



# Investor Meetings

August 2020



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](http://www.cmsenergy.com).

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, regulatory items from prior years, 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. References to earnings guidance refer to such guidance as provided by the company on August 3, 2020.

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](http://www.cmsenergy.com/investor-relations), a channel of distribution.

# Investment Thesis

# Investment Thesis . . .



## Investment Thesis



## Takeaways

- ✓ **Prudent Liquidity Management**
  - 2020 financings largely completed
  - No pension contributions required in 2020
- ✓ **Operational Excellence and Track Record**
  - Increased productivity driven by the CE Way
  - Sustainable savings and agile mindset
- ✓ **Top-Tier Regulatory Construct**
  - Forward-looking test years
  - 10-month rate cases
- ✓ **Visible and Executable 10-yr Capital Plan (\$25 Bn)**
  - ~85% of projects are less than \$200 MM
  - Renewable projects on track
- ✓ **Strong ESG Leadership**
  - Robust DE&I strategy with diverse Board and leadership team
  - Net zero carbon (2040) and net zero methane (2030)<sup>a</sup>

<sup>a</sup>Methane emissions from our natural gas delivery system and carbon emissions company-wide

. . . remains strong.



# Large and Aging System . . .

Electric distribution system is **older** than peers



**25 years of main replacement** through our Enhanced Infrastructure Replacement Program



Age of coal fleet is more than **50 years**



**>2,400 miles** of gas transmission pipeline; most built in the WWII era

. . . requires significant customer investment.

# Utility Customer Investment Plan . . .

## Investment Plan

### Capital Investment (Bn):

Renewables

2020  
Plan  
\$0.4

'20-'24  
Plan  
\$ 1<sup>3</sup>/<sub>4</sub>

Electric Utility

0.9

5<sup>1</sup>/<sub>2</sub>

Gas Utility

0.9

5

Total

\$2.2

On Track

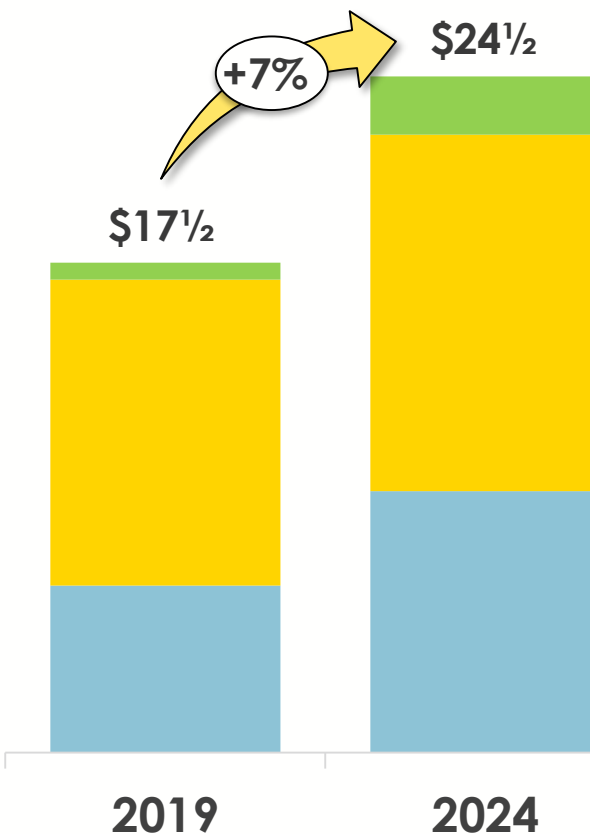
\$12<sup>1</sup>/<sub>4</sub>

**\$25 Bn 10-Yr Plan<sup>a</sup> with \$3 - \$4 Bn of Opportunities**

<sup>a</sup>10-yr plan includes years 2019 through 2028

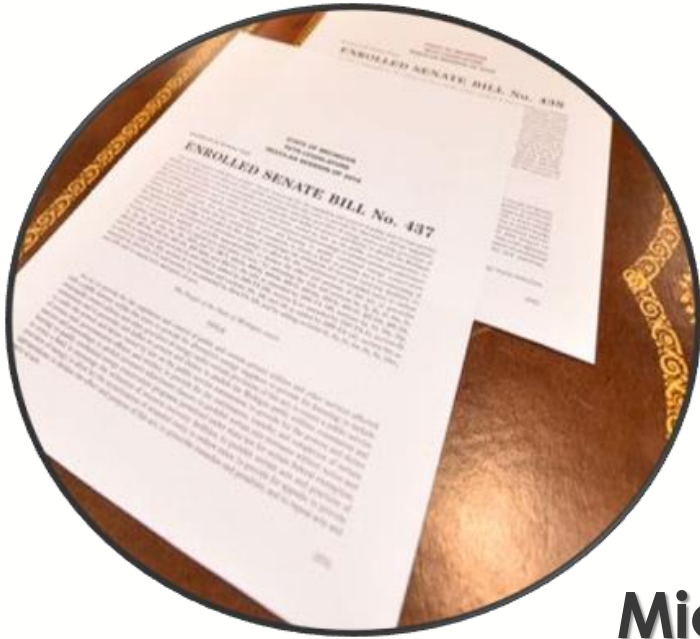
## Rate Base Growth

■ Gas ■ Electric ■ Renewables



. . . focused on safety, reliability, affordability & decarbonization.

# Michigan Regulatory Environment . . .



- Bipartisan Energy Law (2016 enhanced 2008 law)
- Forward-looking test year (10-month rate case)
- Energy efficiency incentive (20% of spend)
- Renewable Portfolio Standard (RPS)
- Constructive ROEs
- Appointed Commissioners with staggered terms

## Michigan Public Service Commission



Chair effective  
July 27, 2020

**Dan Scripps (D)**

Term Ends: July 2, 2023



**Tremaine Phillips (D)**

Term Ends: July 2, 2025



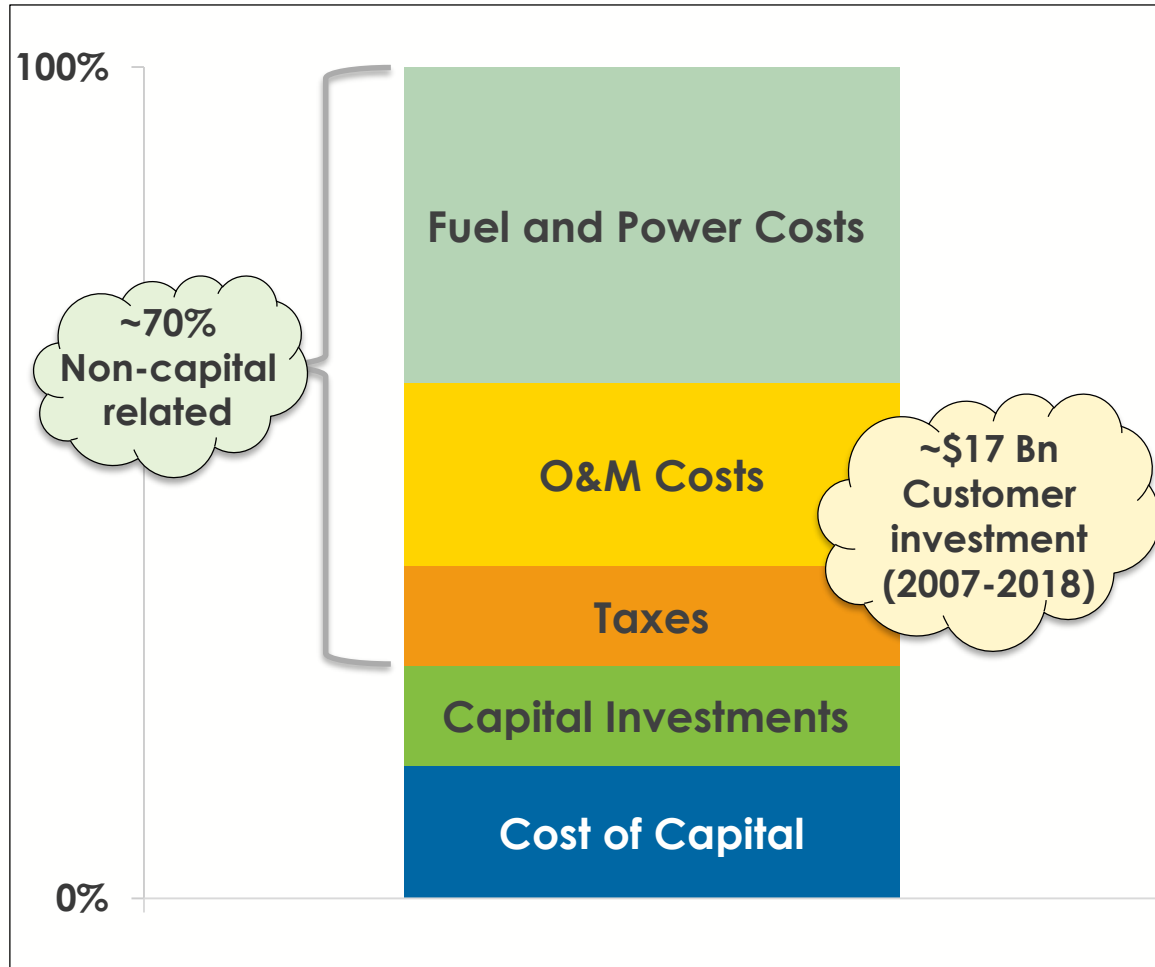
**Sally Talberg (I)**

Term Ends: July 2, 2021

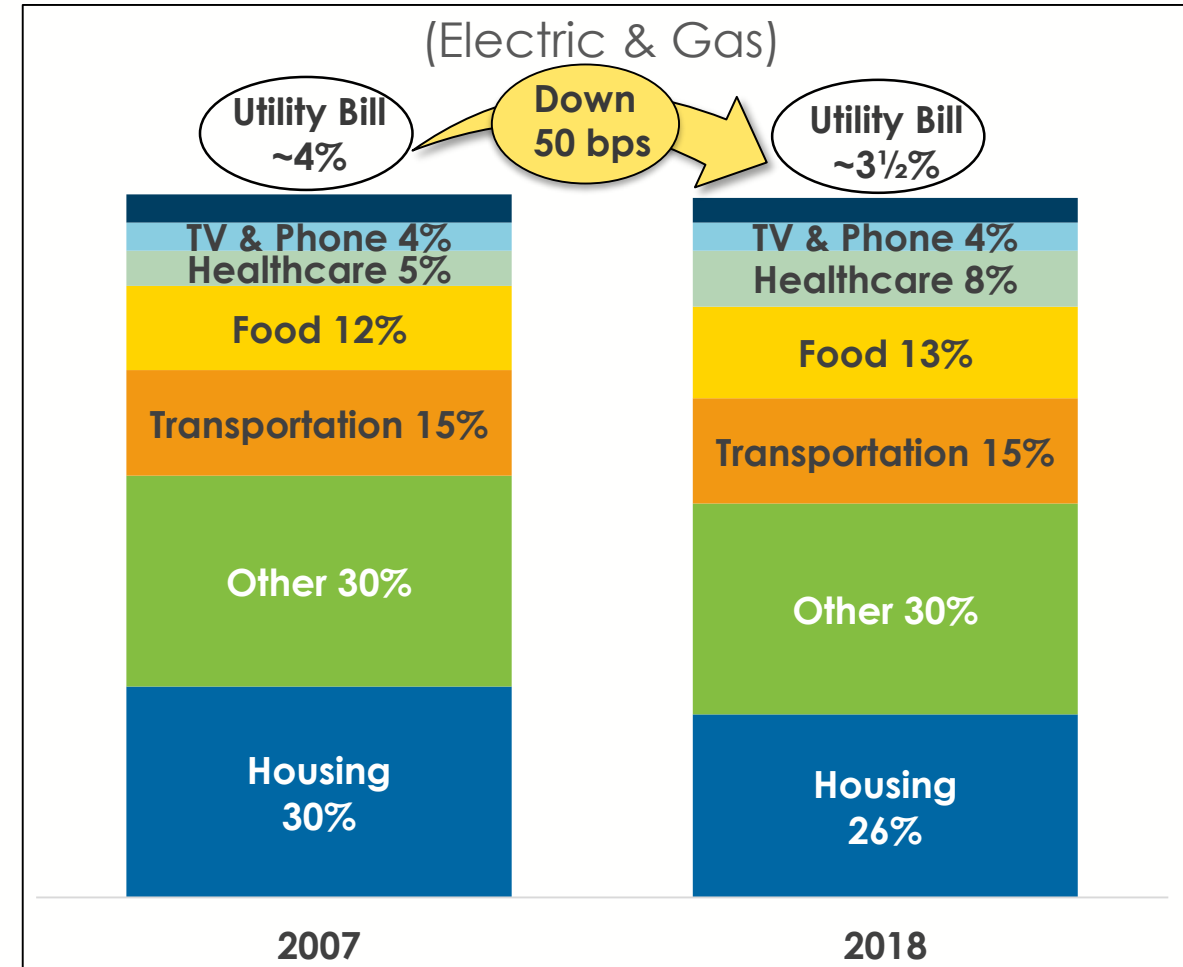
. . . supported by constructive legislation and steady leadership.

# Our Entire Cost Structure . . .

## Cost Components



## Residential Bills as % of Wallet<sup>a</sup>



<sup>a</sup>Consumers Energy bill as % of Michigan household income, in current dollars. Source: Fred.stlouisfed.org, Bls.gov, Consumers internal bills; Percentages may not total 100% due to rounding.

. . . offers cost reduction opportunities to maintain customer affordability.

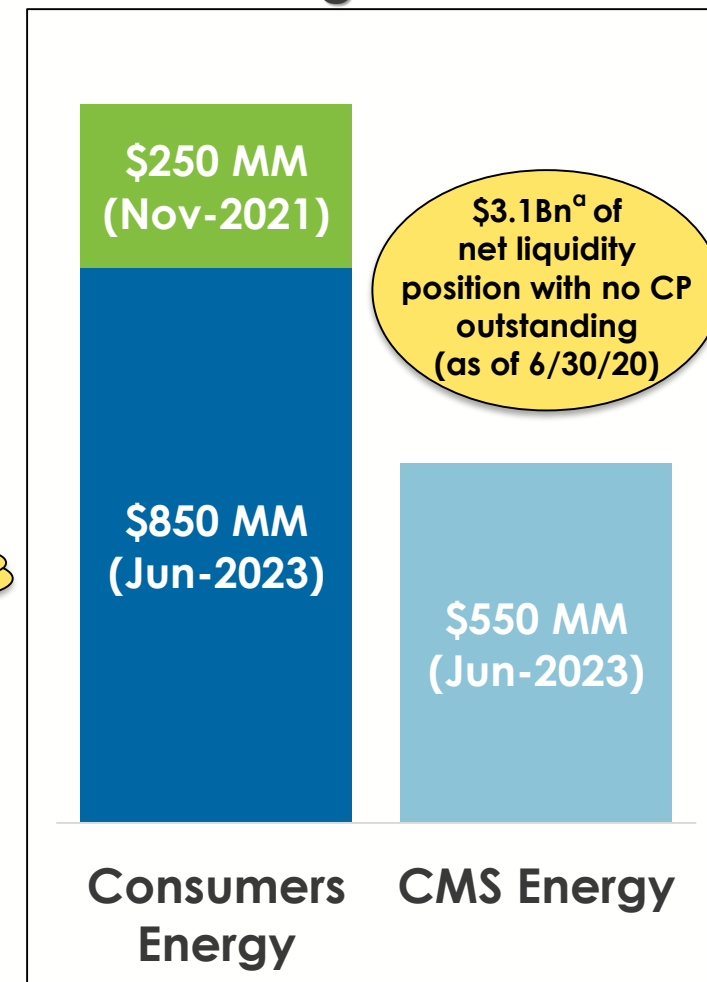


# Financing Plan Largely Completed . . .

## Planned 2020 Financing

	<u>Plan</u> (MM)	<u>YTD</u> (MM)	
<b>Consumers Energy:</b>			
First Mortgage Bonds	\$650	\$1,234	\$525 MM "lowest ever" 40-yr at 2.50%
Term Loan	\$300	\$300	
<b>CMS Parent:</b>			
Hybrid	\$325	\$500	\$150 MM priced
Term Loan	--	\$300	
Planned Equity	Up to \$250	\$100	
<b>Retirements:</b>			
Consumers Energy	\$100	\$350	Called \$250 MM FMBs 5.30% due 2022
<b>Other:</b>			
Pension Contribution	\$531	\$531	

## Existing Facilities



<sup>a</sup>\$1,637 MM in available revolvers + \$1,587 MM of unrestricted cash - \$124 MM of cash at EnerBank and other

. . . with a focus on liquidity management and cost reductions.

