

AlixPartners

A&D Outlook 2026

Space Chapter Executive summary



The space economy is no longer a sector defined by rockets and satellites – it is becoming the foundational infrastructure layer for AI compute, sovereign defense, global logistics, and geopolitical power.

Every force in this chapter points in the same direction: the strategic and commercial center of gravity is moving to orbit, and the window to establish position is measured in months, not years. Nations are racing to own their own constellations. Compute is migrating from terrestrial data centers to orbital nodes. Missile defense budgets in the hundreds of billions are chasing architectures that remain under development. The Moon is becoming an economic asset. The global distribution layer is about to be disrupted by reusable rockets. The common thread is not technology – it is control. Whoever directs the orbital compute stack, the Lunar South Pole, the spaceport network, and the battle management software sets the terms for everyone who arrives after. That race is already underway.

01

AI in orbit: The compute moves to space

The satellite is no longer just a sensor – it is a compute node. AI running onboard (process in orbit, downlink the insight) and space-based data centers (orbital GPU clusters for LLM training) are racing to dominate. China already has 12 satellites live in its Three-Body Computing Constellation, with 2,800 more planned. The U.S. has no equivalent state program. Raw data downlinks hit a physical ceiling at ~10%; so in-orbit processing is not a roadmap item, it is the only scalable path. Global data center power heads to ~96 GW by 2030 – grid constraints are now a national security problem, and space-based solar compute is a market-dominating problem, technically sound pressure valve. COTS chips are repricing satellite economics faster than rad-hard incumbents can even track. The prime that standardizes the hardware stack locks in the supply chain and the margin for a generation.

02

Constellation for every nation — Sovereignty is the new anchor contract

44 countries have sovereign EO constellation plans. 5,770 EO satellites launch by 2034. Nations are no longer buying data — they are asserting independence. New commercial space operators are already the default suppliers for sovereign demand; incumbents that delay cede contracts permanently. China filed 203,000 satellite slots in December 2025, first-come rules reward speed, and enforcement is considered optional by some. U.S. firms selling 'independence' to allies remain subject to Washington legal and regulatory policy control. Sovereign buyers know exactly what that means.

04

Golden Dome — Money flows as architecture evolves

Congress appropriated ~\$37B across FY2025–26 for missile defense related to the program as the architecture, industrial base and contracting sequence develops. Cost estimates range from \$185B to \$3.6 trillion, though this encompasses a range of capabilities. The real prize is battle management C2 — real-time AI integration of thousands of sensors and interceptors. The non-obvious winners are already positioned: launch providers, ground radar, spectrum management, and battle-management software capture value regardless of which interceptor design wins.

03

So you want to build a spaceport — The infrastructure play

A viable spaceport can be brought from concept to first launch in roughly 2–3 years if treated as a disciplined infrastructure program. The critical early moves are picking strategically viable ground (inclination, safety envelope, logistics access) and locking an approvals path that derisks environmental, regulatory, and stakeholder objections. Parallel work streams on mission design, governance, facilities, and commissioning must be sequenced so that pads, range systems, and safety architecture converge on an executable concept of operations at first launch. The economic upside extends beyond launch fees: a domestic pad anchors classified missions, pulls in supply-chain and industrial work share, and becomes a magnet for downstream space services. The winners will likely be those who secure sites, approvals, and vehicle partnerships now, before global launch consolidation and stricter regulation close today's window.

05

Space is your offset strategy — The value chain is exportable

FMS hit \$117.9B in CY2022 — space technology is dramatically underrepresented. ITAR and EAR are simultaneously the moat and the constraint: nations want U.S. technology but resent the policy strings. Technology transfer and co-production (~30% of transactions) are converting buyer nations into competing defense exporters using U.S.-origin IP. The spaceport is the anchor asset: domestic launch ends reliance on foreign rockets, enables classified satellite operations, and creates recurring commercial revenue. The Trump January 2025 FMS executive order increases volume without reducing what sovereign buyers demand in return — offset obligations are set by buyer-country law, not Washington.

