

To: Financial Community

From: CMS Energy Investor Relations
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Date: July 25, 2019

Subject: CMS Energy Second Quarter 2019 Results and Outlook

CMS Energy will hold a webcast to discuss its Second Quarter 2019 Results and Outlook on Thursday, July 25 at 8:30 a.m. (ET).

To participate in the webcast, go to CMS Energy's home page (www.cmsenergy.com), select "Investor Relations", "Events and Presentations", and "CMS Energy Second Quarter 2019 Earnings Call" or [click here](#).

CMS Energy Announces Second Quarter Earnings of \$0.33 Per Share; Reaffirms 2019 Earnings Guidance

JACKSON, Mich., July 25, 2019 – CMS Energy announced today reported net income of \$93 million or \$0.33 per share, for the second quarter of 2019, compared to \$139 million or \$0.49 per share for the same quarter in 2018. The company reported net income of \$306 million, or \$1.08 per share, for the first half of 2019 compared to \$380 million or \$1.35 per share for the comparable period in 2018. The key drivers of CMS' year-to-date financial performance were mild weather and storm activity.

CMS Energy reaffirmed its guidance for 2019 adjusted earnings of \$2.47 - \$2.51 per share (**See below for important information about non-GAAP measures*) or 6 to 8 percent annual adjusted earnings per share growth.

"CMS Energy's strong commitment to our triple bottom line of people, planet and profit is reflected in our company's financial results for the first six months of 2019," said Patti Poppe, President and CEO of CMS Energy and Consumers Energy. "A major step forward for the company this quarter was the approval of our Integrated Resource Plan (IRP), which established our company and the state of Michigan as national clean energy leaders."

CMS Energy noted several accomplishments in the second quarter:

- **IRP SETTLEMENT APPROVAL:** The IRP puts Consumers Energy on a path to eliminate coal, reduce carbon emissions by over 90 percent, and meet customers' future electricity capacity needs with 90 percent clean energy resources by 2040. The Michigan Public Service Commission approved the plan in June, which also had support from customers, environmental groups, the MPSC's technical staff, and the Michigan Attorney General.
- **ELECTRIC VEHICLE CHARGING AND REBATE PROGRAM LAUNCH:** In June, we announced PowerMIDrive, a multi-year program designed to make it easier for owners of electric vehicles to charge their vehicles when and where they want.

- **GAS AUTOMATIC METER READING (AMR) INSTALLATION COMPLETE:** We have now completed the deployment of gas AMR technology for our standalone gas customers. In total, we upgraded 1.1 million gas meters with communication modules on existing meters allowing us to read the meters remotely from service vehicles leading to an improved customer experience.

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

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CMS Energy will hold a webcast to discuss its 2019 second quarter results and provide a business and financial outlook on July 25 at 8:30 a.m. (EDT). To participate in the webcast, go to CMS Energy's homepage (cmsenergy.com) and select "Investor Meeting."

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

*This news release contains non-Generally Accepted Accounting Principles (non-GAAP) measures, such as adjusted earnings. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, regulatory items from prior years, or other items detailed in the attached summary financial statements. Management views adjusted earnings as a key measure of the company's present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the company uses adjusted earnings to measure and assess performance. Because the company is not able to estimate the impact of specific line items, which have the potential to significantly impact, favorably or unfavorably, the company's reported earnings in future periods, the company is not providing reported earnings guidance nor is it providing a reconciliation for the comparable future period earnings. The company's adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for the reported earnings. All references to earnings per share are on a diluted basis.

This news release contains "forward-looking statements." The forward-looking statements are subject to risks and uncertainties that could cause CMS Energy's and Consumers Energy's results to differ materially. All forward-looking statements should be considered in the context of the risk and other factors detailed from time to time in CMS Energy's and Consumers Energy's Securities and Exchange Commission filings.

Investors and others should note that CMS Energy routinely posts important information on its website and considers the Investor Relations section, www.cmsenergy.com/investor-relations, a channel of distribution.

For more information on CMS Energy, please visit our website at cmsenergy.com. To sign up for email [alert notifications](#), please visit the Investor Relations section of our website.

