

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, major enterprise resource planning software implementations, changes in accounting principles, voluntary separation program, changes in federal and state 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>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Cash Flows from Operating Activities	\$ 1,703	\$ 1,790	\$ 2,309	\$ 2,370	\$ 2,235
Adjustments - Discretionary Pension Contributions	-	-	-	-	-
Adjustments - EnerBank Operating Cash Flows	<u>(91)</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-GAAP Adjusted Cash Flows from Operating Activities	<u>\$ 1,612</u>	<u>\$ 1,814</u>	<u>\$ 2,309</u>	<u>\$ 2,370</u>	<u>\$ 2,235</u>

CMS ENERGY CORPORATION
Reconciliation of GAAP Cash Flows from Operating Activities to Non-GAAP Funds from Operations
Reconciliation of GAAP Indebtedness to Non-GAAP Adjusted Debt
(Unaudited)



12/31/2025

FUNDS FROM OPERATIONS

Net Cash Provided by Operating Activities	\$ 2,235
Reconciling Items:	
Changes in assets and liabilities	
Accounts receivable and accrued revenue	251
Inventories	28
Accounts payable and accrued rate refunds	(196)
Other current assets and liabilities	<u>(78)</u>
Adjusted operating cash flow; pre-working capital	\$ 2,240
50% of interest charges on Junior subordinated notes	<u>80</u>
FFO - Non-GAAP	<u><u>\$ 2,320</u></u>

ADJUSTED DEBT

Indebtedness	
Current portion of long-term debt and finance leases	\$ 956
Notes payable	-
Long-term debt	17,807
Non-current portion of finance leases	<u>135</u>
Total Indebtedness	<u>\$ 18,898</u>
50% of Junior subordinated notes	\$ (1,505)
Make whole call - CMS Parent senior notes	-
Adjusted Debt - Non-GAAP	<u><u>\$ 17,393</u></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>12/31/25</u>	<u>12/31/24</u>	<u>12/31/25</u>	<u>12/31/24</u>
Electric Utility				
Reported net income per share	\$ 0.33	\$ 0.47	\$ 2.39	\$ 2.28
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	0.02	*	0.04	0.01
Tax impact	(*)	(*)	(0.01)	(*)
State tax policy change	(*)	-	0.03	-
Voluntary separation program	-	-	-	*
Tax impact	-	-	-	(*)
Adjusted net income per share – non-GAAP	<u>\$ 0.35</u>	<u>\$ 0.47</u>	<u>\$ 2.45</u>	<u>\$ 2.29</u>
Gas Utility				
Reported net income per share	\$ 0.56	\$ 0.44	\$ 1.36	\$ 1.10
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	*	0.01	*
Tax impact	(*)	(*)	(*)	(*)
State tax policy change	*	-	0.01	-
Voluntary separation program	-	-	-	*
Tax impact	-	-	-	(*)
Adjusted net income per share – non-GAAP	<u>\$ 0.56</u>	<u>\$ 0.44</u>	<u>\$ 1.38</u>	<u>\$ 1.10</u>
NorthStar Clean Energy				
Reported net income per share	\$ 0.19	\$ 0.03	\$ 0.24	\$ 0.21
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	(0.01)	-	*	-
Tax impact	*	-	(*)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.18</u>	<u>\$ 0.03</u>	<u>\$ 0.24</u>	<u>\$ 0.21</u>
Corporate Interest and Other				
Reported net loss per share	\$ (0.14)	\$ (0.07)	\$ (0.46)	\$ (0.26)
<i>Reconciling items:</i>				
State tax policy change	-	-	(*)	-
Adjusted net loss per share – non-GAAP	<u>\$ (0.14)</u>	<u>\$ (0.07)</u>	<u>\$ (0.46)</u>	<u>\$ (0.26)</u>
Discontinued Operations				
Reported net income per share	\$ -	\$ -	\$ -	\$ -
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	-	(*)	-	(*)
Tax impact	-	*	-	*
Adjusted net income per share – non-GAAP	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Consolidated				
Reported net income per share	\$ 0.94	\$ 0.87	\$ 3.53	\$ 3.33
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	-	(*)	-	(*)
Tax impact	-	*	-	*
Other exclusions from adjusted earnings	0.01	*	0.05	0.01
Tax impact	(*)	(*)	(0.01)	(*)
State tax policy change	(*)	-	0.04	-
Voluntary separation program	-	-	-	*
Tax impact	-	-	-	(*)
Adjusted net income per share – non-GAAP	<u>\$ 0.95</u>	<u>\$ 0.87</u>	<u>\$ 3.61</u>	<u>\$ 3.34</u>
Average Common Shares Outstanding – Diluted				
	<u>305.8</u>	<u>298.7</u>	<u>301.0</u>	<u>298.3</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>			
	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>12/31/25</u>	<u>12/31/24</u>	<u>12/31/25</u>	<u>12/31/24</u>
Net Income Available to Common Stockholders	\$ 286	\$ 262	\$ 1,061	\$ 993
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	-	*	-	*
Tax impact	-	(*)	-	(*)
Other exclusions from adjusted earnings**	5	*	19	6
Tax impact	(1)	(*)	(5)	(1)
State tax policy change	(*)	-	12	-
Voluntary separation program	-	-	-	*
Tax impact	-	-	-	(*)
Adjusted net income – non-GAAP	<u>\$ 290</u>	<u>\$ 262</u>	<u>\$ 1,087</u>	<u>\$ 998</u>
Average Common Shares Outstanding - Diluted	305.8	298.7	301.0	298.3
Diluted Earnings Per Average Common Share	\$ 0.94	\$ 0.87	\$ 3.53	\$ 3.33
Reported net income per share	\$ 0.94	\$ 0.87	\$ 3.53	\$ 3.33
<i>Reconciling items:</i>				
Disposal of discontinued operations (gain) loss	-	*	-	*
Tax impact	-	(*)	-	(*)
Other exclusions from adjusted earnings**	0.01	*	0.05	0.01
Tax impact	(*)	(*)	(0.01)	(*)
State tax policy change	(*)	-	0.04	-
Voluntary separation program	-	-	-	*
Tax impact	-	-	-	(*)
Adjusted net income per share – non-GAAP	<u>\$ 0.95</u>	<u>\$ 0.87</u>	<u>\$ 3.61</u>	<u>\$ 3.34</u>

