

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

Q4 AND FULL-YEAR 2018 RESULTS | February 7, 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 8 through 20 in Item 1A of Motorola Solutions' 2017 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 7th day of February, 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 "Constant Currency," "Free Cash Flow," and "Operating Expenses".

HIGHLIGHTS | Q4



- **Sales of \$2.3B, up 15%**
 - Products and Systems Integration revenue up 16% driven by Americas and EMEA
 - Services and Software revenue up 12% with growth in all regions
- **Non-GAAP EPS* of \$2.63, up 25%**
- **Backlog of \$10.6B, up 10% YoY**
- **Operating cash flow of \$812M, up \$51M vs LY**
- **Signed Airwave extension through end of 2022**
- **Subsequent to quarter end, acquired VaaS International Holdings, a leading provider of data and image analytics for vehicle location**

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

HIGHLIGHTS | 2018



- **Sales of \$7.3B, up 15%**
 - Products and Systems Integration revenue up 13% driven by Americas and EMEA
 - Services and Software revenue up 20% with growth in all regions
- **Non-GAAP EPS* of \$7.15, up 31%**
- **Adjusted operating cash flow of \$1.575B**, up \$229M vs LY**
- **Invested \$1.2B in acquisitions, paid \$337M in cash dividends and repurchased \$132M in common stock**

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

** Excludes impact of \$500M voluntary debt funded pension contribution in Q1 2018

FINANCIAL RESULTS



(\$M) EXCLUDING PER SHARE AMOUNTS	Q4 17	Q4 18	Change	2017	2018	Change
Revenue	\$1,957	\$2,254	15%	\$6,380	\$7,343	15%
Non-GAAP Operating Earnings*	\$566	\$650	15%	\$1,506	\$1,740	16%
Non-GAAP Operating Margin*	28.9%	28.8%	(10 bps)	23.6%	23.7%	10 bps
Non-GAAP Earnings Per Share*	\$2.10	\$2.63	25%	\$5.46	\$7.15	31%

* Non-GAAP, excluding highlighted items, stock-based compensation, and intangible amortization. 2017 is restated for the implementation of accounting standard ASU 2017-07

CASH FLOW



(\$M)	2017	2018*	Change
Operating Cash Flow	\$1,346	\$1,075	(\$271)
Pension Contribution		\$500	\$500
Adj. Operating Cash Flow	\$1,346	\$1,575	\$229
Capital Expenditures	(\$227)	(\$197)	\$30
Adj. Free Cash Flow	\$1,119	\$1,378	\$259

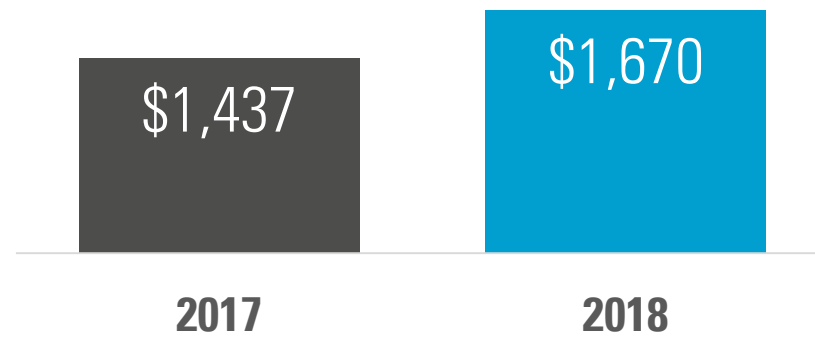
* Includes \$500M voluntary debt funded pension contribution in Q1 2018

PRODUCTS AND SI | Q4

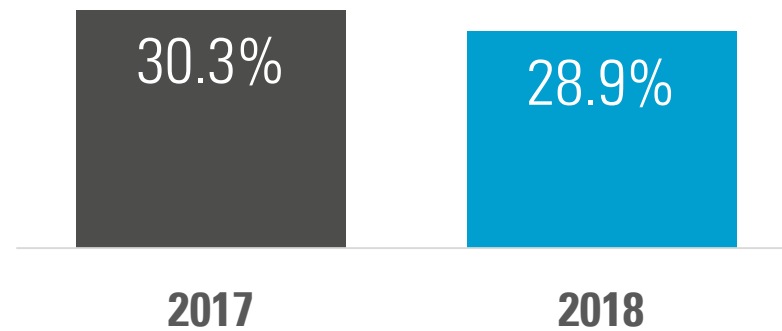


Revenue

(\$M)



