



Third Quarter 2020 Earnings Conference Call

October 29, 2020



Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this presentation is forward-looking information based on current expectations and plans that involve risks and uncertainties. Forward-looking information includes, among other things, financial objectives, earnings guidance, statements concerning cost and schedule for completion of ongoing construction projects, expected impacts of the COVID-19 pandemic, emission reduction goals, and planned financing activities. Southern Company and its subsidiaries caution that there are certain factors that can cause actual results to differ materially from the forward-looking information that has been provided. The reader is cautioned not to put undue reliance on this forward-looking information, which is not a guarantee of future performance and is subject to a number of uncertainties and other factors, many of which are outside the control of Southern Company and its subsidiaries; accordingly, there can be no assurance that such suggested results will be realized. The following factors, in addition to those discussed in Southern Company's and its subsidiaries' Annual Reports on Form 10-K for the year ended December 31, 2019, Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020, June 30, 2020, and September 30, 2020, and subsequent securities filings, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: the impact of recent and future federal and state regulatory changes, including tax, environmental and other laws and regulations to which Southern Company and its subsidiaries are subject, as well as changes in application of existing laws and regulations; the potential effects of the continued COVID-19 pandemic; the extent and timing of costs and legal requirements related to coal combustion residuals; current and future litigation or regulatory investigations, proceedings, or inquiries, including litigation and other disputes related to the Kemper County energy facility; the effects, extent, and timing of the entry of additional competition in the markets in which Southern Company's subsidiaries operate, including from the development and deployment of alternative energy sources; variations in demand for electricity and natural gas; available sources and costs of natural gas and other fuels; the ability to complete necessary or desirable pipeline expansion or infrastructure projects, limits on pipeline capacity, and operational interruptions to natural gas distribution and transmission activities; transmission constraints; effects of inflation; the ability to control costs and avoid cost and schedule overruns during the development, construction, and operation of facilities or other projects, including Plant Vogtle Units 3 and 4, which includes components based on new technology that only within the last few years began initial operation in the global nuclear industry at this scale, and including changes in labor costs, availability and productivity, challenges with management of contractors or vendors, subcontractor performance, adverse weather conditions, shortages, delays, increased costs, or inconsistent quality of equipment, materials, and labor, contractor or supplier delay, delays due to judicial or regulatory action, nonperformance under construction, operating, or other agreements, operational readiness, including specialized operator training and required site safety programs, engineering or design problems, design and other licensing-based compliance matters, including, for nuclear units, the timely submittal by Southern Nuclear of the Inspections, Tests, Analyses, and Acceptance Criteria documentation for each unit and the related reviews and approvals by the U.S. Nuclear Regulatory Commission ("NRC") necessary to support NRC authorization to load fuel, challenges with start-up activities, including major equipment failure or system integration, and/or operational performance; the ability to overcome or mitigate the current challenges at Plant Vogtle Units 3 and 4, including, but not limited to, those related to COVID-19, that could further impact the cost and schedule for the project; legal proceedings and regulatory approvals and actions related to construction projects, such as Plant Vogtle Units 3 and 4 and pipeline projects, including Public Service Commission approvals and Federal Energy Regulatory Commission and NRC actions; under certain specified circumstances, a decision by holders of more than 10% of the ownership interests of Plant Vogtle Units 3 and 4 not to proceed with construction and the ability of other Vogtle owners to tender a portion of their ownership interests to Georgia Power following certain construction cost increases; in the event Georgia Power becomes obligated to provide funding to Municipal Electric Authority of Georgia ("MEAG") with respect to the portion of MEAG's ownership interest in Plant Vogtle Units 3 and 4 involving Jacksonville Electric Authority, any inability of Georgia Power to receive repayment of such funding; the ability to construct facilities in accordance with the requirements of permits and licenses (including satisfaction of NRC requirements), to satisfy any environmental performance standards and the requirements of tax credits and other incentives, and to integrate facilities into the Southern Company system upon completion of construction; investment performance of the employee and retiree benefit plans and nuclear decommissioning trust funds; advances in technology; performance of counterparties under ongoing renewable energy partnerships and development agreements; state and federal rate regulations and the impact of pending and future rate cases and negotiations, including rate actions relating to return on equity, equity ratios, additional generating capacity and fuel and other cost recovery mechanisms; the ability to successfully operate the electric utilities' generating, transmission, and distribution facilities and Southern Company Gas' natural gas distribution and storage facilities and the successful performance of necessary corporate functions; the inherent risks involved in operating and constructing nuclear generating facilities; the inherent risks involved in transporting and storing natural gas; the performance of projects undertaken by the non-utility businesses and the success of efforts to invest in and develop new opportunities; internal restructuring or other restructuring options that may be pursued; potential business strategies, including acquisitions or dispositions of assets or businesses, which cannot be assured to be completed or beneficial to Southern Company or its subsidiaries; the ability of counterparties of Southern Company and its subsidiaries to make payments as and when due and to perform as required; the ability to obtain new short- and long-term contracts with wholesale customers; the direct or indirect effect on the Southern Company system's business resulting from cyber intrusion or physical attack and the threat of physical attacks; interest rate fluctuations and financial market conditions and the results of financing efforts; access to capital markets and other financing sources; changes in Southern Company's and any of its subsidiaries' credit ratings; changes in the method of determining LIBOR or the replacement of LIBOR with an alternative reference rate; the ability of Southern Company's electric utilities to obtain additional generating capacity (or sell excess generating capacity) at competitive prices; catastrophic events such as fires, earthquakes, explosions, floods, tornadoes, hurricanes and other storms, droughts, pandemic health events or other similar occurrences; the direct or indirect effects on the Southern Company system's business resulting from incidents affecting the U.S. electric grid, natural gas pipeline infrastructure, or operation of generating or storage resources; impairments of goodwill or long-lived assets; and the effect of accounting pronouncements issued periodically by standard-setting bodies. Southern Company and its subsidiaries expressly disclaim any obligation to update any forward-looking information.

