

To: Investment Community

From: CMS Energy Investor Relations
<http://www.cmsenergy.com>

Date: July 28, 2022

Subject: CMS Energy Second Quarter 2022 Results and Outlook

CMS Energy will hold a webcast to discuss its Second Quarter 2022 Results and Outlook on Thursday, July 28 at 9:30 a.m. (ET).

To participate in the webcast, go to CMS Energy's home page (www.cmsenergy.com), select "Investor Relations", "Events and Presentations", and "CMS Energy Second Quarter 2022 Earnings Call" or [click here](#).

CMS Energy Announces Strong Second Quarter Results, Reaffirms 2022 Adjusted EPS Guidance

JACKSON, Mich., July 28, 2022 – CMS Energy announced today reported earnings per share of \$0.50 for the second quarter of 2022, compared to \$0.61 per share for the same quarter in 2021. The company's adjusted earnings per share for the second quarter of 2022 were \$0.53, compared to \$0.55 per share for the same quarter in 2021. For the first six months of the year, the company reported \$1.71 per share compared to \$1.82 per share for the same timeframe in 2021. On an adjusted earnings per share basis year to date, the company reported \$1.73 per share in 2022, compared to \$1.64 per share in 2021.

CMS Energy reaffirmed its 2022 adjusted earnings guidance of \$2.85 to \$2.89* per share (*See below for important information about non-GAAP measures) and reaffirmed long-term adjusted EPS growth of 6 to 8 percent, with continued confidence toward the high end of the adjusted EPS growth range.

"Our company took a major step forward with the regulatory approvals of our natural gas rate case settlement and the Integrated Resource Plan, eliminating coal generation by 2025 and leading the clean energy transformation by adding more solar and battery storage, while increasing reliability," said Garrick Rochow, President and CEO of CMS Energy and Consumers Energy. "These approvals strengthen our financial outlook for investors while driving the decarbonization of our electric and gas systems at affordable prices for our customers and the communities we serve."

CMS Energy (NYSE: CMS) is a Michigan-based energy provider featuring Consumers Energy as its primary business. It also owns and operates independent power generation businesses.

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CMS Energy will hold a webcast to discuss its 2022 second quarter results and provide a business and financial outlook on Thursday, July 28 at 9:30 a.m. (EDT). To participate in the webcast, go to CMS Energy's homepage (cmsenergy.com) and select "Events and Presentations."

Important information for investors about non-GAAP measures and other disclosures.

This news release contains non-Generally Accepted Accounting Principles (non-GAAP) measures, such as adjusted earnings. All references to net income refer to net income available to common stockholders and references to earnings per share are on a diluted basis. 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. Management views adjusted 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. Because the company is not able to estimate the impact of specific line items, which have the potential to significantly impact, favorably or unfavorably, the company's reported earnings in future periods, the company is not providing reported earnings guidance nor is it providing a reconciliation for the comparable future period earnings. The company's adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for the reported earnings.

This news release contains "forward-looking statements." The forward-looking statements are subject to risks and uncertainties that could cause CMS Energy's and Consumers Energy's results to differ materially. All forward-looking statements should be considered in the context of the risk and other factors detailed from time to time in CMS Energy's and Consumers Energy's Securities and Exchange Commission filings.

Investors and others should note that CMS Energy routinely posts important information on its website and considers the Investor Relations section, www.cmsenergy.com/investor-relations, a channel of distribution.

For more information on CMS Energy, please visit our website at cmsenergy.com. To sign up for email [alert notifications](#), please visit the Investor Relations section of our website.

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CMS ENERGY CORPORATION

Consolidated Statements of Income

(Unaudited)

