

To: Investment Community

From: CMS Energy Investor Relations
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Date: October 29, 2020

Subject: CMS Energy Third Quarter 2020 Results and Outlook

CMS Energy will hold a webcast to discuss its Third Quarter 2020 Results and Outlook on Thursday, October 29 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 Third Quarter 2020 Earnings Call" or [click here](#).

CMS Energy Announces Third Quarter Reported Earnings of \$0.76 Per Share and Introduces 2021 EPS Guidance

JACKSON, Mich., October 29, 2020 – CMS Energy announced today reported net income of \$218 million, or \$0.76 per share, for the third quarter of 2020, compared to reported net income of \$207 million, or \$0.73 per share, for the same quarter in 2019. The company's adjusted net income for the third quarter of 2020 was \$221 million, or \$0.77 per share. For the first nine months of 2020, the company reported net income of \$597 million, or \$2.09 per share, compared to reported net income of \$513 million, or \$1.81 per share for the same period in 2019. Adjusted net income for the first nine months of 2020 was \$605 million, or \$2.11 per share.

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). Additionally, CMS Energy introduced 2021 adjusted earnings per share guidance of \$2.82 to \$2.86, reflecting continued strong growth of 6 to 8 percent.

"The company's third quarter results confirm our commitment to finish the year strong both operationally and financially and to continue to prioritize those who have been affected by the pandemic," said Patti Poppe, President and CEO of CMS Energy and Consumers Energy. "As we look to 2021, we will continue to focus on the triple bottom line of people, planet and profit."

CMS Energy noted several accomplishments during the quarter:

- Consumers Energy settled its gas rate case and will not file another gas case prior to December 2021.
- Consumers Energy was named by Forbes Magazine as the best employer for women in the utility sector.
- Consumers Energy committed \$12 million to support Michigan residents and small businesses affected by COVID-19 with energy bills.

- Consumers Energy joined a first-of-its-kind pledge with five other energy companies to build a vast network of electric vehicle fast charging stations across the Midwest from Michigan to Kansas.

CMS Energy (NYSE: CMS) is a Michigan-based company that has an electric and natural gas utility, Consumers Energy, as its primary business.

