



MOTOROLA SOLUTIONS

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FIRESIDE CHAT DISCUSSION

Meta Marshall

Analyst, Morgan Stanley

All right, perfect. I'm going to read a short disclosure. For important disclosures, go to the Morgan Stanley Research disclosure website at morganstanley.com/researchdisclosures. I'm Meta Marshall, I cover the networking space here at Morgan Stanley. We're delighted to have Motorola here with us today. Jason Winkler, CFO, thanks so much for being here.

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Thanks, Meta. Tim and I having a good series of dialogue. So look forward to this.

Meta Marshall

Analyst, Morgan Stanley

So let's just jump in. You know, over the past couple of years, you've taken a very successful kind of core LMR business and expanded it with the video and command center business. Just how do you look at your opportunity today? You know, both the core opportunity and the opportunity to sell more products to existing customers with those new platforms or finding new customers altogether sell products too?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Sure. So it's really both. I'll start with selling more to existing customers. I think the market position and the leadership we have in LMR serves as well the R&D spend, the route to market, the sales coverage that helps us have the LMR business that we have allows us to have engagement with customers to do more for them. The core of our business in North America is a state and local business, about \$5 billion. It's thousands of accounts cities, states, counties, for our friends in Canada, provinces and all of them have a unique buying pattern. They're in a different point on their technology journey around infrastructure, around devices, around the services that we can do for them. And so we seek to engage with our customers and go deeper with them on their technology journey. Services is a great example of that. We can do things for our customers in a cost effective way that they don't need to do, monitor their system, cyber secure their system and in

some cases, fully operationalize and run their system. These are things that we're really well positioned to do. So, we don't take it for granted and we've built a very good business around LMR and doing more for customers is a growth driver. When I think about the second part of your question, newer or ... newer customers, I think about our video business, which, you know, wasn't with us six years ago, started in 2018 and that's largely an enterprise focused around video, which last year was \$1.9 billion. And so I see that as a as an opportunity for us. And by the way, last year we combined a selling organization to focus on enterprise. We've long sold enterprise, PCR, commercial grade radios, fixed schools and the like, but now we're selling them a full solution of video. So I think the on the enterprise side, it is more new markets opportunity. And then finally on command center, command center has always been really close to LMR. I mean if you think about a call for help comes in through a voice goes into the 911 center and ultimately the dispatch of the nearest first responder is also voice. So that complementary nature of LMR and command center have been with us and something we've been driving growth with.

Meta Marshall

Analyst, Morgan Stanley

Okay, perfect. You know, many of these market extensions you've gotten into have been, you've gotten into through inorganic ways. You know, the attractiveness of your balance sheet has given you that capability. Just how do you look at M&A as a continued growth driver for the company?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

It has been an important one. Again, take video, it started with Avigilon 2018... subsequent to that very good acquisition that gave us a really good end-to-end video solution, we've made 12 or 13 more acquisitions, all to today. In this year, we expect to have an over \$2 billion business growing 10% to 12% off last year.

So, it's come to us through those inorganic investments and then we fund or, or what becomes 12 months later, organic investments around sales coverage, pulling the portfolio together, the integration. So, video is the best example that I can provide of our M&A strategy, having built, frankly, a third leg of our technologies. We had LMR, we had command center. And now, we're very excited to be in video and, and the three fit very nicely together around customer value propositions too.

So, you mentioned a strong balance sheet, over \$2 billion in cash. Our net debt to EBITDA ratio is just over one. So, we're in a great position to continue to do things. What do we look for? A lot of the same areas that we've been successful in video, software and, and we like the markets we serve. Oh, by the way, the sales synergies that having the strong LMR presence have brought us in video have been significant. So, Avigilon didn't sell into government customers. We now do. And so, that's a natural sales extension using that very good sales team that we have.

So, we'll continue to be acquisitive. And at the levels that we're seeing today and more recently in the stock, we can continue to buy back the shares as well. So, we can do both. 55% of our operating cash flow is allocated any year, this has been the case for over a decade, for either M&A or buyback. And, and even in this quarter, we've done more, almost double, what we did last quarter in buybacks already.

