

UGI Corporation (UGI)

\$38.04 (Stock Price as of 12/11/2025)

Price Target (6-12 Months): **\$40.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 08/11/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

4-Sell

Zacks Style Scores:

VGM: C

Value: B

Growth: F

Momentum: C

Summary

UGI's fiscal 2025 fourth-quarter loss came in narrower than expectations. UGI is expanding its operations through acquisitions, which are accretive to earnings. Its capital investments aid in system upgrades with the replacement of aging infrastructure. The company raised its long-term annual EPS growth goal to 5-7%. Its business divestitures are enhancing financial flexibility. UGI has enough liquidity to meet its near-term debt obligations. Shares of the company have outperformed the industry in the past year. However, the seasonal nature of the company's business and unfavorable weather in its service areas can help reduce demand and lower profitability. Failure to complete the capital projects within time may affect the company's operations and profitability. Competition from other clean sources of energy is a headwind.

Data Overview

52 Week High-Low	\$39.59 - \$26.73
20 Day Average Volume (sh)	2,371,784
Market Cap	\$8.2 B
YTD Price Change	34.8%
Beta	1.06
Dividend / Div Yld	\$1.50 / 3.9%
Industry	Utility - Gas Distribution
Zacks Industry Rank	Bottom 38% (149 out of 243)

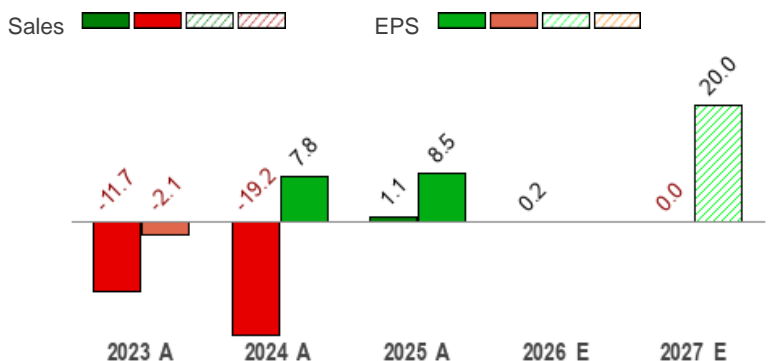
Last EPS Surprise	47.7%
Last Sales Surprise	-30.5%
EPS F1 Est- 4 week change	-3.4%
Expected Report Date	02/04/2026
Earnings ESP	0.4%

P/E TTM	11.4
P/E F1	-253.6
PEG F1	NA
P/S TTM	1.1

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	2,034 E	2,685 E	1,387 E	1,190 E	7,297 E
2026	2,034 E	2,685 E	1,388 E	1,190 E	7,298 E
2025	2,030 A	2,666 A	1,394 A	1,197 A	7,287 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	0.05 E	0.22 E	-0.19 E	-0.20 E	-0.12 E
2026	0.04 E	0.21 E	-0.20 E	-0.20 E	-0.15 E
2025	1.37 A	2.21 A	-0.01 A	-0.23 A	3.32 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/11/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/03/2025.

Overview

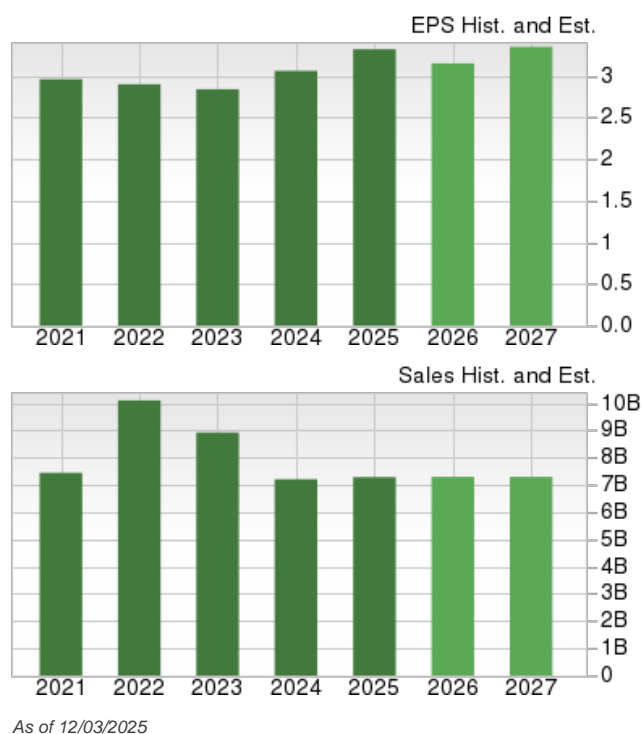
UGI Corporation is a holding company that distributes, stores, transports and markets energy products and related services through its subsidiaries. It is a domestic and international retail distributor of propane and butane liquefied petroleum gases (LPG), a provider of natural gas and electric service via regulated local distribution utilities, a generator of electricity and a regional marketer of energy commodities. The company was founded in 1882. UGI Corporation has 10,000 employees and serves more than 2.6 million customers.

