



# Third Quarter 2024 Results & Outlook

October 31, 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](http://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](http://www.cmsenergy.com/investor-relations), a channel of distribution.

Presentation endnotes are included after the appendix.



# Investment Thesis . . .



Presentation endnotes are included after the appendix.

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

. . . is simple, clean and lean.

# New Michigan Energy Law<sup>a</sup> . . .



## Key Items

- **Renewable Portfolio Standard**
  - Next Renewable Energy Plan (REP) filing (Nov. 2024)
- **Clean Energy Standard**  
(incl. renewables, gas w/ CCS, or nuclear)
  - Next Integrated Resource Plan filing (2026)
- **Financial Compensation Mechanism (FCM) on PPAs**
- **Energy Waste Reduction (EWR) Incentive**
- **2.5 GW Storage State Target**

## Notable Changes

60% by 2035  
(50% by 2030)

100% by 2040  
(80% by 2035)

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

Up to 25% incentive /  
>2.17% YoY  
load reduction

~850 MW by 2030  
(Consumers Energy  
portion)

## Benefits

✓ **Ability to own AND contract throughout MISO**

✓ **Ensures continued resource adequacy**

✓ **Unique “capital-light” earnings opportunity**

✓ **Ability to earn outside rate base**

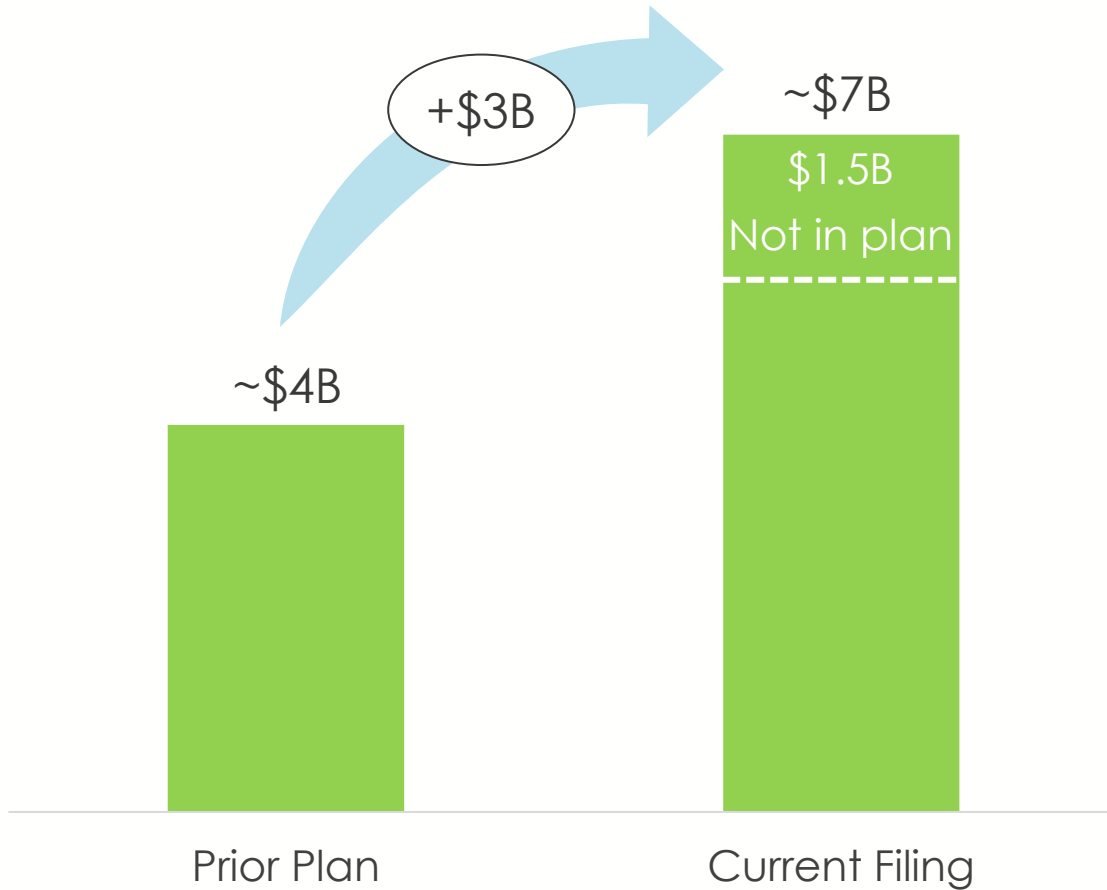
✓ **Accelerates storage deployment**

Presentation endnotes are included after the appendix.

