CMS ENERGY

CMS LISTED NYSE

Year-End 2018 Results and Outlook

January 31, 2019

FOCUSED ON WORLD CLASS PERFORMANCE




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.

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 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. Similarly, management views the ratio of Funds From Operations (FFO)/Average Debt as a key measure of the company’s operating financial performance and its financial position, and uses the ratio for external communications with analysts and investors. Because the company does not establish its target FFO/Average Debt ratio based on a specific target numerator and target denominator, the company is unable to provide a reconciliation to a comparable GAAP financial measure for future periods

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, a channel of distribution.

Agenda

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- **Business Update** — **Patti Poppe**, **President & CEO**

- **Financial Results & Outlook** — **Rejji Hayes**, **Executive VP & CFO**

Financial Results & Outlook . . .

	Amount	Vs. Prior Year
2018 Results		
• EPS[a]	$2.33	+7%
• Operating cash flow (MM)	$1,703 *(Incl. $240 MM pension contr.)*	$(2) *(Up $53 MM to budget)*
2019 Updates		
• EPS[a] guidance raised	$2.47 to $2.51	+6% to +8%
• Annual dividend	$1.53	+7%
Long-Term Outlook		
• EPS[a] & DPS growth	+6% to +8%	

_ _ _ _ _

a Adjusted EPS (non-GAAP)

. . . 16th consecutive year of industry-leading financial performance.

CMS' 2018 Performance Exemplifies . . .

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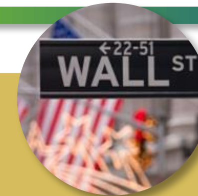
PEOPLE

- Rate cases provided tax-related savings to customers of over $160 MM
- Attracted 101 MWs of new electric load to Michigan
- Ranked 1st quartile for employee engagement
- Donated $10 MM to assist vulnerable customers with bill payments

PLANET

- Announced our Clean Energy Goal in February
- Filed our Integrated Resource Plan in June
- Restored nearly 800 acres of land in Michigan
- 1st U.S. corporation to enter into a sustainability-linked revolver
- Expanded our renewable portfolio at Consumers Energy & CMS Enterprises by more than 170 MWs



PROFIT

- 16 years of +7% EPS [a] growth
- Raised dividend +7% YoY, 13th increase in as many years
- Generated $1.7 Bn of operating cash flow
- Settled successive Electric and Gas rate cases

PERFORMANCE

- Replaced more than 13,000 vintage gas services
- Completed Phase II of the Saginaw Trail Pipeline Project (18½ miles)
- Record forestry spend
- Eliminated ~$18 MM of waste through the implementation of the CE Way
- Finished #1 overall in the sector in cyber security testing

[a] Adjusted EPS (non-GAAP) CAGR

. . . world class performance delivering hometown service.

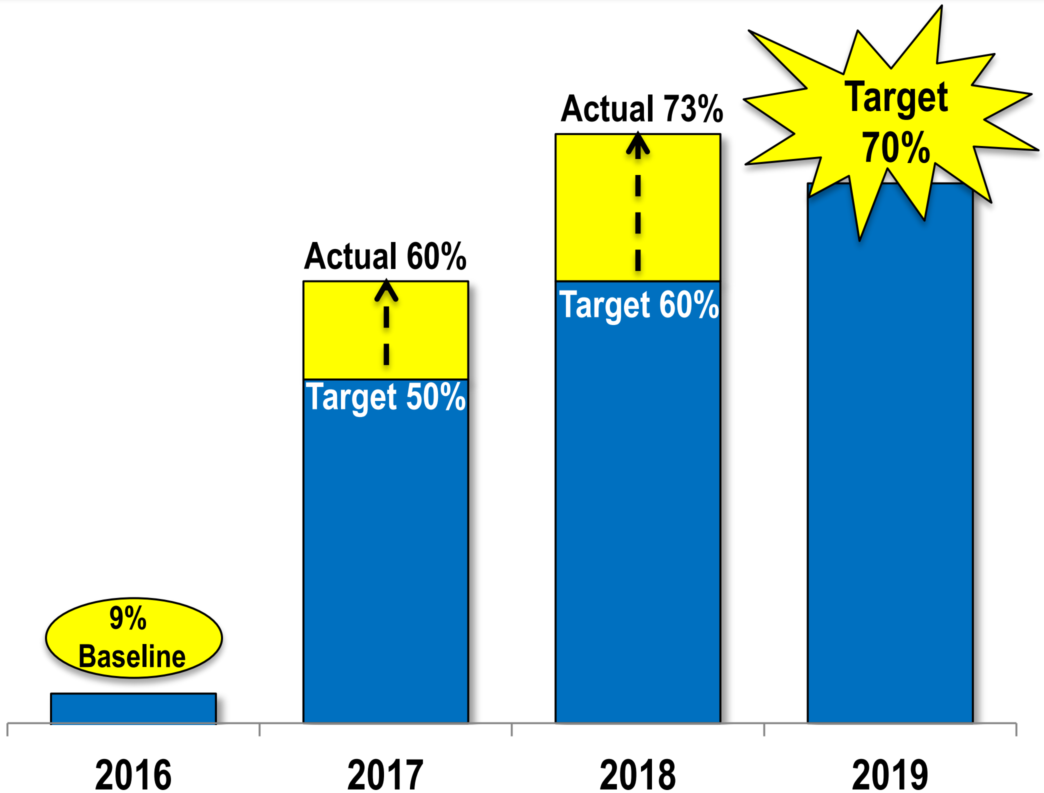
2019 Priorities . . .

- Maintain safe and reliable operations
- Enhance customer experience and value
- Drive economic growth for Michigan
- Improve Michigan's land, water, and air quality
- Execute world class operating performance
- Deliver our financial commitments

. . . will enable a 17th year of strong operational and financial performance.

Story of the Year . . .

Customer On-Time Delivery



Job Volume:			
Not Measured	~14,000	~20,000	>25,000

Benefits

- Improved customer experience
- Reduced human struggle & eliminated waste
- Predictable work and financial planning

Reduced >500 truck rolls!

. . . enabled by the CE Way.

Economic Development is Robust . . .

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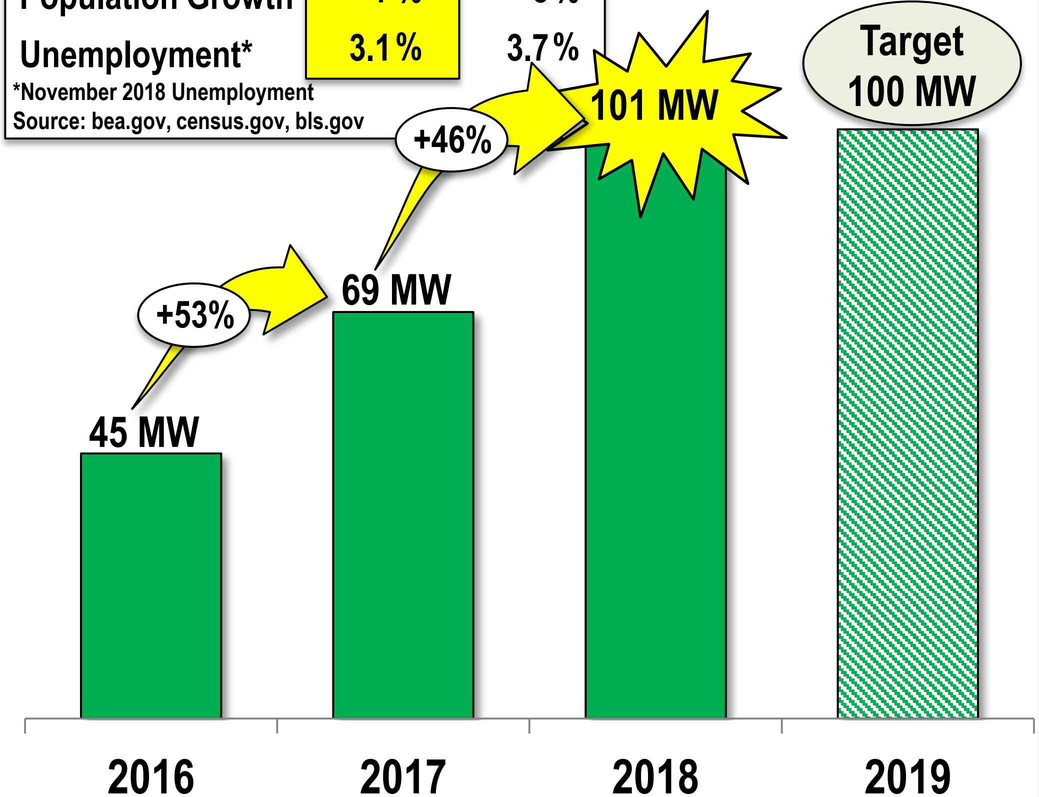
Customer Committed Load

