

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

	Quarters Ended		Nine Months Ended	
	Sept. 27, 2026	Sept. 28, 2025	Sept. 27, 2026	Sept. 28, 2025
Sales	\$ 20,711	\$ 18,609	\$ 58,795	\$ 54,727
Operating costs and expenses	(18,275)	(16,369)	(51,835)	(49,430)
Gross profit	2,436	2,240	6,960	5,297
Other income, net	7	40	25	103
Operating profit	2,443	2,280	6,985	5,400
Interest expense	(264)	(286)	(799)	(828)
Non-service FAS pension expense	(81)	(99)	(241)	(296)
Other non-operating income, net	74	43	179	115
Earnings before income taxes	2,172	1,938	6,124	4,391
Income tax expense	(327)	(319)	(955)	(718)
Net earnings	\$ 1,845	\$ 1,619	\$ 5,169	\$ 3,673
Effective tax rate	15.1%	16.5%	15.6%	16.4%
Earnings per common share				
Basic	\$ 8.00	\$ 6.98	\$ 22.45	\$ 15.74
Diluted	\$ 7.97	\$ 6.95	\$ 22.36	\$ 15.69
Weighted average shares outstanding				
Basic	230.5	231.9	230.2	233.3
Diluted	231.5	232.8	231.2	234.1

Common shares reported in stockholders' equity at end of period 230 230

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 September 27, for the third quarter of 2026 and September 28, for the third 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.

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

	Quarters Ended			Nine Months Ended		
	Sept. 27, 2026	Sept. 28, 2025	% Change	Sept. 27, 2026	Sept. 28, 2025	% Change
Sales						
Aeronautics	\$ 8,214	\$ 7,256	13%	\$ 23,279	\$ 21,733	7%
Missiles and Fire Control	4,501	3,624	24%	12,251	10,430	17%
Rotary and Mission Systems	4,511	4,373	3%	12,856	12,696	1%
Space	3,485	3,356	4%	10,409	9,868	5%
Total sales	\$ 20,711	\$ 18,609	11%	\$ 58,795	\$ 54,727	7%
Operating profit						
Aeronautics	\$ 743	\$ 682	9%	\$ 2,122	\$ 1,304	63%
Missiles and Fire Control	631	510	24%	1,725	1,454	19%
Rotary and Mission Systems	524	506	4%	1,384	855	62%
Space	331	331	—%	983	1,072	(8%)
Total business segment operating profit	2,229	2,029	10%	6,214	4,685	33%
Unallocated items						
FAS/CAS operating adjustment	421	380		1,264	1,138	
Impairment and other charges	—	—		—	(66)	
Intangible asset amortization expense	(49)	(70)		(149)	(197)	
Other, net	(158)	(59)		(344)	(160)	
Total unallocated items	214	251	(15%)	771	715	8%
Total consolidated operating profit	\$ 2,443	\$ 2,280	7%	\$ 6,985	\$ 5,400	29%
Operating margin						
Aeronautics	9.0%	9.4%		9.1%	6.0%	
Missiles and Fire Control	14.0%	14.1%		14.1%	13.9%	
Rotary and Mission Systems	11.6%	11.6%		10.8%	6.7%	
Space	9.5%	9.9%		9.4%	10.9%	
Total business segment operating margin	10.8%	10.9%		10.6%	8.6%	
Total consolidated operating margin	11.8%	12.3%		11.9%	9.9%	

