

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

	Q1 '22	Q2 '22	Q3 '22	Q4 '22	Q1 '23	Q2 '23	Q3 '23	Q4 '23	Q1 '24	Q2 '24
Net sales	\$ 1,892	\$ 2,140	\$ 2,373	\$ 2,706	\$ 2,171	\$ 2,403	\$ 2,556	\$ 2,848	\$ 2,389	\$ 2,628
GAAP gross margin	857	990	1,031	1,351	1,046	1,189	1,280	1,455	1,192	1,339
Non-GAAP gross margin adjustments:										
Loss on ESN fixed asset impairment	—	—	147	—	—	—	—	—	—	—
Share-based compensation expenses	6	7	8	7	10	10	10	10	11	12
Reorganization of business charges	3	2	12	1	6	(3)	2	2	3	—
Non-GAAP gross margin	866	999	1,198	1,359	1,062	1,196	1,292	1,467	1,206	1,351
GAAP Operating earnings ("OE")	239	358	373	692	399	518	639	738	519	644
Non-GAAP OE Adjustments:										
Share-based compensation expenses	31	37	37	39	45	43	42	42	45	51
Reorganization of business charges	7	5	2	4	7	6	4	5	7	4
Intangible assets amortization expense	66	65	63	63	55	43	39	40	39	36
Other highlighted items*	22	23	34	16	10	24	5	33	14	11
Non-GAAP OE	\$ 374	\$ 497	\$ 676	\$ 822	\$ 532	\$ 641	\$ 741	\$ 870	\$ 638	\$ 758
GAAP OE %	12.6 %	16.7 %	15.7 %	25.6 %	18.4 %	21.6 %	25.0 %	25.9 %	21.7 %	24.5 %
Non-GAAP Adj %	7.2 %	6.5 %	12.8 %	4.8 %	6.1 %	5.1 %	4.0 %	4.6 %	5.0 %	4.3 %
Non-GAAP OE %	19.8 %	23.2 %	28.5 %	30.4 %	24.5 %	26.7 %	29.0 %	30.5 %	26.7 %	28.8 %
GAAP Other income (expense)	(20)	(58)	(40)	(29)	(41)	(31)	(47)	(31)	(609)	(64)
Non-GAAP below OE highlighted items*	6	(18)	(5)	7	(2)	13	(15)	—	(591)	(31)
Non-GAAP Other income (expense)	(26)	(40)	(35)	(36)	(39)	(44)	(32)	(31)	(18)	(33)
GAAP Net earnings (loss) attributable to Motorola Solutions, Inc.	267	228	279	589	278	371	464	595	(39)	443
Non-GAAP above OE highlighted items*	135	139	303	130	133	123	102	132	119	114
Non-GAAP below OE highlighted items*	(6)	18	5	(7)	2	(13)	15	—	591	31
Non-GAAP tax adjustments and effect	(102)	(31)	(73)	(94)	(29)	(23)	(34)	(59)	(189)	(36)
TOTAL Non-GAAP Earnings attributable to Motorola Solutions, Inc.	\$ 294	\$ 354	\$ 514	\$ 618	\$ 384	\$ 458	\$ 547	\$ 668	\$ 482	\$ 552
GAAP attributable to Motorola Solutions, Inc. earnings (loss) per share ("EPS")	\$ 1.54	\$ 1.33	\$ 1.63	\$ 3.43	\$ 1.61	\$ 2.15	\$ 2.70	\$ 3.47	\$ (0.23)	\$ 2.60
Non-GAAP attributable to Motorola Solutions, Inc. EPS adjustments*	0.16	0.74	1.37	0.17	0.61	0.50	0.49	0.43	3.04	0.64
Non-GAAP attributable to Motorola Solutions, Inc. EPS	\$ 1.70	\$ 2.07	\$ 3.00	\$ 3.60	\$ 2.22	\$ 2.65	\$ 3.19	\$ 3.90	\$ 2.81	\$ 3.24
Diluted weighted average shares outstanding**	173.1	170.9	171.5	171.9	172.6	172.6	171.7	171.5	171.3	170.3

*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.

**Under U.S. GAAP, the accounting for a net loss from continuing operations results in the presentation of diluted earnings per share equal to basic earnings per share, as any increase in basic shares would be anti-dilutive to earnings per share. As a result of the highlighted items identified during Q1 2024, the Company reported a net loss from continuing operations for the three months ended March 30, 2024 within our GAAP Condensed Consolidated Statement of Operations, while reporting earnings on a non-GAAP basis over the same periods. Dilutive shares of 171.3 million represent the dilutive share count that the Company would have reported in the quarter, if not for the loss per share driven by the highlighted items in the quarter.