

REFINITIV

DELTA REPORT

10-Q

UGI CORP /PA/

10-Q - DECEMBER 31, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 2131

█ CHANGES 181
█ DELETIONS 765
█ ADDITIONS 1185

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2024** **December 31, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 1-11071

UGI CORPORATION

(Exact name of registrant as specified in its charter)

Pennsylvania

23-2668356

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

500 North Gulph Road, King of Prussia, PA 19406
(Address of Principal Executive Offices) (Zip Code)

(610) 337-1000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol(s):	Name of each exchange on which registered:
Common Stock, without par value	UGI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer
Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

At **July 31, 2024** **January 31, 2025**, there were **214,688,629** **214,813,003** shares of UGI Corporation Common Stock, without par value, outstanding.

UGI CORPORATION AND SUBSIDIARIES

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GLOSSARY OF TERMS AND ABBREVIATIONS

Terms and abbreviations used in this Form 10-Q are defined below:

UGI Corporation and Related Entities

AmeriGas Finance Corp. - A wholly owned subsidiary of AmeriGas Partners

AmeriGas OLP - AmeriGas Propane, L.P., the principal operating subsidiary of AmeriGas Partners

AmeriGas Partners - AmeriGas Partners, L.P., an indirect wholly owned subsidiary of UGI; also referred to, together with its consolidated subsidiaries, as the "Partnership"

AmeriGas Propane - Reportable segment comprising AmeriGas Propane, Inc. and its subsidiaries, including AmeriGas Partners and AmeriGas OLP

AmeriGas Propane, Inc. - A wholly owned second-tier subsidiary of UGI and the general partner of AmeriGas Partners

AvantiGas - AvantiGas Limited, an indirect wholly owned subsidiary of UGI International, LLC

Company - UGI and its consolidated subsidiaries collectively

DVEP - DVEP Investeringen B.V., an indirect wholly owned subsidiary of UGI International, LLC

Electric Utility - UGI Utilities' regulated electric distribution utility

Energy Services - UGI Energy Services, LLC, a wholly owned subsidiary of Enterprises

Enterprises - UGI Enterprises, LLC, a wholly owned subsidiary of UGI

ESFC - Energy Services Funding Corporation, a wholly owned subsidiary of Energy Services

Flaga - Flaga GmbH, an indirect wholly owned subsidiary of UGI International, LLC

Gas Utility - UGI's regulated natural gas businesses, inclusive of PA Gas Utility and WV Gas Utility

MBL Bioenergy - MBL Bioenergy, LLC

Midstream & Marketing - Reportable segment comprising Energy Services and subsidiaries including UGID

Mountaineer - Mountaineer Gas Company, a natural gas distribution company in West Virginia and a wholly owned subsidiary of Mountaintop Energy Holdings, LLC

Mountaintop Energy Holdings, LLC - Parent company of Mountaineer and wholly owned subsidiary of UGI

PA Gas Utility - UGI Utilities' regulated natural gas distribution business, primarily located in Pennsylvania

Partnership - AmeriGas Partners and its consolidated subsidiaries, including AmeriGas OLP; also referred to as "AmeriGas Partners"

Pine Run - Pine Run Gathering, LLC

UGI - UGI Corporation or, collectively, UGI Corporation and its consolidated subsidiaries

UGI France - UGI France SAS (a *Société par actions simplifiée*), an indirect wholly owned subsidiary of UGI International, LLC

UGI International - Reportable segment principally comprising UGI's **UGI International, LLC** and its foreign operations

UGI International, LLC - UGI International, LLC, a wholly owned subsidiary of Enterprises

UGI Utilities - UGI Utilities, Inc., a wholly owned subsidiary of UGI comprising PA Gas Utility and Electric Utility

UGID - UGI Development Company, a wholly owned subsidiary of Energy Services prior to its sale on September 30, 2024

UniverGas - UniverGas Italia S.r.l, an indirect wholly owned subsidiary of UGI International, LLC

Utilities - Reportable segment comprising UGI Utilities and Mountaintop Energy Holdings, LLC

WV Gas Utility - Mountaineer's regulated natural gas distribution business, located in West Virginia

Other Terms and Abbreviations

2023 2024 Annual Report - UGI Annual Report on Form 10-K for the fiscal year ended September 30, 2023

2023 nine-month period - Nine months ended June 30, 2023 September 30, 2024

2023 three-month period - Three months ended June 30, 2023

2024 nine-month period - Nine months ended June 30, 2024 December 31, 2023

2024 three-month period - Three months ended June 30, 2024 December 31, 2024

2024 Purchase Contract - A forward stock purchase contract issued by UGI Corporation in May 2021, as a part of the issuance of Equity Units which obligated holders to purchase a number of shares of UGI Common Stock from the Company on June 1, 2024

2022 AmeriGas OLP Credit Agreement - **5.24% Senior Note** - A private placement of \$50 million principal amount of senior notes due November 30, 2029, issued by UGI Utilities

5.52% Senior Note - Revolving credit agreement entered into - A private placement of \$125 million principal amount of senior notes due November 30, 2034, issued by AmeriGas OLP on September 28, 2022, terminated concurrently with the execution of the AmeriGas Senior Secured Revolving Credit Facility UGI Utilities

5.50% Senior Notes - An underwritten private offering of senior notes due May 2025, co-issued by AmeriGas Partners and AmeriGas Finance Corp

5.875% Senior Notes - An underwritten private offering of senior notes due August 2026, co-issued by AmeriGas Partners and AmeriGas Finance Corp

5.75% Senior Notes - An underwritten private offering of senior notes due May 2027, co-issued by AmeriGas Partners and AmeriGas Finance Corp

6.02% Senior Note - A private placement of \$25 million principal amount of senior notes due November 2030, issued by UGI Utilities

6.10% Senior Note - A private placement of \$150 million principal amount of senior notes due November 2033, issued by UGI Utilities

6.40% Senior Note - A private placement of \$75 million principal amount of senior notes due November 2053, issued by UGI Utilities

9.375% Senior Notes - An underwritten private offering of senior notes due May 2028, co-issued by AmeriGas Partners and AmeriGas Finance Corp.

AmeriGas Senior Secured Revolving Credit Facility - Revolving credit agreement entered into by AmeriGas OLP on August 2, 2024 and scheduled to expire in August 2029

AOCI - Accumulated Other Comprehensive Income (Loss)

ASC - Accounting Standards Codification

ASC 606 - ASC 606, "Revenue from Contracts with Customers"

ASU - Accounting Standards Update

Bcf - Billions of cubic feet

COA - Consent Order and Agreement

CODM - Chief Operating Decision Maker as defined in ASC 280, "Segment Reporting"

Common Stock - Shares of UGI common stock

Convertible Preferred Stock - Preferred stock of UGI titled 0.125% series A cumulative perpetual convertible preferred stock without par value and having a liquidation preference of \$1,000 per share

DS - Default service

DSIC - Distribution System Improvement Charge

Energy Services Credit Agreement - Revolving credit agreement entered into by Energy Services on March 6, 2020, as amended, scheduled to expire in May 2028

Energy Services Term Loan Credit Agreement - Term loan credit agreement entered into by Energy Services in August 2019, as amended, with a final maturity of February 2030

Equity Unit - A corporate unit consisting of a 2024 Purchase Contract and 1/10th or 10% undivided interest in one share of Convertible Preferred Stock

Exchange Act - Securities Exchange Act of 1934, as amended

FASB - Financial Accounting Standards Board

FDIC - Federal Deposit Insurance Corporation

FERC - Federal Energy Regulatory Commission

Fiscal 2021 - The fiscal year ended September 30, 2021

Fiscal 2022 - The fiscal year ended September 30, 2022

Fiscal 2023 - The fiscal year ended September 30, 2023

Fiscal 2024 - The fiscal year ending September 30, 2024

Fiscal 2025 - The fiscal year ending September 30, 2025

Fiscal 2026 - The fiscal year ending September 30, 2026

GAAP - U.S. generally accepted accounting principles

Gwh - Millions of kilowatt hours

ICE - Intercontinental Exchange

IREP - Infrastructure Replacement and Expansion Plan

IRPA - Interest rate protection agreement

LNG - Liquefied natural gas

LPG - Liquefied petroleum gas

MDPSC - Maryland Public Service Commission

MGP - Manufactured gas plant

Mountaineer Credit Agreement - Revolving credit agreement entered into by Mountaineer on November 26, 2019, as amended, scheduled to expire in December 2025

NOAA - National Oceanic and Atmospheric Administration

NPNS - Normal purchase and normal sale

NTSB - National Transportation Safety Board

NYDEC - New York State Department of Environmental Conservation

NYMEX - New York Mercantile Exchange

OSHA - Occupational Safety and Health Administration

PADEP - Pennsylvania Department of Environmental Protection

PAPUC - Pennsylvania Public Utility Commission

PGA - Purchased gas adjustment

PGC - Purchased gas costs

PRP - Potentially responsible party

Receivables Facility - A receivables purchase facility of Energy Services with an issuer of receivables-backed commercial paper

Retail core-market - Comprises firm residential, commercial and industrial customers to whom Utilities has a statutory obligation to provide service that purchase their natural gas from Utilities

RNG - Renewable natural gas

ROD - Record of Decision

SEC - U.S. Securities and Exchange Commission

U.K. - United Kingdom

U.S. - United States of America

UGI Corporation Senior Notes - Aggregate \$700 million convertible senior notes entered into by UGI Corporation on June 11, 2024, with a final maturity date of June 2028

UGI Corporation 2025 Credit Agreement - Secured senior facilities agreement entered into by UGI Corporation on October 11, 2024, comprising a \$475 million revolving credit facility, with a maturity date of October 11, 2028, and a \$400 million term loan facility with a maturity date of October 11, 2027.

UGI Corporation Credit Facility Agreement - An amended and restated unsecured senior credit facilities agreement entered into by UGI Corporation on May 4, 2021, comprising (1) a \$250 million term loan facility, (2) a \$300 million term loan facility, (3) a \$300 million delayed draw term loan facility, and (4) a \$300 million revolving credit facility, a substantial portion of which is set to mature August 2025

UGI International 2023 Credit Agreement - A five-year unsecured senior facilities agreement entered into in March 2023, as amended, comprising a €300 million variable-rate term loan facility and a €500 million multicurrency revolving credit facility scheduled to expire in March 2028

UGI Utilities 2023 Credit Agreement - Revolving credit agreement entered into by UGI Utilities on November 9, 2023, as amended, scheduled to expire in November 2028

UGI Utilities Credit Agreement - Revolving credit agreement entered into by UGI Utilities on June 27, 2019, as amended, repaid paid off in full and terminated concurrently with the execution of the UGI Utilities 2023 Credit Agreement in October 2024

USD - U.S. dollar

VDP - Voluntary Departure Plan

WVPSC - Public Service Commission of West Virginia

UGI CORPORATION AND SUBSIDIARIES

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited)

(Millions of dollars)

	September			
	June 30,	30,	June 30,	June 30,
	2024	2023	2023	2023
	December	September	December	December
	31,	30,	31,	31,
	2024	2024	2024	2023
ASSETS				
Current assets:				
Current assets:				
Current assets:				
Cash and cash equivalents				
Cash and cash equivalents				
Cash and cash equivalents				
Restricted cash				
Accounts receivable (less allowances for doubtful accounts of \$87, \$71 and \$87, respectively)				
Accounts receivable (less allowances for doubtful accounts of \$64, \$68 and \$77, respectively)				
Accrued utility revenues				
Inventories				
Inventories				
Inventories				
Derivative instruments				
Derivative instruments				
Derivative instruments				
Prepaid expenses and other current assets				
Prepaid expenses and other current assets				
Prepaid expenses and other current assets				
Total current assets				
Property, plant and equipment, (less accumulated depreciation of \$4,861, \$4,581 and \$4,536, respectively)				
Property, plant and equipment, (less accumulated depreciation of \$4,927, \$4,910 and \$4,709, respectively)				
Goodwill				
Intangible assets, net				
Utility regulatory assets				
Derivative instruments				
Other assets				
Other assets				
Other assets				
Total assets				
LIABILITIES AND EQUITY				
Current liabilities:				
Current liabilities:				
Current liabilities:				
Current maturities of long-term debt				
Current maturities of long-term debt				
Current maturities of long-term debt				
Short-term borrowings				
Short-term borrowings				
Short-term borrowings				
Accounts payable				

Derivative instruments	
Derivative instruments	
Derivative instruments	
Other current liabilities	
Other current liabilities	
Other current liabilities	
Total current liabilities	
Long-term debt	
Deferred income taxes	
Deferred income taxes	
Deferred income taxes	
Derivative instruments	
Derivative instruments	
Derivative instruments	
Other noncurrent liabilities	
Total liabilities	
Commitments and contingencies (Note 9)	Commitments and contingencies (Note 9)
Commitments and contingencies (Note 9)	Commitments and contingencies (Note 9)
Equity:	
UGI Corporation stockholders' equity:	
UGI Corporation stockholders' equity:	
UGI Corporation stockholders' equity:	
Preferred stock, without par value (authorized – 5,000,000 shares; issued – 0, 220,000 and 220,000 Series A shares, respectively)	
Preferred stock, without par value (authorized – 5,000,000 shares; issued – 0, 220,000 and 220,000 Series A shares, respectively)	
Preferred stock, without par value (authorized – 5,000,000 shares; issued – 0, 220,000 and 220,000 Series A shares, respectively)	
UGI Common Stock, without par value (authorized — 450,000,000 shares; issued — 216,119,814, 210,906,052 and 210,882,552 shares, respectively)	
Preferred stock, without par value (authorized – 5,000,000 shares; issued – 0, 0 and 220,000 Series A shares, respectively)	
Preferred stock, without par value (authorized – 5,000,000 shares; issued – 0, 0 and 220,000 Series A shares, respectively)	
Preferred stock, without par value (authorized – 5,000,000 shares; issued – 0, 0 and 220,000 Series A shares, respectively)	
UGI Common Stock, without par value (authorized — 450,000,000 shares; issued — 216,214,547, 216,124,332 and 210,908,238 shares, respectively)	
Retained earnings	
Accumulated other comprehensive loss	
Treasury stock, at cost	
Total UGI Corporation stockholders' equity	
Noncontrolling interests	
Total equity	
Total liabilities and equity	

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

(Millions of dollars, except per share amounts)

Three Months Ended	Nine Months Ended
June 30,	June 30,

Three Months Ended

December 31,

Three Months Ended

December 31,

Three Months Ended

December 31,

2024

2023

2024

2024

2023



See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)
(Millions of dollars)

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Net (loss) income including noncontrolling interests	\$ (48)	\$ (789)	\$ 542	\$ (1,633)
Other comprehensive (loss) income:				
Net gains on derivative instruments (net of tax of \$(3), \$(10), \$(1) and \$(5), respectively)	4	22	1	10
Reclassifications of net gains on derivative instruments (net of tax of \$4, \$4, \$12 and \$8, respectively)	(9)	(10)	(28)	(20)
Foreign currency adjustments (net of tax of \$(2), \$2, \$3 and \$31, respectively)	(10)	8	15	169
Benefit plans (net of tax of \$0, \$1, \$0 and \$1, respectively)	—	(1)	(1)	(1)
Other comprehensive (loss) income	(15)	19	(13)	158
Comprehensive (loss) income attributable to UGI Corporation	\$ (63)	\$ (770)	\$ 529	\$ (1,475)

	Three Months Ended	
	December 31,	
	2024	2023
Net income attributable to UGI Corporation	\$ 375	\$ 94
Other comprehensive income (loss):		
Net gains (losses) on derivative instruments (net of tax of \$(5) and \$7, respectively)	15	(15)
Reclassifications of net (gains) losses on derivative instruments (net of tax of \$0 and \$3, respectively)	(2)	(10)
Foreign currency adjustments (net of tax of \$(20) and \$12, respectively)	(72)	49
Benefit plans (net of tax of \$0 and \$0, respectively)	(1)	—
Other comprehensive income (loss)	(60)	24
Comprehensive income attributable to UGI Corporation	\$ 315	\$ 118

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(Millions of dollars)

	Nine Months Ended		Three Months Ended	
	June 30,	2024	December 31,	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss) including noncontrolling interests				
Net income (loss) including noncontrolling interests				
Net income (loss) including noncontrolling interests				
Adjustments to reconcile net income (loss) including noncontrolling interests to net cash provided by operating activities:				
Net income attributable to UGI Corporation				
Net income attributable to UGI Corporation				
Net income attributable to UGI Corporation				
Adjustments to reconcile net income attributable to UGI Corporation to net cash provided by operating activities:				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization				

Deferred income tax expense (benefit), net
Provision for uncollectible accounts
Changes in unrealized gains and losses on derivative instruments
Changes in unrealized gains and losses on derivative instruments
Changes in unrealized gains and losses on derivative instruments
Loss on disposal of UGI International energy marketing business
Impairment of held-for-sale assets
Impairment of assets
Impairment of goodwill
Loss on extinguishments of debt
Loss (income) from equity investees
Settlement of Energy Services interest rate swap, net of amortization
Loss on disposal of business
Other, net
Other, net
Amortization of Energy Services interest rate swap settlement
Amortization of Energy Services interest rate swap settlement
Amortization of Energy Services interest rate swap settlement
Other, net
Net change in:
Accounts receivable and accrued utility revenues
Accounts receivable and accrued utility revenues
Accounts receivable and accrued utility revenues
Income taxes receivable
Inventories
Inventories
Inventories
Utility deferred fuel and power costs, net of changes in unsettled derivatives
Accounts payable
Derivative instruments collateral deposits paid
Derivative instruments collateral deposits received (paid)
Other current assets
Other current liabilities
Net cash provided by operating activities
CASH FLOWS FROM INVESTING ACTIVITIES
Expenditures for property, plant and equipment
Expenditures for property, plant and equipment
Expenditures for property, plant and equipment
Net proceeds (payments) from the disposition of businesses and assets
Acquisitions of businesses and assets, net of cash acquired
Net proceeds from the disposition of assets
Investments in equity method investees
Settlements of net investment hedges
Investments in equity method investees
Investments in equity method investees
Net cash used by investing activities
Net cash used by investing activities
Net cash used by investing activities
Net cash provided (used) by investing activities
Net cash provided (used) by investing activities
Net cash provided (used) by investing activities
CASH FLOWS FROM FINANCING ACTIVITIES

Dividends on UGI Common Stock	
Dividends on UGI Common Stock	
Dividends on UGI Common Stock	
Issuances of long-term debt, net of discount and issuance costs	
Issuances of long-term debt, net of discount and issuance costs	
Issuances of long-term debt, net of discount and issuance costs	
Repayments of long-term debt and finance leases, including redemption premiums	
(Decrease) increase in short-term borrowings	
Receivables Facility net (repayments) borrowings	
Payments on Purchase Contracts	
Payments on Purchase Contracts	
Payments on Purchase Contracts	
Issuances of UGI Common Stock	
Repurchases of UGI Common Stock	
Net cash used by financing activities	
Net cash used by financing activities	
Net cash used by financing activities	
Net cash provided (used) by financing activities	
Net cash provided (used) by financing activities	
Net cash provided (used) by financing activities	
Effect of exchange rate changes on cash, cash equivalents and restricted cash	
Cash, cash equivalents and restricted cash decrease	
Cash, cash equivalents and restricted cash increase (decrease)	
CASH, CASH EQUIVALENTS AND RESTRICTED CASH	
Cash, cash equivalents and restricted cash at end of period	
Cash, cash equivalents and restricted cash at end of period	
Cash, cash equivalents and restricted cash at end of period	
Cash, cash equivalents and restricted cash at beginning of period	
Cash, cash equivalents and restricted cash decrease	
Cash, cash equivalents and restricted cash increase (decrease)	

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited)

(Millions of dollars, except per share amounts)

		Three Months Ended June 30, 2024	Nine Months Ended June 30, 2024	Three Months Ended 31, 2024	2023	2023
Preferred stock, without par value						
Balance, beginning of period						
Balance, beginning of period						
Balance, beginning of period						
Cumulative effect of change in accounting						
Cumulative effect of change in accounting						
Cumulative effect of change in accounting						
Settlement of Equity Units						
Balance, end of period						
Balance, end of period						

Balance, end of period				
Common stock, without par value	Common stock, without par value			Common stock, without par value
Balance, beginning of period				
Common Stock issued in connection with employee and director plans, net of tax withheld				
Equity-based compensation expense				
Equity-based compensation (income) expense				
Equity-based compensation (income) expense				
Equity-based compensation (income) expense				
Cumulative effect of change in accounting				
Cumulative effect of change in accounting				
Balance, end of period				
Cumulative effect of change in accounting				
Settlement of Equity Units				
Balance, end of period				
Balance, end of period				
Retained earnings	Retained earnings			Retained earnings
Balance, beginning of period				
Cumulative effect of change in accounting				
Losses on common stock transactions in connection with employee and director plans				
Net (loss) income attributable to UGI Corporation				
Cash dividends on UGI Common Stock (\$0.375, \$0.375, \$1.125 and \$1.095, respectively)				
Net income attributable to UGI Corporation				
Net income attributable to UGI Corporation				
Net income attributable to UGI Corporation				
Cash dividends on UGI Common Stock (\$0.375 and \$0.375, respectively)				
Balance, end of period				
Balance, end of period				
Balance, end of period				
Accumulated other comprehensive income (loss)	Accumulated other comprehensive income (loss)			Accumulated other comprehensive income (loss)
Balance, beginning of period				
Net gains on derivative instruments				
Reclassification of net gains on derivative instruments				
Net gains (losses) on derivative instruments				
Reclassification of net (gains) losses on derivative instruments				
Benefit plans				
Foreign currency adjustments				
Balance, end of period				
Treasury stock	Treasury stock			Treasury stock
Balance, beginning of period				
Common Stock issued in connection with employee and director plans, net of tax withheld				
Repurchases of UGI Common Stock				
Reacquired UGI Common Stock - employee and director plans				
Reacquired UGI Common Stock - employee and director plans				

Reacquired UGI Common Stock - employee and director plans			
Balance, end of period			
Balance, end of period			
Balance, end of period			
Total UGI stockholders' equity			
Noncontrolling interests	Noncontrolling interests		Noncontrolling interests
Balance, beginning of period			
Other			
Other			
Other			
Balance, end of period			
Total equity			

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

Note 1 — Nature of Operations

UGI is a holding company that, through subsidiaries and affiliates, distributes, stores, transports and markets energy products and related services in the U.S. and Europe. We own and operate (1) natural gas and electric distribution utilities; (2) energy marketing, midstream infrastructure, storage, natural gas gathering and processing, natural gas production, electricity generation and energy services businesses; and (3) retail propane and other LPG marketing and distribution businesses.

Our Utilities segment includes UGI Utilities and Mountaineer. PA Gas Utility serves customers in eastern and central Pennsylvania and in portions of one Maryland county, and Mountaineer WV Gas Utility serves customers in West Virginia. Electric Utility serves customers in portions of Luzerne and Wyoming counties in northeastern Pennsylvania. PA Gas Utility is subject to regulation by the PAPUC and FERC and, with respect to its customers in Maryland, the MDPSC. Mountaineer WV Gas Utility is subject to regulation by the WVPSC and FERC. Electric Utility is subject to regulation by the PAPUC and FERC.

Energy Services conducts, directly and through subsidiaries and affiliates, energy marketing, including RNG, midstream transmission, LNG storage, natural gas gathering and processing, natural gas and RNG production, electricity generation and energy services businesses primarily in the eastern region of the U.S., eastern Ohio, the panhandle of West Virginia and California. Energy Services and its subsidiaries' storage, LNG and portions of its midstream transmission operations are subject to regulation by the FERC. Prior to its sale in September 2024, UGID owned electricity generation facilities principally located in Pennsylvania. See Note 5 for additional information on pending disposition of UGID.

UGI International, LLC, through its subsidiaries and affiliates, primarily conducts an LPG distribution business throughout much of Europe. The LPG business is conducted principally through our subsidiaries, UGI France, Flaga, AvantiGas, and UniverGas. As of the end of the first quarter of Fiscal 2024, UGI International had exited substantially all of its European energy marketing business which primarily marketed natural gas and electricity to customers through third-party distribution systems in France, Belgium, the Netherlands, and the United Kingdom. See Note 5 for additional information regarding the UGI International energy marketing business.

We conduct a domestic propane marketing and distribution business through AmeriGas Partners. AmeriGas Partners conducts its propane marketing and distribution business through its principal operating subsidiary AmeriGas OLP.

Note 2 — Summary of Significant Accounting Policies

The accompanying condensed consolidated financial statements and footnotes are unaudited and have been prepared in accordance with GAAP and the rules and regulations of the SEC. They include all adjustments that we consider necessary for a fair statement of the results for the interim periods presented. Such adjustments consisted only of normal recurring items unless otherwise disclosed. The September 30, 2023 September 30, 2024, Condensed Consolidated Balance Sheet was derived from audited financial statements but does not include all footnote disclosures from the annual financial statements.

These financial statements should be read in conjunction with the financial statements and related notes included in the Company's 2023 2024 Annual Report. Due to the seasonal nature of our businesses, the results of operations for interim periods are not necessarily indicative of the results to be expected for a full year.

Restricted Cash. Restricted cash principally represents those cash balances in our commodity futures brokerage accounts and certain other cash balances that are restricted from withdrawal. The following table provides a reconciliation of the total cash, cash equivalents and restricted cash reported on the Condensed Consolidated Balance Sheets to the corresponding amounts reported on the Condensed Consolidated Statements of Cash Flows.

June 30,
2024

June 30,
2023

	December 31, 2024	December 31, 2023
Cash and cash equivalents		
Restricted cash		
Cash, cash equivalents and restricted cash		

UGI CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

Earnings Per Common Share. Basic earnings per share attributable to UGI stockholders reflect the weighted-average number of common shares outstanding. Diluted earnings per share attributable to UGI stockholders include the effects of dilutive stock options, common stock awards, **UGI Corporation Senior Notes**, and prior to **their** June 2024 settlement, described below, **Equity Units**. Shares used in computing basic and diluted earnings per share are as follows:

	Three Months Ended June 30,	Nine Months Ended June 30,
	Three Months Ended December 31,	
	Three Months Ended December 31,	
	Three Months Ended December 31,	
	2024	2023
Denominator (thousands of shares):		
Weighted-average common shares outstanding — basic		
Weighted-average common shares outstanding — basic		
Weighted-average common shares outstanding — basic		
Incremental shares issuable for stock options, common stock awards and Equity Units (a)(b)		
Incremental shares issuable for stock options, common stock awards, UGI Corporation Senior Notes , and Equity Units (a)(b)		
Weighted-average common shares outstanding — diluted		
(a) For the three months ended June 30, 2024 December 31, 2024 and 2023, there were 7,792 and for the nine months ended June 30, 2023, 3,823, 5,972, and 6,222,828 shares, respectively, have been excluded from associated with outstanding stock option awards that were not included in the computation of diluted earnings per share as such incremental shares would be antidilutive due to the net losses for the periods. For the nine months ended June 30, 2024, 8,487 shares associated with outstanding stock option awards were excluded from the computation of diluted earnings per share above because their effect was antidilutive.		
(b) The Equity Units were settled in June 2024. See " Equity Units " below for additional information.		

Equity Units. In May 2021, the Company issued 2.2 million **Equity Units** with a total notional value of \$220. Each **Equity Unit** had a stated amount of \$100 and consisted of (i) a 10% undivided beneficial ownership interest in one share of Convertible Preferred Stock with a liquidation preference of \$1,000 per share and (ii) a 2024 Purchase Contract. See Note 13 in the Company's **2023** Annual Report for additional information on the issuance of the **Equity Units**.

Pursuant to the terms of the **Equity Units**, in May 2024, the Company announced the unsuccessful final remarketing of its Convertible Preferred Stock. As a result, each holder of an **Equity Unit** received 2.2973 shares of UGI common stock, without par value, with cash paid in lieu of any fractional shares. During the third quarter of Fiscal 2024, the Company (i) made the final contract adjustment payment to settle the 2024 Purchase Contract in full; (ii) canceled the Convertible Preferred Stock; and (iii) in a non-cash transaction, converted the **Equity Units** into 5,054,030 shares of UGI Common Stock and issued the shares to the holders of the **Equity Units** under the 2024 Purchase Contract.

Derivative Instruments. Derivative instruments are reported on the Condensed Consolidated Balance Sheets at their fair values, unless the NPNS exception is elected. The accounting for changes in fair value depends upon the purpose of the derivative instrument, whether it is subject to regulatory ratemaking mechanisms or if it qualifies and is designated as a hedge for accounting purposes.

Certain of our derivative instruments qualify and are designated as cash flow hedges. For cash flow hedges, changes in the fair values of the derivative instruments are recorded in AOCI, to the extent effective at offsetting changes in the hedged item, until earnings are affected by the hedged item. We discontinue cash flow hedge accounting if occurrence of the forecasted transaction is determined to be no longer probable. Hedge accounting is also discontinued for derivatives that cease to be highly effective. We do not designate our commodity and certain foreign currency derivative instruments as hedges under GAAP. Changes in the fair values of these derivative instruments are reflected in net income. Gains

and losses on substantially all of the commodity derivative instruments used by Utilities are included in regulatory assets or liabilities because it is probable such gains or losses will be recoverable from, or refundable to, customers. From time to time, we also enter into net investment hedges. Gains and losses on net investment hedges that relate to our foreign operations are included in the cumulative translation adjustment component in AOCI until such foreign net investment is substantially sold or liquidated.

Cash flows from derivative instruments, other than **certain** net investment hedges, are included in cash flows from operating activities on the Condensed Consolidated Statements of Cash Flows. Cash flows from net investment hedges are included in cash flows from investing activities on the Condensed Consolidated Statements of Cash Flows.

UGI CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

For a more detailed description of the derivative instruments we use, our accounting for derivatives, our objectives for using them and other information, see Note 12.

Use of Estimates. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and costs. These estimates are based on management's knowledge of current events, historical experience and various other assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results may be different from these estimates and assumptions.

Goodwill. We do not amortize goodwill, but test it at least annually for impairment at the reporting unit level. A reporting unit is an operating segment, or one level below an operating segment (a component) if it constitutes a business for which discrete financial information is available and regularly reviewed by segment management. Components are aggregated into a single reporting unit if they have similar economic characteristics. Each of our reporting units with goodwill is required to perform impairment tests annually or whenever events or circumstances indicate that the value of goodwill may be impaired.

UGI CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

As previously disclosed in Note 12 in the Company's **2023** **2024** Annual Report, a non-cash pre-tax goodwill impairment charge of **\$656** **\$195** was recognized in Fiscal **2023** **2024** to reduce the carrying value of the AmeriGas Propane reporting unit to its fair value. The Company continues to monitor the AmeriGas Propane reporting unit for any changes in facts and circumstances that would indicate it is more likely than not that the fair value of the AmeriGas Propane reporting unit is less than its carrying amount. No such indicators were identified at **June 30, 2024** **December 31, 2024**, however if AmeriGas Propane were not able to achieve its anticipated results and/or if its discount rate were to increase, its fair value would be adversely affected, which may result in further impairment. There **is approximately \$1.4 billion** **was \$1.1 billion** of goodwill in this reporting unit as of **June 30, 2024** **December 31, 2024**.

With respect to UGI International's Fiscal **2023** **2024** goodwill impairment test, we determined that UGI International's fair value exceeded its carrying value by **approximately 10%** **less than 30%**. While the Company believes that its judgments used in the quantitative assessment of UGI International's fair value are reasonable based upon currently available facts and circumstances, if UGI International were not able to achieve its anticipated results and/or if its discount rate were to increase, its fair value would be adversely affected, which may result in an impairment. There were no changes in facts and circumstances that would indicate that it is more likely than not that the fair value of the UGI International reporting unit may not be in excess of its book value at **June 30, 2024** **December 31, 2024**. There **is approximately \$913** **was \$883** of goodwill in this reporting unit as of **June 30, 2024** **December 31, 2024**.

The Company will continue to monitor its reporting units and related goodwill for any possible future non-cash impairment charges.

Note 3 — Accounting Changes

Accounting Standards Not Yet Adopted. Adopted

Disaggregation of Income Statement Expenses. In November 2024, the FASB issued ASU 2024-03, "Disaggregation of Income Statement Expenses (Subtopic 220-40)" which requires enhanced disclosure of income statement expense categories to improve transparency and provide financial statement users with more detailed information about the nature, amount and timing of expenses impacting financial performance. This new guidance is effective for the Company for annual periods beginning October 1, 2027 (Fiscal 2028) and interim periods beginning October 1, 2028 (Fiscal 2029). Early adoption is permitted. The amendments in this ASU may be adopted using the prospective or retrospective methods. The Company is in the process of assessing the impact on its financial statements and determining the transition method and the period in which the new guidance will be adopted.

Segment Reporting. In November 2023, the FASB issued ASU 2023-07, "Improvements to Reportable Segment Disclosures (Topic 280)" which requires enhanced disclosure of (1) significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss, (2) the amount and description of the composition of other segment items which reconcile to segment profit or loss, and (3) the title and position of the entity's CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and allocating resources. The amendments also expand the interim segment disclosure requirements. This new guidance is effective for the Company for annual periods beginning October 1, 2024 (Fiscal 2025) and interim periods beginning October 1, 2025 (Fiscal

2026). Early adoption is permitted. The amendments in this ASU apply retrospectively to all prior periods presented in the financial statements. The Company is in the process of assessing the impact on its financial statements from the adoption of **will adopt** the new guidance **effective for the year ending September 30, 2025** and **provide the period in which additional disclosures, if any, as required by the new guidance will be adopted.** **guidance.**

Improvements to Income Tax Disclosures. In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures (Topic 740)" which requires entities to disclose, among other items, disaggregated information about a reporting entity's effective tax rate reconciliation and income taxes paid. This new guidance is effective for the Company for annual periods beginning October 1, 2025 (Fiscal 2026). Early adoption is permitted. The amendments in this ASU may be adopted using the prospective or retrospective methods. The Company is in the process of assessing the impact on its financial statements and determining the transition method and the period in which the new guidance will be adopted.

UGI CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

Note 4 — Revenue from Contracts with Customers

The Company recognizes revenue when control of promised goods or services is transferred to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. See Note 4 in the Company's **2023 2024** Annual Report for additional information on our revenues from contracts with customers.