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

** Includes business optimization initiative, major enterprise resource planning software implementations, 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, major enterprise resource planning software implementations, changes in accounting principles, voluntary separation program, changes in federal and state 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>			
	2025			
	1Q	2Q	3Q	4Q
Net Income Available to Common Stockholders	\$ 302	\$ 198	\$ 275	\$ 286
<i>Reconciling items:</i>				
Electric utility and gas utility	*	4	6	6
Tax impact	(*)	11	(2)	(1)
NorthStar Clean Energy	3	1	*	(1)
Tax impact	(1)	(*)	(*)	(*)
Corporate interest and other	-	-	-	-
Tax impact	-	(*)	-	-
Adjusted Net Income – Non-GAAP	<u>\$ 304</u>	<u>\$ 214</u>	<u>\$ 279</u>	<u>\$ 290</u>
Average Common Shares Outstanding – Diluted	299.1	299.1	300.4	305.8
Diluted Earnings Per Average Common Share	\$ 1.01	\$ 0.66	\$ 0.92	\$ 0.94
<i>Reconciling items:</i>				
Electric utility and gas utility	*	0.01	0.02	0.02
Tax impact	(*)	0.04	(0.01)	(*)
NorthStar Clean Energy	0.01	*	*	(0.01)
Tax impact	(*)	(*)	(*)	*
Corporate interest and other	-	-	-	-
Tax impact	-	(*)	-	-
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	<u>\$ 1.02</u>	<u>\$ 0.71</u>	<u>\$ 0.93</u>	<u>\$ 0.95</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
by Quarter
(Unaudited)



	<i>In Millions, Except Per Share Amounts</i>			
	2024			
	1Q	2Q	3Q	4Q
Net Income Available to Common Stockholders	\$ 285	\$ 195	\$ 251	\$ 262
<i>Reconciling items:</i>				
Electric utility and gas utility	4	2	*	*
Tax impact	(1)	(*)	(*)	(*)
NorthStar Clean Energy	-	-	-	-
Tax impact	-	-	-	-
Corporate interest and other	-	-	-	-
Tax impact	-	-	-	-
Disposal of discontinued operations (gain) loss	-	-	-	(*)
Tax impact	-	-	-	*
Adjusted Net Income – Non-GAAP	\$ 288	\$ 197	\$ 251	\$ 262
Average Common Shares Outstanding – Diluted	297.2	298.5	298.8	298.7
Diluted Earnings Per Average Common Share	\$ 0.96	\$ 0.65	\$ 0.84	\$ 0.87
<i>Reconciling items:</i>				
Electric utility and gas utility	0.01	0.01	*	*
Tax impact	(*)	(*)	(*)	(*)
NorthStar Clean Energy	-	-	-	-
Tax impact	-	-	-	-
Corporate interest and other	-	-	-	-
Tax impact	-	-	-	-
Disposal of discontinued operations (gain) loss	-	-	-	(*)
Tax impact	-	-	-	*
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	\$ 0.97	\$ 0.66	\$ 0.84	\$ 0.87

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

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



	<i>In Millions</i>		
	Twelve Months Ended		
	12/31/25	12/31/24	12/31/23
Net Income Available to Common Stockholders	\$ 1,061	\$ 993	\$ 877
<i>Reconciling items:</i>			
Income tax expense	234	176	147
Interest on long-term debt	798	700	616
Interest expense - related parties	11	12	12
Other interest expense	(9)	14	18
Allowance for borrowed funds used during construction	(11)	(18)	(3)
Loss attributable to noncontrolling interests	(69)	(56)	(79)
Preferred stock dividends	10	10	10
Disposal of discontinued operations gain	-	-	(1)
Other exclusions from adjusted earnings	19	6	9
State tax policy change	12	-	-
Voluntary separation program	<u>-</u>	<u>-</u>	<u>33</u>
EBIT – Non-GAAP	2,056	1,837	1,639
<i>Additional reconciling items:</i>			
Depreciation and amortization	<u>1,306</u>	<u>1,240</u>	<u>1,180</u>
EBITDA – Non-GAAP	<u>\$ 3,362</u>	<u>\$ 3,077</u>	<u>\$ 2,819</u>

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



	<i>In Millions</i>		
	Twelve Months Ended		
	12/31/25	12/31/24	12/31/23
Net Income Available to Common Stockholder	\$ 1,127	\$ 1,007	\$ 865
<i>Reconciling items:</i>			
Income tax expense	276	200	161
Interest on long-term debt	521	488	415
Interest expense - related parties	41	31	20
Other interest expense	8	12	16
Allowance for borrowed funds used during construction	(10)	(13)	(3)
Preferred stock dividends	2	2	2
Other exclusions from adjusted earnings	16	6	9
State tax policy change	12	-	-
Voluntary separation program	-	-	33
EBIT – Non-GAAP	1,993	1,733	1,518
<i>Additional reconciling items:</i>			
Depreciation and amortization	1,254	1,191	1,137
EBITDA – Non-GAAP	<u>\$ 3,247</u>	<u>\$ 2,924</u>	<u>\$ 2,655</u>