Non-GAAP Financial Measures

In addition to including earnings in accordance with generally accepted accounting principles (GAAP), this presentation also includes historical adjusted earnings and earnings per share (EPS) excluding: (1) impacts related to (a) the sale of Gulf Power, (b) the sales of Plants Nacogdoches and Mankato, (c) the sales of PowerSecure's utility infrastructure services and lighting businesses, and (d) other acquisition and disposition activities; (2) a charge related to Georgia Power's construction of Plant Vogtle Units 3 and 4; (3) charges (net of salvage proceeds), associated legal expenses (net of insurance recoveries), and tax impacts related to Mississippi Power's integrated coal gasification combined cycle project in Kemper County, Mississippi (Kemper IGCC); (4) earnings from the Wholesale Gas Services business; and (5) impairment charges related to a natural gas storage facility at Southern Company Gas and a leveraged lease.

The impacts of acquisitions and dispositions significantly impacted earnings and earnings per share for the nine months ended September 30, 2019.

Mississippi Power expects to substantially complete mine reclamation activities in 2020 and dismantlement of the abandoned gasifier-related assets and site restoration activities in 2025. The additional pre-tax period costs associated with these activities, including related costs for compliance and safety, asset retirement obligation accretion, and property taxes, are estimated to total up to \$3 million for the remainder of 2020, and \$10 million to \$15 million annually for 2021 through 2025.

The charge related to Georgia Power's construction of Plant Vogtle Units 3 and 4 significantly impacted earnings per share for the nine months ended September 30, 2020. Further charges may occur; however, the amount and timing of any such charges are uncertain.

The impairment charge associated with a leveraged lease significantly impacted earnings per share for the nine months ended September 30, 2020 and the impairment charge associated with Southern Company Gas' natural gas storage facility significantly impacted earnings per share for the three and nine months ended September 30, 2019. Further impairment charges related to this natural gas storage facility and leveraged lease are not expected.

For all periods, presenting earnings and EPS excluding Wholesale Gas Services provides investors with an additional measure of operating performance that excludes the volatility that results from mark-to-market and lower of weighted average cost or current market price accounting adjustments.

This presentation also includes projected adjusted EPS for future periods excluding: additional acquisition and disposition impacts, any future charges associated with the Kemper IGCC and/or the construction of Plant Vogtle Units 3 and 4, and additional earnings of the Wholesale Gas Services business. Information concerning the magnitude of the impacts, if any, from these items on EPS is not available at this time. Accordingly, this presentation does not include a quantitative reconciliation of projected adjusted EPS (which is a forward-looking non-GAAP financial measure) because doing so would involve unreasonable efforts.

Southern Company believes presentation of EPS excluding the items described above provides investors with information comparable to guidance. Management also uses such measures to evaluate Southern Company's performance.

Q3 2020 Highlights

- Strong adjusted financial results for the quarter of \$1.22 per share, well above our earnings estimate of \$1.15 per share
 - COVID-19 revenue impact less than expected for the quarter
 - Cost control efforts and warm weather substantially mitigated impact of COVID-19
 - Expect 2020 adjusted EPS to be at the top of guidance range
- Demonstrated operational and financial resilience:
 - Delivered outstanding service to customers and strong operational reliability
 - Vogtle progress and completion set the foundation for improved financial profile



