

# Investor Meetings

January 2021



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 modeling 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.

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

- ✓ **Operational Excellence and Track Record**
  - Deep bench with proactive succession planning
  - Increased productivity driven by the CE Way
  - Sustainable savings and agile mindset
- ✓ **Strong ESG Leadership**
  - Net zero carbon (2040) and net zero methane (2030)<sup>a</sup>
  - Robust DE&I strategy with diverse Board and leadership team
- ✓ **Visible and Executable 10-yr Capital Plan (\$25 Bn)**
  - ~85% of projects are less than \$200 MM
  - Renewable projects on track
- ✓ **Top-Tier Regulatory Construct**
  - Forward-looking test years
  - 10-month rate cases
- ✓ **Prudent Liquidity Management**
  - Superb execution of financings in 2020

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



# Large and Aging System . . .

Electric distribution system is **older** than peers



Aging coal fleet replaced with **6,000 MW of added solar by 2040**



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



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

. . . requires significant customer investment.

# Utility Customer Investment . . .

## Investment Plans

Capital Investment (Bn):	2020 Plan	'20-'24 Plan	10-Yr Plan
Renewables	\$0.4	\$ 1 <sup>3</sup> / <sub>4</sub>	\$ 4
Electric Utility	0.9	5 <sup>1</sup> / <sub>2</sub>	11
Gas Utility	<u>0.9</u>	<u>5</u>	<u>10</u>
Total	<u>\$2.2</u>	<u>\$12<sup>1</sup>/<sub>4</sub></u>	<u>\$25</u>
\$25 Bn 10-Yr Plan <sup>a</sup> with \$3 - \$4 Bn of Opportunities			

### Supported by:

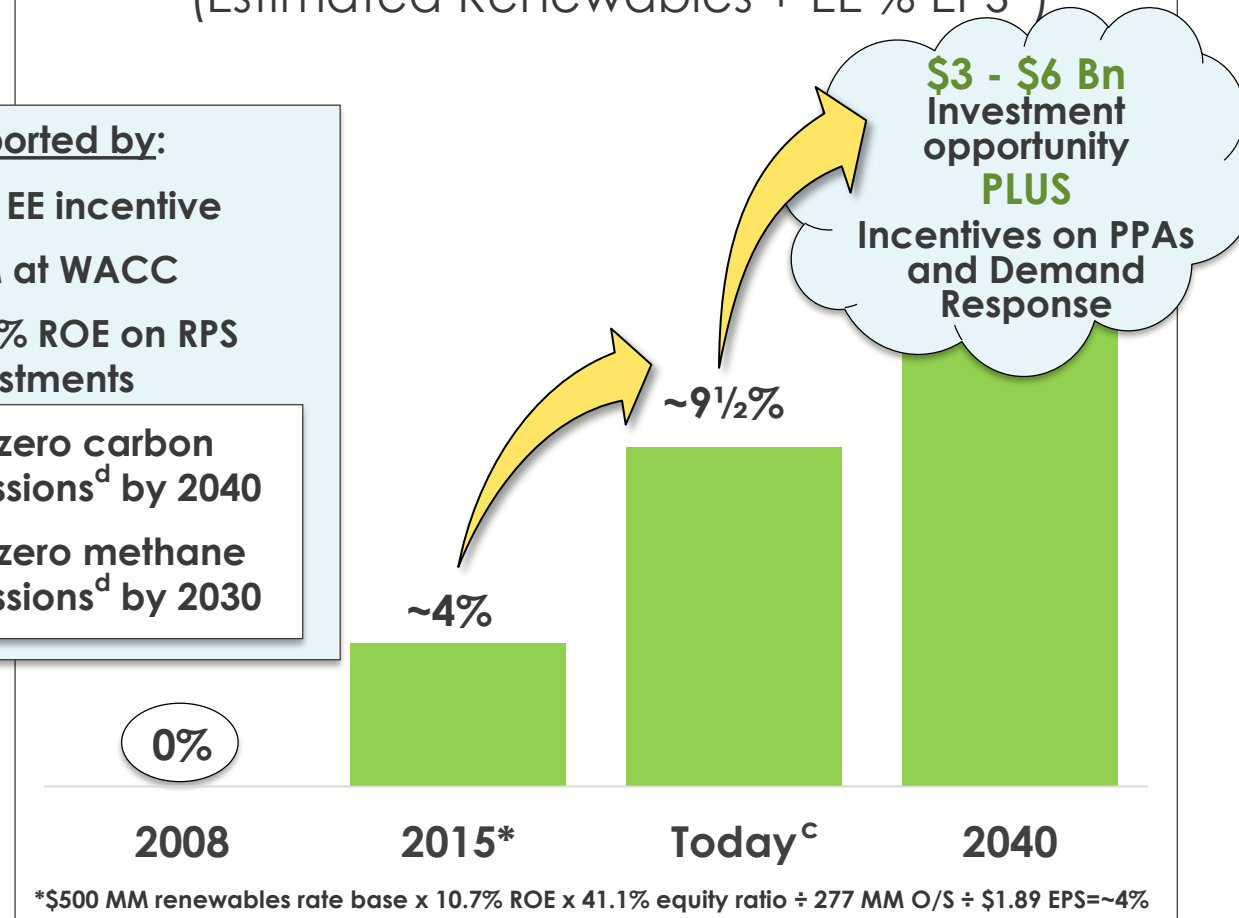
- ✓ 20% EE incentive
- ✓ FCM at WACC
- ✓ 10.7% ROE on RPS investments

Net zero carbon emissions<sup>d</sup> by 2040

Net zero methane emissions<sup>d</sup> by 2030

## Increasing Clean Energy Exposure

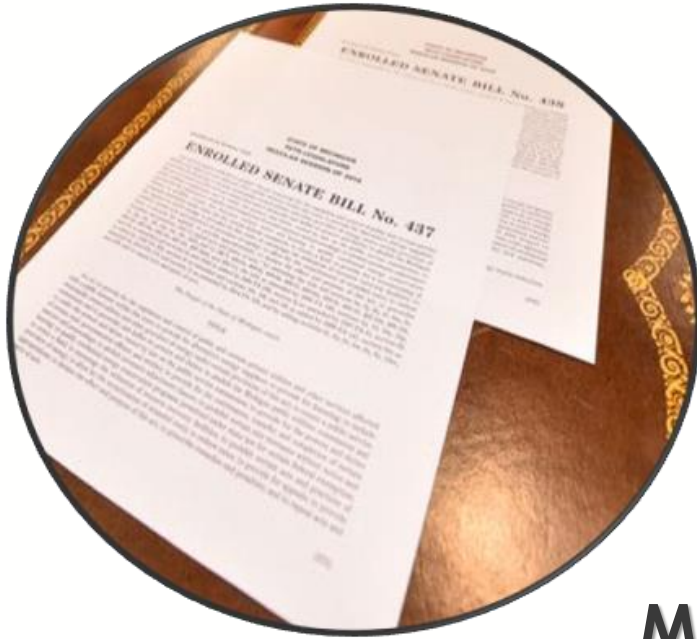
(Estimated Renewables + EE % EPS<sup>b</sup>)



<sup>a</sup>10-yr plan: 2019-2028 <sup>b</sup>Adjusted (non-GAAP) <sup>c</sup>Includes ~\$45 MM of EE spend in 2020 <sup>d</sup>Methane emissions from natural gas delivery system and carbon emissions company-wide

. . . focused on safety, reliability & affordability with incentives for 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
- Ranked Tier I regulatory environment per UBS Research since 2013

## Michigan Public Service Commission



**Dan Scripps (D), Chair**  
Term Ends: July 2, 2023



**Tremaine Phillips (D)**  
Term Ends: July 2, 2025



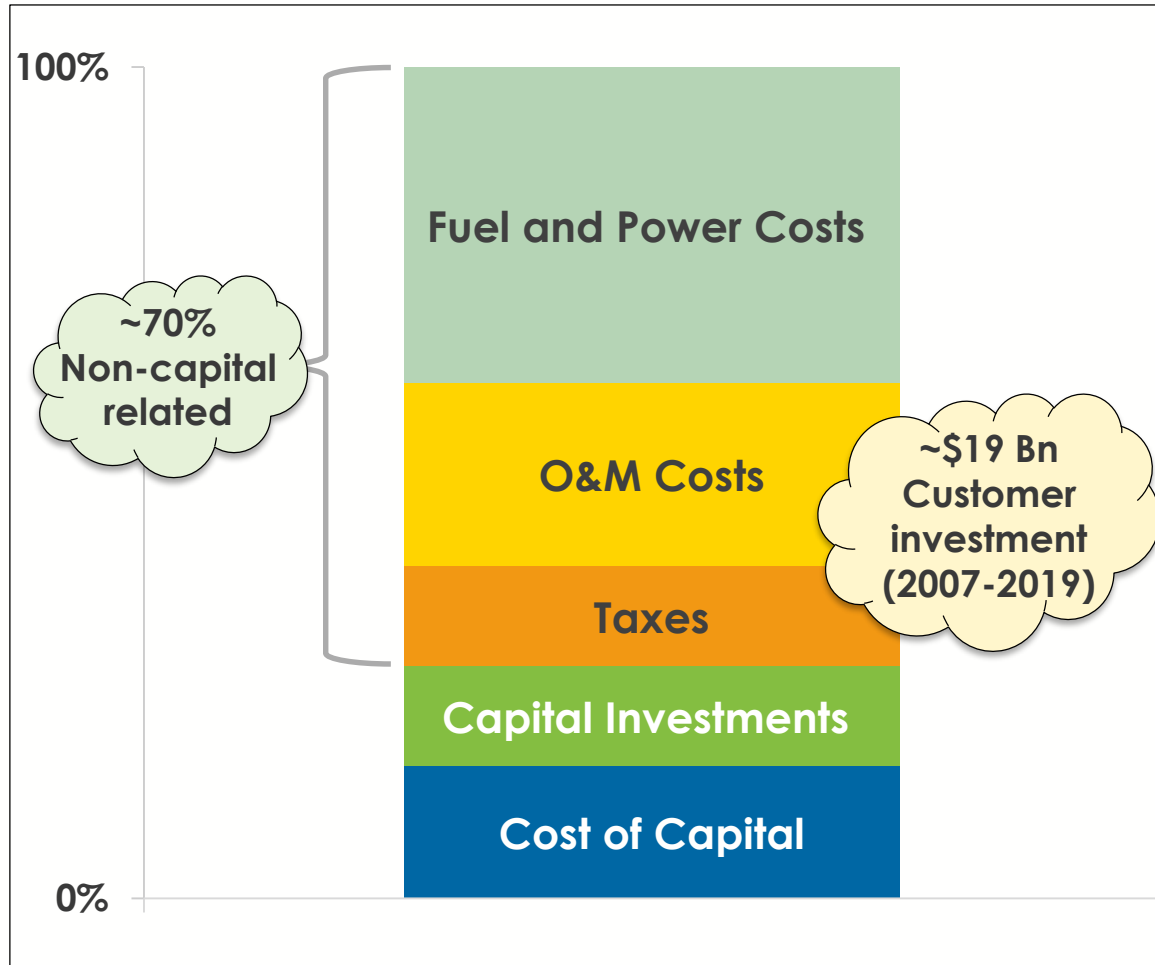
**Katherine Peretick (I)**  
Term Ends: July 2, 2021

Effective  
January 4, 2021

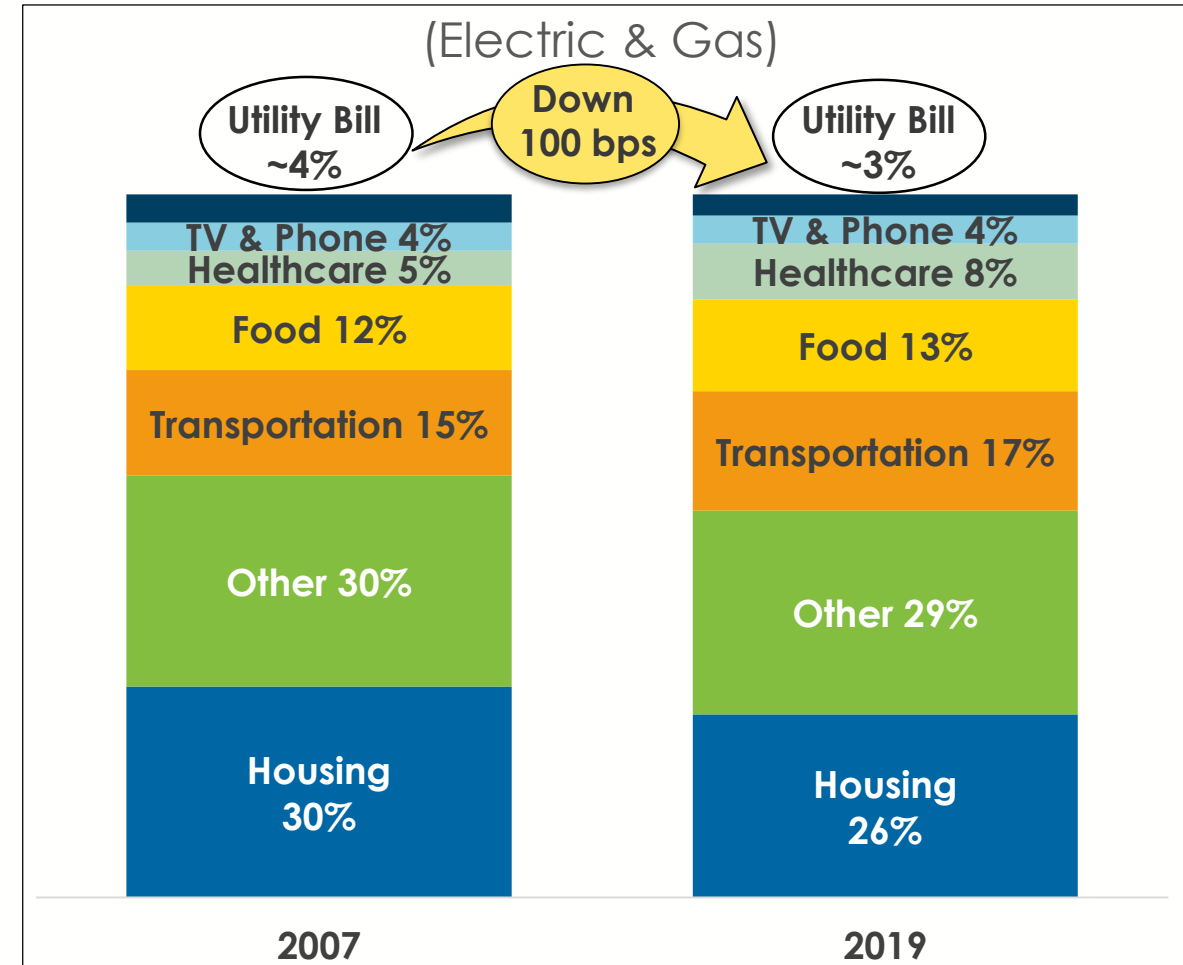
. . . supported by constructive legislation and strong leadership.

