

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

	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19
Net sales	\$1,281	\$1,497	\$1,645	\$1,957	\$1,468	\$1,760	\$1,862	\$2,254	\$1,657	\$1,860	\$1,994	\$2,377
GAAP gross margin	570	690	794	970	669	822	901	1,088	773	931	1,007	1,220
Non-GAAP gross margin adjustments:												
Avigilon purchase accounting adjustment	—	—	—	—	—	10	9	—	—	—	—	—
Stock-based compensation expense	2	2	2	2	2	2	3	3	4	3	3	4
Reorganization of business charges	4	2	2	1	5	7	4	43	4	4	3	6
Non-GAAP gross margin	576	694	798	973	676	841	917	1,134	781	938	1,013	1,230
GAAP Operating earnings (loss) ("OE")	173	261	347	503	171	273	294	516	229	349	413	590
Non-GAAP OE Adjustments:												
Stock-based compensation expense	15	14	14	15	15	15	16	17	23	27	27	27
Reorganization of business charges	15	1	6	11	8	18	21	15	4	8	15	13
Intangibles amortization expense	36	37	39	39	41	53	46	48	50	52	52	54
Other highlighted items	(33)	(1)	2	(5)	18	—	59	8	1	1	(4)	13
Non-GAAP OE	\$ 212	\$ 316	\$ 412	\$ 566	\$ 260	\$ 378	\$ 452	\$ 650	\$ 315	\$ 444	\$ 509	\$ 707
GAAP OE%	13.5%	17.4%	21.1%	25.7%	11.6%	15.5%	15.8%	22.9%	13.8%	18.8%	20.7%	24.8%
Non-GAAP Adj %	3.0%	3.7%	3.9%	3.2%	6.1%	6.0%	8.5%	5.9%	5.2%	5.1%	4.8%	4.9%
Non-GAAP OE %	16.5%	21.1%	25.0%	28.9%	17.7%	21.5%	24.3%	28.8%	19.0%	23.9%	25.5%	29.7%
GAAP Other income (expense)	(53)	(56)	(61)	(38)	(31)	(46)	(24)	(52)	(44)	(74)	(65)	(397)
Non-GAAP Below OE adjustments	(6)	(17)	(20)	(2)	(4)	(2)	19	(1)	(8)	(23)	(26)	(353)
Non-GAAP Other income (expense)	(47)	(39)	(41)	(36)	(27)	(44)	(43)	(51)	(36)	(51)	(39)	(44)
GAAP Earnings (loss)	77	131	212	(575)	117	180	247	423	151	207	267	244
Non-GAAP OE adjustments	39	55	65	63	89	105	158	134	86	95	96	117
Non-GAAP below OE adjustments	6	17	20	2	4	2	(19)	1	8	23	26	353
Non-GAAP tax adjustments and effect	(2)	(14)	(38)	865	(22)	(36)	(51)	(100)	(22)	(27)	(28)	(197)
TOTAL Non-GAAP Earnings	\$ 120	\$ 189	\$ 259	\$ 355	\$ 188	\$ 251	\$ 335	\$ 458	\$ 223	\$ 298	\$ 361	\$ 517
GAAP earnings per share ("EPS")	\$ 0.45	\$ 0.78	\$ 1.25	\$(3.56)	\$ 0.69	\$ 1.05	\$ 1.43	\$ 2.44	\$ 0.86	\$ 1.18	\$ 1.51	\$ 1.39
EPS adjusted for dilution*				(3.40)								
Non-GAAP EPS adjustments	0.26	0.34	0.28	5.50	0.41	0.41	0.51	0.19	0.42	0.51	0.53	1.55
Non-GAAP EPS	\$ 0.71	\$ 1.12	\$ 1.53	\$ 2.10	\$ 1.10	\$ 1.46	\$ 1.94	\$ 2.63	\$ 1.28	\$ 1.69	\$ 2.04	\$ 2.94
Diluted, weighted average shares outstanding	169.9	169.0	169.0	168.9	170.6	171.7	172.6	173.4	174.6	176.1	176.4	175.6

* 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.