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CMS Energy will hold a webcast to discuss its 2020 third quarter results and provide a business and financial outlook on October 29 at 9:30 a.m. (EDT). To participate in the webcast, go to CMS Energy's homepage (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. 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			Nine Months Ended		
	9/30/20	9/30/19	Change	9/30/20	9/30/19	Change
Operating Revenue						
Electric utility	\$ 1,257	\$ 1,250	\$ 7	\$ 3,307	\$ 3,380	\$ (73)
Gas utility	193	179	14	1,217	1,326	(109)
Enterprises	57	59	(2)	167	184	(17)
EnerBank	68	58	10	191	160	31
Total operating revenue	<u>1,575</u>	<u>1,546</u>	<u>29</u>	<u>4,882</u>	<u>5,050</u>	<u>(168)</u>
Operating Expenses						
Fuel for electric generation	108	130	(22)	274	391	(117)
Purchased and interchange power	430	413	17	1,149	1,147	2
Purchased power – related parties	13	19	(6)	45	53	(8)
Cost of gas sold	35	35	-	390	545	(155)
Maintenance and other operating expenses	317	313	4	983	1,010	(27)
Depreciation and amortization	228	215	13	767	729	38
General taxes	75	70	5	264	247	17
Total operating expenses	<u>1,206</u>	<u>1,195</u>	<u>11</u>	<u>3,872</u>	<u>4,122</u>	<u>(250)</u>
Operating Income (Loss)						
Electric utility	320	323	(3)	677	647	30
Gas utility	18	(4)	22	237	175	62
Enterprises	3	3	-	13	26	(13)
EnerBank	29	31	(2)	87	86	1
Other	(1)	(2)	1	(4)	(6)	2
Total operating income	<u>369</u>	<u>351</u>	<u>18</u>	<u>1,010</u>	<u>928</u>	<u>82</u>
Other Income (Expense)						
Interest income	1	2	(1)	3	5	(2)
Interest income - related parties	-	-	-	7	-	7
Allowance for equity funds used during construction	1	2	(1)	4	7	(3)
Income (loss) from equity method investees	-	5	(5)	1	6	(5)
Nonoperating retirement benefits, net	29	22	7	90	68	22
Other income	1	-	1	3	3	-
Other expense	(4)	-	(4)	(9)	(8)	(1)
Total other income	<u>28</u>	<u>31</u>	<u>(3)</u>	<u>99</u>	<u>81</u>	<u>18</u>
Earnings Before Interest, Taxes, and Other Charges	397	382	15	1,109	1,009	100
Interest on long-term debt	124	111	13	361	327	34
Interest expense - related parties	3	3	-	9	6	3
Other interest expense	17	20	(3)	53	55	(2)
Allowance for borrowed funds used during construction	(1)	(1)	-	(2)	(3)	1
Income tax expense	44	42	2	98	110	(12)
Net Income	<u>210</u>	<u>207</u>	<u>3</u>	<u>590</u>	<u>514</u>	<u>76</u>
Income (loss) attributable to noncontrolling interests	(8)	-	(8)	(7)	1	(8)
Net Income Available to Common Stockholders	\$ 218	\$ 207	\$ 11	\$ 597	\$ 513	\$ 84
<i>Reconciling items:</i>						
Other exclusions from adjusted earnings	4	1	3	11	1	10
Tax impact	(1)	(*)	(1)	(2)	(*)	(2)
Tax reform	-	-	-	(9)	-	(9)
Voluntary separation program	*	-	*	11	-	11
Tax impact	(*)	-	(*)	(3)	-	(3)
Adjusted Net Income – Non-GAAP	<u>\$ 221</u>	<u>\$ 208</u>	<u>\$ 13</u>	<u>\$ 605</u>	<u>\$ 514</u>	<u>\$ 91</u>
Average Common Shares Outstanding						
Basic	285.6	283.0	2.6	284.8	282.9	1.9
Diluted	286.9	284.6	2.3	286.3	284.2	2.1
Diluted Earnings Per Average Common Share	\$ 0.76	\$ 0.73	\$ 0.03	\$ 2.09	\$ 1.81	\$ 0.28
<i>Reconciling items:</i>						
Other exclusions from adjusted earnings	0.01	*	0.01	0.03	*	0.03
Tax impact	(*)	(*)	-	(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>\$ 0.77</u>	<u>\$ 0.73</u>	<u>\$ 0.04</u>	<u>\$ 2.11</u>	<u>\$ 1.81</u>	<u>\$ 0.30</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>9/30/20</u>	<u>12/31/19</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 519	\$ 140
Restricted cash and cash equivalents	39	17
Other current assets	1,936	2,174
Total current assets	<u>2,494</u>	<u>2,331</u>
Non-current assets		
Plant, property, and equipment	20,630	18,926
Other non-current assets	6,156	5,580
