

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) February 2, 2023

Commission  
File Number  
1-9513

Registrant; State of Incorporation;  
Address; and Telephone Number  
**CMS ENERGY CORPORATION**  
(A Michigan Corporation)  
One Energy Plaza  
Jackson, Michigan 49201  
(517) 788-0550

IRS Employer  
Identification No.  
38-2726431

1-5611

**CONSUMERS ENERGY COMPANY**  
(A Michigan Corporation)  
One Energy Plaza  
Jackson, Michigan 49201  
(517) 788-0550

38-0442310

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
CMS Energy Corporation Common Stock, \$0.01 par value	CMS	New York Stock Exchange
CMS Energy Corporation 5.625% Junior Subordinated Notes due 2078	CMSA	New York Stock Exchange
CMS Energy Corporation 5.875% Junior Subordinated Notes due 2078	CMSC	New York Stock Exchange
CMS Energy Corporation 5.875% Junior Subordinated Notes due 2079	CMSD	New York Stock Exchange
CMS Energy Corporation, Depositary Shares, each representing a 1/1,000th interest in a share of 4.200% Cumulative Redeemable Perpetual Preferred Stock, Series C	CMS PRC	New York Stock Exchange
Consumers Energy Company Cumulative Preferred Stock, \$100 par value: \$4.50 Series	CMS-PB	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company: CMS Energy Corporation

Consumers Energy Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. CMS Energy Corporation  Consumers Energy Company

## **Item 2.02. Results of Operations and Financial Condition.**

On February 2, 2023, CMS Energy Corporation (“CMS Energy”) issued a News Release, in which it announced its 2022 results. Attached as Exhibit 99.1 to this report and incorporated herein by reference is a copy of the CMS Energy News Release, furnished as a part of this report.

Exhibit 99.1 contains certain financial measures that are considered “non-GAAP financial measures” as defined in Securities and Exchange Commission rules. Other than forward-looking earnings guidance, Exhibit 99.1 contains a reconciliation of these non-GAAP financial measures to their most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the United States. 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 CMS Energy is not able to estimate the impact of specific line items, which have the potential to significantly impact, favorably or unfavorably, reported earnings in future periods, Exhibit 99.1 does not contain reported earnings guidance nor 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. All references to net income refer to net income available to common stockholders and references to earnings per share are on a diluted basis.

## **Item 7.01. Regulation FD Disclosure.**

The information set forth in the CMS Energy News Release dated February 2, 2023, attached as Exhibit 99.1, is incorporated by reference in response to this Item 7.01.

CMS Energy will hold a webcast to discuss its 2022 results and provide a business and financial outlook on February 2 at 9:30 a.m. (ET). A copy of the CMS Energy presentation is furnished as Exhibit 99.2 to this report. A webcast of the presentation will be available on the CMS Energy website, [www.cmsenergy.com](http://www.cmsenergy.com).

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

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.

## **Item 9.01. Financial Statements and Exhibits.**

### **(d) Exhibits.**

#### **Exhibit Index**

[99.1 CMS Energy News Release dated February 2, 2023](#)

[99.2 CMS Energy presentation dated February 2, 2023](#)

104 Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document).

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

Dated: February 2, 2023

**CMS ENERGY CORPORATION**

By: /s/ Rejji P. Hayes  
Rejji P. Hayes  
Executive Vice President and Chief Financial Officer

Dated: February 2, 2023

**CONSUMERS ENERGY COMPANY**

By: /s/ Rejji P. Hayes  
Rejji P. Hayes  
Executive Vice President and Chief Financial Officer

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# News Release

The CMS Energy logo consists of the words "CMS ENERGY" in a white, sans-serif font, enclosed within a white, stylized oval shape that resembles a swoosh or a partial circle.

## **CMS Energy Announces Strong 2022 Results for the 20<sup>th</sup> Consecutive Year and Raises 2023 Adjusted EPS Guidance**

JACKSON, Mich., Feb. 2, 2023 – CMS Energy announced today reported earnings per share of \$2.85 for 2022, compared to \$4.66 per share for 2021. The company’s adjusted earnings per share for 2022 were \$2.89, compared to \$2.65 for 2021. CMS Energy also announced the increase of its annual dividend by 11 cents per share to \$1.95 for 2023.

CMS Energy raised its 2023 adjusted earnings guidance to \$3.06 to \$3.12 per share, from \$3.05 to \$3.11 per share\* (\*See below for important information about non-GAAP measures) and reaffirmed long-term adjusted EPS growth of 6 to 8 percent, with continued confidence toward the high end of the adjusted EPS growth range.

“CMS Energy has delivered two decades of industry leading financial performance and our strong results in 2022 have positioned the company well for 2023,” said Garrick Rochow, President and CEO of CMS Energy and Consumers Energy. “Our commitment remains steadfast to our customers, communities and investors as we deliver across the triple bottom line.”

CMS Energy (NYSE: CMS) is a Michigan-based energy provider featuring Consumers Energy as its primary business. It also owns and operates independent power generation businesses.

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*CMS Energy will hold a webcast to discuss its 2022 year-end results and provide a business and financial outlook on Thursday, February 2 at 9:30 a.m. (EST). To participate in the webcast, go to CMS Energy’s homepage ([cmsenergy.com](https://www.cmsenergy.com)) and select “Events and Presentations.”*

**Important information for investors about non-GAAP measures and other disclosures.**

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This news release contains non-Generally Accepted Accounting Principles (non-GAAP) measures, such as adjusted earnings. 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 company's adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for the reported earnings.

**This news release contains “forward-looking statements.” The forward-looking statements are subject to risks and uncertainties that could cause CMS Energy's and Consumers Energy's results to differ materially. 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.**

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.

