

To: Financial Community

From: CMS Energy Investor Relations
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Date: August 3, 2020

Subject: CMS Energy Second Quarter 2020 Results and Outlook

CMS Energy will hold a webcast to discuss its Second Quarter 2020 Results and Outlook on Monday, August 3 at 9:30 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 2020 Earnings Call" or [click here](#).

CMS Energy Announces Second Quarter Earnings Results of \$0.48 Per Share and Reaffirms 2020 Earnings Guidance

JACKSON, Mich., August 3, 2020 – CMS Energy announced today reported net income of \$136 million or \$0.48 per share, for the second quarter of 2020, compared to \$93 million or \$0.33 per share for the same quarter in 2019. The company's adjusted earnings per share for the second quarter of 2020 were \$139 million or \$0.49 per share, compared to \$93 million or \$0.33 per share for the same quarter in 2019. The primary drivers of CMS Energy's quarterly financial performance were cost management coupled with favorable weather and sales mix.

"Despite the numerous challenges associated with the pandemic, we've remained committed to delivering on our Triple Bottom of Line of People, Planet and Profit. We've done this by ensuring the safety and health of our co-workers, customers, and the communities we serve while providing the vital services of electricity and natural gas and delivering on cost reduction initiatives," said Patti Poppe, President and CEO of CMS Energy and Consumers Energy.

CMS Energy reaffirmed its guidance for 2020 adjusted earnings of \$2.64 - \$2.68* per share (*See below for important information about non-GAAP measures).

CMS Energy noted several accomplishments in the first half of 2020:

- Appointed a vice president and Chief Diversity Officer, Angela Thompkins, who will lead the company's diversity, equity, and inclusion (DEI) strategy, and partner with leaders across the organization to improve results related to DEI.
- Limited COVID-19 cases within the company to 1/3 of the state's confirmed cases per capita and issued a requirement for masks to be worn at all company facilities.
- Remained on track for 2020 utility customer investment plan.
- Offered customers 100,000 free Nest Smart Thermostats through an unprecedented partnership with Google and Uplight to help Michigan residents save energy and money during the COVID-19 pandemic.

- Committed to our industry leading goals on net-zero methane emissions by 2030 for our natural gas delivery system and net-zero carbon emissions company-wide by 2040.

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 2020 second quarter results and provide a business and financial outlook on August 3 at 9:30 a.m. (EDT). To participate in the webcast, go to CMS Energy's homepage ([cmsenergy.com](https://www.cmsenergy.com)) and select "Events and Presentations."

