



## Q3 2017 Earnings Conference Call Thursday, November 2, 2017

### **PARTICIPANTS**

#### **Motorola Solutions Executive Participants**

---

**Chris Kutsor** – Vice President, Investor Relations  
**Greg Brown** – Chairman & Chief Executive Officer  
**Gino Bonanotte** – Executive Vice President & Chief Financial Officer  
**Jack Molloy** – Executive Vice President, Worldwide Sales & Services  
**Bruce Brda** – Executive Vice President, Products & Solutions

#### **Other Participants**

---

**Matthew Cabral** – Analyst, Goldman Sachs & Co. LLC  
**Stanley Kovler** – Analyst, Citi  
**Vijay Bhagavath** – Analyst, Deutsche Bank Securities, Inc.  
**Kyle McNealy** – Analyst, Jefferies LLC  
**Keith Housum** – Analyst, Northcoast Research Partners LLC  
**Timothy Patrick Long** – Analyst, BMO Capital Markets (United States)

### **MANAGEMENT DISCUSSION SECTION**

**Operator:** Good afternoon, and thank you for holding. Welcome to the Motorola Solutions' Third Quarter 2017 Earnings Conference Call. Today's call is being recorded. If you have any objections, please disconnect at this time. The presentation material and additional financial tables are currently posted on the Motorola Solutions' Investor Relations website. In addition, a replay of this call will be available approximately three hours after the conclusion of this call over the Internet. The website address is [www.motorolasolutions.com/investor](http://www.motorolasolutions.com/investor). At this time, all participants have been placed in a listen-only mode and the line will be opened for your questions following the presentation.

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

#### **Chris Kutsor, Vice President, Investor Relations**

---

Thank you and good afternoon. Welcome to our 2017 third quarter earnings call. With me today are Greg Brown, Chairman and CEO; Gino Bonanotte, Executive Vice President and CFO; Bruce Brda, Executive Vice President, Products and Solutions; and Jack Molloy, Executive Vice President, Worldwide Sales and Services. Greg and Gino will review our results along with commentary, and Bruce and Jack will join for Q&A.

We've posted an earnings presentation and news release at [motorolasolutions.com/investor](http://motorolasolutions.com/investor). These materials include GAAP to non-GAAP reconciliations for your reference. A number of forward-looking statements will be made during this presentation and during the Q&A portion of the call. These statements are based on current expectations and assumptions that are subject to a variety of risks and uncertainties. Actual results could differ materially from these forward-looking statements.

Information about factors that could cause such differences can be found in today's earnings news release and the comments made during this conference call, in the risk factors section of our 2016 annual reports on Form 10-K and in our other reports and filings with the SEC. We do not undertake any duty to update any forward-looking statements.

And with that I'll now turn it over to Greg.

**Greg Brown, Chairman & Chief Executive Officer**

---

Thanks, Chris. Good afternoon, and thanks for joining us today. Before we begin, I'd like to take a moment to recognize all of the men and women in public safety. First responders work hard every day to serve and protect our communities, and their critical importance was exemplified during the recent natural disasters. We're dedicated to helping our customers to be their best in the moments that matter. So I'd also like to thank all of our employees for their role in assisting public safety to ensure that mission-critical communications remained operational during these extreme events over the last few months.

With that, I turn to quarterly results and share a few thoughts about the business. First, Q3 was another outstanding quarter, driven by strong sales growth in our Land Mobile Radio business. Total revenue grew 7%. Organic revenue grew 5%. Organic revenue in North America also grew 5% and we grew organically in every region. These results reflect the continued customer demand for always-on, private, secure, reliable and redundant mission-critical voice communications.

