



Second Quarter 2024 Results & Outlook

July 25, 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.

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.

Investment Thesis . . .



Presentation endnotes are included after the appendix.

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

. . . is simple, clean and lean.

Michigan's Strong Regulatory Environment . . .

CMS ENERGY

2024

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

Electric

✓ Mar. 1st:
Order
\$92M, 9.9% ROE
U-21389

May 31st:
Filed Rate Case
\$325M^a, 10.25% ROE
U-21585

By Mar. 31, 2025:
Expected Order
U-21585

Gas

✓ Jul. 23rd:
Settlement Approved
\$62.5M^b, 9.9% ROE
U-21490

Dec.:
File Gas Rate
Case

Renewable Energy Plan (REP)

Nov.:
File REP

Presentation endnotes are included after the appendix.

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

Needed Customer Investments . . .

Customer Investments

Clean Energy Transformation
(REP & IRP)^a



Electric
Reliability Roadmap



Natural Gas
Delivery Plan



Presentation endnotes are included after the appendix.

Key Affordability Drivers

- ✓ **CE Way cost savings**
 - ~\$220M since 2020
- ✓ **Large episodic savings (PPAs/coal exit)**
 - >\$200M savings through 2025
- ✓ **Economic development**
 - >1,300 MW of new or expanding load since 2015^b
- ✓ **Energy Waste Reduction programs**
 - >\$6B in customer savings since 2009, >2% reduction in customer usage per year

. . . enabled by key affordability drivers.

Financial Results & Outlook . . .



YTD 2024 Results

	Amount	Commentary
Adjusted EPS	\$1.63	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¢

