

**To:** Investment Community

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

**Date:** October 27, 2022

**Subject:** CMS Energy Third Quarter 2022 Results and Outlook

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CMS Energy will hold a webcast to discuss its Third Quarter 2022 Results and Outlook on Thursday, October 27 at 9:30 a.m. (ET).

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

## **CMS Energy Announces Strong Third Quarter Results, Raises 2022 Adjusted EPS, Introduces Preliminary 2023 Guidance**

JACKSON, Mich., Oct. 27, 2022 – CMS Energy announced today reported earnings per share of \$0.56 for the third quarter of 2022, compared to \$0.64 per share for the same quarter in 2021. The company's adjusted earnings per share for the third quarter of 2022 were \$0.56, compared to \$0.54 per share for the same quarter in 2021. For the first nine months of 2022, the company reported \$2.27 per share compared to \$2.46 per share for the same period in 2021. On an adjusted earnings per share basis year-to-date, the company reported \$2.29 per share in 2022, compared to \$2.18 per share in 2021.

CMS Energy raised its 2022 adjusted earnings guidance to \$2.87 to \$2.89 per share, from \$2.85 to \$2.89 per share\* (\*See below for important information about non-GAAP measures). CMS Energy also introduced preliminary 2023 adjusted earnings guidance of \$3.05 to \$3.11 per share and reaffirmed its long-term adjusted EPS growth of 6 to 8 percent, with continued confidence toward the high end.

"CMS had another strong quarter and continues to execute well on all fronts, positioning us solidly for the fourth quarter and 2023," said Garrick Rochow, President and CEO of CMS Energy and Consumers Energy. "We had several accomplishments during the period – most notably in economic development through the commitment by Gotion, a global electric vehicle battery manufacturer, to build a factory in our service territory, which builds our customer base and helps Michigan grow."

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.

# # #

CMS Energy will hold a webcast to discuss its 2022 third quarter results and provide a business and financial outlook on Thursday, October 27 at 9:30 a.m. (EDT). To participate in the webcast, go to CMS Energy's homepage ([cmsenergy.com](http://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 NorthStar Clean Energy's 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](http://www.cmsenergy.com/investor-relations), a channel of distribution.

