

Fourth Quarter 2025 Conference Call

January 29, 2026

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MARTIN**



Forward-Looking Statements

This presentation contains statements that, to the extent they are not recitations of historical fact, constitute forward-looking statements within the meaning of the federal securities laws, and are based on Lockheed Martin's current expectations and assumptions. The words "believe," "estimate," "anticipate," "project," "intend," "expect," "plan," "outlook," "scheduled," "forecast" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks and uncertainties. Actual results may differ materially due to factors such as: the company's reliance on contracts with the U.S. Government, which are dependent on U.S. Government funding and can be terminated for convenience, and the company's ability to negotiate favorable contract terms; budget uncertainty, the risk of future budget cuts, the impact of continuing resolution funding mechanisms, the debt ceiling and government shutdowns, and changing funding and acquisition priorities; risks related to the development, production, sustainment, performance, schedule, cost and requirements of complex and technologically advanced programs, including the F-35 program; planned production rates and orders for significant programs, compliance with stringent performance and reliability standards, and materials availability, including government furnished equipment and rare earth minerals; the timing of contract awards or contract definitization, decisions by government customers to impose contract terms following undefinitized contract actions, achievement of performance milestones, customer acceptance of product deliveries, and receipt of customer payments; the company's ability to recover costs under U.S. Government contracts, the mix of fixed-price and cost-reimbursable contracts and the risks inherent in preparing estimates for fixed-price contracts (particularly for complex and technologically advanced programs); customer procurement and other policies, laws, regulations and executive actions that affect the company and its industry, programs, future opportunities, and financial performance, including those relating to mission priorities, competing domestic and international spending, contracting terms (such as fixed-price requirements), acquisition process reforms, treatment of contractor performance issues, and contractor access to competitive opportunities; performance and/or financial viability of key suppliers, teammates, joint ventures (including United Launch Alliance), joint venture partners, subcontractors and customers; economic, industry, business and political conditions including their effects on governmental policy; the impact of inflation and other cost pressures; government actions that restrict or prevent the sale or delivery of the company's products (such as delays in approvals for exports requiring Congressional notification); foreign policy and international trade actions taken by governments such as tariffs, sanctions, embargoes, export and import controls, buying preferences, and other trade restrictions; the company's success expanding into and doing business in adjacent markets and internationally and the risks posed by international sales, including potential effects from fluctuations in currency exchange rates; changes in non-U.S. national priorities and government budgets and planned orders; the competitive environment for the company's products and services; the company's ability to develop and commercialize new technologies and products, including emerging digital and network technologies and capabilities; the company's ability to benefit fully from or adequately protect its intellectual property rights; the company's ability to attract and retain a highly skilled workforce and the impact of work stoppages or other labor disruptions; cyber or other security threats or other disruptions faced by the company or its suppliers; the company's ability to implement and continue, and the timing and impact of, capitalization changes such as share repurchases, dividend payments and financing transactions, including as a result of presidential executive orders; the accuracy of the company's estimates and projections; changes in pension plan assumptions and actual returns on pension assets; cash funding requirements and pension annuity contracts and associated charges; realizing the anticipated benefits of acquisitions or divestitures, investments, joint ventures, teaming arrangements or internal reorganizations, and market volatility affecting the fair value of investments that are marked to market; the company's efforts to fund and increase production capabilities and the efficiency of its operations and improve the affordability of its products and services, including through digital transformation and cost reduction initiatives; the risk of an impairment of the company's assets, including the potential impairment of goodwill and intangibles; the availability and adequacy of the company's insurance and indemnities; compliance with laws, regulations, policies, and customer requirements relating to environmental matters; the impact of public health crises, natural disasters and other severe weather conditions on the company's business and financial results, including supply chain disruptions and delays, employee absences, and program delays; changes in accounting, U.S. or foreign tax, export or other laws, regulations, and policies and their interpretation or application, and changes in the amount or reevaluation of uncertain tax positions; and the outcome of legal proceedings, bid protests, environmental remediation efforts, audits, administrative reviews, government investigations or government allegations that the company has failed to comply with law, other contingencies and U.S. Government identification of deficiencies in its business systems. These are only some of the factors that may affect the forward-looking statements contained in this presentation. For a discussion identifying additional important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, see the company's filings with the U.S. Securities and Exchange Commission including, but not limited to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" in the company's most recent Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q. The company's filings may be accessed through the Investor Relations page of its website, www.lockheedmartin.com/investor, or through the website maintained by the SEC at www.sec.gov. The company's actual financial results likely will be different from those projected due to the inherent nature of projections. Given these uncertainties, forward-looking statements should not be relied on in making investment decisions. The forward-looking statements contained in this presentation speak only as of the date of this presentation. Except where required by applicable law, the company expressly disclaims a duty to provide updates to forward-looking statements after the date of this presentation to reflect subsequent events, changed circumstances, changes in expectations, or the estimates and assumptions associated with them. The forward-looking statements in this presentation are intended to be subject to the safe harbor protection provided by the federal securities laws.

