

Third Quarter 2021 Results and Outlook

Leading the Clean Energy Transformation

CMS ENERGY

October 28, 2021



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.

Strong Execution . . .



- ✓ Completed EnerBank transaction for gross proceeds of >\$1 Bn^a
- ✓ Approved Voluntary Green Pricing (VGP) program adds an incremental 1,000 MW
- ✓ Filed 5-yr, ~\$4 Bn Electric Distribution Infrastructure Investment Plan (EDIIP)^b
- ✓ Executing on >\$75 MM of customer assistance to help keep bills affordable
- ✓ Exceeded cost savings target of >\$40 MM by leveraging the CE Way and other initiatives
- ✓ Growing EV program with implementation of PowerMIFleet
- ✓ Named #1 utility in the U.S. for America's Best Employers for Women and America's Best Employers for Diversity by Forbes[®]

Presentation endnotes are included after the appendix.

. . . has positioned the business for sustainable long-term growth.

Strong Results . . .



2021 YTD

Amount

Commentary

Adjusted Continuing Ops. EPS (non-GAAP)

\$2.18

Ahead of Plan

2021 Full-Year

Adjusted Continuing Ops. EPS Guidance

\$2.63 – \$2.65

Raised from Q2

2022 Full-Year

Adjusted EPS Guidance

\$2.85 – \$2.87

Reaffirmed

Long-Term

Adjusted EPS Growth

+6% to +8%

Toward the high end

Dividend Per Share Growth

+6% to +8%

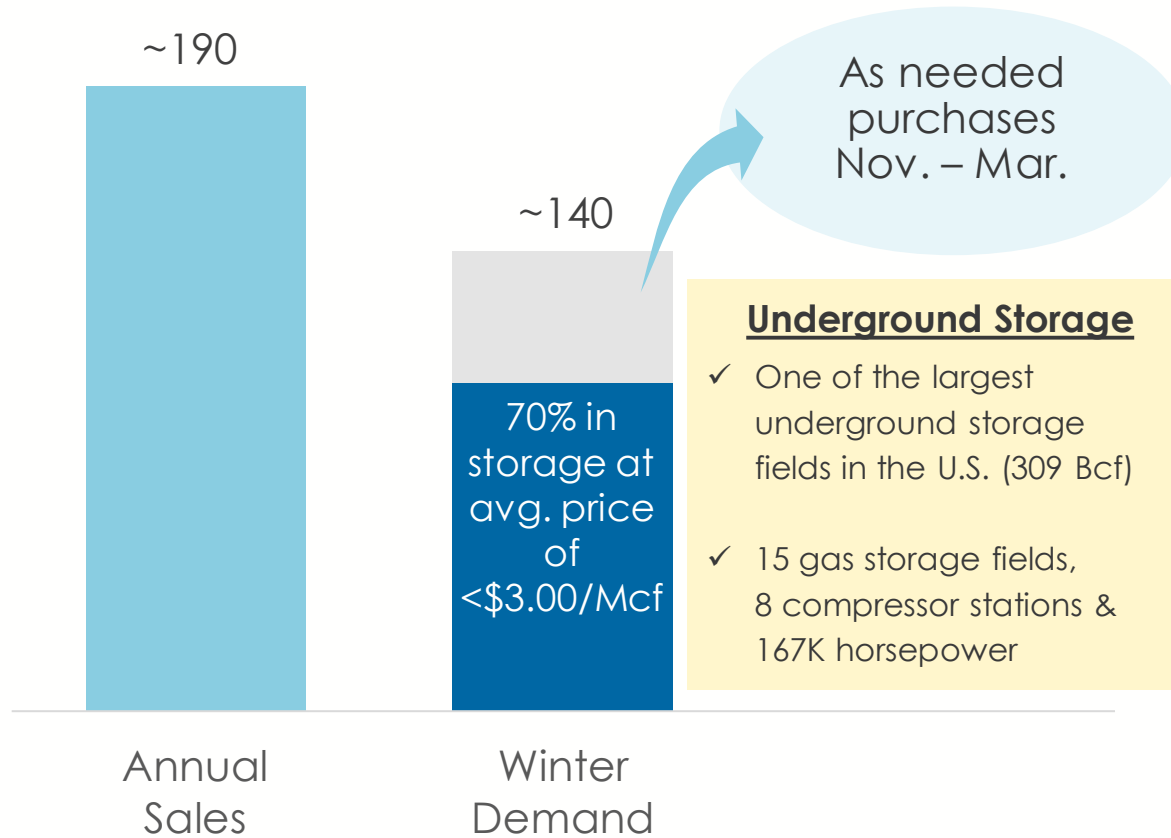
Committed to growth

. . . build momentum for 2022 and beyond.