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

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

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

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

For more information on CMS Energy, please visit our website at [cmsenergy.com](https://www.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		
	6/30/20	6/30/19	Change	6/30/20	6/30/19	Change
Operating Revenue						
Electric utility	\$ 1,022	\$ 1,027	\$ (5)	\$ 2,050	\$ 2,130	\$ (80)
Gas utility	308	307	1	1,024	1,147	(123)
Enterprises	52	58	(6)	110	125	(15)
EnerBank	61	53	8	123	102	21
Total operating revenue	<u>1,443</u>	<u>1,445</u>	<u>(2)</u>	<u>3,307</u>	<u>3,504</u>	<u>(197)</u>
Operating Expenses						
Fuel for electric generation	63	119	(56)	166	261	(95)
Purchased and interchange power	362	356	6	719	734	(15)
Purchased power – related parties	14	16	(2)	32	34	(2)
Cost of gas sold	82	106	(24)	355	510	(155)
Maintenance and other operating expenses	351	343	8	666	697	(31)
Depreciation and amortization	223	216	7	539	514	25
General taxes	75	71	4	189	177	12
Total operating expenses	<u>1,170</u>	<u>1,227</u>	<u>(57)</u>	<u>2,666</u>	<u>2,927</u>	<u>(261)</u>
Operating Income (Loss)						
Electric utility	183	155	28	357	324	33
Gas utility	64	20	44	219	179	40
Enterprises	4	17	(13)	10	23	(13)
EnerBank	26	28	(2)	58	55	3
Other	(4)	(2)	(2)	(3)	(4)	1
Total operating income	<u>273</u>	<u>218</u>	<u>55</u>	<u>641</u>	<u>577</u>	<u>64</u>
Other Income (Expense)						
Interest income	1	2	(1)	2	3	(1)
Interest income - related parties	-	-	-	7	-	7
Allowance for equity funds used during construction	2	3	(1)	3	5	(2)
Income (loss) from equity method investees	(2)	2	(4)	1	1	-
Nonoperating retirement benefits, net	30	23	7	61	46	15
Other income	2	2	-	2	3	(1)
Other expense	(1)	(5)	4	(5)	(8)	3
Total other income	<u>32</u>	<u>27</u>	<u>5</u>	<u>71</u>	<u>50</u>	<u>21</u>
Earnings Before Interest, Taxes, and Other Charges	305	245	60	712	627	85
Interest on long-term debt	121	110	11	237	216	21
Interest expense - related parties	3	3	-	6	3	3
Other interest expense	17	19	(2)	36	35	1
Allowance for borrowed funds used during construction	-	(1)	1	(1)	(2)	1
Income tax expense	27	20	7	54	68	(14)
Net Income	<u>137</u>	<u>94</u>	<u>43</u>	<u>380</u>	<u>307</u>	<u>73</u>
Income attributable to noncontrolling interests	1	1	-	1	1	-
Net Income Available to Common Stockholders	\$ 136	\$ 93	\$ 43	\$ 379	\$ 306	\$ 73
<i>Reconciling items:</i>						
Other exclusions from adjusted earnings	4	*	4	7	*	7
Tax impact	(1)	(*)	(1)	(1)	(*)	(1)
Tax reform	-	-	-	(9)	-	(9)
Voluntary separation program	(*)	-	(*)	11	-	11
Tax impact	*	-	*	(3)	-	(3)
Adjusted Net Income – Non-GAAP	<u>\$ 139</u>	<u>\$ 93</u>	<u>\$ 46</u>	<u>\$ 384</u>	<u>306</u>	<u>\$ 78</u>
Average Common Shares Outstanding						
Basic	285.5	282.9	2.6	284.4	282.9	1.5
Diluted	286.5	284.0	2.5	285.8	283.8	2.0
Diluted Earnings Per Average Common Share	\$ 0.48	\$ 0.33	\$ 0.15	\$ 1.33	\$ 1.08	\$ 0.25
<i>Reconciling items:</i>						
Other exclusions from adjusted earnings	0.02	*	0.02	0.03	*	0.03
Tax impact	(0.01)	(*)	(0.01)	(0.01)	(*)	(0.01)
Tax reform	-	-	-	(0.03)	-	(0.03)
Voluntary separation program	(*)	-	(*)	0.04	-	0.04
Tax impact	*	-	*	(0.01)	-	(0.01)
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	<u>\$ 0.49</u>	<u>\$ 0.33</u>	<u>\$ 0.16</u>	<u>\$ 1.35</u>	<u>\$ 1.08</u>	<u>\$ 0.27</u>

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

CMS ENERGY CORPORATION
Summarized Consolidated Balance Sheets
(Unaudited)

	<i>In Millions</i>	
	As of	
	6/30/20	12/31/19
Assets		
Current assets		
Cash and cash equivalents	\$ 1,587	\$ 140
Restricted cash and cash equivalents	17	17
Other current assets	1,928	2,174
Total current assets	<u>3,532</u>	<u>2,331</u>
Non-current assets		
Plant, property, and equipment	19,436	18,926
Other non-current assets	5,613	5,580
Total Assets	<u>\$ 28,581</u>	<u>\$ 26,837</u>
Liabilities and Equity		
Current liabilities ⁽¹⁾	\$ 1,379	\$ 1,484
Non-current liabilities ⁽¹⁾	6,726	7,051
Capitalization		
Debt, finance leases, and other financing (excluding securitization debt) ⁽²⁾		
Debt, finance leases, and other financing (excluding non-recourse and securitization debt)	12,381	10,518
Non-recourse debt	2,606	2,478
Total debt, finance leases, and other financing (excluding securitization debt)	<u>14,987</u>	<u>12,996</u>
Noncontrolling interests	37	37
Common stockholders' equity	5,214	5,018
Total capitalization (excluding securitization debt)	<u>20,238</u>	<u>18,051</u>
Securitization debt ⁽²⁾	238	251
Total Liabilities and Equity	<u>\$ 28,581</u>	<u>\$ 26,837</u>

