UGI
CORPORATION

Wells Fargo Pipeline, MLP and Utility Symposium

December 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 earnings[1]

- **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 earnings[1]

- **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 flow[1] since 1997
- Track record of **disciplined capital deployment**
- Our portfolio of **growth opportunities** has never been stronger

[1] Three years ended 9/30/17 compared to three years ended 9/30/97; Free cash flow is a non-GAAP measure. See appendix for reconciliation.

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

3% – 4%
Base Growth

+

3% – 6%
Incremental Growth

$700-750 million
Free Cash Flow
(Maintenance Capex)[1]

60% Propane
40%Nat Gas

Organic Investment & M&A
$490 – 520 million

Dividends & Share Repurchase
$210 – 230 million

Investment Drives Incremental Growth

Our Commitments to Investors

6% - 10%
EPS Growth

5 Year Actual: 13%

4%
Dividend Growth

5 Year Actual: 7%

[1] Cash Flow from Operations less Maintenance Capital from wholly-owned operations, plus AmeriGas dividends to UGI Corporation.

Note: All figures represent multi-year average targets.

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 Guidance[1] 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.

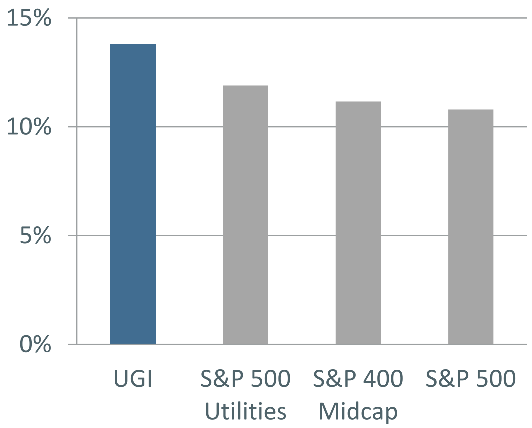
[3] Three year numbers to smooth the impact of weather. See appendix for reconciliation.

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.

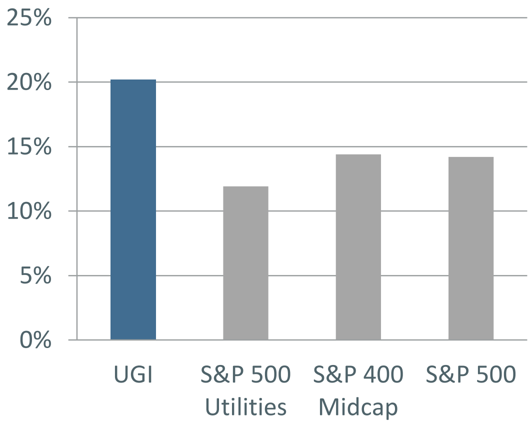
UGI Has Consistently Outperformed

Total Shareholder Return as of 9/30/17

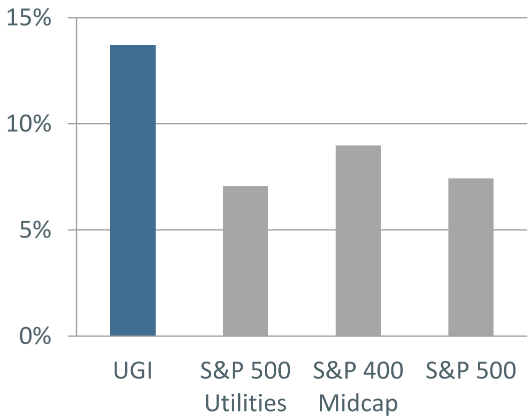
3 Year Total Return



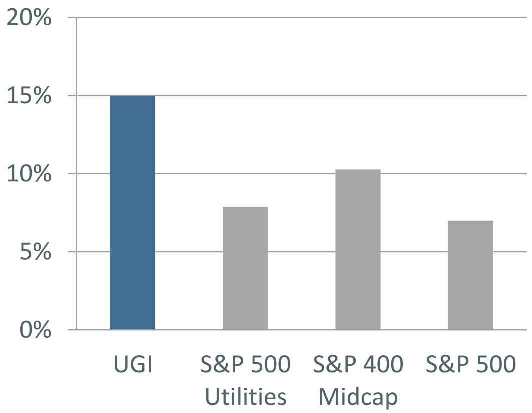
5 Year Total Return



10 Year Total Return



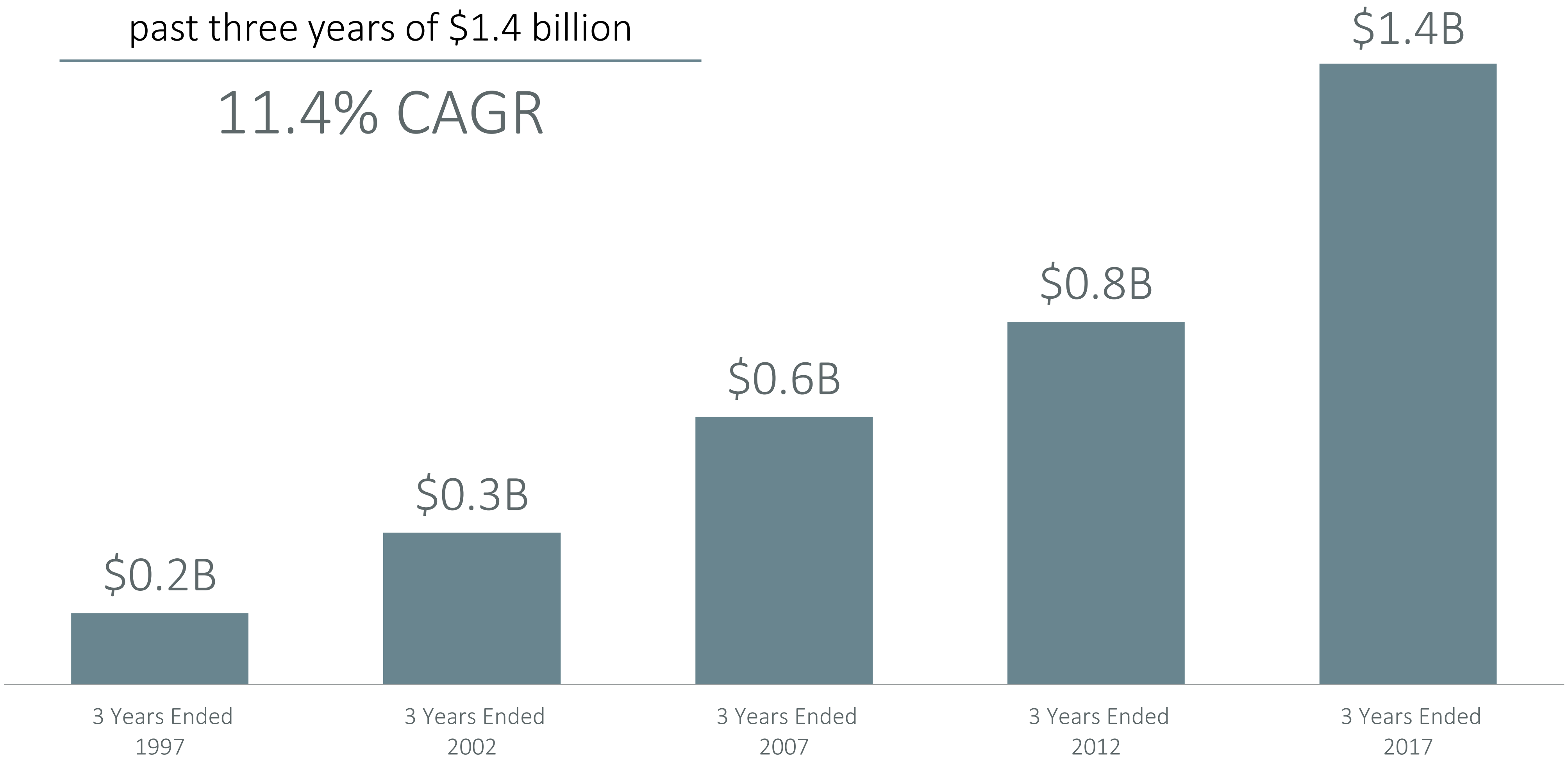
20 Year Total Return



Outstanding Free Cash Flow

Free Cash Flow (Total Capex)[1] generated over past three years of $1.4 billion

11.4% CAGR

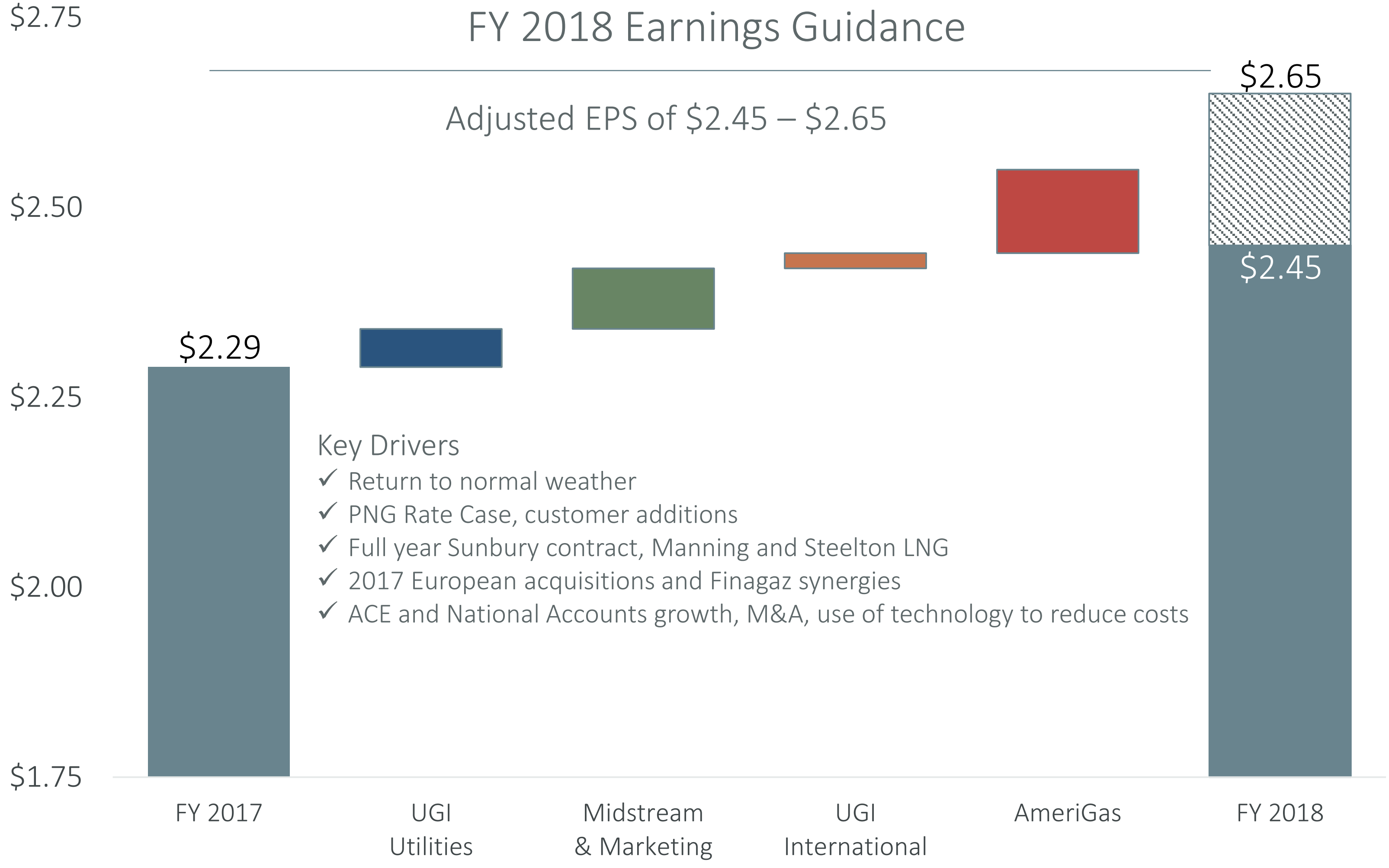


[1] Cash Flow from Operations less capital expenditures
Free Cash Flow is a non-GAAP measure. See appendix for reconciliation.

