

To: Investment Community

From: CMS Energy Investor Relations
<http://www.cmsenergy.com>

Date: February 4, 2021

Subject: CMS Energy 2020 Fourth Quarter Results and Outlook

CMS Energy will hold a webcast to discuss its 2020 Fourth Quarter Results and Outlook on Thursday, February 4 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 2020 Fourth Quarter Earnings Call" or [click here](#).

CMS Energy Announces 2020 Results, Continues Long Track Record of Strong EPS Growth and Raises 2021 Adjusted EPS Guidance

JACKSON, Mich., February 4, 2021 – CMS Energy announced today 2020 reported earnings per share of \$2.64, compared to reported earnings per share of \$2.39 for 2019. The company announced adjusted earnings per share of \$2.67 for 2020, compared to \$2.49 for 2019.

CMS Energy raised its guidance for 2021 adjusted earnings to \$2.83 - \$2.87* per share (*See below for important information about non-GAAP measures) reflecting continued strong growth of 6 to 8 percent, with a bias toward the midpoint.

"CMS Energy has delivered consistent industry-leading financial results for nearly two decades. That continued in 2020, and we are well positioned for success in 2021," said Garrick Rochow, President and CEO of CMS Energy and Consumers Energy.

"The company remains committed to lead the clean energy transition by bringing renewable energy and energy waste reduction opportunities to all of our customers. In 2020, we contributed more than \$80 million to support our customers and the communities we serve during the pandemic, and we invested more than \$700 million in gas, electric and renewable infrastructure to support our clean energy transition."

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

Financial Results and Outlook	
2020 Results	Amount
Reported EPS	\$2.64
Adjusted EPS	\$2.67
2021 Updates	Amount
Adjusted EPS Guidance	\$2.83 - \$2.87*
Annual Dividend	\$1.74 (+7%)

