

To: Investment Community

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

Date: February 1st, 2024

Subject: CMS Energy to Announce Year-End 2023 Results and Outlook at 9:30am (ET)

Webcast: <https://events.q4inc.com/attendee/132506628>

CMS Energy Announces Strong 2023 Results for the 21st Consecutive Year and Raises 2024 Adjusted EPS Guidance

JACKSON, Mich., Feb. 1, 2024 – CMS Energy announced today reported earnings per share of \$3.01 for 2023, compared to \$2.85 per share for 2022. The company's adjusted earnings per share for 2023 were \$3.11, compared to \$2.89 per share for 2022. CMS Energy also announced the increase of its annual dividend by 11 cents per share to \$2.06 for 2024.

CMS Energy raised its 2024 adjusted earnings guidance to \$3.29 to \$3.35 per share from \$3.27 to \$3.33 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.

"In a challenging year with unfavorable weather and significant storms, we responded and delivered for our customers, communities and investors," said Garrick Rochow, President and CEO of CMS Energy and Consumers Energy. "I'm proud of the team's efforts in 2023 and our success positions CMS Energy well for the long-term."

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 2023 year-end results and provide a business and financial outlook on Thursday, February 1 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, 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 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.

Media Contacts: Katie Carey, 517/740-1739

Investment Analyst Contact: Travis Uphaus, 517/817-9241

CMS ENERGY CORPORATION

Consolidated Statements of Income

(Unaudited)

	<i>In Millions, Except Per Share Amounts</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/23	12/31/22	Change	12/31/23	12/31/22	Change
Operating Revenue						
Electric utility	\$ 1,175	\$ 1,259	\$ (84)	\$ 4,745	\$ 5,419	\$ (674)
Gas utility	700	921	(221)	2,420	2,732	(312)
NorthStar Clean Energy	75	98	(23)	297	445	(148)
Total operating revenue	1,950	2,278	(328)	7,462	8,596	(1,134)
Operating Expenses						
Fuel for electric generation	152	185	(33)	561	905	(344)
Purchased and interchange power	315	418	(103)	1,375	1,928	(553)
Purchased power – related parties	18	20	(2)	75	76	(1)
Cost of gas sold	229	454	(225)	902	1,256	(354)
Maintenance and other operating expenses	403	530	(127)	1,687	1,669	18
Depreciation and amortization	310	296	14	1,180	1,126	54
General taxes	117	104	13	447	412	35
Total operating expenses	1,544	2,007	(463)	6,227	7,372	(1,145)
Operating Income (Loss)						
Electric utility	212	113	99	772	789	(17)
Gas utility	206	166	40	498	446	52
NorthStar Clean Energy	(6)	(1)	(5)	(19)	2	(21)
Other	(6)	(7)	1	(16)	(13)	(3)
Total operating income	406	271	135	1,235	1,224	11
Other Income (Expense)						
