

Leading the CLEAN ENERGY TRANSFORMATION

Investor Meetings
November 2023

CMS ENERGY

2023 MSCI ESG Leaders
Indexes Constituent

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

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

Investors and others should note that CMS Energy routinely posts important information on its website and considers the Investor Relations section, www.cmsenergy.com/investor-relations, a channel of distribution.

Presentation endnotes are included after the appendix.



TOP OF MIND

- Confidence in 2023 and 2024 guidance
- Electric reliability roadmap, \$3B opportunity
- Sustained cost reductions through CE Way and VSP
- Pending electric rate case (IRM and underground pilot)
- Limited Parent financing needs with 2024 pre-funded
- ***Recently passed Michigan energy legislation***

New Michigan Energy Legislation . . .

Key Items

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

2016

Plan

2023

Opportunities

Benefits

NA

100% by 2040
(80% by 2035)

✓ Maintains customer affordability

15% by 2021
in Michigan

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

✓ Ensures continued resource adequacy

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

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

✓ Decarbonizes electric supply

20% incentive /
up to 2% YoY
load reduction

25% incentive /
>2% YoY
load reduction

✓ Enhances certainty of recovery

NA

(550 MW planned
by 2040)

800 MW by 2030

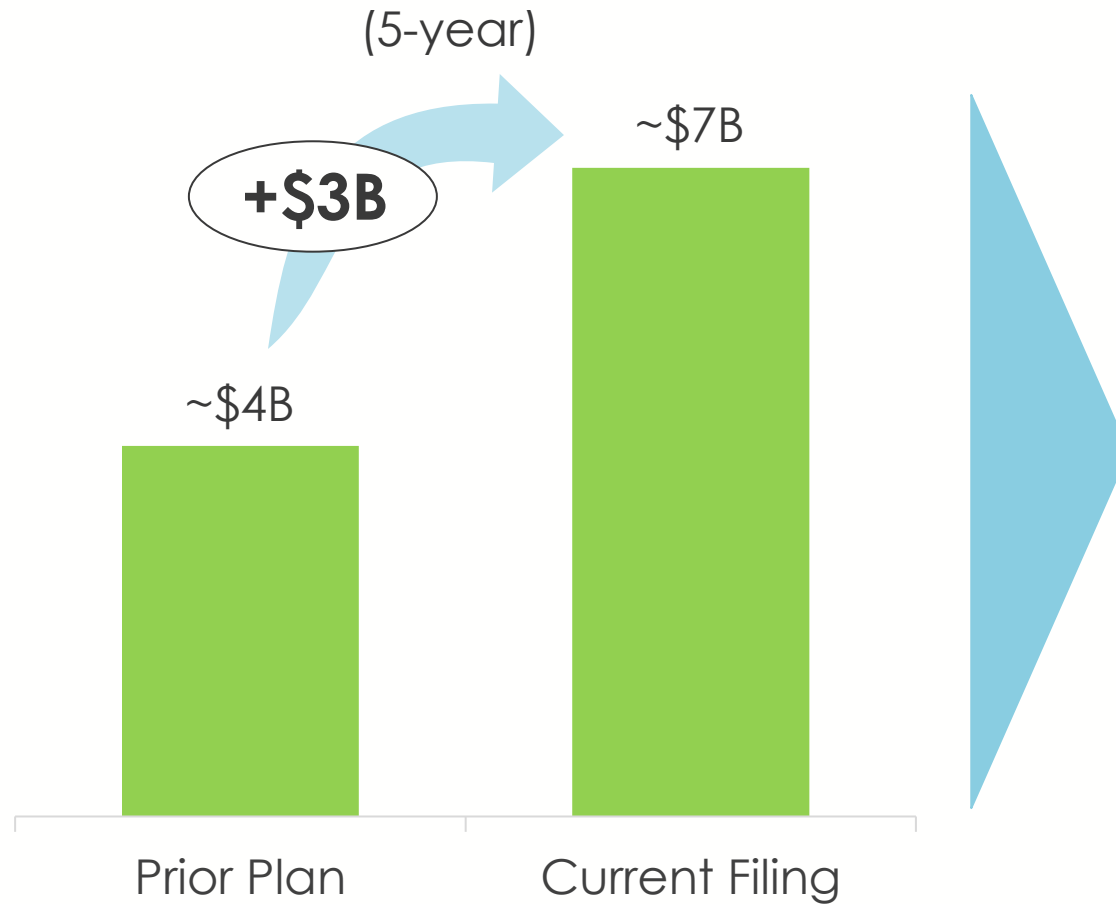
✓ Enhanced FCM & EE incentives

✓ Increased capital investment opportunity

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

Electric Reliability Roadmap . . .