For more information on CMS Energy, please visit our website at [cmsenergy.com](http://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			Nine Months Ended		
	9/30/22	9/30/21	Change	9/30/22	9/30/21	Change
<b>Operating Revenue</b>						
Electric utility	\$ 1,594	\$ 1,419	\$ 175	\$ 4,160	\$ 3,713	\$ 447
Gas utility	292	225	67	1,811	1,361	450
NorthStar Clean Energy	138	81	57	347	222	125
Total operating revenue	2,024	1,725	299	6,318	5,296	1,022
<b>Operating Expenses</b>						
Fuel for electric generation	312	184	128	720	438	282
Purchased and interchange power	572	462	110	1,510	1,230	280
Purchased power – related parties	21	21	-	56	56	-
Cost of gas sold	118	57	61	802	432	370
Maintenance and other operating expenses	413	410	3	1,139	1,076	63
Depreciation and amortization	243	250	(7)	830	832	(2)
General taxes	87	81	6	308	290	18
Total operating expenses	1,766	1,465	301	5,365	4,354	1,011
<b>Operating Income (Loss)</b>						
Electric utility	258	268	(10)	676	694	(18)
Gas utility	(5)	(3)	(2)	280	258	22
NorthStar Clean Energy	7	(4)	11	3	(4)	7
Other	(2)	(1)	(1)	(6)	(6)	-
Total operating income	258	260	(2)	953	942	11
<b>Other Income (Expense)</b>						
Interest income	1	-	1	3	2	1
Allowance for equity funds used during construction	1	2	(1)	4	5	(1)
Income (loss) from equity method investees	1	4	(3)	1	8	(7)
Nonoperating retirement benefits, net	54	40	14	154	121	33
Other income	2	1	1	3	7	(4)
Other expense	(5)	(3)	(2)	(20)	(7)	(13)
Total other income	54	44	10	145	136	9
<b>Earnings Before Interest, Taxes, and Other Charges</b>	312	304	8	1,098	1,078	20
Interest on long-term debt	127	120	7	370	359	11
Interest expense - related parties	3	3	-	9	9	-
Other interest expense	-	3	(3)	2	8	(6)
Allowance for borrowed funds used during construction	-	(1)	1	(1)	(2)	1
Income tax expense	19	26	(7)	72	90	(18)
<b>Income From Continuing Operations</b>	163	153	10	646	614	32
Income from discontinued operations, net of tax	-	30	(30)	4	82	(78)
<b>Net Income</b>	163	183	(20)	650	696	(46)
Loss attributable to noncontrolling interests	(2)	(6)	4	(16)	(18)	2
<b>Net Income Attributable to CMS Energy</b>	165	189	(24)	666	714	(48)
Preferred stock dividends	2	3	(1)	7	3	4
<b>Net Income Available to Common Stockholders</b>	\$ 163	\$ 186	\$ (23)	\$ 659	\$ 711	\$ (52)
<i>Reconciling items:</i>						
Disposal of discontinued operations (gain) loss	-	3	(3)	(5)	8	(13)
Tax impact	-	(1)	1	1	(2)	3
Discontinued operations income	-	(42)	42	-	(115)	115
Tax impact	-	10	(10)	-	27	(27)
Other exclusions from adjusted earnings	*	(*)	(*)	(1)	(1)	-
Tax impact	(*)	*	*	*	*	-
Voluntary separation program	(*)	-	(*)	11	-	11
Tax impact	*	-	*	(3)	-	(3)
<b>Adjusted Net Income – Non-GAAP</b>	<u>\$ 163</u>	<u>\$ 156</u>	<u>\$ 7</u>	<u>\$ 662</u>	<u>\$ 628</u>	<u>\$ 34</u>
<b>Average Common Shares Outstanding</b>						
Diluted	290.1	289.6	0.5	290.0	289.4	0.6
<b>Diluted Earnings Per Average Common Share</b>	\$ 0.56	\$ 0.64	\$ (0.08)	\$ 2.27	\$ 2.46	\$ (0.19)
<i>Reconciling items:</i>						
Disposal of discontinued operations (gain) loss	-	0.01	(0.01)	(0.01)	0.03	(0.04)
Tax impact	-	(*)	*	*	(0.01)	0.01
Discontinued operations income	-	(0.14)	0.14	-	(0.39)	0.39
Tax impact	-	0.03	(0.03)	-	0.09	(0.09)
Other exclusions from adjusted earnings	*	(*)	(*)	(*)	(*)	-
Tax impact	(*)	*	*	*	*	-
Voluntary separation program	(*)	-	(*)	0.04	-	0.04
Tax impact	*	-	*	(0.01)	-	(0.01)
<b>Adjusted Diluted Earnings Per Average Common Share – Non-GAAP</b>	<u>\$ 0.56</u>	<u>\$ 0.54</u>	<u>\$ 0.02</u>	<u>\$ 2.29</u>	<u>\$ 2.18</u>	<u>\$ 0.11</u>

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

# CMS ENERGY CORPORATION

## Summarized Consolidated Balance Sheets

### (Unaudited)

	<i>In Millions</i>	
	<b>As of</b>	
	<b>9/30/22</b>	<b>12/31/21</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 168	\$ 452
Restricted cash and cash equivalents	27	24
Other current assets	2,831	2,151
Total current assets	3,026	2,627
Non-current assets		
Plant, property, and equipment	22,340	22,352
Other non-current assets	5,006	3,774
<b>Total Assets</b>	<b>\$ 30,372</b>	<b>\$ 28,753</b>
<b>Liabilities and Equity</b>		
Current liabilities <sup>(1)</sup>	\$ 1,488	\$ 1,822
Non-current liabilities <sup>(1)</sup>	7,625	7,269
Capitalization		
Debt, finance leases, and other financing (excluding securitization debt) <sup>(2)</sup>		
Debt, finance leases, and other financing (excluding non-recourse and securitization debt)	13,571	12,200
Non-recourse debt	-	76
Total debt, finance leases, and other financing (excluding securitization debt)	13,571	12,276
Preferred stock and securities	224	224
Noncontrolling interests	591	557
Common stockholders' equity	6,689	6,407
Total capitalization (excluding securitization debt)	21,075	19,464
Securitization debt <sup>(2)</sup>	184	198
<b>Total Liabilities and Equity</b>	<b>\$ 30,372</b>	<b>\$ 28,753</b>

<sup>(1)</sup> Excludes debt, finance leases, and other financing.

<sup>(2)</sup> Includes current and non-current portions.