Nonoperating retirement benefits, net	45	51	(6)	180	205	(25)
Other income	43	8	35	195	19	176
Other expense	(5)	(7)	2	(13)	(27)	14
Total other income	83	52	31	362	197	165
Earnings Before Interest, Taxes, and Other Charges	489	323	166	1,597	1,421	176
Interest on long-term debt	162	139	23	616	509	107
Interest expense - related parties	3	3	-	12	12	-
Other interest expense	8	(2)	10	18	-	18
Allowance for borrowed funds used during construction	(1)	(1)	-	(3)	(2)	(1)
Income tax expense	66	21	45	147	93	54
Income From Continuing Operations	251	163	88	807	809	(2)
Income from discontinued operations, net of tax	-	-	-	1	4	(3)
Net Income	251	163	88	808	813	(5)
Loss attributable to noncontrolling interests	(58)	(8)	(50)	(79)	(24)	(55)
Net Income Attributable to CMS Energy	309	171	138	887	837	50
Preferred stock dividends	3	3	-	10	10	-
Net Income Available to Common Stockholders	\$ 306	\$ 168	\$ 138	\$ 877	\$ 827	\$ 50
<i>Reconciling items:</i>						
Disposal of discontinued operations (gain) loss	*	-	*	(1)	(5)	4
Tax impact	(*)	-	(*)	*	1	(1)
Other exclusions from adjusted earnings	3	9	(6)	9	8	1
Tax impact	(1)	(2)	1	(3)	(2)	(1)
Voluntary separation program	*	1	(1)	33	12	21
Tax impact	(*)	(*)	*	(8)	(3)	(5)
Adjusted Net Income – Non-GAAP	<u>\$ 308</u>	<u>\$ 176</u>	<u>\$ 132</u>	<u>\$ 907</u>	<u>\$ 838</u>	<u>\$ 69</u>
Average Common Shares Outstanding - Diluted	292.7	290.1	2.6	291.7	290.0	1.7
Diluted Earnings Per Average Common Share	\$ 1.05	\$ 0.58	\$ 0.47	\$ 3.01	\$ 2.85	\$ 0.16
<i>Reconciling items:</i>						
Disposal of discontinued operations (gain) loss	*	-	*	(*)	(0.01)	0.01
Tax impact	(*)	-	(*)	*	*	(*)
Other exclusions from adjusted earnings	0.01	0.03	(0.02)	0.03	0.03	-
Tax impact	(0.01)	(0.01)	-	(0.01)	(0.01)	-
Voluntary separation program	*	*	(*)	0.11	0.04	0.07
Tax impact	(*)	(*)	*	(0.03)	(0.01)	(0.02)
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	<u>\$ 1.05</u>	<u>\$ 0.60</u>	<u>\$ 0.45</u>	<u>\$ 3.11</u>	<u>\$ 2.89</u>	<u>\$ 0.22</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	
	12/31/23	12/31/22
Assets		
Current assets		
Cash and cash equivalents	\$ 227	\$ 164
Restricted cash and cash equivalents	21	18
Other current assets	2,591	3,251
Total current assets	2,839	3,433
Non-current assets		
Plant, property, and equipment	25,072	22,713
Other non-current assets	5,606	5,207
Total Assets	\$ 33,517	\$ 31,353
Liabilities and Equity		
Current liabilities ⁽¹⁾	\$ 1,822	\$ 1,866
Non-current liabilities ⁽¹⁾	7,927	7,583
Capitalization		
Debt and finance leases (excluding securitization debt) ⁽²⁾	14,856	14,139
Preferred stock and securities	224	224
Noncontrolling interests	581	580
Common stockholders' equity	7,320	6,791
Total capitalization (excluding securitization debt)	22,981	21,734
Securitization debt ⁽²⁾	787	170
Total Liabilities and Equity	\$ 33,517	\$ 31,353

