
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **June 29, 2025**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 1-11437

LOCKHEED MARTIN CORPORATION

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

52-1893632

(I.R.S. Employer Identification No.)

6801 Rockledge Drive, Bethesda, Maryland

(Address of principal executive offices)

20817

(Zip Code)

(301) 897-6000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$1 par value	LMT	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 233,465,056 shares of our common stock, \$1 par value per share, outstanding as of July 17, 2025.

Lockheed Martin Corporation
Form 10-Q
For the Quarterly Period Ended June 29, 2025
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PART I. FINANCIAL INFORMATION
ITEM 1. Financial Statements

Lockheed Martin Corporation
Consolidated Statements of Earnings
(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				
Products	\$ 15,149	\$ 15,109	\$ 30,085	\$ 29,305
Services	3,006	3,013	6,033	6,012
Total sales	18,155	18,122	36,118	35,317
Operating costs and expenses				
Products	(14,469)	(13,520)	(27,753)	(26,404)
Services	(3,130)	(2,582)	(5,770)	(5,185)
Impairment and other charges	(66)	(87)	(66)	(87)
Other unallocated, net	244	197	528	482
Total operating costs and expenses	(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 profit	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	(75)	(307)	(399)	(597)
Net earnings	\$ 342	\$ 1,641	\$ 2,054	\$ 3,186
Earnings per common share				
Basic	\$ 1.46	\$ 6.87	\$ 8.78	\$ 13.29
Diluted	\$ 1.46	\$ 6.85	\$ 8.75	\$ 13.24
Cash dividends paid per common share	\$ 3.30	\$ 3.15	\$ 6.60	\$ 6.30

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Lockheed Martin Corporation
Consolidated Statements of Comprehensive Income
(unaudited; in millions)

	Quarters Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Net earnings	\$ 342	\$ 1,641	\$ 2,054	\$ 3,186
Other comprehensive income, net of tax				
Postretirement benefit plans				
Amortization, net, net of tax of \$18 million and \$35 million in 2025 and \$5 million and \$10 million in 2024	64	19	128	38
Other, net, net of tax of \$9 million and \$15 million in 2025 and \$8 million in 2024	102	23	167	(4)
Other comprehensive income, net of tax	166	42	295	34
Comprehensive income	\$ 508	\$ 1,683	\$ 2,349	\$ 3,220

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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

	June 29, 2025	December 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	23,988	21,849
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	\$ 58,870	\$ 55,617
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	24,354	19,420
Long-term debt, net	18,520	19,627
Accrued pension liabilities	4,838	4,791
Other noncurrent liabilities	5,824	5,446
Total liabilities	53,536	49,284
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	5,334	6,333
Total liabilities and equity	\$ 58,870	\$ 55,617

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Lockheed Martin Corporation
Consolidated Statements of Equity
For the Quarters Ended June 29, 2025 and June 30, 2024
(unaudited; in millions)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
Balance at March 30, 2025	\$ 233	\$ —	\$ 14,773	\$ (8,323)	\$ 6,683
Net earnings	—	—	342	—	342
Other comprehensive income, net of tax	—	—	—	166	166
Dividends declared	—	—	(1,546)	—	(1,546)
Repurchases of common stock	(1)	(189)	(310)	—	(500)
Stock-based awards, ESOP activity and other	—	189	—	—	189
Balance at June 29, 2025	\$ 232	\$ —	\$ 13,259	\$ (8,157)	\$ 5,334
Balance at March 31, 2024	\$ 239	\$ —	\$ 15,222	\$ (8,811)	\$ 6,650
Net earnings	—	—	1,641	—	1,641
Other comprehensive income, net of tax	—	—	—	42	42
Dividends declared	—	—	(1,514)	—	(1,514)
Repurchases of common stock	(2)	(206)	(642)	—	(850)
Stock-based awards, ESOP activity and other	—	206	—	—	206
Balance at June 30, 2024	\$ 237	\$ —	\$ 14,707	\$ (8,769)	\$ 6,175

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Lockheed Martin Corporation
Consolidated Statements of Equity
For the Six Months Ended June 29, 2025 and June 30, 2024
(unaudited; in millions)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
Balance at December 31, 2024	\$ 234	\$ —	\$ 14,551	\$ (8,452)	\$ 6,333
Net earnings	—	—	2,054	—	2,054
Other comprehensive income, net of tax	—	—	—	295	295
Dividends declared	—	—	(2,324)	—	(2,324)
Repurchases of common stock	(3)	(225)	(1,022)	—	(1,250)
Stock-based awards, ESOP activity and other	1	225	—	—	226
Balance at June 29, 2025	\$ 232	\$ —	\$ 13,259	\$ (8,157)	\$ 5,334
Balance at December 31, 2023	\$ 240	\$ —	\$ 15,398	\$ (8,803)	\$ 6,835
Net earnings	—	—	3,186	—	3,186
Other comprehensive income, net of tax	—	—	—	34	34
Dividends declared	—	—	(2,277)	—	(2,277)
Repurchases of common stock	(4)	(246)	(1,600)	—	(1,850)
Stock-based awards, ESOP activity and other	1	246	—	—	247
Balance at June 30, 2024	\$ 237	\$ —	\$ 14,707	\$ (8,769)	\$ 6,175

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited)

NOTE 1 - BASIS OF PRESENTATION

We prepared these consolidated financial statements in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information, the instructions to Form 10-Q and Article 10 of U.S. Securities and Exchange Commission (SEC) Regulation S-X. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements.

In the opinion of management, these consolidated financial statements reflect all adjustments that are of a normal recurring nature necessary for a fair presentation of our results of operations, financial condition, and cash flows for the interim periods presented. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base these estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Our actual results may differ materially from these estimates. Estimates inherent in the preparation of our consolidated financial statements include, but are not limited to, accounting for sales and cost recognition; postretirement benefit plans; environmental liabilities and assets for the portion of environmental costs that are probable of future recovery; evaluation of goodwill, intangible assets, investments and other assets for impairment; income taxes including deferred tax assets; fair value measurements; and contingencies. The consolidated financial statements include the accounts of subsidiaries we control and variable interest entities if we are the primary beneficiary. We eliminate intercompany balances and transactions in consolidation.

On June 26, 2025, we paid \$360 million, in cash, to close our acquisition of Amentum's Rapid Solutions business (Rapid Solutions). The acquisition of Rapid Solutions is expected to enhance our Space business segment's capabilities, particularly in radar and payload technology, and support our customers' evolving needs for domain awareness and real-time missions. The purchase price was allocated to the estimated fair value of net tangible and intangible assets acquired, with any excess purchase price recorded as goodwill. As a result, we recorded goodwill of \$195 million at our Space business segment. The final determination of the fair values of certain assets and liabilities will be completed within the measurement period of up to one year from the acquisition date. Rapid Solutions operates within our Space business segment and the financial results of Rapid Solutions have been included within our operating results in the period post-acquisition.

We close our books and records on the last Sunday of each interim calendar quarter, which was on June 29 for the second quarter of 2025 and June 30 for the second quarter of 2024, to align our financial closing with our business processes. The consolidated financial statements and tables of financial information included herein are labeled based on that convention. This practice only affects interim periods; our fiscal year ends on December 31.

The results of operations for the interim periods presented are not necessarily indicative of results to be expected for the full year or future periods. Unless otherwise noted, we present all per share amounts cited in these consolidated financial statements on a "per diluted share" basis. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2024 (2024 Form 10-K).

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

NOTE 2 - EARNINGS PER COMMON SHARE

The weighted average number of shares outstanding used to compute earnings per common share were as follows (in millions):

	Quarters Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Weighted average common shares outstanding for basic computations	233.5	238.9	234.0	239.8
Weighted average dilutive effect of equity awards	0.8	0.7	0.8	0.8
Weighted average common shares outstanding for diluted computations	234.3	239.6	234.8	240.6

We compute basic and diluted earnings per common share by dividing net earnings by the respective weighted average number of common shares outstanding for the periods presented. Our calculation of diluted earnings per common share also includes the dilutive effects for the assumed vesting of outstanding restricted stock units (RSUs) and performance stock units (PSUs) based on the treasury stock method. There were no significant anti-dilutive equity awards during the quarters and six months ended June 29, 2025 and June 30, 2024. Basic and diluted weighted average common shares outstanding decreased in 2025 compared to 2024 due to share repurchases. See "Note 9 - Stockholders' Equity" for more information.

NOTE 3 - INFORMATION ON BUSINESS SEGMENTS

Our operations are organized into four business segments, which also comprise our reportable segments: Aeronautics, Missiles and Fire Control (MFC), Rotary and Mission Systems (RMS) and Space. We generally organize our business segments based on the nature of products and services offered.

Our chief operating decision maker (CODM) consists of the Chairman, President and Chief Executive Officer and the Chief Operating Officer. The CODM is responsible for allocating resources and assessing the performance of our consolidated enterprise and business segments. The profitability measure the CODM uses to allocate resources and assess segment performance is segment operating profit (and related margin rate, calculated as segment operating profit divided by sales), which is compared to historical and forecasted amounts on a regular basis.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

Summary operating results for each of our business segments were as follows (in millions):

	Quarters Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Sales				
Aeronautics	\$ 7,420	\$ 7,277	\$ 14,477	\$ 14,122
Missiles and Fire Control	3,433	3,102	6,806	6,095
Rotary and Mission Systems	3,995	4,548	8,323	8,636
Space	3,307	3,195	6,512	6,464
Total sales	\$ 18,155	\$ 18,122	\$ 36,118	\$ 35,317
Operating costs and expenses				
Aeronautics	\$ 7,517	\$ 6,526	\$ 13,854	\$ 12,696
Missiles and Fire Control	2,955	2,653	5,863	5,339
Rotary and Mission Systems	4,170	4,061	8,028	7,726
Space	2,957	2,862	5,778	5,828
Total operating costs and expenses	\$ 17,599	\$ 16,102	\$ 33,523	\$ 31,589
Operating profit (loss)^(a)				
Aeronautics	\$ (98)	\$ 751	\$ 622	\$ 1,430
Missiles and Fire Control	479	450	944	761
Rotary and Mission Systems	(172)	495	349	925
Space	362	346	741	671
Total business segment operating profit	571	2,042	2,656	3,787
Unallocated items				
FAS/CAS pension 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	464	390
Total consolidated operating profit	\$ 748	\$ 2,148	\$ 3,120	\$ 4,177
Intersegment sales				
Aeronautics	\$ 97	\$ 67	\$ 186	\$ 137
Missiles and Fire Control	231	204	398	406
Rotary and Mission Systems	632	574	1,198	1,160
Space	84	99	167	206
Total intersegment sales	\$ 1,044	\$ 944	\$ 1,949	\$ 1,909

^(a) Operating profit by segment includes certain immaterial items, such as other income (primarily equity earnings) that are not presented separately in the table. Accordingly, the difference between sales less operating costs and expenses may not equal operating profit by segment.

Segment results exclude intersegment transactions as these activities are eliminated in consolidation and are not considered in assessing the performance of each segment. As described below, segment operating profit also excludes other transactions that are not part of management's evaluation of segment operating performance, which are included in "Unallocated items" to reconcile total segment operating profit to consolidated amounts. Business segment operating profit includes our share of earnings or losses from equity method investees as the operating activities of the equity method investees are closely aligned with the operations of our business segments.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

Unallocated Items

Business segment operating profit excludes the FAS/CAS pension operating adjustment described below, a portion of corporate costs not considered allowable or allocable to contracts with the U.S. Government under the applicable U.S. Government Cost Accounting Standards (CAS) or Federal Acquisition Regulations (FAR), and other items not considered part of management's evaluation of segment operating performance such as a portion of management and administration costs, legal fees and settlements, stock-based compensation expense, changes in the fair value of assets and liabilities for deferred compensation plans, retiree benefits, significant severance charges, significant asset impairments, gains or losses from divestitures, intangible asset amortization expense, and other miscellaneous corporate activities. Collectively these items are included in "Unallocated items" to reconcile total segment to consolidated operating profit. See "Note 10 - Other" for a discussion related to certain factors that may impact the comparability of sales and operating profit of our business segments.

FAS/CAS Pension Operating Adjustment

Our business segment results of operations include pension expense as calculated under CAS, which we refer to as CAS pension cost. We recover CAS pension and other postretirement benefit plan cost through the pricing of our products and services on U.S. Government contracts and, therefore, recognize CAS pension cost in each business segments' sales and operating costs and expenses. Our consolidated financial statements must present pension and other postretirement benefit plan (expense) income calculated in accordance with Financial Accounting Standards (FAS) requirements under U.S. GAAP. The FAS/CAS pension operating adjustment represents the difference between CAS pension cost included in segment operating income and the service cost component of FAS pension (expense) income included in consolidated operating profit. To the extent that CAS pension cost exceeds the service cost component of FAS pension (expense) income we have a favorable FAS/CAS pension operating adjustment. The non-service FAS pension (expense) income components are included in non-service FAS pension (expense) income on our consolidated statements of earnings.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

Disaggregation of Sales

Sales by products and services, contract type, customer, and geographic region were as follows (in millions):

Quarter Ended June 29, 2025					
	Aeronautics	MFC	RMS	Space	Total
Sales					
Products	\$ 5,960	\$ 3,065	\$ 3,332	\$ 2,792	\$ 15,149
Services	1,460	368	663	515	3,006
Total sales	\$ 7,420	\$ 3,433	\$ 3,995	\$ 3,307	\$ 18,155
Sales by contract type					
Fixed-price	\$ 4,912	\$ 2,447	\$ 2,295	\$ 912	\$ 10,566
Cost-reimbursable	2,508	986	1,700	2,395	7,589
Total sales	\$ 7,420	\$ 3,433	\$ 3,995	\$ 3,307	\$ 18,155
Sales by customer					
U.S. Government	\$ 4,646	\$ 2,440	\$ 2,858	\$ 3,227	\$ 13,171
International ^(a)	2,766	990	1,085	75	4,916
U.S. commercial and other	8	3	52	5	68
Total sales	\$ 7,420	\$ 3,433	\$ 3,995	\$ 3,307	\$ 18,155
Sales by geographic region					
United States	\$ 4,654	\$ 2,443	\$ 2,910	\$ 3,232	\$ 13,239
Europe	1,404	381	279	22	2,086
Asia Pacific	984	223	601	49	1,857
Middle East	159	375	219	4	757
Other	219	11	(14)	—	216
Total sales	\$ 7,420	\$ 3,433	\$ 3,995	\$ 3,307	\$ 18,155

Six Months Ended June 29, 2025					
	Aeronautics	MFC	RMS	Space	Total
Sales					
Products	\$ 11,706	\$ 6,082	\$ 6,828	\$ 5,469	\$ 30,085
Services	2,771	724	1,495	1,043	6,033
Total sales	\$ 14,477	\$ 6,806	\$ 8,323	\$ 6,512	\$ 36,118
Sales by contract type					
Fixed-price	\$ 9,625	\$ 4,887	\$ 4,955	\$ 1,854	\$ 21,321
Cost-reimbursable	4,852	1,919	3,368	4,658	14,797
Total sales	\$ 14,477	\$ 6,806	\$ 8,323	\$ 6,512	\$ 36,118
Sales by customer					
U.S. Government	\$ 9,288	\$ 4,831	\$ 5,645	\$ 6,356	\$ 26,120
International ^(a)	5,171	1,968	2,553	146	9,838
U.S. commercial and other	18	7	125	10	160
Total sales	\$ 14,477	\$ 6,806	\$ 8,323	\$ 6,512	\$ 36,118
Sales by geographic region					
United States	\$ 9,306	\$ 4,838	\$ 5,770	\$ 6,366	\$ 26,280
Europe	2,651	776	583	44	4,054
Asia Pacific	1,824	447	1,234	96	3,601
Middle East	307	717	431	6	1,461
Other	389	28	305	—	722
Total sales	\$ 14,477	\$ 6,806	\$ 8,323	\$ 6,512	\$ 36,118

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

Quarter Ended June 30, 2024						
	Aeronautics	MFC	RMS	Space	Total	
Sales						
Products	\$ 5,971	\$ 2,742	\$ 3,705	\$ 2,691	\$ 15,109	
Services	1,306	360	843	504	3,013	
Total sales	\$ 7,277	\$ 3,102	\$ 4,548	\$ 3,195	\$ 18,122	
Sales by contract type						
Fixed-price	\$ 4,945	\$ 2,124	\$ 2,812	\$ 925	\$ 10,806	
Cost-reimbursable	2,332	978	1,736	2,270	7,316	
Total sales	\$ 7,277	\$ 3,102	\$ 4,548	\$ 3,195	\$ 18,122	
Sales by customer						
U.S. Government	\$ 4,941	\$ 2,241	\$ 2,999	\$ 3,107	\$ 13,288	
International ^(a)	2,297	856	1,470	45	4,668	
U.S. commercial and other	39	5	79	43	166	
Total sales	\$ 7,277	\$ 3,102	\$ 4,548	\$ 3,195	\$ 18,122	
Sales by geographic region						
United States	\$ 4,980	\$ 2,246	\$ 3,078	\$ 3,150	\$ 13,454	
Europe	1,270	209	282	19	1,780	
Asia Pacific	685	180	750	25	1,640	
Middle East	194	450	200	1	845	
Other	148	17	238	—	403	
Total sales	\$ 7,277	\$ 3,102	\$ 4,548	\$ 3,195	\$ 18,122	

Six Months Ended June 30, 2024						
	Aeronautics	MFC	RMS	Space	Total	
Sales						
Products	\$ 11,563	\$ 5,406	\$ 6,946	\$ 5,390	\$ 29,305	
Services	2,559	689	1,690	1,074	6,012	
Total sales	\$ 14,122	\$ 6,095	\$ 8,636	\$ 6,464	\$ 35,317	
Sales by contract type						
Fixed-price	\$ 9,529	\$ 4,120	\$ 5,289	\$ 1,825	\$ 20,763	
Cost-reimbursable	4,593	1,975	3,347	4,639	14,554	
Total sales	\$ 14,122	\$ 6,095	\$ 8,636	\$ 6,464	\$ 35,317	
Sales by customer						
U.S. Government	\$ 9,607	\$ 4,408	\$ 5,839	\$ 6,269	\$ 26,123	
International ^(a)	4,449	1,680	2,632	113	8,874	
U.S. commercial and other	66	7	165	82	320	
Total sales	\$ 14,122	\$ 6,095	\$ 8,636	\$ 6,464	\$ 35,317	
Sales by geographic region						
United States	\$ 9,673	\$ 4,415	\$ 6,004	\$ 6,351	\$ 26,443	
Europe	2,481	454	551	37	3,523	
Asia Pacific	1,321	367	1,290	71	3,049	
Middle East	397	820	362	5	1,584	
Other	250	39	429	—	718	
Total sales	\$ 14,122	\$ 6,095	\$ 8,636	\$ 6,464	\$ 35,317	

^(a) International sales include foreign military sales (FMS) contracted through the U.S. Government and direct commercial sales to international governments and other international customers.

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Our Aeronautics business segment includes our largest program, the F-35 Lightning II, an international multi-role, multi-variant, stealth fighter aircraft. Sales for the F-35 program represented approximately 28% and 27% of our total consolidated sales for the quarter and six months ended June 29, 2025 and 26% and 25% of our total consolidated sales for the quarter and six months ended June 30, 2024.

Assets

Total assets for each of our business segments were as follows (in millions):

	June 29, 2025	December 31, 2024
Assets		
Aeronautics	\$ 15,224	\$ 13,223
Missiles and Fire Control	6,524	5,952
Rotary and Mission Systems	17,199	17,025
Space	8,051	7,388
Total business segment assets	46,998	43,588
Corporate assets ^(a)	11,872	12,029
Total assets	\$ 58,870	\$ 55,617

^(a) Corporate assets primarily include cash and cash equivalents, deferred income taxes, assets for the portion of environmental costs that are probable of future recovery, property, plant and equipment used in our corporate operations, assets held in a trust for deferred compensation plans, and other marketable investments.

NOTE 4 - CONTRACT ASSETS AND LIABILITIES

Contract assets include unbilled amounts typically resulting from sales under contracts when the percentage-of-completion cost-to-cost method of revenue recognition is utilized and revenue recognized exceeds the amount billed to the customer. Contract liabilities include advance payments and billings in excess of revenue recognized. Contract assets and contract liabilities were as follows (in millions):

	June 29, 2025	December 31, 2024
Contract assets	\$ 14,896	\$ 12,957
Contract liabilities	9,861	9,795

Contract assets are primarily driven by the recognition of revenue related to the satisfaction or partial satisfaction of performance obligations for which we have not yet billed our customers. During the six months ended June 29, 2025, contract assets increased \$1.9 billion primarily due to the F-35 program at Aeronautics. There were no significant credit or impairment losses related to our contract assets during the quarters and six months ended June 29, 2025 and June 30, 2024.

Contract liabilities increased \$66 million during the six months ended June 29, 2025, primarily due to payments received in excess of revenue recognized on performance obligations. During the quarter and six months ended June 29, 2025, we recognized \$1.3 billion and \$4.5 billion of our contract liabilities at December 31, 2024 as revenue. During the quarter and six months ended June 30, 2024, we recognized \$1.7 billion and \$4.1 billion of our contract liabilities at December 31, 2023 as revenue.

