



One | SCM

Supply Chain Management

Supply Chain Disruptions

March 14, 2022





Economic Overview

National Labor Market

Supply Chain Disruptions

Inflation and Commodity Pricing

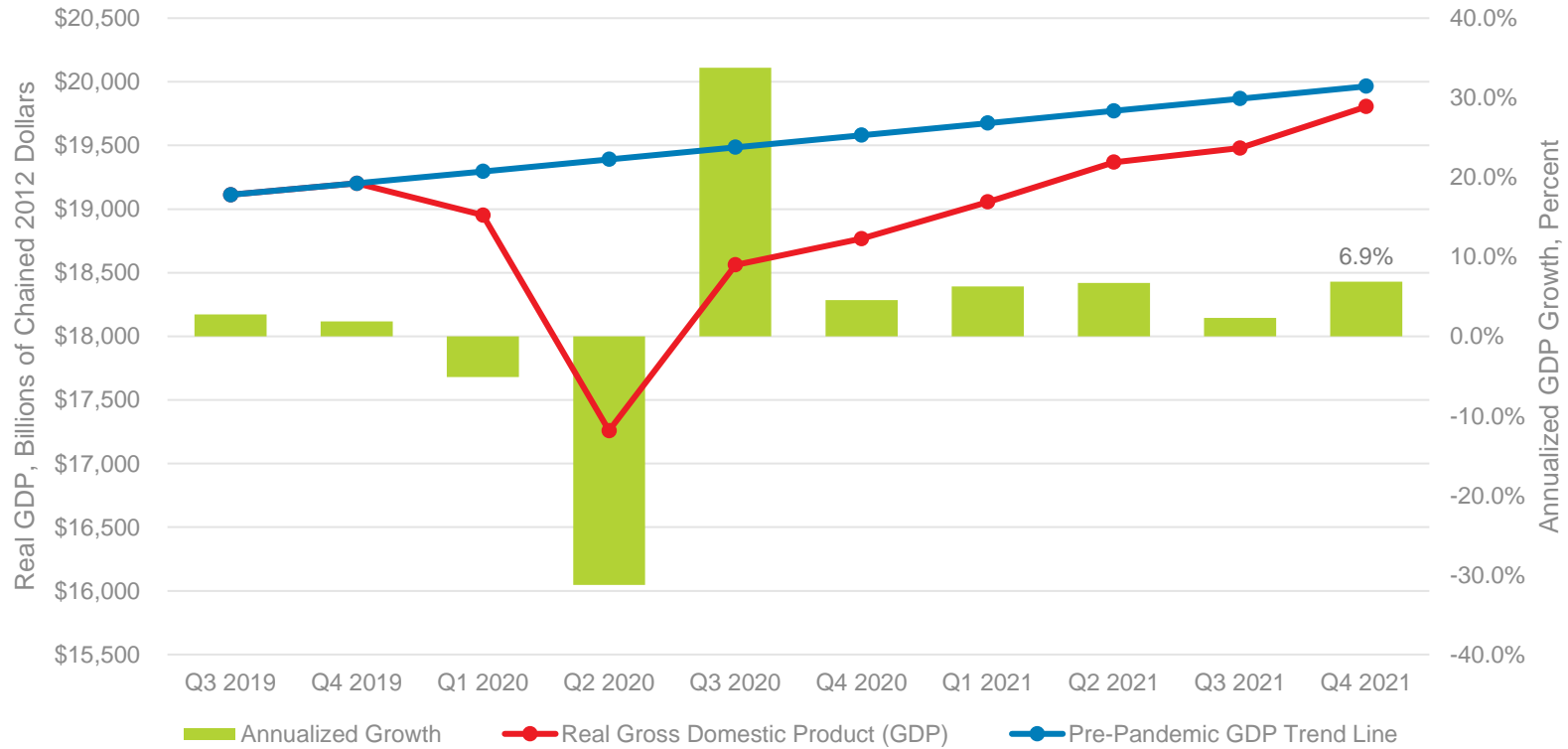
Steel Pipe Market

Future Projections

Economic Overview

The background features several overlapping triangles in different shades of gray. A large, light gray triangle is on the left, pointing downwards. A medium gray triangle is in the center, pointing upwards. A dark gray triangle is on the right, pointing downwards. The triangles overlap to create a complex, layered geometric pattern.

