

**Lockheed Martin Corporation**  
**Consolidated Statements of Earnings<sup>1</sup>**  
(unaudited; in millions, except per share data)

	Quarters Ended		Nine Months Ended	
	Sept. 24, 2023	Sept. 25, 2022	Sept. 24, 2023	Sept. 25, 2022
<b>Net sales</b>	\$ 16,878	\$ 16,583	\$ 48,697	\$ 46,993
Cost of sales <sup>2</sup>	(14,830)	(14,463)	(42,513)	(41,008)
Gross profit	2,048	2,120	6,184	5,985
Other income, net	(6)	39	30	70
<b>Operating profit</b>	<b>2,042</b>	<b>2,159</b>	<b>6,214</b>	<b>6,055</b>
Interest expense	(237)	(145)	(662)	(421)
Non-service FAS pension income (expense)	111	111	332	(1,080)
Other non-operating income (expense), net <sup>3</sup>	37	(26)	69	(64)
Earnings before income taxes	1,953	2,099	5,953	4,490
Income tax expense	(269)	(321)	(899)	(670)
<b>Net earnings</b>	<b>\$ 1,684</b>	<b>\$ 1,778</b>	<b>\$ 5,054</b>	<b>\$ 3,820</b>
Effective tax rate	<b>13.8%</b>	<b>15.3%</b>	<b>15.1%</b>	<b>14.9%</b>
<b>Earnings per common share</b>				
Basic	\$ 6.75	\$ 6.73	\$ 20.04	\$ 14.36
Diluted	\$ 6.73	\$ 6.71	\$ 19.97	\$ 14.31
<b>Weighted average shares outstanding</b>				
Basic	249.3	264.1	252.2	266.0
Diluted	250.2	265.1	253.1	266.9
Common shares reported in stockholders' equity at end of period			247	261

<sup>1</sup> The company closes its books and records on the last Sunday of the calendar quarter to align its financial closing with its business processes, which was on Sept. 24, for the third quarter of 2023 and Sept. 25, for the third quarter of 2022. The consolidated financial statements and tables of financial information included herein are labeled based on that convention. This practice only affects interim periods, as the company's fiscal year ends on Dec. 31.

<sup>2</sup> In the third quarter of 2023, the company recognized insignificant net losses due to changes in the fair value of net assets and liabilities for deferred compensation plans, compared to net losses of \$33 million (\$25 million, or \$0.09 per share, after-tax) in the third quarter of 2022.

<sup>3</sup> In the third quarter of 2023 and 2022, the company recognized net losses of \$13 million (\$10 million, or \$0.04 per share, after-tax) and \$26 million (\$20 million, or \$0.07 per share, after-tax) due to changes in the fair value of early-stage company investments.

**Lockheed Martin Corporation**  
**Business Segment Summary Operating Results**  
(unaudited; in millions)

	Quarters Ended			Nine Months Ended		
	Sept. 24, 2023	Sept. 25, 2022	% Change	Sept. 24, 2023	Sept. 25, 2022	% Change
<b>Net sales</b>						
Aeronautics	\$ 6,717	\$ 7,089	(5%)	\$ 19,861	\$ 19,352	3%
Missiles and Fire Control	2,939	2,831	4%	8,082	8,030	1%
Rotary and Mission Systems	4,121	3,781	9%	11,528	11,345	2%
Space	3,101	2,882	8%	9,226	8,266	12%
<b>Total net sales</b>	<b>\$ 16,878</b>	<b>\$ 16,583</b>	<b>2%</b>	<b>\$ 48,697</b>	<b>\$ 46,993</b>	<b>4%</b>
<b>Operating profit</b>						
Aeronautics	\$ 671	\$ 759	(12%)	\$ 2,064	\$ 2,051	1%
Missiles and Fire Control	398	383	4%	1,146	1,186	(3%)
Rotary and Mission Systems	482	472	2%	1,286	1,339	(4%)
Space	259	304	(15%)	851	823	3%
<b>Total business segment operating profit<sup>1</sup></b>	<b>1,810</b>	<b>1,918</b>	<b>(6%)</b>	<b>5,347</b>	<b>5,399</b>	<b>(1%)</b>
<b>Unallocated items</b>						
FAS/CAS operating adjustment	414	430		1,245	1,281	
Intangible asset amortization expense	(61)	(62)		(185)	(186)	
Other, net <sup>1,2</sup>	(121)	(127)		(193)	(439)	
<b>Total unallocated items</b>	<b>232</b>	<b>241</b>	<b>(4%)</b>	<b>867</b>	<b>656</b>	<b>32%</b>
<b>Total consolidated operating profit</b>	<b>\$ 2,042</b>	<b>\$ 2,159</b>	<b>(5%)</b>	<b>\$ 6,214</b>	<b>\$ 6,055</b>	<b>3%</b>
<b>Operating margin</b>						
Aeronautics	10.0%	10.7%		10.4%	10.6%	
Missiles and Fire Control	13.5%	13.5%		14.2%	14.8%	
Rotary and Mission Systems	11.7%	12.5%		11.2%	11.8%	
Space	8.4%	10.5%		9.2%	10.0%	
<b>Total business segment operating margin</b>	<b>10.7%</b>	<b>11.6%</b>		<b>11.0%</b>	<b>11.5%</b>	
<b>Total consolidated operating margin</b>	<b>12.1%</b>	<b>13.0%</b>		<b>12.8%</b>	<b>12.9%</b>	

