UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended July 4, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 1-7221

MOTOROLA SOLUTIONS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**36-1115800**
(State of Incorporation)	(I.R.S. Employer Identification No.)

500 W. Monroe Street, Chicago, Illinois 60661
(Address of Principal Executive Offices, Zip Code)

(847) 576-5000

(Registrant's Telephone Number, Including Area Code)

Not applicable

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class			Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock	$0.01	Par Value	MSI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer" "accelerated filer" "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's Common Stock, $0.01 par value per share, outstanding as of July 31, 2026 was 165,493,788.

TABLE OF CONTENTS

For the Quarter Ended July 4, 2026

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

Condensed Consolidated Statements of Operations (Unaudited)

(In millions, except per share amounts)	Three Months Ended July 4, 2026	Three Months Ended June 28, 2025	Six Months Ended July 4, 2026	Six Months Ended June 28, 2025
Net sales from products	**$ 1,818**	$ 1,533	**$ 3,300**	$ 2,980
Net sales from services	**1,315**	1,232	**2,548**	2,313
Net sales	**3,133**	2,765	**5,848**	5,293
Costs of products sales	**702**	646	**1,332**	1,220
Costs of services sales	**753**	706	**1,476**	1,360
Costs of sales	**1,455**	1,352	**2,808**	2,580
Gross margin	**1,678**	1,413	**3,040**	2,713
Selling, general and administrative expenses	**496**	450	**935**	886
Research and development expenditures	**260**	231	**512**	464
Other charges	**113**	40	**259**	89
Operating earnings	**809**	692	**1,334**	1,274
Other income (expense):				
Interest expense, net	**(103)**	(55)	**(208)**	(106)
Other, net	**36**	43	**56**	59
Total other expense	**(67)**	(12)	**(152)**	(47)
Net earnings before income taxes	**742**	680	**1,182**	1,227
Income tax expense	**184**	165	**256**	280
Net earnings	**558**	515	**926**	947
Less: Earnings attributable to non-controlling interests	**1**	2	**3**	4
Net earnings attributable to Motorola Solutions, Inc.	**$ 557**	$ 513	**$ 923**	$ 943
Earnings per common share:				
Basic	**$ 3.36**	$ 3.08	**$ 5.57**	$ 5.65
Diluted	**$ 3.33**	$ 3.04	**$ 5.51**	$ 5.57
Weighted average common shares outstanding:				
Basic	**165.8**	166.8	**165.8**	166.8
Diluted	**167.2**	168.8	**167.6**	169.4

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

	Three Months Ended		Six Months Ended	
(In millions)	***July 4, 2026***	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*
Net earnings	**$ 558**	$ 515	**$ 926**	$ 947
Foreign currency translation adjustments	**(20)**	77	**(35)**	118
Defined benefit plans	**18**	11	**30**	9
Total other comprehensive income (loss), net of tax	**(2)**	88	**(5)**	127
Comprehensive income	**556**	603	**921**	1,074
Less: Earnings attributable to non-controlling interests	**1**	2	**3**	4
Comprehensive income attributable to Motorola Solutions, Inc. common shareholders	**$ 555**	$ 601	**$ 918**	$ 1,070

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Condensed Consolidated Balance Sheets (Unaudited)

(In millions, except par value)	***July 4, 2026***	*December 31, 2025*
ASSETS		
Cash and cash equivalents	**$ 710**	$ 1,165
Accounts receivable, net	**2,160**	2,200
Contract assets	**1,455**	1,574
Inventories, net	**1,333**	983
Other current assets	**474**	378
Total current assets	**6,132**	6,300
Property, plant and equipment, net	**1,167**	1,165
Operating lease assets	**571**	581
Investments	**300**	187
Deferred income taxes	**733**	761
Goodwill	**6,883**	6,800
Intangible assets, net	**2,951**	3,104
Other assets	**505**	491
Total assets	**$ 19,242**	$ 19,389
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term borrowings	**$ 615**	$ 749
Accounts payable	**957**	1,134
Contract liabilities	**2,341**	2,265
Accrued liabilities	**1,666**	1,930
Total current liabilities	**5,579**	6,078
Long-term debt	**8,417**	8,413
Operating lease liabilities	**442**	471
Other liabilities	**2,116**	2,000
Stockholders' Equity		
Preferred stock, $100 par value: 0.5 shares authorized; none issued and outstanding	**—**	—
Common stock, $0.01 par value:	**2**	2
Authorized shares: 600.0		
Issued shares: 7/4/26—167.4; 12/31/25—167.4		
Outstanding shares: 7/4/26—165.5; 12/31/25—165.7		
Additional paid-in capital	**2,468**	2,279
Retained earnings	**2,627**	2,549
Accumulated other comprehensive loss	**(2,425)**	(2,420)
Total Motorola Solutions, Inc. stockholders' equity	**2,672**	2,410
Non-controlling interests	**16**	17
Total stockholders' equity	**2,688**	2,427
Total liabilities and stockholders' equity	**$ 19,242**	$ 19,389

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Condensed Consolidated Statements of Stockholders' Equity (Unaudited)

(In millions)	*Shares*	*Common Stock and Additional Paid-in Capital*	*Accumulated Other Comprehensive Income (Loss)*	*Retained Earnings*	*Non-controlling Interests*
Balance as of December 31, 2025	**167.4**	**$ 2,281**	**$ (2,420)**	**$ 2,549**	**$ 17**
Net earnings				366	2
Other comprehensive loss			(3)		
Issuance of common stock and stock options exercised	1.0	(8)			
Share repurchase program	(0.3)			(118)	
Share-based compensation expenses		98			
Dividends declared $1.21 per share				(201)	
Balance as of April 4, 2026	**168.1**	**$ 2,371**	**$ (2,423)**	**$ 2,596**	**$ 19**
Net earnings				557	1
Other comprehensive loss			(2)		
Issuance of common stock and stock options exercised	0.1	(2)			
Share repurchase program	(0.8)			(326)	
Share-based compensation expenses		101			
Dividends declared $1.21 per share				(200)	
Dividends paid to non-controlling interest on subsidiary common stock					(4)
Balance as of July 4, 2026	**167.4**	**$ 2,470**	**$ (2,425)**	**$ 2,627**	**$ 16**

(In millions)	*Shares*	*Common Stock and Additional Paid-in Capital*	*Accumulated Other Comprehensive Income (Loss)*	*Retained Earnings*	*Non-controlling Interests*
Balance as of December 31, 2024	**168.6**	**$ 1,942**	**$ (2,539)**	**$ 2,300**	**$ 16**
Net earnings				430	2
Other comprehensive income			39		
Issuance of common stock and stock options exercised	0.7	(90)			
Share repurchase program	(0.7)			(325)	
Share-based compensation expenses		66			
Dividends declared $1.09 per share				(182)	
Balance as of March 29, 2025	**168.6**	**$ 1,918**	**$ (2,500)**	**$ 2,223**	**$ 18**
Net earnings				513	2
Other comprehensive income			88		
Issuance of common stock and stock options exercised	0.3	53			
Share repurchase program	(0.6)			(219)	
Share-based compensation expenses		74			
Dividends declared $1.09 per share				(182)	
Dividends paid to non-controlling interest on subsidiary common stock					(4)
Balance as of June 28, 2025	**168.3**	**$ 2,045**	**$ (2,412)**	**$ 2,335**	**$ 16**

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

Condensed Consolidated Statements of Cash Flows (Unaudited)

(In millions)	Six Months Ended July 4, 2026	Six Months Ended June 28, 2025
Operating		
Net earnings	**$ 926**	$ 947
Adjustments to reconcile Net earnings to Net cash provided by operating activities:		
Depreciation and amortization	**291**	167
Contingent earnout adjustment	**91**	—
Non-cash other income	**—**	(5)
Share-based compensation expenses	**204**	140
Changes in assets and liabilities, net of effects of acquisitions, dispositions, and foreign currency translation adjustments:		
Accounts receivable	**36**	129
Inventories	**(355)**	(84)
Other current assets and contract assets	**9**	(122)
Accounts payable, accrued liabilities and contract liabilities	**(208)**	(455)
Other assets and liabilities	**(84)**	49
Deferred income taxes	**10**	17
Net cash provided by operating activities	**920**	783
Investing		
Acquisitions and investments, net	**(224)**	(464)
Proceeds from sales of investments and businesses, net	**6**	12
Capital expenditures	**(117)**	(85)
Proceeds from sales of property, plant and equipment	**1**	—
Net cash used for investing activities	**(334)**	(537)
Financing		
Net proceeds from issuance of debt	**—**	1,983
Net proceeds from short-term borrowings	**65**	—
Repayments of short-term debt	**(200)**	(252)
Revolving credit facility renewal fees	**—**	(5)
Issuances of common stock, net of tax	**(9)**	(37)
Purchases of common stock	**(449)**	(543)
Payments of dividends	**(402)**	(364)
Payments of dividends to non-controlling interests	**(4)**	(4)
Net cash provided by (used for) financing activities	**(999)**	778
Effect of exchange rate changes on total cash and cash equivalents	**(42)**	80
Net increase (decrease) in total cash and cash equivalents	**(455)**	1,104
Cash and cash equivalents, beginning of period	**1,165**	2,102
Cash and cash equivalents, end of period	**$ 710**	$ 3,206
Supplemental Cash Flow Information		
Cash paid during the period for:		
Interest paid	**$ 229**	$ 135
Income and withholding taxes, net of refunds	**$ 276**	$ 315

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited).

INDEX FOR NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Notes to Condensed Consolidated Financial Statements (Unaudited)

(Dollars in millions, except as noted)

1. Basis of Presentation

The condensed consolidated financial statements as of July 4, 2026 and for the three and six months ended July 4, 2026 and June 28, 2025 include, in the opinion of management, all adjustments (consisting of normal recurring adjustments and reclassifications) necessary to state fairly the Condensed Consolidated Balance Sheets, Statements of Operations, Statements of Comprehensive Income, Statements of Stockholders' Equity, and Statements of Cash Flows of Motorola Solutions, Inc. and its controlled subsidiaries (“Motorola Solutions” or the “Company”) for all periods presented.

The Company operates on a 52-week fiscal year, with each fiscal year ending on December 31. With respect to each fiscal quarter, the Company operates on a 13-week fiscal quarter, with all fiscal quarters ending on a Saturday.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with United States generally accepted accounting principles (“U.S. GAAP”) have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Form 10-K for the year ended December 31, 2025 (the "Form 10-K"). The results of operations for the three and six months ended July 4, 2026 are not necessarily indicative of the operating results to be expected for the full year.

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Business Overview

The Company manages the business through two segments: “Products and Systems Integration” and “Software and Services.” Within these segments, the Company reports net sales across three principal product lines:

- Mission Critical Networks ("MCN"): Infrastructure, mobile ad-hoc network ("MANET") technology, devices (two-way radio and broadband, including both for public safety and professional and commercial radio ("PCR")), software and artificial intelligence ("AI")-powered capabilities. MCN includes installation and integration, backed by managed and support services, to help assure mission-critical communications availability, security and resiliency;
- Video: Cameras (fixed, body-worn, in-vehicle), access control, sensors, infrastructure, video management, video monitoring, software and AI-powered analytics that enable visibility of events and focus attention on what's important, to inform faster and more accurate decisions and actions; and
- Command Center: Command center solutions, software applications and AI-powered capabilities, that unify voice and data from public safety agencies, enterprises and the community, enabling a broad informational view of operations and incidents while helping to accelerate workflows and improve the accuracy, speed and trust of decisions.

Recent Announcements

On May 31, 2026, the Company entered into a definitive agreement to acquire D-Fend for $1.5 billion, subject to customary adjustments. D-Fend provides advanced counter-drone technology. The acquisition is expected to be completed in the second half of 2026.

On March 26, 2026, the Company entered into a definitive agreement to acquire the land mobile radio networks services business from Bell Mobility, the wireless subsidiary of Bell Canada and BCE Inc., for $675 million Canadian dollars, subject to customary adjustments and a deferred net working capital settlement. The land mobile radio networks services business provides secure, resilient and highly reliable LMR communications for customers across Canada. The acquisition is expected to be completed in the fourth quarter of 2026.

Recent Acquisitions

On March 24, 2026, the Company acquired Hyper for $23 million, net of cash acquired. Hyper provides conversational, agentic AI designed to reduce the burden on understaffed public safety answering points ("PSAPs") by handling non-emergency calls. The Company issued restricted stock at a fair value of $2 million to certain key employees that will be expensed over a service period of two years. The acquisition expands the Company's use of agentic AI across its Command Center portfolio and mission-critical AI, Assist. This business is part of the Software and Services segment.

On March 11, 2026, the Company acquired Exacom, a provider of cloud-native voice and multimedia recording and logging solutions for mission-critical communications for $67 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of $1 million to certain key employees that will be expensed over a service period of two years. The acquisition enhances the Company's public safety ecosystem by consolidating call logs, recording 911 audio and radio traffic into a cloud-based solution to unify voice and video across the incident lifecycle. This business is part of the Software and Services segment.

On November 18, 2025, the Company acquired Blue Eye, a provider of AI-powered enterprise remote video monitoring ("RVM") services for $79 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of $1 million to certain key employees that will be expensed over a service period of two years. The acquisition enhances the Company's video security portfolio, serving a wide range of enterprises with real-time intelligence to help reduce loss and damage, mitigate risk and boost profitability. This business is part of the Software and Services segment.

