

**To:** Financial Community **From:** CMS Energy Investor Relations

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Date: April 27, 2020 http://www.cmsenergy.com

Subject: CMS Energy First Quarter 2020 Results and Outlook

CMS Energy will hold a webcast to discuss its First Quarter 2020 Results and Outlook on Monday, April 27 at 9:00 a.m. (ET).

To participate in the webcast, go to CMS Energy's home page (www.cmsenergy.com), select "Investor Relations", "Events and Presentations", and "CMS Energy First Quarter 2020 Earnings Call" or <u>click here</u>.

## CMS Energy Announces First Quarter Earnings Results of \$0.85 Per Share Reported and \$0.86 Per Share Adjusted

JACKSON, Mich., April 27, 2020 – CMS Energy announced today reported net income of \$243 million or \$0.85 per share, for the first quarter of 2020, compared to \$213 million or \$0.75 per share for the same quarter in 2019. The company's adjusted earnings per share for the first quarter of 2020 were \$245 million or \$0.86 per share. The primary drivers of CMS Energy's quarterly financial performance were timely recovery of customer investments and cost management, partially offset by mild winter weather.

"Consumers Energy is focused on the safety and health of our co-workers, customers, and the communities we serve during these unprecedented times," said Patti Poppe, President and CEO of CMS Energy and Consumers Energy. "We are especially mindful of our duty to deliver essential services to those on the front line of the pandemic and we are working hard to deliver safe and reliable energy to Michigan's homes and hospitals."

As the ultimate impacts of the pandemic on Michigan's economy and our business remain uncertain, at this time CMS Energy is not changing guidance for 2020 adjusted earnings of \$2.64 - \$2.68\* per share, as announced on January 30<sup>th</sup> (\*See below for important information about non-GAAP measures). CMS Energy will discuss the financial risks and sensitivities related to COVID-19 in more detail during its earnings webcast on April 27.

CMS Energy (NYSE: CMS) is a Michigan-based company that has an electric and natural gas utility, Consumers Energy, as its primary business. It also owns and operates independent power generation businesses.

#### # # #

CMS Energy will hold a webcast to discuss its 2020 first quarter results and provide a business and financial outlook on April 27 at 9:00 a.m. (EDT). To participate in the webcast, go to CMS Energy's homepage (cmsenergy.com) and select "Investor Meeting."

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

\*This news release contains non-Generally Accepted Accounting Principles (non-GAAP) measures,

such as adjusted earnings. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, regulatory items from prior years, or other items detailed in the attached summary financial statements. 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. All references to net income refer to net income available to common stockholders and references to earnings per share are on a diluted basis.

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, <a href="https://www.cmsenergy.com/investor-relations">www.cmsenergy.com/investor-relations</a>, a channel of distribution.

For more information on CMS Energy, please visit our website at <a href="mailto:cms.cmm">cms.cms.cmm</a>. To sign up for email <a href="mailto:alert notifications">alert notifications</a>, please visit the Investor Relations section of our website.

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## **Consolidated Statements of Income**

	(Chauditea)	In Million	s, Except Per Sho	are Amounts
			ded	
		3/31/20	3/31/19	Change
Operating Revenue				
Electric utility		\$ 1,028	\$ 1,103	\$ (75)
Gas utility Enterprises		716 58	840 67	(124)
EnerBank		62	49	(9) 13
Total operating revenue		1,864	2,059	(195)
		1,00	2,009	(1)0)
Operating Expenses		100	1.10	(20)
Fuel for electric generation		103	142	(39)
Purchased and interchange power Purchased power – related parties		357 18	378 18	(21)
Cost of gas sold		273	404	(131)
Maintenance and other operating expenses		315	354	(39)
Depreciation and amortization		316	298	18
General taxes		114	106	8
Total operating expenses		1,496	1,700	(204)
Operating Income				
Electric utility		174	169	5
Gas utility		155	159	(4)
Enterprises		6	6	-
EnerBank		32	27	5
Other		1	(2)	3
Total operating income		368	359	9
Other Income (Expense)				
Interest income		1	1	-
Interest income - related parties		7	-	7
Allowance for equity funds used during construction		1	2	(1)
Income (loss) from equity method investees		3	(1)	4
Nonoperating retirement benefits, net Other income		31	23	8
Other expense		(4)	1 (3)	(1) (1)
Total other income		39	23	16
Earnings Before Interest, Taxes, and Other Charges		407	382	25
Interest on long-term debt		116	106	10
Interest on long-term dest  Interest expense - related parties		3	-	3
Other interest expense		19	16	3
Allowance for borrowed funds used during construction		(1)	(1)	-
Income tax expense		27	48	(21)
Net Income Available to Common Stockholders		\$ 243	\$ 213	\$ 30
Reconciling items:		Ψ 213	Ψ 213	Ψ 30
Other exclusions from adjusted earnings		3	(*)	3
Tax impact		(*)	*	-
Tax reform		(9)	-	(9)
Voluntary separation program		11	-	11
Tax impact Adjusted Net Income – Non-GAAP		\$ 245	213	\$ 32
Adjusted Net Income – Non-GAAF		φ 24 <i>3</i>		\$ 32
Average Common Shares Outstanding				
Basic		283.3	282.8	0.5
Diluted		285.2	283.6	1.6
Diluted Earnings Per Average Common Share		\$ 0.85	\$ 0.75	\$ 0.10
Reconciling items:		0.01	(11)	0.04
Other exclusions from adjusted earnings		0.01	(*) *	0.01
Tax impact Tax reform		(*) (0.03)		(0.03)
Voluntary separation program		0.03)	-	0.03)
Tax impact		(0.01)	-	(0.01)
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP		\$ 0.86	\$ 0.75	\$ 0.11

 $<sup>^{\</sup>ast}~$  Less than \$0.5 million or \$0.01 per share.

