

SOUTHERN COMPANY NYSE-SO

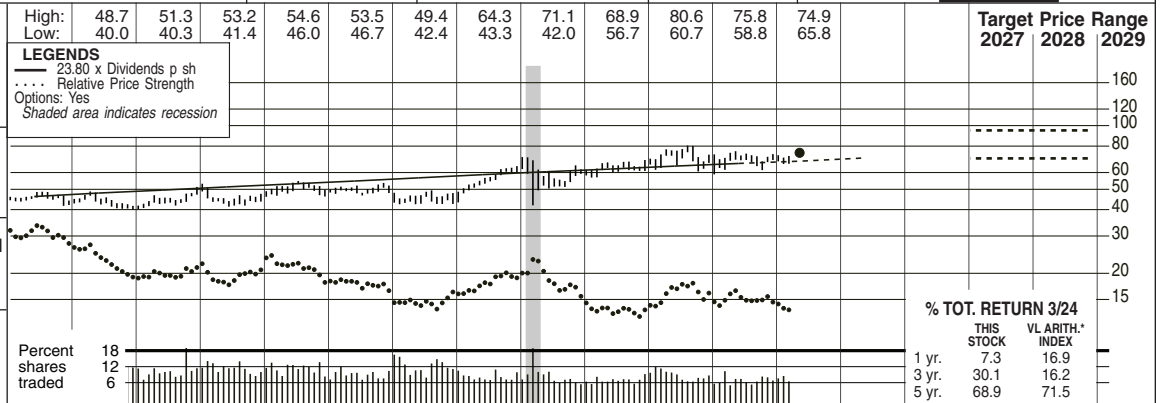
RECENT PRICE **74.39** P/E RATIO **18.6** (Trailing: 20.4 Median: 17.0) RELATIVE P/E RATIO **1.07** DIV'D YLD **3.8%** VALUE LINE

TIMELINESS 3 Raised 3/1/24	High: 48.7	51.3	53.2	54.6	53.5	49.4	64.3	71.1	68.9	80.6	75.8	74.9	Target Price Range 2027 2028 2029			
SAFETY 2 Lowered 2/21/14	Low: 40.0	40.3	41.4	46.0	46.7	42.4	43.3	42.0	56.7	60.7	58.8	65.8				
TECHNICAL 4 Raised 4/19/24	LEGENDS — 23.80 x Dividends p sh ... Relative Price Strength Options: Yes Shaded area indicates recession												160			
BETA .95 (1.00 = Market)													120			

18-Month Target Price Range
Low-High Midpoint (% to Mid)
\$64-\$101 \$83 (10%)

2027-29 PROJECTIONS
High Price Gain Ann'l Total Return
Low 95 70 (+30%) 10%
Low 70 (-5%) 3%

Institutional Decisions
2Q2023 3Q2023 4Q2023
to Buy 773 753 841
to Sell 703 757 776
Hld's(000) 688021 689919 708610



2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC 27-29	
22.04	19.21	20.70	20.41	19.06	19.26	20.34	19.18	20.09	22.86	22.73	20.34	19.29	21.80	26.89	23.15	24.66	25.85	Revenues per sh	29.20
4.43	4.43	4.51	4.91	5.18	5.27	5.28	5.47	5.69	6.64	6.41	6.33	6.98	7.20	7.34	7.79	8.00	8.30	"Cash Flow" per sh	9.25
2.25	2.32	2.36	2.55	2.67	2.70	2.77	2.84	2.83	3.21	3.00	3.17	3.25	3.42	3.61	3.64	4.00	4.30	Earnings per sh ^A	5.10
1.66	1.73	1.80	1.87	1.94	2.01	2.08	2.15	2.22	2.30	2.38	2.46	2.54	2.62	2.70	2.78	2.86	2.96	Div'd Decl'd per sh ^B	3.10
5.10	5.70	4.85	5.23	5.54	6.16	6.58	6.22	7.38	7.37	7.74	7.17	7.04	6.83	7.87	8.88	8.85	8.75	Cap'l Spending per sh	8.50
17.08	18.15	19.21	20.32	21.09	21.43	21.98	22.59	25.00	23.98	23.92	26.11	26.48	26.30	27.93	28.82	29.90	31.75	Book Value per sh ^C	32.25
777.19	819.65	843.34	865.13	867.77	887.09	907.78	911.72	990.39	1007.6	1033.8	1053.3	1056.5	1060.0	1089.0	1091.0	1095.0	1095.0	Common Shs Outst'g ^D	1095.0
16.1	13.5	14.9	15.8	17.0	16.2	16.0	15.8	17.8	15.5	15.1	17.6	17.9	18.4	19.6	19.1	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	16.5
.97	.90	.95	.99	1.08	.91	.84	.80	.93	.78	.82	.94	.92	1.00	1.14	1.06			Relative P/E Ratio	.90
4.6%	5.5%	5.1%	4.6%	4.3%	4.6%	4.7%	4.8%	4.4%	4.6%	5.3%	4.4%	4.4%	4.2%	4.1%	4.1%			Avg Ann'l Div'd Yield	3.6%