CMS Energy will hold a webcast to discuss its 2020 year-end results and provide a business and financial outlook on February 4 at 9:30 a.m. (EST). 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			Twelve Months Ended		
	12/31/20	12/31/19	Change	12/31/20	12/31/19	Change
Operating Revenue						
Electric utility	\$ 1,065	\$ 1,059	\$ 6	\$ 4,372	\$ 4,439	\$ (67)
Gas utility	600	611	(11)	1,817	1,937	(120)
Enterprises	62	64	(2)	229	248	(19)
EnerBank	71	61	10	262	221	41
Total operating revenue	<u>1,798</u>	<u>1,795</u>	<u>3</u>	<u>6,680</u>	<u>6,845</u>	<u>(165)</u>
Operating Expenses						
Fuel for electric generation	101	102	(1)	375	493	(118)
Purchased and interchange power	343	349	(6)	1,492	1,496	(4)
Purchased power – related parties	19	22	(3)	64	75	(11)
Cost of gas sold	187	224	(37)	577	769	(192)
Maintenance and other operating expenses	420	438	(18)	1,403	1,448	(45)
Depreciation and amortization	281	263	18	1,048	992	56
General taxes	95	86	9	359	333	26
Total operating expenses	<u>1,446</u>	<u>1,484</u>	<u>(38)</u>	<u>5,318</u>	<u>5,606</u>	<u>(288)</u>
Operating Income (Loss)						
Electric utility	164	159	5	841	806	35
Gas utility	144	150	(6)	381	325	56
Enterprises	2	(2)	4	15	24	(9)
EnerBank	45	37	8	132	123	9
Other	(3)	(33)	30	(7)	(39)	32
Total operating income	<u>352</u>	<u>311</u>	<u>41</u>	<u>1,362</u>	<u>1,239</u>	<u>123</u>
Other Income (Expense)						
Interest income	1	2	(1)	4	7	(3)
Interest income - related parties	-	-	-	7	-	7
Allowance for equity funds used during construction	2	3	(1)	6	10	(4)
Income from equity method investees	4	4	-	5	10	(5)
Nonoperating retirement benefits, net	28	23	5	118	91	27
Other income	3	1	2	6	4	2
Other expense	(53)	(5)	(48)	(62)	(13)	(49)
Total other income (expense)	<u>(15)</u>	<u>28</u>	<u>(43)</u>	<u>84</u>	<u>109</u>	<u>(25)</u>
Earnings Before Interest, Taxes, and Other Charges	337	339	(2)	1,446	1,348	98
Interest on long-term debt	122	112	10	483	439	44
Interest expense - related parties	3	3	-	12	9	3
Other interest expense	15	20	(5)	68	75	(7)
Allowance for borrowed funds used during construction	-	(1)	1	(2)	(4)	2
Income tax expense	35	37	(2)	133	147	(14)
Net Income	<u>162</u>	<u>168</u>	<u>(6)</u>	<u>752</u>	<u>682</u>	<u>70</u>
Income (loss) attributable to noncontrolling interests	4	1	3	(3)	2	(5)
Net Income Available to Common Stockholders	<u>\$ 158</u>	<u>\$ 167</u>	<u>\$ (9)</u>	<u>\$ 755</u>	<u>\$ 680</u>	<u>\$ 75</u>
<i>Reconciling items:</i>						
Other exclusions from adjusted earnings	2	36	(34)	13	37	(24)
Tax impact	(1)	(9)	8	(3)	(9)	6
Tax reform	-	-	-	(9)	-	(9)
Voluntary separation program	*	-	*	11	-	11
Tax impact	(*)	-	(*)	(3)	-	(3)
Adjusted Net Income – Non-GAAP	<u>\$ 159</u>	<u>\$ 194</u>	<u>\$ (35)</u>	<u>\$ 764</u>	<u>\$ 708</u>	<u>\$ 56</u>
Average Common Shares Outstanding						
Basic	285.7	283.0	2.7	285.0	283.0	2.0
Diluted	286.9	284.8	2.1	286.3	284.3	2.0
Diluted Earnings Per Average Common Share	\$ 0.55	\$ 0.58	\$ (0.03)	\$ 2.64	\$ 2.39	\$ 0.25
<i>Reconciling items:</i>						
Other exclusions from adjusted earnings	0.01	0.13	(0.12)	0.04	0.13	(0.09)
Tax impact	(*)	(0.03)	0.03	(0.01)	(0.03)	0.02
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>\$ 0.56</u>	<u>\$ 0.68</u>	<u>\$ (0.12)</u>	<u>\$ 2.67</u>	<u>\$ 2.49</u>	<u>\$ 0.18</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>12/31/20</u>	<u>12/31/19</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 168	\$ 140
Restricted cash and cash equivalents	17	17
Other current assets	2,219	2,174
Total current assets	<u>2,404</u>	<u>2,331</u>
Non-current assets		
Plant, property, and equipment	21,039	18,926
Other non-current assets	6,223	5,580
Total Assets	<u>\$ 29,666</u>	<u>\$ 26,837</u>
Liabilities and Equity		
Current liabilities ⁽¹⁾	\$ 1,568	\$ 1,484
Non-current liabilities ⁽¹⁾	6,825	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)	12,083	10,518
Non-recourse debt	2,888	2,478
Total debt, finance leases, and other financing (excluding securitization debt)	<u>14,971</u>	<u>12,996</u>
Noncontrolling interests	581	37
Common stockholders' equity	5,496	5,018
Total capitalization (excluding securitization debt)	<u>21,048</u>	<u>18,051</u>
Securitization debt ⁽²⁾	225	251
Total Liabilities and Equity	<u>\$ 29,666</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>Twelve Months Ended</u>	
	<u>12/31/20</u>	<u>12/31/19</u>
Beginning of Period Cash and Cash Equivalents, Including Restricted Amounts	\$ 157	\$ 175
Net cash provided by operating activities ⁽³⁾	1,276	1,790
Net cash used in investing activities	(2,867)	(2,816)
Cash flows from operating and investing activities	<u>(1,591)</u>	<u>(1,026)</u>
Net cash provided by financing activities	1,619	1,008
Total Cash Flows	<u>\$ 28</u>	<u>\$ (18)</u>
End of Period Cash and Cash Equivalents, Including Restricted Amounts	<u>\$ 185</u>	<u>\$ 157</u>

⁽³⁾ Includes the impact of \$700 million of pension contributions in 2020.

