

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

	Three Months Ended	
	September 27, 2025	September 28, 2024
Net sales from products	\$ 1,751	\$ 1,670
Net sales from services	1,258	1,120
Net sales	3,009	2,790
Costs of products sales	728	688
Costs of services sales	727	669
Costs of sales	1,455	1,357
Gross margin	1,554	1,433
Selling, general and administrative expenses	485	439
Research and development expenditures	237	234
Other charges (income)	(4)	11
Intangibles amortization	66	38
Operating earnings	770	711
Other income (expense):		
Interest expense, net	(86)	(58)
Other, net	41	42
Total other expense	(45)	(16)
Net earnings before income taxes	725	695
Income tax expense	161	132
Net earnings	564	563
Less: Earnings attributable to non-controlling interests	2	1
Net earnings attributable to Motorola Solutions, Inc.	\$ 562	\$ 562
Earnings per common share:		
Basic	\$ 3.37	\$ 3.36
Diluted	\$ 3.33	\$ 3.29
Weighted average common shares outstanding:		
Basic	166.6	167.1
Diluted	169.0	170.9

	Percentage of Net Sales*	
Net sales from products	58.2 %	59.9 %
Net sales from services	41.8 %	40.1 %
Net sales	100.0 %	100.0 %
Costs of products sales	41.6 %	41.2 %
Costs of services sales	57.8 %	59.7 %
Costs of sales	48.4 %	48.6 %
Gross margin	51.6 %	51.4 %
Selling, general and administrative expenses	16.1 %	15.7 %
Research and development expenditures	7.9 %	8.4 %
Other charges (income)	(0.1)%	0.4 %
Intangibles amortization	2.2 %	1.4 %
Operating earnings	25.6 %	25.5 %
Other income (expense):		
Interest expense, net	(2.9)%	(2.1)%
Other, net	1.4 %	1.5 %
Total other expense	(1.5)%	(0.6)%
Net earnings before income taxes	24.1 %	24.9 %
Income tax expense	5.4 %	4.7 %
Net earnings	18.7 %	20.2 %
Less: Earnings attributable to non-controlling interests	0.1 %	— %
Net earnings attributable to Motorola Solutions, Inc.	18.7 %	20.2 %

* Percentages may not add up due to rounding

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

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Net sales from products	\$ 4,731	\$ 4,639
Net sales from services	3,571	3,167
Net sales	8,302	7,806
Costs of products sales	1,948	1,941
Costs of services sales	2,087	1,902
Costs of sales	4,035	3,843
Gross margin	4,267	3,963
Selling, general and administrative expenses	1,371	1,265
Research and development expenditures	700	671
Other charges (income)	10	39
Intangibles amortization	142	114
Operating earnings	2,044	1,874
Other income (expense):		
Interest expense, net	(192)	(171)
Other, net	100	(519)
Total other expense	(92)	(690)
Net earnings before income taxes	1,952	1,184
Income tax expense	442	214
Net earnings	1,510	970
Less: Earnings attributable to non-controlling interests	5	4
Net earnings attributable to Motorola Solutions, Inc.	\$ 1,505	\$ 966
<u>Earnings per common share:</u>		
Basic	\$ 9.02	\$ 5.79
Diluted	\$ 8.89	\$ 5.66
<u>Weighted average common shares outstanding:</u>		
Basic	166.8	166.7
Diluted	169.2	170.6
	Percentage of Net Sales*	
Net sales from products	57.0 %	59.4 %
Net sales from services	43.0 %	40.6 %
Net sales	100.0 %	100.0 %
Costs of products sales	41.2 %	41.8 %
Costs of services sales	58.4 %	60.1 %
Costs of sales	48.6 %	49.2 %
Gross margin	51.4 %	50.8 %
Selling, general and administrative expenses	16.5 %	16.2 %
Research and development expenditures	8.4 %	8.6 %
Other charges (income)	0.1 %	0.5 %
Intangibles amortization	1.7 %	1.5 %
Operating earnings	24.6 %	24.0 %
Other income (expense):		
Interest expense, net	(2.3)%	(2.2)%
Other, net	1.2 %	(6.6)%
Total other expense	(1.1)%	(8.8)%
Net earnings before income taxes	23.5 %	15.2 %
Income tax expense	5.3 %	2.7 %
Net earnings	18.2 %	12.4 %
Less: Earnings attributable to non-controlling interests	0.1 %	0.1 %
Net earnings attributable to Motorola Solutions, Inc.	18.1 %	12.3 %

