

To: Financial Community

From: CMS Energy Investor Relations
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Date: January 30, 2020

Subject: CMS Energy Year-End 2019 Results and Outlook

CMS Energy will hold a webcast to discuss its Year-End 2019 Results and Outlook on Thursday, January 30 at 8:30 a.m. (ET).

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

CMS Energy Announces 2019 Results, Delivers 17th Consecutive Year of Strong Performance and Raises 2020 Adjusted EPS Guidance

JACKSON, Mich., January 30, 2020 – CMS Energy announced today 2019 reported net income of \$680 million or \$2.39 per share, compared to reported net income of \$657 million or \$2.32 per share for 2018. CMS Energy announced \$708 million of adjusted net income or adjusted earnings per share of \$2.49 for 2019, compared to \$2.33 for 2018.

CMS Energy raised its guidance for 2020 adjusted earnings to \$2.64 - \$2.68* per share (*See below for important information about non-GAAP measures) or 6 to 8 percent annual adjusted earnings per share growth. Longer-term, adjusted earnings per share growth remains at 6 to 8 percent with a bias toward the midpoint.

"CMS Energy continues to be an industry leader operationally, environmentally and financially by delivering consistent results for our customers, employees and our investors," said Patti Poppe, President and CEO of CMS Energy and Consumers Energy. "We will not let up in 2020 as we continue to focus on our triple bottom line of people, planet and profit."

CMS Energy noted several accomplishments in 2019:

- Approval with broad support of Consumers Energy's Integrated Resource Plan, providing for the closure of all the utility's coal plants and a 90% carbon reduction by 2040.
- Committed to net-zero methane emissions by 2030 for our natural gas distribution system.
- Increased Customer Satisfaction: Ranked #1 in J.D. Power Midwest Large Residential Gas Study.
- Obtained regulatory support for \$1.2 billion of gas infrastructure investment to improve safety and reliability.
- Worked across the state to attract 75 megawatts of new electric load to Michigan, bringing an estimated 3,600 jobs and over \$1.5 billion of investment.

Financial Results and Outlook

<u>2019 Results</u>	<u>Amount</u>
Reported EPS	\$2.39
Adjusted EPS	\$2.49
<u>2020 Updates</u>	<u>Amount</u>
Adjusted EPS Guidance	\$2.64 - \$2.68*
Annual Dividend	\$1.63

- Maintained first quartile Employee Engagement among US Utilities and exceeded the US High Performing Benchmark in Fortune's Most Admired and Best to Work for Companies lists.
- Won the Edison Electric Institute's Mid-Cap Index Award for 5-year total shareholder return.

