

Earnings Presentation

Q4 and Full-Year 2024 Results | February 13, 2025



Safe Harbor

A number of forward-looking statements will be made during this presentation. Forward-looking statements are any statements that are not historical facts. These forward-looking statements are based on the current expectations of Motorola Solutions, and we can give no assurance that any future results or events discussed in these statements will be achieved. Any forward-looking statements represent our views only as of today and should not be relied upon as representing our views as of any subsequent date. Forward-looking statements are subject to a variety of risks and uncertainties that could cause our actual results to differ materially from the statements contained in this presentation.

Risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements include, without limitation: (i) increased areas of risk, increased competition and additional compliance obligations associated with the introduction of new or enhanced products and services in our segments; (ii) impact of catastrophic events on our business or our customers' or suppliers' business; (iii) social, ethical, environmental and competitive risks relating to the use of artificial intelligence ("AI") in our products and services; (iv) the effectiveness of our strategic acquisitions, including the integrations of such acquired businesses; (v) the inability of our products to meet our customers' expectations or regulatory or industry standards; (vi) our inability to purchase a sufficient amount of materials, parts, and components, as well as software and services, at acceptable prices to meet the demands of our customers, and any disruption to our suppliers or significant increase in the price of supplies; (vii) risks related to our large, multi-year system and services contracts (including, but not limited to, with respect to the Airwave contract); (viii) the global nature of our employees, customers, suppliers and outsource partners; (ix) our use of third-parties to develop, design and/or manufacture many of our components and some of our products, and to perform portions of our business operations; (x) the inability of our subcontractors to perform in a timely and compliant manner or adhere to our Human Rights Policy; (xi) increasing scrutiny and evolving expectations from investors, customers, lawmakers, regulators and other stakeholders regarding environmental, social and governance ("ESG") related practices and disclosures, as well as recent U.S. based anti-ESG efforts; (xii) challenges relating to existing or future legislation and regulations pertaining to AI, AI-enabled products and the use of biometrics and other video analytics; (xiii) the impact, including increased costs and potential liabilities, associated with changes in laws and regulations regarding cybersecurity, privacy, data protection, and information security; (xiv) the impact of government regulation of radio frequencies; (xv) regulations, laws and other compliance requirements applicable to our U.S. government customer contracts and grants; (xvi) the impact, including increased costs and additional compliance obligations, associated with existing or future telecommunications-related laws and regulations; (xvii) impact of product regulatory and safety, consumer, worker safety and environmental product compliance and remediation laws; (xviii) the evolving state of environmental regulation relating to climate change, and the physical risks of climate change; (xix) impact of tax matters; (xx) increased cybersecurity threats, a security breach or other significant disruption of our IT systems or those of our outsource partners, suppliers or customers; (xxi) our inability to protect our intellectual property or potential infringement of intellectual property rights of third parties; (xxii) risks relating to intellectual property licenses and intellectual property indemnities in our customer and supplier contracts; (xxiii) our license of the MOTOROLA, MOTO, MOTOROLA SOLUTIONS and the Stylized M logo and all derivatives and formatives thereof from Motorola Trademark Holdings, LLC; (xxiv) inability to attract and retain senior management and key employees; (xxv) impact of current global economic and political conditions in the markets in which we operate (including, but not limited to, with respect to tariffs); (xxvi) inability to access the capital markets for financing on acceptable terms and conditions; (xxvii) exposure to exchange rate fluctuations on cross-border transactions and the translation of local currency results into U.S. dollars; (xxviii) impact of returns on pension and retirement plan assets and interest rate changes; and (xix) the return of capital to shareholders through dividends and/or repurchasing shares. Motorola Solutions undertakes no obligation to publicly update any forward-looking statement or risk factor, whether as a result of new information, future events or otherwise. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see our reports on Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC from time to time available for free on the SEC's website at www.sec.gov, and on Motorola Solutions' website at www.motorolasolutions.com/investors

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Highlights

Q4 2024

- **Sales of \$3.0B, up 6% Y/Y**
 - Products and Systems Integration up 3%
 - Software and Services up 11%
 - Growth in all technologies
 - Land Mobile Radio Communications (“LMR”) up 3%
 - Video Security and Access Control (“Video”) up 14%
 - Command Center up 13%
- **GAAP EPS of \$3.56, up 3% Y/Y**
- **Non-GAAP EPS¹ of \$4.04, up 4% Y/Y**
- **Operating cash flow of \$1.1B and free cash flow² of \$1.0B**
- **Paid \$164M in dividends and repurchased \$103M of shares**
- **Subsequent to quarter end, entered into a definitive agreement to acquire Theatro, a maker of AI and voice-powered communication and digital workflow software for frontline workers**