On August 6, 2025, the Company acquired Silvus from Silvus Technologies Group LLC (the "Seller"). Silvus designs and develops software-defined high-speed MANET technology that enables highly secure data, video and voice communications without the need for fixed infrastructure. This acquisition brings mobile ad-hoc network expertise and new applications to the Company's public safety and enterprise portfolio. The purchase price of $4.4 billion consisted of cash payments of $4.4 billion, net of cash acquired and customary purchase price adjustments, and contingent earnout consideration that had an estimated fair value as of the acquisition date of $38 million. Under the terms of the transaction, the Seller will have the potential to earn the contingent earnout consideration upon the achievement of certain financial targets of up to $600 million in total, comprised of up to $150 million for the annual period from July 5, 2026 through July 3, 2027 and up to $450 million for the annual period from July 4, 2027 through July 1, 2028 (with the potential to earn catch-up earnout consideration based on performance in the annual period from July 4, 2027 through July 1, 2028 if the maximum earnout for the annual period from July 5, 2026 through July 3, 2027 is not earned). The earnout consideration, if any, will be paid in shares of common stock. This business is part of both the Products and Systems Integration segment and the Software and Services segment.

On March 6, 2025, the Company acquired Theatro, a maker of AI and voice-powered communication and digital workflow software for frontline workers for $174 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of $5 million to certain key employees that will be expensed over a service period of three years. The acquisition enhances the Company's portfolio of enterprise technologies by integrating Theatro's AI voice assistant in the Company's complementary workflows across our portfolio, including body cameras, fixed video, panic buttons and radios. This business is part of the Software and Services segment.

On February 21, 2025, the Company acquired RapidDeploy, a provider of cloud-native 911 solutions for public safety for $240 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of $6 million to certain key employees that will be expensed over a service period of two years. The acquisition complements the Company's Command Center portfolio of 911 solutions. This business is part of the Software and Services segment.

Recent Accounting Pronouncements

In September 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") No. 2025-06, "Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software" to modernize the accounting for internal-use software costs. The ASU is effective for fiscal years beginning after December 15, 2027 and interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is still evaluating the complete impact of the adoption of this ASU on its financial statements and disclosures.

In November 2024, the FASB issued ASU No. 2024-03, "Disaggregation of Income Statement Expenses" (DISE), to enhance disclosures relating to key income statement expense topics. This was subsequently amended by ASU No. 2025-01, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date," which clarified the effective dates. The ASU is effective for fiscal years beginning after December 15, 2026 and interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is still evaluating the complete impact of the adoption of this ASU on its disclosures.

Recently Adopted Accounting Pronouncements

In July 2025, the FASB issued ASU No. 2025-05, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets" to introduce a practical expedient in the estimation of expected credit losses for current accounts receivable and current contract assets. The ASU is effective for fiscal years beginning after December 15, 2025 and interim periods within annual reporting periods beginning after December 15, 2025, with early adoption permitted. The Company has elected the practical expedient to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset, which did not have a material impact to the Company's current expected credit losses.

In December 2023, the FASB issued ASU No. 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures,” which expands disclosures in an entity's income tax rate reconciliation table and disclosures regarding cash taxes paid both in the U.S. and foreign jurisdictions. The Company adopted ASU No. 2023-09 for the year ended December 31, 2025 and applied the retrospective transition method. As the provisions of ASU 2023-09 relate primarily to annual disclosure requirements, the adoption has no impact on "Part I - Financial Information" of this Form 10-Q.

2. Revenue from Contracts with Customers

Disaggregation of Revenue

The following table summarizes the disaggregation of the Company's revenue by segment, region, major products and services and customer type for the three and six months ended July 4, 2026 and June 28, 2025, consistent with the information reviewed by the Company's chief operating decision maker for evaluating the financial performance of the Company's reportable segments:

	Three Months Ended					
	July 4, 2026			*June 28, 2025*		
(In millions)	**Products and Systems Integration**	**Software and Services**	**Total**	Products and Systems Integration	Software and Services	Total
Regions:						
North America	**$ 1,361**	**$ 849**	**$ 2,210**	$ 1,251	$ 776	$ 2,027
International	**547**	**376**	**923**	402	336	738
	$ 1,908	**$ 1,225**	**$ 3,133**	$ 1,653	$ 1,112	$ 2,765
Major Products and Services:						
Mission Critical Networks (MCN)	**$ 1,567**	**$ 713**	**$ 2,280**	$ 1,356	$ 649	$ 2,005
Video	**341**	**243**	**584**	297	226	523
Command Center	**—**	**269**	**269**	—	237	237
	$ 1,908	**$ 1,225**	**$ 3,133**	$ 1,653	$ 1,112	$ 2,765
Customer Types:						
Direct	**$ 1,226**	**$ 1,114**	**$ 2,340**	$ 1,030	$ 1,016	$ 2,046
Indirect	**682**	**111**	**793**	623	96	719
	$ 1,908	**$ 1,225**	**$ 3,133**	$ 1,653	$ 1,112	$ 2,765

	Six Months Ended					
	July 4, 2026			*June 28, 2025*		
(In millions)	**Products and Systems Integration**	**Software and Services**	**Total**	Products and Systems Integration	Software and Services	Total
Regions:						
North America	**$ 2,426**	**$ 1,641**	**$ 4,067**	$ 2,429	$ 1,450	$ 3,879
International	**1,042**	**739**	**1,781**	770	644	1,414
	$ 3,468	**$ 2,380**	**$ 5,848**	$ 3,199	$ 2,094	$ 5,293
Major Products and Services:						
Mission Critical Networks (MCN)	**$ 2,856**	**$ 1,393**	**$ 4,249**	$ 2,671	$ 1,235	$ 3,906
Video	**612**	**481**	**1,093**	528	436	964
Command Center	**—**	**506**	**506**	—	423	423
	$ 3,468	**$ 2,380**	**$ 5,848**	$ 3,199	$ 2,094	$ 5,293
Customer Types:						
Direct	**$ 2,171**	**$ 2,167**	**$ 4,338**	$ 2,046	$ 1,923	$ 3,969
Indirect	**1,297**	**213**	**1,510**	1,153	171	1,324
	$ 3,468	**$ 2,380**	**$ 5,848**	$ 3,199	$ 2,094	$ 5,293

Remaining Performance Obligations

Remaining performance obligations represent the revenue that is expected to be recognized in future periods related to performance obligations that are unsatisfied, or partially unsatisfied, as of the end of a period. Remaining performance obligations are equal to disclosed backlog, except within our Software and Services contracts where multi-year contract terms may be limited by the customer's ability to terminate for convenience. Where termination for convenience exists in the Company's service contracts, its disclosure of the remaining performance obligations that are unsatisfied assumes the contract term is limited until renewal. The transaction value associated with remaining performance obligations which were not yet satisfied as of July 4, 2026 was $9.5 billion, of which $4.1 billion is expected to be recognized in the next twelve months. The remaining amounts will generally be satisfied over time as systems are implemented and services are performed.

Contract Balances

(In millions)	***July 4, 2026***	*December 31, 2025*
Accounts receivable, net	**$ 2,160**	$ 2,200
Contract assets	**1,455**	1,574
Contract liabilities	**2,341**	2,265
Non-current contract liabilities	**844**	751

Payment terms on system contracts are typically tied to implementation milestones associated with progress on contracts, while revenue recognition is over time based on a cost-to-cost method of measuring performance. The Company may recognize a Contract asset or Contract liability, depending on whether revenue has been recognized in excess of billings or billings in excess of revenue. Services contracts are typically billed in advance, generating Contract liabilities until the Company has performed the services. The Company does not record a financing component to contracts when it expects, at contract inception, that the period between the transfer of a promised good or service and related payment terms is less than a year.

Revenue recognized during the three months ended July 4, 2026 which was previously included in Contract liabilities as of April 4, 2026 was $796 million, compared to $663 million of revenue recognized during the three months ended June 28, 2025 which was previously included in Contract liabilities as of March 29, 2025. Revenue recognized during the six months ended July 4, 2026 which was previously included in Contract liabilities as of December 31, 2025 was $1.2 billion, compared to $886 million recognized during the six months ended June 28, 2025 which was previously included in Contract liabilities as of December 31, 2024. Revenue of $1 million was reversed during the three months ended July 4, 2026 related to performance obligations satisfied, or partially satisfied, in previous periods, compared to $5 million recognized for the three months ended June 28, 2025, primarily driven by changes in the estimates of progress on system contracts. Revenue of $1 million was recognized during the six months ended July 4, 2026 related to performance obligations satisfied, or partially satisfied, in previous periods, primarily driven by changes in the estimates of progress on system contracts, compared to $6 million reversed for the six months ended June 28, 2025.

There were no material expected credit losses recorded on contract assets during each of the three and six months ended July 4, 2026 and June 28, 2025.

Contract Cost Balances

(In millions)	***July 4, 2026***	*December 31, 2025*
Current contract cost assets	**$ 100**	$ 72
Non-current contract cost assets	**150**	152

Contract cost assets include incremental costs to obtain a contract, primarily related to the Company's sales incentive plans, and certain costs to fulfill contracts. Contract cost assets are amortized into expense over a period that follows the passage of control to the customer over time. Incremental costs to obtain a contract with the Company's sales incentive plans are accounted for under a portfolio approach, with amortization ranging from one to seven years to approximate the recognition of revenues over time. Where incremental costs to obtain a contract will be recognized in one year or less, the Company applies a practical expedient around expensing amounts as incurred. Amortization of contract cost assets was $13 million and $27 million for the three and six months ended July 4, 2026, respectively, and $13 million and $26 million for the three and six months ended June 28, 2025, respectively.

3. Leases

Components of Lease Expense

(In millions)	*Three Months Ended* ***July 4, 2026***	*Three Months Ended June 28, 2025*	*Six Months Ended* ***July 4, 2026***	*Six Months Ended June 28, 2025*
Lease expense:				
Operating lease cost	**$ 41**	$ 38	**$ 82**	$ 75
Short-term lease cost	**2**	—	**3**	—
Variable cost	**9**	16	**17**	28
Sublease income	**(2)**	(2)	**(3)**	(3)
Net lease expense from operating leases	**$ 50**	$ 52	**$ 99**	$ 100

Lease Assets and Liabilities

(In millions)	*Statement Line Classification*	***July 4, 2026***	*December 31, 2025*
Right-of-use lease assets	Operating lease assets	**$ 571**	$ 581
Current lease liabilities	Accrued liabilities	**145**	133
Operating lease liabilities	Operating lease liabilities	**442**	471

Other Information Related to Leases

(In millions)	*Six Months Ended* ***July 4, 2026***	*Six Months Ended June 28, 2025*
Supplemental cash flow information:		
Net cash used for operating activities related to operating leases	**$ 91**	$ 88
Right-of-use assets obtained in exchange for lease liabilities	**60**	58

During the six months ended July 4, 2026, assets obtained in exchange for lease liabilities were primarily driven by new and renewed real estate leases.

	July 4, 2026	*December 31, 2025*
Weighted average remaining lease terms (years)	6	5
Weighted average discount rate:	**4.30 %**	4.21 %

Future Lease Payments

(In millions)	***July 4, 2026*** *Operating Leases*
Remainder of 2026	$ 69
2027	162
2028	136
2029	103
2030	52
Thereafter	140
Total lease payments	$ 662
Less: interest	75
Present value of lease liabilities	$ 587

4. Other Financial Data

Statements of Operations Information

Other Charges

Other charges included in Operating earnings consist of the following:

	Three Months Ended		Six Months Ended	
	July 4, 2026	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*
Other charges (income):				
Intangibles amortization (Note 15)	**$ 95**	$ 39	**$ 185**	$ 76
Contingent earnout adjustment (Note 10)	**16**	—	**91**	—
Reorganization of business (Note 14)	**10**	8	**20**	20
Acquisition-related transaction fees	**5**	2	**13**	8
Operating lease asset impairments	**3**	—	**5**	—
Legal settlements	**3**	1	**4**	5
Fixed asset impairments	**1**	—	**1**	—
Gain on Hytera litigation	**(20)**	(10)	**(60)**	(20)
	$ 113	$ 40	**$ 259**	$ 89

During the six months ended July 4, 2026, the Company recorded a charge of $91 million to increase the fair value of the contingent earnout consideration related to the Silvus acquisition. Refer to "Note 10: Fair Value Measurements," in this "Part I — Financial Information" of this Form 10-Q for more information.

During the six months ended July 4, 2026 and June 28, 2025, the Company recognized gains on the Hytera litigation of $60 million and $20 million, respectively, for amounts recovered through legal proceedings due to theft of the Company's trade secrets. Refer to "Hytera Civil Litigation" within "Note 12: Commitments and Contingencies" in this "Part I — Financial Information" of this Form 10-Q for more information.

Other Income (Expense)

Interest expense, net, and Other, net, both included in Other income (expense), consist of the following:

	Three Months Ended		Six Months Ended	
	July 4, 2026	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*
Interest, net:				
Interest expense	**$ (109)**	$ (71)	**$ (221)**	$ (140)
Interest income	**6**	16	**13**	34
	$ (103)	$ (55)	**$ (208)**	$ (106)
Other, net:				
Net periodic pension and postretirement benefit (Note 8)	**$ 25**	$ 30	**$ 52**	$ 61
Foreign currency gain (loss)	**11**	(42)	**35**	(62)
Gain (loss) on derivative instruments (Note 6)	**(17)**	34	**(44)**	48
Fair value adjustments to equity investments	**13**	18	**8**	13
Other	**4**	3	**5**	(1)
	$ 36	$ 43	**$ 56**	$ 59

Earnings Per Common Share

Basic and diluted earnings per common share from net earnings attributable to Motorola Solutions, Inc. are computed as follows:

	Amounts attributable to Motorola Solutions, Inc. common stockholders			
	Three Months Ended		*Six Months Ended*	
	July 4, 2026	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*
Basic earnings per common share:				
Earnings	**$ 557**	$ 513	**$ 923**	$ 943
Weighted average common shares outstanding	**165.8**	166.8	**165.8**	166.8
Per share amount	**$ 3.36**	$ 3.08	**$ 5.57**	$ 5.65
Diluted earnings per common share:				
Earnings	**$ 557**	$ 513	**$ 923**	$ 943
Weighted average common shares outstanding	**165.8**	166.8	**165.8**	166.8
Add effect of dilutive securities:				
Share-based awards	**1.4**	2.0	**1.8**	2.6
Diluted weighted average common shares outstanding	**167.2**	168.8	**167.6**	169.4
Per share amount	**$ 3.33**	$ 3.04	**$ 5.51**	$ 5.57

In the computation of diluted earnings per common share, share-based awards with an antidilutive impact were excluded.

