

Leading the CLEAN ENERGY TRANSFORMATION

Second Quarter 2023 Results & Outlook
July 27, 2023

CMS ENERGY

2023

MSCI ESG Leaders
Indexes Constituent

This presentation is made as of the date hereof and contains “forward-looking statements” as defined in Rule 3b-6 of the Securities Exchange Act of 1934, Rule 175 of the Securities Act of 1933, and relevant legal decisions. The forward-looking statements are subject to risks and uncertainties. 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. Forward-looking statements should be read in conjunction with “FORWARD-LOOKING STATEMENTS AND INFORMATION” and “RISK FACTORS” sections of CMS Energy’s and Consumers Energy’s most recent Form 10-K and as updated in reports CMS Energy and Consumers Energy file with the Securities and Exchange Commission. CMS Energy’s and Consumers Energy’s “FORWARD-LOOKING STATEMENTS AND INFORMATION” and “RISK FACTORS” sections are incorporated herein by reference and discuss important factors that could cause CMS Energy’s and Consumers Energy’s results to differ materially from those anticipated in such statements. CMS Energy and Consumers Energy undertake no obligation to update any of the information presented herein to reflect facts, events or circumstances after the date hereof.

The presentation also includes non-GAAP measures when describing CMS Energy’s results of operations and financial performance. A reconciliation of each of these measures to the most directly comparable GAAP measure is included in the appendix and posted on our website at www.cmsenergy.com.

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.

Presentation endnotes are included after the appendix.

Investment Thesis . . .



Industry-leading net zero commitments

Excellence through the ***CE WAY***

Top-Tier regulatory jurisdiction^a

Premium total shareholder return
6% to 8% adjusted EPS growth + ~3% dividend yield

Presentation endnotes are included after the appendix.

. . . is simple, clean and lean.

Executing on the Clean Energy Transformation . . .

Net Zero Targets



2030

Net zero methane emissions for our gas delivery system



2040

Net zero carbon emissions for our electric business (includes PPAs and market purchases)



2050

Net zero GHG emissions for our entire business

Proof Points

Today

- ✓ Retired Karn 1 & 2 coal units, 515 MW
- ✓ Acquired existing ~1.2 GW CCGT
- ✓ Adding 341 MW to VGP^a Program
- ✓ Approved for ~\$11M in low-carbon energy infrastructure grants for RNG facilities
- ✓ Heartland wind COD 2023, 201 MW

2025

- Retire Campbell 1-3 coal units (exit coal)
 - ~60% carbon emissions reduction^b

Future

- 8 GW of solar and 2.5 GW of demand-side resources
- Accelerate vintage main and service replacements
- Renewable natural gas (RNG) and hydrogen fuel mix opportunities

