



# EARNINGS PRESENTATION

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Q3 2023 RESULTS | November 2, 2023

# 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”), AI-enabled products and the use of biometrics and other video analytics; (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) the impact, including additional compliance obligations, associated with existing or future telecommunications-related laws and regulations; (vi) the evolving state of environmental regulation relating to climate change, and the physical risks of climate change; (vii) impact of product regulatory and safety, consumer, worker safety and environmental laws; (viii) impact of tax matters; (ix) the continuing and future impact of the COVID-19 pandemic on our business; (x) impact of elevated inventory levels; (xi) additional compliance obligations and increased risk, costs and competition associated with the expansion of our technologies within our Products and Systems Integration and Software and Services segments (including, but not limited to, with respect to the United Kingdom’s Competition and Markets Authority’s final decision regarding Airwave and our actions in response to such decision including the appeal of the final decision to the Competition Appeal Tribunal); (xii) the effectiveness of our investments in new products and technologies; (xiii) the effectiveness of our strategic acquisitions, including the integrations of such acquired businesses; (xiv) increased cybersecurity threats, a security breach or other significant disruption of our IT systems or those of our outsource partners, suppliers or customers; (xv) our inability to protect our intellectual property or potential infringement of intellectual property rights of third parties; (xvi) our license of the MOTOROLA, MOTO, MOTOROLA SOLUTIONS and the Stylized M logo and all derivatives and formatives thereof from Motorola Trademark Holdings, LLC; (xvii) the global nature of our employees, customers, suppliers and outsource partners; (xviii) 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; (xix) the inability of our subcontractors to perform in a timely and compliant manner or adhere to our Human Rights Policy; (xx) 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, and any disruption to our suppliers or significant increase in the price of supplies; (xxi) risks related to our large, multi-year system and services contracts (including, but not limited to, with respect to the Emergency Services Network (“ESN”) and Airwave contracts); (xxii) the inability of our products to meet our customers’ expectations or regulatory or industry standards; (xxiii) impact of current global economic and political conditions in the markets in which we operate (including, but not limited to, inflation); (xxiv) impact of returns on pension and retirement plan assets and interest rate changes; (xxv) inability to access the capital markets for financing on acceptable terms and conditions; (xxvi) inability to attract and retain senior management and key employees; and (xxvii) the return of capital to shareholders through dividends and/or repurchasing shares. Motorola Solutions undertakes no obligation to publicly update any forward-looking statement or risk factor, whether as a result of new information, future events or otherwise. 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](http://www.sec.gov), and on Motorola Solutions’ website at [www.motorolasolutions.com/investor](http://www.motorolasolutions.com/investor)

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# HIGHLIGHTS

Q3 2023



- **Sales of \$2.6B, up 8% Y/Y**
  - Software and Services up 12%
  - Products and Systems Integration up 5%
  - Growth in all technologies
    - Land Mobile Radio Communications (“LMR”) up 6%
    - Video Security and Access Control (“Video”) up 8%
    - Command Center up 31%
- **GAAP EPS of \$2.70, up 66% Y/Y**
- **Non-GAAP EPS\* of \$3.19, up 6% Y/Y**
- **Operating cash flow of \$714M, up \$326M Y/Y**
- **Record Q3 ending backlog of \$14.3 billion, up 6% Y/Y, driven by record Q3 orders**
- **Repurchased \$322M of shares and paid \$147M in dividends**

# FINANCIAL RESULTS

	Q3 22	Q3 23	CHANGE
REVENUE	\$2,373	\$2,556	8%
NON-GAAP OPERATING EARNINGS*	\$676	\$741	10%
NON-GAAP OPERATING MARGIN*	28.5%	29.0%	50 bps
NON-GAAP EARNINGS PER SHARE*	\$3.00	\$3.19	6%

(\$M) excluding per share amounts

\* Non-GAAP measures exclude highlighted items, including share-based compensation expenses and intangible assets amortization expense.

# CASH FLOW

(M\$)	Q3 22	Q3 23	CHANGE	FY 22	FY 23E	CHANGE
OPERATING CASH FLOW	\$388	\$714	\$326	\$1,823	\$1,900	\$77
CAPITAL EXPENDITURES	(\$70)	(\$65)	\$5	(\$256)	(\$265)	(\$9)
<b>FREE CASH FLOW*</b>	<b>\$318</b>	<b>\$649</b>	<b>\$331</b>	<b>\$1,567</b>	<b>\$1,635</b>	<b>\$68</b>

FY23E Cash Flow includes approx. \$300M of higher cash taxes inclusive of a \$70M one-time payment due to the 2022 IP reorganization.