Total Assets	<u>\$ 29,280</u>	<u>\$ 26,837</u>
Liabilities and Equity		
Current liabilities ⁽¹⁾	\$ 1,193	\$ 1,484
Non-current liabilities ⁽¹⁾	7,054	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)	11,968	10,518
Non-recourse debt	2,929	2,478
Total debt, finance leases, and other financing (excluding securitization debt)	<u>14,897</u>	<u>12,996</u>
Noncontrolling interests	578	37
Common stockholders' equity	5,320	5,018
Total capitalization (excluding securitization debt)	<u>20,795</u>	<u>18,051</u>
Securitization debt ⁽²⁾	238	251
Total Liabilities and Equity	<u>\$ 29,280</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>	
	<u>Nine Months Ended</u>	
	<u>9/30/20</u>	<u>9/30/19</u>
Beginning of Period Cash and Cash Equivalents, Including Restricted Amounts	\$ 157	\$ 175
Net cash provided by operating activities ⁽³⁾	1,144	1,395
Net cash used in investing activities	(2,298)	(2,212)
Cash flows from operating and investing activities	<u>(1,154)</u>	<u>(817)</u>
Net cash provided by financing activities	1,555	1,075
Total Cash Flows	<u>\$ 401</u>	<u>\$ 258</u>
End of Period Cash and Cash Equivalents, Including Restricted Amounts	<u>\$ 558</u>	<u>\$ 433</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		
	9/30/20	12/31/19	9/30/19
EBIT – Non-GAAP ⁽¹⁾			
Consolidated	\$ 1,497	\$ 1,385	\$ 1,261
Consumers Energy	1,363	1,231	1,132
Depreciation and Amortization			
Consolidated	\$ 1,030	\$ 992	\$ 973
Consumers Energy	1,012	975	956
EBITDA – Non-GAAP ⁽¹⁾			
Consolidated	\$ 2,527	\$ 2,377	\$ 2,234
Consumers Energy	2,375	2,206	2,088
Dividends and Other Distributions From Subsidiaries	\$ 681	\$ 683	\$ 730
Interest Expense, Net			
Consolidated	\$ 555	\$ 519	\$ 506
Energy parent	169	156	150
Consumers Energy	320	297	294
			<i>In Millions</i>
		As of	
	9/30/20	12/31/19	9/30/19
Book Value Per Share	\$ 18.58	\$ 17.67	\$ 17.46
Common Shares Outstanding – End of Period	286.3	283.9	283.8
Average Common Shares Outstanding			
Basic	284.8	283.0	282.9
Diluted	286.3	284.3	284.2
Debt ⁽²⁾			
Energy parent	\$ 4,130	\$ 3,334	\$ 3,434
EnerBank ⁽³⁾	2,844	2,389	2,380
Non-recourse project debt	85	89	91
Consumers Energy (excluding securitization bonds)	7,838	7,184	7,026
Consolidated (excluding securitization bonds)	14,897	12,996	12,931
Securitization bonds	238	251	264
Consolidated	\$ 15,135	\$ 13,247	\$ 13,195
Unrestricted Cash and Cash Equivalents			
Consumers Energy	\$ 199	\$ 11	\$ 259
CMS Treasury Services	181	11	15
EnerBank and Other	139	118	129
Consolidated	\$ 519	\$ 140	\$ 403
Consumers Energy			
Regulated Common Equity Ratio (13-Month Average)			
Electric	41.7%	42.4%	42.3%
Gas	41.7%	42.4%	42.3%
Regulated Rate Base (13-Month Average, in Millions)			
Electric ⁽⁴⁾	\$ 12,637	\$ 11,516	\$ 11,320
Gas	6,678	6,070	5,867
Regulated Return on Average Common Equity (12-Month Ended)			
Electric ⁽⁴⁾	10.9%	10.7%	10.3%
Gas	10.0%	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 \$919 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		
	9/30/20	12/31/19	9/30/19
Net Income Available to Common Stockholders	\$ 764	\$ 680	\$ 621
<i>Reconciling items:</i>			
Income tax expense	135	147	127
Interest on long-term debt	473	439	435
Interest expense - related parties	12	9	6
Other interest expense	73	75	69
Allowance for borrowed funds used during construction	(3)	(4)	(4)
Income (loss) attributable to noncontrolling interests	(6)	2	2
Other exclusions from adjusted earnings	47	37	9
Tax reform	(9)	-	(4)
Voluntary separation program	11	-	-
	1,497	1,385	1,261
EBIT – Non-GAAP	1,497	1,385	1,261
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,030	992	973
	1,030	992	973
EBITDA – Non-GAAP	\$ 2,527	\$ 2,377	\$ 2,234

