

UGI
CORPORATION

AmeriGas

Fiscal 2016
First Quarter Results

John Walsh
President & CEO, UGI

Kirk Oliver
Chief Financial Officer, UGI

Jerry Sheridan
President & CEO, AmeriGas



About This Presentation



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

First Quarter Recap

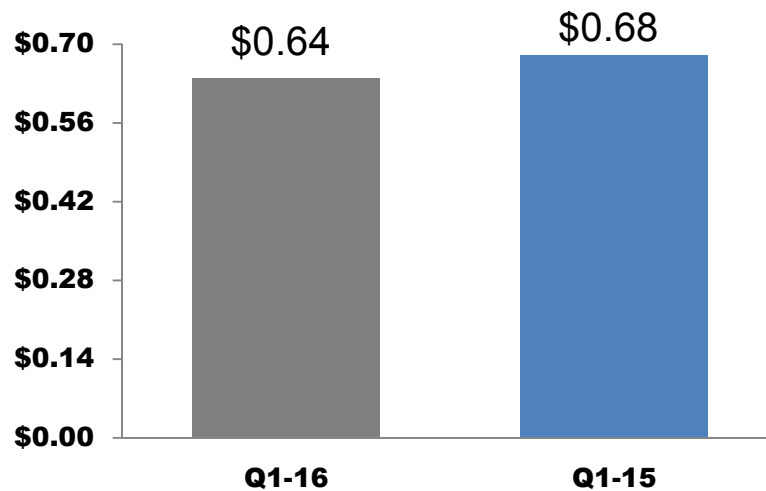
John Walsh
President & CEO, UGI



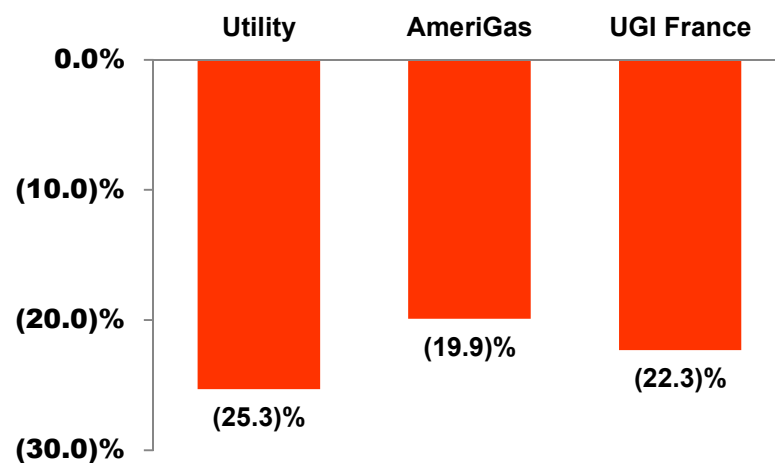
First Quarter Earnings Recap



Adjusted EPS¹



Weather vs. Normal



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

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

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

Market Recap