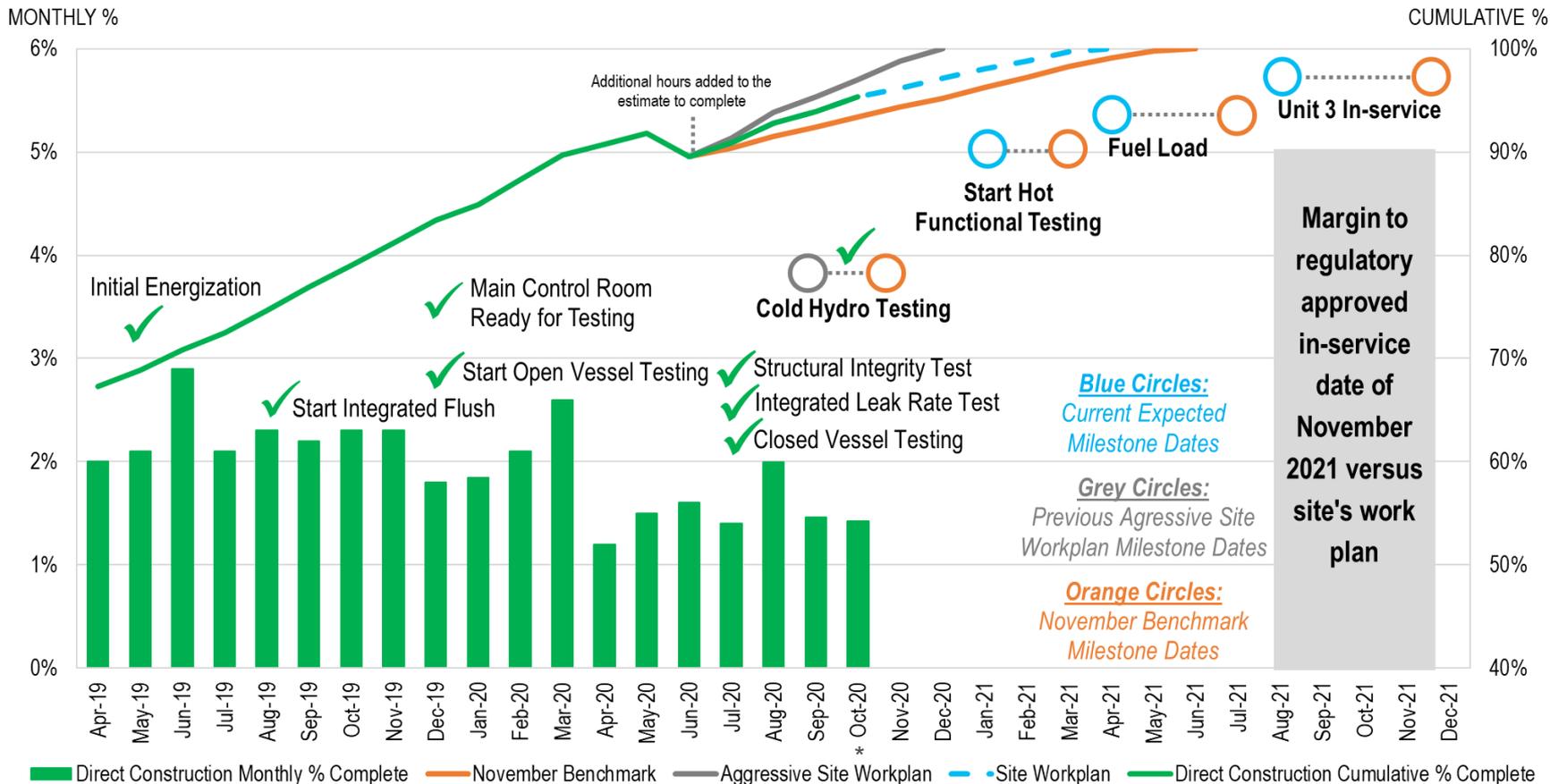
Vogtle 3 & 4

- We are focused on meeting November 2021 and November 2022 regulatory-approved in-service dates
 - Unit 3 transitions to site working plan that reflects the current expectation for remaining milestones and an in-service date during Q3 2021
 - Unit 4 continues to utilize an aggressive site workplan as a tool to provide margin to November 2022 with a June 2022 target in-service date
- No change to total project capital cost forecast
- 3Q 2020 achievements:
 - Completed Unit 3 Cold Hydro Testing (major milestone)
 - Completed civil construction on Unit 3 shield building
 - Completed Unit 3 turbine on gear
- Unit 3 direct construction ~94% complete
- ITAAC progress consistent with our expectations and milestone achievements



Vogle Unit 3 Direct Construction & Major Milestones

(Direct Construction is Bechtel's Scope of Work)



Milestone bars and lines represent the range of potential start dates for each milestone with the left side of each indicating currently expected start dates under the site work plan and the right side indicating expected start dates for November benchmark
 *Data for October 2020 represents estimate.

Vogtle 3 & 4 Cost Estimate

No Change to Total Capital Cost Forecast

Projected Estimated Cost of Project (\$M) (Georgia Power's 45.7% share)

Base project capital cost forecast to May	\$7,770	
Schedule cost margin to November utilized	\$91	
Schedule cost margin to November remaining	156	
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Total base project capital cost forecast to November	\$8,017	← =\$265M ←
Cost contingency allocated to date	405	
Cost contingency remaining replenishment	109	
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Total project capital cost forecast	\$8,531	
Net Investment as of September 30, 2020	(6,919)	
<hr/> <hr/>		
Remaining estimate to complete	\$1,612	

Total cost contingency and schedule cost margin of \$265 million represents ~18%¹ of remaining estimate to complete

¹Calculation of contingency as percentage of remaining estimate to complete excludes project ad valorem costs of \$108 million.

