



# Aerospace & Defense Market Update

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**December 2025**

# U.S. Aerospace & Defense Market



## Defense Budget Overall Size & Growth

### The FY 2026 National Defense Discretionary Spending Request:

- **\$1.0119 trillion**, up **13%** from about **\$895 billion** in FY 2025. The White House
- Within that, the Department of Defense's discretionary portion is roughly **\$848 billion**. Comptroller of the Defense Department

## Key Components and Priorities

- **Strengthening** home and defense and sovereignty.
- **Deterring** Chinese aggression, particularly in the Indo-Pacific region.
- **Revitalizing** the U.S. defense industrial base.

## Areas getting prime focus

- Modernization programs
- Research, development, testing & evaluation
- Missile defense and emerging technology systems (autonomy, AI, unmanned platforms)

# U.S. Aerospace & Defense Market



## Commercial Aviation Outlook

### Strong Post-Pandemic Recovery in Air Travel

- Passenger traffic and Airline revenues: rebound since the downturn (Boeing)
- New aircrafts: delivery delays and supply chain issues push operators to rely on existing fleet (Airlines For America)

### Fleet Growth & Aging Aircraft Push MRO Demand

- The global commercial fleet is projected to grow at **~2.8%** annually from 2025-2035
- Aging of existing aircraft (fleet average age increasing) increases maintenance, repair, and overhaul demand

### Aircraft Manufacturing Backlogs and Production Constraints

- Delivery of new aircrafts (especially narrowbodies) expected to rise BUT deliveries scheduled far into the future (**into the 2030s / even 2040s**)
- Parts shortages, labor shortages, and supply-chain bottlenecks constraint production

# Market implications from industry trends



**Demand is evolving**

**Defense Contractors**

**Autonomy, AI**

Unmanned systems

Electronic warfare



**Supply Chain needs adapting**

**Avoiding Geopolitical risks**

**Sourcing material domestically**



**Operational & financial risks remain**

**Pressure on margins**

**Labor costs**

Material costs

Project execution risks



**Innovation wins business**

**Technology**

**Smaller firms win contracts with agility and innovation driven by cutting-edge tech**



**Workforce is a constraint**

**Production bottlenecks**

**Skilled labor shortages**

Retention

Certifications

# Regulatory Driver

# Regulatory Cybersecurity Compliance

## What this means for Defense Contractors?

The rule will go into effect on November 10, 2025, 60 days from the date of publication.



## CMMC is Now in DFARS

The final DFARS rule establishes clear regulatory language requiring CMMC certification for contractors and subcontractors that handle **Federal Contract Information (FCI)** or **Controlled Unclassified Information (CUI)**.

DFARS Clause 252.204-7021 Activated: Contracts will now include this clause, requiring companies to hold a current CMMC certification at the appropriate level in order to:

- **Compete for new awards**
- **Exercise option years**
- **Receive modifications or extensions on existing contracts**

# Infor Solution: CloudSuite Aerospace & Defense



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# Defense cybersecurity

## compliance

### Deployment in AWS GovCloud

- FedRAMP Moderate authorization
- NIST SP 800-171 attestation
- CMMC Level 2 ready
- ITAR compliance with global end user availability
- Continuous monitoring, audit logging, and security incident & event management (SIEM)
- Vulnerability and patch management

**NIST**

SP 800-53 (rev 4)  
SP 800-171



FedRAMP Moderate  
and High



Defense Federal  
Acquisition Regulation  
Supplement



International Traffic and  
Arms Regulation (ITAR)