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

Financial Review

Kirk Oliver
Chief Financial Officer, UGI



Q1 Adjusted Earnings



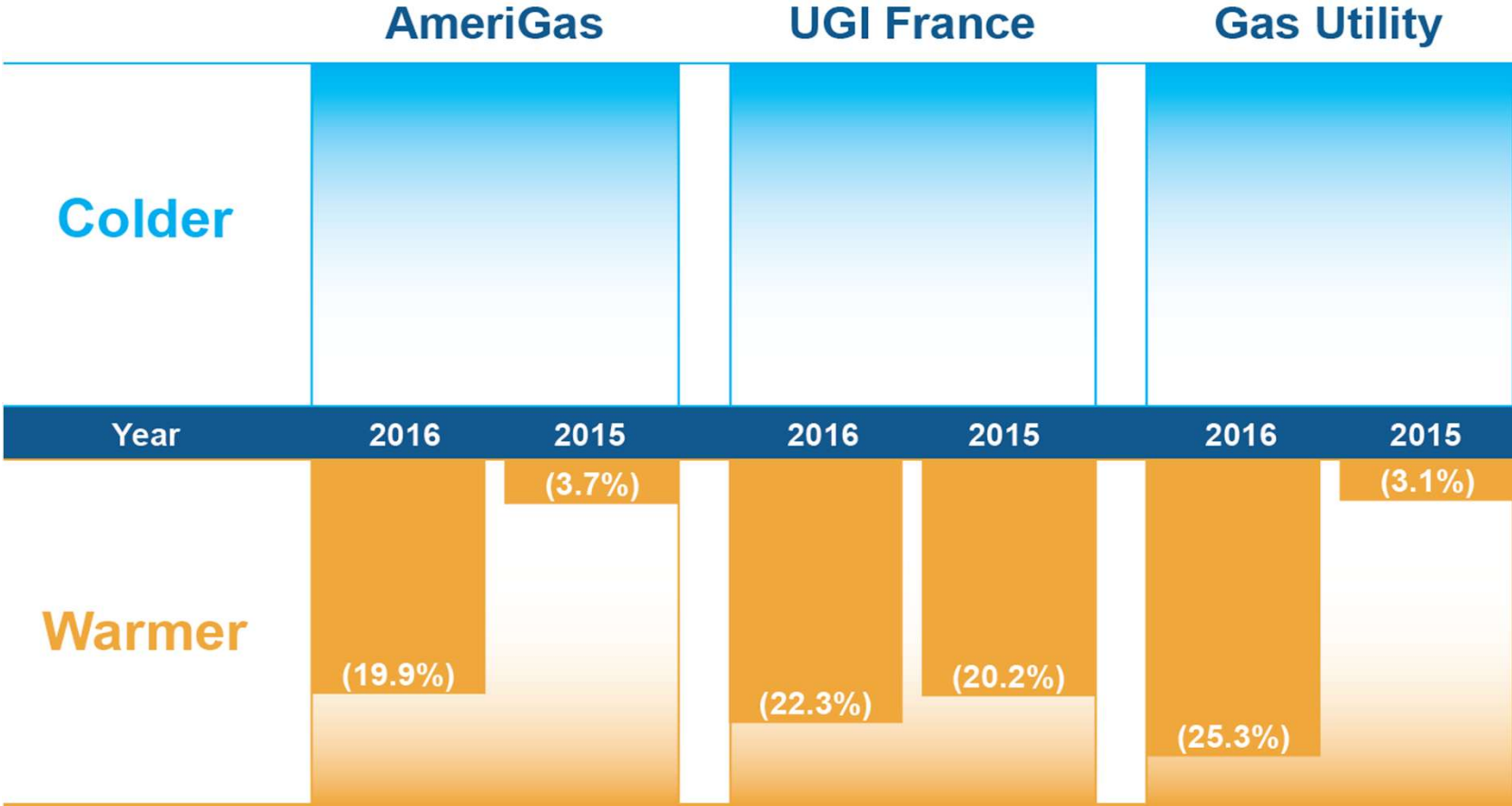
	Three Months Ended December 31,	
	<u>2015</u>	<u>2014</u>
Adjusted net income attributable to UGI Corporation:		
GAAP Net income attributable to UGI Corporation	\$ 114.6	\$ 34.1
Net after-tax (gains) losses on commodity derivative instruments not associated with current period transactions	(3.6)	81.9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

(1) Includes impact of rounding.

Weather – Q1



VERSUS NORMAL¹



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

¹Percent change in Heating Degree Days.

