



MOTOROLA SOLUTIONS

Presentation at the
UBS Global Technology and AI Conference
Monday, December 1, 2025

PARTICIPANTS

Motorola Solutions, Inc. Executive Participant

Jason J. Winkler – Executive Vice President & Chief Financial Officer

UBS Participant

Andrew Spinola – Analyst, UBS Securities LLC

FIRESIDE CHAT DISCUSSION

Andrew Spinola (UBS): Okay. Good afternoon, everyone. Welcome to the Motorola Solutions Presentation at the First Day of the UBS Technology Conference. I'm joined on stage today by Motorola's Executive Vice President and Chief Financial Officer, Jason Winkler. Welcome.

Jason Winkler (Motorola Solutions): Thank you, Andrew. It's good to be back here. Thank you for launching coverage. It gave me an opportunity to come back. Last year, my IR team was here, took a lot of meetings, but we didn't have an opportunity to have this dialogue. So, we're glad to be back at this conference.

Andrew Spinola (UBS): Thanks for coming. Maybe a great place to start would be just on your LMR business. You guys have put together a string of pretty strong years to the last – pretty much post 2020, for high single digit, double digit growth on the product business. You gave guidance that was ahead of my numbers by about \$100 million for 2026. So maybe just to start out, what is the environment look like in public safety, how the customer is looking, what's the outlook for that business? And maybe we can drill in after that.

Jason Winkler (Motorola Solutions): Sure. Well, it looks pretty good, as you mentioned. Greg did provide some commentary, as we often do, in November about the year ahead, and LMR being in a good fundamental place to grow off of some comps over the last three years that – with the product growth that we've seen, of CAGR double digits, and our growth this year, as we expected, being fueled by what we described as a return to quick turn, meaning that as we set out in the year in February and through to November and things have actually improved, our orders growth, which in Q2 was double digits in both segments, it was the same, double digits in Q3, and included in our Q4 guide for the company for 11% growth, which is about 7% to 8% organic growth, is from again double-digit orders growth.

So, what that means is demand is strong and demand – we're able now, in the supply chain environment we're in, to deliver in a timely manner to our customers, which is outstanding. So, as we sit here and finish the year, our organic growth outlook for next year included in that \$12.6 billion is actually better for the company than it was – or is for the year that we're wrapping up. And the fundamentals, which we'll likely talk about, are strong and continue to be so for LMR, as well as for our higher growth businesses, like video and command center.

Andrew Spinola (UBS): Great. And before I move on to next question, I should have mentioned that we do have an app where you can ask questions and I'll try to get to them at the end if you want. So, let's break that down. The LMR business is really made up of the device side, the infrastructure side, and then the software and services. For a number of years now – you launched the APX NEXT, which is the kind of higher end device that's been driving an upgrade cycle. Maybe help us understand like in terms of the outlook for the business, how far are you into that upgrade cycle? How much of demand is coming from the high end and how much further penetration do you think you can get from APX NEXT?

Jason Winkler (Motorola Solutions): Sure. So, APX NEXT is a device that's industry leading, includes not only LMR, but also LTE as a secondary network. Customers really like it. It comes with a number of features that solve customer pain points, like programming the radio, GPS, and ingesting video into the radio, which now has a screen. So, very compelling. And we're at a point, we mentioned on the last call, where this year we'll have over 200,000 subscribers on the APX NEXT platform.

That's not only a better sale for us at the time of sale, it's a little bit higher price device, but it also comes with this application stream. Customers pay about \$300 a year for a number of features that are really important. And so, we have product opportunities and growth in that transition. But we also have been building an applications business accompanying it, wholly done within the company, bootstrapped. I mean, it's a value proposition to customers.

And so, the outlook for us included in next year's growth drivers is that we think that the device's subscriber count on APX NEXT is going to grow from about 200,000 to 300,000. And you mentioned high tier. That's generally where we start, Andrew, when we innovate on a device like APX NEXT, but soon thereafter, we price it down to value – different tiers, including down to a more value tier, and we drive out the cost of the platform at the same time. So, about mid this year, we're fully featured in that APX NEXT platform being available at all customer price points. And so, we think that's another opportunity for it to continue to grow.