The antidilutive impact of 0.8 million and 0.6 million share-based awards for the three and six months ended July 4, 2026, respectively, and 0.2 million share-based awards for the three and six months ended June 28, 2025, were excluded because their inclusion would have been antidilutive.

In connection with the acquisition of Silvus, the Seller will have the potential to earn contingent earnout consideration upon the achievement of certain financial targets payable in shares of common stock of up to $600 million in total, comprised of up to $150 million for the annual period from July 5, 2026 through July 3, 2027 and up to $450 million for the annual period from July 4, 2027 through July 1, 2028 (with the potential to earn catch-up earnout consideration based on performance in the annual period from July 4, 2027 through July 1, 2028 if the maximum earnout for the annual period from July 5, 2026 through July 3, 2027 is not earned). The estimated fair value of the total contingent earnout consideration was $127 million as of July 4, 2026. The shares required to settle the contingent earnout consideration will only be reflected within diluted earnings per share when and if the earnout financial targets have been achieved, in each of the two respective periods.

Balance Sheet Information

Accounts Receivable, Net

Accounts receivable, net, consists of the following:

	July 4, 2026	*December 31, 2025*
Accounts receivable	**$ 2,243**	$ 2,283
Less allowance for credit losses	**(83)**	(83)
	$ 2,160	$ 2,200

Inventories, Net

Inventories, net, consist of the following:

	July 4, 2026	*December 31, 2025*
Finished goods	**$ 574**	$ 455
Work-in-process and production materials	**892**	644
	1,466	1,099
Less inventory reserves	**(133)**	(116)
	$ 1,333	$ 983

Other Current Assets

Other current assets consist of the following:

	July 4, 2026	December 31, 2025
Current contract cost assets (Note 2)	$ 100	$ 72
Contractor receivables	16	19
Tax-related deposits	39	41
Other	319	246
	$ 474	$ 378

Property, Plant and Equipment, Net

Property, plant and equipment, net, consist of the following:

	July 4, 2026	December 31, 2025
Land	$ 5	$ 5
Leasehold improvements	517	479
Machinery and equipment	2,716	2,655
	3,238	3,139
Less accumulated depreciation	(2,071)	(1,974)
	$ 1,167	$ 1,165

Depreciation expense was $53 million and $47 million for the three months ended July 4, 2026 and June 28, 2025, respectively. Depreciation expense for the six months ended July 4, 2026 and June 28, 2025 was $106 million and $91 million, respectively.

Investments

Investments consist of the following:

	July 4, 2026	December 31, 2025
Common stock	$ 36	$ 42
Strategic investments	167	54
Company-owned life insurance policies	89	83
Equity method investments	8	8
	$ 300	$ 187

On July 1, 2026, the Company paid $100 million for a strategic investment in equity securities of BRINC Drones, Inc. (“BRINC”). BRINC is a leader in public safety drone technology. Strategic investments do not have readily determinable fair values and are carried at cost; adjustments resulting from observable price changes in orderly transactions for similar securities of the same issuer are recorded in Other, net within Other income (expense).

Other Assets

Other assets consist of the following:

	July 4, 2026	December 31, 2025
Defined benefit plan assets (Note 8)	$ 259	$ 228
Non-current contract cost assets (Note 2)	150	152
Non-current long-term receivables (Note 11)	44	59
Other	52	52
	$ 505	$ 491

Accounts Payable

The Company utilizes a supplier finance program which provides its suppliers the ability to accelerate payment on the Company's invoices beyond the stated payment terms. Under the terms of this program, the Company agrees to pay an intermediary the stated amount of confirmed invoices on the stated maturity dates of the invoices, and the supplier is able to negotiate earlier payment terms with the intermediary. The Company or the intermediary may terminate their agreement at any time upon 60 days' notice. The Company does not provide any forms of guarantees under this arrangement. Supplier participation in the program is solely at the supplier's discretion, and the participating suppliers negotiate their arrangements directly with the intermediary. The Company has no economic interest in a supplier's decision to participate in the program, and their participation has no bearing on payment terms or amounts due. The stated invoice payment terms range from 75 to 120 days from the invoice date and are considered commercially reasonable.

The Company's outstanding amounts related to the suppliers participating in this program was $27 million and $34 million as of July 4, 2026 and December 31, 2025, respectively. Supplier finance program obligations are classified as Accounts payable within the Condensed Consolidated Balance Sheets.

Accrued Liabilities

Accrued liabilities consist of the following:

	July 4, 2026	*December 31, 2025*
Compensation	**$ 305**	$ 479
Tax liabilities (Note 7)	**164**	225
Dividend payable	**200**	201
Trade liabilities	**175**	194
Operating lease liabilities (Note 3)	**145**	133
Customer reserves	**104**	125
External interest liabilities	**97**	113
Other	**476**	460
	$ 1,666	$ 1,930

Other Liabilities

Other liabilities consist of the following:

	July 4, 2026	*December 31, 2025*
Defined benefit plans (Note 8)	**$ 611**	$ 683
Non-current contract liabilities (Note 2)	**844**	751
Unrecognized tax benefits (Note 7)	**35**	41
Deferred income taxes (Note 7)	**122**	124
Environmental reserve	**119**	119
Deferred compensation	**126**	111
Contingent earnout consideration (Note 10)	**127**	37
Other	**132**	134
	$ 2,116	$ 2,000

Stockholders' Equity

Share Repurchase Program: During the three and six months ended July 4, 2026, the Company repurchased approximately 0.8 million and 1.1 million shares at an average price of $413.53 and $420.50 per share for an aggregate amount of $326 million and $444 million, respectively.

Payment of Dividends: During the three months ended July 4, 2026 and June 28, 2025, the Company paid $201 million and $182 million, respectively, in cash dividends to holders of its common stock. Subsequent to the quarter, the Company paid an additional $200 million in cash dividends to holders of its common stock. During the six months ended July 4, 2026 and June 28, 2025, the Company paid $402 million and $364 million, respectively, in cash dividends to holders of its common stock.

Accumulated Other Comprehensive Loss

The following table displays the changes in Accumulated other comprehensive loss, including amounts reclassified into income, and the affected line items in the Condensed Consolidated Statements of Operations during the three and six months ended July 4, 2026 and June 28, 2025:

	Three Months Ended		Six Months Ended	
	July 4, 2026	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*
Foreign Currency Translation Adjustments:				
Balance at beginning of period	**$ (460)**	$ (505)	**$ (445)**	$ (546)
Other comprehensive income (loss) before reclassification adjustment	**(23)**	77	**(37)**	116
Reclassification adjustment into Net earnings	**(1)**	(2)	**(2)**	(3)
Tax benefit	**4**	2	**4**	5
Other comprehensive income (loss), net of tax	**(20)**	77	**(35)**	118
Balance at end of period	**$ (480)**	$ (428)	**$ (480)**	$ (428)
Derivative Instruments:				
Balance at beginning of period	**$ (6)**	$ (7)	**$ (6)**	$ (7)
Other comprehensive income, net of tax	**—**	—	**—**	—
Balance at end of period	**$ (6)**	$ (7)	**$ (6)**	$ (7)
Defined Benefit Plans:				
Balance at beginning of period	**$ (1,957)**	$ (1,988)	**$ (1,969)**	$ (1,986)
Other comprehensive income (loss) before reclassification adjustment	**8**	4	**10**	(8)
Tax expense (benefit)	**(2)**	(1)	**(3)**	2
Other comprehensive income (loss) before reclassification adjustment, net of tax	**6**	3	**7**	(6)
Reclassification adjustment - Actuarial net losses into Other income (Note 8)	**14**	9	**29**	18
Reclassification adjustment - Prior service benefits into Other income (Note 8)	**1**	—	**1**	—
Tax expense	**(3)**	(1)	**(7)**	(3)
Reclassification adjustments into Net earnings, net of tax	**12**	8	**23**	15
Other comprehensive income, net of tax	**18**	11	**30**	9
Balance at end of period	**$ (1,939)**	$ (1,977)	**$ (1,939)**	$ (1,977)
Total Accumulated other comprehensive loss	**$ (2,425)**	$ (2,412)	**$ (2,425)**	$ (2,412)

5. Debt and Credit Facilities

		July 4, 2026		December 31, 2025
364 day term loan	$	550	$	749
4.6% senior notes due 2028		698		698
6.5% debentures due 2028		24		24
Term loan due 2028		749		748
5.0% senior notes due 2029		398		397
4.6% senior notes due 2029		801		802
2.3% senior notes due 2030		896		896
4.85% senior notes due 2030		596		595
2.75% senior notes due 2031		847		847
5.2% senior notes due 2032		497		496
5.6% senior notes due 2032		597		597
5.4% senior notes due 2034		894		894
5.55% senior notes due 2035		893		892
6.625% senior notes due 2037		38		38
5.5% senior notes due 2044		397		397
5.22% debentures due 2097		93		93
Commercial papers		65		—
		9,033		9,163
Adjustments for unamortized gains on interest rate swap terminations		(1)		(1)
Less: current portion		(615)		(749)
Long-term debt	$	8,417	$	8,413

On June 16, 2025, the Company issued $600 million of 4.85% senior notes due 2030, $500 million of 5.2% senior notes due 2032, and $900 million of 5.55% senior notes due 2035. The Company recognized net proceeds of approximately $2.0 billion after debt issuance costs and discounts. The proceeds from these notes were used to fund a portion of the acquisition of Silvus.

On August 6, 2025, the Company borrowed $1.5 billion of senior delayed draw term loan facilities comprised of a $750 million 364-day facility and a $750 million three-year facility ("term loan due 2028") to fund a portion of the acquisition of Silvus. On January 30, 2026, the Company repaid $200 million of the $750 million 364-day facility, reducing the outstanding principal balance to $550 million. The Company must comply with certain customary covenants including a maximum leverage ratio, as defined in the 364-Day Term Loan Credit Agreement and Three-Year Term Loan Credit Agreement, each entered into on July 21, 2025. The Company was in compliance with its financial covenants as of July 4, 2026. During the three months ended July 4, 2026, the weighted average interest rate of the 364-day facility and the term loan due 2028 was 4.73% and 4.85%, respectively. On June 26, 2026, the Company exercised its option under the 364-Day Term Loan Credit Agreement to extend the maturity of $250 million of the outstanding principal amount by one year.

The Company has an unsecured commercial paper program, backed by the 2025 Motorola Solutions Credit Agreement (as defined below), under which the Company may issue unsecured commercial paper notes up to a maximum aggregate principal amount of $2.2 billion outstanding at any one time. Proceeds from the issuances of the notes are expected to be used for general corporate purposes. The notes are issued at a zero-coupon rate and are issued at a discount which reflects the interest component. At maturity, the notes are paid back in full including the interest component. The notes are not redeemable prior to maturity. As of July 4, 2026, the Company had $65 million outstanding debt under the commercial paper program, which had a weighted-average interest rate of 4.03% during the three months ended July 4, 2026.

As of July 4, 2026, the Company had a $2.25 billion syndicated, unsecured revolving credit facility scheduled to mature in April 2030 which can be used for general corporate purposes and letters of credit (the "2025 Motorola Solutions Credit Agreement"). Borrowings under the facility bear interest at the prime rate plus the applicable margin, or at a spread above the Secured Overnight Financing Rate (SOFR), at the Company's option. An annual facility fee is payable on the undrawn amount of the credit line. The interest rate and facility fee are subject to adjustment if the Company's credit rating changes. The Company must comply with certain customary covenants including a maximum leverage ratio, as defined in the 2025 Motorola Solutions Credit Agreement. The Company was in compliance with its financial covenants as of July 4, 2026.

6. Risk Management

Foreign Currency Risk

The Company had outstanding foreign exchange contracts with notional amounts totaling $1.5 billion and $1.6 billion for the periods ended July 4, 2026 and December 31, 2025, respectively. The Company does not believe these financial instruments should subject it to undue risk due to foreign exchange movements because gains and losses on these contracts should generally offset gains and losses on the underlying assets, liabilities and transactions.

The following table shows the five largest net notional amounts of the positions to buy or sell foreign currency as of July 4, 2026, and the corresponding positions as of December 31, 2025:

	Notional Amount	
Net Buy (Sell) by Currency	***July 4, 2026***	*December 31, 2025*
British Pound	**$ 330**	$ 301
Euro	**246**	191
Canadian dollar	**116**	115
Australian dollar	**(106)**	(160)
Danish krone	**88**	58

Counterparty Risk

The use of derivative financial instruments exposes the Company to counterparty credit risk in the event of non-performance by counterparties. However, the Company's risk is limited to the fair value of the instruments when the derivative is in an asset position. The Company actively monitors its exposure to credit risk. As of July 4, 2026, all of the counterparties had investment grade credit ratings. As of July 4, 2026, the Company had $4 million of exposure to aggregate credit risk with all counterparties.

