

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

	Q1 '20	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	Q4 '21	Q1 '22	Q2 '22	Q3 '22
Net sales	\$ 1,655	\$ 1,618	\$ 1,868	\$ 2,273	\$ 1,773	\$ 1,971	\$ 2,107	\$ 2,320	\$ 1,892	\$ 2,140	\$ 2,373
GAAP gross margin	787	766	909	1,146	860	952	1,045	1,183	857	990	1,031
Non-GAAP gross margin adjustments:											
Pelco purchase accounting adjustment	—	—	3	4	—	—	—	—	—	—	—
Loss on ESN fixed asset impairment	—	—	—	—	—	—	—	—	—	—	147
Share-based compensation expenses	5	4	3	4	4	4	4	4	6	7	8
Reorganization of business charges	6	15	3	5	2	3	2	1	3	2	12
Non-GAAP gross margin	798	785	918	1,159	866	959	1,051	1,188	866	999	1,198
GAAP Operating earnings ("OE")	259	218	352	555	298	370	451	549	239	358	373
Non-GAAP OE Adjustments:											
Share-based compensation expenses	33	27	28	25	25	27	30	31	31	37	37
Reorganization of business charges	12	26	10	9	14	6	2	2	7	5	2
Intangible assets amortization expense	53	51	54	57	58	58	56	64	66	65	63
Other highlighted items*	(21)	18	10	8	10	14	10	19	22	23	34
Non-GAAP OE	\$ 347	\$ 359	\$ 463	\$ 667	\$ 411	\$ 482	\$ 555	\$ 670	\$ 374	\$ 497	\$ 676
GAAP OE %	15.6 %	13.5 %	18.9 %	24.4 %	16.8 %	18.8 %	21.4 %	23.7 %	12.6 %	16.7 %	15.7 %
Non-GAAP Adj %	5.4 %	8.7 %	5.9 %	4.9 %	6.4 %	5.6 %	4.9 %	5.2 %	7.2 %	6.5 %	12.8 %
Non-GAAP OE %	21.0 %	22.2 %	24.8 %	29.3 %	23.2 %	24.4 %	26.3 %	28.9 %	19.8 %	23.2 %	28.5 %
GAAP Other income (expense)	(35)	(42)	(101)	(33)	(9)	(30)	(46)	(31)	(20)	(58)	(40)
Non-GAAP below OE highlighted items*	1	4	(61)	3	6	(1)	(19)	(2)	6	(18)	(5)
Non-GAAP Other income (expense)	(36)	(46)	(40)	(36)	(15)	(29)	(27)	(29)	(26)	(40)	(35)
GAAP Net earnings attributable to Motorola Solutions, Inc.	197	135	205	412	244	293	307	401	267	228	279
Non-GAAP above OE highlighted items*	88	141	111	112	113	112	104	121	135	139	303
Non-GAAP below OE highlighted items*	(1)	(4)	61	(3)	(6)	1	19	2	(6)	18	5
Non-GAAP tax adjustments and effect	(21)	(31)	(38)	(24)	(27)	(47)	(21)	(27)	(102)	(31)	(73)
TOTAL Non-GAAP Earnings attributable to Motorola Solutions, Inc.	\$ 263	\$ 241	\$ 339	\$ 497	\$ 324	\$ 359	\$ 409	\$ 497	\$ 294	\$ 354	\$ 514
GAAP attributable to Motorola Solutions, Inc. earnings per share ("EPS")	\$ 1.12	\$ 0.78	\$ 1.18	\$ 2.37	\$ 1.41	\$ 1.69	\$ 1.76	\$ 2.30	\$ 1.54	\$ 1.33	\$ 1.63
Non-GAAP attributable to Motorola Solutions, Inc. EPS adjustments*	0.37	0.61	0.77	0.49	0.46	0.38	0.59	0.55	0.16	0.74	1.37
Non-GAAP attributable to Motorola Solutions, Inc. EPS	\$ 1.49	\$ 1.39	\$ 1.95	\$ 2.86	\$ 1.87	\$ 2.07	\$ 2.35	\$ 2.85	\$ 1.70	\$ 2.07	\$ 3.00
Diluted weighted average shares outstanding	175.9	173.6	173.5	173.5	173.2	173.1	174.1	174.2	173.1	170.9	171.5

*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.