	<i>In Millions, Except Per Share Amounts</i>					
	Three Months Ended			Six Months Ended		
	6/30/22	6/30/21	Change	6/30/22	6/30/21	Change
Operating Revenue						
Electric utility	\$ 1,325	\$ 1,160	\$ 165	\$ 2,566	\$ 2,294	\$ 272
Gas utility	477	333	144	1,519	1,136	383
Enterprises	118	65	53	209	141	68
Total operating revenue	1,920	1,558	362	4,294	3,571	723
Operating Expenses						
Fuel for electric generation	241	116	125	408	254	154
Purchased and interchange power	483	391	92	938	768	170
Purchased power – related parties	18	17	1	35	35	-
Cost of gas sold	216	96	120	684	375	309
Maintenance and other operating expenses	392	355	37	726	666	60
Depreciation and amortization	242	244	(2)	587	582	5
General taxes	89	87	2	221	209	12
Total operating expenses	1,681	1,306	375	3,599	2,889	710
Operating Income (Loss)						
Electric utility	196	212	(16)	418	426	(8)
Gas utility	45	46	(1)	285	261	24
Enterprises	1	(3)	4	(4)	-	(4)
Other	(3)	(3)	-	(4)	(5)	1
Total operating income	239	252	(13)	695	682	13
Other Income (Expense)						
Interest income	1	1	-	2	2	-
Allowance for equity funds used during construction	1	2	(1)	3	3	-
Income (loss) from equity method investees	-	2	(2)	-	4	(4)
Nonoperating retirement benefits, net	52	40	12	100	81	19
Other income	-	5	(5)	1	6	(5)
Other expense	(11)	(2)	(9)	(15)	(4)	(11)
Total other income	43	48	(5)	91	92	(1)
Earnings Before Interest, Taxes, and Other Charges	282	300	(18)	786	774	12
Interest on long-term debt	122	120	2	243	239	4
Interest expense - related parties	3	3	-	6	6	-
Other interest expense	1	2	(1)	2	5	(3)
Allowance for borrowed funds used during construction	-	-	-	(1)	(1)	-
Income tax expense	14	22	(8)	53	64	(11)
Income From Continuing Operations	142	153	(11)	483	461	22
Income from discontinued operations, net of tax	-	18	(18)	4	52	(48)
Net Income	142	171	(29)	487	513	(26)
Loss attributable to noncontrolling interests	(6)	(5)	(1)	(14)	(12)	(2)
Net Income Attributable to CMS Energy	148	176	(28)	501	525	(24)
Preferred stock dividends	3	-	3	5	-	5
Net Income Available to Common Stockholders	\$ 145	\$ 176	\$ (31)	\$ 496	\$ 525	\$ (29)
<i>Reconciling items:</i>						
Disposal of discontinued operations (gain) loss	*	5	(5)	(5)	5	(10)
Tax impact	(*)	(1)	1	1	(1)	2
Discontinued operations income	-	(30)	30	-	(73)	73
Tax impact	-	8	(8)	-	17	(17)
Other exclusions from adjusted earnings	(*)	*	(*)	(1)	(1)	-
Tax impact	*	(*)	*	*	*	-
Voluntary separation program	11	-	11	11	-	11
Tax impact	(3)	-	(3)	(3)	-	(3)
Adjusted Net Income – Non-GAAP	<u>\$ 153</u>	<u>\$ 158</u>	<u>\$ (5)</u>	<u>\$ 499</u>	<u>\$ 472</u>	<u>\$ 27</u>
Average Common Shares Outstanding						
Diluted	290.1	289.4	0.7	290.0	289.3	0.7
Diluted Earnings Per Average Common Share	\$ 0.50	\$ 0.61	\$ (0.11)	\$ 1.71	\$ 1.82	\$ (0.11)
<i>Reconciling items:</i>						
Disposal of discontinued operations (gain) loss	*	0.02	(0.02)	(0.01)	0.02	(0.03)
Tax impact	(*)	(0.01)	0.01	*	(0.01)	0.01
Discontinued operations income	-	(0.10)	0.10	-	(0.25)	0.25
Tax impact	-	0.03	(0.03)	-	0.06	(0.06)
Other exclusions from adjusted earnings	(*)	*	(*)	(*)	(*)	-
Tax impact	*	(*)	*	*	*	-
Voluntary separation program	0.04	-	0.04	0.04	-	0.04
Tax impact	(0.01)	-	(0.01)	(0.01)	-	(0.01)
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	<u>\$ 0.53</u>	<u>\$ 0.55</u>	<u>\$ (0.02)</u>	<u>\$ 1.73</u>	<u>\$ 1.64</u>	<u>\$ 0.09</u>

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

CMS ENERGY CORPORATION
Summarized Consolidated Balance Sheets
(Unaudited)

