

To: Investment Community

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

Date: February 2nd, 2023

Subject: CMS Energy Year-End 2022 Results and Outlook

CMS Energy will hold a webcast to discuss its Year-End 2022 Results and Outlook on Thursday, February 2nd 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 Year-End 2022 Earnings Call" or [click here](#).

CMS Energy Announces Strong 2022 Results for the 20th Consecutive Year and Raises 2023 Adjusted EPS Guidance

JACKSON, Mich., Feb. 2, 2023 – CMS Energy announced today reported earnings per share of \$2.85 for 2022, compared to \$4.66 per share for 2021. The company's adjusted earnings per share for 2022 were \$2.89, compared to \$2.65 for 2021. CMS Energy also announced the increase of its annual dividend by 11 cents per share to \$1.95 for 2023.

CMS Energy raised its 2023 adjusted earnings guidance to \$3.06 to \$3.12 per share, from \$3.05 to \$3.11 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.

"CMS Energy has delivered two decades of industry leading financial performance and our strong results in 2022 have positioned the company well for 2023," said Garrick Rochow, President and CEO of CMS Energy and Consumers Energy. "Our commitment remains steadfast to our customers, communities and investors as we deliver across the triple bottom line."

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 year-end results and provide a business and financial outlook on Thursday, February 2 at 9:30 a.m. (EST). 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, business optimization initiative, 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, 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			Twelve Months Ended		
	12/31/22	12/31/21	Change	12/31/22	12/31/21	Change
Operating Revenue						
Electric utility	\$ 1,259	\$ 1,245	\$ 14	\$ 5,419	\$ 4,958	\$ 461
Gas utility	921	702	219	2,732	2,063	669
NorthStar Clean Energy	98	86	12	445	308	137
Total operating revenue	<u>2,278</u>	<u>2,033</u>	<u>245</u>	<u>8,596</u>	<u>7,329</u>	<u>1,267</u>
Operating Expenses						
Fuel for electric generation	185	155	30	905	593	312
Purchased and interchange power	418	435	(17)	1,928	1,665	263
Purchased power – related parties	20	21	(1)	76	77	(1)
Cost of gas sold	454	303	151	1,256	735	521
Maintenance and other operating expenses	530	534	(4)	1,669	1,610	59
Depreciation and amortization	296	282	14	1,126	1,114	12
General taxes	104	99	5	412	389	23
Total operating expenses	<u>2,007</u>	<u>1,829</u>	<u>178</u>	<u>7,372</u>	<u>6,183</u>	<u>1,189</u>
Operating Income (Loss)						
Electric utility	113	107	6	789	801	(12)
Gas utility	166	117	49	446	375	71
NorthStar Clean Energy	(1)	(17)	16	2	(21)	23
Other	(7)	(3)	(4)	(13)	(9)	(4)
Total operating income	<u>271</u>	<u>204</u>	<u>67</u>	<u>1,224</u>	<u>1,146</u>	<u>78</u>
Other Income (Expense)						
Nonoperating retirement benefits, net	51	44	7	205	165	40