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

	<i>In Millions</i>		
	Twelve Months Ended		
	9/30/20	12/31/19	9/30/19
Net Income Available to Common Stockholder	\$ 829	\$ 741	\$ 666
<i>Reconciling items:</i>			
Income tax expense	183	185	168
Interest on long-term debt	298	277	279
Interest expense - related parties	12	9	6
Other interest expense	13	15	13
Allowance for borrowed funds used during construction	(3)	(4)	(4)
Preferred stock dividends	2	2	2
Other exclusions from adjusted earnings	18	6	-
Tax reform	-	-	2
Voluntary separation program	11	-	-
	1,363	1,231	1,132
EBIT – Non-GAAP	1,363	1,231	1,132
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,012	975	956
	1,012	975	956
EBITDA – Non-GAAP	\$ 2,375	\$ 2,206	\$ 2,088

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

Three Months Ended September 30			
	9/30/20	9/30/19	Variance
Adjusted EPS – Non-GAAP			
Electric utility	\$ 0.80	\$ 0.78	\$ 0.02
Gas utility	0.02	(0.03)	0.05
Enterprises, EnerBank and Energy parent			
Enterprises	0.04	0.03	0.01
EnerBank	0.04	0.04	-
Energy parent	(0.13)	(0.09)	(0.04)
	(0.05)	(0.02)	(0.03)
Consolidated	\$ 0.77	\$ 0.73	\$ 0.04
Variance Explanations:			
ELECTRIC UTILITY			
- Deliveries of 10,043 GWh, down 85 GWh (weather-driven impact, up 97 GWh)			\$ 0.02
- Electric rate relief, primarily renewables			0.02
- Lower storm restoration expenses			0.02
- Higher operating & maintenance expenses			(0.01)
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.04)
- Other			0.02
- Change in shares outstanding			(0.01)
			\$ 0.02
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 27.0 bcf, up 1.2 bcf (weather-driven impact, up 1.7 bcf)			\$ -
- Gas rate relief			0.03
- Lower operating & maintenance expenses			0.05
- Higher investment costs			(0.03)
- Change in shares outstanding			*
			\$ 0.05
ENTERPRISES, ENERBANK AND ENERGY PARENT			
- Enterprises			\$ 0.01
- EnerBank			-
- Other, including Energy Parent interest			(0.04)
- Change in shares outstanding			*
			\$ (0.03)
WEATHER IMPACTS			
	9/30/20	9/30/19	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	0.3 %	2.9 %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	322	225	
EPS	\$ 0.08	\$ 0.06	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	0.1	(1.6)	
EPS	\$ -	\$ (0.01)	
Total EPS Weather Impacts	\$ 0.08	\$ 0.05	

* Less than \$0.01 per share.

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

Nine Months Ended September 30			
	9/30/20	9/30/19	Variance
Adjusted EPS – Non-GAAP			
Electric utility	\$ 1.66	\$ 1.47	\$ 0.19
Gas utility	0.58	0.42	0.16
Enterprises, EnerBank and Energy parent			
Enterprises	0.11	0.11	-
EnerBank	0.12	0.11	0.01
Energy parent	(0.36)	(0.30)	(0.06)
	(0.13)	(0.08)	(0.05)
Consolidated	\$ 2.11	\$ 1.81	\$ 0.30
Variance Explanations:			
ELECTRIC UTILITY			
- Deliveries of 26,879 GWh, down 1,062 GWh (weather-driven impact, up 346 GWh)			\$ 0.04
- Electric rate relief, primarily renewables			0.05
- COVID-19 related expenses			(0.03)
- Lower storm restoration			0.05
- Lower operating & maintenance expenses			0.10
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.08)
- Other			0.07
- Change in shares outstanding			(0.01)
			\$ 0.19
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 193.9 bcf, down 23.1 bcf (weather-driven impact, down 16.0 bcf)			\$ (0.13)
- Gas rate relief			0.26
- COVID-19 related expenses			(0.01)
- Lower operating & maintenance expenses			0.13
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.10)
- Other			0.01
- Change in shares outstanding			*
			\$ 0.16
ENTERPRISES, ENERBANK AND ENERGY PARENT			
- Enterprises			\$ -
- EnerBank			0.01
- Other, including Energy Parent interest			(0.06)
- Change in shares outstanding			*
			\$ (0.05)
WEATHER IMPACTS			
	9/30/20	9/30/19	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	2.2 %	(0.9) %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	343	(3)	
EPS	\$ 0.09	\$ -	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	(11.5)	4.5	
EPS	\$ (0.09)	\$ 0.04	
Total EPS Weather Impacts	\$ -	\$ 0.04	