### **Summarized Consolidated Balance Sheets**

(Unaudited)

			$I_i$	n Millions
		As	of	
	3/3	31/20	12/	/31/19
Assets			_	
Current assets				
Cash and cash equivalents	\$	834	\$	140
Restricted cash and cash equivalents		27		17
Other current assets		1,956		2,174
Total current assets		2,817		2,331
Non-current assets				
Plant, property, and equipment		19,144		18,926
Other non-current assets		5,486		5,580
Total Assets	\$	27,447	\$	26,837
Liabilities and Equity				
Current liabilities (1)	\$	1,219	\$	1,484
Non-current liabilities (1)		6,669		7,051
Capitalization				
Debt, finance leases, and other financing (excluding securitization debt) (2)				
Debt, finance leases, and other financing (excluding non-recourse and securitization debt)		11,617		10,518
Non-recourse debt		2,469		2,478
Total debt, finance leases, and other financing (excluding securitization debt)		14,086		12,996
Noncontrolling interests		37		37
Common stockholders' equity		5,185		5,018
Total capitalization (excluding securitization debt)		19,308		18,051
Securitization debt (2)		251		251
Total Liabilities and Equity	\$	27,447	\$	26,837

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

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

			In	Millions
		Three Mont	hs Ended	
	3/32	1/20	3/3	1/19
Beginning of Period Cash and Cash Equivalents, Including Restricted Amounts	\$	157	\$	175
Net cash provided by operating activities (3)		201		617
Net cash used in investing activities		(559)		(675)
Cash flows from operating and investing activities		(358)		(58)
Net cash provided by financing activities		1,062		150
Total Cash Flows	\$	704	\$	92
End of Period Cash and Cash Equivalents, Including Restricted Amounts	\$	861	\$	267

 $<sup>^{(3)}\,</sup>$  Includes the impact of a \$531 million pension contribution in 2020.

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

### **Selected Financial Data**

(Ciluaditoe	,					7.	n Millions
				Twelve	Months Ended	- 11	n Millions
	•	3	3/31/20		2/31/19		3/31/19
EBIT – Non-GAAP (1)				_			
Consolidated Consumers Energy		\$	1,415 1,253	\$	1,385 1,231	\$	1,223 1,131
			1,233		1,231		1,131
<b>Depreciation and Amortization</b> Consolidated		\$	1,010	\$	992	\$	952
Consumers Energy		Ψ	993	Ψ	975	Ψ	938
EBITDA – Non-GAAP (1)							
Consolidated		\$	2,425	\$	2,377	\$	2,175
Consumers Energy			2,246		2,206		2,069
Dividends and Other Distributions From Subsidiaries		\$	730	\$	683	\$	703
Interest Expense, Net							
Consolidated		\$	535	\$	519	\$	468
Energy parent			160		156		138
Consumers Energy			305		297		288
					As of	I	n Millions
		3	3/31/20	1	2/31/19		3/31/19
D 1 X/1 D GI	•	Ф	10.11				
Book Value Per Share		\$	18.11	\$	17.67	\$	17.12
Common Shares Outstanding – End of Period			286.2		283.9		283.7
Average Common Shares Outstanding Basic			283.3		283.0		282.8
Diluted			285.2		284.3		283.6
Debt (2)							
Energy parent		\$	3,660	\$	3,334	\$	3,332
EnerBank (3)			2,382		2,389		1,910
Non-recourse project debt			87		89		93
Consumers Energy (excluding securitization bonds)			7,957		7,184		6,456
Consolidated (excluding securitization bonds)			14,086		12,996		11,791
Securitization bonds		Φ	251	Φ.	251	Φ.	277
Consolidated		\$	14,337	\$	13,247	\$	12,068
Unrestricted Cash and Cash Equivalents Consumers Energy		\$	604	\$	11	\$	37
CMS Treasury Services		Ф	111	Ф	11	Φ	110
EnerBank and Other			119		118		87
Consolidated	•	\$	834	\$	140	\$	234
Consumers Energy							
Regulated Common Equity Ratio (13-Month Average)							
Electric			42.3%		42.4%		42.2%
Gas			42.3%		42.4%		42.2%
Regulated Rate Base (13-Month Average, in Millions)							44.04
Electric (4) Gas		\$	11,779 6,261	\$	11,516 6,070	\$	11,042 5,404
			0,201		0,070		J,4U4
Regulated Return on Average Common Equity (12-Month Ended) Electric (4)			10.8%		10.7%		11 10/
Gas			10.8% 8.6%		9.0%		11.1% 8.4%
Out -			0.070		J.070		O. <del>T</del> /0

<sup>(1)</sup> EBIT (non-GAAP) equals net income + income taxes + interest charges + noncontrolling interests + discontinued operations + writedowns + impairments + losses (gains) on asset sales + accounting changes. EBITDA (non-GAAP) equals EBIT + depreciation and amortization.

<sup>(2)</sup> Includes current maturities, leases and notes payable.

<sup>(3)</sup> Includes EnerBank certificates of deposit.

 $<sup>^{(4)}</sup>$  Includes renewables and transmission rate base of \$780 million in total.

