

GAAP Reconciliation

CMS ENERGY CORPORATION
Reconciliation of GAAP EPS to Non-GAAP Adjusted EPS by Segment
(Unaudited)



	<i>In Millions, Except Per Share Amounts</i>	
	<u>Three Months Ended</u>	
	<u>3/31/21</u>	<u>3/31/20</u>
Electric Utility		
Reported net income per share	\$ 0.54	\$ 0.41
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings	-	0.01
Tax impact	-	(*)
Voluntary separation program	-	0.03
Tax impact	-	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 0.54</u>	<u>\$ 0.44</u>
Gas Utility		
Reported net income per share	\$ 0.62	\$ 0.41
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings	-	*
Tax impact	-	(*)
Voluntary separation program	-	0.01
Tax impact	-	(*)
Adjusted net income per share – non-GAAP	<u>\$ 0.62</u>	<u>\$ 0.42</u>
Enterprises		
Reported net income per share	\$ 0.05	\$ 0.07
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings	(*)	*
Tax impact	*	(*)
Tax reform	-	(0.01)
Voluntary separation program	-	*
Tax impact	-	(*)
Adjusted net income per share – non-GAAP	<u>\$ 0.05</u>	<u>\$ 0.06</u>
EnerBank		
Reported net income per share	\$ 0.11	\$ 0.05
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings	-	-
Tax impact	-	-
Adjusted net income per share – non-GAAP	<u>\$ 0.11</u>	<u>\$ 0.05</u>
Corporate Interest and Other		
Reported net loss per share	\$ (0.11)	\$ (0.09)
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings	-	(*)
Tax impact	-	*
Tax reform	-	(0.02)
Adjusted net loss per share – non-GAAP	<u>\$ (0.11)</u>	<u>\$ (0.11)</u>
Consolidated		
Reported net income per share	\$ 1.21	\$ 0.85
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings	(*)	0.01
Tax impact	*	(*)
Tax reform	-	(0.03)
Voluntary separation program	-	0.04
Tax impact	-	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 1.21</u>	<u>\$ 0.86</u>
Average Common Shares Outstanding – Diluted	<u>289.1</u>	<u>285.2</u>

* Less than \$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>	
	2021	
	1Q	
Net Income Available to Common Stockholders	\$	349
<i>Reconciling items:</i>		
Electric utility and gas utility	-	-
Tax impact	-	-
Enterprises	(1)	*
Tax impact	*	-
EnerBank	-	-
Tax impact	-	-
Corporate interest and other	-	-
Tax impact	-	-
Adjusted Net Income – Non-GAAP	<u>\$</u>	<u>348</u>
Average Common Shares Outstanding – Diluted		289.1
Diluted Earnings Per Average Common Share	\$	1.21
<i>Reconciling items:</i>		
Electric utility and gas utility	-	-
Tax impact	-	-
Enterprises	(*)	*
Tax impact	*	-
EnerBank	-	-
Tax impact	-	-
Corporate interest and other	-	-
Tax impact	-	-
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	<u>\$</u>	<u>1.21</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)	*	(*)	*
EnerBank	-	-	-	-
Tax impact	-	-	-	-
Corporate interest and other	(2)	*	(*)	*
Tax impact	(4)	(*)	*	(*)
Adjusted Net Income – Non-GAAP	<u>\$ 245</u>	<u>\$ 139</u>	<u>\$ 221</u>	<u>\$ 159</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)	*	(*)	*
EnerBank	-	-	-	-
Tax impact	-	-	-	-
Corporate interest and other	(*)	*	(*)	*
Tax impact	(0.02)	(*)	*	(*)
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	<u>\$ 0.86</u>	<u>\$ 0.49</u>	<u>\$ 0.77</u>	<u>\$ 0.56</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
(Unaudited)



	<i>In Millions, Except Per Share Amounts</i>	
	<u>Three Months Ended</u>	
	<u>3/31/21</u>	<u>3/31/20</u>
Net Income Available to Common Stockholders	\$ 349	\$ 243
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings**	(1)	3
Tax impact	*	(*)
Tax reform	-	(9)
Voluntary separation program	-	11
Tax impact	-	(3)
Adjusted net income – non-GAAP	<u>\$ 348</u>	<u>\$ 245</u>
Average Common Shares Outstanding		
Basic	288.6	283.3
Diluted	289.1	285.2
Basic Earnings Per Average Common Share		
Reported net income per share	\$ 1.21	\$ 0.86
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings**	(*)	0.01
Tax impact	*	(*)
Tax reform	-	(0.03)
Voluntary separation program	-	0.04
Tax impact	-	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 1.21</u>	<u>\$ 0.87</u>
Diluted Earnings Per Average Common Share		
Reported net income per share	\$ 1.21	\$ 0.85
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings**	(*)	0.01
Tax impact	*	(*)
Tax reform	-	(0.03)
Voluntary separation program	-	0.04
Tax impact	-	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 1.21</u>	<u>\$ 0.86</u>

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

** Includes restructuring costs and unrealized gains or losses, recognized in net income, from mark-to-market adjustments 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, recognized in net income, from mark-to-market adjustments 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
Earnings Per Share By Year GAAP Reconciliation
(Unaudited)