Federal Information  
Processing Standard  
Pub

# Highest score in **Gartner®** Critical Capabilities Project/Asset-Intensive Manufacturing Use Case

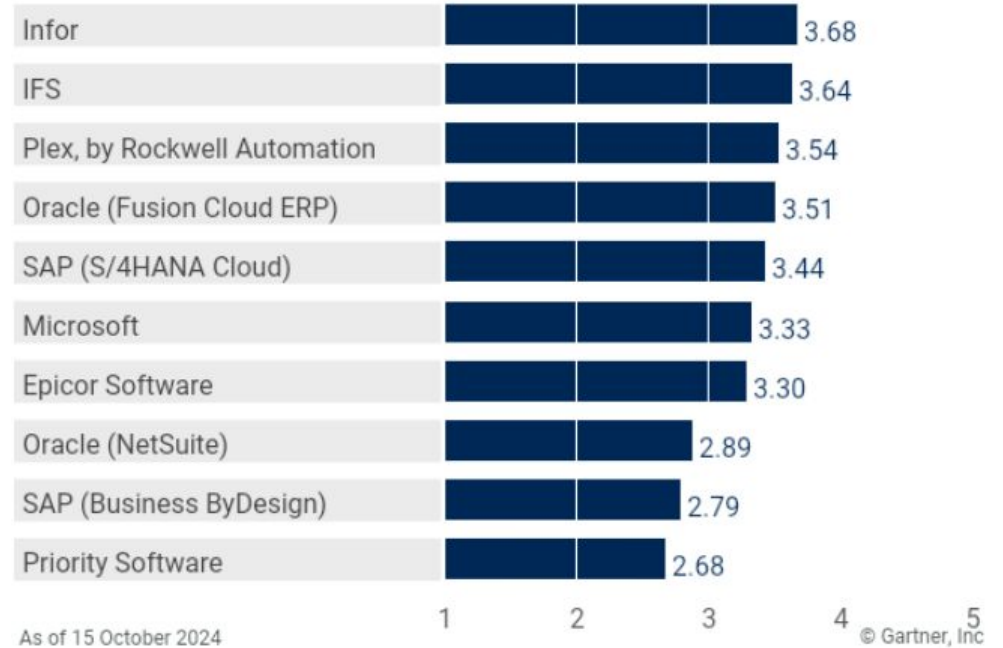


Infor received **3.68 of 5** in use case scores for Project/Asset-Intensive Manufacturing in the 2024 Gartner® Critical Capabilities for Cloud ERP for Product-Centric Enterprises.

## According to the Gartner® report

“Infor achieved high scores for **project/asset-intensive manufacturing** and process manufacturing use cases, as well as discrete manufacturing. This is **attributed to its suite component’s industry-specific capabilities and a robust Infor OS cloud platform**. This platform provides access to advanced technical services such as data lakehouse, process automation, and AI and ML.