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

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

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

***This news release contains non-Generally Accepted Accounting Principles (non-GAAP) measures, such as adjusted earnings. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, regulatory items from prior years, or other items detailed in the attached summary financial statements. Management views adjusted earnings as a key measure of the company's present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the company uses adjusted earnings to measure and assess performance. Because the company is not able to estimate the impact of specific line items, which have the potential to significantly impact, favorably or unfavorably, the company's reported earnings in future periods, the company is not providing reported earnings guidance nor is it providing a reconciliation for the comparable future period earnings. The company's adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for the reported earnings. All references to 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			Twelve Months Ended		
	12/31/19	12/31/18	Change	12/31/19	12/31/18	Change
Operating Revenue						
Electric utility	\$ 1,059	\$ 1,081	\$ (22)	\$ 4,439	\$ 4,561	\$ (122)
Gas utility	611	631	(20)	1,937	1,903	34
Enterprises	64	71	(7)	248	252	(4)
EnerBank	61	46	15	221	157	64
Total operating revenue	<u>1,795</u>	<u>1,829</u>	<u>(34)</u>	<u>6,845</u>	<u>6,873</u>	<u>(28)</u>
Operating Expenses						
Fuel for electric generation	102	131	(29)	493	528	(35)
Purchased and interchange power	349	391	(42)	1,496	1,613	(117)
Purchased power – related parties	22	22	-	75	81	(6)
Cost of gas sold	224	295	(71)	769	836	(67)
Maintenance and other operating expenses	438	415	23	1,448	1,417	31
Depreciation and amortization	263	244	19	992	933	59
General taxes	86	81	5	333	303	30
Total operating expenses	<u>1,484</u>	<u>1,579</u>	<u>(95)</u>	<u>5,606</u>	<u>5,711</u>	<u>(105)</u>
Operating Income (Loss)						
Electric utility	159	139	20	806	816	(10)
Gas utility	150	92	58	325	249	76
Enterprises	(2)	(6)	4	24	22	2
EnerBank	37	27	10	123	82	41
Other	(33)	(2)	(31)	(39)	(7)	(32)
Total operating income	<u>311</u>	<u>250</u>	<u>61</u>	<u>1,239</u>	<u>1,162</u>	<u>77</u>
Other Income (Expense)						
Interest income	2	3	(1)	7	11	(4)
Allowance for equity funds used during construction	3	2	1	10	6	4
Income from equity method investees	4	3	1	10	9	1
Nonoperating retirement benefits, net	23	22	1	91	90	1
Other income	1	-	1	4	2	2
Other expense	(5)	(33)	28	(13)	(48)	35
Total other income (expense)	<u>28</u>	<u>(3)</u>	<u>31</u>	<u>109</u>	<u>70</u>	<u>39</u>
Earnings Before Interest, Taxes, and Other Charges	339	247	92	1,348	1,232	116
Interest on long-term debt	112	108	4	439	412	27
Interest expense - related parties	3	-	3	9	-	9
Other interest expense	20	14	6	75	49	26
Allowance for borrowed funds used during construction	(1)	(1)	-	(4)	(3)	(1)
Income tax expense	37	17	20	147	115	32
Net Income	<u>168</u>	<u>109</u>	<u>59</u>	<u>682</u>	<u>659</u>	<u>23</u>
Income attributable to noncontrolling interests	1	1	-	2	2	-
Net Income Available to Common Stockholders	<u>\$ 167</u>	<u>\$ 108</u>	<u>\$ 59</u>	<u>\$ 680</u>	<u>\$ 657</u>	<u>\$ 23</u>
<i>Reconciling items:</i>						
Other exclusions from adjusted earnings	36	8	28	37	9	28
Tax impact	(9)	(*)	(9)	(9)	(*)	(9)
Gain on assets previously sold	-	-	-	(*)	(4)	4
Tax impact	-	-	-	*	1	(1)
Tax reform	-	(4)	4	-	(4)	4
Adjusted Net Income – Non-GAAP	<u>\$ 194</u>	<u>\$ 112</u>	<u>\$ 82</u>	<u>\$ 708</u>	<u>659</u>	<u>\$ 49</u>
Average Common Shares Outstanding						
Basic	283.1	282.6	0.5	283.0	282.2	0.8
Diluted	284.8	283.3	1.5	284.3	282.9	1.4
Diluted Earnings Per Average Common Share	\$ 0.58	\$ 0.38	\$ 0.20	\$ 2.39	\$ 2.32	\$ 0.07
<i>Reconciling items:</i>						
Other exclusions from adjusted earnings	0.13	0.03	0.10	0.13	0.03	0.10
Tax impact	(0.03)	(*)	(0.03)	(0.03)	(*)	(0.03)
Gain on assets previously sold	-	-	-	(*)	(0.01)	0.01
Tax impact	-	-	-	*	*	-
Tax reform	-	(0.01)	0.01	-	(0.01)	0.01
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	<u>\$ 0.68</u>	<u>\$ 0.40</u>	<u>\$ 0.28</u>	<u>\$ 2.49</u>	<u>\$ 2.33</u>	<u>\$ 0.16</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	
	<u>12/31/19</u>	<u>12/31/18</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 140	\$ 153
Restricted cash and cash equivalents	17	21
Other current assets	2,174	2,294
Total current assets	<u>2,331</u>	<u>2,468</u>
Non-current assets		
Plant, property, and equipment	18,926	18,126
Other non-current assets	5,580	3,935
Total Assets	<u><u>\$ 26,837</u></u>	<u><u>\$ 24,529</u></u>
Liabilities and Equity		
Current liabilities ⁽¹⁾	\$ 1,484	\$ 1,531
Non-current liabilities ⁽¹⁾	7,051	6,429
Capitalization		
Debt, capital leases, and financing obligation (excluding securitization debt) ⁽²⁾		
Debt, capital leases, and financing obligation (excluding non-recourse and securitization debt)	10,518	9,646
Non-recourse debt	2,478	1,854
Total debt, capital leases, and financing obligation (excluding securitization debt)	<u>12,996</u>	<u>11,500</u>
Noncontrolling interests	37	37
Common stockholders' equity	5,018	4,755
Total capitalization (excluding securitization debt)	<u>18,051</u>	<u>16,292</u>
Securitization debt ⁽²⁾	251	277
Total Liabilities and Equity	<u><u>\$ 26,837</u></u>	<u><u>\$ 24,529</u></u>

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

⁽²⁾ Includes current and non-current portions.