* 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		Nine Months Ended	
	9/30/20	9/30/19	9/30/20	9/30/19
Electric Utility				
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>
Gas Utility				
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>
Enterprises				
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>
EnerBank				
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>
Corporate Interest and Other				
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>
Consolidated				
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>
Average Common Shares Outstanding – Diluted	<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
(Unaudited)

	<i>In Millions, Except Per Share Amounts</i>			
	Three Months Ended		Nine Months Ended	
	9/30/20	9/30/19	9/30/20	9/30/19
Net Income Available to Common Stockholders	\$ 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>
Average Common Shares Outstanding				
Basic	285.6	283.0	284.8	282.9
Diluted	286.9	284.6	286.3	284.2
Basic Earnings Per Average Common Share				
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>
Diluted Earnings Per Average Common Share				
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
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	3Q
Net Income Available to Common Stockholders	\$ 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)	(*)	*
Adjusted Net Income – Non-GAAP	\$ 245	\$ 139	\$ 221
Average Common Shares Outstanding – Diluted	285.2	286.5	286.9
Diluted Earnings Per Average Common Share	\$ 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)	(*)	*
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	\$ 0.86	\$ 0.49	\$ 0.77

	<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			Nine Months Ended		
	9/30/20	9/30/19	Change	9/30/20	9/30/19	Change
Operating Revenue						
Electric utility	\$ 1,257	\$ 1,250	\$ 7	\$ 3,307	\$ 3,380	\$ (73)
Gas utility	193	179	14	1,217	1,326	(109)
Total operating revenue	<u>1,450</u>	<u>1,429</u>	<u>21</u>	<u>4,524</u>	<u>4,706</u>	<u>(182)</u>
Operating Expenses						
Fuel for electric generation	85	101	(16)	207	295	(88)
Purchased and interchange power	420	408	12	1,121	1,132	(11)
Purchased power – related parties	13	19	(6)	45	53	(8)
Cost of gas sold	33	32	1	383	537	(154)
Maintenance and other operating expenses	266	272	(6)	846	911	(65)
Depreciation and amortization	223	210	13	753	716	37
General taxes	72	68	4	256	240	16
Total operating expenses	<u>1,112</u>	<u>1,110</u>	<u>2</u>	<u>3,611</u>	<u>3,884</u>	<u>(273)</u>
Operating Income (Loss)						
Electric utility	320	323	(3)	677	647	30
Gas utility	18	(4)	22	237	175	62
Other	-	-	-	(1)	-	(1)
Total operating income	<u>338</u>	<u>319</u>	<u>19</u>	<u>913</u>	<u>822</u>	<u>91</u>
Other Income (Expense)						
Interest income	1	2	(1)	3	4	(1)
Interest and dividend income – related parties	2	1	1	4	3	1
Allowance for equity funds used during construction	1	2	(1)	4	7	(3)
Nonoperating retirement benefits, net	28	21	7	85	64	21
Other income	1	-	1	3	2	1
Other expense	(4)	-	(4)	(9)	(8)	(1)
Total other income	<u>29</u>	<u>26</u>	<u>3</u>	<u>90</u>	<u>72</u>	<u>18</u>
Interest Charges						
Interest on long-term debt	76	69	7	227	206	21
Interest expense – related parties	3	3	-	9	6	3
Other interest expense	4	4	-	9	11	(2)
Allowance for borrowed funds used during construction	(1)	(1)	-	(2)	(3)	1
Total interest charges	<u>82</u>	<u>75</u>	<u>7</u>	<u>243</u>	<u>220</u>	<u>23</u>
Income Before Income Taxes	285	270	15	760	674	86
Income Tax Expense	<u>55</u>	<u>57</u>	<u>(2)</u>	<u>135</u>	<u>137</u>	<u>(2)</u>
Net Income	230	213	17	625	537	88
Preferred Stock Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Net Income (Loss) Available to Common Stockholder						
Electric utility	226	223	3	463	418	45
Gas utility	4	(10)	14	162	119	43
Other	-	-	-	(1)	(1)	-
Total net income available to common stockholder	<u>\$ 230</u>	<u>\$ 213</u>	<u>\$ 17</u>	<u>\$ 624</u>	<u>\$ 536</u>	<u>\$ 88</u>