# CMS ENERGY CORPORATION

## Summarized Consolidated Statements of Cash Flows

### (Unaudited)

	<i>In Millions</i>	
	<b>Nine Months Ended</b>	
	<b>9/30/22</b>	<b>9/30/21</b>
<b>Beginning of Period Cash and Cash Equivalents, Including Restricted Amounts</b>	\$ 476	\$ 185
Net cash provided by operating activities	667	1,483
Net cash used in investing activities	(1,808)	(1,460)
Cash flows from operating and investing activities	(1,141)	23
Net cash provided by financing activities	860	28
<b>Total Cash Flows</b>	<b>\$ (281)</b>	<b>\$ 51</b>
<b>End of Period Cash and Cash Equivalents, Including Restricted Amounts</b>	<b>\$ 195</b>	<b>\$ 236</b>

# CMS ENERGY CORPORATION

## Selected Financial Data

(Unaudited)

	<i>In Millions</i>		
	Twelve Months Ended		
	9/30/22	12/31/21	9/30/21
<b>EBIT – Non-GAAP <sup>(1)</sup></b>			
Consolidated	\$ 1,382	\$ 1,351	\$ 1,371
Consumers Energy	1,394	1,364	1,383
<b>Depreciation and Amortization</b>			
Consolidated	\$ 1,112	\$ 1,114	\$ 1,112
Consumers Energy	1,075	1,077	1,074
<b>EBITDA – Non-GAAP <sup>(1)</sup></b>			
Consolidated	\$ 2,494	\$ 2,465	\$ 2,483
Consumers Energy	2,469	2,441	2,457
<b>Dividends and Other Distributions From Subsidiaries</b>	\$ 1,616	\$ 1,593	\$ 759
<b>Interest Expense, Net</b>			
Consolidated	\$ 506	\$ 500	\$ 501
Energy parent	182	183	186
Consumers Energy	319	311	310
	<i>In Millions</i>		
	As of		
	9/30/22	12/31/21	9/30/21
<b>Book Value Per Share</b>	\$ 23.05	\$ 22.11	\$ 20.25
<b>Common Shares Outstanding – End of Period</b>	290.3	289.8	289.7
<b>Average Common Shares Outstanding</b>			
Basic	289.5	289.0	288.9
Diluted	290.0	289.5	289.4
<b>Debt <sup>(2)</sup></b>			
Energy parent	\$ 3,929	\$ 3,928	\$ 4,128
NorthStar Clean Energy	23	76	79
Consumers Energy (excluding securitization bonds)	9,619	8,272	8,242
Consolidated (excluding securitization bonds)	13,571	12,276	12,449
Securitization bonds	184	198	211
Consolidated	\$ 13,755	\$ 12,474	\$ 12,660
<b>Unrestricted Cash and Cash Equivalents</b>			
Energy Parent	\$ 43	\$ 390	\$ 46
Consumers Energy	83	22	29
CMS Treasury Services	4	19	7
Other	38	21	20
Consolidated	\$ 168	\$ 452	\$ 102
<b>Consumers Energy</b>			
<b>Regulated Common Equity Ratio (13-Month Average)</b>			
Electric	43.7%	42.6%	42.4%
Gas	43.7%	42.6%	42.4%
<b>Regulated Rate Base (13-Month Average, in Millions)</b>			
Electric <sup>(3)</sup>	\$ 13,603	\$ 13,354	\$ 13,281
Gas	8,365	7,654	7,424
<b>Regulated Return on Average Common Equity (12-Month Ended)</b>			
Electric <sup>(3)</sup>	9.8%	10.1%	10.4%
Gas	9.3%	9.4%	9.9%

<sup>(1)</sup> 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.

<sup>(2)</sup> Includes current maturities, leases and notes payable.

<sup>(3)</sup> 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>		
	<b>Twelve Months Ended</b>		
	<b>9/30/22</b>	<b>12/31/21</b>	<b>9/30/21</b>
<b>Net Income Available to Common Stockholders</b>	\$ 1,296	\$ 1,348	\$ 869
<i>Reconciling items:</i>			
Income tax expense	223	265	150
Interest on long-term debt	492	481	481
Interest expense - related parties	12	12	12
Other interest expense	4	10	10
Allowance for borrowed funds used during construction	(2)	(3)	(2)
Loss attributable to noncontrolling interests	(21)	(23)	(14)
Preferred stock dividends	9	5	3
Disposal of discontinued operations (gain) loss	(670)	(657)	8
Discontinued operations income	-	(115)	(147)
Other exclusions from adjusted earnings	(1)	(1)	1
Loss on fleet impairment	29	29	-
Voluntary separation program	11	-	-
<b>EBIT – Non-GAAP</b>	1,382	1,351	1,371
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,112	1,114	1,112
<b>EBITDA – Non-GAAP</b>	<u>\$ 2,494</u>	<u>\$ 2,465</u>	<u>\$ 2,483</u>