# 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.



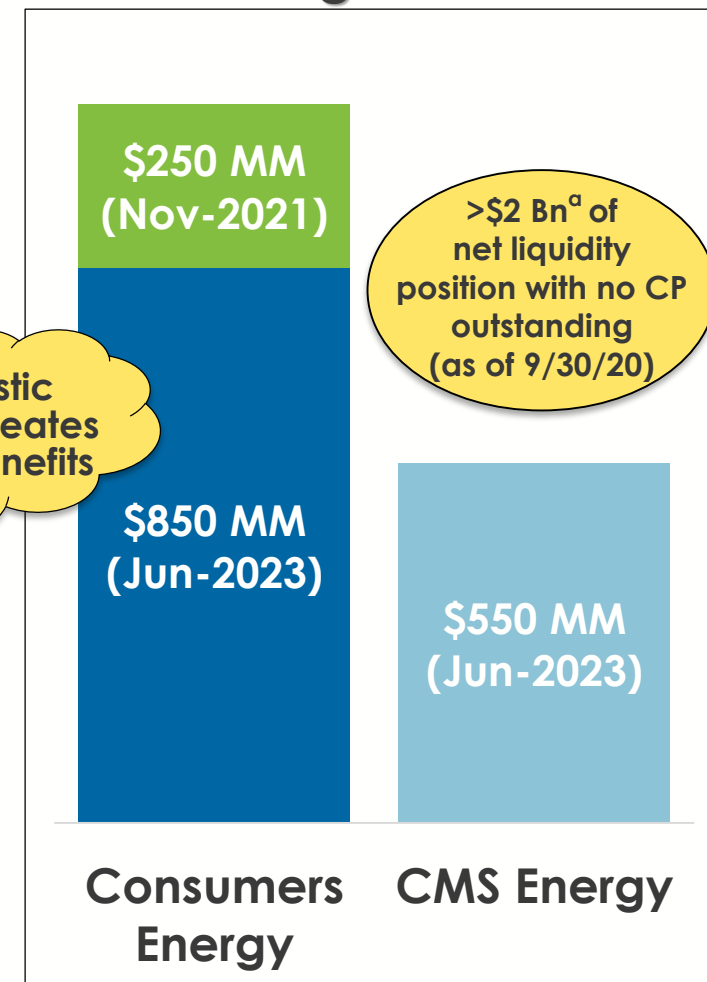
# Financing Plan Largely Completed . . .

## Planned 2020 Financing

	<u>Plan</u> (MM)	<u>YTD<sup>b</sup></u> (MM)
<b>Consumers Energy:</b>		
First Mortgage Bonds	\$650	\$1,361
Term Loan	\$300	\$300
<b>CMS Parent:</b>		
Hybrid	\$325	\$900
Term Loan	--	\$300
Planned Equity	Up to \$250	\$100
<b>Retirements:</b>		
Consumers Energy	\$100	\$725
<b>Other:</b>		
Pension Contribution	\$531	\$531

Opportunistic  
financings creates  
customer benefits

## Existing Facilities



<sup>a</sup>\$1,637 MM in available revolvers + \$519 MM of unrestricted cash - \$139 MM of cash at EnerBank and other <sup>b</sup>As of 12/01/2020

. . . with a focus on liquidity management and interest savings.

# 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	Nov. 2020	Jul. 2020	Dec. 2020

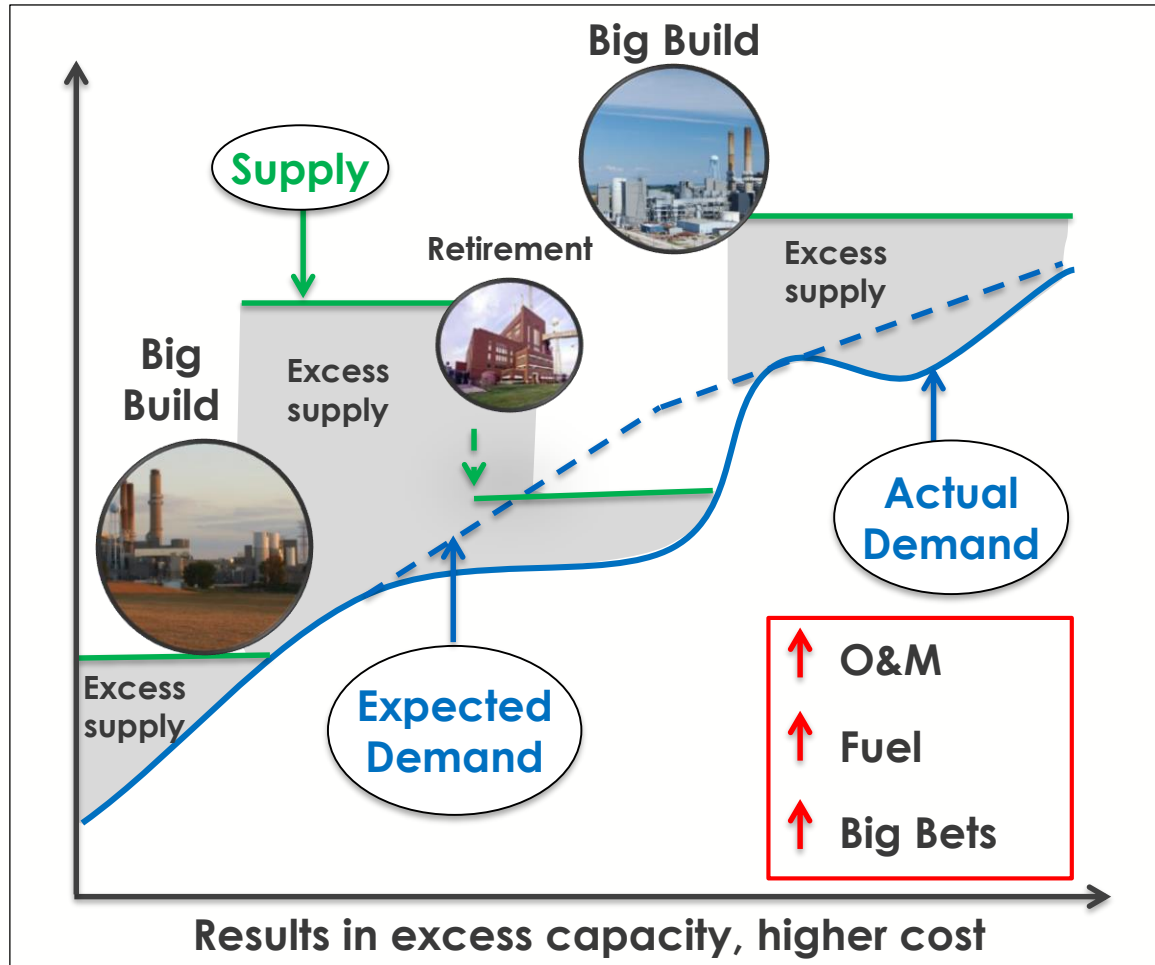
## Ratings Drivers

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

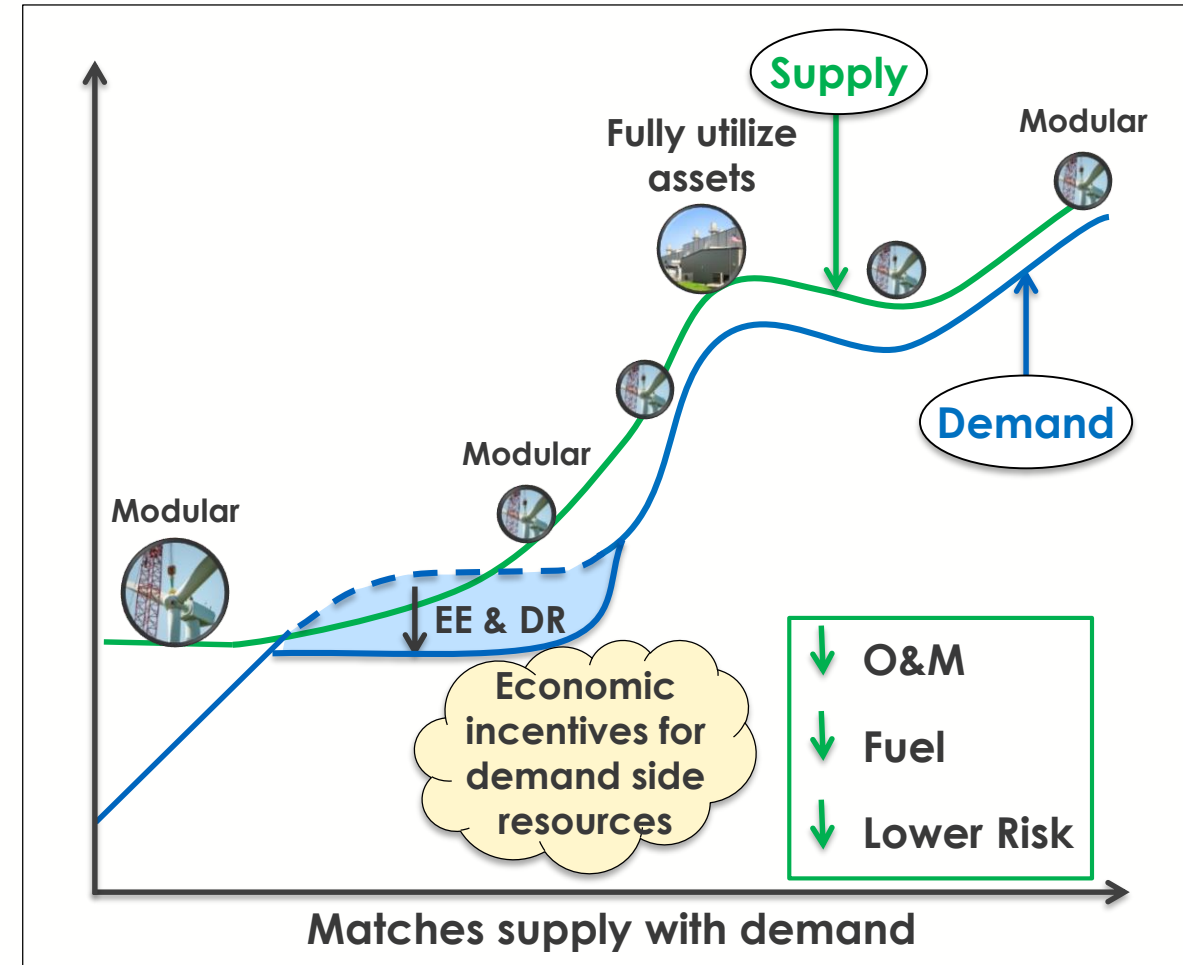
. . . at solid investment-grade levels.

# Clean and Lean . . .

## Old Utility Model



## Clean and Lean

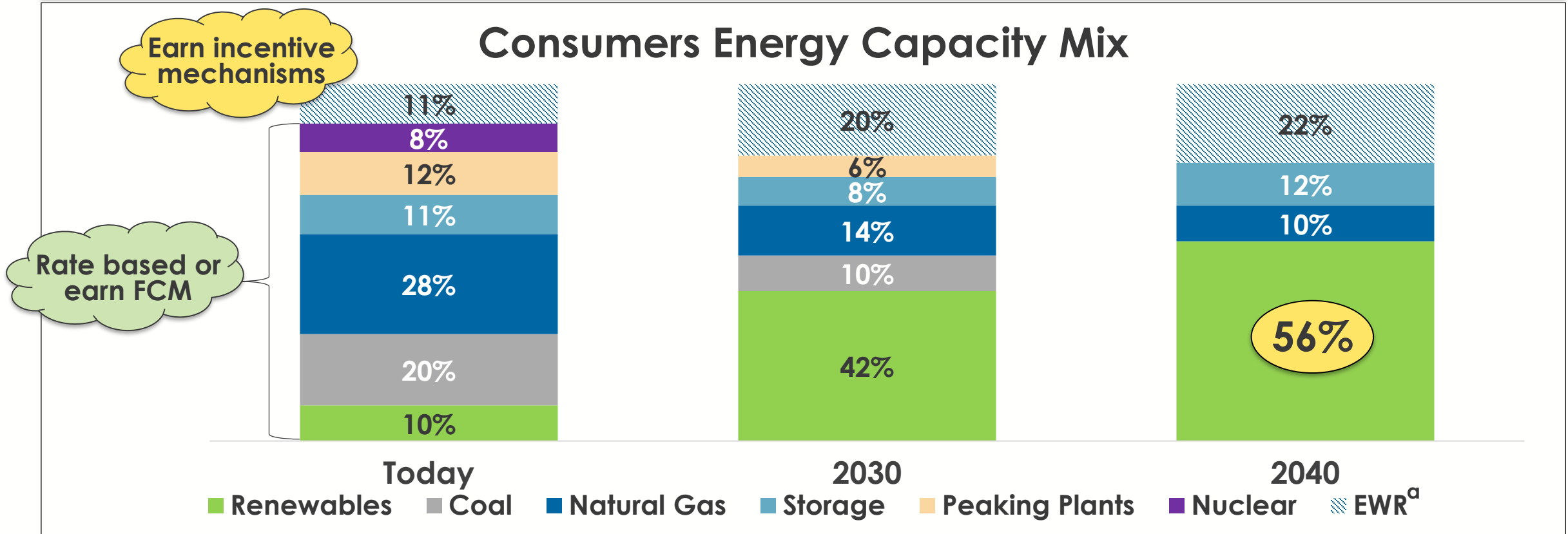


. . . matches supply with demand in a modular way.

