



MOTOROLA SOLUTIONS

Q4 2025 Earnings Conference Call
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PARTICIPANTS

Motorola Solutions, Inc. Executive Participants

Tim Yocum – Vice President, Investor Relations
Greg Brown – Chairman & Chief Executive Officer
Jason Winkler – Executive Vice President & Chief Financial Officer
Jack Molloy – Executive Vice President & Chief Operating Officer
Mahesh Saptharishi – Executive Vice President & Chief Technology Officer

Other Participants

Tim Long – Analyst, Barclays Capital, Inc.
Andrew Spinola – Analyst, UBS Securities LLC
Adam Tindle – Analyst, Raymond James & Associates, Inc.
Joseph Cardoso – Analyst, JP Morgan Securities LLC
Victor Santiago – Analyst, Evercore ISI
Meta Marshall – Analyst, Morgan Stanley & Co. LLC
Keith Housum – Analyst, Northcoast Research Partners LLC
George Notter – Analyst, Wolfe Research, LLC
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Ben Bollin – Analyst, Cleveland Research Co. LLC
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MOTOROLA SOLUTIONS, INC. MANAGEMENT DISCUSSION SECTION

Operator: Good afternoon, and thank you for holding. Welcome to the Motorola Solutions Fourth Quarter 2025 Earnings Conference Call. Today's call is being recorded. If you have any objections, please disconnect at this time.

The presentation material and additional financial tables are posted on the Motorola Solutions' Investor Relations website. In addition, a webcast replay of this call will be available on our website within three hours after the conclusion of this call. The website address is www.motorolasolutions.com/investor. All participants have been placed in a listen-only mode. You will have an opportunity to ask questions after today's presentation. [Operator Instructions]

I would now like to introduce Mr. Tim Yocum, Vice President of Investor Relations. Mr. Yocum, you may begin your conference.

Tim Yocum, Vice President, Investor Relations

Good afternoon. Welcome to our 2025 fourth quarter earnings call. With me today are Greg Brown, Chairman and CEO; Jason Winkler, Executive Vice President and CFO; Jack Molloy, Executive Vice President and COO; and Mahesh Saptharishi, Executive Vice President and CTO. Greg and Jason will review our results along with commentary, and Jack and Mahesh will join for Q&A.

We've posted an earnings presentation and news release at motorolasolutions.com/investors. These materials include GAAP to non-GAAP reconciliations for your reference. During the call, we'll reference non-GAAP financial results, including those in our outlook, unless otherwise noted.

A number of forward-looking statements will be made during this presentation and during the Q&A portion of the call. These statements are based on current expectations and assumptions that are subject to a variety of risks and uncertainties. Actual results could differ materially from these forward-looking statements.

Information about factors that could cause such differences can be found in today's earnings news release, in the comments made during this conference call, in the risk factors section of our 2024 Annual Report on Form 10-K or any Quarterly Report on Form 10-Q, and in our other reports and filings with the SEC. We do not undertake any duty to update any forward-looking statements.

And with that, I will turn it over to Greg.

Greg Brown, Chairman & Chief Executive Officer

Thanks, Tim. Good afternoon, and thanks for joining us today. I'm going to start off by sharing a few thoughts about the overall business before Jason takes us through our results and outlook.

First, Q4 was an exceptional quarter across the board with record revenue in both segments, record operating earnings and record operating margins. We also grew orders by 26% and ended the year with our highest ever backlog of \$15.7 billion, up \$1 billion year-over-year.

Second, our full year results were outstanding. Revenue increased by 8%, EPS by 11%, which marked our fifth consecutive year of double-digit EPS growth. We also achieved record operating cash flow of \$2.8 billion, which was up 19%. We expanded operating margins 130 basis points that resulted in our first ever 30-plus annual operating margin.

Finally, as I look to 2026, our record backlog position, strong demand environment and expanding product and services portfolio are all informing our expectations for another strong year of revenue, earnings, and cash flow growth.

And now I'm going to turn the call over to Jason.

Jason Winkler, Executive Vice President & Chief Financial Officer

Thank you, Greg. Revenue for the quarter grew 12% and was above our guidance with double-digit growth in both segments and all three technologies. Revenue from acquisitions was \$188 million and the impact of favorable FX was \$30 million. GAAP operating earnings were \$944 million or 27.9% of sales, up from 27% in the year ago quarter.

Non-GAAP operating earnings were \$1.1 billion, up 19% from the year ago quarter, and non-GAAP operating margin was a record 32.1%, up 170 basis points. The increase in both GAAP and non-GAAP operating margins was driven by higher sales, favorable mix, improved operating leverage, and was partially offset by higher tariffs. GAAP earnings per share was \$3.86, up from \$3.56 in the year ago quarter. Non-GAAP EPS was \$4.59, up 14% from \$4.04. The growth in EPS was driven by higher sales, higher margins, and a lower diluted share count, partially offset by higher interest and a higher tax rate.

OpEx in Q4 was \$700 million, up \$48 million versus last year, primarily due to expenses from our acquisitions. And the effective tax rate for the quarter was 23.6% compared to 22% in the year ago quarter, driven by lower benefits from share-based compensation recognized in the current quarter.

Moving to the full year 2025. Revenue was \$11.7 billion, up 8% with strong growth in both segments. Revenue from acquisitions was \$382 million, and the impact of favorable FX was \$35 million. GAAP operating earnings were \$3 billion, or 25.6% of sales versus 24.8% in the year prior. Non-GAAP operating earnings were \$3.5 billion, up \$395 million, and non-GAAP operating margins were a record 30.3% of sales, up from 29% of sales in the prior year, driven by higher sales, higher gross margins, and improved operating leverage.

GAAP earnings per share was \$12.75, up 38% compared to \$9.23 in the prior year, primarily driven by a loss in the prior year related to the accounting treatment for the settlement of the Silver Lake notes, partially offset by higher earnings in the current year. Non-GAAP EPS was \$15.38, up 11% from \$13.84 in 2024, driven primarily by higher earnings and a lower diluted share count, partially offset by higher interest expense.

For the full year, OpEx was \$2.6 billion, up \$140 million versus 2024, primarily driven by higher expenses associated with acquisitions and increased organic investments in our higher growth businesses, and the effective tax rate for 2025 was 22.3% compared to 22% in the prior year.

Turning to cash flow. Q4 operating cash flow was \$1.3 billion compared to \$1.1 billion in the prior year, driven by higher earnings. For the full year, we generated record operating cash flow of \$2.8 billion, up 19% year-over-year, and record free cash flow of \$2.6 billion, up 21%.

These increases were primarily driven by higher earnings, and 2025 marked our third consecutive year of double-digit cash flow growth. Capital allocation for 2025 included \$4.9 billion for acquisitions, including our acquisition of Silvus, \$1.2 billion of share repurchases, including \$490 million in the fourth quarter, \$728 million in cash dividends, and \$265 million of CapEx.

