

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

	Quarters Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Sales	\$ 18,155	\$ 18,122	\$ 36,118	\$ 35,317
Operating costs and expenses ²	(17,421)	(15,992)	(33,061)	(31,194)
Gross profit	734	2,130	3,057	4,123
Other income, net	14	18	63	54
Operating profit³	748	2,148	3,120	4,177
Interest expense	(274)	(261)	(542)	(516)
Non-service FAS pension (expense) income	(99)	15	(197)	31
Other non-operating income, net	42	46	72	91
Earnings before income taxes	417	1,948	2,453	3,783
Income tax expense ⁴	(75)	(307)	(399)	(597)
Net earnings	\$ 342	\$ 1,641	\$ 2,054	\$ 3,186
Effective tax rate	18.0%	15.8%	16.3%	15.8%
Earnings per common share				
Basic	\$ 1.46	\$ 6.87	\$ 8.78	\$ 13.29
Diluted	\$ 1.46	\$ 6.85	\$ 8.75	\$ 13.24
Weighted average shares outstanding				
Basic	233.5	238.9	234.0	239.8
Diluted	234.3	239.6	234.8	240.6

Common shares reported in stockholders' equity at end of period

232 237

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 June 29, for the second quarter of 2025 and June 30, for the second quarter of 2024. 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.

² Operating costs and expenses for the quarter ended June 29, 2025 included \$66 million (\$52 million, or \$0.22 per share, after-tax) primarily for the write-off of fixed assets at its Aeronautics business segment.

³ As previously described, operating profit for the quarter ended June 29, 2025 included losses of \$950 million (\$713 million, or \$3.04 per share, after-tax) on a classified program at its Aeronautics business segment, and \$570 million (\$428 million, or \$1.83 per share, after-tax) on CMHP and \$95 million (\$71 million, or \$0.30 per share, after-tax) on TUHP at its RMS business segment.

⁴ Income tax expense for the quarter ended June 29, 2025 included interest expense of \$103 million related to uncertain tax positions.

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

	Quarters Ended			Six Months Ended		
	June 29, 2025	June 30, 2024	% Change	June 29, 2025	June 30, 2024	% Change
Sales						
Aeronautics	\$ 7,420	\$ 7,277	2%	\$ 14,477	\$ 14,122	3%
Missiles and Fire Control	3,433	3,102	11%	6,806	6,095	12%
Rotary and Mission Systems	3,995	4,548	(12%)	8,323	8,636	(4%)
Space	3,307	3,195	4%	6,512	6,464	1%
Total sales	\$ 18,155	\$ 18,122	—%	\$ 36,118	\$ 35,317	2%
Operating profit (loss)						
Aeronautics ¹	\$ (98)	\$ 751	(113%)	\$ 622	\$ 1,430	(57%)
Missiles and Fire Control	479	450	6%	944	761	24%
Rotary and Mission Systems ²	(172)	495	(135%)	349	925	(62%)
Space	362	346	5%	741	671	10%
Total business segment operating profit	571	2,042	(72%)	2,656	3,787	(30%)
Unallocated items						
FAS/CAS operating adjustment	379	406		758	812	
Impairment and other charges	(66)	(87)		(66)	(87)	
Intangible asset amortization expense	(63)	(61)		(127)	(122)	
Other, net	(73)	(152)		(101)	(213)	
Total unallocated items	177	106	67%	464	390	19%
Total consolidated operating profit	\$ 748	\$ 2,148	(65%)	\$ 3,120	\$ 4,177	(25%)
Operating margin						
Aeronautics	(1.3%)	10.3%		4.3%	10.1%	
Missiles and Fire Control	14.0%	14.5%		13.9%	12.5%	
Rotary and Mission Systems	(4.3%)	10.9%		4.2%	10.7%	
Space	10.9%	10.8%		11.4%	10.4%	
Total business segment operating margin	3.1%	11.3%		7.4%	10.7%	
Total consolidated operating margin	4.1%	11.9%		8.6%	11.8%	

¹ Operating profit for the quarter ended June 29, 2025 included losses of \$950 million (\$713 million, or \$3.04 per share, after-tax) at its Aeronautics business segment as a result of the programs losses previously described.

² Operating profit for the quarter ended June 29, 2025 included losses of \$570 million (\$428 million, or \$1.83 per share, after-tax) on CMHP and \$95 million (\$71 million, or \$0.30 per share, after-tax) on TUHP at its RMS business segment as a result of the programs losses previously described.

