



UGI
CORPORATION

Jefferies Energy Conference
November 29, 2017



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, liability for uninsured claims and for claims in excess of insurance coverage, 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 foreign currency fluctuations (particularly the euro), changes in Marcellus Shale gas production, the availability, timing and success of our acquisitions, commercial initiatives and investments to grow our business, our ability to successfully integrate acquired businesses and achieve anticipated synergies, and the interruption, disruption, failure, malfunction, or breach of information technology systems, including due to cyber attack. 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.

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 earnings¹

- **Utilities**

 - *UGI Utilities*

 - Natural gas & electric utilities in Pennsylvania and Maryland

- **Midstream & Marketing**

 - *Energy Services*

 - Energy marketing, midstream, and power generation in the Eastern U.S.

LPG

~50% of earnings¹

- **Domestic Propane**

 - *AmeriGas (MLP, own 26%)*

 - #1 LPG distributor in the U.S.²

- **International LPG**

 - *UGI International*

 - Premier LPG distributor in Europe, energy marketer in France, Belgium, the Netherlands, and the U.K.

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

² Largest retail propane distributor in U.S. based on volume.

Key Takeaways

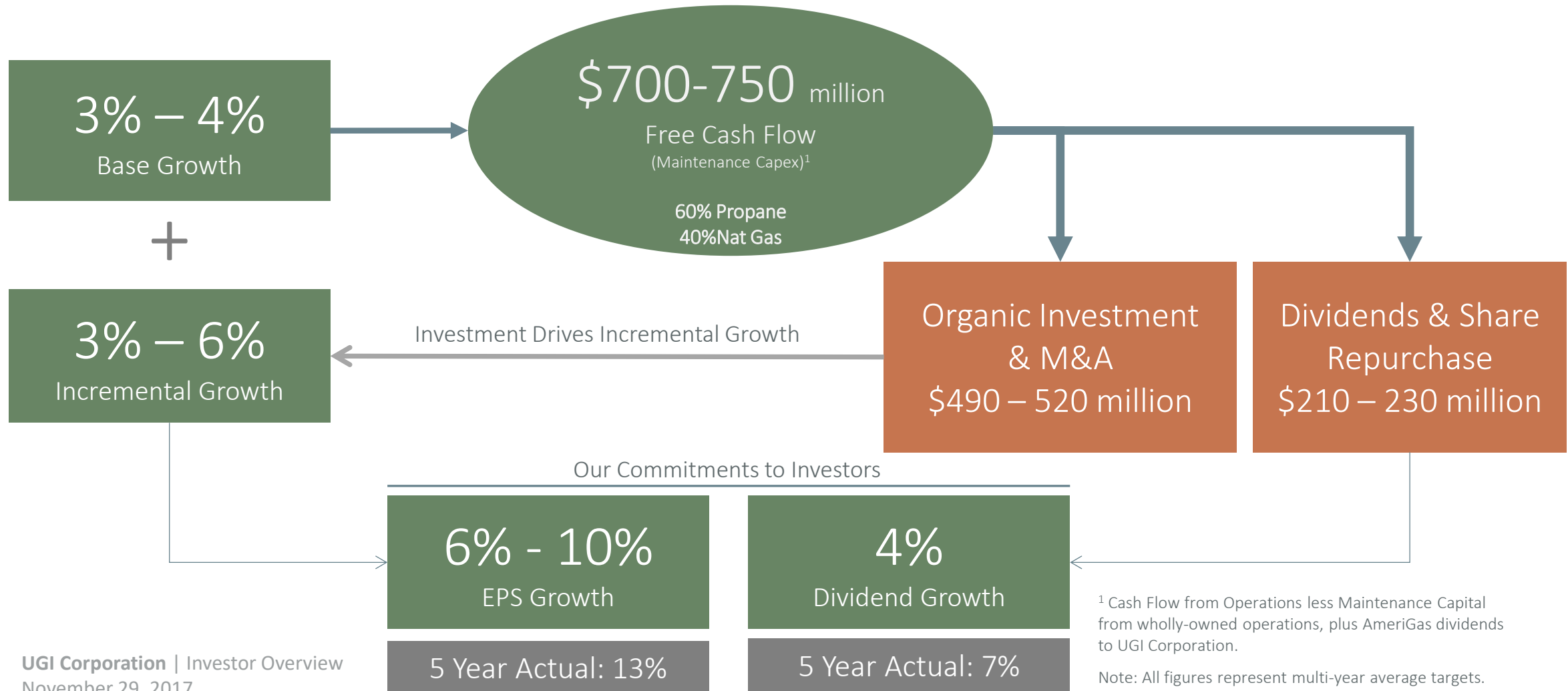
- We deliver **outstanding returns** to our shareholders
- We are a balanced **growth** and **income** investment
 - 6-10% EPS Growth
 - 4% Dividend Growth
- Excellent **cash** generation; 11% CAGR of free cash flow¹ since 1997
- Track record of **disciplined capital deployment**
- Our portfolio of **growth opportunities** has never been stronger

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
- 2 Capitalize on synergies and leverage strengths**
 - Leverage successful programs and services across the corporation
 - Expand further into midstream
 - Seek new international markets
- 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

Growth Engine Supports Commitments

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



How Have We Executed on Strategy?

- Successfully invested \$9.1 billion from 2000-2017 to build our current business portfolio
 - 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
 - FY2013A – FY2018 Guidance¹ adjusted EPS CAGR of 9.6%²
 - Twenty year (1997-2017) free cash flow CAGR of 11.4%^{2,3}
 - 10 & 20-year average total shareholder returns of 13.7% and 15.0%, respectively, for periods ending 9/30/17.

¹ Based on midpoint of FY 2018 guidance range of \$2.45 – \$2.65.

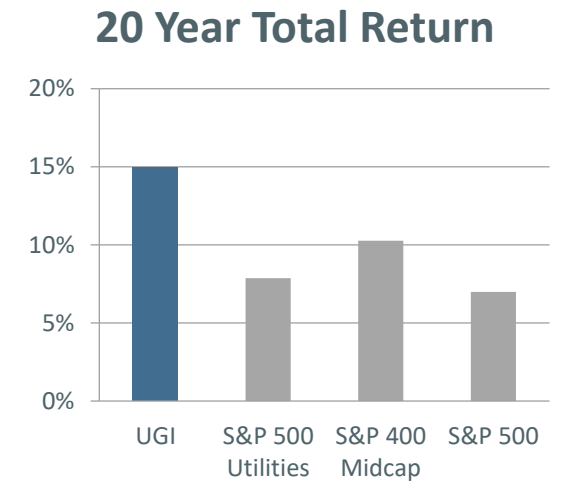
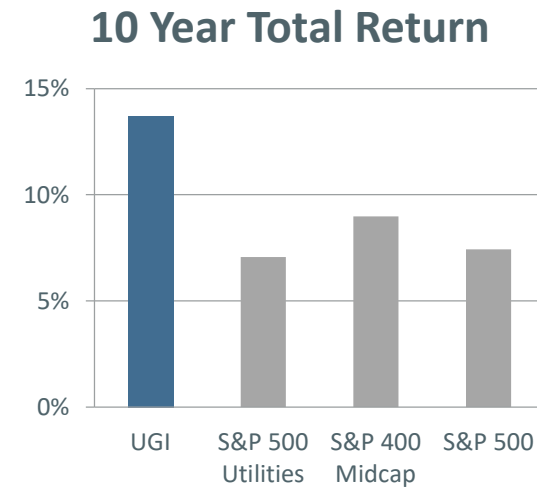
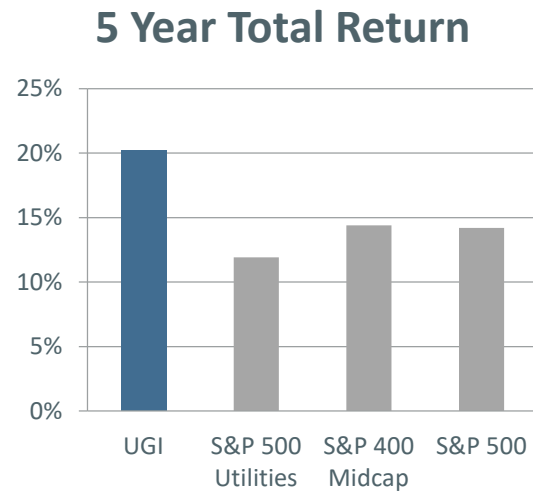
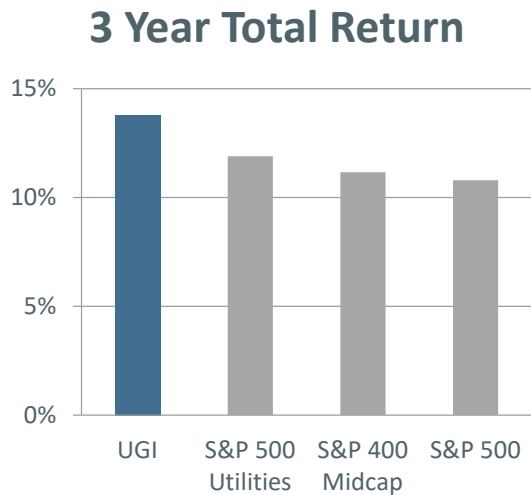
² Adjusted earnings per share and free cash flow are non-GAAP measures. See appendix for reconciliation.

