SOUTHERN COMPANY NYSE-SO

RECENT PRICE **96.48** | P/E RATIO **21.0** (Trailing: 22.0 Median: 18.0) | RELATIVE P/E RATIO **1.17** | DIV'D YLD **3.2%** | **VALUE LINE**

TIMELINESS 4 Lowered 5/23/25
SAFETY 1 Raised 8/8/25
TECHNICAL 3 Lowered 7/10/26
BETA .65 (1.00 = Market)

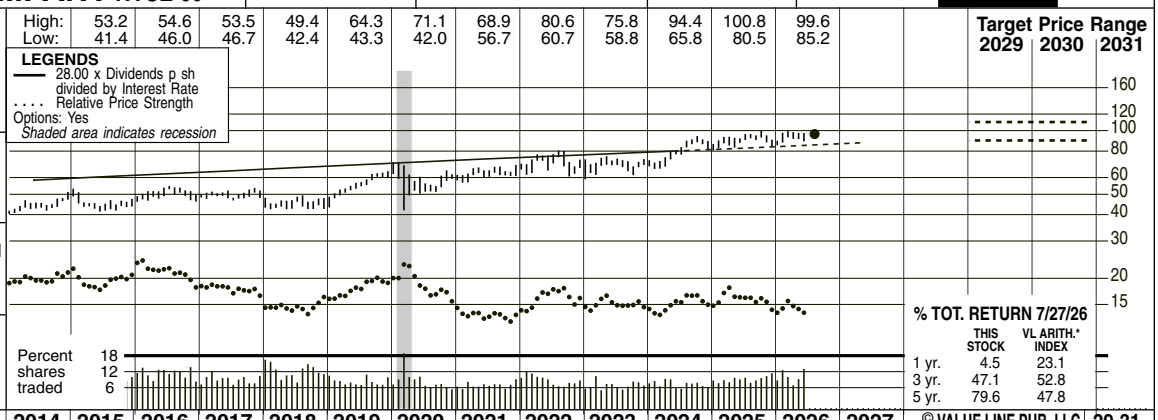
18-Month Target Price Range
Low-High **Midpoint (% to Mid)**
$85-$119 $102 (5%)

2029-31 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	110	(+15%)	*7%*
Low	90	(-5%)	*2%*

Institutional Decisions

	3Q2025	4Q2025	1Q2026
to Buy	1071	861	1191
to Sell	805	802	875
Hld's(000)	794663	797746	899698



% TOT. RETURN 7/27/26

	THIS STOCK	VL ARITH.* INDEX
1 yr.	4.5	23.1
3 yr.	47.1	52.8
5 yr.	79.6	47.8

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	© VALUE LINE PUB. LLC	29-31
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	24.38	26.40	*27.55*	*28.75*	Revenues per sh	*30.65*
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	8.35	9.26	*8.90*	*9.15*	"Cash Flow" per sh	*9.75*
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	4.06	4.30	*4.60*	*4.90*	Earnings per sh [A]	*5.20*
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	2.94	*3.04*	*3.14*	Div'd Decl'd per sh [B] ■	*3.48*
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	8.84	11.38	*8.70*	*8.65*	Cap'l Spending per sh	*8.50*
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	29.85	32.17	*35.40*	*36.85*	Book Value per sh [C]	*41.35*
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	1096.0	1119.4	*1130.0*	*1140.0*	Common Shs Outst'g [D]	*1200.0*
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	19.6	21.1	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*19.0*
.95	.99	1.08	.91	.84	.80	.93	.78	.82	.94	.92	1.00	1.14	1.06	1.09	1.17			Relative P/E Ratio	*1.05*
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%	3.4%	3.4%			Avg Ann'l Div'd Yield	*3.5%*
19896	23031	23495	21419	20375	23113	29279	25253	26724	29553	*31125*	*32750*	Revenues ($mill)	*36750*
2757.0	3269.0	3096.0	3354.0	3481.0	3670.0	3931.3	3976.0	4401.0	4341.0	*5200*	*5585*	Net Profit ($mill)	*6250*
28.5%	25.2%	21.3%	15.9%	14.3%	16.3%	18.9%	11.4%	14.5%	16.6%	*15.0%*	*15.0%*	Income Tax Rate	*15.0%*
11.9%	7.6%	6.8%	6.0%	6.6%	7.7%	8.0%	7.9%	8.0%	11.1%	*8.0%*	*8.0%*	AFUDC % to Net Profit	*6.0%*
61.5%	64.5%	62.0%	60.1%	61.5%	64.0%	63.0%	65.6%	64.4%	64.0%	*64.0%*	*63.5%*	Long-Term Debt Ratio	*63.0%*
35.7%	35.0%	37.6%	39.5%	38.1%	35.6%	36.5%	37.6%	35.6%	36.0%	*36.0%*	*36.5%*	Common Equity Ratio	*37.0%*
69359	68953	65750	69594	73336	78285	80558	83654	84373	*87500*	*90000*	*91000*	Total Capital ($mill)	*93500*
78446	79872	80797	83080	87634	91108	94570	99844	100028	102631	*100800*	*101000*	Net Plant ($mill)	*110000*
4.9%	5.9%	5.9%	6.0%	5.9%	5.8%	5.5%	4.6%	4.8%	5.5%	*5.5%*	*6.0%*	Return on Total Cap'l	*5.5%*
10.3%	13.3%	12.4%	12.1%	12.3%	13.0%	12.5%	12.6%	12.9%	12.1%	*13.0%*	*13.5%*	Return on Shr. Equity	*12.5%*
11.0%	13.4%	12.5%	12.1%	12.4%	13.1%	12.5%	12.6%	12.9%	12.1%	*13.0%*	*13.5%*	Return on Com Equity [E]	*12.5%*
2.5%	3.9%	2.6%	2.8%	2.8%	3.1%	3.0%	3.2%	3.3%	4.2%	*4.5%*	*5.0%*	Retained to Com Eq	*4.0%*
78%	72%	79%	77%	78%	76%	78%	77%	77%	68%	*66%*	*64%*	All Div'ds to Net Prof	*67%*