Financial Results – AmeriGas



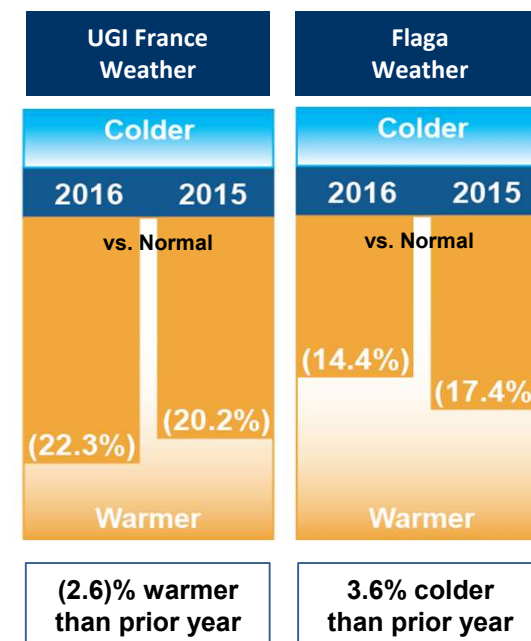
AmeriGas	FY 2015	FY 2016	Weather
(\$ in millions)			
Q1 Operating Income	\$ 139.7		
Retail Volume		\$ (49.3)	
Retail Unit Margin		\$ 28.3	
Wholesale and Other Total Margin		\$ (4.5)	
Operating and Administrative Expenses		\$ 16.3	
Depreciation and Amortization		\$ 0.2	
Other		\$ (1.1)	
Q1 Operating Income		\$ 129.6	<div style="border: 1px solid black; padding: 5px; width: fit-content;">16.8% warmer than prior year</div>

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

Financial Results – UGI International



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



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

Financial Results – UGI Utilities



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

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

Financial Results – Midstream & Marketing



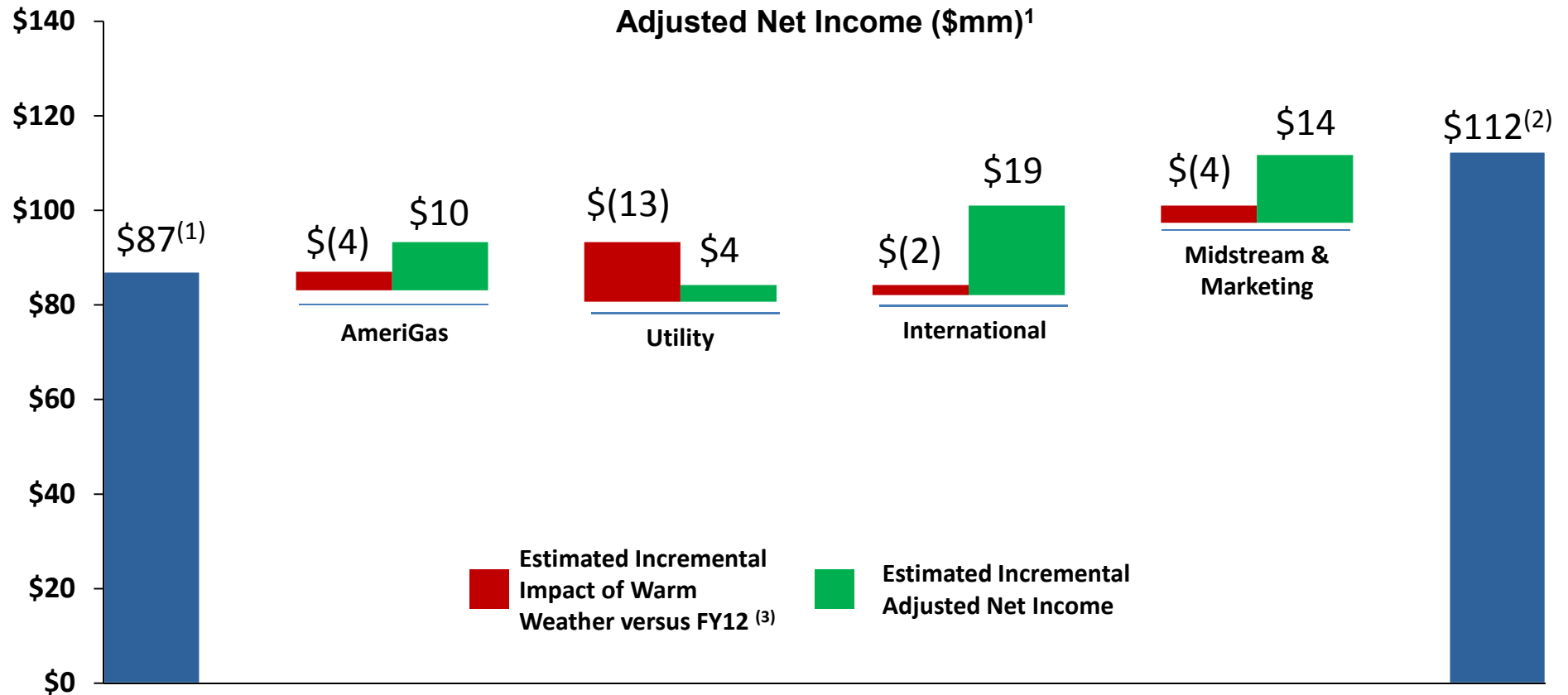
Midstream & Marketing	FY 2015	FY 2016
-----------------------	---------	---------

