

2023 Year-End Earnings Call
February 1, 2024



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.

2023 Successes . . .



People	Planet	Profit
<ul style="list-style-type: none">• Recipient of Secretary of Defense Employer Support Freedom Award• Filed \$7B Electric Reliability Roadmap highlighting 5-year pathway to improve reliability and resiliency• >\$125M of customer assistance to help keep bills affordable• ~\$161M in customer benefits from owned generation vs. MISO market• ~360 MW of incremental load, adding ~5K jobs and \$6B of investment in MI• Ensured resource adequacy through the acquisition of ~1.2 GW of an existing natural gas plant	<ul style="list-style-type: none">• Retired ~515 MW of coal at Karn 1&2 from service – reducing coal and carbon footprint (~2% of total PP&E)• >\$250M of gas infrastructure capex resulting in >530MT of methane reduction• Grew Voluntary Green Pricing Program to ~365 MW (of 1 GW approved)• Increased Renewable Energy Portfolio with 201 MW Heartland wind farm• Met all requirements for inclusion in the MSCI ESG Leaders indexes (only vertically integrated utility)	<ul style="list-style-type: none">• Delivered adjusted EPS of \$3.11 – toward the high end of our guidance range• Increased annual dividend per share to \$2.06, 18th increase in as many years• Countermeasured nearly \$300M of weather-related financial headwinds• Settled 2nd consecutive gas rate case (4th consecutive regulatory proceeding)• Named TRENDSETTER company by CPA-Zicklin Index for corporate political disclosure and accountability• Began operations of 180 MW of new solar generation at NorthStar

. . . delivering across the Triple Bottom Line.

New Michigan Energy Legislation . . .

Key Items

- **Renewable Portfolio Standard**
 - Next Renewable Energy Plan (REP) filing (H2 2024)
- **Clean Energy Standard** (incl. renewables, gas w/ CCS, or nuclear)
 - Next Integrated Resource Plan filing (2026/2027)
- **Financial Compensation Mechanism (FCM) on PPAs**
- **Energy Efficiency (EE) Incentive**
 - Annual energy waste reduction
- **2.5 GW Battery Storage State Target**

Prior Law

15% by 2021
in Michigan

NA

After-tax WACC on
regulatory capital
structure
(~5.6%)

20% incentive /
up to 2% YoY
load reduction

NA
(550 MW planned
by 2040)

New Law^a

60% by 2035
in MISO
(50% by 2030)

100% by 2040
(80% by 2035)

Pre-tax WACC on
permanent capital
structure
(~9%)

25% incentive /
>2.17% YoY
load reduction

800 MW by 2030

Benefits

- ✓ Maintains customer affordability
- ✓ Ensures continued resource adequacy
- ✓ Decarbonizes electric supply
- ✓ Enhances certainty of recovery
- ✓ Enhanced FCM & EE incentives
- ✓ Increased capital investment opportunity

Presentation endnotes are included after the appendix.

. . . good for all stakeholders & accelerates the Clean Energy Transformation.

Michigan's Strong Regulatory Environment . . .

Supportive Energy Policy

- **Timely recovery of investments**

- ✓ Forward-looking test years/earn authorized ROEs
- ✓ 10-month rate cases
- ✓ Monthly fuel adjustment trackers (PSCR/GCR)

- **Supportive incentives**

- ✓ Constructive ROEs for Renewable Portfolio Standard
- ✓ Energy efficiency incentive
- ✓ FCM adder on PPAs

- **Appointed commissioners**

☐ Enhanced w/ 2023 Energy Legislation

2023

2024

Renewable Energy Plan (REP)

H2 2024: File updated REP to meet 60% renewable energy by 2035

Electric

Q1 2024:
Expected
Final Order

Q2 2024:
File New
Rate Case

Gas

Dec. 15th: Filed
Rate Case
\$136M 10.25%
ROE
U-21490

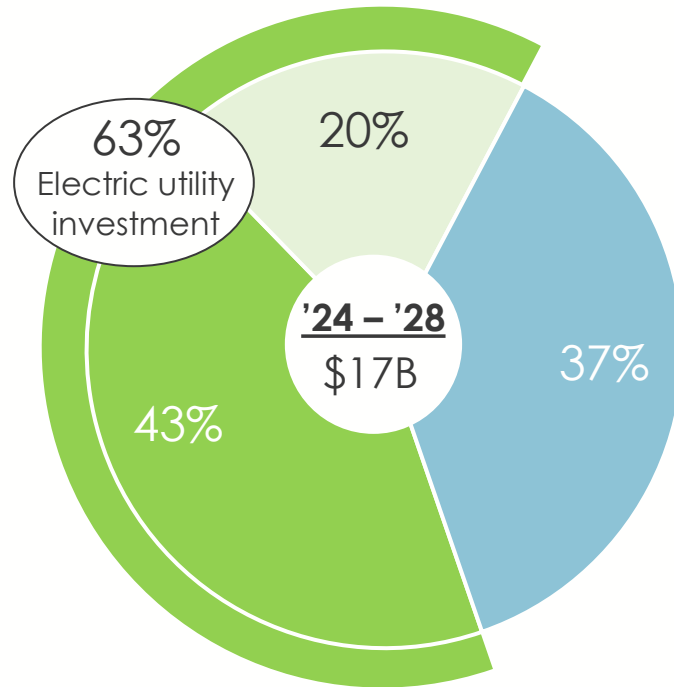
Q4 2024:
Expected
Final Order

. . . provides constructive outcomes and forward-looking visibility.

Updated Customer Investment Plan . . .



