

A grayscale photograph of the Chicago skyline, featuring prominent skyscrapers like the Willis Tower. The image is dark and serves as a background for the text.

EARNINGS PRESENTATION

Q1 2019 RESULTS | MAY 2, 2019

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.

Information about factors that could cause, and in some cases have caused, such differences can be found on pages 9 through 21 in Item 1A of Motorola Solutions' 2018 Annual Report on Form 10-K and in our other SEC filings available for free on the SEC's website at www.sec.gov, and on Motorola Solutions' website at www.motorolasolutions.com/investor

This presentation is being made on the 2nd day of May, 2019. The content of this presentation contains time-sensitive information that is accurate only as of the time hereof. If any portion of this presentation is rebroadcast, retransmitted or redistributed at a later date, Motorola Solutions will not be reviewing or updating the material that is contained herein.

Non-GAAP Statements: Where we have used non-GAAP financial measures, reconciliations to the most comparable GAAP measure are provided, along with a disclosure on the usefulness of the non-GAAP measure, in the appendix of this presentation. These measures include "Free Cash Flow" and "Operating Expenses".

HIGHLIGHTS | Q1 2019

- **Sales of \$1.7B, up 13%**
 - Products and Systems Integration revenue up 12% driven by Americas and EMEA
 - Services and Software revenue up 14% driven by Americas and EMEA
- **GAAP EPS of \$0.86, up 25%**
- **Non-GAAP EPS* of \$1.28, up 16%**
- **Backlog of \$10.4B, up 8% YoY**
- **Operating cash flow of \$251M, up \$751M inclusive of \$500M pension contribution in prior year**
- **Capital Allocation**
 - \$445M of cash and equity for VaaS International Holdings and \$136M in cash for Avtec, Inc.
 - \$145M share repurchases
 - \$93M dividends paid
 - \$66M of capital expenditures

* Non-GAAP, excluding highlighted items, stock-based compensation, and intangible amortization

FINANCIAL RESULTS

(\$M) EXCLUDING PER SHARE AMOUNTS	Q1 18	Q1 19	CHANGE
Revenue	\$1,468	\$1,657	13%
Non-GAAP Operating Earnings*	\$260	\$315	21%
Non-GAAP Operating Margin*	17.7%	19.0%	130 bps
Non-GAAP Earnings Per Share*	\$1.10	\$1.28	16%

* Non-GAAP, excluding highlighted items, stock-based compensation, and intangible amortization.

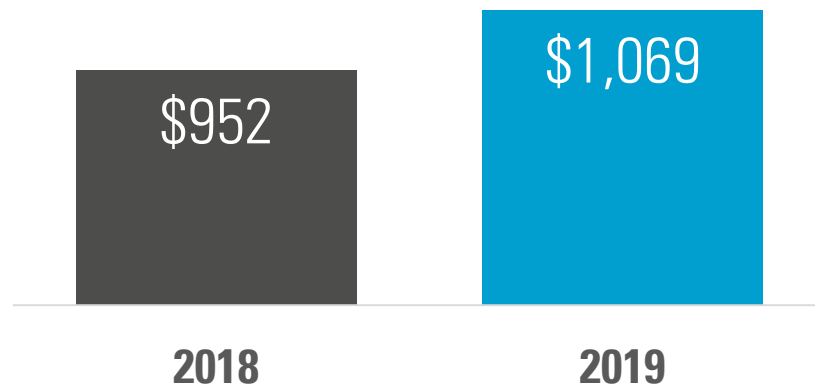
CASH FLOW

(\$M) TRAILING TWELVE MONTHS	Q1 18	Q1 19	CHANGE
Operating Cash Flow	\$704	\$1,826	\$1,122
Pension Contribution	\$500	\$0	(\$500)
Adj. Operating Cash Flow	\$1,204	\$1,826	\$622
Capital Expenditures	(\$200)	(\$222)	(\$22)
Adj. Free Cash Flow	\$1,004	\$1,604	\$600