¹ Non-GAAP measures exclude highlighted items, including share-based compensation expense and intangible assets amortization expense

² Free Cash Flow is a non-GAAP financial measure and is calculated as Net cash provided by operating activities - Capital Expenditures



Highlights

FY 2024

- **Sales of \$10.8B, up 8% Y/Y**
 - Products and Systems Integration up 10%
 - Software and Services up 5%; up 13%¹ excluding U.K. Home Office sales
 - Growth in all technologies
 - LMR up 8%
 - Video up 11%
 - Command Center up 10%
- **GAAP EPS of \$9.23, down 7% Y/Y; Non-GAAP EPS² of \$13.84, up 16% Y/Y**
- **GAAP operating margin of 24.8%, up 180 bps Y/Y; Non-GAAP operating margin² of 29.0%, up 110 bps Y/Y**
- **Record operating cash flow of \$2.4B and free cash flow³ of \$2.1B**
- **Record ending backlog of \$14.7B, up \$438M Y/Y**
- **Invested \$282M⁴ for acquisitions and repurchased \$244M of shares**
- **Issued \$1.3B in long-term debt; settled Silver Lake convertible debt at \$319.54 per share for \$1.59B in cash; and repaid \$313M of senior notes due within the year**
- **Paid \$654M in dividends and increased the quarterly dividend by 11%**

¹ Details regarding this non-GAAP metric are included later in this presentation

² Non-GAAP measures exclude highlighted items, including share-based compensation expense and intangible assets amortization expense

³ Free Cash Flow is a non-GAAP financial measure and is calculated as Net cash provided by operating activities - Capital Expenditures

⁴ Net of cash acquired



Financial Results

	Q4 23	Q4 24	Change	2023	2024	Change
Revenue	\$2,848	\$3,010	6%	\$9,978	\$10,817	8%
Non-GAAP Operating Earnings [*]	\$870	\$916	5%	\$2,784	\$3,142	13%
Non-GAAP Operating Margin [*]	30.5%	30.4%	(10) bps	27.9%	29.0%	110 bps
Non-GAAP Earnings Per Share [*]	\$3.90	\$4.04	4%	\$11.95	\$13.84	16%

(\$M) excluding per share amounts

^{*} Non-GAAP measures exclude highlighted items, including share-based compensation expenses and intangible assets amortization expense



Cash Flow

(\$M)	Q4 23	Q4 24	Change	2023	2024	Change
Operating Cash Flow	\$1,245	\$1,070	(\$175)	\$2,044	\$2,391	\$347
Capital Expenditures	(\$81)	(\$87)	(\$6)	(\$253)	(\$257)	(\$4)
Free Cash Flow [*]	\$1,164	\$983	(\$181)	\$1,791	\$2,134	\$343

* Free Cash Flow is a non-GAAP financial measure and is calculated as Net cash provided by operating activities - Capital Expenditures



Products & SI

Q4 2024

Revenue
(\$M)



Non-GAAP Operating Margin %*



- Revenue up 3%, driven by growth in LMR and Video
- Non-GAAP operating margin* up 50 bps driven by higher sales, favorable mix and lower direct material costs
- Notable wins and achievements:
 - \$53M P25 device order for a U.S. state and local customer
 - \$52M P25 system and device order for a Canadian customer
 - \$36M P25 device order for Broward Sheriff's Office, FL
 - \$33M P25 system order from the Kentucky State Police
 - \$32M P25 device order for City of Phoenix Police & Fire
 - \$16M fixed video order for Duke Energy

* Non-GAAP measures exclude highlighted items, including share-based compensation expenses and intangible assets amortization expense



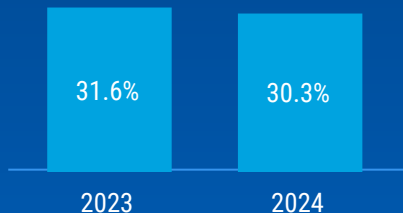
Software & Services

Q4 2024

Revenue
(\$M)



