

# Imagine creating value

Our commitment to keep customers at the center of all we do has been the cornerstone of our business throughout Southern Company's history. We believe this commitment ultimately translates to value creation for investors, and this has been borne out in the results we've delivered over time.

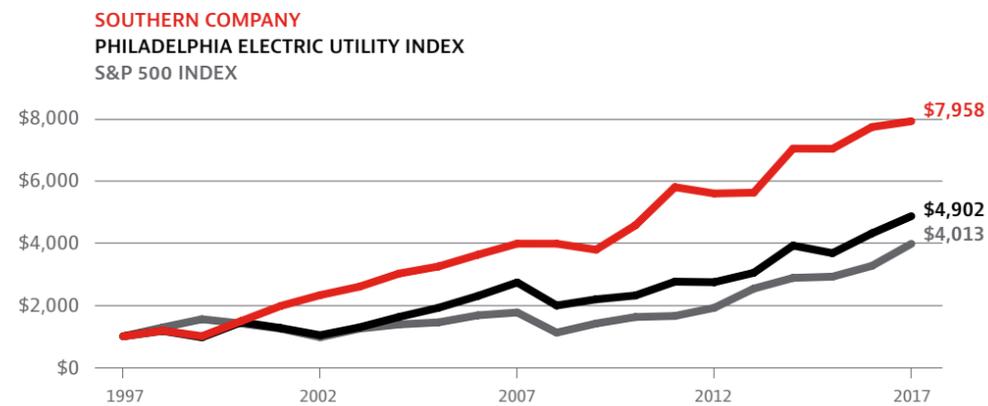
Over the long term, Southern Company has proved to be a solid investment, outperforming the S&P 500 over the 20- and 30-year periods ending December 31, 2017. Dividends are a significant part of that performance and our dividend increased for the 16th consecutive year in 2017. We have now paid shareholder dividends every quarter since 1948.

At year-end, Southern Company's dividend yield was 4.78 percent, compared with 1.85 percent for the S&P 500.

Over the past 20 years, dividends and dividend reinvestment have accounted for approximately 70 percent of the increase in our shareholder value, compared with approximately 42 percent of the increase in shareholder value for the S&P 500.

Another advantage for shareholders is low volatility relative to the market. In 2017, Southern Company was the third least volatile stock in the Philadelphia Electric Utility Index. Stocks with low volatility are often less prone to price swings during times of market stress, and are therefore considered more stable.

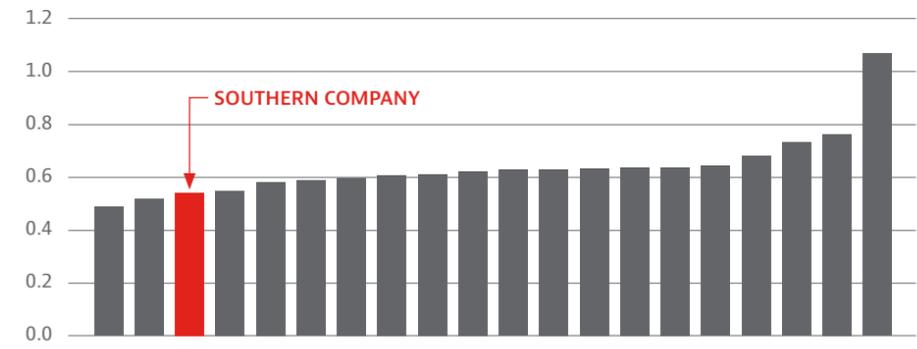
Keeping customers first—along with exceptional reliability and prices below the national average—has enabled us to sustain operational success, which is essential for delivering consistent long-term shareholder value.



## Value of \$1,000 Invested Over 20 years

This performance graph compares the cumulative return on Southern Company (SO) common stock with the Philadelphia Electric Utility Index (UTY) and the Standard & Poor's (S&P) 500 Index for the past 20 years. The graph assumes that \$1,000 was invested in Southern Company common stock and each of the above indices on December 31, 1997, and that all dividends were reinvested. A five-year performance graph is included on page 38.

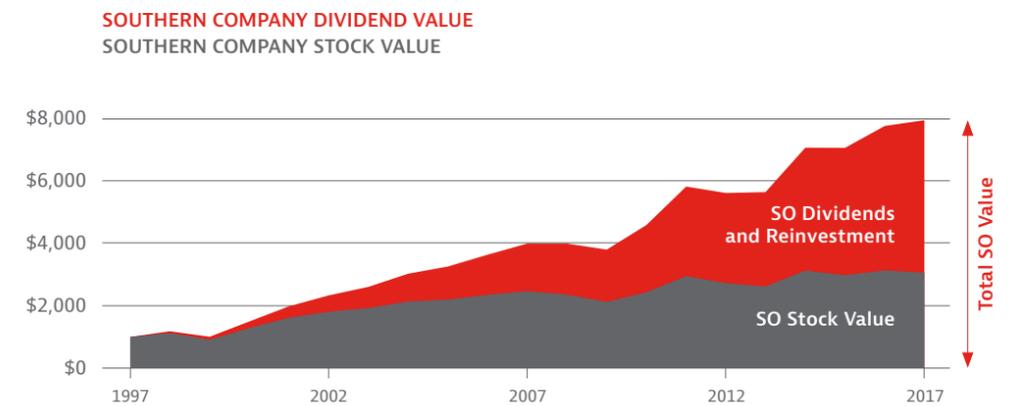
See Glossary on page 30 for information on total shareholder return.  
Source: FactSet and Bloomberg



## Value Added by Low Volatility Relative to the Market

This chart shows the volatility of each of the 20 utilities in the Philadelphia Electric Utility Index (UTY). Volatility refers to the tendency of a stock to react to swings in the market. Southern Company had the third lowest level of volatility in the UTY Index.

See Glossary on page 30 for information on beta.  
Source: FactSet and Bloomberg, five-year beta as of December 31, 2017



## Value Created by Dividend and Price Performance

This chart shows the power of Southern Company's dividend. Over the last 20 years, a \$1,000 investment in Southern Company grew to \$7,958. Price increases contributed \$2,064 and dividends, with reinvestment, accounted for an increase of \$4,894, or approximately 70 percent of the gain in value. The graph assumes that \$1,000 was invested in Southern Company common stock on December 31, 1997, and that all dividends were reinvested.

See Glossary on page 30 for information on total shareholder return.