Second, we're raising our full-year outlook again for both revenue and EPS on continued LMR demand and execution, led by North America. We now expect full-year 2017 revenue growth of approximately 5% and non-GAAP EPS of \$5.35 to \$5.40. And finally, I'm especially pleased with our momentum heading into Q4 and into 2018. Not only have we grown revenues 6% year-to-date, but we also finished Q3 with record backlog. The primary driver of growth is continued strong demand in North America, which has year-to-date revenue growth of 4% and ending backlog up over \$1 billion from a year ago. Considering that many of our systems typically last 10 to 20 years, this demand is a testament to the criticality and longevity of our LMR business.

And now I'd like to turn the call over to Gino to provide additional details on Q3 results and outlook before returning for some closing thoughts.

**Gino Bonanotte, Executive Vice President & Chief Financial Officer**

---

Thank you, Greg. Q3 results include revenue of \$1.6 billion, up 7% versus last year, including approximately \$40 million of revenue from acquisitions. Organic revenue was up 5%.

GAAP operating earnings of \$338 million, down \$3 million from last year, non-GAAP operating earnings were \$423 million, up 7% or \$27 million from the prior year. Operating margins were 25.7% of sales, comparable to last year. GAAP earnings per share was \$1.25, up 11% from \$1.13 last year. Non-GAAP EPS was \$1.53, up 12% from \$1.37 last year.

Ending backlog was \$8.9 billion, up \$768 million from last year. Product backlog was up \$344 million and Services backlog was up \$424 million. For the remainder of the call, we'll reference non-GAAP financial results including those in our outlook unless otherwise noted.

Q3 product sales were \$989 million, up 8% from last year, led by North America and EMEA on continued demand for P25 systems for both public safety and commercial customers.

Q3 Product segment operating income was \$287 million or 29% of sales, up 260 basis points from last year, driven primarily by higher sales and lower OpEx. Gross margins were flat compared to the prior year.

Product segment backlog ended the quarter at \$1.8 billion, up \$344 million or 24% versus last year. This is the 12th consecutive quarter of year-over-year growth. Sequentially, Products backlog was up \$203

million or 13%. The year-over-year and sequential backlog growth continues to be driven by North America, which had 13 P25 system orders valued at over \$10 million each.

Turning to Services; Q3 services revenue was \$656 million, up 7% from last year. Our Managed & Support services revenue grew 8%. Services operating income was \$136 million or 20.7% of sales, down from 25% last year. As expected, gross margins returned to the mid-30s from the high 30s in the year ago quarter. As previously noted, we continue to expect gross margins in the mid-30% range for the Services segment. Additionally, OpEx was up \$10 million in the segment, primarily as a result of acquisitions.

Services backlog ended at \$7.1 billion, up \$424 million or 6% from last year, including approximately \$400 million of Airwave backlog reduction. Sequentially, Services backlog is up \$228 million, including \$116 million of favorable currency adjustments. Services backlog continues to be driven primarily by North America demand for long-term Managed & Support services contract.

Moving to operating expenses; total OpEx from continuing operations was \$375 million, up \$5 million from the year-ago quarter, inclusive of \$12 million related to acquisitions. Other income and expense was \$52 million compared to \$48 million in the year-ago quarter. The Q3 effective tax rate was 29.9%.

Turning to cash flow; Q3 operating cash flow was \$270 million, a decrease of \$78 million from last year, driven by higher working capital associated with the ERP implementation and higher tax payments. Free cash flow was \$185 million, a decrease of \$95 million from last year. From a trailing 12-month perspective, free cash flow was up \$20 million. We expect approximately \$1.2 billion in operating cash flow for 2017.

We ended Q3 with cash of \$717 million and a net debt position of \$3.8 billion. During the quarter, we repurchased \$100 million of stock at an average price of \$87.54 and we paid dividends of \$76 million. Additionally, we paid \$205 million in cash related to the acquisition of Kodiak. Today, we also announced an increase to our quarterly dividend of 11% to \$0.52 per share.

