

# 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>Six Months Ended</u>	
	<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/21</u>	<u>6/30/20</u>
<b>Electric Utility</b>				
Reported net income per share	\$ 0.53	\$ 0.42	\$ 1.07	\$ 0.83
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	0.02	-	0.03
Tax impact	-	(0.01)	-	(0.01)
Voluntary separation program	-	(*)	-	0.03
Tax impact	-	*	-	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 0.53</u>	<u>\$ 0.43</u>	<u>\$ 1.07</u>	<u>\$ 0.87</u>
<b>Gas Utility</b>				
Reported net income per share	\$ 0.13	\$ 0.14	\$ 0.75	\$ 0.55
<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>\$ 0.13</u>	<u>\$ 0.14</u>	<u>\$ 0.75</u>	<u>\$ 0.56</u>
<b>Enterprises</b>				
Reported net income per share	\$ 0.01	\$ -	\$ 0.06	\$ 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>\$ 0.01</u>	<u>\$ -</u>	<u>\$ 0.06</u>	<u>\$ 0.06</u>
<b>Corporate Interest and Other</b>				
Reported net loss per share	\$ (0.12)	\$ (0.11)	\$ (0.24)	\$ (0.20)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	(*)	*	(*)	(*)
Tax impact	*	(*)	*	*
Tax reform	-	-	-	(0.02)
Voluntary separation program	-	-	-	-
Tax impact	-	-	-	-
Adjusted net loss per share – non-GAAP	<u>\$ (0.12)</u>	<u>\$ (0.11)</u>	<u>\$ (0.24)</u>	<u>\$ (0.22)</u>
<b>Discontinued Operations</b>				
Reported net income per share available to common stockholders	\$ 0.06	\$ 0.03	\$ 0.18	\$ 0.08
<i>Reconciling items:</i>				
Disposal of discontinued operations loss	0.02	-	0.02	-
Tax impact	(0.01)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.07</u>	<u>\$ 0.03</u>	<u>\$ 0.19</u>	<u>\$ 0.08</u>
<b>Total Operations</b>				
Reported net income per share	\$ 0.61	\$ 0.48	\$ 1.82	\$ 1.33
<i>Reconciling items:</i>				
Disposal of discontinued operations loss	0.02	-	0.02	-
Tax impact	(0.01)	-	(0.01)	-
Other exclusions from adjusted earnings	*	0.02	(*)	0.03
Tax impact	(*)	(0.01)	*	(0.01)
Tax reform	-	-	-	(0.03)
Voluntary separation program	-	(*)	-	0.04
Tax impact	-	*	-	(0.01)
Adjusted net income per share – non-GAAP	<u>\$ 0.62</u>	<u>\$ 0.49</u>	<u>\$ 1.83</u>	<u>\$ 1.35</u>
<i>Additional reconciling items:</i>				
Adjusted discontinued operations income - non-GAAP	(0.10)	(0.04)	(0.25)	(0.10)
Tax impact	0.03	0.01	0.06	0.02
Adjusted continuing operations net income per share – non-GAAP	<u>\$ 0.55</u>	<u>\$ 0.46</u>	<u>\$ 1.64</u>	<u>\$ 1.27</u>
<b>Average Common Shares Outstanding – Diluted</b>	<u>289.4</u>	<u>286.5</u>	<u>289.3</u>	<u>285.8</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>			