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

	<i>In Millions</i>	
	Twelve Months Ended	
	<u>12/31/19</u>	<u>12/31/18</u>
Beginning of Period Cash and Cash Equivalents, Including Restricted Amounts	\$ 175	\$ 204
Net cash provided by operating activities	1,790	1,703
Net cash used in investing activities	(2,816)	(2,606)
Cash flows from operating and investing activities	<u>(1,026)</u>	<u>(903)</u>
Net cash provided by financing activities	1,008	874
Total Cash Flows	<u><u>\$ (18)</u></u>	<u><u>\$ (29)</u></u>
End of Period Cash and Cash Equivalents, Including Restricted Amounts	<u><u>\$ 157</u></u>	<u><u>\$ 175</u></u>

CMS ENERGY CORPORATION
Selected Financial Data
(Unaudited)

	<i>In Millions</i>		
	Twelve Months Ended		
	12/31/19	12/31/18	12/31/17
EBIT – Non-GAAP ⁽¹⁾			
Consolidated	\$ 1,385	\$ 1,233	\$ 1,476
Consumers Energy	1,231	1,138	1,280
Depreciation and Amortization			
Consolidated	\$ 992	\$ 933	\$ 881
Consumers Energy	975	921	872
EBITDA – Non-GAAP ⁽¹⁾			
Consolidated	\$ 2,377	\$ 2,166	\$ 2,357
Consumers Energy	2,206	2,059	2,152
Dividends and Other Distributions From Subsidiaries	\$ 683	\$ 650	\$ 557
Interest Expense, Net			
Consolidated	\$ 519	\$ 458	\$ 438
Energy parent	156	135	143
Consumers Energy	297	289	276
			<i>In Millions</i>
		As of	
	12/31/19	12/31/18	12/31/17
Book Value Per Share	\$ 17.67	\$ 16.78	\$ 15.77
Common Shares Outstanding – End of Period	283.9	283.4	281.6
Average Common Shares Outstanding			
Basic	283.0	282.2	280.0
Diluted	284.3	282.9	280.8
Debt ⁽²⁾			
Energy parent	\$ 3,334	\$ 2,930	\$ 3,055
EnerBank ⁽³⁾	2,389	1,758	1,245
Non-recourse project debt	89	96	-
Consumers Energy (excluding securitization bonds)	7,184	6,716	5,885
Consolidated (excluding securitization bonds)	12,996	11,500	10,185
Securitization bonds	251	277	302
Consolidated	\$ 13,247	\$ 11,777	\$ 10,487
Unrestricted Cash and Cash Equivalents			
Consumers Energy	\$ 11	\$ 39	\$ 44
CMS Treasury Services	11	27	75
EnerBank and Other	118	87	63
Consolidated	\$ 140	\$ 153	\$ 182
Consumers Energy			
Regulated Common Equity Ratio (13-Month Average)			
Electric	42.4%	42.2%	41.3%
Gas	42.4%	42.2%	41.2%
Regulated Rate Base (13-Month Average, in Millions)			
Electric ⁽⁴⁾	\$ 11,516	\$ 10,890	\$ 10,691
Gas	6,070	5,200	4,604
Regulated Return on Average Common Equity (12-Month Ended)			
Electric ⁽⁴⁾	10.7%	11.1%	10.1%
Gas	9.0%	8.8%	9.7%

⁽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 \$747 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>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
Net Income Available to Common Stockholders	\$ 680	\$ 657	\$ 460
<i>Reconciling items:</i>			
Income tax expense	147	115	424
Interest on long-term debt	439	412	406
Interest expense - related parties	9	-	-
Other interest expense	75	49	34
Allowance for borrowed funds used during construction	(4)	(3)	(2)
Income attributable to noncontrolling interests	2	2	2
Other exclusions from adjusted earnings	37	9	4
Gain on assets previously sold	-	(4)	-
Tax reform	-	(4)	148
	<u>1,385</u>	<u>1,233</u>	<u>1,476</u>
EBIT – Non-GAAP			
<i>Additional reconciling items:</i>			
Depreciation and amortization	992	933	881
	<u>992</u>	<u>933</u>	<u>881</u>
EBITDA – Non-GAAP	<u>\$ 2,377</u>	<u>\$ 2,166</u>	<u>\$ 2,357</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>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
Net Income Available to Common Stockholder	\$ 741	\$ 703	\$ 630
<i>Reconciling items:</i>			
Income tax expense	185	142	339
Interest on long-term debt	277	276	263
Interest expense - related parties	9	-	-
Other interest expense	15	16	15
Allowance for borrowed funds used during construction	(4)	(3)	(2)
Preferred stock dividends	2	2	2
Other exclusions from adjusted earnings	6	-	-
Tax reform	-	2	33
	<u>1,231</u>	<u>1,138</u>	<u>1,280</u>
EBIT – Non-GAAP			
<i>Additional reconciling items:</i>			
Depreciation and amortization	975	921	872
	<u>975</u>	<u>921</u>	<u>872</u>
EBITDA – Non-GAAP	<u>\$ 2,206</u>	<u>\$ 2,059</u>	<u>\$ 2,152</u>