# Clean Energy Future . . .



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

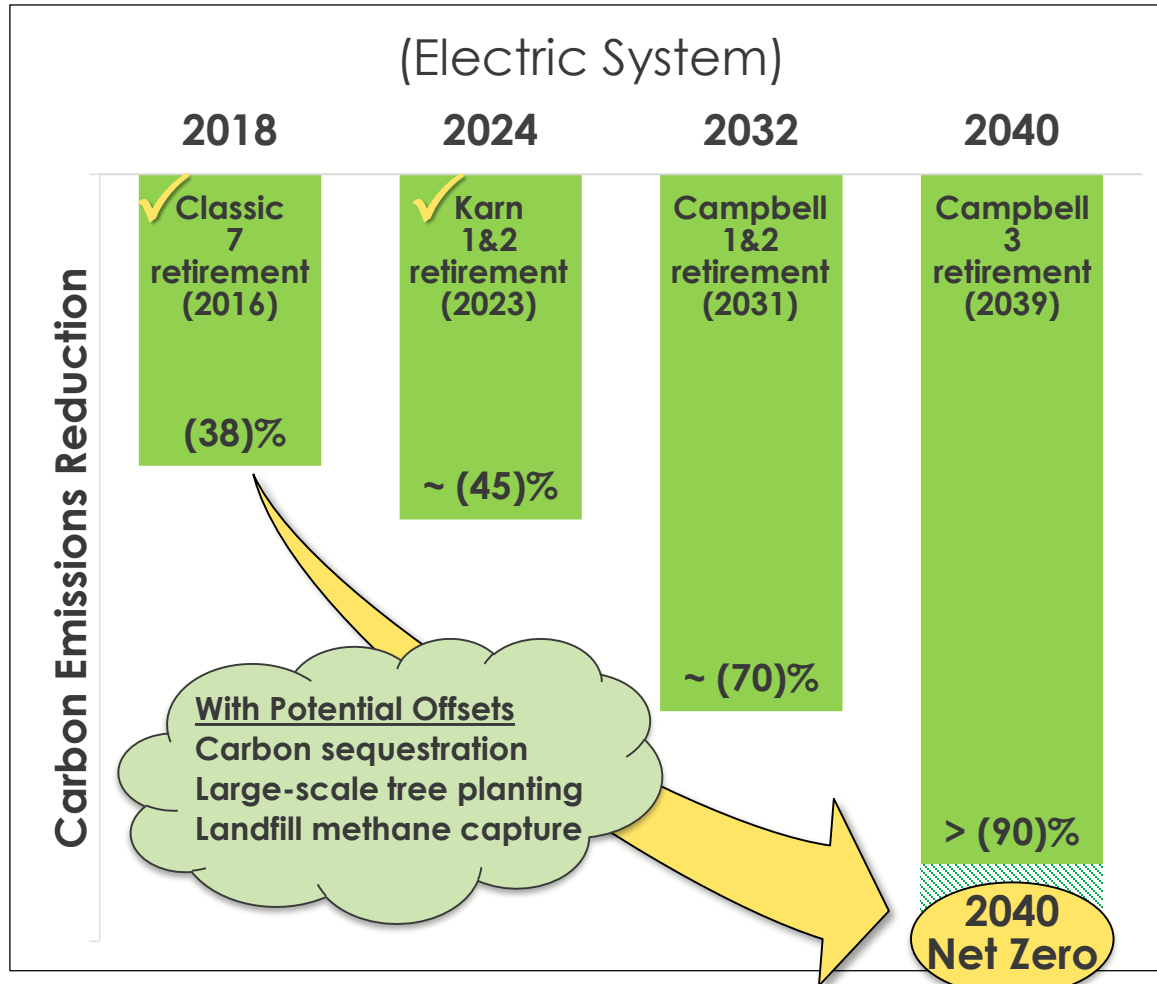


<sup>a</sup>Energy waste reduction

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

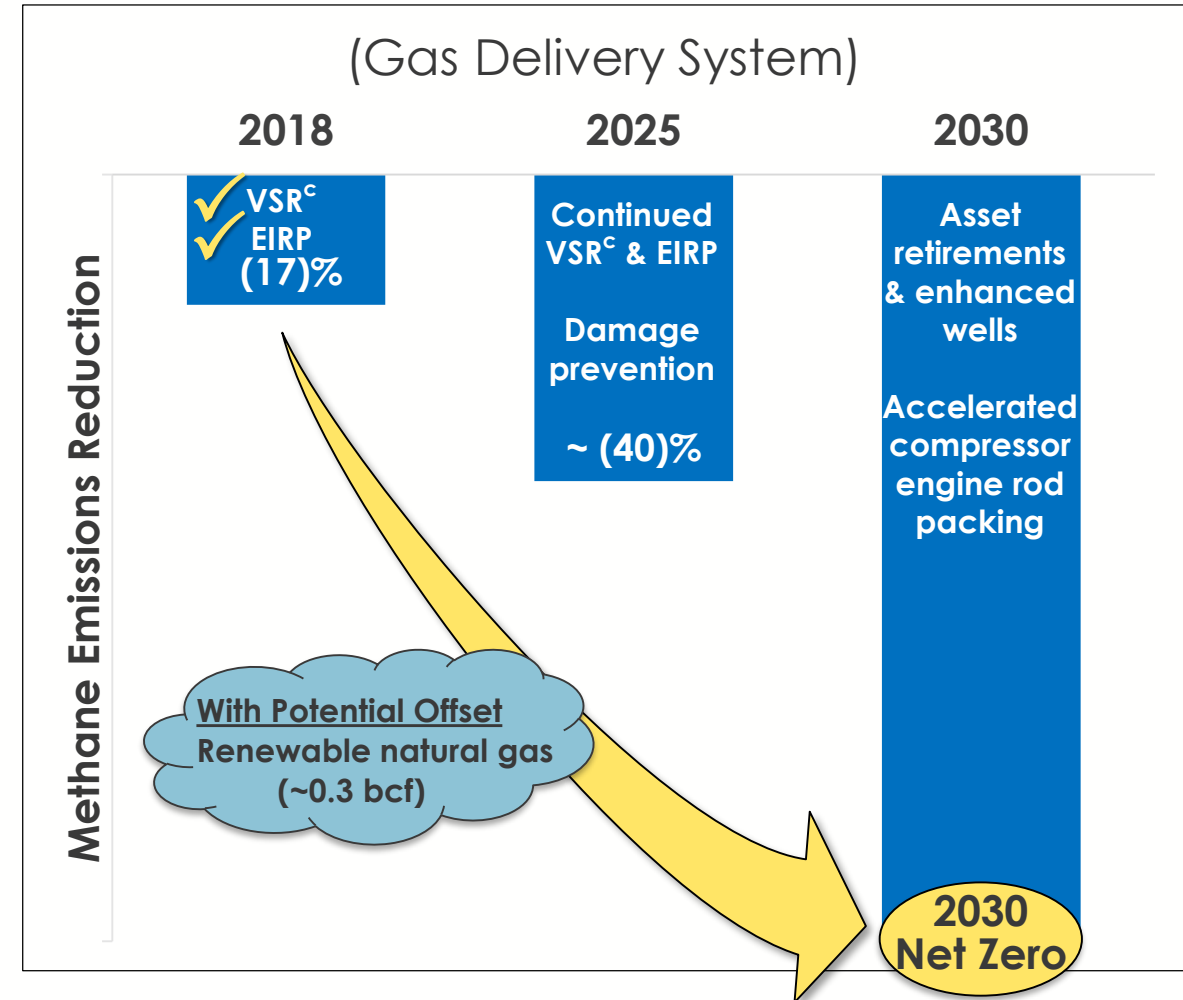
# Net Zero Plans . . .

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



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

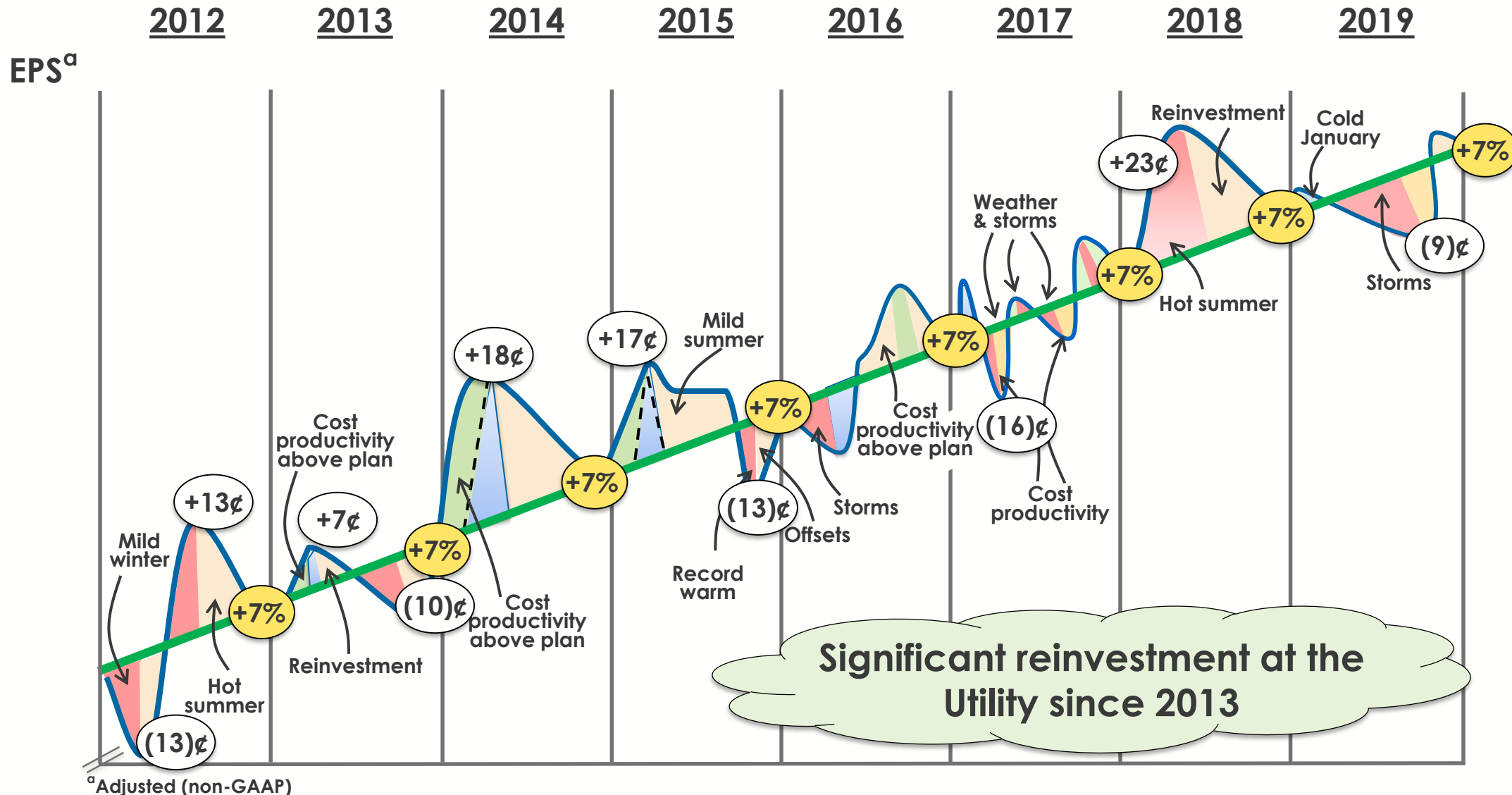
## Methane Emissions<sup>b</sup>



. . . supported by our Clean Energy Plan.



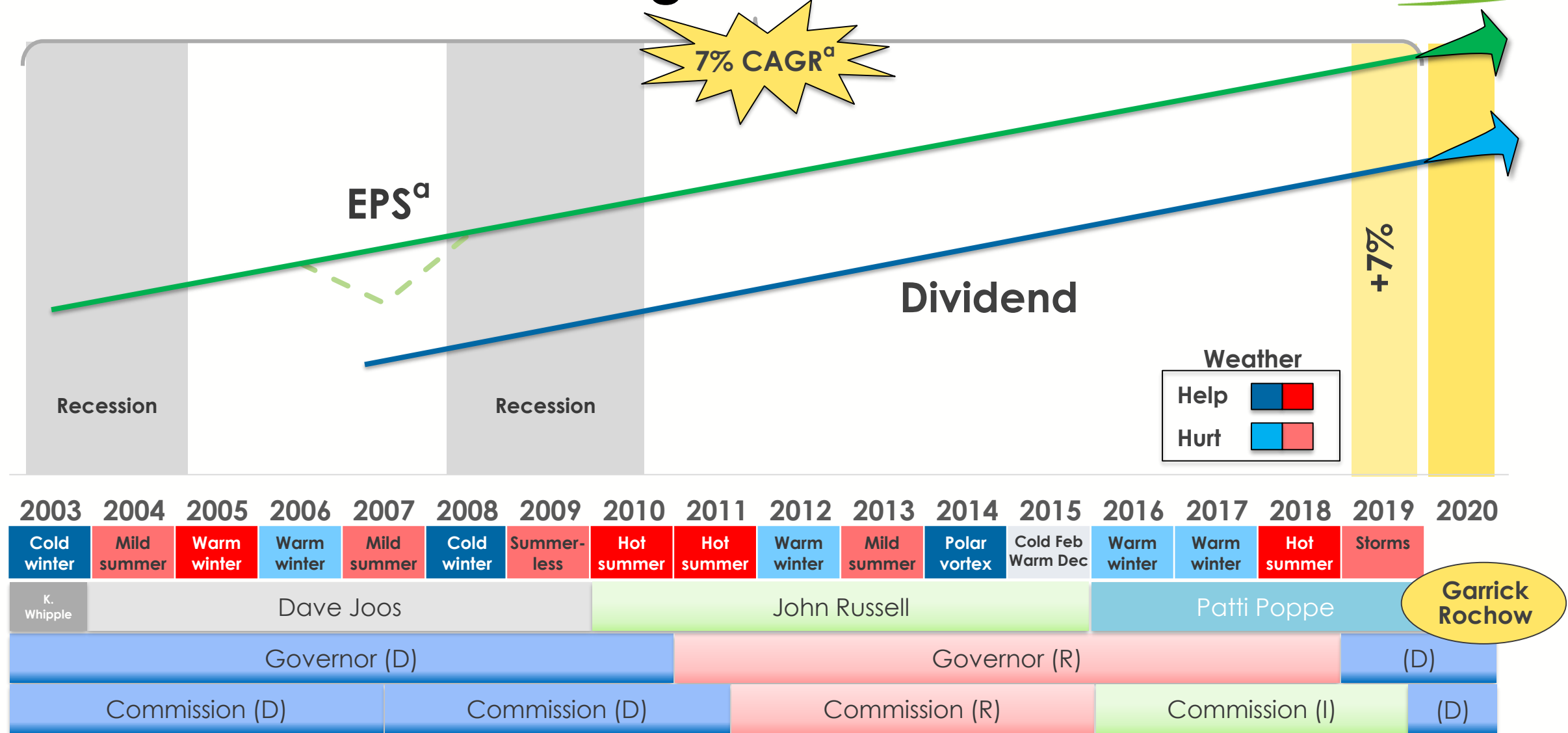
# Managing Work Every Year . . .



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

# Consistent Growth Through . . .

CMS ENERGY



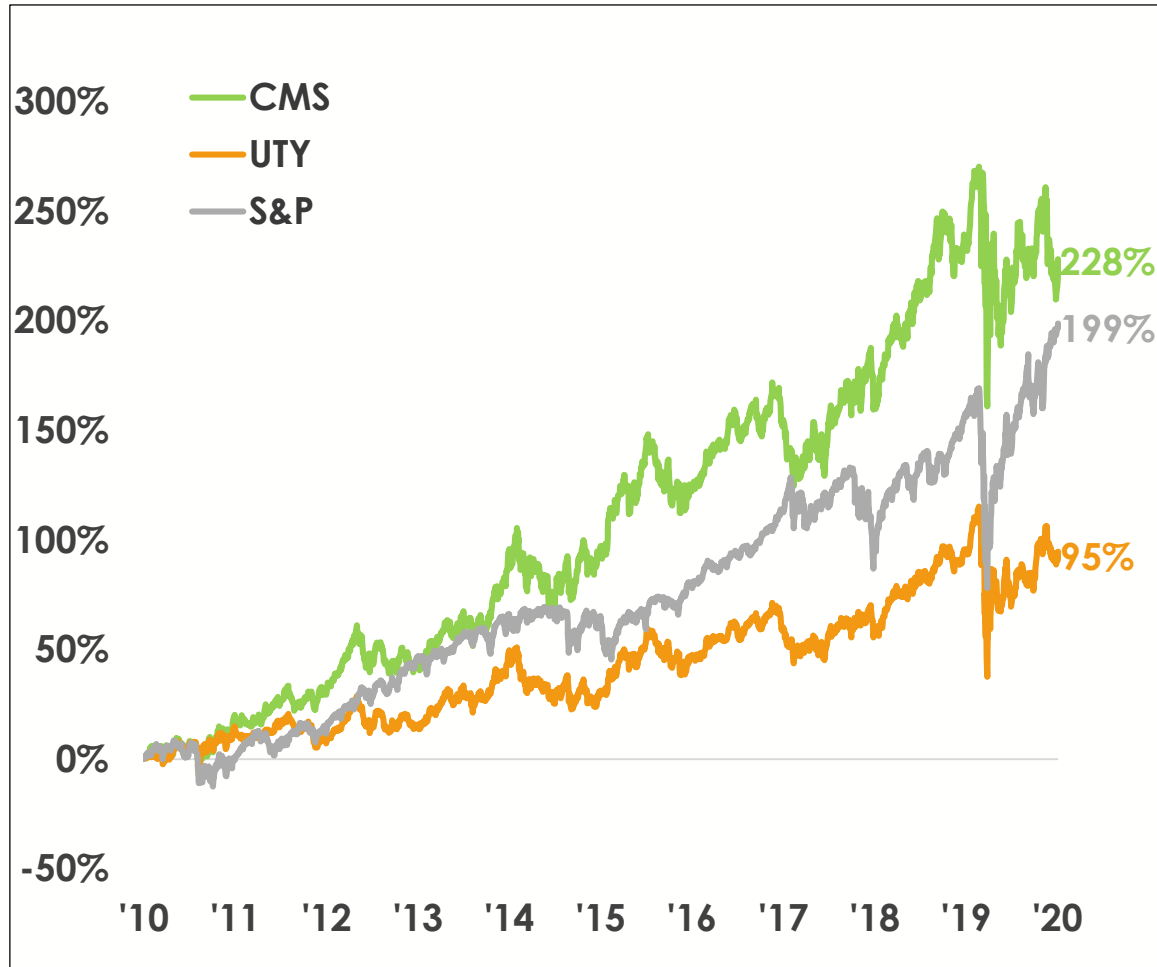
<sup>a</sup>Adjusted (non-GAAP)

. . . changing circumstances.