Additionally, during the year, our board of directors approved an 11% increase in our dividend, which is our 14th consecutive year of double-digit increases. We also issued \$2 billion of long-term senior notes and \$1.5 billion of term loans to fund the Silvus acquisition, and repaid \$322 million of senior debt during 2025. Subsequent to year end, we've repaid \$200 million of the \$1.5 billion term loan, leaving an outstanding balance of \$1.3 billion as of today.

Moving next to our segment results, in the Products and SI segment. Q4 sales were up 11% versus last year, with 11% growth in MCN and 12% growth in Video. Revenue from acquisitions was \$151 million, while FX was \$20 million favorable. Operating earnings were \$667 million or 30.9% of sales, up from 30.5% in the year prior, driven by higher sales and improved operating leverage, partially offset by higher tariffs.

Some notable Q4 wins and achievements in this segment include \$180 million P25 system order for the State of Tennessee, and expansion of the network upgrade that was announced last quarter.

A \$162 million P25 device and SVX body-worn assistant order from a US federal customer, and \$81 million TETRA system for a customer in South Africa, a \$20 million Silvus order for an unmanned systems provider, and a \$20 million fixed video order for a customer in Argentina.

For the full year, Products and SI revenue was \$7.3 billion, up 5% from the prior year, driven by higher sales in MCN and Video. Revenue from acquisitions was \$262 million and the FX impact was \$20 million favorable. Full year operating earnings were \$2.1 billion, or 28.9% of sales, up from 28.1% in the prior year, on higher sales and improving gross margins.

In Software and Services, Q4 revenue was up 15%, driven by growth in all three technologies. Revenue from acquisitions was \$37 million, while FX was \$10 million favorable.

Q4 operating earnings in the segment were \$419 million, and operating margins were 34.3%, up from 30.3% last year, primarily driven by higher sales, expanding margins inclusive of favorable mix and improved operating leverage.

Some notable Q4 highlights in the S&S segment include a \$201 million, 10-year P25 services renewal from the State of Maryland, an \$86 million command center order for an international customer, a \$79 million P25 services and Command Center order for Prince George's County in Maryland, a \$61 million TETRA services order for the London Underground in the U.K., and a \$29 million TETRA services order from a European customer.

For the full year, revenue was \$4.4 billion, up 13% compared to last year, driven by strong growth in all three technologies. Revenue from acquisitions was \$120 million during the year, and FX impact was \$15 million favorable. Full year operating earnings were \$1.4 billion, or 32.5% of sales, up 170 basis points versus the prior year, driven by higher sales, expanding margins, inclusive of favorable mix and improved operating leverage.

Looking at regional results, North America revenue was \$2.4 billion in Q4, up 7% and \$8.4 billion for the full year, also up 7%, driven by growth in both segments and in all three technologies.

International Q4 revenue was \$1 billion, up 26% versus last year with strong double-digit growth in both segments and all three technologies. For the full year, international revenue was \$3.3 billion, up 11%, with growth in both segments and double-digit growth in all three technologies.

Moving next to backlog, ending backlog for Q4 was an all-time record of \$15.7 billion, up \$1 billion versus last year and up \$1.2 billion sequentially, driven by the record orders we received during both Q4 and during the full year.

In the Products and SI segment ending backlog was up \$235 million sequentially, driven by record Q4 orders in both MCN and Video. For the year, backlog was down \$323 million or 8%, driven primarily by strong LMR shipments in the first half.

In Software and Services, backlog increased \$1.4 billion from last year and \$945 million sequentially with strong growth across all three technologies.

Now turning to our outlook. We expect Q1 sales to be up between 6% and 7% with non-GAAP EPS between \$3.20 and \$3.25 per share. This assumes a weighted average diluted share count of 168 million shares and an effective tax rate of 20.5%. For the full year, we expect revenue of approximately \$12.7 billion and non-GAAP EPS between \$16.70 and \$16.85 per share.

This full year outlook assumes an average weighted share count of approximately 168 million shares and an effective tax rate of approximately 22.5%. It also includes favorable FX of about \$100 million, which is unchanged from what we assumed in November when we gave color on 2026. Additionally, we anticipate our strong cash conversion to continue in 2026 with expectations of approximately \$3 billion in operating cash flow.

And finally, before I turn it back to Greg, I wanted to share two highlights. First, some color on the segment growth expectations that are included in our guidance for this year. In our Software and Services segment, we're anticipating revenue growth of between 10% and 11%. And in the Products and SI segment, our expectations are for revenue

growth of 7% to 8%. And for our technologies, we're planning for video growth of 10% to 11% with continued strong adoption of our cloud offerings. And in Command Center, we're anticipating another year of 15% growth. And in MCN, we expect to grow between 7% and 8% with growth accelerating in the second half of the year.

Finally, I'd like to highlight the launch of our first-ever Assist Suites a couple of weeks ago. These suites integrate our most critical AI-powered applications around two key roles in public safety: the dispatcher and the officer. We've tailored these offers to assist these key personnel under a role-based pricing model of \$99 per user per month. This package offers our state-of-the-art public safety AI to our customers at a superior value. And much like our APX NEXT applications platform, we expect Assist to be another driver of recurring revenue growth while expanding our software TAM.

I'll now turn the call back over to Greg.

Greg Brown, Chairman & Chief Executive Officer

Thanks, Jason. Let me close with a few thoughts. First, our financial performance last year was outstanding, and I'm encouraged by how we executed on several key product initiatives. We continue to invest in the technologies that our customers depend on, evidenced by the successful release of SVX, our body-worn assistant that converges secure voice, video and AI and eliminates the need for a separate body-worn camera. We've shipped over 15,000 SVX devices since we launched, and we have a robust funnel of opportunities for the coming year.

We're also seeing strong interest in our latest generation D-Series Mission Critical infrastructure from our P25 LMR customers, and we secured several large upgrades during the year. Furthermore, achieving FedRAMP approval for our APX NEXT radios, the associated applications and our back-end digital evidence management platform are significant milestones that strengthen our position within the federal space, ensuring our cloud-based solutions meet the highest security standards.

Second, we continue to make significant investments in AI. And just last month, Jason referenced it, we launched our first two public safety AI Assist Suites for 911 dispatchers and first responders, designed specifically to address the unique challenges of each role. The introduction of these two suites is fundamentally about reclaiming the most valuable resource in public safety...time.

We've built a broad-based ecosystem of public safety solutions and continue to use AI to intelligently ingest multi-source data, 911, CAD, the radio transcripts and body-worn information, and synthesize it into a unified, actionable picture.