Andrew Spinola (UBS): Have you ever said how much of that market – I think you've said 2 million first responder in the US. Maybe how much the high end can be applicable to? And it sounds like now you've got...

Jason Winkler (Motorola Solutions): We think the whole market is ripe for – I mean, 2 million public safety users. We have significant share, but we're not the only market participant. But if you think about that over the long term, we think that there's ample opportunity to continue to turn every customer. And the other thing I'd point out is we still sell a very good APX device, and some customers who are on contract for that device continue to choose that.

We're offering them a choice, which is what customers in public safety want. They don't want forced migrations. They have long-term contracts. We're a respected vendor. We're in it with them together. And I think this continued migration and acceleration for APX NEXT is a driver that we'll continue to see fundamentally help products, as well as the applications attached, which by the way we report in services and software. That's the nature of their contracts. We also – the applications business around that APX NEXT platform is part of our command center revenues.

Why? Because the information that's being shared into those devices is the connective tissue to the command center. It's getting the officers or responders better information, two-way communication. It's adding video. It's ingesting location. It's doing an important role in shortening the cycle for responding. And then, it's also improving the mundane around report writing and evidence management and the like. So, that's where you'll see those numbers show up. And in our command center growth this year, we expect 12%, and we think that's a continued opportunity for us in APX NEXT.

Final point on APX NEXT, we also have a device you're probably going to ask me about called SVX, and we've chosen to deploy that first in an audio – world-class, mission-critical audio format – and customers are really embracing it. We've got about 70 to date that have deployed it in an audio-first capability. And when they did that, they chose APX NEXT, the radio, because the platforms are together.

So, yet one more reason why a customer would choose APX NEXT is to enable that very powerful SVX, which can do audio, video, 911, and the likes, which we'll probably talk about more. And then you mentioned infrastructure. We've now introduced our third generation in P25 infrastructure. We call it the D-Series. Its predecessor, the G-Series, is a decade-plus old.

Every one of our customers, our thousands of customer owned networks – and you've seen us talk about networks like Tennessee, Colorado, St. Louis area – they're at a point in their network journey where the infrastructure is aged to a point where they're going to replace it and they're embracing LMR for another decade-plus, and they're buying infrastructure and they're buying the services and software to get wrapped around that in the form of 5- and 10-year contracts.

So, early days on the infrastructure upgrades in North America in P25 and it'll be with us, again, as a driver for the business. It's about – by the way, infrastructure is almost a \$2 billion business for us, included all forms of network infrastructure, P25, TETRA and the likes, but the bulk of it is P25.

Andrew Spinola (UBS): Right. So that's like what, like a 70/30 split to buy or 80/20?

Jason Winkler (Motorola Solutions): 20%...25%

Andrew Spinola (UBS): 20%... 25%

Jason Winkler (Motorola Solutions): Yeah. Of LMR as a total.

Andrew Spinola (UBS): Right, got it. So, I think... help me think about how you guys kind of talk about the long-term growth opportunity for the LMR business, sort of what the growth rates are. If I think about – I think my view is to be on kind of the product side maybe 3% to 4%, the services maybe 5%, 6% something roughly. As we talk about these, it sounds like infrastructure is on the verge of a big upgrade cycle. I think you guys described it as having a large funnel. The APX NEXT is kind of really hitting its stride in terms of upgrade. I would think you'd be at the higher end of that range.

I'd throw out that there's also a lot of money coming in the federal government from the OBB Bill. So, it seems like a good environment.

Jason Winkler (Motorola Solutions): Yeah, it is a good environment. Every year has puts and takes, right? So, in the case of the last couple of years, we've had this opportunity to unlock backlog and deliver to our customers demand from prior periods. Thankfully, now we're in a condition where we can get the requisite supply. So, part of our growth over the last couple of years, that robust growth in products was enabled through getting supply.

We're now in a position where backlog, which, by the way, is at a record, \$14.6 billion total for the company. And we talked about on the call, Greg mentioned that by year's end, product backlog, which is a subset of that \$14.6 billion, which is mid-3s right now, would by the year's end be \$3.5 billion to high-3s. We're comfortably trending to high-3s of product backlog at this point, given what we're capturing. And on path to see an opportunity for a \$15 billion backlog by year's end. So those are again favorable trends around what we see in front of us and what backlog could be into the future. And the opportunities that we're seeing are across the board, services and software, as well as products.