2018 Guidance

FY 2018 Earnings Guidance

Adjusted EPS of $2.45 – $2.65



Key Drivers
- ✓ Return to normal weather
- ✓ PNG Rate Case, customer additions
- ✓ Full year Sunbury contract, Manning and Steelton LNG
- ✓ 2017 European acquisitions and Finagaz synergies
- ✓ ACE and National Accounts growth, M&A, use of technology to reduce costs

Consistent Earnings Pattern

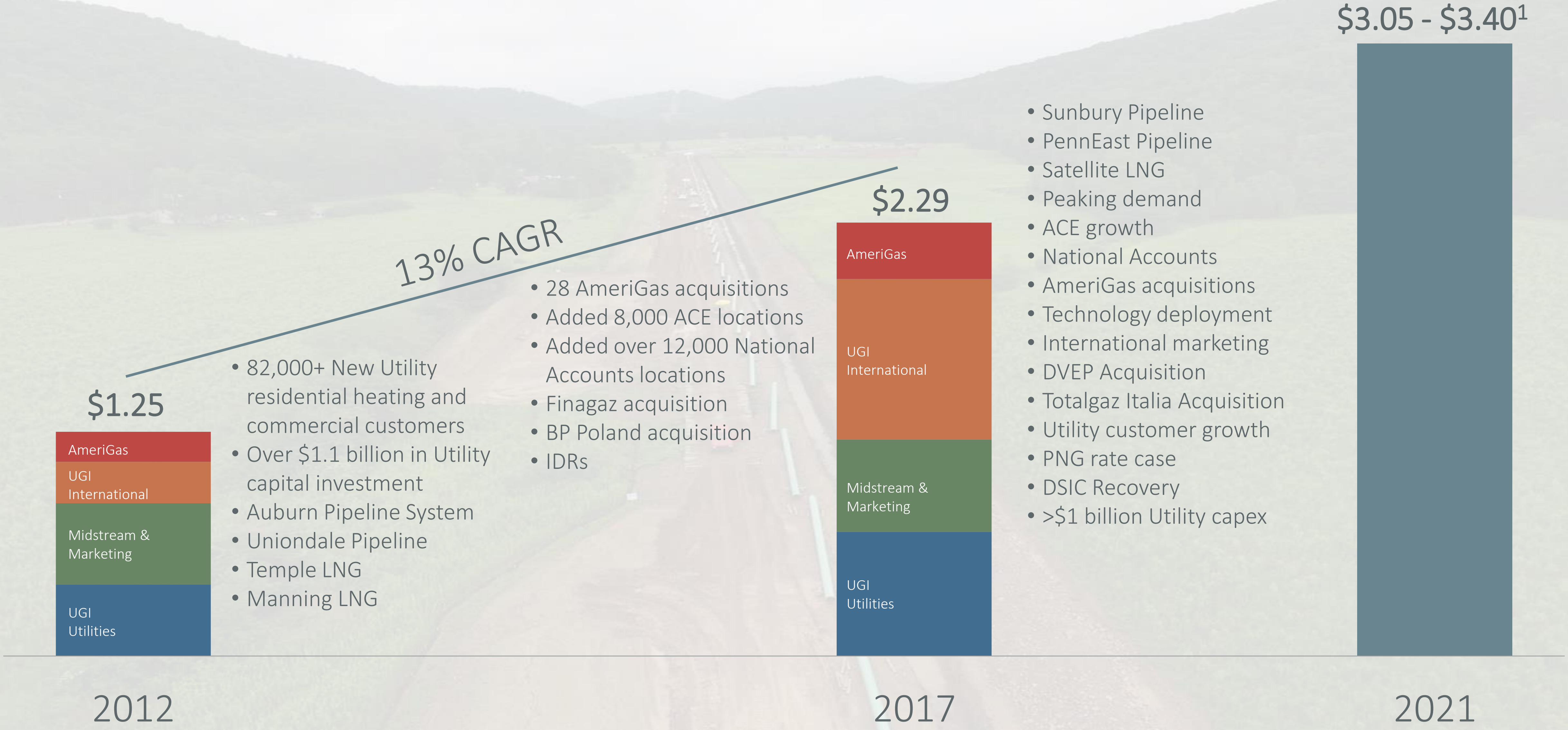
Historically, on average, ~95% of FY Adjusted EPS is generated in the first half of the year

Percentage of UGI Adjusted EPS earned by quarter

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

Adjusted EPS is a non-GAAP measure. See appendix for reconciliation of 2017 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 2018 Adjusted EPS to diluted EPS, the most comparable GAAP measure.

Strong Track Record and Pipeline of Projects



- 82,000+ New Utility residential heating and commercial customers
- Over $1.1 billion in Utility capital investment
- Auburn Pipeline System
- Uniondale Pipeline
- Temple LNG
- Manning LNG

- 28 AmeriGas acquisitions
- Added 8,000 ACE locations
- Added over 12,000 National Accounts locations
- Finagaz acquisition
- BP Poland acquisition
- IDRs

- Sunbury Pipeline
- PennEast Pipeline
- Satellite LNG
- Peaking demand
- ACE growth
- National Accounts
- AmeriGas acquisitions
- Technology deployment
- International marketing
- DVEP Acquisition
- Totalgaz Italia Acquisition
- Utility customer growth
- PNG rate case
- DSIC Recovery
- >$1 billion Utility capex

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

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 mitigates regional weather risk

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

Energy to do more®

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 utility[1] serving 45 of 67 counties in PA

Constructive regulatory environment

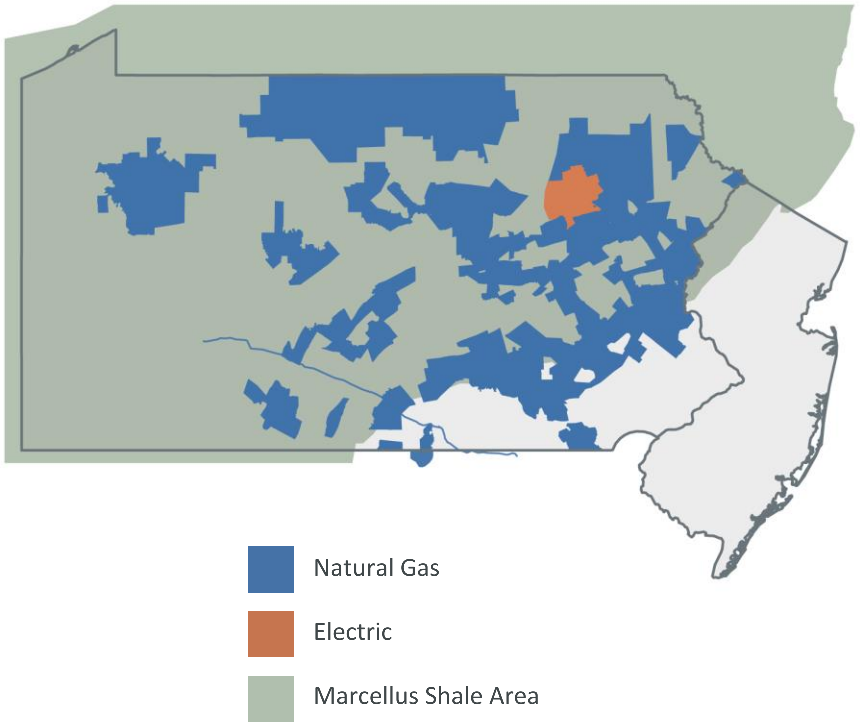
[1] Based on total customers.

Key Value Drivers

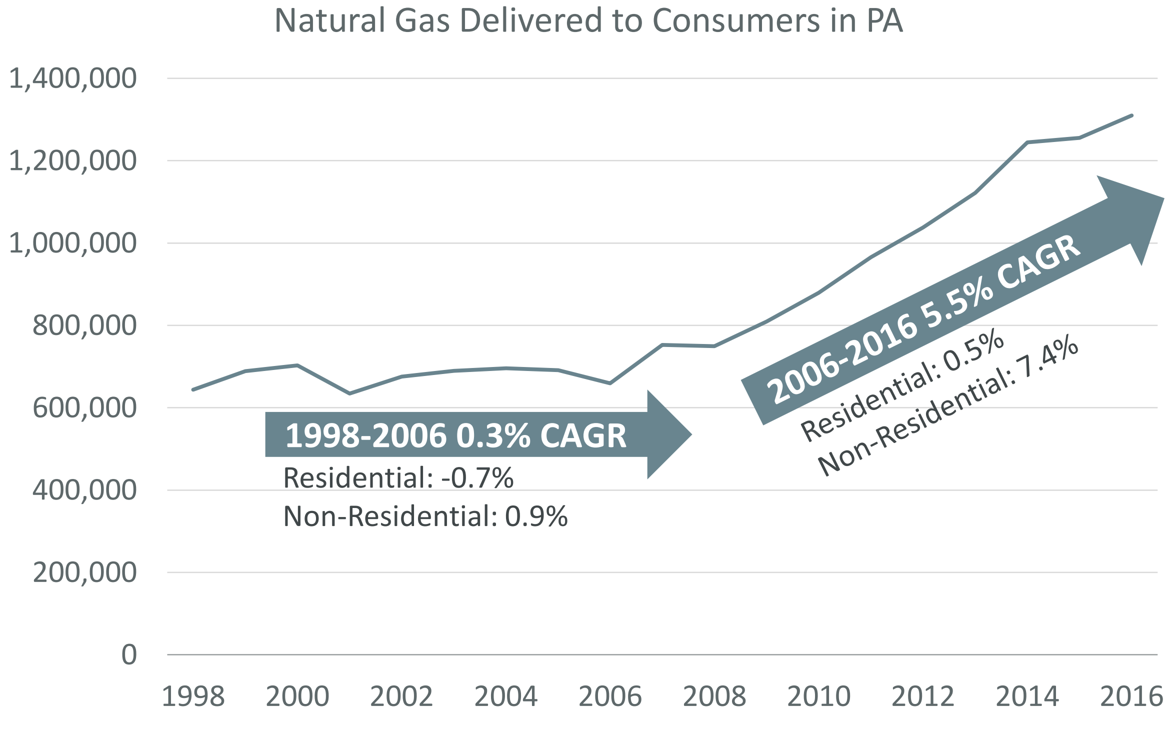
- Strong focus on safety, operations and reliability
- Opportunities for growth and aggressive cost management result in 5-7% annual net income growth
- Record capital investment
  - Increasing system reliability
  - Supporting growth
  - Growing rate base
- Constructive regulatory environment
- Strong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

