Investor Meetings
March 2020

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 net income refer to net income available to common stockholders and 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 30, 2020.

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
CMS Energy Overview

Corporate Structure

- CMS Energy (NYSE: CMS)
  - Consumers Energy
  - Enterprises
  - EnerBank
  - Gas
  - Electric

**2019 Avg. Rate Base**
- $6.1 Bn
- $11.5 Bn

91% of Operating Income

Senior Management Team

- **Patti Poppe**
  - CEO
- **Rejji Hayes**
  - CFO
- **Shaun Johnson**
  - General Counsel
- **Cathy Hendrian**
  - People & Culture
- **DV Rao**
  - Strategy & Planning
- **Garrick Rochow**
  - Operations
- **Brian Rich**
  - Customer Experience & Tech
- **JF Brossoit**
  - Engineering
- **Brandon Hofmeister**
  - Gov’t & Regulatory Affairs

Key Information

**2019 Financial Statistics**
- Based in Jackson, MI
- Employees (37% unionized)
- Revenue: $6.8 BN
- Adjusted net income: $708 MM
- Growth for past 17 years: 7% EPS
- Dividend per share growth

In line w/ earnings

---

\[\text{Excludes seasonal workers} \quad \text{Non-GAAP} \quad \text{Non-GAAP CAGR}\]
4th Largest Combination Utility

- Electric Utility
  - 1.8 million electric customers
  - 8,241 MW of capacity

- Gas Utility
  - 1.8 million gas customers
  - 309 bcf gas storage (#1 in the U.S.)

- Serving 6.7 million Michigan residents

Consumers Energy Planet Goals

<table>
<thead>
<tr>
<th>Near-Term</th>
<th>By 2040</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>1 Bn</em> gallons of H$_2$O saved</td>
<td>Net Zero carbon emissions</td>
</tr>
<tr>
<td><em>35%</em> reduction of waste to landfills</td>
<td>Zero Coal used to generate electricity</td>
</tr>
<tr>
<td><em>5,000</em> acres of MI land enhanced, restored or protected</td>
<td>&gt;50% of capacity from renewable sources</td>
</tr>
</tbody>
</table>

... is a world class utility.
CMS’ 2019 Performance Exemplifies . . .

**PEOPLE**
- Ranked #1 for customer satisfaction in Midwest residential gas by JD Power
- Ranked top tercile for customer satisfaction in Midwest residential electric by JD Power
- Attracted 75 MWs of new electric load to Michigan
- Ranked 1st quartile for employee engagement

**PLANET**
- Approval of Integrated Resource Plan
- Announced net zero methane emissions goal by 2030 for our gas delivery system
- Expanded Utility wind portfolio by 30%
- Enhanced, restored or protected ~1,500 acres of land
- Reduced water use by 286 million gallons
- Achieved 473 MWs of Demand Response

**PROFIT**
- 17 years of +7% EPS\(^\text{\textsuperscript{a}\textsuperscript{1}}\) growth
- Raised dividend +7% YoY, 14\(^{th}\) increase in as many years
- Generated ~$1.8 Bn of operating cash flow
- Issued tax-exempt financing to restore coal ash sites
- IRP order approved 5.88% incentive on PPAs

**PERFORMANCE**
- Constructive regulatory outcomes with electric settlement and gas order
- Realized >$20 MM of waste elimination through the CE Way
- Best performance ever for customer on-time delivery (COTD)
- Finished #1 overall (2\(^{nd}\) year consecutively) in the sector for cyber security testing
- Reduced 600k calls to contact centers

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

... world class performance delivering hometown service.
Compelling Investment Thesis...

- Clean Energy Leader
- Aging Infrastructure
- Constructive Regulation
- Strong Cash Flow & Balance Sheet
- Affordable Prices
- Diversified Service Territory

... adaptive to changing conditions.
Large and Aging System...

Electric distribution system is older than peers.

>2,400 miles of gas transmission pipeline; most built in the WWII era.

25 years of main replacement through our Enhanced Infrastructure Replacement Program.

Age of coal fleet is more than 50 years.

... requires significant customer investment.
Electric System Investment . . .