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

Three Months Ended December 31			
	<u>12/31/19</u>	<u>12/31/18</u>	<u>Variance</u>
Adjusted EPS – Non-GAAP			
Electric utility	\$ 0.34	\$ 0.24	\$ 0.10
Gas utility	0.40	0.23	0.17
Enterprises, EnerBank and Energy parent			
Enterprises	0.05	0.02	0.03
EnerBank	0.06	0.04	0.02
Energy parent	<u>(0.17)</u>	<u>(0.13)</u>	<u>(0.04)</u>
	(0.06)	(0.07)	0.01
Consolidated	<u><u>\$ 0.68</u></u>	<u><u>\$ 0.40</u></u>	<u><u>\$ 0.28</u></u>
Variance Explanations:			
ELECTRIC UTILITY			
- System deliveries of 8,874 GWh, down 252 GWh (weather-driven impact, down 113 GWh)			\$ 0.01
- Electric rate relief			0.07
- Lower operating & maintenance expenses			0.01
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.02)
- Other including absence of select 2018 pullaheads			0.03
- Change in shares outstanding			*
			<u><u>\$ 0.10</u></u>
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 96.2 bcf, down 3.2 bcf (weather-driven impact, down 4.1 bcf)			\$ -
- Gas rate relief			0.12
- Lower operating & maintenance expenses			0.06
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.04)
- Other including absence of select 2018 pullaheads			0.03
- Change in shares outstanding			*
			<u><u>\$ 0.17</u></u>
ENTERPRISES, ENERBANK AND ENERGY PARENT			
- Enterprises			\$ 0.03
- EnerBank			0.02
- Other including Energy Parent interest			(0.04)
- Change in shares outstanding			*
			<u><u>\$ 0.01</u></u>
WEATHER IMPACTS			
	<u>12/31/19</u>	<u>12/31/18</u>	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	(2.1) %	(4.5) %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	(6)	107	
EPS	\$ -	\$ 0.02	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	1.7	5.8	
EPS	\$ 0.02	\$ 0.05	
Total EPS Weather Impacts	<u><u>\$ 0.02</u></u>	<u><u>\$ 0.07</u></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>12/31/19</u>	<u>12/31/18</u>	<u>Variance</u>
Adjusted EPS – Non-GAAP			
Electric utility	\$ 1.81	\$ 1.90	\$ (0.09)
Gas utility	0.82	0.60	0.22
Enterprises, EnerBank and Energy parent			
Enterprises	0.12	0.12	-
EnerBank	0.17	0.13	0.04
Energy parent	(0.43)	(0.42)	(0.01)
	<u>(0.14)</u>	<u>(0.17)</u>	<u>0.03</u>
Consolidated	<u>\$ 2.49</u>	<u>\$ 2.33</u>	<u>\$ 0.16</u>
Variance Explanations:			
ELECTRIC UTILITY			
- System deliveries of 36,815 GWh, down 1,416 GWh (weather-driven impact, down 900 GWh)		\$ (0.15)	
- Electric rate relief		0.21	
- Lower operating & maintenance expenses		0.02	
- Higher investment costs (depreciation, property taxes & fixed costs)		(0.07)	
- Other, including absence of '18 Campbell property tax settlement & ETR		(0.09)	
- Change in shares outstanding		(0.01)	
		<u>\$ (0.09)</u>	
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 313.2 bcf, up 3.2 bcf (weather-driven impact, down 0.5 bcf)		\$ 0.06	
- Gas rate relief		0.20	
- Lower operating & maintenance expenses		0.04	
- Higher investment costs (depreciation, property taxes & fixed costs)		(0.11)	
- Other including absence of select 2018 pullaheads		0.03	
- Change in shares outstanding		*	
		<u>\$ 0.22</u>	
ENTERPRISES, ENERBANK AND ENERGY PARENT			
- Enterprises		\$ -	
- EnerBank		0.04	
- Other		(0.01)	
- Changes in shares outstanding		*	
		<u>\$ 0.03</u>	
WEATHER IMPACTS			
	<u>12/31/19</u>	<u>12/31/18</u>	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	(1.2) %	0.5 %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	(9)	891	