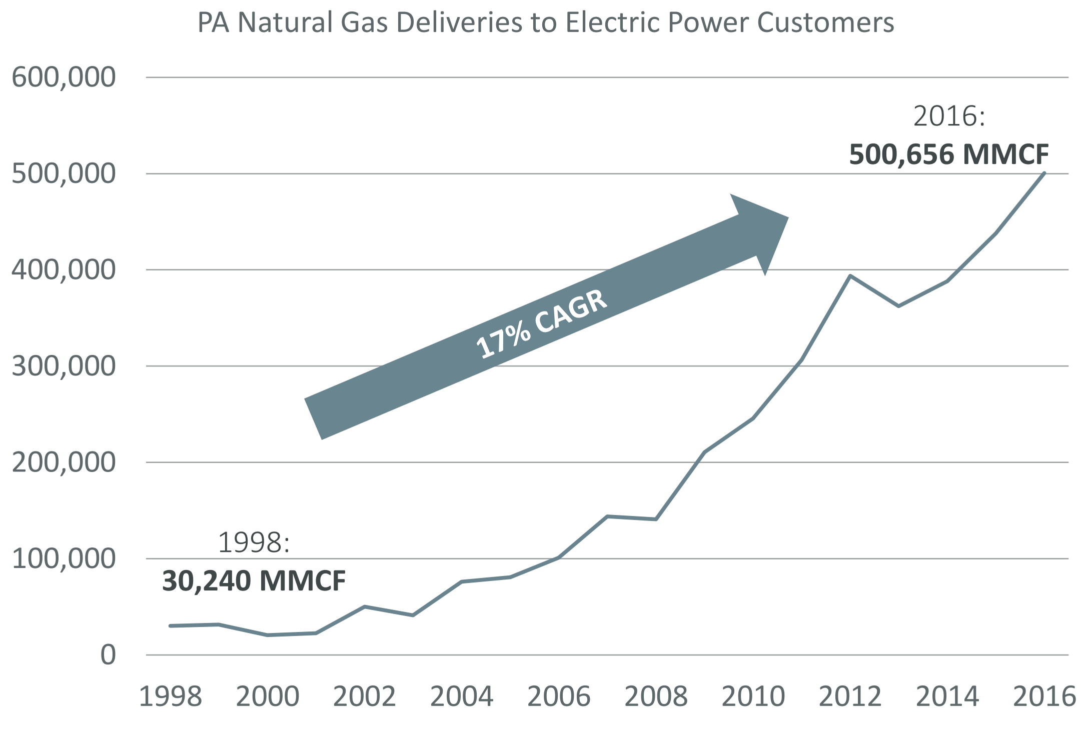
Marcellus Advantage

- Over 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



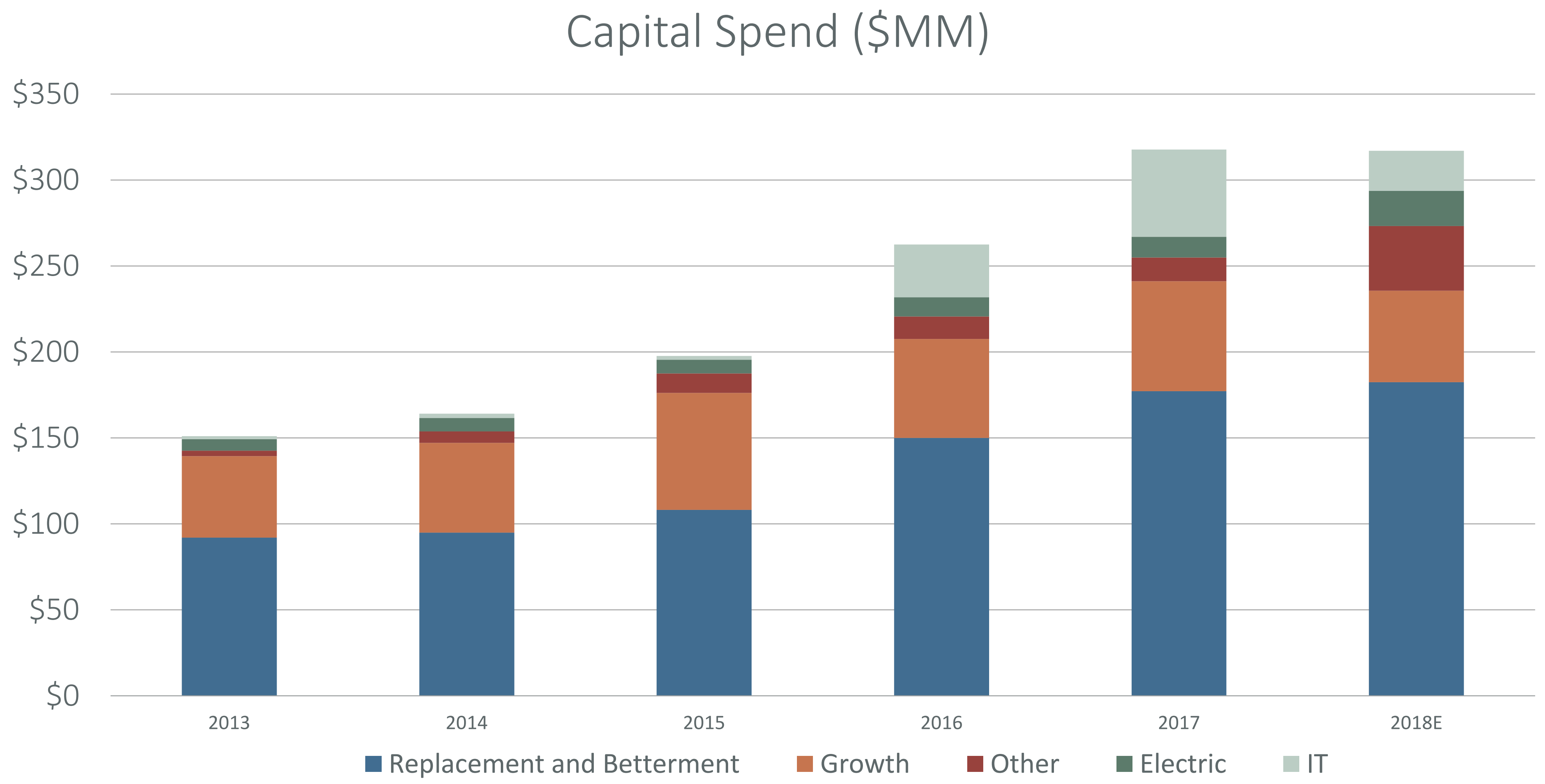
Marcellus Gas Driving Growth in PA



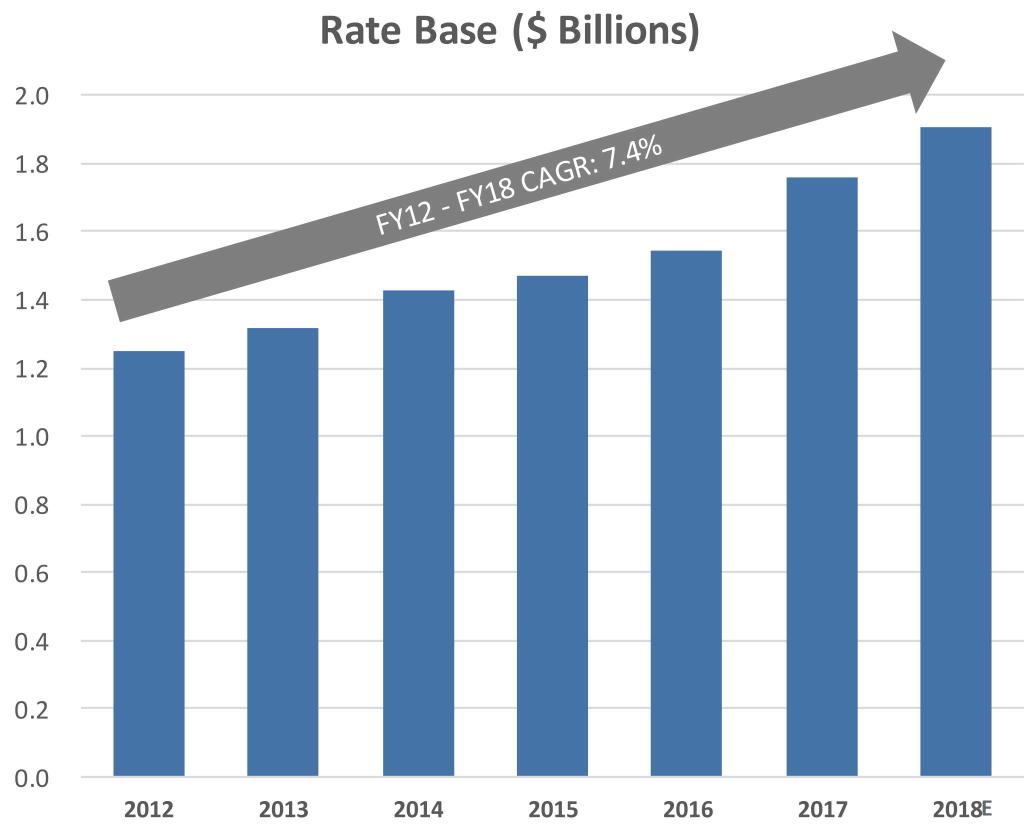


[1] Source: Energy Information Administration

Increasing Capital Investment

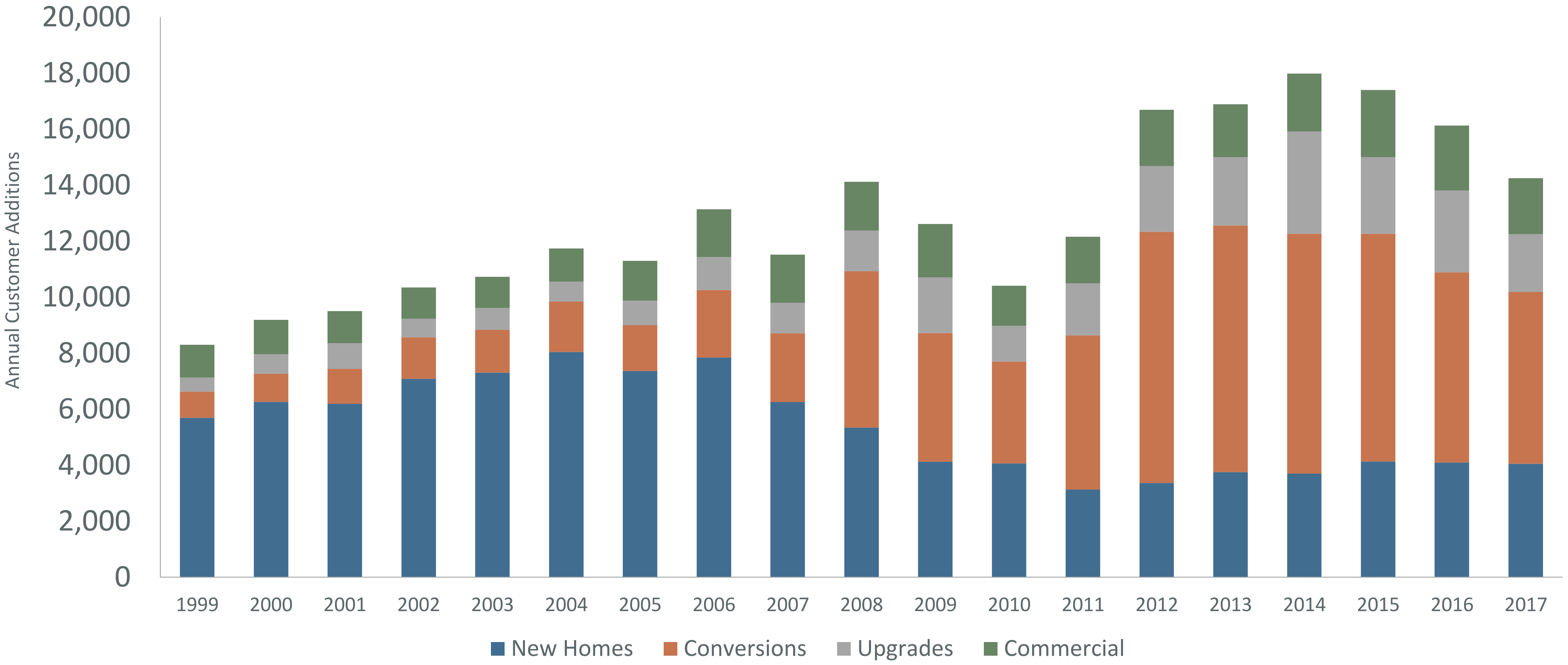


Investment Creating Value



- Reducing regulatory lag:
  - Fully Projected Future Test Year
  - Distribution System Improvement Charge (DSIC)
  - Nearly 65% of FY18 investment begins recovery within 12 months
- Additional programs drive growth
  - Technology and Economic Development Rider
  - Growth Extension Tariff
  - Energy Efficiency & Conservation

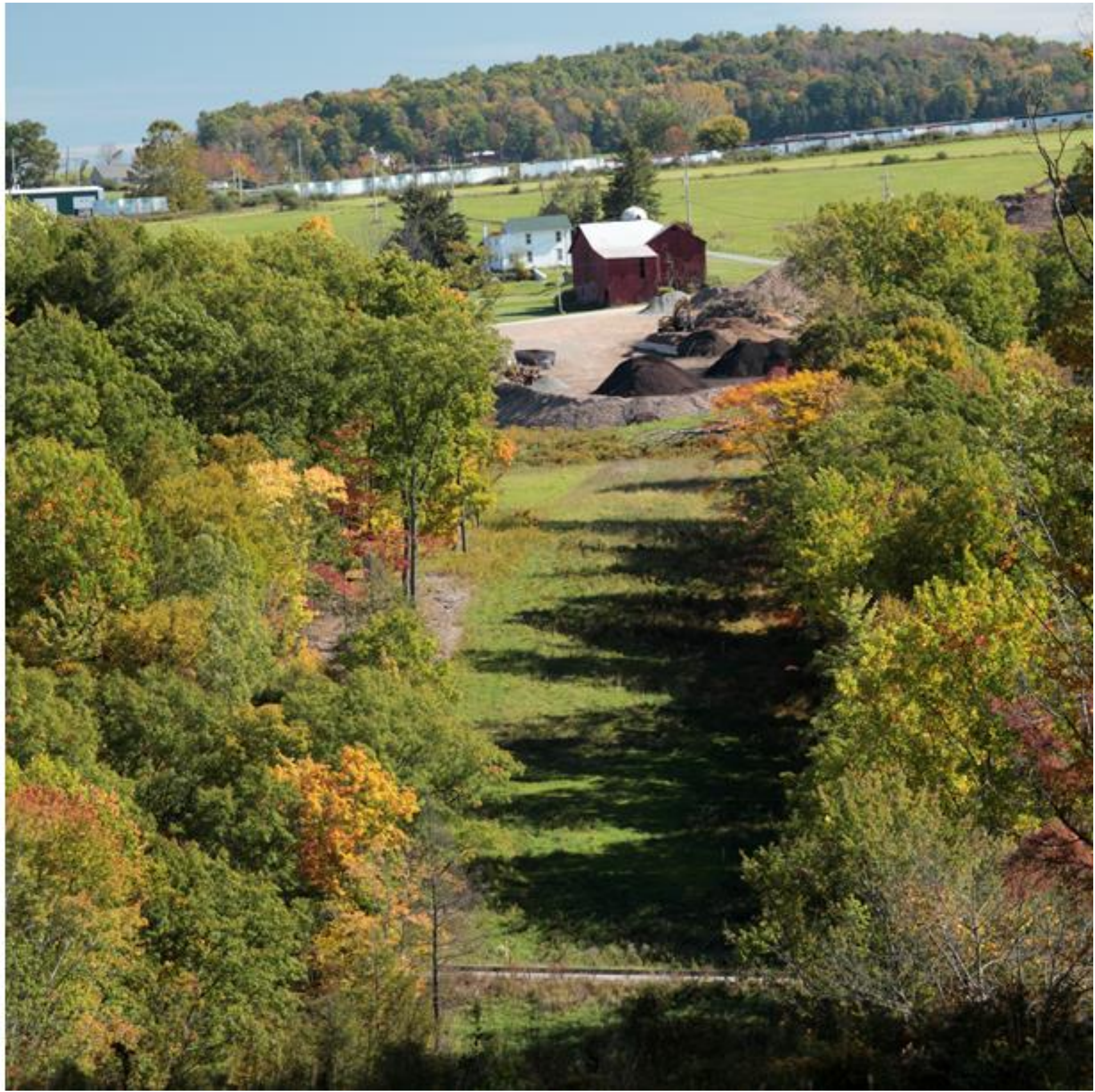
Total Customer Growth



Positioned for Continued Growth

- **Added over 14,000 new residential heating and commercial customers in 2017**
- **Growth Opportunities**
  - ~ 350,000 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

