

**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 30, 2026

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-16411

NORTHROP GRUMMAN CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

80-0640649

(I.R.S. Employer
Identification No.)

2980 Fairview Park Drive

Falls Church, Virginia

(Address of principal executive offices)

22042

(Zip Code)

(703) 280-2900

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	NOC	New York Stock Exchange

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 every Interactive Data File required to be submitted 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 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. ☐

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

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of October 15, 2026, 142,064,489 shares of common stock were outstanding.

NORTHROP GRUMMAN CORPORATION

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NORTHROP GRUMMAN CORPORATION
PART I. FINANCIAL INFORMATION
Item 1. Financial Statements
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME (Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
<i>\$ in millions, except per share amounts</i>	2026	2025	2026	2025
Sales				
Product	\$ 9,098	\$ 8,369	\$ 25,864	\$ 24,148
Service	2,024	2,054	6,015	6,094
Total sales	11,122	10,423	31,879	30,242
Operating costs and expenses				
Product	7,198	6,631	20,786	19,523
Service	1,572	1,565	4,660	4,702
General and administrative expenses	1,083	985	3,079	3,008
Total operating costs and expenses	9,853	9,181	28,525	27,233
Gain on sale of business	—	—	—	231
Operating income	1,269	1,242	3,354	3,240
Other (expense) income				
Interest expense	(158)	(161)	(481)	(490)
Non-operating FAS pension benefit	167	136	499	403
Other, net	20	106	124	175
Earnings before income taxes	1,298	1,323	3,496	3,328
Federal and foreign income tax expense	174	223	403	573
Net earnings	\$ 1,124	\$ 1,100	\$ 3,093	\$ 2,755
Basic earnings per share	\$ 7.91	\$ 7.69	\$ 21.77	\$ 19.16
Weighted-average common shares outstanding, in millions	142.1	143.1	142.1	143.8
Diluted earnings per share	\$ 7.89	\$ 7.67	\$ 21.72	\$ 19.12
Weighted-average diluted shares outstanding, in millions	142.4	143.5	142.4	144.1
Net earnings (from above)	\$ 1,124	\$ 1,100	\$ 3,093	\$ 2,755
Other comprehensive income (loss), net of tax				
Change in cumulative translation adjustment	2	2	—	11
Change in other, net	—	(1)	(6)	18
Other comprehensive income (loss), net of tax	2	1	(6)	29
Comprehensive income	\$ 1,126	\$ 1,101	\$ 3,087	\$ 2,784

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NORTHROP GRUMMAN CORPORATION
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)**
\$ in millions, except par value

	September 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	\$ 3,744	\$ 4,403
Accounts receivable, net	2,080	1,375
Unbilled receivables, net	7,899	6,544
Inventoried costs, net	1,361	1,309
Prepaid expenses and other current assets	1,893	1,656
Total current assets	16,977	15,287
Property, plant and equipment, net of accumulated depreciation of \$10,306 for 2026 and \$9,648 for 2025	10,461	10,972
Operating lease right-of-use assets	2,182	1,859
Goodwill	17,440	17,437
Deferred tax assets	488	1,051
Pension and other postretirement benefit plan assets	3,447	3,167
Other non-current assets	1,502	1,604
Total assets	\$ 52,497	\$ 51,377
Liabilities		
Trade accounts payable	\$ 3,281	\$ 3,240
Accrued employee compensation	2,039	2,309
Advance payments and billings in excess of costs incurred	3,838	4,086
Other current liabilities	4,595	4,247
Total current liabilities	13,753	13,882
Long-term debt, net of current portion of \$764 for 2026 and \$534 for 2025	14,433	15,162
Pension and other postretirement benefit plan liabilities	1,076	1,110
Operating lease liabilities	2,202	1,857
Other non-current liabilities	2,350	2,692
Total liabilities	33,814	34,703
Commitments and contingencies (Note 7)		
Shareholders' equity		
Preferred stock, \$1 par value; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, \$1 par value; 800,000,000 shares authorized; issued and outstanding: 2026—142,064,132 and 2025—141,997,194	142	142
Paid-in capital	63	—
Retained earnings	18,610	16,658
Accumulated other comprehensive loss	(132)	(126)
Total shareholders' equity	18,683	16,674
Total liabilities and shareholders' equity	\$ 52,497	\$ 51,377

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NORTHROP GRUMMAN CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30	
<i>\$ in millions</i>	2026	2025
Operating activities		
Net earnings	\$ 3,093	\$ 2,755
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	1,118	1,066
Stock-based compensation	75	65
Deferred income taxes	651	344
B-21 loss provision	—	477
Gain on sale of business	—	(231)
Net periodic pension and OPB income	(361)	(256)
Pension and OPB contributions	(92)	(94)
Changes in assets and liabilities:		
Accounts receivable, net	(705)	(716)
Unbilled receivables, net	(1,177)	(1,240)
Inventoried costs, net	(65)	(179)
Prepaid expenses and other assets	55	(29)
Trade accounts payable	41	203
Advance payments and billings in excess of costs incurred	(248)	(505)
Other liabilities	(868)	(340)
Income taxes payable, net	(125)	(421)
Other operating activities	(23)	(39)
Net cash provided by operating activities	1,369	860
Investing activities		
Capital expenditures	(775)	(788)
Proceeds from sale of equipment to a customer	371	—
Proceeds from sale of investment	107	—
Divestiture of training services business	—	333
Other investing activities	(17)	(36)
Net cash used in investing activities	(314)	(491)
Financing activities		
Net proceeds from issuance of long-term debt	—	998
Payments of long-term debt	(527)	(1,500)
Common stock repurchases	(68)	(1,168)
Cash dividends paid	(1,035)	(964)
Payments of employee taxes withheld from share-based awards	(58)	(38)
Other financing activities	(26)	(93)
Net cash used in financing activities	(1,714)	(2,765)
Decrease in cash and cash equivalents	(659)	(2,396)
Cash and cash equivalents, beginning of year	4,403	4,353
Cash and cash equivalents, end of period	\$ 3,744	\$ 1,957

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NORTHROP GRUMMAN CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
<i>\$ in millions, except per share amounts</i>	2026	2025	2026	2025
Common stock				
Beginning of period	\$ 142	\$ 143	\$ 142	\$ 145
Common stock repurchased	—	—	—	(2)
End of period	142	143	142	143
Paid-in capital				
Beginning of period	37	—	—	—
Stock compensation	26	—	63	—
End of period	63	—	63	—
Retained earnings				
Beginning of period	17,839	15,452	16,658	15,297
Common stock repurchased	—	(278)	(63)	(1,150)
Net earnings	1,124	1,100	3,093	2,755
Dividends declared	(353)	(332)	(1,034)	(963)
Stock compensation	—	26	(44)	29
End of period	18,610	15,968	18,610	15,968
Accumulated other comprehensive loss				
Beginning of period	(134)	(124)	(126)	(152)
Other comprehensive income (loss), net of tax	2	1	(6)	29
End of period	(132)	(123)	(132)	(123)
Total shareholders' equity	\$ 18,683	\$ 15,988	\$ 18,683	\$ 15,988
Cash dividends declared per share	\$ 2.47	\$ 2.31	\$ 7.25	\$ 6.68

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NORTHROP GRUMMAN CORPORATION**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Principles of Consolidation and Reporting**

These unaudited condensed consolidated financial statements (the “financial statements”) include the accounts of Northrop Grumman Corporation and its subsidiaries and joint ventures or other investments for which we consolidate the financial results (herein referred to as “Northrop Grumman,” the “company,” “we,” “us,” or “our”). Intercompany accounts, transactions and profits are eliminated in consolidation. Investments in equity securities and joint ventures where the company has significant influence, but not control, are accounted for using the equity method.

On May 24, 2025 (the “Divestiture date”), the company completed its previously announced sale of substantially all of the Immersive Mission Solutions (IMS) operating unit of Defense Systems (the “training services” business or “divestiture”) for \$333 million in cash and recorded a pre-tax gain on sale of \$231 million. IMS is a provider of mission training and satellite ground network communications software for U.S. government customers. 2025 operating results include sales and operating income for the training services business prior to the Divestiture date.

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP” or “FAS”) and in accordance with the rules of the Securities and Exchange Commission (SEC) for interim reporting. The financial statements include adjustments of a normal recurring nature considered necessary by management for a fair presentation of the company’s unaudited condensed consolidated financial position, results of operations and cash flows. For classification of certain current assets and liabilities, we consider the duration of our customer contracts when defining our operating cycle, which is generally longer than one year.

During the fourth quarter of 2025, we modified our presentation of the changes in liabilities in the operating cash flow section of the consolidated statement of cash flows by disaggregating Accounts payable and other liabilities into three separate line items: Accounts payable, Advance payments and billings in excess of costs incurred, and Other liabilities. Prior period amounts have been conformed to the current period presentation. The modified presentation does not impact previously reported cash provided by operating activities.

Results reported in the financial statements are not necessarily indicative of results that may be expected for the entire year. The financial statements should be read in conjunction with the information contained in the company’s 2025 Annual Report on Form 10-K.

Quarterly information is labeled using a calendar convention; that is, first quarter is consistently labeled as ending on March 31, second quarter as ending on June 30 and third quarter as ending on September 30. It is the company’s long-standing practice to establish actual interim closing dates using a “fiscal” calendar, in which we close our books on a Friday near these quarter-end dates in order to normalize the potentially disruptive effects of quarterly closings on business processes. This practice is only used at interim periods within a reporting year.

Accounting Estimates

Preparation of the financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements, as well as the reported amounts of sales and expenses during the reporting period. Estimates have been prepared using the most current and best available information; however, actual results could differ materially from those estimates.

Revenue Recognition*Contract Estimates*

Contract sales may include estimates of variable consideration, including cost or performance incentives (such as award and incentive fees), un-priced change orders, requests for equitable adjustment (REAs) and contract claims. Variable consideration is included in total estimated sales to the extent it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. We estimate variable consideration as the most likely amount to which we expect to be entitled.

We recognize changes in estimated contract sales or costs and the resulting changes in contract profit on a cumulative basis. Net estimate-at-completion (EAC) adjustments represent the cumulative effect of the changes on current and prior periods; sales and operating margins in future periods are recognized as if the revised estimates had been used since contract inception. If it is determined that a loss is expected to result on an individual performance

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obligation, the entire amount of the estimable future loss, including an allocation of general and administrative (G&A) cost, is charged against income in the period the loss is identified.

B-21 Program

The company has previously recognized and disclosed cumulative losses of approximately \$2.0 billion on the low-rate initial production (LRIP) phase of the B-21 program. As of September 30, 2026, the remaining loss accrual totaled \$1.0 billion, which is included in Other current liabilities.

Net EAC Adjustments

The following table presents the effect of aggregate net EAC adjustments:

	Three Months Ended September 30		Nine Months Ended September 30	
<i>\$ in millions, except per share data</i>	2026	2025	2026	2025
Revenue	\$ 240	\$ 181	\$ 344	\$ 383
Operating income	221	81	235	107
Net earnings ⁽¹⁾	175	64	186	85
Diluted earnings per share ⁽¹⁾	1.23	0.45	1.31	0.59

⁽¹⁾ Based on a 21 percent federal statutory tax rate.

EAC adjustments can have a significant effect on the company's financial statements. When such adjustments occur, we generally disclose the nature, underlying conditions and financial impact of the adjustments. In most cases, EAC adjustments have an equal impact on both revenue and operating income. However, for contracts in a forward loss position, the impact of EAC adjustments on revenue is different than the impact on operating income because changes in forward losses also impact cost of sales.

2026 – No EAC adjustments on a single performance obligation had a significant impact on the financial statements during the three months ended September 30, 2026. During the second quarter of 2026, the company recorded a \$91 million unfavorable EAC adjustment on the Graphite Epoxy Motor (GEM) 63XL program at Space Systems and a \$68 million unfavorable EAC adjustment on the Stand-in Attack Weapon (SiAW) program at Defense Systems. During the first quarter of 2026, the company recorded a \$71 million unfavorable EAC adjustment on the GEM 63XL program and a \$157 million net unfavorable EAC adjustment on the first four LRIP lots of the B-21 program at Aeronautics Systems, which was offset by a net reduction in the loss contingency accrual on the remainder of the program.

2025 – During the third quarter of 2025, the company recorded a \$68 million favorable EAC adjustment in the restricted advanced microelectronics portfolio at Mission Systems as well as a \$122 million unfavorable EAC adjustment on the first and second LRIP lots of the B-21 program, which was offset by a net reduction in the loss contingency accrual on the remaining LRIP lots. During the second quarter of 2025, the company recorded a \$76 million favorable EAC adjustment on the engineering and manufacturing development (EMD) phase of the Sentinel program at Defense Systems. During the first quarter of 2025, the company recorded a \$226 million unfavorable EAC adjustment on the first and second LRIP lots of the B-21 program at Aeronautics Systems.

Backlog

Backlog represents the future sales we expect to recognize on firm orders received by the company and is equivalent to the company's remaining performance obligations at the end of each period. It comprises both funded backlog (firm orders for which funding is authorized and appropriated) and unfunded backlog. Unexercised contract options and indefinite delivery indefinite quantity (IDIQ) contracts are not included in backlog until the time an option or IDIQ task order is exercised or awarded. Backlog is converted into sales as costs are incurred or deliveries are made.

Company backlog as of September 30, 2026 was \$109.6 billion. Of our September 30, 2026 backlog, we expect to recognize approximately 35 percent as revenue over the next 12 months and 55 percent as revenue over the next 24 months, with the remainder to be recognized thereafter.

Contract Assets and Liabilities

For each of the company's contracts, the timing of revenue recognition, customer billings, and cash collections results in a net contract asset or liability at the end of each reporting period. Contract assets are equivalent to and reflected as Unbilled receivables in the unaudited condensed consolidated statements of financial position and are primarily related to long-term contracts where revenue recognized under the cost-to-cost method exceeds amounts billed to customers. Contract liabilities are equivalent to and reflected as Advance payments and billings in excess of

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costs incurred in the unaudited condensed consolidated statements of financial position. The amount of revenue recognized for the three and nine months ended September 30, 2026 that was included in the December 31, 2025 contract liability balance was \$552 million and \$3.1 billion, respectively. The amount of revenue recognized for the three and nine months ended September 30, 2025 that was included in the December 31, 2024 contract liability balance was \$431 million and \$3.1 billion, respectively.

Disaggregation of Revenue

See Note 10 for information regarding the company's sales by customer type, contract type and geographic region for each of our segments. We believe those categories best depict how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors.

Property, Plant, and Equipment (PP&E)

In connection with the company's first quarter 2026 agreement with the U.S. Air Force to expand production capacity and increase the aircraft production rate for the B-21 program, we agreed to sell an aircraft to the U.S. Air Force that we had previously planned to utilize as a company-owned test asset. While the sale of this asset accelerates the LRIP aircraft delivery schedule, it does not change the number of aircraft we expect to deliver under the LRIP phase of the program. Because the company previously intended to use the test asset for internal purposes, we recognized the acquisition costs as capital expenditures and included it in PP&E. As we regularly sell this type of asset to customers in the ordinary course of business, we recorded the sale as a revenue transaction and included the net book value of the asset in Operating costs and expenses. Although we generally classify proceeds from revenue transactions as cash inflows from operating activities, we recognized the proceeds from this transaction as cash inflows from investing activities, consistent with our prior recognition of the cost to acquire the asset as capital expenditures. The company received cash payments of \$371 million related to the sale during the third quarter of 2026 and included it in Proceeds from sale of equipment to a customer in the consolidated statements of cash flows.

During the nine months ended September 30, 2026, the company received lease incentives for landlord funded leasehold improvements of \$90 million related to Aeronautics Systems real estate leases, which were recorded in PP&E and included in non-cash investing activities.

Non-cash investing activities for the nine months ended September 30, 2026 and 2025 include capital expenditures incurred but not yet paid of \$149 million and \$140 million, respectively.

Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss, net of tax, are as follows:

<i>\$ in millions</i>	September 30, 2026		December 31, 2025	
Cumulative translation adjustment	\$	(131)	\$	(131)
Other, net		(1)		5
Total accumulated other comprehensive loss	\$	(132)	\$	(126)

Related Party Transactions

For all periods presented, the company had no material related party transactions.

Accounting Standards Updates

On November 4, 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2024-03 *Disaggregation of Income Statement Expenses (Subtopic 220-40)*. ASU 2024-03 requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. ASU 2024-03 will be effective for annual periods beginning January 1, 2027 and interim periods beginning January 1, 2028. We expect to adopt ASU 2024-03 on a prospective basis; the standard will not have an impact on the company's consolidated financial position, results of operations or cash flows.