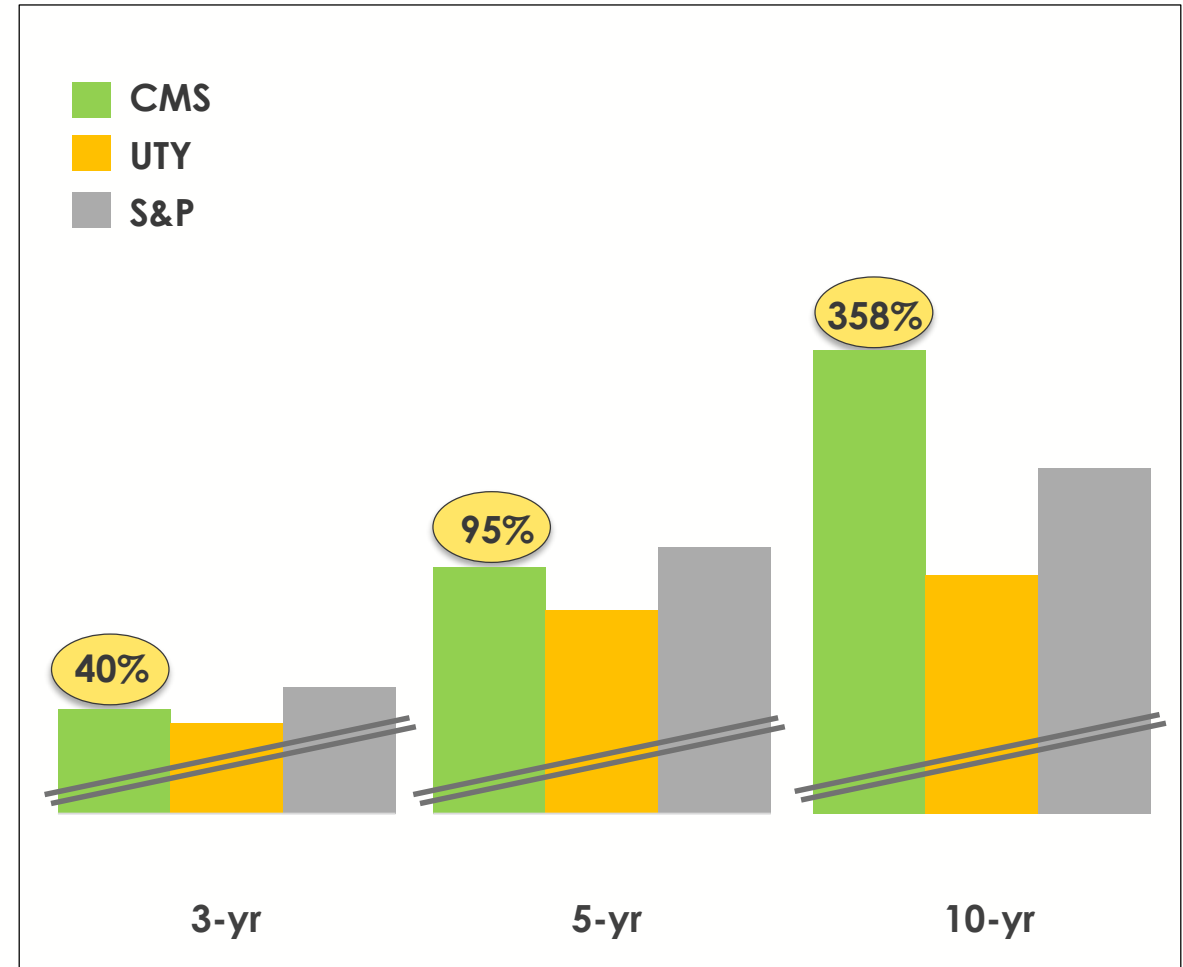
# CMS' Trading Performance . . .



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



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



<sup>a</sup>10-year stock performance as of December 31, 2020 <sup>b</sup>Dividends reinvested as of December 31, 2020

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

# Top of Mind

# CEO Transition . . .



## Garrick Rochow



## Background

• CMS Energy		2003 – Present
• President and CEO		December 1, 2020
• EVP, Electric and Gas Operations		2020
• SVP, Distribution – Electric and Gas (incl. Customer Operations 2016-2017)		2016 – 2020
• Various VP Responsibilities:		2010 – 2016
• Distribution – Electric and Gas		
• Customer Experience		
• Rates and Regulatory		
• Quality (CE Way)		
• Manager, Business - Combustion Turbine Fleet		2008 – 2010
• Manager, Site Production – Campbell		2003 – 2008
• Holland Board of Public Works		1999 – 2003
• Western Michigan University, MBA		
• Michigan Technological University, BS		

20+ years of utility experience across a variety of leadership roles

. . . change in leadership, not in strategy.



# Triple Bottom Line Focus . . .

## People



Caring for Our Co-workers, Customers & Communities We Serve...

- ✓ Continued focus on employee and public safety
- ✓ \$12 MM<sup>a</sup> to customers affected by COVID-19 pandemic
- ✓ \$5 MM<sup>a</sup> in COVID-19 relief funds through CE Foundation
- ✓ Commitment to double our spend on diverse suppliers over next 5 years

## Planet



...Protecting Our Planet with Our Clean & Lean Energy Strategy...

### Today:

- ✓ ~9½%<sup>b</sup> renewables as percent of EPS<sup>c</sup>
- ✓ <15% coal<sup>a</sup> mix of rate base mix

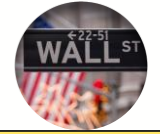
### 2030:

- ✓ Net zero methane emissions<sup>d</sup>
- ✓ <10% coal<sup>b</sup> mix of rate base with retirement of Karn 1&2

### 2040:

- ✓ Net zero carbon emissions<sup>d</sup>
- ✓ Zero coal in generation portfolio
- ✓ 6+ GWs of new renewables

## Profit



...And Delivering on Our Commitment to Our Investors.

- ✓ 6% to 8% long-term EPS<sup>c</sup> and DPS growth
- ✓ 17-years of industry-leading, financial performance

**\$100 MM+**  
cost reductions<sup>a</sup>

. . . underpinned by **PERFORMANCE** through the **CE WAY**

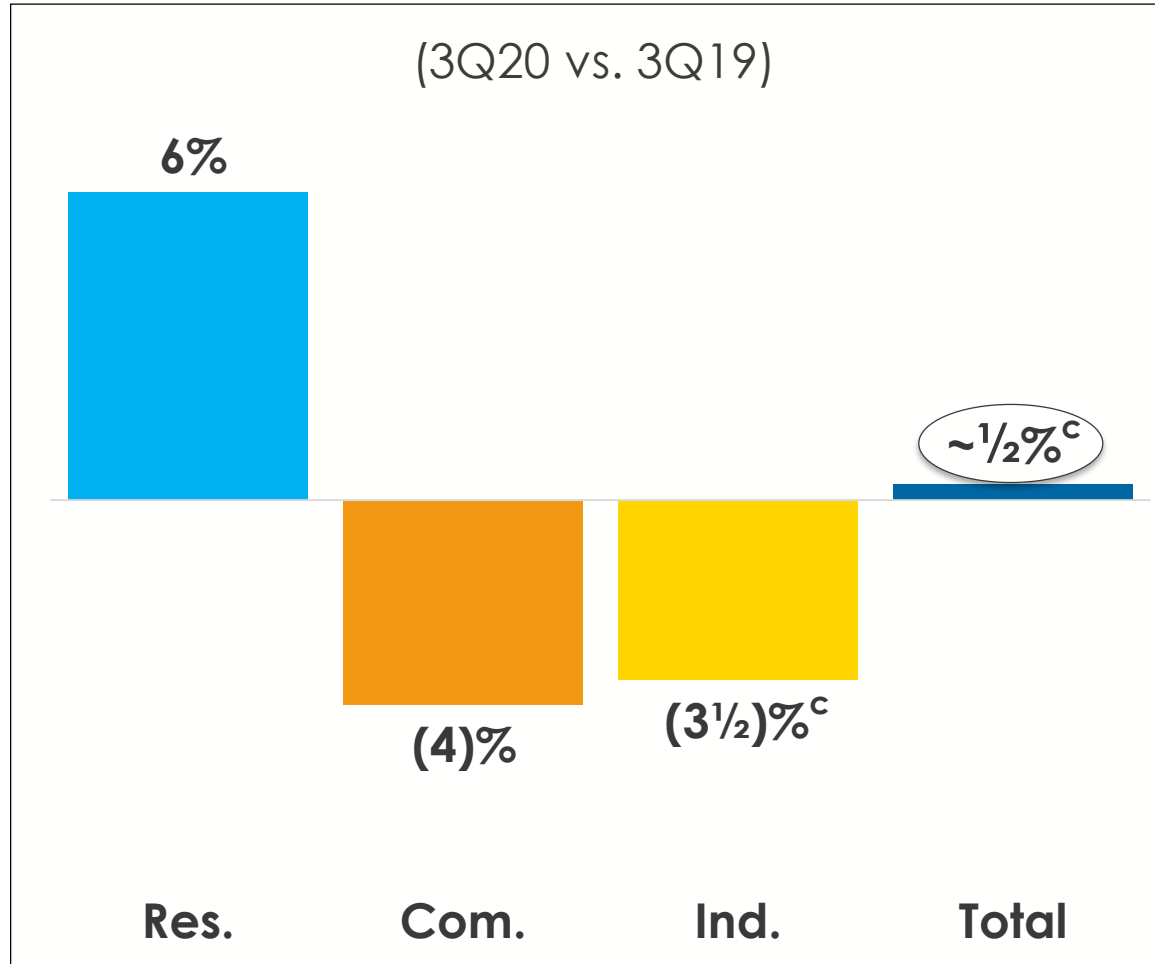
<sup>a</sup>As of 9/30/2020 <sup>b</sup>See slide 31 <sup>c</sup>Adjusted (non-GAAP) <sup>d</sup>Methane emissions from natural gas delivery system and carbon emissions company-wide

. . . continues to make CMS an ESG leader.

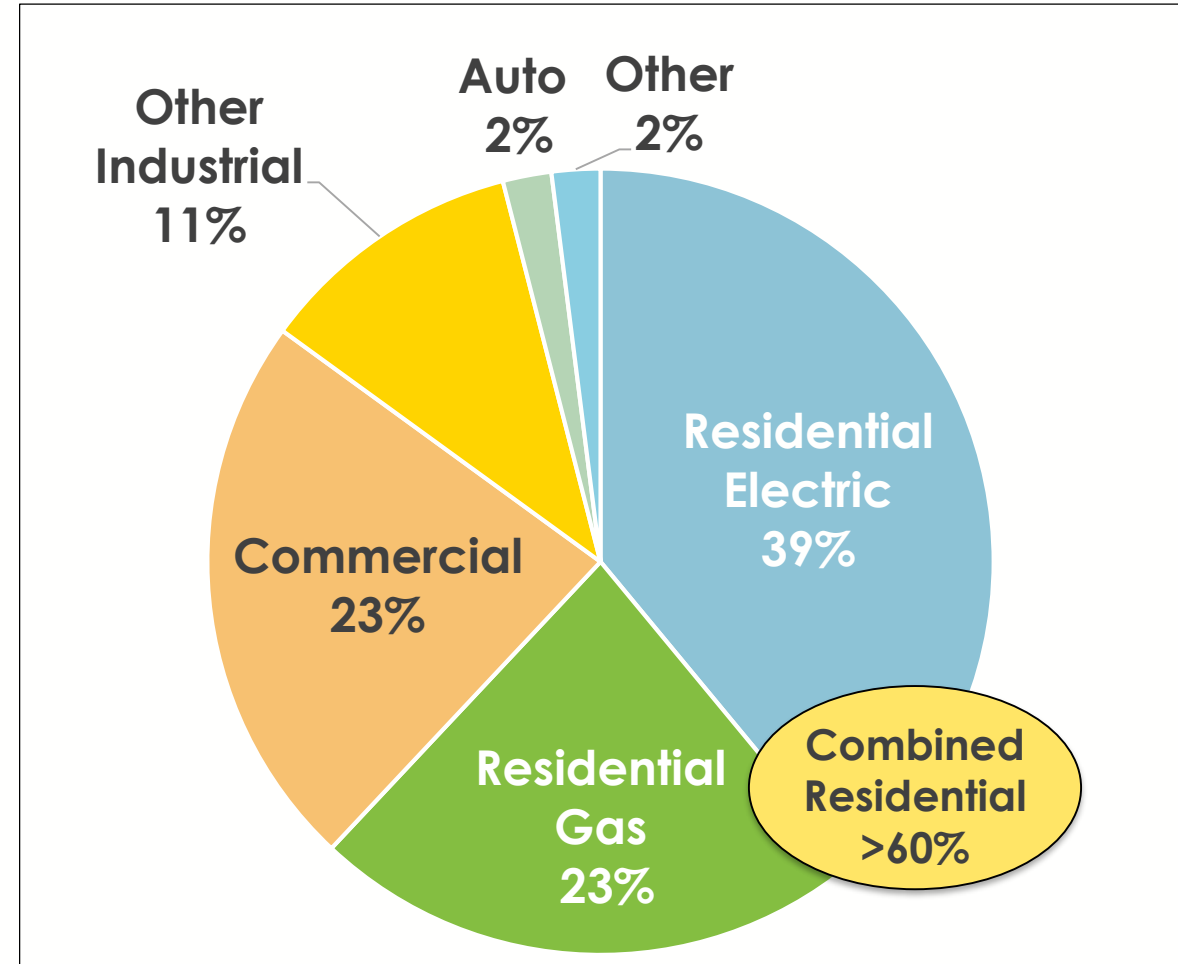
# Utility Sales Continue to Recover . . .



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



## 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 PSCR and GCR <sup>c</sup>Excludes one large, low margin industrial customer

. . . and are supported by favorable mix.