Revenue Disaggregation

The following tables present our disaggregated revenues by reportable segment:

Three Months Ended June 30, 2024	Total	Eliminations	Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corporate & Other
Revenues from contracts with customers:		(a)					
Utility:							
Core Market:							
Residential	\$ 136	\$ —	\$ 136	\$ —	\$ —	\$ —	\$ —
Commercial & Industrial	53	—	53	—	—	—	—
Large delivery service	41	—	41	—	—	—	—
Off-system sales and capacity releases	7	(6)	13	—	—	—	—
Other	9	(1)	10	—	—	—	—
Total Utility	246	(7)	253	—	—	—	—
Non-Utility:							
LPG:							
Retail	742	—	—	—	378	364	—
Wholesale	54	—	—	—	36	18	—
Energy Marketing	172	(16)	—	176	12	—	—
Midstream:							
Pipeline	61	—	—	61	—	—	—
Peaking	—	(5)	—	5	—	—	—
Other	5	—	—	5	—	—	—
Electricity Generation	6	—	—	6	—	—	—
Other	66	—	—	—	21	45	—
Total Non-Utility	1,106	(21)	—	253	447	427	—
Total revenues from contracts with customers	1,352	(28)	253	253	447	427	—
Other revenues (c)	28	—	4	—	8	18	(2)
Total revenues	\$ 1,380	\$ (28)	\$ 257	\$ 253	\$ 455	\$ 445	\$ (2)

UGI CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

Three Months Ended June 30, 2023	Total	Eliminations	Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corporate & Other
	(a)						
Revenues from contracts with customers:							
<u>Utility:</u>							
Core Market:							
Residential	\$ 151	\$ —	\$ 151	\$ —	\$ —	\$ —	\$ —
Commercial & Industrial	60	—	60	—	—	—	—
Large delivery service	39	—	39	—	—	—	—
Off-system sales and capacity releases	7	(7)	14	—	—	—	—
Other	8	—	8	—	—	—	—
Total Utility	265	(7)	272	—	—	—	—
<u>Non-Utility:</u>							
LPG:							
Retail	799	—	—	—	376	423	—
Wholesale	76	—	—	—	52	24	—
Energy Marketing	336	(14)	—	194	156	—	—
Midstream:							
Pipeline	58	—	—	58	—	—	—
Peaking	1	(5)	—	6	—	—	—
Other	3	—	—	3	—	—	—
Electricity Generation	17	—	—	17	—	—	—
Other	65	—	—	—	18	47	—
Total Non-Utility	1,355	(19)	—	278	602	494	—
Total revenues from contracts with customers	1,620	(26)	272	278	602	494	—
Other revenues (c)	39	1	6	1	9	20	2
Total revenues	\$ 1,659	\$ (25)	\$ 278	\$ 279	\$ 611	\$ 514	\$ 2

UGI CORPORATION AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements**

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

Nine Months Ended June 30, 2024	Total	Eliminations	Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corporate & Other
Three Months Ended December 31, 2024							
Revenues from contracts with customers:							
<u>Utility:</u>							
Core Market:							
Core Market:							
Core Market:							
Residential							



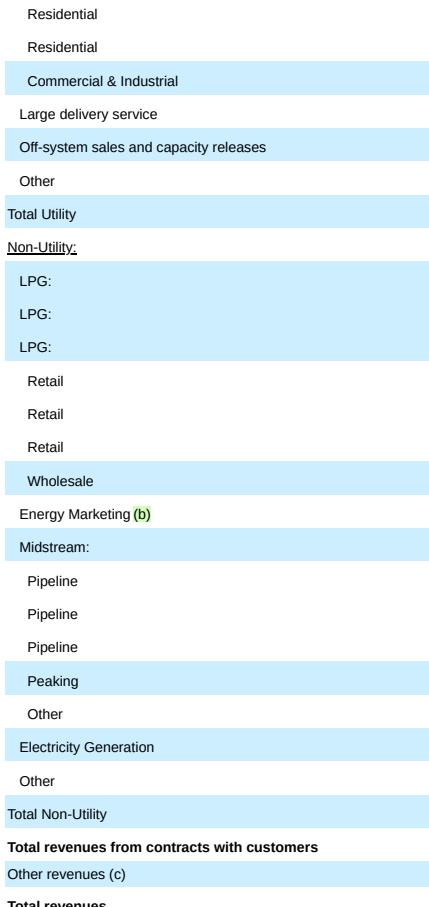
UGI CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

Nine Months Ended June 30, 2023							
Three Months Ended December 31, 2023							
Nine Months Ended June 30, 2023							
Three Months Ended December 31, 2023							
		Eliminations					
Nine Months Ended June 30, 2023	Total	(a)	Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corporate & Other
Three Months Ended December 31, 2023	Total	(a)	Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corporate & Other
Revenues from contracts with customers:							
<u>Utility:</u>							
<u>Utility:</u>							
<u>Utility:</u>							
Core Market:							
Core Market:							
Core Market:							
Residential							



(a) Includes intersegment revenues principally among Midstream & Marketing, and Utilities.

(b) Corporate & Other includes reduction of revenues of \$42 associated with the early termination of certain DVEP customer contracts. See Note 5 for additional information.

(c) Primarily represents (1) revenues from tank rentals at UGI International and AmeriGas Propane and UGI International; Propane; (2) revenues from certain gathering assets at Midstream & Marketing; (3) revenues from alternative revenue programs at Utilities, including the weather normalization adjustment rider beginning on November 1, 2022 for PA Gas Utility; Utility beginning November 1, 2022 and for WV Gas Utility beginning October 1, 2024; and (4) gains and losses on commodity derivative instruments not associated with current-period transactions reflected in Corporate & Other, none of which are within the scope of ASC 606 and are accounted for in accordance with other GAAP.

Contract Balances

The timing of revenue recognition may differ from the timing of invoicing to customers or cash receipts. Contract assets represent our right to consideration after the performance obligations have been satisfied when such right is conditioned on something other than the passage of time. Contract assets were not material for all periods presented. Substantially all of our receivables are unconditional rights to consideration and are included in "Accounts receivable" and, in the case of Utilities, "Accrued utility revenues" on the Condensed Consolidated Balance Sheets. Amounts billed are generally due within the following month.

Contract liabilities arise when payment from a customer is received before the performance obligations have been satisfied and represent the Company's obligations to transfer goods or services to a customer for which we have received consideration. The balances of contract liabilities were \$116, \$158, \$123, \$140 and \$133, \$153 at June 30, 2024, December 31, 2024, September 30, 2023, September 30, 2024 and June 30, 2023, December 31, 2023, respectively, and are included in "Other current liabilities" and "Other noncurrent liabilities" on the Condensed Consolidated Balance Sheets.

UGI CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

respectively, and are included in "Other current liabilities" and "Other noncurrent liabilities" on the Condensed Consolidated Balance Sheets. Revenues recognized for the nine months ended June 30, 2024, December 31, 2024 and 2023, from the amounts included in contract liabilities at September 30, 2023, September 30, 2024 and 2022, 2023, were \$118 in both periods, \$58 and \$75, respectively.

Remaining Performance Obligations

The Company excludes disclosures related to the aggregate amount of the transaction price allocated to certain performance obligations that are unsatisfied as of the end of the reporting period because these contracts have an initial expected term of one year or less, or we have a right to bill the customer in an amount that corresponds directly with the value of services provided to the customer to date. Certain contracts with customers at Midstream & Marketing and Utilities contain minimum future performance obligations through 2047 and 2053, respectively. At **June 30, 2024** **December 31, 2024**, Midstream & Marketing and Utilities expect to record approximately **\$2.2** **\$2.3** billion and \$0.2 billion of revenues, respectively, related to the minimum future performance obligations over the remaining terms of the related contracts.

Note 5 — Dispositions

UGID

In June 2024, Energy Services entered into a Stock Purchase Agreement to sell all of its ownership interest in UGID. UGID owns and operates the Hunlock Creek Energy Center located in Wilkes-Barre, PA, a 169-megawatt natural gas-fueled electricity generating station. Accordingly, the assets and liabilities associated with UGID, substantially all of which are attributable to long-lived assets, qualify as held for sale and have been reflected in "Prepaid expenses and other current assets" and "Other current liabilities," respectively, on the Condensed Consolidated Balance Sheet at June 30, 2024. During the third quarter of Fiscal 2024, the Company recognized a non-cash, pre-tax impairment charge of \$62, which amount was reflected in "Impairment of held-for-sale assets" on the Condensed Consolidated Statements of Income and included within the Midstream & Marketing segment. Such impairment loss was limited to the disposal group's long-lived assets in accordance with its policy related to assets held for sale. The pending sale is expected to be completed during the fourth quarter of Fiscal 2024.

UGI International Energy Marketing Transactions

As of the end of the first quarter of Fiscal 2024, pursuant to its previously announced decision, the Company had exited substantially all of its European energy marketing business which primarily marketed natural gas and electricity to customers through third-party distribution systems in France, Belgium, the Netherlands, and the United Kingdom.

France. In October 2023, UGI International, through a wholly-owned subsidiary, sold substantially all of its energy marketing business located in France for a net cash payment to the buyer of \$29. In conjunction with the sale, during the nine months ended June 30, 2024, the Company recorded a pre-tax loss of \$29, which amount principally represents the net payment to the buyer. The loss is reflected in "Loss on disposal of UGI International energy marketing business" on the Condensed Consolidated Statements of Income. The carrying values of the assets and liabilities associated with this business, principally comprising certain commodity derivative instruments, energy certificates and certain working capital, were not material.

Belgium. In September 2023, UGI International, through a wholly-owned subsidiary, sold its energy marketing business located in Belgium for a net cash payment to the buyer of \$3. Pursuant to the sale agreement, the Company transferred to the buyer certain assets, principally comprising customer and energy broker contracts. In conjunction with the sale, during the fourth quarter of Fiscal 2023, the Company recorded a pre-tax loss of \$6 which amount includes the net payment to the buyer, the write-off of certain prepaid energy broker payments and associated transaction costs and fees.

United Kingdom. In October 2022, UGI International, through a wholly-owned subsidiary, sold its natural gas marketing business located in the U.K. for a net cash payment to the buyer of \$19 which includes certain working capital adjustments. France. In conjunction with the sale, during the first quarter of Fiscal 2023, the Company recorded a pre-tax loss of \$215 substantially all of \$28, which was due to the non-cash transfer of commodity derivative instruments associated with the business. The loss amount is reflected in "Loss on disposal of UGI International energy marketing business" on the Condensed Consolidated Statements of Income. At the date of closing of the sale, these commodity derivative instruments had a net carrying value of \$206 which is attributable to net unrealized gains on such instruments.

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Notes to Condensed Consolidated Financial Statements

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Netherlands. In September 2023, a substantial number of DVEP's customers agreed to modify their energy marketing contracts whereby the Company would continue to provide the delivery of electricity and natural gas at fixed prices through December 31, 2023, with the Company's obligations to provide future services terminated effective January 1, 2024. As consideration for the early termination of such contracts, the Company has agreed to make cash payments to the customers equal to the fair values of specific commodity derivative instruments associated with periods after December 31, 2023. The early termination agreements with DVEP customers are considered contract modifications and the cash consideration paid to these customers has been reflected as a reduction in revenues, on a pro-rata basis, over the remaining performance period of such agreements through December 31, 2023. During the first quarter of Fiscal 2024, the Company settled the commodity derivative instruments for a gain of \$46, which represents the fair value of the specific commodity derivative instruments associated with periods after December 31, 2023, and reduced its revenues from these customers by \$42, which represents the pro-rated performance obligation from October 1, 2023 through December 31, 2023.

In conjunction with the wind-down of its European energy marketing business, Additionally, in December 2023, DVEP completed a sale of a substantial portion of its power purchase agreements to a third party for a total consideration to the buyer of \$5. In conjunction with the sale, the Company \$5 and recorded a loss of \$5, which is reflected in "Other operating income, expense (income), net" on the Condensed Consolidated Statements of Income.

During the first quarter of Fiscal 2023, the Company recorded a \$19 pre-tax impairment charge to reduce the carrying values of certain assets associated with its energy marketing business in the Netherlands, comprising property, plant and equipment and intangible assets. The impairment charge is reflected in "Operating and administrative expenses" on the Condensed Consolidated Statements of Income and included in the UGI International reportable segment.

Note 6 — Inventories

Inventories comprise the following:

	June 30, 2024	September 30, 2023	June 30, 2023
	December 31, 2024	September 30, 2024	December 31, 2023
Non-utility LPG and natural gas			
Gas Utility natural gas			
Energy certificates			
Materials, supplies and other			
Total inventories			

UGI CORPORATION AND SUBSIDIARIES

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(Currency in millions, except per share amounts and where indicated otherwise)

Note 7 — Utility Regulatory Assets and Liabilities and Regulatory Matters

For a description of the Company's regulatory assets and liabilities, other than those described below, see Note 9 in the Company's 2023 2024 Annual Report. Other than removal costs, Utilities currently does not recover a rate of return on its regulatory assets listed below. The following regulatory assets and liabilities associated with Utilities are included on the Condensed Consolidated Balance Sheets:

	June 30, 2024	September 30, 2023	June 30, 2023
	December 31, 2024	September 30, 2024	December 31, 2023
Regulatory assets (a):			
Income taxes recoverable			
Income taxes recoverable			
Income taxes recoverable			
Underfunded pension plans			
Environmental costs			
Deferred fuel and power costs			
Removal costs, net			
Other			
Total regulatory assets			
Regulatory liabilities (a):			
Postretirement benefit overcollections			
Postretirement benefit overcollections			
Postretirement benefit overcollections			
Postretirement benefits			
Postretirement benefits			
Postretirement benefits			
Deferred fuel and power refunds			
Deferred fuel and power refunds			
Deferred fuel and power refunds			
State tax benefits — distribution system repairs			
State income tax benefits — distribution system repairs			
Excess federal deferred income taxes			
Excess federal deferred income taxes			
Excess federal deferred income taxes			
Other			

Total regulatory liabilities

(a) Current regulatory assets are included in "Prepaid expenses and other current assets" and regulatory liabilities are included in "Other current liabilities" and "Other noncurrent liabilities" on the Condensed Consolidated Balance Sheets.

Deferred fuel and power - costs and refunds. Utilities' tariffs contain clauses that permit recovery of all prudently incurred purchased gas and power costs through the application of PGC rates, PGA rates and DS tariffs. These clauses provide for periodic adjustments to PGC, PGA and DS rates for differences between the total amount of purchased gas and electric generation supply costs billed to customers and recoverable costs incurred. Net **undercollected****underbilled** costs are classified as a regulatory asset and net **overcollections****overbillings** are classified as a regulatory liability.

PA Gas Utility uses derivative instruments to reduce volatility in the cost of gas it purchases for retail core-market customers. Realized and unrealized gains or losses on natural gas derivative instruments are included in deferred fuel and power costs or refunds. Net unrealized **losses****gains (losses)** on such contracts at **June 30, 2024****December 31, 2024**, **September 30, 2023****September 30, 2024** and **June 30, 2023****December 31, 2023** were **\$1****\$6**, **\$2** and **\$7****(\$11)**, respectively.

Other Regulatory Matters

UGI Utilities. On **January 27, 2023**, Electric Utility filed a request with the PAPUC to increase its annual base distribution revenues by **\$11**. On **September 21, 2023**, the PAPUC issued a final order approving a settlement providing for a **\$9** annual base distribution rate increase for Electric Utility, effective **October 1, 2023**.

On **January 28, 2022****January 27, 2025**, PA Gas Utility filed a request with the PAPUC to increase its base operating revenues for residential, commercial and industrial customers by **\$83****\$110** annually. On **September 15, 2022**, the PAPUC issued a final order approving a settlement providing for a **\$49** annual base distribution rate increase for The increased revenues would fund ongoing system improvements and operations necessary to maintain safe and reliable natural gas service. PA Gas Utility through requested the new gas rates become effective **March 28, 2025**. However, the PAPUC typically suspends the effective date for general base rate proceedings for a phased approach, with **\$38** beginning **October 29, 2022** period not to exceed nine months after the filing date to allow for investigation and an additional **\$11** beginning **October 1, 2023**. In accordance with public hearings. We cannot predict the terms timing or the ultimate outcome of the final order, PA Gas Utility was not permitted to file a rate case prior to **January 1, 2024**. Also in accordance with the terms of the final order, PA Gas Utility was authorized to implement a weather normalization adjustment rider as a five-year pilot program beginning on **November 1, 2022**. Under this rider, when weather deviates from normal by more than 3%, for bills rendered during the period of **October 1** through **May 31**, residential and small commercial customer billings for distribution services are adjusted monthly for weather related impacts exceeding the 3% threshold. Additionally, under the terms of the final order, PA

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Gas Utility was authorized to implement a DSIC once its total property, plant and equipment less accumulated depreciation reached **\$3,368** (which threshold was achieved in **September 2022**). review process.

Mountaineer. On **July 31, 2024**, **Mountaineer WV Gas Utility** submitted its 2024 IREP filing to the WVPSC requesting recovery of **\$19**, which includes **\$3** of prior year under-recovery, for costs associated with capital investments after December 31, 2022, that total **\$197**, including **\$74** in calendar year 2025. The filing included capital investments totaling **\$418** over the 2025 - 2029 period. On **October 28, 2024**, the WVPSC issued an order approving WV Gas Utility's request, with new rates effective **January 1, 2025**.

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On **July 31, 2023**, **Mountaineer WV Gas Utility** submitted its 2023 IREP filing to the WVPSC requesting recovery of **\$10**, an increase of **\$6**, for costs associated with capital investments after December 31, 2022, that total **\$131**, including **\$67** in calendar year 2024. With new base rates expected to be effective **January 1, 2024**, revenues from IREP rates would decrease by **\$12**. The filing included capital investments totaling **\$383** over the 2024 - 2028 period. On **December 20, 2023**, the WVPSC issued a final order approving a settlement effective **January 1, 2024**.

On **March 6, 2023**, **Mountaineer WV Gas Utility** submitted a base rate case filing with the WVPSC seeking a net revenue increase of **\$20**, which **consists** of an increase in base rates of **\$38** and a decrease in the IREP rates of **\$18** annually, annually to be effective on **April 5, 2023**. On **March 31, 2023**, the WVPSC suspended the effective date of the requested rate change increase until **January 1, 2024** to allow for a full review of the filing. On **October 6, 2023**, **Mountaineer WV Gas Utility** filed a joint stipulation and agreement for settlement of the base rate case, which included a **\$14** net revenue increase, effective **January 1, 2024**. On **December 21, 2023**, the WVPSC issued a final order approving the joint stipulation and agreement, except the WVPSC authorized **Mountaineer WV Gas Utility** to implement a weather normalization adjustment rider as a five-year pilot program beginning on **October 1, 2024**. The new rates went into effect on **January 1, 2024**. On **April 11, 2024**, the WVPSC approved the calculation methodology submitted by **Mountaineer WV Gas Utility** on **March 28, 2024**. Under this rider, when weather deviates from normal by more than 2%, for service rendered during the period October 1 through May 31, residential and small commercial customer billings for distribution services are adjusted for weather related impacts exceeding the 2% threshold.

On **July 29, 2022**, Mountaineer submitted its 2022 IREP filing to the WVPSC requesting recovery of costs associated with capital investments totaling **\$354** over the 2023 - 2027 period, including **\$64** in calendar year 2023. On **December 21, 2022**, the WVPSC issued a final order approving a settlement for **\$22** in cumulative revenue, effective **January 1, 2023**.

2023.

Note 8 — Debt

Significant Financing Activities

The following significant financing activities occurred during **Fiscal 2024**, the three months ended December 31, 2024.

Utilities

Mountaineer Credit Agreement. In April 2024, Mountaineer entered into the fourth amendment to the Mountaineer Credit Agreement, which extends the maturity date of the agreement from November 2024 to December 2025. The applicable margin remains unchanged from the original credit agreement.

UGI Utilities Senior Notes. In November **2023**, 2024, UGI Utilities entered into a Note Purchase Agreement with a consortium of lenders. Pursuant to the Note Purchase Agreement, UGI Utilities issued (1) \$25 aggregate principal amount of **6.02%** 5.24% Senior Notes due **November 30, 2030**; (2) \$150 **November 30, 2029**, and \$125 aggregate principal amount of **6.10%** 5.52% Senior Notes due **November 30, 2033**; and (3) \$75 aggregate principal amount of 6.40% Senior Notes due **November 30, 2053** **November 30, 2034**. The Note Purchase Agreement contains customary covenants and default provisions and requires compliance with certain financial covenants including a leverage ratio and priority debt ratio as defined in the agreement. These senior notes are unsecured and rank equally with UGI Utilities' existing outstanding senior debt. The net proceeds from these issuances were used to reduce short-term borrowings and for general corporate purposes.

Midstream & Marketing

UGI Utilities 2023 Credit Agreement. Energy Services Receivables Facility. Energy Services has a Receivables Facility with an issuer of receivables-backed commercial paper. In November 2023, UGI Utilities entered into October 2024, the UGI Utilities 2023 Credit Agreement providing for borrowings expiration date of the Receivables Facility was extended to October 2025. The Receivables Facility provides Energy Services with the ability to borrow up to \$375 (including a \$50 sublimit for letters \$150 of credit eligible receivables during the period October 18, 2024 to April 30, 2025, and a \$38 sublimit for swingline loans). UGI Utilities may up to \$75 of eligible receivables during the period May 1, 2025 to October 17, 2025, with the option to request an increase in the amount of loan commitments under the credit agreement to a maximum aggregate amount of \$125, \$50. The interest rates applicable rate of the Receivables Facility was replaced with a SOFR based interest rate effective with the extension in October 2024. Energy Services uses the Receivables Facility to borrowings fund working capital, margin calls under the UGI Utilities 2023 Credit Agreement remain unchanged from its predecessor agreement, the UGI Utilities Credit Agreement. The UGI Utilities 2023 Credit Agreement contains customary covenants and default provisions and requires compliance with certain financial covenants including a maximum debt to capitalization ratio as defined in the agreement. The credit agreement is scheduled to expire in November 2028. Borrowings under the credit agreement may be used to refinance UGI Utilities' existing indebtedness commodity futures contracts, capital expenditures, dividends and for general corporate purposes and ongoing working capital needs purposes.

AmeriGas Propane

AmeriGas Senior Secured Revolving Credit Facility. In October 2024, AmeriGas OLP amended the AmeriGas Senior Secured Revolving Credit Facility to increase total commitments from \$200 to a total of **UGI Utilities** \$300. The maximum borrowings permitted to

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be made at any time under the Credit Agreement is equal to the lesser of (x) the Formula Amount for the borrowing base and (y) the Maximum Revolving Advance Amount, as defined in the agreement.

Midstream & Marketing UGI Corporation

Energy Services Term Loan UGI Corporation 2025 Credit Agreement. In June October 2024, Energy Services UGI entered into the second amendment to the Energy Services Term Loan Credit Agreement. The Energy Services Term Loan a new UGI Corporation 2025 Credit Agreement, as amended, provides, among other items, that the applicable margin shall be 2.50% per annum for Term SOFR loans and 1.50% per annum for base rate loans. All other significant terms consisting of the term loan (1) a \$475 senior secured revolving credit agreement remain unchanged.

Energy Services Credit Agreement. In May 2024, Energy Services entered into the fourth amendment to the UGI Energy Services Credit Agreement. The amended credit agreement provides for borrowings up to \$300, facility, including a \$50 \$10 sublimit for letters of credit, credit and (2) a \$400 senior secured variable-rate term loan. The revolving credit facility is scheduled to expire in October 2028 and the term loan facility is scheduled to mature in October 2027. Borrowings under the credit agreement are secured by a pledge of UGI's equity in its material subsidiaries, as defined in the UGI Corporation 2025 Credit Agreement, excluding UGI Utilities and Mountaintop Energy Holdings, LLC, subject to certain additional exceptions and carveouts. Proceeds from the UGI Corporation 2025 Credit Agreement were used to prepay all borrowings under the UGI Corporation Credit Facility Agreement due August 29, 2025 and, concurrent with such repayment, terminated the agreement.

Borrowings under the UGI Energy Services Corporation 2025 Credit Agreement as amended, bear interest, subject to our election, at a rate per annum equal to (i) the alternative base rate plus the applicable margin rate as defined by the agreement or (ii) the adjusted Term SOFR rate plus the applicable margin rate as defined by the agreement. The Company has entered into an interest rate swap agreement that will generally fix the underlying market-based interest rate on the variable-rate loan through September 2027. Borrowings under the credit agreement can be used for general corporate purposes and ongoing working capital needs of Energy Services the Company. Because management currently intends to maintain a substantial portion of the amounts outstanding under the \$475 revolving credit facility beyond twelve months, and is scheduled has the ability to expire in May 2028. All other significant do so under the terms of the credit agreement remain unchanged.

UGI International

UGI International 2023 Credit Agreement. In June 2024, UGI International, LLC and its indirect wholly-owned subsidiary, UGI International Holdings B.V., entered into the first amendment to the UGI International 2023 Credit Agreement, which provides for the establishment and incorporation of specific key performance indicators with respect to Environmental, Social and Governance targets, whereby based on UGI International, LLC's performance against the key performance indicators, certain adjustments of up to 0.05% in total to the applicable margin may be made. All other significant terms of the credit agreement remain unchanged.

AmeriGas Propane

AmeriGas Senior Secured Revolving Credit Facility. In August 2024, AmeriGas OLP entered into the AmeriGas Senior Secured Revolving Credit Facility, a five-year senior secured borrowings under this revolving credit facility maturing August 2029, providing for borrowings up to \$200 (including a \$20 sublimit for letters of credit). AmeriGas OLP may request an increase in the amount of loan commitments up to a maximum aggregate amount of \$150. Borrowings under this credit facility bear interest, subject to our election, at a floating rate of either (i) the base rate plus the applicable margin or (ii) the adjusted term SOFR rate plus the applicable margin, have been classified as defined by the agreement. The applicable margin for base rate loans ranges from 0.75% to 1.25%, and for SOFR loans from 1.75% to 2.25%. The borrowings under this credit agreement are secured by certain assets of AmeriGas OLP, including, but not limited to, accounts receivables and inventory, and are guaranteed by any material subsidiaries of AmeriGas OLP. This credit facility contains customary covenants and default provisions. In addition, this credit facility requires AmeriGas OLP to abide by certain financial covenants from time to time including a minimum fixed charge coverage ratio and a senior notes liquidity covenant as defined in the agreement. Borrowings under this credit facility were used to pay off borrowings under the 2022 AmeriGas OLP Credit Agreement and are available for general corporate purposes and ongoing working capital needs of AmeriGas OLP. Concurrently with entering into AmeriGas Senior Secured Revolving Credit Facility, AmeriGas OLP terminated the 2022 AmeriGas OLP Credit Agreement.

AmeriGas Partners Senior Notes. In June 2024, pursuant to an early tender offer, AmeriGas Partners and AmeriGas Finance Corp. repurchased \$475 aggregate principal amount of the 5.50% Senior Notes due May 2025. Cash on hand, a \$315 cash contribution from the Company and other sources of liquidity were used for the repurchase. Following the repurchase, \$218 aggregate principal amount of these senior notes remain outstanding at June 30, 2024, and are included in "Current maturities of long-term "Long-term debt" on the Condensed Consolidated Balance Sheets Sheet.

In March 2024, AmeriGas Partners and AmeriGas Finance Corp. entered into separate, privately negotiated repurchase agreements with a limited number of holders of the outstanding senior notes to repurchase \$38 aggregate principal amount of the senior notes. AmeriGas Partners and AmeriGas Finance Corp. repurchased \$7, \$11, \$13, and \$7 par value of its issued and outstanding 5.50% Senior Notes, 5.875% Senior Notes, 5.75% Senior Notes, and 9.375% Senior Notes, respectively.

Following these repurchases, \$1,887 aggregate principal amount of these senior notes remain outstanding at June 30, 2024.

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UGI Corporation

UGI Corporation Senior Notes. Notes

In June 2024, UGI issued, in an underwritten private placement, an aggregate \$700 principal amount of 5.00% UGI Corporation Senior Notes due June 2028. The UGI Corporation Senior Notes are senior, unsecured obligations and rank equal in right of payment with our existing and future senior, unsecured indebtedness. Interest is payable semi-annually on June 1 and December 1 of each year, beginning on December 1, 2024, and will mature on June 1, 2028, unless earlier repurchased or converted. The net proceeds from the issuance of the UGI Corporation Senior Notes of approximately \$682, after underwriters fees and other debt issuance costs, were used (1) to repay a portion of borrowings under the UGI Corporation Credit Facilities; (2) to make cash contribution of \$315 to the Partnership to repay a portion of its 5.50% Senior Notes as described above; and (3) for general corporate purposes.

The UGI Corporation Senior Notes are convertible subject to the occurrence of certain events and circumstances. Before March 1, 2028, noteholders will have the right to convert their notes only upon the occurrence of certain events as follows:

1. During any fiscal quarter commencing after the fiscal quarter ending September 30, 2024, if the market price of the Company's common stock reaches 130% of the conversion price (initially \$27.60) for a specified period of time;
2. The trading price of the Notes falls below 98% of the product of the sale price of the Company's common stock and the conversion rate, for a specified period. The Company is not obligated to track the trading price of the notes unless a holder of the notes provides the Company reasonable evidence that the Notes are trading at 98% of the product of the sale price of the Company's common stock and the conversion rate;

3. Upon the occurrence of specific corporate events related to specific types of distributions as defined in the Indenture; or
4. Upon the occurrence of a Fundamental Change, Make Whole Fundamental Change or Common Stock Change Event as defined in the indenture

From and after March 1, 2028, holders of the UGI Corporation Senior Notes may convert their notes at any time at their election until the close of business on the second scheduled trading day immediately before the maturity date.

As of **June 30, 2024** December 31, 2024, none of the events permitting the noteholders to convert their notes early occurred. Accordingly, the UGI Corporation Senior Notes are classified as "Long-term debt" on the Condensed Consolidated Balance Sheet at June 30, 2024.

Upon conversion, Sheets. For the three months ended December 31, 2024, the Company will pay cash up recognized \$10 of interest expense, including amortization of debt issuance costs, related to the aggregate principal amount of the UGI Corporation Senior notes. For Notes at the remainder effective interest rate of 5.62%.

We estimate the amount in excess fair value of the aggregate principal amount, if applicable, the Company will have the sole right to elect the settlement method upon conversion which can be either entirely in long-term debt by using current market rates and by discounting future cash or in a combination of cash and shares of its common stock. flows using rates available for similar type debt (Level 2). The default settlement method as defined in the agreement is a combination settlement with a specified dollar amount of \$1,000 per \$1,000 principal estimated fair values of the UGI Corporation Senior Notes were \$797 and any incremental value settled in shares of \$744 at December 31, 2024 and September 30, 2024, respectively.

See the Company's common stock. The initial conversion rate is 36.2319 shares of the Company's common stock per \$1,000 principal amount of the 2024 Annual Report for additional information on our UGI Corporation Senior Notes, which represents Notes.

Subsequent Events

On February 4, 2025, UGI International borrowed \$221 under its revolving credit facility. The proceeds from these borrowings were subsequently used to fund an initial conversion price intercompany loan of approximately \$27.60 per share \$221 to AmeriGas Partners. AmeriGas Partners expects to use the proceeds from the intercompany loan to redeem the outstanding principal balance of the Company's common stock. The conversion rate and conversion price will be subject to customary adjustments upon the occurrence of certain events. In addition, if certain corporate events that constitute a "Make-Whole Fundamental Change" (as defined in the Indenture) occur, then the conversion rate will, in certain circumstances, be increased for a specified period of time.

The Company may not redeem the UGI Corporation 5.50% Senior Notes at its option before maturity.

UGI Corporation Credit Facility Agreement. In April 2024, UGI entered into maturing in May 2025. Concurrent with the fourth amendment to intercompany loan agreement, on February 5, 2025, AmeriGas Partners issued a notice of early redemption for the UGI Corporation Credit Facility Agreement which extended remaining 5.50% Senior Notes maturing in May 2025, having an aggregate principal balance of \$218, plus accrued and unpaid interest. These 5.50% Senior Notes are included in "Current maturities of long-term debt" on the maturity date of a substantial portion of the (1) \$215 delayed draw term loan facility, (2) \$300 term loan facility, (3) \$250 term loan facility, and (4) \$300 revolving credit facility to August 29, 2025. In addition, the fourth amendment to the UGI Corporation Credit Facility Agreement increased the applicable rate (as defined in the UGI Corporation Credit Facility Agreement, as amended) of the \$215 delayed draw term loan facility, and the \$300 term loan facility by 0.375%. All other significant terms of the credit agreement remain unchanged. Condensed Consolidated Balance Sheet.

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Loss on Extinguishments of Debt

In conjunction with the amendment to the Energy Services Term Loan Credit Agreement and the early repayments of AmeriGas Partners' Senior Notes, during the third quarter of Fiscal 2024, the Company recognized a pre-tax loss of \$7, primarily comprising tender premiums and the write-off of unamortized debt issuance costs.

In June 2023, pursuant to a tender offer and notice of redemption, AmeriGas Partners repaid in full all AmeriGas Partners' 5.625% Senior Notes having an aggregate principal balance of \$675. In conjunction with such early repayment, during the third quarter of Fiscal 2023, the Partnership recognized a pre-tax loss of \$9, primarily comprising tender premiums and the write-off of unamortized debt issuance costs.

Losses in connection with early repayment of debt are reflected in "Loss on extinguishments of debt" on the Condensed Consolidated Statements of Income.

Note 9 — Commitments and Contingencies

Environmental Matters

UGI Utilities

From the late 1800s through the mid-1900s, UGI Utilities and its former subsidiaries owned and operated a number of MGPs prior to the general availability of natural gas. Some constituents of coal tars and other residues of the manufactured gas process are today considered hazardous substances under the Superfund Law and may be present on the sites

of former MGPs. Between 1882 and 1953, UGI Utilities owned the stock of subsidiary gas companies in Pennsylvania and elsewhere and also operated the businesses of some gas companies under agreement. By the early 1950s, UGI Utilities divested all of its utility operations other than certain gas and electric operations. Beginning in 2006 and 2008, UGI Utilities also owned and operated two acquired subsidiaries, with similar histories of owning, and in some cases operating, MGPs in Pennsylvania.

UGI Utilities is subject to a COA with the PADEP to address the remediation of specified former MGP sites in Pennsylvania, which is scheduled to terminate at the end of 2031. In accordance with the COA, UGI Utilities is required to either obtain a certain number of points per calendar year based on defined eligible environmental investigatory and/or remedial activities at the MGPs, or make expenditures for such activities in an amount equal to an annual environmental minimum expenditure threshold. The annual minimum expenditure threshold of the COA is \$5. At June 30, 2024 December 31, 2024, September 30, 2023 September 30, 2024 and June 30, 2023 December 31, 2023, our aggregate estimated accrued liabilities for environmental investigation and remediation costs related to the COA totaled \$53, \$52, \$54 and \$52, \$50, respectively.

We do not expect the costs for investigation and remediation of hazardous substances at Pennsylvania MGP sites to be material to UGI Utilities' results of operations because UGI Utilities receives ratemaking recovery of actual environmental investigation and remediation costs associated with the sites covered by the COA. This ratemaking recognition reconciles the accumulated difference between historical costs and rate recoveries with an estimate of future costs associated with the sites. As such, UGI Utilities has recorded an associated regulatory asset for these costs because recovery of these costs from customers is probable (see Note 7).

