



CMS
LISTED
NYSE

Investor Meetings

March 2019

FOCUSED ON WORLD CLASS PERFORMANCE



This presentation is made as of the date hereof and contains “forward-looking statements” as defined in Rule 3b-6 of the Securities Exchange Act of 1934, Rule 175 of the Securities Act of 1933, and relevant legal decisions. The forward-looking statements are subject to risks and uncertainties. All forward-looking statements should be considered in the context of the risk and other factors detailed from time to time in CMS Energy’s and Consumers Energy’s Securities and Exchange Commission filings. Forward-looking statements should be read in conjunction with “FORWARD-LOOKING STATEMENTS AND INFORMATION” and “RISK FACTORS” sections of CMS Energy’s and Consumers Energy’s most recent Form 10-K and as updated in reports CMS Energy and Consumers Energy file with the Securities and Exchange Commission. CMS Energy’s and Consumers Energy’s “FORWARD-LOOKING STATEMENTS AND INFORMATION” and “RISK FACTORS” sections are incorporated herein by reference and discuss important factors that could cause CMS Energy’s and Consumers Energy’s results to differ materially from those anticipated in such statements. CMS Energy and Consumers Energy undertake no obligation to update any of the information presented herein to reflect facts, events or circumstances after the date hereof.

The presentation also includes non-GAAP measures when describing CMS Energy’s results of operations and financial performance. A reconciliation of each of these measures to the most directly comparable GAAP measure is included in the appendix and posted on our website at www.cmsenergy.com.

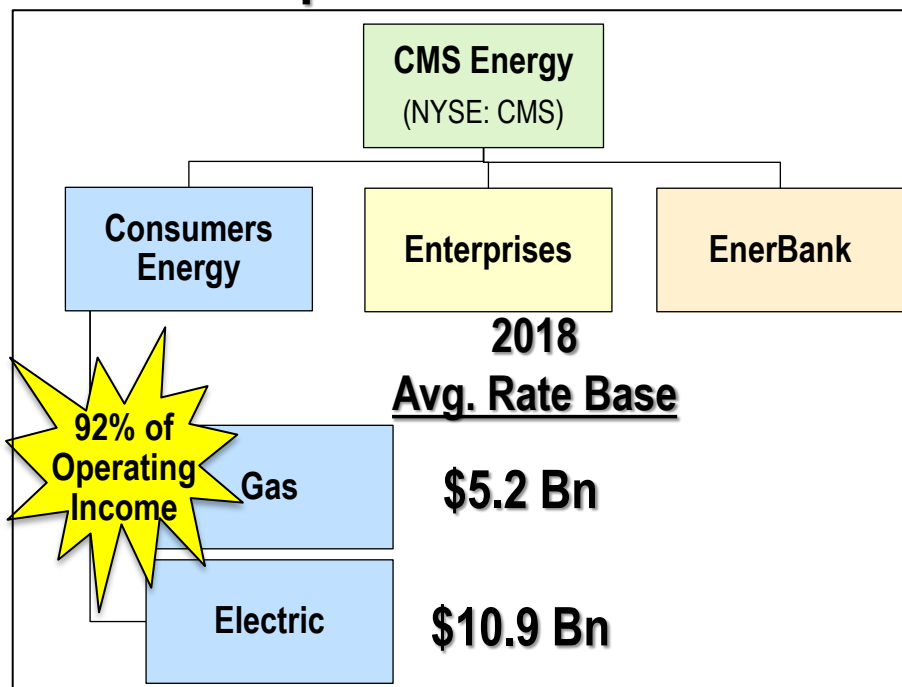
CMS Energy provides historical financial results on both a reported (GAAP) and adjusted (non-GAAP) basis and provides forward-looking guidance on an adjusted basis. During an oral presentation, references to “earnings” are on an adjusted basis. All references to earnings per share are on a diluted basis. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, regulatory items from prior years, or other items. Management views adjusted earnings as a key measure of the company’s present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the company uses adjusted earnings to measure and assess performance. Because the company is not able to estimate the impact of specific line items, which have the potential to significantly impact, favorably or unfavorably, the company’s reported earnings in future periods, the company is not providing reported earnings guidance nor is it providing a reconciliation for the comparable future period earnings. The adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for the reported earnings. References to earnings guidance refer to such guidance as provided by the company on January 31, 2019.

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.



CMS Overview

Corporate Structure



Key Information

2018 Financial Statistics

Based in Jackson, MI

~8,000

Employees (37% unionized) ^{a)}

\$6.9 Bn

Revenue

\$659 MM

Adjusted net income ^{b)}

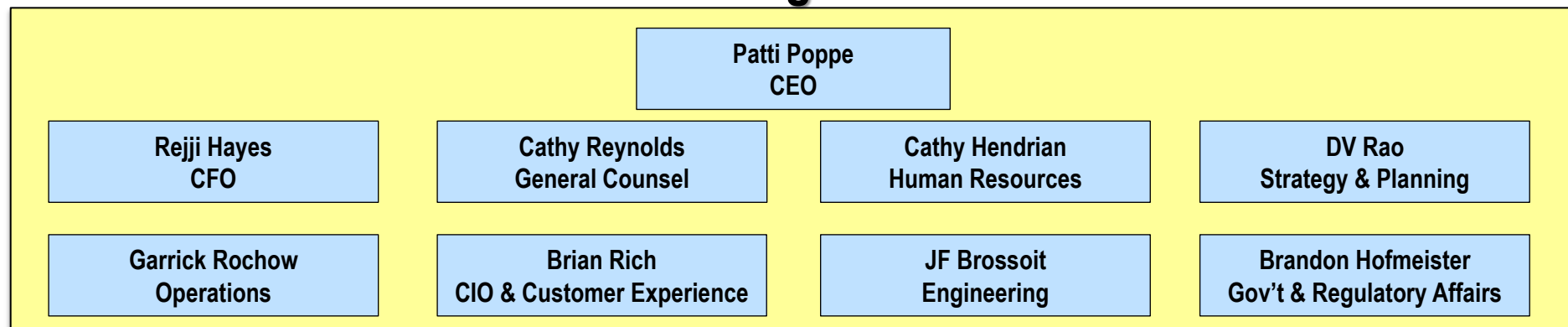
7% EPS ^{c)}

Growth for past 16 years

**In line
w/ earnings**

Dividend per share growth

Senior Management Team

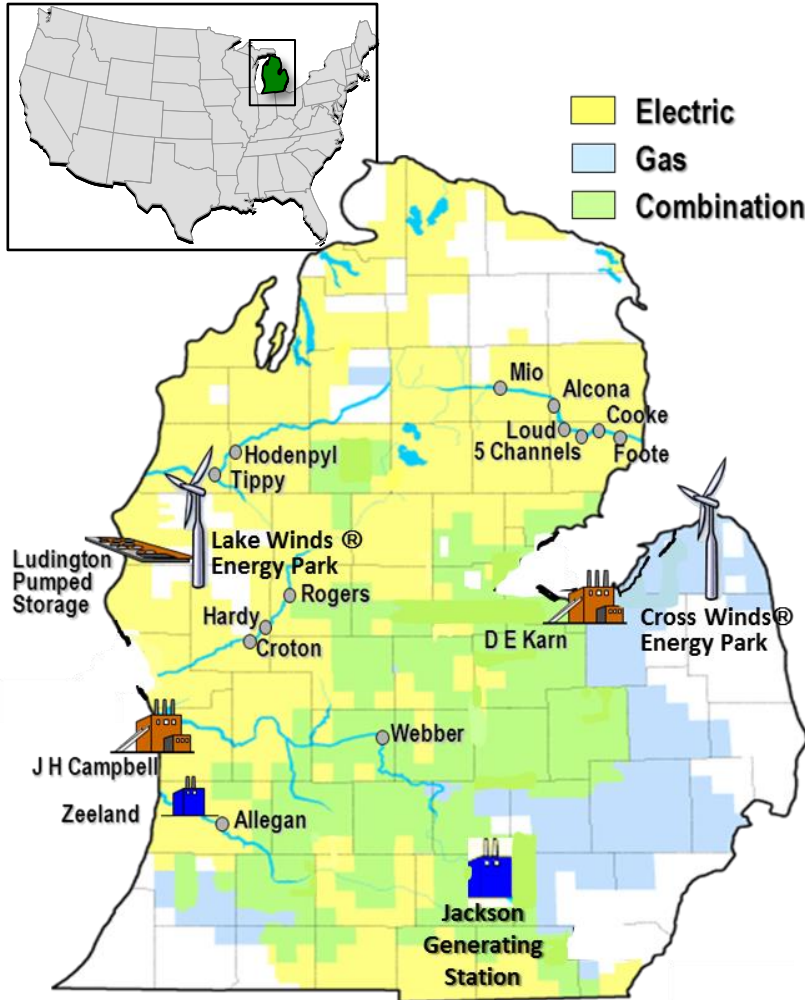


Overview

- 4th largest combination utility (electric and gas) in the country
- 2018 revenue = \$6.5 billion
- 2018 earnings = \$703 million

Our Service Territory

- **Electric Utility**
1.8 million electric customers
8,261 MW of capacity
- **Gas Utility**
1.8 million gas customers
309 bcf gas storage (#1 in the U.S.)
- **Serving 6.7 million residents**



CMS' 2018 Performance Exemplifies...

