Risk Factors Comparison 2023-11-29 to 2022-11-21 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

There are many factors that may affect our business, financial condition and results of operations, many of which are not within our control, including the following risks relating to: (1) the demand for our products and services and our ability to grow our customer base; (2) our business operations, including internal and external factors that may impact our operational continuity; (3) our international operations; (4) our supply chain and our ability to obtain and transport adequate quantities of LPG; (5) government regulation and oversight; and (6) general factors that may impact our business and our shareholders. Investors should carefully consider, together with the other information contained in this Report, the risks and uncertainties described below. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, also may materially affect our business, financial condition and results of operations. No priority or significance is intended by, nor should be attached to, the order in which the risk factors appear. Risks Relating to the Demand for Our Products and Services and Our Ability to Grow Our Customer Base Our business is seasonal and decreases in the demand for our energy products and services because of warmer- than- normal heating season weather or unfavorable weather conditions may adversely affect our results of operations. Because many of our customers rely on our energy products and services to heat their homes and businesses ~~, and for agricultural purposes such as crop drying,~~ our results of operations are adversely affected by warmer- than- normal heating season weather. Weather conditions have a significant impact on the demand for our energy products and services for both heating and agricultural purposes. Accordingly, the volume of our energy products sold is at its highest during the peak heating season of October through March and is directly affected by the severity of the winter weather. For example, historically, approximately 60 % to 70 % of AmeriGas Propane' s annual retail propane volume, 60 % ~~to 70 %~~ of UGI International' s annual retail LPG volume, ~~60~~ **55** % to ~~70~~ **65** % of Energy Services' retail natural gas volume and 60 ~~% to 65~~ % of PA Gas Utility' s natural gas throughput (the total volume of gas sold to or transported for customers within our distribution system) has typically been sold during these months. ~~Additionally, as a result of the AmeriGas Merger, an even greater portion of our earnings has been and will continue to be derived during the peak heating season of October through March.~~ There can be no assurance that normal winter weather in our market areas will occur in the future. In addition, our agricultural customers use LPG for purposes other than heating, including for crop drying, and unfavorable weather conditions, such as lack of precipitation, may impact the demand for LPG. Moreover, harsh weather conditions may at times impede the transportation and delivery of LPG or restrict our ability to obtain LPG from suppliers. Spikes in demand caused by weather or other factors can stress the supply chain and limit our ability to obtain additional quantities of LPG. Changes in LPG supply costs are normally passed through to customers, but time lags (between when we purchase the LPG and when the customer purchases the LPG) may result in significant gross margin fluctuations that could adversely affect our results of operations. The potential effects of climate change may affect our business, operations, supply chain and customers, which could adversely impact our financial condition and results of operations. Shifts and fluctuations in weather patterns and other environmental conditions, including temperature and precipitation levels, may affect consumer demand for our energy products and services. In addition, the potential physical effects of climate change, such as increased frequency and severity of storms, floods **, fires** and other climatic events, could disrupt our operations and supply chain, and cause us to incur significant costs in preparing for or responding to these effects. These or other meteorological changes could lead to increased operating costs, capital expenses or supply costs. Our commercial and residential customers may also experience the potential physical impacts of climate change and may incur significant costs in preparing for or responding to these efforts, including increasing the mix and resiliency of their energy solutions and supply, which may adversely impact their ability to pay for our products and services or decrease demand for our products and services. The impact of any one or all of the foregoing factors may adversely affect our financial condition and results of operations. In addition to the direct physical impact that climate change may have on our business, financial condition and results of operations, we may also be adversely impacted by other environmental factors, including: (i) technological advances designed to promote energy efficiency and limit environmental impact; (ii) increased competition from alternative energy sources; (iii) regulatory responses aimed at decreasing GHG emissions; and (iv) litigation or regulatory actions that address the environmental impact of our energy products and services. For more information on these risks, please refer to the following risk factors included elsewhere in this section: • " Energy efficiency and technology advances, as well as price induced customer conservation, may result in reduced demand for our energy products and services "; • " Our operations may be adversely affected by competition from other energy sources "; • " Our need to comply with, and respond to, industry- wide changes resulting from, comprehensive, complex, and sometimes unpredictable governmental regulations, including regulatory initiatives aimed at increasing competition within our industry, may increase our costs and limit our revenue growth, which may adversely affect our operating results "; • " Our operations, financial results and cash flows may be adversely affected by existing and future global climate change laws and regulations, including with respect to GHG emission restrictions, as well as market responses thereto "; and • " We are subject to operating and litigation risks that may not be covered by insurance ". Our potential to increase revenues may be affected by the decline in retail volumes of LPG and our ability to retain and grow our customer base. The retail LPG distribution industry in the U. S. and many of the European countries in which we operate is mature and has **experienced either** ~~been declining over the past several years, with~~ no or modest growth (or decline) ~~in~~ **the past few years, and we do not expect significant changes to** total demand ~~foreseen~~ in the near future. Accordingly, we expect that year- to- year industry volumes will be principally affected by weather patterns. Therefore, our ability to grow within the LPG industry is dependent on our ability to acquire other retail distributors and to achieve internal growth, which includes the continuation of the ACE, Cynch and National Accounts programs in the U. S. and expansion in Europe, as well as the success of our sales and marketing programs designed to attract and retain customers. Any failure to retain and grow our customer base and successfully acquire other distributors would have an adverse impact on our results. Our ability to ~~grow~~ **successfully execute on strategic initiatives and achieve** our ~~businesses will~~ **long- term goals may** be adversely affected if we are not successful in identifying and completing **strategic transactions and** ~~business combinations, asset acquisitions or~~ investments ~~in joint ventures intended to advance our business strategy~~ , or if we are unable to realize the anticipated benefits from such **strategic** transactions **and investments. As part of our business strategy,** we have ~~completed. One element of our business~~ **pursued, and may continue to pursue, acquisitions, joint ventures, partnerships, divestitures, dispositions, and other** ~~strategy~~ **strategic** ~~is to~~ **transactions and relationships with third parties. We have** ~~grow~~ **grown the Company** through investments in the U. S. and in international markets, **and have** ~~which includes our recent efforts to expand~~ **expanded** our presence in the renewable energy industry. We may choose to finance ~~such~~ **any** future investments with debt, equity, cash or a combination of the three. We can give no assurances that we will find attractive investment opportunities in the future (including renewable energy opportunities), that we will be able to complete and finance these transactions on economically acceptable terms, that any investments and related transactions will not be dilutive to earnings or that any additional debt incurred to finance such investment will not affect our ability to pay dividends. Moreover, certain investments and acquisitions in the U. S. and Europe may require merger control filings with the Federal Trade Commission and the European Commission, as applicable, and commitments (such as agreements not to compete for certain businesses) or divestments of assets may be required to obtain clearance. Such commitments or divestments may adversely influence the overall economics and risk profile of the contemplated transaction. To the extent we are successful in executing these transactions, such transactions involve a number of risks. These risks include, but are not limited to, the assumption of material liabilities, **including** environmental liabilities, the diversion of management' s attention from the management of daily operations to the integration of acquired operations, difficulties in the assimilation and retention of employees and difficulties in the assimilation of different cultures and practices and internal controls, challenges with consolidating the operations of acquired companies into our own, as well as in the assimilation of broad and geographically dispersed personnel and operations **. We also may experience integration difficulties, including in implementing new systems and processes and with integrating systems and processes of companies with complex operations, which can result in inconsistencies in standards, controls, procedures and policies and may increase the risk that our internal controls are found to be ineffective** . Future investments could also result in, among other things, the failure to identify material issues during due diligence, the risk of overpaying for assets, unanticipated capital expenditures, the failure to maintain effective internal control over financial reporting, recording goodwill and other intangible assets at values that ultimately may be subject to impairment charges and fluctuations in quarterly results. There can also be no assurance that our past and future investments, including our recent investments in renewable energy, will deliver the strategic, financial, operational and environmental benefits that we anticipate, nor can we be certain that strategic investments will remain available in the future. **Similarly, any divestitures or dispositions of assets have inherent risks, including the inability to find potential buyers upon favorable terms, expenses associated with a divestiture, the possibility that any anticipated sale will be delayed or will not occur, the potential impact on our cash flows and results of operations, the potential delay or failure to realize the perceived strategic or financial benefits of the divestment or disposition, difficulties in the separation of operations, services, information technology, products and personnel, potential loss of customers or employees, exposure to unanticipated liabilities, unexpected costs associated with such separation, diversion of management' s attention from other business concerns and potential post- closing claims for alleged breaches of related agreements, indemnification or other disputes. Further, any cost saving measures, restructurings and divestitures may result in workforce reduction and consolidation of our facilities. As a result of these actions, we may experience a loss of continuity, loss of accumulated knowledge, disruptions to our operations and inefficiency during transitional periods. These actions could also impact employee retention. In addition, we cannot be sure that these actions will be as successful in reducing our overall expenses as we expect or that we do not forego future business opportunities as a result of these actions.