**Electric System Investment** includes $1¾ Bn in renewables in the next five years.

**Capital Investment (Bn):**
- **Electric Utility:** $5½
- **New Utility Renewables:** 1¾
- **Gas Utility:** 5
- **Total:** $12¼

**System Reliability & Maintenance:** ~$2¾ Bn

**Generation**
- **Existing Fleet:** $1 Bn
- **New Renewables:** $1¾ Bn

**New Business & Support**\(^{a}\)
- $1¾ Bn

\(^{a}\) Support includes IT, Fleet & Facilities, Customer Experience, Asset Relocation and Cost of Removal

. . . includes $1¾ Bn in renewables in the next five years.
Gas System Investment...

Capital Investment (Bn):
- Electric Utility: $5 1/2
- New Utility Renewables: 1 1/4
- Gas Utility: 5
- Total: $12 1/4

Current Plan

Compression and Storage: 1/2 Bn

Distribution & Support: 3 1/2 Bn

Support includes IT, Fleet & Facilities, Customer Experience, Asset Relocation and Cost of Removal

Pipelines: $1 Bn

#1 Underground storage

#5 Transmission miles

#5 Distribution miles

U.S. LDC Rank, Source: DOT

... focuses on new pipes and increased reliability of the system.
### Investment Plan

<table>
<thead>
<tr>
<th>Capital Investment (Bn)</th>
<th>Prior ‘19-‘23 Plan</th>
<th>New ‘20-‘24 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewables</td>
<td>$1¾</td>
<td>$1¾</td>
</tr>
<tr>
<td>Electric Utility</td>
<td>5</td>
<td>5¼</td>
</tr>
<tr>
<td>Gas Utility</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>$11¾</td>
<td>$12¼</td>
</tr>
</tbody>
</table>

### Rate Base Growth

- **Prior Plan**
  - Renewables $17½
  - Electric $24½
  - Gas $17½
  - Total $121/4

- **New Plan**
  - Renewables $17½
  - Electric $24½
  - Gas $17½
  - Total $11¾

---

$25 Bn 10-Yr Plan

- Plan includes years 2019 through 2028
- Includes increased renewables and maintains focus on safety & reliability.

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$3 - $4 Bn of Opportunities

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* 10-yr Plan includes years 2019 through 2028
Michigan Offers . . .

Supportive Policy

- Economic growth (tax policies, skilled labor, balanced budgets)
- Bipartisan Energy Law
- Forward-looking test year (10-month rate case)
- Energy efficiency incentive (20% of spend)
- Attractive renewable investment framework
- Constructive ROEs

Premium Regulatory

<table>
<thead>
<tr>
<th>Tier</th>
<th>Michigan 2013 - Present</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>5</td>
<td>7</td>
</tr>
</tbody>
</table>

UBS Research, 2019 state rankings and D.C.

... economic and energy policies that support business growth.
Our Entire Cost Structure . . .

Cost Components

- Fuel and Power Costs (~70%)
- O&M Costs
- Taxes
- Capital Investments
- Cost of Capital

Residential Bills as % of Wallet (Electric & Gas)

- Utility Bill ~ 4%
- TV & Phone ~ 4%
- Healthcare ~ 5%
- Food ~ 12%
- Transportation ~ 15%
- Other ~ 30%
- Housing ~ 30%
- Housing ~ 26%


\[ \text{~70%} \]

\[ \text{~26%} \]

\[ \text{~30%} \]

\[ \text{~30%} \]

\[ \text{~15%} \]

\[ \text{~15%} \]

\[ \text{~5%} \]

\[ \text{~4%} \]

\[ \text{~4%} \]

\[ \text{~13%} \]

\[ \text{~12%} \]

\[ \text{~3½%} \]

\[ \text{~4%} \]

\[ \text{Down 50 bps!} \]

\[ \text{~70%} \]

\[ \text{Consumers Energy Bill as % of Michigan Household Income, in current dollars.} \]

\[ \text{Source: Fred.stlouisfed.org, Bls.gov, Consumers Internal Bills; Percentages may not total 100% due to rounding.} \]

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

**2019 Economic Impact**
Deal of the Year Award (Glanbia Campus)
– Mid-America Economic Development Council

**2019 Top 20**
Utilities in Economic Development
– Site Selection Magazine

**2019 & 2018**
Editor’s Choice Top Utility Honorable Mention
(Economic Development Deal of the Year)
– Business Facilities

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**Strong Economic Development**

... drives industrial activity and long-term high-margin load growth.