When we take a police report that used to take an hour to write and drop it to 15 minutes with Narrative Assist, or reduce the redaction time of mobile video footage from 35 hours down to 1 hour, we're helping put officers back on the street. Our introduction of these two Assist Suites – and by the way, there are more to come – underline our comprehensive approach to AI. We don't see these solutions as point products. They're the integrated nerve center of the emergency workflow, delivering real, verifiable value of AI to the people who protect our communities every day.

Third, 2025 was a landmark year for capital allocation. We deployed nearly \$5 billion towards strategic acquisitions headlined by Silvus, got us into the rapidly growing new defense and unmanned systems market. In addition, we strengthened our portfolio in cloud-native 911 solutions, AI driven workflows, and remote video monitoring. We did that while also returning almost \$2 billion to our shareholders in the form of dividends and share repurchases. I expect our

robust liquidity profile, continued solid cash flow generation and strong balance sheet to provide significant flexibility for capital allocation, including M&A and share repurchases.

And finally, I believe we're very well-positioned entering this year. We're seeing continued prioritization of safety and security from our public safety and defense customers worldwide, driving increased demand for our integrated ecosystem of mission critical technologies. And our record ending backlog and strong orders pipeline continually highlight the trust our customers place in us.

And I'll now turn the call over to Tim and open it up for questions.

Tim Yocum, Vice President, Investor Relations

Thanks, Greg. Before we begin taking questions, I'd like to remind callers to limit themselves to one question and follow-up to accommodate as many participants as possible.

Operator, would you please remind callers on the line how to ask a question?

[Operator Instructions]

QUESTION AND ANSWER SECTION

Operator

The floor is now open for questions. [Operator Instructions] Thank you. The first question is from Tim Long with Barclays. Your line is now open.

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Tim Long

Analyst, Barclays Capital, Inc.

Thank you. Yeah. Two, if I could here. First, maybe for Greg or Jack. If you could just give us kind of an update on Silvus. Good to see a nice size order in the quarter. I think you had been looking at about 20% growth for the year. Just curious, given all the developments around unmanned vehicles, if you think there would be upward bias to that?

And then, the second question is somewhat related. You've got Silvus, obviously, with some federal, a lot of FedRAMP certifications coming through with SVX and APX NEXT. And obviously that order, that included some SVX. So maybe, Greg, if you could just level set for us how you're thinking about growth and traction now that you're set up in much better ways, it seems, for the federal piece of the business here, whereas, obviously, a lot of this was state and local. So just curious with all these moves that you made, how you're thinking about federal as a TAM going forward? Thank you.

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Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

Yeah. Thanks, Tim. Look, I and we couldn't be more pleased with Silvus' performance since we closed that asset and that acquisition in August. I think Molloy and his team have done a really good job – and Jason's, quite frankly, on integration. We're putting more money into R&D. We're putting more money into go-to-market. We're adding engineers. We're adding salespeople. We're improving coverage.

Simultaneously, while Silvus is pretty much stand-alone, we are integrating what you would think we would: procurement, supply chain, reducing lead times, cost of goods, economies to scale. I'm very pleased with what both Jack and Jason have done.

Look, Silvus had a very good Q4. There was Q4 upside that was driven by Ukraine and unmanned systems demand. By the way, Tim, when we look at 2025 revenue all in for Silvus, it was more International versus North America, primarily driven by strong demand in Ukraine, the U.K. and Germany. We're raising our expectations again for revenue this year in 2026. We expect Silvus revenue of \$675 million in 2026. That's \$75 million higher from expectations a quarter ago, and it continues to be a critical litmus test in Ukraine for critical defense and new defense technology in unmanned.

Jack Molloy

Executive Vice President & Chief Operating Officer, Motorola Solutions, Inc.

Yeah, Tim. And I think just a couple things to build on. I think it was really related to APX NEXT traction and SVX traction. So APX NEXT, as we've discussed before, we have 2 million first responders in the U.S. that encompasses police, fire and EMS. We've stated that we're going to have 300,000 users by the end of 2026. That's up from 200,000 at the end of 2025 that pay \$300 a year annually in terms of app services. So good traction on the apps.

As it relates to SVX, just a couple things. We did get FedRAMP approval for SVX as well as our digital evidence management. I will tell you; we've got every field seller equipped with an SVX device. Interest is strong. Demand is strong. The units that have been fielded; the feedback has been outstanding. And remember, it's a new category in and of itself. It's a body-worn assistant. It's multi-source. I think that's where it's different.

We've shipped over 15,000 units, but we expect significant more traction this year with quotes out to hundreds of customers, Tim. So, we're really excited about SVX. And I think as we've said, the market wants an alternative. And as a customer told me that I met with last week, it starts to become a total cost of ownership and it becomes about platform unification. We know we need to talk, and this does a lot more for us. So, I think it's a game on.

Tim Long

Analyst, Barclays Capital, Inc.

Okay. Thank you, guys.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

Thank you.

Operator

The next question is from the line of Andrew Spinola with UBS. Your line is now open.

Andrew Spinola

Analyst, UBS Securities LLC

Thank you. I have a quick question for Jason. I think the margin continues to outperform my expectations. I think it looks like you're guiding to some further improvement next year. Could you talk about your outlook for margin for 2026 and maybe specifically, about some of the puts and takes from tariffs and memory costs, et cetera, that you have in your outlook?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions, Inc.

Sure. Thanks, Andrew. So much like in 2025, we're planning for another good year. 2025 and the margin expansion we saw of 120 basis points-130 basis points at OE, included a tariff headwind, which for 2025 was in the second half. Now, as we enter 2026, we've planned for an incremental tariff, which will present itself in the first half, and that's about \$60 million.

In terms of drivers for overall margin expansion and overcoming tariffs and other parts of the portfolio like memory, that we'll see an increase. It's about continued customer adoption of our feature-rich devices and some of the devices that Jack just talked about, as well as the continued uptake of APX NEXT. It's about mixing to higher growth parts of the portfolio including Services and Software. And those growth drivers that drove 2025 exist for 2026. And we'll continue to expand margins and, of course, prudently manage costs and OpEx. That's what's included in our outlook for 2026 is 100 basis points of operating margin expansion.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

With operating margin expansion in both segments as well.

Andrew Spinola

Analyst, UBS Securities LLC

Got it. And just one follow-up. Could you maybe drill down on the acceleration in the command business that you saw in Q3 and then further in Q4, and then maybe just on that question sort of maybe expand a little bit. On your view on the 911 market, given some of the acquisitions that have been done, how do you see yourself positioned against the competition and what is your outlook for that business? Thank you.

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions, Inc.