** The failure to successfully identify, complete, ~~and~~ implement **and manage** business combinations, ~~asset~~ acquisitions **, divestitures** and investments intended to advance our business strategy could have an adverse impact on our business, cash flows, financial condition and results of operations. **Further, our long- term goal to grow our earnings per share is driven by disciplined investments and is impacted by, among other things, our ability to increase investments in our regulated utilities businesses and generate significant fee- based income in our Midstream and Marketing operations. Other factors, assumptions and beliefs of management and our Board regarding external factors, including the global economy and regulatory developments, on which our long- term goals were based may also prove to differ materially from actual future results. Accordingly, we may not achieve our stated long- term goals, or our stated long- term goals may be negatively revised, as a result of less than expected progress toward achieving these goals.** Energy efficiency and technology advances, as well as price induced customer conservation, may result in reduced demand for our energy products and services. The trend toward increased energy efficiency and technological advances, including installation of improved insulation and the development of more efficient boilers and increased consumer preference for alternative heating equipment installations, such as electric heat pumps, alongside concerted conservation measures, which have been exacerbated particularly in Europe by the evolving energy crisis, may reduce the demand for our energy products. Prices for LPG and natural gas are subject to volatile fluctuations as a result of changes in supply and demand as well as other market conditions **and external factors** . During periods of high energy commodity costs, our prices generally increase, which may lead to customer conservation and attrition. A reduction in demand could lower our revenues and, therefore, lower our net income and adversely affect our cash flows. In addition, federal, European and / or local **regulators may offer energy conservation incentives or otherwise enact** laws and regulations **that** may require mandatory conservation measures, which would reduce the demand for our energy products. In Europe, measures are underway to decarbonize the electric generation grid, as well as residential and commercial heating, in order to achieve EU climate change objectives, including a net zero goal by 2050. For example, in 2018 the EU revised the Energy Performance of Buildings Directive (the " EPBD ") with the goal to create a clear path towards a low and zero- emission and decarbonized building stock in the EU by 2050. Updates to the EPBD continue to make their way through EU legislative approvals, which will establish stronger targets for management of new and existing building construction and integral heating systems that focus on low or zero carbon outcomes **. For example, certain EU countries have adopted legislation mandating the replacement of existing fossil- fuel based heating systems with lower carbon solutions and requiring newly installed heating systems to operate with renewable energy sources** . Over time, these various measures will impact fossil fuel consumption in Europe and the demand for our energy products. We cannot predict the materiality of the effect of future conservation measures or the effect that any technological advances in heating, conservation, energy generation or other devices might have on our operations. Our operations may be adversely affected by competition from other energy sources. Our energy products and services face competition from other energy sources, some of which are less costly for equivalent energy value. In addition, we cannot predict the effect that the development of alternative energy sources might have on our operations. Our LPG distribution businesses compete for customers against suppliers of electricity, fuel oil and natural gas. Electricity is a major competitor of LPG but is generally more expensive than LPG on a Btu equivalent basis for space heating, water heating and cooking. However, in Europe and elsewhere, climate change policies favoring electricity from renewable energy sources or the use of electric- powered equipment, such as heat pumps in heating applications, may cause changes in current relative price relationships. Moreover, notwithstanding cost **or regulatory mandates or incentives** , the convenience and efficiency of electricity make it an attractive energy source for consumers and developers of new homes. Fuel oil, which is a major competitor to propane, is a less environmentally attractive energy source. Furnaces and appliances that burn LPG must be upgraded to run on fuel oil and vice versa, and, therefore, a conversion from one fuel to the other requires the installation of new equipment. Our customers generally have an incentive to switch to fuel oil only if fuel oil becomes significantly less expensive than LPG, and in multiple countries, the risk of conversion to fuel oil is diminishing due to regulations that prevent or disfavor the installation and / or use of fuel oil boilers or fuel oil for heating applications. **The** ~~Historically, most applications for LPG have generally not been competitive with natural gas in areas where natural gas pipelines already exist because natural gas was a significantly less expensive source of energy than LPG. However, as a result of the recent and ongoing energy crisis in Europe, the cost of LPG in many of our European markets is less than natural gas, which is driving a stronger demand for LPG applications. Nevertheless, the~~ gradual expansion of natural gas distribution systems in our service areas may continue to result in the availability of natural gas in some areas that previously depended upon LPG resulting in lower demand for LPG. Our natural gas businesses in the U. S. compete primarily with electricity and fuel oil, and, to a lesser extent, with LPG and coal. Competition among these fuels is primarily a function of their comparative price and the relative cost and efficiency of fuel utilization equipment. There can be no assurance that our natural gas revenues will not be adversely affected by this competition. The expansion, construction and development of our energy infrastructure assets subjects us to risks. We seek to grow our business through the expansion, construction and development of our energy infrastructure, including new pipelines, gathering systems, facilities and other assets. These projects are subject to state and federal regulatory oversight and require certain property rights, such as easements and rights- of- way from public and private owners, as well as regulatory approvals, including environmental and other permits and licenses. There is no assurance that we or our project partners, as applicable, will be able to obtain the necessary property rights, permits and licenses in a timely and cost- efficient manner, or at all, which may result in a delay or failure to complete a project. We may face opposition to the expansion, construction or development of new or existing pipelines, gathering systems, facilities or other assets from environmental groups, landowners, local groups and other advocates. This opposition could take many forms, including organized protests, attempts to block or sabotage our operations, intervention in regulatory or administrative proceedings involving our assets, or lawsuits or other actions designed to prevent, disrupt, or delay the development or operation of our assets and business. Failure to complete any pending or future infrastructure project may have a materially adverse impact on our financial condition and results of operations. Even if we are able to successfully complete any pending or future infrastructure project, our revenues may not increase immediately upon the expenditure of funds on a particular project or as anticipated during the lifespan of the project. As a result, there is the risk that new and expanded energy infrastructure may not achieve our expected investment returns, which could have a material adverse effect on our business, financial condition and results of operations. Risks Relating to Our Business Operations, Including Internal and External Factors that May Impact Our Operational Continuity Our **review of potential strategic alternatives may not result in the approval** ~~efforts to create operational benefits and cost efficiencies through business transformation initiatives at our~~ - **or** ~~business units~~ **completion of any specific transaction or outcome,** and ~~various corporate services functions may be disruptive and~~ **the process of reviewing strategic alternatives or the outcome could** adversely affect our business, financial condition **,** ~~and results of~~ operations **and stock price. In August 2023, we announced that our Board of Directors initiated a process to evaluate potential strategic alternatives, including cost optimization initiatives, with the intent to unlock and maximize shareholder value. Our Board has not yet established a timeline for completion of the strategic review process, and there is no assurance that the process will result in the approval or completion of any specific transaction or outcome** . We ~~have made,~~ **are actively working with financial** and **legal advisors** ~~may continue to make, adjustments to our workforce in response to management changes, product changes, performance issues, changes in strategy, acquisitions or other internal and external considerations. These adjustments may result in increased costs and temporarily reduced productivity, as well as a disruption in our ability to perform functions critical to our strategy, including, but not limited to, disruptions in customer service. Although the effects from such adjustments have not been material to date, the effects of such adjustments may be significant~~ in connection with ~~any current or~~ **our** ~~future business~~ **review of potential strategic alternatives. Any potential** ~~transformation~~ ---- **transaction** ~~initiatives,~~ **or other strategic alternative**