³ Three year numbers to smooth the impact of weather. See appendix for reconciliation.

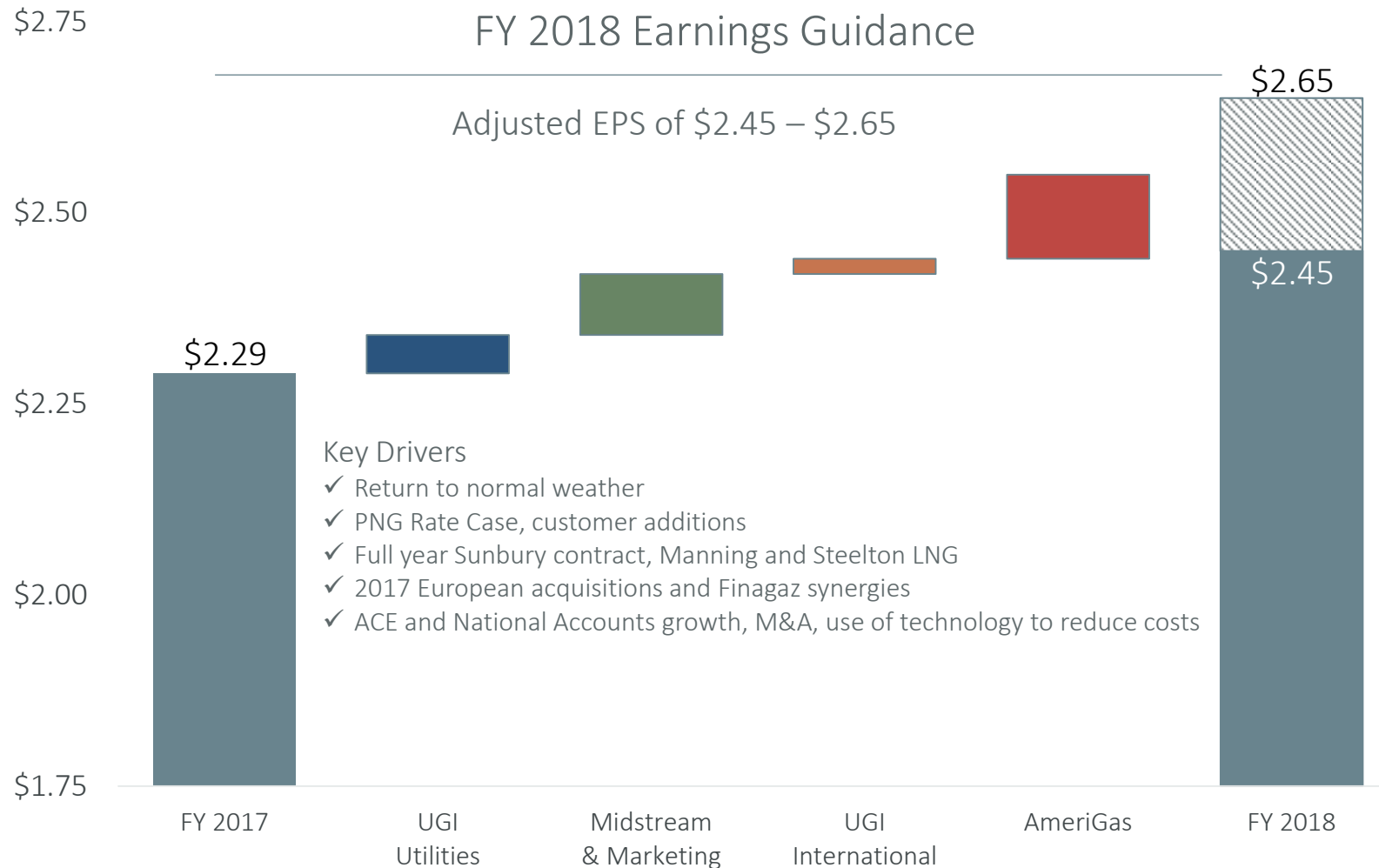
Because we are unable to predict certain potentially material items affecting diluted earnings per share on a GAAP basis, principally mark-to-market gains and losses on commodity derivative instruments and Finagaz integration expenses, we cannot reconcile 2018 adjusted diluted earnings per share, a non-GAAP measure, to diluted earnings per share, the most directly comparable GAAP measure, in reliance on the “unreasonable efforts” exception set forth in SEC rules.

UGI Has Consistently Outperformed

Total Shareholder Return as of 9/30/17



2018 Guidance



Consistent Earnings Pattern

Historically, on average, ~95% of FY Adjusted EPS is generated in the first half of the year

Percentage of UGI Adjusted EPS earned by quarter

Q1	~35%
Q2	~60%
Q3	~5%
Q4	~0%
FY	100%

Strong Track Record and Pipeline of Projects



¹ Estimated using midpoint of FY 2018 guidance range , growing at long-term EPS growth expectation of 6%-10%.



Business Overview

~635,000

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 **2nd Largest** gas utility¹ serving 45 of 67 counties in PA