From time to time, UGI Utilities is notified of sites outside Pennsylvania on which private parties allege MGPs were formerly owned or operated by UGI Utilities or owned or operated by a former subsidiary. Such parties generally investigate the extent of environmental contamination or perform environmental remediation. Management believes that under applicable law, UGI Utilities should not be liable in those instances in which a former subsidiary owned or operated an MGP. There could be, however, significant future costs of an uncertain amount associated with environmental damage caused by MGPs outside Pennsylvania that UGI Utilities directly operated, or that were owned or operated by a former subsidiary of UGI Utilities if a court were to conclude that (1) the subsidiary's separate corporate form should be disregarded, or (2) UGI Utilities should be considered to have been an operator because of its conduct with respect to its subsidiary's MGP. Neither the undiscounted nor the accrued liability for environmental investigation and cleanup costs for UGI Utilities' MGP sites outside Pennsylvania were material for all periods presented.

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AmeriGas Propane

AmeriGas OLP Saranac Lake. In 2008, the NYDEC notified AmeriGas OLP that the NYDEC had placed property purportedly owned by AmeriGas OLP in Saranac Lake, New York on the New York State Registry of Inactive Hazardous Waste Disposal Sites. A site characterization study performed by the NYDEC disclosed contamination related to a former MGP. AmeriGas OLP responded to the NYDEC in 2009 to dispute the contention it was a PRP as it did not operate the MGP and appeared to only own a portion of the site. In 2017, the NYDEC communicated to AmeriGas OLP that the NYDEC had previously issued three RODs related to remediation of the site totaling approximately \$28 and requested additional information regarding AmeriGas OLP's purported ownership. AmeriGas OLP renewed its challenge to designation as a PRP and identified potential defenses. The NYDEC subsequently identified a third party PRP with respect to the site.

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The NYDEC commenced implementation of the remediation plan in the spring of 2018. In Fiscal 2024, the NYDEC informed AmeriGas OLP that the remediation plan had been completed at a total cost of approximately \$19. The New York Office of the Attorney General, as counsel for the NYDEC, invited AmeriGas OLP to participate in settlement discussions. Based on our evaluation of the available information as of June 30, 2024 December 31, 2024, the Partnership has an undiscounted environmental remediation liability of \$8 related to the site. Our share of the actual remediation costs could be significantly more or less than the accrued amount.

Other Matters

West Reading, Pennsylvania Explosion. On March 24, 2023, an explosion occurred in West Reading, Pennsylvania which resulted in seven fatalities, significant injuries to eleven at least ten others, and extensive property damage to buildings owned by R.M. Palmer, a local chocolate manufacturer, and other neighboring structures. The NTSB and the PAPUC are investigating the West Reading incident. On July 18, 2023, the NTSB issued an Investigative Update in its ongoing investigation and on February 22, 2024 it released its investigation docket including factual reports and detailed incident documentation. The NTSB report which identified a fracture in a retired UGI Utilities gas service tee and a fracture in a nearby R.M. Palmer steam system, but it does not address causation of the fractures or the explosion. system. The NTSB investigative team includes representatives from the Company, the PAPUC, the local fire department and the Pipeline and Hazardous Materials Safety Administration. The Company is cooperating with the investigation. The NTSB may invite other parties to participate. In September 2023, OSHA closed their investigation of this matter, without any finding pertaining to UGI Utilities. On December 10, 2024, the NTSB staff presented its draft findings to the NTSB Board.

While awaiting the investigation into this incident is still underway and the cause of the explosion has not been determined, final NTSB report, the Company has received claims as a result of the explosion and is involved in lawsuits relative to the incident. The Company maintains liability insurance for personal injury, property and casualty damages and believes that third-party claims associated with the explosion, in excess of the Company's deductible, are recoverable through the Company's insurance. The Company cannot predict the result of these pending or future claims and legal actions at this time.

Regarding these pending claims and legal actions, the Company does not believe, at this early stage, that there is sufficient information available to reasonably estimate a range of loss, if any, or conclude that the final outcome of these matters will or will not have a material effect on our financial statements.

In addition to the matters described above, there are other pending claims and legal actions arising in the normal course of our businesses. Although we cannot predict the final results of these pending claims and legal actions, including those described above, we believe, after consultation with counsel, that the final outcome of these matters will not have a material effect on our financial statements.

UGI International

In the first quarter of Fiscal 2024, UGI France initiated VDPs in consultation with the French Works Councils, pursuant to which employees are incentivized to voluntarily terminate employment or may be subject to involuntary termination to achieve certain workforce reductions. As of June 30, 2024, the likelihood of termination benefits under VDPs was probable and the amount of such benefits was reasonably estimable. As a result, for the nine months ended June 30, 2024, UGI International recorded pre-tax severance and other related expenses of \$38, which are reflected in "Operating and administrative expenses" on the Condensed Consolidated Statements of Income.

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Note 10 — Defined Benefit Pension and Other Postretirement Plans

The Company maintains defined benefit pension plans and other postretirement plans for certain current and former employees. The service cost component of our pension and other postretirement plans, net of amounts capitalized, is reflected in "Operating and administrative expenses" on the Condensed Consolidated Statements of Income. The non-service cost components, net of amounts capitalized by Utilities as a regulatory asset, are reflected in "Other non-operating income (expense), net" on the Condensed Consolidated Statements of Income. Other postretirement benefit cost was not material for all periods presented.

Net periodic pension benefit cost (income) includes the following components:

	Pension Benefits	
	2024	2023
Three Months Ended June 30,		
Service cost		
Interest cost		
Expected return on assets		
Amortization of:		
Amortization of:		
Amortization of:		
Actuarial gain		
Actuarial gain		
Actuarial gain		
Net benefit income		
	Pension Benefits	
Nine Months Ended June 30,	2024	2023
Three Months Ended December 31,		
Three Months Ended December 31,		
Three Months Ended December 31,	2024	2023
Service cost		
Interest cost		
Expected return on plan assets		
Amortization of:		
Amortization of:		
Amortization of:		
Actuarial loss (gain)		
Actuarial loss (gain)		
Actuarial loss (gain)		
Net benefit cost (income)		

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Note 11 — Fair Value Measurements

Recurring Fair Value Measurements

The following table presents, on a gross basis, our financial assets and liabilities, including both current and noncurrent portions, that are measured at fair value on a recurring basis within the fair value hierarchy:

	Asset (Liability)				Asset (Liability)				
	Level 1	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
June 30, 2024:									
December 31, 2024:									
Derivative instruments:									
Derivative instruments:									
Derivative instruments:									
Assets:									
Assets:									
Assets:									
Commodity contracts									
Commodity contracts									
Commodity contracts									
Foreign currency contracts									
Interest rate contracts									
Liabilities:									
Liabilities:									
Liabilities:									
Commodity contracts									
Commodity contracts									
Commodity contracts									
Foreign currency contracts									
Interest rate contracts									
Non-qualified supplemental postretirement grantor trust investments (a)									
Non-qualified supplemental postretirement grantor trust investments (a)									
Non-qualified supplemental postretirement grantor trust investments (a)									
September 30, 2023:									
September 30, 2024:									
Derivative instruments:									
Derivative instruments:									
Derivative instruments:									
Assets:									
Assets:									
Assets:									
Commodity contracts (b)									
Commodity contracts (b)									
Commodity contracts (b)									
Commodity contracts									
Commodity contracts									
Commodity contracts									
Foreign currency contracts									

Interest rate contracts
Liabilities:
Liabilities:
Liabilities:
Commodity contracts (b)
Commodity contracts (b)
Commodity contracts (b)
Commodity contracts
Commodity contracts
Commodity contracts
Foreign currency contracts
Interest rate contracts
Non-qualified supplemental postretirement grantor trust investments (a)
Non-qualified supplemental postretirement grantor trust investments (a)
Non-qualified supplemental postretirement grantor trust investments (a)
June 30, 2023:
December 31, 2023:
Derivative instruments:
Derivative instruments:
Derivative instruments:
Assets:
Assets:
Assets:
Commodity contracts (b)
Commodity contracts (b)
Commodity contracts (b)
Commodity contracts
Commodity contracts
Commodity contracts
Foreign currency contracts
Interest rate contracts
Liabilities:
Liabilities:
Liabilities:
Commodity contracts (b)
Commodity contracts (b)
Commodity contracts (b)
Commodity contracts
Commodity contracts
Commodity contracts
Foreign currency contracts
Interest rate contracts
Non-qualified supplemental postretirement grantor trust investments (a)
Non-qualified supplemental postretirement grantor trust investments (a)
Non-qualified supplemental postretirement grantor trust investments (a)

(a) Consists primarily of mutual fund investments held in grantor trusts associated with non-qualified supplemental retirement plans.

(b) **Includes derivative assets and liabilities associated with certain UGI International energy marketing business transactions that qualified for held for sale accounting and are included in "Prepaid expenses and other current assets" and "Other current liabilities" on the Condensed Consolidated Balance Sheets (see Note 5).**

The fair values of our Level 1 exchange-traded commodity futures and option contracts and non-exchange-traded commodity futures and forward contracts are based upon actively quoted market prices for identical assets and liabilities. Substantially all of the remaining derivative instruments are designated as Level 2. The fair values of certain non-exchange-traded commodity

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of the remaining derivative instruments are designated as Level 2. The fair values of certain non-exchange-traded commodity derivatives designated as Level 2 are based upon indicative price quotations available through brokers, industry price publications or recent market transactions and related market indicators. The fair values of our Level 2 interest rate contracts and foreign currency contracts are based upon third-party quotes or indicative values based on recent market transactions. The fair values of investments held in grantor trusts are derived from quoted market prices as substantially all of the investments in these trusts have active markets.

Nonrecurring Fair Value Measurements

During the quarter ended June 30, 2024, in connection with the pending disposition of UGID, we recognized a non-cash, pre-tax impairment charge of \$62 to reduce the carrying amount of UGID's long-lived assets included in the disposal group to their estimated fair value. The Company determined the estimated fair value of such assets fell within Level 2 of the fair value hierarchy and was based upon the estimated sales price. See Note 5 for additional information on the pending disposition of UGID.

Other Financial Instruments

The carrying amounts of other financial instruments included in current assets and current liabilities (except for current maturities of long-term debt) approximate their fair values because of their short-term nature. We estimate the fair value of long-term debt by using current market rates and by discounting future cash flows using rates available for similar type debt (Level 2). The carrying amounts and estimated fair values of our long-term debt (including current maturities but excluding unamortized debt issuance costs) were as follows:

	June 30, 2024	September 30, 2023	June 30, 2023
	December 31, 2024	September 30, 2024	December 31, 2023
Carrying amount			
Estimated fair value			

Financial instruments other than derivative instruments, such as short-term investments and trade accounts receivable, could expose us to concentrations of credit risk. We limit credit risk from short-term investments by investing only in investment-grade commercial paper, money market mutual funds, securities guaranteed by the U.S. Government or its agencies and FDIC insured bank deposits. The credit risk arising from concentrations of trade accounts receivable is limited because we have a large customer base that extends across many different U.S. markets and a number of foreign countries. For information regarding concentrations of credit risk associated with our derivative instruments, see Note 12.¹²

Note 12 — Derivative Instruments and Hedging Activities

We are exposed to certain market risks related to our ongoing business operations. Management uses derivative financial and commodity instruments, among other things, to manage: (1) commodity price risk; (2) interest rate risk; and (3) foreign currency exchange rate risk. Although we use derivative financial and commodity instruments to reduce market risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes. The use of derivative instruments is controlled by our risk management and credit policies, which govern, among other things, the derivative instruments we can use, counterparty credit limits and contract authorization limits. Although our commodity derivative instruments extend over a number of years, a significant portion of our commodity derivative instruments economically hedge commodity price risk during the next twelve months. See Note 2 for information on the accounting for our derivative instruments, see Note 2. instruments.

The following sections summarize the types of derivative instruments used by the Company to manage these market risks.

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Commodity Price Risk

Regulated Utility Operations

Natural Gas

PA Gas Utility's tariffs contain clauses that permit recovery of all prudently incurred costs of natural gas it sells to retail core-market customers, including the cost of financial instruments used to hedge purchased gas costs. As permitted and agreed to by the PAPUC pursuant to PA Gas Utility's annual PGC filings, PA Gas Utility currently uses NYMEX natural gas futures and option contracts to reduce commodity price volatility associated with a portion of the natural gas it purchases for its retail core-market customers. See Note 7 for further information on the regulatory accounting treatment for these derivative instruments.

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Non-utility Operations

LPG

In order to manage market price risk associated with the Partnership's fixed-price programs and to reduce the effects of short-term commodity price volatility, the Partnership uses over-the-counter derivative commodity instruments, principally price swap contracts. In addition, the Partnership and our UGI International operations also use over-the-counter price swap and option contracts to reduce commodity price volatility associated with a portion of their forecasted LPG purchases.

Natural Gas

In order to manage market price risk relating to fixed-price sales contracts for physical natural gas, Midstream & Marketing enters into NYMEX and over-the-counter natural gas futures and over-the-counter and ICE natural gas basis swap contracts. In addition, Midstream & Marketing uses NYMEX and over-the-counter futures and options contracts to economically hedge price volatility associated with the gross margin derived from the purchase and anticipated later near-term sale of natural gas storage inventories. Outside of the financial market, Midstream & Marketing also uses ICE and over-the-counter forward physical contracts. UGI International also uses natural gas futures and forward contracts to economically hedge market price risk associated with a substantial portion of anticipated volumes under fixed-price sales contracts with its customers. See Note 5 for information on the exit of substantially all of the Company's European energy marketing business, business in Europe.

Electricity

In order to manage market price risk relating to fixed-price sales contracts for electricity, Midstream & Marketing enters into electricity futures and forward contracts. Midstream & Marketing, through UGID, also uses NYMEX and over-the-counter electricity futures contracts to economically hedge the price of a portion of its anticipated future sales of electricity from its electric generation facilities, facilities, prior to its sale of UGID in September 2024. UGI International also uses electricity futures and forward contracts to economically hedge market price risk associated with fixed-price sales and purchase contracts for electricity. See Note 5 for information on the exit of substantially all of the Company's European energy marketing business and the pending disposition of UGID, business.

Interest Rate Risk

Certain of our long-term debt agreements have interest rates that are generally indexed to short-term market interest rates. In order to fix the underlying short-term market interest rates, we may enter into pay-fixed, receive-variable interest rate swap agreements and designate such swaps as cash flow hedges. In March 2023, in connection with the Energy Services Amended Term Loan Credit Agreement, Energy Services terminated and settled its existing interest rate swap associated with the Energy Services Term Loan Credit Agreement at a \$32 gain. This gain was deferred in AOCI and was amortized to interest expense over the remaining term of the initial interest rate swap through July 2024.

The remainder of our long-term debt is typically issued at fixed rates of interest. As this long-term debt matures, we typically refinance such debt with new debt having interest rates reflecting then-current market conditions. In order to reduce market rate risk on the underlying benchmark rate of interest associated with near- to medium-term forecasted issuances of fixed-rate debt, from time to time we enter into IRPAs. We account for IRPAs as cash flow hedges. There were no unsettled IRPAs during any of the periods presented. At June 30, 2024 December 31, 2024, the amount of pre-tax net gains (gains) losses associated with interest rate hedges expected to be reclassified into earnings during the next twelve months is \$9.55.

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Foreign Currency Exchange Rate Risk

Forward Foreign Currency Exchange Contracts

In order to reduce the volatility in net income associated with our foreign operations, principally as a result of changes in the USD exchange rate to the euro and British pound sterling, we enter into forward foreign currency exchange contracts. We layer in these foreign currency exchange contracts over multi-year periods to eventually equal approximately 90% of anticipated UGI International foreign currency earnings before income taxes. Because these contracts are not designated as hedging instruments,

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realized and unrealized gains and losses on these contracts are recorded in "Other non-operating income (expense), net," net on the Condensed Consolidated Statements of Income.

Net Investment Hedges

From time to time, we also enter into certain forward foreign currency exchange contracts to reduce the volatility of the USD value of a portion of our UGI International euro-denominated net investments, including anticipated foreign currency denominated dividends. We account for these foreign currency exchange contracts as net investment hedges and all changes in the fair value of these contracts are reported in the cumulative translation adjustment component in AOCI. We use the spot rate method to measure ineffectiveness of our net investment hedges.

Our euro-denominated long-term debt has also been designated as net investment hedges, representing a portion of our UGI International euro-denominated net investment. We recognized pre-tax gains (losses) associated with these net investment hedges in the cumulative translation adjustment component in AOCI of **\$6 \$55** and **\$(7) \$(32)** during the three months ended **June 30, 2024** **December 31, 2024** and 2023, respectively, and **\$(9)** and **\$(80)** during the nine months ended **June 30, 2024** and 2023, respectively.

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Quantitative Disclosures Related to Derivative Instruments

The following table summarizes by derivative type the gross notional amounts related to open derivative contracts at **June 30, 2024** **December 31, 2024**, **September 30, 2023** **September 30, 2024** and **June 30, 2023** **December 31, 2023**, and the final settlement dates of the Company's open derivative contracts as of **June 30, 2024** **December 31, 2024**, but excluding those derivatives that qualified for the NPNS exception:

Type	Units	Settlements Extending Through	Notional Amounts (in millions)				
			June 30, 2024	September 30, 2023	June 30, 2023		
Commodity Price Risk:							
<i>Regulated Utility Operations</i>							
PA Gas Utility NYMEX natural gas futures and option contracts	Dekatherms	February 2025	14	38	24		
<i>Non-utility Operations</i>							
LPG swaps	Gallons	December 2026	416	727	734		
Natural gas futures, forward, basis swap, options and pipeline contracts (a)	Dekatherms	March 2028	320	338	357		
Electricity forward and futures contracts	Kilowatt hours	December 2027	651	1,260	1,586		
Interest Rate Risk:							
Interest rate swaps	Euro	March 2026	€ 300	€ 300	€ 300		
Interest rate swaps	USD	September 2026	\$ 1,260	\$ 1,270	\$ 1,274		
Foreign Currency Exchange Rate Risk:							
Forward foreign currency exchange contracts	USD	September 2027	\$ 367	\$ 425	\$ 434		
Net investment hedge forward foreign exchange contracts	Euro	December 2026	€ 181	€ 256	€ 256		

(a) Amounts at September 30, 2023 and June 30, 2023 include contracts associated with certain UGI International energy marketing business transactions that qualified for held for sale accounting treatment (see Note 5).

Type	Units	Settlements Extending Through	Notional Amounts (in millions)				
			December 31, 2024	September 30, 2024	December 31, 2023		
Commodity Price Risk:							
<i>Regulated Utility Operations</i>							
PA Gas Utility NYMEX natural gas futures and option contracts	Dekatherms	September 2025	22	26	16		
<i>Non-utility Operations</i>							
LPG swaps	Gallons	September 2027	410	458	638		
Natural gas futures, forward, basis swap, options and pipeline contracts	Dekatherms	December 2028	310	325	331		
Electricity forward and futures contracts	Kilowatt hours	December 2027	1,031	1,113	634		
Interest Rate Risk:							

Interest rate swaps	Euro	March 2026	€	300	€	300	€	300
Interest rate swaps	USD	September 2027	\$	1,228	\$	1,231	\$	1,267
Foreign Currency Exchange Rate Risk:								
Forward foreign currency exchange contracts	USD	September 2027	\$	299	\$	389	\$	348
Net investment hedge forward foreign exchange contracts	Euro	December 2026	€	181	€	181	€	256

Derivative Instrument Credit Risk

We are exposed to risk of loss in the event of nonperformance by our derivative instrument counterparties. Our derivative instrument counterparties principally comprise large energy companies and major U.S. and international financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include

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evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits or entering into netting agreements that allow for offsetting counterparty receivable and payable balances for certain financial transactions, as deemed appropriate.

We have concentrations of credit risk associated with derivative instruments and we evaluate the creditworthiness of our derivative counterparties on an ongoing basis. As of **June 30, 2024** December 31, 2024, the maximum amount of loss, based upon the gross fair values of the derivative instruments, we would incur if these counterparties failed to perform according to the terms of their contracts was **\$162, \$201**. In general, many of our over-the-counter derivative instruments and all exchange contracts call for the posting of collateral by the counterparty or by the Company in the forms of letters of credit, parental guarantees or cash. At **June 30, 2024** December 31, 2024, we had received cash collateral from derivative instrument counterparties totaling **\$12, \$31**. In addition, we may have offsetting derivative liabilities and certain accounts payable balances with certain of these counterparties, which further mitigates the previously mentioned maximum amount of losses. Certain of the Partnership's derivative contracts have credit-risk-related contingent features that may require the posting of additional collateral in the event of a downgrade of the

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Partnership's debt rating. At **June 30, 2024** December 31, 2024, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

Offsetting Derivative Assets and Liabilities

Derivative assets and liabilities are presented net by counterparty on the Condensed Consolidated Balance Sheets if the right of offset exists. We offset amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral against amounts recognized for derivative instruments executed with the same counterparty. Our derivative instruments include both those that are executed on an exchange through brokers and centrally cleared and over-the-counter transactions. Exchange contracts utilize a financial intermediary, exchange or clearinghouse to enter, execute or clear the transactions. Over-the-counter contracts are bilateral contracts that are transacted directly with a third party. Certain over-the-counter and exchange contracts contain contractual rights of offset through master netting arrangements, derivative clearing agreements and contract default provisions. In addition, the contracts are subject to conditional rights of offset through counterparty nonperformance, insolvency or other conditions.

In general, many of our over-the-counter transactions and all exchange contracts are subject to collateral requirements. Types of collateral generally include cash or letters of credit. Cash collateral paid by us to our over-the-counter derivative counterparties, if any, is reflected in the table below to offset derivative liabilities. Cash collateral received by us from our over-the-counter derivative counterparties, if any, is reflected in the table below to offset derivative assets. Certain other accounts receivable and accounts payable balances recognized on the Condensed Consolidated Balance Sheets with our derivative counterparties are not included in the table below but could reduce our net exposure to such counterparties because such balances are subject to master netting or similar arrangements.

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Fair Value of Derivative Instruments

The following table presents the Company's derivative assets and liabilities by type, as well as the effects of offsetting:



Commodity contracts (a) (b)	
Commodity contracts (a) (b)	
Commodity contracts	
Commodity contracts	
Commodity contracts	
Foreign currency contracts	
	(171)
	(113)
Total derivative liabilities — gross	
Gross amounts offset in the balance sheet	
Cash collateral pledged	
Total derivative liabilities — net	

(a) Amounts at September 30, 2023 and June 30, 2023 include derivative contracts associated with certain UGI International energy marketing business transactions (see Note 5). The related derivative assets and liabilities qualify for held for sale accounting treatment and are included in "Prepaid expenses and other current assets" and "Other current liabilities," respectively, on the Condensed Consolidated Balance Sheets at September 30, 2023 and June 30, 2023.

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Effects of Derivative Instruments

The following tables provide information on the effects of derivative instruments on the Condensed Consolidated Statements of Income and changes in AOCI:

**Three
Months
Ended June
30, 2023:**

**Three Months Ended
December 31, 2022:**

**Three Months Ended
December 31, 2021:**

	Gain (Loss) Recognized in AOCI	Gain Reclassified from AOCI into Income	Location of Gain Reclassified from AOCI into Income	Gain (Loss) Reclassified from AOCI into Income	Location of Gain (Loss) Reclassified from AOCI into Income
Cash Flow Hedges:					
Interest rate contracts					
Interest rate contracts					
Interest rate contracts	\$ 7	\$ 32	\$ 13	\$ \$ 14	Interest expense
					Interest expense
				\$ 20	\$ 20
				\$ (22)	\$ (22)
				\$ 2	\$ 2
				\$ 13	\$ 13
				Interest expense	Interest expense

Net Investment Hedges:

Net Investment Hedges:

Net Investment Hedges:

Foreign currency contracts	Gain (Loss) Recognized in Income
Foreign currency contracts	Gain (Loss) Recognized in Income
Foreign currency contracts	Gain (Loss) Recognized in Income

Derivatives Not Designated as Hedging Instruments:

Derivatives Not Designated as Hedging Instruments:

Derivatives Not Designated as Hedging Instruments:	Location of Gain (Loss) Recognized in Income			Location of Gain (Loss) Recognized in Income				
	2024	2023	2024	2023	2024	2023		
Commodity contracts	\$ —	\$ 1	Revenues	Revenues	Commodity contracts	\$ (1)	\$ 2	Revenues
Commodity contracts	77	(224)	Cost of sales	Cost of sales	Commodity contracts	69	(155)	Cost of sales
Commodity contracts	—	(10)	Other operating income, net	Other operating income, net	—	(1)	3	Other operating expense (income), net
Commodity contracts	1	(2)	Other non-operating income (expense), net	Other non-operating income (expense), net	Foreign currency contracts	25	(16)	Other non-operating income (expense),
Total								

Nine Months Ended

June 30,:

Nine Months Ended

June 30,:

Nine Months Ended

June 30,:

Loss Recognized in AOCI
Loss Recognized in AOCI

We are also a party to a number of other contracts that have elements of a derivative instrument. However, these contracts qualify for NPNS exception accounting because they provide for the delivery of products or services in quantities that are expected to be used in the normal course of operating our business and the price in these contracts are based on an underlying that is directly associated with the price of the product or service being purchased or sold. These contracts include, among others, binding purchase orders, contracts that provide for the purchase and delivery, or sale, of energy products, and service contracts that require the counterparty to provide commodity storage, transportation or capacity service to meet our normal sales commitments.

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Note 13 — Accumulated Other Comprehensive Income (Loss)

The tables below present changes in AOCI, net of tax:

Postretirement Benefit					
	Plans	Derivative Instruments	Foreign Currency	Total	
Three Months Ended June 30, 2024					
AOCI — March 31, 2024	\$ 16	\$ 4	\$ (274)	\$ (254)	
Other comprehensive income (loss) before reclassification adjustments	—	4	(10)	(6)	
Amounts reclassified from AOCI	—	(9)	—	(9)	
Other comprehensive loss attributable to UGI	—	(5)	(10)	(15)	
AOCI — June 30, 2024	\$ 16	\$ (1)	\$ (284)	\$ (269)	
Postretirement Benefit					
Three Months Ended June 30, 2023					
AOCI — March 31, 2023	\$ 14	\$ 15	\$ (270)	\$ (241)	
Other comprehensive income before reclassification adjustments	—	22	8	30	
Amounts reclassified from AOCI	(1)	(10)	—	(11)	
Other comprehensive (loss) income attributable to UGI	(1)	12	8	19	
AOCI — June 30, 2023	\$ 13	\$ 27	\$ (262)	\$ (222)	
Postretirement Benefit					
Nine Months Ended June 30, 2024					
AOCI — September 30, 2023	\$ 17	\$ 26	\$ (299)	\$ (256)	
Other comprehensive income before reclassification adjustments	—	1	15	16	
Amounts reclassified from AOCI	(1)	(28)	—	(29)	
Other comprehensive (loss) income attributable to UGI	(1)	(27)	15	(13)	
AOCI — June 30, 2024	\$ 16	\$ (1)	\$ (284)	\$ (269)	
Postretirement Benefit					
Nine Months Ended June 30, 2023					
AOCI — September 30, 2022	\$ 14	\$ 37	\$ (431)	\$ (380)	
Other comprehensive income before reclassification adjustments	—	10	169	179	
Amounts reclassified from AOCI	(1)	(20)	—	(21)	
Other comprehensive (loss) income attributable to UGI	(1)	(10)	169	158	
AOCI — June 30, 2023	\$ 13	\$ 27	\$ (262)	\$ (222)	
Postretirement Benefit					
Three Months Ended December 31, 2024					
AOCI — September 30, 2024	\$ 10	\$ (23)	\$ (240)	\$ (253)	
Other comprehensive income (loss) before reclassification adjustments	—	15	(72)	(57)	
Amounts reclassified from AOCI	(1)	(2)	—	(3)	
Other comprehensive income (loss) attributable to UGI	(1)	13	(72)	(60)	
AOCI — December 31, 2024	\$ 9	\$ (10)	\$ (312)	\$ (313)	
Postretirement Benefit					
Three Months Ended December 31, 2023					
AOCI — September 30, 2023	\$ 17	\$ 26	\$ (299)	\$ (256)	
Other comprehensive income (loss) before reclassification adjustments	—	(15)	49	34	
Amounts reclassified from AOCI	—	(10)	—	(10)	
Other comprehensive income (loss) attributable to UGI	—	(25)	49	24	
AOCI — December 31, 2023	\$ 17	\$ 1	\$ (250)	\$ (232)	

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Note 14 — Equity Method Investments

We account for privately held equity securities of entities without readily determinable fair values in which we do not have control, but have significant influence over operating and financial policies, under the equity method. Our equity method investments principally comprise a number of investments in biomass and other renewable energy projects at Midstream & Marketing. Equity method investments are included in "Other assets" on the Condensed Consolidated Balance Sheets and equity method earnings are included in "Loss) income" "Income (loss)" from equity investees" on the Condensed Consolidated Statements of Income.

Equity method investments comprise the following:

	Carrying Value	Carrying Value	Ownership Interest	Carrying
Investees	June 30, 2024	September 30, 2023	June 30, 2023	June 30, 2024
Investees				
Midstream & Marketing:				
Aurum Renewables				
Aurum Renewables				
Aurum Renewables	\$46	\$45	\$31	40%
Pine Run	Pine Run	83	77	77
MBL	MBL			
Bioenergy	Bioenergy	190	122	122
Other	Other	20	20	20
Total				
Midstream & Marketing				
UGI International (a)				
UGI International (a)				
UGI International (a)	10	35	35	35
Other	—	1	—	various
Total investments in equity method investees				
Total investments in equity method investees				
Total investments in equity method investees				

(a) In June During Fiscal 2024, UGI International recognized an other-than-temporary pre-tax impairment loss of \$25 \$26 related to its investment in a joint venture that invests in renewable energy projects. This loss was recorded in "(Loss) income from equity investees" on the Condensed Consolidated Statements of Income.

See the Company's 2023 2024 Annual Report for additional information on our equity method investments.

Note 15 — Segment Information

Our operations comprise four reportable segments generally based upon products or services sold, geographic location and regulatory environment: (1) Utilities; (2) Midstream & Marketing; (3) UGI International; and (4) AmeriGas Propane.

Corporate & Other includes certain items that are excluded from our CODM's assessment of segment performance (see below for further details on these items). Corporate & Other also includes the net expenses of UGI's captive general liability insurance company, UGI's corporate headquarters facility and UGI's unallocated corporate and general expenses as

well as interest expense on UGI debt that is not allocated. Corporate & Other assets principally comprise cash and cash equivalents of UGI and its captive insurance company, and UGI corporate headquarters' assets. The accounting policies of our reportable segments are the same as those described in Note 2, "Summary of Significant Accounting Policies," in the Company's **2023** **2024** Annual Report.