<sup>1</sup> Effective Jan. 1, 2023, the company reclassified intangible asset amortization expense out of the business segment operating profit and into the unallocated items line item to better align with how management views and manages the business.

<sup>2</sup> In the third quarter of 2023, the company recognized insignificant net losses due to changes in the fair value of net assets and liabilities for deferred compensation plans, compared to net losses of \$33 million (\$2¢ million, or \$0.09 per share, after-tax) in the third quarter of 2022.

**Lockheed Martin Corporation**  
**Selected Financial Data**  
(unaudited; in millions)

	<u>Current 2023 Outlook</u>	<u>2022 Actual</u>
<b>Total FAS income (expense) and CAS cost</b>		
FAS pension income (expense)	\$ 375	\$ (1,058)
Less: CAS pension cost	<u>1,725</u>	<u>1,796</u>
Total FAS/CAS pension adjustment	2,100	738
Less: pension settlement charge	—	1,470
Total FAS/CAS pension adjustment - adjusted <sup>1</sup>	<u>\$ 2,100</u>	<u>\$ 2,208</u>
 <b>Service and non-service cost reconciliation</b>		
FAS pension service cost	\$ (65)	\$ (87)
Less: CAS pension cost	<u>1,725</u>	<u>1,796</u>
Total FAS/CAS pension operating adjustment	1,660	1,709
Non-service FAS pension income (expense)	<u>440</u>	<u>(971)</u>
Total FAS/CAS pension adjustment	2,100	738
Less: pension settlement charge	—	1,470
Total FAS/CAS pension adjustment - adjusted <sup>1</sup>	<u>\$ 2,100</u>	<u>\$ 2,208</u>

<sup>1</sup> Total FAS/CAS pension adjustment – adjusted is a non-GAAP measure. See the "Use of Non-GAAP Financial Measures" section of this news release for more information. The company recognized a noncash, non-operating settlement charge of \$1,470 million in the second quarter of 2022 related to the accelerated recognition of actuarial losses previously included in accumulated other comprehensive loss for certain pension plans as a result of the purchase of group annuity contracts from an insurance company.