Derivative Financial Instruments

The following tables summarize the fair values and locations in the Condensed Consolidated Balance Sheets of all derivative financial instruments held by the Company as of July 4, 2026 and December 31, 2025:

	Fair Values of Derivative Instruments	
July 4, 2026	*Other Current Assets*	*Accrued Liabilities*
Derivatives designated as hedging instruments:		
Foreign exchange contracts	$ 2	$ —
Derivatives not designated as hedging instruments:		
Foreign exchange contracts	$ 2	$ 11
Total derivatives	$ 4	$ 11

	Fair Values of Derivative Instruments	
December 31, 2025	*Other Current Assets*	*Accrued Liabilities*
Derivatives designated as hedging instruments:		
Foreign exchange contracts	$ —	$ 19
Derivatives not designated as hedging instruments:		
Foreign exchange contracts	$ 10	$ —
Total derivatives	$ 10	$ 19

The following table summarizes the effect of derivatives on the Company's condensed consolidated financial statements for the three and six months ended July 4, 2026 and June 28, 2025:

Derivatives	*Financial Statement Location*	*Three Months Ended*		*Six Months Ended*	
		July 4, 2026	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*
Derivatives designated as hedging instruments:					
Foreign exchange contracts	Accumulated other comprehensive income (loss)	**$ 2**	$ (17)	**$ 4**	$ (23)
Amortized hedge income	Other income (expense)	**1**	2	**2**	3
Derivatives not designated as hedging instruments:					
Foreign exchange contracts	Other income (expense)	**$ (17)**	$ 34	**$ (44)**	$ 48
Equity swap contracts	Selling, general and administrative expenses	**3**	2	**2**	1

Net Investment Hedges

The Company uses foreign exchange forward and option contracts to hedge against the effect of the British pound and the Euro exchange rate fluctuations against the U.S. dollar on a portion of its net investments in certain European operations. The Company recognizes changes in the fair value of the net investment hedges as a component of foreign currency translation adjustments within Other comprehensive income to offset a portion of the change in translated value of the net investments being hedged, until the investments are sold or liquidated. As of July 4, 2026, the Company had €160 million of net investment hedges in certain Euro functional subsidiaries and £50 million of net investment hedges in a British pound functional subsidiary.

The Company excludes the difference between the spot rate and the forward rate of the forward contracts and initial time value of the options from its assessment of hedge effectiveness. The effect of the forward points recognized in forward contracts and the initial time value of the option contracts are amortized on a straight-line basis and recognized through interest expense within Other income (expense) in the Condensed Consolidated Statement of Operations.

Equity Swap Contracts

The Company uses equity swap contracts which serve as economic hedges against volatility within the equity markets, impacting the Company's deferred compensation plan obligations. These contracts are not designated as hedges for accounting purposes. Unrealized gains and losses on these contracts are included in Selling, general and administrative expenses in the Condensed Consolidated Statements of Operations. The notional amount of these contracts as of July 4, 2026 was $24 million.

Treasury Rate Lock

In order to manage interest rate exposure, during the period ended July 4, 2026, the Company entered into Treasury rate lock agreements to protect against unfavorable interest rate changes relating to forecasted debt transactions. These derivatives are designated as cash flow hedges with unrealized gains and losses deferred in other comprehensive income. The derivatives will be settled upon the issuance of the related debt and gains and losses generated from the derivatives will be recognized within interest expense over the same period that the hedged interest payments affect earnings. The Company entered into Treasury rate lock agreements in a cash flow hedging relationship with a notional amount of $150 million for which the fair value as of July 4, 2026 was de minimis.

7. Income Taxes

At the end of each interim reporting period, the Company makes an estimate of its annual effective income tax rate. Tax expense in interim periods is calculated at the estimated annual effective tax rate plus or minus the tax effects of items of income and expense that are discrete to the period. The estimate used in providing for income taxes on a year-to-date basis may change in subsequent interim periods.

The following table provides details of income taxes:

	Three Months Ended		*Six Months Ended*	
	July 4, 2026	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*
Net earnings before income taxes	**$ 742**	$ 680	**$ 1,182**	$ 1,227
Income tax expense	**184**	165	**256**	280
Effective tax rate	**25 %**	24 %	**22 %**	23 %

The effective tax rates for the three and six months ended July 4, 2026 of 25% and 22%, respectively, were higher than the U.S. federal statutory tax rate of 21% primarily due to state tax expense, partially offset by excess tax benefits of share-based compensation.

The effective tax rates for the three and six months ended June 28, 2025 of 24% and 23%, respectively, were higher than the U.S. federal statutory tax rate of 21% primarily due to state tax expense, partially offset by excess tax benefits of share-based compensation.

The effective tax rate for the three months ended July 4, 2026 of 25% was higher than the effective tax rate for the three months ended June 28, 2025 of 24%, primarily due to a net increase in unrecognized tax benefits. The effective tax rate for the six months ended July 4, 2026 of 22% was lower than the effective tax rate for the six months ended June 28, 2025 of 23%, primarily due to higher excess tax benefits of share-based compensation and an increased deduction for foreign-derived deduction-eligible income.

On July 4, 2025, the "One Big Beautiful Bill Act" was enacted into law, introducing a broad range of changes to the U.S. corporate income tax framework. The legislation includes business provisions that impact the Company's tax position, including tax cut extensions and modifications to the international tax framework and corporate income tax deductions. Certain provisions of this legislation were effective for the 2025 fiscal year, whereas other provisions became effective starting in 2026. For the six months ended July 4, 2026, the impact of the enacted legislation on the Company's tax position was not material. The Company will continue to assess the ongoing impact of this legislation as further guidance is made available.

8. Retirement and Other Employee Benefits

Pension and Postretirement Health Care Benefits Plans

The net periodic benefits for Pension and Postretirement Health Care Benefits Plans were as follows:

	U.S. Pension Benefit Plans		*Non-U.S. Pension Benefit Plans*		*Postretirement Health Care Benefits Plan*	
Three Months Ended	***July 4, 2026***	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*
Interest cost	**$ 48**	$ 50	**$ 14**	$ 14	**$ 1**	$ 2
Expected return on plan assets	**(74)**	(76)	**(27)**	(26)	**(3)**	(3)
Amortization of:						
Unrecognized net loss	**9**	6	**3**	1	**2**	2
Unrecognized prior service cost	**—**	—	**—**	—	**1**	—
Net periodic pension cost (benefits)	**$ (17)**	$ (20)	**$ (10)**	$ (11)	**$ 1**	$ 1

	U.S. Pension Benefit Plans		*Non-U.S. Pension Benefit Plans*		*Postretirement Health Care Benefits Plan*	
Six Months Ended	***July 4, 2026***	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*
Interest cost	**$ 95**	$ 100	**$ 28**	$ 28	**$ 2**	$ 3
Expected return on plan assets	**(148)**	(152)	**(53)**	(52)	**(6)**	(6)
Amortization of:						
Unrecognized net loss	**19**	12	**7**	3	**3**	3
Unrecognized prior service cost (benefit)	**—**	—	**(1)**	(1)	**2**	1
Net periodic pension cost (benefits)	**$ (34)**	$ (40)	**$ (19)**	$ (22)	**$ 1**	$ 1

9. Share-Based Compensation Plans

Compensation expense for the Company's share-based plans was as follows:

	Three Months Ended		Six Months Ended	
	July 4, 2026	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*
Share-based compensation expense included in:				
Costs of sales	**$ 22**	$ 14	**$ 43**	$ 28
Selling, general and administrative expenses	**57**	40	**111**	75
Research and development expenditures	**25**	20	**50**	37
Share-based compensation expense included in Operating earnings	**104**	74	**204**	140
Tax benefit	**(17)**	(15)	**(35)**	(29)
Share-based compensation expense, net of tax	**$ 87**	$ 59	**$ 169**	$ 111
Decrease in basic earnings per share	**$ (0.52)**	$ (0.35)	**$ (1.02)**	$ (0.67)
Decrease in diluted earnings per share	**$ (0.52)**	$ (0.35)	**$ (1.01)**	$ (0.66)

During the six months ended July 4, 2026, the Company granted 0.5 million restricted stock units (RSUs), 0.1 million performance stock units (PSUs) and 0.04 million market stock units (MSUs) with an aggregate grant-date fair value of $216 million, $40 million and $20 million, respectively, and 0.1 million stock options and 0.1 million performance options (POs) with an aggregate grant-date fair value of $8 million and $20 million, respectively. The share-based compensation expense will generally be recognized over the vesting period of three years.

The Company has various defined contribution plans, in which all eligible employees may participate. In the U.S., the Motorola Solutions 401(k) Plan (the "401(k) Plan") is a contributory plan. Matching contributions are based upon the amount of the employees' contributions. Beginning January 1, 2026, the Company's matching contribution under the 401(k) Plan was made in Company common stock. During the three and six months ended July 4, 2026, the Company issued 0.03 million and 0.06 million shares of common stock with an aggregate grant-date fair value of $13 million and $27 million, respectively, to fund the 401(k) Plan Company matching contribution.

10. Fair Value Measurements

The fair values of the Company's financial assets and liabilities by level in the fair value hierarchy as of July 4, 2026 and December 31, 2025 were as follows:

July 4, 2026	*Level 1*	*Level 2*	*Level 3*	*Total*
Assets:				
Foreign exchange derivative contracts	$ —	$ 4	$ —	$ 4
Common stock and equivalents	36	—	—	36
Liabilities:				
Contingent earnout consideration (Note 15)	$ —	$ —	$ 127	$ 127
Foreign exchange derivative contracts	—	11	—	11

December 31, 2025	*Level 1*	*Level 2*	*Level 3*	*Total*
Assets:				
Foreign exchange derivative contracts	$ —	$ 10	$ —	$ 10
Common stock and equivalents	42	—	—	42
Liabilities:				
Contingent earnout consideration (Note 15)	$ —	$ —	$ 37	$ 37
Foreign exchange derivative contracts	—	19	—	19

As of July 4, 2026 and December 31, 2025, the Company had $274 million and $735 million, respectively, of investments in money market government and U.S. treasury funds classified (Level 1) as Cash and cash equivalents in its Condensed Consolidated Balance Sheets. The money market funds had quoted market prices that are equivalent to par.

Using quoted market prices and market interest rates, the fair value of the Company's long-term debt as of July 4, 2026 was $8.9 billion. The fair value of long-term debt as of December 31, 2025 was $9.2 billion.

In connection with the acquisition of Silvus, the Seller will have the potential to earn contingent earnout consideration upon the achievement of certain financial targets. Refer to Note 15, “Intangible Assets and Goodwill” in this “Part I – Financial Information” of this Form 10-Q for more information regarding the details of the contingent earnout consideration. The Company determines the fair value of the contingent earnout consideration liability using a Monte Carlo simulation model, which requires the use of Level 3 inputs, such as projected future net sales, gross margin and cash flows. At the acquisition date, the Company recorded a contingent liability of approximately $38 million, related to the estimated fair value of the contingent earnout consideration, which was included in the purchase price. As of July 4, 2026, the fair value of the contingent earnout consideration was estimated to be $127 million, resulting in charges of $16 million and $91 million recorded within Other Charges in the Company's Consolidated Statement of Operations during the three and six months ended July 4, 2026, respectively. This non-cash charge is attributable to the Company's updated expectations regarding the achievement of the previously noted financial targets.

All other financial instruments are carried at cost, which is not materially different from the instruments’ fair values.

11. Sales of Receivables

Sales of Receivables

The following table summarizes the proceeds received from sales of long-term receivables for the three and six months ended July 4, 2026 and June 28, 2025:

	Three Months Ended		*Six Months Ended*	
	July 4, 2026	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*
Accounts receivable sales proceeds	**$ 35**	$ —	**$ 35**	$ —
Long-term receivables sales proceeds	**55**	89	**105**	113
Total proceeds from receivable sales	**$ 90**	$ 89	**$ 140**	$ 113

At July 4, 2026, the Company had retained servicing obligations for $861 million of long-term receivables, compared to $814 million at December 31, 2025. Servicing obligations are limited to collection activities related to the sales of accounts receivables and long-term receivables. The Company had outstanding commitments to provide long-term financing to third parties totaling $293 million at July 4, 2026, compared to $179 million at December 31, 2025.

12. Commitments and Contingencies

Legal Matters

Hytera Civil Litigation

In 2017, the Company filed a complaint against Hytera Communications Corporation Limited of Shenzhen, China; Hytera America, Inc.; and Hytera Communications America (West), Inc. (collectively, "Hytera"), in the U.S. District Court for the Northern District of Illinois (the "District Court"), alleging trade secret theft and copyright infringement, and seeking injunctive relief. In 2020, a jury decided in the Company's favor, ultimately resulting in an award to the Company of $543.7 million, plus $51.1 million in pre-judgment interest and $2.6 million in costs, as well as $34.2 million in attorneys' fees.

In 2024, after both parties appealed to the U.S. Court of Appeals for the Seventh Circuit (the "Court of Appeals"), the Court of Appeals, among other items, affirmed the District Court's award of $407.4 million in damages under the Defend Trade Secrets Act, and directed the District Court to recalculate and reduce its award of $136.3 million in copyright infringement damages, which remains subject to ruling by the District Court. As of July 4, 2026, as a result of this civil litigation and 2020 bankruptcy proceedings by Hytera America, Inc. and Hytera Communications America (West), Inc., Hytera had paid $232 million against this award, $60 million of which was paid in the first half of 2026. These payments were recorded as a gain within Other charges within the Consolidated Statement of Operations.

Further, in 2022, the District Court ordered Hytera to pay the Company a forward-looking reasonable royalty on Hytera’s products (“I-Series”) that use the Company’s stolen trade secrets, applicable to I-Series products sold from July 1, 2019 forward. In 2024, the Company received royalties of $61 million related to the I-Series products, which was recorded as a gain within Other charges within the Consolidated Statement of Operations. Beginning in 2025, a favorable ruling in a related legal proceeding in the District Court (which Hytera has subsequently appealed to the Court of Appeals) also ordered Hytera to pay the Company for Hytera’s continued use of the Company’s trade secrets and copyrighted source code in Hytera’s currently shipping products (“H-Series”), and Hytera has subsequently reported to the Company approximately $116 million in royalties subject to the Court's order. While several aspects of the court proceedings related to the H-Series are subject to appeal, the Company continues to seek collection of the amounts owed by Hytera through the ongoing legal process.

Hytera Criminal Litigation

On January 13, 2025, Hytera pleaded guilty to one federal felony count of conspiracy to steal the Company's trade secrets in a criminal action brought by the U.S. Department of Justice against Hytera and several of its employees in the District Court. At Hytera's sentencing on March 5, 2026, which included Hytera's sentencing to five years of probation, the District Court found that Hytera caused the Company to lose $214 million in profits, but that this restitution amount was offset in full by payments previously made by Hytera towards the civil judgment. As a condition of Hytera's probation, the District Court ordered Hytera to pay the Company $100 million in 2026 towards the civil judgment and $100 million for each succeeding year until the civil judgment is paid in full. The District Court also fined Hytera $50 million, to be paid to the U.S. government after the Company's civil judgment is fully paid. The Company has appealed the District Court's sentencing order.