Uniquely Positioned Gas Business . . .



Gas Sales (Bcf)^a



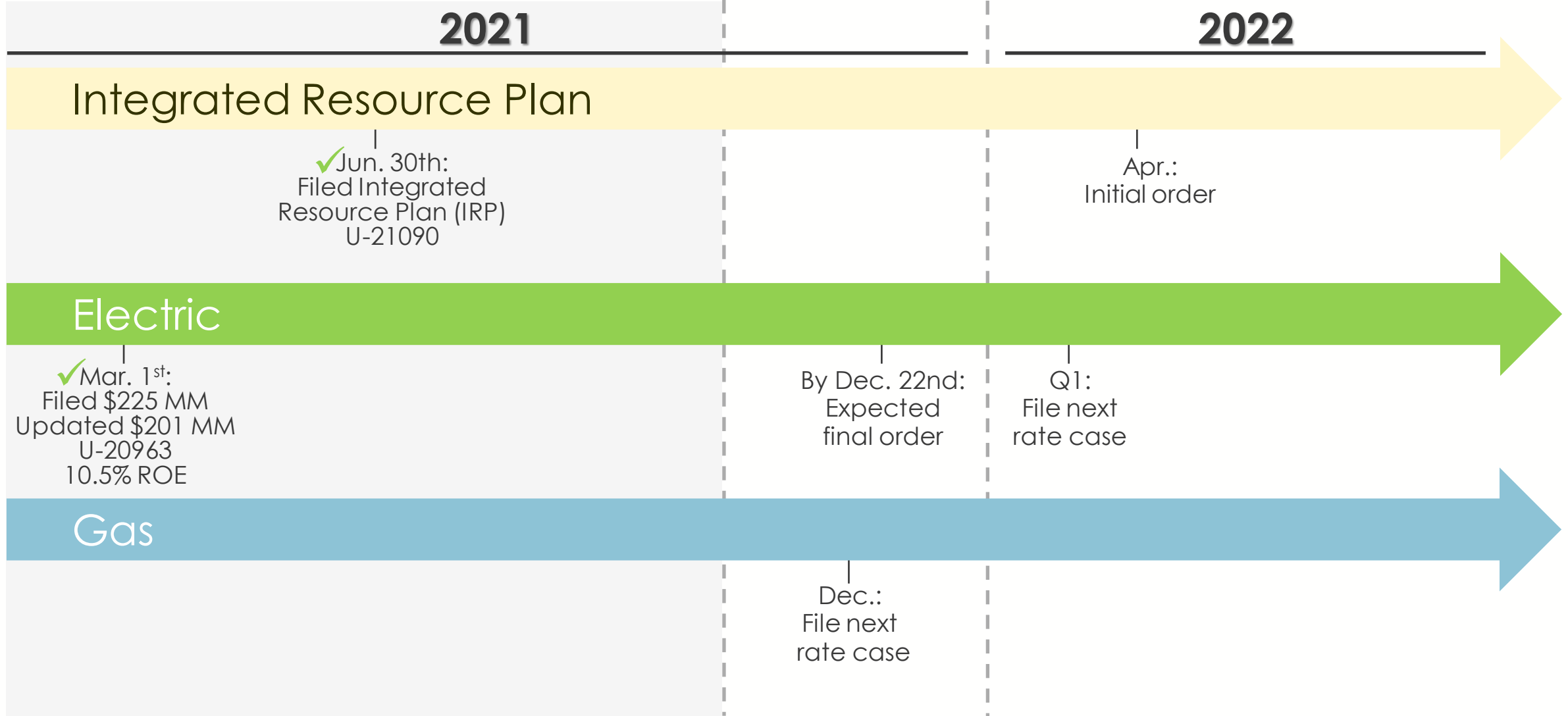
- Procurement of natural gas at lower costs during summer months for storage to meet winter demand
- Gas Cost Recovery (GCR) mechanism limits under-recovery
 - Annual \$1/Mcf movement in gas prices equates to ~\$7 impact to average monthly residential customer bill
 - Historic under-recovered balances have been addressed in the next plan year
- Gas case stay-out keeps base rates flat

Supported by ~\$1 Bn of storage and compressor station investments over the last decade

Presentation endnotes are included after the appendix.

. . . protects against near- and long-term volatility.

Michigan's Strong Regulatory Construct . . .