⁽¹⁾ Excludes debt, finance leases, and other financing.

⁽²⁾ Includes current and non-current portions.

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

	<i>In Millions</i>	
	Six Months Ended	
	6/30/20	6/30/19
Beginning of Period Cash and Cash Equivalents, Including Restricted Amounts	\$ 157	\$ 175
Net cash provided by operating activities ⁽³⁾	796	1,185
Net cash used in investing activities	(1,168)	(1,410)
Cash flows from operating and investing activities	(372)	(225)
Net cash provided by financing activities	1,819	384
Total Cash Flows	<u>\$ 1,447</u>	<u>\$ 159</u>
End of Period Cash and Cash Equivalents, Including Restricted Amounts	<u>\$ 1,604</u>	<u>\$ 334</u>

⁽³⁾ Includes the impact of a \$531 million pension contribution in 2020.

CMS ENERGY CORPORATION
Selected Financial Data
(Unaudited)

	<i>In Millions</i>		
	Twelve Months Ended		
	6/30/20	12/31/19	6/30/19
EBIT – Non-GAAP ⁽¹⁾			
Consolidated	\$ 1,479	\$ 1,385	\$ 1,194
Consumers Energy	1,337	1,231	1,080
Depreciation and Amortization			
Consolidated	\$ 1,017	\$ 992	\$ 964
Consumers Energy	999	975	949
EBITDA – Non-GAAP ⁽¹⁾			
Consolidated	\$ 2,496	\$ 2,377	\$ 2,158
Consumers Energy	2,336	2,206	2,029
Dividends and Other Distributions From Subsidiaries	\$ 672	\$ 683	\$ 713
Interest Expense, Net			
Consolidated	\$ 545	\$ 519	\$ 487
Energy parent	163	156	142
Consumers Energy	313	297	292
			<i>In Millions</i>
			As of
	6/30/20	12/31/19	6/30/19
Book Value Per Share	\$ 18.21	\$ 17.67	\$ 17.09
Common Shares Outstanding – End of Period	286.3	283.9	283.8
Average Common Shares Outstanding			
Basic	284.4	283.0	282.9
Diluted	285.8	284.3	283.8
Debt ⁽²⁾			
Energy parent	\$ 4,129	\$ 3,334	\$ 3,498
EnerBank ⁽³⁾	2,520	2,389	2,130
Non-recourse project debt	86	89	92
Consumers Energy (excluding securitization bonds)	8,252	7,184	6,415
Consolidated (excluding securitization bonds)	14,987	12,996	12,135
Securitization bonds	238	251	264
Consolidated	\$ 15,225	\$ 13,247	\$ 12,399
Unrestricted Cash and Cash Equivalents			
Consumers Energy	\$ 1,215	\$ 11	\$ 196
CMS Treasury Services	248	11	18
EnerBank and Other	124	118	98
Consolidated	\$ 1,587	\$ 140	\$ 312
Consumers Energy			
Regulated Common Equity Ratio (13-Month Average)			
Electric	41.9%	42.4%	42.2%
Gas	41.9%	42.4%	42.2%
Regulated Rate Base (13-Month Average, in Millions)			
Electric ⁽⁴⁾	\$ 12,194	\$ 11,516	\$ 11,141
Gas	6,469	6,070	5,622
Regulated Return on Average Common Equity (12-Month Ended)			
Electric ⁽⁴⁾	11.0%	10.7%	10.5%
Gas	9.7%	9.0%	7.5%

⁽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 \$838 million in total.

