



EARNINGS PRESENTATION

Q1 2021 RESULTS | May 6, 2021

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) the impact, including increased costs and potential liabilities, associated with changes in laws and regulations regarding privacy, data protection and information security; (ii) challenges relating to existing or future legislation and regulations pertaining to artificial intelligence (“AI”) and AI-enabled products; (iii) the impact of government regulation of radio frequencies; (iv) audits and regulations and laws applicable to our U.S. government customer contracts and grants; (v) impacts of, and associated responses to, COVID-19 and other catastrophic events; (vi) increased risk and competition associated with the expansion of our platforms within our Products and Systems Integration and Software and Services segments; (vii) the effectiveness of our investments in new products and technologies; (viii) the effectiveness of our integrations of acquired businesses; (ix) a security breach or other significant disruption of our IT systems; (x) our inability to protect our intellectual property or potential infringement of intellectual property rights of third parties; (xi) our license of the MOTOROLA, MOTO, MOTOROLA SOLUTIONS and the Stylized M logo and all derivatives and formatives thereof from Motorola Trademark Holdings, LLC; (xii) the global nature of our employees, customers, suppliers and outsource partners; (xiii) 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; (xiv) the inability of our subcontractors to perform in a timely and compliant manner; (xv) our inability to purchase at acceptable prices a sufficient amount of materials, parts, and components, as well as software and services, to meet the demands of our customers; (xvi) risks related to our large, multi-year system and services contracts; (xvii) the inability of our products to meet our customers’ expectations or regulatory or industry standards; (xviii) impact of current global economic and political conditions in the markets in which we operate; (xix) the inability to settle for cash our 1.75% senior convertible notes; (xx) impact of returns on pension and retirement plan assets and interest rate changes; (xxi) inability to attract and retain senior management and key employees; (xxii) impact of product regulatory and safety, consumer, worker safety and environmental laws; (xxiii) inability to access the capital markets for financing on acceptable terms and conditions; (xxiv) impact of tax matters; (xxv) impact of the American Rescue Plan Act of 2021 on our business; and (xxvi) the return of capital to shareholders through dividends and/or repurchasing shares. 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/investor

This presentation is being made on the 6th day of May, 2021. 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.

HIGHLIGHTS

Q1 2021



- **Sales of \$1.8B, up 7% vs. the prior year**
 - Software and Services up 15% on growth in Land Mobile Radio (“LMR”) services, video security, and command center software
 - Products and Systems Integration up 2% on growth in video security and professional and commercial radio (PCR)
- **Ending backlog of \$11.3B, up 8% year over year**
- **GAAP EPS of \$1.41**
- **Non-GAAP EPS* of \$1.87, up 26% versus a year ago**
- **Operating cash flow of \$370M; Free cash flow** of \$318M**
- **Repurchased \$170M of shares and paid \$121M in dividends**
- **Announced \$2B increase to the share repurchase authorization**

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

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

FINANCIAL RESULTS

	Q1 20	Q1 21	CHANGE
REVENUE	\$1,655	\$1,773	7%
NON-GAAP OPERATING EARNINGS*	\$347	\$411	18%
NON-GAAP OPERATING MARGIN*	21.0%	23.2%	220 bps
NON-GAAP EARNINGS PER SHARE*	\$1.49	\$1.87	26%

(\$M) excluding per share amounts

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

CASH FLOW

(M\$)	Q1 20	Q1 21	CHANGE	FY 20	FY 21E	CHANGE
OPERATING CASH FLOW	\$308	\$370	\$62	\$1,613	\$1,800	\$187
CAPITAL EXPENDITURES	(\$48)	(\$52)	(\$4)	(\$217)	(\$250)	(\$33)
FREE CASH FLOW*	\$260	\$318	\$58	\$1,396	\$1,550	\$154

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

PRODUCTS & SI

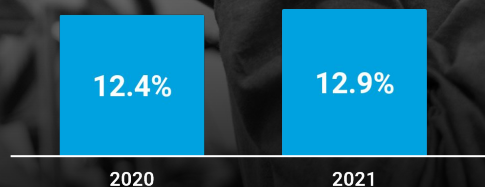
Q1 2021

Revenue

(\$M)