CMS ENERGY CORPORATION
Selected Financial Data
(Unaudited)

	<i>In Millions</i>		
	Twelve Months Ended		
	12/31/20	12/31/19	12/31/18
EBIT – Non-GAAP ⁽¹⁾			
Consolidated	\$ 1,461	\$ 1,385	\$ 1,233
Consumers Energy	1,334	1,231	1,138
Depreciation and Amortization			
Consolidated	\$ 1,048	\$ 992	\$ 933
Consumers Energy	1,023	975	921
EBITDA – Non-GAAP ⁽¹⁾			
Consolidated	\$ 2,509	\$ 2,377	\$ 2,166
Consumers Energy	2,357	2,206	2,059
Dividends and Other Distributions From Subsidiaries	\$ 659	\$ 683	\$ 650
Interest Expense, Net			
Consolidated	\$ 561	\$ 519	\$ 458
Energy parent	178	156	135
Consumers Energy	320	297	289
			<i>In Millions</i>
			As of
	12/31/20	12/31/19	12/31/18
Book Value Per Share	\$ 19.02	\$ 17.67	\$ 16.78
Common Shares Outstanding – End of Period	288.9	283.9	283.4
Average Common Shares Outstanding			
Basic	285.0	283.0	282.2
Diluted	286.3	284.3	282.9
Debt ⁽²⁾			
Energy parent	\$ 4,126	\$ 3,334	\$ 2,930
EnerBank ⁽³⁾	2,805	2,389	1,758
Non-recourse project debt	83	89	96
Consumers Energy (excluding securitization bonds)	7,957	7,184	6,716
Consolidated (excluding securitization bonds)	14,971	12,996	11,500
Securitization bonds	225	251	277
Consolidated	\$ 15,196	\$ 13,247	\$ 11,777
Unrestricted Cash and Cash Equivalents			
Consumers Energy	\$ 20	\$ 11	\$ 39
CMS Treasury Services	3	11	27
EnerBank and Other	145	118	87
Consolidated	\$ 168	\$ 140	\$ 153
Consumers Energy			
Regulated Common Equity Ratio (13-Month Average)			
Electric	41.7%	42.4%	42.2%
Gas	41.7%	42.4%	42.2%
Regulated Rate Base (13-Month Average, in Millions)			
Electric ⁽⁴⁾	\$ 12,992	\$ 11,516	\$ 10,890
Gas	6,790	6,070	5,200
Regulated Return on Average Common Equity (12-Month Ended)			
Electric ⁽⁴⁾	10.2%	10.7%	11.1%
Gas	9.5%	9.0%	8.8%

⁽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 \$990 million in total.

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

	<i>In Millions</i>		
	<u>Twelve Months Ended</u>		
	<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>
Net Income Available to Common Stockholders	\$ 755	\$ 680	\$ 657
<i>Reconciling items:</i>			
Income tax expense	133	147	115
Interest on long-term debt	483	439	412
Interest expense - related parties	12	9	-
Other interest expense	68	75	49
Allowance for borrowed funds used during construction	(2)	(4)	(3)
Income (loss) attributable to noncontrolling interests	(3)	2	2
Other exclusions from adjusted earnings	13	37	9
Gain on assets previously sold	-	-	(4)
Tax reform	(9)	-	(4)
Voluntary separation program	11	-	-
	<u>1,461</u>	<u>1,385</u>	<u>1,233</u>
EBIT – Non-GAAP	1,461	1,385	1,233
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,048	992	933
	<u>1,048</u>	<u>992</u>	<u>933</u>
EBITDA – Non-GAAP	<u>\$ 2,509</u>	<u>\$ 2,377</u>	<u>\$ 2,166</u>

