

AMERIGAS PARTNERS LP

FORM 8-K (Current report filing)

Filed 05/01/13 for the Period Ending 04/30/13

Address	460 N GULPH RD BOX 965 VALLEY FORGE, PA 19406
Telephone	6103377000
CIK	0000932628
Symbol	APU
SIC Code	5990 - Retail Stores, Not Elsewhere Classified
Industry	Oil & Gas Operations
Sector	Energy
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 30, 2013

AmeriGas Partners, L.P.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-13692
(Commission
File Number)

23-2787918
(I.R.S. Employer
Identification No.)

**460 No. Gulph Road, King of Prussia,
Pennsylvania**
(Address of principal executive offices)

19406
(Zip Code)

Registrant's telephone number, including area code: 610 337-7000

Not Applicable
Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 2.02 Results of Operations and Financial Condition.

On April 30, 2013, AmeriGas Propane, Inc., the general partner of AmeriGas Partners, L.P. (the "Partnership"), issued a press release announcing financial results for the Partnership for the fiscal quarter ended March 31, 2013. A copy of the press release is furnished as Exhibit 99.1 to this report and is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On May 1, 2013, the Partnership held a live Internet Audio Webcast of its conference call to discuss its financial results for the second quarter ended March 31, 2013.

Presentation materials containing certain historical and forward-looking information relating to the Partnership (the "Presentation Materials") have been made available on the Partnership's website. A copy of the Presentation Materials is furnished as Exhibit 99.2 to this report and is incorporated herein by reference in this Item 7.01. All information in Exhibit 99.2 is presented as of the particular dates referenced therein, and the Partnership does not undertake any obligation to, and disclaims any duty to, update any of the information provided.

In accordance with General Instruction B.2 of Form 8-K, the information in this report, including Exhibits 99.1 and 99.2, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and will not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in that filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are being furnished herewith:

- 99.1 Press Release of AmeriGas Partners, L.P. dated April 30, 2013, reporting its financial results for the fiscal quarter ended March 31, 2013.
- 99.2 Presentation of AmeriGas Partners, L.P. dated May 1, 2013.

SIGNATURES

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

AmeriGas Partners, L.P.

May 1, 2013

By: */s/ Hugh J. Gallagher*

Name: Hugh J. Gallagher

*Title: Treasurer of AmeriGas Propane, Inc., the general partner of
AmeriGas Partners, L.P.*

EXHIBIT INDEX

The Following Exhibits Are Furnished:

<u>EXHIBIT NO.</u>	<u>DESCRIPTION</u>
99.1	Press Release of AmeriGas Partners, L.P. dated April 30, 2013, reporting its financial results for the fiscal quarter ended March 31, 2013.
99.2	Presentation of AmeriGas Partners, L.P. dated May 1, 2013.

Contact: 610-337-7000
Hugh J. Gallagher, ext. 1029
Simon Bowman, ext. 3645
Shelly Oates, ext. 3202

For Immediate Release:
April 30, 2013

AmeriGas Partners Reports 29% increase in Adjusted EBITDA

VALLEY FORGE, Pa., April 30 - AmeriGas Propane, Inc., general partner of AmeriGas Partners, L.P. (NYSE: APU), reported net income attributable to AmeriGas Partners for the second quarter of Fiscal 2013 ended March 31, 2013 of \$221.8 million compared to \$133.9 million for the same period last year. Net income attributable to AmeriGas Partners, L.P. for the current-year period includes the impact of \$5.4 million in acquisition and transition expenses associated with Heritage Propane. Net income attributable to AmeriGas Partners, L.P. for the prior-year quarter includes the impact of a \$13.4 million loss on extinguishment of debt and \$8.1 million in acquisition and transition expenses. The Partnership's adjusted earnings before interest expense, income taxes, depreciation and amortization (Adjusted EBITDA) increased to \$317.6 million for the second quarter of 2013 compared to \$246.0 million for the same period last year. The improved results for the current-year period reflect winter weather that was markedly colder than the record warmth experienced during the prior-year period and, to a much lesser extent, the full-period effects of Heritage Propane, which was acquired January 12, 2012.

