

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

| | Quarters Ended Dec. 31, | | Years Ended Dec. 31, | |
|---|-------------------------|-----------|----------------------|-----------|
| | 2025 | 2024 | 2025 | 2024 |
| Sales | \$ 20,321 | \$ 18,622 | \$ 75,048 | \$ 71,043 |
| Operating costs and expenses | (17,999) | (17,932) | (67,429) | (64,113) |
| Gross profit | 2,322 | 690 | 7,619 | 6,930 |
| Other income, net | 9 | 6 | 112 | 83 |
| Operating profit | 2,331 | 696 | 7,731 | 7,013 |
| Interest expense | (290) | (264) | (1,118) | (1,036) |
| Non-service FAS pension (expense) income ¹ | (578) | 15 | (874) | 62 |
| Other non-operating income, net | 68 | 72 | 183 | 181 |
| Earnings before income taxes | 1,531 | 519 | 5,922 | 6,220 |
| Income tax expense | (187) | 8 | (905) | (884) |
| Net earnings¹ | \$ 1,344 | \$ 527 | \$ 5,017 | \$ 5,336 |
| Effective tax rate | 12.2% | (1.5%) | 15.3% | 14.2% |
| Earnings per common share | | | | |
| Basic | \$ 5.82 | \$ 2.23 | \$ 21.56 | \$ 22.39 |
| Diluted | \$ 5.80 | \$ 2.22 | \$ 21.49 | \$ 22.31 |
| Weighted average shares outstanding | | | | |
| Basic | 230.9 | 236.0 | 232.7 | 238.3 |
| Diluted | 231.9 | 237.0 | 233.5 | 239.2 |
| Common shares reported in stockholders' equity at end of period | | | 229 | 234 |

¹ In the quarter and year ended Dec. 31, 2025, the company recognized a non-operational charge of \$479 million (\$377 million, or \$1.63 per share, after-tax) related to a pension transfer.

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

| | Quarters Ended Dec. 31, | | | Years Ended Dec. 31, | | |
|--|-------------------------|------------------|-------------|----------------------|------------------|------------|
| | 2025 | 2024 | % Change | 2025 | 2024 | % Change |
| Sales | | | | | | |
| Aeronautics | \$ 8,524 | \$ 8,009 | 6% | \$ 30,257 | \$ 28,618 | 6% |
| Missiles and Fire Control | 4,020 | 3,412 | 18% | 14,450 | 12,682 | 14% |
| Rotary and Mission Systems | 4,616 | 4,261 | 8% | 17,312 | 17,264 | —% |
| Space | 3,161 | 2,940 | 8% | 13,029 | 12,479 | 4% |
| Total sales | \$ 20,321 | \$ 18,622 | 9% | \$ 75,048 | \$ 71,043 | 6% |
| Operating profit | | | | | | |
| Aeronautics | \$ 782 | \$ 434 | 80% | \$ 2,086 | \$ 2,523 | (17%) |
| Missiles and Fire Control | 535 | (804) | (167%) | 1,989 | 413 | 382% |
| Rotary and Mission Systems | 468 | 513 | (9%) | 1,323 | 1,921 | (31%) |
| Space | 273 | 283 | (4%) | 1,345 | 1,226 | 10% |
| Total business segment operating profit | 2,058 | 426 | 383% | 6,743 | 6,083 | 11% |
| Unallocated items | | | | | | |
| FAS/CAS operating adjustment | 380 | 406 | | 1,518 | 1,624 | |
| Impairment and other charges | — | — | | (66) | (87) | |
| Intangible asset amortization expense | (57) | (64) | | (254) | (247) | |
| Other, net | (50) | (72) | | (210) | (360) | |
| Total unallocated items | 273 | 270 | 1% | 988 | 930 | 6% |
| Total consolidated operating profit | \$ 2,331 | \$ 696 | 235% | \$ 7,731 | \$ 7,013 | 10% |
| Operating margin | | | | | | |
| Aeronautics | 9.2% | 5.4% | | 6.9% | 8.8% | |
| Missiles and Fire Control | 13.3% | (23.6%) | | 13.8% | 3.3% | |
| Rotary and Mission Systems | 10.1% | 12.0% | | 7.6% | 11.1% | |
| Space | 8.6% | 9.6% | | 10.3% | 9.8% | |
| Total business segment operating margin | 10.1% | 2.3% | | 9.0% | 8.6% | |
| Total consolidated operating margin | 11.5% | 3.7% | | 10.3% | 9.9% | |