. . . delivers for all stakeholders while maintaining affordability.

# Electric Reliability Roadmap . . .

## Electric Reliability Roadmap 5-yr Capital Investments



## Additional Customer Value

- Proactive grid enhancements vs. reactive maintenance and repair
- More reliable and resilient system
- Fewer and shorter customer outages
- Lower future operating costs

“The (Liberty) audit underscores that **now is the time...to focus more on strategic investments** to prevent outages rather than reacting to them.”  
– MPSC Chair Dan Scripps

. . . requires significant investments to improve reliability and resiliency.

# Expansive Economic Development Efforts . . .



## Corning Inc.

Solar production facility  
\$900M investment  
~1,100 jobs

## Saab Inc.

Military & civil security  
\$75M investment  
~70 jobs

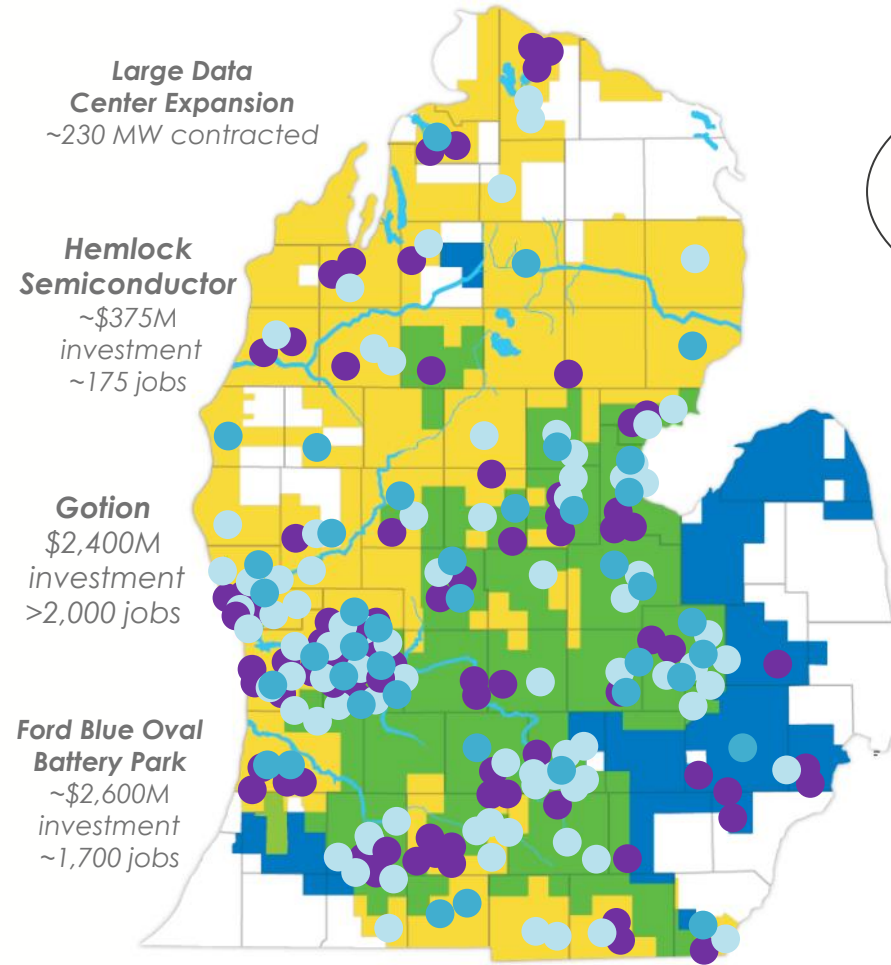
## Northland Corporation

High-end appliance products  
\$21M investment  
~200 jobs

## Benteler Automotive

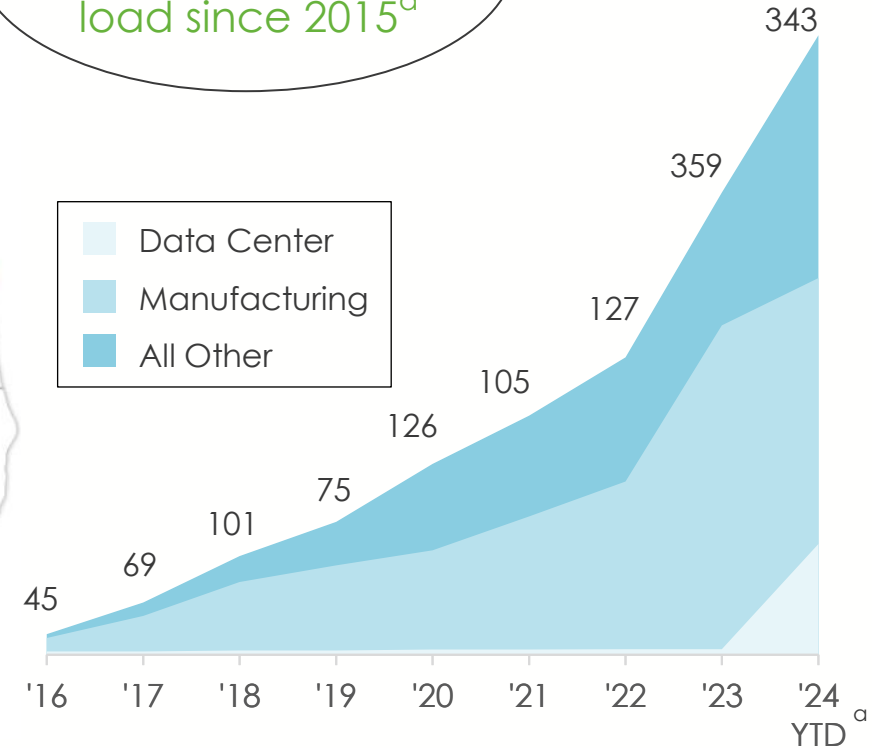
Battery component production  
\$105M investment  
~170 jobs

Electric Gas Combined  
2022 New Load 2023 New Load 2024 New Load



## Contracted Load (MW)

1,350 MW  
cumulative contracted  
load since 2015<sup>a</sup>



Presentation endnotes are included after the appendix.

. . . drive meaningful growth across Michigan and reduce customer rates.