# Credit Metrics Maintained . . .

Consumers Energy	S&P	Moody's	Fitch
Senior Secured	A	Aa3	A+
Commercial Paper	A-2	P-1	F-2
Outlook	Stable	Negative	Stable
<b>CMS Energy</b>			
Senior Unsecured	BBB	Baa1	BBB
Junior Subordinated	BBB-	Baa2	BB+
Outlook	Stable	Negative	Stable
Last Review	Jan. 2020	Jul. 2020	Oct. 2019

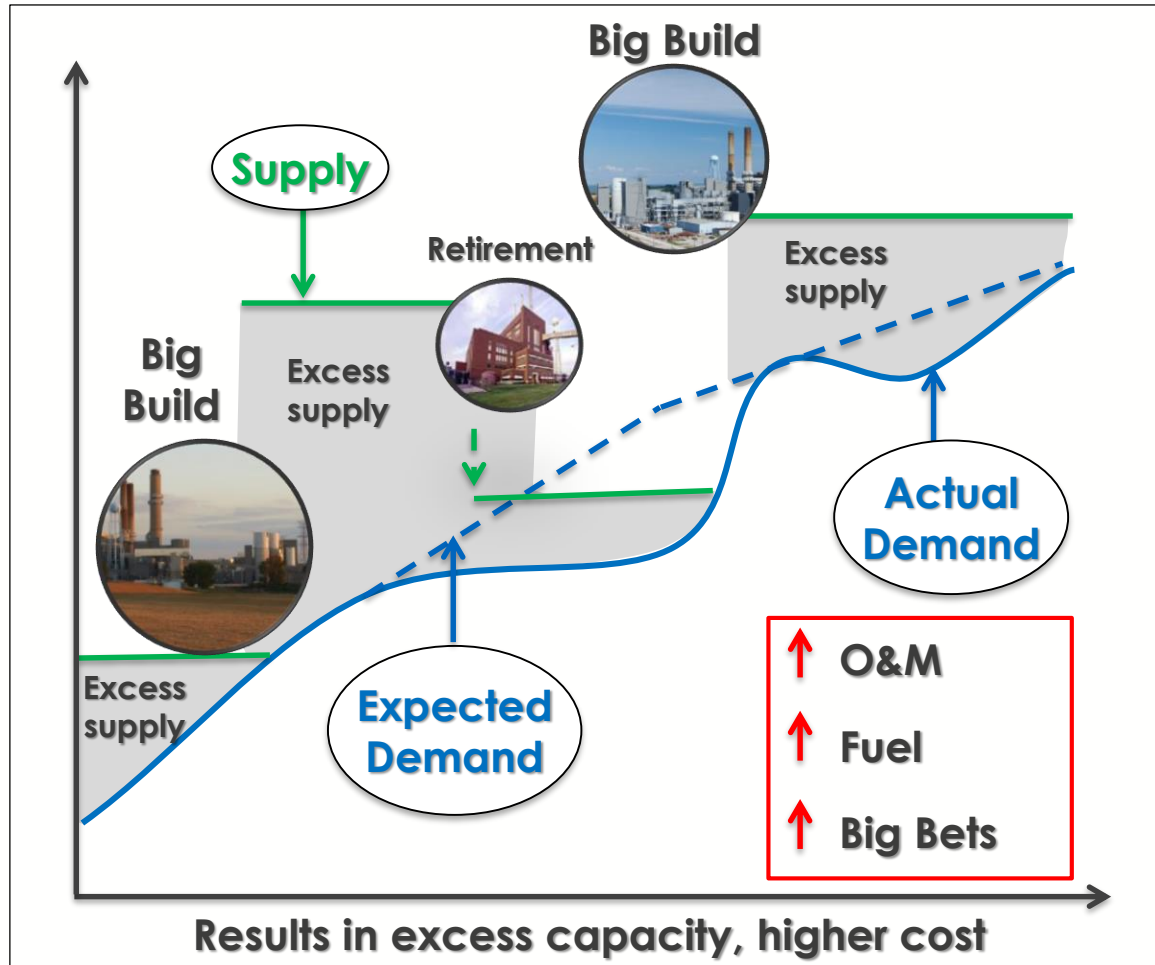
## Ratings Drivers

- Strong financial position
- Growing operating cash flow
- Return on regulated investment
- Supportive regulatory environment

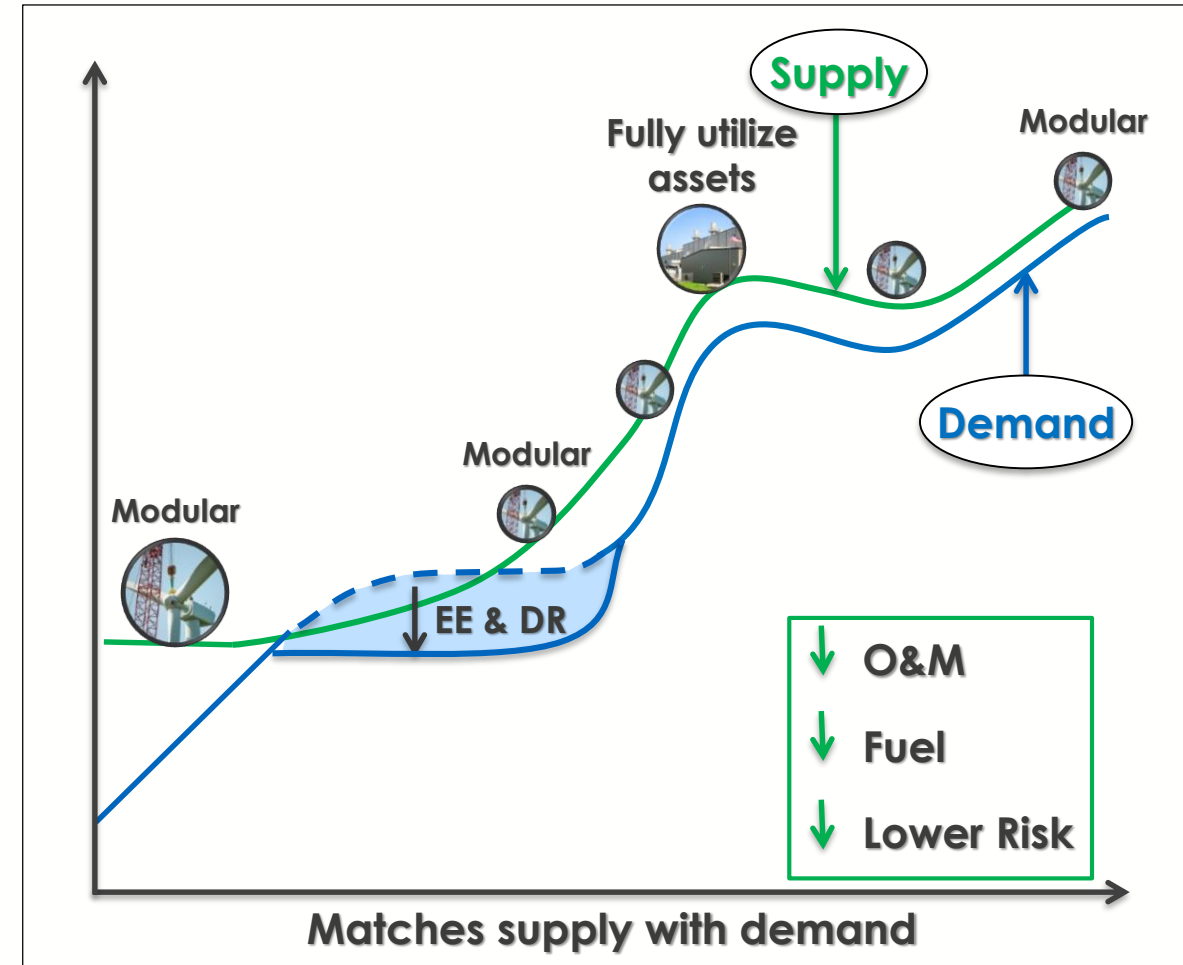
. . . at solid investment-grade levels.

# Clean and Lean . . .

## Old Utility Model



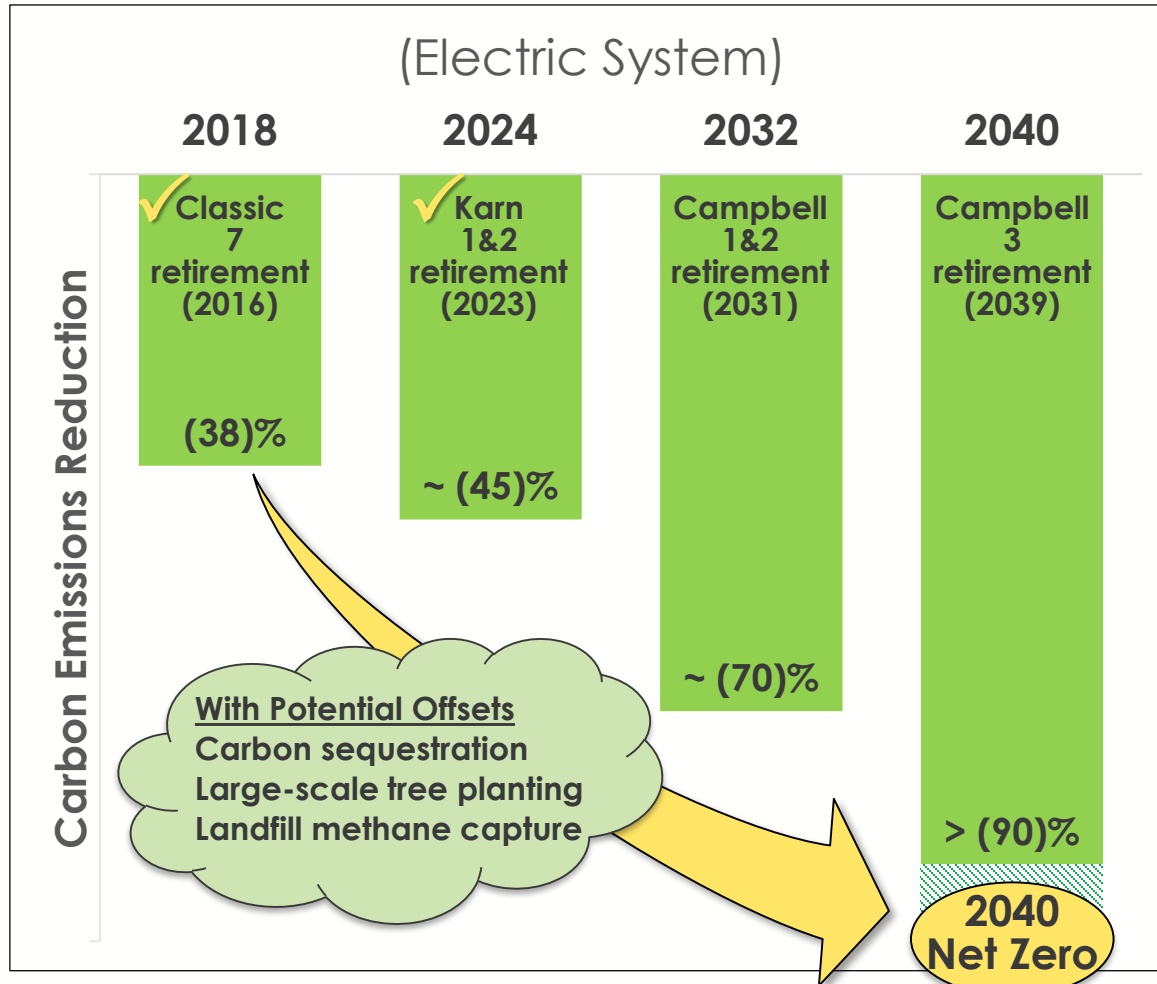
## Clean and Lean



. . . matches supply with demand in a modular way.

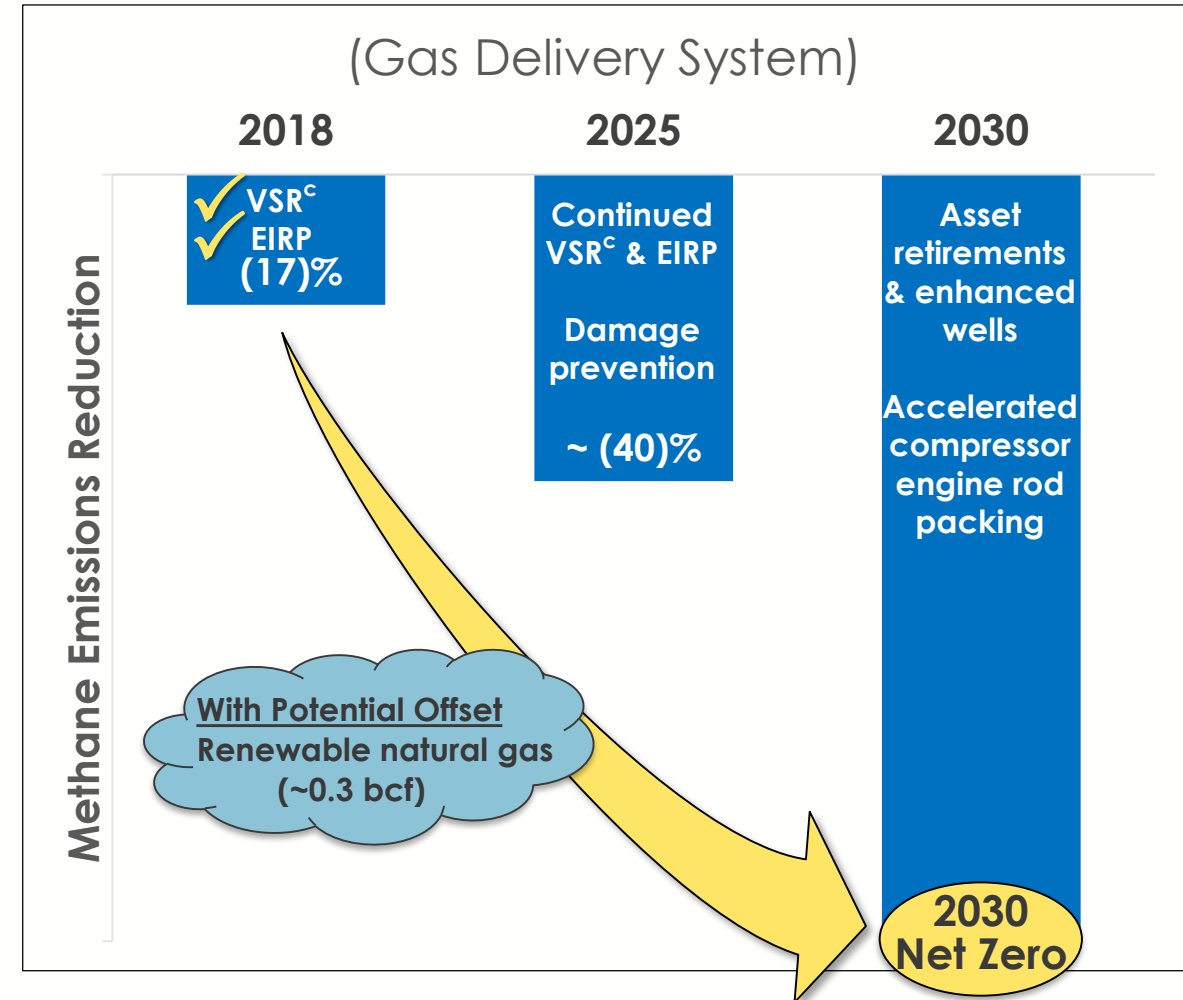
# Net Zero Plans . . .