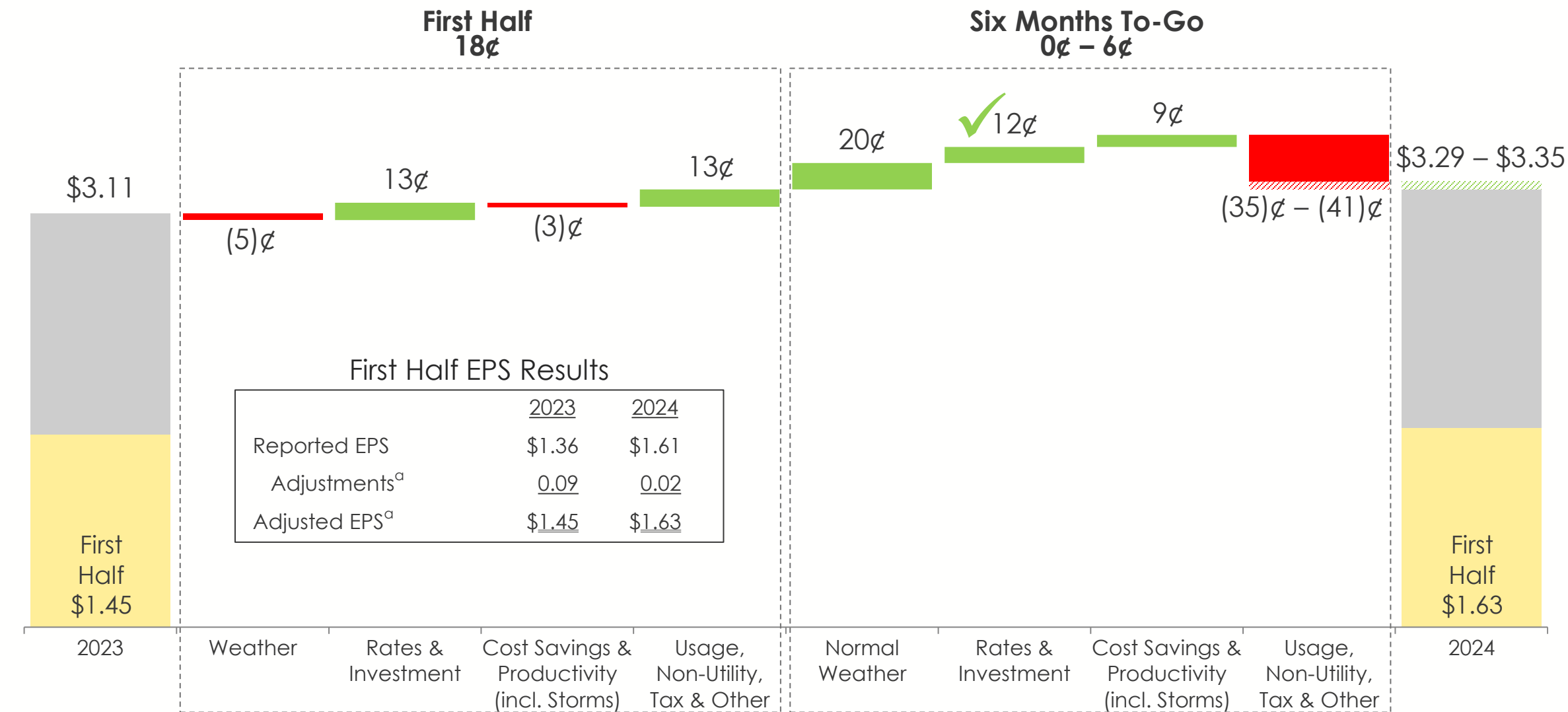
Long-Term Outlook

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) ^a	\$17	Up \$1.5 vs. prior plan

Presentation endnotes are included after the appendix.

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

2024 Adjusted EPS . . .



Presentation endnotes are included after the appendix.

. . . continued confidence toward the high end.

2024 Planned Financings . . .



Financings^a

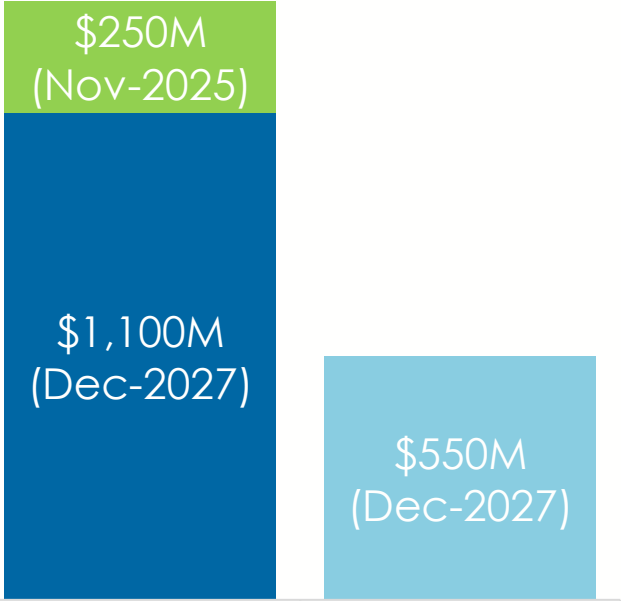
	<u>Plan</u> (\$M)	<u>YTD</u> (\$M)
Consumers Energy: First Mortgage Bonds	~\$1,275	\$600
CMS Energy: Contracted Equity (issued)	~266	~266
Retirements (incl. term loans):		
Consumers Energy	302	--
CMS Energy	250	250

