



AEROSPACE & DEFENSE

EARNINGS RECAP | 01.31.2026

EARNINGS WEEK: OVERVIEW

This past week's aerospace and defense earnings reinforced a clear market theme: ***backlog and demand remain solid, but execution is what's being rewarded.*** Companies that posted clean quarters and showed they can reliably turn backlog into shipped products, were rewarded.

The strongest prints weren't just "growth stories," they validated capacity and throughput. They showed credible proof of higher output, steadier supply chains, and more predictable program execution. [RTX](#) stood out for strong momentum tied to capacity and backlog visibility, while [Lockheed Martin](#) reinforced the idea that steady production and deliveries are the core swing factors investors want to see. As a result, both companies exited the week as higher-confidence execution stories.

The week also underscored that timing risk still matters in defense contracting: award delays, administrative friction, or even shifts in how guidance is communicated can trigger near-term disappointment; even when underlying demand remains strong (a clear [L3Harris](#) takeaway).

WHAT TO WATCH:

Across the sector, attention and focus also intensified around whether primes are reinvesting enough in capacity and supply chains versus prioritizing shareholder returns. Looking into 2026, investors will be more focused on how efficiently demand is converted into delivered hardware and cash. The biggest piece in the near-term will be backlog conversion: whether companies can turn their backlog (orders already won) into real deliveries, revenue, and cash on a predictable schedule. If deliveries slip due to supplier issues or quality problems, then revenue, margins, and free cash flow often get pushed into a later quarter; ultimately hurting investor confidence. On the policy side, even if governments signal higher defense spending, investors want to see it translate into tangible outcomes: signed contract awards, funding, and a visible ramp in production and deliveries. Lastly, the market will likely keep judging how defense companies use their cash. Buybacks and dividends aren't "bad", but the market wants companies to first prove they're reinvesting enough to fix and expand factory capacity, suppliers, and quality (supply-chain). The companies that can deliver on time, ramp production smoothly, and turn backlog into cash reliably are the ones likely to trade at a higher valuation.



WHAT THE MARKET REWARDED

- **Companies that hit their numbers** and raised (or supported) their outlook for 2026.
- **Clear signs that production can increase**, not just that demand is strong.
- **Better visibility on work turning into real shipments**, such as strong backlog and straightforward commentary on how that backlog converts into deliveries and revenue.

WHAT THE MARKET PUNISHED

- **Misses tied to contract timing**, where delays in government buying, slowed revenue and bookings.
- **Slower cash collection** and paperwork-related slowdowns, like delayed export licensing or collections that can push cash flow later.
- A hint that **shareholder payouts are coming before fixing production constraints**, especially with the added pressure on contractors to prioritize capacity and supply-chain.

EARNINGS SNAPSHOT

[01.27.2026 – 01.31.2026]

COMPANY	TICKER	NOTES	REPORT DATE
 RTX Corporation	NYSE:RTX	Beat; 2026 outlook slightly above Street; strong aerospace demand.	Jan 27
 Boeing	NYSE:BA	2026 profit helped by asset scale; defense unit loss and KC-46 charge.	Jan 27
 Northrop Grumman	NYSE:NOC	Beat; record backlog; 2026 guidance slightly below Street.	Jan 27
 General Dynamics	NYSE:GD	Beat; strong orders/book-to-bill; 2026 outlook below Street	Jan 28
 Lockheed Martin	NYSE:LMT	Beat; record backlog; 2026 outlook above Street; stock popped.	Jan 29
 L3Harris Technologies	NYSE:LHX	Revenue missed on delayed awards; guidance complexity; cautious read-through.	Jan 29
 Honeywell	NASDAQ:HON	EPS beat; revenue slightly light; 2026 outlook in-line.	Jan 29

SHARE PRICE PERFORMANCE

[01.27.2026 – 01.31.2026]

COMPANY	TICKER	CLOSE (Jan 26)	CLOSE (Jan 30)	% CHANGE
RTX Corporation	NYSE:RTX	194.13	200.93	+3.50%
Boeing	NYSE:BA	248.43	233.72	-5.92%
Northrop Grumman	NYSE:NOC	660.97	692.26	+4.73%
General Dynamics	NYSE:GD	363.54	351.09	-3.42%
Lockheed Martin	NYSE:LMT	581.66	634.22	+9.04%
L3Harris Technologies	NYSE:LHX	354.20	342.85	-3.20%
Honeywell	NASDAQ:HON	221.16	227.52	+2.88%