Turning to our outlook; we are raising our Q4 and full-year guidance. We expect Q4 revenue growth of approximately 3% with non-GAAP EPS between \$2 and \$2.05. We now expect full-year 2017 revenue growth of approximately 5% versus our previous forecast of 3% to 4%. Non-GAAP EPS is expected to be \$5.35 to \$5.40, an increase from the prior outlook of \$5.20 to \$5.30. This assumes a weighted average diluted share count of approximately 169 million shares.

Full-year operating expenses are expected to be \$1.48 billion, down approximately \$15 million from 2016, including approximately \$45 million of OpEx from acquisitions. We expect the full-year 2017 effective tax rate to be approximately 32% and operating cash flow is expected to be approximately \$1.2 billion for the year.

Looking at regional results; Americas revenue was up 9%, driven by organic growth of 5% in North America. This growth was driven by strong demand for P25 Products and Services, as well as demand for PCR products, serving commercial customers. Backlog is also up more than \$1.2 billion year-over-year and up more than \$500 million sequentially, as customers continue to invest in LMR solutions for the long term.

EMEA was up 6% on strong demand in products, while backlog was down from the Airwave revenue conversion. Asia Pac was up 1%, primarily driven by Services. Finally, I'd like to end with some notable segment highlights. In our Products segment, we won several deals that include a \$79 million award to deploy a P25 system for three counties in the State of Oregon; a \$54 million award for a P25 system in Memphis, Tennessee; and a \$24 million award for a P25 system in Burlington, New Jersey.

In our Services segment, we were awarded three new Managed & Support contracts that extend support for P25 networks through the year 2028. These include a \$26 million support contract in the Phoenix area, a \$12 million contract for Stafford County, Virginia and a \$10 million regional contract in Georgia.

Additionally, from a technology perspective, we introduced the PSX Application Suite, providing push-to-talk, messaging and mapping applications designed specifically for public safety LTE users. We announced responder alert, technology that triggers automatic alerts to the command center for events such as weapon drawn or fired.

The Motorola Public Safety LTE LEX F10 handset and the VML 750 vehicular modem were added to the FirstNet.com website and AT&T's speed portal. And finally, we closed the acquisition of Kodiak Networks, which provides push-to-talk over cellular solutions in North America, Latin America and Europe for customers such as AT&T, Verizon, Sprint, Bell Canada and Telefónica.

I'd now like to turn the call back over to Greg.

---

**Greg Brown, Chairman & Chief Executive Officer**

Thanks, Gino. Let me just close with three final thoughts. First, we raised our full-year revenue and EPS forecast again. Our customers continue to require always-on voice communication for mission-critical situations and that was reinforced by the reliability of our systems during the recent U.S. hurricanes.

Second, I'm confident with our strategic position. We're leveraging our LMR systems installed base to attach incremental services, while simultaneously building complementary platforms for the command center and public safety LTE, which together provide the foundation for continued growth, continued cash generation and continued earnings expansion and shareholder return over the long term. And finally, with our record-ending backlog, I think we're very well positioned for continued growth heading into 2018.

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

---

**Chris Kutsor, Vice President, Investor Relations**

Thanks, Greg. Before we begin taking questions, I would like to remind callers to please limit themselves to one question and one follow-up so we can get as many participants as possible. Operator, would you please remind our callers how to ask a question?

## **QUESTION AND ANSWER SECTION**

**Operator:** The floor is now open for questions. [Operator Instructions] Our first question is coming from Matthew Cabral with Goldman Sachs. Please go ahead.

**<Q – Matt Cabral – Goldman Sachs & Co. LLC>:** Yes, thank you. Greg, I wanted to pick up on the last comment from your prepared remarks. Clearly, it's been a year of good momentum so far. But as we started thinking about going forward in 2018, just wondering if you can comment a little bit more about the sustainability of organic growth and just what you see as the biggest drivers behind that?