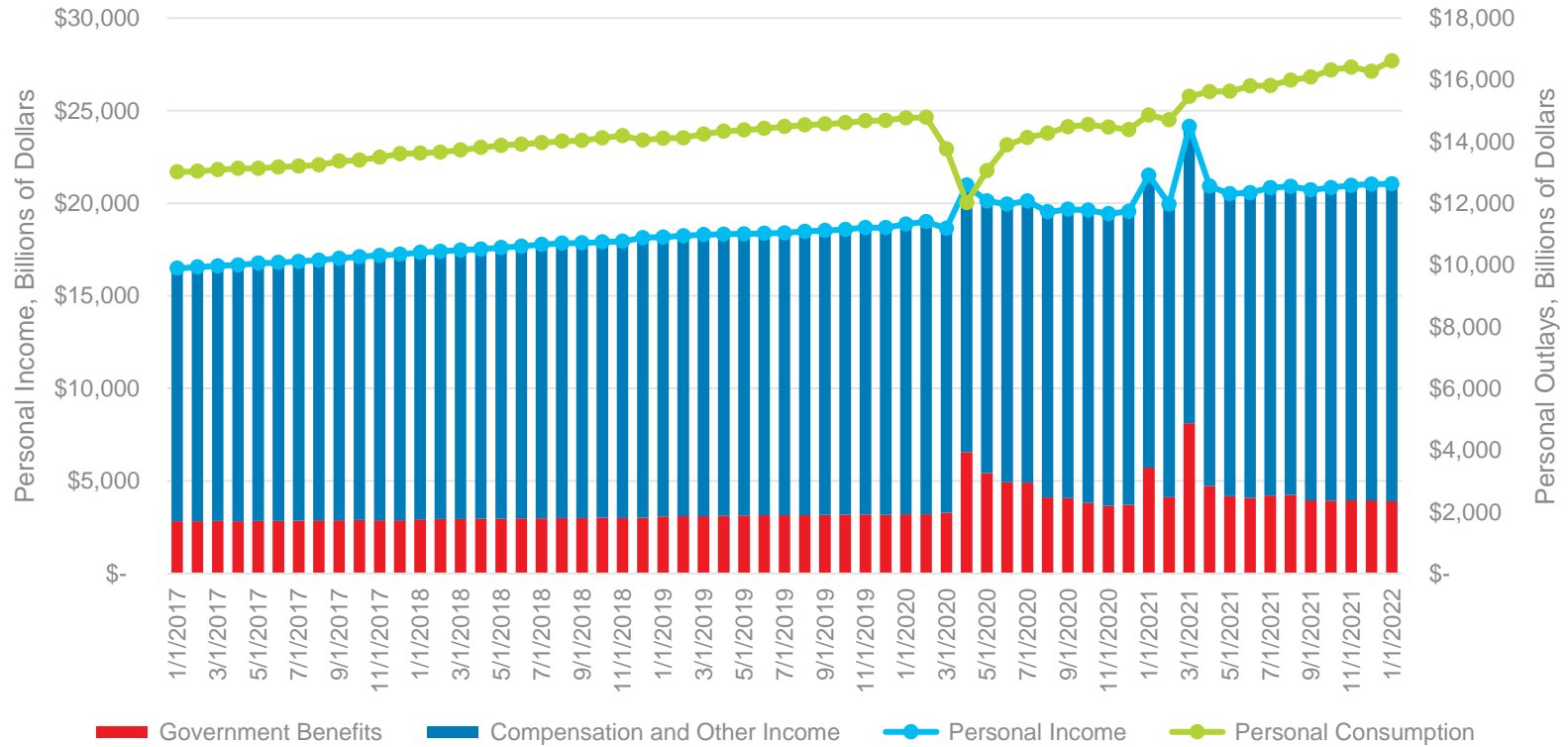
GDP



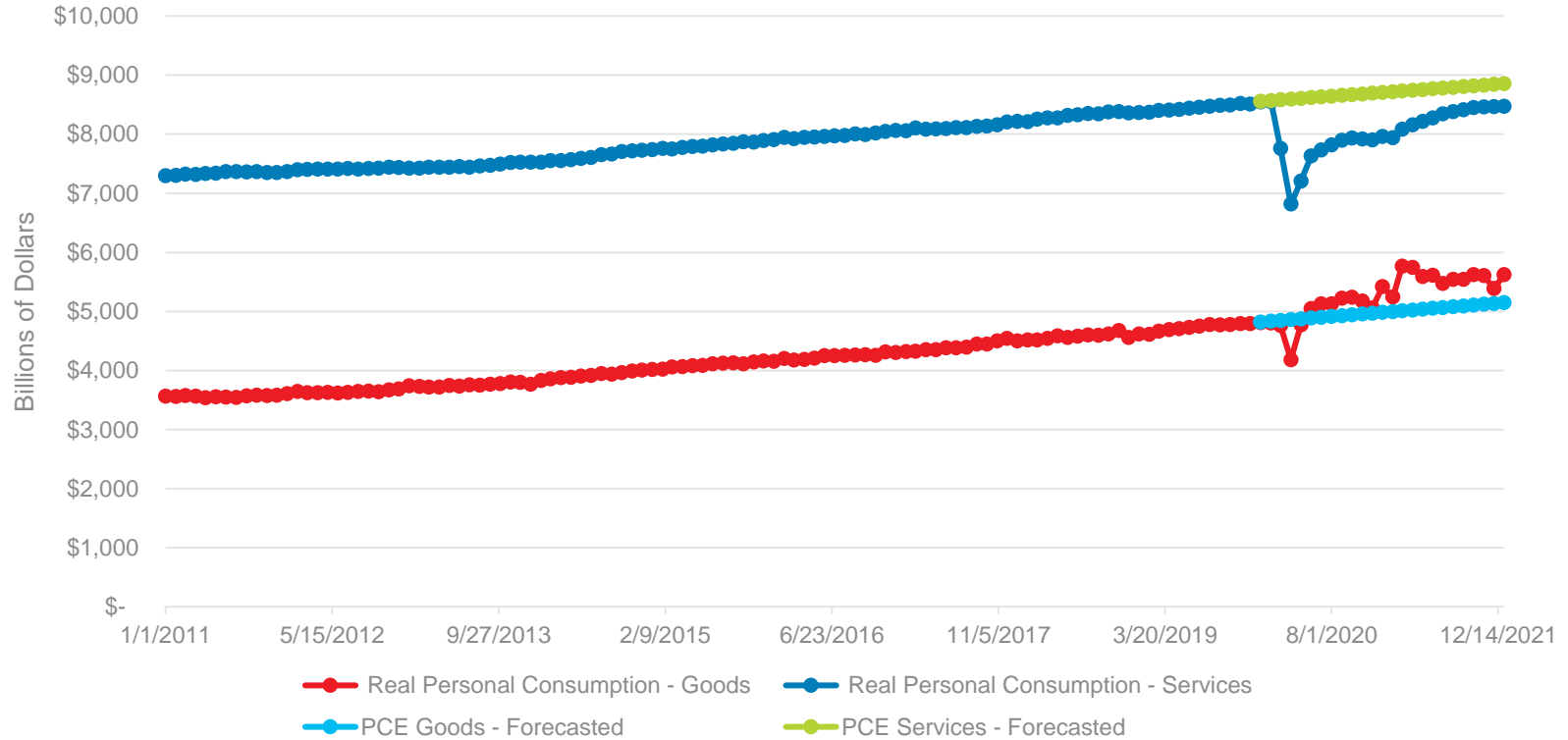
GDP



Personal Income and Outlays



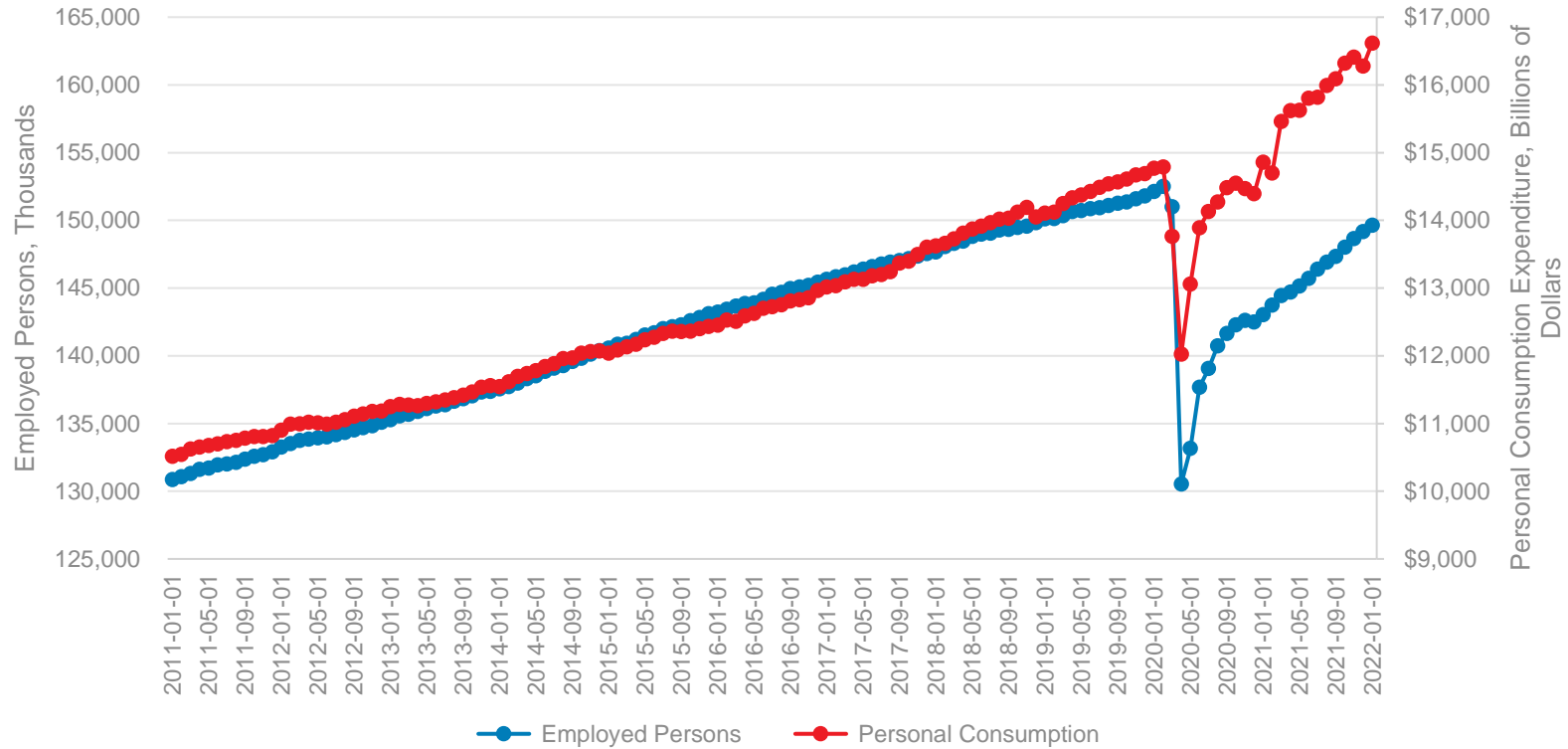
Personal Consumption



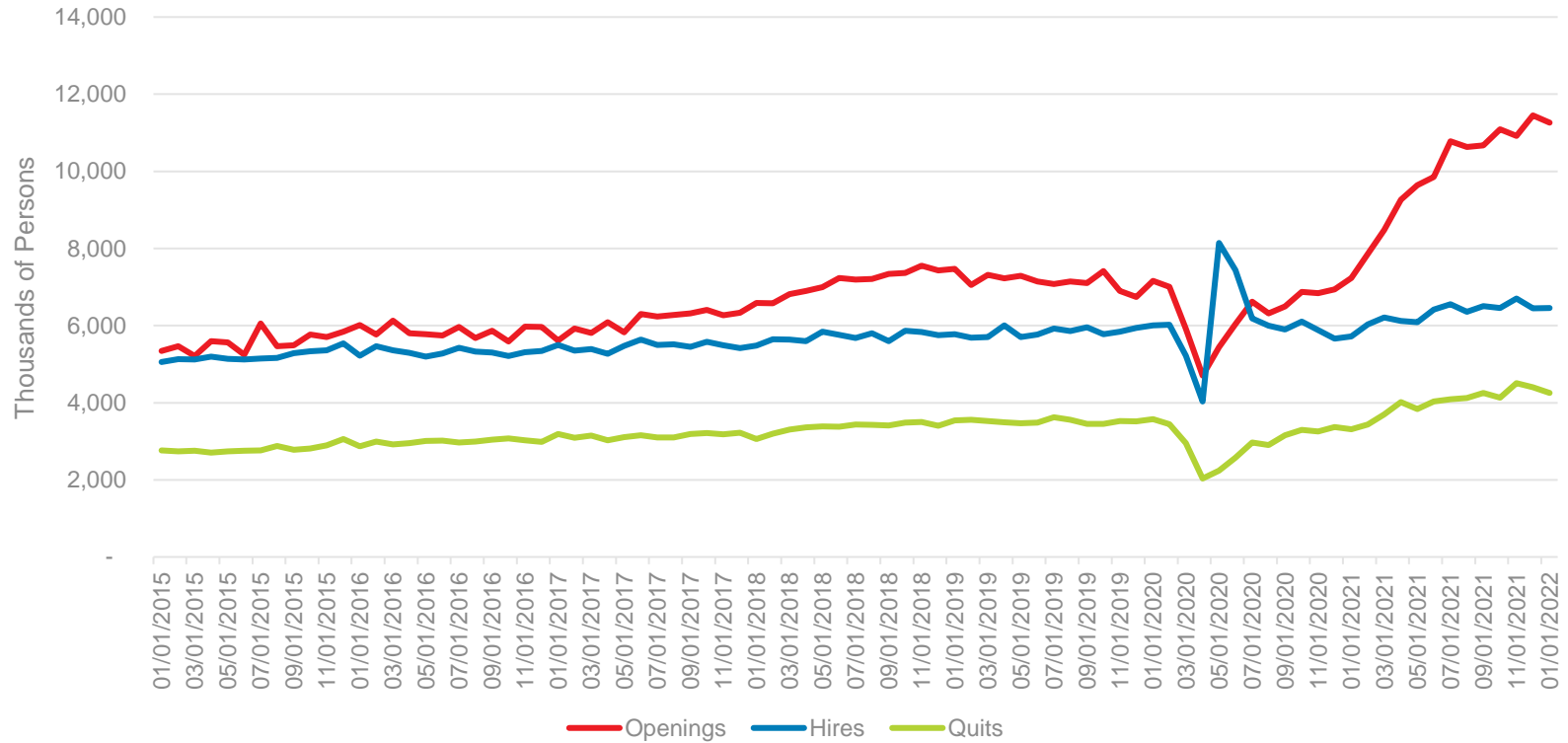
National Labor Market

The background features several overlapping geometric shapes in various shades of gray. A large, light gray triangle is positioned on the left side, pointing downwards. Another large, light gray triangle is on the right side, pointing upwards. These two triangles overlap in the center. A smaller, darker gray triangle is located at the bottom center, pointing upwards and overlapping with the bottom edges of the larger triangles. The overall composition is minimalist and modern.

