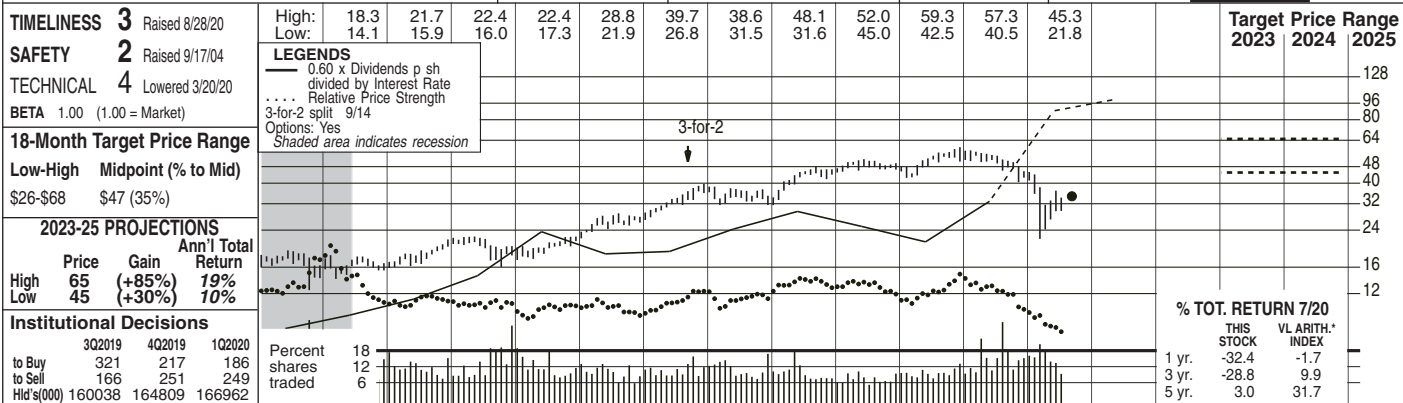


UGI CORP. NYSE-UGI

RECENT PRICE **34.77** P/E RATIO **12.6** (Trailing: 12.8 Median: 17.0) RELATIVE P/E RATIO **0.57** DIV'D YLD **3.8%** VALUE LINE



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
24.63	31.10	33.01	34.24	41.27	35.25	34.01	36.31	38.56	42.10	47.92	38.65	32.84	35.18	43.94	35.03	31.85	35.70	Revenues per sh ^A	40.20
1.63	2.09	2.05	2.26	2.48	2.82	2.87	2.75	3.05	3.75	4.05	4.20	4.39	4.73	5.40	4.12	4.70	5.20	"Cash Flow" per sh	5.75
.81	1.15	1.10	1.18	1.33	1.57	1.59	1.37	1.17	1.59	1.92	2.01	2.05	2.29	2.74	2.28	2.55	3.00	Earnings per sh ^{AB}	3.40
.40	.43	.46	.48	.50	.52	.60	.68	.71	.74	.79	.89	.93	.96	1.02	1.15	1.32	1.34	Div'ds Decl'd per sh ^C	1.46
.87	1.01	1.21	1.39	1.44	1.85	2.11	2.15	2.01	2.84	2.64	2.83	3.26	3.67	3.30	3.37	3.35	3.45	Cap'l Spending per sh	3.55
5.43	6.35	6.95	8.26	8.80	9.78	11.10	11.79	13.21	14.59	15.39	15.55	16.46	18.18	21.14	18.27	19.65	21.35	Book Value per sh ^D	26.85
153.63	157.20	158.18	159.97	161.09	162.78	164.38	167.75	169.06	170.88	172.73	173.12	173.15	173.99	174.14	209.01	210.00	210.00	Common Shs Outst'g ^E	210.00
13.4	13.8	14.0	15.1	13.3	10.3	10.9	15.0	16.4	15.4	15.8	17.7	19.3	20.8	17.8	23.4	21.00	21.00	Avg Ann'l P/E Ratio	16.0
.71	.73	.76	.80	.80	.69	.69	.94	1.04	.87	.83	.89	1.01	1.05	.96	1.28	1.05	1.05	Relative P/E Ratio	.90
3.7%	2.7%	3.0%	2.7%	2.9%	3.2%	3.5%	3.3%	3.7%	3.0%	2.6%	2.5%	2.3%	2.0%	2.1%	2.2%	2.1%	2.2%	Avg Ann'l Div'd Yield	2.4%