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Three Months Ended June 30, 2024	Total	Eliminations	Midstream & Marketing			AmeriGas		Corporate & Other (a)
			Utilities	Marketing	UGI International	Propane		
Revenues from external customers	\$ 1,380	\$ —	\$ 250	\$ 231	\$ 455	\$ 445	\$ (1)	
Intersegment revenues	\$ —	\$ (28) (b)	\$ 7	\$ 22	\$ —	\$ —	\$ —	\$ (1)
Cost of sales	\$ 639	\$ (28) (b)	\$ 89	\$ 167	\$ 244	\$ 217	\$ (50)	
Operating income (loss)	\$ 67	\$ —	\$ 37	\$ 41	\$ 57	\$ (27)	\$ (41)	
(Loss) income from equity investees	\$ (24)	\$ —	\$ —	\$ 2	\$ (1)	\$ —	\$ —	\$ (25)
Loss on extinguishments of debt	(7)	—	—	—	—	—	—	\$ (7)
Other non-operating income, net	5	—	2	—	1	—	—	2
Earnings (loss) before interest expense and income taxes	41	—	39	43	57	(27)	—	\$ (71)
Interest expense	(96)	—	(22)	(9)	(11)	(41)	—	\$ (13)
(Loss) income before income taxes	\$ (55)	\$ —	\$ 17	\$ 34	\$ 46	\$ (68)	\$ —	\$ (84)
Depreciation and amortization	\$ 139	\$ —	\$ 42	\$ 22	\$ 29	\$ 46	\$ —	
Capital expenditures (including the effects of accruals)	\$ 211	\$ —	\$ 126	\$ 40	\$ 24	\$ 21	\$ —	
Three Months Ended June 30, 2023	Total	Eliminations	Midstream & Marketing			AmeriGas		Corporate & Other (a)
			Utilities	Marketing	UGI International	Propane		
Revenues from external customers	\$ 1,659	\$ —	\$ 270	\$ 260	\$ 611	\$ 514	\$ 4	
Intersegment revenues	\$ —	\$ (25) (b)	\$ 8	\$ 19	\$ —	\$ —	\$ —	\$ (2)
Cost of sales	\$ 1,104	\$ (26) (b)	\$ 118	\$ 192	\$ 418	\$ 251	\$ 151	
Operating (loss) income	\$ (732)	\$ —	\$ 32	\$ 40	\$ 21	\$ (8)	\$ (817)	
Income from equity investees	1	—	—	1	—	—	—	
Loss on extinguishments of debt	(9)	—	—	—	—	—	—	\$ (9)
Other non-operating income (expense), net	1	—	2	—	1	—	—	\$ (2)
(Loss) earnings before interest expense and income taxes	\$ (739)	—	\$ 34	\$ 41	\$ 22	\$ (8)	\$ (828)	
Interest expense	(96)	—	(20)	(11)	(10)	(40)	—	\$ (15)
(Loss) income before income taxes	\$ (835)	\$ —	\$ 14	\$ 30	\$ 12	\$ (48)	\$ —	\$ (843)
Depreciation and amortization	\$ 134	\$ —	\$ 38	\$ 22	\$ 30	\$ 43	\$ 1	
Capital expenditures (including the effects of accruals)	\$ 255	\$ —	\$ 146	\$ 40	\$ 27	\$ 42	\$ —	

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Nine Months Ended June 30, 2024		AmeriGas						Corporate	
Nine Months Ended June 30, 2024		Total	Eliminations	Utilities	Midstream & Marketing	UGI International	Propane	& Other (a)	
Nine Months Ended June 30, 2024									
Three Months Ended December 31, 2024									
Three Months Ended December 31, 2024									
Three Months Ended December 31, 2024		Total	Eliminations	Utilities	Midstream & Marketing	UGI International	Propane	& Other (a)	

	Total	Eliminations	Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corporate & Other (a)
Revenues from external customers							
Intersegment revenues							
Cost of sales							
Operating income							
Income (loss) from equity investees							
Other non-operating income (expense), net							
Other non-operating income (expense), net							
Other non-operating income (expense), net							
Earnings before interest expense and income taxes							
Interest expense							
Income before income taxes							
Depreciation and amortization							
Depreciation and amortization							
Depreciation and amortization							
Capital expenditures (including the effects of accruals)							
As of December 31, 2024							
Total assets							
Total assets							
Total assets							
Three Months Ended December 31, 2023							
Three Months Ended December 31, 2023							
Revenues from external customers							
Intersegment revenues							
Cost of sales							
Operating income (loss)							
(Loss) income from equity investees							
Loss on extinguishment of debt							
Income (loss) from equity investees							
Other non-operating income (expense), net							
Other non-operating income (expense), net							
Other non-operating income (expense), net							
Earnings (loss) before interest expense and income taxes							
Interest expense							
Income (loss) before income taxes							
Depreciation and amortization							
Depreciation and amortization							
Depreciation and amortization							
Capital expenditures (including the effects of accruals)							
As of June 30, 2024							
Total assets							
Total assets							
Total assets							
Nine Months Ended June 30, 2023							
Nine Months Ended June 30, 2023							
Revenues from external customers							
Intersegment revenues							
Cost of sales							
Operating (loss) income							
Income (loss) from equity investees							

Loss on extinguishments of debt
Other non-operating (expense) income, net
(Loss) earnings before interest expense and income taxes
Interest expense
(Loss) income before income taxes
Depreciation and amortization
Depreciation and amortization
Depreciation and amortization
Capital expenditures (including the effects of accruals)
As of June 30, 2023

As of December 31, 2023

Total assets

Total assets

Total assets

(a) Corporate & Other includes specific items attributable to our reportable segments that are not included in the segment profit measures used by our CODM in assessing our reportable segments' performance or allocating resources. The following table presents such pre-tax gains (losses) which have been included in Corporate & Other, and the reportable segments to which they relate:

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Notes to Condensed Consolidated Financial Statements

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

Three Months Ended June 30, 2024	Location on Income Statement	Midstream & Marketing	UGI International	AmeriGas Propane
Net losses on commodity derivative instruments not associated with current-period transactions	Revenues	\$ (1)	\$ —	\$ —
Net gains on commodity derivative instruments not associated with current-period transactions	Cost of sales	\$ 26	\$ 20	\$ 3
Restructuring costs	Operating and administrative expenses	\$ —	\$ (4)	\$ (2)
AmeriGas operations enhancement for growth project	Operating and administrative expenses	\$ —	\$ —	\$ (12)
Loss on extinguishments of debt	Loss on extinguishments of debt	\$ (1)	\$ —	\$ (6)
Unrealized gains on foreign currency derivative instruments	Other non-operating income (expense), net	\$ —	\$ 1	\$ —
Costs associated with exit of the UGI International energy marketing business	Operating and administrative expenses	\$ —	\$ (1)	\$ —
Costs associated with exit of the UGI International energy marketing business	Loss on disposal of UGI International energy marketing business	\$ —	\$ (1)	\$ —
Impairment of held-for-sale assets	Impairment of held-for-sale assets	\$ (62)	\$ —	\$ —
Impairment associated with equity method investments	(Loss) income from equity investees	\$ —	\$ (25)	\$ —
Three Months Ended June 30, 2023	Location on Income Statement	Midstream & Marketing	UGI International	AmeriGas Propane
Net gains on commodity derivative instruments not associated with current-period transactions	Revenues	\$ 1	\$ 1	\$ —
Net losses on commodity derivative instruments not associated with current-period transactions	Cost of sales	\$ (14)	\$ (87)	\$ (51)
Net losses on commodity derivative instruments not associated with current-period transactions	Other operating income, net	\$ —	\$ (1)	\$ —
AmeriGas operations enhancement for growth project	Operating and administrative expenses	\$ —	\$ —	\$ (6)

	Other non-operating income (expense), net	\$	—	\$	(2)	\$	—
Unrealized losses on foreign currency derivative instruments	Loss on extinguishments of debt	\$	—	\$	—	\$	(9)
Loss on extinguishments of debt	Impairment of goodwill	\$	—	\$	—	\$	(656)

UGI CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Currency in millions, except per share amounts and where indicated otherwise)

Nine Months Ended June 30, 2024	Location on Income Statement	Midstream & Marketing			
		UGI International	AmeriGas Propane		
Net gains on commodity derivative instruments not associated with current-period transactions	Revenues	\$	—	\$	1
Net gains on commodity derivative instruments not associated with current-period transactions	Cost of sales	\$	20	\$	32
Net losses on commodity derivative instruments not associated with current-period transactions	Other operating income, net	\$	—	\$	(2)
Restructuring costs	Operating and administrative expenses	\$	—	\$	(38)
Loss on extinguishments of debt	Loss on extinguishments of debt	\$	(1)	\$	—
Unrealized losses on foreign currency derivative instruments	Other non-operating income (expense), net	\$	—	\$	(18)
AmeriGas operations enhancement for growth project	Operating and administrative expenses	\$	—	\$	—
Costs associated with exit of the UGI International energy marketing business	Revenues	\$	—	\$	(42)
Costs associated with exit of the UGI International energy marketing business	Operating and administrative expenses/Other operating income, net	\$	—	\$	(11)
Costs associated with exit of the UGI International energy marketing business	Loss on disposal of UGI International energy marketing business	\$	—	\$	(29)
Impairment of held-for-sale assets	Impairment of held-for-sale assets	\$	(62)	\$	—
Impairment of assets	Other operating income, net	\$	—	\$	(7)
Impairment associated with equity method investments	(Loss) income from equity investees	\$	—	\$	(25)
Nine Months Ended June 30, 2023	Location on Income Statement	Midstream & Marketing			
		UGI International	AmeriGas Propane		
Net gains on commodity derivative instruments not associated with current-period transactions	Revenues	\$	7	\$	4
Net losses on commodity derivative instruments not associated with current-period transactions	Cost of sales	\$	(275)	\$	(1,491)
Net losses on commodity derivative instruments not associated with current-period transactions	Other operating income, net	\$	—	\$	(4)
Unrealized losses on foreign currency derivative instruments	Other non-operating income (expense), net	\$	—	\$	(52)
AmeriGas operations enhancement for growth project	Operating and administrative expenses	\$	—	\$	—
Loss on extinguishments of debt	Loss on extinguishments of debt	\$	—	\$	—
Costs associated with exit of the UGI International energy marketing business	Loss on disposal of UGI International energy marketing business	\$	—	\$	(215)
Costs associated with exit of the UGI International energy marketing business	Operating and administrative expenses	\$	—	\$	(19)
Loss associated with impairment of AmeriGas Propane goodwill	Impairment of goodwill	\$	—	\$	(656)

Three Months Ended December 31, 2024	Location on Income Statement	Midstream & Marketing	UGI International	AmeriGas Propane
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Net gains (losses) on commodity derivative instruments not associated with current-period transactions	Revenues	\$	(1)	\$	—	\$	—
Net gains (losses) on commodity derivative instruments not associated with current-period transactions	Cost of sales	\$	59	\$	12	\$	7
Net gains (losses) on commodity derivative instruments not associated with current-period transactions	Other operating expense (income), net	\$	—	\$	1	\$	—
Unrealized gains (losses) on foreign currency derivative instruments	Other non-operating income (expense), net	\$	—	\$	22	\$	—
Three Months Ended December 31, 2023		Midstream & Marketing					
Net gains (losses) on commodity derivative instruments not associated with current-period transactions	Revenues	\$	1	\$	1	\$	—
Net gains (losses) on commodity derivative instruments not associated with current-period transactions	Cost of sales	\$	(47)	\$	(41)	\$	(6)
Net gains (losses) on commodity derivative instruments not associated with current-period transactions	Other operating expense (income), net	\$	—	\$	(3)	\$	—
Unrealized gains (losses) on foreign currency derivative instruments	Other non-operating income (expense), net	\$	—	\$	(20)	\$	—
AmeriGas operations enhancement for growth project	Operating and administrative expenses	\$	—	\$	—	\$	(7)
Costs associated with exit of the UGI International energy marketing business	Revenues	\$	—	\$	(42)	\$	—
Costs associated with exit of the UGI International energy marketing business	Operating and administrative expenses/Other non-operating income (expense), net	\$	—	\$	(8)	\$	—
Costs associated with exit of the UGI International energy marketing business	Loss on disposal of business	\$	—	\$	(28)	\$	—

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

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

Information contained in this Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements use forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," or other similar words and terms of similar meaning, although not all forward-looking statements contain such words. These statements discuss plans, strategies, events or developments that we expect or anticipate will or may occur in the future. All forward-looking statements made in this Quarterly Report on Form 10-Q rely upon the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. However, we caution you against relying on any forward-looking statement as these statements are subject to risks and uncertainties that may cause actual results to vary from assumed facts or bases, and the differences between actual results and assumed facts or bases can be material, depending on the circumstances. When considering forward-looking statements, you should keep in mind those factors set forth in Item 1A. Risk Factors in the Company's [2023 2024 Annual Report](#) and the following important factors that could affect our future results and could cause those results to differ materially from those expressed in our forward-looking statements: (1) weather conditions [including](#) [increasingly uncertain weather patterns due to climate change](#) [change](#) resulting in reduced demand, the seasonal nature of our business, and disruptions in our operations and supply chain; (2) cost volatility and availability of energy products, including propane and other LPG, electricity, and natural gas, as well as the availability of LPG cylinders, and the capacity to transport product to our customers; (3) changes in domestic and foreign laws and regulations, including safety, health, tax, transportation, consumer protection, data privacy, accounting, and environmental matters, such as regulatory responses to climate change; (4) inability to timely recover costs through utility rate proceedings; (5) the impact of pending and future legal or regulatory proceedings, inquiries or investigations; (6) competitive pressures from the same and alternative energy sources; (7) failure to acquire new customers or retain current customers thereby reducing or limiting any increase in revenues; (8) liability for environmental claims; (9) increased customer conservation measures due to high energy prices and improvements in energy efficiency and technology resulting in reduced demand; (10) adverse labor relations and our ability to address existing or potential workforce shortages; (11) customer, counterparty, supplier, or vendor defaults; (12) liability for uninsured claims and for claims in excess of insurance coverage, including those for personal injury and property damage arising from explosions, acts of war, terrorism, natural disasters, pandemics, and other catastrophic events that may result from operating hazards and risks incidental to generating and distributing electricity and transporting, storing and distributing natural gas and LPG in all forms; (13) transmission or distribution system service interruptions; (14) political, regulatory and economic conditions in the United States, Europe and other foreign countries, including uncertainties related to the war between Russia and Ukraine, the conflict in the Middle East, the European energy crisis, and foreign currency exchange rate fluctuations, particularly the euro; (15) credit and capital market conditions, including reduced access to capital markets and interest rate fluctuations; (16) changes in commodity market prices resulting in significantly higher cash collateral requirements; (17) impacts of our indebtedness and the restrictive covenants in our debt agreements; (18) reduced

distributions from subsidiaries impacting the ability to pay dividends or service debt; (19) changes in Marcellus and Utica Shale gas production; (20) the availability, timing and success of our acquisitions, commercial strategic initiatives and investments intended to grow advance our businesses; business strategy; (21) our ability to successfully integrate acquired businesses and achieve anticipated synergies; (22) the interruption, disruption, failure, malfunction, or breach of our information technology systems, and those of our third-party vendors or service providers, including due to cyber attack; (23) the inability to complete pending or future energy infrastructure projects; (24) our ability to achieve the operational benefits and cost efficiencies expected from the completion of pending and future business transformation initiatives, including the impact of customer service disruptions resulting in potential customer loss due to the transformation activities; (25) our ability to attract, develop, retain and engage key employees; (26) (25) uncertainties related to global pandemics; (26) the impact of a material impairment of our assets; (27) the impact of proposed or future tax legislation; (28) the impact of declines in the stock market or bond market, and a low interest rate environment, on our pension liability; (29) our ability to protect our intellectual property; (30) our ability to overcome supply chain issues that may result in delays or shortages in, as well as increased costs of, equipment, materials or other resources that are critical to our business operations; and (31) our ability to control operating costs and realize cost savings.

These factors, and those factors set forth in Item 1A. Risk Factors in the Company's 2023 2024 Annual Report, are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. Any forward-looking statement speaks only as of the date on which such statement is made. We undertake no obligation (and expressly disclaim any obligation) to update publicly any forward-looking statement, whether as a result of new information or future events, except as required by the federal securities laws.

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ANALYSIS OF RESULTS OF OPERATIONS

The following analyses compare the Company's results of operations for the 2024 three-month period with the 2023 three-month period and the 2024 nine-month period with the 2023 nine-month period. Our analysis of results of operations should be read in conjunction with the segment information included in Note 15 to Condensed Consolidated Financial Statements.

Because most of our businesses sell or distribute energy products used in large part for heating purposes, our results are significantly influenced by temperatures in our service territories, particularly during the heating-season months of October through March. As a result, Accordingly, our results of operations, after adjusting for the effects of gains and losses on derivative instruments not associated with current-period transactions as further discussed below, are significantly higher in our first and second fiscal quarters.

EXECUTIVE OVERVIEW

Recent Developments

Review of Strategic Alternatives

In August 2023, the Company announced the commencement of a strategic review of the LPG businesses, primarily focused on AmeriGas Propane, with the intent to unlock and maximize shareholder value. The Company explored a full range of options with the goal of reducing UGI's earnings volatility and strengthening its balance sheet. During the review, the Company and its financial advisors evaluated several value creation opportunities including a potential sale, spin, and joint venture of AmeriGas. While the Company conducted due diligence with multiple strategic and financial parties, the Board of Directors decided that in the current market, the Company should focus on a restructuring and operational improvement plan for AmeriGas. The review concluded that disciplined execution of a revised operational strategy and optimization of UGI's diverse mix of strategically located assets best positions the Company to create long-term shareholder value.

UGI International Energy Marketing Transactions

As of the end of the first quarter of Fiscal 2024, pursuant to its previously announced decision, the Company had exited substantially all of its European energy marketing business which primarily marketed natural gas and electricity to customers through third-party distribution systems in France, Belgium, the Netherlands, and the United Kingdom.

France. In October 2023, UGI International, through a wholly-owned subsidiary, sold substantially all of its energy marketing business located in France for a net cash payment to the buyer of \$29 million. In conjunction with the sale, during the nine months ended June 30, 2024, the Company recorded a pre-tax loss of \$29 million, which amount principally represents the net payment to the buyer. The carrying values of the assets and liabilities associated with this business, principally comprising certain commodity derivative instruments, energy certificates and certain working capital, were not material.

Belgium. In September 2023, UGI International, through a wholly-owned subsidiary, sold its energy marketing business located in Belgium for a net cash payment to the buyer of \$3 million. Pursuant to the sale agreement, the Company transferred to the buyer certain assets, principally comprising customer and energy broker contracts. In conjunction with the sale, during the fourth quarter of Fiscal 2023, the Company recorded a pre-tax loss of \$6 million which includes the net payment to the buyer, the write-off of certain prepaid energy broker payments and associated transaction costs and fees.

United Kingdom. In October 2022, UGI International, through a wholly-owned subsidiary, sold its natural gas marketing business located in the U.K. for a net cash payment to the buyer of \$19 million which includes certain working capital adjustments. In conjunction with the sale, during the first quarter of Fiscal 2023, the Company recorded a pre-tax loss of \$215 million substantially all of which was due to the non-cash transfer of commodity derivative instruments associated with the business.

Netherlands. In September 2023, a substantial number of DVEP's customers agreed to modify their energy marketing contracts whereby the Company would continue to provide the delivery of electricity and natural gas at fixed prices through December 31, 2023, with the Company's obligations to provide future services terminated effective January 1, 2024. As consideration for the early termination of such contracts, the Company agreed to make cash payments to the customers equal to the fair values of specific commodity derivative

instruments associated with periods after December 31, 2023. During the first quarter of Fiscal 2024, the Company settled the commodity derivative instruments for a gain of \$46 million, which represented the fair value of the specific commodity derivative instruments associated with periods after December 31, 2023; and reduced its revenues from

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these customers by \$42 million, which represented the pro-rated performance obligation from October 1, 2023 through December 31, 2023.

In conjunction with the wind-down of its European energy marketing business, in December 2023, DVEP completed a sale of a substantial portion of its power purchase agreements to a third party for a total consideration to the buyer of \$5 million. In conjunction with the sale, the Company recorded a pre-tax loss of \$5 million.

During the first quarter of Fiscal 2023, the Company recorded a \$19 million pre-tax impairment charge to reduce the carrying values of certain assets associated with its energy marketing business in the Netherlands, comprising property, plant and equipment and intangible assets.

See Note 5 to Condensed Consolidated Financial Statements for additional information.

Global Macroeconomic Conditions

Beginning in Fiscal 2021 and continuing through June 30, 2024, global commodity and labor markets have experienced significant inflationary pressures attributable to various economic and geopolitical factors, including but not limited to: supply chain disruptions including those associated with labor shortages; significant volatility in energy commodity prices; changes in consumer behavior; and geopolitical and regulatory conditions resulting from the war between Russia and Ukraine. These adverse macroeconomic factors continue to contribute to inflationary pressures as evidenced by increases in various consumer price indices. In an effort to curb these inflationary pressures, central banks in the U.S. and Europe began raising interest rates in Fiscal 2022. In addition, during the last several years, we have experienced significant volatility in energy commodity prices, particularly in LPG, natural gas and electricity prices, which have resulted in substantial fluctuations in the fair values of our commodity derivative instruments. Although these inflationary pressures and commodity price volatility have moderated more recently, they continue to result in, among other things, fluctuations in the cost of our inventory and associated cost of sales, increases in certain operating and distribution expenses and higher interest expense across all of our businesses. We cannot predict the duration or ultimate magnitude of these conditions and the effects such conditions may have on our future business, financial results, financial position, liquidity and cash flows. However, we believe that the Company is well positioned to address the challenges resulting from these global economic and geopolitical conditions as they continue to evolve.

Non-GAAP Financial Measures

UGI management uses "adjusted net income attributable to UGI Corporation" and "adjusted diluted earnings per share," both of which are non-GAAP financial measures, when evaluating UGI's overall performance. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate gains and losses on commodity and certain foreign currency derivative instruments not associated with current-period transactions and other significant discrete items that can affect the comparison of period-over-period results.

UGI does not designate its commodity and certain foreign currency derivative instruments as hedges under GAAP. Volatility in net income (loss) attributable to UGI Corporation can occur as a result of gains and losses on such derivative instruments not associated with current-period transactions. These gains and losses result principally from recording changes in unrealized gains and losses on unsettled commodity and certain foreign currency derivative instruments and, to a much lesser extent, certain realized gains and losses on settled commodity derivative instruments that are not associated with current-period transactions. However, because these derivative instruments economically hedge anticipated future purchases or sales of energy commodities, or in the case of certain foreign currency derivatives reduce volatility in anticipated future earnings associated with our foreign operations, we expect that such gains or losses will be largely offset by gains or losses on anticipated future energy commodity transactions or mitigate volatility in anticipated future earnings. 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.

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The following tables reflect the adjustments referred to above and reconcile net income (loss) attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net income (loss) attributable to UGI Corporation, and reconcile diluted (loss) earnings per share, the most directly comparable GAAP measure, to adjusted diluted earnings per share:

Adjusted net income (loss) attributable to UGI Corporation (Dollars in millions)	Three Months Ended				Nine Months Ended			
	June 30,				June 30,			
	2024	2023	2024	2023	2024	2023	2024	2023
Utilities	\$ 13	\$ 10	\$ 254	\$ 234				
Midstream & Marketing	22	22	234	165				
UGI International	39	13	213	150				
AmeriGas Propane	(36)	(35)	17	87				
Corporate & Other (a)	(86)	(799)	(176)	(2,269)				
Net (loss) income attributable to UGI Corporation	(48)	(789)	542	(1,633)				
Net (gains) losses on commodity derivative instruments not associated with current-period transactions (net of tax of \$15, \$(36), \$16 and \$(465), respectively)	(33)	115	(66)	1,349				
Unrealized losses on foreign currency derivative instruments (net of tax of \$1, \$(1), \$(5) and \$(15), respectively)	—	1	13	37				

Loss associated with impairment of AmeriGas Propane goodwill (net of tax of \$0, \$4, \$0 and \$4 respectively)	—	660	—	660
Loss on extinguishments of debt (net of tax of \$(2), \$(2), \$(2) and \$(2), respectively)	5	7	5	7
Business transformation expenses (net of tax of \$0, \$(1), \$0 and \$(2), respectively)	—	1	—	4
AmeriGas operations enhancement for growth project (net of tax of \$(3), \$(2), \$(6) and \$(5) respectively)	9	4	19	14
Restructuring costs (net of tax of \$(2), \$0, \$(12) and \$0, respectively)	7	—	37	—
Costs associated with exit of UGI International energy marketing business (net of tax of \$0, \$0, \$(14) and \$(64), respectively)	2	—	68	170
Impairment of held-for-sale assets (net of tax of \$(17), \$0, \$(17), and \$0, respectively)	45	—	45	—
Impairment of assets (net of tax of \$0, \$0, \$(2) and \$0, respectively)	—	—	5	—
Impairment associated with equity method investments (net of tax of \$0, \$0, \$0, and \$0, respectively)	25	—	25	—
Total adjustments (a) (b)	60	788	151	2,241
Adjusted net income (loss) attributable to UGI Corporation	\$ 12	\$ (1)	\$ 693	\$ 608

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Adjusted diluted earnings per share	Three Months Ended June 30,		Nine Months Ended June 30,	
	2024	2023	2024	2023
Utilities	\$ 0.06	\$ 0.05	\$ 1.18	\$ 1.08
Midstream & Marketing	0.10	0.10	1.09	0.76
UGI International	0.19	0.06	0.99	0.69
AmeriGas Propane	(0.17)	(0.17)	0.08	0.40
Corporate & Other (a)	(0.41)	(3.80)	(0.82)	(10.71)
Diluted (loss) earnings per share (c)	(0.23)	(3.76)	2.52	(7.78)
Net (gains) losses on commodity derivative instruments not associated with current-period transactions (c)	(0.14)	0.55	(0.31)	6.34
Unrealized losses on foreign currency derivative instruments	—	0.01	0.06	0.18
Loss associated with impairment of AmeriGas Propane goodwill	—	3.14	—	3.14
Loss on extinguishments of debt	0.02	0.03	0.02	0.03
Business transformation expenses	—	0.01	—	0.02
AmeriGas operations enhancement for growth project	0.04	0.02	0.09	0.07
Restructuring costs	0.03	—	0.17	—
Costs associated with exit of UGI International energy marketing business	0.01	—	0.32	0.81
Impairment of held-for-sale assets	0.21	—	0.21	—
Impairment of assets	—	—	0.02	—
Impairment associated with equity method investments	0.12	—	0.12	—
Total adjustments (a)	0.29	3.76	0.70	10.59
Adjusted diluted earnings per share (c)	\$ 0.06	\$ —	\$ 3.22	\$ 2.81

Adjusted net income attributable to UGI Corporation (Dollars in millions)	Three Months Ended December 31,	
	2024	2023
Utilities	\$ 89	\$ 86
Midstream & Marketing	89	92
UGI International	100	83
AmeriGas Propane	(46)	16

Corporate & Other (a)	143	(183)
Net income attributable to UGI Corporation	375	94
Net (gains) losses on commodity derivative instruments not associated with current-period transactions (net of tax of \$14 and \$(18), respectively)	(64)	77
Unrealized (gains) losses on foreign currency derivative instruments (net of tax of \$6 and \$(6), respectively)	(16)	14
AmeriGas operations enhancement for growth project (net of tax of \$0 and \$(2), respectively)	—	5
Restructuring costs (net of tax of \$0 and \$(1), respectively)	—	3
Costs associated with exit of UGI International energy marketing business (net of tax of \$0 and \$(13), respectively)	—	65
Total adjustments (a) (b)	(80)	164
Adjusted net income attributable to UGI Corporation	\$ 295	\$ 258
Three Months Ended December 31,		
Adjusted diluted earnings per share	2024	2023
Utilities	\$ 0.41	\$ 0.40
Midstream & Marketing	0.41	0.43
UGI International	0.46	0.39
AmeriGas Propane	(0.21)	0.07
Corporate & Other (a)	0.67	(0.85)
Diluted earnings per share	1.74	0.44
Net (gains) losses on commodity derivative instruments not associated with current-period transactions	(0.30)	0.37
Unrealized (gains) losses on foreign currency derivative instruments	(0.07)	0.06
AmeriGas operations enhancement for growth project	—	0.02
Restructuring costs	—	0.01
Costs associated with exit of UGI International energy marketing business	—	0.30
Total adjustments (a)	(0.37)	0.76
Adjusted diluted earnings per share	\$ 1.37	\$ 1.20

(a) Corporate & Other includes certain adjustments made to our reporting segments in arriving at net income (loss) attributable to UGI Corporation. These adjustments have been excluded from the segment results to align with the measure used by our CODM in assessing segment performance and allocating resources. See Note 15 to Condensed Consolidated Financial Statements for additional information related to these adjustments, as well as other items included within Corporate & Other.

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

(c) The loss per share for the three months ended June 30, 2024 and nine months ended June 30, 2023, was determined excluding the effect of 3.82 million and 6.22 million dilutive shares, respectively, as the impact of such shares would have been antidilutive due to the net loss for the periods. The adjusted earnings per share for the three months ended June 30, 2024 and nine months ended June 30, 2023, was determined based upon fully diluted shares of 214.50 million and 216.03 million, respectively.

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Executive Overview

2024 three-month period compared with 2023 three-month period

Discussion. Net loss income attributable to UGI Corporation for the 2024 three-month period was \$48 million \$375 million (equal to \$0.23 loss \$1.74 per diluted share) compared to \$789 million \$94 million (equal to \$3.76 loss \$0.44 per diluted share) for the 2023 three-month period. These results include net gains (losses) from changes in unrealized commodity derivative instruments and certain foreign currency derivative instruments of \$33 million \$80 million and \$(116) \$(91) million during the 2024 and 2023 three-month periods, respectively. The higher gains from changes in commodity derivative instruments during the 2024 three-month period principally reflects significantly less volatility in commodity energy prices following unprecedented volatility in such prices during the 2023 three-month period and the effects of significantly lower energy marketing activities in Europe resulting from the exit of substantially all of UGI International's energy marketing business.

Net loss attributable to UGI Corporation during the 2024 three-month period also includes (1) a \$45 million impairment of assets held-for-sale associated with UGID; (2) a \$25 million impairment associated with equity method investments at UGI International; (3) external advisory fees of \$9 million associated with AmeriGas operations enhancement for growth project; (4) restructuring costs of \$7 million, largely attributable to a reduction in workforce and related costs, primarily at UGI.

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International; (5) loss on extinguishments of debt of \$5 million, primarily at AmeriGas Propane; and (6) \$2 million of costs associated with the exit of our UGI International energy marketing business in Europe.

Net loss income attributable to UGI Corporation during the 2023 three-month period also includes (1) a \$660 million loss associated with impairment of AmeriGas Propane goodwill; (2) loss on extinguishments of debt of \$7 million at AmeriGas Propane; (3) external advisory fees of \$4 million associated with AmeriGas operations enhancement for growth project; and (4) business transformation expenses of \$1 million associated with corporate support functions.

Adjusted net income attributable to UGI Corporation for the 2024 three-month period was \$12 million (equal to \$0.06 per diluted share) compared to adjusted net loss of \$1 million (equal to \$0.00 per diluted share) for the 2023 three-month period. The increase in adjusted net income attributable to UGI Corporation during the 2024 three-month period reflects higher earnings contributions primarily from our UGI International segment and, to a much lesser extent, our Utilities segment. The earnings contribution from the Midstream & Marketing and AmeriGas Propane segments were comparable to the prior-year period. During the 2024 three-month period, temperatures in most of our segments were significantly warmer than the prior-year period.

Utilities' adjusted net income attributable to UGI Corporation increased \$3 million in the 2024 three-month period compared to the prior-year period. The increase was largely attributable to higher total margin due in large part to increases in base rates at PA Gas Utility, Mountaineer and Electric Utility during Fiscal 2024.

Midstream & Marketing's adjusted net income attributable to UGI Corporation in the 2024 three-month period was comparable to the prior-year period as slightly lower total margin was largely offset by lower operating and administrative expenses.

UGI International's adjusted net income attributable to UGI Corporation increased \$26 million in the 2024 three-month period, reflecting higher total margin from our LPG business that benefited from higher average unit margin attributable to strong margin management efforts, lower operating and administrative expenses and higher other income.

AmeriGas Propane's adjusted net loss attributable to UGI Corporation increased \$1 million in the 2024 three-month period as lower total margin, primarily resulting from lower retail propane volumes sold and lower average retail propane unit margins, was largely offset by lower operating and administrative expenses.

2024 nine-month period compared with 2023 nine-month period

Discussion. Net income attributable to UGI Corporation for the 2024 nine-month period was \$542 million (equal to \$2.52 per diluted share) compared to net loss attributable to UGI Corporation of \$1,633 million (equal to \$7.78 loss per diluted share) for the 2023 nine-month period. These results include net gains (losses) from changes in unrealized commodity derivative instruments and certain foreign currency derivative instruments of \$53 million and \$(1,386) million during the 2024 and 2023 nine-month periods, respectively. The higher gains from changes in commodity derivative instruments during the 2024 nine-month period, principally reflects significantly less volatility in commodity energy prices in Europe following unprecedented volatility in such prices during the 2023 nine-month period and the effects of significantly lower energy marketing activities in Europe resulting from the exit of substantially all of UGI International's energy marketing business.

Net income attributable to UGI Corporation during the 2024 nine-month period also includes (1) \$68 million \$65 million of costs associated with the exit of our UGI International energy marketing business in Europe, principally reflecting wind-down activities in the Netherlands and the loss on the sale of the energy marketing business located in France; (2) a \$45 million impairment external advisory fees of assets held for sale \$5 million associated with UGIID; AmeriGas operations enhancement for growth project; and (3) restructuring costs of \$37 million \$3 million largely attributable to a reduction in workforce and related costs, primarily at UGI International; (4) a \$25 million impairment associated with equity method investments at UGI International; (5) external advisory fees of \$19 million associated with AmeriGas operations enhancement for growth project; (6) loss on extinguishments of debt of \$5 million, primarily at AmeriGas Propane; and (7) an impairment of assets of \$5 million at UGI International. costs.

Net loss attributable to UGI Corporation during the 2023 nine-month period also includes (1) a \$660 million loss associated with impairment of AmeriGas Propane goodwill; (2) \$170 million of costs associated with the exit of our UGI International energy marketing business in Europe, principally reflecting the loss on the sale of the energy marketing business located in the U.K. and an impairment of assets; (3) external advisory fees of \$14 million associated with AmeriGas operations enhancement for growth project; (4) loss on extinguishments of debt of \$7 million at AmeriGas Propane; and (5) business transformation expenses of \$4 million associated with corporate support functions.

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Adjusted net income attributable to UGI Corporation for the 2024 nine-month three-month period was \$693 million \$295 million (equal to \$3.22 \$1.37 per diluted share) compared to \$608 million \$258 million (equal to \$2.81 \$1.20 per diluted share) for the 2023 nine-month three-month period. The increase in adjusted net income attributable to UGI Corporation for the 2024 nine-month three-month period reflects higher earnings contributions from the Midstream & Marketing, UGI International and, to a much lesser extent, Utilities segments, partially offset by lower earnings contributions from the AmeriGas Propane and, to a much lesser extent, Midstream & Marketing segments. In addition, the increase in adjusted net income during the 2024 three-month period also reflects significantly lower income tax expenses primarily related to an increase in investment tax credits in our Midstream & Marketing segment and the release of a valuation allowance on deferred tax assets expected to be utilized in the current year in our UGI International segment. During the 2024 nine-month three-month period, temperatures in all of our segments were warmer colder than the prior-year period. period, with significantly colder temperatures during the peak heating season month of December 2024.

Utilities' adjusted net income attributable to UGI Corporation increased \$20 million \$3 million in the 2024 nine-month three-month period. The increase was largely attributable to higher total margin due in large part to increases in base rates at PA WV Gas Utility Mountaineer and Electric Utility during Fiscal effective January 2024 increases in DSIC revenues and the implementation of impacts from growth in the weather normalization adjustments for PA Gas Utility (effective November 2022) core market customers.

Midstream & Marketing's adjusted net income attributable to UGI Corporation increased \$69 million decreased \$3 million in the 2024 nine-month three-month period. The increase decrease is primarily attributable to higher lower total margin from natural gas marketing activities, and partially offset by lower income taxes tax expenses, reflecting higher investment tax credits in the 2024 nine-month three-month period.

UGI International's adjusted net income attributable to UGI Corporation increased \$63 million \$17 million in the 2024 nine-month three-month period. The increase is mainly attributable to higher margin contributions from our LPG business, principally reflecting the benefit from higher average unit margins attributable to strong margin management efforts lower income tax expenses and lower operating and administrative expenses, partially offset by lower margin contributions primarily from our energy marketing activities, reflecting the exit of substantially all of UGI International's energy marketing business in Fiscal 2024.

AmeriGas Propane's adjusted net income attributable to UGI Corporation decreased \$70 million \$62 million in the 2024 nine-month three-month period. The decrease principally reflects lower total margin, largely attributable to lower retail propane volumes sold, higher income tax expenses, partially offset by the benefit of higher average retail propane unit margins, and lower operating and administrative expenses in the 2024 nine-month three-month period.

SEGMENT RESULTS OF OPERATIONS

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Analysis of Segment Results

2024 Three-Month Period Compared with the 2023 Three-Month Period

Utilities

For the three months ended June 30, 2024		2023		Increase (Decrease)														
For the three months ended December 31,		2024		2023		Increase (Decrease)												
(Dollars in millions)	(Dollars in millions)	(Dollars in millions)																
Revenues	Revenues	\$257	\$	\$278	\$	(\$21)	(8)	\$	(8)	%	Revenues	\$485	\$	\$493	\$	(\$8)	(2)	(2)%
Total margin (a)	Total margin (a)	\$164	\$	\$156	\$	\$ 8	5	\$	5	%	Total margin (a)	\$274	\$	\$265	\$	\$ 9	3	3 %
Operating and administrative expenses (a)	Operating and administrative expenses (a)	\$ 86	\$	\$ 87	\$	\$ (1)	(1)	\$	(1)	%	Operating and administrative expenses (a)	\$ 91	\$	\$ 88	\$	\$ 3	3	3 %
Operating income	Operating income	\$ 37	\$	\$ 32	\$	\$ 5	16	\$	16	%	Operating income	\$138	\$	\$134	\$	\$ 4	3	3 %
Earnings before interest expense and income taxes	Earnings before interest expense and income taxes	\$ 39	\$	\$ 34	\$	\$ 5	15	\$	15	%	Earnings before interest expense and income taxes	\$141	\$	\$135	\$	\$ 6	4	4 %
Gas Utility system throughput—bcf																		
Core market				12	12	12	—	—	—	%	31	30	30	1	1	3	3 %	
Core market				78	77	77	1	1	1	%	Total	98	104	104	(6)	(6)	(6)	(6)%
Core market				225	209	209	16	16	8	%	Electric Utility distribution sales - gwh	242	241	241	1	1	—	— %
Electric Utility distribution sales - gwh				209	209	16	16	8	8	%	Electric Utility distribution sales - gwh	242	241	241	1	1	—	— %
Gas Utility heating degree days—% (warmer) than normal (b)																		
Gas Utility degree days—% (warmer) colder than normal (b)																		

(a) Total margin represents revenues less cost of sales and revenue-related taxes (i.e., gross receipts and business and occupation taxes) of \$4 million \$7 million each during the 2024 and 2023 three-month periods. For financial statement purposes, revenue-related taxes are included in "Operating and administrative expenses" on the Condensed Consolidated Statements of Income (but are excluded from operating and administrative expenses presented above).