The AmeriGas Propane segment: On Aug. 21, 2019, UGI Corporation completed the acquisition of 69.2 million units of AmeriGas Partners, L.P. This acquisition gave the company complete control over the partnership that serves nearly 1.4 million residential, commercial, industrial, agricultural, wholesale and motor fuel customers in 50 states from around 1,600 propane distribution locations. For fiscal 2025, the segment contributed \$2.28 billion to the company's total revenues.

The UGI International segment conducts business of LPG Distribution in 16 European countries. It is one of the largest LPG distributors in France, Austria, Belgium, Denmark and Luxembourg. For fiscal 2025, the segment contributed \$2.12 billion to total revenues.

The Midstream & Marketing segment forms the company's retail energy marketing business and sells natural gas, liquid fuels and electricity to residential, commercial and industrial customers at 40,000 locations across the United States. For fiscal 2025, the segment contributed \$1.48 billion to total revenues.

The UGI Utilities segment provides gas and electric services to its customers. The company is providing natural gas distribution services in 46 eastern and central Pennsylvania counties through its distribution system. The company renders electric services via 2,700 miles of transmission and distribution lines plus 14 substations to its customers in parts of Luzerne and Wyoming counties in northeastern Pennsylvania. For fiscal 2025, the segment contributed \$1.76 billion to total revenues.



Reasons To Buy:

- ▲ UGI continues to make systematic capital investments to address the various capital projects, increase the safety and reliability of natural gas production and storage facilities, and replace the aging infrastructure for modernizing the system. These additions and upgrades allow it to serve the expanding customer base efficiently. The company added more than 11,500 residential heating and commercial customers to its Utilities segment in fiscal 2025, bringing its total customer base to about 967,000. Shares of UGI have risen 32% in the past year compared with the industry's growth of 8.5%.

UGI invested \$882 million in fiscal 2025 to further strengthen its operations, with nearly 80% invested in the natural gas businesses. In the Utilities segment, the company invested about \$560 million, primarily to replace and upgrade gas distribution infrastructure, including nearly 130 miles of pipeline. It plans to invest \$1-\$1.1 billion in fiscal 2026 to strengthen its operations, and \$4.5-\$4.9 billion through fiscal 2029. The company raised its long-term annual earnings per share growth target in the range of 5-7%. The company recovers nearly 90% of its capital investments within 12 months, owing to timely rate revisions and approvals.

- ▲ UGI continues to strengthen its operation through strategic acquisitions and divestiture of non-core assets. UGI is rewarded by the strategic acquisitions of Stonehenge and Mountaineer. UGI's Stonehenge acquisition is consistent with the utility's growth strategies, including the expansion of midstream natural gas gathering assets within the Appalachian region. UGI's core market volumes rose, driven by colder weather compared with the prior year. Due to the large percentage of the fee-based contracts, UGI continues to optimize its portfolio in the Midstream and Marketing division and enjoys the benefits of earnings stability.

In July 2025, UGI International divested its LPG distribution business in Italy, and in October 2025, it agreed to divest its LPG business in Austria for about €55 million (\$64 million). The transaction is expected to close in the first quarter of fiscal 2026. These divestitures support debt reduction and enhance financial flexibility for the company's future growth.

