



WHITE PAPER



in-tech – a Company in Transformation, Surrounded by an Industry in Transformation

HERITAGE, CURRENT MARKET FORCES AND FUTURE AMBITIONS

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Infosys[®]

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Heritage

in-tech plays a central role in the German automotive industry

At its heart, in-tech is an engineering service provider for the German automotive industry, specializing in in-vehicle development and validation. While the company covers all vehicle domains (such as advanced driver assistance systems [ADAS], infotainment, connected services, powertrain, body, and chassis), it has a clear focus on car IT, the digital components of vehicles like electric/electronic (E/E) components and software.

in-tech provides various services in this space around firmware and embedded software development, application development for ADAS and powertrain, but especially verification, validation, and functional safety certification. This aspect represents in-tech's core capability, and the company provides multiple laboratory spaces for this purpose at different locations plus on-road testing services via its daughter company, drivetech.

The strategic partnership with the BMW Group over the last 22 years well illustrates the heritage of in-tech. BMW selected in-tech as its preferred engineering service partner for a multi-year verification and validation program. The program spans powertrain, ADAS, infotainment, connected services, vehicle electronics, car software, and vehicle hardware testing on roads. As part of this program, in-tech has completed more than 100 engineering development projects for BMW. Today, a dedicated team of more than 800 software development and testing engineers from in-tech work on this program.

The in-tech headquarters around Munich (Germany) and the close relationship with BMW (also based in Munich) give a glimpse into the company's cultural background. in-tech has cultivated a Bavarian lifestyle

in its best sense and received several awards for outstanding working atmosphere, internal team spirit and excellent work-life balance. Over the years the company has grown well beyond Munich and BMW. To serve its global customer base locally it has established several company locations (Austria, China [4], Czech Republic, Germany [12], India, Romania [3], Spain, UK) and has grown step-by-step to more than 2,300 employees.

Within the automotive sector, in-tech is typically positioned at the intersection of OEMs like BMW Group, VW Group, and Mercedes-Benz and their first-tier suppliers like Continental or ZF/WABCO. Here, in-tech often builds the interface for the validation and verification of digital components (E/E and software).

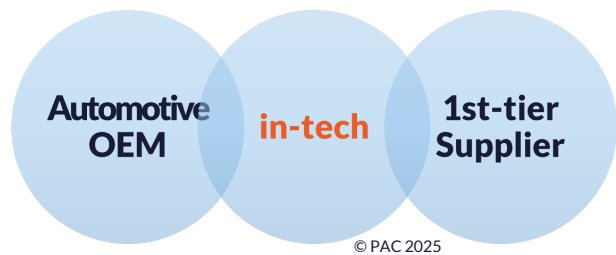
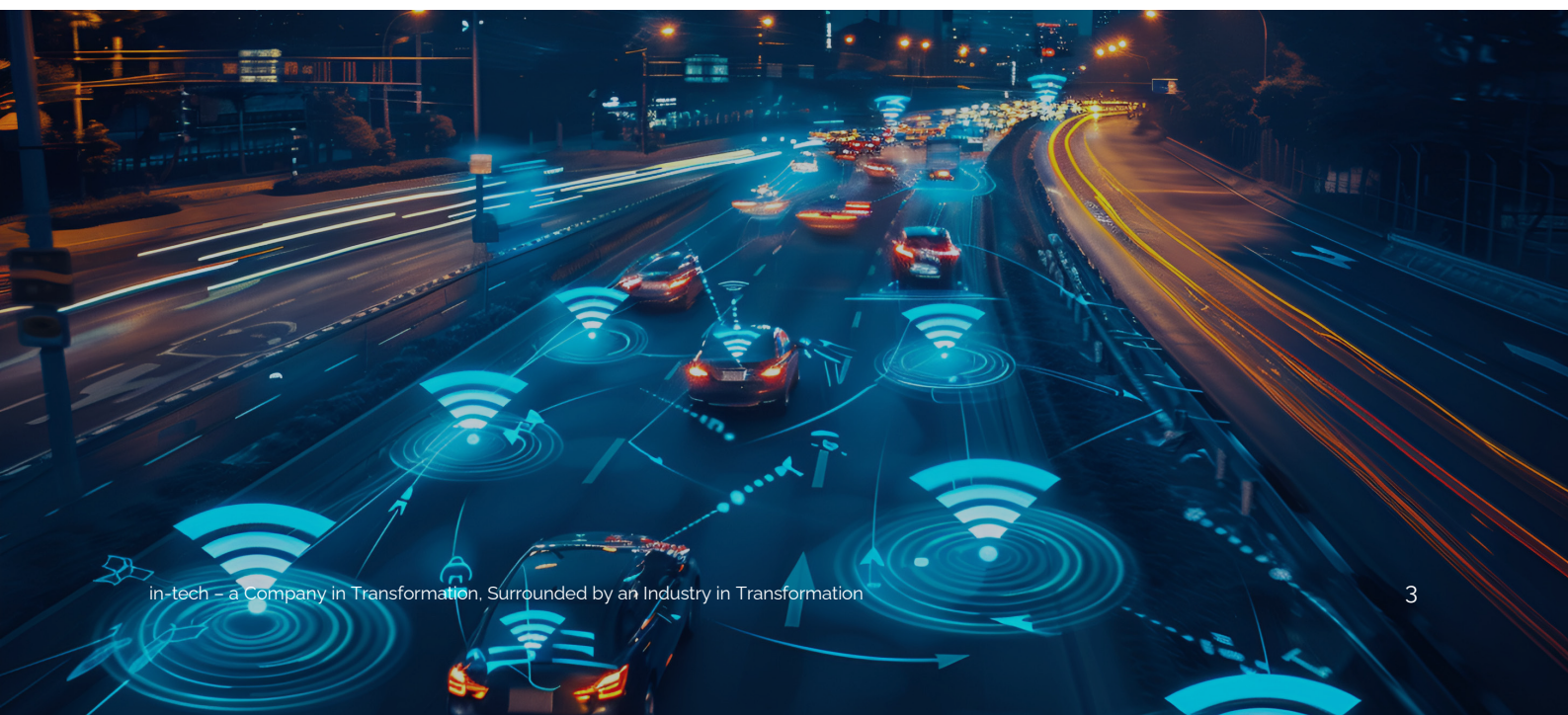