For the three months ended March 31, 2013, retail propane volumes sold were 464.4 million gallons compared with retail propane volumes of 389.4 million gallons in the prior-year period. Weather for the quarter was 1.5% warmer than normal, but 24.5% colder than in the prior-year period, according to the National Oceanic and Atmospheric Administration ("NOAA").

Jerry E. Sheridan, chief executive officer of AmeriGas, said, "Heating demand began the quarter on a weak note as the warm weather experienced during December carried into January. However, the business responded as expected once we began to experience a return to more seasonal weather in February and colder-than-normal weather in March. The late season return of normal winter weather helped to offset the impact of the warm January, and we ended the quarter with a nearly 20% increase in volume over the same period last year. Now that the heating season is winding down, we will turn our attention to ACE, our cylinder exchange program, and the final phase of the Heritage Propane integration."

Sheridan continued, "Given our results thus far and our current assessment of business conditions for the remainder of the fiscal year, we now anticipate Adjusted EBITDA for fiscal 2013 to be near the midpoint of our previously-stated guidance of \$620 million to \$645 million and we remain on track to deliver at least \$60 million in net synergies from the acquisition this year. Additionally, I am pleased that our board once again demonstrated their confidence in the business when they recently approved a 5% increase in our quarterly distribution to an annualized rate of \$3.36 per limited partner unit. This marks the ninth consecutive year of increases, during which time we have increased our distribution by more than 50%."

-MORE-

Revenues for the quarter increased to \$1,184.9 million from \$1,155.6 million in the prior-year period, reflecting the higher retail volumes sold offset largely by lower average selling prices. The average wholesale cost of propane at Mont Belvieu, Texas, for the current quarter was approximately 31% lower than the average cost in the same period last year. Total margin increased \$86.9 million principally due to higher volumes sold and increased total margin related to ancillary sales and services.

Operating and administrative expenses increased \$13.0 million as the full period impact of expenses associated with the operations of Heritage Propane and incremental costs associated with higher sales activity (primarily due to the colder weather) were only partially offset by expense synergies resulting from the acquisition. Operating income increased \$71.2 million primarily reflecting the higher total margin partially offset by the increased operating expenses and greater depreciation and amortization expenses (\$3.8 million) principally associated with Heritage Propane.

EBITDA, Adjusted EBITDA, and total margin are non-GAAP financial measures. Adjusted EBITDA is defined herein as earnings before interest expense, income taxes, depreciation and amortization, losses on extinguishment of debt and Heritage Propane acquisition and transition expenses. Total margin represents total revenues less total cost of sales. Management believes the presentation of these measures provides useful information to investors to more effectively evaluate the year-over-year results of operations of the Partnership. These measures are not comparable to measures used by other entities and should only be considered in conjunction with net income attributable to AmeriGas Partners, L.P. A reconciliation of EBITDA and Adjusted EBITDA to the most comparable GAAP financial measure is included on the last page of this press release.

About AmeriGas

AmeriGas is the nation's largest retail propane marketer, serving over two million customers in all 50 states from over 2,100 distribution locations. UGI Corporation, through subsidiaries, is the sole General Partner and owns 26% of the Partnership. An affiliate of Energy Transfer Partners, L.P. owns 32% of the Partnership and the public owns the remaining 42%.

AmeriGas Partners, L.P. will hold a live Internet Audio Webcast of its conference call to discuss second quarter earnings and other current activities at 9:00 AM ET on Wednesday, May 1, 2013. Interested parties may listen to the audio webcast both live and in replay on the Internet at <http://investors.amerigas.com/investor-relations/events-presentations> or at the company website <http://www.amerigas.com> under Investor Relations. A telephonic replay will be available from 12:00 PM ET on May 1 through 9:00 pm on May 6. The replay may be accessed at 1-877-344-7529, conference ID 10019733 and International access 1-412-317-0088, conference ID 10019733.

Comprehensive information about AmeriGas is available on the Internet at <http://www.amerigas.com>.

