

Investor Meetings November 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.

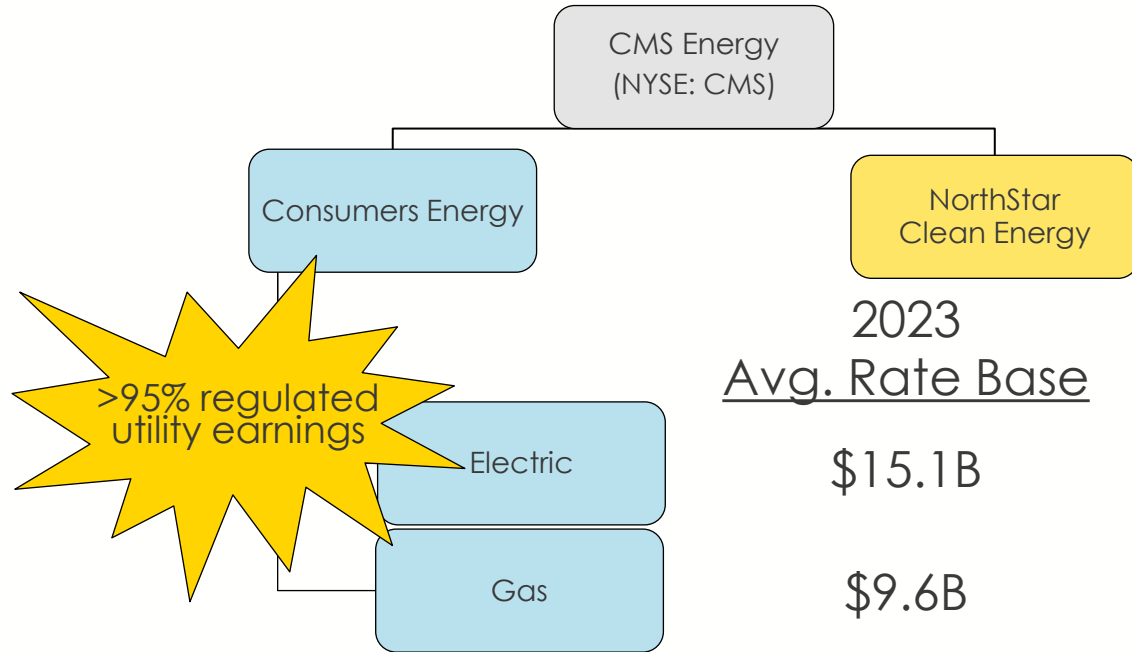
Investors and others should note that CMS Energy routinely posts important information on its website and considers the Investor Relations section, www.cmsenergy.com/investor-relations, a channel of distribution.

Presentation endnotes are included after the appendix.

CMS Energy Overview



Corporate Structure



2023
Avg. Rate Base

\$15.1B

\$9.6B

Key Information

2023 Financial Statistics

Based in Jackson, MI

>8,300	Employees (44% unionized) ^a
\$7.5B	Revenue
\$907M	Adjusted net income ^b
21 years	Industry-leading financial performance
6% to 8%	Long-term adj. EPS ^b growth
~60% ^c	Payout ratio over time

Senior Management Team

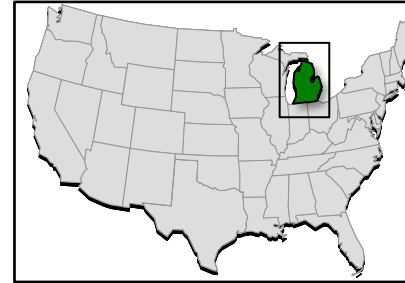
Garrick Rochow CEO	Rejji Hayes CFO	Shaun Johnson General Counsel	Cathy Hendrian People & Culture
LeeRoy Wells Operations	Brian Rich Customer Experience & Tech	Tonya Berry Transformation & Engineering	Brandon Hofmeister Sustainability & External Affairs

Consumers Energy Positioned Well . . .

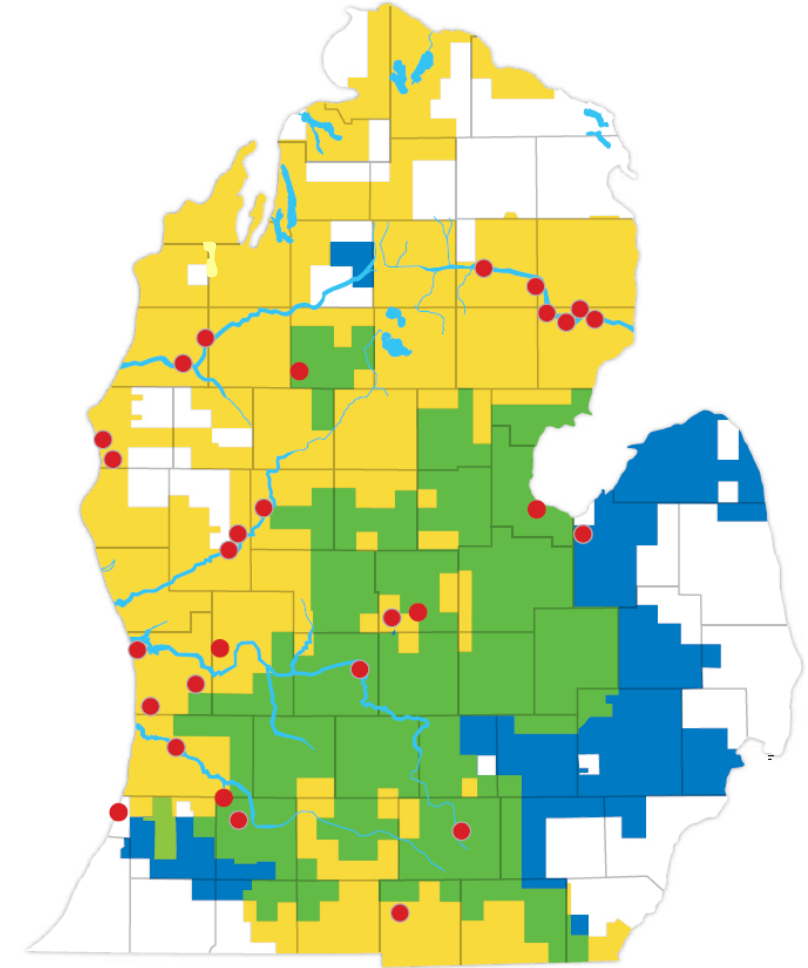


Service Territory

- Electric Utility
1.9M electric customers
9,260 MW of capacity
- Gas Utility
1.8M gas customers
309 Bcf gas storage
- Serving 6.8M Michigan residents



■ Electric ■ Gas ■ Combined



1,350 MW
cumulative
contracted
load since
2015^b

● Electric generation and battery storage facilities

Planet Goals^a

- Exit coal in 2025
- Net zero methane emissions by 2030
- Net zero carbon emissions by 2040
- Net zero GHG emissions by 2050

Presentation endnotes are included after the appendix.

. . . for decarbonization and to lead the Clean Energy Transformation.

NorthStar Clean Energy^a Provides Flexible Solutions . . .