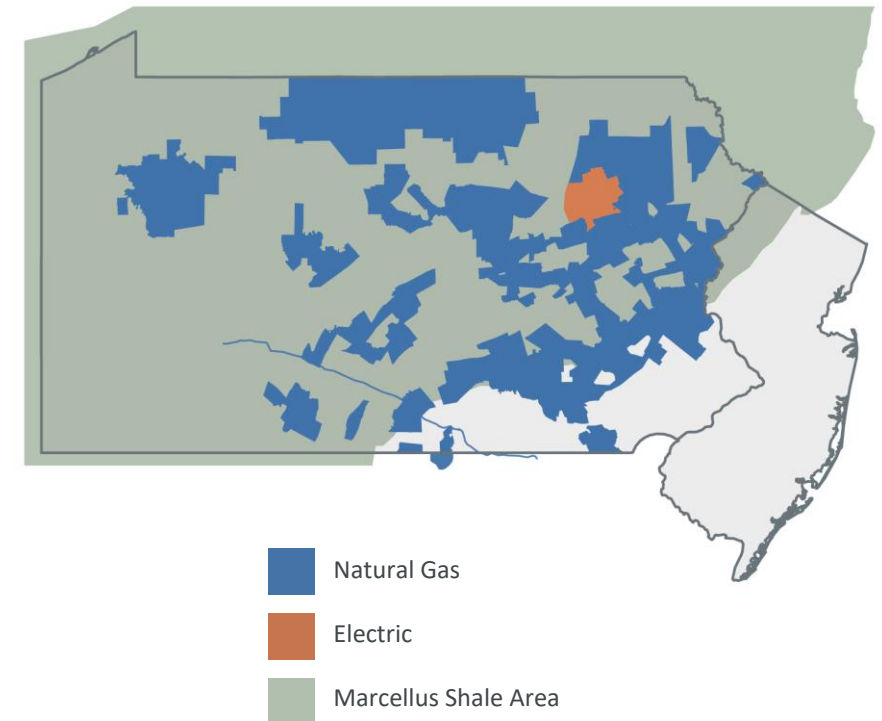
Constructive regulatory environment

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

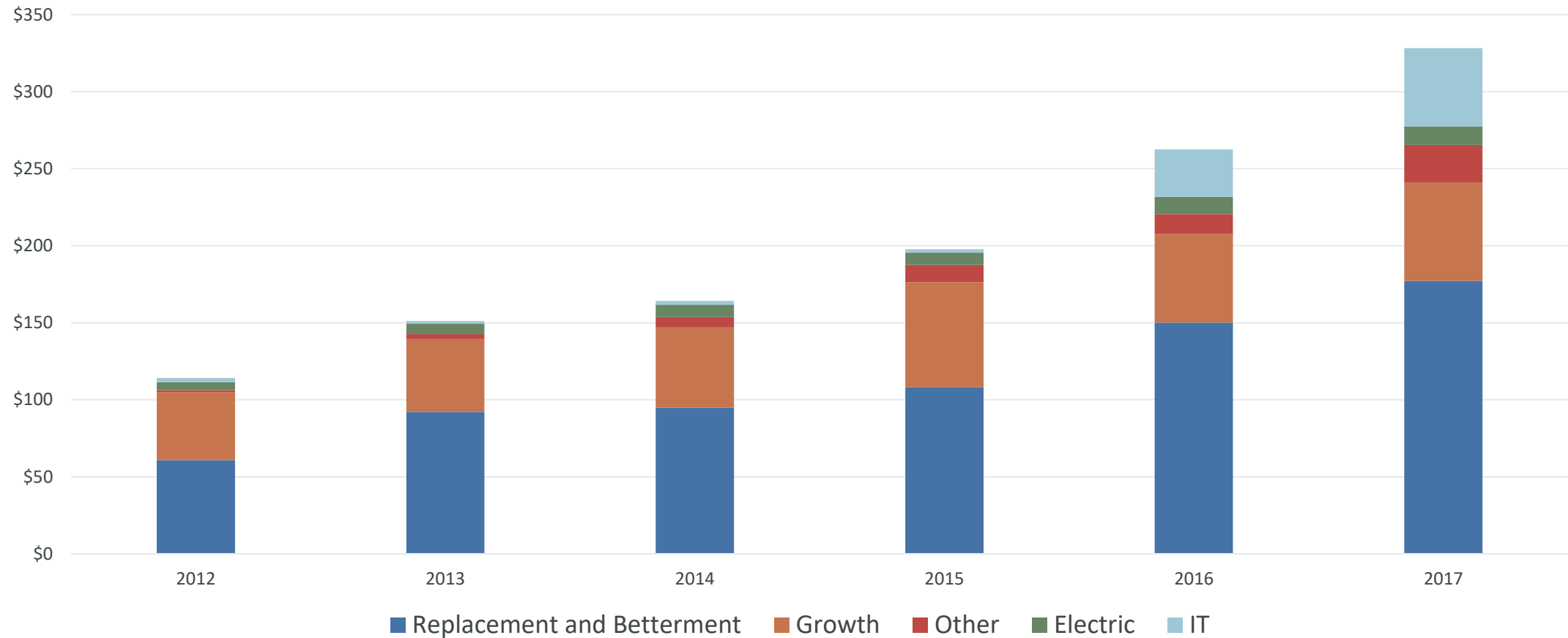
Marcellus Advantage

- ~80% of UGI Utilities natural gas sourced from the Marcellus Shale
- Added three power plant customers since 2010
 - Combined generation capacity of >2,000 MWs
 - Fourth scheduled in 2018 (~1,400 MWs)
- Favorable environment for economic development
- Added an average of 16,500 new residential heating and commercial customers over the past 5 years



Increasing Capital Investment

Capital Spend (\$MM)



Positioned for Continued Growth

- Added ~14,000 new residential and heating customers in 2017
- **Growth Opportunities**
 - ~ 365,000 conversion prospects remain near gas mains
 - GET Gas program enables growth in underserved areas
- **~\$55 million 2018 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



Business Overview

Marketing

131

Bcf natural gas marketing in

39 LDCs

~671,000

MWhs in

20 EDCs

Midstream

241

Miles of pipeline

(operating or in development)

15

Bcf of natural gas storage

~2 Bcf

LNG and propane storage used to support liquefaction and vaporization peak shaving

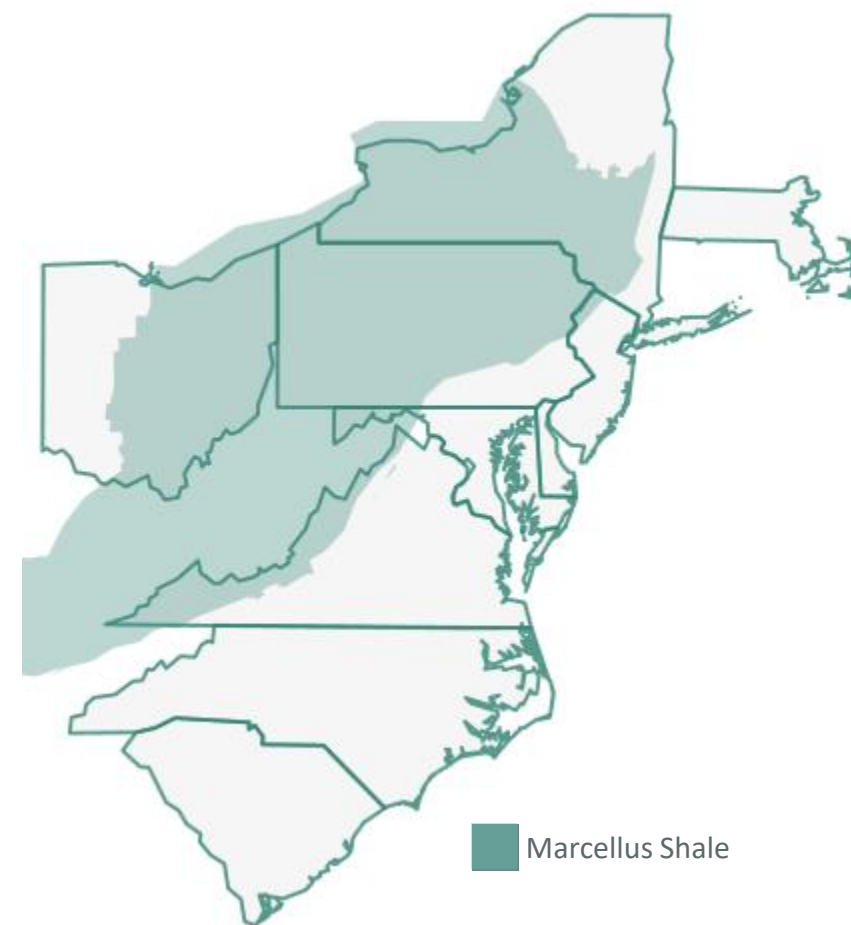
Generation

~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



Midstream Assets Overview

LNG Peaking:

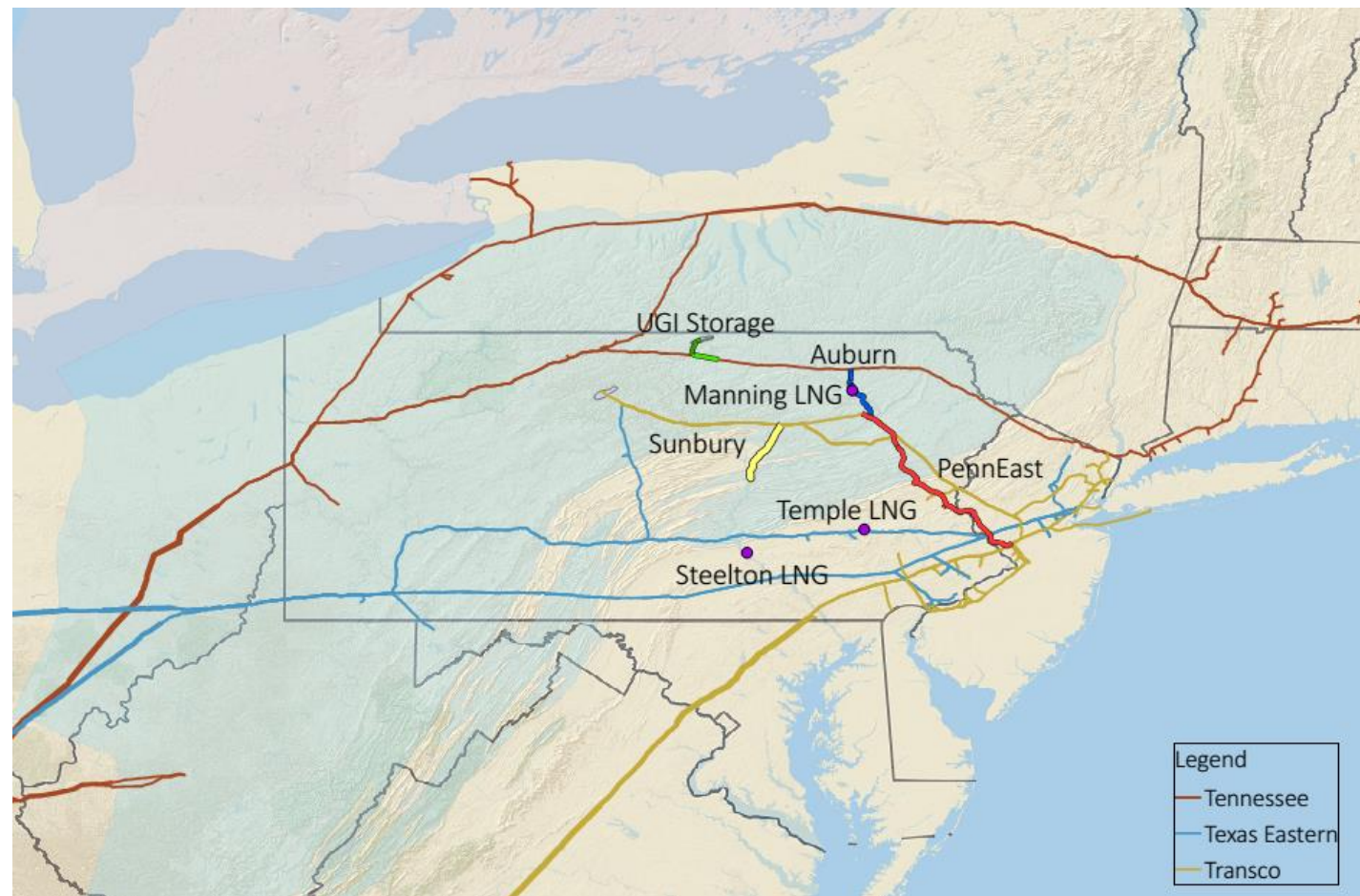
- Temple LNG (205,000 Dth/day vaporization, 1.25 BCF storage)
- Manning liquefaction (10,000 Dth/day)
- Steelton vaporization (65,000 Dth/day)

Pipelines:

- Auburn system (470,000 Dth/day)
- Sunbury pipeline (200,000 Dth/day)
- Union Dale (100,000 Dth/day)
- PennEast pipeline (1 Bcf/day)

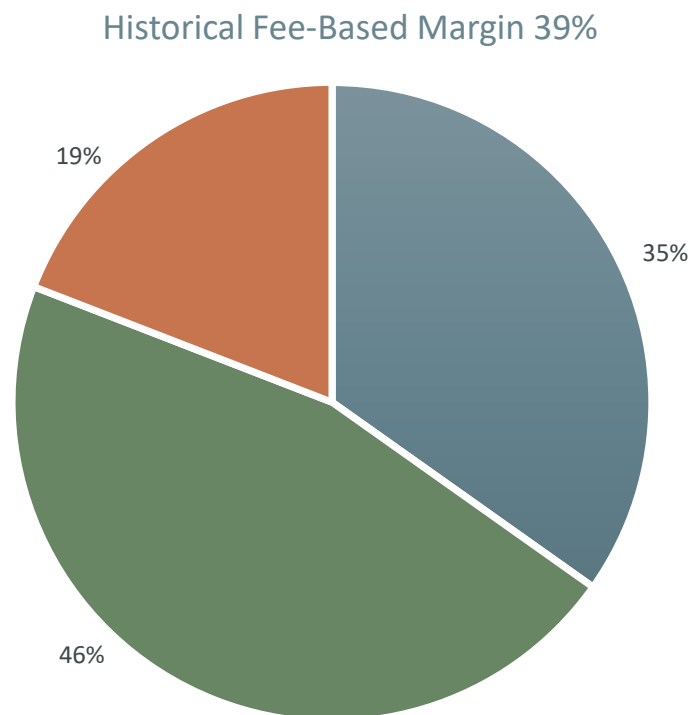
Storage:

- 15 Bcf natural gas storage

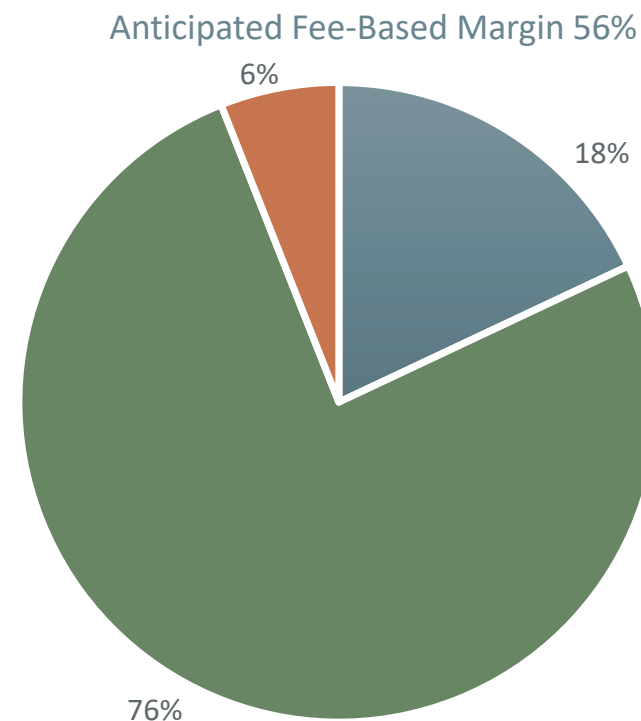


Increasing Fee-based Income

2013 Margin Composition¹



Anticipated 2021 Margin Composition



Commodity Margin
 Midstream Margin
 Generation Margin

¹Margin is a non-GAAP measure. See appendix for reconciliation of 2013 total margin.

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:

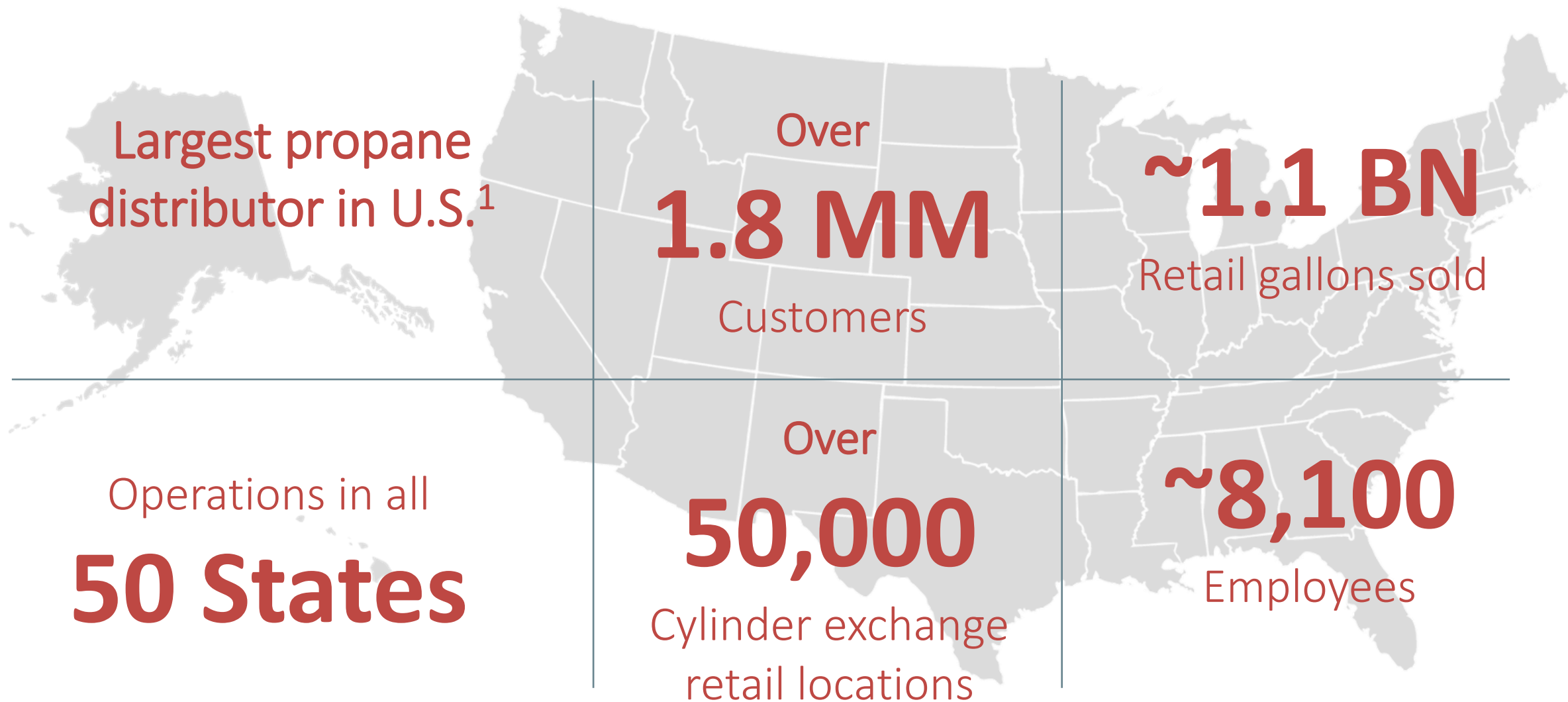
- Sunbury
- PennEast



AmeriGas



Business Overview



¹ Based on volume of propane gallons distributed annually.

Competitive Advantages

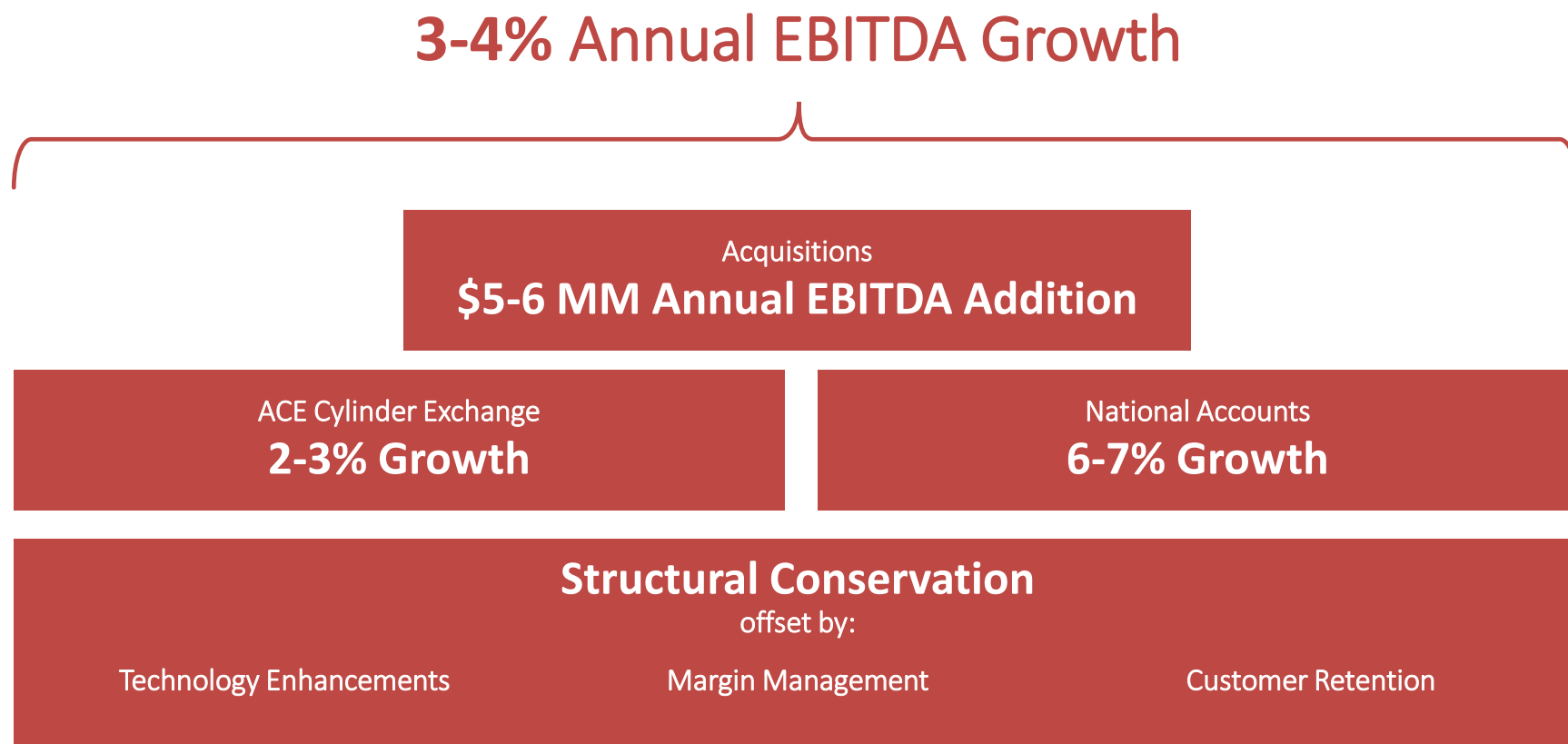
- Unmatched **geographic coverage** across all 50 states
- **Significant scale** enables deployment of technology advancements
- Scale enables growth programs (ACE and National Accounts)
- Significant **transportation and logistics** assets
- Tested formula for successful **acquisitions**
- Demonstrated ability to **manage margins**

Recent Key Accomplishments

- National Accounts delivered record operating results
 - Currently serving over 43,000 customer locations
- ACE business also delivered record operating results
 - Volume up over 8% compared to FY16
 - Over 50,000 distribution points
- Completed 5 acquisitions adding ~6 million gallons in FY17
- Increased distribution for 13th consecutive year in April 2017
- Completed refinancing of all long-term debt, lowering rates by more than 100 basis points

