

LOCKHEED MARTIN



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Company Overview



Company Overview





Business Segments



Aeronautics



Missile & Fire Control



Rotary & Mission Systems



Space





How Lockheed Makes Money



US Government Contracts



International Clients





Revenue Breakdown



Revenue Breakdown



Revenue Breakdown





Interpretation of Financial Statements



Revenue



Net Income



Cash Flow from Operations



Operating Margin



Net Margin and Free Cash Flow Margin



Cash Flow from Operations Margin



Depreciation & Amortization to Gross Profit



Interest Expense to Operating Income



Obligation Ratio



Capital Expenditures to Net Income



Retained Earnings



Return on Equity



Return on Equity with Treasury Stock



Total Shareholders' Equity



Return on Capital



ROC with Intangible Assets & Goodwill





Economic Moat



Intangible Assets



Switching Costs





Competitor Analysis



Competitors

- Raytheon
- Boeing
- General Electric Co
- General Dynamics Corp
- L3Harris
- Northrop Grumman
- Airbus
- Huntington Ingalls Industries



Emerging Competitors

Emerging Competition in the Space Segment

- SpaceX
- Blue Origin



Revenue



Operating Margin



Net Profit Margin



Return on Invested Capital



Return on Capital Employed

$$\text{ROCE} = \frac{\text{Earning Before Interest and Tax (EBIT)}}{\text{Capital Employed}}$$

Capital Employed = Total Assets – Current Liabilities





Risk Factors



Risk Factors

- Monopsony – Customer Concentration
- United States: 72% of Revenue
- Political Risk





Management



LMT's Management Team



Briefly Cover Aerojet's Management





Capital Allocation



History: Acquisitions and Divestitures



AEROJET, AEROJET, AEROJET!!!