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CMS ENERGY CORPORATION
Consolidated Statements of Income
(Unaudited)

	<i>In Millions, Except Per Share Amounts</i>					
	Three Months Ended			Six Months Ended		
	6/30/19	6/30/18	Change	6/30/19	6/30/18	Change
Operating Revenue						
Electric utility	\$ 1,027	\$ 1,089	\$ (62)	\$ 2,130	\$ 2,167	\$ (37)
Gas utility	307	306	1	1,147	1,083	64
Enterprises	58	61	(3)	125	124	1
Other	53	36	17	102	71	31
Total operating revenue	<u>1,445</u>	<u>1,492</u>	<u>(47)</u>	<u>3,504</u>	<u>3,445</u>	<u>59</u>
Operating Expenses						
Fuel for electric generation	119	115	4	261	247	14
Purchased and interchange power	356	393	(37)	734	775	(41)
Purchased power – related parties	16	19	(3)	34	38	(4)
Cost of gas sold	106	112	(6)	510	493	17
Maintenance and other operating expenses	343	326	17	697	636	61
Depreciation and amortization	216	204	12	514	483	31
General taxes	71	68	3	177	155	22
Total operating expenses	<u>1,227</u>	<u>1,237</u>	<u>(10)</u>	<u>2,927</u>	<u>2,827</u>	<u>100</u>
Operating Income						
Electric utility	155	194	(39)	324	393	(69)
Gas utility	20	35	(15)	179	170	9
Enterprises	17	12	5	23	26	(3)
Other	26	14	12	51	29	22
Total operating income	<u>218</u>	<u>255</u>	<u>(37)</u>	<u>577</u>	<u>618</u>	<u>(41)</u>
Other Income (Expense)						
Interest income	2	4	(2)	3	6	(3)
Allowance for equity funds used during construction	3	1	2	5	2	3
Income from equity method investees	2	4	(2)	1	7	(6)
Nonoperating retirement benefits, net	23	22	1	46	46	-
Other income	2	-	2	3	1	2
Other expense	(5)	(9)	4	(8)	(11)	3
Total other income	<u>27</u>	<u>22</u>	<u>5</u>	<u>50</u>	<u>51</u>	<u>(1)</u>
Earnings Before Interest, Taxes, and Other Charges	245	277	(32)	627	669	(42)
Interest on long-term debt	110	103	7	216	203	13
Interest expense - related parties	3	-	3	3	-	3
Other interest expense	19	10	9	35	21	14
Allowance for borrowed funds used during construction	(1)	(1)	-	(2)	(1)	(1)
Income tax expense	20	25	(5)	68	65	3
Net Income	<u>94</u>	<u>140</u>	<u>(46)</u>	<u>307</u>	<u>381</u>	<u>(74)</u>
Income attributable to noncontrolling interests	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Net Income Available to Common Stockholders	\$ 93	\$ 139	\$ (46)	\$ 306	\$ 380	\$ (74)
<i>Reconciling items:</i>						
Other exclusions from adjusted earnings	*	1	(1)	*	1	(1)
Tax impact	(*)	(*)	-	(*)	(*)	-
Gain on assets previously sold	-	(4)	4	(*)	(4)	4
Tax impact	-	1	(1)	*	1	(1)
Adjusted Net Income – Non-GAAP	<u>\$ 93</u>	<u>\$ 137</u>	<u>\$ (44)</u>	<u>\$ 306</u>	<u>378</u>	<u>\$ (72)</u>
Average Common Shares Outstanding						
Basic	282.9	282.1	0.8	282.9	281.8	1.1
Diluted	284.0	282.6	1.4	283.8	282.4	1.4
Diluted Earnings Per Average Common Share	\$ 0.33	\$ 0.49	\$ (0.16)	\$ 1.08	\$ 1.35	\$ (0.27)
<i>Reconciling items:</i>						
Other exclusions from adjusted earnings	*	*	-	*	*	-
Tax impact	(*)	(*)	-	(*)	(*)	-
Gain on assets previously sold	-	(0.01)	0.01	(*)	(0.01)	0.01
Tax impact	-	*	-	*	*	-
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	<u>\$ 0.33</u>	<u>\$ 0.48</u>	<u>\$ (0.15)</u>	<u>\$ 1.08</u>	<u>\$ 1.34</u>	<u>\$ (0.26)</u>

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

CMS ENERGY CORPORATION
Summarized Consolidated Balance Sheets
(Unaudited)