13. Segment Information

Significant Segment Expenses

	Three Months Ended					
	July 4, 2026			*June 28, 2025*		
	Products and Systems Integration	**Software and Services**	**Total**	Products and Systems Integration	Software and Services	Total
Net sales	**$ 1,908**	**$ 1,225**	**$ 3,133**	$ 1,653	$ 1,112	$ 2,765
Cost of sales	**840**	**615**	**1,455**	777	575	1,352
Gross margin	**1,068**	**610**	**1,678**	876	537	1,413
Selling, general and administrative expenses	**388**	**108**	**496**	355	95	450
Research and development expenditures	**153**	**107**	**260**	143	88	231
Other charges	**74**	**39**	**113**	15	25	40
Operating earnings	**$ 453**	**$ 356**	**$ 809**	$ 363	$ 329	$ 692
Total other expense			**(67)**			(12)
Earnings before income taxes			**$ 742**			$ 680

	Six Months Ended					
	July 4, 2026			*June 28, 2025*		
	Products and Systems Integration	**Software and Services**	**Total**	Products and Systems Integration	Software and Services	Total
Net sales	**$ 3,468**	**$ 2,380**	**$ 5,848**	$ 3,199	$ 2,094	$ 5,293
Cost of sales	**1,595**	**1,213**	**2,808**	1,471	1,109	2,580
Gross margin	**1,873**	**1,167**	**3,040**	1,728	985	2,713
Selling, general and administrative expenses	**730**	**205**	**935**	696	190	886
Research and development expenditures	**305**	**207**	**512**	285	179	464
Other charges	**172**	**87**	**259**	32	57	89
Operating earnings	**$ 666**	**$ 668**	**$ 1,334**	$ 715	$ 559	$ 1,274
Total other expense			**(152)**			(47)
Earnings before income taxes			**$ 1,182**			$ 1,227

Capital Expenditures by Segment

	Three Months Ended		*Six Months Ended*	
	July 4, 2026	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*
Products and Systems Integration	**$ 23**	$ 23	**$ 53**	$ 38
Software and Services	**32**	25	**64**	47
	$ 55	$ 48	**$ 117**	$ 85

Depreciation Expense by Segment

	Three Months Ended		Six Months Ended	
	July 4, 2026	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*
Products and Systems Integration	**$ 21**	$ 23	**$ 44**	$ 44
Software and Services	**32**	24	**62**	47
	$ 53	$ 47	**$ 106**	$ 91

14. Reorganization of Business

2026 Charges

During the three months ended July 4, 2026, the Company recorded net reorganization of business charges of $15 million, including $10 million of charges in Other charges and $5 million of charges in Cost of sales in the Company's Condensed Consolidated Statements of Operations. Included in the $15 million were charges of $18 million related to employee separation costs, partially offset by $3 million of reversals for employee separation accruals no longer needed.

During the six months ended July 4, 2026, the Company recorded net reorganization of business charges of $30 million, including $20 million of charges in Other charges and $10 million of charges in Costs of sales in the Company's Condensed Consolidated Statements of Operations. Included in the $30 million were charges of $33 million related to employee separation costs, partially offset by $3 million of reversals for employee separation accruals no longer needed.

The following table displays the net charges incurred by segment:

July 4, 2026	*Three Months Ended*	*Six Months Ended*
Products and Systems Integration	$ 10	$ 21
Software and Services	5	9
	$ 15	$ 30

Reorganization of Businesses Accruals

	January 1, 2026	*Additional Charges*	*Adjustments*	*Amount Used*	***July 4, 2026***
Employee separation costs	$ 24	$ 33	$ (3)	$ (24)	**$ 30**

Employee Separation Costs

At January 1, 2026, the Company had an accrual of $24 million for employee separation costs. The 2026 additional charges of $33 million represent severance costs for approximately 500 employees. The adjustment of $3 million reflects reversals for accruals no longer needed. The $24 million used reflects cash payments to severed employees. The remaining accrual of $30 million, which is included in Accrued liabilities in the Company’s Condensed Consolidated Balance Sheets at July 4, 2026, is expected to be paid, primarily within one year, to approximately 655 employees, who have either been severed or have been notified of their severance and have begun or will begin receiving payments.

2025 Charges

During the three months ended June 28, 2025, the Company recorded net reorganization of business charges of $14 million, consisting of $8 million of charges in Other charges and $6 million of charges in Cost of sales in the Company's Condensed Consolidated Statements of Operations. Included in the $14 million were charges of $13 million related to employee separation costs and $1 million related to exit costs.

During the six months ended June 28, 2025, the Company recorded net reorganization of business charges of $31 million, consisting of $20 million of charges in Other charges and $11 million of charges in Cost of sales in the Company's Condensed Consolidated Statements of Operations. Included in the $31 million were charges of $33 million related to employee separation costs and $1 million related to exit costs, partially offset by $3 million of reversals for employee separation accruals no longer needed.

The following table displays the net charges incurred by segment:

June 28, 2025	*Three Months Ended*	*Six Months Ended*
Products and Systems Integration	$ 10	$ 22
Software and Services	4	9
	$ 14	$ 31

15. Intangible Assets and Goodwill

Silvus Acquisition

On August 6, 2025, the Company acquired Silvus from the Seller. Silvus designs and develops software-defined high-speed MANET technology that enables highly secure data, video and voice communications without the need for fixed infrastructure. This acquisition brings mobile ad-hoc network expertise and new applications to the Company's public safety and enterprise portfolio. The purchase price of $4.4 billion consisted of cash payments of $4.4 billion, net of cash acquired and customary purchase price adjustments, and contingent earnout consideration that had an estimated fair value as of the acquisition date of $38 million.

Under the terms of the transaction, the Seller will have the potential to earn contingent earnout consideration upon the achievement of certain financial targets of up to $600 million in total comprised of up to $150 million for the annual period from July 5, 2026 through July 3, 2027 and up to $450 million for the annual period from July 4, 2027 through July 1, 2028 (with the potential to earn catch-up earnout consideration based on performance in the annual period from July 4, 2027 through July 1, 2028 if the maximum earnout for the annual period from July 5, 2026 through July 3, 2027 is not earned). The contingent earnout consideration, if any, will be paid in shares of common stock. The Company valued the contingent earnout consideration using a Monte Carlo methodology which resulted in the Company recognizing $38 million in purchase consideration at the date of close in Other liabilities on the Company's Condensed Consolidated Balance Sheet. Contingent earnout consideration will continue to be valued at fair value until settled. Changes to the fair value of the contingent earnout consideration will be recorded as a component of operating income within Other income, net in the Company's Consolidated Statement of Operations. For further information, refer to "Note 10: Fair Value Measurements" in this "Part I — Financial Information" of this Form 10-Q.

The Company recognized goodwill of $3.0 billion which was allocated primarily to the Products and Systems Integration segment. In addition, the Company recognized $1.9 billion of intangible assets and $410 million of net liabilities, inclusive of $454 million of deferred tax liabilities and $44 million of net tangible assets. Goodwill represents the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from the other assets acquired that could not be individually identified and separately recognized including future customer relationships, new technology and the assembled workforce. The goodwill is not deductible for tax purposes.

The identifiable intangible assets were each classified primarily as one asset as follows: $135 million of trade names, $820 million of customer relationships and $920 million of developed technology which will be amortized over a period of twelve, twelve and eight years, respectively. The fair values of all intangible assets were estimated using the income approach. Customer relationships were valued under the excess earnings method, which assumes that the value of intangible assets is equal to the present value of the incremental after-tax cash flows attributable specifically to the intangible assets. Developed technology and trade names were valued under the relief from royalty method, which assumes value to the extent that the acquired company is relieved of the obligation to pay royalties for the benefits received from them. The Company applies significant judgment in determining the estimates and assumptions used to estimate the fair values of the intangible assets, including the forecasted revenue growth rates, customer attrition rate, and discount rate for customer relationships and the forecasted revenue growth rates, royalty rate, and discount rate for developed technology.

This business is part of both the Products and Systems Integration segment and the Software and Services segment. Between the acquisition date and July 4, 2026, the Company recorded a net reduction of $12 million in goodwill and an increase primarily to intangible assets related to purchase accounting adjustments during the measurement period. The purchase accounting is not yet complete and as such, the final allocation among income tax accounts, intangible assets, net tangible assets and goodwill may be subject to change.

Other Acquisitions

On March 24, 2026, the Company acquired Hyper for $23 million, net of cash acquired. Hyper provides conversational, agentic AI designed to reduce the burden on understaffed PSAPs by handling non-emergency calls. The Company issued restricted stock at a fair value of $2 million to certain key employees that will be expensed over a service period of two years. The acquisition expands the Company's use of agentic AI across its Command Center portfolio and mission-critical AI, Assist. The Company recognized $22 million of goodwill, $2 million of identifiable intangible assets and $1 million of net liabilities. The goodwill is not deductible for tax purposes. The identifiable intangible assets were classified as $2 million of developed technology that will be amortized over a period of nine years. The business is part of the Software and Services segment. The purchase accounting is not yet complete and as such, the final allocation among income tax accounts, intangible assets, net liabilities and goodwill may be subject to change.

On March 11, 2026, the Company acquired Exacom, a provider of cloud-native voice and multimedia recording and logging solutions for mission-critical communications for $67 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of $1 million to certain key employees that will be expensed over a service period of two years. The acquisition enhances the Company's public safety ecosystem by consolidating call logs, recording 911 audio and radio traffic into a cloud-based solution to unify voice and video across the incident lifecycle. The Company recognized $47 million of goodwill, $34 million of identifiable intangible assets and $14 million of net liabilities. The goodwill is not deductible for tax purposes. The identifiable intangible assets were classified as $1 million of trade names, $19 million of customer relationships and $14 million of developed technology and will be amortized over a period of five, fourteen and seven years, respectively. The business is part of the Software and Services segment. The purchase accounting is not yet complete and as such, the final allocation among income tax accounts, intangible assets, net liabilities and goodwill may be subject to change.

On November 18, 2025, the Company acquired Blue Eye, a provider of AI-powered enterprise RVM services for $79 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of $1 million to certain key employees that will be expensed over a service period of two years. The acquisition enhances the Company's video security portfolio, serving a wide range of enterprises with real-time intelligence to help reduce loss and damage, mitigate risk and boost profitability. The Company recognized $59 million of goodwill, $24 million of identifiable intangible assets and $4 million of net liabilities. The goodwill is not deductible for tax purposes. The identifiable intangible assets were classified as $9 million of customer relationships and $15 million of developed technology and will be amortized over a period of twenty and eleven years, respectively. This business is part of the Software and Services segment. The purchase accounting is not yet complete and as such, the final allocation among income tax accounts, intangible assets, net liabilities and goodwill may be subject to change.

On March 6, 2025, the Company acquired Theatro, a maker of AI and voice-powered communication and digital workflow software for frontline workers for $174 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of $5 million to certain key employees that will be expensed over a service period of three years. The acquisition enhances the Company's portfolio of enterprise technologies by integrating Theatro's AI voice assistant in the Company's complementary workflows across our portfolio, including body cameras, fixed video, panic buttons and radios. The Company recognized $117 million of goodwill, $48 million of identifiable intangible assets and $9 million of net assets. The goodwill is not deductible for tax purposes. The identifiable intangible assets were classified as $1 million of trade names, $15 million of customer relationships and $32 million of developed technology and will be amortized over a period of three, nineteen and eleven years, respectively. The business is part of the Software and Services segment. The purchase accounting was completed as of the first quarter of 2026.

On February 21, 2025, the Company acquired RapidDeploy, a provider of cloud-native 911 solutions for public safety for $240 million, net of cash acquired. In addition, the Company issued restricted stock at a fair value of $6 million to certain key employees that will be expensed over a service period of two years. The acquisition complements the Company's Command Center portfolio of 911 solutions. The Company recognized $132 million of goodwill, $117 million of identifiable intangible assets, and $9 million of net liabilities. The goodwill is not deductible for tax purposes. The identifiable intangible assets were classified as $6 million of trade names, $36 million of customer relationships and $75 million of developed technology and will be amortized over a period of nine, nineteen and eighteen years, respectively. The business is part of the Software and Services segment. The purchase accounting was completed as of the first quarter of 2026.

Intangible Assets

Amortized intangible assets were comprised of the following:

	July 4, 2026		December 31, 2025	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Developed technology	$ 2,300	$ 789	$ 2,285	$ 679
Customer-related	2,561	1,285	2,515	1,190
Trade name	249	85	247	74
Other intangibles	15	15	15	15
	$ 5,125	$ 2,174	$ 5,062	$ 1,958

Amortization expense on intangible assets was $95 million and $185 million for the three and six months ended July 4, 2026, respectively. Amortization expense on intangible assets was $39 million and $76 million for the three and six months ended June 28, 2025, respectively. The increase in amortization expense period over period is primarily related to amortization of the intangible assets associated with the Silvus acquisition. As of July 4, 2026, annual amortization expense is estimated to be $356 million in 2026, $338 million in 2027, $337 million in 2028, $326 million in 2029, $322 million in 2030 and $317 million in 2031.

