

**Motorola Solutions, Inc. and Subsidiaries**  
**Consolidated Statements of Operations**  
(In millions, except per share amount)

	<b>Three Months Ended</b>	
	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Net sales from products	\$ 1,815	\$ 1,750
Net sales from services	1,195	1,098
Net sales	3,010	2,848
Costs of products sales	733	724
Costs of services sales	729	669
Costs of sales	1,462	1,393
Gross margin	1,548	1,455
Selling, general and administrative expenses	487	424
Research and development expenditures	246	218
Other charges	(38)	35
Intangibles amortization	39	40
Operating earnings	814	738
Other income (expense):		
Interest expense, net	(56)	(52)
Other, net	29	21
Total other expense	(27)	(31)
Net earnings before income taxes	787	707
Income tax expense	175	111
Net earnings	612	596
Less: Earnings attributable to noncontrolling interests	1	1
Net earnings attributable to Motorola Solutions, Inc.	<u>\$ 611</u>	<u>\$ 595</u>
Earnings per common share:		
Basic	\$ 3.66	\$ 3.58
Diluted	\$ 3.56	\$ 3.47
Weighted average common shares outstanding:		
Basic	167.1	166.1
Diluted	171.4	171.5
	<b>Percentage of Net Sales*</b>	
Net sales from products	60.3 %	61.4 %
Net sales from services	39.7 %	38.6 %
Net sales	100.0 %	100.0 %
Costs of products sales	40.4 %	41.4 %
Costs of services sales	61.0 %	60.9 %
Costs of sales	48.6 %	48.9 %
Gross margin	51.4 %	51.1 %
Selling, general and administrative expenses	16.2 %	14.9 %
Research and development expenditures	8.2 %	7.7 %
Other charges	(1.3)%	1.2 %
Intangibles amortization	1.3 %	1.4 %
Operating earnings	27.0 %	25.9 %
Other income (expense):		
Interest expense, net	(1.9)%	(1.8)%
Other, net	1.0 %	0.7 %
Total other expense	(0.9)%	(1.1)%
Net earnings before income taxes	26.1 %	24.8 %
Income tax expense	5.8 %	3.9 %
Net earnings	20.3 %	20.9 %
Less: Earnings attributable to non-controlling interests	— %	— %
Net earnings attributable to Motorola Solutions, Inc.	<u>20.3 %</u>	<u>20.9 %</u>

\* Percentages may not add up due to rounding

**Motorola Solutions, Inc. and Subsidiaries**  
**Consolidated Statements of Operations**  
(In millions, except per share amounts)

	Years Ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Net sales from products	\$ 6,454	\$ 5,814	\$ 5,368
Net sales from services	4,363	4,164	3,744
Net sales	10,817	9,978	9,112
Costs of products sales	2,674	2,591	2,595
Costs of services sales	2,631	2,417	2,288
Costs of sales	5,305	5,008	4,883
Gross margin	5,512	4,970	4,229
Selling, general and administrative expenses	1,752	1,561	1,450
Research and development expenditures	917	858	779
Other charges	3	80	82
Intangibles amortization	152	177	257
Operating earnings	2,688	2,294	1,661
Other income (expense):			
Interest expense, net	(227)	(216)	(226)
Gains on sales of investments and businesses, net	—	—	3
Other, net	(489)	68	77
Total other expense	(716)	(148)	(146)
Net earnings before income taxes	1,972	2,146	1,515
Income tax expense	390	432	148
Net earnings	1,582	1,714	1,367
Less: Earnings attributable to noncontrolling interests	5	5	4
Net earnings attributable to Motorola Solutions, Inc.	<u>\$ 1,577</u>	<u>\$ 1,709</u>	<u>\$ 1,363</u>
<u>Earnings per common share:</u>			
Basic	\$ 9.45	\$ 10.23	\$ 8.14
Diluted	\$ 9.23	\$ 9.93	\$ 7.93
<u>Weighted average common shares outstanding:</u>			
Basic	166.8	167.0	167.5
Diluted	170.8	172.1	171.9
	<b>Percentage of Net Sales*</b>		
Net sales from products	59.7 %	58.3 %	58.9 %
Net sales from services	40.3 %	41.7 %	41.1 %
Net sales	100.0 %	100.0 %	100.0 %
Costs of products sales	41.4 %	44.6 %	48.3 %
Costs of services sales	60.3 %	58.0 %	61.1 %
Costs of sales	49.0 %	50.2 %	53.6 %
Gross margin	51.0 %	49.8 %	46.4 %
Selling, general and administrative expenses	16.2 %	15.6 %	15.9 %
Research and development expenditures	8.5 %	8.6 %	8.5 %
Other charges	— %	0.8 %	0.9 %
Intangibles amortization	1.4 %	1.8 %	2.8 %
Operating earnings	24.8 %	23.0 %	18.2 %
Other income (expense):			
Interest expense, net	(2.1)%	(2.2)%	(2.5)%
Gains on sales of investments and businesses, net	— %	— %	— %
Other, net	(4.5)%	0.7 %	0.8 %
Total other expense	(6.6)%	(1.5)%	(1.6)%
Net earnings before income taxes	18.2 %	21.5 %	16.6 %
Income tax expense	3.6 %	4.3 %	1.6 %
Net earnings	14.6 %	17.2 %	15.0 %
Less: Earnings attributable to noncontrolling interests	— %	0.1 %	— %
Net earnings attributable to Motorola Solutions, Inc.	<u>14.6 %</u>	<u>17.1 %</u>	<u>15.0 %</u>