Other income	8	8	-	19	30	(11)
Other expense	(7)	(11)	4	(27)	(18)	(9)
Total other income	<u>52</u>	<u>41</u>	<u>11</u>	<u>197</u>	<u>177</u>	<u>20</u>
Earnings Before Interest, Taxes, and Other Charges	<u>323</u>	<u>245</u>	<u>78</u>	<u>1,421</u>	<u>1,323</u>	<u>98</u>
Interest on long-term debt	139	122	17	509	481	28
Interest expense - related parties	3	3	-	12	12	-
Other interest expense	(2)	2	(4)	-	10	(10)
Allowance for borrowed funds used during construction	(1)	(1)	-	(2)	(3)	1
Income tax expense	<u>21</u>	<u>5</u>	<u>16</u>	<u>93</u>	<u>95</u>	<u>(2)</u>
Income From Continuing Operations	<u>163</u>	<u>114</u>	<u>49</u>	<u>809</u>	<u>728</u>	<u>81</u>
Income from discontinued operations, net of tax	<u>-</u>	<u>520</u>	<u>(520)</u>	<u>4</u>	<u>602</u>	<u>(598)</u>
Net Income	<u>163</u>	<u>634</u>	<u>(471)</u>	<u>813</u>	<u>1,330</u>	<u>(517)</u>
Loss attributable to noncontrolling interests	<u>(8)</u>	<u>(5)</u>	<u>(3)</u>	<u>(24)</u>	<u>(23)</u>	<u>(1)</u>
Net Income Attributable to CMS Energy	<u>171</u>	<u>639</u>	<u>(468)</u>	<u>837</u>	<u>1,353</u>	<u>(516)</u>
Preferred stock dividends	<u>3</u>	<u>2</u>	<u>1</u>	<u>10</u>	<u>5</u>	<u>5</u>
Net Income Available to Common Stockholders	<u>\$ 168</u>	<u>\$ 637</u>	<u>\$ (469)</u>	<u>\$ 827</u>	<u>\$ 1,348</u>	<u>\$ (521)</u>
<i>Reconciling items:</i>						
Disposal of discontinued operations gain	-	(665)	665	(5)	(657)	652
Tax impact	-	145	(145)	1	143	(142)
Discontinued operations income	-	-	-	-	(115)	115
Tax impact	-	-	-	-	27	(27)
Other exclusions from adjusted earnings	9	*	9	8	(1)	9
Tax impact	(2)	(*)	(2)	(2)	*	(2)
Loss on fleet impairment	-	29	(29)	-	29	(29)
Tax impact	-	(7)	7	-	(7)	7
Voluntary separation program	1	-	1	12	-	12
Tax impact	(*)	-	(*)	(3)	-	(3)
Adjusted Net Income – Non-GAAP	<u>\$ 176</u>	<u>\$ 139</u>	<u>\$ 37</u>	<u>\$ 838</u>	<u>\$ 767</u>	<u>\$ 71</u>
Average Common Shares Outstanding - Diluted	<u>290.1</u>	<u>289.7</u>	<u>0.4</u>	<u>290.0</u>	<u>289.5</u>	<u>0.5</u>
Diluted Earnings Per Average Common Share	<u>\$ 0.58</u>	<u>\$ 2.20</u>	<u>\$ (1.62)</u>	<u>\$ 2.85</u>	<u>\$ 4.66</u>	<u>\$ (1.81)</u>
<i>Reconciling items:</i>						
Disposal of discontinued operations gain	-	(2.30)	2.30	(0.01)	(2.27)	2.26
Tax impact	-	0.50	(0.50)	*	0.49	(0.49)
Discontinued operations income	-	-	-	-	(0.39)	0.39
Tax impact	-	-	-	-	0.09	(0.09)
Other exclusions from adjusted earnings	0.03	*	0.03	0.03	(*)	0.03
Tax impact	(0.01)	(*)	(0.01)	(0.01)	*	(0.01)
Loss on fleet impairment	-	0.10	(0.10)	-	0.10	(0.10)
Tax impact	-	(0.03)	0.03	-	(0.03)	0.03
Voluntary separation program	*	-	*	0.04	-	0.04
Tax impact	(*)	-	(*)	(0.01)	-	(0.01)
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	<u>\$ 0.60</u>	<u>\$ 0.47</u>	<u>\$ 0.13</u>	<u>\$ 2.89</u>	<u>\$ 2.65</u>	<u>\$ 0.24</u>

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

CMS ENERGY CORPORATION

Summarized Consolidated Balance Sheets

(Unaudited)

