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1st Quarter 2024 Conference Call

April 23, 2024

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April 23, 2024 through midnight April 24, 2024

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 and the debt ceiling and the potential for 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; the timing of contract awards or delays in contract definitization as well as the timing and customer acceptance of product deliveries and performance milestones; the company's ability to recover costs under U.S. Government contracts and the mix of fixed-price and cost-reimbursable contracts; customer procurement policies that shift risk to contractors, including competitively bid programs with fixed-price development work or follow-on production options or other financial risks; and the impact of investments, cost overruns or other cost pressures and performance issues on fixed price contracts; changes in procurement and other regulations and policies affecting the company's industry, export of its products, cost allowability or recovery, preferred contract type, and performance and progress payments policy; performance and 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; the impact of pandemics and epidemics on the company's business and financial results, including supply chain disruptions and delays, employee absences, and program delays; government actions that prevent the sale or delivery of the company's products (such as delays in approvals for exports requiring Congressional notification); trade policies or sanctions (including Chinese sanctions on the company or its suppliers, teammates or partners, U.S. Government sanctions on Turkish entities and persons, and indirect effects of sanctions on Russia to the company's supply chain); the company's success expanding into and doing business in adjacent markets and internationally and the risks posed by international sales; changes in foreign national priorities and foreign government budgets and planned orders, including potential effects from fluctuations in currency exchange rates; the competitive environment for the company's products and services, including competition from startups and non-traditional defense contractors; 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, 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; 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 risk transfers and associated settlement 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 increase 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; impacts of climate change and compliance with laws, regulations, policies, and customer requirements in response to climate change concerns; 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, 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 its release. 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.

1Q 2024: Strong Start to 2024

Financial Results

- Strong Top-line and Free Cash Flow
- Robust Backlog of >\$159B

US Budget

- FY24 DoD Budget Supports Near-term Outlook
- FY25 Presidential Budget Largely In-line with Expectations

Operations / 21st Century Security

- F-35 TR3 on Track
- Sikorsky Outlook Stable
- Next Generation Interceptor (NGI) Down-select to LM
- C2BMC-Next Selection
- Advanced Microelectronics Collaboration



1Q 2024 Financial Highlights: Delivering Solid Results



\$17.2B

Sales

\$1.7B

Segment Operating Profit*

10.1%

Segment Operating Margin*

\$6.39

Earnings Per Share

0.9x

Book-to-Bill
Ratio*

\$1.3B

Delivered in Free Cash Flow*

\$1.0B

Of Share Repurchases

\$0.8B

In Dividends

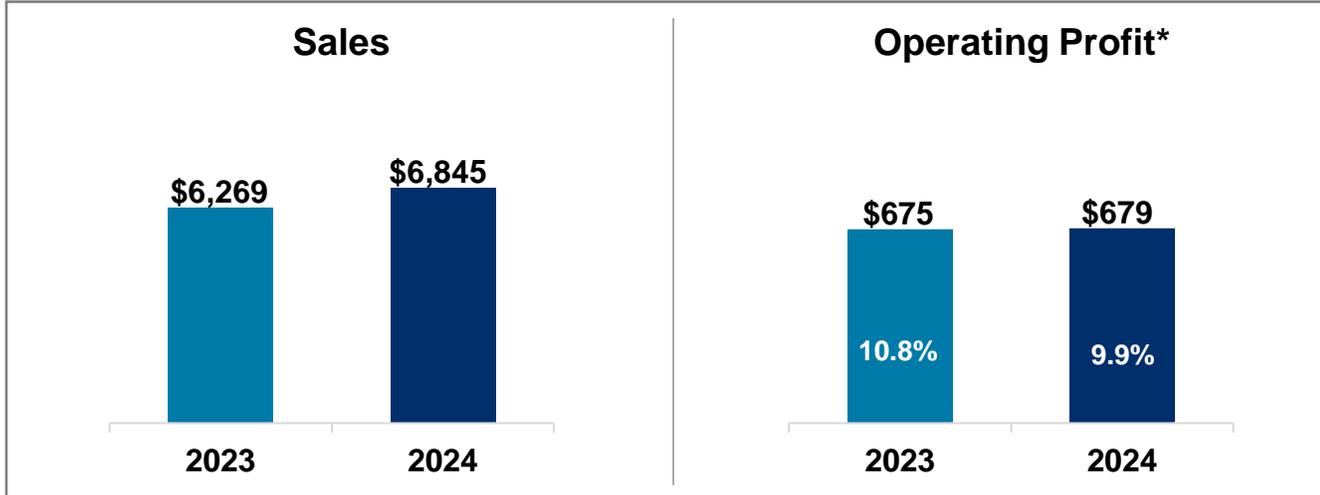
Returns to Shareholders

\$0.7B

Of Independent
Research &
Development and Capital
Expenditures

*See Charts 12 and 13 for Definitions of Non-GAAP Measures and Other Performance Metrics

