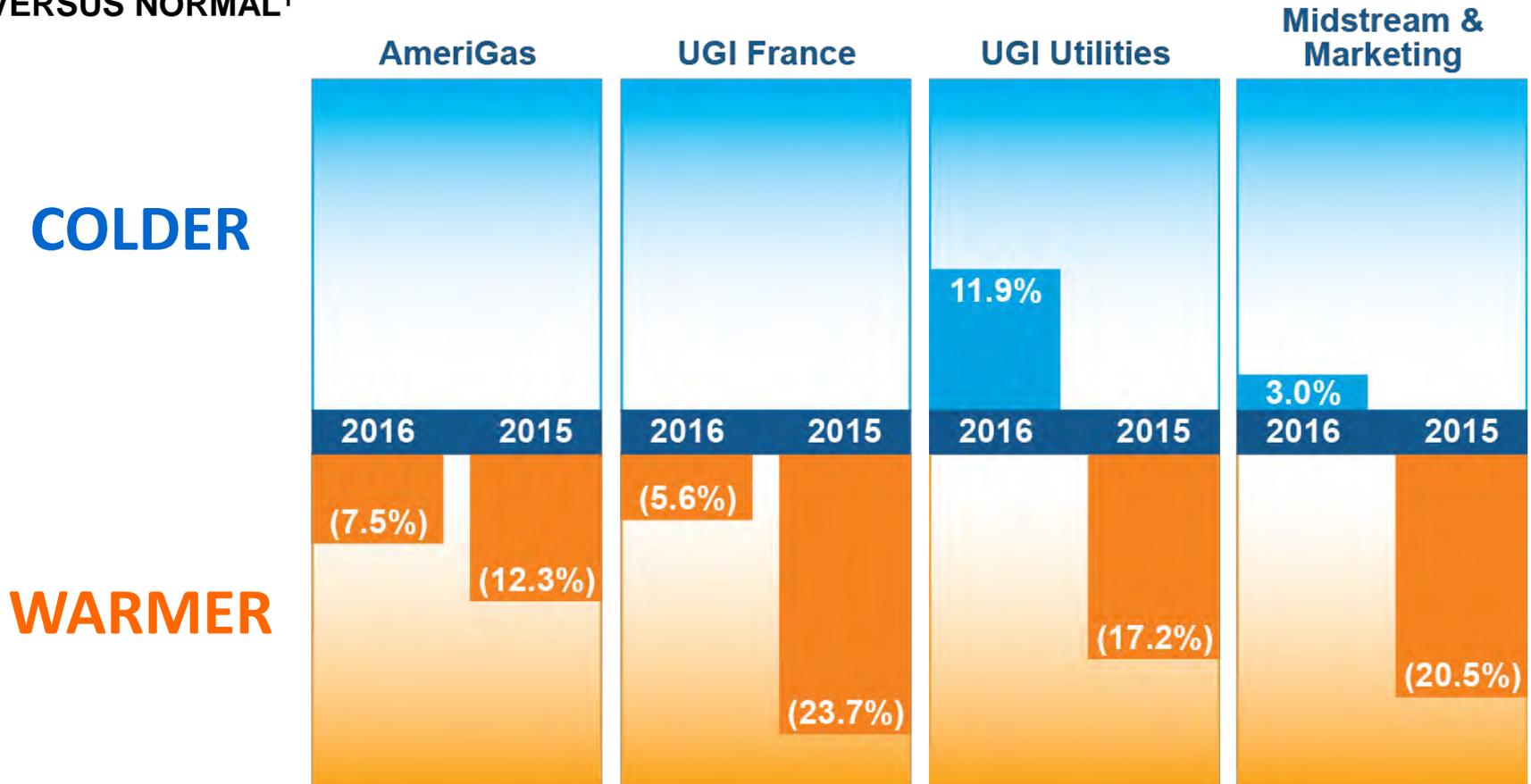
<sup>1</sup> Not associated with current period transactions.

<sup>2</sup> Associated with the Finagaz acquisition.

<sup>3</sup> Associated loss on extinguishment of debt in 2015 is included in interest expense on the condensed consolidated financial statements.

# Q3 Weather – Colder Than Prior Year

VERSUS NORMAL<sup>1</sup>



VERSUS PRIOR YEAR <sup>1</sup>	AmeriGas	UGI France	UGI Utilities	Midstream & Marketing
	5.5% Colder	23.6% Colder	37.8% Colder	30.9% Colder

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

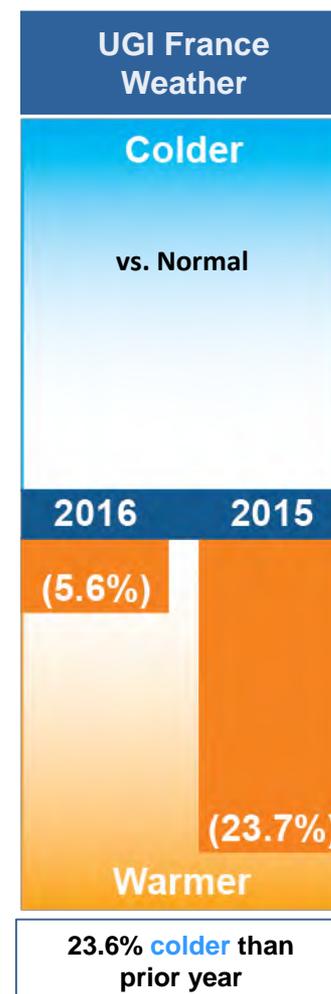
(millions)	FY 2015		FY 2016
<b>Q3 Adjusted EBITDA</b>	<b>\$ 48.9</b>		
Retail Volume		\$ 0.7	} <b>Total Margin</b>
Retail Unit Margin		\$ 9.2	
Wholesale and Other Total Margin		\$ (0.6)	
Operating and Administrative Expenses		\$ 6.1	
Other		\$ 0.3	
<b>Q3 Adjusted EBITDA<sup>1</sup></b>			<b>\$ 64.6</b>



- **Volume comparable to prior year on slightly colder weather**
- **Retail unit margin management drove higher total margin**
- **Lower compensation and benefits expenses and vehicle fuel costs drove lower operating expenses**

<sup>1</sup> Partnership adjusted EBITDA for the three months ended June 30, 2016 excludes \$37.1 million of costs associated with early extinguishments of debt.

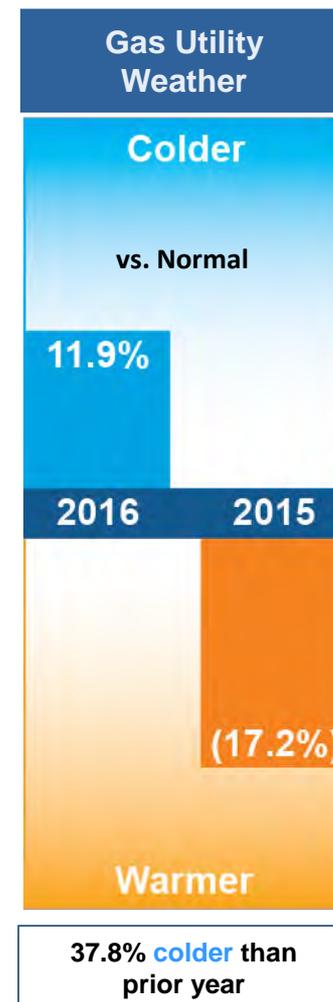
(millions)	FY 2015	FY 2016
<b>Q3 Loss Before Taxes</b>	<b>\$ (16.9)</b>	
Total Margin		\$ 78.7
Operating and Administrative Expenses		\$ (37.9)
Depreciation and Amortization		\$ (6.3)
Interest Expense		\$ 10.8
Other		\$ (0.7)
<b>Q3 Income Before Taxes</b>		<b>\$ 27.7</b>
Acquisition and Integration Related Expenses	\$ 4.9	\$ 4.5
Loss on extinguishments of debt	10.3	-
<b>Adj. (Loss) Income Before Income Taxes<sup>1</sup></b>	<b>\$ (1.7)</b>	<b>\$ 32.2</b>



- **Higher total margin driven by acquisition of Finagaz, strong unit margin management at both Finagaz and Antargaz, and colder weather**
- **Active management of expenses with integration of Finagaz**
- **Interest expense lower as prior period included a \$10.3 million loss on extinguishment of debt**

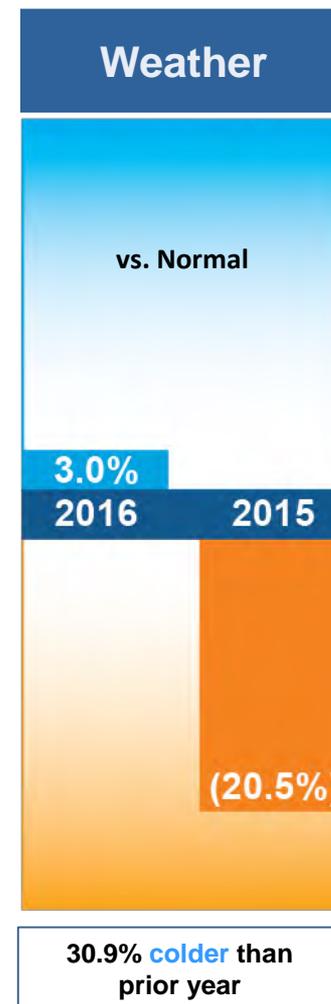
<sup>1</sup> Adjusted Income Before Income Taxes is a Non-GAAP measure.

(millions)	FY 2015	FY 2016
<b>Q3 Income Before Taxes</b>	<b>\$ 10.3</b>	
Total Margin		\$ 6.2
Operating and Administrative Expenses		\$ 7.9
Depreciation and Amortization		\$ (0.7)
Interest Expense		\$ 0.8
Other		\$ (3.8)
<b>Q3 Income Before Taxes</b>		<b>\$ 20.7</b>



- **Total margin favorable due to higher core market throughput as weather was colder than prior year**
- **Lower distribution and customer accounts expenses drove lower operating expenses**
- **Reduction in other income reflects incremental income in 2015 from construction services and the sale of HVAC business**

(millions)	FY 2015	FY 2016
<b>Q3 Income Before Taxes</b>	<b>\$ 19.0</b>	
Total Margin		\$ (7.9)
Operating and Administrative Expenses		\$ 0.5
Depreciation and Amortization		\$ (0.5)
Interest Expense		\$ 0.1
Other		\$ (0.3)
<b>Q3 Income Before Taxes</b>		<b>\$ 10.9</b>



- **Lower margin resulting from:**
  - **Reduced volatility in capacity values that drove lower capacity margin (\$7.4 million)**
  - **Lower electric generation total margin (\$1.8 million)**
  - **Partially offset by higher natural gas total margin**
- **Slightly lower operating expenses offset by slightly higher depreciation**

## Liquidity

- **Strong cash generation**
- **Access to cash and bank capacity**
- **AmeriGas refinancing lowered average borrowing costs and extended maturities**
- **Utility drew \$100 million on its private placement to repay revolving credit facility**

## Guidance

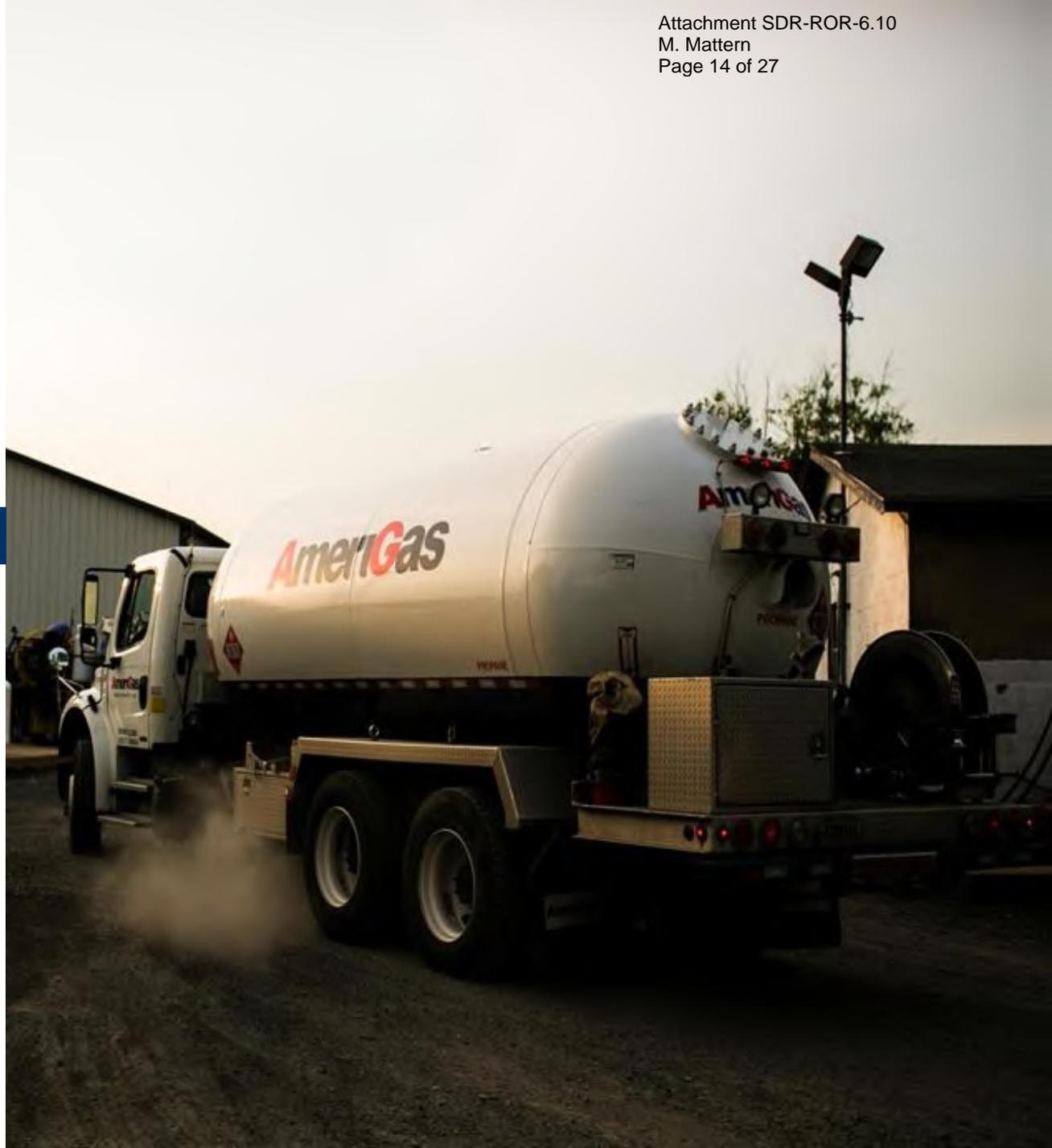
- **FY 16 Adjusted EPS at the upper end, or slightly above, our guidance range of \$1.95 to \$2.05<sup>1</sup>**

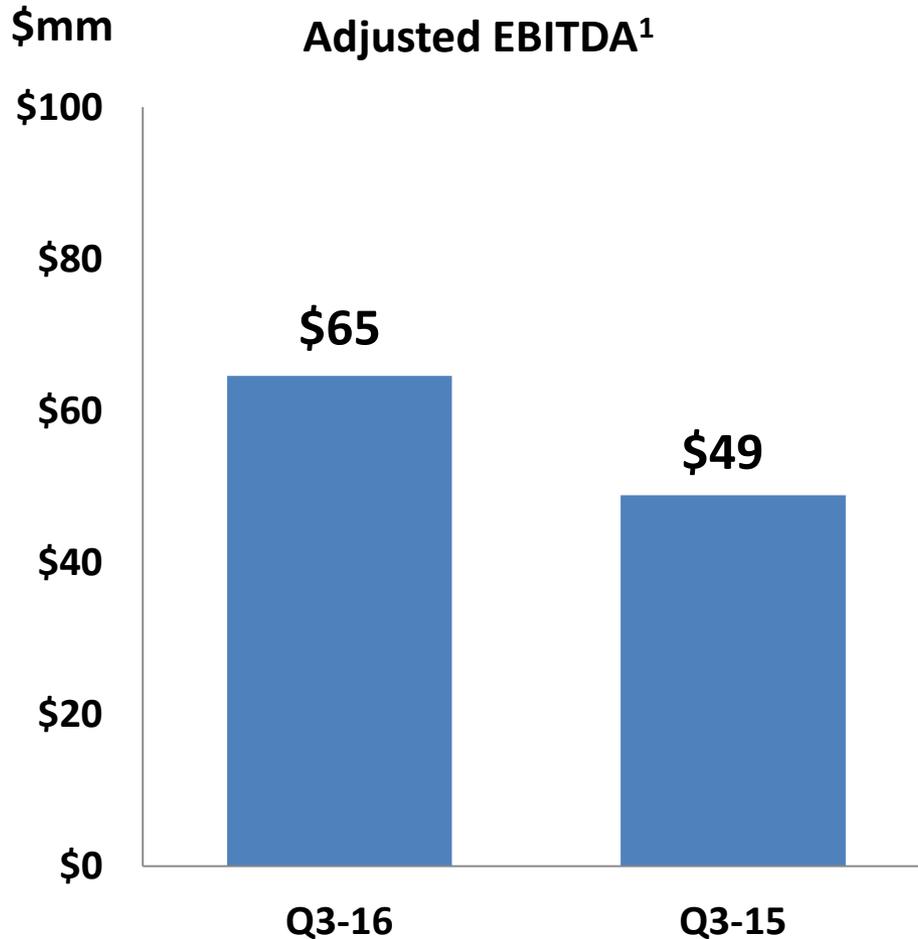
<sup>1</sup> Due to the forward looking nature of Adjusted EPS, we are unable to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure. Management is unable to project certain reconciling items, in particular mark-to-market gains (losses), for future periods due to market volatility.



## Third Quarter Recap

**Jerry Sheridan**  
President & CEO, AmeriGas





- **Solid margin management, expense control and colder weather contributed to strong results**
- **Weather was 7.5% warmer than normal and 5.5% colder than the prior year**
- **Increased unit margins \$0.04 despite 26% increase in propane costs over prior year**

<sup>1</sup> See appendix for reconciliation of Adjusted EBITDA.

## Cylinder Exchange

- **3% increase in cylinders sold, driven by a 14% increase in the month of June**

## National Accounts:

- **Volume increased 6% as it benefited from the cooler weather and account growth**

## Acquisitions

- **Completed two acquisitions in June and one in July**
- **Have closed six acquisitions year-to-date**

- **Completed \$1.35 billion refinancing**
  - **\$675 million matures 2024**
  - **\$675 million matures 2026**
- **Extends our weighted average maturities from 3.8 years to 9 years**
- **Reduces cash interest by \$5 million per year**
- **Continue to focus on solid distribution coverage to support annual distribution increases**

**Adjusted EBITDA guidance range  
remains \$575 - \$600 million<sup>1</sup>**

<sup>1</sup> Due to the forward looking nature of Adjusted EBITDA, we are unable to reconcile this non-GAAP financial measure to the most directly comparable GAAP financial measure. Management is unable to project certain reconciling items, in particular mark-to-market gains (losses), for future periods due to market volatility.

## Conclusion

**John Walsh**  
President & CEO, UGI



## Midstream & Marketing

### Sunbury Pipeline

- Currently under construction
- Completion early 2017
- In service Summer 2017

### PennEast Pipeline

- Draft Environmental Impact Statement issued
- Anticipate FERC's final decision in 2017
- Targeting in-service 2nd half 2018

### Manning LNG

- On-track to be completed in January 2017

## AmeriGas

- Adjusted EBITDA up over 30% over prior year
- Solid volume growth in both ACE and National Accounts programs

## Utilities

- Project activity is robust and expected to continue
- New UGI Gas rates are expected to become effective in October
- UGI Gas DSIC surcharge would minimize regulatory lag on investment

## International

- Finagaz and Hungary contributed to strong results
- Integrations remain on track

- **Strong results with record third quarter earnings**
- **Major investments are clearly yielding results**
- **Continue to expect the strong underlying demand for natural gas will stress the existing infrastructure**
- **The increasing “infrastructure gap” will continue to yield investment opportunities for UGI while enhancing the value of existing assets**





**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. 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.
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	<b>Three Months Ended</b>	
	<b>June 30,</b>	
	<b>2016</b>	<b>2015</b>
(Dollars in millions, except per share amounts)		
<b>Adjusted net income attributable to UGI Corporation:</b>		
Net income attributable to UGI Corporation	\$ 60.7	\$ 9.6
Net gains on commodity derivative instruments not associated with current period transactions (net of tax of \$18.0, \$2.4, \$32.4 and \$(27.7), respectively)		
(a) (b)	(29.6)	(4.9)
Acquisition and integration expenses associated with Finagaz (net of tax of \$(1.7), \$(1.8), \$(5.9) and \$(5.3), respectively) (a)	2.8	3.1
Loss on extinguishments of debt (net of tax of \$(3.9), \$(5.7), \$(3.9) and \$(5.7), respectively) (a) (c)	6.1	4.6
<b>Adjusted net income attributable to UGI Corporation</b>	<b>\$ 40.0</b>	<b>\$ 12.4</b>
<b>Adjusted diluted earnings per share:</b>		
UGI Corporation earnings per share - diluted	\$ 0.34	\$ 0.05
Net gains on commodity derivative instruments not associated with current period transactions(b)	(0.16)	(0.03)
Acquisition and integration expenses associated with Finagaz	0.02	0.02
Loss on extinguishments of debt	0.03	0.03
<b>Adjusted diluted earnings per share</b>	<b>\$ 0.23</b>	<b>\$ 0.07</b>

(a) Income taxes associated with pre-tax adjustments determined using statutory business unit tax rates (which approximates the consolidated effective tax rate).

(b) Includes the effects of rounding.

(c) Associated loss on extinguishment of debt in the 2015 three-month period is included in interest expense on the condensed consolidated financial statements.

Three Months Ended June 30, 2016	Total	Elim- inations	AmeriGas Propane	UGI Utilities	Midstream & Marketing		UGI International		Corporate & Other (b)
					Energy Services	Electric Generation	UGI France	Flaga & Other	
Revenues	1,130.8	(20.0) (c)	446.7	140.3	156.8	11.7	280.7	114.8	(0.2)
Cost of sales	433.0	(19.2) (c)	170.8	44.4	121.7	4.9	117.9	61.8	(69.3)
Segment profit:									
Operating income (loss)	155.7	0.1	18.3	29.8	12.6	(1.3)	24.7	8.8	62.7
Income (loss) from equity investees	—	—	—	—	—	—	—	—	—
Loss on extinguishments of debt	(37.1)	—	(37.1)	—	—	—	—	—	—
Interest expense	(56.4)	—	(40.9)	(9.1)	(0.4)	—	(4.9)	(0.9)	(0.2)
Income (loss) before income taxes	62.2	0.1	(59.7)	20.7	12.2	(1.3)	19.8	7.9	62.5
Partnership Adjusted EBITDA (a)			64.6						

Three Months Ended June 30, 2015 (d)	Total	Elim- inations	AmeriGas Propane	UGI Utilities	Midstream & Marketing		UGI International		Corporate & Other (b)
					Energy Services	Electric Generation	UGI France	Flaga & Other	
Revenues	1,148.1	(27.0) (c)	478.0	143.5	189.5	16.2	196.1	150.7	1.1
Cost of sales	586.4	(26.4) (c)	211.4	53.7	148.2	7.7	107.9	101.8	(17.9)
Segment profit:									
Operating income	56.1	\$ —	0.8	20.2	18.2	1.3	(9.1)	8.8	15.9
Loss from equity investees	—	—	—	—	—	—	—	—	—
Loss on extinguishments of debt	—	—	—	—	—	—	—	—	—
Interest expense	(67.5)	—	(40.3)	(9.9)	(0.5)	—	(15.7) (e)	(0.9)	(0.2)
(Loss) income before income taxes	(11.4)	\$ —	(39.5)	10.3	17.7	1.3	(24.8)	7.9	15.7
Partnership Adjusted EBITDA (a)			48.9						

(a) The following table provides a reconciliation of Partnership Adjusted EBITDA to AmeriGas Propane (loss) income before income taxes:

	Three Months Ended June 30,	
	2016	2015
Partnership Adjusted EBITDA	\$ 64.6	\$ 48.9
Depreciation and amortization	(46.4)	(48.0)
Interest expense	(40.9)	(40.3)
Loss on extinguishments of debt	(37.1)	-
Noncontrolling interests (i)	0.1	(0.1)
(Loss) income before income taxes	<u>\$ (59.7)</u>	<u>\$ (39.5)</u>

(b) Corporate & Other results principally comprise (1) net expenses of UGI's captive general liability insurance company, and (2) UGI Corporation's unallocated corporate and general expenses and interest income. In addition, Corporate & Other results also include the effects of net pre-tax gains and (losses) on commodity derivative instruments not associated with current-period transactions totaling \$67.9 and \$(18.1) during the three months ended June 30, 2016 and 2015, respectively, and \$133.0 and \$(109.5) during the nine months ended June 30, 2016 and 2015, respectively. Corporate & Other assets principally comprise cash and short-term investments of UGI and its captive insurance company; UGI corporate headquarters' assets; and our investment in a private equity partnership.

(c) Represents the elimination of intersegment transactions principally among Midstream & Marketing, UGI Utilities and AmeriGas Propane.

(d) Certain amounts have been restated to reflect the current-year changes in our segment presentation as described above.

(e) UGI France interest expense includes pre-tax loss of \$10.3 associated with an early extinguishment of debt.

- ❖ 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.

<b>EBITDA and Adjusted EBITDA:</b>	<b>Three Months Ended</b>	
	<b>June 30,</b>	
	<b>2016</b>	<b>2015</b>
Net (loss) income attributable to AmeriGas Partners	\$ (33.1)	\$ (25.6)
Income tax expense (a)	1.0	0.7
Interest expense	40.8	40.3
Depreciation	35.7	37.4
Amortization	10.7	10.7
EBITDA	55.1	63.5
Subtract net (gains) add net losses on commodity derivative instruments not associated with current-period transactions	(27.8)	(14.8)
Noncontrolling interest in net gains (losses) on commodity derivative instruments not associated with current-period transactions (a)	0.2	0.2
Loss on extinguishments of debt	37.1	-
Adjusted EBITDA	\$ 64.6	\$ 48.9

(a) Includes the impact of rounding.



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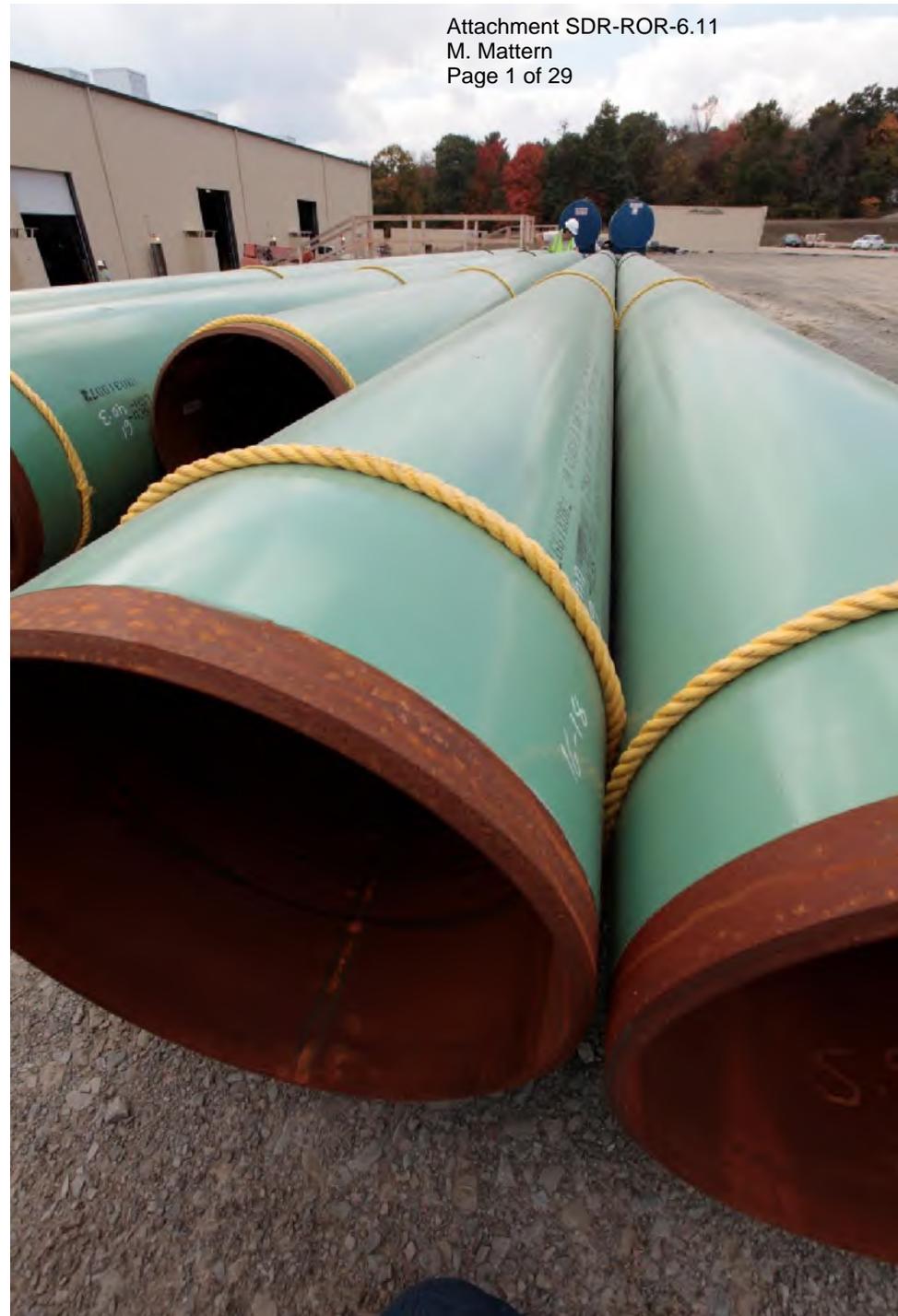


## Fiscal Year 2016 Results FY17 Outlook

**John Walsh**  
President & CEO, UGI

**Kirk Oliver**  
Chief Financial Officer, UGI

**Jerry Sheridan**  
President & CEO, AmeriGas

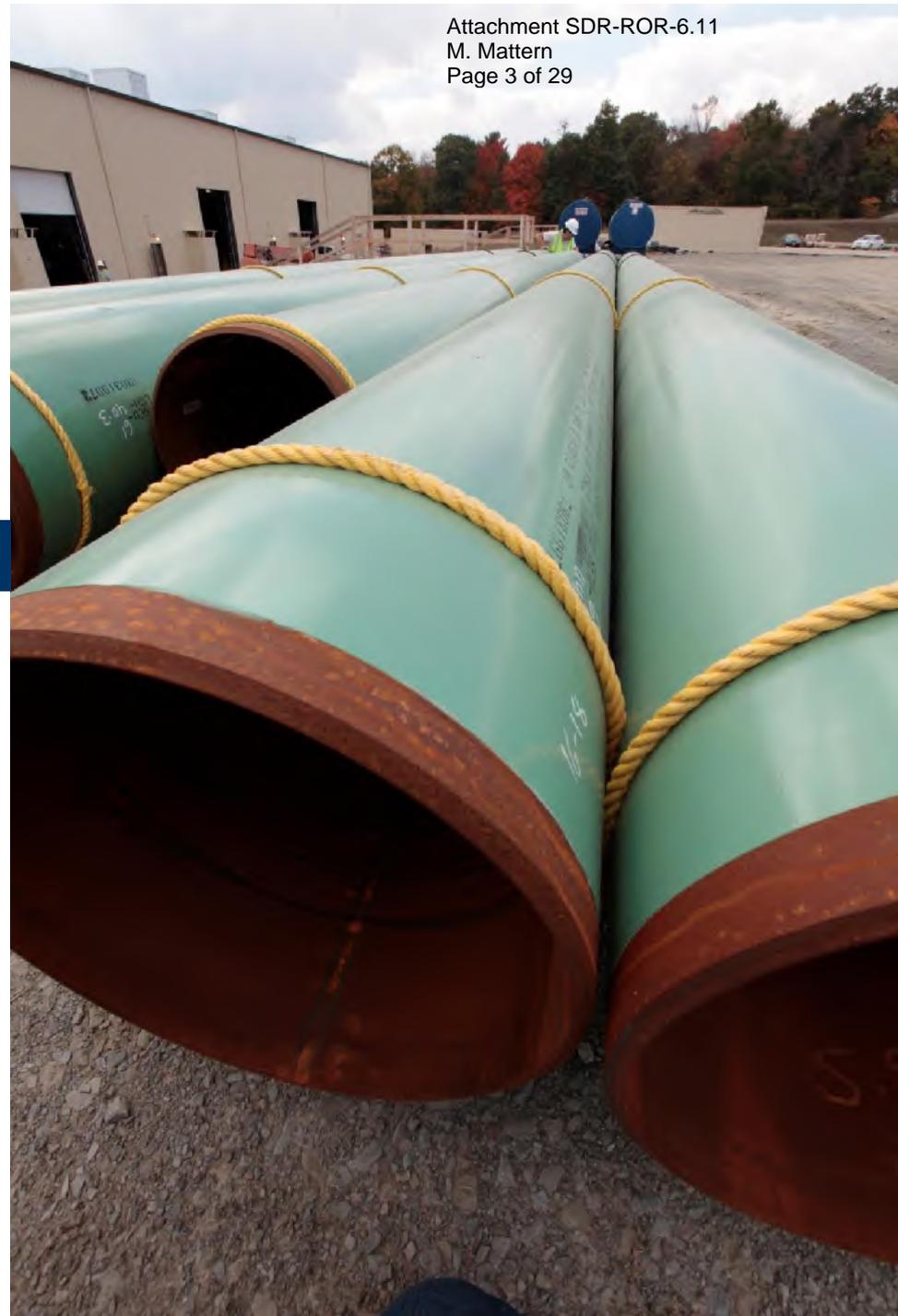


# About This Presentation

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.