	<i>In Millions</i>	
	<u>As of</u>	
	<u>6/30/19</u>	<u>12/31/18</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 312	\$ 153
Restricted cash and cash equivalents	22	21
Other current assets	1,920	2,294
Total current assets	<u>2,254</u>	<u>2,468</u>
Non-current assets		
Plant, property, and equipment	18,106	18,126
Other non-current assets	4,932	3,935
Total Assets	<u><u>\$ 25,292</u></u>	<u><u>\$ 24,529</u></u>
Liabilities and Equity		
Current liabilities ⁽¹⁾	\$ 1,309	\$ 1,531
Non-current liabilities ⁽¹⁾	6,696	6,429
Capitalization		
Debt, capital leases, and financing obligation (excluding securitization debt) ⁽²⁾		
Debt, capital leases, and financing obligation (excluding non-recourse and securitization debt)	9,913	9,646
Non-recourse debt	2,222	1,854
Total debt, capital leases, and financing obligation (excluding securitization debt)	<u>12,135</u>	<u>11,500</u>
Noncontrolling interests	37	37
Common stockholders' equity	4,851	4,755
Total capitalization (excluding securitization debt)	<u>17,023</u>	<u>16,292</u>
Securitization debt ⁽²⁾	264	277
Total Liabilities and Equity	<u><u>\$ 25,292</u></u>	<u><u>\$ 24,529</u></u>

⁽¹⁾ Excludes debt, capital leases, and financing obligation.

⁽²⁾ Includes current and non-current portions.

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

	<i>In Millions</i>	
	<u>Six Months Ended</u>	
	<u>6/30/19</u>	<u>6/30/18</u>
Beginning of Period Cash and Cash Equivalents, Including Restricted Amounts	\$ 175	\$ 204
Net cash provided by operating activities	1,185	1,416
Net cash used in investing activities	(1,410)	(1,008)
Cash flows from operating and investing activities	<u>(225)</u>	<u>408</u>
Net cash provided by (used in) financing activities	384	(111)
Total Cash Flows	<u><u>\$ 159</u></u>	<u><u>\$ 297</u></u>
End of Period Cash and Cash Equivalents, Including Restricted Amounts	<u><u>\$ 334</u></u>	<u><u>\$ 501</u></u>

CMS ENERGY CORPORATION
Selected Financial Data
(Unaudited)

	<i>In Millions</i>		
	Twelve Months Ended		
	6/30/19	12/31/18	6/30/18
EBIT – Non-GAAP ⁽¹⁾			
Consolidated	\$ 1,194	\$ 1,233	\$ 1,488
Consumers Energy	1,080	1,138	1,281
Depreciation and Amortization			
Consolidated	\$ 964	\$ 933	\$ 905
Consumers Energy	949	921	895
EBITDA – Non-GAAP ⁽¹⁾			
Consolidated	\$ 2,158	\$ 2,166	\$ 2,393
Consumers Energy	2,029	2,059	2,176
Dividends and Other Distributions From Subsidiaries	\$ 713	\$ 650	\$ 531
Interest Expense, Net			
Consolidated	\$ 487	\$ 458	\$ 444
Energy parent	142	135	141
Consumers Energy	292	289	281
			<i>In Millions</i>
		As of	
	6/30/19	12/31/18	6/30/18
Book Value Per Share	\$ 17.09	\$ 16.78	\$ 16.49
Common Shares Outstanding – End of Period	283.8	283.4	283.2
Average Common Shares Outstanding			
Basic	282.9	282.2	281.8
Diluted	283.8	282.9	282.4
Debt ⁽²⁾			
Energy parent	\$ 3,498	\$ 2,930	\$ 2,970
EnerBank ⁽³⁾	2,130	1,758	1,382
Non-recourse project debt	92	96	-
Consumers Energy (excluding securitization bonds)	6,415	6,716	5,927
Consolidated (excluding securitization bonds)	12,135	11,500	10,279
Securitization bonds	264	277	290
Consolidated	\$ 12,399	\$ 11,777	\$ 10,569
Unrestricted Cash and Cash Equivalents			
Consumers Energy	\$ 196	\$ 39	\$ 254
CMS Treasury Services	18	27	76
Other	98	87	147
Consolidated	\$ 312	\$ 153	\$ 477
Consumers Energy			
Common Equity Ratio (13-Month Average)			
Electric	42.2%	42.2%	42.1%
Gas	42.2%	42.2%	42.1%
Regulated Rate Base (13-Month Average, in Millions)			
Electric ⁽⁴⁾	\$ 11,141	\$ 10,890	\$ 10,768
Gas	5,622	5,200	4,850
Return on Average Common Equity (12-Month Ended)			
Electric ⁽⁴⁾	10.5% ⁽⁵⁾	11.1%	10.9%
Gas	7.5% ⁽⁵⁾	8.8%	10.8%

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

⁽²⁾ Includes current maturities, leases and notes payable.