Capital Investment Opportunity



Actions & Customer Benefits

Actions:

- Vegetation management to a 7-year trim cycle
- Up to 400 miles of annual undergrounding
- Replace >20K poles per year
- Rebuild ~10% of substations within 5 years
- Updated design standards & construction
- Advanced technology & grid automation

Customer Benefits (Short & Long-Term):

- Fewer and shorter power outages
- Delivering reliability performance into the 2nd quartile of utilities^a
- No outage will affect >100K customers
- No customer will be without power for more than 24 hours

Presentation endnotes are included after the appendix.

. . . improves reliability, resiliency, and supports a modernized grid.

Financial Results & Outlook . . .



2023 Results

	Amount	Commentary
Q3 Adjusted EPS	61¢	On track; managing unfavorable weather & severe storms
YTD Adjusted EPS	\$2.06	

2023 Outlook

Adjusted EPS Guidance	\$3.06 – \$3.12	Toward the high end
Annual DPS	\$1.95	Up 11¢

2024 Outlook

Adjusted EPS Guidance	\$3.27 – \$3.33	Toward the high end
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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	To be updated on Q4 call

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

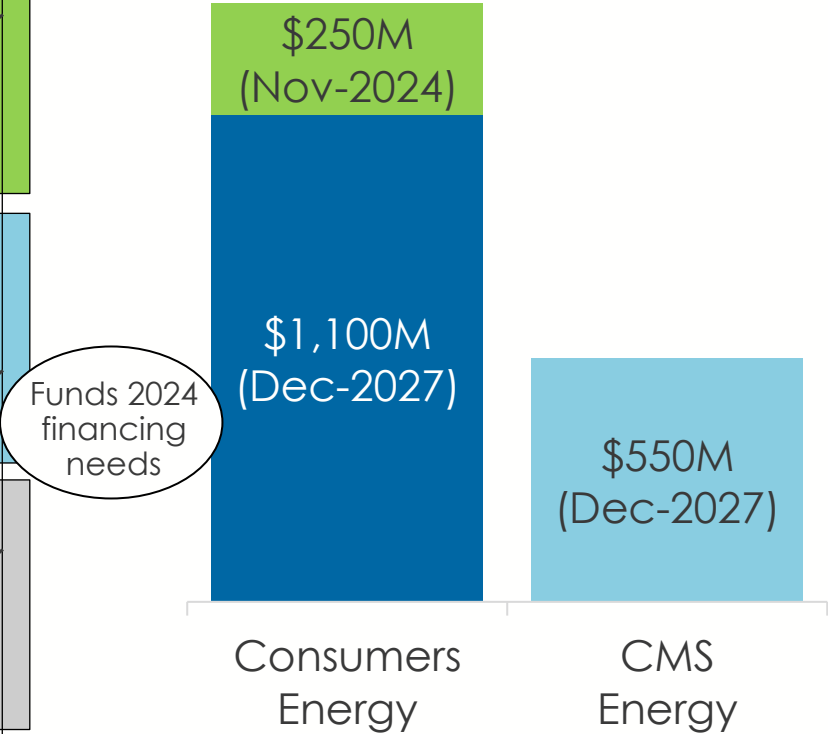
2023 Planned Financings . . .



	Financings	
	<u>Plan</u> (\$M)	<u>YTD</u> (\$M)
Consumers Energy:		
First Mortgage Bonds	\$1,970	\$2,025 ✓
Securitization	688	--
CMS Energy:		
Contracted Equity (issued)	444	--
Convertible Debt	--	800 ✓
Retirements (incl. term loans):		
Consumers Energy	1,625	1,625 ✓
CMS Energy	--	--

Existing Facilities

~\$1.7B^a of net liquidity



Presentation endnotes are included after the appendix.