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

	<i>In Millions</i>		
	<b>Twelve Months Ended</b>		
	<b>9/30/22</b>	<b>12/31/21</b>	<b>9/30/21</b>
<b>Net Income Available to Common Stockholder</b>	\$ 899	\$ 866	\$ 901
<i>Reconciling items:</i>			
Income tax expense	134	156	168
Interest on long-term debt	305	294	292
Interest expense - related parties	12	12	12
Other interest expense	4	8	8
Allowance for borrowed funds used during construction	(2)	(3)	(2)
Preferred stock dividends	2	2	2
Other exclusions from adjusted earnings	-	-	2
Loss on fleet impairment	29	29	-
Voluntary separation program	11	-	-
<b>EBIT – Non-GAAP</b>	1,394	1,364	1,383
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,075	1,077	1,074
<b>EBITDA – Non-GAAP</b>	<u>\$ 2,469</u>	<u>\$ 2,441</u>	<u>\$ 2,457</u>

# CMS ENERGY CORPORATION

## Non-GAAP Adjusted Earnings Per Share Variance Analysis (Unaudited)

Three Months Ended September 30			
	9/30/22	9/30/21	Variance
<b>Adjusted EPS – Non-GAAP</b>			
Electric utility	\$ 0.67	\$ 0.67	\$ -
Gas utility	(0.05)	(0.03)	(0.02)
NorthStar Clean Energy	0.04	0.03	0.01
Energy parent	(0.10)	(0.13)	0.03
<b>Consolidated</b>	<u>\$ 0.56</u>	<u>\$ 0.54</u>	<u>\$ 0.02</u>
<b>Variance Explanations:</b>			
<b>ELECTRIC UTILITY</b>			
- Deliveries of 10,194 GWh, up 133 GWh (weather-driven impact, down 164 GWh)			\$ (0.06)
- Electric rate relief			0.02
- Customer initiatives & normalized storms			0.02
- Other			0.02
- Change in shares outstanding			*
			<u>\$ -</u>
<b>GAS UTILITY</b>			
- Deliveries, including transportation to end-use customers, of 30.8 bcf, up 4.7 bcf (weather-driven impact, up 1.4 bcf)			\$ 0.01
- Lower operating & maintenance expenses			0.02
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.03)
- Other			(0.02)
- Change in shares outstanding			*
			<u>\$ (0.02)</u>
<b>NORTHSTAR CLEAN ENERGY AND ENERGY PARENT</b>			
- NorthStar Clean Energy			\$ 0.01
- Energy parent			0.03
- Change in shares outstanding			*
			<u>\$ 0.04</u>
<b>WEATHER IMPACTS</b>			
	9/30/22	9/30/21	
<b>Weather</b>			
- Warmer (colder) than normal using 15-year average temperatures	1.0 %	6.2 %	
<b>Electric Utility</b>			
- Increase (decrease) from normal in:			
Electric sales (GWh)	247	411	
EPS	\$ 0.06	\$ 0.10	
<b>Gas Utility</b>			
- Increase (decrease) from normal in:			
Gas sales (bcf)	-	(1.4)	
EPS	\$ -	\$ (0.01)	
<b>Total EPS Weather Impacts</b>	<u>\$ 0.06</u>	<u>\$ 0.09</u>	

\* Less than \$0.01 per share.