(\$ in millions)

Q1 Income Before Taxes	\$ 45.0	
Total Margin		\$ (5.6)
Operating and Administrative Expenses		\$ 3.7
Depreciation and Amortization		\$ (0.9)
Interest Expense		\$ (0.2)
Other		\$ 0.1
Q1 Income Before Taxes		\$ 42.1

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

Comparison of Q1 FY16 vs. Q1 FY12



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

¹ See appendix for reconciliation of Adjusted Net Income numbers to GAAP income.

² Includes \$1mm of Corporate & Other.

³ Represents management's estimate of the impact of weather on volumes.

Liquidity



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

Sufficient liquidity across all businesses

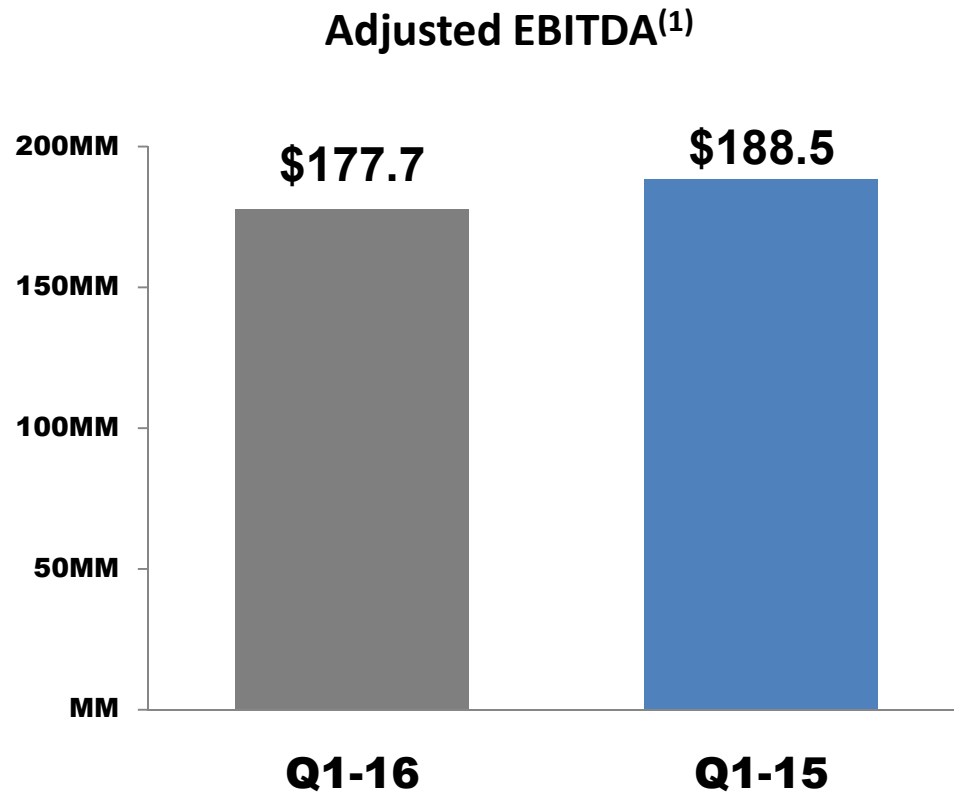


First Quarter Recap

Jerry Sheridan
President & CEO, AmeriGas



First Quarter Recap



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



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

- **Cylinder Exchange**

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

- **National Accounts**

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

- **M&A**

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

We Are a Unique MLP



Commodity Price Exposure

No

Capital Intensity

Modest
Self-funded

Weather Risk

Yes

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

No

Credit Fears

No

Customer Concentration Risk

No

Conclusion

John Walsh
President & CEO, UGI



Conclusion

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

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





Appendix

UGI Supplemental Footnotes



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

UGI Adjusted Net Income and EPS



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

(1) Includes impact of rounding.