EPS	\$ -	\$ 0.21	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	6.2	6.7	
EPS	\$ 0.06	\$ 0.06	
Total EPS Weather Impacts	<u>\$ 0.06</u>	<u>\$ 0.27</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	
	12/31/19	12/31/18	12/31/19	12/31/18
Electric Utility				
Reported net income per share	\$ 0.32	\$ 0.24	\$ 1.79	\$ 1.89
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.02	-	0.02	-
Tax impact	(*)	-	(*)	-
Tax reform	-	*	-	0.01
Adjusted net income per share – non-GAAP	<u>\$ 0.34</u>	<u>\$ 0.24</u>	<u>\$ 1.81</u>	<u>\$ 1.90</u>
Gas Utility				
Reported net income per share	\$ 0.40	\$ 0.23	\$ 0.82	\$ 0.60
<i>Reconciling items:</i>				
Tax reform	-	*	-	*
Adjusted net income per share – non-GAAP	<u>\$ 0.40</u>	<u>\$ 0.23</u>	<u>\$ 0.82</u>	<u>\$ 0.60</u>
Enterprises				
Reported net income per share	\$ 0.05	\$ -	\$ 0.12	\$ 0.12
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	(*)	0.03	*	0.03
Tax impact	*	(*)	(*)	(*)
Gain on assets previously sold	-	-	(*)	(0.01)
Tax impact	-	-	*	*
Tax reform	-	(0.01)	-	(0.02)
Adjusted net income per share – non-GAAP	<u>\$ 0.05</u>	<u>\$ 0.02</u>	<u>\$ 0.12</u>	<u>\$ 0.12</u>
EnerBank				
Reported net income per share	\$ 0.06	\$ 0.04	\$ 0.17	\$ 0.13
<i>Reconciling items:</i>				
Tax reform	-	*	-	*
Adjusted net income per share – non-GAAP	<u>\$ 0.06</u>	<u>\$ 0.04</u>	<u>\$ 0.17</u>	<u>\$ 0.13</u>
Corporate Interest and Other				
Reported net loss per share	\$ (0.25)	\$ (0.13)	\$ (0.51)	\$ (0.42)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.11	*	0.11	*
Tax impact	(0.03)	(*)	(0.03)	(*)
Tax reform	-	(*)	-	(*)
Adjusted net loss per share – non-GAAP	<u>\$ (0.17)</u>	<u>\$ (0.13)</u>	<u>\$ (0.43)</u>	<u>\$ (0.42)</u>
Consolidated				
Reported net income per share	\$ 0.58	\$ 0.38	\$ 2.39	\$ 2.32
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.13	0.03	0.13	0.03
Tax impact	(0.03)	(*)	(0.03)	(*)
Gain on assets previously sold	-	-	(*)	(0.01)
Tax impact	-	-	*	*
Tax reform	-	(0.01)	-	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 0.68</u>	<u>\$ 0.40</u>	<u>\$ 2.49</u>	<u>\$ 2.33</u>
Average Common Shares Outstanding – Diluted	<u>284.8</u>	<u>283.3</u>	<u>284.3</u>	<u>282.9</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	
	12/31/19	12/31/18	12/31/19	12/31/18
Net Income Available to Common Stockholders	\$ 167	\$ 108	\$ 680	\$ 657
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	36	8	37	9
Tax impact	(9)	(*)	(9)	(*)
Gain on assets previously sold	-	-	(*)	(4)
Tax impact	-	-	*	1
Tax reform	-	(4)	-	(4)
Adjusted net income – non-GAAP	\$ 194	\$ 112	\$ 708	\$ 659
Average Common Shares Outstanding				
Basic	283.0	282.6	283.0	282.2
Diluted	284.8	283.3	284.3	282.9
Basic Earnings Per Average Common Share				
Reported net income per share	\$ 0.59	\$ 0.38	\$ 2.40	\$ 2.33
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.13	0.03	0.13	0.03
Tax impact	(0.03)	(*)	(0.03)	(*)
Gain on assets previously sold	-	-	(*)	(0.01)
Tax impact	-	-	*	*
Tax reform	-	(0.02)	-	(0.02)
Adjusted net income per share – non-GAAP	\$ 0.69	\$ 0.39	\$ 2.50	\$ 2.33
Diluted Earnings Per Average Common Share				
Reported net income per share	\$ 0.58	\$ 0.38	\$ 2.39	\$ 2.32
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.13	0.03	0.13	0.03
Tax impact	(0.03)	(*)	(0.03)	(*)
Gain on assets previously sold	-	-	(*)	(0.01)
Tax impact	-	-	*	*
Tax reform	-	(0.01)	-	(0.01)
Adjusted net income per share – non-GAAP	\$ 0.68	\$ 0.40	\$ 2.49	\$ 2.33