## Reconciliations of GAAP Net Income to Non-GAAP EBIT and EBITDA (Unaudited)

					In	Millions
		7	Twelve M	Ionths Ende	d	
	3/	31/20	12	//31/19	3	/31/19
Net Income Available to Common Stockholders	\$	710	\$	680	\$	629
Reconciling items:						
Income tax expense		126		147		123
Interest on long-term debt		449		439		418
Interest expense - related parties		12		9		-
Other interest expense		78		75		54
Allowance for borrowed funds used during construction		(4)		(4)		(4)
Income attributable to noncontrolling interests		2		2		2
Other exclusions from adjusted earnings		40		37		9
Gain on assets previously sold		-		-		(4)
Tax reform		(9)		-		(4)
Voluntary separation program		11				
EBIT - Non-GAAP		1,415		1,385		1,223
Additional reconciling items:						
Depreciation and amortization		1,010		992		952
EBITDA – Non-GAAP	\$	2,425	\$	2,377	\$	2,175

# CONSUMERS ENERGY COMPANY Reconciliations of GAAP Net Income to Non-GAAP EBIT and EBITDA (Unaudited)

					In	Millions
		,	Twelve N	Tonths Ende		Millions
	3,	/31/20		2/31/19		/31/19
Net Income Available to Common Stockholder	\$	750	\$	741	\$	687
Reconciling items:						
Income tax expense		175		185		152
Interest on long-term debt		282		277		278
Interest expense - related parties		12		9		-
Other interest expense		15		15		14
Allowance for borrowed funds used during construction		(4)		(4)		(4)
Preferred stock dividends		2		2		2
Other exclusions from adjusted earnings		10		6		-
Tax reform		-		-		2
Voluntary separation program		11				
EBIT - Non-GAAP		1,253		1,231		1,131
Additional reconciling items:						
Depreciation and amortization		993		975		938
EBITDA – Non-GAAP	\$	2,246	\$	2,206	\$	2,069

# Non-GAAP Adjusted Earnings Per Share Variance Analysis (Unaudited)

		Th	ree I	Months 1	Ended March 31				
	3/31/20	3/31/19	V.	ariance					
Adjusted EPS – Non-GAAP	3/31/20	3/31/19	_	arrance					
Electric utility	\$ 0.44	\$ 0.37	\$	0.07					
Gas utility	0.42	0.43	·	(0.01)					
Enterprises, EnerBank and En	ergy parent			, ,					
Enterprises	0.06	0.02		0.04					
EnerBank	0.05	0.04		0.01					
Energy parent	(0.11)	(0.11)		-					
	-	(0.05)		0.05					
Consolidated	\$ 0.86	\$ 0.75	\$	0.11					
Variance Explanations:									
-					ENTERPRISES, ENERBANK AND ENERG	SY P	ARENT		
ELECTRIC UTILITY									
					- Enterprises			\$	0.04
- System deliveries of 8,786 GV		Wh (weather-	\$	(0.08)					
driven impact, down 243 GW	h)				- EnerBank				0.01
- Electric rate relief, including a	renewables			0.02	- Change in shares outstanding				*
								\$	0.05
- Lower operating & maintenan	nce expenses, inc	cluding storms		0.12				·	
- Higher investment costs (depr fixed costs)	reciation, proper	ty taxes &		(0.02)					
- Other				0.03	TANK A MANAGE AN AN A COME				
				ala.	WEATHER IMPACTS	•	(21 (20	21	21/10
- Change in shares outstanding			<u>¢</u>	*		3	/31/20	3/	31/19
			\$	0.07	<sub>                                  </sub>				
CACITHITY					Weather Weather (colder) then normal voing 15 years				
GAS UTILITY					- Warmer (colder) than normal using 15-year		167 0	0/-	(6.6) 0/
- Deliveries, including transpor	tation to end-use	e customers	\$	(0.14)	average temperatures		16.7	<b>70</b>	(6.6) %
of 119.5 bcf, down 22.4 bcf (v			Ф	(0.14)	Electric Utility				
21.5 bcf)	weather-univerli	inpact, down			- Increase (decrease) from normal in:				
21.5 001)					Electric sales (GWh)		(185)		58
- Gas rate relief				0.17	EPS EPS	\$	(0.05)	\$	0.01
- Lower operating & maintenan	nce evnences			0.01	Gas Utility				
- Lower operating & maintenan	ice expenses			0.01	- Increase (decrease) from normal in:				
- Higher investment costs (depr	reciation proper	tv taxes &		(0.05)	Gas sales (bcf)		(16.0)		5.5
fixed costs)	reciumon, proper	i, iunos ce		(0.03)	EPS	\$	(0.13)	\$	0.04
Change in shares outstor i'm				*	Total EDS Weather Impacts	Φ	(n 19)	¢	0.05
- Change in shares outstanding			•	(0.01)	Total EPS Weather Impacts	\$	(0.18)	\$	0.05
			Ф	(0.01)					

<sup>\*</sup> Less than \$0.01 per share.