## Carbon Emissions<sup>a</sup>



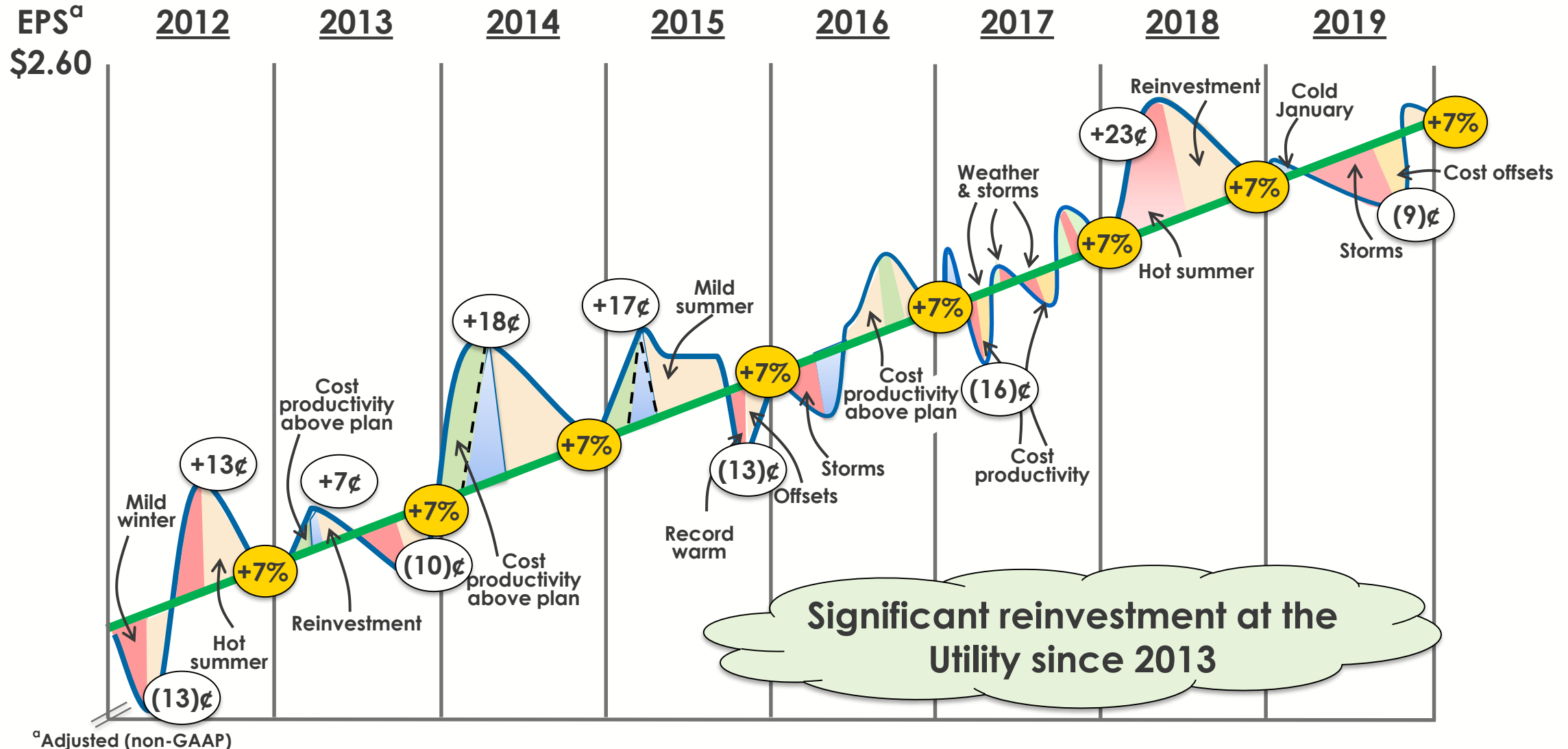
<sup>a</sup>Since 2005; company wide <sup>b</sup>Since 2012 <sup>c</sup>Vintage service replacement

## Methane Emissions<sup>b</sup>



. . . supported by our Clean Energy Plan.

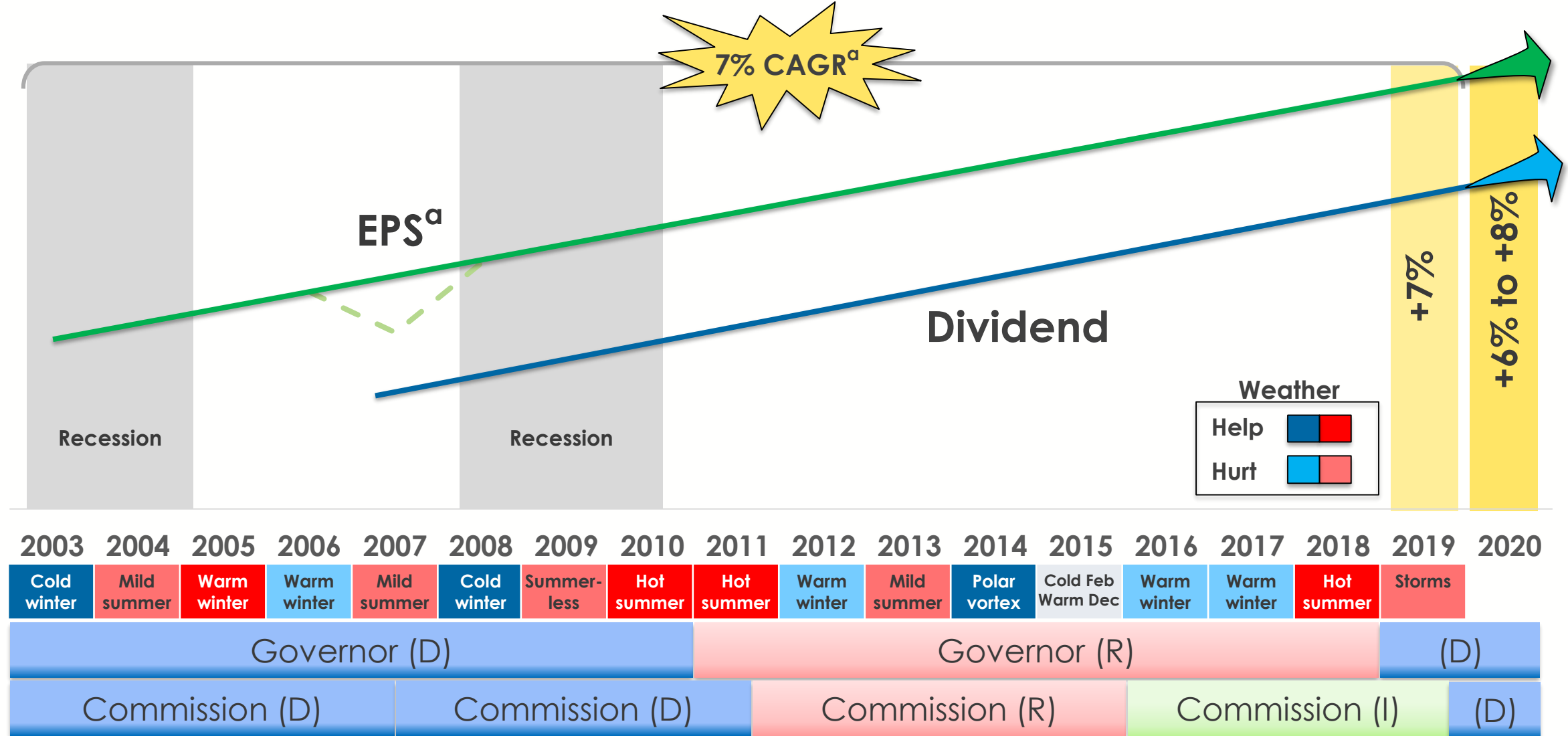
# Managing Work Every Year . . .



. . . maximizes benefits for customers and investors year-in and year-out.



# Consistent Growth Through . . .



<sup>a</sup>Adjusted (non-GAAP)

. . . changing circumstances.

# Top of Mind

- **Second Quarter Results and Outlook**
- **Regulatory Matters**
- **ESG Focus and Enterprises**

# First Half . . .

## Results

- First half 2020 EPS<sup>a</sup>

## Amount

\$1.35

## Commentary

*Leveraging best-in-class cost management*

## Guidance Reaffirmed

- Full-year EPS<sup>a</sup>

\$2.64 - \$2.68

*Expect to fully offset Q1 weather and COVID-19 impacts to achieve guidance*

## Long-Term Outlook

- EPS<sup>a</sup> and DPS growth

6% to 8%

*Long-term investment thesis remains strong*

<sup>a</sup>Adjusted (non-GAAP)

. . . results reaffirmed 6% to 8% EPS<sup>a</sup> growth.

# First Half 2020 EPS . . .

## Year to Date Results

	<u>2019</u>	<u>2020</u>
EPS - (GAAP)	\$1.08	\$1.33
Adjustments <sup>b</sup>	--	<u>0.02</u>
Adjusted (non-GAAP)	<u>\$1.08</u>	<u>\$1.35</u>

## Second Quarter

	<u>2019</u>	<u>2020</u>
EPS - (GAAP)	33¢	48¢
Adjustments <sup>b</sup>	--	<u>1</u>
Adjusted (non-GAAP)	<u>33¢</u>	<u>49¢</u>

## By Business Segment

	<u>YTD EPS<sup>a</sup></u>
Utility	\$1.43
Enterprises	0.06
EnerBank	0.08
Parent & other	<u>(0.22)</u>
 CMS Energy	 <u>\$1.35</u>

<sup>a</sup>Adjusted (non-GAAP) <sup>b</sup>See appendix

. . . tracking as planned.

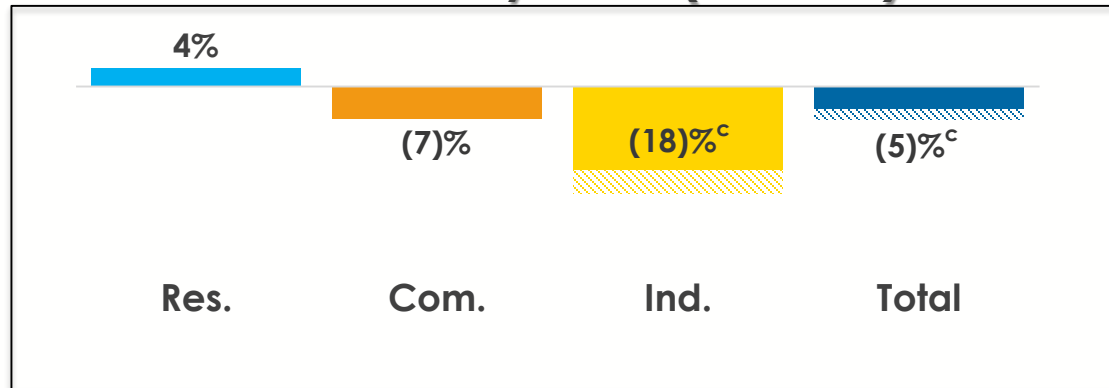


# Utility Sales Are Recovering . . .

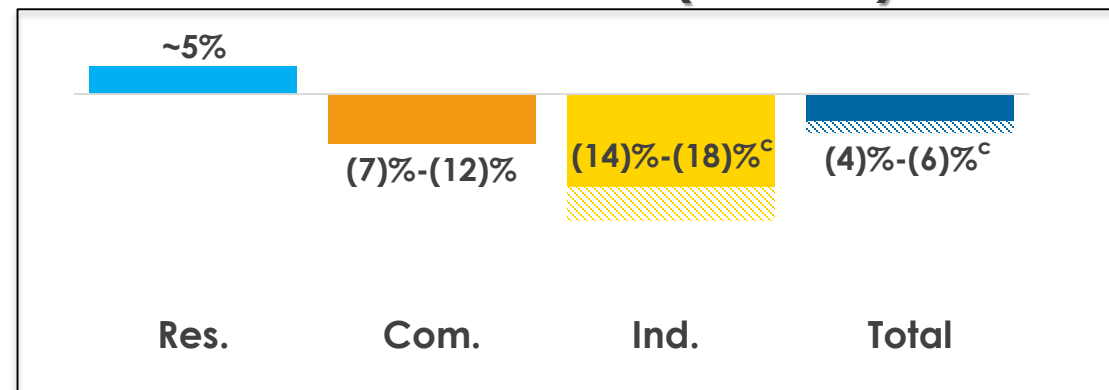


## Weather-Normalized Electric Deliveries<sup>a</sup>

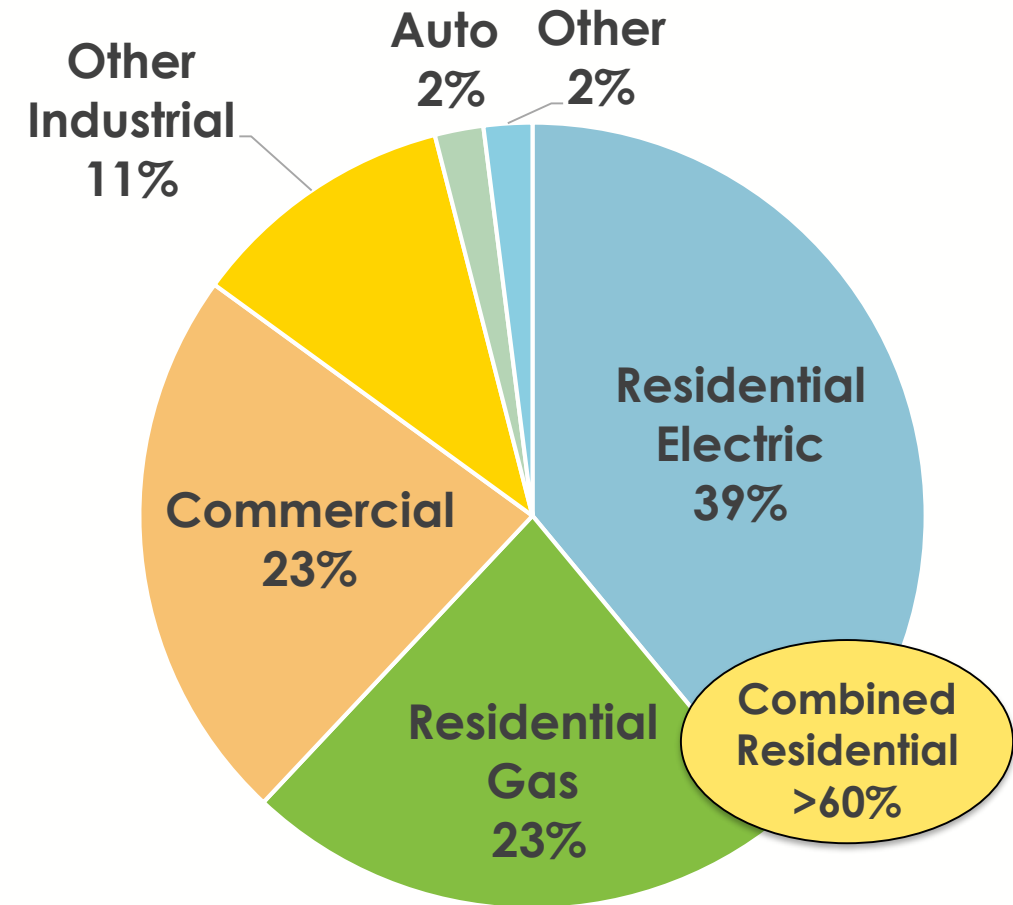
### YTD Sales by Class (vs. 2019)