**<A – Greg Brown – Motorola Solutions, Inc.>:** Yes. I think that I'm really pleased, Matt, with our performance in Q3. It's our fourth consecutive quarter of organic growth as a company. As you know, 65% of our revenue is North America-based. So when I look at that, and I see that they've grown nine out of the last 11 quarters, I feel good about the ending backlog and I feel good about the foundation that we have to build on heading into next year.

I think overall demand remains strong. It's been strong in North America. We've grown organically, as I mentioned in the prepared remarks, in all regions. I think we've also seen strength in commercial markets, as well as state and local and federal. And quite frankly, I think overall, our execution and sales coverage is stronger than it was a year ago or 18 months ago. We do expect to grow in 2018 and we expect to grow organically in 2018. So – and that's with iDEN to be approximately down \$20 million in 2018.

**<Q – Matt Cabral – Goldman Sachs & Co. LLC>:** Got it. And then just quickly on FirstNet. So I think we're up to 28 states now that have opted in. Just wondering if at this point there's any incremental commentary that you have in the ramp and how we should think about the announcement that Verizon made in August and just where that fits into the picture more broadly?

**<A – Greg Brown – Motorola Solutions, Inc.>:** Yes. I don't think there's any real change that we have to update you on at this point in time. I think there's 28 or 29 states and territories that have opted in. We're encouraged by that. We think that's great. All the states have, as you know, Matt, till December 28 to make the decision of whether they opt-in or opt-out. Now that said, once that's all behind us, then the rubber meets the road on end-user decisions, decisions by city, municipality, county, state and the individual decisions of whether they switch to their existing carrier because it's a carrier-to-carrier switch and what they do.

And we'll work with our partner, AT&T, to see how much traction we can get in that regard. The only other thing I'd say on the Verizon front, they're going to do what they're going to do, but we closed on the acquisition of Kodiak. Verizon uses Kodiak as a push-to-talk solution today. So we now have entre working with Verizon on that front. But I think we'll have a better update for you on the Q4 earnings call around FirstNet and our view in terms of fiscal 2018 financially.

**<Q – Matt Cabral – Goldman Sachs & Co. LLC>:** Thank you.

**Operator:** Thank you. Our next question comes from Stanley Kovler with Citi Research. Please go ahead.

**<Q – Stan Kovler – Citi>:** Thanks very much. Just a question on FirstNet and taking a slightly different angle on sort of the conversations you're having with customers, and is that having some effect at the field level with respect to sales cycles, do you get the sense that these deals that you're getting now, are customers essentially trying to lock in deals because of planning for FirstNet, or is it the opposite that there could be, in some cases, some push-outs? And then I have a follow-up for Gino. Thank you.

**<A – Greg Brown – Motorola Solutions, Inc.>**: Yeah, I don't think – as we've said all along, I think it's been demonstrated in our results and what we see happening in the market, LTE is a data and broadband overlay network that's incremental to LMR. I don't think there's any change in buying pattern in LMR as a result of FirstNet. I think it's an adjunct activity that's going on in parallel. I mean, today Governor Wolf signed Pennsylvania to opt-in. Just a few quarters ago, we won back competitively the State of Pennsylvania for a land mobile radio network that will include an end-to-end system and several years of multi-year maintenance. So, I don't think the two meet.

**<A – Jack Molloy – Motorola Solutions, Inc.>**: Yes. Stanley, it's Jack. Maybe to piggyback on what Greg said. Just this afternoon, I met with a customer from Halton, Canada, who just recently secured a private LTE network from Motorola. Interestingly enough, just 10 months ago, they signed an eight-year SUA in a P25 network that they procured just three years ago.

So I think you'll see parallel paths, P25 will continue to be the mission-critical voice solution for our customer base. As Greg alluded to, hasn't slowed any discussions, hasn't slowed cycles.