Labor Market



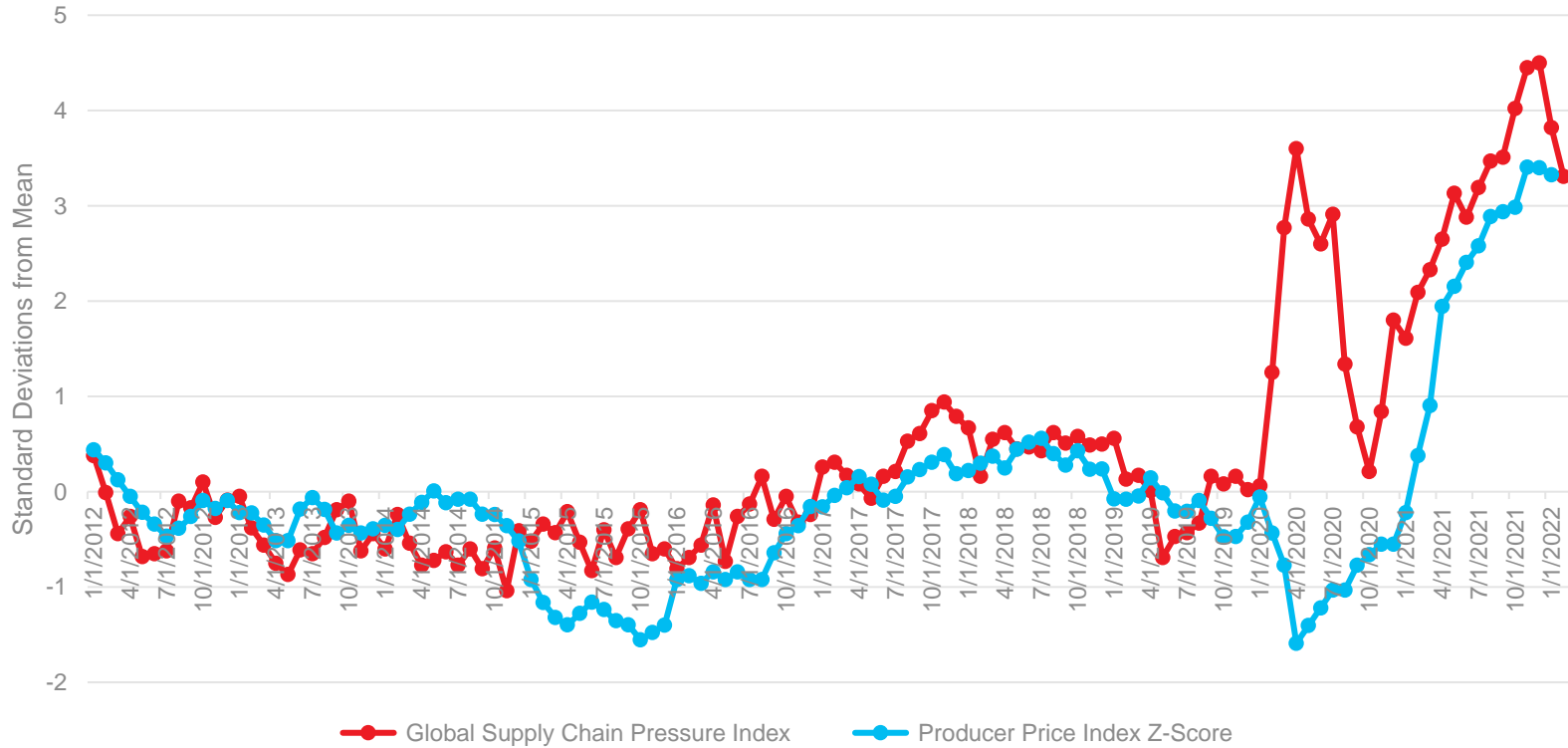
Labor Market (Continued)