Q3 2020 Earnings Results

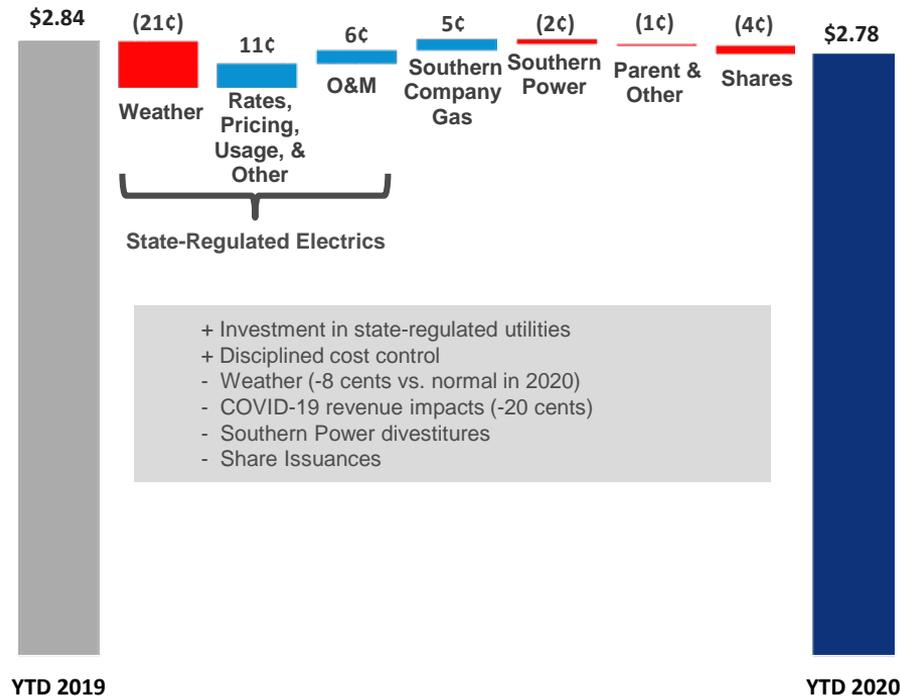
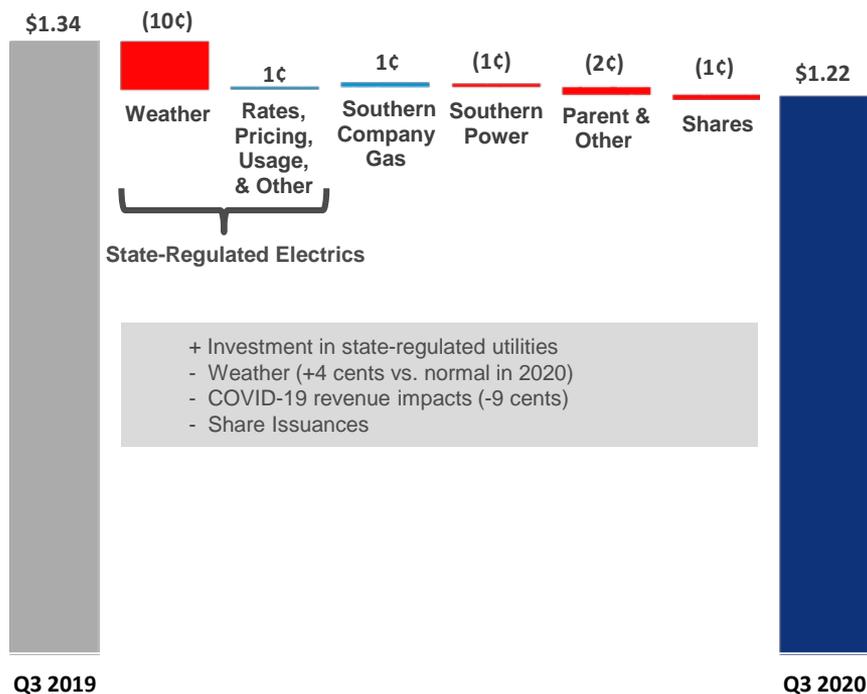
	3Q		YTD	
	2020	2019	2020	2019
Earnings Per Share As Reported	\$1.18	\$1.26	\$2.58	\$4.12
Less:				
Acquisition and Disposition Impacts ¹	-	(\$0.01)	\$0.02	\$1.29
Estimated Loss on Plants Under Construction ²	-	-	(\$0.11)	(\$0.01)
Asset Impairment ³	-	(\$0.06)	(\$0.07)	(\$0.06)
Wholesale Gas Services	(\$0.04)	(\$0.01)	(\$0.04)	\$0.06
Earnings Per Share Excluding Items	\$1.22	\$1.34	\$2.78	\$2.84

¹ Represents impacts related to the sales of Gulf Power, Plants Mankato and Nacogdoches, and PowerSecure's utility infrastructure and lighting businesses, and other impacts related to completed dispositions.