On September 18, 2025, the FASB issued ASU No. 2025-06 *Targeted Improvements to the Accounting for Internal-Use Software (Subtopic 350-40)*. ASU 2025-06 removes references to prescriptive and sequential software development stages, requiring companies to capitalize internal-use software costs when management commits to funding the software project and it is probable the project will be completed. ASU 2025-06 will be effective for annual and interim periods beginning January 1, 2028, and can be applied on a prospective, modified prospective, or retrospective basis. We do not currently expect the standard will have a material impact on the company's consolidated financial position, results of operations or cash flows.

On December 8, 2025, the FASB issued ASU No. 2025-11 *Interim Reporting (Topic 270): Narrow-Scope Improvements*. ASU 2025-11 clarifies the applicability of Topic 270 and the form and content of interim financial

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statements. In addition, ASU 2025-11 requires entities to disclose material events occurring since the last annual reporting period. ASU 2025-11 will be effective for interim periods beginning January 1, 2028, and can be applied on a prospective or retrospective basis. We are evaluating the disclosure impact of ASU 2025-11; however, the standard will not have an impact on the company's consolidated financial position, results of operations or cash flows.

Other accounting standards updates adopted and/or issued, but not effective until after September 30, 2026, are not expected to have a material effect on the company's consolidated financial position, results of operations and/or cash flows.

2. EARNINGS PER SHARE, SHARE REPURCHASES AND DIVIDENDS ON COMMON STOCK**Basic Earnings Per Share**

We calculate basic earnings per share by dividing net earnings by the weighted-average number of shares of common stock outstanding during each period.

Diluted Earnings Per Share

Diluted earnings per share include the dilutive effect of awards granted to employees under stock-based compensation plans. The dilutive effect of these securities totaled 0.3 million shares for each of the three and nine months ended September 30, 2026. The dilutive effect of these securities totaled 0.4 million shares and 0.3 million shares for the three and nine months ended September 30, 2025, respectively.

Share Repurchases

On December 11, 2024, the company's board of directors authorized a share repurchase program of up to \$3.0 billion in share repurchases of the company's common stock. Repurchases under the program commenced in September 2025 and \$2.5 billion of the share repurchase authorization remained as of September 30, 2026. We had no repurchases of common stock during the three months ended September 30, 2026.

Share repurchases take place from time to time, subject to market and regulatory conditions and management's discretion, in the open market or in privately negotiated transactions. The company retires its common stock upon repurchase and, in the periods presented, has not made any purchases of common stock other than in connection with these publicly announced repurchase programs.

Dividends on Common Stock

In May 2026, the company increased the quarterly common stock dividend 7 percent to \$2.47 per share from the previous amount of \$2.31 per share.

3. INVENTORIED COSTS, NET

Inventoried costs, net consisted of the following:

<i>\$ in millions</i>	September 30, 2026	December 31, 2025
Raw materials	\$ 308	\$ 306
Work in process	979	945
Finished goods	74	58
Inventoried costs, net	\$ 1,361	\$ 1,309

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4. INCOME TAXES

In July 2025, the One Big Beautiful Bill Act (OBBBA) was enacted. Key income tax-related provisions of the OBBBA include the repeal of mandatory capitalization of research and development expenditures under Internal Revenue Code (IRC) Section 174 (reinstating full expensing beginning in 2025), extension of bonus depreciation, and revisions to international tax regimes. As part of the enactment of the OBBBA, the company became subject to the corporate alternative minimum tax (CAMT) and recorded CAMT credit carryforwards of \$187 million during 2025. In February 2026, the Internal Revenue Service (IRS) issued Notice 2026-7, providing interim relief for the CAMT through a favorable adjustment related to the amortization of research and development expenditures under IRC Section 174. The company recognized the impacts of Notice 2026-7 during the first quarter of 2026, resulting in a \$187 million decrease in CAMT credit carryforwards and a corresponding increase in Taxes receivable, as well as a \$19 million reduction to federal income tax expense.

<i>\$ in millions</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2026	2025	2026	2025
Federal and foreign income tax expense	\$ 174	\$ 223	\$ 403	\$ 573
Effective income tax rate	13.4 %	16.9 %	11.5 %	17.2 %

Current Quarter

Third quarter 2026 income tax expense decreased \$49 million, or 22 percent, due to a lower effective tax rate (ETR) and \$25 million of lower earnings before income taxes. The third quarter 2026 ETR decreased to 13.4 percent from 16.9 percent principally due to higher research credits. The third quarter 2026 ETR includes benefits of \$112 million for research credits and \$15 million for foreign-derived deduction-eligible income (FDDEI), partially offset by \$21 million of interest expense on unrecognized tax benefits. The third quarter 2025 ETR included benefits of \$66 million for research credits and \$16 million for foreign derived intangible income (FDII), partially offset by \$19 million of interest expense on unrecognized tax benefits.

Year to Date

Year to date 2026 income tax expense decreased \$170 million, or 30 percent, due to a lower ETR, partially offset by \$168 million of higher earnings before income taxes. The year to date 2026 ETR decreased to 11.5 percent from 17.2 percent primarily due to the remeasurement of unrecognized tax benefits during the second quarter of 2026 given recent developments with the IRS towards resolving our previously filed federal income tax returns and refund claims, as well as higher research credits, including a \$19 million benefit related to the CAMT guidance discussed above. The year to date 2026 ETR includes benefits of \$356 million for research credits, inclusive of the unrecognized tax benefit remeasurement of \$115 million, and \$35 million for FDDEI, partially offset by \$46 million of interest expense on unrecognized tax benefits. The year to date 2025 ETR included benefits of \$169 million for research credits and \$34 million for FDII, partially offset by \$53 million of interest expense on unrecognized tax benefits and \$17 million of tax expense related to nondeductible goodwill in the divested training services business.

We file income tax returns in the U.S. federal jurisdiction and in various state and foreign jurisdictions. Certain matters related to the company's 2018-2024 federal income tax returns are currently under IRS examination. Certain matters related to the company's 2014-2017 federal income tax returns and refund claims related to its 2007-2016 federal tax returns are currently under review by the IRS Appeals Office.

Current unrecognized tax benefits, which are included in Other current liabilities, were \$800 million and \$436 million as of September 30, 2026 and December 31, 2025, respectively. Non-current unrecognized tax benefits, which are included in Other non-current liabilities, were \$1.3 billion and \$1.6 billion as of September 30, 2026 and December 31, 2025, respectively.

Taxes receivable, which are included in Prepaid expenses and other current assets in the unaudited condensed consolidated statements of financial position, were \$1.0 billion as of September 30, 2026 and \$924 million as of December 31, 2025.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The company holds a portfolio of marketable securities including investments to partially fund non-qualified employee benefit plans as well as investments in companies that are advancing or developing technologies applicable to our business. A portion of these securities are held in common/collective trust funds and are measured at fair value using net asset value (NAV) per share as a practical expedient; therefore, they are not categorized in the

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fair value hierarchy table below. Marketable securities are included in Other non-current assets in the unaudited condensed consolidated statements of financial position.

The company's derivative portfolio consists primarily of foreign currency forward contracts. Where model-derived valuations are appropriate, the company utilizes the income approach to determine the fair value using internal models based on observable market inputs.

The following table presents the financial assets and liabilities the company records at fair value identified by the level of inputs used to determine fair value:

\$ in millions	September 30, 2026				December 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Marketable securities	\$ 397	\$ 1	\$ 22	\$ 420	\$ 454	\$ —	\$ 24	\$ 478
Marketable securities valued using NAV				4				5
Total marketable securities	397	1	22	424	454	—	24	483
Derivatives	—	(1)	—	(1)	—	2	—	2

There were no transfers of financial instruments into or out of Level 3 of the fair value hierarchy during the nine months ended September 30, 2026.

During the second quarter of 2026, the company sold its investment in a public company for \$107 million and recognized a related gain of \$35 million. Unrealized gains and losses from marketable securities, which are reflected in Other, net on the unaudited condensed consolidated statement of earnings and comprehensive income, were not material for the three and nine months ended September 30, 2026. Unrealized gains and losses from marketable securities were \$82 million and \$92 million for the three and nine months ended September 30, 2025.

The notional value of the company's foreign currency forward contracts at September 30, 2026 and December 31, 2025 was \$291 million and \$308 million, respectively. The portion of notional value designated as a cash flow hedge at September 30, 2026 and December 31, 2025 was \$147 million and \$167 million, respectively.

The derivative fair values and related unrealized gains/losses at September 30, 2026 and December 31, 2025 were not material.

The carrying value of cash and cash equivalents approximates fair value.

Long-term Debt

The estimated fair value of the company's long-term debt was \$13.7 billion and \$15.1 billion as of September 30, 2026 and December 31, 2025, respectively. We calculated the fair value of long-term debt using Level 2 inputs, based on interest rates available for debt with terms and maturities similar to the company's existing debt arrangements. The current portion of long-term debt is recorded in Other current liabilities in the unaudited condensed consolidated statements of financial position.

Issuance of Senior Notes

During the nine months ended September 30, 2026, the company issued no unsecured senior notes.

In May 2025, the company issued \$1.0 billion of unsecured senior notes for general corporate purposes, including debt repayment, share repurchases, and working capital, as follows:

- \$500 million of 4.65% senior notes due 2030 (the "2030 Notes") and
- \$500 million of 5.25% senior notes due 2035 (the "2035 Notes").

We refer to the 2030 Notes and 2035 Notes together, as the "notes." Interest on the notes is payable semi-annually in arrears. The notes are generally subject to redemption, in whole or in part, at the company's discretion at any time, or from time to time, prior to maturity at a redemption price equal to the greater of 100% of the principal amount of the notes to be redeemed or an applicable "make-whole" amount, plus accrued and unpaid interest.

Repayment of Senior Notes

In March 2026, the company repaid \$270 million of 7.875% unsecured senior notes and \$257 million of 7.75% unsecured senior notes upon maturity.

In January 2025, the company repaid \$1.5 billion of 2.93% unsecured senior notes upon maturity.

NORTHROP GRUMMAN CORPORATION**6. INVESTIGATIONS, CLAIMS AND LITIGATION**

For over 25 years, the company has worked closely with the United States Navy, the United States Environmental Protection Agency, the New York State Department of Environmental Conservation, the New York State Department of Health and other federal, state and local governmental authorities, to address environmental conditions allegedly resulting from historic operations at the former United States Navy and Grumman facilities in Bethpage, New York. We have incurred, and expect to continue to incur, as included in Note 7, substantial remediation costs related to these Bethpage environmental conditions, including potential costs relating to unanticipated developments such as new discoveries of potential contaminants. It is also possible that applicable remediation standards and other requirements to which we are subject may continue to change, and that our costs may increase materially. In 2022, we resolved several disputes and regulatory proceedings concerning the scope and allocation of remediation responsibilities and costs related to this site and we continue remediation consistent with agreements through which those disputes were resolved. The company continues to be involved in other remediation-related disputes, none of which are material individually or in the aggregate. We are also a party to various individual lawsuits and a putative class action in the Eastern District of New York alleging personal injury and property damage related to the legacy Bethpage environmental conditions (the “Bethpage EDNY cases”). The court had previously stayed the filed individual lawsuits and, at an April 24, 2026 hearing, denied plaintiffs’ motion to lift that stay as to a subset of plaintiffs. The parties have submitted supplemental briefing on pending class certification and expert motions in the putative class action. On September 17, 2026, the court granted the parties’ joint request to defer decision on the class certification and expert motions in deference to the parties’ mediation process. We are also a party, and may become a party, to other lawsuits brought by or against insurance carriers, and by other individual plaintiffs and/or putative classes, as well as other parties. We cannot at this time predict or reasonably estimate the potential outcomes or ranges of possible liability of the Bethpage EDNY cases.

The company received from the U.S. Department of Justice (DOJ) a criminal subpoena on December 9, 2022, and a civil investigative demand (CID) on February 2, 2023, both seeking information regarding financial and cost accounting and controls focused on the interest rate assumptions the company used to determine our U.S. Government Cost Accounting Standards (CAS) pension expense, which are the subject of the Defense Contract Management Agency (DCMA) inquiry we discuss in Note 7 below. On May 20, 2026, DOJ confirmed that, based on the information it had learned to date, the Criminal Division closed its inquiry into this matter. The company continues to engage with the government in relation to the CID and the DCMA inquiry. We cannot at this point predict the outcome of these remaining matters.

The company is a party to various other investigations, lawsuits, arbitration, claims, enforcement actions and other legal proceedings, including government investigations and claims, that arise in the ordinary course of our business. The nature of legal proceedings is such that we cannot assure the outcome of any particular matter. However, based on information available to the company to date, the company does not believe that the outcome of any of these other matters pending against the company is likely to have a material adverse effect on the company’s unaudited condensed consolidated financial position as of September 30, 2026, or its annual results of operations and/or cash flows.

7. COMMITMENTS AND CONTINGENCIES**U.S. Government Cost Claims and Contingencies**

From time to time, the company is advised of claims by the U.S. government concerning certain potential disallowed costs, plus, at times, penalties and interest. When such findings are presented, the company and U.S. government representatives engage in discussions to enable the company to evaluate the merits of these claims, as well as to assess the amounts being claimed. Where appropriate, provisions are made to reflect the company’s estimated exposure for such potential disallowed costs. Such provisions are reviewed periodically using the most recent information available. The company believes it has adequately accrued for disputed amounts that are probable and reasonably estimable, and that the outcome of any such matters would not have a material adverse effect on its unaudited condensed consolidated financial position as of September 30, 2026, or its annual results of operations and/or cash flows.

In 2019, the DCMA raised questions about an interest rate assumption used by the company to determine our CAS pension expense. On June 1, 2020, DCMA provided written notice that the assumptions the company used during the period 2013-2019 were potentially noncompliant with CAS. We submitted a formal response on July 31, 2020, which we believed demonstrates the appropriateness of the assumptions used. On November 24, 2020, DCMA replied to the company’s response, disagreeing with our position and requesting additional input, which we provided on February 22, 2021. We subsequently continued to exchange correspondence and engage with DCMA on this

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matter, including responding to requests for and providing additional information. On February 15, 2024, DCMA sent to the company a Contracting Officer's determination of noncompliance with CAS, which is an interim, non-final determination, and the parties engaged in discussions. In addition, as noted in Note 6 above, the company received from the DOJ a criminal subpoena on December 9, 2022 and a CID on February 2, 2023, both seeking information related to the interest rate assumptions at issue in our discussions with DCMA. On May 20, 2026, DOJ confirmed that, based on the information it had learned to date, the Criminal Division closed its inquiry into this matter. The company continues to engage with the government in relation to the CID and the DCMA inquiry. We cannot at this point predict the outcome of these remaining matters. The sensitivity to changes in interest rate assumptions makes it reasonably possible the outcome of these matters could have a material adverse effect on our financial position, results of operations and/or cash flows, although we are not currently able to estimate a range of any potential loss.

Environmental Matters

The table below summarizes the amount of accrued and deferred costs associated with the company's environmental remediation liabilities as of September 30, 2026 and December 31, 2025:

<i>\$ in millions</i>	September 30, 2026	December 31, 2025
Accrued costs ⁽¹⁾	\$ 554	\$ 547
Deferred costs ⁽²⁾	511	502

⁽¹⁾ As of September 30, 2026, \$215 million is recorded in Other current liabilities and \$339 million is recorded in Other non-current liabilities in the unaudited condensed consolidated statements of financial position. Estimated remediation costs are not discounted to present value.

⁽²⁾ The company defers the portion of environmental remediation costs we expect to be recoverable through overhead charges on U.S. government contracts. As of September 30, 2026, \$200 million is deferred in Prepaid expenses and other current assets and \$311 million is deferred in Other non-current assets in the unaudited condensed consolidated statements of financial position. These amounts are routinely evaluated for recoverability.

Reasonably possible future costs in excess of accrued costs were \$403 million and \$380 million as of September 30, 2026 and December 31, 2025, respectively. We currently expect any such future costs would be recoverable through overhead charges on our U.S. government contracts in a similar proportion as the amounts deferred in the table above.

Although we cannot predict whether (i) new information gained as our environmental remediation projects progress, (ii) changes in remediation standards or other requirements to which we are subject, or (iii) other changes in facts and circumstances will materially affect the estimated liability accrued, we do not anticipate that future remediation expenditures associated with our currently identified projects will have a material adverse effect on the company's unaudited condensed consolidated financial position as of September 30, 2026, or its annual results of operations and/or cash flows.