(b) Deviation from average heating degree days is determined on a 10-year period utilizing volume-weighted weather data based on weather statistics provided by NOAA for airports located within Gas Utility's service territories.

Temperatures in Gas Utility's service territories during the 2024 three-month period were 26.1% 3.2% warmer than normal and 16.6% warmer 3.1% colder than the prior-year period. The slight increase in Gas Utility core market volumes during the 2024 three-month period is largely related to the colder weather compared to the prior-year period. Total Gas Utility volume decreased 6% during the 2024 three-month period, notwithstanding the increase in core market volumes, primarily reflecting lower large firm delivery service volumes. Electric Utility distribution sales volumes were comparable to the prior-year period as growth in the core market customers were largely offset by the impact from the significantly warmer weather. Total Gas Utility volume increased 1% during the 2024 three-month period, primarily reflecting

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higher large firm delivery service volumes. The increase in Electric Utility distribution sales volumes is primarily attributable to an increase in cooling degree days during the 2024 three-month period and, to a lesser extent, customer growth period.

Utilities revenues decreased \$21 million \$8 million in the 2024 three-month period, substantially due to reflecting lower Gas Utility revenues. The decrease in Gas Utility revenues was largely attributable to lower PGC and PGA rates reflecting lower natural gas costs. costs and, to a lesser extent, the effects of the weather normalization adjustments for Gas Utility. These decreases were partially offset by the effects of increases in base rates for PA WV Gas Utility (effective October 1, 2023) effective January 1, 2024, the slightly higher core market volumes and Mountaineer (effective January 1, 2024) and increase in DSIC revenues. higher off-system sales. Electric Utility revenues increased slightly during were comparable to the 2024 three-month period, largely reflecting higher base rates and sales volumes, partially offset by lower DS rates. prior-year period.

Utilities cost of sales decreased \$29 million \$17 million in the 2024 three-month period, substantially due to reflecting lower Gas Utility cost of sales. The decrease in Gas Utility cost of sales reflecting was mainly attributable to lower PGC and PGA rates. rates, partially offset by the slightly higher core market volumes and higher cost of sales associated with off-system sales. Electric Utility cost of sales during the 2024 three-month period was comparable to the prior-year period as the effects of the higher sales volumes were offset by the lower DS rates. period.

Utilities total margin increased \$8 million \$9 million during the 2024 three-month period, primarily attributable to reflecting higher Gas Utility total margin. The increase in Gas Utility total margin (\$5 million), mainly reflecting reflects the effects of increases in base rates for PA WV Gas Utility (effective October 1, 2023) and Mountaineer (effective effective January 1, 2024), increases in DSIC revenue and the impacts from growth in the core market customers. customers, partially offset by the effects of the weather normalization adjustments for Gas Utility. Electric Utility margin increased \$3 million during was comparable to the 2024 three-month period mainly reflecting the increase in base rates effective October 1, 2023 and, to a lesser extent, the higher sales volumes. prior-year period.

Utilities operating income and earnings before interest expense and income taxes each increased \$5 million \$4 million and \$6 million, respectively, during the 2024 three-month period. These increases largely reflect the previously mentioned increase in total margin (\$8.9 million), partially offset by higher depreciation expense (\$4 million). Operating operating and administrative expenses were slightly lower compared to the prior-year period, reflecting lower (\$3 million) and higher depreciation expense (\$3 million). The higher operating and administrative expenses reflect, among other things, higher personnel expenses and higher uncollectible accounts expenses and contract labor costs. expenses. The higher depreciation expense compared to the prior-year period reflects the effects of continued distribution system capital expenditure activity.

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Midstream & Marketing

For the three months ended June 30,		2024	2023	Increase (Decrease)					
For the three months ended December 31,		2024	2023	Increase (Decrease)					
(Dollars in millions)	(Dollars in millions)				(Dollars in millions)				
Revenues	Revenues	\$253	\$279	\$ (26) (9)	(9)% Revenues	\$367	\$394	\$ (27) (7)	(7)%
Total margin (a)	Total margin (a)	\$ 86	\$ 87	\$ (1) (1)	(1)% Total margin (a)	\$138	\$155	\$ (17) (11)	(11)%
Operating and administrative expenses	Operating and administrative expenses	\$ 30	\$ 31	\$ (1) (3)	(3)% expenses	\$ 29	\$ 31	\$ (2) (6)	(6)%
Operating income	Operating income	\$ 41	\$ 40	\$ 1 3	3 % Operating income	\$ 91	\$ 99	\$ (8) (8)	(8)%
Earnings before interest expense and income taxes	Earnings before interest expense and income taxes	\$ 43	\$ 41	\$ 2 5	5 % expense and income taxes	\$ 95	\$ 102	\$ (7) (7)	(7)%

(a) Total margin represents revenues less cost of sales.

Average temperatures across Midstream & Marketing's energy marketing territory during the 2024 three-month period were 23.5% 3.9% warmer than normal and 18.3% warmer 4.2% colder than the prior-year period.

Midstream & Marketing revenues decreased \$26 million \$27 million compared to the prior-year period, primarily reflecting (1) lower revenues from natural gas marketing activities (\$29.13 million), including the effects of peaking and capacity management activities, that were primarily impacted by lower natural gas prices. prices; (2) lower midstream revenues (\$10 million), mainly from lower natural gas gathering and processing activities; and (3) absence of revenues from UGID that was sold in September 2024 (\$9 million). The decrease in revenues was slightly partially offset by lower higher revenues related to retail power marketing activities. from renewable energy (\$5 million).

Midstream & Marketing cost of sales decreased \$25 million \$10 million compared to the prior-year period, primarily reflecting lower natural gas costs (\$22.8 million) related to the previously mentioned natural gas marketing activities. activities and absence of cost of sales from UGID that was sold in September 2024 (\$5 million), partially offset by higher cost of sales from renewable energy (\$4 million).

Midstream & Marketing total margin was comparable decreased \$17 million compared to the prior-year period, as higher storage and primarily reflecting (1) lower midstream margins (\$10 million) mainly from lower natural gas pipeline gathering margin and processing activities, (2) absence of margins from UGID that was offset by sold in September 2024 (\$4 million) and (3) lower total margin margins from natural gas marketing activities, reflecting the effects of lower capacity management margin activities.

Midstream & Marketing operating income and earnings before interest expense and income taxes during the 2024 three-month period were comparable decreased \$8 million and \$7 million, respectively, compared to the prior-year period as slightly period. The decrease in operating income is largely attributable to the lower total margin, was more than partially offset by higher other operating income (\$5 million), slightly lower operating and administrative expenses (\$2 million) and other depreciation and amortization expense (\$2 million). The decrease in earnings before interest expense and income taxes principally reflects the decrease in operating income.

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UGI International

For the three months ended June 30,		2024	2023	Increase (Decrease)							
For the three months ended December 31,		2024	2023	Increase (Decrease)							
(Dollars in millions)	(Dollars in millions)				(Dollars in millions)						
Revenues	Revenues	\$455	\$611	(\$156)	(26)	(26)% Revenues		\$638	\$725	(\$87)	(12)%
Total margin (a)	Total margin (a)	\$211	\$193	\$ 18	9	9 % Total margin (a)		\$264	\$279	(\$15)	(5)%
Operating and administrative expenses	Operating and administrative expenses	\$138	\$157	(\$19)	(12)	(12)% expenses		\$134	\$147	(\$13)	(9)%
Operating income	Operating income	\$ 57	\$ 21	\$ 36	171	171 % income		\$106	\$113	\$ (7)	(6)%
Earnings before interest expense and income taxes	Earnings before interest expense and income taxes	\$ 57	\$ 22	\$ 35	159	159 % taxes		\$110	\$117	\$ (7)	(6)%
LPG retail gallons sold (millions)	LPG retail gallons sold (millions)	152	158	158	(6)	(4)	LPG retail gallons sold % (millions)	218	214	214	4 % 2
Heating degree days—% (warmer) than normal (b)											
Degree days—% (warmer) colder than normal (b)											

(a) Total margin represents revenues less cost of sales.

(b) Deviation from average heating degree days is determined on a rolling 10-year period utilizing volume-weighted weather data at locations in our UGI International service territories.

Average temperatures during the 2024 three-month period were 10.0% 3.5% warmer than normal and 2.8% warmer 8.2% colder than the prior-year period. Total LPG retail gallons sold during the 2024 three-month period were 4% lower than in slightly increased compared to the prior-year period, largely due attributable to the effects of the warmer higher crop drying campaigns and colder weather, and partially offset by lower growth from natural gas conversions to LPG.

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UGI International base-currency results are translated into USD based upon exchange rates experienced during the reporting periods. The functional currency of a significant portion of our UGI International results is the euro and, to a much lesser extent, the British pound sterling. During the 2024 and 2023 three-month periods, the average unweighted euro-to-USD translation rates were approximately \$1.08 \$1.07 and \$1.09 \$1.08, respectively, and the average unweighted British pound sterling-to-USD translation rates were approximately \$1.26 \$1.28 and \$1.25 \$1.24, respectively. Fluctuations in these foreign currency exchange rates can have a significant impact on the individual financial statement components discussed below. The Company uses forward foreign currency exchange contracts entered into over multi-year periods to reduce the volatility in earnings that may result from such changes in foreign currency exchange rates. Net realized gains (losses) on these These forward foreign currency exchange contracts did not have a material impact on either resulted in realized net gains of \$4 million each in the 2024 and 2023 three-month periods.

Average wholesale prices for propane and butane during the 2024 three-month period in northwest Europe were each approximately 16% 13.5% and 5.3% higher, respectively, compared with the prior-year period. UGI International revenues and cost of sales decreased \$156 million \$87 million and \$174 million \$72 million, respectively, during the 2024

three-month period compared to the prior-year period. The decrease in revenues and cost of sales principally reflects significantly lower energy marketing activities during the 2024 three-month period resulting from the exit of substantially all of UGI International's energy marketing business in Belgium, France and the **Netherlands**. The decrease in revenues from the energy marketing **business activities** was partially offset by the effects of LPG price increases across Europe. The decrease in cost of sales from the energy marketing activities was also attributable to lower partially offset by higher LPG volumes sold. product costs.

UGI International total margin increased \$18 million decreased \$15 million during the 2024 three-month period reflecting lower margin contributions primarily reflecting higher from our energy marketing activities and, to a much lesser extent, lower margin contributions from our LPG business and, to a lesser extent, our energy marketing activities. The higher lower margin contribution from our LPG business reflects the effects of higher average unit margins attributable to strong margin management efforts. The higher margin contributions from our energy marketing activities reflects the impact of the aforementioned exit of substantially all of UGI International's energy marketing business. The slightly lower margin from our LPG business primarily reflects the effects of lower average unit margins in the 2024 three-month period.

UGI International operating income and earnings before interest expense and income taxes increased \$36 million and \$35 million, respectively, decreased \$7 million each during the 2024 three-month period. The increase decrease in operating income principally reflects the previously mentioned \$15 million decrease in total margin and lower foreign currency transaction gains (\$2 million), partially offset by lower operating and administrative expenses (\$19 million), the previously mentioned \$18 million increase in total margin and higher gains associated with sales of assets (\$6 million), partially offset by lower other operating income (\$513 million). The lower operating and administrative expenses in the 2024 three-month period primarily reflects lower personnel and maintenance expenses in our LPG business and a decline in energy marketing-related operating expenses, partially offset by the effects of inflationary increases. The increase decrease in earnings before interest expense and income taxes in the 2024 three-month period largely reflects the \$36 million increase \$7 million decrease in operating income.

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AmeriGas Propane

For the three months ended June 30,		2024	2023	(Decrease)								
For the three months ended December 31,		2024	2023	Increase (Decrease)								
	(Dollars in millions)				(Dollars in millions)							
Revenues	Revenues	\$445	\$514	\$ (69)	(13)	(13)%	Revenues	\$627	\$629	\$ (2)	—	— %
Total margin (a)	Total margin (a)	\$228	\$263	\$ (35)	(13)	(13)%	Total margin (a)	\$347	\$346	\$ 1	—	— %
Operating and administrative expenses	Operating and administrative expenses	\$219	\$236	\$ (17)	(7)	(7)%	Operating and administrative expenses	\$236	\$243	\$ (7)	(3)	(3)%
Operating (loss)/(loss) before interest expense and income taxes		\$ (27)	\$ (8)	\$ (19)	238 %							
Operating income / earnings before interest expense and income taxes		\$ 74	\$ 71	\$ 3	4 %							
Retail gallons sold (millions)	Retail gallons sold (millions)	142	163	(21)	(21)	(13)	Retail gallons sold (millions)	204	206	206	(2)	(2) (1) (1)%
Heating degree days—% (warmer) colder than normal (b)												
Degree days—% (warmer) colder than normal (b)												

(a) Total margin represents total revenues less total cost of sales.

(b) Deviation from average heating degree days is determined on a rolling 10-year period utilizing volume-weighted weather data based on weather statistics provided by NOAA for 344 regions in the U.S., excluding Alaska and Hawaii.

Average temperatures during the 2024 three-month period were 5.5% 6.3% warmer than normal and 8.7% warmer than comparable to the prior-year period. Although average temperatures during the 2024 three-month period were comparable to the prior-year period, we experienced significantly colder temperatures during the peak heating season month of December 2024. Total retail gallons sold decreased 13% 1% during the 2024 three-month period, primarily due to continuing customer attrition and the effects of the warmer weather. attrition.

Average daily wholesale propane commodity prices during the 2024 three-month period at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately **12% 14.9%** higher than such prices during the 2023 three-month period. Total revenues decreased **\$69 million** **\$2 million** during the 2024 three-month period largely reflecting the lower retail volumes sold (**\$55 million**), lower wholesale revenues (**\$65 million**) and slightly lower fee income that was largely offset by the effects of lower higher average retail propane selling prices (**\$56 million**).

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Total cost of sales decreased **\$34 million** **\$3 million** during the 2024 three-month period largely reflecting the lower retail propane volumes sold (**\$26 million**) and the lower wholesale cost of sales (**\$5 million**).

Total margin decreased **\$35 million** increased **\$1 million** in the 2024 three-month period reflecting higher average retail propane unit margins (**\$7 million**) that was largely attributable to offset by the lower retail propane volumes sold (**\$283 million**) and slightly lower average retail propane unit margins (**\$5 million**).

Operating loss income and loss earnings before interest expense and income taxes each increased **\$19 million** **\$3 million** during the 2023 2024 three-month period primarily reflecting the decrease in total margin (**\$35 million**), partially offset by lower operating and administrative expenses (**\$177 million**), partially offset by slightly lower gains on asset sales. The decrease in operating and administrative expenses primarily reflects among other things, lower compensation expenses and advertising expenses.

Interest Expense and Income Taxes

Our consolidated interest expense during the 2024 three-month period was comparable **\$102 million** compared to **\$100 million** during the prior-year period as 2023 three-month period. The slight increase in interest expense reflects the impact effects of higher average long-term debt outstanding at Utilities and UGI Corporation, substantially offset by lower interest expense from lower average long-term debt outstanding at AmeriGas Propane and lower average credit agreement borrowings outstanding during the 2024 three-month period was largely offset by slightly higher total interest expense on long-term debt period.

The increase decrease in the Company's income tax rate for the 2024 three-month period was principally related to the effects of establishing a full valuation allowance against current year losses in the Netherlands, partially offset by reflects an increase in investment tax credits mainly at in our Midstream & Marketing segment.

The Company continues segment and the release of a valuation allowance on deferred tax assets expected to evaluate the elections available under current regulations and pending legislation. Accordingly, the impacts on the Company's income tax provisions and taxes payable or refundable related to these items are subject to change, be utilized by our UGI International segment.

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2024 Nine-Month Period Compared with the 2023 Nine-Month Period

Utilities

For the nine months ended June 30,	2024		2023		Increase (Decrease)		
(Dollars in millions)							
Revenues	\$	1,396	\$	1,644	\$	(248)	(15)%
Total margin (a)	\$	792	\$	750	\$	42	6 %
Operating and administrative expenses (a)	\$	271	\$	275	\$	(4)	(1)%
Operating income	\$	396	\$	361	\$	35	10 %
Earnings before interest expense and income taxes	\$	400	\$	367	\$	33	9 %
Gas Utility system throughput—bcf							
Core market		87		90		(3)	(3)%
Total		303		296		7	2 %
Electric Utility distribution sales - gwh		732		712		20	3 %
Gas Utility heating degree days—% (warmer) than normal (b)		(15.5)%		(11.6)%		—	—

(a) Total margin represents revenues less cost of sales and revenue-related taxes (i.e., gross receipts and business and occupation taxes) of \$20 million and \$21 million during the 2024 and 2023 nine-month periods, respectively. For financial statement purposes, revenue-related taxes are included in "Operating and administrative expenses" on the Condensed Consolidated Statements of Income (but are excluded from operating and administrative expenses presented above).

(b) Deviation from average heating degree days is determined on a 10-year period utilizing volume-weighted weather data based on weather statistics provided by NOAA for airports located within Gas Utility's service territories.

Temperatures in Gas Utility's service territories during the 2024 nine-month period were 15.5% warmer than normal and 4.1% warmer than the prior-year period. The decrease in Gas Utility core market volumes during the 2024 nine-month period is largely related to the warmer weather, partially offset by growth in the core market customers. Total Gas Utility volume increased 2% during the 2024 nine-month period, notwithstanding the decrease in core market volumes, primarily reflecting higher large firm delivery service volumes. The increase in Electric Utility distribution sales volumes is primarily attributable to customer growth.

Utilities revenues decreased \$248 million in the 2024 nine-month period, reflecting lower Gas Utility revenues. The decrease in Gas Utility revenues was largely attributable to lower PGC and PGA rates reflecting lower natural gas costs and, to a lesser extent, the lower core market volumes and lower off-system sales. These decreases were partially offset by the effects of increases in base rates for PA Gas Utility (effective October 1, 2023) and Mountaineer (effective January 1, 2024) and the effects of the weather normalization adjustments for PA Gas Utility (effective November 1, 2022). Electric Utility revenues slightly increased during the 2024 nine-month period, largely reflecting higher base rates and sales volumes, partially offset by lower DS rates.

Utilities cost of sales decreased \$290 million in the 2024 nine-month period primarily attributable to Gas Utility (\$283 million) mainly reflecting lower PGC and PGA rates, the lower core market volumes and, to a lesser extent, lower cost of sales associated with off-system sales. Electric Utility cost of sales decreased \$7 million during the 2024 nine-month period largely reflecting the lower DS rates, partially offset by higher sales volumes.

Utilities total margin increased \$42 million during the 2024 nine-month period primarily attributable to higher Gas Utility total margin (\$33 million), notwithstanding the warmer weather, mainly reflecting the increases in DSIC revenues, the effects of increases in base rates for PA Gas Utility (effective October 1, 2023) and Mountaineer (effective January 1, 2024) and the effects of the weather normalization adjustments for PA Gas Utility (effective November 1, 2022) and the impacts from growth in the core market customers. Electric Utility margin increased \$9 million during the 2024 nine-month period, mainly reflecting the increase in base rates effective October 1, 2023 and the higher sales volumes.

Utilities operating income and earnings before interest expense and income taxes increased \$35 million and \$33 million, respectively, during the 2024 nine-month period. These increases largely reflect the previously mentioned increase in total margin (\$42 million) and, to a lesser extent, lower operating and administrative expenses (\$4 million), partially offset by higher depreciation expense (\$12 million). The slightly lower operating and administrative expenses principally reflect lower

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uncollectible accounts expenses, contract labor costs and maintenance expenses. The higher depreciation expense compared to the prior-year period reflects the effects of continued distribution system capital expenditure activity.

Midstream & Marketing

For the nine months ended June 30,	2024	2023	Increase (Decrease)
(Dollars in millions)			
Revenues	\$ 1,130	\$ 1,586	\$ (456) (29)%
Total margin (a)	\$ 441	\$ 401	\$ 40 10 %
Operating and administrative expenses	\$ 90	\$ 95	\$ (5) (5)%
Operating income	\$ 291	\$ 249	\$ 42 17 %
Earnings before interest expense and income taxes	\$ 298	\$ 253	\$ 45 18 %

(a) Total margin represents revenues less cost of sales.

Average temperatures across Midstream & Marketing's energy marketing territory during the 2024 nine-month period were 13.2% warmer than normal and 4.8% warmer than the prior-year period.

Midstream & Marketing revenues decreased \$456 million compared to the prior-year period, primarily reflecting lower revenues from natural gas marketing activities (\$439 million), including the effects of peaking and capacity management activities, that were primarily impacted by lower natural gas prices and lower volumes resulting from the warmer weather. The decrease also reflects, to a much lesser extent, lower revenues from renewable energy (\$18 million).

Midstream & Marketing cost of sales decreased \$496 million compared to the prior-year period, primarily reflecting lower natural gas costs (\$483 million) related to the previously mentioned natural gas marketing activities and, to a much lesser extent, lower cost of sales related to renewable energy (\$11 million).

Midstream & Marketing total margin increased \$40 million compared to the prior-year period, primarily reflecting higher margins from natural gas marketing activities (\$44 million), mainly resulting from the effects of higher capacity management activities, partially offset by lower total margin from renewable energy (\$7 million).

Midstream & Marketing operating income and earnings before interest expense and income taxes during the 2024 nine-month period increased \$42 million and \$45 million, respectively, compared to the prior-year period. The increase in operating income is largely attributable to the higher total margin and, to a lesser extent, lower operating and administrative expense (\$5 million). The lower operating and administrative expenses during the 2024 nine-month period primarily reflects lower salary and benefits expenses and maintenance expenses. The increase in earnings before interest expense and income taxes principally reflects the increase in operating income and, to a much lesser extent, slightly higher income from equity investees (\$3 million).

UGI International

For the nine months ended June 30,	2024	2023	Increase (Decrease)
(Dollars in millions)			
Revenues	\$ 1,853	\$ 2,436	\$ (583) (24)%
Total margin (a)	\$ 795	\$ 723	\$ 72 10 %
Operating and administrative expenses	\$ 440	\$ 471	\$ (31) (7)%
Operating income	\$ 294	\$ 197	\$ 97 49 %

Earnings before interest expense and income taxes	\$ 305	\$ 216	\$ 89	41 %
LPG retail gallons sold (millions)	587	585	2	— %
Heating degree days—% (warmer) than normal (b)	(12.3)%	(9.1)%	—	—

(a) Total margin represents revenues less cost of sales.

(b) Deviation from average heating degree days is determined on a rolling 10-year period utilizing volume-weighted weather data at locations in our UGI International service territories.

Average temperatures during the 2024 nine-month period were 12.3% warmer than normal and 4.1% warmer than the prior-year period. Notwithstanding the warmer weather, total LPG retail gallons sold during the 2024 nine-month period slightly

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increased compared to the prior-year period, largely attributable to growth from natural gas conversions to LPG and higher auto gas volumes sold, partially offset by warmer weather and lower cylinder volumes.

UGI International base-currency results are translated into USD based upon exchange rates experienced during the reporting periods. The functional currency of a significant portion of our UGI International results is the euro and, to a much lesser extent, the British pound sterling. During the 2024 and 2023 nine-month periods, the average unweighted euro-to-USD translation rates were approximately \$1.08 and \$1.06, respectively, and the average unweighted British pound sterling-to-USD translation rates were approximately \$1.26 and \$1.21, respectively. Fluctuations in these foreign currency exchange rates can have a significant impact on the individual financial statement components discussed below. The Company uses forward foreign currency exchange contracts entered into over multi-year periods to reduce the volatility in earnings that may result from such changes in foreign currency exchange rates. These forward foreign currency exchange contracts resulted in net realized gains of \$12 million and \$16 million in the 2024 and 2023 nine-month periods, respectively.

Average wholesale prices for propane and butane during the 2024 nine-month period in northwest Europe were approximately 6% and 8% lower, respectively, compared with the prior-year period. UGI International revenues and cost of sales decreased \$583 million and \$655 million, respectively, during the 2024 nine-month period compared to the prior-year period. The decrease in revenues and cost of sales principally reflects significantly lower energy marketing activities during the 2024 nine-month period resulting from the exit of substantially all of UGI International's energy marketing business in Belgium, France and the Netherlands in Fiscal 2024. The decrease in revenues from the energy marketing activities was partially offset by the translation effects of the stronger foreign currencies (approximately \$46 million) and LPG price increases across Europe. The decrease in cost of sales was also attributable to lower LPG product costs, partially offset by the translation effects of the stronger foreign currencies (approximately \$28 million).

UGI International total margin increased \$72 million during the 2024 nine-month period primarily reflecting higher margin contributions primarily from our LPG business, the translation effects of the stronger foreign currencies (approximately \$18 million) and, to a much lesser extent, higher margin contributions from our energy marketing activities. The higher margin from our LPG business reflects the effects of higher average unit margins attributable to strong margin management efforts. The slightly higher margin from our energy marketing activities primarily reflects the impact of the aforementioned exit of substantially all of UGI International's energy marketing business.

UGI International operating income and earnings before interest expense and income taxes increased \$97 million and \$89 million, respectively, during the 2024 nine-month period. The increase in operating income principally reflects the previously mentioned \$72 million increase in total margin and lower operating and administrative expenses (\$31 million), partially offset by lower foreign currency transaction gains (\$8 million). The lower operating and administrative expenses in the 2024 nine-month period primarily reflects lower personnel and maintenance expenses in our LPG business and a decline in energy marketing-related operating expenses, partially offset by the effects of inflationary increases and the translation effects of the stronger foreign currencies (approximately \$10 million). The increase in earnings before interest expense and income taxes in the 2024 nine-month period largely reflects the \$97 million increase in operating income, partially offset by lower realized gains on foreign currency exchange contracts entered into in order to reduce volatility in UGI International earnings resulting from the effects of changes in foreign currency exchange rates (\$4 million).

AmeriGas Propane

For the nine months ended June 30,	2024	2023	(Decrease)
(Dollars in millions)			
Revenues	\$ 1,869	\$ 2,147	\$ (278) (13)%
Total margin (a)	\$ 1,007	\$ 1,080	\$ (73) (7)%
Operating and administrative expenses	\$ 720	\$ 734	\$ (14) (2)%
Operating income/earnings before interest expense and income taxes	\$ 182	\$ 240	\$ (58) (24)%
Retail gallons sold (millions)	609	678	(69) (10)%
Heating degree days—% (warmer) colder than normal (b)	(7.8)%	0.5 %	— —

(a) Total margin represents total revenues less total cost of sales.

(b) Deviation from average heating degree days is determined on a rolling 10-year period utilizing volume-weighted weather data based on weather statistics provided by NOAA for 344 regions in the U.S., excluding Alaska and Hawaii.

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Average temperatures during the 2024 nine-month period were 7.8% warmer than normal and 7.8% warmer than the prior-year period. Total retail gallons sold decreased 10% during the 2024 nine-month period primarily due to continuing customer attrition and the effects of the warmer weather.

Average daily wholesale propane commodity prices during the 2024 nine-month period at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 1% lower than such prices during the 2023 nine-month period. Total revenues decreased \$278 million during the 2024 nine-month period largely reflecting the lower retail volumes sold (\$184 million), lower wholesale revenues (\$51 million) and the effects of lower average retail propane selling prices (\$34 million).

Total cost of sales decreased \$205 million during the 2024 nine-month period largely reflecting the lower retail propane volumes sold (\$90 million), the lower retail propane product costs (\$53 million) and lower wholesale cost of sales (\$49 million).

Total margin decreased \$73 million in the 2024 nine-month period largely attributable to the lower retail propane volumes sold (\$95 million), partially offset by higher average retail propane unit margins (\$20 million).

Operating income and earnings before interest expense and income taxes each decreased \$58 million during the 2024 nine-month period primarily reflecting the decrease in total margin (\$73 million), partially offset by lower operating and administrative expenses (\$14 million). The decrease in operating and administrative expenses reflects, among other things, lower advertising expenses and lower compensation expenses, partially offset by higher vehicle expenses.

Interest Expense and Income Taxes

Our consolidated interest expense during the 2024 nine-month period was \$296 million compared to \$281 million during the 2023 nine-month period. The increase largely reflects higher total long-term debt interest expense including the effects of higher average long-term debt outstanding at Utilities and Midstream & Marketing and a higher average interest rate on UGI International long-term debt, partially offset by lower average long-term debt outstanding at AmeriGas Propane. The increase in long-term debt interest expense was partially offset by lower short-term debt interest expense principally reflecting the effects of lower average credit agreement borrowings during the 2024 nine-month period.

The increase in the Company's income tax rate for the 2024 nine-month period was principally related to the effects of establishing a full valuation allowance against current year losses in the Netherlands, partially offset by an increase in investment tax credits mainly at our Midstream & Marketing segment.

The Company continues to evaluate the elections available under current regulations and pending legislation. Accordingly, the impacts on the Company's income tax provisions and taxes payable or refundable related to these items are subject to change.

FINANCIAL CONDITION AND LIQUIDITY

The Company expects to have sufficient liquidity including cash on hand and available borrowing capacity, to continue to support long-term commitments and ongoing operations despite uncertainties associated with the previously mentioned ongoing global macroeconomic conditions. Our total available liquidity balance, comprising cash and cash equivalents and available borrowing capacity on our revolving credit facilities, totaled approximately \$1.9 billion \$1.5 billion at December 31, 2024 and \$1.6 billion at June 30, 2024 September 30, 2024.

On February 4, 2025, UGI International borrowed \$221 million under its revolving credit facility. The proceeds from these borrowings were subsequently used to fund an intercompany loan of \$221 million to AmeriGas Partners. AmeriGas Partners expects to use the proceeds from the intercompany loan to redeem the outstanding principal balance of the 5.50% Senior Notes maturing in May 2025. Concurrent with the intercompany loan agreement, on February 5, 2025, AmeriGas Partners issued a notice of early redemption for the remaining 5.50% Senior Notes maturing in May 2025, having an aggregate principal balance of \$218 million, plus accrued and September 30, 2023, respectively, unpaid interest.

As of June 30, 2024 December 31, 2024, "Current maturities of long-term debt" on the Condensed Consolidated Balance Sheet principally comprises (1) except for \$218 million outstanding principal balance of the AmeriGas Partners 5.50% Senior Notes maturing in May 2025, and (2) \$51 million outstanding principal balance representing a portion of borrowings outstanding under the UGI Corporation Credit Facility Agreement, maturing May 2025. Except as noted, the Company does not have any senior notes or term loans maturing in the next twelve months. The Company cannot predict the duration or total magnitude of the uncertain macroeconomic conditions mentioned above and the total effects they will have on its liquidity, debt covenants, financial condition or the timing of capital expenditures. UGI and its subsidiaries were in compliance with all of its debt covenants as of June 30, 2024 December 31, 2024.

We depend on both internal and external sources of liquidity to provide funds for working capital and to fund capital requirements. Our short-term cash requirements not met by cash from operations are generally satisfied with borrowings under credit facilities and, in the case of Midstream & Marketing, also from a Receivables Facility. Long-term cash requirements are generally met through the issuance of long-term debt or equity linked securities. We believe that each of our business units has sufficient liquidity in the forms of cash and cash equivalents on hand; cash expected to be generated from operations; credit facility and Receivables Facility borrowing capacity; and the ability to obtain long-term financing to meet anticipated

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contractual and projected cash commitments. Issuances of debt and equity securities in the capital markets and additional credit facilities may not, however, be available to us on acceptable terms.

The primary sources of UGI's cash and cash equivalents are the dividends and other cash payments made to UGI or its corporate subsidiaries by its principal business units. Our cash and cash equivalents totaled \$183 million \$240 million at June 30, 2024 December 31, 2024, compared with \$241 million \$213 million at September 30, 2023 September 30, 2024. Excluding cash and cash equivalents that reside at UGI's operating subsidiaries, at June 30, 2024 December 31, 2024 and September 30, 2023 September 30, 2024, UGI had \$80 million \$102 million and \$51 million \$72 million of cash and cash equivalents, respectively. Such cash is available to pay dividends and interest on long-term debt UGI Common Stock and for investment purposes.

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Long-term Debt and Credit Facilities

Long-term Debt

The Company's debt outstanding at **June 30, 2024** December 31, 2024 and **September 30, 2023** September 30, 2024, comprises the following:

	June 30, 2024					September 30, 2023					December 31, 2024					September 30, 2024											
	(Millions of dollars)		Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corp & Other	Total	(Millions of dollars)		Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corp & Other	Total	(Millions of dollars)		Utilities	Midstream & Marketing	UGI International	AmeriGas Propane	Corp & Other	Total			
	Short-term borrowings	Long-term debt (including current maturities):	Long-term debt (including current maturities):	Long-term debt (including current maturities):	Senior notes	Senior notes	Senior notes	Term loans	Other long-term debt	Unamortized debt issuance costs	Total long-term debt	Total debt	Senior notes	Senior notes	Senior notes	Term loans	Other long-term debt	Unamortized debt issuance costs	Total long-term debt	Total debt	Senior notes	Senior notes	Senior notes	Term loans	Other long-term debt	Unamortized debt issuance costs	Total long-term debt
Short-term borrowings																											
Long-term debt (including current maturities):																											
Long-term debt (including current maturities):																											
Long-term debt (including current maturities):																											
Senior notes																											
Senior notes																											
Senior notes																											
Term loans																											
Other long-term debt																											
Unamortized debt issuance costs																											
Total long-term debt																											
Total debt																											

Significant Financing Activities

The following significant financing activities occurred during the 2024 three-month period. See Note 8 to Condensed Consolidated Financial Statements for additional information on these transactions.

UGI Utilities Senior Notes. In November 2024, UGI Utilities entered into a Note Purchase Agreement with a consortium of lenders. Pursuant to the Note Purchase Agreement, UGI Utilities issued \$50 million aggregate principal amount of 5.24% Senior Notes due November 30, 2029, and \$125 million aggregate principal amount of 5.52% Senior Notes due November 30, 2034. The net proceeds from these issuances were used to reduce short-term borrowings and for general corporate purposes.