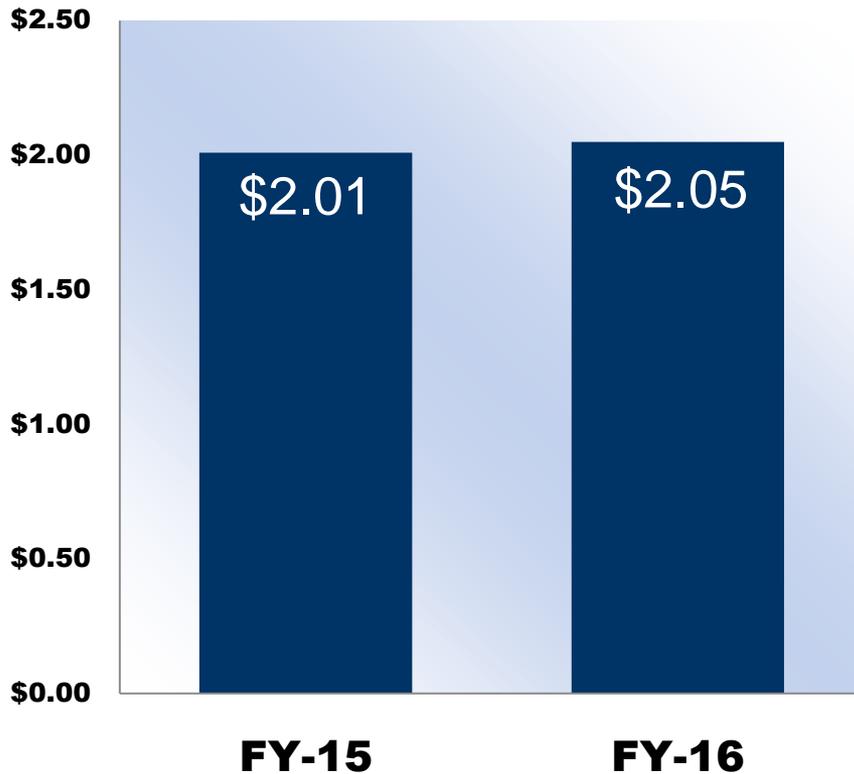
## 2016 Fiscal Year Recap

**John Walsh**  
President & CEO, UGI



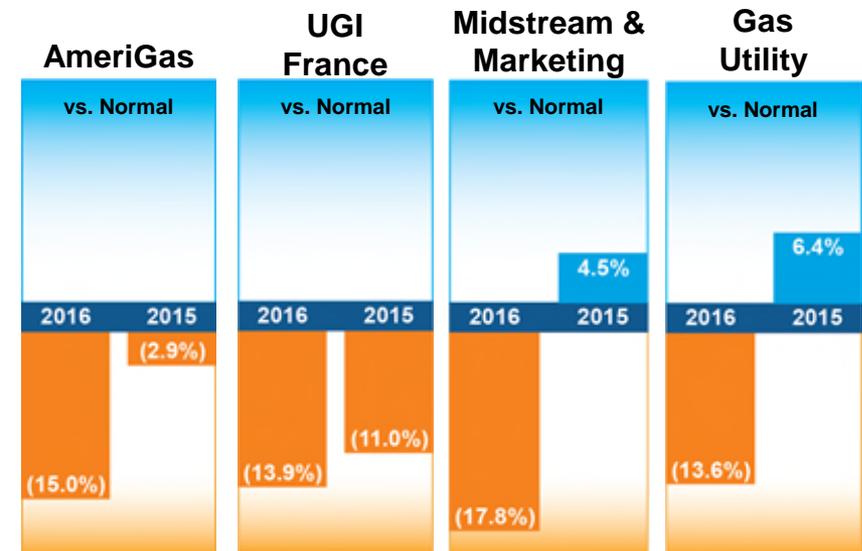
# FY16 Earnings Recap

## Adjusted EPS<sup>1</sup>



- Record earnings despite very warm weather
- Significant contributions from growth initiatives
  - Marcellus infrastructure projects
  - Strong results from Finagaz

## Fiscal Year Weather



VERSUS PRIOR YEAR <sup>2</sup>	12.5% Warmer	3.3% Warmer	20.5% Warmer	17.8% Warmer
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<sup>1</sup> Adjusted Earnings Per Share is a non-GAAP measure. See Appendix for reconciliation.

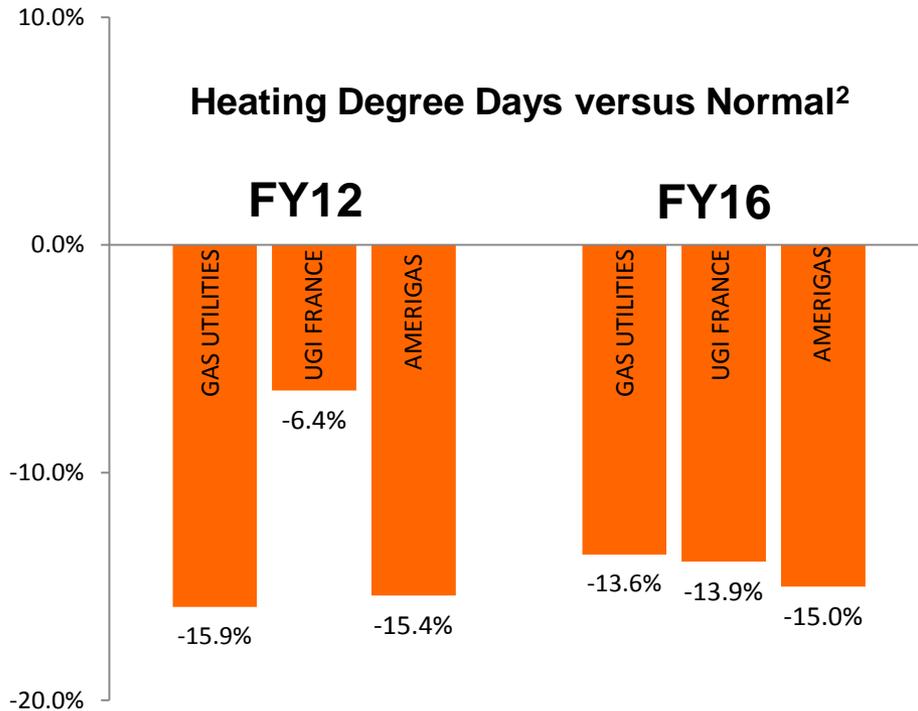
<sup>2</sup> Percent change in Heating Degree Days.

# Fiscal 2016 vs. Fiscal 2012

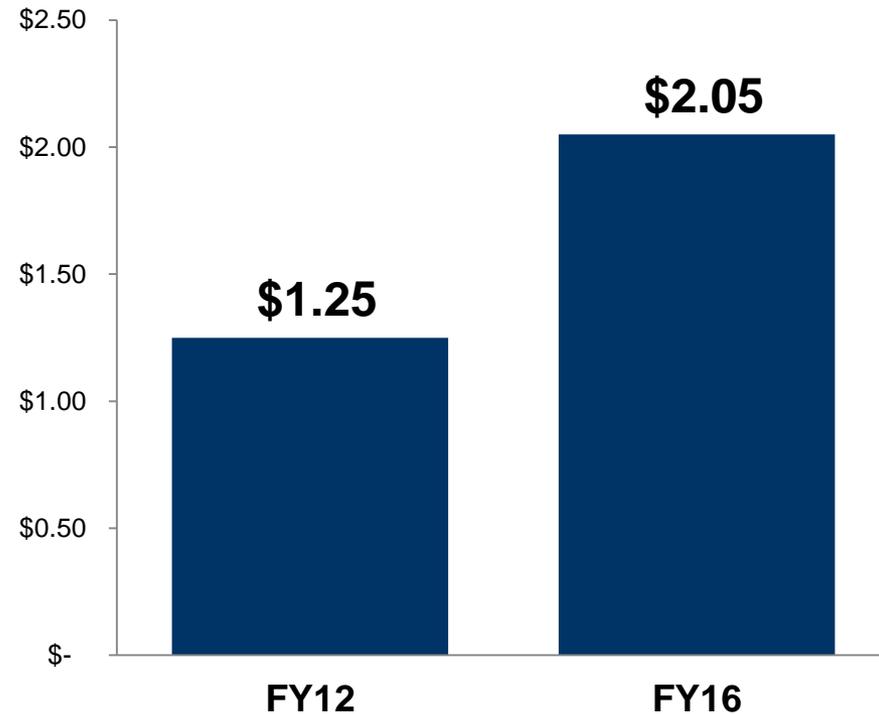


## Comparable weather...

Heating Degree Days versus Normal<sup>2</sup>



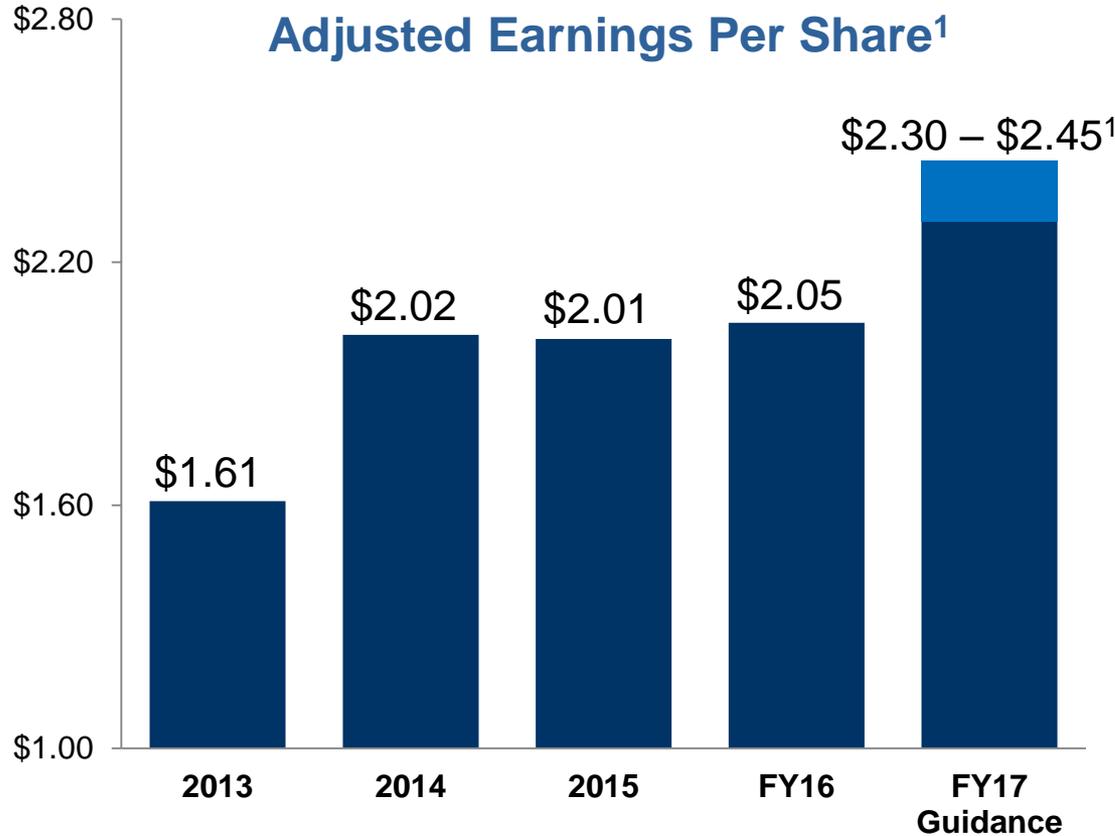
## ...64% higher Adjusted EPS<sup>1</sup>



<sup>1</sup> Adjusted Earnings Per Share is a non-GAAP measure. See Appendix for reconciliation.

<sup>2</sup> Percent change in Heating Degree Days versus normal.

# Fiscal 2017 Guidance



### FY17 Guidance midpoint:

- 16% CAGR over FY16
- 10% CAGR over FY13

### Key Drivers

- ✓ Organic Growth
- ✓ Strategic Investments
- ✓ Return to normal weather and volatility

<sup>1</sup> Adjusted Earnings Per Share is a non-GAAP measure. See Appendix for reconciliation. Because we are unable to predict certain potentially material items affecting diluted earnings per share on a GAAP basis, principally mark-to-market gains and losses on commodity derivative instruments and Finagaz integration expenses, we cannot reconcile 2017 adjusted diluted earnings per share, a non-GAAP measure, to diluted earnings per share, the most directly comparable GAAP measure, in reliance on the “unreasonable efforts” exception set forth in SEC rules.

# FY16 Key Accomplishments – Natural Gas



## Midstream & Marketing

- **Sunbury pipeline:** Began construction; anticipate completion in FY17
- **Manning LNG liquefaction:** Began construction; anticipate completion in FY17
- **PennEast pipeline:** Received draft environmental impact statement in July; expect final environmental impact statement in February 2017



## Utility

- Successful \$27 mm base rate case for UGI Gas
- Executed a record amount of capital investment
- Added ~16,000 new heating customers
- Cast iron and bare steel infrastructure replacement programs are on track

# FY16 Key Accomplishments – Propane



## AmeriGas

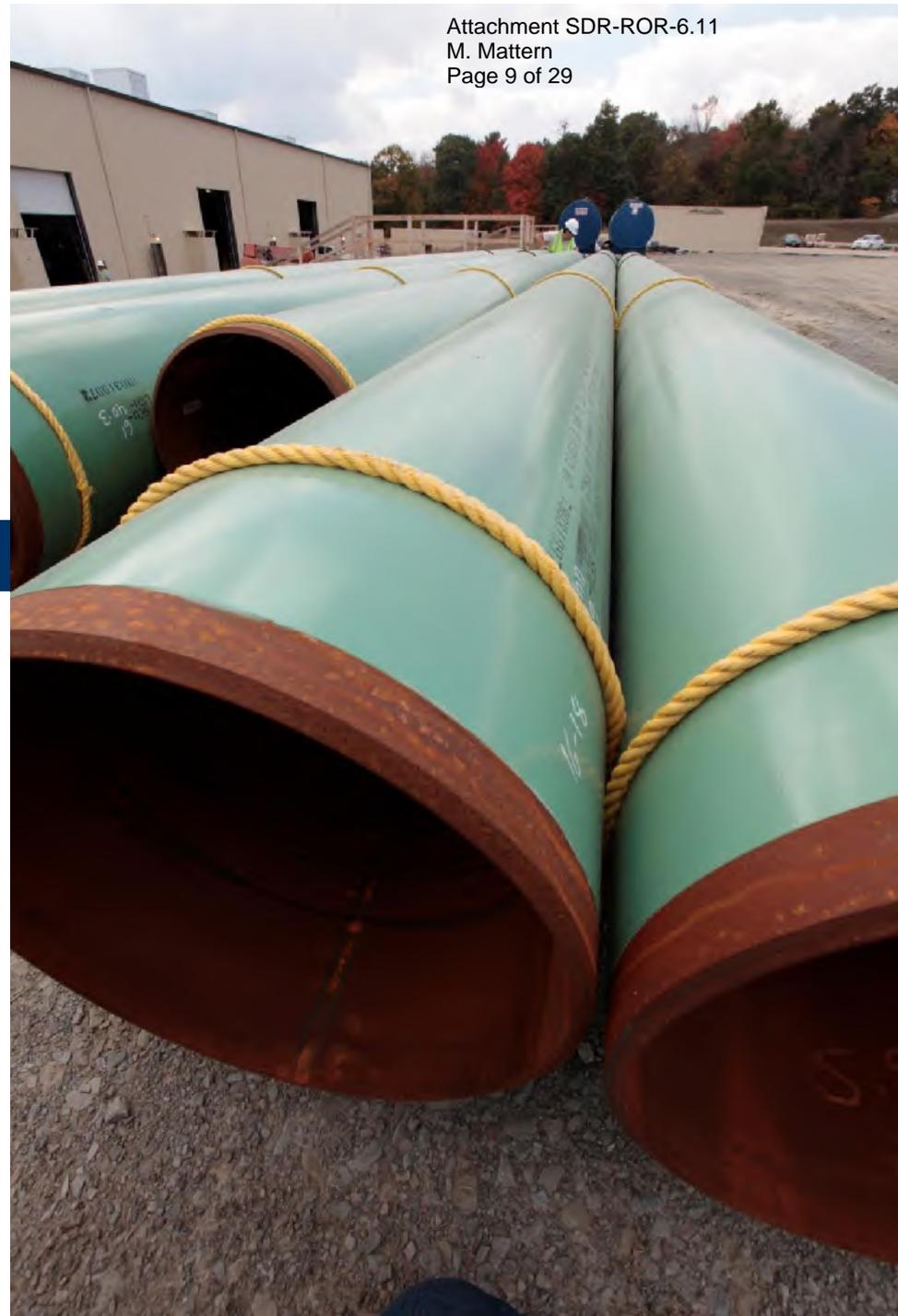
- Expanded all of our growth platforms
  - M&A
  - National Accounts
  - ACE
    - Agreements with major retailers that will add 1 million cylinders

## International

- Earnings more than doubled on strength of Finagaz acquisition
- Smaller acquisitions in Norway, U.K. and Austria
- Finagaz integration on track

## Financial Review

**Kirk Oliver**  
Chief Financial Officer, UGI



# FY16 Adjusted Earnings

	FY 2016	FY 2015
Net income attributable to UGI Corporation	\$364.7	\$281.0
Net after-tax gains (losses) on commodity derivative instruments <sup>1,2</sup>	(29.9)	53.3
Integration and acquisition expenses associated with Finagaz	17.3	14.9
Loss on extinguishments of debt <sup>2,3</sup>	7.9	4.6
<b>Adjusted net income attributable to UGI Corporation</b>	<b>\$360.0</b>	<b>\$353.8</b>

	FY 2016	FY 2015
UGI Corporation - Diluted Earnings Per Share (GAAP)	\$2.08	\$1.60
Net after-tax gains (losses) on commodity derivative instruments <sup>1,2</sup>	(0.17)	0.30
Acquisition and integration expenses associated with Finagaz	0.10	0.08
Loss on extinguishments of debt <sup>2,3</sup>	0.04	0.03
<b>Adjusted diluted earnings per share</b>	<b>\$2.05</b>	<b>\$2.01</b>

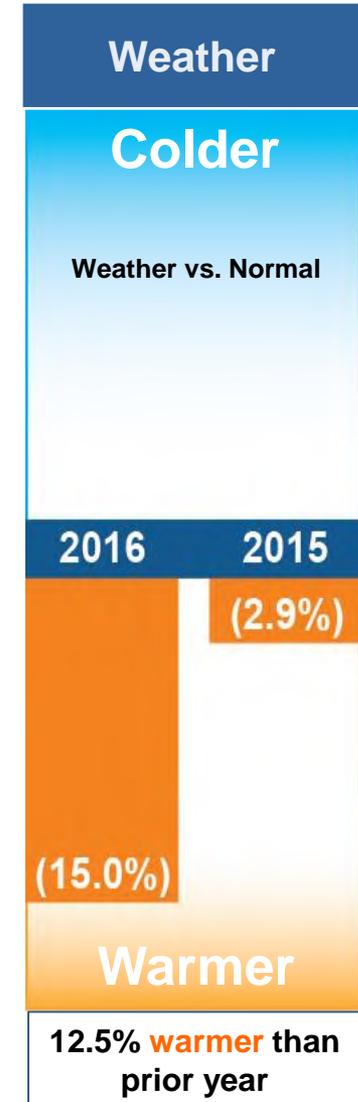
<sup>1</sup> Includes impact of rounding.

<sup>2</sup> Income taxes associated with pre-tax adjustments determined using statutory business unit tax rates.

<sup>3</sup> Loss on extinguishment of debt in the twelve months ended September 30, 2015 is included in interest expense on the Consolidated Statement of Income.

# FY16 Financial Results – AmeriGas

(millions)	FY 2015	FY 2016
<b>FY15 Adjusted EBITDA</b>	<b>\$ 619.2</b>	
Retail Volume		\$ (136.3)
Retail Unit Margin		\$ 44.4
Wholesale and Other Total Margin		\$ (6.4)
Operating and Administrative Expenses		\$ 24.5
Other		\$ (2.4)
<b>FY16 Adjusted EBITDA<sup>1</sup></b>		<b>\$ 543.0</b>



- **Warmer weather than prior year led to lower volume**
- **Higher retail unit margins**
- **Operating expenses decreased reflecting lower vehicle fuel, employee compensation and benefit, and uncollectible account expenses**

<sup>1</sup> Partnership adjusted EBITDA for the twelve months ended September 30, 2016 excludes \$48.9 million of loss on early extinguishments of debt. Adjusted EBITDA is a non-GAAP measure. See Appendix for reconciliation.

# FY16 Financial Results – UGI International

(millions)	FY 2015	FY 2016
<b>FY15 Income Before Taxes</b>	<b>\$ 76.4</b>	
Total Margin		\$ 276.5
Operating and Administrative Expenses		\$ (146.0)
Depreciation and Amortization		\$ (25.5)
Interest Expense, including loss on extinguishments in prior year		\$ 10.8
Other Operating Income		\$ (9.7)
<b>FY16 Income Before Taxes</b>		<b>\$ 182.0</b>
Integration and Acquisition Expenses	\$ 22.6	\$ 27.9
Loss on Debt Extinguishment	\$ 10.3	\$ -
<b>Adjusted Income Before Taxes<sup>1</sup></b>	<b>\$ 109.3</b>	<b>\$ 209.9</b>

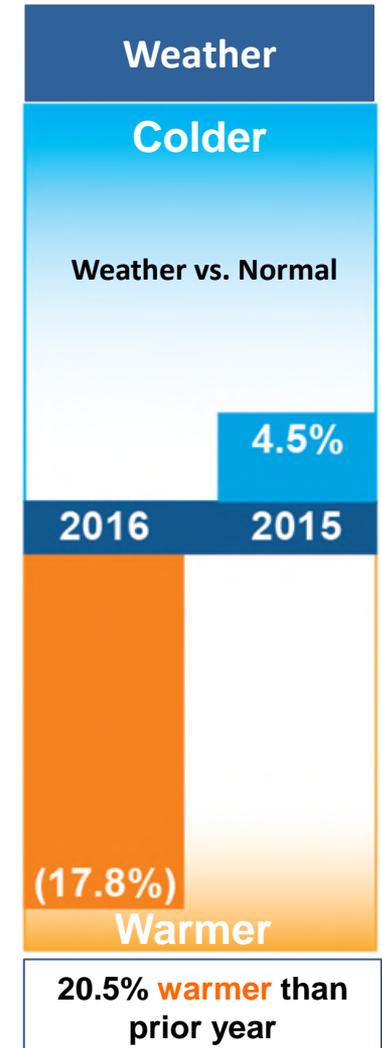
- **Acquisition of Finagaz nearly doubled retail distribution in France**
- **Higher unit margins at legacy businesses**



<sup>1</sup> Adjusted Income Before Income Taxes is a Non-GAAP measure. See Appendix for reconciliation.

# FY16 Financial Results – Midstream & Marketing

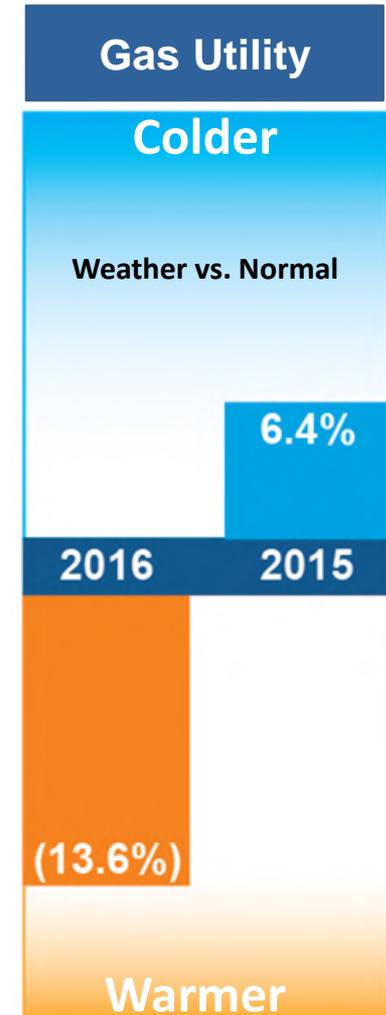
(millions)	FY 2015	FY 2016
<b>FY15 Income Before Taxes</b>	<b>\$ 180.5</b>	
Total Margin		\$ (44.6)
Operating and Administrative Expenses		\$ 7.7
Depreciation and Amortization		\$ (2.6)
Other		\$ 3.6
<b>FY16 Income Before Taxes</b>		<b>\$ 144.6</b>



- Lower prices for pipeline capacity due to locational basis differentials between Marcellus and non-Marcellus delivery points
- Natural gas and retail power margins impacted by warmer weather
- Higher margin in peaking and natural gas gathering
- Lower margin in capacity management, natural gas and retail power, and electric generation

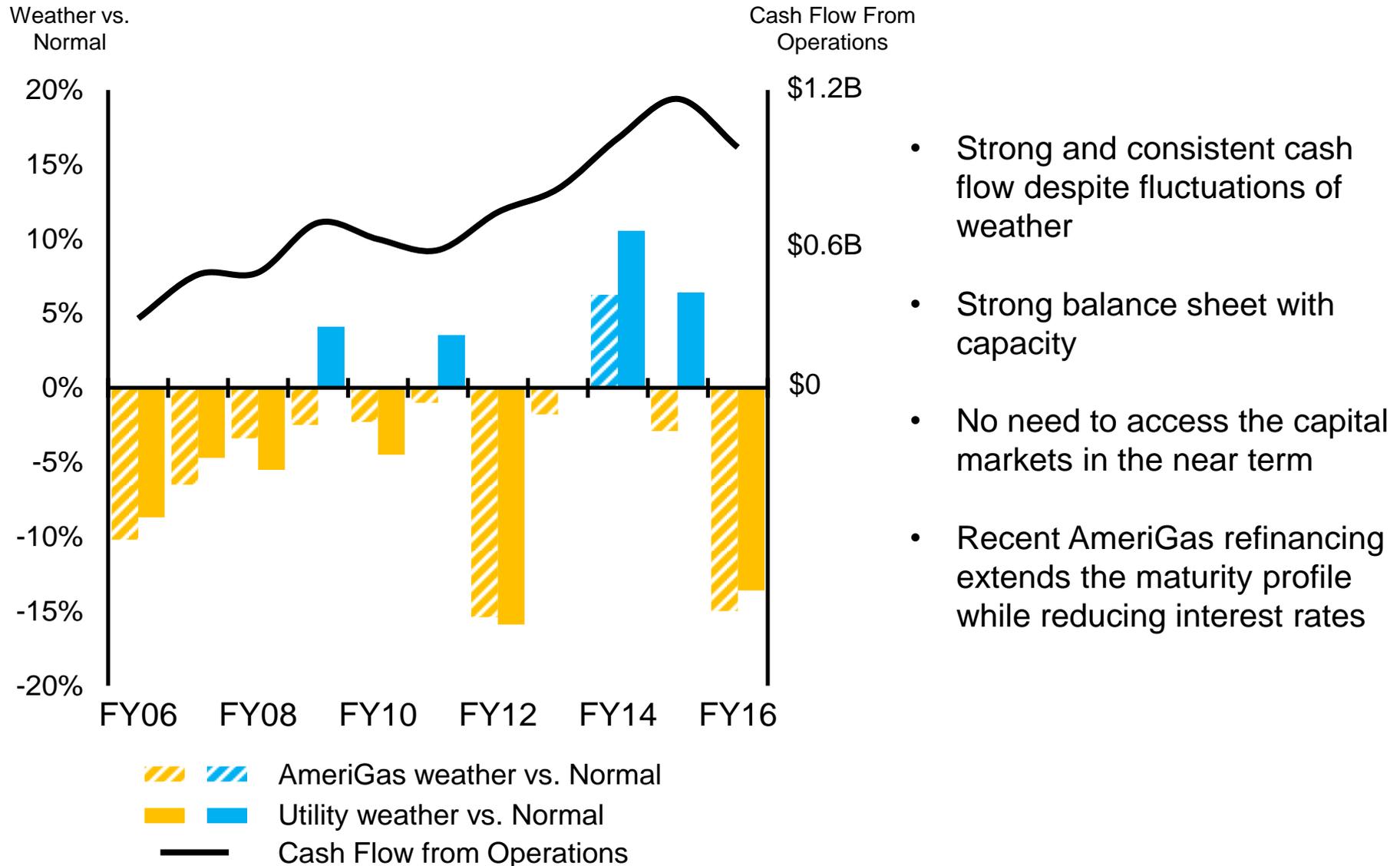
# FY16 Financial Results – Utilities

(millions)	FY 2015	FY 2016
<b>FY15 Income Before Taxes</b>	<b>\$ 200.6</b>	
Total Margin		\$ (51.3)
Operating and Administrative Expenses		\$ 25.6
Depreciation and Amortization		\$ (3.8)
Interest Expense		\$ 3.5
Other Income and Expense, net		\$ (11.3)
<b>FY16 Income Before Taxes</b>		<b>\$ 163.3</b>



- Lower core market throughput driven by significantly warmer weather than the prior year
- Lower operating expenses
- Lower other income

# Strong Cash Flow and Balance Sheet

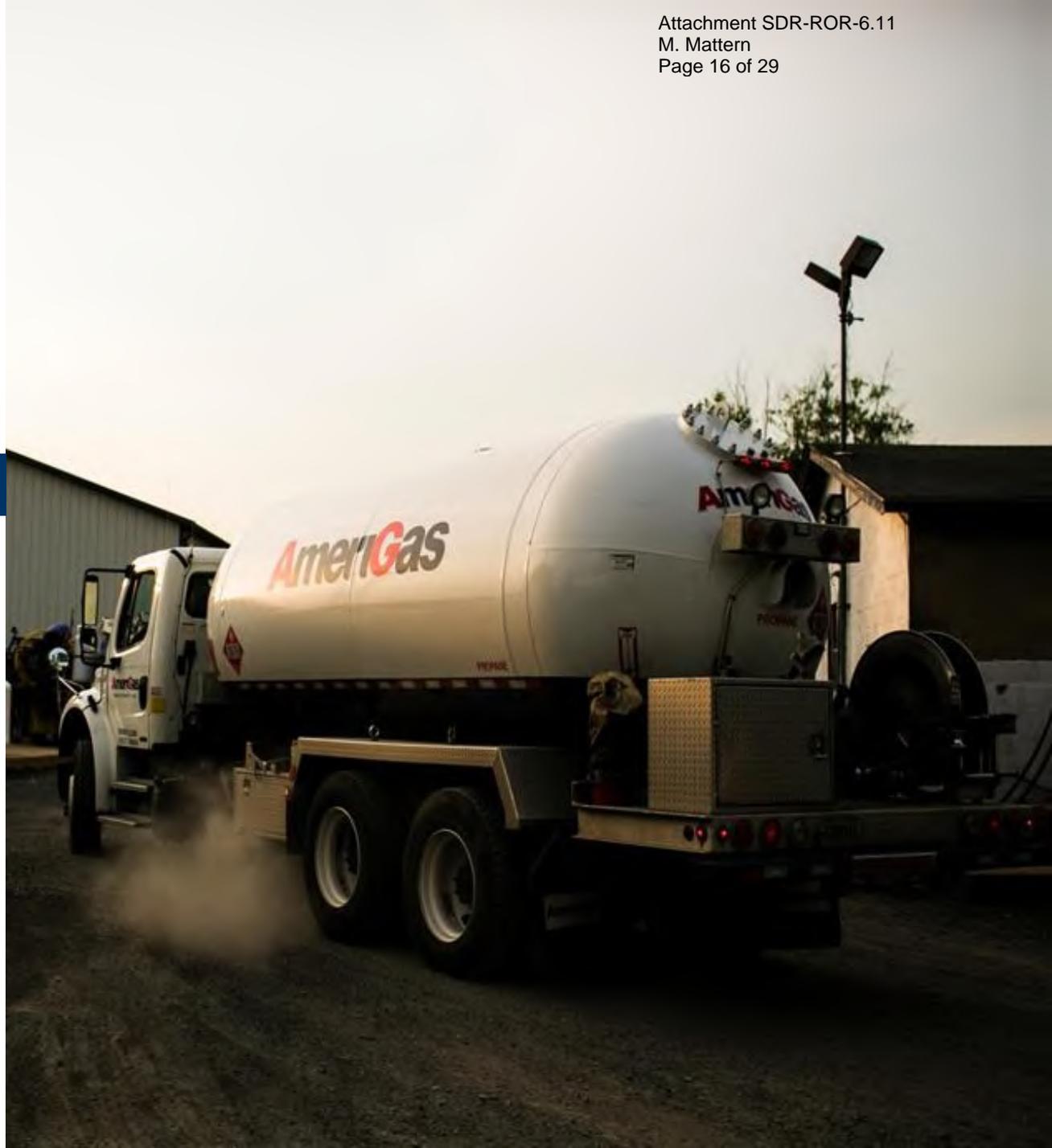


- Strong and consistent cash flow despite fluctuations of weather
- Strong balance sheet with capacity
- No need to access the capital markets in the near term
- Recent AmeriGas refinancing extends the maturity profile while reducing interest rates

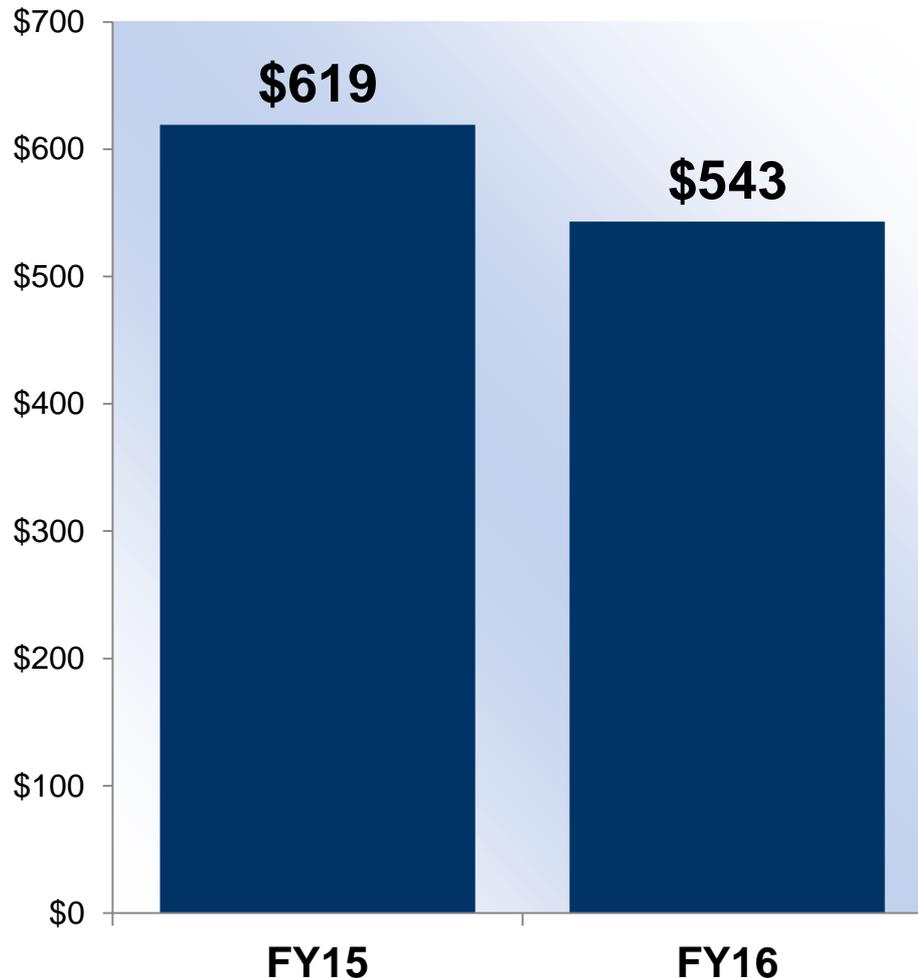


## Fiscal Year Recap

**Jerry Sheridan**  
President & CEO, AmeriGas



# FY16 Adjusted EBITDA<sup>1</sup>



- Retail volumes sold for FY16 decreased 10% to 1.07 billion gallons from 1.18 billion gallons in the prior year
- 2<sup>nd</sup> warmest year in 121 years



<sup>1</sup> Adjusted EBITDA is a non-GAAP measure. See appendix for reconciliation.