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NOTE 5 - INVENTORIES

Inventories consisted of the following (in millions):

	June 29, 2025	December 31, 2024
Materials, spares and supplies	\$ 676	\$ 661
Work-in-process	2,828	2,617
Finished goods	195	196
Total inventories	\$ 3,699	\$ 3,474

Costs incurred to fulfill a contract in advance of the contract being awarded are included in inventories as work-in-process if we determine that those costs relate directly to a contract or to an anticipated contract that we can specifically identify and determine that the contract award is probable, the costs generate or enhance resources that will be used in satisfying performance obligations, and the costs are recoverable (referred to as pre-contract costs). These advance procurement costs are generally incurred in order to enhance our ability to achieve schedule and certain customer milestones. Pre-contract costs that are initially capitalized in inventory are eventually generally recognized as operating costs consistent with the transfer of products and services to the customer upon the receipt of the anticipated contract. All other pre-contract costs, including start-up costs, are expensed as incurred. As of both June 29, 2025 and December 31, 2024, \$1.5 billion of pre-contract costs (primarily F-35 and classified programs at Aeronautics) were included in work-in-process inventories.

NOTE 6 - POSTRETIREMENT BENEFIT PLANS

The pretax FAS (expense) income related to our qualified defined benefit pension plans consisted of the following (in millions):

	Quarters Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Qualified defined benefit pension plans				
Operating:				
Service cost	\$ (13)	\$ (15)	\$ (26)	\$ (30)
Non-operating:				
Interest cost	(368)	(350)	(736)	(699)
Expected return on plan assets	360	393	720	786
Amortization of actuarial losses	(79)	(65)	(157)	(130)
Amortization of prior service (costs) credits	(12)	37	(24)	74
Non-service FAS pension (expense) income	(99)	15	(197)	31
Total FAS pension (expense) income	\$ (112)	\$ —	\$ (223)	\$ 1

We record the service cost component of FAS (expense) income for our qualified defined benefit pension plans in consolidated operating profit and the non-service components in non-service FAS pension (expense) income on our consolidated statements of earnings.

Total FAS income for our other postretirement benefit plans was not material during the quarters and six months ended June 29, 2025 and June 30, 2024 and is part of other non-operating income, net on our consolidated statements of earnings.

The required funding of our qualified defined benefit pension plans is determined in accordance with the Employee Retirement Income Security Act of 1974 (ERISA), as amended, along with consideration of CAS and Internal Revenue Code rules. We made no contributions to our qualified defined benefit pension plans during the quarters and six months ended June 29, 2025 and June 30, 2024.

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NOTE 7 - LEGAL PROCEEDINGS AND CONTINGENCIES**Legal Proceedings**

We are a party to litigation and other proceedings that arise in the ordinary course of our business, including matters arising under provisions relating to the protection of the environment, and are subject to contingencies related to certain businesses we previously owned. These types of matters could result in fines, penalties, cost reimbursements or contributions, compensatory or treble damages or non-monetary sanctions or relief. We believe the probability is remote that the outcome of each of these matters, including the legal proceedings described below, will have a material adverse effect on the company as a whole, notwithstanding that the unfavorable resolution of any matter may have a material effect on our net earnings and cash flows in the period in which it is recognized. Among the factors that we consider in this assessment are the nature of existing legal proceedings and claims, the asserted or possible damages or loss contingency (if estimable), the progress of the case, existing law and precedent, the opinions or views of legal counsel and other advisers, our experience in similar cases and the experience of other companies, the facts available to us at the time of assessment and how we intend to respond to the proceeding or claim. Our assessment of these factors may change over time as individual proceedings or claims progress.

Although we cannot predict the outcome of legal or other proceedings with certainty, where there is at least a reasonable possibility that a loss may be incurred, GAAP requires us to disclose an estimate of the reasonably possible loss or range of loss or make a statement that such an estimate cannot be made. We follow a thorough process in which we seek to estimate the reasonably possible loss or range of loss, and only if we are unable to make such an estimate do we conclude and disclose that an estimate cannot be made. Accordingly, unless otherwise indicated below in our discussion of legal proceedings, a reasonably possible loss or range of loss associated with any individual legal proceeding cannot be estimated.

Lockheed Martin v. Metropolitan Transportation Authority

On April 24, 2009, we filed a declaratory judgment action against the New York Metropolitan Transportation Authority and its Capital Construction Company (collectively, the MTA) asking the U.S. District Court for the Southern District of New York to find that the MTA is in material breach of our agreement based on the MTA's failure to provide access to sites where work must be performed and the customer-furnished equipment necessary to complete the contract. The MTA filed an answer and counterclaim alleging that we breached the contract and subsequently terminated the contract for alleged default. The primary damages sought by the MTA are the costs to complete the contract and potential re-procurement costs. While we are unable to estimate the cost of another contractor to complete the contract and the costs of re-procurement, we note that our contract with the MTA had a total value of \$323 million, of which \$241 million was paid to us, and that the MTA is seeking damages of approximately \$190 million. We dispute the MTA's allegations and are defending against them. Additionally, following an investigation, our sureties on a performance bond related to this matter, who were represented by independent counsel, concluded that the MTA's termination of the contract was improper. Finally, our declaratory judgment action was later amended to include claims for monetary damages against the MTA of approximately \$95 million. This matter was taken under submission by the District Court in December 2014, after a five-week bench trial and the filing of post-trial pleadings by the parties. We continue to await a decision from the District Court. Although this matter relates to our former Information Systems & Global Solutions business (IS&GS), we retained responsibility for the litigation when we divested IS&GS in 2016.

Environmental Matters

We are involved in proceedings and potential proceedings relating to soil, sediment, surface water, and groundwater contamination, disposal of hazardous substances, and other environmental matters at several of our current or former facilities, other facilities for which we may have contractual responsibility, and at third-party sites where we have been designated as a potentially responsible party (PRP). These proceedings could result in fines, penalties, cost reimbursements or contributions, compensatory or treble damages or non-monetary sanctions or relief.

Based on our estimates, at June 29, 2025 and December 31, 2024, the aggregate amount of liabilities recorded relative to environmental remediation matters was \$669 million and \$677 million, respectively, most of which are recorded in other noncurrent liabilities on our consolidated balance sheets. We have recorded assets for the portion of environmental costs that are probable of future recovery totaling \$611 million and \$619 million at June 29, 2025 and

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December 31, 2024, respectively, most of which are recorded in other noncurrent assets on our consolidated balance sheets.

We are monitoring or investigating a number of former and presently operating facilities for potential future remediation. We perform quarterly reviews of the status of our environmental remediation sites and the related liabilities and receivables. Additionally, in our quarterly reviews, we consider various factors in estimating the timing and amount of any future costs that may be required for remediation activities, as we cannot reasonably determine the extent of our financial exposure in all cases. We project costs and recovery of costs over approximately 20 years.

We also pursue claims for recovery of costs incurred or for contribution to site remediation costs against other PRPs, including the U.S. Government, and are conducting remediation activities under various consent decrees, orders, and agreements relating to soil, groundwater, sediment, or surface water contamination at certain sites of former or current operations. Under agreements related to certain sites in California, New York, United States Virgin Islands and Washington, the U.S. Government and/or a private party reimburses us an amount equal to a percentage, specific to each site, of expenditures for certain remediation activities in their capacity as PRPs under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

In addition to the proceedings and potential proceedings discussed above, potential new regulations concerning perchlorate and hexavalent chromium at the federal and state level could increase our cleanup costs. If regulations require substantially more stringent clean-up levels of perchlorate or hexavalent chromium, we expect a material increase in both our estimates for environmental liabilities and the related assets for the portion of costs that are probable of future recovery. The amount that would be allocable to our non-U.S. Government contracts or that is determined not to be recoverable under U.S. Government contracts would be expensed, which may have a material effect on our earnings in any particular reporting period.

We also are evaluating the potential impact of new, existing, and contemplated requirements addressing a class of chemicals known generally as per- and polyfluoroalkyl substances (PFAS). PFAS are common and appear in products such as fire-fighting foams and stain- and stick-resistant products (e.g., Teflon, stain-resistant fabrics) and have been used in manufacturing processes. Regulations requiring very low PFAS contaminant levels in drinking water could eventually lead to increased cleanup costs at a number of our environmental remediation sites.

Letters of Credit, Surety Bonds and Third-Party Guarantees

We have entered into standby letters of credit and surety bonds issued on our behalf by financial institutions, and we have directly issued guarantees to third parties primarily relating to advances received from customers and the guarantee of future performance on certain contracts. Letters of credit and surety bonds generally are available for draw down in the event we do not perform. We had total outstanding letters of credit and surety bonds aggregating \$2.6 billion and \$2.7 billion at June 29, 2025 and December 31, 2024.

Additionally, we may guarantee the contractual performance of third parties such as joint venture partners. At June 29, 2025 and December 31, 2024, third-party guarantees totaled \$105 million and \$351 million, of which approximately 83% and 30% related to guarantees of contractual performance of joint ventures to which we currently are or previously were a party. These amounts represent our estimate of the maximum amounts we would expect to incur upon the contractual non-performance of the joint venture, joint venture partners or divested businesses. Generally, we also have cross-indemnities in place that may enable us to recover amounts that may be paid on behalf of a joint venture partner. Third-party guarantees do not include guarantees issued on behalf of subsidiaries and other consolidated entities.

In determining our exposures, we evaluate the reputation, performance on contractual obligations, technical capabilities and credit quality of our current and former joint venture partners and the transferee under novation agreements all of which include a guarantee as required by the FAR. At June 29, 2025 and December 31, 2024, there were no material amounts recorded in our financial statements related to third-party guarantees or novation agreements.

Other Contingencies

As a U.S. Government contractor, we are subject to various audits and investigations by the U.S. Government to determine whether our operations are being conducted in accordance with applicable regulatory requirements. U.S. Government investigations of us, whether relating to U.S. Government contracts or conducted for other reasons, could result in civil or criminal penalties and administrative sanctions, including reductions of the value of contracts, contract

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modifications or terminations, forfeiture of profits, suspension of payments, repayments, fines or penalties being imposed upon us, suspension, proposed debarment, debarment from eligibility for future U.S. Government contracting, or suspension of export privileges. Reductions of the value of contracts, contract modifications or terminations, forfeiture of profits, suspension of payments, repayments, fines and penalties could have a material impact on financial condition and results of operations in any particular reporting period, and suspension or debarment could have a material adverse effect on us because of our dependence on contracts with the U.S. Government. U.S. Government investigations often take years to complete and many result in no adverse action against us. We also provide products and services to customers outside of the United States, which are subject to U.S. and foreign laws and regulations and foreign procurement policies and practices. Our compliance with local regulations or applicable U.S. Government regulations also may be audited or investigated.

Additionally, in the normal course of business, we provide warranties to our customers associated with certain product sales. We record estimated warranty costs in the period in which the related products are delivered. The warranty liability is generally based on the number of months of warranty coverage remaining for the products delivered and the average historical monthly warranty payments. Warranty obligations incurred in connection with long-term production contracts are accounted for within the contract estimates at completion.

NOTE 8 - FAIR VALUE MEASUREMENTS

Assets and liabilities measured and recorded at fair value on a recurring basis consisted of the following (in millions):

	June 29, 2025			December 31, 2024		
	Total	Level 1	Level 2	Total	Level 1	Level 2
Assets						
Mutual funds	\$ 1,081	\$ 1,081	\$ —	\$ 1,072	\$ 1,072	\$ —
U.S. Government securities	77	—	77	116	—	116
Other securities	705	363	342	645	342	303
Derivatives	71	—	71	9	—	9
Liabilities						
Derivatives	157	—	157	196	—	196

Substantially all assets measured at fair value, other than derivatives, represent assets held in a trust to fund certain of our non-qualified deferred compensation plans and are recorded in other noncurrent assets on our consolidated balance sheets. The fair values of mutual funds and certain other securities are determined by reference to the quoted market price per unit in active markets multiplied by the number of units held without consideration of transaction costs. The fair values of U.S. Government and certain other securities are determined using pricing models that use observable inputs (e.g., interest rates and yield curves observable at commonly quoted intervals), bids provided by brokers or dealers or quoted prices of securities with similar characteristics. The fair values of derivative instruments, which consist of foreign currency forward contracts, including embedded derivatives, and interest rate swap contracts, are primarily determined based on the present value of future cash flows using model-derived valuations that use observable inputs such as interest rates, credit spreads and foreign currency exchange rates.

We also make investments in companies that we believe are advancing or developing new technologies applicable to our business. These investments are primarily in early-stage companies and may be in the form of common or preferred stock, warrants, convertible debt securities, investments in funds or equity method investments. All of these investments are in securities without readily determinable fair values (privately held securities), which are measured initially at cost and are then adjusted to fair value only if there is an observable price change or reduced for impairment, if applicable. The carrying amounts of the investments were \$601 million and \$600 million at June 29, 2025 and December 31, 2024. Due to adjustments in valuation and/or sales of investments, we recorded net gains of \$19 million (\$14 million, or \$0.06 per share, after tax) and \$20 million (\$15 million, or \$0.06 per share, after tax) during the quarter and six months ended June 29, 2025. We recorded net gains of \$9 million (\$7 million, or \$0.03 per share, after-tax) and \$14 million (\$11 million, or \$0.04 per share, after-tax) during the quarter and six months ended June 30, 2024.

We use derivative instruments principally to reduce our exposure to market risks from changes in foreign currency exchange rates and interest rates. We transact business globally and are subject to risks associated with changing foreign currency exchange rates. We do not enter into or hold derivative instruments for speculative trading purposes. These

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contracts hedge forecasted foreign currency transactions in order to minimize fluctuations in our earnings and cash flows associated with changes in foreign currency exchange rates. We designate foreign currency hedges as cash flow hedges. We enter into foreign currency hedges such as forward and option contracts that change in value as foreign currency exchange rates change. Our most significant foreign currency exposures relate to the British pound sterling, the euro, the Canadian dollar, the Australian dollar, the Norwegian kroner and the Polish zloty. We also are exposed to the impact of interest rate changes primarily through our borrowing activities. For fixed rate borrowings, we may use variable interest rate swaps, effectively converting fixed rate borrowings to variable rate borrowings in order to hedge changes in the fair value of the debt. These swaps are designated as fair value hedges. For variable rate borrowings, we may use fixed interest rate swaps, effectively converting variable rate borrowings to fixed rate borrowings in order to minimize the impact of interest rate changes on earnings. These swaps are designated as cash flow hedges. We also may enter into derivative instruments that are not designated as hedges and do not qualify for hedge accounting, which are intended to minimize certain economic exposures.

The aggregate notional amount of our outstanding interest rate swaps was \$1.3 billion at June 29, 2025 and December 31, 2024. The aggregate notional amount of our outstanding foreign currency hedges was \$7.9 billion and \$7.5 billion at June 29, 2025 and December 31, 2024. The fair values of our outstanding interest rate swaps and foreign currency hedges at June 29, 2025 and December 31, 2024 were not significant. Derivative instruments did not have a material impact on net earnings and comprehensive income during the quarters and six months ended June 29, 2025 and June 30, 2024. The impact of derivative instruments on our consolidated statements of cash flows is included in net cash provided by operating activities. Substantially all of our derivatives are designated for hedge accounting.

In addition to the financial instruments listed in the table above, we hold other financial instruments, including cash and cash equivalents, receivables, accounts payable, commercial paper and debt. The carrying amounts for cash and cash equivalents, receivables and accounts payable approximated their fair values. The estimated fair value of our outstanding debt and commercial paper was \$21.6 billion and \$20.2 billion at June 29, 2025 and December 31, 2024. The outstanding principal amount of debt and commercial paper, including short-term and long-term debt, was \$22.9 billion and \$21.6 billion at June 29, 2025 and December 31, 2024, excluding \$1.2 billion and \$1.3 billion of unamortized discounts and issuance costs at June 29, 2025 and December 31, 2024. The estimated fair values of our outstanding debt were determined based on the present value of future cash flows using model-derived valuations that use observable inputs such as interest rates and credit spreads (Level 2).

NOTE 9 - STOCKHOLDERS' EQUITY

Repurchases of Common Stock

During the six months ended June 29, 2025, we repurchased 2.7 million shares of our common stock in open market purchases for \$1.3 billion. The total remaining authorization for future common stock repurchases under our share repurchase program was \$8.1 billion as of June 29, 2025. As we repurchase our common shares, we reduce common stock for the \$1 of par value of the shares repurchased, with the excess purchase price over par value recorded as a reduction of additional paid-in capital. If additional paid-in capital is reduced to zero, we record the remainder of the excess purchase price over par value as a reduction of retained earnings.

Dividends

We paid cash dividends of \$1.6 billion (\$6.60 per share) during the six months ended June 29, 2025. Additionally, we declared a third quarter 2025 dividend totaling approximately \$770 million (\$3.30 per share), which will be paid in September 2025. The total amount of dividends declared may differ from the total amount of dividends paid during a period due to the timing of dividend-equivalents paid on RSUs and PSUs. These dividend-equivalents are accrued during the vesting period and are paid upon the vesting of the RSUs and PSUs, which primarily occurs in the first quarter each year.

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Accumulated Other Comprehensive Loss

Changes in the balance of AOCL, net of tax, consisted of the following (in millions):

	Postretirement Benefit Plans	Other, net	AOCL
Balance at December 31, 2024	\$ (8,288)	\$ (164)	\$ (8,452)
Other comprehensive income before reclassifications	—	142	142
Amounts reclassified from AOCL			
Amortization of net actuarial losses ^(a)	110	—	110
Amortization of net prior service costs ^(a)	18	—	18
Other	—	25	25
Total reclassified from AOCL	128	25	153
Total other comprehensive income	128	167	295
Balance at June 29, 2025	\$ (8,160)	\$ 3	\$ (8,157)
Balance at December 31, 2023	\$ (8,704)	\$ (99)	\$ (8,803)
Other comprehensive (loss) before reclassifications	—	(32)	(32)
Amounts reclassified from AOCL			
Amortization of net actuarial losses ^(a)	94	—	94
Amortization of net prior service credits ^(a)	(56)	—	(56)
Other	—	28	28
Total reclassified from AOCL	38	28	66
Total other comprehensive income (loss)	38	(4)	34
Balance at June 30, 2024	\$ (8,666)	\$ (103)	\$ (8,769)

^(a) Reclassifications from AOCL related to postretirement benefit plans were recorded as a component of FAS (expense) income for each period presented. These amounts include \$64 million and \$19 million, net of tax, for the quarters ended June 29, 2025 and June 30, 2024, which are comprised of the amortization of net actuarial losses of \$55 million and \$47 million, and the amortization of net prior service costs (credits) of \$9 million and \$(28) million, for the quarters ended June 29, 2025 and June 30, 2024. See "Note 6 - Postretirement Benefit Plans".

NOTE 10 - OTHER
Contract Estimates

We generate sales from long-term contracts for the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. Substantially all of our sales are recognized over time using the percentage-of-completion cost-to-cost measure of progress. Under the percentage-of-completion cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs to complete the product or service. Certain sales are recognized at a point in time, which typically occurs upon customer acceptance or receipt of the product or service.

Significant judgments and assumptions are made in estimating contract sales, costs, and profit. We estimate profit as the difference between total estimated sales and total estimated costs to complete the contract and recognize that profit as costs are incurred (over time sales recognition) or when the customer accepts the product or service (point in time sales recognition). Contract sales may include estimates of variable consideration, including cost or performance incentives (such as award and incentive fees), un-priced change orders, requests for equitable adjustment (REAs), and contract claims. Variable consideration is included in total estimated sales to the extent it is probable that a significant reversal in the amount of cumulative sales recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. We estimate variable consideration as the most likely amount to which we expect to be entitled. Contract costs include significant estimates related to labor, subcontractors, materials, overhead, general and administrative expenses, and costs to fulfill our industrial cooperation agreements, sometimes referred to as offset or localization agreements, required under certain contracts with international customers. Significant estimates related to

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costs include the complexity and scope of the work to be performed, labor productivity and availability, labor rates including terms of collective bargaining arrangements, execution by our subcontractors, the availability and cost of materials including any impact from changing costs or inflation, the length of time to complete the performance obligation, overhead and general and administrative cost rates, and estimated useful lives of components and assets, among others. In particular, fixed-price development programs involve significant management judgment, as development contracts by nature have elements that have not been done before and thus, are highly subject to future unexpected changes in estimates as described below.

At the outset of a long-term contract, we identify and monitor risks to the achievement of the technical, schedule and cost aspects of the contract, as well as our ability to earn variable consideration, and assess the effects of those risks on our estimates of sales and total costs to complete the contract. The estimates consider the technical requirements (e.g., a newly developed product versus a mature product), the schedule and associated tasks (e.g., the number and type of milestone events) and costs (e.g., labor, subcontractors, materials, overhead, general and administrative expenses, and offset or localization agreements). The initial profit booking rate of each contract considers risks surrounding the ability to achieve the technical requirements, schedule and costs in the initial estimated total costs to complete the contract. We review our estimates related to sales, cost, and profit for each contract at least annually or when a change in circumstances warrants a modification to a previous estimate. For significant contracts, we review our estimates more frequently. As part of this process, management reviews information including, but not limited to, any outstanding key contract matters, progress towards completion and the related program schedule, identified risks and opportunities, and the related changes in estimates of revenues and costs. Profit booking rates may increase during the performance of the contract if we successfully retire risks related to earning variable consideration and/or the technical, schedule and cost aspects of the contract, which decreases the estimated total costs to complete the contract or may increase the variable consideration we expect to receive on the contract, which we refer to as favorable profit booking rate adjustments. Conversely, our profit booking rates may decrease if the estimated total costs to complete the contract increase or our estimates of variable consideration we expect to receive decrease, which we refer to as unfavorable profit booking rate adjustments.