Economic Indicators

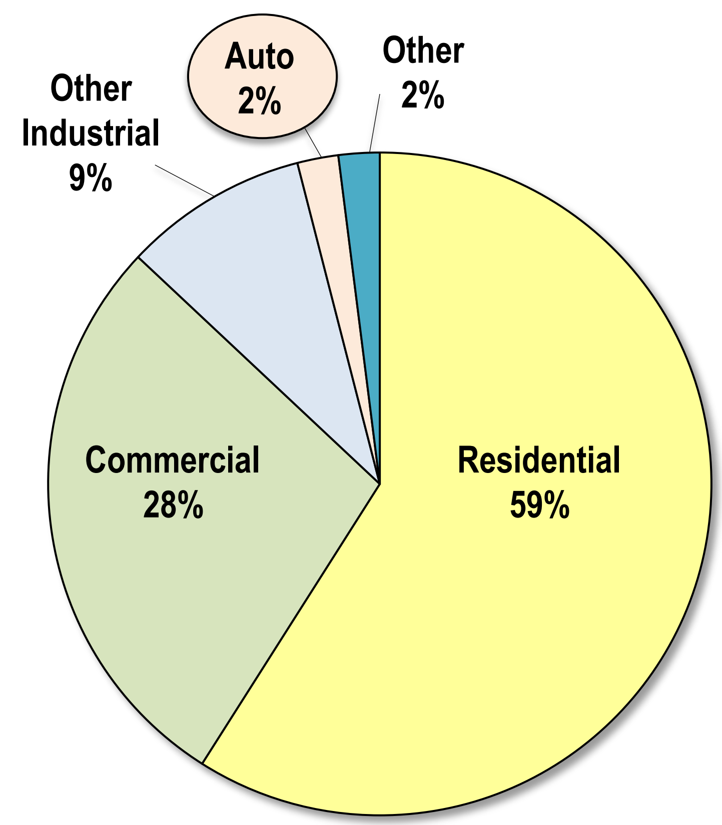
2010 thru 2017	Grand Rapids	U.S.
GDP Growth	32%	17%
Population Growth	7%	5%
Unemployment*	3.1%	3.7%

*November 2018 Unemployment
Source: bea.gov, census.gov, bls.gov



Diversified Customer Base

(2018 Electric & Gas Rate Mix)[a]



[a] Tariff net of PSCR and GCR

. . . and helps drive our model.

Michigan Energy Policy is Supportive . . .

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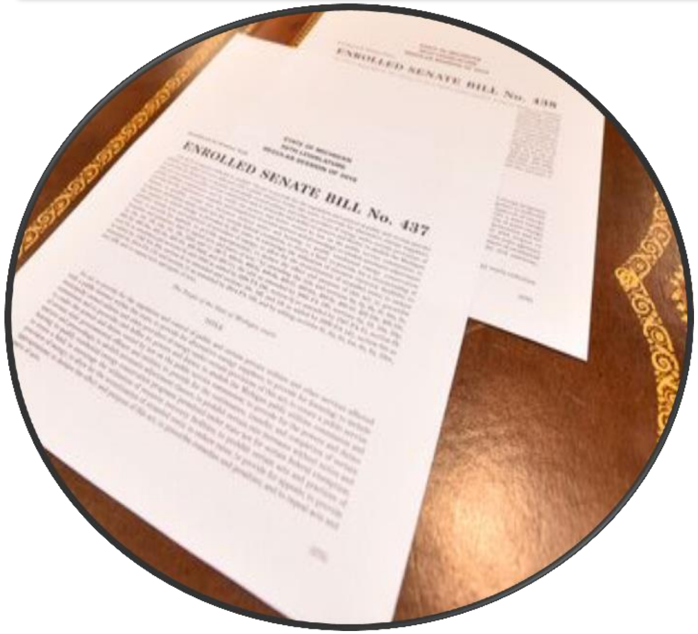
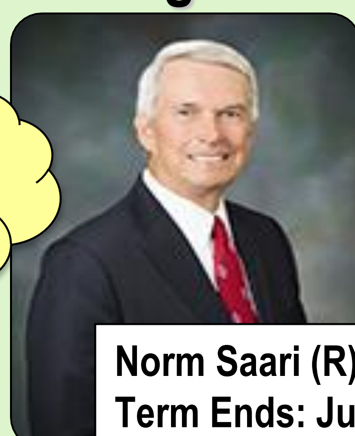


- Bipartisan Energy Law
  (2016 law enhanced original 2008 law)
- Forward-looking test year
  (10-month rate case)
- Energy Efficiency incentive
  (20% of spend)
- Renewable Portfolio Standard (RPS)
- Constructive ROEs

Michigan Commission

Two make a quorum

Sally Talberg (I), Chair
Term Ends: July 2, 2021



Norm Saari (R)
Term Ends: July 2, 2019

Rachael Eubanks appointed to State Treasurer

Vacancy
Term Ends: July 2, 2023

. . . and built into legislation.

Long-Term Regulatory Planning . . .

2018 | **2019** | **2020**

Regulatory / Policy

- ✓ 6/15: Filed LT generation plan (IRP) U-20165
- Q2: Expected IRP order U-20165
- Q3: Anticipated final orders on Calc. C & Demand Response
- Q2: File updated 5-yr Electric Distribution Plan

Electric

- ✓ 1/9: Settlement approved U-20134 10% ROE
- Next Electric Order

Gas

- ✓ 11/30: Filed $229 MM at 10.75% ROE U-20322
- Q3: Expected gas order U-20322
- Q4: File next gas rate case

. . . provides significant customer value and long-term visibility.

CMS Enterprises . . .

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DIG & Other

- ~1,000 MWs of plants in MI
- DIG long-term energy (~100% contracted) & short-term capacity (>80% contracted)
- Filer City PPA with the Utility
- Upside: tightening supply with future retirements

Renewable Platform

Operating Projects:

- 27 MWs of solar
- 64 MWs biomass
- 105 MWs of wind (15-year PPA with GM)

- Nearly 100% contracted
- Upside: utility-like returns with creditworthy counterparties

. . . continues to manage its portfolio with an emphasis on risk mitigation.

Managing Work Every Year . . .

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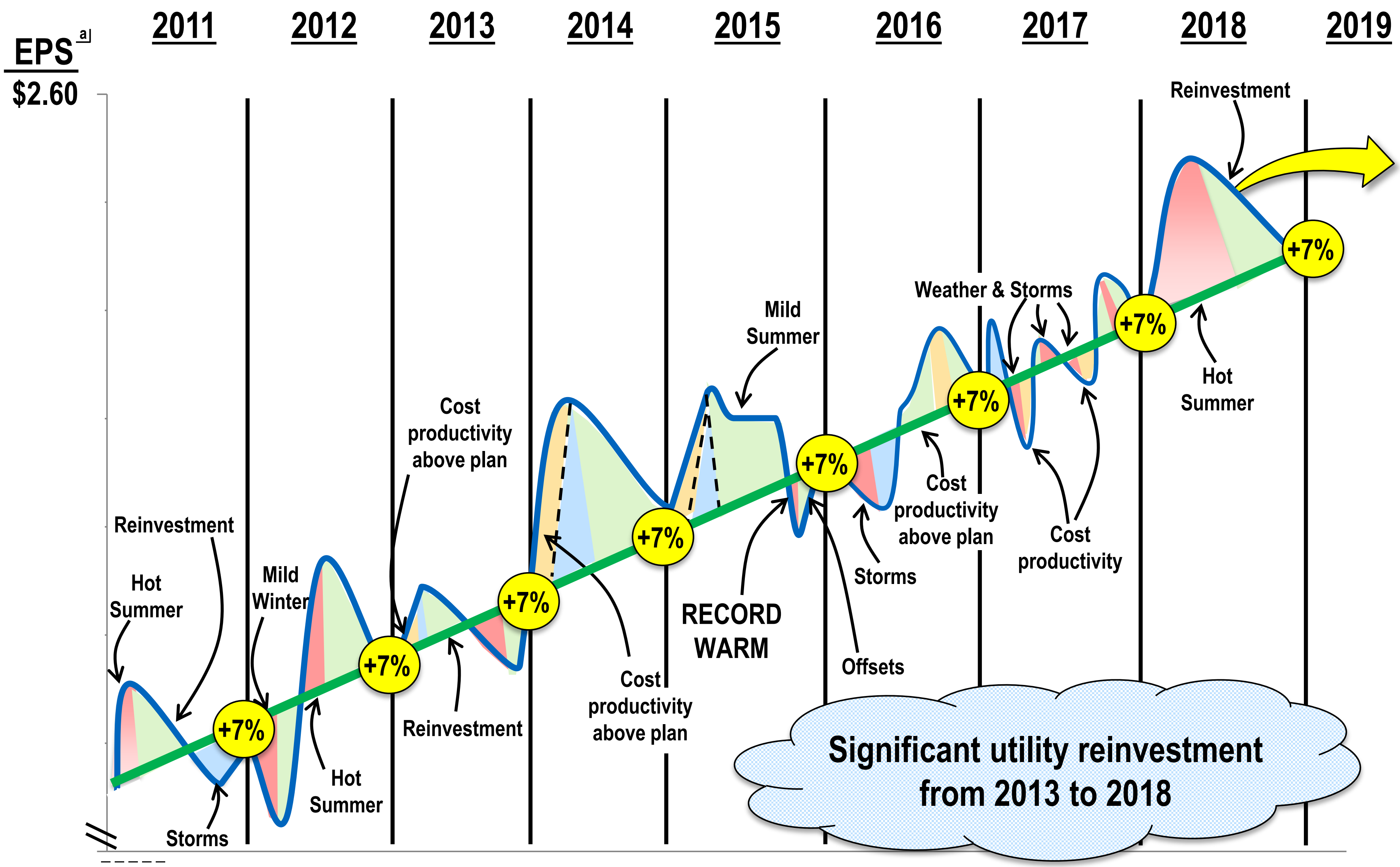