	<i>In Millions</i>	
	<i>As of</i>	
	<i>6/30/22</i>	<i>12/31/21</i>
Assets		
Current assets		
Cash and cash equivalents	\$ 77	\$ 452
Restricted cash and cash equivalents	19	24
Other current assets	2,297	2,151
Total current assets	2,393	2,627
Non-current assets		
Plant, property, and equipment	21,627	22,352
Other non-current assets	5,020	3,774
Total Assets	\$ 29,040	\$ 28,753
Liabilities and Equity		
Current liabilities ⁽¹⁾	\$ 1,670	\$ 1,822
Non-current liabilities ⁽¹⁾	7,469	7,269
Capitalization		
Debt, finance leases, and other financing (excluding securitization debt) ⁽²⁾	12,246	12,200
Debt, finance leases, and other financing (excluding non-recourse and securitization debt)	12,246	12,200
Non-recourse debt	-	76
Total debt, finance leases, and other financing (excluding securitization debt)	12,246	12,276
Preferred stock and securities	224	224
Noncontrolling interests	593	557
Common stockholders' equity	6,654	6,407
Total capitalization (excluding securitization debt)	19,717	19,464
Securitization debt ⁽²⁾	184	198
Total Liabilities and Equity	\$ 29,040	\$ 28,753

⁽¹⁾ Excludes debt, finance leases, and other financing.

⁽²⁾ Includes current and non-current portions.

CMS ENERGY CORPORATION
Summarized Consolidated Statements of Cash Flows
(Unaudited)

	<i>In Millions</i>	
	<i>Six Months Ended</i>	
	<i>6/30/22</i>	<i>6/30/21</i>
Beginning of Period Cash and Cash Equivalents, Including Restricted Amounts	\$ 476	\$ 185
Net cash provided by operating activities	1,059	1,367
Net cash used in investing activities	(1,139)	(851)
Cash flows from operating and investing activities	(80)	516
Net cash used in financing activities	(300)	(409)
Total Cash Flows	\$ (380)	\$ 107
End of Period Cash and Cash Equivalents, Including Restricted Amounts	\$ 96	\$ 292

CMS ENERGY CORPORATION

Selected Financial Data

(Unaudited)

	<i>In Millions</i>		
	Twelve Months Ended		
	6/30/22	12/31/21	6/30/21
EBIT – Non-GAAP ⁽¹⁾			
Consolidated	\$ 1,374	\$ 1,351	\$ 1,439
Consumers Energy	1,395	1,364	1,450
Depreciation and Amortization			
Consolidated	\$ 1,119	\$ 1,114	\$ 1,088
Consumers Energy	1,083	1,077	1,056
EBITDA – Non-GAAP ⁽¹⁾			
Consolidated	\$ 2,493	\$ 2,465	\$ 2,527
Consumers Energy	2,478	2,441	2,506
Dividends and Other Distributions From Subsidiaries	\$ 1,646	\$ 1,593	\$ 742
Interest Expense, Net			
Consolidated	\$ 501	\$ 500	\$ 506
Energy parent	183	183	186
Consumers Energy	312	311	314
<i>In Millions</i>			
	As of		
	6/30/22	12/31/21	6/30/21
Book Value Per Share	\$ 22.93	\$ 22.11	\$ 20.01
Common Shares Outstanding – End of Period	290.2	289.8	289.7
Average Common Shares Outstanding			
Basic	289.4	289.0	288.8
Diluted	290.0	289.5	289.3
Debt ⁽²⁾			
Energy parent	\$ 3,929	\$ 3,928	\$ 4,127
Non-recourse project debt	-	76	79
Consumers Energy (excluding securitization bonds)	8,317	8,272	7,950
Consolidated (excluding securitization bonds)	12,246	12,276	12,156
Securitization bonds	184	198	211
Consolidated	\$ 12,430	\$ 12,474	\$ 12,367
Unrestricted Cash and Cash Equivalents			
Energy Parent	\$ 31	\$ 390	\$ -
Consumers Energy	8	22	52
CMS Treasury Services	8	19	87
Other	30	21	14
Consolidated	\$ 77	\$ 452	\$ 153
Consumers Energy			
Regulated Common Equity Ratio (13-Month Average)			
Electric	43.7%	42.6%	42.1%
Gas	43.7%	42.6%	42.1%
Regulated Rate Base (13-Month Average, in Millions)			
Electric ⁽³⁾	\$ 13,658	\$ 13,354	\$ 13,391
Gas	7,901	7,654	7,060
Regulated Return on Average Common Equity (12-Month Ended)			
Electric ⁽³⁾	9.6%	10.1%	11.0%
Gas	10.2%	9.4%	11.0%

⁽¹⁾ EBIT (non-GAAP) equals net income available to common stockholders + income taxes + interest charges + noncontrolling interests + discontinued operations + writedowns + impairments + losses (gains) on asset sales + accounting changes. EBITDA (non-GAAP) equals EBIT + depreciation and amortization.

⁽²⁾ Includes current maturities, leases and notes payable.

⁽³⁾ Includes renewables rate base of \$1.1 billion in total.