⁽³⁾ Includes EnerBank certificates of deposit.

⁽⁴⁾ Includes renewables and transmission rate base of \$671 million in total.

⁽⁵⁾ Weather-normalized financial return on average common equity for Electric and Gas are 8.7% and 7.4%, respectively.

CMS ENERGY CORPORATION
Reconciliations of GAAP Net Income to Non-GAAP EBIT and EBITDA
(Unaudited)

	<i>In Millions</i>		
	Twelve Months Ended		
	<u>6/30/19</u>	<u>12/31/18</u>	<u>6/30/18</u>
Net Income Available to Common Stockholders	\$ 583	\$ 657	\$ 549
<i>Reconciling items:</i>			
Income tax expense	118	115	346
Interest on long-term debt	425	412	406
Interest expense - related parties	3	-	-
Other interest expense	63	49	39
Allowance for borrowed funds used during construction	(4)	(3)	(1)
Income attributable to noncontrolling interests	2	2	2
Restructuring costs and other	8	9	3
Gain on assets previously sold	-	(4)	(4)
Tax reform	(4)	(4)	148
	<u>1,194</u>	<u>1,233</u>	<u>1,488</u>
EBIT – Non-GAAP			
<i>Additional reconciling items:</i>			
Depreciation and amortization	964	933	905
	<u>964</u>	<u>933</u>	<u>905</u>
EBITDA – Non-GAAP	<u>\$ 2,158</u>	<u>\$ 2,166</u>	<u>\$ 2,393</u>

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

	<i>In Millions</i>		
	Twelve Months Ended		
	<u>6/30/19</u>	<u>12/31/18</u>	<u>6/30/18</u>
Net Income Available to Common Stockholder	\$ 633	\$ 703	\$ 709
<i>Reconciling items:</i>			
Income tax expense	151	142	256
Interest on long-term debt	279	276	265
Interest expense - related parties	3	-	-
Other interest expense	14	16	17
Allowance for borrowed funds used during construction	(4)	(3)	(1)
Preferred stock dividends	2	2	2
Tax reform	2	2	33
	<u>1,080</u>	<u>1,138</u>	<u>1,281</u>
EBIT – Non-GAAP			
<i>Additional reconciling items:</i>			
Depreciation and amortization	949	921	895
	<u>949</u>	<u>921</u>	<u>895</u>
EBITDA – Non-GAAP	<u>\$ 2,029</u>	<u>\$ 2,059</u>	<u>\$ 2,176</u>

CMS ENERGY CORPORATION
Non-GAAP Adjusted Earnings Per Share Variance Analysis
(Unaudited)

Three Months Ended June 30			
	<u>6/30/19</u>	<u>6/30/18</u>	<u>Variance</u>
Adjusted EPS – Non-GAAP			
Electric utility	\$ 0.32	\$ 0.46	\$ (0.14)
Gas utility	0.03	0.07	(0.04)
Enterprises and Energy parent			
Enterprises	0.03	0.04	(0.01)
Energy parent	(0.05)	(0.09)	0.04
	<u>(0.02)</u>	<u>(0.05)</u>	<u>0.03</u>
Consolidated	<u>\$ 0.33</u>	<u>\$ 0.48</u>	<u>\$ (0.15)</u>
Variance Explanations:			
ELECTRIC UTILITY			
- System deliveries of 8,583 GWh, down 638 GWh (including weather impacts of down 603 GWh)		\$	(0.13)
- Electric rate relief			0.06
- Higher operating & maintenance expenses			(0.02)
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.02)
- Other including ETR			(0.03)
- Change in shares outstanding			*
		<u>\$</u>	<u>(0.14)</u>
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 49.3 bcf, down 0.7 bcf (including weather impacts of down 4.3 bcf)		\$	0.01
- Gas rate relief			0.01
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.01)
- Higher operating & maintenance expenses			(0.04)
- Other including ETR			(0.01)
- Change in shares outstanding			*
		<u>\$</u>	<u>(0.04)</u>
ENTERPRISES AND ENERGY PARENT			
- Enterprises including DIG operations		\$	(0.01)
- EnerBank			0.01
- Other including Early Parent call of 2019 debt			0.03
- Change in shares outstanding			*
		<u>\$</u>	<u>0.03</u>
WEATHER IMPACTS			
	<u>6/30/19</u>	<u>6/30/18</u>	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	(2.8) %	(0.7) %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	(286)	317	
EPS	\$ (0.07)	\$ 0.08	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	0.6	4.9	
EPS	\$ 0.01	\$ 0.03	
Total EPS Weather Impacts	<u>\$ (0.06)</u>	<u>\$ 0.11</u>	

* Less than \$0.01 per share.

