

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

	Q1 '14	Q2 '14	Q3 '14	Q4 '14	Q1 '15	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18
Net sales	\$1,228	\$1,393	\$1,436	\$ 1,823	\$1,223	\$1,368	\$1,422	\$1,682	\$1,193	\$1,430	\$1,532	\$1,883	\$1,281	\$1,497	\$1,645	\$1,957	\$ 1,468	\$ 1,760
GAAP gross margin	577	656	685	912	548	648	685	838	502	676	762	928	570	690	794	970	669	822
Non-GAAP gross margin adjustments:																		
Avigilon purchase accounting adjustment																		10
Stock-based compensation expense	4	3	2	2	3	2	2	2	2	2	2	3	2	2	2	2	2	2
Reorganization of business charges	1	3	7	—	2	3	1	4	16	8	1	18	4	2	2	1	5	7
Non-GAAP gross margin	582	662	694	914	553	653	688	844	520	686	765	949	576	694	798	973	676	841
GAAP Operating earnings (loss) ("OE")	113	144	213	430	108	210	220	378	88	212	330	417	173	261	347	503	171	273
Non-GAAP OE Adjustments:																		
Stock-based compensation expense	25	23	18	18	18	17	16	18	15	16	15	13	15	14	14	15	15	15
Reorganization of business charges	9	25	13	15	12	13	14	38	7	19	6	48	15	1	6	11	8	18
Intangibles amortization expense	1	1	1	1	2	3	2	2	13	38	31	30	36	37	39	39	41	53
Other highlighted items	(21)	8	11	23	—	—	26	5	13	17	—	—	(33)	(1)	2	(5)	18	—
Non-GAAP OE	\$ 132	\$ 207	\$ 265	\$ 489	\$ 145	\$ 248	\$ 281	\$ 447	\$ 154	\$ 312	\$ 385	\$ 529	\$ 212	\$ 316	\$ 412	\$ 566	\$ 260	\$ 378
GAAP OE%	9.2%	10.3%	14.8%	23.6%	8.8%	15.4%	15.5%	22.5%	7.4%	14.8%	21.5%	22.1%	13.5%	17.4%	21.1%	25.7%	11.6%	15.5%
Non-GAAP Adj %	1.5%	4.6%	3.7%	3.2%	3.1%	2.7%	4.3%	4.1%	5.5%	7.0%	3.6%	6.0%	3.0%	3.7%	3.9%	3.2%	6.1%	6.0%
Non-GAAP OE %	10.7%	14.9%	18.5%	26.8%	11.9%	18.1%	19.8%	26.6%	12.9%	21.8%	25.1%	28.1%	16.5%	21.1%	25.0%	28.9%	17.7%	21.5%
GAAP Other income (expense)	(24)	(46)	(62)	(1,928)	20	5	(23)	(1)	(66)	(45)	(37)	(55)	(53)	(56)	(61)	(38)	(31)	(46)
Non-GAAP Below OE adjustments	—	—	(27)	(1,883)	46	32	—	39	(36)	—	—	(26)	(6)	(17)	(20)	(2)	(4)	(2)
Non-GAAP Other income (expense)	(24)	(46)	(35)	(45)	(26)	(27)	(23)	(40)	(30)	(45)	(37)	(29)	(47)	(39)	(41)	(36)	(27)	(44)
GAAP Earnings (loss)*	85	78	66	(926)	87	150	126	277	17	107	192	243	77	131	212	(575)	117	180
Non-GAAP OE adjustments	19	63	52	59	37	38	61	69	66	100	55	112	39	55	65	63	89	105
Non-GAAP below OE adjustments	—	—	27	1,883	(46)	(32)	—	(39)	36	—	—	26	6	17	20	2	4	2
Non-GAAP tax adjustments and effect	(32)	(20)	9	(728)	5	(13)	(21)	(27)	(27)	(27)	(14)	(35)	\$ (2)	\$ (14)	\$ (38)	\$ 865	\$ (22)	\$ (36)
TOTAL Non-GAAP Earnings	\$ 72	\$ 121	\$ 154	\$ 288	\$ 83	\$ 143	\$ 166	\$ 280	\$ 92	\$ 180	\$ 233	\$ 346	\$ 120	\$ 189	\$ 259	\$ 355	\$ 188	\$ 251
GAAP earnings per share ("EPS")	\$ 0.33	\$ 0.30	\$ 0.27	\$ (4.02)	\$ 0.40	\$ 0.72	\$ 0.63	\$ 1.56	\$ 0.10	\$ 0.61	\$ 1.13	\$ 1.43	\$ 0.45	\$ 0.78	\$ 1.25	\$ (3.56)	\$ 0.69	\$ 1.05
EPS adjusted for dilution**																		(3.40)
Non-GAAP EPS adjustments	(0.05)	0.17	0.35	5.27	(0.02)	(0.04)	0.19	0.02	0.42	0.42	0.24	0.60	0.26	0.34	0.28	5.50	0.41	0.41
Non-GAAP EPS	\$ 0.28	\$ 0.47	\$ 0.62	\$ 1.25	\$ 0.38	\$ 0.68	\$ 0.82	\$ 1.58	\$ 0.52	\$ 1.03	\$ 1.37	\$ 2.03	\$ 0.71	\$ 1.12	\$ 1.53	\$ 2.10	\$ 1.10	\$ 1.46
Diluted, weighted average shares outstanding	258.3	256.2	248.2	230.5	217.8	209.5	201.3	177.5	177.0	174.8	169.6	170.4	169.9	169.0	169.0	168.9	170.6	171.7

* Amounts attributable to Motorola Solutions, Inc. common shareholders.

** Under U.S. GAAP, the accounting for a net loss from continuing operations results in the presentation of dilutive earnings per share equal to basic earnings per share, as any increase in basic shares would be anti-dilutive to earnings per share. As a result of the highlighted items identified during Q4 2017, the Company reported a net loss from continuing operations within our GAAP Consolidated Statement of Operations, while reporting income on a non-GAAP basis. An adjustment is shown to reflect the dilution of 7.2 million dilutive shares outstanding in Q4 2017.

Historical amounts have been updated to reflect the retrospective adoption of ASU No. 2017-07 on January 1, 2018