2023 MSCI ESG Leaders
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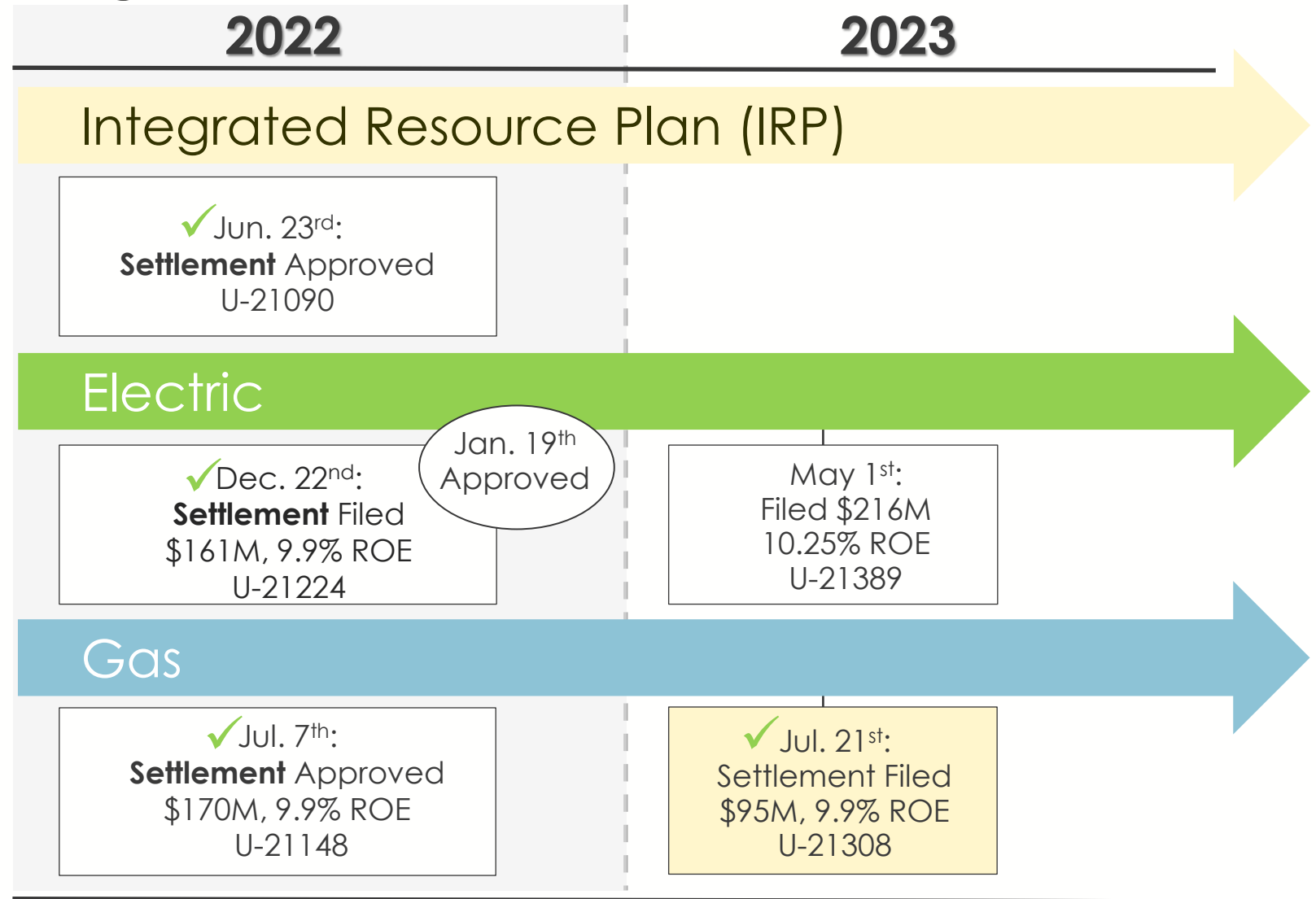
Presentation endnotes are included after the appendix.

. . . by exiting coal and advancing our net zero targets.

Michigan's Strong Regulatory Environment . . .

Supportive Energy Law

- Timely recovery of investments
 - ✓ Forward-looking test years
 - ✓ 10-month rate cases
 - ✓ Earn authorized ROEs
 - ✓ Monthly fuel adjustment trackers (PSCR/GCR)
- Supportive incentives
 - ✓ Constructive ROEs
 - ✓ 10.7% ROE for Renewable Portfolio Standard
 - ✓ Energy efficiency incentive (>\$50M/yr)
 - ✓ FCM adder on PPAs
- Appointed Commissioners



. . . ensures forward-looking visibility.

Financial Results & Outlook . . .