### Full Year Forecast (vs. 2019)



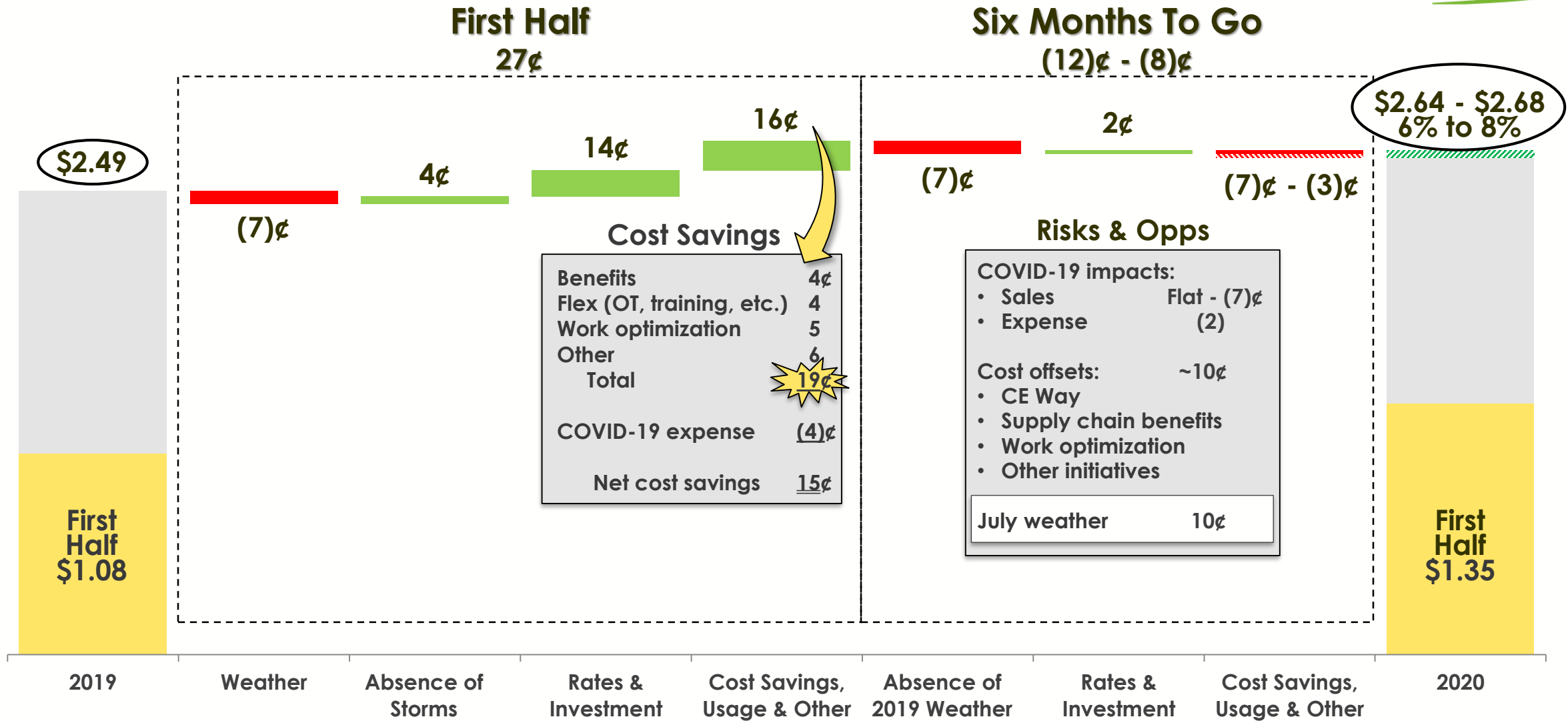
## 2019 Electric & Gas Rate Mix<sup>b</sup>



<sup>a</sup>2020 year over year change in GWh, excludes ROA and other <sup>b</sup>Tariff net of PSQR and GCR <sup>c</sup>Excludes one large, low margin industrial customer

. . . and are supported by favorable mix.

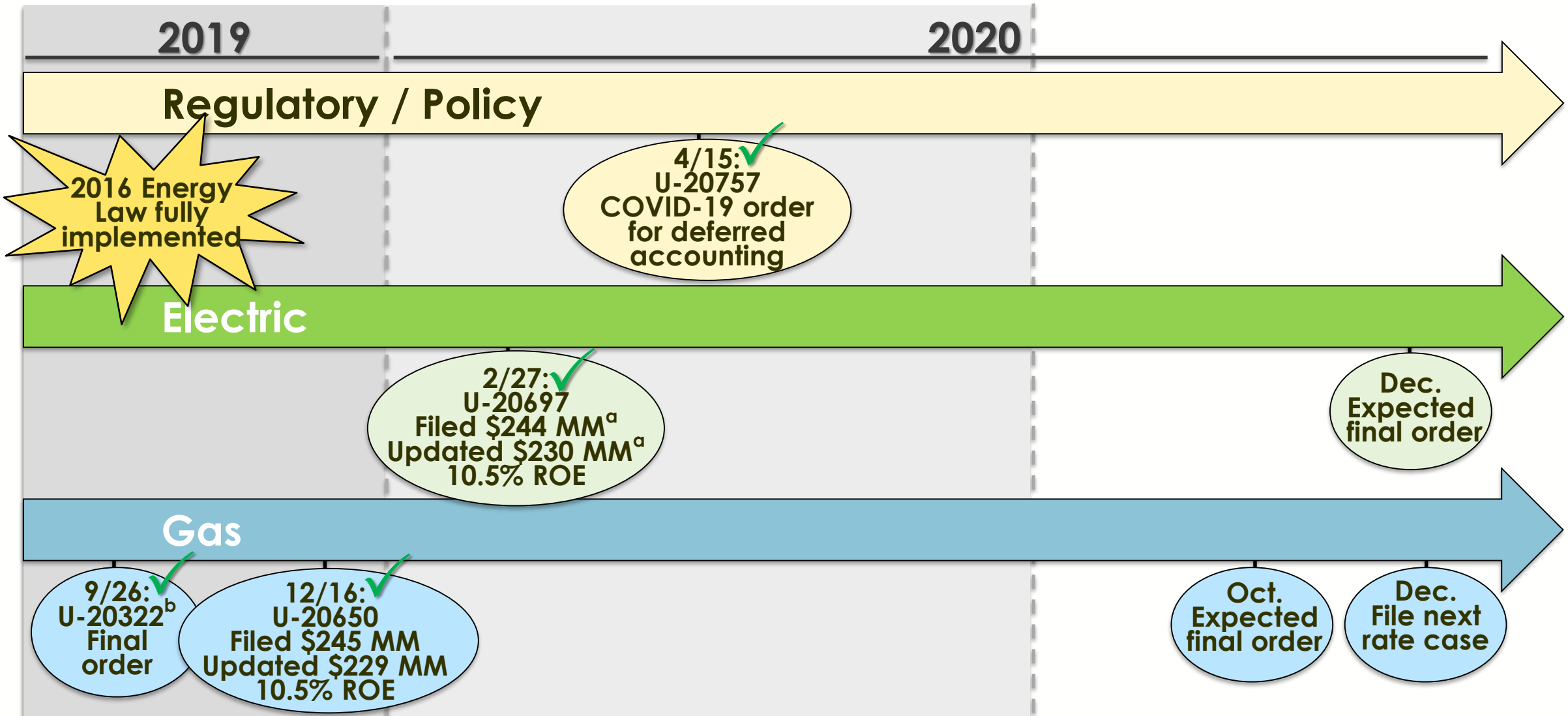
# 2020 EPS<sup>a</sup> . . .



<sup>a</sup>Adjusted (non-GAAP)

. . . managing through COVID-19 risks.

# Regulatory Outlook . . .

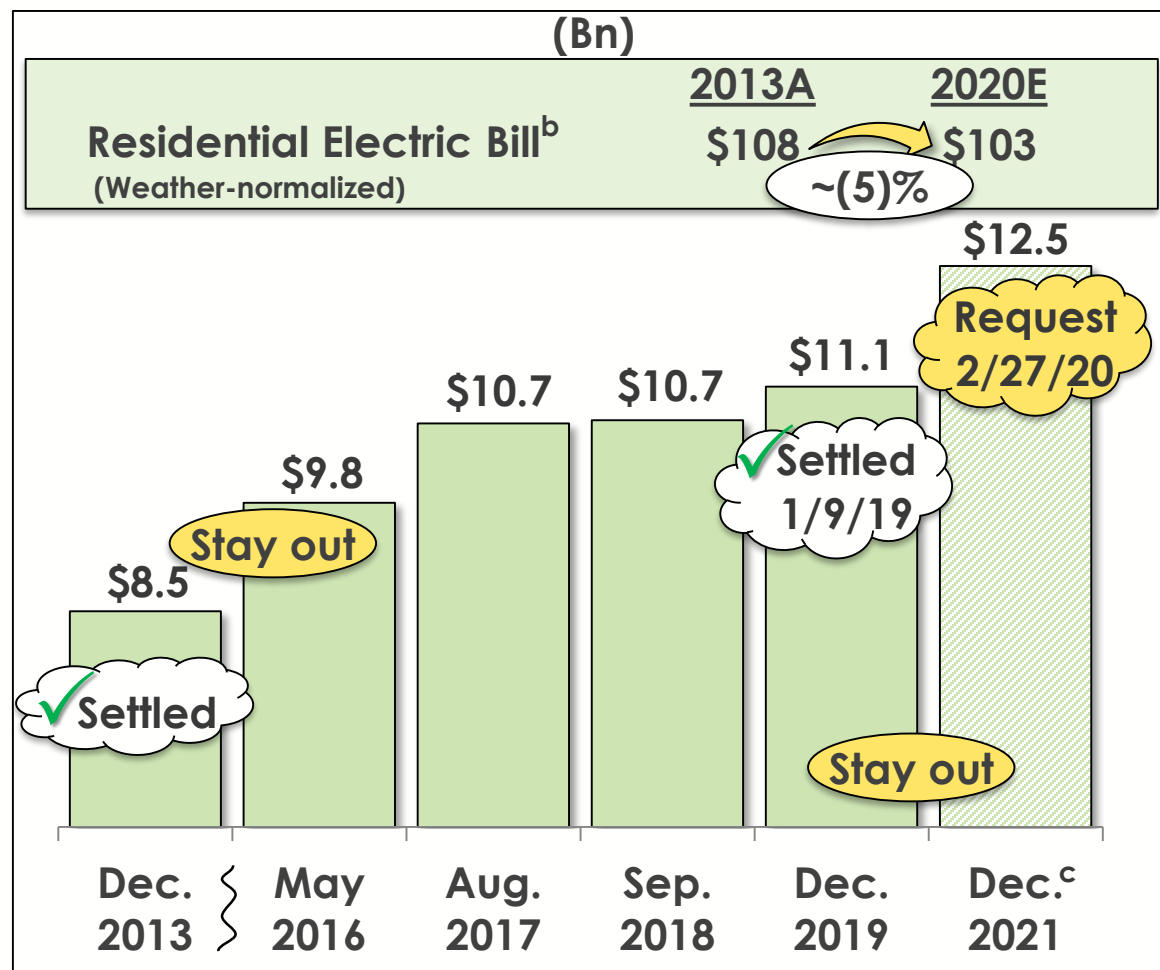


<sup>a</sup>Including \$36 MM of Calc. C DFIT Amortization <sup>b</sup>Final order \$157 MM, 9.9% ROE, excluding \$13 MM of Calc. C included in rates, offset by lower tax expense

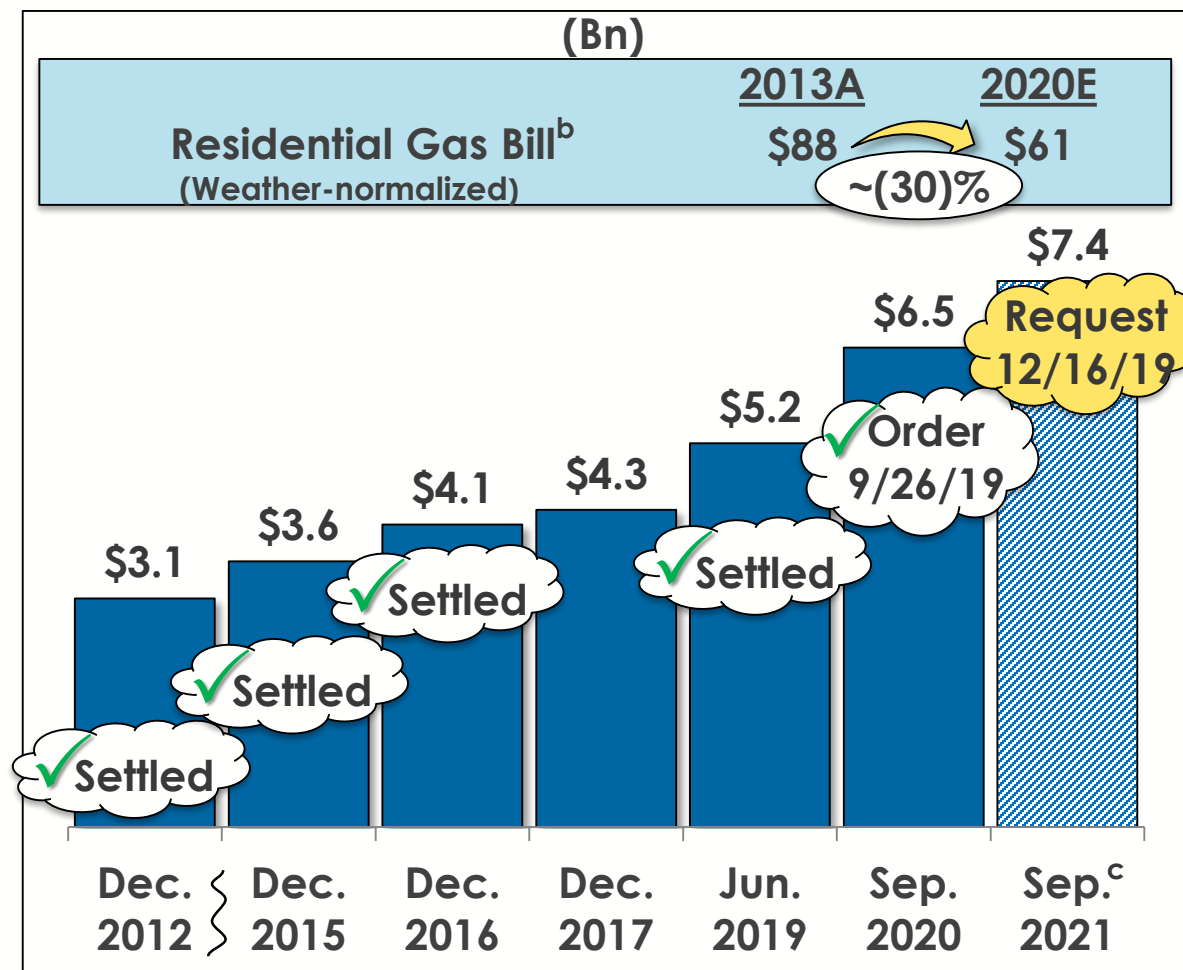
. . . limited to general rate cases.

# Solid Rate Case History . . .

## Electric Rate Base<sup>a</sup>



## Gas Rate Base



<sup>a</sup>Includes Renewables, 2021 assumes \$1Bn in RPS <sup>b</sup>Source: bls.gov for historical data, Bloomberg for 2020 estimate; current dollars <sup>c</sup>Data as of test-year end

. . . demonstrates our ability to prioritize customers and investors.

# Triple Bottom Line Focus . . .

## People



- COVID-19 update:
  - Focus on employee safety
  - Supports all customers in creative and agile ways
- Assisting communities and co-workers impacted by Midland flooding
- Executing robust DE&I strategy
  - Diverse Board and leadership team
  - Doubling diverse supplier spend
  - Enhancing hiring, promotion and development practices

## Planet



- <15% rate base mix attributable to coal<sup>a</sup>
- Industry-leading Net Zero Plan
  - Net zero methane emissions<sup>b</sup> by **2030**
  - Net zero carbon emissions<sup>b</sup> by **2040**
- Clean & Lean Strategy
- Landfill and water reduction
- 6+ GWs of new renewables through 2040

## Profit



- 2020 guidance<sup>c</sup> reaffirmed
- 6% to 8% long-term EPS<sup>c</sup> and DPS growth
- Identified >\$65 MM of cost reductions through:
  - CE Way
  - Supply chain benefits
  - Work optimization
  - Other initiatives

### Underpinned by Performance

Performance Through

**CE WAY**

CE Way  
in Action



Gas Turbine  
Maintenance

<sup>a</sup>See appendix <sup>b</sup>Methane emissions from our natural gas delivery system and carbon emissions company-wide <sup>c</sup>Adjusted (non-GAAP)

. . . allows CMS to be an ESG leader.