# Michigan's Strong Regulatory Environment . . .

CMS ENERGY

## Supportive Energy Policy

- **Timely recovery of investments**

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

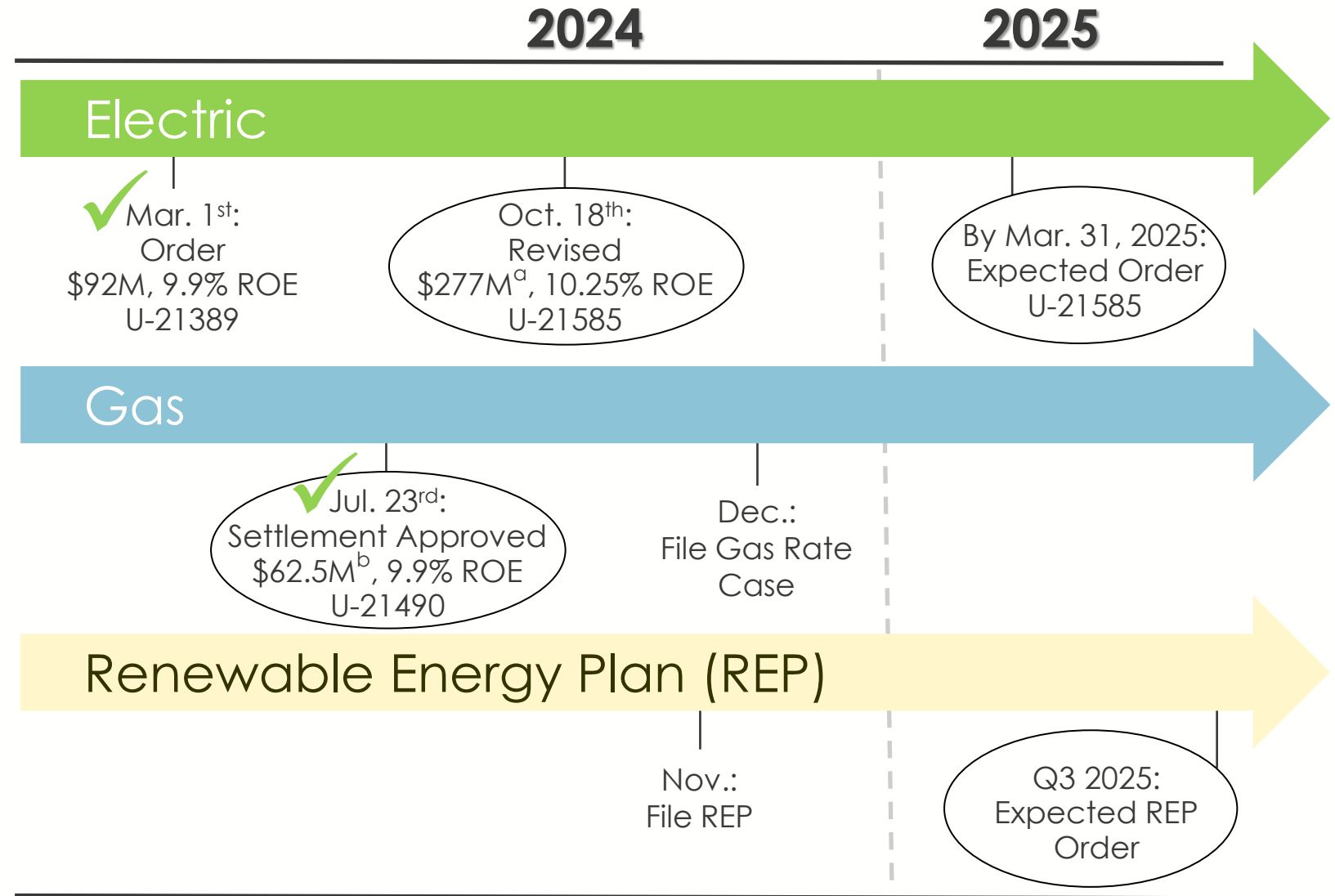
- **Supportive incentives**

- ✓ Constructive ROEs for Renewable Portfolio Standard
- ✓ Energy waste reduction incentives
- ✓ FCM adder on PPAs

- **Appointed commissioners**

☐ Enhanced w/ 2023 Energy Law

Presentation endnotes are included after the appendix.



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

# Financial Results & Outlook . . .



## YTD 2024 Results

Adjusted EPS

Amount

\$2.47

Commentary

Up vs. 2023 with confidence in the full year

## 2024 Full-Year Outlook

Adjusted EPS Guidance

\$3.29 – \$3.35

Toward the high end

Annual Dividend Per Share

\$2.06

Up 11¢

## 2025 Full-Year Outlook

Adjusted EPS Guidance

\$3.52 – \$3.58

Toward the high end

## 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)<sup>a</sup>

\$17

To be updated on Q4 call

Presentation endnotes are included after the appendix.

