



Lockheed Martin Corporate Overview

As of December 31st, 2025

Lockheed Martin Investor Relations
investor.relations@lmco.com

LOCKHEED MARTIN 

Lockheed Martin: Who We Are

Lockheed Martin is a global defense technology company driving innovation and advancing scientific discovery. Our all-domain mission solutions deliver transformative technologies that deter potential adversaries and ensure America and its allies can achieve peace through strength.

123K

Employees Worldwide

342

Facilities Globally

20%

Veterans Employed

100+

Years of Innovation



US & International Security Trends

U.S. and Global Focus on Deterrence Driving Demand for Products

Joint All Domain Operations (JADO)

- Integrated Solutions - Network Platforms and Capabilities



Advanced
Communications
and 5G.MIL
Solutions



Artificial
Intelligence
and Machine
Learning



Autonomy and
Human-Machine
Teaming



Cyber



Directed
Energy



Hypersonic
Solutions

Key Growth Areas

- THAAD / AEGIS / PAC-3 / Hypersonics
- F-35 / F-16 / Skunk Works® Classified
- Fleet Ballistic Missile / Next Generation Interceptor / National Security Space
- C2BMC Missile Defense / Radars / AIR6500
- CH-53K / Seahawk
- Homeland Defense

Lockheed Martin Well Positioned for U.S. and Global Priorities

Financial & Operational Metrics / Outlook

FY 2025 Financial Highlights

\$75.0B

Sales

\$6.7B

Segment Operating Profit*

9.0%

Segment Operating Margin*

\$21.49

Earnings Per Share

1.2x

Book-to-Bill Ratio*