. . . largely completed and provide ample liquidity.



INVESTMENT THESIS

Investment Thesis . . .



Industry-leading net zero commitments

Excellence through the ***CE WAY***

Top-tier regulatory jurisdiction^a

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

Presentation endnotes are included after the appendix.

. . . is simple, clean and lean.

Executing on the Clean Energy Transformation . . .

Net Zero Targets



2030

Net zero methane emissions for our gas delivery system



2040

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



2050

Net zero GHG emissions for our entire business

Proof Points

Today

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

2025

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

Future

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

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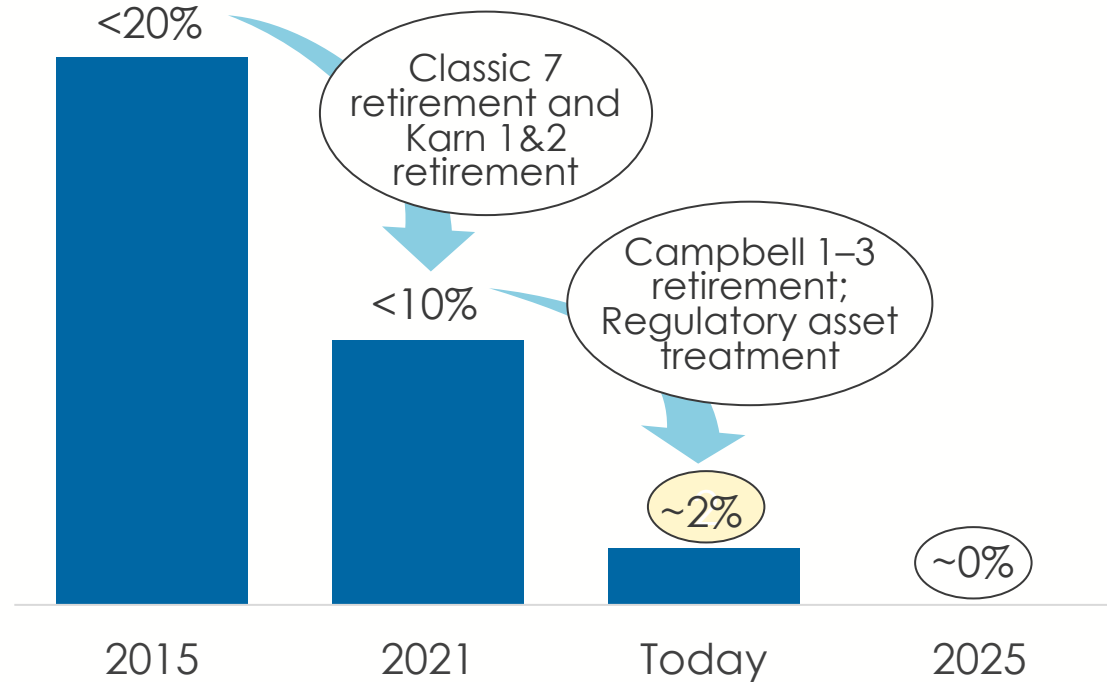
Presentation endnotes are included after the appendix.

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

Our Clean Energy Transformation . . .



Exit Coal in 2025... (Coal % PP&E^a)



Carbon Emissions Reductions^b

2016	2023	2025	2040
~(33)%	~(40)%	~(60)%	Net Zero

Presentation endnotes are included after the appendix.

...While Ensuring Reliability

- Purchase ~1.2 GW of existing gas capacity (Covert)
- Maintain ~1.2 GW of peaking capacity through 2031 (Karn 3&4)
- Ongoing Energy Efficiency and Demand Response efforts
- Add 8 GW of solar and >0.5 GW of battery storage by 2040
- Additional decarbonization efforts include: CCS, H₂, Storage

... eliminates coal in 2025 and maintains resiliency and reliability.

Infrastructure Renewal is Necessary . . .



Electric distribution system is *older* than peers

Goal to improve ≥ 1 K miles annually



Exiting coal in 2025 and adding 8 GW of solar by 2040



>\$500M of vegetation management spend over 5 years to improve reliability^a

25 years of main replacement through our Enhanced Infrastructure Replacement Program

Presentation endnotes are included after the appendix.