Non-GAAP Operating Margin %*



- Revenue up 11% driven by growth in all three technologies
- Non-GAAP operating margin* down 130 bps driven by acquisitions
- **Notable wins and achievements:**
 - \$329M ten-year services renewal for Melbourne, Australia's LMR network
 - \$160M five-year LMR services renewal for Norway's nationwide public safety network
 - \$68M LMR services order for a U.S. state and local customer
 - \$40M Command Center order from the Scottish Fire Service
 - \$16M fixed video order for the São Paulo State Government, Brazil

* Non-GAAP measures exclude highlighted items, including share-based compensation expenses and intangible assets amortization expense



Regional Revenue

Q4 2024

(\$M)	Q4 23	Q4 24	Change
North America	\$2,016	\$2,203	9%
International	\$832	\$807	(3)%
Total	\$2,848	\$3,010	6%

- North America growth driven by LMR, Video and Command Center
- International decline driven by LMR, offset by growth in Video and Command Center



Regional Revenue

FY 2024

(\$M)	2023	2024	Change
North America	\$6,932	\$7,820	13%
International	\$3,046	\$2,997	(2)%
Total	\$9,978	\$10,817	8%

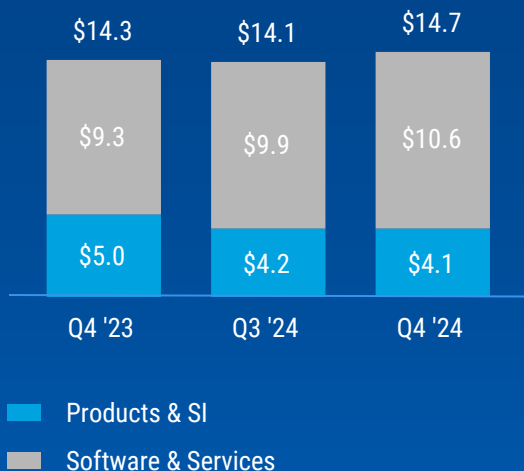
- North America growth driven by LMR, Video and Command Center
- International decline driven by the U.K. Home Office revenue reduction, offset by growth in LMR, Video and Command Center



Backlog Trend

Q4 2024

(\$B)



Software & Services

- Y/Y up \$1.3B driven by strong demand in all three technologies
- Q/Q up \$648M primarily driven by strong demand in all three technologies
- Unfavorable FX impact of \$195M Y/Y and \$281M Q/Q

Products & Systems Integration

- Y/Y down \$858M primarily due to strong LMR shipments
- Q/Q down \$46M primarily due to unfavorable FX
- Unfavorable FX impact of \$31M Y/Y and \$38M Q/Q



Outlook

(Non-GAAP)*

Q1 2025

Revenue Growth 5.0% - 5.5%

Non-GAAP EPS \$2.98 - \$3.03

Full-Year 2025

Revenue Growth Approx 5.5%

Non-GAAP EPS \$14.64 - \$14.74

Q1 Details

- Effective tax rate of approximately 21.0%
- Fully diluted share count approx. 171M shares
- Approx. \$25M FX headwind

Full-Year Details

- Effective tax rate of approximately 23.0%
- Fully diluted share count approx. 171M shares
- Approx. \$120M FX headwind

*FY outlook assumes current FX rates as of February 13, 2025.



Q&A Participants

Greg Brown

Chairman and CEO

Jason Winkler

Executive Vice President and CFO

Tim Yocum

Vice President, Investor Relations

Jack Molloy

Executive Vice President and COO

Mahesh Saptharishi

Executive Vice President and CTO



Use of Non-GAAP Measures

In addition to the results presented in accordance with accounting principles generally accepted in the U.S. ("GAAP") included in this presentation, Motorola Solutions, Inc. (the "Company") also has included non-GAAP measurements of results, including free cash flow, non-GAAP operating earnings, non-GAAP EPS, non-GAAP operating margin, non-GAAP gross margin, non-GAAP other income (expense), non-GAAP net earnings attributable to MSI, EBITDA, adjusted EBITDA, Net Debt, Net Debt to adjusted EBITDA ratio and Net Sales Adjusted for the U.K. Home Office. The Company has provided these non-GAAP measurements to help investors better understand its core operating performance, enhance comparisons of core operating performance from period-to-period and allow better comparisons of its operating performance to that of its competitors. Among other things, management uses these operating results, excluding the identified items, to evaluate the performance of its businesses and to evaluate results relative to certain incentive compensation targets. Management uses operating results excluding these items because it believes these measurements enable it to make better period-to-period evaluations of the financial performance of its core business operations. The non-GAAP measurements are intended only as a supplement to the comparable GAAP measurements and the Company compensates for the limitations inherent in the use of non-GAAP measurements by using GAAP measures in conjunction with the non-GAAP measurements. As a result, investors should consider these non-GAAP measurements in addition to, and not in substitution for or as superior to, GAAP measurements.