# Regulatory Outlook . . .

2020

2021

## Regulatory / Policy

4/15: ✓  
U-20757  
COVID-19 order  
for deferred  
accounting

12/17: ✓  
Order for securitization  
of Karn 1&2 coal plants  
~\$688 MM

## Electric

12/17 Order: ✓  
U-20697 \$126 MM<sup>a</sup>  
9.9% ROE, 51.11% Equity Ratio

Q1:  
File next  
rate case

## Gas

8/10 Settlement Approved ✓  
U-20650<sup>b</sup> \$144 MM  
9.9% ROE, 52.05% Equity Ratio  
Stay-out until Dec. 2021

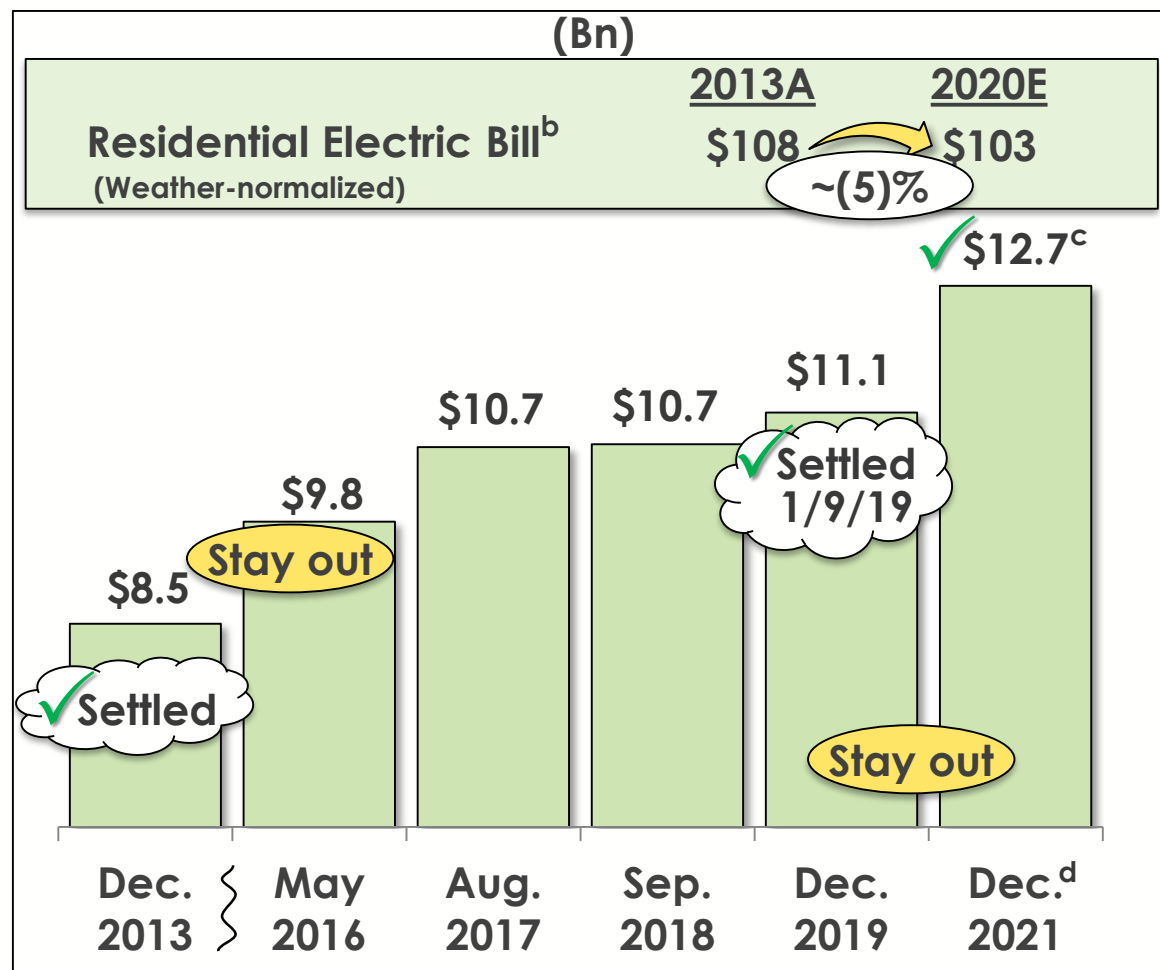
Stay-out  
(until Dec. 1, 2021)

<sup>a</sup>Excludes \$10 MM non-jurisdictional deficiency and \$36 MM of Calc. C DFIT amortization <sup>b</sup>Includes ~\$84.5 MM acceleration of amortization of tax liabilities Oct. 2021-Sept. 2022

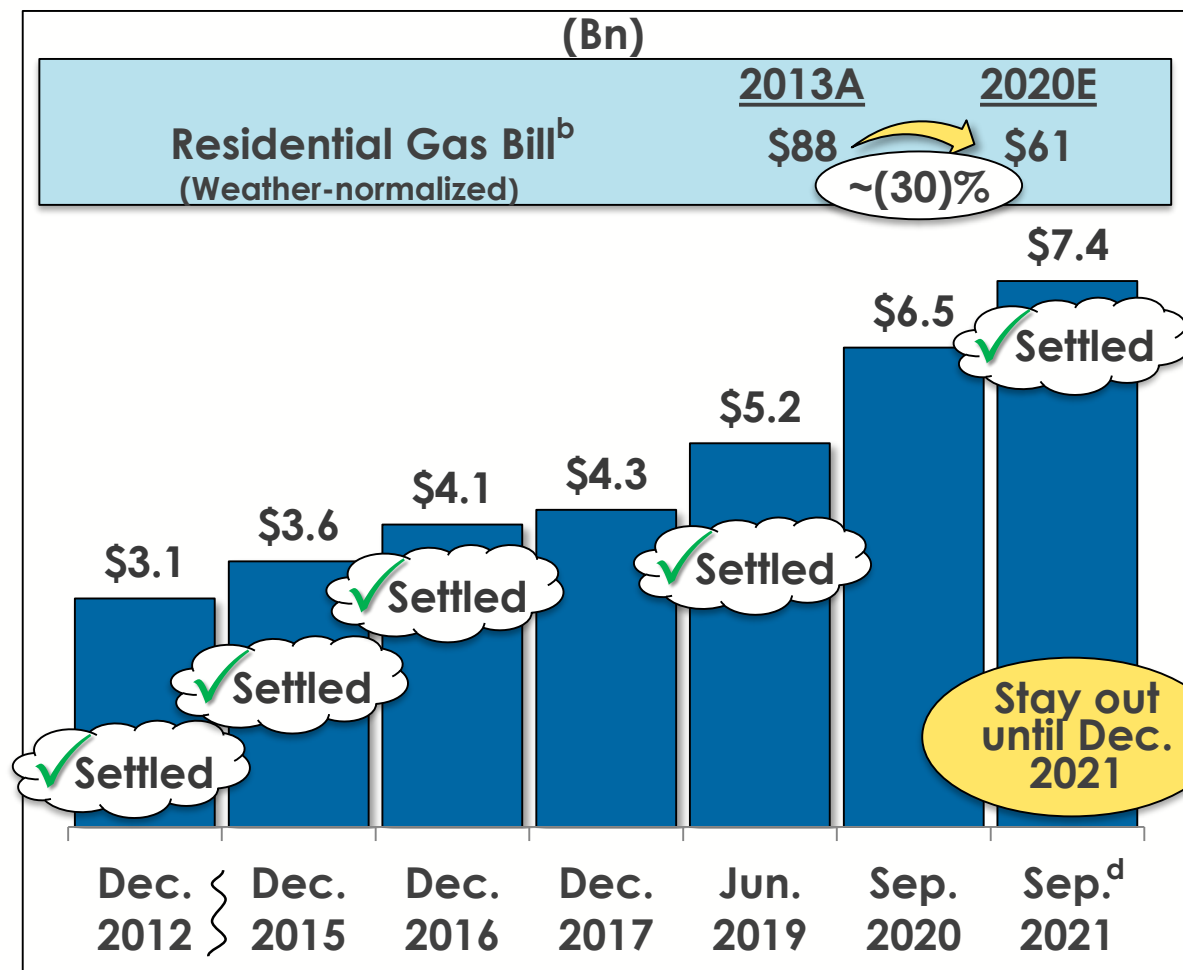
. . . offers limited economic exposure in 2021.

# 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>Reflects most recent order <sup>d</sup>Data as of test-year end

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

# Michigan Legislative Environment . . .

## Governor



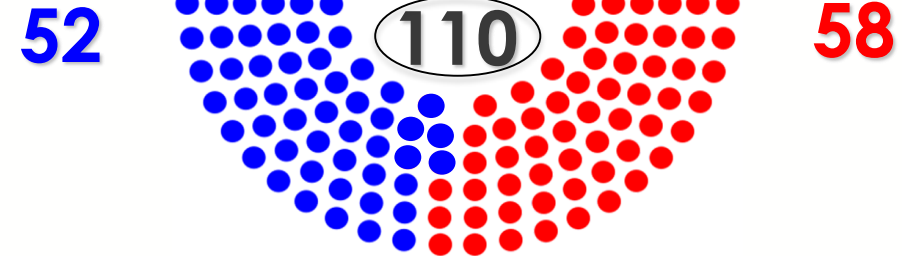
Gretchen Whitmer  
Democrat

Statewide  
Carbon Neutrality  
by 2050

### Key Issues:

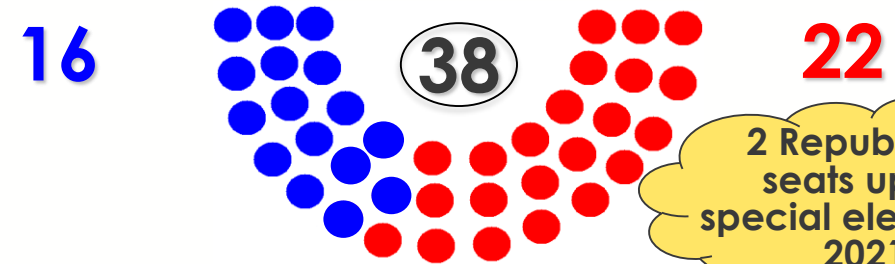
- Pandemic/Health Care
- Infrastructure
- Education

## State House



2020 Election: Republican majority maintained  
2-year terms, even numbered years, 3-term limit

## State Senate



2 Republican  
seats up for  
special election in  
2021

2018 Election

4-year terms, concurrent with Governor's term, 2-term limit

. . . remains stable and supportive.



# 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 (Q1 2021)
- Supports Michigan's 15% RPS by YE 2021



## Integrated Resource Plan (20-Year IRP)<sup>b</sup>

- 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 ~\$688 MM Karn 1&2 recovery via securitization
- RFP tranches:
  - 2019: 300 MWs for 2022
  - 2020: 300 MWs for 2023
  - 2021: 500 MWs for 2024

<sup>a</sup>Capital spend reflects estimates over the life of the program <sup>b</sup>Capital spend for first three years approved

... 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

- 27 MWs of contracted solar (MI, WI)
- 64 MWs of contracted biomass (MI, NC)
- 630 MWs of contracted wind (OH, TX)

### Criteria:

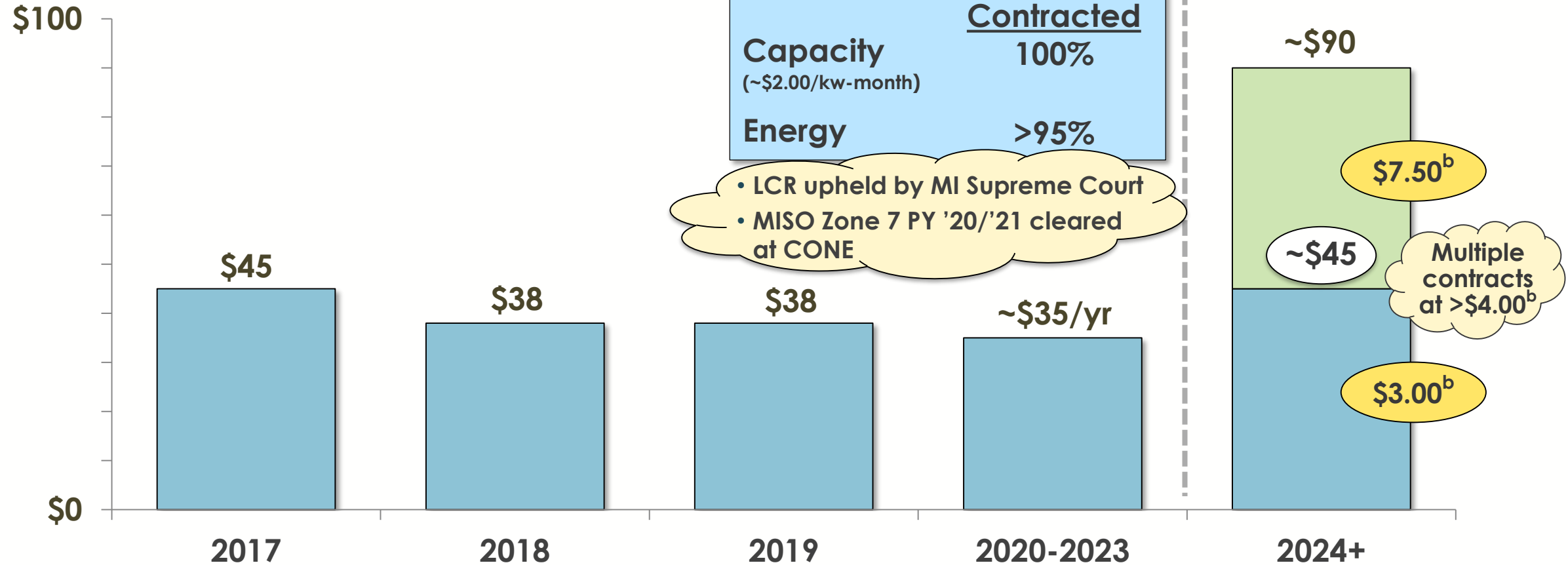
- Customer-oriented
- Credit-worthy counterparties
- Utility-like returns



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

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

Pre-Tax  
Income  
(MM)

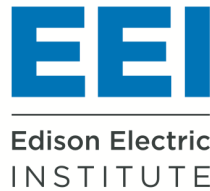


<sup>a</sup>Assumes 100% capacity available at \$3.00 and \$7.50/kw-month <sup>b</sup>\$/kw-month

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

**ESG**

# Our Commitment to ESG . . .



Ranked **Top Quartile** by  
EEI Utility Standards in  
**Safety Performance**



Named **2020 Barron's**  
**100 Most Sustainable**  
**Companies**



Ranked **Top 50** globally in  
**Military Times Best for Vets:**  
**Employers 2019**



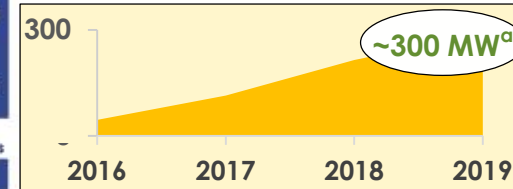
**#1 utility** for **Best**  
**Employers for Women**  
**2020 by Forbes®**  
**Magazine**



Named the **#1 Michigan**  
**Company for Diversity** in 2019  
by **Forbes® Magazine**



Named a **Top U.S. utility** for  
**economic development** by  
**Business Facilities** and  
**Site Selection** magazines



**#3 globally** for **Association**  
for **Talent Development**  
**2019 Best Award**



**#1 company Utility** in **Michigan**  
and **Top 50 Best Employers** for  
**Diversity 2020 by Forbes®**  
**Magazine**



Received 2019 **Energy Star®**  
**Partner of the Year Sustained**  
**Excellence Award**



Ranked **#1 overall** in the **Midwest**  
Large Segment for the **2019 Gas**  
**Residential Customer Satisfaction**  
Study, **J.D. Power** and Associates



Named **Gold-Level Veteran**  
**Friendly Employer** by the  
**Michigan Veterans Affairs**  
**Agency (MVAA)**

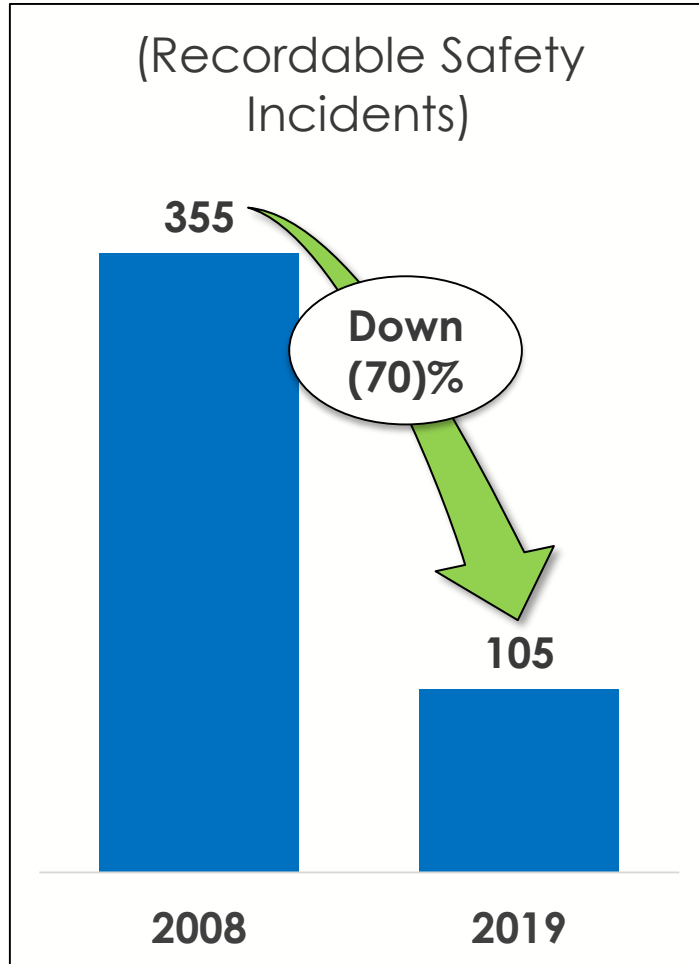


<sup>a</sup>New or expanding load since 2015

. . . is recognized nationwide.