	<i>In Millions</i>	
	As of	
	12/31/22	12/31/21
Assets		
Current assets		
Cash and cash equivalents	\$ 164	\$ 452
Restricted cash and cash equivalents	18	24
Other current assets	3,251	2,151
Total current assets	3,433	2,627
Non-current assets		
Plant, property, and equipment	22,713	22,352
Other non-current assets	5,207	3,774
Total Assets	\$ 31,353	\$ 28,753
Liabilities and Equity		
Current liabilities ⁽¹⁾	\$ 1,866	\$ 1,822
Non-current liabilities ⁽¹⁾	7,583	7,269
Capitalization		
Debt and finance leases (excluding securitization debt) ⁽²⁾		
Debt and finance leases (excluding non-recourse and securitization debt)	14,139	12,200
Non-recourse debt	-	76
Total debt and finance leases (excluding securitization debt)	14,139	12,276
Preferred stock and securities	224	224
Noncontrolling interests	580	557
Common stockholders' equity	6,791	6,407
Total capitalization (excluding securitization debt)	21,734	19,464
Securitization debt ⁽²⁾	170	198
Total Liabilities and Equity	\$ 31,353	\$ 28,753

⁽¹⁾ Excludes debt and finance leases.

⁽²⁾ Includes current and non-current portions.

CMS ENERGY CORPORATION

Summarized Consolidated Statements of Cash Flows

(Unaudited)

	<i>In Millions</i>	
	Twelve Months Ended	
	12/31/22	12/31/21
Beginning of Period Cash and Cash Equivalents, Including Restricted Amounts	\$ 476	\$ 185
Net cash provided by operating activities	855	1,819
Net cash used in investing activities	(2,476)	(1,233)
Cash flows from operating and investing activities	(1,621)	586
Net cash provided by (used in) financing activities	1,327	(295)
Total Cash Flows	\$ (294)	\$ 291
End of Period Cash and Cash Equivalents, Including Restricted Amounts	\$ 182	\$ 476

CMS ENERGY CORPORATION

Selected Financial Data

(Unaudited)

	<i>In Millions</i>		
	Twelve Months Ended		
	12/31/22	12/31/21	12/31/20
EBIT – Non-GAAP ⁽¹⁾			
Consolidated	\$ 1,441	\$ 1,351	\$ 1,329
Consumers Energy	1,441	1,364	1,334
Depreciation and Amortization			
Consolidated	\$ 1,126	\$ 1,114	\$ 1,043
Consumers Energy	1,088	1,077	1,023
EBITDA – Non-GAAP ⁽¹⁾			
Consolidated	\$ 2,567	\$ 2,465	\$ 2,372
Consumers Energy	2,529	2,441	2,357
Dividends and Other Distributions From Subsidiaries	\$ 769	\$ 1,593	\$ 659
Interest Expense, Net			
Consolidated	\$ 519	\$ 500	\$ 505
Energy parent	181	183	178
Consumers Energy	335	311	320
	<i>In Millions</i>		
	As of		
	12/31/22	12/31/21	12/31/20
Book Value Per Share	\$ 23.31	\$ 22.11	\$ 19.02
Common Shares Outstanding – End of Period	291.3	289.8	288.9
Average Common Shares Outstanding			
Basic	289.5	289.0	285.0
Diluted	290.0	289.5	286.3
Debt ⁽²⁾			
Energy parent	\$ 3,930	\$ 3,928	\$ 4,126
NorthStar Clean Energy	122	76	83
Consumers Energy (excluding securitization bonds)	10,087	8,272	7,957
Consolidated (excluding securitization bonds)	14,139	12,276	12,166
Securitization bonds	170	198	225
Consolidated	\$ 14,309	\$ 12,474	\$ 12,391
Unrestricted Cash and Cash Equivalents			
Energy parent	\$ 36	\$ 390	\$ -
Consumers Energy	43	22	20
CMS Treasury Services	39	19	3
Other	46	21	9
Consolidated	\$ 164	\$ 452	\$ 32
Consumers Energy			
Regulated Common Equity Ratio (13-Month Average)			
Electric	43.5%	42.6%	41.7%
Gas	43.5%	42.6%	41.7%
Regulated Rate Base (13-Month Average, in Millions)			
Electric ⁽³⁾	\$ 13,796	\$ 13,354	\$ 12,992
Gas	8,668	7,654	6,790
Regulated Return on Average Common Equity (12-Month Ended)			
Electric ⁽³⁾	9.3%	10.1%	10.1%
Gas	10.0%	9.4%	9.5%