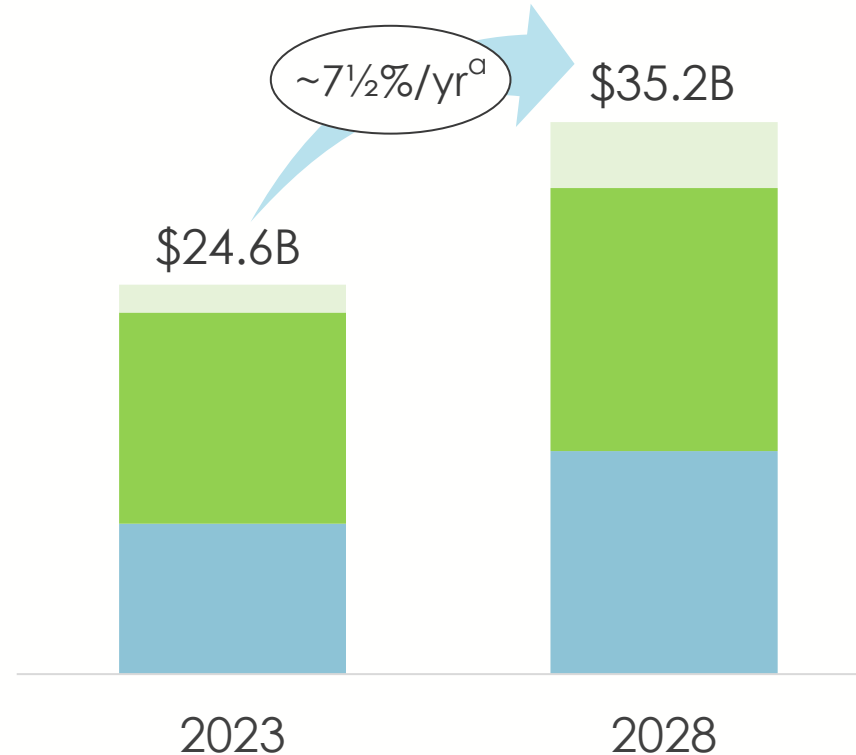
New Utility Investment Plan



Clean Energy Generation Electric Distribution & Other Gas Utility

~40% of investments support the Clean Energy Transformation

Rate Base Growth



Other Growth Drivers^b

- ✓ EE incentive moving from 20% to 22.5% (at 2% YoY load reduction)
- ✓ ~9% FCM on new PPAs for clean energy contracts
- ✓ NorthStar – DIG re-contracting opportunities

Presentation endnotes are included after the appendix.

. . . delivers benefits for customers and investors.

Financial Results & Outlook . . .



2023 Full-Year Results

	Amount	Commentary
Adjusted EPS	\$3.11	Delivered toward the high end

2024 Full-Year Outlook

Adjusted EPS Guidance	\$3.29 – \$3.35	Toward the high end
Annual Dividend Per Share	\$2.06	Up 11¢

Long-Term Outlook

Adjusted EPS Growth	+6% to +8%	Toward the high end
Dividend Per Share Growth	+6% to +8%	~60% payout over time
Utility Capital Plan (\$B) ^a	\$17	Up \$1.5 vs prior plan

Presentation endnotes are included after the appendix.

. . . reflect strong growth and build momentum for 2024 and beyond.

2023 Results . . .

Full Year

	<u>2022</u>	<u>2023</u>
Reported EPS	\$2.85	\$3.01
Adjustments ^a	<u>0.04</u>	<u>0.10</u>
Adjusted EPS ^a	<u>\$2.89</u>	<u>\$3.11</u>

Fourth Quarter

	<u>2022</u>	<u>2023</u>
Reported EPS	\$0.58	\$1.05
Adjustments ^a	<u>0.02</u>	<u>=</u>
Adjusted EPS ^a	<u>\$0.60</u>	<u>\$1.05</u>

Adjusted EPS by Segment






	<u>2023</u>
Utility	\$3.07
NorthStar	0.23
Parent	(<u>0.19</u>)
Total Adjusted EPS	<u>\$3.11</u>

Presentation endnotes are included after the appendix.

. . . reflect adjusted EPS growth toward the high end.

2023 Objectives Achieved . . .



	<u>Objectives</u>	<u>Actual</u>
Adjusted EPS guidance	\$3.06 – \$3.12	\$3.11  <i>Toward the high end</i>
DPS growth guidance	+6% to +8%	\$2.06 (up 11¢) 
Target credit ratings	Solid investment grade <i>FFO/Debt target: Mid-teens^a</i>	Solid investment grade  <i>FFO/Debt target: Mid-teens^a</i>
Utility investment (\$B)	\$3.7	\$3.3 
Planned equity issuance (\$M)	Settle ~\$439M of contracted equity forwards (Covert)	Settled ~\$444M ^b of contracted equity forwards (Covert) 

Presentation endnotes are included after the appendix.

. . . delivering benefits for customers AND investors.