Non-GAAP Operating Margin %*



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

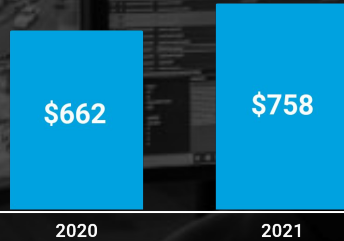
- Revenue up 2% driven by growth in video security and professional and commercial radio (PCR)
- Non-GAAP Operating margin* up 50 bps driven by higher sales and improved operating leverage
- Notable wins and achievements:
 - \$300M+ German MOD TETRA frame agreement; \$154M initial order received in Q1 2021
 - \$72M of video security sales with government customers, up 32%
 - \$37M P25 upgrade order for government agency in Canada
 - \$33M Tetra upgrade for large customer in Europe
 - \$12M P25 order with large U.S. federal customer

SOFTWARE & SERVICES

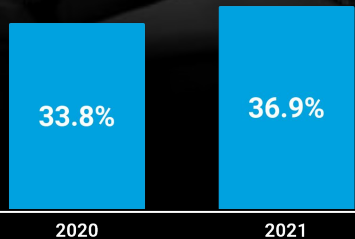
Q1 2021

Revenue

(\$M)



Non-GAAP Operating Margin %*



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

- Revenue up 15%, driven by growth in LMR services, video security, and command center software
- Non-GAAP operating margin* up 310 bps driven by higher sales, higher gross margins and improved OPEX leverage
- Notable multi-year wins and achievements:
 - \$40M+ P25 services, upgrade and body-worn camera orders with Nashville, TN
 - \$35M PTT over broadband multi-year contract with large U.S. customer
 - \$22M P25 and PTT over broadband contract from large Middle Eastern customer
 - \$13M of body worn camera orders with multiple UK customers
 - \$5M Command Center Software cloud suite contract with St. Lucie, FL
 - Announced integration of V300 body-worn camera with APX P25 radio

REGIONAL REVENUE

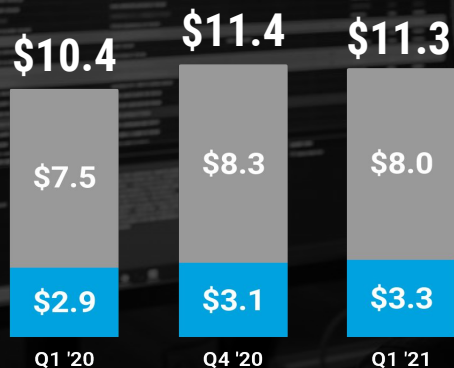
Q1 2021

(\$M)	Q1 20	Q1 21	CHANGE
NORTH AMERICA	\$1,116	\$1,185	6%
INTERNATIONAL	\$539	\$588	9%
TOTAL	\$1,655	\$1,773	7%

- **North America** growth driven by LMR, video security, and command center software
- **International** growth driven primarily by video security and LMR

BACKLOG TREND

(\$B)



■ Products and SI ■ Software and Services

Software and Services

- Y/Y up \$548M driven primarily by multi-year services and software contracts in North America
- Q/Q down \$269M primarily driven by revenue recognition for Airwave and ESN

Products and Systems Integration

- Y/Y up \$318M driven primarily by LMR growth in both regions
- Q/Q up \$139M driven primarily by International LMR growth

OUTLOOK

(NON-GAAP)*

Q2 2021

Revenue Growth	19% - 20%
Non-GAAP EPS	\$1.90 - \$1.95

- Effective tax rate approx. 23% to 24%
- Fully diluted share count approx. 173M

PRIOR FULL-YEAR 2021

Revenue Growth	7.25% - 8%
Non-GAAP EPS	\$8.50 - \$8.62

UPDATED FULL-YEAR 2021

Revenue Growth	8% - 9%
Non-GAAP EPS	\$8.70 - \$8.80

- Effective tax rate approx. 22.5% to 23%
- Fully diluted share count approx. 173M

*Q2 and FY outlook assumes current FX rates as of May 6th, 2021

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 in this presentation, Motorola Solutions has provided certain non-GAAP measurements, including: “Free Cash Flow,” “Non-GAAP EPS,” “Non-GAAP Operating Earnings,” and “Non-GAAP Operating Margin.” 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.

The Company has not quantitatively reconciled its guidance for forward-looking non-GAAP metrics to their most comparable GAAP measure 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” 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 DISAGGREGATION OF REVENUE

Motorola Solutions, Inc. Disaggregation of Revenues

Below is an updated presentation of the disaggregation of revenues for our major products and services for the quarters ended March 28, 2020 and April 3, 2021 to provide a more comprehensive view of the Company's technologies within our reporting segments, Products & Systems Integration and Software & Services:

Land Mobile Radio Mission Critical Communications ("LMR") - 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 Security and Analytics - Includes revenues from cameras (fixed, body-worn, in-vehicle), access control, infrastructure, video management, software and artificial intelligence-enabled analytics that enable visibility "on scene" and bring attention to what's important.