# Utility Renewables . . .

## Renewable Portfolio Standard (15% RPS)

- 525 MWs of wind
- \$1 Bn of capital investment<sup>a</sup>
- Approved in the REP filing
- Projects (COD):
  - Cross Winds 120 MWs (2019)
  - Gratiot 150 MWs (2020)
  - Hillsdale 166 MWs (late 2020)
- Supports state's 15% RPS by YE 2021

<sup>a</sup>Capital spend reflects estimates over the life of the program



## Integrated Resource Plan (20-Year IRP)

- 1,100 MWs of solar
  - 550 MWs rate base, ~\$600 MM
  - 550 MWs PPA, earn WACC (5.88% x PPA price)
- \$600 MM of capital investment offset by Karn 1&2 securitization ~\$660 MM
- RFP tranches:
  - 2019: 300 MWs for 2022
  - 2020: 300 MWs for 2023
  - 2021: 500 MWs for 2024

... approved and helping us to achieve net zero carbon by 2040.

# CMS Enterprises Continues to Perform . . .



## DIG & Other

- ~1,000 MWs in MI
  - DIG long-term energy (>95% contracted) & short-term capacity (100% contracted)
  - Filer City PPA with the Utility
- Upside: tightening supply with future retirements
    - MISO Zone 7 PY '20/'21 auction cleared at CONE
    - Michigan Supreme Court Local Clearing Requirement ruling

## Renewable Platform

- Aviator, 525 MWs of contracted wind
  - 51% cash equity ownership (tax equity utilized)
  - Funded with cash on hand, no new equity
  - Offers utility-like returns with creditworthy counterparties
- Operating projects:
  - 27 MWs of contracted solar (MI, WI)
  - 64 MWs of contracted biomass (MI, NC)
  - 105 MWs of contracted wind (OH)



. . . with an emphasis on clean energy and risk mitigation.

# DIG (750 MW) & Peakers (200 MW) . . .

Pre-Tax  
Income  
(MM)

\$100

Planning Year (MISO)  
2020 Through 2023

Opportunities<sup>a</sup>  
(MM)

Contracted  
**Capacity**  
(~\$2.00/kw-month) **100%**  
**Energy** **>95%**

- LCR upheld by MI Supreme Court
- MISO Zone 7 PY '20/'21 cleared at CONE

\$45

\$38

\$38

~\$35/yr.

~\$90

\$7.50<sup>b</sup>

~\$45

\$3.00<sup>b</sup>

\$0

2017

2018

2019

2020-2023

2024+

<sup>a</sup>Assumes 100% capacity available at \$3.00 and \$7.50/kw-month <sup>b</sup>\$/kw-month

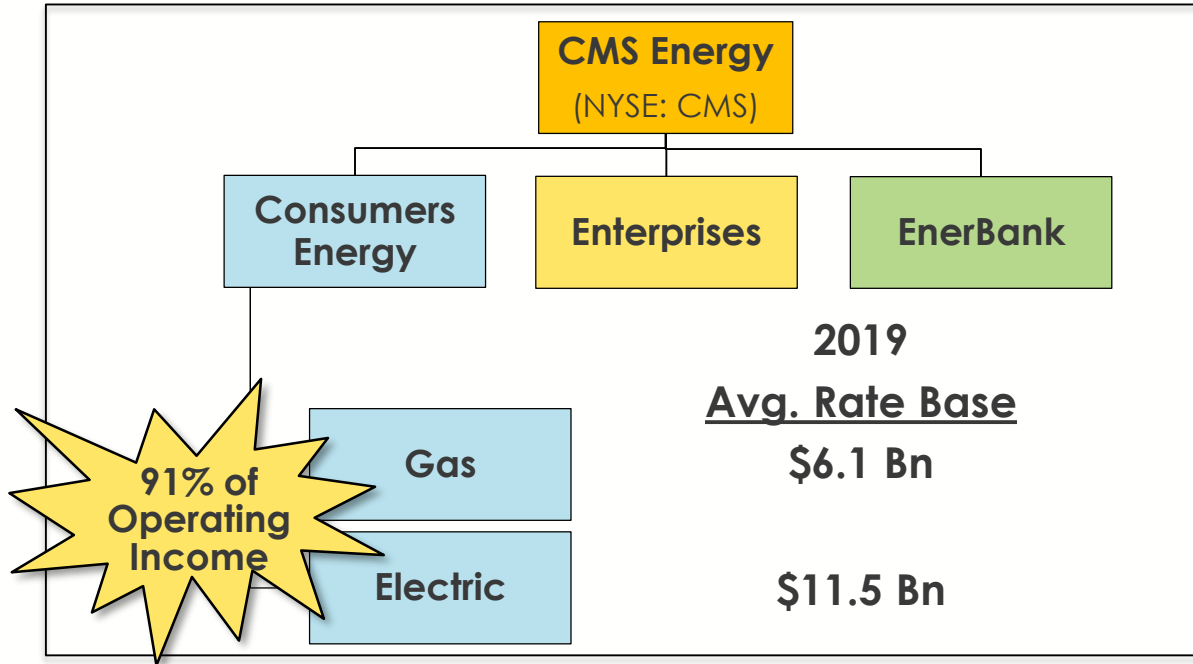
. . . offers risk mitigation to plan with future upside opportunities.

# CMS Overview

# CMS Energy Overview



## Corporate Structure



## Key Information

### 2019 Financial Statistics

Based in Jackson, MI

**~8,100** Employees (37% unionized)<sup>a</sup>

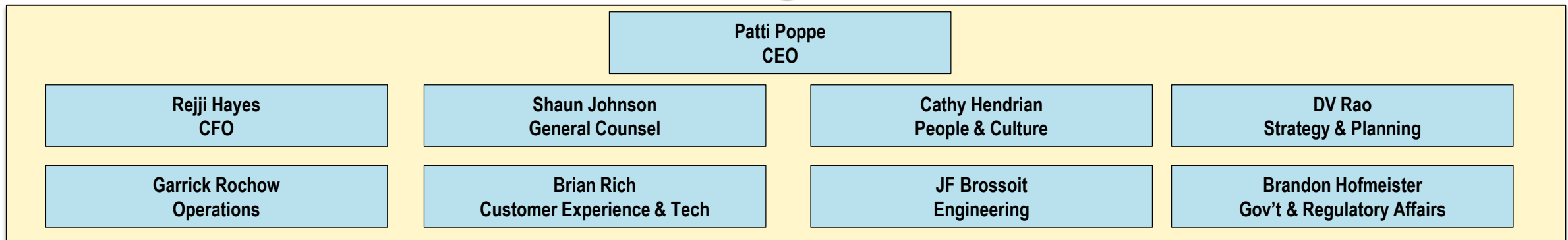
**\$6.8 Bn** Revenue

**\$708 MM** Adjusted net income<sup>b</sup>

**7% EPS<sup>c</sup>** Growth for past 17 years

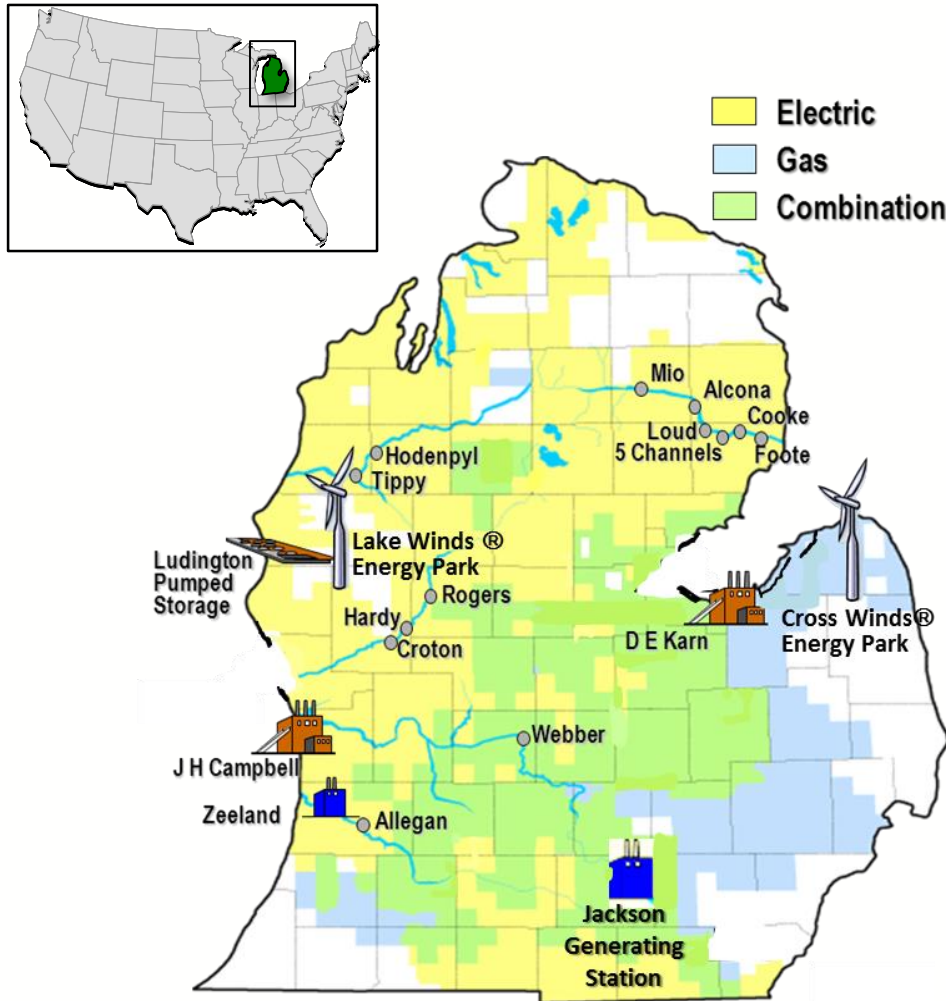
**In line w/earnings** Dividend per share growth

## Senior Management Team



<sup>a</sup>Excludes seasonal workers <sup>b</sup>Adjusted (non-GAAP) <sup>c</sup>Adjusted (non-GAAP) CAGR

# Consumers Energy . . .



## 4<sup>th</sup> Largest Combination Utility

- Electric Utility  
1.8 MM electric customers  
8,241 MWs of capacity
- Gas Utility  
1.8 MM gas customers  
309 bcf gas storage (#1 in the U.S.)
- Serving 6.7 MM Michigan residents

## Consumers Energy Planet Goals

Near-Term	By 2040
<b>1 Bn</b> gallons of H <sub>2</sub> O saved	<b>Net zero</b> carbon emissions
<b>35%</b> reduction of waste to landfills	<b>Zero Coal</b> used to generate electricity
<b>5,000</b> acres of MI land enhanced, restored or protected	<b>&gt;50%</b> of capacity from renewable sources

. . . is a world class utility.



# Large and Aging System . . .

Electric distribution system is **older** than peers



**25 years of main replacement** through our Enhanced Infrastructure Replacement Program



Age of coal fleet is more than **50 years**



**>2,400 miles** of gas transmission pipeline; most built in the WWII era

. . . requires significant customer investment.



# Utility Customer Investment Plan . . .

## Investment Plan

### Capital Investment (Bn):

Renewables

2020  
Plan  
\$0.4

'20-'24  
Plan  
\$ 1<sup>3</sup>/<sub>4</sub>

Electric Utility

0.9

5<sup>1</sup>/<sub>2</sub>

Gas Utility

0.9

5

Total

\$2.2

On Track

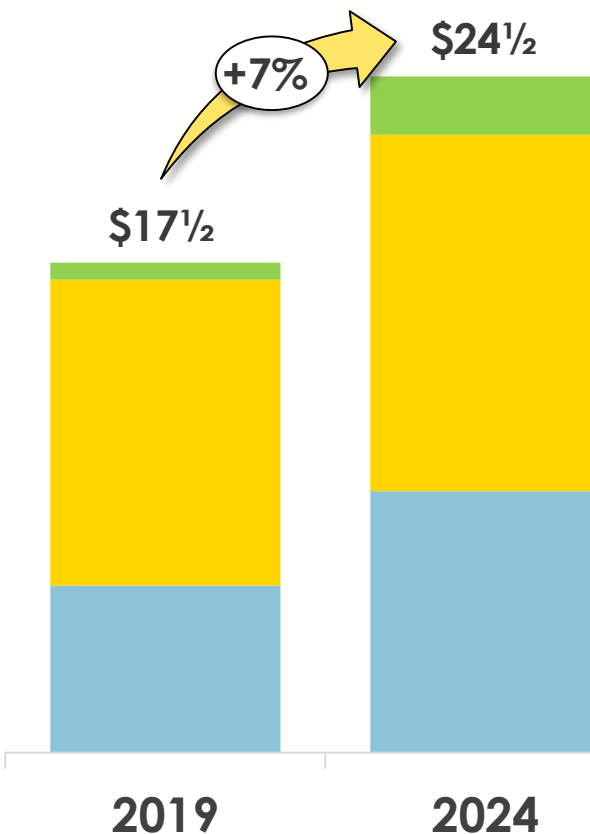
\$12<sup>1</sup>/<sub>4</sub>

**\$25 Bn 10-Yr Plan<sup>a</sup> with \$3 - \$4 Bn of Opportunities**

<sup>a</sup>10-yr plan includes years 2019 through 2028

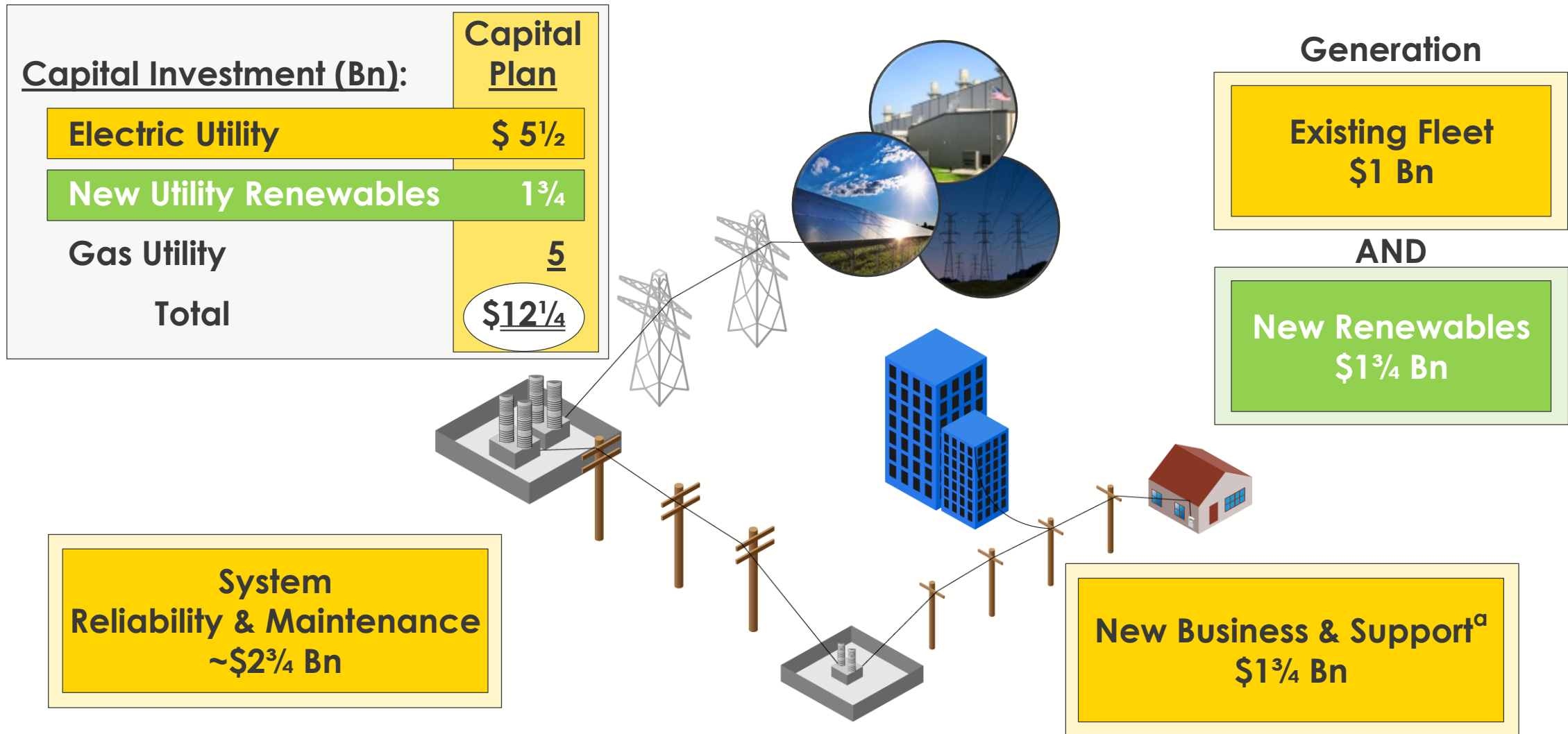
## Rate Base Growth

■ Gas ■ Electric ■ Renewables



. . . focused on safety, reliability, affordability & decarbonization.