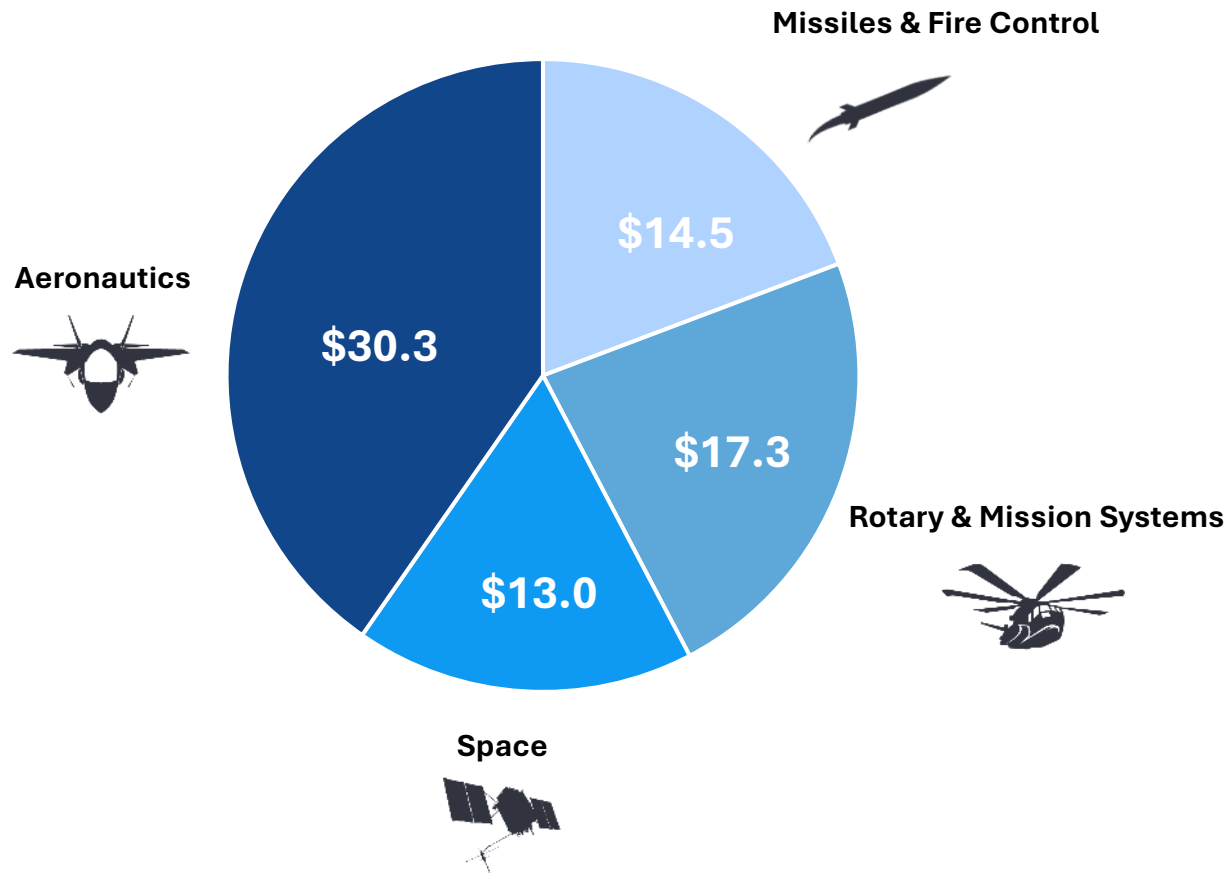
\$6.9B

Free Cash Flow*

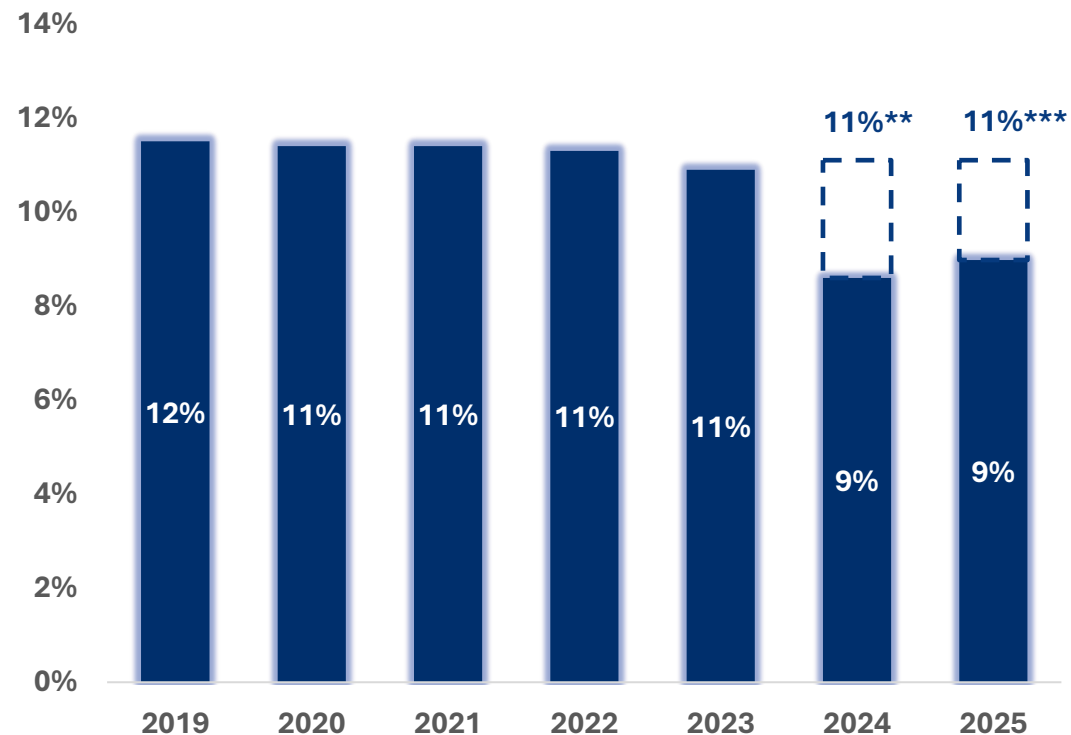


Lockheed Martin Business Areas at-a-Glance

2025 Sales (\$B)

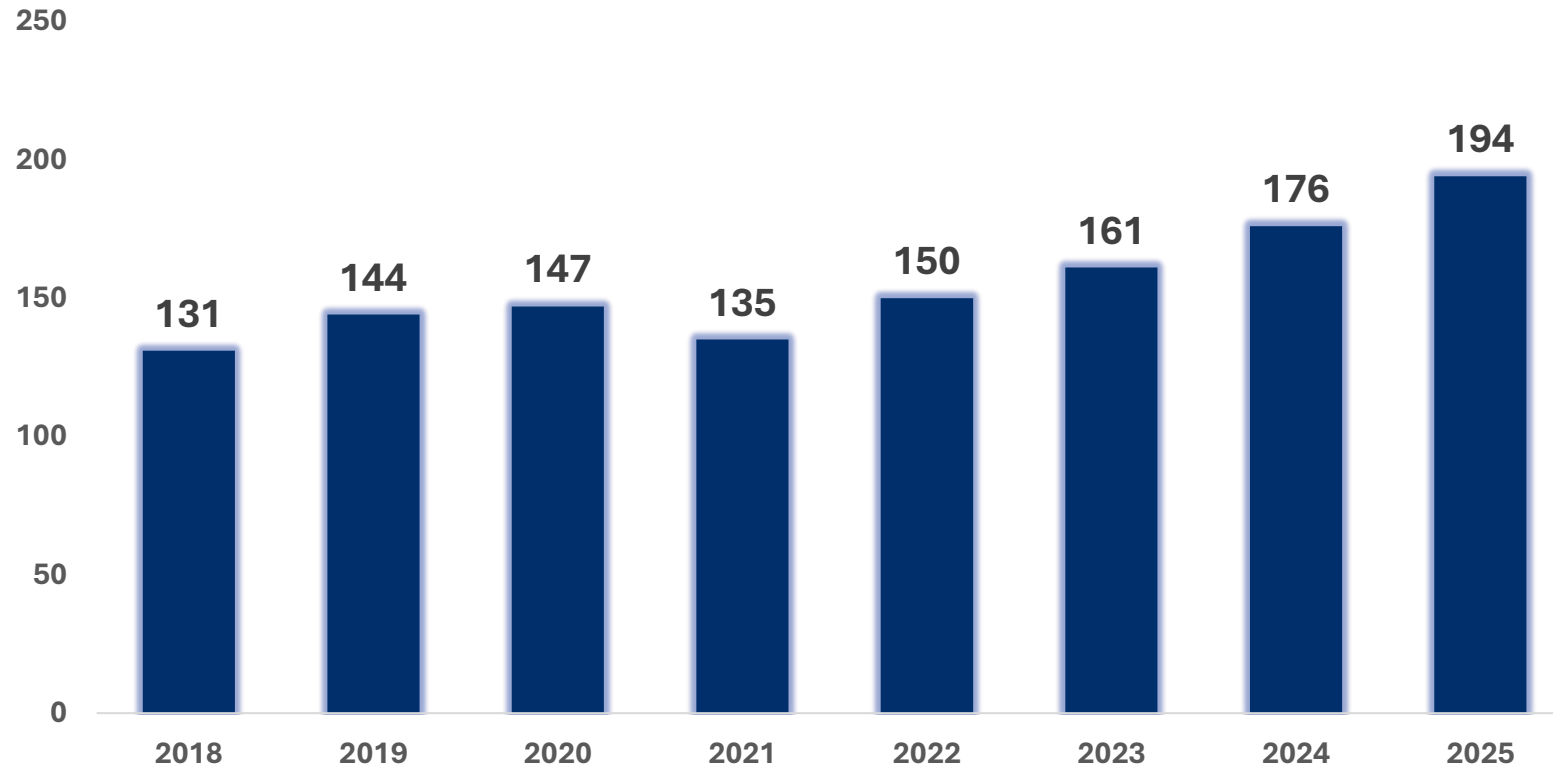


Segment Operating Margin*



**2024 segment operating profit normalized for various program charges totaling \$1,720
 ***2025 segment operating profit normalized for various program charges totaling \$1,615

Backlog History (~\$ Billion)



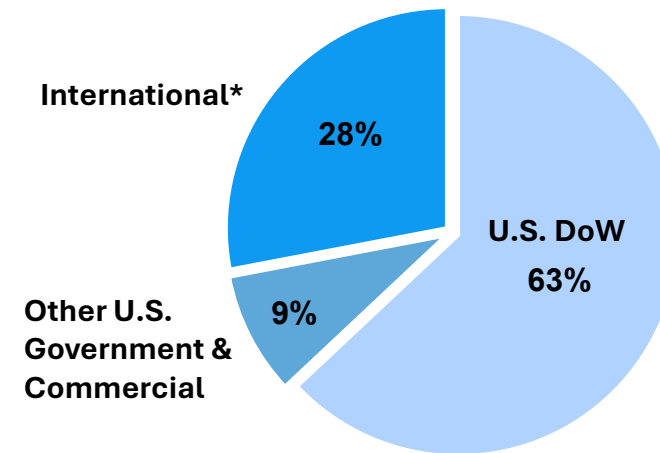
Record Year-Ending Backlog in 2025



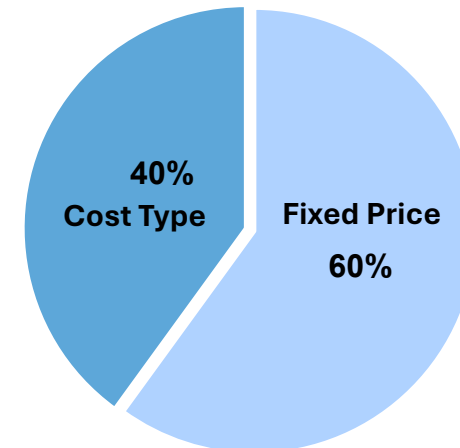
Portfolio Mix

Top 10 Programs	2025
F-35	27%
PAC-3	4%
C-130J	4%
F-16	4%
JASSM/LRASM	3%
BLACK HAWK	3%
Aegis	2%
Fleet Ballistic Missiles	2%
CH-53K	2%
THAAD	2%
Subtotal Top 10	~53%
All Other	~47%