Cash Flow Used for Dividends



Dividend per Share



Dividend Payout Ratio



Cash Used to Repurchase Stock



Shares Outstanding





Growth Opportunities



Growth Opportunities



Valuation



Price to Sales



Price to Owner's Earnings



Price to Earnings Less Cash



Price to Earnings



Price to Book



Price to Cash Flow



EV to Revenue



EV to EBITDA



EV to EBIT

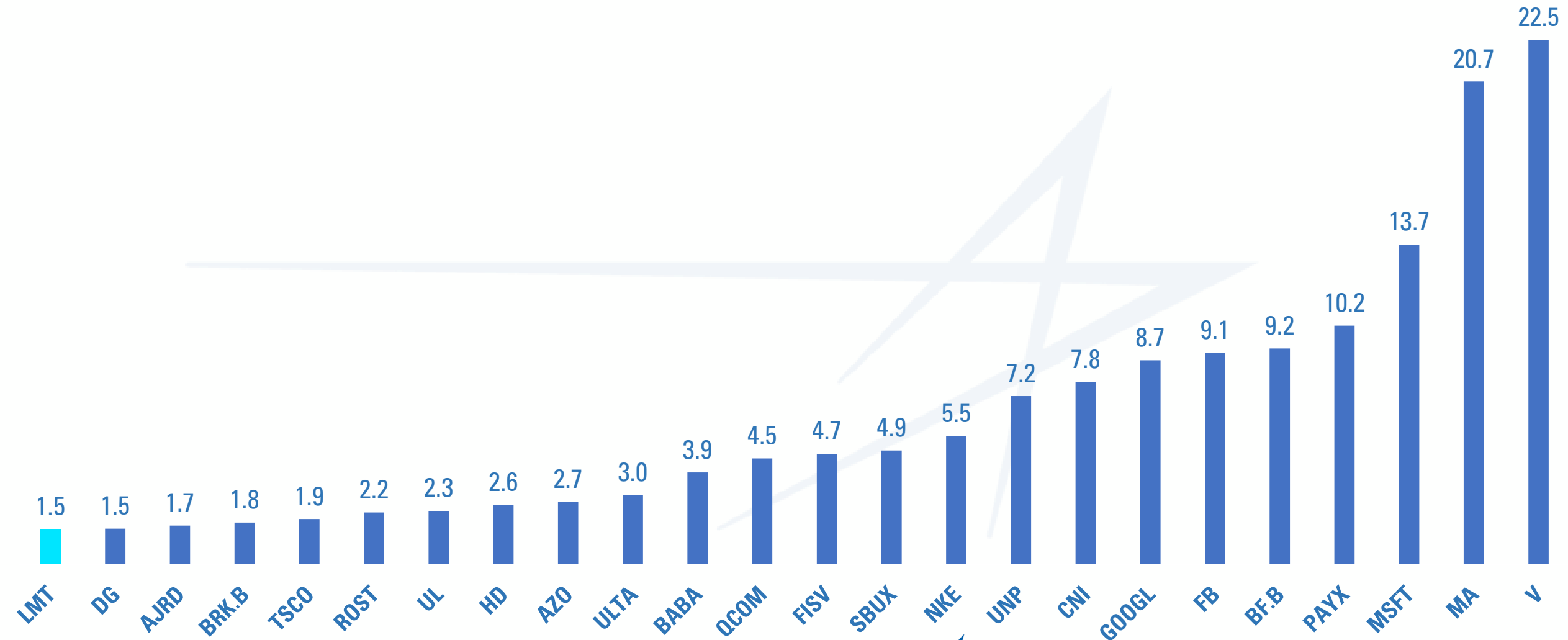




Intraportfolio Valuation