We recognize changes in estimated contract sales or costs and the resulting changes in contract profit on a cumulative basis. Cumulative profit booking rate adjustments represent the cumulative effect of the changes on current and prior periods; sales and operating margins in future periods are recognized as if the revised estimates had been used since contract inception. Profit booking rate adjustments can have a significant effect on our financial statements and affect the comparability of our segment sales, operating profit and operating margin. Segment operating profit and margin can also be impacted favorably or unfavorably by, for example, certain items such as the positive resolution of contractual matters, cost recoveries on severance and restructuring, insurance recoveries and gains on sales of assets, as well as unfavorable items including the adverse resolution of contractual matters, supply chain disruptions, restructuring charges (except for significant severance actions, which are excluded from segment operating results), reserves for disputes, certain asset impairments, and losses on sales of certain assets. When estimates of total costs to be incurred on a contract exceed total estimates of the transaction price, a provision for the entire loss is determined at the contract level and is recorded in the period in which the loss is evident, which we refer to as a reach-forward loss.

The following table presents the effect of profit booking rate adjustments on our financial results (in millions, except per share data):

	Quarters Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Sales	\$ (361)	\$ 383	\$ 142	\$ 655
Segment operating profit	(1,045)	420	(565)	615
% of segment operating profit	(183)%	21 %	(21)%	16 %
Net earnings	(826)	332	(446)	486
Diluted earnings per share	(3.53)	1.39	(1.90)	2.02

During the quarter ended June 29, 2025, we recorded losses of \$950 million on an ongoing classified program at our Aeronautics business segment, and \$570 million on Canadian Maritime Helicopter Program (CMHP) and \$95 million on Turkish Utility Helicopter Program (TUHP) at our RMS business segment. During the six months ended June 29, 2025, in

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addition to the losses above, we recorded \$125 million of adjustments resulting from favorable performance upon completion on certain commercial civil space programs at Space and an \$80 million favorable adjustment upon completion of a classified program at Aeronautics. During the six months ended June 30, 2024 we recognized a reach-forward loss of \$100 million on a classified program at our MFC business segment.

We have various development programs for new and upgraded products, services, and related technologies which have complex design and technical challenges. This development work is inherently uncertain and subject to significant variability in estimates of the cost and time required to complete the work by us and our suppliers. Many of these programs have cost-type contracting arrangements (e.g. cost-reimbursable or cost-plus-fee). In such cases, the associated financial risks are primarily in reduced fees, lower profit rates, or program cancellation if cost, schedule, or technical performance issues arise. However, some of our existing development programs are contracted on a fixed-price basis or include cost-type contracting for the development phase with fixed-price production options and our customers continue to implement procurement strategies such as these that shift risk to contractors. Competitively bid programs with fixed-price development work or fixed-price production options increase the risk of a reach-forward loss upon contract award and during the period of contract performance. Due to the complex and often experimental nature of development programs, we may experience (and have experienced in the past) technical and quality issues during the development of new products or technologies for a variety of reasons. Our development programs are ongoing, and while we believe the cost and fee estimates incorporated in the financial statements are appropriate, the technical complexity of these programs and fixed-price contract structure creates financial risk as estimated completion costs may exceed the current contract value, which could trigger earnings charges, termination provisions, or other financially significant exposures. These programs have risk for reach-forward losses if our estimated costs exceed our estimated contract revenues, and such losses could be significant to our financial condition and operating results in any period that they are recognized. Any such losses are recognized in the period in which the loss is evident.

We have experienced significant performance issues on an existing classified program at our Aeronautics business segment. The initial phase is on a fixed-price incentive fee contract with fixed-price incentive fee options for additional phases. Phases within the program involve highly complex design and systems integration and we had previously recognized reach-forward losses amounting to \$730 million on the initial phase and \$95 million on the additional phases. Challenges and performance issues continued into 2025 and had a greater impact on schedule and costs than previously estimated. As a result, Aeronautics performed a comprehensive review of its design, integration, test, and other processes to achieve the technical requirements of the program, which was completed in the second quarter of 2025. Based on this review and ongoing discussions with the customer and suppliers, Aeronautics made significant changes to its processes and testing approach, resulting in significant updates to the program's schedule and cost estimates. As a result, during the second quarter of 2025, we recognized additional reach-forward losses on the initial phase of \$690 million and on additional phases of \$260 million. The drivers that gave rise to the growth recognized on the initial phase and downstream impacts on estimates of cost and profitability in additional phases include: (1) observed software development performance degradation and integration findings; (2) learnings in recent software and build experience on other programs; (3) significant changes in test plan; (4) safety-critical and other necessary design and engineering changes; and (5) complete schedule realignment. As of June 29, 2025, cumulative losses recognized to date on this program were approximately \$1.4 billion on the initial phase and \$355 million on the additional phases. As of June 29, 2025, \$583 million remained accrued in other current liabilities in our consolidated balance sheet. We will continue to proactively manage the technical requirements and our performance, the remaining work and any future changes in scope or schedule, and estimated costs to complete the program, including future phases. We may need to record additional losses in future periods if we experience further performance issues, increases in scope, or cost growth. Any such losses could be material to our financial results in any period that they are recognized. We and our industry team will continue to incur advanced procurement costs (also referred to as pre-contract costs) to enhance our ability to achieve the schedule and certain milestones which could be significant. We will monitor the recoverability of pre-contract costs, which could be impacted by our assessment of the customer's decision regarding the funding of future phases of the program.

Our MFC business segment has been performing under a competitively bid classified contract, which includes a cost-reimbursable base contract for the initial phase of the program and multiple fixed-price options for additional phases. We previously disclosed that the options may be exercised over the next several years and if performed expect they would each be at a loss. During the first quarter of 2024, we concluded it was probable that the first option would be exercised and recognized a reach-forward loss of approximately \$100 million. During the fourth quarter of 2024, we again assessed the likelihood that additional options may be exercised and concluded then that it is probable that all options will be exercised based on performance to date, future requirements of the program, discussions with the customer and suppliers, and anticipated customer funding, among other factors, resulting in the recognition of additional reach-forward

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

losses of approximately \$1.31 billion. As of June 29, 2025, cumulative losses recognized on the program remained at approximately \$1.46 billion in total, of which, \$1.30 billion remained accrued in other current liabilities in our consolidated balance sheet.

We have contracted with the Canadian government for the Canadian Maritime Helicopter Program (CMHP) at our RMS business segment. The program provides for design, development, and production of CH-148 aircraft (the Original Equipment contract), which is a military variant of the S-92 helicopter, and for logistical support to the fleet (the In Service Support contract) over an extended time period. While we continue to be in discussions with the Canadian government to potentially restructure certain contractual terms and conditions that may be beneficial to both parties, and entered into a contract modification in 2024 to better align contract scope with the Canadian government's need, which resulted in a reduction in our contract assets in the fourth quarter of 2024 and first quarter of 2025, any restructuring discussions may be prolonged or unsuccessful, and could result in a contract termination, and are dependent upon Canadian government resources and priorities and other factors outside of our control, such as trade relations with the United States. Communications with the customer during the second quarter of 2025 led to subsequent decisions made by us to focus on providing additional mission capabilities, enhanced logistical support, fleet life extension, and revised expectations regarding flight hours. Based on the ongoing discussions with the customer and decisions made by management, we revised our cost and sales estimates for this program. As a result, during the second quarter of 2025 we recognized additional losses of \$570 million on the program. As of June 29, 2025, cumulative losses recognized on the program were approximately \$670 million and approximately \$680 million of contract assets remained on the balance sheet. Future performance issues or changes in our estimates may affect our ability to recover our costs, including recovery of the contract assets recognized on the balance sheet and our assessment of the reach-forward loss, and potential damages, which could be material to our financial results in any period that they are recognized.

We also have a number of contracts with Turkish industry for the Turkish Utility Helicopter Program (TUHP), which anticipates co-production with Turkish industry for production of T70 helicopters for use in Türkiye, as well as the related provision of Turkish goods and services under buy-back or offset obligations, to include the future sales of helicopters built in Türkiye for sale globally. In 2020, the U.S. Government imposed certain sanctions on Turkish entities and persons that have affected our ability to perform under the TUHP contracts. We have provided force majeure notices under the affected contracts and partially stopped work on TUHP effective October 5, 2024. We have been in discussions with our prime contract customer regarding the path forward for the program in light of the continued impact of the sanctions on our ability to perform under the TUHP contracts and our decision to partially stop work, including recent discussions of a potential mutually agreeable framework to restructure the program, including changing the scope of work. Our customer has asserted that it is entitled to penalties and damages, that we do not have the contractual right to stop work and that our decision to stop work may lead to a termination for default and additional penalties and damages. In light of the status of the continuing discussions with our prime contract customer and the current status of the TUHP program, we recognized a loss of \$95 million in the second quarter of 2025. As of June 29, 2025, cumulative losses recognized to date on the program were approximately \$130 million and the program remains in a contract liability position on the balance sheet. Additionally, if we are unable to finalize an agreement on mutually agreeable terms, we or our customer could elect to pursue other relief or remedies, which could result in a further reduction in sales, the imposition of penalties or assessment of damages, including the drawdown by the customer of letters of credit and performance bonds, and increased unrecoverable costs, which could be material to our financial results in any period that they are recognized.

Commercial Paper

We have agreements in place with financial institutions to provide for the issuance of commercial paper. The outstanding balance of commercial paper can fluctuate daily and the amount outstanding during the period may be greater or less than the amount reported at the end of the period. As of June 29, 2025, we had \$1.4 billion of commercial paper borrowings with a weighted-average rate of 4.55%. As of December 31, 2024 we had no commercial paper borrowings outstanding. All of our commercial paper borrowings had maturities of up to three months or less from the date of issuance. We may, as conditions warrant, continue to issue commercial paper backed by our revolving credit facility to manage the timing of cash flows.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

Backlog

Backlog (i.e., unfulfilled or remaining performance obligations) represents the sales we expect to recognize for our products and services for which control has not yet transferred to the customer. It is converted into sales in future periods as work is performed or deliveries are made. For our cost-reimbursable and fixed-priced-incentive contracts, the estimated consideration we expect to receive pursuant to the terms of the contract may exceed the contractual award amount. The estimated consideration is determined at the outset of the contract and is continuously reviewed throughout the contract period. In determining the estimated consideration, we consider the risks related to the technical, schedule and cost impacts to complete the contract and an estimate of any variable consideration. Periodically, we review these risks and may increase or decrease backlog accordingly. As the risks on such contracts are successfully retired, the estimated consideration from customers may be reduced, resulting in a reduction of backlog without a corresponding recognition of sales. As of June 29, 2025, our ending backlog was \$166.5 billion. We expect to recognize approximately 38% of our backlog over the next 12 months and a total of approximately 64% over the next 24 months as revenue with the remainder recognized thereafter.

Impairment and Other Charges

During the second quarter of 2025, we recorded charges totaling \$66 million (\$52 million, or \$0.22 per share, after-tax) primarily for the write-off of fixed assets resulting from the U.S. Air Force's Next Generation Air Dominance (NGAD) competition and down-select decision.

During the second quarter of 2024, we recorded charges totaling \$87 million (\$69 million, or \$0.29 per share, after-tax) for trademark and fixed asset impairments as well as severance costs resulting from the strategic review of our Sikorsky business during the second quarter of 2024 due, in part, to the impacts of the U.S. Army announcement to cancel the Future Attack Reconnaissance Aircraft (FARA) program at the conclusion of fiscal year 2024, for which our Sikorsky business was competing.

Income Taxes

Our effective income tax rates were 18.0% and 16.3% for the quarter and six months ended June 29, 2025 and 15.8% for both the quarter and six months ended June 30, 2024. The higher effective income tax rates for the quarter and six months ended June 29, 2025 were primarily attributable to increased interest expense on our uncertain tax position partially offset by changes in pre-tax earnings due to program losses previously described. The rates for all periods benefited from tax deductions for foreign derived intangible income, research and development tax credits, dividends paid to our defined contribution plans with an employee stock ownership plan feature and employee equity awards.

In our Annual Report on Form 10-K for the year ended December 31, 2018, we described our adoption of Accounting Standards Codification (ASC) 606 for certain manufacturing contracts. In connection with that change and the associated changes to the income recognition rules enacted in the 2017 Tax Cuts and Jobs Act, we correspondingly changed our method of accounting for U.S. federal income tax purposes with the Internal Revenue Service (IRS). As part of the IRS Compliance Assurance Process (CAP) program, the IRS initially approved that accounting method change for 2018 and 2019 without any adjustments, stating in writing that our new tax accounting method was an acceptable method that clearly reflected income.

After an additional review of the accounting method change in subsequent years, the IRS issued to us a Revenue Agent's Report (RAR) for 2018-2019 on May 20, 2025 with an accompanying Notice of Proposed Adjustment (NOPA) for 2018-2020 in relation to our accounting method change (the Proposed Adjustments). The Proposed Adjustments, which seek approximately \$4.6 billion of additional federal income tax (excluding interest), are based on the premise that we must recognize revenue as performance obligations on a contract are satisfied and as advance payments are received but must defer costs until delivery of the finished product. The Proposed Adjustments create a mismatch between revenue and costs, effectively disallow recognition of cost of goods sold for impacted contracts, and result in gross receipts taxation for each year at issue.

We strongly disagree with the IRS's claims and are pursuing applicable administrative remedies with the IRS Independent Office of Appeals and, if necessary, judicial remedies if an acceptable administrative resolution cannot be reached. We do not expect resolution of this matter within twelve months and cannot predict with certainty the timing of such resolution. We believe our reserves for tax contingencies are adequate; however, if this matter is resolved unfavorably, there could be a material impact on our profitability and future cash flows.

Lockheed Martin Corporation
Notes to Consolidated Financial Statements (unaudited) (continued)

As of December 31, 2024, our liabilities associated with uncertain tax positions were not material. As of the quarter ended June 29, 2025, our liabilities associated with uncertain tax positions increased to \$512 million with a corresponding increase to net deferred tax assets primarily attributable to the Proposed Adjustments. As of the quarter ended June 29, 2025, interest and penalties related to uncertain tax positions, which are included in income tax expense, increased to \$129 million with \$103 million representing the cumulative amount related to the Proposed Adjustments.

NOTE 11 - RECENT ACCOUNTING PRONOUNCEMENTS

In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This ASU requires entities to disclose certain expenses, including purchases of inventory, employee compensation, depreciation, and intangible asset amortization, by caption. Additionally, entities must provide a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. The amendments are effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The ASU will impact only our disclosures and not our financial condition or results of operations. We are currently evaluating when we will adopt the ASU.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which focuses on the rate reconciliation and income taxes paid. ASU No. 2023-09 requires public business entities to disclose, on an annual basis, specific categories in the effective tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. In addition, ASU 2023-09 requires companies to disclose additional information about income taxes paid. The new standard is effective for annual periods beginning after December 15, 2024, and may be applied prospectively or retrospectively. We will adopt this ASU prospectively for the period ending December 31, 2025, and it will impact only our disclosures, with no impacts to our financial condition or results of operations.

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Lockheed Martin Corporation

Results of Review of Interim Financial Statements

We have reviewed the accompanying consolidated balance sheet of Lockheed Martin Corporation (the Company) as of June 29, 2025, the related consolidated statements of earnings, comprehensive income and equity for the quarters and six months ended June 29, 2025 and June 30, 2024, and consolidated statements of cash flows for the six months ended June 29, 2025 and June 30, 2024, and the related notes (collectively referred to as the “consolidated interim financial statements”). Based on our reviews, we are not aware of any material modifications that should be made to the consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2024, the related consolidated statements of earnings, comprehensive income, cash flows and equity for the year then ended, and the related notes (not presented herein); and in our report dated January 28, 2025, we expressed an unqualified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2024, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These financial statements are the responsibility of the Company’s management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Ernst & Young LLP

Tysons, Virginia
July 22, 2025

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to help the reader understand our results of operations and financial condition. The MD&A is provided as a supplement to, and should be read in conjunction with, our consolidated financial statements and notes to consolidated financial statements herein and with our Annual Report on Form 10-K for the year ended December 31, 2024 (2024 Form 10-K).

BUSINESS OVERVIEW

We are a global aerospace and defense company principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. We also provide a broad range of management, engineering, technical, scientific, logistics, system integration and cybersecurity services. Our main areas of focus are in defense, space, intelligence, homeland security and information technology, including cybersecurity. We serve both U.S. and international customers with products and services that have defense, civil and commercial applications, with our principal customers being agencies of the U.S. Government. During the six months ended June 29, 2025, 73% of our \$36.1 billion in sales were from the U.S. Government, either as a prime contractor or as a subcontractor (including 63% from the Department of Defense (DoD)), 27% were from international customers (including foreign military sales (FMS) contracted through the U.S. Government).

Global Security

We operate in a complex and evolving global security environment. Conflicts or tensions in areas such as Europe, the Middle East, and the Pacific region have heightened tensions and highlighted security requirements globally, including these regions as well as the U.S. Although these tensions and conflicts may drive interest in specific products or services as countries seek to improve their security posture, our business primarily operates on a long-cycle basis. As a result, the U.S. Government has been broadly focused on increasing industry capacity to meet long-term demand. We continue to work with the U.S. Government, international partners, and our supply chain to increase capacity and enhance our ability to scale our operations to anticipate potential demand, deliver critical capabilities, and replenish depleted U.S. and allied stockpiles of products that have been used over the past several years.

Global Economic and Geopolitical Environment

Our business and financial performance are impacted by general economic conditions including inflationary pressures, delays and disruptions in supply chains, business slowdowns or shutdowns, workforce challenges and labor shortfalls, and market volatility. These macroeconomic factors have contributed, and may continue to contribute, to increased costs, delays, disruptions and other performance challenges, as well as competing demands for limited resources to address such increased costs and other challenges, for our company, our suppliers and partners, and our customers.

We continue to experience supply chain challenges, including supplier shortages and performance issues. These issues have delayed certain customer deliveries, limited our ability to ramp up production in response to customer demand for certain products and have caused out-of-sequence manufacturing, which increases costs and decreases operational efficiency. In addition, elevated levels of inflation and macroeconomic conditions present risks for us, our suppliers and the stability of the broader defense industrial base. Certain costs, including rising labor rates and supplier costs, have increased as a result of inflation, and have adversely affected our margins on certain programs. In addition, some suppliers are reducing the duration of pricing validity of their proposals to us or seeking to reopen pricing on existing agreements, which is operationally challenging and increases the risk of cost volatility. Supply chain challenges, including both the availability and cost of goods, may be further impacted due to the imposition of tariffs and the availability of rare earth minerals, as discussed below under "Recent Developments in Trade and Regulatory Policies." We continue to work to mitigate challenges caused by the supply chain or current macroeconomic environment on our business, including by supporting small business and at-risk suppliers, deploying resources to work with our supply chain, securing materials and support by executing long-term contracts, enforcing existing contract terms, identifying alternative sources, collaborating with our customers to address industry-wide challenges, and optimizing our supply chain organization through digital transformation and workforce development. If we experience significant supply chain issues or high rates of inflation, and are unable to successfully mitigate the impact, our future profits, margins and cash flows, particularly for existing fixed-price contracts, may be adversely affected. Inflation and higher interest rates can also constrain the overall purchasing power of our customers for our products and services potentially impacting future orders, especially in a budget constrained environment. We remain committed to our ongoing efforts to increase the efficiency of our operations and

improve the cost competitiveness and affordability of our products and services, which may, in part, offset cost increases from inflation.

For additional risks to the company related to the supply chain and availability of materials, see Part I, Item 1A, "Risk Factors" of our 2024 Form 10-K.

Recent Developments in Trade and Regulatory Policies

Certain materials and component parts that go into making our products are imported into the U.S. and are subject to tariffs, sanctions, embargoes, export and import controls, and other trade restrictions. The U.S. Government under the Trump Administration has increased tariffs, imposed additional tariffs, and expanded tariffs on goods imported from various countries. We also export certain products to other countries, and several countries have increased tariffs or imposed additional tariffs in response to U.S. tariffs. The tariff environment has been dynamic over the last several months, with changes occurring on an ongoing basis, and it is likely that additional developments will occur over the next several months, particularly as the U.S. negotiates with trade partners.

The tariffs that have been enacted or expanded by the U.S. or other countries did not materially impact our business or financial results for the six months ended June 29, 2025. We are currently evaluating the potential future impacts of the imposition of the announced tariffs to our business and financial condition. At this time, we do not believe that the tariffs announced by the U.S. or actions taken in response to these tariffs by other countries will have a material adverse effect upon our results of operations, financial condition, or cash flows. However, the actual impact of the new tariffs is subject to a number of factors including the effective date and duration of such tariffs, changes in the amount, scope and nature of the tariffs in the future, any countermeasures that the target countries may take, how our Tier 1 and Tier 2 suppliers react, possible substitution effects, possible duty drawbacks, and any mitigating actions that may become available.