CMS ENERGY CORPORATION
Reconciliations of GAAP Net Income to Non-GAAP EBIT and EBITDA
(Unaudited)

	<i>In Millions</i>		
	Twelve Months Ended		
	6/30/22	12/31/21	6/30/21
Net Income Available to Common Stockholders	\$ 1,319	\$ 1,348	\$ 901
<i>Reconciling items:</i>			
Income tax expense	239	265	159
Interest on long-term debt	485	481	485
Interest expense - related parties	12	12	12
Other interest expense	7	10	11
Allowance for borrowed funds used during construction	(3)	(3)	(2)
Loss attributable to noncontrolling interests	(25)	(23)	(16)
Preferred stock dividends	10	5	-
Disposal of discontinued operations (gain) loss	(667)	(657)	5
Discontinued operations income	(42)	(115)	(121)
Other exclusions from adjusted earnings	(1)	(1)	5
Loss on fleet impairment	29	29	-
Voluntary separation program	11	-	-
EBIT – Non-GAAP	1,374	1,351	1,439
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,119	1,114	1,088
EBITDA – Non-GAAP	<u>\$ 2,493</u>	<u>\$ 2,465</u>	<u>\$ 2,527</u>

CONSUMERS ENERGY COMPANY
Reconciliations of GAAP Net Income to Non-GAAP EBIT and EBITDA
(Unaudited)

	<i>In Millions</i>		
	Twelve Months Ended		
	6/30/22	12/31/21	6/30/21
Net Income Available to Common Stockholder	\$ 896	\$ 866	\$ 945
<i>Reconciling items:</i>			
Income tax expense	145	156	183
Interest on long-term debt	298	294	294
Interest expense - related parties	12	12	12
Other interest expense	5	8	10
Allowance for borrowed funds used during construction	(3)	(3)	(2)
Preferred stock dividends	2	2	2
Other exclusions from adjusted earnings	-	-	6
Loss on fleet impairment	29	29	-
Voluntary separation program	11	-	-
EBIT – Non-GAAP	1,395	1,364	1,450
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,083	1,077	1,056
EBITDA – Non-GAAP	<u>\$ 2,478</u>	<u>\$ 2,441</u>	<u>\$ 2,506</u>

CMS ENERGY CORPORATION
Non-GAAP Adjusted Earnings Per Share Variance Analysis
(Unaudited)

Three Months Ended June 30				
	6/30/22	6/30/21	Variance	
Adjusted EPS – Non-GAAP				
Electric utility	\$ 0.50	\$ 0.53	\$ (0.03)	
Gas utility	0.14	0.13	0.01	
Enterprises	0.02	0.01	0.01	
Energy parent	(0.13)	(0.12)	(0.01)	
Consolidated	<u>\$ 0.53</u>	<u>\$ 0.55</u>	<u>\$ (0.02)</u>	
Variance Explanations:				
ELECTRIC UTILITY				
- Deliveries of 9,063 GWh, up 282 GWh (weather-driven impact, down 59 GWh)			\$ (0.03)	
- Electric rate relief			0.02	
- Higher operating & maintenance expenses including customer initiatives			(0.01)	
- Other			(0.01)	
- Change in shares outstanding			-	
			<u>\$ (0.03)</u>	
GAS UTILITY				
- Deliveries, including transportation to end-use customers, of 51.2 bcf, up 6.2 bcf (weather-driven impact, up 1.5 bcf)			\$ 0.06	
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.02)	
- Other including Ray investments costs			(0.03)	
- Change in shares outstanding			*	
			<u>\$ 0.01</u>	
ENTERPRISES AND ENERGY PARENT				
- Enterprises			\$ 0.01	
- Energy parent			(0.01)	
- Change in shares outstanding			*	
			<u>\$ -</u>	
WEATHER IMPACTS				
	<u>6/30/22</u>	<u>6/30/21</u>		
Weather				
- Warmer (colder) than normal using 15-year average temperatures	0.2 %	0.8 %		
Electric Utility				
- Increase (decrease) from normal in:				
Electric sales (GWh)	240	299		
EPS	\$ 0.07	\$ 0.08		
Gas Utility				
- Increase (decrease) from normal in:				
Gas sales (bcf)	1.2	(0.3)		
EPS	\$ 0.01	\$ -		
Total EPS Weather Impacts	<u>\$ 0.08</u>	<u>\$ 0.08</u>		

* Less than \$0.01 per share.

