

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.