. . . to maintain resiliency and reliability and requires significant customer investment.


Michigan's Strong Regulatory Environment . . .

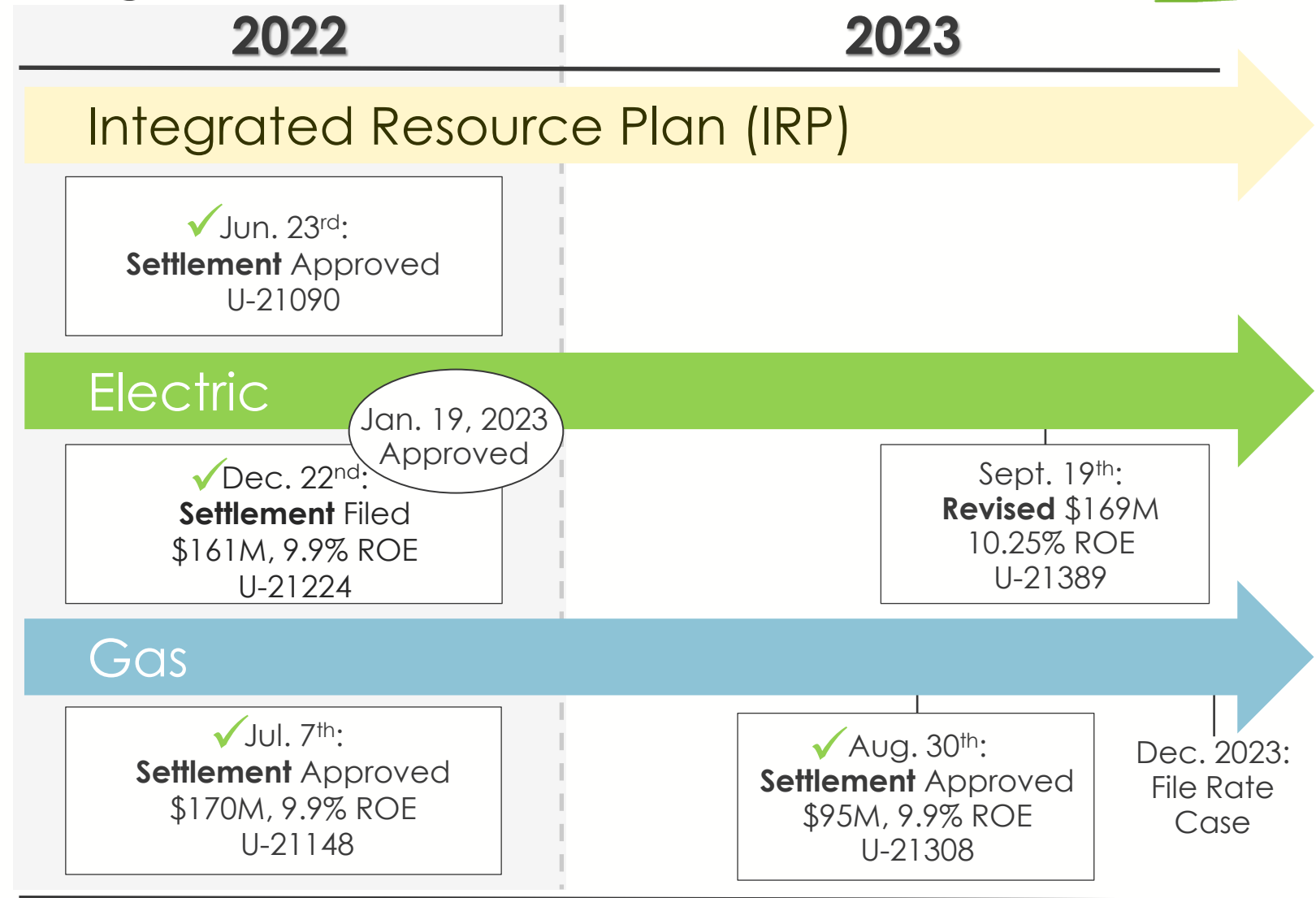


Supportive Energy Policy

- **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
 - ✓ ROEs for Renewable Portfolio Standard
 - ✓ 10.7% for legacy RPS assets (pre-2024)
 - ✓ Prevailing ROE on future
 - ✓ Energy efficiency incentive
 - ✓ FCM adder on PPAs

- **Appointed Commissioners**

 Enhanced w/ 2023 Energy Legislation



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

De-risking Inflationary Pressures . . .