Significant changes in tax, trade, or other policies either in the U.S. or other countries, as well as any fluctuation in foreign exchange rates as a result of such activity, could materially increase our tax burden, the price we pay for materials and component parts, the price our customers pay, and result in delays in products received or non-delivery from our vendors as well as impact the availability of materials (including rare earth minerals), which could materially impact our business and financial results. We are pursuing available options to fully or substantially mitigate the impact of the increased tariffs or any future tariffs, including seeking exclusions, through drawbacks, refunds, recovering the costs in the pricing of our products, securing alternative sources of materials or products, or, in certain cases, qualifying for duty-free treatment. However, these actions may not be successful in fully or substantially mitigating the impact of tariffs, and, even if successful, there could be a near term impact on cash flows due to the timing of when tariffs are paid compared to when such costs may be refunded or recovered.

In addition, recent government actions relating to rare earth minerals that are used in certain of our products, including U.S. Government sourcing prohibitions on the import of such minerals and the imposition of export controls on such minerals by China, had raised concerns about supply availability earlier this year. Although rare earth shipments have resumed under a new U.S.-China framework agreement, exports remain subject to selective licensing and review by Chinese authorities, and the rare earth supply chain continues to be vulnerable to further disruption due to increasing scarcity and constrained capacity.

Lastly, the President has issued multiple Executive Orders, including two that are intended to (i) simplify and accelerate the procurement process through an overhaul of the Federal Acquisition Regulation (FAR), and its supplements and (ii) modernize the defense acquisition process by promoting commercial solutions, use of innovative acquisition authorities, and other existing streamlined processes. Among the actions directed by the President is a review of major defense acquisition programs that are more than 15% behind schedule or over budget, or not aligned with the Administration's priorities, including identifying any programs for potential cancellation. While the impact of these reforms on our business is uncertain, they could potentially lead to changes in the way we interact with the U.S. Government, and we will continue to monitor and assess their effects on our business and financial results. Should the U.S. Government review one or more major defense programs in which we provide products and/or services, and this review leads to a full or partial cancellation of one of these programs, this could have an adverse effect on our business, financial condition, results of operations and cash flows.

For additional risks to the company related to the geopolitical and economic environment, see Part I, Item 1A, "Risk Factors" of our 2024 Form 10-K.

U.S. Government Budget Environment

Our primary customer is the U.S. Government, from which we derived 73% of our sales during the six months ended June 29, 2025, including 63% from the U.S. DoD. Funding for U.S. Government programs is subject to a variety of factors

that can affect our business, including the administration's budget requests and procurement priorities and policies, annual congressional budget authorization and appropriation processes, and other U.S. Government domestic and international priorities. U.S. Government spending levels, particularly defense spending, and timely funding thereof can affect our financial performance over the short and long term.

On March 15, 2025, the President signed into law the Full-Year Continuing Appropriations and Extensions Act, 2025 (the Act), which funds the U.S. Government under a continuing resolution through September 30, 2025, its fiscal year (FY) end. In total, the FY 2025 continuing resolution funding is roughly equivalent to the U.S. Government's FY 2024 funding with a few anomalies and other smaller shifts in funding between appropriations titles. The Act increases the DoD FY 2025 base budget by \$6 billion to a total of \$831.5 billion, while reducing nondefense spending. Unlike other continuing resolution funding measures, the Act provides the DoD conditional authority to permit new program starts as long as they were included in the FY 2025 House or FY 2025 Senate appropriation bills and \$8 billion in flexible funding, furthering the flexibility of DoD operating under a continuing resolution.

The Administration published its FY 2026 budget request in June 2025. The budget request includes \$848.3 billion in the base budget (discretionary) funding, and \$113.3 billion in reconciliation (mandatory) funding. The One Big Beautiful Bill Act passed the Senate and House, and was signed by the President on July 4, 2025. The bill provides more than \$150 billion in mandatory funding (inclusive of the \$113.3 billion) for DoD available until September 30, 2029.

The legislative process has been delayed due to the late release of the FY 2026 budget request. The House Appropriations Subcommittee on Defense (HAC-D) released its FY 2026 congressional marks using the FY 2025 enacted amounts as its baseline on June 12, 2025. The bill recommends \$831.5 billion in discretionary funding for the DoD. The Senate Armed Services Committee marked up its version of the FY 2026 National Defense Authorization Act (FY 2026 NDAA) on July 10, 2025 and included a topline increase of \$32.1 billion. The House Armed Services Committee (HASC) also completed their markup of the FY 2026 NDAA on July 15, 2025 and held at the topline of the FY 2026 President's budget request.

We anticipate the federal budget, debt ceiling, additional potential tax law changes and regulatory environment will continue to be subject to debate and compromise shaped by, among other things, the new Administration and Congress, heightened political tensions, the global security environment, inflationary pressures, and macroeconomic conditions. The result may be shifting funding priorities, which could have material impacts on defense spending broadly and our programs. Additionally, the administration continues to take steps to evaluate government-wide and defense-specific staffing and procurement, which includes assessing mission priorities, procurement methods, program performance, and other factors and then potentially taking action based on those assessments. Those actions remain uncertain and could result in impacts to both our current and future business prospects and financial performance.

See also the discussion of U.S. Government funding risks, in Part I, Item 1A, "Risk Factors" of our 2024 Form 10-K.

Portfolio Shaping Activities

On June 26, 2025, we paid \$360 million, in cash, to close our acquisition of Amentum's Rapid Solutions business (Rapid Solutions). This acquisition integrates Rapid Solutions' advanced space and airborne mission capabilities, including intelligence, surveillance and reconnaissance technologies, into Lockheed Martin's portfolio. The financial results of Rapid Solutions have been included within our operating results in the period post-acquisition. See "Note 1 – Basis of Presentation" included in our Notes to Consolidated Financial Statements for further information regarding the acquisition of Rapid Solutions.

CONSOLIDATED RESULTS OF OPERATIONS

Our operating cycle is primarily long-term and involves many types of contracts for the design, development and manufacture of products and related activities with varying delivery schedules. Additionally, we close our books and records on the last Sunday of each month, except for the month of December, as our fiscal year ends on December 31, to align our financial closing with our business processes. Because of this, the number of weeks in a reporting quarter may vary slightly during the year and for comparable prior year periods. Consequently, the results of operations of a particular year, or year-to-year comparisons of sales and profits, may not be indicative of future operating results. The following discussions of comparative results should be reviewed in this context. All per share amounts cited in these discussions are presented on a “per diluted share” basis, unless otherwise noted.

Our consolidated results of operations were as follows (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	(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 profit	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	(75)	(307)	(399)	(597)
Net earnings	\$ 342	\$ 1,641	\$ 2,054	\$ 3,186
Diluted earnings per common share	\$ 1.46	\$ 6.85	\$ 8.75	\$ 13.24

Certain amounts reported in other income, net, including our share of earnings or losses from equity method investees, are included in the operating profit of our business segments. Accordingly, such amounts are included in the discussion of our business segment results of operations.

Sales

We generate sales from the delivery of products and services to our customers. Our consolidated sales were as follows (in millions):

	Quarters Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Products	\$ 15,149	\$ 15,109	\$ 30,085	\$ 29,305
% of total sales	83.4 %	83.4 %	83.3 %	83.0 %
Services	3,006	3,013	6,033	6,012
% of total sales	16.6 %	16.6 %	16.7 %	17.0 %
Total sales	\$ 18,155	\$ 18,122	\$ 36,118	\$ 35,317

Substantially all of our contracts are accounted for using the percentage-of-completion cost-to-cost method. Under the percentage-of-completion cost-to-cost method, we record sales on contracts over time based upon our progress towards completion on a particular contract, as well as our estimate of the profit to be earned at completion. The following discussion of material changes in our consolidated sales should be read in tandem with the subsequent discussion of changes in our consolidated operating costs and expenses and our business segment results of operations because

changes in our sales are typically accompanied by a corresponding change in our operating costs and expenses due to the nature of the percentage-of-completion cost-to-cost method.

Product Sales

Product sales during the quarter ended June 29, 2025 were comparable to the same period in 2024. Higher product sales of approximately \$325 million at MFC and \$100 million at Space were offset by lower product sales of \$375 million at RMS. Higher product sales at MFC were due to production ramp-up on Joint Air-to-Surface Standoff Missile (JASSM), Long Range Anti-Ship Missile (LRASM), and precision fires programs. Higher product sales at Space were due to higher volume on Orion and Next Generation Interceptor (NGI) programs partially offset by lower product sales due to program lifecycle on the Next Generation Overhead Persistent Infrared (Next Gen OPIR) system. Lower product sales at RMS were due to lower volume on radar and the Canadian Surface Combatant (CSC) programs, and the unfavorable cumulative adjustments to sales driven by recognizing a loss on Turkish Utility Helicopter Program (TUHP) as previously described. Product sales for Aeronautics were comparable as higher volume on F-35 production contracts was mostly offset by the unfavorable cumulative adjustment to sales driven by recognizing a loss on a classified contract in the second quarter of 2025. See "Note 10 – Other" included in our Notes to Consolidated Financial Statements for further details about program losses incurred at Aeronautics and RMS.

Product sales increased \$780 million, or 3%, during the six months ended June 29, 2025, compared to the same period in 2024. The increase was primarily attributable to higher product sales of approximately \$675 million at MFC, \$145 million at Aeronautics and \$80 million at Space offset by lower product sales of \$120 million at RMS. Higher product sales at MFC were due to production ramp-up on JASSM, LRASM, and precision fires programs. Higher product sales at Aeronautics were due to higher volume on F-35 production contracts, partially offset by the unfavorable cumulative adjustment to sales driven by recognizing a loss on a classified contract in the second quarter of 2025. Higher product sales at Space were due to higher volume on NGI and Orion programs partially offset by lower product sales due to program lifecycle on the Next Gen OPIR system. Lower product sales at RMS were due to the unfavorable cumulative adjustment to sales driven by recognizing a loss on TUHP as previously described and lower production volume on Seahawk programs.

Service Sales

Service sales during the quarter ended June 29, 2025 were comparable to the same period in 2024. Lower service sales of approximately \$180 million at RMS were offset by higher service sales of approximately \$155 million at Aeronautics. Lower service sales at RMS were due to the unfavorable cumulative adjustment to sales driven by recognizing a loss on Canadian Maritime Helicopter Program (CMHP) as previously described. Higher service sales at Aeronautics were due to higher volume on F-35 sustainment contracts.

Service sales during the six months ended June 29, 2025 were comparable to the same period in 2024. Higher service sales of approximately \$210 million at Aeronautics were offset by lower service sales of approximately \$195 million at RMS. Higher service sales at Aeronautics were due to higher volume on F-35 sustainment contracts. Lower service sales at RMS were due to the unfavorable cumulative adjustment to sales driven by recognizing a loss on CMHP as previously described.

Operating Costs and Expenses

Operating costs and expenses, for both products and services, consist of materials, labor, subcontracting costs and an allocation of indirect costs (overhead and general and administrative), as well as the costs to fulfill our industrial cooperation agreements, sometimes referred to as offset agreements, required under certain contracts with international customers. For each of our contracts, we monitor the nature and amount of costs at the contract level, which form the basis for estimating our total costs to complete the contract.

Our consolidated operating costs and expenses were as follows (in millions):

	Quarters Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Operating costs and expenses – products	\$ (14,469)	\$ (13,520)	\$ (27,753)	\$ (26,404)
% of product sales	95.5 %	89.5 %	92.2 %	90.1 %
Operating costs and expenses – services	(3,130)	(2,582)	(5,770)	(5,185)
% of service sales	104.1 %	85.7 %	95.6 %	86.2 %
Impairment and other charges	(66)	(87)	(66)	(87)
Other unallocated, net	244	197	528	482
Total operating costs and expenses	\$ (17,421)	\$ (15,992)	\$ (33,061)	\$ (31,194)

The following discussion of material changes in our consolidated operating costs and expenses for products and services should be read in tandem with the preceding discussion of changes in our consolidated sales and our business segment results of operations. Except for potential impacts to our programs resulting from supply chain disruptions, inflation, and tariffs, we have not identified any additional developing trends in operating costs and expenses for products and services that could have a material impact on our future operations.

Product Costs

Product costs increased \$949 million, or 7%, during the quarter ended June 29, 2025, compared to the same period in 2024. The increase was primarily attributable to higher product costs of approximately \$880 million at Aeronautics and \$285 million at MFC, partially offset by lower product costs of approximately \$290 million at RMS. Higher product costs at Aeronautics were due to the impact of recognizing a loss on a classified contract in the second quarter of 2025 and higher volume as described above in “Product Sales”. Higher product costs at MFC were due to production ramp up as described above in “Product Sales”. Lower product costs at RMS were due to lower volume as described above in “Product Sales”.

Product costs increased \$1.3 billion, or 5%, during the six months ended June 29, 2025, compared to the same period in 2024. The increase was primarily attributable to higher product costs of approximately \$995 million at Aeronautics and \$485 million at MFC, partially offset by lower product costs of approximately \$95 million at RMS. Higher product costs at Aeronautics were due to the impact of recognizing a loss on a classified contract as described above and higher volume as described above in “Product Sales”. Higher product costs at MFC were due to production ramp up as described above in “Product Sales”. Lower product costs at RMS were due to lower production volume as described above in “Product Sales”.

Service Costs

Service costs increased \$548 million, or 21%, during the quarter ended June 29, 2025, compared to the same period in 2024. The increase was primarily attributable to higher service costs of approximately \$400 million at RMS and \$110 million at Aeronautics. Higher service costs at RMS were due to the impact of recognizing losses on CMHP as previously described. Higher service costs at Aeronautics were due to higher volume as described above in “Service Sales”.

Service costs increased \$585 million, or 11%, during the six months ended June 29, 2025, compared to the same period in 2024. The increase was primarily attributable to higher service costs of approximately \$400 million at RMS and \$165 million at Aeronautics. Higher service costs at RMS were due to the impact of recognizing losses on CMHP as previously described. Higher service costs at Aeronautics were due to higher volume as described above in “Service Sales”.

Impairment and Other Charges

We recorded charges totaling \$66 million (\$52 million, or \$0.22 per share, after-tax) during the quarter ended June 29, 2025 and \$87 million (\$69 million, or \$0.29 per share, after-tax) during the same period in 2024. See “Note 10 - Other” included in our Notes to Consolidated Financial Statements for additional information.

Other Unallocated, Net

Other unallocated, net primarily includes the FAS/CAS pension operating adjustment (which represents the difference between total CAS pension cost recorded in our business segments’ results of operations and the service cost component of FAS pension (expense) income), stock-based compensation expense, changes in the fair value of assets and liabilities for deferred compensation plans, intangible asset amortization expense and other corporate costs. These items are not allocated to the business segments and, therefore, are not allocated to operating costs and expenses for products or services. Other unallocated, net reduced operating expenses by \$244 million and \$528 million during the quarter and six months ended June 29, 2025, compared to \$197 million and \$482 million during the quarter and six months ended June 30, 2024. The increase in other unallocated, net was primarily due to higher gains from the changes in the fair value of assets and liabilities related to deferred compensation plans during the quarter and six months ended June 29, 2025 compared to the same periods in 2024 and fluctuations in costs associated with various corporate items, none of which were individually significant.

Other Income, Net

Other income, net during the quarter ended June 29, 2025 was comparable to the same period in 2024. Other income, net was \$63 million and \$54 million during the six months ended June 29, 2025 and June 30, 2024. Other income, net, primarily includes earnings generated by equity method investees, as well as gains or losses for acquisitions, divestitures, and other items, none of which are individually significant. The increase in other income, net during the six months ended June 29, 2025 resulted primarily from an intellectual property license arrangement.

Interest Expense

Interest expense was \$274 million and \$542 million during the quarter and six months ended June 29, 2025, compared to \$261 million and \$516 million during the quarter and six months ended June 30, 2024. The increase in interest expense in 2025 resulted primarily from the issuance of commercial paper and senior unsecured notes in December 2024.

Non-service FAS Pension (Expense) Income

Non-service FAS pension expense was \$99 million and \$197 million during the quarter and six months ended June 29, 2025, compared to non-service FAS pension income of \$15 million and \$31 million during the quarter and six months ended June 30, 2024. The increase in expense was primarily due to higher prior service cost amortization and a reduced asset base as detailed in “Note 6 - Postretirement Benefit Plans” included in our Notes to Consolidated Financial Statements.

Other Non-operating Income, net

Other non-operating income, net primarily includes gains or losses related to adjustments in valuation of early-stage company investments or gains or losses upon the sale of these investments and interest income earned on cash and cash equivalents. Other non-operating income, net was \$42 million and \$72 million during the quarter and six months ended June 29, 2025, compared to \$46 million and \$91 million during the quarter and six months ended June 30, 2024. See “Note 8 - Fair Value Measurements” included in our Notes to Consolidated Financial Statements for additional information.

Income Tax Expense

Our effective income tax rates were 18.0% and 16.3% for the quarter and six months ended June 29, 2025 and 15.8% for both the quarter and six months ended June 30, 2024. The higher effective income tax rates for the quarter and six months ended June 29, 2025 were primarily attributable to increased interest expense on our uncertain tax position partially offset by changes in pre-tax earnings due to program losses previously described. The rates for all periods benefited from tax deductions for foreign derived intangible income, research and development tax credits, dividends paid to our defined contribution plans with an employee stock ownership plan feature and employee equity awards.

Changes in U.S. (federal or state) or foreign tax laws and regulations, or their interpretation and application (including those with retroactive effect), could significantly impact our provision for income taxes, the amount of taxes payable, our deferred tax asset and liability balances, and stockholders' equity. In addition to future changes in tax laws, the amount of net deferred tax assets will change periodically based on several factors, including the measurement of our postretirement benefit plan obligations, actual cash contributions to our postretirement benefit plans and the change in the amount or reevaluation of uncertain tax positions.

As a result of an IRS tax audit related to our adoption of Accounting Standards Codification (ASC) 606 for certain manufacturing contracts and the associated changes to the income recognition rules enacted in the 2017 Tax Cuts and Jobs Act, the IRS has proposed adjustments that could result in significant additional federal income tax. We are pursuing administrative and potentially judicial remedies to resolve this matter. We believe our reserves for tax contingencies are adequate; however, the outcome of this matter is uncertain, and if this matter is resolved unfavorably, there could be a material impact on our profitability and future cash flows. See "Note 10 - Other" included in our Notes to Consolidated Financial Statements for additional information.

We are regularly under audit or examination by tax authorities, including U.S. and foreign tax authorities (Australia, Canada, India, Italy, Japan, Poland, the United Kingdom, and other countries). The final resolution of tax audits and any related administrative reviews or litigation could result in unanticipated increases in our tax expense and changes to the timing of required tax payments, which could affect profitability and cash flows for any particular reporting period. These increases or changes could have a material impact on financial condition and results of operations in such period.

Beginning in 2022, the Tax Cuts and Jobs Act of 2017 eliminated the option to deduct research and development (R&D) expenditures immediately in the year incurred and requires taxpayers to amortize such expenditures over five years for tax purposes. On July 4, 2025, the President signed into law the One Big Beautiful Bill Act (the Tax Act). The Tax Act, among other things, reinstates full deduction of R&D expenditures starting in 2025. We are in the process of evaluating the impact of the Tax Act on our consolidated financial statements. However, we expect the Tax Act to decrease our cash tax liability for 2025.

The Organisation for Economic Co-operation and Development (OECD) has established a framework for a global minimum corporate tax of 15%, known as Pillar 2, which will be applied on a country-by-country basis to companies with global revenues and profits above certain thresholds. The implementation of Pillar 2 is phased, with certain aspects effective on January 1, 2024, and others on January 1, 2025. Although the United States has not enacted legislation to adopt Pillar 2, and its future adoption is uncertain, several countries where we operate have enacted such legislation, and others are in the process of doing so. We do not expect Pillar 2 to have a material impact on our effective tax rate or our financial condition and results of operations.

Net Earnings

We reported net earnings of \$342 million (\$1.46 per share) and \$2.1 billion (\$8.75 per share) during the quarter and six months ended June 29, 2025 and \$1.6 billion (\$6.85 per share) and \$3.2 billion (\$13.24 per share) during the quarter and six months ended June 30, 2024. Net earnings and earnings per share for the quarter and six months ended June 29, 2025 were affected by the factors mentioned above. Earnings per share also benefited from a net decrease of approximately 5.3 million and 5.8 million weighted average common shares outstanding during the quarter and six months ended June 29, 2025, compared to the same periods in 2024. The reduction in weighted average common shares was a result of share repurchases, partially offset by share issuances under our stock-based awards and certain defined contribution plans.

BUSINESS SEGMENT RESULTS OF OPERATIONS

Our operations are organized into four business segments, which also comprise our reportable segments: Aeronautics, Missiles and Fire Control (MFC), Rotary and Mission Systems (RMS) and Space. We generally organize our business segments based on the nature of products and services offered.

Business segment operating profit excludes the FAS/CAS pension operating adjustment described below, a portion of corporate costs not considered allowable or allocable to contracts with the U.S. Government under the applicable U.S. Government Cost Accounting Standards (CAS) or federal acquisition regulations (FAR), and other items not considered part of management's evaluation of segment operating performance. See "Note 3 - Information on Business Segments – Unallocated Items" included in our Notes to Consolidated Financial Statements for additional information.