Q2 2023 Results

Amount

Commentary

Adjusted EPS

\$0.75

Strong results keep the full year on track

2023 Outlook

Adjusted EPS Guidance

\$3.06 – \$3.12

Toward the high end

Annual Dividend Per Share

\$1.95

Up 11¢

Long-Term Outlook

Adjusted EPS Growth

+6% to +8%

Toward the high end

Dividend Per Share Growth

+6% to +8%

Committed to growth

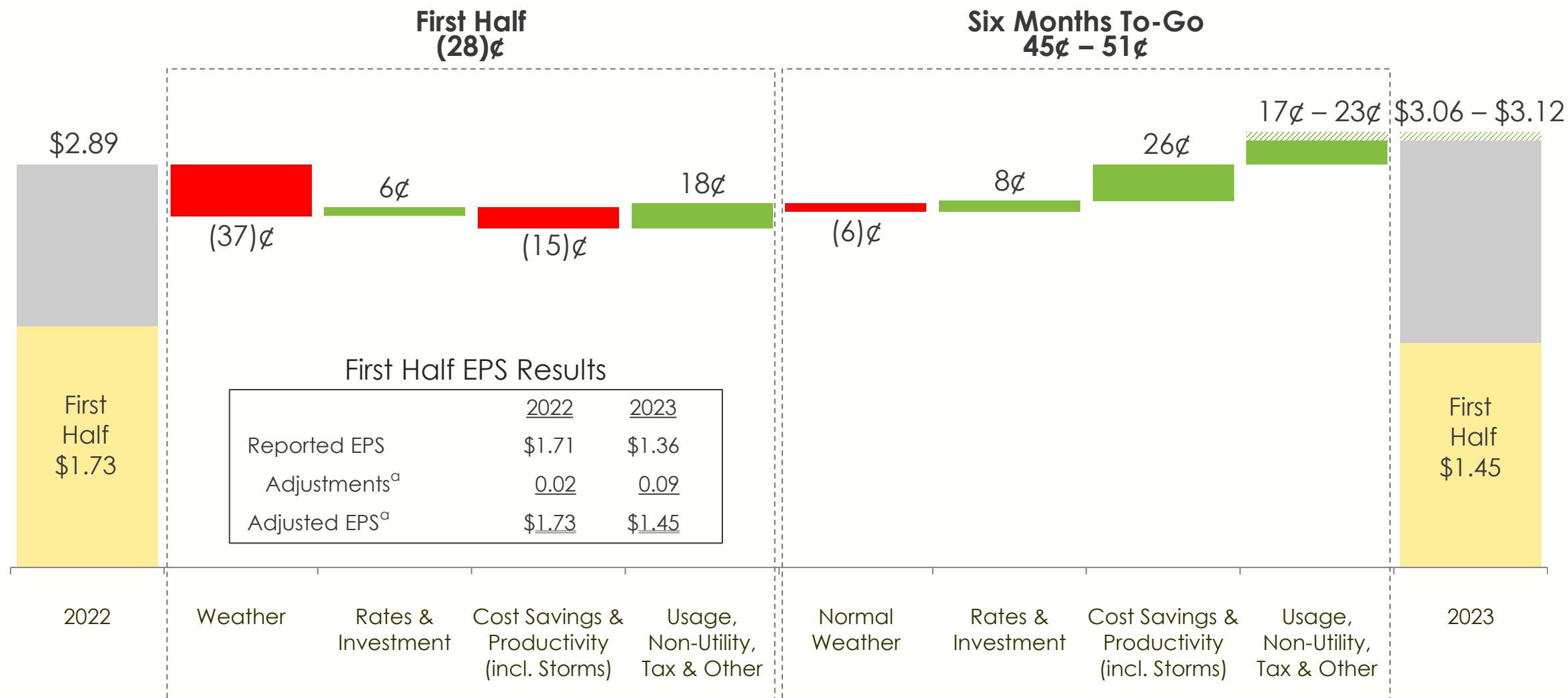
5-yr Capital Plan (\$B)

\$15.5

Up \$1.2

. . . on track to deliver in 2023 and beyond.

2023 Adjusted EPS . . .



Presentation endnotes are included after the appendix.

. . . continued confidence toward the high end.

Credit Metrics Maintained . . .