*For more information on CMS Energy, please visit our website at [cmsenergy.com](http://cmsenergy.com). To sign up for email [alert notifications](#), please visit the Investor Relations section of our website.*

**Media Contacts: Katie Carey, 517/740-1739**

**Investment Analyst Contact: Travis Uphaus, 517/817-9241**

**CMS ENERGY CORPORATION**  
**Consolidated Statements of Income**  
(Unaudited)

*In Millions, Except Per Share Amounts*

	Three Months Ended		Twelve Months Ended	
	12/31/22	12/31/21	12/31/22	12/31/21
Operating revenue	\$ 2,278	\$ 2,033	\$ 8,596	\$ 7,329
Operating expenses	2,007	1,829	7,372	6,183
<b>Operating Income</b>	<b>271</b>	<b>204</b>	<b>1,224</b>	<b>1,146</b>
Other income	52	41	197	177
Interest charges	139	126	519	500
<b>Income Before Income Taxes</b>	<b>184</b>	<b>119</b>	<b>902</b>	<b>823</b>
Income tax expense	21	5	93	95
<b>Income From Continuing Operations</b>	<b>163</b>	<b>114</b>	<b>809</b>	<b>728</b>
Income from discontinued operations, net of tax	-	520	4	602
<b>Net Income</b>	<b>163</b>	<b>634</b>	<b>813</b>	<b>1,330</b>
Loss attributable to noncontrolling interests	(8)	(5)	(24)	(23)
<b>Net Income Attributable to CMS Energy</b>	<b>171</b>	<b>639</b>	<b>837</b>	<b>1,353</b>
Preferred stock dividends	3	2	10	5
<b>Net Income Available to Common Stockholders</b>	<b>\$ 168</b>	<b>\$ 637</b>	<b>\$ 827</b>	<b>\$ 1,348</b>
<b>Diluted Earnings Per Average Common Share</b>				
Income from continuing operations per average common share available to common stockholders	\$ 0.58	\$ 0.40	\$ 2.84	\$ 2.58
Income from discontinued operations per average common share available to common stockholders	-	1.80	0.01	2.08
<b>Diluted earnings per average common share</b>	<b>\$ 0.58</b>	<b>\$ 2.20</b>	<b>\$ 2.85</b>	<b>\$ 4.66</b>

**CMS ENERGY CORPORATION**  
**Summarized Consolidated Balance Sheets**  
**(Unaudited)**

	<i>In Millions</i>	
	<b>As of</b>	
	<b>12/31/22</b>	<b>12/31/21</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 164	\$ 452
Restricted cash and cash equivalents	18	24
Other current assets	3,251	2,151
Total current assets	3,433	2,627
Non-current assets		
Plant, property, and equipment	22,713	22,352
Other non-current assets	5,207	3,774
<b>Total Assets</b>	<b>\$ 31,353</b>	<b>\$ 28,753</b>
<b>Liabilities and Equity</b>		
Current liabilities <sup>(1)</sup>	\$ 1,866	\$ 1,822
Non-current liabilities <sup>(1)</sup>	7,583	7,269
Capitalization		
Debt and finance leases (excluding securitization debt) <sup>(2)</sup>		
Debt and finance leases (excluding non-recourse and securitization debt)	14,139	12,200
Non-recourse debt	-	76
Total debt and finance leases (excluding securitization debt)	14,139	12,276
Preferred stock and securities	224	224
Noncontrolling interests	580	557
Common stockholders' equity	6,791	6,407
Total capitalization (excluding securitization debt)	21,734	19,464
Securitization debt <sup>(2)</sup>	170	198
<b>Total Liabilities and Equity</b>	<b>\$ 31,353</b>	<b>\$ 28,753</b>

<sup>(1)</sup> Excludes debt and finance leases.

<sup>(2)</sup> Includes current and non-current portions.

**CMS ENERGY CORPORATION**  
**Summarized Consolidated Statements of Cash Flows**  
**(Unaudited)**

	<i>In Millions</i>	
	<b>Twelve Months Ended</b>	
	<b>12/31/22</b>	<b>12/31/21</b>
<b>Beginning of Period Cash and Cash Equivalents, Including Restricted Amounts</b>	<b>\$ 476</b>	<b>\$ 185</b>
Net cash provided by operating activities	855	1,819
Net cash used in investing activities	(2,476)	(1,233)
Cash flows from operating and investing activities	(1,621)	586
Net cash provided by (used in) financing activities	1,327	(295)
<b>Total Cash Flows</b>	<b>\$ (294)</b>	<b>\$ 291</b>
<b>End of Period Cash and Cash Equivalents, Including Restricted Amounts</b>	<b>\$ 182</b>	<b>\$ 476</b>

**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		Twelve Months Ended	
	12/31/22	12/31/21	12/31/22	12/31/21
<b>Net Income Available to Common Stockholders</b>	\$ 168	\$ 637	\$ 827	\$ 1,348
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(665)	(5)	(657)
Tax impact	-	145	1	143
Discontinued operations income	-	-	-	(115)
Tax impact	-	-	-	27
Other exclusions from adjusted earnings**	9	*	8	(1)
Tax impact	(2)	(*)	(2)	*
Loss on fleet impairment	-	29	-	29
Tax impact	-	(7)	-	(7)
Voluntary separation program	1	-	12	-
Tax impact	(*)	-	(3)	-
Adjusted net income – non-GAAP	<u>\$ 176</u>	<u>\$ 139</u>	<u>\$ 838</u>	<u>\$ 767</u>
<b>Average Common Shares Outstanding - Diluted</b>	290.1	289.7	290.0	289.5
<b>Diluted Earnings Per Average Common Share</b>				
Reported net income per share	\$ 0.58	\$ 2.20	\$ 2.85	\$ 4.66
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(2.30)	(0.01)	(2.27)
Tax impact	-	0.50	*	0.49
Discontinued operations income	-	-	-	(0.39)
Tax impact	-	-	-	0.09
Other exclusions from adjusted earnings**	0.03	*	0.03	(*)
Tax impact	(0.01)	(*)	(0.01)	*
Loss on fleet impairment	-	0.10	-	0.10
Tax impact	-	(0.03)	-	(0.03)
Voluntary separation program	*	-	0.04	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.60</u>	<u>\$ 0.47</u>	<u>\$ 2.89</u>	<u>\$ 2.65</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.