Near-term Risk Mitigation

<u>Global Risks</u>	<u>Countermeasures</u>
Labor	<ul style="list-style-type: none">✓ Executed 5-yr union contracts in 2020 (>40% unionized)✓ ~95% non-union retention rate^a
Materials	<ul style="list-style-type: none">✓ Manageable supply chain risk✓ ~90% of material costs capitalized✓ Modular solar build-out
Commodities	<ul style="list-style-type: none">✓ Owned generation hedges market volatility✓ Manageable power supply costs✓ Leverage gas storage assets

Episodic Cost Savings

<u>Year</u>	<u>Event</u>	<u>Savings</u>
2022	Palisades retirement	>\$90M
2023	Karn 1 & 2 coal unit retirements ^b	\$30M
2025	MCV contract change	>\$60M
2025	Campbell coal unit retirements ^b	>\$60M
>\$200M identified future cost savings		

~\$150M in **CE WAY** savings since 2020

Presentation endnotes are included after the appendix.

. . . with opportunities for near- and long-term customer savings.

Expansive Economic Development Efforts . . .



■ Electric ■ Gas ■ Combined
● 2022 New Load ● 2023 New Load

Gotion

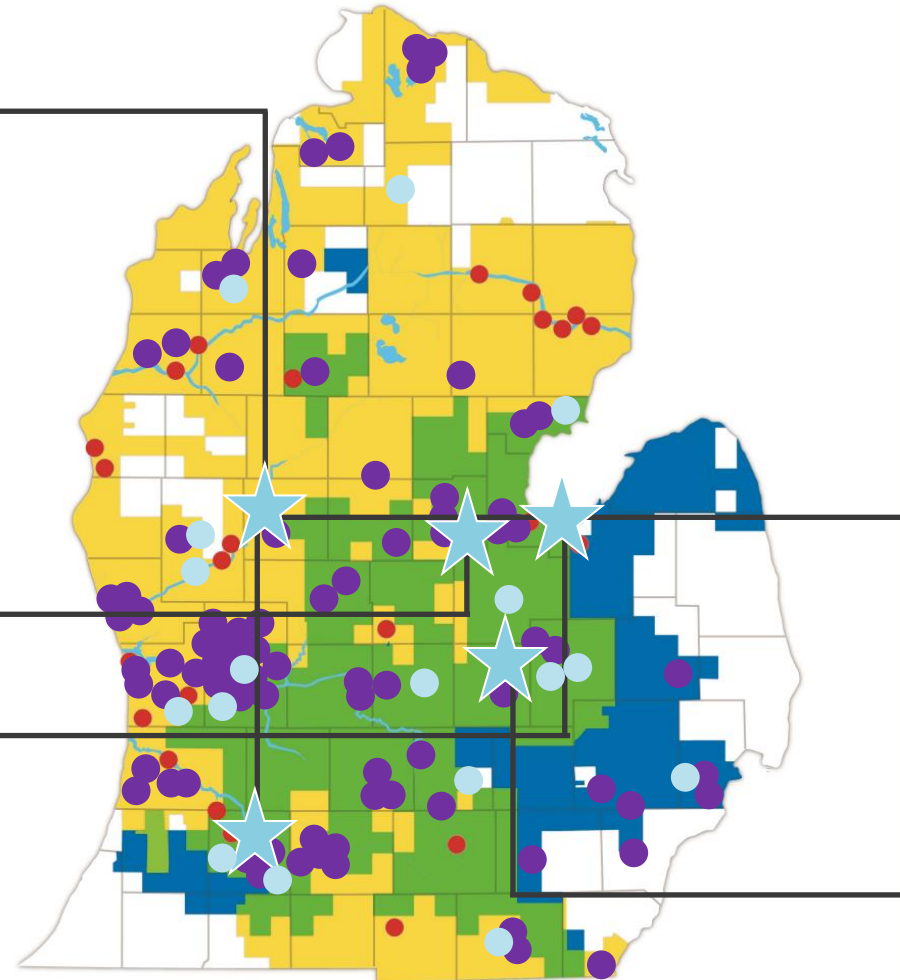
Global EV Battery
Manufacturer
~\$2,400M investment
>2,000 jobs