. . . ensures forward-looking visibility.

Q3 2021 and YTD Adjusted EPS . . .

Third Quarter

	<u>2020</u>	<u>2021</u>
Reported Continuing Ops. EPS (GAAP) ^a	\$0.72	\$0.54
Adjustments ^b	<u>0.01</u>	=
Adj. Continuing Ops. EPS (non-GAAP) ^b	<u>\$0.73</u>	<u>\$0.54</u>

Year-to-Date

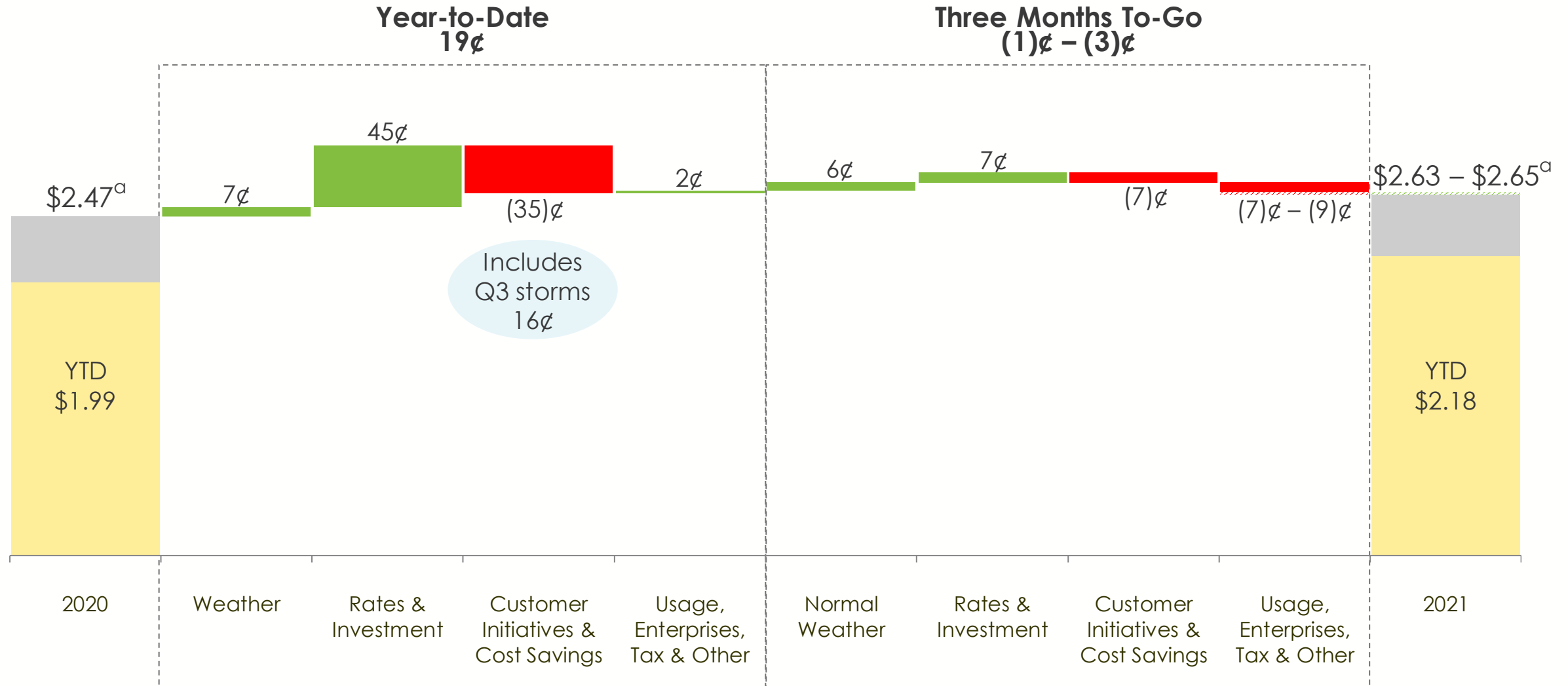
	<u>2020</u>	<u>2021</u>
Reported Continuing Ops. EPS (GAAP) ^a	\$1.97	\$2.18
Adjustments ^b	<u>0.02</u>	=
Adj. Continuing Ops. EPS (non-GAAP) ^b	<u>\$1.99</u>	<u>\$2.18</u>

Presentation endnotes are included after the appendix.