### Economic Indicators:

<table>
<thead>
<tr>
<th>Economic Indicator</th>
<th>Grand Rapids</th>
<th>MI</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Permits</td>
<td>229%</td>
<td>139%</td>
<td>128%</td>
</tr>
<tr>
<td>Population Growth</td>
<td>8%</td>
<td>1%</td>
<td>6%</td>
</tr>
<tr>
<td>Unemployment*</td>
<td>3.0%</td>
<td>4.0%</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

*Nov. 2019 Unemployment

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Electric Customer Growth</th>
<th>Gas Customer Count</th>
<th>Avg. Annual Sales Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0.2%</td>
<td>0.6%</td>
<td>~1%</td>
</tr>
<tr>
<td>2016</td>
<td>0.4%</td>
<td>0.8%</td>
<td>~1%</td>
</tr>
<tr>
<td>2017</td>
<td>0.7%</td>
<td>0.8%</td>
<td>~1½%</td>
</tr>
<tr>
<td>2018</td>
<td>0.6%</td>
<td>0.7%</td>
<td>~1%</td>
</tr>
<tr>
<td>2019</td>
<td>0.5%</td>
<td>0.5%</td>
<td>~1%</td>
</tr>
</tbody>
</table>

**Editor’s Choice Top Utility Honorable Mention**
(Economic Development Deal of the Year)

– Business Facilities

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**As announced in 2019**

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**2015-2019 annual average weather normalized sales growth, excluding Energy Efficiency**
Credit Metrics Maintained...

<table>
<thead>
<tr>
<th></th>
<th>S&amp;P</th>
<th>Moody’s</th>
<th>Fitch</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumers Energy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Secured</td>
<td>A</td>
<td>Aa3</td>
<td>A+</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>A-2</td>
<td>P-1</td>
<td>F-2</td>
</tr>
<tr>
<td>Outlook</td>
<td>Stable</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td><strong>CMS Energy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Unsecured</td>
<td>BBB</td>
<td>Baa1</td>
<td>BBB</td>
</tr>
<tr>
<td>Junior Subordinated</td>
<td>BBB-</td>
<td>Baa2</td>
<td>BB+</td>
</tr>
<tr>
<td>Outlook</td>
<td>Stable</td>
<td>Stable</td>
<td>Stable</td>
</tr>
</tbody>
</table>

Ratings Drivers

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

Highest Governance Practices Score (GA-1)


... at solid investment-grade levels.
Consistent Growth Through... 

Weather

Help
Hurt

Dividend

EPS

Recession

Cold winter
Mild summer
Hot summer
Warm winter
Mild summer
Cold winter
Summer-“less”
Hot summer
Hot winter
Warm winter
Mild summer
Polar vortex
Cold Feb.
Warm Dec.
Warm winter
Warm winter
Hot summer
Storms

Governor (D)
Commission (D)
Commission (D)

Governor (R)
Commission (R)
Commission (I)

Adjusted EPS (non-GAAP)
Non-GAAP

7% CAGR

+6% to +8%

+7%


... changing circumstances.
Managing Work Every Year . . .

- Maximizes benefits for customers and investors.

![Graph showing EPS from 2012 to 2019 with notes on Weather & Storms, Cost productivity above plan, Reinvestment, and Cold January offsets.](image-url)

Adjusted EPS (non-GAAP)
CMS’ Trading Performance . . .

Stock Performance

Total Shareowner Return

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

---

a) 10-year stock performance as of December 31, 2019
b) Dividends reinvested as of December 31, 2019
Top of Mind
Top of Mind

- Regulatory Matters
- 2020 Priorities and EPS Guidance
- 5-yr Capital Plan Update
- Financing Plan
- Clean Energy Plan & ESG Matters
2016 Energy Law fully implemented

Regulatory / Policy

2019

Electric

2/27: Filed $244 MM U-20697 10.5% ROE

Gas

9/26: Final order U-20322
12/16: Filed $245 MM U-20650 10.5% ROE

Dec. Expected final order

Oct. Expected final order

Expected final order

... limited to general rate cases.

including $36 MM of Calc. C DFIT Amortization Final order $157 MM, 9.9% ROE excluding $13 MM ofCalc. C included in rates, offset by lower tax expense
Solid Rate Case History . . .