CAPITAL STRUCTURE as of 6/30/20

Total Debt \$6410.3 mill. Due in 5 Yrs \$2047 mill.	5591.4	6091.3	6519.2	7194.7	8277.3	6691.1	5685.7	6120.7	7651.2	7320.4	6685	7500	Revenues (\$mill) ^A	8440
LT Debt \$5961.4 mill. LT Interest \$257.8 mill.	261.0	232.9	199.4	278.1	337.2	353.8	360.0	406.5	485.6	412.9	540	635	Net Profit (\$mill)	720
(Total interest coverage: 4.0x) (59% of Cap'l)	32.0%	29.8%	34.8%	27.6%	30.6%	30.0%	31.4%	26.5%	26.5%	16.6%	17.0%	17.0%	Income Tax Rate	17.0%
	4.7%	3.8%	3.1%	3.9%	4.1%	5.3%	6.3%	6.6%	6.3%	5.6%	8.1%	8.5%	Net Profit Margin	8.5%
Leases, Uncapitalized Annual rentals \$100.4 mill.	44.0%	51.6%	60.0%	58.7%	56.4%	56.1%	56.9%	55.8%	53.0%	60.2%	58.0%	56.0%	Long-Term Debt Ratio	51.0%
Pension Assets-9/19 \$563 mill. Oblig. \$773 mill.	56.0%	48.4%	40.0%	41.3%	43.6%	43.9%	43.1%	44.2%	47.0%	39.8%	42.0%	44.0%	Common Equity Ratio	49.0%
Pfd Stock None	3256.7	4088.0	5580.7	6034.7	6092.7	6133.8	6616.9	7157.9	7827.9	9597.4	9925	10380	Total Capital (\$mill)	11840
	3053.2	3204.5	4233.1	4480.2	4543.7	4994.1	5238.0	5537.0	5808.2	6687.8	7700	8865	Net Plant (\$mill)	13535
Common Stock 208,320,881 shares as of 7/31/20	10.1%	7.4%	5.6%	6.6%	7.5%	7.7%	7.2%	7.2%	7.7%	5.6%	5.5%	6.0%	Return on Total Cap'l	6.0%
	14.3%	11.8%	8.9%	11.2%	12.7%	13.1%	12.6%	12.9%	13.2%	10.8%	13.0%	14.0%	Return on Shr. Equity	13.0%
MARKET CAP: \$7.2 bil. (Large Cap)	14.3%	11.8%	8.9%	11.2%	12.7%	13.1%	12.6%	12.9%	13.2%	10.8%	14.5%	15.0%	Return on Com Equity	13.0%
	8.9%	6.0%	3.6%	6.1%	7.6%	7.4%	7.0%	7.5%	8.4%	5.6%	6.5%	8.0%	Retained to Com Eq	7.5%
CURRENT POSITION	38%	49%	60%	45%	40%	43%	45%	42%	36%	48%	51%	44%	All Div'ds to Net Prof	43%

BUSINESS: UGI Corp. operates six business segments: AmeriGas Propane (accounted for 24.3% of net income in 2019), UGI International (19.3%), Gas Utility (20.7%), Midstream & Marketing (27.4%), and Corp. & Other (8.3%). UGI Utilities distributes natural gas and electricity to over 655,000 customers mainly in Pennsylvania; 26%-owned AmeriGas Partners is the largest U.S. propane marketer, serving about 1.3 million users in 50 states. Acquired remaining 80% interest in Antargaz (3/04); Energy Transfer Partners (1/12). Vanguard Group owns 10.6% of stock; Blackrock, 10.3%; Officers/directors, 2.2% (12/19 proxy). Has 12,800 empls. President & CEO: John L. Walsh. Inc.: PA. Address: 460 N. Gulph Rd., King of Prussia, PA 19406. Tel.: 610-337-1000. Internet: www.ugicorp.com.

