



*Leading the*  
**CLEAN ENERGY  
TRANSFORMATION**

First Quarter 2023  
Results and Outlook

April 27, 2023



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](http://www.cmsenergy.com).

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Presentation endnotes are included after the appendix.

# Investment Thesis . . .



- ✓ Industry-leading net zero commitments
- ✓ Excellence through the **CE WAY**
- ✓ Top-tier regulatory jurisdiction<sup>a</sup>
- ✓ 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.

# Customer Investments Required . . .



## Key Facts

- Extreme weather events and an expansive and aging system
- Constructive regulatory environment focused on reliability improvement

## Next Steps

- Alignment with MPSC to identify further needed investments, including undergrounding
- Tracking of electric reliability investments (IRM) included in next electric case filing

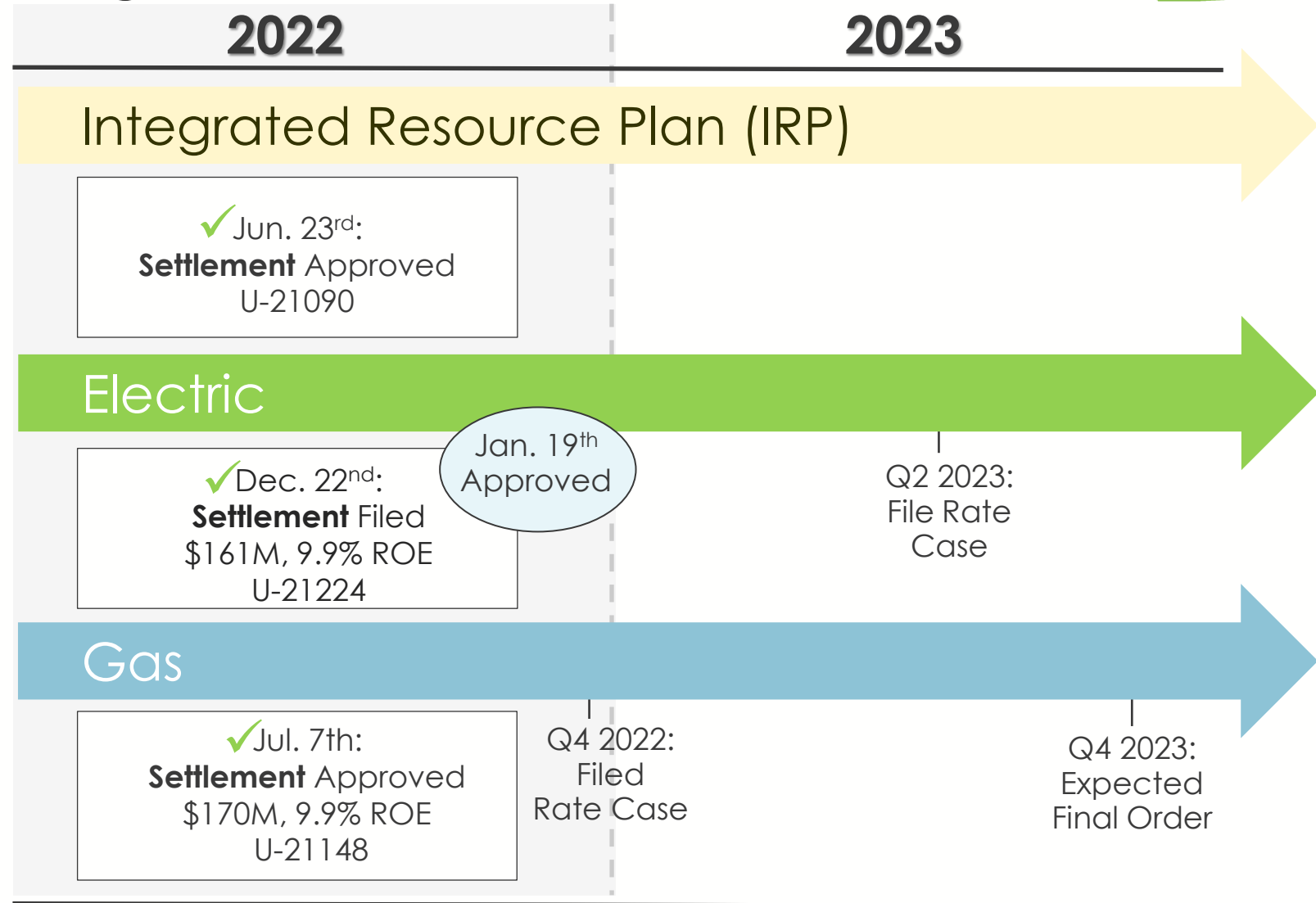
. . . to improve reliability and resiliency.