Financial Arrangements

In the ordinary course of business, the company uses standby letters of credit and guarantees issued by commercial banks and surety bonds issued principally by insurance companies to guarantee the performance on certain obligations. At September 30, 2026, there were \$615 million of stand-by letters of credit and guarantees and \$271 million of surety bonds outstanding.

Commercial Paper

The company maintains a commercial paper program that serves as a source of short-term financing with capacity to issue unsecured commercial paper notes up to \$3.0 billion. At September 30, 2026, there were no commercial paper borrowings outstanding.

Credit Facilities

The company maintains a five-year senior unsecured revolving credit facility in an aggregate principal amount of \$3.0 billion (the "2025 Credit Agreement") that matures in September 2030 and is intended to support the company's commercial paper program and other general corporate purposes. Commercial paper borrowings reduce the amount available for borrowing under the 2025 Credit Agreement. At September 30, 2026, there were no borrowings outstanding under this facility.

The 2025 Credit Agreement contains generally customary terms and conditions, including covenants restricting the company's ability to sell all or substantially all of its assets, merge or consolidate with another entity or undertake

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other fundamental changes and incur liens. The company also cannot permit the ratio of its debt to capitalization (as set forth in the credit agreement) to exceed 65 percent.

At September 30, 2026, the company was in compliance with all covenants under its credit agreements.

8. RETIREMENT BENEFITS

The cost to the company of its pension and other postretirement benefit (OPB) plans is shown in the following table:

<i>\$ in millions</i>	Three Months Ended September 30				Nine Months Ended September 30			
	Pension Benefits		OPB		Pension Benefits		OPB	
	2026	2025	2026	2025	2026	2025	2026	2025
Components of net periodic benefit cost (benefit)								
Service cost	\$ 53	\$ 55	\$ 1	\$ 1	\$ 159	\$ 163	\$ 3	\$ 3
Interest cost	398	404	15	16	1,196	1,209	44	47
Expected return on plan assets	(565)	(540)	(22)	(22)	(1,695)	(1,619)	(66)	(64)
Amortization of prior service credit	—	—	(1)	(1)	—	—	(2)	(2)
Other	—	—	—	—	—	7	—	—
Net periodic benefit cost (benefit)	\$ (114)	\$ (81)	\$ (7)	\$ (6)	\$ (340)	\$ (240)	\$ (21)	\$ (16)

Employer Contributions

The company sponsors defined benefit pension and OPB plans, as well as defined contribution plans. We fund our defined benefit pension plans annually in a manner consistent with the Employee Retirement Income Security Act of 1974, as amended by the Pension Protection Act of 2006.

Contributions made by the company to its retirement plans are as follows:

<i>\$ in millions</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2026	2025	2026	2025
Defined benefit pension plans	\$ 24	\$ 25	\$ 66	\$ 67
OPB plans	5	7	26	27
Defined contribution plans	145	133	532	517

9. STOCK COMPENSATION PLANS AND OTHER COMPENSATION ARRANGEMENTS

Stock Awards

The following table presents the number of restricted stock rights (RSRs), restricted performance stock rights (RPSRs), and market stock units (MSUs) granted to employees under the company's long-term incentive stock plan and the grant date aggregate fair value of those stock awards for the periods presented:

<i>in millions</i>	Nine Months Ended September 30	
	2026	2025
RSRs granted	0.1	0.1
RPSRs/MSUs granted	0.1	0.1
Grant date aggregate fair value	\$ 168	\$ 104

RSRs typically vest on the third anniversary of the grant date, while RPSRs and MSUs generally vest and pay out based on the achievement of certain performance metrics and/or market conditions over a three-year period for RPSRs and through December 31, 2031 for MSUs.

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Cash Awards

The following table presents the minimum and maximum aggregate payout amounts related to cash units (CUs) and cash performance units (CPUs) granted to employees in the periods presented:

<i>\$ in millions</i>	Nine Months Ended September 30	
	2026	2025
Minimum aggregate payout amount	\$ —	\$ 35
Maximum aggregate payout amount	163	199

CUs typically vest and settle in cash on the third anniversary of the grant date, while CPUs generally vest and pay out in cash based on the achievement of certain performance metrics over a three-year period. During the nine months ended September 30, 2026, there were no CUs granted to employees.

10. SEGMENT INFORMATION

The company is aligned in four operating sectors, which also comprise our reportable segments: Aeronautics Systems, Defense Systems, Mission Systems and Space Systems. We generally organize our segments based on the nature of products and services offered.

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The following table presents sales, operating costs and expenses, and operating income by segment:

	Three Months Ended September 30		Nine Months Ended September 30	
<i>\$ in millions</i>	2026	2025	2026	2025
Aeronautics Systems				
Sales	\$ 3,575	\$ 3,142	\$ 10,377	\$ 9,070
Operating costs and expenses:				
Product	2,463	2,108	7,180	6,575
Service	698	690	2,048	1,940
Intersegment	37	39	105	112
Aeronautics Systems operating income	377	305	1,044	443
Defense Systems				
Sales	2,307	2,059	6,299	5,855
Operating costs and expenses:				
Product	1,717	1,483	4,668	4,117
Service	287	297	893	940
Intersegment	53	45	148	132
Defense Systems operating income	250	234	590	666
Mission Systems				
Sales	3,155	3,093	9,266	9,057
Operating costs and expenses:				
Product	1,895	1,825	5,477	5,500
Service	440	466	1,312	1,383
Intersegment	320	287	1,043	857
Mission Systems operating income	500	515	1,434	1,317
Space Systems				
Sales	2,749	2,698	7,982	7,912
Operating costs and expenses:				
Product	1,956	1,980	5,817	5,702
Service	321	297	909	1,021
Intersegment	160	123	473	328
Space Systems operating income	312	298	783	861
Intersegment profit eliminations	(94)	(75)	(276)	(223)
Total segment operating income	1,345	1,277	3,575	3,064
FAS/CAS operating adjustment	15	67	29	193
Unallocated corporate expense	(91)	(102)	(250)	(17)
Total operating income	1,269	1,242	3,354	3,240
Other (expense) income				
Interest expense	(158)	(161)	(481)	(490)
Non-operating FAS pension benefit	167	136	499	403
Other, net	20	106	124	175
Earnings before income taxes	\$ 1,298	\$ 1,323	\$ 3,496	\$ 3,328

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FAS/CAS Operating Adjustment

For financial statement purposes, we account for our employee pension plans in accordance with FAS. However, the cost of these plans is charged to our contracts in accordance with applicable Federal Acquisition Regulation (FAR) and CAS requirements. The FAS/CAS operating adjustment reflects the difference between CAS pension expense included as cost in segment operating income and the service cost component of FAS expense included in total operating income.

Unallocated Corporate Expense

Unallocated corporate expense includes the portion of corporate costs not considered allowable or allocable under applicable FAR and CAS requirements, and therefore not allocated to the segments, such as changes in deferred state income taxes and a portion of management and administration, legal, environmental, compensation, retiree benefits, advertising and other corporate unallowable costs. Unallocated corporate expense also includes costs not considered part of management's evaluation of segment operating performance, such as amortization of purchased intangible assets and the additional depreciation expense related to the step-up in fair value of property, plant and equipment acquired through business combinations, as well as certain compensation and other costs.

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Disaggregation of Revenue

Sales by Customer Type

	Three Months Ended September 30				Nine Months Ended September 30			
	2026		2025		2026		2025	
\$ in millions	\$	% ⁽³⁾	\$	% ⁽³⁾	\$	% ⁽³⁾	\$	% ⁽³⁾
Aeronautics Systems								
U.S. government ⁽¹⁾	\$ 2,846	80 %	\$ 2,530	82 %	\$ 8,349	81 %	\$ 7,346	82 %
International ⁽²⁾	665	19 %	564	18 %	1,857	18 %	1,586	18 %
Other customers	23	1 %	6	— %	55	1 %	17	— %
Intersegment sales	41		42		116		121	
Aeronautics Systems sales	3,575		3,142		10,377		9,070	
Defense Systems								
U.S. government ⁽¹⁾	1,934	86 %	1,570	78 %	5,263	86 %	4,632	81 %
International ⁽²⁾	294	13 %	419	21 %	808	13 %	1,013	18 %
Other customers	20	1 %	19	1 %	62	1 %	61	1 %
Intersegment sales	59		51		166		149	
Defense Systems sales	2,307		2,059		6,299		5,855	
Mission Systems								
U.S. government ⁽¹⁾	2,244	81 %	2,166	79 %	6,403	80 %	6,421	80 %
International ⁽²⁾	487	18 %	557	20 %	1,514	19 %	1,537	19 %
Other customers	38	1 %	31	1 %	114	1 %	84	1 %
Intersegment sales	386		339		1,235		1,015	
Mission Systems sales	3,155		3,093		9,266		9,057	
Space Systems								
U.S. government ⁽¹⁾	2,411	94 %	2,366	93 %	7,111	95 %	7,024	93 %
International ⁽²⁾	37	1 %	63	2 %	128	2 %	154	2 %
Other customers	123	5 %	132	5 %	215	3 %	367	5 %
Intersegment sales	178		137		528		367	
Space Systems sales	2,749		2,698		7,982		7,912	
Total								
U.S. government ⁽¹⁾	9,435	85 %	8,632	83 %	27,126	85 %	25,423	84 %
International ⁽²⁾	1,483	13 %	1,603	15 %	4,307	14 %	4,290	14 %
Other customers	204	2 %	188	2 %	446	1 %	529	2 %
Total Sales	\$ 11,122		\$ 10,423		\$ 31,879		\$ 30,242	

⁽¹⁾ Sales to the U.S. government include sales from contracts for which we are the prime contractor, as well as those for which we are a subcontractor and the ultimate customer is the U.S. government. Each of the company's segments derives a substantial percentage of its revenue from the U.S. government.

⁽²⁾ International sales include sales from contracts for which we are the prime contractor, as well as those for which we are a subcontractor and the ultimate customer is an international customer to the extent that information is available to us or can be reasonably estimated. These sales include foreign military sales contracted through the U.S. government.

⁽³⁾ Percentages calculated based on external customer sales.

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Sales by Contract Type

	Three Months Ended September 30				Nine Months Ended September 30			
	2026		2025		2026		2025	
\$ in millions	\$	% ⁽¹⁾	\$	% ⁽¹⁾	\$	% ⁽¹⁾	\$	% ⁽¹⁾
Aeronautics Systems								
Cost-type	\$ 1,607	45 %	\$ 1,454	47 %	\$ 4,573	45 %	\$ 4,254	48 %
Fixed-price	1,927	55 %	1,646	53 %	5,688	55 %	4,695	52 %
Intersegment sales	41		42		116		121	
Aeronautics Systems sales	3,575		3,142		10,377		9,070	
Defense Systems								
Cost-type	1,234	55 %	1,028	51 %	3,461	56 %	3,077	54 %
Fixed-price	1,014	45 %	980	49 %	2,672	44 %	2,629	46 %
Intersegment sales	59		51		166		149	
Defense Systems sales	2,307		2,059		6,299		5,855	
Mission Systems								
Cost-type	1,131	41 %	1,219	44 %	3,387	42 %	3,788	47 %
Fixed-price	1,638	59 %	1,535	56 %	4,644	58 %	4,254	53 %
Intersegment sales	386		339		1,235		1,015	
Mission Systems sales	3,155		3,093		9,266		9,057	
Space Systems								
Cost-type	1,293	50 %	1,351	53 %	4,017	54 %	4,453	59 %
Fixed-price	1,278	50 %	1,210	47 %	3,437	46 %	3,092	41 %
Intersegment sales	178		137		528		367	
Space Systems sales	2,749		2,698		7,982		7,912	
Total								
Cost-type	5,265	47 %	5,052	48 %	15,438	48 %	15,572	51 %
Fixed-price	5,857	53 %	5,371	52 %	16,441	52 %	14,670	49 %
Total Sales	\$ 11,122		\$ 10,423		\$ 31,879		\$ 30,242	

⁽¹⁾ Percentages calculated based on external customer sales.

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Sales by Geographic Region⁽¹⁾

\$ in millions	Three Months Ended September 30				Nine Months Ended September 30			
	2026		2025		2026		2025	
	\$	% ⁽³⁾	\$	% ⁽³⁾	\$	% ⁽³⁾	\$	% ⁽³⁾
Aeronautics Systems								
United States	\$ 2,869	81 %	\$ 2,536	82 %	\$ 8,404	82 %	\$ 7,363	82 %
Asia/Pacific	251	7 %	221	7 %	743	7 %	647	7 %
Europe	393	11 %	321	10 %	1,051	10 %	891	10 %
Other geographic regions	21	1 %	22	1 %	63	1 %	48	1 %
Intersegment sales	41		42		116		121	
Aeronautics Systems sales	3,575		3,142		10,377		9,070	
Defense Systems								
United States	1,954	87 %	1,589	79 %	5,325	87 %	4,693	82 %
Asia/Pacific	106	5 %	111	6 %	297	5 %	271	5 %
Europe	132	6 %	251	12 %	386	6 %	589	10 %
Other geographic regions	56	2 %	57	3 %	125	2 %	153	3 %
Intersegment sales	59		51		166		149	
Defense Systems sales	2,307		2,059		6,299		5,855	
Mission Systems								
United States	2,282	82 %	2,197	80 %	6,517	81 %	6,505	81 %
Asia/Pacific	112	4 %	147	5 %	374	5 %	407	5 %
Europe	266	10 %	318	12 %	820	10 %	820	10 %
Other geographic regions	109	4 %	92	3 %	320	4 %	310	4 %
Intersegment sales	386		339		1,235		1,015	
Mission Systems sales	3,155		3,093		9,266		9,057	
Space Systems								
United States	2,534	99 %	2,498	98 %	7,326	98 %	7,391	98 %
Asia/Pacific	14	— %	25	1 %	47	1 %	48	1 %
Europe	19	1 %	28	1 %	67	1 %	74	1 %
Other geographic regions	4	— %	10	— %	14	— %	32	— %
Intersegment sales	178		137		528		367	
Space Systems sales	2,749		2,698		7,982		7,912	
Total								
United States	9,639	87 %	8,820	85 %	27,572	86 %	25,952	86 %
Asia/Pacific	483	4 %	504	5 %	1,461	5 %	1,373	4 %
Europe	810	7 %	918	8 %	2,324	7 %	2,374	8 %
Other geographic regions ⁽²⁾	190	2 %	181	2 %	522	2 %	543	2 %
Total Sales	\$ 11,122		\$ 10,423		\$ 31,879		\$ 30,242	

⁽¹⁾ Sales are attributed to countries based on the ultimate customer's location to the extent that information is available to us or can be reasonably estimated. No country other than the United States represents greater than 10 percent of total company sales.

⁽²⁾ Other geographic regions are principally comprised of the Middle East.

⁽³⁾ Percentages calculated based on external customer sales.

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Capital Expenditures and Depreciation and Amortization

The following table presents capital expenditures and depreciation and amortization for each of our reportable segments and for Corporate:

<i>\$ in millions</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2026	2025	2026	2025
Capital Expenditures				
Aeronautics Systems	\$ 106	\$ 102	\$ 175	\$ 250
Defense Systems	33	21	77	44
Mission Systems	46	66	133	152
Space Systems	84	70	211	251
Corporate ⁽¹⁾	37	42	179	91
Total capital expenditures	\$ 306	\$ 301	\$ 775	\$ 788
Depreciation and Amortization				
Aeronautics Systems	\$ 97	\$ 92	\$ 274	\$ 273
Defense Systems	44	47	132	132
Mission Systems	73	71	212	206
Space Systems	98	98	293	261
Corporate ⁽¹⁾	67	71	207	194
Total depreciation and amortization	\$ 379	\$ 379	\$ 1,118	\$ 1,066

⁽¹⁾ Corporate amounts include the amortization of purchased intangible assets and the additional depreciation expense related to the step-up in fair value of PP&E acquired through business combinations as they are not considered part of management's evaluation of segment operating performance.