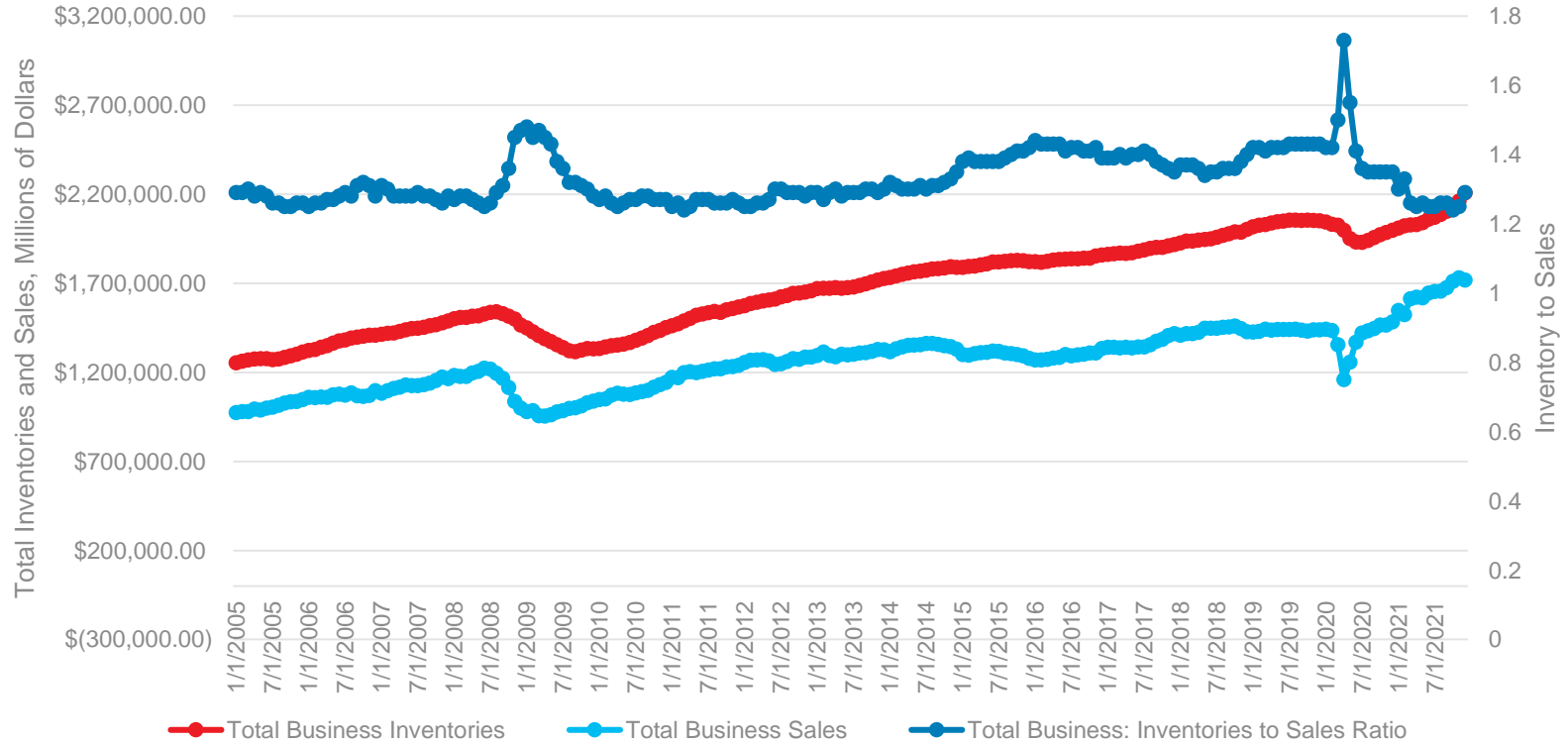
Supply Chain Disruptions



Global Supply Chain Pressure Index



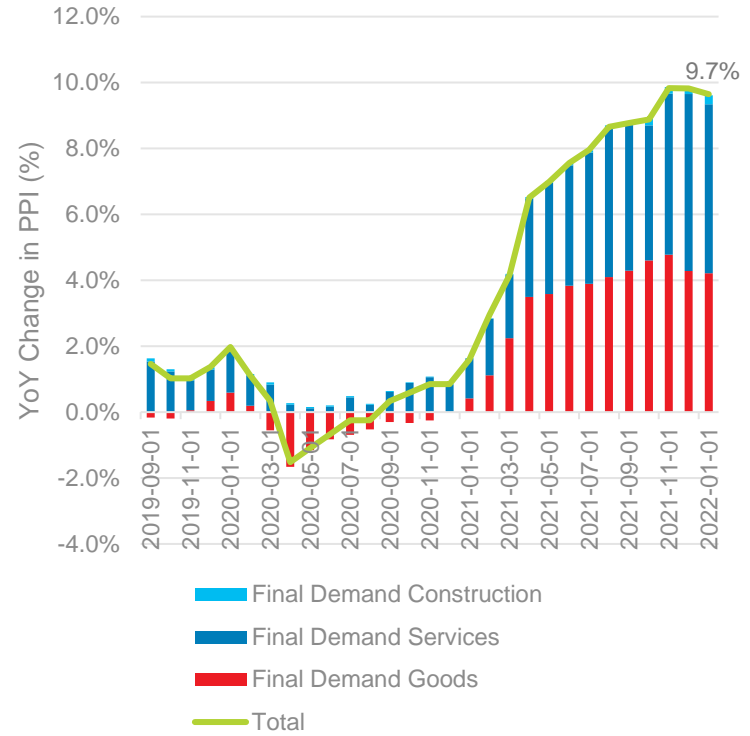
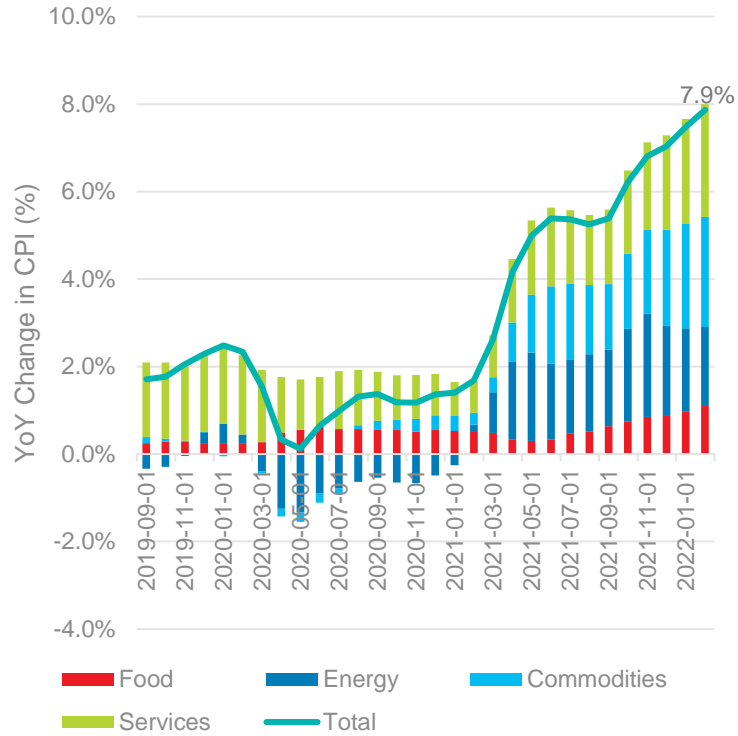
Inventories





Inflation & Commodity Pricing

Inflation



Commodity Prices

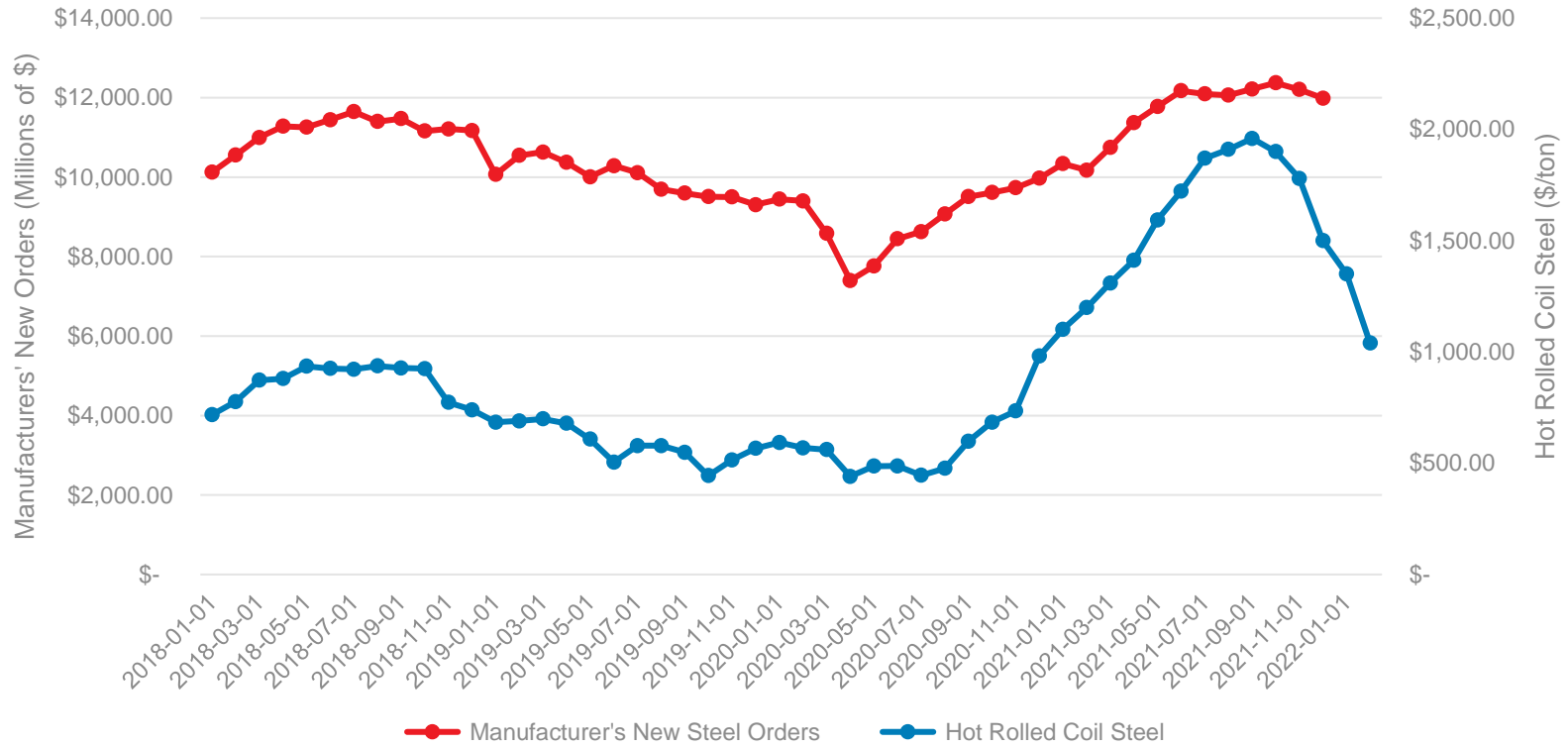


Commodity	Current Price	YoY Change	MoM Change	Change from 1/1/2020
CRB Spot Commodity Price Index	\$627	23.8%	2.9%	55.2%
Steel - Domestic Hot Rolled Coil (\$ / short ton)	\$1,000	-23.7%	-3.8%	68.6%
Aluminum (\$ / metric ton)	\$3,532	61.2%	2.4%	99.2%
Copper (\$ / metric ton)	\$10,050	11.8%	0.8%	66.6%
Zinc (\$ / metric ton)	\$3,940	41.1%	6.3%	67.4%
Resin (\$ / short ton)	\$1,620	-28.9%	1.9%	107.7%
Average Price: Gasoline, Unleaded Regular (\$ / gal)	\$4.25	52.3%	20.7%	65.6%
Henry Hub Natural Gas Spot Price (\$ / MMBTU)	\$4.36	61.5%	-20.0%	112.7%