In fact, we closed 13 deals over \$15 million, as Gino alluded to. In the conversation I had with Halton today was really around next-generation applications, mobile intelligence, how you ultimately link command center intelligence, which plays into the investments we're making there to making officers more efficient and optimize what they do from an intelligence perspective in the field. Think about moving records, CAD, those kinds of things into the field more seamlessly. So really it hasn't slowed, but we think there's a real good story on both ends in parallel path.

**<Q – Stan Kovler – Citi>**: Thanks. And just a clarification for Gino on the outlook. Can you give us a sense of how much FX tailwind we should think about for Q4 and then the full fiscal year and then just a sense for the now fiscal year 2017 organic growth embedded in that approximately 5% number? Thank you.

**<A – Gino Bonanotte – Motorola Solutions, Inc.>**: Sure, Stanley. I'll start with full year organic growth. Embedded in that number is organic growth of between 2% and 3% and that includes iDEN down \$45 million in 2017. With respect to FX for the full year, it's de minimis. It's a push. For the quarter, based on rates right now, approximately \$20 million to \$25 million in the Q4 – in our Q4 number.

**<Q – Stan Kovler – Citi>**: Thank you.

**Operator**: Thank you. Our next question comes from Vijay Bhagavath with Deutsche Bank.

**<Q – Vijay Bhagavath – Deutsche Bank Securities, Inc.>**: Hi, Greg, Gino.

**<A – Greg Brown – Motorola Solutions, Inc.>**: Hey, Vijay. How are you?

**<A – Gino Bonanotte – Motorola Solutions, Inc.>**: Hey. Vijay.

**<Q – Vijay Bhagavath – Deutsche Bank Securities, Inc.>**: Hey, Andrew Sinclair, whom I know from Microsoft, is building an attractive software franchise at MSI. So I'd like to get your view, Greg, on how the software business and portfolio could start water-falling and impact the numbers into the new year. And then in state and local, we've seen recent hurricane events. Would those be near-term product cycle catalysts? Thanks.

**<A – Greg Brown – Motorola Solutions, Inc.>**: Yeah. On the second part first, we're really proud of the performance of our LMR systems during the hurricane season. That's why we demonstrated as one of the slides in that deck this time of the systems in Florida hit by Irma of the ones we monitor, how they stayed up.

The communications stayed up, all the systems stayed up. It's pretty noteworthy and significant. By the way, the Q3 print really didn't have anything material at all as it relates to the hurricanes.

I think the opportunity for future add-on business or rebuild exists going forward, but the strength of Q3 was more around the fundamental core demand of what we're seeing, state and local, commercial, Federal, North America-led.

Andrew Sinclair, really happy with the hire. You know that we're moving more toward software and services. Recurring revs – Services were 40% of our overall revenue in Q3. Recurring revenue was 27% of our revenue in Q3, and we've said that we will play a greater role in the command center. We've made acquisitions that reflect that stated strategy. We still anticipate closing Airbus PlantCML by the end of the year, but I think Andrew has hit the ground running.

**<A – Bruce Brda – Motorola Solutions, Inc.>**: And Vijay, this is Bruce Brda. Just to add a little bit. Let me remind you, the investments in software are both in the command center, as Jack said. So think workflow applications, 911, CAD, records, Dispatch Console, with an analytics wrapper around it; and then, secondarily communication and collaboration applications, so what we're delivering to FirstNet and other broadband customers around the world.

Increasingly, we'll be delivering those solutions cloud-based and as a service. As you mentioned Andrew, we've also added a couple of other senior leaders to Andrew's team and are making really good progress as we start to integrate those individual software applications into a true suite that we can deliver to the command center.

**<Q – Vijay Bhagavath – Deutsche Bank Securities, Inc.>**: Perfect. Thanks.

**<A – Greg Brown – Motorola Solutions, Inc.>**: Thank you.

**Operator**: Thank you. Our next question comes from George Notter with Jefferies. Please go ahead.

**<Q – Kyle McNealy – Jefferies LLC>**: Hi, guys. Thanks a lot. This is Kyle here for George. It was a seasonally strong Q3. I know Q4 is always your biggest quarter. It doesn't look like it from your guide, but I'm just wondering if there's any – if there was any pull-forward that you saw into Q3 for any reason across your customers?