⁽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 Renewable Portfolio Standard (RPS) renewables rate base of ~\$1.2 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		
	12/31/22	12/31/21	12/31/20
Net Income Available to Common Stockholders	\$ 827	\$ 1,348	\$ 755
<i>Reconciling items:</i>			
Income tax expense	94	265	133
Interest on long-term debt	509	481	483
Interest expense - related parties	12	12	12
Other interest expense	-	10	12
Allowance for borrowed funds used during construction	(2)	(3)	(2)
Loss attributable to noncontrolling interests	(24)	(23)	(3)
Preferred stock dividends	10	5	-
Disposal of discontinued operations gain	(5)	(657)	-
Discontinued operations income	-	(115)	(76)
Other exclusions from adjusted earnings	8	(1)	13
Loss on fleet impairment	-	29	-
Tax reform	-	-	(9)
Voluntary separation program	12	-	11
EBIT – Non-GAAP	1,441	1,351	1,329
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,126	1,114	1,043
EBITDA – Non-GAAP	<u>\$ 2,567</u>	<u>\$ 2,465</u>	<u>\$ 2,372</u>

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

	<i>In Millions</i>		
	Twelve Months Ended		
	12/31/22	12/31/21	12/31/20
Net Income Available to Common Stockholder	\$ 943	\$ 866	\$ 814
<i>Reconciling items:</i>			
Income tax expense	140	156	173
Interest on long-term debt	325	294	299
Interest expense - related parties	12	12	12
Other interest expense	-	8	11
Allowance for borrowed funds used during construction	(2)	(3)	(2)
Preferred stock dividends	2	2	2
Other exclusions from adjusted earnings	9	-	14
Loss on fleet impairment	-	29	-
Voluntary separation program	12	-	11
EBIT – Non-GAAP	1,441	1,364	1,334
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,088	1,077	1,023
EBITDA – Non-GAAP	<u>\$ 2,529</u>	<u>\$ 2,441</u>	<u>\$ 2,357</u>

CMS ENERGY CORPORATION

Non-GAAP Adjusted Earnings Per Share Variance Analysis

(Unaudited)

Three Months Ended December 31			
	12/31/22	12/31/21	Variance
Adjusted EPS – Non-GAAP			
Electric utility	\$ 0.24	\$ 0.26	\$ (0.02)
Gas utility	0.49	0.35	0.14
NorthStar Clean Energy	0.03	(0.01)	0.04
Energy parent	(0.16)	(0.13)	(0.03)
Consolidated	<u>\$ 0.60</u>	<u>\$ 0.47</u>	<u>\$ 0.13</u>
Variance Explanations:			
ELECTRIC UTILITY			
- Deliveries of 8,829 GWh, up 85 GWh (weather-driven impact, down 71 GWh)			\$ (0.02)
- Electric rate relief			0.04
- Customer initiatives & normalized storms			0.06
- Higher investment costs (depreciation, property taxes and fixed costs)			(0.05)
- Other, including voluntary regulatory mechanisms			(0.05)
- Change in shares outstanding			*
			<u>\$ (0.02)</u>
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 92.2 bcf, up 5.9 bcf (weather-driven impact, up 9.8 bcf)			\$ 0.02
- Gas rate relief			0.14
- Lower ETR primarily related to gas rate case stay out			0.03
- Higher investment costs (depreciation, property taxes and fixed costs)			(0.04)
- Other			(0.01)
- Change in shares outstanding			*
			<u>\$ 0.14</u>
NORTHSTAR CLEAN ENERGY AND ENERGY PARENT			
- NorthStar Clean Energy			\$ 0.04
- Energy parent			(0.03)
- Change in shares outstanding			*
			<u>\$ 0.01</u>
WEATHER IMPACTS			
	12/31/22	12/31/21	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	1.3 %	8.0 %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	(14)	57	
EPS	\$ -	\$ 0.01	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	(0.2)	(10.0)	
EPS	\$ -	\$ (0.09)	
Total EPS Weather Impacts	<u>\$ -</u>	<u>\$ (0.08)</u>	

* Less than \$0.01 per share.