CMS ENERGY

Renewable Platform

- 368 MW of wind (OH, TX)
- 64 MW of biomass (MI, NC)
- 210 MW of solar (AR, MI, WI)

Dearborn Industrial Generation (DIG) & Other

- >1,000 MW in MI (including DIG & Peakers)
- Upside: tightening capacity markets with future retirements

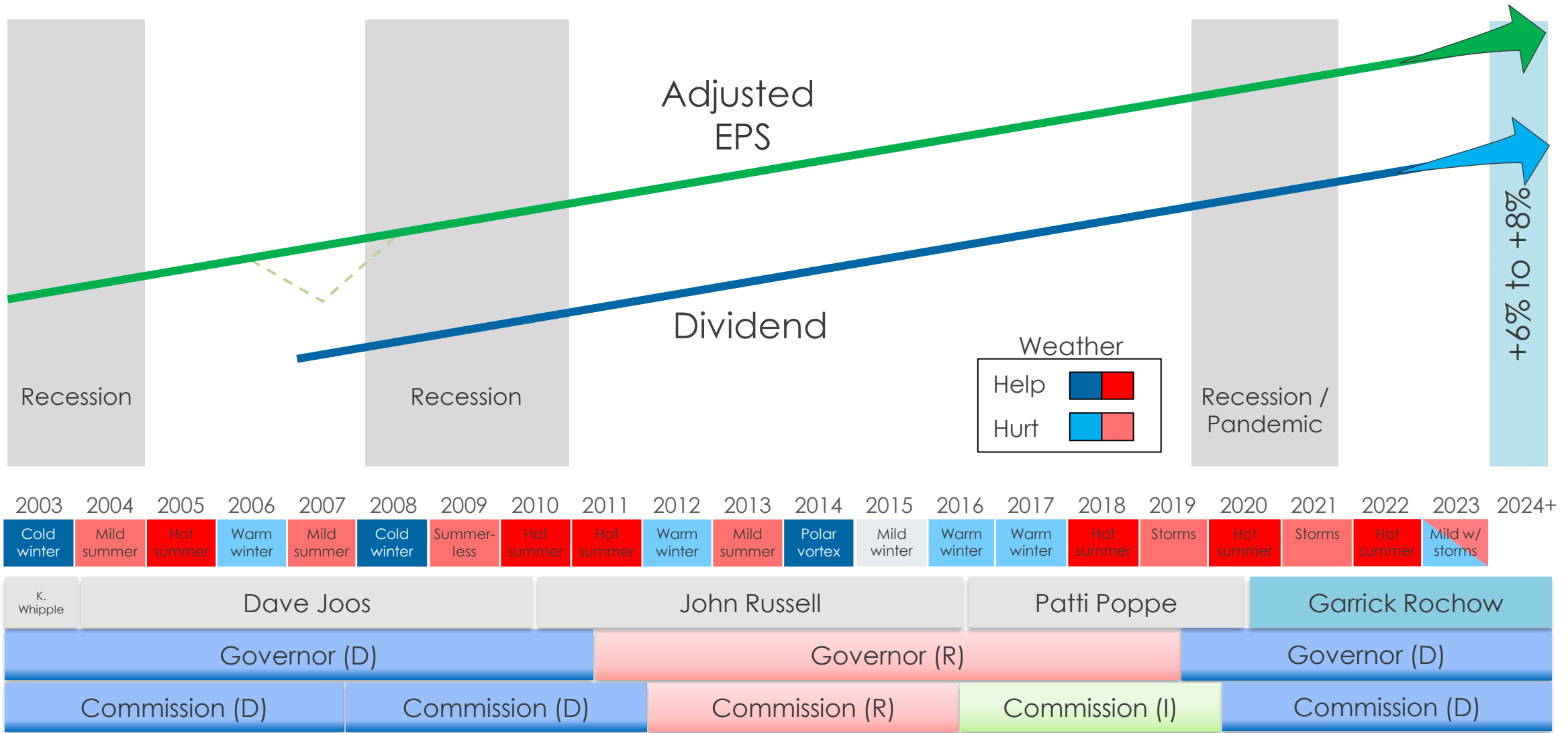
NORTHSTAR™
CLEAN ENERGY
A CMS ENERGY COMPANY



Presentation endnotes are included after the appendix.

. . . to help companies meet their decarbonization targets.

Industry-Leading Financial Performance . . .



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



INVESTMENT THESIS

Investment Thesis . . .



Over two decades of industry-leading financial performance

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.

Infrastructure Renewal is Necessary . . .

\$7B Proposed
Electric Reliability
Roadmap

5-yr plan
Including up to 400
miles per year of
undergrounding



New Energy Legislation

Provides capital opportunity to meet 60%
Renewable Portfolio Standard by 2035 and
100% Clean Energy Standard by 2040



Acquisition of existing ~1.2 GW gas plant
Full exit of coal generation in 2025
Adding ~850 MW of battery storage by 2030

25 years of
main replacement
through our
Enhanced Infrastructure
Replacement Program

. . . to modernize electric and gas systems and lead the Clean Energy Transformation.

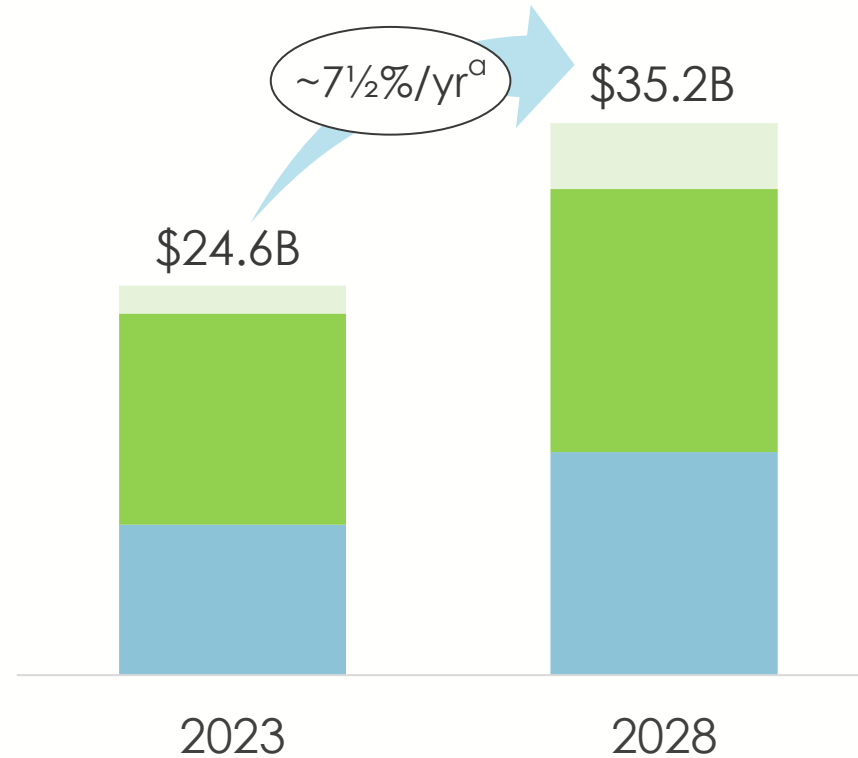
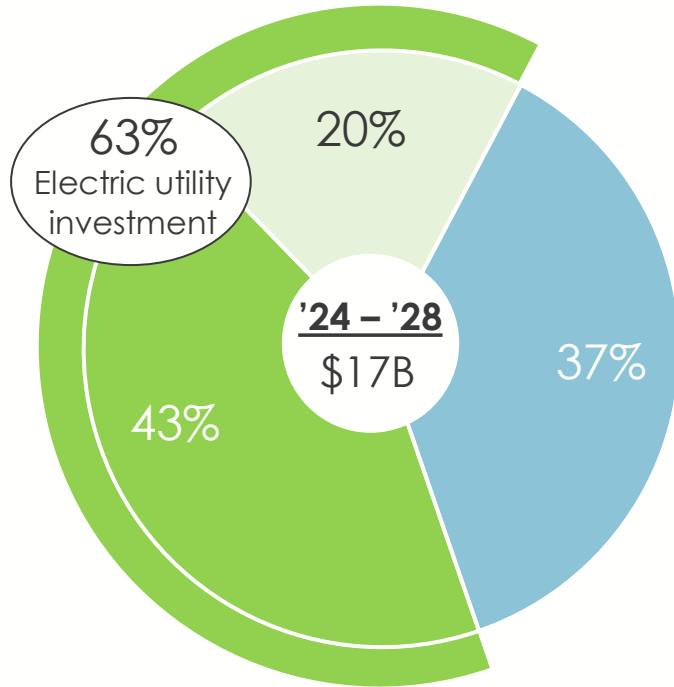
Updated Customer Investment Plan . . .