Sales and operating profit for each of our business segments were as follows (in millions):

	Quarters Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Sales				
Aeronautics	\$ 7,420	\$ 7,277	\$ 14,477	\$ 14,122
Missiles and Fire Control	3,433	3,102	6,806	6,095
Rotary and Mission Systems	3,995	4,548	8,323	8,636
Space	3,307	3,195	6,512	6,464
Total sales	\$ 18,155	\$ 18,122	\$ 36,118	\$ 35,317
Operating profit (loss)				
Aeronautics	\$ (98)	\$ 751	\$ 622	\$ 1,430
Missiles and Fire Control	479	450	944	761
Rotary and Mission Systems	(172)	495	349	925
Space	362	346	741	671
Total business segment operating profit	571	2,042	2,656	3,787
Unallocated items				
FAS/CAS pension operating adjustment	379	406	758	812
Impairment and other charges ^(a)	(66)	(87)	(66)	(87)
Intangible asset amortization expense	(63)	(61)	(127)	(122)
Other, net	(73)	(152)	(101)	(213)
Total unallocated items	177	106	464	390
Total consolidated operating profit	\$ 748	\$ 2,148	\$ 3,120	\$ 4,177

^(a) See "Note 10 - Other" included in our Notes to Consolidated Financial Statements for additional information.

Segment results exclude intersegment transactions as these activities are eliminated in consolidation and are not considered in assessing the performance of each segment. Business segment operating profit includes our share of earnings or losses from equity method investees as the operating activities of the equity method investees are closely aligned with the operations of our business segments.

Our business segment results of operations include pension expense as calculated under CAS, which we refer to as CAS pension cost. We recover CAS pension and other postretirement benefit plan cost through the pricing of our products and services on U.S. Government contracts and, therefore, recognize CAS pension cost in each business segments' sales and operating costs and expenses. Our consolidated financial statements must present pension and other postretirement benefit plan (expense) income calculated in accordance with Financial Accounting Standards (FAS) requirements under U.S. GAAP. The FAS/CAS pension operating adjustment represents the difference between CAS pension cost included in segment operating income and the service cost component of FAS pension (expense) income included in consolidated operating profit. To the extent that CAS pension cost exceeds the service cost component of FAS pension (expense) income we have a favorable FAS/CAS pension operating adjustment. The non-service FAS pension (expense) income components are included in non-service FAS pension (expense) income on our consolidated statements of earnings.

The total FAS/CAS pension adjustments, including the service and non-service cost components of FAS pension (expense) income for our qualified defined benefit pension plans, were as follows (in millions):

	Quarters Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Total FAS (expense) income and CAS cost				
FAS pension (expense) income	\$ (112)	\$ —	\$ (223)	\$ 1
Less: CAS pension cost	392	421	784	842
Total FAS/CAS pension adjustment	\$ 280	\$ 421	\$ 561	\$ 843
Service and non-service cost reconciliation				
FAS pension service cost	\$ (13)	\$ (15)	\$ (26)	\$ (30)
Less: CAS pension cost	392	421	784	842
Total FAS/CAS pension operating adjustment	379	406	758	812
Non-service FAS pension (expense) income	(99)	15	(197)	31
Total FAS/CAS pension adjustment	\$ 280	\$ 421	\$ 561	\$ 843

Management evaluates performance on our contracts by focusing on sales and operating profit and not by type or amount of operating expense. Consequently, our discussion of business segment performance focuses on sales and operating profit, consistent with our approach for managing the business. This approach is consistent throughout the life cycle of our contracts, as management assesses the bidding of each contract by focusing on sales and operating profit and monitors performance on our contracts in a similar manner through their completion.

We regularly provide customers with reports of our costs as the contract progresses. The cost information in the reports is accumulated in a manner specified by the requirements of each contract. For example, cost data provided to a customer for a product would typically align to the subcomponents of that product (such as a wing-box on an aircraft) and for services would align to the type of work being performed (such as aircraft sustainment). Our contracts generally allow for the recovery of costs in the pricing of our products and services. Most of our contracts are bid and negotiated with our customers under circumstances in which we are required to disclose our estimated total costs to provide the product or service. This approach for negotiating contracts with our U.S. Government customers generally allows for recovery of our actual costs plus a reasonable profit margin. We also may enter into long-term supply contracts for certain materials or components to coincide with the production schedule of certain products and to ensure their availability at known unit prices.

We have a number of programs that are designated as classified by the U.S. Government, and that cannot be specifically described. The operating results of these classified programs are included in our consolidated and business segment results and are subject to the same oversight and internal controls as our other programs.

Our sales are primarily derived from long-term contracts for products and services provided to the U.S. Government as well as FMS contracted through the U.S. Government. We recognize revenue as performance obligations are satisfied and the customer obtains control of the products and services. For performance obligations to deliver products with continuous transfer of control to the customer, revenue is recognized based on the extent of progress towards completion of the performance obligation, generally using the percentage-of-completion cost-to-cost measure of progress for our contracts because it best depicts the transfer of control to the customer as we incur costs on our contracts. For performance obligations in which control does not continuously transfer to the customer, we recognize revenue at the point in time in which each performance obligation is fully satisfied.

Many of our contracts span several years and include highly complex technical requirements. At the outset of a contract accounted for under the percentage-of-completion cost-to-cost method, we identify and monitor risks to the achievement of the technical, schedule and cost aspects of the contract, as well as our ability to earn variable consideration, and assess the effects of those risks on our estimates of sales and total costs to complete the contract. The estimates consider the technical requirements (e.g., a newly developed product versus a mature product), the schedule and associated tasks (e.g., the number and type of milestone events) and costs (e.g., material, labor, subcontractor, overhead and the estimated costs to fulfill our industrial cooperation agreements, sometimes referred to as offset or localization agreements, required under certain contracts with international customers). The initial profit booking rate of each contract considers risks surrounding the ability to achieve the technical requirements, schedule and costs in the

initial estimated total costs to complete the contract and variable considerations. Profit booking rates may increase during the performance of the contract if we successfully retire risks related to the technical, schedule and cost aspects of the contract, which decreases the estimated total costs to complete the contract or may increase the variable consideration we expect to receive on the contract. Conversely, our profit booking rates may decrease if the estimated total costs to complete the contract increase or our estimates of variable consideration we expect to receive decrease. The profit booking rate may also be adjusted if the total estimated value of the contract changes or there is a contract modification. All of the estimates are subject to change during the performance of the contract and may affect the profit booking rate. For further discussion on fixed-price contracts, see "Note 10 - Other" included in our Notes to Consolidated Financial Statements.

Changes in sales and operating profit generally are expressed in terms of volume, contract mix, and/or performance (referred to as profit booking rate adjustments). Changes in volume refer to increases or decreases in sales or operating profit resulting from varying production activity levels, deliveries or service levels on individual contracts. Volume changes in segment operating profit are typically based on the current profit booking rate for a particular contract. Contract mix primarily refers to changes in the ratio of contract type or life cycle (e.g., cost-type, fixed-price, development, production and/or sustainment) and other cost recoveries.

Comparability of our segment sales, operating profit and operating margin may be impacted favorably or unfavorably by changes in profit booking rates on our contracts.

The following table presents the effect of our consolidated net profit booking rate adjustments on segment operating profit (in millions):

	Quarters Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Aeronautics	\$ (730)	\$ 120	\$ (620)	\$ 210
Missiles and Fire Control	130	155	260	150
Rotary and Mission Systems	(550)	60	(465)	100
Space	105	85	260	155
Total business segment operating profit	\$ (1,045)	\$ 420	\$ (565)	\$ 615

During the quarter ended June 29, 2025, we recorded losses of \$950 million on an ongoing classified program at our Aeronautics business segment, and \$570 million on CMHP and \$95 million on TUHP at our RMS business segment. During the six months ended June 29, 2025, in addition to the losses above, we recorded \$125 million of adjustments resulting from favorable performance upon completion on certain commercial civil space programs at Space and an \$80 million favorable adjustment upon completion of a classified program at Aeronautics. During the six months ended June 30, 2024 we recognized a reach-forward loss of \$100 million on a classified program at our MFC business segment.

Aeronautics

Summary operating results for our Aeronautics business segment were as follows (in millions):

	Quarters Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Sales	\$ 7,420	\$ 7,277	\$ 14,477	\$ 14,122
Operating (loss) profit	(98)	751	622	1,430
Operating margin	(1.3 %)	10.3 %	4.3 %	10.1 %

Aeronautics' sales during the quarter ended June 29, 2025 increased \$143 million, or 2%, compared to the same period in 2024. This increase was primarily attributable to higher sales of \$470 million on the F-35 program due to higher volume on production contracts. This increase was partially offset by a \$360 million unfavorable cumulative adjustment to sales driven by the loss on a classified contract as previously described.

Aeronautics' operating profit during the quarter ended June 29, 2025 decreased \$849 million, or 113%, compared to the same period in 2024. The decrease was attributable to the previously described \$950 million reach forward loss recognized on a classified contract, which was partially offset by a \$90 million increase on the F-35 program due to higher profit booking rate adjustments and volume as described above.

Aeronautics' sales during the six months ended June 29, 2025 increased \$355 million, or 3%, compared to the same period in 2024. This increase was primarily attributable to higher sales of \$685 million on the F-35 program due to higher volume on production contracts. This increase was partially offset by a \$360 million unfavorable cumulative adjustment to sales driven by the loss on a classified contract as previously described.

Aeronautics' operating profit during the six months ended June 29, 2025 decreased \$808 million, or 57%, compared to the same period in 2024. The decrease was attributable to the previously described \$950 million reach forward loss recognized on a classified contract. This decrease was partially offset by a \$110 million increase on the F-35 program due to higher volume as described above and higher profit booking rate adjustments and an \$80 million profit booking rate adjustment in the first quarter of 2025 resulting from favorable performance at completion on a classified program.

Missiles and Fire Control

Summary operating results for our MFC business segment were as follows (in millions):

	Quarters Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Sales	\$ 3,433	\$ 3,102	\$ 6,806	\$ 6,095
Operating profit	479	450	944	761
Operating margin	14.0 %	14.5 %	13.9 %	12.5 %

MFC's sales during the quarter ended June 29, 2025 increased \$331 million, or 11%, compared to the same period in 2024. This increase was primarily attributable to higher sales of \$330 million on tactical and strike missile programs due to production ramp-up on JASSM, LRASM and precision fires programs.

MFC's operating profit during the quarter ended June 29, 2025 increased \$29 million, or 6%, compared to the same period in 2024. This increase was attributable to three primary factors: a \$35 million increase from production ramp up as described above, and a \$25 million increase from favorable contract mix; partially offset by a \$25 million decrease in profit booking rate adjustments. The decrease in profit booking rate adjustments was primarily due to lower favorable profit adjustments on Patriot Advanced Capability-3 (PAC-3).

MFC's sales during the six months ended June 29, 2025 increased \$711 million, or 12%, compared to the same period in 2024. This increase was primarily attributable to higher sales of \$700 million on tactical and strike missile programs due to production ramp-up on JASSM, LRASM, and precision fires programs.

MFC's operating profit during the six months ended June 29, 2025 increased \$183 million, or 24%, compared to the same period in 2024. This increase was attributable to two primary factors: a \$110 million increase in profit booking rate adjustments and a \$60 million volume increase driven by production ramp-up as described above. The increase in profit booking rate adjustments was primarily due to a \$100 million loss recognized on a classified program and an unfavorable profit adjustment on Hellfire in the first quarter of 2024 that did not recur, partially offset by lower favorable profit adjustments on PAC-3 in 2025.

Rotary and Mission Systems

Summary operating results for our RMS business segment were as follows (in millions):

	Quarters Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Sales	\$ 3,995	\$ 4,548	\$ 8,323	\$ 8,636
Operating (loss) profit	(172)	495	349	925
Operating margin	(4.3 %)	10.9 %	4.2 %	10.7 %

RMS' sales during the quarter ended June 29, 2025 decreased \$553 million, or 12%, compared to the same period in

2024. The decrease was primarily attributable to lower net sales of \$370 million on Sikorsky helicopter programs due to the unfavorable cumulative adjustments to sales driven by recognizing losses on CMHP and TUHP as previously described, and lower production volume on Seahawk programs; and a \$145 million decrease on integrated warfare systems and sensors (IWSS) programs due to lower volume on radar and the CSC programs.

RMS' operating profit during the quarter ended June 29, 2025 decreased \$667 million, or 135%, compared to the same period in 2024. This decrease was attributable to a \$610 million decrease in profit booking rate adjustments primarily due to a \$570 million loss recognized on CMHP and a \$95 million loss recognized on TUHP as previously described.

RMS' sales during the six months ended June 29, 2025 decreased \$313 million, or 4%, compared to the same period in 2024. The decrease was primarily attributable to lower net sales of \$245 million on Sikorsky helicopter programs due to the unfavorable cumulative adjustments to sales driven by recognizing losses on CMHP and TUHP as previously described.

RMS' operating profit during the six months ended June 29, 2025 decreased \$576 million, or 62%, compared to the same period in 2024. This decrease was attributable to a \$565 million decrease in profit booking rate adjustments primarily due to a \$570 million loss recognized on CMHP and a \$95 million loss recognized on TUHP as previously described, partially offset by unfavorable profit adjustments on Seahawk programs in the first quarter of 2024 that did not recur.

Space

Summary operating results for our Space business segment were as follows (in millions):

	Quarters Ended		Six Months Ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Sales	\$ 3,307	\$ 3,195	\$ 6,512	\$ 6,464
Operating profit	362	346	741	671
Operating margin	10.9 %	10.8 %	11.4 %	10.4 %

Space's sales during the quarter ended June 29, 2025 increased \$112 million, or 4%, compared to the same period in 2024. This increase was primarily attributable to higher sales of \$115 million for commercial civil space programs primarily due to higher volume on the Orion program; and \$80 million for strategic and missile defense programs due to higher volume on NGI and Fleet Ballistic Missile (FBM) programs. These increases were partially offset by a decrease of \$95 million on national security space programs due to program lifecycle on Next Gen OPIR system.

Space's operating profit during the quarter ended June 29, 2025 increased \$16 million, or 5%, compared to the same period in 2024. This increase was attributable to a \$20 million increase in profit booking rate adjustments primarily due to favorable performance at completion on certain commercial civil space programs.

Space's sales during the six months ended June 29, 2025 increased \$48 million, or 1%, compared to the same period in 2024. This increase was primarily attributable to higher sales of \$190 million for commercial civil space programs primarily due to favorable performance at completion on certain commercial civil space programs and higher volume on the Orion program; and \$90 million for strategic and missile defense programs due to higher volume on the NGI program. These increases were partially offset by a decrease of \$250 million on national security space programs due to program lifecycle on Next Gen OPIR system.

Space's operating profit during the six months ended June 29, 2025 increased \$70 million, or 10%, compared to the same period in 2024. This increase was attributable to an \$105 million increase in profit booking rate adjustments partially offset by \$20 million of lower equity earnings driven by lower launch volume from our investment in United Launch Alliance (ULA). The increase in profit booking rate adjustments was primarily due to favorable performance at completion on certain commercial civil space programs.

Total equity earnings (ULA) represented approximately \$10 million, or 3%, and \$5 million, or 1%, of Space's operating profit during the quarter and six months ended June 29, 2025, compared to approximately \$10 million, or 3%, and \$25 million, or 4% for the same periods in 2024.

FINANCIAL CONDITION

Liquidity and Capital Resources

At June 29, 2025, we had cash and cash equivalents of \$1.3 billion that was generally available to fund ordinary business operations without significant legal, regulatory or other restrictions. Our principal source of liquidity is our cash from operations and access to credit markets. Access to credit markets includes our \$3.0 billion revolving credit facility, including the ability to issue commercial paper. As of June 29, 2025, we had no borrowings outstanding under the revolving credit facility and \$1.4 billion in commercial paper borrowings at a weighted average rate of 4.55%. As of December 31, 2024, there were no borrowings outstanding under the revolving credit facility or the commercial paper program. We may, as conditions warrant, continue to issue commercial paper backed by our revolving credit facility to manage the timing of cash flows.

Cash received from customers is our primary source of cash from operations. However, from time to time, we fund customer programs ourselves pending government appropriations. If we incur costs in excess of funds obligated on the contract or in advance of a contract award, this negatively affects our cash flows, and we may be at risk for reimbursement of the excess costs. In addition, when estimates of total costs to be incurred on a contract exceed total estimates of the transaction price, a provision for the entire loss is determined at the contract level and is recorded in the period in which the loss is evident, which we refer to as a reach-forward loss. These reach-forward losses do not have an immediate cash flow impact, but as future costs are incurred on these contracts, these losses will negatively impact cash flows over the remaining period of performance.

Additionally, increases in costs due to tariffs may impact our cash flows, as we may not be able to fully recover these costs, and even if recovery is possible, it may not occur in the same period as the incurred costs. See "Recent Developments in Trade and Regulatory Policies" included within the "Business Overview" discussion above.

Billing timetables and payment terms on our contracts vary based on a number of factors, including the contract type. We generally bill and collect cash more frequently under cost-reimbursable contracts, which represented approximately 41% of the sales we recorded during the six months ended June 29, 2025, as we are authorized to bill as the costs are incurred. A number of our fixed-price contracts may provide for performance-based payments, which allow us to bill and collect cash as we perform on the contract. The amounts of performance-based payments and the related milestones are determined in the negotiation of each contract. The timing of such payments may differ from the timing of the costs incurred related to our contract performance, thereby affecting our cash flows.

The U.S. Government has indicated that it would consider progress payments as the baseline for negotiating payment terms on fixed-price contracts, rather than performance-based payments. In contrast to negotiated performance-based payment terms, progress payment provisions correspond to a percentage of the amount of costs incurred during the performance of the contract and are invoiced regularly as costs are incurred. Our cash flows may be affected if the U.S. Government changes its payment policies. The U.S. Government from time to time withholds payments on certain of our billings based on contract terms or regulatory provisions. Ultimately, the impact of policy changes or withholding payments may delay the receipt of cash, but the cumulative amount of cash collected during the life of the contract should not vary.

We seek to maintain a disciplined and dynamic cash deployment strategy to invest in our business and key technologies to provide our customers with enhanced capabilities, enhance stockholder value, and position ourselves to take advantage of new business opportunities when they arise. Consistent with that strategy, we have continued to invest in our business and technologies through capital expenditures, independent research and development, and selective business acquisitions and investments.

We continue to return cash to stockholders through dividends and share repurchases. The remaining authorization under our share repurchase program was \$8.1 billion as of June 29, 2025. The share repurchase program does not have an expiration date and may be amended or terminated by the Board of Directors at any time. The amount of shares ultimately purchased and the timing of purchases are at the discretion of management and subject to compliance with applicable law and regulation.

We continue to actively manage our debt levels, including maturities and interest rates. We seek to finance our business in a manner that preserves financial flexibility while minimizing borrowing costs to the extent practicable. We review changes in financial market and economic conditions to manage the types, amounts and maturities of our indebtedness. We may at times refinance existing indebtedness, vary our mix of variable-rate and fixed-rate debt or seek alternative financing sources or arrangements for our cash and operational needs.

We also actively manage our pension obligations and expect to continue to opportunistically manage our pension liabilities through the purchase of group annuity contracts or other actions for portions of our outstanding defined benefit pension obligations using assets from the pension trust. Future transactions could be significant and result in us making additional contributions to the pension trust. The required funding of our qualified defined benefit pension plans is determined in accordance with the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and CAS. We could be required to make pension contributions earlier than and/or in excess of what was planned if our return on pension assets is less than our assumptions, which would reduce our free cash flow. We may also make additional contributions at our discretion.

The following table provides a summary of our cash flow information followed by a discussion of the key elements (in millions):

	Six Months Ended	
	June 29, 2025	June 30, 2024
Cash and cash equivalents at beginning of year	\$ 2,483	\$ 1,442
Operating activities		
Net earnings	2,054	3,186
Noncash adjustments	2,057	971
Changes in working capital	(2,454)	(444)
Other, net	(47)	(202)
Net cash provided by operating activities	1,610	3,511
Net cash (used for) investing activities	(1,145)	(744)
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 end of period	\$ 1,293	\$ 2,523

Operating Activities

Net cash provided by operating activities during the six months ended June 29, 2025 decreased \$1.9 billion compared to the same period in 2024. The decrease in cash from operations was primarily due to an increase in working capital, which is defined as receivables, contract assets, and inventories less accounts payable and contract liabilities. This increase in working capital was driven by three main factors: an increase in contract assets as a result of the timing of milestones, primarily related to the F-35 program at Aeronautics; an increase in Sikorsky inventory at RMS; and decreases in contract liabilities related to classified programs at Aeronautics and national security space programs at Space. These increases were partially offset by favorable timing of cash payments related to accounts payable, primarily at Aeronautics.

Non-GAAP Financial Measure - Free Cash Flow

Free cash flow is a non-GAAP financial measure that we define as cash from operations less capital expenditures. Our capital expenditures are comprised of equipment and facilities infrastructure and information technology (inclusive of costs for the development or purchase of internal-use software that are capitalized). We use free cash flow to evaluate our business performance and overall liquidity, and is a performance goal in our annual and long-term incentive plans. We believe free cash flow is a useful measure for investors because it represents the amount of cash generated from operations after reinvesting in the business and that may be available to return to stockholders and creditors (through dividends, stock repurchases and debt repayments) or available to fund acquisitions and other investments. The entire amount of free cash flow is not necessarily available for discretionary expenditures, however, because it does not account for certain mandatory expenditures, such as the repayment of maturing debt and future pension contributions. While management believes that free cash flow as a non-GAAP financial measure may be useful in evaluating our financial

performance and liquidity, it should be considered supplemental to, and not a substitute for, financial information prepared in accordance with GAAP and may not be comparable to similarly titled measures used by other companies.