Table 2

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

| | Dec. 31, 2025 | Dec. 31, 2024 |
|---------------------------------------|------------------|------------------|
| | (unaudited) | |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 4,121 | \$ 2,483 |
| Receivables, net | 3,901 | 2,351 |
| Contract assets | 13,001 | 12,957 |
| Inventories | 3,524 | 3,474 |
| Other current assets | 815 | 584 |
| Total current assets | <u>25,362</u> | <u>21,849</u> |
| Property, plant and equipment, net | 8,875 | 8,726 |
| Goodwill | 11,314 | 11,067 |
| Intangible assets, net | 1,887 | 2,015 |
| Deferred income taxes | 2,975 | 3,557 |
| Capitalized software | 2,417 | 1,866 |
| Other noncurrent assets | 7,010 | 6,537 |
| Total assets | <u>\$ 59,840</u> | <u>\$ 55,617</u> |
| Liabilities and equity | | |
| Current liabilities | | |
| Accounts payable | \$ 3,630 | \$ 2,222 |
| Salaries, benefits and payroll taxes | 3,184 | 3,125 |
| Contract liabilities | 11,440 | 9,795 |
| Current maturities of long-term debt | 1,168 | 643 |
| Other current liabilities | 3,913 | 3,635 |
| Total current liabilities | <u>23,335</u> | <u>19,420</u> |
| Long-term debt, net | 20,532 | 19,627 |
| Accrued pension liabilities | 3,915 | 4,791 |
| Other noncurrent liabilities | 5,337 | 5,446 |
| Total liabilities | <u>53,119</u> | <u>49,284</u> |
| Stockholders' equity | | |
| Common stock, \$1 par value per share | 229 | 234 |
| Additional paid-in capital | — | — |
| Retained earnings | 14,034 | 14,551 |
| Accumulated other comprehensive loss | (7,542) | (8,452) |
| Total stockholders' equity | <u>6,721</u> | <u>6,333</u> |
| Total liabilities and equity | <u>\$ 59,840</u> | <u>\$ 55,617</u> |

Table 3

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

| | Years Ended Dec. 31, | |
|--|----------------------|-----------------|
| | 2025 | 2024 |
| Operating activities | | |
| Net earnings | \$ 5,017 | \$ 5,336 |
| Adjustments to reconcile net earnings to net cash provided by operating activities | | |
| Depreciation and amortization | 1,687 | 1,559 |
| Stock-based compensation | 304 | 277 |
| Deferred income taxes | 372 | (588) |
| Pension settlement charge | 479 | — |
| Impairment and other charges | 66 | 87 |
| Reach-forward losses on select programs | 1,615 | 1,965 |
| Changes in assets and liabilities | | |
| Receivables, net | (1,550) | (219) |
| Contract assets | (283) | (109) |
| Inventories | (286) | (478) |
| Accounts payable | 1,341 | (93) |
| Contract liabilities | 1,219 | 605 |
| Income taxes | (255) | 131 |
| Qualified defined benefit pension plans | (415) | (992) |
| Other, net | (754) | (509) |
| Net cash provided by operating activities | 8,557 | 6,972 |
| Investing activities | | |
| Capital expenditures | (1,649) | (1,685) |
| Other, net | (328) | (107) |
| Net cash (used for) investing activities | (1,977) | (1,792) |
| Financing activities | | |
| Issuance of long-term debt, net of related costs | 1,985 | 2,970 |
| Repayments of long-term debt | (642) | (168) |
| Repurchases of common stock | (3,000) | (3,700) |
| Dividends paid | (3,131) | (3,059) |
| Other, net | (154) | (182) |
| Net cash (used for) financing activities | (4,942) | (4,139) |
| Net change in cash and cash equivalents | 1,638 | 1,041 |
| Cash and cash equivalents at beginning of period | 2,483 | 1,442 |
| Cash and cash equivalents at end of period | \$ 4,121 | \$ 2,483 |

Table 4

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

| | 2026 Outlook | 2025 Actual |
|--|-------------------------|------------------------|
| Total FAS 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 | — | 479 |
| 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 | — | 479 |
| 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)

| | Dec. 31, 2025 | Dec. 31, 2024 |
|----------------------------|--------------------------|--------------------------|
| Backlog | | |
| Aeronautics | \$ 59,435 | \$ 62,763 |
| Missiles and Fire Control | 46,650 | 38,783 |
| Rotary and Mission Systems | 47,715 | 38,117 |
| Space | 39,822 | 36,377 |
| Total backlog | \$ 193,622 | \$ 176,040 |

| | Quarters Ended Dec. 31, | | Years Ended Dec. 31, | |
|--|--------------------------------|-------------|-----------------------------|-------------|
| | 2025 | 2024 | 2025 | 2024 |
| Aircraft Deliveries | | | | |
| F-35 | 48 | 62 | 191 | 110 |
| F-16 | 4 | 7 | 16 | 16 |
| C-130J | — | 8 | 2 | 21 |
| Government helicopter programs | 35 | 25 | 90 | 72 |
| Commercial helicopter programs | — | 1 | 2 | 1 |
| International military helicopter programs | 11 | 8 | 17 | 17 |

| | 2026 | 2025 | 2024 |
|--|-------------|-------------|-------------|
| Number of Weeks in Reporting Period¹ | | | |
| First quarter | 12 | 13 | 13 |
| Second quarter | 13 | 13 | 13 |
| Third quarter | 13 | 13 | 13 |
| Fourth quarter | 14 | 13 | 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.