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

Management views adjusted (non-Generally Accepted Accounting Principles) earnings as a key measure of the Company's present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the Company uses adjusted earnings to measure and assess performance. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, regulatory items from prior years, or other items detailed in these summary financial statements. Adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for reported earnings.

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

	<i>In Millions, Except Per Share Amounts</i>			
	2019			
	1Q	2Q	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

	<i>In Millions, Except Per Share Amounts</i>			
	2018			
	1Q	2Q	3Q	4Q
Net Income Available to Common Stockholders	\$ 241	\$ 139	\$ 169	\$ 108
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	-
Tax impact	-	-	-	2
Enterprises	*	(3)	*	8
Tax impact	(*)	1	(*)	(5)
EnerBank	-	-	-	-
Tax impact	-	-	-	*
Corporate interest and other	*	*	*	*
Tax impact	(*)	(*)	(*)	(1)
Adjusted Net Income – Non-GAAP	\$ 241	\$ 137	\$ 169	\$ 112
Average Common Shares Outstanding – Diluted	282.2	282.6	283.2	283.3
Diluted Earnings Per Average Common Share	\$ 0.86	\$ 0.49	\$ 0.59	\$ 0.38
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	-
Tax impact	-	-	-	*
Enterprises	*	(0.01)	*	0.03
Tax impact	(*)	*	(*)	(0.01)
EnerBank	-	-	-	-
Tax impact	-	-	-	*
Corporate interest and other	*	*	*	*
Tax impact	(*)	(*)	(*)	(*)
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	\$ 0.86	\$ 0.48	\$ 0.59	\$ 0.40

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

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

FUNDS FROM OPERATIONS	<i>In Millions</i>	
	Year Ended	
	12/31/19	
Net Cash Provided by Operating Activities	\$	1,790
<i>Reconciling items:</i>		
Working capital		63
Other		(132)
Funds From Operations (FFO) – Non-GAAP	\$	1,721

AVERAGE DEBT	<i>In Millions</i>	
	As of	
	12/31/19	12/31/18
Indebtedness		
Long-term debt ⁽¹⁾	\$ 13,062	\$ 11,589
Capital leases and financing obligation ⁽¹⁾	95	91
Notes payable	90	97
Total Indebtedness	13,247	11,777
<i>Reconciling items:</i>		
Securitization debt ⁽¹⁾	(251)	(277)
EnerBank debt ⁽¹⁾	(2,389)	(1,758)
50% of Junior subordinated notes	(555)	(240)
Adjusted Debt – Non-GAAP	\$ 10,052	\$ 9,502
Average Debt – Non-GAAP	\$ 9,777	

⁽¹⁾ Includes current and non-current portions.

FFO TO AVERAGE DEBT RATIO	<i>In Millions, Except Ratio</i>	
	Year Ended	
	12/31/19	
Funds from operations (FFO) – non-GAAP	\$	1,721
Average debt – non-GAAP	\$	9,777
FFO to Average Debt Ratio – Non-GAAP		17.6%

CONSUMERS ENERGY COMPANY
Consolidated Statements of Income
(Unaudited)