**Leading the  
CLEAN ENERGY  
TRANSFORMATION**

2022 Year End  
Results and Outlook

February 2, 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).

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 . . .



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

# 2022 Successes . . .



People	Planet	Profit
<ul style="list-style-type: none"> <li>#1 utility for America's Best Employers for Women and a top utility for Best Employers for Diversity by Forbes®</li> <li>1<sup>st</sup> quartile customer experience<sup>q</sup></li> <li>&gt;\$100M of customer assistance to help keep bills affordable</li> <li>~\$560M in customer benefits from owned generation vs. MISO market</li> <li>230 MW of incremental load, adding ~6.3K jobs and &gt;\$8B of investment in MI</li> <li>5-yr goal to double spend with diverse suppliers achieved 1 year ahead of plan</li> </ul>	<ul style="list-style-type: none"> <li>2021 IRP approved – exit coal &amp; achieve ~60% carbon emissions reduction in 2025<sup>b</sup>; 8 GW of solar, 550 MW of storage and 2.5 GW of demand-side resources by 2040</li> <li>Commitment to achieve net zero GHG emissions by 2050 for our entire business</li> <li>&gt;\$250M of gas infrastructure capex resulting in 448MT of methane reduction</li> <li>Achieved subscription to build 1<sup>st</sup> tranche of Voluntary Green Pricing program; &gt;300 MW, &gt;\$450M capex</li> <li>Announced goal to power &gt;1M EVs by 2030</li> </ul>	<ul style="list-style-type: none"> <li>Delivered adjusted EPS of \$2.89 – at the high end of guidance range</li> <li>Increased annual dividend per share to \$1.95, 17<sup>th</sup> increase in as many years</li> <li>Delivered \$58M of cost savings by leveraging the CE Way</li> <li>Constructive outcomes in IRP, gas rate case and electric rate case settlements</li> <li>\$47M of regulatory mechanisms to support vulnerable customers and infrastructure investments</li> </ul>



Presentation endnotes are included after the appendix.

. . . delivering across the Triple Bottom Line.

## Financial Results & Outlook . . .



### 2022 Full-Year Results

### Amount

### Commentary

Adjusted EPS

\$2.89

High end of guidance

### 2023 Full-Year 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

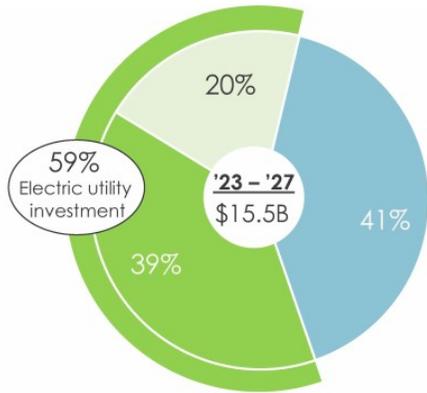
. . . reflect strong growth and build momentum for 2023 and beyond.

5

# 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



Presentation endnotes are included after the appendix.

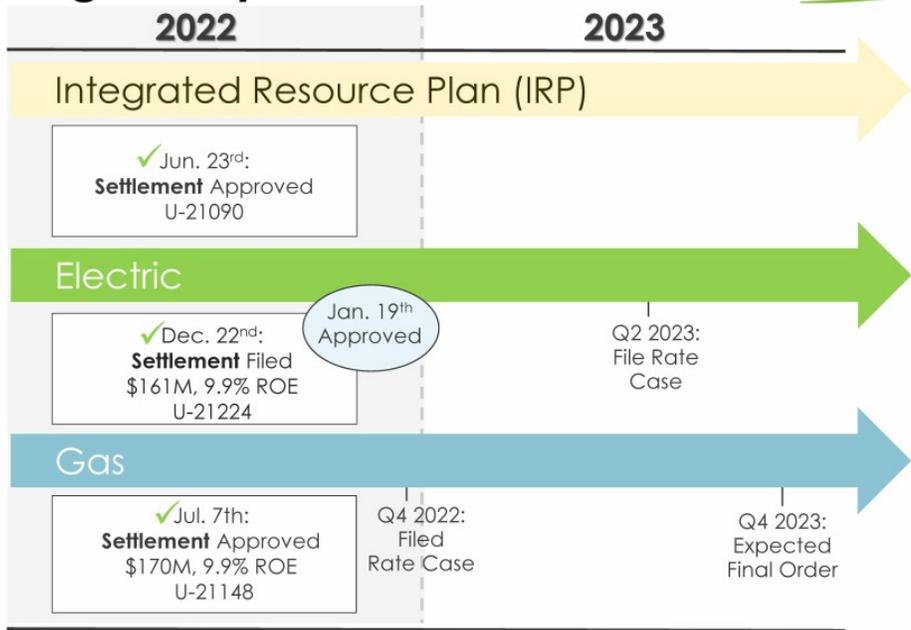
. . . delivers benefits for customers and investors.

# 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.

# De-risking Inflationary Pressures . . .



## Near-term Risk Mitigation

### Global Risks

### Countermeasures

Labor

- ✓ Executed 5-yr union contracts in 2020 (>40% unionized)
- ✓ ~95% non-union retention rate<sup>a</sup>

Materials

- ✓ Manageable supply chain risk
- ✓ ~90% of material costs capitalized
- ✓ Modular solar build-out

Commodities

- ✓ Owned generation hedges market volatility
- ✓ Manageable power supply costs
- ✓ Leverage gas storage assets

## Episodic Cost Savings

Year	Event	Savings
2022	Palisades retirement	>\$90M
2023	Karn 1&2 coal unit retirements <sup>b</sup>	\$30M
2025	MCV contract change	>\$60M
2025	Campbell coal unit retirements <sup>b</sup>	>\$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.