UGI Adjusted Segment Results



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

UGI Q1 FY12 Adjusted Net Income



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

UGI Q1 FY12 Adjusted Segment Results



Net income attributable to UGI Corporation:

AmeriGas Propane

UGI International

UGI Utilities

Midstream & Marketing

Corporate & Other

Total adjusted net income attributable to UGI Corporation

Three Months Ended December 31, 2011				
	GAAP¹	Mark-to- Market	Heritage Transition Exp	Adjusted Net Income
AmeriGas Propane	\$ 11.3		1.0	\$ 12.3
UGI International	31.0			31.0
UGI Utilities	32.6			32.6
Midstream & Marketing	2.6	11.3		13.9
Corporate & Other	(2.6)			(2.6)
Total adjusted net income attributable to UGI Corporation	\$ 74.9	\$ 11.3	\$ 1.0	\$ 87.2

¹ Corrected to conform to restated summary data filed in 2013

UGI Q1 FY16 & Q1 FY12 Adjusted Net Income



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

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

AmeriGas Supplemental Footnotes



- ❖ The Partnership's management uses certain non-GAAP financial measures, including adjusted total margin, EBITDA, adjusted EBITDA and adjusted net income attributable to AmeriGas Partners, L.P., when evaluating the Partnership's overall performance. These financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures.
- ❖ Management believes earnings before interest, income taxes, depreciation and amortization ("EBITDA"), as adjusted for the effects of gains and losses on commodity derivative instruments not associated with current-period transactions and other gains and losses that competitors do not necessarily have ("Adjusted EBITDA"), is a meaningful non-GAAP financial measure used by investors to (1) compare the Partnership's operating performance with that of other companies within the propane industry and (2) assess the Partnership's ability to meet loan covenants. The Partnership's definition of Adjusted EBITDA may be different from those used by other companies. Management uses Adjusted EBITDA to compare year-over-year profitability of the business without regard to capital structure as well as to compare the relative performance of the Partnership to that of other master limited partnerships without regard to their financing methods, capital structure, income taxes, the effects of gains and losses on commodity derivative instruments not associated with current-period transactions or historical cost basis. In view of the omission of interest, income taxes, depreciation and amortization, gains and losses on commodity derivative instruments not associated with current-period transactions and other gains and losses that competitors do not necessarily have from Adjusted EBITDA, management also assesses the profitability of the business by comparing net income attributable to AmeriGas Partners, L.P. for the relevant years. Management also uses Adjusted EBITDA to assess the Partnership's profitability because its parent, UGI Corporation, uses the Partnership's EBITDA, as adjusted to exclude gains and losses on commodity derivative instruments not associated with current-period transactions, to assess the profitability of the Partnership which is one of UGI Corporation's industry segments. UGI Corporation discloses the Partnership's EBITDA, as so adjusted, in its disclosure about industry segments as the profitability measure for its domestic propane segment. Management believes the presentation of other non-GAAP financial measures, comprised of adjusted total margin and adjusted net income (loss) attributable to AmeriGas Partners, L.P., provide useful information to investors to more effectively evaluate the period-over-period results of operations of the Partnership. Management uses these non-GAAP financial measures because they eliminate the impact of (1) gains and losses on commodity derivative instruments that are not associated with current-period transactions and (2) other gains and losses that competitors do not necessarily have to provide insight into the comparison of period-over-period profitability to that of other master limited partnerships.
- ❖ The following tables include reconciliations of adjusted total margin, EBITDA, adjusted EBITDA and adjusted net income attributable to AmeriGas Partners, L.P. to the most directly comparable financial measure calculated and presented in accordance with GAAP for all the periods presented.

AmeriGas Adjusted EBITDA



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



UGI
CORPORATION



AmeriGas



Investor Relations:

Will Ruthrauff
610-456-6571
ruthrauffw@ugicorp.com