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

	June 29, 2025	Dec. 31, 2024
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 1,293	\$ 2,483
Receivables, net	3,306	2,351
Contract assets	14,896	12,957
Inventories	3,699	3,474
Other current assets	794	584
Total current assets	<u>23,988</u>	<u>21,849</u>
Property, plant and equipment, net	8,670	8,726
Goodwill	11,309	11,067
Intangible assets, net	2,013	2,015
Deferred income taxes	4,070	3,557
Other noncurrent assets	8,820	8,403
Total assets	<u>\$ 58,870</u>	<u>\$ 55,617</u>
Liabilities and equity		
Current liabilities		
Accounts payable	\$ 3,653	\$ 2,222
Salaries, benefits and payroll taxes	2,761	3,125
Contract liabilities	9,861	9,795
Current maturities of long-term debt and commercial paper	3,118	643
Other current liabilities	4,961	3,635
Total current liabilities	<u>24,354</u>	<u>19,420</u>
Long-term debt, net	18,520	19,627
Accrued pension liabilities	4,838	4,791
Other noncurrent liabilities	5,824	5,446
Total liabilities	<u>53,536</u>	<u>49,284</u>
Stockholders' equity		
Common stock, \$1 par value per share	232	234
Additional paid-in capital	—	—
Retained earnings	13,259	14,551
Accumulated other comprehensive loss	(8,157)	(8,452)
Total stockholders' equity	<u>5,334</u>	<u>6,333</u>
Total liabilities and equity	<u>\$ 58,870</u>	<u>\$ 55,617</u>

Table 3

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

	Six Months Ended	
	June 29, 2025	June 30, 2024
Operating activities		
Net earnings	\$ 2,054	\$ 3,186
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation and amortization	796	710
Stock-based compensation	141	154
Deferred income taxes	(561)	(145)
Impairment and other charges	66	87
Program losses	1,615	165
Changes in assets and liabilities		
Receivables, net	(955)	(798)
Contract assets	(2,178)	(724)
Inventories	(461)	35
Accounts payable	1,500	1,052
Contract liabilities	(360)	(9)
Income taxes	251	21
Qualified defined benefit pension plans	223	(1)
Other, net	(521)	(222)
Net cash provided by operating activities	1,610	3,511
Investing activities		
Capital expenditures	(805)	(748)
Other, net	(340)	4
Net cash (used for) investing activities	(1,145)	(744)
Financing activities		
Issuance of long-term debt, net of related costs	—	1,980
Repayments of long-term debt	(142)	(168)
Proceeds from commercial paper, net	1,449	—
Repurchases of common stock	(1,250)	(1,850)
Dividends paid	(1,567)	(1,532)
Other, net	(145)	(116)
Net cash (used for) financing activities	(1,655)	(1,686)
Net change in cash and cash equivalents	(1,190)	1,081
Cash and cash equivalents at beginning of period	2,483	1,442
Cash and cash equivalents at end of period	\$ 1,293	\$ 2,523

Table 4

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

	2025 Outlook	2024 Actual
Total FAS (expense) income and CAS cost		
FAS pension (expense) income	\$ (445)	\$ 2
Less: CAS pension cost	<u>1,570</u>	<u>1,684</u>
Total FAS/CAS pension adjustment	\$ 1,125	\$ 1,686
 Service and non-service cost reconciliation		
FAS pension service cost	\$ (50)	\$ (60)
Less: CAS pension cost	<u>1,570</u>	<u>1,684</u>
FAS/CAS pension operating adjustment	<u>1,520</u>	<u>1,624</u>
Non-service FAS pension (expense) income	<u>(395)</u>	<u>62</u>
Total FAS/CAS pension adjustment	\$ 1,125	\$ 1,686

Table 5

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

	June 29, 2025	Dec. 31, 2024
Backlog		
Aeronautics	\$ 52,165	\$ 62,763
Missiles and Fire Control	40,250	38,783
Rotary and Mission Systems	38,584	38,117
Space	35,531	36,377
Total backlog	\$ 166,530	\$ 176,040

	Quarters Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Aircraft Deliveries				
F-35	50	—	97	—
F-16	3	4	7	7
C-130J	1	5	2	9
Government helicopter programs	24	10	33	23
Commercial helicopter programs	—	—	1	—
International military helicopter programs	—	5	—	5

	2025	2024
Number of Weeks in Reporting Period¹		
First quarter	13	13
Second quarter	13	13
Third quarter	13	13
Fourth quarter	13	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.