# 2022 Results . . .



## Full Year

	<u>2021</u>	<u>2022</u>
Reported EPS	\$4.66	\$2.85
Adjustments <sup>a</sup>	(2.01)	0.04
Adjusted EPS <sup>a</sup>	\$2.65	\$2.89

## Fourth Quarter

	<u>2021</u>	<u>2022</u>
Reported EPS	\$2.20	\$0.58
Adjustments <sup>a</sup>	(1.73)	0.02
Adjusted EPS <sup>a</sup>	\$0.47	\$0.60

## Adjusted EPS by Segment

	<u>2022</u>
Utility	\$3.31
NorthStar	0.12
Parent	(0.54)
Total Adjusted EPS	\$2.89

Presentation endnotes are included after the appendix.

. . . reflect adjusted EPS growth at the high end.

## 2022 Objectives Achieved . . .



	<u>Objectives</u>	<u>Actual</u>
Adjusted EPS guidance	\$2.85 – \$2.89	\$2.89 ✓ <i>High end of guidance</i>
DPS growth guidance	+6% to +8%	\$1.95 (up 6%) ✓ <i>+11¢</i>
Target credit ratings	Solid investment grade <i>FFO/Debt target: Mid-teens<sup>a</sup></i>	Solid investment grade ✓ <i>FFO/Debt target: Mid-teens<sup>a</sup></i>
Utility investment (\$B)	\$2.6	\$2.5 ✓
Planned equity issuance (\$M)	None <i>Settle \$55M of contracted equity forwards</i>	Settled \$55M of forwards ✓ <i>Contracted Covert financing ~\$439M</i>

Presentation endnotes are included after the appendix.

. . . delivering benefits for customers AND investors.

## 2023 Guidance Offers Continued Growth . . .

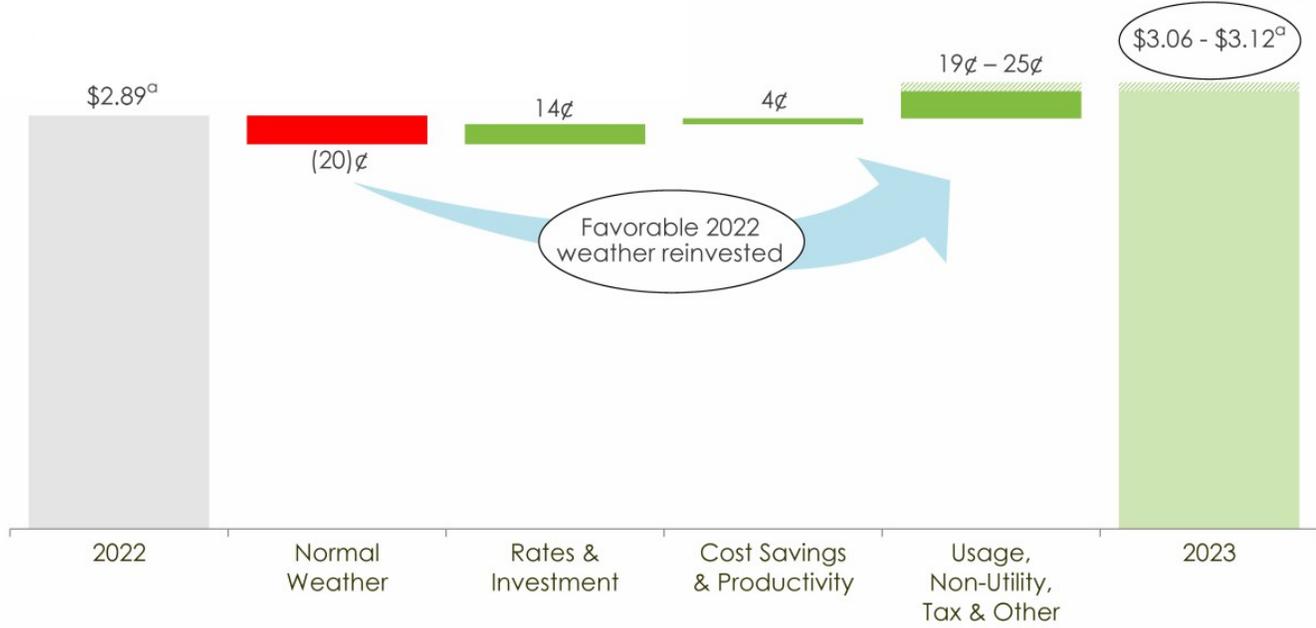


	<u>Adjusted EPS</u>
Utility	\$3.48 – \$3.52
NorthStar	0.13 – 0.16
Parent	<u>(0.55) – (0.56)</u>
Consolidated EPS	<u>\$3.06 – \$3.12</u>

Toward the high end

. . . off 2022 actual performance.

# 2023 Adjusted EPS Growth Range . . .



Presentation endnotes are included after the appendix.

. . . reflects another year of premium growth.

# Near- and Long-Term Objectives . . .



	<b><u>2023</u></b>	<b><u>Long-Term Plan</u></b>
Adjusted EPS guidance	\$3.06 – \$3.12 <i>Toward the high end</i>	+6% to +8% <i>Toward the high end</i>
DPS growth guidance	+6% to +8%	+6% to +8% <i>Targeting ~60% payout ratio</i>
Target credit ratings	Solid investment grade <i>FFO/Debt target: Mid-teens<sup>o</sup></i>	Solid investment grade <i>FFO/Debt target: Mid-teens<sup>o</sup></i>
Utility investment (\$B)	\$3.7	\$15.5 <i>2023 - 2027</i>
Planned equity issuance (\$M)	Settle ~\$439M of contracted equity forwards (Covert)	No equity until 2025 <i>Up to \$350M/yr in 2025 - 2027</i>

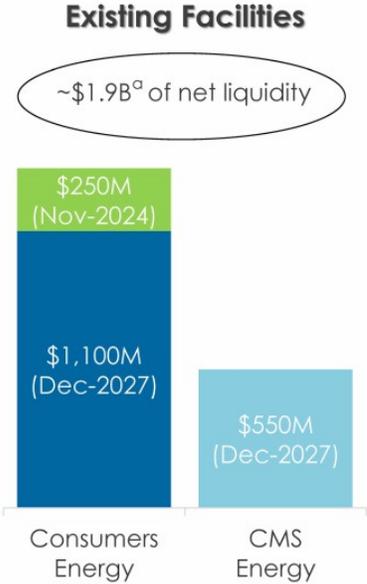
Presentation endnotes are included after the appendix.

