



Investor Presentation

March - April 2015



About This Presentation

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

Company Overview

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



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



- **Premier LPG distributor in Europe**



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

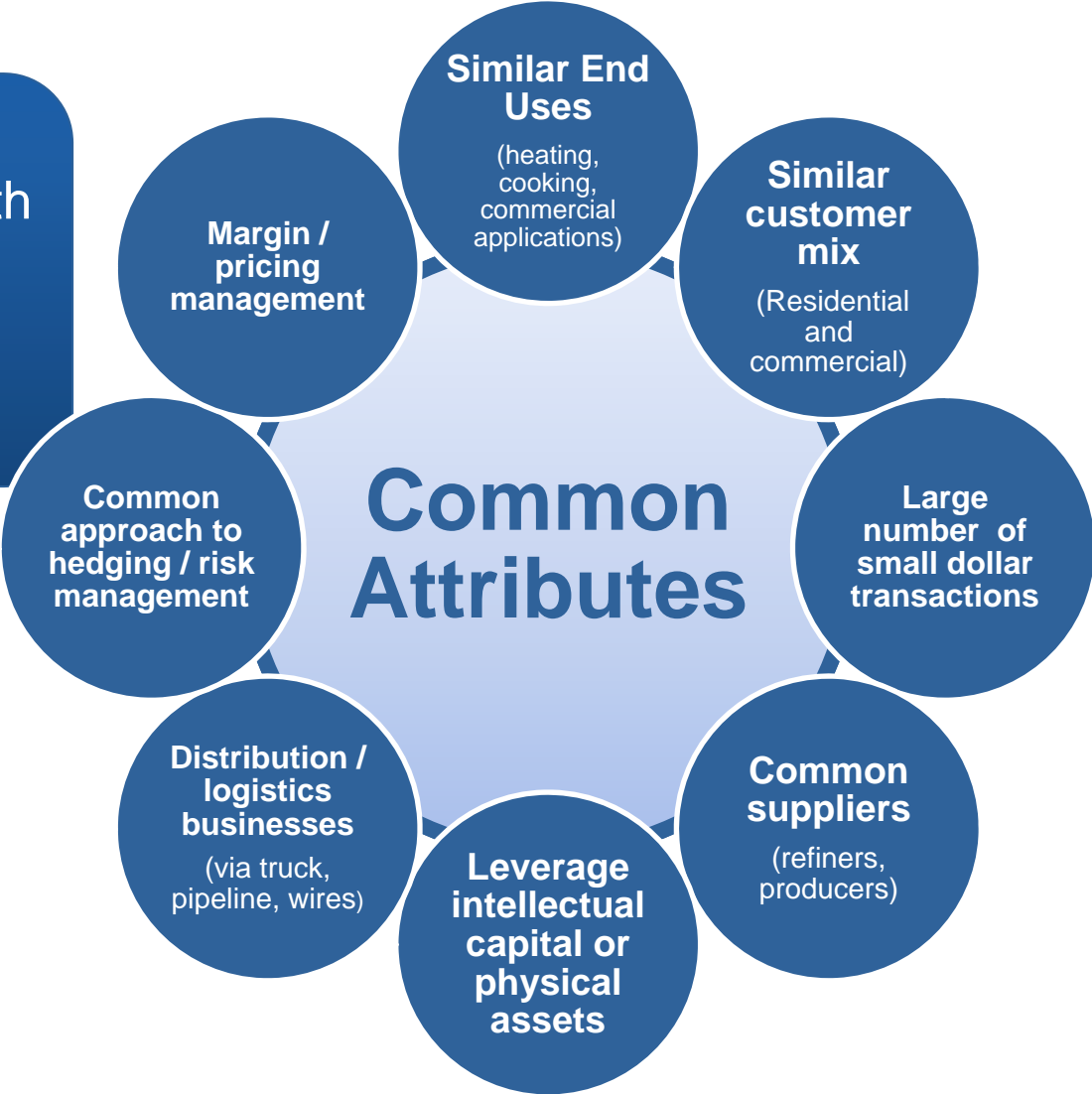


- **Gas & Electric Utilities in Pennsylvania and Maryland**

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

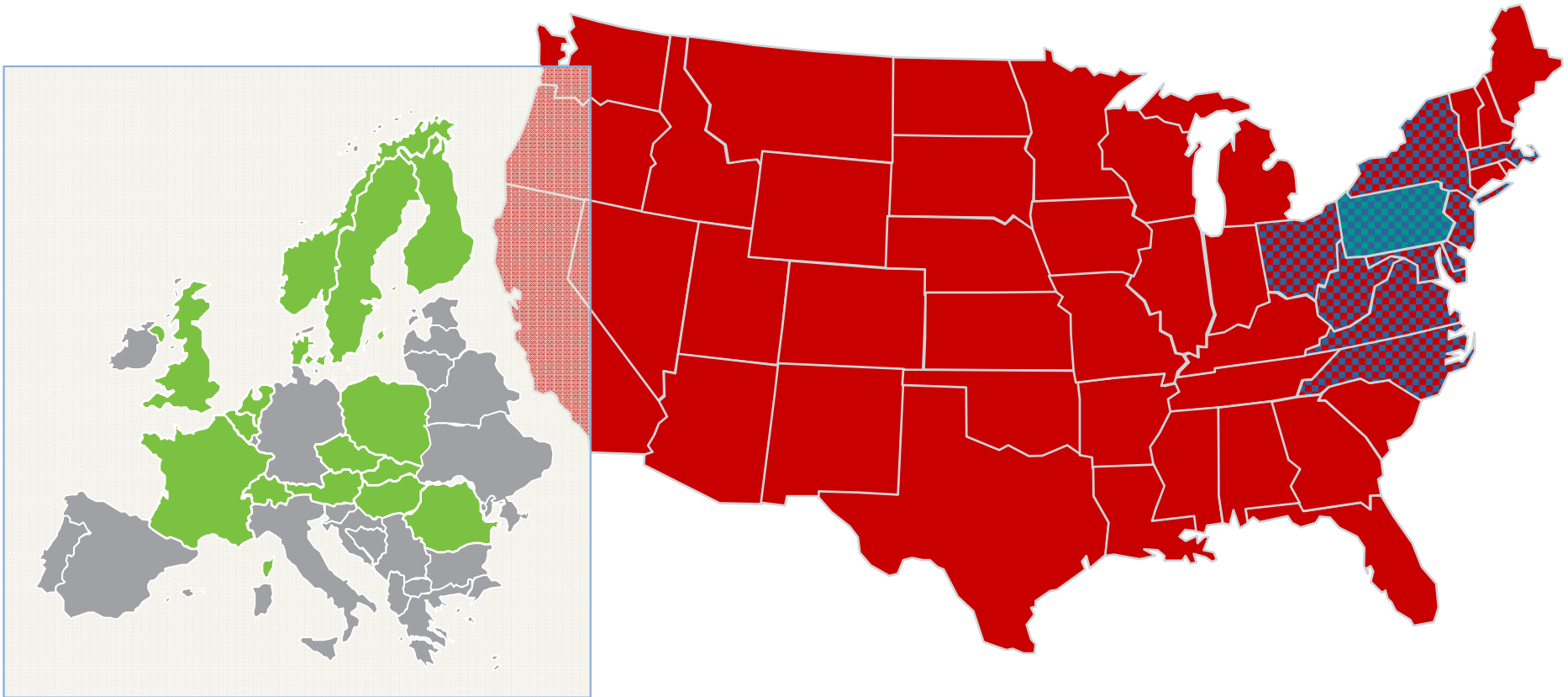
UGI's Businesses

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



Where We Are

UGI operates in 50 states and 16 European countries



AmeriGas
(all 50 states)

UGI International
(16 European countries)

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

UGI Utilities
(PA, MD)

Why Invest in UGI?