	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>6/30/21</b>	<b>6/30/20</b>	<b>6/30/21</b>	<b>6/30/20</b>
<b>Net Income Available to Common Stockholders</b>	\$ 176	\$ 136	\$ 525	\$ 379
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	5	-	5	-
Tax impact	(1)	-	(1)	-
Other exclusions from adjusted earnings**	*	4	(1)	7
Tax impact	(*)	(1)	*	(1)
Tax reform	-	-	-	(9)
Voluntary separation program	-	(*)	-	11
Tax impact	-	*	-	(3)
<b>Adjusted net income – non-GAAP</b>	<b>\$ 180</b>	<b>\$ 139</b>	<b>\$ 528</b>	<b>\$ 384</b>
<i>Additional reconciling items:</i>				
Adjusted discontinued operations income - non-GAAP	(30)	(11)	(73)	(28)
Tax impact	8	3	17	6
<b>Adjusted continuing operations net income – non-GAAP</b>	<b>\$ 158</b>	<b>\$ 131</b>	<b>\$ 472</b>	<b>\$ 362</b>
<b>Average Common Shares Outstanding</b>				
Basic	289.0	285.5	288.8	284.4
Diluted	289.4	286.5	289.3	285.8
<b>Basic Earnings Per Average Common Share</b>				
Reported net income per share	\$ 0.61	\$ 0.48	\$ 1.82	\$ 1.33
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	0.02	-	0.02	-
Tax impact	(0.01)	-	(0.01)	-
Other exclusions from adjusted earnings**	*	0.02	(*)	0.03
Tax impact	(*)	(0.01)	*	(0.01)
Tax reform	-	-	-	(0.03)
Voluntary separation program	-	(*)	-	0.04
Tax impact	-	*	-	(0.01)
<b>Adjusted net income per share – non-GAAP</b>	<b>\$ 0.62</b>	<b>\$ 0.49</b>	<b>\$ 1.83</b>	<b>\$ 1.35</b>
<i>Additional reconciling items:</i>				
Adjusted discontinued operations income - non-GAAP	(0.10)	(0.04)	(0.25)	(0.10)
Tax impact	0.03	0.01	0.06	0.02
<b>Adjusted continuing operations net income per share – non-GAAP</b>	<b>\$ 0.55</b>	<b>\$ 0.46</b>	<b>\$ 1.64</b>	<b>\$ 1.27</b>
<b>Diluted Earnings Per Average Common Share</b>				
Reported net income per share	\$ 0.61	\$ 0.48	\$ 1.82	\$ 1.33
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	0.02	-	0.02	-
Tax impact	(0.01)	-	(0.01)	-
Other exclusions from adjusted earnings**	*	0.02	(*)	0.03
Tax impact	(*)	(0.01)	*	(0.01)
Tax reform	-	-	-	(0.03)
Voluntary separation program	-	(*)	-	0.04
Tax impact	-	*	-	(0.01)
<b>Adjusted net income per share – non-GAAP</b>	<b>\$ 0.62</b>	<b>\$ 0.49</b>	<b>\$ 1.83</b>	<b>\$ 1.35</b>
<i>Additional reconciling items:</i>				
Adjusted discontinued operations income - non-GAAP	(0.10)	(0.04)	(0.25)	(0.10)
Tax impact	0.03	0.01	0.06	0.02
<b>Adjusted continuing operations net income per share – non-GAAP</b>	<b>\$ 0.55</b>	<b>\$ 0.46</b>	<b>\$ 1.64</b>	<b>\$ 1.27</b>