Consumers Energy	S&P	Moody's	Fitch
Senior Secured	A	A1	A+
Commercial Paper	A-2	P-2	F-2
Outlook	Stable	Stable	Stable
CMS Energy			
Senior Unsecured	BBB	Baa2	BBB
Junior Subordinated	BBB-	Baa3	BB+
Outlook	Stable	Stable	Stable
Last Review	✓ Oct. 2022	✓ May 2023	✓ Jan. 2023

Ratings Drivers

- Strong financial position
- Growing operating cash flow
- Constructive return on regulated investment
- Supportive regulatory environment
- Lower business risk

. . . at solid investment-grade levels.

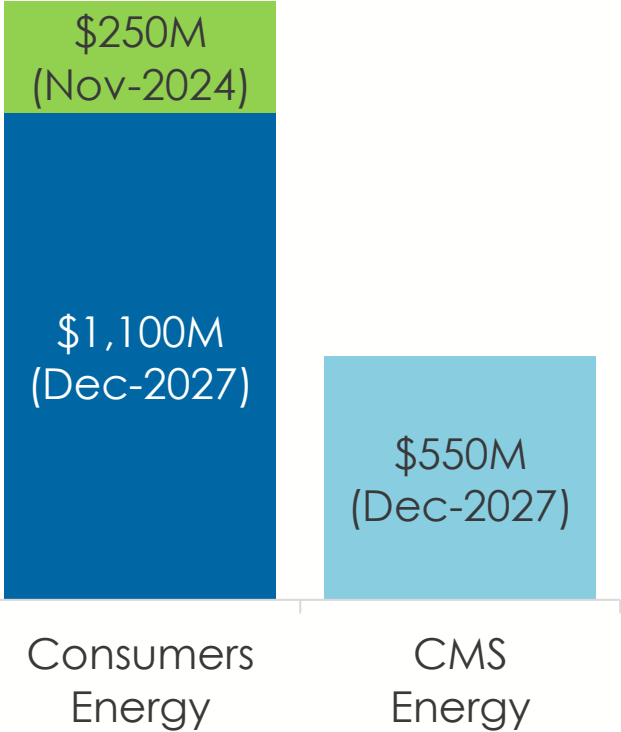
2023 Planned Financings . . .



	Financings	
	<u>Plan</u> (\$M)	<u>YTD</u> (\$M)
Consumers Energy:		
First Mortgage Bonds	\$1,970	\$1,525
Securitization	688	--
CMS Energy:		
Contracted Equity (issued)	441	--
Convertible Debt	--	800
Retirements (incl. term loans):		
Consumers Energy	1,625	1,300
CMS Energy	--	--