Non-GAAP Operating Margin % *



- **Revenue up 16%, driven by Americas and EMEA**
- **Non-GAAP operating margin down 140 bps driven by operating expense related to acquisitions**
- **Notable wins and achievements:**
 - \$47M P25 order from Snohomish County, WA
 - \$24M P25 order from Ingham County, MI
 - \$16M P25 order from Riverside County, CA

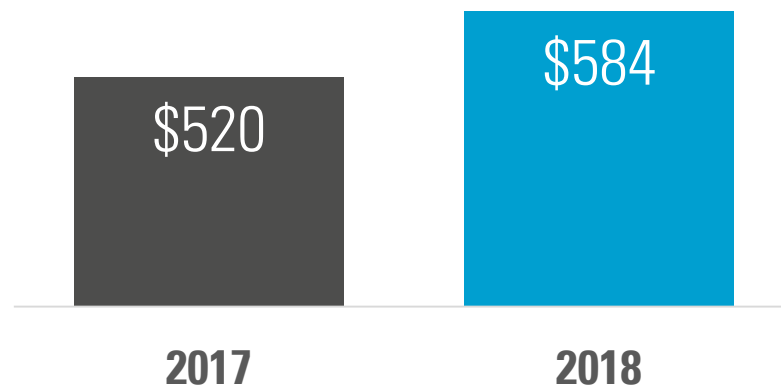
* Non-GAAP, excluding highlighted items, stock-based compensation, and intangible amortization

SERVICES AND SOFTWARE | Q4

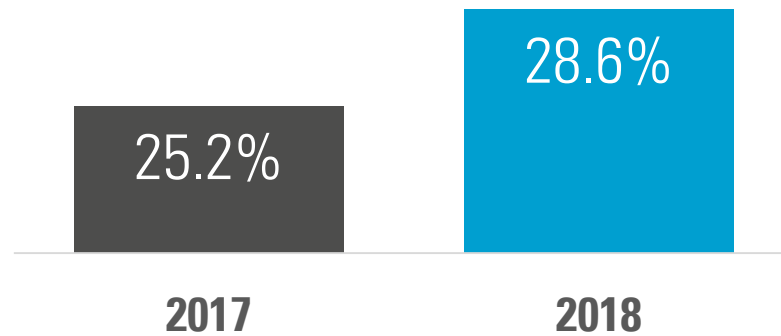


Revenue

(\$M)