Details of these items and reconciliations of the non-GAAP measurements provided during this presentation to GAAP measurements can be found later in this presentation and on Motorola Solutions' website at investors.motorolasolutions.com.

The Company has not quantitatively reconciled its guidance for forward-looking non-GAAP metrics to their most comparable GAAP measures because the Company does not provide specific guidance for the various reconciling items as certain items that impact these measures have not occurred, are out of the Company's control, or cannot be reasonably predicted. Accordingly, a reconciliation to the most comparable GAAP financial metric is not available without unreasonable effort. Please note that the unavailable reconciling items could significantly impact the Company's results.

Free Cash Flow - Represents net cash provided by operating activities ("operating cash flow") less capital expenditures. The Company believes that free cash flow is useful to investors as the basis for comparing its performance and coverage ratios with other companies in the Company's industries, although the Company's measure of free cash flow may not be directly comparable to similar measures used by other companies. This measure is also used as a component of incentive compensation.

EBITDA - Represents net income before interest expense, interest income, income taxes, depreciation, and amortization.

Adjusted EBITDA - Represents EBITDA adjusted for net other income, income from discontinued operations, share based compensation expense, U.S. Pension settlement loss, and special items including charges or income related to reorganization and other charges, acquisition related charges, impairment charges, and other income or charges, if any. The Company believes Adjusted EBITDA provides improved period-to-period comparability for decision making because it better measures the ongoing earnings results of the Company's strategic and operating decisions by excluding the earnings effects of reorganization activities.

Net Debt and Net Debt to Adj. EBITDA Ratio - Net Debt is calculated as Long-term Debt, including the Current Portion of Long-term Debt, less Cash and Cash Equivalents. Net Debt to Adj. EBITDA Ratio is calculated by dividing Net Debt by Trailing 12 month Adjusted EBITDA.

Constant Currency or Revenue Normalized for Foreign Exchange - We evaluate our results of operations on both an as reported and a constant currency basis. The revenue normalized for foreign exchange or constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates. We calculate constant currency percentages by converting our current period local currency results using prior-period exchange rates, and then comparing these adjusted values to prior period reported results.

Net Sales Adjusted for the U.K. Home Office or Net Sales Excluding U.K. Home Office Sales - Represents Net Sales excluding sales related to the U.K. Home Office. The Company believes that net sales excluding the U.K. Home Office improves period-to-period comparability related to the Airwave Charge Control implemented as of August 1, 2023 and the company's exit from the ESN contract as of December 31, 2023.

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Supplemental Disaggregation of Revenue

Motorola Solutions, Inc. Disaggregation of Revenues

Below is an updated presentation of the disaggregation of revenues for the Company's major products and services for the three months ended December 31, 2023 and 2024 to provide a more comprehensive view of the Company's technologies within our reporting segments, Products & Systems Integration and Software & Services:

LMR Communications - Includes revenues from infrastructure, devices (two-way radio and broadband, including both for public safety and professional & commercial radio (PCR)) and software that enable communications, inclusive of installation and integration, backed by services, to assure availability, security and resiliency.

Video - Includes revenues from cameras (fixed, body-worn, in-vehicle), access control, sensors, infrastructure, video management, software and artificial intelligence (AI)-powered analytics that help enable visibility and bring attention to what's important.

Command Center - Includes revenues from command center solutions and software applications that unify voice, video and data and analytics from public safety agencies, enterprises and the community to create a broad informational view to help simplify workflows and improve the accuracy and speed of decisions.