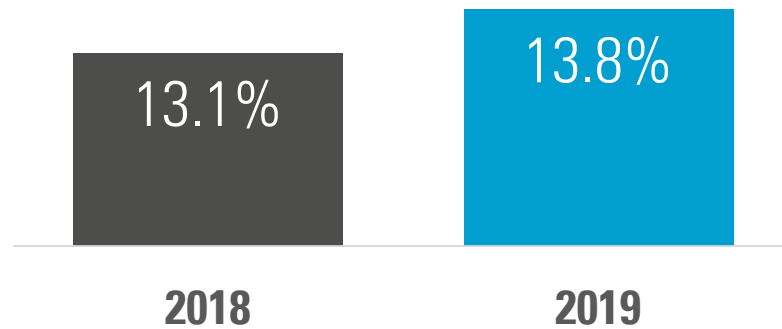
PRODUCTS & SI | Q1

Revenue

(\$M)



Non-GAAP Operating Margin % *



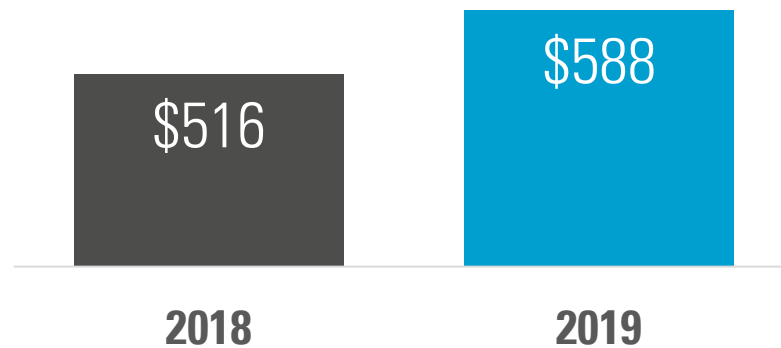
- **Revenue up 12%, driven by Americas and EMEA**
- **Non-GAAP operating margin up 70 bps driven by higher sales and gross margin partially offset by higher opex from acquisitions**
- **Notable wins and achievements:**
 - Selected by North Dakota for a new statewide P25 radio system
 - \$25M P25 win with New South Wales Telco Authority
 - \$8M Tetra order for a utility customer in Chile

* Non-GAAP, excluding highlighted items, stock-based compensation, and intangible amortization

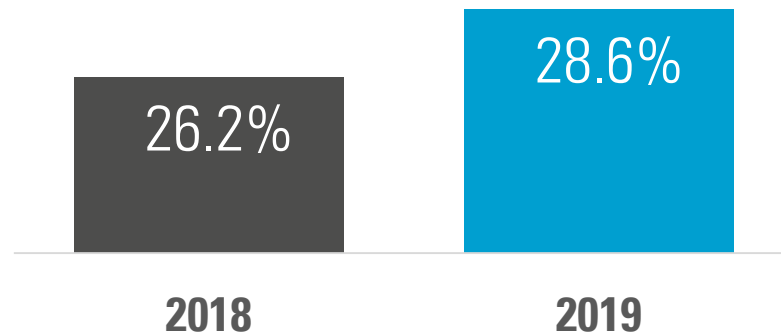
SERVICES & SOFTWARE | Q1

Revenue

(\$M)



Non-GAAP Operating Margin % *



- **Revenue up 14%, driven by Americas and EMEA**
- **Non-GAAP operating margin up 240 bps driven by higher sales and gross margin partially offset by higher opex from acquisitions**
- **Notable multi-year wins and achievements:**
 - \$17M managed services contract with a mining customer in Latin America
 - \$7M computer-aided dispatch (CAD) and records contract for a large government customer in California
 - \$5M order for video services renewal with the Chicago Office of Emergency Management