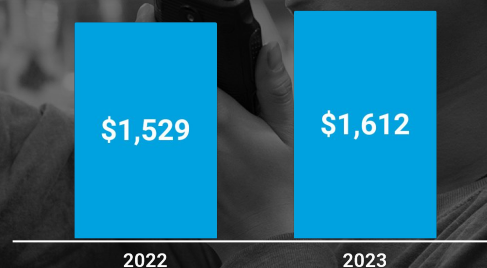
\* Free Cash Flow is a non-GAAP financial measure and is calculated as Net cash provided by operating activities - Capital Expenditures.

# PRODUCTS & SI

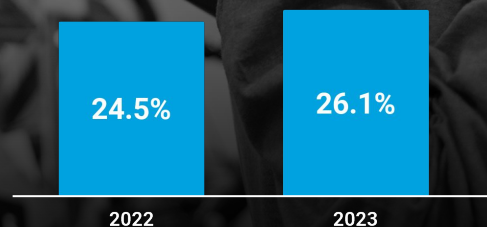
Q3 2023

## Revenue

(\$M)



## Non-GAAP Operating Margin %\*



\* Non-GAAP measures exclude highlighted items, including share-based compensation expenses and intangible assets amortization expense.

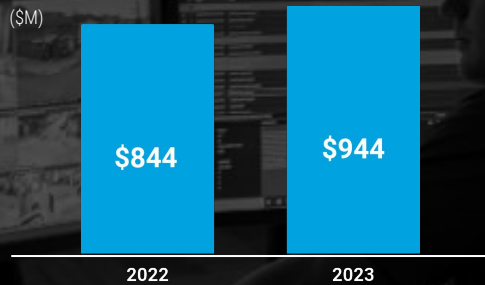
- Revenue up 5%, driven by growth in LMR and Video
- Non-GAAP operating margin\* up 160 bps driven by higher sales, lower direct material costs and improved operating leverage, partially offset by mix
- **Notable wins and achievements:**
  - \$75M P25 device order for a U.S. federal customer
  - \$55M P25 system order for a Southeast Asia customer
  - \$42M P25 device order for the Texas Department of Public Safety
  - \$30M P25 device order for a U.S. federal customer
  - \$20M P25 device order for Indiana State Police
  - \$3M fixed video expansion order for a U.S. federal customer

# SOFTWARE & SERVICES

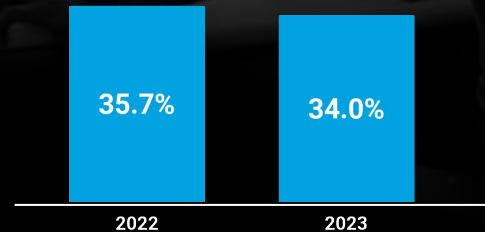
Q3 2023

## Revenue

(\$M)



## Non-GAAP Operating Margin %\*



\* Non-GAAP measures exclude highlighted items, including share-based compensation expenses and intangible assets amortization expense.

- Revenue up 12%, driven by growth in Command Center, LMR and Video
- Non-GAAP operating margin\* down 170 bps primarily driven by the revenue deferral for Airwave, partially offset by higher sales and improved operating leverage
- **Notable multi-year wins and achievements:**
  - \$23M LMR service agreement for a large European customer
  - \$23M LMR service agreement for East Bay Regional Communication Systems
  - \$20M LMR service agreement for the Los Angeles Police Department
  - \$12M command center order for Tarrant County 9-1-1 District, TX
  - \$8M body-worn camera order for the Metro Nashville Police Department

# REGIONAL REVENUE

Q3 2023

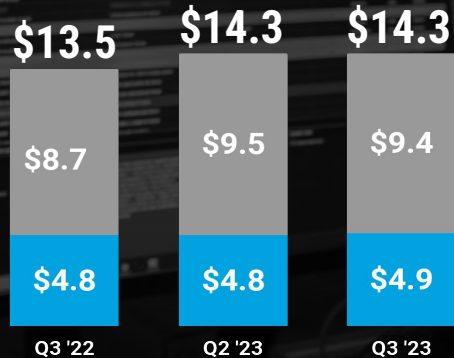
(\$M)	Q3 22	Q3 23	CHANGE
NORTH AMERICA	\$1,687	\$1,783	6%
INTERNATIONAL	\$686	\$773	13%
<b>TOTAL</b>	<b>\$2,373</b>	<b>\$2,556</b>	<b>8%</b>