would be dependent on a number of factors that may be beyond ~~or~~ **our** ~~we may not achieve~~ **control, including, among other things, market conditions, industry trends, regulatory approvals, and the availability of financing** ~~or~~ **for** ~~sustain the expected growth~~ **a potential transaction on reasonable terms. The process of reviewing potential strategic alternatives, including optimization of** ~~or~~ **our** cost **structure** ~~savings benefits of any such initiatives or do so within the expected timeframe. As a result~~ , ~~our business, financial condition and results of operations could be negatively affected. Beginning in Fiscal 2020, we initiated a transformation project focused on our corporate support functions, including finance, human resources, procurement and information technology, that~~ is **time consuming** ~~designed to standardize processes and activities across our global platform~~ , **may** ~~while leveraging the use of best practices and efficiencies between our businesses. This initiative is being coordinated across multiple support functions, each function being at a different stage of transformation, and is expected to be completed by the end of Fiscal 2023. If we are unable to deliver~~ -- **divert** ~~the strategic and financial benefits that we anticipate, the achievement of these benefits is delayed, or the volume and nature of change challenges our available resources, then~~ - **the attention of** our **Board and management from core** business operations **,** and **may** ~~financial results could~~ be ~~materially~~ **distracting** and **disruptive** ~~adversely impacted. Our ability to successfully manage and execute our initiatives and realize expected savings and benefits in the amounts and at the times anticipated is important~~ to our business **operations and long-term planning** ~~success. Any failure to do so~~ , which **may cause concern** ~~could result from our inability~~ to ~~successfully execute organizational change and business transformation initiatives, unanticipated costs or~~ **our current or potential** ~~charges, loss of key personnel, customer~~ **customers** ~~loss~~ **, employees, investors, strategic partners** and other **stakeholders** ~~factors described herein~~ , ~~could~~ **and may** have a material **impact** ~~adverse effect~~ on our business **and operating results or our internal controls and procedures, or result in increased volatility in our share price. We may incur substantial expenses associated with identifying, evaluating and negotiating potential strategic alternatives. There can be no assurance that any potential transaction or other strategic alternative, if consummated, will provide greater value to our shareholders than that reflected in the current price of our common stock. Additionally, the outcome of the strategic review may adversely impact our business, cash flows, operations** , financial condition and **stock price. Until the review process is concluded or developments on the progress of the strategic review are disclosed, perceived uncertainties related to our future may** ~~results~~ - **result in the loss** of **potential business opportunities, volatility in the market price of our common stock, and difficulty attracting and retaining qualified employees and business partners. Similarly, activist investors may engage in proxy solicitations or advance shareholder proposals, or otherwise attempt to affect changes and assert influence on our Board of Directors and management, which could negatively impact our business and** operations ~~. For further information on these initiatives~~ **and cause a distraction to our Board** , ~~see " Management~~ **management** ~~' s Discussion~~ and **employees** ~~Analysis of Financial Condition and Results of Operations- Executive Overview- Continuing Business Transformation Initiatives~~ . ~~"~~ Our information technology systems and those of our third- party vendors have been the target of ~~cyber- security~~ **cybersecurity** attacks in the past. If we are unable to protect our information technology systems against future service interruption, misappropriation of data, or breaches of security resulting from ~~cyber- security~~ **cybersecurity** attacks or other events, or if we encounter other unforeseen difficulties in the design, implementation or operation of our information technology systems, or if our third- party vendors or service providers experience compromises to their information technology systems, our operations could be disrupted, our business and reputation may suffer, and our internal controls could be adversely affected. In the ordinary course of business, we rely on information technology systems, including the Internet and third- party hosted services, to support a variety of business processes and activities and to store sensitive data, including (i) intellectual property, (ii) our proprietary business information and that of our suppliers and business partners, (iii) personally identifiable information of our customers and employees, and (iv) data with respect to invoicing and the collection of payments, accounting, procurement, and supply chain activities. In addition, we rely on our information technology systems to process financial information and results of operations for internal reporting purposes and to comply with financial reporting, legal, and tax requirements. ~~Cyber- security~~ **Cybersecurity** incidents have recently increased in both frequency and magnitude and have involved malicious software and attempts to gain unauthorized access to data and systems, including ransomware attacks where a target' s access to its information systems is blocked until a ransom has been paid. The White House and various regulators, including the SEC, have accordingly increased their focus on companies' cybersecurity vulnerabilities and risks. Despite our security measures, our technologies, systems, and networks have been and may continue to be the target of ~~cyber- security~~ **cybersecurity** attacks or information security breaches that could result in the unauthorized release, misuse, loss or destruction of proprietary and other information, or other disruption of our business operations. Due to increasingly sophisticated threat actors, we may be unable to detect, identify or prevent attacks, and even if detected, we may be unable to adequately stop, investigate or remediate our systems given the tools and techniques being used by threat actors to circumvent controls and to remove or obfuscate forensic evidence. Attacks and incidents may also occur due to malfeasance by employees or contractors, as well as human error as in the case of social engineering and phishing campaigns. A number of our employees currently work remotely **full- time or on a hybrid basis** ; as a result, our ~~cyber- security~~ **cybersecurity** program may be less effective and information technology security may be less robust for those employees. Similarly, our third- party vendors or service providers have been impacted by ~~cyber- security~~ **cybersecurity** attacks and incidents and are subject to many, if not all, of the same risks and disruptions as described above. A loss of our information technology systems, or temporary interruptions in the operation of our information technology systems, or those of our third- party vendors or service providers, or any other misappropriation of data, or breaches of security could lead to investigations and fines or penalties, litigation, increased costs for compliance and for remediation or rebuilding of our systems, and could have a material adverse effect on our business, financial condition, results of operations, and reputation. In addition, **an** ~~a cyber- security~~ attack could provide **an** ~~a cyber-~~ intruder with the ability to control or alter our pipeline operations. Such an act could result in critical pipeline failures. The efficient execution of our businesses is dependent upon the proper design, implementation and functioning of its current and future internal systems, such as the information technology systems that support our underlying business processes. Any significant failure or malfunction of such information technology systems may result in disruptions of our operations. In addition, the effectiveness of our internal controls could be adversely affected if we encounter unforeseen problems with respect to the operation of our information technology systems. Moreover, as ~~cyber-~~ **cybersecurity** incidents increase in frequency and magnitude, we may be unable to obtain ~~cyber- security~~ **cybersecurity** insurance in amounts and on terms we view as adequate for our operations, including the agreement to certain indemnification provisions by our insurance providers. Our utility transmission and distribution systems, our non- utility midstream assets, and the assets of upstream interstate pipelines and other midstream providers may not operate as planned, which may increase our expenses or decrease our revenues and, thus, have an adverse impact on our financial results. Our ability to manage operational risk with respect to utility distribution and transmission and non- utility midstream assets, and the availability of natural gas delivered by interstate natural gas pipelines and midstream gathering assets is critical to our financial results. We obtain our supply from local Marcellus and Utica Shale sources, as well as other trading points in the U. S. If we experience physical capacity constraints on one or more of the interstate or intrastate natural gas pipelines that supply our businesses, we may not be able to supply our customers, which could have an adverse impact on our financial results. Our businesses also face several risks, including the breakdown or failure of, or damage to, equipment or processes (especially due to severe weather or natural disasters), accidents and other factors, including as a result of overpressurization of or damage to natural gas pipelines. Operation of our transmission and distribution systems or our midstream assets below our expectations may result in lost revenues or increased expenses, including higher maintenance costs, civil litigation and the risk of regulatory penalties. Risks Relating to Our International Operations Our international operations could be subject to increased risks, which may negatively affect our business results. We operate LPG distribution and energy marketing businesses in Europe through our subsidiaries. As a result, we face risks in conducting business abroad that we do not face domestically. Certain aspects inherent in transacting business internationally could negatively impact our operating results, including: • costs and difficulties in staffing and managing international operations; • **disagreements** ~~potentially adverse tax consequences, including restrictions on repatriating earnings, the threat of " double taxation, "~~ and **disputes** ~~potential increases to corporate income taxes (including the proposed OECD framework that aims to reform international taxation rules~~ with ~~the goal of ensuring that multinational corporations pay adequate taxes in the jurisdictions in which~~ **our employees represented by a works council or union; • strikes and work stoppages by** ~~they~~ - **the** ~~operate and~~ **employees of** ~~other~~ -- **the** ~~similar proposals)~~ **Company or our suppliers and vendors** ; • fluctuations in currency exchange rates, particularly the euro, which can affect demand for our products, increase our costs and adversely affect our profitability and reported results; • new or revised regulatory requirements, including European competition and carbon emission **reduction** laws, that may adversely affect the terms of contracts with customers, including with respect to exclusive supply rights and usage restrictions, and stricter regulations applicable to the storage and handling of LPG; • new and inconsistently enforced industry regulatory requirements, which can have an adverse effect on our competitive position; • tariffs and other trade barriers; • difficulties in enforcing contractual rights; • local political and economic conditions as well as geopolitical conditions that could cause instability and adversely impact the global economy or specific markets, such as the war between Russia and Ukraine; and • potential violations of federal regulatory