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10k Analysis of Lockheed Martin

While analyzing the asset section of the balance sheet of Lockheed Martin for the years 2021 and 2022 there were a couple of sections that stood out to me. These were the changes in their cash/cash equivalents, accounts receivable, contract assets, and deferred income taxes. Their cash/cash equivalents stood out to me because in 2021 they reported 3,604 million in cash and then 2,547 million in cash in 2022. This tells me that they spent more cash in 2022 whether it was paying off some of their liabilities or purchasing or improving their assets using cash. Their changes in accounts receivable stood out to me because it showed that they were owed 1,963 million in 2021 and then 2,505 million in 2022. This tells me that they made more sales on credit during these two years and may be experiencing trouble collecting them. The next section that stood out to me was the changes in their contract assets because in 2021 they reported them at 10,579 million and then 12,318 million in 2022. This tells me that they are taking on more contracts over these two years which makes sense as they complete many contracts for the United States government but have not collected them yet. The last change that stood out to me were the changes in their deferred income taxes because they went from 2,290 million in 2021 to 3,744 million in 2022. This tells me that over these two years the amount they owe in taxes has gone up.

While analyzing the liabilities and equity section of the balance sheet of Lockheed Martin there were a couple of sections that stood out to me. These were accounts payable,

long-term debt, and retained earnings. Accounts payable stood out to me because it changed from 780 million in 2021 to 2,117 million in 2022. This tells me that the amount of money they owe to other people whether they are their suppliers or creditors went up significantly. Long-term debt stood out to me because they went from 11,670 million in 2021 to 15,429 million in 2022. This tells me that they have taken on more debt that extends over a year which could be to combat the fact that their accounts receivable increased. Retained earnings stood out to me because it went from 21,600 million in 2021 to 16,943 million in 2022. This tells me that they could have experienced a net loss this period or that they paid out more in dividends to their shareholders.