This press release contains certain forward-looking statements which management believes to be reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. You should read the Partnership's Annual Report on Form 10-K for a more extensive list of factors that could affect results. Among them are adverse weather conditions, cost volatility and availability of propane, increased customer conservation measures, the capacity to transport propane to our market areas, the impact of pending and future legal proceedings, political, economic and regulatory conditions in the U.S. and abroad, and our ability to successfully integrate Heritage Propane and achieve anticipated synergies. The Partnership undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES
REPORT OF EARNINGS
(Thousands, except per unit and where otherwise indicated)
(Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,		Twelve Months Ended March 31,	
	2013	2012	2013	2012	2013	2012
Revenues:						
Propane	\$1,107,082	\$1,082,764	\$1,904,141	\$1,720,047	\$2,861,725	\$2,567,079
Other	77,825	72,810	157,413	119,339	282,059	203,270
	<u>1,184,907</u>	<u>1,155,574</u>	<u>2,061,554</u>	<u>1,839,386</u>	<u>3,143,784</u>	<u>2,770,349</u>
Costs and expenses:						
Cost of sales - propane	594,128	652,393	1,023,691	1,082,373	1,583,976	1,656,125
Cost of sales - other	18,282	17,618	40,803	31,446	86,428	62,882
Operating and administrative expenses	265,298	252,275	508,815	412,185	985,323	705,861
Depreciation	37,607	35,351	75,930	56,282	153,873	98,841
Amortization	11,022	9,441	22,050	12,698	44,250	18,978
Other income, net	(7,635)	(6,551)	(15,806)	(10,741)	(31,586)	(24,229)
	<u>918,702</u>	<u>960,527</u>	<u>1,655,483</u>	<u>1,584,243</u>	<u>2,822,264</u>	<u>2,518,458</u>
Operating income	266,205	195,047	406,071	255,143	321,520	251,891
(Loss) gain on extinguishments of debt	0	(13,379)	0	(13,379)	30	(32,695)
Interest expense	(41,776)	(45,045)	(82,972)	(61,578)	(164,035)	(93,374)
Income before income taxes	224,429	136,623	323,099	180,186	157,515	125,822
Income tax benefit (expense)	52	(764)	(575)	(1,214)	(1,292)	(1,256)
Net income	224,481	135,859	322,524	178,972	156,223	124,566
Less: net income attributable to noncontrolling interests	(2,661)	(1,974)	(4,039)	(2,562)	(3,123)	(2,503)
Net income attributable to AmeriGas Partners, L.P.	<u>\$ 221,820</u>	<u>\$ 133,885</u>	<u>\$ 318,485</u>	<u>\$ 176,410</u>	<u>\$ 153,100</u>	<u>\$ 122,063</u>
General partner's interest in net income attributable to AmeriGas Partners, L.P.	<u>\$ 6,470</u>	<u>\$ 4,282</u>	<u>\$ 11,689</u>	<u>\$ 6,273</u>	<u>\$ 18,535</u>	<u>\$ 8,862</u>
Limited partners' interest in net income attributable to AmeriGas Partners, L.P.	<u>\$ 215,350</u>	<u>\$ 129,603</u>	<u>\$ 306,796</u>	<u>\$ 170,137</u>	<u>\$ 134,565</u>	<u>\$ 113,201</u>
Income per limited partner unit (a)						
Basic	<u>\$ 1.61</u>	<u>\$ 1.26</u>	<u>\$ 2.54</u>	<u>\$ 2.13</u>	<u>\$ 1.44</u>	<u>\$ 1.67</u>
Diluted	<u>\$ 1.61</u>	<u>\$ 1.26</u>	<u>\$ 2.54</u>	<u>\$ 2.13</u>	<u>\$ 1.44</u>	<u>\$ 1.67</u>
Average limited partner units outstanding:						
Basic	<u>92,830</u>	<u>83,153</u>	<u>92,827</u>	<u>70,073</u>	<u>92,813</u>	<u>63,602</u>
Diluted	<u>92,895</u>	<u>83,195</u>	<u>92,901</u>	<u>70,124</u>	<u>92,882</u>	<u>63,653</u>
SUPPLEMENTAL INFORMATION:						
Retail gallons sold (millions)	464.4	389.4	815.1	610.3	1,222.3	911.8
EBITDA (b)	\$ 312,173	\$ 224,486	\$ 500,012	\$ 308,182	\$ 516,550	\$ 334,512
Adjusted EBITDA (b)	\$ 317,569	\$ 246,003	\$ 510,896	\$ 333,416	\$ 561,736	\$ 379,062
Expenditures for property, plant and equipment:						
Maintenance capital expenditures	\$ 11,293	\$ 11,514	\$ 21,347	\$ 23,304	\$ 43,108	\$ 41,757
Transition capital related to Heritage integration	\$ 6,440	\$ 1,343	\$ 10,981	\$ 1,343	\$ 27,246	\$ 1,343
Growth capital expenditures	\$ 10,215	\$ 10,640	\$ 22,109	\$ 20,453	\$ 42,123	\$ 38,614