# CMS ENERGY CORPORATION Reconciliation of GAAP EPS to Non-GAAP Adjusted EPS by Segment (Unaudited)

Page	(Chaudicu)		
Electric Utility         Solution         Solution           Recording items:         9.04         9.037           Recording items:         0.00         1.00           Other ceclasions from adjusted carnings         0.03         2.00           Tax impact         0.03         2.00           Adjusted neithneme per share – non-GAAP         0.03         2.00           Recording immer         2.00         2.00           Recording immer per share         0.01         2.00           Recording immer         0.01         2.00           Tax impact         0.01         2.00           Voluntary separation program         0.01         2.00           Voluntary separation program         0.01         2.00           Voluntary separation program         0.00         2.00           Adjusted neithnome per share         0.00         2.00           Recording items:         0.00         2.00           Tax impact			
Electric Utility         s         4         0.37           Reported net income per share         3.04         5.03         3.03			
## Part		3/31/20	3/31/19
Reported net income per shave   Reconciling times:			
Reconstrict in contract from a plusted camings         0.01         0		Φ 0.41	¢ 0.27
中の日本 日本 日		\$ 0.41	\$ 0.37
Voluntary sparation program         0.00		0.01	
Value of Tax impact         0.001         -0.00 <td></td> <td></td> <td>-</td>			-
Tax impact Aghinsed in more per share – non-GAAP   1988			-
Adjusted art income per share – non-GAAP         8.04.1         \$.0.43           Case Liftify         Februated in income per share         \$.0.4.1         \$.0.4.3         \$.0.4.3         \$.0.4.3         \$.0.4.3         \$.0.4.3         \$.0.4.3         \$.0.4.3         \$.0.4.3         \$.0.6.3         <			-
Gas Utility         Reported not income per share         \$ 0.41         \$ 0.43           Reconculting time?         \$ 0.41         \$ 0.43           Other exclusions from adjusted earnings         \$ 0.45         \$ 0.25           Tax impact         0.01         \$ 0.43           Voluntary separation program         0.01         \$ 0.43           Adjusted in timome per shure - non-GAAP         \$ 0.02         \$ 0.03           Enterprises         \$ 0.02         \$ 0.02           Reported not income per shure         \$ 0.00         \$ 0.00           Cecomiling items         \$ 0.00         \$ 0.00           Other exclusions from adjusted earnings         \$ 0.00         \$ 0.00           Tax impact         \$ 0.00         \$ 0.00           Tax impact         \$ 0.00         \$ 0.00           Tax impact         \$ 0.00         \$ 0.00           Adjusted not income per share – non GAAP         \$ 0.00         \$ 0.00           Ener Bank         \$ 0.00         \$ 0.00           Economicing items:         \$ 0.00         \$ 0.00           Confere exclusions from adjusted earnings         \$ 0.00         \$ 0.00           Confere exclusions from adjusted earnings         \$ 0.00         \$ 0.00           Compact Interest and Other <td>•</td> <td></td> <td>¢ 0.27</td>	•		¢ 0.27
Reported net income per share.         \$ 0.41         \$ 0.42           Reconciling times:         6         7         6         7         7         7         7         7         7         7	Adjusted het income per share – non-GAAF	<del>\$ 0.44</del>	\$ 0.37
Reported net income per share.         \$ 0.40         \$ 0.40           Reconciling times:         \$ 0.50         \$ 0.50           Other exclusions from adjusted earnings         0.00         \$ 0.00           Tax impact         0.00         \$ 0.00           Adjusted net income per share - non-GAAP         \$ 0.00         \$ 0.00           Reported net income per share         \$ 0.00         \$ 0.00           Reconciling times:         \$ 0.00         \$ 0.00           Other exclusions from adjusted earnings         \$ 0.00         \$ 0.00           Tax surpect         \$ 0.00         \$ 0.00           Reconciling item:         \$ 0.00         \$ 0.00           Corporate Interest and Other         \$ 0.00         \$ 0.00           Reported net loss per share - non-GAAP         \$ 0.00         \$ 0.00           Other exclusions from adjusted earnings         \$ 0.00         \$ 0.00	Gas Utility		
Reconciling items:         a         a         a         c         a         c	· · · · · · · · · · · · · · · · · · ·	\$ 0.41	\$ 0.43
Other exclusions from adjusted earnings         " (*)			
Tax impact         (*)         -           Voluntary separation program         0.01         -           Adjusted in throme per share – non-GAAP         2 0.04         -           Enterprises         ***         -           Resported net income per share         \$ 0.07         \$ 0.02           Reconcilling items:         **         (*)           Other exclusions from adjusted earnings         \$ 0.0         **         (*)           Tax impact         \$ 0.0         **         0.0         **         1.0<		*	_
Voluntary separation program         0.01         -           Tax impact         0.02         0.03           Reported         0.02         0.02           Enterprises         """           Reported net income per share         \$0.02         0.02           Reconciling items:         ""         ""           Other exclusions from adjusted earnings         """         """         ""           Tax impact         0.00         """         ""           Tax impact         """         """         """           Voluntary separation program         """         """         """           Tax impact         """         """         """         """           Tax impact         """ <t< td=""><td></td><td>(*)</td><td>-</td></t<>		(*)	-
Tax impact         (**)         -*           Adjusted net income per share – non-GAAP         5.04.2         3.04.2           Enterprise         **         0.02           Recording items:         **         (**)           Other exclusions from adjusted earnings         **         (**)         **           Tax impact         (**)         **         <	•		-
Enterprises         Sout 2         Sout 3           Reported net income per share         80 00 7         \$0.02           Reconciling items:         """		(*)	-
Reported net income per share         \$ 0.07         \$ 0.07           Reconciling items:         \$ (*)         \$ (*)           Tax impact         \$ (*)         * (*)           Tax reform         \$ (*)         * (*)           Voluntary separation program         \$ (*)         * (*)           Tax impact         \$ (*)         \$ (*)           Adjusted ent income per share – non-GAAP         \$ 0.05         \$ 0.05           Reconciling items:         \$ 0.05         \$ 0.04           Reconciling items:         \$ 0.05         \$ 0.04           Tax impact         \$ 0.05         \$ 0.04           Other exclusions from adjusted earnings         \$ 0.05         \$ 0.04           Tax impact         \$ 0.05         \$ 0.01           Adjusted net income per share – non-GAAP         \$ (0.09)         \$ (0.01)           Reported net loss per share – non-GAAP         \$ (0.09)         \$ (0.01)           Reported net loss per share – non-GAAP         \$ (*)         \$ (*)           Adjusted net loss per share – non-GAAP         \$ (*)         \$ (*)           Tax impact         \$ (*)         \$ (*)         \$ (*)           Tax impact         \$ (*)         \$ (*)         \$ (*)           Adjusted net income per share	•		\$ 0.43
