

To: Investment Community

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

Date: October 28, 2021

Subject: CMS Energy 2021 Third Quarter Results and Outlook

CMS Energy will hold a webcast to discuss its 2021 Third Quarter Results and Outlook on Thursday, October 28 at 9:30 a.m. (ET).

To participate in the webcast, go to CMS Energy's home page (www.cmsenergy.com), select "Investor Relations", "Events and Presentations", and "CMS Energy Third Quarter 2021 Earnings Call" or [click here](#).

CMS Energy Announces Third Quarter Results with Confidence Toward the High End of 2021 Guidance

JACKSON, Mich., Oct. 28, 2021 – CMS Energy announced today reported earnings per share from continuing operations of \$0.54 for the third quarter of 2021, compared to \$0.72 per share for the same quarter in 2020, which exclude the discontinued operations of EnerBank USA. The company's adjusted earnings per share from continuing operations were \$0.54 for the third quarter of 2021, compared to \$0.73 per share for the same quarter in 2020, which exclude the discontinued operations of EnerBank.

"CMS Energy's strong execution in 2021, including closing the sale of EnerBank on October 1 for over \$1 billion, has positioned the company well for long-term success to the benefit of customers, investors and the communities we serve. We are actively redeploying the proceeds from the transaction into our core utility business to fund key initiatives like grid hardening and our clean energy transformation," said Garrick Rochow, President and CEO of CMS Energy and Consumers Energy.

CMS Energy raised its full-year 2021 adjusted earnings from continuing operations guidance to \$2.63 to \$2.65 per share, from \$2.61 to \$2.65 per share* (*See below for important information about non-GAAP measures). CMS Energy also reaffirmed 2022 adjusted earnings guidance of \$2.85 - \$2.87 per share and long-term adjusted EPS growth of 6 to 8 percent, with continued confidence toward the high end of the EPS growth range.

CMS Energy (NYSE: CMS) is a Michigan-based energy company featuring Consumers Energy as its primary business. It also owns and operates independent power generation businesses.

CMS Energy will hold a webcast to discuss its 2021 third quarter results and provide a business and financial outlook on October 28 at 9:30 a.m. (EDT). To participate in the webcast, go to CMS Energy's homepage ([cmsenergy.com](https://www.cmsenergy.com)) and select "Events and Presentations."

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

*This news release contains non-Generally Accepted Accounting Principles (non-GAAP) measures, such as adjusted earnings and adjusted earnings per share from continuing operations. All references to net income refer to net income available to common stockholders. All references to reported earnings per share from continuing operations refer to Income from continuing operations per average common share available to common stockholders on a diluted basis. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, changes in accounting principles, changes in federal tax policy, regulatory items from prior years, unrealized gains or losses from mark-to-market adjustments recognized in net income related to CMS Enterprises' interest expense, 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 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.

This news release contains "forward-looking statements." The forward-looking statements are subject to risks and uncertainties that could cause CMS Energy's and Consumers Energy's results to differ materially. All forward-looking statements should be considered in the context of the risk and other factors detailed from time to time in CMS Energy's and Consumers Energy's Securities and Exchange Commission filings.

Investors and others should note that CMS Energy routinely posts important information on its website and considers the Investor Relations section, www.cmsenergy.com/investor-relations, a channel of distribution.

For more information on CMS Energy, please visit our website at [cmsenergy.com](https://www.cmsenergy.com). To sign up for email [alert notifications](#), please visit the Investor Relations section of our website.

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CMS ENERGY CORPORATION

Consolidated Statements of Income

(Unaudited)