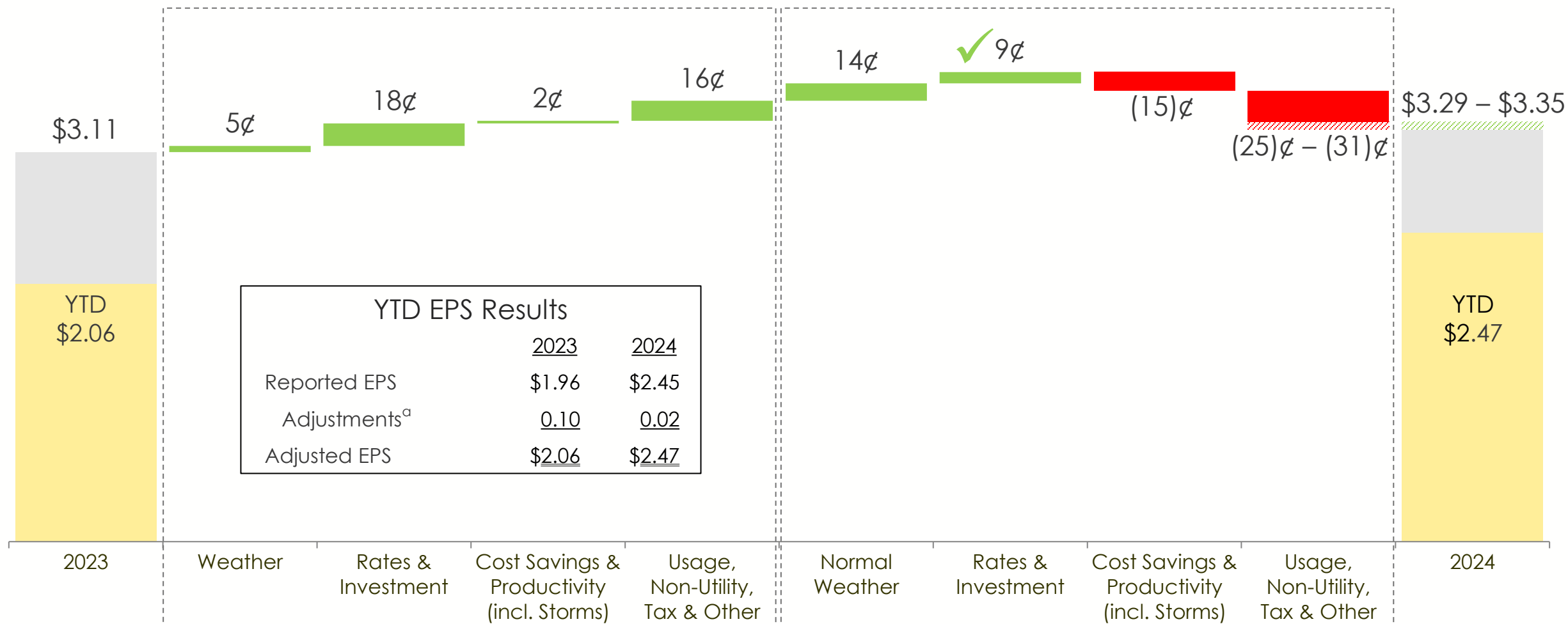
. . . on track to deliver in 2024 and beyond.



# 2024 Adjusted EPS . . .

First Nine Months  
41¢

Three Months To-Go  
(17)¢ – (23)¢



Presentation endnotes are included after the appendix.

. . . continued confidence toward the high end.

# 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. 2024	Mar. 2024	Apr. 2024	

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

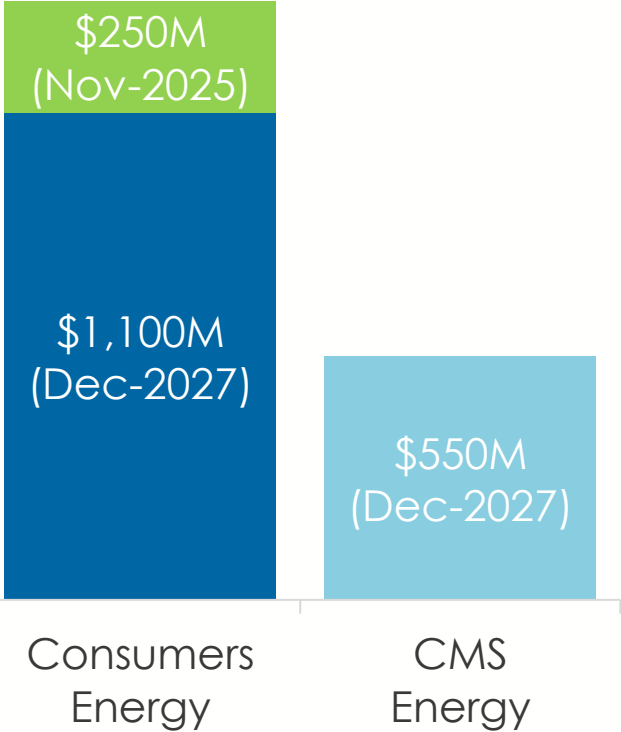
# 2024 Planned Financings Completed . . .