UGI Energy Services



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

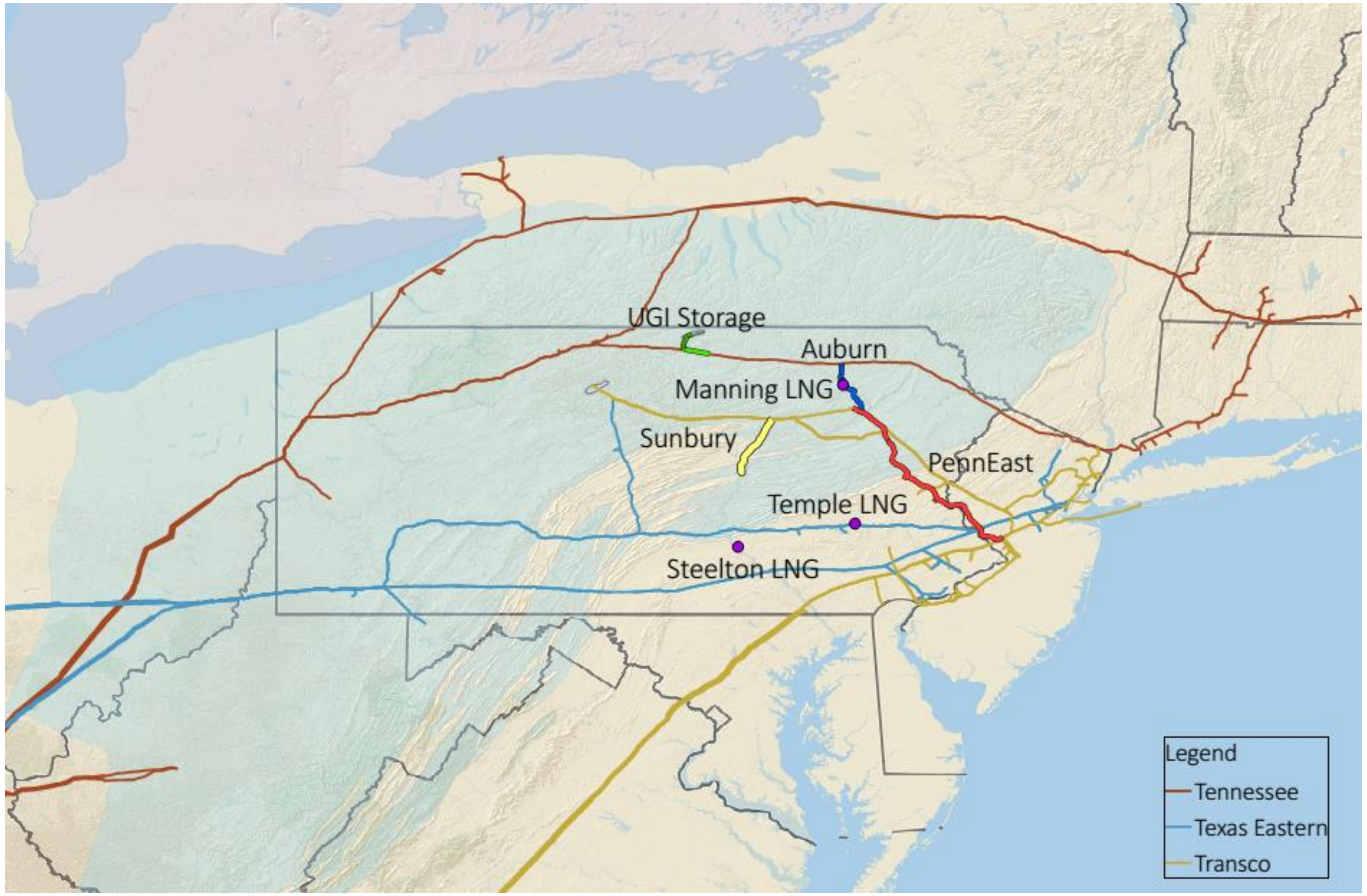
- Extending our Marcellus asset network with attractive new capital projects
- Broad range of investment opportunities
- Increasing fee-based revenue through peaking and pipeline capacity contracts
- Strong track record for project execution
- Well positioned to serve growing natural gas demand
- Growth 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



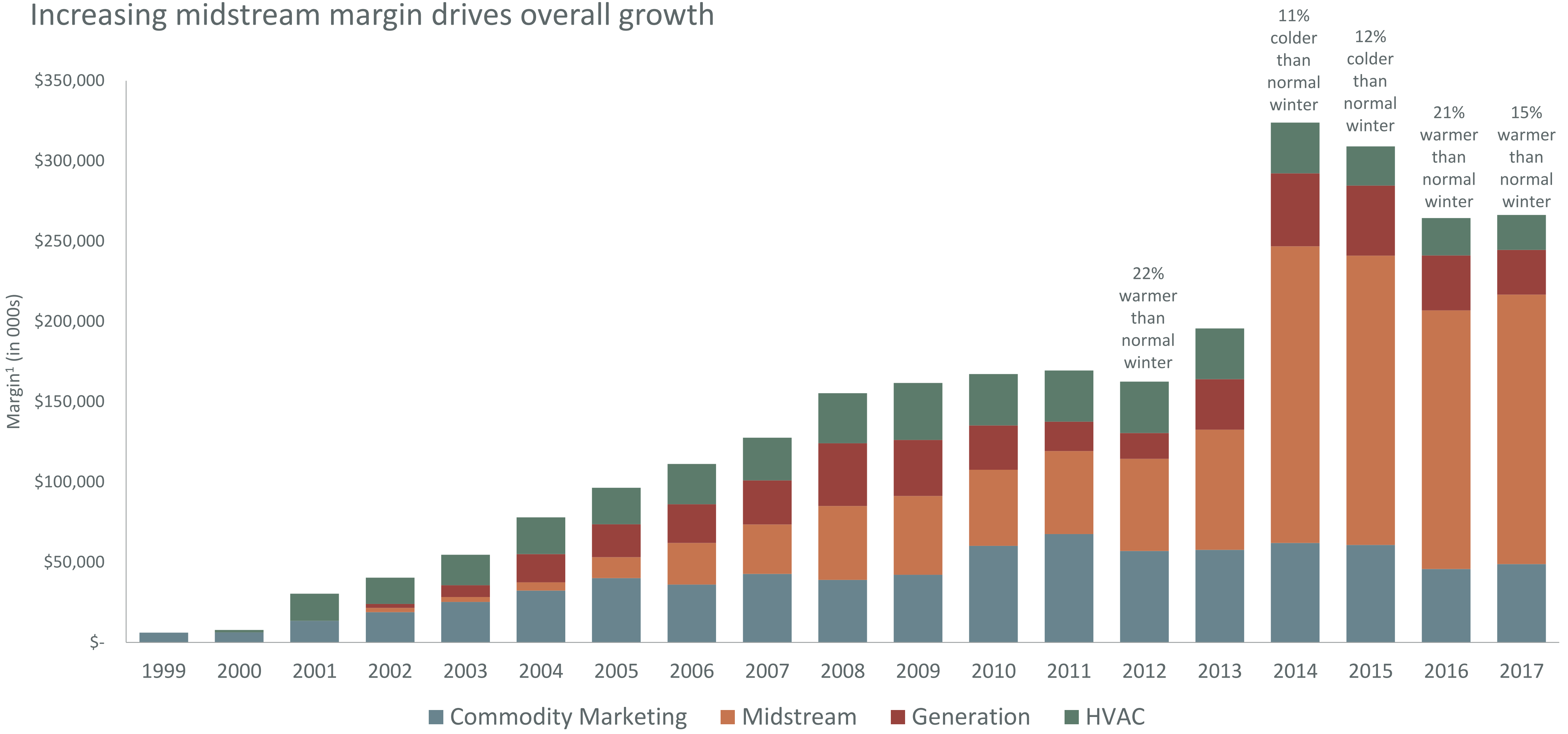
Acquisition of Rockdale Midstream Assets

Announced acquisition of midstream assets from Rockdale Marcellus, LLC on 11/1/17

- Midstream system in northern/central Pennsylvania
- >60 miles of gathering lines, with dehydration, compression, and multiple interconnects to downstream pipelines
- Received dedication of >1 Tcf of gas to be produced from approximately 42,000 acres
- Complements existing assets of gas storage, Auburn gathering system, and recently-completed Sunbury Pipeline, as well as LNG liquefaction and storage
- Enhances in-field gathering, short-haul infrastructure, and to lesser extent, long-haul FERC-regulated infrastructure opportunities
- Potential for significant expansions to move production from other producers adjacent to the system
- Expected to be immediately accretive and reach $0.04 accretion by year three

Sustainable Business Growth

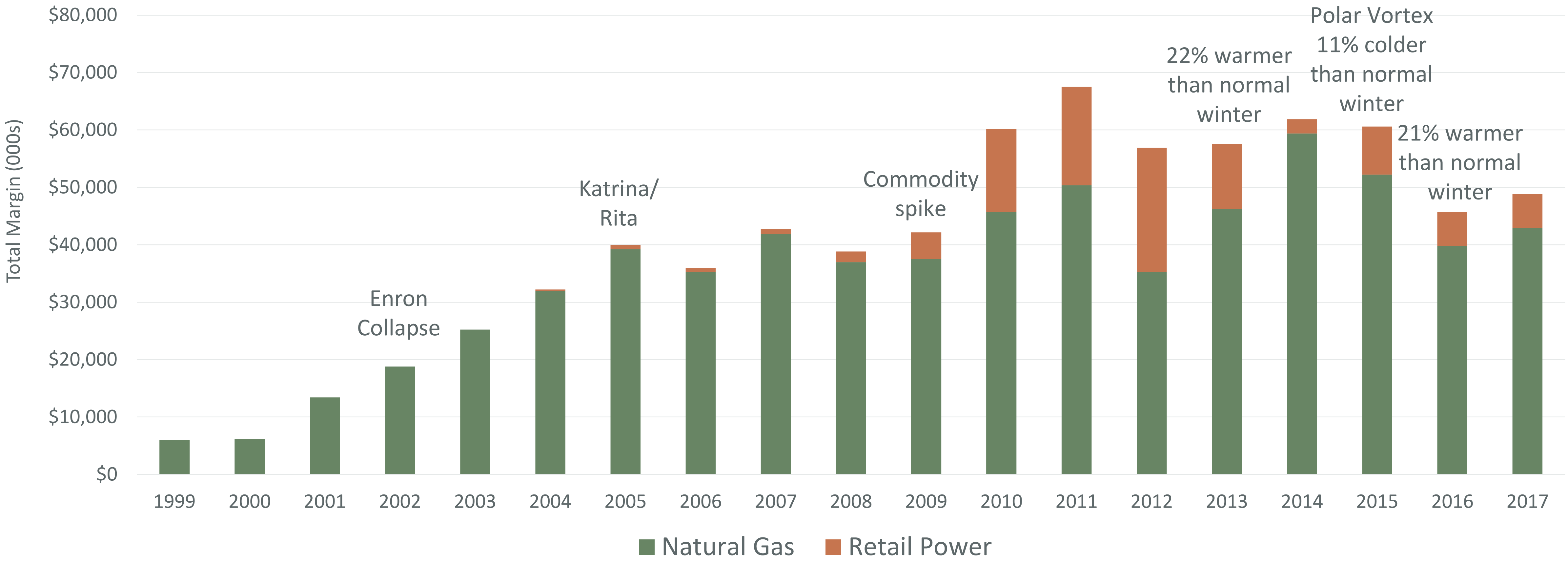
Increasing midstream margin drives overall growth



[1]Margin is a non-GAAP measure. See appendix for reconciliation.