Hemlock Semiconductor

Leading Provider
of Polysilicon
~\$375M investment
~170 jobs

SK Siltron CSS

Leading Edge Silicon Carbide
Materials and Products
>\$300M investment
~150 jobs



Attracted
>1,150 MW
of new or expanding load
since 2015^a

FlavorSum

Fastest-Growing North
American Flavor Company
~\$10M investment
>50 jobs

ABB Robotics & Sonoco Protective Solutions

>\$30M investment
~150 jobs

Presentation endnotes are included after the appendix. ● Electric generation and battery storage facilities

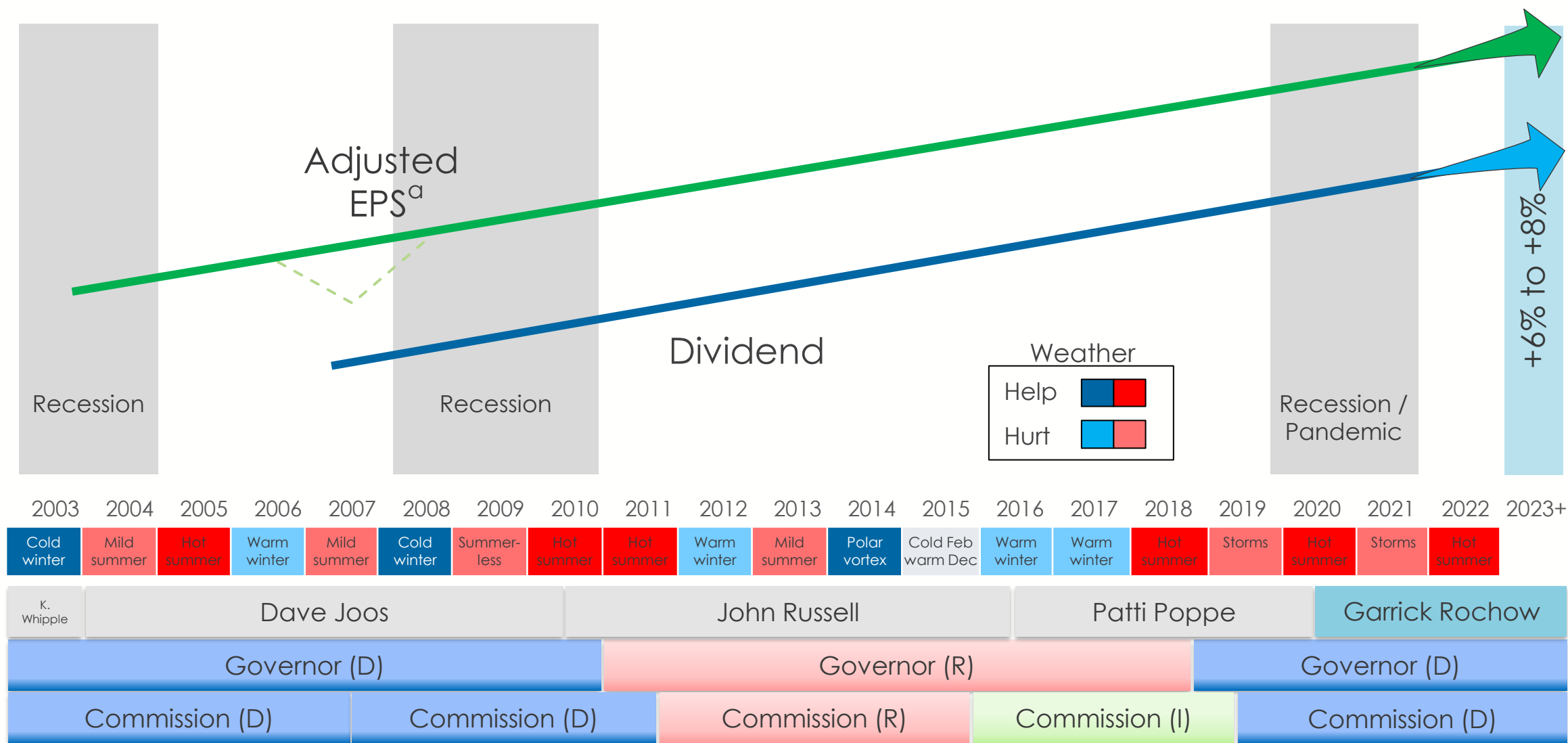
. . . drive growth across Michigan.

