

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

EARNINGS PRESENTATION

Q3 2020 RESULTS | OCTOBER 29, 2020

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 10 through 22 in Item 1A of Motorola Solutions' 2019 Annual Report on Form 10-K, on page 34 of Motorola Solutions' 2020 first quarterly report on Form 10-Q, 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 29th day of October, 2020. 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. This measure includes "Free Cash Flow."

HIGHLIGHTS | Q3 2020

- **Sales of \$1.9B, down 6% vs the prior year**
 - Software and Services up 9% on growth in both services and software
 - Products and Systems Integration down 14%, on declines in public safety LMR and Professional & Commercial Radio ("PCR"), partially offset by growth in video security
- **GAAP EPS of \$1.18**
- **Non-GAAP EPS* of \$1.95**
- **Operating cash flow of \$392M; Free cash flow** of \$343M**
- **Paid \$181M for acquisitions, inclusive of Pelco and Callyo**
- **Paid \$109M in dividends and repurchased \$105M of shares**
- **Refinanced upcoming debt maturities with a new \$900M ten-year debt issuance**
- **Awarded a \$120M+ next generation 911 multi-year contract, the largest command center software order in company's history**

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

**Free Cash Flow is defined as Operating Cash Flow less Capital Expenditures.

FINANCIAL RESULTS

| | Q3 19 | Q3 20 | CHANGE |
|---------------------------------|---------|---------|----------|
| Revenue | \$1,994 | \$1,868 | (6%) |
| Non-GAAP Operating Earnings* | \$509 | \$463 | (9%) |
| Non-GAAP Operating Margin* | 25.5% | 24.8% | (70 bps) |
| Non-GAAP Earnings Per Share* | \$2.04 | \$1.95 | (4%) |

(\$M) excluding per share amounts

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

CASH FLOW

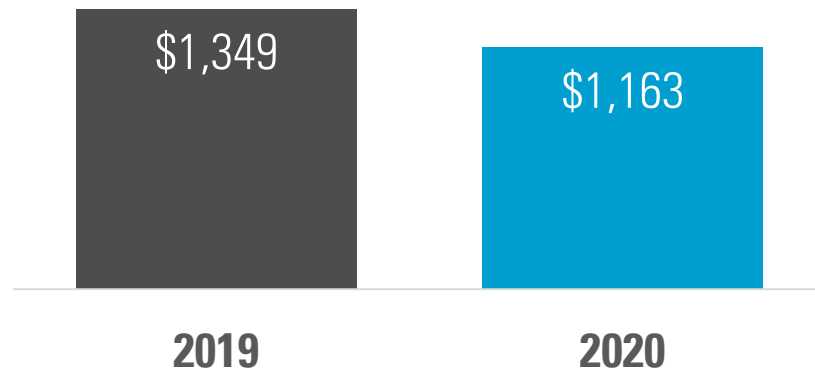
| (\$M) TRAILING TWELVE MONTHS | Q3 19 | Q3 20 | CHANGE |
|-------------------------------------|----------------|----------------|---------------|
| Operating Cash Flow | \$1,840 | \$1,704 | (\$136) |
| Capital Expenditures | (\$258) | (\$210) | \$48 |
| Free Cash Flow* | \$1,582 | \$1,494 | (\$88) |

*Free Cash Flow is defined as Operating Cash Flow less Capital Expenditures.