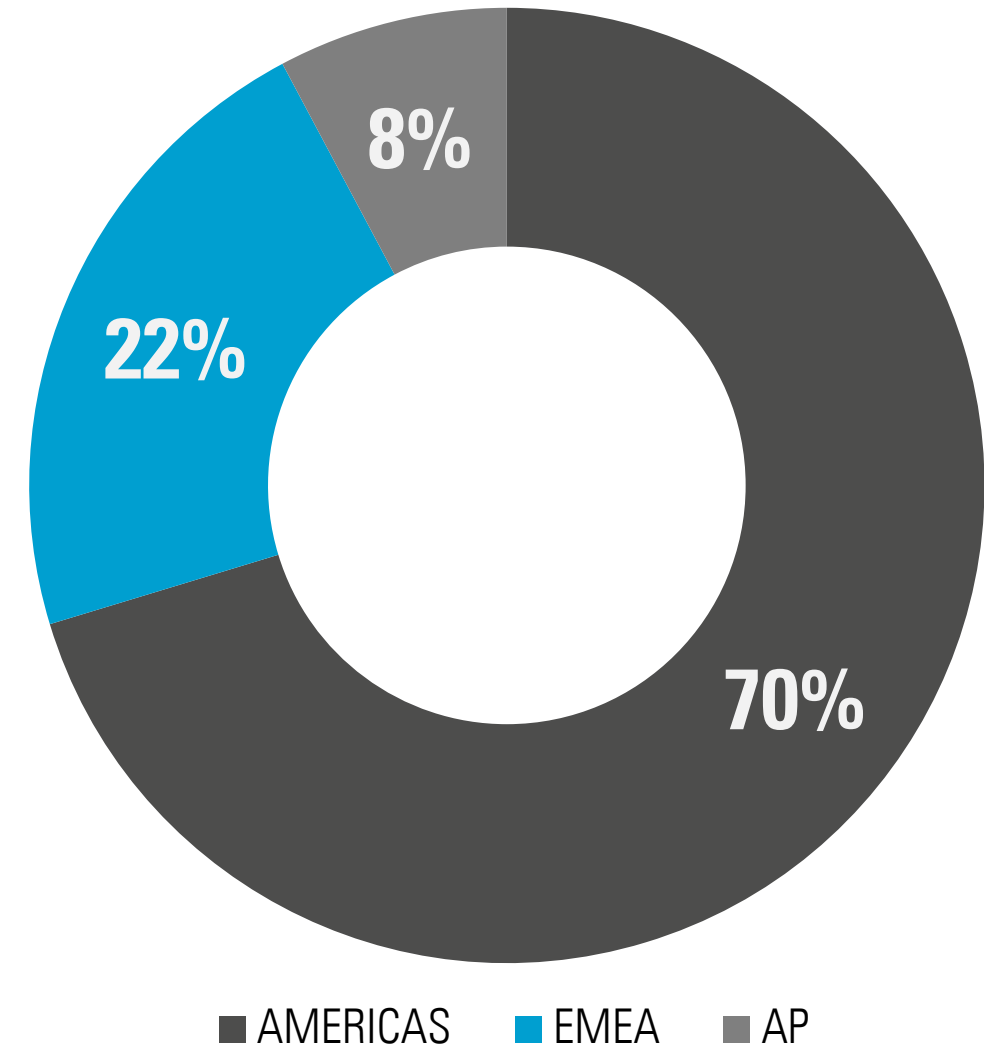
* Non-GAAP, excluding highlighted items, stock-based compensation, and intangible amortization