Fig. 1: in-tech's positioning within the automotive industry

Beyond that, in-tech also supports customers in other markets, such as manufacturing, and especially in the railway area. This includes companies like Siemens, Alstom, Liebherr, and Phoenix Contact in the manufacturing industry, and Deutsche Bahn, ÖBB, and Stadtwerke München in the railway transportation sector.



Current market forces

The transformation of the German automotive industry goes on and further raises demand for in-tech's core capabilities

The German automotive industry has been under huge pressure these days. Over many years, the know-how and long-term experience of the German automotive industry around the mechanical engineering of combustion engines has created a solid market entry barrier for newcomers. But the technology shift to electric vehicles has removed this entry barrier, and new vendors from China and the US are back in the game and changing it. In the age of electric vehicles (EV), the main differentiating factors are shifting towards battery technology, advanced digital capabilities (including advanced digital user experience [UX] and AI-based ADAS), time-to-market, and cost efficiency.

This represents a tremendous challenge for the German automotive industry, as its players are not perceived as market leaders in any of these aspects. Just one example in this context: The established automakers normally follow a five-year development cycle for new cars, while the newcomers have brought this down to two years, which is a quantum leap forward. The incumbents certainly have well-known brands and good design, but this advantage is very likely to diminish over time without leadership in at least one of the other above-mentioned key areas. in-tech provides relevant services to support the German automotive industry to catch up across all these fields (battery, digital, time-to-market, and efficiency):

- Software-defined cars raise complexity and require more software testing:** Putting digital at the core of the car is key to bringing digital innovations faster to vehicle fleets. A digital-first approach builds the foundation for more sophisticated and continuously improved car capabilities. This includes, for example, better UX, infotainment, ADAS, and battery management via software updates over the air (OTA). The necessary transition of vehicle architectures away from many small ECUs (electronic control units) to more centralized control units for the different vehicle domains (like ADAS, infotainment, and powertrain) is already in progress. Testing ever more software becomes mission-critical for carmakers, and in-tech is well positioned to support that.
- Accelerate the software development process with AI and automation:** As software-defined cars increase the complexity of the software development process, it is essential to apply AI and automation wherever it makes sense. Initial areas include requirements optimization (typically 40,000 requirements exist per car), improving the quality of specifications and software code, GenAI-based test case generation and automated testing, and issue ticket management support. According to first experiences from in-tech, this can lead to cost savings of more than 50% in some engineering areas.