# Growth Initiatives

---

## National Accounts

- ✓ Added 39 accounts and renewed 40 agreements

## AmeriGas Cylinder Exchange

- ✓ Added new business that represents sales of ~ 1 million cylinders

## M&A

- ✓ Closed six tuck-in acquisitions adding ~10 million gallons annually

## Continuing to Deliver Value

- ✓ 12<sup>th</sup> consecutive annual distribution increase
- ✓ Outstanding total unitholder returns:

Annualized Total Returns		
1 Year	5 Year	10 Year
19.8%	8.8%	12.2%

- ✓ Looking ahead we expect adjusted EBITDA of \$660 – \$700 million in FY17<sup>1</sup>

<sup>1</sup> Because we are unable to predict certain potentially material items affecting net income on a GAAP basis, principally mark-to-market gains and losses on commodity derivative instruments, we cannot reconcile 2017 Adjusted EBITDA, a non-GAAP measure, to net income attribute to AmeriGas Partners, L.P., the most directly comparable GAAP measure, in reliance on the “unreasonable efforts” exception set forth in SEC rules. Adjustments that management can reasonably estimate are provided in the appendix.

## Conclusion

**John Walsh**  
President & CEO, UGI



# Segment Outlook

## MIDSTREAM & MARKETING

- Demand and limited capacity additions will continue to stress the gas system
- Sunbury and PennEast will help bridge the infrastructure gap
- Peak demand driving LNG infrastructure
  - \$60 million Manning liquefaction plant
  - Smaller investments in storage, vaporization, and fueling

## INTERNATIONAL

- Continued integration activities in FY17
- Potential for continued M&A growth

## UGI UTILITIES

- Capex nearly tripled from FY11-FY16
- Expect capital spend over next 4 years will be 40% higher than past four years
- Growth through new customer additions and higher rate base

## AMERIGAS

- M&A, National Accounts, Cylinder Exchange will continue driving growth
- Will continue deploying technology to drive efficiency and improve the customer experience

# Conclusion

---

Outlook is very promising

Several investments that came online in past 18 months will contribute to earnings

Cash flow and balance sheet strength to fund active projects with additional capacity for investment

**UGI IS CONTINUING TO DELIVER**

# Appendix

# UGI Supplemental Footnotes

- ❖ Management uses "adjusted net income attributable to UGI" and "adjusted diluted earnings per share" (sometimes also referred to as "adjusted 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 integration 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.
- ❖ 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.

# Non-GAAP Reconciliation

(Million of dollars, except per share amounts)	Year Ended September 30,				
	2016	2015	2014	2013	2012
<b>NON-GAAP RECONCILIATION:</b>					
<b>Adjusted net income attributable to UGI Corporation:</b>					
Net income attributable to UGI Corporation	\$ 364.7	\$ 281.0	337.2	\$ 278.1	210.2
Net (gains) losses on commodity derivative instruments not associated with current-period transactions (net of tax of \$13.5, \$(30.9), \$(4.5), \$3.1 and \$6.3, respectively) (a) (b)	(29.9)	53.3	6.6	(4.3)	(8.9)
Integration and acquisition expenses associated with Finagaz acquired on May 29, 2015 (net of tax of \$(10.6), \$(7.7), \$(2.2), \$0 and \$0, respectively) (a)	17.3	14.9	4.3	-	-
Loss on extinguishments of debt (net of tax of \$(5.0), \$0, \$0, \$0 and \$(1.4), respectively) (a)	7.9	-	-	-	2.2
Costs associated with extinguishment of debt (net of tax of \$0, \$(5.7), \$0, \$0 and \$0, respectively) (a) (c)	-	4.6	-	-	-
Impact of retroactive change in French tax law	-	-	5.7	-	-
Integration and acquisition expenses associated with the retail propane businesses of Energy Transfer Partners, L.P. ("Heritage Propane") acquired by the Partnership on January 12, 2012 (net of tax of \$0, \$0, \$0, \$(2.8) and \$(5.6), respectively) (a)	-	-	-	\$4.4	\$8.8
Adjusted net income attributable to UGI Corporation (d)	\$ 360.0	\$ 353.8	\$ 353.8	\$ 278.2	\$ 212.3
<b>Adjusted earnings per common share attributable to UGI stockholders:</b>					
UGI Corporation earnings per share - diluted	\$ 2.08	\$ 1.60	\$ 1.92	\$ 1.60	\$ 1.24
Net (gains) losses on commodity derivative instruments not associated with current-period transactions (b)	(0.17)	0.30	0.04	(0.02)	(0.05)
Integration and acquisition expenses associated with Finagaz acquired on May 29, 2015	0.10	0.08	0.03	-	-
Loss on extinguishments of debt	0.04	-	-	-	0.01
Costs associated with extinguishment of debt	-	0.03	-	-	-
Impact of retroactive change in French tax law	-	-	\$0.03	-	-
Integration and acquisition expenses associated with the Heritage Propane acquisition on January 12, 2012	-	-	-	0.03	0.05
Adjusted diluted earnings per share (d)	\$ 2.05	\$ 2.01	\$ 2.02	\$ 1.61	\$ 1.25

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

(b) Includes the effects of rounding.

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

(d) Management uses "adjusted net income attributable to UGI" 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 (principally comprising unrealized gains and losses on commodity derivative instruments), losses on extinguishments of debt, Finagaz and Heritage Propane integration and acquisition expenses and the impact of a retroactive change in French tax law.

# 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.
- ❖ 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 Adjusted EBITDA

(Millions of dollars) <b>EBITDA and Adjusted EBITDA:</b>	<b>Year Ended September 30,</b>	
	<b>2016</b>	<b>2015</b>
Net income attributable to AmeriGas Partners	\$ 207.0	\$ 211.2
Income tax (benefit) expense (a)	(1.6)	2.9
Interest expense	164.1	162.8
Depreciation	146.8	152.2
Amortization	43.2	42.7
EBITDA	559.5	571.8
(Subtract net gains) add net losses on commodity derivative instruments not associated with current-period transactions	(66.1)	47.8
Add loss on extinguishments of debt	48.9	-
Noncontrolling interest in net gains (losses) on commodity derivative instruments not associated with current-period transactions	0.7	(0.4)
Adjusted EBITDA	<u>\$ 543.0</u>	<u>\$ 619.3</u>

(a) Includes the impact of rounding.

# AmeriGas Adjusted EBITDA Guidance



Forecast Fiscal Year  
Ending September 30, 2017  
(Thousands)

	(Low End)	(High End)
Adjusted EBITDA (estimate)	\$ 660,000	\$ 700,000
Interest expense (estimate)	160,000	159,000
Income tax expense (estimate)	3,000	3,000
Depreciation (estimate)	141,000	141,000
Amortization (estimate)	43,000	43,000



**Investor Relations:**

Will Ruthrauff  
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**UGI**  
CORPORATION **AmeriGas**

# Investor Day

December 8, 2016



# 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. In addition, this presentation uses certain non-GAAP financial measures. Please see the appendix for reconciliations of these measures to the most comparable GAAP financial measure.

# Management Team

<b>UGI Corporation</b>	<b>Business Unit Management</b>
John Walsh - President & CEO	Robert Beard – President & CEO, UGI Utilities
Kirk Oliver – CFO	Daniel Platt – VP Finance & CFO, UGI Utilities
Gary Garcia – Treasurer	Bradley Hall – President, Energy Services
Marie-Dominique Ortiz-Landazabal – VP & CAO	Joe Hartz – COO, Energy Services
Monica Gaudiosi – VP, General Counsel & Secretary	Ann Doerries – VP & CFO, Energy Services
Ann Kelly – Assistant Treasurer	Jerry Sheridan – President & CEO, AmeriGas
William Ruthrauff – Director Investor Relations	Hugh Gallagher – VP Finance & CFO, AmeriGas
	Anthony Rosback – VP & COO, AmeriGas
	Roger Perreault – President, UGI International
	Davinder Athwal – VP Finance & CFO, UGI International
	Paul Ladner – Group CEO East, UGI International
	Neil Murphy – Group CEO North, UGI International
	Eric Naddeo – Group CEO West, UGI International

# Investor Day – Agenda 2016

8:30	John Walsh – Opening Remarks   20 minutes
8:50	Robert Beard – UGI Utilities   30 minutes
9:20	Bradley Hall – Energy Services   30 minutes
9:50	Break   10 minutes
10:00	3 Breakout Sessions (10:00 / 10:15 / 10:30)   45 minutes
10:45	Jerry Sheridan – AmeriGas   30 minutes
11:15	Roger Perreault – UGI International   30 minutes
11:45	Kirk Oliver – Financial Outlook   30 minutes
12:15	John Walsh – Closing Remarks / Q&A Session   30 minutes
12:45	Lunch

# Corporate Overview



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

## Natural Gas

*50% of earnings<sup>1</sup>*

- **Utilities**

*UGI Utilities*

Natural gas & electric utilities in Pennsylvania and Maryland

- **Midstream & Marketing**

*Energy Services*

Energy marketing, midstream, and power generation in the Eastern United States

## Propane

*50% of earnings<sup>1</sup>*

- **Domestic Propane**

*AmeriGas (MLP, own 26%)*

#1 LPG distributor in the US<sup>2</sup>

- **International Propane**

*UGI International*

Premier LPG distributor in Europe

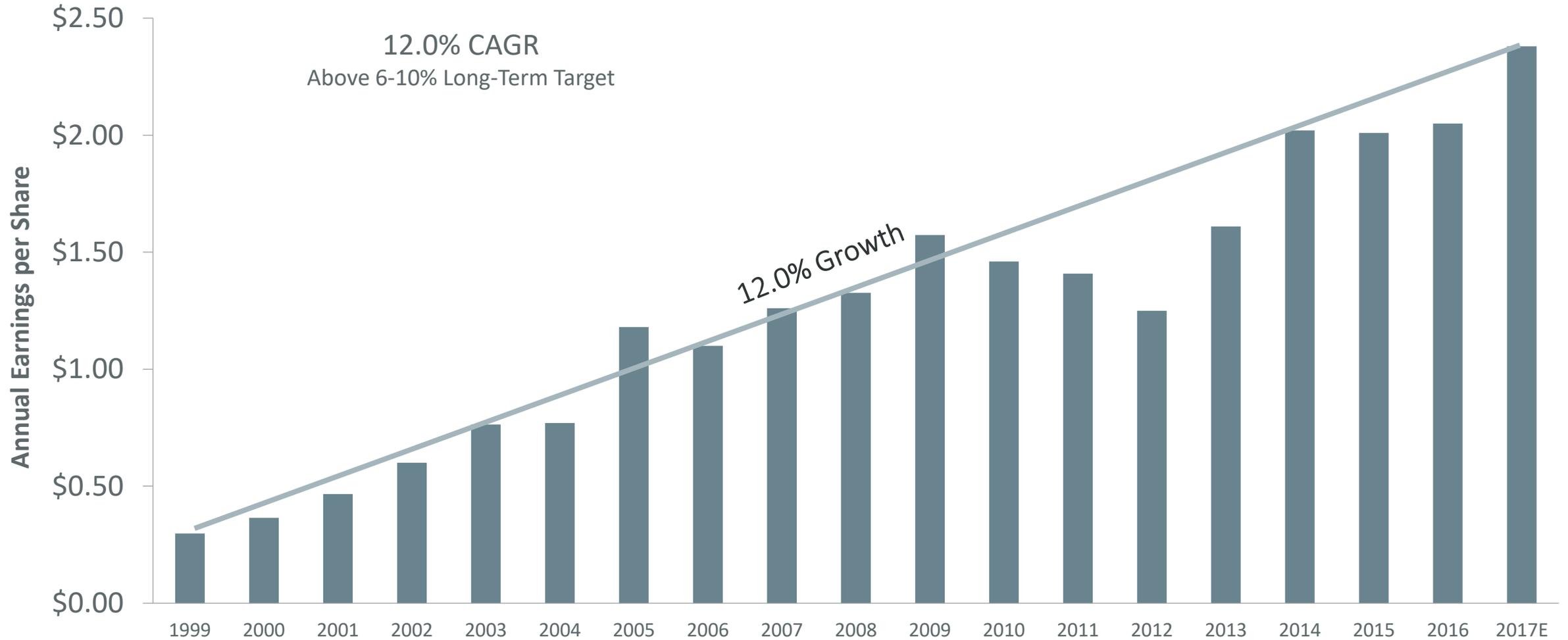
<sup>1</sup> Based on Adjusted diluted earnings per share, which is a non-GAAP measure, excluding Corporate & Other. See appendix for reconciliation.

<sup>2</sup> Largest retail propane distributor in US based on volume.

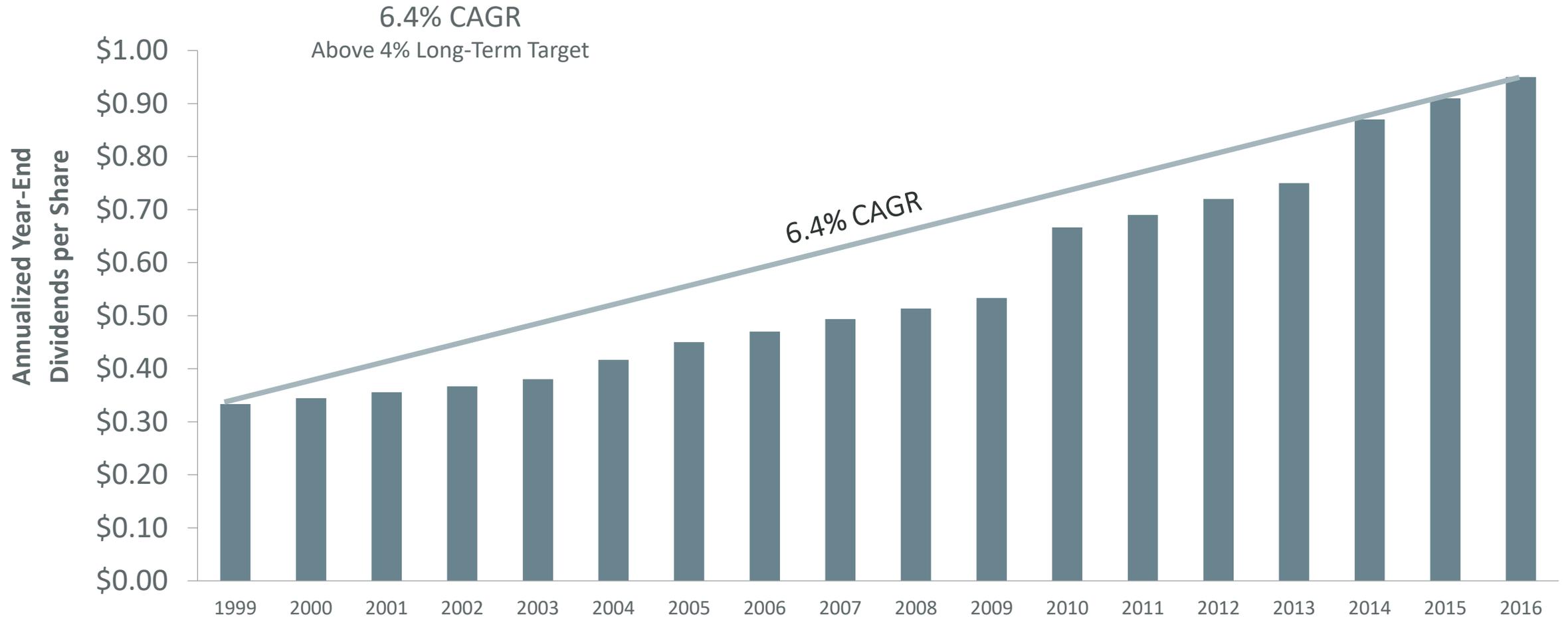
# Key Takeaways

- We deliver **outstanding returns** to our shareholders
- We are a balanced **growth** and **income** investment
  - 6-10% EPS Growth
  - 4% Dividend Growth
- Excellent **cash** generation; 11% CAGR of free cash flow since 1999
- Track record of **disciplined capital deployment**
- Our portfolio of **growth opportunities** has never been stronger

# Strong EPS Growth



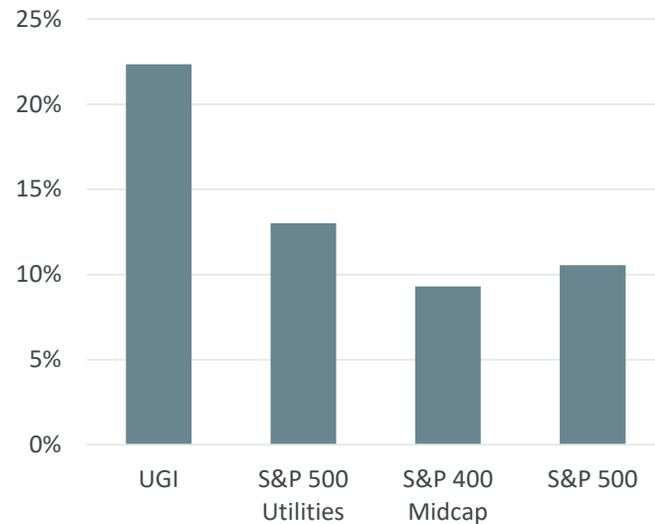
# Consistent Dividend Growth



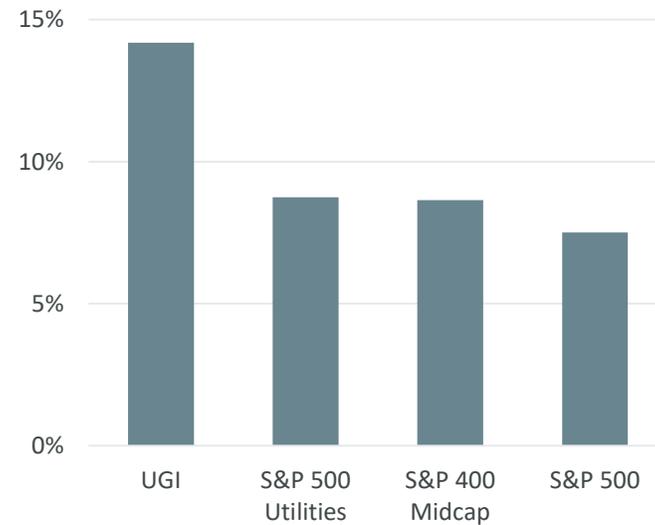
# UGI Has Consistently Outperformed

Total Shareholder Return as of 9/30/16

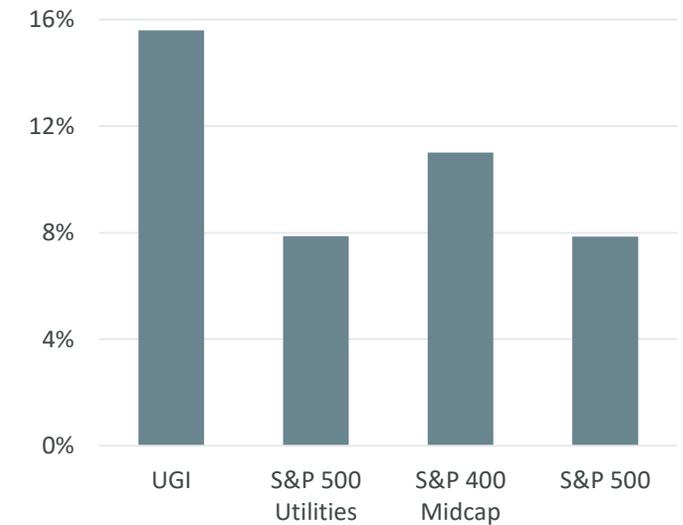
### 3-Year Total Return



### 10-Year Total Return



### 20-Year Total Return



# Our Mission and Vision

## Mission

UGI's mission is to be the preeminent energy distribution company in our targeted markets – natural gas midstream and distribution in the Eastern U.S. and LPG distribution in the U.S. and Europe – by providing a superior range of energy services to our customers.

## Vision

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

# Our Values



Safety



Integrity



Respect



Reliability



Sustainability



Excellence

# Our Strategy

- 1** Be the preferred provider in all markets
  - Build businesses of scale
  - Leverage our position as the last link in energy distribution
  - Protect and enhance our brands

**Grow** and **Deliver Value**

# Our Strategy

## 2 Capitalize on synergies and leverage strengths

- Leverage successful programs and services across the corporation
- Expand further into midstream
- Seek new international markets

**Grow** and **Deliver Value**

# Our Strategy

## 3 Grow earnings through acquisitions, capital projects, and organic growth

- Organic growth sets the foundation
- Invest in adjacent geographies, leveraging our experience and products
- Manage risk when investing in new area or product
- Focus on cash flow, limit commodity exposure and execute

### **Grow** and **Deliver Value**

# Corporate Objectives Guide Business Unit Strategies

## Strategic Focus

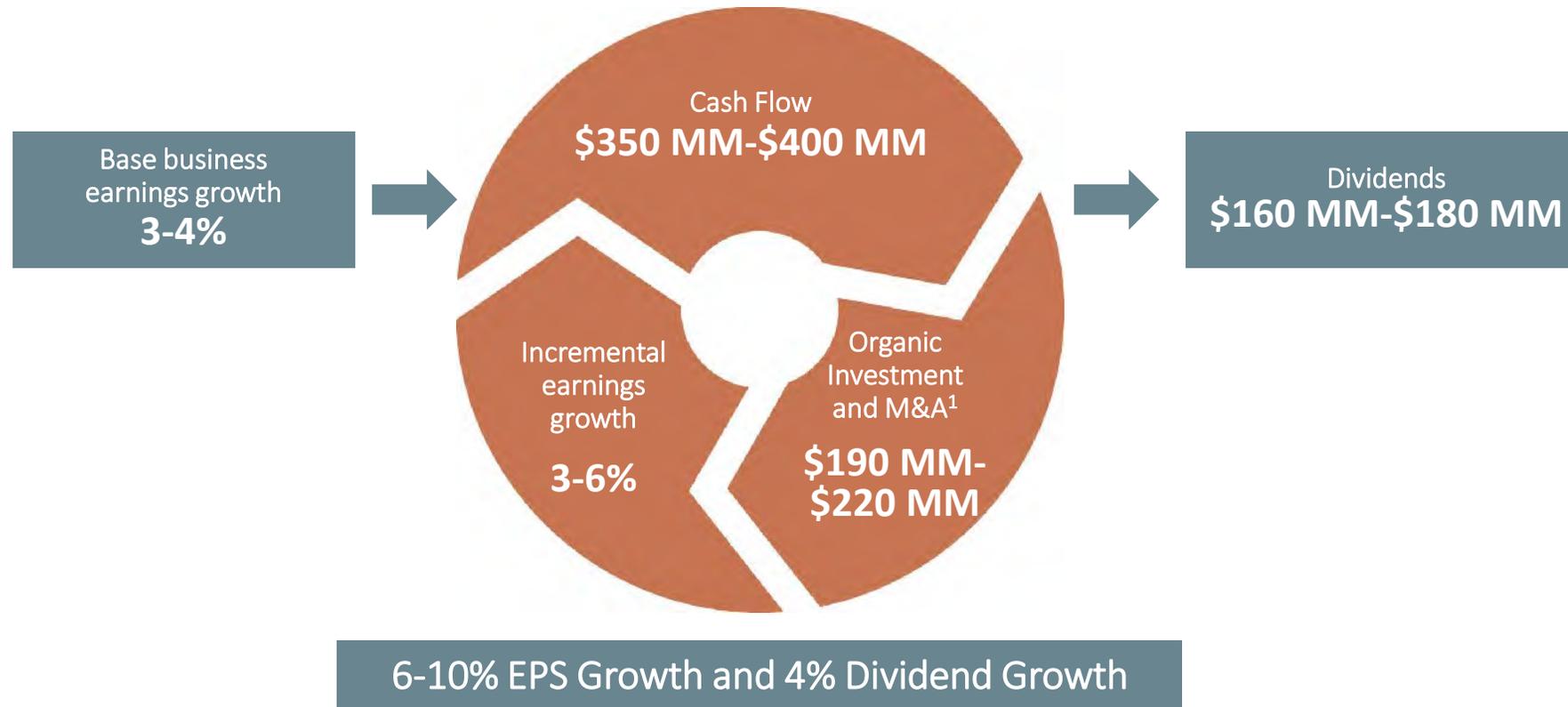
- Strong cash flow and low commodity exposure define our businesses
- Execute major investments to deliver long-term growth
- Focus on new segments that leverage our expertise
- Push boundaries prudently

## Goals underpinned by clear definition of attributes:

- Market: Identify the key macro factors
- Operations: Know what is required to excel
- Financial: Rigorously assess the financial return

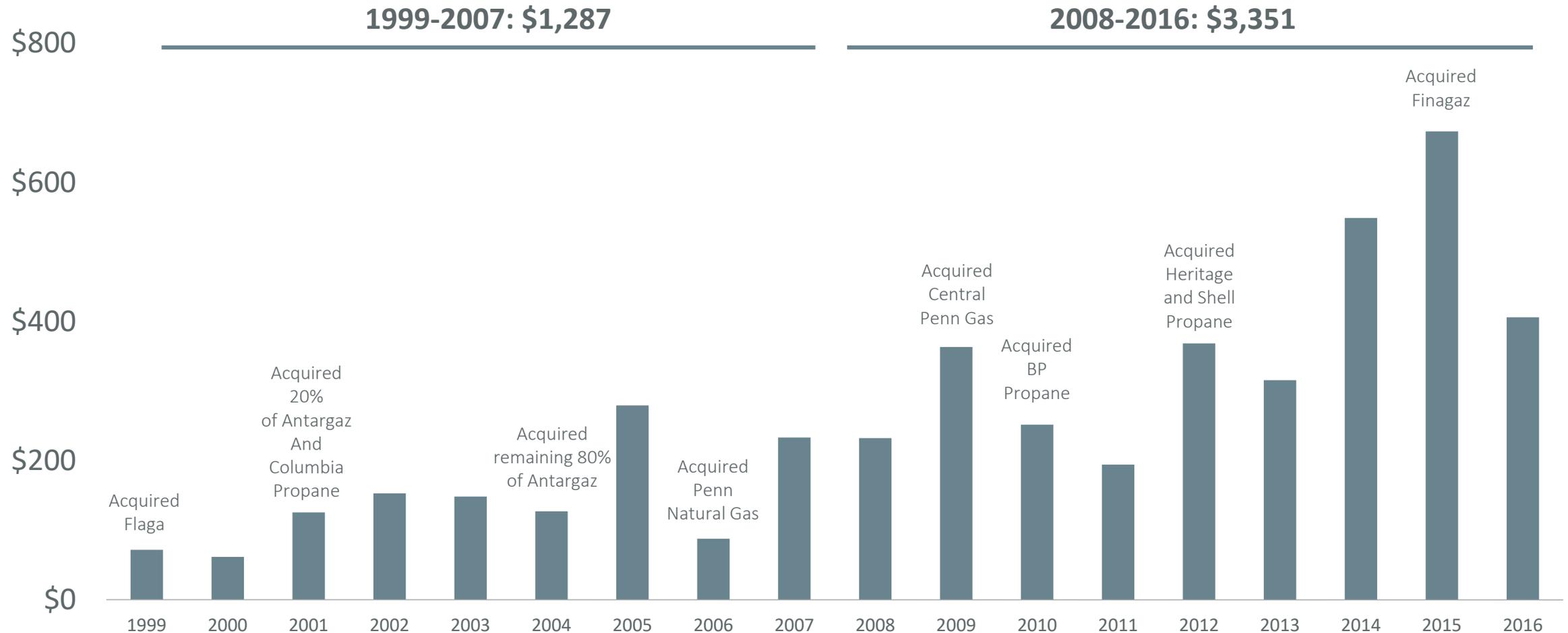
# UGI Growth Engine

Income-producing businesses support disciplined growth objectives by generating cash for growth opportunities and dividends



# Free Cash Flow Growth

\$ millions



<sup>1</sup> Free cash flow is a non-GAAP measure representing net cash from operating activities less cash capital expenditures but prior to cash acquisition expenditures. See appendix for reconciliation.

# How Have We Executed on Strategy?

- Successfully invested \$8.4 billion from 2000-2016 to build our current business portfolio
  - Dramatically expanded our legacy businesses - Utilities and AmeriGas
  - Rapidly grew two major business units – Energy Services and UGI International
- Strong financial attributes of UGI’s business contributed to superior financial results
  - Five year adjusted EPS CAGR of 7.8%
  - Five year GAAP EPS CAGR of 7.5%
  - Five year free cash flow CAGR of 15.9%
  - 10 & 20-year average total shareholder returns of 14.1% and 15.9%, respectively

# How Are We Positioned Today?

- We are leaders in a range of attractive energy distribution businesses
  - Natural gas LDCs
  - Natural gas midstream & marketing; and
  - LPG distribution
- Deep expertise in businesses that share common attributes
- Investing in our core businesses and pushing our strategic boundaries has resulted in superior long-term performance
- Diversification enables consistently strong financial performance and provides an attractive range of investment opportunities
- Exceptionally well positioned for future growth supported by strong balance sheet



# Business Overview

**~626,000**

Gas customers

**~62,000**

Electric customers

Service territories  
lie within or adjacent  
to the Marcellus  
shale reserves

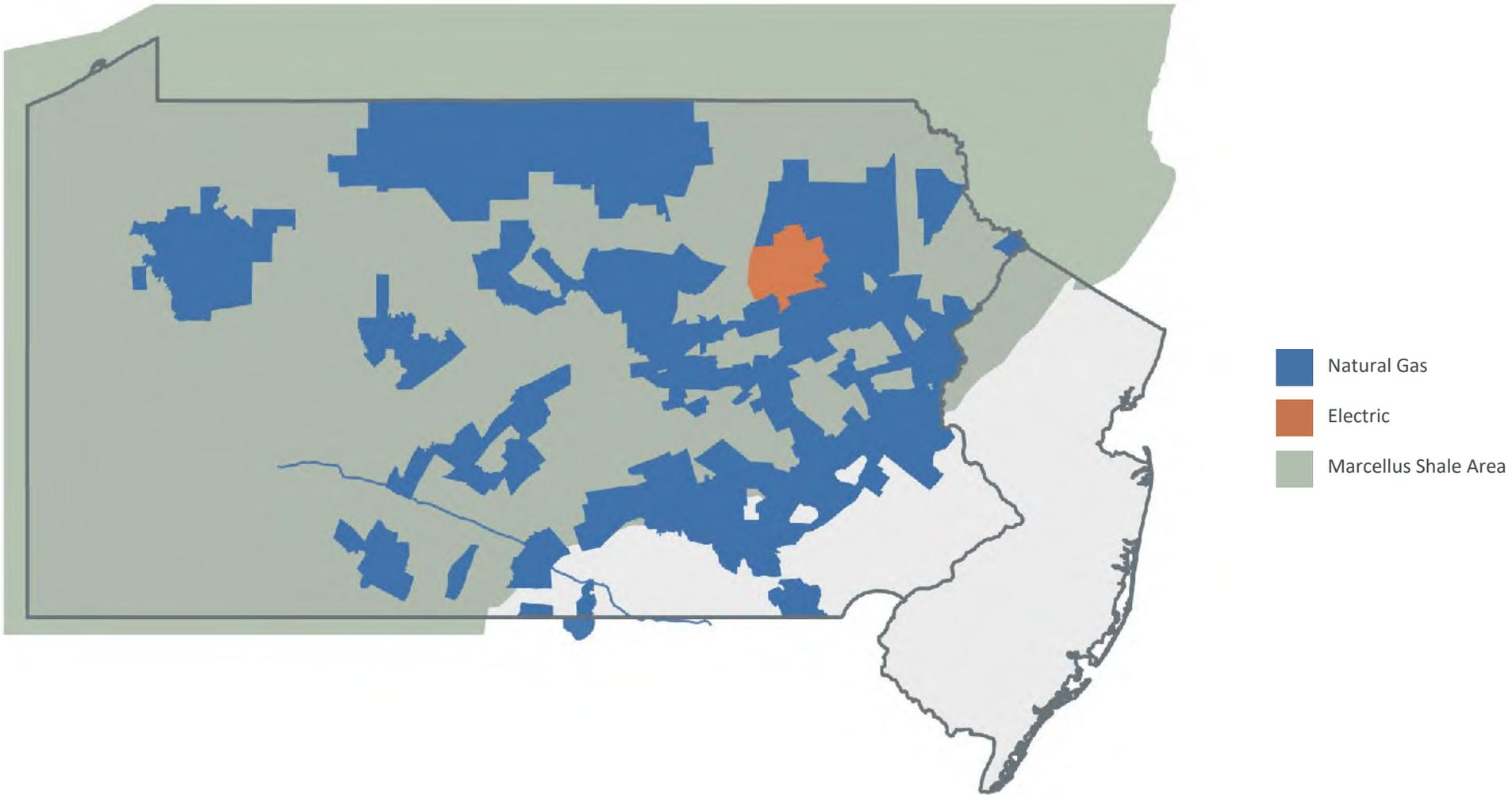
Added  
**80,000**  
new customers  
in the last 5 years

Most contemporary  
distribution system  
in Pennsylvania

Pennsylvania's  
**2<sup>nd</sup> Largest**  
gas utility<sup>1</sup> serving 44 of  
67 counties in PA

Constructive  
regulatory  
environment

# Service Area on Top of Marcellus Shale



# Key Value Drivers

- Strong focus on safety, operations and reliability
- Opportunities for growth and aggressive cost management result in 5-7% annual net income growth
- Record capital investment
  - Increasing system reliability
  - Supporting growth
  - Growing rate base
- Constructive regulatory environment
- Strong balance sheet

# 2016 Accomplishments

- First quartile emergency response rate
- Added ~ 16,000 new customers
- Successfully executed over \$260 million in capital expenditures
  - Replaced 66 miles of aged gas main
- Completed the first base rate case for UGI Gas in 21 years
  - Adding \$27 million in new margin beginning FY17
- Issued \$400 million of long-term debt at attractive rates