# Electric System Investment . . .

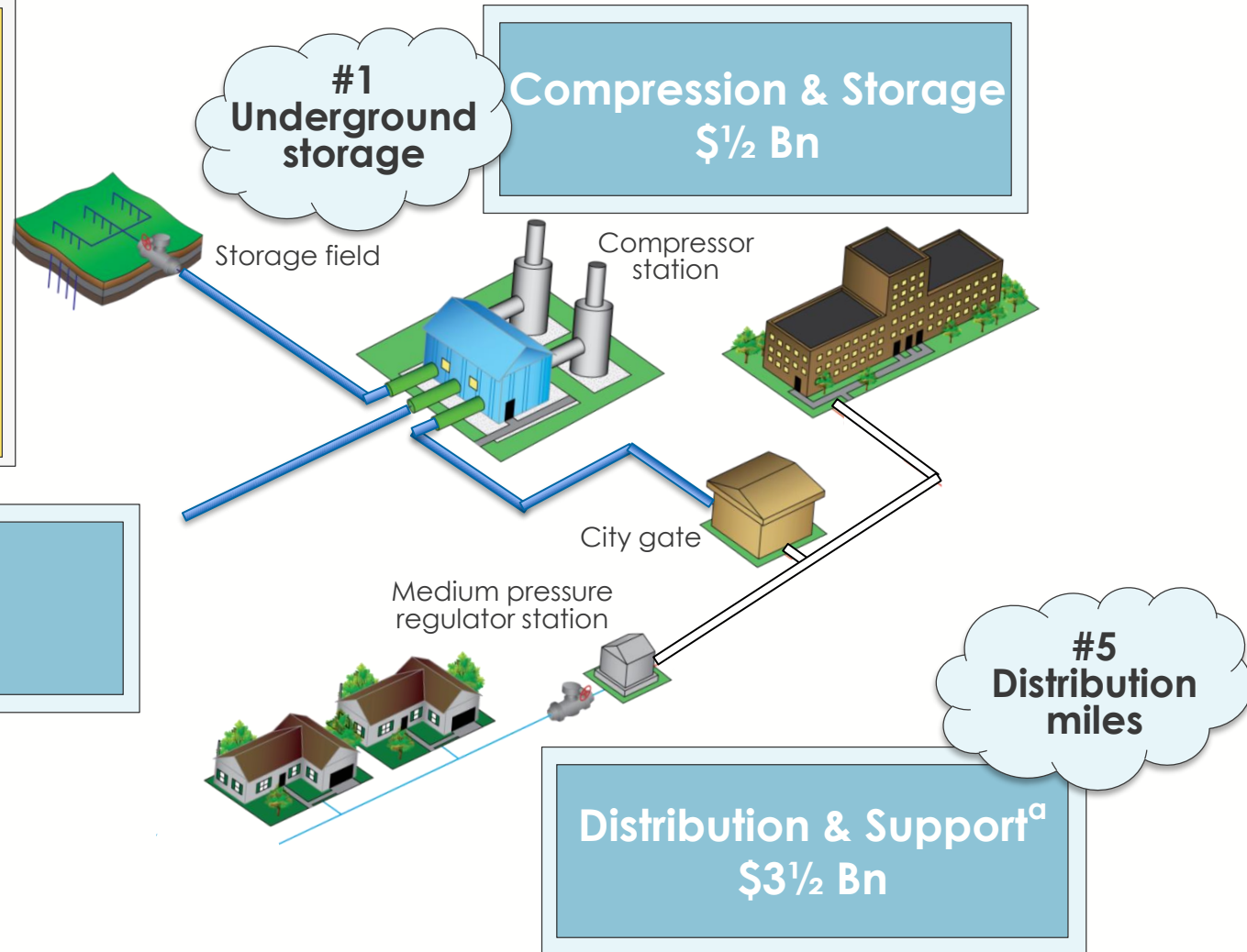
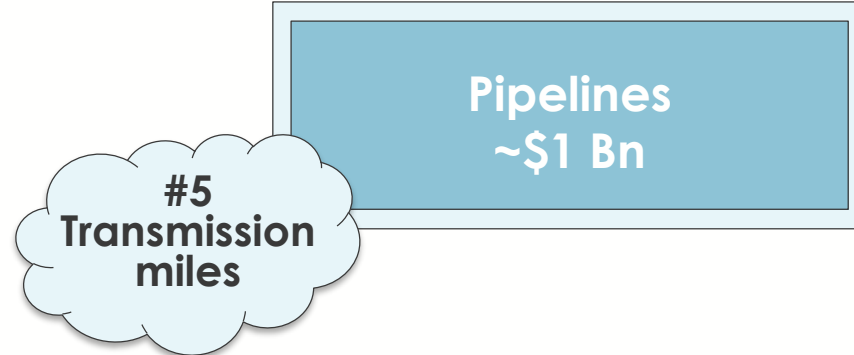


<sup>a</sup>Support includes IT, Fleet & Facilities, Customer Experience, Asset Relocation and Cost of Removal

. . . includes \$1¾ Bn in renewables in the next five years.

# Gas System Investment . . .

<u>Capital Investment (Bn):</u>	<u>Capital Plan</u>
Electric Utility	\$ 5½
New Utility Renewables	1¾
Gas Utility	5
Total	\$12¼



U.S. LDC Rank, Source: DOT

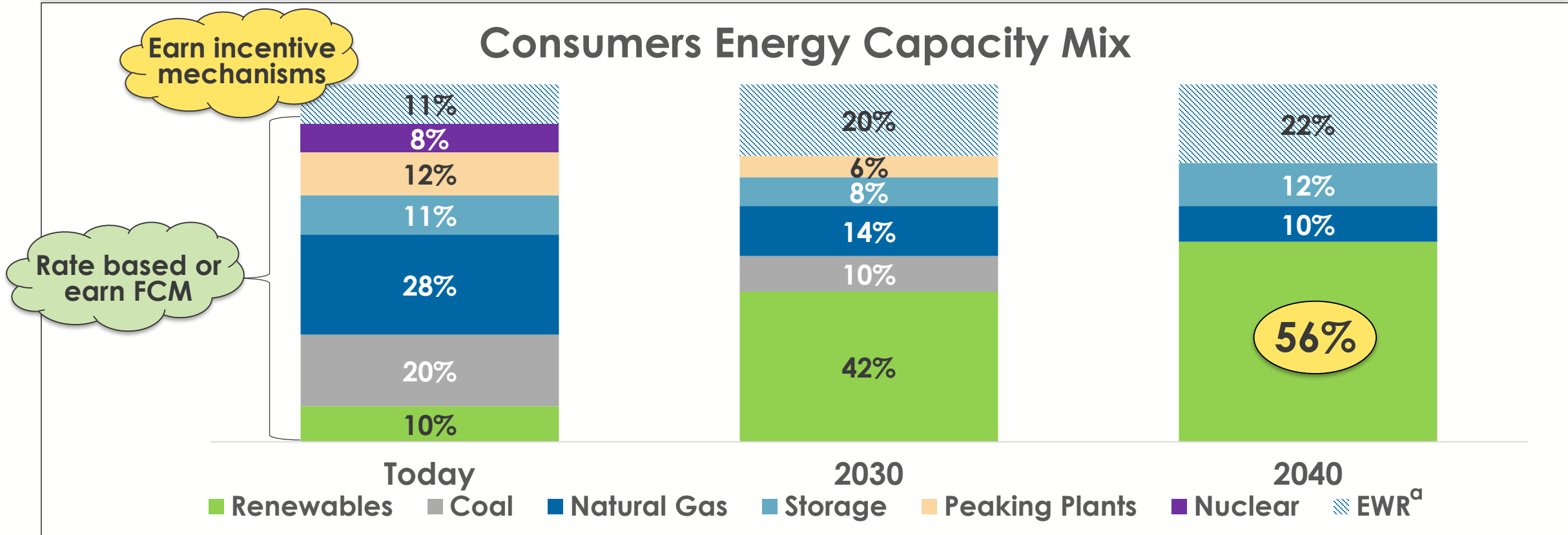
<sup>a</sup>Support includes IT, Fleet & Facilities, Customer Experience, Asset Relocation and Cost of Removal

. . . focuses on new pipes and increased reliability of the system.

# Clean Energy Future . . .



- ✓ Elimination of coal
- ✓ More renewable energy
- ✓ Innovative energy solutions



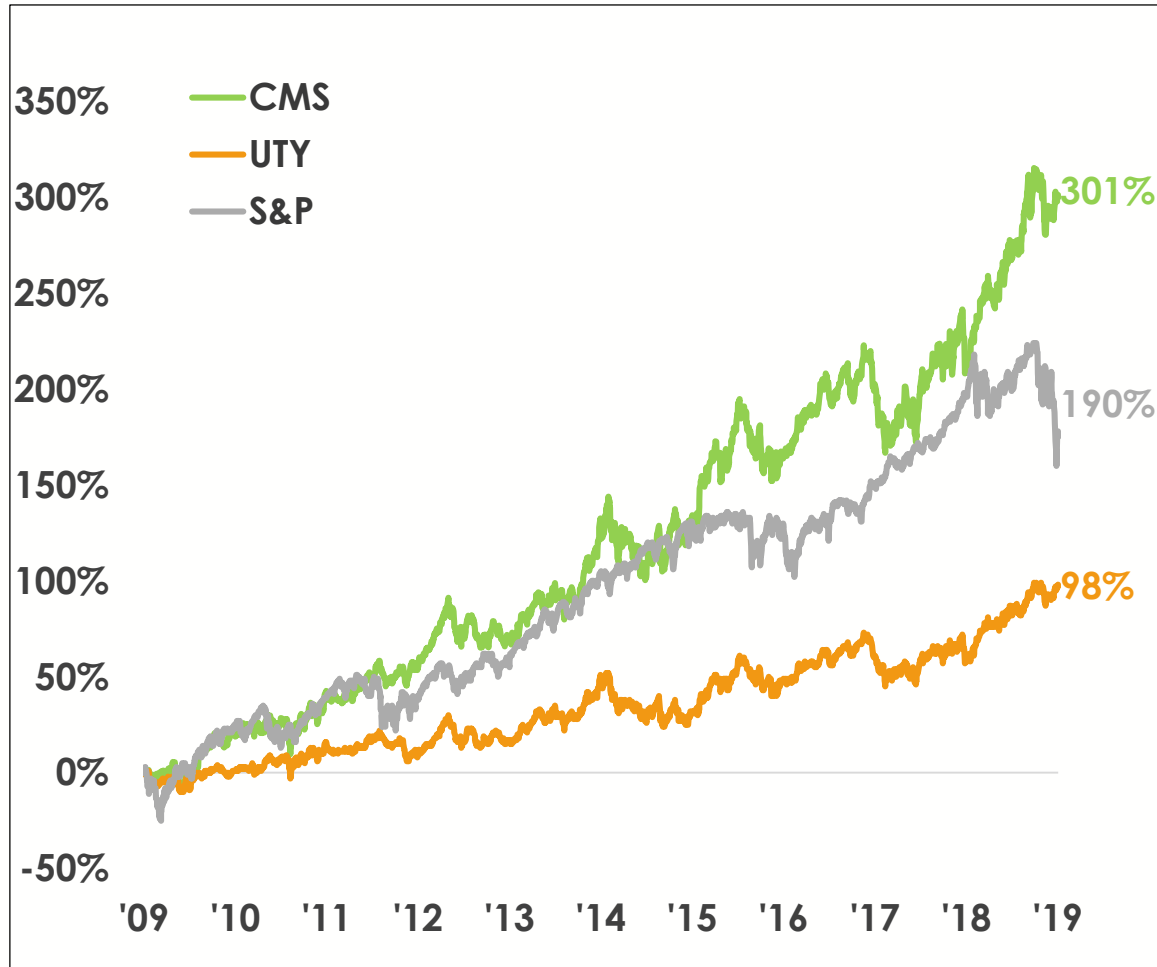
<sup>a</sup>Energy waste reduction

. . . embodies the Triple Bottom Line/ESG focus.

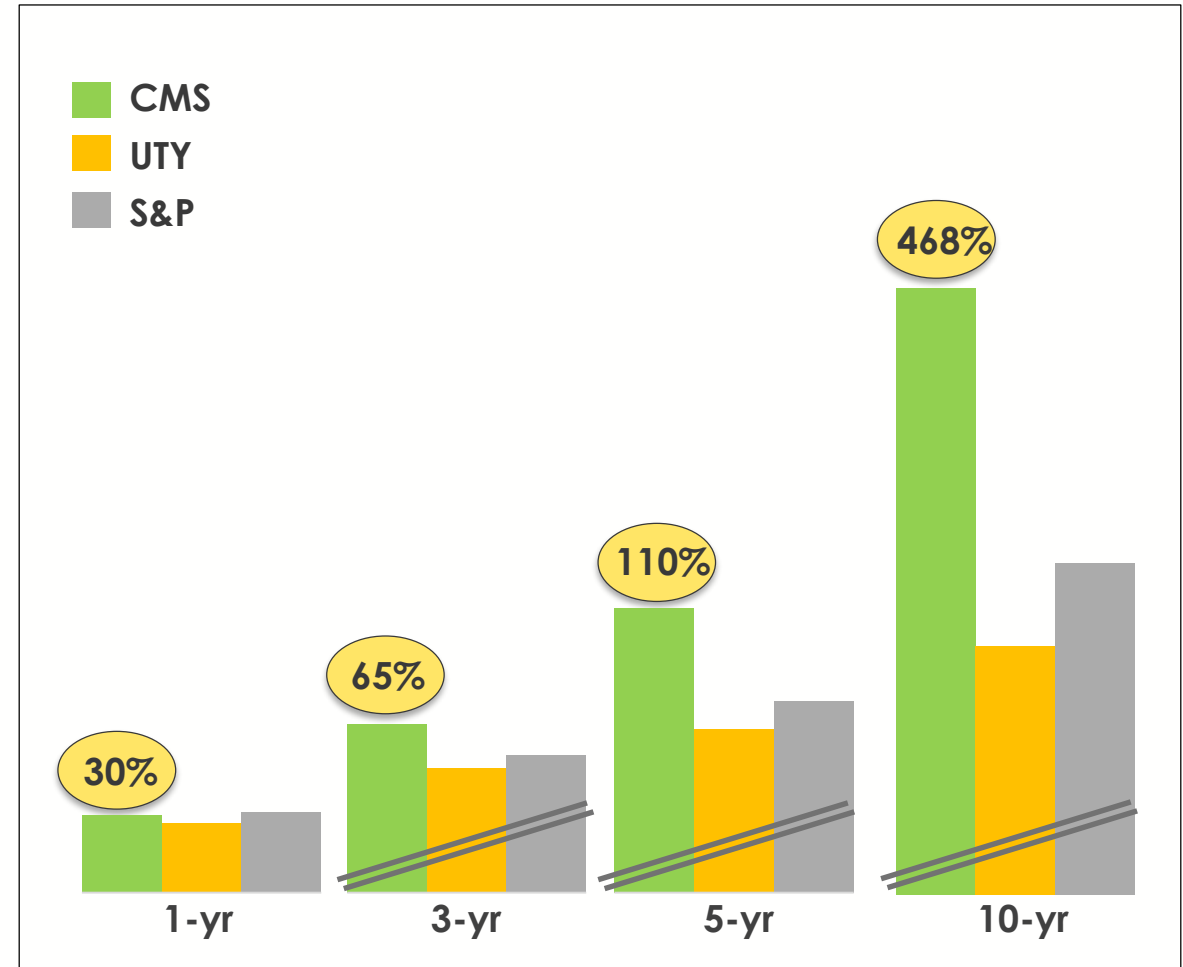
# CMS' Trading Performance . . .



## Stock Performance<sup>a</sup>



## Total Shareowner Return<sup>b</sup>



<sup>a</sup>10-year stock performance as of December 31, 2019 <sup>b</sup>Dividends reinvested as of December 31, 2019

. . . has exceeded those of our peers and the broader market.