(in millions)	Three Months Ended						Growth % by Total Technology
	December 31, 2023			December 31, 2024			
	Products and Systems Integration	Software and Services	Total	Products and Systems Integration	Software and Services	Total	
LMR Communications	\$1,585	\$592	\$2,177	\$1,626	\$621	\$2,247	3 %
Video	305	175	480	323	224	547	14 %
Command Center	—	191	191	—	216	216	13 %
	<u>\$1,890</u>	<u>\$958</u>	<u>\$2,848</u>	<u>\$1,949</u>	<u>\$1,061</u>	<u>\$3,010</u>	<u>6 %</u>
	Twelve Months Ended						
	December 31, 2023			December 31, 2024			
	Products and Systems Integration	Software and Services	Total	Products and Systems Integration	Software and Services	Total	
LMR Communications	\$5,127	\$2,399	\$7,526	\$5,739	\$2,361	\$8,100	8 %
Video	1,115	611	1,726	1,144	776	1,920	11 %
Command Center	—	726	726	—	797	797	10 %
	<u>\$6,242</u>	<u>\$3,736</u>	<u>\$9,978</u>	<u>\$6,883</u>	<u>\$3,934</u>	<u>\$10,817</u>	<u>8 %</u>



Supplemental Non-GAAP Measures

Motorola Solutions, Inc. and Subsidiaries Non-GAAP Trends (in millions, except for per share amounts)

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24
Net sales	\$1,892	\$2,140	\$2,373	\$2,706	\$2,171	\$2,403	\$2,556	\$2,848	\$2,389	\$2,628	\$2,790	\$3,010
GAAP gross margin	857	990	1,031	1,351	1,046	1,189	1,280	1,455	1,192	1,339	1,433	1,548
Non-GAAP gross margin adjustments:												
Loss on ESN fixed asset impairment	—	—	147	—	—	—	—	—	—	—	—	—
Share-based compensation expenses	6	7	8	7	10	10	10	10	11	12	12	13
Reorganization of business charges	3	2	12	1	6	(3)	2	2	3	—	2	7
Non-GAAP gross margin	866	999	1,198	1,359	1,062	1,196	1,292	1,467	1,206	1,351	1,447	1,568
GAAP Operating earnings ("OE")	239	358	373	692	399	518	639	738	519	644	711	814
Non-GAAP OE Adjustments:												
Share-based compensation expenses	31	37	37	39	45	43	42	42	45	51	49	50
Reorganization of business charges	7	5	2	4	7	6	4	5	7	4	5	10
Intangible assets amortization expense	66	65	63	63	55	43	39	40	39	36	38	39
Other highlighted items*	22	23	34	16	10	24	5	33	14	11	13	(17)
Non-GAAP OE	\$ 374	\$ 497	\$ 676	\$ 822	\$ 532	\$ 641	\$ 741	\$ 870	\$ 638	\$ 758	\$ 830	\$ 916
GAAP OE%	12.6 %	16.7 %	15.7 %	25.6 %	18.4 %	21.6 %	25.0 %	25.9 %	21.7 %	24.5 %	25.5 %	27.0 %
Non-GAAP Adj %	7.2 %	6.5 %	12.8 %	4.8 %	6.1 %	5.1 %	4.0 %	4.6 %	5.0 %	4.3 %	4.2 %	3.4 %
Non-GAAP OE %	19.8 %	23.2 %	28.5 %	30.4 %	24.5 %	26.7 %	29.0 %	30.5 %	26.7 %	28.8 %	29.7 %	30.4 %
GAAP Other income (expense)	(20)	(58)	(40)	(29)	(41)	(31)	(47)	(31)	(609)	(64)	(16)	(27)
Non-GAAP below OE highlighted items*	6	(18)	(5)	7	(2)	13	(15)	—	(591)	(31)	8	(1)
Non-GAAP Other income (expense)	(26)	(40)	(35)	(36)	(39)	(44)	(32)	(31)	(18)	(33)	(24)	(26)
GAAP Net earnings attributable to Motorola Solutions, Inc.	267	228	279	589	278	371	464	595	(39)	443	562	611
Non-GAAP above OE highlighted items*	135	139	303	130	133	123	102	132	119	114	119	102
Non-GAAP below OE highlighted items*	(6)	18	5	(7)	2	(13)	15	—	591	31	(8)	1
Non-GAAP tax adjustments and effect	(102)	(31)	(73)	(94)	(29)	(23)	(34)	(59)	(189)	(36)	(34)	(21)
TOTAL Non-GAAP Earnings attributable to Motorola Solutions, Inc.	\$ 294	\$ 354	\$ 514	\$ 618	\$ 384	\$ 458	\$ 547	\$ 668	\$ 482	\$ 552	\$ 639	\$ 693
GAAP attributable to Motorola Solutions, Inc. earnings per share ("EPS")	\$1.54	\$1.33	\$1.63	\$3.43	\$1.61	\$2.15	\$2.70	\$3.47	\$(0.23)	\$2.60	\$3.29	\$3.56
Non-GAAP attributable to Motorola Solutions, Inc. EPS adjustments*	0.16	0.74	1.37	0.17	0.61	0.50	0.49	0.43	3.04	0.64	0.45	0.48
Non-GAAP attributable to Motorola Solutions, Inc. EPS	\$1.70	\$2.07	\$3.00	\$3.60	\$2.22	\$2.65	\$3.19	\$3.90	\$2.81	\$3.24	\$3.74	\$4.04
Diluted weighted average shares outstanding**	173.1	170.9	171.5	171.9	172.6	172.6	171.7	171.5	171.3	170.3	170.9	171.4