Amortized intangible assets were comprised of the following by segment:

	July 4, 2026		December 31, 2025	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Products and Systems Integration	$ 2,705	$ 682	$ 2,707	$ 552
Software and Services	2,420	1,492	2,355	1,406
	$ 5,125	$ 2,174	$ 5,062	$ 1,958

Goodwill

The Company performed its annual assessment of goodwill for impairment as of the last day of the third quarter. The following table displays a roll-forward of the carrying amount of goodwill by segment from January 1, 2026 to July 4, 2026:

	Products and Systems Integration	Software and Services	Total
Balance as of January 1, 2026	$ 4,229	$ 2,571	$ 6,800
Goodwill acquired	—	69	69
Purchase accounting adjustments	12	(1)	11
Foreign currency	(2)	5	3
Balance as of July 4, 2026	**$ 4,239**	**$ 2,644**	**$ 6,883**

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

This commentary should be read in conjunction with the condensed consolidated financial statements and related notes thereto of Motorola Solutions, Inc. (“Motorola Solutions,” the “Company,” “we,” “our,” or “us”) for the three and six months ended July 4, 2026 and June 28, 2025, as well as our consolidated financial statements and related notes thereto and management’s discussion and analysis of financial condition and results of operations in our Annual Report on Form 10-K for the year ended December 31, 2025 (the "Form 10-K").

Forward-Looking Statements

Statements in this Quarterly Report on Form 10-Q for the quarter ended July 4, 2026 (this “Form 10-Q”) which are not historical in nature are forward-looking statements within the meaning of applicable federal securities law. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and generally include words such as “believes,” “expects,” “intends,” “aims,” “estimates” and similar expressions. We can give no assurance that any future results or events discussed in these statements will be achieved. Any forward-looking statements represent our views only as of today and should not be relied upon as representing our views as of any subsequent date. Readers are cautioned that such forward-looking statements are subject to a variety of risks and uncertainties that could cause our actual results to differ materially from the statements contained in this Form 10-Q. Some of these risks and uncertainties include, but are not limited to, those discussed in Part I, Item 1A “Risk Factors” of the Form 10-K, and those described elsewhere in our other SEC filings. Forward-looking statements include, but are not limited to, statements under the following headings: (1) “Management's Discussion and Analysis of Financial Condition and Results of Operations,” about: (a) the impact of changes in the global trade environment, the dynamic supply chain environment and the memory market on our business, and our actions in response thereto (including with respect to inventory levels); (b) the impact of acquisitions on our business; (c) our plans to assess the impact of changes to tax law on our business; (d) the return of capital to shareholders through dividends and/or repurchasing shares; (e) future payments, charges, and use of accruals associated with our reorganization of business programs and employee separation costs; (f) our ability to repatriate funds; (g) the liquidity of our investments; (h) our ability to access the capital markets; (i) our use of proceeds from the issuance of notes under our unsecured commercial paper program; (j) adequacy of internal resources to generate adequate amounts of cash to meet expected working capital, capital expenditure and cash requirements; and (k) future cash flows generated from operations, and future uses of cash, investments and debt facilities; and (2) “Quantitative and Qualitative Disclosures about Market Risk,” about: (a) the impact of foreign currency risk; and (b) future hedging activity and expectations of the Company.

Executive Overview

Business Overview

The Company manages the business through two segments: “Products and Systems Integration” and “Software and Services.” Within these segments, the Company reports net sales across three principal product lines:

- MCN: Infrastructure, mobile ad-hoc network ("MANET") technology, devices (two-way radio and broadband, including both for public safety and professional and commercial radio ("PCR")), software and artificial intelligence ("AI")-powered capabilities. MCN includes installation and integration, backed by managed and support services, to help assure mission-critical communications availability, security and resiliency;
- Video: Cameras (fixed, body-worn, in-vehicle), access control, sensors, infrastructure, video management, video monitoring, software and AI-powered analytics that enable visibility of events and focus attention on what's important, to inform faster and more accurate decisions and actions; and
- Command Center: Command center solutions, software applications and AI-powered capabilities, that unify voice and data from public safety agencies, enterprises and the community, enabling a broad informational view of operations and incidents while helping to accelerate workflows and improve the accuracy, speed and trust of decisions.

We have invested across these three technologies organically and through acquisitions to evolve our land mobile radio ("LMR") focus and expand our ecosystem of safety and security products and services. Across all three technologies, we offer AI-powered capabilities and software solutions, services such as cybersecurity subscription services and managed and support services.

Second Quarter Financial Results

- Net sales were $3.1 billion in the second quarter of 2026 compared to $2.8 billion in the second quarter of 2025.
- Operating earnings were $809 million in the second quarter of 2026 compared to $692 million in the second quarter of 2025.
- Net earnings attributable to Motorola Solutions, Inc. was $557 million, or $3.33 per diluted common share, in the second quarter of 2026, compared to $513 million, or $3.04 per diluted common share, in the second quarter of 2025.
- Operating cash flow increased $137 million to $920 million in the first half of 2026 compared to $783 million in the first half of 2025.
- We repurchased $444 million of common stock and paid $402 million in dividends in the first half of 2026.

Recent Events

Macroeconomic Environment Update

The global trade landscape continues to shift rapidly, including evolving tariffs and import/export regulations, such as restrictions around rare earth minerals, trade barriers and trade disputes.

On February 20, 2026, a U.S. Supreme Court ruling invalidated tariffs imposed under the International Emergency Economic Powers Act ("IEEPA"). On April 20, 2026, the U.S. Customs and Border Protection launched a system to process IEEPA tariff refund claims. Following the implementation of this system, we have determined that the recovery of a portion of these refunds is now probable. Accordingly, during the quarter ended July 4, 2026, we recognized a favorable adjustment of $60 million recorded within Cost of sales in our Condensed Consolidated Statements of Operations.

In addition, we are experiencing higher costs for memory in our products which is a result of substantial demand in the market driven by AI. As a result, we continue to observe elevated volatility and uncertainty around the global supply chain. We engage with global suppliers across a diverse network of locations around the world. We are actively managing our inventory and continue to work with our global supply base to mitigate our exposure to elevated volatility and uncertainty from these rising memory costs, as well as global tariffs and import/export regulations that have developed, and which may continue to develop, to ensure supply continues at levels necessary to meet our current customer demand. We expect inventory levels to remain elevated as we mitigate this dynamic supply chain environment. The current environment has led to increased costs on materials and components, for which we continue to develop mitigation actions going forward.

Recent Acquisitions

Segment(s)	Technology	Acquisition	Description	Purchase Price	Date of Acquisition
Software and Services	Command Center	Hyper	Provider of conversational, agentic AI designed to reduce the burden on understaffed public safety answering points (PSAPs) by handling non-emergency calls.	$23 million and share-based compensation of $2 million	March 24, 2026
Software and Services	Command Center	Exacom	Provider of cloud-native voice and multimedia recording and logging solutions for mission-critical communications.	$67 million and share-based compensation of $1 million	March 11, 2026
Software and Services	Video Security and Access Control	Blue Eye	Provider of AI-powered enterprise remote video monitoring ("RVM") services.	$79 million and share-based compensation of $1 million	November 18, 2025
Products and Systems Integration & Software and Services	Mission Critical Networks	Silvus Technologies	Designer and developer of software-defined high-speed MANET technology.	$4.4 billion and share-based compensation of $20 million	August 6, 2025
Software and Services	Command Center	Theatro	Creator of AI and voice-powered communication and digital workflow software for frontline workers.	$174 million and share-based compensation of $5 million	March 6, 2025
Software and Services	Command Center	RapidDeploy	Provider of cloud-native 911 solutions.	$240 million and share-based compensation of $6 million	February 21, 2025

Results of Operations

(Dollars in millions, except per share amounts)	*Three Months Ended*				*Six Months Ended*			
	July 4, 2026	***% of Sales****	*June 28, 2025*	*% of Sales**	***July 4, 2026***	***% of Sales****	*June 28, 2025*	*% of Sales**
Net sales from products	**$ 1,818**		$ 1,533		**$ 3,300**		$ 2,980	
Net sales from services	**1,315**		1,232		**2,548**		2,313	
Net sales	**3,133**		2,765		**5,848**		5,293	
Costs of products sales	**702**	**38.6 %**	646	42.1 %	**1,332**	**40.4 %**	1,220	40.9 %
Costs of services sales	**753**	**57.3 %**	706	57.3 %	**1,476**	**57.9 %**	1,360	58.8 %
Costs of sales	**1,455**		1,352		**2,808**		2,580	
Gross margin	**1,678**	**53.6 %**	1,413	51.1 %	**3,040**	**52.0 %**	2,713	51.3 %
Selling, general and administrative expenses	**496**	**15.8 %**	450	16.3 %	**935**	**16.0 %**	886	16.7 %
Research and development expenditures	**260**	**8.3 %**	231	8.4 %	**512**	**8.8 %**	464	8.8 %
Other charges	**113**	**3.6 %**	40	1.4 %	**259**	**4.4 %**	89	1.7 %
Operating earnings	**809**	**25.8 %**	692	25.0 %	**1,334**	**22.8 %**	1,274	24.1 %
Other income (expense):								
Interest expense, net	**(103)**	**(3.3)%**	(55)	(2.0)%	**(208)**	**(3.6)%**	(106)	(2.0)%
Other, net	**36**	**1.1 %**	43	1.6 %	**56**	**1.0 %**	59	1.1 %
Total other expense	**(67)**	**(2.1)%**	(12)	(0.4)%	**(152)**	**(2.6)%**	(47)	(0.9)%
Net earnings before income taxes	**742**	**23.7 %**	680	24.6 %	**1,182**	**20.2 %**	1,227	23.2 %
Income tax expense	**184**	**5.9 %**	165	6.0 %	**256**	**4.4 %**	280	5.3 %
Net earnings	**558**	**17.8 %**	515	18.6 %	**926**	**15.8 %**	947	17.9 %
Less: Earnings attributable to non-controlling interests	**1**	**— %**	2	0.1 %	**3**	**0.1 %**	4	0.1 %
Net earnings attributable to Motorola Solutions, Inc.	**$ 557**	**17.8 %**	$ 513	18.6 %	**$ 923**	**15.8 %**	$ 943	17.8 %
Earnings per diluted common share	**$ 3.33**		$ 3.04		**$ 5.51**		$ 5.57	

** Percentages may not add due to rounding*

Results of Operations—Three months ended July 4, 2026 compared to three months ended June 28, 2025

The results of operations for the second quarter of 2026 are not necessarily indicative of the operating results to be expected for the full year. Historically, we have experienced higher revenues in the fourth quarter as compared to the rest of the quarters of our fiscal year as a result of the purchasing patterns of our customers.

We use the following U.S. GAAP key financial performance measures to manage our business on a consolidated basis and by reporting segment, and to monitor and assess our results of operations:

- Net sales: a measure of our revenue for the current period.
- Operating earnings: a measure of our earnings from operations, before non-operating expenses and income taxes.
- Operating margins: a measure of our operating earnings as a percentage of total net sales.

Considered together, we believe these measures are strong indicators of our overall performance and our ability to create shareholder value. A discussion of our results of operations and financial condition follows.

	Three Months Ended					
	July 4, 2026			*June 28, 2025*		
(In millions)	**Products and Systems Integration**	**Software and Services**	**Total**	Products and Systems Integration	Software and Services	Total
Net sales by region:						
North America	**$ 1,361**	**$ 849**	**$ 2,210**	$ 1,251	$ 776	$ 2,027
International	**547**	**376**	**923**	402	336	738
	$ 1,908	**$ 1,225**	**$ 3,133**	$ 1,653	$ 1,112	$ 2,765
Net sales by major products and services:						
Mission Critical Networks (MCN)	**$ 1,567**	**$ 713**	**$ 2,280**	$ 1,356	$ 649	$ 2,005
Video	**341**	**243**	**584**	297	226	523
Command Center	**—**	**269**	**269**	—	237	237
	$ 1,908	**$ 1,225**	**$ 3,133**	$ 1,653	$ 1,112	$ 2,765
Operating earnings	**$ 453**	**$ 356**	**$ 809**	$ 363	$ 329	$ 692
Operating margins	**23.7 %**	**29.1 %**	**25.8 %**	22.0 %	29.6 %	25.0 %

Net Sales

The Products and Systems Integration segment's net sales represented 61% of our net sales in the second quarter of 2026 and 60% in the second quarter of 2025. The Software and Services segment's net sales represented 39% of our net sales in the second quarter of 2026 and 40% in the second quarter of 2025.

Net sales increased $368 million, or 13%, in the second quarter of 2026 compared to the second quarter of 2025. The $255 million, or 15%, increase in net sales within the Products and Systems Integration segment was driven by an increase of 36% in the International region and an increase of 9% in the North America region. The $113 million, or 10%, increase in net sales within the Software and Services segment was driven by an increase of 9% in the North America region and an increase of 12% in the International region. Net sales includes:

- an increase in the Products and Systems Integration segment, inclusive of $210 million of revenue from acquisitions, driven by an increase in MCN and Video;
- an increase in the Software and Services segment, inclusive of $33 million of revenue from acquisitions, driven by an increase in MCN, Command Center and Video; and
- inclusive of $35 million from favorable currency rates.

Regional results include:

- a 25% increase in the International region, inclusive of revenue from acquisitions, driven by an increase in MCN, Video and Command Center; and
- a 9% increase in the North America region, inclusive of revenue from acquisitions, driven by an increase in MCN, Video and Command Center.

Products and Systems Integration

The 15% increase in the Products and Systems Integration segment was driven by the following:

- $211 million, or 16%, growth in MCN, inclusive of revenue from acquisitions, driven by the International and North America regions;
- $44 million, or 15%, growth in Video, driven by the International and North America regions; and
- inclusive of $19 million from favorable currency rates.

Software and Services

The 10% increase in the Software and Services segment was driven by the following:

- $64 million, or 10%, growth in MCN, inclusive of revenue from acquisitions, driven by the North America and International regions;
- $32 million, or 14%, growth in Command Center, inclusive of revenue from acquisitions, driven by the North America and International regions;
- $17 million, or 8%, growth in Video, inclusive of revenue from acquisitions, driven by the North America and International regions; and
- inclusive of $16 million from favorable currency rates.