⁽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	
	12/31/23	12/31/22
Beginning of Period Cash and Cash Equivalents, Including Restricted Amounts	\$ 182	\$ 476
Net cash provided by operating activities	2,309	855
Net cash used in investing activities	(3,386)	(2,476)
Cash flows from operating and investing activities	(1,077)	(1,621)
Net cash provided by financing activities	1,143	1,327
Total Cash Flows	\$ 66	\$ (294)
End of Period Cash and Cash Equivalents, Including Restricted Amounts	\$ 248	\$ 182

CMS ENERGY CORPORATION

Selected Financial Data

(Unaudited)

	<i>In Millions</i>		
	Twelve Months Ended		
	12/31/23	12/31/22	12/31/21
EBIT – Non-GAAP ⁽¹⁾			
Consolidated	\$ 1,639	\$ 1,441	\$ 1,351
Consumers Energy	1,518	1,441	1,364
Depreciation and Amortization			
Consolidated	\$ 1,180	\$ 1,126	\$ 1,114
Consumers Energy	1,137	1,088	1,077
EBITDA – Non-GAAP ⁽¹⁾			
Consolidated	\$ 2,819	\$ 2,567	\$ 2,465
Consumers Energy	2,655	2,529	2,441
Dividends and Other Distributions From Subsidiaries	\$ 745	\$ 769	\$ 1,593
Interest Expense, Net			
Consolidated	\$ 643	\$ 519	\$ 500
Energy parent	201	181	183
Consumers Energy	440	335	311
	<i>In Millions</i>		
	As of		
	12/31/23	12/31/22	12/31/21
Book Value Per Share	\$ 24.86	\$ 23.31	\$ 22.11
Common Shares Outstanding – End of Period	294.4	291.3	289.8
Average Common Shares Outstanding			
Basic	291.2	289.5	289.0
Diluted	291.7	290.0	289.5
Debt ⁽²⁾			
Energy parent	\$ 4,721	\$ 3,930	\$ 3,928
NorthStar Clean Energy	22	122	76
Consumers Energy (excluding securitization bonds)	10,113	10,087	8,272
Consolidated (excluding securitization bonds)	14,856	14,139	12,276
Securitization bonds	787	170	198
Consolidated	\$ 15,643	\$ 14,309	\$ 12,474
Unrestricted Cash and Cash Equivalents			
Energy parent	\$ 149	\$ 36	\$ 390
Consumers Energy	35	43	22
CMS Treasury Services	6	39	19
Other	37	46	21
Consolidated	\$ 227	\$ 164	\$ 452
Consumers Energy			
Regulated Common Equity Ratio (13-Month Average)			
Electric	41.7%	43.5%	42.6%
Gas	41.7%	43.5%	42.6%
Regulated Rate Base (13-Month Average, in Millions)			
Electric ⁽³⁾	\$ 15,097	\$ 13,796	\$ 13,354
Gas	9,574	8,668	7,654
Regulated Return on Average Common Equity (12-Month Ended)			
Electric ⁽³⁾	9.2%	9.3%	10.1%
Gas	8.2%	10.0%	9.4%

⁽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 ~\$1.3 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		
	12/31/23	12/31/22	12/31/21
Net Income Available to Common Stockholders	\$ 877	\$ 827	\$ 1,348
<i>Reconciling items:</i>			
Income tax expense	147	94	265
Interest on long-term debt	616	509	481
Interest expense - related parties	12	12	12
Other interest expense	18	-	10
Allowance for borrowed funds used during construction	(3)	(2)	(3)
Loss attributable to noncontrolling interests	(79)	(24)	(23)
Preferred stock dividends	10	10	5
Disposal of discontinued operations gain	(1)	(5)	(657)
Discontinued operations income	-	-	(115)
Other exclusions from adjusted earnings	9	8	(1)
Loss on fleet impairment	-	-	29
Voluntary separation program	33	12	-
EBIT – Non-GAAP	1,639	1,441	1,351
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,180	1,126	1,114
EBITDA – Non-GAAP	<u>\$ 2,819</u>	<u>\$ 2,567</u>	<u>\$ 2,465</u>

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

	<i>In Millions</i>		
	Twelve Months Ended		
	12/31/23	12/31/22	12/31/21
Net Income Available to Common Stockholder	\$ 865	\$ 943	\$ 866
<i>Reconciling items:</i>			
Income tax expense	161	140	156
Interest on long-term debt	415	325	294
Interest expense - related parties	20	12	12
Other interest expense	16	-	8
Allowance for borrowed funds used during construction	(3)	(2)	(3)
Preferred stock dividends	2	2	2
Other exclusions from adjusted earnings	9	9	-
Loss on fleet impairment	-	-	29
Voluntary separation program	33	12	-
EBIT – Non-GAAP	1,518	1,441	1,364
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,137	1,088	1,077
EBITDA – Non-GAAP	<u>\$ 2,655</u>	<u>\$ 2,529</u>	<u>\$ 2,441</u>