4Q 2025 Financial Highlights

\$20.3B

Sales

\$2.1B

Segment Operating Profit*

10.1%

Segment Operating Margin*

\$5.80

Earnings Per Share

1.7x

Book-to-Bill Ratio*

\$2.8B

Free Cash Flow*

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*

\$3.0B

of Share Repurchases

\$3.1B

in Dividends

\$3.6B

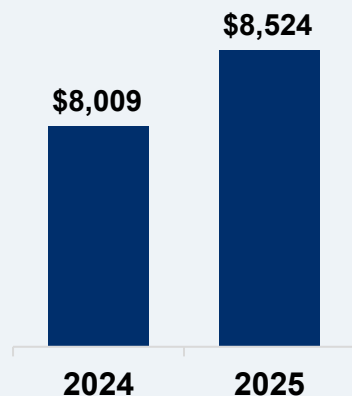
of Independent Research
& Development and Capital
Expenditures



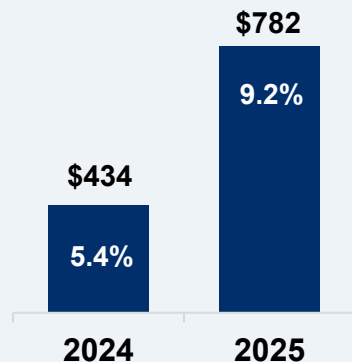
Aeronautics

X-59 First Flight

Sales



Operating Profit*



4th Quarter (\$M)

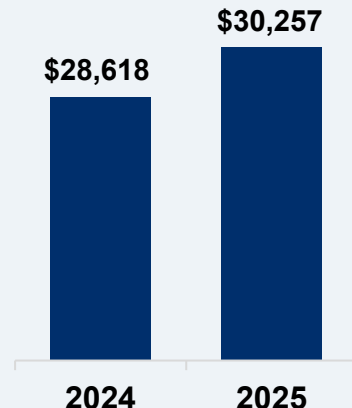
Sales: Increased 6%

Higher sales on classified programs due to the absence of prior year classified program charges, higher F-35 volume, and favorable F-35 contract mix

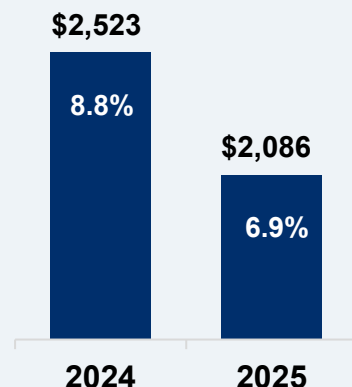
Operating Profit: Increased 80%

Higher profit booking rate adjustments due to the absence of prior year classified program charges and higher sales volume

Sales



Operating Profit*



Full Year (\$M)

Sales: Increased 6%

Higher F-35 production and sustainment volume, partially offset by lower volume on classified contracts