Gross Margin

	Three Months Ended		
(In millions)	***July 4, 2026***	*June 28, 2025*	*% Change*
Gross margin from Products and Systems Integration	**$ 1,068**	$ 876	22 %
Gross margin from Software and Services	**610**	537	14 %
Gross margin	**$ 1,678**	$ 1,413	19 %

Gross margin was 53.6% of net sales in the second quarter of 2026 compared to 51.1% in the second quarter of 2025. The primary drivers of this increase in gross margin as a percentage of net sales were:

- a 3.0% increase in gross margin as a percentage of net sales in the Products and Systems Integration segment, inclusive of acquisitions, primarily driven by higher sales, including favorable mix, and IEEPA tariff refunds partially offset by higher direct material costs; and
- a 1.5% increase in gross margin as a percentage of net sales in the Software and Services segment, inclusive of acquisitions, primarily driven by higher sales, including favorable mix.

Selling, General and Administrative ("SG&A") Expenses

	Three Months Ended		
(In millions)	***July 4, 2026***	*June 28, 2025*	*% Change*
SG&A expenses from Products and Systems Integration	**$ 388**	$ 355	9 %
SG&A expenses from Software and Services	**108**	95	14 %
SG&A expenses	**$ 496**	$ 450	10 %

SG&A expenses increased 10% in the second quarter of 2026 compared to the second quarter of 2025 primarily driven by:

- a $33 million, or 9%, increase in Products and Systems Integration SG&A expenses primarily due to higher expenses associated with acquired businesses and higher employee incentive costs, including share-based compensation, partially offset by lower expenses related to legal matters, including Hytera-related expenses; and
- a $13 million, or 14%, increase in Software and Services SG&A expenses primarily due to higher employee incentive costs, including share-based compensation, and higher expenses associated with acquired businesses.

SG&A expenses were 15.8% of net sales in the second quarter of 2026 compared to 16.3% of net sales in the second quarter of 2025.

Research and Development ("R&D") Expenditures

	Three Months Ended		
(In millions)	***July 4, 2026***	*June 28, 2025*	*% Change*
R&D expenditures from Products and Systems Integration	**$ 153**	$ 143	7 %
R&D expenditures from Software and Services	**107**	88	22 %
R&D expenditures	**$ 260**	$ 231	13 %

R&D expenditures increased 13% in the second quarter of 2026 compared to the second quarter of 2025 primarily driven by:

- a $19 million, or 22%, increase in Software and Services R&D expenditures primarily due to investments in Command Center, higher employee incentive costs, including share-based compensation, and higher expenses associated with acquired businesses; and
- a $10 million, or 7%, increase in Products and Systems Integration R&D expenditures primarily due to higher expenses associated with acquired businesses and higher employee incentive costs, including share-based compensation.

R&D expenditures were 8.3% of net sales in the second quarter of 2026 compared to 8.4% of net sales in the second quarter of 2025.

Other Charges

	Three Months Ended	
(In millions)	***July 4, 2026***	*June 28, 2025*
Other charges from Products and Systems Integration	**$ 74**	$ 15
Other charges from Software and Services	**39**	25
Other charges	**$ 113**	$ 40

Other charges increased $73 million in the second quarter of 2026 compared to the second quarter of 2025. The increase was primarily driven by:

- $95 million of intangible amortization expense in the second quarter of 2026 compared to $39 million of intangible amortization expense in the second quarter of 2025; and
- a $16 million contingent earnout charge related to the Silvus acquisition in the second quarter of 2026 that did not occur in the second quarter of 2025; partially offset by
- a $20 million gain on Hytera litigation for amounts recovered through legal proceedings due to the theft of our trade secrets recognized in the second quarter of 2026 compared to $10 million of gains on Hytera litigation in the second quarter of 2025.

Operating Earnings

	Three Months Ended	
(In millions)	***July 4, 2026***	*June 28, 2025*
Operating earnings from Products and Systems Integration	**$ 453**	$ 363
Operating earnings from Software and Services	**356**	329
Operating earnings	**$ 809**	$ 692

Operating earnings increased $117 million, or 17%, in the second quarter of 2026 compared to the second quarter of 2025. The increase in Operating earnings was due to:

- a $90 million increase in the Products and Systems Integration segment, primarily driven by higher sales, including favorable mix, IEEPA tariff refunds, improved operating leverage, and a gain on the Hytera litigation partially offset by higher employee incentive costs, including share-based compensation, an increase in intangible amortization expense, higher expenses associated with acquired businesses, higher direct material costs, and a contingent earnout charge related to the Silvus acquisition; and
- a $27 million increase in the Software and Services segment, primarily driven by higher sales, including favorable mix, partially offset by higher employee incentive costs, including share-based compensation, and higher expenses associated with acquired businesses.

Interest Expense, net

(In millions)	*Three Months Ended* ***July 4, 2026***	*June 28, 2025*
Interest expense, net	**$ (103)**	$ (55)

The $48 million increase in Interest expense, net in the second quarter of 2026 compared to the second quarter of 2025 was primarily driven by higher outstanding debt.

Other, net

(In millions)	*Three Months Ended* ***July 4, 2026***	*June 28, 2025*
Other, net	**$ 36**	$ 43

The $7 million decrease in Other, net in the second quarter of 2026 compared to the second quarter of 2025 was primarily driven by:

- a $17 million loss on derivatives in the second quarter of 2026 compared to a $34 million gain on derivatives in the second quarter of 2025;
- a $13 million gain on fair value adjustments to equity investments in the second quarter of 2026 compared to a $18 million gain on fair value adjustments to equity investments in the second quarter of 2025; and
- $25 million of net periodic pension and postretirement benefit in the second quarter of 2026 compared to $30 million of net periodic pension and postretirement benefit in the second quarter of 2025; partially offset by
- a $11 million gain on foreign currency in the second quarter of 2026 compared to a $42 million loss on foreign currency in the second quarter of 2025.

Effective Tax Rate

(In millions)	*Three Months Ended* ***July 4, 2026***	*June 28, 2025*
Income tax expense	**$ 184**	$ 165

The effective tax rate for the three months ended July 4, 2026 of 25% was higher than the effective tax rate for the three months ended June 28, 2025 of 24%, primarily due to a net increase in unrecognized tax benefits.

On July 4, 2025, the "One Big Beautiful Bill Act" was enacted into law, introducing a broad range of changes to the U.S. corporate income tax framework. The legislation includes business provisions that impact our tax position, including tax cut extensions and modifications to the international tax framework and corporate income tax deductions. Certain provisions of this legislation were effective for the 2025 fiscal year, whereas other provisions became effective starting in 2026. For the three months ended July 4, 2026, the impact of the enacted legislation on our tax position was not material. We plan to continue to assess the ongoing impact of this legislation as further guidance is made available.

Results of Operations—Six months ended July 4, 2026 compared to Six months ended June 28, 2025

	Six Months Ended					
	July 4, 2026			June 28, 2025		
(In millions)	**Products and Systems Integration**	**Software and Services**	**Total**	Products and Systems Integration	Software and Services	Total
Net sales by region:						
North America	**$ 2,426**	**$ 1,641**	**$ 4,067**	$ 2,429	$ 1,450	$ 3,879
International	**1,042**	**739**	**1,781**	770	644	1,414
	$ 3,468	**$ 2,380**	**$ 5,848**	$ 3,199	$ 2,094	$ 5,293
Net sales by major products and services:						
Mission Critical Networks (MCN)	**$ 2,856**	**$ 1,393**	**$ 4,249**	$ 2,671	$ 1,235	$ 3,906
Video	**612**	**481**	**1,093**	528	436	964
Command Center	**—**	**506**	**506**	—	423	423
	$ 3,468	**$ 2,380**	**$ 5,848**	$ 3,199	$ 2,094	$ 5,293
Operating earnings	**$ 666**	**$ 668**	**$ 1,334**	$ 715	$ 559	$ 1,274
Operating margins	**19.2 %**	**28.1 %**	**22.8 %**	22.4 %	26.7 %	24.1 %

Net Sales

The Products and Systems Integration segment's net sales represented 59% of our net sales in the first half of 2026 and 60% in the first half of 2025. Net sales from the Software and Services segment represented 41% of our net sales in the first half of 2026 and 40% in the first half of 2025.

Net sales increased $555 million, or 10%, in the first half of 2026 compared to the first half of 2025. The $286 million, or 14%, increase in net sales within the Software and Services segment was driven by an increase of 13% in the North America region and an increase of 15% in the International region. The $269 million, or 8%, increase in net sales within the Products and Systems Integration segment was driven by an increase of 35% in the International region, while the North America region remained flat. Net sales includes:

- an increase in the Software and Services segment, inclusive of $71 million of revenue from acquisitions, driven by an increase in MCN, Command Center and Video;
- an increase in the Products and Systems Integration segment, inclusive of $392 million of revenue from acquisitions, driven by an increase in MCN and Video; and
- inclusive of $94 million from favorable currency rates.

Regional results include:

- a 26% increase in the International region, inclusive of revenue from acquisitions, driven by an increase in MCN, Video and Command Center; and
- a 5% increase in the North America region, inclusive of revenue from acquisitions, driven by an increase in Video, Command Center and MCN.

Products and Systems Integration

The 8% increase in the Products and Systems Integration segment was driven by the following:

- $185 million, or 7% growth in MCN, inclusive of revenue from acquisitions, driven by the International region partially offset by the North America region;
- $84 million, or 16% growth in Video, driven by the North America and International regions; and
- inclusive of $49 million from favorable currency rates.

Software and Services

The 14% increase in the Software and Services segment was driven by the following:

- $158 million, or 13% growth in MCN, inclusive of revenue from acquisitions, driven by the North America and International regions;
- $83 million, or 20% growth in Command Center, inclusive of revenue from acquisitions, driven by the North America and International regions;
- $45 million, or 10% growth in Video, inclusive of revenue from acquisitions, driven by the North America and International regions; and
- inclusive of $45 million from favorable currency rates.

Gross Margin

	Six Months Ended		
(In millions)	***July 4, 2026***	*June 28, 2025*	*% Change*
Gross margin from Products and Systems Integration	**$ 1,873**	$ 1,728	8 %
Gross margin from Software and Services	**1,167**	985	18 %
Gross margin	**$ 3,040**	$ 2,713	12 %

Gross margin was 52.0% of net sales in the first half of 2026 compared to 51.3% in the first half of 2025. The primary drivers of this increase in gross margin as a percentage of net sales were:

- a 2.0% increase in gross margin as a percentage of net sales in the Software and Services segment, inclusive of acquisitions, primarily driven by higher sales, including favorable mix; and
- gross margin as a percentage of net sales in the Products and Systems Integration segment remained flat, inclusive of acquisitions, primarily driven by higher sales and IEEPA tariff refunds, offset by higher direct material costs.

Selling, General and Administrative ("SG&A") Expenses

	Six Months Ended		
(In millions)	***July 4, 2026***	*June 28, 2025*	*% Change*
SG&A expenses from Products and Systems Integration	**$ 730**	$ 696	5 %
SG&A expenses from Software and Services	**205**	190	8 %
SG&A expenses	**$ 935**	$ 886	6 %

SG&A expenses increased 6% in the first half of 2026 compared to the first half of 2025 primarily driven by:

- a $34 million, or 5%, increase in Products and Systems Integration SG&A expenses primarily due to higher expenses associated with acquired businesses and higher employee incentive costs, including share-based compensation, partially offset by lower expenses related to legal matters, including Hytera-related expenses; and
- a $15 million, or 8%, increase in Software and Services SG&A expenses primarily due to higher employee incentive costs, including share-based compensation, and higher expenses associated with acquired businesses, partially offset by lower expenses related to legal matters.

SG&A expenses were 16.0% of net sales in the first half of 2026 compared to 16.7% of net sales in the first half of 2025.

Research and Development ("R&D") Expenditures

	Six Months Ended		
(In millions)	***July 4, 2026***	*June 28, 2025*	*% Change*
R&D expenditures from Products and Systems Integration	**$ 305**	$ 285	7 %
R&D expenditures from Software and Services	**207**	179	16 %
R&D expenditures	**$ 512**	$ 464	10 %

R&D expenditures increased 10% in the first half of 2026 compared to the first half of 2025 primarily driven by:

- a $28 million, or 16%, increase in Software and Services R&D expenditures primarily due to investments in Command Center and higher expenses associated with acquired businesses; and
- a $20 million, or 7%, increase in Products and Systems Integration R&D expenditures primarily due to higher expenses associated with acquired businesses and higher employee incentive costs, including share-based compensation.

R&D expenditures were 8.8% of net sales in the first half of both 2026 and 2025.

Other Charges

	Six Months Ended	
(In millions)	***July 4, 2026***	*June 28, 2025*
Other charges from Products and Systems Integration	**$ 172**	$ 32
Other charges from Software and Services	**87**	57
Other charges	**$ 259**	$ 89

Other charges increased by $170 million in the first half of 2026 compared to the first half of 2025. The increase was driven primarily by:

- $185 million of intangible amortization expense in the first half of 2026 compared to $76 million of intangible amortization expense in the first half of 2025; and
- a $91 million contingent earnout charge related to the Silvus acquisition in the first half of 2026 that did not occur in the first half of 2025; partially offset by
- a $60 million gain on Hytera litigation for amounts recovered through legal proceedings due to the theft of our trade secrets recognized in the first half of 2026 compared to $20 million of gains on Hytera litigation in the first half of 2025.

Operating Earnings

	Six Months Ended	
(In millions)	***July 4, 2026***	*June 28, 2025*
Operating earnings from Products and Systems Integration	**$ 666**	$ 715
Operating earnings from Software and Services	**668**	559
Operating earnings	**$ 1,334**	$ 1,274

Operating earnings increased $60 million, or 5%, in the first half of 2026 compared to the first half of 2025. The increase in Operating earnings was due to:

- a $109 million increase in the Software and Services segment, primarily driven by higher sales, including favorable mix, and improved operating leverage, partially offset by higher employee incentive costs, including share-based compensation, and higher expenses associated with acquired businesses; partially offset by
- a $49 million decrease in the Products and Systems Integration segment, primarily driven by an increase in intangible amortization expense, a contingent earnout charge related to the Silvus acquisition, higher expenses associated with acquired businesses, and higher direct material costs, partially offset by higher sales, IEEPA tariff refunds, improved operating leverage, a gain on the Hytera litigation, and lower expenses related to legal matters, including Hytera-related expenses.