**<A – Greg Brown – Motorola Solutions, Inc.>**: Kyle, I think the best way to look at it is to take Q3 and Q4 and look at the second half in combination. I think that's reflected a bit in our guide. We still do expect to grow organically in Q4 this year, which would make it five quarters in a row. The only other thing I could mention to you is, Q4 last year was a monster. It was 12% revenue growth. So the year-on-year compare needs to be incorporated into that. Organic growth of Q4 last year was 4%.

So that's part of it, and embedded in that is Latin America that grew 21% last Q4 and a public safety LTE project in the Middle East that's winding down. That's down about \$30 million year-over-year. So I think that's the way to dimensionalize and contextualize the guidance. But I would point you to really Q3 and Q4, and look at them in combination. And then the organic growth is more reflective of traditionally what this business has done in certain periods.

**<Q – Kyle McNealy – Jefferies LLC>**: Okay, great. Thanks a lot. And are there any other comments you can add to – regarding the duration of backlog? Is it changing at all? And I know you mentioned the recurring revenue as a percent of sales in Q3. But just the combination of your recurring revs and total backlog, how much of that would be coming – getting converted in terms of what's expected with your guide for Q4?

**<A – Greg Brown – Motorola Solutions, Inc.>**: I don't know the exact age backlog number, Kyle, but recurring revenue was up very slightly. I think the previous quarter was 26%. So it edges up a little bit to 27%. What we like in the backlog number is not only it being up, to your point, it's up in both Products and Services, and that Product backlog is up even in the face of an 8% print on Product revenue. So I would certainly think that, that backlog position, as I mentioned, bodes well for our performance in 2018. I don't have the age number on my fingertips for Q4.

**<A – Gino Bonanotte – Motorola Solutions, Inc.>**: Kyle, this is Gino. From a Q4 perspective, aged entering into the quarter, we are better aged entering Q4 than we were last year at the end of Q3. And you started the comment with Q4 not being the largest quarter. Q4 will still be our largest quarter. And if you look at it from a percentage perspective, from a linearity perspective, it's within a point or so of the normal linearity that we would experience during any particular year.

**<Q – Kyle McNealy – Jefferies LLC>**: Okay, great. That's very helpful. Congrats on the quarter. Thanks guys.

**<A – Greg Brown – Motorola Solutions, Inc.>**: Thanks, Kyle.

**<A – Gino Bonanotte – Motorola Solutions, Inc.>**: Thanks, Kyle.

**Operator**: Thank you. [Operator Instructions] Our next question comes from Keith Housum with Northcoast Research. Please go ahead.

**<Q – Keith Housum – Northcoast Research Partners LLC>**: Good afternoon, gentlemen. Thanks for the opportunity. So, Greg, if you look at Kodiak, perhaps you can provide a little bit more color on that and help us understand a little bit more how that falls into your universe? I mean, is your customer the carrier themselves or is it the public safety agency? And I guess how is the billing for that done? Just trying to understand that a little bit more.

**<A – Greg Brown – Motorola Solutions, Inc.>**: Sure. Just to remind you, when we contemplated the Kodiak acquisition, it was – for me, it was designed around a mid-tier solution, and quite frankly, it was more around commercial markets. And to have a carrier-centric, carrier-integrated solution in addition to our premises-based solution.

**<A – Bruce Brda – Motorola Solutions, Inc.>**: So, Keith, this is Bruce Brda. Just a couple of more comments. WAVE 7000 is really optimized around – as close as we can get broadband to LMR performance, so really performance-based, Kodiak carrier-integrated. So think of billing, provisioning, support systems, lawful intercept, all of those requirements driven by carriers. We sell the application to the carrier. They operate it. So we're actually paid dollars per sub per month, to the initial part of your question.