# 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



Presentation endnotes are included after the appendix.

. . . is ranked top-tier<sup>a</sup> and ensures forward-looking visibility.

# Financial Results & Outlook . . .

## Q1 2023 Results

## Amount

## Commentary

Adjusted EPS

\$0.70

Managing through weather

## 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

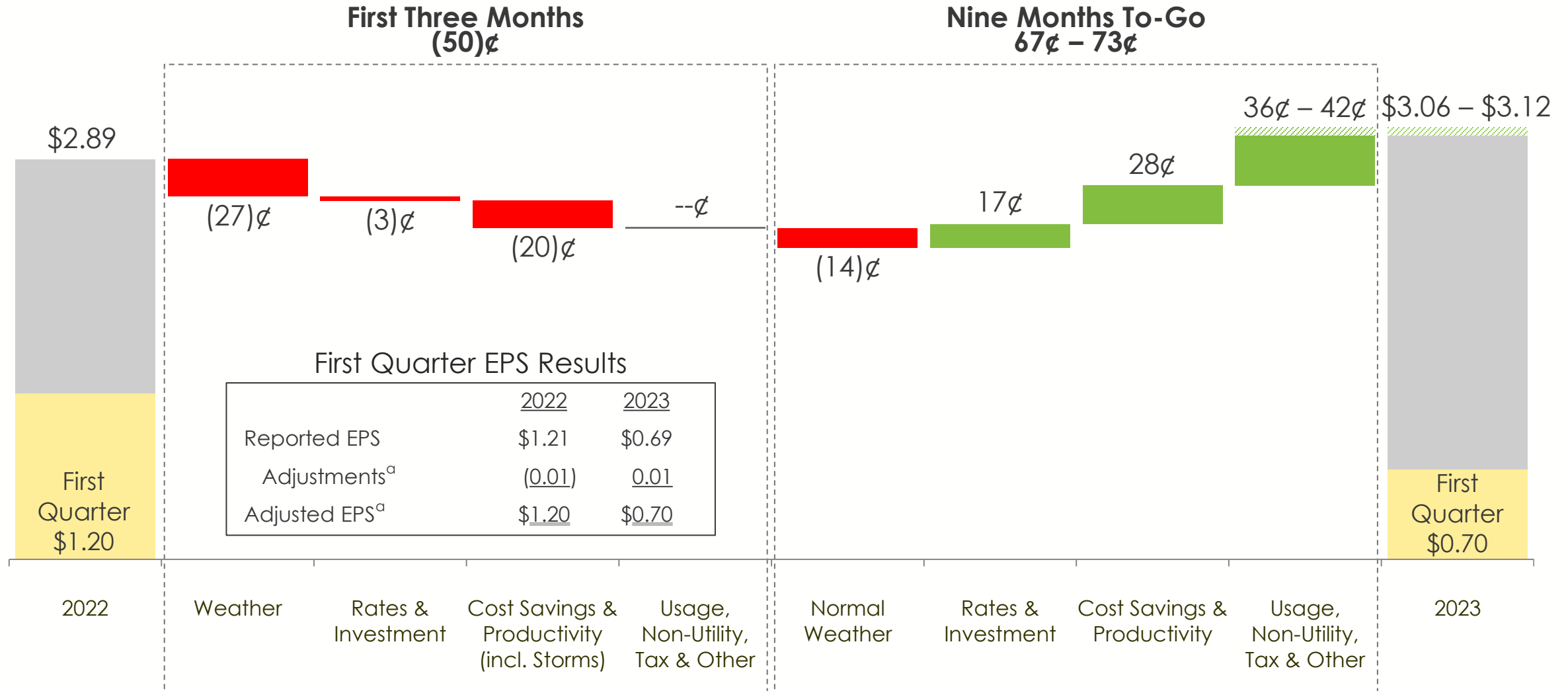
5-yr Capital Plan (\$B)

\$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.