CMS ENERGY CORPORATION
Non-GAAP Adjusted Earnings Per Share Variance Analysis
(Unaudited)

Six Months Ended June 30			
	<u>6/30/19</u>	<u>6/30/18</u>	<u>Variance</u>
Adjusted EPS – Non-GAAP			
Electric utility	\$ 0.69	\$ 0.95	\$ (0.26)
Gas utility	0.45	0.44	0.01
Enterprises and Energy parent			
Enterprises	0.04	0.10	(0.06)
Energy parent	(0.10)	(0.15)	0.05
	<u>(0.06)</u>	<u>(0.05)</u>	<u>(0.01)</u>
Consolidated	<u>\$ 1.08</u>	<u>\$ 1.34</u>	<u>\$ (0.26)</u>
Variance Explanations:			
ELECTRIC UTILITY			
- System deliveries of 17,813 GWh, down 645 GWh (including weather impacts of down 507 GWh)			\$ (0.10)
- Electric rate relief			0.09
- Higher O&M including service restoration			(0.11)
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.04)
- Other, including absence of '18 Campbell property tax settlement & ETR			(0.10)
- Change in shares outstanding			*
			<u>\$ (0.26)</u>
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 191.2 bcf, up 8.0 bcf (including weather impacts of up 4.6 bcf)			\$ 0.07
- Gas rate relief			0.08
- Higher operating & maintenance expenses			(0.06)
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.06)
- Other including ETR			(0.02)
- Change in shares outstanding			*
			<u>\$ 0.01</u>
ENTERPRISES AND ENERGY PARENT			
- Enterprises including DIG operations			\$ (0.06)
- EnerBank			0.02
- Other including early Energy Parent call of 2019 debt			0.03
- Changes in shares outstanding			*
			<u>\$ (0.01)</u>
WEATHER IMPACTS			
	<u>6/30/19</u>	<u>6/30/18</u>	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	(4.0) %	0.4 %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	(228)	279	
EPS	\$ (0.06)	\$ 0.07	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	6.1	1.5	
EPS	\$ 0.05	\$ 0.01	
Total EPS Weather Impacts	<u>\$ (0.01)</u>	<u>\$ 0.08</u>	

* Less than \$0.01 per share.

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

	<i>In Millions, Except Per Share Amounts</i>			
	Three Months Ended		Six Months Ended	
	6/30/19	6/30/18	6/30/19	6/30/18
Electric Utility				
Reported net income per share	\$ 0.32	\$ 0.46	\$ 0.69	\$ 0.95
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	-	-	-
Adjusted net income per share – non-GAAP	<u>\$ 0.32</u>	<u>\$ 0.46</u>	<u>\$ 0.69</u>	<u>\$ 0.95</u>
Gas Utility				
Reported net income per share	\$ 0.03	\$ 0.07	\$ 0.45	\$ 0.44
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	-	-	-
Adjusted net income per share – non-GAAP	<u>\$ 0.03</u>	<u>\$ 0.07</u>	<u>\$ 0.45</u>	<u>\$ 0.44</u>
Enterprises				
Reported net income per share	\$ 0.03	\$ 0.05	\$ 0.04	\$ 0.11
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	*	*	*
Tax impact	(*)	(*)	(*)	(*)
Gain on assets previously sold	-	(0.01)	(*)	(0.01)
Tax impact	-	*	*	*
Adjusted net income per share – non-GAAP	<u>\$ 0.03</u>	<u>\$ 0.04</u>	<u>\$ 0.04</u>	<u>\$ 0.10</u>
Corporate Interest and Other				
Reported net loss per share	\$ (0.05)	\$ (0.09)	\$ (0.10)	\$ (0.15)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	*	*	*
Tax impact	(*)	(*)	(*)	(*)
Adjusted net loss per share – non-GAAP	<u>\$ (0.05)</u>	<u>\$ (0.09)</u>	<u>\$ (0.10)</u>	<u>\$ (0.15)</u>
Consolidated				
Reported net income per share	\$ 0.33	\$ 0.49	\$ 1.08	\$ 1.35
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	*	*	*
Tax impact	(*)	(*)	(*)	(*)
Gain on assets previously sold	-	(0.01)	(*)	(0.01)
Tax impact	-	*	*	*
Adjusted net income per share – non-GAAP	<u>\$ 0.33</u>	<u>\$ 0.48</u>	<u>\$ 1.08</u>	<u>\$ 1.34</u>
Average Common Shares Outstanding – Diluted	<u>284.0</u>	<u>282.6</u>	<u>283.8</u>	<u>282.4</u>