CMS ENERGY CORPORATION
Non-GAAP Adjusted Earnings Per Share Variance Analysis
(Unaudited)

Six Months Ended June 30			
	6/30/22	6/30/21	Variance
Adjusted EPS – Non-GAAP			
Electric utility	\$ 1.08	\$ 1.07	\$ 0.01
Gas utility	0.88	0.75	0.13
Enterprises	0.05	0.06	(0.01)
Energy parent	(0.28)	(0.24)	(0.04)
Consolidated	<u>\$ 1.73</u>	<u>\$ 1.64</u>	<u>\$ 0.09</u>
Variance Explanations:			
ELECTRIC UTILITY			
- Deliveries of 18,310 GWh, up 871 GWh (weather-driven impact, up 66 GWh)			\$ 0.03
- Electric rate relief			0.03
- Higher operating & maintenance expenses including customer initiatives			(0.05)
- Change in shares outstanding			-
			<u>\$ 0.01</u>
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 191.6 bcf, up 22.4 bcf (weather-driven impact, up 15.3 bcf)			\$ 0.20
- Lower ETR primarily related to gas rate case stay out			0.06
- Higher operating & maintenance expenses including customer initiatives			(0.02)
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.06)
- Other, including Ray investment costs			(0.05)
- Change in shares outstanding			-
			<u>\$ 0.13</u>
ENTERPRISES AND ENERGY PARENT			
- Other, including Enterprises			\$ (0.01)
- Energy parent			(0.04)
			<u>\$ (0.05)</u>
WEATHER IMPACTS			
	6/30/22	6/30/21	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	(1.7) %	2.6 %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	285	219	
EPS	\$ 0.08	\$ 0.06	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	6.1	(9.2)	
EPS	\$ 0.06	\$ (0.08)	
Total EPS Weather Impacts	<u>\$ 0.14</u>	<u>\$ (0.02)</u>	

* Less than \$0.01 per share.

CMS ENERGY CORPORATION

Reconciliation of GAAP EPS to Non-GAAP Adjusted EPS by Segment

(Unaudited)

	<i>In Millions, Except Per Share Amounts</i>			
	Three Months Ended		Six Months Ended	
	6/30/22	6/30/21	6/30/22	6/30/21
Electric Utility				
Reported net income per share	\$ 0.48	\$ 0.53	\$ 1.06	\$ 1.07
<i>Reconciling items:</i>				
Voluntary separation program	0.03	-	0.03	-
Tax impact	(0.01)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.50</u>	<u>\$ 0.53</u>	<u>\$ 1.08</u>	<u>\$ 1.07</u>
Gas Utility				
Reported net income per share	\$ 0.13	\$ 0.13	\$ 0.87	\$ 0.75
<i>Reconciling items:</i>				
Voluntary separation program	0.01	-	0.01	-
Tax impact	(*)	-	(*)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.14</u>	<u>\$ 0.13</u>	<u>\$ 0.88</u>	<u>\$ 0.75</u>
Enterprises				
Reported net income per share	\$ 0.02	\$ 0.01	\$ 0.05	\$ 0.06
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	(*)	*	(*)	(*)
Tax impact	*	(*)	*	*
Voluntary separation program	*	-	*	-
Tax impact	(*)	-	(*)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.02</u>	<u>\$ 0.01</u>	<u>\$ 0.05</u>	<u>\$ 0.06</u>
Corporate Interest and Other				
Reported net loss per share	\$ (0.13)	\$ (0.12)	\$ (0.28)	\$ (0.24)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	(*)	*	(*)
Tax impact	(*)	*	(*)	*
Adjusted net loss per share – non-GAAP	<u>\$ (0.13)</u>	<u>\$ (0.12)</u>	<u>\$ (0.28)</u>	<u>\$ (0.24)</u>
Discontinued Operations				
Reported net income per share	\$ -	\$ 0.06	\$ 0.01	\$ 0.18
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	*	0.02	(0.01)	0.02
Tax impact	(*)	(0.01)	*	(0.01)
Discontinued operations income	-	(0.10)	-	(0.25)
Tax impact	-	0.03	-	0.06
Adjusted net income per share – non-GAAP	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Consolidated				
Reported net income per share	\$ 0.50	\$ 0.61	\$ 1.71	\$ 1.82
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	*	0.02	(0.01)	0.02
Tax impact	(*)	(0.01)	*	(0.01)
Discontinued operations income	-	(0.10)	-	(0.25)
Tax impact	-	0.03	-	0.06
Other exclusions from adjusted earnings	(*)	*	(*)	(*)
Tax impact	*	(*)	*	*
Voluntary separation program	0.04	-	0.04	-
Tax impact	(0.01)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.53</u>	<u>\$ 0.55</u>	<u>\$ 1.73</u>	<u>\$ 1.64</u>
Average Common Shares Outstanding – Diluted	<u>290.1</u>	<u>289.4</u>	<u>290.0</u>	<u>289.3</u>

* Less than \$0.01 per share.