Assets

Our chief operating decision maker ("CODM") does not use assets by segment to evaluate segment performance or allocate resources. Therefore, we do not disclose assets by segment.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Northrop Grumman Corporation
Falls Church, Virginia

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated statement of financial position of Northrop Grumman Corporation and subsidiaries (the “Company”) as of September 30, 2026, and the related condensed consolidated statements of earnings and comprehensive income and changes in shareholders’ equity for the three-month and nine-month periods ended September 30, 2026 and 2025, and of cash flows for the nine-month periods ended September 30, 2026 and 2025 and the related notes (collectively referred to as the “interim financial information”). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statement of financial position of Northrop Grumman Corporation and subsidiaries as of December 31, 2025, and the related consolidated statements of earnings and comprehensive income, changes in shareholders’ equity, and cash flows for the year then ended (not presented herein); and in our report dated January 26, 2026, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated statement of financial position as of December 31, 2025, is fairly stated, in all material respects, in relation to the audited consolidated statement of financial position from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of the Company’s management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Deloitte & Touche LLP
 McLean, Virginia
 October 19, 2026

NORTHROP GRUMMAN CORPORATION

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

Northrop Grumman Corporation (herein referred to as “Northrop Grumman,” the “company,” “we,” “us,” or “our”) is a leading global aerospace and defense technology company. We deliver a broad range of products, services and solutions to U.S. and international customers, and principally to the U.S. Department of War (“DoW”) and intelligence community. Our broad portfolio is aligned to support national security priorities and our solutions equip our customers with capabilities they need to connect, protect and advance humanity.

The company is a leading provider of space systems, military aircraft, missile defense, advanced weapons and long-range fires capabilities, mission systems, networking and communications, strategic deterrence systems, and breakthrough technologies, such as advanced computing, microelectronics and cyber. We are focused on competing and winning programs that enable continued growth, performing on our commitments and affordably delivering capability our customers need. With the investments we’ve made in advanced technologies, combined with our talented workforce and digital transformation capabilities, Northrop Grumman is well positioned to meet our customers’ needs today and in the future.

The following discussion should be read along with the financial statements included in this Form 10-Q, as well as “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Liquidity and Capital Resources,” “Quantitative and Qualitative Disclosures About Market Risks” and “Risk Factors” in our 2025 Annual Report on Form 10-K, which provides additional information on our business, the environment in which we operate and our operating results.

Divestiture of Training Services Business

On May 24, 2025 (the “Divestiture date”), the company completed its previously announced sale of substantially all of the Immersive Mission Solutions (IMS) operating unit of Defense Systems (the “training services” business or “divestiture”) for \$333 million in cash and recorded a pre-tax gain on sale of \$231 million. IMS is a provider of mission training and satellite ground network communications software for U.S. government customers. 2025 operating results include sales and operating income for the training services business prior to the Divestiture date.

Global Security Environment

The U.S. and its allies continue to face a dynamic global security environment of heightened tensions and instability, threats from state and non-state actors, including in particular major global powers, as well as terrorist organizations, increasing nuclear tensions, diverse regional security concerns, political instability and uncertainty concerning global strategic alliances. The market for defense products, services and solutions globally is driven by these complex and rapidly evolving security challenges, considered in the broader context of political and socioeconomic circumstances and priorities. Our operations and financial performance, as well as demand for our products and services, are impacted by these events, including global unrest. The same is true for our suppliers and other business partners.

The ongoing conflicts in Ukraine and Iran and threats elsewhere, particularly in the Middle East and the Western Pacific region, have increased global tensions and instability and highlighted security requirements globally. These conflicts have resulted in and may continue to result in increased demand for defense products and services from allies and partner nations, particularly in those regions. We continue to monitor developments in these regions, but have not experienced, and do not anticipate experiencing, significant adverse financial impacts directly from these conflicts.

We believe the current global security environment, characterized by significant national security threats to the U.S. and its allies, continues to highlight the need for strong deterrence and robust defense capabilities. We are actively evaluating both opportunities and risks associated with this environment and are moving with speed and at scale to deliver innovative solutions to our customers. We believe our capabilities, particularly in space, C4ISR, air and missile defense, battle management, solid rocket motors, advanced weapons, strategic deterrence, survivable aircraft, autonomous aircraft systems and mission systems should help our customers in the U.S. and globally defend against current and future threats and, as a result, continue to position us for long-term profitable business growth.

Global Economic Environment

Over the past several years, the global economic environment has experienced challenges, including inflationary pressures; widespread delays and disruptions in supply chains; constraints on the availability of critical materials, including rare earth minerals and metals; business slowdowns or shutdowns; workforce challenges and labor shortfalls; and market volatility. These macroeconomic factors have contributed, and could continue to contribute, to increased costs, delays, disruptions and other performance challenges, as well as increased competing demands for

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limited resources to address such increased costs and other challenges, for our company, suppliers and partners, and customers.

In addition, increases or fluctuations in interest rates could impact government spending priorities (in the U.S. and allied countries, in particular), including the demand for defense products. Economic tensions and changes in international trade policies, including, for example, widespread tariffs announced since last year by the U.S. on its major trading partners, higher tariffs on imported goods and materials and actions taken in response (such as retaliatory tariffs or other trade protectionist measures or the renegotiation of free trade agreements), could also further impact the global market for defense products, services and solutions. In addition, following the first quarter 2026 U.S. Supreme Court decision that invalidated tariffs imposed pursuant to the International Emergency Economic Powers Act (“IEEPA”), the U.S. has announced various tariffs under different statutory authorities. The full impact of these governmental actions on macroeconomic conditions and on our business is uncertain, difficult to predict and depends on a number of factors, including the extent and duration of tariffs, the availability of exemptions, changes in the amount and scope of tariffs, any reversal or temporary suspension of announced tariffs, the availability of refunds for tariffs paid under IEEPA, the imposition of new tariffs and other measures that target countries may take in response to U.S. trade policies, and possible resulting general inflationary pressures in the global economy. We are continuing to monitor the impact on our business, suppliers and customers, but do not believe that the tariffs, including the IEEPA tariffs, have had or will have a material adverse effect on our business.

U.S. Political, Budget and Regulatory Environment

The U.S. continues to face an uncertain and evolving political, budget and regulatory environment. In particular, it is difficult to predict the specific course of future defense budgets. Current and future requirements related to the conflicts in Ukraine and Iran and threats in the Middle East, the Western Pacific and Latin America and other security priorities, as well as the macroeconomic environment, the national debt, and other domestic priorities, among other things, in the U.S. and globally, will continue to impact our customers’ budgets, spending and priorities, and our industry. The U.S. political environment may also impact defense budgets and priorities, issues related to the national debt, and government spending more broadly. We anticipate that issues related to budgetary priorities, defense spending levels and the debt ceiling will continue to be subjects of considerable debate, with a potentially significant impact on our programs and the company.

On July 4, 2025, the FY 2025 reconciliation bill titled the One Big Beautiful Bill Act (the “OBBBA”) was enacted. The OBBBA allocated approximately \$150 billion in mandatory defense funding, including funding for air and missile defense, munitions, strategic deterrence, shipbuilding and supply chains and other military capabilities. The appropriated funds will remain available to be obligated until September 30, 2029 and expended through FY 2034. Funding from the OBBBA has allowed for increased investments by the DoW in defense modernization projects, homeland missile defense capabilities, and increased production capacity across a number of key programs. See Note 4 to the financial statements for additional information on key income tax provisions of the OBBBA.

On February 3, 2026, annual appropriations to fund a vast majority of the federal government for FY 2026, including approximately \$859 billion for defense, were enacted. Appropriations to partially fund the Department of Homeland Security were enacted on April 30, 2026, with the remaining appropriations enacted on June 10, 2026. On April 3, 2026, the Trump Administration (the “Administration”) released its FY 2027 budget request. The request includes \$1.45 trillion for defense, with \$1.1 trillion in the base budget (discretionary funding) and \$350 billion in reconciliation (mandatory) funding. The total defense budget request reflects an increase of 44% (\$441 billion) above the FY 2026 enacted levels (including \$153 billion in FY 2026 reconciliation funding). Congress is evaluating the Administration’s budget request as it drafts authorization and appropriations legislation for FY 2027. Additionally, the Administration requested \$88 billion in supplemental funding for FY 2026, which included \$67 billion to address the operational costs associated with the Iran conflict and other defense priorities. There is uncertainty as to when Congress will act on the reconciliation funding and supplemental request.

On September 2, 2026, a continuing resolution (“CR”) was enacted to provide funding for the federal government, including the DoW, through December 11, 2026, generally at FY 2026 funding levels. The CR also requires that any new multi-year contracts for military equipment receive prior Congressional approval. Annual appropriations for FY 2027 have not yet been enacted, and it remains uncertain when the government will approve full-year FY 2027 appropriations and what levels of funding those appropriations will provide. Government operations under an extended CR could have adverse impacts on our programs and new starts, in particular. If the CR is not extended or full-year appropriations legislation is not enacted before the current CR expires, a government shutdown could occur. A prolonged government shutdown could result in program disruptions and limit the U.S. Government’s ability to progress programs and make timely payments.

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The Administration has issued numerous executive orders, including orders to undertake a comprehensive overhaul of the Federal Acquisition Regulation, to reform the DoW defense acquisition process and, more recently, to promote the use of fixed price contracts where appropriate and to address underperformance and insufficient prioritization of government contracts, insufficient investment in production and production speed and incentive compensation metrics applicable to defense contractors. See “Risk factors” for further discussion regarding risks associated with executive orders and regulatory changes. Some of the Administration’s executive orders are subject to ongoing court challenges. In addition, the DoW has outlined initiatives to, among other efforts, reform government contract accounting and promote supplier cost and pricing transparency. Implementation of certain of these executive orders and initiatives could adversely affect our business or create a more challenging or costly regulatory, operating and economic environment.

In light of the ongoing conflicts and heightened global instability as well as political tensions and related legal challenges, we expect continued uncertainty in the global security, U.S. political, budget and regulatory environment. Initiatives to reduce governmental spending, federal budget and debt ceiling action, and further changes in U.S. government policy positions, including trade and foreign policy, tax policy and DoW policies or priorities, could materially impact defense spending broadly and the company’s programs in particular.

B-21 Program

In 2015, the U.S. Air Force awarded Northrop Grumman the B-21 contract, which includes a base contract for EMD and five low-rate initial production (LRIP) options for a baseline total of 21 aircraft. The EMD phase of the program is largely cost type and began at contract award. The LRIP options are largely fixed price and are expected to continue to be awarded and executed through approximately the end of the decade. We have previously recognized and disclosed cumulative losses of approximately \$2.0 billion on the LRIP phase of the program. Northrop Grumman and the U.S. Air Force have also established not to exceed (NTE) pricing for two additional lots. Final terms, quantity, and pricing for the NTE lots are not fully negotiated; however, the average value for these NTE lots is above the average unit price of the five LRIP lots, and the NTE lots include an economic price adjustment clause to help protect against certain inflationary pressures.

During the first quarter of 2026, we reached an agreement with the U.S. Air Force to expand production capacity for the B-21 program and increase the aircraft production rate. We continue to expect to invest approximately \$2.5 billion over a multi-year period to expand production capacity; in return, we have the opportunity to earn improved returns on the LRIP and NTE phases of the program.

During the third quarter of 2026, we again reviewed our estimated profitability on the LRIP phase of the program and made no significant changes to the previously recognized loss. The company’s third quarter 2026 results reflect our current best estimate of cost to complete the LRIP and NTE aircraft, as well as the outcome of ongoing discussions with our suppliers. If our estimated cost to complete the aircraft changes, or if our assumptions regarding contract performance, quantities, or supplier negotiations are resolved more or less favorably than what we have estimated, our financial position, results of operations and/or cash flows could be materially affected.

Sentinel Program

In 2020, the U.S. Air Force awarded Northrop Grumman a \$13.3 billion contract for the EMD phase of the Sentinel program. In January 2024, the U.S. Air Force provided congressional notification that the Sentinel program was under a Nunn-McCurdy breach review, which is required when total program cost estimates exceed certain defined thresholds. This notification, which had been driven primarily by increases in cost estimates for the Production and Deployment phases, commenced the process to achieve certification for continuance of the program and update its baseline cost estimates. We are currently executing under a cost-type contract for the EMD phase, and the Production and Deployment phases are yet to be priced and negotiated.

In July 2024, the Sentinel program was certified for continuation by the DoW upon completion of the Nunn-McCurdy breach review. In connection with the certification, the DoW directed that the program be restructured, including plans for infrastructure related to the command and launch segment, which was the main driver of the increased cost estimates for the Production and Deployment phases.

During the second quarter of 2025, we partnered with the U.S. Air Force in defining the preliminary execution framework necessary for successful restructure of the program. The program restructure will include a revision to the acquisition strategy, joint establishment of a new program baseline, and other critical preparation activities necessary to re-accomplish Milestone B approval.

During the second and third quarters of 2026, we continued to make progress on joint activities with the U.S. Air Force. These efforts, which included requirements and design maturation, risk reduction activities, and evaluation of

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options to accelerate fielding of initial capability, have resulted in further definition and authorization of elements of the program execution plan, resulting in a \$9.4 billion increase in program backlog.

During the third quarter of 2026, we again reviewed our estimated profitability on the Sentinel program and made no significant changes. If our estimated cost to complete the restructured EMD effort or our achievement of future contract incentives is more or less favorable than what we have estimated, our financial position, results of operations and/or cash flows could be materially affected.

Operating Performance Assessment and Reporting

In evaluating our operating performance, we primarily focus on changes in sales and operating margin rates. Where applicable, significant fluctuations in operating performance attributable to individual contracts or programs, or changes in a specific cost element across multiple contracts, are described in our analysis. Based on this approach and the nature of our operations, the discussion of results of operations below first focuses on our four segments before distinguishing between products and services. Changes in sales are generally described in terms of volume, while changes in operating margin rates are generally described in terms of performance and/or contract mix. For purposes of this discussion, volume generally refers to increases or decreases in sales or cost from production/service activity levels and performance generally refers to non-volume-related changes in profitability, which are typically described in terms of changes in net EAC adjustments. Contract mix generally refers to changes in the ratio of contract type and/or life cycle (e.g., cost-type, fixed-price, development, production, and/or sustainment). Contract mix can also refer to differences in the profitability of the programs that drive changes in sales (e.g., sales growth or decreases on programs with accretive or dilutive margin rates).

CONSOLIDATED OPERATING RESULTS

Selected financial highlights are presented in the table below:

<i>\$ in millions, except per share amounts</i>	Three Months Ended September 30		%	Nine Months Ended September 30		%
	2026	2025		2026	2025	
Sales	\$ 11,122	\$ 10,423	7 %	\$ 31,879	\$ 30,242	5 %
Operating costs and expenses	9,853	9,181	7 %	28,525	27,233	5 %
Gain on sale of business	—	—	NM	—	231	NM
Operating income	1,269	1,242	2 %	3,354	3,240	4 %
Operating margin rate	11.4%	11.9%		10.5%	10.7%	
Federal and foreign income tax expense	174	223	(22)%	403	573	(30)%
Effective income tax rate	13.4%	16.9%		11.5%	17.2%	
Net earnings	1,124	1,100	2 %	3,093	2,755	12 %
Diluted earnings per share	\$ 7.89	\$ 7.67	3 %	\$ 21.72	\$ 19.12	14 %

Sales

Current Quarter

Third quarter 2026 sales increased \$699 million, or 7 percent, driven by higher sales at all four sectors, including a 14 percent increase at Aeronautics Systems and a 12 percent increase at Defense Systems. These increases were partially offset by \$95 million of higher intercompany eliminations.

Year to Date

Year to date 2026 sales increased \$1.6 billion, or 5 percent, driven by higher sales at all four sectors, including a 14 percent increase at Aeronautics Systems. These increases were partially offset by \$393 million of higher intercompany eliminations.

See “Segment Operating Results” below for further information by segment and “Product and Service Analysis” for product and service detail. See Note 10 to the financial statements for information regarding the company’s sales by customer type, contract type and geographic region for each of our segments.

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Operating Income and Margin Rate

Current Quarter

Third quarter 2026 operating income increased \$27 million, or 2 percent, primarily due to \$68 million of higher segment operating income, partially offset by a \$52 million decrease in the FAS/CAS operating adjustment. Operating margin rate declined to 11.4 percent from 11.9 percent principally due to the decrease in the FAS/CAS operating adjustment.

Third quarter 2026 G&A costs as a percentage of sales increased to 9.7 percent from 9.5 percent in the prior year period primarily due to an increase in our investments for future business opportunities, partially offset by higher sales.

Year to Date

Year to date 2026 operating income increased \$114 million, or 4 percent, primarily due to \$511 million of higher segment operating income largely driven by the prior year B-21 loss provision at Aeronautics Systems, partially offset by the prior year \$231 million gain on the training services divestiture and a \$164 million decrease in the FAS/CAS operating adjustment. Operating margin rate declined to 10.5 percent from 10.7 percent primarily due to the prior year gain on the training services divestiture and the decrease in the FAS/CAS operating adjustment, partially offset by a higher segment operating margin rate.