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

	<i>In Millions</i>		
	<u>Twelve Months Ended</u>		
	<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>
Net Income Available to Common Stockholder	\$ 814	\$ 741	\$ 703
<i>Reconciling items:</i>			
Income tax expense	173	185	142
Interest on long-term debt	299	277	276
Interest expense - related parties	12	9	-
Other interest expense	11	15	16
Allowance for borrowed funds used during construction	(2)	(4)	(3)
Preferred stock dividends	2	2	2
Other exclusions from adjusted earnings	14	6	-
Tax reform	-	-	2
Voluntary separation program	11	-	-
	<u>1,334</u>	<u>1,231</u>	<u>1,138</u>
EBIT – Non-GAAP	1,334	1,231	1,138
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,023	975	921
	<u>1,023</u>	<u>975</u>	<u>921</u>
EBITDA – Non-GAAP	<u>\$ 2,357</u>	<u>\$ 2,206</u>	<u>\$ 2,059</u>

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

Three Months Ended December 31			
	<u>12/31/20</u>	<u>12/31/19</u>	<u>Variance</u>
Adjusted EPS – Non-GAAP			
Electric utility	\$ 0.33	\$ 0.34	\$ (0.01)
Gas utility	0.34	0.40	(0.06)
Enterprises, EnerBank and Energy parent			
Enterprises	0.01	0.01	-
EnerBank	0.08	0.06	0.02
Energy parent	(0.20)	(0.13)	(0.07)
	<u>(0.11)</u>	<u>(0.06)</u>	<u>(0.05)</u>
Consolidated	<u><u>\$ 0.56</u></u>	<u><u>\$ 0.68</u></u>	<u><u>\$ (0.12)</u></u>
Variance Explanations:			
ELECTRIC UTILITY			
- Deliveries of 8,524 GWh, down 350 GWh (weather-driven impact, down 61 GWh)		\$	-
- Electric rate relief, primarily renewables			0.02
- Lower operating & maintenance expenses			0.07
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.02)
- Other, including reinvestments			(0.08)
- Change in shares outstanding			*
		<u>\$</u>	<u>(0.01)</u>
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 89.4 bcf, down 6.8 bcf (weather-driven impact, down 6.8 bcf)		\$	(0.03)
- Gas rate relief			0.11
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.04)
- Other, including reinvestments			(0.10)
- Change in shares outstanding			*
		<u>\$</u>	<u>(0.06)</u>
ENTERPRISES, ENERBANK AND ENERGY PARENT			
		\$	0.02
- Other, including early call of Energy Parent debt			(0.07)
- Change in shares outstanding			*
		<u>\$</u>	<u>(0.05)</u>
WEATHER IMPACTS			
	<u>12/31/20</u>	<u>12/31/19</u>	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	3.6 %	(2.1) %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	(67)	(6)	
EPS	\$ (0.02)	\$ -	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	(5.1)	1.7	
EPS	\$ (0.04)	\$ 0.02	
Total EPS Weather Impacts	<u>\$ (0.06)</u>	<u>\$ 0.02</u>	

* Less than \$0.01 per share.