# CMS ENERGY CORPORATION

## Non-GAAP Adjusted Earnings Per Share Variance Analysis (Unaudited)

Nine Months Ended September 30			
	9/30/22	9/30/21	Variance
<b>Adjusted EPS – Non-GAAP</b>			
Electric utility	\$ 1.75	\$ 1.74	\$ 0.01
Gas utility	0.83	0.72	0.11
NorthStar Clean Energy	0.09	0.09	-
Energy parent	(0.38)	(0.37)	(0.01)
<b>Consolidated</b>	<u>\$ 2.29</u>	<u>\$ 2.18</u>	<u>\$ 0.11</u>
<b>Variance Explanations:</b>			
<b>ELECTRIC UTILITY</b>			
- Deliveries of 28,504 GWh, up 1,004 GWh (weather-driven impact, down 98 GWh)		\$ (0.03)	
- Electric rate relief		0.05	
- Customer initiatives & normalized storms		(0.03)	
- Higher investment costs (depreciation, property taxes & fixed costs)		(0.01)	
- Other, including asset sale gains		0.03	
- Change in shares outstanding		*	
		<u>\$ 0.01</u>	
<b>GAS UTILITY</b>			
- Deliveries, including transportation to end-use customers, of 222.4 bcf, up 27.1 bcf (weather-driven impact, up 16.7 bcf)		\$ 0.21	
- Lower ETR primarily related to gas rate case stay out		0.05	
- Higher investment costs (depreciation, property taxes & fixed costs)		(0.09)	
- Other, including Ray investment costs		(0.06)	
- Change in shares outstanding		*	
		<u>\$ 0.11</u>	
<b>NORTHSTAR CLEAN ENERGY AND ENERGY PARENT</b>			
- NorthStar Clean Energy		\$ -	
- Energy parent		(0.01)	
- Change in shares outstanding		*	
		<u>\$ (0.01)</u>	
<b>WEATHER IMPACTS</b>			
	9/30/22	9/30/21	
<b>Weather</b>			
- Warmer (colder) than normal using 15-year average temperatures	(0.5) %	2.1 %	
<b>Electric Utility</b>			
- Increase (decrease) from normal in:			
Electric sales (GWh)	532	630	
EPS	\$ 0.14	\$ 0.16	
<b>Gas Utility</b>			
- Increase (decrease) from normal in:			
Gas sales (bcf)	6.1	(10.6)	
EPS	\$ 0.06	\$ (0.09)	
<b>Total EPS Weather Impacts</b>	<u>\$ 0.20</u>	<u>\$ 0.07</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		Nine Months Ended	
	9/30/22	9/30/21	9/30/22	9/30/21
<b>Electric Utility</b>				
Reported net income per share	\$ 0.67	\$ 0.67	\$ 1.73	\$ 1.74
<i>Reconciling items:</i>				
Voluntary separation program	(*)	-	0.03	-
Tax impact	*	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.67</u>	<u>\$ 0.67</u>	<u>\$ 1.75</u>	<u>\$ 1.74</u>
<b>Gas Utility</b>				
Reported net income (loss) per share	\$ (0.05)	\$ (0.03)	\$ 0.82	\$ 0.72
<i>Reconciling items:</i>				
Voluntary separation program	(*)	-	0.01	-
Tax impact	*	-	(*)	-
Adjusted net income per share – non-GAAP	<u>\$ (0.05)</u>	<u>\$ (0.03)</u>	<u>\$ 0.83</u>	<u>\$ 0.72</u>
<b>NorthStar Clean Energy</b>				
Reported net income per share	\$ 0.04	\$ 0.03	\$ 0.09	\$ 0.09
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	(*)	(*)	(*)
Tax impact	-	*	*	*
Voluntary separation program	-	-	*	-
Tax impact	-	-	(*)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.04</u>	<u>\$ 0.03</u>	<u>\$ 0.09</u>	<u>\$ 0.09</u>
<b>Corporate Interest and Other</b>				
Reported net loss per share	\$ (0.10)	\$ (0.13)	\$ (0.38)	\$ (0.37)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	-	*	(*)
Tax impact	(*)	-	(*)	*
Adjusted net loss per share – non-GAAP	<u>\$ (0.10)</u>	<u>\$ (0.13)</u>	<u>\$ (0.38)</u>	<u>\$ (0.37)</u>
<b>Discontinued Operations</b>				
Reported net income per share	\$ -	\$ 0.10	\$ 0.01	\$ 0.28
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	-	0.01	(0.01)	0.03