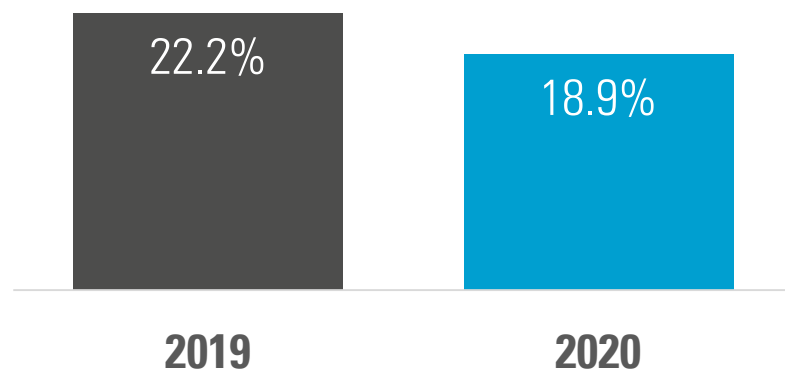
PRODUCTS & SI | Q3

Revenue

(\$M)



Non-GAAP Operating Margin*



- Revenue down 14% driven by public safety LMR and Professional and Commercial Radio, partially offset by growth in video security
- Non-GAAP Operating margin* down 330 bps primarily due to lower sales

Notable wins and achievements:

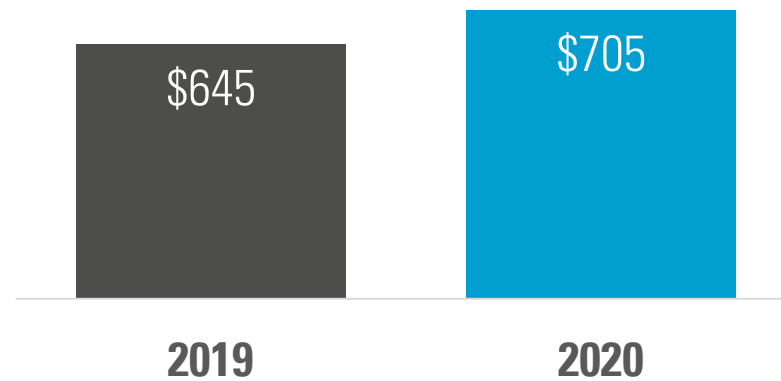
- \$44M P25 order with large U.S. Federal customer
- \$28M P25 order for the State of Wyoming
- \$20M P25 order for the State of North Carolina
- \$19M TETRA order for a large international transportation customer
- Strong growth in fixed video sales to government customers

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

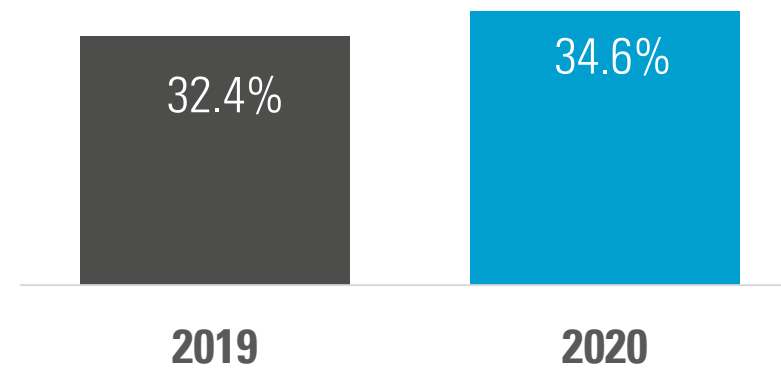
SOFTWARE & SERVICES | Q3

Revenue

(\$M)



Non-GAAP Operating Margin*



- Revenue up 9%, driven by growth in both services and software
- Non-GAAP Operating margin* up 220 bps driven by higher sales and gross margins and improved operating leverage
- Notable wins and achievements:
 - \$120M+ next generation 911 multi-year contract
 - \$19M body-worn and in-car video multi-year aaS contract in North America
 - \$18M P25 multi-year services contract with Seminole County Florida
 - Strong body-worn camera unit orders
 - Launched PremierOne Cloud suite
 - Acquired Callyo, a cloud-based SaaS mobile application provider for law enforcement