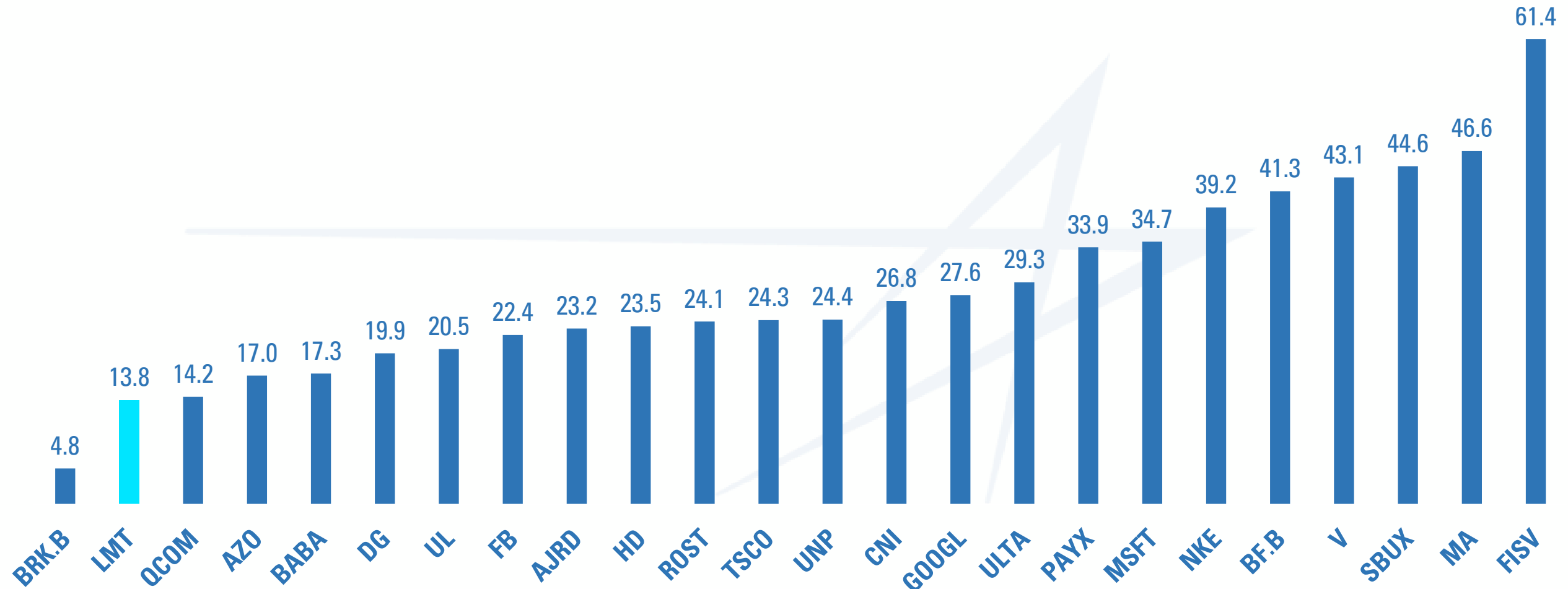
Price to Sales



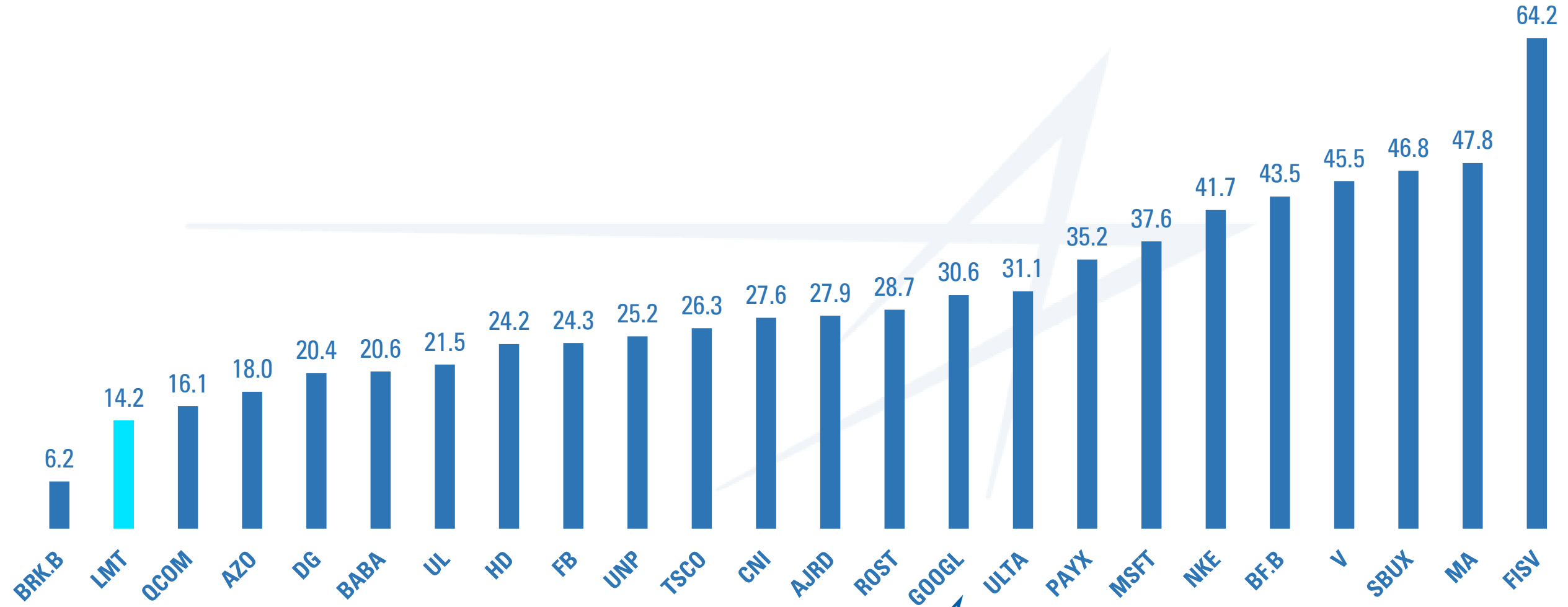
Price to Owner's Earnings



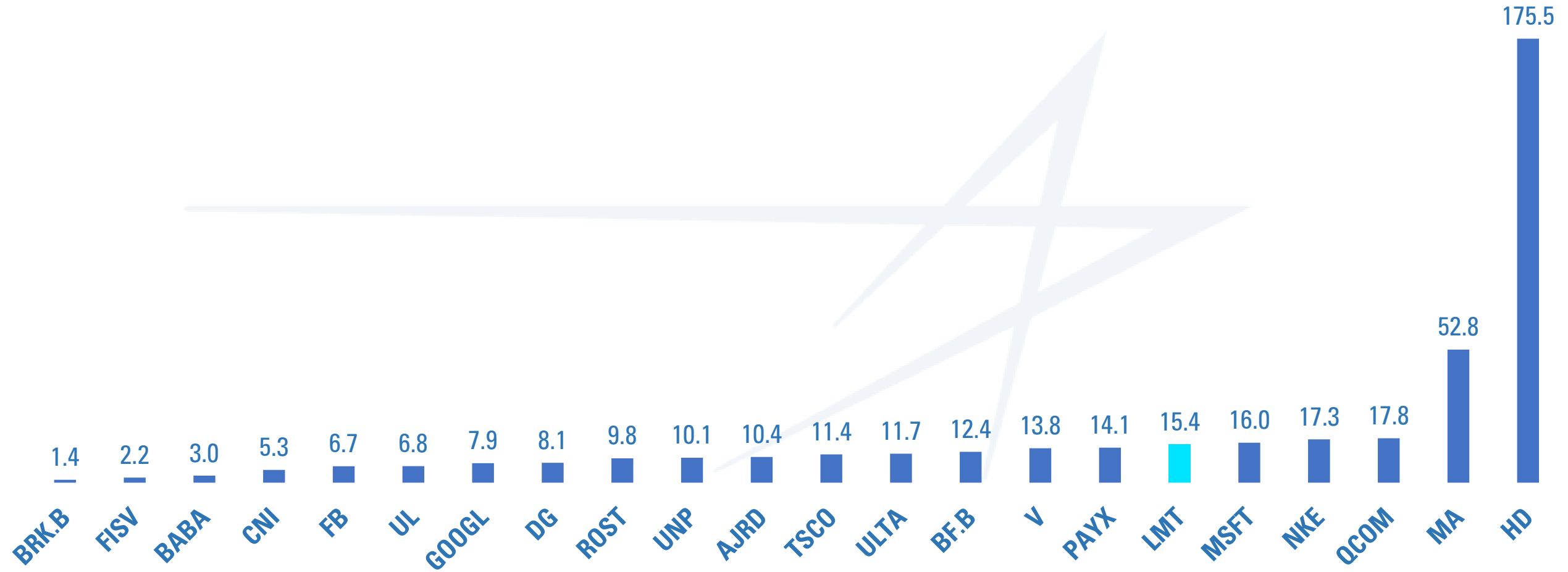
Price to Earnings Less Cash



Price to Earnings



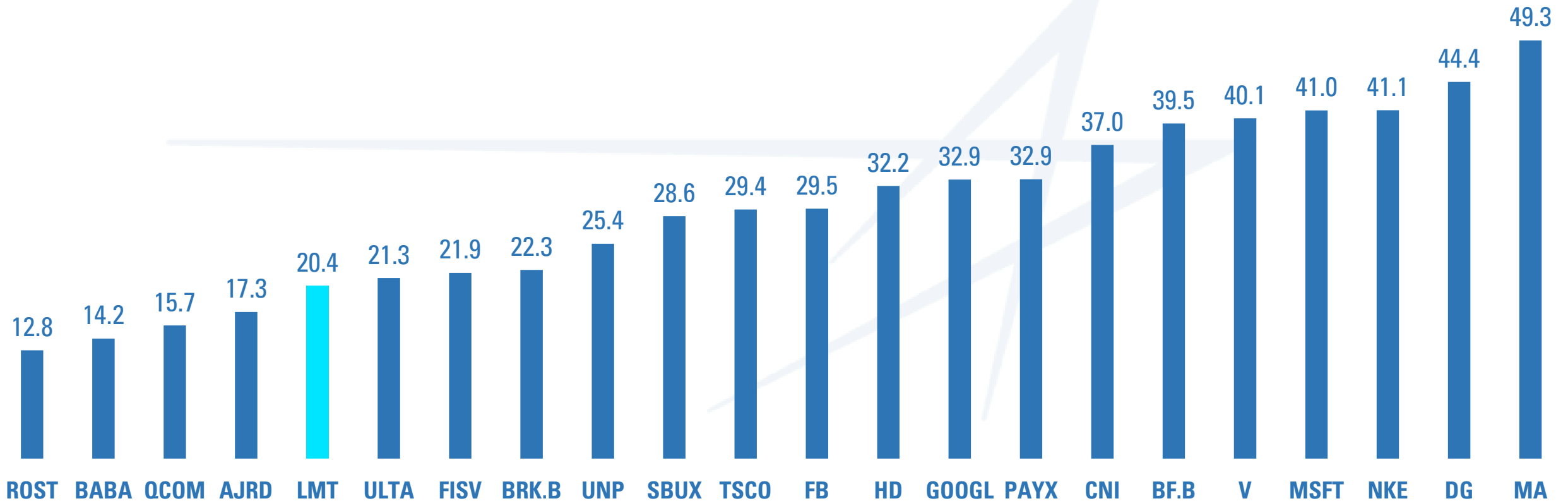