* Percentages may not add up due to rounding

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

	September 27, 2025	December 31, 2024
Assets		
Cash and cash equivalents	\$ 894	\$ 2,102
Accounts receivable, net	2,018	1,952
Contract assets	1,515	1,230
Inventories, net	943	766
Other current assets	441	429
Total current assets	5,811	6,479
Property, plant and equipment, net	1,099	1,022
Operating lease assets	577	529
Investments	192	135
Deferred income taxes	767	1,280
Goodwill	6,776	3,526
Intangible assets, net	3,131	1,249
Other assets	446	375
Total assets	\$ 18,799	\$ 14,595
Liabilities and Stockholders' Equity		
Current portion of long-term debt	\$ —	\$ 322
Short-term borrowings	928	—
Accounts payable	940	1,018
Contract liabilities	2,074	2,072
Accrued liabilities	1,717	1,643
Total current liabilities	5,659	5,055
Long-term debt	8,411	5,675
Operating lease liabilities	469	427
Other liabilities	1,916	1,719
Total Motorola Solutions, Inc. stockholders' equity	2,327	1,703
Non-controlling interests	17	16
Total liabilities and stockholders' equity	\$ 18,799	\$ 14,595

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

	Three Months Ended	
	September 27, 2025	September 28, 2024
Operating		
Net earnings	\$ 564	\$ 563
Adjustments to reconcile Net earnings to Net cash provided by operating activities:		
Depreciation and amortization	115	84
Non-cash other charges (income)	1	(3)
Share-based compensation expenses	73	61
Changes in assets and liabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments:		
Accounts receivable	(128)	(64)
Inventories	(23)	(8)
Other current assets and contract assets	(108)	(96)
Accounts payable, accrued liabilities and contract liabilities	175	206
Other assets and liabilities	52	1
Deferred income taxes	78	15
Net cash provided by operating activities	799	759
Investing		
Acquisitions and investments, net	(4,370)	(226)
Proceeds from sales of investments and businesses, net	2	1
Capital expenditures	(66)	(57)
Net cash used for investing activities	(4,434)	(282)
Financing		
Net proceeds from issuance of debt	750	—
Net proceeds from short-term borrowings	923	—
Repayments of debt	(70)	(313)
Issuances of common stock, net of tax	32	18
Purchases of common stock	(121)	(31)
Payments of dividends	(182)	(164)
Payments of dividends to non-controlling interests	(1)	(1)
Net cash provided by (used for) financing activities	1,331	(491)
Effect of exchange rate changes on total cash and cash equivalents	(8)	37
Net increase (decrease) in total cash and cash equivalents	(2,312)	23
Cash and cash equivalents, beginning of period	3,206	1,381
Cash and cash equivalents, end of period	\$ 894	\$ 1,404

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

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Operating		
Net earnings	\$ 1,510	\$ 970
Adjustments to reconcile Net earnings to Net cash provided by operating activities:		
Depreciation and amortization	282	250
Non-cash other charges (income)	(4)	12
Share-based compensation expenses	213	180
Loss from the extinguishment of Silver Lake Convertible Debt	—	585
Changes in assets and liabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments:		
Accounts receivable	1	(121)
Inventories	(107)	21
Other current assets and contract assets	(230)	(279)
Accounts payable, accrued liabilities and contract liabilities	(280)	(125)
Other assets and liabilities	101	(17)
Deferred income taxes	95	(155)
Net cash provided by operating activities	1,581	1,321
Investing		
Acquisitions and investments, net	(4,835)	(268)
Proceeds from sales of investments and businesses, net	14	39
Capital expenditures	(151)	(171)
Net cash used for investing activities	(4,972)	(400)
Financing		
Net proceeds from issuance of debt	2,733	1,288
Net proceeds from short-term borrowings	923	—
Repayments of debt	(322)	(1,906)
Revolving credit facility renewal fees	(5)	—
Issuances of common stock, net of tax	(3)	19
Purchases of common stock	(664)	(141)
Payments of dividends	(546)	(490)
Payments of dividends to non-controlling interests	(5)	(4)
Net cash provided by (used for) financing activities	2,111	(1,234)
Effect of exchange rate changes on total cash and cash equivalents	72	12
Net decrease in total cash and cash equivalents	(1,208)	(301)
Cash and cash equivalents, beginning of period	2,102	1,705
Cash and cash equivalents, end of period	\$ 894	\$ 1,404