CMS ENERGY



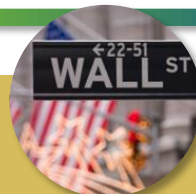
PEOPLE

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



PLANET

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



PROFIT

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



PERFORMANCE

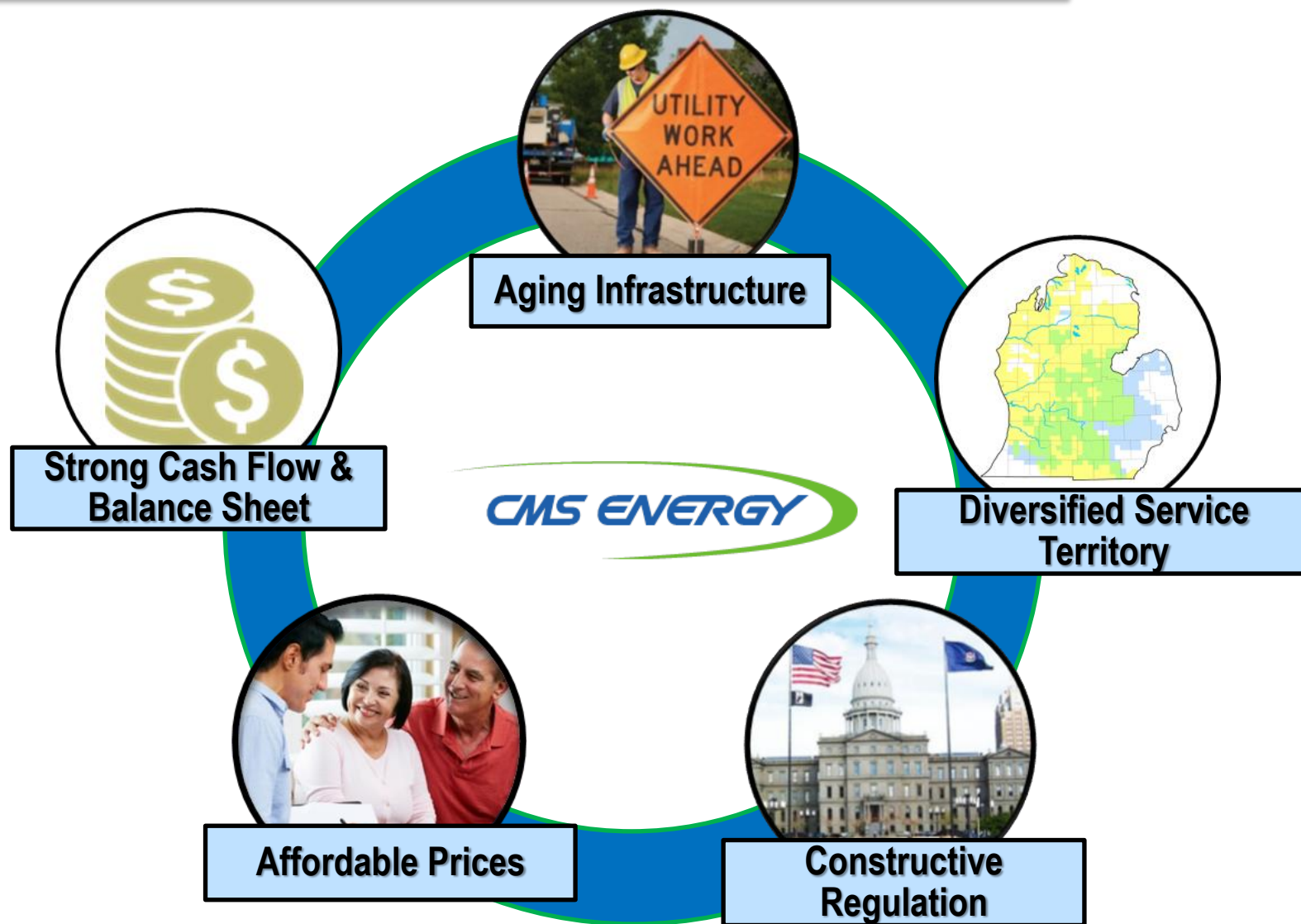
- Replaced more than 13,000 vintage gas services
- Completed Phase II of the Saginaw Trail Pipeline Project (18½ miles)
- Record forestry spend
- Eliminated ~\$18 MM of waste through the implementation of the CE Way
- Finished #1 overall in the sector in cyber security testing

^{a)} Adjusted EPS (non-GAAP) CAGR

... world class performance delivering hometown service.

Compelling Investment Thesis...

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... adaptive to changing conditions.

Large and Aging System...

CMS ENERGY

Electric distribution system is **older** than peers



25 years of main replacement through our Enhanced Infrastructure Replacement Program



~1,670 miles of gas transmission pipeline; most built in the WWII era

Age of coal fleet is more than **50 years**

... requires significant customer investment.

Gas System Investment...

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Capital Investment (Bn):

Electric Utility

New
Plan

\$ 5

New Utility Renewables

1

Gas Utility

5

Total

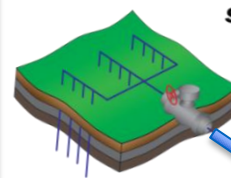
\$11

Pipelines
\$1 Bn

#5 Transmission
miles

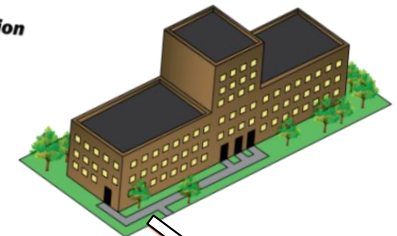
Compression and Storage
\$0.6 Bn

#1 Underground
storage



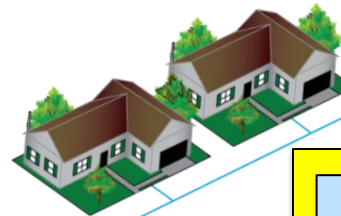
Storage Field

Compressor Station



City Gate

Medium Pressure
Regulator Station



#5 Distribution
miles

Distribution & Other
\$3½ Bn

U.S. LDC Rank, Source: DOT

... has increased more than 40% over the last 5 years.

Electric System Investment...

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Capital Investment (Bn):