- **North America** growth driven by Command Center, LMR and Video
- **International** growth driven by LMR and Video



# BACKLOG TREND

(\$B)



■ Products and SI ■ Software and Services

## Software and Services

- Y/Y up \$702M primarily driven by growth in multi-year software and services contracts in North America and favorable F/X, partially offset by revenue recognition for Airwave
- Q/Q down \$84M primarily driven by revenue recognition for Airwave and unfavorable FX, partially offset by growth in multi-year software and service contracts in North America
- Favorable FX \$294M Y/Y and unfavorable FX \$96M Q/Q

## Products and Systems Integration

- Y/Y up \$62M driven by continued strong demand in North America
- Q/Q up \$80M driven by continued strong demand in North America

# OUTLOOK

(NON-GAAP)\*



## Q4 2023

Revenue Growth	~ 4%
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Non-GAAP EPS	\$3.60 - \$3.65
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## PRIOR FULL-YEAR 2023

Revenue (\$M)	\$9,875 - \$9,900
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Non-GAAP EPS	\$11.40 - \$11.48
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## FULL-YEAR 2023

Revenue (\$M)	\$9,930 - \$9,945
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Non-GAAP EPS	\$11.65 - \$11.70
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## Q4 Details

- Effective tax rate of approx. 24%
- Fully diluted share count of approx. 171M shares

## Prior Full-Year Details

- Effective tax rate 23% to 24%
- Fully diluted share count approx. 172M shares
- Approx \$25M FX headwind

## Full-Year Details

- Effective tax rate of approx. 23%
- Fully diluted share count approx. 172M shares
- Approx \$40M FX headwind

\*FY outlook assumes current FX rates as of November 2, 2023

# 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 and COO

## **MAHESH SAPTHARISHI**

Executive Vice President and CTO

# USE OF NON-GAAP MEASURES

In addition to the results presented in accordance with accounting principles generally accepted in the U.S. ("GAAP") included in this presentation, Motorola Solutions, Inc. (the "Company") also has included non-GAAP measurements of results, including free cash flow, non-GAAP operating earnings, non-GAAP EPS, non-GAAP operating margin, EBITDA, adjusted EBITDA, Net Debt and Net Debt to adjusted EBITDA ratio. The Company has provided these non-GAAP measurements to help investors better understand its core operating performance, enhance comparisons of core operating performance from period-to-period and allow better comparisons of its operating performance to that of its competitors. Among other things, management uses these operating results, excluding the identified items, to evaluate the performance of its businesses and to evaluate results relative to certain incentive compensation targets. Management uses operating results excluding these items because it believes these measurements enable it to make better period-to-period evaluations of the financial performance of its core business operations. The non-GAAP measurements are intended only as a supplement to the comparable GAAP measurements and the Company compensates for the limitations inherent in the use of non-GAAP measurements by using GAAP measures in conjunction with the non-GAAP measurements. As a result, investors should consider these non-GAAP measurements in addition to, and not in substitution for or as superior to, GAAP measurements.

Details of these items and reconciliations of the non-GAAP measurements provided during this presentation to GAAP measurements can be found later in this presentation and on Motorola Solutions' website at [investors.motorolasolutions.com](https://investors.motorolasolutions.com).

The Company has not quantitatively reconciled its guidance for forward-looking non-GAAP metrics to their most comparable GAAP measures 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** - Represents net cash provided by operating activities ("operating cash flow") less capital expenditures. The Company believes that free cash flow is useful to investors as the basis for comparing its performance and coverage ratios with other companies in the Company's industries, although the Company's measure of free cash flow may not be directly comparable to similar measures used by other companies. This measure is also used as a component of incentive compensation.

**EBITDA** - Represents net income before interest expense, interest income, income taxes, depreciation, and amortization.

**Adjusted EBITDA** - Represents EBITDA adjusted for net other income, income from discontinued operations, share based compensation expense, U.S. Pension settlement loss, and special items including charges or income related to reorganization and other charges, acquisition related charges, impairment charges, and other income or charges, if any. The Company believes Adjusted EBITDA provides improved period-to-period comparability for decision making because it better measures the ongoing earnings results of the Company's strategic and operating decisions by excluding the earnings effects of reorganization activities.