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



Significant Growth Opportunities

Base Growth

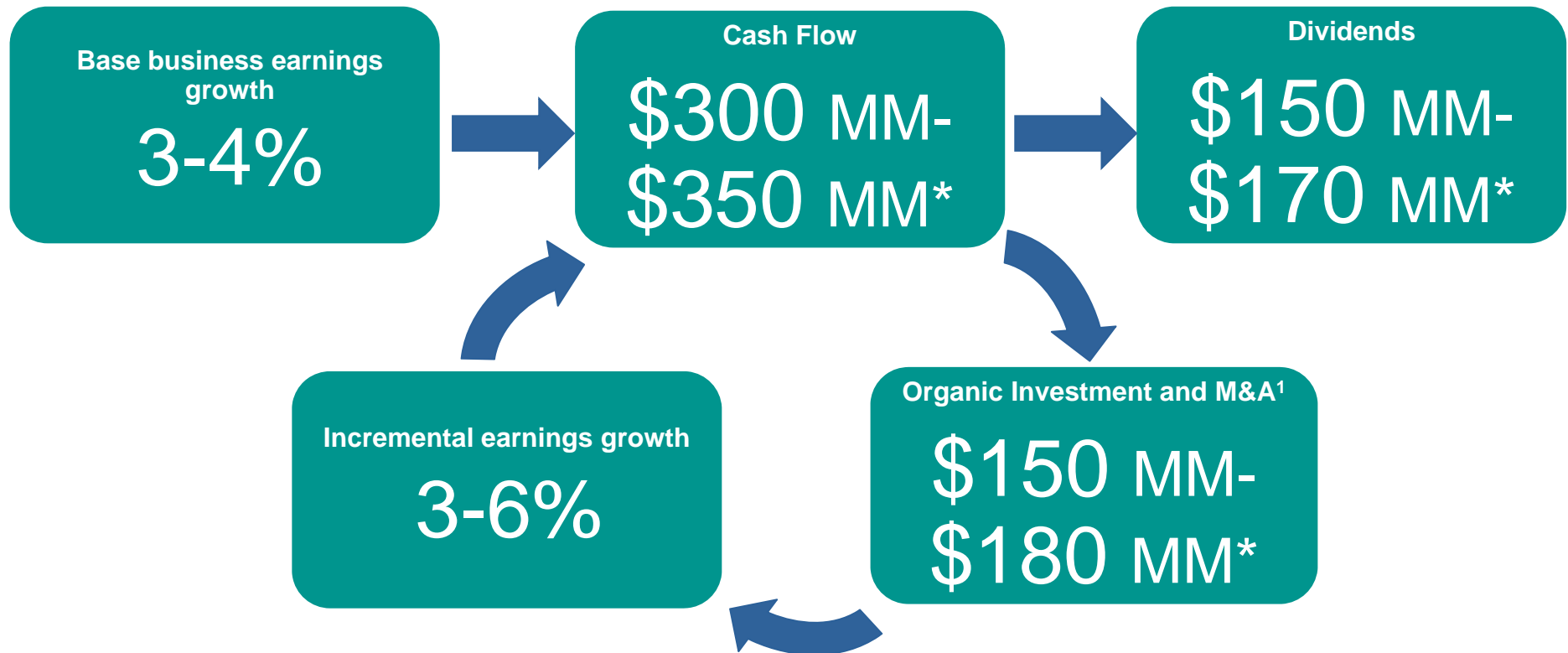
- **Utility:** Conversions / Network Extensions (GET Gas)
- **Midstream & Marketing:** Asset Network and Customer Growth
- **AmeriGas:** Propane Exchange and National Accounts Growth
- **International:** Natural Gas Marketing in France and Belgium and Heating Oil to LPG Conversions in Northern and Eastern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

Identified Projects / Acquisitions

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

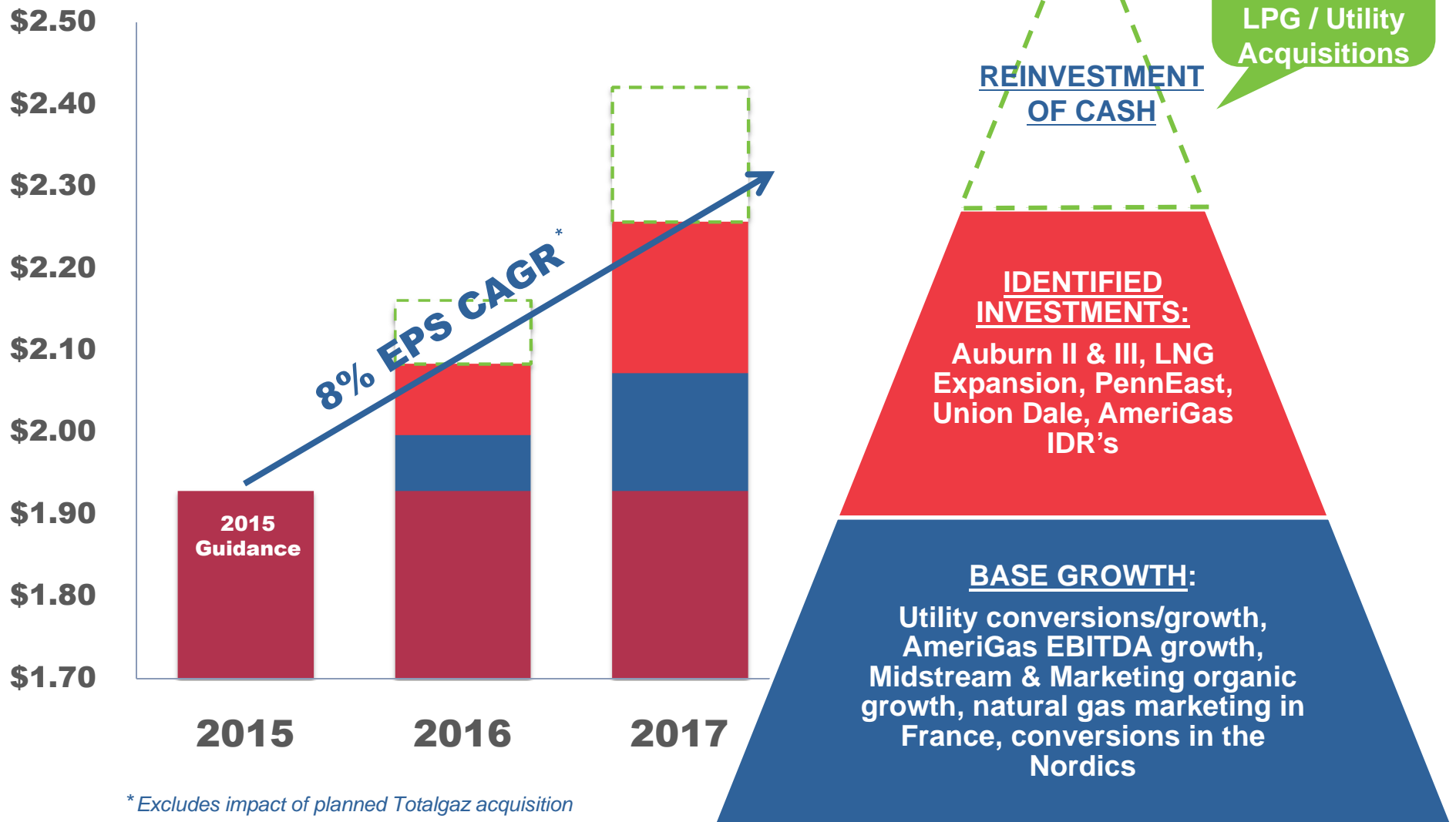
The UGI “Growth Engine”