2025 Sales by Customer



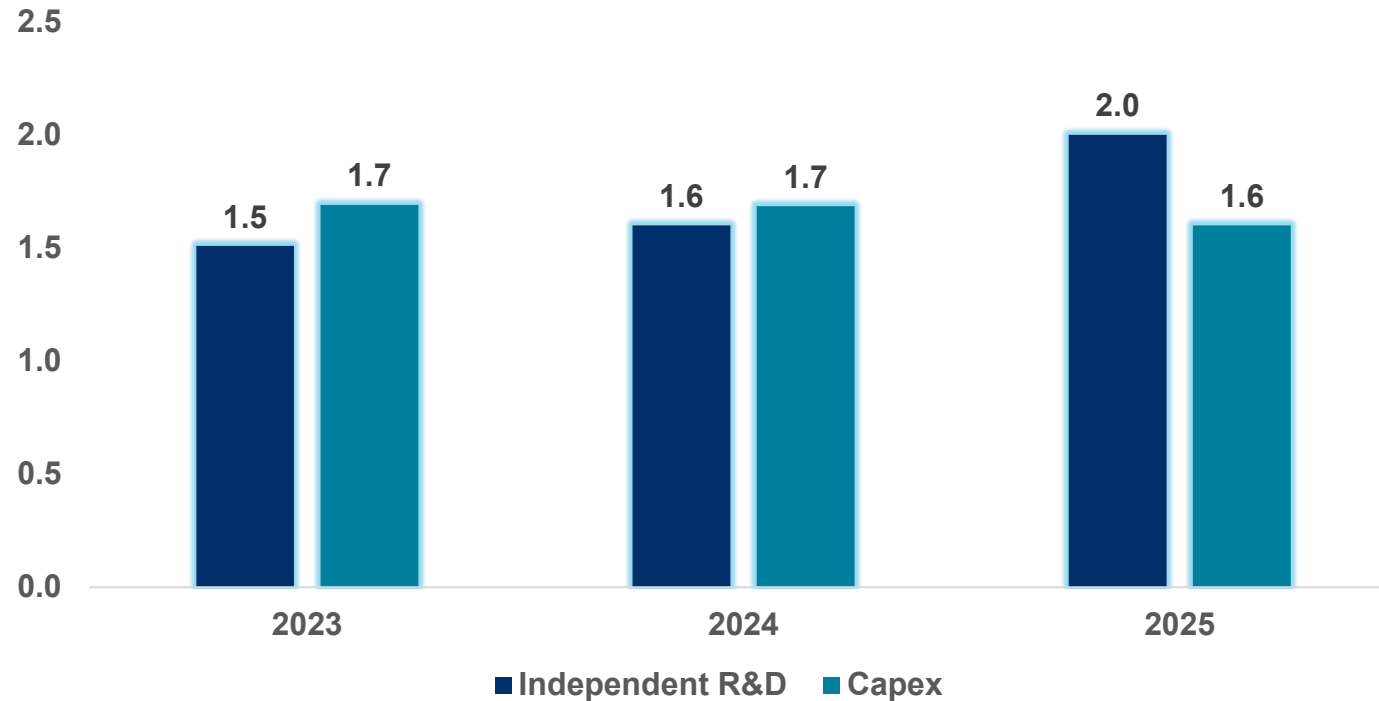
2025 Sales by Contract Mix



Diversified and Durable Portfolio

*In 2025, approximately 77% of international sales were FMS (Foreign Military sales through the U.S. Government) and 23% were DCS (Direct Commercial Sales to international government customers).

Investing for Long-Term Value (\$B)



2026 Investment Priorities

- Munition ramps
- F-35 sustainment
- Air Dominance
- Homeland defense
- AI-enabled mission systems
- Autonomous platforms
- Digital engineering & Transformation

Disciplined Investment in Infrastructure and Innovation for Growth

Business Areas

Aeronautics

Combat Aircraft

F-35: Accelerating Readiness and Capability, Maintaining Strong Production Rate

- Partner Countries (8): USA, UK, Italy, Netherlands, Canada, Australia, Denmark, Norway
- FMS Countries (12): Israel, Japan, South Korea, Belgium, Poland, Singapore, Finland, Switzerland, Germany, Czech Republic, Greece, Romania
- Global Interest: F-35 being considered by additional international allies

F-16: Growing Backlog & Increasing International Demand

- Booked: Slovak Republic, Bulgaria, Bahrain, Jordan, Morocco, and Taiwan
- Opportunities: Latin America, Southeast Asia, and Europe

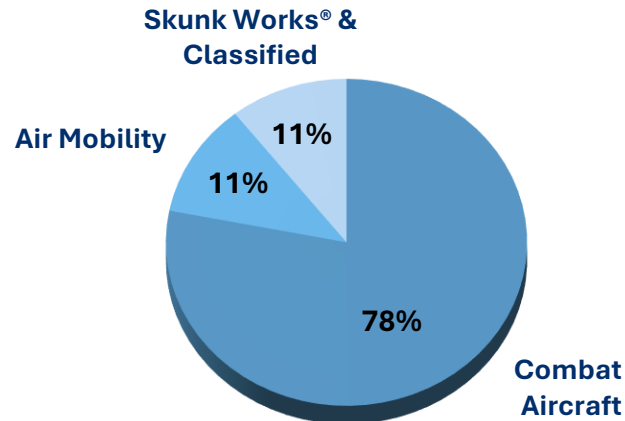
Air Mobility

Multiple C-130J Domestic & International Opportunities

Skunk Works® & Classified



\$30.3B 2025 Sales



Long-Term Franchise Portfolio

Major Program Annual Deliveries

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
F-35	35	36	45	46	66	91	134	120	142	141	98	110	191
F-16	13	17	11	12	8	0	0	0	0	0	5	16	16
C-130	25	24	21	24	26	25	28	22	22	24	21	21	2