CMS ENERGY CORPORATION

Non-GAAP Adjusted Earnings Per Share Variance Analysis

(Unaudited)

Twelve Months Ended December 31			
	12/31/22	12/31/21	Variance
Adjusted EPS – Non-GAAP			
Electric utility	\$ 1.99	\$ 2.00	\$ (0.01)
Gas utility	1.32	1.07	0.25
NorthStar Clean Energy	0.12	0.08	0.04
Energy parent	(0.54)	(0.50)	(0.04)
Consolidated	<u>\$ 2.89</u>	<u>\$ 2.65</u>	<u>\$ 0.24</u>
Variance Explanations:			
ELECTRIC UTILITY			
- Deliveries of 37,333 GWh, up 1,089 GWh (weather-driven impact, down 169 GWh)			\$ (0.05)
- Electric rate relief			0.09
- Customer initiatives & normalized storms			0.03
- Higher investment costs (depreciation, property taxes and fixed costs)			(0.06)
- Other, including voluntary regulatory mechanisms			(0.02)
- Change in shares outstanding			*
			<u>\$ (0.01)</u>
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 314.6 bcf, up 33.0 bcf (weather-driven impact, up 26.5 bcf)			\$ 0.23
- Gas rate relief			0.14
- Lower ETR primarily related to gas rate case stay out			0.08
- Higher investment costs (depreciation, property taxes and fixed costs)			(0.13)
- Other, including Ray investment costs and voluntary regulatory mechanisms			(0.07)
- Change in shares outstanding			*
			<u>\$ 0.25</u>
NORTHSTAR CLEAN ENERGY AND ENERGY PARENT			
- NorthStar Clean Energy			\$ 0.04
- Energy parent			(0.04)
- Change in shares outstanding			*
			<u>\$ -</u>
WEATHER IMPACTS			
	12/31/22	12/31/21	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	(0.1) %	3.3 %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	518	687	
EPS	\$ 0.14	\$ 0.17	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	5.9	(20.6)	
EPS	\$ 0.06	\$ (0.18)	
Total EPS Weather Impacts	<u>\$ 0.20</u>	<u>\$ (0.01)</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		Twelve Months Ended	
	12/31/22	12/31/21	12/31/22	12/31/21
Electric Utility				
Reported net income per share	\$ 0.23	\$ 0.21	\$ 1.96	\$ 1.95
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.02	-	0.02	-
Tax impact	(0.01)	-	(0.01)	-
Loss on fleet impairment	-	0.07	-	0.07
Tax impact	-	(0.02)	-	(0.02)
Voluntary separation program	*	-	0.03	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.24</u>	<u>\$ 0.26</u>	<u>\$ 1.99</u>	<u>\$ 2.00</u>
Gas Utility				
Reported net income per share	\$ 0.48	\$ 0.33	\$ 1.30	\$ 1.05
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.01	-	0.01	-
Tax impact	(*)	-	(*)	-
Loss on fleet impairment	-	0.03	-	0.03
Tax impact	-	(0.01)	-	(0.01)
Voluntary separation program	*	-	0.01	-
Tax impact	(*)	-	(*)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.49</u>	<u>\$ 0.35</u>	<u>\$ 1.32</u>	<u>\$ 1.07</u>
NorthStar Clean Energy				
Reported net income (loss) per share	\$ 0.03	\$ (0.01)	\$ 0.12	\$ 0.08
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	*	(*)	(*)
Tax impact	-	(*)	*	*
Voluntary separation program	-	-	*	-
Tax impact	-	-	(*)	-
Adjusted net income (loss) per share – non-GAAP	<u>\$ 0.03</u>	<u>\$ (0.01)</u>	<u>\$ 0.12</u>	<u>\$ 0.08</u>
Corporate Interest and Other				
Reported net loss per share	\$ (0.16)	\$ (0.13)	\$ (0.54)	\$ (0.50)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	*	*	(*)
Tax impact	(*)	(*)	(*)	*
Adjusted net loss per share – non-GAAP	<u>\$ (0.16)</u>	<u>\$ (0.13)</u>	<u>\$ (0.54)</u>	<u>\$ (0.50)</u>
Discontinued Operations				
Reported net income per share	\$ -	\$ 1.80	\$ 0.01	\$ 2.08
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(2.30)	(0.01)	(2.27)
Tax impact	-	0.50	*	0.49
Discontinued operations income	-	-	-	(0.39)
Tax impact	-	-	-	0.09
Adjusted net income per share – non-GAAP	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Consolidated				
Reported net income per share	\$ 0.58	\$ 2.20	\$ 2.85	\$ 4.66
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(2.30)	(0.01)	(2.27)
Tax impact	-	0.50	*	0.49
Discontinued operations income	-	-	-	(0.39)
Tax impact	-	-	-	0.09
Other exclusions from adjusted earnings	0.03	*	0.03	(*)
Tax impact	(0.01)	(*)	(0.01)	*
Loss on fleet impairment	-	0.10	-	0.10
Tax impact	-	(0.03)	-	(0.03)
Voluntary separation program	*	-	0.04	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.60</u>	<u>\$ 0.47</u>	<u>\$ 2.89</u>	<u>\$ 2.65</u>
Average Common Shares Outstanding – Diluted	290.1	289.7	290.0	289.5