Tax impact	-	(*)	*	(0.01)
Discontinued operations income	-	(0.14)	-	(0.39)
Tax impact	-	0.03	-	0.09
Adjusted net income per share – non-GAAP	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Consolidated</b>				
Reported net income per share	\$ 0.56	\$ 0.64	\$ 2.27	\$ 2.46
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	-	0.01	(0.01)	0.03
Tax impact	-	(*)	*	(0.01)
Discontinued operations income	-	(0.14)	-	(0.39)
Tax impact	-	0.03	-	0.09
Other exclusions from adjusted earnings	*	(*)	(*)	(*)
Tax impact	(*)	*	*	*
Voluntary separation program	(*)	-	0.04	-
Tax impact	*	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.56</u>	<u>\$ 0.54</u>	<u>\$ 2.29</u>	<u>\$ 2.18</u>
<b>Average Common Shares Outstanding – Diluted</b>	<u>290.1</u>	<u>289.6</u>	<u>290.0</u>	<u>289.4</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>			
	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>9/30/22</b>	<b>9/30/21</b>	<b>9/30/22</b>	<b>9/30/21</b>
<b>Net Income Available to Common Stockholders</b>	\$ 163	\$ 186	\$ 659	\$ 711
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	-	3	(5)	8
Tax impact	-	(1)	1	(2)
Discontinued operations income	-	(42)	-	(115)
Tax impact	-	10	-	27
Other exclusions from adjusted earnings**	*	(*)	(1)	(1)
Tax impact	(*)	*	*	*
Voluntary separation program	(*)	-	11	-
Tax impact	*	-	(3)	-
Adjusted net income – non-GAAP	<u>\$ 163</u>	<u>\$ 156</u>	<u>\$ 662</u>	<u>\$ 628</u>
<b>Average Common Shares Outstanding</b>				
Diluted	290.1	289.6	290.0	289.4
<b>Diluted Earnings Per Average Common Share</b>				
Reported net income per share	\$ 0.56	\$ 0.64	\$ 2.27	\$ 2.46
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	-	0.01	(0.01)	0.03
Tax impact	-	(*)	*	(0.01)
Discontinued operations income	-	(0.14)	-	(0.39)
Tax impact	-	0.03	-	0.09
Other exclusions from adjusted earnings**	*	(*)	(*)	(*)
Tax impact	(*)	*	*	*
Voluntary separation program	(*)	-	0.04	-
Tax impact	*	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.56</u>	<u>\$ 0.54</u>	<u>\$ 2.29</u>	<u>\$ 2.18</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 NorthStar Clean Energy's 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 NorthStar Clean Energy's 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>				
<b>2022</b>				
	<b>1Q</b>	<b>2Q</b>	<b>3Q</b>	
<b>Net Income Available to Common Stockholders</b>	\$ 351	\$ 145	\$ 163	
<i>Reconciling items:</i>				
Electric utility and gas utility	-	11	(*)	
Tax impact	-	(3)	*	
NorthStar Clean Energy	(1)	(*)	-	
Tax impact	*	*	-	
Corporate interest and other	-	*	*	
Tax impact	-	(*)	(*)	
Disposal of discontinued operations (gain) loss	(5)	*	-	
Tax impact	1	(*)	-	
<b>Adjusted Net Income – Non-GAAP</b>	<b>\$ 346</b>	<b>\$ 153</b>	<b>\$ 163</b>	
<b>Average Common Shares Outstanding – Diluted</b>	289.9	290.1	290.1	
<b>Diluted Earnings Per Average Common Share</b>	\$ 1.21	\$ 0.50	\$ 0.56	
<i>Reconciling items:</i>				
Electric utility and gas utility	-	0.04	(*)	
Tax impact	-	(0.01)	*	
NorthStar Clean Energy	(*)	(*)	-	
Tax impact	*	*	-	
Corporate interest and other	-	*	*	
Tax impact	-	(*)	(*)	
Disposal of discontinued operations (gain) loss	(0.01)	*	-	
Tax impact	*	(*)	-	
<b>Adjusted Diluted Earnings Per Average Common Share – Non-GAAP</b>	<b>\$ 1.20</b>	<b>\$ 0.53</b>	<b>\$ 0.56</b>	