In terms of the growth profile, we generally think of products as low single digits, and we think of the services and software opportunity that accompanies it with as mid. And we mixed those in and you get the LMR opportunity, and we'll talk maybe about Silvus. Silvus complements that growth profile as well. I mean, you step back, LMR, whether it's products, whether it's services and software, mid-single digit grower kind of business. Now, we have Silvus, which is new, different, entire fundamentals come to us for that market, which is defense, and that can complement that mid-single digit growth rate within that range a little bit. So, it's a good opportunity.

Andrew Spinola (UBS): Got it. And let's talk about that in a second. But just you mentioned the backlog and the headwind that it created. I think coming into your outlook for 2026, I was a little concerned you were going to come up short of it. You actually beat me by \$100 million, in line with the street. But it has been difficult trying to understand, there was the – backlog was built and then it was worked out over a couple of years. Is the right way to look at it – I think we don't know what exactly the drawdown was until you report the fourth quarter, but maybe it's \$500 million, particularly a headwind in Q1, when I think a lot of it was recognized.

So, the right way to think about your 2026 growth, which is a little bit lower I think organically ex-Silvus in the LMR business that's been historically is just a normalization of that backlog trend. Is that the right way to think about it? But to our initial discussion, the actual organic trends are actually right where you wanted to be.

Jason Winkler (Motorola Solutions): Yeah, I think the organic trends of double-digit products orders growth complemented by services and software orders growth of double digits as well. That's what's driving the second half growth, Q2, Q3 and Q4, it's three quarters, and that's what we would expect to be a growth driver into next year as well. Backlog complements the demand as a function of orders, and I think to be in a strong backlog position, be projecting future backlog by the end of this year being higher. I just told you that. And we'll see what next year's opportunity brings, but with strong orders and the opportunity to convert those – and by the way, infrastructure, we talked about that. Some of those projects are multi-quarter deployments. It's not as simple as shipping a device. You got to go out, touch the customer networks, deploy and we're going to do that.

So, I think that the backlog position, complemented by the demand and pipeline that Molloy and his team are driving, are expected to be continued drivers for us as we look into 2026, and the color we gave was about \$12.6 billion. That's a roughly 8% growth, 5-ish percent organic, which is a starting point and better than where we're expecting to finish this year at \$11.65 billion, 7.7% growth.

Andrew Spinola (UBS): Right. Right. You mentioned \$15 billion of backlog. I don't have the backlog number in front of me. Is that by the end of this year?

Jason Winkler (Motorola Solutions): It's \$14.6 billion right now in Q3, and with the trends that we're seeing in totality as well as in products, we would envision \$15 billion – seeing a path to \$15 billion by year's end and that the products backlog, which has gotten a lot of attention, would be in the high-3s.

Andrew Spinola (UBS): Great. Oh, and just before I move on to Silvus, obviously, the federal government shutdown was an issue you guys called out on the last call. You said that if they got – that's resolved relatively shortly after, that you would be able to meet the demand for the rest of this quarter. I mean, any thoughts on how things have worked out around the federal government in general?

Jason Winkler (Motorola Solutions): Just that the government has reopened, we described as a timing issue and we're actively reengaged with our customers around the demand that we clearly see. And many of them, the customers, the agencies, the procurement arms, they're just as excited as we are that the government is back open so that we can together – come together, make the order and the delivery and the likes. But the demand within our federal business, even before I think about OBBBA dollars, which have yet to flow, is good.

And I think with the opportunities in the OBBBA being pointed at DHS and DOD, each of them is getting \$150 billion or more of incremental funding, which we think – or know is about a four-year window. The clarity on that funding, we know it's targeted in areas like defense, border, and our portfolio is used in those applications. Video for the border communications, those are a good match for incremental new funding opportunities and we'll continue to pursue those.