Income-producing businesses generate cash for growth opportunities and dividends



*multi-year average forecast
¹ after business unit CAPEX

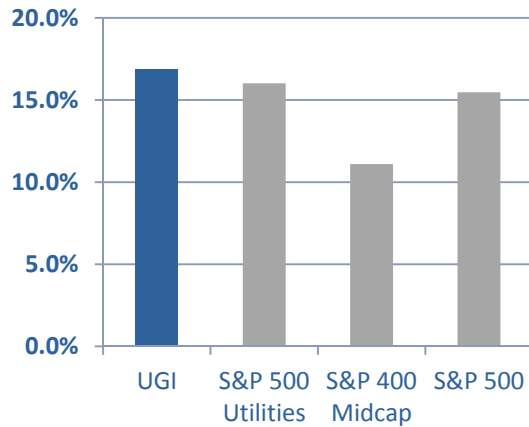
EPS Growth Guidance: 6% to 10%



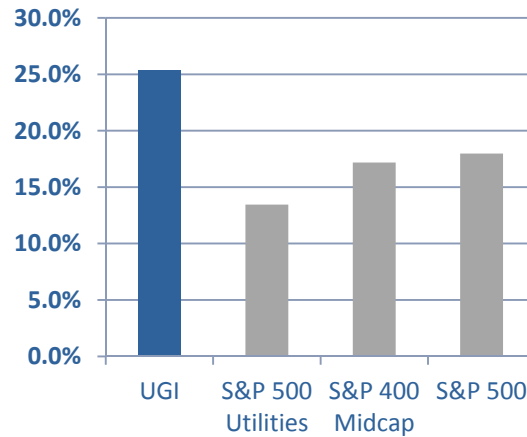
Total Shareholder Return as of 2/28/15

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

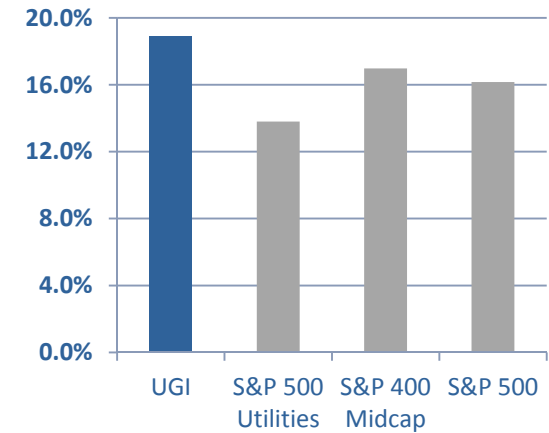
1 Year Total Return



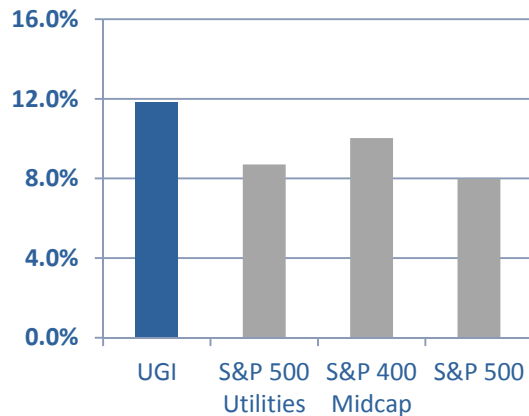
3 Year Total Return



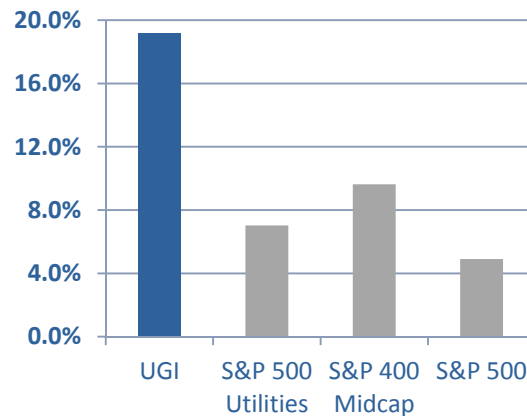
5 Year Total Return



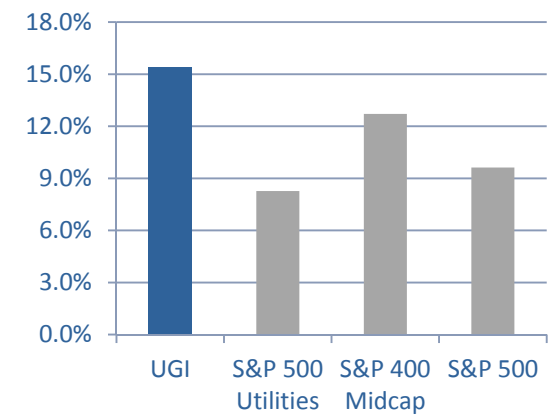
10 Year Total Return



15 Year Total Return



20 Year Total Return



Investment Summary

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



Energy Services



Lines of Business



MARKETING

- Natural Gas
- Power



GENERATION

- Power Generation
- Renewable Energy



MIDSTREAM

- Pipelines & Gathering
- Peaking
- Asset Management
- Storage

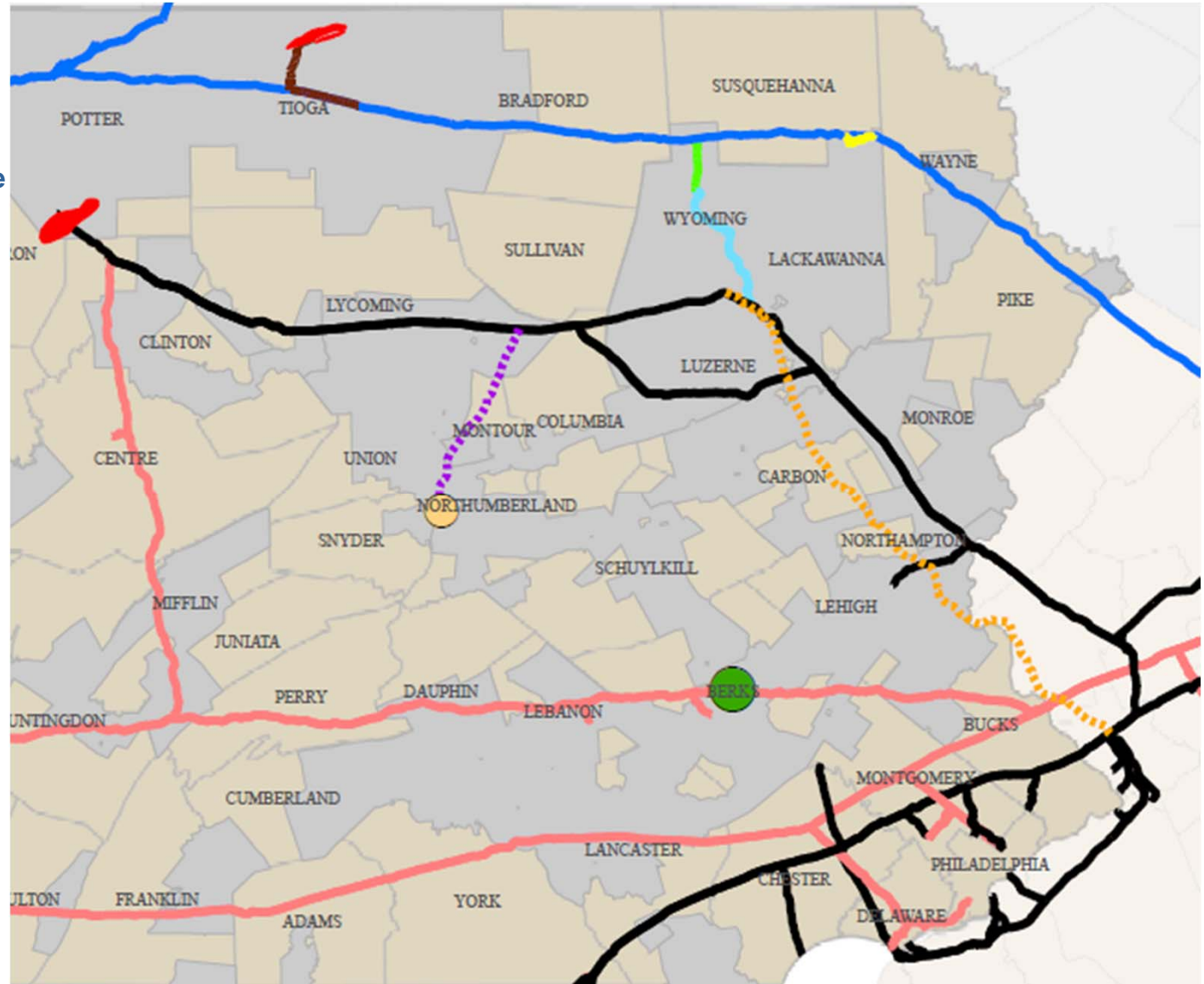
Marcellus Midstream Assets

UGI Legend

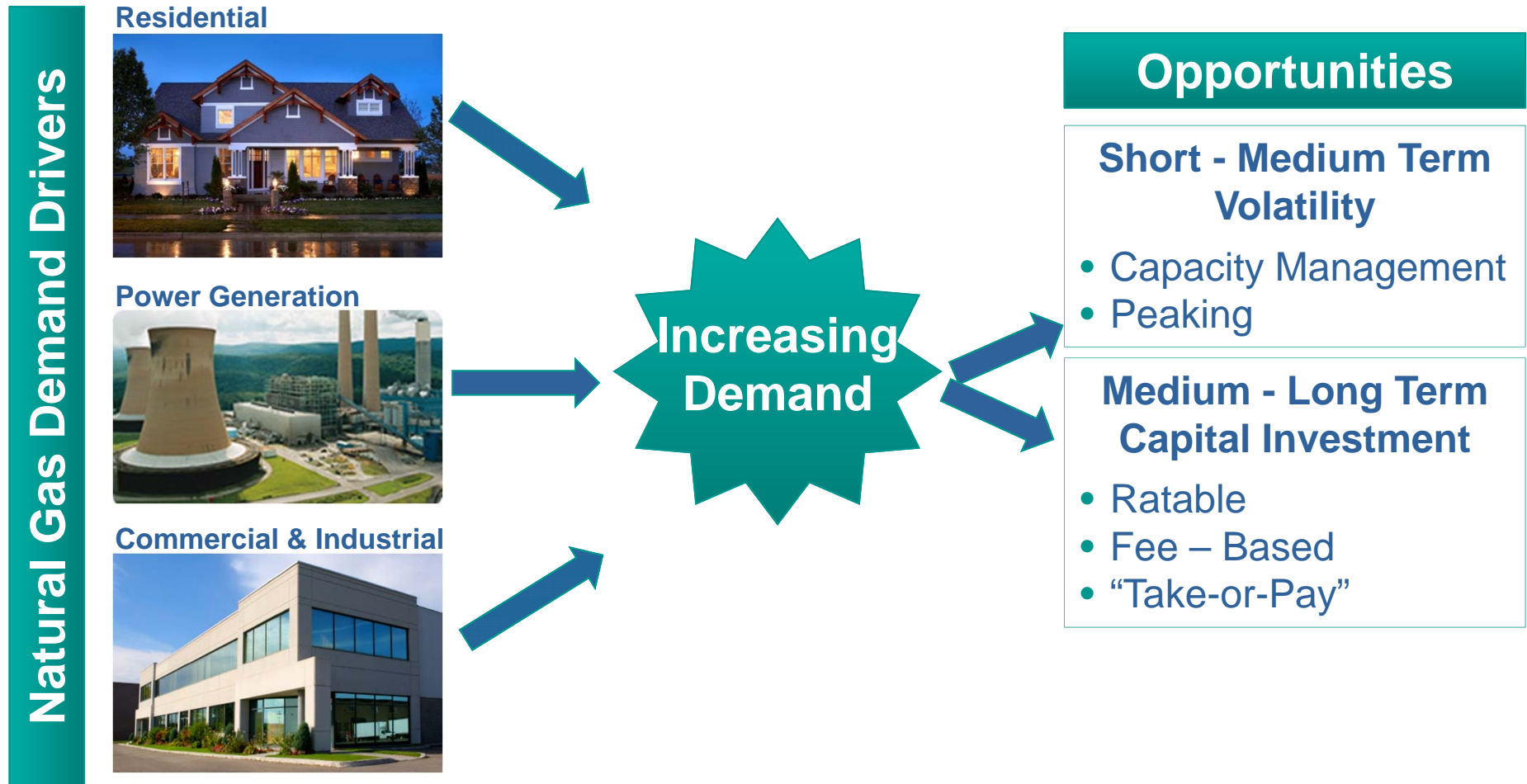
- 1.25 BCF LNG Storage
- 15 BCF Storage
- UGI Service Area
- Storage Transmission
- Auburn I
- Auburn II
- Union Dale
- PennEast
- Sunbury