# 2023 Planned Financings . . .

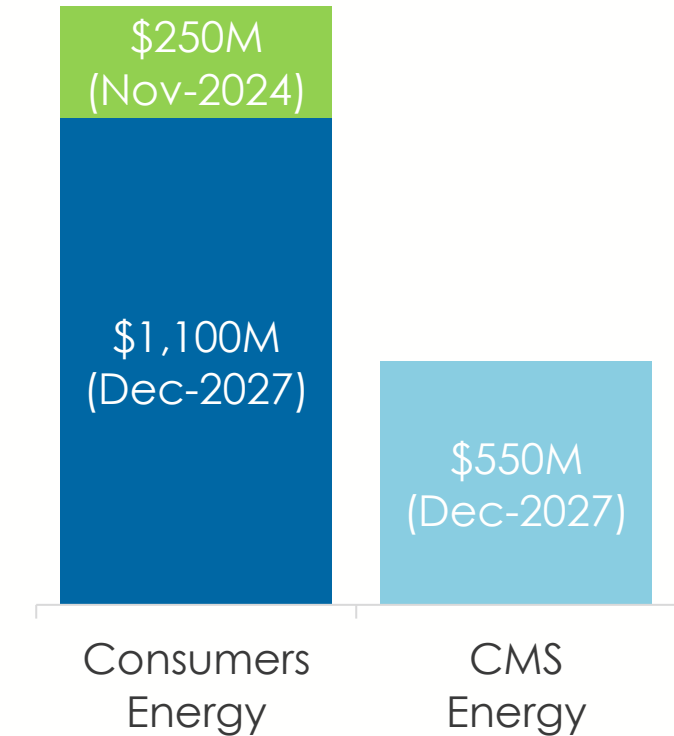


## Financings

	<u>Plan</u> (\$M)	<u>YTD</u> (\$M)
Consumers Energy:		
First Mortgage Bonds	\$1,970	\$1,525
Securitization	688	--
CMS Energy:		
Contracted Equity (issued)	440	--
Retirements (incl. term loans):		
Consumers Energy	1,625	1,000
CMS Energy	--	--