**Net Debt and Net Debt to Adj. EBITDA Ratio** - Net Debt is calculated as Long-term Debt, including the Current Portion of Long-term Debt, less Cash and Cash Equivalents. Net Debt to Adj. EBITDA Ratio is calculated by dividing Net Debt by Trailing 12 month Adjusted EBITDA.

**Constant Currency or Revenue Normalized for Foreign Exchange** - We evaluate our results of operations on both an as reported and a constant currency basis. The revenue normalized for foreign exchange or constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates. We calculate constant currency percentages by converting our current period local currency results using prior-period exchange rates, and then comparing these adjusted values to prior period reported results.

# SUPPLEMENTAL DISAGGREGATION OF REVENUE

## Motorola Solutions, Inc. Disaggregation of Revenues

Below is an updated presentation of the disaggregation of revenues for the Company's major products and services for the three months ended October 1, 2022 and September 30, 2023 to provide a more comprehensive view of the Company's technologies within our reporting segments, Products & Systems Integration and Software & Services:

**LMR Communications** - 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** - 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** - Includes revenues from our Software suite that enables collaboration and ability to share information throughout the public safety workflow from "911 call to case closure."

	Three Months Ended						Growth % by Total Technology
	October 1, 2022			September 30, 2023			
	Products and Systems Integration	Software and Services	Total	Products and Systems Integration	Software and Services	Total	
<i>(In millions)</i>							
LMR Communications	\$ 1,243	\$ 569	\$ 1,812	\$ 1,312	\$ 605	\$ 1,917	6 %
Video	286	133	419	300	153	453	8 %
Command Center	—	142	142	—	186	186	31 %
Total	\$ 1,529	\$ 844	\$ 2,373	\$ 1,612	\$ 944	\$ 2,556	8 %

# 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 '21	Q2 '21	Q3 '21	Q4 '21	Q1 '22	Q2 '22	Q3 '22	Q4 '22	Q1 '23	Q2 '23	Q3 '23
Net sales	\$ 1,773	\$ 1,971	\$ 2,107	\$ 2,320	\$ 1,892	\$ 2,140	\$ 2,373	\$ 2,706	\$ 2,171	\$ 2,403	\$ 2,556
GAAP gross margin	860	952	1,045	1,183	857	990	1,031	1,351	1,046	1,189	1,280
Non-GAAP gross margin adjustments:											
Loss on ESN fixed asset impairment	—	—	—	—	—	—	147	—	—	—	—
Share-based compensation expenses	4	4	4	4	6	7	8	7	10	10	10
Reorganization of business charges	2	3	2	1	3	2	12	1	6	(3)	2
Non-GAAP gross margin	866	959	1,051	1,188	866	999	1,198	1,359	1,062	1,196	1,292
GAAP Operating earnings ("OE")	298	370	451	549	239	358	373	692	399	518	639
Non-GAAP OE Adjustments:											
Share-based compensation expenses	25	27	30	31	31	37	37	39	45	43	42
Reorganization of business charges	14	6	2	2	7	5	2	4	7	6	4
Intangible assets amortization expense	58	58	56	64	66	65	63	63	55	43	39
Other highlighted items*	10	14	10	19	22	23	34	16	10	24	5
Non-GAAP OE	\$ 411	\$ 482	\$ 555	\$ 670	\$ 374	\$ 497	\$ 676	\$ 822	\$ 532	\$ 641	\$ 741
GAAP OE %	16.8 %	18.8 %	21.4 %	23.7 %	12.6 %	16.7 %	15.7 %	25.6 %	18.4 %	21.6 %	25.0 %
Non-GAAP Adj %	6.4 %	5.6 %	4.9 %	5.2 %	7.2 %	6.5 %	12.8 %	4.8 %	6.1 %	5.1 %	4.0 %
Non-GAAP OE %	23.2 %	24.4 %	26.3 %	28.9 %	19.8 %	23.2 %	28.5 %	30.4 %	24.5 %	26.7 %	29.0 %
GAAP Other income (expense)	(9)	(30)	(46)	(31)	(20)	(58)	(40)	(29)	(41)	(31)	(47)
Non-GAAP below OE highlighted items*	6	(1)	(19)	(2)	6	(18)	(5)	7	(2)	13	(15)
Non-GAAP Other income (expense)	(15)	(29)	(27)	(29)	(26)	(40)	(35)	(36)	(39)	(44)	(32)
GAAP Net earnings attributable to Motorola Solutions, Inc.	244	293	307	401	267	228	279	589	278	371	464
Non-GAAP above OE highlighted items*	113	112	104	121	135	139	303	130	133	123	102
Non-GAAP below OE highlighted items*	(6)	1	19	2	(6)	18	5	(7)	2	(13)	15
Non-GAAP tax adjustments and effect	(27)	(47)	(21)	(27)	(102)	(31)	(73)	(94)	(29)	(23)	(34)
TOTAL Non-GAAP Earnings attributable to Motorola Solutions, Inc.	\$ 324	\$ 359	\$ 409	\$ 497	\$ 294	\$ 354	\$ 514	\$ 618	\$ 384	\$ 458	\$ 547
GAAP attributable to Motorola Solutions, Inc. earnings per share ("EPS")	\$ 1.41	\$ 1.69	\$ 1.76	\$ 2.30	\$ 1.54	\$ 1.33	\$ 1.63	\$ 3.43	\$ 1.61	\$ 2.15	\$ 2.70
Non-GAAP attributable to Motorola Solutions, Inc. EPS adjustments*	0.46	0.38	0.59	0.55	0.16	0.74	1.37	0.17	0.61	0.50	0.49
Non-GAAP attributable to Motorola Solutions, Inc. EPS	\$ 1.87	\$ 2.07	\$ 2.35	\$ 2.85	\$ 1.70	\$ 2.07	\$ 3.00	\$ 3.60	\$ 2.22	\$ 2.65	\$ 3.19
Diluted weighted average shares outstanding	173.2	173.1	174.1	174.2	173.1	170.9	171.5	171.9	172.6	172.6	171.7