. . . provide sustainable benefits for customers AND investors.

# 2023 Planned Financings . . .



	Financings	
	Plan (\$M)	YTD (\$M)
Consumers Energy:		
First Mortgage Bonds	\$1,970	\$825
Securitization	688	--
CMS Energy:		
Contracted Equity (issued)	439	--
Retirements (incl. term loans):		
Consumers Energy	1,625	500
CMS Energy	--	--



Presentation endnotes are included after the appendix.

. . . fund customer investment and provide ample liquidity.

# 2023 Sensitivities . . .

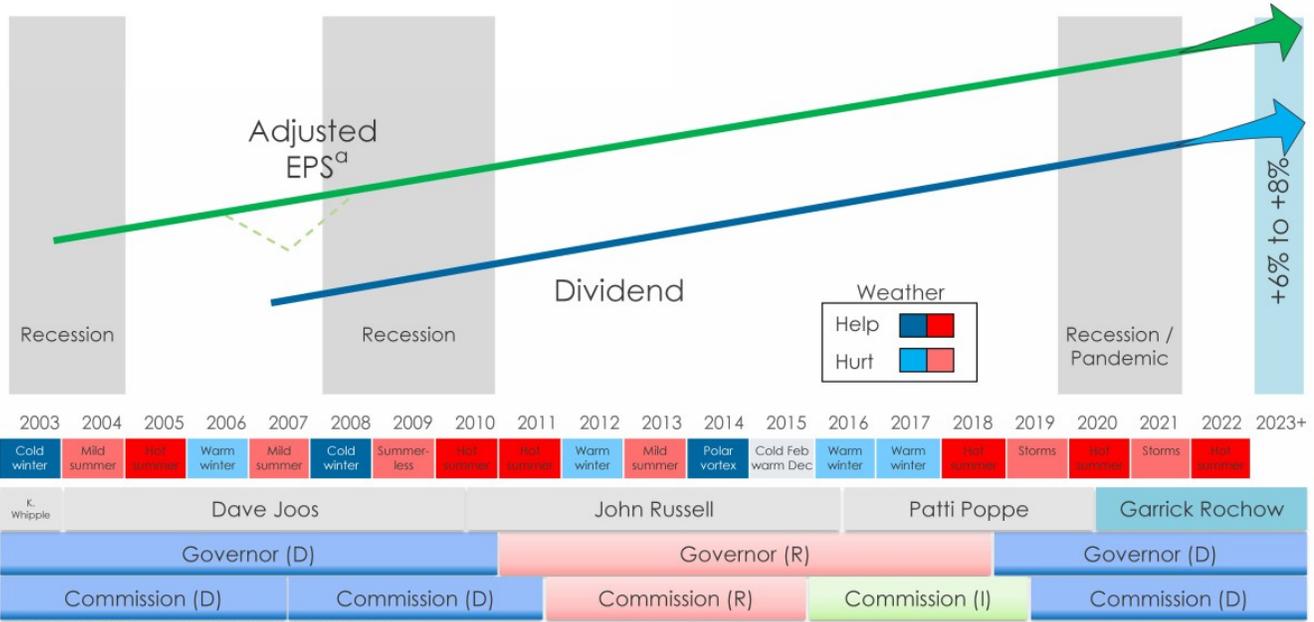


	<u>Sensitivity</u>	<u>Full-Year Impact</u>			<u>OCF</u> (\$M)	<u>2023 Adj. EPS Sensitivities</u> (1% Full Year $\Delta$ in Volume)
		<u>Adj. EPS</u> (¢)				
<b>Sales<sup>a</sup></b>						
Electric (~37,000 GWh)	± 1%	± 7	±	±	27	Residential <u>Electric</u> 4¢ <u>Gas</u> 3¢
Gas (~311 Bcf)	± 1	± 4	±	±	16	Commercial 2½ ~½
<b>Gas Prices</b>	± 50¢	± 0	±	±	60	Industrial ½ ~½
<b>Utility Earned ROE</b>						<b>Electric PSCR Residential Bill Sensitivity</b> (\$10/MWh) <u>Impact</u> Electric ~\$6½/ mo
Electric	± 10 bps	± 2	±	±	8	
Gas	± 10	± 1	±	±	5	
<b>Interest Rates</b>	± 25 bps	± < 1	±	±	1	<b>Gas Price Residential Bill Sensitivity</b> (\$1/Mcf) <u>Impact</u> Gas ~\$7½/ mo
<b>Effective Tax Rate (19%)</b>	± 100 bps	± 3	±	±	0	

Presentation endnotes are included after the appendix.

. . . reflect effective risk mitigation.

# Industry-Leading Financial Performance . . .



Presentation endnotes are included after the appendix.

. . . for two decades, regardless of conditions.