## Existing Facilities

~\$2.3B<sup>a</sup> of net liquidity

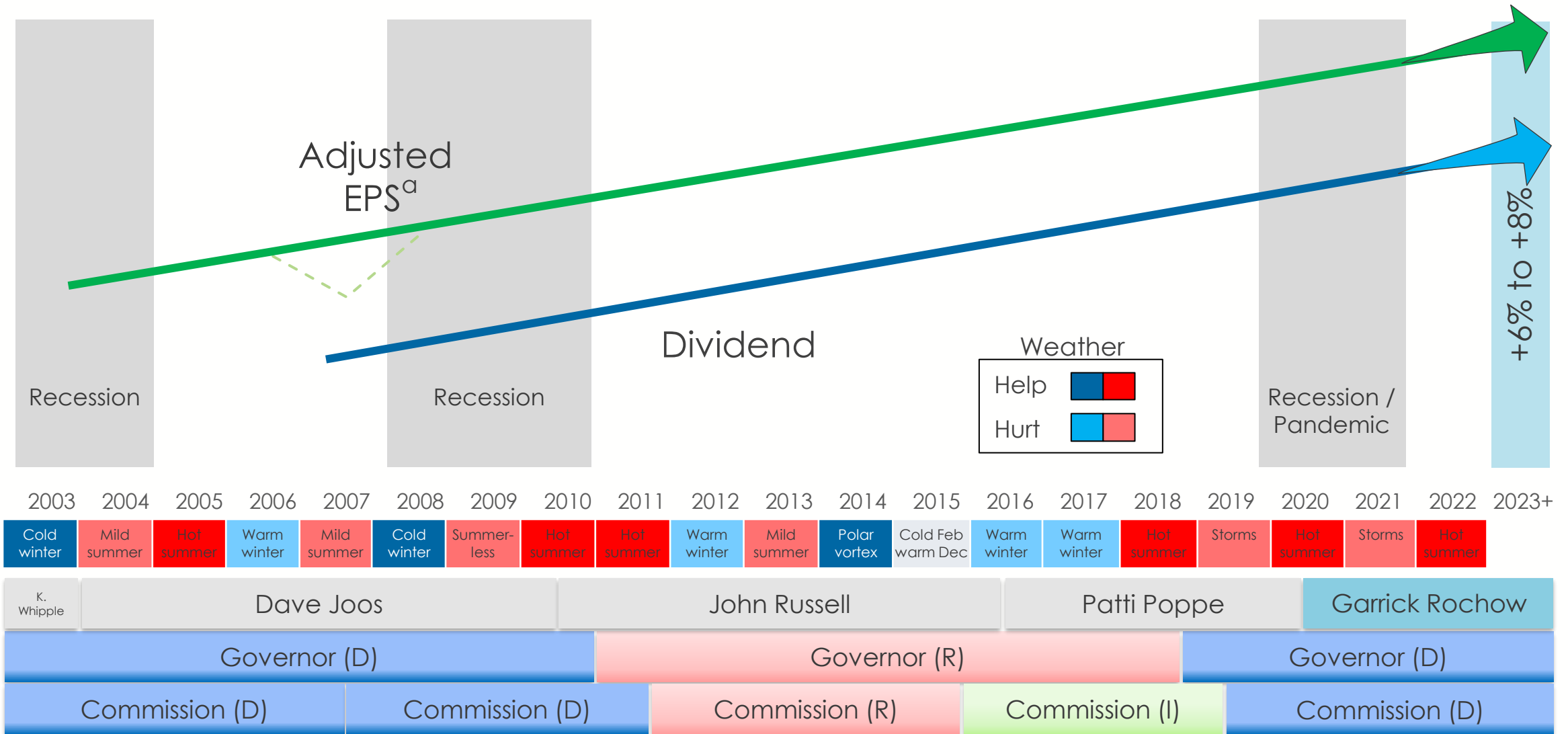


Presentation endnotes are included after the appendix.

. . . fund customer investment and provide ample liquidity.



# Industry-Leading Financial Performance . . .



Presentation endnotes are included after the appendix.

. . . for two decades, regardless of conditions.

**Q&A**

***Thank You!***

# Appendix

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# 2023 Sensitivities . . .

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

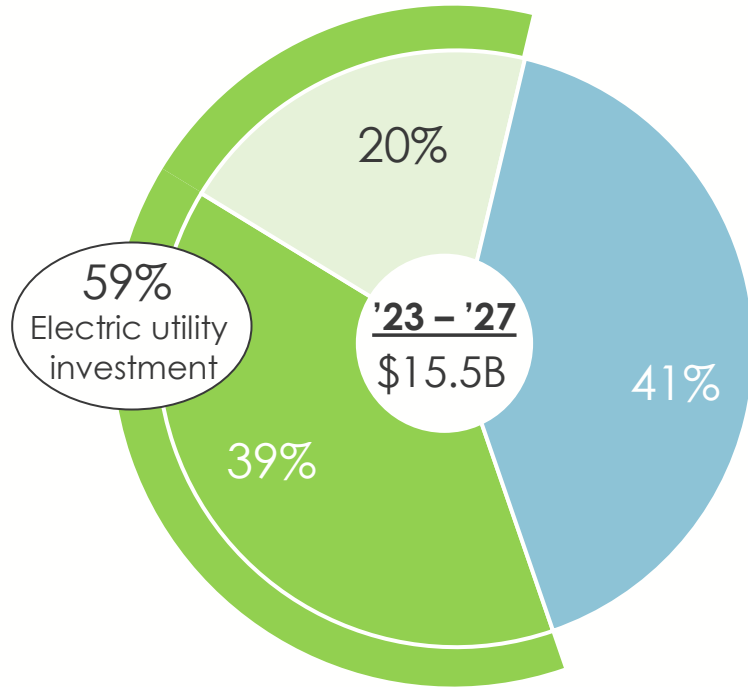
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. . . reflect effective risk mitigation.