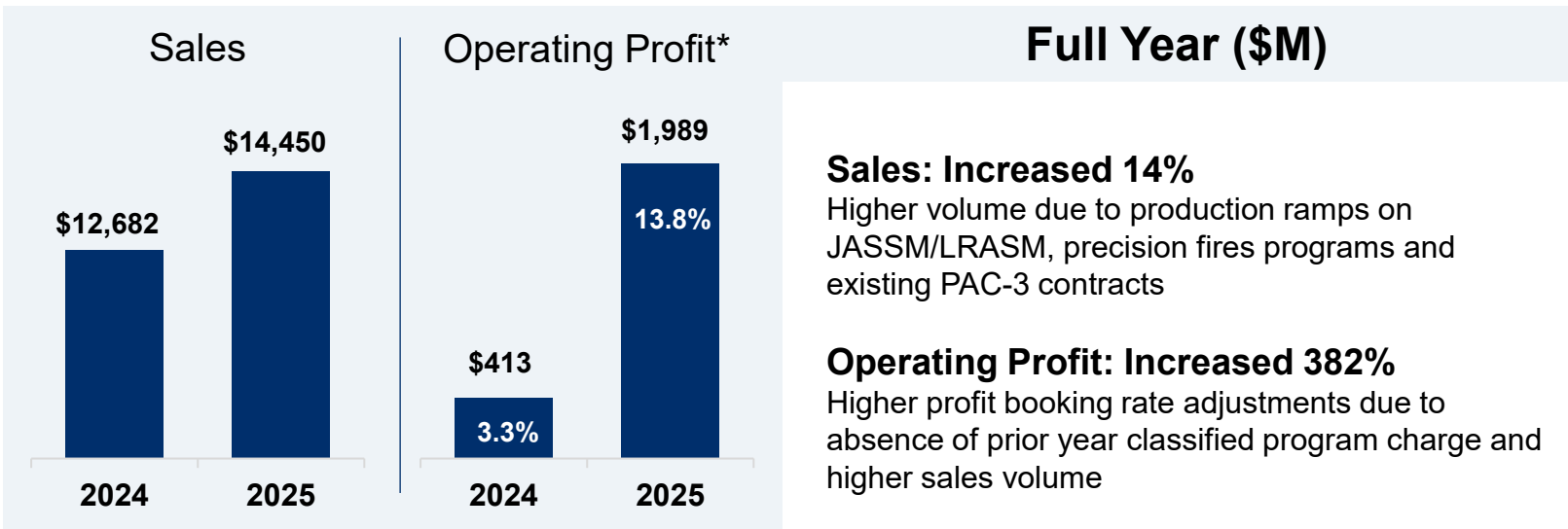
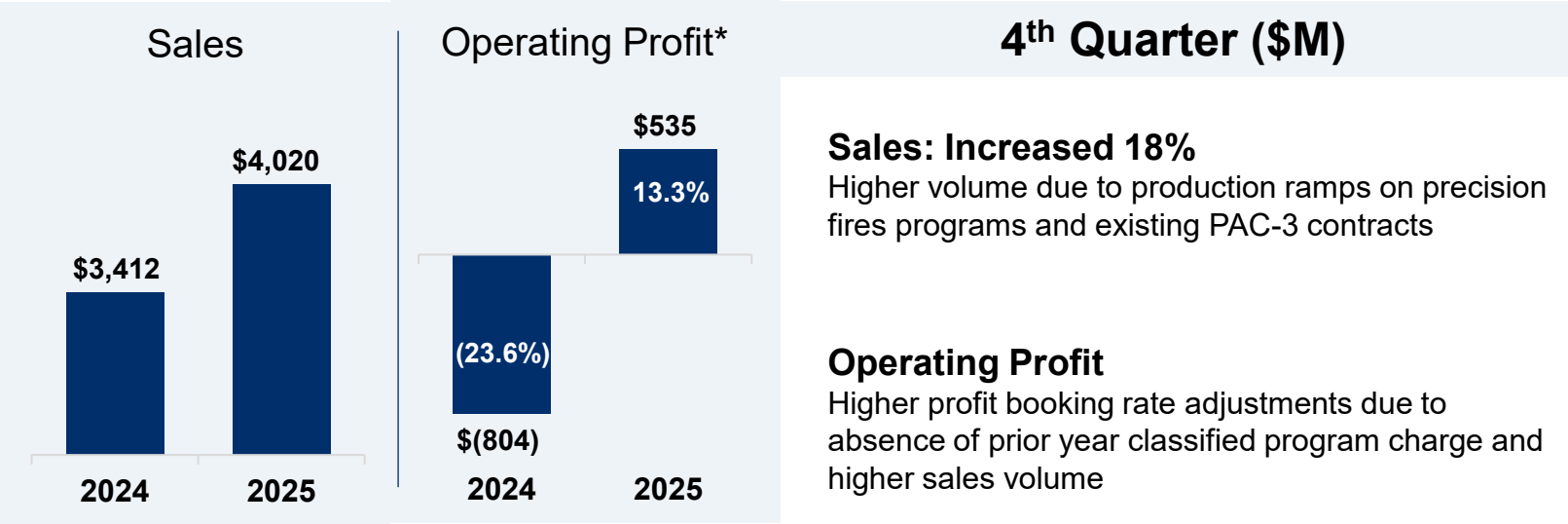
Operating Profit: Decreased (17%)