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

	<i>In Millions</i>		
	Twelve Months Ended		
	6/30/20	12/31/19	6/30/19
Net Income Available to Common Stockholders	\$ 753	\$ 680	\$ 583
<i>Reconciling items:</i>			
Income tax expense	133	147	118
Interest on long-term debt	460	439	425
Interest expense - related parties	12	9	3
Other interest expense	76	75	63
Allowance for borrowed funds used during construction	(3)	(4)	(4)
Income attributable to noncontrolling interests	2	2	2
Other exclusions from adjusted earnings	44	37	8
Tax reform	(9)	-	(4)
Voluntary separation program	11	-	-
EBIT – Non-GAAP	1,479	1,385	1,194
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,017	992	964
EBITDA – Non-GAAP	\$ 2,496	\$ 2,377	\$ 2,158

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

	<i>In Millions</i>		
	Twelve Months Ended		
	6/30/20	12/31/19	6/30/19
Net Income Available to Common Stockholder	\$ 812	\$ 741	\$ 633
<i>Reconciling items:</i>			
Income tax expense	185	185	151
Interest on long-term debt	291	277	279
Interest expense - related parties	12	9	3
Other interest expense	13	15	14
Allowance for borrowed funds used during construction	(3)	(4)	(4)
Preferred stock dividends	2	2	2
Other exclusions from adjusted earnings	14	6	-
Tax reform	-	-	2
Voluntary separation program	11	-	-
EBIT – Non-GAAP	1,337	1,231	1,080
<i>Additional reconciling items:</i>			
Depreciation and amortization	999	975	949
EBITDA – Non-GAAP	\$ 2,336	\$ 2,206	\$ 2,029

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

Three Months Ended June 30			
	6/30/20	6/30/19	Variance
Adjusted EPS – Non-GAAP			
Electric utility	\$ 0.43	\$ 0.32	\$ 0.11
Gas utility	0.14	0.03	0.11
Enterprises, EnerBank and Energy parent			
Enterprises	-	0.05	(0.05)
EnerBank	0.03	0.04	(0.01)
Energy parent	(0.11)	(0.11)	-
	(0.08)	(0.02)	(0.06)
Consolidated	\$ 0.49	\$ 0.33	\$ 0.16
Variance Explanations:			
ELECTRIC UTILITY			
- Deliveries of 8,050 GWh, down 533 GWh, offset by favorable weather (492 GWh) and sales mix		\$	0.11
- Electric rate relief, renewables			0.01
- Lower operations & maintenance expenses			0.08
- Higher storm restoration expenses			(0.05)
- COVID-19 related expenses			(0.03)
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.03)
- Other			0.02
- Change in shares outstanding			*
		\$	0.11
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 47.4 bcf, down 1.9 bcf, offset by favorable weather (3.8 bcf) and sales mix		\$	-
- Gas rate relief			0.05
- Lower operating & maintenance expenses			0.07
- COVID-19 related expenses			(0.01)
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.01)
- Other			0.01
- Change in shares outstanding			*
		\$	0.11
ENTERPRISES, ENERBANK AND ENERGY PARENT			
- Enterprises including DIG operations		\$	(0.05)
- EnerBank			(0.01)
- Change in shares outstanding			*
		\$	(0.06)
WEATHER IMPACTS			
	6/30/20	6/30/19	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	(2.3) %	(2.8) %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	206	(286)	
EPS	\$ 0.06	\$ (0.07)	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	4.4	0.6	
EPS	\$ 0.04	\$ 0.01	
Total EPS Weather Impacts	\$ 0.10	\$ (0.06)	

* Less than \$0.01 per share.