## Financings<sup>a</sup>

	<u>Plan</u> (\$M)	<u>YTD</u> (\$M)
Consumers Energy: First Mortgage Bonds	~\$1,275	\$1,300 ✓ ~4.65% <sup>c</sup>
CMS Energy: Contracted Equity (issued)	~266	~266 ✓ ~\$70/sh
Retirements:		
Consumers Energy	302	250
CMS Energy	250	250 ✓

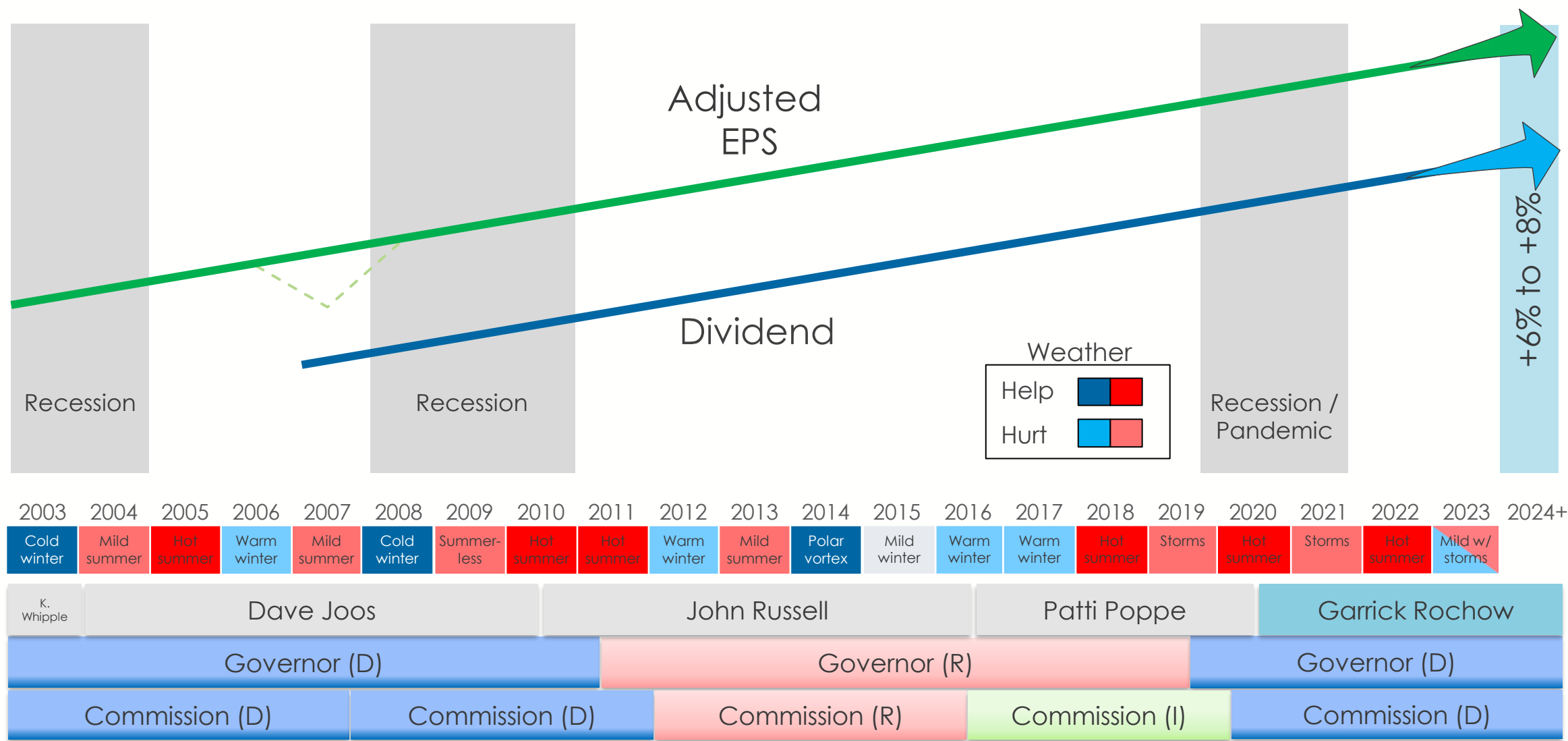
~\$2.2B<sup>b</sup> of net liquidity



Presentation endnotes are included after the appendix.

. . . and provide ample liquidity.

# Industry-Leading Financial Performance . . .



. . . for over two decades, regardless of conditions.