Deliveries as of December 31st, 2025



F-35 Lightning II



F-16 Fighting Falcon



C-130J Super Hercules

Missiles and Fire Control

Tactical & Strike Missiles

- Precision Fires
- JASSM/LRASM
- Javelin
- Air Dominance
- Hypersonics:
Air-Launched Rapid
Response Weapon (ARRW)

Sensors & Global Sustainment

Integrated Air & Missile Defense

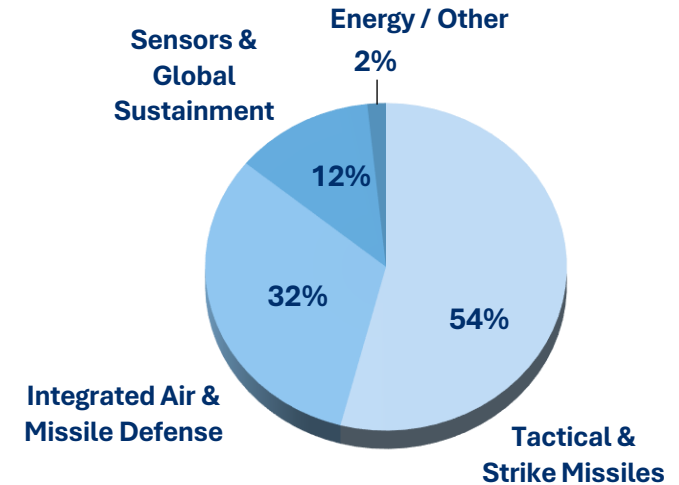
Missile Defense Remains Priority for USG & International

Three Frameworks Announced to Accelerate PAC-3, THAAD and PrSM

Combat-proven and interoperable systems integrated across joint and allied defense architectures

Energy / Other

\$14.5B 2025 Sales



PAC-3



JASSM/LRASM



THAAD



Javelin



PrSM

Positioned for Double Digit Growth Through 2030

Rotary and Mission Systems

Sikorsky

- CH-53K Production
- BLACK HAWK® Sustainment/Modernization
- Autonomy & Uncrewed Systems

Mission Integrated Command & Control*

- Aegis, Cyber and Electronic Warfare
- Joint All-Domain Command & Control (JADC2)
- AIR6500 and Defense of Guam
- Undersea Mission Systems

Training & Logistics Solutions

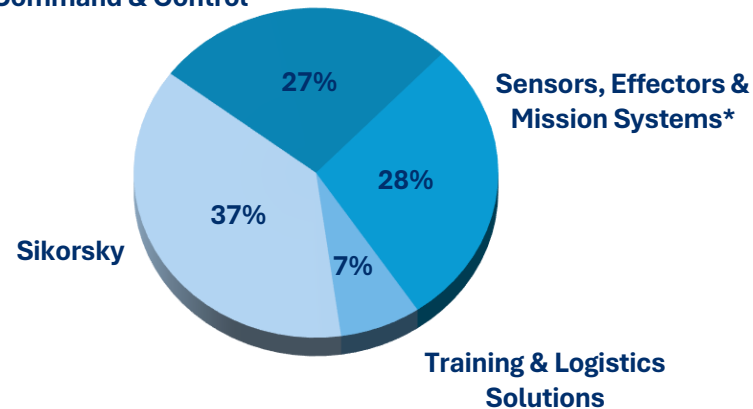
- F-35 Sustainment & Other Training Solutions

Sensors, Effectors & Mission Systems*

- Radars: LRDR, Sentinel, TPY-4
- Directed Energy
- Electronic Warfare
- Counter-UAS

\$17.3B 2025 Sales

Mission Integrated
Command & Control*



Sensors, Effectors &
Mission Systems*

Training & Logistics
Solutions

Sikorsky

**As of January 2026, former C6ISW and IWSS lines of business were reorganized into Mission Integrated Command and Control (MIC2) and Sensors, Effectors and Mission Systems (SEMS).*

Diversified Portfolio of Integrated Sensors and Vertical Lift Solutions



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Space

National Security Space

- Classified
- OPIR
- GPS III
- SDA Transport & Tracking Layer

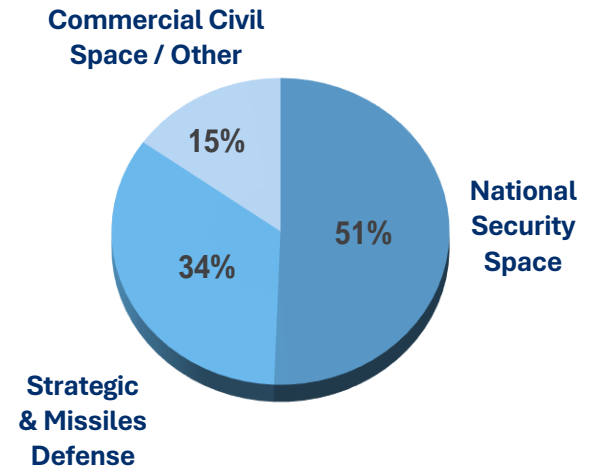
Strategic & Missile Defense

- Next Generation Interceptor
- Fleet Ballistic Missile
- Hypersonics:
- Intermediate Range Conventional Prompt Strike (IR-CPS)
 - Long-Range Hypersonic Weapon (LRHW)

