



2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	© VALUE LINE PUB. LLC	25-27
30.57	28.95	30.13	27.23	25.77	25.59	23.90	24.68	26.09	23.29	22.92	23.37	24.25	24.11	23.12	25.29	28.30	28.95	Revenues per sh	30.75
3.22	3.08	3.88	3.47	3.70	3.65	3.82	4.06	4.22	4.59	4.88	5.29	5.61	5.89	6.24	6.42	7.00	7.45	"Cash Flow" per sh	8.75
.64	.64	1.23	.93	1.33	1.45	1.53	1.66	1.74	1.89	1.98	2.17	2.32	2.39	2.64	2.58	2.90	3.10	Earnings per sh ^A	3.75
--	.20	.36	.50	.66	.84	.96	1.02	1.08	1.16	1.24	1.33	1.43	1.53	1.63	1.74	1.84	1.94	Div'd Decl'd per sh ^B	2.30
3.01	5.61	3.50	3.59	3.29	3.47	4.65	4.98	5.73	5.64	5.99	5.91	7.32	7.41	8.02	7.16	8.95	10.00	Cap'l Spending per sh	9.75
10.03	9.46	10.88	11.42	11.19	11.92	12.09	12.98	13.34	14.21	15.23	15.77	16.78	17.68	19.02	22.11	23.20	24.35	Book Value per sh ^C	29.25
222.78	225.15	226.41	227.89	249.60	254.10	264.10	266.10	275.20	277.16	279.21	281.65	283.37	283.86	288.94	289.76	290.00	290.00	Common Shs Outst'g ^D	300.00
22.2	26.8	10.9	13.6	12.5	13.6	15.1	16.3	17.3	18.3	20.9	21.3	20.3	24.3	23.3	23.6	24.35	24.35	Avg Ann'l P/E Ratio	17.5
1.20	1.42	.66	.91	.80	.85	.96	.92	.91	.92	1.10	1.07	1.10	1.29	1.20	1.26	1.26	1.26	Relative P/E Ratio	.95
--	1.2%	2.7%	4.0%	4.0%	4.3%	4.2%	3.8%	3.6%	3.4%	3.0%	2.9%	3.0%	2.6%	2.6%	2.9%	2.9%	2.9%	Avg Ann'l Div'd Yield	3.5%

CAPITAL STRUCTURE as of 3/31/22
 Total Debt \$12473 mill. Due in 5 Yrs \$2324 mill.
 LT Debt \$12091 mill. LT Interest \$439 mill.
 Incl. \$46 mill. finance leases.
 (LT interest earned: 2.7x)
Leases, Uncapitalized Annual rentals \$5 mill.
Pension Assets-12/21 \$3599 mill.
Oblig \$3070 mill.

Pfd Stock \$261 mill. Pfd Div'd \$11 mill.
 Incl. 373,148 shs. \$4.50 \$100 par. cum., callable at \$110.00; 9,200,000 shs. 4.2%, \$25 par. cum.
Common Stock 290,129,103 shs.
 as of 4/11/22
MARKET CAP: \$21 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2019	2020	2021
% Change Retail Sales (KWH)	-3.7	-3.1	+2.4
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	7.94	8.14	8.46
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	8039	8215	7951
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+9	+1.0	+1

ANNUAL RATES Past Past Est'd '19-'21
 of change (per sh) 10 Yrs. 5 Yrs. to '25-'27

	Past 10 Yrs.	Past 5 Yrs.	Est'd '19-'21 to '25-'27
Revenues	-1.0%	--	4.0%
"Cash Flow"	5.5%	6.5%	6.0%
Earnings	7.5%	6.5%	6.5%
Dividends	9.5%	7.0%	6.0%
Book Value	5.5%	6.5%	7.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	2059	1445	1546	1795	6845
2020	1864	1443	1575	1798	6680
2021	2013	1558	1725	2033	7329
2022	2374	1700	1900	2226	8200
2023	2400	1750	1950	2300	8400