² Includes an \$0.11 charge related to Georgia Power's construction of Plant Vogtle Units 3 and 4 for the nine months ended September 30, 2020. All periods include charges (net of salvage proceeds), associated legal expenses (net of insurance recoveries), and tax impacts resulting from the abandonment and closure activities associated with the mine and gasifier-related portions of the Kemper IGCC.

³ Represents an impairment charge related to a leveraged lease for the nine months ended September 30, 2020 and an impairment charge related to a natural gas storage facility at Southern Company Gas for the three and nine months ended September 30, 2019.

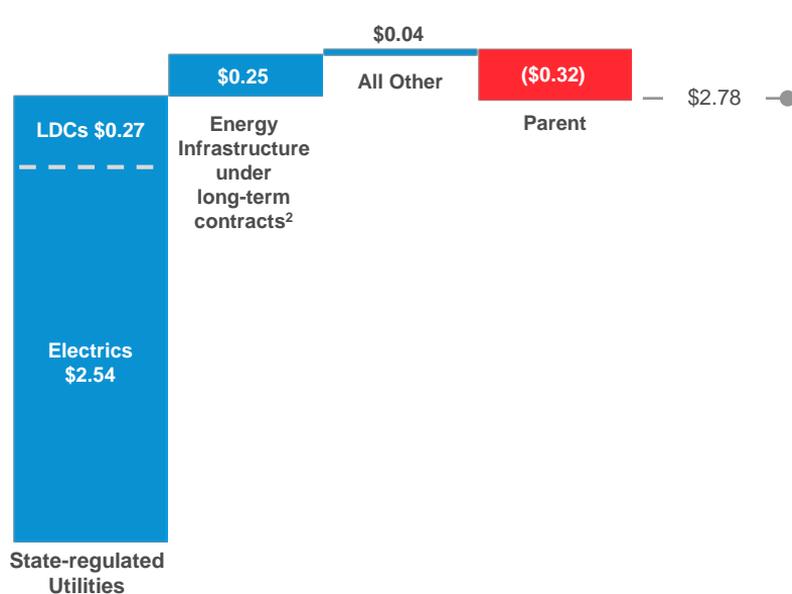
Q3 2020 & YTD Year-Over-Year Adjusted Drivers ¹



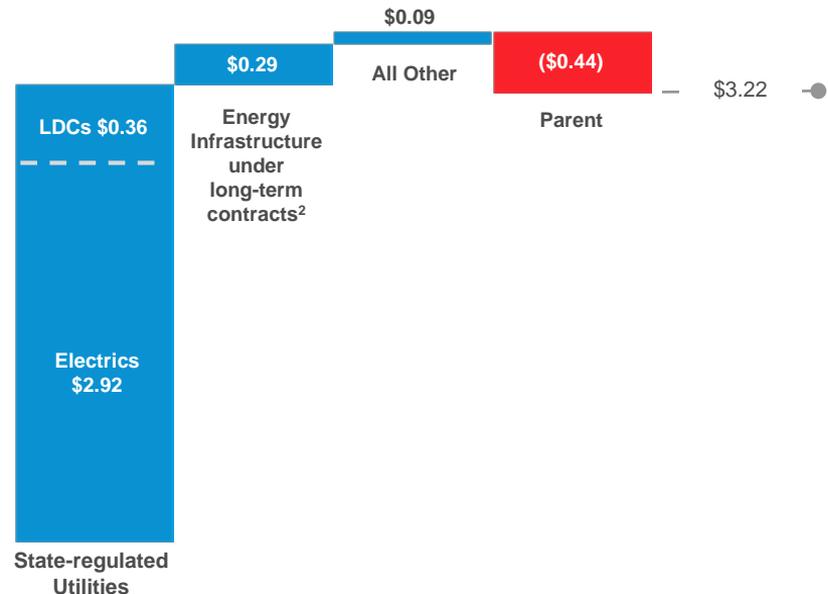
¹Excludes charges (net of salvage proceeds), associated legal expenses (net of insurance recoveries), and tax impacts related to the Kemper IGCC, a charge associated with the construction of Plant Vogtle Units 3 and 4, acquisition and disposition impacts, impairment charges related to a leveraged lease and a natural gas storage facility, and earnings from Wholesale Gas Services.