New
Plan

Electric Utility

\$ 5

New Utility Renewables

1

Gas Utility

5

Total

\$11

Generation

Existing Fleet
\$1.0 Bn

PLUS

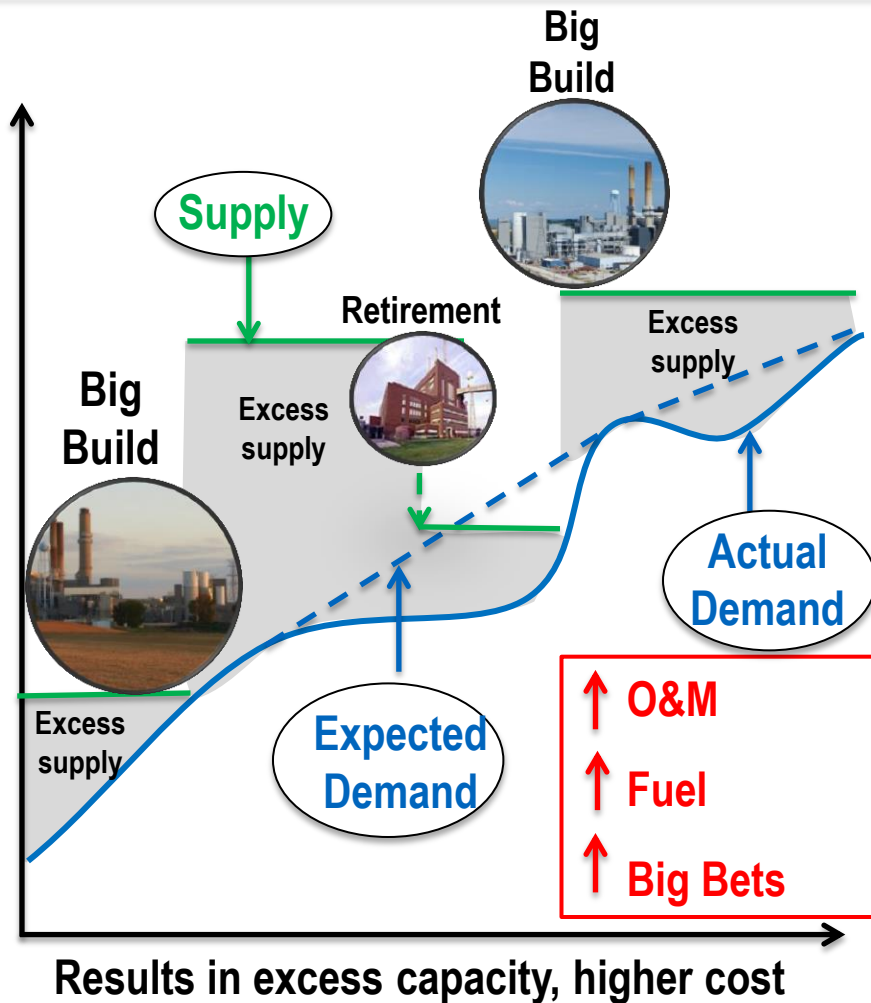
New Renewables
\$1.0 Bn

System
Reliability & Maintenance
~\$2½ Bn

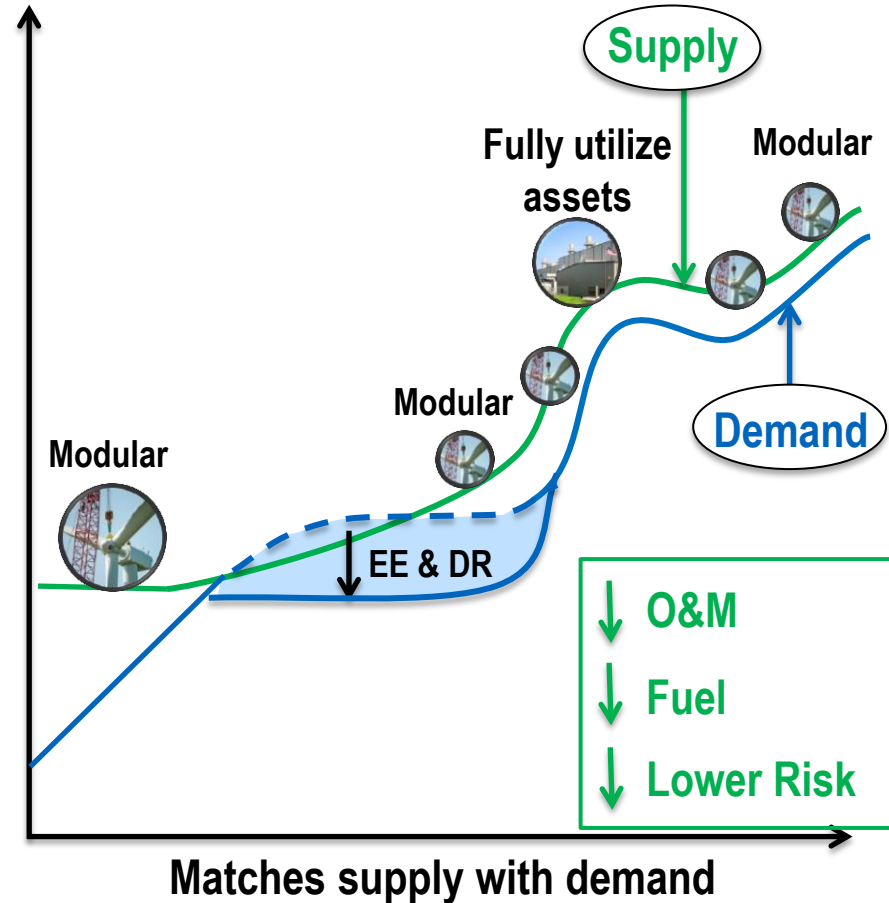
New Business & Other
\$1½ Bn

... consists of needed and modular projects.

Old Utility Model



Clean And Lean



... matches supply with demand in a modular way.

Plan

EPS Growth^{a)}

6% - 8%

Self Funding:

- Cost reductions

2 - 3 pts

- Sales growth (continued economic development)

1

- Other (Enterprises, tax planning, etc.)

2

INVESTMENT SELF-FUNDED

5 - 6 pts

Customer Prices “at or below inflation”

<2%

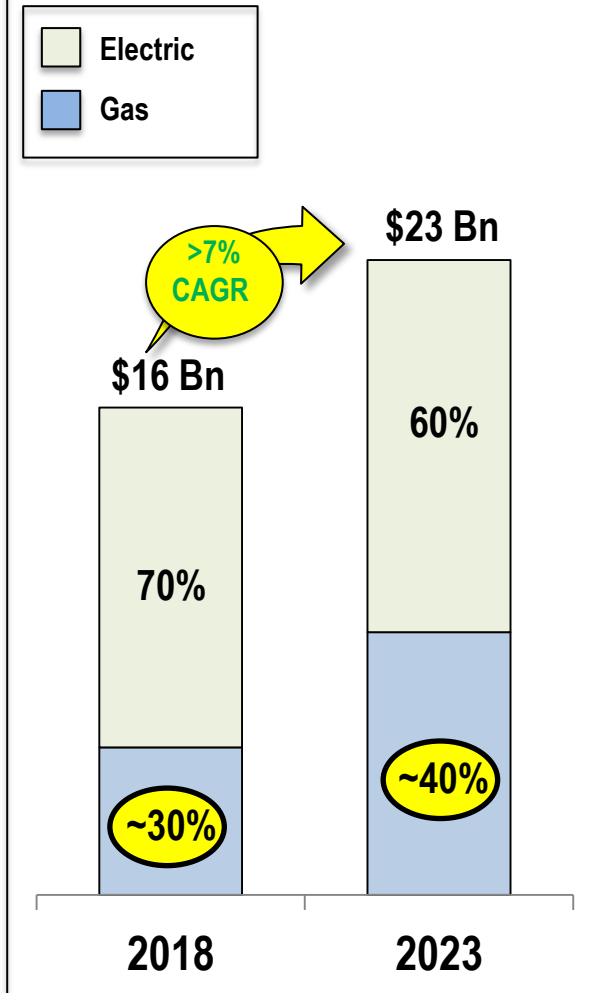
^{a)}Adjusted EPS (non-GAAP)

Updated 5-year Plan

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

System Need: >\$50 Bn

Rate Base Growth

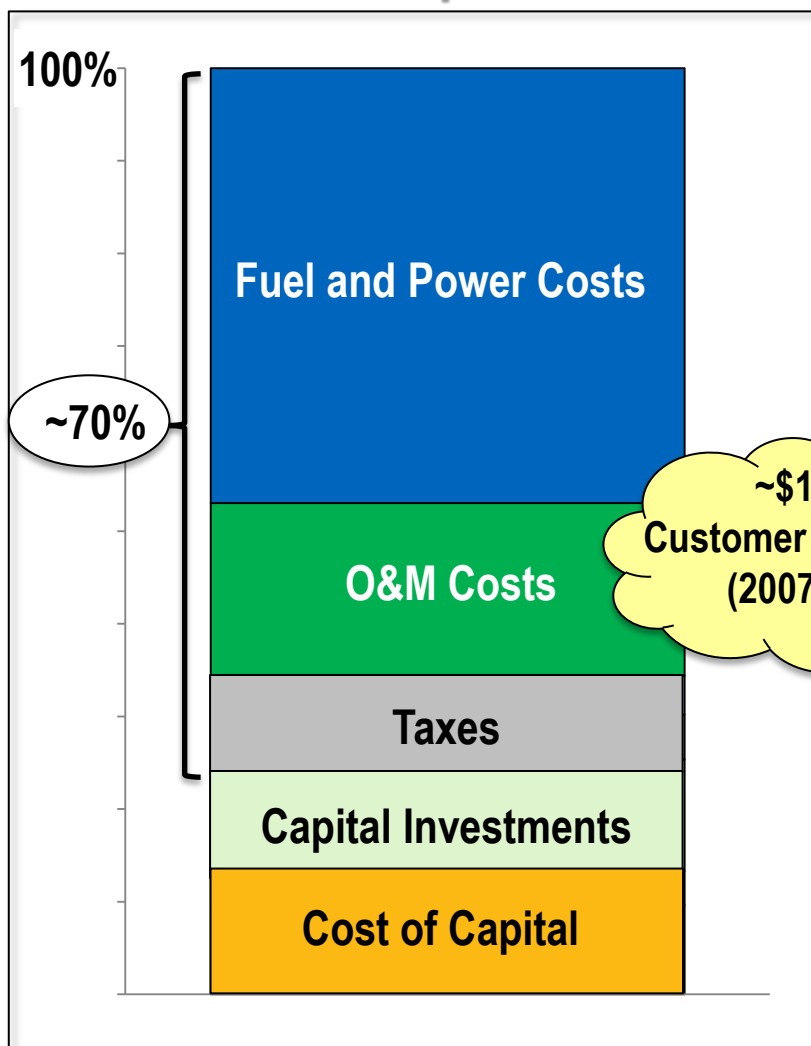


... focuses on safety and reliability for the benefit of our customers.

Our Entire Cost Structure...