Year to date 2026 G&A costs as a percentage of sales decreased to 9.7 percent from 9.9 percent in the prior year period primarily due to higher sales.

See “Segment Operating Results” below for further information by segment. For information regarding product and service operating costs and expenses, see “Product and Service Analysis” below.

Federal and Foreign Income Taxes

Current Quarter

Third quarter 2026 income tax expense decreased \$49 million, or 22 percent, due to a lower ETR and \$25 million of lower earnings before income taxes. The third quarter 2026 ETR decreased to 13.4 percent from 16.9 percent principally due to higher research credits.

Year to Date

Year to date 2026 income tax expense decreased \$170 million, or 30 percent, due to a lower ETR, partially offset by \$168 million of higher earnings before income taxes. The year to date 2026 ETR decreased to 11.5 percent from 17.2 percent primarily due to the remeasurement of unrecognized tax benefits during the second quarter of 2026 given recent developments with the IRS towards resolving our previously filed federal income tax returns and refund claims, as well as higher research credits, including a benefit related to CAMT guidance recently issued by the IRS.

See Note 4 to the financial statements for additional information.

Net Earnings

Current Quarter

Third quarter 2026 net earnings increased \$24 million, or 2 percent, primarily due to a \$49 million decrease in income tax expense, a \$31 million increase in the non-operating FAS pension benefit and a \$27 million increase in operating income, partially offset by an \$86 million decrease in Other, net largely driven by favorable returns on marketable securities in the prior year.

Year to Date

Year to date 2026 net earnings increased \$338 million, or 12 percent, primarily due to a \$170 million decrease in income tax expense, a \$114 million increase in operating income and a \$96 million increase in the non-operating FAS pension benefit, partially offset by a \$51 million decrease in Other, net largely driven by lower favorable returns on marketable securities.

Diluted Earnings Per Share

Current Quarter

Third quarter 2026 diluted earnings per share increased \$0.22, or 3 percent, reflecting a 2 percent increase in net earnings and a 1 percent reduction in weighted-average diluted shares outstanding.

Year to Date

Year to date 2026 diluted earnings per share increased \$2.60, or 14 percent, reflecting a 12 percent increase in net earnings and a 1 percent reduction in weighted-average diluted shares outstanding.

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SEGMENT OPERATING RESULTS

Basis of Presentation

The company is aligned in four operating sectors, which also comprise our reportable segments: Aeronautics Systems, Defense Systems, Mission Systems and Space Systems.

For purposes of the operating results discussion below, we assess our performance using certain financial measures that are not calculated in accordance with GAAP.

Organic Sales

In the operating results discussion below, we present the performance of our Defense Systems sector using organic sales, a financial measure that is not calculated in accordance with GAAP. Organic sales is defined as total sales excluding sales attributable to the company's former training services business. This measure may be useful to investors and other users of our financial statements as a supplemental measure in evaluating the company's underlying sales growth as well as in understanding our ongoing business and future sales trends by presenting the company's sales adjusted for the impact of the divestiture. We reconcile this non-GAAP financial measure to its most directly comparable GAAP financial measure below. This non-GAAP measure may not be defined and calculated by other companies in the same manner and should not be considered in isolation or as an alternative to operating results presented in accordance with GAAP.

Segment Operating Income and Margin Rate

Segment operating income, as reconciled in the table below, and segment operating margin rate (segment operating income divided by sales) are non-GAAP measures that reflect the combined operating income of our four segments less the operating income associated with intersegment sales. Segment operating income includes pension expense allocated to our sectors under FAR and CAS and excludes FAS pension service expense and unallocated corporate items (certain corporate-level expenses, which are not considered allowable or allocable under applicable FAR and CAS requirements, and costs not considered part of management's evaluation of segment operating performance). These non-GAAP measures may be useful to investors and other users of our financial statements as supplemental measures in evaluating the financial performance and operational trends of our sectors. These measures may not be defined and calculated by other companies in the same manner and should not be considered in isolation or as alternatives to operating results presented in accordance with GAAP.

<i>\$ in millions</i>	Three Months Ended September		%	Nine Months Ended September		%
	30	30		30	30	
	2026	2025	Change	2026	2025	Change
Operating income	\$ 1,269	\$ 1,242	2 %	\$ 3,354	\$ 3,240	4 %
Operating margin rate	11.4 %	11.9 %		10.5 %	10.7 %	
Reconciliation to segment operating income:						
CAS pension expense	(68)	(122)	(44)%	(188)	(356)	(47)%
FAS pension service expense	53	55	(4)%	159	163	(2)%
FAS/CAS operating adjustment	(15)	(67)	(78)%	(29)	(193)	(85)%
Gain on sale of training services business	—	—	NM	—	(231)	NM
Training services divestiture – unallowable state taxes and transaction costs	—	—	NM	—	20	NM
Intangible asset amortization and PP&E step-up depreciation	13	21	(38)%	51	63	(19)%
Other unallocated corporate expense	78	81	(4)%	199	165	21 %
Unallocated corporate expense	91	102	(11)%	250	17	1,371 %
Segment operating income	\$ 1,345	\$ 1,277	5 %	\$ 3,575	\$ 3,064	17 %
Segment operating margin rate	12.1 %	12.3 %		11.2 %	10.1 %	

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Current Quarter

Third quarter 2026 segment operating income increased \$68 million, or 5 percent, primarily due to \$72 million of higher operating income at Aeronautics Systems. Third quarter 2026 segment operating margin rate of 12.1 percent reflects strong program performance and higher operating margin rates at Aeronautics Systems and Space Systems. Segment operating margin rate decreased from 12.3 percent in the third quarter of 2025 principally due to a prior year \$68 million favorable EAC adjustment in the restricted advanced microelectronics portfolio at Mission Systems.

Year to Date

Year to date 2026 segment operating income increased \$511 million, or 17 percent, primarily due to \$601 million of higher operating income at Aeronautics Systems and \$117 million of higher operating income at Mission Systems, partially offset by \$78 million of lower operating income at Space Systems and \$76 million of lower operating income at Defense Systems. Segment operating margin rate increased to 11.2 percent from 10.1 percent primarily due to a higher operating margin rate at Aeronautics Systems and Mission Systems, partially offset by a lower operating margin rate at Defense Systems and Space Systems.

FAS/CAS Operating Adjustment

The third quarter 2026 and year to date 2026 FAS/CAS operating adjustment reflects lower CAS pension expense largely driven by favorable plan asset returns in prior years.

Unallocated Corporate Expense

Current Quarter

The decrease in third quarter 2026 unallocated corporate expense is primarily driven by lower intangible asset amortization and PP&E step-up depreciation.

Year to Date

The increase in year to date 2026 unallocated corporate expense is primarily due to the prior year \$231 million gain on the training services divestiture.

Net EAC Adjustments - We record changes in estimated contract earnings at completion (net EAC adjustments) using the cumulative catch-up method of accounting. Net EAC adjustments can have a significant effect on segment operating income and margin rate.

The aggregate favorable and unfavorable EAC adjustments are presented in the table below:

	Three Months Ended September 30		Nine Months Ended September 30	
<i>\$ in millions</i>	2026	2025	2026	2025
Favorable EAC adjustments	\$ 482	\$ 433	\$ 1,707	\$ 1,161
Unfavorable EAC adjustments	(261)	(352)	(1,472)	(1,054)
Net EAC adjustments	\$ 221	\$ 81	\$ 235	\$ 107

Net EAC adjustments by segment are presented in the table below:

	Three Months Ended September 30		Nine Months Ended September 30	
<i>\$ in millions</i>	2026	2025	2026	2025
Aeronautics Systems	\$ 124	\$ (66)	\$ 174	\$ (225)
Defense Systems	34	35	9	141
Mission Systems	92	121	212	163
Space Systems	(15)	(5)	(144)	37
Eliminations	(14)	(4)	(16)	(9)
Net EAC adjustments	\$ 221	\$ 81	\$ 235	\$ 107

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AERONAUTICS SYSTEMS

\$ in millions	Three Months Ended September 30		% Change	Nine Months Ended September 30		% Change
	2026	2025		2026	2025	
Sales	\$ 3,575	\$ 3,142	14 %	\$ 10,377	\$ 9,070	14 %
Operating income	377	305	24 %	1,044	443	136 %
Operating margin rate	10.5 %	9.7 %		10.1 %	4.9 %	

Sales

Current Quarter

Third quarter 2026 sales increased \$433 million, or 14 percent, primarily due to a \$195 million increase on F-35 driven by the timing of material costs on production lots and increased sustainment volume, higher B-21 sales and an increase in B-2 sustainment volume.

Year to Date

Year to date 2026 sales increased \$1.3 billion, or 14 percent, primarily due to higher sales on B-21 and other restricted programs, a \$237 million increase on the E-130J TACAMO ("TACAMO") program as it ramps up, a \$229 million increase on F-35, and \$116 million of higher B-2 sustainment volume. The higher B-21 sales reflect the company's first quarter 2026 agreement with the U.S. Air Force to expand production capacity and increase the aircraft production rate, including the sale of a company-owned test asset. The sales increases were partially offset by a decrease on F/A-18 as final production deliveries have completed.

Operating Income

Current Quarter

Third quarter 2026 operating income increased \$72 million, or 24 percent, due to higher sales and a higher operating margin rate. Operating margin rate increased to 10.5 percent from 9.7 percent primarily due to higher net contract margin adjustments, including on certain mature production and sustainment programs.

Year to Date

Year to date 2026 operating income increased \$601 million, or 136 percent, due to a higher operating margin rate and higher sales. Year to date 2026 operating margin rate of 10.1 percent reflects strong performance on certain mature production and sustainment programs. Operating margin rate increased from 4.9 percent in 2025 primarily due to the absence of the prior year B-21 loss provision.

DEFENSE SYSTEMS

\$ in millions	Three Months Ended September 30		% Change	Nine Months Ended September 30		% Change
	2026	2025		2026	2025	
Sales	\$ 2,307	\$ 2,059	12 %	\$ 6,299	\$ 5,855	8 %
Less: Training services sales	—	—		—	(112)	
Organic sales	\$ 2,307	\$ 2,059	12 %	\$ 6,299	\$ 5,743	10 %
Operating income	\$ 250	\$ 234	7 %	\$ 590	\$ 666	(11)%
Operating margin rate	10.8 %	11.4 %		9.4 %	11.4 %	

Sales

Current Quarter

Third quarter 2026 sales increased \$248 million, or 12 percent, primarily due to a \$180 million increase on Sentinel as the program continues to ramp, higher volume on the Guided Multiple Launch Rocket System Extended Range (GMLRS ER) program due to the timing of awards, and higher volume on various tactical solid rocket motor programs. These increases were partially offset by lower volume on armament programs, primarily on certain military ammunition programs.

Year to Date

Year to date 2026 sales increased \$444 million, or 8 percent, primarily due to a \$356 million increase on Sentinel as the program continues to ramp, a \$114 million increase on various tactical solid rocket motor programs, and higher volume across the IBCS portfolio. These increases were partially offset by a \$112 million reduction in sales related to the divested training services business and a \$109 million decrease on armament programs, including certain military ammunition programs.

NORTHROP GRUMMAN CORPORATION

Operating Income

Current Quarter

Third quarter 2026 operating income increased \$16 million, or 7 percent, primarily due to higher sales, partially offset by a lower operating margin rate. Operating margin rate decreased to 10.8 percent from 11.4 percent, primarily due to changes in contract mix toward more cost-type content.

Year to Date

Year to date 2026 operating income decreased \$76 million, or 11 percent, primarily due to a lower operating margin rate, partially offset by higher sales. Operating margin rate decreased to 9.4 percent from 11.4 percent principally due to lower net EAC adjustments, largely due to the Q2 2026 unfavorable EAC adjustment on the Stand-in Attack Weapon (SiAW) program and the absence of a prior year favorable EAC adjustment on the EMD phase of the Sentinel program.

MISSION SYSTEMS

\$ in millions	Three Months Ended September 30		% Change	Nine Months Ended September 30		% Change
	2026	2025		2026	2025	
Sales	\$ 3,155	\$ 3,093	2 %	\$ 9,266	\$ 9,057	2 %
Operating income	500	515	(3)%	1,434	1,317	9 %
Operating margin rate	15.8 %	16.7 %		15.5 %	14.5 %	

Sales

Current Quarter

Third quarter 2026 sales increased \$62 million, or 2 percent, primarily due to ramp-up on restricted airborne radar programs and higher volume on marine systems programs. These increases were partially offset by lower volume on restricted advanced microelectronics programs.

Year to Date

Year to date 2026 sales increased \$209 million, or 2 percent, primarily due to ramp-up on restricted airborne radar programs, higher sales of \$255 million on marine systems programs, and the timing of materials on F-35. These increases were partially offset by lower volume on restricted advanced microelectronics programs and a \$129 million decrease on the Scalable Agile Beam Radar program.

Operating Income

Current Quarter

Third quarter 2026 operating income decreased \$15 million, or 3 percent, primarily due to a lower operating margin rate, partially offset by higher sales. Third quarter 2026 operating margin rate of 15.8 percent reflects strong program performance on marine systems and restricted airborne radar programs. Operating margin rate decreased from 16.7 percent in the third quarter of 2025 due, in part, to a prior year \$68 million favorable EAC adjustment in the restricted advanced microelectronics portfolio.

Year to Date

Year to date 2026 operating income increased \$117 million, or 9 percent, due to a higher operating margin rate and higher sales. Operating margin rate increased to 15.5 percent from 14.5 percent, primarily due to higher net EAC adjustments driven by improved performance, as well as prior year investments made by the sector in connection with restricted business opportunities.

SPACE SYSTEMS

\$ in millions	Three Months Ended September 30		% Change	Nine Months Ended September 30		% Change
	2026	2025		2026	2025	
Sales	\$ 2,749	\$ 2,698	2 %	\$ 7,982	\$ 7,912	1 %
Operating income	312	298	5 %	783	861	(9)%
Operating margin rate	11.3 %	11.0 %		9.8 %	10.9 %	

Sales

Current Quarter

Third quarter 2026 sales increased \$51 million, or 2 percent, primarily due to ramp-up of programs in the restricted space portfolio, partially offset by \$136 million of lower sales on Commercial Resupply Service missions due to launch timing.

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Year to Date

Year to date 2026 sales increased \$70 million, or 1 percent, primarily due to ramp-up of programs in the restricted space portfolio, \$141 million of higher intercompany sales in support of Sentinel, and \$107 million of higher GPI sales. These increases were partially offset by a \$159 million decrease on the Graphite Epoxy Motor (GEM) 63XL program and a \$129 million decrease on the Next-Generation Overhead Persistent Infrared Polar program.

Operating Income

Current Quarter

Third quarter 2026 operating income increased \$14 million, or 5 percent, due to a higher operating margin rate and higher sales. Operating margin rate increased to 11.3 percent from 11.0 percent, primarily due to changes in contract mix toward more fixed-price content.

Year to Date

Year to date 2026 operating income decreased \$78 million, or 9 percent, primarily due to a lower operating margin rate, partially offset by higher sales. Operating margin rate decreased to 9.8 percent from 10.9 percent, largely due to lower net EAC adjustments, partially offset by changes in contract mix toward more fixed-price content.

PRODUCT AND SERVICE ANALYSIS

The following table presents product and service sales and operating costs and expenses by segment:

\$ in millions	Three Months Ended September 30				Nine Months Ended September 30			
	2026		2025		2026		2025	
Segment Information:	Sales	Operating Costs and Expenses	Sales	Operating Costs and Expenses	Sales	Operating Costs and Expenses	Sales	Operating Costs and Expenses
Aeronautics Systems								
Product	\$ 2,736	\$ 2,463	\$ 2,296	\$ 2,108	\$ 7,870	\$ 7,180	\$ 6,715	\$ 6,575
Service	798	698	804	690	2,391	2,048	2,234	1,940
Intersegment eliminations	41	37	42	39	116	105	121	112
Total Aeronautics Systems	3,575	3,198	3,142	2,837	10,377	9,333	9,070	8,627
Defense Systems								
Product	1,920	1,717	1,657	1,483	5,129	4,668	4,639	4,117
Service	328	287	351	297	1,004	893	1,067	940
Intersegment eliminations	59	53	51	45	166	148	149	132
Total Defense Systems	2,307	2,057	2,059	1,825	6,299	5,709	5,855	5,189
Mission Systems								
Product	2,230	1,895	2,203	1,825	6,446	5,477	6,398	5,500
Service	539	440	551	466	1,585	1,312	1,644	1,383
Intersegment eliminations	386	320	339	287	1,235	1,043	1,015	857
Total Mission Systems	3,155	2,655	3,093	2,578	9,266	7,832	9,057	7,740
Space Systems								
Product	2,212	1,956	2,213	1,980	6,419	5,817	6,396	5,702
Service	359	321	348	297	1,035	909	1,149	1,021
Intersegment eliminations	178	160	137	123	528	473	367	328
Total Space Systems	2,749	2,437	2,698	2,400	7,982	7,199	7,912	7,051
Segment Totals								
Total Product	\$ 9,098	\$ 8,031	\$ 8,369	\$ 7,396	\$ 25,864	\$ 23,142	\$ 24,148	\$ 21,894
Total Service	2,024	1,746	2,054	1,750	6,015	5,162	6,094	5,284
Total Segment⁽¹⁾	\$ 11,122	\$ 9,777	\$ 10,423	\$ 9,146	\$ 31,879	\$ 28,304	\$ 30,242	\$ 27,178

⁽¹⁾ A reconciliation of segment operating income to total operating income is included in “Segment Operating Results.”