\* Percentages may not add up due to rounding

**Motorola Solutions, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
(In millions)

	December 31, 2024	December 31, 2023
<b>Assets</b>		
Cash and cash equivalents	\$ 2,102	\$ 1,705
Accounts receivable, net	1,952	1,710
Contract assets	1,230	1,102
Inventories, net	766	827
Other current assets	429	357
Current assets held for disposition	—	24
Total current assets	<u>6,479</u>	<u>5,725</u>
Property, plant and equipment, net	1,022	964
Operating lease assets	529	495
Investments	135	143
Deferred income taxes	1,280	1,062
Goodwill	3,526	3,401
Intangible assets, net	1,249	1,255
Other assets	375	274
Non-current assets held for disposition	—	17
<b>Total assets</b>	<b><u>\$ 14,595</u></b>	<b><u>\$ 13,336</u></b>
<b>Liabilities and Stockholders' Equity</b>		
Current portion of long-term debt	\$ 322	\$ 1,313
Accounts payable	1,018	881
Contract liabilities	2,072	2,037
Accrued liabilities	1,643	1,504
Current liabilities held for disposition	—	1
Total current liabilities	<u>5,055</u>	<u>5,736</u>
Long-term debt	5,675	4,705
Operating lease liabilities	427	407
Other liabilities	1,719	1,741
Non-current liabilities held for disposition	—	8
Total Motorola Solutions, Inc. stockholders' equity	1,703	724
Noncontrolling interests	16	15
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 14,595</u></b>	<b><u>\$ 13,336</u></b>

**Motorola Solutions, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(In millions)

	Three Months Ended	
	December 31, 2024	December 31, 2023
<b>Operating</b>		
Net earnings	\$ 612	\$ 596
Adjustments to reconcile Net earnings to Net cash provided by operating activities:		
Depreciation and amortization	87	85
Non-cash other charges	4	6
Exit of video manufacturing operations	—	24
Share-based compensation expenses	63	52
Changes in assets and liabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments:		
Accounts receivable	(125)	(26)
Inventories	41	106
Other current assets and contract assets	66	58
Accounts payable, accrued liabilities, and contract liabilities	427	390
Other assets and liabilities	(46)	(18)
Deferred income taxes	(59)	(28)
Net cash provided by operating activities	<u>1,070</u>	<u>1,245</u>
<b>Investing</b>		
Acquisitions and investments, net	(22)	(168)
Proceeds from sales of investments	2	7
Capital expenditures	(87)	(81)
Net cash used for investing activities	<u>(107)</u>	<u>(242)</u>
<b>Financing</b>		
Issuances of common stock	57	28
Purchases of common stock	(106)	(134)
Payment of dividends	(164)	(146)
Net cash used for financing activities	<u>(213)</u>	<u>(252)</u>
Effect of exchange rate changes on cash and cash equivalents	(52)	44
Net increase in cash and cash equivalents	698	795
Cash and cash equivalents, beginning of period	1,404	910
Cash and cash equivalents, end of period	<u>\$ 2,102</u>	<u>\$ 1,705</u>