Other Legend

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



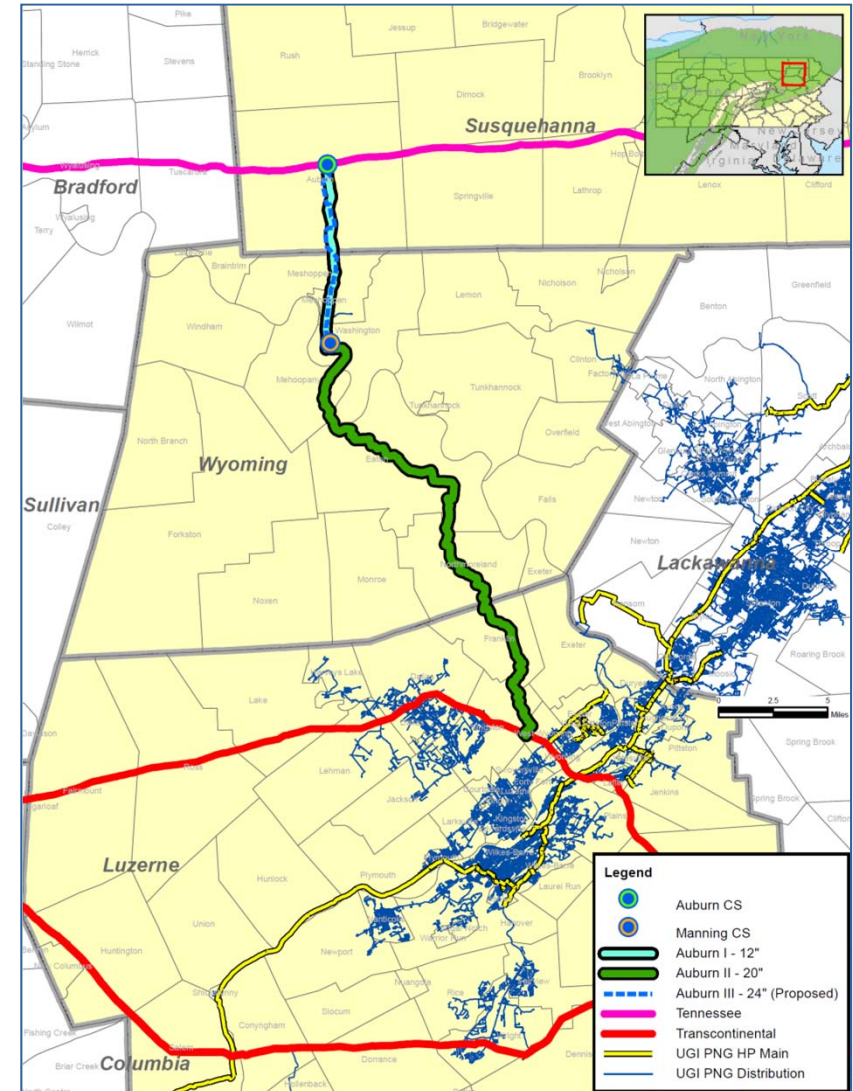
Natural Gas Demand



Auburn System

Auburn Gathering System

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



Growth Projects: Auburn III and Union Dale

Auburn III

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

Union Dale Lateral

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



Temple LNG Plant

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



Growth Project: Temple LNG Expansion

Temple LNG Expansion

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

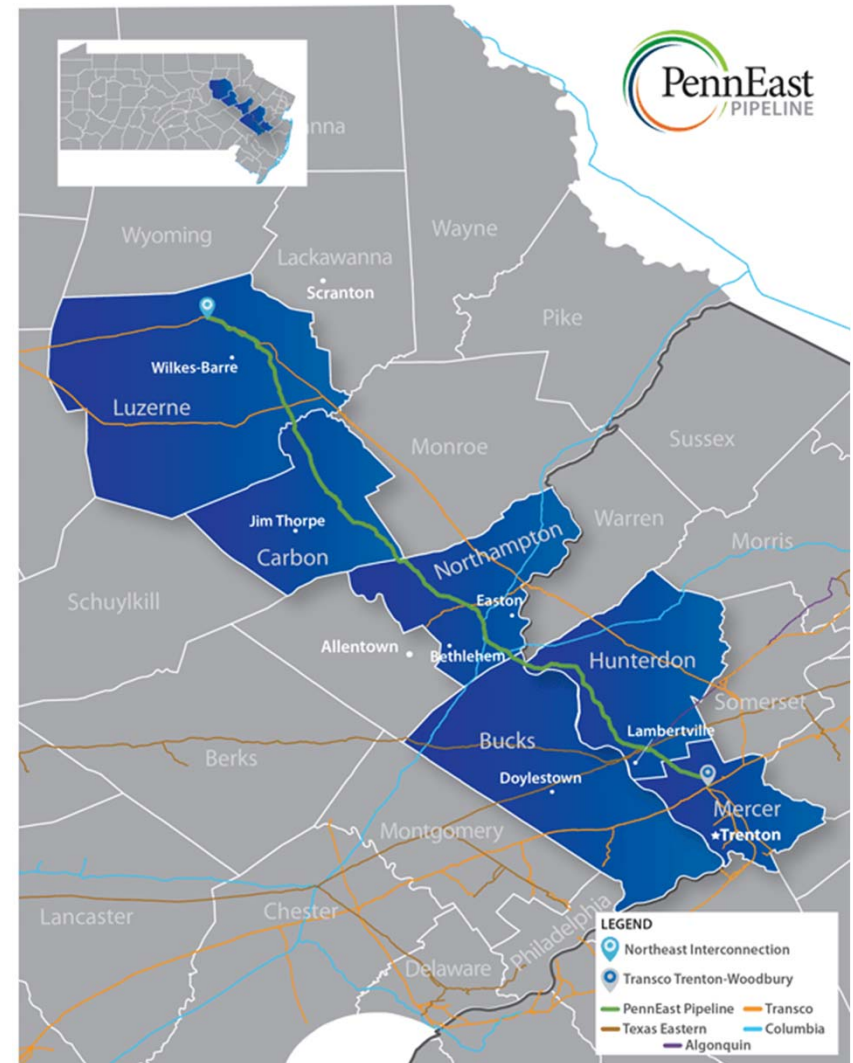
Actively developing other LNG projects in the Marcellus



Growth Project: PennEast Pipeline

PennEast Pipeline

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

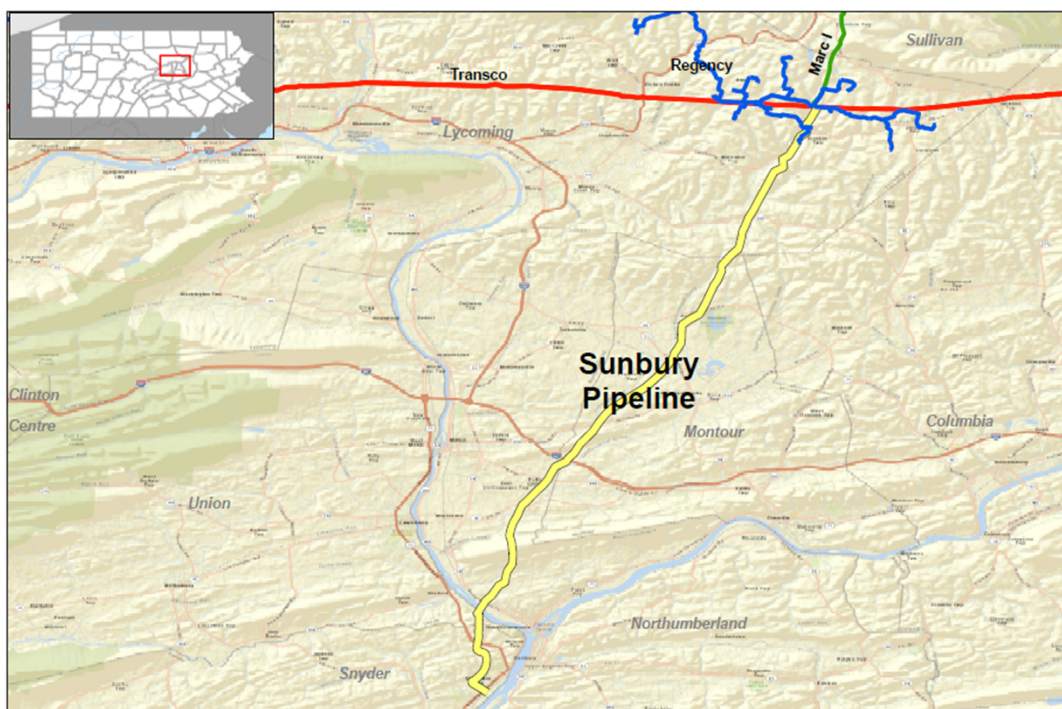


Growth Project: Sunbury Pipeline



PandaPowerFunds

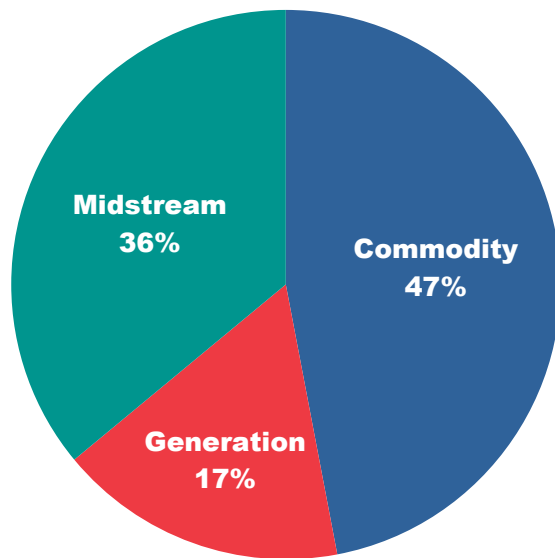
*New Project Announced in February 2015;
Partner with Panda Power Funds*