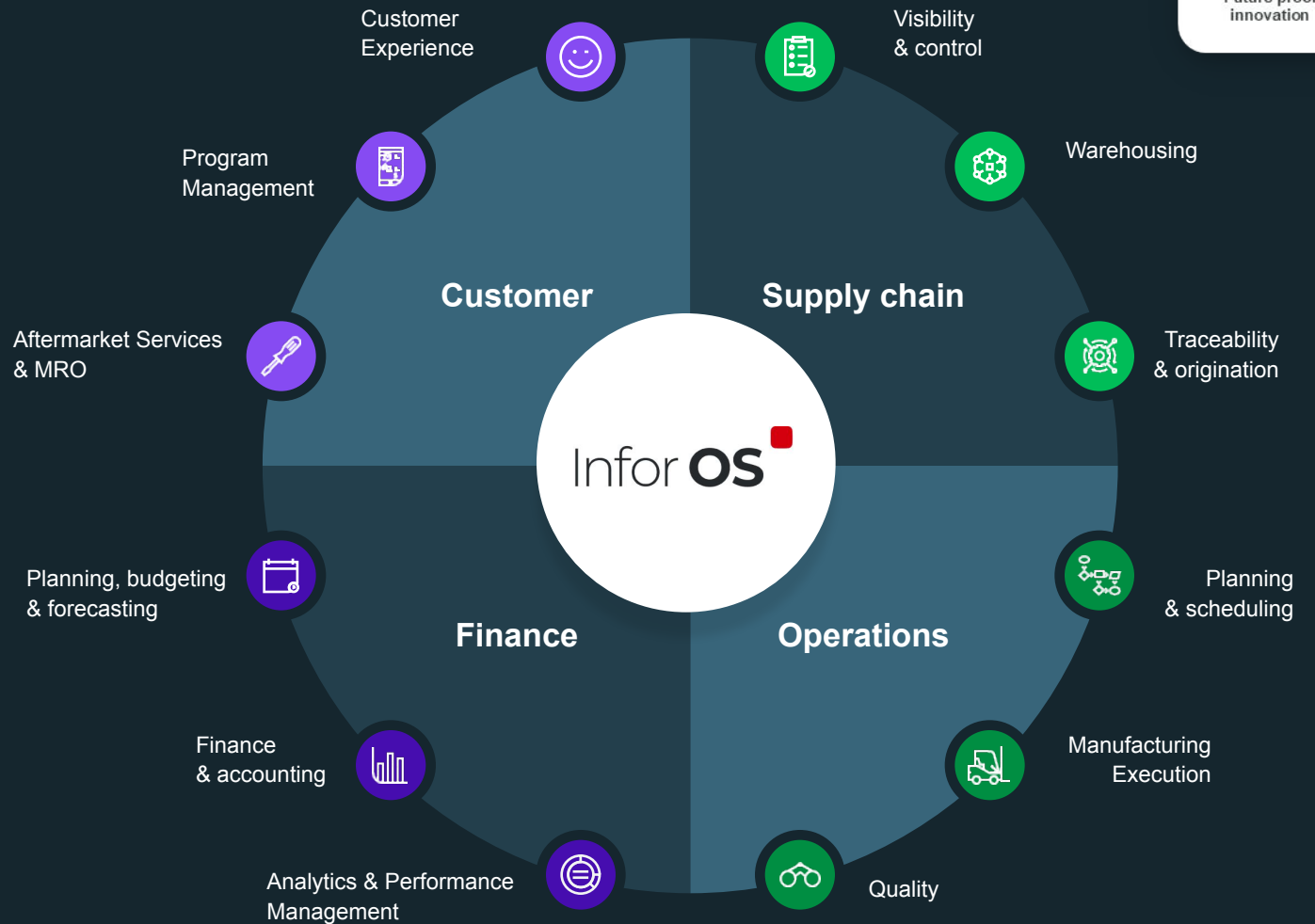
Product or Service Scores for Project/Asset-Intensive Manufacturing



# Integrated suite of applications for Aerospace & Defense



**CloudSuite Aerospace & Defense** is an industry cloud platform that connects every business process to transform customer service, operational efficiency and ensure future business agility for uncertain times.



# Differentiated A&D GovCloud powered by



## Why AWS + Infor is different

### Pace of innovation and R&D

Leveraging AWS' \$20B+ R&D investment, Infor focuses on building industry-specific capabilities

### Security and DoD compliance

AWS supports 143 security and compliance certifications including a FedRAMP certified GovCloud. All 117 services that store customer data offer the ability to encrypt it.

### World-class infrastructure

Fully optimized to run in the cloud (3x more energy efficient than median data centers)

### Unmatched global coverage

Infor solution available in 10 worldwide regions with 27 total availability zones for 99.95% uptime

## What this means for you

### Industry driven value

AWS' world class infrastructure and solution provider ecosystem enables Infor to deliver evergreen cloud solutions and faster time to market for new features

### Secure peace of mind

World class security provides accuracy, integrity, and availability of business data that enables you to meet compliance requirements with confidence.

