

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, business optimization initiative, changes in accounting principles, voluntary separation program, 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 NorthStar Clean Energy's 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 adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for the reported earnings.

GAAP Reconciliation

CMS ENERGY CORPORATION
Reconciliation of GAAP Cash Flows from Operating Activities to
Non-GAAP Adjusted Cash Flows from Operating Activities
(Unaudited)



	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Cash Flows from Operating Activities	\$ 1,790	\$ 1,276	\$ 1,819	\$ 855	\$ 2,309
Adjustments - Discretionary Pension Contributions	-	700	-	-	-
Adjustments - EnerBank Operating Cash Flows	<u>(89)</u>	<u>(91)</u>	<u>24</u>	<u>-</u>	<u>-</u>
Non-GAAP Adjusted Cash Flows from Operating Activities	<u><u>\$ 1,701</u></u>	<u><u>\$ 1,885</u></u>	<u><u>\$ 1,843</u></u>	<u><u>\$ 855</u></u>	<u><u>\$ 2,309</u></u>

CMS ENERGY CORPORATION
Reconciliation of GAAP Cash Flows from Operating Activities to Non-GAAP Funds from Operations
Reconciliation of GAAP Indebtedness to Non-GAAP Adjusted Debt
(Unaudited)

	<i>In millions</i>
	Year Ended
	<u>12/31/2023</u>
FUNDS FROM OPERATIONS	
Net Cash Provided by Operating Activities	\$ 2,309
Reconciling Items:	
Changes in assets and liabilities	
Accounts receivable and accrued revenue	(241)
Inventories	(185)
Accounts payable and accrued rate refunds	136
Other current assets and liabilities	<u>21</u>
Adjusted operating cash flow; pre-working capital	\$ 2,040
50% of interest charges on Junior subordinated notes	<u>52</u>
FFO - Non-GAAP	<u><u>\$ 2,092</u></u>
 ADJUSTED DEBT	
Indebtedness	
Current portion of long-term debt and finance leases	\$ 980
Notes payable	93
Long-term debt	14,508
Non-current portion of finance leases	<u>62</u>
Total Indebtedness	\$ 15,643
50% of Junior subordinated notes	\$ (1,005)
Par call - CMS Parent senior notes	(250)
Adjusted Debt - Non-GAAP	<u><u>\$ 14,388</u></u>