Andrew Spinola (UBS): Right. So, you mentioned the Silvus acquisition. This is a pretty meaningful deal for you guys. You've renamed the LMR business sort of just generically to Mission Critical Networks because of this acquisition. So, maybe talk about where this fits into your portfolio, why you like this acquisition so much, and what do you think it does long term for Motorola.

Jason Winkler (Motorola Solutions): We are excited about this acquisition. I think many of our investors are, too. So, Andrew, you and I were on the road last week in Europe, in fact. And so, you heard it firsthand from some of our investors

about what's exciting about it. What's exciting about it is that it's new for us in terms of a new market. It's defense, it's battlefield communications, it's unmanned systems. And we all know what's happening to drone demand, particularly as countries like ours and overseas look to deploy drones.

What Silvus does, it's a robust communications network that can empower drones, that is imperceptible, can't be jammed, can't be taken down. It's robust. It's the best in the space. We like that they're in a leadership position, tremendous engineering, great portfolio, assigned to over 100 different drone platforms, great customers like Anduril and AeroVironment. And where we see opportunity in helping them grow is through – they've got 30-plus salespeople today. We're going to add to that. We have a route to market within defense. We'll expand that. And in the R&D portfolio.

So, we're going to go deeper into the space that they're in, which is defense. We see a few opportunities in the public safety side as well. But for the most part, the business case is about going deeper and wider into the accounts that they have. And you'll see us do that and diversify their customer set. We expect 20% plus growth next year, which we mentioned on the call.

The starting point this year on a calendar year basis – we've owned them since August 7 – is about \$500 million on a calendar year basis. And we indicated that next year it'd be 20%, a bit more than that. So, we're off to a good start. Everything that we've learned – we've diligenced them for over a year – is that we're aligned from an R&D culture, from a sales execution culture, and their founder, Babak, is outstanding and built a great team, and we're working well together.

Andrew Spinola (UBS): Interesting. You mentioned that you – one of the things you'd like to help them do is diversify their customer base. Can you give us a sense of the profile of their customers and where a lot of their revenue is coming from? I think you said Ukraine directly is 20%.

Jason Winkler (Motorola Solutions): Yeah, about that. Ukraine has been a proving ground, clearly an innovation ground and a demand area for certain. So have the NATO countries that are supporting them in their own regard. And it's been an opportunity for us to prove battlefield technologies, innovate, make the product better, and then sell that product, which is a custom off the shelf type solution to a lot of different places. And we think there's opportunity to do more of that. And that's in part why we're excited about the partnership.

And when I think about – you mentioned where we're reporting it. It's mobile ad hoc networking. They're the leader in it. It's about a \$3 billion TAM. We think it's going to double in four to five years. So, you've got high speed data, redundant mission critical communications networks, MANET, and then you have land mobile radio, narrow band, very effective voice communications tools. They share one element among others, which is RF, and so that's why we're reporting it together. They can serve different markets, federal versus state and local and the likes, but it's a nice complement in terms of its technology and the engineering efforts that we have complement each other, too.

Andrew Spinola (UBS): Right. And you just mentioned that you expect the TAM to double in the next three to four years.

Jason Winkler (Motorola Solutions): Four to five.

Andrew Spinola (UBS): Four to five, sorry. What would drive that doubling?

Jason Winkler (Motorola Solutions): Well, the demand profile for drones within defense applications specifically. The number of use cases are expanding in unmanned and aerial systems. And the portfolio of Silvus is expanding as well from the high tier, like when you're starting, into other parts of the portfolio, so that it is a great network of choice for customers that want to run drone systems and run them without interference.

Andrew Spinola (UBS): Got it. And what is – I think one of the questions I've gotten of plenty is sort of what this means for your, I guess, generically capital allocation priorities going forward, specifically M&A in the defense area. Is this the beginning of something... when you sought this company out...seems like... acquired them? So, a lot of people are curious if this is a new strategy or if this is something that just fits well with your current strategy.

Jason Winkler (Motorola Solutions): It's more of the latter. We like it because the tailwinds are there, as I described for defense. There's a lot of opportunity for them to grow within that \$3 billion TAM and we think we can improve on the business, improve a number of areas, supply chain and things that a large scaled company like ours can provide to a start-up type culture. And I think it's a – much like Avigilon. Avigilon was a starting point that we've added about 12 portfolio companies to in video. That was totally new for us.