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

Three Months Ended December 31			
	12/31/23	12/31/22	Variance
Adjusted EPS – Non-GAAP			
Electric utility	\$ 0.50	\$ 0.24	\$ 0.26
Gas utility	0.46	0.49	(0.03)
NorthStar Clean Energy	0.14	0.03	0.11
Energy parent	(0.05)	(0.16)	0.11
Consolidated	<u>\$ 1.05</u>	<u>\$ 0.60</u>	<u>\$ 0.45</u>
Variance Explanations:			
ELECTRIC UTILITY			
- Deliveries of 8,762 GWh, down 67 GWh (weather-driven impact, down 62 GWh)			\$ 0.01
- Electric rate relief, including renewables			0.12
- Lower operating & maintenance expenses, including storm costs			0.14
- Higher investment costs (depreciation, property taxes and fixed costs)			(0.10)
- Other, including abs. of 2022 voluntary refund mechanism			0.09
- Change in shares outstanding			*
			<u>\$ 0.26</u>
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 84.3 bcf, down 7.9 bcf (weather-driven impact, down 10.1 bcf)			\$ (0.06)
- Gas rate relief			0.08
- Lower operating & maintenance expenses			0.05
- Higher investment costs (depreciation, property taxes and fixed costs)			(0.03)
- Absence of tax benefits from 2020 gas rate case settlement			(0.08)
- Other, including abs. of 2022 voluntary refund mechanism			0.01
- Change in shares outstanding			*
			<u>\$ (0.03)</u>
NORTHSTAR CLEAN ENERGY AND ENERGY PARENT			
- NorthStar Clean Energy			\$ 0.11
- Other, including corporate financings, liability mgmt. and tax benefits			0.11
- Change in shares outstanding			*
			<u>\$ 0.22</u>
WEATHER IMPACTS			
	12/31/23	12/31/22	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	7.5 %	1.3 %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	(76)	(14)	
EPS	\$ (0.02)	\$ -	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	(10.3)	(0.2)	
EPS	\$ (0.12)	\$ -	
Total EPS Weather Impacts	<u>\$ (0.14)</u>	<u>\$ -</u>	

* Less than \$0.01 per share.

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

Twelve Months Ended December 31			
	12/31/23	12/31/22	Variance
Adjusted EPS – Non-GAAP			
Electric utility	\$ 1.95	\$ 1.99	\$ (0.04)
Gas utility	1.12	1.32	(0.20)
NorthStar Clean Energy	0.23	0.12	0.11
Energy parent	(0.19)	(0.54)	0.35
Consolidated	<u>\$ 3.11</u>	<u>\$ 2.89</u>	<u>\$ 0.22</u>
Variance Explanations:			
ELECTRIC UTILITY			
- Deliveries of 36,293 GWh, down 1,040 GWh (weather-driven impact, down 1,015 GWh)			\$ (0.25)
- Electric rate relief, including renewables			0.51
- Higher operating & maintenance expenses, including storm costs			(0.13)
- Higher investment costs (depreciation, property taxes and fixed costs)			(0.30)
- Other, including abs. of 2022 voluntary refund mechanism			0.14
- Change in shares outstanding			(0.01)
			<u>\$ (0.04)</u>
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 282.3 bcf, down 32.3 bcf (weather-driven impact, down 32.0 bcf)			\$ (0.33)
- Gas rate relief			0.39
- Lower operating & maintenance expenses			0.11
- Higher investment costs (depreciation, property taxes and fixed costs)			(0.17)
- Absence of tax benefits from 2020 gas rate case settlement			(0.24)
- Other, including abs. of 2022 voluntary refund mechanism			0.05
- Change in shares outstanding			(0.01)
			<u>\$ (0.20)</u>
NORTHSTAR CLEAN ENERGY AND ENERGY PARENT			
- NorthStar Clean Energy			\$ 0.11
- Other, including corporate financings, liability mgmt. and tax benefits			0.35
- Change in shares outstanding			*
			<u>\$ 0.46</u>
WEATHER IMPACTS			
	12/31/23	12/31/22	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	3.4 %	(0.1) %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	(497)	518	
EPS	\$ (0.14)	\$ 0.14	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	(26.1)	5.9	
EPS	\$ (0.29)	\$ 0.06	
Total EPS Weather Impacts	<u>\$ (0.43)</u>	<u>\$ 0.20</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	
	12/31/23	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	\$ 204	\$ 217	\$ 178	\$ 308
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	\$ 0.70	\$ 0.75	\$ 0.61	\$ 1.05