Q3 YTD 2020 and Projected Full Year Adjusted EPS

Q3 YTD 2020 Adjusted EPS¹



2020 Projected Full Year Adjusted EPS



2020 Estimate = At the top end of guidance range of \$3.10 to \$3.22

Notes

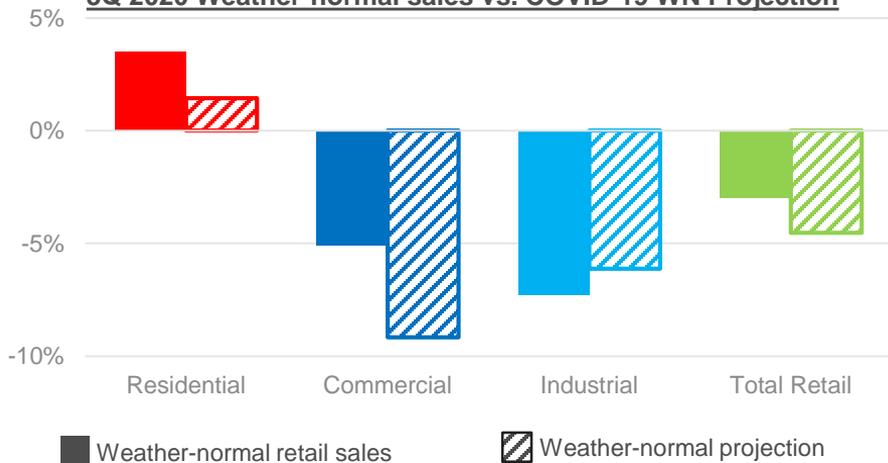
Excludes wholesale gas services business, charges (net of salvage proceeds), associated legal expenses (net of insurance recoveries), and/or tax impacts related to the Kemper IGCC, charges associated with the construction of Plant Vogtle Units 3 and 4, and acquisition and disposition impacts.

1. Q3 2020 YTD average shares outstanding = 1,058M

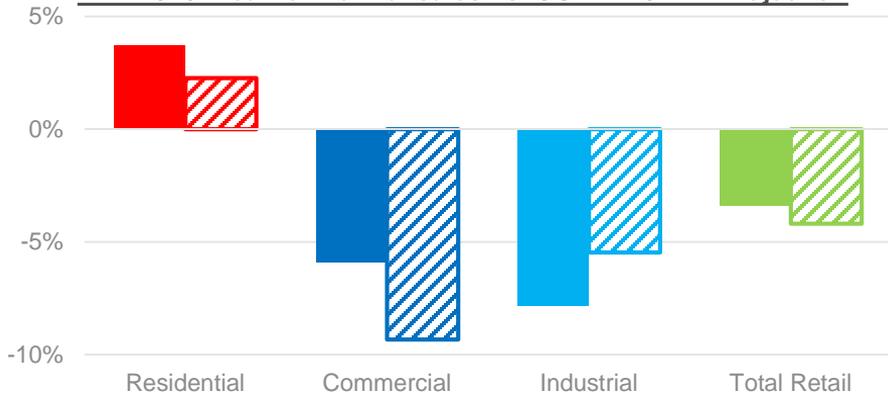
2. Includes Southern Power, interstate natural gas pipelines and Southern Company system-owned distributed energy resources

COVID-19 Sales Impacts-to-Date and 2020 Outlook

3Q 2020 Weather-normal sales vs. COVID-19 WN Projection



YTD 2020 Weather-normal sales vs. COVID-19 WN Projection



- 3Q 2020 weather-normal total retail kilowatt hour sales were consistent with projections
 - Expect 2020 full-year weather-normal kilowatt hour sales decline of ~3% versus initial expectation of 2% to 5%
- COVID-19 impact on retail revenues lower than anticipated through 3Q, with favorable O&M trends
- Expect total 2020 COVID-19 impact on base revenues of ~\$300 million
 - Continue to expect COVID-19 sales impacts in 2020 can be mitigated through cost discipline