1st Quarter (\$M)



Sales: Increased 9%

Volume on F-35 and SkunkWorks®,
Production Ramp on F-16

Operating Profit: Comparable

Higher Volume, Offset by
Lower Net Profit Adjustments

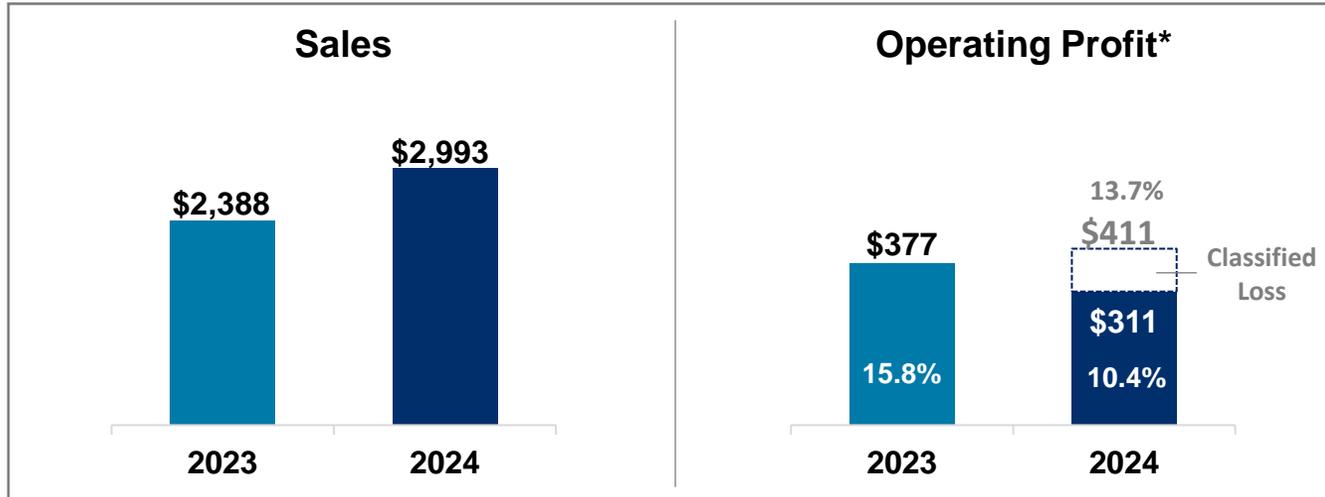


F-35
Joint Strike Fighter

*See Charts 12 and 13 for Definitions of Non-GAAP Measures ; Chart 18 for Acronyms

Missiles & Fire Control

1st Quarter (\$M)



Sales: Increased 25%

Production Ramps at TSM (primarily, GMLRS, HIMARS and JASSM/LRASM) and Volume at IAMD (PAC-3 and THAAD)