*Highlighted items: The company has excluded the effects of highlighted items including, but not limited to, acquisition-related transaction fees, tangible and intangible asset impairments, reorganization of business charges, certain non-cash pension adjustments, legal settlements and other contingencies, gains and losses on investments and businesses, Hytera-related legal expenses, gains and losses on the extinguishment of debt and the income tax effects of significant tax matters, from its non-GAAP operating expenses and net income measurements because the company believes that these historical items do not reflect expected future operating earnings or expenses and do not contribute to a meaningful evaluation of the company's current operating performance or comparisons to the company's past operating performance. For the purposes of management's internal analysis over operating performance, the company uses financial statements that exclude highlighted items, as these charges do not contribute to a meaningful evaluation of the company's current operating performance or comparisons to the company's past operating performance.

**Under U.S. GAAP, the accounting for a net loss from continuing operations results in the presentation of diluted earnings per share equal to basic earnings per share, as any increase in basic shares would be anti-dilutive to earnings per share. As a result of the highlighted items identified during Q1 2024, the Company reported a net loss from continuing operations for the three months ended March 30, 2024 within our GAAP Condensed Consolidated Statement of Operations, while reporting earnings on a non-GAAP basis over the same periods. Dilutive shares of 171.3 million represent the dilutive share count that the Company would have reported in the quarter, if not for the loss per share driven by the highlighted items in the quarter.

Supplemental Non-GAAP Measures

Motorola Solutions, Inc. and Subsidiaries Reconciliation of EPS to Non-GAAP EPS

<i>(per diluted common share)</i>	Q4 2023		Q4 2024	
GAAP EPS	\$	3.47	\$	3.56
Highlighted Items:				
Share-based compensation expenses	\$	0.30	\$	0.37
Intangible assets amortization expense		0.24		0.23
Hytera-related legal expenses		–		0.18
Reorganization of business charges		0.04		0.10
Acquisition-related transaction fees		0.02		0.04
Environmental reserve expense		–		0.01
Fixed asset impairments		–		0.01
Operating lease asset impairments		0.01		0.01
Fair value adjustments to equity investments		–		0.01
Income tax expense on Non-GAAP adjustments		(0.34)		(0.12)
Gain on Hytera litigation		–		(0.36)
Exit of video manufacturing operations		0.14		–
Legal settlements		0.02		–
Non-GAAP EPS	\$	3.90	\$	4.04



Supplemental Non-GAAP Measures

Motorola Solutions, Inc. and Subsidiaries Reconciliation of EPS to Non-GAAP EPS

<i>(per diluted common share)</i>	FY23	FY24
GAAP EPS	\$ 9.93	\$ 9.23
Highlighted Items:		
Loss from the extinguishment of Silver Lake Convertible Debt	\$ —	\$ 3.42
Share-based compensation expenses	1.23	1.42
Intangible assets amortization expense	1.03	0.89
Hytera-related legal expenses	0.08	0.27
Reorganization of business charges	0.17	0.22
Adjustments to uncertain tax positions	—	0.13
Acquisition-related transaction fees	0.04	0.12
Operating lease asset impairments	0.03	0.04
Legal settlements	0.02	0.04
Fair value adjustments to equity investments	(0.08)	0.03
Investment impairments	0.09	0.02
Environmental reserve expense	0.09	0.01
Fixed asset impairments	0.02	0.01
Gain on Hytera litigation	—	(0.36)
Income tax expense on Non-GAAP adjustments	(0.84)	(1.65)
Exit of video manufacturing operations	0.14	—
Non-GAAP EPS	\$ 11.95	\$ 13.84