5-yr
4.60%

✓ ~\$70/sh

✓

~\$2.5B^b of net liquidity



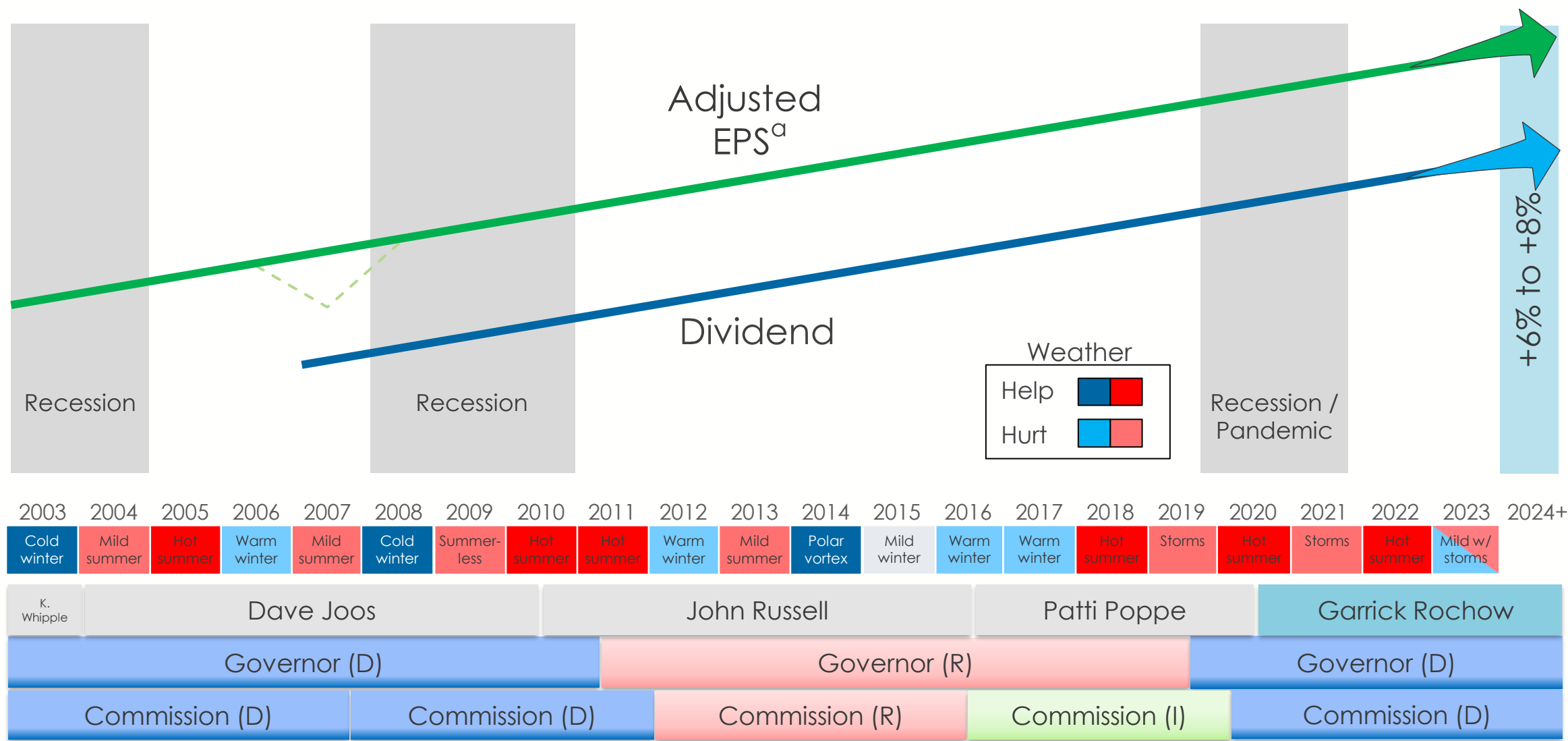
Consumers
Energy

CMS
Energy

Presentation endnotes are included after the appendix.

. . . fund customer investments and provide ample liquidity.

Industry-Leading Financial Performance . . .



Presentation endnotes are included after the appendix.

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

Q&A

Thank You!

Appendix

2024 Sensitivities . . .

		<u>Full-Year Impact</u>					2024 Adj. EPS Sensitivities (1% Full Year Δ in Volume) <table><tr><th></th><th><u>Electric</u></th><th><u>Gas</u></th></tr><tr><td>Residential</td><td>4¢</td><td>3¢</td></tr><tr><td>Commercial</td><td>2½</td><td>~½</td></tr><tr><td>Industrial</td><td>½</td><td>~½</td></tr></table>		<u>Electric</u>	<u>Gas</u>	Residential	4¢	3¢	Commercial	2½	~½	Industrial	½	~½
	<u>Electric</u>	<u>Gas</u>																	
Residential	4¢	3¢																	
Commercial	2½	~½																	
Industrial	½	~½																	
	<u>Sensitivity</u>	<u>Adj. EPS</u>			<u>OCF</u>														
		(¢)			(\$M)														
Sales^a																			
Electric (~37,000 GWh)	± 1%	±	7	±	27														
Gas (~311 Bcf)	± 1	±	4	±	15														
Gas Prices	± 50¢	±	0	±	60														
Utility Earned ROE																			
Electric	± 10 bps	±	2	±	8														
Gas	± 10	±	1	±	6														
Interest Rates	± 25 bps	±	<1	±	<1														
Effective Tax Rate (18%)	± 100 bps	±	3	±	0														