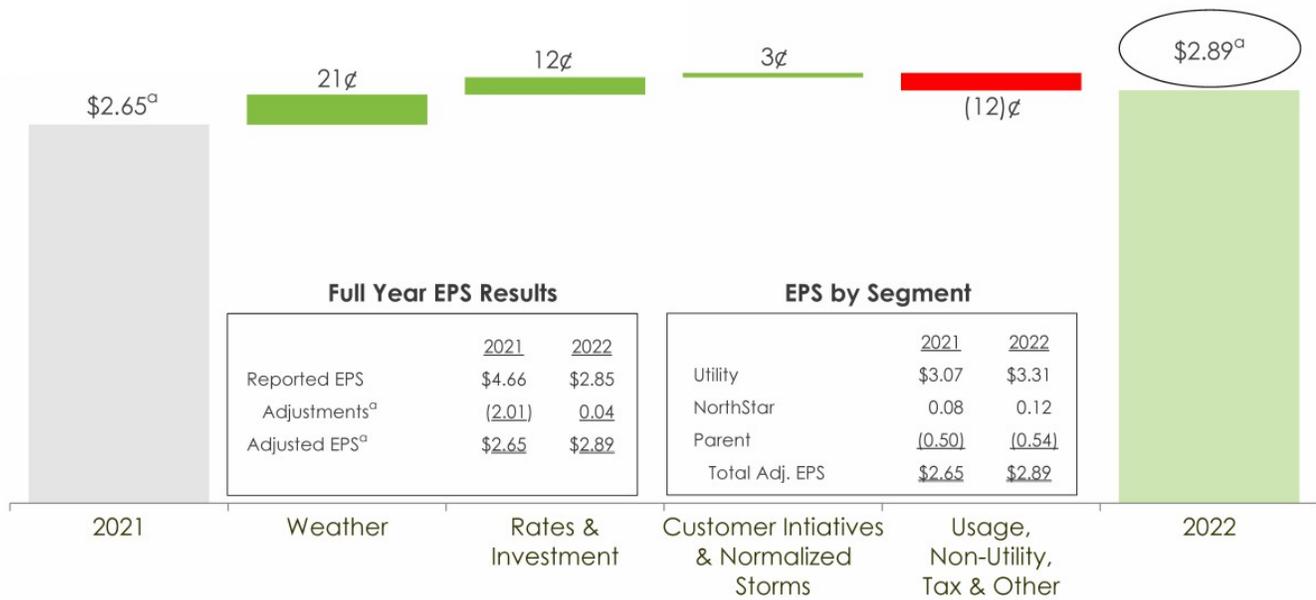
# **Q&A**

## ***Thank You!***

# Appendix

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# 2022 Adjusted EPS . . .



Presentation endnotes are included after the appendix.

. . . reflects another year of premium growth.

# DIG (750 MW) & Peakers (200 MW) . . .



Pre-Tax Income

(M)

\$60

50

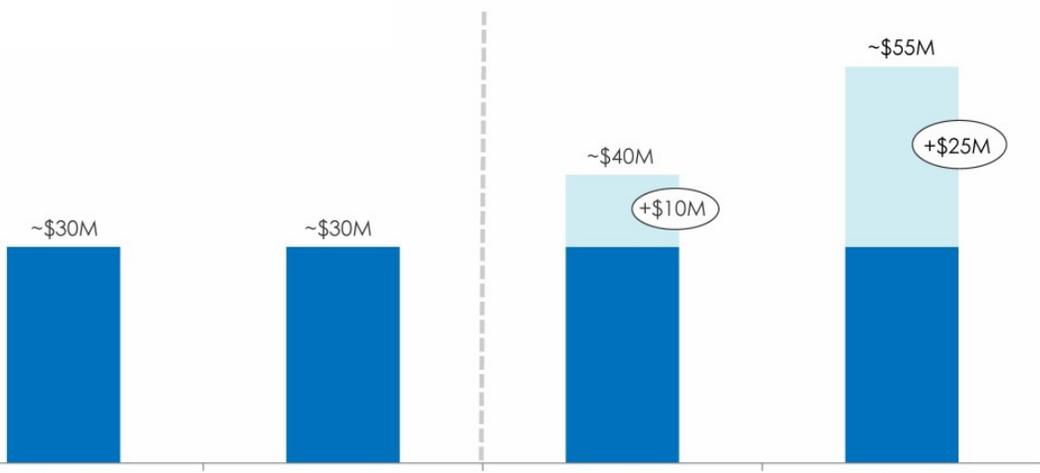
40

30

20

10

0



Opportunities

2022A

2023E

2025+

2025+

Capacity Price (\$/kw-mo)

~\$3.00

~\$3.00

\$4.50

\$7.50

Capacity Available

0%

0%

>50%

>50%

. . . supports the Plan with future upside opportunities

# Utility Sales Remain Strong . . .



## Weather-Normalized Electric Deliveries<sup>a</sup> (2022 vs. 2021)



### Residential Customer Growth (5-Yr Avg. Customer Count)

2017 – 2022

Electric Customers >½%

Gas Customers >½%

### Economic Development

#### Policy Support

- \$1B of state incentives
- New energy intensive economic development rate



Presentation endnotes are included after the appendix.

. . . with supportive economic backdrop in Michigan.

## Credit Metrics Maintained . . .



<b>Consumers Energy</b>	<b>S&amp;P</b>	<b>Moody's</b>	<b>Fitch</b>
Senior Secured	A	A1	A+
Commercial Paper	A-2	P-2	F-2
Outlook	Stable	Stable	Stable
<b>CMS Energy</b>			
Senior Unsecured	BBB	Baa2	BBB
Junior Subordinated	BBB-	Baa3	BB+
Outlook	Stable	Stable	Stable
Last Review	✓ Oct. 2022	✓ May 2022	✓ Jan. 2023

### Ratings Drivers

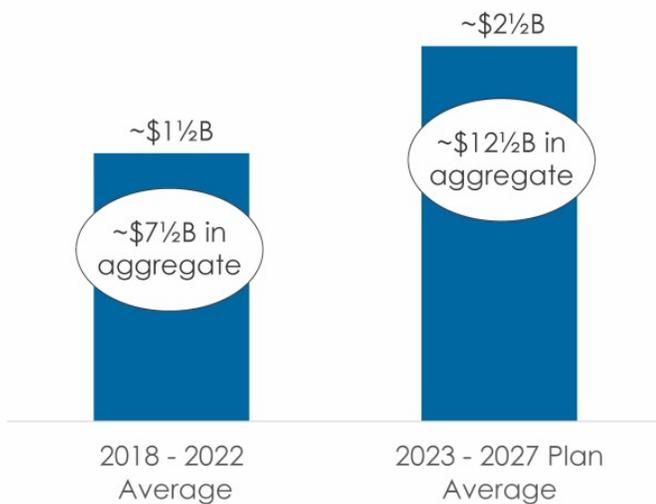
- Strong financial position
- Growing operating cash flow
- Constructive return on regulated investment
- Supportive regulatory environment
- Lower business risk

. . . at solid investment-grade levels.