CMS ENERGY CORPORATION

Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income

(Unaudited)

	<i>In Millions, Except Per Share Amounts</i>			
	Three Months Ended		Six Months Ended	
	6/30/22	6/30/21	6/30/22	6/30/21
Net Income Available to Common Stockholders	\$ 145	\$ 176	\$ 496	\$ 525
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	*	5	(5)	5
Tax impact	(*)	(1)	1	(1)
Discontinued operations income	-	(30)	-	(73)
Tax impact	-	8	-	17
Other exclusions from adjusted earnings**	(*)	*	(1)	(1)
Tax impact	*	(*)	*	*
Voluntary separation program	11	-	11	-
Tax impact	(3)	-	(3)	-
Adjusted net income – non-GAAP	<u>\$ 153</u>	<u>\$ 158</u>	<u>\$ 499</u>	<u>\$ 472</u>
Average Common Shares Outstanding				
Diluted	290.1	289.4	290.0	289.3
Diluted Earnings Per Average Common Share				
Reported net income per share	\$ 0.50	\$ 0.61	\$ 1.71	\$ 1.82
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	*	0.02	(0.01)	0.02
Tax impact	(*)	(0.01)	*	(0.01)
Discontinued operations income	-	(0.10)	-	(0.25)
Tax impact	-	0.03	-	0.06
Other exclusions from adjusted earnings**	(*)	*	(*)	(*)
Tax impact	*	(*)	*	*
Voluntary separation program	0.04	-	0.04	-
Tax impact	(0.01)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.53</u>	<u>\$ 0.55</u>	<u>\$ 1.73</u>	<u>\$ 1.64</u>

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

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

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.

CMS ENERGY CORPORATION
Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income
by Quarter
(Unaudited)

	<i>In Millions, Except Per Share Amounts</i>	
	2022	
	1Q	2Q
Net Income Available to Common Stockholders	\$ 351	\$ 145
<i>Reconciling items:</i>		
Electric utility and gas utility	-	11
Tax impact	-	(3)
Enterprises	(1)	(*)
Tax impact	*	*
Corporate interest and other	-	*
Tax impact	-	(*)
Disposal of discontinued operations (gain) loss	(5)	*
Tax impact	1	(*)
Adjusted Net Income – Non-GAAP	<u>\$ 346</u>	<u>\$ 153</u>
Average Common Shares Outstanding – Diluted	289.9	290.1
Diluted Earnings Per Average Common Share	\$ 1.21	\$ 0.50
<i>Reconciling items:</i>		
Electric utility and gas utility	-	0.04
Tax impact	-	(0.01)
Enterprises	(*)	(*)
Tax impact	*	*
Corporate interest and other	-	*
Tax impact	-	(*)
Disposal of discontinued operations (gain) loss	(0.01)	*
Tax impact	*	(*)
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	<u>\$ 1.20</u>	<u>\$ 0.53</u>

	<i>In Millions, Except Per Share Amounts</i>			
	2021			
	1Q	2Q	3Q	4Q
Net Income Available to Common Stockholders	\$ 349	\$ 176	\$ 186	\$ 637
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	29
Tax impact	-	-	-	(7)
Enterprises	(1)	*	(*)	*
Tax impact	*	(*)	*	(*)
Corporate interest and other	-	(*)	-	*
Tax impact	-	*	-	(*)
Disposal of discontinued operations (gain) loss	-	5	3	(665)
Tax impact	-	(1)	(1)	145
Discontinued operations income	(43)	(30)	(42)	-
Tax impact	9	8	10	-
Adjusted Net Income – Non-GAAP	<u>\$ 314</u>	<u>\$ 158</u>	<u>\$ 156</u>	<u>\$ 139</u>
Average Common Shares Outstanding – Diluted	289.1	289.4	289.6	289.7
Diluted Earnings Per Average Common Share	\$ 1.21	\$ 0.61	\$ 0.64	\$ 2.20
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	0.10
Tax impact	-	-	-	(0.03)
Enterprises	(*)	*	(*)	*
Tax impact	*	(*)	*	(*)
Corporate interest and other	-	(*)	-	*
Tax impact	-	*	-	(*)
Disposal of discontinued operations (gain) loss	-	0.02	0.01	(2.30)
Tax impact	-	(0.01)	(*)	0.50
Discontinued operations income	(0.15)	(0.10)	(0.14)	-
Tax impact	0.03	0.03	0.03	-
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	<u>\$ 1.09</u>	<u>\$ 0.55</u>	<u>\$ 0.54</u>	<u>\$ 0.47</u>