# Appendix

# 2020 Sensitivities . . .

	<u>Sensitivity</u>	<u>Full-Year Impact</u>	
		<u>EPS<sup>a</sup></u>	<u>OCF</u>
<b>Sales<sup>b</sup></b>		(¢)	(\$MM)
Electric (~36,500 GWh)	± 1%	± 6	± 25
Gas (~300 Bcf)	± 5	± 13	± 50
<b>Gas Prices</b>	± 50¢	± 0	± 55
<b>Utility Earned ROE</b>			
Electric	± 10 bps	± 1½	± 6
Gas	± 10	± 1	± 4
<b>Interest Rates</b>	± 25 bps	± <1	± 2
<b>Effective Tax Rate (16%)</b>	± 100 bps	± 3	± 0
<b>EE<sup>c</sup> Incentives (1.5% electric)</b>	± 25 bps	± 1	± 5

<sup>a</sup>Adjusted (non-GAAP) <sup>b</sup>Reflects 2020 sales forecast; weather-normalized <sup>c</sup>Energy Efficiency

. . . reflect effective risk mitigation.



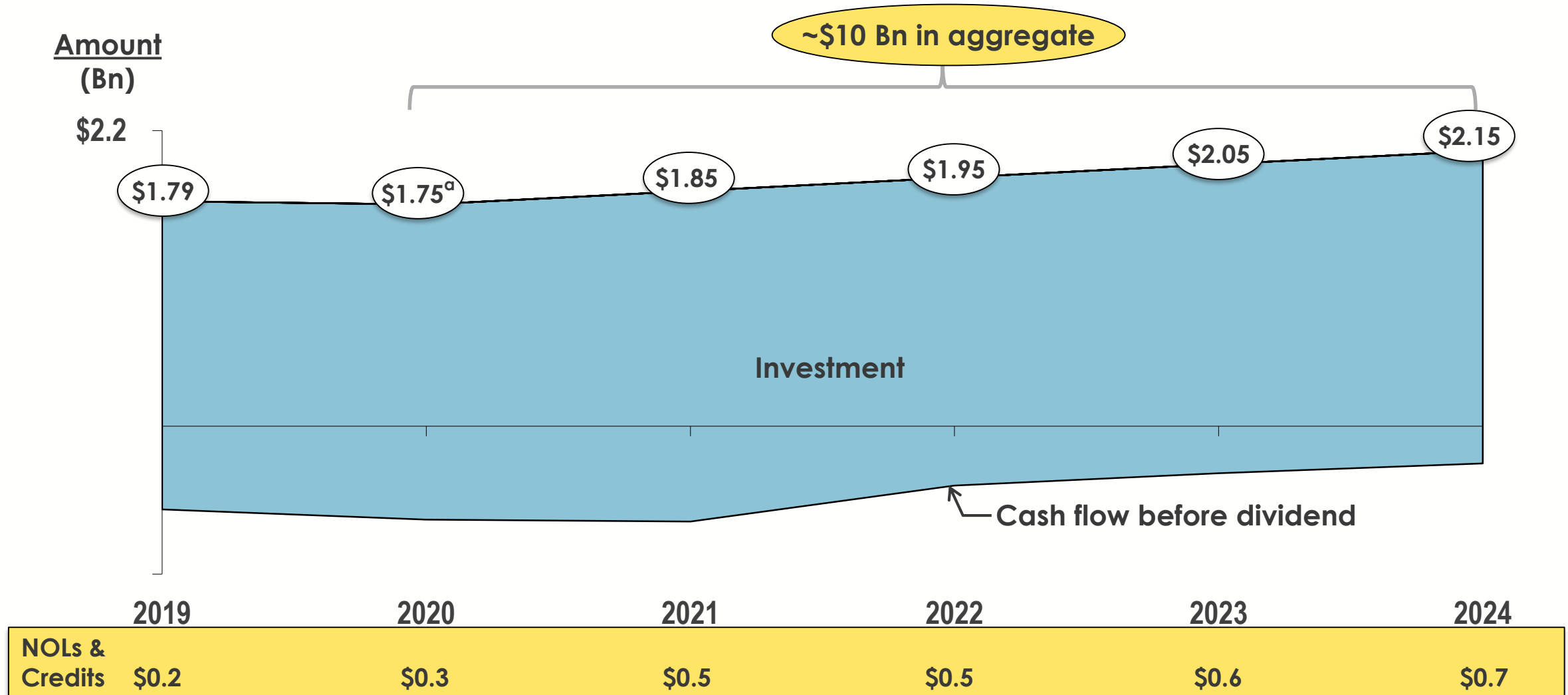
# Utility Customer Investment Plan



## 5-Year Plan

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
Renewables	\$0.4	\$0.4	\$0.3	\$0.3	\$0.4	\$1.8
Electric Utility	0.9	1.2	1.1	1.1	1.1	5.4
Gas Utility	<u>0.9</u>	<u>1.1</u>	<u>0.9</u>	<u>1.1</u>	<u>1.0</u>	<u>5.0</u>
Total	<u>\$2.2</u>	<u>\$2.7</u>	<u>\$2.3</u>	<u>\$2.5</u>	<u>\$2.5</u>	<u>\$12.2</u>
Depreciation & Amortization	\$1.0	\$1.1	\$1.1	\$1.2	\$1.2	\$5.6

# Operating Cash Flow Generation . . .



<sup>a</sup>Excludes \$531 MM discretionary pension contributions in January 2020 (non-GAAP)

. . . remains strong and supports our capital plan.

# Michigan Legislative Environment . . .

## Governor



Gretchen Whitmer  
Democrat



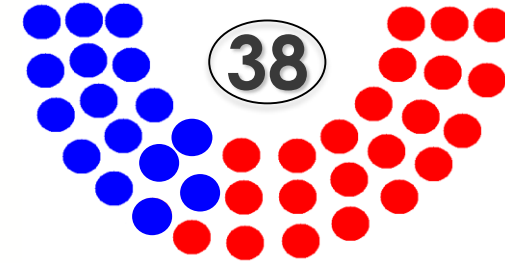
### Key Issues:

- Infrastructure
- Health Care
- Education

Energy policy is  
not a key issue

## State Senate

16

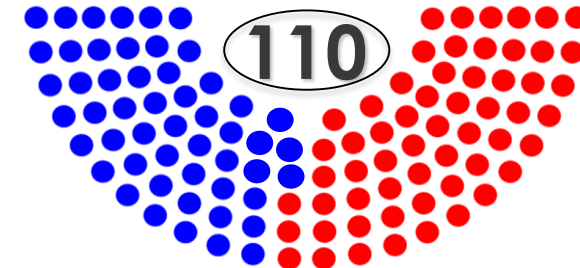


22

2018 Election: Democrats +5 seats  
4-year terms, concurrent with Governor's term, 2-term limit

## State House

52



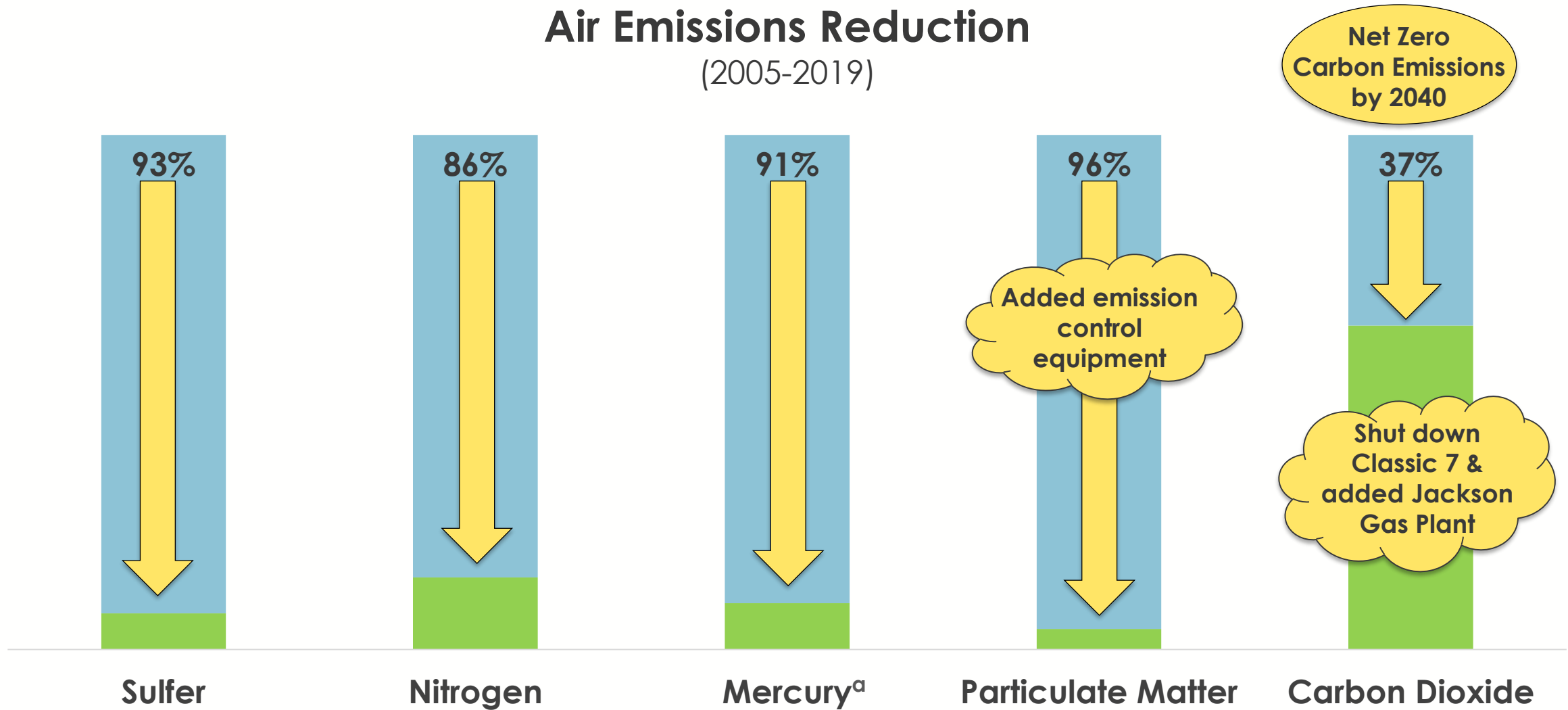
58

2018 Election: Democrats +5 seats  
2-year terms, even numbered years, 3-term limit

. . . supportive of continued progress.

# Breathing Easier . . .

## Air Emissions Reduction (2005-2019)

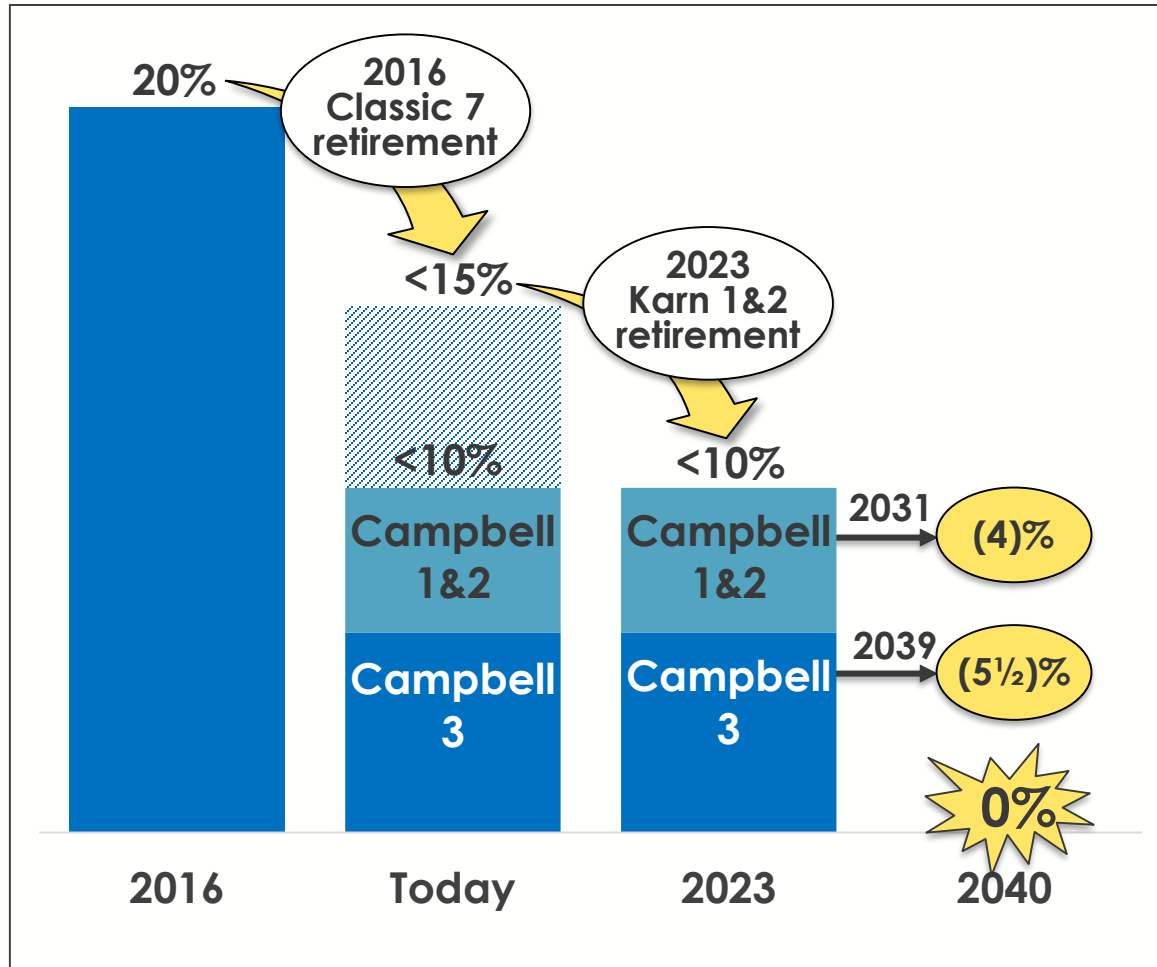


<sup>a</sup>Tracking began 2007

. . . doing our part to clean Michigan's air.

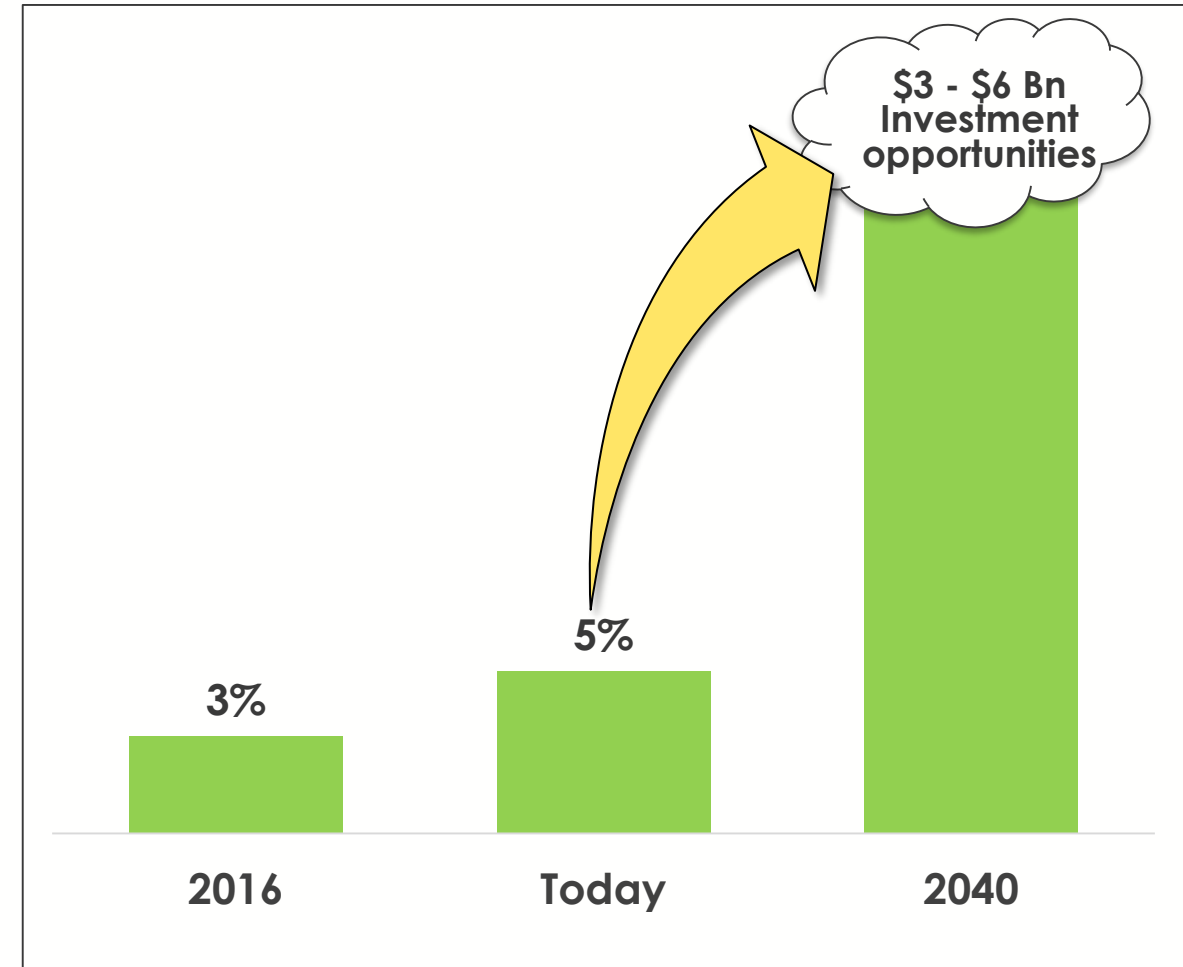
# Declining Exposure to Coal . . .