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	
	12/31/23	12/31/22	12/31/23	12/31/22
Electric Utility				
Reported net income per share	\$ 0.50	\$ 0.23	\$ 1.89	\$ 1.96
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.01	0.02	0.02	0.02
Tax impact	(0.01)	(0.01)	(0.01)	(0.01)
Voluntary separation program	*	*	0.07	0.03
Tax impact	(*)	(*)	(0.02)	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 0.50</u>	<u>\$ 0.24</u>	<u>\$ 1.95</u>	<u>\$ 1.99</u>
Gas Utility				
Reported net income per share	\$ 0.46	\$ 0.48	\$ 1.08	\$ 1.30
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	0.01	0.01	0.01
Tax impact	(*)	(*)	(*)	(*)
Voluntary separation program	*	*	0.04	0.01
Tax impact	(*)	(*)	(0.01)	(*)
Adjusted net income per share – non-GAAP	<u>\$ 0.46</u>	<u>\$ 0.49</u>	<u>\$ 1.12</u>	<u>\$ 1.32</u>
NorthStar Clean Energy				
Reported net income per share	\$ 0.14	\$ 0.03	\$ 0.23	\$ 0.12
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	-	-	(*)
Tax impact	-	-	-	*
Voluntary separation program	-	-	-	*
Tax impact	-	-	-	(*)
Adjusted net income per share – non-GAAP	<u>\$ 0.14</u>	<u>\$ 0.03</u>	<u>\$ 0.23</u>	<u>\$ 0.12</u>
Corporate Interest and Other				
Reported net loss per share	\$ (0.05)	\$ (0.16)	\$ (0.19)	\$ (0.54)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	*	-	*
Tax impact	-	(*)	-	(*)
Adjusted net loss per share – non-GAAP	<u>\$ (0.05)</u>	<u>\$ (0.16)</u>	<u>\$ (0.19)</u>	<u>\$ (0.54)</u>
Discontinued Operations				
Reported net income per share	\$ -	\$ -	\$ -	\$ 0.01
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	*	-	(*)	(0.01)
Tax impact	(*)	-	*	*
Adjusted net income per share – non-GAAP	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Consolidated				
Reported net income per share	\$ 1.05	\$ 0.58	\$ 3.01	\$ 2.85
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	*	-	(*)	(0.01)
Tax impact	(*)	-	*	*
Other exclusions from adjusted earnings	0.01	0.03	0.03	0.03
Tax impact	(0.01)	(0.01)	(0.01)	(0.01)
Voluntary separation program	*	*	0.11	0.04
Tax impact	(*)	(*)	(0.03)	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 1.05</u>	<u>\$ 0.60</u>	<u>\$ 3.11</u>	<u>\$ 2.89</u>
Average Common Shares Outstanding – Diluted	<u>292.7</u>	<u>290.1</u>	<u>291.7</u>	<u>290.0</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	
	12/31/23	12/31/22	12/31/23	12/31/22
Net Income Available to Common Stockholders	\$ 306	\$ 168	\$ 877	\$ 827
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	*	-	(1)	(5)
Tax impact	(*)	-	*	1
Other exclusions from adjusted earnings**	3	9	9	8
Tax impact	(1)	(2)	(3)	(2)
Voluntary separation program	*	1	33	12
Tax impact	(*)	(*)	(8)	(3)
Adjusted net income – non-GAAP	<u>\$ 308</u>	<u>\$ 176</u>	<u>\$ 907</u>	<u>\$ 838</u>
Average Common Shares Outstanding - Diluted	292.7	290.1	291.7	290.0
Diluted Earnings Per Average Common Share				
Reported net income per share	\$ 1.05	\$ 0.58	\$ 3.01	\$ 2.85
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	*	-	(*)	(0.01)
Tax impact	(*)	-	*	*
Other exclusions from adjusted earnings**	0.01	0.03	0.03	0.03
Tax impact	(0.01)	(0.01)	(0.01)	(0.01)
Voluntary separation program	*	*	0.11	0.04
Tax impact	(*)	(*)	(0.03)	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 1.05</u>	<u>\$ 0.60</u>	<u>\$ 3.11</u>	<u>\$ 2.89</u>

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

** Includes restructuring costs, business optimization initiative, and unrealized gains or losses from mark-to-market adjustments, recognized in net income related to NorthStar Clean Energy's 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, business optimization initiative, changes in accounting principles, voluntary separation program, 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 NorthStar Clean Energy's 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>			
	2023			
	1Q	2Q	3Q	4Q
Net Income Available to Common Stockholders	\$ 202	\$ 195	\$ 174	\$ 306
<i>Reconciling items:</i>				
Electric utility and gas utility	3	30	6	3
Tax impact	(1)	(7)	(2)	(1)
NorthStar Clean Energy	-	-	-	-
Tax impact	-	-	-	-
Corporate interest and other	-	-	-	-
Tax impact	-	-	-	-
Disposal of discontinued operations (gain) loss	-	(1)	-	*
Tax impact	-	*	-	(*)
Adjusted Net Income – Non-GAAP	<u>\$ 204</u>	<u>\$ 217</u>	<u>\$ 178</u>	<u>\$ 308</u>
Average Common Shares Outstanding – Diluted	291.2	291.3	291.4	292.7
Diluted Earnings Per Average Common Share	\$ 0.69	\$ 0.67	\$ 0.60	\$ 1.05
<i>Reconciling items:</i>				
Electric utility and gas utility	0.01	0.10	0.01	0.01
Tax impact	(*)	(0.02)	(*)	(0.01)
NorthStar Clean Energy	-	-	-	-
Tax impact	-	-	-	-
Corporate interest and other	-	-	-	-
Tax impact	-	-	-	-
Disposal of discontinued operations (gain) loss	-	(*)	-	*
Tax impact	-	*	-	(*)
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	<u>\$ 0.70</u>	<u>\$ 0.75</u>	<u>\$ 0.61</u>	<u>\$ 1.05</u>