Existing Facilities

~\$2.2B^a of net liquidity

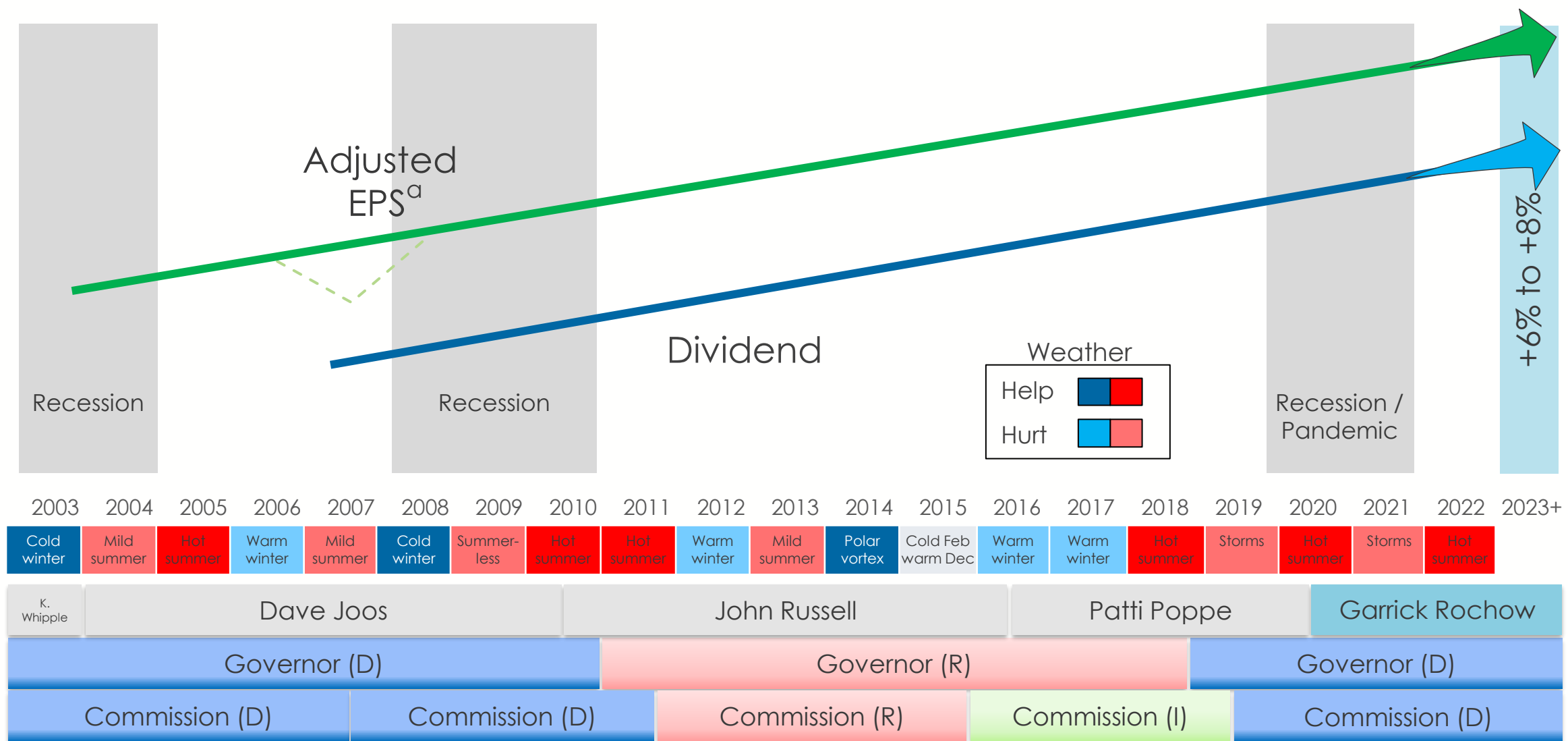


3.375%
due in 2028

Presentation endnotes are included after the appendix.

. . . fund customer investment and provide ample liquidity.

Industry-Leading Financial Performance . . .



Presentation endnotes are included after the appendix.

. . . for two decades, regardless of conditions.

Appendix

2023 Sensitivities . . .

			<u>Full-Year Impact</u>			
		<u>Sensitivity</u>	<u>Adj. EPS</u>			<u>OCF</u>
Sales^a			(¢)			(\$M)
Electric (~37,000 GWh)	±	1%	±	7	±	27
Gas (~311 Bcf)	±	1	±	4	±	16
Gas Prices	±	50¢	±	0	±	60
Utility Earned ROE						
Electric	±	10 bps	±	2	±	8
Gas	±	10	±	1	±	5
Interest Rates	±	25 bps	±	< 1	±	1
Effective Tax Rate (19%)	±	100 bps	±	3	±	0

2023 Adj. EPS Sensitivities

(1% Full Year Δ in Volume)

	<u>Electric</u>	<u>Gas</u>
Residential	4¢	3¢
Commercial	2½	~½
Industrial	½	~½

Electric PSCR

Residential Bill Sensitivity

(\$10/MWh)

	<u>Impact</u>
Electric	~\$6½/ mo

Gas Price

Residential Bill Sensitivity

(\$1/Mcf)

