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 earnings[1]	**$ 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, 2025	Quarters Ended Dec. 31, 2024	% Change	Years Ended Dec. 31, 2025	Years Ended Dec. 31, 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%	

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

	Dec. 31, 2025 (unaudited)	Dec. 31, 2024
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	**25,362**	21,849
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	**$ 59,840**	$ 55,617
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	**23,335**	19,420
Long-term debt, net	**20,532**	19,627
Accrued pension liabilities	**3,915**	4,791
Other noncurrent liabilities	**5,337**	5,446
Total liabilities	**53,119**	49,284
Stockholders’ equity		
Common stock, $1 par value per share	**229**	234
Additional paid-in capital	**—**	—
Retained earnings	**14,034**	14,551
Accumulated other comprehensive loss	**(7,542)**	(8,452)
Total stockholders’ equity	**6,721**	6,333
Total liabilities and equity	**$ 59,840**	$ 55,617

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

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	**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

	2026 Outlook	2025 Actual
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	Dec. 31, 2025	Dec. 31, 2024
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,	
Aircraft Deliveries	**2025**	**2024**	**2025**	**2024**
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

Number of Weeks in Reporting Period[1]	2026	2025	2024
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.