Lockheed Martin Corporation

Consolidated Statements of Earnings[1]

(unaudited; in millions, except per share data)

	Quarters Ended		Six Months Ended	
	June 28, 2026	**June 29, 2025**	**June 28, 2026**	**June 29, 2025**
Sales	**$ 20,063**	$ 18,155	**$ 38,084**	$ 36,118
Operating costs and expenses	**(17,617)**	(17,421)	**(33,560)**	(33,061)
Gross profit	**2,446**	734	**4,524**	3,057
Other income, net	**33**	14	**18**	63
Operating profit[2]	**2,479**	748	**4,542**	3,120
Interest expense	**(266)**	(274)	**(535)**	(542)
Non-service FAS pension expense	**(80)**	(99)	**(160)**	(197)
Other non-operating income, net	**45**	42	**105**	72
Earnings before income taxes	**2,178**	417	**3,952**	2,453
Income tax expense	**(342)**	(75)	**(628)**	(399)
Net earnings	**$ 1,836**	$ 342	**$ 3,324**	$ 2,054
Effective tax rate	**15.7%**	18.0%	**15.9%**	16.3%
Earnings per common share				
Basic	**$ 7.98**	$ 1.46	**$ 14.45**	$ 8.78
Diluted	**$ 7.94**	$ 1.46	**$ 14.38**	$ 8.75
Weighted average shares outstanding				
Basic	**230.2**	233.5	**230.1**	234.0
Diluted	**231.1**	234.3	**231.1**	234.8
Common shares reported in stockholders' equity at end of period			**230**	232

1 The company closes its books and records on the last Sunday of the calendar quarter to align its financial closing with its business processes, which was on June 28, for the second quarter of 2026 and June 29, for the second quarter of 2025. The consolidated financial statements and tables of financial information included herein are labeled based on that convention. This practice only affects interim periods, as the company's fiscal year ends on Dec. 31.

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

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

	Quarters Ended			Six Months Ended		
	June 28, 2026	**June 29, 2025**	**% Change**	**June 28, 2026**	**June 29, 2025**	**% Change**
Sales						
Aeronautics	**$ 8,112**	$ 7,420	9%	**$ 15,065**	$ 14,477	4%
Missiles and Fire Control	**4,101**	3,433	19%	**7,750**	6,806	14%
Rotary and Mission Systems	**4,354**	3,995	9%	**8,345**	8,323	—%
Space	**3,496**	3,307	6%	**6,924**	6,512	6%
Total sales	**$ 20,063**	$ 18,155	11%	**$ 38,084**	$ 36,118	5%
Operating profit (loss)						
Aeronautics[1]	**$ 760**	$ (98)	NM*	**$ 1,379**	$ 622	122%
Missiles and Fire Control	**594**	479	24%	**1,094**	944	16%
Rotary and Mission Systems[2]	**437**	(172)	NM*	**860**	349	146%
Space	**371**	362	2%	**652**	741	(12%)
Total business segment operating profit	**2,162**	571	279%	**3,985**	2,656	50%
Unallocated items						
FAS/CAS operating adjustment	**422**	379		**843**	758	
Impairment and other charges	**—**	(66)		**—**	(66)	
Intangible asset amortization expense	**(50)**	(63)		**(100)**	(127)	
Other, net	**(55)**	(73)		**(186)**	(101)	
Total unallocated items	**317**	177	79%	**557**	464	20%
Total consolidated operating profit	**$ 2,479**	$ 748	231%	**$ 4,542**	$ 3,120	46%
Operating margin						
Aeronautics	**9.4%**	(1.3%)		**9.2%**	4.3%	
Missiles and Fire Control	**14.5%**	14.0%		**14.1%**	13.9%	
Rotary and Mission Systems	**10.0%**	(4.3%)		**10.3%**	4.2%	
Space	**10.6%**	10.9%		**9.4%**	11.4%	
Total business segment operating margin	**10.8%**	3.1%		**10.5%**	7.4%	
Total consolidated operating margin	**12.4%**	4.1%		**11.9%**	8.6%	