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

Six Months Ended June 30			
	6/30/20	6/30/19	Variance
Adjusted EPS – Non-GAAP			
Electric utility	\$ 0.87	\$ 0.69	\$ 0.18
Gas utility	0.56	0.45	0.11
Enterprises, EnerBank and Energy parent			
Enterprises	0.06	0.08	(0.02)
EnerBank	0.08	0.08	-
Energy parent	(0.22)	(0.22)	-
	(0.08)	(0.06)	(0.02)
Consolidated	\$ 1.35	\$ 1.08	\$ 0.27
Variance Explanations:			
ELECTRIC UTILITY			
- Deliveries of 16,836 GWh, down 977 GWh, offset by favorable weather (249 GWh) and sales mix			\$ 0.03
- Electric rate relief, primarily renewables			0.03
- Lower operating & maintenance expenses			0.15
- COVID-19 related expenses			(0.03)
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.05)
- Other, largely tax planning			0.06
- Change in shares outstanding			(0.01)
			\$ 0.18
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 166.9 bcf, down 24.3 bcf (weather-driven impact, down 17.7 bcf)			\$ (0.13)
- Gas rate relief			0.23
- Lower operating & maintenance expenses			0.08
- COVID-19 related expenses			(0.01)
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.07)
- Other			0.01
- Change in shares outstanding			*
			\$ 0.11
ENTERPRISES, ENERBANK AND ENERGY PARENT			
- Enterprises			\$ (0.02)
- Change in shares outstanding			*
			\$ (0.02)
WEATHER IMPACTS			
	6/30/20	6/30/19	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	3.8 %	(4.0) %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	21	(228)	
EPS	\$ 0.01	\$ (0.06)	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	(11.6)	6.1	
EPS	\$ (0.09)	\$ 0.05	
Total EPS Weather Impacts	\$ (0.08)	\$ (0.01)	

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

* Less than \$0.01 per share.

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

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

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

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

* 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		
	6/30/20	6/30/19	Change	6/30/20	6/30/19	Change
Operating Revenue						
Electric utility	\$ 1,022	\$ 1,027	\$ (5)	\$ 2,050	\$ 2,130	\$ (80)
Gas utility	308	307	1	1,024	1,147	(123)
Total operating revenue	<u>1,330</u>	<u>1,334</u>	<u>(4)</u>	<u>3,074</u>	<u>3,277</u>	<u>(203)</u>
Operating Expenses						
Fuel for electric generation	43	88	(45)	122	194	(72)
Purchased and interchange power	354	350	4	701	724	(23)
Purchased power – related parties	14	16	(2)	32	34	(2)
Cost of gas sold	80	104	(24)	350	505	(155)
Maintenance and other operating expenses	302	320	(18)	580	639	(59)
Depreciation and amortization	218	212	6	530	506	24
General taxes	73	69	4	184	172	12
Total operating expenses	<u>1,084</u>	<u>1,159</u>	<u>(75)</u>	<u>2,499</u>	<u>2,774</u>	<u>(275)</u>
Operating Income						
Electric utility	183	155	28	357	324	33
Gas utility	64	20	44	219	179	40
Other	(1)	-	(1)	(1)	-	(1)
Total operating income	<u>246</u>	<u>175</u>	<u>71</u>	<u>575</u>	<u>503</u>	<u>72</u>
Other Income (Expense)						
Interest income	1	1	-	2	2	-
Interest and dividend income – related parties	1	1	-	2	2	-
Allowance for equity funds used during construction	2	3	(1)	3	5	(2)
Nonoperating retirement benefits, net	28	22	6	57	43	14
Other income	2	1	1	2	2	-
Other expense	(2)	(5)	3	(5)	(8)	3
Total other income	<u>32</u>	<u>23</u>	<u>9</u>	<u>61</u>	<u>46</u>	<u>15</u>
Interest Charges						
Interest on long-term debt	77	68	9	151	137	14
Interest expense – related parties	3	3	-	6	3	3
Other interest expense	2	4	(2)	5	7	(2)
Allowance for borrowed funds used during construction	-	(1)	1	(1)	(2)	1
Total interest charges	<u>82</u>	<u>74</u>	<u>8</u>	<u>161</u>	<u>145</u>	<u>16</u>
Income Before Income Taxes	196	124	72	475	404	71
Income Tax Expense	<u>36</u>	<u>26</u>	<u>10</u>	<u>80</u>	<u>80</u>	<u>-</u>
Net Income	160	98	62	395	324	71
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	119	90	29	237	195	42
Gas utility	41	8	33	158	129	29
Other	(1)	(1)	-	(1)	(1)	-
Total net income available to common stockholder	<u>\$ 159</u>	<u>\$ 97</u>	<u>\$ 62</u>	<u>\$ 394</u>	<u>\$ 323</u>	<u>\$ 71</u>

