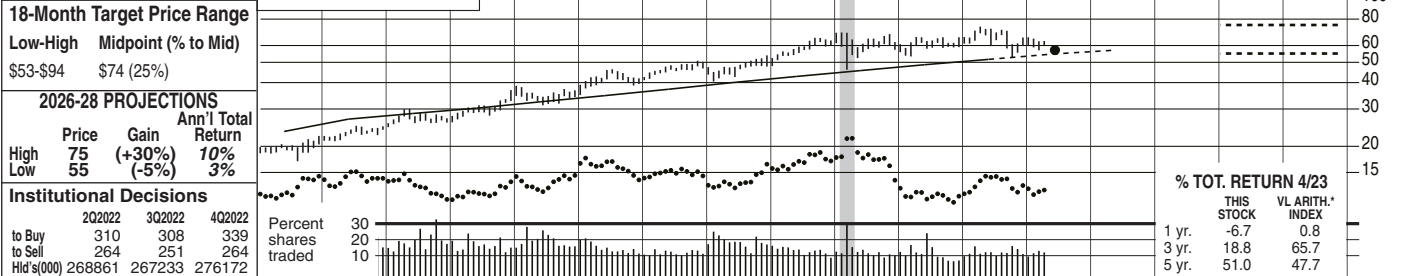


CMS ENERGY CORP. NYSE-CMS

RECENT PRICE **57.10** P/E RATIO **18.7** (Trailing: 24.5; Median: 21.0) RELATIVE P/E RATIO **1.14** DIV'D YLD **3.4%** VALUE LINE

TIMELINESS 4 Lowered 3/31/23	High: 25.0 Low: 21.1	30.0 24.6	36.9 26.0	38.7 31.2	46.3 35.0	50.8 41.1	53.8 40.5	65.3 48.0	69.2 46.0	65.8 53.2	73.8 52.4	65.7 56.2	Target Price Range 2026 2027 2028
SAFETY 2 Raised 3/21/14	LEGENDS — 28.00 x Dividends p sh Relative Price Strength Options: Yes Shaded area indicates recession												
TECHNICAL 3 Raised 5/26/23													
BETA .80 (1.00 = Market)													



18-Month Target Price Range													2026	2027	2028				
Low-High	Midpoint (% to Mid)																		
\$53-\$94	\$74 (25%)																		
2026-28 PROJECTIONS																			
High	Price	Gain	Ann'l Total Return																
Low	75	(+30%)	10%																
	55	(-5%)	3%																
Institutional Decisions													% TOT. RETURN 4/23						
20222 30222 40222 to Buy 310 308 339 to Sell 264 251 264 Hld's(000) 268861 267233 276172													THIS STOCK VL ARITH. INDEX 1 yr. -6.7 0.8 3 yr. 18.8 65.7 5 yr. 51.0 47.7						
2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28

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	29.51	29.80	30.15	Revenues per sh	30.75
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	6.69	7.85	8.20	"Cash Flow" per sh	9.00
.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	2.84	3.05	3.30	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	1.95	2.04	Div'd Decl'd per sh ^B	2.30
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	8.15	8.50	9.50	Cap'l Spending per sh	9.75
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	23.32	25.20	25.45	Book Value per sh ^C	26.00
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	291.27	292.00	295.00	Common Shs Outst'g ^D	300.00
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	22.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.5
1.42	.66	.91	.80	.85	.96	.92	.91	.92	1.10	1.07	1.10	1.29	1.20	1.28	1.32			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%	2.8%			Avg Ann'l Div'd Yield	3.5%

