

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

	<i>In Millions</i>		
	Twelve Months Ended		
	9/30/18	12/31/17	9/30/17
Net Income Available to Common Stockholders	\$ 546	\$ 460	\$ 540
<i>Reconciling items:</i>			
Income tax expense	322	424	246
Interest on long-term debt	406	406	409
Other interest expense	43	34	33
Allowance for borrowed funds used during construction	(2)	(2)	(3)
Income attributable to noncontrolling interests	2	2	2
Restructuring costs and other	2	4	9
Gain on assets previously sold	(4)	-	-
Tax reform	148	148	-
EBIT – Non-GAAP	1,463	1,476	1,236
<i>Additional reconciling items:</i>			
Depreciation and amortization	918	881	866
EBITDA – Non-GAAP	\$ 2,381	\$ 2,357	\$ 2,102

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

	<i>In Millions</i>		
	Twelve Months Ended		
	9/30/18	12/31/17	9/30/17
Net Income Available to Common Stockholder	\$ 708	\$ 630	\$ 611
<i>Reconciling items:</i>			
Income tax expense	234	339	282
Interest on long-term debt	268	263	264
Other interest expense	18	15	14
Allowance for borrowed funds used during construction	(2)	(2)	(3)
Preferred stock dividends	2	2	2
Tax reform	33	33	-
EBIT – Non-GAAP	1,261	1,280	1,170
<i>Additional reconciling items:</i>			
Depreciation and amortization	907	872	857
EBITDA – Non-GAAP	\$ 2,168	\$ 2,152	\$ 2,027