Meta Marshall

Analyst, Morgan Stanley

Okay, perfect. How is, you know, you're moving a little bit less or further away from hardware being the only way of the

sale to software kind of being more of a portion of the sale. Just how is that impacting kind of the business model and how should investors think about that?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Yeah. So at our investor website, we talk about the transition over the last 10 years. 10 years ago, 80% of our revenues came from LMR hardware. Last year, over half of our revenues in the company's \$10.8 billion came from the combination of software, services and this newer business I mentioned called Video. So there has been a significant transformation. Our investments have been, in part, organic and inorganic, focused around these parts of the portfolio, like services, like software. And so part of it is a return on those investments. And we would even this year expect software and services to grow faster than that of products this year. We guided to high-single-digits. If you exclude the FX impacts, it's double-digits for S&S, which is, by the way, what it did last year except for the Home Office impact.

So this high quality part of the business of services and software...highest quality... is last year 36% of revenues and continues to grow and is an important part for our growth and more of the value that customers are looking for is delivered in this mean. So if you take APX NEXT, it's a product and recorded as a product sale. But after the sale, these applications that they really like, like remote over their programming or LTE network extensions, those are monetized in the form of apps which we sell to them in the form of services and software. So there's an attachment that's coming with that, too, that's helping the business model, too.

Meta Marshall

Analyst, Morgan Stanley

Okay, got it. And so this will kind of feed into the next question because you exited 2024 with record backlog, but there's kind of been some concern around the mix of that backlog with product backlog relatively steady. You know, just you've just noted that kind of more of the business is moving towards software as a subscription. But just how should investors think about that transition impacting kind of the model just in terms of backlog and just, you know, is there any headwind to growth as you kind of make that in transition?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Yeah. So there has been interest in understanding better our backlog. So which I'll start with is that at record levels, at \$14.7 billion in total. Now among that, the product backlog is at \$4.1 billion ending last year and puts us in a still a very healthy historical position for this year. But as we look forward, backlog is really demand that we've captured and have an obligation to deliver on. Implied in our guide for this year is the expectation that our product orders, for example, will grow and be – with that a sizable quick-turn portion of our business, much like it was a few years ago, before we had the supply chain crisis where we had frankly backlog that was in a way customers were waiting too long for.

It was delayed. Thankfully, the supply environment has improved such that we were able to action that backlog. So we are – we're in a good position to start and with the product outlook that we have around higher sales outlook – excuse me pipeline that in – that informs what I think investors wanted to understand for what do we expect out of products this year and then what will software and services do? It will do – we expect what it's consistently done, what we talked about earlier which is grow faster than that of products.

And by the way, one last thing around outlook. LMR or excuse me, video is a business that has always been a quick-turn business. So as that's grown to be a more sizable contribution of our company, it implies then that we would therefore need to do more quick turn. We understand that, that's the nature of the business.

Meta Marshall

Analyst, Morgan Stanley

Okay, perfect. Shifting to customer budgets, you've noted that your business with the US government kind of accounts for around 9% of revenue. Just how should investors think about this exposure just in context of initiatives of the new administration towards budget reductions or maybe kind of increases in immigration enforcement and just kind of how is it impacting how you think about growth for the next year?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Yeah, so I think it's important for investors to understand what exactly comprises that... roughly \$900 million of the, of us serving the federal government. The majority of that business is us serving Department of Homeland Security and the many law enforcement agencies that are there. CBP is one of them, US Secret Service, there's a number of others.

That's the type of federal law enforcement that our business is focused on. We do have some business that supports DOD and bases, which are really mini cities, but we don't have a military like business like that of Harris, they're a leader in, say, battlefield communications. So our federal business is about law enforcement and we like the priority alignment that we have there on our federal business.

Meta Marshall

Analyst, Morgan Stanley

Okay. Okay. And then, I mean, I would think that kind of with border control, you know, all of those could potentially kind of be tailwinds to how you guys are thinking about there.

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Yeah. I mean, the interest level around what comprises our federal business, I think starts with the DOGE interest. But I think equally on the other side is what are the priorities in alignment? And I think that the, we like where we're positioned in the DHS level agencies that are federal law enforcement.