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

Twelve Months Ended December 31			
	<u>12/31/20</u>	<u>12/31/19</u>	<u>Variance</u>
Adjusted EPS – Non-GAAP			
Electric utility	\$ 1.99	\$ 1.81	\$ 0.18
Gas utility	0.92	0.82	0.10
Enterprises, EnerBank and Energy parent			
Enterprises	0.12	0.12	-
EnerBank	0.20	0.17	0.03
Energy parent	(0.56)	(0.43)	(0.13)
	<u>(0.24)</u>	<u>(0.14)</u>	<u>(0.10)</u>
Consolidated	<u>\$ 2.67</u>	<u>\$ 2.49</u>	<u>\$ 0.18</u>
Variance Explanations:			
ELECTRIC UTILITY			
- Deliveries of 35,403 GWh, down 1,412 GWh (weather-driven impact, up 285 GWh)			\$ 0.04
- Electric rate relief, primarily renewables			0.07
- COVID-19 related expenses			(0.03)
- Lower storm restoration			0.05
- Lower operating & maintenance expenses			0.17
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.10)
- Other, including reinvestments, offset by lower ETR			(0.01)
- Change in shares outstanding			(0.01)
			<u>\$ 0.18</u>
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 283.3 bcf, down 29.9 bcf (weather-driven impact, down 22.8 bcf)			\$ (0.16)
- Gas rate relief			0.37
- COVID-19 related expenses			(0.02)
- Lower operating & maintenance expenses			0.14
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.14)
- Other, including reinvestments			(0.08)
- Change in shares outstanding			(0.01)
			<u>\$ 0.10</u>
ENTERPRISES, ENERBANK AND ENERGY PARENT			
- EnerBank			\$ 0.03
- Other, including early call of Energy Parent debt			(0.13)
- Change in shares outstanding			*
			<u>\$ (0.10)</u>
WEATHER IMPACTS			
	<u>12/31/20</u>	<u>12/31/19</u>	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	2.5 %	(1.2) %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	276	(9)	
EPS	\$ 0.07	\$ -	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	(16.6)	6.2	
EPS	\$ (0.13)	\$ 0.06	
Total EPS Weather Impacts	<u>\$ (0.06)</u>	<u>\$ 0.06</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		Twelve Months Ended	
	12/31/20	12/31/19	12/31/20	12/31/19
Electric Utility				
Reported net income per share	\$ 0.32	\$ 0.32	\$ 1.94	\$ 1.79
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.01	0.02	0.04	0.02
Tax impact	(*)	(*)	(0.01)	(*)
Voluntary separation program	*	-	0.03	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.33</u>	<u>\$ 0.34</u>	<u>\$ 1.99</u>	<u>\$ 1.81</u>
Gas Utility				
Reported net income per share	\$ 0.34	\$ 0.40	\$ 0.91	\$ 0.82
<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>\$ 0.34</u>	<u>\$ 0.40</u>	<u>\$ 0.92</u>	<u>\$ 0.82</u>
Enterprises				
Reported net income per share	\$ 0.01	\$ 0.01	\$ 0.13	\$ 0.12
<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>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ 0.12</u>	<u>\$ 0.12</u>
EnerBank				
Reported net income per share	\$ 0.08	\$ 0.06	\$ 0.20	\$ 0.17
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	-	-	-
Adjusted net income per share – non-GAAP	<u>\$ 0.08</u>	<u>\$ 0.06</u>	<u>\$ 0.20</u>	<u>\$ 0.17</u>
Corporate Interest and Other				
Reported net loss per share	\$ (0.20)	\$ (0.21)	\$ (0.54)	\$ (0.51)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	0.11	(*)	0.11
Tax impact	(*)	(0.03)	*	(0.03)
Tax reform	-	-	(0.02)	-
Adjusted net loss per share – non-GAAP	<u>\$ (0.20)</u>	<u>\$ (0.13)</u>	<u>\$ (0.56)</u>	<u>\$ (0.43)</u>
Consolidated				
Reported net income per share	\$ 0.55	\$ 0.58	\$ 2.64	\$ 2.39
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.01	0.13	0.04	0.13
Tax impact	(*)	(0.03)	(0.01)	(0.03)
Tax reform	-	-	(0.03)	-
Voluntary separation program	*	-	0.04	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.56</u>	<u>\$ 0.68</u>	<u>\$ 2.67</u>	<u>\$ 2.49</u>
Average Common Shares Outstanding – Diluted	<u>286.9</u>	<u>284.8</u>	<u>286.3</u>	<u>284.3</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		Twelve Months Ended	
	12/31/20	12/31/19	12/31/20	12/31/19
Net Income Available to Common Stockholders	\$ 158	\$ 167	\$ 755	\$ 680
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	2	36	13	37
Tax impact	(1)	(9)	(3)	(9)
Tax reform	-	-	(9)	-
Voluntary separation program	*	-	11	-
Tax impact	(*)	-	(3)	-
Adjusted net income – non-GAAP	<u>\$ 159</u>	<u>\$ 194</u>	<u>\$ 764</u>	<u>\$ 708</u>
Average Common Shares Outstanding				
Basic	285.7	283.0	285.0	283.0
Diluted	286.9	284.8	286.3	284.3
Basic Earnings Per Average Common Share				
Reported net income per share	\$ 0.55	\$ 0.59	\$ 2.65	\$ 2.40
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.01	0.13	0.04	0.13
Tax impact	(*)	(0.03)	(0.01)	(0.03)
Tax reform	-	-	(0.03)	-
Voluntary separation program	*	-	0.04	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.56</u>	<u>\$ 0.69</u>	<u>\$ 2.68</u>	<u>\$ 2.50</u>
Diluted Earnings Per Average Common Share				
Reported net income per share	\$ 0.55	\$ 0.58	\$ 2.64	\$ 2.39
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.01	0.13	0.04	0.13
Tax impact	(*)	(0.03)	(0.01)	(0.03)
Tax reform	-	-	(0.03)	-
Voluntary separation program	*	-	0.04	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.56</u>	<u>\$ 0.68</u>	<u>\$ 2.67</u>	<u>\$ 2.49</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	4Q
Net Income Available to Common Stockholders	\$ 243	\$ 136	\$ 218	\$ 158
<i>Reconciling items:</i>				
Electric utility and gas utility	15	4	4	2
Tax impact	(4)	(1)	(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	\$ 159
Average Common Shares Outstanding – Diluted	285.2	286.5	286.9	286.9
Diluted Earnings Per Average Common Share	\$ 0.85	\$ 0.48	\$ 0.76	\$ 0.55
<i>Reconciling items:</i>				
Electric utility and gas utility	0.05	0.02	0.01	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	\$ 0.56