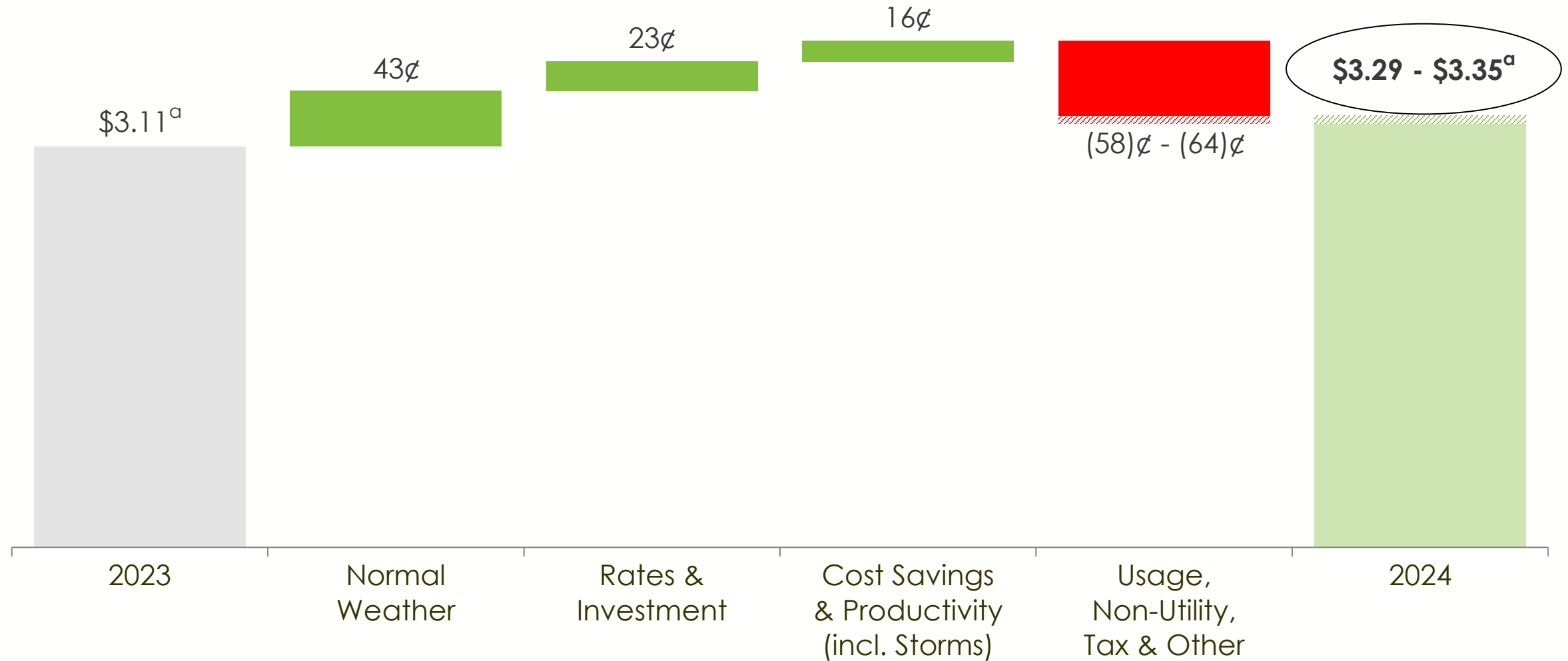
2024 Guidance Offers Continued Growth . . .



	<u>Adjusted EPS</u>
Utility	\$3.74 – \$3.80
NorthStar	0.16 – 0.18
Parent	<u>(0.61) – (0.63)</u>
Consolidated EPS	<u>\$3.29 – \$3.35</u>
	Toward the high end

. . . compounding off 2023 actuals.

2024 Adjusted EPS Growth Range . . .



Presentation endnotes are included after the appendix.

. . . reflects another year of premium growth.

Near- and Long-Term Objectives . . .

Adjusted EPS guidance

2024
\$3.29 – \$3.35
Toward the high end

Long-Term Plan
+6% to +8%
Toward the high end

DPS growth guidance

+6% to +8%

+6% to +8%
Targeting ~60% payout ratio

Target credit ratings

Solid
investment grade
FFO/Debt target: Mid-teens^a

Solid
investment grade
FFO/Debt target: Mid-teens^a

Utility investment (\$B)

\$3.3

\$17
2024 - 2028

Planned equity issuance (\$M)

None

No equity until 2025
Up to \$350M/yr in 2025 - 2028

Presentation endnotes are included after the appendix.

. . . provide sustainable benefits for customers AND investors.

2024 Planned Financings . . .



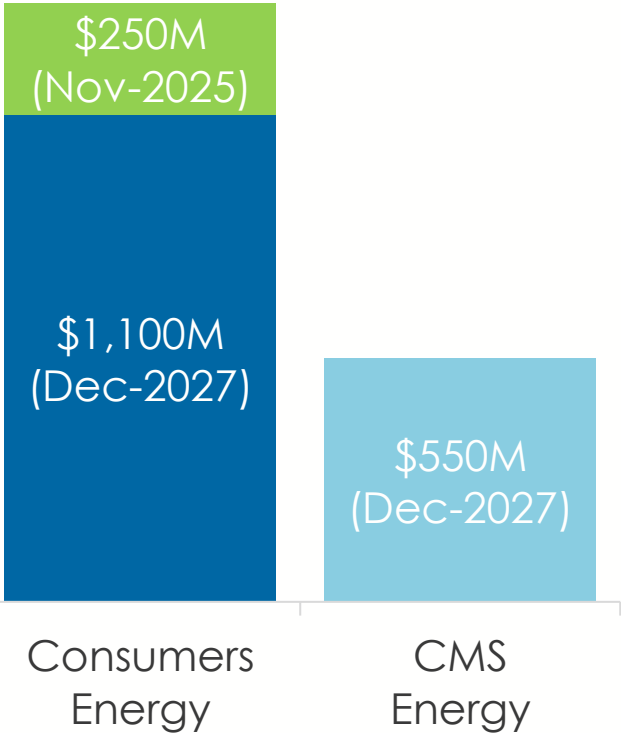
	Financings ^a	
	<u>Plan</u> (\$M)	<u>YTD</u> (\$M)
Consumers Energy: First Mortgage Bonds	~\$1,100	\$600
CMS Energy: Contracted Equity (issued)	~266	~266
Retirements (incl. term loans):		
Consumers Energy	302	--
CMS Energy	250	250

5-yr
4.60%

~\$70/sh

Existing Facilities

~\$1.9B^b of net liquidity



Presentation endnotes are included after the appendix.

. . . fund customer investments and provide ample liquidity.

