



Ferrellgas Partners, L.P. Reports Full Fiscal Year and Fourth Quarter 2018 Results

September 27, 2018

- Total propane sales volume for 2018 increased approximately 11.0 percent over the prior year period.
 - Tank Exchange sales volume for 2018 increased approximately 6.8 percent over the comparable prior year period.
 - Tank Exchange sale locations now exceed 53,000, up over 10.0 percent compared to the start of the fiscal year.
- Retail propane customer growth of 14,128, or 2.2 percent over the prior year.
- During the fourth quarter, announced recent completion of a new \$575 million secured five-year credit facility and upsized \$250 million accounts receivable securitization facility.
- Full exits from midstream businesses and Global Sourcing business completed in fourth quarter. Cash generated from these activities of approximately \$160 million and an \$80 million reduction in letters of credit outstanding. At July 31, 2018 the Company had \$119.3 million of cash on the balance sheet.
- Five accretive propane acquisitions completed during the fiscal year.

LIBERTY, Mo., Sept. 27, 2018 (GLOBE NEWSWIRE) -- Ferrellgas Partners, L.P. (NYSE:FGP) ("Ferrellgas" or the "Company") today reported financial results for its full fiscal year and fourth quarter ended July 31, 2018.

For the fiscal year, the Company reported a net loss attributable to Ferrellgas Partners, L.P. of \$254.6 million, or \$2.59 per common unit, compared to prior year period net loss of \$54.2 million, or \$0.55 per common unit. Net of non-cash charges due largely to asset sales supporting deleveraging efforts net loss was \$57.2 million, or \$0.59 per common unit as compared to a net loss of \$39.8 million, or \$0.41 per common unit in the prior year period.

Reflecting the non-cash losses from strategic asset sales as well as higher interest expense for the fourth quarter ended July 31, 2018, the Company reported a net loss attributable to Ferrellgas Partners, L.P. of \$215.7 million, or \$2.20 per common unit compared to prior year period net loss of \$55.8 million, or \$0.57 per common unit. Adjusted EBITDA, a non-GAAP measure, for the fourth quarter was \$8.2 million compared to \$19.2 million in the prior year on propane volumes that were 1.6 percent higher than the prior year period. The decrease stemmed from higher operating expenses as the Company continues to position for continued future customer and sales growth with the opening of additional selling locations and related resources to support those locations.

Adjusted EBITDA was \$241.9 million in fiscal 2018 from core business compared to \$230.1 million in the prior year. The following reconciliation represents the contribution to adjusted EBITDA from the core propane business separated from the contribution associated with the various assets that were sold during 2018:

(in millions)	Fiscal 2018	Fiscal 2017
Propane Operations and Corporate Support	\$227.7	\$219.4
EBITDA from Assets Sold	14.2	10.7
Consolidated Adjusted EBITDA	\$241.9	\$230.1

The Company's propane operations reported that total gallons sold increased 86.5 million gallons, or 11.0 percent, over prior year. Margins were slightly lower as the Company aggressively competed for and won new customers. This strategic focus resulted in over 14,000 new customers, or approximately 2.2 percent more than prior year. Additionally, the Company's current Blue Rhino tank exchange sales locations have increased over 10.0 percent from the start of the fiscal year to over 53,000 locations.

Overall, the fiscal 2018 increase in gross margin from propane operations' sales volume growth was partially offset by slightly lower margins per gallon and higher operating expenses. The increase in operating expenses was largely the result of new locations established to be in closer proximity to current and potential customers as the company looks to continue increasing market share and customer density.

"Our Company had many achievements in 2018," said James E. Ferrell, Interim Chief Executive Officer and President of Ferrellgas. "We sold our midstream and Global Sourcing businesses, enhanced our liquidity, and closed on credit facilities that provide the essential working capital to run and grow our business. We also acquired five businesses during the year, and expanded both our retail customer base and our tank exchange business."

"We are working on finding a balance between minimizing our operating expenses while being ready for continued growth. This aligns with our strategy of gaining market share by getting closer to our current and potential customers," said Ferrell. "We have added new retail and tank exchange selling locations, trucks, drivers and sales professionals into our Company. The operating expenses associated with these gains may not look as good in one particular quarter, especially the fourth quarter, our lowest volume quarter of the year. However, over the long term, this strategy provides the infrastructure to drive growth in customers, gallon sales, efficiencies through market share and customer density. We are positioning for future growth in our propane business, now that we have shed non-core assets."

In addition to improving the Company's liquidity with the fourth quarter closing of the \$575 million secured credit facility and extension of its accounts receivable securitization facility, the Company continues to evaluate various options related to its outstanding bonds. This may include refinancing on a secured or unsecured basis or an exchange transaction for some or all of its bonds due June 2020, or refinancing strategies that address a more significant portion of the Company's upcoming maturities of unsecured bonds maturing between 2020 to 2023.

"Our Company is focused on growth. We have many opportunities to continue to grow organically, and our national footprint allows for acquisition

opportunities as the industry continues to consolidate,” said Ferrell. “What we accomplished in 2018 positions us well for the future. We have a strong foundation that supports the long-term success of our Company.”

About Ferrellgas

Ferrellgas Partners, L.P., through its operating partnership, Ferrellgas, L.P., and subsidiaries, serves propane customers in all 50 states, the District of Columbia, and Puerto Rico. Ferrellgas employees indirectly own 22.8 million common units of the partnership, through an employee stock ownership plan. Ferrellgas Partners, L.P. filed a Form 10-K with the Securities and Exchange Commission on September 27, 2018. Investors can request a hard copy of this filing free of charge and obtain more information about the partnership online at www.ferrellgas.com.

Forward Looking Statements

Statements in this release concerning expectations for the future are forward-looking statements. A variety of known and unknown risks, uncertainties and other factors could cause results, performance, and expectations to differ materially from anticipated results, performance, and expectations. These risks, uncertainties, and other factors include those discussed in the Form 10-K of Ferrellgas Partners, L.P., Ferrellgas Partners Finance Corp., Ferrellgas, L.P., and Ferrellgas Finance Corp. for the fiscal year ended July 31, 2018, and in other documents filed from time to time by these entities with the Securities and Exchange Commission.

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