* Less than \$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>			
	Three Months Ended		Six Months Ended	
	6/30/19	6/30/18	6/30/19	6/30/18
Net Income Available to Common Stockholders	\$ 93	\$ 139	\$ 306	\$ 380
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	1	*	1
Tax impact	(*)	(*)	(*)	(*)
Gain on assets previously sold	-	(4)	(*)	(4)
Tax impact	-	1	*	1
Adjusted net income – non-GAAP	\$ 93	\$ 137	\$ 306	\$ 378
Average Common Shares Outstanding				
Basic	282.9	282.1	282.9	281.8
Diluted	284.0	282.6	283.8	282.4
Basic Earnings Per Average Common Share				
Reported net income per share	\$ 0.33	\$ 0.49	\$ 1.08	\$ 1.35
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	*	*	*
Tax impact	(*)	(*)	(*)	(*)
Gain on assets previously sold	-	(0.01)	(*)	(0.01)
Tax impact	-	*	*	*
Adjusted net income per share – non-GAAP	\$ 0.33	\$ 0.48	\$ 1.08	\$ 1.34
Diluted Earnings Per Average Common Share				
Reported net income per share	\$ 0.33	\$ 0.49	\$ 1.08	\$ 1.35
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	*	*	*
Tax impact	(*)	(*)	(*)	(*)
Gain on assets previously sold	-	(0.01)	(*)	(0.01)
Tax impact	-	*	*	*
Adjusted net income per share – non-GAAP	\$ 0.33	\$ 0.48	\$ 1.08	\$ 1.34

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

	<i>In Millions, Except Per Share Amounts</i>	
	2019	
	1Q	2Q
Net Income Available to Common Stockholders	\$ 213	\$ 93
<i>Reconciling items:</i>		
Electric utility and gas utility	-	-
Tax impact	-	-
Enterprises	(*)	*
Tax impact	*	(*)
Corporate interest and other	*	*
Tax impact	(*)	(*)
Adjusted Net Income – Non-GAAP	\$ 213	\$ 93
Average Common Shares Outstanding – Diluted	283.6	284.0
Diluted Earnings Per Average Common Share	\$ 0.75	\$ 0.33
<i>Reconciling items:</i>		
Electric utility and gas utility	-	-
Tax impact	-	-
Enterprises	(*)	*
Tax impact	*	(*)
Corporate interest and other	*	*
Tax impact	(*)	(*)
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	\$ 0.75	\$ 0.33

	<i>In Millions, Except Per Share Amounts</i>			
	2018			
	1Q	2Q	3Q	4Q
Net Income Available to Common Stockholders	\$ 241	\$ 139	\$ 169	\$ 108
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	-
Tax impact	-	-	-	2
Enterprises	*	(3)	*	8
Tax impact	(*)	1	(*)	(5)
Corporate interest and other	*	*	*	*
Tax impact	(*)	(*)	(*)	(1)
Adjusted Net Income – Non-GAAP	\$ 241	\$ 137	\$ 169	\$ 112
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
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	-
Tax impact	-	-	-	*
Enterprises	*	(0.01)	*	0.03
Tax impact	(*)	*	(*)	(0.01)
Corporate interest and other	*	*	*	*
Tax impact	(*)	(*)	(*)	(*)
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	\$ 0.86	\$ 0.48	\$ 0.59	\$ 0.40

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

CONSUMERS ENERGY COMPANY
Consolidated Statements of Income
(Unaudited)