So, I'll make one comment around the acceleration of growth, particularly in Q4, where we saw 19% growth. Keep in mind that within Command Center is included our APX NEXT applications and the uptake that we've seen in there has benefited that part of the business. And we gave an outlook on the last call that the 200,000 plus subscribers that we ended 2025 at for APX NEXT subscribers would grow to 300,000 by end of this year. So, part of what you're seeing there is that benefit. And Mahesh, there's other things happening.

Mahesh Saptharishi

Executive Vice President & Chief Technology Officer, Motorola Solutions, Inc.

Absolutely. So, if you think about a typical PSAP, there are three core workflows. There's 911, there's CAD, and there's consoles. And when we think about our solution, we think about all three, and we think about workflows across all three. So as opposed to having any sort of AI capability, that's an over-the-top instance, we actually embedded within our core workflow applications. And this is critical to our Dispatcher Assist Suite catering to that persona.

And think about it this way, we've had transcription and translation now out for a few years. Just last year alone, there were about 33 million assisted calls out there. And now with the Dispatcher Suite, we're now able to not only facilitate that 911 call takers workflow, but also do things like create incidents in CAD automatically.

So, the Assist Suite is now helping us connect the different pieces of the applications that are critical to that workflow. And all of that, I think is leading to great traction within our VESTA NXT portfolio, which has been key for us. And we went live with a couple of large customers as well with that solution. So, I think those are all things that are leading to growth in the Command Center portfolio.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

Yeah. The thing I'd add is just to remind you, VESTA NXT is cloud 911 call handling. We've got the product. We've rolled the product. We're implementing the product. Some others are looking to, I think, catch up with us in that regard. That's fine. But we like the portfolio.

The other thing to understand about Command Center, 15% growth last year. We're guiding for 15% growth this full year as well. By the way, Q1 is likely to be stronger than that, given the timing of certain implementations. But nonetheless, we think the full year will be equally strong, over 15%. It's also important to understand the connective tissue between the technologies and what we're doing with the Assist Suites.

So yes, Command Center is growing at 15% expected to be for this year. Embedded in that is the expectation around Assist Suites. We're not just rolling out Assist Suites at \$99 a month per user, which is much more competitive than some alternatives out there. It does more. It does things like CAD and records.

By the way, we're the market leader in CAD. We are in almost two-thirds of PSAPs already. We're using our Mission Critical Network position, the superiority in a converged device with the body-worn assistant to do multisource ingestion and spread it to an end-to-end emergency workflow.

So, there's high connective tissue between the way we go to market, not just in the radio and SVX, but in the Command Center Software as well through one salesforce. It will provide users with technology refresh. And I think we're very well positioned to continue to grow both businesses in an integrated way.

Jack Molloy

Executive Vice President & Chief Operating Officer, Motorola Solutions, Inc.

Market leader in CAD and 911. Two of the three largest cities in the United States under contract and being deployed.

Andrew Spinola

Analyst, UBS Securities LLC

Thank you.

Operator

The next question is from the line of Adam Tindle with Raymond James. Your line is now open.

Adam Tindle

Analyst, Raymond James & Associates, Inc.

Okay. Thanks. Good afternoon. Greg, I thought backlog was obviously a highlight here, very strong, and you certainly did what you said you were going to do. I know there was a lot of doubts on product backlog in particular. And you mentioned that, I think it was record orders. There was a view that with ARPA funding expiration kind of impending and potential pressure from DOGE that we might see subdued orders or moderation in that.

I guess as you kind of look at the lens in hindsight, why was that the wrong assumption to make for bears? And then going forward, any thoughts on backlog into 2026 product backlog in particular? I know it's not a guide point, but just kind of general direction on where you're thinking that goes. Thanks.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

Yeah. No problem. I think, look, taking a step back, a lot of the narrative and inquiry around product backlog, you have to remember the context by which we and I talked about it and that we were and are transitioning from historically record high product backlog that was elevated because of the supply chain semiconductor congestion in previous periods.

So, what you see us doing, and I've guided it around where I think it would be, we achieved that for 2025. I'll talk a little bit more about 2026. But underpinning your question is we are getting back to the quick turn rhythm of the way this business operates normalized for the COVID backlog issue. By that, I mean, more than half of our revenues last year were quick turn.

Remember, I define that as sold and installed in the same year. We're expecting the same thing in 2026. Love the fact that we finished the year with record backlog all in of \$15.7 billion. To your point, we were pretty confident, I'd say, highly confident that product backlog would end in the high-3s. We did at \$3.8 billion. But also, aside from just backlog, you have to look at orders. We've had three consecutive quarters Q2, Q3, Q4 of double-digit product orders.

By the way, we expect double-digit product orders in Q1, and we expect double-digit product orders for the full year in 2026. When I look out a year from now, I think product backlog will likely be up versus the \$3.8 billion exiting 2025. It's going to bounce around as it normally did, as it did last year.

I think product backlog will decline in Q1 as it typically does from a normal seasonality standpoint, but I'm just thrilled with not just the backlog position, I'm more thrilled with the order performance and the pipeline and the consistency of execution by Molloy's team. That's what gives us confidence.

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions, Inc.

Adam, let me dimensionalize a little bit just Q4, and what that meant. Jack's team drove \$2.4 billion of product orders, which was up \$500 million from the year prior in Q4. That's a record, by the way, and it's a very strong indicator of demand.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

Yeah, one other thing I would just say, you talked about backlog. I want to dimensionalize just total revenue for the guide of 2026. We guided \$12.7 billion. I think that the revenue, will be very similar in 2026. It will come in very similarly as it did in 2025.

And when you really look at first half-second half, we expect second half of this year to be significantly stronger than first half, but overall feel very good about our position and the momentum we have coming into this year.

Adam Tindle

Analyst, Raymond James & Associates, Inc.

Great. All very helpful color. Thanks. Just as a follow-up on a different topic, I thought one of the other highlights on the call was the 30-plus-percent, first ever full year S&S margin. I wonder if you could maybe just talk a little bit more about what's driving that, the trends and trajectory from here? Is there sort of an upper limit? I mean, we're already at very optimal margins for any sort of software business at that level, but just trends and trajectory, how you're thinking about it from here and reflect on that milestone? Thanks.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

Yeah. By the way, just a quick one. It's not S&S margin, it's 30-plus annual operating margin for MSI, for the whole company, which obviously is even stronger than just the segment.

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions, Inc.

Yeah. And if I drill down on S&S, it expanded from 30.8% to 32.5% based on drivers like mix, like efficiencies in delivering Services and Software, et cetera, and it's on a path to continue to expand. So, we had some years of the impact of

Airwave. And since that, and it's now incorporated into our base, we're now growing revenue and we're growing margins accordingly. So, it's on path to grow operating earnings again this year and the fundamentals are strong for it to continue.

Adam Tindle

Analyst, Raymond James & Associates, Inc.

Got it. Thank you.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

You bet.

Operator

The next question will come from the line of Joseph Cardoso with JPMorgan. Your line is now open.