	<i>In Millions, Except Per Share Amounts</i>					
	Three Months Ended			Nine Months Ended		
	9/30/21	9/30/20	Change	9/30/21	9/30/20	Change
Operating Revenue						
Electric utility	\$ 1,419	\$ 1,257	\$ 162	\$ 3,713	\$ 3,307	\$ 406
Gas utility	225	193	32	1,361	1,217	144
Enterprises	81	57	24	222	167	55
Total operating revenue	<u>1,725</u>	<u>1,507</u>	<u>218</u>	<u>5,296</u>	<u>4,691</u>	<u>605</u>
Operating Expenses						
Fuel for electric generation	184	108	76	438	274	164
Purchased and interchange power	462	430	32	1,230	1,149	81
Purchased power – related parties	21	13	8	56	45	11
Cost of gas sold	57	35	22	432	390	42
Maintenance and other operating expenses	410	281	129	1,076	885	191
Depreciation and amortization	250	226	24	832	763	69
General taxes	81	74	7	290	262	28
Total operating expenses	<u>1,465</u>	<u>1,167</u>	<u>298</u>	<u>4,354</u>	<u>3,768</u>	<u>586</u>
Operating Income (Loss)						
Electric utility	268	320	(52)	694	677	17
Gas utility	(3)	18	(21)	258	237	21
Enterprises	(4)	3	(7)	(4)	13	(17)
Other	(1)	(1)	-	(6)	(4)	(2)
Total operating income	<u>260</u>	<u>340</u>	<u>(80)</u>	<u>942</u>	<u>923</u>	<u>19</u>
Other Income (Expense)						
Interest income	-	1	(1)	2	3	(1)
Interest income - related parties	-	-	-	-	7	(7)
Allowance for equity funds used during construction	2	1	1	5	4	1
Income (loss) from equity method investees	4	-	4	8	1	7
Nonoperating retirement benefits, net	40	29	11	121	90	31
Other income	1	1	-	7	3	4
Other expense	(3)	(4)	1	(7)	(9)	2
Total other income	<u>44</u>	<u>28</u>	<u>16</u>	<u>136</u>	<u>99</u>	<u>37</u>
Earnings Before Interest, Taxes, and Other Charges	<u>304</u>	<u>368</u>	<u>(64)</u>	<u>1,078</u>	<u>1,022</u>	<u>56</u>
Interest on long-term debt	120	124	(4)	359	361	(2)
Interest expense - related parties	3	3	-	9	9	-
Other interest expense	3	4	(1)	8	10	(2)
Allowance for borrowed funds used during construction	(1)	(1)	-	(2)	(2)	-
Income tax expense	26	40	(14)	90	88	2
Income From Continuing Operations	<u>153</u>	<u>198</u>	<u>(45)</u>	<u>614</u>	<u>556</u>	<u>58</u>
Income from discontinued operations, net of tax	30	12	18	82	34	48
Net Income	<u>183</u>	<u>210</u>	<u>(27)</u>	<u>696</u>	<u>590</u>	<u>106</u>
Loss attributable to noncontrolling interests	(6)	(8)	2	(18)	(7)	(11)
Net Income Attributable to CMS Energy	<u>189</u>	<u>218</u>	<u>(29)</u>	<u>714</u>	<u>597</u>	<u>117</u>
Preferred stock dividends	3	-	3	3	-	3
Net Income Available to Common Stockholders	<u>\$ 186</u>	<u>\$ 218</u>	<u>\$ (32)</u>	<u>\$ 711</u>	<u>\$ 597</u>	<u>\$ 114</u>
<i>Reconciling items:</i>						
Disposal of discontinued operations loss	3	-	3	8	-	8
Tax impact	(1)	-	(1)	(2)	-	(2)
Discontinued operations income	(42)	(16)	(26)	(115)	(44)	(71)
Tax impact	10	4	6	27	10	17
Other exclusions from adjusted earnings	(*)	4	(4)	(1)	11	(12)
Tax impact	*	(1)	1	*	(2)	2
Tax reform	-	-	-	-	(9)	9
Voluntary separation program	-	*	(*)	-	11	(11)
Tax impact	-	(*)	*	-	(3)	3
Adjusted Income from Continuing Operations – Non-GAAP	<u>\$ 156</u>	<u>\$ 209</u>	<u>\$ (53)</u>	<u>\$ 628</u>	<u>\$ 571</u>	<u>\$ 57</u>
Average Common Shares Outstanding						
Basic	289.1	285.6	3.5	288.9	284.8	4.1
Diluted	289.6	286.9	2.7	289.4	286.3	3.1
Diluted Earnings Per Average Common Share	<u>\$ 0.64</u>	<u>\$ 0.76</u>	<u>\$ (0.12)</u>	<u>\$ 2.46</u>	<u>\$ 2.09</u>	<u>\$ 0.37</u>
<i>Reconciling items:</i>						
Disposal of discontinued operations loss	0.01	-	0.01	0.03	-	0.03
Tax impact	(*)	-	(*)	(0.01)	-	(0.01)
Discontinued operations income	(0.14)	(0.05)	(0.09)	(0.39)	(0.15)	(0.24)
Tax impact	0.03	0.01	0.02	0.09	0.03	0.06
Other exclusions from adjusted earnings	(*)	0.01	(0.01)	(*)	0.03	(0.03)
Tax impact	*	(*)	*	*	(0.01)	0.01
Tax reform	-	-	-	-	(0.03)	0.03
Voluntary separation program	-	*	(*)	-	0.04	(0.04)
Tax impact	-	(*)	*	-	(0.01)	0.01
Adjusted Income from Continuing Operations Per Average Common Share – Non-GAAP	<u>\$ 0.54</u>	<u>\$ 0.73</u>	<u>\$ (0.19)</u>	<u>\$ 2.18</u>	<u>\$ 1.99</u>	<u>\$ 0.19</u>

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

CMS ENERGY CORPORATION
Summarized Consolidated Balance Sheets
(Unaudited)

	<i>In Millions</i>	
	<u>As of</u>	
	<u>9/30/21</u>	<u>12/31/20</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 102	\$ 32
Restricted cash and cash equivalents	30	17
Assets held for sale	494	429
Other current assets	1,851	1,926
Total current assets	<u>2,477</u>	<u>2,404</u>
Non-current assets		
Plant, property, and equipment	21,934	21,017
Assets held for sale	2,606	2,680
Other non-current assets	3,496	3,565
Total Assets	<u>\$ 30,513</u>	<u>\$ 29,666</u>
Liabilities and Equity		
Current liabilities ⁽¹⁾		
Liabilities held for sale	\$ 1,233	\$ 953
Other current liabilities	1,436	1,530
Total current liabilities	<u>2,669</u>	<u>2,483</u>
Non-current liabilities ⁽¹⁾		
Liabilities held for sale	1,523	1,894
Other non-current liabilities	7,008	6,821
Total non-current liabilities	<u>8,531</u>	<u>8,715</u>
Capitalization		
Debt, finance leases, and other financing (excluding securitization debt) ⁽²⁾		
Debt, finance leases, and other financing (excluding non-recourse and securitization debt)	12,370	12,083
Non-recourse debt	79	83
Total debt, finance leases, and other financing (excluding securitization debt)	<u>12,449</u>	<u>12,166</u>
Preferred stock and securities	224	-
Noncontrolling interests	563	581
Common stockholders' equity	5,866	5,496
Total capitalization (excluding securitization debt)	<u>19,102</u>	<u>18,243</u>
Securitization debt ⁽²⁾	211	225
Total Liabilities and Equity	<u>\$ 30,513</u>	<u>\$ 29,666</u>

⁽¹⁾ Excludes debt, finance leases, and other financing.