	<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.

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

FUNDS FROM OPERATIONS	<i>In Millions</i>	
	Year Ended	
	12/31/20	
Net Cash Provided by Operating Activities	\$	1,276
<i>Reconciling items:</i>		
Pension contributions		700
Working capital		50
Other		(174)
Funds From Operations (FFO) – Non-GAAP	\$	1,852

AVERAGE DEBT	<i>In Millions</i>	
	As of	
	12/31/20	12/31/19
Indebtedness		
Long-term debt ⁽¹⁾	\$ 15,118	\$ 13,062
Finance leases and other financing ⁽¹⁾	78	95
Notes payable	-	90
Total Indebtedness	15,196	13,247
<i>Reconciling items:</i>		
Securitization debt ⁽¹⁾	(225)	(251)
EnerBank debt ⁽¹⁾	(2,804)	(2,389)
50% of Junior subordinated notes	(1,005)	(555)
Adjusted Debt – Non-GAAP	\$ 11,162	\$ 10,052
Average Debt – Non-GAAP	\$ 10,607	

⁽¹⁾ Includes current and non-current portions.

FFO TO AVERAGE DEBT RATIO	<i>In Millions, Except Ratio</i>	
	Year Ended	
	12/31/20	
Funds from operations (FFO) – non-GAAP	\$	1,852
Average debt – non-GAAP	\$	10,607
FFO to Average Debt Ratio – Non-GAAP		17.5%

CONSUMERS ENERGY COMPANY
Consolidated Statements of Income
(Unaudited)