In the case of MANET networks, they have a leadership in MANET networks, but it's a form of mission critical network. So, it's close to our core of LMR and they coexist and we think that they can work well together and are a unique mission, critical networks type technology. And that's where we're recording it.

Andrew Spinola (UBS): Got it. And I think you've pointed out it has a 45% EBITDA margin. And it leads me to ask you about, kind of... the margin. So, if I look at the last five years, you've taken op margins from 25% to 30% roughly, I was just looking, and half of it came from gross margin, half of it came from OpEx. You just printed a quarter of that despite tariff pressure was up, I think, pretty significantly. I think it was a record, if I recall from your presentation. So, I think we're all trying to figure out if you can keep the 40% incremental margins going.

And maybe the better way to look at it, if you step back, just what is driving these strong margins the last few years. Is it just revenue upside or is there more to it? Is there more mix? You talked about obviously – Silvus is going to help, but you talked about a lot of the software. We haven't talked about it yet, on the video and command side, there's also the applications on the mobile side as well. So, what's driving that margin?

Jason Winkler (Motorola Solutions): It's a combination of – operating leverage for us is driven by, on the products and

software and services side, both. We are able to navigate the tariffs and still produce operating earnings this year. You mentioned the headwind. It's about \$75 million in the second half of this year. We mitigated a lot of that through costs within our own portfolio, platforming, taking out vendors that were more costly than others and doing the kind of blocking and tackling that supply chain should be doing.

And then, ASP appreciation or mix variable does benefit us. When customer chooses a more feature-rich device, that's benefit to the sales line and also to margins. And you also mentioned it – we'll probably talk about it; we should talk about command center, but the software characteristics of command center, of video, software, and the like, does help as well from the ability to improve op margins.

Andrew Spinola (UBS): Right. Has any one of those segments been bigger contributors or – I know you guys don't report margins by segments, but you do have a lot of transition in video and command to software.

Jason Winkler (Motorola Solutions): We don't report margins by technologies. LMR being the largest dollar contributor and the high-quality characteristics happening in that portfolio help. But video and command center are higher growers in terms of the absolute dollars they're bringing. Both are double-digit growth portfolios for us, expected this year. And so, one is growing faster and one is bigger. But together, they both bring incremental dollars to the operating margin line when they're growing.

Andrew Spinola (UBS): Right. Can we talk about the growth? We might as well move to those segments. We can talk about it together. What are your – what's the growth drivers and outlook in the Video business? Why don't we start there? It's the bigger of the two; has the bigger TAM as well, which is interesting.

Jason Winkler (Motorola Solutions): Yeah. It's a \$37 billion TAM in total. This year, it's tracking to over a \$2 billion business, 10% to 12% growth expected this year. And about 70% of that is what we call fixed video. So, it's cameras securing places like this or municipal, government buildings, et cetera, fixed camera systems, camera systems and software. And then, in the case of mobile, it's – about 30% of that is body worn cameras, in-car cameras and license plate recognition.

So, that's the two portfolios, both are excellent growers, both are benefiting from increasing cloud transition. Customers can choose to run the software themselves on an on-prem model or they can choose to have us host and deploy it in a subscription-like model. And we're growing those rates 10% to 12% in Video and 12% in Command Center, the 911 business, while going through a high-quality transition to stickier revenues, which you can see in our S&S software results.

Andrew Spinola (UBS): Right, right. In the video business, are you growing with the TAM, are you taking share? And I'm talking – let's start with fixed, because I know they're very different businesses.

Jason Winkler (Motorola Solutions): Yeah. Fixed, so of that TAM, \$37 billion, 90% of it is fixed. The other 10% is mobile.

Andrew Spinola (UBS): Okay.

Jason Winkler (Motorola Solutions): And the TAM in fixed is growing. Last report was mid-singles, and we're growing that at 10% to 12%. So, we have been outgrowing the market. That trend started with our acquisition of Avigilon, and the organic growth complemented by some portfolio enhancements along with that journey through M&A has gotten us to a point where we're the leader in a number of technologies, including we have – we are the only portfolio play where we have both, in fixed video, on premises, as well as cloud. We're offering customers a choice.