requirements, including anti- bribery, anti- corruption, and anti- money laundering law, economic sanctions, the Foreign Corrupt Practices Act of 1977, as amended, and EU regulatory requirements, including the GDPR and Sapin II. In particular, certain legal and regulatory risks are associated with international business operations. We are subject to various anti- corruption, economic sanctions and trade compliance laws, rules and regulations. For example, the U. S. government imposes restrictions and prohibitions on transactions in certain foreign countries, including restrictions directed at oil and gas activities in Russia. U. S. laws also prohibit the improper offer, payment, promise to pay, or authorization of the payment of money or anything of value to any foreign official or political party, or to any person, knowing that all or a portion of it will be used to influence a foreign official in his or her official duties or to secure an improper advantage. Ensuring compliance with all relevant laws, rules and regulations is a complex task. Violation of one or more of these laws, rules or regulations could lead to loss of import or export privileges, civil or criminal penalties for us or our employees, or potential reputational harm, which could have a material adverse impact on earnings, cash flows and financial condition. The European energy crisis may create LPG commodity supply challenges and could negatively impact our business results. The geopolitical situation in Europe during 2022 led to a sharp decrease in natural gas imports from Russia to Europe. This decrease resulted in a significant increase in natural gas prices in Europe. ~~In~~ **Although the natural gas prices have declined from the unprecedented highs of 2022, in** response to the significant price ~~increase~~ **increases experienced** , refineries **still see an incentive to, and** are substituting a portion of their natural gas refinery fuels with **,** LPG ~~,~~ leading to a decrease in the availability of **inland** LPG ~~in some areas of Europe~~ as well as higher LPG costs. In addition, gas processing plants supplying the United Kingdom and Norway markets are injecting LPG into the natural gas grid, decreasing the overall supply of LPG from the gas processing plants. In this context, LPG supply patterns are substantially changing with increased reliance on sea- imports and land logistics. We anticipate that the European energy crisis and the corresponding response by refineries and gas processing plants will continue in Fiscal ~~2023~~ **2024** , **leading** ~~which may lead~~ to **continued** commodity supply challenges in some markets, higher commodity costs that may not be able to be absorbed by our customers, particularly in the ~~United Kingdom~~ **Nordic countries** and our Eastern European markets, and lower consumption by our customers, among other impacts, which could have a material adverse impact on our earnings, cash flows and overall financial condition. Economic and geopolitical instability, including as a result of acts of war, **have had, and** could **continue to** have ~~a material~~ **, an** adverse effect on our operating results, financial condition, and cash flows. In late February 2022, Russian military forces launched significant military action against Ukraine, which has continued through the date of this Report. We do not have operations in Russia or Ukraine. Nevertheless, the outbreak of war between Russia and Ukraine and the resulting sanctions by U. S. and European governments, together with any additional future sanctions by them, could have a larger impact that expands into other geographies where we do business, including our supply chain, business partners and customers in those markets, which could result in lost sales, supply shortages, commodity price fluctuations, increased costs, transportation logistics challenges, customer credit and liquidity issues, and lost efficiencies. The acceleration of a global energy crisis, including as a result of restrictions on Russia' s energy exports, could similarly impact the geographies where we do business. In addition, the U. S. and Europe have commenced certain trade actions as a result of the war between Russia and Ukraine ~~, which are expected to result in retaliatory measures or actions, including tariffs, by Russia~~ . While significant uncertainty exists with respect to this matter, the war between Russia and Ukraine and its broader impacts, including any increased trade barriers or restrictions on global trade imposed by the U. S. or Europe, or further ~~retaliatory~~ trade measures taken by Russia or other countries in response, could have a material **impact** ~~adverse effect~~ on our operating results, financial condition and cash flows. Our energy marketing business in Europe may continue to be ~~dramatically~~ disrupted by extreme prices and volatility in the natural gas and power markets in Europe, which have resulted in, and may continue to result in, a material negative impact on our financial results. Our natural gas and power marketing businesses have traditionally relied upon ~~stable price~~ **relative pricing** and ~~availability conditions~~ **periods of market stability** . ~~The~~ **Since the end of 2021, the** European energy markets have ~~entered~~ **been** in an unprecedented state of volatility. **The** ~~In addition to the pre- existing natural gas supply shortages, the~~ war between Russia and Ukraine and the resulting substantial reduction of natural gas imports from Russia to Europe have led to significant ~~increases~~ **uncertainty** in ~~the costs~~ **supply, including price volatility** of both wholesale gas and power, and have created new risks that we have experienced and expect to continue to experience ~~in Fiscal 2023~~ within our European energy marketing business. These risks include: (i) the ability to economically support the traditional fixed price and full requirement contracts of customers due to the significant increased cost to ~~purchase incremental additional~~ **adjust for shifting** volumes ~~consumed in~~ **due to** excess **or shortage** of **consumption** expectations; (ii) the ability to service typical portfolio needs with standard trading activities due to the limitations on purchasing cost effective services in the market; (iii) the ability to pass increased **and volume deviation** costs **, including balancing costs,** onto customers due, among other things, to timing, regulatory and contractual constraints, ~~and~~ (iv) the ability to maintain ~~hedging~~ **sourcing** services to customers due to the margining **and liquidity** constraints ~~and~~ **as well as** maximum trading limits implemented by **both** clearing banks **and wholesale counterparties** on **energy** ~~supplier~~ **suppliers** ~~counterparties~~ **, and (v) the ability to economically support fixed and variable price products while offering competitive services in the market** . As a result, UGI ~~is considering~~ **considered** all scenarios with respect to the future of its energy marketing business in Europe ~~, including~~ **and decided to** exit **this market. UGI sold its energy marketing businesses in the United Kingdom, France** and **Belgium and UGI continues to make progress on the** wind **-** down ~~. On October 25, 2022, UGI announced the sale~~ of its energy marketing business in the **Netherlands** ~~United Kingdom and in November 2022, UGI announced its intent to sell its energy marketing business located in France~~ . The risks identified with respect to our energy marketing business in Europe have resulted in and may continue to have a material negative impact on our financial results. Risks Relating to Our Supply Chain and Our Ability to Obtain Adequate Quantities of LPG We are dependent on our principal LPG suppliers, which increases the risks from an interruption in supply and transportation. During Fiscal ~~2022~~ **2023** , AmeriGas Propane purchased approximately 85 % of its propane needs from 20 suppliers. If supplies from these sources were interrupted, the cost of procuring replacement supplies and transporting those supplies from alternative locations might be materially higher and, at least on a short- term basis, our earnings could be affected. Additionally, in certain geographic areas, a single supplier provides more than 50 % of AmeriGas Propane' s propane requirements. Disruptions in supply in these geographic areas could also have an adverse impact on our earnings. Our international businesses are similarly dependent upon their LPG suppliers. For example, during Fiscal ~~2022~~ **2023** , UGI International' s business in the United Kingdom purchased approximately ~~90~~ **76** % of its LPG needs from two suppliers and, in Italy, approximately ~~74~~ **72** % of its supply was sourced from two suppliers. If supplies from UGI International' s principal LPG sources are interrupted, the cost of procuring replacement supplies and transporting those supplies from alternative locations might be materially higher and our earnings could be adversely affected. There is no assurance that our international businesses will be able to continue to acquire sufficient supplies of LPG to meet demand at prices or within time periods that would allow them to remain competitive. Our ability to obtain sufficient quantities of LPG is dependent on transportation facilities and providers. Spikes in demand caused by weather or other factors can limit our access to port terminals and other transportation and storage facilities, disrupt transportation and limit our ability to obtain sufficient quantities of LPG. A significant increase in port and similar fees and fuel prices may also adversely affect our transportation costs and business. Transportation providers (rail and truck) in some circumstances have limited ability to provide additional resources in times of peak demand. Moreover, the ability of our transportation providers to maintain a staff of qualified truck drivers is critical to the success of our business. Regulatory requirements and an improvement in the economy could reduce the number of eligible drivers or require us to pay higher transportation fees as our transportation providers seek to pass on additional labor costs associated with attracting and retaining drivers. Our profitability is subject to LPG pricing and inventory risk. The retail LPG business is a " margin- based " business in which gross profits are dependent upon the excess of the sales price over LPG supply costs. LPG is a commodity, and, as such, its unit price is subject to fluctuations in response to changes in supply or other market conditions. We have no control over supplies, commodity prices or market conditions. Consequently, the unit price of the LPG that our subsidiaries and other distributors and marketers purchase can change rapidly over a short period of time. Most of our domestic LPG product supply contracts permit suppliers to charge posted prices at the time of delivery or **negotiated prices based on** the current **industry index** prices established at major U. S. storage points such as Mont Belvieu, Texas or Conway, Kansas. Most of our international LPG supply contracts are based on internationally quoted market prices. We also purchase a portion of our supplies in the spot market. Because our subsidiaries' profitability is sensitive to changes in wholesale LPG supply costs, we will be adversely affected if we cannot pass on increases in the cost of LPG to our customers, or if there is a delay in passing on such cost increases. Due to competitive pricing in the industry, our subsidiaries may not fully be able to pass on product cost increases to our customers when product costs rise, or when our competitors do not raise their product prices in a timely manner.