\*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, gains and losses on the extinguishment of debt 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 Reconciliation of GAAP EPS to Non-GAAP EPS

<i>(per diluted common share)</i>	Q3 2022		Q3 2023	
<b>GAAP EPS</b>	\$	1.63	\$	2.70
<b>Highlighted Items:</b>				
Share-based compensation expenses	\$	0.26	\$	0.30
Intangible assets amortization expense		0.37		0.22
Investment impairments		—		0.04
Fair value adjustments to equity investments		0.03		0.04
Reorganization of business charges		0.08		0.03
Hytera-related legal expenses		0.09		0.02
Acquisition-related transaction fees		0.01		0.01
Legal settlements		0.07		0.01
Gains (losses) on sales of investments		(0.01)		0.01
Loss on ESN fixed asset impairment		0.86		—
Operating lease asset impairments		0.02		—
Fixed asset impairments		0.01		—
Adjustments to uncertain tax positions		0.01		—
Income tax expense on Non-GAAP adjustments		(0.43)		(0.19)
<b>Non-GAAP EPS</b>	<b>\$</b>	<b>3.00</b>	<b>\$</b>	<b>3.19</b>

# SUPPLEMENTAL NON-GAAP MEASURES

**Motorola Solutions, Inc. and Subsidiaries**  
**Reconciliations of Operating Earnings to Non-GAAP Operating Earnings and Operating Margin to Non-GAAP Operating Margin**  
(In millions)

	Three Months Ended					
	September 30, 2023			October 1, 2022		
	Products and Systems Integration	Software and Services	Total	Products and Systems Integration	Software and Services	Total
Net sales	\$ 1,612	\$ 944	\$ 2,556	\$ 1,529	\$ 844	\$ 2,373
Operating earnings ("OE")	\$ 364	\$ 275	\$ 639	\$ 303	\$ 70	\$ 373
Above OE non-GAAP adjustments:						
Share-based compensation expenses	38	14	52	33	12	45
Intangible assets amortization expense	9	30	39	15	48	63
Reorganization of business charges	5	1	6	3	11	14
Hytera-related legal expenses	3	—	3	15	—	15
Legal settlements	1	—	1	3	9	12
Acquisition-related transaction fees	—	1	1	1	1	2
Operating lease asset impairments	—	—	—	2	2	4
Fixed asset impairments	—	—	—	—	1	1
Loss on ESN fixed asset impairment	—	—	—	—	147	147
Total above-OE non-GAAP adjustments	56	46	102	72	231	303
Operating earnings after non-GAAP adjustments	<b>\$ 420</b>	<b>\$ 321</b>	<b>\$ 741</b>	<b>\$ 375</b>	<b>\$ 301</b>	<b>\$ 676</b>
Operating earnings as a percentage of net sales - GAAP	22.6 %	29.1 %	25.0 %	19.8 %	8.3 %	15.7 %
Operating earnings as a percentage of net sales - after non-GAAP adjustments	26.1 %	34.0 %	29.0 %	24.5 %	35.7 %	28.5 %