(a) Income per limited partner unit is computed in accordance with accounting guidance regarding the application of the two-class method for determining earnings per share as it relates to master limited partnerships. Refer to Note 2 to the consolidated financial statements included in the AmeriGas Partners, L.P. Annual Report on Form 10-K for the fiscal year ended September 30, 2012.

(b) Earnings before interest expense, income taxes, depreciation and amortization ("EBITDA") should not be considered as an alternative to net income attributable to AmeriGas Partners, L.P. (as an indicator of operating performance) and is not a measure of performance or financial condition under accounting principles generally accepted in the United States ("GAAP"). Management believes EBITDA is a meaningful non-GAAP financial measure used by investors to (1) compare the Partnership's operating performance with that of other companies within the propane industry and (2) assess the Partnership's ability to meet loan covenants. The Partnership's definition of EBITDA may be different from those used by other companies.

(continued)

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES
REPORT OF EARNINGS
(Thousands, except per unit and where otherwise indicated)
(Unaudited)

(continued)

Management uses EBITDA to compare year-over-year profitability of the business without regard to capital structure as well as to compare the relative performance of the Partnership to that of other master limited partnerships without regard to their financing methods, capital structure, income taxes or historical cost basis. In view of the omission of interest, income taxes, depreciation and amortization from EBITDA, management also assesses the profitability of the business by comparing net income attributable to AmeriGas Partners, L.P. for the relevant years.

Management also uses EBITDA to assess the Partnership's profitability because its parent, UGI Corporation, uses the Partnership's EBITDA to assess the profitability of the Partnership which is one of UGI Corporation's reportable segments. UGI Corporation discloses the Partnership's EBITDA in its disclosure about reportable segments as the profitability measure for its domestic propane segment. EBITDA in the three, six and twelve months ended March 31, 2013 includes acquisition and transition expense of \$5,396, \$10,884 and \$45,216, respectively, associated with the Heritage Propane acquisition. EBITDA in the three, six and twelve months ended March 31, 2012 includes acquisition and transition expense of \$8,138, \$11,855 and \$11,855, respectively, associated with the Heritage Propane acquisition. EBITDA in the three, six and twelve months ended March 31, 2012 includes pre-tax losses of \$13,379, \$13,379 and \$32,695, respectively, from extinguishments of debt.

The following table includes reconciliations of net income attributable to AmeriGas Partners, L.P. to EBITDA and Adjusted EBITDA (1) for all periods presented:

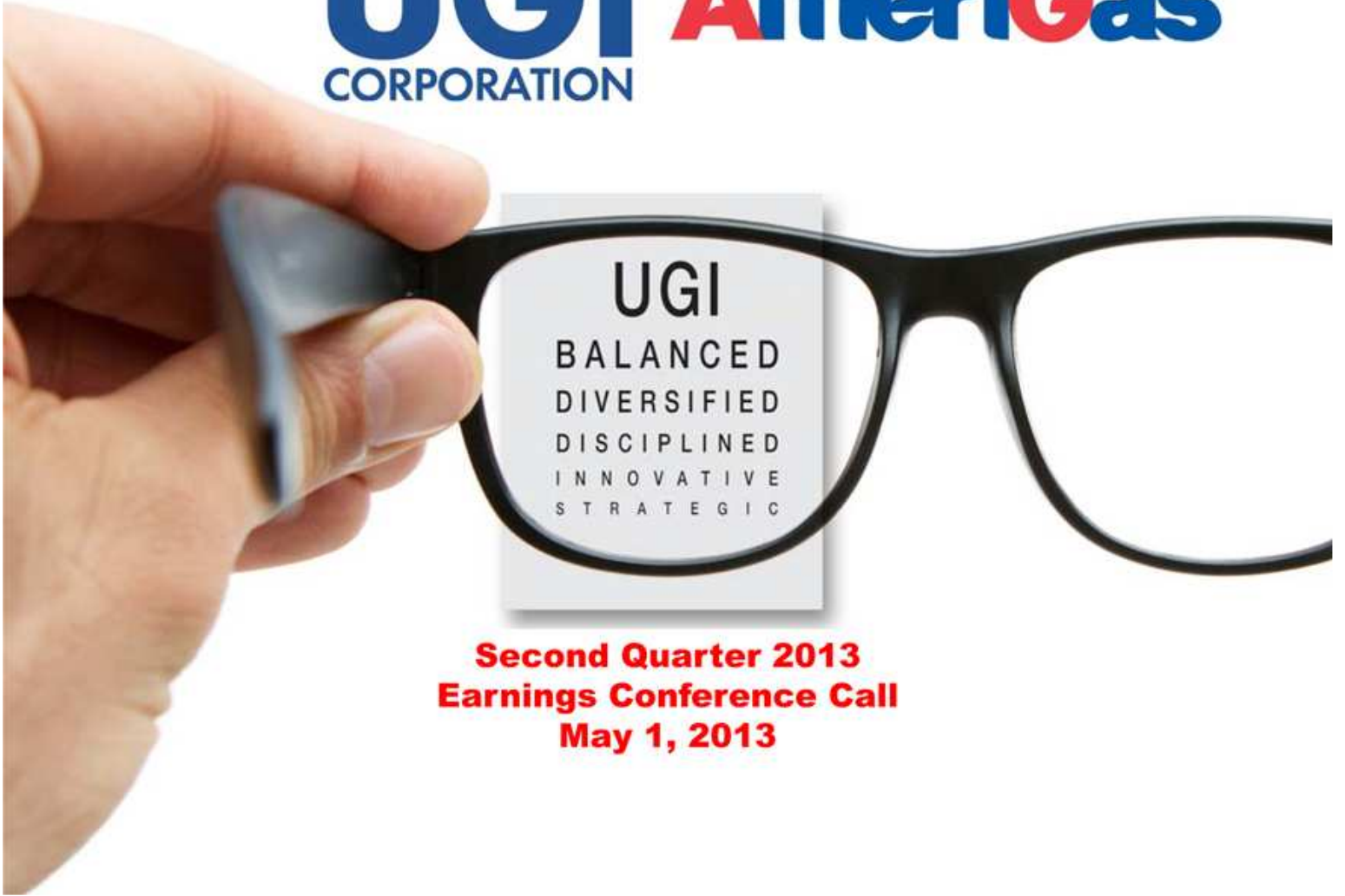
	Three Months Ended March 31,		Six Months Ended March 31,		Twelve Months Ended March 31,	
	2013	2012	2013	2012	2013	2012
Net income attributable to AmeriGas Partners, L.P.	\$221,820	\$133,885	\$318,485	\$176,410	\$153,100	\$122,063
Income tax (benefit) expense	(52)	764	575	1,214	1,292	1,256
Interest expense	41,776	45,045	82,972	61,578	164,035	93,374
Depreciation	37,607	35,351	75,930	56,282	153,873	98,841
Amortization	11,022	9,441	22,050	12,698	44,250	18,978
EBITDA	\$312,173	\$224,486	\$500,012	\$308,182	\$516,550	\$334,512
Heritage Propane acquisition and transition expense	5,396	8,138	10,884	11,855	45,216	11,855
Loss (gain) on extinguishments of debt	—	13,379	—	13,379	(30)	32,695
Adjusted EBITDA (1)	<u>\$317,569</u>	<u>\$246,003</u>	<u>\$510,896</u>	<u>\$333,416</u>	<u>\$561,736</u>	<u>\$379,062</u>