# Operating Cash Flow . . .



## Adjusted Operating Cash Flow



## NOLs<sup>a</sup> & Credits

<u>Year</u>	<u>Amount</u> (\$B)
2022	\$0.4
2023	\$0.5
2024	\$0.5
2025	\$0.5
2026	\$0.4
2027	\$0.5

Presentation endnotes are included after the appendix.

. . . remains strong and supports our capital plan.

# Utility Customer Investment Plan



## 5-Year Plan (\$B)

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Total</u>
Clean Energy Generation	\$0.7	\$0.6	\$0.8	\$0.5	\$0.5	\$3.1
Electric Distribution, Covert & Other	1.8	1.0	1.1	1.1	1.1	6.1
Gas Utility	<u>1.2</u>	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>	<u>1.2</u>	<u>6.3</u>
Total	<u>\$3.7</u>	<u>\$2.9</u>	<u>\$3.2</u>	<u>\$2.9</u>	<u>\$2.8</u>	<u>\$15.5</u>
Depreciation & Amortization	\$1.1	\$1.2	\$1.3	\$1.4	\$1.5	\$6.5

59%  
Electric utility  
investment

# Endnotes

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# Presentation Endnotes



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

**Slide 4:** <sup>a</sup>Source: quartile ranges from CXI Forrester Index, top quartile across all industries <sup>b</sup>Carbon emission reduction from 2005 base

**Slide 6:** <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

**Slide 7:** <sup>a</sup>UBS Research, 2022 state rankings and D.C

**Slide 8:** <sup>a</sup>Consumers Energy, non-union employees, average 5-yr retention rate <sup>b</sup>Adjusted O&M savings, excludes potential fuel savings

**Slide 9:** <sup>a</sup>See GAAP reconciliation on slide 30

**Slide 10:** <sup>a</sup>Mid-teens, as calculated by rating agencies

**Slide 12:** <sup>a</sup>Adjusted EPS

**Slide 13:** <sup>a</sup>Mid-teens, as calculated by rating agencies

**Slide 14:** <sup>a</sup>\$1,806M in available revolvers + \$119M of unrestricted cash

**Slide 15:** <sup>a</sup>Reflects 2023 sales forecast; weather-normalized

**Slide 16:** <sup>a</sup>Excludes discontinued operations

**Slide 19:** <sup>a</sup>See GAAP reconciliation on slide 30

**Slide 21:** <sup>a</sup>2022 year over year change in GWh, excludes ROA and other <sup>b</sup>Excludes one large, low-margin industrial customer

**Slide 23:** <sup>a</sup>After-tax

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 Cash Flows from Operating Activities to**  
**Non-GAAP Adjusted Cash Flows from Operating Activities**  
**(Unaudited)**



	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Cash Flows from Operating Activities	\$ 1,703	\$ 1,790	\$ 1,276	\$ 1,819	\$ 855
Adjustments - Discretionary Pension Contributions	240	-	700	-	-
Adjustments - EnerBank Operating Cash Flows	(61)	(89)	(91)	24	-
Non-GAAP Adjusted Cash Flows from Operating Activities	<u>\$ 1,882</u>	<u>\$ 1,701</u>	<u>\$ 1,885</u>	<u>\$ 1,843</u>	<u>\$ 855</u>

**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		Twelve Months Ended	
	12/31/22	12/31/21	12/31/22	12/31/21
<b>Electric Utility</b>				
Reported net income per share	\$ 0.23	\$ 0.21	\$ 1.96	\$ 1.95
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.02	-	0.02	-
Tax impact	(0.01)	-	(0.01)	-
Loss on fleet impairment	-	0.07	-	0.07
Tax impact	-	(0.02)	-	(0.02)
Voluntary separation program	-	-	0.03	-
Tax impact	-	-	(0.01)	-
Adjusted net income per share – non-GAAP	\$ 0.24	\$ 0.26	\$ 1.99	\$ 2.00
<b>Gas Utility</b>				
Reported net income per share	\$ 0.48	\$ 0.33	\$ 1.30	\$ 1.05
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.01	-	0.01	-
Tax impact	(*)	-	(*)	-
Loss on fleet impairment	-	0.03	-	0.03
Tax impact	-	(0.01)	-	(0.01)
Voluntary separation program	-	-	0.01	-
Tax impact	-	-	(*)	-
Adjusted net income per share – non-GAAP	\$ 0.49	\$ 0.35	\$ 1.32	\$ 1.07
<b>Northeast Clean Energy</b>				
Reported net income (loss) per share	\$ 0.03	\$ (0.01)	\$ 0.12	\$ 0.08
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	-	(*)	(*)
Tax impact	-	(*)	-	-
Voluntary separation program	-	-	-	-
Tax impact	-	-	(*)	-
Adjusted net income (loss) per share – non-GAAP	\$ 0.03	\$ (0.01)	\$ 0.12	\$ 0.08
<b>Corporate Interest and Other</b>				
Reported net loss per share	\$ (0.16)	\$ (0.13)	\$ (0.54)	\$ (0.50)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	-	-	(*)
Tax impact	(*)	(*)	(*)	-
Adjusted net loss per share – non-GAAP	\$ (0.16)	\$ (0.13)	\$ (0.54)	\$ (0.50)
<b>Discontinued Operations</b>				
Reported net income per share	\$ -	\$ 1.80	\$ 0.01	\$ 2.08
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(2.30)	(0.01)	(2.27)
Tax impact	-	0.50	-	0.49
Discontinued operations income	-	-	-	(0.39)
Tax impact	-	-	-	0.09
Adjusted net income per share – non-GAAP	\$ -	\$ -	\$ -	\$ -
<b>Consolidated</b>				
Reported net income per share	\$ 0.58	\$ 2.20	\$ 2.85	\$ 4.66
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(2.30)	(0.01)	(2.27)
Tax impact	-	0.50	-	0.49
Discontinued operations income	-	-	-	(0.39)
Tax impact	-	-	-	0.09
Other exclusions from adjusted earnings	0.03	-	0.03	(*)
Tax impact	(0.01)	(*)	(0.01)	-
Loss on fleet impairment	-	0.10	-	0.10
Tax impact	-	(0.03)	-	(0.03)
Voluntary separation program	-	-	0.04	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	\$ 0.60	\$ 0.47	\$ 2.89	\$ 2.63
<b>Average Common Shares Outstanding – Diluted</b>	290.1	289.7	290.0	289.5