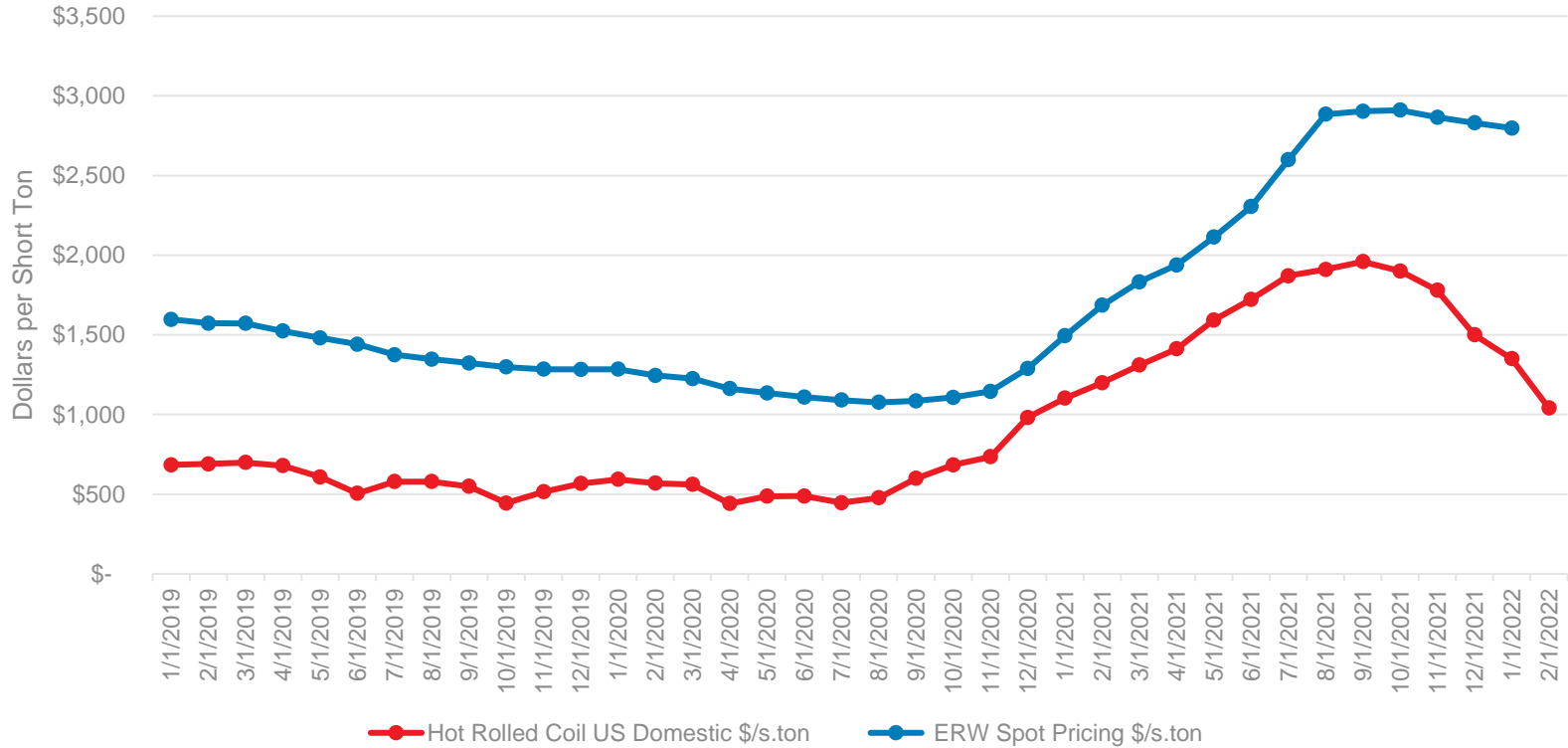
The background consists of several overlapping geometric shapes in various shades of gray. A large, light gray triangle is on the left, pointing towards the center. Another large, light gray triangle is on the right, pointing towards the center. A smaller, medium gray triangle is positioned in the lower center, pointing upwards. A dark gray triangle is on the right side, pointing towards the center. The overall composition is abstract and modern.