* 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		Twelve Months Ended	
	12/31/22	12/31/21	12/31/22	12/31/21
Net Income Available to Common Stockholders	\$ 168	\$ 637	\$ 827	\$ 1,348
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(665)	(5)	(657)
Tax impact	-	145	1	143
Discontinued operations income	-	-	-	(115)
Tax impact	-	-	-	27
Other exclusions from adjusted earnings**	9	*	8	(1)
Tax impact	(2)	(*)	(2)	*
Loss on fleet impairment	-	29	-	29
Tax impact	-	(7)	-	(7)
Voluntary separation program	1	-	12	-
Tax impact	(*)	-	(3)	-
Adjusted net income – non-GAAP	<u>\$ 176</u>	<u>\$ 139</u>	<u>\$ 838</u>	<u>\$ 767</u>
Average Common Shares Outstanding - Diluted	290.1	289.7	290.0	289.5
Diluted Earnings Per Average Common Share				
Reported net income per share	\$ 0.58	\$ 2.20	\$ 2.85	\$ 4.66
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(2.30)	(0.01)	(2.27)
Tax impact	-	0.50	*	0.49
Discontinued operations income	-	-	-	(0.39)
Tax impact	-	-	-	0.09
Other exclusions from adjusted earnings**	0.03	*	0.03	(*)
Tax impact	(0.01)	(*)	(0.01)	*
Loss on fleet impairment	-	0.10	-	0.10
Tax impact	-	(0.03)	-	(0.03)
Voluntary separation program	*	-	0.04	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.60</u>	<u>\$ 0.47</u>	<u>\$ 2.89</u>	<u>\$ 2.65</u>

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

** Includes restructuring costs, business optimization initiative, and unrealized gains or losses from mark-to-market adjustments, recognized in net income 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, business optimization initiative, 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>				
2022				
	1Q	2Q	3Q	4Q
Net Income Available to Common Stockholders	\$ 351	\$ 145	\$ 163	\$ 168
<i>Reconciling items:</i>				
Electric utility and gas utility	-	11	(*)	10
Tax impact	-	(3)	*	(2)
NorthStar Clean Energy	(1)	(*)	-	-
Tax impact	*	*	-	-
Corporate interest and other	-	*	*	*
Tax impact	-	(*)	(*)	(*)
Disposal of discontinued operations (gain) loss	(5)	*	-	-
Tax impact	1	(*)	-	-
Adjusted Net Income – Non-GAAP	\$ 346	\$ 153	\$ 163	\$ 176
Average Common Shares Outstanding – Diluted	289.9	290.1	290.1	290.1
Diluted Earnings Per Average Common Share	\$ 1.21	\$ 0.50	\$ 0.56	\$ 0.58
<i>Reconciling items:</i>				
Electric utility and gas utility	-	0.04	(*)	0.03
Tax impact	-	(0.01)	*	(0.01)
NorthStar Clean Energy	(*)	(*)	-	-
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	\$ 1.20	\$ 0.53	\$ 0.56	\$ 0.60