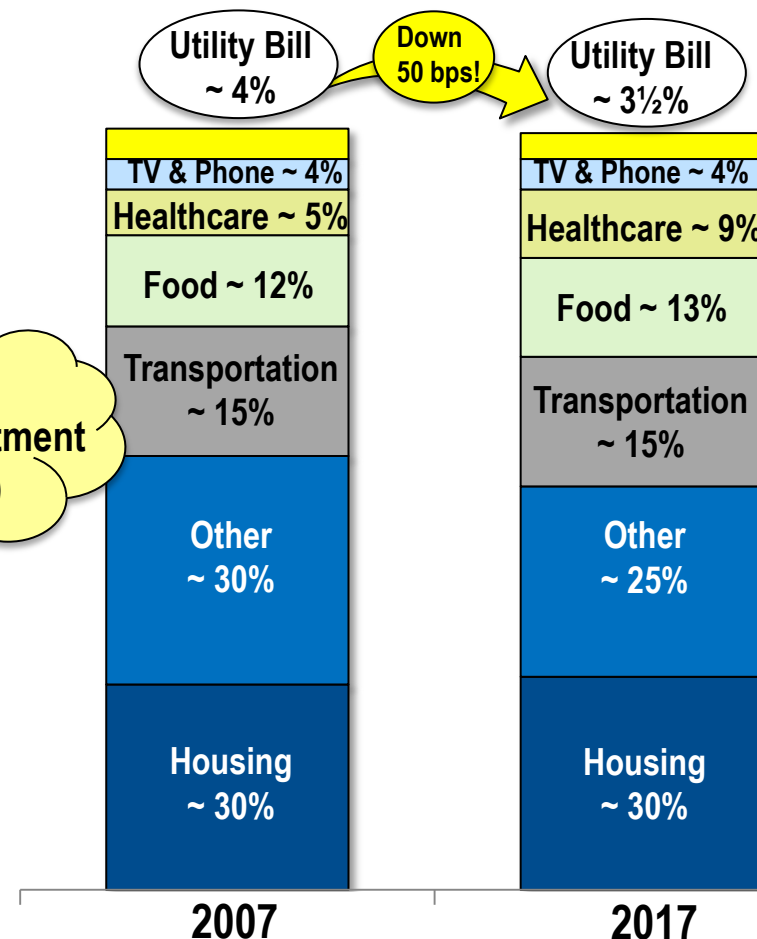
CMS ENERGY

Cost Components



Residential Bills as % of Wallet ^{a)}

(Electric & Gas)



^{a)} Consumers Energy Bill as % of Michigan Household Income, Adj. Dollars.

Source: Fred.stlouisfed.org, Bls.gov, Consumers Internal Bills; Percentages may not total 100% due to rounding.

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

Customer Committed Load

Economic Indicators

2010 thru 2017

GDP Growth

Population Growth

Unemployment*

**Grand
Rapids**

32%

7%

3.1%

U.S.

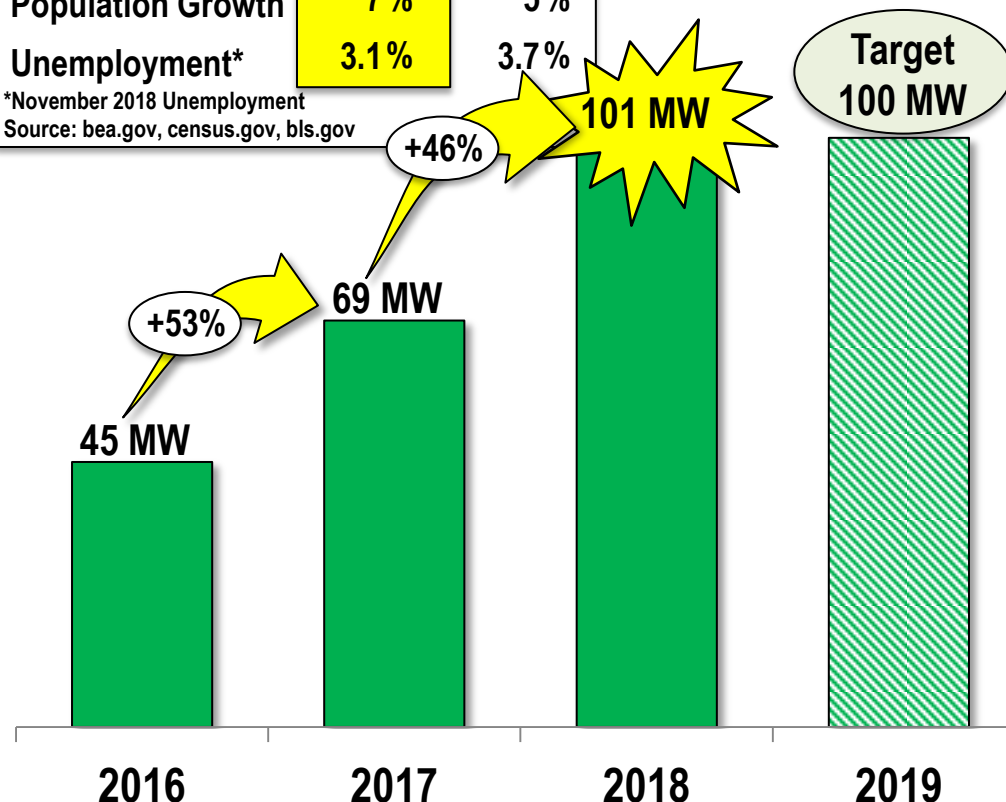
17%

5%

3.7%

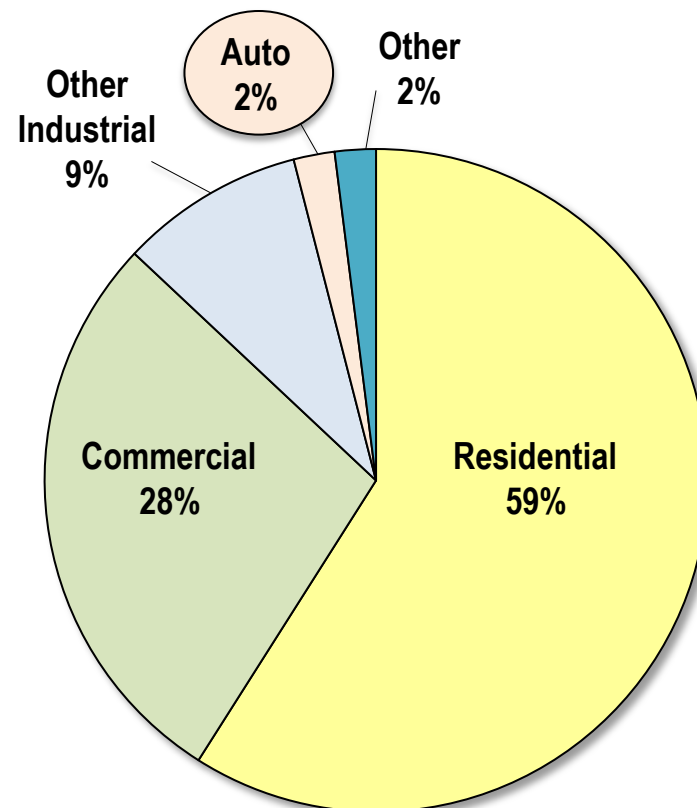
*November 2018 Unemployment

Source: bea.gov, census.gov, bls.gov



Diversified Customer Base

(2018 Electric & Gas Rate Mix)^{a)}



^{a)} Tariff net of PSCR and GCR



DIG & Other

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



Renewable Platform

Operating Projects:

- 27 MWs of solar
- 64 MWs biomass
- 105 MWs of wind
(15-year PPA with GM)
- Nearly 100% contracted
- Upside: utility-like returns with creditworthy counterparties

Operating Cash Flow Generation...

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Amount
(Bn)