CONSUMERS ENERGY COMPANY
Electric Utility Statistics
(Unaudited)

	<i>In Millions of kWh, Except as Noted</i>					
	Three Months Ended			Nine Months Ended		
	9/30/20	9/30/19	% Change	9/30/20	9/30/19	% Change
Electric Deliveries						
Residential	3,924	3,612	8.6	10,198	9,501	7.3
Commercial	3,140	3,264	(3.8)	8,428	8,858	(4.9)
Industrial	1,864	2,110	(11.7)	5,152	6,356	(18.9)
Other	33	37	(10.8)	108	116	(6.9)
Wholesale	99	86	15.1	267	256	4.3
Retail open access	983	1,019	(3.5)	2,726	2,854	(4.5)
Total customer deliveries	<u>10,043</u>	<u>10,128</u>	(0.8)	<u>26,879</u>	<u>27,941</u>	(3.8)
Intersystem	969	896	8.1	3,310	3,126	5.9
Total electric deliveries	<u><u>11,012</u></u>	<u><u>11,024</u></u>	(0.1)	<u><u>30,189</u></u>	<u><u>31,067</u></u>	(2.8)
Weather-Normalized Electric Deliveries ^{(1) (2)}						
Residential	3,670	3,460	6.1	9,927	9,473	4.8
Commercial	3,082	3,206	(3.9)	8,366	8,883	(5.8)
Industrial	1,858	2,103	(11.7)	5,148	6,362	(19.1)
Other	34	37	(8.1)	108	116	(6.9)
Wholesale	99	86	15.1	267	256	4.3
Retail open access	978	1,011	(3.3)	2,720	2,854	(4.7)
Total weather-normalized electric deliveries	<u><u>9,721</u></u>	<u><u>9,903</u></u>	(1.8)	<u><u>26,536</u></u>	<u><u>27,944</u></u>	(5.0)
Weather-Normalized Electric Deliveries ^{(1) (2)}						
(By Class, Including Retail Open Access)						
Residential	3,670	3,460	6.1	9,927	9,473	4.8
Commercial	3,338	3,480	(4.1)	9,050	9,627	(6.0)
Industrial	2,580	2,840	(9.2)	7,184	8,472	(15.2)
Other	34	37	(8.1)	108	116	(6.9)
Wholesale	99	86	15.1	267	256	4.3
Total weather-normalized electric deliveries	<u><u>9,721</u></u>	<u><u>9,903</u></u>	(1.8)	<u><u>26,536</u></u>	<u><u>27,944</u></u>	(5.0)