Command Center Software - Includes revenues from our Software suite that enables collaboration and seamless information sharing through the public safety workflow from 911 call to case closure.

	March 28, 2020			April 3, 2021			Growth % by Total Technology
	Products & Systems Integration	Software & Services	Total	Products & Systems Integration	Software & Services	Total	
<i>(in millions)</i>							
LMR	\$ 860	\$ 490	\$ 1,350	\$ 850	\$ 551	\$ 1,401	4 %
Video Security & Analytics	133	67	200	165	88	253	27 %
Command Center Software	—	105	105	—	119	119	13 %
	<u>\$ 993</u>	<u>\$ 662</u>	<u>\$ 1,655</u>	<u>\$ 1,015</u>	<u>\$ 758</u>	<u>\$ 1,773</u>	<u>7 %</u>

SUPPLEMENTAL NON-GAAP MEASURES

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

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

	Q1 '19	Q2' 19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21
Net sales	\$ 1,657	\$ 1,860	\$ 1,994	\$ 2,377	\$ 1,655	\$ 1,618	\$ 1,868	\$ 2,273	\$ 1,773
GAAP gross margin	773	931	1,007	1,220	787	766	909	1,146	860
Non-GAAP gross margin adjustments:									
Avigilon purchase accounting adjustment	—	—	—	—	—	—	—	—	—
Pelco purchase accounting adjustment	—	—	—	—	—	—	3	4	—
Share-based compensation expenses	4	3	3	4	5	4	3	4	4
Reorganization of business charges	4	4	3	6	6	15	3	5	2
Non-GAAP gross margin	781	938	1,013	1,230	798	785	918	1,159	866
GAAP Operating earnings ("OE")	229	349	413	590	259	218	352	555	298
Non-GAAP OE Adjustments:									
Share-based compensation expenses	23	27	27	27	33	27	28	25	25
Reorganization of business charges	4	8	15	13	12	26	10	9	14
Intangible assets amortization expense	50	52	52	54	53	51	54	57	58
Other highlighted items*	1	1	(4)	13	(21)	18	10	8	10
Non-GAAP OE	\$ 315	\$ 444	\$ 509	\$ 707	\$ 347	\$ 359	\$ 463	\$ 667	\$ 411
GAAP OE %	13.8 %	18.8 %	20.7 %	24.8 %	15.6 %	13.5 %	18.9 %	24.4 %	16.8 %
Non-GAAP Adj %	5.2 %	5.1 %	4.8 %	4.9 %	5.4 %	8.7 %	5.9 %	4.9 %	6.4 %
Non-GAAP OE %	19.0 %	23.9 %	25.5 %	29.7 %	21.0 %	22.2 %	24.8 %	29.3 %	23.2 %
GAAP Other income (expense)	(44)	(74)	(65)	(397)	(35)	(42)	(101)	(33)	(9)
Non-GAAP below OE highlighted items*	(8)	(23)	(26)	(353)	1	4	(61)	3	6
Non-GAAP Other income (expense)	(36)	(51)	(39)	(44)	(36)	(46)	(40)	(36)	(15)
GAAP Net earnings attributable to Motorola Solutions, Inc.	151	207	267	244	197	135	205	412	244
Non-GAAP above OE highlighted items*	86	95	96	117	88	141	111	112	113
Non-GAAP below OE highlighted items*	8	23	26	353	(1)	(4)	61	(3)	(6)
Non-GAAP tax adjustments and effect	(22)	(27)	(28)	(197)	(21)	(31)	(38)	(24)	(27)
TOTAL Non-GAAP Earnings attributable to Motorola Solutions, Inc.	\$ 223	\$ 298	\$ 361	\$ 517	\$ 263	\$ 241	\$ 339	\$ 497	\$ 324
GAAP attributable to Motorola Solutions, Inc. earnings per share ("EPS")	\$ 0.86	\$ 1.18	\$ 1.51	\$ 1.39	\$ 1.12	\$ 0.78	\$ 1.18	\$ 2.37	\$ 1.41
Non-GAAP attributable to Motorola Solutions, Inc. EPS adjustments	0.42	0.51	0.53	1.55	0.37	0.61	0.77	0.49	0.46
Non-GAAP attributable to Motorola Solutions, Inc. EPS	\$ 1.28	\$ 1.69	\$ 2.04	\$ 2.94	\$ 1.49	\$ 1.39	\$ 1.95	\$ 2.86	\$ 1.87
Diluted weighted average shares outstanding	174.6	176.1	176.4	175.6	175.9	173.6	173.5	173.5	173.2

*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, 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.