The following table reconciles net cash provided by operating activities to free cash flow (in millions):

	Six Months Ended	
	June 29, 2025	June 30, 2024
Cash from operations	\$ 1,610	\$ 3,511
Capital expenditures	(805)	(748)
Free cash flow	\$ 805	\$ 2,763

Free cash flow during the six months ended June 29, 2025 decreased \$2.0 billion compared to the same period in 2024 primarily due to operating cash flow drivers described above and higher software expenditures.

Investing Activities

Net cash used for investing activities during the six months ended June 29, 2025 increased \$401 million compared to the same period in 2024, primarily due to a \$360 million cash payment for the acquisition of Rapid Solutions. Capital expenditures totaled \$805 million and \$748 million during the six months ended June 29, 2025 and June 30, 2024. The majority of our capital expenditures are for equipment and facilities infrastructure that generally are incurred to support new and existing programs across all of our business segments. We also incur capital expenditures for information technology to support programs and general enterprise information technology infrastructure, inclusive of costs for the development or purchase of internal-use software.

Financing Activities

Net cash used for financing activities during the six months ended June 29, 2025 decreased \$31 million compared to the same period in 2024.

During the six months ended June 29, 2025 and June 30, 2024, we paid dividends totaling \$1.6 billion (\$6.60 per share) and \$1.5 billion (\$6.30 per share).

During the six months ended June 29, 2025, we paid \$1.3 billion to repurchase 2.7 million shares of our common stock. See "Note 9 - Stockholders' Equity" included in our Notes to Consolidated Financial Statements for additional information. During the six months ended June 30, 2024, we paid \$1.9 billion to repurchase 4.2 million shares of our common stock.

During the six months ended June 29, 2025, we received net proceeds of \$1.4 billion from the issuance of commercial paper.

During the six months ended June 29, 2025 and June 30, 2024, we repaid \$142 million and \$168 million of long-term notes with a fixed interest rate of 7.625% and 8.375% according to their scheduled maturities.

OTHER MATTERS

Status of the F-35 Program

The F-35 program primarily consists of production contracts, sustainment activities, and new development efforts. Production of the aircraft is expected to continue for many decades given the U.S. Government's objective of procuring and sustaining 2,456 aircraft for the U.S. Air Force, U.S. Marine Corps, and U.S. Navy. We also have commitments from seven international partner countries and 12 FMS customers. We continue to see strong international demand for the F-35. In February 2025, Singapore signed an LOA for eight F-35As, adding to their prior program of record of 12 F-35Bs. In June 2025, the United Kingdom announced its intent to purchase 12 F-35As adding to its existing fleet of F-35Bs. We expect international interest to continue to expand in the coming years.

During the second quarter of 2025, we delivered 50 aircraft. Since the program inception through June 29, 2025, we delivered 1,199 production F-35 aircraft, including 866 F-35A variants, 221 F-35B variants and 112 F-35C variants, and our backlog as of that date was 311 aircraft, demonstrating the F-35 program's continued progress and longevity.

In December 2024, Lockheed Martin and the Joint Program Office (JPO) reached an agreement for an undefinitized contract action for Lot 18 F-35 Air Vehicle Production Contract for 145 aircraft. The scope includes aircraft for the U.S. Air Force, Navy, and Marines and the International Partners and Foreign Military Sales (FMS) customers, in addition to the required infrastructure for the international Final Assembly and Checkout Facilities (FACOs) and other equipment. Lot 19 was negotiated concurrently with Lot 18, and both Lots are expected to be fully awarded in 2025.

The F-35 program is significant and complex, and we and our customers continually review aircraft performance, program and delivery schedule, cost and supply chain issues, and requirements as part of our internal program management efforts and the DoD, Congressional and international countries' oversight and budgeting processes. Areas of particular focus currently include Lockheed Martin's and supplier performance, Block 4 modernization, flight test execution, cost of life cycle operations, sustainment, inflation-related cost and supply chain-related cost and schedule pressures, and efforts to increase affordability and readiness.

As previously disclosed, deliveries of F-35 aircraft were put on hold in the first half of 2024 due to technology insertion delays in the Lot 15-17 contract. Deliveries resumed in July 2024 after reaching agreement with JPO on a phased approach to inserting such capabilities into the aircraft including timing of the final delivery payments and related withhold liquidations. We continue to make progress on delivering capability while enhancing the air dominance of the F-35 through on-going Block 4 development.

Contingencies

See "Note 7 - Legal Proceedings and Contingencies" included in our Notes to Consolidated Financial Statements for information regarding our contingent obligations, including off-balance sheet arrangements.

Critical Accounting Policies

There have been no significant changes to the critical accounting policies disclosed in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our 2024 Form 10-K.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

As disclosed in Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" of our 2024 Form 10-K, we transact business globally and are subject to risks associated with changing foreign currency exchange rates. We enter into foreign currency hedges such as forward and option contracts that change in value as foreign currency exchange rates change. Our exposures to market risk have not changed materially since December 31, 2024. See "Note 8 - Fair Value Measurements" included in our Notes to Consolidated Financial Statements for additional discussion.

ITEM 4. Controls and Procedures

We performed an evaluation of the effectiveness of our disclosure controls and procedures as of June 29, 2025. The evaluation was performed with the participation of senior management of each business segment and key corporate functions, under the supervision of the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Based on this evaluation, the CEO and CFO concluded that our disclosure controls and procedures were operating and effective as of June 29, 2025.

There were no changes in our internal control over financial reporting during the quarter ended June 29, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Forward-Looking Statements

This Form 10-Q contains statements that, to the extent they are not recitations of historical fact, constitute forward-looking statements within the meaning of the federal securities laws, and are based on our current expectations and assumptions. The words “believe,” “estimate,” “anticipate,” “project,” “intend,” “expect,” “plan,” “outlook,” “scheduled,” “forecast” and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks and uncertainties. Actual results may differ materially due to factors such as:

- our reliance on contracts with the U.S. Government, which are dependent on U.S. Government funding and can be terminated for convenience, and our ability to negotiate favorable contract terms;
- budget uncertainty, the risk of future budget cuts, the impact of continuing resolution funding mechanisms, the debt ceiling and the potential for government shutdowns, and changing funding and acquisition priorities;
- risks related to the development, production, sustainment, performance, schedule, cost and requirements of complex and technologically advanced programs, including the F-35 program;
- planned production rates and orders for significant programs, compliance with stringent performance and reliability standards, and materials availability, including government furnished equipment and rare earth minerals;
- the timing of contract awards or contract definitization, decisions by government customers to impose contract terms following undefinitized contract actions, achievement of performance milestones, customer acceptance of product deliveries, and receipt of customer payments;
- our ability to recover costs under U.S. Government contracts and the mix of fixed-price and cost-reimbursable contracts;
- customer procurement and other policies, laws, regulations and executive actions that affect our and our industry’s, programs, future opportunities, and financial performance, including those relating to mission priorities, competing domestic and international spending, contracting terms (such as fixed-price requirements), treatment of contractor performance issues, and contractor access to competitive opportunities;
- performance and/or financial viability of key suppliers, teammates, joint ventures (including United Launch Alliance), joint venture partners, subcontractors and customers;
- economic, industry, business and political conditions including their effects on governmental policy;
- the impact of inflation and other cost pressures;
- government actions that restrict or prevent the sale or delivery of our products (such as delays in approvals for exports requiring Congressional notification);
- foreign policy and international trade actions taken by governments such as tariffs, sanctions, embargoes, export and import controls, buying preferences, and other trade restrictions;
- our success expanding into and doing business in adjacent markets and internationally and the risks posed by international sales, including potential effects from fluctuations in currency exchange rates;
- changes in non-U.S. national priorities and government budgets and planned orders;
- the competitive environment for our products and services;
- our ability to develop and commercialize new technologies and products, including emerging digital and network technologies and capabilities;
- our ability to benefit fully from or adequately protect our intellectual property rights;
- our ability to attract and retain a highly skilled workforce and the impact of work stoppages or other labor disruptions;
- cyber or other security threats or other disruptions faced by us or our suppliers;
- our ability to implement and continue, and the timing and impact of, capitalization changes such as share repurchases, dividend payments and financing transactions;
- the accuracy of our estimates and projections;
- changes in pension plan assumptions and actual returns on pension assets; cash funding requirements and pension annuity contracts and associated settlement charges;
- realizing the anticipated benefits of acquisitions or divestitures, investments, joint ventures, teaming arrangements or internal reorganizations, and market volatility affecting the fair value of investments that are marked to market;
- our efforts to increase the efficiency of our operations and improve the affordability of our products and services, including through digital transformation and cost reduction initiatives;
- the risk of an impairment of our assets, including the potential impairment of goodwill and intangibles;
- the availability and adequacy of our insurance and indemnities;
- compliance with laws, regulations, policies, and customer requirements relating to environmental matters;
- the impact of public health crises, natural disasters and other severe weather conditions on our business and financial results, including supply chain disruptions and delays, employee absences, and program delays;

- changes in accounting, U.S. or foreign tax, export or other laws, regulations, and policies and their interpretation or application, and changes in the amount or reevaluation of uncertain tax positions; and
- the outcome of legal proceedings, bid protests, environmental remediation efforts, audits, administrative reviews, government investigations or government allegations that we have failed to comply with law, other contingencies and U.S. Government identification of deficiencies in our business systems.

These are only some of the factors that may affect the forward-looking statements contained in this Form 10-Q. For a discussion identifying additional important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, see our filings with the U.S. Securities and Exchange Commission (SEC) including, but not limited to, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” in our 2024 Form 10-K and subsequent Quarterly Reports on Form 10-Q. Our filings may be accessed through the Investor Relations page of our website, www.lockheedmartin.com/investor, or through the website maintained by the SEC at www.sec.gov. Information contained on or made available through our website or other websites mentioned in this Form 10-Q is not incorporated into and is not a part of this Form 10-Q, and any references to our website are intended to be inactive textual references only.

Our actual financial results likely will be different from those projected due to the inherent nature of projections. Given these uncertainties, forward-looking statements should not be relied on in making investment decisions. The forward-looking statements contained in this Form 10-Q speak only as of the date of our filing. Except where required by applicable law, we expressly disclaim a duty to provide updates to forward-looking statements after the date of this Form 10-Q to reflect subsequent events, changed circumstances, changes in expectations, or the estimates and assumptions associated with them. The forward-looking statements in this Form 10-Q are intended to be subject to the safe harbor protection provided by the federal securities laws.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

We are a party to litigation and other proceedings that arise in the ordinary course of our business, including matters arising under provisions relating to the protection of the environment, and are subject to contingencies related to certain businesses we previously owned. These types of matters could result in fines, penalties, cost reimbursements or contributions, compensatory or treble damages or non-monetary sanctions or relief. We believe the probability is remote that the outcome of each of these matters will have a material adverse effect on the company as a whole, notwithstanding that the unfavorable resolution of any matter may have a material effect on our net earnings and cash flows in any particular reporting period. We cannot predict the outcome of legal or other proceedings with certainty.

We are subject to federal, state, local and foreign requirements for the protection of the environment, including those for discharge of hazardous materials and remediation of contaminated sites. Due in part to the complexity and pervasiveness of these requirements, we are a party to or have property subject to various lawsuits, proceedings and remediation obligations. The extent of our financial exposure cannot in all cases be reasonably estimated at this time.

For more information regarding matters referred to above, including current estimates of the amounts that we believe are required for remediation or clean-up to the extent estimable, see “Note 7 - Legal Proceedings and Contingencies — Legal Proceedings and Environmental Matters” included in our Notes to Consolidated Financial Statements in this Form 10-Q, which is hereby incorporated by reference. For additional information and a description of previously reported matters, see also “Critical Accounting Policies – Environmental Matters” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Note 14 – Legal Proceedings, Commitments and Contingencies,” in our 2024 Form 10-K.

ITEM 1A. Risk Factors

There have been no material changes to the risk factors disclosed in Part I, Item 1A, “Risk Factors” of our 2024 Form 10-K. These risks and uncertainties described in our risk factors have the potential to materially affect our business, results of operations, financial condition, cash flows, projected results and future prospects. These risks are not exclusive and additional risks to which we are subject include the factors mentioned under “Forward-Looking Statements” and the risks described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Form 10-Q.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered equity securities during the quarter ended June 29, 2025.

The following table provides information about our repurchases of our common stock that is registered pursuant to Section 12 of the Securities Exchange Act of 1934 during the quarter ended June 29, 2025.

Period ^(a)	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ^(b)	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs ^(b)
				(in millions)
March 31, 2025 – April 27, 2025 ^(c)	51,130	\$ 469.38	51,130	\$ 8,549
April 28, 2025 – May 25, 2025 ^(c)	558,151	\$ 469.65	558,093	\$ 8,287
May 26, 2025 – June 29, 2025 ^(c)	457,838	\$ 467.18	457,833	\$ 8,073
Total ^(c)	1,067,119	\$ 468.58	1,067,056	

^(a) We close our books and records on the last Sunday of each month to align our financial closing with our business processes, except for the month of December, as our fiscal year ends on December 31. As a result, our fiscal months often differ from the calendar months. For example, June 29, 2025 was the last day of our June 2025 fiscal month.

^(b) In October 2010, our Board of Directors approved and on October 25, 2010 we announced a share repurchase program pursuant to which we are authorized to repurchase our common stock in privately negotiated transactions or in the open market at prices per share not exceeding the then-current market prices. From time to time, our Board of Directors authorizes increases to our share repurchase program. The total remaining authorization for future common share repurchases under our share repurchase program was \$8.1 billion as of June 29, 2025. Under the program, management has discretion to determine the dollar amount of shares to be repurchased and the timing of any repurchases in compliance with applicable law and regulation. This includes purchases pursuant to Rule 10b5-1 plans, including accelerated share repurchases. The program does not have an expiration date.

^(c) During the quarter ended June 29, 2025, the total number of shares purchased included 63 shares that were transferred to us by employees in satisfaction of tax withholding obligations associated with the vesting of restricted stock units. These purchases were made pursuant to a separate authorization by our Board of Directors and are not included within the program.

ITEM 5. Other Information

None of our directors or executive officers adopted or terminated a Rule 10b5-1 trading arrangement or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the quarter ended June 29, 2025.

ITEM 6. Exhibits

Exhibit No.	Description
10.1	Amendment No. 6 to Lockheed Martin Corporation Executive Severance Plan, as amended and restated effective December 1, 2016
15	Acknowledgment of Independent Registered Public Accounting Firm
31.1	Certification of James D. Taiclet pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Evan T. Scott pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of James D. Taiclet and Evan T. Scott pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document contained in Exhibit 101

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Lockheed Martin Corporation
(Registrant)

Date: July 22, 2025

By: /s/ H. Edward Paul III
H. Edward Paul III
Vice President and Controller
(Duly Authorized Officer and Chief Accounting Officer)

**LOCKHEED MARTIN CORPORATION
EXECUTIVE SEVERANCE PLAN
(As Amended and Restated Effective December 1, 2016)**

Amendment No. 6

Lockheed Martin Corporation wishes to revise the Lockheed Martin Corporation Executive Severance Plan (the “Plan”) to reflect updated Post-Employment Conduct Agreements, effective as of the date this amendment is executed, as indicated below.

1. Exhibit A.1 of the Plan, Post-Employment Conduct Agreement for Elected Officers, and Exhibit A.2 of the Plan, Post-Employment Conduct Agreement for Non-Officers, are updated in their entirety in the forms attached hereto.

LOCKHEED MARTIN CORPORATION

By: /s/ Chris Wronsky

Chris Wronsky
Senior Vice President,
Chief Human Resources Officer

Date: May 14, 2025

Exhibit A.1
Post-Employment Conduct Agreement for Elected Officers

[PECA will vary by state law and current legal and professional requirements at time of termination]

[Applicable provisions may be incorporated into the release of claims agreement in lieu of a separate PECA]

This Post Employment Conduct Agreement dated _____ (this "PECA"), together with the Release of Claims being entered into contemporaneous with this PECA, is entered into in consideration of the payment ("Severance Payment") to be made to me under the Lockheed Martin Corporation Executive Severance Plan ("Severance Plan"). By signing below, I agree as follows:

(1) Restrictions Following Termination of Employment.

(a) Covenant Not To Compete – Without the express written consent of the Chief Executive Officer of the Company (or the Committee with respect to the Chief Executive Officer of the Company), during the two-year period following my last day of employment with the Company ("Termination Date"), I will not, directly or indirectly, be employed by, provide services to, or advise a "Restricted Company" (as defined in Section 6 below), whether as an employee, advisor, director, officer, partner or consultant, or in any other position, function or role that, in any such case,

- (i) oversees, controls or affects the design, operation, research, manufacture, marketing, sale or distribution of "Competitive Products or Services" (as defined in Section 6 below) of or by the Restricted Company, or
- (ii) would involve a substantial risk that the "Confidential or Proprietary Information" (as defined in Section 1(c) below) of the Company (including but not limited to technical information or intellectual property, strategic plans, information relating to pricing offered to the Company by vendors or suppliers or to prices charged or pricing contemplated to be charged by the Company, information relating to employee performance, promotions or identification for promotion, or information relating to the Company's cost base) could be used to the disadvantage of the Company.

I acknowledge and agree that: (A) the enforcement of this PECA pursuant to Sections 1(a)(i) and (ii) is necessary to protect, among other interests, the Company's trade secrets and other Confidential or Proprietary Information, as defined by Section 1(c), and goodwill in its customers and employees; and (B) Sections 1(a)(i) and (ii) shall not apply to me if I am covered under an applicable state statute or local ordinance or rule prohibiting non-competition restrictions, including on the basis of my income or profession. In addition, Sections 1(a)(i) and (ii) shall only apply while I am employed by

or otherwise working for the Company if I primarily work or reside in California, Virginia (but only if I am a “low-wage employee” under Virginia Code Section 40.1-28.7:8), Minnesota, North Dakota, or Oklahoma.

To the extent permitted by applicable law, including but not limited to any applicable rules governing attorney conduct (such as the ABA Model Rules of Professional Conduct and state versions thereof), Sections 1(a)(i) and (ii) and Section 1(b) relating to non-solicitation, shall apply to individuals who are employed by the Company in an attorney position and whose occupation during the two-year period following employment with the Company does not include practicing law.

In lieu of Section 1(a)(i) and (ii), as well as Section 1(b) relating to non-solicitation, the following Section 1(a)(iii) shall apply to individuals who are employed by the Company in an attorney position, and whose occupation during the two-year period following employment with the Company includes practicing law.

- (iii) Post-employment Activity As a Lawyer – I acknowledge that as counsel to the Company, I owe ethical and fiduciary obligations to the Company and that at least some of these obligations will continue even after my Termination Date with the Company. I agree that after my Termination Date I will comply fully with all applicable ethical and fiduciary obligations that I owe to the Company. To the extent permitted by applicable law, including but not limited to any applicable rules governing attorney conduct, I agree that I will not:
 - a. Represent any client in the same or a substantially related matter in which I represented the Company where the client’s interests are materially adverse to the Company; or
 - b. Disclose confidential information relating to my representation of the Company, including the disclosure of information that is to the disadvantage of the Company, except for information that is or becomes generally known.

The Company’s Senior Vice President, General Counsel, and Corporate Secretary or the General Tax Counsel, as applicable, will determine in their discretion whether an individual is employed by the Company in an attorney position.

(b) Non-Solicit – Without the express written consent of the Chief Executive Officer of the Company (or the Committee with respect to the Chief Executive Officer of the Company), during the two-year period following the Termination Date, I will not (i) cause or attempt to cause, directly or indirectly, the complete or partial loss of any contract in effect before the Termination Date between the Company and any customer, supplier, distributor or manufacturer of or to the Company with which I was responsible, in whole or in part, for soliciting, negotiating, implementing, managing, or overseeing or (ii) induce or attempt to induce, directly or

indirectly, any person who is an employee of the Company with whom I worked or interacted within two years prior to the Termination Date to cease employment with the Company in order to perform work or services for any entity other than the Company.

I acknowledge and agree that: (A) the enforcement of this PECA pursuant to Section 1(b)(i) is necessary to protect, among other interests, the Company's trade secrets and other Confidential or Proprietary Information, as defined by Section 1(c), and goodwill in its customers and employees; and (B) Section 1(b)(i) shall not apply to me if I am a "low-wage employee" under Virginia Code Section 40.1-28.7:8 or am covered under an applicable state statute or local ordinance or rule prohibiting non-solicitation restrictions, including on the basis of my income or profession. In addition, if I primarily reside or work in California, Section 1(b) shall apply only while I am employed by or otherwise working for the Company.