Lower profit booking rate adjustments due to the classified program charges and unfavorable C-130 profit adjustments, partially offset by higher sales volume



Missiles & Fire Control

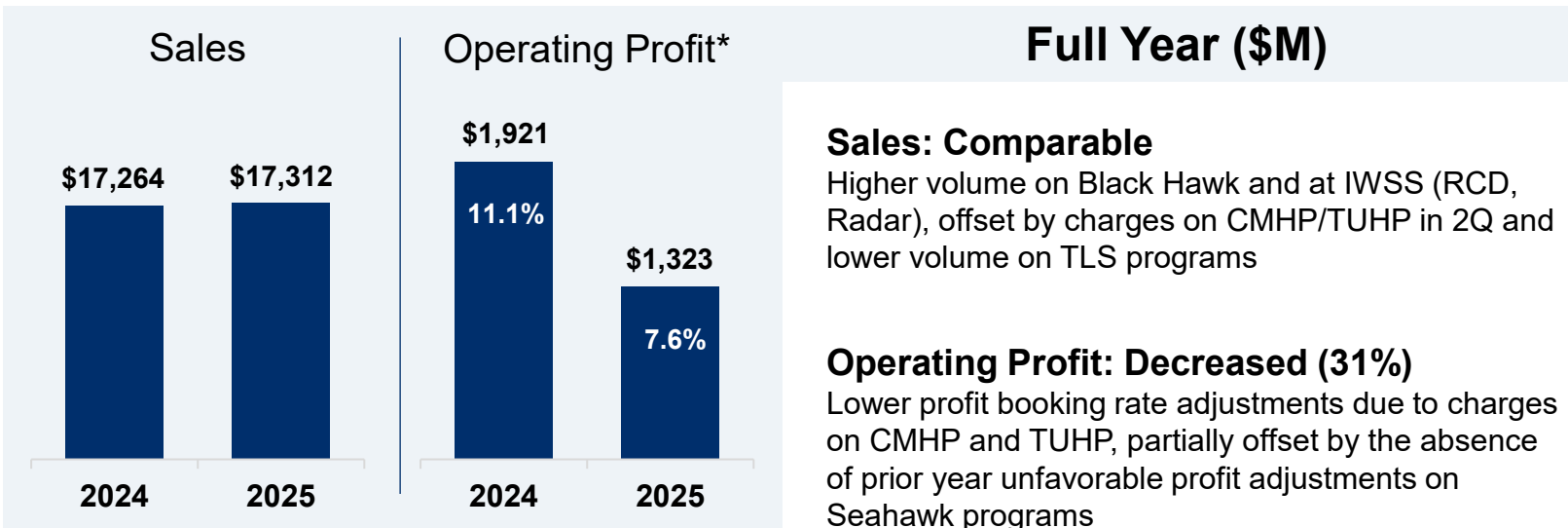
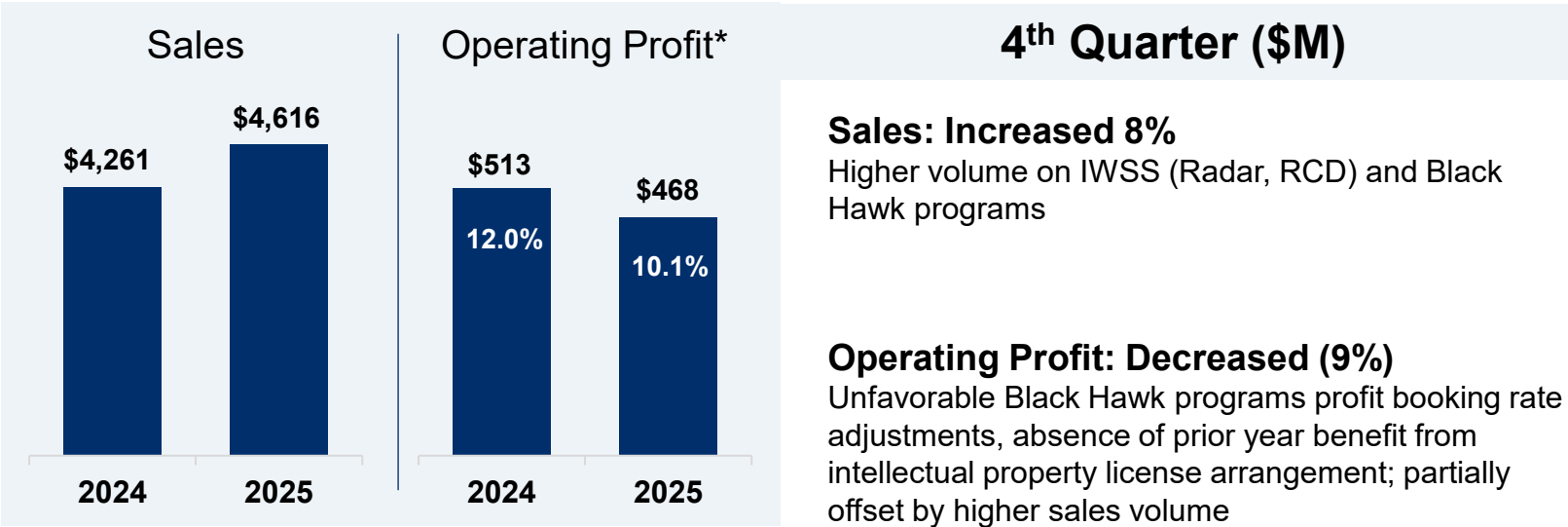
HIMARS