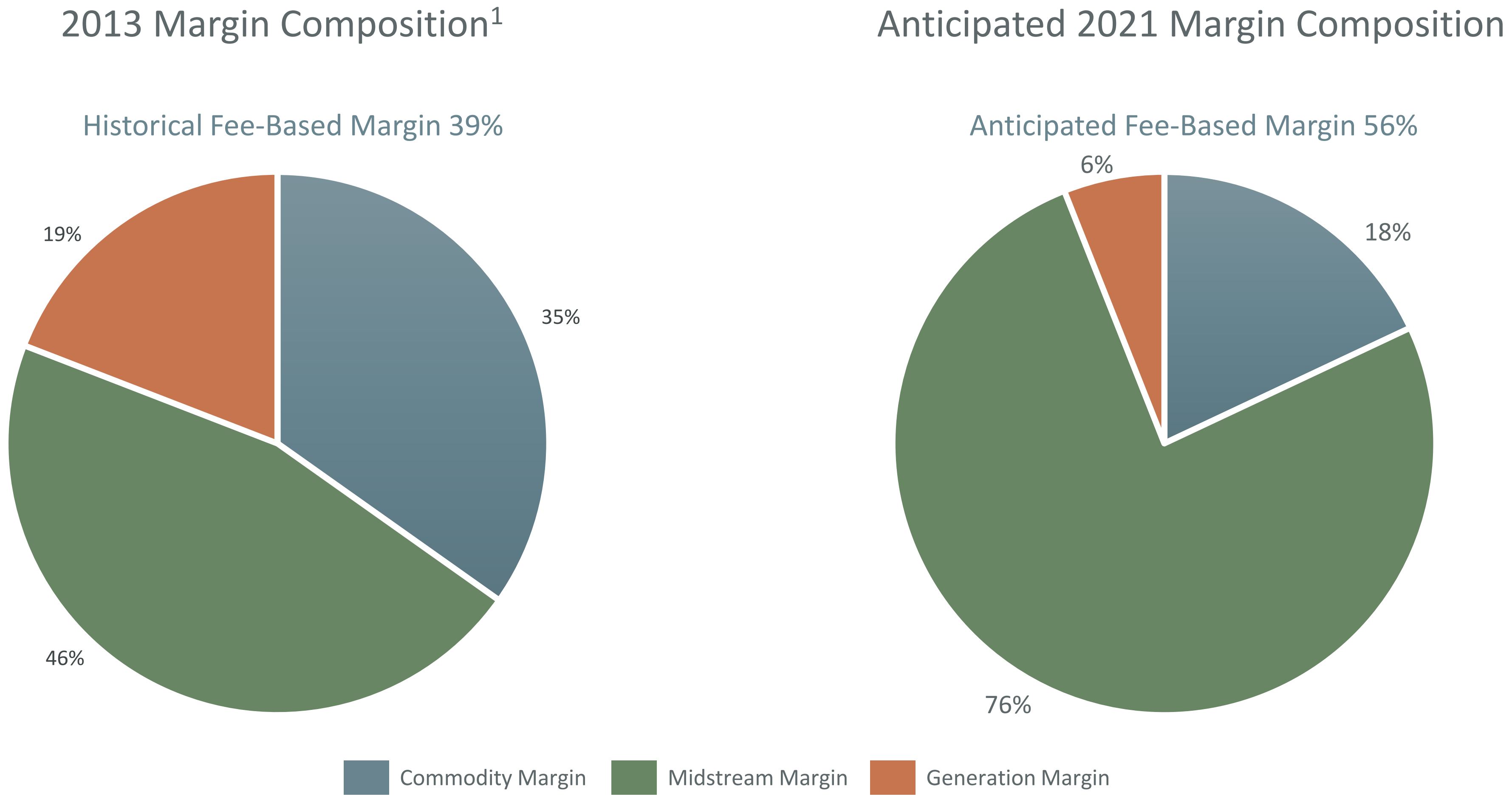
Commodity Marketing

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



Total margin is a non-GAAP measure. See appendix for reconciliation.

Increasing Fee-based Income



[1]Margin 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

Largest propane distributor in U.S.[1]

Over
1.8 MM
Customers

~1.1 BN
Retail gallons sold

Operations in all
50 States

Over
50,000
Cylinder exchange retail locations

~8,100
Employees

[1] Based on volume of propane gallons distributed annually.

Business Overview




37%
Residential Heating & Cooking

38%
Commercial / Industrial

17%
Motor Fuel

8%
Agriculture & Transport

Represents approximate percentages of retail gallons sold

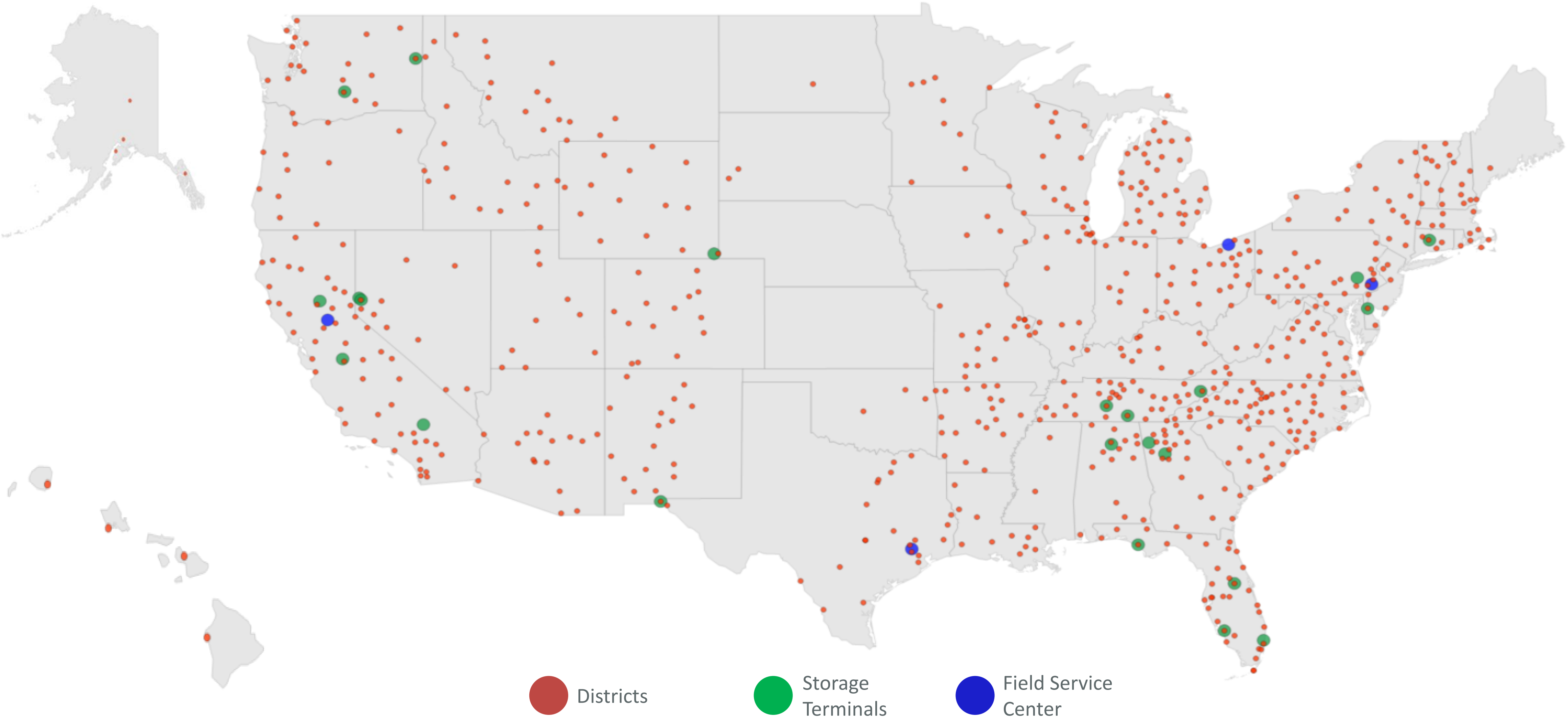
Competitive Advantages

- 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

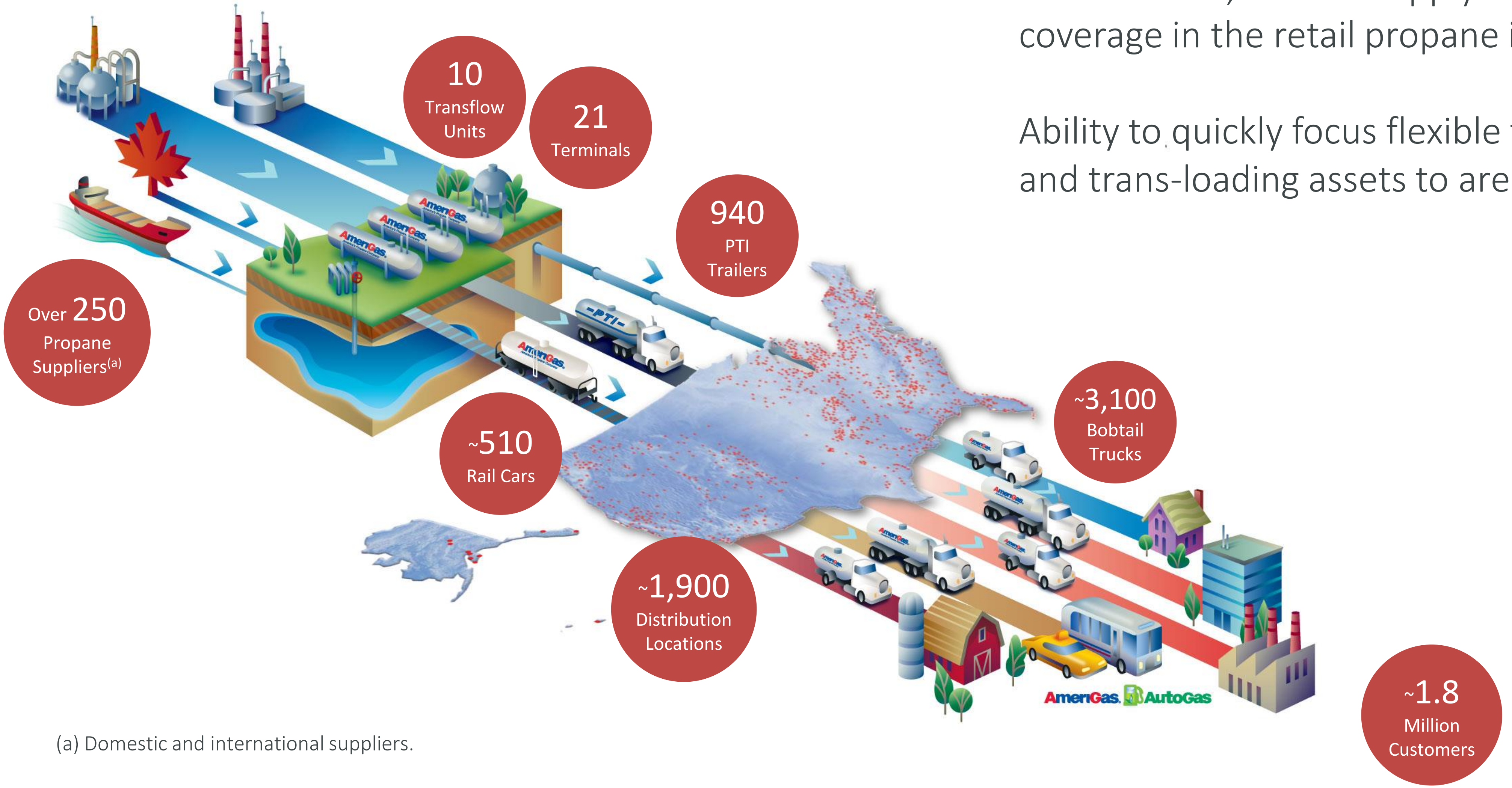
Unmatched Nationwide Footprint



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 Financial Objectives

- 3% - 4% growth in EBITDA over the long-term
- 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
- Distribution growth in line with EBITDA growth and targeting 1.1x to 1.2x distribution coverage

Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") is a non-GAAP measure. See appendix for reconciliation.