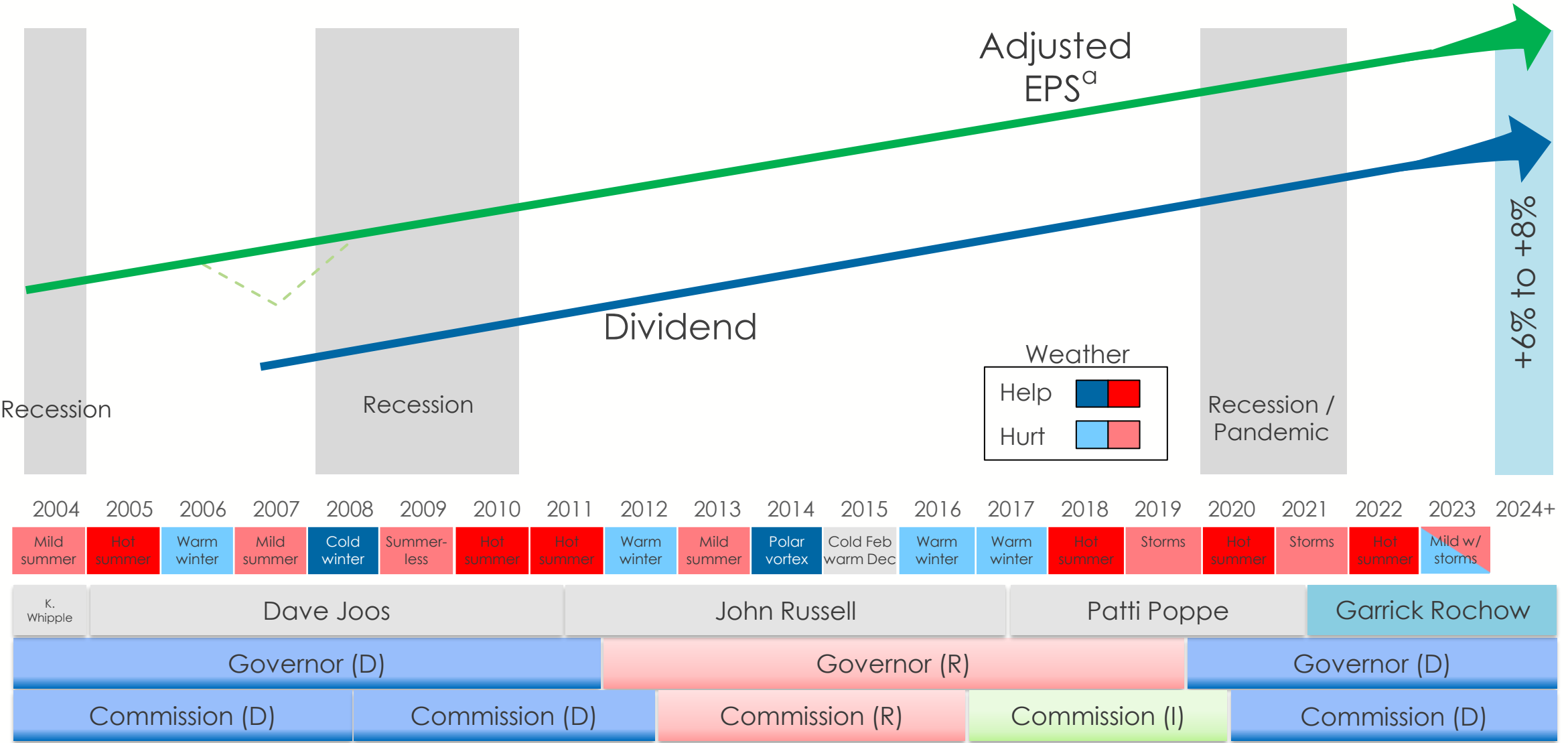
2024 Sensitivities . . .

		<u>Full-Year Impact</u>				<u>2024 Adj. EPS Sensitivities</u> (1% Full Year Δ in Volume)
	<u>Sensitivity</u>	<u>Adj. EPS</u>		<u>OCF</u>		
Sales^a			(¢)		(\$M)	
Electric (~37,000 GWh)	\pm 1%	\pm	7	\pm	27	Residential 4¢ 3¢
Gas (~311 Bcf)	\pm 1	\pm	4	\pm	15	Commercial 2½ ~½
Gas Prices	\pm 50¢	\pm	0	\pm	60	Industrial ½ ~½
Utility Earned ROE						
Electric	\pm 10 bps	\pm	2	\pm	8	
Gas	\pm 10	\pm	1	\pm	6	
Interest Rates	\pm 25 bps	\mp	< 1	\mp	<1	
Effective Tax Rate (18%)	\pm 100 bps	\mp	3	\mp	0	

Presentation endnotes are included after the appendix.

. . . reflect effective risk mitigation.

Industry-Leading Financial Performance . . .



Presentation endnotes are included after the appendix.

Q&A

Thank You!

