

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, 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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Cash Flows from Operating Activities	\$ 1,703	\$ 1,790	\$ 1,276	\$ 1,819	\$ 855
Adjustments - Discretionary Pension Contributions	240	-	700	-	-
Adjustments - EnerBank Operating Cash Flows	(61)	(89)	(91)	24	-
Non-GAAP Adjusted Cash Flows from Operating Activities	<u>\$ 1,882</u>	<u>\$ 1,701</u>	<u>\$ 1,885</u>	<u>\$ 1,843</u>	<u>\$ 855</u>

**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>Twelve Months Ended</u>	
	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/22</u>	<u>12/31/21</u>
<b>Electric Utility</b>				
Reported net income per share	\$ 0.23	\$ 0.21	\$ 1.96	\$ 1.95
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.02	-	0.02	-
Tax impact	(0.01)	-	(0.01)	-
Loss on fleet impairment	-	0.07	-	0.07
Tax impact	-	(0.02)	-	(0.02)
Voluntary separation program	*	-	0.03	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.24</u>	<u>\$ 0.26</u>	<u>\$ 1.99</u>	<u>\$ 2.00</u>
<b>Gas Utility</b>				
Reported net income per share	\$ 0.48	\$ 0.33	\$ 1.30	\$ 1.05
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.01	-	0.01	-
Tax impact	(*)	-	(*)	-
Loss on fleet impairment	-	0.03	-	0.03
Tax impact	-	(0.01)	-	(0.01)
Voluntary separation program	*	-	0.01	-
Tax impact	(*)	-	(*)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.49</u>	<u>\$ 0.35</u>	<u>\$ 1.32</u>	<u>\$ 1.07</u>
<b>NorthStar Clean Energy</b>				
Reported net income (loss) per share	\$ 0.03	\$ (0.01)	\$ 0.12	\$ 0.08
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	*	(*)	(*)
Tax impact	-	(*)	*	*
Voluntary separation program	-	-	*	-
Tax impact	-	-	(*)	-
Adjusted net income (loss) per share – non-GAAP	<u>\$ 0.03</u>	<u>\$ (0.01)</u>	<u>\$ 0.12</u>	<u>\$ 0.08</u>
<b>Corporate Interest and Other</b>				
Reported net loss per share	\$ (0.16)	\$ (0.13)	\$ (0.54)	\$ (0.50)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	*	*	(*)
Tax impact	(*)	(*)	(*)	*
Adjusted net loss per share – non-GAAP	<u>\$ (0.16)</u>	<u>\$ (0.13)</u>	<u>\$ (0.54)</u>	<u>\$ (0.50)</u>
<b>Discontinued Operations</b>				
Reported net income per share	\$ -	\$ 1.80	\$ 0.01	\$ 2.08
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(2.30)	(0.01)	(2.27)
Tax impact	-	0.50	*	0.49
Discontinued operations income	-	-	-	(0.39)
Tax impact	-	-	-	0.09
Adjusted net income per share – non-GAAP	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Consolidated</b>				
Reported net income per share	\$ 0.58	\$ 2.20	\$ 2.85	\$ 4.66
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(2.30)	(0.01)	(2.27)
Tax impact	-	0.50	*	0.49
Discontinued operations income	-	-	-	(0.39)
Tax impact	-	-	-	0.09
Other exclusions from adjusted earnings	0.03	*	0.03	(*)
Tax impact	(0.01)	(*)	(0.01)	*
Loss on fleet impairment	-	0.10	-	0.10
Tax impact	-	(0.03)	-	(0.03)
Voluntary separation program	*	-	0.04	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.60</u>	<u>\$ 0.47</u>	<u>\$ 2.89</u>	<u>\$ 2.65</u>
<b>Average Common Shares Outstanding – Diluted</b>	290.1	289.7	290.0	289.5