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

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net cash provided by operating activities	\$ 799	\$ 759	\$ 1,581	\$ 1,321
Capital expenditures	(66)	(57)	(151)	(171)
Free cash flow	<u>\$ 733</u>	<u>\$ 702</u>	<u>\$ 1,430</u>	<u>\$ 1,150</u>

Motorola Solutions, Inc. and Subsidiaries

Reconciliation of Net Earnings Attributable to MSI to Non-GAAP Net Earnings Attributable to MSI
(In millions)

		Three Months Ended		Nine Months Ended	
		September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Statement Line					
Net earnings attributable to MSI		\$ 562	\$ 562	\$ 1,505	\$ 966
Non-GAAP adjustments before income taxes:					
Share-based compensation expenses	Cost of sales, SG&A and R&D	\$ 73	\$ 61	\$ 213	\$ 180
Intangible assets amortization expense	Intangibles amortization	66	38	142	114
Acquisition-related transaction fees	Other charges (income)	55	4	63	11
Reorganization of business charges	Cost of sales and Other charges (income)	14	7	45	21
Hytera-related legal expenses	SG&A	11	7	31	14
Legal settlements	Other charges (income)	2	1	7	7
Investment impairments	Other (income) expense	2	—	2	3
Assessments of uncertain tax positions	Interest income, net, Other (income) expense	1	1	2	22
Operating lease asset impairments	Other charges (income)	1	1	1	5
Loss on financing issuance costs	Other (income) expense	—	—	2	—
Loss from the extinguishment of Silver Lake Convertible Debt	Other (income) expense	—	—	—	585
Fair value adjustments to equity investments	Other (income) expense	(8)	(9)	(21)	4
Gain on Hytera litigation	Other charges (income)	(74)	—	(94)	—
Total Non-GAAP adjustments before income taxes		\$ 143	\$ 111	\$ 393	\$ 966
Income tax expense on Non-GAAP adjustments		19	34	70	259
Total Non-GAAP adjustments after income taxes		124	77	323	707
Non-GAAP Net earnings attributable to MSI		\$ 686	\$ 639	\$ 1,828	\$ 1,673

Calculation of Non-GAAP Tax Rate
(In millions)

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net earnings before income taxes	\$ 725	\$ 695	\$ 1,952	\$ 1,184
Total Non-GAAP adjustments before income taxes*	143	111	393	966
Non-GAAP Net earnings before income taxes	868	806	2,345	2,150
Income tax expense	161	132	442	214
Income tax expense on Non-GAAP adjustments**	19	34	70	259
Total Non-GAAP Income tax expense	\$ 180	\$ 166	512	473
Non-GAAP Tax rate	20.7 %	20.6 %	21.8 %	22.0 %

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

**Income tax impact of highlighted items

Reconciliation of Earnings Per Share to Non-GAAP Earnings Per Share*

Statement Line		Three Months Ended		Nine Months Ended	
		September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net earnings attributable to MSI		\$ 3.33	\$ 3.29	\$ 8.89	\$ 5.66
Non-GAAP adjustments before income taxes:					
Share-based compensation expenses	Cost of sales, SG&A and R&D	\$ 0.43	\$ 0.35	\$ 1.26	\$ 1.05
Intangible assets amortization expense	Intangibles amortization	0.39	0.22	0.84	0.67
Acquisition-related transaction fees	Other charges (income)	0.33	0.02	0.37	0.07
Reorganization of business charges	Cost of sales and Other charges (income)	0.08	0.04	0.27	0.12
Hytera-related legal expenses	SG&A	0.07	0.04	0.18	0.08
Legal settlements	Other charges (income)	0.01	0.01	0.04	0.04
Investment impairments	Other (income) expense	0.01	—	0.01	0.02
Assessments of uncertain tax positions	Interest income, net, Other (income) expense	0.01	0.01	0.01	0.13
Operating lease asset impairments	Other charges (income)	0.01	0.01	0.01	0.03
Loss on financing issuance costs	Other (income) expense	—	—	0.01	—
Loss from the extinguishment of Silver Lake Convertible Debt	Other (income) expense	—	—	—	3.42
Fair value adjustments to equity investments	Other (income) expense	(0.05)	(0.05)	(0.12)	0.02
Gain on Hytera litigation	Other charges (income)	(0.44)	—	(0.56)	—
Total Non-GAAP adjustments before income taxes		\$ 0.85	\$ 0.65	\$ 2.32	\$ 5.65
Income tax expense on Non-GAAP adjustments		0.12	0.20	0.41	1.52
Total Non-GAAP adjustments after income taxes		0.73	0.45	1.91	4.13
Non-GAAP Net earnings attributable to MSI		<u>\$ 4.06</u>	<u>\$ 3.74</u>	<u>\$ 10.80</u>	<u>\$ 9.79</u>
GAAP Diluted Weighted Average Common Shares		169.0	170.9	169.2	170.6
Adjusted for dilutive shares outstanding**		—	—	—	0.3
Non-GAAP Diluted Weighted Average Common Shares		169.0	170.9	169.2	170.9