AmeriGas Senior Secured Revolving Credit Facility. In October 2024, AmeriGas OLP amended the AmeriGas Senior Secured Revolving Credit Facility to increase total commitments from \$200 million to a total of \$300 million.

UGI Corporation 2025 Credit Agreement. In October 2024, UGI entered into the UGI Corporation 2025 Credit Agreement, providing a \$475 million revolving credit facility, including a \$10 million sublimit for letters of credit, and a \$400 million term loan facility. Borrowings under the credit agreement can be used for general corporate purposes, including refinancing a portion of the UGI Corporation Credit Facility Agreement and ongoing working capital needs of the Company. The revolving credit facility is scheduled to expire in October 2028, and the term loan facility is scheduled to mature in October 2027. In connection with entering into the UGI Corporation 2025 Credit Agreement, the Company paid off in full and terminated the UGI Corporation Credit Facility Agreement.

Credit Facilities

Additional information related to the Company's credit agreements can be found in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Note 6 to Consolidated Financial Statements in the Company's **2023** **2024** Annual Report.

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Information about the Company's principal credit agreements (excluding the Receivables Facility discussed below) as of **June 30, 2024** **December 31, 2024** and 2023, is presented in the table below.

(Currency in millions)	Total Capacity	Borrowings Outstanding	Letters of Credit and Guarantees Outstanding	Available Borrowing Capacity
As of June 30, 2024				
(Millions of dollars or euros)	Total Capacity	Borrowings Outstanding	Letters of Credit and Guarantees Outstanding	Available Borrowing Capacity
As of December 31, 2024				
AmeriGas OLP (c) (a)				
AmeriGas OLP (c) (a)				
AmeriGas OLP (c) (a)				
UGI International, LLC (a) (b)				
Energy Services				
UGI Utilities				
Mountaineer				
UGI Corporation (b) (c)				
As of June 30, 2023				
As of December 31, 2023				
AmeriGas OLP				
AmeriGas OLP				
AmeriGas OLP				
UGI International, LLC (a) (b)				
Energy Services				
UGI Utilities				
Mountaineer				
UGI Corporation (b) (c)				
(a) The maximum amount available for borrowing at any time under the AmeriGas Senior Secured Revolving Credit Facility is limited to the borrowing base valuation, as defined by the agreement.				
(b) Permits UGI International, LLC or UGI International Holdings B.V. to borrow in euros or USD. At June 30, 2024 December 31, 2024 and 2023, the amount borrowed consisted of euro-denominated borrowings equivalent to \$198 million \$114 million and \$245 million \$182 million , respectively.				
(b) (c) Borrowings outstanding have been classified as "Long-term debt" on the Condensed Consolidated Balance Sheets.				
(c) Terminated in August 2024, concurrent with entering into Subsequent to December 31, 2024, the AmeriGas Senior Secured Revolving Credit Facility (see additional information below under Company made a net repayment of \$17 million of such borrowings and classified these net repayments as "Current maturities of long-term debt" on the December 31, 2024 Condensed Consolidated Balance Sheet. <i>AmeriGas Senior Secured Revolving Credit Facility</i>).				

The average daily and peak short-term borrowings under the Company's principal credit agreements are as follows:

(Millions of dollars or euros)	For the nine months ended		For the nine months ended		(Millions of dollars or euros)	For the three months ended		For the three months ended		(Millions of dollars or euros)	Average Peak			
	June 30, 2024		June 30, 2023			December 31, 2024		December 31, 2023			Average Peak			
	Average	Peak	Average	Peak		Average	Peak	Average	Peak		Average	Peak		
AmeriGas OLP														
UGI International, LLC														
Energy Services														
UGI Utilities														
Mountaineer														
UGI Corporation														

Receivables Facility. Energy Services has a Receivables Facility with an issuer of receivables-backed commercial paper currently scheduled paper. In October 2024, the expiration date of the Receivables Facility was extended to expire on October 18, 2024. October 2025. The Receivables Facility provides Energy Services with the ability to borrow up to **\$200**

million \$150 million of eligible receivables during the period October 20, 2023 October 18, 2024 to April 30, 2024 April 30, 2025, and up to \$100 million \$75 million of eligible receivables during the period May 1, 2024 May 1, 2025 to October 18, 2024 October 17, 2025, with the option to request an increase of \$50 million. The interest rate of the Receivables Facility was replaced with a term SOFR based interest rate effective with the extension in October 2024. Energy Services uses the Receivables Facility to fund working capital, margin calls under commodity futures contracts, capital expenditures, dividends and for general corporate purposes.

Under the Receivables Facility, Energy Services transfers, on an ongoing basis and without recourse, its trade accounts receivable to its wholly owned, special purpose subsidiary, ESFC, which is consolidated for financial statement purposes. ESFC, in turn, has sold and, subject to certain conditions, may from time to time sell, an undivided interest in some or all of the

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receivables to a major bank. Amounts sold to the bank are reflected as "Short-term borrowings" on the Condensed Consolidated Balance Sheets. ESFC was created and has been structured to isolate its assets from creditors of Energy Services and its affiliates, including UGI. Trade receivables sold to the bank remain on the Company's balance sheet and the Company reflects

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a liability equal to the amount advanced by the bank. The Company records interest expense on amounts owed to the bank. Energy Services continues to service, administer and collect trade receivables on behalf of the bank, as applicable.

At June 30, 2024 December 31, 2024, the outstanding balance of ESFC trade receivables was \$54 million \$82 million, none of which were sold to the bank. At June 30, 2023 December 31, 2023, the outstanding balance of ESFC trade receivables was \$62 million \$95 million, \$45 million \$60 million of which was sold to the bank. There were no sales of receivables under the Receivables Facility during the three months ended December 31, 2024. During the nine three months ended June 30, 2024 and 2023, December 31, 2023, peak sales of receivables were \$97 million and \$150 million, respectively, and average daily amounts sold were \$29 million \$70 million and \$44 million \$45 million, respectively.

Significant Financing Activities

The following significant financing activities occurred during Fiscal 2024. See Note 8 to Condensed Consolidated Financial Statements for additional information on these transactions.

Utilities

Mountaineer Credit Agreement. In April 2024, Mountaineer entered into the fourth amendment to the Mountaineer Credit Agreement, which extends the maturity date of the agreement from November 2024 to December 2025.

UGI Utilities Senior Notes. In November 2023, UGI Utilities entered into a Note Purchase Agreement with a consortium of lenders. Pursuant to the Note Purchase Agreement, UGI Utilities issued (1) \$25 million aggregate principal amount of 6.02% Senior Notes due November 30, 2030; (2) \$150 million aggregate principal amount of 6.10% Senior Notes due November 30, 2033; and (3) \$75 million aggregate principal amount of 6.40% Senior Notes due November 30, 2053. The net proceeds from these issuances were used to reduce short-term borrowings and for general corporate purposes.

UGI Utilities 2023 Credit Agreement. In November 2023, UGI Utilities entered into the UGI Utilities 2023 Credit Agreement providing for borrowings up to \$375 million (including a \$50 million sublimit for letters of credit and a \$38 million sublimit for swingline loans). UGI Utilities may request an increase in the amount of loan commitments under the credit agreement to a maximum aggregate amount of \$125 million. The credit agreement is scheduled to expire November 2028. Borrowings under the credit agreement may be used to refinance UGI Utilities existing indebtedness and for general corporate purposes and ongoing working capital needs of UGI Utilities.

Midstream & Marketing

Energy Services Term Loan Credit Agreement. In June 2024, Energy Services entered into the second amendment to the Energy Services Term Loan Credit Agreement. The Energy Services Term Loan Credit Agreement was amended primarily to amend the applicable margins on borrowings to 2.50% per annum for Term SOFR loans and 1.50% per annum for base rate loans.

Energy Services Credit Agreement. In May 2024, Energy Services entered into the fourth amendment to the UGI Energy Services Credit Agreement. The amended credit agreement provides for borrowings up to \$300 million, including a \$50 million sublimit for letters of credit. Borrowings under the credit agreement can be used for general corporate purposes and ongoing working capital needs of Energy Services and is scheduled to expire in May 2028.

UGI International

UGI International 2023 Credit Agreement. In June 2024, UGI International, LLC and its indirect wholly-owned subsidiary, UGI International Holdings B.V., entered into the first amendment to the UGI International 2023 Credit Agreement, which provides for the establishment and incorporation of specific key performance indicators with respect to Environmental, Social and Governance targets, whereby based on UGI International, LLC's performance against the key performance indicators, certain adjustments of up to 0.05% in total to the applicable margin may be made.

AmeriGas Propane

AmeriGas Senior Secured Revolving Credit Facility. In August 2024, AmeriGas OLP entered into the AmeriGas Senior Secured Revolving Credit Facility, a five-year senior secured revolving credit facility maturing August 2029, providing for borrowings up to \$200 million (including a \$20 million sublimit for letters of credit). AmeriGas OLP may request an increase in the amount of loan commitments up to a maximum aggregate amount of \$150 million. Borrowings under this credit facility were used to pay off borrowings under the 2022 AmeriGas OLP Credit Agreement and are available for general corporate purposes and ongoing working capital needs of AmeriGas OLP. Concurrently with entering into AmeriGas Senior Secured

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Revolving Credit Facility, AmeriGas OLP terminated the 2022 AmeriGas OLP Credit Agreement and with it, eliminated the debt to EBITDA covenant ratio.

AmeriGas Partners Senior Notes. In June 2024, pursuant to an early tender offer, AmeriGas Partners and AmeriGas Finance Corp, repurchased \$475 million aggregate principal amount of the 5.50% Senior Notes due May 2025. Cash on hand, a \$315 million cash contribution from the Company and other sources of liquidity were used for the repurchase. Following the repurchase, \$218 million aggregate principal amount of these senior notes remain outstanding at June 30, 2024.

In March 2024, AmeriGas Partners and AmeriGas Finance Corp entered into separate, privately negotiated repurchase agreements with a limited number of holders of the outstanding senior notes to repurchase \$38 million aggregate principal amount of the senior notes. AmeriGas Partners and AmeriGas Finance Corp repurchased \$7 million, \$11 million, \$13 million, and \$7 million par value of its issued and outstanding 5.50% Senior Notes, 5.875% Senior Notes, 5.75% Senior Notes, and 9.375% Senior Notes, respectively.

UGI Corporation

UGI Corporation Senior Notes. In June 2024, UGI issued, in an underwritten private placement, an aggregate \$700 million principal amount of 5.00% UGI Corporation Senior Notes due June 2028. The UGI Corporation Senior Notes are senior, unsecured obligations and rank equal in right of payment with our existing and future senior, unsecured indebtedness. Interest is payable semi-annually on June 1 and December 1 of each year, beginning on December 1, 2024, and will mature on June 1, 2028, unless earlier repurchased or converted. The net proceeds from the issuance of the UGI Corporation Senior Notes of approximately \$682 million, after underwriters fees and other debt issuance costs, were used (1) to repay a portion of borrowings under the UGI Corporation Credit Facilities; (2) to make cash contribution of \$315 million to the Partnership to repay a portion of its 5.50% Senior Notes as described above; and (3) for general corporate purposes.

The UGI Corporation Senior Notes are convertible subject to the occurrence of certain events and circumstances. Before March 1, 2028, noteholders will have the right to convert their notes only upon the occurrence of certain events. From and after March 1, 2028, holders of the UGI Corporation Senior Notes may convert their notes at any time at their election until the close of business on the second scheduled trading day immediately before the maturity date. As of June 30, 2024, none of the events permitting the noteholders to convert their notes early occurred. Accordingly, the UGI Corporation Senior Notes are classified as "Long-term debt" on the Condensed Consolidated Balance Sheet at June 30, 2024.

Upon conversion, the Company will pay cash up to the aggregate principal amount of the UGI Corporation Senior notes. For the remainder of the amount in excess of the aggregate principal amount, if applicable, the Company will have the sole right to elect the settlement method upon conversion which can be either entirely in cash or in a combination of cash and shares of its common stock. The default settlement method as defined in the agreement is combination settlement with a specified dollar amount of \$1,000 per \$1,000 principal of the UGI Corporation Senior Notes, and any incremental value settled in shares of the Company's common stock. The initial conversion rate is 36.2319 shares of the Company's common stock per \$1,000 principal amount of the UGI Corporation Senior Notes, which represents an initial conversion price of approximately \$27.60 per share of the Company's common stock. The conversion rate and conversion price will be subject to customary adjustments upon the occurrence of certain events. In addition, if certain corporate events that constitute a "Make-Whole Fundamental Change" (as defined in the Indenture) occur, then the conversion rate will, in certain circumstances, be increased for a specified period of time.

The Company may not redeem the UGI Corporation Senior Notes at its option before maturity.

UGI Corporation Credit Facility Agreement. In April 2024, UGI entered into the fourth amendment to the UGI Corporation Credit Facility Agreement which, among other things, extends the maturity date of a substantial portion of the (1) \$215 million delayed draw term loan facility, (2) \$300 million term loan facility, (3) \$250 million term loan facility, and (4) \$300 million revolving credit facility to August 29, 2025.

Equity Units. In May 2021, the Company issued 2.2 million Equity Units with a total notional value of \$220 million. Each Equity Unit had a stated amount of \$100 and consisted of (i) a 10% undivided beneficial ownership interest in one share of Convertible Preferred Stock with a liquidation preference of \$1,000 per share and (ii) a 2024 Purchase Contract. See Note 13 to the Consolidated Financial Statements in the Company's 2023 Annual Report for additional information on the issuance of the Equity Units.

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Pursuant to the terms of the Equity Units, in May 2024, the Company announced the unsuccessful final remarketing of its Convertible Preferred Stock. As a result, each holder of an Equity Unit received 2.2973 shares of UGI common stock, without par value, with cash paid in lieu of any fractional shares. During the third quarter of Fiscal 2024, the Company (i) made the final contract adjustment payment to settle the 2024 Purchase Contract in full; (ii) canceled the Convertible Preferred Stock; and (iii) in a non-cash transaction, converted the Equity Units into 5,054,030 shares of UGI Common Stock and issued the shares to the holders of the Equity Units under the 2024 Purchase Contract.

Dividends

On November 16, 2023 November 20, 2024, UGI's Board of Directors declared a quarterly cash dividend equal to \$0.375 per common share. The dividend was paid on January 1, 2024 January 1, 2025, to shareholders of record on December 15, 2023 December 16, 2024. On January 31, 2024 February 5, 2025, UGI's Board of Directors declared a quarterly cash dividend of equal to \$0.375 per common share. The dividend was paid will be payable on April 1, 2024 April 1, 2025, to shareholders of record on March 15, 2024. On April 29, 2024, UGI's Board of Directors declared a quarterly dividend of \$0.375 per common share. The dividend was paid July 1, 2024, to shareholders of record on June 14, 2024. On August 7, 2024, UGI's Board of Directors declared a quarterly dividend of \$0.375 per common share. The dividend is payable October 1, 2024, to shareholders of record on September 16, 2024 March 17, 2025.

Cash Flows

Due to the seasonal nature of the Company's businesses, cash flows from operating activities are generally strongest during the second and third fiscal quarters when customers pay for natural gas, LPG, electricity and other energy products and services consumed during the peak heating season months. Conversely, operating cash flows are generally at their lowest levels during the fourth and first fiscal quarters when the Company's investment in working capital, principally inventories and accounts receivable, is generally greatest.

Operating Activities. Year-to-year variations in our cash flows from operating activities can be significantly affected by changes in operating working capital, especially during periods with significant changes in energy commodity prices. Cash flow provided by operating activities was \$1,031 million \$164 million in the 2024 nine-month three-month period compared to cash provided by operating activities of \$857 million \$119 million in the 2023 nine-month three-month period. Cash flow provided by operating activities before changes in operating working capital was \$1,181 million \$427 million in the 2024 nine-month three-month period compared to \$1,209 million \$376 million in the 2023 nine-month three-month period. Cash used to fund changes in operating working capital totaled \$150 million \$263 million in the 2024 nine-month three-month period, a significant decrease as compared to the \$352 million \$257 million of cash used to fund changes in operating working capital in the 2023 nine-month three-month period. The prior-year period includes \$489 million \$35 million of derivative instrument collateral deposit net repayments principally at our UGI International and Midstream & Marketing segments compared to \$7 million collateral received of such repayments \$47 million in the 2024 nine-month three-month period. The unusually high 2024 three-month period includes net refunds of deferred fuel and power costs of \$2 million compared to net recoveries of \$26 million in the prior-year collateral deposit repayments were the result of significant declines in commodity energy prices during that period. The decrease in cash flow required to fund changes Changes in operating working capital in during the 2023 nine-month 2024 three-month period also reflects, reflect, among other things, significantly lower increases in cash used to fund accounts receivable and accounts payable offset by increased cash from changes in inventories and accounts receivable largely offset by lower cash required to fund changes in accounts payable. These changes in operating working capital also reflect in part the impact on the prior-year amounts of significant declines in commodity energy prices in the prior-year period. inventory.

Investing Activities. Investing activity cash flow is principally affected by cash expenditures for property, plant and equipment; cash paid for acquisitions of businesses and assets; investments in equity method investees; and cash activity associated with dispositions of businesses and assets. Cash flow used by investing activities was \$551 million \$232 million in the 2024 nine-month three-month period compared to \$761 million \$165 million in the 2023 nine-month three-month period. Cash expenditures for property, plant and equipment were \$530 million \$211 million in the 2024 nine-month three-month period compared with \$670 million \$156 million in the 2023 nine-month three-month period principally reflecting lower higher cash capital expenditures at our Midstream & Marketing and Utilities segment and, to a lesser extent, at UGI International and AmeriGas Propane segments. Investments in equity method investments during the 2024 nine-month three-month period principally reflects our continuing investments in renewable energy projects principally at our Midstream & Marketing, Marketing segment.

Financing Activities. Changes in cash flow from financing activities are primarily due to issuances and repayments of long-term debt; net short-term borrowings; dividends on UGI Common Stock; quarterly payments on outstanding Purchase Contracts; and issuances and repurchases of equity instruments.

Cash flow used provided by financing activities was \$608 million \$95 million in the 2024 nine-month three-month period compared to cash flow used of \$244 million \$3 million in the 2023 nine-month three-month period. The 2024 nine-month three-month period includes the June 2024 issuance by UGI Corporation Utilities of \$50 million and \$125 million principal amount of senior notes. The 2023 three-month period includes the previously mentioned \$700 million of the UGI Corporation Senior Notes and issuance by UGI Utilities issuance of \$250 million principal amount of senior notes. Proceeds The net proceeds from the UGI Corporation Senior Notes these issuances were used to reduce amounts outstanding under UGI Corporation's revolving credit facility, to repay its outstanding variable-rate amortizing term loan in the amount of \$194

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million, and to fund a capital contribution to the Partnership in the amount of \$315 million which, along with other sources of liquidity, AmeriGas Partners used to repurchase \$475 million aggregate principal amount of its 5.50% Senior Notes. Proceeds From the issuance of UGI Utilities' senior notes in the 2024 nine-month period were used by UGI Utilities to reduce short-term borrowings and for general corporate purposes. The 2023 nine-month 2024 three-month period includes the cash flow effects from activities also include, among other things, entering into the UGI International 2023 Corporation

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2025 Credit Agreement consisting of (1) a \$475 million revolving credit facility and (2) a \$400 million variable-rate term loan. Proceeds from the concurrent repayment of UGI Corporation 2025 Credit Agreement were used to prepay all borrowings under the UGI International Corporation Credit Facility Agreement (a predecessor agreement). The 2023 nine-month period cash flows from financing activities also includes due August 29, 2025 and, concurrent with such repayment, terminated the cash proceeds from the Energy Services Amended Term Loan Agreement entered into in February 2023 and the concurrent repayment of amounts outstanding under the Energy Services variable rate term loan, and the May 2023 issuance of \$500 million principal amount of AmeriGas Partners 9.375% Senior Notes and the repayment of \$675 million aggregate principal balance of AmeriGas Partners 5.625% Senior Notes agreement.

UTILITY REGULATORY MATTERS

UGI Utilities. On January 27, 2023, Electric Utility filed a request with the PAPUC to increase its annual base distribution revenues by \$11 million. On September 21, 2023, the PAPUC issued a final order approving a settlement providing for a \$9 million annual base distribution rate increase for Electric Utility, effective October 1, 2023.

On January 28, 2022 January 27, 2025, PA Gas Utility filed a request with the PAPUC to increase its base operating revenues for residential, commercial and industrial customers by \$83 million \$110 million annually. On September 15, 2022, the PAPUC issued a final order approving a settlement providing for a \$49 million annual base distribution rate increase for The increased revenues would fund ongoing system improvements and operations necessary to maintain safe and reliable natural gas service. PA Gas Utility through requested the new gas rates become effective March 28, 2025. However, the PAPUC typically suspends the effective date for general base rate proceedings for a phased approach, with \$38 million beginning October 29, 2022 period not to exceed nine months after the filing date to allow for investigation and an additional \$11 million beginning October 1, 2023. In accordance with public hearings. We cannot predict the terms timing or the ultimate outcome of the final order, PA Gas Utility was not permitted to file a rate case prior to January 1, 2024. Also in accordance with the terms of the final order, PA Gas Utility was authorized to implement a weather normalization adjustment rider as a five-year pilot program beginning on November 1, 2022. Under this rider, when weather deviates from normal by more than 3%, for bills rendered during the period of October 1 through May 31, residential and small commercial customer billings for distribution services are adjusted monthly for weather related impacts exceeding the 3% threshold. Additionally, under the terms of the final order, PA Gas Utility was authorized to implement a DSIC once its total property, plant and equipment less accumulated depreciation reached \$3,368 million (which threshold was achieved in September 2022). review process.

Mountaineer. On July 31, 2024, Mountaineer WV Gas Utility submitted its 2024 IREP filing to the WVPSC requesting recovery of \$19 million, which includes \$3 million of prior year under-recovery, for costs associated with capital investments after December 31, 2022, that total \$197 million, including \$74 million in calendar year 2025. The filing included capital investments totaling \$418 million over the 2025 - 2029 period. On October 28, 2024, the WVPSC issued an order approving WV Gas Utility's request, with new rates effective January 1, 2025.

On July 31, 2023, Mountaineer WV Gas Utility submitted its 2023 IREP filing to the WVPSC requesting recovery of \$10 million, an increase of \$6 million, for costs associated with capital investments after December 31, 2022, that total \$131 million, including \$67 million in calendar year 2024. With new base rates expected to be effective January 1, 2024, revenues from IREP rates would decrease by \$12 million. The filing included capital investments totaling \$383 million over the 2024 - 2028 period. On December 20, 2023, the WVPSC issued a final order approving a settlement effective January 1, 2024.

On March 6, 2023, Mountaineer WV Gas Utility submitted a base rate case filing with the WVPSC seeking a net revenue increase of \$20 million, which consisted of an increase in base rates of \$38 million and a decrease in the IREP rates of \$18 million annually annually to be effective on April 5, 2023. On March 31, 2023, the WVPSC suspended the effective date of the requested rate change increase until January 1, 2024 to allow for a full review of the filing. On October 6, 2023, Mountaineer WV Gas Utility filed a joint stipulation and agreement for settlement of the base rate case, which included a \$14 million net revenue increase, effective January 1, 2024. increase. On December 21, 2023, the WVPSC issued a final order approving the joint stipulation and agreement, except the WVPSC authorized Mountaineer WV Gas Utility to implement a weather normalization adjustment rider as a five-year pilot program beginning on October 1, 2024. The new rates went into effect on January 1, 2024. On April 11, 2024, the WVPSC approved the calculation methodology submitted by Mountaineer WV Gas Utility on March 28, 2024. Under this rider, when weather deviates from normal by more than 2%, for service rendered during the period of October 1 through May 31, residential and small commercial customer billings for distribution services are adjusted for weather related impacts exceeding the 2% threshold.

On July 29, 2022, Mountaineer submitted its 2022 IREP filing to the WVPSC requesting recovery of costs associated with capital investments totaling \$354 million over the 2023 - 2027 period, including \$64 million in calendar year 2023. On December 21, 2022, the WVPSC issued a final order approving a settlement for \$22 million in cumulative revenue, effective January 1, 2023.

UGI CORPORATION AND SUBSIDIARIES

OTHER MATTERS

West Reading, Pennsylvania Explosion. On March 24, 2023, an explosion occurred in West Reading, Pennsylvania which resulted in seven fatalities, significant injuries to eleven at least ten others, and extensive property damage to buildings owned by R.M. Palmer, a local chocolate manufacturer, and other neighboring structures. The NTSB and the PAPUC are investigating the West Reading incident. On July 18, 2023, the NTSB issued an Investigative Update in its ongoing investigation and on February 22, 2024 it released its investigation docket including factual reports and detailed incident documentation. The NTSB report which identified a fracture in a retired UGI Utilities gas service tee and a fracture in a nearby R.M. Palmer steam system, but it does not address causation of the fractures or the explosion. system. The NTSB investigative team includes representatives from the Company, the PAPUC, the local fire department and the Pipeline and Hazardous Materials Safety Administration. The Company is cooperating with the investigation. The NTSB may invite other parties to participate. In September 2023, OSHA closed their investigation of this matter, without any finding pertaining to UGI Utilities. On December 10, 2024, the NTSB staff presented its draft findings to the NTSB Board.

While awaiting the investigation into this incident is still underway and the cause of the explosion has not been determined, final NTSB report, the Company has received claims as a result of the explosion and is involved in lawsuits relative to the incident. The Company maintains liability insurance for personal injury, property and casualty damages and believes that third-party claims associated with the explosion, in excess of the Company's deductible, are recoverable through the Company's insurance. The Company cannot predict the result of these pending or future claims and legal actions at this time.

Regarding these pending claims and legal actions, the Company does not believe, at this early stage, that there is sufficient information available to reasonably estimate a range of loss, if any, or conclude that the final outcome of these matters will or will not have a material effect on our financial statements.

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In addition to the matters described above, there are other pending claims and legal actions arising in the normal course of our businesses. Although we cannot predict the final results of these pending claims and legal actions, including those described above, we believe, after consultation with counsel, that the final outcome of these matters will not have a material effect on our financial statements.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our primary market risk exposures are (1) commodity price risk; (2) interest rate risk; and (3) foreign currency exchange rate risk. Although we use derivative financial and commodity instruments to reduce market price risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes.

Commodity Price Risk

The risk associated with fluctuations in the prices the Partnership and our UGI International operations pay for LPG is principally a result of market forces reflecting changes in supply and demand for LPG and other energy commodities. Their profitability is sensitive to changes in LPG supply costs. Increases in supply costs are generally passed on to customers. The Partnership and UGI International may not, however, always be able to pass through product cost increases fully or on a timely basis, particularly when product costs rise rapidly. In order to reduce the volatility of LPG market price risk, the Partnership uses contracts for the forward purchase or sale of propane, propane fixed-price supply agreements and over-the-counter derivative commodity instruments including price swap and option contracts. Our UGI International operations use over-the-counter derivative commodity instruments and may from time to time enter into other derivative contracts, similar to those used by the Partnership, to reduce market risk associated with a portion of their LPG purchases. Over-the-counter derivative commodity instruments used to economically hedge forecasted purchases of LPG are generally settled at expiration of the contract.

Utilities' tariffs contain clauses that permit recovery of all prudently incurred costs of natural gas it sells to its retail core-market customers, including the cost of financial instruments used to hedge purchased gas costs. The recovery clauses provide for periodic adjustments for the difference between the total amounts actually billed to customers through PGC and PGA rates and the recoverable costs incurred. Because of this ratemaking mechanism, there is limited commodity price risk associated with our Utilities operations. PA Gas Utility uses derivative financial instruments, including natural gas futures and option contracts traded on the NYMEX, to reduce volatility in the cost of gas it purchases for its retail core-market customers. The cost of these derivative financial instruments, net of any associated gains or losses, is included in PA Gas Utility's PGC recovery mechanism.

In order to manage market price risk relating to substantially all of Midstream & Marketing's fixed-price sale contracts for physical natural gas and electricity, Midstream & Marketing enters into NYMEX, ICE and over-the-counter natural gas and electricity futures and option contracts, and natural gas basis swap contracts or enters into fixed-price supply arrangements. Midstream & Marketing also uses NYMEX and over-the-counter electricity futures contracts to economically hedge a portion of its anticipated sales of electricity from its electricity generation facilities. Although Midstream & Marketing's fixed-price supply arrangements mitigate most risks associated with its fixed-price sales contracts, should any of the suppliers under these arrangements fail to perform, increases, if any, in the cost of replacement natural gas or electricity would adversely impact Midstream & Marketing's results. In order to reduce this risk of supplier nonperformance, Midstream & Marketing has diversified its purchases across a number of suppliers. UGI International's natural gas and electricity marketing businesses also use natural gas and electricity futures and forward contracts to economically hedge market risk associated with a substantial portion of anticipated volumes under fixed-price sales and purchase contracts. See Note 5 to Condensed Consolidated Financial Statements for information on the exit of substantially all of the Company's European energy marketing business.

Midstream & Marketing has entered into fixed-price sales agreements for a portion of the electricity expected to be generated by its electric generation assets. In the event that these generation assets would not be able to produce all of the electricity needed to supply electricity under these agreements, Midstream & Marketing would be required to purchase electricity on the spot market or under contract with other electricity suppliers. Accordingly, increases in the cost of replacement power could negatively impact Midstream & Marketing's results.

Interest Rate Risk

We have both fixed-rate and variable-rate debt. Changes in interest rates impact the cash flows of variable-rate debt but generally do not impact their fair value. Conversely, changes in interest rates impact the fair value of fixed-rate debt but do not impact their cash flows.

Our variable-rate debt at **June 30, 2024** **December 31, 2024**, includes revolving credit facility borrowings and variable-rate term loans at UGI International, Utilities, Energy Services and UGI Corporation. These debt agreements have interest rates that are generally indexed to short-term market interest rates. We have entered into pay-fixed, receive-variable interest rate swap agreements on a significant portion of the term loans' principal balances and a significant portion of the term loans' tenor. We have designated these interest rate swaps as cash flow hedges. At **June 30, 2024** **December 31, 2024**, combined borrowings outstanding under variable-rate debt agreements, excluding the previously mentioned effectively fixed-rate debt, totaled **\$515 million** **\$734 million**.

UGI CORPORATION AND SUBSIDIARIES

Long-term debt associated with our domestic businesses is typically issued at fixed rates of interest based upon market rates for debt with similar terms and credit ratings. As these long-term debt issues mature, we may refinance such debt with new debt having interest rates reflecting then-current market conditions. In order to reduce interest rate risk associated with near- to medium-term forecasted issuances of fixed rate debt, from time to time we enter into IRPAs.

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Foreign Currency Exchange Rate Risk

Our primary currency exchange rate risk is associated with the USD versus the euro and, to a lesser extent, the USD versus the British pound sterling. The USD value of our foreign currency denominated assets and liabilities will fluctuate with changes in the associated foreign currency exchange rates. From time to time, we use derivative instruments to hedge portions of our net investments in foreign subsidiaries, including anticipated foreign currency denominated dividends. Gains or losses on these net investment hedges remain in AOCI until such foreign operations are sold or liquidated. With respect to our net investments in our UGI International operations, a 10% decline in the value of the associated foreign currencies versus the USD would reduce their aggregate net book value at **June 30, 2024** **December 31, 2024**, by approximately **\$70 million** **\$75 million**, which amount would be reflected in other comprehensive income. We have designated certain euro-denominated borrowings as net investment hedges.

In order to reduce the volatility in net income associated with our foreign operations, principally as a result of changes in the USD exchange rate between the euro and British pound sterling, we enter into forward foreign currency exchange contracts. We layer in these foreign currency exchange contracts over a multi-year period to eventually equal approximately 90% of anticipated UGI International foreign currency earnings before income taxes.

Derivative Instrument Credit Risk

We are exposed to risk of loss in the event of nonperformance by our derivative instrument counterparties. Our derivative instrument counterparties principally comprise large energy companies and major U.S. and international financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits or entering into netting agreements that allow for offsetting counterparty receivable and payable balances for certain financial transactions, as deemed appropriate.

We have concentrations of credit risk associated with derivative instruments and we evaluate the creditworthiness of our derivative counterparties on an ongoing basis. As of **June 30, 2024** **December 31, 2024**, the maximum amount of loss, based upon the gross fair values of the derivative instruments, we would incur if these counterparties failed to perform according to the terms of their contracts was **\$162 million** **\$201 million**. In general, many of our over-the-counter derivative instruments and all exchange contracts call for the posting of collateral by the counterparty or by the Company in the forms of letters of credit, parental guarantees or cash. At **June 30, 2024** **December 31, 2024**, we had received cash collateral from derivative instrument counterparties totaling **\$12 million** **\$31 million**. In addition, we may have offsetting derivative liabilities and certain accounts payable balances with certain of these counterparties, which further mitigates the previously mentioned maximum amount of losses. Certain of the Partnership's derivative contracts have credit-risk-related contingent features that may require the posting of additional collateral in the event of a downgrade of the Partnership's debt rating. At **June 30, 2024** **December 31, 2024**, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

The following table summarizes the fair values of unsettled market risk sensitive derivative instrument assets (liabilities) held at **June 30, 2024** **December 31, 2024** and changes in their fair values due to market risks. Certain of UGI Utilities' commodity derivative instruments are excluded from the table below because any associated net gains or losses are refundable to or recoverable from customers in accordance with UGI Utilities ratemaking.

(Millions of dollars)	(Millions of dollars)	Fair Value	Asset (Liability)		
			Change in Fair Value	(Millions of dollars)	Fair Value
June 30, 2024					
December 31, 2024					
Commodity price risk (1)					
Interest rate risk (2)					
Foreign currency exchange rate risk (3)					

(1) Change in fair value represents a 10% adverse change in the market prices of certain commodities.
(2) Change in fair value represents a 50 basis point adverse change in prevailing market interest rates.
(3) Change in fair value represents a 10% adverse change in the value of the Euro and the British pound sterling versus the USD.

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ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by the Company in reports filed or submitted under the Securities Exchange Act of 1934, as amended, is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to our management, including the **Interim** Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company's management, with the participation of the Company's **Interim** Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the **Interim** Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this report, were **not effective** **because of the material weakness in our internal control over financial reporting that was previously disclosed in our Annual Report on Form 10-K for the year ended September 30, 2024**.

Notwithstanding the material weakness, we have concluded that the Company's unaudited interim consolidated financial statements included in this report are fairly stated in all material respects in accordance with U.S. generally accepted accounting principles for each of the periods presented.

Internal Control over Financial Reporting

As previously disclosed in our Annual Report on Form 10-K for the year ended September 30, 2024, management concluded that our internal control over financial reporting was not effective due to the material weakness. As of December 31, 2024, management is in the process of designing and implementing additional controls to timely validate cash flows used in the goodwill impairment test, including the engagement of a third-party specialist, to assist in developing valuation models and establishing sound and reasonable assurance level assumptions.