Commercial Civil Space

- Orion
- Commercial & Civil Satellites
- Lunar Exploration

\$13.0B 2025 Sales



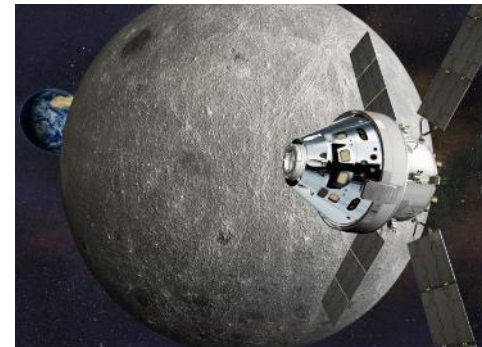
GPS III



Fleet Ballistic Missile (FBM)



Next-Gen Interceptor (NGI)



Orion

Positioned for Growth and Aligned to Strategic Space Priorities

Hypersonics

Missiles & Fire Control Air-Launched Rapid Response Weapon (ARRW)



Combines critical high-speed flight technologies and accelerates the weaponization of air-to-ground hypersonic strike capabilities for the U.S. Air Force.

Space Intermediate Range - Conventional Prompt Strike (IR-CPS)



A hypersonic boost-glide missile development and test program that provides longer range, shorter flight times, and high survivability against enemy defenses.

Space Long-Range Hypersonic Weapon (LRHW)



Leverages the common hypersonic glide body and introduce a new class of ultrafast and maneuverable long-range missiles with the ability to launch from ground mobile platforms.

Speeds of Mach 5+; Operating at High Altitudes;
Providing Maneuverability with Non-Ballistic Trajectory

Pension & Balance Sheet

Pension FAS Funded Status

(\$Billion)

	Year-End					
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Pension Obligation	\$51.4	\$43.5	\$28.7	\$29.0	\$27.2	\$26.7
Pension Assets	<u>38.5</u>	<u>35.2</u>	<u>23.2</u>	<u>22.8</u>	<u>22.4</u>	<u>22.8</u>
(Underfunded)	\$ (12.9)	\$ (8.3)	\$ (5.5)	\$ (6.2)	\$ (4.8)	\$ (3.9)
Assumptions:						
Discount Rate	2.50%	2.875%	5.25%	5.00%	5.625%	5.375%
Long-Term Return on Assets (LTRA)	7.00%	6.50%	6.50%	6.50%	6.50%	6.50%
~ Actual Asset Return	16.5%	10.5%	(18.0)%	7.0%	1.0%	10.5%

FAS/CAS Pension Summary

	<u>Actual Results (\$M)</u>		
	<u>2024</u>	<u>2025</u>	
FAS Income (Expense)	\$2	\$(924)*	Financial Accounting Standards Pension Inc. / (Exp.) Recognized in Income Statement
Less: CAS Cost	<u>1,684</u>	<u>1,568</u>	Cost Accounting Standards Pension Expense Invoiced to and Collected From U.S. Government
FAS / CAS Adjustment	\$1,686	\$644	Non-Cash Accounting Adjustment Recognized in Income

Cash (Outflow) / Inflow of Pensions (\$B)

	<u>12/31/2024</u>	<u>2025</u>	<u>12/31/2025</u>
Cash Funding		(0.9)	
Interest / Inv. Impact		(0.4)	
Subtotal		\$(1.3)	
CAS Recovery		1.6	
Net Cash (Outflow) / Inflow	\$(2.2)	\$0.3	\$(1.9)

2025
\$860M Cash Contribution

(2026 & Forward)
Recovery of Prior Years'
CAS Prepayment Credits;
Cash Contributions Continue

**Cash Funding Recoverable –
 But Limited Annually to CAS Pension Expense Level**

* Includes noncash, non-operating pretax settlement charge of \$479M

Pension Overview

10-K Annual Report

- Common Disclosure For Commercial Companies and Government Contractors
- Reflects Pension Obligation vs. Pension Assets & Over/(Under) Funded Status
- GAAP Common Depiction
- Financial Accounting Standards (FAS)
- **Non-Economic**
- **No Cash Flow Impact**

Cost Accounting Standards (CAS)

- Regulated by Federal Acquisition Regulations (FAR)
- Applies to Government Contractors Only
- CAS Reflects Annual Cash Government Reimburses to Contractors

