

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

	Q1 '24	Q2 '24	Q3 '24	Q4 '24	Q1 '25	Q2 '25	Q3 '25	Q4 '25	Q1 '26
Net sales	\$ 2,389	\$ 2,628	\$ 2,790	\$ 3,010	\$ 2,528	\$ 2,765	\$ 3,009	\$ 3,380	\$ 2,714
GAAP gross margin	1,192	1,339	1,433	1,548	1,300	1,413	1,554	1,768	1,362
Non-GAAP gross margin adjustments:									
Share-based compensation expenses	11	12	12	13	14	14	14	15	21
Reorganization of business charges	3	—	2	7	5	6	2	3	5
Non-GAAP gross margin	1,206	1,351	1,447	1,568	1,319	1,433	1,570	1,786	1,388
GAAP Operating earnings ("OE")	519	644	711	814	582	692	770	944	525
Non-GAAP OE Adjustments:									
Share-based compensation expenses	45	51	49	50	52	60	59	65	79
Reorganization of business charges	7	4	5	10	12	8	12	12	10
Intangible assets amortization expense	39	36	38	39	37	39	66	92	90
Other highlighted items*	14	11	13	(17)	14	(1)	(5)	(45)	51
Non-GAAP OE	\$ 638	\$ 758	\$ 830	\$ 916	\$ 716	\$ 818	\$ 918	\$ 1086	\$ 781
GAAP OE %	21.7 %	24.5 %	25.5 %	27.0 %	23.0 %	25.0 %	25.6 %	27.9 %	19.3 %
Non-GAAP Adj %	5.0 %	4.3 %	4.2 %	3.4 %	5.3 %	4.6 %	4.9 %	4.2 %	9.5 %
Non-GAAP OE %	26.7 %	28.8 %	29.7 %	30.4 %	28.3 %	29.6 %	30.5 %	32.1 %	28.8 %
GAAP Other income (expense)	(609)	(64)	(16)	(27)	(35)	(12)	(45)	(83)	(84)
Non-GAAP below OE highlighted items*	(591)	(31)	8	(1)	(6)	16	5	(7)	(5)
Non-GAAP Other income (expense)	(18)	(33)	(24)	(26)	(29)	(28)	(50)	(76)	(79)
GAAP Net earnings (loss) attributable to Motorola Solutions, Inc.	(39)	443	562	611	430	513	562	649	366
Non-GAAP above OE highlighted items*	119	114	119	102	134	126	148	142	256
Non-GAAP below OE highlighted items*	591	31	(8)	1	6	(16)	(5)	7	5
Non-GAAP tax adjustments and effect	(189)	(36)	(34)	(21)	(30)	(21)	(19)	(27)	(61)
TOTAL Non-GAAP Earnings attributable to Motorola Solutions, Inc.	\$ 482	\$ 552	\$ 639	\$ 693	\$ 540	\$ 602	\$ 686	\$ 771	\$ 566
GAAP attributable to Motorola Solutions, Inc. earnings (loss) per share ("EPS")	\$ (0.23)	\$ 2.60	\$ 3.29	\$ 3.56	\$ 2.53	\$ 3.04	\$ 3.33	\$ 3.86	\$ 2.18
Non-GAAP attributable to Motorola Solutions, Inc. EPS adjustments*	3.04	0.64	0.45	0.48	0.65	0.53	0.73	0.73	1.19
Non-GAAP attributable to Motorola Solutions, Inc. EPS	\$ 2.81	\$ 3.24	\$ 3.74	\$ 4.04	\$ 3.18	\$ 3.57	\$ 4.06	\$ 4.59	\$ 3.37
Diluted weighted average shares outstanding**	171.3	170.3	170.9	171.4	169.8	168.8	169.0	168.1	168.0

*Highlighted items: The company has excluded the effects of highlighted items including, but not limited to, acquisition-related transaction fees, tangible and intangible asset impairments, reorganization of business charges, certain non-cash pension adjustments, legal settlements and other contingencies, gains and losses on investments and businesses, Hytera-related legal expenses, gains and losses on the extinguishment of debt, adjustments to contingent earnout and the income tax effects of significant tax matters, from its non-GAAP operating expenses and net income measurements because the company believes that these historical items do not reflect expected future operating earnings or expenses and do not contribute to a meaningful evaluation of the company's current operating performance or comparisons to the company's past operating performance. For the purposes of management's internal analysis over operating performance, the company uses financial statements that exclude highlighted items, as these charges do not contribute to a meaningful evaluation of the company's current operating performance or comparisons to the company's past operating performance.

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