UGI Corp. posted lower-than-expected June-quarter results. To that point, sales declined 12.1%, to \$1.199 billion due to the COVID-19 pandemic driving reduced demand from UGI's commercial customers. This is evident in year-over-year drops in retail volumes and revenues at the AmeriGas Propane, UGI International, and Midstream & Marketing business segments. On the plus side, the UGI Utility division got a boost in revenues thanks to colder-than-normal weather patterns in its service territory, along with customer account growth. Elsewhere, on the margin front, management has been quite disciplined with regard to its expense management, which helped to reduce total costs by 13.8%, as a percentage of the top line. All told, after accounting for a sharp rise in shares outstanding, UGI's fiscal third-quarter earnings fell 38.5%, to \$0.08 a share. This was markedly below our call for \$0.22.

Consequently, we have sliced \$0.35 off our fiscal 2020 (ends September 30th) bottom-line estimate, to \$2.55 a share. This figure would still represent a nearly 12% rise in earnings. However, the anticipated uptick in share net is more reflective of significant cost cuts and 2019's easy comparison, rather than strength in UGI's underlying business this year. In fact, weakness stemming from the coronavirus pandemic and volatility in the commodity markets are anticipated to result in a roughly 8.5% decline in revenues this year, to \$6.685 billion. We have also sliced \$500 million and \$0.25 a share off of our 2021 top- and bottom-line estimates, bringing those figures to \$7.5 billion and \$3.00 a share, respectively.

A pending rate case and acquisitions augur well for prospects. UGI Utilities recently filed a joint petition with the Pennsylvania Public Utility Commission for approval of its rate case filed back in January. This case would permit a \$20 million annual distribution rate increase and a future rate recovery of COVID-19 expenses. Too, UGI Energy Services acquired GHI Energy, a Houston-based renewable natural gas company. **These shares have wide rebound potential, a decent yield, and a Safety rank of 2 (Above Average).**

Bryan J. Fong August 28, 2020

Fiscal Year Ends	Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2017	1680	2174	1153	1114	6120.7
2018	2125	2812	1441	1273	7651.2
2019	2200	2606	1364	1150	7320.4
2020	2007	2228	1199	1251	6685
2021	2210	2435	1405	1450	7500

Fiscal Year Ends	Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2017	.91	1.31	.09	d.02	2.29
2018	1.01	1.69	.09	d.05	2.74
2019	.81	1.43	.13	d.09	2.28
2020	1.17	1.56	.08	d.26	2.55
2021	1.28	1.67	.20	d.15	3.00

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	.23	.238	.238	.238	.94
2017	.238	.238	.25	.25	.98
2018	.25	.25	.26	.26	1.02
2019	.26	.26	.30	.325	1.15
2020	.325	.325	.33		

(A) Fiscal year ends Sept. 30. Quarterly sales and earnings may not sum to total due to rounding and/or change in share count. (B) Diluted earnings. Excludes nonrecr. gains/(losses): '04, d6c; '05, 3c; '06, 5c; '07, 12c; '15, (41c); '16, 3c; '17, 17c; '18, \$1.32. Next egs. report due late Oct. (C) Dividends historically paid in early Jan., April, July, and Oct. ■ Div. reinvest. plan available. (D) Incl. intang. At 9/19: \$4,165 mill., \$19.93/sh. (E) In mill., adjusted for stock split.

Company's Financial Strength B++
Stock's Price Stability 85
Price Growth Persistence 75
Earnings Predictability 80

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