The following table includes a reconciliation of forecasted net income attributable to AmeriGas Partners, L.P. to forecasted EBITDA and Adjusted EBITDA for the fiscal year ending September 30, 2013:

	Forecast Fiscal Year Ending September 30,
	2013
Net income attributable to AmeriGas Partners, L.P. (estimate)	\$ 239,000
Interest expense (estimate)	166,000
Income tax expense (estimate)	2,500
Depreciation (estimate)	156,000
Amortization (estimate)	44,000
EBITDA	\$ 607,500
Transition expenses (estimate)	25,000
Adjusted EBITDA (1)	<u>\$ 632,500</u>

- (1) Adjusted EBITDA is a non-GAAP financial measure. Management believes the presentation of this measure provides useful information to investors to more effectively evaluate the year-over-year results of operations of the Partnership. Management uses Adjusted EBITDA to exclude from AmeriGas Partners' EBITDA gains and losses that competitors do not necessarily have to provide additional insight into the comparison of year-over-year profitability to that of other master limited partnerships. This measure is not comparable to measures used by other entities and should only be considered in conjunction with net income attributable to AmeriGas Partners, L.P. for the relevant periods.

UGI AmeriGas CORPORATION

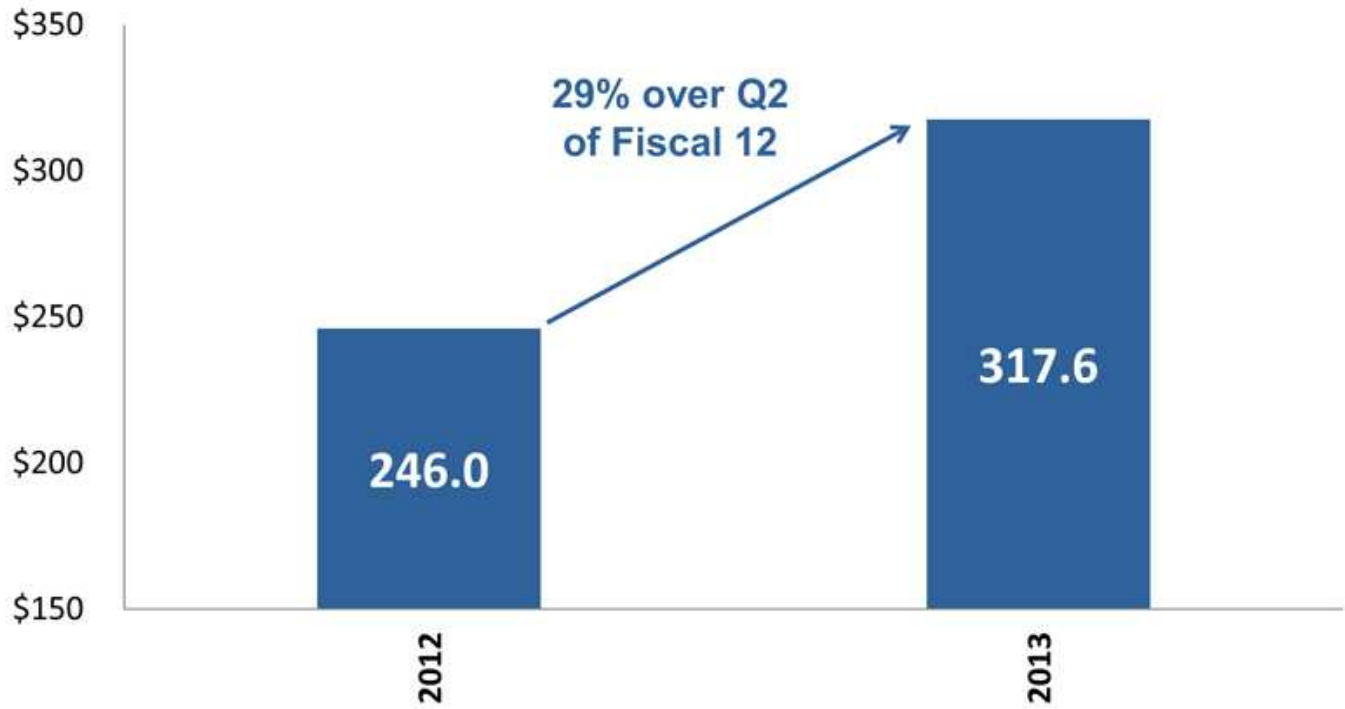


**Second Quarter 2013
Earnings Conference Call
May 1, 2013**

Jerry Sheridan
CEO of AmeriGas



Adjusted EBITDA*, \$ Millions



* See appendix for Adjusted EBITDA reconciliation

Operations

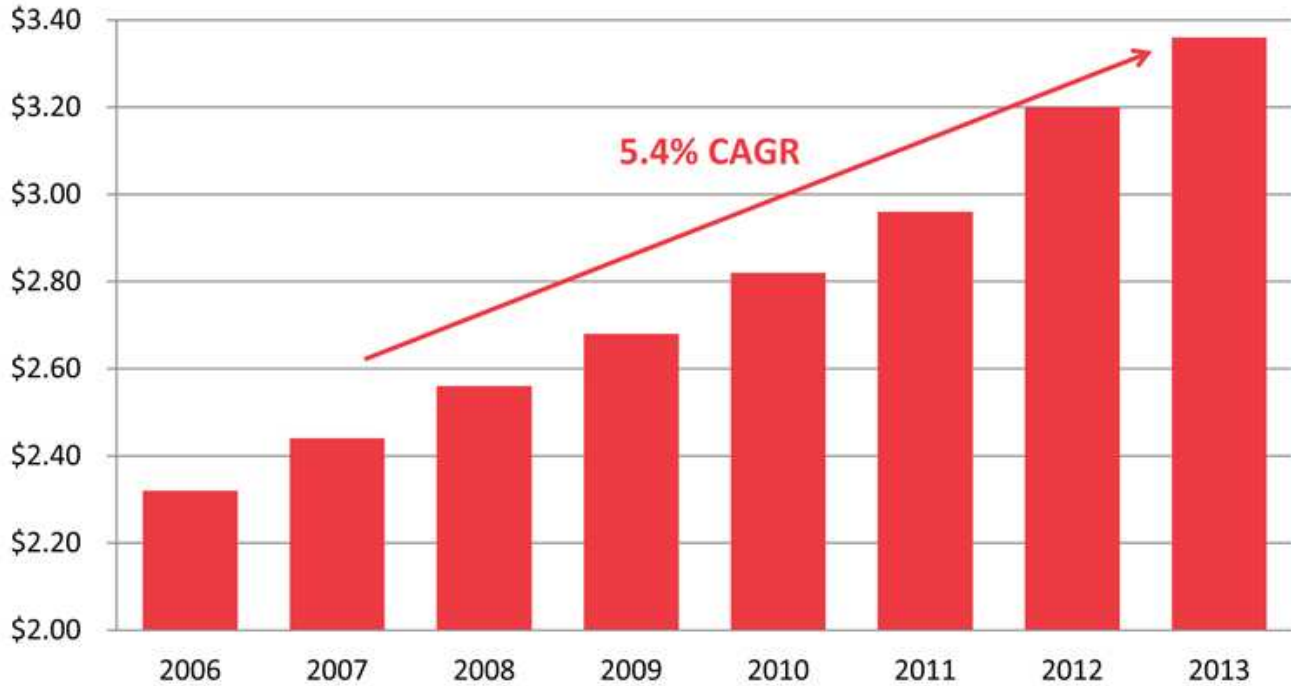
- Weather: Warmer than normal, much colder than LY
- Volume up in line with expectations
- Lower COGS, Mt. Belvieu prices down 39 cents, or 31%