<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)
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	-
Adjusted Net Income – Non-GAAP	\$ 314	\$ 158	\$ 156	\$ 139
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)
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	-
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	\$ 1.09	\$ 0.55	\$ 0.54	\$ 0.47

* 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			Twelve Months Ended		
	12/31/22	12/31/21	Change	12/31/22	12/31/21	Change
Operating Revenue						
Electric utility	\$ 1,259	\$ 1,245	\$ 14	\$ 5,419	\$ 4,958	\$ 461
Gas utility	921	702	219	2,732	2,063	669
Total operating revenue	2,180	1,947	233	8,151	7,021	1,130
Operating Expenses						
Fuel for electric generation	132	123	9	662	463	199
Purchased and interchange power	406	399	7	1,867	1,599	268
Purchased power – related parties	20	21	(1)	76	77	(1)
Cost of gas sold	451	301	150	1,243	726	517
Maintenance and other operating expenses	506	510	(4)	1,582	1,531	51
Depreciation and amortization	286	273	13	1,088	1,077	11
General taxes	101	96	5	400	373	27
Total operating expenses	1,902	1,723	179	6,918	5,846	1,072
Operating Income (Loss)						
Electric utility	113	107	6	789	801	(12)
Gas utility	166	117	49	446	375	71
Other	(1)	-	(1)	(2)	(1)	(1)
Total operating income	278	224	54	1,233	1,175	58
Other Income (Expense)						
Nonoperating retirement benefits, net	49	42	7	195	155	40
Other income	5	5	-	17	23	(6)
Other expense	(6)	(11)	5	(25)	(18)	(7)
Total other income	48	36	12	187	160	27
Interest Charges						
Interest on long-term debt	94	74	20	325	294	31
Interest expense - related parties	3	3	-	12	12	-
Other interest expense	(2)	2	(4)	-	8	(8)
Allowance for borrowed funds used during construction	(1)	(1)	-	(2)	(3)	1
Total interest charges	94	78	16	335	311	24
Income Before Income Taxes	232	182	50	1,085	1,024	61
Income Tax Expense	32	26	6	140	156	(16)
Net Income	200	156	44	945	868	77
Preferred Stock Dividends	1	1	-	2	2	-
Net Income (Loss) Available to Common Stockholder						
Electric utility	66	61	5	567	565	2
Gas utility	139	94	45	378	302	76
Other	(6)	-	(6)	(2)	(1)	(1)
Total net income available to common stockholder	\$ 199	\$ 155	\$ 44	\$ 943	\$ 866	\$ 77

CONSUMERS ENERGY COMPANY

Electric Utility Statistics

(Unaudited)

	<i>In Millions of kWh, Except as Noted</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/22	12/31/21	% Change	12/31/22	12/31/21	% Change
Electric Deliveries						
Residential	2,997	3,069	(2.3)	12,977	13,229	(1.9)
Commercial	2,707	2,710	(0.1)	11,675	11,504	1.5
Industrial	2,113	1,957	8.0	8,455	7,375	14.6
Other	44	39	12.8	142	143	(0.7)
Wholesale	75	77	(2.6)	321	349	(8.0)
Retail open access	893	892	0.1	3,763	3,644	3.3
Total customer deliveries	8,829	8,744	1.0	37,333	36,244	3.0
Intersystem	649	1,841	(64.7)	3,796	4,906	(22.6)
Total electric deliveries	9,478	10,585	(10.5)	41,129	41,150	(0.1)
Weather-Normalized Electric Deliveries ⁽¹⁾						
Residential	3,014	3,036	(0.7)	12,619	12,747	(1.0)
Commercial	2,706	2,696	0.4	11,528	11,338	1.7
Industrial	2,112	1,949	8.4	8,448	7,350	14.9
Other	44	39	12.8	142	143	(0.7)
Wholesale	75	77	(2.6)	321	349	(8.0)
Retail open access	892	890	0.2	3,757	3,630	3.5
Total weather-normalized electric deliveries	8,843	8,687	1.8	36,815	35,557	3.5
Weather-Normalized Electric Deliveries ⁽¹⁾						
(By Class, Including Retail Open Access)						
Residential	3,014	3,036	(0.7)	12,619	12,747	(1.0)
Commercial	2,929	2,914	0.5	12,450	12,259	1.6
Industrial	2,781	2,621	6.1	11,283	10,059	12.2
Other	44	39	12.8	142	143	(0.7)
Wholesale	75	77	(2.6)	321	349	(8.0)
Total weather-normalized electric deliveries	8,843	8,687	1.8	36,815	35,557	3.5

⁽¹⁾ Excludes intersystem deliveries.