Price to Book



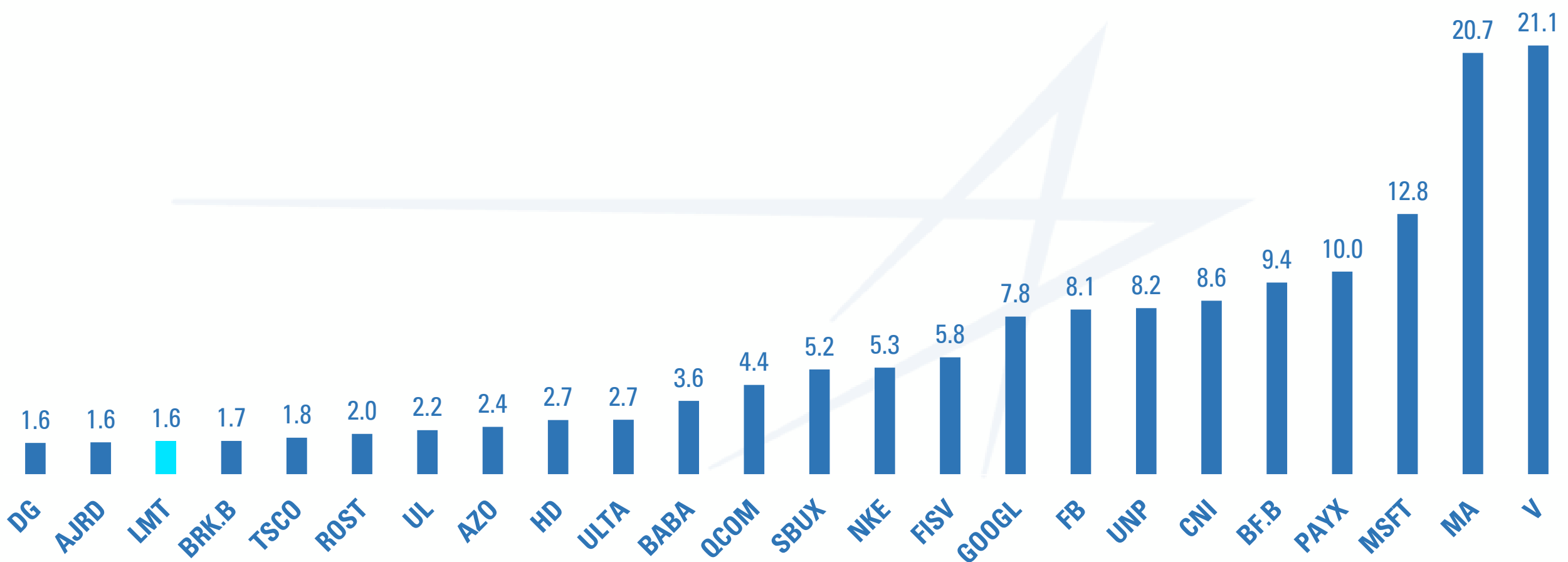
Price to Cash Flow



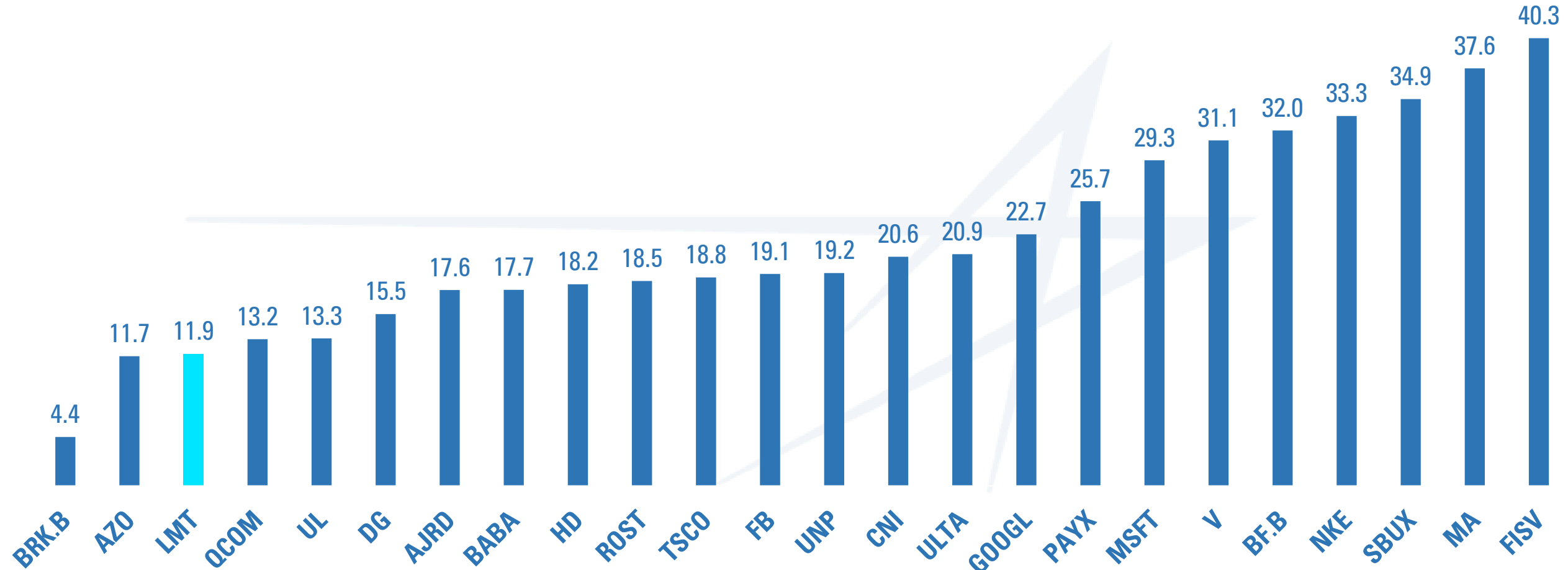
Price to Free Cash Flow



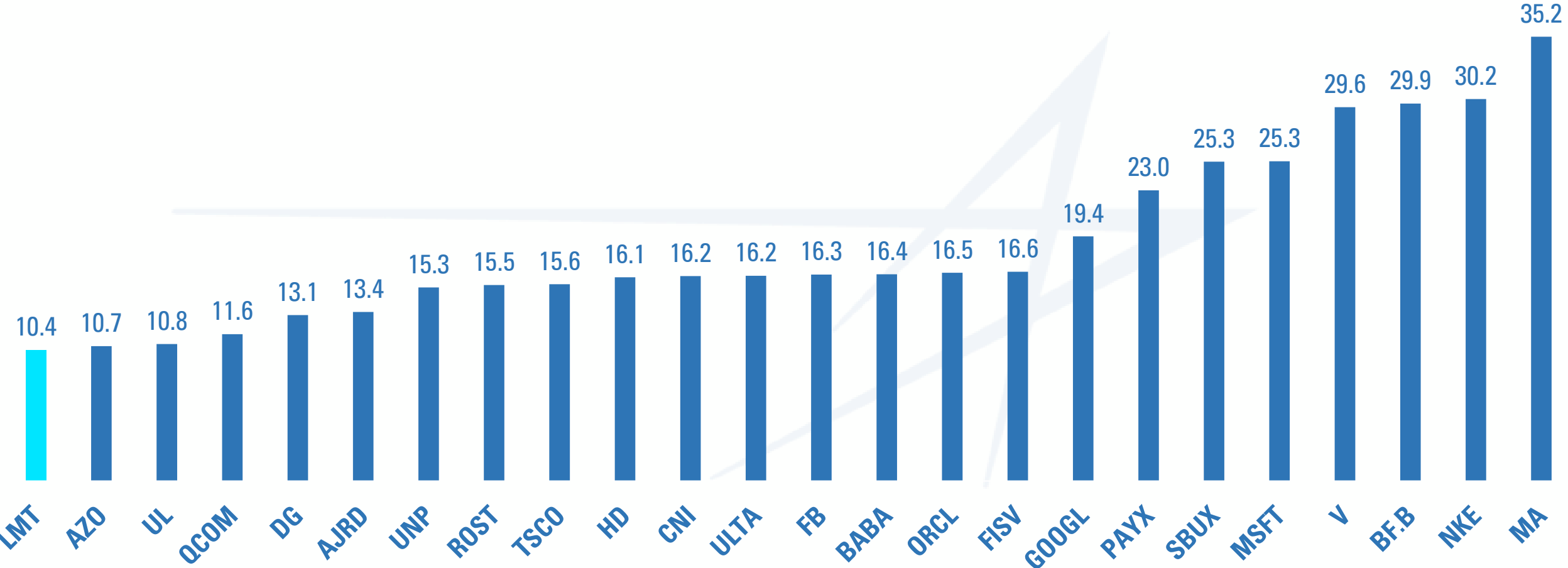
EV to Revenue



EV to EBIT



EV to EBITDA





Discounted Cash Flow Analysis



Bear Case DCF – Two Stage



Base Case DCF – Two Stage



Bull Case DCF – Two Stage



Bear Case DCF



Base Case DCF



Bull Case DCF



Sensitivity Analysis





Conclusion



Conclusion