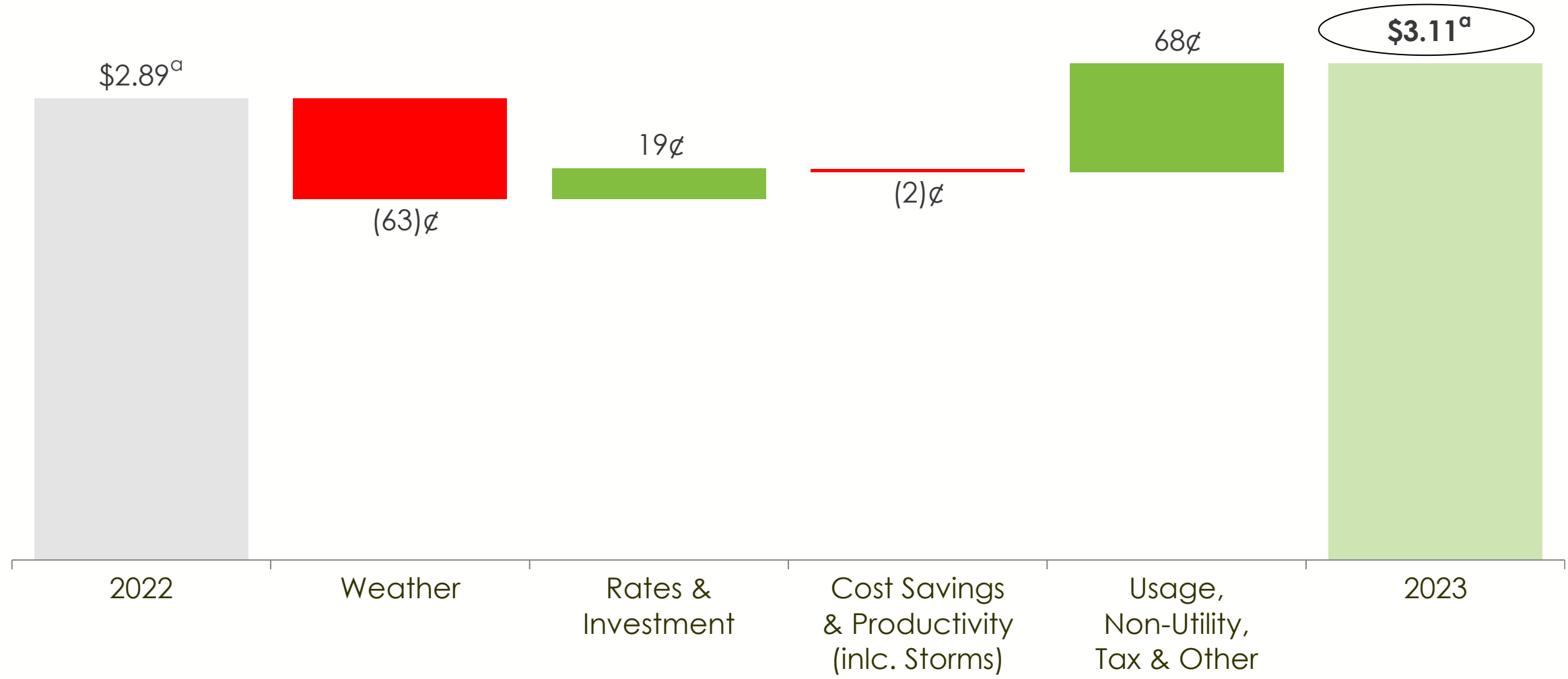
Appendix

Strong Balance Sheet . . .

Consumers Energy	S&P	Moody's	Fitch	Key Strengths
Senior Secured	A	A1	A+	✓ Forward-looking recovery
Commercial Paper	A-2	P-2	F-2	✓ Constructive rate construct
Outlook	Stable	Stable	Stable	✓ Strong operating cash flow generation
CMS Energy				
Senior Unsecured	BBB	Baa2	BBB	✓ 100% fixed rate debt
Junior Subordinated	BBB-	Baa3	BB+	✓ Hybrid debt (w/equity credit)
Outlook	Stable	Stable	Stable	✓ Limited near-term maturities
Last Review	✓ Aug. 2023	✓ May 2023	✓ Jan. 2023	

. . . maintains credit metrics and solid investment-grade ratings.

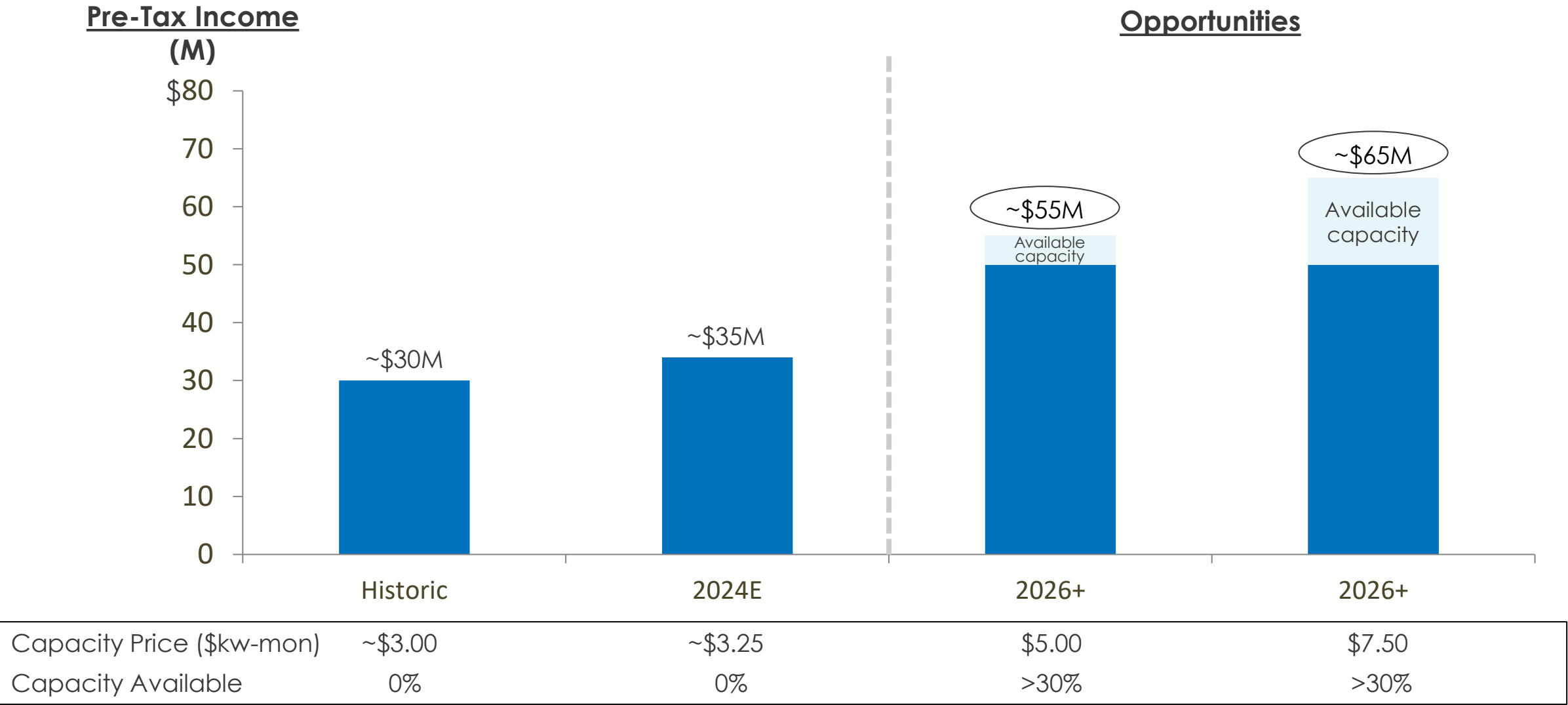
2023 Adjusted EPS . . .