[a] Adjusted EPS (non-GAAP)

. . . maximizes benefits for customers and investors.

Consistent Growth Through . . .

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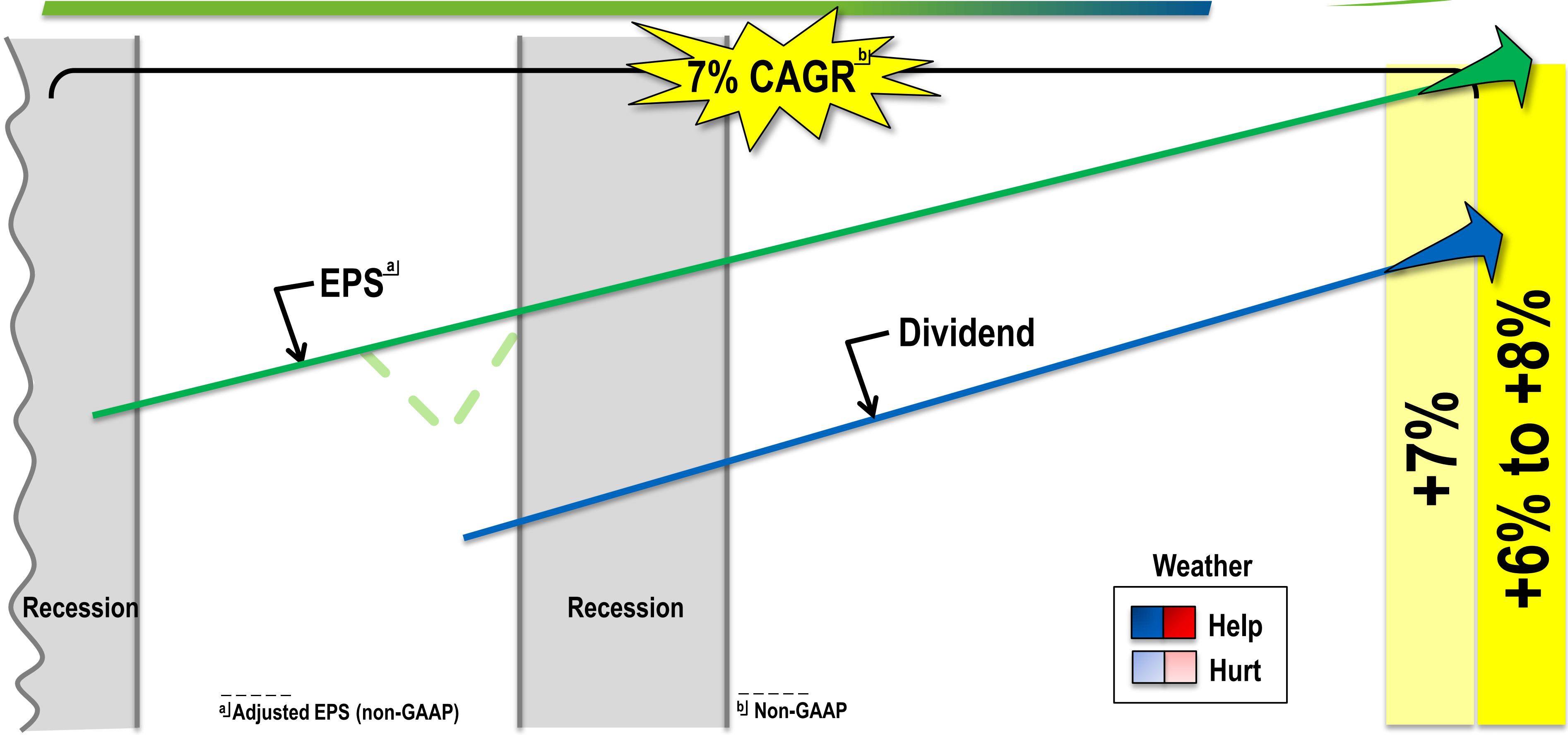

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cold winter	Mild summer	Hot summer	Warm winter	Mild summer	Cold winter	Summer-"less"	Hot summer	Hot summer	Warm winter	Mild summer	Polar vortex	Cold Feb. Warm Dec.	Warm winter	Warm winter	Hot summer	
Governor (D)								Governor (R)								(D)
Commission (D)					Commission (D)				Commission (R)				Commission (I)			

. . . changing circumstances.

2018 Results . . .

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Results

	2017	2018
EPS -- (GAAP)	$1.64	$2.32
Legacy & other	0.01	0.02
Federal tax reform	0.52	(0.01)
Adjusted (non-GAAP)	$2.17	$2.33

+7%

Fourth Quarter

	2017	2018
EPS -- (GAAP)	(1)¢	38¢
Adjustment	52	2
Adjusted (non-GAAP)	51¢	40¢

(22)%

2018 reinvestment

By Business Segment

	EPS Adjusted[a]	Feb. 2018 Guidance[a]
Consumers	$2.50	$2.40 – $2.44
Enterprises	0.12	0.13
Parent and other	(0.29)	(0.23)
CMS Energy	$2.33	$2.30 – $2.34

[a] Adjusted EPS (non-GAAP)

. . . reflect strong 7%[a] growth.

2018 Financial Targets Achieved . . .

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	Target	Actual
Adjusted EPS (non-GAAP)	$2.31 to $2.34 +6% to +8%	$2.33 +7% ✓
DPS growth	In-line w/ earnings +6% to +8%	In-line w/ earnings +7% ✓
Operating cash flow (MM)	$1,650	$1,703 ✓
Customer price		
Electric	(1)%	1%
Gas	(3)%	(1)%
FFO/average debt (non-GAAP)	~ 18%	~ 18½% ✓
Utility investment (Bn)	$1.9	$2.0 ✓
Continuous equity (MM)	$70	$30 ✓

Tax Reform delays

. . . 16th year of consistent industry-leading financial performance.

2019 Guidance Raised . . .

	Adjusted EPS (non-GAAP)
Utility	
Electric	$1.88 – $1.91
Gas	0.75 – 0.76
Total Utility	$2.63 – $2.67
Enterprises	0.14
Parent and other	(0.30)
Total EPS	$2.47 – $2.51

+6% to +8%[a]

[a] Adjusted EPS (non-GAAP)

. . . building on strong 2018 performance.

