

GAAP Reconciliation

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	2018	GAAP 2018 over 2003 CAGR	GAAP 2018 over 2017 Growth
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	\$2.32	NM	41%
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)	0.01		
Enterprises	0.93	0.97	0.06	(0.12)	1.67	(0.02)	0.14	(0.05)	*	(0.01)	*	0.05	*	*	*	0.02		
Tax impact	(0.19)	(0.35)	(0.02)	0.10	(0.42)	*	(0.05)	0.02	(0.11)	*	(*)	(0.02)	(*)	(*)	0.20 (b)	(0.02)		
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	\$2.33	Adjusted 2018 over 2003 CAGR	Adjusted 2018 over 2017 Growth
Mark-to-market		0.04	(0.65)	0.80													7%	7%
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	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.

NM is not calculable

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>3/31/2019</u>	<u>3/31/2018</u>	<u>Change</u>
Net Income Available to Common Stockholders	\$ 213	\$ 241	\$ (28)
<i>Reconciling items:</i>			
Other exclusions from adjusted earnings	(*)	*	*
Tax impact	<u>*</u>	<u>(*)</u>	<u>(*)</u>
Adjusted Net Income	\$ 213	\$ 241	\$ (28)
<i>Reconciling items:</i>			
Non-normal weather impact	(20)	12	(32)
Tax impact	<u>5</u>	<u>(3)</u>	<u>8</u>
Non-Normal Weather Impact (Net)	<u>\$ (15)</u>	<u>\$ 9</u>	<u>\$ (24)</u>
Adjusted Weather-Normalized Net Income	<u>\$ 198</u>	<u>\$ 250</u>	<u>\$ (52)</u>
Reported Net Income Per Share	\$ 0.75	\$ 0.86	\$ (0.11)
<i>Reconciling items:</i>			
Other exclusions from adjusted earnings	(*)	*	*
Tax impact	<u>*</u>	<u>(*)</u>	<u>(*)</u>
Adjusted Net Income Per Share	\$ 0.75	\$ 0.86	\$ (0.11)
<i>Reconciling items:</i>			
Non-normal weather impact	(0.07)	0.04	(0.11)
Tax impact	<u>0.02</u>	<u>(0.01)</u>	<u>0.03</u>
Non-Normal Weather Impact (Net)	<u>\$ (0.05)</u>	<u>\$ 0.03</u>	<u>\$ (0.08)</u>
Adjusted Weather-Normalized Net Income Per Share	<u>\$ 0.70</u>	<u>\$ 0.89</u>	<u>\$ (0.19)</u>
Average Common Shares Outstanding - Diluted	283.6	282.2	

* 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>			
	<u>2019</u>			
	<u>1Q</u>			
Net Income Available to Common Stockholders	\$ 213			
<i>Reconciling items:</i>				
Electric utility and gas utility	-			
Tax impact	-			
Enterprises	(*)			
Tax impact	*			
Corporate interest and other	*			
Tax impact	(*)			
Adjusted Net Income – Non-GAAP	<u>\$ 213</u>			
Average Common Shares Outstanding – Diluted	283.6			
Diluted Earnings Per Average Common Share	\$ 0.75			
<i>Reconciling items:</i>				
Electric utility and gas utility	-			
Tax impact	-			
Enterprises	(*)			
Tax impact	*			
Corporate interest and other	*			
Tax impact	(*)			
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	<u>\$ 0.75</u>			

	<i>In Millions, Except Per Share Amounts</i>			
	<u>2018</u>			
	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>
Net Income Available to Common Stockholders	\$ 241	\$ 139	\$ 169	\$ 108
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	-
Tax impact	-	-	-	2
Enterprises	*	(3)	*	8
Tax impact	(*)	1	(*)	(5)
Corporate interest and other	*	*	*	*
Tax impact	(*)	(*)	(*)	(1)
Adjusted Net Income – Non-GAAP	<u>\$ 241</u>	<u>\$ 137</u>	<u>\$ 169</u>	<u>\$ 112</u>
Average Common Shares Outstanding – Diluted	282.2	282.6	283.2	283.3
Diluted Earnings Per Average Common Share	\$ 0.86	\$ 0.49	\$ 0.59	\$ 0.38
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	-
Tax impact	-	-	-	*
Enterprises	*	(0.01)	*	0.03
Tax impact	(*)	*	(*)	(0.01)
Corporate interest and other	*	*	*	*
Tax impact	(*)	(*)	(*)	(*)
Adjusted Diluted Earnings Per Average Common Share – Non-GAAP	<u>\$ 0.86</u>	<u>\$ 0.48</u>	<u>\$ 0.59</u>	<u>\$ 0.40</u>

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

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>3/31/19</u>	<u>3/31/18</u>
Electric Utility		
Reported net income per share	\$ 0.37	\$ 0.49
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings	-	-
Adjusted net income per share – non-GAAP	<u>\$ 0.37</u>	<u>\$ 0.49</u>
Gas Utility		
Reported net income per share	\$ 0.43	\$ 0.37
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings	-	-
Adjusted net income per share – non-GAAP	<u>\$ 0.43</u>	<u>\$ 0.37</u>
Enterprises		
Reported net income per share	\$ -	\$ 0.05
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings	(*)	*
Tax impact	*	(*)
Adjusted net income per share – non-GAAP	<u>\$ -</u>	<u>\$ 0.05</u>
Corporate Interest and Other		
Reported net loss per share	\$ (0.05)	\$ (0.05)
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings	*	*
Tax impact	(*)	(*)
Adjusted net loss per share – non-GAAP	<u>\$ (0.05)</u>	<u>\$ (0.05)</u>
Consolidated		
Reported net income per share	\$ 0.75	\$ 0.86
<i>Reconciling items:</i>		
Other exclusions from adjusted earnings	(*)	*
Tax impact	*	(*)
Adjusted net income per share – non-GAAP	<u>\$ 0.75</u>	<u>\$ 0.86</u>
Average Common Shares Outstanding – Diluted	<u>283.6</u>	<u>282.2</u>

* Less than \$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		
	12/31/18	12/31/17	12/31/16
Net Income Available to Common Stockholders	\$ 657	\$ 460	\$ 551
<i>Reconciling items:</i>			
Income tax expense	115	424	273
Interest on long-term debt	412	406	411
Other interest expense	49	34	29
Allowance for borrowed funds used during construction	(3)	(2)	(5)
Income attributable to noncontrolling interests	2	2	2
Other exclusions from adjusted earnings	9	4	8
Gain on assets previously sold	(4)	-	-
Tax reform	(4)	148	-
Voluntary separation program	-	-	11
EBIT – Non-GAAP	1,233	1,476	1,280
<i>Additional reconciling items:</i>			
Depreciation and amortization	933	881	811
EBITDA – Non-GAAP	\$ 2,166	\$ 2,357	\$ 2,091

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

	<i>In Millions</i>		
	Twelve Months Ended		
	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>
Net Income Available to Common Stockholder	\$ 703	\$ 630	\$ 614
<i>Reconciling items:</i>			
Income tax expense	142	339	320
Interest on long-term debt	276	263	261
Other interest expense	16	15	12
Allowance for borrowed funds used during construction	(3)	(2)	(5)
Preferred stock dividends	2	2	2
Tax reform	2	33	-
Voluntary separation program	-	-	11
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EBIT – Non-GAAP	1,138	1,280	1,215
<i>Additional reconciling items:</i>			
Depreciation and amortization	921	872	803
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EBITDA – Non-GAAP	<u>\$ 2,059</u>	<u>\$ 2,152</u>	<u>\$ 2,018</u>