Interest Expense, net

	Six Months Ended	
(In millions)	***July 4, 2026***	*June 28, 2025*
Interest expense, net	**$ (208)**	$ (106)

The $102 million increase in Interest expense, net in the first half of 2026 compared to the first half of 2025 was primarily driven by higher outstanding debt.

Other, net

	Six Months Ended	
(In millions)	***July 4, 2026***	*June 28, 2025*
Other, net	**$ 56**	$ 59

The $3 million decrease in Other, net in the first half of 2026 compared to the first half of 2025 was primarily driven by:

- a $44 million loss on derivatives in the first half of 2026 compared to a $48 million gain on derivatives in the first half of 2025; and
- $52 million of net periodic pension and postretirement benefit in the first half of 2026 compared to $61 million of net periodic pension and postretirement benefit in the first half of 2025; partially offset by
- a $35 million gain on foreign currency in the first half of 2026 compared to a $62 million loss on foreign currency in the first half of 2025.

Effective Tax Rate

	Six Months Ended	
(In millions)	***July 4, 2026***	*June 28, 2025*
Income tax expense	**$ 256**	$ 280

The effective tax rate for the six months ended July 4, 2026 of 22% was lower than the effective tax rate for the six months ended June 28, 2025 of 23%, primarily due to higher excess tax benefits of share-based compensation and an increased deduction for foreign-derived deduction-eligible income.

On July 4, 2025, the "One Big Beautiful Bill Act" was enacted into law, introducing a broad range of changes to the U.S. corporate income tax framework. The legislation includes business provisions that impact our tax position, including tax cut extensions and modifications to the international tax framework and corporate income tax deductions. Certain provisions of this legislation were effective for the 2025 fiscal year, whereas other provisions became effective starting in 2026. For the six months ended July 4, 2026, the impact of the enacted legislation on our tax position was not material. We plan to continue to assess the ongoing impact of this legislation as further guidance is made available.

Reorganization of Business

During the second quarter of 2026, we recorded net reorganization of business charges of $15 million, including $10 million of charges recorded within Other charges and $5 million of charges in Cost of sales in our Condensed Consolidated Statements of Operations related to employee separation costs. Included in the $15 million were charges of $18 million related to employee separation costs, partially offset by $3 million of reversals for employee separation accruals no longer needed.

During the first half of 2026, we recorded net reorganization of business charges of $30 million, including $20 million of charges recorded within Other charges and $10 million of charges in Costs of sales in our Condensed Consolidated Statements of Operations. Included in the $30 million were charges of $33 million related to employee separation costs, partially offset by $3 million of reversals for employee separation accruals no longer needed.

During the second quarter of 2025, we recorded net reorganization of business charges of $14 million, including $8 million of charges recorded within Other charges and $6 million of charges in Cost of sales in our Condensed Consolidated Statements of Operations. Included in the $14 million were charges of $13 million related to employee separation costs and $1 million related to exit costs.

During the first half of 2025, we recorded net reorganization of business charges of $31 million, including $20 million of charges recorded within Other charges and $11 million of charges in Costs of sales in our Condensed Consolidated Statements of Operations. Included in the $31 million were charges of $33 million related to employee separation costs and $1 million related to exit costs, partially offset by $3 million of reversals for employee separation accruals no longer needed.

The following table displays the net charges incurred by segment:

	Three Months Ended		Six Months Ended	
	July 4, 2026	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*
Products and Systems Integration	**$ 10**	$ 10	**$ 21**	$ 22
Software and Services	**5**	4	**9**	9
	$ 15	$ 14	**$ 30**	$ 31

Cash payments for employee severance in connection with the reorganization of business plans were $24 million in the first half of 2026 and $33 million in the first half of 2025. The reorganization of business accrual at July 4, 2026 was $30 million related to employee separation costs that are expected to be paid primarily within one year.

Liquidity and Capital Resources

	Six Months Ended	
	July 4, 2026	*June 28, 2025*
Cash flows provided by (used for):		
Operating activities	**$ 920**	$ 783
Investing activities	**(334)**	(537)
Financing activities	**(999)**	778
Effect of exchange rates on cash and cash equivalents	**(42)**	80
Decrease in cash and cash equivalents	**$ (455)**	$ 1,104

Cash and Cash Equivalents

At July 4, 2026, $430 million of the $710 million cash and cash equivalents balance was held in the U.S. and $280 million was held in other countries.

Operating Activities

The increase in cash flows provided by operating activities from the first half of 2025 to the first half of 2026 was driven primarily by higher earnings, net of non-cash charges, partially offset by increased investments in inventory and higher interest payments in the first half of 2026 compared to the first half of 2025.

Investing Activities

The decrease in cash flows used for investing activities in the first half of 2026 compared to the first half of 2025 was primarily due to a $240 million decrease in cash used for acquisitions and investments.

Financing Activities

The increase in cash flows used for financing activities in the first half of 2026 compared to the cash flows provided by financing activities in the first half of 2025 was primarily driven by (see also further discussion in the "Debt," "Share Repurchase Program" and "Dividends" sections below in this Part I, Item 2 of this Form 10-Q):

- $2 billion in net proceeds from the issuance of debt in the first half of 2025 that did not recur in the first half of 2026; partially offset by
- $65 million increase in net proceeds from short-term borrowings, including commercial paper, in the first half of 2026 which did not occur in the first half of 2025.
- $94 million decrease in share repurchases in the first half of 2026 compared to the first half of 2025; and
- $52 million decrease in repayments of short-term debt in the first half of 2026 compared to the first half of 2025.

Sales of Receivables

The following table summarizes the proceeds received from sales of long-term customer financing receivables for the three and six months ended July 4, 2026 and June 28, 2025:

	Three Months Ended		Six Months Ended	
	July 4, 2026	*June 28, 2025*	***July 4, 2026***	*June 28, 2025*
Accounts receivable sales proceeds	**$ 35**	$ —	**$ 35**	$ —
Long-term receivables sales proceeds	**55**	89	**105**	113
Total proceeds from receivable sales	**$ 90**	$ 89	**$ 140**	$ 113

Debt

We had outstanding debt of $9.0 billion at July 4, 2026, of which $615 million was current. We had outstanding debt of $9.2 billion at December 31, 2025, of which $749 million was current.

On June 16, 2025, we issued $600 million of 4.85% senior notes due 2030, $500 million of 5.2% senior notes due 2032, and $900 million of 5.55% senior notes due 2035. We recognized net proceeds of approximately $2.0 billion after debt issuance costs and discounts. The proceeds from these notes were used to fund a portion of the acquisition of Silvus.

On August 6, 2025, we borrowed $1.5 billion of senior delayed draw term loan facilities comprised of a $750 million 364-day facility and a $750 million three-year facility ("term loan due 2028") to fund a portion of the acquisition of Silvus. On January 30, 2026, we repaid $200 million of the $750 million 364-day facility, reducing the outstanding principal balance to $550 million. We must comply with certain customary covenants including a maximum leverage ratio, as defined in the 364-Day Term Loan Credit Agreement and Three-Year Term Loan Credit Agreement, each entered into on July 21, 2025. We were in compliance with our financial covenants as of July 4, 2026. During the three months ended July 4, 2026, the weighted average interest rate of the 364-day facility and the term loan due 2028 was 4.73% and 4.85%, respectively. On June 26, 2026, we exercised our option under the 364-Day Term Loan Credit Agreement to extend the maturity of $250 million of the outstanding principal amount by one year.

We have an unsecured commercial paper program, backed by the 2025 Motorola Solutions Credit Agreement (as defined below), under which we may issue unsecured commercial paper notes up to a maximum aggregate principal amount of $2.2 billion outstanding at any one time. Proceeds from the issuances of the notes are expected to be used for general corporate purposes. The notes are issued at a zero-coupon rate and are issued at a discount which reflects the interest component. At maturity, the notes are paid back in full including the interest component. The notes are not redeemable prior to maturity. As of July 4, 2026, we had $65 million outstanding debt under the commercial paper program, which had a weighted-average interest rate of 4.03% during the three months ended July 4, 2026.

We have a $2.25 billion syndicated, unsecured revolving credit facility scheduled to mature in April 2030 which can be used for general corporate purposes and letters of credit (the "2025 Motorola Solutions Credit Agreement"). Borrowings under the facility bear interest at the prime rate plus the applicable margin, or at a spread above the Secured Overnight Financing Rate (SOFR), at our option. An annual facility fee is payable on the undrawn amount of the credit line. The interest rate and facility fee are subject to adjustment if our credit rating changes. We must comply with certain customary covenants including a maximum leverage ratio, as defined in the 2025 Motorola Solutions Credit Agreement. We were in compliance with our financial covenants as of July 4, 2026.

We have investment grade ratings on our senior unsecured long-term debt. We continue to believe that we will be able to maintain sufficient access to the capital markets in the next twelve months and the foreseeable future.

Share Repurchase Program

During the three and six months ended July 4, 2026, we repurchased approximately 0.8 million and 1.1 million shares at an average price of $413.53 and $420.50 per share for an aggregate amount of $326 million and $444 million, respectively, excluding transaction costs and excise tax. As of July 4, 2026, we had used approximately $17.4 billion of the share repurchase authority to repurchase shares, leaving $0.6 billion of authority available for future repurchases.

Dividends

During the three and six months ended July 4, 2026, we paid $201 million and $402 million, respectively, in cash dividends to holders of our common stock. Subsequent to the end of the quarter, we paid an additional $200 million in cash dividends to holders of our common stock.

Adequate Internal Funding Resources

We believe that we have adequate internal resources available to generate adequate amounts of cash to meet our expected working capital, capital expenditure and cash requirements for the next twelve months and the foreseeable future, as supported by the level of cash and cash equivalents in the U.S., the ability to repatriate funds from foreign jurisdictions, cash provided by operations, as well as liquidity provided by our commercial paper program backed by the 2025 Motorola Solutions Credit Agreement.

We do not anticipate a material decrease to net future cash flows generated from operations. We expect to use our available cash, investments, and debt facilities to support and invest in our business. This includes investing in our existing products and technologies, seeking new acquisition opportunities related to our strategic growth initiatives and returning cash to shareholders through common stock cash dividend payments (subject to the discretion of our Board of Directors) and share repurchases.

Long-Term Customer Financing Commitments

We had outstanding commitments to provide long-term financing to third parties totaling $293 million at July 4, 2026, compared to $179 million at December 31, 2025.

Recent Accounting Pronouncements

See “Recent Accounting Pronouncements” and "Recently Adopted Accounting Pronouncements" in Note 1, “Basis of Presentation” to our condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to our interest rate risk or foreign currency risk during the six months ended July 4, 2026. For a discussion of our exposure to interest rate risk and foreign currency risk, refer to our disclosures set forth in Part II, Item 7A “Quantitative and Qualitative Disclosures About Market Risk” of the Form 10-K.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures. Under the supervision and with the participation of our senior management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of the end of the period covered by this Form 10-Q (the “Evaluation Date”). Based on this evaluation, our chief executive officer and chief financial officer concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the information relating to Motorola Solutions, including our consolidated subsidiaries, required to be disclosed in our Securities and Exchange Commission (“SEC”) reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and (ii) is accumulated and communicated to Motorola Solutions’ management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in internal control over financial reporting. There have been no changes in our internal control over financial reporting that occurred during the quarter ended July 4, 2026 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

In addition to the matter referenced below, the Company is subject to legal proceedings and claims that have not been fully resolved and which have arisen in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's condensed consolidated financial position, liquidity, or results of operations. However, an unfavorable resolution could have a material adverse effect on the Company's condensed consolidated financial position, liquidity, or results of operations in the periods in which the matters are ultimately resolved, or in the periods in which more information is obtained that changes management's opinion of the ultimate disposition.

Refer to the description of "Hytera Civil Litigation" in Note 12, “Commitments and Contingencies,” to our condensed consolidated financial statements included in Part I, Item 1 of this Form 10-Q for information regarding our legal proceedings.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in the Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table provides information with respect to acquisitions by the Company of shares of its common stock during the quarter ended July 4, 2026.

Period	*(a) Total Number of Shares Purchased*	*(b) Average Price Paid per Share (1)*	*(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Program (2)*	*(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Program(2)*
4/2/2026 to 4/30/2026	242,336	$ 437.91	242,336	$ 858,749,450
5/1/2026 to 5/28/2026	482,471	$ 402.74	482,471	$ 664,441,472
5/29/2026 to 7/1/2026	63,063	$ 402.45	63,063	$ 639,061,498
Total	787,870	$ 413.53	787,870	

(1) Average price paid per share of common stock repurchased excludes commissions paid to brokers and excise tax. As of January 1, 2023, the Company's share repurchases in excess of issuances are subject to a 1% excise tax enacted by the Inflation Reduction Act of 2022. The amount of excise tax incurred is included in the Company's Condensed Consolidated Statement of Stockholders' Equity for the quarter ended July 4, 2026.

(2) As originally announced on July 28, 2011, and subsequently amended, the Board of Directors has authorized the Company to repurchase an aggregate amount of up to $18.0 billion of its outstanding shares of common stock (the "share repurchase program"). The share repurchase program does not have an expiration date. As of July 4, 2026, the Company had used approximately $17.4 billion to repurchase shares, leaving $0.6 billion of authority available for future repurchases.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

During the three months ended July 4, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit No.	Exhibit
*31.1	Certification of Gregory Q. Brown pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Jason J. Winkler pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
**32.1	Certification of Gregory Q. Brown pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
**32.2	Certification of Jason J. Winkler pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Scheme Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith

** Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MOTOROLA SOLUTIONS, INC.

By: /S/ KATHERINE MAHER

Katherine Maher
Corporate Vice President and
Chief Accounting Officer
(Principal Accounting Officer & Duly Authorized Officer)

August 5, 2026