2019 EPS[a] . . .

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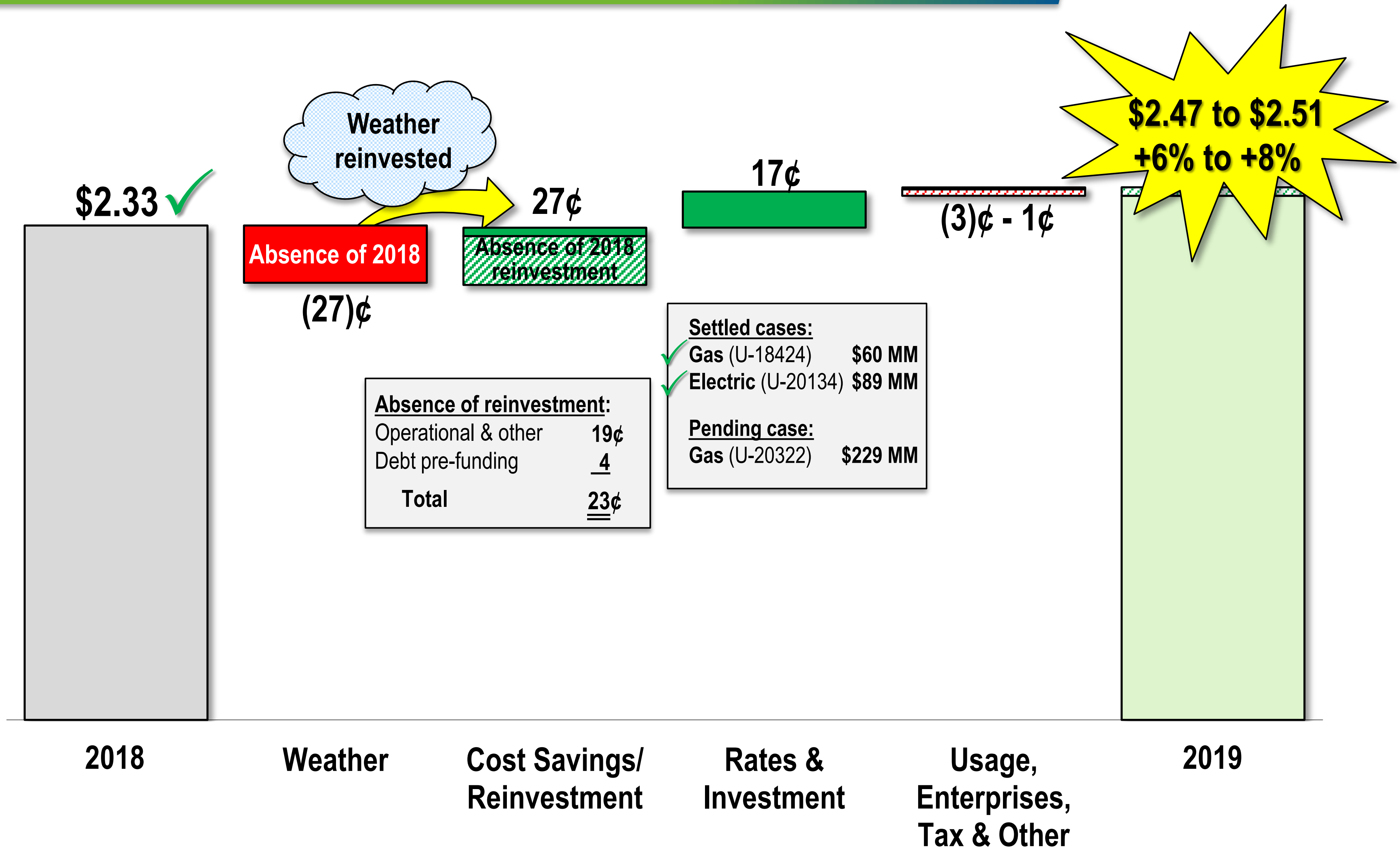

[a] Adjusted EPS (non-GAAP)

. . . supports another year of 6% to 8% growth.

Simple, Perhaps Unique Model . . .

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	Plan
EPS Growth[a]	**6% - 8%**
Self Funding:	
- Cost reductions	2 - 3 pts
- Sales growth (continued economic development)	1
- Other (Enterprises, tax planning, etc.)	2
INVESTMENT SELF-FUNDED	5 - 6 pts
Customer Prices "at or below inflation"	**<2%**

[a] Adjusted EPS (non-GAAP)

. . . continues to deliver for customers and investors.

Utility Customer Investment Plan . . .

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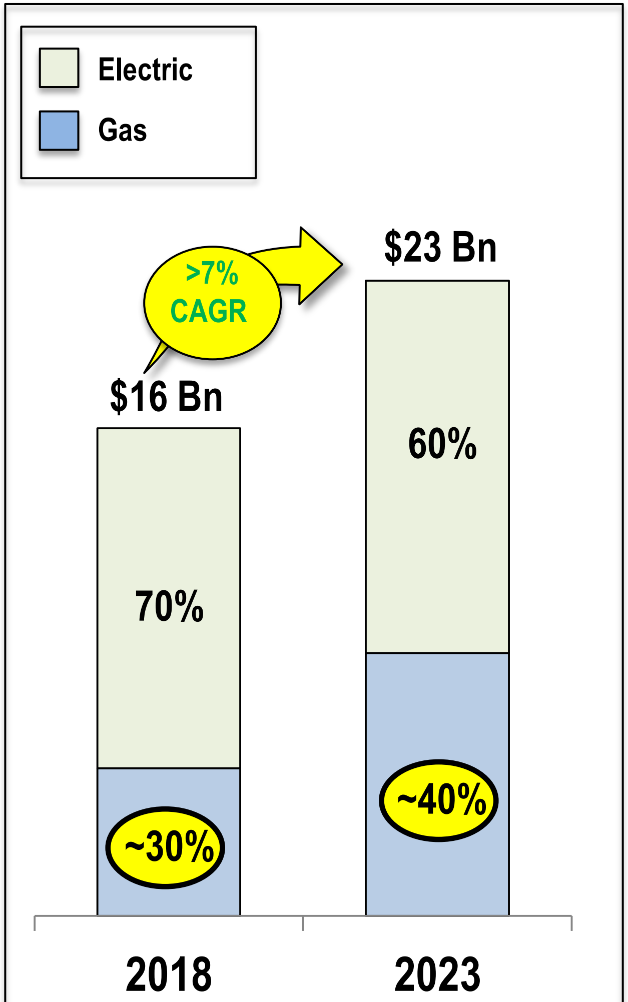
Updated 5-year Plan

Capital Investment (Bn):	Old Plan	New Plan	Mix
Electric Utility	$ 4	$ 5	~45%
New Utility Renewables	1	1	~10
Gas Utility	5	5	~45
Total	$10	$11	100%