Non-GAAP Operating Margin % *



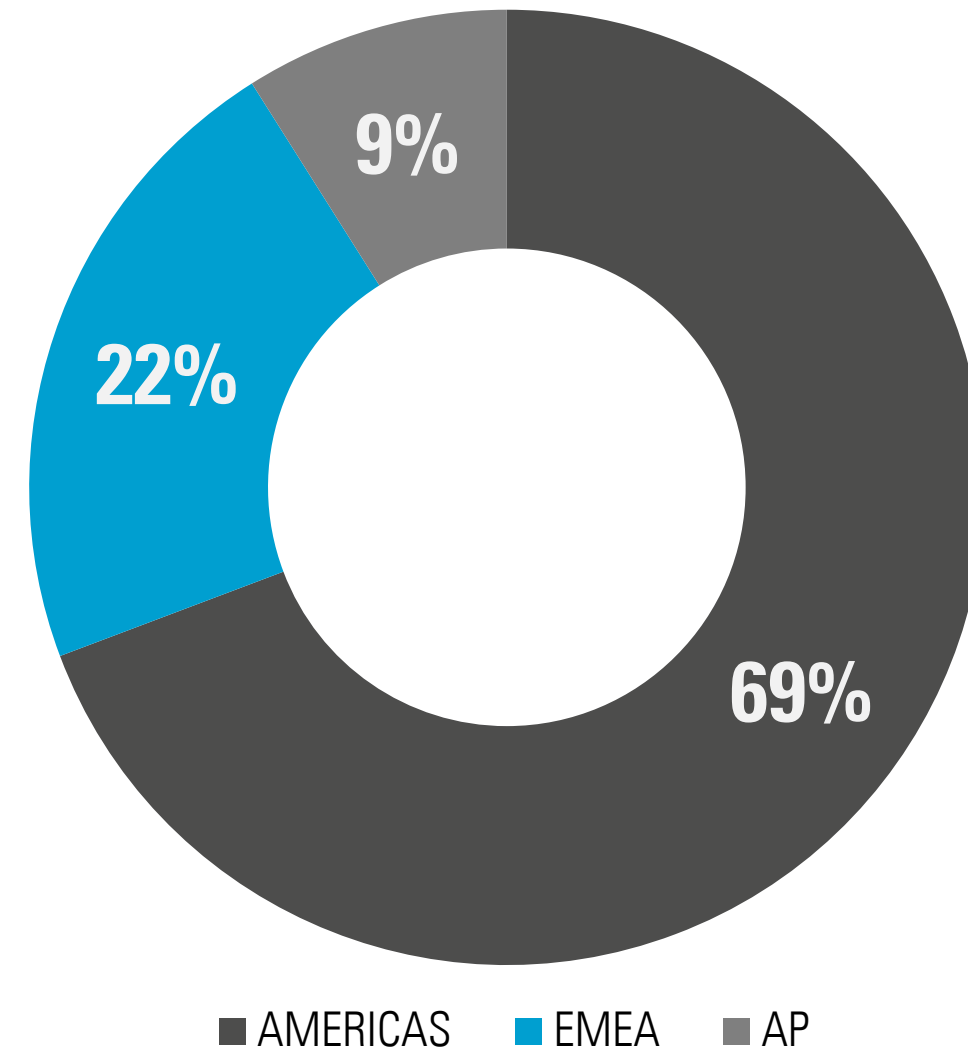
- Revenue up 12%, with growth in all regions
- Non-GAAP operating margin up 340 bps driven by organic gross margin expansion and acquisitions
- Notable multi-year wins and achievements:
 - \$1.1B contract to extend Airwave through end of 2022
 - \$71M services award for Maricopa County, AZ
 - \$29M services contract from Cobb County, GA
 - \$26M contract to provide Next-Gen 911 core services in North America
 - \$16M services contract in Australia

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

REGIONAL REVENUE | Q4

(\$M)	Q4 17	Q4 18	Change*
AMERICAS	\$1,351	\$1,561	16%
EMEA	\$395	\$491	24%
AP	\$211	\$202	(5%)
TOTAL	\$1,957	\$2,254	15%