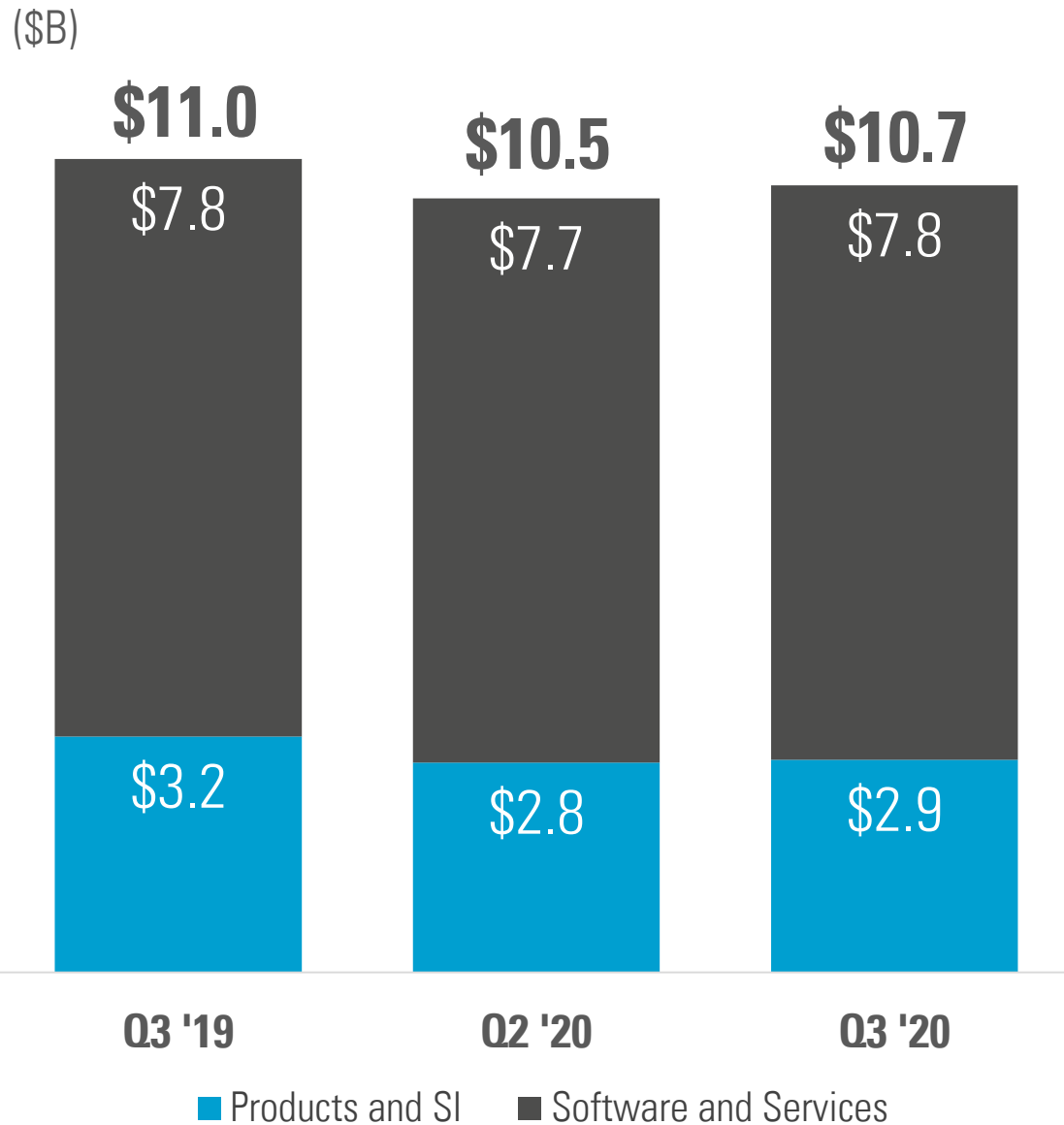
* Non-GAAP, excluding highlighted items, stock-based compensation, and intangible amortization