System Need: >$50 Bn

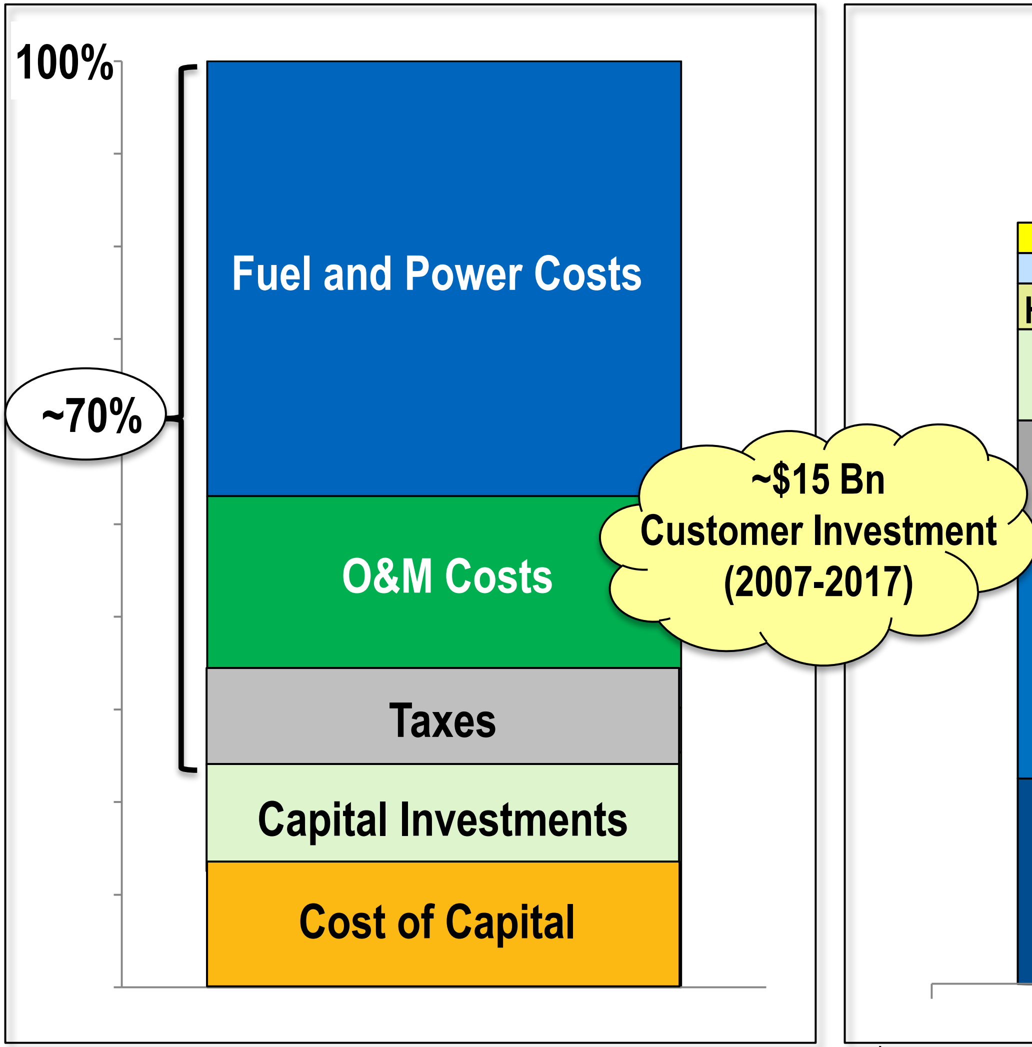
Rate Base Growth



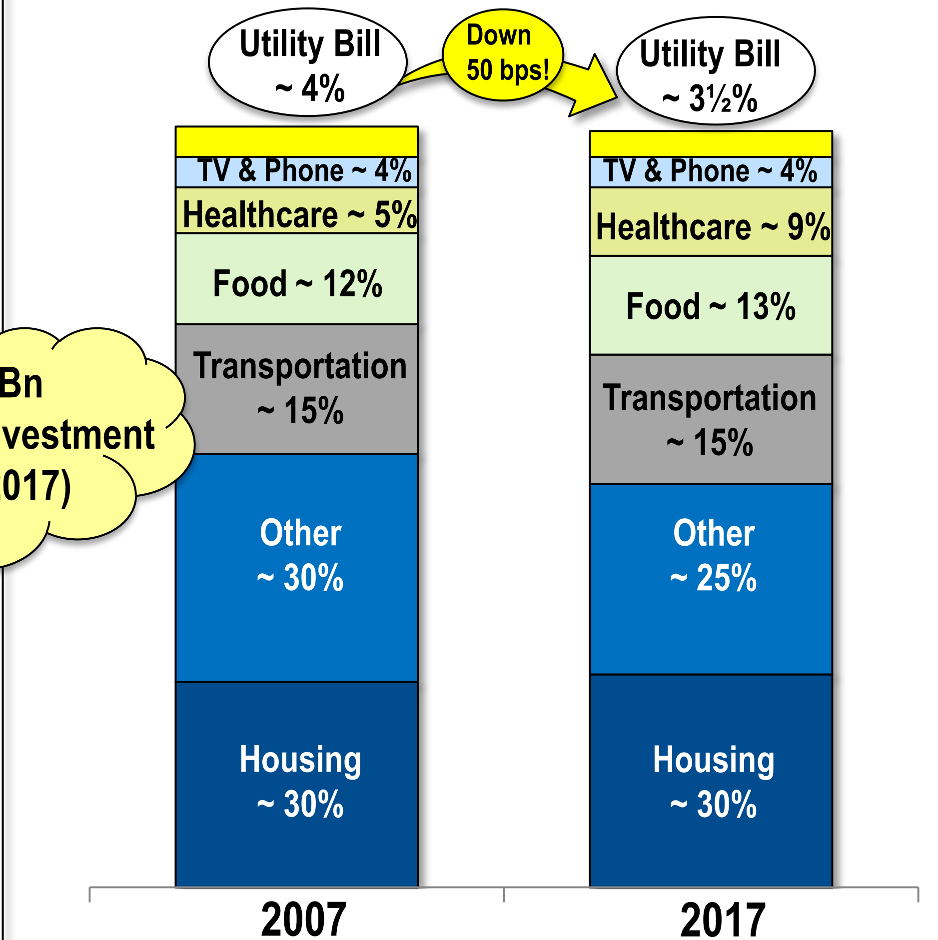
. . . focuses on safety and reliability for the benefit of our customers.

Our Entire Cost Structure . . .

Cost Components



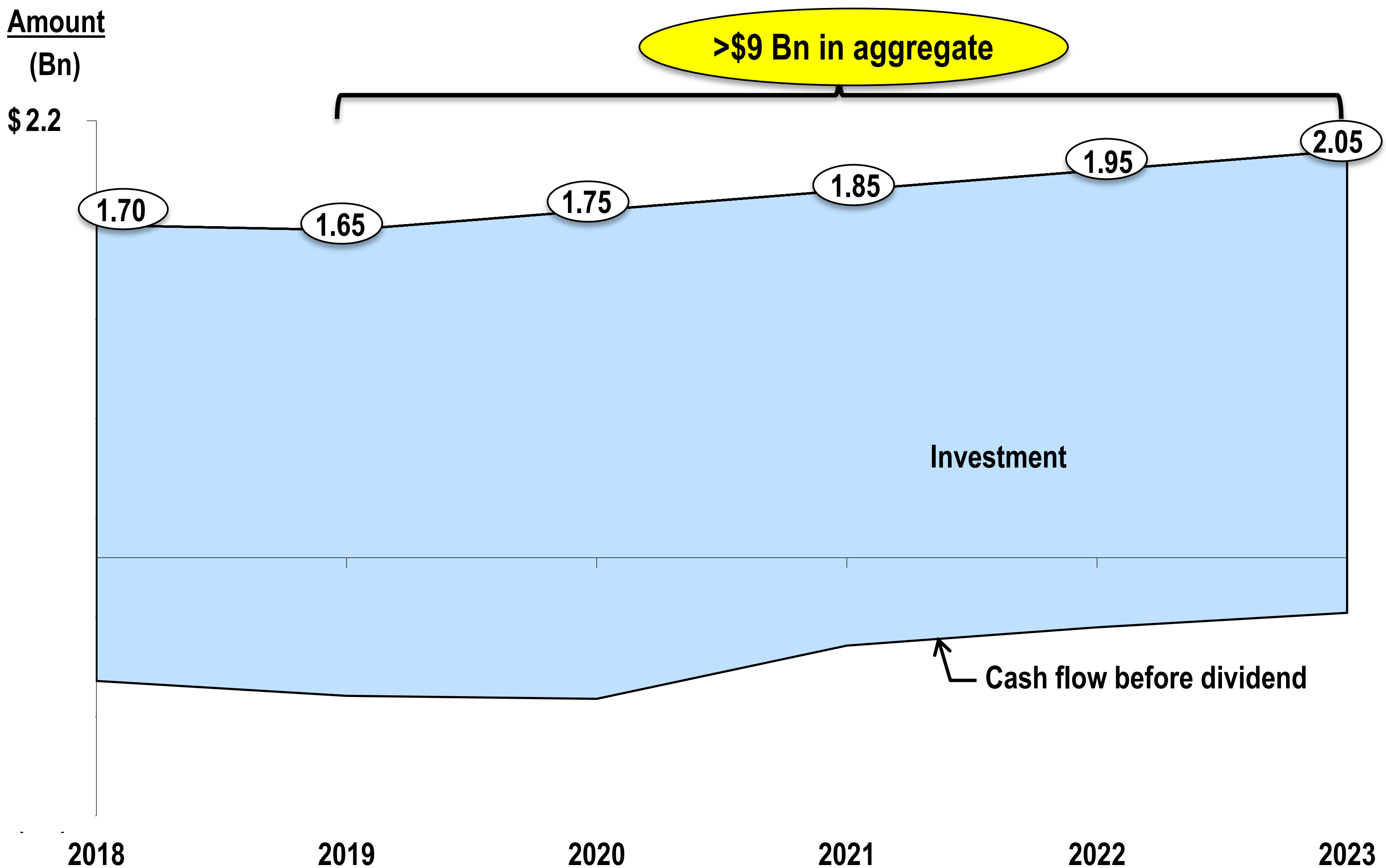
Residential Bills as % of Wallet [a]



[a] Consumers Energy Bill as % of Michigan Household Income, Adj. Dollars.
Source: Fred.stlouisfed.org, Bls.gov, Consumers Internal Bills; Percentages may not total100% due to rounding.