Meta Marshall

Analyst, Morgan Stanley

Okay, perfect. Maybe state and local budgets are kind of pronounced strength during COVID, you know, given kind of a variety of factors, property taxes going up, various stimulus packages, as some of these tailwinds start to wane, just how would you frame kind of the budget backdrop amongst these customers in 2025 and just are there any risk of spillovers from kind of some of the federal efficiency initiatives to the state and local level?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Yeah, so the environment remains healthy. You know, the primary source of state and local governments is that of tax receipts, whether it be property values or the tax on the value of something and the inflation while that – not maybe good for the economy, is in the base for many of these agencies and funding authority. So we like the environment that they are operating in. We help them navigate it. It's common for a project, an LMR like project to come together through multiple sources of local funding. So whether it's operating budgets, capital improvement plan, a special tax to support public safety, maybe 911 fees.

It's a myriad of possibilities that customers put together their funding strategy. I think it's important to remember that public safety remains a top priority and funding strategies align to that. It's a top of the ballot issue. It was this most recent cycle. And so we like the convergence of a strong budget environment locally combined with the priority of the – of what – and I'd also take an efficiency lens towards what our solutions are doing. Ultimately, a faster response time saves lives. It's tough to put a measure on that, but it's certainly a measure of efficiency. The FCC has said that if one minute of call times was taken out of 911 response times, 10,000 lives would be saved. We sell into that backdrop and that statistic, and there's a need for many of these 911 centers to upgrade their technology, and I like where we're positioned there.

Meta Marshall

Analyst, Morgan Stanley

Okay, perfect. You spoke about this a little bit upfront, but just when it comes to command center and video versus LMR, just how does the go to market change and then kind of what investments are you thinking of to kind of optimize the growth in these various businesses?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

So think LMR sales channel as a very local, direct route to market with over a 1,000 people, very skilled sales people representing the needs of their local community. And we took a video portfolio and made that available to that sales channel. That's a natural extension. That's what's driven to last year we had over \$550 million of our \$1.9 billion in total video sales was in government.

So that's and it's one of our faster growing verticals. So we're well positioned there to continue to extract the value that that synergy brings. On the, on the enterprise side of video, it's about the investments that we're making on sales and marketing around putting more resources out there to capture what frankly, relative to LMR, a video sale can be much smaller.

And so it's about coverage, it's about channel coverage, it's about sales coverage and getting a return on those investments that we're making is in part what we expect to drive the growth for video this year of the 10% to 12%. So government is a sales channel extension, enterprises dialing up a little bit of the resources that we have in order to capture that growth. And the market is not growing at that rate. We're growing at a multiple of the rate together with those two strategies.

Meta Marshall

Analyst, Morgan Stanley

Got it. I mean, obviously, video and command center have been strong growth drivers, but LMR growth has been very healthy over the last couple of years. You know, in part as you've done the APX NEXT upgrade. A big question that we get sometimes is, okay, well, how durable is some of those growth that you're seeing from APX NEXT? You know, you noted that it was less than 25% of device shipments in 2024. But just, you know, how should investors think about kind of APX NEXT as a driver for LMR growth or did they get kind of too caught up in LMR cyclical?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

LMR and our devices portfolio, which is in a great spot is has been and we expect to continue to be a growth driver as customers embrace a more feature rich device. So the device of APX NEXT can be remotely programmed over the air, something we take for granted with this.

But in an LMR context, you're going to bring back all the radios into the shop. That's time and money, so customers are willing to pay for that feature as an example. There's better GPS positioning. There's a LTE network extension. So there's real, real important features that customers are willing to pay for. That's what's driving a higher or favorable mix. When APX next and you mentioned the 25% Meta by revenue was a little bit more than that last year, but it continues to grow. We expect it to be more than that 25% could be 30% plus of revenue contribution in the year... this year. But what that also means is we're still selling a very good APX device portfolio that doesn't have those applications and features. One of the reasons for that is customers have publicly contracted with us on those existing portfolio and we need to serve them with both. Forced migrations in this business is not something customers for a long-term partner like us look favorably on. So what we expect to continue to see that mix and by the way, the same LTE pipe that delivers APX NEXT is now in part of our PCR portfolio and it's in our TETRA portfolio. So there's similar opportunities in smaller parts of the business but the same idea applies. So we view that as a long-term driver.