⁽²⁾ Includes current and non-current portions.

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

	<i>In Millions</i>	
	<u>Nine Months Ended</u>	
	<u>9/30/21</u>	<u>9/30/20</u>
Beginning of Period Cash and Cash Equivalents, Including Restricted Amounts	\$ 185	\$ 157
Net cash provided by operating activities ⁽³⁾	1,483	1,144
Net cash used in investing activities	(1,460)	(2,298)
Cash flows from operating and investing activities	23	(1,154)
Net cash provided by financing activities	28	1,555
Total Cash Flows	<u>\$ 51</u>	<u>\$ 401</u>
End of Period Cash and Cash Equivalents, Including Restricted Amounts ⁽⁴⁾	<u>\$ 236</u>	<u>\$ 558</u>

⁽³⁾ Includes the impact of a \$531 million pension contribution in 2020.

⁽⁴⁾ In June 2021, CMS Energy entered into an agreement for EnerBank to merge with Regions Bank. As a result, EnerBank's cash and cash equivalents are presented as assets held for sale on CMS Energy's consolidated balance sheets at September 30, 2021 and September 30, 2020.

CMS ENERGY CORPORATION
Selected Financial Data from Continuing Operations
(Unaudited)

	<i>In Millions</i>		
	Twelve Months Ended		
	9/30/21	12/31/20	9/30/20
EBIT – Non-GAAP ⁽¹⁾			
Total adjusted continuing	\$ 1,371	\$ 1,329	\$ 1,373
Consumers Energy	1,383	1,334	1,363
Depreciation and Amortization			
Total continuing	\$ 1,112	\$ 1,043	\$ 1,025
Consumers Energy	1,074	1,023	1,012
EBITDA – Non-GAAP ⁽¹⁾			
Total adjusted continuing	\$ 2,483	\$ 2,372	\$ 2,398
Consumers Energy	2,457	2,357	2,375
Dividends and Other Distributions From Subsidiaries	\$ 759	\$ 659	\$ 681
Interest Expense, Net			
Total continuing	\$ 501	\$ 505	\$ 496
Energy parent	186	178	169
Consumers Energy	310	320	320
	<i>In Millions</i>		
	As of		
	9/30/21	12/31/20	9/30/20
Book Value Per Share	\$ 20.25	\$ 19.02	\$ 18.58
Common Shares Outstanding – End of Period	289.7	288.9	286.3
Average Common Shares Outstanding			
Basic	288.9	285.0	284.8
Diluted	289.4	286.3	286.3
Debt ⁽²⁾			
Energy parent	\$ 4,128	\$ 4,126	\$ 4,130
Non-recourse project debt	79	83	85
Consumers Energy (excluding securitization bonds)	8,242	7,957	7,838
Total continuing (excluding securitization bonds)	12,449	12,166	12,053
Securitization bonds	211	225	238
Total continuing	\$ 12,660	\$ 12,391	\$ 12,291
Unrestricted Cash and Cash Equivalents			
Consumers Energy	\$ 29	\$ 20	\$ 199
CMS Treasury Services	7	3	181
Other	66	9	4
Total continuing	\$ 102	\$ 32	\$ 384
Consumers Energy			
Regulated Common Equity Ratio (13-Month Average)			
Electric	42.4%	41.7%	41.7%
Gas	42.4%	41.7%	41.7%
Regulated Rate Base (13-Month Average, in Millions)			
Electric ⁽³⁾	\$ 13,281	\$ 12,992	\$ 12,637
Gas	7,424	6,790	6,678
Regulated Return on Average Common Equity (12-Month Ended)			
Electric ⁽³⁾	10.4%	10.1%	10.9%
Gas	9.9%	9.5%	10.0%

⁽¹⁾ EBIT (non-GAAP) equals reported net income from continuing operations available to common stockholders + income taxes + interest charges + noncontrolling interests + 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 renewables and transmission rate base of \$1.1 billion in total.

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

	<i>In Millions</i>		
	Twelve Months Ended		
	<u>9/30/21</u>	<u>12/31/20</u>	<u>9/30/20</u>
Reported Income from Continuing Operations Available to Common Stockholders	\$ 763	\$ 697	\$ 714
<i>Reconciling items:</i>			
Income tax expense	117	115	120
Interest on long-term debt	481	483	473
Interest expense - related parties	12	12	12
Other interest expense	10	12	14
Allowance for borrowed funds used during construction	(2)	(2)	(3)
Income (loss) attributable to noncontrolling interests	(14)	(3)	(6)
Preferred stock dividends	3	-	-
Other exclusions from adjusted earnings	1	13	47
Tax reform	-	(9)	(9)
Voluntary separation program	-	11	11
EBIT – Non-GAAP	<u>1,371</u>	<u>1,329</u>	<u>1,373</u>
<i>Additional reconciling items:</i>			
Depreciation and amortization	<u>1,112</u>	<u>1,043</u>	<u>1,025</u>
EBITDA – Non-GAAP	<u>\$ 2,483</u>	<u>\$ 2,372</u>	<u>\$ 2,398</u>