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

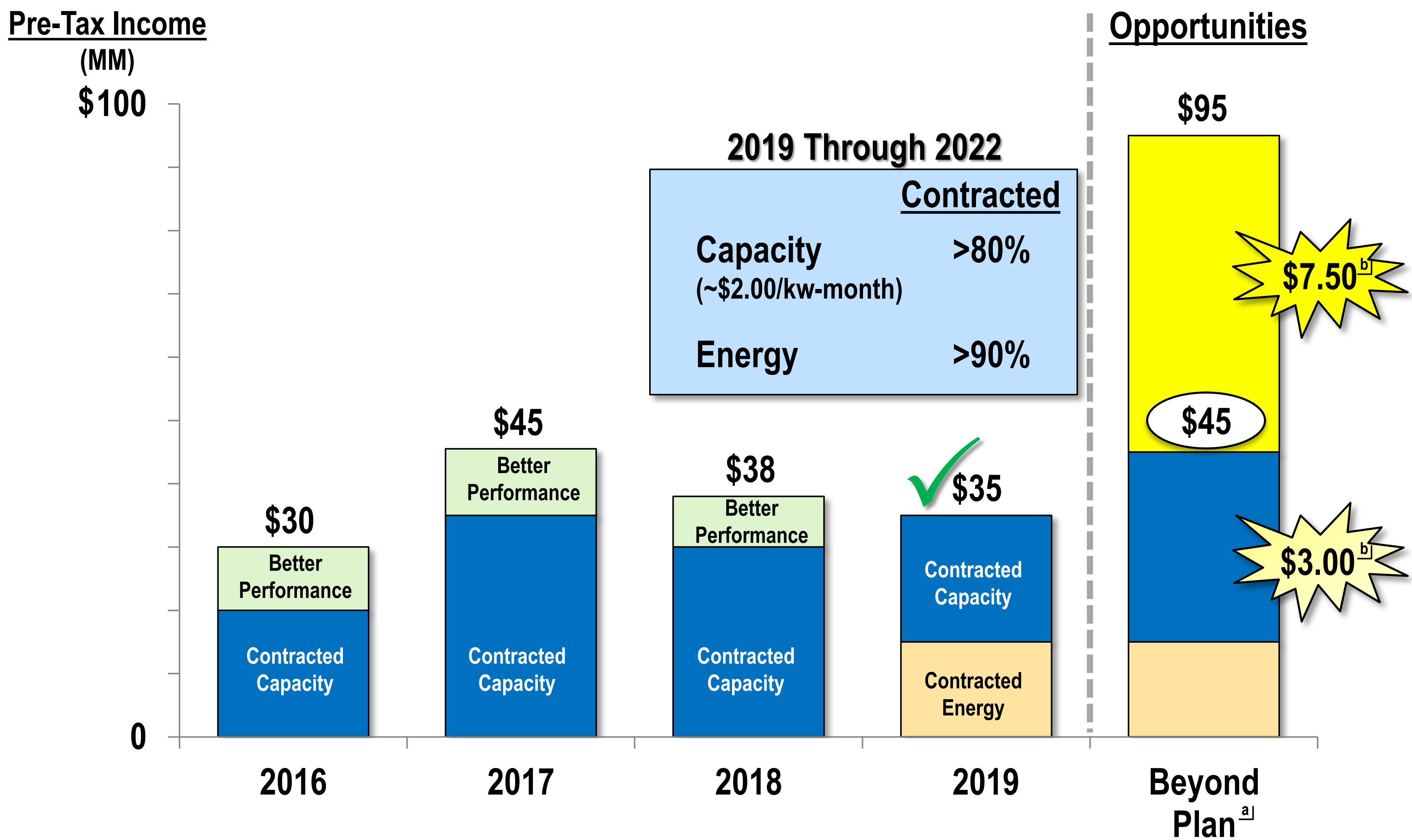
Operating Cash Flow Generation . . .



NOLs & credits	$0.4	$0.3	$0.3	$0.4	$0.4	$0.5

. . . remains strong and supports our capital plan.

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



[a] Beyond Plan assumes 100% capacity available at $3.00 and $7.50/ kw-month. [b] $/ kw-month

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

2019 and Long-Term Financial Targets . . .

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	2019	Long-Term Plan
Adjusted EPS (non-GAAP)	\$2.47 to \$2.51 +6% to +8%	+6% to +8%
DPS growth	In-line w/ earnings	In-line w/ earnings
Operating cash flow (MM)	\$1,650	Up \$100 [a]
Customer bills[b]		
Electric	2%	< Inflation
Gas	(4)%	
FFO/average debt (non-GAAP)	~ 17% (solid investment grade)	~ 17% (solid investment grade)
Utility investment (Bn)	\$2.2	~ \$2.2/ yr.
Planned equity issuance (MM)	\$70	Avg. ~ \$150/ yr.

[a] Beginning in 2020 [b] 2018 normalized weather

. . . provide sustainable benefits for customer and investors.

Utility Driven, Low Risk Growth . . .

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CMS Energy Long-Term Growth Plan

Segments:

- Utility	6 - 7%	• Needed system upgrades / robust backlog • Affordable prices driven by cost controls
- Enterprises	0 - 1	• Largely contracted & utility-like • Contracted generation & renewables
- Parent & Other	0 - (1)	• Tax planning • Supportive EnerBank contribution
Total EPS Growth[a]	**6 - 8%**	

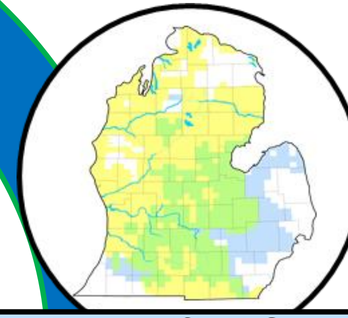
[a] Adjusted EPS (non-GAAP)

. . . delivers consistent industry-leading financial performance.

Compelling Investment Thesis . . .

Aging Infrastructure

Strong Cash Flow & Balance Sheet



Diversified Service Territory

Affordable Prices

Constructive Regulation

. . . adaptive to changing conditions.

Appendix

2019 Sensitivities . . .

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		Full Year Impact	
	Sensitivity	EPS[a]	OCF (MM)
Sales[b]			
• Electric (37,789 GWh)	± 1%	± 6¢	± $ 25
• Gas (303 Bcf)	± 5	± 9	± 35
Gas prices (NYMEX)	± 50¢	∓ 0	∓ 55
Utility ROE (planned)			
~~• Electric (10.0%)~~	~~± 10 bps~~	~~± 1½~~	~~± 6~~
• Gas (10.0%)	± 10	± < ½	± ~1
Interest rates[c]	± 25 bps	∓ <1	∓ 2
Effective tax rate (19%)	±100 bps	∓ 3	∓ 0

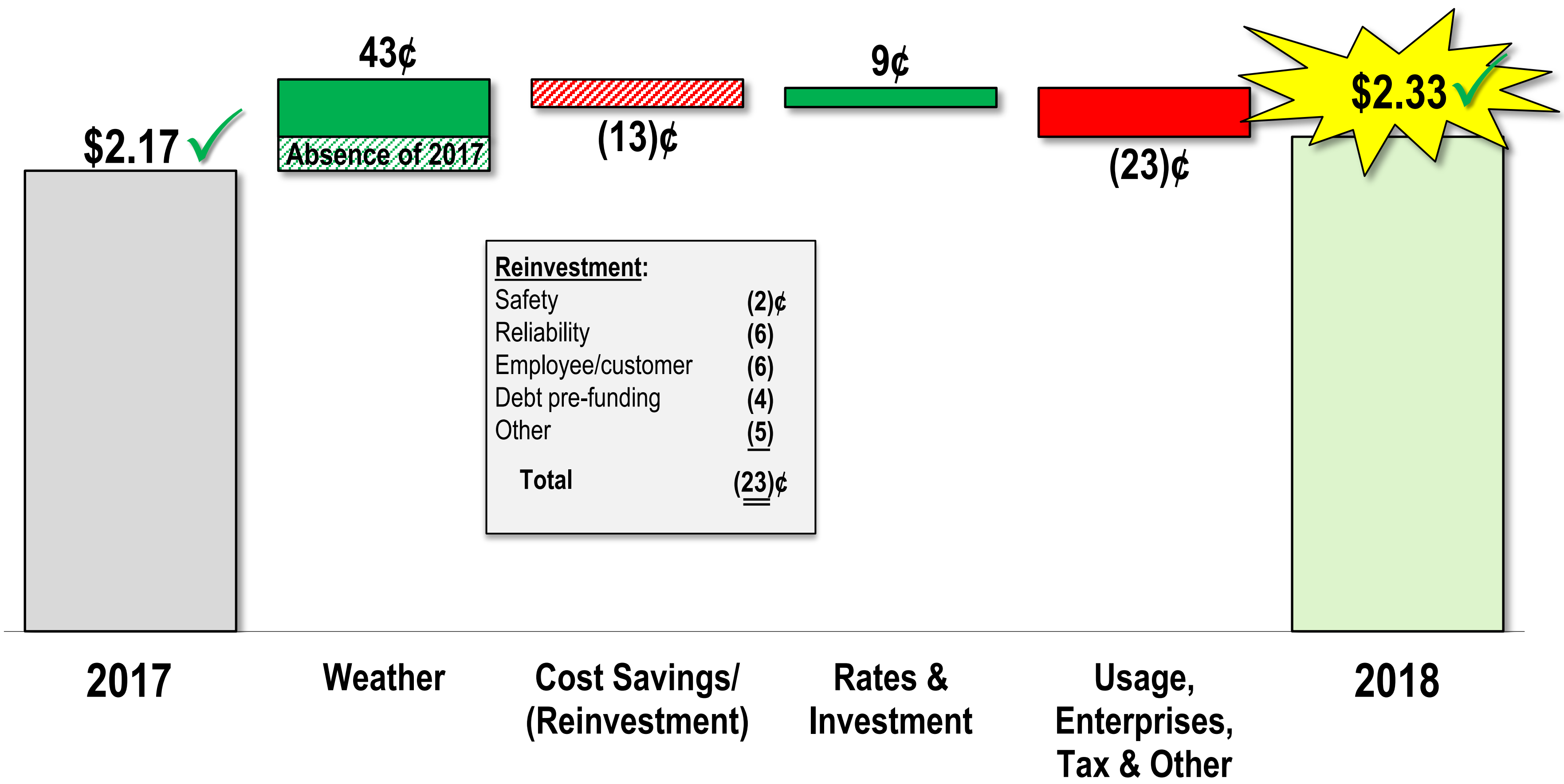
Marginal risk impact

Settled order 1/9

[a] Adjusted (non-GAAP) [b] Reflect 2019 sales forecast; weather - normalized [c] After the impact of pension expense

. . . reflect strong risk mitigation.