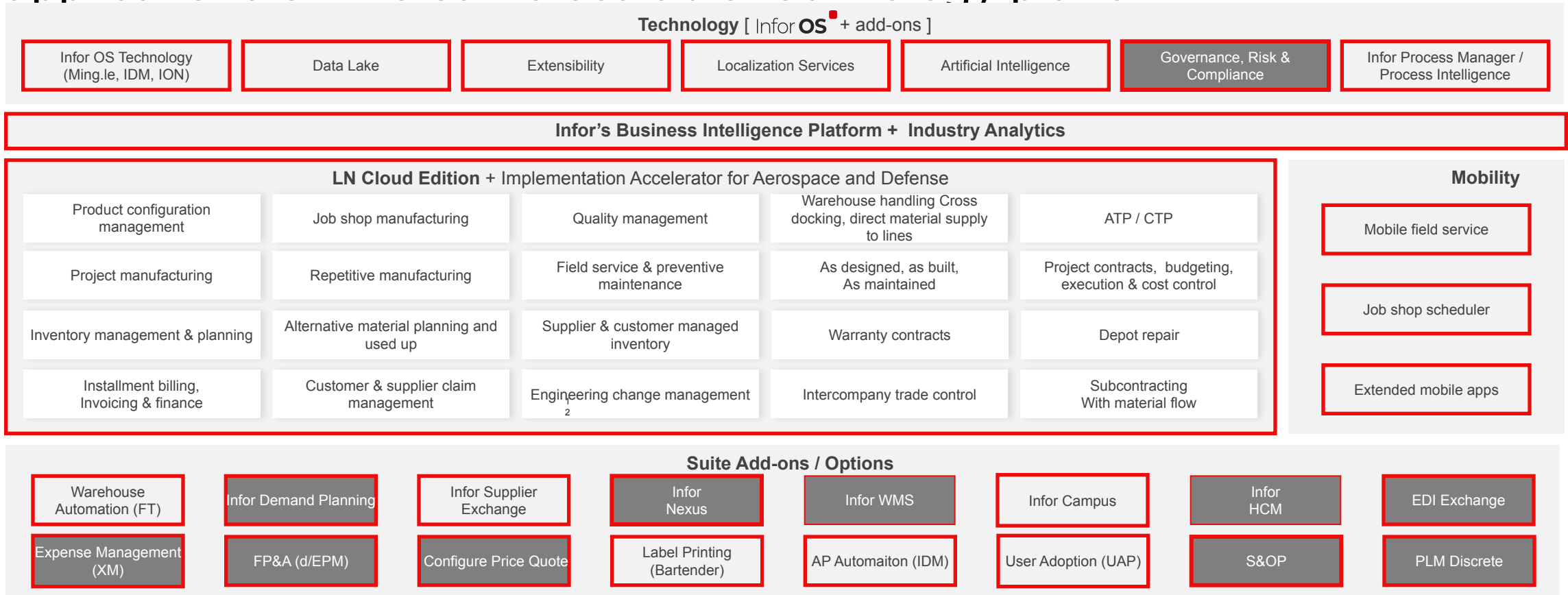
### Optimized applications

Cloud computing environment with the highest-quality global network performance and strong sustainability credentials

### Scalability & resiliency

A global partnership built on combined capabilities enables our customers to leverage robust industry solutions with the highest performance

# Infor's CloudSuite Aerospace and Defense includes best-in-breed Edge applications on the same scalable technology platform



# Why CloudSuite Aerospace & Defense?

Infor GovCloud for Aerospace & Defense is a unique multi-tenant cloud suite fully compliant with regulations including ITAR, EAR and MMAS for DFAR by the DCAA, is FedRAMP certified, has a NIST SP-171 attestation, is CMMC ready, and integrates the highest cyber security standards.

## Governance and Compliance

**Protect all stacks from IaaS to SaaS** by deploying a certified multi-tenant GovCloud against regulatory standards (FedRamp Certified and CMMC2 ready, and NIST 800-131 certified).

**Achieve and maintain trade compliance** with hard controls for rule enforcement, automated pre-shipping checks on sanction lists, end-user statements, and licenses (Trade compliance attestation)

**Reduce cost and risk of audits** and assessments with automated rule enforcement (GRC).



## Product Innovation

**Get products to market quicker**, improve design efficiency, and lower the cost of new product introductions.

**Infor PLM Discrete** is fully embedded into the ERP and is **seamlessly integrated with CAD systems**.

**Ensure workflow-driven, real-time collaboration**, allowing teams to share updates and feedback instantly, enhancing communication and decision-making.

## Supply Chain Resilience

**Run the entire business** – every department, every site, and every country – **on one platform**.

**Comingle** (e.g. project grouping) supply for different projects to increase economies of scale in procurement, reduce inventory levels, and retain project cost identity

**Exchange demand and supply orders in real-time** to improve collaboration, visibility, responsiveness.

**Optimize shop floor + PO planning** for material and resource constraints with prioritization algorithms including DPAS (Planner +).