New Utility Investment Plan

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

■ 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.

Renewable Energy Plan (REP) . . .



<u>Key Items</u>	Incremental REP Opportunity		
	<u>Current Long-Term Plan</u>	<u>Planned Filing</u>	<u>Not in Plan</u>
• Solar (% owned/% contracted)	8,000 MW ~50/50	1,000 MW ~50/50	~\$1B of capital & ~\$40M FCM on PPAs
• Wind (% owned/% contracted)	1,200 MW ~70/30	2,800 MW ~100/0	~\$5½B of capital
• Storage	575 MW	To be filed in IRP (2026)	
• Annual Load Growth	~½%	2% - 3%	Incremental manufacturing and data center load growth opportunities
Industrial Growth	3%	6%	
• Long-term Adjusted EPS Growth	6% - 8%	Strengthens and lengthens our Plan	

Approved IRP & VGP/
Rate Base RPS (wind)

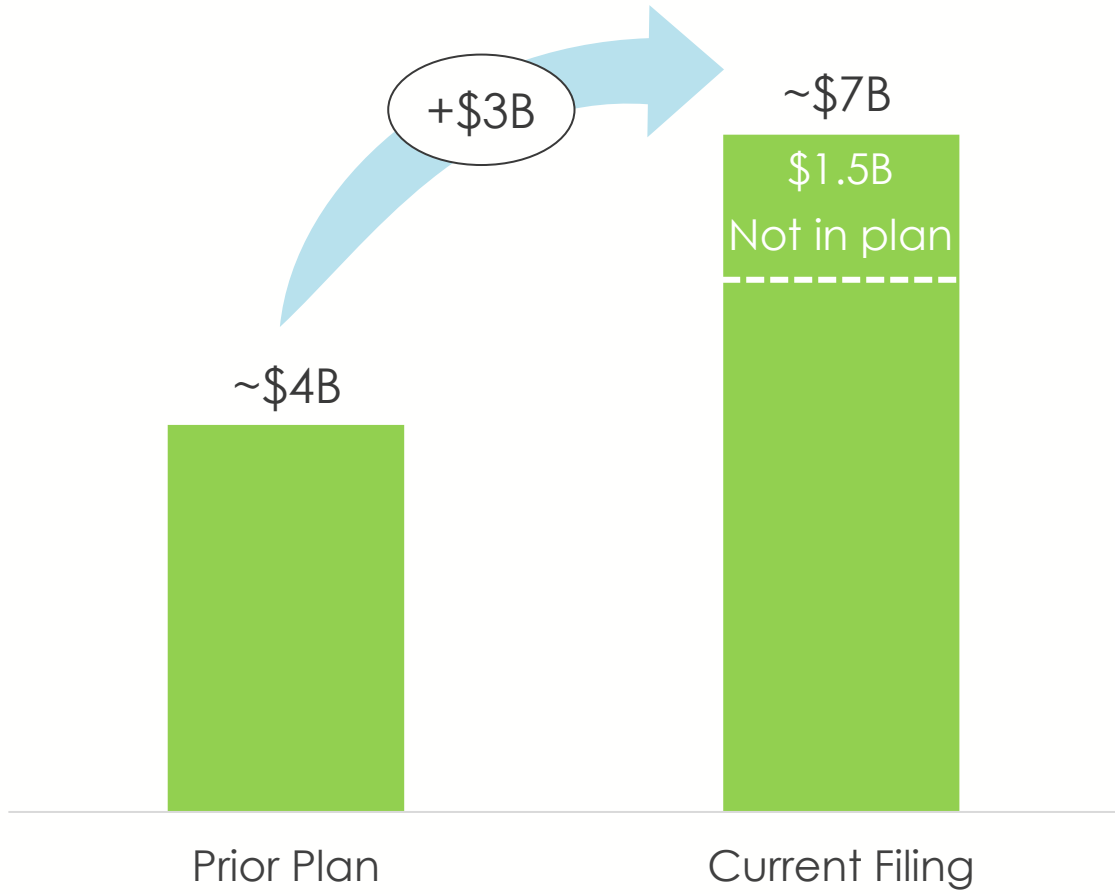
Strengthens and lengthens our Plan

. . . complies with Law and delivers across the Triple Bottom Line.

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.

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**
 - 1,350 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.

Michigan's Strong Regulatory Environment . . .

2024

2025

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

Oct. 18th:
Revised
\$277M^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

Q3 2025:
Expected REP
Order

Presentation endnotes are included after the appendix.

. . . 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"> ✓ Manageable wage inflation (>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		

~\$220M 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 . . .



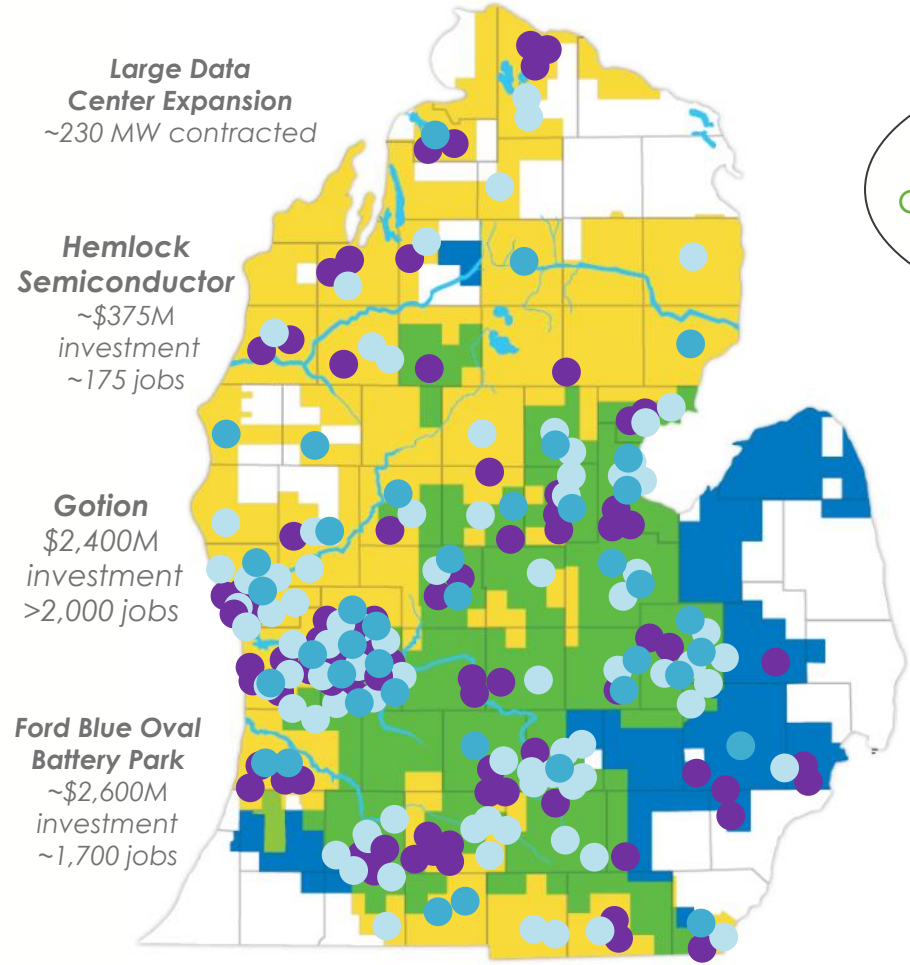
Corning Inc.
Solar production facility
\$900M investment
~1,100 jobs