*Indicates Non-GAAP Diluted EPS

** Under U.S. GAAP, the Silver Lake shares were considered anti-dilutive to earnings per share for the nine months ended September 28, 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 nine months ended September 28, 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					
	September 27, 2025			September 28, 2024		
	Products and Systems Integration	Software and Services	Total	Products and Systems Integration	Software and Services	Total
Net sales	\$ 1,897	\$ 1,112	\$ 3,009	\$ 1,784	\$ 1,006	\$ 2,790
Operating earnings ("OE")	458	312	770	446	265	711
Above OE non-GAAP adjustments:						
Share-based compensation expenses	53	20	73	43	18	61
Intangible assets amortization expense	44	22	66	18	20	38
Acquisition-related transaction fees	52	3	55	2	2	4
Reorganization of business charges	9	5	14	6	1	7
Hytera-related legal expenses	11	—	11	7	—	7
Legal settlements	1	1	2	—	1	1
Operating lease asset impairments	1	—	1	—	1	1
Gain on Hytera litigation	(74)	—	(74)	—	—	—
Total above-OE non-GAAP adjustments	97	51	148	76	43	119
Operating earnings after non-GAAP adjustments	\$ 555	\$ 363	\$ 918	\$ 522	\$ 308	\$ 830
Operating earnings as a percentage of net sales - GAAP	24.1 %	28.1 %	25.6 %	25.0 %	26.3 %	25.5 %
Operating earnings as a percentage of net sales - after non-GAAP adjustments	29.3 %	32.6 %	30.5 %	29.3 %	30.6 %	29.7 %

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

	Nine Months Ended					
	September 27, 2025			September 28, 2024		
	Products and Systems Integration	Software and Services	Total	Products and Systems Integration	Software and Services	Total
Net sales	\$ 5,095	\$ 3,207	\$ 8,302	\$ 4,933	\$ 2,873	\$ 7,806
Operating earnings ("OE")	1,173	871	2,044	1,135	739	1,874
Above-OE non-GAAP adjustments:						
Share-based compensation expenses	155	58	213	126	54	180
Intangible assets amortization expense	76	66	142	35	79	114
Acquisition-related transaction fees	54	9	63	3	8	11
Reorganization of business charges	31	14	45	20	1	21
Hytera-related legal expenses	31	—	31	14	—	14
Legal settlements	4	3	7	1	6	7
Operating lease asset impairments	1	—	1	3	2	5
Gain on Hytera litigation	(94)	—	(94)	—	—	—
Total above-OE non-GAAP adjustments	258	150	408	202	150	352
Operating earnings after non-GAAP adjustments	\$ 1,431	\$ 1,021	\$ 2,452	\$ 1,337	\$ 889	\$ 2,226
Operating earnings as a percentage of net sales - GAAP	23.0 %	27.2 %	24.6 %	23.0 %	25.7 %	24.0 %
Operating earnings as a percentage of net sales - after non-GAAP adjustments	28.1 %	31.8 %	29.5 %	27.1 %	30.9 %	28.5 %

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

	Three Months Ended		% Change
	September 27, 2025	September 28, 2024	
Net sales	\$ 3,009	\$ 2,790	8 %
Non-GAAP adjustments:			
Sales from acquisitions	123	—	
Organic revenue	\$ 2,886	\$ 2,790	3 %
	Nine Months Ended		% Change
	September 27, 2025	September 28, 2024	
Net sales	\$ 8,302	\$ 7,806	6 %
Non-GAAP adjustments:			
Sales from acquisitions	194	—	
Organic revenue	\$ 8,108	\$ 7,806	4 %