Meta Marshall

Analyst, Morgan Stanley

Okay. So maybe less cyclical and more kind of long-term driver, particularly as these devices become more feature rich.

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Yeah and customers upgrade on their timeline. And I mentioned earlier, there's thousands of customers that are all kind of on their own timeline, which when you put it together, leads to sort of a steady state versus a cyclical state.

Meta Marshall

Analyst, Morgan Stanley

Okay, perfect. Turning to AI, can you just speak to kind of how Motorola is implementing or monetizing across the hardware and software portfolio and just, you know, maybe just starting with that?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Sure. So our approach to our first product offerings of AI feature set in the command center about shortening that incident response that I mentioned. So our CTO, Mahesh and his team have been focused around what tools can we give our customers in the form of dispatchers and the likes that can shorten the response time that minute I mentioned earlier, that saves 10,000 lives.

Two areas that we've already launched products around are when the call comes in, transcribing it into a different language – translating it into a different language so you don't have to wait for the transfer over to Spanish speaker or whatever. That can happen immediately. That's seconds. The second one is transcribing what happened so that the call can be better dispatched, ultimately downstream to an officer, to an EMT, to a – an ambulance. So those two features are where we're focused around incident response. There are others that are focused around post incident response, helping people be more efficient in report writing and the like. But we think the right place to be in for our customers is in shortening that response time.

Meta Marshall

Analyst, Morgan Stanley

Okay. I mean, as you look towards kind of future extensions at some point, clearly that reduction and response time is great. I mean, those are real life examples of tangible impacts. But just how do you think about either inorganic investments or partnerships to kind of expand out that skillset?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

I like the – where we're at from the organic investments that we make every year into our R&D portfolio, it's almost \$900 million. And just to shed a light on it almost half of that goes to LMR and command center, still a sizable chunk supporting our leadership in LMR. And that's important because as a market leader, we want to continue to innovate and bring the market along, but that's how we choose to allocate our R&D. And as I look at where we're positioned both in partnerships as well as the inorganic opportunities, I think, will continue to be leading edge in the part of AI in public safety which is where we're focused. So, even in our camera portfolio, the self-learning that's possible at the edge can be brought back into the command center. And those, those cameras, very powerful cameras, can help first responders, can help identify how to best respond. That's all part of our investments. But they'll be remain focused around public safety.

Meta Marshall

Analyst, Morgan Stanley

Okay. Just can you give us a sense of kind of competitive dynamics? You know, there are at least particularly on the video side, kind of one of those opportunities has always been kind of this install base of, of Chinese cameras that are kind of out in the marketplace or just kind of opportunities to kind of take share in the market where there might have been kind of China based vendors before?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Yeah. So, I think within our fixed video portfolio, we've seen the Chinese, Hikvision and Dahua, really retrenched from the North America market for a number of years. It started with the NDAA, which about five years ago, precluded federal governments at their next upgrade from using federal dollars to buy Hikvision or Dahua. It later turned into even the FCC, raising some doubts around, do you want to make these investments even at an enterprise level for those vendors. So, we've seen that, that's been an area of opportunity for us along with competitors like Axis, Japanese, Hanwha, South Korean, et cetera. There are others that comply with NDAA,

But we like our position there. And I'd say that we see Hikvision and Dahua still as competitors viable in international markets like EMEA. ...which is an important market for us. Our Asia market is less important because of the positioning that we've made over the years in China. We have no manufacturing there, no operations there. Less than \$70 million of revenue there. And so that's a market that isn't really in the mix for both LMR or, or for video for us, it's really more US, EMEA and maybe Australia.

Meta Marshall

Analyst, Morgan Stanley

Okay. So is that a tailwind at this point or most of that kind of share has?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

I think it's probably in the base, but still some opportunity. Because again, the mandate of NDAA, it didn't say rip and replace. It said the next time you buy, there still may be customers in that next time you buy side.

Meta Marshall

Analyst, Morgan Stanley

Okay. We just spoke about international of saying that Asia might not kind of be kind of the best target market opportunity. But just how are you looking at other areas where you can expand kind of both product and geography wise?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Yeah, I think I think we made one investment in video called IndigoVision, which is an extension of Avigilon to better position us in Europe. That's an example of a market-based acquisition. But most of them have been around a technology that can serve a number of markets. So I think our company remains focused on that North America, state and local. That's our engine. And to the extent that we can win internationally, by the way, our LMR business internationally tends to be even more predictable in terms of services and software. Many of our contracts within LMR in some countries are a managed services operation where either the customer or we own the asset, but we charge them annually to deliver the service. That's a very predictable model internationally. So if you think about our LMR business, it's really anchored in Europe and Australia.