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

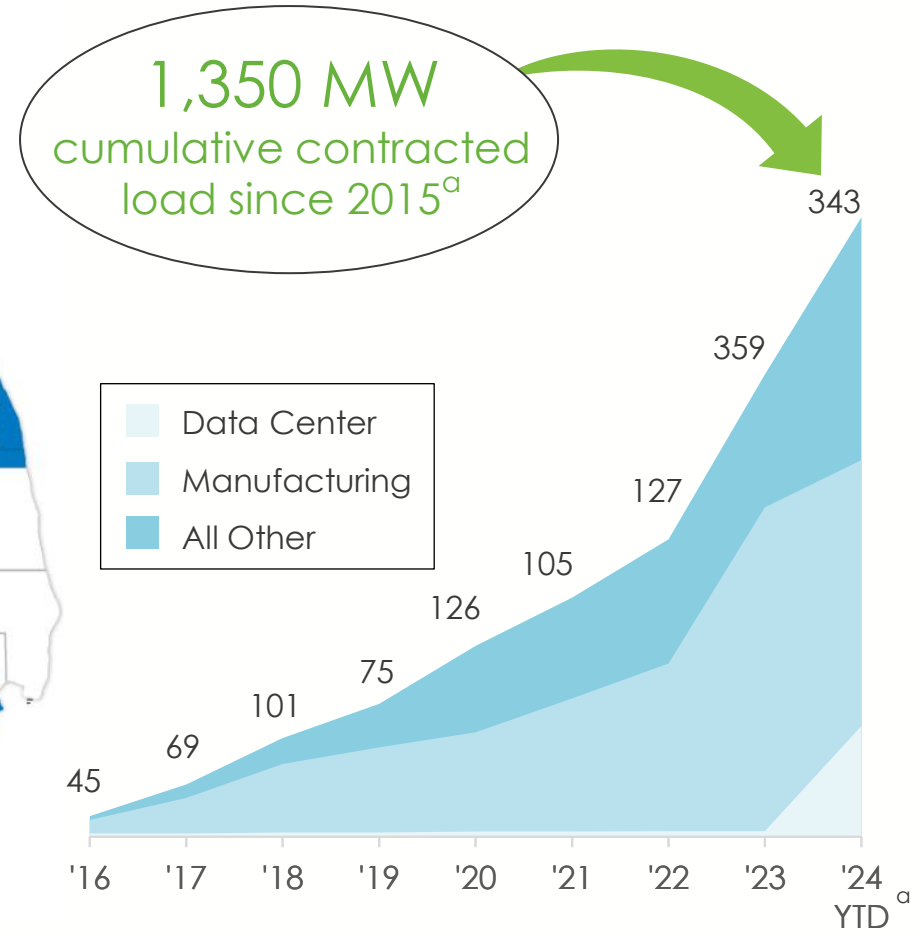
Northland Corporation
High-end appliance products
\$21M investment
~200 jobs

Benteler Automotive
Battery component production
\$105M investment
~170 jobs

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



Contracted Load (MW)



Presentation endnotes are included after the appendix.

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

Strong Balance Sheet . . .



Consumers Energy	S&P	Moody's	Fitch	Key Strengths
Senior Secured	A	A1	A+	<ul style="list-style-type: none"> ✓ Forward-looking recovery ✓ Constructive rate construct ✓ Strong operating cash flow generation
Commercial Paper	A-2	P-2	F-2	
Outlook	Stable	Stable	Stable	
CMS Energy				
Senior Unsecured	BBB	Baa2	BBB	<ul style="list-style-type: none"> ✓ 100% fixed rate debt ✓ Hybrid debt (w/ equity credit) ✓ Limited near-term maturities
Junior Subordinated	BBB-	Baa3	BB+	
Outlook	Stable	Stable	Stable	
Last Review	Aug. 2024	Mar. 2024	Apr. 2024	

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

Environmental, Social & Governance



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
- ✓ Grew VGP^a Program to ~490 MW
- ✓ 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

Michigan Energy Legislation: 100% clean energy mandate by 2040, 60% renewable energy mandate by 2035

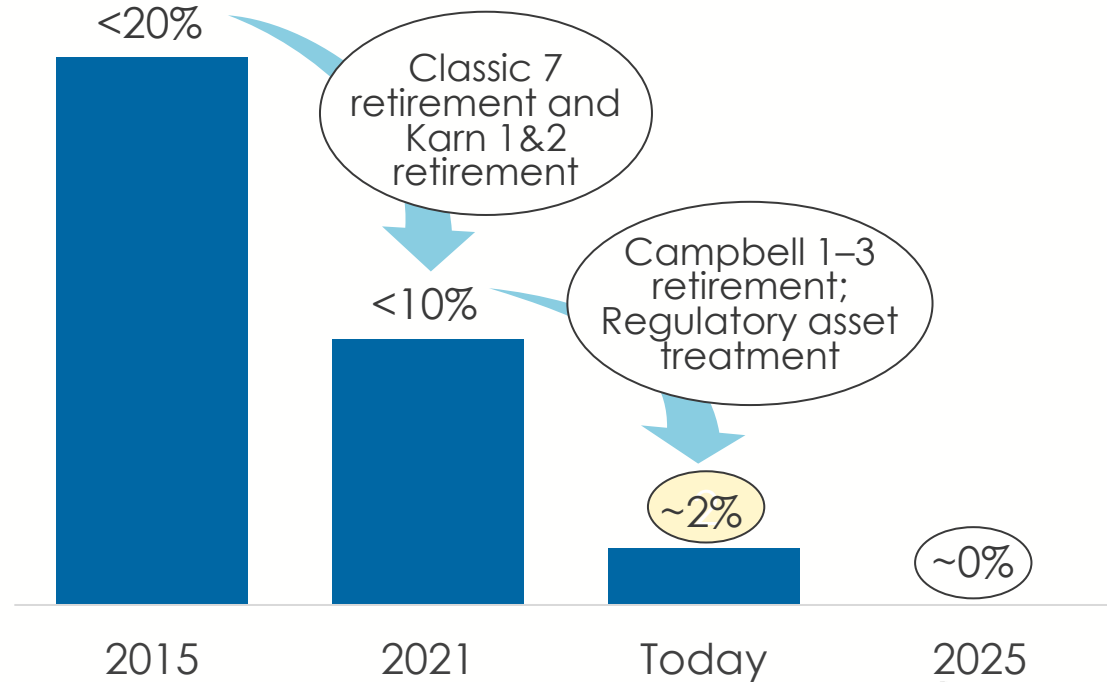
Presentation endnotes are included after the appendix.

. . . 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 Post Classic 7	2023 Post Karn 1&2	2025 Post Coal Exit	2040 Target
~(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 >0.8 GW of battery storage
- 100% clean energy mandate by 2040 (includes renewables, gas w/ CCS and nuclear)

. . . eliminates coal in 2025 and maintains resource adequacy . 20

2023 Asset Mix . . .



2023 MSCI ESG Leaders
Indexes Constituent

Total PP&E

(\$M) (%)

	(\$M)	(%)
Electric		
Generation	\$4,155	17%
Coal	400	~2%
Wind, solar, hydro	2,245	9
Gas & other	1,510	6
Distribution	8,899	35
Other	737	3
Total electric	\$13,791	~55%
Gas		
Distribution	\$5,887	23%
Transmission	2,503	10
Underground storage facilities	1,145	5
Other	412	2
Total gas	\$9,947	40%
Other non-utility property	\$34	<1%
NorthStar Clean Energy	\$1,300	5%
Plant, property, and equipment, net	\$25,072	100%

. . . highlights ~2% coal of total PP&E in 2023.