CONSUMERS ENERGY COMPANY

Electric Utility Statistics (Unaudited)

	<i>In Millions of kWh, Except as Noted</i>					
	Three Months Ended			Six Months Ended		
	6/30/20	6/30/19	% Change	6/30/20	6/30/19	% Change
Electric Deliveries						
Residential	3,167	2,564	23.5	6,274	5,889	6.5
Commercial	2,509	2,768	(9.4)	5,288	5,594	(5.5)
Industrial	1,423	2,175	(34.6)	3,288	4,246	(22.6)
Other	31	32	(3.1)	75	79	(5.1)
Wholesale	94	92	2.2	168	170	(1.2)
Retail open access	826	952	(13.2)	1,743	1,835	(5.0)
Total customer deliveries	<u>8,050</u>	<u>8,583</u>	(6.2)	<u>16,836</u>	<u>17,813</u>	(5.5)
Intersystem	660	1,316	(49.8)	2,341	2,230	5.0
Total electric deliveries	<u><u>8,710</u></u>	<u><u>9,899</u></u>	(12.0)	<u><u>19,177</u></u>	<u><u>20,043</u></u>	(4.3)
Weather-Normalized Electric Deliveries ⁽¹⁾⁽²⁾						
Residential	2,997	2,741	9.3	6,257	6,013	4.1
Commercial	2,477	2,856	(13.3)	5,284	5,677	(6.9)
Industrial	1,424	2,187	(34.9)	3,290	4,259	(22.8)
Other	30	32	(6.3)	74	79	(6.3)
Wholesale	94	92	2.2	168	170	(1.2)
Retail open access	822	961	(14.5)	1,742	1,843	(5.5)
Total weather-normalized electric deliveries	<u><u>7,844</u></u>	<u><u>8,869</u></u>	(11.6)	<u><u>16,815</u></u>	<u><u>18,041</u></u>	(6.8)
Weather-Normalized Electric Deliveries ⁽¹⁾⁽²⁾ (By Class, Including Retail Open Access)						
Residential	2,997	2,741	9.3	6,257	6,013	4.1
Commercial	2,668	3,089	(13.6)	5,712	6,147	(7.1)
Industrial	2,055	2,915	(29.5)	4,604	5,632	(18.3)
Other	30	32	(6.3)	74	79	(6.3)
Wholesale	94	92	2.2	168	170	(1.2)
Total weather-normalized electric deliveries	<u><u>7,844</u></u>	<u><u>8,869</u></u>	(11.6)	<u><u>16,815</u></u>	<u><u>18,041</u></u>	(6.8)

⁽¹⁾ Excludes intersystem deliveries.

⁽²⁾ Certain classes include the reduction for Energy Efficiency in the range of 1.0% to 1.5%.