The material weakness identified in our Annual Report on Form 10-K for the year ended September 30, 2024, cannot be considered remediated until the applicable controls have operated for a sufficient period of time and management has concluded, through testing, that these controls are designed and operating effectively. Accordingly, we will continue to monitor and evaluate the effectiveness of our internal control over financial reporting.

(b) Change in Internal Control over Financial Reporting

No

Except for the material weakness as described above, during the most recent fiscal quarter, no change in the Company's internal control over financial reporting occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth in Note 9 **Commitments and Contingencies to our** Condensed Consolidated Financial Statements included in Item 1 of Part I of this report, is incorporated herein by reference.

ITEM 1A. RISK FACTORS

In addition to the information presented in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our **2023** **2024** Annual Report, which could materially affect our business, financial condition or future results. The risks described in our **2023** **2024** Annual Report are not the only risks facing the Company. Other unknown or unpredictable factors could also have material adverse effects on future results.

ITEM 6. EXHIBITS

The exhibits filed as part of this report are as follows (exhibits incorporated by reference are set forth with the name of the registrant, the type of report and last date of the period for which it was filed, and the exhibit number in such filing):

Incorporation by Reference					
Exhibit No.	Exhibit	Registrant	Filing	Exhibit	
4.1	Indenture, dated as of June 11, 2024, between UGI Corporation and U.S. Bank Trust Company, National Association, as trustee.	UGI	Form 8-K (6/11/24)	4.1	
4.2	Form of certificate representing the 5.00% Convertible Senior Notes due 2028 (included as Exhibit A to Exhibit 4.1).	UGI	Form 8-K (6/11/24)	4.2	
10.1	Fourth Amendment to Third Amended and Restated Credit Agreement, dated as of April 26, 2024, by and among Mountaineer Gas Company, as borrower, the lenders party thereto and Truist Bank, as administrative agent, letter of credit issuer and swing line lender.	UGI	Form 8-K (4/26/24)	10.1	
10.2	Fourth Amendment to the Amended and Restated Credit Agreement, dated as of April 30, 2024, by and among UGI Corporation, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.	UGI	Form 8-K (4/26/24)	10.2	
10.3	Fourth Amended and Restated Credit Agreement, dated as of May 14, 2024, by and among UGI Energy Services, LLC, as borrower, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.	UGI	Form 8-K (5/14/24)	10.1	
10.4	Amended and Restated Multicurrency Facilities Agreement, dated June 19, 2024, by and among UGI International, UGI International Holdings B.V., Natixis, as agent, and the lenders party thereto.	UGI	Form 8-K (6/19/24)	10.1	
10.5	Second Amendment to Credit Agreement, dated June 28, 2024, by and among UGI Energy Services, LLC, the guarantors party thereto, the lenders party thereto and HSBC Bank USA, N.A., as administrative agent.	UGI	Form 8-K (6/28/24)	10.1	

10.6	Revolving Credit and Security Agreement, dated August 2, 2024, by and among AmeriGas Propane, L.P., the other borrowers from time to time party thereto, the guarantors from time to time party thereto, the lenders from time to time party thereto and PNC Bank, National Association, as agent.	UGI	Form 8-K (8/2/24)	10.1
31.1	Certification by the Interim Chief Executive Officer relating to the Registrant's Report on Form 10-Q for the quarter ended June 30, 2024, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
31.2	Certification by the Chief Financial Officer relating to the Registrant's Report on Form 10-Q for the quarter ended June 30, 2024, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			

UGI CORPORATION AND SUBSIDIARIES

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
10.1	Form of UGI Corporation 2021 Incentive Award Plan Performance Unit Grant Letter for US Employees (Fiscal 2025).			
10.2	Form of UGI Corporation 2021 Incentive Award Plan Restricted Stock Unit Grant Letter for US Employees (Fiscal 2025).			
10.3	UGI Corporation 2021 Incentive Award Plan Performance Unit Grant Letter for Mr. Mario Longhi.			
10.4	UGI Corporation 2021 Incentive Award Plan Restricted Stock Unit Grant Letter for Mr. Mario Longhi.			
31.1	Certification by the Chief Executive Officer relating to the Registrant's Report on Form 10-Q for the quarter ended December 31, 2024, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
31.2	Certification by the Chief Financial Officer relating to the Registrant's Report on Form 10-Q for the quarter ended December 31, 2024, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
32	Certification by the Interim Chief Executive Officer and the Chief Financial Officer relating to the Registrant's Report on Form 10-Q for the quarter ended June 30 December 31, 2024, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
101.INS	Inline XBRL Instance - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document			
101.SCH	Inline XBRL Taxonomy Extension Schema			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase			
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)			

UGI CORPORATION AND SUBSIDIARIES

EXHIBIT INDEX

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: <u>August 8, 2024</u> February 6, 2025	<u>UGI Corporation</u> (Registrant) By: <u>/s/ Sean P. O'Brien</u> Sean P. O'Brien Chief Financial Officer
Date: <u>August 8, 2024</u> February 6, 2025	By: <u>/s/ Jean Felix Tematio Dantsop</u> Jean Felix Tematio Dantsop Vice President, Chief Accounting Officer and Corporate Controller

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EXHIBIT 10.1

FORM OF UGI CORPORATION 2021 INCENTIVE AWARD PLAN PERFORMANCE UNIT AWARD AGREEMENT

This PERFORMANCE UNIT AWARD AGREEMENT (the "Award Agreement"), dated _____ (the "Date of Grant"), is delivered by UGI Corporation ("UGI") to you (the "Participant").

RECITALS

The UGI Corporation 2021 Incentive Award Plan (the "Plan") provides for the grant of performance units ("Performance Units") with respect to shares of Common Stock of UGI ("Shares"). UGI has decided to grant Performance Units to the Participant subject to the terms of the Plan. Each capitalized term not defined herein shall have the meaning assigned to such term in the Plan. The Participant's portal in the Morgan Stanley website for Plan participants sets forth the number of Restricted Stock Units granted to the Participant in this grant (the "Grant Summary").

NOW, THEREFORE, the parties to this Award Agreement, intending to be legally bound hereby, agree as follows:

1. **Grant of Performance Units.** Subject to the terms and conditions set forth in this Award Agreement and in the Plan, UGI hereby grants to the Participant the number of Performance Units specified above (the "Award"). The Performance Units are contingently awarded and will be earned and payable if and to the extent that the Annualized TSR and other conditions of this Award Agreement are met. The Performance Units are granted with Dividend Equivalents.

2. **Definitions.** For purposes of this Award Agreement, the following terms will have the meanings set forth below:

(a) **"Annualized TSR"** means annualized total shareholder return of UGI common stock, calculated as the ((A) Closing Stock Price for the relevant measurement period plus (B) Cumulative Dividends Paid to Date/Beginning Stock Price)^(1/Full + Partial Years) - 1.

(b) **"Beginning Stock Price"** means \$23.46 per share, UGI's closing stock price on the New York Stock Exchange on the first day of the measurement period.

(c) **"Closing Stock Price"** means the average closing stock price of a Share on the New York Stock Exchange over the twenty (20) consecutive trading day period immediately preceding the conclusion of the First Measurement Period, Second Measurement Period and Third Measurement Period, as applicable.

(d) **"Committee"** means UGI's Compensation and Management Development Committee of the Board of Directors or a successor committee thereto.

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(e) **"Company"** means UGI and its Subsidiaries (as defined in the Plan).

(f) **"Cumulative Dividends Paid to Date"** means the cash value of all dividends paid with respect to an ex-dividend date that occurs during the relevant measurement period (whether or not the dividend payment occurs during the relevant measurement period) with no interest credited on such dividends.

(g) **"Disability"** means a long-term disability as defined in the Company's long-term disability plan applicable to the Participant.

(h) **"Dividend Equivalent"** means an amount determined by multiplying the number of Shares underlying the Performance Units by the per-share cash dividend, or the per-share fair market value of any dividend in consideration other than cash, paid by UGI on its Common Stock.

(i) **"Good Reason Termination"** means a termination of employment or service initiated by the Participant upon or within two years after a Change in Control upon one or more of the following events:

- (i) a material diminution in the authority, duties or responsibilities held by the Participant immediately prior to the Change in Control;
- (ii) a material diminution in the Participant's base salary as in effect immediately prior to the Change in Control; or
- (iii) a material change in the geographic location at which the Participant must perform services (which, for purposes of this Agreement, means the Participant is required to report, other than on a temporary basis (less than 12 months), to a location which is more than 50 miles from the Participant's principal place of business immediately before the Change in Control, without the Participant's express written consent).

Notwithstanding the foregoing, the Participant shall be considered to have a Good Reason Termination only if the Participant provides written notice to the Company, pursuant to Section 16, specifying in reasonable detail the events or conditions upon which the Participant is basing such Good Reason Termination and the Participant provides such notice within 90 days after the event that gives rise to the Good Reason Termination. Within 30 days after notice has been provided, the Company shall have the opportunity, but shall have no obligation, to cure such events or conditions that give rise to the Good Reason Termination. If the Company does not cure such events or conditions within the 30-day period, the Participant may terminate employment or service with the Company based on Good Reason Termination within 30 days after the expiration of the cure period.

Notwithstanding the foregoing, if the Participant has in effect a Change in Control Agreement with the Company or an Affiliate, the term "Good Reason Termination" shall have the meaning given that term in the Change in Control Agreement.

(j) "Performance Unit" means a hypothetical unit that represents the value of one share of UGI Common Stock.

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(k) "Retirement" means the Participant's retirement under the Retirement Income Plan for Employees of UGI Utilities, Inc., if the Participant is covered by that Retirement Income Plan. "Retirement" for other Company employees means termination of employment or service after attaining (i) age 55 with ten or more years of service with the Company or (ii) age 65 with five or more years of service with the Company.

(l) "Termination without Cause" means termination of employment or service by the Company for the convenience of the Company for any reason other than (i) theft or misappropriation of funds or conduct that has an adverse effect on the reputation of the Company, (ii) conviction of a felony or a crime involving moral turpitude, (iii) material breach of the Company's written code of conduct, or other material written employment policies, applicable to the Participant, (iv) breach of any written confidentiality, non-competition or non-solicitation covenant between the Participant and the Company, (v) gross misconduct in the performance of duties, or (vi) intentional refusal or failure to perform the material duties of the Participant's position.

3. Performance Goals.

(a) The Participant shall earn the right to payment of the Performance Units in accordance with the cumulative performance vesting schedule set forth in the below schedule if (i) the Annualized TSR goals (the "Annualized TSR Goals") in the below schedule are met for one or more of the measurement periods (defined below), and (ii) if the Participant continues to be employed by or provide service to the Company as a Director through _____, _____ (the "Vesting Date"). The first measurement period is the period beginning _____, _____ and ending _____, _____ (the "First Measurement Period"). The second measurement period is the period beginning _____, _____ and ending _____, _____ (the "Second Measurement Period"). The third measurement period is the period beginning _____, _____ and ending _____, _____ (the "Third Measurement Period"). For the avoidance of doubt, the Beginning Stock Price shall be used as the starting price in calculating the performance of each measurement period. Participant shall only be eligible to receive the highest of either the First Measurement Period, Second Measurement Period, or Third Measurement Period result as set forth in the table below:

Performance Level	Annualized TSR Goals	Cumulative Performance Vesting (as a % of target) if Annualized TSR Goals attained on the 1st/2nd/3rd grant date anniversaries		
		End of Year 1	End of Year 2	End of Year 3
Below Threshold	<8.0%	0%	0%	0%
Threshold	8.0%	17%	33%	50%
Target	10.0%	33%	66%	100%
Maximum	16.0%	40%	80%	200%

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¹The cumulative performance vesting percentage between Annualized TSR Goals of (i) 8% and 10% and (ii) 10% and 16% will be determined by interpolation.

(b) The target amount of Performance Units ("Target Award") will be earned if the Annualized TSR equals 10% at the end of the Third Measurement Period. The Participant can earn up to 200% of the Target Award if the Annualized TSR is equal to or greater than 16% at the end of the Third Measurement Period, according to the schedule in this Section 3 above.

(c) Following the end of each measurement period, the Committee will determine Annualized TSR performance.

(d) Except as described in Sections 4 and 7 below, the Participant must be employed by or providing service to the Company as a Director on the Vesting Date in order for the Participant to receive payment with respect to the Performance Units and Dividend Equivalents.

4. Termination of Employment or Service.

(a) Except as described below, if the Participant ceases to be employed by or provide services to the Company as a Director through the Vesting Date, then the Performance Units and all Dividend Equivalents credited under this Award Agreement will be forfeited.

(b) If the Participant's employment or service as a Director terminates on account of Retirement, Disability or death, the Participant will earn a pro-rata portion of the Participant's outstanding Performance Units and Dividend Equivalents if the Annualized TSR Goals and the requirements of this Award Agreement are met. The prorated portion will be determined as the amount that would otherwise be paid after the end of the Third Measurement Period, based on achievement of the Annualized TSR Goals, multiplied by a fraction, the numerator of which is the number of completed months the Participant has been employed or provided service to the Company during the Third Measurement Period and the denominator of which is 36.

(c) In the event of termination of employment or service on account of Retirement, Disability or death, the prorated amount shall be paid after the end of the Third Measurement Period, pursuant to Section 5 below, except as provided in Section 7.

5. Payment with Respect to Performance Units. If the Committee determines that the conditions to payment of the Performance Units have been met, the Company shall pay to the Participant after the Vesting Date, Shares equal to the number of Performance Units earned during each measurement period according to attainment of the Annualized TSR Goals, provided that the Company may withhold Shares to cover required tax withholding in an amount equal to the minimum statutory tax withholding requirement in respect of the Performance Units earned.

6. Dividend Equivalents with Respect to Performance Units.

(a) Dividend Equivalents shall accrue with respect to Performance Units and shall be payable subject to the same Annualized TSR Goals and terms as the Performance Units to which they relate. Dividend Equivalents shall be credited with respect to the Performance Units set forth in the Recital to this Award Agreement from the Date of Grant until the payment date. If and to the extent that the underlying Performance Units are forfeited, all related Dividend Equivalents shall also be forfeited.

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(b) While the Performance Units are outstanding, the Company will keep records of Dividend Equivalents in a bookkeeping account for the Participant. On each payment date for a dividend paid by UGI on its Common Stock, the Company shall credit to the Participant's account an amount equal to the Dividend Equivalents associated with the number of Performance Units set forth in the Recital to this Award Agreement on the record date for the dividend. No interest will be credited to any such account.

(c) The target amount of Dividend Equivalents (100% of the Dividend Equivalents credited to the Participant's account) will be earned if the Target Award of Performance Units is earned at the end of the Third Measurement Period. The Participant can earn up to 200% of the target amount of Dividend Equivalents if the Annualized TSR is equal to or greater than 16% at the end of the Third Measurement Period, according to the schedule in Section 3. Except as described in Section 4 or Section 7, if the Participant's employment or service with the Company as a Director terminates before the Vesting Date, all Dividend Equivalents will be forfeited.

(d) Dividend Equivalents will be paid in cash at the same time as the underlying Performance Units are paid, after the Committee determines that the conditions to payment have been met. Notwithstanding anything in this Award Agreement to the contrary, the Participant may not accrue Dividend Equivalents in excess of \$1,000,000 during any calendar year under all grants under the Plan.

7. Change in Control.

(a) If a Change in Control occurs, the Performance Units and Dividend Equivalents shall not automatically become payable upon the Change in Control, but, instead, shall become payable as described in this Section 7. The Committee may take such other actions with respect to the Performance Units and Dividend Equivalents as it deems appropriate pursuant to the Plan. The term "Change in Control" shall mean a Change in Control of UGI as defined in the Plan.

(b) If a Change in Control occurs, the Committee shall calculate a Change in Control Amount as follows:

(i) The measurement period shall end as of the closing date of the Change in Control (the "Change in Control Date") and the Annualized TSR ending date calculation for the measurement period shall be based on the 20-calendar day period ending on the Change in Control Date.

(ii) The Committee shall calculate a "Change in Control Amount" equal to the greater of (i) the Target Award amount or (ii) the amount of Performance Units that would be payable based on the Company's achievement of the Annualized TSR Goals as of the Change in Control Date and reflecting the payout schedule in the "End of Year 3 column" above, as determined by the Committee. The Change in Control Amount shall include related Dividend Equivalents and, if applicable, interest as described below.

(iii) The Committee shall determine whether the Change in Control Amount attributable to Performance Units shall be (A) converted to units with respect to shares or other equity interests of the acquiring company or its parent ("Successor Units"), in which case Dividend Equivalents shall continue to be credited on the Successor Units, or (B) valued based on the Fair Market Value of the Performance Units as of the Change in Control Date and credited to a bookkeeping account for the Participant, in which case interest shall be credited on the amount so determined at a market rate for the period between the Change in Control Date and the applicable payment date. Notwithstanding the provisions of Section 5, all payments on and after a Change in Control shall be made

in cash. If alternative (A) above is used, the cash payment shall equal the Fair Market Value on the date of payment of the number of shares or other equity interests underlying the Successor Units, plus accrued Dividend Equivalents. All payments shall be subject to applicable tax withholding.

(c) If a Change in Control occurs and the Participant continues in employment or service through the last day of the Third Measurement Period, the Change in Control Amount shall be paid in cash within 2 ½ months following the last day of the Third Measurement Period.

(d) If a Change in Control occurs, and the Participant has a Termination without Cause or a Good Reason Termination upon or within two years after the Change in Control Date and before the end of the Third Measurement Period, the Change in Control Amount shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 14 below.

(e) If a Change in Control occurs, and the Participant terminates employment or service on account of Retirement, Disability or death upon or after the Change in Control Date and before the end of the Third Measurement Period, the Change in Control Amount shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 14 below; provided that, if required by section 409A, if the Participant's

Retirement, Disability or death occurs more than two years after the Change in Control Date, payment will be made within 2 1/2 months following the last day of the Third Measurement Period, and not upon the earlier separation from service.

(f) If a Participant's employment or service terminates on account of Retirement, death or Disability before a Change in Control, and a Change in Control subsequently occurs before the end of the Third Measurement Period, the prorated amount in Section 4(b) shall be calculated by multiplying the fraction described in Section 4(b) by the Change in Control Amount. The prorated Change in Control Amount shall be paid in cash within 30 days after the Change in Control Date, subject to Section 14 below.

8. Restrictive Covenants.

(a) The Participant acknowledges and agrees that, in consideration for the grant of Performance Units, the Participant agrees to comply with all written restrictive covenants and agreements with the Company, including non-competition, non-solicitation and confidentiality covenants (collectively, the "Restrictive Covenants").

(b) The Participant acknowledges and agrees that in the event the Participant breaches any of the Restrictive Covenants:

(i) The Committee may in its discretion determine that the Participant shall forfeit the outstanding Performance Units (without regard to whether the Performance Units have vested), and the outstanding Performance Units shall immediately terminate; and

(ii) If the Participant breaches any of the Restrictive Covenants within 12 months following receipt of any Shares upon settlement of the Performance Units, the Committee may in its discretion require the Participant to return to the Company any such Shares; provided, that if the Participant has disposed of any such Shares received upon settlement of the Performance Units, then the Committee may require the Participant to pay to the Company, in cash, the fair market value of such Shares as of the date of disposition.

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9. Withholding. All payments under this Award Agreement are subject to applicable tax withholding. The Participant shall be required to pay to the Company, or make other arrangements satisfactory to the Company to provide for the payment of, any federal (including FICA), state, local or other taxes that the Company is required to withhold with respect to the payments under this Award Agreement. The Company may withhold from cash distributions to cover required tax withholding, or may withhold Shares to cover required tax withholding in an amount equal to the minimum applicable tax withholding amount.

10. Grant Subject to Plan Provisions and Company Policies.

(a) This grant is made pursuant to the Plan, which is incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and payment of Performance Units and Dividend Equivalents are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (i) the registration, qualification or listing of the Shares, (ii) adjustments pursuant to Article IX of the Plan, and (iii) other requirements of applicable law. The Committee shall have the authority to interpret and construe the grant pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

(b) This Performance Unit grant and Shares issued pursuant to this Performance Unit grant shall be subject to the UGI Corporation Stock Ownership Policy as adopted by the Board of Directors of UGI and any applicable clawback and other policies implemented by the Board of Directors of UGI, as in effect from time to time.

11. No Employment or Other Rights. The grant of Performance Units shall not confer upon the Participant any right to be retained by or in the employ or service of the Company and shall not interfere in any way with the right of the Company to terminate the Participant's employment or service at any time. The right of the Company to terminate at will the Participant's employment or service at any time for any reason is specifically reserved.

12. No Shareholder Rights. Neither the Participant, nor any person entitled to receive payment in the event of the Participant's death, shall have any of the rights and privileges of a shareholder with respect to the Shares related to the Performance Units, unless and until certificates for Shares have

been distributed to the Participant or successor.

13. **Assignment and Transfers.** The rights and interests of the Participant under this Award Agreement may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. If the Participant dies, any payments to be made under this Award Agreement after the Participant's death shall be paid to the Participant's estate. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates.

14. **Compliance with Code Section 409A.** Notwithstanding the other provisions hereof, this Award Agreement is intended to comply with the requirements of section 409A of the Internal

Revenue Code of 1986, as amended, or an exception, and shall be administered accordingly. Any reference to a Participant's termination of employment shall mean a Participant's "separation from service," as such term is defined under section 409A. For purposes of section 409A, each payment of compensation under this Award Agreement shall be treated as a separate payment. Notwithstanding anything in this Award Agreement to the contrary, if the Participant is a "key employee" under section 409A and if payment of any amount under this Award Agreement is required to be delayed for a period of six months after separation from service pursuant to section 409A, payment of such amount shall be delayed as required by section 409A and shall be paid within 10 days after the end of the six-month period. If the Participant dies during such six-month period, the amounts withheld on account of section 409A shall be paid to the personal representative of the Participant's estate within 60 days after the date of the Participant's death.

15. **Applicable Law.** The validity, construction, interpretation and effect of this Award Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of laws provisions thereof.

16. **Notice.** Any notice to UGI provided for in this Award Agreement shall be addressed to UGI in care of the Corporate Secretary at UGI's headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the payroll of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

17. **Acceptance.** By accepting this grant through the Morgan Stanley on-line system, the Participant (i) acknowledges receipt of the Plan incorporated herein, (ii) acknowledges that Participant has read the Grant Summary and Award Agreement and understands the terms and conditions of them, (iii) accepts the Performance Units described in the Award Agreement, (iv) agrees to be bound by the terms of the Plan, including the Award Agreement, and (v) agrees that all the decisions and determinations of the Board or the Committee shall be final and binding on the Participant and any other person having or claiming a right under this Grant.

UGI CORPORATION
2021 INCENTIVE AWARD PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This RESTRICTED STOCK UNIT AWARD AGREEMENT (the "Award Agreement"), dated _____ (the "Grant Date"), is delivered by UGI Corporation ("UGI") to you (the "Participant").

RECITALS

The UGI Corporation 2021 Incentive Award Plan (the "Plan") provides for the grant of Restricted Stock Units with respect to shares of Common Stock of UGI ("Shares"). UGI hereby grants Restricted Stock Units (the "Stock Units") to the Participant, subject to the terms in the Plan and on the terms described below. Capitalized terms not otherwise defined in this Award Agreement shall have the meaning as set forth in the Plan. The Participant's portal in the Morgan Stanley website for Plan participants sets forth the number of Restricted Stock Units granted to the Participant in this grant (the "Grant Summary").

NOW, THEREFORE, the parties to this Award Agreement, intending to be legally bound hereby, agree as follows:

1. **Grant of Restricted Stock Units.** Subject to the terms and conditions set forth in this Award Agreement and in the Plan, UGI hereby grants to the Participant the Stock Units, which will be earned and payable if and to the extent that the conditions of this Award Agreement are met. The Stock Units are granted with Dividend Equivalents (as defined in the Plan).
2. **Vesting.** The Participant shall earn the right to payment of (i) fifty percent (50%) of the Stock Units subject to this Award Agreement ("Tranche 1 Units") if the Participant is employed by or providing service to the Company as a Director through _____, _____ (the "Tranche 1 Vesting Date") and (ii) fifty percent (50%) of the Stock Units subject to this Award Agreement ("Tranche 2 Units") if the Participant is employed by or providing service to the Company as a Director through _____, _____ (the "Tranche 2 Vesting Date" and together with the Tranche 1 Vesting Date, the "Vesting Date").
3. **Termination of Employment or Service.**

(a) Except as provided immediately below or in Section 6, if the Participant's employment or service with the Company as a Director terminates for any reason (including Termination without Cause, as defined in Section 9) before the Stock Units are fully vested, the unvested Stock Units and all related Dividend Equivalents will be forfeited. If the Participant ceases to be employed by or provide service to the Company as a Director by reason of one of the following events, then the Participant shall vest in the Stock Units as follows:

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(b) **Death.** In the event of the Participant's death while employed by or providing service to the Company as a Director, the Participant shall vest 100% in the Stock Units as of the date of death.

(c) **Disability.** If the Participant ceases to be employed by or provide service to the Company as a Director on account of Disability (as defined in Section 9) the Participant shall 100% vest in the Stock Units as of the date of Disability.

(d) **Retirement.** If the Participant ceases to be employed by or provide service to the Company as a Director on account of Retirement (as defined in Section 9), the Participant shall continue to vest on a pro rata basis in the Stock Units as if such Participant were still employed. The prorated portion shall be calculated in accordance with the following formula:

Tranche 1 Units multiplied by

of full months between Grant Date and Termination Date

24

+

Tranche 2 Units multiplied by

of full months between Grant Date and Termination Date

36

4. Payment with Respect to Stock Units. When the Stock Units vest in the event of death, Disability or Retirement, or on a Vesting Date, the Company shall pay to the Participant whole Shares equal to the number of Stock Units that have become vested on such date. Payment shall be made within 30 business days after the applicable Vesting Date (except as otherwise required by Section 6 below).

5. Dividend Equivalents with Respect to Stock Units.

(a) Dividend Equivalents shall accrue with respect to the Stock Units and shall be payable subject to the same vesting and other terms as the Stock Units to which they relate. Dividend Equivalents shall be credited with respect to the Stock Units from the Grant Date until the payment date of the Stock Units (or until they are forfeited). Dividend Equivalents will become vested as the underlying Stock Units vest. If and to the extent that the underlying Stock Units are forfeited, all related Dividend Equivalents shall also be forfeited.

(b) While the Stock Units are outstanding, the Company will keep records of Dividend Equivalents in a bookkeeping account for the Participant. On each payment date for a dividend paid by UGI on its Common Stock, the Company shall credit to the Participant's account an amount equal to the Dividend Equivalents associated with the Stock Units held by the Participant on the record date for the dividend. No interest will be credited to any such account.

(c) Vested Dividend Equivalents will be paid in cash at the same time and on the same terms as the underlying vested Stock Units are paid.

(d) Notwithstanding anything in this Award Agreement to the contrary, the Participant may not accrue Dividend Equivalents in excess of \$1,000,000 during any calendar year under all grants under the Plan.

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6. Change in Control.

(a) If a Change in Control occurs, the Stock Units and Dividend Equivalents shall not automatically become payable upon the Change in Control but, instead, shall become payable as described in this Section 6. The Committee may take such other actions with respect to the Stock Units and Dividend Equivalents as it deems appropriate pursuant to the Plan.

(b) If a Change in Control occurs before the Vesting Date, the Committee shall determine whether the Stock Units shall be (i) converted to units with respect to shares or other equity interests of the acquiring company or its parent ("Successor Units"), in which case Dividend Equivalents shall continue to be credited on the Successor Units, or (ii) valued based on the Fair Market Value (as defined in the Plan) of the Stock Units as of the Change in Control date and credited to a bookkeeping account for the Participant, in which case interest shall be credited on the amount so determined at a market rate for the period between the Change in Control date and the applicable payment date. Notwithstanding the provisions of Section 4, all payments on and after a Change in Control shall be made in cash. If alternative (i) above is used, the cash payment shall equal the Fair Market Value on the date of payment of the number of shares or other equity interests underlying the Successor Units, plus accrued Dividend Equivalents. All payments shall be subject to applicable tax withholding.

(c) If a Change in Control occurs and the Participant continues in employment or service through the Vesting Date, the Stock Units (subject to subsection (b)) shall vest on the Vesting Date and shall be paid in cash within 30 days after the Vesting Date. The cash payment shall equal the Fair Market Value on the date of payment of the vested Stock Units (subject to subsection (b)).

(d) If a Change in Control occurs and the Participant has a Termination without Cause or a Good Reason Termination, in either case upon or within two years after the Change in Control date and before the Vesting Date, the Stock Units (subject to subsection (b)) shall vest on the Participant's separation from service date and shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 14 below. The cash payment shall equal the Fair Market Value on the date of payment of the vested Stock Units (subject to subsection (b)).

(e) If a Change in Control occurs before the Vesting Date, and the Participant terminates employment or service on account of Retirement, Disability or death upon or after the Change in Control Date and before the Vesting Date, any vested Restricted Stock Units (calculated under Section 3) shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 14 below; provided that, if required by section 409A, if the Participant's Retirement, Disability or death occurs more than two years after the Change in Control Date, payment will be made within 2 ½ months following the Vesting Date, and not upon the earlier separation from service.

(f) If a Participant's employment or service terminates on account of Retirement, death or Disability before a Change in Control, and a Change in Control subsequently occurs before the Vesting Date, any vested amounts (calculated under Section 3) shall be due the Participant. These vested Stock Units shall be paid in cash within 30 days after the Change in Control Date, subject to Section 14 below.

7. Restrictive Covenants.

(a) The Participant acknowledges and agrees that, in consideration for the grant of Stock Units, the Participant agrees to comply with all written restrictive covenants and

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agreements with the Company, including non-competition, non-solicitation and confidentiality covenants (collectively, the "Restrictive Covenants").

(b) The Participant acknowledges and agrees that in the event the Participant breaches any of the Restrictive Covenants:

(i) The Committee may in its discretion determine that the Participant shall forfeit the outstanding Stock Units (without regard to whether the Stock Units have vested), and the outstanding Stock Units shall immediately terminate; and

(ii) If the Participant breaches any of the Restrictive Covenants within 12 months following receipt of any shares of Common Stock upon settlement of the Stock Units, the Committee may in its discretion require the Participant to return to the Company any such shares of Common Stock; provided, that if the Participant has disposed of any such shares of Common Stock received upon settlement of the Stock Units, then the Committee may require the Participant to pay to the Company, in cash, the fair market value of such shares of Common Stock as of the date of disposition.

8. Withholding. All payments under this Award Agreement are subject to applicable tax withholding. The Participant shall be required to pay to the Company, or make other arrangements satisfactory to the Company to provide for the payment of, any federal (including FICA), state, local or other taxes that the Company is required to withhold with respect to the payments under this Award Agreement. The Company may withhold from cash distributions to cover required tax withholding, or may withhold Shares to cover required withholding in an amount equal to the minimum applicable withholding amount.

9. Definitions. For purposes of this Award Agreement, the following terms will have the meanings set forth below:

(a) "Change in Control" means a Change in Control of UGI as defined in the Plan.

(b) "Code" means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

(c) "Committee" means the Compensation and Management Development Committee of the Board of Directors of UGI or a successor committee thereto.

(d) "Company" means UGI and its Subsidiaries (as defined in the Plan).

(e) "Disability" means a long-term disability as defined in the Company's long-term disability plan applicable to the Participant.

(f) "Good Reason Termination" means a termination of employment or service initiated by the Participant upon or within two years after a Change in Control upon one or more of the following events:

(i) a material diminution in the authority, duties or responsibilities held by the Participant immediately prior to the Change in Control;

(ii) a material diminution in the Participant's base salary as in effect immediately prior to the Change in Control; or

(iii) a material change in the geographic location at which the Participant must perform services (which, for purposes of this Award Agreement, means the Participant is required to report, other than on a temporary basis (less than 12 months), to a location which is more than 50 miles from the Participant's principal place of business immediately before the Change in Control, without the Participant's express written consent).

Notwithstanding the foregoing, the Participant shall be considered to have a Good Reason Termination only if the Participant provides written notice to the Company, pursuant to Section 16, specifying in reasonable detail the events or conditions upon which the Participant is basing such Good Reason Termination and the Participant provides such notice within 90 days after the event that gives rise to the Good Reason Termination. Within 30 days after notice has been provided, the Company shall have the opportunity, but shall have no obligation, to cure such events or conditions that give rise to the Good Reason Termination. If the Company does not cure such events or conditions within the 30-day period, the Participant may terminate employment or service with the Company based on Good Reason Termination within 30 days after the expiration of the cure period.

Notwithstanding the foregoing, if the Participant has in effect a Change in Control Agreement with the Company, the term "Good Reason Termination" shall have the meaning given that term in the Change in Control Agreement.

(g) "*Retirement*" means the Participant's retirement under the Retirement Income Plan for Employees of UGI Utilities, Inc., if the Participant is covered by that Retirement Income Plan. "*Retirement*" for other Company employees means termination of employment or service after attaining (i) age 55 with ten or more years of service with the Company or (ii) age 65 with five or more years of service with the Company.

(h) "*Termination Date*" means the date the Participant's employment or service with the Company as a Director terminates for any reason.

(i) "*Termination without Cause*" means termination of employment or service as a Director by the Company for the convenience of the Company for any reason other than (i) theft, misappropriation of funds or conduct that has an adverse effect on the reputation of the Company, (ii) conviction of a felony or a crime involving moral turpitude, (iii) material breach of the Company's written code of conduct, or other material written employment policies, applicable to the Participant, (iv) breach of any written confidentiality, non-competition or non-solicitation covenant between the Participant and the Company, (v) gross misconduct in the performance of duties, or (vi) intentional refusal or failure to perform the material duties of the Participant's position.

10. *Grant Subject to Plan Provisions and Company Policies.*

(a) This grant is made pursuant to the Plan, which is incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and payment of Stock Units and Dividend Equivalents are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (i) the registration, qualification or listing of the Shares, (ii) adjustments pursuant to Article IX of the Plan and (iii) other requirements of applicable law. The Committee shall have the authority

to interpret and construe the grant pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

(b) All Shares issued pursuant to this Stock Unit grant shall be subject to the UGI Corporation Stock Ownership Policy. This Stock Unit grant and all Shares issued pursuant to this Stock Unit grant shall be subject to any applicable clawback and other policies implemented by the Board of Directors (or a Committee thereof) of UGI, as in effect from time to time.

11. No Employment or Other Rights. The grant of Stock Units shall not confer upon the Participant any right to be retained by or in the employ or service of the Company and shall not interfere in any way with the right of the Company to terminate the Participant's employment or service at any time. The right of the Company to terminate at will the Participant's employment or service at any time for any reason is specifically reserved.