	<i>In Millions</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/20	12/31/19	Change	12/31/20	12/31/19	Change
Operating Revenue						
Electric utility	\$ 1,065	\$ 1,059	\$ 6	\$ 4,372	\$ 4,439	\$ (67)
Gas utility	600	611	(11)	1,817	1,937	(120)
Total operating revenue	<u>1,665</u>	<u>1,670</u>	<u>(5)</u>	<u>6,189</u>	<u>6,376</u>	<u>(187)</u>
Operating Expenses						
Fuel for electric generation	79	80	(1)	286	375	(89)
Purchased and interchange power	333	338	(5)	1,454	1,470	(16)
Purchased power – related parties	19	22	(3)	64	75	(11)
Cost of gas sold	185	217	(32)	568	754	(186)
Maintenance and other operating expenses	378	364	14	1,224	1,275	(51)
Depreciation and amortization	270	259	11	1,023	975	48
General taxes	93	82	11	349	322	27
Total operating expenses	<u>1,357</u>	<u>1,362</u>	<u>(5)</u>	<u>4,968</u>	<u>5,246</u>	<u>(278)</u>
Operating Income (Loss)						
Electric utility	164	159	5	841	806	35
Gas utility	144	150	(6)	381	325	56
Other	-	(1)	1	(1)	(1)	-
Total operating income	<u>308</u>	<u>308</u>	<u>-</u>	<u>1,221</u>	<u>1,130</u>	<u>91</u>
Other Income (Expense)						
Interest income	-	1	(1)	3	5	(2)
Interest and dividend income – related parties	1	2	(1)	5	5	-
Allowance for equity funds used during construction	2	3	(1)	6	10	(4)
Nonoperating retirement benefits, net	27	21	6	112	85	27
Other income	2	1	1	5	3	2
Other expense	(34)	(5)	(29)	(43)	(13)	(30)
Total other income (expense)	<u>(2)</u>	<u>23</u>	<u>(25)</u>	<u>88</u>	<u>95</u>	<u>(7)</u>
Interest Charges						
Interest on long-term debt	72	71	1	299	277	22
Interest expense – related parties	3	3	-	12	9	3
Other interest expense	2	4	(2)	11	15	(4)
Allowance for borrowed funds used during construction	-	(1)	1	(2)	(4)	2
Total interest charges	<u>77</u>	<u>77</u>	<u>-</u>	<u>320</u>	<u>297</u>	<u>23</u>
Income Before Income Taxes	229	254	(25)	989	928	61
Income Tax Expense	<u>38</u>	<u>48</u>	<u>(10)</u>	<u>173</u>	<u>185</u>	<u>(12)</u>
Net Income	191	206	(15)	816	743	73
Preferred Stock Dividends	<u>1</u>	<u>1</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Net Income (Loss) Available to Common Stockholder						
Electric utility	91	91	-	554	509	45
Gas utility	99	114	(15)	261	233	28
Other	-	-	-	(1)	(1)	-
Total net income available to common stockholder	<u>\$ 190</u>	<u>\$ 205</u>	<u>\$ (15)</u>	<u>\$ 814</u>	<u>\$ 741</u>	<u>\$ 73</u>

CONSUMERS ENERGY COMPANY
Electric Utility Statistics
(Unaudited)

	<i>In Millions of kWh, Except as Noted</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/20	12/31/19	% Change	12/31/20	12/31/19	% Change
Electric Deliveries						
Residential	3,133	2,984	5.0	13,331	12,485	6.8
Commercial	2,586	2,780	(7.0)	11,014	11,638	(5.4)
Industrial	1,801	2,068	(12.9)	6,953	8,424	(17.5)
Other	41	45	(8.9)	149	161	(7.5)
Wholesale	96	86	11.6	363	342	6.1
Retail open access	867	911	(4.8)	3,593	3,765	(4.6)
Total customer deliveries	8,524	8,874	(3.9)	35,403	36,815	(3.8)
Intersystem	1,168	980	19.2	4,478	4,106	9.1
Total electric deliveries	9,692	9,854	(1.6)	39,881	40,921	(2.5)
Weather-Normalized Electric Deliveries ^{(1) (2)}						
Residential	3,178	2,979	6.7	13,105	12,452	5.2
Commercial	2,607	2,789	(6.5)	10,973	11,672	(6.0)
Industrial	1,802	2,069	(12.9)	6,950	8,431	(17.6)
Other	41	45	(8.9)	149	161	(7.5)
Wholesale	96	86	11.6	363	342	6.1
Retail open access	867	912	(4.9)	3,587	3,766	(4.8)
Total weather-normalized electric deliveries	8,591	8,880	(3.3)	35,127	36,824	(4.6)
Weather-Normalized Electric Deliveries ^{(1) (2)}						
(By Class, Including Retail Open Access)						
Residential	3,178	2,979	6.7	13,105	12,452	5.2
Commercial	2,819	3,026	(6.8)	11,869	12,653	(6.2)
Industrial	2,457	2,744	(10.5)	9,641	11,216	(14.0)
Other	41	45	(8.9)	149	161	(7.5)
Wholesale	96	86	11.6	363	342	6.1
Total weather-normalized electric deliveries	8,591	8,880	(3.3)	35,127	36,824	(4.6)

⁽¹⁾ Excludes intersystem deliveries.

⁽²⁾ Certain classes include the reduction for Energy Efficiency in the range of 1.75% to 2.00%.