- ▲ The consistent performance of the company enabled it to reward its shareholders through annual dividend rate hikes. Courtesy of its strong performance, the company generated strong free cash flow in the fiscal 2025. The free cash flow of UGI is \$390 million, up 1% from the year-ago period.

Due to its stable performance, the company has paid dividends for the past 141 years. Currently, UGI's quarterly dividend is 37.5 cents per share, resulting in an annualized dividend of \$1.50. The company's current dividend yield of 3.93% is better than the industry's average of 2.78%.

- ▲ UGI is focused on sustainable cost savings and efficiencies to offset inflationary pressures, create more capital headroom and lower debts. This initiative will be carried out by streamlining centralized processes for effective operations and better cost control, leveraging technological improvements, digital innovation and increased efficiency. UGI aims to identify labor and non-labor sources to achieve sustainable cost savings.
- ▲ The current return on equity (ROE) of the company is 15.11% compared with its industry average of 9.21%. UGI's ROE indicates that it is using shareholders' funds more efficiently than its peers in the industry.

The times interest earned ratio of the company at the end of the fourth quarter of fiscal 2025 was 2.7, which indicates that it has enough financial strength to meet the interest obligations. The decline in interest rates is expected to lower UGI's financing costs and improve its profit margins. The available liquidity of the company as of Sept. 30, 2025 was \$1.6 billion, which provides financial flexibility.

Systematic capital expenditures, accretive acquisitions, customer additions, strong liquidity and regular dividend payment are tailwinds for the company.

Reasons To Sell:

- ▼ UGI Corp.'s business is seasonal. The company's results are significantly influenced by temperatures in its service territories, particularly during the heating season, from October to March. A decrease in the demand for energy products and services because of warmer-than-normal temperatures during winters might lower its profitability.
- ▼ UGI's energy products and services face competition from other energy sources, some of which are cheaper for an equivalent energy value. In addition, it is not possible to predict the effect that the development of alternative energy sources might have on UGI's operations.
- ▼ Energy efficiency and technology advances, as well as price-induced customer conservation, may lower demand for energy products and services. Prices for LPG and natural gas are subject to volatile fluctuations in response to changes in supply and other market conditions. During periods of high energy commodity costs, prices generally increase, which may lead to customer conservation and attrition. A reduction in demand could lower UGI's revenues, net income and adversely affect its cash flows.
- ▼ The company focuses on the construction of new pipeline and gathering systems to expand its midstream asset business. However, such construction activities are exposed to several regulatory and environmental uncertainties, which are beyond the control of the company. The capital project might not get completed within the scheduled time and can stretch the budget of the project. Any delay in the completion of the ongoing projects within the scheduled time will increase the company's overall cost.

Seasonality in business and competition from other clean sources, along with any delay in capital projects, are headwinds.

Last Earnings Report

UGI's Q4 Loss Narrower Than Expected, Revenues Fall Short of Estimates

UGI Corporation reported a fourth-quarter fiscal 2025 operating loss of 23 cents per share, which was narrower than the Zacks Consensus Estimate of a loss of 44 cents. The company reported a loss of 16 cents in the year-ago quarter.

GAAP loss per share in the fiscal fourth quarter was 6 cents compared with a loss of \$1.27 in the year-ago quarter.

UGI reported fiscal 2025 adjusted earnings of \$3.32 per share compared with \$3.06 in fiscal 2024, reflecting a year-over-year increase of 8.5%.

Total Revenues of UGI

Revenues of \$1.20 billion missed the Zacks Consensus Estimate of \$1.72 billion by 30.5%. The top line also decreased 3.6% from the year-ago quarter's \$1.24 billion.

UGI reported total revenues of \$7.29 billion in fiscal 2025 compared with \$7.21 billion in fiscal 2024, highlighting a year-over-year increase of 1.1%.

Highlights of UGI's Q4 Release

UGI invested \$882 million in fiscal 2025, with 80% invested in the natural gas business, primarily in regulated utilities.

UGI's interest expenses were \$106 million compared with \$98 million in the year-ago quarter.