Key Drivers of Growth

3-4% Annual EBITDA Growth

Acquisitions
$5-6 MM Annual EBITDA Addition

ACE Cylinder Exchange
2-3% Growth

National Accounts
6-7% Growth

Structural Conservation
offset by:

Technology Enhancements

Margin Management

Customer Retention

AmeriGas

National Accounts Program

- Unparalled footprint (~1,900 distribution locations, 50 states)
- 38 Accounts added in FY17
- Best in class "back office"
- Largest sales force in the industry
- Geographic diversity
- Generally less weather sensitive than residential business

Serving over
43,000
Customer Locations

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

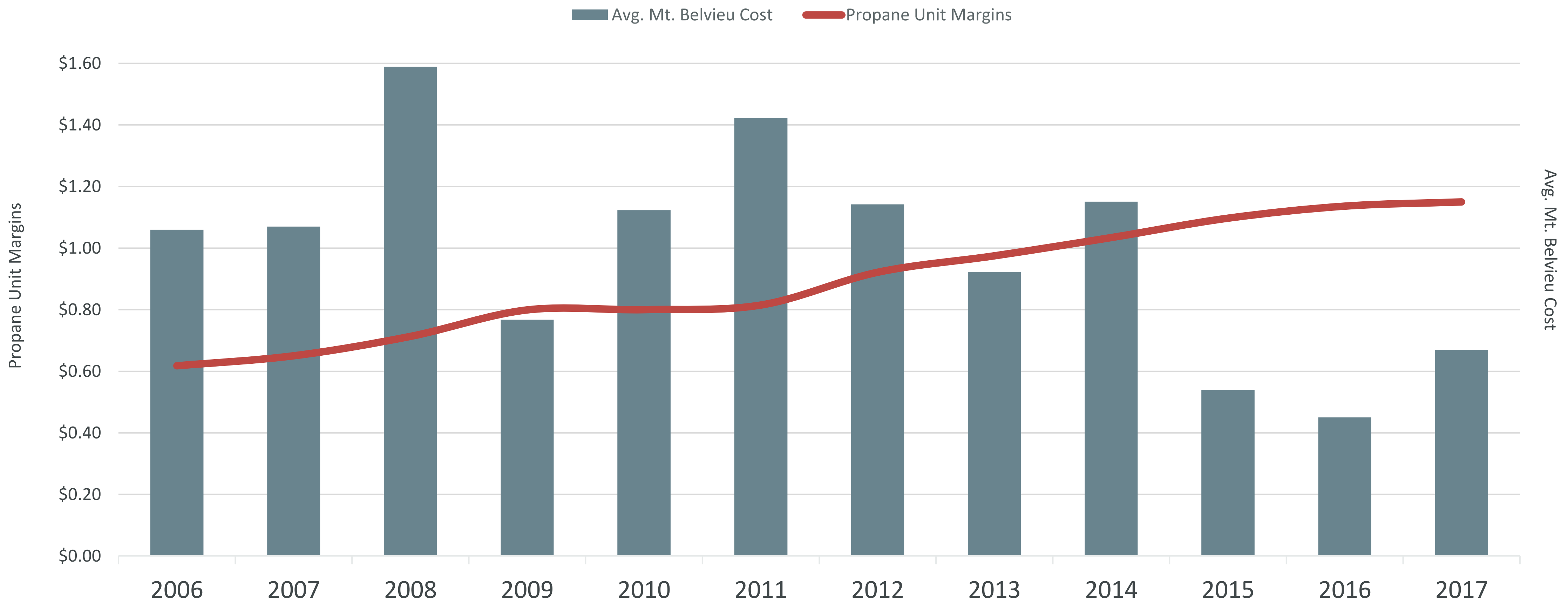
- Hallmark of the Company's growth history
- Highly fragmented market, over 3,500 acquisition opportunities
- Dedicated corporate development team with relationship building as a core competency
- Unmatched operational synergy opportunities due to nationwide footprint
- 11 acquisitions in last two years

~200

acquisitions since the early 1980s

CAL GAS	1987
PETROLANE	1993
Columbia	2001
Heritage Propane	2012

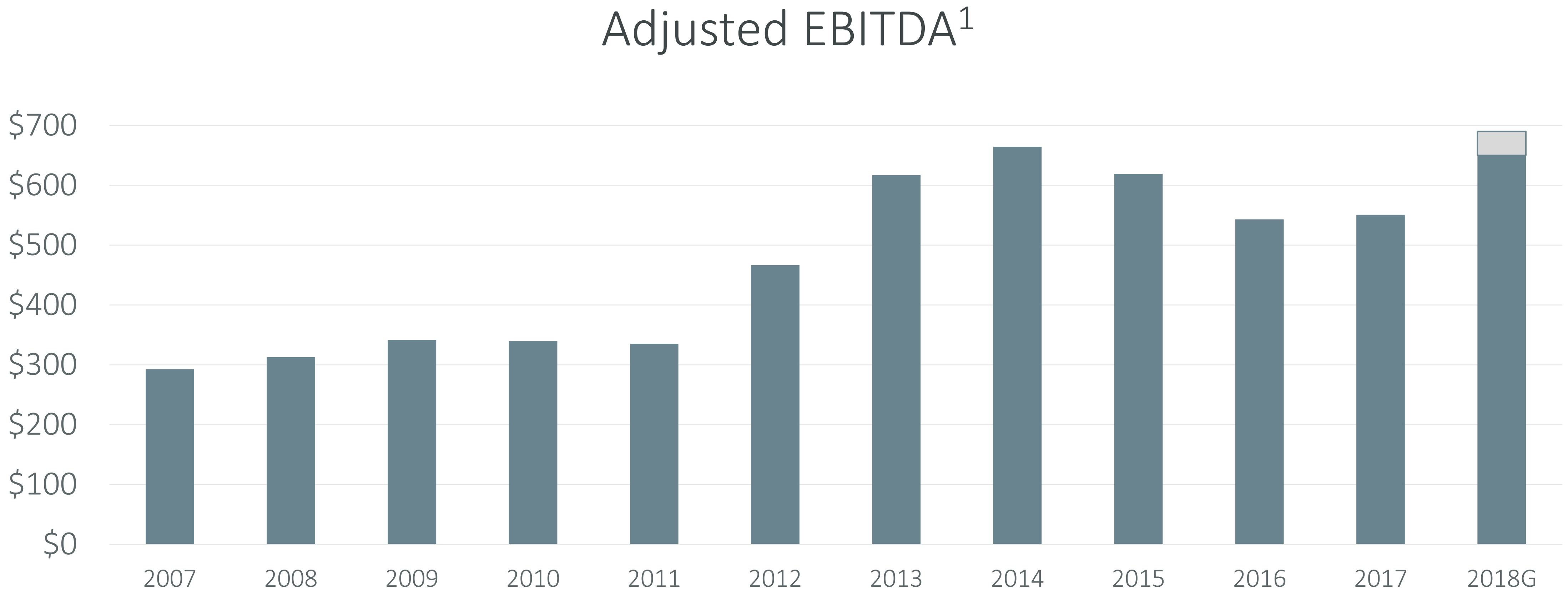
Unit Margin Management



Track record of unit margin growth in all cost environments

Unit margin is a non-GAAP measure. See appendix for reconciliation.

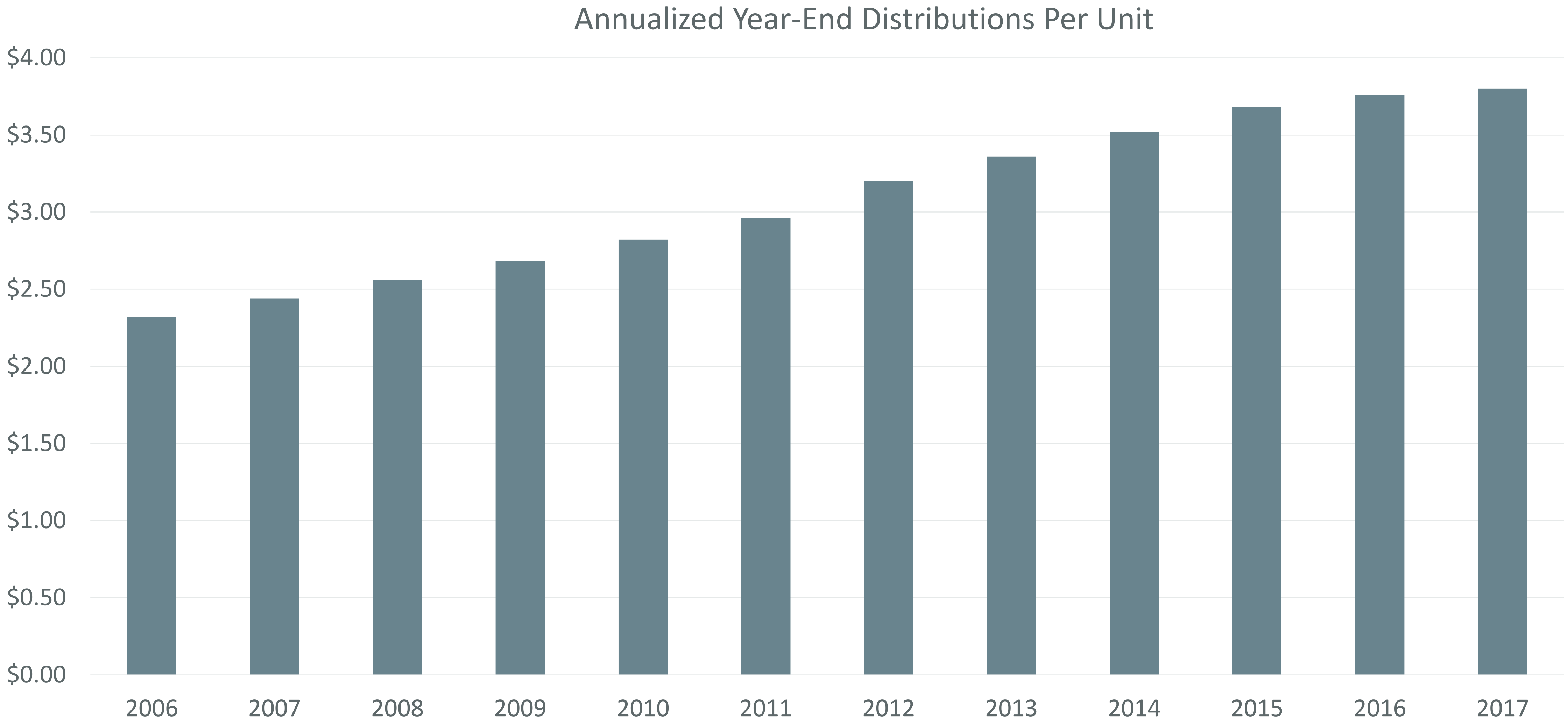
Adjusted EBITDA Growth



Weather vs. Normal[2]	(2%)	3%	4%	5%	5%	(13%)	1%	10%	0%	(12%)	(11%)

[1] Includes impact of Heritage acquisition completed in 2012.
[2] Assumes 15-year normal weather.
Adjusted EBITDA is a non-GAAP measure. See appendix for reconciliation.

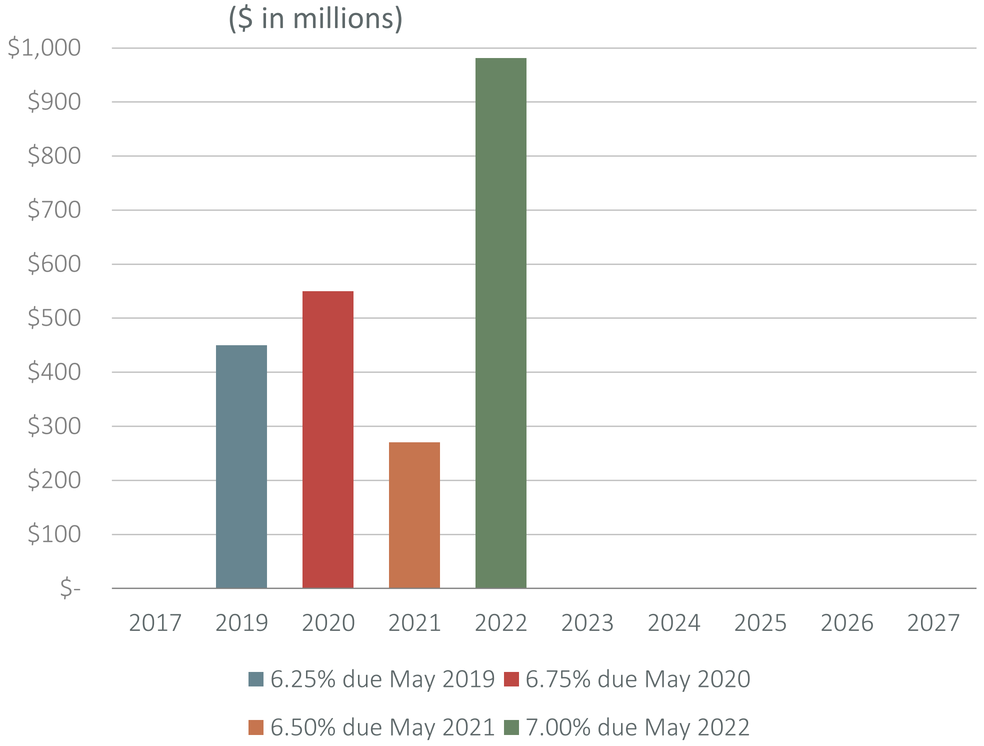
13th Consecutive Year of Increasing Distributions



