

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

	Quarters Ended		Nine Months Ended	
	Sept. 28, 2025	Sept. 29, 2024	Sept. 28, 2025	Sept. 29, 2024
Sales	\$ 18,609	\$ 17,104	\$ 54,727	\$ 52,421
Operating costs and expenses	(16,369)	(14,987)	(49,430)	(46,181)
Gross profit	2,240	2,117	5,297	6,240
Other income, net	40	23	103	77
Operating profit	2,280	2,140	5,400	6,317
Interest expense	(286)	(256)	(828)	(772)
Non-service FAS pension (expense) income	(99)	16	(296)	47
Other non-operating income, net	43	18	115	109
Earnings before income taxes	1,938	1,918	4,391	5,701
Income tax expense	(319)	(295)	(718)	(892)
Net earnings	\$ 1,619	\$ 1,623	\$ 3,673	\$ 4,809
Effective tax rate	16.5%	15.4%	16.4%	15.6%
Earnings per common share				
Basic	\$ 6.98	\$ 6.83	\$ 15.74	\$ 20.12
Diluted	\$ 6.95	\$ 6.80	\$ 15.69	\$ 20.05
Weighted average shares outstanding				
Basic	231.9	237.5	233.3	239.0
Diluted	232.8	238.6	234.1	239.9
Common shares reported in stockholders' equity at end of period			230	236

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 Sept. 28, for the third quarter of 2025 and Sept. 29, for the third 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.

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

	Quarters Ended			Nine Months Ended		
	Sept. 28, 2025	Sept. 29, 2024	% Change	Sept. 28, 2025	Sept. 29, 2024	% Change
Sales						
Aeronautics	\$ 7,256	\$ 6,487	12%	\$ 21,733	\$ 20,609	5%
Missiles and Fire Control	3,624	3,175	14%	10,430	9,270	13%
Rotary and Mission Systems	4,373	4,367	—%	12,696	13,003	(2%)
Space	3,356	3,075	9%	9,868	9,539	3%
Total sales	\$ 18,609	\$ 17,104	9%	\$ 54,727	\$ 52,421	4%
Operating profit						
Aeronautics	\$ 682	\$ 659	3%	\$ 1,304	\$ 2,089	(38%)
Missiles and Fire Control	510	456	12%	1,454	1,217	19%
Rotary and Mission Systems	506	483	5%	855	1,408	(39%)
Space	331	272	22%	1,072	943	14%
Total business segment operating profit	2,029	1,870	9%	4,685	5,657	(17%)
Unallocated items						
FAS/CAS operating adjustment	380	406		1,138	1,218	
Impairment and other charges	—	—		(66)	(87)	
Intangible asset amortization expense	(70)	(61)		(197)	(183)	
Other, net	(59)	(75)		(160)	(288)	
Total unallocated items	251	270	(7%)	715	660	8%
Total consolidated operating profit	\$ 2,280	\$ 2,140	7%	\$ 5,400	\$ 6,317	(15%)
Operating margin						
Aeronautics	9.4%	10.2%		6.0%	10.1%	
Missiles and Fire Control	14.1%	14.4%		13.9%	13.1%	
Rotary and Mission Systems	11.6%	11.1%		6.7%	10.8%	
Space	9.9%	8.8%		10.9%	9.9%	
Total business segment operating margin	10.9%	10.9%		8.6%	10.8%	
Total consolidated operating margin	12.3%	12.5%		9.9%	12.1%	

Table 2

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

	Sept. 28, 2025	Dec. 31, 2024
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 3,470	\$ 2,483
Receivables, net	3,844	2,351
Contract assets	13,949	12,957
Inventories	3,749	3,474
Other current assets	924	584
Total current assets	<u>25,936</u>	<u>21,849</u>
Property, plant and equipment, net	8,722	8,726
Goodwill	11,313	11,067
Intangible assets, net	1,943	2,015
Deferred income taxes	3,413	3,557
Other noncurrent assets	8,949	8,403
Total assets	<u>\$ 60,276</u>	<u>\$ 55,617</u>
Liabilities and equity		
Current liabilities		
Accounts payable	\$ 3,834	\$ 2,222
Salaries, benefits and payroll taxes	3,065	3,125
Contract liabilities	10,259	9,795
Current maturities of long-term debt	1,669	643
Other current liabilities	4,147	3,635
Total current liabilities	<u>22,974</u>	<u>19,420</u>
Long-term debt, net	20,520	19,627
Accrued pension liabilities	4,861	4,791
Other noncurrent liabilities	5,740	5,446
Total liabilities	<u>54,095</u>	<u>49,284</u>
Stockholders' equity		
Common stock, \$1 par value per share	230	234
Additional paid-in capital	—	—
Retained earnings	14,053	14,551
Accumulated other comprehensive loss	(8,102)	(8,452)
Total stockholders' equity	<u>6,181</u>	<u>6,333</u>
Total liabilities and equity	<u>\$ 60,276</u>	<u>\$ 55,617</u>

Table 3

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

	Nine Months Ended	
	Sept. 28, 2025	Sept. 29, 2024
Operating activities		
Net earnings	\$ 3,673	\$ 4,809
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation and amortization	1,224	1,100
Stock-based compensation	215	229
Deferred income taxes	72	(174)
Impairment and other charges	66	87
Select program losses	1,615	248
Changes in assets and liabilities		
Receivables, net	(1,493)	(9)
Contract assets	(1,231)	(1,136)
Inventories	(511)	(155)
Accounts payable	1,644	970
Contract liabilities	38	(139)
Income taxes	(100)	66
Qualified defined benefit pension plans	334	(2)
Other, net	(208)	55
Net cash provided by operating activities	5,338	5,949
Investing activities		
Capital expenditures	(1,186)	(1,103)
Other, net	(278)	149
Net cash (used for) investing activities	(1,464)	(954)
Financing activities		
Issuance of long-term debt, net of related costs	1,985	1,980
Repayments of long-term debt	(142)	(168)
Repurchases of common stock	(2,250)	(2,700)
Dividends paid	(2,332)	(2,281)
Other, net	(148)	(117)
Net cash (used for) financing activities	(2,887)	(3,286)
Net change in cash and cash equivalents	987	1,709
Cash and cash equivalents at beginning of period	2,483	1,442
Cash and cash equivalents at end of period	\$ 3,470	\$ 3,151

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	1,520	1,624
Non-service FAS pension (expense) income	<u>(395)</u>	<u>62</u>
Total FAS/CAS pension adjustment	\$ 1,125	\$ 1,686

Table 4

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

	Sept. 28, 2025	Dec. 31, 2024
Backlog		
Aeronautics	\$ 47,506	\$ 62,763
Missiles and Fire Control	45,906	38,783
Rotary and Mission Systems	47,269	38,117
Space	38,390	36,377
Total backlog	\$ 179,071	\$ 176,040

	Quarters Ended		Nine Months Ended	
	Sept. 28, 2025	Sept. 29, 2024	Sept. 28, 2025	Sept. 29, 2024
Aircraft Deliveries				
F-35	46	48	143	48
F-16	5	2	12	9
C-130J	—	4	2	13
Government helicopter programs	22	24	55	47
Commercial helicopter programs	1	—	2	—
International military helicopter programs	6	4	6	9

	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.