*See Chart 11 for Definitions of Non-GAAP Measures; Chart 15 for Acronyms

Rotary & Mission Systems

U-Hawk



*See Chart 11 for Definitions of Non-GAAP Measures; Chart 15 for Acronyms

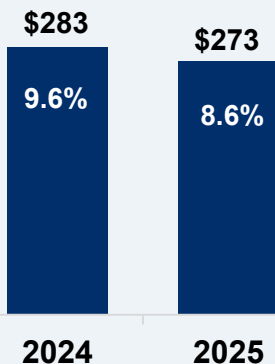
Space

SDA T3TL

Sales



Operating Profit*



4th Quarter (\$M)

Sales: Increased 8%

Higher volume within SMD (NGI, FBM), NSS (Transport Layer) and commercial civil (Orion)

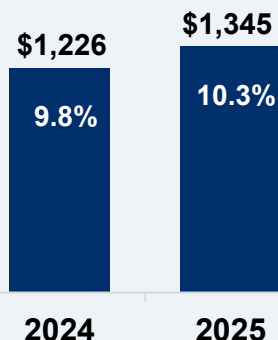
Operating Profit: Decreased (4%)

Lower ULA equity earnings, partially offset by higher sales volume

Sales



Operating Profit*



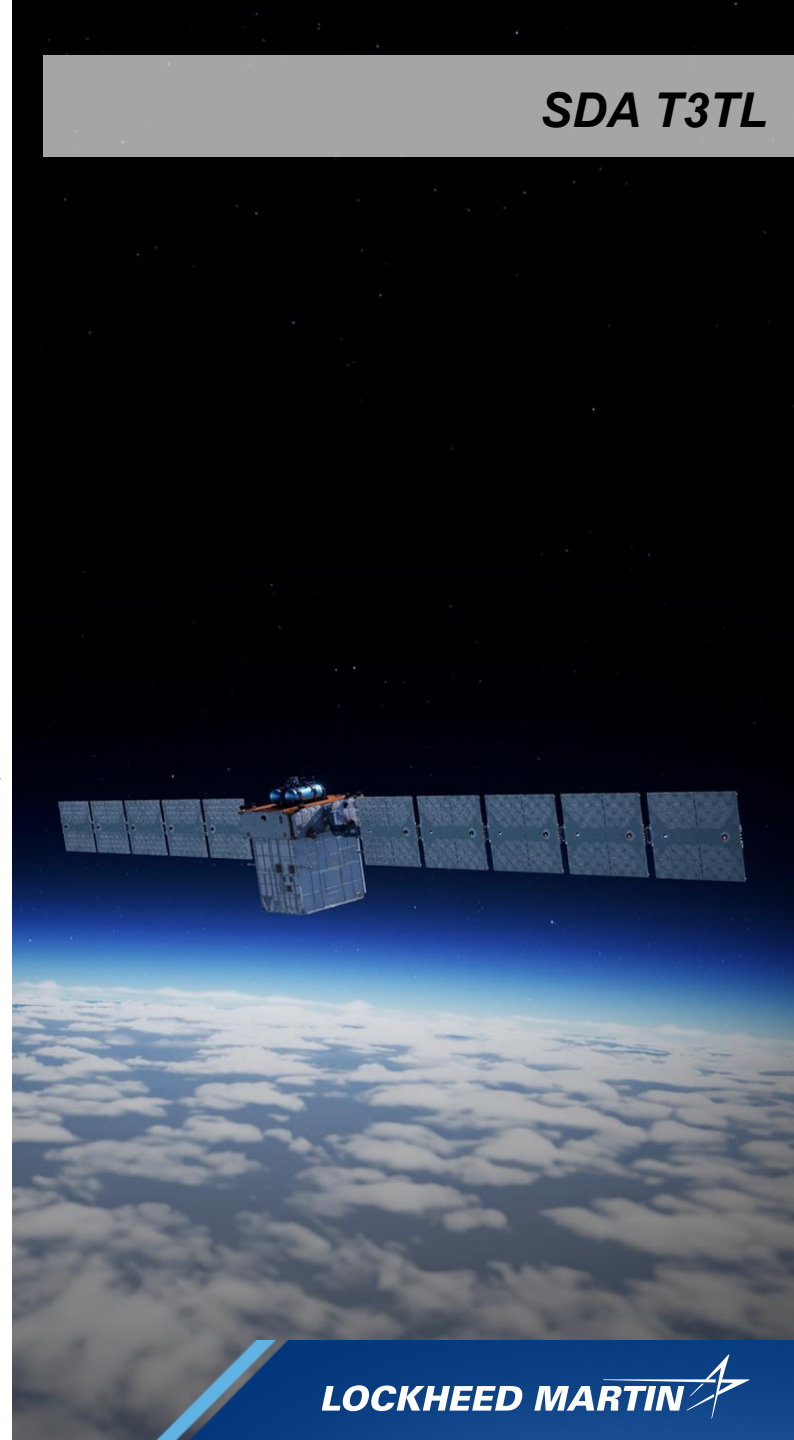
Full Year (\$M)

Sales: Increased 4%

Higher volume within SMD (NGI, FBM) and commercial civil (Orion), partially offset by NSS programs due to program lifecycle in the OPIR mission

Operating Profit: Increased 10%

Higher profit booking rate adjustments due to favorable at complete performance on commercial civil space programs and higher sales volume; partially offset by lower ULA equity earnings



Outlook

(\$M), Except for EPS	2026 Outlook
Sales	\$77,500 - \$80,000
<i>YoY Growth</i>	<i>+5%</i>
Segment Operating Profit*	8,425 - 8,675
Total FAS/CAS Pension Adjustment	~1,365
Diluted EPS	29.35 - 30.25
Cash from Operations	9,150 - 9,450
Capital Expenditures	2,500 - 2,800
Free Cash Flow*	6,500 – 6,800

*See Chart 11 for Definitions of Non-GAAP Measures and Other Performance Metrics
See the company's fourth quarter earnings release for a description of the assumptions on which the 2026 Outlook is based

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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
Capital Expenditures	(463)	(1,649)	(2,500) - (2,800)
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.