Supplemental Non-GAAP Measures

Motorola Solutions, Inc. and Subsidiaries Reconciliations of Operating Earnings to Non-GAAP Operating Earnings and Operating Margin to Non-GAAP Operating Margin (in millions)

	Three Months Ended					
	December 31, 2024			December 31, 2023		
	Products and Systems Integration	Software and Services	Total	Products and Systems Integration	Software and Services	Total
Net sales	\$ 1,949	\$ 1,061	\$ 3,010	\$ 1,890	\$ 958	\$ 2,848
Operating earnings	\$ 541	\$ 273	\$ 814	\$ 492	\$ 246	\$ 738
Above OE non-GAAP adjustments:						
Share-based compensation expenses	46	17	63	38	14	52
Intangible assets amortization expense	19	20	39	9	31	40
Hytera-related legal expenses	31	—	31	—	—	—
Reorganization of business charges	12	5	17	6	1	7
Acquisition-related transaction fees	1	7	8	2	2	4
Fixed asset impairments	1	1	2	—	—	—
Environmental reserve expense	2	—	2	—	—	—
Operating lease asset impairments	2	(1)	1	1	1	2
Gain on Hytera litigation	(61)	—	(61)	—	—	—
Legal settlements	—	—	—	2	1	3
Exit of video manufacturing operations	—	—	—	17	7	24
Total above-OE non-GAAP adjustments	53	49	102	75	57	132
Operating earnings after non-GAAP adjustments	\$ 594	\$ 322	\$ 916	\$ 567	\$ 303	\$ 870
Operating earnings as a percentage of net sales						
- GAAP	27.8 %	25.7 %	27.0 %	26.0 %	25.7 %	25.9 %
Operating earnings as a percentage of net sales - after non-GAAP adjustments	30.5 %	30.3 %	30.4 %	30.0 %	31.6 %	30.5 %



Supplemental Non-GAAP Measures

Motorola Solutions, Inc. and Subsidiaries Reconciliations of Operating Earnings to Non-GAAP Operating Earnings and Operating Margin to Non-GAAP Operating Margin (in millions)

	Years Ended					
	December 31, 2024			December 31, 2023		
	Products and Systems Integration	Software and Services	Total	Products and Systems Integration	Software and Services	Total
Net sales	\$ 6,883	\$ 3,934	\$ 10,817	\$ 6,242	\$ 3,736	\$ 9,978
Operating earnings ("OE")	\$ 1,676	\$ 1,012	\$ 2,688	\$ 1,244	\$ 1,050	\$ 2,294
Above OE non-GAAP adjustments:						
Share-based compensation expenses	172	71	243	154	58	212
Intangible assets amortization expense	54	98	152	41	136	177
Hytera-related legal expenses	45	—	45	13	—	13
Reorganization of business charges	32	6	38	28	1	29
Acquisition-related transaction fees	4	16	20	2	5	7
Legal settlements	1	6	7	3	1	4
Operating lease asset impairments	5	1	6	4	2	6
Environmental reserve expense	2	—	2	10	5	15
Fixed asset impairments	1	1	2	2	1	3
Gain on Hytera litigation	(61)	—	(61)	—	—	—
Exit of video manufacturing operations	—	—	—	17	7	24
Total above-OE non-GAAP adjustments	255	199	454	274	216	490
Operating earnings after non-GAAP adjustments	\$ 1,931	\$ 1,211	\$ 3,142	\$ 1,518	\$ 1,266	\$ 2,784
Operating earnings as a percentage of net sales - GAAP	24.3 %	25.7 %	24.8 %	19.9 %	28.1 %	23.0 %
Operating earnings as a percentage of net sales - after non-GAAP adjustments	28.1 %	30.8 %	29.0 %	24.3 %	33.9 %	27.9 %



Supplemental Non-GAAP Measures

Motorola Solutions, Inc. and Subsidiaries Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow (in millions)

	Three Months Ended		Years Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net cash provided by operating activities	\$ 1,070	\$ 1,245	\$ 2,391	\$ 2,044
Capital expenditures	(87)	(81)	(257)	(253)
Free cash flow*	\$ 983	\$ 1,164	\$ 2,134	\$ 1,791

* Free Cash Flow is a non-GAAP financial measure and is calculated as Net cash provided by operating activities - Capital Expenditures.