## Coal % of Rate Base<sup>a</sup>



<sup>a</sup>Coal rate base based on calendar year; total rate base based on a 13-month average

## Renewables % of Rate Base



. . . with plans to eliminate completely.

# Energy Efficiency . . .

## Electric



**\$1 of spend is equal to ~\$3 customer savings**

- From 1½% to 2% annually (by 2021)
- Next 5 years:
  - Spend ~\$160 MM/yr
  - Pre-tax incentive ~\$33 MM/yr<sup>a</sup>

<sup>a</sup>Expected to achieve by 2023

## Gas



- 1% annually
- Next 5 years:
  - Spend ~\$61 MM/yr
  - Pre-tax incentive ~\$14 MM/yr<sup>a</sup>

**. . . adds customer value and keeps bills affordable.**

# Exceptional Governance . . .



## Board of Directors with Diverse Backgrounds

### By the Numbers

**11** Members

**~6** Years of average tenure

**91%** Independent



. . . led by an independent Chair and diverse Board.



# ESG Disclosures . . .



## Corporate Governance

- CMS Energy & Consumers Energy Websites
- SEC Filings (10-K & Proxy)
- 2019 Carbon Disclosure Project
  - Report Score 1, 2 & 3 Emissions
  - Water
- Climate Assessment Report
  - Considers TCFD Guidelines
- EEI ESG & Sustainability Report
- Sustainability Report

You can find other related links regarding corporate responsibility by clicking [this link](#).



. . . are transparent and easily obtainable.

# GAAP Reconciliation

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



	<i>In Millions, Except Per Share Amounts</i>			
	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>6/30/20</b>	<b>6/30/19</b>	<b>6/30/20</b>	<b>6/30/19</b>
<b>Electric Utility</b>				
Reported net income per share	\$ 0.42	\$ 0.32	\$ 0.83	\$ 0.69
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.02	-	0.03	-
Tax impact	(0.01)	-	(0.01)	-
Voluntary separation program	(*)	-	0.03	-
Tax impact	*	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.43</u>	<u>\$ 0.32</u>	<u>\$ 0.87</u>	<u>\$ 0.69</u>
<b>Gas Utility</b>				
Reported net income per share	\$ 0.14	\$ 0.03	\$ 0.55	\$ 0.45
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	-	*	-
Tax impact	(*)	-	(*)	-
Voluntary separation program	(*)	-	0.01	-
Tax impact	*	-	(*)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.14</u>	<u>\$ 0.03</u>	<u>\$ 0.56</u>	<u>\$ 0.45</u>
<b>Enterprises</b>				
Reported net income per share	\$ -	\$ 0.05	\$ 0.07	\$ 0.08
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	(*)	*	*	*
Tax impact	*	(*)	(*)	(*)
Tax reform	-	-	(0.01)	-
Voluntary separation program	-	-	*	-
Tax impact	-	-	(*)	-
Adjusted net income per share – non-GAAP	<u>\$ -</u>	<u>\$ 0.05</u>	<u>\$ 0.06</u>	<u>\$ 0.08</u>
<b>EnerBank</b>				
Reported net income per share	\$ 0.03	\$ 0.04	\$ 0.08	\$ 0.08
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	-	-	-
Adjusted net income per share – non-GAAP	<u>\$ 0.03</u>	<u>\$ 0.04</u>	<u>\$ 0.08</u>	<u>\$ 0.08</u>
<b>Corporate Interest and Other</b>				
Reported net loss per share	\$ (0.11)	\$ (0.11)	\$ (0.20)	\$ (0.22)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	*	(*)	*
Tax impact	(*)	(*)	*	(*)
Tax reform	-	-	(0.02)	-
Adjusted net loss per share – non-GAAP	<u>\$ (0.11)</u>	<u>\$ (0.11)</u>	<u>\$ (0.22)</u>	<u>\$ (0.22)</u>
<b>Consolidated</b>				
Reported net income per share	\$ 0.48	\$ 0.33	\$ 1.33	\$ 1.08
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.02	*	0.03	*
Tax impact	(0.01)	(*)	(0.01)	(*)
Tax reform	-	-	(0.03)	-
Voluntary separation program	(*)	-	0.04	-
Tax impact	*	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.49</u>	<u>\$ 0.33</u>	<u>\$ 1.35</u>	<u>\$ 1.08</u>
<b>Average Common Shares Outstanding – Diluted</b>	<u>286.5</u>	<u>284.0</u>	<u>285.8</u>	<u>283.8</u>

\* Less than \$0.01 per share.

**CMS ENERGY CORPORATION**  
**Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income**  
**by Quarter**  
**(Unaudited)**



	<i>In Millions, Except Per Share Amounts</i>			
	<b>2020</b>			
	<b>1Q</b>	<b>2Q</b>		
<b>Net Income Available to Common Stockholders</b>	\$ 243	\$ 136		
<i>Reconciling items:</i>				
Electric utility and gas utility	15	4		
Tax impact	(4)	(1)		
Enterprises	1	(*)		
Tax impact	(4)	*		
EnerBank	-	-		
Tax impact	-	-		
Corporate interest and other	(2)	*		
Tax impact	(4)	(*)		
<b>Adjusted Net Income – Non-GAAP</b>	<b>\$ 245</b>	<b>\$ 139</b>		
<b>Average Common Shares Outstanding – Diluted</b>	285.2	286.5		
<b>Diluted Earnings Per Average Common Share</b>	\$ 0.85	\$ 0.48		
<i>Reconciling items:</i>				
Electric utility and gas utility	0.05	0.02		
Tax impact	(0.01)	(0.01)		
Enterprises	*	(*)		
Tax impact	(0.01)	*		
EnerBank	-	-		
Tax impact	-	-		
Corporate interest and other	(*)	*		
Tax impact	(0.02)	(*)		
<b>Adjusted Diluted Earnings Per Average Common Share – Non-GAAP</b>	<b>\$ 0.86</b>	<b>\$ 0.49</b>		

	<i>In Millions, Except Per Share Amounts</i>			
	<b>2019</b>			
	<b>1Q</b>	<b>2Q</b>	<b>3Q</b>	<b>4Q</b>
<b>Net Income Available to Common Stockholders</b>	\$ 213	\$ 93	\$ 207	\$ 167
<i>Reconciling items:</i>				
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)
<b>Adjusted Net Income – Non-GAAP</b>	<b>\$ 213</b>	<b>\$ 93</b>	<b>\$ 208</b>	<b>\$ 194</b>
<b>Average Common Shares Outstanding – Diluted</b>	283.6	284.0	284.6	284.8
<b>Diluted Earnings Per Average Common Share</b>	\$ 0.75	\$ 0.33	\$ 0.73	\$ 0.58
<i>Reconciling items:</i>				
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)
<b>Adjusted Diluted Earnings Per Average Common Share – Non-GAAP</b>	<b>\$ 0.75</b>	<b>\$ 0.33</b>	<b>\$ 0.73</b>	<b>\$ 0.68</b>

\* Less than \$0.5 million or \$0.01 per share.

**CMS ENERGY CORPORATION**  
**Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income**  
**(Unaudited)**



	<i>In Millions, Except Per Share Amounts</i>			
	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>6/30/20</b>	<b>6/30/19</b>	<b>6/30/20</b>	<b>6/30/19</b>
<b>Net Income Available to Common Stockholders</b>	\$ 136	\$ 93	\$ 379	\$ 306
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	4	*	7	*
Tax impact	(1)	(*)	(1)	(*)
Tax reform	-	-	(9)	-
Voluntary separation program	(*)	-	11	-
Tax impact	*	-	(3)	-
Adjusted net income – non-GAAP	<u>\$ 139</u>	<u>\$ 93</u>	<u>\$ 384</u>	<u>\$ 306</u>
<b>Average Common Shares Outstanding</b>				
Basic	285.5	282.9	284.4	282.9
Diluted	286.5	284.0	285.8	283.8
<b>Basic Earnings Per Average Common Share</b>				
Reported net income per share	\$ 0.48	\$ 0.33	\$ 1.33	\$ 1.08
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.02	*	0.03	*
Tax impact	(0.01)	(*)	(0.01)	(*)
Tax reform	-	-	(0.03)	-
Voluntary separation program	(*)	-	0.04	-
Tax impact	*	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.49</u>	<u>\$ 0.33</u>	<u>\$ 1.35</u>	<u>\$ 1.08</u>
<b>Diluted Earnings Per Average Common Share</b>				
Reported net income per share	\$ 0.48	\$ 0.33	\$ 1.33	\$ 1.08
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.02	*	0.03	*
Tax impact	(0.01)	(*)	(0.01)	(*)
Tax reform	-	-	(0.03)	-
Voluntary separation program	(*)	-	0.04	-
Tax impact	*	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.49</u>	<u>\$ 0.33</u>	<u>\$ 1.35</u>	<u>\$ 1.08</u>

\* Less than \$0.5 million or \$0.01 per share.

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.

**CMS ENERGY CORPORATION**  
**Reconciliations of GAAP Net Income to Non-GAAP Adjusted Net Income**  
**(Unaudited)**

	<i>In Millions, Except Per Share Amounts</i>			
	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>12/31/19</b>	<b>12/31/18</b>	<b>12/31/19</b>	<b>12/31/18</b>
<b>Net Income Available to Common Stockholders</b>	\$ 167	\$ 108	\$ 680	\$ 657
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	36	8	37	9
Tax impact	(9)	(*)	(9)	(*)
Gain on assets previously sold	-	-	(*)	(4)
Tax impact	-	-	*	1
Tax reform	-	(4)	-	(4)
Adjusted net income – non-GAAP	<u>\$ 194</u>	<u>\$ 112</u>	<u>\$ 708</u>	<u>\$ 659</u>
<b>Average Common Shares Outstanding</b>				
Basic	283.0	282.6	283.0	282.2
Diluted	284.8	283.3	284.3	282.9
<b>Basic Earnings Per Average Common Share</b>				
Reported net income per share	\$ 0.59	\$ 0.38	\$ 2.40	\$ 2.33
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.13	0.03	0.13	0.03
Tax impact	(0.03)	(*)	(0.03)	(*)
Gain on assets previously sold	-	-	(*)	(0.01)
Tax impact	-	-	*	*
Tax reform	-	(0.02)	-	(0.02)
Adjusted net income per share – non-GAAP	<u>\$ 0.69</u>	<u>\$ 0.39</u>	<u>\$ 2.50</u>	<u>\$ 2.33</u>
<b>Diluted Earnings Per Average Common Share</b>				
Reported net income per share	\$ 0.58	\$ 0.38	\$ 2.39	\$ 2.32
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.13	0.03	0.13	0.03
Tax impact	(0.03)	(*)	(0.03)	(*)
Gain on assets previously sold	-	-	(*)	(0.01)
Tax impact	-	-	*	*
Tax reform	-	(0.01)	-	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 0.68</u>	<u>\$ 0.40</u>	<u>\$ 2.49</u>	<u>\$ 2.33</u>

\* Less than \$0.5 million or \$0.01 per share.

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.

**CMS ENERGY CORPORATION**  
**Earnings Per Share By Year GAAP Reconciliation**  
**(Unaudited)**



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	GAAP 2019 over 2003 <u>CAGR</u> NM
<b>Reported earnings (loss) per share - GAAP</b>	(\$0.30)	\$0.64	(\$0.44)	(\$0.41)	(\$1.02)	\$1.20	\$0.91	\$1.28	\$1.58	\$1.42	\$1.66	\$1.74	\$1.89	\$1.98	\$1.64	\$2.32	\$2.39	
<b>Pretax items:</b>																		
Electric and gas utility	0.32	(0.60)	-	-	(0.06)	0.08	0.55	0.05	-	0.27	-	-	-	0.04	-	-	0.02	
Tax impact	(0.11)	0.21	-	-	(0.01)	(0.03)	(0.22)	(0.02)	-	(0.10)	-	-	-	(0.01)	0.12 (b)	0.01	(*)	
Enterprises	0.93	0.97	0.06	(0.12)	1.67	(0.02)	0.14	(0.05)	*	(0.01)	*	0.05	*	*	*	0.02	*	
Tax impact	(0.19)	(0.35)	(0.02)	0.10	(0.42)	*	(0.05)	0.02	(0.11)	*	(*)	(0.02)	(*)	(*)	0.20 (b)	(0.02)	(*)	
EnerBank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Tax impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01 (b)	*	-	
Corporate interest and other	0.25	(0.06)	0.06	0.45	0.17	0.01	0.01	*	-	*	*	*	*	0.02	0.01	*	0.11	
Tax impact	(0.09)	0.03	(0.02)	(0.18)	(0.49)	(0.03)	(*)	(*)	(0.01)	(*)	(*)	(*)	(*)	(0.01)	0.19 (b)	(*)	(0.03)	Adjusted 2019 over 2003 <u>CAGR</u> 7%
Discontinued operations (income) loss, net	(0.16)	0.02	(0.07)	(0.03)	0.40	(*)	(0.08)	0.08	(0.01)	(0.03)	*	(*)	(*)	*	*	(*)	(*)	
Asset impairment charges	-	-	2.80	1.07	0.93	-	-	-	-	-	-	-	-	-	-	-	-	
Tax impact	-	-	(0.98)	(0.31)	(0.33)	-	-	-	-	-	-	-	-	-	-	-	-	
Cumulative accounting changes	0.25	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Tax impact	(0.09)	(0.01)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Adjusted earnings per share, including MTM - non-GAAP</b>	\$0.81	\$0.87	\$1.39	\$0.57	\$0.84	\$1.21 (a)	\$1.26	\$1.36	\$1.45	\$1.55	\$1.66	\$1.77	\$1.89	\$2.02	\$2.17	\$2.33	\$2.49	
Mark-to-market		0.04	(0.65)	0.80														
Tax impact		(0.01)	0.22	(0.29)														
<b>Adjusted earnings per share, excluding MTM - non-GAAP</b>	NA	\$0.90	\$0.96	\$1.08	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	

\* Less than \$0.01 per share.

(a) \$1.25 excluding discontinued Exeter operations and accounting changes related to convertible debt and restricted stock.

(b) Reflects the impact of tax reform.



**CMS ENERGY CORPORATION**  
**Reconciliation of GAAP Operating Activities**  
**to Non-GAAP Operating Activities**  
**(Unaudited)**  
(mils)



	<u>2020</u>
<b>GAAP Net cash provided by operating activities</b>	<b>\$ 1,219</b>
Add back discretionary pension contribution	<u>531</u>
<b>Non-GAAP Net cash provided by operating activities</b>	<b>\$ 1,750</b>