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

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>			
	2022			
	1Q	2Q	3Q	4Q
Net Income Available to Common Stockholders	\$ 351	\$ 145	\$ 163	\$ 168
<i>Reconciling items:</i>				
Electric utility and gas utility	-	11	(*)	10
Tax impact	-	(3)	*	(2)
NorthStar Clean Energy	(1)	(*)	-	-
Tax impact	*	*	-	-
Corporate interest and other	-	*	*	*
Tax impact	-	(*)	(*)	(*)
Disposal of discontinued operations (gain) loss	(5)	*	-	-
Tax impact	1	(*)	-	-
Adjusted Net Income – Non-GAAP	<u>\$ 346</u>	<u>\$ 153</u>	<u>\$ 163</u>	<u>\$ 176</u>
Average Common Shares Outstanding – Diluted	289.9	290.1	290.1	290.1
Diluted Earnings Per Average Common Share	\$ 1.21	\$ 0.50	\$ 0.56	\$ 0.58
<i>Reconciling items:</i>				
Electric utility and gas utility	-	0.04	(*)	0.03
Tax impact	-	(0.01)	*	(0.01)
NorthStar Clean Energy	(*)	(*)	-	-
Tax impact	*	*	-	-
Corporate interest and other	-	*	*	*
Tax impact	-	(*)	(*)	(*)
Disposal of discontinued operations (gain) loss	(0.01)	*	-	-
Tax impact	*	(*)	-	-
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	<u>\$ 1.20</u>	<u>\$ 0.53</u>	<u>\$ 0.56</u>	<u>\$ 0.60</u>
* Less than \$0.5 million or \$0.01 per share.				

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



	<i>In Millions</i>		
	Twelve Months Ended		
	12/31/23	12/31/22	12/31/21
Net Income Available to Common Stockholders	\$ 877	\$ 827	\$ 1,348
<i>Reconciling items:</i>			
Income tax expense	147	94	265
Interest on long-term debt	616	509	481
Interest expense - related parties	12	12	12
Other interest expense	18	-	10
Allowance for borrowed funds used during construction	(3)	(2)	(3)
Loss attributable to noncontrolling interests	(79)	(24)	(23)
Preferred stock dividends	10	10	5
Disposal of discontinued operations gain	(1)	(5)	(657)
Discontinued operations income	-	-	(115)
Other exclusions from adjusted earnings	9	8	(1)
Loss on fleet impairment	-	-	29
Voluntary separation program	33	12	-
EBIT – Non-GAAP	1,639	1,441	1,351
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,180	1,126	1,114
EBITDA – Non-GAAP	\$ 2,819	\$ 2,567	\$ 2,465

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



	<i>In Millions</i>		
	Twelve Months Ended		
	12/31/23	12/31/22	12/31/21
Net Income Available to Common Stockholder	\$ 865	\$ 943	\$ 866
<i>Reconciling items:</i>			
Income tax expense	161	140	156
Interest on long-term debt	415	325	294
Interest expense - related parties	20	12	12
Other interest expense	16	-	8
Allowance for borrowed funds used during construction	(3)	(2)	(3)
Preferred stock dividends	2	2	2
Other exclusions from adjusted earnings	9	9	-
Loss on fleet impairment	-	-	29
Voluntary separation program	33	12	-
EBIT – Non-GAAP	1,518	1,441	1,364
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,137	1,088	1,077
EBITDA – Non-GAAP	\$ 2,655	\$ 2,529	\$ 2,441