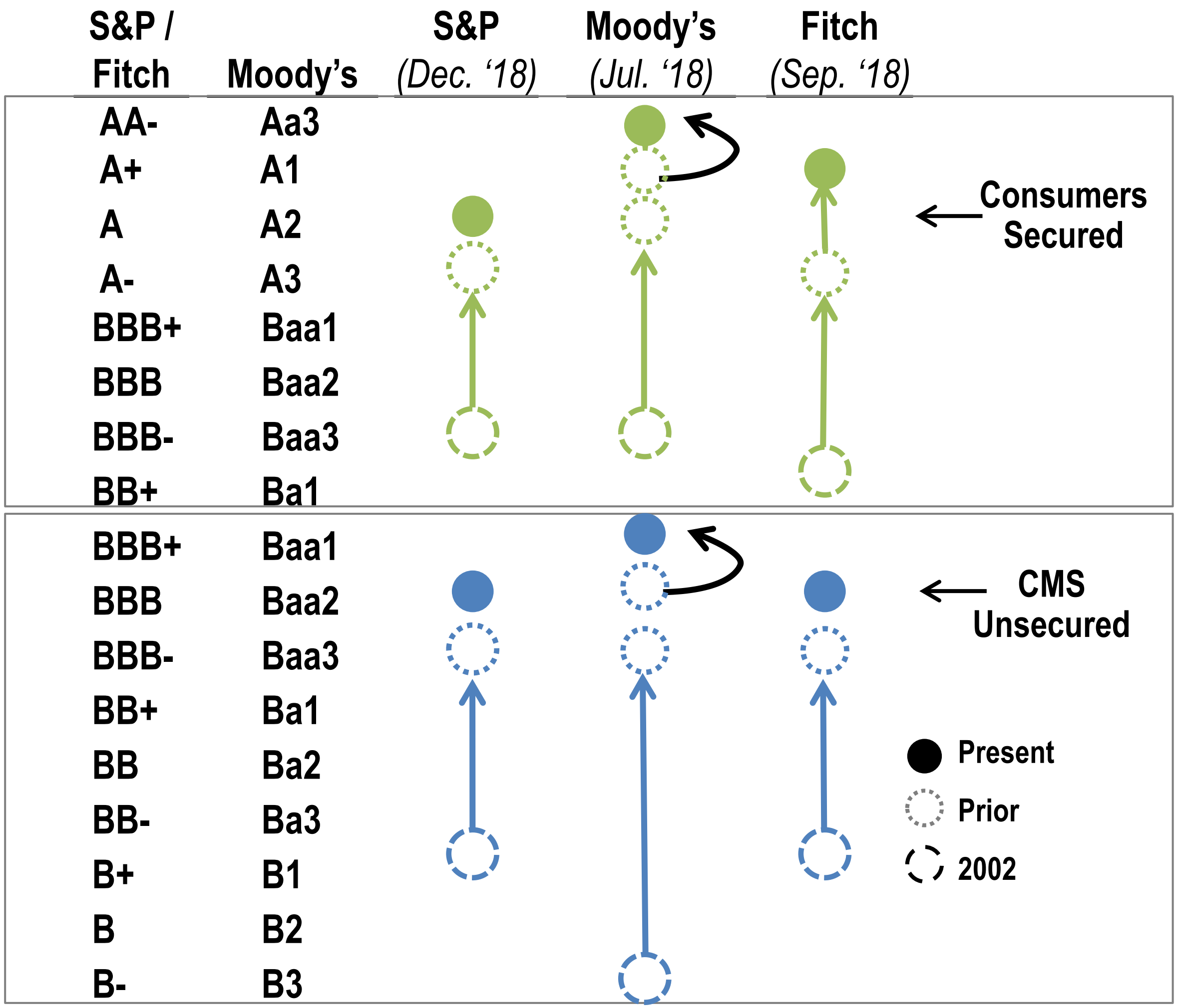
2018 EPS[a] . . .



_ _ _ _ _
[a] Adjusted EPS (non-GAAP)

. . . illustrates another year of 6% to 8% growth.

Credit Metrics Maintained . . .



Outlook	Stable	Stable	Stable

Ratings Drivers

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

. . . at solid investment-grade levels.

Utility Investment Plan

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Updated 5-year Plan

(Bn)

	2019	2020	2021	2022	2023	Total
Electric Utility	$ 1.2	$ 1.3	$ 1.3	$ 1.1	$ 1.2	$6.1
New Renewables (incl. above)	*0.2*	*0.4*	*0.4*	*0*	*0*	*1.0*
Gas Utility	1.0	1.1	0.9	1.1	1.0	5.1
Total	$2.2	$2.4	$2.2	$2.2	$2.2	$11.2
Depreciation & Amortization	$1.0	$1.0	$1.1	$1.1	$1.2	$5.4

2019 Pension & OPEB Impacts . . .

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Pension/OPEB	Amount (MM)
2018 Credit	$63
Asset Performance	(43)
Actuarial Assumptions *(Including interest rates)*	32
2018 Contributions	17
2019 Credit	$69

$6 MM Better

- Closed pension plan
- 7% expected returns
- Balanced asset allocation

Funded Status:	2018
Pension	89%
OPEB	122%

. . . reduced with conservative financial planning.

2019 Financing Assumptions

	2019 (MM)	
New Issuances:		
Consumers Energy:		
First Mortgage Bonds	$600	• Supports Utility investment of $2.2 Bn
CMS Parent:		
Term Loan (drawn)	$300	• Provides short-term liquidity
Long-term Debt	630	• Senior unsecured & hybrids
Planned Equity	70	• Maintains healthy balance sheet
Retirements:		
Consumers Energy	$ 0	• 2018 refinancing
CMS Parent	480	• Pay-down term loans

GAAP Reconciliation

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	GAAP 2018 over 2003 CAGR	GAAP 2018 over 2017 Growth
Reported earnings (loss) per share - GAAP	($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	**NM**	**41%**
Pretax items:																		
Electric and gas utility	0.32	(0.60)	-	-	(0.06)	0.08	0.55	0.05	-	0.27	-	-	-	0.04	-	-		
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)		
Corporate interest and other	0.25	(0.06)	0.06	0.45	0.17	0.01	0.01	*	-	*	*	*	*	0.02	0.01	*		
Tax impact	(0.09)	0.03	(0.02)	(0.18)	(0.49)	(0.03)	(*)	(*)	(0.01)	(*)	(*)	(*)	(*)	(0.01)	0.20 (b)	(*)		
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	-	-	-	-	-	-	-	-	-	-	-	**Adjusted**	**Adjusted**
Tax impact	-	-	(0.98)	(0.31)	(0.33)	-	-	-	-	-	-	-	-	-	-	-	**2018 over**	**2018 over**
Cumulative accounting changes	0.25	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**2003**	**2017**
Tax impact	(0.09)	(0.01)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**CAGR**	**Growth**
Adjusted earnings per share, including MTM - non-GAAP	$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	**7%**	**7%**
Mark-to-market		0.04	(0.65)	0.80														
Tax impact		(0.01)	0.22	(0.29)														
Adjusted earnings per share, excluding MTM - non-GAAP	NA	$0.90	$0.96	$1.08	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.