Steel Market

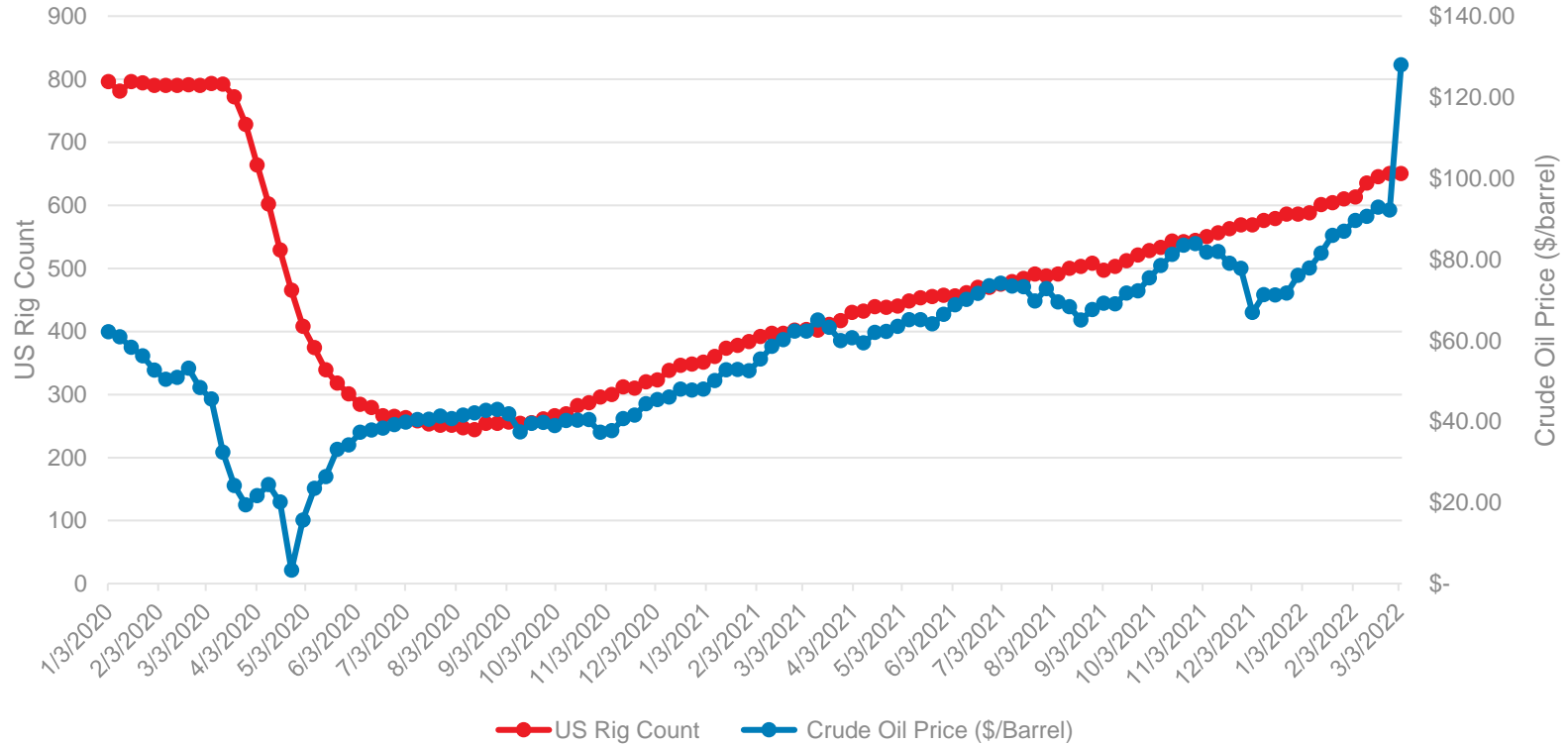
Steel Price



Steel Pipe



OCTG Pipe



Gas Products



GAS PRODUCTS				
LEAD TIMES & TRENDS	Ex-works Lead Times (weeks)*	Lead Time Trends	Price Trends	
	NA		Last 6 Months	Next 6 Months
PE FITTINGS	4 – 10	Increase	+3% – 6%	+5% – 10%
MDPE PIPE	12 – 20	Increase	+12% – 20%	+7% – 15%
TRACER WIRE	7 – 8	Increase	+2% – 3%	Flat – 10%
RISERS	16 – 25	Increase	+12% – 15%	Flat – 6%
METER SETS	16 – 22	Increase	+10% – 15%	+6% – 10%
GAS METERS	20 – 40	Increase	+5%	+3% – 5%
REGULATORS	16 – 32	Increase	+5%	+5% – 10%

KEY: + = Increase - = Decrease NA = North America

*Add 2 - 8 weeks for delivery, dependent upon manufacturing origin and destination.

Southern Company's Response

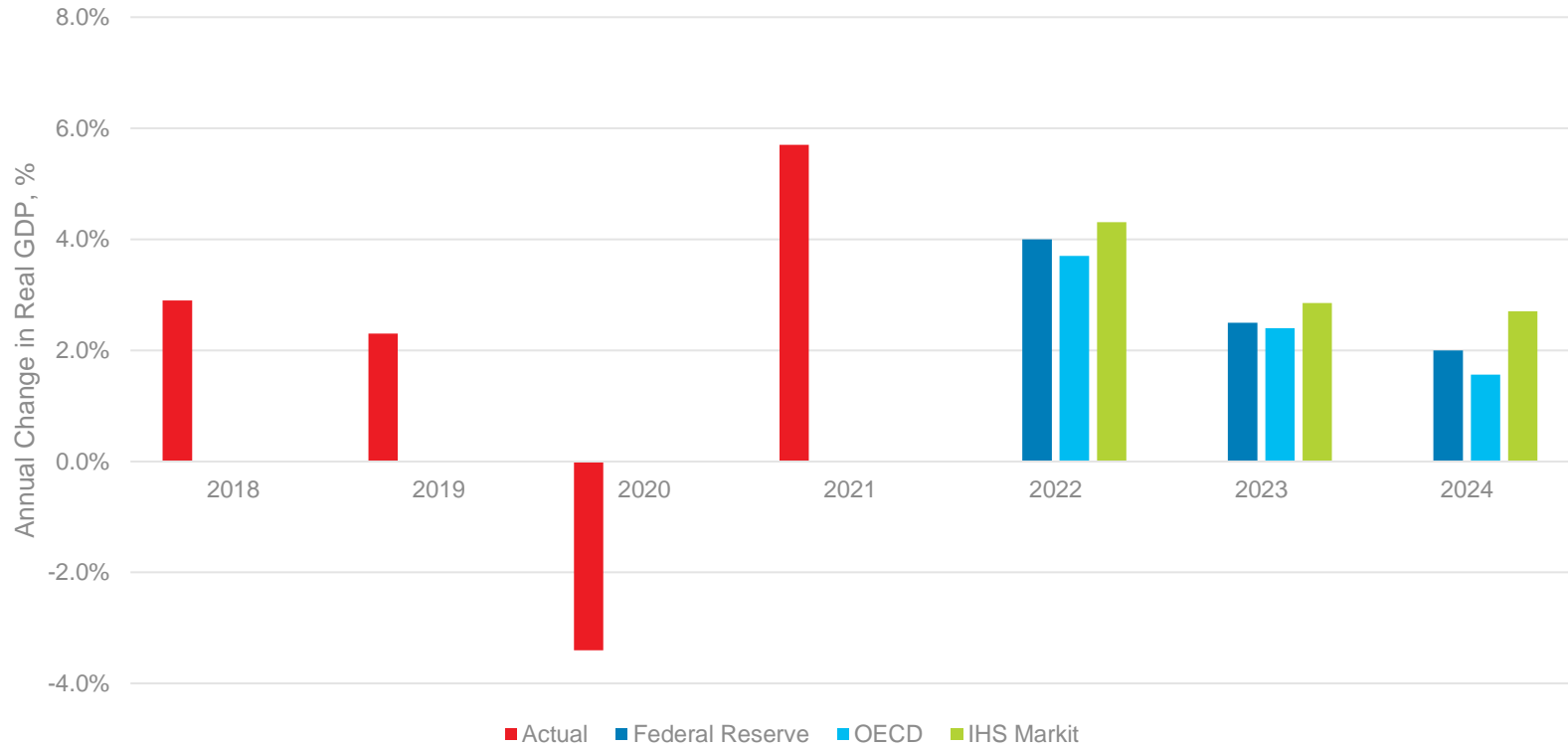
- Increased Forecasting
- Increased use of Reserve POs
- Increased Order Quantities