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	GAAP 2020 over 2003 CAGR NM	GAAP 2020 over 2019 Growth 10.5%
Reported earnings (loss) per share - GAAP	(\$0.30)	\$0.64	(\$0.44)	(\$0.41)	(\$1.02)	\$1.20	\$0.91	\$1.28	\$1.58	\$1.42	\$1.66	\$1.74	\$1.89	\$1.98	\$1.64	\$2.32	\$2.39	\$2.64		
Pretax items:																				
Electric and gas utility	0.32	(0.60)	-	-	(0.06)	0.08	0.55	0.05	-	0.27	-	-	-	0.04	-	-	0.02	0.08		
Tax impact	(0.11)	0.21	-	-	(0.01)	(0.03)	(0.22)	(0.02)	-	(0.10)	-	-	-	(0.01)	0.12 (b)	0.01	(*)	(0.02)		
Enterprises	0.93	0.97	0.06	(0.12)	1.67	(0.02)	0.14	(0.05)	*	(0.01)	*	0.05	*	*	*	0.02	*	*		
Tax impact	(0.19)	(0.35)	(0.02)	0.10	(0.42)	*	(0.05)	0.02	(0.11)	*	(*)	(0.02)	(*)	(*)	0.20 (b)	(0.02)	(*)	(0.01) (b)		
EnerBank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Tax impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01 (b)	*	-	-		
Corporate interest and other	0.25	(0.06)	0.06	0.45	0.17	0.01	0.01	*	-	*	*	*	*	0.02	0.01	*	0.11	(*)		
Tax impact	(0.09)	0.03	(0.02)	(0.18)	(0.49)	(0.03)	(*)	(*)	(0.01)	(*)	(*)	(*)	(*)	(0.01)	0.19 (b)	(*)	(0.03)	(0.02) (b)	Adjusted 2020 over 2003 CAGR 7.3%	Adjusted 2020 over 2019 Growth 7.2%
Discontinued operations (income) loss, net	(0.16)	0.02	(0.07)	(0.03)	0.40	(*)	(0.08)	0.08	(0.01)	(0.03)	*	(*)	(*)	*	*	(*)	*	*		
Asset impairment charges	-	-	2.80	1.07	0.93	-	-	-	-	-	-	-	-	-	-	-	-	-		
Tax impact	-	-	(0.98)	(0.31)	(0.33)	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cumulative accounting changes	0.25	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Tax impact	(0.09)	(0.01)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Adjusted earnings per share, including MTM - non-GAAP	\$0.81	\$0.87	\$1.39	\$0.57	\$0.84	\$1.21 (a)	\$1.26	\$1.36	\$1.45	\$1.55	\$1.66	\$1.77	\$1.89	\$2.02	\$2.17	\$2.33	\$2.49	\$2.67		
Mark-to-market		0.04	(0.65)	0.80																
Tax impact		(0.01)	0.22	(0.29)																
Adjusted earnings per share, excluding MTM - non-GAAP	NA	\$0.90	\$0.96	\$1.08	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA		

* Less than \$0.01 per share.

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

(b) Reflects the impact of tax reform.

CMS ENERGY CORPORATION
Reconciliation of GAAP Operating Activities
to Non-GAAP Operating Activities
(Unaudited)
(MM)



	<u>2020</u>
GAAP Net cash provided by operating activities	\$ 1,276
Add back discretionary pension contribution	<u>700</u>
Non-GAAP Net cash provided by operating activities	\$ 1,976

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



	<i>In Millions</i>		
	Twelve Months Ended		
	<u>3/31/21</u>	<u>12/31/20</u>	<u>3/31/20</u>
Net Income Available to Common Stockholders	\$ 861	\$ 755	\$ 710
<i>Reconciling items:</i>			
Income tax expense	157	133	126
Interest on long-term debt	486	483	449
Interest expense - related parties	12	12	12
Other interest expense	64	68	78
Allowance for borrowed funds used during construction	(2)	(2)	(4)
Income (loss) attributable to noncontrolling interests	(10)	(3)	2
Other exclusions from adjusted earnings	9	13	40
Tax reform	-	(9)	(9)
Voluntary separation program	-	11	11
	<u>1,577</u>	<u>1,461</u>	<u>1,415</u>
EBIT – Non-GAAP			
<i>Additional reconciling items:</i>			
Depreciation and amortization	<u>1,072</u>	<u>1,048</u>	<u>1,010</u>
	<u>\$ 2,649</u>	<u>\$ 2,509</u>	<u>\$ 2,425</u>
EBITDA – Non-GAAP			

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>3/31/21</u>	<u>12/31/20</u>	<u>3/31/20</u>
Net Income Available to Common Stockholder	\$ 915	\$ 814	\$ 750
<i>Reconciling items:</i>			
Income tax expense	185	173	175
Interest on long-term debt	298	299	282
Interest expense - related parties	12	12	12
Other interest expense	10	11	15
Allowance for borrowed funds used during construction	(2)	(2)	(4)
Preferred stock dividends	2	2	2
Other exclusions from adjusted earnings	10	14	10
Voluntary separation program	-	11	11
	<hr/>	<hr/>	<hr/>
EBIT – Non-GAAP	1,430	1,334	1,253
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,040	1,023	993
	<hr/>	<hr/>	<hr/>
EBITDA – Non-GAAP	<u>\$ 2,470</u>	<u>\$ 2,357</u>	<u>\$ 2,246</u>