	Sales	Profit	Margin	Sales	Profit	Margin	Sales	Profit	Margin	Sales	Profit	Margin
Business segment operating profit (non-GAAP)	20,321	2,058	10.1%	18,622	426	2.3%	\$75,048	\$6,743	9.0%	\$77,500 - \$80,000	\$8,425 - \$8,675	~10.9%
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)	20,321	2,331	11.5%	18,622	696	3.7%	\$75,048	\$7,731	10.3%	\$77,500 - \$80,000	\$9,435 - \$9,685	~12.1%

Book-to-Bill Ratio

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

Appendix I – Guidance Detail

2026 Outlook	(\$M), Except for EPS
Sales	\$77,500 - \$80,000
Segment Operating Profit*	\$8,425 - \$8,675
Segment Margin*	10.9%
FAS/CAS Operating Adjustment**	~\$1,685
Other, net	~(\$675)
Consolidated Operating Profit	\$9,435 - 9,685
Net-Operating FAS Pension Income**	~(\$320)
Interest Expense	~(\$1,105)
Effective Tax Rate	~16.5%
Diluted EPS	\$29.35 - 30.25
Pension Contribution	\$0

*See Chart 11 for Definitions of Non-GAAP Measures

**See Chart 14 for Pension Detail

See the company's fourth quarter earnings release for a description of the assumptions on which the 2026 Outlook is based

Appendix II – Business Area Guidance

(\$M)	Sales	Segment Operating Profit*
AERO	\$30,500 – 31,500	\$2,975 – 3,075
MFC	\$16,100 – 16,900	\$2,235 – 2,315
RMS	\$17,400 – 17,800	\$1,830 – 1,870
SPACE	\$13,500 – 13,800	\$1,385 – 1,415
LM Total	\$77,500 – 80,000	\$8,425 – 8,675

*See Chart 11 for Definitions of Non-GAAP Measures
See the company's fourth quarter earnings release for a description of the assumptions on which the 2026 Outlook is based

Appendix III - Pension

	<u>2025</u> <u>Actual</u>	<u>2026</u> <u>Outlook</u>
Total FAS income / (expense) and CAS costs		
FAS pension income	\$ (924)	\$ (370)
Less: CAS pension cost	<u>1,568</u>	<u>1,735</u>
Total FAS/CAS pension adjustment	<u>\$ 644</u>	<u>\$1,365</u>
 Service and non-service cost reconciliation		
FAS pension service cost	\$ (50)	\$ (50)
Less: CAS pension cost	<u>1,568</u>	<u>1,735</u>
FAS/CAS operating adjustment	\$1,518	\$1,685
Non-operating FAS pension income	<u>(874)</u>	<u>(320)</u>
Total FAS/CAS pension adjustment	<u>\$ 644</u>	<u>\$1,365</u>

Appendix IV

Acronyms

GAAP – Generally Accepted Accounting Principles

EPS – Earnings per Share

FAS – Financial Accounting Standards

CAS – Cost Accounting Standards

TSM – Tactical & Strike Missiles

IAMD – Integrated Air & Missile Defense

GMLRS – Guided Multiple Launch Rocket System

HIMARS – High Mobility Artillery Rocket System

JASSM – Joint Air-to-Surface Standoff Missile

LRASM – Long Range Anti-Ship Missile

PAC-3 – Patriot Advanced Capability 3

THAAD – Terminal High Altitude Area Defense

RCD – River Class Destroyer

CMHP – Canadian Maritime Helicopter Program

TUHP – Turkish Utility Helicopter Program

IWSS – Integrated Warfare Systems & Sensors

TLS – Training and Logistics Solutions

SMD – Strategic Missile Defense

NSS – National Security Space

FBM – Fleet Ballistic Missile

NGI – Next Generation Interceptor

GPS – Global Positioning Satellite

OPIR – Overhead Persistent Infrared

ULA – United Launch Alliance

SRM – Solid Rocket Motor

LRHW – Long Range Hypersonic Weapon