Joseph Cardoso

Analyst, JPMorgan Securities LLC

Hey. Good afternoon. Thanks for the question. Maybe if I could start for the first one. I just wanted to flesh out the 1Q guide a little bit. If I take out FX or make assumptions around FX and acquisitions contribution, I'm calculating an above seasonal decline sequentially relative to the past couple of years. You're obviously underscoring strong momentum in the business with 4Q results, backlog, et cetera.

But – so just curious, what's the puts and takes relative to maybe a slower start to the year when I'm looking at it from a seasonal perspective on an organic basis? Just because I think last quarter we talked about the federal shutdown, now there's some DHS in the news in recent events. So just curious, if there's any – some of these outsized impacts that are still kind of impacting coming into 1Q? And then, I have a follow-up.

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions, Inc.

Yeah. So, as we mentioned, demand remains strong. We raised the full year from our color last call from \$12.6 billion to \$12.7 billion. Greg mentioned that the revenue growth in the second half, much like this year, will be stronger.

In terms of your observation on seasonality, it really depends on what period you're looking at. As we look at the business pre-COVID, the seasonal decline from Q4 to Q1 is within what we would expect. And what's more important is that the product orders that we expect in the quarter to be up again double digits, which will be the fourth quarter in a row, are informing what's included in our guide for Q1.

So, our outlook for the year is strong. It's stronger than it was 90 days ago. And our outlook for Q1 reflects where we are with the product backlog that we have and the orders that the pipeline supports for Q1 and the rest of the year.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

It's also worth noting that on an annual basis, 2026 over 2025, we're expecting full year revenue organic growth to be better this year over last.

Joseph Cardoso

Analyst, JPMorgan Securities LLC

No. Got it, guys. That's fair. And then, maybe just wanted to touch back on to the Assist Suites that you guys just announced. Like, I know it's early days and you guys just put out these products, but I think, Greg, you mentioned more to come. So just curious, like, how should we be thinking about kind of the cadence here in terms of new product introductions? Should we think about a pipeline that's more on an annual basis, or is this kind of more pedal-to-the-floor in terms of how you're thinking about introducing new products?

And as we think about the new products coming in, should we think about it as additions to the existing dispatch and responder product suites, or are you guys thinking about additional suites that you guys can monetize further? Thanks.

Mahesh Saptharishi

Executive Vice President & Chief Technology Officer, Motorola Solutions, Inc.

So just looking at 2025 as an example. In pretty rapid fashion, we launched capabilities that are associated with Assist like translation. We launched, before that, Assist for 9-1-1, supporting transcription, translation, summarization and other capabilities for 911. And since then, we have launched Assist Chat also last year, and all of these happened on almost on a quarterly basis through the course of the year.

What you can expect, as we fill out dispatcher and responder, is a similar sort of cadence, going forward. And as Greg had already indicated, there are more personas we are going to attack as well.

If you think about the Responder Suite in particular, think of it in three real significant buckets. One, what does the responder need to do when they're responding to an incident? This is everything that includes things like translation. It

includes capabilities like updating their CAD status. It includes, by the way, with voice, the ability to now query records platforms, the ability to query the transcript that was generated during the 911 call. It's actually very worthwhile to note that there's a statistic out there that says that 40% of the time when officers actually respond to an incident, they claim that they do not have the right situational information prior to that response. Everything that is involved in making sure that that response is effective is what we're putting into that response capability for that initial part of the Responder Suite.

The next part is all the administrative tasks. We launched, Assisted Narrative – Narrative Assist last year as well. This is everything to help our officers be able to author reports very quickly. And the key point there is we're assisting them to author the reports as opposed to having a magical AI just have a button pushed and for it to author this capability entirely on its own. And importantly, we're able to tap into multiple sources in CAD, in records and other platforms to make sure that that report is actually authored accurately.

And finally, on redaction and investigation, we are able to now accelerate that very significantly as well. All of this, by the way, part of the Responder Suite. As you can imagine, within response, within administrative efficiencies, within investigations and search, there are multiple other things that we can now do, given our full holistic portfolio in public safety to accelerate that even further. And you can expect that cadence to continue. And so, that hopefully gives you some idea on what's coming next.

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions, Inc.

The other thing that's new and different about Assist Suites is much like we embarked on the APX NEXT platform business is that it's a package. And you mentioned pipeline. Mahesh and team have a tremendous pipeline of new features. This package gives customers the certainty in the future of what we're delivering, not just now, but into the future. And that's how we started with APX NEXT and built that business as well in terms of its applications.

Joseph Cardoso

Analyst, JPMorgan Securities LLC

Thank you. Great color, guys. Appreciate it.

Operator

Next question is from Amit Daryanani with Evercore ISI. Your line is now open.

Victor Santiago

Analyst, Evercore Group LLC

Hello. This is Victor Santiago on for Amit. Thanks for taking my question. I just wanted to ask about Silvus. Historically, there's been more focus on military and defense applications. But can you talk about the public safety and commercial opportunities as it relates to Silvus, and whether these markets would be incremental to the TAM you originally had in mind when you first made the acquisition? Thank you.

Jack Molloy

Executive Vice President & Chief Operating Officer, Motorola Solutions, Inc.

Yeah. I think so. The first thing as it relates to Silvus is it's still – we think of it largely our focus today is really around three areas. It's defense, as you alluded to. It's actually borders as well. So, there's border police that's adjacent to defense that there's a market for.

As it relates to state and local police, there's some issues just around spectrum with what you do. You could have a special temporary authorization or a stay to do it. So, Las Vegas PD, Metro PD has a stay to use it, and they use Silvus technology. But it would be incremental to the TAMs that we've kind of talked about if it happens, but it needs spectrum.

There is so much room to run for us to do DoD business within the United States. Internationally, the expansion we're seeing and the traction, the groundwork we're laying throughout NATO, not just Ukraine, but it's all about NATO. Australian Navy, we're in discussions with them. We've got a lot of opportunities just to run there.

And then, as Greg referred to and Jason referred to, the unmanned systems, the platform modernization in terms of drone technology, Class 1 to Class 5, all different types of drones. We've broadened the portfolio already at Silvus. We're constantly thinking about size, weight, power, how do we fit those in different classes of unmanned systems.

I think we're uniquely – with our spectrum-dominant software suite, we're uniquely positioned to do really well in the unmanned space. So, law enforcement is great. We have a team focused on federal law enforcement, but that's all incremental to the focus on defense, US and abroad, and unmanned systems.

Victor Santiago

Analyst, Evercore Group LLC

Great. Thank you. That's it for me.

Operator

Next question is from the line of Meta Marshall with Morgan Stanley. Your line is now open.