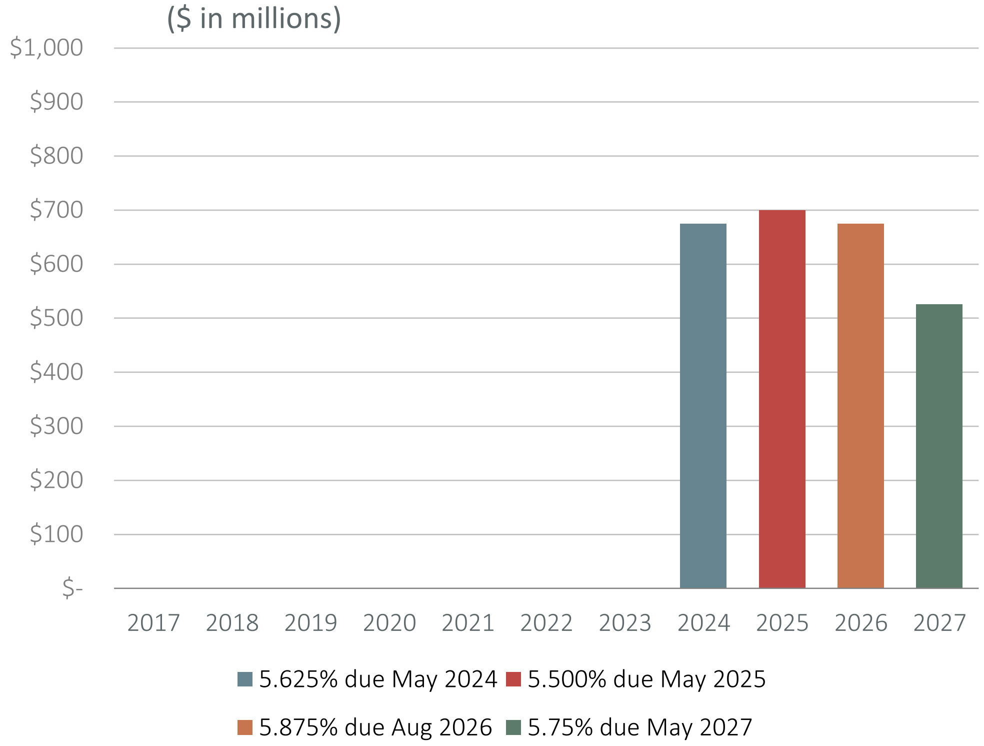
Refinancing Strengthened Balance Sheet

Debt Maturity Extended and Coverage Improved

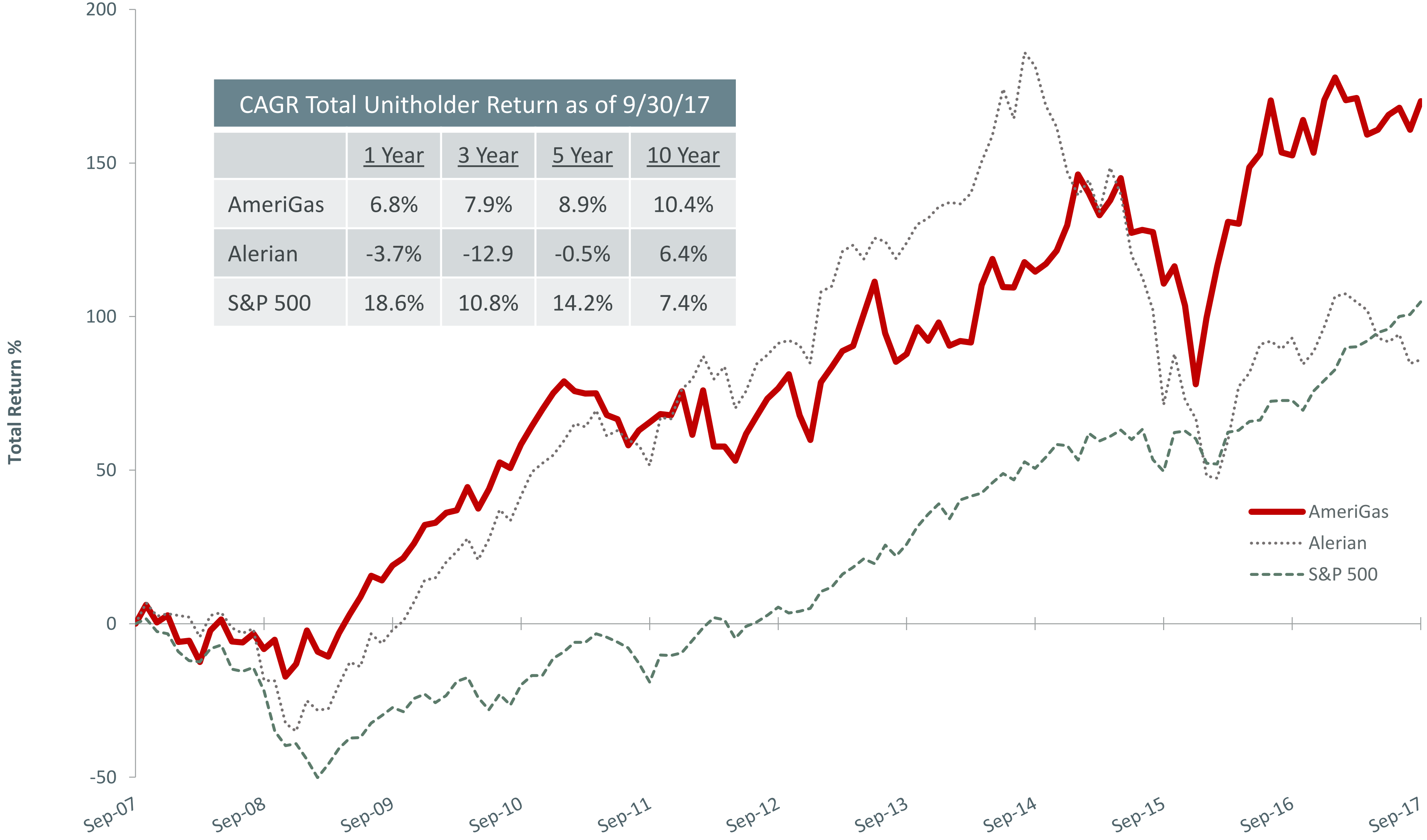
BEFORE: Avg. maturity: 4.7 years
Avg. interest rate: 6.73%



AFTER: Avg. maturity: 8.7 years
Avg. interest rate: 5.65%



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%

UGI INTERNATIONAL

Business Overview

FINAGAZ antargaz KOSANGAS AVANTIGAS FLAGA AmeriGas

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

UGI International Timeline

27 transactions since 1999

Major Acquisitions

1999 FLAGA

2001 (20%)
2004 (100%) antargaz

2010 Kosangas

2011 AVANTIGAS

2015 FINAGAZ

2017 DVEP ENERGIE

2017 UniverGas

First Entry Into Market

1999 Austria, Czech Republic, Slovakia

2001 France

2004 Switzerland

2006 Hungary, Poland, Romania

2010 Denmark

2011 Belgium, Finland, Luxembourg, Norway, Sweden, Netherlands, United Kingdom

2017 Italy

1999:
~44mm gallons

2017:
828mm gallons

$0.88

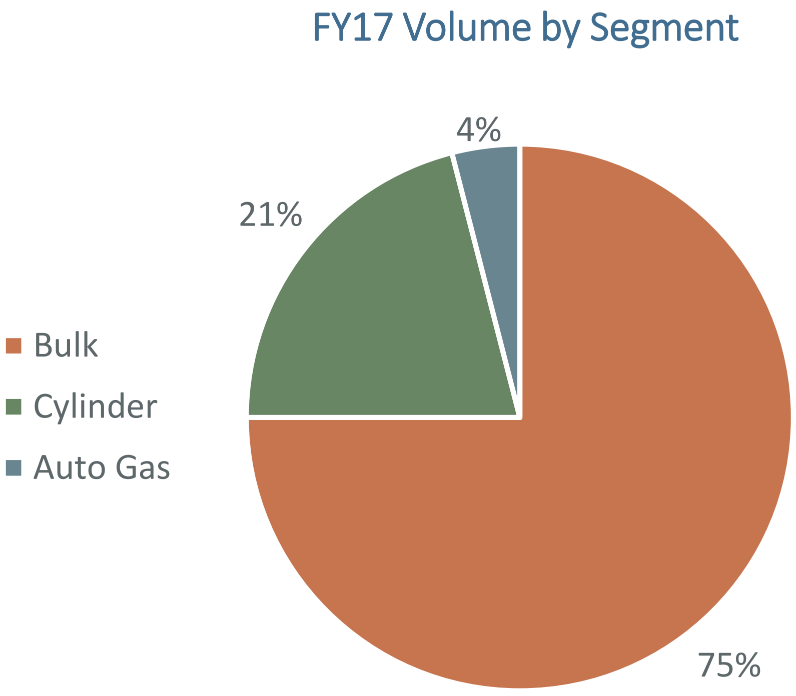
FY 17 Adjusted EPS

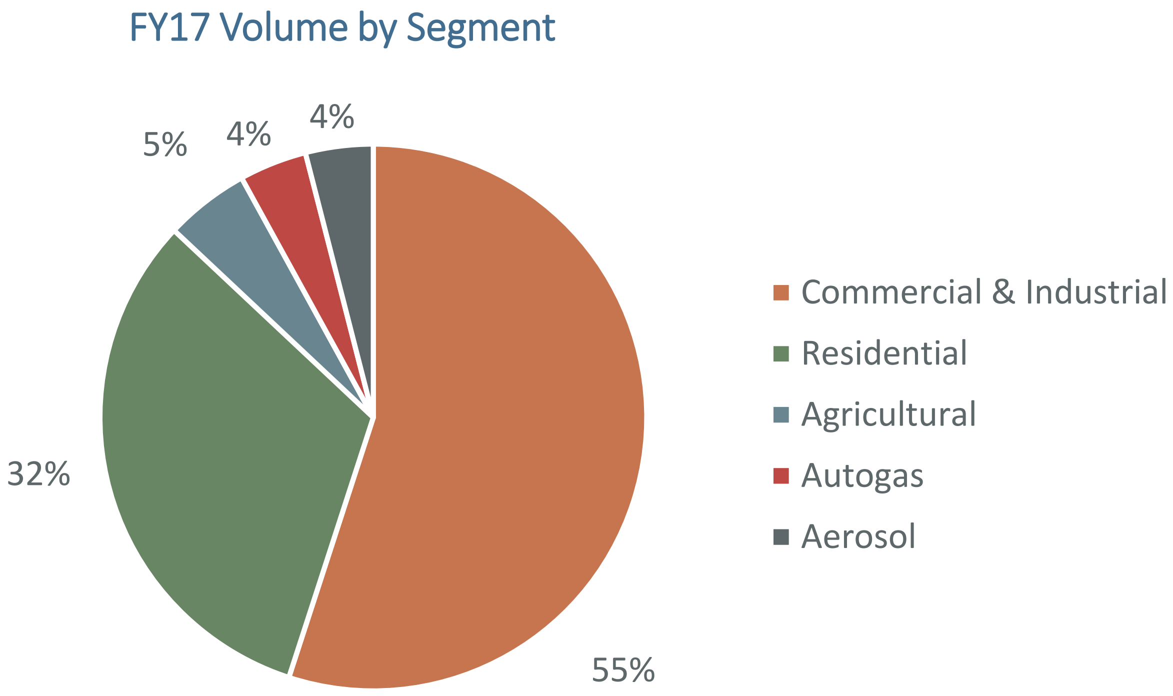
Adjusted EPS is a non-GAAP measure. See appendix for reconciliation.