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

	<i>In Millions</i>		
	Twelve Months Ended		
	<u>9/30/21</u>	<u>12/31/20</u>	<u>9/30/20</u>
Net Income Available to Common Stockholder	\$ 901	\$ 814	\$ 829
<i>Reconciling items:</i>			
Income tax expense	168	173	183
Interest on long-term debt	292	299	298
Interest expense - related parties	12	12	12
Other interest expense	8	11	13
Allowance for borrowed funds used during construction	(2)	(2)	(3)
Preferred stock dividends	2	2	2
Other exclusions from adjusted earnings	2	14	18
Voluntary separation program	-	11	11
EBIT – Non-GAAP	<u>1,383</u>	<u>1,334</u>	<u>1,363</u>
<i>Additional reconciling items:</i>			
Depreciation and amortization	<u>1,074</u>	<u>1,023</u>	<u>1,012</u>
EBITDA – Non-GAAP	<u>\$ 2,457</u>	<u>\$ 2,357</u>	<u>\$ 2,375</u>

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

Three Months Ended September 30			
	9/30/21	9/30/20	Variance
Adjusted Continuing EPS – Non-GAAP			
Electric utility	\$ 0.67	\$ 0.80	\$ (0.13)
Gas utility	(0.03)	0.02	(0.05)
Enterprises	0.03	0.04	(0.01)
Energy Parent	(0.13)	(0.13)	-
Adjusted Continuing Operation	\$ 0.54	\$ 0.73	\$ (0.19)
Variance Explanations:			
ELECTRIC UTILITY			
- Deliveries of 10,061 GWh, up 18 GWh (weather-driven impact, up 89 GWh)		\$ 0.05	
- Electric rate relief, including renewables		0.09	
- Service restoration		(0.16)	
- Higher operating & maintenance expenses including customer initiatives		(0.07)	
- Higher investment costs (depreciation, property taxes & fixed costs)		(0.04)	
- Other		0.01	
- Change in shares outstanding		(0.01)	
		<u>\$ (0.13)</u>	
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 26.1 bcf, down 0.9 bcf (weather-driven impact, down 1.5 bcf)		\$ (0.01)	
- Gas rate relief		0.04	
- Higher operating & maintenance expenses including customer initiatives		(0.07)	
- Higher investment costs (depreciation, property taxes & fixed costs)		(0.01)	
- Change in shares outstanding		*	
		<u>\$ (0.05)</u>	
ENTERPRISES AND ENERGY PARENT			
- Enterprises			\$ (0.01)
- Change in shares outstanding			*
			<u>\$ (0.01)</u>
WEATHER IMPACTS			
	9/30/21	9/30/20	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	6.2 %	0.3 %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	411	322	
EPS	\$ 0.10	\$ 0.08	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	(1.4)	0.1	
EPS	\$ (0.01)	\$ -	
Total EPS Weather Impacts	\$ 0.09	\$ 0.08	

* Less than \$0.01 per share.

