

Lockheed Martin Corporation
Consolidated Statements of Earnings¹
(unaudited; in millions, except per share data)

	Quarters Ended	
	March 29, 2026	March 30, 2025
Sales	\$ 18,021	\$ 17,963
Operating costs and expenses	(15,943)	(15,640)
Gross profit	2,078	2,323
Other (expense) income, net	(15)	49
Operating profit	2,063	2,372
Interest expense	(269)	(268)
Non-service FAS pension expense	(80)	(98)
Other non-operating income, net	60	30
Earnings before income taxes	1,774	2,036
Income tax expense	(286)	(324)
Net earnings	\$ 1,488	\$ 1,712
Effective tax rate	16.1%	15.9%
Earnings per common share		
Basic	\$ 6.47	\$ 7.30
Diluted	\$ 6.44	\$ 7.28
Weighted average shares outstanding		
Basic	229.9	234.4
Diluted	231.1	235.3
Common shares reported in stockholders' equity at end of period	230	233

¹ 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 March 29, for the first quarter of 2026 and March 30, for the first quarter of 2025. 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.

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

	Quarters Ended		% Change
	March 29, 2026	March 30, 2025	
Sales			
Aeronautics	\$ 6,953	\$ 7,057	(1%)
Missiles and Fire Control	3,649	3,373	8%
Rotary and Mission Systems	3,991	4,328	(8%)
Space	3,428	3,205	7%
Total sales	\$ 18,021	\$ 17,963	—%
Operating profit			
Aeronautics	\$ 619	\$ 720	(14%)
Missiles and Fire Control	500	465	8%
Rotary and Mission Systems	423	521	(19%)
Space	281	379	(26%)
Total business segment operating profit	1,823	2,085	(13%)
Unallocated items			
FAS/CAS operating adjustment	421	379	
Intangible asset amortization expense	(50)	(64)	
Other, net	(131)	(28)	
Total unallocated items	240	287	(16%)
Total consolidated operating profit	\$ 2,063	\$ 2,372	(13%)
Operating margin			
Aeronautics	8.9%	10.2%	
Missiles and Fire Control	13.7%	13.8%	
Rotary and Mission Systems	10.6%	12.0%	
Space	8.2%	11.8%	
Total business segment operating margin	10.1%	11.6%	
Total consolidated operating margin	11.4%	13.2%	

Table 2

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

	March 29, 2026	Dec. 31, 2025
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 1,894	\$ 4,121
Receivables, net	2,322	3,901
Contract assets	15,885	13,001
Inventories	4,251	3,524
Other current assets	728	815
Total current assets	<u>25,080</u>	<u>25,362</u>
Property, plant and equipment, net	11,283	11,292
Goodwill	11,306	11,314
Intangible assets, net	1,837	1,887
Deferred income taxes	2,802	2,975
Other noncurrent assets	6,930	7,010
Total assets	<u>\$ 59,238</u>	<u>\$ 59,840</u>
Liabilities and equity		
Current liabilities		
Accounts payable	\$ 4,707	\$ 3,630
Salaries, benefits and payroll taxes	2,676	3,184
Contract liabilities	10,735	11,440
Current maturities of long-term debt	168	1,168
Other current liabilities	3,804	3,913
Total current liabilities	<u>22,090</u>	<u>23,335</u>
Long-term debt, net	20,529	20,532
Accrued pension liabilities	3,923	3,915
Other noncurrent liabilities	5,207	5,337
Total liabilities	<u>51,749</u>	<u>53,119</u>
Stockholders' equity		
Common stock, \$1 par value per share	230	229
Additional paid-in capital	32	—
Retained earnings	14,723	14,034
Accumulated other comprehensive loss	(7,496)	(7,542)
Total stockholders' equity	<u>7,489</u>	<u>6,721</u>
Total liabilities and equity	<u>\$ 59,238</u>	<u>\$ 59,840</u>

Table 3

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

	Quarters Ended	
	March 29, 2026	March 30, 2025
Operating activities		
Net earnings	\$ 1,488	\$ 1,712
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation and amortization	398	397
Stock-based compensation	83	60
Deferred income taxes	161	(34)
Qualified defined benefit pension plans	92	111
Changes in assets and liabilities		
Receivables, net	1,579	327
Contract assets	(2,884)	(1,720)
Inventories	(727)	(125)
Accounts payable	1,222	1,680
Contract liabilities	(705)	(420)
Income taxes	103	339
Other, net	(590)	(918)
Net cash provided by operating activities	220	1,409
Investing activities		
Capital expenditures	(511)	(454)
Other, net	(30)	24
Net cash used for investing activities	(541)	(430)
Financing activities		
Repayments of long-term debt	(1,000)	—
Repurchases of common stock	—	(750)
Dividends paid	(816)	(796)
Other, net	(90)	(113)
Net cash used for financing activities	(1,906)	(1,659)
Net change in cash and cash equivalents	(2,227)	(680)
Cash and cash equivalents at beginning of period	4,121	2,483
Cash and cash equivalents at end of period	\$ 1,894	\$ 1,803

Table 4

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

	2026 Outlook	2025 Actual
Total FAS pension expense and CAS cost		
FAS pension expense	\$ (370)	\$ (924)
Less: CAS pension cost	<u>1,735</u>	<u>1,568</u>
Total FAS/CAS pension adjustment	\$ 1,365	\$ 644
Less: pension settlement charge	—	479
Total FAS/CAS pension adjustment - adjusted ¹	<u>\$ 1,365</u>	<u>\$ 1,123</u>
Service and non-service cost reconciliation		
FAS pension service cost	\$ (50)	\$ (50)
Less: CAS pension cost	<u>1,735</u>	<u>1,568</u>
FAS/CAS pension operating adjustment	1,685	1,518
Non-service FAS pension expense	<u>(320)</u>	<u>(874)</u>
Total FAS/CAS pension adjustment	\$ 1,365	\$ 644
Less: pension settlement charge	—	479
Total FAS/CAS pension adjustment - adjusted ¹	<u>\$ 1,365</u>	<u>\$ 1,123</u>

¹ The cost components in the table above relate only to the company's qualified defined benefit pension plans. The company recognized a noncash, non-operating pretax settlement charge of \$479 million in the fourth quarter of 2025.

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

	<u>March 29, 2026</u>	<u>Dec. 31, 2025</u>
Backlog		
Aeronautics	\$ 55,032	\$ 59,435
Missiles and Fire Control	46,565	46,650
Rotary and Mission Systems	45,840	47,715
Space	38,990	39,822
Total backlog	<u>\$ 186,427</u>	<u>\$ 193,622</u>

	<u>Quarters Ended</u>	
	<u>March 29, 2026</u>	<u>March 30, 2025</u>
Aircraft Deliveries		
F-35	32	47
F-16	—	4
C-130J	1	1
Government helicopter programs	19	9
Commercial helicopter programs	—	1

	<u>2026</u>	<u>2025</u>
Number of Weeks in Reporting Period¹		
First quarter	12	13
Second quarter	13	13
Third quarter	13	13
Fourth quarter	14	13

¹ 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.