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

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

* NM - not meaningful

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

	June 28, 2026 (unaudited)	Dec. 31, 2025
Assets		
Current assets		
Cash and cash equivalents	**$ 3,791**	$ 4,121
Receivables, net	**3,356**	3,901
Contract assets	**16,038**	13,001
Inventories	**4,411**	3,524
Other current assets	**805**	815
Total current assets	**28,401**	25,362
Property, plant and equipment, net	**11,390**	11,292
Goodwill	**11,298**	11,314
Intangible assets, net	**1,787**	1,887
Deferred income taxes	**2,414**	2,975
Other noncurrent assets	**7,160**	7,010
Total assets	**$ 62,450**	$ 59,840
Liabilities and equity		
Current liabilities		
Accounts payable	**$ 4,915**	$ 3,630
Salaries, benefits and payroll taxes	**3,003**	3,184
Contract liabilities	**12,151**	11,440
Current maturities of long-term debt	**—**	1,168
Other current liabilities	**3,740**	3,913
Total current liabilities	**23,809**	23,335
Long-term debt, net	**20,538**	20,532
Accrued pension liabilities	**3,931**	3,915
Other noncurrent liabilities	**5,404**	5,337
Total liabilities	**53,682**	53,119
Stockholders’ equity		
Common stock, $1 par value per share	**230**	229
Additional paid-in capital	**247**	—
Retained earnings	**15,759**	14,034
Accumulated other comprehensive loss	**(7,468)**	(7,542)
Total stockholders’ equity	**8,768**	6,721
Total liabilities and equity	**$ 62,450**	$ 59,840

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

	Six Months Ended	
	June 28, 2026	June 29, 2025
Operating activities		
Net earnings	**$ 3,324**	$ 2,054
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation and amortization	**798**	796
Stock-based compensation	**180**	141
Deferred income taxes	**538**	(561)
Impairment and other charges	**—**	66
Reach-forward losses on select programs	**—**	1,615
Qualified defined benefit pension plans	**184**	223
Changes in assets and liabilities		
Receivables, net	**545**	(955)
Contract assets	**(3,037)**	(2,178)
Inventories	**(887)**	(461)
Accounts payable	**1,409**	1,500
Contract liabilities	**711**	(360)
Income taxes	**43**	251
Other, net	**(353)**	(521)
Net cash provided by operating activities	**3,455**	1,610
Investing activities		
Capital expenditures	**(829)**	(805)
Other, net	**(61)**	(340)
Net cash used for investing activities	**(890)**	(1,145)
Financing activities		
Repayments of long-term debt	**(1,168)**	(142)
Proceeds from commercial paper, net	**—**	1,449
Repurchases of common stock	**—**	(1,250)
Dividends paid	**(1,612)**	(1,567)
Other, net	**(115)**	(145)
Net cash used for financing activities	**(2,895)**	(1,655)
Net change in cash and cash equivalents	**(330)**	(1,190)
Cash and cash equivalents at beginning of period	**4,121**	2,483
Cash and cash equivalents at end of period	**$ 3,791**	$ 1,293

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

	2026 Outlook	2025 Actual
Total FAS pension expense and CAS cost		
FAS pension expense	**$ (370)**	$ (924)
Less: CAS pension cost	**1,735**	1,568
Total FAS/CAS pension adjustment	**$ 1,365**	$ 644
Less: pension settlement charge	**—**	479
Total FAS/CAS pension adjustment - adjusted[1]	**$ 1,365**	$ 1,123
Service and non-service cost reconciliation		
FAS pension service cost	**$ (50)**	$ (50)
Less: CAS pension cost	**1,735**	1,568
FAS/CAS pension operating adjustment	**1,685**	1,518
Non-service FAS pension expense	**(320)**	(874)
Total FAS/CAS pension adjustment	**$ 1,365**	$ 644
Less: pension settlement charge	—	479
Total FAS/CAS pension adjustment - adjusted[1]	**$ 1,365**	$ 1,123

[1] The cost components in the table above relate only to the company's qualified defined benefit pension plans. The company recognized a noncash, non-operating pretax settlement charge of $479 million in the fourth quarter of 2025.

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

Backlog	June 28, 2026	Dec. 31, 2025
Aeronautics	**$ 54,356**	$ 59,435
Missiles and Fire Control	**87,882**	46,650
Rotary and Mission Systems	**48,454**	47,715
Space	**39,724**	39,822
Total backlog	**$ 230,416**	$ 193,622

	Quarters Ended		Six Months Ended	
Aircraft Deliveries	June 28, 2026	June 29, 2025	June 28, 2026	June 29, 2025
F-35	**19**	50	**51**	97
F-16	**2**	3	**2**	7
C-130J	**7**	1	**8**	2
Government helicopter programs	**16**	24	**35**	33
Commercial helicopter programs	**—**	—	**—**	1

Number of Weeks in Reporting Period[1]	2026	2025
First quarter	**12**	13
Second quarter	**13**	13
Third quarter	**13**	13
Fourth quarter	**14**	13

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