Reported net income per share         \$ 0.07         \$ 0.07           Reconciling items:         \$ (*)         \$ (*)           Tax impact         \$ (*)         * (*)           Tax reform         \$ (*)         * (*)           Voluntary separation program         \$ (*)         * (*)           Tax impact         \$ (*)         \$ (*)           Adjusted ent income per share – non-GAAP         \$ 0.05         \$ 0.05           Reconciling items:         \$ 0.05         \$ 0.04           Reconciling items:         \$ 0.05         \$ 0.04           Tax impact         \$ 0.05         \$ 0.04           Other exclusions from adjusted earnings         \$ 0.05         \$ 0.04           Tax impact         \$ 0.05         \$ 0.01           Adjusted net income per share – non-GAAP         \$ (0.09)         \$ (0.01)           Reported net loss per share – non-GAAP         \$ (0.09)         \$ (0.01)           Reported net loss per share – non-GAAP         \$ (*)         \$ (*)           Adjusted net loss per share – non-GAAP         \$ (*)         \$ (*)           Tax impact         \$ (*)         \$ (*)         \$ (*)           Tax impact         \$ (*)         \$ (*)         \$ (*)           Adjusted net income per share			
Reconciling tiens:         *         (*)           Other exclusions from adjusted earnings         (*)         *           Tax impact         (0.01)         -           Voluntary separation program         *         -           Tax impact         (*)         -           Adjusted net income per share – non-GAAP         \$0.00         \$0.00           EereBank           Reported net income per share         \$0.00         \$0.00           Reconciling items:         -         -           Tax impact         \$0.00         \$0.00           Tax impact         \$0.00         \$0.00           Adjusted net income per share – non-GAAP         \$0.00         \$0.00           Corporate Interest and Other         \$0.00         \$0.00           Reconciling items:         \$0.00         \$0.00           Cother exclusions from adjusted earnings         \$0.00         \$0.00           Reconciling items:         \$0.00         \$0.00           Cother exclusions from adjusted earnings         \$0.00         \$0.00           Tax impact         \$0.00         \$0.00           Adjusted net loss per share – non-GAAP         \$0.00         \$0.00           Consolidate         \$0.00         \$0.00			
Other exclusions from adjusted earnings         * * * * * * * * * * * * * * * * * * *		\$ 0.07	\$ 0.02
Tax impact         (%)         *           Tax reform         (0.01)         -           Voluntary separation program         *         -           Tax impact         *         -           Adjusted net income per share – non-GAAP         *         -           EnerBank         *         0.00         *           Reported net income per share         *         0.00         *         0.00           Reconciling items:         *         -			
Tax reform         (0.01)         -           Voluntary separation program         *         -           Adjusted net income per share – non-GAAP         \$0.06         \$0.002           EnerBank           Reported net income per share         \$0.05         \$0.04           Reported net income per share         \$0.05         \$0.04           Cother exclusions from adjusted earnings         \$0.05         \$0.04           Tax impact         \$0.05         \$0.001           Adjusted net income per share – non-GAAP         \$0.009         \$0.01           Corporate Interest and Other           Reconciling items:         \$0.009         \$0.01           Other exclusions from adjusted earnings         \$0.009         \$0.01           Tax impact         \$0.009         \$0.001           Adjusted net loss per share – non-GAAP         \$0.009         \$0.001           Adjusted net loss per share – non-GAAP         \$0.001         \$0.001           Adjusted net income per share         \$0.001         \$0.001           Adjusted net income per share         \$0.001         \$0.001           Reconciling items:         \$0.001         \$0.001           Consolidated         \$0.001         \$0.001			
Voluntary separation program         *			*
Tax impact         (*)         1           Adjusted net income per share – non-GAAP         \$ 0.00         \$ 0.00           EnerBank         \$ 0.05         \$ 0.04           Reconciling items:         \$ 0.05         \$ 0.04           Other exclusions from adjusted earnings         \$ 0.05         \$ 0.04           Tax impact         \$ 0.05         \$ 0.01           Adjusted net income per share – non-GAAP         \$ 0.09         \$ 0.01           Corporate Interest and Other         \$ 0.09         \$ 0.01         \$ 0.01           Reconciling items:         \$ 0.09         \$ 0.01         \$ 0.00			-
EnerBank         so.05         s.0.05           Reported net income per share         \$ 0.05         \$ 0.04           Reconciling items:		*	-
EnerBank         South of the post		(*)	<u>-</u>
Reported net income per share         \$ 0.05         \$ 0.04           Reconciling items:	Adjusted net income per share – non-GAAP	\$ 0.06	\$ 0.02
Reported net income per share         \$ 0.05         \$ 0.04           Reconciling items:	EnerBank		
Reconciling items:         Compare the control of		\$ 0.05	\$ 0.04
Other exclusions from adjusted earnings         -		Ψ 0.03	ψ 0.04
Tax impact         -		_	_
Corporate Interest and Other         \$ 0.05         \$ 0.04           Reported net loss per share         \$ (0.09)         \$ (0.11)           Reconciling items:         \$ (0.09)         \$ (0.11)           Other exclusions from adjusted earnings         (*)         *           Tax impact         \$ (0.02)         -           Tax reform         (0.02)         -           Adjusted net loss per share – non-GAAP         \$ 0.11)         \$ (0.11)           Consolidated         \$ 0.85         \$ 0.75           Reconciling items:         \$ 0.85         \$ 0.75           Cher exclusions from adjusted earnings         0.01         (*)           Tax impact         (0.03)         -           Tax reform         (0.03)         -           Voluntary separation program         0.04         -           Tax impact         (0.03)         -           Tax impact         (0.03)         -           Voluntary separation program         0.04         -           Voluntary separation program         0.04         -           Adjusted net income per share – non-GAAP         \$ 0.86         \$ 0.75		_	_