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>Nine Months Ended</u>	
	<u>9/30/18</u>	<u>9/30/17</u>	<u>9/30/18</u>	<u>9/30/17</u>
Electric Utility				
Reported net income per share	\$ 0.70	\$ 0.63	\$ 1.65	\$ 1.40
<i>Reconciling items:</i>				
Restructuring costs and other	-	-	-	-
Adjusted net income per share – non-GAAP	<u>\$ 0.70</u>	<u>\$ 0.63</u>	<u>\$ 1.65</u>	<u>\$ 1.40</u>
Gas Utility				
Reported net income (loss) per share	\$ (0.07)	\$ 0.02	\$ 0.37	\$ 0.36
<i>Reconciling items:</i>				
Restructuring costs and other	-	-	-	-
Adjusted net income per share – non-GAAP	<u>\$ (0.07)</u>	<u>\$ 0.02</u>	<u>\$ 0.37</u>	<u>\$ 0.36</u>
Enterprises				
Reported net income per share	\$ 0.01	\$ 0.03	\$ 0.12	\$ 0.10
<i>Reconciling items:</i>				
Restructuring costs and other	*	*	*	*
Tax impact	(*)	(*)	(*)	(*)
Gain on assets previously sold	-	-	(0.01)	-
Tax impact	-	-	*	-
Adjusted net income per share – non-GAAP	<u>\$ 0.01</u>	<u>\$ 0.03</u>	<u>\$ 0.11</u>	<u>\$ 0.10</u>
Corporate Interest and Other				
Reported net loss per share	\$ (0.05)	\$ (0.07)	\$ (0.20)	\$ (0.21)
<i>Reconciling items:</i>				
Restructuring costs and other	*	0.01	*	0.01
Tax impact	(*)	(*)	(*)	(*)
Adjusted net loss per share – non-GAAP	<u>\$ (0.05)</u>	<u>\$ (0.06)</u>	<u>\$ (0.20)</u>	<u>\$ (0.20)</u>
Discontinued Operations				
Reported net income (loss) per share	\$ *	\$ (*)	\$ *	\$ (*)
<i>Reconciling items:</i>				
Discontinued operations (income) loss	(*)	*	(*)	*
Adjusted net income per share – non-GAAP	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Consolidated				
Reported net income per share	\$ 0.59	\$ 0.61	\$ 1.94	\$ 1.65
<i>Reconciling items:</i>				
Discontinued operations (income) loss	(*)	*	(*)	*
Restructuring costs and other	*	0.01	*	0.01
Tax impact	(*)	(*)	(*)	(*)
Gain on assets previously sold	-	-	(0.01)	-
Tax impact	-	-	*	-
Adjusted net income per share – non-GAAP	<u>\$ 0.59</u>	<u>\$ 0.62</u>	<u>\$ 1.93</u>	<u>\$ 1.66</u>
Average Common Shares Outstanding – Diluted	<u>283.2</u>	<u>281.6</u>	<u>282.8</u>	<u>280.6</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>Nine Months Ended</u>	
	<u>9/30/18</u>	<u>9/30/17</u>	<u>9/30/18</u>	<u>9/30/17</u>
Net Income Available to Common Stockholders	\$ 169	\$ 172	\$ 549	\$ 463
<i>Reconciling items:</i>				
Discontinued operations (income) loss	(*)	*	(*)	*
Restructuring costs and other	*	1	1	3
Tax impact	(*)	(*)	(*)	(1)
Gain on assets previously sold	-	-	(4)	-
Tax impact	-	-	1	-
Adjusted net income – non-GAAP	<u>\$ 169</u>	<u>\$ 173</u>	<u>\$ 547</u>	<u>\$ 465</u>
Average Common Shares Outstanding				
Basic	282.5	280.8	282.1	279.8
Diluted	283.2	281.6	282.8	280.6
Basic Earnings Per Average Common Share				
Reported net income per share	\$ 0.60	\$ 0.61	\$ 1.95	\$ 1.65
<i>Reconciling items:</i>				
Discontinued operations (income) loss	(*)	*	(*)	*
Restructuring costs and other	*	0.01	*	0.01
Tax impact	(*)	(*)	(*)	(*)
Gain on assets previously sold	-	-	(0.01)	-
Tax impact	-	-	*	-
Adjusted net income per share – non-GAAP	<u>\$ 0.60</u>	<u>\$ 0.62</u>	<u>\$ 1.94</u>	<u>\$ 1.66</u>
Diluted Earnings Per Average Common Share				
Reported net income per share	\$ 0.59	\$ 0.61	\$ 1.94	\$ 1.65
<i>Reconciling items:</i>				
Discontinued operations (income) loss	(*)	*	(*)	*
Restructuring costs and other	*	0.01	*	0.01
Tax impact	(*)	(*)	(*)	(*)
Gain on assets previously sold	-	-	(0.01)	-
Tax impact	-	-	*	-
Adjusted net income per share – non-GAAP	<u>\$ 0.59</u>	<u>\$ 0.62</u>	<u>\$ 1.93</u>	<u>\$ 1.66</u>

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

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, regulatory items from prior years, or other items detailed in these summary financial statements. 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>		
	2018		
	1Q	2Q	3Q
Net Income Available to Common Stockholders	\$ 241	\$ 139	\$ 169
<i>Reconciling items:</i>			
Electric utility and gas utility	-	-	-
Tax impact	-	-	-
Enterprises	*	(3)	*
Tax impact	(*)	1	(*)
Corporate interest and other	*	*	*
Tax impact	(*)	(*)	(*)
Discontinued operations (income) loss	*	*	(*)
Adjusted Net Income – Non-GAAP	\$ 241	\$ 137	\$ 169
Average Common Shares Outstanding – Diluted	282.2	282.6	283.2
Diluted Earnings Per Average Common Share	\$ 0.86	\$ 0.49	\$ 0.59
<i>Reconciling items:</i>			
Electric utility and gas utility	-	-	-
Tax impact	-	-	-
Enterprises	*	(0.01)	*
Tax impact	(*)	*	(*)
Corporate interest and other	*	*	*
Tax impact	(*)	(*)	(*)
Discontinued operations (income) loss	*	*	(*)
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	\$ 0.86	\$ 0.48	\$ 0.59