Electric Rate Base

(Bn)

<table>
<thead>
<tr>
<th>Residential Electric Bill b)</th>
<th>2013A</th>
<th>2020E</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Weather-normalized)</td>
<td>$108</td>
<td>$103</td>
</tr>
<tr>
<td>~(5)%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Gas Rate Base

(Bn)

<table>
<thead>
<tr>
<th>Residential Gas Bill b)</th>
<th>2013A</th>
<th>2020E</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Weather-normalized)</td>
<td>$88</td>
<td>$61</td>
</tr>
<tr>
<td>~(30)%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Stay out

Stay out

Settled 1/9/19

Settled 2/27/20

Settled 9/26/19

Order 12/16/19

Includes Renewables, 2021 assumes $1 Bn in RPS

Source: bls.gov for historical data, Bloomberg for 2020 estimate; current dollars

Data as of test-year end

. . . demonstrates our ability to prioritize customers and investors.
Michigan Energy Policy is Supportive...

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

Michigan Public Service Commission

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

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

Tremaine Phillips (D)
Term Ends: July 2, 2025

... and built into legislation.
Michigan Legislative Environment...

Governor

Gretchen Whitmer
Democrat

Key Issues:
- Infrastructure
- Health Care
- Education

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.
### People
- Top decile safety performance
  - Implement gas safety management system (API 1173)
  - Eliminate 9,250 gas vintage services
- Top quartile Customer Experience Index (CXi ≥ 72)
- Maintain top quartile employee engagement

### Planet
- Continue progress in reduction of CO₂ and methane emissions
- Enhance, restore or protect 1,000 acres of land
- Reduce water use by 200 million gallons

### Profit
- Consistent industry-leading financial performance
- Solid investment grade credit ratings
- Meet customer affordability targets
- Meet O&M cost performance targets

---

**ENABLING THOSE CLOSEST TO THE WORK**

**Performance through CE WAY**

**Utilizing the Basic Plays**

- Visual Management
- Operating Reviews
- Problem Solving
- Standard Work
- Waste Elimination

... will enable an 18th year of strong performance.
2020 Guidance

<table>
<thead>
<tr>
<th>Segment</th>
<th>Adjusted EPS (non-GAAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility</td>
<td>$2.84 – $2.88</td>
</tr>
<tr>
<td>Enterprises</td>
<td>0.08 – 0.10</td>
</tr>
<tr>
<td>EnerBank</td>
<td>0.18 – 0.20</td>
</tr>
<tr>
<td>Parent and other</td>
<td>(0.46) – (0.50)</td>
</tr>
<tr>
<td><strong>Consolidated EPS</strong></td>
<td><strong>$2.64 – $2.68</strong></td>
</tr>
</tbody>
</table>

+6% to +8%

*Adjusted EPS (non-GAAP)*
2020 EPS\textsuperscript{a} \... Supports another year of 6% to 8% growth.

\begin{itemize}
\item \textbf{Adjusted EPS (non-GAAP)}: $2.49$
\item \textbf{2019}: $2.49$
\item \textbf{6¢}:
\item \textbf{17¢}:
\item \textbf{(2) - 2¢}:
\item \textbf{2020}: $2.64 - 2.68$
\item \textbf{+6% to +8%}
\end{itemize}

\textbf{Approved:}
- Gas (U-20322)\textsuperscript{b} $157$ MM
- REP (U-18231) $25$ MM

\textbf{Pending:}
- Gas (U-20650) $245$ MM

\textsuperscript{a} Adjusted EPS (non-GAAP) \textsuperscript{b} $13$ MM of Calc. C included in rates, offset by lower tax expense
**Utility Customer Investment Plan**

The document outlines a 10-year plan that includes increased renewables and maintains focus on safety & reliability. The plan involves two phases:

### Prior '19-'23 Plan vs. New '20-'24 Plan

<table>
<thead>
<tr>
<th>Capital Investment (Bn)</th>
<th>Prior '19-'23 Plan</th>
<th>New '20-'24 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewables</td>
<td>$1 3/4</td>
<td>$1 3/4</td>
</tr>
<tr>
<td>Electric Utility</td>
<td>5</td>
<td>5 1/2</td>
</tr>
<tr>
<td>Gas Utility</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>$11 3/4</td>
<td>$12 1/4</td>
</tr>
</tbody>
</table>

### Rate Base Growth

- **2019**: $17 1/2
- **2024**: $24 1/2

The plan includes a 10-year plan (2019-2028) with $3 - $4 Bn of opportunities.