	<i>In Millions</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/19	12/31/18	Change	12/31/19	12/31/18	Change
Operating Revenue						
Electric utility	\$ 1,059	\$ 1,081	\$ (22)	\$ 4,439	\$ 4,561	\$ (122)
Gas utility	611	631	(20)	1,937	1,903	34
Total operating revenue	<u>1,670</u>	<u>1,712</u>	<u>(42)</u>	<u>6,376</u>	<u>6,464</u>	<u>(88)</u>
Operating Expenses						
Fuel for electric generation	80	97	(17)	375	407	(32)
Purchased and interchange power	338	381	(43)	1,470	1,587	(117)
Purchased power – related parties	22	22	-	75	83	(8)
Cost of gas sold	217	289	(72)	754	819	(65)
Maintenance and other operating expenses	364	373	(9)	1,275	1,287	(12)
Depreciation and amortization	259	240	19	975	921	54
General taxes	82	79	3	322	295	27
Total operating expenses	<u>1,362</u>	<u>1,481</u>	<u>(119)</u>	<u>5,246</u>	<u>5,399</u>	<u>(153)</u>
Operating Income						
Electric utility	159	139	20	806	816	(10)
Gas utility	150	92	58	325	249	76
Other	(1)	-	(1)	(1)	-	(1)
Total operating income	<u>308</u>	<u>231</u>	<u>77</u>	<u>1,130</u>	<u>1,065</u>	<u>65</u>
Other Income (Expense)						
Interest income	1	2	(1)	5	8	(3)
Interest and dividend income – related parties	2	1	1	5	2	3
Allowance for equity funds used during construction	3	2	1	10	6	4
Nonoperating retirement benefits, net	21	20	1	85	83	2
Other income	1	1	-	3	2	1
Other expense	(5)	(21)	16	(13)	(30)	17
Total other income	<u>23</u>	<u>5</u>	<u>18</u>	<u>95</u>	<u>71</u>	<u>24</u>
Interest Charges						
Interest on long-term debt	71	73	(2)	277	276	1
Interest expense – related parties	3	-	3	9	-	9
Other interest expense	4	2	2	15	16	(1)
Allowance for borrowed funds used during construction	(1)	(1)	-	(4)	(3)	(1)
Total interest charges	<u>77</u>	<u>74</u>	<u>3</u>	<u>297</u>	<u>289</u>	<u>8</u>
Income Before Income Taxes	254	162	92	928	847	81
Income Tax Expense	<u>48</u>	<u>31</u>	<u>17</u>	<u>185</u>	<u>142</u>	<u>43</u>
Net Income	206	131	75	743	705	38
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	67	24	509	535	(26)
Gas utility	114	64	50	233	169	64
Other	-	(1)	1	(1)	(1)	-
Total net income available to common stockholder	<u>\$ 205</u>	<u>\$ 130</u>	<u>\$ 75</u>	<u>\$ 741</u>	<u>\$ 703</u>	<u>\$ 38</u>

CONSUMERS ENERGY COMPANY
Electric Utility Statistics
(Unaudited)

	<i>In Millions of kWh, Except as Noted</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/19	12/31/18	% Change	12/31/19	12/31/18	% Change
Electric Deliveries						
Residential	2,984	2,982	0.1	12,485	13,051	(4.3)
Commercial	2,780	2,863	(2.9)	11,638	12,034	(3.3)
Industrial	2,068	2,218	(6.8)	8,424	8,833	(4.6)
Other	45	50	(10.0)	161	171	(5.8)
Wholesale	86	92	(6.5)	342	364	(6.0)
Retail open access	911	921	(1.1)	3,765	3,778	(0.3)
Total customer deliveries	8,874	9,126	(2.8)	36,815	38,231	(3.7)
Intersystem	980	706	38.8	4,106	3,265	25.8
Total electric deliveries	<u>9,854</u>	<u>9,832</u>	0.2	<u>40,921</u>	<u>41,496</u>	(1.4)
Weather-Normalized Electric Deliveries ^{(1) (2)}						
Residential	2,979	2,899	2.8	12,452	12,450	-
Commercial	2,789	2,842	(1.9)	11,672	11,798	(1.1)
Industrial	2,069	2,217	(6.7)	8,431	8,805	(4.2)
Other	45	50	(10.0)	161	171	(5.8)
Wholesale	86	92	(6.5)	342	364	(6.0)
Retail open access	912	919	(0.8)	3,766	3,752	0.4
Total weather-normalized electric deliveries	<u>8,880</u>	<u>9,019</u>	(1.5)	<u>36,824</u>	<u>37,340</u>	(1.4)
Weather-Normalized Electric Deliveries ^{(1) (2)}						
(By Class, Including Retail Open Access)						
Residential	2,979	2,899	2.8	12,452	12,450	-
Commercial	3,026	3,080	(1.8)	12,653	12,786	(1.0)
Industrial	2,744	2,898	(5.3)	11,216	11,569	(3.1)
Other	45	50	(10.0)	161	171	(5.8)
Wholesale	86	92	(6.5)	342	364	(6.0)
Total weather-normalized electric deliveries	<u>8,880</u>	<u>9,019</u>	(1.5)	<u>36,824</u>	<u>37,340</u>	(1.4)