UGI's earnings before interest expense and income tax for the fourth quarter of fiscal 2025 were \$19 million against the loss of \$256 million in the year-ago quarter.

UGI's Segmental Results

AmeriGas Propane: Operating income before interest expense and income taxes of \$166 million in fiscal 2025 was up 16.9% from the year-ago level.

UGI International: Earnings before interest expense and income tax (EBIT) of \$314 million in fiscal 2025 were down 2.8% from the year-ago level.

Midstream & Marketing: EBIT of \$293 million in fiscal 2025 declined 6.4% from the year-ago level.

UGI Utilities: EBIT of \$403 million in fiscal 2025 rose 0.8% from the year-ago level.

UGI's 2026 Guidance

UGI anticipates fiscal 2026 adjusted earnings to be in the range of \$2.90-\$3.15 per share. The Zacks Consensus Estimate is pegged at \$3.21, higher than the company's guided range.

The company plans to invest in the range of \$1-\$1.1 billion in fiscal 2026 to further strengthen its operations.

UGI's long-term earnings growth rate is in the range of 5-7%. The company expected to invest in the range of \$4.5 billion-\$4.9 billion during fiscal 2026-2029.

FY Quarter Ending **9/30/2025**

Earnings Reporting Date	Nov 20, 2025
Sales Surprise	-30.48%
EPS Surprise	47.73%
Quarterly EPS	-0.23
Annual EPS (TTM)	3.34

Valuation

UGI Corporation shares are up 7.6% in the past six months period and up 32% over the trailing 12-month period. Stocks in the Zacks sub-industry is up 16.6% and the Zacks Utilities sector is up 11.2% in the past six months period. Over the past year, the Zacks sub-industry is up 8.5%, whereas the sector is up by 14.6%.

The S&P 500 index is up 17% in the past six months period and up 14.6% in the past year.

The stock is currently trading at 11.97X forward 12-months earnings, which compares with 21.6X for the Zacks sub-industry, 16.32X for the Zacks sector and 23.41X for the S&P 500 index.

Over the past five years, the stock has traded as high as 15.14X and as low as 6.25X, with a 5-year median of 10.96X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$40 price target reflects 12.56X forward 12-months earnings.

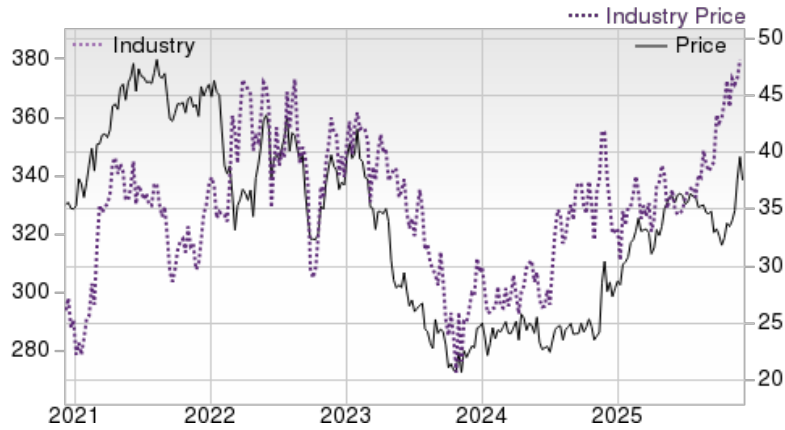
The table below shows summary valuation data for UGI.

Valuation Multiples - UGI					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	11.97	21.6	16.32	23.41
	5-Year High	15.14	21.6	17.86	23.82
	5-Year Low	6.25	13.81	13.13	15.73
	5-Year Median	10.96	17.27	15.88	21.19
P/S F12M	Current	0.95	2.82	3.08	5.29
	5-Year High	1.27	2.82	3.24	5.5
	5-Year Low	0.35	1.49	2.28	3.83
	5-Year Median	0.7	2.19	2.72	5.04
P/B TTM	Current	1.71	1.42	3.14	8.47
	5-Year High	2.07	1.78	3.28	9.16
	5-Year Low	0.99	1.11	2.38	8.6
	5-Year Median	1.44	1.43	2.87	8.04