Presentation endnotes are included after the appendix.

. . . reflects another year of premium growth.

DIG (750 MW) & Peakers (200 MW) . . .

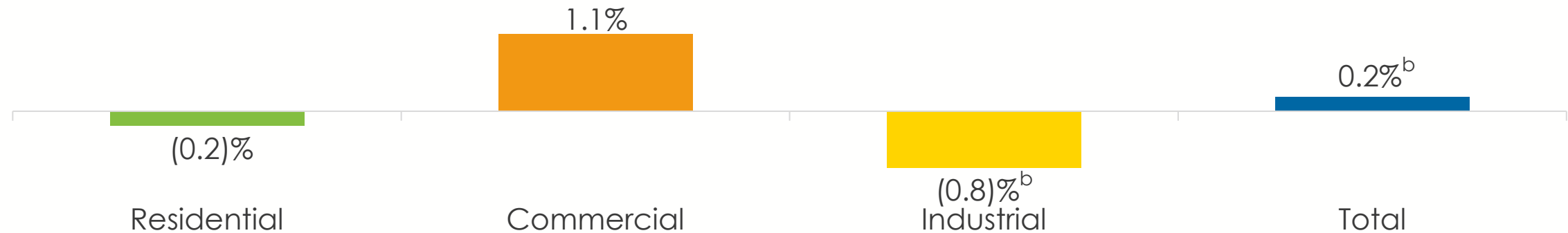


. . . supports the Plan with future upside opportunities.

Utility Sales Remain Strong . . .



Weather-Normalized Electric Deliveries^a (2023 vs. 2022)



Residential Customer Growth (5-Yr Avg. Customer Count)

2018 – 2023

Electric Customers >½%

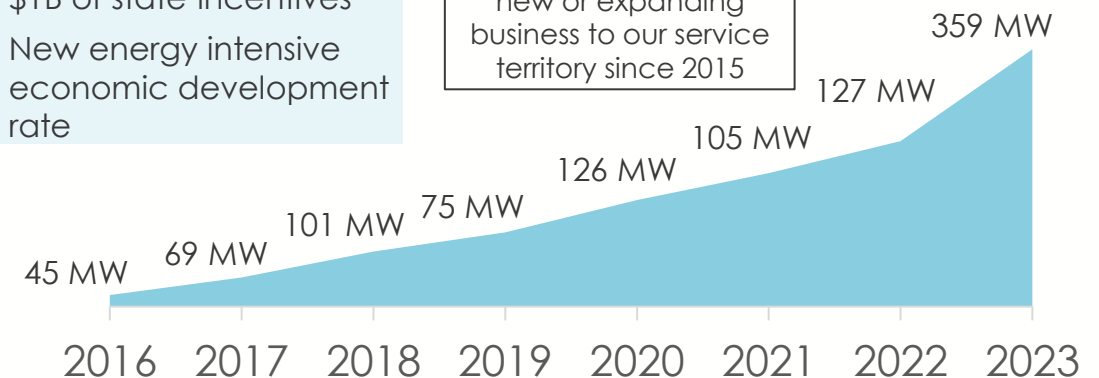
Gas Customers >½%

Economic Development

Policy Support

- \$1B of state incentives
- New energy intensive economic development rate

Attracted >1,000 MW of new or expanding business to our service territory since 2015