Meta Marshall

Analyst, Morgan Stanley

Okay. So then turning to the model, you know, the most compelling part of Motorola may just be kind of how efficiently you guys have run the business from a profitability perspective. As you invest for growth, how do you think of kind of balancing and delivering incremental profitability versus kind of appropriating R&D and sales and marketing resources, just how are you kind of thinking about what's the right balance there?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Well, we think about it two ways. There's first, the acquisition and the thesis we put together that justifies the investment that we make. It's the one-time investment. But then we think about it from a, okay, well, what does this acquisition need from a funding on an ongoing basis. And generally, when we do that, we look to bring something new in that we're excited about. That's why we acquired it. And it has good potential and a good business case associated with it.

But then we look at the entirety of the company and say, okay, what are the offsets? Every dollar that comes in through acquisition cannot be added to the OpEx line. We need to find some offsets and we're pretty good about, think, G&A and other areas like that. So that we can get to a position where that the acquisition pretty early on can be accretive to our overall plans. So we look at it from that lens and look for good returns and a good fit. Those are really important and good teams by the way, we've been – I think Greg, I know, has been very candid around making sure that when we bring something exciting into the company, don't sort of huddle over it and let it do what it did. If it's a technology play, let it go, fund it and look at the talent that's there and maybe give them more responsibility. We've had good success in that, and I can think of a number of business leaders who came to us through acquisition that are now leading a much bigger part of the portfolio. So it's a talent center, too.

Meta Marshall

Analyst, Morgan Stanley

Yeah. I mean, how have you been – you kind of – you've always excelled at acquisitions. And do you keep those sales teams? Do you try to make sure that you're making sure that people can sell multiple products like what has been the most effective kind of go-to-market of those acquisitions?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

I think the most effective one is recognizing the great sales channel we have in government. And what more can government do? Many of the acquisitions we did... Rave, which is a 911 panic alert response app. We just did another one two weeks ago called RapidDeploy, which has very good geolocation mapping, positioning can extend video to your phone when you're in a perilous situation. It integrates with OnStar. It's a great it's a great example of where we have that's a technology and we have a large government sales organization that's going to have one more really, really cool thing to sell. That's been the heart of it in terms of what the recognizing where our strengths are. And then on the R&D side, I think it's about the team that we have the leadership across our engineering teams and having them work on

good solutions in LMR, video and command center. And then importantly over the last couple of years, how do you integrate those three things together? So you have this really compelling end-to-end solution, which we're, I think, making some progress on.

Meta Marshall

Analyst, Morgan Stanley

Okay, perfect. So just more tactically around margins, you know, how should we be thinking about the opportunity to expand margins further in 2025, I know particularly just given the impressive momentum you saw reaching 29% operating margins in 2024?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

So in our guide for this year, we did say we expect operating margin expansion. You know, that'll be informed by comparable to slightly up gross margins and some of the OpEx leverage that we just talked about a minute ago. So I think the model that we put together, we would expect continues into 2025 bit higher growth in software and services than in products. And looking at some of those areas for continued leverage, anywhere between gross margin and bottom line are something we continue to do.

Meta Marshall

Analyst, Morgan Stanley

Okay. And then just, you know I know from a FX perspective, you noted that as a potential of headwind kind of coming into the, the year, just are there any offsets on kind of the P&L that we should be thinking of?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Well, one of the opportunities that's included in our guidance for gross margins is what I'll call the last year of lower semiconductor costs, about \$25 million, last year was \$70 million. This year it'll be another \$25 million better. That's the tail end of this lower semiconductor conversion that we've been driving through the, through the crisis. So that's included. You know, FX when we guided was a \$120 million headwind, that's probably 20...25-ish better than that. It's moving, as you know, very very much, but it's ,it's slightly better. And then I think the acquisition, although small of RapidDeploy, it's also an area for us that we just brought in and will likely close Teatro which is a voice communications device that's part of command center very soon as well. So those are some of the things that have changed a little bit since we were last together for our for our February call.