(c) Protection of Proprietary Information – Except to the extent required by law, following my Termination Date, I will have a continuing obligation to comply with the terms of any non-disclosure or similar agreements that I signed while employed by the Company committing to hold confidential the "Confidential or Proprietary Information" (as defined below) of the Company or any of its affiliates, subsidiaries, related companies, joint ventures, partnerships, customers, suppliers, partners, contractors or agents, in each case in accordance with the terms of such agreements. I will not use or disclose or allow the use or disclosure by others to any person or entity of Confidential or Proprietary Information of the Company or others to which I had access or that I was responsible for creating or overseeing during my employment with the Company. In the event I become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or otherwise) to disclose any proprietary or confidential information, I will immediately notify the Company's Senior Vice President, General Counsel and Corporate Secretary as to the existence of the obligation and will cooperate with any reasonable request by the Company for assistance in seeking to protect the information. All materials to which I have had access, or which were furnished or otherwise made available to me in connection with my employment with the Company shall be and remain the property of the Company. For purposes of this PECA, "Confidential or Proprietary Information" means trade secrets, as defined by the federal Defend Trade Secrets Act of 2016 and/or applicable state trade secret law, and Sensitive Information within the meaning of CRX-015 (a copy of which has been made available to me), including but not limited to information that a person or entity desires to protect from unauthorized disclosure to third parties that can provide the person or entity with a business, technological, or economic advantage over its competitors, or which, if known or used by third parties or if used by the person's or entity's employees or agents in an unauthorized manner, might be detrimental to the person's or entity's interests. Confidential or Proprietary Information may include, but is not limited to:

- (i) existing and contemplated business, marketing and financial business information such as business plans and methods, marketing information, cost estimates, forecasts, financial data, cost or pricing data, bid and proposal information, customer

identification, sources of supply, contemplated product lines, proposed business alliances, and information about customers and competitors,

- (ii) existing and contemplated technical information and documentation pertaining to technology, know how, equipment, machines, devices and systems, computer hardware and software, compositions, formulas, products, processes, methods, designs, specifications, mask works, testing or evaluation procedures, manufacturing processes, production techniques, research and development activities, inventions, discoveries, and improvements, and
- (iii) for supervisory employees only, human resources and personnel information.

(d) No disparagement – Following the Termination Date, for supervisory or management employees only, I will not make any statements, whether verbal or written, that disparage or reasonably may be interpreted to disparage the Company or its directors, officers, employees, technology, products or services with respect to any matter whatsoever.

(e) Cooperation in Litigation and Investigations - Following the Termination Date, I will, to the extent reasonably requested, cooperate with the Company in any pending or future litigation (including alternative dispute resolution proceedings) or investigations in which the Company or any of its subsidiaries or affiliates is a party or is required or requested to provide testimony and regarding which, as a result of my employment with the Company, I reasonably could be expected to have knowledge or information relevant to the litigation or investigation. Notwithstanding any other provision of this PECA, nothing in this PECA shall affect my obligation to cooperate with any governmental inquiry or investigation or to give truthful testimony in court.

(f) Communications with Regulatory Authorities – Nothing in this PECA prohibits or restricts me (or my attorney) from initiating communications directly with, responding to an inquiry from, or providing testimony before the Securities and Exchange Commission, Equal Employment Opportunity Commission, or any other federal or state regulatory authority.

(g) Notices (including under the Defend Trade Secrets Act and National Labor Relations Act) – Notwithstanding anything in this PECA to the contrary:

- (i) I will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document that is filed under seal in a lawsuit or other proceeding.
- (ii) If I file a lawsuit for retaliation by the Company for reporting a suspected violation of law, I may disclose the Company's trade secrets to my attorney and use the trade secret information in

the court proceeding if I (1) file any document containing the trade secret under seal; and (2) do not disclose the trade secret, except pursuant to court order.

- (iii) Nothing in this PECA in any way prohibits or is intended to restrict or impede, and shall not be interpreted or understood as restricting or impeding, me from (1) for non-supervisory employees only, exercising my rights under Section 7 of the National Labor Relations Act (NLRA) (including with respect to engaging in concerted activities for the purpose of collective bargaining or other mutual aid or protection, discussing terms and conditions of employment, or otherwise engaging in protected conduct); or (2) otherwise disclosing or discussing truthful information about unlawful employment practices (including unlawful discrimination, harassment, retaliation, or sexual assault).

2. Consideration and Acknowledgment. I acknowledge and agree that the Severance Payment being made to me is in addition to the payments or benefits that otherwise are or would be owed to me by the Company and that the Severance Benefit being provided to me is in consideration for my entering into this PECA and the Release of Claims attached to this PECA. I acknowledge that the scope and duration of the restrictions in Section 1 are necessary to be effective and are fair and reasonable in light of the value of the payments being made to me. I further acknowledge and agree that as a result of the high level executive and management positions I have held within the Company and the access to and extensive knowledge of the Company's Confidential or Proprietary Information, employees, suppliers and customers, (i) these restrictions are reasonably required for the protection of the Company's legitimate business interests, including, but not limited to, the Company's Confidential or Proprietary Information, (ii) the area, duration and scope of the restrictions are reasonable and necessary to protect the Company, (iii) the restrictions do not unduly oppress or restrict my ability to earn a livelihood in my profession, and (iv) the restrictions are not an undue restraint on my trade or any of the public interests that may be involved.

3. Remedies For Breach of Section 1; Additional Remedies of Clawback and Recoupment.

(a) I agree, upon demand by the Company, to repay the Severance Payment to the Company in the event any of the following occur:

- (i) I breach any of the covenants or agreements in Section 1;
- (ii) The Company determines that either (a) my intentional misconduct or gross negligence, or (b) my failure to report another person's intentional misconduct or gross negligence of which I had knowledge during the period I was employed by the Company, contributed to the Company having to restate all

or a portion of its financial statements filed for any period with the Securities and Exchange Commission;

- (iii) The Company determines that I engaged in fraud, bribery or any other illegal act or that my intentional misconduct or gross negligence (including the failure to report another person's intentional misconduct or gross negligence of which I had knowledge during the period I was employed by the Company) contributed to another person's fraud, bribery or other illegal act, which in any such case adversely affected the Company's financial position or reputation;
- (iv) The Company determines that my intentional misconduct or gross negligence caused severe reputational or financial harm to the Company;
- (v) The Company determines that I misappropriated Confidential or Proprietary Information, as defined in Section 1(c), and I (A) intended to use the misappropriated Confidential or Proprietary Information to cause severe reputational or financial harm to the Company or (B) used the misappropriated Confidential or Proprietary Information in a manner that caused severe reputational or financial harm to the Company; or
- (vi) Under such other circumstances specified in a written recovery policy adopted by the Company to comply with Rule 10D-1 under the Securities Exchange Act and New York Stock Exchange listing standards requiring the Company to recover from executive officers erroneously awarded compensation or other applicable law.

(b) The remedy provided in Section 3(a) shall not be the exclusive remedy available to the Company for any of the conduct described in Section 3(a) and shall not limit the Company from seeking damages or injunctive relief. For purposes of Section 3(a), a determination by the Company means a determination by the Management Development and Compensation Committee of the Board of Directors of the Company.

4. Injunctive Relief. I acknowledge that the Company's remedies at law may be inadequate to protect the Company against any actual or threatened breach of the provisions of Section 1 or the conduct described in Section 3(a), and, therefore, without prejudice to any other rights and remedies otherwise available to the Company at law or in equity (including but not limited to, an action under Section 3(a)), the Company shall be entitled to injunctive relief in its favor and to specific performance without proof of actual damages and without the requirement of the posting of any bond or similar security.

5. Invalidity; Unenforceability. It is the desire and intent of the parties that the provisions of this PECA shall be enforced to the fullest extent permissible. The

covenants in each section of this PECA are independent of any other provisions of this PECA. Each term in this PECA constitutes a separate covenant between the parties, and each term is fully severable from any other term. The parties agree if any particular paragraphs, subparagraphs, phrases, words, or other portions of this PECA are determined by an appropriate court to be invalid or unenforceable as written, they shall be modified as necessary to comport with the reasonable intent and expectations of the parties and in favor of providing reasonable protection to all of the Company's legitimate business interests, and such modification shall not affect the remaining provisions of this PECA, or if they cannot be modified to be made valid or enforceable, then they shall be severed from this PECA, and all remaining terms and provisions shall remain enforceable.

6. Definitions. Capitalized terms not defined in this PECA have the meaning given to them in the Severance Plan, as applicable. For purposes of this PECA, the following terms have the meanings given below:

(a) "Restricted Company" means The Boeing Company, General Dynamics Corporation, Northrop Grumman Corporation, the Raytheon Technologies Corporation, Honeywell International Inc., BAE Systems Inc., L3Harris Technologies, Inc., Thales, Airbus Group, Inc., Textron, Inc., Leonardo SpA, Leidos Holdings, Inc., Space Exploration Technologies Corp., Palantir Technologies Inc., GE Aerospace, Anduril Industries, Inc., and (i) any entity directly or indirectly controlling, controlled by, or under common control with any of the foregoing, and (ii) any successor to all or part of the business of any of the foregoing as a result of a merger, reorganization, consolidation, spin-off, split-up, acquisition, divestiture, or similar transaction, or as a result of a name change, and (iii) any entity or business identified in Addendum A to this PECA.

(b) "Competitive Products or Services" means products or services that compete with, or are an alternative or potential alternative to, products sold or services provided by a subsidiary, business area, division or operating unit or business of the Company as of the Termination Date and at any time within the two-year period ending on the Termination Date; provided, that, (i) if I had direct responsibility for the business of, or function with respect to, a subsidiary, or for a business area, division or operating unit or business of the Company at any time within the two-year period ending on the Termination Date, Competitive Products or Services includes the products so sold or the services so provided during that two-year period by the subsidiary, business area, division or operating unit of the Company for which I had responsibility, and (ii) if I did not have direct responsibility for the business of, or function with respect to, a subsidiary, or for a business area, division or operating unit or business of the Company at any time within the two-year period ending on the Termination Date, Competitive Products or Services includes the products so sold or the services so provided by a subsidiary, business area, division or operating unit of the Company for which I had access (or was required or permitted such access in the performance of my duties or responsibilities with the Company) to Confidential or Proprietary Information of the Company at any time during the two-year period ending on the Termination Date.

7. Miscellaneous

(a) The Severance Plan, this PECA with the attached Release of Claims constitute the entire agreement governing the terms of the Severance Payment and supersede all other prior agreements and understandings, both written and oral, between me and the Company or any employee, officer or director of the Company concerning payments on account of my termination of employment.

(b) This PECA shall be governed by Maryland law, without regard to its provisions governing conflicts of law. Any enforcement of, or challenge to, this PECA may only be brought in the United States District Court for the District of Maryland, unless it is determined that such court does not have subject matter jurisdiction, in which case any such enforcement or challenge must be brought in the Circuit Court of Montgomery County in the State of Maryland. Both parties consent to the proper jurisdiction and venue of such court, as applicable, for the purpose of enforcing or challenging this PECA. For residents of California, Massachusetts (Section 1(a) only), Minnesota (Section 1(a) only), Washington and Wisconsin, or if otherwise provided in an applicable Addenda, this Section 7(b) shall not apply; instead, the parties agree that the law of the state in which I am domiciled at the time of acceptance shall govern the interpretation, application, and enforcement of this PECA, without regard to any choice of law rules of that or any other state, and that the exclusive venue shall be the state or federal courts sitting in or covering the county where I am domiciled at the time of acceptance.

(c) This PECA shall inure to the benefit of the Company's successors and assigns and may be assigned by the Company without my consent.

(d) The restrictive covenants and other terms in this PECA are to be read consistent with the terms of any other restrictive covenants or other agreements that I have executed with the Company; provided, however, to the extent there is a conflict between/among such agreements, such agreements shall be construed as providing the broadest possible protections to the Company, even if such construction would require provisions of more than one such agreement to be given effect.

(e) The obligations I have undertaken in this PECA shall survive the Termination Date and no dispute regarding any other provisions of this PECA or regarding my employment or the termination of my employment shall prevent the operation and enforcement of these obligations.

(f) I acknowledge and agree that different provisions than those set forth in this PECA, including with respect to the restrictive covenant obligations, may apply to me if I primarily reside or work in certain jurisdictions. While I primarily reside or work in such a jurisdiction, including on the Termination Date, I agree that the provisions within this PECA shall be superseded only as set forth in the applicable Addendum attached hereto or as explicitly noted within the PECA.

SIGNED this ____ day of _____, 2__.

(Signature)

(Printed Name)

(Title)

FOR LOCKHEED MARTIN CORPORATION:

(Signature)

(Printed Name)

(Title)

(Date)

NOTE: HRBP must scan and upload the executed PECA (and Addendum A, if applicable) to the Executive Action System in order for payments to be processed.

If Addendum A is applicable, be sure to have Legal review Addendum A.

Addendum A

Additional "Restricted Companies" For Purposes of Section 6(a) of the PECA

Entity Name	Description of the Competitive Business

COLORADO ADDENDUM TO POST-EMPLOYMENT CONDUCT AGREEMENT

Notice of Restrictive Covenant to Colorado Employees

This notice is to advise you that the Company is, contemporaneously with this notice, providing you with a Post-Employment Conduct Agreement (the "PECA") containing covenants that could restrict your options for subsequent employment following separation from the Company, in that you will be prohibited from certain competition and solicitation of customers, employees, etc., as described in Section 1 of the PECA (and as modified by this Colorado Addendum) and from disclosing or using Confidential Information as described in Section 1 of the PECA (and as modified by this Colorado Addendum).

You acknowledge that this notice was provided to you at least fourteen (14) days before the earlier of your Termination Date, as defined in the PECA, or the effective date of the consideration provided to you for such covenant. By signing the PECA, you expressly acknowledge and agree that you are deemed to have separately signed this notice.

The provisions of this Colorado Addendum apply only to those employees of the Company who primarily work or reside in the State of Colorado.

1. The following is added to the end of Section 1(a) of the PECA "Covenant Not to Compete":

The restrictions described in Section 1(a) are intended to cover geographic territory where your knowledge of the Company's trade secrets could be used by a Restricted Company to unfairly compete with or undermine the Company's legitimate business interests.

2. The language in Section 1 of the PECA "Restrictions Following Termination of Employment" is modified by adding the following:

The restrictions related to competitive activities in Section 1(a) only apply to the extent I earn, both at the time this PECA is entered into and at the time the Company enforces it, an amount of annualized cash compensation equivalent to or greater than the threshold amount for highly compensated workers as determined by the Colorado Department of Labor and Employment at the time this PECA is entered into, and such activities will involve the inevitable use of, or near-certain influence by my knowledge of, trade secrets disclosed to me during the course of employment with the Company. As of January 1, 2025, that threshold is \$127,091.

The restrictions related to solicitation activities in Section 1(b)(i) only apply to the extent I earn, both at the time this PECA is entered into and at the time the Company enforces it, an amount of annualized cash compensation equivalent to or greater than 60% of the threshold amount for highly compensated workers as determined by the Colorado Department of Labor and Employment at the time this PECA is entered into, and such activities will involve the inevitable use of, or near-certain influence by my knowledge of, trade secrets disclosed to me during the course of employment with the Company. As of January 1, 2025, that threshold is \$76,254.60.

3. The language in Section 2 of the PECA "Consideration and Acknowledgement" is modified by adding the following:

I acknowledge and agree that the restrictions in this PECA are reasonable and shall not prohibit the disclosure of information arising from my general training, knowledge, skill, or experience, whether gained on the job or otherwise, information readily ascertainable to the public, and/or information an employee has a right to disclose as legally protected conduct.

4. The language in Section 7(b) of the PECA is modified by adding the following:

I understand that if I primarily reside or work in the State of Colorado at the time my employment with the Company is terminated, the PECA will be subject to the laws and courts of the State of Colorado. During this period, venue shall be the State and Federal courts sitting in Colorado and the parties waive any defense, whether asserted by motion or pleading, that the venue specified by this Addendum is an improper or inconvenient venue.

DISTRICT OF COLUMBIA ADDENDUM TO POST-EMPLOYMENT CONDUCT AGREEMENT

The District of Columbia's Ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to request non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions. The Company has determined that you are a highly compensated employee. For more information about the Ban on Non-Compete Agreements Amendment Act of 2020, contact the District of Columbia Department of Employment Services (DOES).

The Company is, contemporaneously with this notice, providing you with a Post-Employment Conduct Agreement (the "PECA") containing covenants that could restrict your options for subsequent employment following separation from the Company, in that you will be prohibited from certain competition and solicitation of customers, employees, etc., as described in Section 1 of the PECA. The provisions of this District of Columbia Addendum apply only to those employees of the Company who primarily work in the District of Columbia and are as follows.

1. For Elected Officers, and regarding the non-competition obligation in Section 1(a) of the PECA only, the restricted period is modified by reducing the period from two-years after the Termination Date to one year after the Termination Date.
2. The following is added to the end of Section 1(a) of the PECA "Covenant Not to Compete":

I understand that the non-competition obligations under Section 1(a) shall apply to me if I am a "highly compensated employee." A "highly compensated employee" for this purpose is someone who is reasonably expected to earn at least \$154,200 (in 2024) during a consecutive 12-month period or whose compensation earned from the Company in the consecutive 12-month period preceding the date the proposed non-competition is to begin is at least \$154,200 (in 2024). Beginning on January 1, 2024, and each calendar year thereafter, the dollar threshold for highly compensated employee status will be adjusted based on increases in the Consumer Price Index. Compensation includes the individual's hourly wages, salary, bonuses or cash incentives, commissions, overtime premiums, vested stocked (including restricted stock units), and other payments provided on a regular or irregular basis.

The restrictions described in Section 1(a) are intended to cover geographic territory where my knowledge of the Company's trade secrets could be used by a Restricted Company to unfairly compete with or undermine the Company's legitimate business interests.

3. A new Section "Notice" is added to the end of the PECA, reading as follows:

I agree that before being required to sign this PECA, the Company provided written notice to me that I had at least fourteen (14) calendar days to review the non-competition provision in the PECA before I must execute the PECA.

Exhibit A.2
Post-Employment Conduct Agreement for Non-Officers

[PECA will vary by state law and current legal and professional requirements at time of termination]

[Applicable provisions may be incorporated into the release of claims agreement in lieu of a separate PECA]

This Post Employment Conduct Agreement dated _____ (this "PECA"), together with the Release of Claims being entered into contemporaneous with this PECA, is entered into in consideration of the payment ("Severance Payment") to be made to me under the Lockheed Martin Corporation Executive Severance Plan ("Severance Plan"). By signing below, I agree as follows:

(1) Restrictions Following Termination of Employment.

(a) Covenant Not To Compete –Without the express written consent of the Senior Vice President, Chief Human Resources Officer of the Company, during the one-year period following my last day of employment with the Company ("Termination Date"), I will not, directly or indirectly, be employed by, provide services to, or advise a "Restricted Company" (as defined in Section 6 below), whether as an employee, advisor, director, officer, partner or consultant, or in any other position, function or role that, in any such case,

- (i) oversees, controls or affects the design, operation, research, manufacture, marketing, sale or distribution of "Competitive Products or Services" (as defined in Section 6 below) of or by the Restricted Company, or
- (ii) would involve a substantial risk that the "Confidential or Proprietary Information" (as defined in Section 1(c) below) of the Company (including but not limited to technical information or intellectual property, strategic plans, information relating to pricing offered to the Company by vendors or suppliers or to prices charged or pricing contemplated to be charged by the Company, information relating to employee performance, promotions or identification for promotion, or information relating to the Company's cost base) could be used to the disadvantage of the Company.

I acknowledge and agree that: (A) the enforcement of this PECA pursuant to Sections 1(a)(i) and (ii) is necessary to protect, among other interests, the Company's trade secrets and other Confidential or Proprietary Information, as defined by Section 1(c), and goodwill in its customers and employees; and (B) Sections 1(a)(i) and (ii) shall not apply to me if I am covered under an applicable state statute or local ordinance or rule prohibiting non-competition restrictions, including on the basis of my income or profession. In addition, Sections 1(a)(i) and (ii) shall only apply while I am employed by or otherwise working for the Company if I primarily work or reside in California, Virginia

(but only if I am a “low-wage employee” under Virginia Code Section 40.1-28.7:8), Minnesota, North Dakota, or Oklahoma.

To the extent permitted by applicable law, including but not limited to any applicable rules governing attorney conduct (such as the ABA Model Rules of Professional Conduct and state versions thereof), Sections 1(a)(i) and (ii) and Section 1(b) relating to non-solicitation, shall apply to individuals who are employed by the Company in an attorney position and whose occupation during the one-year period following employment with the Company does not include practicing law.

In lieu of Section 1(a)(i) and (ii), as well as Section 1(b) relating to non-solicitation, the following Section 1(a)(iii) shall apply to individuals who are employed by the Company in an attorney position, and whose occupation during the one-year period following employment with the Company includes practicing law.

- (iii) Post-employment Activity As a Lawyer – I acknowledge that as counsel to the Company, I owe ethical and fiduciary obligations to the Company and that at least some of these obligations will continue even after my Termination Date with the Company. I agree that after my Termination Date I will comply fully with all applicable ethical and fiduciary obligations that I owe to the Company. To the extent permitted by applicable law, including but not limited to any applicable rules governing attorney conduct, I agree that I will not:
 - a. Represent any client in the same or a substantially related matter in which I represented the Company where the client’s interests are materially adverse to the Company; or
 - b. Disclose confidential information relating to my representation of the Company, including the disclosure of information that is to the disadvantage of the Company, except for information that is or becomes generally known.

The Company’s Senior Vice President, General Counsel, and Corporate Secretary or the General Tax Counsel, as applicable, will determine in their discretion whether an individual is employed by the Company in an attorney position.