REGIONAL REVENUE

| (\$M) | Q3 19 | Q3 20 | Change |
|---------------|----------------|----------------|-------------|
| NORTH AMERICA | \$1,344 | \$1,268 | (6%) |
| INTERNATIONAL | \$650 | \$600 | (8%) |
| TOTAL | \$1,994 | \$1,868 | (6%) |

- **North America** down in public safety LMR and Professional and Commercial Radio partially offset by growth in Services, video security and software
- **International** down in Professional and Commercial Radio and public safety LMR partially offset by growth in Services, video security and software

BACKLOG TREND



Software and Services

- Y/Y down \$44M driven by revenue recognition for Airwave and ESN, partially offset by an increase in multi-year agreements in North America and \$74M of favorable FX
- Q/Q up \$138M driven by an increase in multi-year agreements in North America and \$83M of favorable FX partially offset by revenue recognition for Airwave and ESN

Products and Systems Integration

- Y/Y down \$317M, driven by large International deployments and lower orders due to delays in sales engagements related to COVID-19
- Q/Q up \$36M driven by International

OUTLOOK (NON-GAAP)*

Q4 2020

| | |
|-----------------|-----------------|
| Revenue Decline | (6%) to (5.5%) |
| Non-GAAP EPS | \$2.71 - \$2.76 |

PRIOR FULL-YEAR OUTLOOK AUG 6

| | |
|-----------------|-----------------|
| Revenue Decline | approx. (7%) |
| Non-GAAP EPS | \$7.40 - \$7.52 |

UPDATED FULL-YEAR 2020

| | |
|-----------------|-----------------|
| Revenue Decline | approx. (6.5%) |
| Non-GAAP EPS | \$7.52 - \$7.58 |

Q4 Details

- Effective tax rate of 23% to 24%
- Fully diluted share count approx. 175M

*Q4 and FY outlook assumes current F/X rates as of October 29th, 2020

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,
Products & Sales

KELLY MARK

Executive Vice President,
Software & Services

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 investors.motorolasolutions.com.

USE OF NON-GAAP MEASURES

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

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.