REVENUE % BY REGION

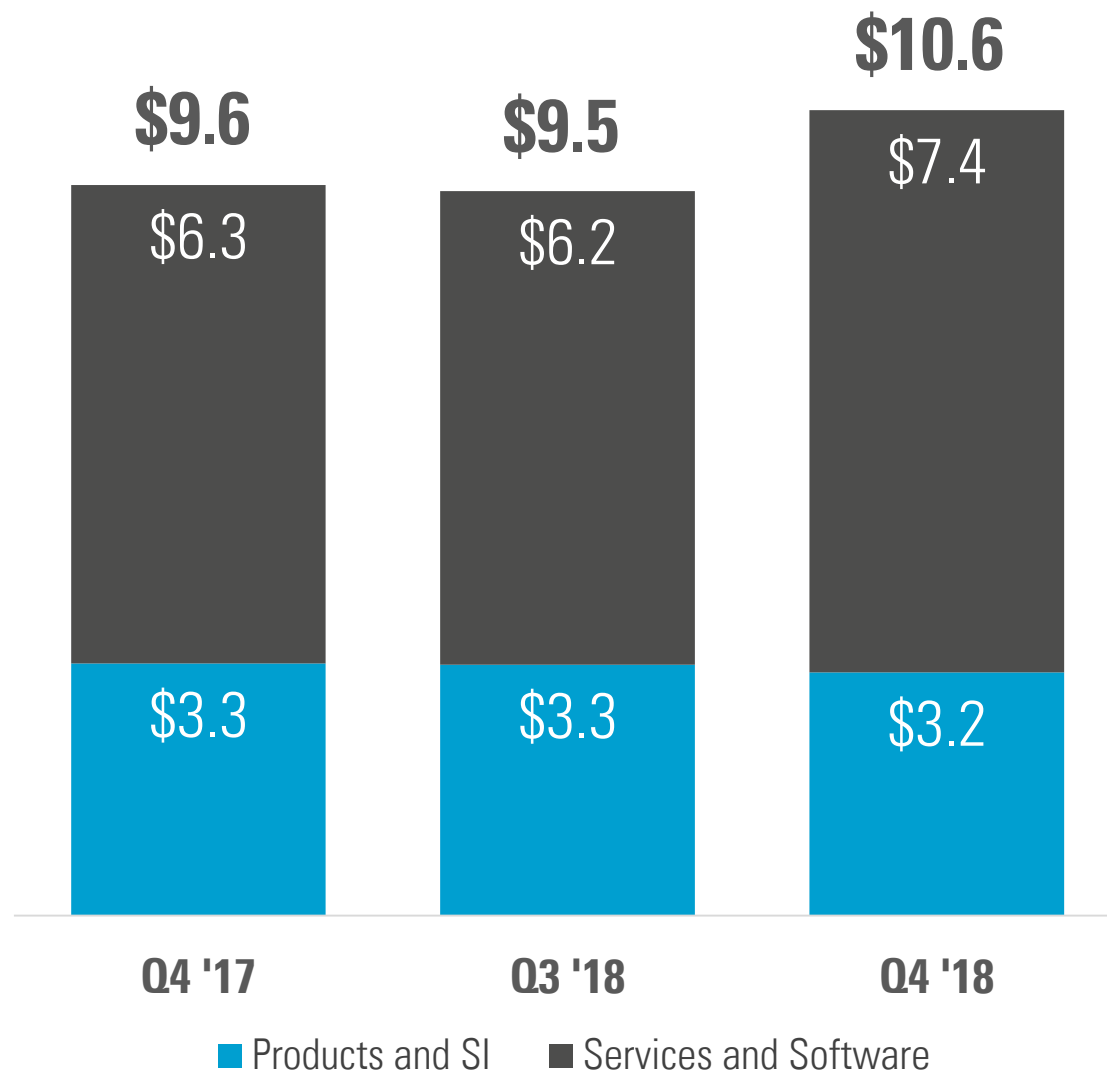


* Values may differ due to rounding

BACKLOG TREND



(\$B)



Services and Software

- Y/Y up \$1.1B driven by Americas multi-year services contracts and the Airwave extension
- Q/Q up \$1.2B driven by Americas multi-year services contracts and the Airwave extension

Products and Systems Integration

- Y/Y down \$116M driven by large system awards in Middle East and Africa
- Q/Q down \$42M driven by large system awards in Middle East and Africa
- Q/Q Americas up \$104M