3Q 2020 Financing Activity – Over \$3.4 Billion Capital Raised



Southern
Company

All-time lowest
corporate hybrid coupon
at time of issuance

Jr. Subordinated Notes
\$1.25 Billion
30Y 4.00%

September 2020



Southern
Company

Second lowest fixed-
rate hybrid coupon at
time of issuance

Jr. Subordinated Notes
\$750 Million
40Y 4.20%

September 2020



Nicor Gas

Lowest 5Y, 30Y, and
40Y all-in coupons in
US Private Placement
Market

First Mortgage Bonds
\$325 Million

\$50M 5Y 1.42%
\$100M 10Y 1.88%¹
\$100M 30Y 2.77%
\$75M 40Y 2.87%¹

August 2020



Southern
Company
Gas

Lowest 10-yr coupon
across Southern
portfolio at time
of issuance

Sr. Unsecured
\$500 Million
10Y 1.75%

August 2020



Alabama
Power

All-time lowest 10-yr
coupon issued by
a utility

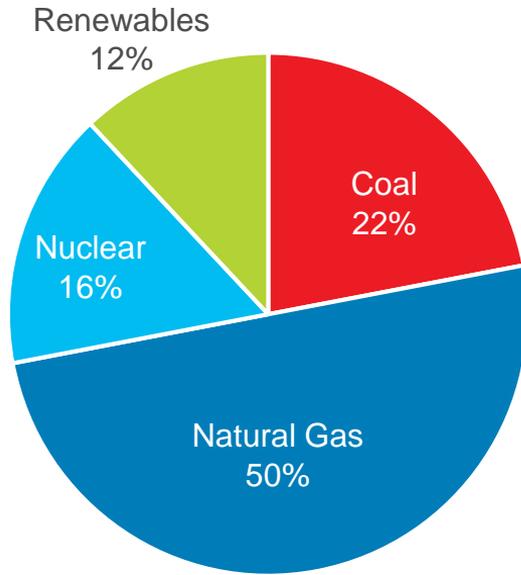
Sr. Unsecured
\$600 Million
10Y 1.45%

August 2020

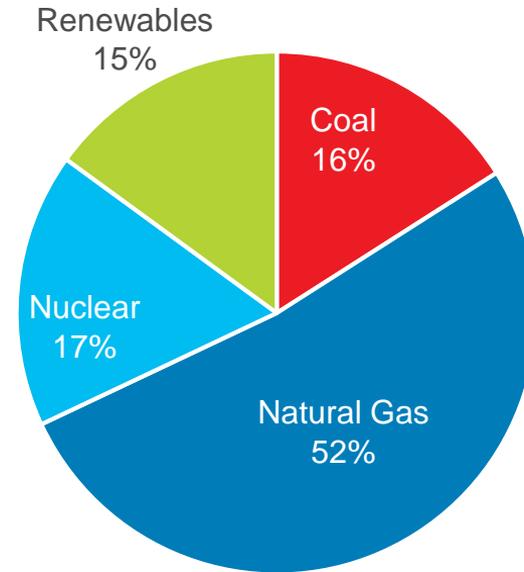
¹Issuance expected to be completed in November 2020.

Significant Year-Over-Year Decrease in Coal Generation¹

2019 Total Energy Mix



2020 YTD Total Energy Mix



¹Energy mix represents all of the energy used to serve retail and wholesale customers. This energy mix includes resources under the direct financial control of Southern Company subsidiaries, as well as energy purchased from others. It is not meant to represent delivered energy mix to any particular retail customer or class of customers. The renewables category represented in the charts above refers to wind, solar, hydro, biomass and landfill gas facilities, whether owned by Southern Company and its subsidiaries or by third parties and whether we have the rights to the renewable energy credits (RECs) associated with energy from those facilities. To the extent Southern Company subsidiaries or affiliates retain or receive the RECs associated with energy from the facilities, they generally reserve the right to use those RECs to serve customers with renewable energy or to sell the RECs, either bundled with energy or separately to third parties.

Summary

- Targeting Net Zero greenhouse gas emissions by 2050
 - Project to achieve our 2030 50% reduction goal as early as 2025
 - Path to net zero requires a diverse mix of technologies and solutions
 - Remain the industry leader in research and development
 - » U.S. DOE renewed agreement for Southern Company to continue to manage and operate the National Carbon Capture Center for five additional years
 - » Partnering with EPRI and the Gas Technology Institute to sponsor the Low-Carbon Resources Initiative to accelerate development and demonstration of low-carbon energy technologies
 - » 2020 EEI Edison Award recipient for energy storage research and development
- Focused on meeting regulatory-approved in-service dates for Vogtle 3 & 4
- Committed to meeting our financial objectives in 2020, including mitigation of COVID-19 impacts



Appendix



Capital Markets / Financing



Projected Long-term Debt Financings¹

<u>Long-term Debt (\$ in millions)</u>	<u>Actual</u>	<u>Projected</u>			
	<u>YTD 2020^{2,3}</u>	<u>2020 (Remaining)</u>	<u>2021</u>	<u>2022</u>	<u>2020 - 2022</u>
Alabama Power	\$600	-	\$450	\$900	\$1,350
Georgia Power ⁴	2,019	330	1,450	800	2,580
Mississippi Power ⁵	-	-	400	-	400
State-regulated Electrics	\$2,619	\$330	\$2,300	\$1,700	\$4,330
Southern Power	-	-	300	-	300
Southern Company Gas Capital	500	-	600	750	1,350
Nicor ³	325	-	125	195	320
Parent Company ⁶	4,000	-	1,000	1,000	2,000
Total Long-term Debt Issuance	\$7,444	\$330	\$4,325	\$3,645	\$8,300

1. Amounts and timing are subject to material change based upon numerous factors, including market conditions, regulatory approvals, the Southern Company system's capital requirements and available investment opportunities. Does not include remarketing of tax-exempt securities currently held by subsidiaries of the Company

2. As of 9/30/2020

3. Includes \$175M of Nicor First Mortgage Bonds priced in August 2020 which are scheduled to be funded in November 2020

4. Could consist of senior notes, DOE draws, or a combination thereof; excludes \$125M of long-term bank notes

5. Excludes \$100M of long-term bank notes

6. YTD 2020 includes \$1,000M refinancing of 2015A 6.25% Junior Subordinated Notes; 2022 excludes \$1,725M Junior Subordinated Notes remarketing related to the Company's 2019 Equity Units