---

\[\text{Footnote: 10-yr Plan includes years 2019 through 2028}\]

---

... includes increased renewables and maintains focus on safety & reliability.
## 2020 Financing Plan...

### Issuances:

<table>
<thead>
<tr>
<th>Plan (MM)</th>
<th>YTD (MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumers Energy:</strong></td>
<td></td>
</tr>
<tr>
<td>First Mortgage Bonds</td>
<td>$650</td>
</tr>
<tr>
<td>Term Loan</td>
<td>300</td>
</tr>
</tbody>
</table>

- **Supports Utility investment, including pension funding**

<table>
<thead>
<tr>
<th>Potential refinancing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CMS Parent:</strong></td>
</tr>
<tr>
<td>New Debt</td>
</tr>
<tr>
<td>Term Loan</td>
</tr>
<tr>
<td>Planned Equity</td>
</tr>
</tbody>
</table>

- **Senior unsecured & hybrids**
- **Short-term bridge financing**
- **Healthy balance sheet**

### Retirements:

<table>
<thead>
<tr>
<th>Plan (MM)</th>
<th>YTD (MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consumers Energy</strong></td>
<td>$100</td>
</tr>
</tbody>
</table>

- **Refinance FMBs**

### Other:

<table>
<thead>
<tr>
<th>Plan (MM)</th>
<th>YTD (MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pension Contribution</strong></td>
<td>$531</td>
</tr>
</tbody>
</table>

- **Mitigates risk at low cost**

---

*As of 2/29/2020*

...provides financing flexibility.
Clean and Lean...

Old Utility Model

- Big Build
- Excess supply
- Retirement
- Actual Demand
- Expected Demand
- Supply

Results in excess capacity, higher cost

Clean And Lean

- Modular
- Supply
- Demand
- Fully utilize assets
- EE & DR

Matches supply with demand

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

O&M
Fuel
Big Bets

Lower Risk

O&M
Fuel
Clean Energy Future . . .

- Elimination of Coal
- More Renewable Energy
- Innovative Energy Solutions

Consumers Energy Capacity Mix

Today
- 11% Renewables
- 8% Coal
- 12% Natural Gas
- 28% Storage
- 20% Peaking Plants
- 10% EWR

2030
- 20% Renewables
- 6% Coal
- 14% Natural Gas
- 10% Storage
- 42% Peaking Plants

2040
- 22% Renewables
- 12% Coal
- 10% Natural Gas
- 10% Storage
- 56% Peaking Plants

Earn incentive mechanisms
Rate based or earn FCM

. . . embodies the Triple Bottom Line.
Renewable Portfolio Standard (15% RPS)

- 525 MW of Wind
- $1 Bn of Capital Investment
- Approved in the REP Filing
- Projects (COD):
  - Cross WInds 120 MW (2019)
  - Gratiot 150 MW (2020)
  - Hillsdale 166 MW (late 2020)
- Supports State’s 15% RPS by YE 2021

Integrated Resource Plan (20-Year IRP)

- 1,100 MW of Solar
  - 550 MW Rate Base, ~$600 MM
  - 550 MW PPA, Earn WACC (5.88% x PPA Price)
- $600 MM of Capital Investment Offset by Karn 1&2 Securitization ~$660 MM
- RFP Tranches:
  - 2019: 300 MW for 2022
  - 2020: 300 MW for 2023
  - 2021: 500 MW for 2024

... approved and helping us to achieve net zero carbon by 2040.

[^1] Capital spend reflects estimates over the life of the program
Net Zero Goals...

Carbon Emissions

- Electric System

- 2018: Classic 7 Retirement (2016)
- 2024: Karn 1 & 2 Retirement (2023)
- 2032: Campbell 1 & 2 Retirement (2031)
- 2040: Campbell 3 Retirement (2039)

With Potential Offsets:
- Carbon sequestration
- Large-scale tree planting
- Landfill methane capture

- (38)%
- ~(45)%
- ~(70)%
- > (90)%

Methane Emissions

- Gas Delivery System

- 2018
- 2025
- 2030

- VSR \& EIRP Damage prevention
- Asset retirements & enhanced wells
- Accelerated compressor engine rod packing

With Potential Offset:
- Renewable natural gas (~0.3 bcf)

- (17)%
- ~ (40)%

2040 Net Zero
2030 Net Zero

Since 2005, CE owned generation
Since 2012
Since 2011
Vintage Service Replacement

... supported by our Clean Energy Plan.
Breathing Easier . . .