Supplemental Non-GAAP Measures

Reconciliation Of GAAP Net Earnings To EBITDA and Adjusted EBITDA

(\$ in millions)

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	TTM
GAAP Net earnings (loss) attributable to Motorola Solutions, Inc.	\$ (39)	\$ 443	\$ 562	\$ 611	\$ 1,577
Interest Expense, Net	44	69	58	56	227
Income Tax Expense	(52)	135	132	175	390
Depreciation Expense	44	47	46	48	184
Intangible Amortization Expense	39	36	38	39	152
EBITDA	\$ 36	\$ 730	\$ 836	\$ 929	\$ 2,530
Share-based Compensation Expense	56	63	61	63	243
Reorganization of Business Charges	10	4	7	17	38
Loss from Silver Lake Convertible Debt	585	—	—	—	585
Other Above OE Highlighted Items***	14	11	13	(17)	21
Below OE Highlighted Items***	6	22	(9)	1	20
Adjusted EBITDA	\$ 707	\$ 830	\$ 908	\$ 993	\$ 3,437

Net Debt Calculation

	Q4 2024
Long-term Debt	\$ 5,675
Current Portion of Long-term Debt	322
Less Cash and Cash Equivalents	2,102
Net Debt	\$ 3,895

Net Debt to Adjusted EBITDA Calculation

	Q4 2024
Net Debt	\$ 3,895
Trailing Twelve Months ("TTM") Adjusted EBITDA	3,437
Net Debt to TTM Adjusted EBITDA	1.1

*** Refer to slide 16 for details of highlighted items



Supplemental Non-GAAP Measures

Reconciliation Of GAAP Net Earnings To EBITDA and Adjusted EBITDA

(\$ in millions)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
GAAP Net Earnings (Loss) from Continuing Operations	\$ 640	\$ 560	\$(155)	\$ 966	\$ 868	\$ 949	\$1,245	\$1,363	\$1,709	\$1,577
Interest Expense, Net	173	205	201	222	220	220	208	226	216	227
Income Tax Expense	274	282	1,227	133	130	221	302	148	432	390
Depreciation Expense	142	182	192	172	186	194	202	183	179	184
Intangible Amortization Expense	8	113	151	188	208	215	236	257	177	152
EBITDA	\$1,237	\$1,342	\$1,616	\$1,681	\$1,612	\$1,799	\$2,193	\$2,177	\$2,713	\$2,530
US Pension Settlement Loss	\$ —	\$ —	\$ —	\$ —	\$ 359	\$ —	\$ —	\$ —	\$ —	\$ —
Share-based Compensation Expenses	78	68	66	73	118	129	129	172	212	243
Reorganization of Business Charges	87	138	42	120	57	86	32	36	29	38
Loss from the Extinguishment of Debt	—	—	—	—	50	57	18	6	—	585
Other Above OE Highlighted Items***	31	15	(37)	104	11	15	53	242	72	21
Below OE Highlighted Items***	(117)	62	46	(12)	1	3	8	4	3	20
Adjusted EBITDA	\$1,316	\$1,625	\$1,733	\$1,966	\$2,210	\$2,091	\$2,433	\$2,637	\$3,029	\$3,437

*** Refer to slide 16 for details of highlighted items



Supplemental Non-GAAP Measures

Motorola Solutions, Inc. and Subsidiaries Reconciliation of Net Sales to Net Sales Adjusted for the U.K. Home Office (in millions)

	Three Months Ended		% Change	Years Ended		% Change
	December 31, 2024	December 31, 2023		December 31, 2024	December 31, 2023	
Software and Services net sales	\$ 1,061	\$ 958	11 %	\$ 3,934	\$ 3,736	5 %
U.K. Home Office net sales	(97)	(114)		(383)	(585)	
Software and Services net sales adjusted for the U.K. Home Office	\$ 964	\$ 844	14 %	\$ 3,551	\$ 3,151	13 %
Net sales	\$ 3,010	\$ 2,848	6 %	\$ 10,817	\$ 9,978	8 %
U.K. Home Office net sales	(97)	(114)		(383)	(585)	
Net sales adjusted for the U.K. Home Office	\$ 2,913	\$ 2,734	7 %	\$ 10,434	\$ 9,393	11 %





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