

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, 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 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 Net Income to Non-GAAP Adjusted Net Income**  
**(Unaudited)**



	<i>In Millions, Except Per Share Amounts</i>	
	<u>Three Months Ended</u>	
	<u>3/31/22</u>	<u>3/31/21</u>
<b>Net Income Available to Common Stockholders</b>	\$ 351	\$ 349
<i>Reconciling items:</i>		
Disposal of discontinued operations gain	(5)	-
Tax impact	1	-
Discontinued operations income	-	(43)
Tax impact	-	9
Other exclusions from adjusted earnings**	(1)	(1)
Tax impact	*	*
	<u>\$ 346</u>	<u>\$ 314</u>
<b>Adjusted net income – non-GAAP</b>		
<b>Average Common Shares Outstanding</b>		
Diluted	289.9	289.1
<b>Diluted Earnings Per Average Common Share</b>		
Reported net income per share	\$ 1.21	\$ 1.21
<i>Reconciling items:</i>		
Disposal of discontinued operations gain	(0.01)	-
Tax impact	*	-
Discontinued operations income	-	(0.15)
Tax impact	-	0.03
Other exclusions from adjusted earnings**	(*)	(*)
Tax impact	*	*
	<u>\$ 1.20</u>	<u>\$ 1.09</u>
<b>Adjusted net income per share – non-GAAP</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 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>	
	<u>2022</u>	
	<u>1Q</u>	
<b>Net Income Available to Common Stockholders</b>	\$	351
<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 gain	(5)	
Tax impact	1	
<b>Adjusted Net Income – Non-GAAP</b>	<u>\$</u>	<u>346</u>
<b>Average Common Shares Outstanding – Diluted</b>		289.9
<b>Diluted Earnings Per Average Common Share</b>	\$	1.21
<i>Reconciling items:</i>		
Electric utility and gas utility	-	
Tax impact	-	
Enterprises	(*)	
Tax impact	*	
Corporate interest and other	-	
Tax impact	-	
Disposal of discontinued operations gain	(0.01)	
Tax impact	*	
<b>Adjusted Diluted Earnings Per Average Common Share – Non-GAAP</b>	<u>\$</u>	<u>1.20</u>

	<i>In Millions, Except Per Share Amounts</i>			
	<u>2021</u>			
	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>
<b>Net Income Available to Common Stockholders</b>	\$ 349	\$ 176	\$ 186	\$ 637
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	29
Tax impact	-	-	-	(7)
Enterprises	(1)	*	(*)	*
Tax impact	*	(*)	*	(*)
Corporate interest and other	-	(*)	-	*
Tax impact	-	*	-	(*)
Disposal of discontinued operations (gain) loss	-	5	3	(665)
Tax impact	-	(1)	(1)	145
Discontinued operations income	(43)	(30)	(42)	-
Tax impact	9	8	10	-
<b>Adjusted Net Income – Non-GAAP</b>	<u>\$ 314</u>	<u>\$ 158</u>	<u>\$ 156</u>	<u>\$ 139</u>
<b>Average Common Shares Outstanding – Diluted</b>	289.1	289.4	289.6	289.7
<b>Diluted Earnings Per Average Common Share</b>	\$ 1.21	\$ 0.61	\$ 0.64	\$ 2.20
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	0.10
Tax impact	-	-	-	(0.03)
Enterprises	(*)	*	(*)	*
Tax impact	*	(*)	*	(*)
Corporate interest and other	-	(*)	-	*
Tax impact	-	*	-	(*)
Disposal of discontinued operations (gain) loss	-	0.02	0.01	(2.30)
Tax impact	-	(0.01)	(*)	0.50
Discontinued operations income	(0.15)	(0.10)	(0.14)	-
Tax impact	0.03	0.03	0.03	-
<b>Adjusted Diluted Earnings Per Average Common Share – Non-GAAP</b>	<u>\$ 1.09</u>	<u>\$ 0.55</u>	<u>\$ 0.54</u>	<u>\$ 0.47</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>		
	<b>Twelve Months Ended</b>		
	<u>3/31/22</u>	<u>12/31/21</u>	<u>3/31/21</u>
<b>Net Income Available to Common Stockholders</b>	\$ 1,350	\$ 1,348	\$ 861
<i>Reconciling items:</i>			
Income tax expense	254	265	157
Interest on long-term debt	483	481	486
Interest expense - related parties	12	12	12
Other interest expense	8	10	12
Allowance for borrowed funds used during construction	(3)	(3)	(2)
Income (loss) attributable to noncontrolling interests	(24)	(23)	(10)
Preferred stock dividends	7	5	-
Disposal of discontinued operations gain	(662)	(657)	-
Discontinued operations income	(72)	(115)	(102)
Other exclusions from adjusted earnings	(1)	(1)	9
Loss on fleet impairment	29	29	-
	<hr/>	<hr/>	<hr/>
<b>EBIT – Non-GAAP</b>	1,381	1,351	1,423
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,121	1,114	1,066
	<hr/>	<hr/>	<hr/>
<b>EBITDA – Non-GAAP</b>	\$ 2,502	\$ 2,465	\$ 2,489

**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>3/31/22</u>	<u>12/31/21</u>	<u>3/31/21</u>
<b>Net Income Available to Common Stockholder</b>	\$ 913	\$ 866	\$ 915
<i>Reconciling items:</i>			
Income tax expense	147	156	185
Interest on long-term debt	296	294	298
Interest expense - related parties	12	12	12
Other interest expense	7	8	10
Allowance for borrowed funds used during construction	(3)	(3)	(2)
Preferred stock dividends	2	2	2
Other exclusions from adjusted earnings	-	-	10
Loss on fleet impairment	29	29	-
	<u>1,403</u>	<u>1,364</u>	<u>1,430</u>
<b>EBIT – Non-GAAP</b>	1,403	1,364	1,430
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,084	1,077	1,040
	<u>1,084</u>	<u>1,077</u>	<u>1,040</u>
<b>EBITDA – Non-GAAP</b>	<u>\$ 2,487</u>	<u>\$ 2,441</u>	<u>\$ 2,470</u>