Operating Profit: Decreased 18%

Classified Program Loss and Lower Net Profit Adjustments

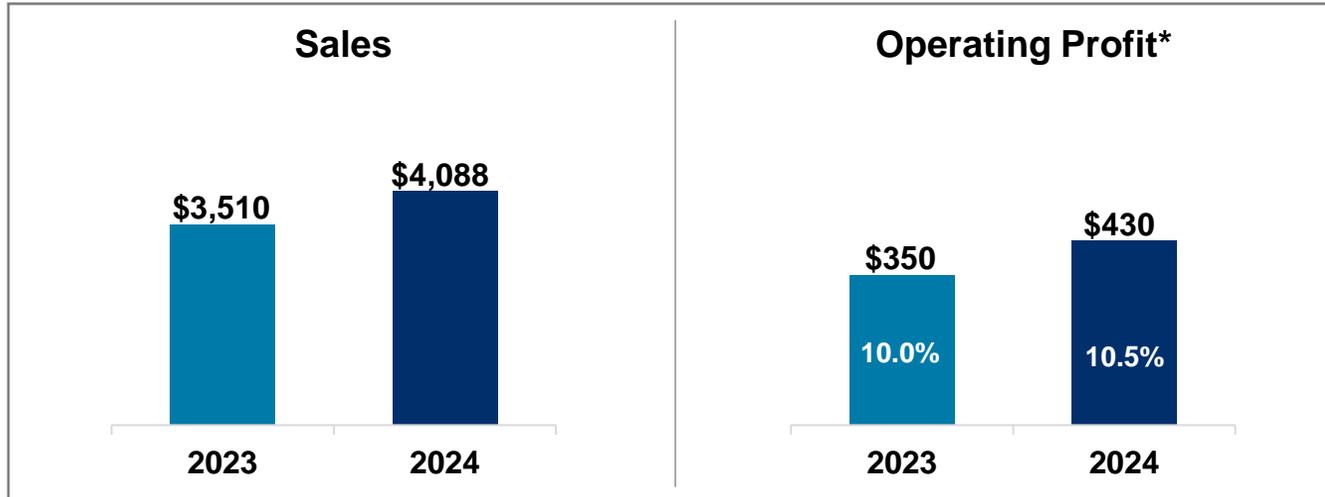


ER-GMLRS

*See Charts 12 and 13 for Definitions of Non-GAAP Measures ; Chart 18 for Acronyms

Rotary & Mission Systems

1st Quarter (\$M)



Sales: Increased 16%

Higher Volume Across the Portfolio:
IWSS (AEGIS, Radars & Lasers),
C6ISR (Miscellaneous),
Sikorsky (CH-53K & Seahawk)

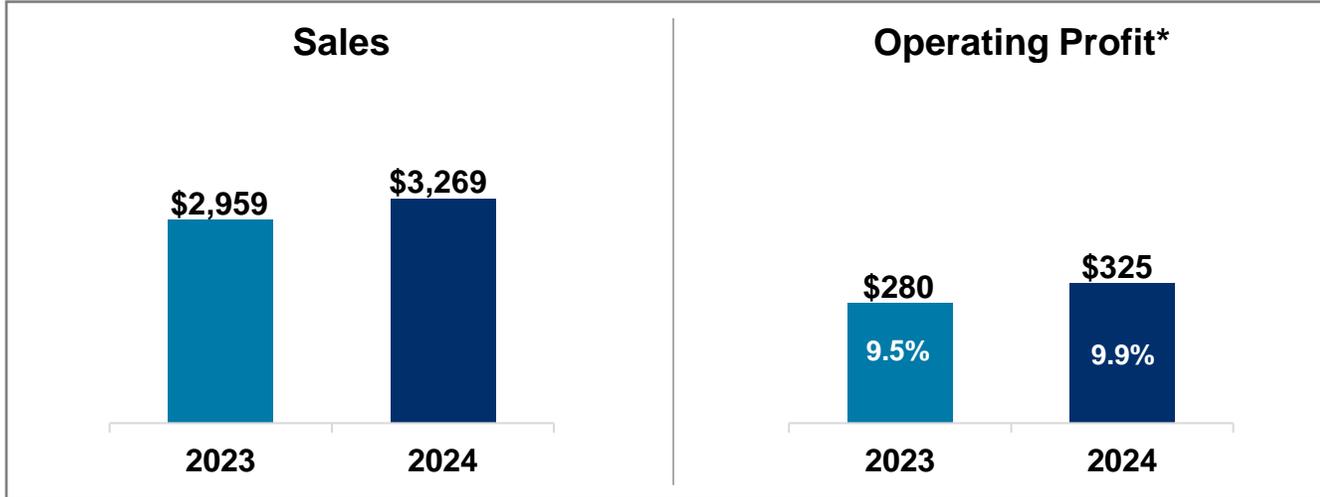
Operating Profit: Increased 23%

Higher Volume and Favorable Mix,
Partially Offset by Lower Net Profit
Adjustments

*See Charts 12 and 13 for Definitions of Non-GAAP Measures ; Chart 18 for Acronyms



1st Quarter (\$M)



Sales: Increased 10%

Higher Volume Across the Portfolio: SMD (FBM, Hypersonics, NGI) and NSS (Transport & Tracking Layer, GPS III)