Adj. EPS by Segment

	<u>Q3</u>	<u>YTD</u>
Utility	\$0.64	\$2.46
Enterprises	0.03	0.09
EnerBank	Disc. Ops.	Disc. Ops.
Parent and Other	<u>(0.13)</u>	<u>(0.37)</u>
Continuing Operations	<u>\$0.54</u>	<u>\$2.18</u>
EnerBank Disc. Ops.	\$0.11	\$0.30

2021 Adjusted EPS Ahead of Plan . . .



Presentation endnotes are included after the appendix.

. . . and well positioned for the remainder of the year.

2021 Financing Plan Completed . . .

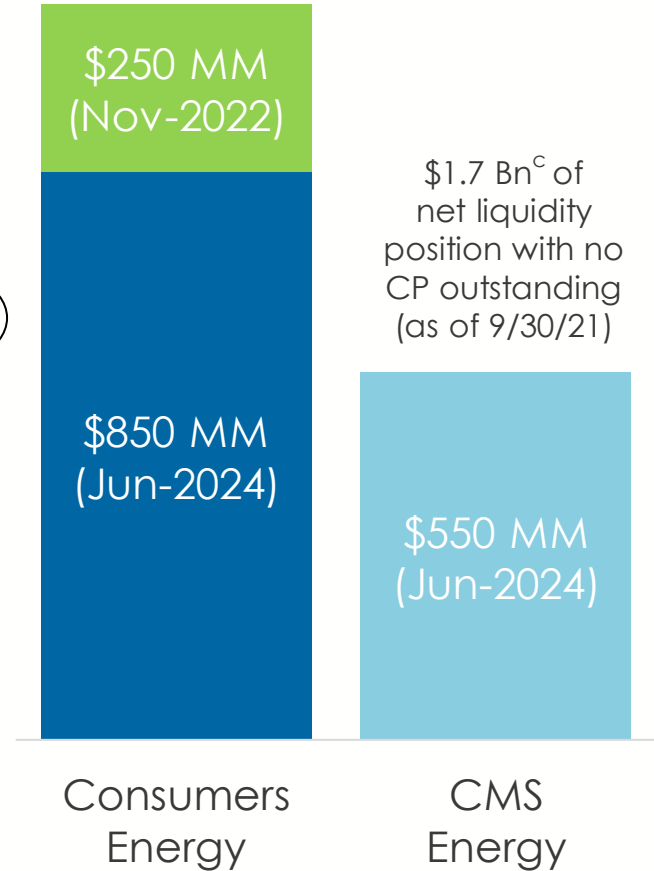


	Financings	
	<u>Plan</u> (MM)	<u>YTD^a</u> (MM)
Consumers Energy: First Mortgage Bonds	\$665	✓ \$335 ^b
CMS Energy: Hybrid	\$235	✓ \$230
Planned Equity	Up to \$250 Up to \$100	--
Retirements (incl. term loans):	Up to \$57	
Consumers Energy	--	--
CMS Energy	\$200	\$200

Preferred - 50% equity credit

\$57 MM contracted

Existing Facilities



Presentation endnotes are included after the appendix.

. . . with significant financial flexibility heading into 2022.

A Simple Investment Thesis . . .



Industry-leading clean energy commitment
Net Zero Carbon (2040) & Net Zero Methane (2030)^a

Excellence through the **CE WAY**

Top-tier regulatory jurisdiction^b

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

Presentation endnotes are included after the appendix.

. . . becoming simpler, cleaner and leaner.

Q&A

Thank You

See You at EEI!

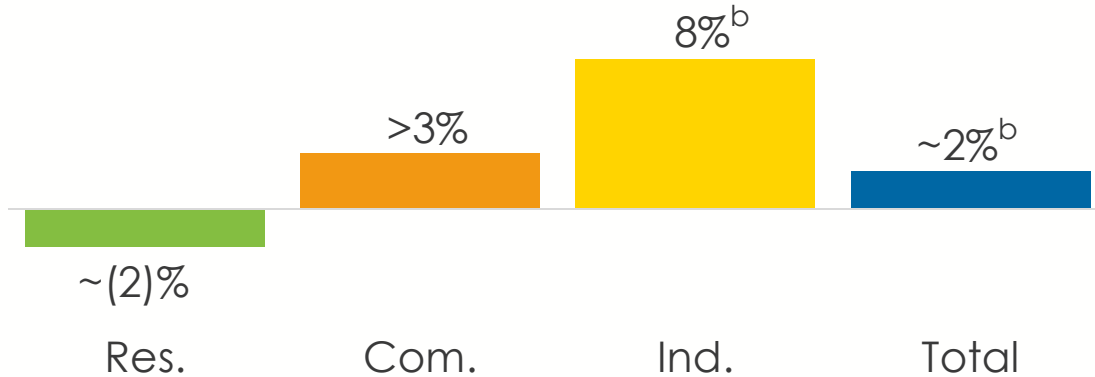
Appendix

Utility Sales Continue to Recover . . .