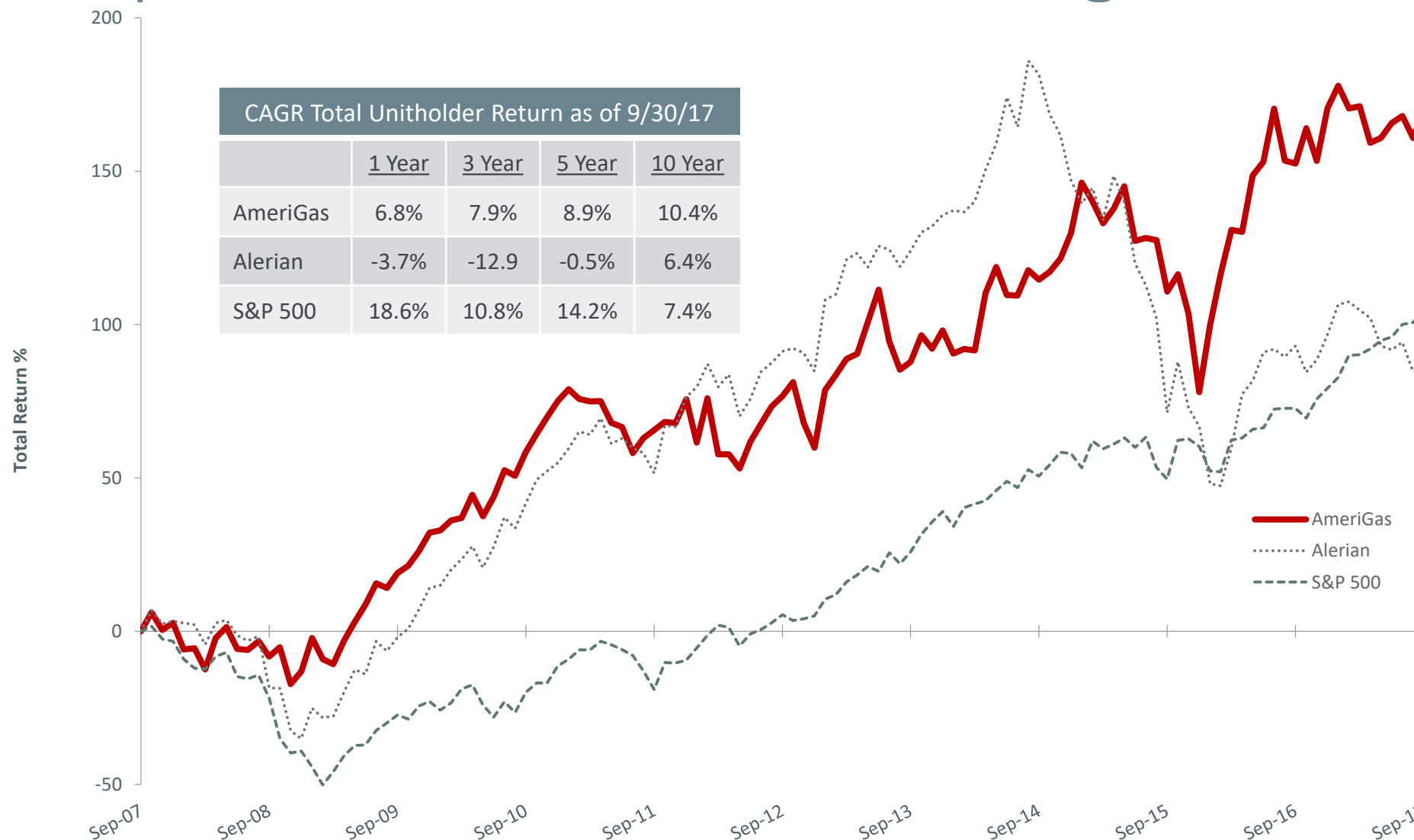


Key Drivers of Growth



Outperformance Over the Long-Term

CAGR Total Unitholder Return as of 9/30/17				
	1 Year	3 Year	5 Year	10 Year
AmeriGas	6.8%	7.9%	8.9%	10.4%
Alerian	-3.7%	-12.9%	-0.5%	6.4%
S&P 500	18.6%	10.8%	14.2%	7.4%





Business Overview



Over
18.5 million
Cylinders in circulation

~500,000
Customers

~38,000
Retail outlets selling
LPG cylinders

Operations in
17 Countries
15 Languages

~3,000
Employees

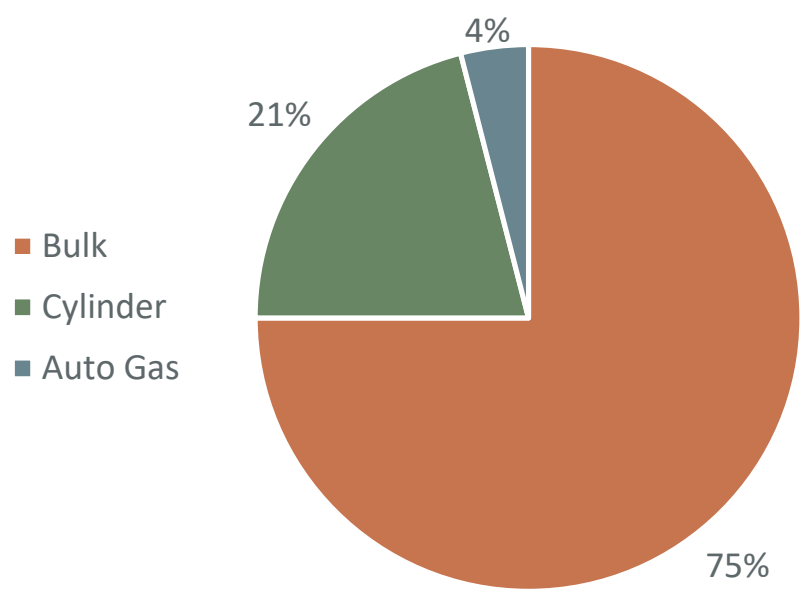
Nearly
828 million
retail gallons sold in FY17

Key Messages

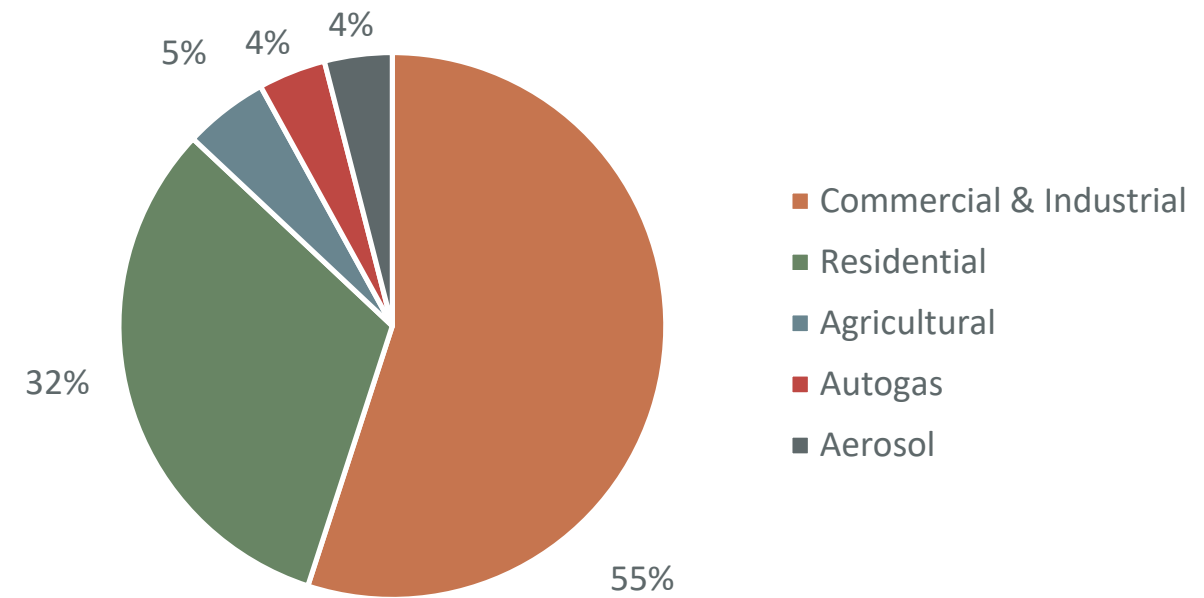
- International segment managed as one company with strong local presence
- Successful ability to identify and integrate quality assets
- Strong operational cash flow
- Track record for margin management
- Growth and integration strategies yield 5% to 8% earnings growth
 - Heating oil to LPG conversion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