# Safety in the Workplace . . .

## Safety Performance



## 2019 Successes



- Zero fatalities
- Ranked top quartile by EEI utility standards in safety performance
- Partnered with EEI to develop a new risk-based safety model with focus on proactively avoiding serious injuries and fatalities
- Predicted and prevented safety incidents
  - >1,000 “good-catches”
  - ~200 follow up actions resulting in many systemic improvements within our safety program to prevent future incidents
- Eliminated >9,500 vintage services



Edison Electric  
INSTITUTE



. . . every task, every job, every day.



# Diversity, Equity & Inclusion . . .

Angela  
Thompkins



Vice President  
and Chief Diversity  
Officer



**#1 Utility company in Michigan &  
Top 50 Best Employers for  
Diversity 2020  
by Forbes® Magazine**



**>20% of employees are  
involved in one or more  
Employee Resource Groups**



**#1 utility for Best Employers for  
Women 2020 by  
Forbes® Magazine**



**Ranked Top 50 globally in Military Times Best for  
Vets: Employers 2019 and Gold-Level Veteran  
Friendly Employer by the Michigan Veterans  
Affairs Agency (MCAA)**

**#3 globally for Association  
for Talent Development  
2019 Best Award**

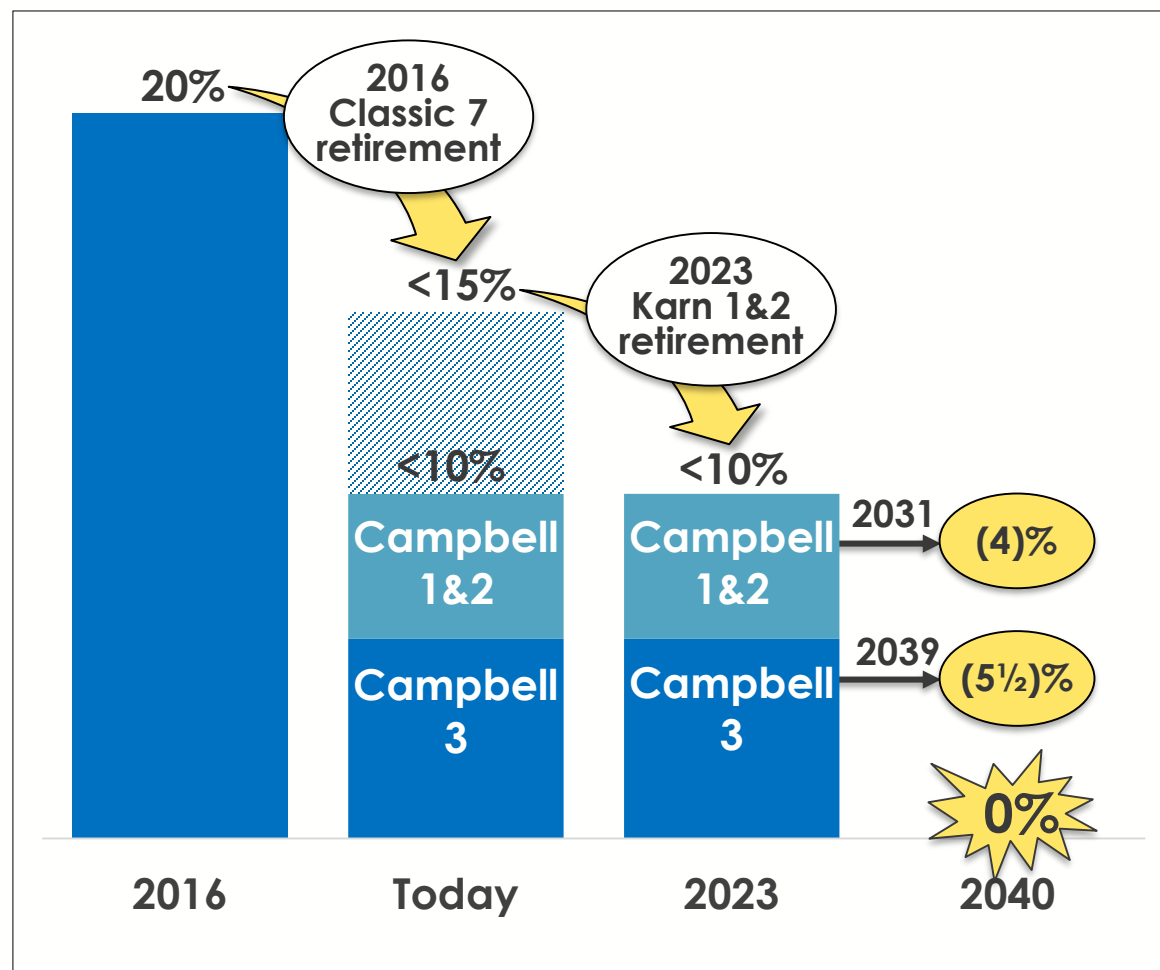


**. . . to ensure we provide a safe place to work for all of our co-workers.**



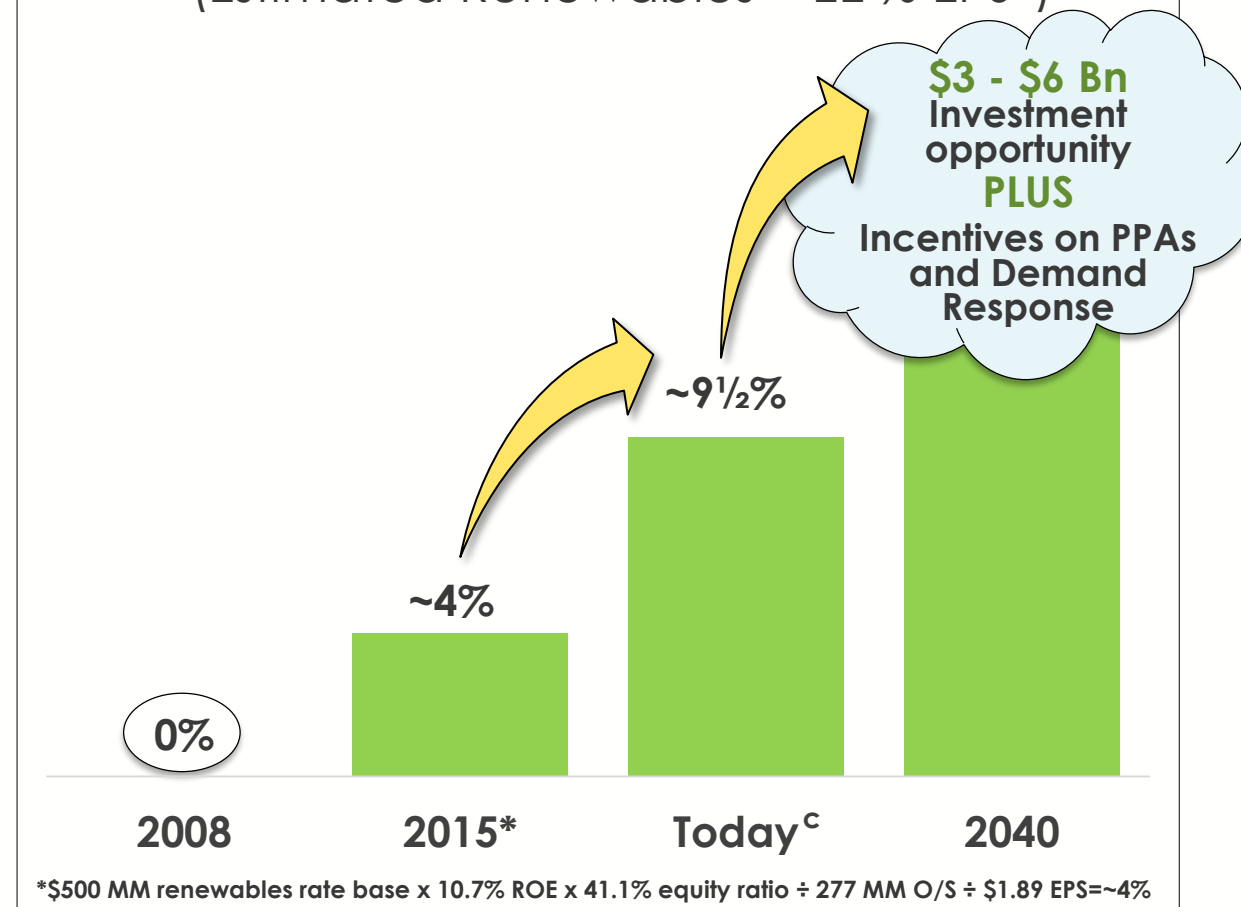
# Declining Exposure to Coal . . .

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



## Increasing Clean Energy Exposure

(Estimated Renewables + EE % EPS<sup>b</sup>)



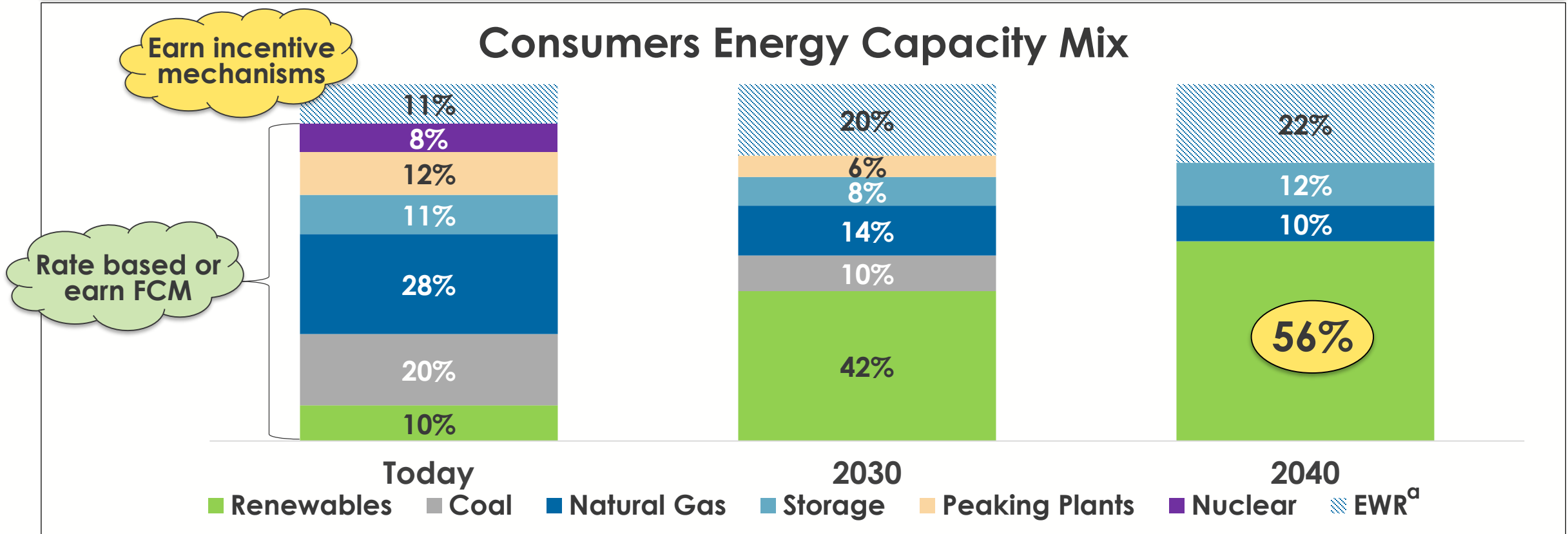
<sup>a</sup>Coal rate base based on calendar year; total rate base based on a 13-month average <sup>b</sup>Adjusted (non-GAAP) <sup>c</sup>Includes ~\$45 MM of energy efficiency spend for 2020.

. . . with plans to eliminate completely.

# 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.

# Energy Efficiency . . .

## Energy Efficiency Programs

- ✓ Saved customers over \$3 Bn on their energy bills since 2009
- ✓ Reduced usage by ~4,500 GWh since 2009
- ✓ Recycling more than 25,000 appliances each year
- ✓ Providing more than 90,000 residential rebates each year
- ✓ Completing ~18,000 in home energy audits per year
- ✓ Selling more than 3 MM LEDs in stores across the state every year

Equivalent to  
1  
power plant!<sup>a</sup>

## Electric

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

## Gas

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

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



<sup>a</sup>Assumes roughly 700 MW saved

. . . a fully-subscribed program.

# Exceptional Governance . . .



## Board of Directors with Diverse Backgrounds

### By the Numbers

**11** Members

**36%** Women

**27%** People of color

**91%** Independent



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

# ESG Disclosures . . .



## Corporate Responsibility

- [CMS Energy](#) & [Consumers Energy](#) Websites
- SEC Filings ([10-K](#) & [Proxy](#))
- 2019 Carbon Disclosure Project
  - [Report Scope 1, 2 & 3 Emissions](#)
  - [Water](#)
- [Climate Assessment Report](#)
  - Considers TCFD Guidelines
- [EEI & AGA ESG Templates](#)
- [Sustainability Report](#)
- [Civic & Political Engagement](#)

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

**CMS ENERGY**

**PEOPLE**



**PLANET**



**PROFIT**



. . . are transparent and easily obtainable.

