



Lockheed Martin Secures \$1.2B Contract for Precision Strike Missile Increment 2 After Second Maritime Test

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New PrSM demonstrates moving target engagement expanding the U.S. Army's mission set

DALLAS, Sept. 21, 2026 /PRNewswire/ -- The U.S. Army has awarded Lockheed Martin (NYSE:LMT) an indefinite delivery, indefinite quantity (IDIQ) contract worth up to \$1.2 billion to produce Increment 2 of the Precision Strike Missile (PrSM), further strengthening the nation's Arsenal of Freedom after a second flight test demonstrated the missile's ability to engage moving maritime targets.



THE BIG PICTURE

- **Contract:** The IDIQ covers initial procurement and future orders of PrSM Increment 2 missiles, follow-on production and continued development. Work will be performed at Lockheed Martin facilities and across the company's U.S. industrial base.
- **Test:** PrSM Increment 2 completed its first flight test in March and its second flight test in August – obtaining critical data during flight, launching from a HIMARS, deploying protective covers and engaging the target. Technologies developed through Lockheed Martin's [Strigo](#) family of solutions have informed aspects of the PrSM Increment 2 guidance package. Additional PrSM Increment 2 flight tests are scheduled for 2027.
- **Investment:** This award builds on the Department of War's [broader investment](#) in PrSM. Lockheed Martin is expanding capacity to quadruple PrSM production while continuing to develop additional PrSM increments.

WHY IT MATTERS

The award moves PrSM Increment 2 from development and flight testing into production, advancing the Army's next-generation long-range precision fires capability. Increment 2 adds a multimode seeker designed to enable the missile to engage moving land and maritime targets, expanding the Army's long-range strike options.

EXPERT PERSPECTIVE

- "This award marks an important step in delivering PrSM Increment 2 to the warfighter," said Dave Griser, vice president, Precision Fires Launchers and Missile, Lockheed Martin. "We're ready to move from flight testing into production and provide the Army with an expanded long-range precision fires capability."

ADDITIONAL CONTEXT

- **What's Next:** Lockheed Martin will begin production of the initial Increment 2 missiles while continuing flight testing and system maturation. The company is positioned to scale production as the Army moves toward larger Increment 2 procurements.

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