CAPITAL STRUCTURE as of 12/31/23
Total Debt \$57210 mill. Due in 5 Yrs \$15427 mill.
LT Debt \$54745 mill. LT Interest \$1754 mill.
Incl. \$215 mill. finance leases.
(LT interest earned: 3.3x)
Leases, Uncapitalized Annual rentals \$307 mill.
Pension Assets-12/23 \$14218 mill.
Oblig \$16382 mill.

Pfd Stock \$242 mill. Pfd Div'd \$15 mill.
Incl. 10 mill. shs. 5.83% cum. pfd. (\$25 stated value); 475,115 shs. 4.2%-5.44% cum. pfd. (\$100 par).

Common Stock 1,091,015,113 shs.
MARKET CAP: \$81.2 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	-5.3	+2.0	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Rev. per KWH (c)	NA	NA	NA
Capacity at Yearend (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.3	+1.5	NA

18467	17489	19896	23031	23495	21419	20375	23113	29279	25253	27000	28300	Revenues (\$mill)	32000
2567.0	2647.0	2757.0	3269.0	3096.0	3354.0	3481.0	3670.0	3931.3	3976.0	4280	4600	Net Profit (\$mill)	5510
33.8%	33.4%	28.5%	25.2%	21.3%	15.9%	14.3%	16.3%	18.9%	11.4%	15.0%	15.0%	Income Tax Rate	15.0%
13.9%	13.2%	11.9%	7.6%	6.8%	6.0%	6.6%	7.7%	8.0%	7.9%	8.0%	8.0%	AFUDC % to Net Profit	6.0%
49.5%	52.8%	61.5%	64.5%	62.0%	60.1%	61.5%	64.0%	63.0%	65.6%	64.0%	64.0%	Long-Term Debt Ratio	63.0%
47.3%	44.0%	35.7%	35.0%	37.6%	39.5%	38.1%	35.6%	36.5%	37.6%	36.0%	36.0%	Common Equity Ratio	37.0%
42142	46788	69359	68953	65750	69594	73336	78285	80558	83654	85000	87500	Total Capital (\$mill)	93500
54868	61114	78446	79872	80797	83080	87634	91108	94570	99844	100000	100500	Net Plant (\$mill)	110000
7.1%	6.6%	4.9%	5.9%	5.9%	6.0%	5.9%	5.8%	5.5%	4.6%	5.5%	5.5%	Return on Total Cap'l	6.5%
12.1%	12.0%	10.3%	13.3%	12.4%	12.1%	12.3%	13.0%	12.5%	12.6%	13.0%	13.0%	Return on Shr. Equity	14.5%
12.5%	12.6%	11.0%	13.4%	12.5%	12.1%	12.4%	13.1%	12.5%	12.6%	13.0%	13.0%	Return on Com Equity ^E	14.5%
3.2%	3.1%	2.5%	3.9%	2.6%	2.8%	2.8%	3.1%	3.0%	3.2%	3.5%	3.5%	Retained to Com Eq	5.0%
75%	76%	78%	72%	79%	77%	78%	76%	78%	77%	77%	77%	All Div'ds to Net Prof	67%

BUSINESS: The Southern Company, through its subsidiaries, supplies electricity to 4.4 mill. customers in GA, AL, and MS. Also has a competitive generation business. Acq'd AGL Resources (renamed Southern Company Gas, 4.4 mill. customers in GA, NJ, IL, VA, & TN) 7/16. Sold Gulf Power 1/19. Electric revenue breakdown: residential, 43%; commercial, 35%; industrial, 21%; other, 1%.