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

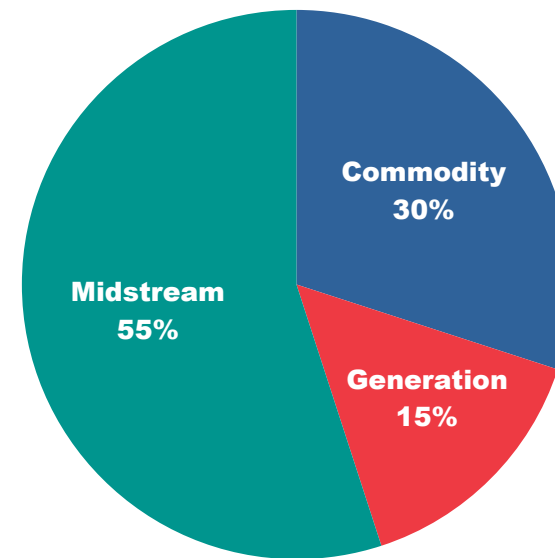
Increasing Midstream Margin Contribution

Historical Margin



Represents multi-year historical average

Future Margin



Represents multi-year forward average

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

Key Points – Energy Services



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

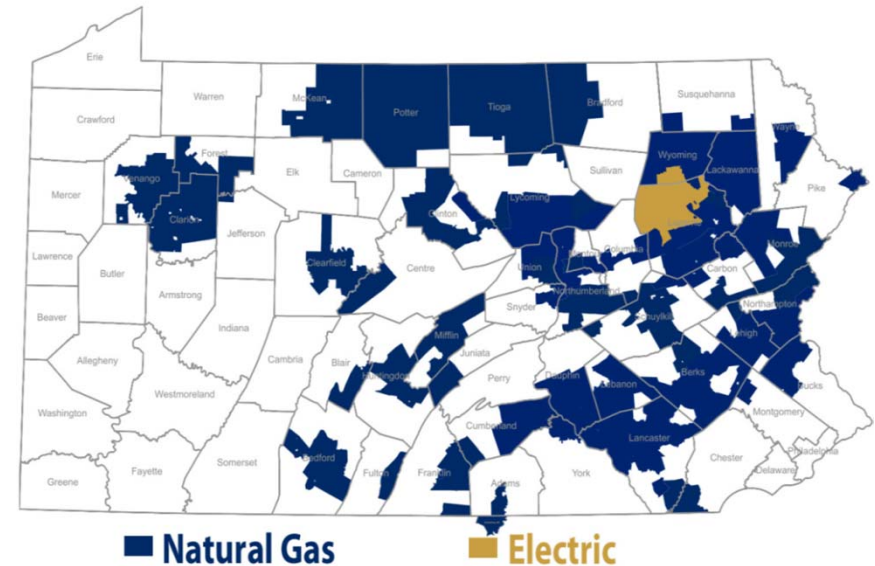
UGI
CORPORATION

UGI Utilities



UGI Utilities Overview

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

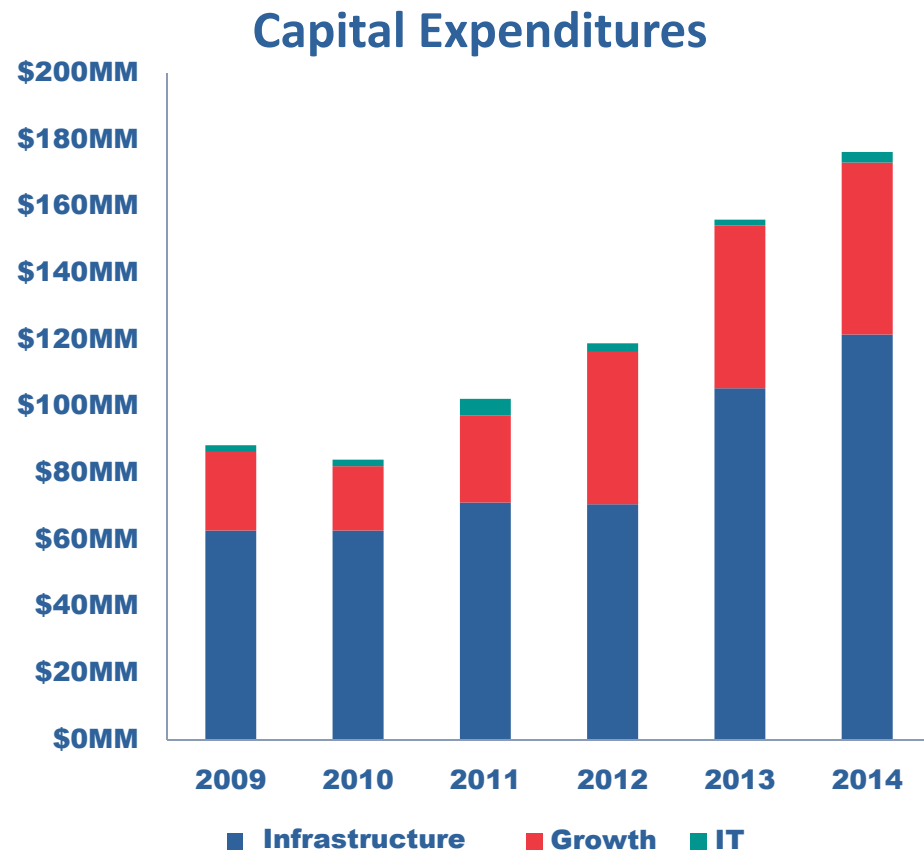


Customer CAGR of ~2% since 2009

Infrastructure Management

Making smart investments today, for tomorrow...

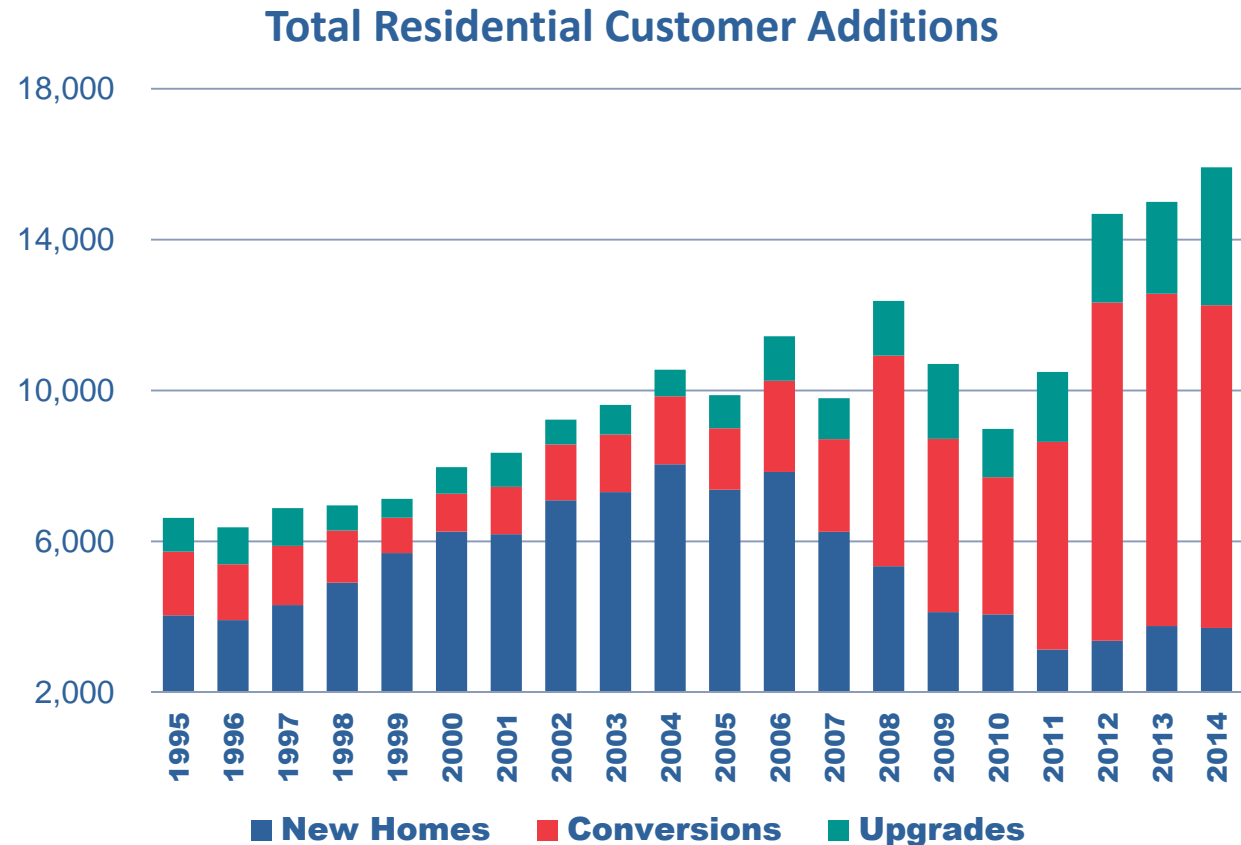
- **Accelerated capital replacement plan**
 - Highest percentage of contemporary pipe in Pennsylvania among major LDCs
- UGI will replace all **cast iron main by 2027** and all **bare steel by 2043**
- Supports the continued development of our **service territory**