	<i>In Millions, Except as Noted</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/22	12/31/21	% Change	12/31/22	12/31/21	% Change
Electric Utility Revenue						
Residential	\$ 553	\$ 555	(0.4)	\$ 2,508	\$ 2,402	4.4
Commercial	404	382	5.8	1,723	1,573	9.5
Industrial	187	166	12.7	788	624	26.3
Other	8	8	-	34	34	-
Total sales revenue	1,152	1,111	3.7	5,053	4,633	9.1
Wholesale	5	5	-	23	22	4.5
Retail open access	10	9	11.1	35	32	9.4
Intersystem	39	73	(46.6)	218	187	16.6
Miscellaneous	53	47	12.8	90	84	7.1
Total electric utility revenue	\$ 1,259	\$ 1,245	1.1	\$ 5,419	\$ 4,958	9.3

CONSUMERS ENERGY COMPANY

Gas Utility Statistics

(Unaudited)

	<i>In Thousands of mcf, Except as Noted</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/22	12/31/21	% Change	12/31/22	12/31/21	% Change
Gas Deliveries						
Residential	51,477	47,649	8.0	163,031	146,255	11.5
Commercial	16,881	15,284	10.4	58,164	51,022	14.0
Industrial	2,111	2,126	(0.7)	8,305	7,702	7.8
Other	34	67	(49.3)	298	232	28.4
Transportation	21,757	21,211	2.6	84,831	76,450	11.0
Total customer deliveries	92,260	86,337	6.9	314,629	281,661	11.7
Off-system transportation						
MCV	17,021	13,989	21.7	57,235	48,471	18.1
Other	4,078	4,500	(9.4)	19,067	17,228	10.7
Total gas deliveries	113,359	104,826	8.1	390,931	347,360	12.5
Weather-Normalized Gas Deliveries ⁽¹⁾						
Residential	51,568	53,521	(3.6)	158,566	158,188	0.2
Commercial	16,707	17,420	(4.1)	56,078	55,361	1.3
Industrial	2,150	2,407	(10.7)	8,120	8,213	(1.1)
Other	37	76	(51.3)	294	247	19.0
Transportation	22,002	22,924	(4.0)	85,665	80,274	6.7
Total weather-normalized gas deliveries	92,464	96,348	(4.0)	308,723	302,283	2.1
Weather-Normalized Gas Deliveries ⁽¹⁾ (By Class, Including Transportation)						
Residential	51,875	53,849	(3.7)	159,676	159,339	0.2
Commercial	23,755	24,873	(4.5)	82,372	82,124	0.3
Industrial	16,762	17,536	(4.4)	66,013	60,406	9.3
Other	72	90	(20.0)	662	414	59.9
Total weather-normalized gas deliveries	92,464	96,348	(4.0)	308,723	302,283	2.1

⁽¹⁾ Excludes off-system transportation deliveries.

	<i>In Millions, Except as Noted</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/22	12/31/21	% Change	12/31/22	12/31/21	% Change
Gas Utility Revenue						
Residential	\$ 634	\$ 477	32.9	\$ 1,872	\$ 1,394	34.3
Commercial	186	138	34.8	555	396	40.2
Industrial	22	18	22.2	75	54	38.9
Other	-	1	100.0	2	2	-
Total sales revenue	842	634	32.8	2,504	1,846	35.6
Transportation	35	29	20.7	112	100	12.0
Miscellaneous	44	39	12.8	116	117	(0.9)
Total gas utility revenue	\$ 921	\$ 702	31.2	\$ 2,732	\$ 2,063	32.4