	<i>In Millions, Except as Noted</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/20	12/31/19	% Change	12/31/20	12/31/19	% Change
Electric Utility Revenue						
Residential	\$ 490	\$ 457	7.2	\$ 2,102	\$ 1,988	5.7
Commercial	346	362	(4.4)	1,439	1,502	(4.2)
Industrial	139	158	(12.0)	566	669	(15.4)
Other	9	9	-	34	36	(5.6)
Total sales revenue	984	986	(0.2)	4,141	4,195	(1.3)
Wholesale	5	6	(16.7)	22	22	-
Retail open access	9	9	-	30	30	-
Intersystem	26	21	23.8	97	108	(10.2)
Miscellaneous	41	37	10.8	82	84	(2.4)
Total electric utility revenue	\$ 1,065	\$ 1,059	0.6	\$ 4,372	\$ 4,439	(1.5)

CONSUMERS ENERGY COMPANY
Gas Utility Statistics
(Unaudited)

	<i>In Thousands of mcf, Except as Noted</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/20	12/31/19	% Change	12/31/20	12/31/19	% Change
Gas Deliveries						
Residential	50,863	54,421	(6.5)	152,614	166,527	(8.4)
Commercial	15,449	17,242	(10.4)	50,903	58,305	(12.7)
Industrial	2,026	2,395	(15.4)	7,655	8,761	(12.6)
Other	62	63	(1.6)	210	191	9.9
Transportation	21,021	22,137	(5.0)	71,928	79,430	(9.4)
Total customer deliveries	<u>89,421</u>	<u>96,258</u>	(7.1)	<u>283,310</u>	<u>313,214</u>	(9.5)
Off-system transportation						
MCV	15,371	17,506	(12.2)	62,085	60,005	3.5
Other	5,181	4,606	12.5	15,029	17,436	(13.8)
Total gas deliveries	<u><u>109,973</u></u>	<u><u>118,370</u></u>	(7.1)	<u><u>360,424</u></u>	<u><u>390,655</u></u>	(7.7)
Weather-Normalized Gas Deliveries ⁽¹⁾⁽²⁾						
Residential	54,060	52,671	2.6	163,000	161,122	1.2
Commercial	15,886	16,806	(5.5)	52,788	56,514	(6.6)
Industrial	2,197	2,336	(6.0)	8,200	8,502	(3.6)
Other	66	60	10.0	222	183	21.3
Transportation	22,304	22,643	(1.5)	75,650	80,646	(6.2)
Total weather-normalized gas deliveries	<u><u>94,513</u></u>	<u><u>94,516</u></u>	-	<u><u>299,860</u></u>	<u><u>306,967</u></u>	(2.3)
Weather-Normalized Gas Deliveries ⁽¹⁾⁽²⁾						
(By Class, Including Transportation)						
Residential	54,366	52,989	2.6	164,096	162,276	1.1
Commercial	22,991	24,264	(5.2)	78,354	83,585	(6.3)
Industrial	17,088	17,175	(0.5)	57,093	60,875	(6.2)
Other	68	88	(22.7)	317	231	37.2
Total weather-normalized gas deliveries	<u><u>94,513</u></u>	<u><u>94,516</u></u>	-	<u><u>299,860</u></u>	<u><u>306,967</u></u>	(2.3)

⁽¹⁾ Excludes off-system transportation deliveries.

⁽²⁾ Includes the reduction for Energy Efficiency in the range of 1.0% to 1.1%.

	<i>In Millions, Except as Noted</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/20	12/31/19	% Change	12/31/20	12/31/19	% Change
Gas Utility Revenue						
Residential	\$ 405	\$ 418	(3.1)	\$ 1,224	\$ 1,316	(7.0)
Commercial	108	113	(4.4)	335	372	(9.9)
Industrial	13	15	(13.3)	45	51	(11.8)
Other	-	-	-	1	1	-
Total sales revenue	<u>526</u>	<u>546</u>	(3.7)	<u>1,605</u>	<u>1,740</u>	(7.8)
Transportation	29	27	7.4	86	83	3.6
Miscellaneous	45	38	18.4	126	114	10.5
Total gas utility revenue	<u><u>\$ 600</u></u>	<u><u>\$ 611</u></u>	(1.8)	<u><u>\$ 1,817</u></u>	<u><u>\$ 1,937</u></u>	(6.2)