\$2.2

>\$9 Bn in aggregate

1.70

1.65

1.75

1.85

1.95

2.05

Investment

Cash flow before dividend

2018

2019

2020

2021

2022

2023

NOLs & credits \$0.4

\$0.3

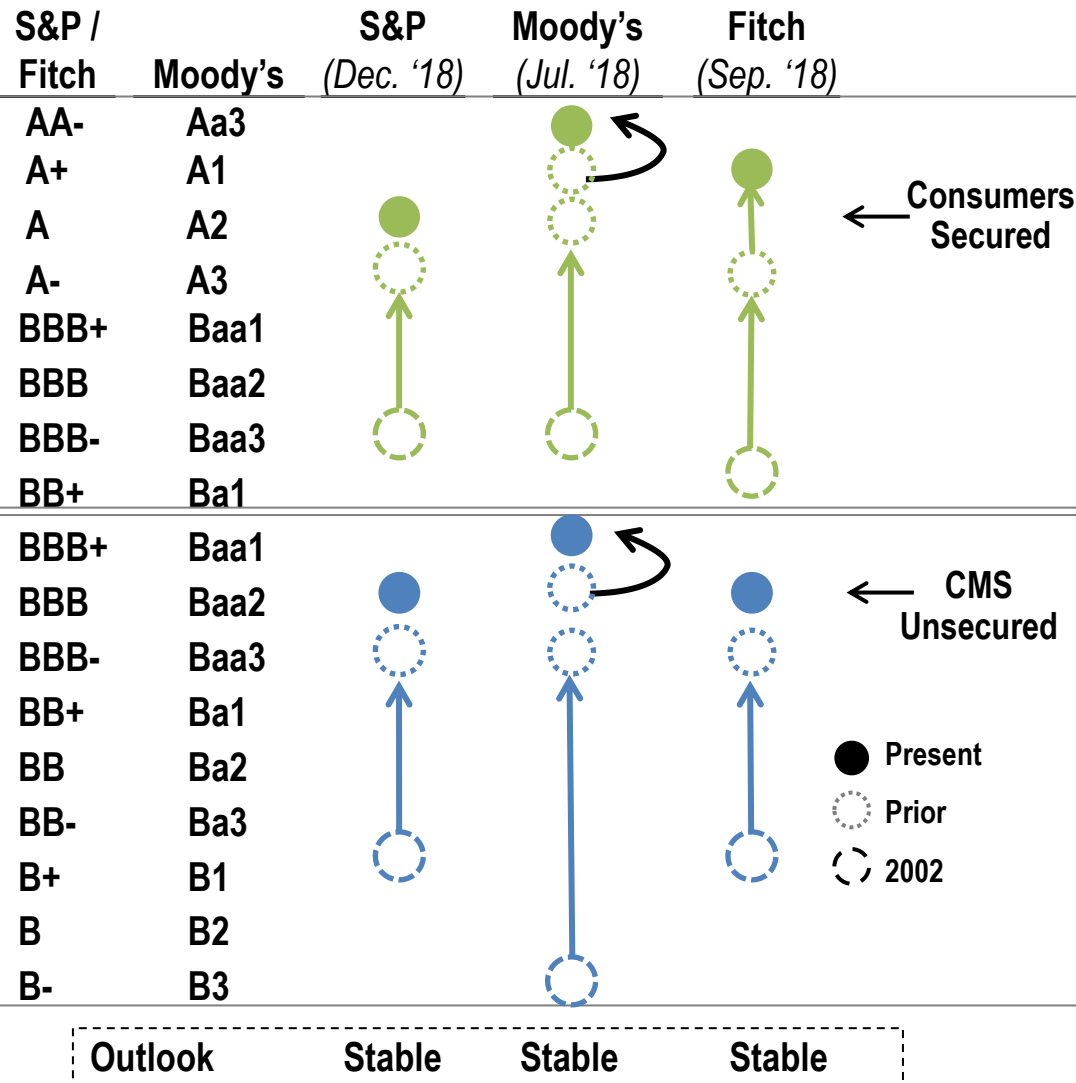
\$0.3

\$0.4

\$0.4

\$0.5

... remains strong and supports our capital plan.



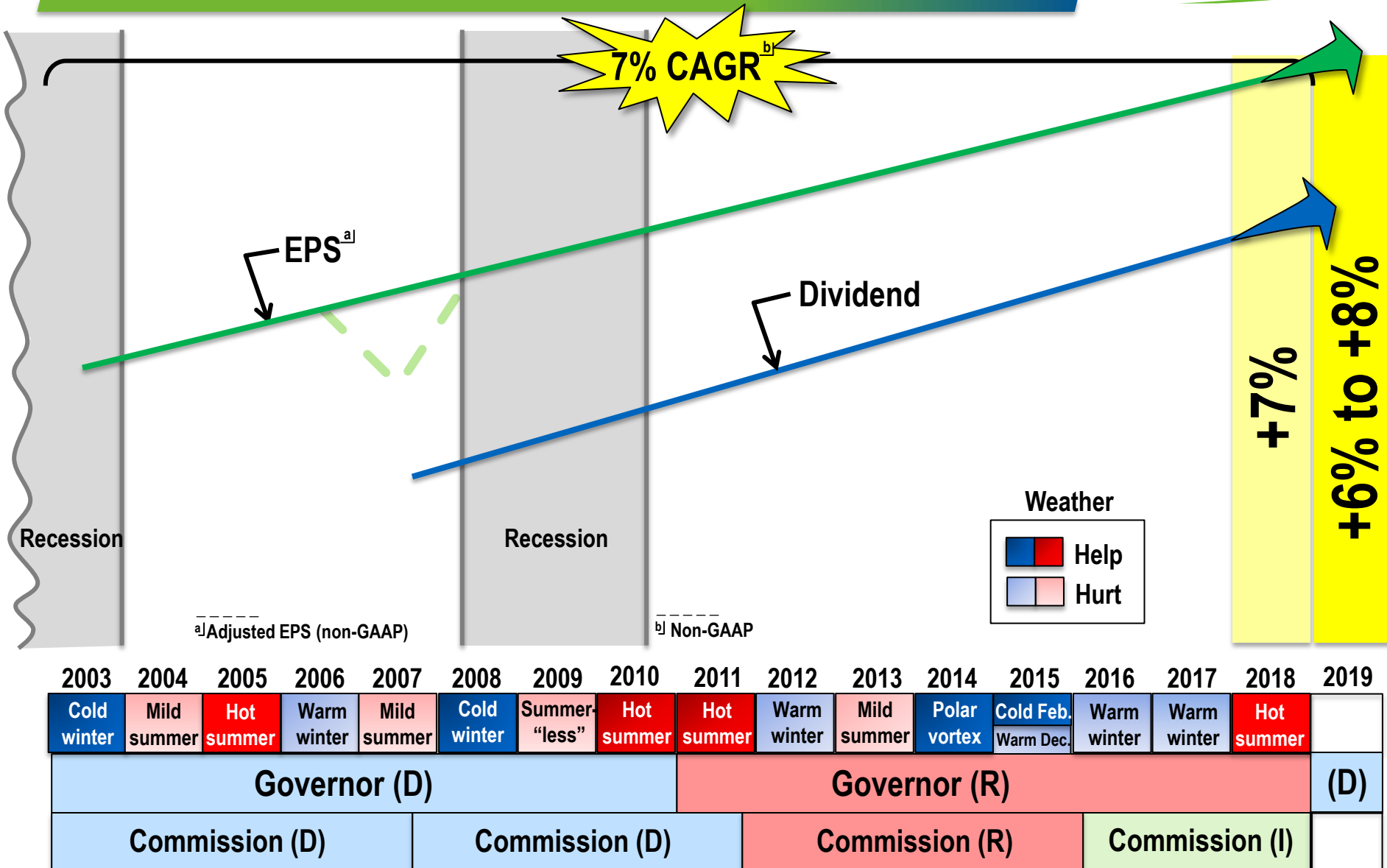
Ratings Drivers

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

... at solid investment-grade levels.

Consistent Growth Through...

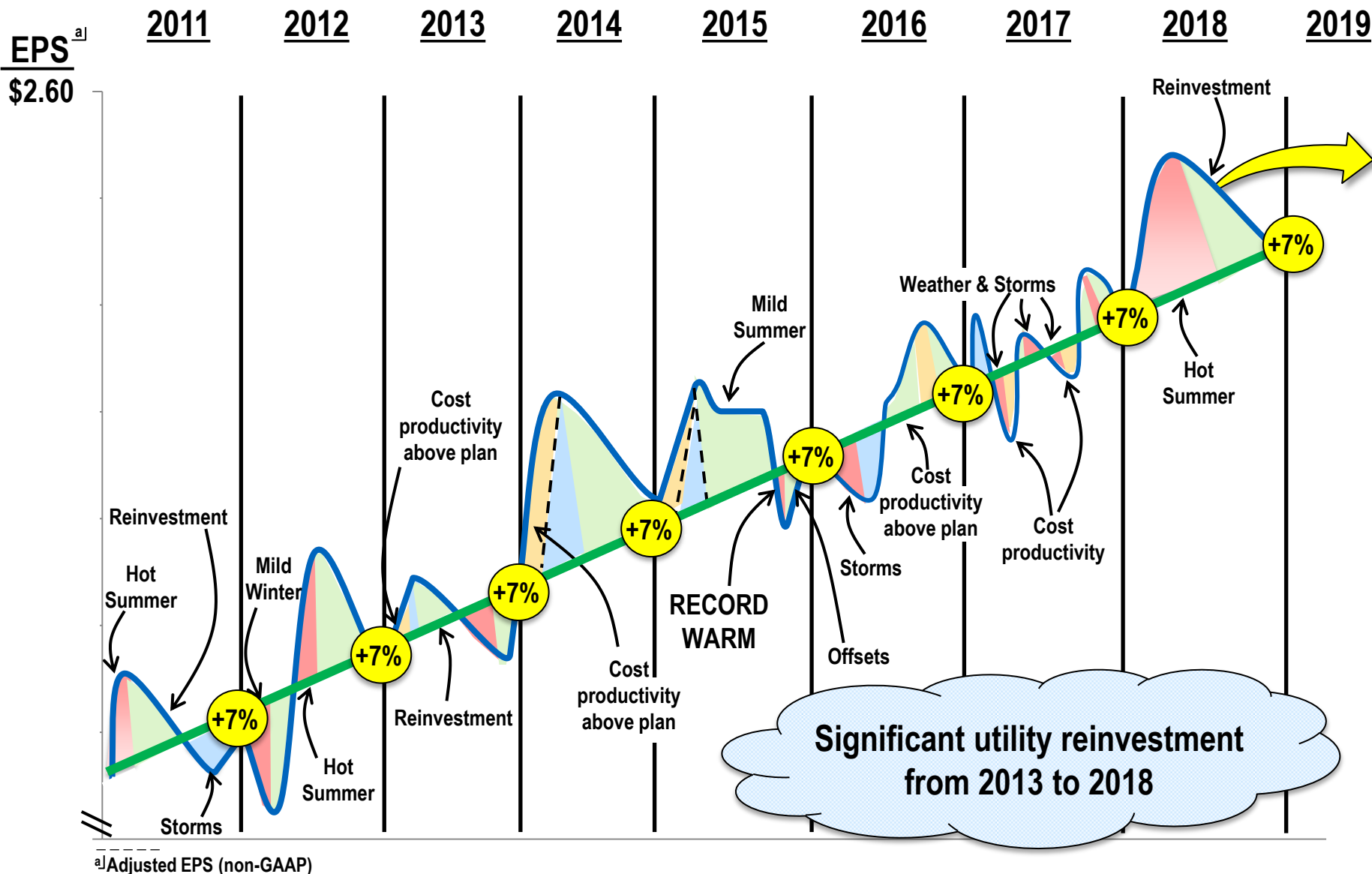
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... changing circumstances.