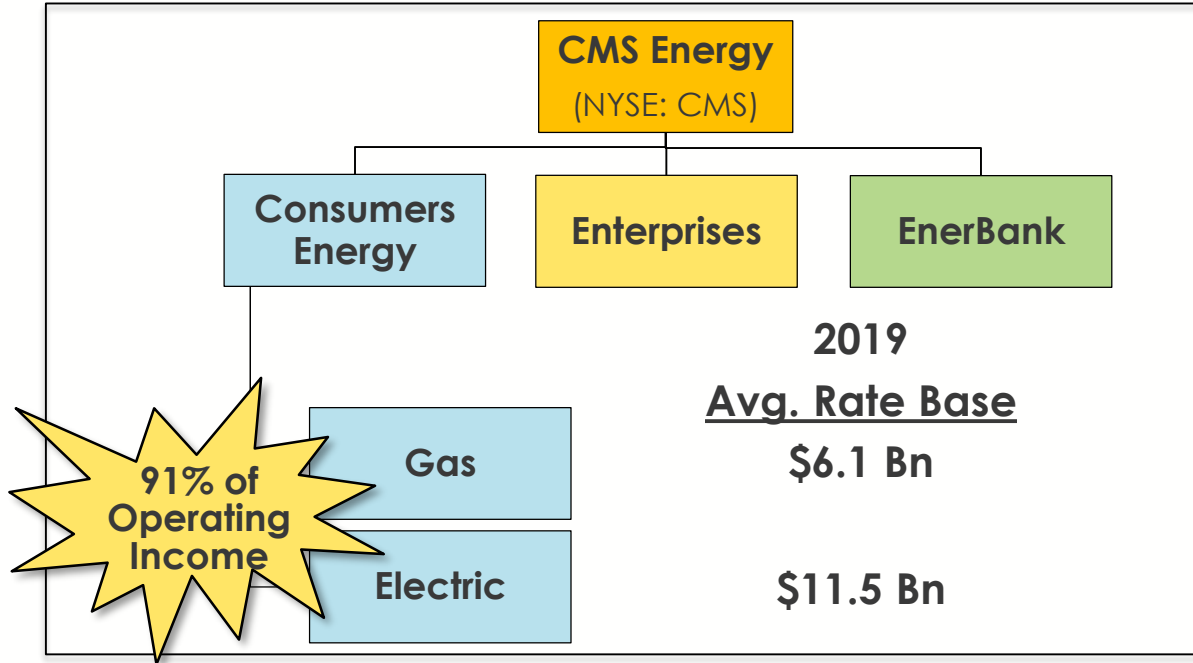
# CMS Overview



# CMS Energy Overview



## Corporate Structure



## Key Information

### 2019 Financial Statistics

Based in Jackson, MI

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

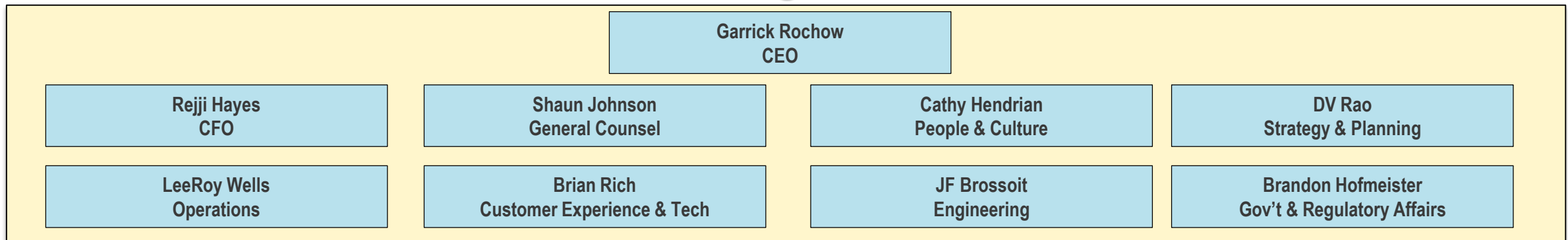
**\$6.8 Bn** Revenue

**\$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

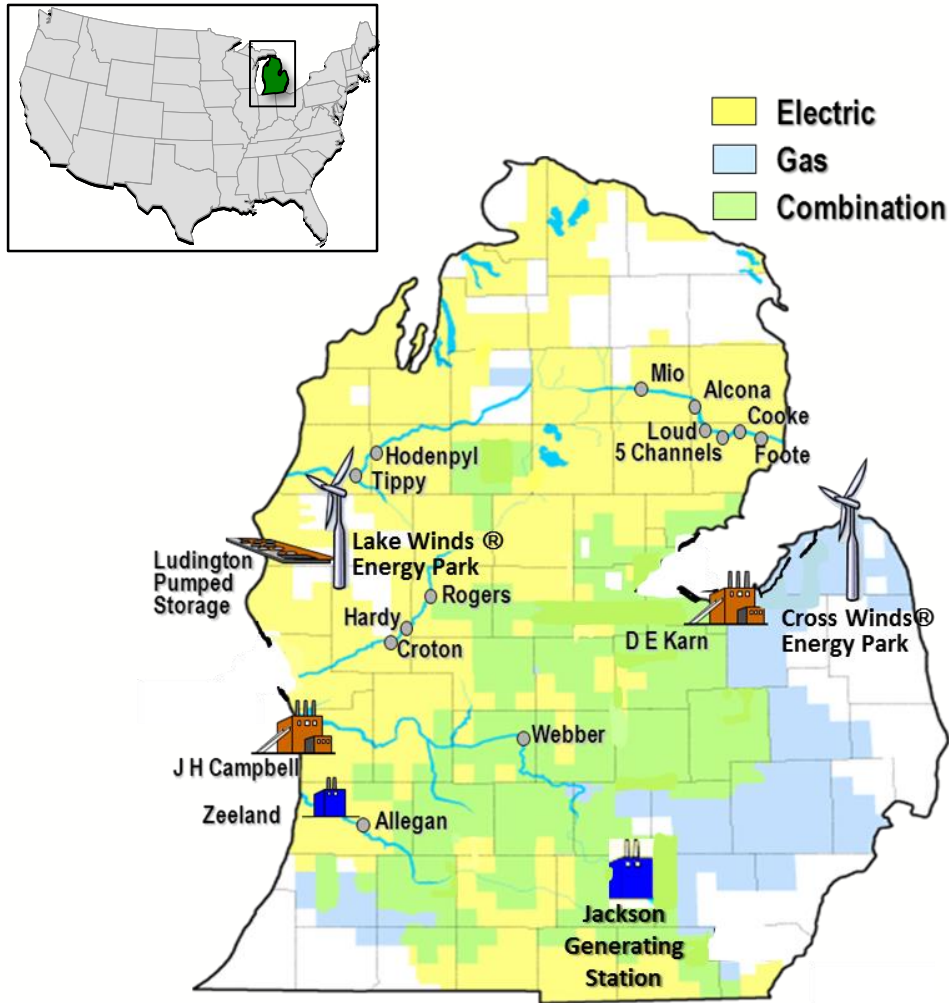
## Senior Management Team



<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



Aging coal fleet replaced with **6,000 MW of added solar by 2040**



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



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

. . . requires significant customer investment.

# Utility Customer Investment Plan . . .

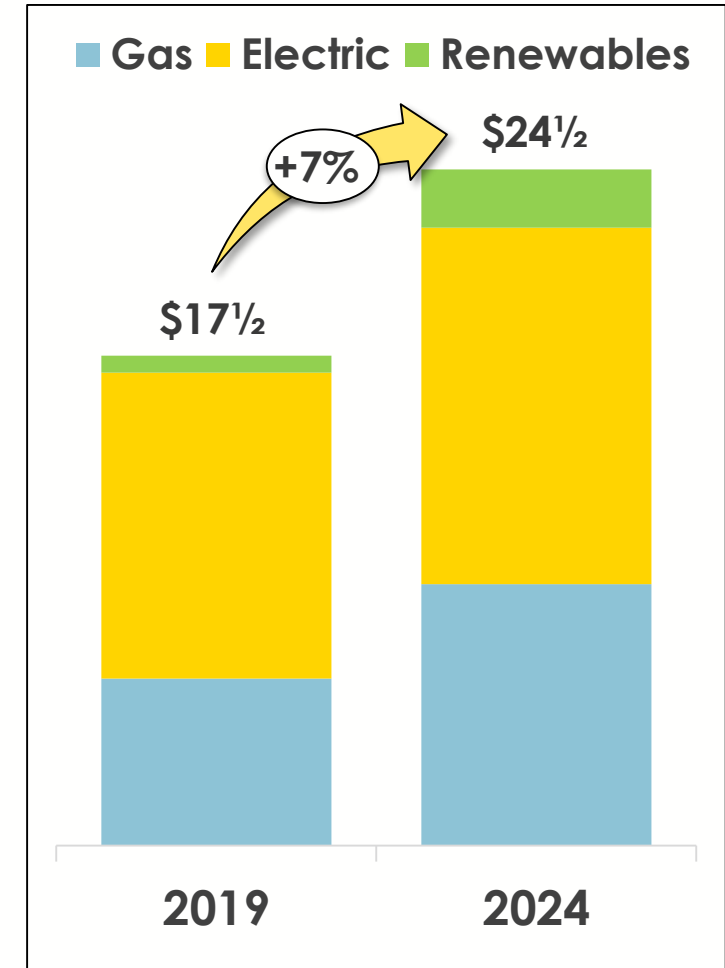


## Investment Plan

<u>Capital Investment (Bn):</u>	<u>2020 Plan</u>	<u>'20-'24 Plan</u>	<u>10-Yr Plan</u>
Renewables	\$0.4	\$ 1 <sup>3</sup> / <sub>4</sub>	\$ 4
Electric Utility	0.9	5 <sup>1</sup> / <sub>2</sub>	11
Gas Utility	<u>0.9</u>	<u>5</u>	<u>10</u>
Total	<u>\$2.2</u>	<u>\$12<sup>1</sup>/<sub>4</sub></u>	<u>\$25</u>
<b>\$25 Bn 10-Yr Plan<sup>a</sup> with \$3 - \$4 Bn of Opportunities</b>			

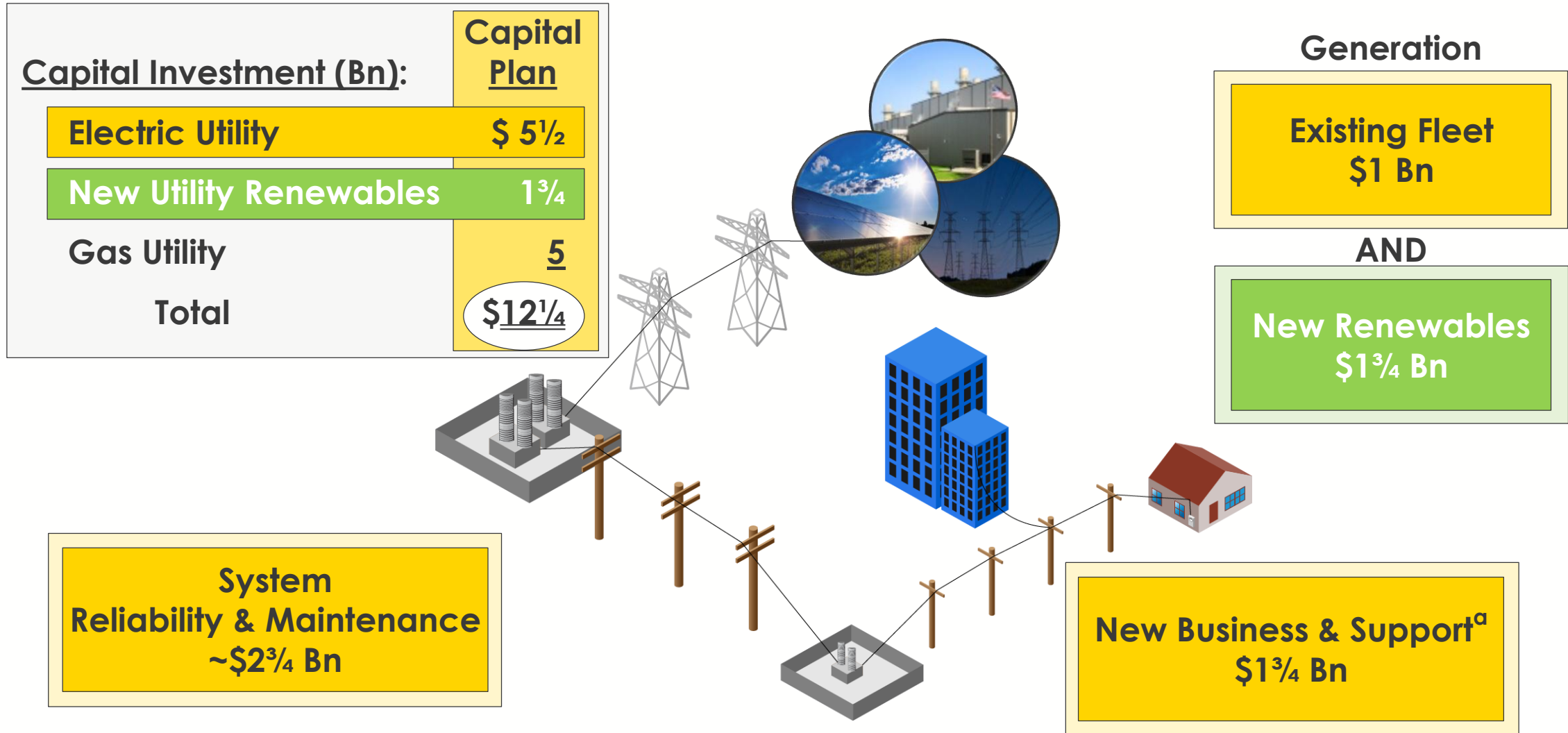
<sup>a</sup>10-yr plan includes years 2019 through 2028

