

Motorola Solutions, Inc.  
Form 10-Q  
November 03, 2017  
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 period ended September 30, 2017

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, 60661  
Chicago, Illinois (Zip Code)  
(Address of principal executive offices)  
Registrant's telephone number, including area code:  
(847) 576-5000

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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

(Do not check if a smaller reporting 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 outstanding of each of the issuer's classes of common stock as of the close of business on September 30, 2017:

Class Number of Shares

Common Stock; \$.01 Par Value 161,999,802

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Part I—Financial Information  
Condensed Consolidated Statements of Operations  
(Unaudited)

(In millions, except per share amounts)	Three Months Ended		Nine Months Ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Net sales from products	\$989	\$ 920	\$2,540	\$ 2,423
Net sales from services	656	612	1,883	1,732
Net sales	1,645	1,532	4,423	4,155
Costs of products sales	428	398	1,167	1,124
Costs of services sales	423	372	1,202	1,090
Costs of sales	851	770	2,369	2,214
Gross margin	794	762	2,054	1,941
Selling, general and administrative expenses	248	247	725	722
Research and development expenditures	141	137	413	411
Other charges	67	37	146	144
Operating earnings	338	341	770	664
Other income (expense):				
Interest expense, net	(52 )	(54 )	(154 )	(157 )
Gains (losses) on sales of investments and businesses, net	—	7	3	(13 )
Other	—	(1 )	(9 )	(12 )
Total other expense	(52 )	(48 )	(160 )	(182 )
Net earnings before income taxes	286	293	610	482
Income tax expense	73	100	188	164
Net earnings	213	193	422	318
Less: Earnings attributable to noncontrolling interests	1	1	2	1
Net earnings attributable to Motorola Solutions, Inc.	\$212	\$ 192	\$420	\$ 317
Earnings per common share:				
Basic	\$1.30	\$ 1.15	\$2.57	\$ 1.85
Diluted	1.25	1.13	2.48	1.82
Weighted average common shares outstanding:				
Basic	162.3	166.3	163.2	171.0
Diluted	169.0	169.6	169.3	174.0
Dividends declared per share	\$0.47	\$ 0.41	\$1.41	\$ 1.23

See accompanying notes to condensed consolidated financial statements (unaudited).

Condensed Consolidated Statements of Comprehensive Income  
(Unaudited)

(In millions)	Three Months Ended	
	September 30, 2017	October 1, 2016
Net earnings	\$ 213	\$ 193
Other comprehensive income (loss), net of tax (Note 2):		
Foreign currency translation adjustments	46	(49 )
Marketable securities	1	1
Defined benefit plans	26	5