## Quality and Reliability

**Engineering and quality management** processes are standard operational processes.

**Advanced sampling plans, first article inspections and non-conformance reporting built-in** for effective quality assurance.

**Integrated NCMR with MRB dispositioning and Corrective Action Plans** to assure and improve quality.

**Proven AI use cases** for fault finding in manufacturing operations.

**Advanced tracking and tracing** of serialized and lot-controlled parts during the full life cycle.



## Program Profitability

**Stay compliant with defense cost accounting standards (MMAS, DFAR) with preconfigured solution for cost tracking and reporting**, compliant with DFARS 252.242-7006.

**Estimation capabilities with detailed cost break down structures** tied to previous programs enabling building competitive and profitable bids.

**Project tracking and steering** with detailed break down structures for real time cost and schedule information to steer progress. Supporting multiple contract types with interim invoicing.

# Example delivered aerospace and defense business practices

## Bidding and proposing

- Project Estimating
- Portfolio Management
- What-if I win impact analysis
- Long-Lead Time Items
- Constrained Resources

## Product lifecycle mgmt.

- Unit Effectivity
- As Designed / As Build / As Maintained
- UID MIL-129
- Certificate of Conformance

## Procurement

- Supplier Progress Billing
- Supplier Collaboration
- Last Time Buy's
- Long Lead Time Items
- Small Disadvantaged Business

## Export control / ITAR

- Export License Management
- Export License Validation
- Access Rights by Contract
- Peg Transfer and Commingling Rules

## Project billing

- Progress Billing
- Allowable / Non Allowable Cost
- Customer Acceptance
- Consolidation Rules
- Invoice Formats

## Contract management

- Contract Work Breakdown
- FFP, CR, T&M
- Award and Incentive Fee's
- Flow Down Clauses
- Amendment Control

## Government contracting

- DFAR / MMAS
- Forms (DD250/SF1443)
- Wide Area Workflow
- ACRN / Fund Accounting
- CPR 1-5 progress reports

## Materials management

- Project Group Netting
- Commingling
- Excess analysis
- Customer furnished material
- VMI / Consigned Stock

## Facility management

- Equipment Registry
- Preventive Maintenance
- Work Order management

## Overhead accounting

- Cost Pools / Drivers
- Multi-Level Waterfall Allocation
- Multi-Level Application
- Retroactive Adjustments
- Over/Under Absorption

## Project management

- WBS / PBS / OBS / CBS
- Work Packages
- Costing Breaks
- Constrained Resources
- Earned Value

## Quality management

- AS9100
- Non Conformance / Disposition
- First Article Inspection
- Failure Reporting (FRACAS)
- Corrective Action Plans

## Service management

- Serial tracking/rotables
- Depot Repair
- Spare parts and Loaners
- Warranty
- Claims

## Human capital mgmt.

- HR & Payroll
- Compensation Management
- Talent Management

## Project accounting

- Actual Costing
- Fair Equitable and Unbiased
- Borrow, loan, payback
- Sunk Project Cost principle
- Rev Rec based on PoC

- INFOR CLOUDSUITE AEROSPACE & DEFENSE

# Specific A&D capabilities

## DFARS

- Contract mgmt. fix price, cost plus and T&M
- Overhead allocation and application
- DD250 / SF1034 / SF1443
- Supplier progress payments
- Earned value (EVMS)
- Fees and penalties
- Allowable and unallowables
- Contract flow down and DPAS
- Gov. furnished property

## MMAS

- Commingling
- Gains and losses
- Fair and unbiased algorithm
- Borrow, loan and payback
- Split orders
- ATT – available to transfer
- Project group planning
- Costing breaks

## Aerospace

- Trade compliance
- Line assembly control
- Configuration mgmt.
- First Article Inspection
- Certificate of conformity
- FRACAS / CAP
- Kanban
- Barcoding / labelling
- Corrective action
- Subcontracting(w/Material flow)
- Tail number effectivity
- Purchase schedules (project pegged)



**infor**

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