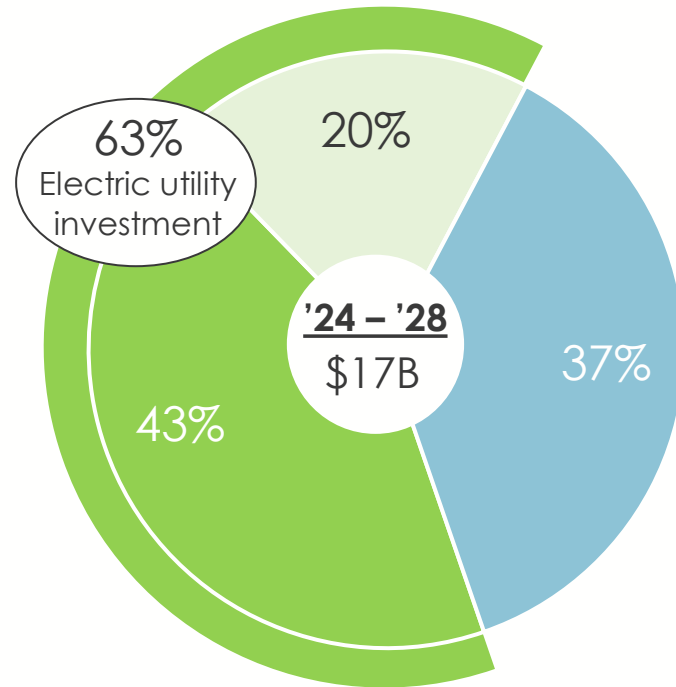
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. . . reflect effective risk mitigation.

Customer Investment Plan . . .