Growth in the Residential Business

Focus on customer conversions has yielded strong results

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



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

Key Points – Utilities



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

¹ J.D. Power and Associates 2014 Gas Utility Residential Customer Satisfaction Survey

AmeriGas

AmeriGas



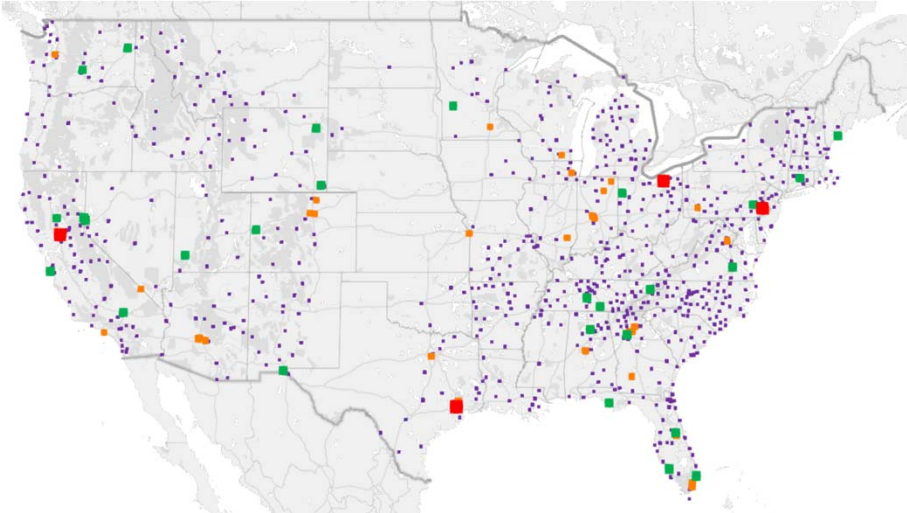
Business Overview

**Largest Player in a Fragmented Market
with ~15% Market Share¹**

- ~Two Million Customers
- Over 2,000 Propane Distribution Locations
- ~8,400 Employees
- ~49,000 Cylinder Exchange Retail Locations

~1.4 Billion Gallons Sold FY14

Operations in all 50 states



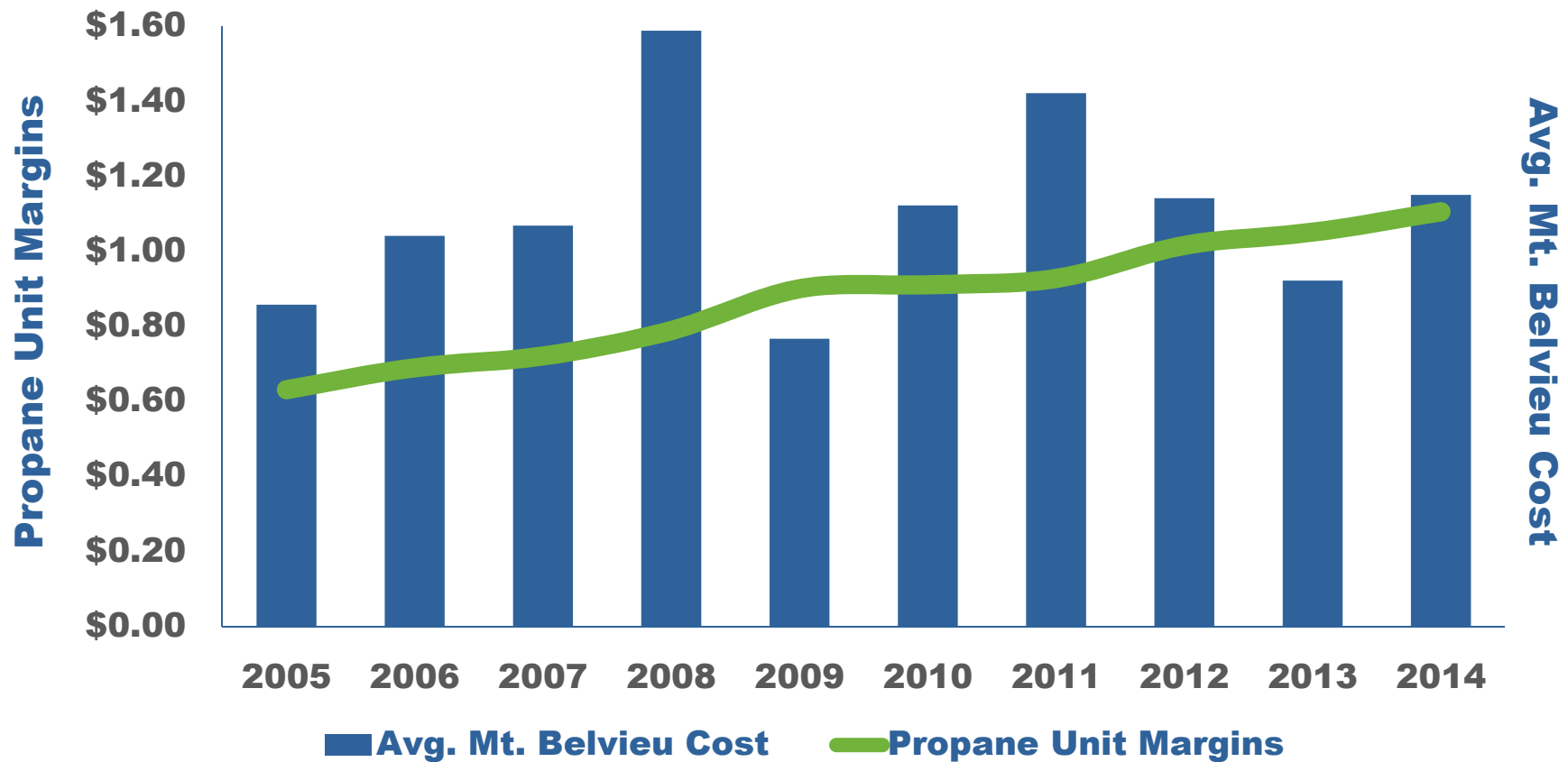
¹ Based on retail propane volumes sold in the United States as published by the American Petroleum Institute