Generating sources: gas, 51%; coal, 19%; nuclear, 10%; other, 11%; purchased, 9%. Fuel costs: 26% of revenues. '23 reported deprec. rates (utility): 2.7%-3.4%. Has 27,300 employees. President and CEO: Chris Womack. Incorporated: Delaware. Address: 30 Ivan Allen Jr. Blvd., N.W., Atlanta, Georgia 30308. Telephone: 404-506-0747. Internet: www.southerncompany.com.

Southern Company's Georgia Power subsidiary has completed its nuclear construction project. In late April, unit 4 entered commercial operation, and plant Vogtle became the largest generator of clean energy in the U.S. Units 3 and 4 will combine to produce enough electricity to power approximately 1 million homes for at least 60-80 years. The construction project faced significant delays and reached completion seven years later than Southern's initial forecast, while costing more than \$20 billion over original budget estimates. We look for the Vogtle station to greatly improve earnings prospects moving forward, as the project will provide clean, reliable, cost-effective energy amid greater demand for energy and growing power volumes. The transition to cleaner energy should also begin to accelerate with earnings and dividend growth as units 3 and 4 start to pick up steam this year.

We look for full-year 2024 earnings of \$4.00 a share. This is the midpoint of management's initial profit target range of \$3.95-\$4.05 per share, which was released in February. Too, Southern reaffirmed its long-term EPS growth estimate of 5%-7%.

Cal-endar	QUARTERLY REVENUES (mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2021	5910	5198	6238	5767	23113
2022	6648	7206	8378	7047	29279
2023	6480	5748	6980	6045	25253
2024	6550	6100	7300	7050	27000
2025	6800	6500	7600	7400	28300

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2021	1.09	.67	1.22	.44	3.42
2022	.97	1.07	1.31	.26	3.61
2023	.79	.79	1.42	.64	3.64
2024	.90	1.00	1.45	.65	4.00
2025	1.00	1.10	1.50	.70	4.30

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2020	.62	.64	.64	.64	2.54
2021	.64	.66	.66	.66	2.62
2022	.66	.68	.68	.68	2.70
2023	.68	.70	.70	.70	2.78
2024	.70	.72	.72	.72	

This issue is best-suited to conservative, income-oriented accounts. Indeed, the consistently raised dividend remains Southern's most notable feature. These shares also hold a strong financial strength rating (A), and an Above Average (2) Safety rank. Plus, risks from the nuclear construction project have concluded and prospects ahead for the Vogtle station are bright. On the other hand, the current quotation is already trading on the low-end of our 3- to 5-year Target Price range, as long-term prospects are weak.

Zachary J. Hodgkinson
May 10, 2024

(A) Diluted EPS. Excl. nonrec. gain (losses): '09, (25c); '13, (83c); '14, (59c); '15, (25c); '16, (28c); '17, (\$2.37); '18, (78c); '19, \$1.30; '20, (17c); '21, (54c). Next earnings report due in mid-May. (B) Div'ds paid in early Mar., June, Sept., and Dec. (C) Div'd reinvestment plan avail. (D) Incl. def'd charges. In '23: \$17.35/sh. (E) Rate base: AL, MS, fair value; FL, GA, orig. cost. Allowed return on common eq. (blended): 12.5%; earned on avg. com. eq.: '21: 12.8%. Regulatory Climate: GA, AL Above Average; MS, FL Average.	Company's Financial Strength Stock's Price Stability Price Growth Persistence Earnings Predictability	A 90 55 95
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