Key Messages

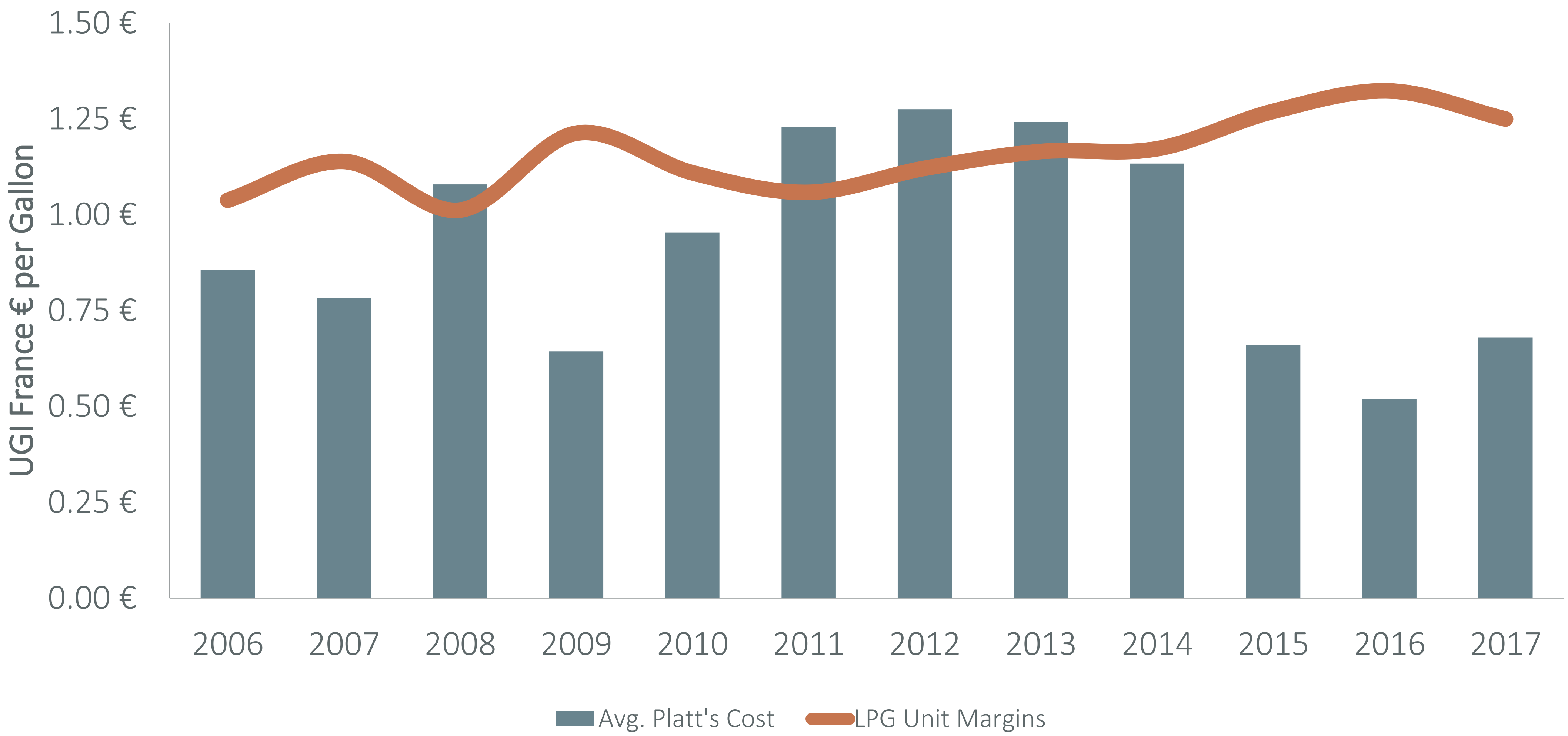
- International segment managed as one company with strong local presence
- Successful ability to identify and integrate quality assets
- Strong operational cash flow
- Track record for margin management
- Growth and integration strategies yield 5% to 8% earnings growth
  - Heating oil to LPG conversion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

Serving a Diverse Customer Base





Track Record of Margin Management



Unit margin is a non-GAAP measure. See appendix for reconciliation.

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

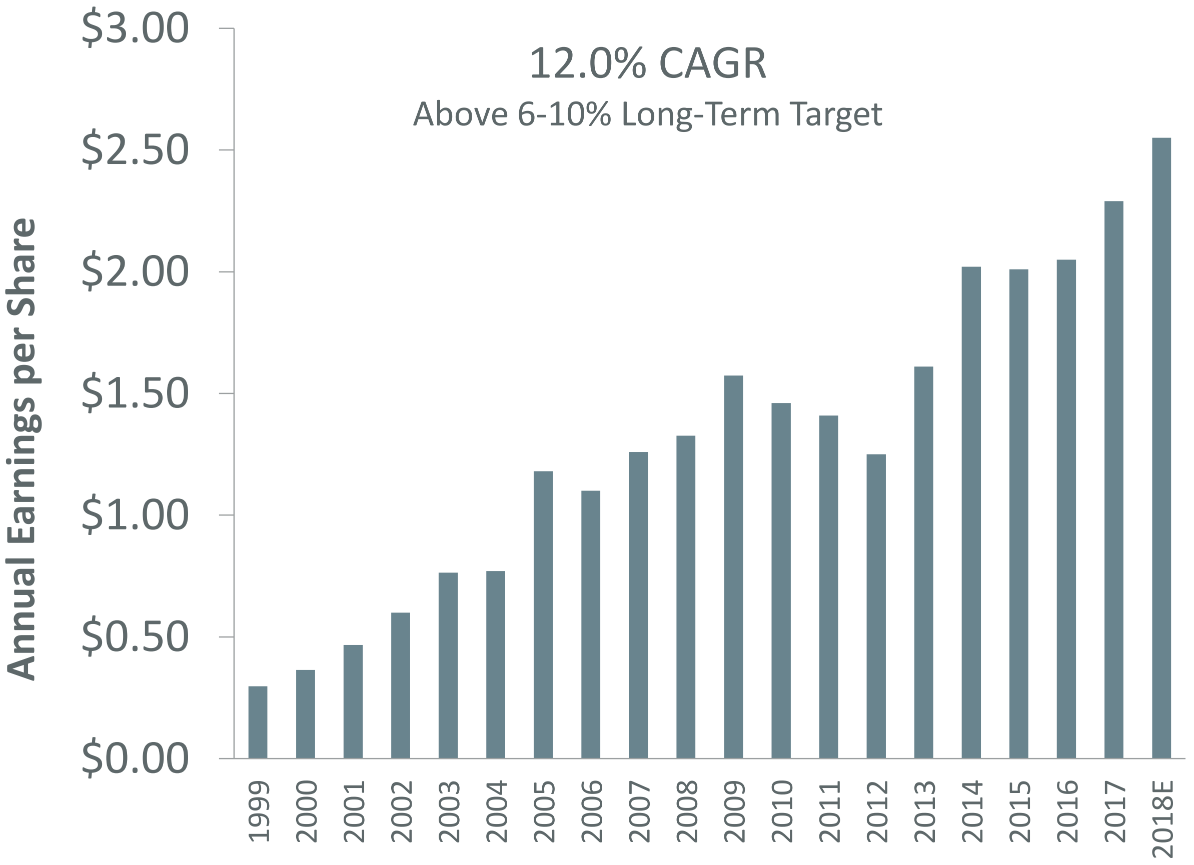
- LNG Distribution
  - Assessing LNG distribution opportunities as market evolves
  - Longer term business objective
  - Focus on U.K. and Nordic countries
  - Motor fuel and marine markets are attractive

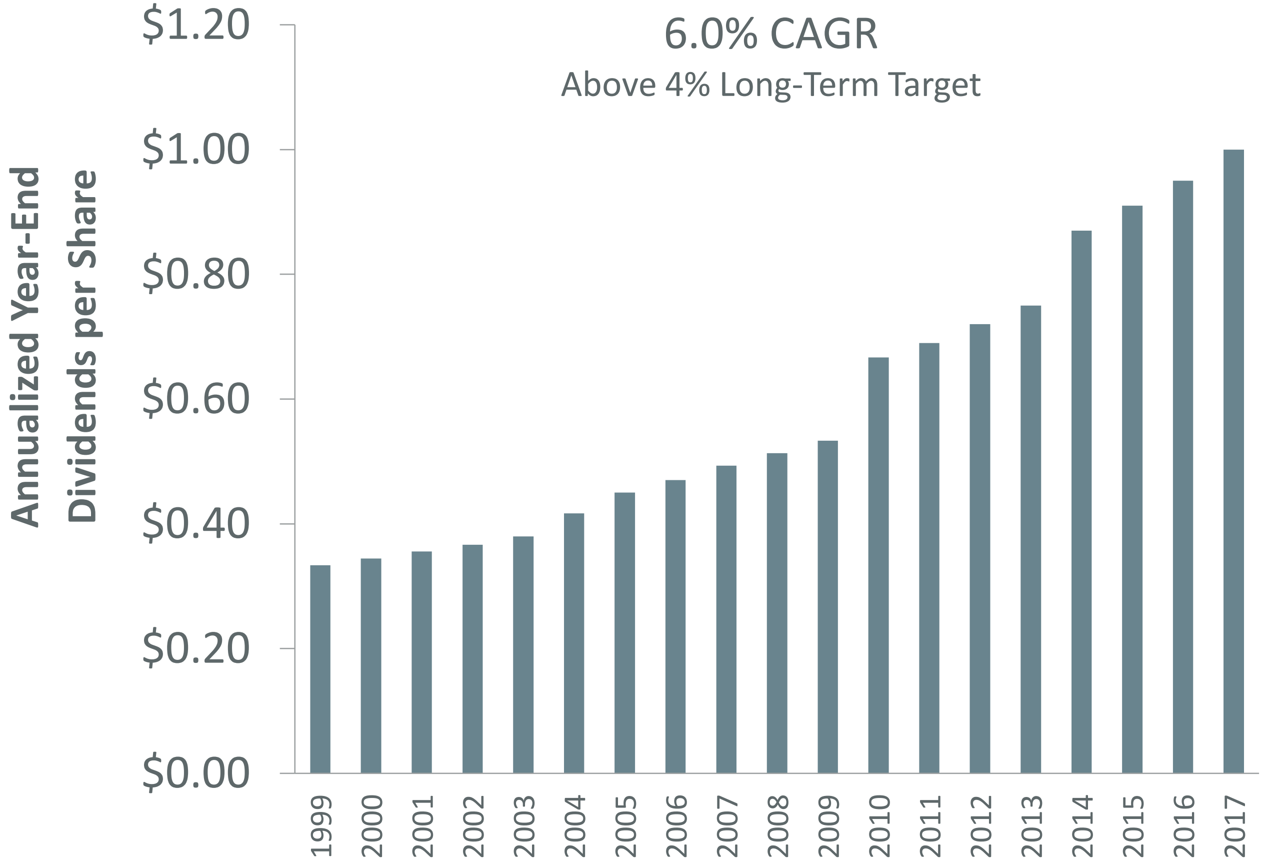
Key Messages

- UGI is a balanced growth and income investment
  - Five Year EPS CAGR of 13%
  - Five Year Dividend CAGR of 7%
- Outstanding cash generation
  - Anticipated $700 – 750 million of annual cash flow generated, after maintenance capex
- Track record of disciplined capital deployment
  - 15% total shareholder return over past 20 years driven by accretive investments

APPENDIX

Strong EPS and Dividend Growth





Dividends adjusted for stock splits.
EPS for 1999 – 2009 represents GAAP EPS, adjusted for stock splits.
EPS for 2010-2017 represents Adjusted EPS which is a non-GAAP measure. See appendix for reconciliation.

UGI Corporation Adjusted Earnings Per Share

(Million of dollars, except per share amounts)	Year Ended September 30, 2010	2011	2012	2013	2014	2015	2016	2017
NON-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 currenct 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 currenct 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,	1995	1996	1997	3 Years Ended 1997	2000	2001	2002	3 Years Ended 2002	2005	2006	2007	3 Years Ended 2007
($ in millions)												
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	1,173.3
Less: Capital Expenditures	68.8	62.7	68.8	200.3	71.0	78.0	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

	2010	2011	2012	3 Years Ended 2012	2015	2016	2017	3 Years Ended 2017
($ in millions)								
Cash Flow from Operations	598.8	554.7	707.7	1,861.2	1,163.8	969.7	953.9	3,087.4
Less: Capital Expenditures	347.3	360.7	339.4	1,047.4	490.6	563.8	639.8	1,694.2
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
Natural Gas Marketing	*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*
Retail Power Marketing	-	-	-	-	-	*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	$ 195.6	$ 323.9	$ 309.0	$ 264.4	$ 264.5

Revenues and cost of sales excludes net pre-tax gains and losses on commodity derivative instruments not associated with current period transactions.

AmeriGas Adjusted EBITDA

($ in millions)

	Year Ended September 30,											
	2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
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	$ 162.1
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)	2.0
Interest expense	74.1	71.5	72.9	70.3	65.1	63.5	142.6	165.4	165.6	162.8	164.1	160.2
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	190.5
EBITDA	**$ 237.9**	**$ 338.7**	**$ 313.0**	**$ 381.4**	**$ 321.0**	**$ 297.1**	**$ 324.7**	**$ 591.2**	**$ 655.3**	**$ 571.8**	**$ 559.5**	**$ 514.8**
Add back: Loss on extinguishment of debt	17.1	-	-	-	-	38.1	13.3	-	-	-	48.9	59.7
Exclude: Acquisition and Transition Costs	-	-	-	-	-	-	46.2	26.5	-	-	-	-
Exclude: Hedge Mark to market impact	-	-	-	-	-	-	-	-	9.5	47.8	(66.1)	(31.1)
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	-	-	-	-	-	-	-
MGP Environmental accrual	-	-	-	-	-	-	-	-	-	-	-	7.5
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	0.4
Heritage Pro Forma EBITDA	-	-	-	-	-	-	82.5	-	-	-	-	-
Adjusted EBITDA	**$ 255.0**	**$ 292.6**	**$ 313.0**	**$ 341.5**	**$ 340.2**	**$ 335.2**	**$ 466.7**	**$ 617.4**	**$ 664.7**	**$ 619.2**	**$ 543.0**	**$ 551.3**

AmeriGas Unit Margin

($ in thousands, except per unit amounts)

	Year Ended September 30,											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	$ 2,183,538
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)	(891,261)
Adjustment for Commodity Mark-to-Market (gain) loss	-	-	-	-	-	-	-	-	9,496	47,841	(66,079)	(31,062)
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	$ 1,261,215
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	1,096,000
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	$ 1.15

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**