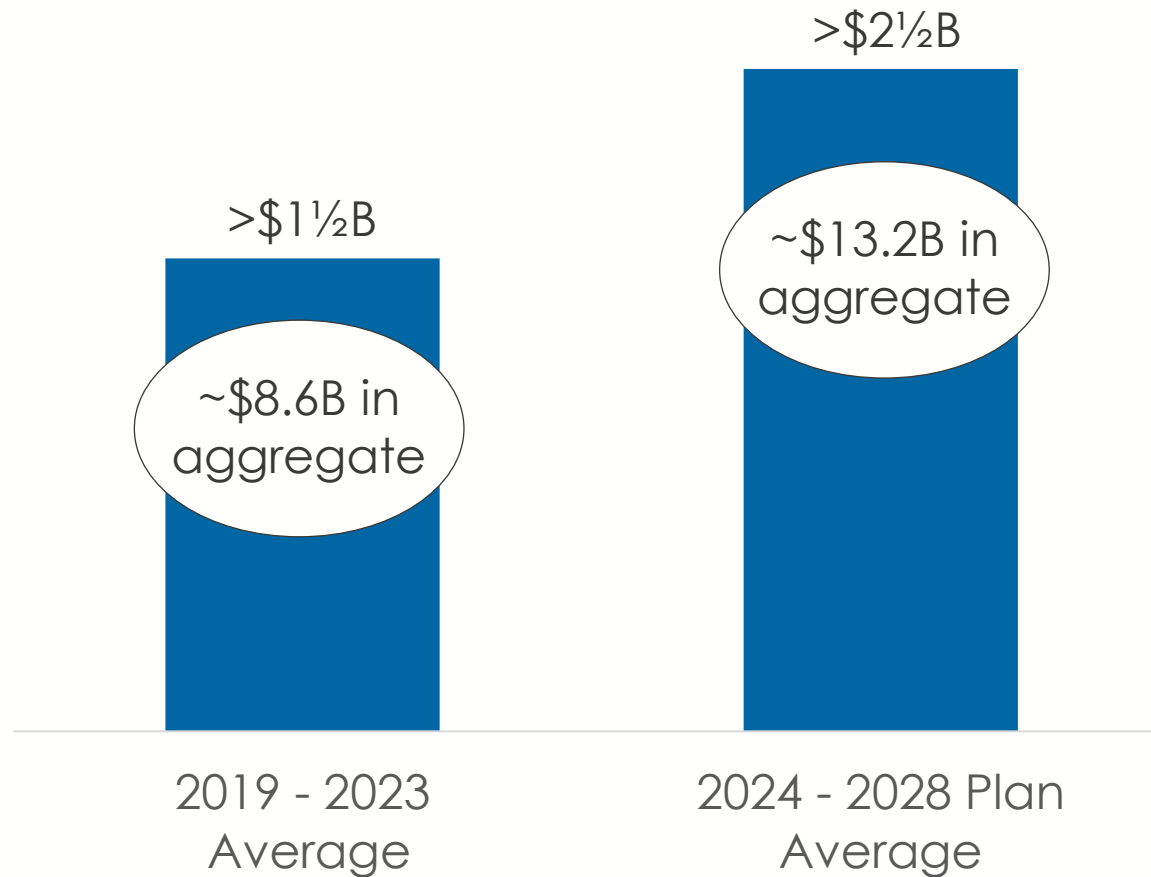
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. . . with supportive economic backdrop in Michigan.

Operating Cash Flow . . .



Adjusted Operating Cash Flow



NOLs^a & Credits

<u>Year</u>	<u>Amount</u> (\$B)
2024	\$0.4
2025	\$0.4
2026	\$0.4
2027	\$0.4
2028	\$0.3

Presentation endnotes are included after the appendix.

. . . remains strong and supports our capital plan.

Utility Customer Investment Plan



5-Year Plan (\$B)

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>Total</u>
Clean Energy Generation	\$0.7	\$0.8	\$0.7	\$0.7	\$0.5	\$3.4
Electric Distribution & Other	1.4	1.8	1.3	1.4	1.4	7.3
Gas Utility	<u>1.2</u>	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>	<u>1.2</u>	<u>6.3</u>
Total	<u>\$3.3</u>	<u>\$3.9</u>	<u>\$3.3</u>	<u>\$3.4</u>	<u>\$3.1</u>	<u>\$17.0</u>
Depreciation & Amortization ^a	\$1.2	\$1.3	\$1.4	\$1.4	\$1.5	\$6.8

63%
Electric utility
investment

Presentation endnotes are included after the appendix.

Endnotes

Presentation Endnotes



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

Slide 5: ^aNew energy law effective June 1, 2024

Slide 7: ^aAssumes \$24.6B rate base in 2023, \$35.2B in 2028, CAGR ^bOver plan period years 2024-2028

Slide 8: ^a\$17B utility capital investment plan (2024-2028), up \$1.5B from prior plan (2023-2027)

Slide 9: ^aSee GAAP reconciliation on slide 30

Slide 10: ^aMid-teens, as calculated by rating agencies ^bSettled equity of \$178 million in November 2023 and \$266 million in January 2024

Slide 12: ^aAdjusted EPS

Slide 13: ^aMid-teens, as calculated by rating agencies

Slide 14: ^aExcludes tax-exempt remarketing in October 2024 ^b\$1,708M in unreserved revolvers + \$191M of unrestricted cash; excludes cash unavailable for debt retirement such as held at NorthStar subs

Slide 15: ^aReflects 2024 sales forecast; weather-normalized

Slide 16: ^aExcludes discontinued operations

Slide 20: ^aAdjusted EPS

Slide 22: ^a2023 year over year change in GWh, excludes ROA and other ^bExcludes one large, low-margin industrial customer

Slide 23: ^aAfter-tax

Slide 24: ^aIncludes securitization amortization of ~\$100M/yr and regulatory asset amortization of ~\$100M/yr

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 Cash Flows from Operating Activities to
Non-GAAP Adjusted Cash Flows from Operating Activities
(Unaudited)



	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Cash Flows from Operating Activities	\$ 1,790	\$ 1,276	\$ 1,819	\$ 855	\$ 2,309
Adjustments - Discretionary Pension Contributions	-	700	-	-	-
Adjustments - EnerBank Operating Cash Flows	<u>(89)</u>	<u>(91)</u>	<u>24</u>	<u>-</u>	<u>-</u>
Non-GAAP Adjusted Cash Flows from Operating Activities	<u><u>\$ 1,701</u></u>	<u><u>\$ 1,885</u></u>	<u><u>\$ 1,843</u></u>	<u><u>\$ 855</u></u>	<u><u>\$ 2,309</u></u>

CMS ENERGY CORPORATION
Reconciliation of GAAP Cash Flows from Operating Activities to Non-GAAP Funds from Operations
Reconciliation of GAAP Indebtedness to Non-GAAP Adjusted Debt
(Unaudited)