	<i>In Millions, Except as Noted</i>					
	Three Months Ended			Six Months Ended		
	6/30/20	6/30/19	% Change	6/30/20	6/30/19	% Change
Electric Utility Revenue						
Residential	\$ 507	\$ 423	19.9	\$ 988	\$ 946	4.4
Commercial	341	362	(5.8)	680	713	(4.6)
Industrial	126	174	(27.6)	266	336	(20.8)
Other	8	9	(11.1)	16	18	(11.1)
Total sales revenue	<u>982</u>	<u>968</u>	1.4	<u>1,950</u>	<u>2,013</u>	(3.1)
Wholesale	6	6	-	11	11	-
Retail open access	6	7	(14.3)	14	14	-
Intersystem	15	31	(51.6)	48	61	(21.3)
Miscellaneous	13	15	(13.3)	27	31	(12.9)
Total electric utility revenue	<u><u>\$ 1,022</u></u>	<u><u>\$ 1,027</u></u>	(0.5)	<u><u>\$ 2,050</u></u>	<u><u>\$ 2,130</u></u>	(3.8)

CONSUMERS ENERGY COMPANY

Gas Utility Statistics

(Unaudited)

	<i>In Thousands of mcf, Except as Noted</i>					
	Three Months Ended			Six Months Ended		
	6/30/20	6/30/19	% Change	6/30/20	6/30/19	% Change
Gas Deliveries						
Residential	24,608	22,635	8.7	91,947	103,598	(11.2)
Commercial	7,848	8,823	(11.1)	32,390	37,916	(14.6)
Industrial	1,247	1,344	(7.2)	4,852	5,818	(16.6)
Other	21	18	16.7	97	81	19.8
Transportation	13,625	16,481	(17.3)	37,582	43,780	(14.2)
Total customer deliveries	47,349	49,301	(4.0)	166,868	191,193	(12.7)
Off-system transportation						
MCV	13,133	14,824	(11.4)	32,424	30,155	7.5
Other	1,783	4,196	(57.5)	5,286	7,898	(33.1)
Total gas deliveries	<u>62,265</u>	<u>68,321</u>	(8.9)	<u>204,578</u>	<u>229,246</u>	(10.8)
Weather-Normalized Gas Deliveries ^{(1) (2)}						
Residential	21,820	21,920	(0.5)	99,297	98,953	0.3
Commercial	6,567	8,619	(23.8)	33,889	36,270	(6.6)
Industrial	1,071	1,323	(19.0)	5,235	5,581	(6.2)
Other	16	16	-	106	74	43.2
Transportation	13,475	16,824	(19.9)	39,899	44,183	(9.7)
Total weather-normalized gas deliveries	<u>42,949</u>	<u>48,702</u>	(11.8)	<u>178,426</u>	<u>185,061</u>	(3.6)
Weather-Normalized Gas Deliveries ^{(1) (2)}						
(By Class, Including Transportation)						
Residential	22,038	22,135	(0.4)	100,036	99,732	0.3
Commercial	11,362	14,244	(20.2)	48,634	52,122	(6.7)
Industrial	9,519	12,297	(22.6)	29,636	33,123	(10.5)
Other	30	26	15.4	120	84	42.9
Total weather-normalized gas deliveries	<u>42,949</u>	<u>48,702</u>	(11.8)	<u>178,426</u>	<u>185,061</u>	(3.6)

⁽¹⁾ Excludes off-system transportation deliveries.

⁽²⁾ Includes the reduction for Energy Efficiency in the range of 0.75% to 1.0%.

	<i>In Millions, Except as Noted</i>					
	Three Months Ended			Six Months Ended		
	6/30/20	6/30/19	% Change	6/30/20	6/30/19	% Change
Gas Utility Revenue						
Residential	\$ 206	\$ 198	4.0	\$ 699	\$ 787	(11.2)
Commercial	51	58	(12.1)	200	232	(13.8)
Industrial	7	8	(12.5)	27	33	(18.2)
Other	1	1	-	1	1	-
Total sales revenue	265	265	-	927	1,053	(12.0)
Transportation	16	16	-	42	42	-
Miscellaneous	27	26	3.8	55	52	5.8
Total gas utility revenue	<u>\$ 308</u>	<u>\$ 307</u>	0.3	<u>\$ 1,024</u>	<u>\$ 1,147</u>	(10.7)