Managing Work Every Year...

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... maximizes benefits for customers and investors.

CMS Energy Long-Term Growth Plan

Segments:

- | | | |
|------------------|----------------|---|
| - Utility | 6 - 7% | <ul style="list-style-type: none">• Needed system upgrades / robust backlog• Affordable prices driven by cost controls |
| - Enterprises | 0 - 1 | <ul style="list-style-type: none">• Largely contracted & utility-like• Contracted generation & renewables |
| - Parent & Other | <u>0 - (1)</u> | <ul style="list-style-type: none">• Tax planning• Supportive EnerBank contribution |

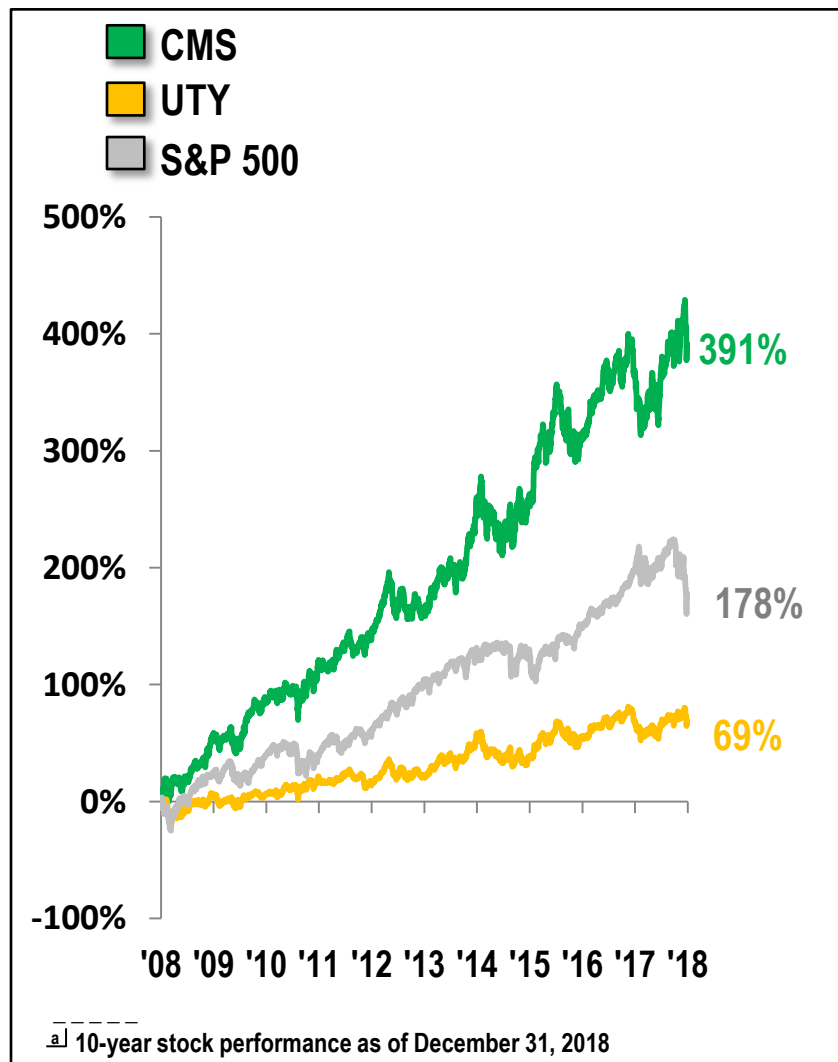
Total EPS Growth^{a)}

6 - 8%

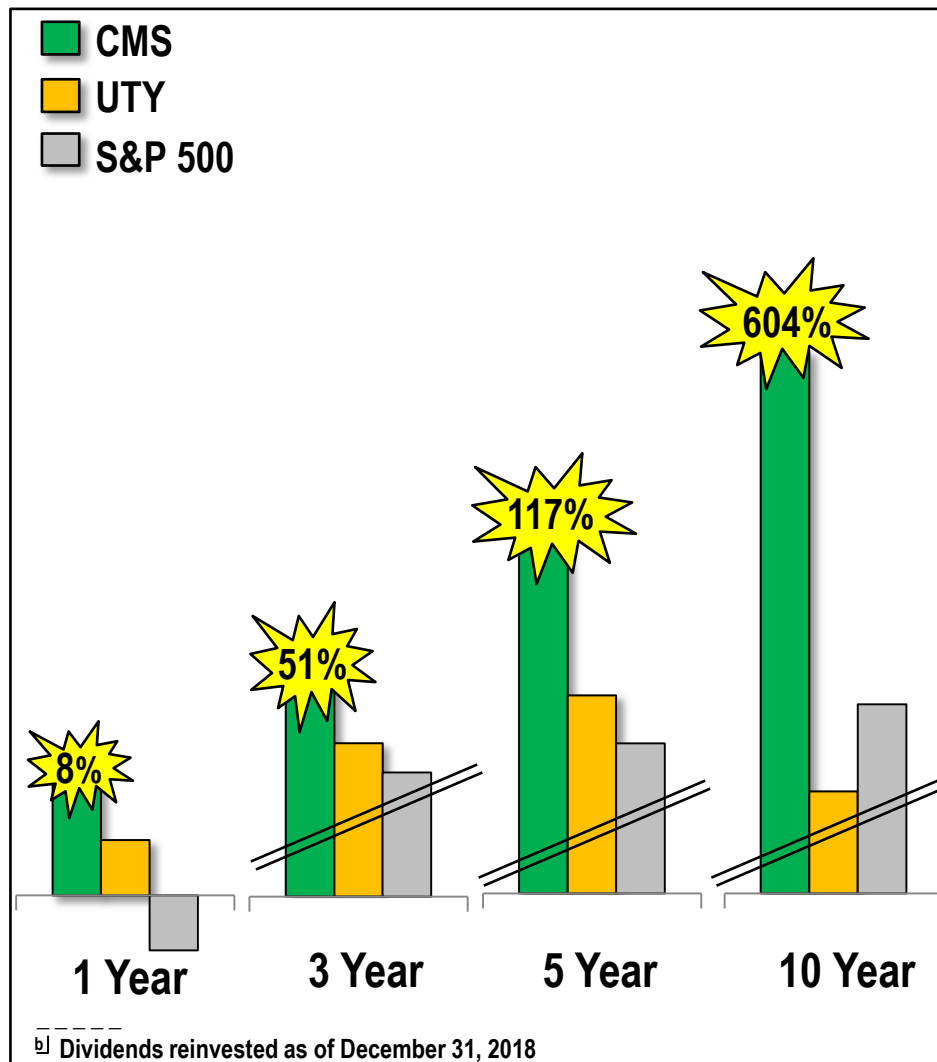
^{a)}Adjusted EPS (non-GAAP)

... delivers consistent industry-leading financial performance.

Stock Performance ^{a)}



Total Shareowner Return ^{b)}



... has exceeded those of our peers and the broader market.

The logo for CMS ENERGY, featuring the company name in a bold, blue, italicized sans-serif font. The text is enclosed within a green swoosh that starts as a thin line on the left and curves into a thick, rounded shape on the right.

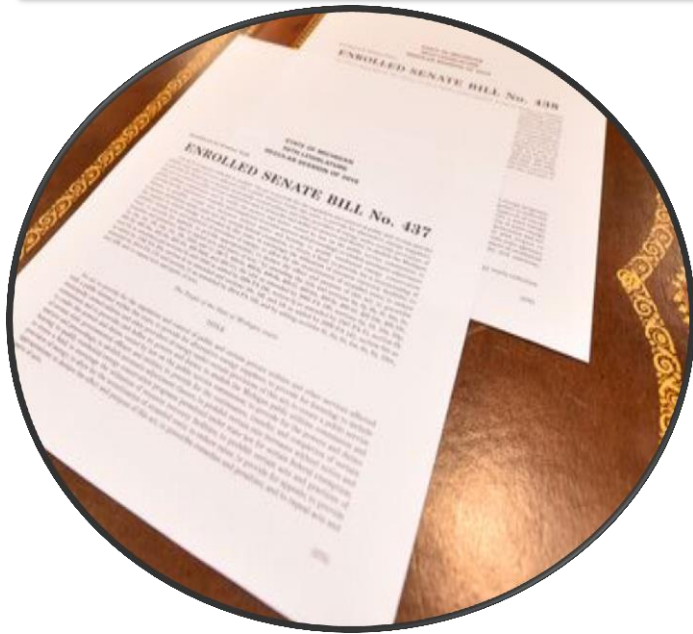
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Top of Mind

- **Regulatory -- Commission, REP, IRP & Rate Case**
- **Michigan Political Landscape**
- **5-year Capital Plan**
- **DIG**
- **Financing Plan**

Michigan Energy Policy is Supportive...