\* 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>			
	Three Months Ended		Twelve Months Ended	
	12/31/22	12/31/21	12/31/22	12/31/21
<b>Net Income Available to Common Stockholders</b>	\$ 168	\$ 637	\$ 827	\$ 1,348
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(665)	(5)	(657)
Tax impact	-	145	1	143
Discontinued operations income	-	-	-	(115)
Tax impact	-	-	-	27
Other exclusions from adjusted earnings**	9	*	8	(1)
Tax impact	(2)	(*)	(2)	*
Loss on fleet impairment	-	29	-	29
Tax impact	-	(7)	-	(7)
Voluntary separation program	1	-	12	-
Tax impact	(*)	-	(3)	-
<b>Adjusted net income – non-GAAP</b>	<u>\$ 176</u>	<u>\$ 139</u>	<u>\$ 838</u>	<u>\$ 767</u>
<b>Average Common Shares Outstanding</b>				
Diluted	290.1	289.7	290.0	289.5
<b>Diluted Earnings Per Average Common Share</b>				
Reported net income per share	\$ 0.58	\$ 2.20	\$ 2.85	\$ 4.66
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(2.30)	(0.01)	(2.27)
Tax impact	-	0.50	*	0.49
Discontinued operations income	-	-	-	(0.39)
Tax impact	-	-	-	0.09
Other exclusions from adjusted earnings**	0.03	*	0.03	(*)
Tax impact	(0.01)	(*)	(0.01)	*
Loss on fleet impairment	-	0.10	-	0.10
Tax impact	-	(0.03)	-	(0.03)
Voluntary separation program	*	-	0.04	-
Tax impact	(*)	-	(0.01)	-
<b>Adjusted net income per share – non-GAAP</b>	<u>\$ 0.60</u>	<u>\$ 0.47</u>	<u>\$ 2.89</u>	<u>\$ 2.65</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>			
	2021			
	1Q	2Q	3Q	4Q
<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>\$ 346</b>	<b>\$ 153</b>	<b>\$ 163</b>	<b>\$ 176</b>
<b>Average Common Shares Outstanding – Diluted</b>	<b>289.9</b>	<b>290.1</b>	<b>290.1</b>	<b>290.1</b>
<b>Diluted Earnings Per Average Common Share</b>	<b>\$ 1.21</b>	<b>\$ 0.50</b>	<b>\$ 0.56</b>	<b>\$ 0.58</b>
<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>\$ 1.20</b>	<b>\$ 0.53</b>	<b>\$ 0.56</b>	<b>\$ 0.60</b>

	<i>In Millions, Except Per Share Amounts</i>			
	2021			
	1Q	2Q	3Q	4Q
<b>Net Income Available to Common Stockholders</b>	\$ 349	\$ 176	\$ 186	\$ 637
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	29
Tax impact	-	-	-	(7)
NorthStar Clean Energy	(1)	*	(*)	*
Tax impact	*	(*)	*	(*)
Corporate interest and other	-	(*)	-	*
Tax impact	-	*	-	(9)
Disposal of discontinued operations (gain) loss	-	5	3	(65)
Tax impact	-	(1)	(1)	145
Discontinued operations income	(43)	(59)	(42)	-
Tax impact	9	8	10	-
<b>Adjusted Net Income – Non-GAAP</b>	<b>\$ 314</b>	<b>\$ 158</b>	<b>\$ 156</b>	<b>\$ 139</b>
<b>Average Common Shares Outstanding – Diluted</b>	<b>289.1</b>	<b>289.4</b>	<b>289.6</b>	<b>289.7</b>
<b>Diluted Earnings Per Average Common Share</b>	<b>\$ 1.21</b>	<b>\$ 0.61</b>	<b>\$ 0.64</b>	<b>\$ 2.20</b>
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	0.10
Tax impact	-	-	-	(0.03)
NorthStar Clean Energy	(*)	*	(*)	*
Tax impact	*	(*)	*	(*)
Corporate interest and other	-	(*)	-	*
Tax impact	-	*	-	(2.30)
Disposal of discontinued operations (gain) loss	-	0.02	0.01	(2.30)
Tax impact	-	(0.01)	(*)	0.50
Discontinued operations income	(0.15)	(0.16)	(0.14)	-
Tax impact	0.03	0.03	0.03	-
<b>Adjusted Diluted Earnings Per Average Common Share – Non-GAAP</b>	<b>\$ 1.09</b>	<b>\$ 0.55</b>	<b>\$ 0.54</b>	<b>\$ 0.47</b>

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