OUTLOOK (NON-GAAP)*



Q1 2019

Revenue Growth	Approx. 11%
Non-GAAP EPS	\$1.11 - \$1.16

FULL-YEAR 2019

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

Q1 Details

- Fully diluted share count approx. 174M
- Effective tax rate approx. 25%

Full-Year Details

- Fully diluted share count approx. 175M
- Effective tax rate approx. 25%

*Q1 and FY outlook assumes current F/X rates as of February 6th, 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 CAPEX. 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 '14	Q2 '14	Q3 '14	Q4 '14	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
Net sales	\$1,228	\$1,393	\$1,436	\$1,823	\$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
GAAP gross margin	577	656	685	912	548	648	685	838	502	676	762	928	570	690	794	970	669	822	901	1,088
Non-GAAP gross margin adjustments:																				
Avigilon purchase accounting adjustment																		10	9	—
Stock-based compensation expense	4	3	2	2	3	2	2	2	2	2	2	3	2	2	2	2	2	2	3	3
Reorganization of business charges	1	3	7	—	2	3	1	4	16	8	1	18	4	2	2	1	5	7	4	43
Non-GAAP gross margin	582	662	694	914	553	653	688	844	520	686	765	949	576	694	798	973	676	841	917	1,134
GAAP Operating earnings (loss) ("OE")	113	144	213	430	108	210	220	378	88	212	330	417	173	261	347	503	171	273	294	516
Non-GAAP OE Adjustments:																				
Stock-based compensation expense	25	23	18	18	18	17	16	18	15	16	15	13	15	14	14	15	15	15	16	17
Reorganization of business charges	9	25	13	15	12	13	14	38	7	19	6	48	15	1	6	11	8	18	21	15
Intangibles amortization expense	1	1	1	1	2	3	2	2	13	38	31	30	36	37	39	39	41	53	46	48
Other highlighted items	(21)	8	11	23	—	—	26	5	13	17	—	—	(33)	(1)	2	(5)	18	—	59	8
Non-GAAP OE	\$ 132	\$ 207	\$ 265	\$ 489	\$ 145	\$ 248	\$ 281	\$ 447	\$ 154	\$ 312	\$ 385	\$ 529	\$ 212	\$ 316	\$ 412	\$ 566	\$ 260	\$ 378	\$ 452	\$ 650

SUPPLEMENTAL NON-GAAP MEASURES

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

	Q1 '14	Q2 '14	Q3 '14	Q4 '14	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
GAAP OE%	9.2 %	10.3 %	14.8 %	23.6 %	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 %
Non-GAAP Adj %	1.5 %	4.6 %	3.7 %	3.2 %	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 %
Non-GAAP OE %	10.7 %	14.9 %	18.5 %	26.8 %	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 %
GAAP Other income (expense)	(24)	(46)	(62)	(1,928)	20	5	(23)	(1)	(66)	(45)	(37)	(55)	(53)	(56)	(61)	(38)	(31)	(46)	(24)	(52)
Non-GAAP Below OE adjustments	—	—	(27)	(1,883)	46	32	—	39	(36)	—	—	(26)	(6)	(17)	(20)	(2)	(4)	(2)	19	(1)
Non-GAAP Other income (expense)	(24)	(46)	(35)	(45)	(26)	(27)	(23)	(40)	(30)	(45)	(37)	(29)	(47)	(39)	(41)	(36)	(27)	(44)	(43)	(51)
GAAP Earnings (loss) from continuing operations*	85	78	66	(926)	87	150	126	277	17	107	192	243	77	131	212	(575)	117	180	247	423
Non-GAAP OE adjustments	19	63	52	59	37	38	61	69	66	100	55	112	39	55	65	63	89	105	158	134
Non-GAAP below OE adjustments	—	—	27	1,883	(46)	(32)	—	(39)	36	—	—	26	6	17	20	2	4	2	(19)	1
Non-GAAP tax adjustments and effect	(32)	(20)	9	(728)	5	(13)	(21)	(27)	(27)	(27)	(14)	(35)	(2)	(14)	(38)	865	(22)	(36)	(51)	(100)
TOTAL Non-GAAP Earnings from continuing operations	\$ 72	\$ 121	\$ 154	\$ 288	\$ 83	\$ 143	\$ 166	\$ 280	\$ 92	\$ 180	\$ 233	\$ 346	\$ 120	\$ 189	\$ 259	\$ 355	\$ 188	\$ 251	\$ 335	\$ 458
GAAP Continuing operations earnings per share ("EPS")	\$ 0.33	\$ 0.30	\$ 0.27	\$ (4.02)	\$ 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
EPS adjusted for dilution**																\$ (3.40)				
Non-GAAP Continuing operations EPS adjustments	(0.05)	0.17	0.35	5.27	(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
Non-GAAP Continuing operations EPS	\$ 0.28	\$ 0.47	\$ 0.62	\$ 1.25	\$ 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
Diluted, w eighted average shares outstanding	258.3	256.2	248.2	230.5	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

* 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.

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THANK YOU
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