	<i>In Millions</i>					
	Three Months Ended			Six Months Ended		
	6/30/19	6/30/18	Change	6/30/19	6/30/18	Change
Operating Revenue						
Electric utility	\$ 1,027	\$ 1,089	\$ (62)	\$ 2,130	\$ 2,167	\$ (37)
Gas utility	307	306	1	1,147	1,083	64
Total operating revenue	<u>1,334</u>	<u>1,395</u>	<u>(61)</u>	<u>3,277</u>	<u>3,250</u>	<u>27</u>
Operating Expenses						
Fuel for electric generation	88	86	2	194	188	6
Purchased and interchange power	350	388	(38)	724	766	(42)
Purchased power – related parties	16	19	(3)	34	39	(5)
Cost of gas sold	104	108	(4)	505	485	20
Maintenance and other operating expenses	320	298	22	639	580	59
Depreciation and amortization	212	201	11	506	478	28
General taxes	69	66	3	172	151	21
Total operating expenses	<u>1,159</u>	<u>1,166</u>	<u>(7)</u>	<u>2,774</u>	<u>2,687</u>	<u>87</u>
Operating Income						
Electric utility	155	194	(39)	324	393	(69)
Gas utility	20	35	(15)	179	170	9
Total operating income	<u>175</u>	<u>229</u>	<u>(54)</u>	<u>503</u>	<u>563</u>	<u>(60)</u>
Other Income (Expense)						
Interest income	1	2	(1)	2	4	(2)
Interest and dividend income – related parties	1	-	1	2	-	2
Allowance for equity funds used during construction	3	1	2	5	2	3
Nonoperating retirement benefits, net	22	20	2	43	42	1
Other income	1	-	1	2	1	1
Other expense	(5)	(3)	(2)	(8)	(5)	(3)
Total other income	<u>23</u>	<u>20</u>	<u>3</u>	<u>46</u>	<u>44</u>	<u>2</u>
Interest Charges						
Interest on long-term debt	68	67	1	137	134	3
Interest expense – related parties	3	-	3	3	-	3
Other interest expense	4	4	-	7	9	(2)
Allowance for borrowed funds used during construction	(1)	(1)	-	(2)	(1)	(1)
Total interest charges	<u>74</u>	<u>70</u>	<u>4</u>	<u>145</u>	<u>142</u>	<u>3</u>
Income Before Income Taxes	124	179	(55)	404	465	(61)
Income Tax Expense	<u>26</u>	<u>27</u>	<u>(1)</u>	<u>80</u>	<u>71</u>	<u>9</u>
Net Income	98	152	(54)	324	394	(70)
Preferred Stock Dividends	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Net Income (Loss) Available to Common Stockholder						
Electric utility	90	130	(40)	195	269	(74)
Gas utility	8	21	(13)	129	124	5
Other	(1)	-	(1)	(1)	-	(1)
Total net income available to common stockholder	<u>\$ 97</u>	<u>\$ 151</u>	<u>\$ (54)</u>	<u>\$ 323</u>	<u>\$ 393</u>	<u>\$ (70)</u>

CONSUMERS ENERGY COMPANY
Electric Utility Statistics
(Unaudited)

	<i>In Millions of kWh, Except as Noted</i>					
	Three Months Ended			Six Months Ended		
	6/30/19	6/30/18	% Change	6/30/19	6/30/18	% Change
Electric Deliveries						
Residential	2,564	2,969	(13.6)	5,889	6,230	(5.5)
Commercial	2,768	2,968	(6.7)	5,594	5,784	(3.3)
Industrial	2,175	2,235	(2.7)	4,246	4,351	(2.4)
Other	32	35	(8.6)	79	82	(3.7)
Wholesale	92	84	9.5	170	173	(1.7)
Retail open access	952	930	2.4	1,835	1,838	(0.2)
Total customer deliveries	8,583	9,221	(6.9)	17,813	18,458	(3.5)
Intersystem	1,316	710	85.4	2,230	1,800	23.9
Total electric deliveries	<u>9,899</u>	<u>9,931</u>	(0.3)	<u>20,043</u>	<u>20,258</u>	(1.1)
Weather-Normalized Electric Deliveries ⁽¹⁾						
Residential	2,741	2,755	(0.5)	6,013	6,045	(0.5)
Commercial	2,856	2,883	(0.9)	5,677	5,707	(0.5)
Industrial	2,187	2,224	(1.7)	4,259	4,341	(1.9)
Other	32	35	(8.6)	79	82	(3.7)
Wholesale	92	84	9.5	170	173	(1.7)
Retail open access	961	923	4.1	1,843	1,831	0.7
Total weather-normalized electric deliveries	<u>8,869</u>	<u>8,904</u>	(0.4)	<u>18,041</u>	<u>18,179</u>	(0.8)
Weather-Normalized Electric Deliveries ⁽¹⁾ (By Class, Including Retail Open Access)						
Residential	2,741	2,755	(0.5)	6,013	6,045	(0.5)
Commercial	3,089	3,131	(1.3)	6,147	6,196	(0.8)
Industrial	2,915	2,899	0.6	5,632	5,683	(0.9)
Other	32	35	(8.6)	79	82	(3.7)
Wholesale	92	84	9.5	170	173	(1.7)
Total weather-normalized electric deliveries	<u>8,869</u>	<u>8,904</u>	(0.4)	<u>18,041</u>	<u>18,179</u>	(0.8)

⁽¹⁾ Excludes intersystem deliveries.