CAPITAL STRUCTURE as of 3/31/23													2020	2021	2022	2023	2024	Revenues (\$mill)	9200							
Total Debt \$14418 mill. Due in 5 Yrs \$2324 mill.													6566.0	7179.0	6456.0	6399.0	6583.0	6873.0	6845.0	6680.0	7329.0	8596.0	8700	8900	Net Profit (\$mill)	1130
LT Debt \$12985 mill. LT Interest \$580 mill.													454.0	479.0	525.0	553.0	610.0	659.0	682.0	757.0	751.0	833.0	900	980	Income Tax Rate	11.0%
Incl. \$68 mill. finance leases.													39.9%	34.3%	34.0%	33.1%	31.2%	14.9%	17.7%	15.0%	11.5%	10.3%	11.0%	11.0%	AFUDC % to Net Profit	1.0%
(LT interest earned: 2.7x)													2.0%	2.3%	2.7%	3.1%	1.1%	1.4%	2.1%	1.1%	1.5%	1.4%	2.0%	2.0%	Long-Term Debt Ratio	61.5%
Leases, Uncapitalized Annual rentals \$5 mill.													67.5%	68.7%	68.3%	67.1%	67.3%	69.0%	70.4%	71.2%	64.5%	65.3%	63.5%	62.5%	Common Equity Ratio	37.5%
Pension Assets-12/22 \$3599 mill.													32.2%	31.0%	31.4%	32.6%	32.4%	30.7%	29.4%	28.6%	34.2%	33.6%	35.5%	36.5%	Total Capital (\$mill)	21000
Oblig \$3070 mill.													10730	11846	12534	13040	13692	15476	17082	19223	18760	20205	20575	20475	Net Plant (\$mill)	27900
Pfd Stock \$224 mill. Pfd Div'd \$10 mill.													12246	13412	14705	15715	16761	18126	18926	21039	22352	22713	23800	25150	Return on Total Cap'l	6.5%
Incl. 373,148 shs. \$4.50 \$100 par. cum., callable at \$110.00; 9,200,000 shs. 4.2%, \$25 par. cum.													6.0%	5.7%	5.7%	5.8%	5.9%	5.6%	5.3%	5.2%	5.3%	5.4%	5.5%	6.0%	Return on Shr. Equity	14.0%
Common Stock 291,656,125 shs. as of 4/10/23													13.0%	12.9%	13.2%	12.9%	13.6%	13.8%	13.5%	13.7%	11.3%	11.9%	12.0%	12.5%	Return on Com Equity ^E	14.0%
MARKET CAP: \$16.7 billion (Large Cap)													13.1%	13.0%	13.3%	13.0%	13.7%	13.8%	13.6%	13.7%	11.6%	12.1%	12.0%	13.0%	Retained to Com Eq	5.5%
ELECTRIC OPERATING STATISTICS													5.2%	5.0%	5.2%	4.8%	5.2%	5.3%	4.9%	5.3%	3.8%	4.3%	4.5%	5.0%	All Div'ds to Net Prof	62%
% Change Retail Sales (KWH) 2020 -3.1 2021 +2.4 2022 +3.0 Avg. Indust. Use (MWH) NA NA NA Avg. Indust. Revs. per KWH (c) 8.14 8.46 8.78 Capacity at Peak (Mw) NA NA NA Peak Load, Summer (Mw) 8215 7951 8061 Annual Load Factor (%) NA NA NA % Change Customers (yr-end) +1.0 +1.0 +1.0													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 1,836 megawatts of nonregulated generating capacity. Sold EnerBank in '21. Electric revenue breakdown: residential, 46%; commercial, 32%; industrial, 15%; other, 7%. Generating					sources: coal, 29%; gas, 19%; renewables, 6%; purchased, 47%. Fuel costs: 34% of revenues. '22 depreciation rates: 3.7% electric, 2.9% gas, 8.9% other. Has 8,560 full-time employees. Chairman: John G. Russell. President & CEO: Garrick Rochow. Inc.: Michigan. Address: One Energy Plaza, Jackson, Michigan 49201. Telephone: 517-788-0550. Internet: www.cmsenergy.com.								

CMS Energy started the year on a weak note. In the first quarter, the top line decreased nearly 4% year over year, to \$2.28 billion. Meanwhile, earnings from continuing operations declined 43%, to \$0.69 per share. The reduction was due to unfavorable weather, which reduced sales volumes and inflated service restoration costs during the period.

A gas rate application is expected in the fourth quarter. According to Michigan regulatory law, the Michigan Public Service Commission (MPSC) should give a ruling within 10 months of the utility's filing. Consumers Energy filed an application with the MPSC in December 2022, requesting an annual rate increase of \$212 million based on a 10.25% return on equity. It's worth noting that the utility often requires rate relief because it operates a large system with aging equipment that needs to be replaced.

Decent growth in near-term earnings is probable. Consumers Energy is likely to see a boost from a \$155 million increase in electric rates implemented at the beginning of 2023, as well as a full year's gas rate increase starting in October of last year. To offset the rising costs due to inflation, management is actively working to control expenses. All things considered, we estimate that earnings per share will advance at a single-digit pace in 2023 and 2024 each, to about \$3.05 and \$3.30, respectively.

The company is committed to improving its infrastructure and increasing its renewable energy portfolio while reducing costs. Over the next five years, the company is planning to invest \$12.4 billion, with \$6.1 billion focused on electric distribution, \$6.3 billion on gas networks. It also intends to spend \$3.1 billion on generating clean energy. The goal is to increase the percentage of renewable energy sources from 14% to 61% by 2040.

Shares of CMS Energy are ranked to underperform the broader market averages in the year ahead (Timeliness: 4). At the recent quotation, the equity has below-average capital appreciation potential over the 2026-2028 horizon. Still, the company has a track record of stable operating performance, which may interest some conservative accounts.

Emma Jalees June 9, 2023

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

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