Corporate Interest and Other           Reported net loss per share         \$ (0.09)         \$ (0.11)           Reconciling items:         \$ (*)         *           Other exclusions from adjusted earnings         (*)         *           Tax impact         * (0.02)         -           Tax reform         (0.02)         -           Adjusted net loss per share – non-GAAP         \$ (0.11)         \$ (0.11)           Consolidated           Reported net income per share         \$ 0.85         \$ 0.75           Reconciling items:         \$ 0.01         (*)           Other exclusions from adjusted earnings         0.01         (*)           Tax impact         (0.03)         -           Voluntary separation program         0.04         -           Voluntary separation program         0.04         -           Tax impact         (0.01)         -           Adjusted net income per share – non-GAAP         \$ 0.86         \$ 0.75	•	\$ 0.05	\$ 0.04
Reported net loss per share       \$ (0.09)       \$ (0.11)         Reconciling items:       **       **         Other exclusions from adjusted earnings       (*)       *         Tax impact       (0.02)       -         Adjusted net loss per share – non-GAAP       \$ (0.11)       \$ (0.11)         Consolidated       **       **         Reported net income per share       \$ 0.85       \$ 0.75         Reconciling items:       **       **         Other exclusions from adjusted earnings       0.01       (*)         Tax impact       (0.03)       -         Tax impact       0.04       -         Voluntary separation program       0.04       -         Tax impact       0.01       *         Adjusted net income per share – non-GAAP       \$ 0.86       \$ 0.75		<del></del>	
Reconciling items:         Other exclusions from adjusted earnings       (*)       *         Tax impact       (0.02)       -         Adjusted net loss per share – non-GAAP       \$ (0.11)       \$ (0.11)         Consolidated         Reported net income per share         Reconciling items:         Other exclusions from adjusted earnings       0.01       (*)         Tax impact       (0.03)       -         Tax reform       (0.03)       -         Voluntary separation program       0.04       -         Tax impact       (0.01)       -         Adjusted net income per share – non-GAAP       \$ 0.86       \$ 0.75	Corporate Interest and Other		
Other exclusions from adjusted earnings       (*)       *         Tax impact       (*)       *         Tax reform       (0.02)       -         Adjusted net loss per share – non-GAAP       \$ (0.11)       \$ (0.11)         Consolidated         Reported net income per share       \$ 0.85       \$ 0.75         Reconciling items:       0.01       (*)         Other exclusions from adjusted earnings       0.01       (*)         Tax impact       (0.03)       -         Voluntary separation program       0.04       -         Tax impact       0.01       -         Adjusted net income per share – non-GAAP       \$ 0.86       \$ 0.75	Reported net loss per share	\$ (0.09)	\$ (0.11)
Tax impact       * (*)         Tax reform       (0.02)       -         Adjusted net loss per share – non-GAAP       \$ (0.11)       \$ (0.11)         Consolidated         Reported net income per share       \$ 0.85       \$ 0.75         Reconciling items:       Seconciling i			
Tax reform       (0.02)       -         Adjusted net loss per share – non-GAAP       \$ (0.11)       \$ (0.11)         Consolidated         Reported net income per share       \$ 0.85       \$ 0.75         Reconciling items:       \$ 0.01       (*)         Other exclusions from adjusted earnings       0.01       (*)         Tax impact       (0.03)       -         Voluntary separation program       0.04       -         Tax impact       0.01       -         Adjusted net income per share – non-GAAP       \$ 0.86       \$ 0.75		(*)	*
Consolidated         \$ (0.11)         \$ (0.11)           Reported net income per share         \$ 0.85         \$ 0.75           Reconciling items:         0.01         (*)           Other exclusions from adjusted earnings         0.01         (*)           Tax impact         (0.03)         -           Voluntary separation program         0.04         -           Tax impact         (0.01)         -           Adjusted net income per share – non-GAAP         \$ 0.86         \$ 0.75		*	(*)
Consolidated         Reported net income per share       \$ 0.85       \$ 0.75         Reconciling items:       0.01       (*)         Other exclusions from adjusted earnings       0.01       (*)         Tax impact       (*)       *         Tax reform       (0.03)       -         Voluntary separation program       0.04       -         Tax impact       (0.01)       -         Adjusted net income per share – non-GAAP       \$ 0.86       \$ 0.75			
Reported net income per share       \$ 0.85       \$ 0.75         Reconciling items:       0.01       (*)         Other exclusions from adjusted earnings       0.01       (*)         Tax impact       (0.03)       -         Voluntary separation program       0.04       -         Tax impact       (0.01)       -         Adjusted net income per share – non-GAAP       \$ 0.86       \$ 0.75	Adjusted net loss per share – non-GAAP	\$ (0.11)	\$ (0.11)
Reported net income per share       \$ 0.85       \$ 0.75         Reconciling items:       0.01       (*)         Other exclusions from adjusted earnings       0.01       (*)         Tax impact       (0.03)       -         Voluntary separation program       0.04       -         Tax impact       (0.01)       -         Adjusted net income per share – non-GAAP       \$ 0.86       \$ 0.75	Consolidated		
Reconciling items:         Other exclusions from adjusted earnings       0.01       (*)         Tax impact       (*)       *         Tax reform       (0.03)       -         Voluntary separation program       0.04       -         Tax impact       (0.01)       -         Adjusted net income per share – non-GAAP       \$ 0.86       \$ 0.75		\$ 0.95	¢ 0.75
Other exclusions from adjusted earnings       0.01       (*)         Tax impact       (*)       *         Tax reform       (0.03)       -         Voluntary separation program       0.04       -         Tax impact       (0.01)       -         Adjusted net income per share – non-GAAP       \$ 0.86       \$ 0.75		\$ 0.85	φ 0.75
Tax impact       (*)       *         Tax reform       (0.03)       -         Voluntary separation program       0.04       -         Tax impact       (0.01)       -         Adjusted net income per share – non-GAAP       \$ 0.86       \$ 0.75	· ·	0.01	(*)
Tax reform       (0.03)       -         Voluntary separation program       0.04       -         Tax impact       (0.01)       -         Adjusted net income per share – non-GAAP       \$ 0.86       \$ 0.75			
Voluntary separation program $0.04$ -Tax impact $(0.01)$ -Adjusted net income per share – non-GAAP\$ 0.86\$ 0.75			**
Tax impact Adjusted net income per share – non-GAAP  (0.01) -  \$ 0.86 \$ 0.75			-
Adjusted net income per share – non-GAAP \$ 0.86 \$ 0.75			-
			\$ 0.75
Average Common Shares Outstanding – Diluted 285.2 283.6	Adjusted net income per snate non-ozza	φ 0.80	ψ 0.73
	Average Common Shares Outstanding – Diluted	285.2	283.6