Table 2

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

	Sept. 27, 2026	Dec. 31, 2025
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 5,960	\$ 4,121
Receivables, net	3,096	3,901
Contract assets	16,899	13,001
Inventories	3,987	3,524
Other current assets	1,059	815
Total current assets	31,001	25,362
Property, plant and equipment, net	11,524	11,292
Goodwill	11,299	11,314
Intangible assets, net	1,737	1,887
Deferred income taxes	1,819	2,975
Other noncurrent assets	7,130	7,010
Total assets	<u>\$ 64,510</u>	<u>\$ 59,840</u>
Liabilities and equity		
Current liabilities		
Accounts payable	\$ 5,005	\$ 3,630
Salaries, benefits and payroll taxes	3,349	3,184
Contract liabilities	12,644	11,440
Current maturities of long-term debt	—	1,168
Other current liabilities	3,542	3,913
Total current liabilities	24,540	23,335
Long-term debt, net	20,498	20,532
Accrued pension liabilities	3,938	3,915
Other noncurrent liabilities	5,471	5,337
Total liabilities	54,447	53,119
Stockholders' equity		
Common stock, \$1 par value per share	230	229
Additional paid-in capital	451	—
Retained earnings	16,802	14,034
Accumulated other comprehensive loss	(7,420)	(7,542)
Total stockholders' equity	10,063	6,721
Total liabilities and equity	<u>\$ 64,510</u>	<u>\$ 59,840</u>

Table 3

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

	Nine Months Ended	
	Sept. 27, 2026	Sept. 28, 2025
Operating activities		
Net earnings	\$ 5,169	\$ 3,673
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation and amortization	1,223	1,224
Stock-based compensation	269	215
Deferred income taxes	1,114	72
Impairment and other charges	—	66
Reach-forward losses on select programs	—	1,615
Qualified defined benefit pension plans	277	334
Changes in assets and liabilities		
Receivables, net	805	(1,493)
Contract assets	(3,898)	(1,231)
Inventories	(463)	(511)
Accounts payable	1,488	1,644
Contract liabilities	1,204	38
Income taxes	(244)	(100)
Other, net	(51)	(208)
Net cash provided by operating activities	6,893	5,338
Investing activities		
Capital expenditures	(1,268)	(1,186)
Other, net	(92)	(278)
Net cash used for investing activities	(1,360)	(1,464)
Financing activities		
Issuance of long-term debt, net of related costs	—	1,985
Repayments of long-term debt	(1,168)	(142)
Repurchases of common stock	—	(2,250)
Dividends paid	(2,408)	(2,332)
Other, net	(118)	(148)
Net cash used for financing activities	(3,694)	(2,887)
Net change in cash and cash equivalents	1,839	987
Cash and cash equivalents at beginning of period	4,121	2,483
Cash and cash equivalents at end of period	\$ 5,960	\$ 3,470

Table 4

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	<u>1,735</u>	<u>1,568</u>
Total FAS/CAS pension adjustment	\$ 1,365	\$ 644
Less: pension settlement charge	<u>—</u>	<u>479</u>
Total FAS/CAS pension adjustment - adjusted ¹	<u>\$ 1,365</u>	<u>\$ 1,123</u>
 Service and non-service cost reconciliation		
FAS pension service cost	\$ (50)	\$ (50)
Less: CAS pension cost	<u>1,735</u>	<u>1,568</u>
FAS/CAS pension operating adjustment	1,685	1,518
Non-service FAS pension expense	<u>(320)</u>	<u>(874)</u>
Total FAS/CAS pension adjustment	\$ 1,365	\$ 644
Less: pension settlement charge	<u>—</u>	<u>479</u>
Total FAS/CAS pension adjustment - adjusted ¹	<u>\$ 1,365</u>	<u>\$ 1,123</u>

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)

	Sept. 27, 2026	Dec. 31, 2025
Backlog		
Aeronautics	\$ 57,331	\$ 59,435
Missiles and Fire Control	142,517	46,650
Rotary and Mission Systems	49,435	47,715
Space	42,701	39,822
Total backlog	\$ 291,984	\$ 193,622

	Quarters Ended		Nine Months Ended	
	Sept. 27, 2026	Sept. 28, 2025	Sept. 27, 2026	Sept. 28, 2025
Aircraft Deliveries				
F-35	43	46	94	143
F-16	4	5	6	12
C-130J	2	—	10	2
Government helicopter programs	16	22	51	55
Commercial helicopter programs	—	1	—	2
International military helicopter programs	7	6	7	6

Number of Weeks in Reporting Period¹	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.