Finally, market volatility may cause our subsidiaries to sell LPG at less than the price at which they purchased it, which would adversely affect our operating results. We offer our customers various fixed- price LPG programs, and a significant number of our customers utilize our fixed- price programs. In order to manage the price risk from offering these services, we utilize our physical inventory position, supplemented by forward commodity transactions with various third parties having terms and volumes substantially the same as our customers' contracts, but there can be no assurance that such measures will be effective. In periods of high LPG price volatility, the fixed- price programs create exposure to over or under- supply positions as the demand from customers may significantly exceed or fall short of supply procured. In addition, if LPG prices decline significantly subsequent to customers signing up for a fixed- price program, there is a risk that customers will default on their commitments, adversely affecting our results of operations. Changes in commodity market prices may have a significant negative effect on our liquidity. Depending on the terms of our contracts with suppliers as well as our use of financial instruments to reduce volatility in the cost of LPG and natural gas, changes in the market price of LPG and natural gas can create margin payment obligations for us and expose us to increased liquidity risk. In addition, increased demand for domestically produced LPG and natural gas overseas may, depending on production volumes in the U. S., result in higher domestic prices and expose us to additional liquidity risks. Supplier and derivative counterparty defaults may have a negative effect on our operating results. When we enter into fixed- price sales contracts with customers, we typically enter into fixed- price purchase contracts with suppliers. Depending on changes in the market prices of products compared to the prices secured in our contracts with suppliers of LPG, natural gas and electricity, a default of or force majeure by one or more of our suppliers under such contracts could cause us to purchase those commodities at higher prices from alternate suppliers, which would have a negative impact on our operating results. Additionally, we economically hedge the market risk associated with a substantial portion of our supply purchases using certain derivative instruments. Such changes in market prices of the aforementioned commodities could result in material exposures or significant concentrations of balances with derivative counterparties. If certain counterparties were unable to meet the obligations set forth in these derivative contracts and we were unable to fully mitigate this exposure via collateral deposit requirements and master netting arrangements, such outcomes could result in a negative effect on our operating results. Our business is dependent on the domestic and global supply chain to ensure that equipment, materials and other resources are available to both expand and maintain services in a safe and reliable manner. Moreover, prices of equipment, materials and other resources have increased recently and may continue to increase in the future. Failure to secure equipment, materials and other resources on economically acceptable terms may adversely impact our financial condition and results of operations. Current domestic and global supply chain issues are delaying the delivery, and in some cases resulting in shortages of, materials, equipment and other resources that are critical to our business operations. Failure to eliminate or manage the constraints in the supply chain may impact the availability of items that are necessary to support normal operations as well as materials that are required for continued infrastructure growth, including the replacement of end- of- life assets. Moreover, inflation ~~is~~ **has been and continues to be** an area of increasing economic concern, both domestically and internationally. Changes in the costs of providing our energy products and services, including price increases in equipment and materials as well as increases in labor and distribution costs, **have negatively impacted, and** may **continue to** negatively impact **,** our financial condition and results of operations and / or result in corresponding price increases for the energy products and services we offer our customers. Risks Relating to Government Regulation and Oversight Regulators may not approve the rates we request and existing rates may be challenged, which may adversely affect our results of operations. In our Utilities segment, our distribution operations are subject to regulation by the PAPUC, WVPSC and MDPSC, depending on the state in which the operations are located. These regulatory bodies, among other things, approve the rates that Utilities may charge utility customers, thus impacting the returns that Utilities may earn on the assets that are dedicated to its operations. Utilities periodically files, and we expect to continue to periodically file, requests with these regulatory bodies to increase base rates charged to customers in the respective states in which Utilities operates. If Utilities is required in a rate proceeding to reduce the rates it charges its utility customers, or is unable to obtain approval for timely rate increases from the appropriate regulatory body, particularly when necessary to cover increased costs, Utilities' revenue growth will be limited and earnings may decrease. The enactment of proposed or future tax legislation may adversely impact our financial condition and results of operations. **We continue to assess** ~~On March 27, 2020,~~ the **impact of various** U. S. **federal, state, local and international legislative proposals that could result in a material increase to our U. S. federal, state, local and / or international taxes. We cannot predict what impact, if any, changes in federal policy, including tax policies, will have on our industry or whether any specific legislation will be** enacted **or** the **terms** ~~CARES Act. Our financial statements reflect the realized benefits~~ of ~~the CARES Act~~ **any such legislation** . **However, if such proposals were to be enacted, or if modifications were** ~~See " Management' s Discussion and Analysis of Financial Condition and Results of Operations. " Application of the CARES Act requires significant judgments~~ to be made ~~in the interpretation of the law and significant estimates in the calculation of the provision for income taxes. If our interpretation of the CARES Act differs significantly from the interpretation of governing bodies, or if future administrations choose~~ to **certain existing regulations** ~~repeal or replace the provisions of the CARES Act~~ , ~~our financial condition and results of operations may be adversely impacted. Additionally, the enactment of future tax legislation (such as the proposed OECD framework that aims to reform international taxation rules with the goal of ensuring that multinational corporations pay adequate taxes in the jurisdictions in which they~~ - **the consequences** ~~operate and other similar proposals)~~ could have a material **adverse** impact on **us, including increasing our tax burden, increasing our cost of tax compliance or otherwise adversely affecting** our financial ~~condition and~~ **position,** results of operations, **cash flows and liquidity. Changes in applicable U. S. or foreign tax laws and regulations, or their interpretation and application,** including **the possibility of retroactive effect, could affect** our ~~worldwide income~~ tax ~~provision~~ **expense** and ~~accruals reflected in~~ **profitability. Such impact may also be affected positively** ~~our~~ - **or** ~~financial statements.~~ **negatively by subsequent potential judicial interpretation** ~~For~~ - **or related regulation or legislation** ~~example, the Inflation Reduction Act was enacted on August 16, 2022. This law, among other~~

~~provisions, imposes a 15 % corporate alternative minimum tax on adjusted financial statement income,~~ which **cannot be predicted** ~~is effective for us beginning~~ with **certainty** ~~Fiscal 2024, provides for an investment tax credit for qualified biomass property, and introduces a one percent excise tax on corporate stock repurchases after December 31, 2022. We are currently assessing the potential impact of these legislative changes and will continue to evaluate the overall impact of other current, future and proposed regulations and interpretive guidance from tax authorities on our effective tax rate and consolidated balance sheets. We are unable to predict whether any such changes or other proposals will ultimately be enacted. Any future legislative changes could negatively impact our anticipated cash- flow and after- tax results of operations~~. Our need to comply with, and respond to, industry- wide changes resulting from, comprehensive, complex, and sometimes unpredictable governmental regulations, including regulatory initiatives aimed at increasing competition within our industry, may increase our costs and limit our revenue growth, which may adversely affect our operating results. While we generally refer to our Utilities segment as our " regulated segment, " there are many governmental regulations that have an impact on all of our businesses. Currently, we are subject to extensive and changing international, federal, state, and local laws and regulations including, but not limited to, safety, health, transportation, tax, and environmental laws and regulations that govern the marketing, storage, distribution, and transportation of our energy products. Moreover, existing statutes and regulations may be revised or reinterpreted and new laws and regulations may be adopted or become applicable to us that may affect our businesses in ways that we cannot predict. New regulations, or a change in the interpretation of existing regulations, could result in increased expenditures. In addition, for many of our operations, we are required to obtain permits from regulatory authorities and, in some cases, such regulatory permits could subject our operations to additional regulations and standards of conduct. Failure to obtain or comply with these permits or applicable regulations and standards of conduct could result in civil and criminal fines or the cessation of the operations in violation. Governmental regulations and policies in the U. S. and Europe may provide for subsidies or incentives to customers who use alternative fuels instead of carbon fuels. The EU has committed to cut CO2 emissions and EU member states are proposing and implementing a range of subsidies and incentives to achieve the EU' s climate change goals. These subsidies and incentives may result in reduced demand for our energy products and services. We