Competitive Advantage

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

Unit Margin Management

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



Meeting Commitments – Promise to Investors

GOALS

**DISTRIBUTION
GROWTH: 5%**

**EBITDA
GROWTH: 3-4%**

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

ACCOMPLISHMENTS



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



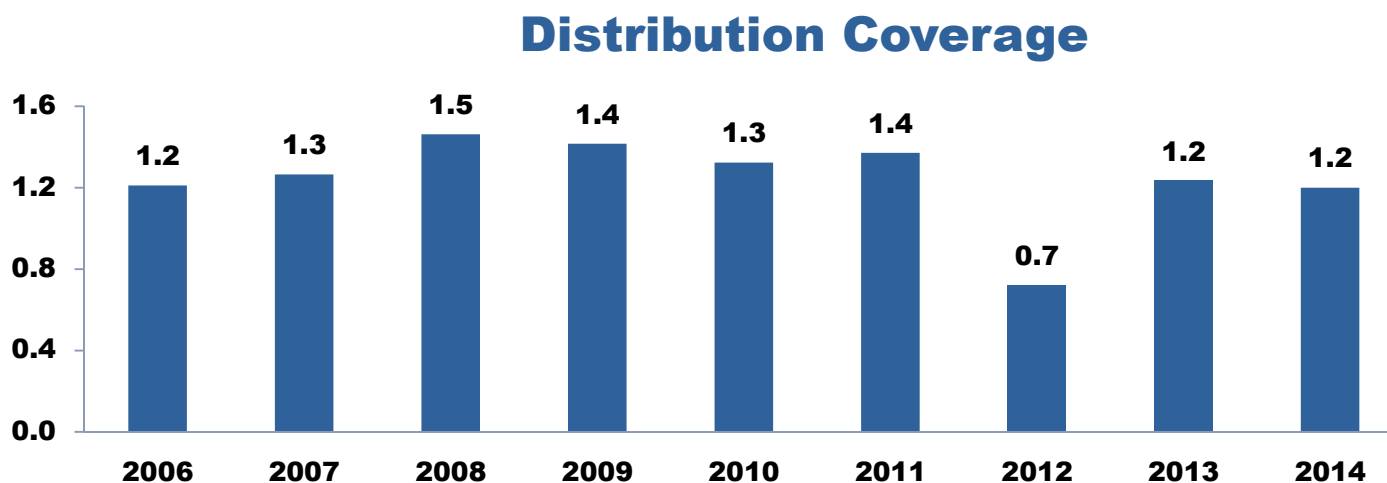
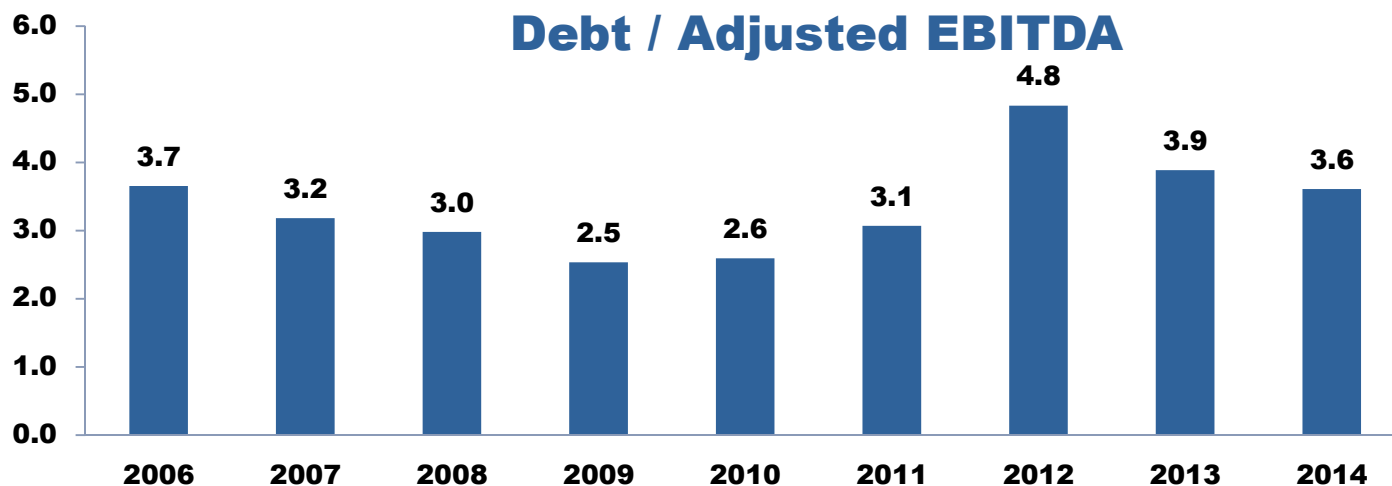
**Adj. EBITDA Growth
2006-2011: ~6%
2006-2014: ~13%**