CMS ENERGY

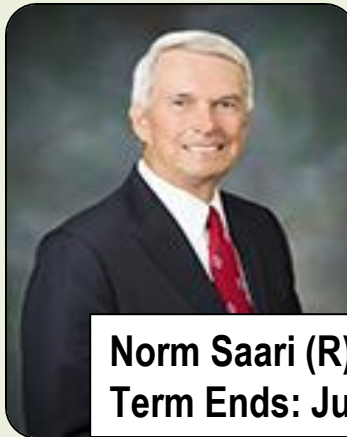


- **Bipartisan Energy Law**
(2016 law enhanced original 2008 law)
- **Forward-looking test year**
(10-month rate case)
- **Energy Efficiency incentive**
(20% of spend)
- **Renewable Portfolio Standard (RPS)**
- **Constructive ROEs**

Michigan Commission



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



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



Dan Scripps (D)
Term Ends: July 2, 2023

... and built into legislation.

Long-Term Regulatory Planning...

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2018

2019

2020

Regulatory / Policy

✓ 6/15: Filed
LT generation plan
(IRP)
U-20165

✓ 2/7: REP
approved for
525 MWs of
wind

Q2:
Expected
IRP order
U-20165

Q3: Anticipated
final orders
on Calc. C &
Demand Response

Q2: File
updated 5-yr
Electric Distribution
Plan

Electric

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

Next Electric Order

Gas

✓ 11/30:
Filed \$229 MM
at 10.75% ROE
U-20322

Q3:
Expected
gas order
U-20322

Q4:
File next
gas rate
case

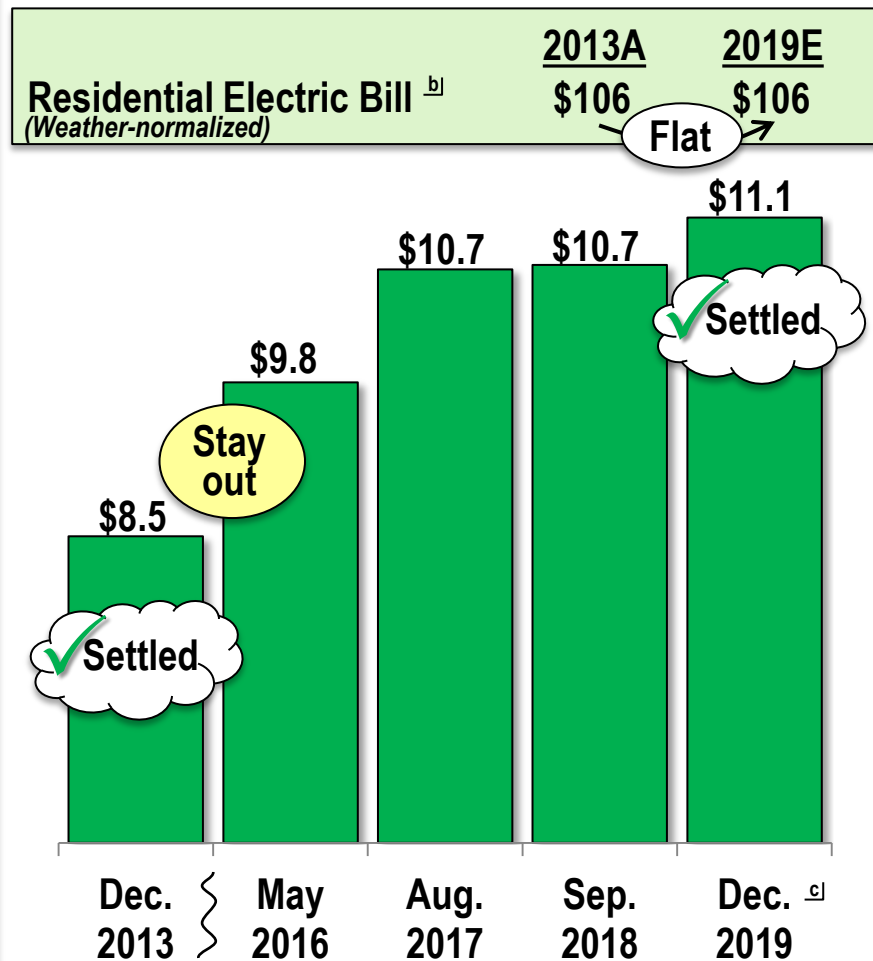
... provides significant customer value and long-term visibility.

Solid Rate Case History...

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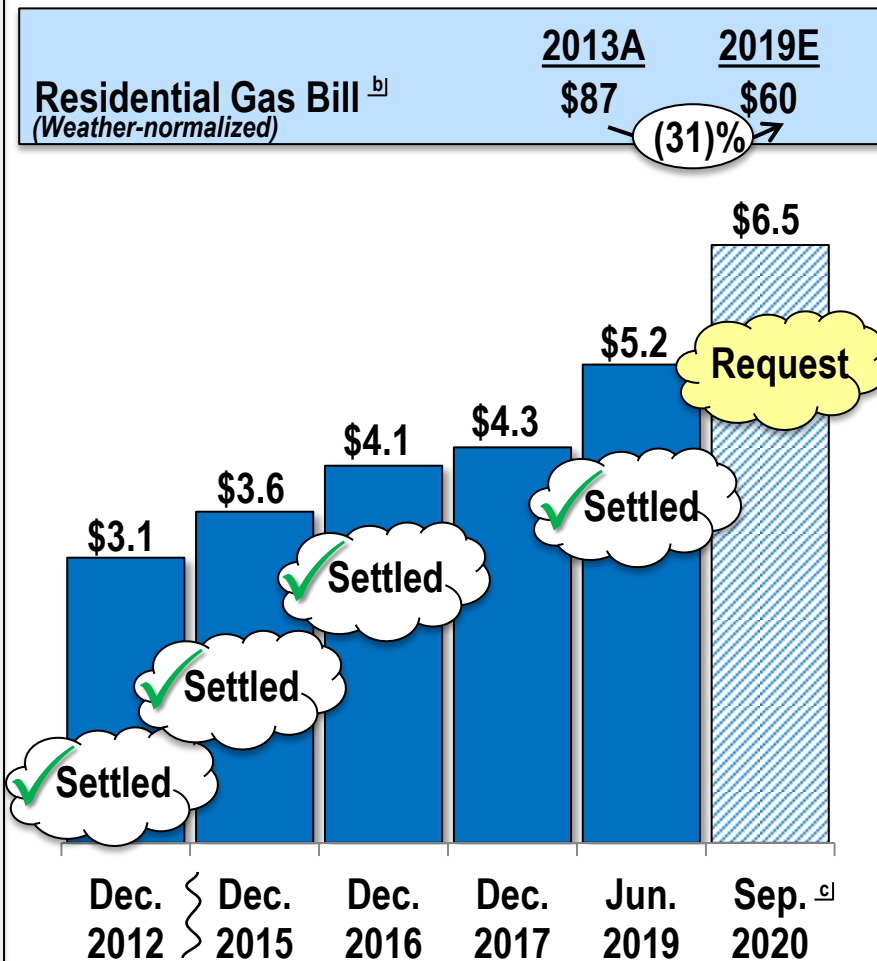
Electric Rate Base ^{a)}

(Bn)



Gas Rate Base

(Bn)



^{a)} Includes Renewables, 2019 assumes \$500 MM in Renewables ^{b)} Source: bls.gov for historical data, Bloomberg for 2019 estimate; current dollars ^{c)} Data as of test-year end

... demonstrates our ability to prioritize customers and investors. 27

Upcoming Gas Projects

~ 140
Miles



Main Replacements

~ 950
Miles



Pipeline Integrity

~ 60
Miles



Saginaw Trail

25,000



Vintage Service Lines

Capital Investment (Bn):

Electric Utility

New
Plan

\$ 5

New Utility Renewables

1

Gas Utility

5

Total

\$11

Benefits

✓ Safety

✓ Customer Experience

✓ Leak Reduction

✓ Increased Capacity

... prioritize safety, reliability and affordability.