SUPPLEMENTAL NON-GAAP MEASURES

Motorola Solutions, Inc. and Subsidiaries
Operating Earnings after Non-GAAP Adjustments
(In millions)

Q1 2021

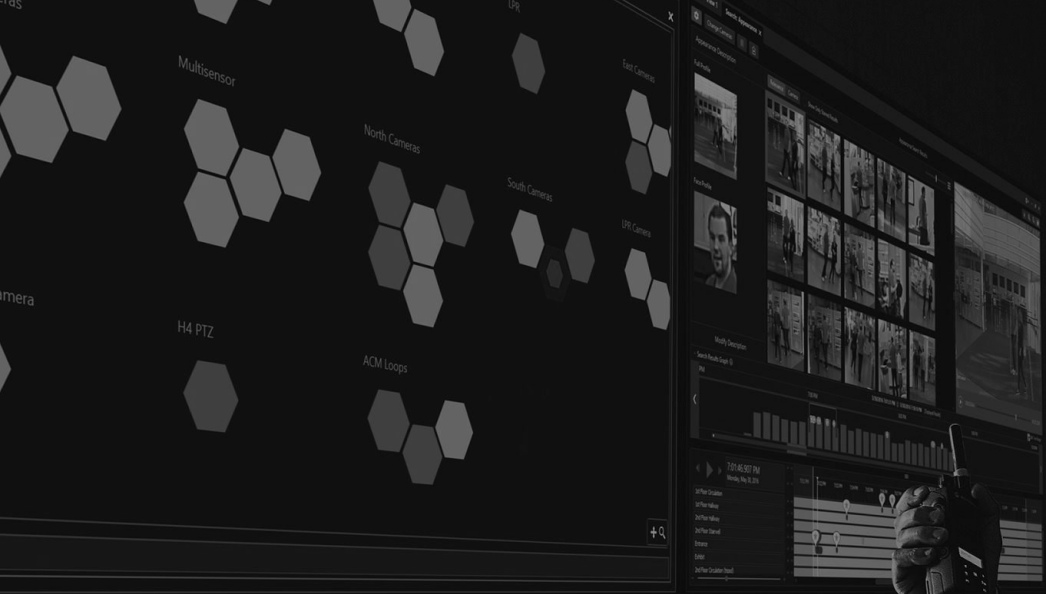
	TOTAL	Products and Systems Integration	Software and Services
Net sales	\$ 1,773	\$ 1,015	\$ 758
Operating earnings ("OE")	\$ 298	\$ 77	\$ 221
Above-OE non-GAAP adjustments:			
Intangible assets amortization expense	58	13	45
Share-based compensation expenses	29	22	7
Reorganization of business charges	16	12	4
Operating lease asset impairment	7	5	2
Hytera-related legal expenses	2	2	—
Acquisition-related transaction fees	1	—	1
Total above-OE non-GAAP adjustments	113	54	59
Operating earnings after non-GAAP adjustments	\$ 411	\$ 131	\$ 280
Operating earnings as a percentage of net sales - GAAP	16.8 %	7.6 %	29.1 %
Operating earnings as a percentage of net sales - after non-GAAP adjustments	23.2 %	12.9 %	36.9 %

SUPPLEMENTAL NON-GAAP MEASURES

Motorola Solutions, Inc. and Subsidiaries
Operating Earnings after Non-GAAP Adjustments
(In millions)

Q1 2020

	TOTAL	Products and Systems Integration	Software and Services
Net sales	\$ 1,655	\$ 993	\$ 662
Operating earnings ("OE")	\$ 259	\$ 92	\$ 167
Above-OE non-GAAP adjustments:			
Intangible assets amortization expense	53	12	41
Share-based compensation expenses	38	27	11
Hytera-related legal expenses	25	25	—
Reorganization of business charges	18	14	4
Acquisition-related transaction fees	2	1	1
Legal settlements	2	2	—
Gain on sale of property, plant, and equipment	(50)	(50)	—
Total above-OE non-GAAP adjustments	88	31	57
Operating earnings after non-GAAP adjustments	\$ 347	\$ 123	\$ 224
Operating earnings as a percentage of net sales - GAAP	15.6 %	9.3 %	25.2 %
Operating earnings as a percentage of net sales - after non-GAAP adjustments	21.0 %	12.4 %	33.8 %



THANK YOU