Weather-Normalized Electric Deliveries^a

(YTD 2021 vs. YTD 2020)



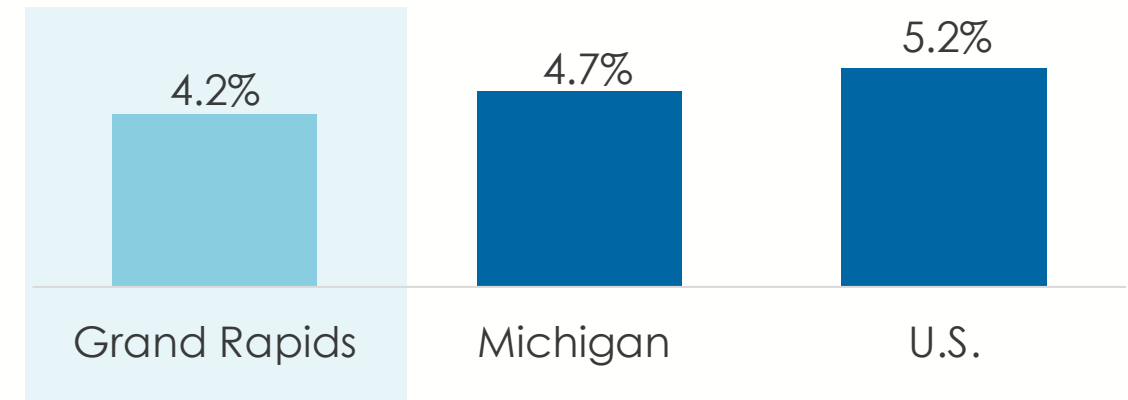
Residential Customer Growth

(5-Yr Avg. Customer Count)

	<u>2015-2020</u>
Electric Customers	~1%
Gas Customers	~1%

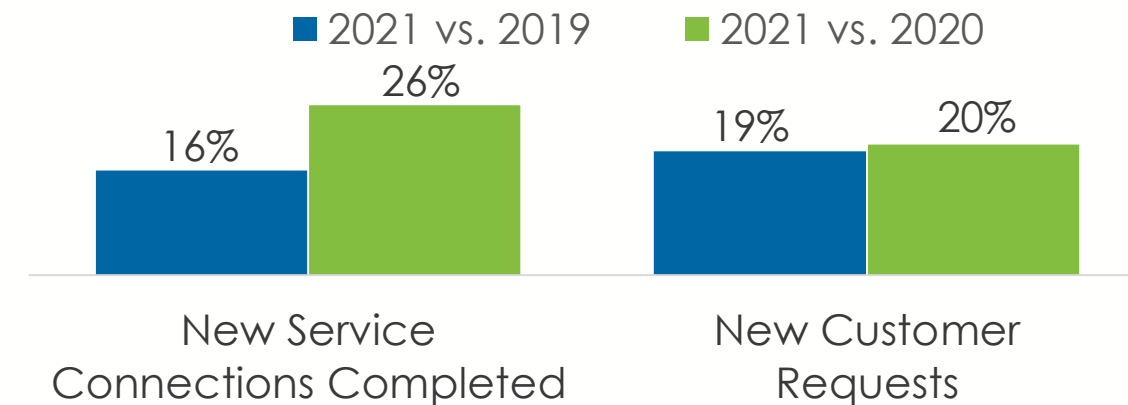
Presentation endnotes are included after the appendix.

August Unemployment Rate



YTD New Service Connections

(Electric & Gas)



. . . with supportive economic backdrop in Michigan.

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	Jun. 2021	May. 2021	Oct. 2021

Ratings Drivers

- Strong financial position
- Growing operating cash flow
- Return on regulated investment
- Supportive regulatory environment

. . . at solid investment-grade levels.