A Just Transition Out of Coal . . .

We Have Done This Before

- ✓ Nine coal units retired to date
- ✓ Clear and ongoing communication with affected communities and stakeholders
- ✓ Co-workers provided retention incentives and placement plans for employees
- ✓ Work to redevelop communities and assist in the transition of local economies



Proven Examples

- ✓ Coal plant decommissioning included:
 - ✓ Environmental abatement
 - ✓ Dismantlement and demolition
 - ✓ Preparation of sites for redevelopment and other economic opportunities
- ✓ Environmental efforts included restoring areas around the facilities including:
 - ✓ Coal ash ponds
 - ✓ Creating new habitats for bees, butterflies and waterfowl

. . . for all of our stakeholders.

Decarbonization of Gas Infrastructure . . .



Net zero methane by 2030...

- >100 miles/yr main replacement
- ~5.5K/yr vintage services replacement
- Renewable natural gas (RNG) as clean fuel replacement
- ~1% energy efficiency (~\$90M/yr)
 - Pre-tax incentive ~\$18M/yr
- Reducing methane emissions by ~80% with RNG offset on system to reach net zero

Methane Emissions Reductions^a

2015	2023	2027	2030
<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Target</u>
(22)%	>(25)%	(50)%	Net Zero

Presentation endnotes are included after the appendix.

...with additional opportunities.

- New Michigan Energy Legislation – 100% Clean Energy (renewables, gas w/ CCS and nuclear) by 2040
- Largest LDC underground storage in U.S. (309 Bcf)
 - 15 gas storage fields, 8 compressor stations and ~150K horsepower for system reliability/resiliency and mitigate gas price volatility
- Potential to deploy hydrogen and CCUS
- Partnering with EPRI/GTI and utilities across the world to study the expansion of RNG and hydrogen

. . . provides significant investment opportunities longer-term.

ESG Disclosures are Transparent . . .



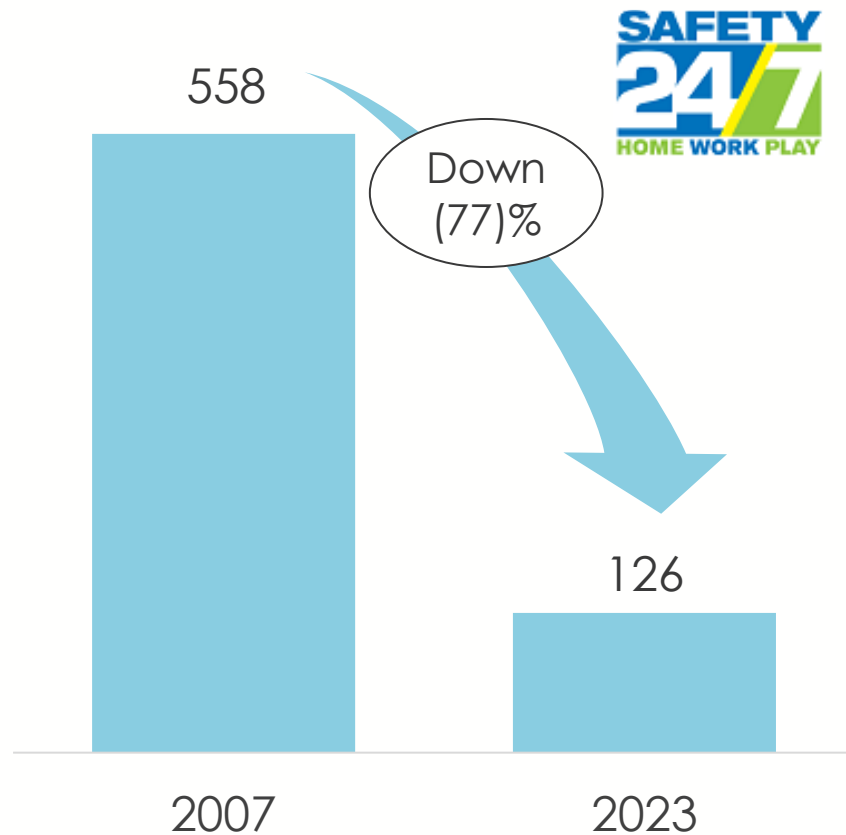
- [CMS Energy & Consumers Energy Websites](#)
- SEC Filings ([10-K](#) & [Proxy](#))
- [Biodiversity Report](#)
- [Sustainability Report](#)
- [DE&I Website](#)
- [EEO1 Report](#)
- [SASB Index \(Electric Utilities & Power Generation\)](#)
- [SASB Index \(Gas Utilities & Distributors\)](#)
- [TCFD Index](#)
- [Global Reporting Initiative \(GRI\) Index](#)
- [Global Reporting Initiative \(GRI\) Human Capital Data](#)
- [Political Engagement](#)
- [Climate Change Risk, Vulnerability and Resiliency Report](#)

. . . and align with SASB and TCFD reporting frameworks.

Committed to Physical Safety . . .

Safety Performance

(Recordable Safety Incidents)



2023

- >50% reduction in high-risk injuries vs. 2022 – 3rd year in a row of reduction in high-risk injuries
- Safety performance awarded for executive and employee compensation for 2nd year in a row
- Proactive, risk-based injury program in partnership with EEL and other utilities



. . . with an emphasis on high-risk incidents and zero tolerance for fatalities.

Program Focus & Approach

- Protect critical infrastructure, customer data and employee safety
- Dedicated team monitors environment and regularly shares threat information with peers, and state and federal partners
- Company projects are reviewed against Security standards to ensure cyber and physical requirements are included
- Conduct regular drills, exercises, vulnerability assessments, and penetration tests to assess the security of our systems
- Conduct monthly phishing tests through “Don’t Take the Bait” program
- Annual co-worker training related to awareness, risk prevention and detection, event management and policy compliance

Robust Corporate Governance

- Board oversight of security risks including cyber and physical security, compliance and data privacy
- Company-wide phishing tests & department updates
- 2 Board members with extensive security experience



Myrna Soto

>20 years of IT & security experience



Deborah Butler

Retired CIO from Norfolk Southern



**Security
Scorecard**

[Visit Our Scorecard](#) 

Exceptional Board Governance . . .



10 Members

90% Independent

JOHN RUSSELL



Independent Chair

GARRICK ROCHOW



DEBORAH BUTLER



MYRNA SOTO



KURT DARROW



RALPH IZZO



SUZANNE SHANK



RONALD TANSKI



JOHN SZNEWAJS



LAURA WRIGHT



. . . led by an independent Chair and highly skilled, diverse Board.

Diverse, Engaged and Experienced Board . . .



