

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

	Quarters Ended		Nine Months Ended	
	Sept. 29, 2024	Sept. 24, 2023	Sept. 29, 2024	Sept. 24, 2023
Net sales	\$ 17,104	\$ 16,878	\$ 52,421	\$ 48,697
Cost of sales	(14,987)	(14,830)	(46,181)	(42,513)
Gross profit	2,117	2,048	6,240	6,184
Other income (expense), net	23	(6)	77	30
Operating profit	2,140	2,042	6,317	6,214
Interest expense	(256)	(237)	(772)	(662)
Non-service FAS pension income	16	111	47	332
Other non-operating income, net	18	37	109	69
Earnings before income taxes	1,918	1,953	5,701	5,953
Income tax expense	(295)	(269)	(892)	(899)
Net earnings	\$ 1,623	\$ 1,684	\$ 4,809	\$ 5,054
Effective tax rate	15.4%	13.8%	15.6%	15.1%
Earnings per common share				
Basic	\$ 6.83	\$ 6.75	\$ 20.12	\$ 20.04
Diluted	\$ 6.80	\$ 6.73	\$ 20.05	\$ 19.97
Weighted average shares outstanding				
Basic	237.5	249.3	239.0	252.2
Diluted	238.6	250.2	239.9	253.1

Common shares reported in stockholders' equity at end of period 236 247

¹ The company closes its books and records on the last Sunday of the calendar quarter to align its financial closing with its business processes, which was on Sept. 29, for the third quarter of 2024 and Sept. 24, for the third quarter of 2023. The consolidated financial statements and tables of financial information included herein are labeled based on that convention. This practice only affects interim periods, as the company's fiscal year ends on Dec. 31.

Table 1

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

	Quarters Ended			Nine Months Ended		
	Sept. 29, 2024	Sept. 24, 2023	% Change	Sept. 29, 2024	Sept. 24, 2023	% Change
Net sales						
Aeronautics	\$ 6,487	\$ 6,717	(3%)	\$ 20,609	\$ 19,861	4%
Missiles and Fire Control	3,175	2,939	8%	9,270	8,082	15%
Rotary and Mission Systems	4,367	4,121	6%	13,003	11,528	13%
Space	3,075	3,101	(1%)	9,539	9,226	3%
Total net sales	\$ 17,104	\$ 16,878	1%	\$ 52,421	\$ 48,697	8%
Operating profit						
Aeronautics	\$ 659	\$ 671	(2%)	\$ 2,089	\$ 2,064	1%
Missiles and Fire Control	456	398	15%	1,217	1,146	6%
Rotary and Mission Systems	483	482	—%	1,408	1,286	9%
Space	272	259	5%	943	851	11%
Total business segment operating profit	1,870	1,810	3%	5,657	5,347	6%
Unallocated items						
FAS/CAS operating adjustment	406	414		1,218	1,245	
Impairment and severance charges	—	—		(87)	—	
Intangible asset amortization expense	(61)	(61)		(183)	(185)	
Other, net	(75)	(121)		(288)	(193)	
Total unallocated items	270	232	16%	660	867	(24%)
Total consolidated operating profit	\$ 2,140	\$ 2,042	5%	\$ 6,317	\$ 6,214	2%
Operating margin						
Aeronautics	10.2%	10.0%		10.1%	10.4%	
Missiles and Fire Control	14.4%	13.5%		13.1%	14.2%	
Rotary and Mission Systems	11.1%	11.7%		10.8%	11.2%	
Space	8.8%	8.4%		9.9%	9.2%	
Total business segment operating margin	10.9%	10.7%		10.8%	11.0%	
Total consolidated operating margin	12.5%	12.1%		12.1%	12.8%	

Table 2

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

	<u>2024</u> <u>Outlook</u>	<u>2023</u> <u>Actual</u>
Total FAS income CAS cost		
FAS pension income	\$ —	\$ 378
Less: CAS pension cost	<u>1,685</u>	<u>1,725</u>
Total FAS/CAS pension adjustment	\$ 1,685	\$ 2,103
 Service and non-service cost reconciliation		
FAS pension service cost	\$ (60)	\$ (65)
Less: CAS pension cost	<u>1,685</u>	<u>1,725</u>
Total FAS/CAS pension operating adjustment	1,625	1,660
Non-service FAS pension income	<u>60</u>	<u>443</u>
Total FAS/CAS pension adjustment	\$ 1,685	\$ 2,103