**\$60 million+ in
synergies**

Balance Sheet Commitments

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



Growth: AmeriGas Propane Exchange

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



ACCOMPLISHMENTS

4% Volume Growth in Q1



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



1,300+ net new installations in FY 2014



8% Volume growth in FY 2014



4% EBITDA growth*

** Estimate represents multi-year average*

Growth: National Accounts

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

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

ACCOMPLISHMENTS

10% Volume Growth in Q1



22% volume growth in fiscal 2014



Rich pipeline of targets identified



Over 50 new accounts added in fiscal 2014



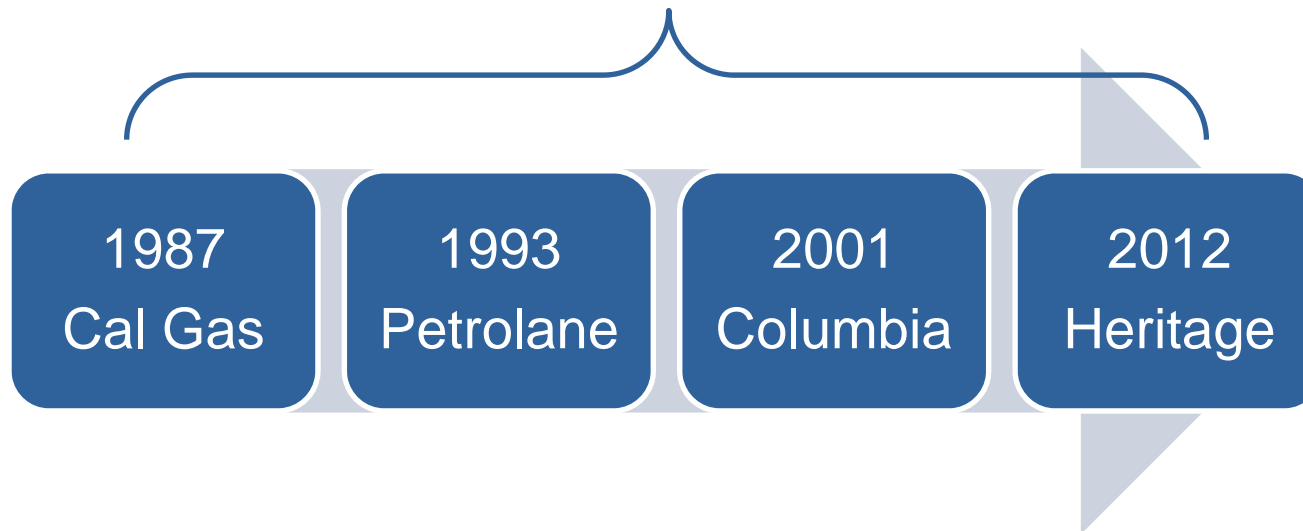
4-6% EBITDA growth*

** Estimate represents multi-year average*

Growth: Local Acquisitions

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

Over 175 acquisitions since the early 1980s

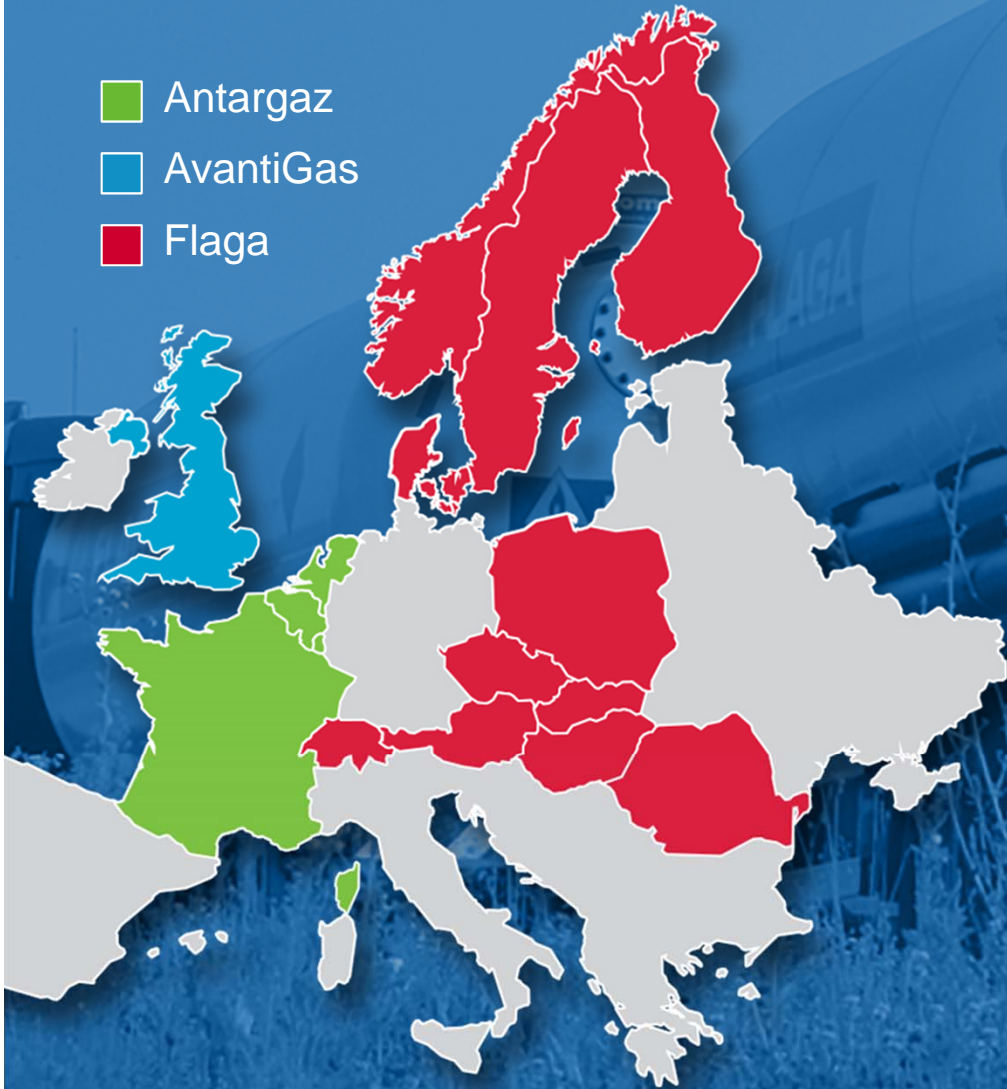


Key Points – AmeriGas



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

- Antargaz
- AvantiGas
- Flaga

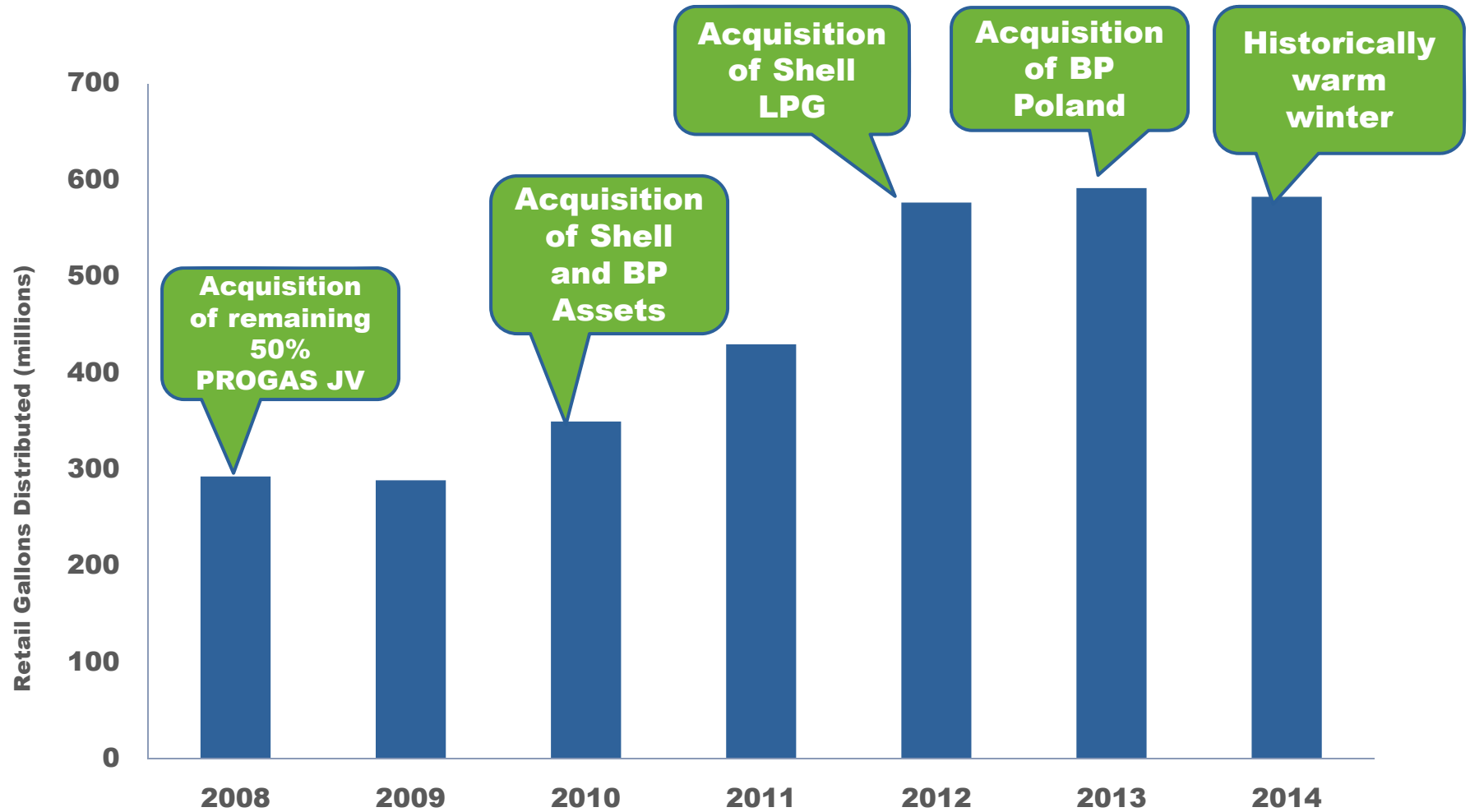


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UGI International Summary

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

Volume Growth



Commonality with AmeriGas

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

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

Antargaz Overview

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

Large customer base:

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

Competitive advantages:

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

Focus on:

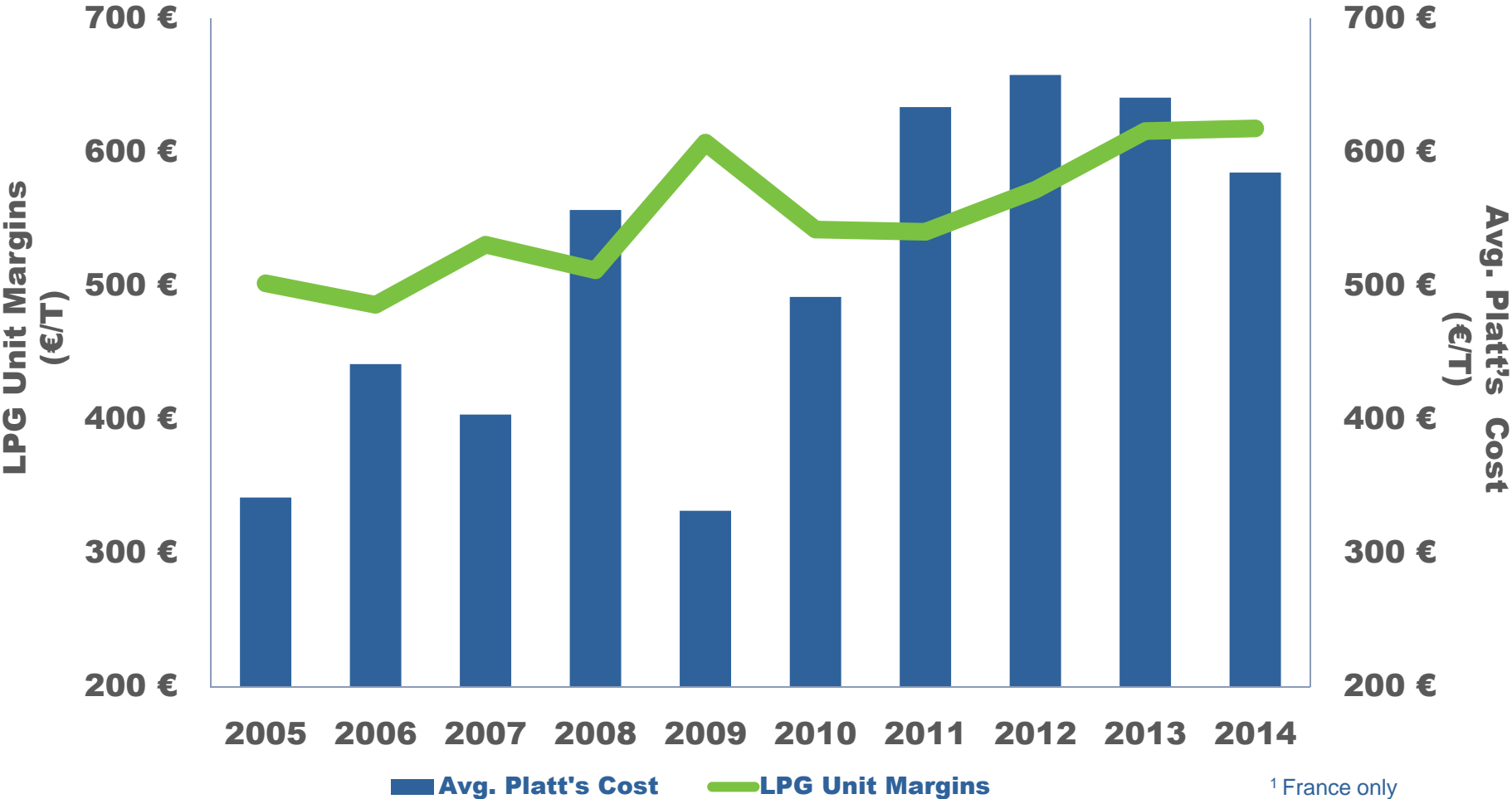
- **Customer service**
- **Innovation**
- **Developing new market segments**



*Includes Benelux

Unit Margin Management

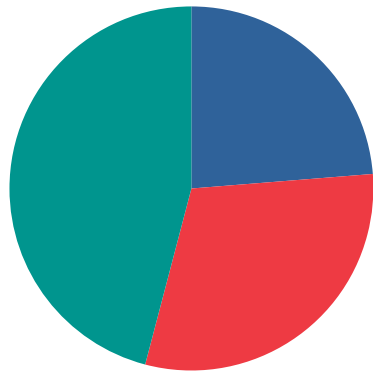
Antargaz¹ Unit Margin History



Totalgaz Acquisition

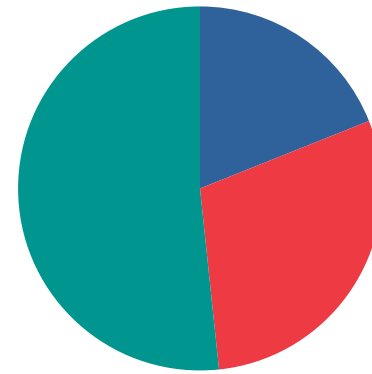
2013¹ Retail Gallons Distributed

Antargaz – 257mm



■ Cylinder ■ Small Bulk ■ Large Bulk

Totalgaz – 266mm



■ Cylinder ■ Small Bulk ■ Large Bulk

Regulatory approval update:

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

Expected to close during first half of calendar 2015

Dedicated project team to plan and execute integration

¹ Calendar Year

Key Points – International



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

UGI Investment Summary

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



AmeriGas Cash Flow Reconciliation

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

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