REGIONAL REVENUE

(\$M)	Q1 18	Q1 19	Change*
AMERICAS	\$995	\$1,165	17%
EMEA	\$338	\$363	7%
AP	\$135	\$129	(5%)
TOTAL	\$1,468	\$1,657	13%

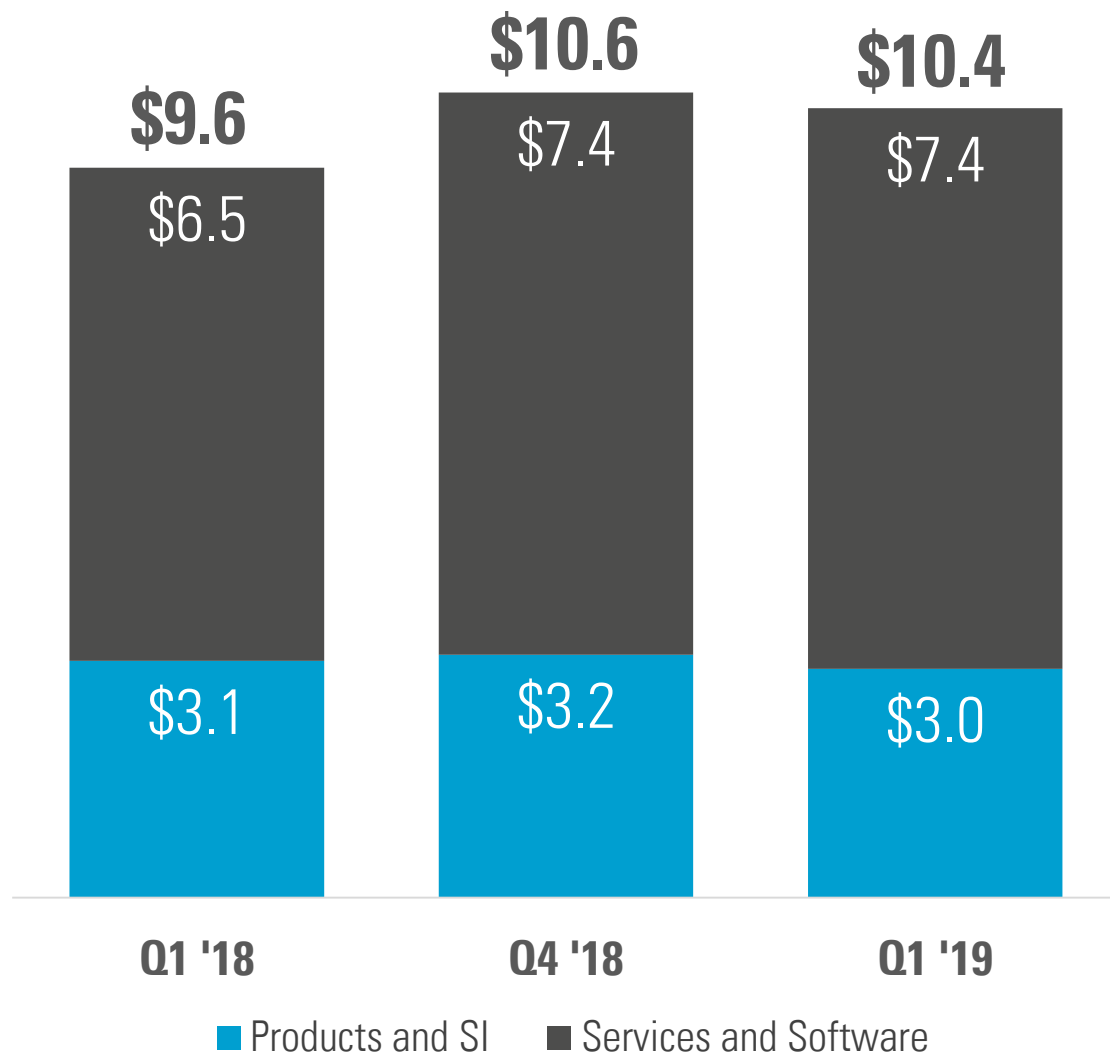
* Values may differ due to rounding

REVENUE % BY REGION



BACKLOG TREND

(\$B)



Services and Software

- Y/Y up \$885M driven by Americas multi-year services contracts and Airwave extension

Products and Systems Integration

- Y/Y down \$104M driven by large system awards in Middle East and Africa, partially offset by growth in Americas
- Q/Q down \$185M driven primarily by typical North America order cycles

OUTLOOK (NON-GAAP)*

Q2 2019

Revenue Growth	4% to 5%
Non-GAAP EPS	\$1.55 - \$1.60

PRIOR FULL-YEAR GUIDANCE FEB. 7

Revenue Growth	6% to 7%
Non-GAAP EPS	\$7.55 - \$7.70

UPDATED FULL-YEAR 2019

Revenue Growth	6% to 7%
Non-GAAP EPS	\$7.60 - \$7.72

Q2 Details

- Approx. \$35M FX headwind
- Effective tax rate approx. 24%
- Fully diluted share count approx. 176M

Full-Year Details

- Raised EPS
- Approx. \$90M FX headwind; up from approx. \$65M headwind in prior outlook
- Effective tax rate 24% to 25%
- Fully diluted share count approx. 176M