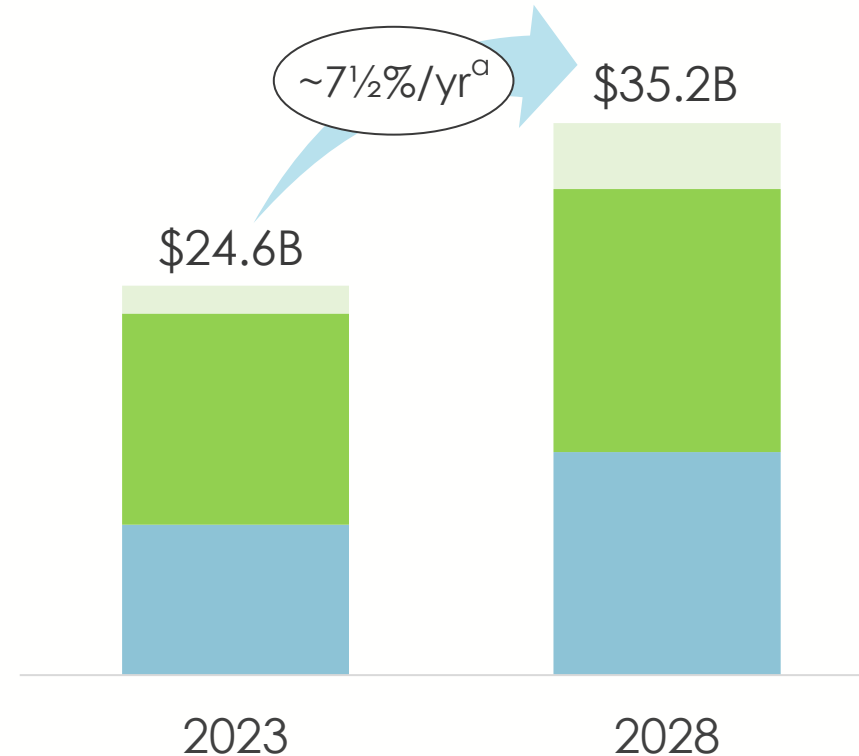
New Utility Investment Plan



Clean Energy Generation Electric Distribution & Other Gas Utility

~40% of investments support the Clean Energy Transformation

Rate Base Growth



Other Growth Drivers^b

- ✓ EE incentive moving from 20% to 22.5% (at 2% YoY load reduction)
- ✓ ~9% FCM on new PPAs for clean energy contracts
- ✓ NorthStar – DIG re-contracting opportunities

Presentation endnotes are included after the appendix.

. . . delivers benefits for customers and investors.

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	Mar. 2024	Apr. 2024	

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

ENDNOTES

Presentation Endnotes



Slide 3: ^aRRA state regulatory energy rankings, February 2024. Regulatory Research Associates, a group within S&P Global Commodity Insights

Slide 4: ^a\$325M position includes a \$22M surcharge related to distribution investments made in 2023 above prior approved levels ^b\$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 5: ^aRenewable Energy Plan and Integrated Resource Plan ^bNew or expanding load since 2015 as of June 2024

Slide 6: ^a\$17B utility capital investment plan (2024-2028), up \$1.5B from prior plan (2023-2027)

Slide 7: ^aAdjusted EPS; see GAAP reconciliation on slide 18

Slide 8: ^aExcludes tax-exempt remarketing in October 2024 ^b\$1,835M in unreserved revolvers + \$676M of unrestricted cash; excludes cash unavailable for debt retirement, such as cash held at NorthStar

Slide 9: ^aExcludes discontinued operations

Slide 12: ^aReflects 2024 sales forecast; weather-normalized

Slide 13: ^aAssumes \$24.6B rate base in 2023, \$35.2B in 2028, CAGR ^bOver plan period years 2024-2028

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>			
	Three Months Ended		Six Months Ended	
	6/30/24	6/30/23	6/30/24	6/30/23
Net Income Available to Common Stockholders	\$ 195	\$ 195	\$ 480	\$ 397
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	-	(1)	-	(1)
Tax impact	-	*	-	*
Other exclusions from adjusted earnings**	2	2	6	5
Tax impact	(*)	(*)	(1)	(1)
Voluntary separation program	-	28	*	28
Tax impact	-	(7)	(*)	(7)
Adjusted net income – non-GAAP	<u>\$ 197</u>	<u>\$ 217</u>	<u>\$ 485</u>	<u>\$ 421</u>
Average Common Shares Outstanding - Diluted	298.5	291.3	297.9	291.2
Diluted Earnings Per Average Common Share				
Reported net income per share	\$ 0.65	\$ 0.67	\$ 1.61	\$ 1.36
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	-	(*)	-	(*)
Tax impact	-	*	-	*
Other exclusions from adjusted earnings**	0.01	0.01	0.02	0.02
Tax impact	(*)	(*)	(*)	(*)
Voluntary separation program	-	0.09	*	0.09
Tax impact	-	(0.02)	(*)	(0.02)
Adjusted net income per share – non-GAAP	<u>\$ 0.66</u>	<u>\$ 0.75</u>	<u>\$ 1.63</u>	<u>\$ 1.45</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>					
	2024		2023			
	1Q	2Q	1Q	2Q	3Q	4Q
Net Income Available to Common Stockholders	\$ 285	\$ 195	\$ 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	-	-	-	-	-	-
Adjusted Net Income – Non-GAAP	<u>\$ 288</u>	<u>\$ 197</u>	<u>\$ 204</u>	<u>\$ 217</u>	<u>\$ 178</u>	<u>\$ 308</u>
Average Common Shares Outstanding – Diluted	297.2	298.5	291.2	291.3	291.4	292.7
Diluted Earnings Per Average Common Share	\$ 0.96	\$ 0.65	\$ 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	-	-	-	-	-	-
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	<u>\$ 0.97</u>	<u>\$ 0.66</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.