Air Emissions Reduction (2005-2018)

<table>
<thead>
<tr>
<th>Emission</th>
<th>Reduction</th>
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<tbody>
<tr>
<td>Sulfur Dioxide</td>
<td>94%</td>
</tr>
<tr>
<td>Nitrogen Oxide</td>
<td>87%</td>
</tr>
<tr>
<td>Mercury*</td>
<td>94%</td>
</tr>
<tr>
<td>Particulate Matter</td>
<td>96%</td>
</tr>
<tr>
<td>Carbon Dioxide</td>
<td>38%</td>
</tr>
</tbody>
</table>

*Tracking began 2007

Net Zero Carbon Emissions by 2040

- Added emission control equipment!
- Shut down Classic 7 & added Jackson Gas Plant!

. . . doing our part to clean Michigan’s air.
Diversity and Inclusion . . .

- Working hard to create inclusive workplaces, reach diverse customers and have strong supplier diversity.

  ✓ Ranked #5 on the DiversityInc 2018 list of top utilities.

- Leading by example – Board comprised of 45% female leaders.

  ✓ Recognized nationally by Professional Woman’s Magazine as a top utility for professional women.

- Committing to provide careers to military veterans throughout Michigan.

  ✓ Recognized as Michigan’s Veterans Affairs Agency Gold-Level Employer.

- Providing a safe and inclusive work environment for all co-workers.

  ✓ Best place to work for LGBTQ Equality – Human Rights Campaign Foundation.

. . . to ensure we’ve provided a safe place to work for all of our co-workers.
Exceptional Governance . . .

Board of Directors with Diverse Backgrounds

By the Numbers

12 Members

6 Year average tenure

92% Independent

. . . led by an independent Chair and diverse Board.
ESG Disclosures . . .

- **CMS Energy** & **Consumers Energy Websites**
- **SEC Filings** *(10-K & Proxy)*
- **2019 Sustainability Report**
- **2019 Carbon Disclosure Project**
  - Report Scope 1, 2 & 3 Emissions
  - Water
- **2019 EEI ESG & Sustainability Report**
- **Latest Climate Assessment Report**
  - Considers TCFD Guidelines

You can find other related links regarding corporate governance by [clicking this link](#).

... are transparent and easily obtainable.
Appendix
2019 CMS Energy by Fuel Type

- **Gas**: 44%
- **Coal**: 24%
- **Nuclear**: 17%
- **Renewables**: 11%
- **Pumped Storage**: 2%
- **Net Interchange Power & Other**: 2%

*Source: 2019 10-K, including PPA’s*
Energy Efficiency . . .

**Electric**
- From 1.5% to 2.0% annually (by 2021)
- Next five years:
  - Spend ~$160 MM/yr
  - Pre-tax incentive ~$33 MM/yr

$1 of spend is equal to ~$3 customer savings

**Gas**
- 1% annually
- Next five years:
  - Spend ~$61 MM/yr
  - Pre-tax incentive ~$14 MM/yr

. . . adds customer value and keeps bills affordable.

\[\text{\textsuperscript{a}}\text{ Expected to achieve by 2023}\]
### Utility Customer Investment Plan...

#### Investment Plan

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>New Utility Renewables</td>
<td>$ 1 3/4</td>
<td>$ 1 3/4</td>
<td>$ 4</td>
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<tr>
<td>Electric Utility</td>
<td>5</td>
<td>5 1/2</td>
<td>11</td>
</tr>
<tr>
<td>Gas Utility</td>
<td>5</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>$ 11 3/4</td>
<td>$ 12 1/4</td>
<td>$ 25</td>
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</table>

#### Upside Opportunities

<table>
<thead>
<tr>
<th>10-Yr Plan (Bn)</th>
<th>Electric Reliability</th>
<th>Grid Modernization</th>
<th>Gas Distribution</th>
<th>Gas Pipeline</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$1 - 1 1/2</td>
<td>~ 1/2</td>
<td>1 - 1 1/2</td>
<td>~ 1/2</td>
</tr>
<tr>
<td>Total</td>
<td>$3 - $4</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