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.

Industry-Leading Financial Performance . . .

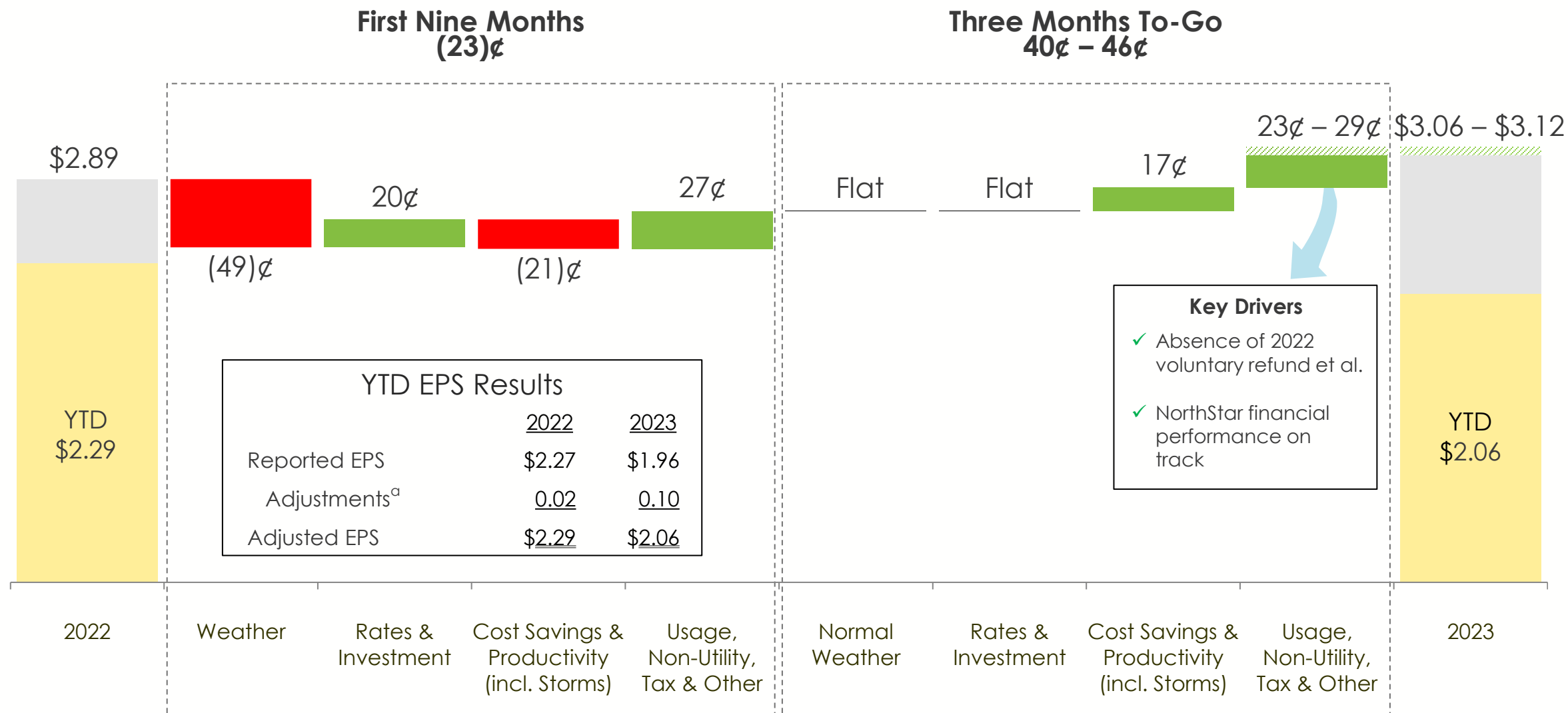


Presentation endnotes are included after the appendix.

. . . for two decades, regardless of conditions.