are investigating and remediating contamination at a number of present and former operating sites in the U. S., including former sites where we or our former subsidiaries operated MGPs. We have also received claims from third parties that allege that we are responsible for costs to clean up properties where we or our former subsidiaries operated a MGP or conducted other operations. Most of the costs we incur to remediate sites outside of Pennsylvania cannot currently be recovered in PAPUC rate proceedings, and insurance may not cover all or even part of these costs. Our actual costs to clean up these sites may exceed our current estimates due to factors beyond our control, such as: • the discovery of presently unknown conditions; • changes in environmental laws and regulations; • judicial rejection of our legal defenses to third- party claims; or • the insolvency of other responsible parties at the sites at which we are involved. Moreover, if we discover additional contaminated sites, we could be required to incur material costs, which would reduce our net income. We also may be unable to timely respond to changes within the energy and utility sectors that may result from regulatory initiatives to further increase competition within our industry. Such regulatory initiatives may create opportunities for additional competitors to grow their business or enter our markets and, as a result, we may be unable to maintain our revenues or continue to pursue our current business strategy. Our operations, financial results and cash flows may be adversely affected by existing and future global climate change laws and regulations, including with respect to GHG emission restrictions, as well as market responses thereto. Climate change continues to attract considerable public and scientific attention in the U. S. and in foreign countries. As a result, numerous proposals have been made, and could continue to be made, at the international, national, regional, state and local levels of government to monitor and limit GHG emissions and climate impact. These efforts have included consideration of, among other things, cap- and- trade programs, carbon taxes, GHG reporting and tracking programs, and regulations that directly limit GHG emissions from certain sources. Increased regulation of GHG emissions, or climate impact generally, could have significant additional adverse impacts on us as well as our suppliers, vendors, and customers. The adoption and implementation of any laws or regulations imposing obligations on, or limiting GHG emissions from, our equipment and operations could require us to incur significant costs to reduce GHG emissions associated with our operations or could adversely affect demand for our energy products. The potential increase in our operating costs could include, but are not limited to, new costs to operate and maintain our facilities, install new emission controls on our facilities, acquire allowances to authorize our GHG emissions, pay taxes related to our GHG emissions, administer and manage a GHG emissions reduction program, and adversely impact the value of certain assets. We may not be able to pass on resulting increases in costs to customers. In addition, changes in regulatory policies that result in a reduction in the demand for hydrocarbon products and carbon- emitting fuel sources that are deemed to contribute to climate change, or restrict the use of such products or fuel sources, may reduce volumes available to us for processing, transportation, marketing and storage and could cause increases in costs or production disruptions. These developments could have a material adverse effect on our results of operations, financial results, valuation and useful life of assets, and cash flows. Changes in data privacy and data protection laws and regulations or any failure to comply with such laws and regulations, could adversely affect our business and financial results. As part of our operations, we collect, use, store and transfer the personal information and data of our employees as well as customer, vendor and supplier data in and across various jurisdictions. There has been increased public attention regarding the use of personal information and data transfers, accompanied by legislation and regulations intended to strengthen data protection, information security and consumer and personal privacy. The laws in these areas continue to develop and the changing nature of data protection, information security and privacy laws in the U. S., the EU and elsewhere could impact our processing of the personal information and data of our employees, vendors, suppliers and customers, which could lead to increased operating costs. Existing and emerging laws and regulations are inconsistent across jurisdictions and are subject to evolving, differing, and sometimes conflicting interpretations. The EU adopted the GDPR, which expanded EU data protections, in certain circumstances, to companies outside of the EU processing data of EU residents, regardless of whether the processing occurs in the EU. Similarly, the State of California legislature passed the California Consumer Privacy Act of 2018 (the " CCPA ") and the California Privacy Rights Act (the " CPRA "), which, among other things, grant a number of rights to California residents with respect to their personal information, and require companies to make extensive disclosures to consumers about such companies' data collection, use, and sharing practices and inform consumers of their personal information rights. In addition, the CPRA created a new state privacy regulator, which will likely result in greater regulatory activity and enforcement in the privacy area. Comprehensive privacy laws with some similarities to the CCPA and CPRA have been proposed or passed at the U. S. federal and state levels, such as the Virginia Consumer Data Protection Act (the " VCDPA **"**) and the Colorado Privacy Act (the " CPA "). Additionally, the Federal Trade Commission and many state attorneys general are interpreting federal and state consumer protection laws to impose standards for the online collection, use, dissemination and security of data as well as requiring disclosures about these practices. We expect that there will continue to be new laws, regulations and industry standards concerning data privacy and data protection **, including artificial intelligence,** in the U. S., the EU and other jurisdictions, and we cannot yet determine the impact such laws, regulations, interpretations and standards may have on our business. While we have invested significant time and resources in our GDPR **and U. S. privacy law** compliance program, emerging and changing data privacy and data protection requirements ~~, including CCPA, CPRA, VCDPA and CPA,~~ as well as other new and upcoming **European and U. S.** federal and state privacy **and cybersecurity** laws and industry standards may cause us to incur substantial fines, additional significant costs or require us to change our business practices. Any failure or perceived failure to comply may result in proceedings or actions against us by government entities or individuals **, including class actions** . Moreover, any inquiries or investigations, any other government actions or any actions by individuals may be costly to comply with, result in negative publicity, increase our operating costs, require significant management time and attention and subject us to remedies that may harm our business, including fines, demands or orders that we modify or cease existing business practices. The provisions of the Dodd- Frank Wall Street Reform and Consumer Protection Act (the " Dodd- Frank Act "), related regulations, and the rules adopted thereunder and other regulations, including the European Market Infrastructure Regulation (the " EMIR "), may have an adverse effect on our ability to use derivative instruments to hedge risks associated with our business. Our derivative hedging activities are subject to Title VII of the Dodd- Frank Act, which regulates the over- the- counter derivatives market and entities that participate in that market. The Dodd- Frank Act requires the CFTC and the federal banking regulators to implement the Dodd- Frank Act' s provisions through rulemaking, including rules regarding mandatory clearing, trade execution and margin requirements. We have and expect to continue to qualify for and rely upon an exception from mandatory clearing and trade execution requirements for swaps entered into by commercial end- users to hedge commercial risks. In addition to relief from the clearing mandate, we also expect to continue to qualify for an exception for non- financial end- users from the margin requirements on uncleared swaps. If we are not able to do so and have to post margin **supporting** ~~as to~~ our uncleared swaps in the future, our costs of entering into and maintaining swaps would be increased. Based on information available as of the date of this Report, the effect of such requirements will be likely to (directly or indirectly) increase our overall costs of entering into derivatives transactions. In particular, new margin requirements, position limits and significantly higher capital charges resulting from new global capital regulations, even if not directly applicable to us, may cause an increase in the pricing of derivatives transactions entered into by market participants to whom such requirements apply or affect our overall ability to enter into derivatives transactions with certain counterparties. While costs imposed directly on us due to regulatory requirements for derivatives under the Dodd- Frank Act, such as reporting, recordkeeping and electing the end- user exception from mandatory clearing, are relatively minor, costs imposed upon our counterparties may increase the cost of our doing business in the derivatives markets to the extent such costs are passed on to us. The EMIR may result in increased costs for over- the- counter derivative counterparties trading in the EU and may also lead to an increase in the costs of, and demand for, the liquid collateral that the EMIR requires central counterparties to accept. Although we expect to continue to qualify as a non- financial counterparty under the EMIR, and thus not be required to post margin, we are currently subject to limited derivatives reporting requirements that could expand in the future, and may also be subject to increased regulatory requirements, including recordkeeping, marking to market, timely confirmations, portfolio reconciliation and dispute resolution procedures. Provisions under the EMIR could significantly increase the cost of derivatives contracts, materially alter the terms of derivatives contracts and reduce the availability of derivatives to protect against risks that we encounter. The increased trading costs and collateral costs may have an adverse impact on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects. General Risks that May Impact Our Business and Our Shareholders The inability to attract, develop, retain and engage key employees could adversely affect our ability to execute our strategic, operational and financial plans. We are dependent upon the continued service and contributions of our management and key technical and professional employees, as well as our ability to transfer the knowledge and expertise of our workforce to new employees as our employees retire or we otherwise experience employee turnover. In addition, the success of our operations depends on our ability to identify, attract and develop skilled and experienced key employees. There is increased competition for experienced management and technical and professional employees, which could increase the costs associated with identifying, attracting and retaining such individuals. **We** ~~Additionally, we~~ may not be able to attract, retain or engage key employees if our compensation and benefits program is not as robust as the compensation and benefits programs offered by other employers for similar roles. Further, a lack of employee engagement could lead to loss of productivity and increased employee burnout, turnover, absenteeism, safety incidents as well as decreased customer satisfaction. **Additionally, uncertainty as a result of our ongoing review of strategic alternatives could negatively impact our ability to recruit and retain key employees.