<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

* 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		
	12/31/23	12/31/22	Change	12/31/23	12/31/22	Change
Operating Revenue						
Electric utility	\$ 1,175	\$ 1,259	\$ (84)	\$ 4,745	\$ 5,419	\$ (674)
Gas utility	700	921	(221)	2,420	2,732	(312)
Other	-	-	-	1	-	1
Total operating revenue	1,875	2,180	(305)	7,166	8,151	(985)
Operating Expenses						
Fuel for electric generation	121	132	(11)	435	662	(227)
Purchased and interchange power	307	406	(99)	1,331	1,867	(536)
Purchased power – related parties	18	20	(2)	75	76	(1)
Cost of gas sold	227	451	(224)	897	1,243	(346)
Maintenance and other operating expenses	372	506	(134)	1,586	1,582	4
Depreciation and amortization	298	286	12	1,137	1,088	49
General taxes	114	101	13	437	400	37
Total operating expenses	1,457	1,902	(445)	5,898	6,918	(1,020)
Operating Income (Loss)						
Electric utility	212	113	99	772	789	(17)
Gas utility	206	166	40	498	446	52
Other	-	(1)	1	(2)	(2)	-
Total operating income	418	278	140	1,268	1,233	35
Other Income (Expense)						
Nonoperating retirement benefits, net	43	49	(6)	171	195	(24)
Other income	9	5	4	49	17	32
Other expense	(4)	(6)	2	(12)	(25)	13
Total other income	48	48	-	208	187	21
Interest Charges						
Interest on long-term debt	109	94	15	415	325	90
Interest expense - related parties	7	3	4	20	12	8
Other interest expense	7	(2)	9	16	-	16
Allowance for borrowed funds used during construction	(1)	(1)	-	(3)	(2)	(1)
Total interest charges	122	94	28	448	335	113
Income Before Income Taxes	344	232	112	1,028	1,085	(57)
Income Tax Expense	54	32	22	161	140	21
Net Income	290	200	90	867	945	(78)
Preferred Stock Dividends	1	1	-	2	2	-
Net Income (Loss) Available to Common Stockholder						
Electric utility	146	66	80	550	567	(17)
Gas utility	134	139	(5)	315	378	(63)
Other	9	(6)	15	-	(2)	2
Total net income available to common stockholder	\$ 289	\$ 199	\$ 90	\$ 865	\$ 943	\$ (78)

CONSUMERS ENERGY COMPANY

Electric Utility Statistics

(Unaudited)

	<i>In Millions of kWh, Except as Noted</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/23	12/31/22	% Change	12/31/23	12/31/22	% Change
Electric Deliveries						
Residential	2,940	2,997	(1.9)	12,208	12,977	(5.9)
Commercial	2,755	2,707	1.8	11,553	11,675	(1.0)
Industrial	2,078	2,113	(1.7)	8,547	8,455	1.1
Other	40	44	(9.1)	141	142	(0.7)
Wholesale	69	75	(8.0)	282	321	(12.1)
Retail open access	880	893	(1.5)	3,562	3,763	(5.3)
Total customer deliveries	8,762	8,829	(0.8)	36,293	37,333	(2.8)
Intersystem	1,548	649	138.5	3,844	3,796	1.3
Total electric deliveries	10,310	9,478	8.8	40,137	41,129	(2.4)
Weather-Normalized Electric Deliveries ⁽¹⁾						
Residential	3,012	3,014	(0.1)	12,597	12,619	(0.2)
Commercial	2,762	2,706	2.1	11,657	11,528	1.1
Industrial	2,076	2,112	(1.7)	8,553	8,448	1.2
Other	39	44	(11.4)	141	142	(0.7)
Wholesale	69	75	(8.0)	282	321	(12.1)
Retail open access	880	892	(1.3)	3,560	3,757	(5.2)
Total weather-normalized electric deliveries	8,838	8,843	(0.1)	36,790	36,815	(0.1)
Weather-Normalized Electric Deliveries ⁽¹⁾						
(By Class, Including Retail Open Access)						
Residential	3,012	3,014	(0.1)	12,597	12,619	(0.2)
Commercial	2,986	2,929	1.9	12,560	12,450	0.9
Industrial	2,732	2,781	(1.8)	11,210	11,283	(0.6)
Other	39	44	(11.4)	141	142	(0.7)
Wholesale	69	75	(8.0)	282	321	(12.1)
Total weather-normalized electric deliveries	8,838	8,843	(0.1)	36,790	36,815	(0.1)

⁽¹⁾ Excludes intersystem deliveries.