**Lockheed Martin Corporation**  
**Consolidated Balance Sheets**  
(unaudited, in millions, except par value)

	<u>Sept. 24,</u> <u>2023</u>	<u>Dec. 31,</u> <u>2022</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 3,551	\$ 2,547
Receivables, net	2,405	2,505
Contract assets	13,605	12,318
Inventories	3,312	3,088
Other current assets	449	533
Total current assets	<u>23,322</u>	<u>20,991</u>
Property, plant and equipment, net	8,046	7,975
Goodwill	10,782	10,780
Intangible assets, net	2,274	2,459
Deferred income taxes	4,873	3,744
Other noncurrent assets	7,369	6,931
Total assets	<u>\$ 56,666</u>	<u>\$ 52,880</u>
<b>Liabilities and equity</b>		
Current liabilities		
Accounts payable	\$ 3,817	\$ 2,117
Salaries, benefits and payroll taxes	3,139	3,075
Contract liabilities	7,936	8,488
Current maturities of long-term debt	168	118
Other current liabilities	2,133	2,089
Total current liabilities	<u>17,193</u>	<u>15,887</u>
Long-term debt, net	17,221	15,429
Accrued pension liabilities	5,323	5,472
Other noncurrent liabilities	7,655	6,826
Total liabilities	<u>47,392</u>	<u>43,614</u>
Stockholders' equity		
Common stock, \$1 par value per share	247	254
Additional paid-in capital	107	92
Retained earnings	17,066	16,943
Accumulated other comprehensive loss	(8,146)	(8,023)
Total stockholders' equity	<u>9,274</u>	<u>9,266</u>
Total liabilities and equity	<u>\$ 56,666</u>	<u>\$ 52,880</u>

**Lockheed Martin Corporation**  
**Consolidated Statements of Cash Flows**  
(unaudited; in millions)

	<b>Nine Months Ended</b>	
	<b>Sept. 24, 2023</b>	<b>Sept. 25, 2022</b>
<b>Operating activities</b>		
Net earnings	\$ 5,054	\$ 3,820
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation and amortization	1,009	965
Stock-based compensation	221	195
Deferred income taxes	(395)	(540)
Pension settlement charge	—	1,470
Changes in assets and liabilities		
Receivables, net	100	(521)
Contract assets	(1,287)	(1,754)
Inventories	(224)	(132)
Accounts payable	1,731	1,834
Contract liabilities	(552)	(48)
Income taxes	(81)	113
Qualified defined benefit pension plans	(283)	(322)
Other, net	262	794
<b>Net cash provided by operating activities</b>	<b>5,555</b>	<b>5,874</b>
<b>Investing activities</b>		
Capital expenditures	(987)	(977)
Other, net	(4)	(4)
<b>Net cash used for investing activities</b>	<b>(991)</b>	<b>(981)</b>
<b>Financing activities</b>		
Issuance of long-term debt, net of related costs	1,975	2,267
Repayments of long-term debt	(115)	(2,250)
Repurchases of common stock	(3,000)	(3,694)
Dividends paid	(2,289)	(2,250)
Other, net	(131)	(140)
<b>Net cash used for financing activities</b>	<b>(3,560)</b>	<b>(6,067)</b>
<b>Net change in cash and cash equivalents</b>	<b>1,004</b>	<b>(1,174)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,547</b>	<b>3,604</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 3,551</b>	<b>\$ 2,430</b>

**Lockheed Martin Corporation**  
**Other Financial and Operating Information**  
(unaudited; in millions, except for aircraft deliveries and weeks)

	<u>Sept. 24, 2023</u>	<u>Dec. 31, 2022</u>
<b>Backlog</b>		
Aeronautics	\$ 55,265	\$ 56,630
Missiles and Fire Control	33,059	28,735
Rotary and Mission Systems	37,593	34,949
Space	30,117	29,684
<b>Total backlog</b>	<u>\$ 156,034</u>	<u>\$ 149,998</u>

	<u>Quarters Ended</u>		<u>Nine Months Ended</u>	
	<u>Sept. 24, 2023</u>	<u>Sept. 25, 2022</u>	<u>Sept. 24, 2023</u>	<u>Sept. 25, 2022</u>
<b>Aircraft Deliveries</b>				
F-35	30	27	80	88
F-16	1	—	2	—
C-130J	7	7	13	18
Government helicopter programs	3	20	24	62
Commercial helicopter programs	3	—	4	—
International military helicopter programs	1	—	1	5

	<u>2023</u>	<u>2022</u>
<b>Number of Weeks in Reporting Period<sup>1</sup></b>		
First quarter	12	12
Second quarter	13	13
Third quarter	13	13
Fourth quarter	14	14

<sup>1</sup> Calendar quarters are typically comprised of 13 weeks. However, the company closes its books and records on the last Sunday of each month, except for the month of Dec., as its fiscal year ends on Dec. 31. As a result, the number of weeks in a reporting quarter may vary slightly during the year and for comparable prior year periods.