Long-term Debt Maturity Schedule^{1,2,3}

2020-2022 maturities total \$5.95 billion

<u>Long-term Debt (\$ in millions)</u>	<u>Remaining 2020</u>	<u>2021</u>	<u>2022</u>	<u>2020-2022</u>
Alabama Power ⁴	-	\$310	\$750	\$1,060
Georgia Power	\$18	523	526	1,067
Mississippi Power	-	330	15	345
State-regulated Electrics	\$18	\$1,163	\$1,291	\$2,472
Southern Power	525	300	677	1,502
Southern Company Gas Capital ⁵	-	330	46	376
Nicor	-	-	-	-
Parent Company	-	1,500	-	1,500
Total Long-term Debt Maturities⁴	\$543	\$3,393	\$2,014	\$5,950

1. As of 9/30/2020

2. Due to rounding, totals may not foot

3. Excludes finance leases and fixed rate pollution control bonds subject to remarketing

4. 2020 excludes \$250M (3.375% 2010A Sr. Note) which matured 10/1/2020; 2021 Total Long-term Debt Maturities includes \$100M SEGCO maturity

5. Includes maturities at Southern Company Gas Capital and AGL

Liquidity and Credit¹

as of 9/30/2020

Over \$7.7 billion in committed credit facilities and available liquidity of \$9.6 billion

<i>(in millions)</i>	2020	2021	2022	2023	2024	Total
Credit Facility Expirations	-	\$33	\$675	\$125	\$6,900	\$7,733

<i>(in millions)</i>	Alabama Power	Georgia Power	Mississippi Power	Southern Company Gas	Southern Power	Parent	Other ²	Consolidated
Unused Credit Lines	\$1,328	\$1,728	\$250	\$1,745	\$591	\$1,999	\$30	\$7,671
Cash	1,037	518	58	157	416	1,074	119	3,379
Total	\$2,365	\$2,246	\$308	\$1,902	\$1,007	\$3,073	\$149	\$11,050
Less: Outstanding CP	-	-	-	-	-	-	21	21
Less: PCB Floaters ³	854	550	34	-	-	-	-	1,438
Net Available Liquidity	\$1,511	\$1,696	\$274	\$1,902	\$1,007	\$3,073	\$128	\$9,591

1. Due to rounding, totals may not foot

2. Other includes amounts from non-SEC reporting subsidiaries including SEGCO, PowerSecure, Southern Nuclear, Southern LINC and others

3. PCB Floaters include all variable rate demand pollution control revenue bonds outstanding

Vogle 3 & 4



Vogtle 3 & 4 Major Milestone Definitions

Initial Energization-

Energizing the main transformers to provide the initial supply of off-site power to the plant's electrical distribution system needed for testing. Individual electrical components – pumps, valve, motors - will be powered providing 'life' to the plant. Previously, plant equipment has been running on temporary power. This important milestone is needed to perform all subsequent testing.

Integrated Flush-

To clean and remove any foreign material that could potentially impact operation of equipment, all system piping and mechanical components that feed into the reactor vessel or coolant loops will be flushed. This flush will be performed utilizing permanent plant pumps and clean water, hydrolasing, air flushing, and some hand cleaning. Integrated flushing ensures systems can be tested without concern for damage from debris to meet the cleanliness and chemistry requirements necessary to operate systems per design.

Open Vessel Testing-

Verifies the water flows between the primary systems and the reactor vessel and that the pumps, motors, valves, pipes and other system components function as designed.

Main Control Room Ready for Testing-

To prepare for testing, the main control room must be able to be safely staffed by plant operators, which includes complete lighting, ventilation, fire protection and communication capabilities. Operators monitor and control equipment essential for safely starting and operating the plant. Having the equipment installed and operable in the main control room is a necessary step for completion of testing and start-up.

Vogtle 3 & 4 Major Milestone Definitions

Cold Hydro Test-

Cold Hydro Testing contains several separate tests in different areas of the plant to verify that welds, joints, pipes, and other components of the reactor coolant system, steam-supply system and associated high pressure systems do not leak and will hold pressure. To accomplish these tests, internals will be installed in the reactor vessel and the integrated head package will be installed with all head bolts tensioned. The reactor coolant system will be filled and pressurized above normal operating conditions, backed down to normal design pressure, and held there while the comprehensive inspection is conducted.

Hot Functional Test-

Hot Functional Testing will demonstrate the integrated operation of the primary coolant system and steam supply system at design temperature and pressure with no fuel in the reactor. Operators use the heat generated by plant equipment to raise the temperature and pressure of plant systems to normal operating levels. The unit's main turbine will be raised to normal operating speed using the plant's steam. This test is the first time components and systems are operated together, allowing operators to exercise and validate procedures and is required before fuel is loaded into the reactor. Completion of the test marks the end of major construction.

Fuel Load-

Operators load nuclear fuel into the reactor for the first time in preparation for start-up testing and, ultimately, commercial operation. Completion of fuel load marks the end of major testing.