CAPITAL STRUCTURE as of 3/31/26
Total Debt $74522 mill.
LT Debt $67148 mill. **LT Interest** $1754 mill.
Incl. $215 mill. finance leases.
(LT interest earned: 3.3x)
Leases, Uncapitalized Annual rentals $233 mill.
Pension Assets-12/25 $15750 mill.
Oblig $13189 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 1,127,301,098 shs.
MARKET CAP: $109 billion (Mega Cap)

ELECTRIC OPERATING STATISTICS

	2023	2024	2025
% Change Retail Sales (KWH)	NA	NA	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	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)	NA	NA	NA
Fixed Charge Cov. (%)	NA	NA	NA

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '23-'25 to '29-'31
Revenues	- -	.5%	*3.0%*
"Cash Flow"	4.0%	4.5%	*2.5%*
Earnings	3.0%	3.0%	*5.0%*
Dividends	3.5%	3.5%	*3.5%*
Book Value	3.0%	2.5%	*5.0%*

QUARTERLY REVENUES (mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	6480	5748	6980	6045	25253
2024	6646	6463	7274	6341	26724
2025	7776	6973	7823	6981	29553
2026	8397	*7273*	*8350*	*7105*	*31125*
2027	*8700*	*7750*	*8800*	*7500*	*32750*

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	.79	.79	1.42	.64	3.64
2024	1.03	1.10	1.43	.50	4.06
2025	1.23	.92	1.60	.55	4.30
2026	1.32	*1.00*	*1.64*	*.64*	*4.60*
2027	*1.38*	*1.07*	*1.75*	*.70*	*4.90*

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.66	.68	.68	.68	2.70
2023	.68	.70	.70	.70	2.78
2024	.70	.72	.72	.72	2.86
2025	.72	.74	.74	.74	2.94
2026	.76	.76			

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. '25 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.

The Southern Company ought to report good results in 2026. Revenues probably increased 4%–5% in the recent June interim, from the like-2025 period, to $7.27 billion, and may advance 5%–6% for the year as a whole, to $31.13 billion. We think adjusted (non-GAAP) earnings climbed 8%–9% over that span, to $1.00 per share, and should improve 6%–7% for full-year 2026, to $4.60.

The electric utility has a number of projects in the works. As of March 31st, its Georgia Power subsidiary had recorded $3.7 billion of combined capital costs, with another $15.8 billion of work under development. The company is projecting significant growth in electricity demand in its service regions, driven by data centers and other large-load customers.

The wholesale channel is picking up the slack for the retail business. In the first quarter of 2026, wholesale electric revenues (11% of the total) jumped 30% from the prior-year period. Leadership cited an increase in energy revenues related to the average cost per kilowatt-hour, resulting from higher fuel and purchased power prices. For comparison, retail electric revenues (55% of companywide revenues) edged up less than 1% in the March term. Sales growth and cost recoveries here were offset by rate changes and weather-related charges.

Looking ahead, 2027 ought to be another strong year for The Southern Company. The bottom-line growth we envision should be driven by cost savings and infrastructure improvements. Our respective revenue and adjusted earnings forecasts for 2027, at $37.25 billion (previously $31.65 billion) and $4.90 per share (previously $4.80), would mark annual gains of 5%–6% and 6%–7%.

The main attraction here is the competitive dividend yield. The Southern Company should appeal to conservative, income-focused investors, owing to the stock's stellar Safety rank (1, Highest) and the company's robust Financial Strength rating (A). The equity also has excellent scores for Price Stability (a perfect 100) and Earnings Predictability (95). However, the shares are untimely, lack upside in the 18-month time frame, and subpar total return potential 3 to 5 years out.

Sharif Abdou *August 7, 2026*

(A) Diluted EPS. Excl. nonrec. gain (losses): '13, (83¢); '14, (59¢); '15, (25¢); '16, (28¢); '17, ($2.37); '18, (78¢); '19, $1.30; '20, (17¢); '21, (54¢); '26 Q1, ($11¢). Next earnings report due late Oct. **(B)** Div'ds paid in early Mar., June, Sept., and Dec. ■ Div'd reinvestment plan avail. **(C)** Incl. def'd charges. In '25: $17.86/sh. **(D)** In mill. **(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.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	70
Earnings Predictability	95

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