**Motorola Solutions, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(In millions)

	Years Ended		
	December 31, 2024	December 31, 2023	December 31, 2022
<b>Operating</b>			
Net earnings	\$ 1,582	\$ 1,714	\$ 1,367
Adjustments to reconcile Net earnings to Net cash provided by operating activities:			
Depreciation and amortization	336	356	440
Non-cash other charges	16	14	23
Exit of video manufacturing operations	—	24	—
Loss on ESN fixed asset impairment	—	—	147
Share-based compensation expenses	243	212	172
Gains on sales of investments and businesses, net	—	—	(3)
Losses from the extinguishment of long term debt	585	—	6
Changes in assets and liabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments:			
Accounts receivable	(246)	(180)	(112)
Inventories	62	200	(242)
Other current assets and contract assets	(213)	(82)	(1)
Accounts payable, accrued liabilities, and contract liabilities	302	(144)	451
Other assets and liabilities	(61)	(38)	(91)
Deferred income taxes	(215)	(32)	(334)
Net cash provided by operating activities	<u>2,391</u>	<u>2,044</u>	<u>1,823</u>
<b>Investing</b>			
Acquisitions and investments, net	(290)	(180)	(1,177)
Proceeds from sales of investments	40	19	46
Capital expenditures	(257)	(253)	(256)
Net cash used for investing activities	<u>(507)</u>	<u>(414)</u>	<u>(1,387)</u>
<b>Financing</b>			
Net proceeds from issuance of debt	1,288	—	595
Repayment of debt	(1,906)	(1)	(285)
Issuances of common stock	75	104	156
Purchases of common stock	(247)	(804)	(836)
Payment of dividends	(654)	(589)	(530)
Payment of dividends to noncontrolling interest	(4)	(5)	(6)
Net cash used for financing activities	<u>(1,448)</u>	<u>(1,295)</u>	<u>(906)</u>
Effect of exchange rate changes on cash and cash equivalents	(39)	45	(79)
Net increase (decrease) in cash and cash equivalents	397	380	(549)
Cash and cash equivalents, beginning of period	1,705	1,325	1,874
Cash and cash equivalents, end of period	<u>\$ 2,102</u>	<u>\$ 1,705</u>	<u>\$ 1,325</u>

**Motorola Solutions, Inc. and Subsidiaries**  
**Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow**  
(In millions)

	Three Months Ended		Years Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net cash provided by operating activities	\$ 1,070	\$ 1,245	\$ 2,391	\$ 2,044
Capital expenditures	(87)	(81)	(257)	(253)
Free cash flow	<u>\$ 983</u>	<u>\$ 1,164</u>	<u>\$ 2,134</u>	<u>\$ 1,791</u>

**Motorola Solutions, Inc. and Subsidiaries**  
**Reconciliation of Net Earnings Attributable to MSI to Non-GAAP Net Earnings Attributable to MSI**  
(In millions)

Statement Line	Three Months Ended		Years Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net earnings attributable to MSI	\$ 611	\$ 595	\$ 1,577	\$ 1,709
Non-GAAP adjustments before income taxes:				
Share-based compensation expenses	\$ 63	\$ 52	\$ 243	\$ 212
Intangible assets amortization expense	39	40	152	177
Hytera-related legal expenses	31	—	45	13
Reorganization of business charges	17	7	38	29
Acquisition-related transaction fees	8	4	20	7
Environmental reserve expense	2	—	2	15
Fixed asset impairments	2	—	2	3
Operating lease asset impairments	1	2	6	6
Fair value adjustments to equity investments	1	—	5	(13)
Gain on Hytera litigation	(61)	—	(61)	—
Loss from the extinguishment of Silver Lake Convertible Debt	—	—	585	—
Adjustments to uncertain tax positions	—	—	22	—
Legal settlements	—	3	7	4
Investment impairments	—	—	3	16
Exit of video manufacturing operations	—	24	—	24
Total Non-GAAP adjustments before income taxes	\$ 103	\$ 132	\$ 1,069	\$ 493
Income tax expense on Non-GAAP adjustments	21	59	280	145
Total Non-GAAP adjustments after income taxes	82	73	789	348
Non-GAAP Net earnings attributable to MSI	<u>\$ 693</u>	<u>\$ 668</u>	<u>\$ 2,366</u>	<u>\$ 2,057</u>

**Motorola Solutions, Inc. and Subsidiaries**  
**Calculation of Non-GAAP Tax Rate**  
(In millions)

	Three Months Ended		Years Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net earnings before income taxes	\$ 787	\$ 707	\$ 1,972	\$ 2,146
Total Non-GAAP adjustments before income taxes*	103	132	1,069	493
Non-GAAP Net earnings before income taxes	890	839	3,041	2,639
Income tax expense	175	111	390	432
Income tax expense on Non-GAAP adjustments**	21	59	280	145
Total Non-GAAP Income tax expense	196	170	670	577
Non-GAAP Tax rate	<b>22.0 %</b>	<b>20.3 %</b>	<b>22.0 %</b>	<b>21.9 %</b>