Some customers want to continue on an on-prem environment. That's a growth opportunity for us. We want to transition to a cloud-based software deployment. The cameras are still the cameras, but it's the software deployment that will be procured differently. We have that as well. And so, I think the – we've seen good growth. It's faster growth in software of the cloud-based variety in fixed video. And then in mobile video, we see a significant opportunity ahead of us and continuing to go deeper into our accounts around our latest strategy with SVX.

Andrew Spinola (UBS): Let's talk about SVX. It's very interesting that you've brought the LMR piece where you're dominant into the body camera to sort of compete against another stronger player in that space. How should we think about you using LMR as a lever to win share in that space? Is that really where you're seeing the advantage and how successful you think this can be?

Jason Winkler (Motorola Solutions): Well, there's clearly a convergence taking place between – around public safety, around the 911 center. There's 6,000 of them in the US. We have a presence in over 3,600 911 centers. There's a convergence of video, voice, data, all where a platform like ours, which is end-to-end voice, video and 911 unrivaled is an important place to be because those 911 centers are complex operations, taking a call, routing a call, dispatching a call, recording everything that happens all the way down the evidence line.

And to have an integrated portfolio and the investments that we've made over a number of years, to have a common UI, to have a common experience, positions us well at every customer to do something more for them. The latest is SVX, and that device is a world class audio system. It can do video. We have an excellent back end to accompany it that does all the things the customer needs so they can choose now to have a single device.

Whereas in the world they live in today, they have two devices. So, it's an opportunity for us as we look forward. And in order to win in that business, you have to be in CAD or dispatch or computer aided dispatch. And we're in it. It's a tough business. We serve our customers. We serve them well. And it's a differentiator. It's the nervous system of a 911 center and you have to be in that in order to aspire to serve your customers in all the ways you want to.

Andrew Spinola (UBS): Okay. And you mentioned that you've got the applications for the APX NEXT and that you're tying again in another area, your LMR business into CAD. Is that another part of what you're talking about?

Jason Winkler (Motorola Solutions): That's another reason why we chose the revenue reporting relationship to be around what information are we monetizing, and we have more opportunity there around the devices platform that we have today, world class LMR, and what can we do to enable more information at the hands of officers, first responders, paramedics to save lives and then to do their jobs better. And we see continued opportunity in this SVX device, which, by the way, is paired uniquely with APX NEXT. That's the pipe. And the applications that we can provide and do provide today are growing and the ARPU opportunity is growing as well. So, more... number of devices as well as more features. That's part of why we think the growth in command center is ripe for growth.

Andrew Spinola (UBS): You think command center is doing 10% to 12% this year.

Jason Winkler (Motorola Solutions): Video is 10% to 12%.

Andrew Spinola (UBS): Oh, sorry.

Jason Winkler (Motorola Solutions): Command center is 12%.

Andrew Spinola (UBS): 12%. Is that a kind of a – is that, again, a TAM growth or...

Jason Winkler (Motorola Solutions): It's more than TAM. TAM is mid singles again there and we're – how we're able to grow is off that strong platform. Being a new customer, solving problems, making that natural migration versus introducing another app that you have to integrate, it all flows through the 911 center.

Andrew Spinola (UBS): Sure, makes sense. Well, this has been great. Thank you so much, Jason.

Jason Winkler (Motorola Solutions): Yeah. One last thing, Andrew. You and I were together in Europe and you had asked a number of investors around – there's clearly – and you've made it a point to me, a rotation taking place in chasing some pretty high growth names. Fundamentally, the growth for our company, and the organic growth is improving next year. I made that point. And with multiples and having contract a little bit presents opportunities for some of the investors we met with. Where we're down the road, it presents opportunity for us. We bought back already \$400 million this quarter and Q4, which puts us over \$1 billion. So, remain convicted on the fundamentals of this business and the opportunities ahead of us. And that was a great opportunity to be here. And explain more about what's happening at Motorola Solutions.

Andrew Spinola (UBS): Fantastic. Thank you so much.

Jason Winkler (Motorola Solutions): Thank you.

Andrew Spinola (UBS): It's been great.