# 2016 UGI Gas Rate Case – Highlights

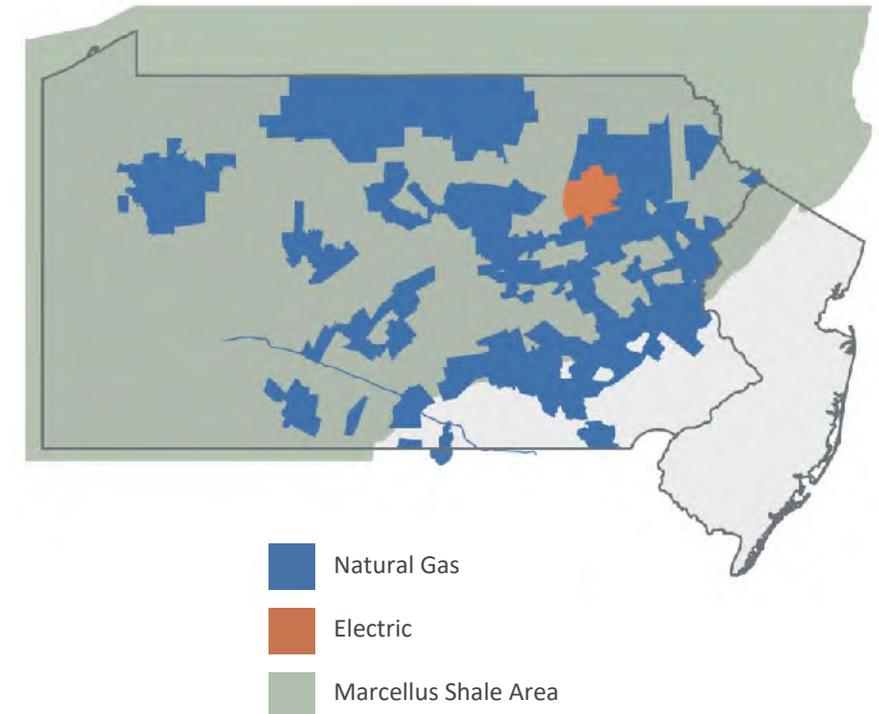
- Rate case for UGI Gas added \$27 million of additional margin beginning in FY17
- Recovery of FY 2017 capital expenditures including technology investments
- Eligible for a Distribution System Improvement Charge recovery
- Energy Efficiency and Conservation (“EE&C”) Plan
- Full and current recovery of Universal Service Program costs
- 3-year pilot of Technology and Economic Development Rider

# Strategic Advantages

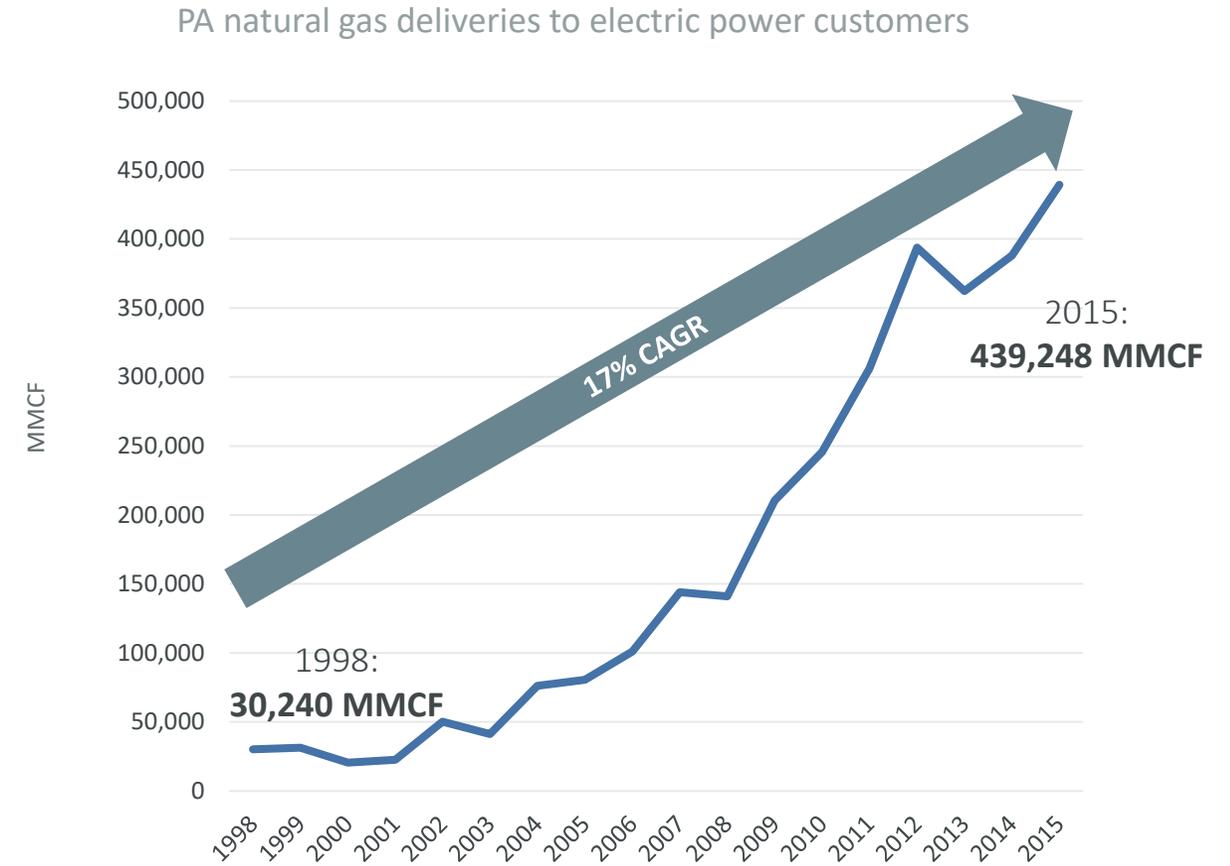
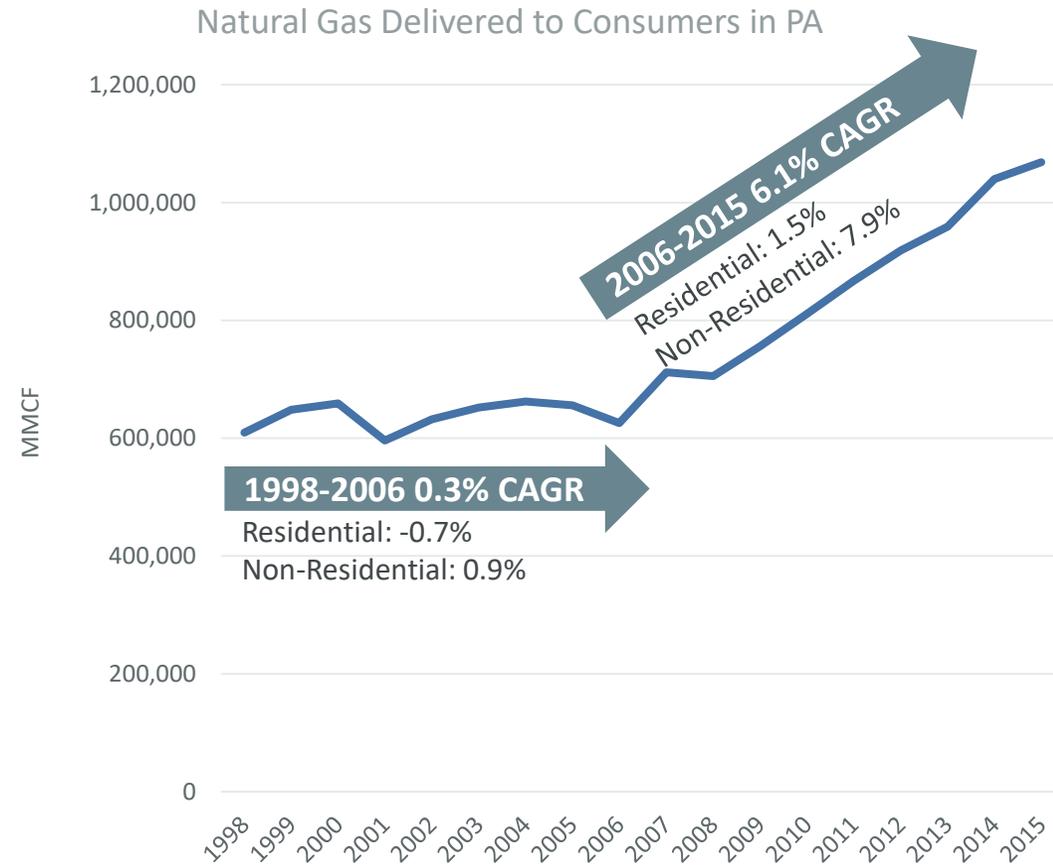
- Geographic proximity to the Marcellus Shale production area
  - Provides growth opportunities
  - Reduces gas cost resulting in lower customer bills
    - Average 2017 natural gas customer bill 47% below 2008
- Constructive regulatory and legislative environment
- Rate base growth combined with minimal regulatory lag
- Top-decile customer service

# Marcellus Advantage

- Over 90% of UGI Utilities natural gas sourced from the Marcellus Shale
  - Marcellus NG priced at over 45% discount to NYMEX during FY16
- Added three power plant customers since 2010
  - Combined generation capacity of >2,000 MWs
  - Fourth scheduled in 2017 (~1,400 MWs)
- Favorable environment for economic development



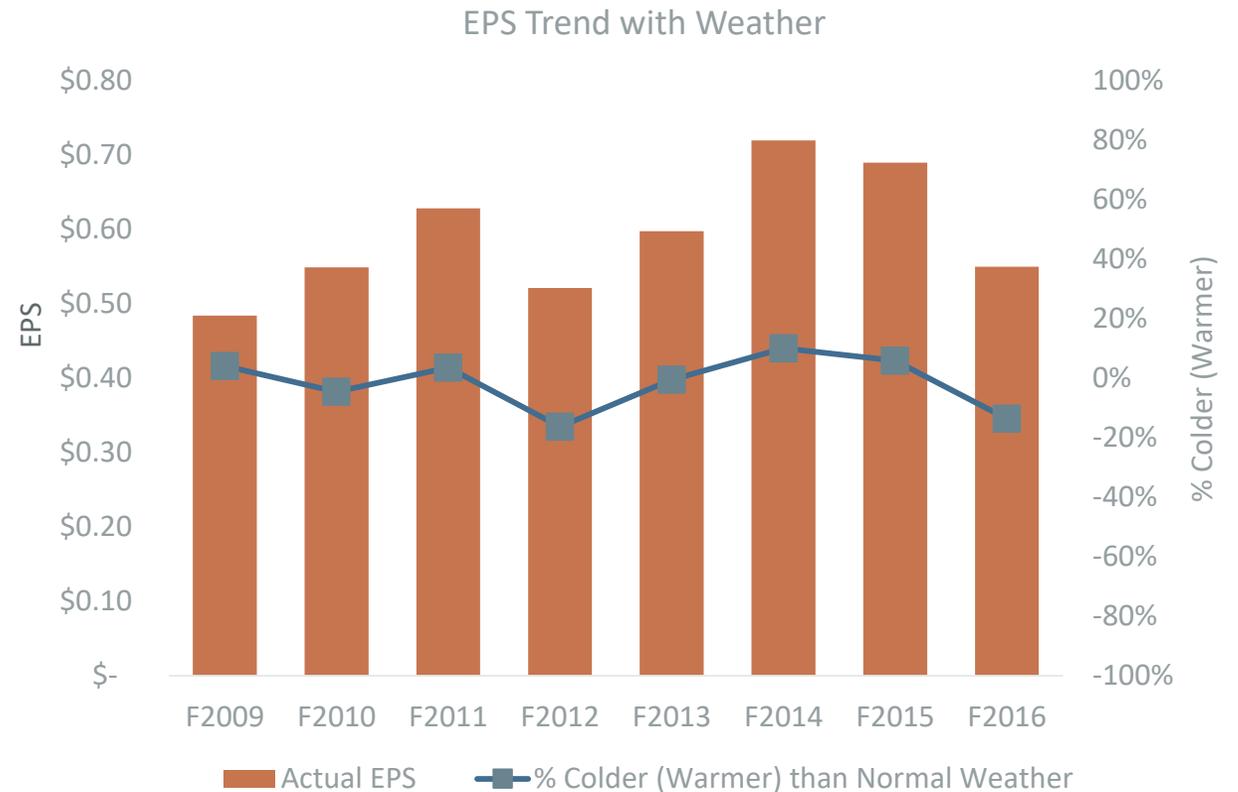
# Marcellus Gas Driving Growth in PA



Source: Energy Information Administration

# Weather Sensitivity

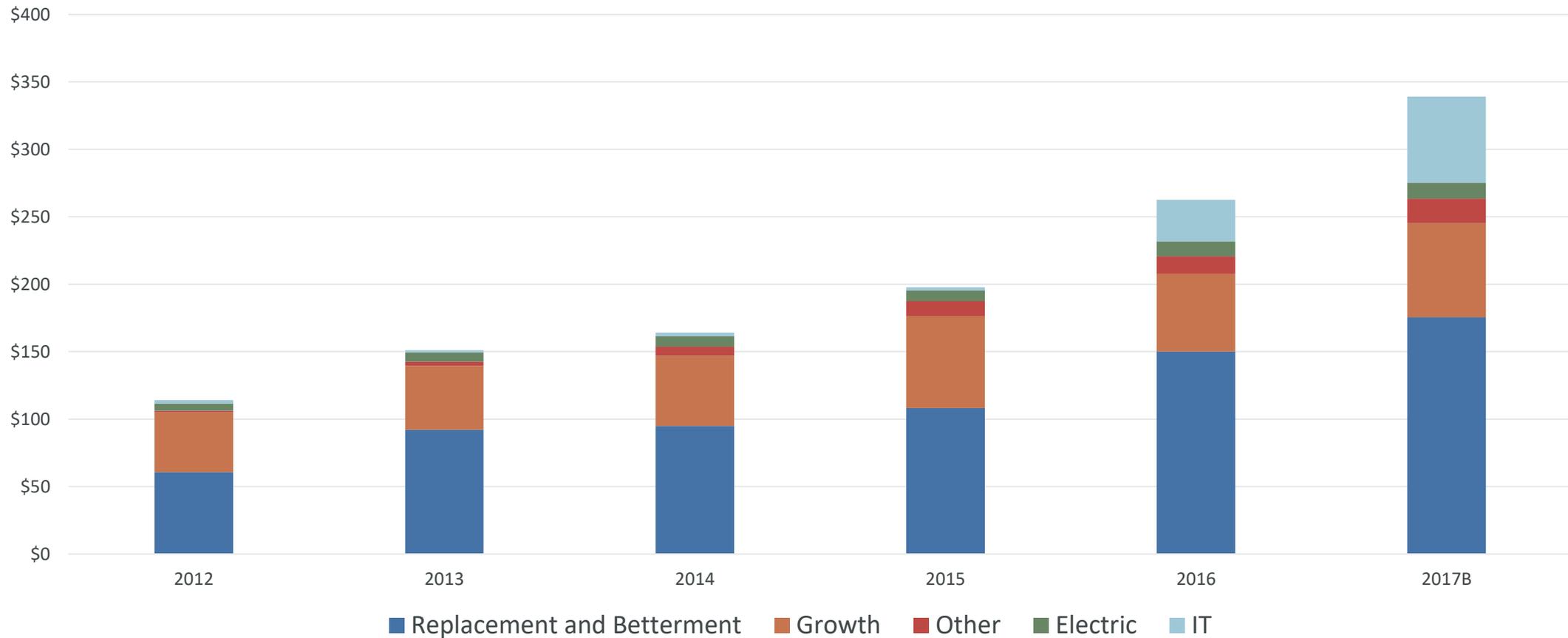
- Earnings move within a relatively narrow band
- The maximum impact of weather is not expected to exceed +/- 20% of EPS assuming normal weather (based on a 95% confidence level)<sup>1</sup>



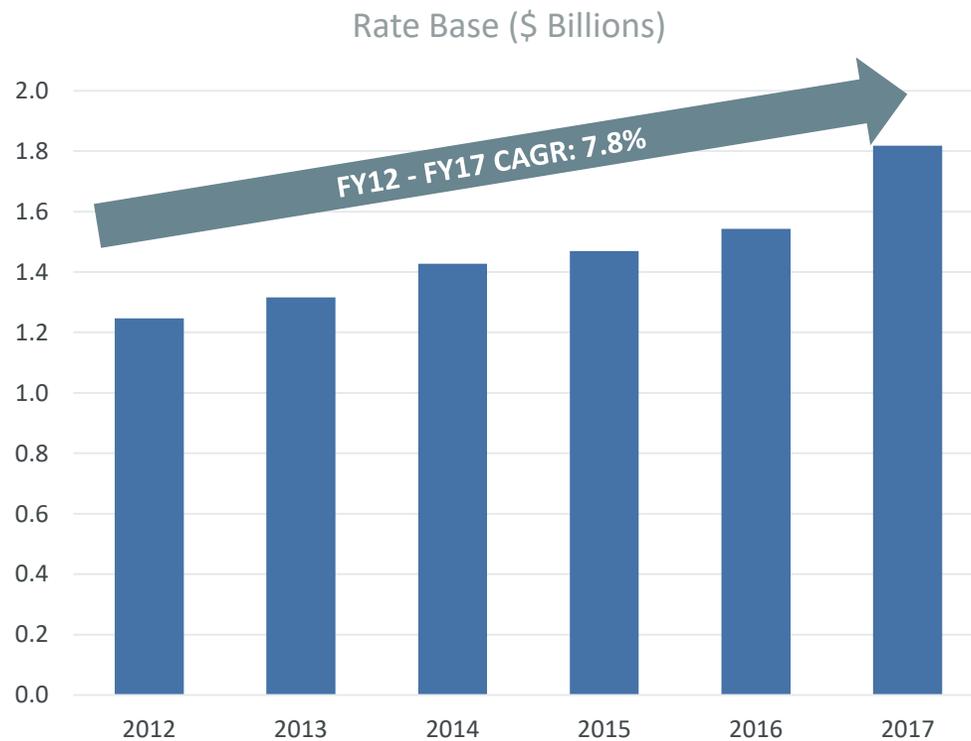
<sup>1</sup>The EPS range is calculated by evaluating customer volume demand in various weather scenarios based on regression of historical monthly results. The demand variance is multiplied by the appropriate variable rates and totaled for the year to arrive at a margin impact which is tax-effected and divided by the number of shares to arrive at the EPS impact.

# Increasing Capital Investment

## Capital Spend (\$MM)



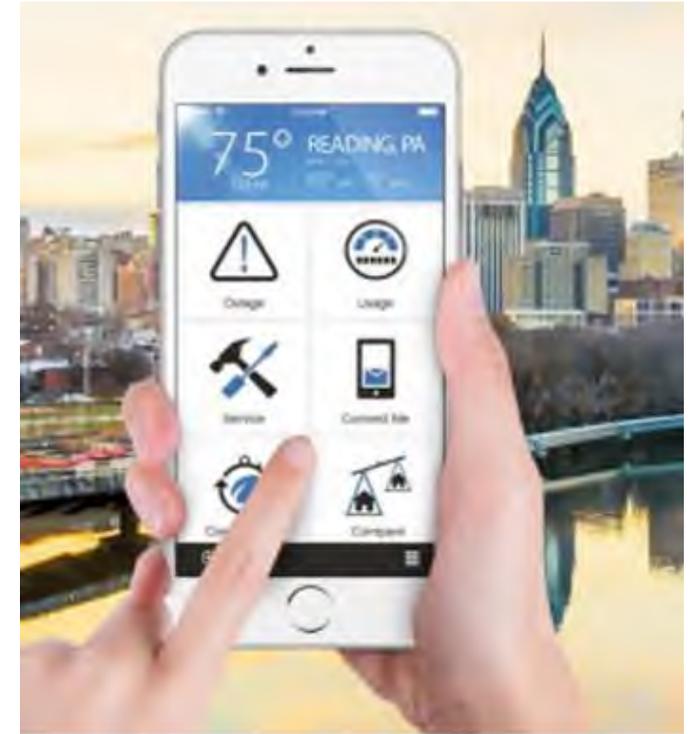
# Investment Creating Value



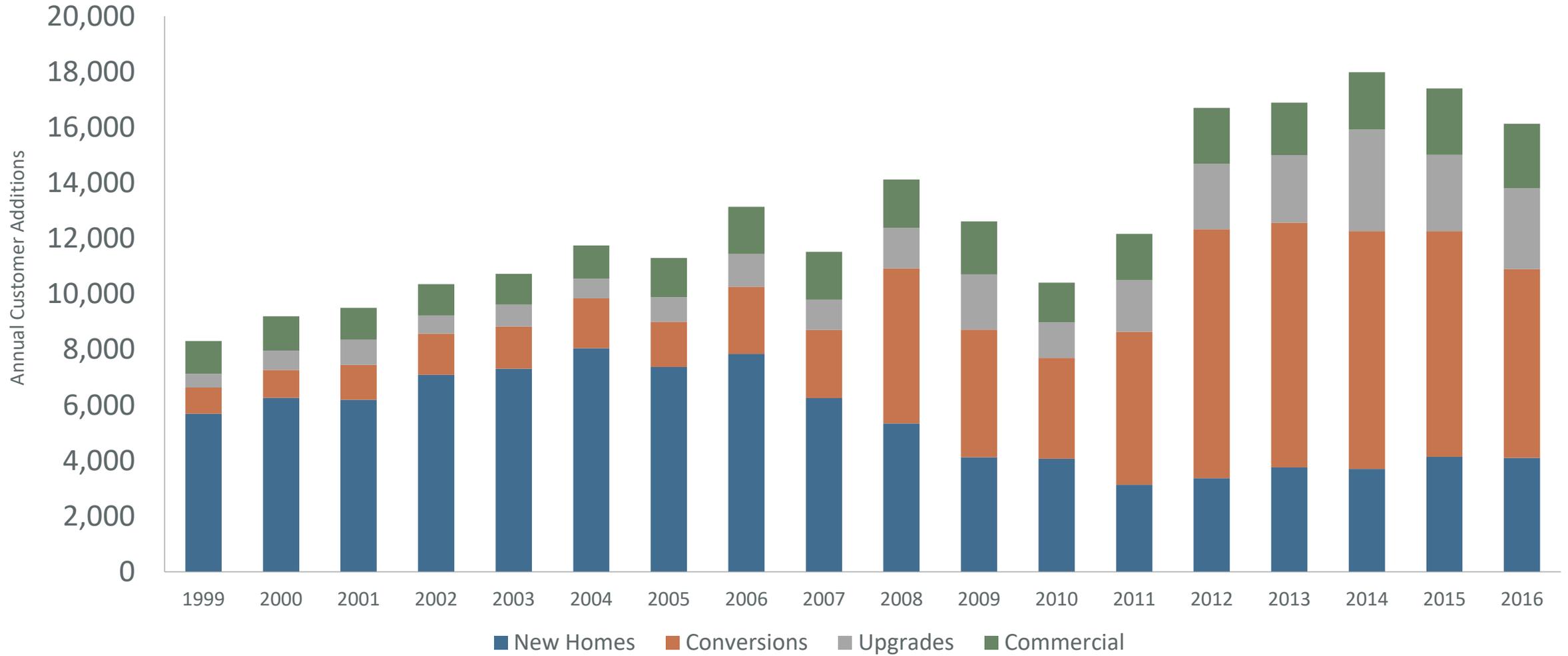
- Reducing regulatory lag:
  - Fully Projected Future Test Year
  - Distribution System Improvement Charge
  - Nearly 90% of FY17 investment begins recovery within 12 months
- Additional programs drive growth
  - Technology and Economic Development Rider
  - Growth Extension Tariff
  - Energy Efficiency & Conservation
- More frequent rate case cadence

# Project UNITE

- Up to \$90 million project to replace mainframe customer information system (CIS)
- System expected to “go-live” in late FY17
- Currently on-time and on-budget
- Benefits expected to address comments from customer service surveys
  - Creation of a customer portal available 24/7 from any digital device
  - Single sign-on to access consumption history, view a bill or make a payment
  - User-friendly energy tools and comparison



# Total Customer Growth



# Positioned for Continued Growth

- **Since 2008 UGI converted:**
  - ~68,000 households and businesses
  - Over 70 large commercial & industrial facilities
- **Growth Opportunities**
  - ~ 365,000 conversion prospects remain near gas mains
  - GET Gas program enables growth in underserved areas
- **~\$70 million 2017 growth capital budget**
  - Pre-2015 average annual spend was \$40 million
- **New Technologies / Future Demand**
  - Combined Heat and Power (“CHP”) Projects
  - Natural Gas Vehicle (“NGV”) fueling stations
  - Large potential industrial customers on deck

# Customer Service

UGI was ranked first or second in customer satisfaction in the East among large utilities in the J.D. Power Gas Utility Residential Customer Satisfaction Study<sup>SM</sup> in each of the last four years.



*\* Disclaimer: These rankings are from the proprietary J.D. Power 2013, 2014, 2015 and 2016 Gas Utility Residential Customer Satisfaction Study<sup>SM</sup>. Study based on online interviews ranking providers in the Eastern U.S. (CT, DC, MD, MA, NH, NJ, NY, PA, RI, VA). Proprietary study results are based on experiences and perceptions of consumers surveyed during September - July of each year. Experiences may vary. Visit [jdpower.com](http://jdpower.com).*

# Summary

- Strong profitability growth
- Continued focus on operational excellence
- Proximity to Marcellus shale
  - Low gas cost for customers
  - Attracting commercial investment
- Continued growth in residential and commercial customers
- Constructive regulatory environment
  - Timely recovery of prudent rate base investment
- Strong balance sheet



# Business Overview

## Marketing

**113**

Bcf natural gas marketing in

**36** LDCs

**~626,000**

MWhs in

**20** EDCs

## Midstream

**200**

Miles of pipeline systems

**15**

Bcf of natural gas storage

**1.35**

Bcf LNG storage, vaporization and liquefaction capacity for peaking

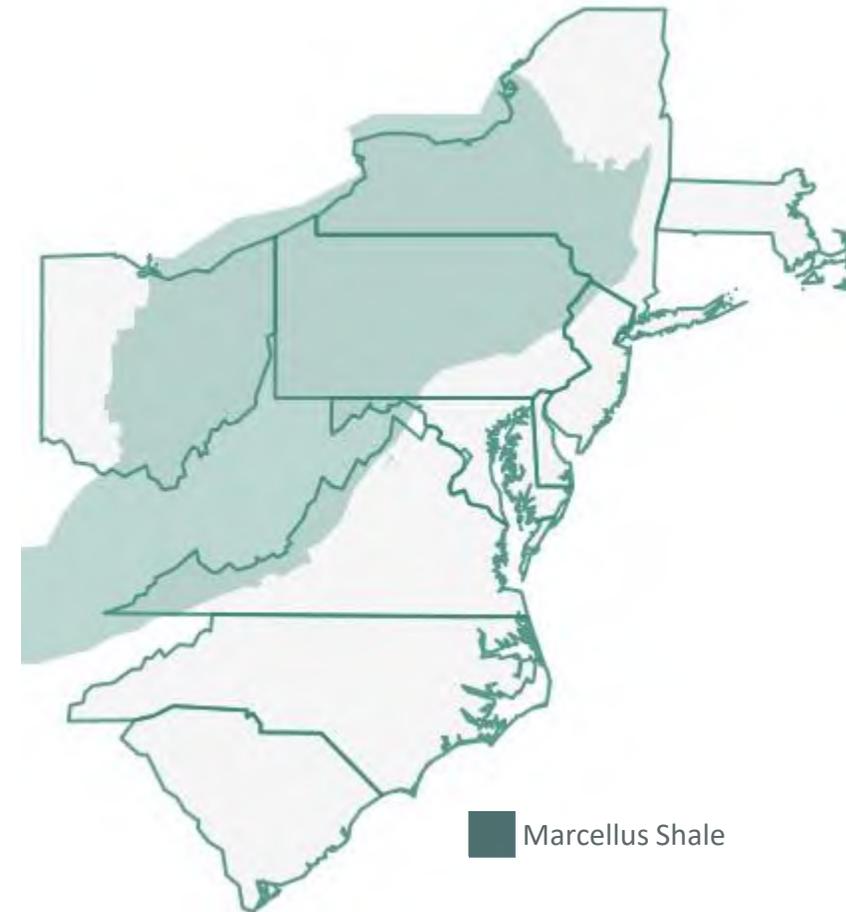
## Generation

**~256.5**

MWs of electric generation capacity

# Key Messages

- Extending our Marcellus asset network with attractive new capital projects
- Broad range of investment opportunities
- Increasing fee-based revenue through peaking and pipeline capacity contracts
- Strong track record for project execution
- Well positioned to serve growing natural gas demand
- Growth initiatives support an 8-10% annual net income growth rate



# FY2016 — Pivotal Year

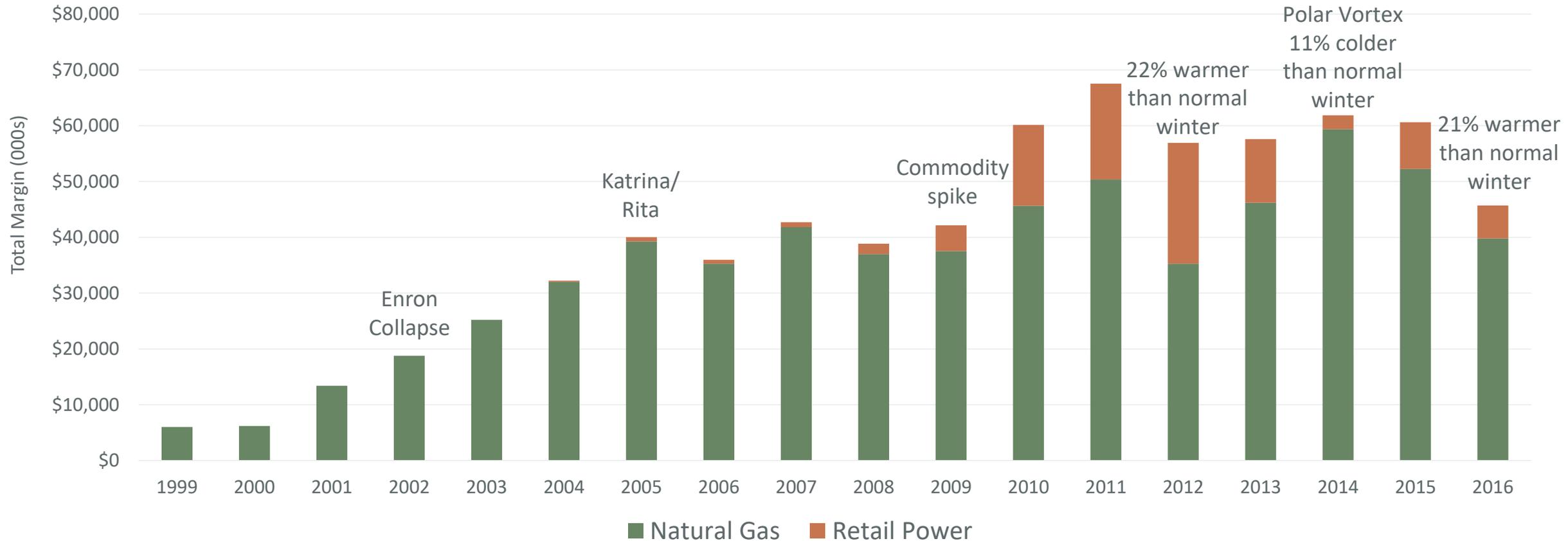
- Solid earnings despite warm winter weather
- Strong gas demand and northeastern infrastructure delays continue to make LNG peaking a growth opportunity
- Significant progress on PA infrastructure and LNG build-outs
- Diversity of capital projects
- Successful commodity marketing step-outs in the Carolinas

# Commodity Marketing

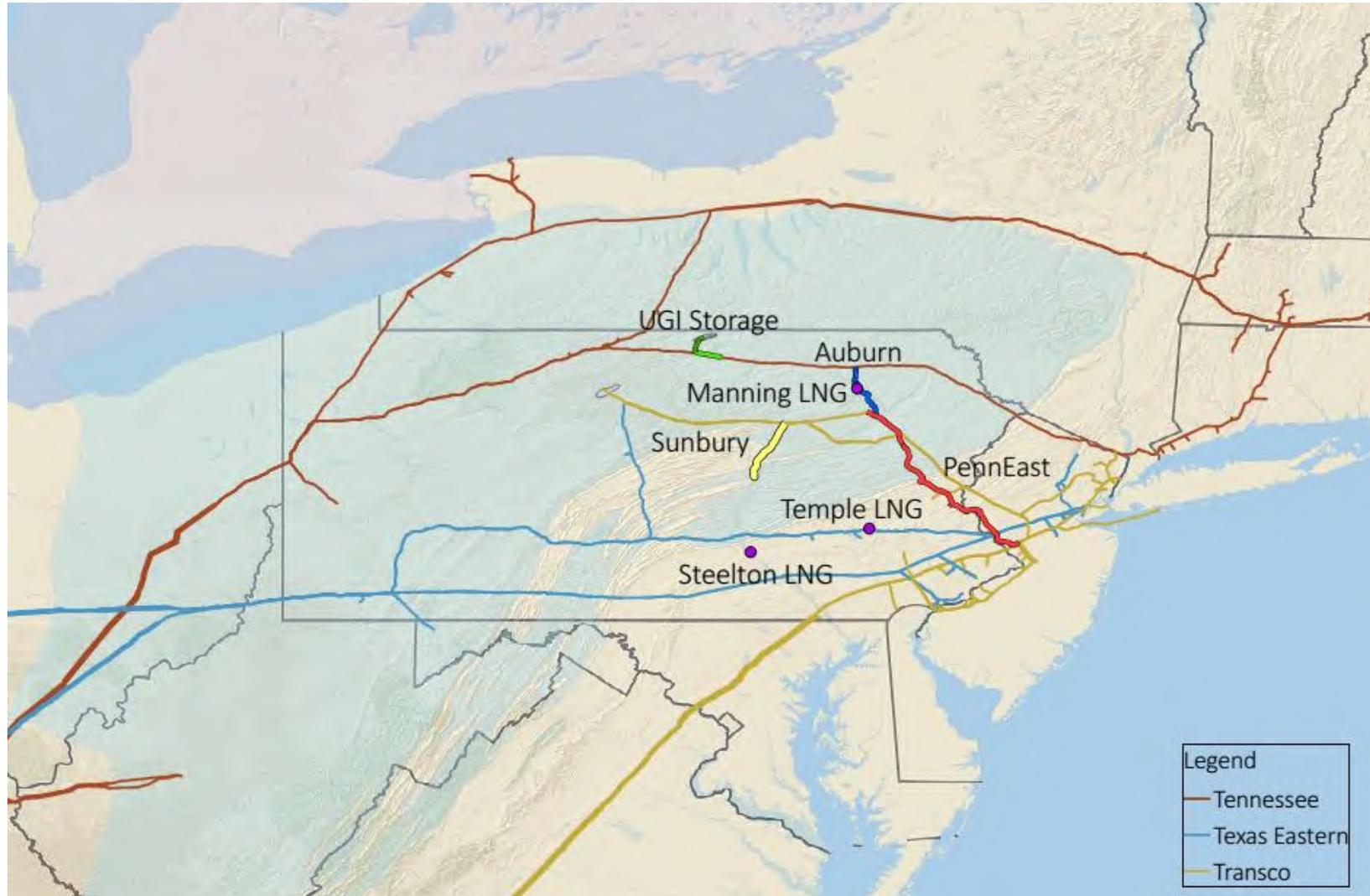
- Supply more than 113 BCF to 40,000 gas customer locations throughout the Eastern U.S.
- Target small & medium size businesses
- Focus on customer additions, long-term contracts and customer retention
- Steady growth in volume and geography
- No speculative trading

