CMS ENERGY CORP. NYSE-CMS

RECENT PRICE **68.42** | P/E RATIO **17.7** (Trailing: 20.3 Median: 21.0) | RELATIVE P/E RATIO **0.98** | DIV'D YLD **3.3%** | **VALUE LINE**

TIMELINESS 5 Lowered 8/14/26
SAFETY 2 Raised 3/8/24
TECHNICAL 1 Raised 8/21/26
BETA .70 (1.00 = Market)

18-Month Target Price Range

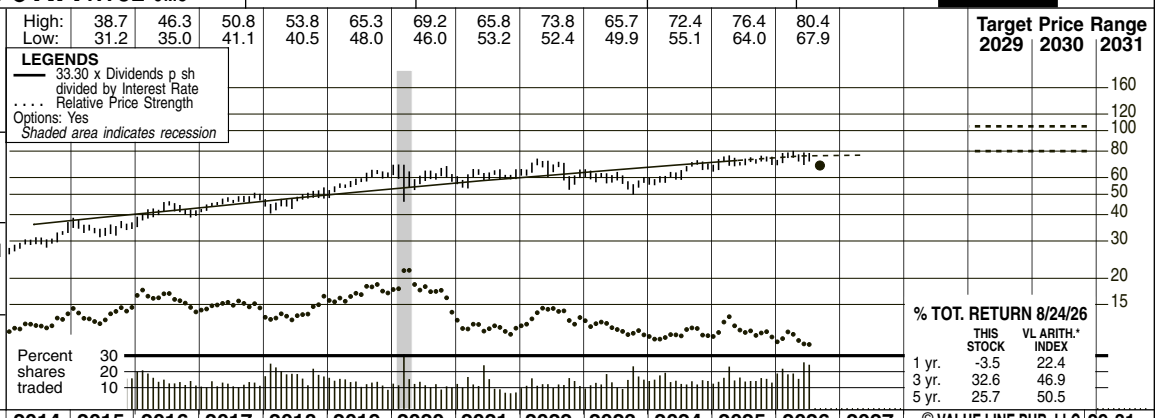
Low-High	Midpoint (% to Mid)
$60-$94	$77 (15%)

2029-31 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+55%)	*14%*
Low	80	(+15%)	*8%*

Institutional Decisions

	4Q2025	1Q2026	2Q2026
to Buy	275	412	428
to Sell	264	341	332
Hld's(000)	292814	338761	339376



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
High:	38.7	46.3	50.8	53.8	65.3	69.2	65.8	73.8	65.7	72.4	76.4	80.4						
Low:	31.2	35.0	41.1	40.5	48.0	46.0	53.2	52.4	49.9	55.1	64.0	67.9						

% TOT. RETURN 8/24/26

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-3.5	22.4
3 yr.	32.6	46.9
5 yr.	25.7	50.5

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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	25.35	25.15	27.87	***28.50***	***29.85***	Revenues per sh	***31.75***
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	6.98	7.47	7.73	***8.65***	***9.55***	"Cash Flow" per sh	***10.55***
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	3.01	3.33	3.53	***3.85***	***4.15***	Earnings per sh [A]	***5.15***
.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	2.06	2.17	***2.28***	***2.30***	Div'd Decl'd per sh [B] ■	***2.80***
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	8.18	10.10	12.48	***12.75***	***15.85***	Cap'l Spending per sh	***19.05***
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	24.86	26.79	29.11	***31.30***	***32.15***	Book Value per sh [C]	***36.40***
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	294.40	298.80	306.40	***314.00***	***315.00***	Common Shs Outst'g [D]	***315.00***
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	19.6	19.0	20.2	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	***18.0***
.80	.85	.96	.92	.91	.92	1.10	1.07	1.10	1.29	1.20	1.28	1.32	1.09	.99	1.05			Relative P/E Ratio	***1.00***
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%	3.3%	3.3%	3.0%			Avg Ann'l Div'd Yield	***3.0%***
6399.0	6583.0	6873.0	6845.0	6680.0	7329.0	8596.0	7462.0	7515.0	8539.0	***8950***	***9400***	Revenues ($mill)	***10000***
553.0	610.0	659.0	682.0	757.0	751.0	833.0	886.0	1003.0	1071.0	***1220***	***1315***	Net Profit ($mill)	***1635***
33.1%	31.2%	14.9%	17.7%	15.0%	11.5%	10.3%	15.4%	15.7%	19.7%	***20.0%***	***20.0%***	Income Tax Rate	***20.0%***
3.1%	1.1%	1.4%	2.1%	1.1%	1.5%	1.4%	1.4%	1.2%	1.0%	***1.0%***	***1.0%***	AFUDC % to Net Profit	***1.0%***
67.1%	67.3%	69.0%	70.4%	71.2%	64.5%	65.3%	65.9%	65.0%	66.2%	***65.0%***	***64.0%***	Long-Term Debt Ratio	***61.0%***
32.6%	32.4%	30.7%	29.4%	28.6%	34.2%	33.6%	33.1%	34.0%	32.9%	***35.0%***	***36.0%***	Common Equity Ratio	***39.0%***
13040	13692	15476	17082	19223	18760	20205	22114	23536	27086	***28500***	***28700***	Total Capital ($mill)	***29800***
15715	16761	18126	18926	21039	22352	22713	25072	27461	30680	***33200***	***36500***	Net Plant ($mill)	***45100***
5.8%	5.9%	5.6%	5.3%	5.2%	5.3%	5.4%	5.4%	5.7%	5.4%	***5.5%***	***6.0%***	Return on Total Cap'l	***6.5%***
12.9%	13.6%	13.8%	13.5%	13.7%	11.3%	11.9%	11.7%	12.2%	11.7%	***12.0%***	***12.5%***	Return on Shr. Equity	***14.0%***
13.0%	13.7%	13.8%	13.6%	13.7%	11.6%	12.1%	12.0%	12.4%	11.9%	***12.5%***	***13.0%***	Return on Com Equity [E]	***14.0%***
4.8%	5.2%	5.3%	4.9%	5.3%	3.8%	4.3%	4.2%	4.7%	4.5%	***5.0%***	***6.0%***	Retained to Com Eq	***6.5%***
63%	62%	62%	64%	62%	68%	65%	65%	62%	63%	***59%***	***56%***	All Div'ds to Net Prof	***55%***