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

Nine Months Ended September 30			
	9/30/21	9/30/20	Variance
Adjusted Continuing EPS – Non-GAAP			
Electric utility	\$ 1.74	\$ 1.66	\$ 0.08
Gas utility	0.72	0.58	0.14
Enterprises	0.09	0.11	(0.02)
Energy Parent	(0.37)	(0.36)	(0.01)
Adjusted Continuing Operation	<u>\$ 2.18</u>	<u>\$ 1.99</u>	<u>\$ 0.19</u>
Variance Explanations:			
ELECTRIC UTILITY			
- Deliveries of 27,500 GWh, up 621 GWh (weather-driven impact, up 287 GWh)			\$ 0.14
- Electric rate relief, including renewables			0.30
- Service restoration			(0.11)
- Higher operating & maintenance expenses including customer initiatives			(0.16)
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.10)
- Other, including lower ETR primarily related to PTC's			0.03
- Change in shares outstanding			(0.02)
			<u>\$ 0.08</u>
GAS UTILITY			
- Deliveries, including transportation to end-use customers, of 195.3 bcf, up 1.4 bcf (weather-driven impact, up 0.9 bcf)			\$ (0.03)
- Gas rate relief			0.25
- Lower ETR primarily related to gas rate case stay out			0.07
- Higher operating & maintenance expenses including customer initiatives			(0.09)
- Higher investment costs (depreciation, property taxes & fixed costs)			(0.07)
- Other			0.02
- Change in shares outstanding			(0.01)
			<u>\$ 0.14</u>
ENTERPRISES AND ENERGY PARENT			
			\$ (0.02)
			(0.01)
			<u>\$ (0.03)</u>
WEATHER IMPACTS			
	<u>9/30/21</u>	<u>9/30/20</u>	
Weather			
- Warmer (colder) than normal using 15-year average temperatures	2.1 %	2.2 %	
Electric Utility			
- Increase (decrease) from normal in:			
Electric sales (GWh)	630	343	
EPS	\$ 0.16	\$ 0.09	
Gas Utility			
- Increase (decrease) from normal in:			
Gas sales (bcf)	(10.6)	(11.5)	
EPS	\$ (0.09)	\$ (0.09)	
Total EPS Weather Impacts	<u>\$ 0.07</u>	<u>\$ -</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		Nine Months Ended	
	9/30/21	9/30/20	9/30/21	9/30/20
Electric Utility				
Reported net income per share available to common stockholders	\$ 0.67	\$ 0.79	\$ 1.74	\$ 1.62
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	0.01	-	0.03
Tax impact	-	(*)	-	(0.01)
Voluntary separation program	-	*	-	0.03
Tax impact	-	(*)	-	(0.01)
Adjusted income per share – non-GAAP	<u>\$ 0.67</u>	<u>\$ 0.80</u>	<u>\$ 1.74</u>	<u>\$ 1.66</u>
Gas Utility				
Reported net income (loss) per share available to common stockholders	\$ (0.03)	\$ 0.02	\$ 0.72	\$ 0.57
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	*	-	*
Tax impact	-	(*)	-	(*)
Voluntary separation program	-	*	-	0.01
Tax impact	-	(*)	-	(*)
Adjusted income (loss) per share – non-GAAP	<u>\$ (0.03)</u>	<u>\$ 0.02</u>	<u>\$ 0.72</u>	<u>\$ 0.58</u>
Enterprises				
Reported net income per share available to common stockholders	\$ 0.03	\$ 0.04	\$ 0.09	\$ 0.12
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	(*)	(*)	(*)	*
Tax impact	*	*	*	(*)
Tax reform	-	-	-	(0.01)
Voluntary separation program	-	*	-	*
Tax impact	-	(*)	-	(*)
Adjusted income per share – non-GAAP	<u>\$ 0.03</u>	<u>\$ 0.04</u>	<u>\$ 0.09</u>	<u>\$ 0.11</u>
Corporate Interest and Other				
Reported net loss per share available to common stockholders	\$ (0.13)	\$ (0.13)	\$ (0.37)	\$ (0.34)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	(*)	(*)	(*)
Tax impact	-	*	*	*
Tax reform	-	-	-	(0.02)
Adjusted loss per share – non-GAAP	<u>\$ (0.13)</u>	<u>\$ (0.13)</u>	<u>\$ (0.37)</u>	<u>\$ (0.36)</u>
Discontinued Operations				
Reported net income per share available to common stockholders	\$ 0.10	\$ 0.04	\$ 0.28	\$ 0.12
<i>Reconciling items:</i>				
Disposal of discontinued operations loss	0.01	-	0.03	-
Tax impact	(*)	-	(0.01)	-
Adjusted income per share – non-GAAP	<u>\$ 0.11</u>	<u>\$ 0.04</u>	<u>\$ 0.30</u>	<u>\$ 0.12</u>
Total Operations				
Reported net income per share available to common stockholders	\$ 0.64	\$ 0.76	\$ 2.46	\$ 2.09
<i>Reconciling items:</i>				
Disposal of discontinued operations loss	0.01	-	0.03	-
Tax impact	(*)	-	(0.01)	-
Discontinued operations income	(0.14)	(0.05)	(0.39)	(0.15)
Tax impact	0.03	0.01	0.09	0.03
Other exclusions from adjusted earnings	(*)	0.01	(*)	0.03
Tax impact	*	(*)	*	(0.01)
Tax reform	-	-	-	(0.03)
Voluntary separation program	-	*	-	0.04
Tax impact	-	(*)	-	(0.01)
Adjusted income from continuing operations per share – non-GAAP	<u>\$ 0.54</u>	<u>\$ 0.73</u>	<u>\$ 2.18</u>	<u>\$ 1.99</u>
Average Common Shares Outstanding – Diluted	<u>289.6</u>	<u>286.9</u>	<u>289.4</u>	<u>286.3</u>

* Less than \$0.01 per share.

CMS ENERGY CORPORATION
Reconciliation of GAAP to Non-GAAP Adjusted Income from Continuing
Operations
(Unaudited)

	<i>In Millions, Except Per Share Amounts</i>			
	Three Months Ended		Nine Months Ended	
	9/30/21	9/30/20	9/30/21	9/30/20
Net Income Available to Common Stockholders	\$ 186	\$ 218	\$ 711	\$ 597
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	3	-	8	-
Tax impact	(1)	-	(2)	-
Discontinued operations income	(42)	(16)	(115)	(44)
Tax impact	10	4	27	10
Other exclusions from adjusted earnings**	(*)	4	(1)	11
Tax impact	*	(1)	*	(2)
Tax reform	-	-	-	(9)
Voluntary separation program	-	*	-	11
Tax impact	-	(*)	-	(3)
Adjusted income from continuing operations – non-GAAP	<u>\$ 156</u>	<u>\$ 209</u>	<u>\$ 628</u>	<u>\$ 571</u>
Average Common Shares Outstanding				
Basic	289.1	285.6	288.9	284.8
Diluted	289.6	286.9	289.4	286.3
Basic Earnings Per Average Common Share				
Reported net income per average common share	\$ 0.64	\$ 0.76	\$ 2.46	\$ 2.10
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	0.01	-	0.03	-
Tax impact	(*)	-	(0.01)	-
Discontinued operations income	(0.14)	(0.05)	(0.39)	(0.15)
Tax impact	0.03	0.01	0.09	0.03
Other exclusions from adjusted earnings**	(*)	0.01	(*)	0.03
Tax impact	*	(*)	*	(0.01)
Tax reform	-	-	-	(0.03)
Voluntary separation program	-	*	-	0.04
Tax impact	-	(*)	-	(0.01)
Adjusted income from continuing operations per average common share – non-GAAP	<u>\$ 0.54</u>	<u>\$ 0.73</u>	<u>\$ 2.18</u>	<u>\$ 2.00</u>
Diluted Earnings Per Average Common Share				
Reported net income per average common share	\$ 0.64	\$ 0.76	\$ 2.46	\$ 2.09
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	0.01	-	0.03	-
Tax impact	(*)	-	(0.01)	-
Discontinued operations income	(0.14)	(0.05)	(0.39)	(0.15)
Tax impact	0.03	0.01	0.09	0.03
Other exclusions from adjusted earnings**	(*)	0.01	(*)	0.03
Tax impact	*	(*)	*	(0.01)
Tax reform	-	-	-	(0.03)
Voluntary separation program	-	*	-	0.04
Tax impact	-	(*)	-	(0.01)
Adjusted income from continuing operations per average common share – non-GAAP	<u>\$ 0.54</u>	<u>\$ 0.73</u>	<u>\$ 2.18</u>	<u>\$ 1.99</u>

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

** Includes restructuring costs and unrealized gains or losses from mark-to-market adjustments recognized in net income related to CMS Enterprises' interest expense.