Serving a Diverse Customer Base

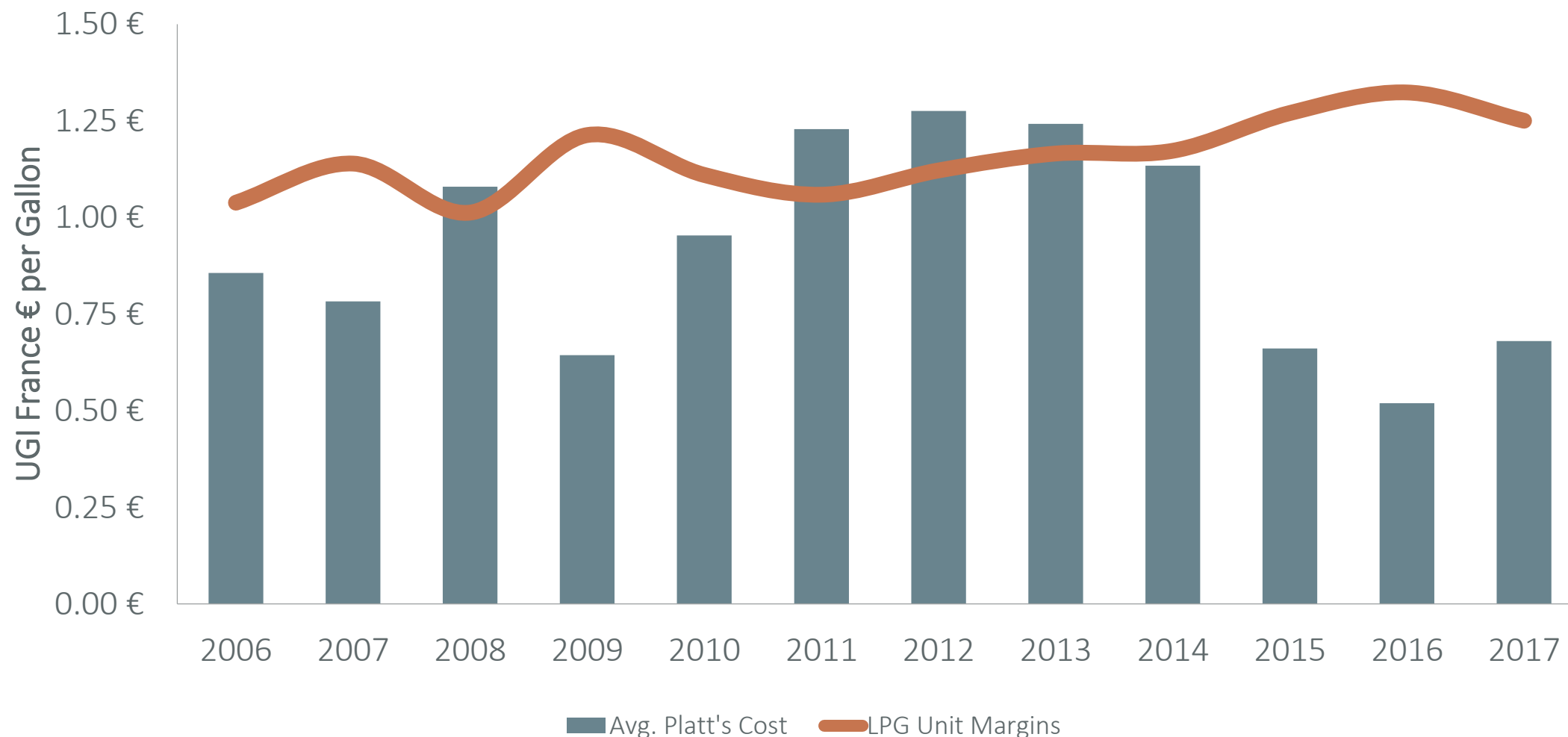
FY17 Volume by Segment



FY17 Volume by Segment



Track Record of Margin Management



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
- Recently announced acquisition of Dutch energy marketer DVEP
 - Expected to be \$0.02 accretive to UGI in 2018

- **LNG Distribution**

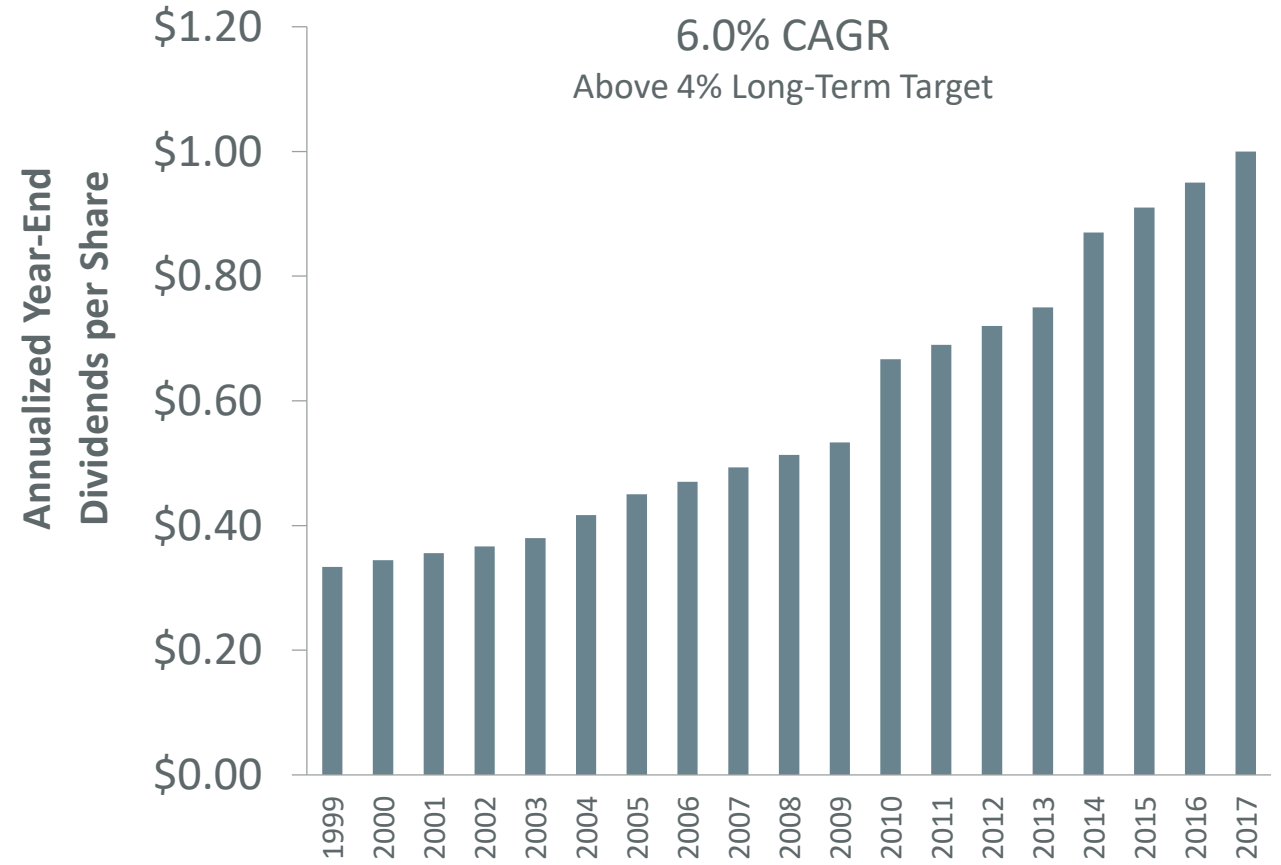
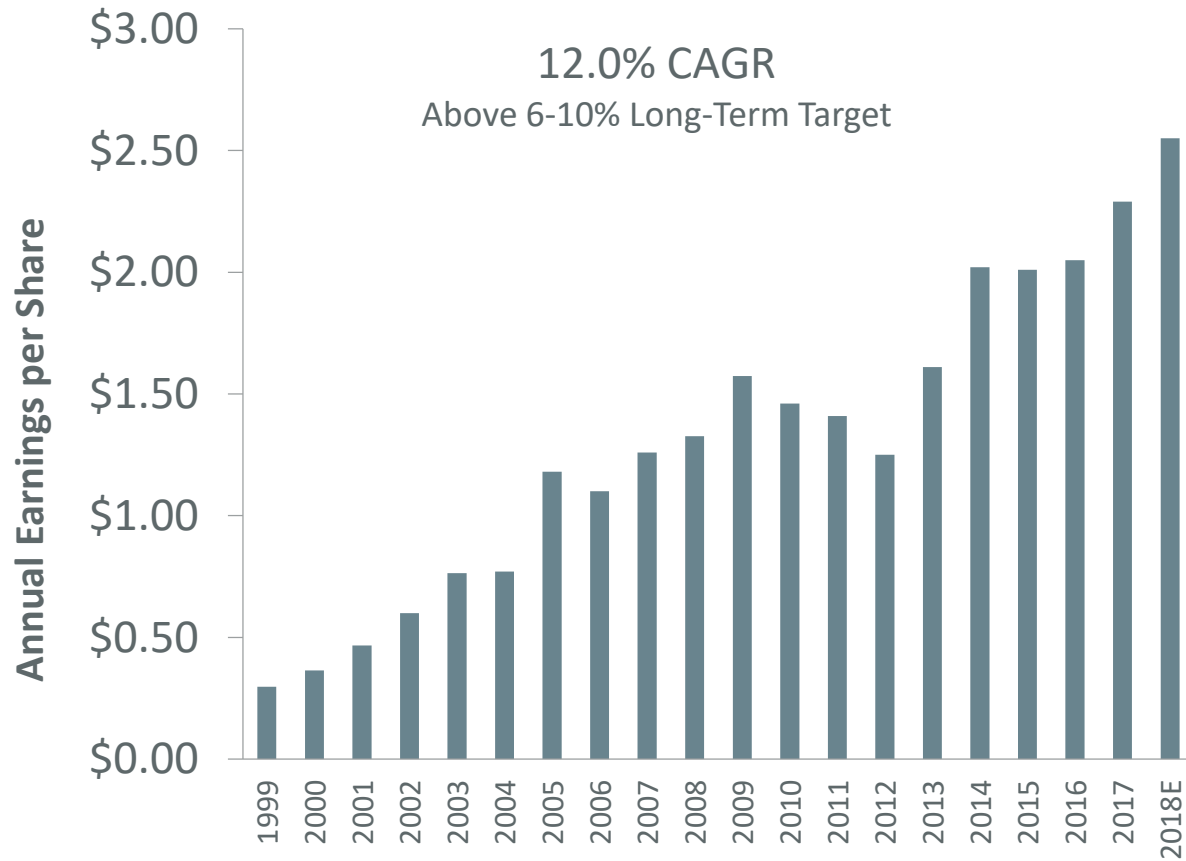
- Assessing LNG distribution opportunities as market evolves
- Longer term business objective
- Focus on U.K. and Nordic countries
- Motor fuel and marine markets are attractive