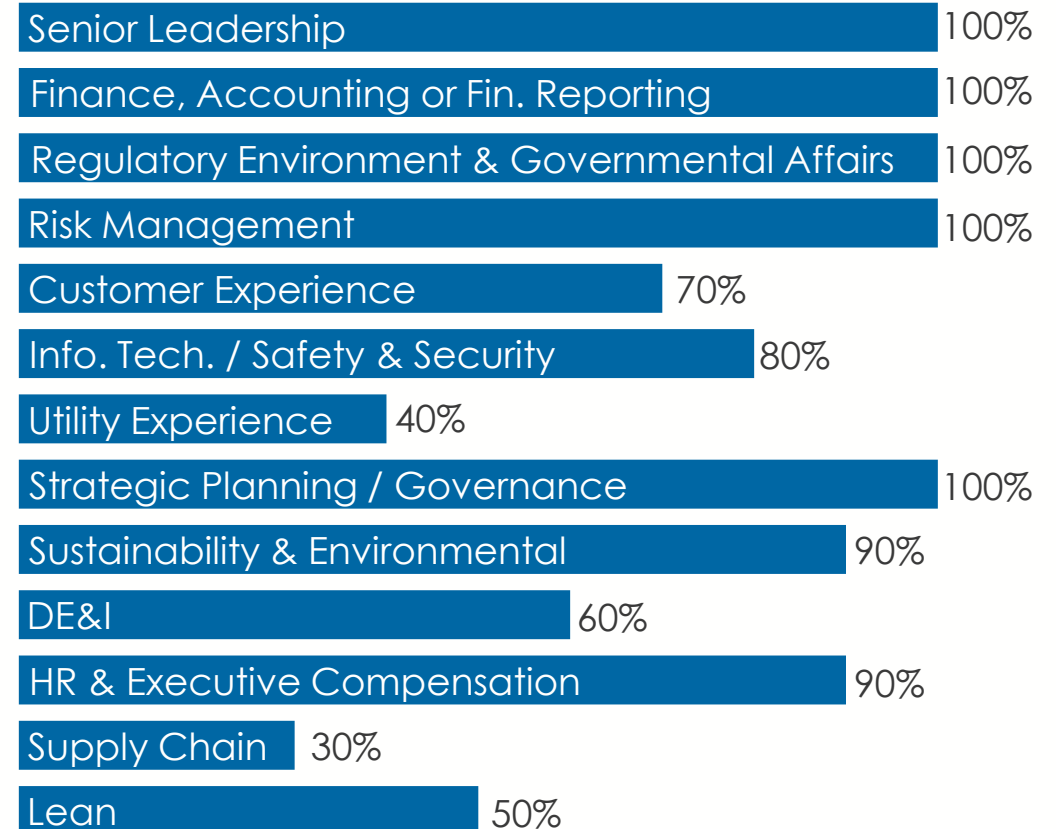
Demographics

63 Average age
(49-71 yrs. old)

40% Female

20% Ethnically Diverse

Experience



. . . enhances the quality of governance.

Committee Membership . . .

✓ Member
✓ Chairperson

100% Independent

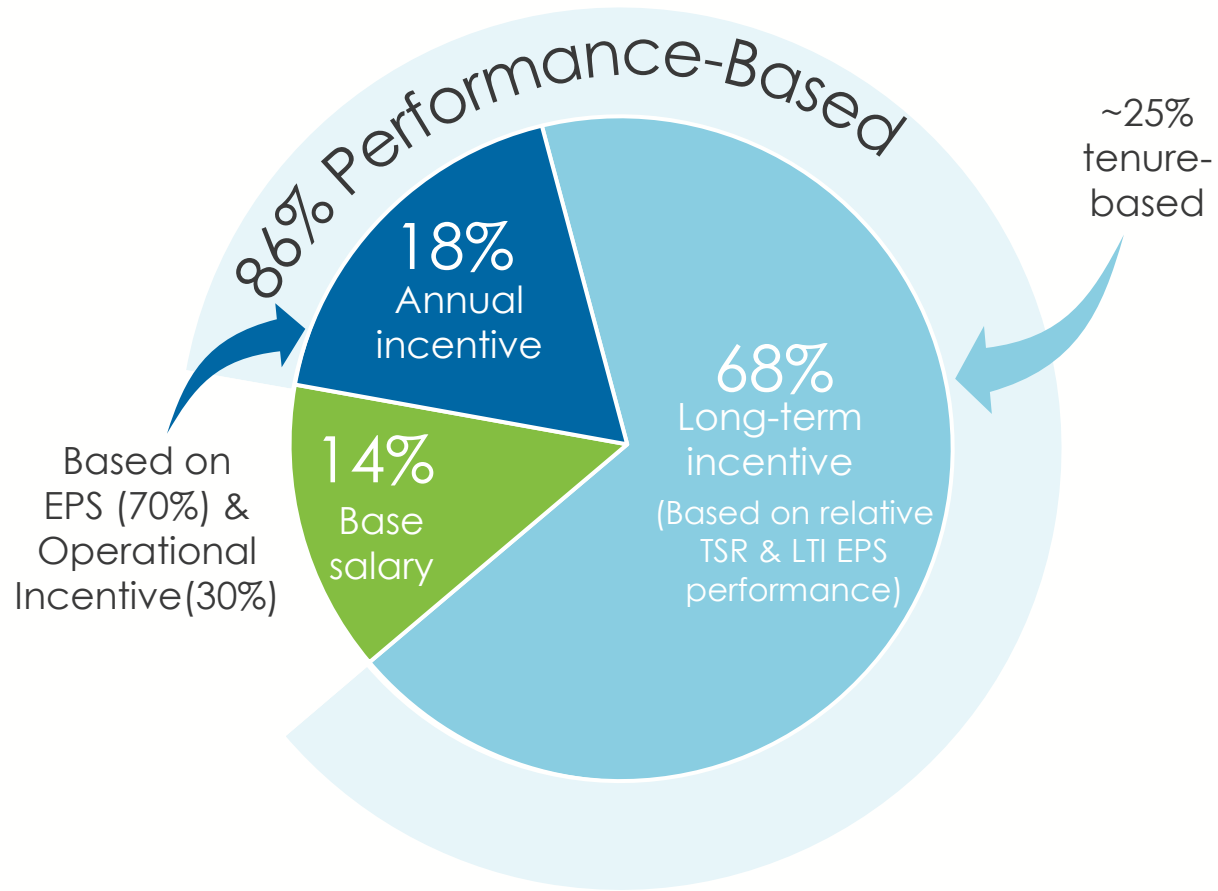
Political contributions >\$10K need Board approval

Name	100% Independent				
	Audit	Compensation & Human Resources	Executive	Finance	Governance, Sustainability, & Public Responsibility
Deborah H. Butler	✓				✓
Kurt L. Darrow		✓			✓
Ralph Izzo	✓			✓	
John G. Russell			✓		
Suzanne F. Shank	✓		✓	✓	
Myrna M. Soto	✓		✓		✓
John G. Sznewajs	✓		✓	✓	
Ronald J. Tanski		✓	✓	✓	
Laura H. Wright		✓	✓		✓

. . . is focused on key strengths of each Board member.

CEO Compensation . . .

Compensation Mix for CEO



Operational Goals

PEOPLE	<ul style="list-style-type: none">Employee SafetyCulture IndexCustomer Experience IndexElectric Reliability
PLANET	<ul style="list-style-type: none">Methane Emission Reduction
PROFIT	<ul style="list-style-type: none">Waste Elimination

. . . is >85% performance-based.

Risks are Carefully Considered . . .

Risks

Mitigation Efforts

Regulatory Environment

- Participation in legislative and regulatory policy development

Climate
Carbon Emissions
(Regulation)

- New Michigan Energy Legislation – 60% renewable portfolio mandate by 2035 and 100% clean energy (incl. renewables, gas with CCS and nuclear) by 2040
- EWR and Demand Response Programs

Severe Weather
(Ice, Thunder, Snow)

- Increased investment in infrastructure and smart electric systems; 5-year, \$7B Electric Reliability Roadmap
- Member of EPRI's Climate READi program

Water Levels

- Monitor lake levels at generation plants

Natural Disasters

- Geographically located in low-risk area

Economic Conditions

- Targeting efforts via donations to reduce uncollectible accounts
- Helping local businesses navigate federal and state assistance programs
- Targeted Economic development efforts, attracted 1,350 MW of new or expanding load since 2015^a

Presentation endnotes are included after the appendix.