SUPPLEMENTAL NON-GAAP MEASURES

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

| | Q1'18 | Q2'18 | Q3'18 | Q4'18 | Q1'19 | Q2'19 | Q3'19 | Q4 '19 | Q1'20 | Q2'20 | Q3'20 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Net sales | \$ 1,468 | \$ 1,760 | \$ 1,862 | \$ 2,254 | \$ 1,657 | \$ 1,860 | \$ 1,994 | \$ 2,377 | \$ 1,655 | \$ 1,618 | \$ 1,868 |
| GAAP gross margin | 669 | 822 | 901 | 1,088 | 773 | 931 | 1,007 | 1,220 | 787 | 766 | 909 |
| Non-GAAP gross margin adjustments: | | | | | | | | | | | |
| Avigilon purchase accounting adjustment | | 10 | 9 | | | | | 0 | 0 | 0 | 0 |
| Pelco purchase accounting adjustment | | | | | | | | | | | 3 |
| Stock-based compensation expense | 2 | 2 | 3 | 3 | 4 | 3 | 3 | 4 | 5 | 4 | 3 |
| Reorganization of business charges | 5 | 7 | 4 | 43 | 4 | 4 | 3 | 6 | 6 | 15 | 3 |
| Non-GAAP gross margin | 676 | 841 | 917 | 1,134 | 781 | 938 | 1,013 | 1,230 | 798 | 785 | 918 |
| GAAP Operating earnings ("OE") | 171 | 273 | 294 | 516 | 229 | 349 | 413 | 590 | 259 | 218 | 352 |
| Non-GAAP OE Adjustments: | | | | | | | | | | | |
| Stock-based compensation expense | 15 | 15 | 16 | 17 | 23 | 27 | 27 | 27 | 33 | 27 | 28 |
| Reorganization of business charges | 8 | 18 | 21 | 15 | 4 | 8 | 15 | 13 | 12 | 26 | 10 |
| Intangibles amortization expense | 41 | 53 | 46 | 48 | 50 | 52 | 52 | 54 | 53 | 51 | 54 |
| Other highlighted items | 18 | - | 59 | 8 | 1 | 1 | (4) | 13 | (21) | 18 | 10 |
| Non-GAAP OE | \$ 260 | \$ 378 | \$ 452 | \$ 650 | \$ 315 | \$ 444 | \$ 509 | \$ 707 | \$ 347 | \$ 359 | \$ 463 |
| GAAP OE% | 11.6 % | 15.5 % | 15.8 % | 22.9 % | 13.8 % | 18.8 % | 20.7 % | 24.8 % | 15.6 % | 13.5 % | 18.9 % |
| Non-GAAP Adj % | 6.1 % | 6.0 % | 8.5 % | 5.9 % | 5.2 % | 5.1 % | 4.8 % | 4.9 % | 5.4 % | 8.7 % | 5.9 % |
| Non-GAAP OE % | 17.7 % | 21.5 % | 24.3 % | 28.8 % | 19.0 % | 23.9 % | 25.5 % | 29.7 % | 21.0 % | 22.2 % | 24.8 % |
| GAAP Other income (expense) | (31) | (46) | (24) | (52) | (44) | (74) | (65) | (397) | (35) | (42) | (101) |
| Non-GAAP Below OE adjustments | (4) | (2) | 19 | (1) | (8) | (23) | (26) | (353) | 1 | 4 | (61) |
| Non-GAAP Other income (expense) | (27) | (44) | (43) | (51) | (36) | (51) | (39) | (44) | (36) | (46) | (40) |
| GAAP Earnings (loss) attributable to Motorola Solutions, Inc. | 117 | 180 | 247 | 423 | 151 | 207 | 267 | 244 | 197 | 135 | 205 |
| Non-GAAP OE adjustments | 89 | 105 | 158 | 134 | 86 | 95 | 96 | 117 | 88 | 141 | 111 |
| Non-GAAP below OE adjustments | 4 | 2 | (19) | 1 | 8 | 23 | 26 | 353 | (1) | (4) | 61 |
| Non-GAAP tax adjustments and effect | \$ (22) | \$ (36) | \$ (51) | \$ (100) | \$ (22) | \$ (27) | \$ (28) | \$ (197) | \$ (21) | \$ (31) | \$ (38) |
| TOTAL Non-GAAP Earnings attributable to Motorola Solutions, Inc. | \$ 188 | \$ 251 | \$ 335 | \$ 458 | \$ 223 | \$ 298 | \$ 361 | \$ 517 | \$ 263 | \$ 241 | \$ 339 |
| GAAP attributable to Motorola Solutions, Inc. earnings per share ("EPS") | \$ 0.69 | \$ 1.05 | \$ 1.43 | \$ 2.44 | \$ 0.86 | \$ 1.18 | \$ 1.51 | \$ 1.39 | \$ 1.12 | \$ 0.78 | \$ 1.18 |
| Non-GAAP attributable to Motorola Solutions, Inc. EPS adjustments | 0.41 | 0.41 | 0.51 | 0.19 | 0.42 | 0.51 | 0.53 | 1.55 | 0.37 | 0.61 | 0.77 |
| Non-GAAP attributable to Motorola Solutions, Inc. EPS | \$ 1.10 | \$ 1.46 | \$ 1.94 | \$ 2.63 | \$ 1.28 | \$ 1.69 | \$ 2.04 | \$ 2.94 | \$ 1.49 | \$ 1.39 | \$ 1.95 |
| Diluted, w eighted average shares outstanding | 170.6 | 171.7 | 172.6 | 173.4 | 174.6 | 176.1 | 176.4 | 175.6 | 175.9 | 173.6 | 173.5 |

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THANK YOU
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