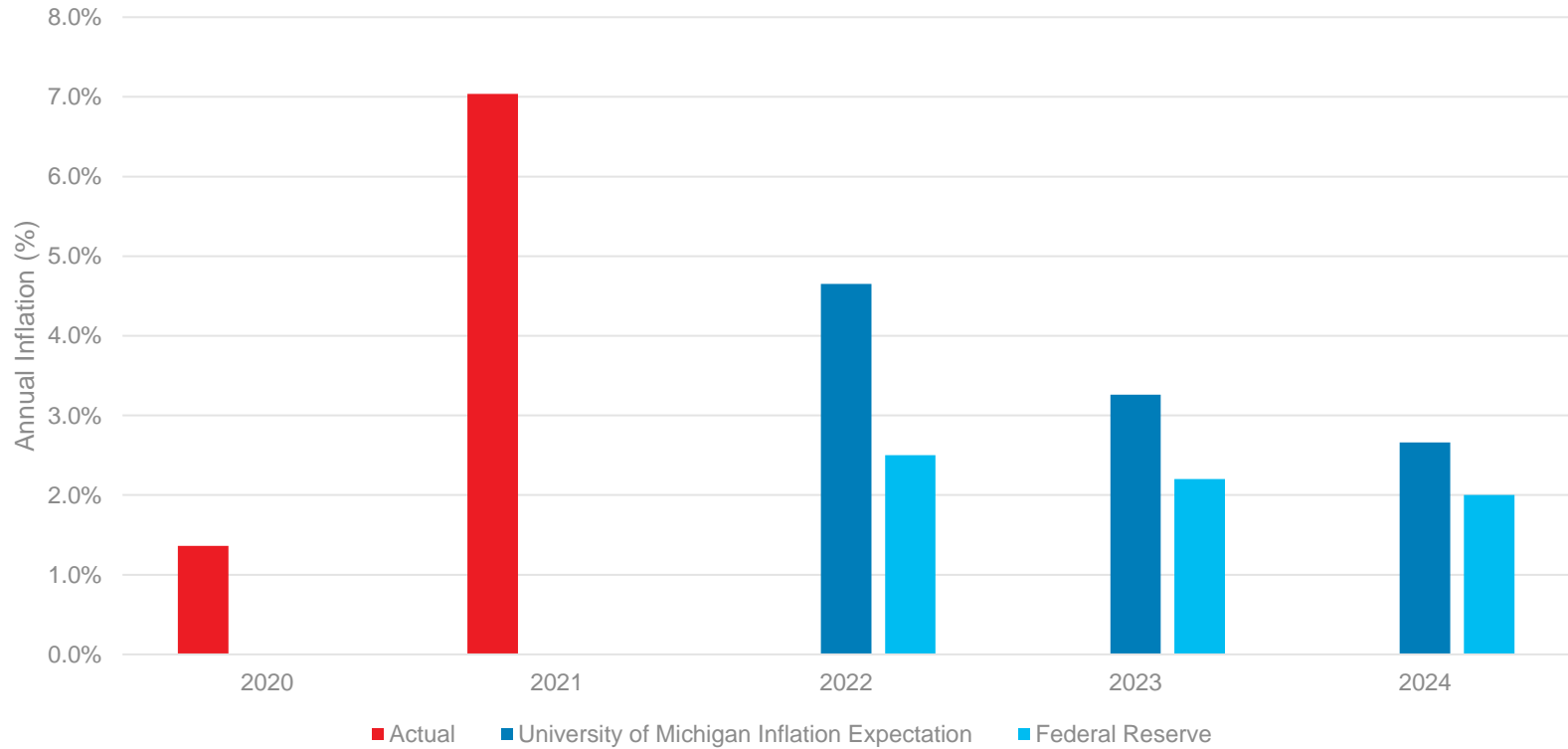
Future Projections

The background features several overlapping geometric shapes in various shades of gray. A large, light gray triangle is positioned in the upper left, with its hypotenuse sloping downwards from left to right. Another large, light gray triangle is in the upper right, with its hypotenuse sloping upwards from left to right. A medium gray triangle is located in the lower left, with its hypotenuse sloping downwards from left to right. A dark gray triangle is in the lower right, with its hypotenuse sloping upwards from left to right. The overall composition is minimalist and modern.

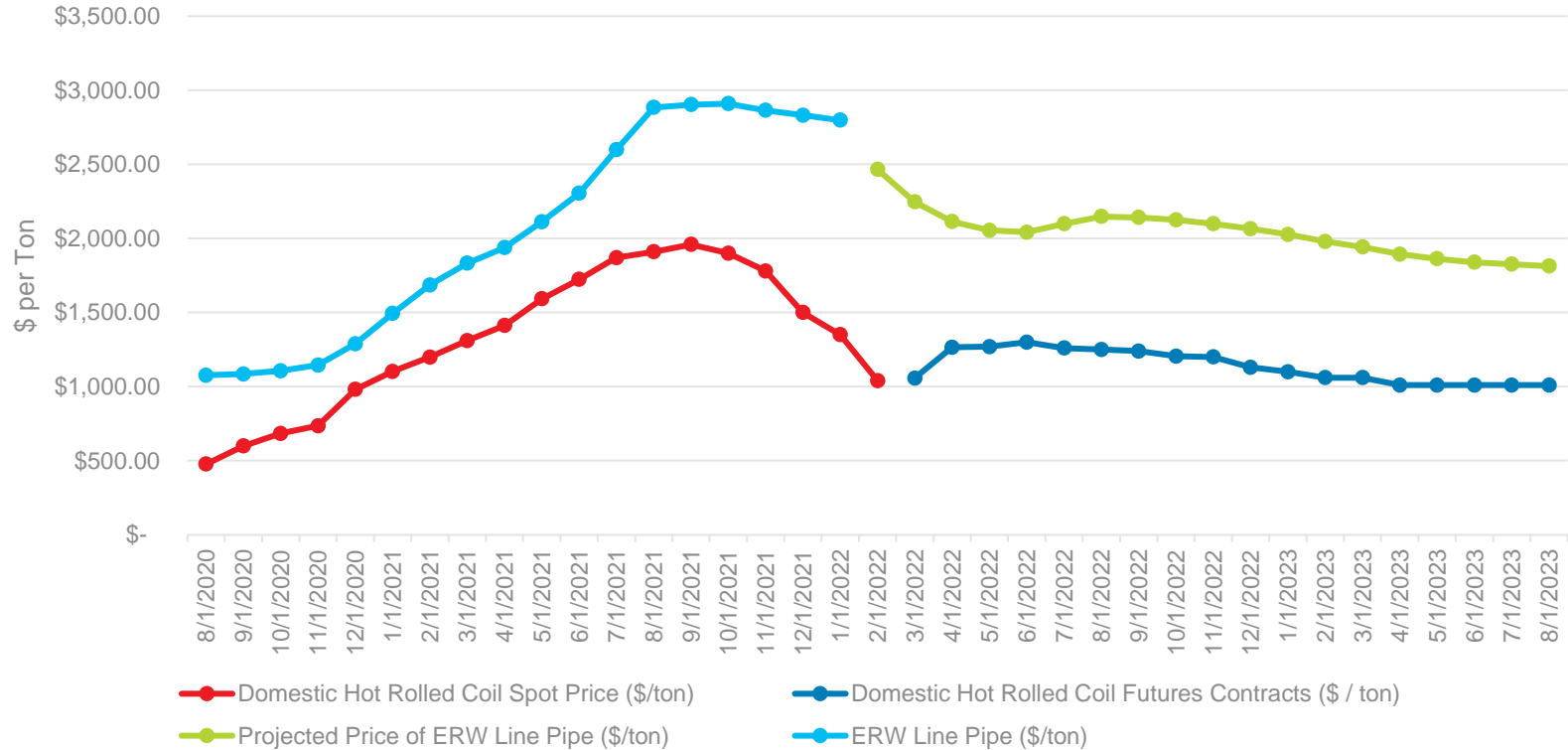
GDP Forecast



Inflation Forecast



Steel Pipe Forecast



Future Considerations

- Ukraine Crisis
- Inflation
- Personal Consumption
- Private Domestic Investment
- Monetary Policy



Questions?