- **Cash Recovery* from Customer**

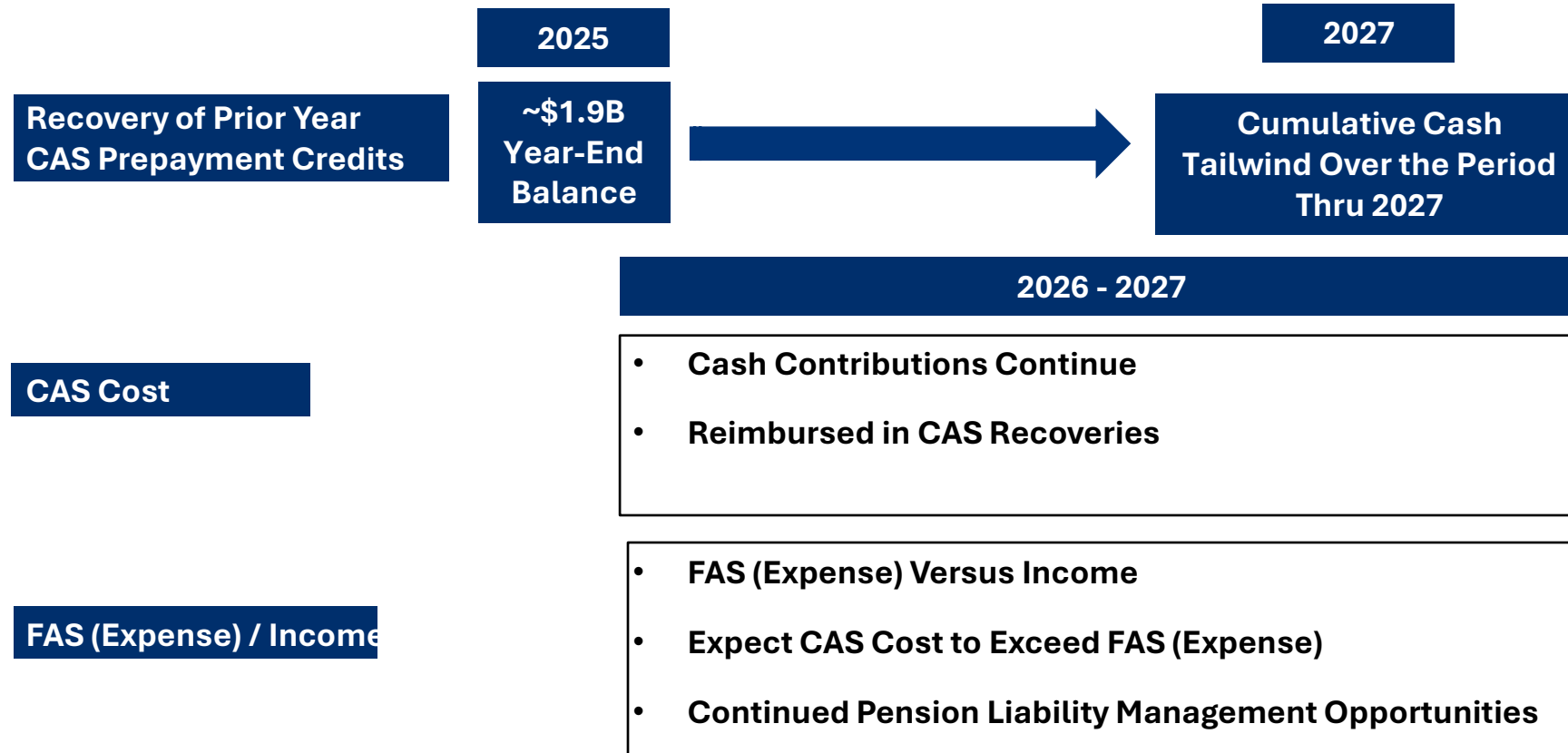
Employee Retirement Income Security Act (ERISA)

- ERISA Determines Minimum Level of Cash Funding Required by Company to Pension Plans
- Benchmark of 80% ERISA Funded Status

- **Cash (Outflows)* from Company to Pension Plans**

Multiple Methods to Outline Pension Liabilities and Cash Flow Impacts

Longer Term Trends - Pensions



Balance Sheet – Key Metrics

As of December 31, 2025

Cash

- \$4.1 Billion Cash and Short-Term Investments Available

Debt

- \$21.7 Billion Total Debt (Long-Term & Short-Term)
- Average Coupon Rate on Outstanding Debt ~4.6%

Credit Ratings

- Moody's...A2 (Stable Outlook)
- Standard & Poor's...A- (Stable Outlook)
- Fitch...A (Stable Outlook)

Backup

Definitions of Non-GAAP Measures

Non-GAAP Financial Measures Disclosure

This presentation, and today's conference call remarks, contain non-Generally Accepted Accounting Principles (GAAP) financial measures (as defined by SEC Regulation G). While management believes that these non-GAAP financial measures may be useful in evaluating the financial performance of Lockheed Martin, this information should be considered supplemental and is not a substitute for financial information prepared in accordance with GAAP. In addition, the company's definitions for non-GAAP financial measures may differ from similarly titled measures used by other companies or analysts.

Free Cash Flow (non-GAAP)

Free cash flow is cash from operations less capital expenditures. The company's 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). The company uses free cash flow to evaluate its business performance and overall liquidity and it is a performance goal in the company's annual and long-term incentive plans. The company believes 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 or other investments. The entire free cash flow amount 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 pension contributions.