  

<i>In Millions, Except Per Share Amounts</i>				
<b>2021</b>				
	<b>1Q</b>	<b>2Q</b>	<b>3Q</b>	<b>4Q</b>
<b>Net Income Available to Common Stockholders</b>	\$ 349	\$ 176	\$ 186	\$ 637
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	29
Tax impact	-	-	-	(7)
NorthStar Clean Energy	(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	-
<b>Adjusted Net Income – Non-GAAP</b>	<b>\$ 314</b>	<b>\$ 158</b>	<b>\$ 156</b>	<b>\$ 139</b>
<b>Average Common Shares Outstanding – Diluted</b>	289.1	289.4	289.6	289.7
<b>Diluted Earnings Per Average Common Share</b>	\$ 1.21	\$ 0.61	\$ 0.64	\$ 2.20
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	0.10
Tax impact	-	-	-	(0.03)
NorthStar Clean Energy	(*)	*	(*)	*
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	-
<b>Adjusted Diluted Earnings Per Average Common Share – Non-GAAP</b>	<b>\$ 1.09</b>	<b>\$ 0.55</b>	<b>\$ 0.54</b>	<b>\$ 0.47</b>

\* 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			Nine Months Ended		
	9/30/22	9/30/21	Change	9/30/22	9/30/21	Change
<b>Operating Revenue</b>						
Electric utility	\$ 1,594	\$ 1,419	\$ 175	\$ 4,160	\$ 3,713	\$ 447
Gas utility	292	225	67	1,811	1,361	450
Total operating revenue	1,886	1,644	242	5,971	5,074	897
<b>Operating Expenses</b>						
Fuel for electric generation	233	147	86	530	340	190
Purchased and interchange power	556	450	106	1,461	1,200	261
Purchased power – related parties	21	21	-	56	56	-
Cost of gas sold	114	53	61	792	425	367
Maintenance and other operating expenses	393	390	3	1,076	1,021	55
Depreciation and amortization	233	241	(8)	802	804	(2)
General taxes	84	77	7	299	277	22
Total operating expenses	1,634	1,379	255	5,016	4,123	893
<b>Operating Income (Loss)</b>						
Electric utility	258	268	(10)	676	694	(18)
Gas utility	(6)	(3)	(3)	280	258	22
Other	-	-	-	(1)	(1)	-
Total operating income	252	265	(13)	955	951	4
<b>Other Income (Expense)</b>						
Interest income	1	1	-	2	2	-
Interest and dividend income – related parties	1	1	-	4	4	-
Allowance for equity funds used during construction	1	2	(1)	4	5	(1)
Nonoperating retirement benefits, net	52	37	15	146	113	33
Other income	1	1	-	2	7	(5)
Other expense	(5)	(3)	(2)	(19)	(7)	(12)
Total other income	51	39	12	139	124	15
<b>Interest Charges</b>						
Interest on long-term debt	81	74	7	231	220	11
Interest expense – related parties	3	3	-	9	9	-
Other interest expense	1	2	(1)	2	6	(4)
Allowance for borrowed funds used during construction	-	(1)	1	(1)	(2)	1
Total interest charges	85	78	7	241	233	8
<b>Income Before Income Taxes</b>	218	226	(8)	853	842	11
<b>Income Tax Expense</b>	29	40	(11)	108	130	(22)
<b>Net Income</b>	189	186	3	745	712	33
<b>Preferred Stock Dividends</b>	-	-	-	1	1	-
<b>Net Income (Loss) Available to Common Stockholder</b>						
Electric utility	194	195	(1)	501	504	(3)
Gas utility	(13)	(9)	(4)	239	208	31
Other	8	-	8	4	(1)	5
Total net income available to common stockholder	\$ 189	\$ 186	\$ 3	\$ 744	\$ 711	\$ 33

# CONSUMERS ENERGY COMPANY

## Electric Utility Statistics

### (Unaudited)

	<i>In Millions of kWh, Except as Noted</i>					
	Three Months Ended			Nine Months Ended		
	9/30/22	9/30/21	% Change	9/30/22	9/30/21	% Change
<b>Electric Deliveries</b>						
Residential	3,610	3,821	(5.5)	9,980	10,160	(1.8)
Commercial	3,276	3,273	0.1	8,968	8,794	2.0
Industrial	2,173	1,830	18.7	6,342	5,418	17.1
Other	32	34	(5.9)	98	104	(5.8)
Wholesale	96	92	4.3	246	272	(9.6)
Retail open access	1,007	1,011	(0.4)	2,870	2,752	4.3
Total customer deliveries	10,194	10,061	1.3	28,504	27,500	3.7
Intersystem	538	1,062	(49.3)	3,147	3,065	2.7
Total electric deliveries	10,732	11,123	(3.5)	31,651	30,565	3.6
<b>Weather-Normalized Electric Deliveries <sup>(1) (2)</sup></b>						
Residential	3,461	3,530	(2.0)	9,605	9,711	(1.1)
Commercial	3,179	3,169	0.3	8,822	8,642	2.1
Industrial	2,171	1,820	19.3	6,336	5,401	17.3
Other	32	34	(5.9)	98	104	(5.8)
Wholesale	96	92	4.3	246	272	(9.6)
Retail open access	1,008	1,005	0.3	2,865	2,740	4.6
Total weather-normalized electric deliveries	9,947	9,650	3.1	27,972	26,870	4.1
<b>Weather-Normalized Electric Deliveries <sup>(1) (2)</sup></b>						
<b>(By Class, Including Retail Open Access)</b>						
Residential	3,461	3,530	(2.0)	9,605	9,711	(1.1)
Commercial	3,434	3,437	(0.1)	9,521	9,345	1.9
Industrial	2,924	2,557	14.4	8,502	7,438	14.3
Other	32	34	(5.9)	98	104	(5.8)
Wholesale	96	92	4.3	246	272	(9.6)
Total weather-normalized electric deliveries	9,947	9,650	3.1	27,972	26,870	4.1