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Product Sales and Costs

Current Quarter

Third quarter 2026 product sales increased \$729 million, or 9 percent, primarily due to higher sales on F-35, B-21 and TACAMO at Aeronautics Systems and higher volume on Sentinel, GMLRS ER, and tactical solid rocket motor programs at Defense Systems.

Third quarter 2026 product costs increased \$635 million, or 9 percent, consistent with the higher product sales described above.

Year to Date

Year to date 2026 product sales increased \$1.7 billion, or 7 percent, primarily due to higher sales on B-21, TACAMO and F-35 at Aeronautics Systems and higher volume on Sentinel, tactical solid rocket motor programs and across the IBCS portfolio at Defense Systems.

Year to date 2026 product costs increased \$1.2 billion, or 6 percent, reflecting a higher operating margin rate principally due to the absence of the prior year B-21 loss provision at Aeronautics Systems.

Service Sales and Costs

Current Quarter

Third quarter 2026 service sales decreased \$30 million, or 1 percent, primarily due to completion of the Special Electronic Mission Aircraft program at Defense Systems in the prior year.

Third quarter 2026 service costs were comparable with the prior year period.

Year to Date

Year to date 2026 service sales decreased \$79 million, or 1 percent, primarily due to lower restricted service sales at Space Systems, lower service volume at Defense Systems due to the training services divestiture, and lower volume on airborne electronic warfare programs at Mission Systems, partially offset by higher restricted service sales at Aeronautics Systems.

Year to date 2026 service costs decreased \$122 million, or 2 percent, reflecting a higher operating margin rate principally driven by higher net EAC adjustments on service programs at Aeronautics Systems, Mission Systems and Space Systems.

BACKLOG

Backlog consisted of the following as of September 30, 2026 and December 31, 2025:

\$ in millions	September 30, 2026			December 31, 2025		% Change in 2026
	Funded	Unfunded	Total Backlog	Total Backlog		
Aeronautics Systems	\$ 15,511	\$ 11,288	\$ 26,799	\$ 23,052		16 %
Defense Systems	10,294	26,181	36,475	27,796		31 %
Mission Systems	14,442	5,533	19,975	18,632		7 %
Space Systems	9,848	16,500	26,348	26,201		1 %
Total backlog	\$ 50,095	\$ 59,502	\$ 109,597	\$ 95,681		15 %

Third quarter and year to date 2026 net awards totaled \$16.4 billion and \$46.2 billion, respectively. Backlog totaled \$109.6 billion. Significant third quarter new awards include \$4.6 billion for restricted programs (primarily at Aeronautics Systems, Space Systems, and Mission Systems), \$2.0 billion for Sentinel, \$1.4 billion for Virginia Class submarines, \$1.3 billion for F-35 at Aeronautics Systems, and \$1.0 billion for E-2.

LIQUIDITY AND CAPITAL RESOURCES

We are focused on the efficient conversion of operating income into cash to provide for the company's material cash requirements, including working capital needs, satisfaction of contractual commitments, funding of our pension and OPB plans, investment in our business through capital expenditures, and shareholder returns.

At September 30, 2026, we had \$3.7 billion in cash and cash equivalents. We expect cash and cash equivalents and cash generated from operating activities, supplemented by borrowings under credit facilities, commercial paper and/or in the capital markets, if needed, to be sufficient to provide liquidity to the company in the short-term and long-

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term. The company has a five-year senior unsecured revolving credit facility in an aggregate principal amount of \$3.0 billion, and in April 2026, we renewed our one-year \$500 million uncommitted credit facility. At September 30, 2026, there were no borrowings outstanding under these credit facilities.

Cash Flow Measures

In addition to our cash position, we consider various cash flow measures in capital deployment decision-making, including cash provided by operating activities and adjusted free cash flow, a non-GAAP measure described in more detail below.

Operating Cash Flow

The table below summarizes key components of cash provided by operating activities:

<i>\$ in millions</i>	Nine Months Ended September 30		% Change
	2026	2025	
Net earnings	\$ 3,093	\$ 2,755	12 %
Changes in trade working capital ⁽¹⁾	(2,154)	(2,437)	(12)%
Other, net	430	542	(21)%
Net cash provided by operating activities	\$ 1,369	\$ 860	59 %

⁽¹⁾ Beginning in the fourth quarter of 2025, the company redefined trade working capital presented in this table to include accounts receivable, unbilled receivables, inventoried costs, trade accounts payable and advance payments and billings in excess of costs incurred. Prior period amounts and disclosures have been recast to conform to the current period presentation.

Year to date 2026 net cash provided by operating activities increased \$509 million as compared with the same period in 2025, primarily due to lower net cash tax payments.

Adjusted Free Cash Flow

Adjusted free cash flow, as reconciled in the table below, is a non-GAAP measure defined as net cash provided by or used in operating activities, less capital expenditures, plus proceeds from the sale of equipment to a customer (not otherwise included in net cash provided by or used in operating activities) and the after-tax impact of discretionary pension contributions. Adjusted free cash flow includes proceeds from the sale of equipment to a customer, if any, as such proceeds were generated in a customer sales transaction. It also includes the after-tax impact of discretionary pension contributions, if any, for consistency and comparability of financial performance. This measure may not be defined and calculated by other companies in the same manner. We use adjusted free cash flow as a key factor in our planning for, and consideration of, acquisitions, the payment of dividends and stock repurchases. This non-GAAP measure may be useful to investors and other users of our financial statements as a supplemental measure of our cash performance, but should not be considered in isolation, as a measure of residual cash flow available for discretionary purposes, or as an alternative to operating cash flows presented in accordance with GAAP. During the nine months ended September 30, 2026 and 2025, the company made no discretionary pension contributions.

The table below reconciles net cash provided by operating activities to adjusted free cash flow:

<i>\$ in millions</i>	Nine Months Ended September 30		% Change
	2026	2025	
Net cash provided by operating activities	\$ 1,369	\$ 860	59 %
Capital expenditures	(775)	(788)	(2)%
Proceeds from sale of equipment to a customer	371	—	NM
Adjusted free cash flow	\$ 965	\$ 72	1,240 %

Year to date 2026 adjusted free cash flow increased \$893 million, or 1,240 percent, as compared with the same period in 2025, primarily due to higher net cash from operating activities and proceeds received in connection with the sale of equipment to a customer.

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Investing Cash Flow

Year to date 2026 net cash used in investing activities decreased \$177 million, or 36 percent, as compared with the same period in 2025, principally due to \$371 million of proceeds from the sale of equipment to a customer and \$107 million of proceeds from the sale of an investment, partially offset by \$333 million of proceeds from the training services divestiture in the prior year.

Financing Cash Flow

Year to date 2026 net cash used in financing activities decreased \$1.1 billion, or 38 percent, as compared with the same period in 2025, primarily due to a \$1.1 billion decrease in share repurchases.

Credit Facilities, Commercial Paper and Financial Arrangements - See Note 7 to the financial statements for further information on our credit facilities, commercial paper and our use of standby letters of credit and guarantees.

Share Repurchases - See Note 2 to the financial statements for further information on our share repurchase programs.

Long-term Debt - See Note 5 to the financial statements for further information.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There have been no material changes to our critical accounting policies and estimates from those discussed in our 2025 Annual Report on Form 10-K.

ACCOUNTING STANDARDS UPDATES

See Note 1 to our financial statements for further information on accounting standards updates.

FORWARD-LOOKING STATEMENTS AND PROJECTIONS

This Form 10-Q and the information we are incorporating by reference contain statements that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “will,” “expect,” “anticipate,” “intend,” “may,” “could,” “should,” “plan,” “project,” “forecast,” “believe,” “estimate,” “guidance,” “outlook,” “trends,” “goals” and similar expressions generally identify these forward-looking statements. Forward-looking statements include, among other things, statements relating to our future financial condition, results of operations and/or cash flows. Forward-looking statements are based upon assumptions, expectations, plans and projections that we believe to be reasonable when made, but which may change over time. These statements are not guarantees of future performance and inherently involve a wide range of risks and uncertainties that are difficult to predict. Specific risks that could cause actual results to differ materially from those expressed or implied in these forward-looking statements include, but are not limited to, those identified and discussed more fully in the section entitled “Risk Factors” in our 2025 Annual Report on Form 10-K and from time to time in our other filings with the SEC. They include:

Industry and Economic Risks

- our dependence on the U.S. government for a substantial portion of our business
- significant delays or reductions in appropriations and/or for our programs, and U.S. government funding and program support more broadly, including as a result of a prolonged continuing resolution and/or government shutdown, and/or related to the global security environment or other global events
- significant delays or reductions in payments as a result of or related to a breach of the debt ceiling or a prolonged government shutdown
- the use of estimates when accounting for our contracts and the effect of contract cost growth and our efforts to recover or offset such costs and/or changes in estimated contract costs and revenues, including as a result of inflationary pressures, labor shortages, supply chain challenges, changes in trade policies and/or other macroeconomic factors, and risks related to management’s judgments and assumptions in estimating and/or projecting contract revenue and performance which may be inaccurate
- increased competition within our markets and bid protests
- continued pressures from macroeconomic trends, including on costs, schedules, performance and ability to meet expectations

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Legal and Regulatory Risks

- investigations, claims, disputes, enforcement actions, litigation (including criminal, civil and administrative) and/or other legal proceedings
- changes in procurement and other laws, SEC, DoW and other rules and regulations, including changes through executive orders, contract terms and practices applicable to our industry, findings by the U.S. government as to our compliance with such requirements, more aggressive enforcement of such requirements and changes in our customers' business practices and preferences globally
- the improper conduct of employees, agents, subcontractors, suppliers, business partners or joint ventures in which we participate, including the impact on our reputation and our ability to do business
- environmental matters, unforeseen environmental costs and government and third-party claims
- unanticipated changes in our tax provisions or exposure to additional tax liabilities

Business and Operational Risks

- cyber and other security threats or disruptions faced by us, our customers or our suppliers and other partners, including threats or disruptions from the use of artificial intelligence models capable of exploiting vulnerabilities to conduct or enhance cyber attacks, and changes in related regulations
- the performance and viability of our subcontractors and suppliers and the availability and pricing of raw materials, critical minerals and metals, chemicals, parts and components, particularly with inflationary pressures, increased costs, pricing changes, shortages in labor and financial resources, supply chain disruptions, and extended material lead times
- our ability to attract and retain a qualified and talented workforce with the necessary security clearances to meet our performance obligations
- our exposure to additional risks as a result of our international business, including risks related to global security and strategic alliances, geopolitical and economic factors, misconduct, suppliers, laws and regulations
- our ability to innovate, develop new products and technologies, progress and benefit from digital transformation and maintain technologies to meet the needs of our customers
- natural disasters, epidemics, pandemics and similar outbreaks and other significant disruptions
- products and services we provide related to hazardous and high risk operations, including the production and use of such products, which subject us to various environmental, regulatory, financial, reputational and other risks
- our ability appropriately to protect and exploit intellectual property rights

General and Other Risk Factors

- the adequacy and availability of, and ability to obtain, insurance coverage, customer indemnifications or other liability protections
- the future investment performance of plan assets, gains or losses associated with changes in valuation of marketable securities related to our non-qualified benefit plans, changes in actuarial assumptions associated with our pension and other postretirement benefit plans and legislative or other regulatory actions impacting our pension and postretirement benefit obligations
- changes in business conditions that could impact business investments and/or recorded goodwill or the value of other long-lived assets, and other potential future liabilities

You are urged to consider the limitations on, and risks associated with, forward-looking statements and not unduly rely on the accuracy of forward-looking statements. These forward-looking statements speak only as of the date this report is first filed or, in the case of any document incorporated by reference, the date of that document. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to our market risks from those discussed in our 2025 Annual Report on Form 10-K.

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Item 4. Controls and Procedures

DISCLOSURE CONTROLS AND PROCEDURES

Our principal executive officer (Chair, Chief Executive Officer and President) and principal financial officer (Corporate Vice President and Chief Financial Officer) have evaluated the company's disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Securities Exchange Act of 1934 (the Exchange Act)) as of September 30, 2026, and have concluded that these controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit is accumulated and communicated to management, including the principal executive officer and the principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the three months ended September 30, 2026, no changes occurred in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We have provided information about certain legal proceedings in which we are involved in Notes 6 and 7 to the financial statements.

We are a party to various investigations, lawsuits, arbitration, claims, enforcement actions and other legal proceedings, including government investigations and claims, that arise in the ordinary course of our business. These types of matters could result in administrative, civil or criminal fines, penalties or other sanctions (which terms include judgments or convictions and consent or other voluntary decrees or agreements); compensatory, treble or other damages; non-monetary relief; or other liabilities. Government regulations provide that certain allegations against a contractor may lead to suspension or debarment from future government contracts or suspension of export privileges for the company or one or more of its components. The nature of legal proceedings is such that we cannot assure the outcome of any particular matter. For additional information on pending matters, please see Notes 6 and 7 to the financial statements, and for further information on the risks we face from existing and future investigations, lawsuits, arbitration, claims, enforcement actions and other legal proceedings, please see “Risk Factors” in our 2025 Annual Report on Form 10-K.

Consistent with SEC Regulation S-K Item 103, we have elected to disclose those environmental proceedings with a governmental entity as a party where the company reasonably believes such proceeding would result in monetary sanctions, exclusive of interest and costs, of \$1.0 million or more.

Item 1A. Risk Factors

For a discussion of our risk factors please see the section entitled “Risk Factors” in our 2025 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The approximate dollar value of shares that may yet be purchased under the company’s share repurchase authorization is \$2.5 billion as of September 30, 2026. We had no repurchases of common stock during the three months ended September 30, 2026.

Share repurchases take place from time to time, subject to market and regulatory conditions and management’s discretion, in the open market or in privately negotiated transactions. The company retires its common stock upon repurchase.

See Note 2 to the financial statements for further information on our share repurchase programs.

Item 5. Other Information

Consistent with Item 408 of Regulation S-K, the following table reflects Rule 10b5-1 trading arrangements and non-Rule 10b5-1 trading arrangements (as defined in Item 408) entered into by any director or officer (as defined in Rule 16a-1(f) of the Exchange Act) during the quarter ended September 30, 2026.