NM is not calculable

CMS ENERGY CORPORATION

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

	In Millions, Except Per Share Amounts				
	2018				GAAP 4Q18 over 4Q17 **Growth**
	1Q	2Q	3Q	4Q	
Net Income Available to Common Stockholders	$ 241	$ 139	$ 169	$ 108	NM
Reconciling items:					
Electric utility and gas utility	-	-	-	-	
Tax impact	-	-	-	2	
Enterprises	*	(3)	*	8	
Tax impact	(*)	1	(*)	(5)	Adjusted
Corporate interest and other	*	*	*	*	4Q18 over
Tax impact	(*)	(*)	(*)	(1)	4Q17
Discontinued operations (income) loss	*	*	(*)	(*)	**Growth**
Adjusted Net Income – Non-GAAP	$ 241	$ 137	$ 169	$ 112	-22%
Average Common Shares Outstanding – Diluted	282.2	282.6	283.2	283.3	
Diluted Earnings Per Average Common Share	$ 0.86	$ 0.49	$ 0.59	$ 0.38	
Reconciling items:					
Electric utility and gas utility	-	-	-	-	
Tax impact	-	-	-	*	
Enterprises	*	(0.01)	*	0.03	
Tax impact	(*)	*	(*)	(0.01)	
Corporate interest and other	*	*	*	*	
Tax impact	(*)	(*)	(*)	(*)	
Discontinued operations (income) loss	*	*	(*)	(*)	
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	$ 0.86	$ 0.48	$ 0.59	$ 0.40	

	In Millions, Except Per Share Amounts			
	2017			
	1Q	2Q	3Q	4Q
Net Income (Loss) Available to Common Stockholders	$ 199	$ 92	$ 172	$ (3)
Reconciling items:				
Electric utility and gas utility	-	-	-	-
Tax impact	-	-	-	34
Enterprises	*	*	1	1
Tax impact	(*)	(*)	(*)	56
Corporate interest and other	1	1	*	-
Tax impact	(*)	(1)	(*)	57
Discontinued operations loss	*	*	*	*
Adjusted Net Income – Non-GAAP	$ 200	$ 92	$ 173	$ 145
Average Common Shares Outstanding – Diluted	279.9	280.3	281.6	280.8
Diluted Earnings (Loss) Per Average Common Share	$ 0.71	$ 0.33	$ 0.61	$ (0.01)
Reconciling items:				
Electric utility and gas utility	-	-	-	-
Tax impact	-	-	-	0.12
Enterprises	*	*	*	*
Tax impact	(*)	(*)	(*)	0.20
Corporate interest and other	*	*	0.01	*
Tax impact	(*)	(*)	(*)	0.20
Discontinued operations loss	*	*	*	*
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	$ 0.71	$ 0.33	$ 0.62	$ 0.51

* Less than $0.5 million or $0.01 per share.
NM is not calculable

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

In Millions, Except Per Share Amounts

	Three Months Ended		Twelve Months Ended	
	12/31/18	12/31/17	12/31/18	12/31/17
Net Income (Loss) Available to Common Stockholders	$ 108	$ (3)	$ 657	$ 460
Reconciling items:				
Discontinued operations (income) loss	(*)	*	(*)	*
Other exclusions from adjusted earnings	8	1	9	4
Tax impact	(*)	(1)	(*)	(2)
Gain on assets previously sold	-	-	(4)	-
Tax impact	-	-	1	-
Tax reform	(4)	148	(4)	148
Adjusted net income – non-GAAP	$ 112	$ 145	$ 659	$ 610
Average Common Shares Outstanding				
Basic	282.6	280.8	282.2	280.0
Diluted	283.3	280.8	282.9	280.8
Basic Earnings (Loss) Per Average Common Share				
Reported net income (loss) per share	$ 0.38	$ (0.01)	$ 2.33	$ 1.64
Reconciling items:				
Discontinued operations (income) loss	(*)	*	(*)	*
Other exclusions from adjusted earnings	0.03	*	0.03	0.01
Tax impact	(*)	(*)	(*)	(*)
Gain on assets previously sold	-	-	(0.01)	-
Tax impact	-	-	*	-
Tax reform	(0.02)	0.52	(0.02)	0.52
Adjusted net income per share – non-GAAP	$ 0.39	$ 0.51	$ 2.33	$ 2.17
Diluted Earnings (Loss) Per Average Common Share				
Reported net income (loss) per share	$ 0.38	$ (0.01)	$ 2.32	$ 1.64
Reconciling items:				
Discontinued operations (income) loss	(*)	*	(*)	*
Other exclusions from adjusted earnings	0.03	*	0.03	0.01
Tax impact	(*)	(*)	(*)	(*)
Gain on assets previously sold	-	-	(0.01)	-
Tax impact	-	-	*	-
Tax reform	(0.01)	0.52	(0.01)	0.52
Adjusted net income per share – non-GAAP	$ 0.40	$ 0.51	$ 2.33	$ 2.17

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

In Millions, Except Per Share Amounts

	Three Months Ended		Twelve Months Ended	
	12/31/18	12/31/17	12/31/18	12/31/17
Electric Utility				
Reported net income per share	$ 0.24	$ 0.22	$ 1.89	$ 1.62
Reconciling items:				
Tax reform	*	0.09	0.01	0.09
Adjusted net income per share – non-GAAP	$ 0.24	$ 0.31	$ 1.90	$ 1.71
Gas Utility				
Reported net income per share	$ 0.23	$ 0.26	$ 0.60	$ 0.62
Reconciling items:				
Tax reform	*	0.03	*	0.03
Adjusted net income per share – non-GAAP	$ 0.23	$ 0.29	$ 0.60	$ 0.65
Enterprises				
Reported net income (loss) per share	$ -	$ (0.19)	$ 0.12	$ (0.09)
Reconciling items:				
Other exclusions from adjusted earnings	0.03	*	0.03	*
Tax impact	(*)	(*)	(*)	(*)
Tax reform	(0.01)	0.20	(0.02)	0.20
Gain on assets previously sold	-	-	(0.01)	-
Tax impact	-	-	*	-
Adjusted net income per share – non-GAAP	$ 0.02	$ 0.01	$ 0.12	$ 0.11
Corporate Interest and Other				
Reported net loss per share	$ (0.09)	$ (0.30)	$ (0.29)	$ (0.51)
Reconciling items:				
Other exclusions from adjusted earnings	*	*	*	0.01
Tax impact	(*)	(*)	(*)	(*)
Tax reform	(*)	0.20	(*)	0.20
Adjusted net loss per share – non-GAAP	$ (0.09)	$ (0.10)	$ (0.29)	$ (0.30)
Discontinued Operations				
Reported net income (loss) per share	$ *	$ (*)	$ *	$ (*)
Reconciling items:				
Discontinued operations (income) loss	(*)	*	(*)	*
Adjusted net income per share – non-GAAP	$ -	$ -	$ -	$ -
Consolidated				
Reported net income (loss) per share	$ 0.38	$ (0.01)	$ 2.32	$ 1.64
Reconciling items:				
Discontinued operations (income) loss	(*)	*	(*)	*
Other exclusions from adjusted earnings	0.03	*	0.03	0.01
Tax impact	(*)	(*)	(*)	(*)
Tax reform	(0.01)	0.52	(0.01)	0.52
Gain on assets previously sold	-	-	(0.01)	-
Tax impact	-	-	*	-
Adjusted net income per share – non-GAAP	$ 0.40	$ 0.51	$ 2.33	$ 2.17
Average Common Shares Outstanding – Diluted	283.3	280.8	282.9	280.8

* Less than $0.01 per share.

CMS ENERGY CORPORATION
Reconciliation of Non-GAAP FFO to Average Debt Ratio
(Unaudited)

FUNDS FROM OPERATIONS

	In Millions
	Year Ended
	12/31/18
Net Cash Provided by Operating Activities	$ 1,703
Reconciling items:	
Pension contribution	240
Working capital	(105)
Other	(135)
Funds From Operations (FFO) – Non-GAAP	$ 1,703

AVERAGE DEBT

	In Millions	
	As of	
	12/31/18	12/31/17
Indebtedness		
Long-term debt [1]	$ 11,589	$ 10,204
Capital leases and financing obligation [1]	91	113
Notes payable [1]	97	170
Total Indebtedness	11,777	10,487
Reconciling items:		
Securitization debt [1]	(277)	(302)
EnerBank debt [1]	(1,758)	(1,245)
50% of Junior subordinated notes [1]	(240)	-
Adjusted Debt – Non-GAAP	$ 9,502	$ 8,940
Average Debt – Non-GAAP	$ 9,221	

(1) Includes current and non-current portions.

FFO TO AVERAGE DEBT RATIO

	In Millions, Except Ratio
	Year Ended
	12/31/18
Funds from operations (FFO) – non-GAAP	$ 1,703
Average debt – non-GAAP	$ 9,221
FFO to Average Debt Ratio – Non-GAAP	18.5%