. . . and countermeasures are deployed to mitigate those risks.

Political Giving . . .

Political Giving Focus

- Meeting Michigan's energy needs
- Helping the state's communities thrive
- Providing safe, reliable, affordable and increasingly clean energy-related services



Enhanced Disclosures

- Publishing annually on the company's website:
 - Expenditures made to influence the outcome of ballot initiatives
 - Direct corporate contributions to an entity organized under Section 527 and Section 501(c)(4) of the Internal Revenue Code, and non-deductible portion of trade association and other organization dues when annual contributions or mandatory membership dues are >\$25K
- All corporate political contributions come from general funds and are not recovered in customer rates
- The Board of Directors oversees political engagement policies, programs and practices

Click [Here](#) for link to Corporate Political Engagement

. . . focuses on critical company and industry-related issues.

APPENDIX

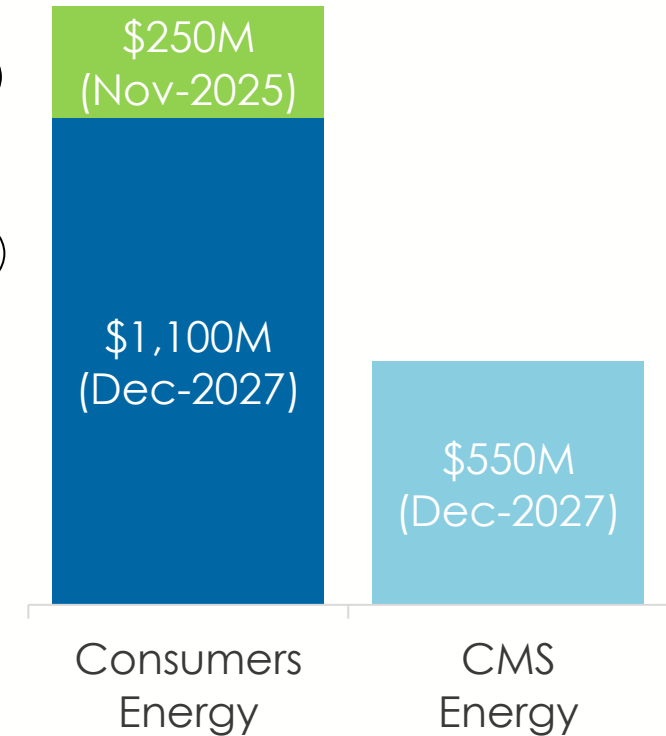
2024 Planned Financings Completed . . .



Financings^a

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

~\$2.2B^b of net liquidity



Presentation endnotes are included after the appendix.

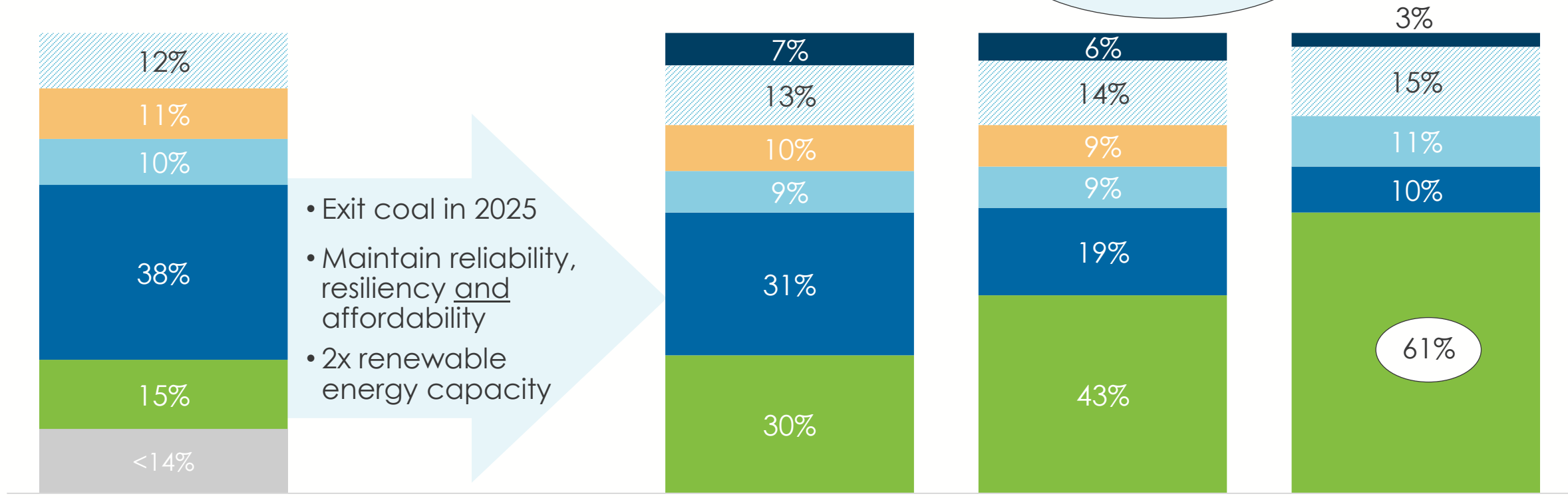
. . . and provide ample liquidity.

Our Clean Energy Transformation . . .



Capacity Mix^a

Pre-Energy Legislation



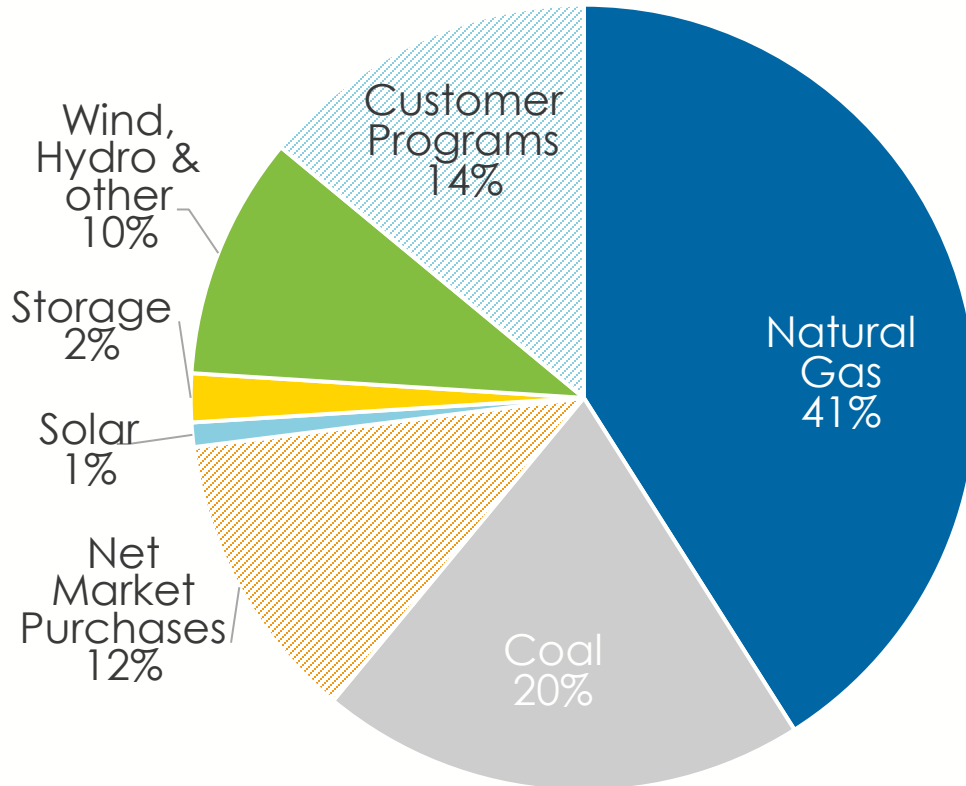
■ Coal
 ■ Renewables
 ■ Natural Gas
 ■ Storage
 ■ Peaking Plants
 ■ Nuclear
 ■ Customer Programs^b
 ■ One-Time PPA

Presentation endnotes are included after the appendix.