Name (Title)	Type of Trading Arrangement	Date of Adoption	Expiration Date of Trading Arrangement	Aggregate Number of Securities to Be Purchased or Sold
Mark A. Welsh III (Director)	Rule 10b5-1 Trading Arrangement	July 27, 2026	August 7, 2027 or such earlier date upon the completion of all trades under the plan or the occurrence of such other termination events as specified in the plan.	Sale of 392 shares of common stock

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Item 6. Exhibits

- *+10.1 [2026 Market Stock Units Grant Agreement Specifying Terms and Conditions Applicable to 2026 Market Stock Units Granted to Kathy J. Warden Under the 2024 Long-Term Incentive Stock Plan](#)
 - *15 [Letter from Independent Registered Public Accounting Firm](#)
 - *31.1 [Certification of Kathy J. Warden pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
 - *31.2 [Certification of John T. Greene pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
 - **32.1 [Certification of Kathy J. Warden pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
 - **32.2 [Certification of John T. Greene pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
 - *101 Northrop Grumman Corporation Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, formatted as inline XBRL (Extensible Business Reporting Language): (i) the Cover Page, (ii) Condensed Consolidated Statements of Earnings and Comprehensive Income, (iii) Condensed Consolidated Statements of Financial Position, (iv) Condensed Consolidated Statements of Cash Flows, (v) Condensed Consolidated Statements of Changes in Shareholders' Equity, (vi) Notes to Condensed Consolidated Financial Statements, and (vii) Other Information. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
 - *104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)
- + Management contract or compensatory plan or arrangement
- * Filed with this report
- ** Furnished with this report

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

By:

/s/ **Michael A. Hardesty**

Michael A. Hardesty
Corporate Vice President, Controller and
Chief Accounting Officer
(Principal Accounting Officer)

Date: October 19, 2026

NORTHROP GRUMMAN CORPORATION

2026 MARKET STOCK UNITS GRANT AGREEMENT

This 2026 Market Stock Units Grant Agreement (“Agreement”) applies to certain “Market Stock Units” (“MSUs”) granted by Northrop Grumman Corporation (the “Company”) in 2026 under its 2024 Long-Term Incentive Stock Plan. The date of grant of your MSU award and the target number of MSUs applicable to your award are set forth in the letter from the Company announcing your MSU award (your “Grant Letter”) and are also reflected in the electronic stock plan award recordkeeping system (“Stock Plan System”) maintained by the Company or its designee. This Agreement applies only with respect to the 2026 MSU award under the Plan, and you are subject to this Agreement upon accepting your grant. You are referred to as the “Grantee” with respect to your award. Capitalized terms are generally defined in Section 11 below if not otherwise defined herein.

Each MSU represents a right to receive one share of the Company’s Common Stock, or cash of equivalent value as provided herein, subject to vesting as provided herein. The performance period applicable to your award is August 19, 2026 to December 31, 2031 (the “Performance Period”). The target number of MSUs subject to your award is subject to adjustment as provided herein. The MSU award is subject to all of the terms and conditions set forth in this Agreement, and is further subject to all of the terms and conditions of the Plan and any rules adopted by the Committee, as such rules are in effect from time to time. If you do not formally accept your MSU award, by entering into this Agreement in accordance with the instructions and time limit set forth in your Grant Letter, you will be deemed to have forfeited your MSU award.

1. Vesting; Payment of MSUs.

The MSUs are subject to the vesting and payment provisions established by the Committee with respect to the Performance Period. MSUs (and any Dividend Equivalents (as defined below)) that vest based on such provisions will be paid as provided below.

1.1. Performance-Based Vesting of MSUs. Subject to Sections 2, 3, 4 and 6 below, the MSUs subject to the award shall vest and become nonforfeitable based on the performance methodology established by the Committee for the Performance Period. At the conclusion of the Performance Period, the Committee shall apply the performance methodology based on the change in the stock price over the Performance Period to determine the percentage of target MSUs subject to the award (if any) that have vested for the Performance Period (the “Earnout Percentage”), and its determination of the Earnout Percentage shall be conclusive and binding. Any MSUs (and related Dividend Equivalents) subject to the award that are not vested as of the conclusion of the Performance Period after giving effect to the Committee’s determinations under this Section 1.1 shall terminate and become null and void as of the last day of the Performance Period.

1.2. Payment of MSUs. The number of MSUs payable at the conclusion of the Performance Period (“Vested MSUs”) shall be determined by multiplying the Earnout Percentage by the target number of MSUs subject to the award. The Vested MSUs and any MSUs that vest and become payable pursuant to Section 2 or 6 may be paid out in either an equivalent number of shares of Common Stock, or, in the discretion of the Committee, in cash or in a combination of shares of Common Stock and cash. In the event of a cash payment, the amount of payment for each Vested MSU to be paid in cash will equal the Fair Market Value (as defined below) of a share of Common Stock as of the date the Committee determines the extent to which the applicable MSU performance criteria have been achieved. Vested MSUs will be paid within 60 days of the vesting date, but in no event later than March 15 of the year following the last day of the Performance Period.

1.3. Dividend Equivalents. The Grantee shall be entitled to payment for Dividend Equivalents (if any) with respect to any Vested MSUs and any MSUs that vest and become payable pursuant to Section 2 or 6. For purposes of this Agreement, “Dividend Equivalents” means the aggregate amount of dividends paid by the Company on a number of shares of Common Stock equivalent to the number of Vested MSUs (or the number of MSUs that vest and become payable pursuant to Section 2 or 6) during the period from the beginning

of the Performance Period until the date the Vested MSUs (or the MSUs that vest and become payable pursuant to Section 2 or 6) are paid, without interest or other adjustments to reflect the time value of money. For these purposes, any Vested MSUs or MSUs that vest and become payable pursuant to Section 2 or 6 in excess of the target number of MSUs subject to the award shall be considered to have been granted at the beginning of the Performance Period. Dividend Equivalents (if any) will be paid at the same time as the Vested MSUs (or the MSUs that vest and become payable pursuant to Section 2 or 6) to which they relate are paid. Dividend Equivalents will be paid in cash.

2. Early Termination of Award; Termination of Employment.

2.1 General. The MSUs (and related Dividend Equivalents) subject to the award shall terminate and become null and void prior to the conclusion of the Performance Period if and when (a) the award terminates in connection with a Change in Control pursuant to Section 6 below, or (b) except as provided below in this Section 2 and in Section 6, the Grantee ceases for any reason to be an employee of the Company or one of its subsidiaries.

2.2 Termination of Employment Due to Retirement, Death or Disability.

Retirement. If the Grantee ceases to be employed by the Company or one of its subsidiaries due to the Grantee’s Retirement (as defined below), the MSUs will remain outstanding and vest as if Grantee had remained an employee for the full Performance Period. Payment of any Vested MSUs (and related Dividend Equivalents) will not be accelerated, and will remain subject to Sections 1.2 and 4 hereof.

Death or Disability. If the Grantee ceases to be employed by the Company as a result of death or Disability (a) a pro-rata portion of the MSUs (and related Dividend Equivalents), based on the number of calendar days the Grantee was actually employed by the Company or one of its subsidiaries during the Performance Period over the number of calendar days in the Performance Period, will vest based on actual performance over the portion of the Performance Period up to and including the date of death or Disability (“Prorated MSUs”), and (b) payment of the Prorated MSUs (and related Dividend Equivalents) that vest pursuant to this Section 2.2 will be made within 60 days of the Grantee’s death or Disability, but in no event later than March 15 of the year following the date of the death or Disability. Any MSUs (and related Dividend Equivalents) subject to the award that do not vest in accordance with this Section 2.2 upon a termination of the Grantee’s employment due to death or

Disability shall terminate immediately upon such termination of employment.

2.3 Other Terminations of Employment. Subject to Section 6.2, all MSUs (and related Dividend Equivalents) subject to the award shall terminate immediately upon a termination of the Grantee's employment for any reason other than due to the Grantee's Retirement, death or Disability.

2.4 Leave of Absence. Unless the Committee otherwise provides (at the time of the leave or otherwise), if the Grantee is granted a leave of absence by the Company, the Grantee (a) shall not be deemed to have incurred a termination of employment at the time such leave commences for purposes of the award, and (b) shall be deemed to be employed by the Company for the duration of such approved leave of absence for purposes of the award. A termination of employment shall be deemed to have occurred if the Grantee does not timely return to active employment upon the expiration of such approved leave or if the Grantee commences a leave that is not approved by the Company.

2.5 Salary Continuation. Subject to Section 2.4 above, the term "employment" as used herein means active employment by the Company or one of its subsidiaries and salary continuation without active employment (other than a leave of absence approved by the Company that is covered by Section 2.4) will not, in and of itself, constitute "employment" for purposes hereof (in the case of salary continuation without active employment, the Grantee's cessation of active employee status shall, subject to Section 2.4, be deemed to be a termination of "employment" for purposes hereof). Furthermore, salary continuation will not, in and of itself, constitute a leave of absence approved by the Company for purposes of the award.

2.6 Continuance of Employment Required. Except as expressly provided in Section 2.2, Section 2.4 and in Section 6, the vesting of the MSUs (and related Dividend Equivalents) subject to the award requires continued employment through the last day of the Performance Period as a condition to the vesting of any portion of the award. Employment for only a portion of the Performance Period, even if a substantial portion, will not entitle the Grantee to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment. Nothing contained in this Agreement, the Grant Letter, the Stock Plan System, or the Plan constitutes an employment commitment by the Company or any subsidiary, affects the Grantee's status (if the Grantee is otherwise an at-will employee) as an employee at will who is subject to termination without cause, confers

upon the Grantee any right to continue in the employ of the Company or any subsidiary, or interferes in any way with the right of the Company or of any subsidiary to terminate such employment at any time.

2.7 Death. In the event of the Grantee's death prior to the delivery of shares or other payment with respect to any MSUs (and related Dividend Equivalents) vested hereunder, the Grantee's Successor shall be entitled to any payments to which the Grantee would have been entitled under this Agreement with respect to such MSUs.

3. Non-Transferability and Other Restrictions.

3.1 Non-Transferability. The award, as well as the MSUs (and related Dividend Equivalents) subject to the award, are non-transferable and shall not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge. The foregoing transfer restrictions shall not apply to: (a) transfers to the Company; (b) transfers to a Successor upon death; or (c) if the Grantee has suffered a Disability, permitted transfers to his or her legal representative. Notwithstanding the foregoing, the Company may honor any transfer required pursuant to the terms of a court order in a divorce or similar domestic relations matter to the extent that such transfer does not adversely affect the Company's ability to register the offer and sale of the underlying shares on a Form S-8 Registration Statement and such transfer is otherwise in compliance with all applicable legal, regulatory and listing requirements.

3.2 Forfeiture or Recoupment of Awards. If, prior to payment or issuance of shares with respect to the award, Grantee's employment is terminated for Cause (or Grantee has engaged in misconduct that could have resulted in Grantee's termination of employment for Cause if Grantee had remained an employee), the Company may reduce or eliminate any payments or issuances of shares with respect to the award. You agree to be bound by and fully comply with the Company's Policy Regarding the Recoupment of Certain Incentive Compensation Payments filed as Exhibit 97 to the Company's 10-K for the year ended December 31, 2025 and as in effect from time to time ("Recoupment Policy"). Any payments or issuances of shares with respect to the award are subject to the Recoupment Policy, as well as any recoupment or similar provisions of applicable law, and the Grantee shall promptly make any reimbursement requested by the Board or Committee pursuant to such policy or applicable law with respect to the award. The Grantee agrees, by accepting the award, that the Company and its affiliates may deduct from any amounts it may owe the Grantee from time to time (such as wages or other compensation) any amounts the

Grantee is required to reimburse the Company pursuant to such policy or applicable law with respect to the award.

4. Post-Employment Conduct.

4.1 Executive Leadership Team Contribution. You acknowledge and agree that as a member of the Executive Leadership Team (“ELT”), you are involved in managing the global operations of the Company, incorporated in Delaware and headquartered in Virginia. You are involved in the most sensitive and proprietary matters affecting the Company, its subsidiaries, predecessors, and/or affiliates (collectively, “Northrop Grumman”), including from a technical, strategic and financial perspective, and are widely exposed to confidential, sensitive and proprietary information concerning Northrop Grumman’s global operations, at the headquarters and each of the operating sectors, including in the areas of space systems, military aircraft, missile defense, advanced weapons and long-range fires capabilities, mission systems, networking and communications, strategic deterrence systems, advanced computing, microelectronics and cyber, directly or indirectly for U.S. and international government customers. Your job responsibilities require that you have a primary office location in Virginia and/or you spend substantial time at the corporate headquarters in Virginia, among other things, attending ELT and other leadership meetings, and managing operations and employees in Virginia. You occupy one of the most senior executive positions in the Company and have far-reaching access to highly confidential, valuable and sensitive information, customer, vendor and employee relationships, intellectual property, strategic and tactical plans, and financial information and plans. The Company has a legitimate business interest in restricting your ability to compete in the specific manner set forth below. The Company has provided you this grant, subject to this Agreement and as consideration for the restrictive covenants set forth in this Section 4; provided that the provisions of Sections 4.2 and 4.3 in this Agreement shall not apply where not permitted by applicable law.

4.2 Non-Competition. For a period of twelve (12) months from the date of the termination of your employment for any reason (“Termination”), you will not, directly or indirectly, oversee, control, participate in, or support the design, operation, research, manufacture, marketing, sale, or distribution of “Competitive Products and Services”. For the purpose of this section, “Competitive Products and Services” shall mean products or services that compete for resources with or are an alternative or potential alternative to, the products sold or services provided by Northrop Grumman,

including without limitation products and services in the areas of space systems, military aircraft, missile defense, advanced weapons and long-range fires capabilities, mission systems, networking and communications, strategic deterrence systems, advanced computing, microelectronics and cyber, directly or indirectly for U.S. and international government customers..

4.3 Non-Solicitation of Customers. For a period of eighteen (18) months from your Termination, you shall not, directly or indirectly, solicit any customer, supplier, or teammate of Northrop Grumman with whom you engaged, or about whom you received confidential, sensitive, or proprietary information, in the course of your employment with Northrop Grumman, for purposes of providing products or services in competition with Northrop Grumman. In the case of a governmental, regulatory or administrative agency, commission, department or other governmental authority, the customer is determined by reference to the specific program offices or activities for which Northrop Grumman provides goods or services.

4.4 Non-Solicitation of Employees. For a period of twenty-four (24) months from your Termination, you shall not, directly or indirectly, solicit or offer to hire, any person who was, within a period of six months prior to your Termination, employed by Northrop Grumman, with whom you worked or about whom you received information in the course of your employment with Northrop Grumman.

4.5 Non-Disparagement. You will not issue or communicate any statement, whether verbal or written, or take any other action that disparages or may be interpreted to disparage the Company, its products, services, officers, directors, or employees; provided that the foregoing shall not apply to any truthful statements made in connection with a legal process, including government investigation, or as otherwise provided by law. For the avoidance of doubt, nothing prohibits you from making any disclosures that are protected under the whistleblower provisions of any applicable law, rule, or regulation.

4.6 Exceptions. You may request an exception to the covenants in Sections 4.2, 4.3, or 4.4 by making a written request to the Company’s Chief Human Resources Officer, with such exceptions being considered at the sole discretion of the Company and communicated in writing to you.

4.7 Reasonableness. You agree that the restrictions set forth in Sections 4.2, 4.3, and 4.4 are (i) reasonable and necessary in all respects, including duration, territory and scope of activity, in order to protect the Company’s

legitimate business interests, (ii) that the parties have attempted to limit your right to compete only to the extent necessary to protect the Company's legitimate business interests, and (iii) that you will be able to earn a livelihood without violating the restrictions in this section. It is the intent of the parties that the provisions of this section shall be enforced to the fullest extent permissible under applicable law. However, if any portion of Section 4.2, 4.3, or 4.4 is deemed unenforceable, the parties agree that a court or arbitrator may revise the portion deemed unenforceable to the maximum extent possible to achieve the objective of the parties, and the remainder of the section shall remain in full force and effect.

4.8 Remedies. If you violate any provision in Section 4.2, 4.3, 4.4, and/or 4.5 of this section, the Company shall have the right to terminate without payment to you any unvested and/or unpaid MSUs (and associated Dividend Equivalents) and require that you immediately deliver to the Company an amount in cash equal to the aggregate Fair Market Value, determined as of the vesting and/or payment date of all MSUs already received, including any Dividend Equivalents, within one year prior to the breach. Further, you acknowledge and agree that a breach of any of the provisions of this section will result in immediate, irreparable, and continuing damage to the Company for which there is no adequate remedy at law, and the Company will be entitled to injunctive relief, a decree of specific performance, and other relief as may be proper, including monetary damages, to the maximum extent available and without any requirement to post bond.

5. Compliance with Laws; No Stockholder Rights Prior to Issuance.

The Company's obligation to make any payments or issue any shares with respect to the award is subject to full compliance with all then applicable requirements of law, the Securities and Exchange Commission, or other regulatory agencies having jurisdiction over the Company and its shares, and of any exchange upon which stock of the Company may be listed. The Grantee shall not have the rights and privileges of a stockholder, including without limitation the right to vote or receive dividends (except as expressly provided in this Agreement with respect to Dividend Equivalents), with respect to any shares which may be issued in respect of the MSUs until the date appearing on the certificate(s) for such shares (or, in the case of shares entered in book entry form, the date that the shares are actually recorded in such form for the benefit of the Grantee), if such shares become deliverable.

6. Adjustments; Change in Control.

6.1 Adjustments. The MSUs, Dividend Equivalents, and the shares subject to the award are subject to adjustment upon the occurrence of events such as stock splits, stock dividends and other changes in capitalization in accordance with Section 6(a) of the Plan. Any such adjustment or determination not to make any adjustment shall be conclusive and binding.