	<i>In Millions, Except Per Share Amounts</i>			
	2017			
	1Q	2Q	3Q	4Q
Net Income (Loss) Available to Common Stockholders	\$ 199	\$ 92	\$ 172	\$ (3)
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	-
Tax impact	-	-	-	34
Enterprises	*	*	1	1
Tax impact	(*)	(*)	(*)	56
Corporate interest and other	1	1	*	-
Tax impact	(*)	(1)	(*)	57
Discontinued operations loss	*	*	*	*
Adjusted Net Income – Non-GAAP	\$ 200	\$ 92	\$ 173	\$ 145
Average Common Shares Outstanding – Diluted	279.9	280.3	281.6	280.8
Diluted Earnings (Loss) Per Average Common Share	\$ 0.71	\$ 0.33	\$ 0.61	\$ (0.01)
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	-
Tax impact	-	-	-	0.12
Enterprises	*	*	*	*
Tax impact	(*)	(*)	(*)	0.20
Corporate interest and other	*	*	0.01	*
Tax impact	(*)	(*)	(*)	0.20
Discontinued operations loss	*	*	*	*
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	\$ 0.71	\$ 0.33	\$ 0.62	\$ 0.51

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

CMS ENERGY CORPORATION

Weather Impact on Year Over Year Earnings (Unaudited)

	<i>In Millions, Except Per Share Amounts</i>		
	Nine Months Ended		
	9/30/2018	9/30/2017	Change
Net Income Available to Common Stockholders	\$ 549	\$ 463	\$ 86
<i>Reconciling items:</i>			
Restructuring costs and other	1	3	(2)
Tax impact	(*)	(1)	1
Gain on assets previously sold	(4)	-	(4)
Tax impact	1	-	1
Adjusted Net Income	<u>\$ 547</u>	<u>\$ 465</u>	<u>\$ 82</u>
<i>Reconciling items:</i>			
Non-normal weather impact	(75)	82	(157)
Tax impact	19	(32)	51
Non-Normal Weather Impact (Net)	<u>\$ (56)</u>	<u>\$ 50</u>	<u>\$ (106)</u>
Adjusted Weather-Normalized Net Income	<u>\$ 491</u>	<u>\$ 515</u>	<u>\$ (24)</u>
Reported Net Income Per Share	\$ 1.94	\$ 1.65	\$ 0.29
<i>Reconciling items:</i>			
Restructuring costs and other	*	0.01	(0.01)
Tax impact	(*)	(*)	(*)
Gain on assets previously sold	(0.01)	-	(0.01)
Tax impact	*	-	*
Adjusted Net Income Per Share	\$ 1.93	\$ 1.66	\$ 0.27
<i>Reconciling items:</i>			
Non-normal weather impact	(0.27)	0.29	(0.56)
Tax impact	0.07	(0.11)	0.18
Non-Normal Weather Impact (Net)	<u>\$ (0.20)</u>	<u>\$ 0.18</u>	<u>\$ (0.38)</u>
Adjusted Weather-Normalized Net Income Per Share	<u>\$ 1.73</u>	<u>\$ 1.84</u>	<u>\$ (0.11)</u>
			Adjusted Weather- Normalized Change (%)
			<u>-6%</u>
Average Common Shares Outstanding - Diluted	282.8	280.6	

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CMS ENERGY CORPORATION

Weather Impact on Year Over Year Earnings (Unaudited)