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.75	.33	.73	.58	2.39
2020	.85	.48	.76	.55	2.64
2021	1.09	.55	.54	.40	2.58
2022	1.20	.60	.65	.45	2.90
2023	1.25	.65	.70	.50	3.10

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	.3575	.3575	.3575	.3575	1.43
2019	.3825	.3825	.3825	.3825	1.53
2020	.4075	.4075	.4075	.4075	1.63
2021	.435	.435	.435	.435	1.74
2022	.46	.46			

BUSINESS: CMS Energy Corporation is a holding company for Consumers Energy, which supplies electricity and gas to lower Michigan (excluding Detroit). Has 1.9 million electric, 1.8 million gas customers. Has 1,234 megawatts of nonregulated generating capacity. Sold EnerBank in '21. Electric revenue breakdown: residential, 48%; commercial, 32%; industrial, 13%; other, 7%. Generating

CMS Energy's utility subsidiary has electric and gas rate cases pending. Consumers Energy is seeking a gas rate increase of \$233 million, based on a 10.25% return on equity and a 52% common-equity ratio. The staff of the Michigan Public Service Commission (MPSC) recommended a hike of \$172 million, based on a 9.6% ROE and a 51.05% common-equity ratio. An order from the MPSC is due by October 3rd. The utility filed for an electric tariff increase of \$272 million, based on a 10.25% ROE and a 51.5% common-equity ratio. The MPSC's ruling is expected in the first quarter of 2023. Consumers Energy needs frequent rate relief because it has a large electric and gas system with a lot of aged equipment that needs to be replaced. In recent years, Michigan regulation has usually been constructive, but the utility's last electric rate order (\$54 million at the start of 2022) was disappointing. **Earnings will likely improve substantially in 2022.** The comparison with the 2021 tally is easy. The company recorded a charge of \$0.07 a share for a fleet impairment in the fourth quarter of 2021. Rate

sources: coal, 31%; gas, 16%; renewables, 6%; purchased, 47%. Fuel costs: 42% of revenues. '21 reported deprec. rates: 3.9% electric, 2.9% gas, 9.4% other. Has 8,500 full-time employees. Chairman: John G. Russell. President & CEO: Garrick Rochow. Inc.: Michigan. Address: One Energy Plaza, Jackson, Michigan 49201. Tel.: 517-788-0550. Internet: www.cmsenergy.com.

relief is another factor; the aforementioned electric increase, though disappointing, will help. Consumers Energy will also get a quarter of the gas rate increase. Management is controlling expenses effectively, even in the face of inflation pressures. Our estimate of \$2.90 a share is slightly above CMS Energy's guidance of \$2.85-\$2.89, which we consider conservative. **We estimate 7% earnings growth in 2023.** The company will benefit from a full year's effect of gas rate relief and a partial year of the electric hike. CMS Energy's goal for annual earnings growth is 6%-8%. **Consumers Energy reached a settlement on its integrated resource plan.** The company had hoped to convert a non-regulated asset to a regulated one. Instead, it will issue a request for proposals for 700 megawatts of capacity. The MPSC must still rule on the settlement. Its order is expected in late June. **This stock is priced expensively.** The dividend yield is below the utility average. With the recent quotation well within our 2025-2027 Target Price Range, total return potential over that time frame is low. *Paul E. Debbas, CFA June 10, 2022*

(A) Diluted EPS. Excl. nonrec. gains (losses): '06, (\$1.08); '07, (\$1.26); '09, (.7c); '10, .3c; '11, 12c; '12, (14c); '17, (53c); gains (losses) on disc. ops.: '06, 3c; '07, (40c); '09, 8c; '10, (8c); '11, 1c; '12, 3c; '21, \$2.08; '22, 1c. Next earnings report due early Aug. (B) Div'ds historically paid late Feb., May, Aug., & Nov. Div'd reinvestment plan avail. (C) Incl. intang. In '21: \$7.80/sh. (D) In mill. (E) Rate base: Net orig. cost. Rate all'd on com. eq. in '22: 9.9% elec.; in '19: 9.9% gas; earned on avg. com. eq., '21: 13.2%. Regulatory Climate: Above Average.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	65
Earnings Predictability	95

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