## Rate Base Growth



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

# Electric System Investment . . .

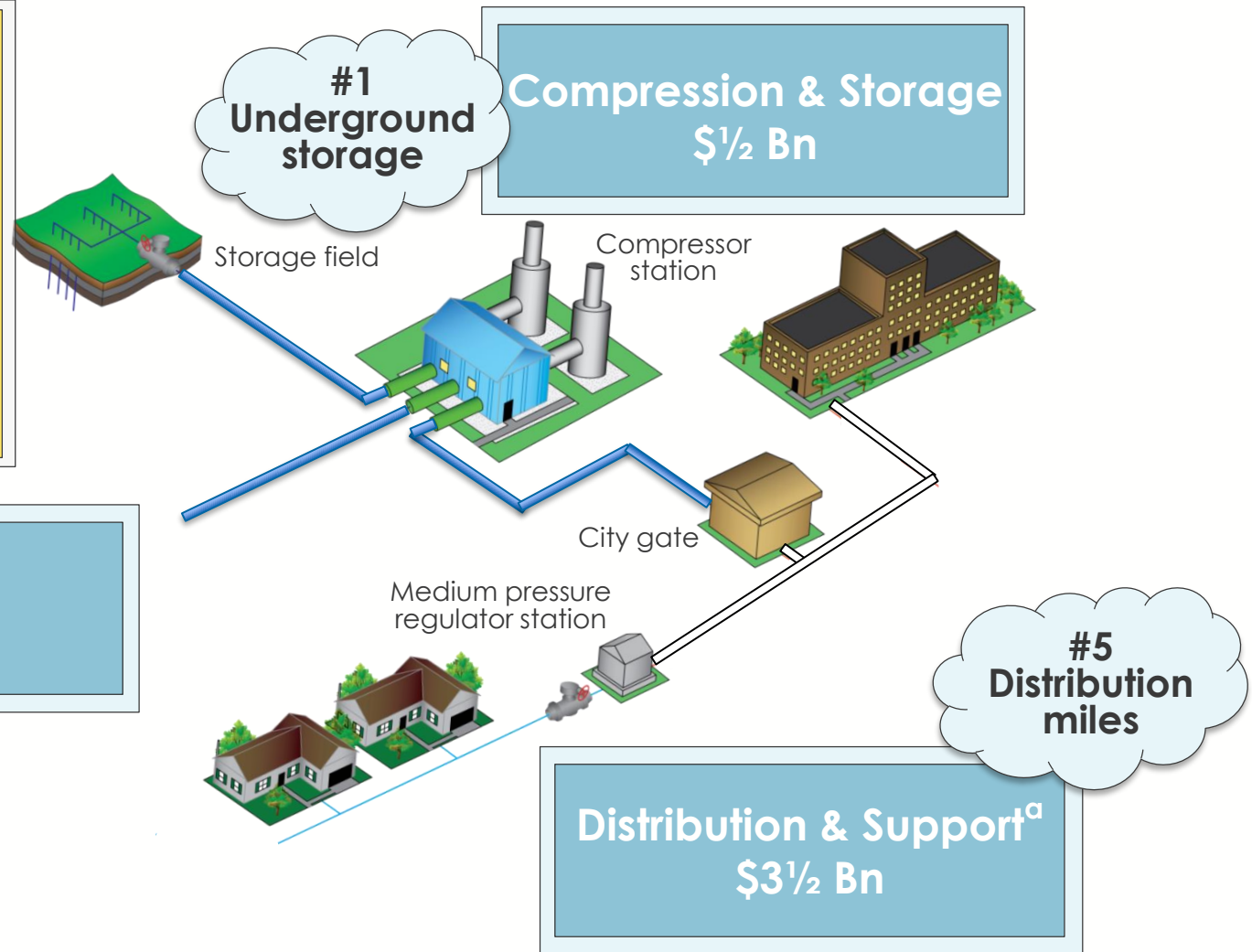
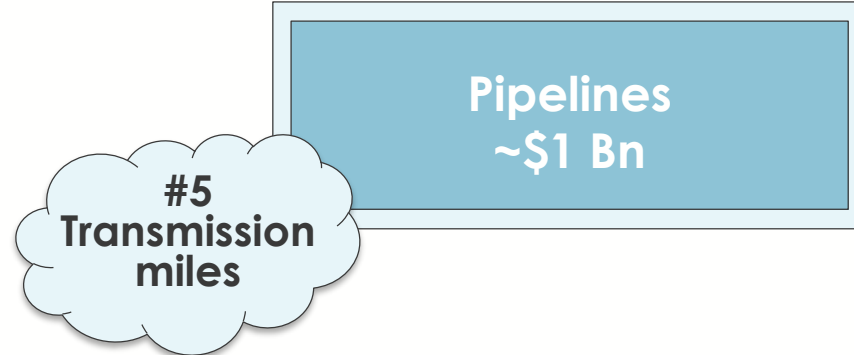


<sup>a</sup>Support includes IT, Fleet & Facilities, Customer Experience, Asset Relocation and Cost of Removal

. . . 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 safety, reliability and reduces methane emissions.



# Clean Energy Future . . .

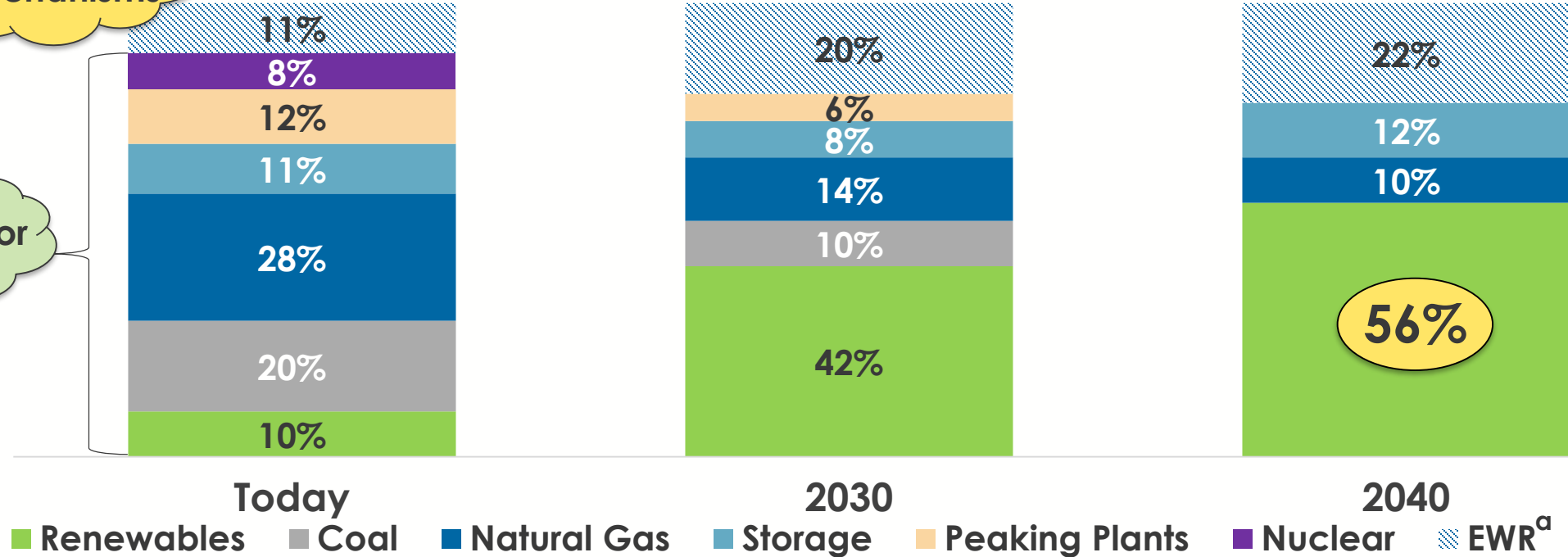


- ✓ Elimination of coal
- ✓ More renewable energy
- ✓ Innovative energy solutions

Earn incentive mechanisms

## Consumers Energy Capacity Mix

Rate based or earn FCM

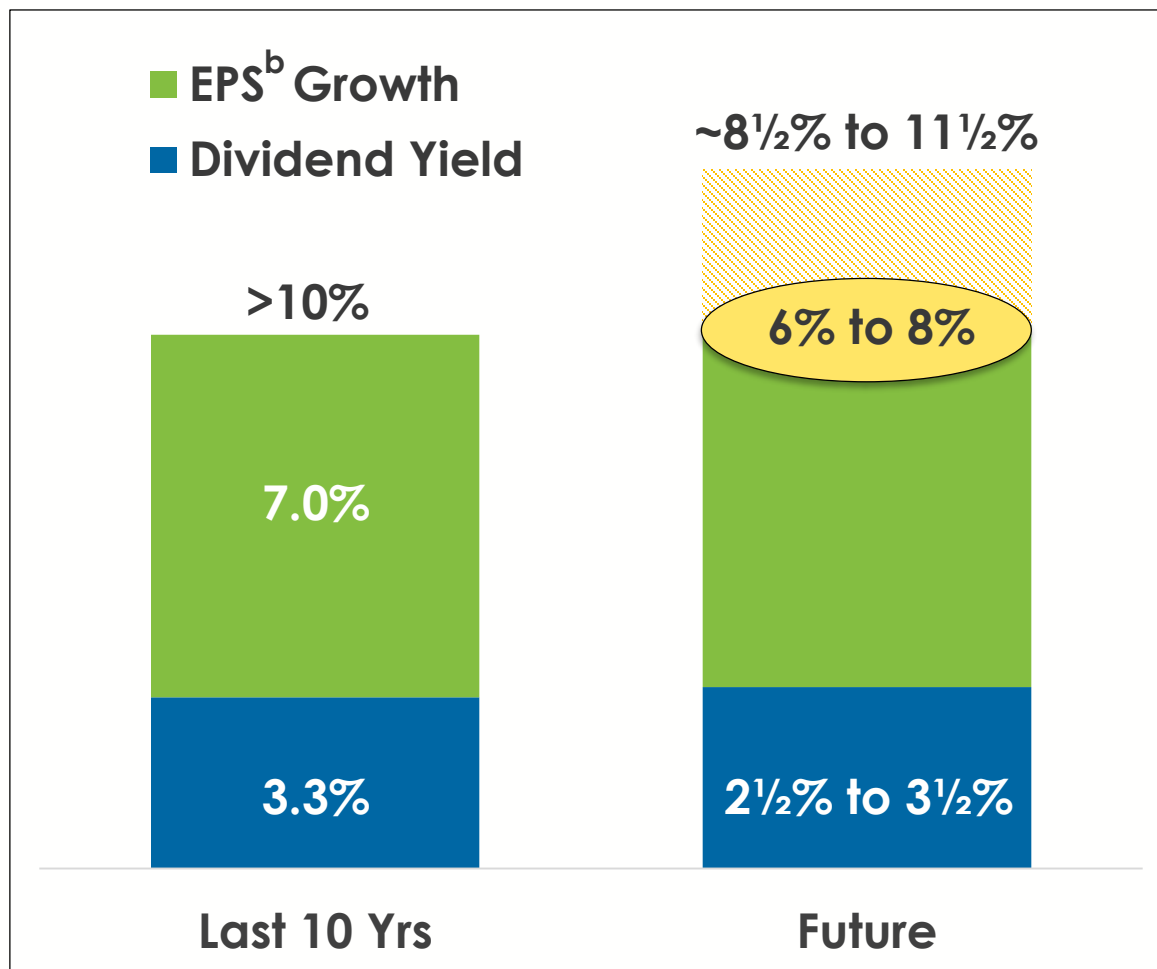


<sup>a</sup>Energy waste reduction

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

# CMS Performance . . .

## Total Shareholder Return<sup>a</sup>



## EPS<sup>c</sup> Performance

	Guidance	Actual	YoY
2019	\$2.46 - \$2.50	\$2.49	+7% ✓
2018	\$2.29 - \$2.33	\$2.33	+7% ✓
2017	\$2.13 - \$2.17	\$2.17	+7% ✓
2016	\$1.97 - \$2.01	\$2.02	+7% ✓
2015	\$1.85 - \$1.89	\$1.89	+7% ✓
2014	\$1.73 - \$1.78	\$1.77	+7% ✓
2013	\$1.63 - \$1.66	\$1.66	+7% ✓
2012	\$1.52 - \$1.55	\$1.55	+7% ✓
2011	\$1.44 - \$1.45	\$1.45	+7% ✓
2010	\$1.35 - \$1.36	\$1.36	+8% ✓

<sup>a</sup>As of December 31, 2019 <sup>b</sup>Adjusted (non-GAAP) <sup>c</sup>Original guidance, adjusted (non-GAAP)

. . . delivers year after year.



# Appendix

# 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

# 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>Nine Months Ended</b>	
	<b>9/30/20</b>	<b>9/30/19</b>	<b>9/30/20</b>	<b>9/30/19</b>
<b>Electric Utility</b>				
Reported net income per share	\$ 0.79	\$ 0.78	\$ 1.62	\$ 1.47
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.01	-	0.03	-
Tax impact	(*)	-	(0.01)	-
Voluntary separation program	*	-	0.03	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.80</u>	<u>\$ 0.78</u>	<u>\$ 1.66</u>	<u>\$ 1.47</u>
<b>Gas Utility</b>				
Reported net income (loss) per share	\$ 0.02	\$ (0.03)	\$ 0.57	\$ 0.42
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	-	*	-
Tax impact	(*)	-	(*)	-
Voluntary separation program	*	-	0.01	-
Tax impact	(*)	-	(*)	-
Adjusted net income (loss) per share – non-GAAP	<u>\$ 0.02</u>	<u>\$ (0.03)</u>	<u>\$ 0.58</u>	<u>\$ 0.42</u>
<b>Enterprises</b>				
Reported net income per share	\$ 0.04	\$ 0.03	\$ 0.12	\$ 0.11
<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>\$ 0.04</u>	<u>\$ 0.03</u>	<u>\$ 0.11</u>	<u>\$ 0.11</u>
<b>EnerBank</b>				
Reported net income per share	\$ 0.04	\$ 0.04	\$ 0.12	\$ 0.11
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	-	-	-
Adjusted net income per share – non-GAAP	<u>\$ 0.04</u>	<u>\$ 0.04</u>	<u>\$ 0.12</u>	<u>\$ 0.11</u>
<b>Corporate Interest and Other</b>				
Reported net loss per share	\$ (0.13)	\$ (0.09)	\$ (0.34)	\$ (0.30)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	(*)	*	(*)	*
Tax impact	*	(*)	*	(*)
Tax reform	-	-	(0.02)	-
Adjusted net loss per share – non-GAAP	<u>\$ (0.13)</u>	<u>\$ (0.09)</u>	<u>\$ (0.36)</u>	<u>\$ (0.30)</u>
<b>Consolidated</b>				
Reported net income per share	\$ 0.76	\$ 0.73	\$ 2.09	\$ 1.81
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.01	*	0.03	*
Tax impact	(*)	(*)	(0.01)	(*)
Tax reform	-	-	(0.03)	-
Voluntary separation program	*	-	0.04	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.77</u>	<u>\$ 0.73</u>	<u>\$ 2.11</u>	<u>\$ 1.81</u>
<b>Average Common Shares Outstanding – Diluted</b>	<u>286.9</u>	<u>284.6</u>	<u>286.3</u>	<u>284.2</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>3Q</b>
<b>Net Income Available to Common Stockholders</b>	\$ 243	\$ 136	\$ 218
<i>Reconciling items:</i>			
Electric utility and gas utility	15	4	4
Tax impact	(4)	(1)	(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>\$ 221</b>
<b>Average Common Shares Outstanding – Diluted</b>	285.2	286.5	286.9
<b>Diluted Earnings Per Average Common Share</b>	\$ 0.85	\$ 0.48	\$ 0.76
<i>Reconciling items:</i>			
Electric utility and gas utility	0.05	0.02	0.01
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>	<b>\$ 0.77</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>Nine Months Ended</b>	
	<b>9/30/20</b>	<b>9/30/19</b>	<b>9/30/20</b>	<b>9/30/19</b>
<b>Net Income Available to Common Stockholders</b>	\$ 218	\$ 207	\$ 597	\$ 513
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	4	1	11	1
Tax impact	(1)	(*)	(2)	(*)
Tax reform	-	-	(9)	-
Voluntary separation program	*	-	11	-
Tax impact	(*)	-	(3)	-
Adjusted net income – non-GAAP	<u>\$ 221</u>	<u>\$ 208</u>	<u>\$ 605</u>	<u>\$ 514</u>
<b>Average Common Shares Outstanding</b>				
Basic	285.6	283.0	284.8	282.9
Diluted	286.9	284.6	286.3	284.2
<b>Basic Earnings Per Average Common Share</b>				
Reported net income per share	\$ 0.76	\$ 0.73	\$ 2.10	\$ 1.81
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.01	*	0.03	*
Tax impact	(*)	(*)	(0.01)	(*)
Tax reform	-	-	(0.03)	-
Voluntary separation program	*	-	0.04	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.77</u>	<u>\$ 0.73</u>	<u>\$ 2.12</u>	<u>\$ 1.81</u>
<b>Diluted Earnings Per Average Common Share</b>				
Reported net income per share	\$ 0.76	\$ 0.73	\$ 2.09	\$ 1.81
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.01	*	0.03	*
Tax impact	(*)	(*)	(0.01)	(*)
Tax reform	-	-	(0.03)	-
Voluntary separation program	*	-	0.04	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.77</u>	<u>\$ 0.73</u>	<u>\$ 2.11</u>	<u>\$ 1.81</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**  
**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.

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