06

Human spaceflight – The Moon monetizes, Mars inspires

Legacy prime redundancy has collapsed. Vertically integrated commercial operators are now the national human spaceflight backbone. The cislunar propellant depot is the highest-NPV unbuilt asset in the solar system – every Mars mission and deep-space venture must pay for propellant. South pole water ice could cut Mars mission propellant cost from ~\$5B to ~\$500M per mission. Own the gas station, not the vehicle. Artemis III has slipped to 2028 at best, SLS faces cancellation, and China targets a crewed lunar landing in 2030 with all hardware already prototyped. The victory margin is evaporating.

07

2026 Disruptive Predictions: P2P cargo

P2P suborbital freight. The battleground is the \$3–7/kg air cargo layer. At ~50 full-vehicle reuses, rocket cost falls to \$10–25/kg – below the cost-of-delay for semiconductors and biologics. The moat is the spaceport network, not the launch vehicle. ~30 viable global nodes exist; first movers who control landing rights, customs integration, and last-mile handling capture the network layer. Logistics players may want to own post-landing distribution – not try to build rockets.

08

2026 Disruptive Predictions: China's South Pole race

China and the Lunar South Pole. China was five years behind the U.S. in 2020. It is now months behind in several vectors. Chang'e-7 launches in 2026 for a South Pole water ice survey; first crewed landing targeted for 2030 with all hardware prototyped. The ILRS Basic Station – nuclear-powered, 17 partner nations – is planned for 2035. The infrastructure window is 2026–2028. Whoever controls ISRU, logistics, habitation, and comms at the South Pole captures disproportionate value regardless of national flag.

Sources: AEI Todd Harrison Study; AlixPartners analysis; ARK Invest Space Exploration Report 2023; Ars Technica; BIS 28th Annual Offsets Report; Brookings; Bryce Space Tech 2023; CBO Report (2025); CGTN; China-in-Space.com; ChinaScope; CNBC; CNSA; CRS IN12576; CSPS; ESA Member States; Euroconsult National Space Programs 2024; FCC (DA 26-113); Future Market Insights; Grand View Research; IDA/STPI; MarketsandMarkets; MDA SHIELD IDIQ Draft RFP (July 2025); MTCR Membership List; NASA FY2025 Budget; NASA International Agreements; Novaspace 2024; Planetary Society; Quilty Space 2023 cost estimates; SatNews; SIPRI Arms Transfers Database 2025; South China Morning Post; Space Foundation; Space News; Space.com; SpaceDaily; SpaceX F9 payload guide 2020; UNOOSA National Space Law Database; US State Dept Blue Lantern Program; Via Satellite (Feb 2026); ViaSatellite; Wright (1936) learning curve theory

Space is no longer a sector. It is infrastructure – for AI compute, sovereign defense, foreign policy, and the global distribution layer. The primes that built the last era are structurally disadvantaged in this one. The companies that control orbital compute standards, south pole access, spaceport networks, and battle management C2 will define the next 20 years. The window is open. It will not stay open.

AlixPartners

FOR MORE INFORMATION, CONTACT:

Etienne Muselier

Americas Leader, Aerospace, Defense, & Aviation
emuselier@alixpartners.com

Nicolas Beaugrand

EMEA Co-Leader, Aerospace, Defense, & Aviation
nbeaugrand@alixpartners.com

Pascal Fabre

EMEA Co-Leader, Aerospace, Defense, & Aviation
pfabre@alixpartner.com

S. Sita Sonty

Partner & Managing Director
ssonty@alixpartners.com

Diane Shaw

Partner & Managing Director
dshaw@alixpartners.com

About us

For more than forty years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges—circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line—a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA—so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

The opinions expressed are those of the author(s) and do not necessarily reflect the views of AlixPartners, LLP, its affiliates, or any of its or their respective professionals or clients. This article A&D Outlook 2026 ("Article") was prepared by AlixPartners, LLP ("AlixPartners") for general information and distribution on a strictly confidential and non-reliance basis. No one in possession of this Article may rely on any portion of this Article. This Article may be based, in whole or in part, on projections or forecasts of future events. A forecast, by its nature, is speculative and includes estimates and assumptions which may prove to be wrong. Actual results may, and frequently do, differ from those projected or forecast. The information in this Article reflects conditions and our views as of this date, all of which are subject to change. We undertake no obligation to update or provide any revisions to the Article. This Article is the property of AlixPartners, and neither the Article nor any of its contents may be copied, used, or distributed to any third party without the prior written consent of AlixPartners.