

Q2 2023 FINANCIAL RESULTS

“Q2 was another exceptional quarter across the board, highlighted by double-digit revenue and operating earnings growth in both segments. The continued strong demand we’re seeing in all technologies and regions resulted in record second-quarter orders and record ending backlog. Our momentum entering the second half is strong and we’re again raising our revenue and earnings guidance for the full year.”

Greg Brown, Chairman and CEO

Q2 OVERVIEW

Revenue	\$2.4B	▲12%		
GAAP EPS	\$2.15	▲62%	Non-GAAP EPS*	\$2.65 ▲28%
GAAP Operating Earnings	\$518M	▲45%	Non-GAAP Operating Earnings*	\$641M ▲29%

Q2 SEGMENT REVENUE

Products & Systems Integrations	\$1.4B	▲12%	North America	\$1.6B	▲11%
Software & Services	\$966M	▲13%	International	\$762M	▲16%

Q2 TECHNOLOGY REVENUE

LMR Communications	\$1.8B	▲10%	Video Security & Access Control	\$433M	▲17%
Command Center	\$194M	▲20%			

Q2 HIGHLIGHTS

- Sales of \$2.4 billion, up 12% versus a year ago
- Products and Systems Integration sales up 12%
- Software and Services sales up 13%
- GAAP operating margin of 21.6%, up 490 bps versus a year ago
- Non-GAAP operating margin* of 26.7%, up 350 bps versus a year ago
- Record Q2 ending backlog of \$14.3 billion, up 6% versus a year ago, driven by record Q2 orders in both segments

2023 Guidance

- Raised full-year revenue and earnings guidance: revenue in the range of \$9.875 billion to \$9.900 billion, up from the prior guidance of \$9.725 billion to \$9.775 billion, and non-GAAP EPS of between \$11.40 and \$11.48 per share, up from the prior guidance of \$11.21 and \$11.29 per share.

THE ROLE OF ARTIFICIAL INTELLIGENCE

Artificial intelligence (AI), along with generative AI, plays an important role in our solutions to help keep communities safe – from actively analyzing live video and alerting humans when something important happens, to assisting a 9-1-1 call with our live-translation solution, to automatically redacting evidence. These advancements improve response times which can help save lives while enhancing privacy for those involved. We are very well-positioned in this space and expect to see increased adoption of these technologies from public safety, enterprises and private organizations alike for a more proactive approach to safety and security.

This document contains “forward-looking statements” within the meaning of applicable federal securities law. These statements are based on our current expectations as of today, and we can give no assurance that the statements discussed will be achieved. For a description of risks and uncertainties that could cause our actual results to differ materially from the statements contained in this document, please refer to our reports on Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC from time to time, which are also available on our website at investors.motorolasolutions.com.

We have not quantitatively reconciled our guidance for forward-looking non-GAAP measures to their most comparable GAAP measures because we do not provide specific guidance for the various reconciling items as certain items that impact these measures have not occurred, are out of our control, or cannot be reasonably predicted. Accordingly, a reconciliation to the most comparable GAAP financial measure is not available without unreasonable effort. Please note that the unavailable reconciling items could significantly impact our results.

Percent changes from year-ago quarter.

*Non-GAAP measures exclude highlighted items, stock-based compensation and intangible amortization. Organic revenue reflects net sales calculated under GAAP excluding revenue from acquired business owned less than four full quarters. Reconciliations of the non-GAAP financial measures to the most comparable GAAP measure are provided, along with a disclosure on the usefulness of the non-GAAP measure, in our earnings release available on our website at investors.motorolasolutions.com.