<sup>(1)</sup> Excludes intersystem deliveries.

<sup>(2)</sup> 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			Nine Months Ended		
	9/30/22	9/30/21	% Change	9/30/22	9/30/21	% Change
<b>Electric Utility Revenue</b>						
Residential	\$ 767	\$ 718	6.8	\$ 1,955	\$ 1,847	5.8
Commercial	515	456	12.9	1,319	1,191	10.7
Industrial	226	167	35.3	601	458	31.2
Other	10	10	-	26	26	-
Total sales revenue	1,518	1,351	12.4	3,901	3,522	10.8
Wholesale	8	6	33.3	18	17	5.9
Retail open access	8	8	-	25	23	8.7
Intersystem	47	41	14.6	179	114	57.0
Miscellaneous	13	13	-	37	37	-
Total electric utility revenue	\$ 1,594	\$ 1,419	12.3	\$ 4,160	\$ 3,713	12.0

# CONSUMERS ENERGY COMPANY

## Gas Utility Statistics

### (Unaudited)

				<i>In Thousands of mcf, Except as Noted</i>		
	Three Months Ended			Nine Months Ended		
	9/30/22	9/30/21	% Change	9/30/22	9/30/21	% Change
<b>Gas Deliveries</b>						
Residential	9,449	8,599	9.9	111,554	98,606	13.1
Commercial	3,410	3,159	7.9	41,283	35,738	15.5
Industrial	826	633	30.5	6,194	5,576	11.1
Other	104	45	131.1	264	165	60.0
Transportation	16,957	13,644	24.3	63,074	55,239	14.2
Total customer deliveries	30,746	26,080	17.9	222,369	195,324	13.8
Off-system transportation						
MCV	10,195	10,868	(6.2)	40,214	34,482	16.6
Other	5,949	5,759	3.3	14,989	12,728	17.8
Total gas deliveries	46,890	42,707	9.8	277,572	242,534	14.4
<b>Weather-Normalized Gas Deliveries <sup>(1) (2)</sup></b>						
Residential	9,412	9,535	(1.3)	106,998	104,667	2.2
Commercial	3,378	3,359	0.6	39,371	37,941	3.8
Industrial	816	655	24.6	5,970	5,806	2.8
Other	103	46	123.9	257	171	50.3
Transportation	17,061	13,894	22.8	63,663	57,350	11.0
Total weather-normalized gas deliveries	30,770	27,489	11.9	216,259	205,935	5.0
<b>Weather-Normalized Gas Deliveries <sup>(1) (2)</sup></b>						
<b>(By Class, Including Transportation)</b>						
Residential	9,465	9,598	(1.4)	107,801	105,490	2.2
Commercial	6,933	7,127	(2.7)	58,617	57,251	2.4
Industrial	13,936	10,596	31.5	49,251	42,870	14.9
Other	436	168	159.5	590	324	82.1
Total weather-normalized gas deliveries	30,770	27,489	11.9	216,259	205,935	5.0

<sup>(1)</sup> Excludes off-system transportation deliveries.

<sup>(2)</sup> 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			Nine Months Ended		
	9/30/22	9/30/21	% Change	9/30/22	9/30/21	% Change
<b>Gas Utility Revenue</b>						
Residential	\$ 187	\$ 143	30.8	\$ 1,238	\$ 917	35.0
Commercial	51	36	41.7	369	258	43.0
Industrial	10	5	100.0	53	36	47.2
Other	1	-	100.0	2	1	100.0
Total sales revenue	249	184	35.3	1,662	1,212	37.1
Transportation	20	18	11.1	77	71	8.5
Miscellaneous	23	23	-	72	78	(7.7)
Total gas utility revenue	\$ 292	\$ 225	29.8	\$ 1,811	\$ 1,361	33.1