\*See reconciliation on Non-GAAP-2 table above for detail on Non-GAAP adjustments before income taxes

\*\*Income tax impact of highlighted items

**Motorola Solutions, Inc. and Subsidiaries**  
**Reconciliation of Earnings Per Share to Non-GAAP Earnings Per Share\***

Statement Line	Three Months Ended		Years Ended		
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	
Earnings per share attributable to MSI	\$ 3.56	\$ 3.47	\$ 9.23	\$ 9.93	
Non-GAAP adjustments before income taxes:					
Share-based compensation expenses	Cost of sales, SG&A and R&D	\$ 0.37	\$ 0.30	\$ 1.42	\$ 1.23
Intangible assets amortization expense	Intangibles amortization	0.23	0.24	0.89	1.03
Hytera-related legal expenses	SG&A	0.18	—	0.27	0.08
Reorganization of business charges	Cost of sales and Other charges (income)	0.10	0.04	0.22	0.17
Acquisition-related transaction fees	Other charges (income)	0.04	0.02	0.12	0.04
Environmental reserve expense	Other charges (income)	0.01	—	0.01	0.09
Fixed asset impairments	Other charges (income)	0.01	—	0.01	0.02
Operating lease asset impairments	Other charges (income)	0.01	0.01	0.04	0.03
Fair value adjustments to equity investments	Other (income) expense	0.01	—	0.03	(0.08)
Gain on Hytera litigation	Other charges (income)	(0.36)	—	(0.36)	—
Loss from the extinguishment of Silver Lake Convertible Debt	Other (income) expense	—	—	3.42	—
Adjustments to uncertain tax positions	Interest income, net	—	—	0.13	—
Legal settlements	Other charges (Income)	—	0.02	0.04	0.02
Investment impairments	Other (income) expense	—	—	0.02	0.09
Exit of video manufacturing operations	Other charges (income)	—	0.14	—	0.14
Total Non-GAAP adjustments before income taxes		\$ 0.60	\$ 0.77	\$ 6.26	\$ 2.86
Income tax expense on Non-GAAP adjustments		0.12	0.34	1.65	0.84
Total Non-GAAP adjustments after income taxes		0.48	0.43	4.61	2.02
Non-GAAP Earnings per share attributable to MSI		<b>\$ 4.04</b>	<b>\$ 3.90</b>	<b>\$ 13.84</b>	<b>\$ 11.95</b>
GAAP Diluted Weighted Average Common Shares		171.4	171.5	170.8	172.1
Adjusted for dilutive shares outstanding**		—	—	0.2	—
Non-GAAP Diluted Weighted Average Common Shares		171.4	171.5	171.0	172.1

\*Indicates Non-GAAP Diluted EPS

\*\* Under U.S. GAAP, the Silver Lake shares were considered anti-dilutive to earnings per share for the year ended December 31, 2024 and were excluded from the computation of GAAP diluted weighted average common shares and diluted earnings per share. The shares are considered dilutive for non-GAAP earnings per share for the year ended December 31, 2024 and an adjustment is reflected to include these shares for non-GAAP diluted earnings per share.



**Motorola Solutions, Inc. and Subsidiaries**  
**Reconciliations of Operating Earnings to Non-GAAP Operating Earnings and Operating Margin to Non-GAAP Operating Margin**  
(In millions)

	Three Months Ended					
	December 31, 2024			December 31, 2023		
	Products and Systems Integration	Software and Services	Total	Products and Systems Integration	Software and Services	Total
Net sales	\$ 1,949	\$ 1,061	\$ 3,010	\$ 1,890	\$ 958	\$ 2,848
Operating earnings	\$ 541	\$ 273	\$ 814	\$ 492	\$ 246	\$ 738
Above OE non-GAAP adjustments:						
Share-based compensation expenses	46	17	63	38	14	52
Intangible assets amortization expense	19	20	39	9	31	40
Hytera-related legal expenses	31	—	31	—	—	—
Reorganization of business charges	12	5	17	6	1	7
Acquisition-related transaction fees	1	7	8	2	2	4
Environmental reserve expense	2	—	2	—	—	—
Fixed asset impairments	1	1	2	—	—	—
Operating lease asset impairments	2	(1)	1	1	1	2
Gain on Hytera litigation	(61)	—	(61)	—	—	—
Exit of video manufacturing operations	—	—	—	17	7	24
Legal settlements	—	—	—	2	1	3
Total above-OE non-GAAP adjustments	53	49	102	75	57	132
Operating earnings after non-GAAP adjustments	<b>\$ 594</b>	<b>\$ 322</b>	<b>\$ 916</b>	<b>\$ 567</b>	<b>\$ 303</b>	<b>\$ 870</b>
Operating earnings as a percentage of net sales - GAAP	27.8 %	25.7 %	27.0 %	26.0 %	25.7 %	25.9 %
Operating earnings as a percentage of net sales - after non-GAAP adjustments	30.5 %	30.3 %	30.4 %	30.0 %	31.6 %	30.5 %