	<i>In Millions, Except as Noted</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/23	12/31/22	% Change	12/31/23	12/31/22	% Change
Electric Utility Revenue						
Residential	\$ 529	\$ 553	(4.3)	\$ 2,236	\$ 2,508	(10.8)
Commercial	367	404	(9.2)	1,550	1,723	(10.0)
Industrial	165	187	(11.8)	660	788	(16.2)
Other	10	8	25.0	38	34	11.8
Total sales revenue	1,071	1,152	(7.0)	4,484	5,053	(11.3)
Wholesale	5	5	-	21	23	(8.7)
Retail open access	10	10	-	36	35	2.9
Intersystem	40	39	2.6	109	218	(50.0)
Miscellaneous	50	53	(5.7)	96	90	6.7
Total electric utility revenue	\$ 1,176	\$ 1,259	(6.6)	\$ 4,746	\$ 5,419	(12.4)

CONSUMERS ENERGY COMPANY

Gas Utility Statistics

(Unaudited)

	<i>In Thousands of mcf, Except as Noted</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/23	12/31/22	% Change	12/31/23	12/31/22	% Change
Gas Deliveries						
Residential	45,149	51,477	(12.3)	141,198	163,031	(13.4)
Commercial	15,107	16,881	(10.5)	51,478	58,164	(11.5)
Industrial	1,882	2,111	(10.8)	6,902	8,305	(16.9)
Other	29	34	(14.7)	118	298	(60.4)
Transportation	22,096	21,757	1.6	82,621	84,831	(2.6)
Total customer deliveries	84,263	92,260	(8.7)	282,317	314,629	(10.3)
Off-system transportation						
MCV	18,477	17,021	8.6	74,913	57,235	30.9
Other	4,094	4,078	0.4	17,628	19,067	(7.5)
Total gas deliveries	106,834	113,359	(5.8)	374,858	390,931	(4.1)
Weather-Normalized Gas Deliveries ⁽¹⁾						
Residential	51,544	51,568	-	158,252	158,566	(0.2)
Commercial	17,003	16,707	1.8	56,552	56,078	0.8
Industrial	2,178	2,150	1.3	7,639	8,120	(5.9)
Other	36	37	(2.7)	139	294	(52.7)
Transportation	23,805	22,002	8.2	85,823	85,665	0.2
Total weather-normalized gas deliveries	94,566	92,464	2.3	308,405	308,723	(0.1)
Weather-Normalized Gas Deliveries ⁽¹⁾						
(By Class, Including Transportation)						
Residential	51,860	51,875	-	159,319	159,676	(0.2)
Commercial	24,464	23,755	3.0	83,134	82,372	0.9
Industrial	18,206	16,762	8.6	65,770	66,013	(0.4)
Other	36	72	(50.0)	182	662	(72.5)
Total weather-normalized gas deliveries	94,566	92,464	2.3	308,405	308,723	(0.1)

⁽¹⁾ Excludes off-system transportation deliveries.

	<i>In Millions, Except as Noted</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/23	12/31/22	% Change	12/31/23	12/31/22	% Change
Gas Utility Revenue						
Residential	\$ 459	\$ 634	(27.6)	\$ 1,619	\$ 1,872	(13.5)
Commercial	136	186	(26.9)	489	555	(11.9)
Industrial	16	22	(27.3)	60	75	(20.0)
Other	-	-	-	1	2	(50.0)
Total sales revenue	611	842	(27.4)	2,169	2,504	(13.4)
Transportation	38	35	8.6	125	112	11.6
Miscellaneous	51	44	15.9	126	116	8.6
Total gas utility revenue	\$ 700	\$ 921	(24.0)	\$ 2,420	\$ 2,732	(11.4)