. . . results in significant clean energy resources by 2040.

Our Energy Supply^a Will Be Cleaner . . .

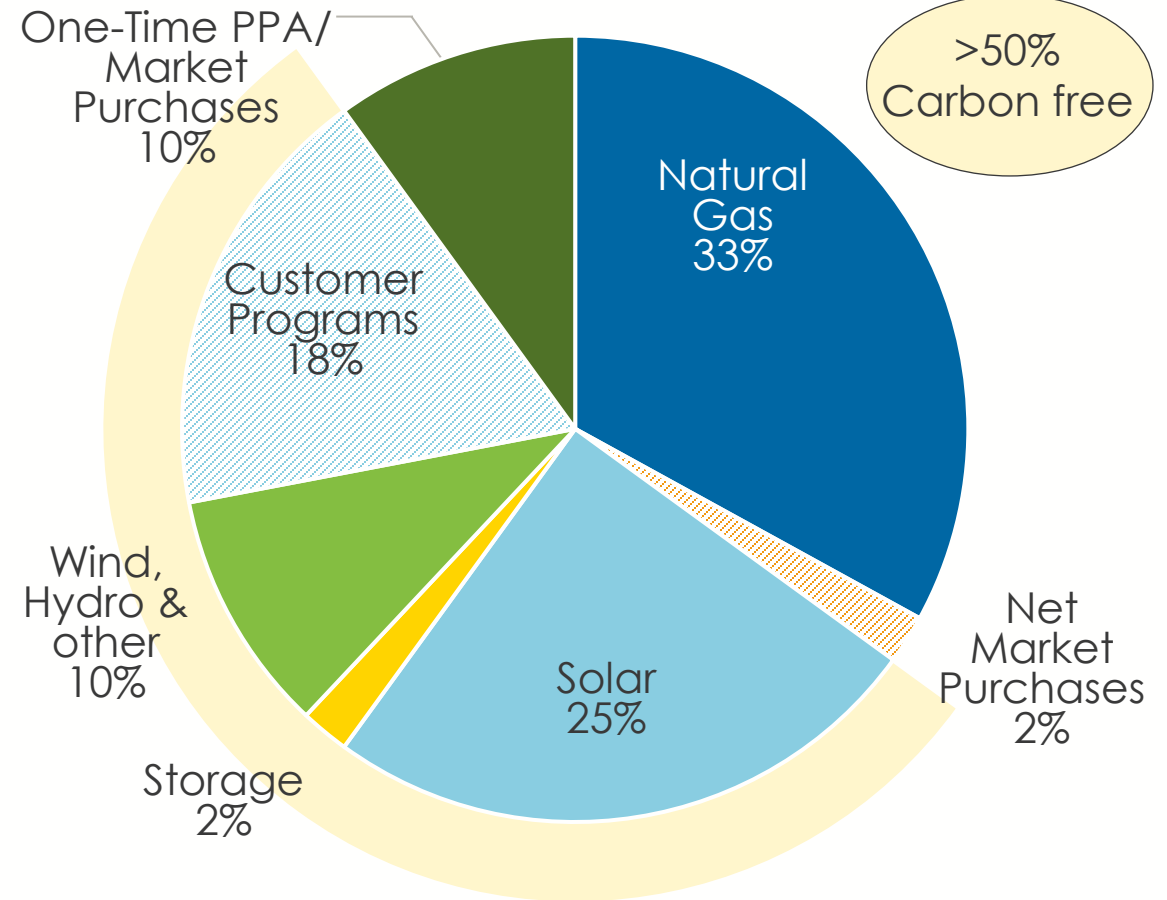
Current Energy Mix



Pre-Energy Legislation

Future Energy Mix (2031)

(Post-MCV PPA Expiration)



Presentation endnotes are included after the appendix.

. . . and more reliable with further opportunities to decarbonize.

ENDNOTES

Presentation Endnotes



Slide 3: ^aExcludes seasonal and contract workers ^bAdjusted, (non-GAAP) ^cDividend Policy: Payout Ratio of ~60% overtime

Slide 4: ^aNet zero methane emissions for our gas delivery system, net zero carbon emissions for our electric business (includes PPAs and MISO market purchases), net zero GHG emissions for our entire business ^bNew or expanding load since 2015 as of October 15, 2024

Slide 5: ^aRepresents the amount of capacity related to CMS Energy's ownership interest

Slide 8: ^aUBS Research, 2024 state rankings and D.C.

Slide 10: ^aAssumes \$24.6B rate base in 2023, \$35.2B in 2028, CAGR ^bOver plan period years 2024-2028

Slide 13: ^aRenewable Energy Plan and Integrated Resource Plan ^bNew or expanding load since 2015 as of October 15, 2024

Slide 14: ^a\$277M 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 15: ^aConsumers Energy, non-union employees, average 5-yr retention rate, excludes 2023 VSP ^bAdjusted O&M savings, excludes potential fuel savings

Slide 16: ^aNew or expanding load since 2015 as of October 15, 2024

Slide 19: ^aVoluntary Green Pricing ^bCarbon emissions for our electric business (includes PPAs and MISO market purchases) from 2005 baseline

Slide 20: ^aPP&E associated with coal based on calendar year; Today refers to 2023, \$400M 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; estimates based upon one full year of operation post coal unit retirements

Presentation Endnotes



Slide 23: ^aMethane emissions from our natural gas delivery system since 2012

Slide 31: ^aNew or expanding load since 2015 as of October 15, 2024

Slide 34: ^aExcludes tax-exempt remarketing in October 2024 ^b\$1,786M in unreserved revolvers + \$385M of unrestricted cash; excludes cash unavailable for debt retirement, such as cash held at NorthStar ^cWeighted average

Slide 35: ^aUtility-owned and PPAs, Today as of 2023 ^bIncludes energy waste reduction and conservation voltage reduction programs

Slide 36: ^aUtility-owned, PPAs and MISO market purchases, Current as of 2023

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		Twelve Months Ended	
	12/31/23	12/31/22	12/31/23	12/31/22
Net Income Available to Common Stockholders	\$ 306	\$ 168	\$ 877	\$ 827
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	*	-	(1)	(5)
Tax impact	(*)	-	*	1
Other exclusions from adjusted earnings**	3	9	9	8
Tax impact	(1)	(2)	(3)	(2)
Voluntary separation program	*	1	33	12
Tax impact	(*)	(*)	(8)	(3)
Adjusted net income – non-GAAP	\$ 308	\$ 176	\$ 907	\$ 838
Average Common Shares Outstanding - Diluted	292.7	290.1	291.7	290.0
Diluted Earnings Per Average Common Share				
Reported net income per share	\$ 1.05	\$ 0.58	\$ 3.01	\$ 2.85
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	*	-	(*)	(0.01)
Tax impact	(*)	-	*	*
Other exclusions from adjusted earnings**	0.01	0.03	0.03	0.03
Tax impact	(0.01)	(0.01)	(0.01)	(0.01)
Voluntary separation program	*	*	0.11	0.04
Tax impact	(*)	(*)	(0.03)	(0.01)
Adjusted net income per share – non-GAAP	\$ 1.05	\$ 0.60	\$ 3.11	\$ 2.89

* 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, 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. The adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for reported earnings.