** If we cannot identify, attract, develop, retain and engage management, technical and professional employees, along with other qualified employees, to support the various functions of our business, our operations and financial performance could be adversely impacted ~~. The ongoing COVID- 19 pandemic and the spread of variant strains has adversely impacted our business, and could in the future materially impact our~~

~~business, financial condition and results of operations. The COVID- 19 pandemic, including the spread of variant strains, has resulted in, and could continue to result in, widespread impacts on the global economy and on our employees, customers, third-party business partners and other stakeholders. While we have experienced improving activity in most markets and geographies, there remains considerable uncertainty regarding the extent to which COVID- 19 and variant strains will continue to spread and the extent and duration of domestic and global measures designed to contain the spread, including travel bans and restrictions, quarantines, shelter- in- place orders, vaccination mandates and business and government shutdowns. The continuation of the COVID- 19 pandemic may, among other things: • negatively impact the financial condition of our customers and their ability to pay for our products and services; • decrease demand for our products and services, as was the case in Fiscal 2020 through part of Fiscal 2022 with respect to certain of our natural gas and propane products and services; • disrupt or delay progress in the development and completion of our energy infrastructure projects; • prolong the time period necessary to perform maintenance of our infrastructure; • result in operational delays, including delay in the delivery of our products to customers; • result in temporary or permanent shortages in our workforce; • result in impairment relating to certain current and long- lived assets and goodwill; • delay the timeliness of our ability to source goods; • result in commodity price volatility and supply chain constraints, as was the case in in Fiscal 2020 through part of Fiscal 2022; and • limit or curtail significantly or entirely the ability of public utility commissions to approve or authorize applications and other requests we may make with respect to our regulated businesses. Throughout the pandemic, we have modified or restricted certain business and workforce practices (including employee travel, presence at employee work locations, and physical participation in meetings, events, and conferences) to protect the health and safety of our workforce, and to conform to government orders, as well as regulatory and public health authority guidance. While we have generally reopened our offices, our employees continue to be exposed to health and safety risks and we may reinstate modified or restricted business and workforce practices, including office closures, as the pandemic continues. We depend on our workforce to operate our facilities, deliver our products and provide services to customers. If a large portion of our operational workforce were to contract COVID- 19 simultaneously, we would rely upon our business continuity plans in an effort to continue operations, but there is no certainty that such measures would be sufficient to mitigate the adverse impact to our operations. The degree to which COVID- 19 and variant strains may impact our business operations, financial condition, liquidity and results of operations is unknown at this time and will depend on future developments, including the continued spread of the virus and its variants, the efficacy of available vaccines, the severity of the disease, the duration of the pandemic, actions prescribed or ordered by governmental authorities, public health authority guidance, and when and to what extent economic and operating conditions can return to pre- pandemic levels~~. We may not be able to collect on the accounts of our customers. We depend on the viability of our customers for collections of accounts receivable and notes receivable. Moreover, our businesses serve numerous retail customers, and as we grow our businesses organically and through acquisitions, our retail customer base is expected to expand. There can be no assurance that our customers will not experience financial difficulties in the future or that we will be able to collect all of our outstanding accounts receivable or notes receivable. Any such nonpayment by our customers could adversely affect our business. We are subject to operating and litigation risks that may not be covered by insurance. Our business operations are subject to all of the operating hazards and risks normally incidental to the handling, storage and distribution of combustible products, such as LPG and natural gas, and the generation of electricity. These risks could result in substantial losses due to personal injury and / or loss of life, and severe damage to and destruction of property and equipment arising from explosions and other catastrophic events, including acts of terrorism. As a result of these and other incidents, we are sometimes a defendant in legal proceedings and litigation arising in the ordinary course of business, including regulatory investigations, claims, lawsuits and other proceedings. Additionally, environmental contamination or other incidents resulting in an environmental impact have resulted in, and could continue to result in, legal or regulatory proceedings (see " Our need to comply with, and respond to, industry- wide changes resulting from, comprehensive, complex, and sometimes unpredictable governmental regulations, including regulatory initiatives aimed at increasing competition within our industry, may increase our costs and limit our revenue growth, which may adversely affect our operating results " for more information on such proceedings). There can be no assurance that our insurance coverage will be adequate to protect us from all material expenses related to pending and future claims or that such levels of insurance would be available in the future at economical prices. Moreover, defense and settlement costs may be substantial, even with respect to claims and investigations that have no merit. If we cannot resolve these matters favorably, our business, financial condition, results of operations and future prospects may be materially adversely affected. The risk of natural disasters, pandemics and catastrophic events, including acts of war and terrorism, may adversely affect the economy and the price and availability of LPG, other refined fuels and natural gas. Natural disasters, pandemics and catastrophic events, such as fires, earthquakes, explosions, floods, tornadoes, hurricanes, terrorist attacks, war **(including conflict in the Middle East)** , political unrest and other similar occurrences, may adversely impact the demand for, price and availability of LPG (including propane), other refined fuels and natural gas, which could adversely impact our financial condition and results of operations, our ability to raise capital and our future growth. The impact that the foregoing may have on our industries in general, and on us in particular, is not known at this time. A natural disaster, pandemic or an act of war or terrorism could result in disruptions of crude oil or natural gas supplies and markets (the sources of LPG), cause price volatility in the cost of LPG, fuel oil and natural gas, and our infrastructure facilities could be directly or indirectly impacted. Additionally, if our means of supply transportation, such as rail, truck or pipeline, are delayed or temporarily unavailable due to a natural disaster, pandemic, war or terrorist activity, we may be unable to transport LPG and other refined fuels in a timely manner or at all. A lower level of economic activity could result in a decline in energy consumption, which could adversely affect our revenues or restrict our future growth. Instability in the financial markets as a result of a natural disaster, pandemic, war or terrorism could also affect our ability to raise capital. We have opted to purchase insurance coverage for natural disasters and terrorist acts within our property and casualty insurance programs, but we can give no assurance that our insurance coverage would be adequate to fully compensate us for any losses to our business or property resulting from natural disasters or terrorist acts. Our indebtedness may adversely affect our business, financial condition and operating results. Our debt agreements also contain covenants that restrict our operational flexibility. As of September 30, ~~2022~~ **2023** , we had total indebtedness of **approximately** $ 7 billion. Our indebtedness could adversely affect our business, financial condition, operating results and operational flexibility by, among other things: • impairing our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions or other purposes ; • limiting operational flexibility and our ability to pursue business opportunities and implement certain business strategies; • impairing our ability to respond to changing business and economic conditions; • impairing our ability to repay our indebtedness at maturity, especially where our debt agreements contain significant maturities; • exposing us to the risk of increased interest rates where our debt agreements have variable interest