Endnotes

Presentation Endnotes



Slide 3: ^aGross proceeds from the sale of Enerbank total \$1,019 MM ^b\$5.4 Bn total investment which includes \$4 Bn of capital investment and \$1.4 Bn of investment in forestry, service restoration and other O&M

Slide 5: ^aIncludes sales to Gas Cost Recovery (GCR) customers

Slide 7: ^aIncome from continuing operations per average common share available to common stockholder ^bSee GAAP reconciliation on slide 18

Slide 8: ^aIncome from continuing operations per average common share available to common stockholder, excludes discontinued operations from EnerBank

Slide 9: ^aAs of October 28, 2021 ^bIncludes \$35 MM tax exempt bonds ^c\$1,619 MM in available revolvers + \$102 MM of unrestricted cash - \$20 MM of cash at Aviator Wind and other; excludes proceeds from the sale of EnerBank

Slide 10: ^aMethane emissions from our natural gas delivery system and carbon emissions company-wide, including electric generation across the company including PPAs, MISO purchases, and company-owned buildings ^bUBS Research, 2021 state rankings and D.C.

Slide 13: ^aYTD 2021 vs. YTD 2020, year over year change in GWh, excludes ROA and other ^bExcludes one large, low-margin industrial customer

GAAP Reconciliation

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. All references to reported earnings per share from continuing operations refer to Income from continuing operations per average common share available to common stockholders on a diluted basis. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, changes in accounting principles, changes in federal tax policy, regulatory items from prior years, unrealized gains or losses from mark-to-market adjustments recognized in net income related to CMS Enterprises’ 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.

CMS ENERGY CORPORATION
Reconciliation of GAAP EPS to Non-GAAP Adjusted EPS by Segment
(Unaudited)

	<i>In Millions, Except Per Share Amounts</i>			
	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>9/30/21</u>	<u>9/30/20</u>	<u>9/30/21</u>	<u>9/30/20</u>
Electric Utility				
Reported net income per share available to common stockholders	\$ 0.67	\$ 0.79	\$ 1.74	\$ 1.62
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	0.01	-	0.03
Tax impact	-	(*)	-	(0.01)
Voluntary separation program	-	*	-	0.03
Tax impact	-	(*)	-	(0.01)
Adjusted income per share – non-GAAP	<u>\$ 0.67</u>	<u>\$ 0.80</u>	<u>\$ 1.74</u>	<u>\$ 1.66</u>
Gas Utility				
Reported net income (loss) per share available to common stockholders	\$ (0.03)	\$ 0.02	\$ 0.72	\$ 0.57
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	*	-	*
Tax impact	-	(*)	-	(*)
Voluntary separation program	-	*	-	0.01
Tax impact	-	(*)	-	(*)
Adjusted income (loss) per share – non-GAAP	<u>\$ (0.03)</u>	<u>\$ 0.02</u>	<u>\$ 0.72</u>	<u>\$ 0.58</u>
Enterprises				
Reported net income per share available to common stockholders	\$ 0.03	\$ 0.04	\$ 0.09	\$ 0.12
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	(*)	(*)	(*)	*
Tax impact	*	*	*	(*)
Tax reform	-	-	-	(0.01)
Voluntary separation program	-	*	-	*
Tax impact	-	(*)	-	(*)
Adjusted income per share – non-GAAP	<u>\$ 0.03</u>	<u>\$ 0.04</u>	<u>\$ 0.09</u>	<u>\$ 0.11</u>
Corporate Interest and Other				
Reported net loss per share available to common stockholders	\$ (0.13)	\$ (0.13)	\$ (0.37)	\$ (0.34)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	(*)	(*)	(*)
Tax impact	-	*	*	*
Tax reform	-	-	-	(0.02)
Adjusted loss per share – non-GAAP	<u>\$ (0.13)</u>	<u>\$ (0.13)</u>	<u>\$ (0.37)</u>	<u>\$ (0.36)</u>
Discontinued Operations				
Reported net income per share available to common stockholders	\$ 0.10	\$ 0.04	\$ 0.28	\$ 0.12
<i>Reconciling items:</i>				
Disposal of discontinued operations loss	0.01	-	0.03	-
Tax impact	(*)	-	(0.01)	-
Adjusted income per share – non-GAAP	<u>\$ 0.11</u>	<u>\$ 0.04</u>	<u>\$ 0.30</u>	<u>\$ 0.12</u>
Total Operations				
Reported net income per share available to common stockholders	\$ 0.64	\$ 0.76	\$ 2.46	\$ 2.09
<i>Reconciling items:</i>				
Disposal of discontinued operations loss	0.01	-	0.03	-
Tax impact	(*)	-	(0.01)	-
Discontinued operations income	(0.14)	(0.05)	(0.39)	(0.15)
Tax impact	0.03	0.01	0.09	0.03
Other exclusions from adjusted earnings	(*)	0.01	(*)	0.03
Tax impact	*	(*)	*	(0.01)
Tax reform	-	-	-	(0.03)
Voluntary separation program	-	*	-	0.04
Tax impact	-	(*)	-	(0.01)
Adjusted income from continuing operations per share – non-GAAP	<u>\$ 0.54</u>	<u>\$ 0.73</u>	<u>\$ 2.18</u>	<u>\$ 1.99</u>
Average Common Shares Outstanding – Diluted	<u>289.6</u>	<u>286.9</u>	<u>289.4</u>	<u>286.3</u>