\* 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>Twelve Months Ended</b>	
	<b>12/31/22</b>	<b>12/31/21</b>	<b>12/31/22</b>	<b>12/31/21</b>
<b>Net Income Available to Common Stockholders</b>	\$ 168	\$ 637	\$ 827	\$ 1,348
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(665)	(5)	(657)
Tax impact	-	145	1	143
Discontinued operations income	-	-	-	(115)
Tax impact	-	-	-	27
Other exclusions from adjusted earnings**	9	*	8	(1)
Tax impact	(2)	(*)	(2)	*
Loss on fleet impairment	-	29	-	29
Tax impact	-	(7)	-	(7)
Voluntary separation program	1	-	12	-
Tax impact	(*)	-	(3)	-
<b>Adjusted net income – non-GAAP</b>	<b>\$ 176</b>	<b>\$ 139</b>	<b>\$ 838</b>	<b>\$ 767</b>
<b>Average Common Shares Outstanding</b>				
Diluted	290.1	289.7	290.0	289.5
<b>Diluted Earnings Per Average Common Share</b>				
Reported net income per share	\$ 0.58	\$ 2.20	\$ 2.85	\$ 4.66
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(2.30)	(0.01)	(2.27)
Tax impact	-	0.50	*	0.49
Discontinued operations income	-	-	-	(0.39)
Tax impact	-	-	-	0.09
Other exclusions from adjusted earnings**	0.03	*	0.03	(*)
Tax impact	(0.01)	(*)	(0.01)	*
Loss on fleet impairment	-	0.10	-	0.10
Tax impact	-	(0.03)	-	(0.03)
Voluntary separation program	*	-	0.04	-
Tax impact	(*)	-	(0.01)	-
<b>Adjusted net income per share – non-GAAP</b>	<b>\$ 0.60</b>	<b>\$ 0.47</b>	<b>\$ 2.89</b>	<b>\$ 2.65</b>

\* 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, 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>			
	2022			
	1Q	2Q	3Q	4Q
<b>Net Income Available to Common Stockholders</b>	\$ 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	(*)	-	-
<b>Adjusted Net Income – Non-GAAP</b>	<u>\$ 346</u>	<u>\$ 153</u>	<u>\$ 163</u>	<u>\$ 176</u>
<b>Average Common Shares Outstanding – Diluted</b>	289.9	290.1	290.1	290.1
<b>Diluted Earnings Per Average Common Share</b>	\$ 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	*	(*)	-	-
<b>Adjusted Diluted Earnings Per Average Common Share – Non-GAAP</b>	<u>\$ 1.20</u>	<u>\$ 0.53</u>	<u>\$ 0.56</u>	<u>\$ 0.60</u>

  

	<i>In Millions, Except Per Share Amounts</i>			
	2021			
	1Q	2Q	3Q	4Q
<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)
NorthStar Clean Energy	(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)
NorthStar Clean Energy	(*)	*	(*)	*
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>		
	<b>12/31/22</b>	<b>12/31/21</b>	<b>12/31/20</b>
<b>Net Income Available to Common Stockholders</b>	\$ 827	\$ 1,348	\$ 755
<i>Reconciling items:</i>			
Income tax expense	94	265	133
Interest on long-term debt	509	481	483
Interest expense - related parties	12	12	12
Other interest expense	-	10	12
Allowance for borrowed funds used during construction	(2)	(3)	(2)
Loss attributable to noncontrolling interests	(24)	(23)	(3)
Preferred stock dividends	10	5	-
Disposal of discontinued operations gain	(5)	(657)	-
Discontinued operations income	-	(115)	(76)
Other exclusions from adjusted earnings	8	(1)	13
Loss on fleet impairment	-	29	-
Tax reform	-	-	(9)
Voluntary separation program	12	-	11
<b>EBIT – Non-GAAP</b>	<b>1,441</b>	<b>1,351</b>	<b>1,329</b>
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,126	1,114	1,043
<b>EBITDA – Non-GAAP</b>	<b>\$ 2,567</b>	<b>\$ 2,465</b>	<b>\$ 2,372</b>

**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>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>
<b>Net Income Available to Common Stockholder</b>	\$ 943	\$ 866	\$ 814
<i>Reconciling items:</i>			
Income tax expense	140	156	173
Interest on long-term debt	325	294	299
Interest expense - related parties	12	12	12
Other interest expense	-	8	11
Allowance for borrowed funds used during construction	(2)	(3)	(2)
Preferred stock dividends	2	2	2
Other exclusions from adjusted earnings	9	-	14
Loss on fleet impairment	-	29	-
Voluntary separation program	12	-	11
	<u>1,441</u>	<u>1,364</u>	<u>1,334</u>
<b>EBIT – Non-GAAP</b>			
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,088	1,077	1,023
	<u>1,088</u>	<u>1,077</u>	<u>1,023</u>
<b>EBITDA – Non-GAAP</b>	<u>\$ 2,529</u>	<u>\$ 2,441</u>	<u>\$ 2,357</u>