As of 12/02/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 38% (149 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Atmos Energy Corpora...(ATO)	Neutral	2
Brookfield Infrastru...(BIPC)	Neutral	2
Centrica PLC (CPYYY)	Neutral	3
MDU Resources Group,...(MDU)	Neutral	4
NewJersey Resources ...(NJR)	Neutral	3
ONE Gas, Inc. (OGS)	Neutral	3
Spire Inc. (SR)	Neutral	2
Southwest Gas Corpor...(SWX)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Utility - Gas Distribution

	UGI	X Industry	S&P 500	ATO	BIPC	SWX
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	4	-	-	2	2	3
VGM Score	C	-	-	F	A	C
Market Cap	8.16 B	4.85 B	39.70 B	27.02 B	5.57 B	5.77 B
# of Analysts	2	2	22	6	1	1
Dividend Yield	3.94%	2.88%	1.4%	2.39%	3.68%	3.10%
Value Score	B	-	-	C	A	B
Cash/Price	0.04	0.02	0.04	0.01	0.08	0.14
EV/EBITDA	8.60	11.56	14.74	15.10	7.66	12.51
PEG Ratio	NA	2.64	2.21	2.61	NA	1.64
Price/Book (P/B)	1.71	1.53	3.43	1.98	2.53	1.47
Price/Cash Flow (P/CF)	6.34	8.59	15.24	13.98	6.57	8.61
P/E (F1)	-255.87	17.67	19.79	20.84	21.16	21.92
Price/Sales (P/S)	1.12	1.96	3.06	5.74	1.52	1.44
Earnings Yield	8.15%	5.38%	4.98%	4.80%	4.73%	4.56%
Debt/Equity	1.36	0.80	0.57	0.66	5.60	0.89
Cash Flow (\$/share)	6.00	6.10	8.99	11.95	7.12	9.29
Growth Score	F	-	-	F	B	C
Hist. EPS Growth (3-5 yrs)	3.98%	2.99%	8.13%	8.99%	NA	-7.04%
Proj. EPS Growth (F1/F0)	NA%	4.12%	8.50%	7.51%	NA	15.51%
Curr. Cash Flow Growth	-8.19%	-2.83%	6.86%	12.47%	-12.77%	-1.91%
Hist. Cash Flow Growth (3-5 yrs)	4.29%	6.18%	7.31%	13.43%	-0.72%	5.20%
Current Ratio	0.89	0.75	1.18	0.77	0.41	1.55
Debt/Capital	57.71%	44.56%	38.15%	39.83%	84.84%	47.17%
Net Margin	9.30%	10.86%	12.78%	25.49%	-4.27%	11.59%
Return on Equity	15.10%	8.73%	17.00%	9.07%	34.40%	6.78%
Sales/Assets	0.47	0.25	0.53	0.17	0.16	0.34
Proj. Sales Growth (F1/F0)	0.20%	4.26%	5.75%	NA	NA	-35.10%
Momentum Score	C	-	-	C	A	C
Daily Price Chg	1.22%	0.17%	0.21%	0.17%	-0.04%	0.24%
1 Week Price Chg	-5.16%	-4.29%	0.64%	-2.88%	2.65%	-4.78%
4 Week Price Chg	8.81%	-3.52%	2.43%	-6.11%	2.03%	-1.76%
12 Week Price Chg	15.27%	2.86%	4.06%	2.86%	13.88%	1.27%
52 Week Price Chg	32.13%	11.72%	14.04%	19.16%	12.84%	7.85%
20 Day Average Volume	2,371,784	405,813	2,755,288	1,161,293	546,337	320,851
(F1) EPS Est 1 week change	0.16%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-3.43%	0.00%	0.00%	0.00%	156.09%	-0.41%
(F1) EPS Est 12 week change	-4.96%	0.21%	0.68%	2.73%	156.09%	-2.01%
(Q1) EPS Est Mthly Chg	0.38%	0.38%	0.00%	0.84%	233.93%	3.70%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	B
Growth Score	F
Momentum Score	C
VGM Score	C

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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