

LOCKHEED MARTIN CORP
Form 10-Q
October 26, 2017
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the quarterly period ended September 24, 2017
Commission file number: 1-11437

LOCKHEED MARTIN CORPORATION

(Exact name of registrant as specified in its charter)

Maryland 52-1893632
(State or other jurisdiction of
incorporation or organization) (I.R.S. Employer Identification No.)

6801 Rockledge Drive, Bethesda, Maryland 20817
(Address of principal executive offices) (Zip Code)
(301) 897-6000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Edgar Filing: LOCKHEED MARTIN CORP - Form 10-Q

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

There were 286,734,181 shares of our common stock, \$1 par value per share, outstanding as of September 24, 2017.

Table of Contents

Lockheed Martin Corporation
Form 10-Q
For the Quarterly Period Ended September 24, 2017
Table of Contents

Page

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

Consolidated Statements of Earnings for the Quarters and Nine Months Ended September 24, 2017 and September 25, 2016 3

Consolidated Statements of Comprehensive Income for the Quarters and Nine Months Ended September 24, 2017 and September 25, 2016 4

Consolidated Balance Sheets as of September 24, 2017 and December 31, 2016 5

Consolidated Statements of Cash Flows for the Nine Months Ended September 24, 2017 and September 25, 2016 6

Consolidated Statements of Equity for the Nine Months Ended September 24, 2017 and September 25, 2016 7

Notes to Consolidated Financial Statements 8

Review Report of Ernst & Young LLP, Independent Registered Public Accounting Firm 25

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 26

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk 45

ITEM 4. Controls and Procedures 45

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings 48

ITEM 1A. Risk Factors 48

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds 49

ITEM 6. Exhibits 50

SIGNATURE 51

Table of Contents

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

Lockheed Martin Corporation

Consolidated Statements of Earnings

(unaudited; in millions, except per share data)

	Quarters Ended		Nine Months Ended	
	September	September	September	September
	24,	25,	24,	25,
	2017	2016	2017	2016
Net sales				
Products	\$10,496	\$10,062	\$30,837	\$28,629
Services	1,673	1,489	5,074	4,867
Total net sales	12,169	11,551	35,911	33,496
Cost of sales				
Products	(9,481)	(9,027)	(27,919)	(25,787)
Services	(1,513)	(1,313)	(4,547)	(4,321)
Severance charges	—	—	—	(80)
Other unallocated, net	176	173	484	401
Total cost of sales	(10,818)	(10,167)	(31,982)	(29,787)
Gross profit	1,351	1,384	3,929	3,709
Other income, net	77	204	133	412
Operating profit	1,428	1,588	4,062	4,121
Interest expense	(162)	(162)	(477)	(492)
Other non-operating (expense) income, net	(7)	1	(8)	2
Earnings from continuing operations before income taxes	1,259	1,427	3,577	3,631
Income tax expense	(320)	(338)	(933)	(837)