

# 2022 Annual Shareholders Meeting

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May 6, 2022



# Grounded in our Purpose...

**CMS ENERGY**

— CMS ENERGY —  
**WORLD CLASS**  
PERFORMANCE  
**DELIVERING**  
**HOMETOWN**  
SERVICE



People



Planet



Profit

...committed to the Triple Bottom Line. GJR 2

# Our Simple Investment Thesis . . .



...delivers results for ALL our stakeholders. GJR 3

# Engaged Co-Workers AND Serving Customers Better Than Ever

- 1<sup>st</sup> Quartile Customer Experience
- 1<sup>st</sup> Quartile Employee Empowerment
- **Forbes® #1 Utility** in the U.S. for America's Best Employers for **Women & Workplace Diversity** and recognized as a Top 100 company - **America's Best Large Employer**
- **>\$75M of customer assistance** to help the most vulnerable
- **Attracted 105 MW of new or expanding load** – estimated to create ~4,000 jobs and bring >\$1B of investment to Michigan
- A strong **heart of service** demonstrated by all co-workers in the field and office





A large field of solar panels stretching into the distance. In the foreground, two workers wearing yellow hard hats and high-visibility vests stand on a grassy path between the rows of panels. The word "PLANET" is overlaid in white text on a blue rectangular background in the top left corner.

# PLANET

## Industry-Leading Clean Energy Commitments

- **Clean Energy Plan filed** to exit coal & achieve ~60% carbon emissions reduction by 2025
- Pledge to **achieve net zero greenhouse gas emissions** from entire natural gas system by 2050 AND a 20% customer emissions reduction by 2030.
- **\$500M+ in infrastructure investments** for clean energy
- **1,000 MW solar approval** for our Voluntary Green Pricing programs to support customer's solar needs
- **PowerMIFleet and PowerMIDrive** Electric Vehicle (EV) program launch to support 1M EVs in Michigan by 2030
- **Secured Options to Develop Renewable Natural Gas** at two dairy farms to help achieve net-zero methane by 2030

# Nearly Two Decades of Industry-Leading Financial Performance

- **Sale of EnerBank** Grossed >\$1B in proceeds
- Achieved another year of **7% adjusted EPS growth** \*
- **Increased annual dividend** to \$1.84, 16<sup>th</sup> increase in as many years
- **Delivered adjusted operating cash flow** of \$1.84B, \$80M above guidance
- **\$55M of cost savings of O&M** and **\$95M in capital savings** through the CE Way
- **Established an economic development rate** that will generate sales and job growth in Michigan



\* Reconciliations to GAAP are on CMS Energy's website: [www.cmsenergy.com](http://www.cmsenergy.com)









**CMS ENERGY CORPORATION**  
**Reconciliation of GAAP to Non-GAAP Measures**  
**(Unaudited)**

	<i>In Millions, Except Per Share Amounts</i>		2021 Increase
	<u>Twelve Months Ended</u> 12/31/21	<u>12/31/20</u>	
Reported net income per average common share	\$ 4.66	\$ 2.64	43%
<i>Reconciling items:</i>			
Disposal of discontinued operations gain	(2.27)	-	
Tax impact	0.49	-	
Discontinued operations income	(0.39)	(0.26)	
Tax impact	0.09	0.06	
Other exclusions from adjusted earnings**	(*)	0.04	
Tax impact	*	(0.01)	
Loss on fleet impairment	0.10	-	
Tax impact	(0.03)	-	
Tax reform	-	(0.03)	
Voluntary separation program	-	0.04	
Tax impact	-	(0.01)	
<b>Adjusted net income per average common share – non-GAAP</b>	<b>\$ 2.65</b>	<b>\$ 2.47</b>	<b>7%</b>

\* Less than \$0.5 million or \$0.01 per share.

\*\* Includes restructuring costs and unrealized gains or losses from mark-to-market adjustments recognized in net income related to CMS Enterprises' interest expense.

**CMS ENERGY CORPORATION**  
**Reconciliation of GAAP Cash Flows from Operating Activities to**  
**Non-GAAP Adjusted Cash Flows from Operating Activities**  
**(Unaudited)**

	<i>In Millions</i>
	<u>Twelve Months Ended</u>
	<u>12/31/2021</u>
Cash Flows from Operating Activities	\$ 1,819
Adjustments - EnerBank Operating Cash Flows	24
<b>Non-GAAP Adjusted Cash Flows from Operating Activities</b>	<b>\$1,843</b>

Management views adjusted (non-Generally Accepted Accounting Principles) earnings as a key measure of the Company's present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the Company uses adjusted earnings to measure and assess performance. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, changes in accounting principles, changes in federal tax policy, regulatory items from prior years, unrealized gains or losses from mark-to-market adjustments recognized in net income related to CMS Enterprises' interest expense, or other items. The adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for reported earnings. This meeting presentation contains "forward-looking" statements; please refer to our SEC filings for information regarding the risks and uncertainties that could cause our results to differ materially.