**<Q – Keith Housum – Northcoast Research Partners LLC>**: Great. Thanks. I appreciate that. And then just changing gears over to the Smart Public Safety Solutions, perhaps a little bit more color on how that's doing. Obviously, you guys had Spillman from the past few quarters now, the ability to combine that with your products. How is the growth going in that segment?

**<A – Bruce Brda – Motorola Solutions, Inc.>**: So, in terms of software enterprise, I made a couple of comments a moment ago about the focus. It's both command center and then communication and collaboration apps. Kodiak fits in the comms and collaboration apps that I just discussed.

The Spillman acquisition is going extremely well. It's been a highlight for us. We have generated the additional traction that we hoped to get from our reach and, in fact, some cross-sell as well between ECW



and Spillman as they serve largely the same tiers of the market, think of Tier 3 and Tier 2, for command centers.

**<Q – Keith Housum – Northcoast Research Partners LLC>:** Great. Thank you.

**Operator:** Thank you. Our next question comes from Tim Long with BMO Capital Markets. Please go ahead.

**<Q – Tim Long – BMO Capital Markets (United States)>:** Thank you. Can we just get an update on what's going on over in the U.K. with both the Home Office and Airwave? And related to that, if you could just update us on kind of pipeline or what you're seeing for other large potential public safety LTE deals out there? Is there any more momentum growing in the international markets? Thank you.

**<A – Greg Brown – Motorola Solutions, Inc.>:** Yeah, Tim. Thanks for the question. We continue to work very closely with both actually the U.K. Home Office and EE on – it's a complex project. I mean, it's a one of a kind. So we're working closely with them. You've seen public announcements where they have kind of resized and re-estimated the timeline in that regard. I remind you that we don't have any revenue associated with ESN or the UK Home Office in 2017. That's one of the reasons why when we think about our LTE revenues for the full year in 2017, they're probably closer to \$80 million to \$90 million this fiscal year than what we thought would be a higher number given to some of the ESN replan work. We continue to work closely with them. Bruce Brda, as you would imagine, has a whole team dedicated to them, and we're working closely accordingly shoulder to shoulder.

In terms of other demand, anecdotally, Molloy mentioned Halton, Canada, while small, I think it's symbolic since they just purchased an LMR system a few quarters ago. There's also an LTE Asia Pac customer that I think will make a decision probably in Q1 and it's more in the tens of millions of dollars than the size of some of our other previous awards. But that's really the only next one on the horizon that comes to mind. I think it will be first three or four months in 2018. And I think generally speaking, we're working hard and well positioned.

**<Q – Tim Long – BMO Capital Markets (United States)>:** Okay. And just a follow-up, are you seeing the same LMR successes that you're seeing in the U.S., are you seeing the international markets still strong on the LMR systems?

**<A – Jack Molloy – Motorola Solutions, Inc.>:** Hey, Tim, it's Jack. We are. In fact, if I think about every continent, we've got opportunities, large-scale opportunities in the Middle East, in Africa and Asia Pac as well. Outside the U.S., we've got big both TETRA and P25 opportunities in every region of the world right now.

**<Q – Tim Long – BMO Capital Markets (United States)>:** Okay, thank you.

**Operator:** Thank you. I will now turn the floor back over to Mr. Chris Kutsor, Vice President of Investor Relations, for any additional or closing remarks.

**Chris Kutsor, Vice President, Investor Relations, Motorola Solutions, Inc.**

---

I think that will do it. Thanks, everybody, for your time. Have a great day.

**Operator:** Ladies and gentlemen, this does conclude today's teleconference. A replay of this call will be available over the Internet in approximately three hours. The website address is [www.motorolasolutions.com/investor](http://www.motorolasolutions.com/investor). We thank you for your participation and ask that you please disconnect your lines at this time.