6.2 Possible Acceleration on Change in Control. Notwithstanding the provisions of Section 2 hereof, and further subject to the Company's ability to terminate the award as provided in Section 6.3 below, the Grantee shall be entitled to vesting of the award as provided below in the event of the Grantee's termination of employment if at the time of the termination, the termination occurs either within the Protected Period corresponding to a Change in Control of the Company or within twenty-four (24) calendar months following the date of a Change in Control of the Company, and the Grantee's employment by the Company and its subsidiaries is involuntarily terminated by the Company and its subsidiaries for reasons other than Cause or by the Grantee for Good Reason.

In the event the Grantee is entitled to payment in accordance with the foregoing provisions of this Section 6.2, then the Grantee will be eligible for payment of a number of MSUs (and related Dividend Equivalents) determined in accordance with the following formula: (a) the Earnout Percentage determined in accordance with Section 1 but calculated based on the greater of (i) performance for the portion of the Performance Period ending on the last day of the month coinciding with or immediately preceding the date of the termination of the Grantee's employment or (ii) target performance, multiplied by (b) the target number of MSUs subject to the award. Payment of any amount due under this Section 6.2 will be made within 60 days of the date of the termination of Grantee's employment, but in no event later than March 15th of the year following the Grantee's termination of employment.

6.3 Automatic Acceleration; Early Termination. If the Company undergoes a Change in Control triggered by clause (iii) or (iv) of the definition thereof and the Company is not the surviving entity and the successor to the Company (if any) (or a Parent thereof) does not agree in writing prior to the occurrence of the Change in Control to continue and assume the award following the Change in Control, or if for any other reason the award would not continue after the Change in Control, then upon the Change in Control the Grantee shall be entitled to a payment of the MSUs (and related Dividend Equivalents) as provided below and the award shall terminate. Unless the Committee expressly provides

otherwise in the circumstances, no acceleration of vesting of the award shall occur pursuant to this Section 6.3 in connection with a Change in Control if either (a) the Company is the surviving entity, or (b) the successor to the Company (if any) (or a Parent thereof) agrees in writing prior to the Change in Control to assume the award. The Committee may make adjustments pursuant to Section 6(a) of the Plan and/or deem an acceleration of vesting of the award pursuant to this Section 6.3 to occur sufficiently prior to an event if necessary or deemed appropriate to permit the Grantee to realize the benefits intended to be conveyed with respect to the shares underlying the award; provided, however, that, the Committee may reinstate the original terms of the award if the related event does not actually occur.

In the event the Grantee is entitled to a payment in accordance with the foregoing provisions of this Section 6.3, then the Grantee will be eligible for payment of a number of MSUs (and related Dividend Equivalents) determined in accordance with the following formula: (a) the Earnout Percentage determined in accordance with Section 1 but calculated based on the greater of (i) performance for the portion of the Performance Period ending on the date of the Change in Control of the Company or (ii) target performance, multiplied by (b) the target number of MSUs subject to the award. Payment of any amount due under this Section 6.3 will be made within 60 days of the Change of Control, but in no event later than March 15 of the year following the Change in Control. In the event the Grantee is employed by the Company or a subsidiary immediately prior to the Change in Control and is entitled to payment in accordance with the foregoing provisions of this Section 6.3, then this Section 6.3 shall control as to the amount and timing of the payment of the award notwithstanding anything in Section 2.2 or 6.2 to the contrary. In the event of the Grantee's Retirement pursuant to Section 2.2 prior to a Change in Control described in the first paragraph of this Section 6.3 in which the award is to be terminated, the Earnout Percentage shall no longer be based on the portion of the Performance Period otherwise considered for purposes of Section 2.2 but shall instead be calculated based on performance for the portion of the Performance Period ending on the date of the Change in Control of the Company.

7. Tax Matters.

7.1 Tax Withholding. The Company or the subsidiary which employs the Grantee shall be entitled to require, as a condition of making any payments or issuing any shares upon vesting of the MSUs and related Dividend Equivalents, that the Grantee or other person entitled to such shares or other payment pay the minimum sums required to be withheld by federal, state, local or other applicable tax law with respect to such

vesting or payment. Alternatively, the Company or such subsidiary, in its discretion, may make such provisions for the withholding of taxes as it deems appropriate (including, without limitation, withholding the taxes due from compensation otherwise payable to the Grantee or reducing the number of shares otherwise deliverable with respect to the award (valued at their then Fair Market Value) by the amount necessary to satisfy such statutory minimum withholding obligations).

7.2 Transfer Taxes. The Company will pay all federal and state transfer taxes, if any, and other fees and expenses in connection with the issuance of shares in connection with the vesting of the MSUs.

7.3 Compliance. This Agreement is designed to be exempt from Code Section 409A, and the Committee shall administer and construe the award in such a way as to be exempt from and to avoid adverse tax consequences under Code Section 409A.

7.4 Unfunded Arrangement. The right of the Grantee to receive payment under the award shall be an unsecured contractual claim against the Company. As such, neither the Grantee nor any Successor shall have any rights in or against any specific assets of the Company based on the award. Awards shall at all times be considered entirely unfunded for tax purposes.

7.5 Code Section 280G. Notwithstanding any other provision of this Agreement to the contrary, in the event that any amounts payable to you under this Agreement, either alone or together with amounts payable pursuant to any other plan, program or arrangement (a) constitute "parachute payments" within the meaning of Section 280G of the Code, and (b) but for this Section 7.5 would be subject to the excise tax imposed by Section 4999 of the Code or any comparable successor provisions (the "Excise Tax"), then the vesting acceleration provided under this Agreement, shall be either (i) provided to you in full, or (ii) provided to you to such lesser extent that would result in no portion of the payments so accelerated being subject to the Excise Tax, whichever of the foregoing amounts, when taking into account applicable federal, state, local and foreign income and employment taxes, the Excise Tax, and any other applicable taxes, results in the receipt by you, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be subject to the Excise Tax. All determinations required to be made under this Section 7.5 shall be made by a registered public accounting firm selected by the Company, which shall provide supporting calculations both to the Company and you no later than the date of the applicable Change in Control. In the event that any payments or benefits to the Grantee are to be reduced pursuant to this Section 7.5, such payments and benefits shall be reduced

such that the reduction of compensation to be provided to the Grantee as a result of this Section 7.5 is minimized. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero.

8. Choice of Law; Venue; Arbitration.

This Agreement shall be governed by the laws of the State of Delaware. You agree to be bound by and fully comply with Northrop Grumman Manual USHR 2-32, Arbitration and Mediation (“USHR 2-32”). Any cause of action or claim arising out of or related to the terms and conditions applicable to this grant will be determined through final and binding arbitration, in accordance with USHR 2-32, provided that the prevailing party in the arbitration shall be entitled to receive from the losing party reasonably incurred attorneys’ fees and costs. You and the Company agree that any arbitration hearing and related proceedings shall be convened and conducted in Falls Church, VA. If you or the Company believes they require immediate relief to enforce or challenge this Agreement, before arbitration is commenced or concluded, either party may seek injunctive or other provisional equitable relief from a state or federal court in the Commonwealth of Virginia. All court actions or proceedings arising under this Agreement shall be heard in a state or federal court in the Commonwealth of Virginia. The Company and you hereby agree to the jurisdiction of the state and federal courts in the Commonwealth of Virginia and waive any right to object to such actions on grounds of venue, jurisdiction or convenience.

9. Committee Authority.

The Committee has the discretionary authority to determine any questions as to the date when the Grantee’s employment terminated and the cause of such termination and to interpret any provision of this Agreement, the Grant Letter, the Stock Plan System, the Plan, and any other applicable rules. Any action taken by, or inaction of, the Committee relating to or pursuant to this Agreement, the Grant Letter, the Stock Plan System, the Plan, or any other applicable rules shall be within the absolute discretion of the Committee and shall be conclusive and binding on all persons.

10. Plan; Amendment.

The MSUs (and related Dividend Equivalents) subject to the award are governed by, and the Grantee’s rights are subject to, all of the terms and conditions of the Plan and any other rules adopted by the Committee, as

the foregoing may be amended from time to time. The Grantee shall have no rights with respect to any amendment of this Agreement or the Plan unless such amendment is in writing and signed by a duly authorized officer of the Company. In the event of a conflict between the provisions of the Grant Letter and/or the Stock Plan System and the provisions of this Agreement and/or the Plan, the provisions of this Agreement and/or the Plan, as applicable, shall control.

11. Definitions.

Whenever used in this Agreement, the following terms shall have the meanings set forth below and, when the meaning is intended, the initial letter of the word is capitalized:

“**Board**” means the Board of Directors of the Company.

“**Cause**” means the occurrence of either or both of the following:

- (i) The Grantee’s conviction for committing an act of fraud, embezzlement, theft, or other act constituting a felony (other than traffic related offenses, as a result of vicarious liability, or as a result of good faith actions as an officer of the Company); or
- (ii) Willful misconduct by the Grantee that causes financial or reputational harm to the Company. However, no act, or failure to act, on the Grantee’s part shall be considered “willful” unless done, or omitted to be done, by the Grantee not in good faith and without reasonable belief that his or her action or omission was in the best interest of the Company.

“**Change in Control**” is used as defined in the Plan.

“**Code**” means the United States Internal Revenue Code of 1986, as amended.

“**Committee**” means the Company’s Compensation and Human Capital Committee or any successor committee appointed by the Board to administer the Plan.

“**Common Stock**” means the Company’s common stock.

“**Disability**” means, with respect to a Grantee, that the Grantee: (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous

period of not less than twelve months; or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Grantee's employer.

"Fair Market Value" is used as defined in the Plan; provided, however, the Committee in determining such Fair Market Value for purposes of the award may utilize such other exchange, market, or listing as it deems appropriate.

"Good Reason" means, without the Grantee's express written consent, the occurrence of any one or more of the following:

- (i) A material and substantial reduction in the nature or status of the Grantee's authorities or responsibilities (when such authorities and/or responsibilities are viewed in the aggregate) from their level in effect on the day immediately prior to the start of the Protected Period, other than (A) an inadvertent act that is remedied by the Company promptly after receipt of notice thereof given by the Grantee, and/or (B) changes in the nature or status of the Grantee's authorities or responsibilities that, in the aggregate, would generally be viewed by a nationally-recognized executive placement firm as resulting in the Grantee having not materially and substantially fewer authorities and responsibilities (taking into consideration the Company's industry) when compared to the authorities and responsibilities applicable to the position held by the Grantee immediately prior to the start of the Protected Period. The Company may retain a nationally-recognized executive placement firm for purposes of making the determination required by the preceding sentence and the written opinion of the firm thus selected shall be conclusive as to this issue.

In addition, if the Grantee is a vice president, the Grantee's loss of vice-president status will constitute "Good Reason"; provided that the loss of the title of "vice president" will not, in and of itself, constitute Good Reason if the Grantee's lack of a vice president title is generally consistent with the manner in which the title of vice president is used within the Grantee's business unit or if the loss of the title is the result of a promotion to a higher level office. For the purposes of the preceding sentence, the Grantee's

lack of a vice-president title will only be considered generally consistent with the manner in which such title is used if most persons in the business unit with authorities, duties, and responsibilities comparable to those of the Grantee immediately prior to the commencement of the Protected Period do not have the title of vice-president.

- (ii) A material reduction by the Company in the Grantee's annualized rate of base salary as in effect on the first to occur of the start of the Performance Period or the start of the Protected Period, or as the same shall be increased from time to time.
- (iii) A material reduction in the aggregate value of the Grantee's level of participation in any of the Company's short and/or long-term incentive compensation plans (excluding stock-based incentive compensation plans), employee benefit or retirement plans, or policies, practices, or arrangements in which the Grantee participates immediately prior to the start of the Protected Period provided; however, that a reduction in the aggregate value shall not be deemed to be "Good Reason" if the reduced value remains substantially consistent with the average level of other employees who have positions commensurate with the position held by the Grantee immediately prior to the start of the Protected Period.
- (iv) A material reduction in the Grantee's aggregate level of participation in the Company's stock-based incentive compensation plans from the level in effect immediately prior to the start of the Protected Period; provided, however, that a reduction in the aggregate level of participation shall not be deemed to be "Good Reason" if the reduced level of participation remains substantially consistent with the average level of participation of other employees who have positions commensurate with the position held by the Grantee immediately prior to the start of the Protected Period.
- (v) The Grantee is informed by the Company that his or her principal place of employment for the Company will be relocated to a location that is greater than fifty (50) miles away from the Grantee's principal place of employment for the Company at the start of the corresponding Protected Period; provided that, if the Company communicates an intended effective date for such relocation, in no event shall Good Reason exist

pursuant to this clause (v) more than ninety (90) days before such intended effective date.

The Grantee's right to terminate employment for Good Reason shall not be affected by the Grantee's incapacity due to physical or mental illness. The Grantee's continued employment shall not constitute a consent to, or a waiver of rights with respect to, any circumstances constituting Good Reason herein.

"**Parent**" is used as defined in the Plan.

"**Plan**" means the Northrop Grumman 2024 Long-Term Incentive Stock Plan, as it may be amended from time to time.

The "**Protected Period**" corresponding to a Change in Control of the Company shall be a period of time determined in accordance with the following:

- (i) If the Change in Control is triggered by a tender offer for shares of the Company's stock or by the offeror's acquisition of shares pursuant to such a tender offer, the Protected Period shall commence on the date of the initial tender offer and shall continue through and including the date of the Change in Control; provided that in no case will the Protected Period commence earlier than the date that is six (6) months prior to the Change in Control.
- (ii) If the Change in Control is triggered by a merger, consolidation, or reorganization of the Company with or involving any other corporation, the Protected Period shall commence on the date that serious and substantial discussions first take place to effect the merger, consolidation, or reorganization and shall continue through and including the date of the Change in Control; provided that in no case will the Protected Period commence earlier than the date that is six (6) months prior to the Change in Control.
- (iii) In the case of any Change in Control not described in clause (i) or (ii) above, the Protected Period shall commence on the date that is six (6) months prior to the Change in Control and shall continue through and include the date of the Change in Control.

"**Retirement**" means that the Grantee (i) terminates employment after December 31, 2030 but before December 31, 2031 (other than in connection with a termination by the Company or a subsidiary for Cause); and (ii) has assisted the Board with the transition of Grantee's executive officer position to the satisfaction of

the Board, including a Board-approved CEO successor being in place.

"**Successor**" means the person acquiring a Grantee's rights to a grant under the Plan as a beneficiary designated in the Stock Plan System, or if none, the Grantee's estate.

NORTHROP GRUMMAN CORPORATION

EXHIBIT 15

LETTER FROM INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

October 19, 2026

The Board of Directors and Shareholders of Northrop Grumman Corporation

Northrop Grumman Corporation
2980 Fairview Park Drive
Falls Church, Virginia 22042

We are aware that our report dated October 19, 2026, on our review of the interim financial information of Northrop Grumman Corporation and subsidiaries appearing in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, is incorporated by reference in Registration Statement Nos. 033-59815, 033-59853, 333-67266, 333-100179, 333-107734, 333-121104, 333-125120, 333-127317, 333-175798, 333-273482, and 333-281008 on Form S-8, 333-295222 on Form S-3, and 333-264549 on Form S-4.

/s/ Deloitte & Touche LLP
McLean, Virginia

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kathy J. Warden, certify that:

1. I have reviewed this report on Form 10-Q of Northrop Grumman Corporation (“company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the company’s most recent fiscal quarter (the company’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and
5. The company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: October 19, 2026

/s/ Kathy J. Warden

Kathy J. Warden
Chair, Chief Executive Officer and President

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John T. Greene, certify that:

1. I have reviewed this report on Form 10-Q of Northrop Grumman Corporation (“company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the company’s most recent fiscal quarter (the company’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and
5. The company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: October 19, 2026

/s/ John T. Greene

John T. Greene

Corporate Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Northrop Grumman Corporation (the “company”) on Form 10-Q for the period ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Kathy J. Warden, Chair, Chief Executive Officer and President of the company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the company.

Date: October 19, 2026

/s/ Kathy J. Warden

Kathy J. Warden
Chair, Chief Executive Officer and President

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Northrop Grumman Corporation (the “company”) on Form 10-Q for the period ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John T. Greene, Corporate Vice President and Chief Financial Officer of the company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the company.

Date: October 19, 2026

/s/ John T. Greene

John T. Greene

Corporate Vice President and Chief Financial Officer