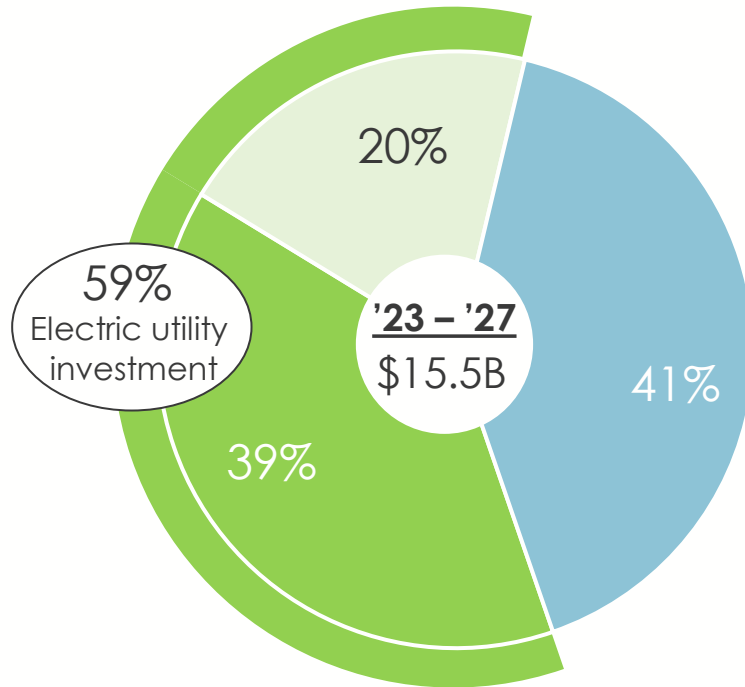
	<u>Impact</u>
Gas	~\$7½/ mo

Presentation endnotes are included after the appendix.

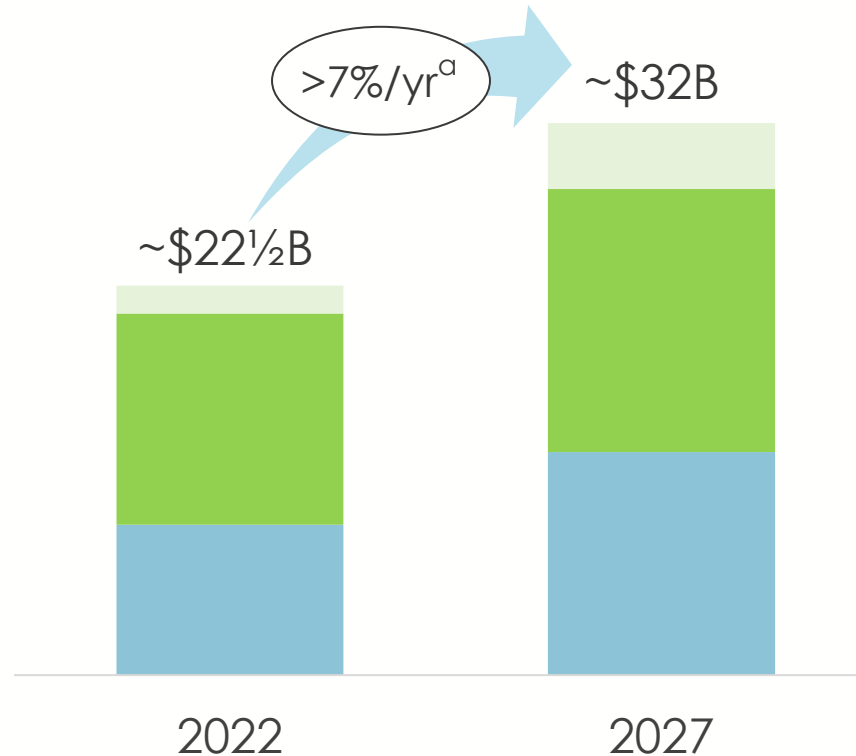
. . . reflect effective risk mitigation.