⁽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			Twelve Months Ended		
	12/31/19	12/31/18	% Change	12/31/19	12/31/18	% Change
Electric Utility Revenue						
Residential	\$ 457	\$ 448	2.0	\$ 1,988	\$ 2,049	(3.0)
Commercial	362	364	(0.5)	1,502	1,545	(2.8)
Industrial	158	175	(9.7)	669	674	(0.7)
Other	9	9	-	36	36	-
Total sales revenue	986	996	(1.0)	4,195	4,304	(2.5)
Wholesale	6	6	-	22	23	(4.3)
Retail open access	9	8	12.5	30	30	-
Intersystem	21	31	(32.3)	108	117	(7.7)
Miscellaneous	37	40	(7.5)	84	87	(3.4)
Total electric utility revenue	<u>\$ 1,059</u>	<u>\$ 1,081</u>	(2.0)	<u>\$ 4,439</u>	<u>\$ 4,561</u>	(2.7)

CONSUMERS ENERGY COMPANY

Gas Utility Statistics

(Unaudited)

	<i>In Thousands of mcf, Except as Noted</i>					
	Three Months Ended			Twelve Months Ended		
	12/31/19	12/31/18	% Change	12/31/19	12/31/18	% Change
Gas Deliveries						
Residential	54,421	55,842	(2.5)	166,527	162,995	2.2
Commercial	17,242	17,546	(1.7)	58,305	57,618	1.2
Industrial	2,395	2,778	(13.8)	8,761	9,380	(6.6)
Other	63	38	65.8	191	155	23.2
Transportation	22,137	23,162	(4.4)	79,430	79,834	(0.5)
Total customer deliveries	<u>96,258</u>	<u>99,366</u>	(3.1)	<u>313,214</u>	<u>309,982</u>	1.0
Off-system transportation						
MCV	17,506	15,910	10.0	60,005	57,776	3.9
Other	4,606	4,215	9.3	17,436	17,773	(1.9)
Total gas deliveries	<u><u>118,370</u></u>	<u><u>119,491</u></u>	(0.9)	<u><u>390,655</u></u>	<u><u>385,531</u></u>	1.3
Weather-Normalized Gas Deliveries ⁽¹⁾⁽²⁾						
Residential	52,671	51,770	1.7	161,122	157,608	2.2
Commercial	16,806	16,067	4.6	56,514	55,559	1.7
Industrial	2,336	2,565	(8.9)	8,502	9,065	(6.2)
Other	60	31	93.5	183	146	25.3
Transportation	22,643	23,188	(2.4)	80,646	80,962	(0.4)
Total weather-normalized gas deliveries	<u><u>94,516</u></u>	<u><u>93,621</u></u>	1.0	<u><u>306,967</u></u>	<u><u>303,340</u></u>	1.2
Weather-Normalized Gas Deliveries ⁽¹⁾⁽²⁾						
(By Class, Including Transportation)						
Residential	52,989	52,113	1.7	162,276	158,814	2.2
Commercial	24,264	23,480	3.3	83,585	82,308	1.6
Industrial	17,175	17,978	(4.5)	60,875	62,008	(1.8)
Other	88	50	76.0	231	210	10.0
Total weather-normalized gas deliveries	<u><u>94,516</u></u>	<u><u>93,621</u></u>	1.0	<u><u>306,967</u></u>	<u><u>303,340</u></u>	1.2

⁽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			Twelve Months Ended		
	12/31/19	12/31/18	% Change	12/31/19	12/31/18	% Change
Gas Utility Revenue						
Residential	\$ 418	\$ 435	(3.9)	\$ 1,316	\$ 1,288	2.2
Commercial	113	117	(3.4)	372	368	1.1
Industrial	15	18	(16.7)	51	55	(7.3)
Other	-	-	-	1	1	-
Total sales revenue	<u>546</u>	<u>570</u>	(4.2)	<u>1,740</u>	<u>1,712</u>	1.6
Transportation	27	24	12.5	83	78	6.4
Miscellaneous	38	37	2.7	114	113	0.9
Total gas utility revenue	<u><u>\$ 611</u></u>	<u><u>\$ 631</u></u>	(3.2)	<u><u>\$ 1,937</u></u>	<u><u>\$ 1,903</u></u>	1.8