$25 Bn 10-Yr Plan with $3 - $4 Bn of Opportunities

\[ a] 10-yr Plan includes years 2019 through 2028

... includes increased renewables and maintains focus on safety & reliability.
Total Shareholder Return

- Dividend Yield
- EPS Growth

>10%

7.0%

3.3%

2½% - 3½%

6% - 8%

~8½% - 11½%

Last 10 yrs

Future

EPS Performance

<table>
<thead>
<tr>
<th>Guidance b)</th>
<th>Actual b)</th>
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<tr>
<td>2019</td>
<td>$2.46 - $2.50</td>
</tr>
<tr>
<td>2018</td>
<td>$2.29 - $2.33</td>
</tr>
<tr>
<td>2017</td>
<td>$2.13 - $2.17</td>
</tr>
<tr>
<td>2016</td>
<td>$1.97 - $2.01</td>
</tr>
<tr>
<td>2015</td>
<td>$1.85 - $1.89</td>
</tr>
<tr>
<td>2014</td>
<td>$1.73 - $1.78</td>
</tr>
<tr>
<td>2013</td>
<td>$1.63 - $1.66</td>
</tr>
<tr>
<td>2012</td>
<td>$1.52 - $1.55</td>
</tr>
<tr>
<td>2011</td>
<td>$1.44</td>
</tr>
<tr>
<td>2010</td>
<td>$1.35</td>
</tr>
</tbody>
</table>

a) Adjusted (non-GAAP)  b) Original guidance, adjusted (non-GAAP)

... delivers year after year.
Declining Exposure to Coal . . .

Coal % of Rate Base $^a$

- 2016 Classic 7 retirement
- 2023 Karn 1&2
- Campbell 1&2: <10%
- Campbell 3: <10%
- 2031: (4)%
- 2039: (5½)%
- 2040: 0%

Renewables % of Rate Base

- 2016: 3%
- 2031: <10%
- 2039: (5½)%
- 2040: 5%

$^a$Coal rate base based on calendar year; total rate base based on a 13-month average

. . . with plans to eliminate completely.
# CMS ENERGY CORPORATION

## Earnings Per Share By Year GAAP Reconciliation

(UNAUDITED)

### Reported earnings (loss) per share - GAAP

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>GAAP</td>
<td>($0.30)</td>
<td>$0.64</td>
<td>($0.44)</td>
<td>($0.41)</td>
<td>($1.02)</td>
<td>$1.20</td>
<td>$0.91</td>
<td>$1.28</td>
<td>$1.42</td>
<td>$1.66</td>
<td>$1.74</td>
<td>$1.89</td>
<td>$1.98</td>
<td>$1.64</td>
<td>$2.32</td>
<td>$2.39</td>
</tr>
</tbody>
</table>

### Pretax items:

#### Electric and gas utility

- **Tax impact:**
  - 2003: 0.11
  - 2004: 0.21
  - 2005: 0.97
  - 2006: 0.06
  - 2007: 1.67
  - 2008: (0.60)
  - 2009: (0.06)
  - 2010: 0.05
  - 2011: 0.05
  - 2012: 0.02
  - 2013: (0.01)
  - 2014: 0.12
  - 2015: 0.01
  - 2016: (*)
  - 2017: (*)
  - 2018: (*)
  - 2019: (*)

#### Enterprises

- **Tax impact:**
  - 2003: (0.11)
  - 2004: 0.21
  - 2005: (0.01)
  - 2006: (0.01)
  - 2007: 0.05
  - 2008: 0.05
  - 2009: (*)
  - 2010: (*)
  - 2011: (*)
  - 2012: (*)
  - 2013: (*)
  - 2014: (*)
  - 2015: (*)
  - 2016: (*)
  - 2017: (*)
  - 2018: (*)
  - 2019: (*)

### Tax impact

- 2003: (0.98)
- 2004: 0.31
- 2005: (0.33)
- 2006: 0.80
- 2007: 0.04
- 2008: (0.65)
- 2009: 0.80
- 2010: (0.01)
- 2011: 0.22
- 2012: (0.29)