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, changes in accounting principles, changes in federal tax policy, regulatory items from prior years, unrealized gains or losses from mark-to-market adjustments recognized in net income related to CMS Enterprises' interest expense, or other items. The 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 to Non-GAAP Adjusted Income from Continuing
Operations
(Unaudited)

	<i>In Millions, Except Per Share Amounts</i>			
	Three Months Ended		Nine Months Ended	
	9/30/21	9/30/20	9/30/21	9/30/20
Income Available to Common Stockholders				
Reported income from continuing operations available to common stockholders	\$ 156	\$ 206	\$ 629	\$ 563
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings**	(*)	4	(1)	11
Tax impact	*	(1)	*	(2)
Tax reform	-	-	-	(9)
Voluntary separation program	-	*	-	11
Tax impact	-	(*)	-	(3)
Adjusted income from continuing operations – non-GAAP	<u>\$ 156</u>	<u>\$ 209</u>	<u>\$ 628</u>	<u>\$ 571</u>
Average Common Shares Outstanding				
Basic	289.1	285.6	288.9	284.8
Diluted	289.6	286.9	289.4	286.3
Basic Earnings Per Average Common Share				
Reported income from continuing operations per average common share available to common stockholders	\$ 0.54	\$ 0.72	\$ 2.18	\$ 1.98
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings**	(*)	0.01	(*)	0.03
Tax impact	*	(*)	*	(0.01)
Tax reform	-	-	-	(0.03)
Voluntary separation program	-	*	-	0.04
Tax impact	-	(*)	-	(0.01)
Adjusted income from continuing operations per average common share – non-GAAP	<u>\$ 0.54</u>	<u>\$ 0.73</u>	<u>\$ 2.18</u>	<u>\$ 2.00</u>
Diluted Earnings Per Average Common Share				
Reported income from continuing operations per average common share available to common stockholders	\$ 0.54	\$ 0.72	\$ 2.18	\$ 1.97
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings**	(*)	0.01	(*)	0.03
Tax impact	*	(*)	*	(0.01)
Tax reform	-	-	-	(0.03)
Voluntary separation program	-	*	-	0.04
Tax impact	-	(*)	-	(0.01)
Adjusted income from continuing operations per average common share – non-GAAP	<u>\$ 0.54</u>	<u>\$ 0.73</u>	<u>\$ 2.18</u>	<u>\$ 1.99</u>

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

** Includes restructuring costs and unrealized gains or losses from mark-to-market adjustments recognized in net income related to CMS Enterprises' interest expense.

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, changes in accounting principles, changes in federal tax policy, regulatory items from prior years, unrealized gains or losses from mark-to-market adjustments recognized in net income related to CMS Enterprises' interest expense, or other items. The 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>		
	2021		
	1Q	2Q	3Q
Net Income Available to Common Stockholders	\$ 349	\$ 176	\$ 186
<i>Reconciling items:</i>			
Electric utility and gas utility	-	-	-
Tax impact	-	-	-
Enterprises	(1)	*	(*)
Tax impact	*	(*)	*
Corporate interest and other	-	(*)	-
Tax impact	-	*	-
Disposal of discontinued operations loss	-	5	3
Tax impact	-	(1)	(1)
Discontinued operations income	(43)	(30)	(42)
Tax impact	9	8	10
Adjusted Income from Continuing Operations – Non-GAAP	<u>\$ 314</u>	<u>\$ 158</u>	<u>\$ 156</u>
Average Common Shares Outstanding – Diluted	289.1	289.4	289.6
Diluted Earnings Per Average Common Share	\$ 1.21	\$ 0.61	\$ 0.64
<i>Reconciling items:</i>			
Electric utility and gas utility	-	-	-
Tax impact	-	-	-
Enterprises	(*)	*	(*)
Tax impact	*	(*)	*
Corporate interest and other	-	(*)	-
Tax impact	-	*	-
Disposal of discontinued operations loss	-	0.02	0.01
Tax impact	-	(0.01)	(*)
Discontinued operations income	(0.15)	(0.10)	(0.14)
Tax impact	0.03	0.03	0.03
Adjusted Income from Continuing Operations Per Average Common Share – Non-GAAP	<u>\$ 1.09</u>	<u>\$ 0.55</u>	<u>\$ 0.54</u>