Operating Profit: Increased 16%

Higher Volume and ULA Equity Earnings, Partially Offset by Lower Net Profit Adjustments (Next Gen OPIR)



*See Charts 12 and 13 for Definitions of Non-GAAP Measures ; Chart 18 for Acronyms

On Track to Meet 2024 Outlook



(\$M), Except for EPS	
Sales	\$68,500 - \$70,000
Segment Operating Profit*	\$7,175 - \$7,375
Total FAS/CAS Pension Adjustment	~\$1,685
Diluted EPS	\$25.65 - \$26.35
Cash from Operations	\$7,750 - 8,050
Capital Expenditures	~(\$1,750)
Free Cash Flow*	\$6,000 - \$6,300
Share Repurchases	~\$4,000

*See Charts 12 and 13 for Definitions of Non-GAAP Measures

See the company's first quarter earnings release for a description of the assumptions on which the 2024 Outlook is based.

Summary: Building Momentum



- Solid Start to 2024... Remain Focused on Operational Execution
- Optimizing Domain Knowledge and 1LMX to Deliver 21st Century Security Solutions
- Committed to Disciplined & Dynamic Capital Deployment



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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>1Q24 Results</u>	<u>2024 Outlook</u>
Cash from Operations (GAAP)	1,635	7,750 - 8,050
Capital Expenditures	(378)	~(1,750)
Free Cash Flow (non-GAAP)	1,257	6,000 - 6,300

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. Business Segment Operating Margin is calculated by dividing Segment Operating Profit by Sales. The table below reconciles Business Segment Operating Profit to Consolidated Operating Profit.

<u>\$M</u>	<u>1Q 2024</u>			<u>1Q 2023</u>			<u>2024 Outlook</u>		
	<u>Sales</u>	<u>Profit</u>	<u>Margin</u>	<u>Sales</u>	<u>Profit</u>	<u>Margin</u>	<u>Sales</u>	<u>Profit</u>	<u>Margin</u>
Business segment operating profit (non-GAAP)	17,195	1,745	10.1%	15,126	1,682	11.1%	~\$68,500 - \$70,000	~\$7,175 - \$7,375	~10.5%
FAS/CAS operating adjustment		406			415			~1,625	
Intangible asset amortization expense		(61)			(62)			~(245)	
Severance and other charges		-			-			-	
Other, net		(61)			2			~(400)	
Total Unallocated Items		284			355			980	
Consolidated operating profit (GAAP)	17,195	2,029	11.8%	15,126	2,037	13.5%	~\$68,500 - \$70,000	~\$8,155 - \$8,355	~11.9%

Definitions of Non-GAAP Measures



Adjusted Earnings Per Share (non-GAAP)

Diluted earnings per share (EPS) was impacted by certain non-operational charges for all periods. Management believes the presentation of this measure adjusted for the impacts of these non-operational items is useful to investors in understanding the company's underlying business performance and comparing performance from period to period. The tax effects related to each adjustment that impacted earnings before income taxes are based on a blended tax rate that combines the federal statutory rate of 21% plus an estimated state tax rate.

Diluted EPS	1Q 2024	1Q 2023
As Reported (GAAP)	\$ 6.39	\$ 6.61
Mark-to-market investments losses/(gains)	(0.06)	(0.18)
As Adjusted (Non-GAAP)	\$ 6.33	\$ 6.43

Book-to-Bill Ratio

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

Normalized Sales

The first quarter of 2024 included 1 additional fiscal week than the first quarter of 2023 (13 versus 12). In order to provide a more representative year-over-year comparison of sales growth between the periods, management provided a normalized growth calculation by adjusting the 1Q 2023 business area sales (e.g. 1Q23 Sales ÷ 12 weeks x 13 weeks).

(\$M)	1Q23	1Q23		1Q23	1Q24	1Q24	
	Sales	Weekly	Average	Normalized	Sales	Normalized	
AERO	6,269	÷ 12	522	x 13	6,791	6,845	1%
MFC	2,388	÷ 12	199	x 13	2,587	2,993	16%
RMS	3,510	÷ 12	293	x 13	3,803	4,088	8%
SPACE	2,959	÷ 12	247	x 13	3,206	3,269	2%

Appendix I



2024 Outlook

(\$M), Except for EPS

Sales	~\$68,500 - 70,000
Segment Operating Profit*	~\$7,175 - 7,375
Segment Margin	10.5%
FAS/CAS Operating Adjustment**	~\$1,625
Other, net	~(\$645)
Consolidated Operating Profit	~\$8,155 - 8,355
Net-Operating FAS Pension Income**	~\$60
Interest Expense	~(\$1,025)
Effective Tax Rate	15.5%
Diluted EPS	~\$25.65 - 26.35
Pension Contribution	\$0
Share Repurchases	~\$4,000

*See Charts 12 and 13 for Definitions of Non-GAAP Measures.