Meta Marshall

Analyst, Morgan Stanley

Okay. And then just anything on tariffs or kind of how that should impact or how you're planning for that to avoid that impact in your business?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

So we've been planning for a number of weeks around what mitigation strategies we can implement. So I'd first say that the position we have relative to the China 301 tariffs is a very good one, I mentioned earlier that and even our bill of materials has very little COO from China, so we've been able to navigate those for a number of years. They've now tripled the rate and I don't view that as a significant risk for us because we've mitigated it. So I like our position there. With respect to other tariffs, you know Mexico is an area where we manufacture, Malaysia, the US and Canada. So within that mix, you know, I think what we need really all of us, is certainty around the rate, the rate by product, the rate by country, the duration, and that likely would be in the case.

And then the mitigation, that will inform our mitigation plans. And there are mitigation plans we're already working on, like moving inventory, carrying more inventory, duly qualifying production lines so that we're ready and able to move around. But the clarity necessary to inform what some of the more heavier lifts would be, I think, is something that we would look to in order to make those more significant changes.

We have a global footprint. I like where we're at with last year. We signed up an additional EMS, Jabil, strong partnership with Jabil and with Sanmina, and we've transitioned last year without minimal hiccup our entirety of our video manufacturing operations to them and they have a much broader network than we did when we were running it ourselves. So I think some of the work that we've done and the learning of the organization through the supply chain crisis should help us mitigate a very dynamic tariff environment. We'll see.

Meta Marshall

Analyst, Morgan Stanley

Okay. Great. Any questions from the audience? All right, perfect. Well, then we'll wrap it there. Oh, sorry. Sorry. You're behind the podium.

Unidentified Speaker

Question from a conference participant in the room.

Yeah. Just understanding that you're very well aligned with where the government wants to spend. But there are some instances where the government has a pass through to the states, so the states get their funding from the federal government, and that's what sounds like it's been a bit disrupted. Do you have a sense as to how much your states received their funding from the federal government for the projects that you have at the state level?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

We do and it's very small. So, if you look at a subset of deals, very few of them have a federal component. And, and the few that do, it's a minority contribution. So, to whatever that funding plan was for a given deal. And even during the, the ARPA federal program, under Biden, at its peak year, it funded deals in our portfolio, orders, less than 5% of our orders through that set of funding. So, it's a pretty small contributor and government budgets at a state and local level are pretty fungible. They figure out a way to fund what's a priority. It's generally a state and local prioritization funding that funds our deals.

Unidentified Speaker

Question from a conference participant in the room.

Just along the same lines. Can you be a little more granular on the DHS program specifically? Is that possible?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Granular in terms of the agencies? I mean ,its law enforcement. It's...

Unidentified Speaker

Question from a conference participant.

I mean, how much of it is kind of border related? How much is kind of..

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Yeah, yeah. It's, on a lot of contracts, it's not one agency. So, I couldn't give you clarity around like each agency and how much they are, but it's broad-based. I mean, every opportunity that comes up is, it's not a single contract. It's what is the secret services needs and how are we meeting them, what is the agency X, agency Y. It's broad-based and it's transactional in terms of what is it, the RFP, how have we responded, what's the bid, is there services around it. But just like our state and local business, it's pretty broad in terms of the opportunities that come together to form the majority of that \$900 million.

Meta Marshall

Analyst, Morgan Stanley

Okay. All right Perfect. Did you want to say one more thing, Jason?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Oh, I just wanted to close and say thanks. I think we covered the heart of what was on investors' minds during the one-on-ones. But strong fundamentals for the business, continue our expectations for product orders, growth and a strong, quick-turn year are included in what we've guided to. FX is a little better. Tariffs, we'll see, but I think the heart of the – what we put together for the outlook and everything we see is about forward-looking demand and what we can capture in that pipeline. So and that we think will drive the double-digit growth in operating cash flow this year again. And we'll continue to be focused on what we've done.

Meta Marshall

Analyst, Morgan Stanley

All right, perfect. Well, again, Jason, thank you so much for being her today.

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions

Thank you.