<u>\$M</u>	<u>4Q25 Results</u>	<u>2025 Results</u>	<u>2026 Outlook</u>
Cash from Operations (GAAP)	3,219	8,557	9,150 - 9,450
<u>Capital Expenditures</u>	<u>(463)</u>	<u>(1,649)</u>	<u>(2,500) - (2,800)</u>
Free Cash Flow (non-GAAP)	2,756	6,908	6,500 - 6,800

Segment Operating Profit and Margin (non-GAAP)

Segment Operating Profit represents operating profit from the company's business segments before unallocated income and expense. This measure is used by the company's senior management in evaluating the performance of the company's business segments and is a performance goal in the company's annual incentive plan. The table below reconciles Business Segment Operating Profit to Consolidated Operating Profit. Business Segment Operating Margin is calculated by dividing Segment Operating Profit by Sales. For 2023 forward, intangible asset amortization expense will be reclassified from segment operating profit into unallocated items.

	<u>4Q 2026</u>			<u>4Q 2025</u>			<u>2025 Full Year</u>			<u>2026 Outlook</u>		
	<u>Sales</u>	<u>Profit</u>	<u>Margin</u>	<u>Sales</u>	<u>Profit</u>	<u>Margin</u>	<u>Sales</u>	<u>Profit</u>	<u>Margin</u>	<u>Sales</u>	<u>Profit</u>	<u>Margin</u>
Business segment operating profit (non-GAAP)	<u>20,321</u>	<u>2,058</u>	<u>10.1%</u>	<u>18,622</u>	<u>426</u>	<u>2.3%</u>	<u>\$75,048</u>	<u>\$6,743</u>	<u>9.0%</u>	<u>\$77,500 - \$80,000</u>	<u>\$8,425 - \$8,675</u>	<u>~10.9%</u>
FAS/CAS operating adjustment		380			406			1,518			~1,685	
Intangible asset amortization expense		(57)			(64)			(254)			~(200)	
Impairment and other charges		-			-			(66)			-	
Other, net		(50)			(72)			(210)			~(475)	
Total Unallocated Items		273			270			988			1,010	
Consolidated operating profit (GAAP)	<u>20,321</u>	<u>2,331</u>	<u>11.5%</u>	<u>18,622</u>	<u>696</u>	<u>3.7%</u>	<u>\$75,048</u>	<u>\$7,731</u>	<u>10.3%</u>	<u>\$77,500 - \$80,000</u>	<u>\$9,435 - \$9,685</u>	<u>~12.1%</u>

Book-to-Bill Ratio

The ratio of orders received to sales recorded for a specified period

Reconciliation to GAAP

(\$ Million)

Free Cash Flow													
	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Actual 2025
Cash from Operations	\$4,546	\$3,866	\$5,101	\$5,189	\$6,476	\$3,138	\$7,311	\$8,183	\$9,221	\$7,802	\$7,920	\$6,972	\$8,557
Less Capital Expenditures	(836)	(845)	(939)	(1,063)	(1,177)	(1,278)	(1,484)	(1,766)	(1,522)	(1,670)	(\$1,691)	(\$1,685)	(\$1,649)
Free Cash Flow*	\$3,710	\$3,021	\$4,162	\$4,126	\$5,299	\$1,860	\$5,827	\$6,417	\$7,699	\$6,132	\$6,229	\$5,287	\$6,908

Source: Most recent Annual Report on Form 10-K

F-35 Joint Strike Fighter



Order	Total	Contract Allocation	Contract Type	Award Date
2	LRIP 1	US: 2	CPAF	GFY02
12	LRIP 2	US: 12	CPIF/AF	GFY08
17	LRIP 3	US: 14, UK: 2, Netherlands: 1	CPIF/AF	GFY09
32	LRIP 4	US: 30; UK: 1; Netherlands: 1	CPIF/AF	GFY10
32	LRIP 5	US: 32	FPI	GFY11
36	LRIP 6	US: 31, Intl: 5	FPI	GFY12
35	LRIP 7	US: 29, Intl: 6	FPI	GFY13
43	LRIP 8	US: 29, Intl: 14	FPI	GFY14
57	LRIP 9	US: 34, Intl: 23	FPI	GFY15
94	LRIP 10	US: 55, Intl: 39	FPI	GFY16
141	LRIP 11	US: 91, Intl: 50	FPI	GFY17
149	Lot 12		FPI	GFY18
160	Lot 13	US: 291, Intl: 175	FPI	GFY19
157	Lot 14		FPI	GFY20
145	Lot 15	US: 93, Intl: 52	FPI	GFY21
127	Lot 16	US: 73, Intl: 54	FPI	GFY22
126	Lot 17	US: 81, Intl: 45	FPI	GFY23
148	Lot 18	148	FPI	GFY24
156	Lot 19	148	FPI	GFY25

Global Force Multiplier Anchored By U.S. and Allied Demand

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