UGI Key Takeaways

- UGI Corporation 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
 - \$490MM - \$520MM annual cash available for investment
- Superior **cash flow** and balance sheet enable growth

APPENDIX

Strong EPS and Dividend Growth



UGI Corporation Adjusted Earnings Per Share

	Year Ended September 30,							
	2010	2011	2012	2013	2014	2015	2016	2017
ON-GAAP RECONCILIATION:								
Adjusted net income attributable to UGI Corporation:								
Net income attributable to UGI Corporation	\$ 251.8	\$ 245.4	\$ 210.2	\$ 278.1	\$ 337.2	\$ 281.0	\$ 364.7	\$ 436.6
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), \$13.5, \$31.9 respectively) (a) (b)	8.2	(17.4)	(8.9)	(4.3)	6.6	53.3	(29.9)	(51.2)
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), \$(13.7) respectively) (a)	-	-	-	-	4.3	14.9	17.3	26.2
Unrealized losses on foreign current derivative instruments (net of tax of \$(9.9)) (a)								13.9
Loss on extinguishments of debt (net of tax of \$0, \$0, \$(1.4), \$0, \$0, \$0, and \$(5.0), \$(6.1) respectively) (a)	-	-	2.2	-	-	-	7.9	9.6
Impact from change in French tax rate								(29.0)
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	\$ 406.1
Adjusted earnings per common share attributable to UGI stockholders:								
UGI Corporation earnings per share - diluted	\$ 1.52	\$ 1.45	\$ 1.24	\$ 1.60	\$ 1.92	\$ 1.60	\$ 2.08	\$ 2.46
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)	(0.29)
Integration and acquisition expenses associated with Finagaz acquired on May 29, 2015			-	-	0.03	0.08	0.10	0.15
Unrealized losses on foreign current derivative instruments								0.08
Loss on extinguishments of debt		0.06	0.01	-	-	-	0.04	0.05
Impact from change in French tax rate								(0.16)
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	\$ 2.29

(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 2017 Adjusted EPS by Segment

Year Ended September 30, 2017	Total	AmeriGas Propane	UGI International	Midstream & Marketing	UGI Utilities	Corporate & Other
Adjusted net income attributable to UGI Corporation:						
Net income attributable to UGI Corporation	\$ 436.6	\$ 44.6	\$ 158.6	\$ 86.9	\$ 116.0	\$ 30.5
Net gains on commodity derivative instruments not associated with current-period transactions (net of tax of \$31.9) (a) (b)	(51.2)	—	—	—	—	(51.2)
Unrealized losses on foreign currency derivative instruments (net of tax of \$(9.9)) (a)	13.9	—	—	—	—	13.9
Loss on extinguishments of debt (net of tax of \$(6.1)) (a)	9.6	9.6	—	—	—	—
Integration expenses associated with Finagaz (net of tax of \$(13.7)) (a)	26.2	—	26.2	—	—	—
Impact from change in French tax rate	(29.0)	—	(29.0)	—	—	—
Adjusted net income (loss) attributable to UGI Corporation	\$ 406.1	\$ 54.2	\$ 155.8	\$ 86.9	\$ 116.0	\$ (6.8)
Adjusted diluted earnings per share:						
UGI Corporation earnings per share - diluted	\$ 2.46	\$ 0.25	\$ 0.89	\$ 0.49	\$ 0.66	\$ 0.17
Net gains on commodity derivative instruments not associated with current-period transactions	(0.29)	—	—	—	—	(0.29)
Unrealized losses on foreign currency derivative instruments	0.08	—	—	—	—	0.08
Loss on extinguishments of debt	0.05	0.05	—	—	—	—
Integration expenses associated with Finagaz	0.15	—	0.15	—	—	—
Impact from change in French tax rate	(0.16)	—	(0.16)	—	—	—
Adjusted diluted earnings (loss) per share	\$ 2.29	\$ 0.30	\$ 0.88	\$ 0.49	\$ 0.66	\$ (0.04)
(a) Income taxes associated with pre-tax adjustments determined using statutory business unit tax rates.						
(b) Includes the effects of rounding.						

UGI Corporation Free Cash Flow

(\$ in millions)

Year Ended September 30, (\$ in millions)	1995	1996	1997	3 Years Ended 1997	2000	2001	2002	3 Years Ended 2002	2005	2006	2007	3 Years Ended 2007
Cash Flow from Operations	76.8	111.2	172.0	360.0	132.7	203.5	247.5	583.7	437.7	279.4	456.2	1173.3
Less: Capital Expenditures	68.8	62.7	68.8	200.3	71	78	94.7	243.7	158.4	191.7	223.1	573.2
Free Cash Flow	\$ 8.0	\$ 48.5	\$ 103.2	\$ 159.7	\$ 61.7	\$ 125.5	\$ 152.8	\$ 340.0	\$ 279.3	\$ 87.7	\$ 233.1	\$ 600.1

Year Ended September 30, (\$ in millions)	2010	2011	2012	3 Years Ended 2012	2015	2016	2017	3 Years Ended 2017
Cash Flow from Operations	598.8	554.7	707.7	1861.2	1163.8	969.7	953.9	3087.4
Less: Capital Expenditures	347.3	360.7	339.4	1047.4	490.6	563.8	639.8	1694.2
Free Cash Flow	\$ 251.5	\$ 194.0	\$ 368.3	\$ 813.8	\$ 673.2	\$ 405.9	\$ 314.1	\$ 1,393.2

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	2017
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	\$1,121.2
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)	(856.7)
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	\$ 264.5
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	\$ 48.8
<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	43.0
<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	5.8
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	167.9
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	27.9
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	19.9
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	\$ 264.5

UGI France Unit Margins

(thousands)

	Year Ended September 30,											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	\$ 1,144,939
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)	(432,372)
Adjustment for Commodity Mark-to-Market (gain) loss	-	-	-	-	-	-	-	-	-	9,944	(14,071)	(9,187)
Total adjusted LPG margin (USD)	\$ 403,500	\$ 411,842	\$ 446,617	\$ 475,251	\$ 421,200	\$ 400,804	\$ 433,361	\$ 470,656	\$ 442,581	\$ 480,944	\$ 727,584	\$ 703,380
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	1.11
Total adjusted LPG margin (Euro)	€ 327,224	€ 308,406	€ 296,261	€ 350,903	€ 310,608	€ 286,427	€ 332,758	€ 358,630	€ 326,279	€ 418,212	€ 657,678	€ 633,676
Total Retail Tons Sold	611	525	567	561	542	524	575	596	539	639	963	983
Gallons/ton	516	516	516	516	516	516	516	516	516	516	516	516
Total Retail Gallons Sold	315,224	270,719	292,616	289,290	279,889	270,542	296,704	307,771	278,320	329,947	497,028	507,228
Average Adjusted LPG Margin per Gallon	€ 1.04	€ 1.14	€ 1.01	€ 1.21	€ 1.11	€ 1.06	€ 1.12	€ 1.17	€ 1.17	€ 1.27	€ 1.32	€ 1.25