

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>			
	Three Months Ended		Six Months Ended	
	6/30/22	6/30/21	6/30/22	6/30/21
Net Income Available to Common Stockholders	\$ 145	\$ 176	\$ 496	\$ 525
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	*	5	(5)	5
Tax impact	(*)	(1)	1	(1)
Discontinued operations income	-	(30)	-	(73)
Tax impact	-	8	-	17
Other exclusions from adjusted earnings**	(*)	*	(1)	(1)
Tax impact	*	(*)	*	*
Voluntary separation program	11	-	11	-
Tax impact	(3)	-	(3)	-
Adjusted net income – non-GAAP	<u>\$ 153</u>	<u>\$ 158</u>	<u>\$ 499</u>	<u>\$ 472</u>
Average Common Shares Outstanding				
Diluted	290.1	289.4	290.0	289.3
Diluted Earnings Per Average Common Share				
Reported net income per share	\$ 0.50	\$ 0.61	\$ 1.71	\$ 1.82
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	*	0.02	(0.01)	0.02
Tax impact	(*)	(0.01)	*	(0.01)
Discontinued operations income	-	(0.10)	-	(0.25)
Tax impact	-	0.03	-	0.06
Other exclusions from adjusted earnings**	(*)	*	(*)	(*)
Tax impact	*	(*)	*	*
Voluntary separation program	0.04	-	0.04	-
Tax impact	(0.01)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.53</u>	<u>\$ 0.55</u>	<u>\$ 1.73</u>	<u>\$ 1.64</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 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>			
		2022			
		1Q	2Q		
Net Income Available to Common Stockholders		\$ 351	\$ 145		
<i>Reconciling items:</i>					
Electric utility and gas utility		-	11		
Tax impact		-	(3)		
Enterprises		(1)	(*)		
Tax impact		*	*		
Corporate interest and other		-	*		
Tax impact		-	(*)		
Disposal of discontinued operations (gain) loss		(5)	*		
Tax impact		1	(*)		
Adjusted Net Income – Non-GAAP		\$ 346	\$ 153		
Average Common Shares Outstanding – Diluted		289.9	290.1		
Diluted Earnings Per Average Common Share		\$ 1.21	\$ 0.50		
<i>Reconciling items:</i>					
Electric utility and gas utility		-	0.04		
Tax impact		-	(0.01)		
Enterprises		(*)	(*)		
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		\$ 1.20	\$ 0.53		

		<i>In Millions, Except Per Share Amounts</i>			
		2021			
		1Q	2Q	3Q	4Q
Net Income Available to Common Stockholders		\$ 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	-
Adjusted Net Income – Non-GAAP		\$ 314	\$ 158	\$ 156	\$ 139
Average Common Shares Outstanding – Diluted		289.1	289.4	289.6	289.7
Diluted Earnings Per Average Common Share		\$ 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	-
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP		\$ 1.09	\$ 0.55	\$ 0.54	\$ 0.47

* 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		
	6/30/22	12/31/21	6/30/21
Net Income Available to Common Stockholders	\$ 1,319	\$ 1,348	\$ 901
<i>Reconciling items:</i>			
Income tax expense	239	265	159
Interest on long-term debt	485	481	485
Interest expense - related parties	12	12	12
Other interest expense	7	10	11
Allowance for borrowed funds used during construction	(3)	(3)	(2)
Loss attributable to noncontrolling interests	(25)	(23)	(16)
Preferred stock dividends	10	5	-
Disposal of discontinued operations (gain) loss	(667)	(657)	5
Discontinued operations income	(42)	(115)	(121)
Other exclusions from adjusted earnings	(1)	(1)	5
Loss on fleet impairment	29	29	-
Voluntary separation program	11	-	-
EBIT – Non-GAAP	1,374	1,351	1,439
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,119	1,114	1,088
EBITDA – Non-GAAP	<u>\$ 2,493</u>	<u>\$ 2,465</u>	<u>\$ 2,527</u>

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



	<i>In Millions</i>		
	Twelve Months Ended		
	6/30/22	12/31/21	6/30/21
Net Income Available to Common Stockholder	\$ 896	\$ 866	\$ 945
<i>Reconciling items:</i>			
Income tax expense	145	156	183
Interest on long-term debt	298	294	294
Interest expense - related parties	12	12	12
Other interest expense	5	8	10
Allowance for borrowed funds used during construction	(3)	(3)	(2)
Preferred stock dividends	2	2	2
Other exclusions from adjusted earnings	-	-	6
Loss on fleet impairment	29	29	-
Voluntary separation program	11	-	-
EBIT – Non-GAAP	1,395	1,364	1,450
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,083	1,077	1,056
EBITDA – Non-GAAP	<u>\$ 2,478</u>	<u>\$ 2,441</u>	<u>\$ 2,506</u>