Meta Marshall

Analyst, Morgan Stanley & Co. LLC

Great. Thanks for the question and congrats on the quarter. Maybe a couple of questions from me. First, you mentioned, some of the pricing actions you were taking probably largely around tariffs, but just wanted to kind of get kind of latest views on memory just as an overhang and kind of availability and just actions that you guys are taking there.

And then, maybe as a second question, maybe building on Joe's question, of the kind of \$100 million raise, it looks like you guys are doing for fiscal 2026. The vast majority of that is Silvus, but yet there are still kind of some across the other businesses. Just wondering what businesses you feel kind of strongest about heading into fiscal 2026. Thanks.

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions, Inc.

Well, with respect to memory, Meta, we are planning for increases. The costs have gone up on parts of our portfolio, but across our \$6 billion of COGS, memory is not a significant input for us, probably less than \$50 million.

In terms of how we'll mitigate the increases that we're expecting, the same way we did semiconductors. We're working with our vendors. We're adding vendors. We're leaning in on public safety and our customer base being critical, inventory, and to some extent, planning for surgical price increases across the portfolio as well. So, with that, we do plan for gross margins to be comparable, despite the headwinds of tariffs that I mentioned earlier, as well as what's to come for memory.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

And on the incremental \$100 million, it's \$12.6 billion to \$12.7 billion. You're right, given what we said earlier, it's about \$75 million for an increase of revenue associated with Silvus, \$25 million for the core. Quite frankly, Meta, and answer to your question of how do we feel about, forget Silvus for a minute, the rest of the components of the business in the three technologies really good.

LMR is being driven by APX NEXT, applications refresh, the body-worn assistant SVX, the D-Series Mission Critical P25 LMR infrastructure, Command Center, 15% last year, expected to be 15% this year, video security 10%, last year guiding to 10% to 11% with increased cloud adoption.

And I think, Mahesh, in terms of architecture and intentions to unify cloud and prem, we feel good about that as well. And we continue to add salespeople on the frontline video salesforce. So, candidly, when I look compositely across the portfolio, I think we feel good about all of it, quite frankly.

Meta Marshall

Analyst, Morgan Stanley & Co. LLC

Great. Thanks.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

Thank you.

Operator

The next question is from the line of Keith Housum with Northcoast Research. Your line is now open.

Keith Housum

Analyst, Northcoast Research Partners LLC

Good afternoon, guys. Hey, your AI solution has been out there for several months. I remember seeing a preview of that back in May, I guess, can you talk about some of the early adoption you've had, the success you've had so far before rolling out this AI Assist?

And then, I guess the second part of that question, obviously your competitor has their own AI package as well, which you guys are probably about half the price of that. Do you think your customers will have two different AI plans that they're going to want to use? Or do you believe it's one or the other, as you guys start competing with space more rapidly?

Mahesh Saptharishi

Executive Vice President & Chief Technology Officer, Motorola Solutions, Inc.

So, as I think about, the early adopters and such in the space. I think it's important to remember that Assist for 9-1-1, we've been out there for over 18 months at this point. And as I mentioned before, there are about 33 million calls that were taken last year alone that benefited with Assist for 9-1-1. So that is significant for us.

We have, as part of our SVX launch, extensively tested translation capabilities across the board. And by the way, that translation capability, it's also something we had originally within our 911 portfolio, supporting not just transcription, but translation as well.

When you have language as a base there, what is very natural to do, and I believe that this is, what we have seen across the industry is things like summarization, things like being able to focus a call taker's attention on the right pieces of data. All of those pieces become much easier and more straightforward.

But where the magic is, is in being able to connect applications across workflows. And so very specifically, what we have done is leverage AI in this context to not just be something that is resident within a single application for supporting a particular user, but also linking applications across the board.

So, in this case, leveraging 911 to support a CAD incident data creation, leveraging 911 data... straight to the first responder to improve their situational awareness. These are all capabilities that are a consequence of us having the full command center and public safety ecosystem that is out there.

In terms of, do you buy the whole thing? Do you buy one thing? We really want to give our customers as much flexibility as possible. Obviously, as they own more of our portfolio, there are more things that come into play in terms of that tight integration between those capabilities, and there's more time saved as a consequence of those integrations.

But customers, we fully expect, given the core applications they have, they will expand from that point on, and they can take it in the direction that they see fit, based upon the performance of our solutions, which we are very confident about.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

Yeah. And the only other thing I'd add is to your point, we're rolling out the Responder Assist Suite. We believe it's more comprehensive. You mentioned the attractive price point at about half of the alternative. It's also important to know that the Dispatcher Assist Suite is new. So, it is additive versus anything else that's out there.

And of course, remember the interplay between the Assist Suite and the body-worn assistant SVX, we've been competing with the incumbent on body-worn camera. But this is a new day, a new day that you literally don't need a separate device. You can go to one. You can converge it. You can use a more comprehensive set of AI. You'll get a better total cost of ownership. We talked about just getting FedRAMP approval.

So, if I'm a public safety customer and I'm looking at alternatives, I'd be wary of signing or being asked to sign this locked in, long term, multi-year contract and make sure I stare and compare about what's really viable as an alternative, because we think our value prop is pretty compelling.

Keith Housum

Analyst, Northcoast Research Partners LLC

Great. So, the package here for the AI for responders, is that sold separately or is that sold as a bundle with your radios?

Jack Molloy

Executive Vice President & Chief Operating Officer, Motorola Solutions, Inc.

I'm sorry. Yeah. The bundle is an incremental, the \$99 is incremental to the radio.

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions, Inc.

In terms of the contract vehicle, customers will have the choice.

Jack Molloy

Executive Vice President & Chief Operating Officer, Motorola Solutions, Inc.

We're not saying you must sign 10 years or anything. It's – you want to sign up for a year or three, whatever it might be. But that's – we're not playing any games. It's \$99 and you're going to get more than anything else that's out in the market for \$99.

Keith Housum

Analyst, Northcoast Research Partners LLC

Great. Thank you.

Operator

The next question comes from the line of George Notter with Wolfe Research. Your line is now open.

George Notter

Analyst, Wolfe Research LLC

Hi, guys. Thanks very much. I'm quite impressed with the growth in the Software and Services side in the LMR business. Obviously, you've been driving low-teens growth and have been for some time now. I guess I'm just curious about, what's driving that growth. I assume it's the cyber protection in 24/7 monitoring services. How do you keep driving those kinds of growth rates over time? What's the outlook there? Any more perspective would be great. Thanks.

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions, Inc.

Thanks for the question, George. So, you've zoned in on the services part of Services and Software. And absolutely, part of our growth driver has been doing more for our customers. And every customer is on a different journey, and we can help them solve problems, and the portfolio is getting more integrated, and they're looking to us as the vendor of choice to look after it. In many cases, looking to us to monitor network performance, and in some cases, run the network. So that's absolutely a growth driver and has opportunity ahead of us.