* Less than \$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>			
	2021			
	1Q	2Q	3Q	
Net Income Available to Common Stockholders	\$ 349	\$ 176	\$ 186	
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	
Tax impact	-	-	-	
Enterprises	(1)	*	(*)	
Tax impact	*	(*)	*	
Corporate interest and other	-	(*)	-	
Tax impact	-	*	-	
Disposal of discontinued operations loss	-	5	3	
Tax impact	-	(1)	(1)	
Discontinued operations income	(43)	(30)	(42)	
Tax impact	9	8	10	
Adjusted Income from Continuing Operations – Non-GAAP	<u>\$ 314</u>	<u>\$ 158</u>	<u>\$ 156</u>	
Average Common Shares Outstanding – Diluted	289.1	289.4	289.6	
Diluted Earnings Per Average Common Share	\$ 1.21	\$ 0.61	\$ 0.64	
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	
Tax impact	-	-	-	
Enterprises	(*)	*	(*)	
Tax impact	*	(*)	*	
Corporate interest and other	-	(*)	-	
Tax impact	-	*	-	
Disposal of discontinued operations loss	-	0.02	0.01	
Tax impact	-	(0.01)	(*)	
Discontinued operations income	(0.15)	(0.10)	(0.14)	
Tax impact	0.03	0.03	0.03	
Adjusted Income from Continuing Operations Per Average Common Share – Non-GAAP	<u>\$ 1.09</u>	<u>\$ 0.55</u>	<u>\$ 0.54</u>	

	<i>In Millions, Except Per Share Amounts</i>			
	2020			
	1Q	2Q	3Q	4Q
Net Income Available to Common Stockholders	\$ 243	\$ 136	\$ 218	\$ 158
<i>Reconciling items:</i>				
Electric utility and gas utility	15	4	4	2
Tax impact	(4)	(1)	(1)	(1)
Enterprises	1	(*)	*	(*)
Tax impact	(4)	*	(*)	*
Corporate interest and other	(2)	*	(*)	*
Tax impact	(4)	(*)	*	(*)
Discontinued operations income	(17)	(11)	(16)	(32)
Tax impact	3	3	4	8
Adjusted Income from Continuing Operations – Non-GAAP	<u>\$ 231</u>	<u>\$ 131</u>	<u>\$ 209</u>	<u>\$ 135</u>
Average Common Shares Outstanding – Diluted	285.2	286.5	286.9	286.9
Diluted Earnings Per Average Common Share	\$ 0.85	\$ 0.48	\$ 0.76	\$ 0.55
<i>Reconciling items:</i>				
Electric utility and gas utility	0.05	0.02	0.01	0.01
Tax impact	(0.01)	(0.01)	(*)	(*)
Enterprises	*	(*)	*	(*)
Tax impact	(0.01)	*	(*)	*
Corporate interest and other	(*)	*	(*)	*
Tax impact	(0.02)	(*)	*	(*)
Discontinued operations income	(0.06)	(0.04)	(0.05)	(0.11)
Tax impact	0.01	0.01	0.01	0.03
Adjusted Income from Continuing Operations Per Average Common Share – Non-GAAP	<u>\$ 0.81</u>	<u>\$ 0.46</u>	<u>\$ 0.73</u>	<u>\$ 0.48</u>

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

CMS ENERGY CORPORATION
Reconciliation of GAAP to Non-GAAP Adjusted Income from Continuing Operations
(Unaudited)