	<i>In Millions, Except Per Share Amounts</i>			
	2020			
	1Q	2Q	3Q	4Q
Net Income Available to Common Stockholders	\$ 243	\$ 136	\$ 218	\$ 158
<i>Reconciling items:</i>				
Electric utility and gas utility	15	4	4	2
Tax impact	(4)	(1)	(1)	(1)
Enterprises	1	(*)	*	(*)
Tax impact	(4)	*	(*)	*
Corporate interest and other	(2)	*	(*)	*
Tax impact	(4)	(*)	*	(*)
Discontinued operations income	(17)	(11)	(16)	(32)
Tax impact	3	3	4	8
Adjusted Income from Continuing Operations – Non-GAAP	<u>\$ 231</u>	<u>\$ 131</u>	<u>\$ 209</u>	<u>\$ 135</u>
Average Common Shares Outstanding – Diluted	285.2	286.5	286.9	286.9
Diluted Earnings Per Average Common Share	\$ 0.85	\$ 0.48	\$ 0.76	\$ 0.55
<i>Reconciling items:</i>				
Electric utility and gas utility	0.05	0.02	0.01	0.01
Tax impact	(0.01)	(0.01)	(*)	(*)
Enterprises	*	(*)	*	(*)
Tax impact	(0.01)	*	(*)	*
Corporate interest and other	(*)	*	(*)	*
Tax impact	(0.02)	(*)	*	(*)
Discontinued operations income	(0.06)	(0.04)	(0.05)	(0.11)
Tax impact	0.01	0.01	0.01	0.03
Adjusted Income from Continuing Operations Per Average Common Share – Non-GAAP	<u>\$ 0.81</u>	<u>\$ 0.46</u>	<u>\$ 0.73</u>	<u>\$ 0.48</u>

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

CONSUMERS ENERGY COMPANY
Consolidated Statements of Income
(Unaudited)

	<i>In Millions</i>					
	Three Months Ended			Nine Months Ended		
	9/30/21	9/30/20	Change	9/30/21	9/30/20	Change
Operating Revenue						
Electric utility	\$ 1,419	\$ 1,257	\$ 162	\$ 3,713	\$ 3,307	\$ 406
Gas utility	225	193	32	1,361	1,217	144
Total operating revenue	<u>1,644</u>	<u>1,450</u>	<u>194</u>	<u>5,074</u>	<u>4,524</u>	<u>550</u>
Operating Expenses						
Fuel for electric generation	147	85	62	340	207	133
Purchased and interchange power	450	420	30	1,200	1,121	79
Purchased power – related parties	21	13	8	56	45	11
Cost of gas sold	53	33	20	425	383	42
Maintenance and other operating expenses	390	266	124	1,021	846	175
Depreciation and amortization	241	223	18	804	753	51
General taxes	77	72	5	277	256	21
Total operating expenses	<u>1,379</u>	<u>1,112</u>	<u>267</u>	<u>4,123</u>	<u>3,611</u>	<u>512</u>
Operating Income (Loss)						
Electric utility	268	320	(52)	694	677	17
Gas utility	(3)	18	(21)	258	237	21
Other	-	-	-	(1)	(1)	-
Total operating income	<u>265</u>	<u>338</u>	<u>(73)</u>	<u>951</u>	<u>913</u>	<u>38</u>
Other Income (Expense)						
Interest income	1	1	-	2	3	(1)
Interest and dividend income – related parties	1	2	(1)	4	4	-
Allowance for equity funds used during construction	2	1	1	5	4	1
Nonoperating retirement benefits, net	37	28	9	113	85	28
Other income	1	1	-	7	3	4
Other expense	(3)	(4)	1	(7)	(9)	2
Total other income	<u>39</u>	<u>29</u>	<u>10</u>	<u>124</u>	<u>90</u>	<u>34</u>
Interest Charges						
Interest on long-term debt	74	76	(2)	220	227	(7)
Interest expense – related parties	3	3	-	9	9	-
Other interest expense	2	4	(2)	6	9	(3)
Allowance for borrowed funds used during construction	(1)	(1)	-	(2)	(2)	-
Total interest charges	<u>78</u>	<u>82</u>	<u>(4)</u>	<u>233</u>	<u>243</u>	<u>(10)</u>
Income Before Income Taxes	226	285	(59)	842	760	82
Income Tax Expense	<u>40</u>	<u>55</u>	<u>(15)</u>	<u>130</u>	<u>135</u>	<u>(5)</u>
Net Income	186	230	(44)	712	625	87
Preferred Stock Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Net Income (Loss) Available to Common Stockholder						
Electric utility	195	226	(31)	504	463	41
Gas utility	(9)	4	(13)	208	162	46
Other	-	-	-	(1)	(1)	-
Total net income available to common stockholder	<u>\$ 186</u>	<u>\$ 230</u>	<u>\$ (44)</u>	<u>\$ 711</u>	<u>\$ 624</u>	<u>\$ 87</u>

CONSUMERS ENERGY COMPANY

Electric Utility Statistics (Unaudited)