Table 3

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

	<u>Sept. 29, 2024</u>	<u>Dec. 31, 2023</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 3,151	\$ 1,442
Receivables, net	2,141	2,132
Contract assets	14,224	13,183
Inventories	3,234	3,132
Other current assets	461	632
Total current assets	<u>23,211</u>	<u>20,521</u>
Property, plant and equipment, net	8,454	8,370
Goodwill	10,800	10,799
Intangible assets, net	1,979	2,212
Deferred income taxes	3,105	2,953
Other noncurrent assets	7,971	7,601
Total assets	<u>\$ 55,520</u>	<u>\$ 52,456</u>
Liabilities and equity		
Current liabilities		
Accounts payable	\$ 3,221	\$ 2,312
Salaries, benefits and payroll taxes	3,076	3,133
Contract liabilities	9,051	9,190
Current maturities of long-term debt	142	168
Other current liabilities	2,320	2,134
Total current liabilities	<u>17,810</u>	<u>16,937</u>
Long-term debt, net	19,179	17,291
Accrued pension liabilities	6,077	6,162
Other noncurrent liabilities	5,254	5,231
Total liabilities	<u>48,320</u>	<u>45,621</u>
Stockholders' equity		
Common stock, \$1 par value per share	236	240
Additional paid-in capital	—	—
Retained earnings	15,657	15,398
Accumulated other comprehensive loss	(8,693)	(8,803)
Total stockholders' equity	<u>7,200</u>	<u>6,835</u>
Total liabilities and equity	<u>\$ 55,520</u>	<u>\$ 52,456</u>

Table 4

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

	Nine Months Ended	
	Sept. 29, 2024	Sept. 24, 2023
Operating activities		
Net earnings	\$ 4,809	\$ 5,054
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation and amortization	1,100	1,009
Stock-based compensation	229	221
Deferred income taxes	(174)	(395)
Impairment and severance charges	87	—
Changes in assets and liabilities		
Receivables, net	(9)	100
Contract assets	(1,041)	(1,287)
Inventories	(102)	(224)
Accounts payable	970	1,731
Contract liabilities	(139)	(552)
Income taxes	66	(81)
Qualified defined benefit pension plans	(2)	(283)
Other, net	155	262
Net cash provided by operating activities	5,949	5,555
Investing activities		
Capital expenditures	(1,103)	(987)
Other, net	149	(4)
Net cash used for investing activities	(954)	(991)
Financing activities		
Issuance of long-term debt, net of related costs	1,980	1,975
Repayments of long-term debt	(168)	(115)
Repurchases of common stock	(2,700)	(3,000)
Dividends paid	(2,281)	(2,289)
Other, net	(117)	(131)
Net cash used for financing activities	(3,286)	(3,560)
Net change in cash and cash equivalents	1,709	1,004
Cash and cash equivalents at beginning of period	1,442	2,547
Cash and cash equivalents at end of period	\$ 3,151	\$ 3,551

Table 5

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

	<u>Sept. 29, 2024</u>	<u>Dec. 31, 2023</u>
Backlog		
Aeronautics	\$ 50,988	\$ 60,156
Missiles and Fire Control	40,722	32,229
Rotary and Mission Systems	37,571	37,726
Space	36,412	30,456
Total backlog	<u>\$ 165,693</u>	<u>\$ 160,567</u>

	<u>Quarters Ended</u>		<u>Nine Months Ended</u>	
	<u>Sept. 29, 2024</u>	<u>Sept. 24, 2023</u>	<u>Sept. 29, 2024</u>	<u>Sept. 24, 2023</u>
Aircraft Deliveries				
F-35	48	30	48	80
F-16	2	1	9	2
C-130J	4	7	13	13
Government helicopter programs	24	3	47	24
Commercial helicopter programs	—	3	—	4
International military helicopter programs	4	1	9	1

	<u>2024</u>	<u>2023</u>
Number of Weeks in Reporting Period¹		
First quarter	13	12
Second quarter	13	13
Third quarter	13	13
Fourth quarter	13	14

¹ Calendar quarters are typically comprised of 13 weeks. However, the company closes its books and records on the last Sunday of each month, except for the month of Dec., as its fiscal year ends on Dec. 31. As a result, the number of weeks in a reporting quarter may vary slightly during the year and for comparable prior year periods.

Table 6