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

CONSUMERS ENERGY COMPANY

Consolidated Statements of Income

(Unaudited)

	<i>In Millions</i>					
	Three Months Ended			Six Months Ended		
	6/30/22	6/30/21	Change	6/30/22	6/30/21	Change
Operating Revenue						
Electric utility	\$ 1,325	\$ 1,160	\$ 165	\$ 2,566	\$ 2,294	\$ 272
Gas utility	477	333	144	1,519	1,136	383
Total operating revenue	1,802	1,493	309	4,085	3,430	655
Operating Expenses						
Fuel for electric generation	173	87	86	297	193	104
Purchased and interchange power	468	383	85	905	750	155
Purchased power – related parties	18	17	1	35	35	-
Cost of gas sold	213	94	119	678	372	306
Maintenance and other operating expenses	370	339	31	683	631	52
Depreciation and amortization	233	234	(1)	569	563	6
General taxes	86	82	4	215	200	15
Total operating expenses	1,561	1,236	325	3,382	2,744	638
Operating Income (Loss)						
Electric utility	196	212	(16)	418	426	(8)
Gas utility	46	46	-	286	261	25
Other	(1)	(1)	-	(1)	(1)	-
Total operating income	241	257	(16)	703	686	17
Other Income (Expense)						
Interest income	-	-	-	1	1	-
Interest and dividend income – related parties	2	2	-	3	3	-
Allowance for equity funds used during construction	1	2	(1)	3	3	-
Nonoperating retirement benefits, net	49	38	11	94	76	18
Other income	1	5	(4)	1	6	(5)
Other expense	(11)	(2)	(9)	(14)	(4)	(10)
Total other income	42	45	(3)	88	85	3
Interest Charges						
Interest on long-term debt	75	73	2	150	146	4
Interest expense – related parties	3	3	-	6	6	-
Other interest expense	-	2	(2)	1	4	(3)
Allowance for borrowed funds used during construction	-	-	-	(1)	(1)	-
Total interest charges	78	78	-	156	155	1
Income Before Income Taxes	205	224	(19)	635	616	19
Income Tax Expense	32	34	(2)	79	90	(11)
Net Income	173	190	(17)	556	526	30
Preferred Stock Dividends	1	1	-	1	1	-
Net Income (Loss) Available to Common Stockholder						
Electric utility	140	154	(14)	307	309	(2)
Gas utility	36	36	-	252	217	35
Other	(4)	(1)	(3)	(4)	(1)	(3)
Total net income available to common stockholder	<u>\$ 172</u>	<u>\$ 189</u>	<u>\$ (17)</u>	<u>\$ 555</u>	<u>\$ 525</u>	<u>\$ 30</u>

CONSUMERS ENERGY COMPANY

Electric Utility Statistics

(Unaudited)

	<i>In Millions of kWh, Except as Noted</i>					
	Three Months Ended			Six Months Ended		
	6/30/22	6/30/21	% Change	6/30/22	6/30/21	% Change
Electric Deliveries						
Residential	3,043	3,079	(1.2)	6,370	6,339	0.5
Commercial	2,784	2,839	(1.9)	5,692	5,521	3.1
Industrial	2,144	1,846	16.1	4,169	3,588	16.2
Other	27	35	(22.9)	66	70	(5.7)
Wholesale	77	89	(13.5)	150	180	(16.7)
Retail open access	988	893	10.6	1,863	1,741	7.0
Total customer deliveries	9,063	8,781	3.2	18,310	17,439	5.0
Intersystem	947	765	23.8	2,609	2,003	30.3
Total electric deliveries	10,010	9,546	4.9	20,919	19,442	7.6
Weather-Normalized Electric Deliveries ^{(1) (2)}						
Residential	2,859	2,854	0.2	6,144	6,181	(0.6)
Commercial	2,739	2,779	(1.4)	5,643	5,473	3.1
Industrial	2,139	1,840	16.3	4,165	3,581	16.3
Other	27	35	(22.9)	66	70	(5.7)
Wholesale	77	89	(13.5)	150	180	(16.7)
Retail open access	982	885	11.0	1,857	1,735	7.0
Total weather-normalized electric deliveries	8,823	8,482	4.0	18,025	17,220	4.7
Weather-Normalized Electric Deliveries ^{(1) (2)}						
(By Class, Including Retail Open Access)						
Residential	2,859	2,854	0.2	6,144	6,181	(0.6)
Commercial	2,969	2,996	(0.9)	6,087	5,908	3.0
Industrial	2,891	2,508	15.3	5,578	4,881	14.3
Other	27	35	(22.9)	66	70	(5.7)
Wholesale	77	89	(13.5)	150	180	(16.7)
Total weather-normalized electric deliveries	8,823	8,482	4.0	18,025	17,220	4.7

(1) Excludes intersystem deliveries.