Updated Customer Investment Plan . . .

New Utility Investment Plan



Rate Base Growth



Other Growth Drivers^b

- ✓ EWR incentives
- ✓ FCM on PPAs
- ✓ 10.7% wind RPS
- ✓ NorthStar

Clean Energy Generation Electric Distribution & Other Gas Utility

~40% of investments support the Clean Energy Transformation

Presentation endnotes are included after the appendix.

. . . delivers benefits for customers and investors.

2022 Asset Mix . . .

	Total PP&E	
	(\$M)	(%)
Electric		
Generation	\$3,277	14%
Coal	477	~2%
Wind, solar, hydro	2,013	9
Gas & other	787	3
Distribution	8,294	37
Other	781	3
Total electric	\$12,352	~54%
Gas		
Distribution	\$5,473	24%
Transmission	2,230	10
Underground storage facilities	1,067	4½
Other	396	1½
Total gas	\$9,166	~40%
Other non-utility property	\$27	<1%
NorthStar Clean Energy	\$1,168	5%
Plant, property, and equipment, net	\$22,713	100%

2023 MSCI ESG Leaders
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. . . highlights coal representing only ~2% of total PP&E in 2022.

ENDNOTES

Presentation Endnotes



Slide 3: ^aRRA state regulatory energy rankings, May 2023. Regulatory Research Associates, a group within S&P Global Commodity Insights.

Slide 4: ^aVoluntary Green Pricing ^bNet zero carbon emissions for our electric business (includes PPAs and MISO market purchases) from 2005 baseline

Slide 7: ^aSee GAAP reconciliation on slide 18

Slide 9: ^a\$1,825M in available revolvers + \$349 of unrestricted cash

Slide 10: ^aExcludes discontinued operations

Slide 12: ^aReflects 2023 sales forecast; weather-normalized

Slide 13: ^aAssumes \$22½B rate base in 2022, \$32B in 2027, CAGR ^bOver plan period years 2023-2027, adjusted EPS growth

CMS Energy provides historical financial results on both a reported (GAAP) and adjusted (non-GAAP) basis and provides forward-looking guidance on an adjusted basis. During an oral presentation, references to “earnings” are on an adjusted basis. 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, voluntary separation program, 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 adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for the reported earnings.

GAAP Reconciliation

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	
	6/30/23	6/30/22	6/30/23	6/30/22
Electric Utility				
Reported net income per share	\$ 0.50	\$ 0.48	\$ 0.74	\$ 1.06
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.01	-	0.01	-
Tax impact	(*)	-	(*)	-
Voluntary separation program	0.05	0.03	0.05	0.03
Tax impact	(0.01)	(0.01)	(0.01)	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 0.55</u>	<u>\$ 0.50</u>	<u>\$ 0.79</u>	<u>\$ 1.08</u>
Gas Utility				
Reported net income per share	\$ 0.08	\$ 0.13	\$ 0.61	\$ 0.87
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	-	0.01	-
Tax impact	(*)	-	(*)	-
Voluntary separation program	0.04	0.01	0.04	0.01
Tax impact	(0.01)	(*)	(0.01)	(*)
Adjusted net income per share – non-GAAP	<u>\$ 0.11</u>	<u>\$ 0.14</u>	<u>\$ 0.65</u>	<u>\$ 0.88</u>
NorthStar Clean Energy				
Reported net income per share	\$ 0.01	\$ 0.02	\$ 0.03	\$ 0.05
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	(*)	-	(*)
Tax impact	-	*	-	*
Voluntary separation program	-	*	-	*
Tax impact	-	(*)	-	(*)
Adjusted net income per share – non-GAAP	<u>\$ 0.01</u>	<u>\$ 0.02</u>	<u>\$ 0.03</u>	<u>\$ 0.05</u>
Corporate Interest and Other				
Reported net income (loss) per share	\$ 0.08	\$ (0.13)	\$ (0.02)	\$ (0.28)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	*	-	*
Tax impact	-	(*)	-	(*)
Adjusted net income (loss) per share – non-GAAP	<u>\$ 0.08</u>	<u>\$ (0.13)</u>	<u>\$ (0.02)</u>	<u>\$ (0.28)</u>
Discontinued Operations				
Reported net income per share	\$ -	\$ -	\$ -	\$ 0.01
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	(*)	*	(*)	(0.01)
Tax impact	*	(*)	*	*
Adjusted net income per share – non-GAAP	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Consolidated				
Reported net income per share	\$ 0.67	\$ 0.50	\$ 1.36	\$ 1.71
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	(*)	*	(*)	(0.01)
Tax impact	*	(*)	*	*
Other exclusions from adjusted earnings	0.01	(*)	0.02	(*)
Tax impact	(*)	*	(*)	*
Voluntary separation program	0.09	0.04	0.09	0.04
Tax impact	(0.02)	(0.01)	(0.02)	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 0.75</u>	<u>\$ 0.53</u>	<u>\$ 1.45</u>	<u>\$ 1.73</u>
Average Common Shares Outstanding – Diluted	291.3	290.1	291.2	290.0