Governor



Gretchen Whitmer
Democrat

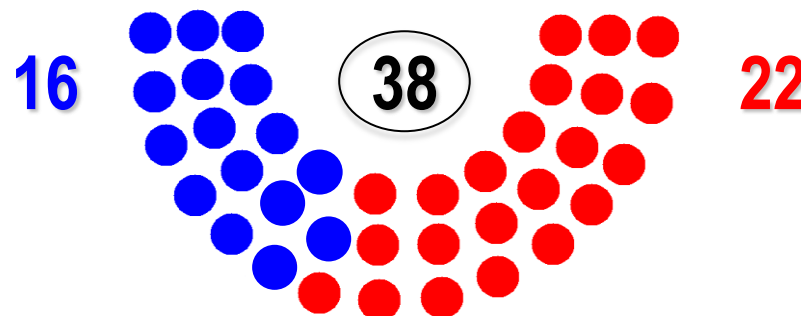


Key Issues:

- Infrastructure
- Health Care
- Education

Energy policy is
not a key issue

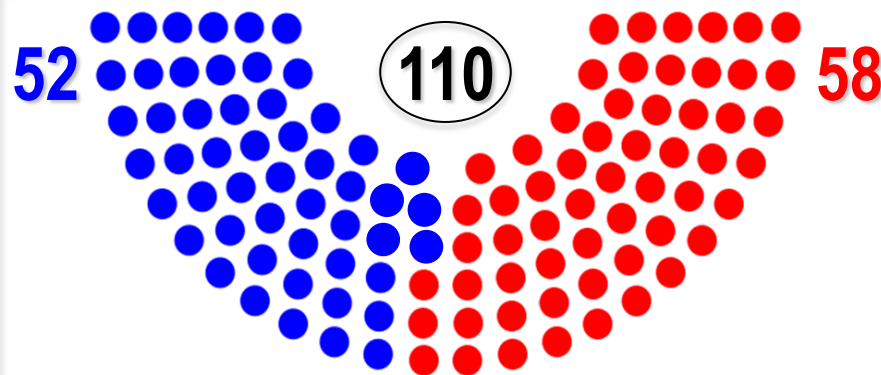
State Senate



2018 Election: Democrats +5 seats

4-year terms, concurrent with Governor's term, 2-term limit

State House



2018 Election: Democrats +5 seats

2-year terms, even numbered years, 3-term limit

... supportive of continued progress.

Updated 5-year Plan

(Bn)

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

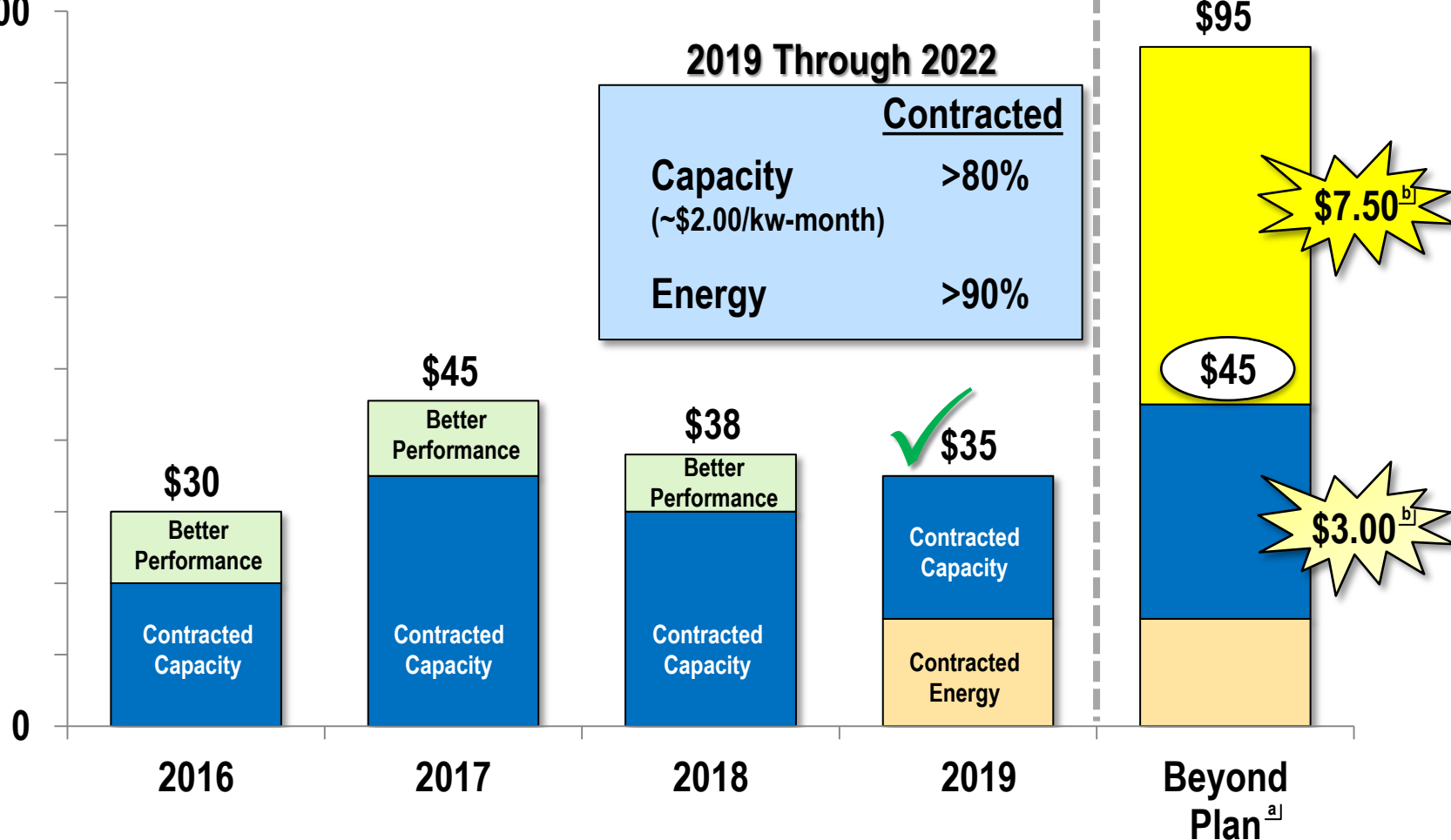
"DIG" (750 MW) & Peakers (200 MW)...

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Pre-Tax Income

(MM)

\$100



^{a)} Beyond Plan assumes 100% capacity available at \$3.00 and \$7.50/ kw-month. ^{b)} \$/ kw-month

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

2019 Financing Assumptions

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

GAAP Reconciliation

CMS ENERGY CORPORATION

Earnings Per Share By Year GAAP Reconciliation (Unaudited)

																		GAAP	GAAP
																		2018 over	2018 over
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		2003	2017
																		CAGR	Growth
Reported earnings (loss) per share - GAAP	(\$0.30)	\$0.64	(\$0.44)	(\$0.41)	(\$1.02)	\$1.20	\$0.91	\$1.28	\$1.58	\$1.42	\$1.66	\$1.74	\$1.89	\$1.98	\$1.64	\$2.32		NM	41%
Pretax items:																			
Electric and gas utility	0.32	(0.60)	-	-	(0.06)	0.08	0.55	0.05	-	0.27	-	-	-	0.04	-	-			
Tax impact	(0.11)	0.21	-	-	(0.01)	(0.03)	(0.22)	(0.02)	-	(0.10)	-	-	-	(0.01)	0.12	(b)	0.01		
Enterprises	0.93	0.97	0.06	(0.12)	1.67	(0.02)	0.14	(0.05)	*	(0.01)	*	0.05	*	*	*	0.02			
Tax impact	(0.19)	(0.35)	(0.02)	0.10	(0.42)	*	(0.05)	0.02	(0.11)	*	(*)	(0.02)	(*)	(*)	0.20	(b)	(0.02)		
Corporate interest and other	0.25	(0.06)	0.06	0.45	0.17	0.01	0.01	*	-	*	*	*	*	0.02	0.01	*			
Tax impact	(0.09)	0.03	(0.02)	(0.18)	(0.49)	(0.03)	(*)	(*)	(0.01)	(*)	(*)	(*)	(*)	(0.01)	0.20	(b)	(*)		
Discontinued operations (income) loss, net	(0.16)	0.02	(0.07)	(0.03)	0.40	(*)	(0.08)	0.08	(0.01)	(0.03)	*	(*)	(*)	*	*	(*)			
Asset impairment charges	-	-	2.80	1.07	0.93	-	-	-	-	-	-	-	-	-	-	-		Adjusted	Adjusted
Tax impact	-	-	(0.98)	(0.31)	(0.33)	-	-	-	-	-	-	-	-	-	-	-		2018 over	2018 over
Cumulative accounting changes	0.25	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-		2003	2017
Tax impact	(0.09)	(0.01)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		CAGR	Growth
Adjusted earnings per share, including MTM - non-GAAP	\$0.81	\$0.87	\$1.39	\$0.57	\$0.84	\$1.21	(a)	\$1.26	\$1.36	\$1.45	\$1.55	\$1.66	\$1.77	\$1.89	\$2.02	\$2.17	\$2.33	7%	7%
Mark-to-market		0.04	(0.65)	0.80															
Tax impact		(0.01)	0.22	(0.29)															
Adjusted earnings per share, excluding MTM - non-GAAP	NA	\$0.90	\$0.96	\$1.08	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA			

* Less than \$0.01 per share.

(a) \$1.25 excluding discontinued Exeter operations and accounting changes related to convertible debt and restricted stock.

(b) Reflects the impact of tax reform.

NM is not calculable

CMS ENERGY CORPORATION

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