# Commodity Marketing

Consistent, disciplined approach results in steady margin growth through numerous disruptive events



# Midstream Assets Overview



# Midstream — LNG Peaking

## System Highlights

- LNG/Propane air (peaking assets):
  - 1.35 BCF storage
  - Fee-based revenue
  - LNG truck loading facility
- Supporting peaking demand for end-users:
  - LDC peak load
  - LNG trucking (off-grid end-users)
- New facilities in various stages of construction
  - ~\$109 million cost

# LNG Expansion



**Location:** Mehoopany, PA (Manning)

**Purpose:** Liquefaction plant

**Scope:** New 10,000 Dth/day nitrogen cycle LNG plant with 0.5 million gallons of LNG storage

**Cost:** \$60 million

**Schedule:** Under construction; Target 1Q 2017



**Location:** Steelton, PA

**Purpose:** Vaporization and storage facility

**Scope:** 65,000 Dth/day of LNG vaporization capacity and 2 million gallons of LNG storage

**Cost:** \$39 million

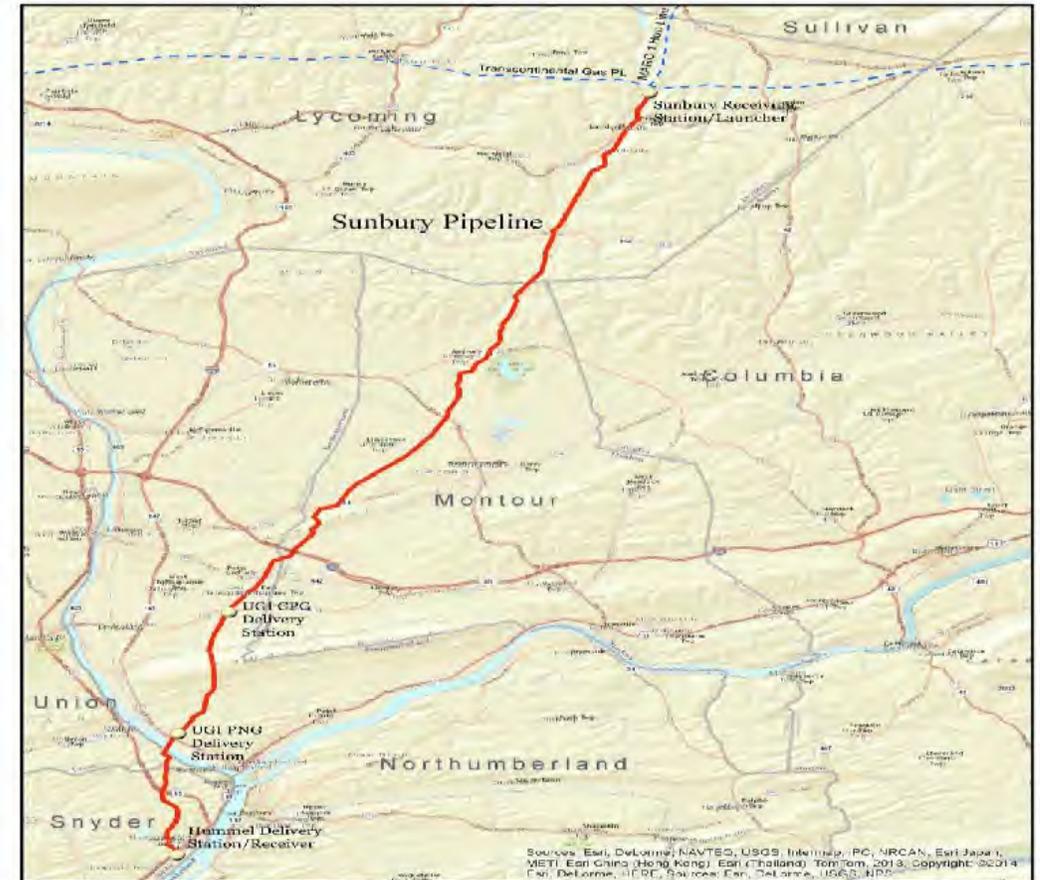
**Schedule:** Under construction; Target 4Q 2017

# Midstream — Sunbury

## System Highlights

- 35 Mile, 20” intrastate pipeline moving 200,000 dth/d of gas to:
  - Hummel Station
  - UGI Utilities
- Capex: \$160 MM
- Current progress:
  - FERC application filed 7/2015
  - Received FERC certificate 4/2016
  - Expected in-service: Early 2017
- Currently evaluating expansion opportunities

## Sunbury Pipeline (Red)

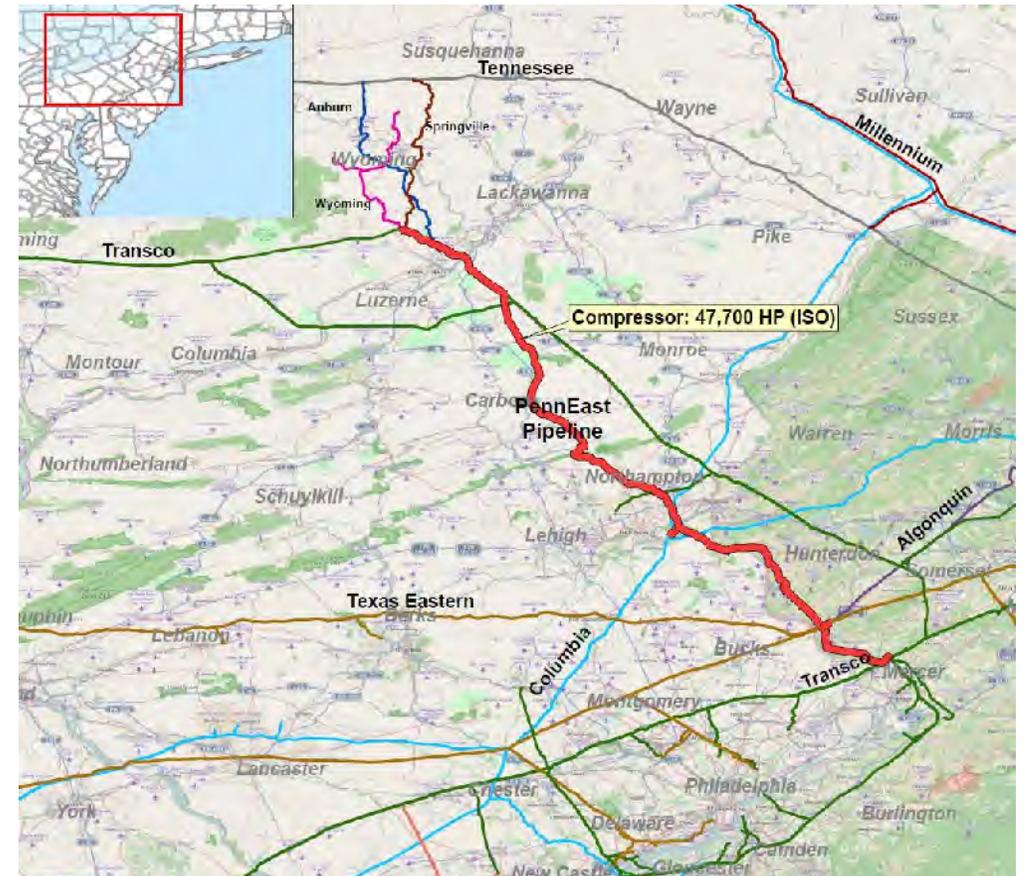


# Midstream – PennEast Pipeline

## System Highlights

- Connecting Marcellus gas to southeastern PA and western NJ markets
  - 118 Mile, 36" diameter, \$1.2 bn interstate pipeline
- Partnership: UGI (20% equity/project manager) and Spectra, AGL Resources, NJ Resources, South Jersey Industries, PSE&G
- Nearly 90% subscribed by high credit quality foundation shippers (utilities, entities with utility subsidiaries and interstate gas transmission entities)
- Capacity to deliver 1 bcf/d to key end markets:
  - Originates at Marcellus hub; terminus of Auburn Gathering System
  - Anticipating FERC approval in early 2017

## PennEast Pipeline (Red)



# Power Generation

## Electricity

- Hunlock – 130 MWs; natural gas-fired
- Conemaugh – 102 MWs; coal-fired
  - ~6% share of 1,700 megawatt facility

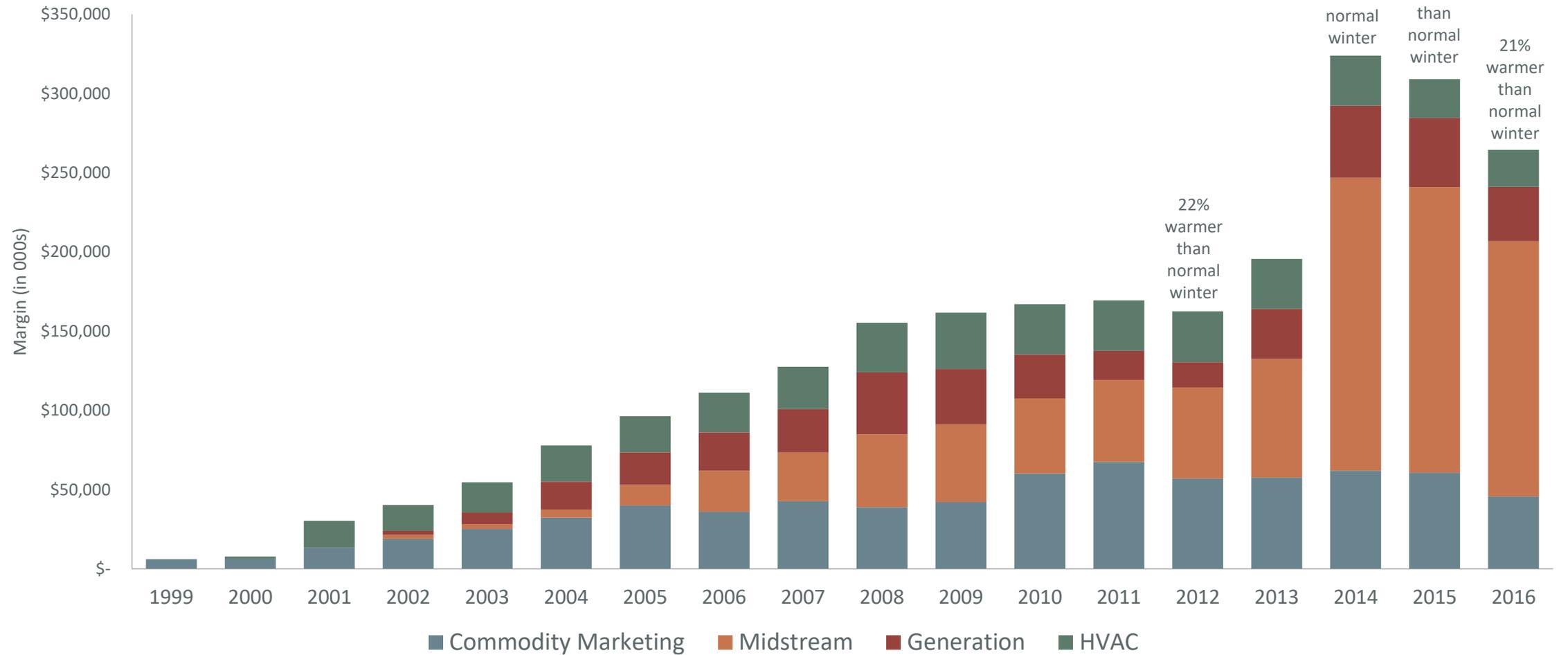
## Renewable

- 24.5 MWs
- 17 locations

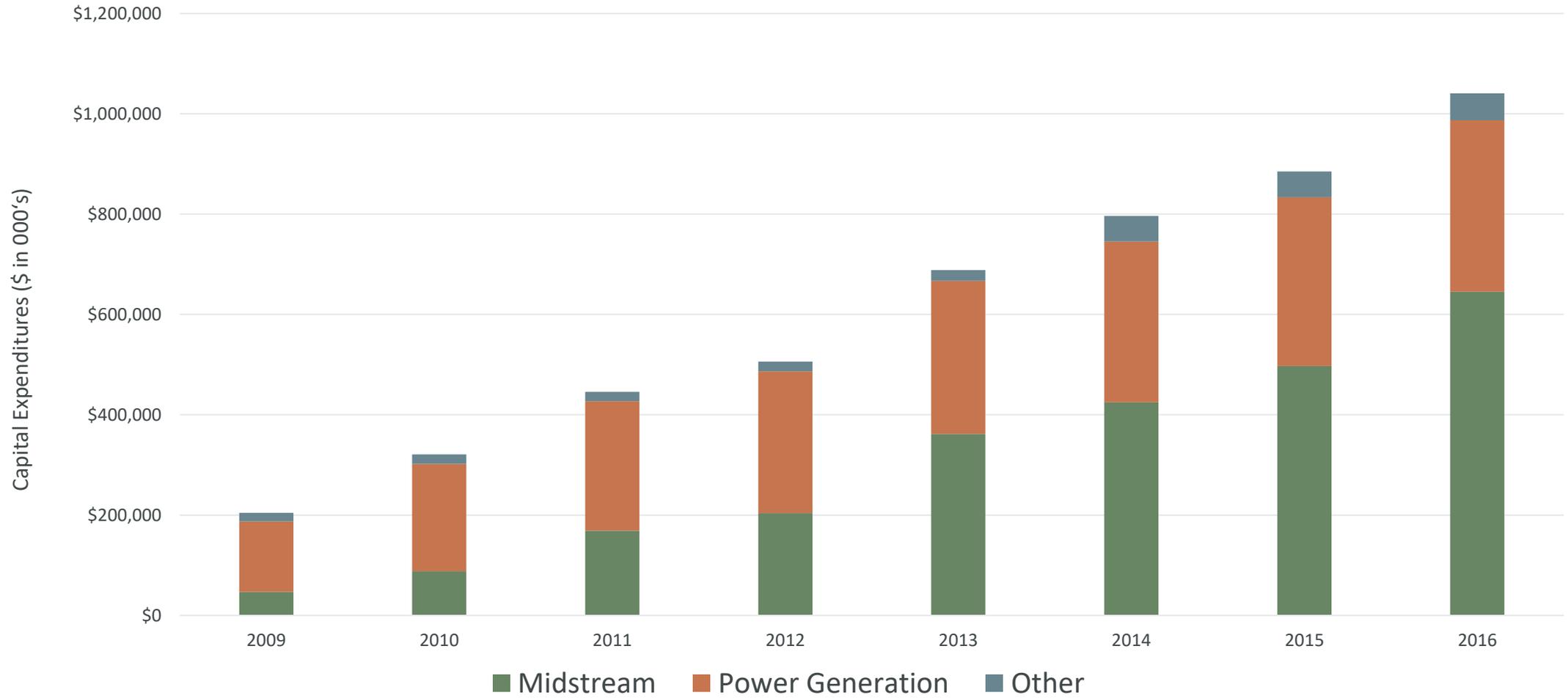


# Sustainable Business Growth

Increasing midstream margin drives overall growth

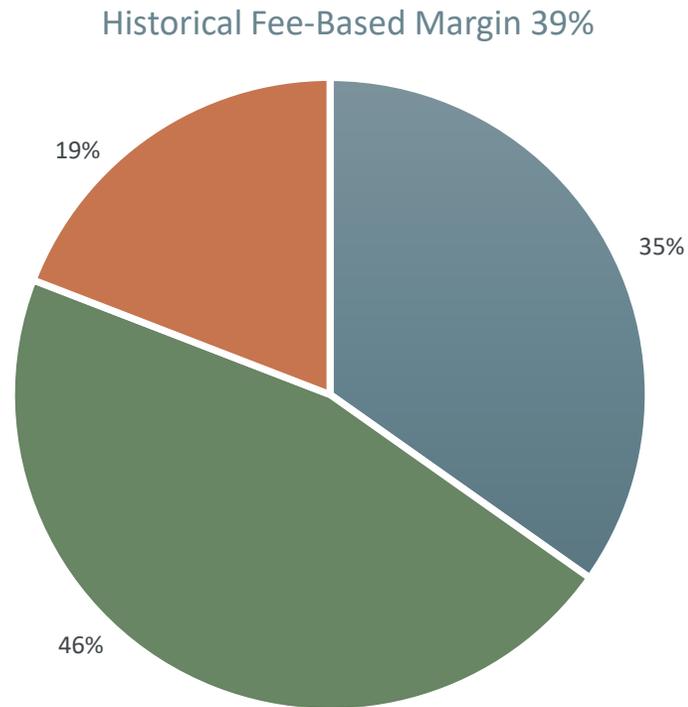


# Cumulative Capital Investment

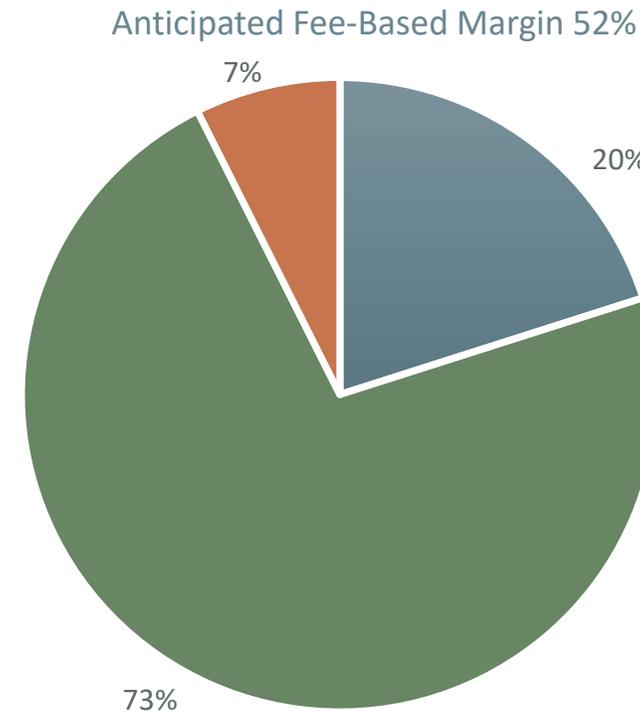


# Increasing Fee-based Income

2013 Margin Composition



Anticipated 2020 Margin Composition



■ Commodity Margin ■ Midstream Margin ■ Generation Margin

# Benefits of Pipeline and Peaking Contracts

## Attributes:

- Typically long-term contracts
- Contain “Take or Pay” provision
- Highly reliable counterparties
- Decreases vulnerability to the volatility of commodity market
- Generates more certain, predictable and long-term cash flow
- Increases credit worthiness

# Strategy

Position UGI as the preeminent integrated natural gas midstream and marketing business within our geographic footprint

- Capitalize on the “infrastructure gap” between the Marcellus supply region and Mid-Atlantic markets
- Use our distinctive geographic advantage, deep market knowledge and broad asset portfolio to achieve growth objectives in Midstream and Marketing
- Grow commodity marketing with measured step-outs

# Capitalizing on Infrastructure Gap

## Well positioned in capacity constrained areas:

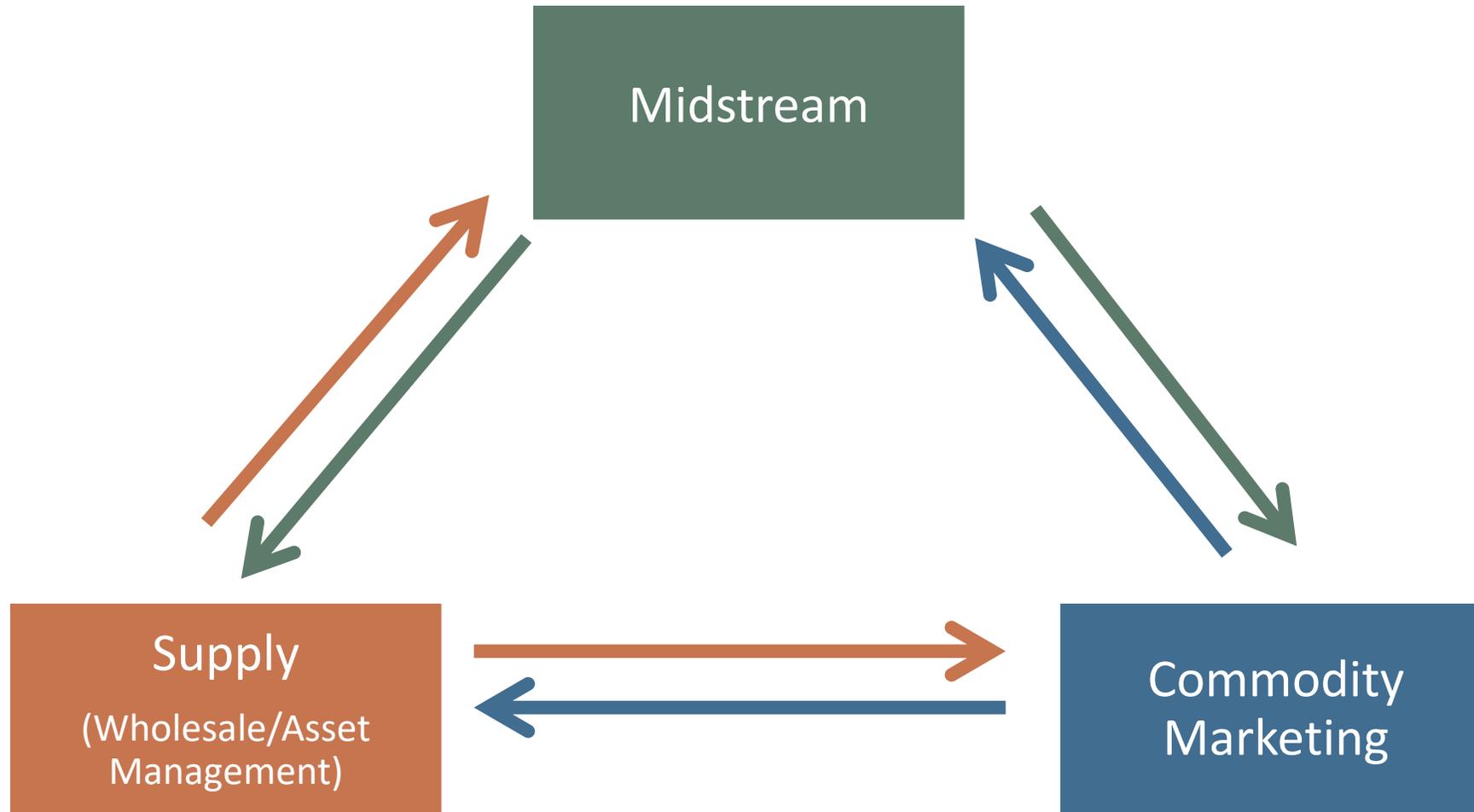
- Natural Gas Storage
- Auburn
- Uniondale
- LNG Peaking and Trucking
- Capacity Management

## Participating in infrastructure build-out:

- Sunbury
- PennEast



# Diversified Portfolio – Natural Synergy

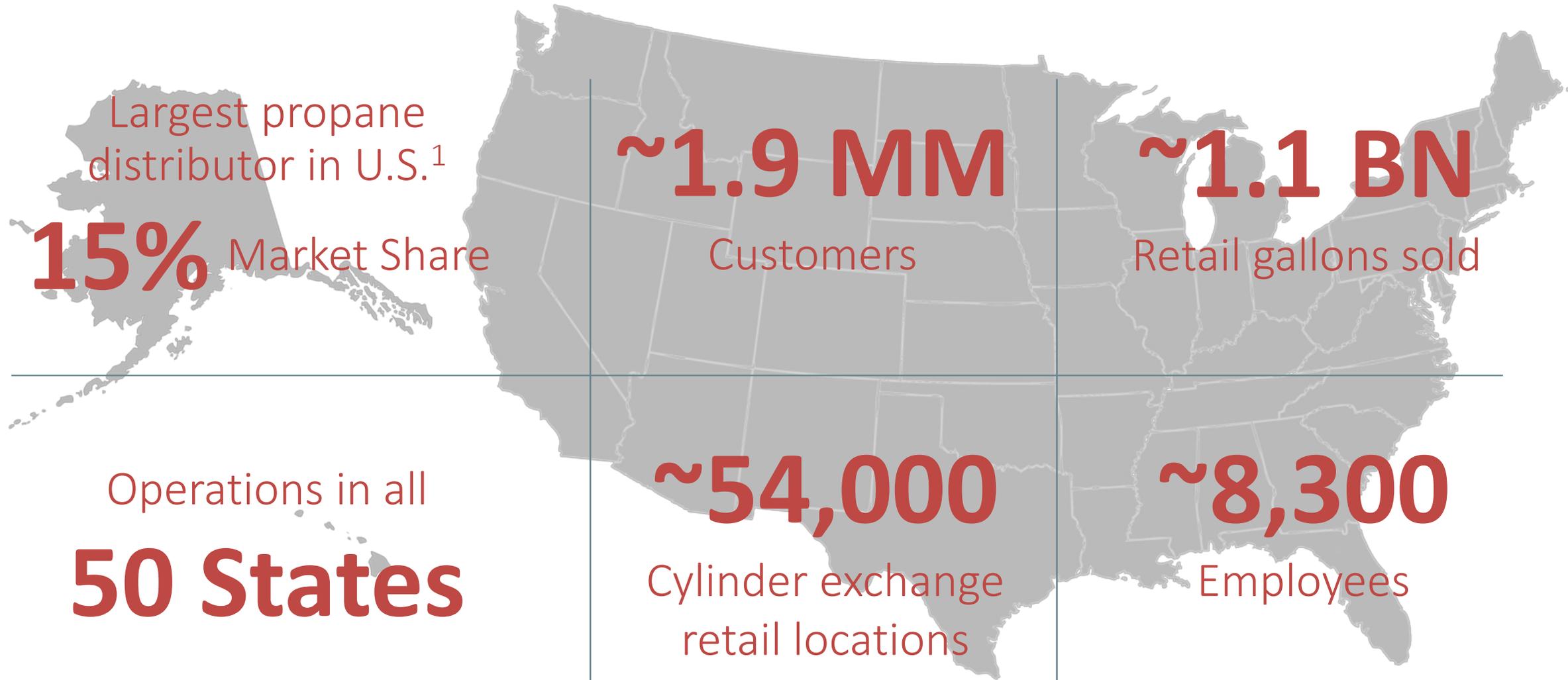


# Conclusion

- Fast growing company expanding from its commodity marketing base
- Broad pipeline of capital projects
  - Growing fee-based margin to over 50% by 2020
  - Strong track record of project execution
- Growth initiatives support an 8-10% annual net income growth rate
- Uniquely positioned to prosper in any Marcellus infrastructure environment
  - Pipeline project participation generates stable fee-based income
  - Peaking capabilities more valuable if delays occur



# Business Overview



# Business Overview



**38%**

Residential  
Heating & Cooking



**36%**

Commercial /  
Industrial



**17%**

Motor  
Fuel



**9%**

Agriculture &  
Transport

# Competitive Advantages

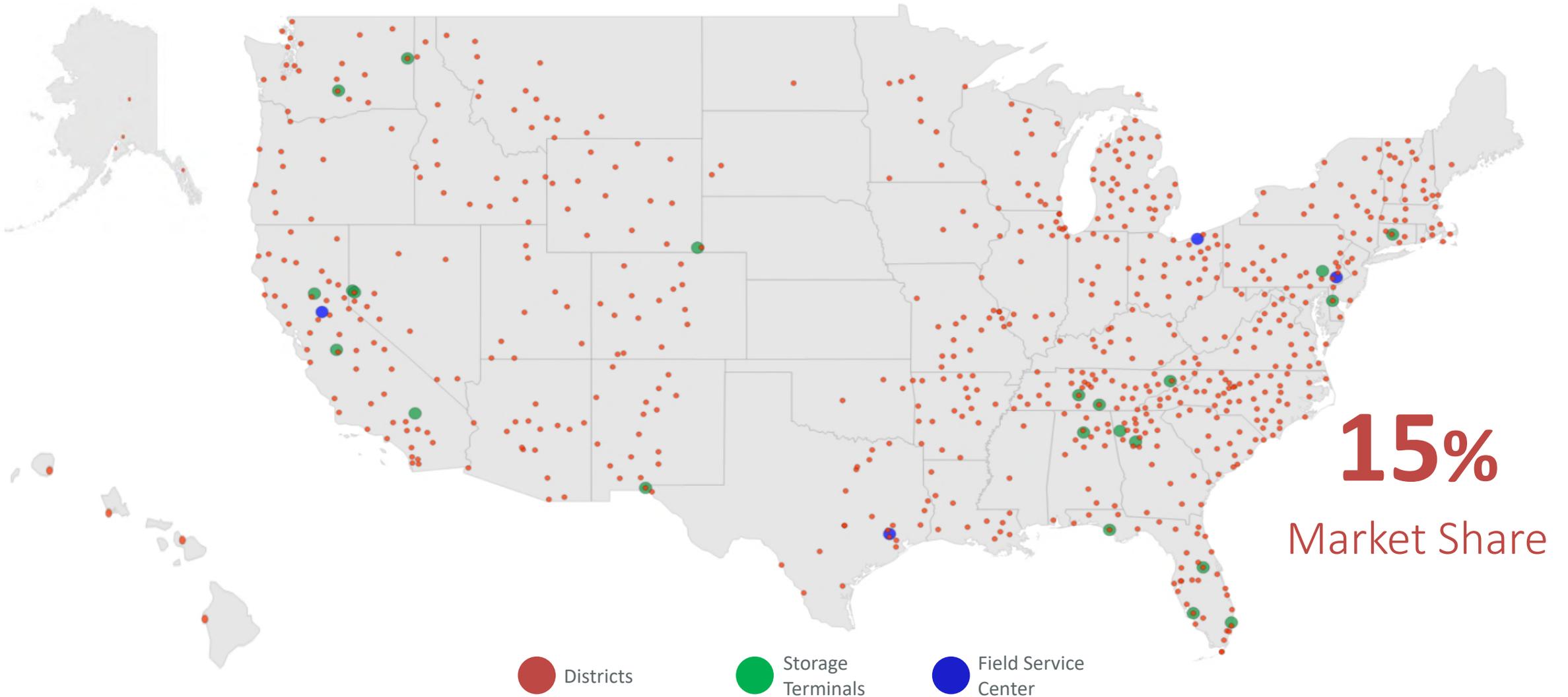
- Unmatched **geographic coverage** across all 50 states
- **Significant scale** enables deployment of technology advancements
- Significant **transportation and logistics** assets
- Tested formula for successful **acquisitions**
- Demonstrated ability to **manage margins**
- Growing **cash flow**
- Strong balance sheet

# 2016 Key Accomplishments

- Added 39 accounts and ~2,000 locations in National Accounts Program
- Added new ACE business representing ~1 million cylinders
- Completed 6 acquisitions adding ~10 million gallons
- Continued deployment of new technologies
- Increased unit margins by 3.5%
- Increased distribution for 12<sup>th</sup> consecutive year
- Strengthened balance sheet by refinancing ~\$1.3 billion of long-term debt



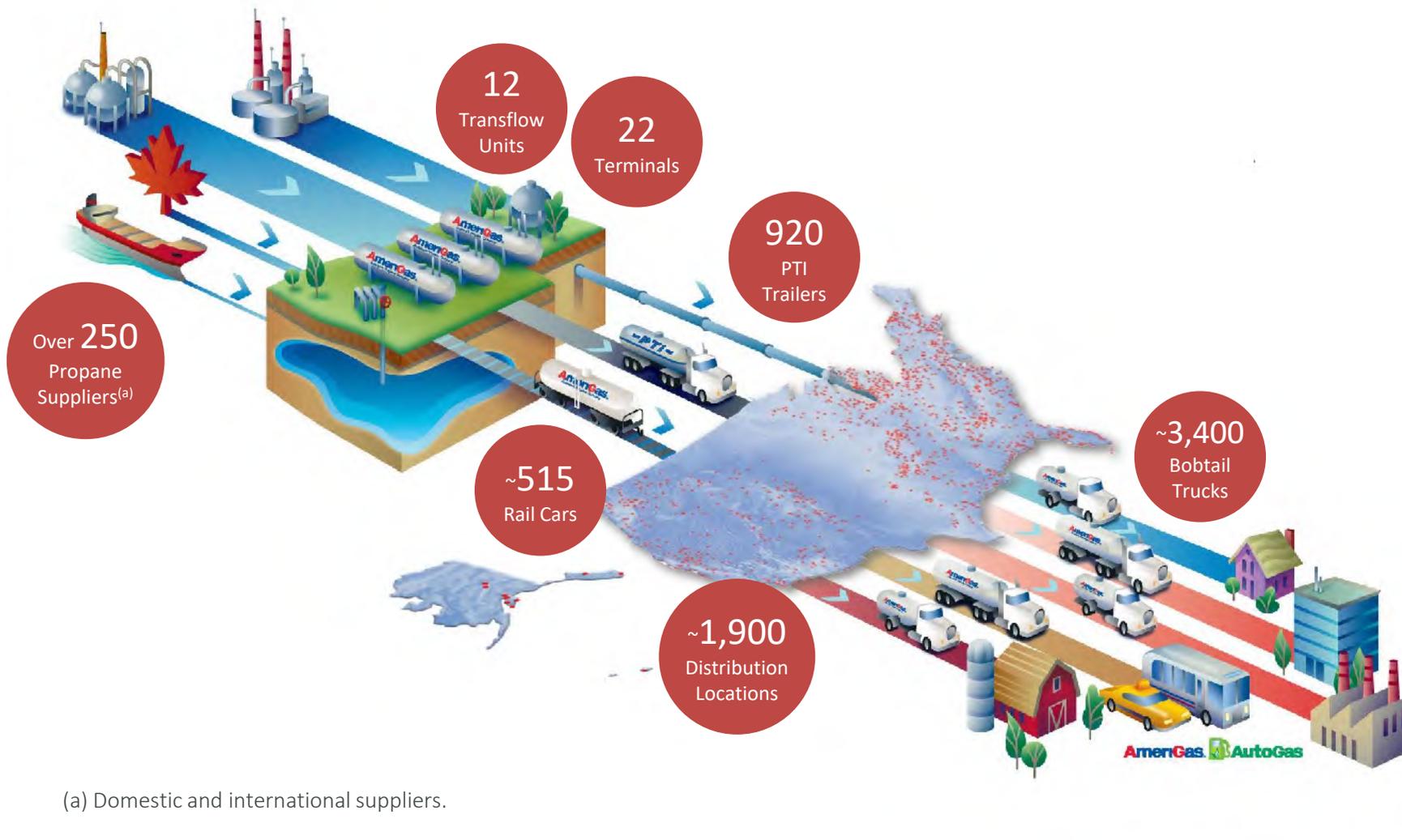
# Unmatched Nationwide Footprint



**15%**  
Market Share

- Districts
- Storage Terminals
- Field Service Center

# Significant Transportation and Logistics Network



Most flexible, reliable supply chain coverage in the retail propane industry

Ability to quickly focus flexible truck, rail and trans-loading assets to areas in need

(a) Domestic and international suppliers.