Appendix

2023 Adjusted EPS . . .



Presentation endnotes are included after the appendix.

. . . continued confidence toward the high end.

Endnotes

Presentation Endnotes



Slide 6: ^a134 minutes for IEEE benchmark year 2023 results for 2022 data in 2029

Slide 8: ^a\$1,538M in unreserved revolvers + \$118M of unrestricted cash

Slide 10: ^aRRA state regulatory energy rankings, May 2023. Regulatory Research Associates, a group within S&P Global Commodity Insights.

Slide 11: ^aVoluntary Green Pricing ^bNet zero carbon emissions for our electric business (includes PPAs and MISO market purchases) from 2005 baseline

Slide 12: ^aPP&E associated with coal based on calendar year; Today refers to 2022, \$477M of fully depreciated total remaining utility coal assets ^bNet zero carbon emissions for our electric business (includes PPAs and MISO market purchases) from 2005 baseline

Slide 13: ^a2023-2027

Slide 15: ^aConsumers Energy, non-union employees, average 5-yr retention rate ^bAdjusted O&M savings, excludes potential fuel savings

Slide 16: ^aNew or expanding load since 2015 as of July 31, 2023

Slide 18: ^aExcludes discontinued operations

Slide 20: ^aSee GAAP reconciliation on slide 24

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. References to earnings guidance refer to such guidance as provided by the company on October 26, 2023.

GAAP Reconciliation

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



	<i>In Millions, Except Per Share Amounts</i>			
	Three Months Ended		Nine Months Ended	
	9/30/23	9/30/22	9/30/23	9/30/22
Electric Utility				
Reported net income per share	\$ 0.65	\$ 0.67	\$ 1.39	\$ 1.73
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	(*)	-	0.01	-
Tax impact	*	-	(*)	-
Voluntary separation program	*	(*)	0.07	0.03
Tax impact	(*)	*	(0.02)	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 0.65</u>	<u>\$ 0.67</u>	<u>\$ 1.45</u>	<u>\$ 1.75</u>
Gas Utility				
Reported net income (loss) per share	\$ 0.01	\$ (0.05)	\$ 0.62	\$ 0.82
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	-	0.01	-
Tax impact	(*)	-	(*)	-
Voluntary separation program	0.01	(*)	0.04	0.01
Tax impact	(*)	*	(0.01)	(*)
Adjusted net income (loss) per share – non-GAAP	<u>\$ 0.02</u>	<u>\$ (0.05)</u>	<u>\$ 0.66</u>	<u>\$ 0.83</u>
NorthStar Clean Energy				
Reported net income per share	\$ 0.06	\$ 0.04	\$ 0.09	\$ 0.09
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	-	-	(*)
Tax impact	-	-	-	*
Voluntary separation program	-	-	-	*
Tax impact	-	-	-	(*)
Adjusted net income per share – non-GAAP	<u>\$ 0.06</u>	<u>\$ 0.04</u>	<u>\$ 0.09</u>	<u>\$ 0.09</u>
Corporate Interest and Other				
Reported net loss per share	\$ (0.12)	\$ (0.10)	\$ (0.14)	\$ (0.38)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	*	-	*
Tax impact	-	(*)	-	(*)
Adjusted net loss per share – non-GAAP	<u>\$ (0.12)</u>	<u>\$ (0.10)</u>	<u>\$ (0.14)</u>	<u>\$ (0.38)</u>
Discontinued Operations				
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>	<u>\$ -</u>	<u>\$ -</u>
Consolidated				
Reported net income per share	\$ 0.60	\$ 0.56	\$ 1.96	\$ 2.27
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	-	(*)	(0.01)
Tax impact	-	-	*	*
Other exclusions from adjusted earnings	*	*	0.02	(*)
Tax impact	(*)	(*)	(*)	*
Voluntary separation program	0.01	(*)	0.11	0.04
Tax impact	(*)	*	(0.03)	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 0.61</u>	<u>\$ 0.56</u>	<u>\$ 2.06</u>	<u>\$ 2.29</u>
Average Common Shares Outstanding – Diluted	<u>291.4</u>	<u>290.1</u>	<u>291.3</u>	<u>290.0</u>

* Less than \$0.01 per share.