 $<sup>\</sup>ast$  Less than \$0.01 per share.

## **Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income** (Unaudited)

In Millions, Except Per Share Amounts **Three Months Ended** 3/31/20 3/31/19 **Net Income Available to Common Stockholders** \$ 243 \$ 213 Reconciling items: Other exclusions from adjusted earnings 3 (\*) Tax impact (\*) (9) Tax reform Voluntary separation program 11 Tax impact (3) Adjusted net income - non-GAAP 245 213 **Average Common Shares Outstanding** 283.3 282.8 Basic Diluted 285.2 283.6 **Basic Earnings Per Average Common Share** \$ 0.75 Reported net income per share 0.86 \$ Reconciling items: Other exclusions from adjusted earnings 0.01 (\*) Tax impact (\*) Tax reform (0.03)0.04 Voluntary separation program (0.01)Tax impact 0.87 0.75 Adjusted net income per share – non-GAAP **Diluted Earnings Per Average Common Share** 0.75 0.85 Reported net income per share Reconciling items: Other exclusions from adjusted earnings 0.01 Tax impact (\*) (0.03)Tax reform Voluntary separation program 0.04 (0.01)Tax impact 0.75 Adjusted net income per share - non-GAAP 0.86

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, regulatory items from prior years, or other items detailed in these summary financial statements. Adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for reported earnings.

<sup>\*</sup> Less than \$0.5 million or \$0.01 per share.

# Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income by Quarter (Unaudited)

	In Millions, Except Per Share Amounts
	2020
	1Q
Net Income Available to Common Stockholders	\$ 243
Reconciling items:	
Electric utility and gas utility	15
Tax impact	(4)
Enterprises	1
Tax impact	(4)
EnerBank	-
Tax impact	-
Corporate interest and other	(2)
Tax impact	(4)_
Adjusted Net Income – Non-GAAP	\$ 245
Average Common Shares Outstanding – Diluted	285.2
Diluted Earnings Per Average Common Share	\$ 0.85
Reconciling items:	
Electric utility and gas utility	0.05
Tax impact	(0.01)
Enterprises	*
Tax impact	(0.01)
EnerBank	<del>-</del>
Tax impact	-
Corporate interest and other	(*)
Tax impact	(0.02)
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	\$ 0.86

				In Millio	ns, Ex	cept Per Si	hare A	Amounts
	2019							
		1Q		2Q		3Q		4Q
Net Income Available to Common Stockholders	\$	213	\$	93	\$	207	\$	167
Reconciling items:								
Electric utility and gas utility		-		-		-		6
Tax impact		-		-		-		(1)
Enterprises		(*)		*		1		(1)
Tax impact		*		(*)		(*)		*
EnerBank		-		-		-		-
Tax impact		-		-		-		-
Corporate interest and other		*		*		*		31
Tax impact		(*)		(*)		(*)		(8)
Adjusted Net Income – Non-GAAP	\$	213	\$	93	\$	208	\$	194
Average Common Shares Outstanding – Diluted		283.6		284.0		284.6		284.8
Diluted Earnings Per Average Common Share	\$	0.75	\$	0.33	\$	0.73	\$	0.58
Reconciling items:								
Electric utility and gas utility		-		-		-		0.02
Tax impact		-		-		-		(*)
Enterprises		(*)		*		*		(*)
Tax impact		*		(*)		(*)		*
EnerBank		-		-		-		-
Tax impact		-		-		-		-
Corporate interest and other		*		*		*		0.11
Tax impact		(*)		(*)		(*)		(0.03)
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	\$	0.75	\$	0.33	\$	0.73	\$	0.68

<sup>\*</sup> Less than 0.5 million or 0.01 per share.