# Technology Investments Across a Broad Platform

Investments in technology reduce operational costs while improving the customer experience



## AmeriMobile

- Real-time field communication



## AmeriGas.com

- Online bill pay
- Will-call orders



## District Tools

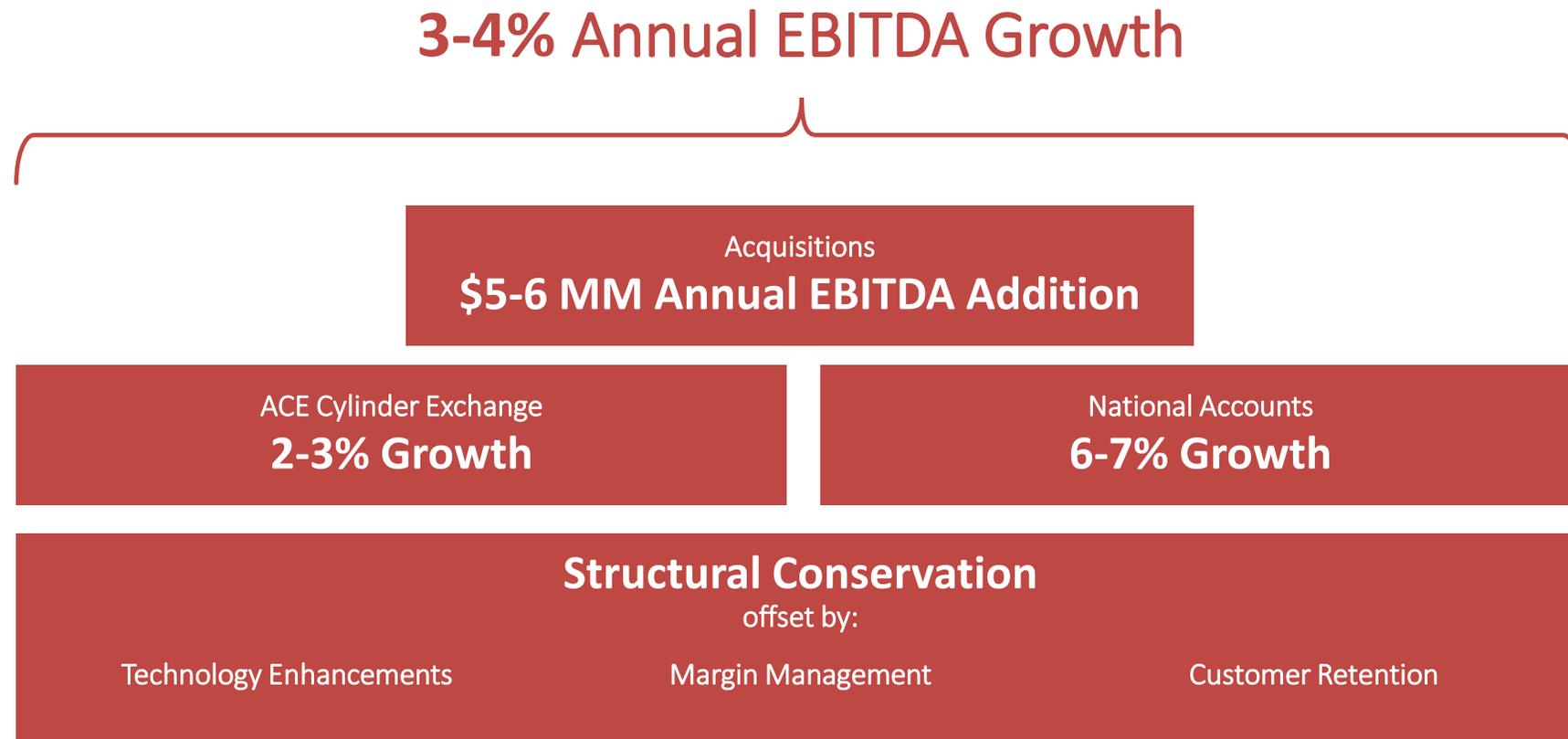
- Real-time key performance indicators



## Networked Call Centers

- Re-route calls based on volume
- 24/7 Emergency Call Center

# Key Drivers of Growth



# National Accounts Program

- Over 200MM gallons
- Unparalleled footprint (~1,900 distribution locations, 50 states)
- Best in class “back office”
- Largest sales force in the industry
- Geographic diversity
- Generally less weather sensitive than residential business

Serving over  
**40,000**  
Customer Locations

---

**~2,000**  
Customer locations  
added in 2016

# Cylinder Exchange Program

- Counter seasonal due to summer grilling demand
- Product of convenience
- Platform grows as U.S. retailers expand
- Highly targeted marketing programs

Over **50,000**  
distribution points



**33**  
Cylinder  
refurbishment  
centers  
nationwide

# Growth Through Acquisitions

- Hallmark of the Company's growth history
- Highly fragmented market, over 3,500 acquisition opportunities
- Dedicated corporate development team with relationship building as a core competency
- Unmatched operational synergy opportunities due to nationwide footprint
- 15 acquisitions in last two years

~ **200**  
acquisitions since  
the early 1980s



1987



1993

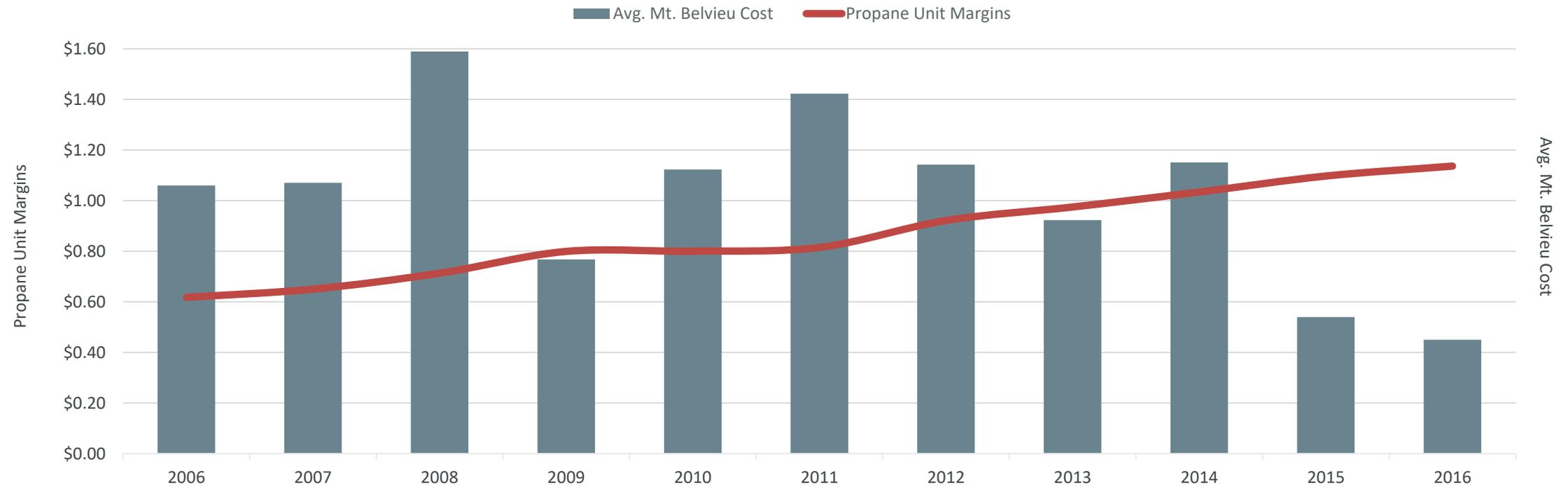


2001



2012

# Unit Margin Management



Company and customers benefit from low prices

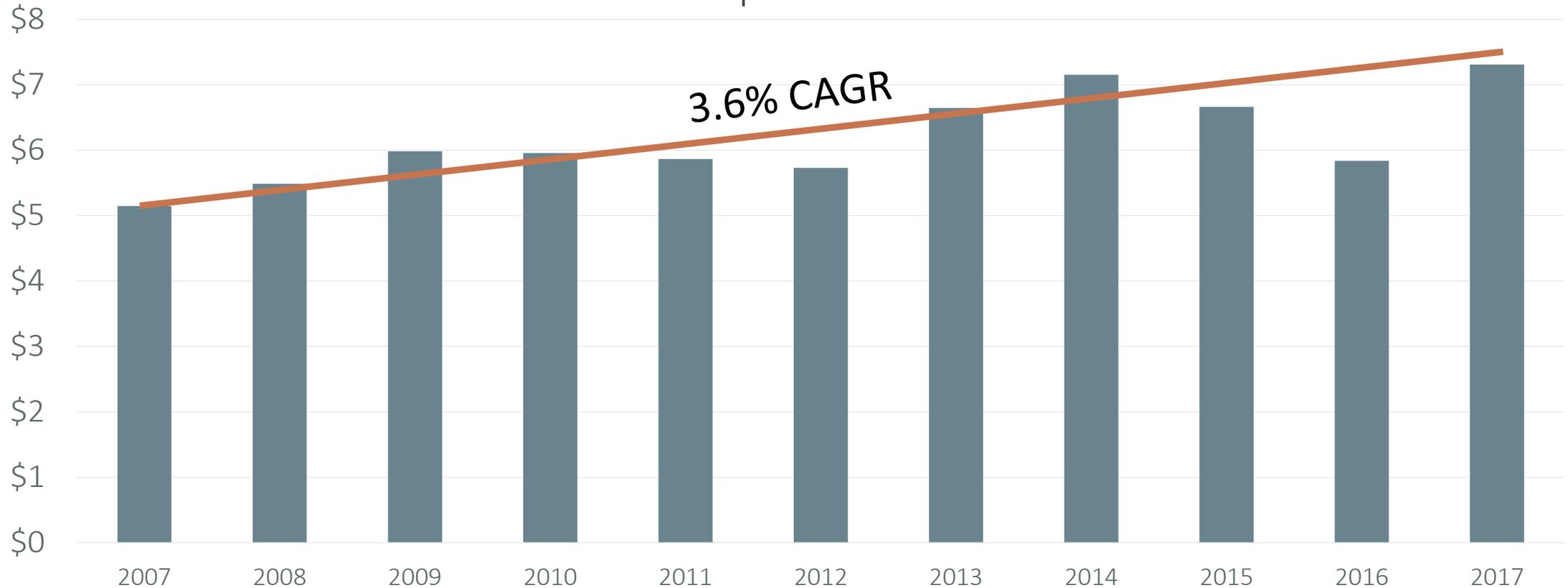
Less price-induced conservation | Lower working capital needs | Lower bad debt reserves

# Key Financial Objectives

- 3% - 4% growth in EBITDA<sup>1</sup> over the long-term
- Distribution growth consistent with EBITDA growth and targeting 1.1x to 1.2x distribution coverage
- Maintain or enhance credit metrics targeting leverage ratios in the range of 3.5x – 4.0x
- Use access to capital markets judiciously - fund all maintenance, growth and acquisition expenditures through internally generated cash flow

# Adjusted EBITDA Growth

Adjusted EBITDA Per Unit  
3.6% CAGR at Midpoint of FY 17 Guidance

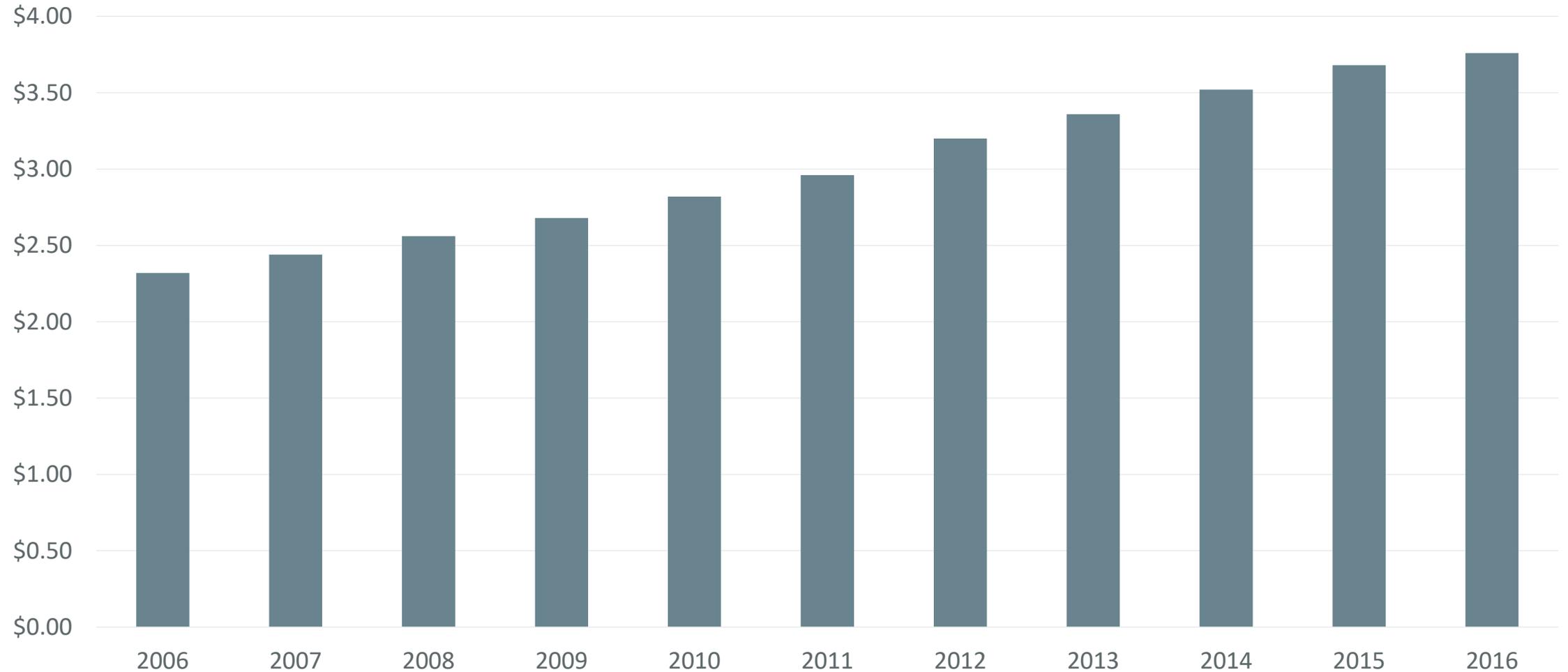


Adjusted EBITDA per unit is a non-GAAP measure. See appendix for reconciliation.

Because we are unable to predict certain potentially material items affecting Adjusted EBITDA, principally mark-to-market gains and losses on derivative instruments, we cannot reconcile 2017 Adjusted EBITDA to Net Income, the most comparable GAAP measure.

# 12<sup>th</sup> Consecutive Year of Increasing Distributions

Annualized Year-End Distributions Per Unit

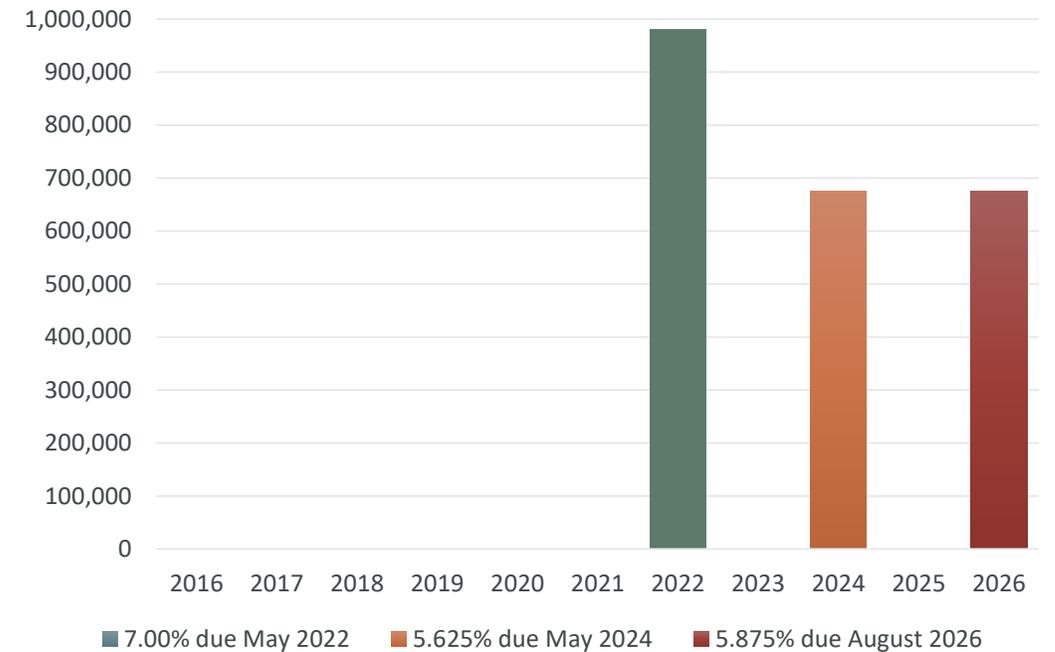
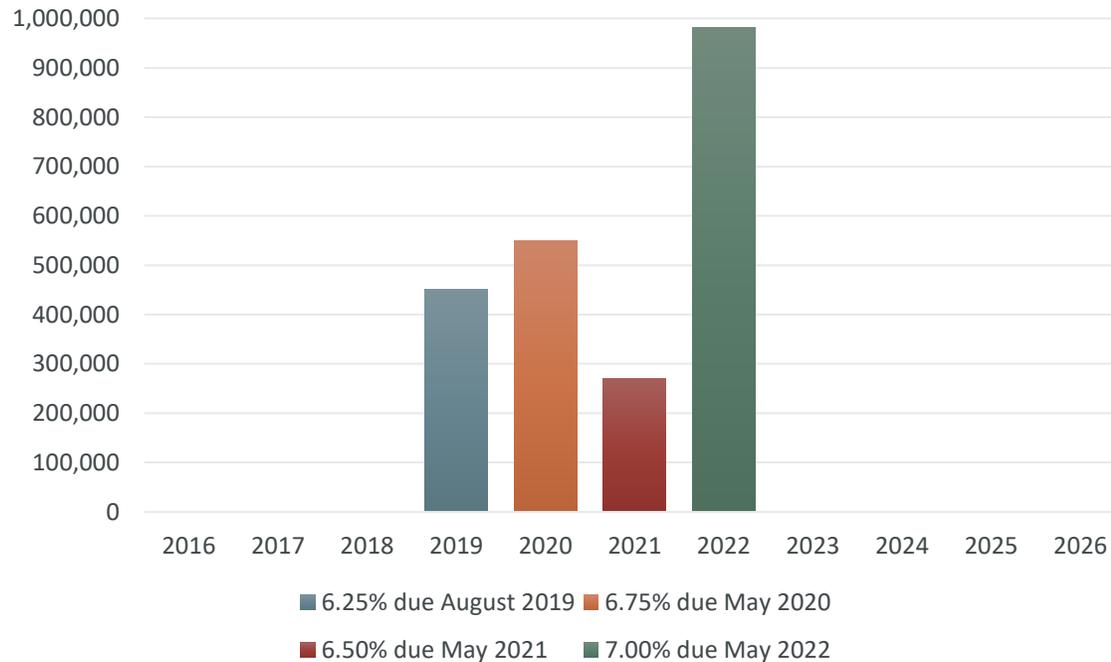


# 2016 Refinancing Strengthened Balance Sheet

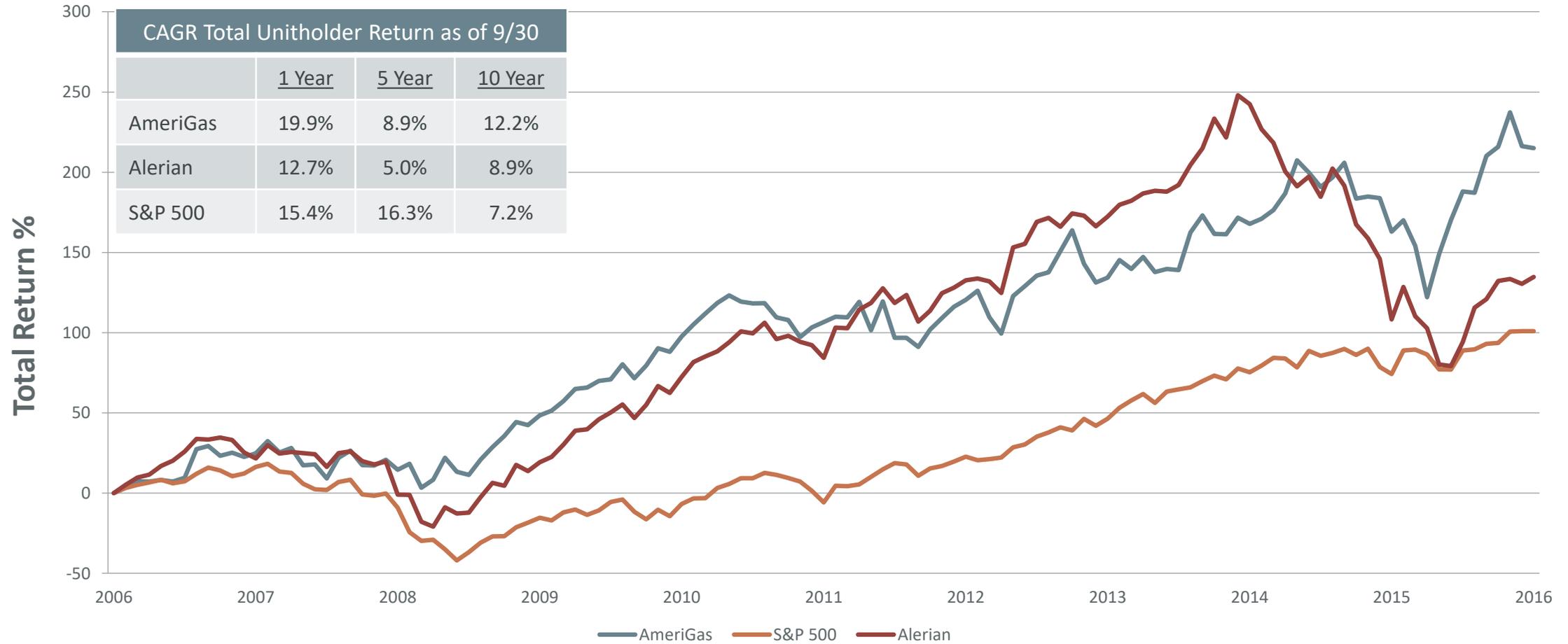
## Debt Maturity Extended and Coverage Improved

**BEFORE:** Avg. maturity: 4.7 years  
Avg. interest rate: 6.73%

**AFTER:** Avg. maturity: 7.7 years  
Avg. interest rate: 6.28%



# Outperformance Over the Long-Term



# Conclusion

- Superior **financial performance**
- Unmatched **scale** and **geographic coverage**
- Significant **growth opportunities**
- Tested formula for successful **acquisitions** in fragmented industry
- Demonstrated ability to **manage margins**
- Leveraging **technology** to increase efficiency and customer service
- Outstanding **cash flow supports** EBITDA and distribution growth



# Business Overview

**~19 million**

Cylinders in circulation

**~500,000**

Customers

**~65,000**

Propane  
distribution locations

Operations in  
**16 Countries**

14 Languages

**~2,755**

Employees

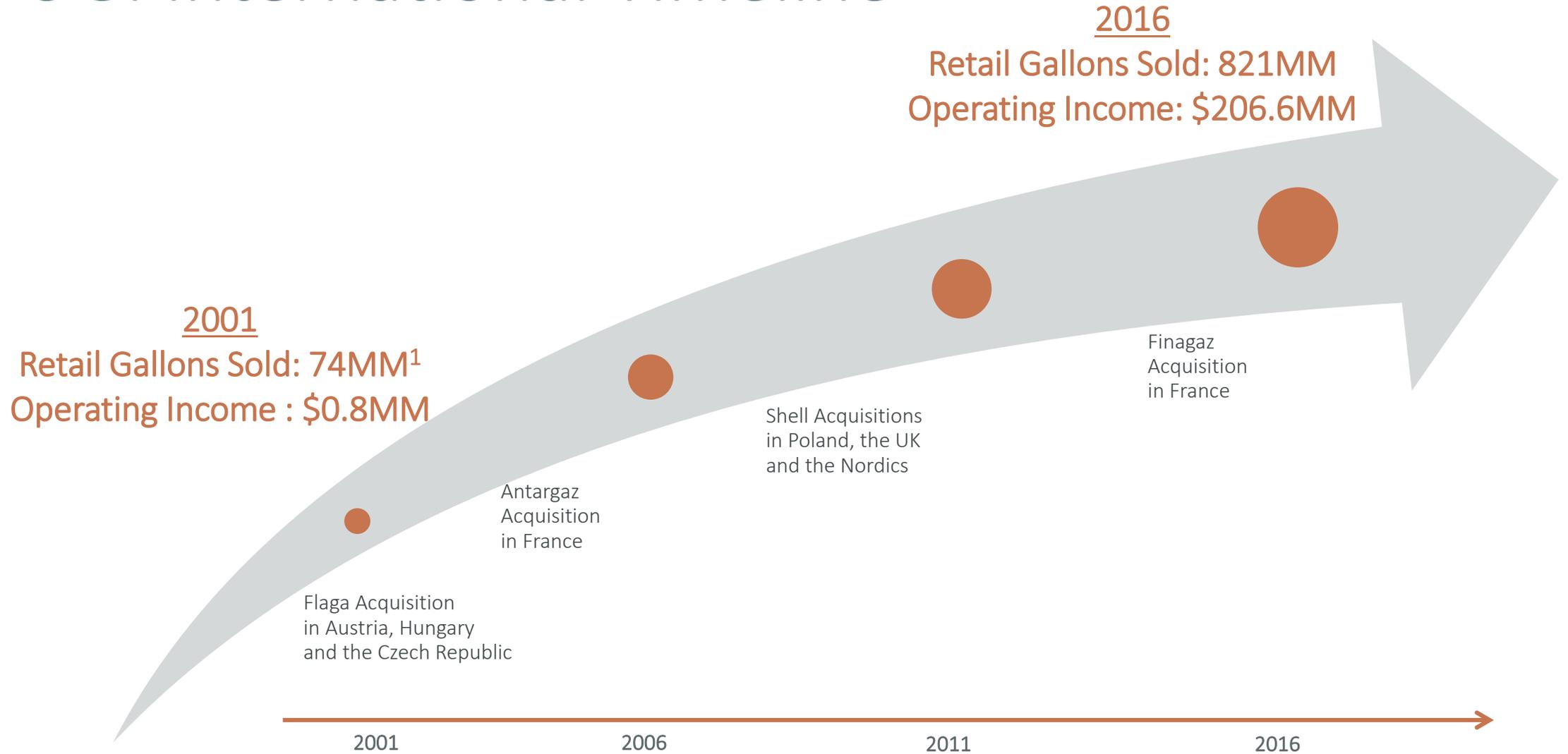
Over  
**820 million**

retail gallons sold in FY16

# UGI International Brands



# UGI International Timeline



# Key Messages

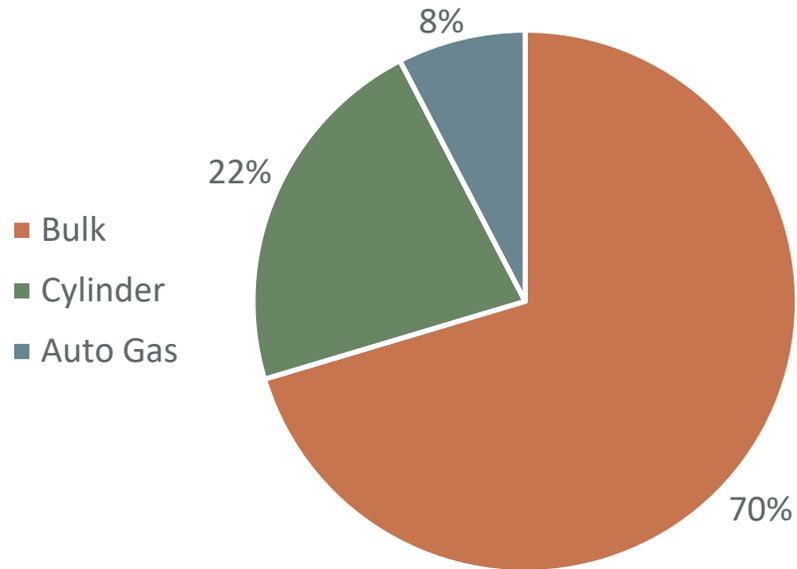
- International segment managed as one company with strong local presence
- Successful ability to identify and integrate quality assets
- Strong operational cash flow
- Track record for margin management
- Growth and integration strategies yield 5% to 8% earnings growth
  - Heating oil to LPG conversion
  - Natural gas marketing
  - Operational effectiveness and delivery of synergies
- Opportunities for additional acquisitions

# 2016 Key Accomplishments

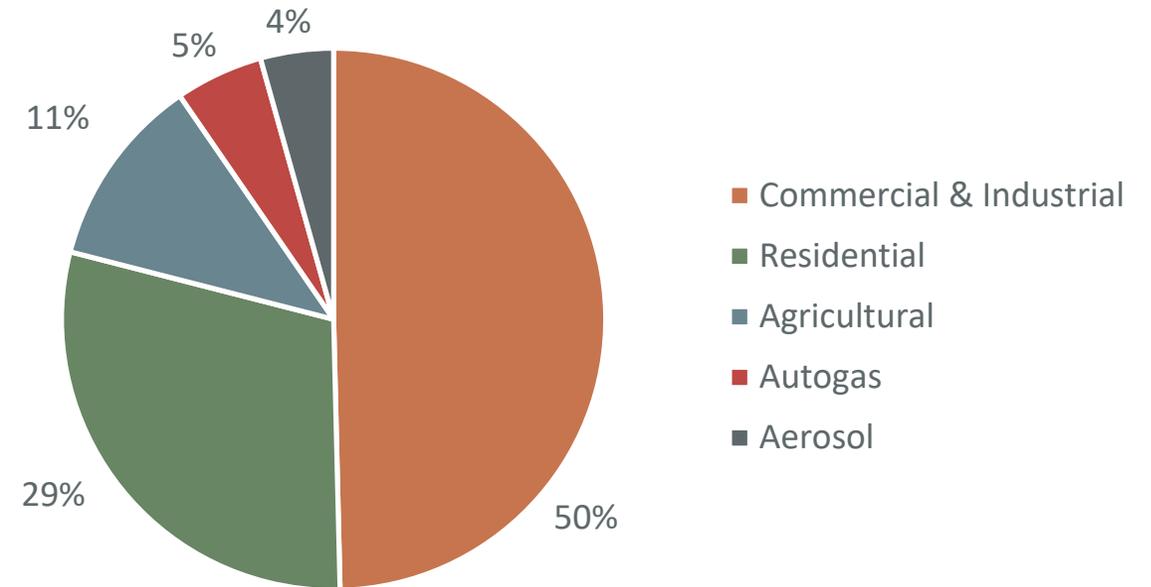
- Finagaz integration is on track
  - Integrated cylinder business, IT systems and headquarters
  - Bulk integration in process
- Acquired over 18.5 million gallons in smaller acquisitions in Norway, Austria and the UK
- Margin expansion through effective price management
- New UGI International management structure
  - Appointed UGI International CEO and CFO
  - Realigned management into 3 regions, effective FY17
  - Established EU-wide roles for critical functions
    - Group supply
    - Industrial management
    - Business development
    - Finance