⁽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			Nine Months Ended		
	9/30/20	9/30/19	% Change	9/30/20	9/30/19	% Change
Electric Utility Revenue						
Residential	\$ 624	\$ 585	6.7	\$ 1,612	\$ 1,531	5.3
Commercial	413	427	(3.3)	1,093	1,140	(4.1)
Industrial	161	175	(8.0)	427	511	(16.4)
Other	9	9	-	25	27	(7.4)
Total sales revenue	<u>1,207</u>	<u>1,196</u>	0.9	<u>3,157</u>	<u>3,209</u>	(1.6)
Wholesale	6	5	20.0	17	16	6.3
Retail open access	7	7	-	21	21	-
Intersystem	23	26	(11.5)	71	87	(18.4)
Miscellaneous	14	16	(12.5)	41	47	(12.8)
Total electric utility revenue	<u><u>\$ 1,257</u></u>	<u><u>\$ 1,250</u></u>	0.6	<u><u>\$ 3,307</u></u>	<u><u>\$ 3,380</u></u>	(2.2)

CONSUMERS ENERGY COMPANY
Gas Utility Statistics
(Unaudited)

	<i>In Thousands of mcf, Except as Noted</i>					
	Three Months Ended			Nine Months Ended		
	9/30/20	9/30/19	% Change	9/30/20	9/30/19	% Change
Gas Deliveries						
Residential	9,804	8,508	15.2	101,751	112,106	(9.2)
Commercial	3,064	3,147	(2.6)	35,454	41,063	(13.7)
Industrial	777	548	41.8	5,629	6,366	(11.6)
Other	51	47	8.5	148	128	15.6
Transportation	13,325	13,513	(1.4)	50,907	57,293	(11.1)
Total customer deliveries	<u>27,021</u>	<u>25,763</u>	4.9	<u>193,889</u>	<u>216,956</u>	(10.6)
Off-system transportation						
MCV	14,290	12,344	15.8	46,714	42,499	9.9
Other	4,562	4,932	(7.5)	9,848	12,830	(23.2)
Total gas deliveries	<u><u>45,873</u></u>	<u><u>43,039</u></u>	6.6	<u><u>250,451</u></u>	<u><u>272,285</u></u>	(8.0)
Weather-Normalized Gas Deliveries ⁽¹⁾⁽²⁾						
Residential	9,643	9,498	1.5	108,940	108,451	0.5
Commercial	3,013	3,438	(12.4)	36,902	39,708	(7.1)
Industrial	768	585	31.3	6,003	6,166	(2.6)
Other	50	49	2.0	156	123	26.8
Transportation	13,447	13,820	(2.7)	53,346	58,003	(8.0)
Total weather-normalized gas deliveries	<u><u>26,921</u></u>	<u><u>27,390</u></u>	(1.7)	<u><u>205,347</u></u>	<u><u>212,451</u></u>	(3.3)
Weather-Normalized Gas Deliveries ⁽¹⁾⁽²⁾						
(By Class, Including Transportation)						
Residential	9,694	9,555	1.5	109,730	109,287	0.4
Commercial	6,729	7,199	(6.5)	55,363	59,321	(6.7)
Industrial	10,369	10,577	(2.0)	40,005	43,700	(8.5)
Other	129	59	118.6	249	143	74.1
Total weather-normalized gas deliveries	<u><u>26,921</u></u>	<u><u>27,390</u></u>	(1.7)	<u><u>205,347</u></u>	<u><u>212,451</u></u>	(3.3)

⁽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			Nine Months Ended		
	9/30/20	9/30/19	% Change	9/30/20	9/30/19	% Change
Gas Utility Revenue						
Residential	\$ 120	\$ 111	8.1	\$ 819	\$ 898	(8.8)
Commercial	27	27	-	227	259	(12.4)
Industrial	5	3	66.7	32	36	(11.1)
Other	-	-	-	1	1	-
Total sales revenue	<u>152</u>	<u>141</u>	7.8	<u>1,079</u>	<u>1,194</u>	(9.6)
Transportation	15	14	7.1	57	56	1.8
Miscellaneous	26	24	8.3	81	76	6.6
Total gas utility revenue	<u><u>\$ 193</u></u>	<u><u>\$ 179</u></u>	7.8	<u><u>\$ 1,217</u></u>	<u><u>\$ 1,326</u></u>	(8.2)