	<i>In Millions, Except Per Share Amounts</i>			
	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>9/30/21</u>	<u>9/30/20</u>	<u>9/30/21</u>	<u>9/30/20</u>
Net Income Available to Common Stockholders	\$ 186	\$ 218	\$ 711	\$ 597
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	3	-	8	-
Tax impact	(1)	-	(2)	-
Discontinued operations income	(42)	(16)	(115)	(44)
Tax impact	10	4	27	10
Other exclusions from adjusted earnings**	(*)	4	(1)	11
Tax impact	*	(1)	*	(2)
Tax reform	-	-	-	(9)
Voluntary separation program	-	*	-	11
Tax impact	-	(*)	-	(3)
Adjusted income from continuing operations – non-GAAP	<u>\$ 156</u>	<u>\$ 209</u>	<u>\$ 628</u>	<u>\$ 571</u>
Average Common Shares Outstanding				
Basic	289.1	285.6	288.9	284.8
Diluted	289.6	286.9	289.4	286.3
Basic Earnings Per Average Common Share				
Reported net income per average common share	\$ 0.64	\$ 0.76	\$ 2.46	\$ 2.10
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	0.01	-	0.03	-
Tax impact	(*)	-	(0.01)	-
Discontinued operations income	(0.14)	(0.05)	(0.39)	(0.15)
Tax impact	0.03	0.01	0.09	0.03
Other exclusions from adjusted earnings**	(*)	0.01	(*)	0.03
Tax impact	*	(*)	*	(0.01)
Tax reform	-	-	-	(0.03)
Voluntary separation program	-	*	-	0.04
Tax impact	-	(*)	-	(0.01)
Adjusted income from continuing operations per average common share – non-GAAP	<u>\$ 0.54</u>	<u>\$ 0.73</u>	<u>\$ 2.18</u>	<u>\$ 2.00</u>
Diluted Earnings Per Average Common Share				
Reported net income per average common share	\$ 0.64	\$ 0.76	\$ 2.46	\$ 2.09
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	0.01	-	0.03	-
Tax impact	(*)	-	(0.01)	-
Discontinued operations income	(0.14)	(0.05)	(0.39)	(0.15)
Tax impact	0.03	0.01	0.09	0.03
Other exclusions from adjusted earnings**	(*)	0.01	(*)	0.03
Tax impact	*	(*)	*	(0.01)
Tax reform	-	-	-	(0.03)
Voluntary separation program	-	*	-	0.04
Tax impact	-	(*)	-	(0.01)
Adjusted income from continuing operations per average common share – non-GAAP	<u>\$ 0.54</u>	<u>\$ 0.73</u>	<u>\$ 2.18</u>	<u>\$ 1.99</u>

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

** Includes restructuring costs and unrealized gains or losses, recognized in net income, from mark-to-market adjustments related to CMS Enterprises' interest expense.

CMS ENERGY CORPORATION
Reconciliation of GAAP to Non-GAAP Adjusted Income from Continuing Operations
(Unaudited)

	<i>In Millions, Except Per Share Amounts</i>			
	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>9/30/21</u>	<u>9/30/20</u>	<u>9/30/21</u>	<u>9/30/20</u>
Income Available to Common Stockholders				
Reported income from continuing operations available to common stockholders	\$ 156	\$ 206	\$ 629	\$ 563
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings**	(*)	4	(1)	11
Tax impact	*	(1)	*	(2)
Tax reform	-	-	-	(9)
Voluntary separation program	-	*	-	11
Tax impact	-	(*)	-	(3)
Adjusted income from continuing operations – non-GAAP	<u>\$ 156</u>	<u>\$ 209</u>	<u>\$ 628</u>	<u>\$ 571</u>
Average Common Shares Outstanding				
Basic	289.1	285.6	288.9	284.8
Diluted	289.6	286.9	289.4	286.3
Basic Earnings Per Average Common Share				
Reported income from continuing operations per average common share available to common stockholders	\$ 0.54	\$ 0.72	\$ 2.18	\$ 1.98
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings**	(*)	0.01	(*)	0.03
Tax impact	*	(*)	*	(0.01)
Tax reform	-	-	-	(0.03)
Voluntary separation program	-	*	-	0.04
Tax impact	-	(*)	-	(0.01)
Adjusted income from continuing operations per average common share – non-GAAP	<u>\$ 0.54</u>	<u>\$ 0.73</u>	<u>\$ 2.18</u>	<u>\$ 2.00</u>
Diluted Earnings Per Average Common Share				
Reported income from continuing operations per average common share available to common stockholders	\$ 0.54	\$ 0.72	\$ 2.18	\$ 1.97
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings**	(*)	0.01	(*)	0.03
Tax impact	*	(*)	*	(0.01)
Tax reform	-	-	-	(0.03)
Voluntary separation program	-	*	-	0.04
Tax impact	-	(*)	-	(0.01)
Adjusted income from continuing operations per average common share – non-GAAP	<u>\$ 0.54</u>	<u>\$ 0.73</u>	<u>\$ 2.18</u>	<u>\$ 1.99</u>

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

** Includes restructuring costs and unrealized gains or losses, from mark-to-market adjustments, recognized in net income, related to CMS Enterprises' interest expense.