(2) Certain classes include the reduction for Energy Efficiency in the range of 1.75% to 2.00%.

	<i>In Millions, Except as Noted</i>					
	Three Months Ended			Six Months Ended		
	6/30/22	6/30/21	% Change	6/30/22	6/30/21	% Change
Electric Utility Revenue						
Residential	\$ 597	\$ 561	6.4	\$ 1,188	\$ 1,129	5.2
Commercial	420	390	7.7	804	735	9.4
Industrial	207	153	35.3	375	291	28.9
Other	7	8	(12.5)	16	16	-
Total sales revenue	1,231	1,112	10.7	2,383	2,171	9.8
Wholesale	6	6	-	10	11	(9.1)
Retail open access	124	7	1,671.4	132	15	780.0
Intersystem	(48)	23	(308.7)	17	73	(76.7)
Miscellaneous	12	12	-	24	24	-
Total electric utility revenue	\$ 1,325	\$ 1,160	14.2	\$ 2,566	\$ 2,294	11.9

CONSUMERS ENERGY COMPANY

Gas Utility Statistics

(Unaudited)

	<i>In Thousands of mcf, Except as Noted</i>					
	Three Months Ended			Six Months Ended		
	6/30/22	6/30/21	% Change	6/30/22	6/30/21	% Change
Gas Deliveries						
Residential	22,831	20,836	9.6	102,105	90,007	13.4
Commercial	9,140	7,389	23.7	37,873	32,579	16.2
Industrial	1,511	1,053	43.5	5,368	4,943	8.6
Other	20	40	(50.0)	160	120	33.3
Transportation	17,691	15,676	12.9	46,117	41,595	10.9
Total customer deliveries	51,193	44,994	13.8	191,623	169,244	13.2
Off-system transportation						
MCV	12,356	11,526	7.2	30,019	23,614	27.1
Other	3,874	3,450	12.3	9,040	6,969	29.7
Total gas deliveries	67,423	59,970	12.4	230,682	199,827	15.4
Weather-Normalized Gas Deliveries ^{(1) (2)}						
Residential	21,865	20,840	4.9	97,586	95,132	2.6
Commercial	8,405	7,371	14.0	35,993	34,582	4.1
Industrial	1,457	1,033	41.0	5,154	5,151	0.1
Other	19	39	(51.3)	154	125	23.2
Transportation	18,264	16,051	13.8	46,602	43,456	7.2
Total weather-normalized gas deliveries	50,010	45,334	10.3	185,489	178,446	3.9
Weather-Normalized Gas Deliveries ^{(1) (2)} (By Class, Including Transportation)						
Residential	22,068	21,022	5.0	98,336	95,892	2.5
Commercial	13,967	12,572	11.1	51,684	50,124	3.1
Industrial	13,956	11,688	19.4	35,315	32,274	9.4
Other	19	52	(63.5)	154	156	(1.3)
Total weather-normalized gas deliveries	50,010	45,334	10.3	185,489	178,446	3.9

⁽¹⁾ Excludes off-system transportation deliveries.

⁽²⁾ Includes the reduction for Energy Efficiency in the range of 1.0% to 1.1%.

	<i>In Millions, Except as Noted</i>					
	Three Months Ended			Six Months Ended		
	6/30/22	6/30/21	% Change	6/30/22	6/30/21	% Change
Gas Utility Revenue						
Residential	\$ 317	\$ 220	44.1	\$ 1,051	\$ 774	35.8
Commercial	98	59	66.1	318	222	43.2
Industrial	15	8	87.5	43	31	38.7
Other	-	1	(100.0)	1	1	-
Total sales revenue	430	288	49.3	1,413	1,028	37.5
Transportation	23	21	9.5	57	53	7.5
Miscellaneous	24	24	-	49	55	(10.9)
Total gas utility revenue	\$ 477	\$ 333	43.2	\$ 1,519	\$ 1,136	33.7