**Q&A**

***See you at EEI!***

# ENDNOTES

# Presentation Endnotes



**Slide 3:** <sup>a</sup>UBS Research, 2024 state rankings and D.C.

**Slide 4:** <sup>a</sup>New energy law effective June 1, 2024

**Slide 6:** <sup>a</sup>New or expanding load since 2015 as of October 15, 2024

**Slide 7:** <sup>a</sup>\$277M position includes a \$22M surcharge related to distribution investments made in 2023 above prior approved levels. <sup>b</sup>\$62.5M of effective rate relief (\$35M of higher revenue as permanent rate relief and \$27.5M retained gain share from the Appliance Service Plan (ASP) business sale used as an offset in lieu of additional rate relief during the test year)

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

**Slide 9:** <sup>a</sup>Adjusted EPS; see GAAP reconciliation on slide 17

**Slide 11:** <sup>a</sup>Excludes tax-exempt remarketing in October 2024 <sup>b</sup>\$1,786M in unreserved revolvers + \$385M of unrestricted cash; excludes cash unavailable for debt retirement, such as cash held at NorthStar <sup>c</sup>Weighted average

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, 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 Net Income to Non-GAAP Adjusted Net Income**  
**(Unaudited)**



	<i>In Millions, Except Per Share Amounts</i>			
	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>9/30/24</b>	<b>9/30/23</b>	<b>9/30/24</b>	<b>9/30/23</b>
<b>Net Income Available to Common Stockholders</b>	\$ 251	\$ 174	\$ 731	\$ 571
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	-	-	-	(1)
Tax impact	-	-	-	*
Other exclusions from adjusted earnings**	*	1	6	6
Tax impact	(*)	(1)	(1)	(2)
Voluntary separation program	-	5	*	33
Tax impact	-	(1)	(*)	(8)
Adjusted net income – non-GAAP	<u>\$ 251</u>	<u>\$ 178</u>	<u>\$ 736</u>	<u>\$ 599</u>
<b>Average Common Shares Outstanding - Diluted</b>	298.8	291.4	298.2	291.3
<b>Diluted Earnings Per Average Common Share</b>				
Reported net income per share	\$ 0.84	\$ 0.60	\$ 2.45	\$ 1.96
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	-	-	-	(*)
Tax impact	-	-	-	*
Other exclusions from adjusted earnings**	*	*	0.02	0.02
Tax impact	(*)	(*)	(*)	(*)
Voluntary separation program	-	0.01	*	0.11
Tax impact	-	(*)	(*)	(0.03)
Adjusted net income per share – non-GAAP	<u>\$ 0.84</u>	<u>\$ 0.61</u>	<u>\$ 2.47</u>	<u>\$ 2.06</u>

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

\*\* Includes restructuring costs and business optimization initiative.

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, 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>						
	<b>2024</b>			<b>2023</b>			
	<b>1Q</b>	<b>2Q</b>	<b>3Q</b>	<b>1Q</b>	<b>2Q</b>	<b>3Q</b>	<b>4Q</b>
<b>Net Income Available to Common Stockholders</b>	\$ 285	\$ 195	\$ 251	\$ 202	\$ 195	\$ 174	\$ 306
<i>Reconciling items:</i>							
Electric utility and gas utility	4	2	*	3	30	6	3
Tax impact	(1)	(*)	(*)	(1)	(7)	(2)	(1)
NorthStar Clean Energy	-	-	-	-	-	-	-
Tax impact	-	-	-	-	-	-	-
Corporate interest and other	-	-	-	-	-	-	-
Tax impact	-	-	-	-	-	-	-
<b>Adjusted Net Income – Non-GAAP</b>	<u>\$ 288</u>	<u>\$ 197</u>	<u>\$ 251</u>	<u>\$ 204</u>	<u>\$ 217</u>	<u>\$ 178</u>	<u>\$ 308</u>
<b>Average Common Shares Outstanding – Diluted</b>	297.2	298.5	298.8	291.2	291.3	291.4	292.7
<b>Diluted Earnings Per Average Common Share</b>	\$ 0.96	\$ 0.65	\$ 0.84	\$ 0.69	\$ 0.67	\$ 0.60	\$ 1.05
<i>Reconciling items:</i>							
Electric utility and gas utility	0.01	0.01	*	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	-	-	-	-	-	-	-
<b>Adjusted Diluted Earnings Per Average Common Share – Non-GAAP</b>	<u>\$ 0.97</u>	<u>\$ 0.66</u>	<u>\$ 0.84</u>	<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.