	<i>In Millions of kWh, Except as Noted</i>					
	Three Months Ended			Nine Months Ended		
	9/30/21	9/30/20	% Change	9/30/21	9/30/20	% Change
Electric Deliveries						
Residential	3,821	3,924	(2.6)	10,160	10,198	(0.4)
Commercial	3,273	3,140	4.2	8,794	8,428	4.3
Industrial	1,830	1,864	(1.8)	5,418	5,152	5.2
Other	34	33	3.0	104	108	(3.7)
Wholesale	92	99	(7.1)	272	267	1.9
Retail open access	1,011	983	2.8	2,752	2,726	1.0
Total customer deliveries	10,061	10,043	0.2	27,500	26,879	2.3
Intersystem	1,062	969	9.6	3,065	3,310	(7.4)
Total electric deliveries	<u>11,123</u>	<u>11,012</u>	1.0	<u>30,565</u>	<u>30,189</u>	1.2
Weather-Normalized Electric Deliveries ^{(1) (2)}						
Residential	3,530	3,670	(3.8)	9,711	9,927	(2.2)
Commercial	3,169	3,082	2.8	8,642	8,366	3.3
Industrial	1,820	1,858	(2.0)	5,401	5,148	4.9
Other	34	34	-	104	108	(3.7)
Wholesale	92	99	(7.1)	272	267	1.9
Retail open access	1,005	978	2.8	2,740	2,720	0.7
Total weather-normalized electric deliveries	<u>9,650</u>	<u>9,721</u>	(0.7)	<u>26,870</u>	<u>26,536</u>	1.3
Weather-Normalized Electric Deliveries ^{(1) (2)} (By Class, Including Retail Open Access)						
Residential	3,530	3,670	(3.8)	9,711	9,927	(2.2)
Commercial	3,437	3,338	3.0	9,345	9,050	3.3
Industrial	2,557	2,580	(0.9)	7,438	7,184	3.5
Other	34	34	-	104	108	(3.7)
Wholesale	92	99	(7.1)	272	267	1.9
Total weather-normalized electric deliveries	<u>9,650</u>	<u>9,721</u>	(0.7)	<u>26,870</u>	<u>26,536</u>	1.3

⁽¹⁾ Excludes intersystem deliveries.

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

	<i>In Millions, Except as Noted</i>					
	Three Months Ended			Nine Months Ended		
	9/30/21	9/30/20	% Change	9/30/21	9/30/20	% Change
Electric Utility Revenue						
Residential	\$ 718	\$ 624	15.1	\$ 1,847	\$ 1,612	14.6
Commercial	456	413	10.4	1,191	1,093	9.0
Industrial	167	161	3.7	458	427	7.3
Other	10	9	11.1	26	25	4.0
Total sales revenue	1,351	1,207	11.9	3,522	3,157	11.6
Wholesale	6	6	-	17	17	-
Retail open access	8	7	14.3	23	21	9.5
Intersystem	41	23	78.3	114	71	60.6
Miscellaneous	13	14	(7.1)	37	41	(9.8)
Total electric utility revenue	<u>\$ 1,419</u>	<u>\$ 1,257</u>	12.9	<u>\$ 3,713</u>	<u>\$ 3,307</u>	12.3

CONSUMERS ENERGY COMPANY

Gas Utility Statistics (Unaudited)

	<i>In Thousands of mcf, Except as Noted</i>					
	Three Months Ended			Nine Months Ended		
	9/30/21	9/30/20	% Change	9/30/21	9/30/20	% Change
Gas Deliveries						
Residential	8,599	9,804	(12.3)	98,606	101,751	(3.1)
Commercial	3,159	3,064	3.1	35,738	35,454	0.8
Industrial	633	777	(18.5)	5,576	5,629	(0.9)
Other	45	51	(11.8)	165	148	11.5
Transportation	13,644	13,325	2.4	55,239	50,907	8.5
Total customer deliveries	<u>26,080</u>	<u>27,021</u>	(3.5)	<u>195,324</u>	<u>193,889</u>	0.7
Off-system transportation						
MCV	10,868	14,290	(23.9)	34,482	46,714	(26.2)
Other	5,759	4,562	26.2	12,728	9,848	29.2
Total gas deliveries	<u><u>42,707</u></u>	<u><u>45,873</u></u>	(6.9)	<u><u>242,534</u></u>	<u><u>250,451</u></u>	(3.2)
Weather-Normalized Gas Deliveries ⁽¹⁾⁽²⁾						
Residential	9,535	9,643	(1.1)	104,667	108,940	(3.9)
Commercial	3,359	3,013	11.5	37,941	36,902	2.8
Industrial	655	768	(14.7)	5,806	6,003	(3.3)
Other	46	50	(8.0)	171	156	9.6
Transportation	13,894	13,447	3.3	57,350	53,346	7.5
Total weather-normalized gas deliveries	<u><u>27,489</u></u>	<u><u>26,921</u></u>	2.1	<u><u>205,935</u></u>	<u><u>205,347</u></u>	0.3
Weather-Normalized Gas Deliveries ⁽¹⁾⁽²⁾ (By Class, Including Transportation)						
Residential	9,598	9,694	(1.0)	105,490	109,730	(3.9)
Commercial	7,127	6,729	5.9	57,251	55,363	3.4
Industrial	10,596	10,369	2.2	42,870	40,005	7.2
Other	168	129	30.2	324	249	30.1
Total weather-normalized gas deliveries	<u><u>27,489</u></u>	<u><u>26,921</u></u>	2.1	<u><u>205,935</u></u>	<u><u>205,347</u></u>	0.3

⁽¹⁾ Excludes off-system transportation deliveries.

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

	<i>In Millions, Except as Noted</i>					
	Three Months Ended			Nine Months Ended		
	9/30/21	9/30/20	% Change	9/30/21	9/30/20	% Change
Gas Utility Revenue						
Residential	\$ 143	\$ 120	19.2	\$ 917	\$ 819	12.0
Commercial	36	27	33.3	258	227	13.7
Industrial	5	5	-	36	32	12.5
Other	-	-	-	1	1	-
Total sales revenue	<u>184</u>	<u>152</u>	21.1	<u>1,212</u>	<u>1,079</u>	12.3
Transportation	18	15	20.0	71	57	24.6
Miscellaneous	23	26	(11.5)	78	81	(3.7)
Total gas utility revenue	<u><u>\$ 225</u></u>	<u><u>\$ 193</u></u>	16.6	<u><u>\$ 1,361</u></u>	<u><u>\$ 1,217</u></u>	11.8