### Adjusted earnings per share, including MTM - non-GAAP

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</thead>
<tbody>
<tr>
<td>GAAP</td>
<td>$0.81</td>
<td>$0.87</td>
<td>$1.39</td>
<td>$0.57</td>
<td>$0.84</td>
<td>$1.21 (a)</td>
<td>$1.26</td>
<td>$1.36</td>
<td>$1.45</td>
<td>$1.55</td>
<td>$1.66</td>
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<td>$1.89</td>
<td>$2.02</td>
<td>$2.17</td>
<td>$2.33</td>
</tr>
<tr>
<td>Mark-to-market</td>
<td>0.04</td>
<td>0.01</td>
<td>0.16</td>
<td>0.18</td>
<td>0.40</td>
<td>0.65</td>
<td>0.80</td>
<td>1.07</td>
<td>0.93</td>
<td>0.80</td>
<td>0.76</td>
<td>0.72</td>
<td>0.68</td>
<td>0.64</td>
<td>0.60</td>
<td>0.56</td>
</tr>
<tr>
<td>Tax impact</td>
<td>(0.09)</td>
<td>0.31</td>
<td>0.33</td>
<td>0.40</td>
<td>0.07</td>
<td>0.03</td>
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</table>

### Adjusted earnings per share, excluding MTM - non-GAAP

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<tbody>
<tr>
<td>GAAP</td>
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<td>NA</td>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Mark-to-market</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
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<td>NA</td>
<td>NA</td>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Tax impact</td>
<td>(0.01)</td>
<td>0.16</td>
<td>0.18</td>
<td>0.40</td>
<td>0.07</td>
<td>0.03</td>
<td>0.03</td>
<td>0.03</td>
<td>0.03</td>
<td>0.03</td>
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<td>0.03</td>
<td>0.03</td>
<td>0.03</td>
<td>0.03</td>
</tr>
</tbody>
</table>

### Notes:

- * 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.
# CMS ENERGY CORPORATION
## Reconciliations of GAAP Net Income to Non-GAAP Adjusted Net Income
(UNAUDITED)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Twelve Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12/31/19</td>
<td>12/31/18</td>
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<tr>
<td><strong>Net Income Available to Common Stockholders</strong></td>
<td></td>
<td></td>
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<tr>
<td>Reconciling items:</td>
<td></td>
<td></td>
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<tr>
<td>Other exclusions from adjusted earnings</td>
<td>36</td>
<td>8</td>
</tr>
<tr>
<td>Tax impact</td>
<td>(9) (*)</td>
<td>(9) (*)</td>
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<tr>
<td>Gain on assets previously sold</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Tax impact</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Tax reform</td>
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<td>(4)</td>
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<tr>
<td><strong>Adjusted net income – non-GAAP</strong></td>
<td>$194</td>
<td>$112</td>
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<tr>
<td><strong>Average Common Shares Outstanding</strong></td>
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<tr>
<td>Basic</td>
<td>283.0</td>
<td>282.6</td>
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<tr>
<td>Diluted</td>
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<tr>
<td><strong>Basic Earnings Per Average Common Share</strong></td>
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<td>Reported net income per share</td>
<td>$0.59</td>
<td>$0.38</td>
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<tr>
<td>Reconciling items:</td>
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<td>Other exclusions from adjusted earnings</td>
<td>0.13</td>
<td>0.03</td>
</tr>
<tr>
<td>Tax impact</td>
<td>(0.03) (*)</td>
<td>(0.03) *</td>
</tr>
<tr>
<td>Gain on assets previously sold</td>
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<td>-</td>
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<tr>
<td>Tax impact</td>
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<td>-</td>
</tr>
<tr>
<td>Tax reform</td>
<td>-</td>
<td>(0.02)</td>
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<tr>
<td><strong>Adjusted net income per share – non-GAAP</strong></td>
<td>$0.69</td>
<td>$0.39</td>
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<tr>
<td><strong>Diluted Earnings Per Average Common Share</strong></td>
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<tr>
<td>Reported net income per share</td>
<td>$0.58</td>
<td>$0.38</td>
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<tr>
<td>Reconciling items:</td>
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<tr>
<td>Other exclusions from adjusted earnings</td>
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<td>0.03</td>
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<tr>
<td>Tax impact</td>
<td>(0.03) (*)</td>
<td>(0.03) *</td>
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<tr>
<td>Tax reform</td>
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<td>(0.01)</td>
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<tr>
<td><strong>Adjusted net income per share – non-GAAP</strong></td>
<td>$0.68</td>
<td>$0.40</td>
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</tbody>
</table>

* 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.