### **CONSUMERS ENERGY COMPANY**

### **Consolidated Statements of Income**

	,	In M	lillions
	T	hree Months Ended	unons
	3/31/20		hange
Operating Revenue			
Electric utility	\$ 1,028	\$ 1,103 \$	(75)
Gas utility	716	840	(124)
Total operating revenue	1,744	1,943	(199)
Operating Expenses			
Fuel for electric generation	79	106	(27)
Purchased and interchange power	347	374	(27)
Purchased power – related parties	18	18	-
Cost of gas sold	270	401	(131)
Maintenance and other operating expenses	278	319	(41)
Depreciation and amortization	312	294	18
General taxes	111_	103	8
Total operating expenses	1,415	1,615	(200)
Operating Income			
Electric utility	174	169	5
Gas utility	155	159	(4)
Total operating income	329	328	1
Other Income (Expense)			
Interest income	1	1	-
Interest and dividend income – related parties	1	1	-
Allowance for equity funds used during construction	1	2	(1)
Nonoperating retirement benefits, net	29	21	8
Other income	-	1	(1)
Other expense	(3)	(3)	
Total other income	29	23	6
Interest Charges			_
Interest on long-term debt	74	69	5
Interest expense - related parties	3	-	3
Other interest expense	3	3	-
Allowance for borrowed funds used during construction	(1)	(1)	
Total interest charges	79	71	8
Income Before Income Taxes	279	280	(1)
Income Tax Expense	44_	54	(10)
Net Income Available to Common Stockholder		40-	
Electric utility	118	105	13
Gas utility	117	121	(4)
Total net income available to common stockholder	\$ 235	\$ 226 \$	9

### **CONSUMERS ENERGY COMPANY**

### **Electric Utility Statistics**

(Unaudited)

	In Mi	llions of kWh, E.	xcept as Noted			
	Th	<b>Three Months Ended</b>				
	3/31/20	3/31/19	% Change			
Electric Deliveries						
Residential	3,107	3,325	(6.6)			
Commercial	2,779	2,826	(1.7)			
Industrial	1,865	2,071	(9.9)			
Other	44	47	(6.4)			
Wholesale	74	78	(5.1)			
Retail open access	917	883	3.9			
Total customer deliveries	8,786	9,230	(4.8)			
Intersystem	1,681	914	83.9			
Total electric deliveries	10,467	10,144	3.2			
Weather-Normalized Electric Deliveries (1) (2)						
Residential	3,260	3,272	(0.4)			
Commercial	2,807	2,821	(0.5)			
Industrial	1,866	2,072	(9.9)			
Other	44	47	(6.4)			
Wholesale	74	78	(5.1)			
Retail open access	920	882	4.3			
Total weather-normalized electric deliveries	8,971	9,172	(2.2)			
Weather-Normalized Electric Deliveries (1) (2)						
(By Class, Including Retail Open Access)						
Residential	3,260	3,272	(0.4)			
Commercial	3,044	3,058	(0.5)			
Industrial	2,549	2,717	(6.2)			
Other	44	47	(6.4)			
Wholesale	74	78	(5.1)			
Total weather-normalized electric deliveries	8,971	9,172	(2.2)			

<sup>(1)</sup> Excludes intersystem deliveries.

In Millions, Except as Noted **Three Months Ended** 3/31/20 3/31/19 % Change **Electric Utility Revenue** Residential \$ 481 523 (8.0)339 351 Commercial (3.4)140 Industrial 162 (13.6)Other 8 9 (11.1)Total sales revenue 968 1,045 (7.4)Wholesale 5 5 8 7 14.3 Retail open access 33 30 10.0 Intersystem Miscellaneous 14 16 (12.5)1,028 1,103 Total electric utility revenue (6.8)

 $<sup>\,^{(2)}</sup>$  Certain classes include the reduction for Energy Efficiency in the range of 1.0% to 1.5%.

### CONSUMERS ENERGY COMPANY

### Gas Utility Statistics

	In Tho	In Thousands of mcf, Except as Noted			
	Th	Three Months Ended			
	3/31/20	3/31/19	% Change		
Gas Deliveries	· · · · · · · · · · · · · · · · · · ·				
Residential	67,339	80,963	(16.8)		
Commercial	24,542	29,093	(15.6)		
Industrial	3,605	4,474	(19.4)		
Other	76	63	20.6		
Transportation	23,957	27,299	(12.2)		
Total customer deliveries	119,519	141,892	(15.8)		
Off-system transportation					
MCV	19,291	15,331	25.8		
Other	3,503	3,702	(5.4)		
Total gas deliveries	142,313	160,925	(11.6)		
Weather-Normalized Gas Deliveries (1)(2)					
Residential	77,477	77,033	0.6		
Commercial	27,322	27,651	(1.2)		
Industrial	4,164	4,258	(2.2)		
Other	90	58	55.2		
Transportation	26,424	27,359	(3.4)		
Total weather-normalized gas deliveries	135,477	136,359	(0.6)		
Weather-Normalized Gas Deliveries (1) (2)					
(By Class, Including Transportation)					
Residential	77,998	77,597	0.5		
Commercial	37,272	37,878	(1.6)		
Industrial	20,117	20,826	(3.4)		
Other	90	58	55.2		
Total weather-normalized gas deliveries	135,477	136,359	(0.6)		
(I) Evaluates off avatam transportation deliveries					

<sup>(1)</sup> Excludes off-system transportation deliveries.

 $<sup>^{(2)}\,</sup>$  Includes the reduction for Energy Efficiency in the range of 0.75% to 1.0%.

		In Millions, Except as Noted				
		Three Months Ended				
	3/31/20		3/31/19		% Change	
Gas Utility Revenue						
Residential	\$	493	\$	589	(16.3)	
Commercial		149		174	(14.4)	
Industrial		20		25	(20.0)	
Total sales revenue		662		788	(16.0)	
Transportation		26		26	-	
Miscellaneous		28		26	7.7	
Total gas utility revenue	\$	716	\$	840	(14.8)	