**Motorola Solutions, Inc. and Subsidiaries**  
**Reconciliations of Operating Earnings to Non-GAAP Operating Earnings and Operating Margin to Non-GAAP Operating Margin**  
(In millions)

	Years Ended					
	December 31, 2024			December 31, 2023		
	Products and Systems Integration	Software and Services	Total	Products and Systems Integration	Software and Services	Total
Net sales	\$ 6,883	\$ 3,934	\$ 10,817	\$ 6,242	\$ 3,736	\$ 9,978
Operating earnings ("OE")	\$ 1,676	\$ 1,012	\$ 2,688	\$ 1,244	\$ 1,050	\$ 2,294
Above OE non-GAAP adjustments:						
Share-based compensation expenses	172	71	243	154	58	212
Intangible assets amortization expense	54	98	152	41	136	177
Hytera-related legal expenses	45	—	45	13	—	13
Reorganization of business charges	32	6	38	28	1	29
Acquisition-related transaction fees	4	16	20	2	5	7
Legal settlements	1	6	7	3	1	4
Operating lease asset impairments	5	1	6	4	2	6
Environmental reserve expense	2	—	2	10	5	15
Fixed asset impairments	1	1	2	2	1	3
Gain on Hytera litigation	(61)	—	(61)	—	—	—
Exit of video manufacturing operations	—	—	—	17	7	24
Total above-OE non-GAAP adjustments	255	199	454	274	216	490
Operating earnings after non-GAAP adjustments	<b>\$ 1,931</b>	<b>\$ 1,211</b>	<b>\$ 3,142</b>	<b>\$ 1,518</b>	<b>\$ 1,266</b>	<b>\$ 2,784</b>
Operating earnings as a percentage of net sales - GAAP	24.3 %	25.7 %	24.8 %	19.9 %	28.1 %	23.0 %
Operating earnings as a percentage of net sales - after non-GAAP adjustments	28.1 %	30.8 %	29.0 %	24.3 %	33.9 %	27.9 %

**Motorola Solutions, Inc. and Subsidiaries**  
**Reconciliation of Revenue to Non-GAAP Organic Revenue**  
(In millions)

	<b>Three Months Ended</b>		<b>% Change</b>
	<b>December 31, 2024</b>	<b>December 31, 2023</b>	
Net sales	\$ 3,010	\$ 2,848	6 %
Non-GAAP adjustments:			
Sales from acquisitions	37	—	
Organic revenue	\$ 2,973	\$ 2,848	4 %

	<b>Years Ended</b>		<b>% Change</b>
	<b>December 31, 2024</b>	<b>December 31, 2023</b>	
Net sales	\$ 10,817	\$ 9,978	8 %
Non-GAAP adjustments:			
Sales from acquisitions	95	—	
Organic revenue	\$ 10,722	\$ 9,978	7 %

**Motorola Solutions, Inc. and Subsidiaries**  
**Reconciliation of Net Sales to Net Sales Adjusted for the U.K. Home Office**  
(In millions)

	Three Months Ended			Years Ended		
	December 31, 2024	December 31, 2023	% Change	December 31, 2024	December 31, 2023	% Change
Software and Services net sales	\$ 1,061	\$ 958	11 %	\$ 3,934	\$ 3,736	5 %
U.K. Home Office net sales	(97)	(114)		(383)	(585)	
<b>Software and Services net sales adjusted for the U.K. Home Office</b>	<b>\$ 964</b>	<b>\$ 844</b>	<b>14 %</b>	<b>\$ 3,551</b>	<b>\$ 3,151</b>	<b>13 %</b>
Net sales	\$ 3,010	\$ 2,848	6 %	\$ 10,817	\$ 9,978	8 %
U.K. Home Office net sales	(97)	(114)		(383)	(585)	
<b>Net sales adjusted for the U.K. Home Office</b>	<b>\$ 2,913</b>	<b>\$ 2,734</b>	<b>7 %</b>	<b>\$ 10,434</b>	<b>\$ 9,393</b>	<b>11 %</b>