Motorola Solutions Inc: Embedded in Public Safety

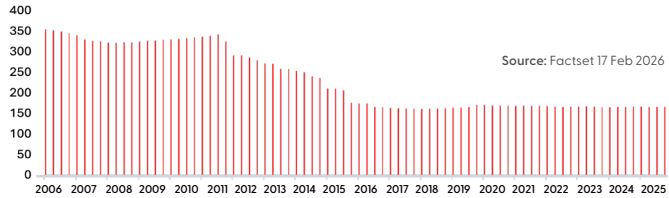
Motorola once put the first mobile phone in your hand and made the Razr a global icon (we're sure you'll remember it!). Today's Motorola Solutions has nothing to do with consumer phones and everything to do with mission-critical technology. The business was split in 2011 after shareholder pressure: the handset division went to Google (and later Lenovo), while Motorola Solutions emerged as a focused provider of communications, software, and safety infrastructure. Greg Brown took the helm at the time, streamlined operations, and has led the company ever since. Under his tenure, the transformation shows up clearly in the numbers: stronger margins, higher recurring revenue, and consistent improvement across every major line item. Motorola Solutions is no longer a legacy handset maker – it's a disciplined, compounding quality business built around critical communications and software.

CAGR	1 Yr	3 Yr	5 Yr	10 Yr	Source: Factset 17 Feb 2026
Sales	8.0%	8.6%	9.5%	7.4%	Reflecting their focused strategy and later one of upselling
EBITDA	12.1%	14.7%	12.7%	10.9%	Showing improved margins (+1 000 bps NM over the last 5 years)
Net Income	36.6%	16.5%	17.8%	12.9%	Illustrating further operational improvements
EPS	38.0%	17.1%	18.7%	14.9%	A 53% reduction in share count over the past 20 years

Segments:

- Land Mobile Radio: are ultra-reliable, secure communication networks that let first responders talk instantly when everything else fails.
- Software and command systems: the digital brain that fuses radios, video, data, and people into one real-time command platform for mission-critical decision-making.
- Video and surveillance: always-on visual intelligence that captures, analyses, and evidences critical events to improve safety, accountability, and response.

MSI Share Count



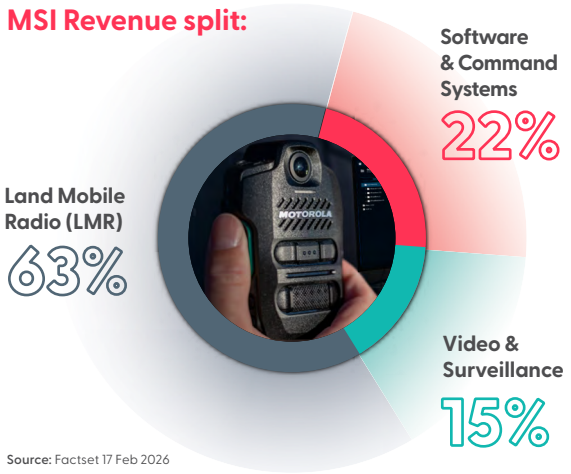
Source: Factset 17 Feb 2026

Looking at the share count chart we can point to the 2 other share activist movements that shaped the company:

- Early 2010's post spin-off saw demands to return cash though buybacks.
- Late 2010's there were demands to exit low-return or non-core initiatives.
- Post that the company has focused their spending on targeted M&A to double down on down on public safety, software, and the services surrounding it.
- They also started to acquire in one or two adjacencies like actively expanding its video and surveillance capabilities.

Sources: UBS Equity Research – Motorola Solutions research commentary and estimates
FactSet – Consensus estimates, valuation data and market data

MSI Revenue split:



Source: Factset 17 Feb 2026

A welcome addition:

Motorola has built trust in an area where trust is hard to earn and easy to lose. They operate the largest installed base of cellular networks in the world and help to integrate a quilt of service providers in a control center, while helping to identify real-time threats.

They are well-positioned for growth with their LMR's being their foot in the door of the control center.

The stock screens well on our quantitative, rules-based models. They have been a well run business and excellent capital allocators historically and we believe this will continue.

The views expressed above are those of the Advantage Securities Investment Team and are based on our analysis, interpretation of publicly available information, and professional judgement at the time of writing.

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T: (021) 936 9500 | T: (011) 463 9600

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