	<i>In millions</i>
	Year Ended
	<u>12/31/2023</u>
FUNDS FROM OPERATIONS	
Net Cash Provided by Operating Activities	\$ 2,309
Reconciling Items:	
Changes in assets and liabilities	
Accounts receivable and accrued revenue	(241)
Inventories	(185)
Accounts payable and accrued rate refunds	136
Other current assets and liabilities	<u>21</u>
Adjusted operating cash flow; pre-working capital	\$ 2,040
50% of interest charges on Junior subordinated notes	<u>52</u>
FFO - Non-GAAP	<u><u>\$ 2,092</u></u>
 ADJUSTED DEBT	
Indebtedness	
Current portion of long-term debt and finance leases	\$ 980
Notes payable	93
Long-term debt	14,508
Non-current portion of finance leases	<u>62</u>
Total Indebtedness	\$ 15,643
50% of Junior subordinated notes	\$ (1,005)
Par call - CMS Parent senior notes	(250)
Adjusted Debt - Non-GAAP	<u><u>\$ 14,388</u></u>

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	
	12/31/23	12/31/22	12/31/23	12/31/22
Electric Utility				
Reported net income per share	\$ 0.50	\$ 0.23	\$ 1.89	\$ 1.96
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.01	0.02	0.02	0.02
Tax impact	(0.01)	(0.01)	(0.01)	(0.01)
Voluntary separation program	*	*	0.07	0.03
Tax impact	(*)	(*)	(0.02)	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 0.50</u>	<u>\$ 0.24</u>	<u>\$ 1.95</u>	<u>\$ 1.99</u>
Gas Utility				
Reported net income per share	\$ 0.46	\$ 0.48	\$ 1.08	\$ 1.30
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	0.01	0.01	0.01
Tax impact	(*)	(*)	(*)	(*)
Voluntary separation program	*	*	0.04	0.01
Tax impact	(*)	(*)	(0.01)	(*)
Adjusted net income per share – non-GAAP	<u>\$ 0.46</u>	<u>\$ 0.49</u>	<u>\$ 1.12</u>	<u>\$ 1.32</u>
NorthStar Clean Energy				
Reported net income per share	\$ 0.14	\$ 0.03	\$ 0.23	\$ 0.12
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	-	-	(*)
Tax impact	-	-	-	*
Voluntary separation program	-	-	-	*
Tax impact	-	-	-	(*)
Adjusted net income per share – non-GAAP	<u>\$ 0.14</u>	<u>\$ 0.03</u>	<u>\$ 0.23</u>	<u>\$ 0.12</u>
Corporate Interest and Other				
Reported net loss per share	\$ (0.05)	\$ (0.16)	\$ (0.19)	\$ (0.54)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	*	-	*
Tax impact	-	(*)	-	(*)
Adjusted net loss per share – non-GAAP	<u>\$ (0.05)</u>	<u>\$ (0.16)</u>	<u>\$ (0.19)</u>	<u>\$ (0.54)</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	\$ 1.05	\$ 0.58	\$ 3.01	\$ 2.85
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	*	-	(*)	(0.01)
Tax impact	(*)	-	*	*
Other exclusions from adjusted earnings	0.01	0.03	0.03	0.03
Tax impact	(0.01)	(0.01)	(0.01)	(0.01)
Voluntary separation program	*	*	0.11	0.04
Tax impact	(*)	(*)	(0.03)	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 1.05</u>	<u>\$ 0.60</u>	<u>\$ 3.11</u>	<u>\$ 2.89</u>
Average Common Shares Outstanding – Diluted	<u>292.7</u>	<u>290.1</u>	<u>291.7</u>	<u>290.0</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		Twelve Months Ended	
	12/31/23	12/31/22	12/31/23	12/31/22
Net Income Available to Common Stockholders	\$ 306	\$ 168	\$ 877	\$ 827
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	*	-	(1)	(5)
Tax impact	(*)	-	*	1
Other exclusions from adjusted earnings**	3	9	9	8
Tax impact	(1)	(2)	(3)	(2)
Voluntary separation program	*	1	33	12
Tax impact	(*)	(*)	(8)	(3)
Adjusted net income – non-GAAP	<u>\$ 308</u>	<u>\$ 176</u>	<u>\$ 907</u>	<u>\$ 838</u>
Average Common Shares Outstanding - Diluted	292.7	290.1	291.7	290.0
Diluted Earnings Per Average Common Share				
Reported net income per share	\$ 1.05	\$ 0.58	\$ 3.01	\$ 2.85
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	*	-	(*)	(0.01)
Tax impact	(*)	-	*	*
Other exclusions from adjusted earnings**	0.01	0.03	0.03	0.03
Tax impact	(0.01)	(0.01)	(0.01)	(0.01)
Voluntary separation program	*	*	0.11	0.04
Tax impact	(*)	(*)	(0.03)	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 1.05</u>	<u>\$ 0.60</u>	<u>\$ 3.11</u>	<u>\$ 2.89</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	3Q	4Q
Net Income Available to Common Stockholders	\$ 202	\$ 195	\$ 174	\$ 306
<i>Reconciling items:</i>				
Electric utility and gas utility	3	30	6	3
Tax impact	(1)	(7)	(2)	(1)
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	<u>\$ 204</u>	<u>\$ 217</u>	<u>\$ 178</u>	<u>\$ 308</u>
Average Common Shares Outstanding – Diluted	291.2	291.3	291.4	292.7
Diluted Earnings Per Average Common Share	\$ 0.69	\$ 0.67	\$ 0.60	\$ 1.05
<i>Reconciling items:</i>				
Electric utility and gas utility	0.01	0.10	0.01	0.01
Tax impact	(*)	(0.02)	(*)	(0.01)
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	<u>\$ 0.70</u>	<u>\$ 0.75</u>	<u>\$ 0.61</u>	<u>\$ 1.05</u>

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

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	<u>\$ 346</u>	<u>\$ 153</u>	<u>\$ 163</u>	<u>\$ 176</u>
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	<u>\$ 1.20</u>	<u>\$ 0.53</u>	<u>\$ 0.56</u>	<u>\$ 0.60</u>

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