12. No Shareholder Rights. Neither the Participant, nor any person entitled to exercise the Participant's rights in the event of the Participant's death, shall have any of the rights and privileges of a shareholder with respect to the Shares related to the Stock Units, unless and until certificates for Shares have been issued to the Participant or successor.

13. Assignment and Transfers. The rights and interests of the Participant under this Award Agreement may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. If the Participant dies, any payments to be made under this Award Agreement after the Participant's death shall be paid to the personal representative of the Participant's estate, or the personal representative under applicable law if the Participant dies intestate. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates. This Award Agreement may be assigned by the Company without the Participant's consent.

14. Compliance with Code Section 409A. Notwithstanding the other provisions hereof, this Award Agreement is intended to comply with the requirements of section 409A of the Code, if applicable or an exception, and shall be administered accordingly. Any reference to the Participant's termination of employment or service shall mean the Participant's "separation from service," as such term is defined under section 409A. For purposes of section 409A, each payment of compensation under this Award Agreement shall be treated as a separate payment. Notwithstanding anything in this Award Agreement to the contrary, if the Participant is a "key employee" under section 409A and if payment of any amount under this Award Agreement is required to be delayed for a period of six months after separation from service pursuant to section 409A, payment of such amount shall be delayed as required by section 409A and shall be paid within 10 days after the end of the six-month period. If the Participant dies during such six-month period, the amounts withheld on account of section 409A shall be paid to the personal representative of the Participant's estate within 60 days after the date of the Participant's death.

15. Applicable Law. The validity, construction, interpretation and effect of this Award Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of laws provisions thereof.

16. Notice. Any notice to UGI provided for in this Award Agreement shall be addressed to UGI in care of the Corporate Secretary at UGI's headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the payroll of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope

addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

17. Acknowledgment. By accepting this grant through the Morgan Stanley on-line system, the Participant (i) acknowledges receipt of the Plan incorporated herein, (ii) acknowledges that Participant has read the Grant Summary and Award Agreement and understands the terms and conditions of them, (iii) accepts the Stock Units described in this Award Agreement, (iv) agrees to be bound by the terms of the Plan and this Award Agreement, and (v) agrees that all the decisions and determinations of the Board or the Committee shall be final and binding on the Participant and any other person having or claiming a right under this grant.

UGI CORPORATION
2021 INCENTIVE AWARD PLAN
PERFORMANCE UNIT AWARD AGREEMENT

This PERFORMANCE UNIT AWARD AGREEMENT (the "Award Agreement"), dated November 1, 2024 (the "Date of Grant"), is delivered by UGI Corporation ("UGI") to Mario Longhi (the "Participant").

RECITALS

The UGI Corporation 2021 Incentive Award Plan (the "Plan") provides for the grant of performance units ("Performance Units") with respect to shares of Common Stock of UGI ("Shares"). UGI has decided to grant Performance Units to the Participant subject to the terms of the Plan. Each capitalized term not defined herein shall have the meaning assigned to such term in the Plan. The Participant's portal in the Morgan Stanley website for Plan participants sets forth the number of Restricted Stock Units granted to the Participant in this grant (the "Grant Summary").

NOW, THEREFORE, the parties to this Award Agreement, intending to be legally bound hereby, agree as follows:

1. Grant of Performance Units. Subject to the terms and conditions set forth in this Award Agreement and in the Plan, UGI hereby grants to the Participant the number of Performance Units specified above (the "Award"). The Performance Units are contingently awarded and will be earned and payable if and to the extent that the Annualized TSR and other conditions of this Award Agreement are met. The Performance Units are granted with Dividend Equivalents.

2. Definitions. For purposes of this Award Agreement, the following terms will have the meanings set forth below:

(a) "Annualized TSR" means annualized total shareholder return of UGI common stock, calculated as the ((A) Closing Stock Price for the relevant measurement period plus (B) Cumulative Dividends Paid to Date/Beginning Stock Price)^(1/Full + Partial Years) - 1.

(b) "Beginning Stock Price" means \$23.46 per share, UGI's closing stock price on the New York Stock Exchange on the Date of Grant.

(c) "Closing Stock Price" means the average closing stock price of a Share on the New York Stock Exchange over the twenty (20) consecutive trading day period immediately preceding the conclusion of the First Measurement Period, Second Measurement Period and Third Measurement Period, as applicable.

(d) "Committee" means UGI's Compensation and Management Development Committee of the Board of Directors or a successor committee thereto.

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(e) "Company" means UGI and its Subsidiaries (as defined in the Plan).

(f) "Cumulative Dividends Paid to Date" means the cash value of all dividends paid with respect to an ex-dividend date that occurs during the relevant measurement period (whether or not the dividend payment occurs during the relevant measurement period) with no interest credited on such dividends.

(g) "Disability" means a long-term disability as defined in the Company's long-term disability plan applicable to the Participant.

(h) "Dividend Equivalent" means an amount determined by multiplying the number of Shares underlying the Performance Units by the per-share cash dividend, or the per-share fair market value of any dividend in consideration other than cash, paid by UGI on its Common Stock.

(i) "Good Reason Termination" means a termination of employment or service initiated by the Participant upon or within two years after a Change in Control upon one or more of the following events:

(i) a material diminution in the authority, duties or responsibilities held by the Participant immediately prior to the Change in Control;

(ii) a material diminution in the Participant's base salary as in effect immediately prior to the Change in Control; or

(iii) a material change in the geographic location at which the Participant must perform services (which, for purposes of this Agreement, means the Participant is required to report, other than on a temporary basis (less than 12 months), to a location which is more than 50 miles from the Participant's principal place of business immediately before the Change in Control, without the Participant's express written consent).

Notwithstanding the foregoing, the Participant shall be considered to have a Good Reason Termination only if the Participant provides written notice to the Company, pursuant to Section 16, specifying in reasonable detail the events or conditions upon which the Participant is basing such Good Reason Termination and the Participant provides such notice within 90 days after the event that gives rise to the Good Reason Termination. Within 30 days after notice has been provided, the Company shall have the opportunity, but shall have no obligation, to cure such events or conditions that give rise to the Good Reason Termination. If the Company does not cure such events or conditions within the 30-day period, the Participant may terminate employment or service with the Company based on Good Reason Termination within 30 days after the expiration of the cure period.

Notwithstanding the foregoing, if the Participant has in effect a Change in Control Agreement with the Company or an Affiliate, the term "Good Reason Termination" shall have the meaning given that term in the Change in Control Agreement.

(j) "Performance Unit" means a hypothetical unit that represents the value of one share of UGI Common Stock.

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(k) "Retirement" means the Participant's retirement under the Retirement Income Plan for Employees of UGI Utilities, Inc., if the Participant is covered by that Retirement Income Plan. "Retirement" for other Company employees means termination of employment or service after attaining (i) age 55 with ten or more years of service with the Company or (ii) age 65 with five or more years of service with the Company.

(l) "Termination without Cause" means termination of employment or service by the Company as a Director for the convenience of the Company for any reason other than for a "Termination for Cause" which means a termination of employment or service by the Company as a Director related to any of the following: (i) theft, misappropriation of funds or conduct that has an adverse effect on the reputation of the Company, (ii) conviction of a felony or a crime involving moral turpitude, (iii) material breach of the Company's written code of conduct, or other material written employment policies, applicable to the Participant, (iv) breach of any written confidentiality, non-competition or non-solicitation covenant between the Participant and the Company, (v) gross misconduct in the performance of duties, or (vi) intentional refusal or failure to perform the material duties of the Participant's position.

3. Performance Goals.

(a) The Participant shall earn the right to payment of the Performance Units in accordance with the cumulative performance vesting schedule set forth in the below schedule if (i) the Annualized TSR goals (the "Annualized TSR Goals") in the below schedule are met for one or more of the measurement periods (defined below), and (ii) if the Participant continues to be employed by or provide service to the Company as a Director through October 31, 2027 (the "Vesting Date"). The first measurement period is the period beginning November 1, 2024 and ending November 1, 2025 (the "First Measurement Period"). The second measurement period is the period beginning November 1, 2024 and ending November 1, 2026 (the "Second Measurement Period"). The third measurement period is the period beginning November 1, 2024 and ending November 1, 2027 (the "Third Measurement Period"). For the avoidance of doubt, the Beginning Stock Price shall be used as the starting price in calculating the performance

of each measurement period. Participant shall only be eligible to receive the highest of either the First Measurement Period, Second Measurement Period, or Third Measurement Period result as set forth in the table below:

Performance Level	Annualized TSR Goals	Cumulative Performance Vesting (as a % of target) if Annualized TSR Goals attained on the 1st/2nd/3rd grant date anniversaries ¹		
		End of Year 1	End of Year 2	End of Year 3
Below Threshold	<8.0%	0%	0%	0%
Threshold	8.0%	17%	33%	50%
Target	10.0%	33%	66%	100%
Maximum	16.0%	40%	80%	200%

¹ The cumulative performance vesting percentage between Annualized TSR Goals of (i) 8% and 10% and (ii) 10% and 16% will be determined by interpolation.

(b) The target amount of Performance Units ("Target Award") will be earned if the Annualized TSR equals 10% at the end of the Third Measurement Period. The Participant can earn up to 200% of the Target Award if the Annualized TSR is equal to or greater than 16% at the end of the Third Measurement Period, according to the schedule in this Section 3 above.

(c) Following the end of each measurement period, the Committee will determine Annualized TSR performance.

(d) Except as described in Sections 4 and 7 below, the Participant must be employed by or providing service to the Company as a Director on the Vesting Date in order for the Participant to receive payment with respect to the Performance Units and Dividend Equivalents.

4. Termination of Employment or Service.

(a) Except as provided below in the event of death or Disability, or as set forth in Section 7, if the Participant's employment or service with the Company as a Director terminates for any reason other than for a Termination For Cause before the Performance Units are fully vested, the unvested Performance Units and all related Dividend Equivalents will continue to vest in accordance with Section 3.

(b) In the event of the Participant's death while employed by or providing service to the Company as a Director, the Participant shall vest 100% in the Performance Units as of the date of death.

(c) If the Participant ceases to be employed by or provide service to the Company as a Director on account of Disability, the Participant shall 100% vest in the Performance Units as of the date of Disability.

(d) If the Participant's employment or service with the Company as a Director terminates as a result of a Termination for Cause, then all Performance Units and all related Dividend Equivalents will be forfeited.

5. Payment with Respect to Performance Units. If the Committee determines that the conditions to payment of the Performance Units have been met, the Company shall pay to the Participant after the Vesting Date, Shares equal to the number of Performance Units earned during each measurement period according to attainment of the Annualized TSR Goals, provided that the Company may withhold Shares to cover required tax withholding in an amount equal to the minimum statutory tax withholding requirement in respect of the Performance Units earned.

6. Dividend Equivalents with Respect to Performance Units.

(a) Dividend Equivalents shall accrue with respect to Performance Units and shall be payable subject to the same Annualized TSR Goals and terms as the Performance Units to which they relate. Dividend Equivalents shall be credited with respect to the Performance Units set forth in the

Recital to this Award Agreement from the Date of Grant until the payment date. If and to the extent that the underlying Performance Units are forfeited, all related Dividend Equivalents shall also be forfeited.

(b) While the Performance Units are outstanding, the Company will keep records of Dividend Equivalents in a bookkeeping account for the Participant. On each payment date for a dividend paid by UGI on its Common Stock, the Company shall credit to the Participant's account an amount equal to the Dividend Equivalents associated with the number of Performance

Units set forth in the Recital to this Award Agreement on the record date for the dividend. No interest will be credited to any such account.

(c) The target amount of Dividend Equivalents (100% of the Dividend Equivalents credited to the Participant's account) will be earned if the Target Award of Performance Units is earned at the end of the Third Measurement Period. The Participant can earn up to 200% of the target amount of Dividend Equivalents if the Annualized TSR is equal to or greater than 16% at the end of the Third Measurement Period, according to the schedule in Section 3. Except as described in Section 4 or Section 7, if the Participant's employment or service with the Company as a Director terminates before the Vesting Date, all Dividend Equivalents will be forfeited.

(d) Dividend Equivalents will be paid in cash at the same time as the underlying Performance Units are paid, after the Committee determines that the conditions to payment have been met. Notwithstanding anything in this Award Agreement to the contrary, the Participant may not accrue Dividend Equivalents in excess of \$1,000,000 during any calendar year under all grants under the Plan.

7. Change in Control.

(a) If a Change in Control occurs, the Performance Units and Dividend Equivalents shall not automatically become payable upon the Change in Control, but, instead, shall become payable as described in this Section 7. The Committee may take such other actions with respect to the Performance Units and Dividend Equivalents as it deems appropriate pursuant to the Plan. The term "Change in Control" shall mean a Change in Control of UGI as defined in the Plan.

(b) If a Change in Control occurs, the Committee shall calculate a Change in Control Amount as follows:

(i) The measurement period shall end as of the closing date of the Change in Control (the "Change in Control Date") and the Annualized TSR ending date calculation for the measurement period shall be based on the 20-calendar day period ending on the Change in Control Date.

(ii) The Committee shall calculate a "Change in Control Amount" equal to the greater of (i) the Target Award amount or (ii) the amount of Performance Units that would be payable based on the Company's achievement of the Annualized TSR Goals as of the Change in Control Date and reflecting the payout schedule in the "End of Year 3 column" above, as determined by the Committee. The Change in Control Amount shall include related Dividend Equivalents and, if applicable, interest as described below.

(iii) The Committee shall determine whether the Change in Control Amount attributable to Performance Units shall be (A) converted to units with respect to shares or other equity interests of the acquiring company or its parent ("Successor Units"), in which case Dividend Equivalents shall continue to be credited on the Successor Units, or (B) valued based on the Fair Market Value of the Performance Units as of the Change in Control Date and credited to a bookkeeping account for the Participant, in which case interest shall be credited on the amount so determined at a market rate for the period between the Change in Control Date and the applicable payment date. Notwithstanding the provisions of Section 5, all payments on and after a Change in Control shall be made in cash. If alternative (A) above is used, the cash payment shall equal the Fair Market Value on the date of payment of the number of shares or other equity interests underlying the Successor Units, plus accrued Dividend Equivalents. All payments shall be subject to applicable tax withholding.

(c) If a Change in Control occurs and the Participant continues in employment or service through the last day of the Third Measurement Period, the Change in Control Amount shall be paid in cash within 2 ½ months following the last day of the Third Measurement Period.

(d) If a Change in Control occurs, and the Participant has a Termination without Cause or a Good Reason Termination upon or within two years after the Change in Control Date and before the end of the Third Measurement Period, the Change in Control Amount shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 14 below.

(e) If a Change in Control occurs, and the Participant terminates employment or service on account of Retirement, Disability or death upon or after the Change in Control Date and before the end of the Third Measurement Period, the Change in Control Amount shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 14 below; provided that, if required by section 409A, if the Participant's Retirement, Disability or death occurs more than two years after the Change in Control Date, payment will be made within 2 ½ months following the last day of the Third Measurement Period, and not upon the earlier separation from service.

(f) If a Participant's employment or service terminates on account of Retirement, death or Disability before a Change in Control, and a Change in Control subsequently occurs before the end of the Third Measurement Period, the prorated amount in Section 4(b) shall be calculated by multiplying the fraction described in Section 4(b) by the Change in Control Amount. The prorated Change in Control Amount shall be paid in cash within 30 days after the Change in Control Date, subject to Section 14 below.

8. Restrictive Covenants.

(a) The Participant acknowledges and agrees that, in consideration for the grant of Performance Units, the Participant agrees to comply with all written restrictive covenants and agreements with the Company, including non-competition, non-solicitation and confidentiality covenants (collectively, the "Restrictive Covenants").

(b) The Participant acknowledges and agrees that in the event the Participant breaches any of the Restrictive Covenants:

(i) The Committee may in its discretion determine that the Participant shall forfeit the outstanding Performance Units (without regard to whether the Performance Units have vested), and the outstanding Performance Units shall immediately terminate; and

(ii) If the Participant breaches any of the Restrictive Covenants within 12 months following receipt of any Shares upon settlement of the Performance Units, the Committee may in its discretion require the Participant to return to the Company any such Shares; provided, that if the Participant has disposed of any such Shares received upon settlement of the Performance Units, then the Committee may require the Participant to pay to the Company, in cash, the fair market value of such Shares as of the date of disposition.

9. Withholding. All payments under this Award Agreement are subject to applicable tax withholding. The Participant shall be required to pay to the Company, or make other arrangements satisfactory to the Company to provide for the payment of, any federal (including

FICA), state, local or other taxes that the Company is required to withhold with respect to the payments under this Award Agreement. The Company may withhold from cash distributions to cover required tax withholding, or may withhold Shares to cover required tax withholding in an amount equal to the minimum applicable tax withholding amount.

10. Grant Subject to Plan Provisions and Company Policies.

(a) This grant is made pursuant to the Plan, which is incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and payment of Performance Units and Dividend Equivalents are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to,

provisions pertaining to (i) the registration, qualification or listing of the Shares, (ii) adjustments pursuant to Article IX of the Plan, and (iii) other requirements of applicable law. The Committee shall have the authority to interpret and construe the grant pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

(b) This Performance Unit grant and Shares issued pursuant to this Performance Unit grant shall be subject to the UGI Corporation Stock Ownership Policy as adopted by the Board of Directors of UGI and any applicable clawback and other policies implemented by the Board of Directors of UGI, as in effect from time to time.

11. No Employment or Other Rights. The grant of Performance Units shall not confer upon the Participant any right to be retained by or in the employ or service of the Company and shall not interfere in any way with the right of the Company to terminate the Participant's employment or service at any time. The right of the Company to terminate at will the Participant's employment or service at any time for any reason is specifically reserved.

12. No Shareholder Rights. Neither the Participant, nor any person entitled to receive payment in the event of the Participant's death, shall have any of the rights and privileges of a shareholder with respect to the Shares related to the Performance Units, unless and until certificates for Shares have been distributed to the Participant or successor.

13. Assignment and Transfers. The rights and interests of the Participant under this Award Agreement may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. If the Participant dies, any payments to be made under this Award Agreement after the Participant's death shall be paid to the Participant's estate. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates.

14. Compliance with Code Section 409A. Notwithstanding the other provisions hereof, this Award Agreement is intended to comply with the requirements of section 409A of the Internal Revenue Code of 1986, as amended, or an exception, and shall be administered accordingly. Any reference to a Participant's termination of employment shall mean a Participant's "separation from service," as such term is defined under section 409A. For purposes of section 409A, each

payment of compensation under this Award Agreement shall be treated as a separate payment. Notwithstanding anything in this Award Agreement to the contrary, if the Participant is a "key employee" under section 409A and if payment of any amount under this Award Agreement is required to be delayed for a period of six months after separation from service pursuant to section 409A, payment of such amount shall be delayed as required by section 409A and shall be paid within 10 days after the end of the six-month period. If the Participant dies during such six-month period, the amounts withheld on account of section 409A shall be paid to the personal representative of the Participant's estate within 60 days after the date of the Participant's death.

15. Applicable Law. The validity, construction, interpretation and effect of this Award Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of laws provisions thereof.

16. Notice. Any notice to UGI provided for in this Award Agreement shall be addressed to UGI in care of the Corporate Secretary at UGI's headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the payroll of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

17. Acceptance. By accepting this grant through the Morgan Stanley on-line system, the Participant (i) acknowledges receipt of the Plan incorporated herein, (ii) acknowledges that Participant has read the Grant Summary and Award Agreement and understands the terms and conditions of them, (iii) accepts the Performance Units described in the Award Agreement, (iv) agrees to be bound by the terms of the Plan, including the Award Agreement, and (v) agrees that all the decisions and determinations of the Board or the Committee shall be final and binding on the Participant and any other person having or claiming a right under this Grant.

EXHIBIT 10.4

UGI CORPORATION
2021 INCENTIVE AWARD PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This RESTRICTED STOCK UNIT AWARD AGREEMENT (the Award Agreement"), dated November 1, 2024 (the "Date of Grant"), is delivered by UGI Corporation ("UGI") to Mario Longhi (the "Participant").

RECITALS

The UGI Corporation 2021 Incentive Award Plan (the "Plan") provides for the grant of Restricted Stock Units with respect to shares of Common Stock of UGI ("Shares"). UGI hereby grants Restricted Stock Units (the "Stock Units") to the Participant, subject to the terms in the Plan and on the terms described below. Capitalized terms not otherwise defined in this Award Agreement shall have the meaning as set forth in the Plan. The Participant's portal in the Morgan Stanley website for Plan participants sets forth the number of Restricted Stock Units granted to the Participant in this grant (the "Grant Summary").

NOW, THEREFORE, the parties to this Award Agreement, intending to be legally bound hereby, agree as follows:

1. **Grant of Restricted Stock Units.** Subject to the terms and conditions set forth in this Award Agreement and in the Plan, UGI hereby grants to the Participant the Stock Units, which will be earned and payable if and to the extent that the conditions of this Award Agreement are met. The Stock Units are granted with Dividend Equivalents (as defined in the Plan).

2. **Vesting.** The Participant shall earn the right to payment of (i) fifty percent (50%) of the Stock Units subject to this Award Agreement if the Participant is employed by or providing service to the Company as a Director through October 31, 2026 (the "Tranche 1 Vesting Date") and (ii) fifty percent (50%) of the Stock Units subject to this Award Agreement if the Participant is employed by or providing service to the Company as a Director through October 31, 2027 (the "Tranche 2 Vesting Date" and together with the Tranche 1 Vesting Date, the "Vesting Date").

3. **Termination of Employment or Service.**

(a) Except as provided below in the event of death or Disability, or as set forth in Section 6, if the Participant's employment or service with the Company as a Director terminates for any reason other than for a Termination For Cause (as defined in Section 9) before the Stock Units are fully vested, the unvested Stock Units and all related Dividend Equivalents will continue to vest in accordance with Section 2.

(b) In the event of the Participant's death while employed by or providing service to the Company as a Director, the Participant shall vest 100% in the Stock Units as of the date of death.

(c) If the Participant ceases to be employed by or provide service to the Company as a Director on account of Disability (as defined in Section 9), the Participant shall 100% vest in the Stock Units as of the date of Disability.

(d) If the Participant's employment or service with the Company as a Director terminates as a result of a Termination for Cause, then all unvested Stock Units and all related Dividend Equivalents will be forfeited.

4. Payment with Respect to Stock Units. When the Stock Units vest in the event of death, Disability or on a Vesting Date, the Company shall pay to the Participant whole Shares equal to the number of Stock Units that have become vested on such date. Payment shall be made within 30 business days after the applicable Vesting Date (except as otherwise required by Section 6 below).

5. Dividend Equivalents with Respect to Stock Units.

(a) Dividend Equivalents shall accrue with respect to the Stock Units and shall be payable subject to the same vesting and other terms as the Stock Units to which they relate. Dividend Equivalents shall be credited with respect to the Stock Units from the Date of Grant until the payment date of the Stock Units (or until they are forfeited). Dividend Equivalents will become vested as the underlying Stock Units vest. If and to the extent that the underlying Stock Units are forfeited, all related Dividend Equivalents shall also be forfeited.

(b) While the Stock Units are outstanding, the Company will keep records of Dividend Equivalents in a bookkeeping account for the Participant. On each payment date for a dividend paid by UGI on its Common Stock, the Company shall credit to the Participant's account an amount equal to the Dividend Equivalents associated with the Stock Units held by the Participant on the record date for the dividend. No interest will be credited to any such account.

(c) Vested Dividend Equivalents will be paid in cash at the same time and on the same terms as the underlying vested Stock Units are paid.

(d) Notwithstanding anything in this Award Agreement to the contrary, the Participant may not accrue Dividend Equivalents in excess of \$1,000,000 during any calendar year under all grants under the Plan.

6. Change in Control.

(a) If a Change in Control occurs, the Stock Units and Dividend Equivalents shall not automatically become payable upon the Change in Control but, instead, shall become payable as described in this Section 6. The Committee may take such other actions with respect to the Stock Units and Dividend Equivalents as it deems appropriate pursuant to the Plan.

(b) If a Change in Control occurs before the Vesting Date, the Committee shall determine whether the Stock Units shall be (i) converted to units with respect to shares or other equity interests of the acquiring company or its parent ("Successor Units"), in which case Dividend Equivalents shall continue to be credited on the Successor Units, or (ii) valued based on the Fair Market Value (as defined in the Plan) of the Stock Units as of the Change in Control date and credited to a bookkeeping account for the Participant, in which case interest shall be credited on the amount so determined at a market rate for the period between the Change in Control date and the applicable payment date. Notwithstanding the provisions of Section 4, all payments on and after a Change in Control shall be made in cash. If alternative (i) above is used, the cash payment shall equal the Fair Market Value on the date of payment of the number of

shares or other equity interests underlying the Successor Units, plus accrued Dividend Equivalents. All payments shall be subject to applicable tax withholding.

(c) If a Change in Control occurs and the Participant continues in employment or service through the Vesting Date, the Stock Units (subject to subsection (b)) shall vest on the Vesting Date and shall be paid in cash within 30 days after the Vesting Date. The cash payment shall equal the Fair Market Value on the date of payment of the vested Stock Units (subject to subsection (b)).

(d) If a Change in Control occurs and the Participant has a Termination without Cause or a Good Reason Termination, in either case upon or within two years after the Change in Control date and before the Vesting Date, the Stock Units (subject to subsection (b)) shall vest on the

Participant's separation from service date and shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 14 below. The cash payment shall equal the Fair Market Value on the date of payment of the vested Stock Units (subject to subsection (b)).

(e) If a Change in Control occurs before the Vesting Date, and the Participant terminates employment or service on account of Disability or death upon or after the Change in Control Date and before the Vesting Date, any vested Restricted Stock Units (calculated under Section 3) shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 14 below; provided that, if required by section 409A, if the Participant's Disability or death occurs more than two years after the Change in Control Date, payment will be made within 2 ½ months following the Vesting Date, and not upon the earlier separation from service.

(f) If a Participant's employment or service terminates on account of death or Disability before a Change in Control, and a Change in Control subsequently occurs before the Vesting Date, any vested amounts (calculated under Section 3) shall be due the Participant. These vested Stock Units shall be paid in cash within 30 days after the Change in Control Date, subject to Section 14 below.

7. Restrictive Covenants.

(a) The Participant acknowledges and agrees that, in consideration for the grant of Stock Units, the Participant agrees to comply with all written restrictive covenants and agreements with the Company, including non-competition, non-solicitation and confidentiality covenants (collectively, the "Restrictive Covenants").

(b) The Participant acknowledges and agrees that in the event the Participant breaches any of the Restrictive Covenants:

(i) The Committee may in its discretion determine that the Participant shall forfeit the outstanding Stock Units (without regard to whether the Stock Units have vested), and the outstanding Stock Units shall immediately terminate; and

(ii) If the Participant breaches any of the Restrictive Covenants within 12 months following receipt of any shares of Common Stock upon settlement of the Stock Units, the Committee may in its discretion require the Participant to return to the Company any such shares of Common Stock; provided, that if the Participant has disposed of any such shares of Common Stock received upon settlement of the Stock Units, then the Committee may require the Participant to pay to the Company, in cash, the fair market value of such shares of Common Stock as of the date of disposition.

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8. Withholding. All payments under this Award Agreement are subject to applicable tax withholding. The Participant shall be required to pay to the Company, or make other arrangements satisfactory to the Company to provide for the payment of, any federal (including FICA), state, local or other taxes that the Company is required to withhold with respect to the payments under this Award Agreement. The Company may withhold from cash distributions to cover required tax withholding, or may withhold Shares to cover required withholding in an amount equal to the minimum applicable withholding amount.

9. Definitions. For purposes of this Award Agreement, the following terms will have the meanings set forth below:

(a) "*Change in Control*" means a Change in Control of UGI as defined in the Plan.

(b) "*Code*" means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

(c) "*Committee*" means the Compensation and Management Development Committee of the Board of Directors of UGI or a successor committee thereto.

(d) "*Company*" means UGI and its Subsidiaries (as defined in the Plan).

(e) "*Disability*" means a long-term disability as defined in the Company's long-term disability plan applicable to the Participant.

(f) "*Good Reason Termination*" means a termination of employment or service initiated by the Participant upon or within two years after a Change in Control upon one or more of the following events:

- (i) a material diminution in the authority, duties or responsibilities held by the Participant immediately prior to the Change in Control;
- (ii) a material diminution in the Participant's base salary as in effect immediately prior to the Change in Control; or
- (iii) a material change in the geographic location at which the Participant must perform services (which, for purposes of this Award Agreement, means the Participant is required to report, other than on a temporary basis (less than 12 months), to a location which is more than 50 miles from the Participant's principal place of business immediately before the Change in Control, without the Participant's express written consent).

Notwithstanding the foregoing, the Participant shall be considered to have a Good Reason Termination only if the Participant provides written notice to the Company, pursuant to Section 16, specifying in reasonable detail the events or conditions upon which the Participant is basing such Good Reason Termination and the Participant provides such notice within 90 days after the event that gives rise to the Good Reason Termination. Within 30 days after notice has been provided, the Company shall have the opportunity, but shall have no obligation, to cure such events or conditions that give rise to the Good Reason Termination. If the Company does not cure such events or conditions within the 30-day

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period, the Participant may terminate employment or service with the Company based on Good Reason Termination within 30 days after the expiration of the cure period.

Notwithstanding the foregoing, if the Participant has in effect a Change in Control Agreement with the Company, the term "Good Reason Termination" shall have the meaning given that term in the Change in Control Agreement.

- (g) "*Termination Date*" means the date the Participant's employment or service with the Company as a Director terminates for any reason.
- (h) "*Termination without Cause*" means termination of employment or service by the Company as a Director for the convenience of the Company for any reason other than for a "*Termination for Cause*" which means a termination of employment or service by the Company as a Director related to any of the following: (i) theft, misappropriation of funds or conduct that has an adverse effect on the reputation of the Company, (ii) conviction of a felony or a crime involving moral turpitude, (iii) material breach of the Company's written code of conduct, or other material written employment policies, applicable to the Participant, (iv) breach of any written confidentiality, non-competition or non-solicitation covenant between the Participant and the Company, (v) gross misconduct in the performance of duties, or (vi) intentional refusal or failure to perform the material duties of the Participant's position.

10. Grant Subject to Plan Provisions and Company Policies.

(a) This grant is made pursuant to the Plan, which is incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and payment of Stock Units and Dividend Equivalents are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (i) the registration, qualification or listing of the Shares, (ii) adjustments pursuant to Article IX of the Plan and (iii) other requirements of applicable law. The Committee shall have the authority to interpret and construe the grant pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

(b) All Shares issued pursuant to this Stock Unit grant shall be subject to the UGI Corporation Stock Ownership Policy. This Stock Unit grant and all Shares issued pursuant to this Stock Unit grant shall be subject to any applicable clawback and other policies implemented by the Board of Directors (or a Committee thereof) of UGI, as in effect from time to time.

11. No Employment or Other Rights. The grant of Stock Units shall not confer upon the Participant any right to be retained by or in the employ or service of the Company as a Director and shall not interfere in any way with the right of the Company to terminate the Participant's employment or service as a Director at any time. The right of the Company to terminate at will the Participant's employment or service as a Director at any time for any reason is specifically reserved.

12. **No Shareholder Rights.** Neither the Participant, nor any person entitled to exercise the Participant's rights in the event of the Participant's death, shall have any of the rights and privileges of a shareholder with respect to the Shares related to the Stock Units, unless and until certificates for Shares have been issued to the Participant or successor.

13. **Assignment and Transfers.** The rights and interests of the Participant under this Award Agreement may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. If the

Participant dies, any payments to be made under this Award Agreement after the Participant's death shall be paid to the personal representative of the Participant's estate, or the personal representative under applicable law if the Participant dies intestate. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates. This Award Agreement may be assigned by the Company without the Participant's consent.

14. **Compliance with Code Section 409A.** Notwithstanding the other provisions hereof, this Award Agreement is intended to comply with the requirements of section 409A of the Code, if applicable or an exception, and shall be administered accordingly. Any reference to the Participant's termination of employment or service shall mean the Participant's "separation from service," as such term is defined under section 409A. For purposes of section 409A, each payment of compensation under this Award Agreement shall be treated as a separate payment. Notwithstanding anything in this Award Agreement to the contrary, if the Participant is a "key employee" under section 409A and if payment of any amount under this Award Agreement is required to be delayed for a period of six months after separation from service pursuant to section 409A, payment of such amount shall be delayed as required by section 409A and shall be paid within 10 days after the end of the six-month period. If the Participant dies during such six-month period, the amounts withheld on account of section 409A shall be paid to the personal representative of the Participant's estate within 60 days after the date of the Participant's death.

15. **Applicable Law.** The validity, construction, interpretation and effect of this Award Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of laws provisions thereof.

16. **Notice.** Any notice to UGI provided for in this Award Agreement shall be addressed to UGI in care of the Corporate Secretary at UGI's headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the payroll of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

17. **Acknowledgment.** By accepting this grant through the Morgan Stanley on-line system, the Participant (i) acknowledges receipt of the Plan incorporated herein, (ii) acknowledges that Participant has read the Grant Summary and Award Agreement and understands the terms and conditions of them, (iii) accepts the Stock Units described in this Award Agreement, (iv) agrees to be bound by the terms of the Plan and this Award Agreement, and (v) agrees that all the decisions and determinations of the Board or the Committee shall be final and binding on the Participant and any other person having or claiming a right under this grant.

I, **Mario Longhi**, **Robert C. Flexon**, certify that:

1. I have reviewed this periodic report on Form 10-Q of UGI Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **August 8, 2024** **February 6, 2025**

/s/ **Mario Longhi** **Robert C. Flexon**

Mario Longhi **Robert C. Flexon**
Interim President and Chief Executive Officer of UGI Corporation

EXHIBIT 31.2

CERTIFICATION

I, Sean P. O'Brien, certify that:

1. I have reviewed this periodic report on Form 10-Q of UGI Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **August 8, 2024** **February 6, 2025**

/s/ Sean P. O'Brien

Sean P. O'Brien

Chief Financial Officer of UGI Corporation

EXHIBIT 32

**Certification by the Interim Chief Executive Officer and Chief Financial Officer
Relating to a Periodic Report Containing Financial Statements**

I, Mario Longhi, Interim Robert C. Flexon, Chief Executive Officer, and I, Sean P. O'Brien, Chief Financial Officer, of UGI Corporation, a Pennsylvania corporation (the "Company"), hereby certify that to our knowledge:

- (1) The Company's periodic report on Form 10-Q for the period ended **June 30, 2024** **December 31, 2024** (the "Form 10-Q") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

INTERIM CHIEF EXECUTIVE OFFICER

/s/ Mario Longhi **Robert C. Flexon**

Mario Longhi **Robert C. Flexon**

Date: **August 8, 2024** **February 6, 2025**

CHIEF FINANCIAL OFFICER

/s/ Sean P. O'Brien

Sean P. O'Brien

Date: **August 8, 2024** **February 6, 2025**

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