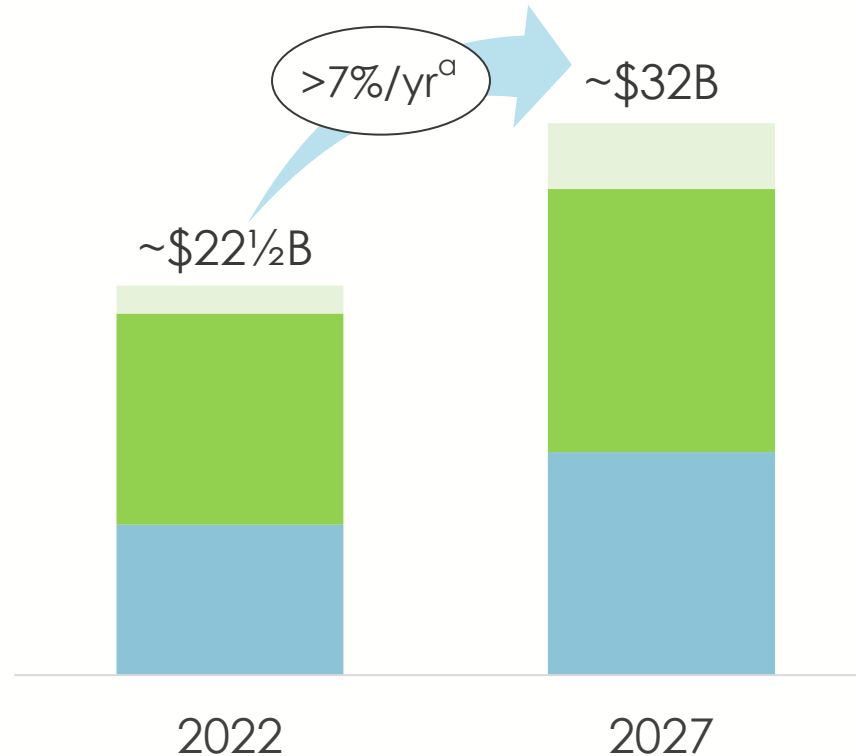
# Updated Customer Investment Plan . . .



## New Utility Investment Plan



## Rate Base Growth



## Other Growth Drivers<sup>b</sup>

- ✓ 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.

# Endnotes

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# Presentation Endnotes



**Slide 3:** <sup>a</sup>UBS Research, 2022 state rankings and D.C

**Slide 5:** <sup>a</sup>UBS Research, 2022 state rankings and D.C

**Slide 7:** <sup>a</sup>Adjusted EPS; See GAAP reconciliation on slide 19

**Slide 8:** <sup>a</sup>\$1,825M in available revolvers + \$506M of unrestricted cash

**Slide 9:** <sup>a</sup>Excludes discontinued operations

**Slide 12:** <sup>a</sup>Reflects 2023 sales forecast; weather-normalized

**Slide 13:** <sup>a</sup>Assumes \$22½B rate base in 2022, \$32B in 2027, CAGR <sup>b</sup>Over 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, 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>	
	<u>Three Months Ended</u>	
	<u>3/31/23</u>	<u>3/31/22</u>
<b>Electric Utility</b>		
Reported net income per share	\$ 0.23	\$ 0.58
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings	0.01	-
Tax impact	(*)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.24</u>	<u>\$ 0.58</u>
<b>Gas Utility</b>		
Reported net income per share	\$ 0.53	\$ 0.74
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings	*	-
Tax impact	(*)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.53</u>	<u>\$ 0.74</u>
<b>NorthStar Clean Energy</b>		
Reported net income per share	\$ 0.03	\$ 0.03
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings	-	(*)
Tax impact	-	*
Adjusted net income per share – non-GAAP	<u>\$ 0.03</u>	<u>\$ 0.03</u>
<b>Corporate Interest and Other</b>		
Reported net loss per share	\$ (0.10)	\$ (0.15)
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings	-	-
Tax impact	-	-
Adjusted net loss per share – non-GAAP	<u>\$ (0.10)</u>	<u>\$ (0.15)</u>
<b>Discontinued Operations</b>		
Reported net income per share	\$ -	\$ 0.01
<i>Reconciling items:</i>		
Disposal of discontinued operations gain	-	(0.01)
Tax impact	-	*
Adjusted net income per share – non-GAAP	<u>\$ -</u>	<u>\$ -</u>
<b>Consolidated</b>		
Reported net income per share	\$ 0.69	\$ 1.21
<i>Reconciling items:</i>		
Disposal of discontinued operations gain	-	(0.01)
Tax impact	-	*
Other exclusions from adjusted earnings	0.01	(*)
Tax impact	(*)	*
Adjusted net income per share – non-GAAP	<u>\$ 0.70</u>	<u>\$ 1.20</u>
<b>Average Common Shares Outstanding – Diluted</b>	291.2	289.9