# Serving a Diverse Customer Base

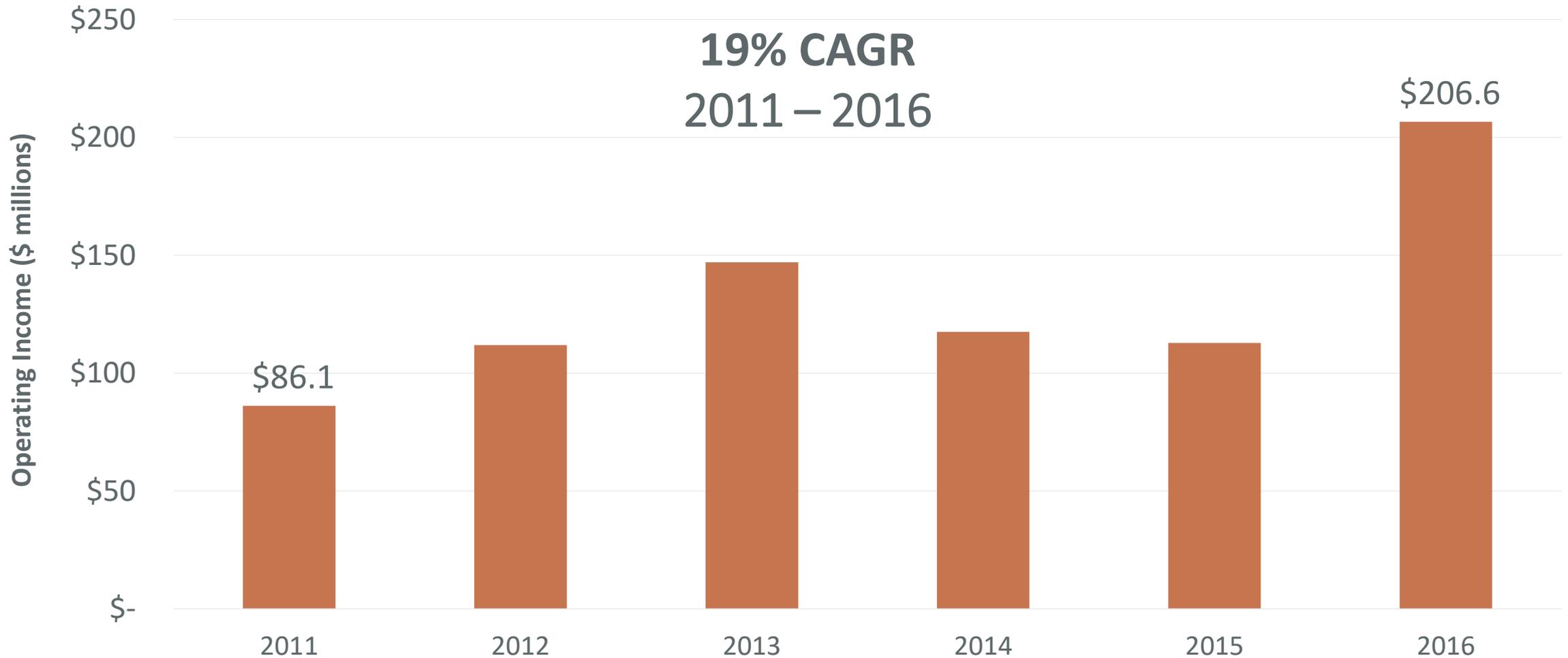
FY16 Volume by Segment



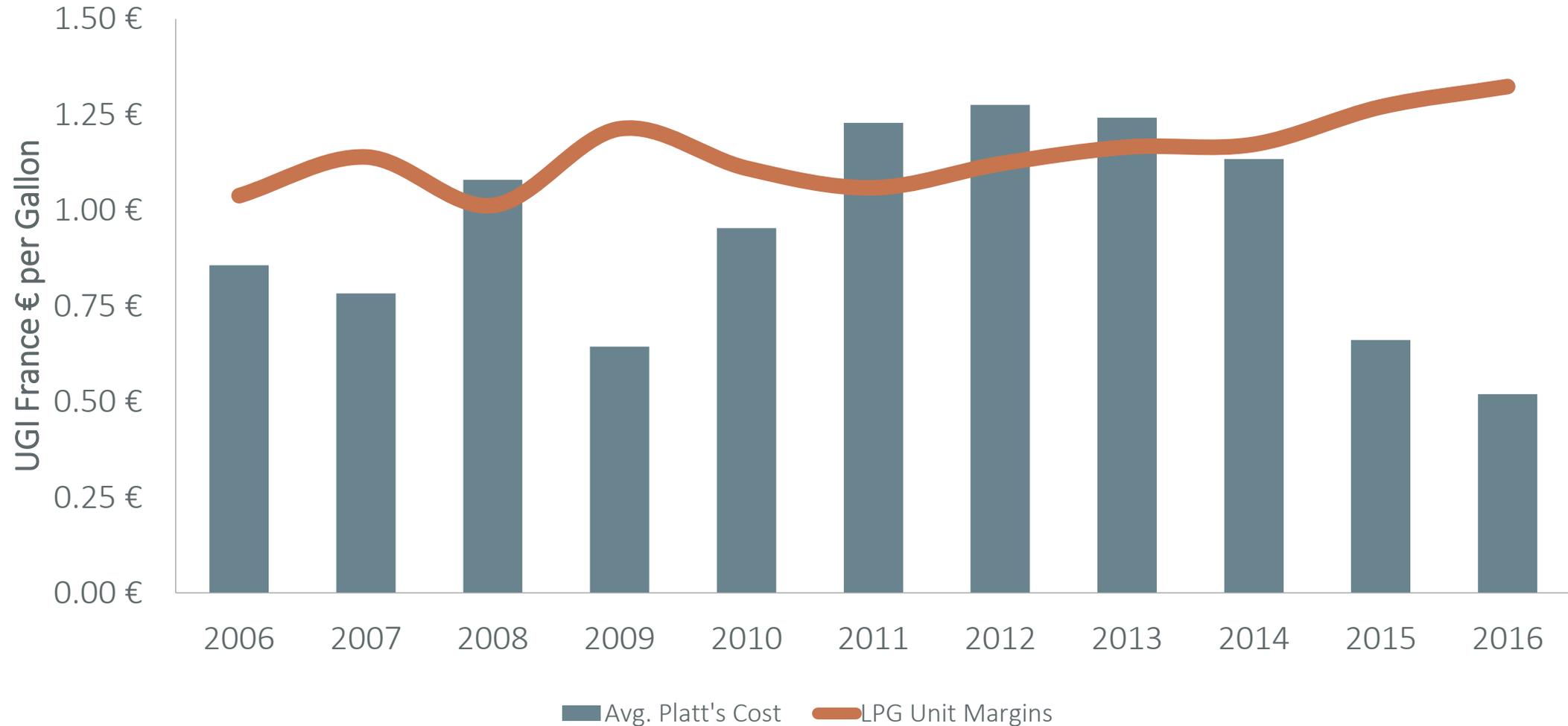
FY16 Volume by Segment



# Step Change in Earnings



# Track Record of Margin Management



# Competitive Advantages

- Strong market position in Europe
  - Largest LPG distributor in Austria, Denmark, France and Hungary
  - Significant participant in the Benelux , Czech Republic, Norway, Poland, Slovakia, Sweden & UK
- LPG is a core business to UGI
  - Strong management focus
  - Best practices shared with domestic operations
- Strategically located supply assets and purchasing leverage
  - Reduces pricing risk
  - Ensures source of supply

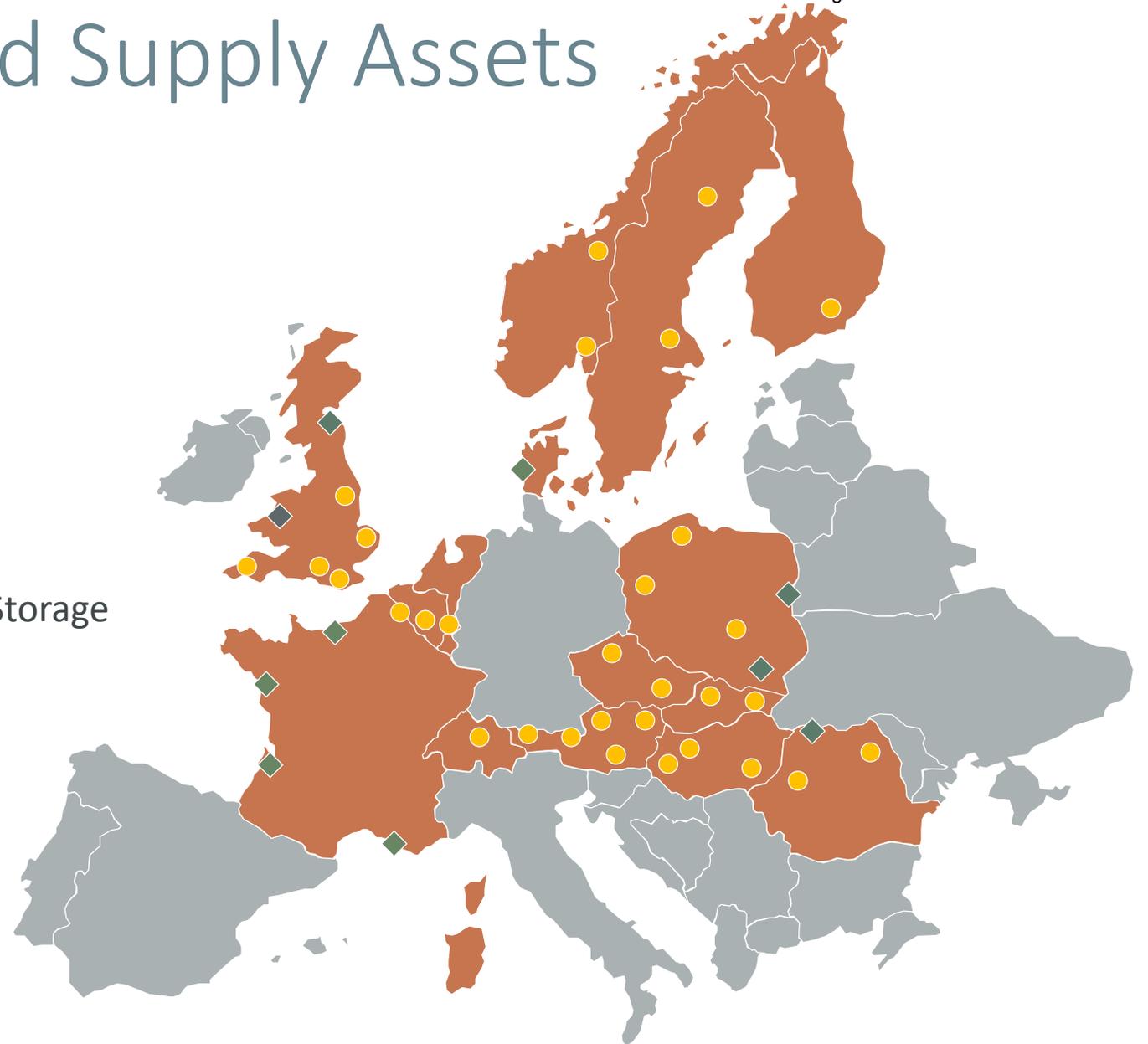
# Exceptional LPG Network in France

- Large customer base:
  - ~360,000 bulk customers
  - Over 5 million cylinder customers
  - ~443 MM gallons<sup>1</sup>
- Advantages:
  - Independent supply structure
  - Customer density = efficiency
- Focus on:
  - Customer service
  - Innovation
  - Developing new market segments



# Strategically Located Supply Assets

- ◆ Terminals
- Depots / Railheads / Storage



# Strategies: UGI International West

- Integration of two significant businesses in France
- Focus on:
  - Productivity gains
  - Superior customer service
- New segment opportunities for growth
  - Natural gas marketing
  - Potential for expansion into other countries



# Strategies: UGI International North

- UK, Benelux & Nordics
- Mature energy markets and industrial applications
- Focus on:
  - Superior customer service
  - Productivity gains
  - Increasing market position
- New opportunities for growth
  - Natural gas marketing
  - Cylinder business



# Strategies: UGI International East

- Poland, Austria, Switzerland, Czech Republic, Hungary, Romania & Slovakia
- Eastern countries still have organic growth
- Markets more mature in Austria and Switzerland
- Focus on:
  - Organic growth of bulk and cylinder LPG
  - Poised for acquisitions



# Growth Opportunities in Poland

- Market:
  - Third largest LPG market in Europe
  - Acquired Shell Gas in FY12 and BP Gas in FY13
  - Retail demand: ~290 million gallons
- Significant Growth Opportunities:
  - Highest number of new bulk installations in Europe
  - Growing commercial / industrial segment
  - Piped networks for small communities and developments



Population:  
**38 Million**

---

**120,000**  
Square Miles

# Growth Beyond LPG

- **Natural Gas Marketing**
  - Grown business from scratch over last five years
  - Leverage sales force and best practices to double the existing business over the next five years
  - Opportunities in U.K., Germany and Poland
- **LNG Distribution**
  - Assessing LNG distribution opportunities as market evolves
  - Longer term business objective
  - Focus on U.K. and Nordic countries
  - Motor fuel and marine markets are attractive

# Summary & Conclusion

- Core international segment with strong **market share** in 16 countries
- Strong **operational cash flow** with minimal required capital expenditures
- Track record for acquisition **integration** and **margin management**
- Clear strategies for **growth**

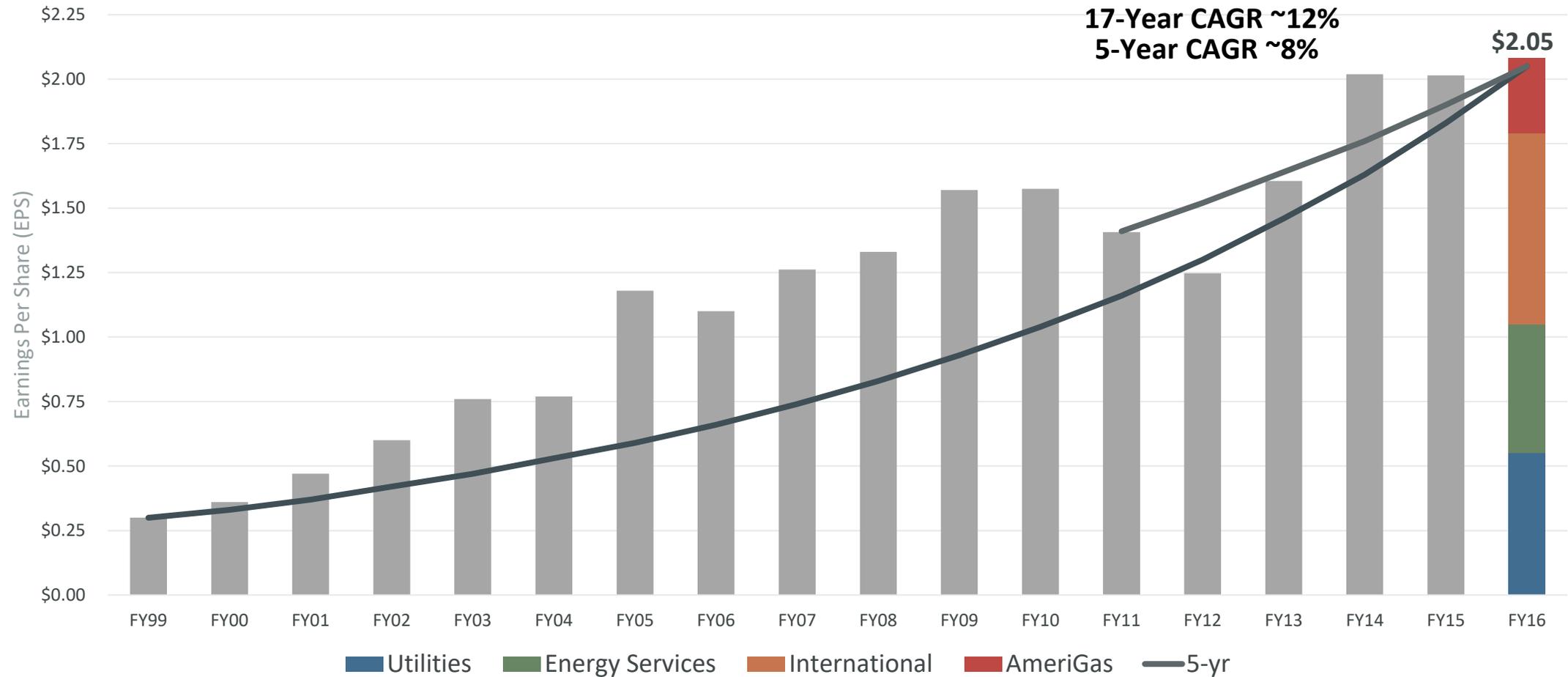
# Financial Outlook



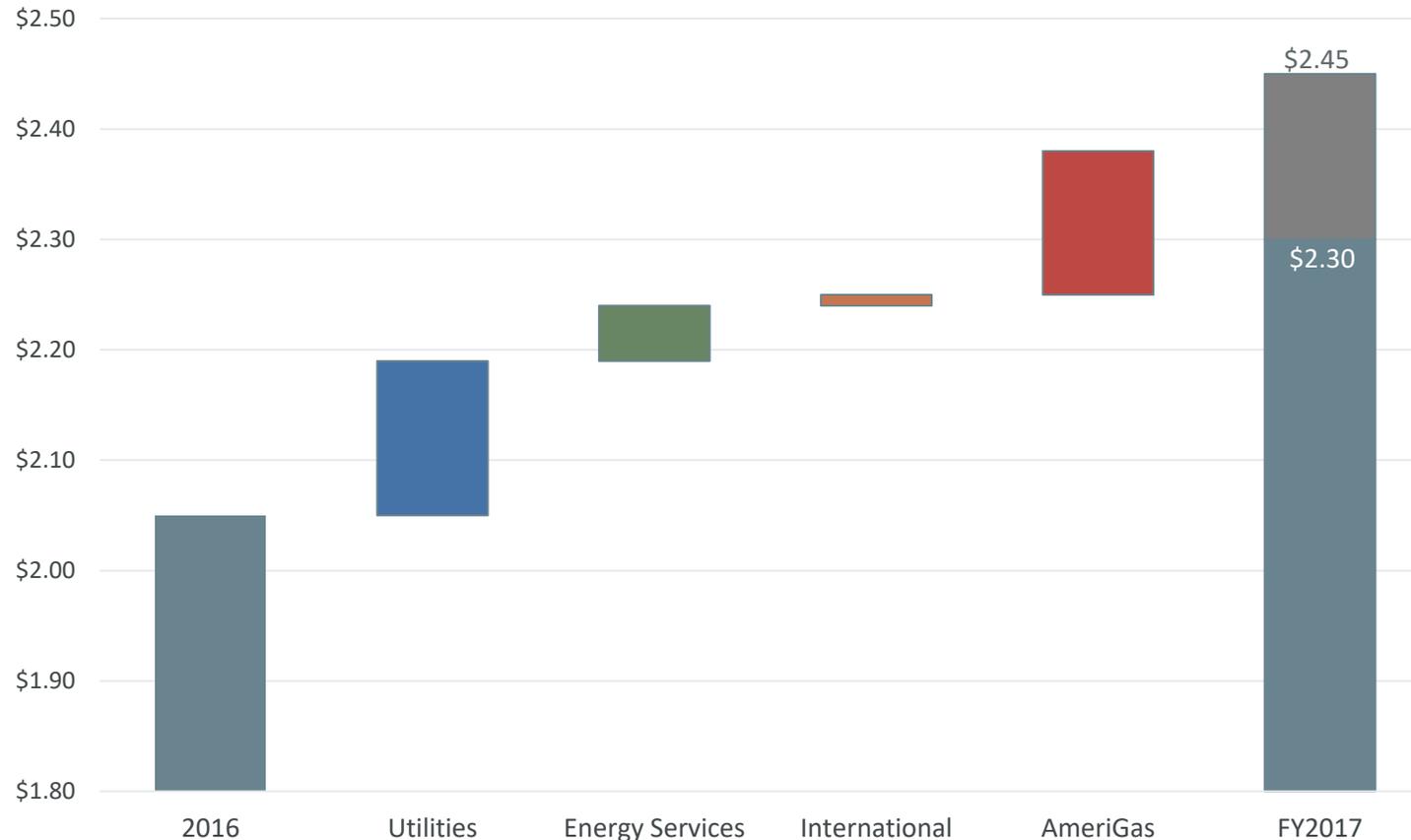
# Key Takeaways

- UGI is a balanced **growth & income** investment
- Positioned to deliver **strong earnings** and cash flow growth
  - Utilities – customer growth and infrastructure investment
  - Energy Services – capitalizing on infrastructure gap and unique Marcellus asset portfolio
  - AmeriGas – ACE, National Accounts, and bolt-on acquisitions
  - UGI International – region specific growth strategies
- Proven **track record** for capital stewardship
  - \$190MM - \$220MM annual cash available for investment
- Superior **cash flow** and balance sheet enable growth

# EPS Growth Exceeding Long-Term Target



# FY 17 Adjusted EPS Guidance of \$2.30 – \$2.45



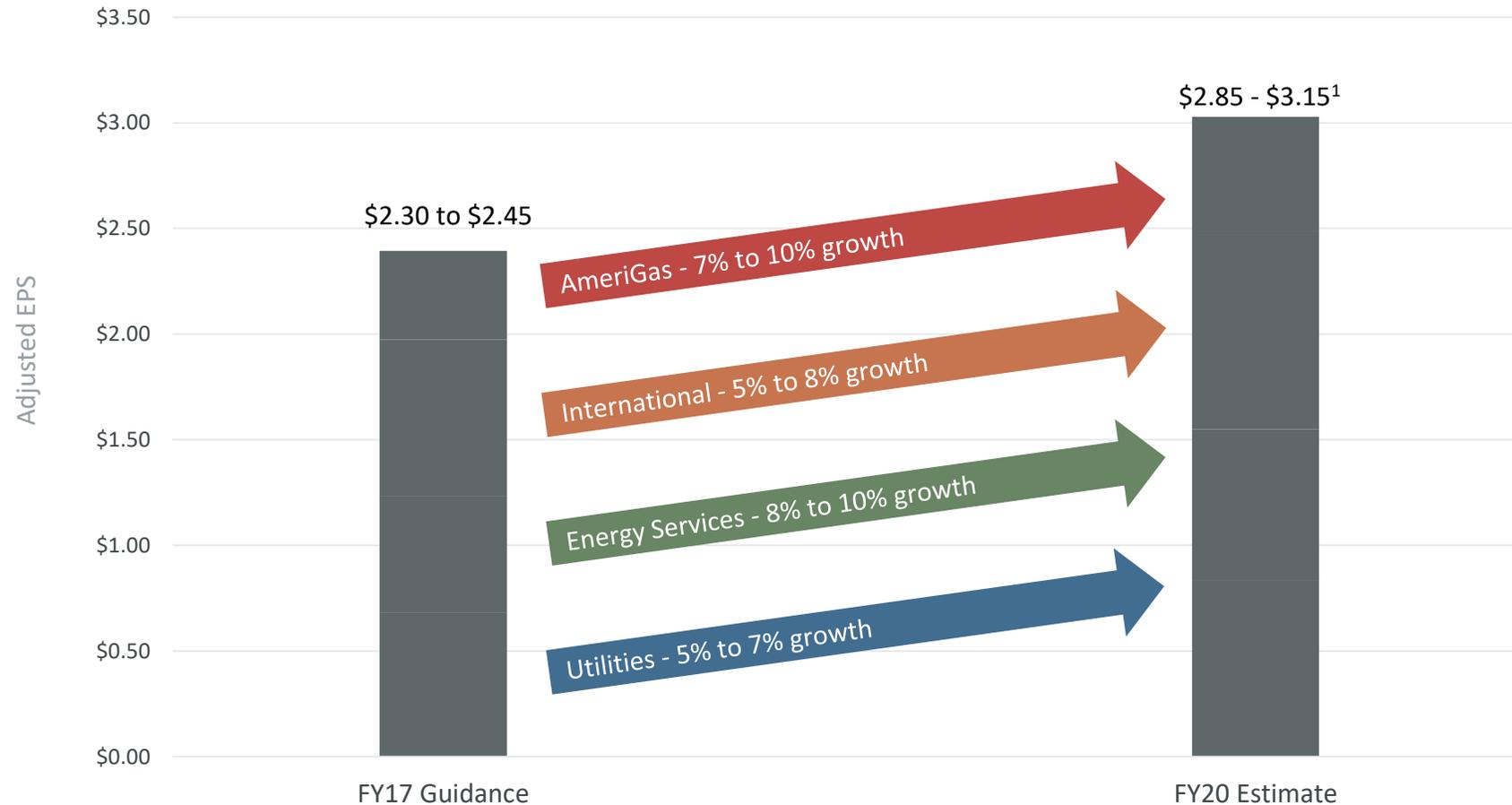
## Variance Attributable To:

- Return to normal weather and volatility
- Full year of FY16 acquisitions
- Continued integration of Finagaz
- Utility and marketing customer growth
- AmeriGas growth in ACE and National Accounts
- Continued peaking growth

Adjusted EPS is a non-GAAP measure. See appendix for reconciliation of 2016 Adjusted EPS.

Because we are unable to predict certain potentially material items affecting diluted earnings per share on a GAAP basis, principally mark-to-market gains and losses on derivative instruments and Finagaz integration expenses, we cannot reconcile 2017 Adjusted EPS to diluted EPS, the most comparable GAAP measure.

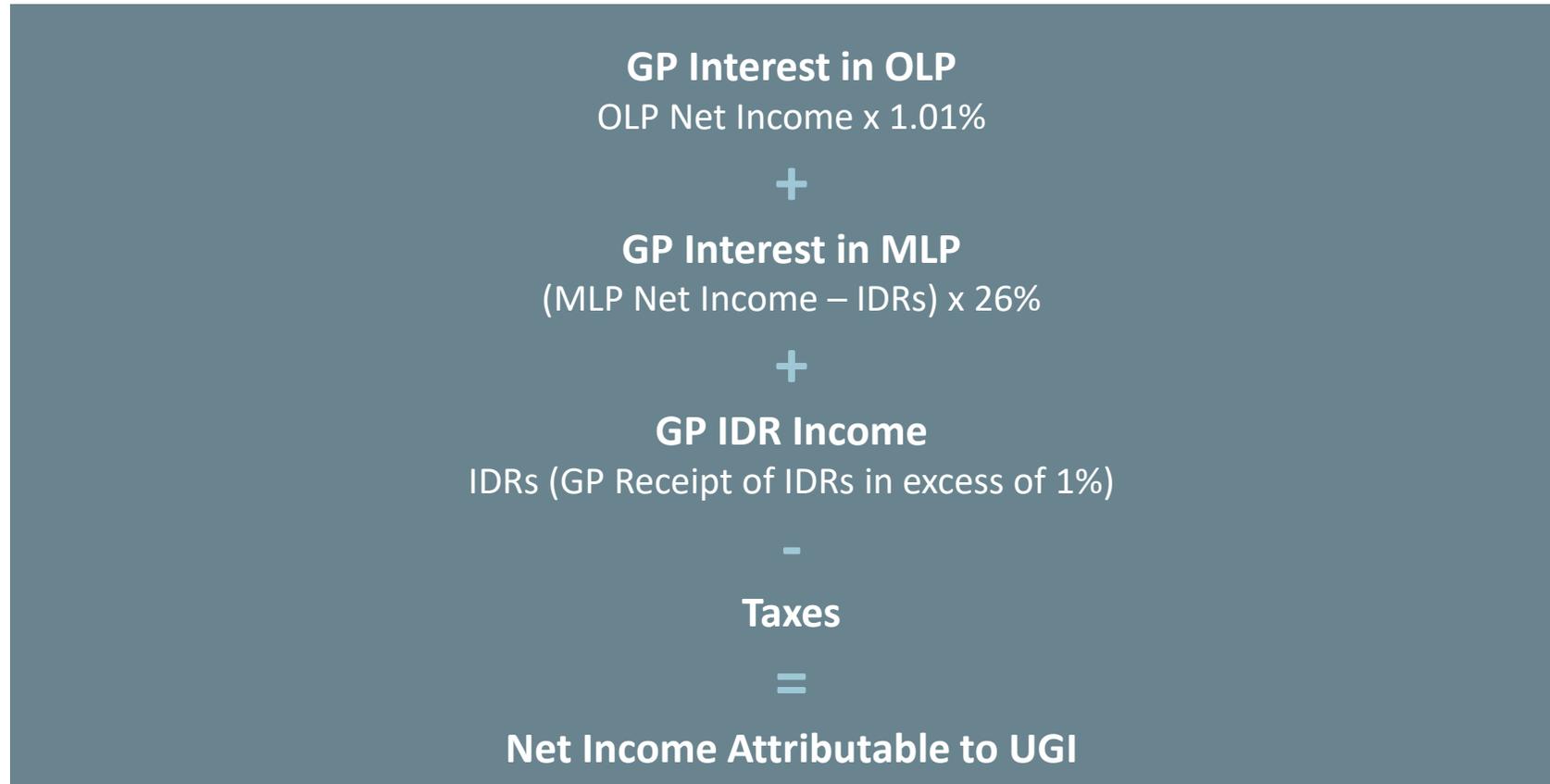
# Business Unit Growth Drives UGI Performance



<sup>1</sup>Estimated using long-term EPS guidance of 6-10% from the midpoint of 2017 guidance.

Adjusted EPS is a non-GAAP measure. Because we are unable to predict certain potentially material items affecting diluted earnings per share on a GAAP basis, principally mark-to-market gains and losses on derivative instruments and Finagaz integration expenses, we cannot reconcile 2017 and 2020 Adjusted EPS to diluted EPS, the most comparable GAAP measure.

# AmeriGas Significant Contributor to UGI Growth



**3-4% EBITDA Growth + IDRs (2-3% Dividend Growth) = 7-10% UGI Earnings Growth Impact**

# Reducing Weather Dependence

## Midstream & Marketing

- Anticipating over 50% fee-based margin by 2020
- Increased peak day requirements driving opportunities for fixed-fee peaking services
- Pipeline contracts with take or pay provisions replace volatility-based capacity margin

## AmeriGas

- ACE cylinder business is counter-seasonal
- National account volumes less correlated with weather
- Geographic diversity limits regional weather risk
- Warm weather plan controls expenses

## Utility

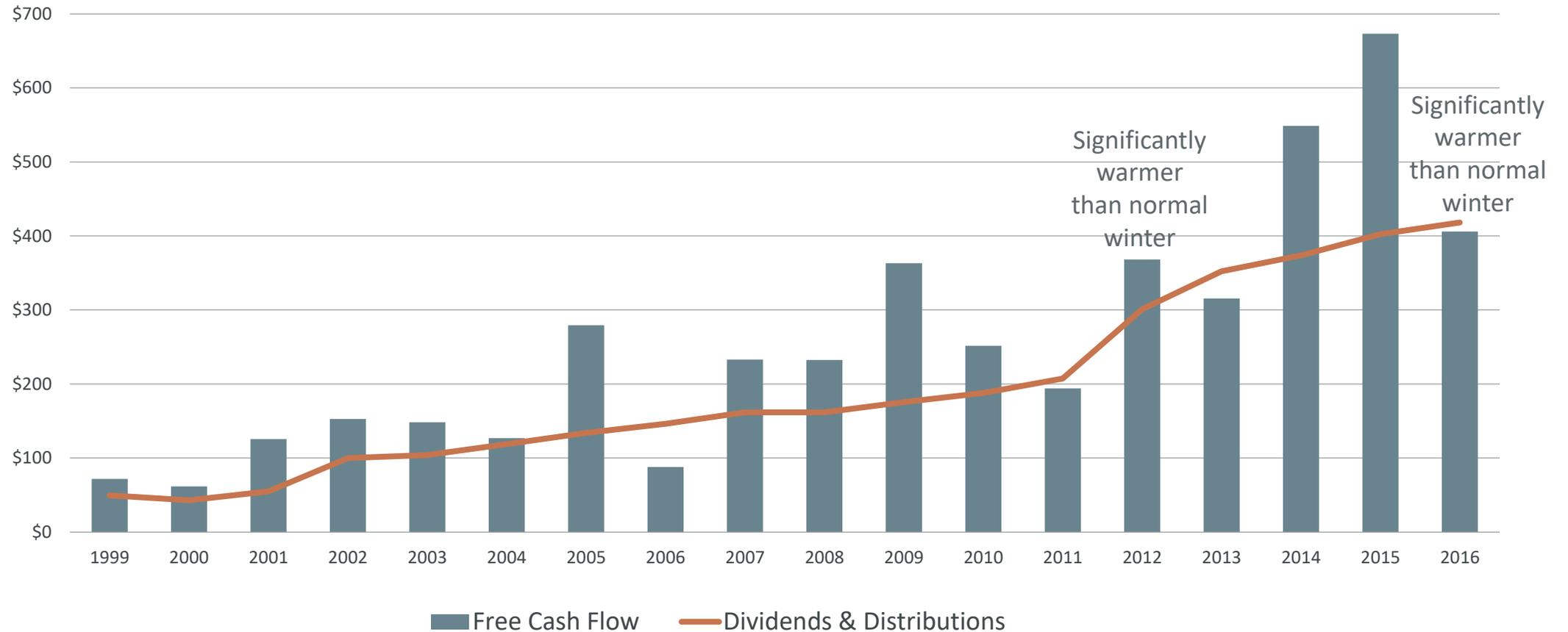
- Increasing fixed customer charges in base rate cases
- Recovery through reconcilable riders
- Adding commercial and industrial customers with higher base usage

## International

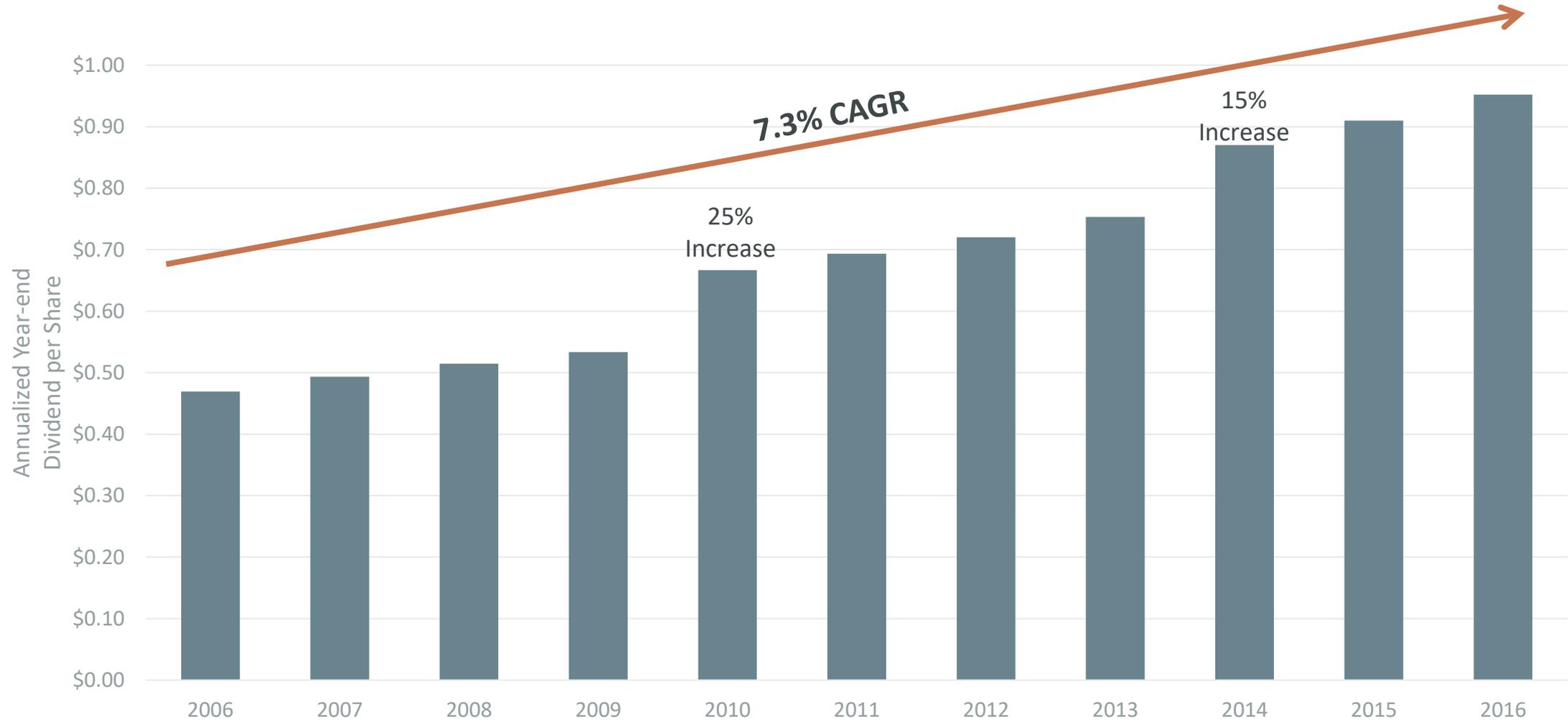
- Geographic diversity limits regional weather risk
- Cylinder business supports non-heating home usage
- Industrial volumes not impacted by weather