	<i>In Millions, Except as Noted</i>					
	Three Months Ended			Six Months Ended		
	6/30/19	6/30/18	% Change	6/30/19	6/30/18	% Change
Electric Utility Revenue						
Residential	\$ 423	\$ 475	(10.9)	\$ 946	\$ 976	(3.1)
Commercial	362	386	(6.2)	713	747	(4.6)
Industrial	174	170	2.4	336	313	7.3
Other	9	9	-	18	18	-
Total sales revenue	968	1,040	(6.9)	2,013	2,054	(2.0)
Wholesale	6	5	20.0	11	11	-
Retail open access	7	7	-	14	15	(6.7)
Intersystem	31	23	34.8	61	58	5.2
Miscellaneous	15	14	7.1	31	29	6.9
Total electric utility revenue	<u>\$ 1,027</u>	<u>\$ 1,089</u>	(5.7)	<u>\$ 2,130</u>	<u>\$ 2,167</u>	(1.7)

CONSUMERS ENERGY COMPANY
Gas Utility Statistics
(Unaudited)

	<i>In Thousands of mcf, Except as Noted</i>					
	Three Months Ended			Six Months Ended		
	6/30/19	6/30/18	% Change	6/30/19	6/30/18	% Change
Gas Deliveries						
Residential	22,635	22,485	0.7	103,598	97,450	6.3
Commercial	8,823	9,232	(4.4)	37,916	36,661	3.4
Industrial	1,344	1,564	(14.1)	5,818	5,958	(2.3)
Other	18	42	(57.1)	81	103	(21.4)
Transportation	16,481	16,707	(1.4)	43,780	42,996	1.8
Total customer deliveries	<u>49,301</u>	<u>50,030</u>	(1.5)	<u>191,193</u>	<u>183,168</u>	4.4
Off-system transportation						
MCV	14,824	14,500	2.2	30,155	30,157	-
Other	4,196	3,234	29.7	7,898	8,963	(11.9)
Total gas deliveries	<u><u>68,321</u></u>	<u><u>67,764</u></u>	0.8	<u><u>229,246</u></u>	<u><u>222,288</u></u>	3.1
Weather-Normalized Gas Deliveries ⁽¹⁾						
Residential	21,920	19,183	14.3	98,953	95,798	3.3
Commercial	8,619	7,955	8.3	36,270	36,000	0.8
Industrial	1,323	1,362	(2.9)	5,581	5,852	(4.6)
Other	16	38	(57.9)	74	101	(26.7)
Transportation	16,824	16,570	1.5	44,183	43,912	0.6
Total weather-normalized gas deliveries	<u><u>48,702</u></u>	<u><u>45,108</u></u>	8.0	<u><u>185,061</u></u>	<u><u>181,663</u></u>	1.9
Weather-Normalized Gas Deliveries ⁽¹⁾ (By Class, Including Transportation)						
Residential	22,135	19,389	14.2	99,732	96,596	3.2
Commercial	14,244	13,263	7.4	52,122	51,642	0.9
Industrial	12,297	12,392	(0.8)	33,123	33,298	(0.5)
Other	26	64	(59.4)	84	127	(33.9)
Total weather-normalized gas deliveries	<u><u>48,702</u></u>	<u><u>45,108</u></u>	8.0	<u><u>185,061</u></u>	<u><u>181,663</u></u>	1.9

⁽¹⁾ Excludes off-system transportation deliveries.

	<i>In Millions, Except as Noted</i>					
	Three Months Ended			Six Months Ended		
	6/30/19	6/30/18	% Change	6/30/19	6/30/18	% Change
Gas Utility Revenue						
Residential	\$ 198	\$ 194	2.1	\$ 787	\$ 734	7.2
Commercial	58	60	(3.3)	232	221	5.0
Industrial	8	9	(11.1)	33	33	-
Other	1	-	100.0	1	1	-
Total sales revenue	<u>265</u>	<u>263</u>	0.8	<u>1,053</u>	<u>989</u>	6.5
Transportation	16	17	(5.9)	42	41	2.4
Miscellaneous	26	26	-	52	53	(1.9)
Total gas utility revenue	<u><u>\$ 307</u></u>	<u><u>\$ 306</u></u>	0.3	<u><u>\$ 1,147</u></u>	<u><u>\$ 1,083</u></u>	5.9