*Q1 and FY outlook assumes current F/X rates as of May 1st, 2019

Q&A PARTICIPANTS

GREG BROWN

Chairman and CEO

GINO BONANOTTE

Executive Vice President and CFO

CHRIS KUTSOR

Vice President, Investor Relations

JACK MOLLOY

Executive Vice President,
Products & Sales

KELLY MARK

Executive Vice President,
Services & Software

USE OF NON-GAAP MEASURES

In addition to the GAAP results provided during this event, Motorola Solutions has provided certain non-GAAP measurements. Motorola Solutions has provided these non-GAAP measurements as a measure to help investors better understand its core operating performance, enhance comparisons of Motorola Solutions' core operating performance from period-to-period and to allow better comparisons of Motorola Solutions' operating performance to that of its competitors. Among other things, the Company's management uses these operating results, excluding the identified items, to evaluate the performance of its businesses and to evaluate results relative to incentive compensation targets. Management uses operating results excluding these items because they believe this measure enables them to make better period-to-period evaluations of the financial performance of its core business operations. There are inherent limitations in the use of operating results excluding these items because the company's GAAP results include the impact of these items. The non-GAAP measures are intended only as a supplement to the comparable GAAP measures and the Company compensates for the limitations inherent in the use of non-GAAP measures by using GAAP measures in conjunction with the non-GAAP measures. As a result, investors should consider these non-GAAP measures in addition to, and not in substitution for, or as superior to, measures of financial performance prepared in accordance with GAAP.

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

USE OF NON-GAAP MEASURES

“Free Cash Flow” and “Operating Expenses or Opex” are non-GAAP measures and should not be considered replacements for results in accordance with accounting principles generally accepted in the U.S. (“GAAP”). These non-GAAP measures may not be comparable to similarly-titled measures reported by other companies. The primary limitation of these measures is that they exclude the financial impact of items that would otherwise either increase or decrease our reported results. This limitation is best addressed by using these non-GAAP measures in combination with the most directly comparable GAAP measures in order to better understand the amounts, character and impact of any increase or decrease in reported amounts. The following provides additional information regarding these non-GAAP measures:

Free Cash Flow - Operating Cash Flow minus Capital Expenditures. We believe Free Cash Flow provides useful information to investors as it provides insight into the primary cash flow metric used by management to monitor and evaluate cash flows generated from our operations. This measure is also used as a component of incentive compensation.

Operating Expenses - R&D and SG&A expenses adjusted for stock based compensation expenses, reorganization charges, intangibles amortization expenses, and other highlighted items.

SUPPLEMENTAL NON-GAAP MEASURES

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

	Q1 '15	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
Net sales	\$ 1,223	\$ 1,368	\$ 1,422	\$ 1,682	\$ 1,193	\$ 1,430	\$ 1,532	\$ 1,883	\$ 1,281	\$ 1,497	\$ 1,645	\$ 1,957	\$ 1,468	\$ 1,760	\$ 1,862	\$ 2,254	\$ 1,657
GAAP gross margin	548	648	685	838	502	676	762	928	570	690	794	970	669	822	901	1088	773
Non-GAAP gross margin adjustments:																	
Avigilon purchase accounting adjustment														10	9		
Stock-based compensation expense	3	2	2	2	2	2	2	3	2	2	2	2	2	2	3	3	4
Reorganization of business charges	2	3	1	4	16	8	1	18	4	2	2	1	5	7	4	43	4
Non-GAAP gross margin	553	653	688	844	520	686	765	949	576	694	798	973	676	841	917	1134	781
GAAP Operating earnings (loss) ("OE")	108	210	220	378	88	212	330	417	173	261	347	503	171	273	294	516	229
Non-GAAP OE Adjustments:																	
Stock-based compensation expense	18	17	16	18	15	16	15	13	15	14	14	15	15	15	16	17	23
Reorganization of business charges	12	13	14	38	7	19	6	48	15	1	6	11	8	18	21	15	4
Intangibles amortization expense	2	3	2	2	13	38	31	30	36	37	39	39	41	53	46	48	50
Other highlighted items	-	-	26	5	13	17	-	-	(33)	(1)	2	(5)	18	-	59	8	1
Non-GAAP OE	\$ 145	\$ 248	\$ 281	\$ 447	\$ 154	\$ 312	\$ 385	\$ 529	\$ 212	\$ 316	\$ 412	\$ 566	\$ 260	\$ 378	\$ 452	\$ 650	\$ 315