# Free Cash Flow Enables Strong Dividend Growth

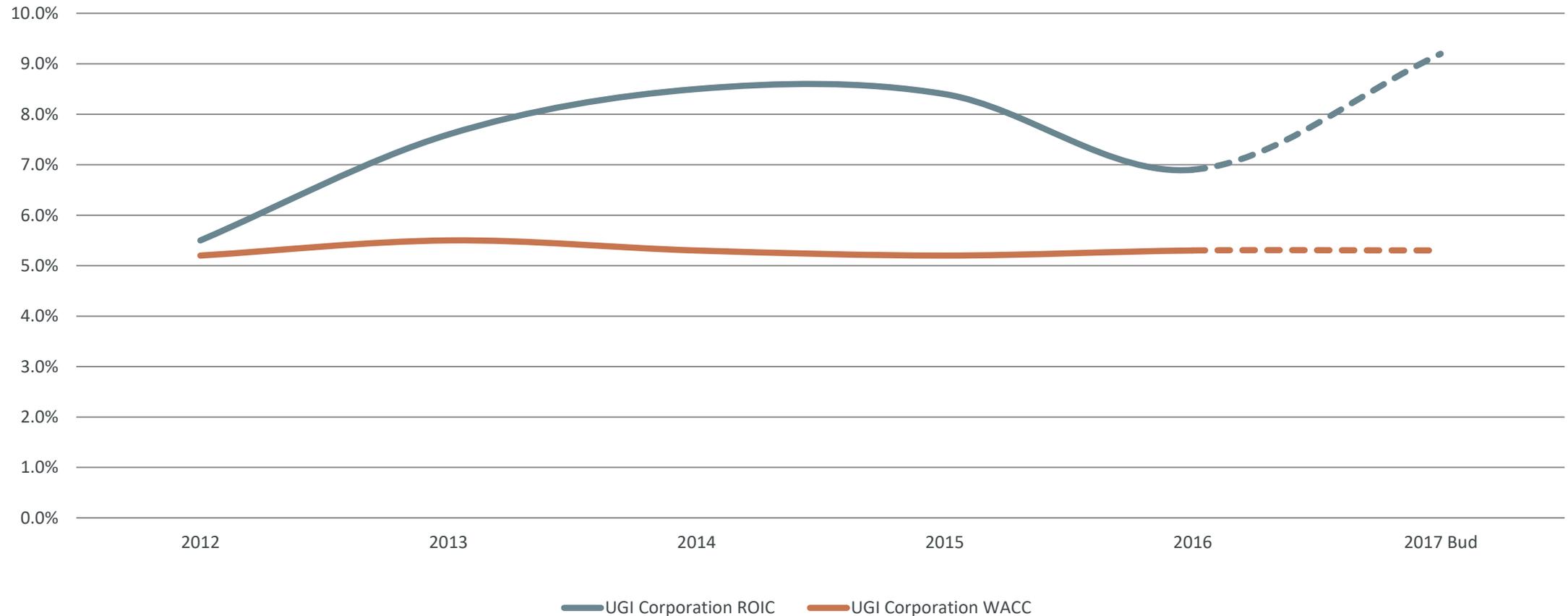
(\$ in millions)



# Historical Dividend Growth Exceeds 4%



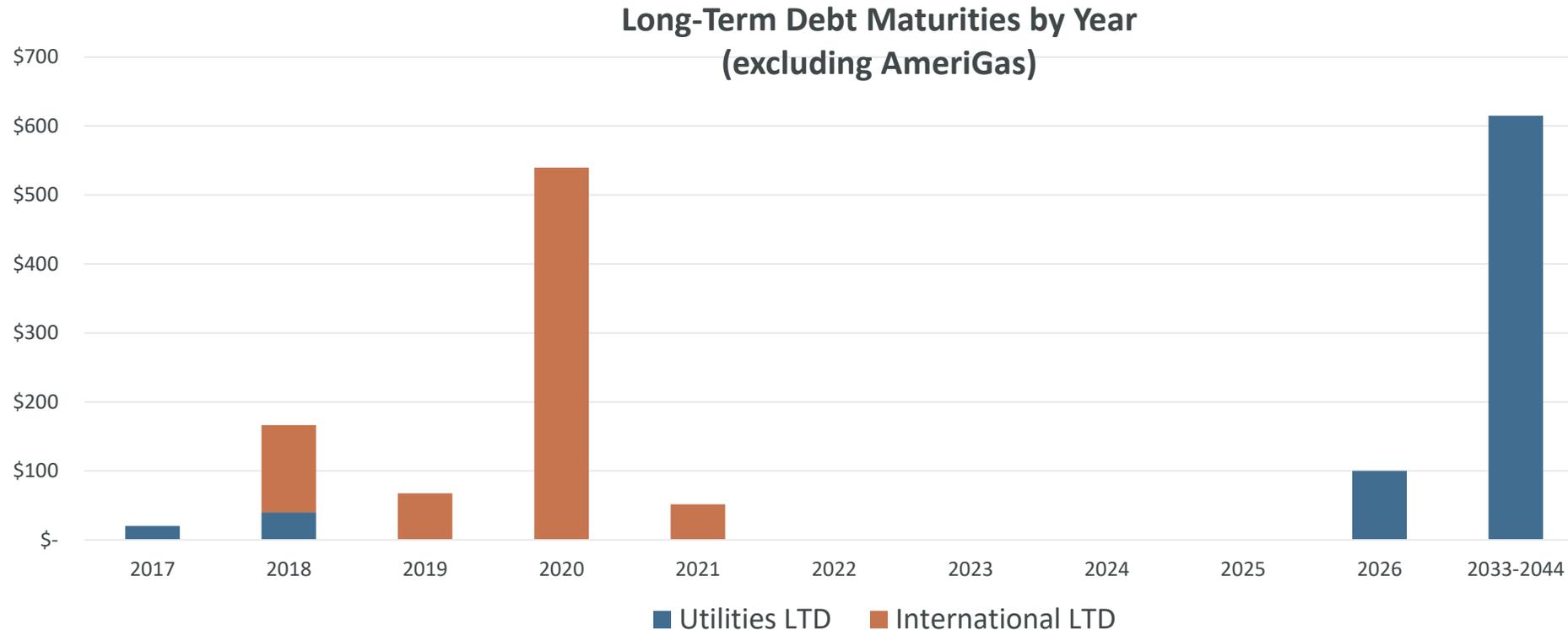
# Improved ROIC in Period of Record Capital Deployment Exceeds Cost of Capital



# Balance Sheet Strength Provides Foundation for Growth

- Focus on financial integrity
  - Disciplined adherence to financial hurdles
  - Conservative financing
- Each business unit self-funds growth
  - No debt at UGI Corporation
- Over \$1.3B of available liquidity
- Minimal near term financing needs
- UGI has not issued equity since 2004

# Limited Near Term Financing Needs



Revolving Credit Facility Maturities:

- UGI Utilities \$300M – 2020
- Energy Services \$240M – 2021
- UGI International € 85M – 2020

# 2017 Outlook

- Adjusted Earnings Per Share of \$2.30 - \$2.45
  - Organic growth
  - Impact of strategic investments
  - Return to normal weather and volatility
  - Impact of currency mitigated by 3-year hedging program
- Line-of-sight to Key growth opportunities:
  - Sunbury Pipeline in service and progression on PennEast
  - Increasing LNG infrastructure
  - Utilities infrastructure replacement and rate case
  - Continued Finagaz integration and international M&A opportunities
  - Further progress on AmeriGas growth initiatives

# Conclusion and Q&A



# Summary

- Exceptional track record for delivering balanced growth & income for our shareholders
- Strong diversified cash generation
- Balance sheet very strong with substantial capacity to fund growth investments
- Disciplined capital stewardship
- Portfolio of growth opportunities has never been stronger

# APPENDIX

# Definitions

**Free Cash Flow** – Cash provided by operations less capital expenditures

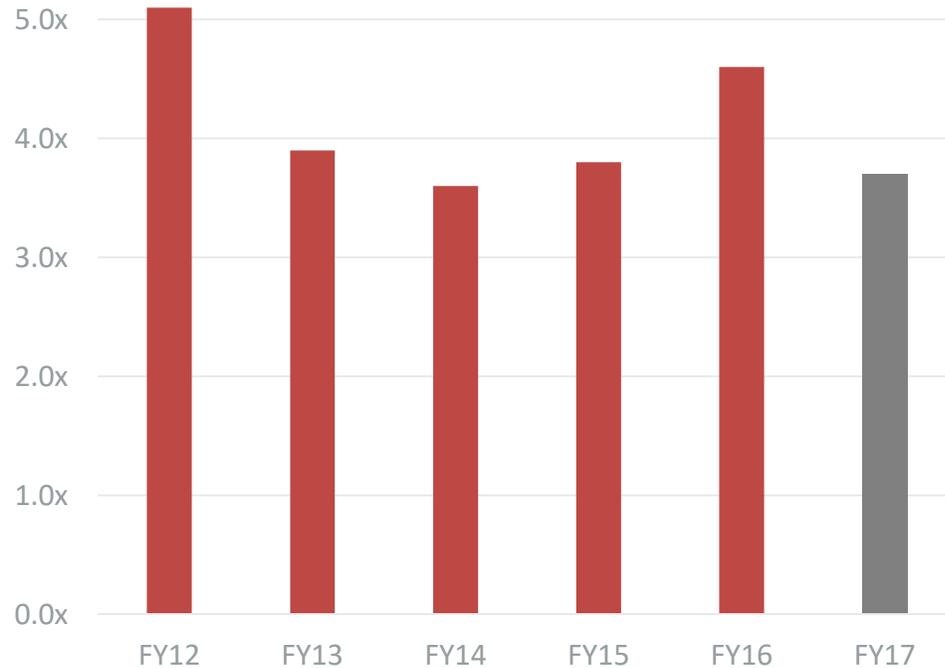
**Return on Invested Capital (ROIC)** – Trailing twelve months operating income reduced by taxes using the effective tax rate (NOPAT) divided by a twelve-month average of total capitalization (total equity plus total debt) less cash with the exception of FY17 which uses forecasted NOPAT divided by a two-year average total capitalization.

**Weighted Average Cost of Capital (WACC) -**

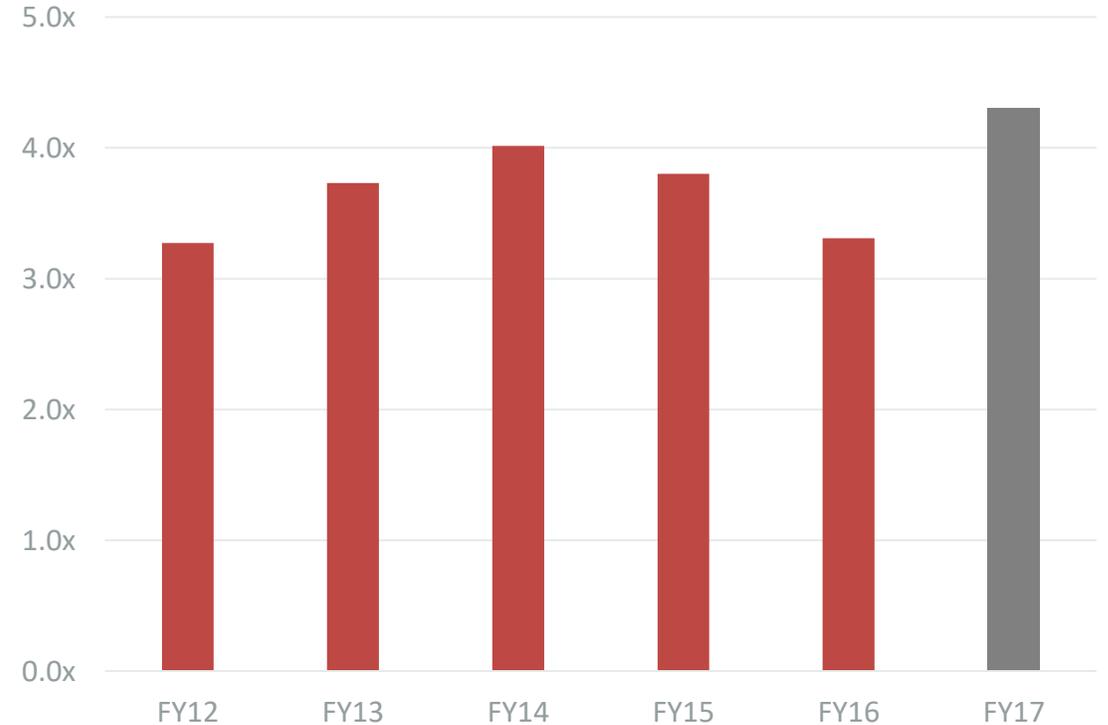
$$\text{WACC}^1 = (\text{Total Equity}/\text{Total Capitalization}) * \text{Cost of Equity} + (\text{Debt}/\text{Total Capitalization}) * \text{After-Tax Cost of Debt}$$

# Leverage Ratios

## Debt / Adjusted EBITDA



## Adjusted EBITDA / Interest



2017 metrics based on midpoint of guidance.  
Adjusted EBITDA is a non-GAAP measure. See appendix for reconciliation.

Because we are unable to predict certain potentially material items affecting Adjusted EBITDA, principally mark-to-market gains and losses on derivative instruments, we cannot reconcile 2017 Adjusted EBITDA to Net Income, the most comparable GAAP measure.

# Commonality with AmeriGas

Customer Segments	AmeriGas	International
Bulk delivery business (250 – 1,000 gallons)	X	X
Cylinder exchange	X	X
Motor fuel – forklifts	X	X
Motor fuel – over the road autogas		X

Competitive Advantages	AmeriGas	International
Scale	X	X
“Hub and spoke” truck-based delivery logistics	X	X
Risk management – credit and supply	X	X
Safety	X	X
Customer service	X	X

# 2016 AmeriGas Adjusted Net Income Attributable to UGI

## GP Interest in OLP

OLP Net Income x 1.01%

+

## GP Interest in MLP

(MLP Net Income – IDRs) x 26%

+

## GP IDR Income

IDRs (GP Receipt of IDRs in excess of 1%)

=

## Sum Above less Taxes

Earnings = Sum of above less taxes

**\$350.6MM x 1.01% = \$3.5MM <sup>(a)</sup>**

<sup>(a)</sup> Net Income attributable to non-controlling interest of \$4.2M less 1.01% of \$66.1M gains from commodity instruments not associated with current period transactions.

+

**(\$141.6MM <sup>(b)</sup> - \$38.2MM) x 26% = \$26.9MM**

<sup>(b)</sup> Net Income attributable to AmeriGas Partners, L.P. of \$207.0MM less 98.99% of \$66.1MM gains from commodity instruments not associated with current period transactions.

+

**\$38.2MM <sup>(c)</sup>**

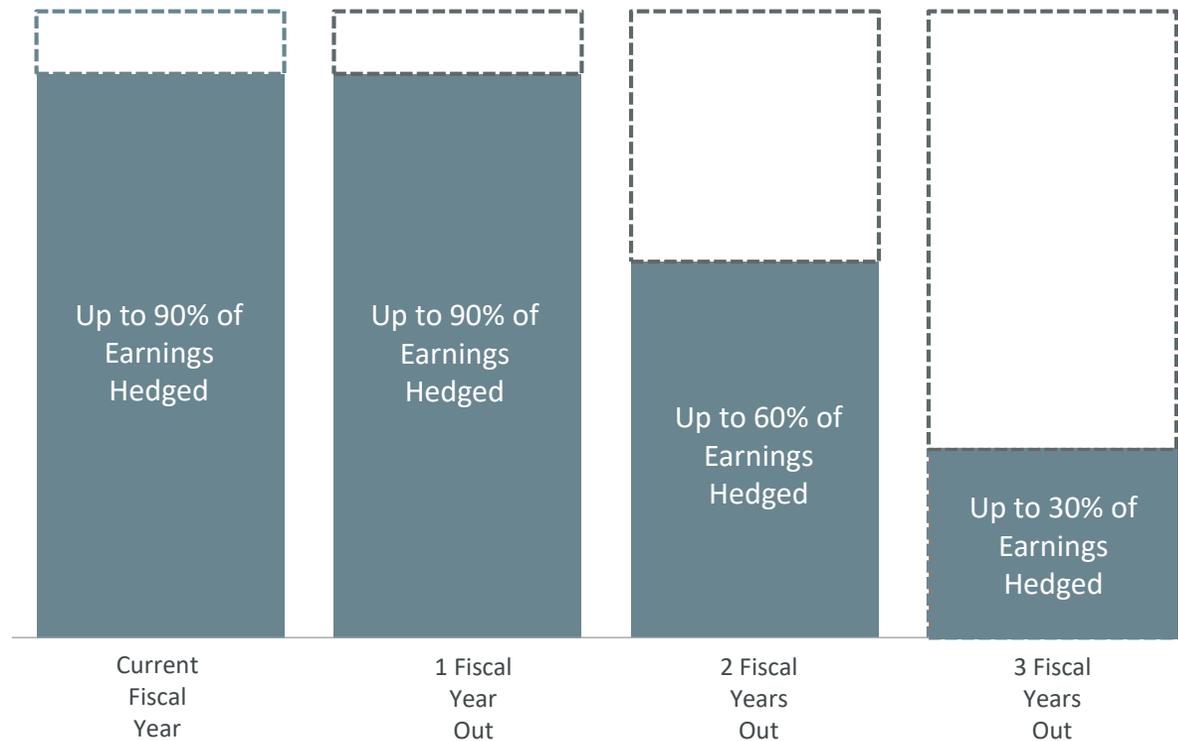
<sup>(c)</sup> Footnote 5 – Quarterly Distributions

=

**\$68.6 x 63% = \$43.2MM**

# Currency Hedging Program

We hedge up to 90% of expected pre-tax earnings. The goal is to smooth earnings translation by layering currency hedges on a rolling annual basis.



## Program considerations

- We hedge the following currency pairs
  - EUR to USD
  - GBP to USD
- Hedging is accomplished primarily through FX forward contracts
- Hedges are initiated seasonally throughout the year
- Hedges will be marked-to-market with both unrealized and realized gains/(losses) reflected in GAAP income

# UGI Corporation Adjusted Earnings Per Share

	Year Ended September 30,						
	2010	2011	2012	2013	2014	2015	2016
<b>NON-GAAP RECONCILIATION:</b>							
<b>Adjusted net income attributable to UGI Corporation:</b>							
Net income attributable to UGI Corporation	\$ 251.8	\$ 245.4	\$ 210.2	\$ 278.1	\$ 337.2	\$ 281.0	\$ 364.7
Net (gains) losses on commodity derivative instruments not associated with current-period transactions (net of tax of \$(5.8), \$11.5, \$6.3, \$3.1, \$(4.5), \$(30.9), and \$13.5, respectively) (a) (b)	8.2	(17.4)	(8.9)	(4.3)	6.6	53.3	(29.9)
Integration and acquisition expenses associated with Finagaz acquired on May 29, 2015 (net of tax of \$0, \$0, \$0, \$0, \$(2.2), \$(7.7), and \$(10.6), respectively) (a)	-	-	-	-	4.3	14.9	17.3
Loss on extinguishments of debt (net of tax of \$0, \$0, \$(1.4), \$0, \$0, \$0, and \$(5.0), respectively) (a)	-	-	2.2	-	-	-	7.9
Costs associated with extinguishment of debt (net of tax of \$0, \$(6.6), \$0, \$0, \$0, \$(5.7), and \$0, respectively) (a) (c)	-	10.4	-	-	-	4.6	-
Impact of retroactive change in French tax law	-	-	-	-	5.7	-	-
Integration and acquisition expenses associated with the retail propane businesses of Energy Transfer Partners, L.P. ("Heritage Propane") acquired by the Partnership on January 12, 2012 (net of tax of \$0, \$0, \$(5.6), \$(2.8), \$0, \$0, and \$0, respectively) (a)	-	-	8.8	4.4	-	-	-
Gain on sale of Atlantic Energy (net of tax of \$19.3 in 2010)	(17.2)						
Adjusted net income attributable to UGI Corporation (d)	\$ 242.8	\$ 238.4	\$ 212.3	\$ 278.2	\$ 353.8	\$ 353.8	\$ 360.0
<b>Adjusted earnings per common share attributable to UGI stockholders:</b>							
UGI Corporation earnings per share - diluted	\$ 1.52	\$ 1.45	\$ 1.24	\$ 1.60	\$ 1.92	\$ 1.60	\$ 2.08
Net (gains) losses on commodity derivative instruments not associated with current-period transactions (b)	0.05	(0.10)	(0.05)	(0.02)	0.04	0.30	(0.17)
Integration and acquisition expenses associated with Finagaz acquired on May 29, 2015			-	-	0.03	0.08	0.10
Loss on extinguishments of debt		0.06	0.01	-	-	-	0.04
Costs associated with extinguishment of debt			-	-	-	0.03	-
Impact of retroactive change in French tax law			-	-	0.03	-	-
Integration and acquisition expenses associated with the retail propane businesses of Energy Transfer Partners, L.P. ("Heritage Propane") acquired by the Partnership on January 12, 2012			0.05	0.03	-	-	-
Gain on sale of Atlantic Energy	(0.11)						
Adjusted diluted earnings per share (d)	\$ 1.46	\$ 1.41	\$ 1.25	\$ 1.61	\$ 2.02	\$ 2.01	\$ 2.05

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

(b) Includes the effects of rounding.

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

(d) Management uses "adjusted net income attributable to UGI" and "adjusted diluted earnings per share," both of which are nonGAAP 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 (principally comprising unrealized gains and losses on commodity derivative instruments), losses and costs associated with extinguishments of debt, Finagaz and Heritage Propane integration and acquisition expenses, a gain on the sale of Atlantic Energy, and the impact of a retroactive change in French tax law.

# UGI Corporation 2016 Adjusted EPS by Segment

	Total	AmeriGas Propane	UGI Utilities	Midstream & Marketing	UGI International	Corporate & Other
<b>Adjusted diluted earnings per share:</b>						
UGI Corporation earnings per share - diluted	\$ 2.08	\$ 0.25	\$ 0.55	\$ 0.50	\$ 0.64	\$ 0.14
Net gains on commodity derivative instruments not associated with current-period transactions (a)	(0.17)					(0.17)
Loss on extinguishments of debt	0.04	0.04				
Integration expenses associated with Finagaz	0.10				0.10	
Adjusted diluted earnings per share	\$ 2.05	\$ 0.29	\$ 0.55	\$ 0.50	\$ 0.74	\$ (0.03)

(a) Includes the effects of rounding.

# UGI Corporation Free Cash Flow

(\$ in millions)

	Year Ended September 30,								
	1999	2000	2001	2002	2003	2004	2005	2006	2007
Net Cash Provided By Operating Activities	\$ 141.9	\$ 132.7	\$ 203.5	\$ 247.5	\$ 249.1	\$ 260.7	\$ 437.7	\$ 279.4	\$ 456.2
Less: Expenditures for property, plant, and equipment	(70.2)	(71.0)	(78.0)	(94.7)	(100.9)	(133.7)	(158.4)	(191.7)	(223.1)
Free Cash Flow	\$ 71.7	\$ 61.7	\$ 125.5	\$ 152.8	\$ 148.2	\$ 127.0	\$ 279.3	\$ 87.7	\$ 233.1

	Year Ended September 30,								
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net Cash Provided By Operating Activities	\$ 464.4	\$ 665.0	\$ 598.8	\$ 554.7	\$ 707.7	\$ 801.5	\$1,005.4	\$1,163.8	\$ 969.7
Less: Expenditures for property, plant, and equipment	(232.1)	(301.8)	(347.3)	(360.7)	(339.4)	(486.0)	(456.8)	(490.6)	(563.8)
Free Cash Flow	\$ 232.3	\$ 363.2	\$ 251.5	\$ 194.0	\$ 368.3	\$ 315.5	\$ 548.6	\$ 673.2	\$ 405.9

# UGI Energy Services Total Margin

(\$ in millions)

	Year Ended September 30,																		
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Total Revenues	\$ 90.4	\$ 150.7	\$ 409.2	\$ 380.6	\$ 714.5	\$ 1,025.4	\$ 1,420.2	\$ 1,486.5	\$ 1,409.8	\$ 1,696.4	\$ 1,309.5	\$ 1,222.6	\$ 1,155.9	\$ 942.2	\$ 1,122.8	\$ 1,473.7	\$ 1,181.4	\$ 876.6	
Total Cost of Sales	(84.4)	(143.0)	(378.8)	(340.3)	(659.9)	(947.5)	(1,323.9)	(1,375.3)	(1,282.3)	(1,541.0)	(1,147.8)	(1,055.5)	(986.5)	(779.7)	(927.3)	(1,149.8)	(872.4)	(612.2)	
Net Margin	\$ 6.0	\$ 7.6	\$ 30.4	\$ 40.3	\$ 54.6	\$ 77.9	\$ 96.3	\$ 111.2	\$ 127.5	\$ 155.3	\$ 161.7	\$ 167.1	\$ 169.4	\$ 162.5	\$ 195.5	\$ 323.9	\$ 309.0	\$ 264.4	
Margin Breakdown:																			
Commodity Marketing	\$ 6.0	\$ 6.2	\$ 13.4	\$ 18.8	\$ 25.2	\$ 32.2	\$ 40.0	\$ 36.0	\$ 42.7	\$ 38.9	\$ 42.2	\$ 60.2	\$ 67.5	\$ 56.9	\$ 57.6	\$ 61.9	\$ 60.6	\$ 45.7	
<i>Natural Gas Marketing</i>	6.0	6.2	13.4	18.8	25.2	32.0	39.3	35.3	41.8	37.0	37.5	45.7	50.4	35.3	46.2	59.4	52.2	39.8	
<i>Retail Power Marketing</i>	-	-	-	-	-	0.2	0.8	0.7	0.9	1.9	4.6	14.5	17.2	21.6	11.4	2.5	8.4	5.9	
Midstream	-	-	-	2.6	3.0	5.2	13.1	26.0	30.7	46.1	49.0	47.4	51.7	57.5	74.9	184.9	180.4	161.1	
Power Generation	-	-	-	2.6	7.4	17.5	20.5	24.1	27.5	39.2	35.0	27.7	18.2	16.0	31.5	45.5	43.6	34.2	
HVAC	-	1.4	17.0	16.3	19.0	22.9	22.7	25.1	26.6	31.2	35.5	31.9	31.9	32.1	31.5	31.7	24.4	23.3	
Net Margin	\$ 6.0	\$ 7.6	\$ 30.4	\$ 40.3	\$ 54.6	\$ 77.9	\$ 96.3	\$ 111.2	\$ 127.5	\$ 155.3	\$ 161.7	\$ 167.1	\$ 169.4	\$ 162.5	\$ 195.6	\$ 323.9	\$ 309.0	\$ 264.4	

# AmeriGas Adjusted EBITDA

(\$ in millions)

	Year Ended September 30,										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net income attributable to AmeriGas Partners, L.P. (a)	\$ 91.2	\$ 190.8	\$ 158.0	\$ 224.6	\$ 165.2	\$ 138.5	\$ 11.0	\$ 221.2	\$ 289.9	\$ 211.2	\$ 207.0
Income tax expense	0.2	0.8	1.7	2.6	3.3	0.4	2.0	1.7	2.6	2.9	(1.6)
Interest expense	74.1	71.5	72.9	70.3	65.1	63.5	142.6	165.4	165.6	162.8	164.1
Depreciation and amortization	72.5	75.6	80.4	83.8	87.4	94.7	169.1	202.9	197.2	194.9	190.0
<b>EBITDA</b>	<b>\$ 237.9</b>	<b>\$ 338.7</b>	<b>\$ 313.0</b>	<b>\$ 381.4</b>	<b>\$ 321.0</b>	<b>\$ 297.1</b>	<b>\$ 324.7</b>	<b>\$ 591.2</b>	<b>\$ 655.3</b>	<b>\$ 571.8</b>	<b>\$ 559.5</b>
Add back: Loss on extinguishment of debt	17.1	-	-	-	-	38.1	13.3	-	-	-	48.9
Exclude: Acquisition and Transition Costs	-	-	-	-	-	-	46.2	26.5	-	-	-
Exclude: Hedge Mark to market impact	-	-	-	-	-	-	-	-	9.5	47.8	(66.1)
Exclude: Gain on sale of storage facilities	-	(46.1)	-	(39.9)	-	-	-	-	-	-	-
Add back: Loss on termination of interest rate hedges	-	-	-	-	12.2	-	-	-	-	-	-
Add back: Litigation Reserve adjustment	-	-	-	-	7.0	-	-	-	-	-	-
Noncontrolling Interest in net gains (Losses) on commodity derivative instruments not associated with current-period transactions and Heritage transition expenses	-	-	-	-	-	-	-	(0.3)	(0.1)	(0.4)	0.7
Heritage Pro Forma EBITDA	-	-	-	-	-	-	82.5	-	-	-	-
<b>Adjusted EBITDA</b>	<b>\$ 255.0</b>	<b>\$ 292.6</b>	<b>\$ 313.0</b>	<b>\$ 341.5</b>	<b>\$ 340.2</b>	<b>\$ 335.2</b>	<b>\$ 466.7</b>	<b>\$ 617.4</b>	<b>\$ 664.7</b>	<b>\$ 619.2</b>	<b>\$ 543.0</b>
<b>Average Diluted LP Units Outstanding</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>57</b>	<b>81</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>93</b>
<b>EBITDA / LP Unit</b>	<b>\$ 4.5</b>	<b>\$ 5.1</b>	<b>\$ 5.5</b>	<b>\$ 6.0</b>	<b>\$ 6.0</b>	<b>\$ 5.9</b>	<b>\$ 5.7</b>	<b>\$ 6.6</b>	<b>\$ 7.2</b>	<b>\$ 6.7</b>	<b>\$ 5.8</b>
<b>Total Long Term Debt</b>							\$ 2,328	\$ 2,300	\$ 2,292	\$ 2,283	\$ 2,360
<b>Short Term Borrowings</b>							50	117	109	68	153
<b>Total Debt</b>							<b>\$ 2,378</b>	<b>\$ 2,417</b>	<b>\$ 2,401</b>	<b>\$ 2,352</b>	<b>\$ 2,514</b>
<b>Debt / EBITDA</b>							5.1x	3.9x	3.6x	3.8x	4.6x
<b>Interest</b>							\$ 143	\$ 165	\$ 166	\$ 163	\$ 164
<b>EBITDA / Interest</b>							3.3x	3.7x	4.0x	3.8x	3.3x

(a) As adjusted in accordance with the transition provisions for accounting for non-controlling interests in consolidated subsidiaries.

# AmeriGas Unit Margin

(\$ in thousands, except per unit amounts)

	Year Ended September 30,										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Propane revenues	\$ 1,953,714	\$ 2,096,080	\$ 2,624,672	\$ 2,091,890	\$ 2,158,800	\$ 2,360,439	\$ 2,677,631	\$ 2,884,766	\$ 3,440,868	\$ 2,612,401	\$ 2,053,160
Propane cost of sales	(1,277,306)	(1,365,071)	(1,836,917)	(1,254,332)	(1,340,615)	(1,546,161)	(1,642,658)	(1,571,574)	(2,034,592)	(1,301,167)	(719,842)
Adjustment for Commodity Mark-to-Market (gain) loss	-	-	-	-	-	-	-	-	9,496	47,841	(66,079)
Total adjusted propane margin	\$ 676,408	\$ 731,009	\$ 787,755	\$ 837,558	\$ 818,185	\$ 814,278	\$ 1,034,973	\$ 1,313,192	\$ 1,415,772	\$ 1,359,075	\$ 1,267,239
Total Retail and Wholesale Gallons Sold	1,094,900	1,124,100	1,104,400	1,047,900	1,022,600	999,000	1,123,100	1,347,000	1,369,000	1,238,700	1,115,222
Average Adjusted Propane Margin per Gallon	\$ 0.62	\$ 0.65	\$ 0.71	\$ 0.80	\$ 0.80	\$ 0.82	\$ 0.92	\$ 0.97	\$ 1.03	\$ 1.10	\$ 1.14

# UGI France Unit Margins

(thousands)

	Year Ended September 30,										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
LPG revenues	\$ 881,900	\$ 796,653	\$ 1,062,561	\$ 837,676	\$ 887,067	\$ 1,050,628	\$ 1,083,666	\$ 1,244,753	\$ 1,169,610	\$ 942,511	\$ 1,160,013
LPG cost of sales	(478,400)	(384,810)	(615,944)	(362,425)	(465,867)	(649,824)	(650,305)	(774,097)	(727,029)	(471,511)	(418,358)
Adjustment for Commodity Mark-to-Market (gain) loss	-	-	-	-	-	-	-	-	-	9,944	(14,071)
<b>Total adjusted LPG margin (USD)</b>	<b>\$ 403,500</b>	<b>\$ 411,842</b>	<b>\$ 446,617</b>	<b>\$ 475,251</b>	<b>\$ 421,200</b>	<b>\$ 400,804</b>	<b>\$ 433,361</b>	<b>\$ 470,656</b>	<b>\$ 442,581</b>	<b>\$ 480,944</b>	<b>\$ 727,584</b>
Foreign Currency Exchange Rates (Euro/USD)	1.23	1.34	1.51	1.35	1.36	1.40	1.30	1.31	1.36	1.15	1.11
<b>Total adjusted LPG margin (Euro)</b>	<b>€ 327,224</b>	<b>€ 308,406</b>	<b>€ 296,261</b>	<b>€ 350,903</b>	<b>€ 310,608</b>	<b>€ 286,427</b>	<b>€ 332,758</b>	<b>€ 358,630</b>	<b>€ 326,279</b>	<b>€ 418,212</b>	<b>€ 657,678</b>
Total Retail Tons Sold	611	525	567	561	542	524	575	596	539	639	963
Gallons/ton	516	516	516	516	516	516	516	516	516	516	516
<b>Total Retail Gallons Sold</b>	<b>315,224</b>	<b>270,719</b>	<b>292,616</b>	<b>289,290</b>	<b>279,889</b>	<b>270,542</b>	<b>296,704</b>	<b>307,771</b>	<b>278,320</b>	<b>329,947</b>	<b>497,028</b>
<b>Average Adjusted LPG Margin per Gallon</b>	<b>€ 1.04</b>	<b>€ 1.14</b>	<b>€ 1.01</b>	<b>€ 1.21</b>	<b>€ 1.11</b>	<b>€ 1.06</b>	<b>€ 1.12</b>	<b>€ 1.17</b>	<b>€ 1.17</b>	<b>€ 1.27</b>	<b>€ 1.32</b>