rates; and • placing us at a competitive disadvantage compared to our competitors that have proportionately less debt and fewer guarantee obligations. The occurrence of any of such events could have a material adverse effect upon our business, financial condition and results of operations. Further, if our credit ratings were to be downgraded, or general market conditions were to ascribe higher risk to our rating levels, our industry, or us, our access to capital and the cost of any future debt financing could be negatively impacted. Additionally, our ability to make payments of principal and interest on our indebtedness depends upon our future performance, which is subject to economic and political conditions, seasonal cycles and financial, business and other factors, many of which are beyond our control. If we are unable to generate sufficient cash flow from operations to service our indebtedness, we may be required to, among other things, refinance or restructure all or a portion of our indebtedness, reduce or delay planned capital or operating expenditures or sell selected assets. Such measures might not be sufficient to enable us to service our indebtedness, and any such refinancing, restructuring or sale of assets might not be available on favorable terms or at all. In addition, our debt agreements generally contain customary affirmative covenants, including, among others, covenants pertaining to the delivery of financial statements; certain financial covenants; notices of default and certain other material events; payment of obligations; preservation of corporate existence, rights, privileges, permits, licenses, franchises and intellectual property; maintenance of property and insurance and compliance with laws, as well as customary negative covenants, including, among others, limitations on the incurrence of liens, investments and indebtedness; mergers, acquisitions and certain other fundamental changes; transfers, leases or dispositions of assets outside the ordinary course of business ; restricted payments; changes in our line of business ; transactions with affiliates and burdensome agreements. These covenants could affect our ability to operate our business, respond to changes in business and economic conditions, obtain additional financing (if needed), and may increase the amount of interest expense we ultimately pay pursuant to the debt agreements. Further, our ability to comply with the covenants and restrictions contained in our debt agreements may be affected by events beyond our control, including prevailing economic, financial and industry conditions or regulatory changes. A failure to comply with the covenants in our debt agreements could result in a default or an event of default. Upon an event of default, unless waived, the lenders could elect to terminate their commitments, cease making further loans, require cash collateralization of letters of credit, cause their loans to become due and payable in full, foreclose against any assets securing the debt under our debt agreements and force us and our subsidiaries into bankruptcy or liquidation. If the payment of our debt is accelerated, we cannot be certain that we will have sufficient funds available to pay down the indebtedness (together with accrued interest and fees), or that we will have the ability to refinance the accelerated indebtedness on terms favorable to us or at all. This could have a material adverse effect upon our business, financial condition and results of operations. Additionally, the terms of future debt agreements could include more restrictive covenants, or require incremental collateral, which may further restrict our business operations or conflict with covenant restrictions then in effect. As a result, there is no guarantee that financings will be available in the future to fund our obligations, or that they will be available on terms consistent with our expectations. See the liquidity section in Item 7. Management' s Discussion and Analysis for additional information on our current debt agreements. **An impairment of our assets could adversely affect our financial condition and results of operations. We test goodwill, intangible, and other long- lived assets for impairment annually or whenever events or circumstances indicate impairment may have occurred. To the extent the value of goodwill or long- lived assets becomes impaired, the Company may be required to incur impairment charges that could have a material impact on our results of operations. The testing of assets for impairment requires us to make significant estimates about our future events, including our performance and projected cash flows, as well as other assumptions. These estimates can be affected by numerous factors, including developments in the global economic environment, including the prospect of higher interest rates, developments in regulatory, industry and market conditions, changes in business operations, changes in competition or changes in technologies. Any changes in key assumptions, or actual performance compared with key assumptions, about our business and its future prospects could affect the fair value of one or more of our assets, which may result in an impairment charge. We have incurred and may continue to incur impairment charges on certain of our assets that could have a material impact on our results of operations.** Our holding company structure could limit our ability to pay dividends or service debt. We are a holding company whose material assets are the stock of our subsidiaries. Our ability to pay dividends on our Common Stock and to pay principal and accrued interest on our debt, if any, depends on the payment of dividends to us by our principal subsidiaries. Payments to us by our subsidiaries, in turn, depend upon their consolidated results of operations and cash flows. The operations of our subsidiaries are affected by conditions beyond our control, including weather, regulations, competition in national and international markets we serve, the costs and availability of propane, butane, natural gas, electricity, and other energy sources ~~and~~ **,** capital market conditions **and interest rates and other business risks impacting liquidity levels** . The ability of our subsidiaries to make payments to us is also affected by the level of indebtedness of our subsidiaries, which is substantial, and the restrictions on payments to us imposed under the terms of such indebtedness. Volatility in credit and capital markets may restrict our ability to grow, increase the likelihood of defaults by our suppliers and vendors, customers and counterparties and adversely affect our operating results. Volatility in credit and capital markets may create additional risks to our businesses in the future. We are exposed to financial market risk (including refinancing risk) resulting from **factors beyond our control, including** , among other things, **commodity price volatility and** changes in interest rates and conditions in the credit and capital markets. Adverse developments in the credit markets may increase our possible exposure to the liquidity, default and credit risks of our suppliers and vendors, counterparties associated with derivative financial instruments and our customers ~~. Although we believe that current financial market conditions, if they were to continue for the foreseeable future, will not have a significant impact on our ability to fund our existing operations, less favorable market conditions could restrict our ability to grow through acquisitions, limit the scope of major capital projects if access to credit and capital markets is limited, or adversely affect our operating results~~ . We depend on our intellectual property and failure to protect that intellectual property could adversely affect us. We seek trademark protection for our brands in each of our businesses, and we invest significant resources in developing our business brands. Failure to maintain our trademarks and brands could adversely affect our customer- facing businesses and our operational results. Declines in the stock market or bond market, and a low interest rate environment, may negatively impact our pension liability. Declines in the stock market and a low interest rate environment historically have resulted in a significant impact on our pension liability and funded status. Declines in the stock or bond market and valuation of stocks or bonds, combined with low interest rates, could further impact our pension liability and funded status and increase the amount of required contributions to our pension plans. Unless we otherwise consent in writing, our Amended and Restated Bylaws designate a state court located in Montgomery County, Pennsylvania or, if no state court located within such county has jurisdiction over such action or proceeding, the federal United States District Court for the Eastern District of Pennsylvania, as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders, which could discourage lawsuits against us and our directors and officers. Our Amended and Restated Bylaws provide that, unless we otherwise consent in writing, a state court located in Montgomery County, Pennsylvania or, if no state court located within such county has jurisdiction over such action or proceeding, the federal United States District Court for the Eastern District of Pennsylvania, as the sole and exclusive forum for: (a) any derivative action or proceeding brought on behalf of us; (b) any action or proceeding asserting a claim of breach of duty owed to us or our shareholders by any director, officer, or other employee of ours; (c) any action or proceeding asserting a claim against us or against any of our directors, officers or other employees arising pursuant to, or involving any interpretation or enforcement of, any provision of the Pennsylvania Associations Code, Pennsylvania Business Corporation Law of 1988, or our Amended and Restated Articles of Incorporation or Amended and Restated Bylaws; and (d) any action or proceeding asserting a claim peculiar to the relationship between or among us and our officers, directors, and shareholders, or otherwise governed by or involving the internal affairs doctrine. This exclusive forum provision does not apply to suits brought to enforce a duty or liability created by the Exchange Act or the Securities Act. This exclusive forum provision may limit the ability of our shareholders to bring a claim in a judicial forum that such shareholders find favorable for disputes with us or our directors or officers, which may discourage such lawsuits against us and our directors and officers. Alternatively, if a court outside of Pennsylvania were to find this exclusive forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings described above, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, results of operations and financial condition.