SUPPLEMENTAL NON-GAAP MEASURES

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

	Q1 '15	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
GAAP OE%	8.8 %	15.4 %	15.5 %	22.5 %	7.4 %	14.8 %	21.5 %	22.1 %	13.5 %	17.4 %	21.1 %	25.7 %	11.6 %	15.5 %	15.8 %	22.9 %	13.8 %
Non-GAAP Adj %	3.1 %	2.7 %	4.3 %	4.1 %	5.5 %	7.0 %	3.6 %	6.0 %	3.0 %	3.7 %	3.9 %	3.2 %	6.1 %	6.0 %	8.5 %	5.9 %	5.2 %
Non-GAAP OE %	11.9 %	18.1 %	19.8 %	26.6 %	12.9 %	21.8 %	25.1 %	28.1 %	16.5 %	21.1 %	25.0 %	28.9 %	17.7 %	21.5 %	24.3 %	28.8 %	19.0 %
GAAP Other income (expense)	20	5	(23)	(1)	(66)	(45)	(37)	(55)	(53)	(56)	(61)	(38)	(31)	(46)	(24)	(52)	(44)
Non-GAAP Below OE adjustments	46	32	-	39	(36)	-	-	(26)	(6)	(17)	(20)	(2)	(4)	(2)	19	(1)	(8)
Non-GAAP Other income (expense)	(26)	(27)	(23)	(40)	(30)	(45)	(37)	(29)	(47)	(39)	(41)	(36)	(27)	(44)	(43)	(51)	(36)
GAAP Earnings (loss) from continuing operations*	87	150	126	277	17	107	192	243	77	131	212	(575)	117	180	247	423	151
Non-GAAP OE adjustments	37	38	61	69	66	100	55	112	39	55	65	63	89	105	158	134	86
Non-GAAP below OE adjustments	(46)	(32)	-	(39)	36	-	-	26	6	17	20	2	4	2	(19)	1	8
Non-GAAP tax adjustments and effect	5	(13)	(21)	(27)	(27)	(27)	(14)	(35)	\$ (2)	\$ (14)	\$ (38)	\$ 865	\$ (22)	\$ (36)	\$ (51)	\$ (100)	\$ (22)
TOTAL Non-GAAP Earnings from continuing operations	\$ 83	\$ 143	\$ 166	\$ 280	\$ 92	\$ 180	\$ 233	\$ 346	\$ 120	\$ 189	\$ 259	\$ 355	\$ 188	\$ 251	\$ 335	\$ 458	\$ 223
GAAP Continuing operations earnings per share ("EPS")	\$ 0.40	\$ 0.72	\$ 0.63	\$ 1.56	\$ 0.10	\$ 0.61	\$ 1.13	\$ 1.43	\$ 0.45	\$ 0.78	\$ 1.25	\$ (3.56)	\$ 0.69	\$ 1.05	\$ 1.43	\$ 2.44	\$ 0.86
EPS adjusted for dilution**												\$ (3.40)					
Non-GAAP Continuing operations EPS adjustments	(0.02)	(0.04)	0.19	0.02	0.42	0.42	0.24	0.60	0.26	0.34	0.28	5.50	0.41	0.41	0.51	0.19	0.42
Non-GAAP Continuing operations EPS	\$ 0.38	\$ 0.68	\$ 0.82	\$ 1.58	\$ 0.52	\$ 1.03	\$ 1.37	\$ 2.03	\$ 0.71	\$ 1.12	\$ 1.53	\$ 2.10	\$ 1.10	\$ 1.46	\$ 1.94	\$ 2.63	\$ 1.28
Diluted, w weighted average shares outstanding	217.8	209.5	201.3	177.5	177.0	174.8	169.6	170.4	169.9	169.0	169.0	168.9	170.6	171.7	172.6	173.4	174.6

* Amounts attributable to Motorola Solutions, Inc. common shareholders.

** Under U.S. GAAP, the accounting for a net loss from continuing operations results in the presentation of dilutive 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 Q4 2017, the Company reported a net loss from continuing operations within our GAAP Consolidated Statement of Operations, while reporting income on a non-GAAP basis. An adjustment is shown to reflect the dilution of 7.2 million dilutive shares outstanding in Q4 2017.



THANK YOU