\* 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>	
	<b>Three Months Ended</b>	
	<u>3/31/23</u>	<u>3/31/22</u>
<b>Net Income Available to Common Stockholders</b>	\$ 202	\$ 351
<i>Reconciling items:</i>		
Disposal of discontinued operations gain	-	(5)
Tax impact	-	1
Other exclusions from adjusted earnings**	3	(1)
Tax impact	<u>(1)</u>	<u>*</u>
Adjusted net income – non-GAAP	<u>\$ 204</u>	<u>\$ 346</u>
<b>Average Common Shares Outstanding - Diluted</b>	291.2	289.9
<b>Diluted Earnings Per Average Common Share</b>		
Reported net income per share	\$ 0.69	\$ 1.21
<i>Reconciling items:</i>		
Disposal of discontinued operations gain	-	(0.01)
Tax impact	-	*
Other exclusions from adjusted earnings**	0.01	(*)
Tax impact	<u>(*)</u>	<u>*</u>
Adjusted net income per share – non-GAAP	<u>\$ 0.70</u>	<u>\$ 1.20</u>

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

\*\* Includes restructuring costs, business optimization initiative, and unrealized gains or losses from mark-to-market adjustments, recognized in net income related to NorthStar Clean Energy's interest expense.

Management views adjusted (non-Generally Accepted Accounting Principles) earnings as a key measure of the Company's present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the Company uses adjusted earnings to measure and assess performance. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, business optimization initiative, changes in accounting principles, changes in federal tax policy, regulatory items from prior years, unrealized gains or losses from mark-to-market adjustments, recognized in net income related to NorthStar Clean Energy's interest expense, or other items. The adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for reported earnings.

**CMS ENERGY CORPORATION**  
**Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income**  
**by Quarter**  
**(Unaudited)**



	<i>In Millions, Except Per Share Amounts</i>	
	<u>2023</u>	
	<u>1Q</u>	
<b>Net Income Available to Common Stockholders</b>	\$	202
<i>Reconciling items:</i>		
Electric utility and gas utility		3
Tax impact		(1)
NorthStar Clean Energy		-
Tax impact		-
Corporate interest and other		-
Tax impact		-
<b>Adjusted Net Income – Non-GAAP</b>	<b>\$</b>	<b>204</b>
<b>Average Common Shares Outstanding – Diluted</b>		291.2
<b>Diluted Earnings Per Average Common Share</b>	<b>\$</b>	<b>0.69</b>
<i>Reconciling items:</i>		
Electric utility and gas utility		0.01
Tax impact		(*)
NorthStar Clean Energy		-
Tax impact		-
Corporate interest and other		-
Tax impact		-
<b>Adjusted Diluted Earnings Per Average Common Share – Non-GAAP</b>	<b>\$</b>	<b>0.70</b>

	<i>In Millions, Except Per Share Amounts</i>			
	<u>2022</u>			
	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>
<b>Net Income Available to Common Stockholders</b>	\$	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	(*)	-	-
<b>Adjusted Net Income – Non-GAAP</b>	<b>\$</b>	<b>346</b>	<b>\$</b>	<b>153</b>
			\$	163
				\$
				176
<b>Average Common Shares Outstanding – Diluted</b>		289.9	290.1	290.1
			290.1	290.1
<b>Diluted Earnings Per Average Common Share</b>	<b>\$</b>	<b>1.21</b>	<b>\$</b>	<b>0.50</b>
			\$	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	*	(*)	-	-
<b>Adjusted Diluted Earnings Per Average Common Share – Non-GAAP</b>	<b>\$</b>	<b>1.20</b>	<b>\$</b>	<b>0.53</b>
			\$	0.56
				\$
				0.60

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