**See Chart 16 for Pension Detail

Appendix II



(\$M)	Sales	Segment Operating Profit*
AERO	\$27,750 – 28,250	\$2,750 – 2,800
MFC	\$11,900 – 12,100	\$1,375 – 1,425
RMS	\$16,450 – 16,850	\$1,900 – 1,950
SPACE	\$12,400 – 12,800	\$1,150 – 1,200
LM Total	\$68,500 – 70,000	\$7,175 – 7,375

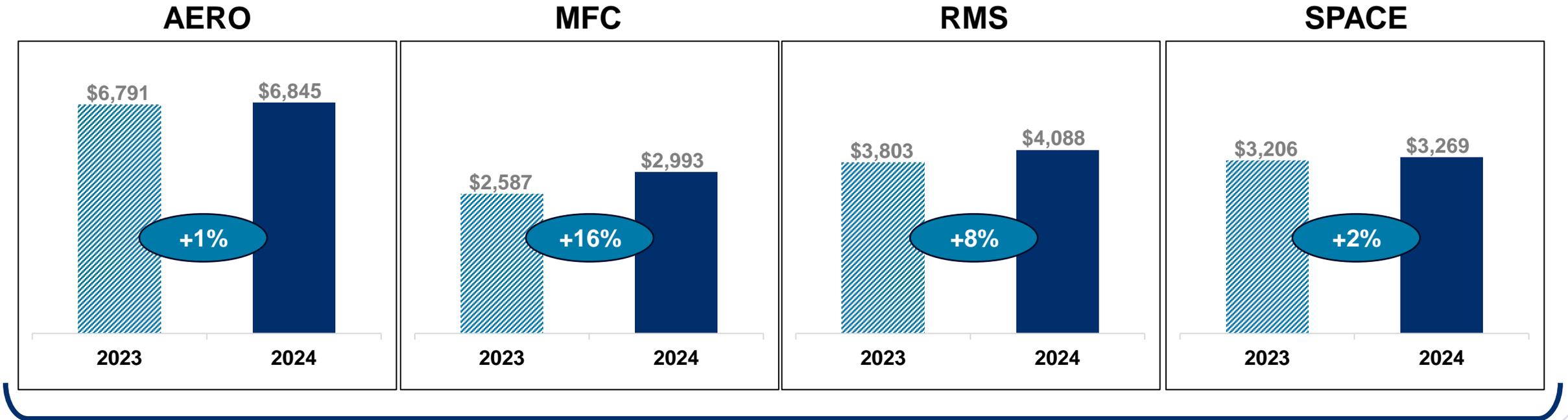
*See Charts 12 and 13 for Definitions of Non-GAAP Measures.

	2024
	<u>Outlook</u>
Total FAS income / (expense) and CAS costs	
FAS pension income	~ \$ -
Less: CAS pension cost	~ \$ 1,685
Total FAS/CAS pension adjustment	<u>~ \$ 1,685</u>
Service and non-service cost reconciliation	
FAS pension service cost	~ \$ (60)
Less: CAS pension cost	~ \$ 1,685
FAS/CAS operating adjustment	<u>~ \$ 1,625</u>
Non-operating FAS pension income	~ \$ 60
Total FAS/CAS pension adjustment	<u>~ \$ 1,685</u>

Appendix IV



Normalized* 1Q24 vs 1Q23 Sales Growth (\$M)



Lockheed Martin
+5%

*Adjusted prior year sales to reflect 13 weeks. See Charts 12 and 13 for Definitions of Non-GAAP measures.

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

IWSS – Integrated Warfare Systems & Sensors

C6ISR – Command, Control, Communications, Computers, Cyber, Combat Systems, Intelligence, Surveillance & Reconnaissance

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

C2BMC – Command & Control, Battle Management & Communications