	<i>In Millions, Except Per Share Amounts</i>		
	<u>Three Months Ended</u>		
	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>Change</u>
Net Income Available to Common Stockholders	\$ 169	\$ 172	\$ (3)
<i>Reconciling items:</i>			
Restructuring costs and other	*	1	(1)
Tax impact	(*)	(*)	(*)
Gain on assets previously sold	-	-	-
Tax impact	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Adjusted Net Income	\$ 169	\$ 173	\$ (4)
<i>Reconciling items:</i>			
Non-normal weather impact	(43)	10	(53)
Tax impact	11	(4)	15
	<u> </u>	<u> </u>	<u> </u>
Non-Normal Weather Impact (Net)	<u>\$ (32)</u>	<u>\$ 6</u>	<u>\$ (38)</u>
Adjusted Weather-Normalized Net Income	<u>\$ 137</u>	<u>\$ 179</u>	<u>\$ (42)</u>
Reported Net Income Per Share	\$ 0.59	\$ 0.61	\$ (0.02)
<i>Reconciling items:</i>			
Restructuring costs and other	*	0.01	(0.01)
Tax impact	(*)	(*)	(*)
Gain on assets previously sold	-	-	-
Tax impact	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Adjusted Net Income Per Share	\$ 0.59	\$ 0.62	\$ (0.03)
<i>Reconciling items:</i>			
Non-normal weather impact	(0.16)	0.03	(0.19)
Tax impact	0.04	(0.01)	0.05
	<u> </u>	<u> </u>	<u> </u>
Non-Normal Weather Impact (Net)	<u>\$ (0.12)</u>	<u>\$ 0.02</u>	<u>\$ (0.14)</u>
Adjusted Weather-Normalized Net Income Per Share	<u>\$ 0.47</u>	<u>\$ 0.64</u>	<u>\$ (0.17)</u>
Average Common Shares Outstanding - Diluted	283.2	281.6	

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

CMS ENERGY CORPORATION

Earnings Per Share By Year GAAP Reconciliation (Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Reported earnings (loss) per share - GAAP	(\$0.30)	\$0.64	(\$0.44)	(\$0.41)	(\$1.02)	\$1.20	\$0.91	\$1.28	\$1.58	\$1.42	\$1.66	\$1.74	\$1.89	\$1.98	\$1.64
Pretax items:															
Electric and gas utility	0.32	(0.60)	-	-	(0.06)	0.08	0.55	0.05	-	0.27	-	-	-	0.04	-
Tax impact	(0.11)	0.21	-	-	(0.01)	(0.03)	(0.22)	(0.02)	-	(0.10)	-	-	-	(0.01)	0.12 (b)
Enterprises	0.93	0.97	0.06	(0.12)	1.67	(0.02)	0.14	(0.05)	*	(0.01)	*	0.05	*	*	*
Tax impact	(0.19)	(0.35)	(0.02)	0.10	(0.42)	*	(0.05)	0.02	(0.11)	*	(*)	(0.02)	(*)	(*)	0.20 (b)
Corporate interest and other	0.25	(0.06)	0.06	0.45	0.17	0.01	0.01	*	-	*	*	*	*	0.02	0.01
Tax impact	(0.09)	0.03	(0.02)	(0.18)	(0.49)	(0.03)	(*)	(*)	(0.01)	(*)	(*)	(*)	(*)	(0.01)	0.20 (b)
Discontinued operations (income) loss, net	(0.16)	0.02	(0.07)	(0.03)	0.40	(*)	(0.08)	0.08	(0.01)	(0.03)	*	(*)	(*)	*	*
Asset impairment charges	-	-	2.80	1.07	0.93	-	-	-	-	-	-	-	-	-	-
Tax impact	-	-	(0.98)	(0.31)	(0.33)	-	-	-	-	-	-	-	-	-	-
Cumulative accounting changes	0.25	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax impact	(0.09)	(0.01)	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted earnings per share, including MTM - non-GAAP	\$0.81	\$0.87	\$1.39	\$0.57	\$0.84	\$1.21 (a)	\$1.26	\$1.36	\$1.45	\$1.55	\$1.66	\$1.77	\$1.89	\$2.02	\$2.17
Mark-to-market		0.04	(0.65)	0.80											
Tax impact		(0.01)	0.22	(0.29)											
Adjusted earnings per share, excluding MTM - non-GAAP	NA	\$0.90	\$0.96	\$1.08	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

* Less than \$0.01 per share.

(a) \$1.25 excluding discontinued Exeter operations and accounting changes related to convertible debt and restricted stock.

(b) Reflects the impact of tax reform.