# SUPPLEMENTAL NON-GAAP MEASURES

Motorola Solutions, Inc. and Subsidiaries  
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow  
(In millions)

	Three Months Ended	
	September 30, 2023	October 1, 2022
Net cash provided by operating activities	\$ 714	\$ 388
Capital expenditures	(65)	(70)
Free cash flow	<b>\$ 649</b>	<b>\$ 318</b>

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

# SUPPLEMENTAL NON-GAAP MEASURES

## RECONCILIATION OF GAAP NET EARNINGS TO EBITDA AND ADJUSTED EBITDA

(\$ in millions)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	TTM
GAAP Net earnings attributable to Motorola Solutions, Inc.	\$ 589	\$ 278	\$ 371	\$ 464	\$ 1,702
Interest Expense, Net	54	54	57	53	218
Income Tax Expense	73	79	114	127	393
Depreciation Expense	46	43	44	47	180
Intangible Amortization Expense	63	55	43	39	200
<b>EBITDA</b>	<b>\$ 825</b>	<b>\$ 509</b>	<b>\$ 629</b>	<b>\$ 730</b>	<b>\$ 2,693</b>
Share-based Compensation Expense	46	55	53	52	206
Reorganization of Business Charges	5	13	3	6	27
Other Above OE Highlighted Items***	16	10	24	5	55
Below OE Highlighted Items***	(7)	2	(13)	15	(3)
<b>Adjusted EBITDA</b>	<b>\$ 885</b>	<b>\$ 589</b>	<b>\$ 696</b>	<b>\$ 808</b>	<b>\$ 2,978</b>

### NET DEBT CALCULATION

	Q3 2023
Long-term Debt	\$ 4,704
Current Portion of Long-term Debt	1,313
Less Cash and Cash Equivalents	910
<b>Net Debt</b>	<b>\$ 5,107</b>

### NET DEBT TO ADJUSTED EBITDA CALCULATION

	Q3 2023
<b>Net Debt</b>	<b>\$ 5,107</b>
Trailing Twelve Months ("TTM") Adjusted EBITDA	2,978
<b>Net Debt to TTM Adjusted EBITDA</b>	<b>1.7</b>

\*\*\* Refer to slide 14 for details of highlighted items

# SUPPLEMENTAL NON-GAAP MEASURES

## RECONCILIATION OF GAAP NET EARNINGS TO EBITDA AND ADJUSTED EBITDA

(\$ in millions)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>GAAP Net Earnings (Loss) from Continuing Operations</b>	\$ 640	\$ 560	\$ (155)	\$ 966	\$ 868	\$ 949	\$ 1,245	\$ 1,363
Interest Expense, Net	173	205	201	222	220	220	208	226
Income Tax Expense	274	282	1,227	133	130	221	302	148
Depreciation Expense	142	182	192	172	186	194	202	183
Intangible Amortization Expense	8	113	151	188	208	215	236	257
<b>EBITDA</b>	<b>\$ 1,237</b>	<b>\$ 1,342</b>	<b>\$ 1,616</b>	<b>\$ 1,681</b>	<b>\$ 1,612</b>	<b>\$ 1,799</b>	<b>\$ 2,193</b>	<b>\$ 2,177</b>
US Pension Settlement Loss	—	—	—	—	359	—	—	—
Share-based Compensation Expenses	78	68	66	73	118	129	129	172
Reorganization of Business Charges	87	138	42	120	57	86	32	36
Loss from the Extinguishment of Debt	—	—	—	—	50	57	18	6
Other Above OE Highlighted Items***	31	15	(37)	104	11	15	53	242
Below OE Highlighted Items***	(117)	62	46	(12)	1	3	8	4
<b>Adjusted EBITDA</b>	<b>\$ 1,316</b>	<b>\$ 1,625</b>	<b>\$ 1,733</b>	<b>\$ 1,966</b>	<b>\$ 2,210</b>	<b>\$ 2,091</b>	<b>\$ 2,433</b>	<b>\$ 2,637</b>

\*\*\* Refer to slide 14 for details of highlighted items



**THANK YOU**

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