\* 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**  
**Reconciliations of GAAP Net Income to Non-GAAP EBIT and EBITDA**  
(Unaudited)



	<i>In Millions</i>		
	<b>Twelve Months Ended</b>		
	<b>6/30/21</b>	<b>12/31/20</b>	<b>6/30/20</b>
<b>Reported Net Income from Continuing Operations Available to Common Stockholders</b>	\$ 813	\$ 697	\$ 704
<i>Reconciling items:</i>			
Income tax expense	131	115	118
Interest on long-term debt	485	483	460
Interest expense - related parties	12	12	12
Other interest expense	11	12	14
Allowance for borrowed funds used during construction	(2)	(2)	(3)
Income (loss) attributable to noncontrolling interests	(16)	(3)	2
Other exclusions from adjusted earnings	5	13	44
Tax reform	-	(9)	(9)
Voluntary separation program	-	11	11
	<hr/>	<hr/>	<hr/>
<b>EBIT – Non-GAAP</b>	1,439	1,329	1,353
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,088	1,043	1,013
	<hr/>	<hr/>	<hr/>
<b>EBITDA – Non-GAAP</b>	<u>\$ 2,527</u>	<u>\$ 2,372</u>	<u>\$ 2,366</u>

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



	<i>In Millions</i>		
	<b>Twelve Months Ended</b>		
	<u>6/30/21</u>	<u>12/31/20</u>	<u>6/30/20</u>
<b>Net Income Available to Common Stockholder</b>	\$ 945	\$ 814	\$ 812
<i>Reconciling items:</i>			
Income tax expense	183	173	185
Interest on long-term debt	294	299	291
Interest expense - related parties	12	12	12
Other interest expense	10	11	13
Allowance for borrowed funds used during construction	(2)	(2)	(3)
Preferred stock dividends	2	2	2
Other exclusions from adjusted earnings	6	14	14
Tax reform	-	-	-
Voluntary separation program	-	11	11
	<hr/>	<hr/>	<hr/>
<b>EBIT – Non-GAAP</b>	1,450	1,334	1,337
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,056	1,023	999
	<hr/>	<hr/>	<hr/>
<b>EBITDA – Non-GAAP</b>	\$ 2,506	\$ 2,357	\$ 2,336

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



	<i>In Millions, Except Per Share Amounts</i>			
	Three Months Ended		Six Months Ended	
	6/30/21	6/30/20	6/30/21	6/30/20
<b>Net Income Available to Common Stockholders</b>				
Reported net income from continuing operations available to common stockholders	\$ 158	\$ 128	\$ 473	\$ 357
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings**	*	4	(1)	7
Tax impact	(*)	(1)	*	(1)
Tax reform	-	-	-	(9)
Voluntary separation program	-	(*)	-	11
Tax impact	-	*	-	(3)
<b>Adjusted net income from continuing operations – non-GAAP</b>	<b>\$ 158</b>	<b>\$ 131</b>	<b>\$ 472</b>	<b>\$ 362</b>
Reported net income from discontinued operations available to common stockholders	\$ 18	\$ 8	\$ 52	\$ 22
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	5	-	5	-
Tax impact	(1)	-	(1)	-
<b>Adjusted net income from discontinued operations – non-GAAP</b>	<b>\$ 22</b>	<b>\$ 8</b>	<b>\$ 56</b>	<b>\$ 22</b>
<b>Average Common Shares Outstanding</b>				
Basic	289.0	285.5	288.8	284.4
Diluted	289.4	286.5	289.3	285.8
<b>Basic Earnings Per Average Common Share</b>				
Reported net income from continuing operations per average common share available to common stockholders	\$ 0.55	\$ 0.45	\$ 1.64	\$ 1.25
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings**	*	0.02	(*)	0.03
Tax impact	(*)	(0.01)	*	(0.01)
Tax reform	-	-	-	(0.03)
Voluntary separation program	-	(*)	-	0.04
Tax impact	-	*	-	(0.01)
<b>Adjusted net income from continuing operations per average common share – non-GAAP</b>	<b>\$ 0.55</b>	<b>\$ 0.46</b>	<b>\$ 1.64</b>	<b>\$ 1.27</b>
Reported net income from discontinued operations per average common share available to common stockholders	\$ 0.06	\$ 0.03	\$ 0.18	\$ 0.08
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	0.02	-	0.02	-
Tax impact	(0.01)	-	(0.01)	-
<b>Adjusted net income from discontinued operations per average common share – non-GAAP</b>	<b>\$ 0.07</b>	<b>\$ 0.03</b>	<b>\$ 0.19</b>	<b>\$ 0.08</b>
<b>Diluted Earnings Per Average Common Share</b>				
Reported net income from continuing operations per average common share available to common stockholders	\$ 0.55	\$ 0.45	\$ 1.64	\$ 1.25
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings**	*	0.02	(*)	0.03
Tax impact	(*)	(0.01)	*	(0.01)
Tax reform	-	-	-	(0.03)
Voluntary separation program	-	(*)	-	0.04
Tax impact	-	*	-	(0.01)
<b>Adjusted net income from continuing operations per average common share – non-GAAP</b>	<b>\$ 0.55</b>	<b>\$ 0.46</b>	<b>\$ 1.64</b>	<b>\$ 1.27</b>
Reported net income from discontinued operations per average common share available to common stockholders	\$ 0.06	\$ 0.03	\$ 0.18	\$ 0.08
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	0.02	-	0.02	-
Tax impact	(0.01)	-	(0.01)	-
<b>Adjusted net income from discontinued operations per average common share – non-GAAP</b>	<b>\$ 0.07</b>	<b>\$ 0.03</b>	<b>\$ 0.19</b>	<b>\$ 0.08</b>

\* 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.