(b) Non-Solicit – Without the express written consent of the Senior Vice President, Chief Human Resources Officer of the Company, during the two-year period following the Termination Date, I will not (i) cause or attempt to cause, directly or indirectly, the complete or partial loss of any contract in effect before the Termination Date between the Company and any customer, supplier, distributor or manufacturer of or to the Company with which I was responsible, in whole or in part, for soliciting, negotiating, implementing, managing, or overseeing or (ii) induce or attempt to induce, directly or indirectly, any person who is an employee of the Company with whom I worked or interacted within two

years prior to the Termination Date to cease employment with the Company in order to perform work or services for any entity other than the Company.

I acknowledge and agree that: (A) the enforcement of this PECA pursuant to Section 1(b)(i) is necessary to protect, among other interests, the Company's trade secrets and other Confidential or Proprietary Information, as defined by Section 1(c), and goodwill in its customers and employees; and (B) Section 1(b)(i) shall not apply to me if I am a "low-wage employee" under Virginia Code Section 40.1-28.7:8 or am covered under an applicable state statute or local ordinance or rule prohibiting non-solicitation restrictions, including on the basis of my income or profession. In addition, if I primarily reside or work in California, Section 1(b) shall apply only while I am employed by or otherwise working for the Company.

(c) Protection of Proprietary Information – Except to the extent required by law, following my Termination Date, I will have a continuing obligation to comply with the terms of any non-disclosure or similar agreements that I signed while employed by the Company committing to hold confidential the "Confidential or Proprietary Information" (as defined below) of the Company or any of its affiliates, subsidiaries, related companies, joint ventures, partnerships, customers, suppliers, partners, contractors or agents, in each case in accordance with the terms of such agreements. I will not use or disclose or allow the use or disclosure by others to any person or entity of Confidential or Proprietary Information of the Company or others to which I had access or that I was responsible for creating or overseeing during my employment with the Company. In the event I become legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or otherwise) to disclose any proprietary or confidential information, I will immediately notify the Company's Senior Vice President, General Counsel and Corporate Secretary as to the existence of the obligation and will cooperate with any reasonable request by the Company for assistance in seeking to protect the information. All materials to which I have had access, or which were furnished or otherwise made available to me in connection with my employment with the Company shall be and remain the property of the Company. For purposes of this PECA, "Confidential or Proprietary Information" means trade secrets, as defined by the federal Defend Trade Secrets Act of 2016 and/or applicable state trade secret law, and Sensitive Information within the meaning of CRX-015 (a copy of which has been made available to me), including but not limited to information that a person or entity desires to protect from unauthorized disclosure to third parties that can provide the person or entity with a business, technological, or economic advantage over its competitors, or which, if known or used by third parties or if used by the person's or entity's employees or agents in an unauthorized manner, might be detrimental to the person's or entity's interests. Confidential or Proprietary Information may include, but is not limited to:

- (i) existing and contemplated business, marketing and financial business information such as business plans and methods, marketing information, cost estimates, forecasts, financial data, cost or pricing data, bid and proposal information, customer

identification, sources of supply, contemplated product lines, proposed business alliances, and information about customers and competitors,

(ii) existing and contemplated technical information and documentation pertaining to technology, know how, equipment, machines, devices and systems, computer hardware and software, compositions, formulas, products, processes, methods, designs, specifications, mask works, testing or evaluation procedures, manufacturing processes, production techniques, research and development activities, inventions, discoveries, and improvements, and

(iii) for supervisory employees only, human resources and personnel information.

(d) No disparagement – Following the Termination Date, for supervisory or management employees only, I will not make any statements, whether verbal or written, that disparage or reasonably may be interpreted to disparage the Company or its directors, officers, employees, technology, products or services with respect to any matter whatsoever.

(e) Cooperation in Litigation and Investigations - Following the Termination Date, I will, to the extent reasonably requested, cooperate with the Company in any pending or future litigation (including alternative dispute resolution proceedings) or investigations in which the Company or any of its subsidiaries or affiliates is a party or is required or requested to provide testimony and regarding which, as a result of my employment with the Company, I reasonably could be expected to have knowledge or information relevant to the litigation or investigation. Notwithstanding any other provision of this PECA, nothing in this PECA shall affect my obligation to cooperate with any governmental inquiry or investigation or to give truthful testimony in court.

(f) Communications with Regulatory Authorities – Nothing in this PECA prohibits or restricts me (or my attorney) from initiating communications directly with, responding to an inquiry from, or providing testimony before the Securities and Exchange Commission, Equal Employment Opportunity Commission, or any other federal or state regulatory authority.

(g) Notices (including under the Defend Trade Secrets Act and National Labor Relations Act) – Notwithstanding anything in this PECA to the contrary:

(i) I will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other

document that is filed under seal in a lawsuit or other proceeding.

- (ii) If I file a lawsuit for retaliation by the Company for reporting a suspected violation of law, I may disclose the Company's trade secrets to my attorney and use the trade secret information in the court proceeding if I (1) file any document containing the trade secret under seal; and (2) do not disclose the trade secret, except pursuant to court order.
- (iii) Nothing in this PECA in any way prohibits or is intended to restrict or impede, and shall not be interpreted or understood as restricting or impeding, me from (1) for non-supervisory employees only, exercising my rights under Section 7 of the National Labor Relations Act (NLRA) (including with respect to engaging in concerted activities for the purpose of collective bargaining or other mutual aid or protection, discussing terms and conditions of employment, or otherwise engaging in protected conduct); or (2) otherwise disclosing or discussing truthful information about unlawful employment practices (including unlawful discrimination, harassment, retaliation, or sexual assault).

2. Consideration and Release of Claims. I acknowledge and agree that the Severance Payment being made to me is in addition to the payments or benefits that otherwise are or would be owed to me by the Company and that the Severance Benefit being provided to me is in consideration for my entering into this PECA and the Release of Claims attached to this PECA. I acknowledge that the scope and duration of the restrictions in Section 1 are necessary to be effective and are fair and reasonable in light of the value of the payments being made to me. I further acknowledge and agree that as a result of the high level executive and management positions I have held within the Company and the access to and extensive knowledge of the Company's Confidential or Proprietary Information, employees, suppliers and customers, (i) these restrictions are reasonably required for the protection of the Company's legitimate business interests, including, but not limited to, the Company's Confidential or Proprietary Information, (ii) the area, duration and scope of the restrictions are reasonable and necessary to protect the Company, (iii) the restrictions do not unduly oppress or restrict my ability to earn a livelihood in my profession, and (iv) the restrictions are not an undue restraint on my trade or any of the public interests that may be involved.

3. Remedies For Breach of Section 1; Additional Remedies of Clawback and Recoupment.

(a) I agree, upon demand by the Company, to repay the Severance Payment to the Company in the event any of the following occur:

- (i) I breach any of the covenants in Section 1;

- (ii) The Company determines that either (a) my intentional misconduct or gross negligence, or (b) my failure to report another person's intentional misconduct or gross negligence of which I had knowledge during the period I was employed by the Company, contributed to the Company having to restate all or a portion of its financial statements filed for any period with the Securities and Exchange Commission;
- (iii) The Company determines that I engaged in fraud, bribery or any other illegal act or that my intentional misconduct or gross negligence (including the failure to report another person's intentional misconduct or gross negligence of which I had knowledge during the period I was employed by the Company) contributed to another person's fraud, bribery or other illegal act, which in any such case adversely affected the Company's financial position or reputation;
- (iv) The Company determines that my intentional misconduct or gross negligence caused severe reputational or financial harm to the Company;
- (v) The Company determines that I misappropriated Confidential or Proprietary Information, as defined in Section 1(c), and I (A) intended to use the misappropriated Confidential or Proprietary Information to cause severe reputational or financial harm to the Company or (B) used the misappropriated Confidential or Proprietary Information in a manner that caused severe reputational or financial harm to the Company; or
- (vi) Under such other circumstances specified in a written recovery policy adopted by the Corporation to comply with Rule 10D-1 under the Securities Exchange Act and New York Stock Exchange listing standards requiring the Corporation to recover from executive officers erroneously awarded compensation or other applicable law.

(b) The remedy provided in Section 3(a) shall not be the exclusive remedy available to the Company for any of the conduct described in Section 3(a) and shall not limit the Company from seeking damages or injunctive relief. For purposes of Section 3(a), a determination by the Company means a determination by a review committee consisting of the Senior Vice President, Chief Human Resources Officer, the Senior Vice President, Ethics and Enterprise Assurance, and the Senior Vice President, General Counsel and Corporate Secretary (the "Review Committee").

4. Injunctive Relief. I acknowledge that the Company's remedies at law may be inadequate to protect the Company against any actual or threatened breach of the provisions of Section 1 or the conduct described in Section 3(a), and, therefore, without prejudice to any other rights and remedies otherwise available to the Company at law or in equity (including but not limited to, an action under Section 3(a)), the Company shall be entitled to injunctive relief in its favor and to specific performance without proof of actual damages and without the requirement of the posting of any bond or similar security.

5. Invalidity; Unenforceability. It is the desire and intent of the parties that the provisions of this PECA shall be enforced to the fullest extent permissible. The covenants in each section of this PECA are independent of any other provisions of this PECA. Each term in this PECA constitutes a separate covenant between the parties, and each term is fully severable from any other term. The parties agree if any particular paragraphs, subparagraphs, phrases, words, or other portions of this PECA are determined by an appropriate court to be invalid or unenforceable as written, they shall be modified as necessary to comport with the reasonable intent and expectations of the parties and in favor of providing reasonable protection to all of the Company's legitimate business interests, and such modification shall not affect the remaining provisions of this PECA, or if they cannot be modified to be made valid or enforceable, then they shall be severed from this PECA, and all remaining terms and provisions shall remain enforceable.

6. Definitions. Capitalized terms not defined in this PECA have the meaning given to them in the Severance Plan, as applicable. For purposes of this PECA, the following terms have the meanings given below:

(a) "Restricted Company" means The Boeing Company, General Dynamics Corporation, Northrop Grumman Corporation, the Raytheon Technologies Corporation, Honeywell International Inc., BAE Systems Inc., L3Harris Technologies, Inc., Thales, Airbus Group, Inc., Textron, Inc., Leonardo SpA, Leidos Holdings, Inc., Space Exploration Technologies Corp., Palantir Technologies Inc., GE Aerospace, Anduril Industries, Inc., and (i) any entity directly or indirectly controlling, controlled by, or under common control with any of the foregoing, and (ii) any successor to all or part of the business of any of the foregoing as a result of a merger, reorganization, consolidation, spin-off, split-up, acquisition, divestiture, or similar transaction, or as a result of a name change, and (iii) any entity or business identified in Addendum A to this PECA.

(b) "Competitive Products or Services" means products or services that compete with, or are an alternative or potential alternative to, products sold or services provided by a subsidiary, business area, division or operating unit or business of the Company as of the Termination Date and at any time within the two-year period ending on the Termination Date; provided, that, (i) if I had direct responsibility for the business of, or function with respect to, a subsidiary, or for a business area, division or operating unit or business of the Company at any time within the two-year period ending on the Termination Date, Competitive Products or Services includes the products so sold or the services so provided during that two-year period by the subsidiary, business area, division or operating unit of the

Company for which I had responsibility, and (ii) if I did not have direct responsibility for the business of, or function with respect to, a subsidiary, or for a business area, division or operating unit or business of the Company at any time within the two-year period ending on the Termination Date, Competitive Products or Services includes the products so sold or the services so provided by a subsidiary, business area, division or operating unit of the Company for which I had access (or was required or permitted such access in the performance of my duties or responsibilities with the Company) to Confidential or Proprietary Information of the Company at any time during the two-year period ending on the Termination Date.

7. Miscellaneous

(a) The Severance Plan, this PECA with the attached Release of Claims constitute the entire agreement governing the terms of the Severance Payment and supersede all other prior agreements and understandings, both written and oral, between me and the Company or any employee, officer or director of the Company concerning payments on account of my termination of employment.

(b) This PECA shall be governed by Maryland law, without regard to its provisions governing conflicts of law. Any enforcement of, or challenge to, this PECA may only be brought in the United States District Court for the District of Maryland, unless it is determined that such court does not have subject matter jurisdiction, in which case any such enforcement or challenge must be brought in the Circuit Court of Montgomery County in the State of Maryland. Both parties consent to the proper jurisdiction and venue of such court, as applicable, for the purpose of enforcing or challenging this PECA. For residents of California, Massachusetts (Section 1(a) only), Minnesota (Section 1(a) only), Washington and Wisconsin, or if otherwise provided in an applicable Addenda, this Section 7(b) shall not apply; instead, the parties agree that the law of the state in which I am domiciled at the time of acceptance shall govern the interpretation, application, and enforcement of this PECA, without regard to any choice of law rules of that or any other state, and that the exclusive venue shall be the state or federal courts sitting in or covering the county where I am domiciled at the time of acceptance.

(c) This PECA shall inure to the benefit of the Company's successors and assigns and may be assigned by the Company without my consent.

(d) The restrictive covenants and other terms in this PECA are to be read consistent with the terms of any other restrictive covenants or other agreements that I have executed with the Company; provided, however, to the extent there is a conflict between/among such agreements, such agreements shall be construed as providing the broadest possible protections to the Company, even if such construction would require provisions of more than one such agreement to be given effect.

(e) The obligations I have undertaken in this PECA shall survive the Termination Date and no dispute regarding any other provisions of this PECA or regarding my employment or the termination of my employment shall prevent the operation and enforcement of these obligations.

(f) I acknowledge and agree that different provisions than those set forth in this PECA, including with respect to the restrictive covenant obligations, may apply to me if I primarily reside or work in certain jurisdictions. While I primarily reside or work in such a jurisdiction, including on the Termination Date, I agree that the provisions within this PECA shall be superseded only as set forth in the applicable Addendum attached hereto or as explicitly noted within the PECA.

SIGNED this ____ day of _____, 2__.

(Signature)

(Printed Name)

(Title)

FOR LOCKHEED MARTIN CORPORATION:

(Signature)

(Printed Name)

(Title)

(Date)

NOTE: HRBP must scan and upload the executed PECA (and Addendum A, if applicable) to the Executive Action System in order for payments to be processed.

If Addendum A is applicable, be sure to have Legal review Addendum A.

Addendum A

Additional "Restricted Companies" For Purposes of Section 6(a) of the PECA

Entity Name	Description of the Competitive Business

COLORADO ADDENDUM TO POST-EMPLOYMENT CONDUCT AGREEMENT

Notice of Restrictive Covenant to Colorado Employees

This notice is to advise you that the Company is, contemporaneously with this notice, providing you with a Post-Employment Conduct Agreement (the "PECA") containing covenants that could restrict your options for subsequent employment following separation from the Company, in that you will be prohibited from certain competition and solicitation of customers, employees, etc., as described in Section 1 of the PECA (and as modified by this Colorado Addendum) and from disclosing or using Confidential Information as described in Section 1 of the PECA (and as modified by this Colorado Addendum).

You acknowledge that this notice was provided to you at least fourteen (14) days before the earlier of your Termination Date, as defined in the PECA, or the effective date of the consideration provided to you for such covenant. By signing the PECA, you expressly acknowledge and agree that you are deemed to have separately signed this notice.

The provisions of this Colorado Addendum apply only to those employees of the Company who primarily work or reside in the State of Colorado.

1. The following is added to the end of Section 1(a) of the PECA "Covenant Not to Compete":

The restrictions described in Section 1(a) are intended to cover geographic territory where your knowledge of the Company's trade secrets could be used by a Restricted Company to unfairly compete with or undermine the Company's legitimate business interests.

2. The language in Section 1 of the PECA "Restrictions Following Termination of Employment" is modified by adding the following:

The restrictions related to competitive activities in Section 1(a) only apply to the extent I earn, both at the time this PECA is entered into and at the time the Company enforces it, an amount of annualized cash compensation equivalent to or greater than the threshold amount for highly compensated workers as determined by the Colorado Department of Labor and Employment at the time this PECA is entered into, and such activities will involve the inevitable use of, or near-certain influence by my knowledge of, trade secrets disclosed to me during the course of employment with the Company. As of January 1, 2025, that threshold is \$127,091.

The restrictions related to solicitation activities in Section 1(b)(i) only apply to the extent I earn, both at the time this PECA is entered into and at the time the Company enforces it, an amount of annualized cash compensation equivalent to or greater than 60% of the threshold amount for highly compensated workers as determined by the Colorado Department of Labor and Employment at the time this PECA is entered into, and such activities will involve the inevitable use of, or near-certain influence by my knowledge of, trade secrets disclosed to me during the course of employment with the Company. As of January 1, 2025, that threshold is \$76,254.60.

3. The language in Section 2 of the PECA "Consideration and Acknowledgement" is modified by adding the following:

I acknowledge and agree that the restrictions in this PECA are reasonable and shall not prohibit the disclosure of information arising from my general training, knowledge, skill, or experience, whether gained on the job or otherwise, information readily ascertainable to the public, and/or information an employee has a right to disclose as legally protected conduct.

4. The language in Section 7(b) of the PECA is modified by adding the following:

I understand that if I primarily reside or work in the State of Colorado at the time my employment with the Company is terminated, the PECA will be subject to the laws and courts of the State of Colorado. During this period, venue shall be the State and Federal courts sitting in Colorado and the parties waive any defense, whether asserted by motion or pleading, that the venue specified by this Addendum is an improper or inconvenient venue.

DISTRICT OF COLUMBIA ADDENDUM TO POST-EMPLOYMENT CONDUCT AGREEMENT

The District of Columbia's Ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to request non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions. The Company has determined that you are a highly compensated employee. For more information about the Ban on Non-Compete Agreements Amendment Act of 2020, contact the District of Columbia Department of Employment Services (DOES).

The Company is, contemporaneously with this notice, providing you with a Post-Employment Conduct Agreement (the "PECA") containing covenants that could restrict your options for subsequent employment following separation from the Company, in that you will be prohibited from certain competition and solicitation of customers, employees, etc., as described in Section 1 of the PECA. The provisions of this District of Columbia Addendum apply only to those employees of the Company who primarily work in the District of Columbia and are as follows.

1. The following is added to the end of Section 1(a) of the PECA "Covenant Not to Compete":

I understand that the non-competition obligations under Section 1(a) shall apply to me if I am a "highly compensated employee." A "highly compensated employee" for this purpose is someone who is reasonably expected to earn at least \$154,200 (in 2024) during a consecutive 12-month period or whose compensation earned from the Company in the consecutive 12-month period preceding the date the proposed non-competition is to begin is at least \$154,200 (in 2024). Beginning on January 1, 2024, and each calendar year thereafter, the dollar threshold for highly compensated employee status will be adjusted based on increases in the Consumer Price Index. Compensation includes the individual's hourly wages, salary, bonuses or cash incentives, commissions, overtime premiums, vested stocked (including restricted stock units), and other payments provided on a regular or irregular basis.

The restrictions described in Section 1(a) are intended to cover geographic territory where my knowledge of the Company's trade secrets could be used by a Restricted Company to unfairly compete with or undermine the Company's legitimate business interests.

2. A new Section "Notice" is added to the end of the PECA, reading as follows:

I agree that before being required to sign this PECA, the Company provided written notice to me that I had at least fourteen (14) calendar days to review the non-competition provision in the PECA before I must execute the PECA.

**Acknowledgment of
Independent Registered Public Accounting Firm**

Board of Directors and Stockholders
Lockheed Martin Corporation

We are aware of the incorporation by reference of our report dated July 22, 2025, relating to the unaudited consolidated interim financial statements of Lockheed Martin Corporation that is included in its Form 10-Q for the quarter ended June 29, 2025, in the following Registration Statements of Lockheed Martin Corporation:

- 333-92363 on Form S-8, dated December 8, 1999;
- 333-115357 on Form S-8, dated May 10, 2004;
- 333-155687 on Form S-8, dated November 25, 2008;
- 333-188118 on Form S-8, dated April 25, 2013;
- 333-195466 on Form S-8, dated April 24, 2014, July 23, 2014 (Post-Effective Amendment No.1) and April 24, 2020 (Post-Effective Amendment No. 2);
- 333-237829, 333-237831, and 333-237832 on Form S-8, each dated April 24, 2020;
- 333-271323 on Form S-8, dated April 18, 2023; and
- 333-271325 on Form S-3, dated April 18, 2023.

/s/ Ernst & Young LLP

Tysons, Virginia
July 22, 2025

**CERTIFICATION OF JAMES D. TAICLET PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, James D. Taiclet, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lockheed Martin Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ James D. Taiclet _____

James D. Taiclet
Chief Executive Officer

Date: July 22, 2025

**CERTIFICATION OF EVAN T. SCOTT PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Evan T. Scott, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lockheed Martin Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Evan T. Scott

Evan T. Scott
Chief Financial Officer

Date: July 22, 2025

CERTIFICATION OF JAMES D. TAICLET AND EVAN T. SCOTT PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Lockheed Martin Corporation (the "Corporation") on Form 10-Q for the period ended June 29, 2025, as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, James D. Taiclet, Chief Executive Officer of the Corporation, and I, Evan T. Scott, Chief Financial Officer of the Corporation, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

/s/ James D. Taiclet

James D. Taiclet
Chief Executive Officer

/s/ Evan T. Scott

Evan T. Scott
Chief Financial Officer

Date: July 22, 2025