* 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	
	6/30/23	6/30/22	6/30/23	6/30/22
Net Income Available to Common Stockholders	\$ 195	\$ 145	\$ 397	\$ 496
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	(1)	*	(1)	(5)
Tax impact	*	(*)	*	1
Other exclusions from adjusted earnings**	2	(*)	5	(1)
Tax impact	(*)	*	(1)	*
Voluntary separation program	28	11	28	11
Tax impact	(7)	(3)	(7)	(3)
Adjusted net income – non-GAAP	<u>\$ 217</u>	<u>\$ 153</u>	<u>\$ 421</u>	<u>\$ 499</u>
Average Common Shares Outstanding - Diluted	291.3	290.1	291.2	290.0
Diluted Earnings Per Average Common Share				
Reported net income per share	\$ 0.67	\$ 0.50	\$ 1.36	\$ 1.71
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	(*)	*	(*)	(0.01)
Tax impact	*	(*)	*	*
Other exclusions from adjusted earnings**	0.01	(*)	0.02	(*)
Tax impact	(*)	*	(*)	*
Voluntary separation program	0.09	0.04	0.09	0.04
Tax impact	(0.02)	(0.01)	(0.02)	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 0.75</u>	<u>\$ 0.53</u>	<u>\$ 1.45</u>	<u>\$ 1.73</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, voluntary separation program, 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>			
	2023			
	1Q		2Q	
Net Income Available to Common Stockholders	\$	202	\$	195
<i>Reconciling items:</i>				
Electric utility and gas utility		3		30
Tax impact		(1)		(7)
NorthStar Clean Energy		-		-
Tax impact		-		-
Corporate interest and other		-		-
Tax impact		-		-
Disposal of discontinued operations (gain) loss		-		(1)
Tax impact		-		*
Adjusted Net Income – Non-GAAP	\$	204	\$	217
Average Common Shares Outstanding – Diluted		291.2		291.3
Diluted Earnings Per Average Common Share	\$	0.69	\$	0.67
<i>Reconciling items:</i>				
Electric utility and gas utility		0.01		0.10
Tax impact		(*)		(0.02)
NorthStar Clean Energy		-		-
Tax impact		-		-
Corporate interest and other		-		-
Tax impact		-		-
Disposal of discontinued operations (gain) loss		-		(*)
Tax impact		-		*
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	\$	0.70	\$	0.75

	In Millions, Except Per Share Amounts			
	2022			
	1Q	2Q	3Q	4Q
Net Income Available to Common Stockholders	\$ 351	\$ 145	\$ 163	\$ 168
Reconciling items:				
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
Reconciling items:				
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

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