In terms of the software side of Services and Software, there we've talked about the applications, the command center, video software, all of which are strong drivers. And together this Services and Software segment, which you know is a recurring business. It grew 13% last year, we're guiding 10% to 11% this year. And with that, we have scale and operating leverage. It's a terrific business. It's one where we can do more for our customers.

Mahesh Saptharishi

Executive Vice President & Chief Technology Officer, Motorola Solutions, Inc.

Just one more thing to add there. So, we've seen 77% year-over-year customer growth in our managed detection and response platforms for cybersecurity. And one of the key drivers there, by the way, is also the fact that we have AI-driven automation within our cybersecurity platform, where we process a billion security transactions on a daily basis, and 99% of that is actually handled automatically with AI. And that's largely starting with our critical communications infrastructure, and we're just penetrating into the PSAPs and other areas as well. So, there's growth possibilities there.

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions, Inc.

And another area where we're seeking to assist customers is in remote video monitoring with the recent acquisition of Blue Eye, there's opportunities for our enterprise customers to help them identify false positives and get through signals a lot faster than they're doing now as well.

George Notter

Analyst, Wolfe Research LLC

Got it. If I, again, kind of honing in on the LMR piece of the Software and Services business, like how penetrated do you think you are with these services, cyber or 24/7 monitoring?

Jack Molloy

Executive Vice President & Chief Operating Officer, Motorola Solutions, Inc.

Yeah. So, cyber, I would say, we are for P25. P25 networks, we're reasonably penetrated, but we have a lot of room to go there. It's when you start getting into the international markets, and I think some of the enterprise security markets, which are massive in terms of the number of actual networks that are out there, particularly in the PCR side. You think about refineries, hospitals, and the like, they're also targets for potential network intrusion. They need cyber security as well. It's pure opportunity as it relates to that part of the business.

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions, Inc.

George, one other thing I'd point to too is, the D-Series and the infrastructure upgrade around P25, and that we're in the very early stages of, that's new hardware, and with new hardware customers are opting for more software and longer duration software agreements around that hardware refresh. So, some of the deals that we talked about, like Tennessee and others, aren't just a hardware refresh. They come with services uplift and extensions.

George Notter

Analyst, Wolfe Research LLC

Great. Thank you very much.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

Thanks, George.

Operator

[Operator Instructions] The next question will come from Tomer Zilberman with BofA. Your line is now open.

Tomer Zilberman

Analyst, BofA Securities, Inc.

Hey, guys. I wanted to continue on the line of questioning of the LMR growth. If I remove the Silvus contribution this quarter, it looks like the organic growth for your total business was about 7%, LMR was about 5%, which is an

improvement from the 3% to 4% that we saw in the last few quarters. And actually, in fact, at the high end of your previous guidance range of low to mid-single digits. So, I appreciate you mentioned some comments around APX NEXT and SVX and some of the other opportunities. But really, what changed in the last maybe quarter, two, three quarters or whatnot that's driving this accelerated growth for LMR? Is it heightened deployments right now that we're seeing with DHS? Is it that refresh cycle that you were discussing that's starting to take real legs? Like, what is the opportunity there?

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

Look, the way I think about it, it's more of – I don't necessarily think of acceleration, I think it's consistency and durability. Three consecutive quarters of double-digit order growth with the expectation of Q1 being double digits and the full year being double digits. While we go through 2025 and execute, build backlog, and then migrate and transition to more of the quick turn model, I just think it's just a consistency of demand. Do I think that's informed by some new product? Yes. Like the D-Series that Jason just mentioned, in part, obviously, very early with the thousands of units of SVX that are seeded and shipped. But as we monetize Software and Services, as we continue to get significant cloud adoption, it's back to Meta's question. I just see consistency of demand through all three technologies and both segments, and that's given us more confidence to guide the year up \$12.7 billion versus \$12.6 billion. And, we feel good about the position we're in and overall, the momentum we have.

FedRAMP approval is another one. I think it's consequential on APX NEXT radio, on SVX, on FedRAMP back-end approval of digital evidence management. So that widens the aperture of the addressable market that we could sell LMR into.

Tomer Zilberman

Analyst, BofA Securities, Inc.

Got it. Maybe as a follow-up, I know last quarter you mentioned that first half of 2026 would have about a \$450 million headwind related to LMR backlog deployments of last year. I appreciate that's probably a majority 1Q, which is somewhat impacting your guide, at least from a mathematical standpoint. But how much of that is residual left in 2Q? In other words, how much could 2Q theoretically be pressured before we start seeing that double-digit 10%-plus order growth kick in, in maybe the back half of the year?

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions, Inc.

In terms of normalization of our backlog, as Greg mentioned earlier, from \$4.1 billion to \$3.8 billion, which we expected, and we've been clear on that, majority of that, it obviously happens in Q1 as we return to more normal seasonal patterns, which we also covered. So, the bulk of the change is reflected in the period of Q1.

Tomer Zilberman

Analyst, BofA Securities, Inc.

Got it. So limited impact of Q2.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

More significant in Q1 than Q2, that's what we anticipate.

Tomer Zilberman

Analyst, BofA Securities, Inc.

Understood. Thank you.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

You bet.

Operator

The next question will come from the line of Ben Bollin with Cleveland Research. Your line is now open.

Ben Bollin

Analyst, Cleveland Research Co. LLC

Good evening, everyone. Thanks for taking the question. I wanted to, I guess, piggyback on a lot of these backlog questions. As I recall, during the pandemic, you guys had made some adjustments to pre-existing contracts that allowed you to reprice backlog to account for pricing changes. I'm curious, is that contributing at all to what you're seeing in backlog behavior today as you're making price changes? Are we seeing that flow-through? Is that a potential future mechanism that you could pull at some point in the future? Just any ways to think about what that means for the numbers we're looking at today? And then, I have a follow-up.

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions, Inc.

So, Ben, we did not reprice existing contracts during the pandemic. We have contracts with customers at an opportunity for renewal as well as for products, which tends to be a quick turn business. We do have pricing opportunity, and that's more the levers that we implemented during COVID. So no, there's no sort of residual effect, to your question, of what's coming through backlog related to actions we took in the past. We'll always look at pricing opportunities. We have them with the advent of new products, including the D-Series, but that's just in our DNA.

Ben Bollin

Analyst, Cleveland Research Co. LLC

Okay. That's great. The other one I wanted to ask is a bigger picture, looking at what's going on with the World Cup. Could you talk about how that's contributing to visibility and what you're seeing? And in particular, interested in your perspective on who's funding those investments Fed, Metro, State? Just any thoughts on what you're seeing and how that's going?

Jack Molloy

Executive Vice President & Chief Operating Officer, Motorola Solutions, Inc.