CAPITAL STRUCTURE as of 6/30/26
Total Debt $19301 mill.
LT Debt $18431 mill. **LT Interest** $800 mill.
Incl. $259 mill. finance leases.
Leases, Uncapitalized Annual rentals $4 mill.
Pension Assets-12/25 $3174 mill.
Oblig. $2123 mill.
Pfd Stock $224 mill. **Pfd Div'd** $10 mill.

Common Stock 313,577,136 shs.
as of 7/13/26
MARKET CAP: $21.5 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2023	2024	2025
% Change Retail Sales (KWH)	-1.0	+1.0	+1.0
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	8.90	10.14	9.15
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	8067	8030	8150
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.0	+1.0	+1.0
Fixed Charge Cov. (%)	244	250	277

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '23-'25 to '29-'31
Revenues	0.5%	2.0%	*3.5%*
"Cash Flow"	5.5%	4.5%	*6.0%*
Earnings	6.5%	6.0%	*8.0%*
Dividends	6.5%	6.0%	*5.0%*
Book Value	7.0%	8.5%	*5.0%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	2284	1555	1673	1950	7462
2024	2176	1607	1743	1989	7515
2025	2447	1838	2021	2233	8539
2026	2730	1829	***2100***	***2291***	***8950***
2027	***2800***	***2000***	***2200***	***2400***	***9400***

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2023	.69	.67	.60	1.05	3.01
2024	.96	.65	.84	.88	3.33
2025	1.01	.66	.92	.94	3.53
2026	1.13	.37	***1.15***	***1.20***	***3.85***
2027	***1.15***	***.70***	***1.00***	***1.30***	***4.15***

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec. 31	Full Year
2022	.46	.46	.46	.46	1.84
2023	.4875	.4875	.4875	.4875	1.95
2024	.515	.515	.515	.515	2.06
2025	.5425	.5425	.5425	.5425	2.17
2026	.57	.57	.57		

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 2,016 megawatts of nonregulated generating capacity. Sold EnerBank in '21. Electric revenue breakdown: residential, 47%; commercial, 33%; industrial, 14%; other, 6%. Generating sources: coal, 20%; gas, 41%; renewables, 1%; purchased, 32%. Fuel costs: 38% of revenues. '25 depreciation rates: 3.8% electric, 2.8% gas, 7.8% other. Has 8,350 full-time employees. Chairman: John G. Russell. President & CEO: Garrick J. Rochow. Inc.: Michigan. Address: One Energy Plaza, Jackson, Michigan 49201. Telephone: 517-788-0550. Internet: www.cmsenergy.com.

CMS Energy faced some headwinds during the second quarter. The top line moved slightly lower year over year, to $1.83 billion, as softer electric utility revenue offset modest gains elsewhere. Adjusted share earnings fell 48%, to $0.37, from $0.71 in the year-ago period. The decline reflected weaker electric utility results, higher operating and investment costs, and increased corporate financing expenses. NorthStar Clean Energy also contributed slightly less than a year earlier (more below).

The company is moving toward a more utility-focused business model. Following a strategic review of NorthStar Clean Energy, CMS plans to exit nonutility renewables development while retaining Michigan-based assets, including Dearborn Industrial Generation. The shift should simplify operations, reduce future financing requirements, and concentrate capital on regulated utility investment. Management expects the planned divestitures to be completed within the next year, with nearly all earnings beyond 2027 coming from utility operations.

Meanwhile, Consumers Energy has a pending gas rate case. The subsidiary initially requested a $240 million annual increase based on a 10.25% authorized return on equity for the period ending October 31, 2027, before revising the request to $232 million in June. A final order is required by October. A constructive outcome would provide additional support for future share-profit growth.

The near-term bottom-line picture remains favorable. Recent rate relief, continued utility investment, and ongoing cost controls should help offset higher financing and operating expenses. All told, we estimate share earnings will advance about 7% in 2026, to $3.85, and another 8% in 2027, to $4.15.

Shares of CMS Energy have dropped a notch in our Timeliness Ranking System to a 5 (Lowest). Moreover, at the recent quotation, its 18-month and long-term capital appreciation potential are below average. The dividend yield is roughly in line with the industry average. All things considered, there are better investment opportunities available in the utility sector.

Emma Jalees *September 4, 2026*

(A) Non-GAAP diluted EPS from 2026 may not sum due to rding. Excl. nonrec. gains (losses): '10, 3¢; '11, 12¢; '12, (14¢); '17, (53¢); gains (loss) on disc. ops.: '10, (8¢); '11, 1¢; '12, 3¢; '21, $2.08; '22, 1¢. Next egs report due early Nov. **(B)** Div'ds paid late Feb., May, Aug., & Nov. ■ Div'd reinvestment plan avail. **(C)** Incl. intang. In '25: $8.52/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate allowed 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	100
Price Growth Persistence	65
Earnings Predictability	90

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