	Excellence in			
	Battery	Digital	Time-to-market	Efficiency
SW-defined cars	Positive side-effect	Positive core effect	Positive core effect	Positive core effect
Apply automation and AI to the software development process	Positive side-effect	Positive side-effect	Positive core effect	Positive core effect

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Fig. 2: The driving forces behind top performance in the automotive industry

Future ambitions


in-tech and Infosys will offer holistic services for smart connected products across industries

In April 2024, Infosys, a global heavyweight in IT services, announced the acquisition of in-tech to strengthen its engineering services arm. This acquisition is remarkable for Infosys, as it represents the biggest acquisition the company has made so far (€450 million; 100% stake). A clear commitment of the company to manifesting its positioning as a digital transformation partner for the automotive industry. The joint ambition of Infosys and in-tech is to be the digital partner of choice for the German automotive industry across its company processes and products.

A recent customer project with the Swedish car brand Polestar well describes the direction this is heading. In September 2024, Infosys announced a strategic collaboration with Polestar to create a base for Polestar's development of in-car infotainment, software and E/E engineering, UX, and cloud-based digital services. To support this partnership, Infosys will establish a global technology hub for Polestar at its development center in Bengaluru, India. This hub aims to deliver EV software development and validation across several domains, including infotainment, ADAS, and telematics. in-tech's capabilities complement Infosys services in this engagement.

We expect to see more of these strategic engineering partnerships between Infosys/in-tech and the automotive industry. Most interestingly, Infosys confirms its current participation in further bid situations where clients request service partners to take over broader or even complete responsibility for research and development (R&D) activities in the automotive sector. Thanks to the growing engineering services capabilities of large IT service providers, this represents

the next step in the ever-evolving partnerships between IT service companies and iconic automotive brands. Together with in-tech, Infosys is prepared to take this type of partnership to the next level. While Infosys can take care of all kinds of cloud-based digital services around vehicles (offboard), in-tech is an excellent complementary choice for in-vehicle development and validation. Thanks to Infosys' strong positioning in other industries beyond automotive, in-tech has the clear opportunity to become an engineering service partner for smart connected products across various industries. One relevant growth area represents the military and defense sector where significant investments are expected across Europe in the coming years.

	Automotive industry	Beyond automotive
Cloud-based services	Infosys application and platform services	Infosys application and platform services
Smart connected products	in-tech development and validation services	

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Fig. 4: Infosys and in-tech's complementary positioning in automotive and beyond



“The partnership with Infosys is a game changer for in-tech, it catapults them from the ‘Bundesliga’ into the Champions League.”

Arnold Vogt, Principal Analyst, Head of Digital & IoT Practice

About Infosys



Infosys is a global leader in next-generation digital services and consulting. We enable clients in more than 50 countries to navigate their digital transformation. With over four decades of experience in managing the systems and workings of global enterprises, we expertly steer our clients through their digital journey. We do it by enabling the enterprise with an AI-powered core that helps prioritize the execution of change. We also empower the business with agile digital at scale to deliver unprecedented levels of performance and customer delight. Our always-on learning agenda drives their continuous improvement through building and transferring digital skills, expertise, and ideas from our innovation ecosystem.

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About in-tech



in-tech shapes digitalization in the automotive, rail, and industrial sectors. The company develops solutions for automotive, eMobility, transport systems, and smart industry. Our developers and engineers tackle exciting future-oriented topics such as autonomous driving, electromobility, digital rail, and smart industrial production. Founded in 2002, in-tech is now part of Infosys and continues its steady growth trajectory. Together with Infosys, we're even more internationally positioned, enabling us to deliver larger and more diverse projects worldwide.

With over 2,300 employees across 10 countries, in-tech combines mid-sized agility with global opportunities. Our corporate culture is characterized by strong team spirit, flat hierarchies, and a friendly working environment. Regularly recognized for our excellent workplace atmosphere and outstanding work-life balance, we're proud to be among the top employers in our industry.

More on www.in-tech.com.

About PAC



We are a content-based company with a consulting DNA. PAC is the leading European consulting and analyst firm supporting software & IT service vendors worldwide. Since 1976, we have helped our clients to understand market dynamics, grow their revenue and raise their profile. Our unrivalled understanding of European markets, and deep research coverage help key market players to define their strategy, optimize their go-to-market and increase market share. PAC is an analyst-led consultancy with a team of over 100 experts across Europe. We provide market research and analysis on more than 30 countries worldwide, delivered through our portfolio pillars, Guidance, Insights, and Visibility, and our renowned SITSI® research platform. More on www.pacanalyst.com.

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