Yeah, sure. Let's start with it's not being – there's money available at the federal level, but remember that World Cup is not just a US phenomenon; it's also in Canada and Mexico.

The biggest deal that we've actually gotten to-date has been in the Vancouver area, network refresh, refresh of fixed video opportunities. That's what we're seeing. The other opportunity, as it relates to the World Cup and some of the locations and discussions we're having, are the strategic investments we've made with both BRINC and SkySafe in terms of drone and counter drone activity, because what we realized when we were a partner with the Ryder Cup is our ability to feed live video and how we incorporate Silvus into those offerings as well.

As I alluded to earlier on special temporary authorization of usage, there's a use case there to do that. And so, those are the conversations that I think we're uniquely positioned to have with the cities. But most of that, what we're seeing to-date is being driven, some federal grant money available, but largely being required to be planned at the local level and then executed at the local level.

Ben Bollin

Analyst, Cleveland Research Co. LLC

Thanks, guys.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

Thank you.

Operator

Our final question today is from the line of Louie DiPalma with William Blair. Your line is now open.

Louie DiPalma

Analyst, William Blair & Co. LLC

Well, Jason, Jack and Mahesh, good afternoon.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

How are you doing, Louie?

Louie DiPalma

Analyst, William Blair & Co. LLC

Excellent. One of Silvus' high-profile customers, Anduril, recently received \$1 billion order for Taiwan loitering missiles. And we've heard of several other contracts for Silvus' customers and customers specifically mentioning that they're using Silvus for their radios. And I was wondering for the Silvus' guidance raise, is most of that associated with non-Ukraine deployments as this Taiwan potential order is non-Ukraine, and there's been a lot of other non-Ukraines, but I was wondering where is the guidance raise coming from?

Jack Molloy

Executive Vice President & Chief Operating Officer, Motorola Solutions, Inc.

As we've kind of alluded to, Louie, it's a mix of international and unmanned systems, to your point. The Taiwanese loitering munitions, by the way, just that – I'm always going to be – loitering munitions are typically – or FPV drones, typically, less likely to carry a higher tier radio on them. But that said, I was out with – met with, had a really good meeting with some of the leadership at Anduril two weeks ago. I'd tell you; I was really – first of all, I'm really impressed with what Anduril does and how they get product to market. But I was so proud of Babak and his team, because when I went around

their product salon and I looked and I was doing some quick math, and I think two-thirds of their products incorporate a Silvus radio into their design.

So, we're really encouraged. We want to deepen that relationship. And I think with the funding we're bringing both from an R&D standpoint, and I think they realize our willingness to scale around the globe, the relationships we have, I think we have an opportunity to really deepen that relationship.

Louie DiPalma

Analyst, William Blair & Co. LLC

Right. Thanks. And video had a really strong fourth quarter, and you've been able to maintain double-digit growth for video at a very large scale. I was wondering, for hospitals, schools and public venues, has there been an uptick in demand in response to just recent high-profile tragic incidents in which there were calls that some of these public venues didn't have, like, enough camera density? And so, I was wondering, what have you been hearing from customers in terms of the demand for your video systems?

Jack Molloy

Executive Vice President & Chief Operating Officer, Motorola Solutions, Inc.

Yeah. It's a great question. So, I think, number one, camera density is important, but I think when people look to us, they're looking to us because they believe we're the leader in the AI-driven analytics that actually fuel what you do with the data, how you can go through the video footage that you have and make better decisions in a more mobile and efficient environment. But no, listen, the video team, we've been adamant about – Mahesh has, first of all, done a great job in terms of what he's built on our cloud Alta platform. But we also had a really good Unity quarter in Q4, which is our on-prem business.

Camera deployments for 2025. In terms of camera counts, we're up slightly. We expect a better 2026 in terms of number of cameras fielded. And I think some of that's a phenomenon of what you said about we land a deal and then what we typically see is they expand those networks. And that's something that we work with our customers on. So, like, I just think, all things being equal, safety and security rules a day in the public domain as well in private enterprise. And I think we're in a good position to benefit from that.

Jason Winkler

Executive Vice President & Chief Financial Officer, Motorola Solutions, Inc.

And Louie, the 10% to 11% that we outlook for 2026 in video includes the continued acceleration to cloud.

As Jack mentioned, our cloud-based platform, Alta is leading the way. But the portfolio is also, through Mahesh's leadership, becoming more hybrid in nature. We're giving customers a choice, which we think is going to position us even better.

Mahesh Saptharishi

Executive Vice President & Chief Technology Officer, Motorola Solutions, Inc.

And the only thing I would add to that is that we launched generative AI capabilities last year in support of both Unity and our Alta solutions. And one of the key things that that's enabling is historically, when we think about video, it's largely security-oriented use cases. We're now transitioning also into safety and compliance-oriented use cases. So, when you think about healthcare, when you think about some of these other key verticals, safety and compliance also become a significant element of why video cameras are needed, and the VMS is needed as a consequence. And all of that sort of ties in nicely to a growth story.

Louie DiPalma

Analyst, William Blair & Co. LLC

So, thanks Mahesh and Jason and everybody.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

Thank you.

Operator

This concludes our question-and-answer session. I will now turn the floor over to Mr. Greg Brown, Chairman and Chief Executive Officer, for any additional comments or closing remarks.

Greg Brown

Chairman & Chief Executive Officer, Motorola Solutions, Inc.

Yeah, thank you. Look, I just want to say thanks to everybody for joining us and thanks for the wide-ranging and robust questions. To reiterate, I like where we are as we sit here today, heading into the year, the strong demand profile, strong pipeline, especially also like the strong liquidity profile, and the robust cash generation, and the strategic flexibility that a great balance sheet affords us.

I want to thank all the Motorola people, all the Motorola partners. But I also want to take a minute and thank Tim Yocum. Tim is transitioning to a critically important role in finance, supporting our will-be, our Command Center business. He's been leading IR for seven years, and he's built a great team. He and I have been through a lot. I really

value his candor, his leadership, his willing to roll up his sleeves. He's a great give and take guy. You'll be meeting Brian Piotrowski, who will be coming into this role, and we'll formally announce next week, but we have plenty of time to transition.

But Tim and team, you've done an awesome job. I appreciate you a lot, and I know you're not going far away, but I wanted to make sure that you understood how much I value and we value Tim Yocum and his leadership and look forward to strapping it in with Brian Piotrowski, who I think, along with Vicki and, of course, Uygur that you will enjoy. So, thanks for dialing in. Thanks for listening. Talk to you in a quarter.

Operator

This does conclude today's teleconference. A replay of this call will be available over the Internet within three hours. The website address is www.motorolasolutions.com/investor. We thank you for your participation and ask that you please disconnect your lines at this time.