Growth Initiatives

- **AmeriGas Cylinder Exchange (ACE):** Volume growth of 6% y/y, results muted by a colder March
- **National Accounts:** Volume increased 14 MM gallons y/y, 22 MM gallons ytd
- **Acquisitions:** No acquisitions closed during the quarter

- FY13 Guidance **remains \$620MM - \$645MM**, trending toward the midpoint
- Final stages of Heritage integration: Planning to consolidate over 200 stores
- Increased estimated transition expenses for the year by \$5 MM reflecting additional severance costs
- On track to realize **at least \$60MM** in total net synergies

AmeriGas: Distributions per unit
(excluding special distributions)



May 1, 2013

Q&A



Appendix



- ❖ The enclosed supplemental information contains a reconciliation of earnings before interest expense, income taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA to Net Income.
- ❖ EBITDA and Adjusted EBITDA are not measures of performance or financial condition under accounting principles generally accepted in the United States ("GAAP"). Management believes EBITDA and Adjusted EBITDA are meaningful non-GAAP financial measures used by investors to compare the Partnership's operating performance with that of other companies within the propane industry. The Partnership's definitions of EBITDA and Adjusted EBITDA may be different from those used by other companies.
- ❖ EBITDA and Adjusted EBITDA should not be considered as alternatives to net income (loss) attributable to AmeriGas Partners, L.P. Management uses EBITDA to compare year-over-year profitability of the business without regard to capital structure as well as to compare the relative performance of the Partnership to that of other master limited partnerships without regard to their financing methods, capital structure, income taxes or historical cost basis. Management uses Adjusted EBITDA to exclude from AmeriGas Partners' EBITDA gains and losses that competitors do not necessarily have to provide additional insight into the comparison of year-over-year profitability to that of other master limited partnerships. In view of the omission of interest, income taxes, depreciation and amortization from EBITDA and Adjusted EBITDA, management also assesses the profitability of the business by comparing net income attributable to AmeriGas Partners, L.P. for the relevant years. Management also uses EBITDA to assess the Partnership's profitability because its parent, UGI Corporation, uses the Partnership's EBITDA to assess the profitability of the Partnership, which is one of UGI Corporation's industry segments. UGI Corporation discloses the Partnership's EBITDA in its disclosures about its industry segments as the profitability measure for its domestic propane segment.

	Three Months Ended		Six Months Ended		Twelve Months Ended	
	March 31,		March 31,		March 31,	
	2013	2012	2013	2012	2013	2012
Net income attributable to AmeriGas Partners, L.P.	\$ 221,820	\$ 133,885	\$ 318,485	\$ 176,410	\$ 153,100	\$ 122,063
Income tax (benefit) expense	(52)	764	575	1,214	1,292	1,256
Interest expense	41,776	45,045	82,972	61,578	164,035	93,374
Depreciation	37,607	35,351	75,930	56,282	153,873	98,841
Amortization	11,022	9,441	22,050	12,698	44,250	18,978
EBITDA	\$ 312,173	\$ 224,486	\$ 500,012	\$ 308,182	\$ 516,550	\$ 334,512
Heritage Propane acquisition and transition expense	5,396	8,138	10,884	11,855	45,216	11,855
Loss (gain) on extinguishments of debt	-	13,379	-	13,379	(30)	32,695
Adjusted EBITDA (1)	\$ 317,569	\$ 246,003	\$ 510,896	\$ 333,416	\$ 561,736	\$ 379,062

(1) Adjusted EBITDA is a non-GAAP financial measure. Management believes the presentation of this measure provides useful information to investors to more effectively evaluate the year-over-year results of operations of the Partnership. Management uses Adjusted EBITDA to exclude from AmeriGas Partners' EBITDA gains and losses that competitors do not necessarily have to provide additional insight into the comparison of year-over-year profitability to that of other master limited partnerships. This measure is not comparable to measures used by other entities and should only be considered in conjunction with net income attributable to AmeriGas Partners, L.P. for the relevant periods.

Investor Relations:

610-337-1000

Hugh Gallagher (x1029)
gallagherh@ugicorp.com

Simon Bowman (x3645)
bowmans@ugicorp.com

AmeriGas

