



INSIGHTS

# Smart Interiors and Sensors



CLEARWATER

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# 01 Market overview



We already live in an age of smart homes and phones. Soon, the age of the truly smart car will be upon us too.

As communication within the car becomes more and more convenient, this enhanced user experience will become a game-changer for both drivers and passengers as vehicle interiors become another 'living' space, blending mobility with lifestyle, productivity, and entertainment.

The analogy with smartphones and smart homes is not misplaced. Just as consumers expect personalised, connected, and intelligent experiences in their home and working lives, so they are coming to expect these experiences in their vehicle too, where software and user experience are rapidly becoming a major source of differentiation and value.

## A new ecosystem

This transformation of the vehicle interior comes as the wider automotive industry is being revolutionised by electrification and autonomous driving, which are fundamentally changing the role and function of the cabin and cockpit and how both drivers and passengers experience the car and the interior space.

These changes are leading to the convergence of players across the industry, ranging from tech specialists to hardware suppliers to software electronics companies. Both Original Equipment Manufacturers (OEMs) and Tier-1 suppliers are already integrating deeply across domains – user experience, sensors, lighting, displays, AI – and the market is consolidating rapidly as suppliers expand from hardware into software and AI. This is driving the emergence of 'cross-clusters' of suppliers working together to provide integrated solutions for OEMs.

The EV transition is also driving the industry's emphasis away from hardware towards software and digital. As a recent report<sup>1</sup> notes, EV consumers are more than twice as likely to switch brands for better in-vehicle technology, and successful automakers are developing cars defined by software. It adds that several component markets increasingly resemble the smartphone industry, in which the core differentiator is software innovation.

<sup>1</sup> McKinsey & Company: A road map for Europe's automotive industry (August 2023)

## China hub

Nowhere are these huge changes more evident than in China, which is not just a production hub but a cockpit of innovation where the smart interior approach emphasises rapid deployment and a digital-first user experience. Smart interiors have become a real differentiator for consumers in China (and are increasingly so for Western consumers too), and the resulting shift in user expectations has intensified pressure on established Tier-1s to evolve, innovate, or consolidate.

As another report notes<sup>2</sup>, Chinese automakers are pushing the boundaries of technology and affordability with interior design and smart cockpits featuring ever more prominently in Chinese NEVs, making the car a versatile space for work, entertainment and outdoor activities. Chinese vehicles are now packed more than ever before with tech and smart functions, with OEMs designing cars that can be used for different purposes and in various settings (such as fitting large projector screens and turning cars into camping vehicles).

Across Asia, firms such as Hyundai Mobis, Sharp, LG Display and Desay SV are also stepping up their offer in high-spec cockpit technologies. Into this heady mix of engineering, software, electronics, and established interiors players, we also have the entry of US big tech (Apple, Google, and Amazon), which is busy staking its claim in this new ecosystem too.

## M&A impact

The transformation of automotive interiors into software-defined environments has catalysed a reorganisation of the supplier landscape. Market participants are repositioning across a number of distinct technology domains such as displays, Human Machine Interfaces (HMIs), AI-based personal assistants, and infotainment systems that will form the backbone of next-generation cockpit systems. These domains reflect the convergence of electronics, software, and user experience into tightly integrated ecosystems.

To remain competitive in this fast-changing landscape, players across all domains will need to form deep technological partnerships, sometimes with firms with completely different backgrounds and cultures, while they will also need to embark upon strategic collaborations. As such, M&A will play a crucial role in the future development of the sector.

## Challenges

This fast-moving environment is not without challenges for both OEMs and suppliers:

- > **Chinese competition:** Western suppliers may struggle to match China's vertical integration speed. Cost expectations from Chinese OEMs challenge traditional Tier-1 pricing models
- > **Capability gaps in software and AI:** Automakers often lack in-house expertise in areas like machine learning, user experience design and cloud platforms, which are crucial for developing advanced vehicle functionalities
- > **System integration complexity:** Integrating various technologies such as HMI, sensors, displays, voice control, and personalisation features into a cohesive and safe user experience requires intricate coordination across multiple suppliers and internal teams
- > **Cost and scalability pressures:** Introducing premium features like expansive displays and ambient systems into mainstream vehicle models challenges budgets and production efficiency, as these features are traditionally reserved for luxury segments
- > **Regulatory compliance:** New regulations, such as those mandating driver monitoring systems and child presence detection, require rapid adaptation to ensure compliance and maintain market presence
- > **Regulatory harmonisation:** The EU (GSR2), China (C-NCAP), and the US (FMVSS) all have their own set of rules around regulating the safety of new vehicles and features, complicating global cockpit architectures
- > **Cybersecurity and data privacy risks:** The increasing connectivity of vehicle systems exposes them to potential cyber threats, necessitating robust cybersecurity measures to protect sensitive data and ensure passenger safety
- > **Competitive pressure from US tech giants:** Tech giants are redefining consumer expectations for in-car digital experiences, posing a challenge to traditional automakers in maintaining control over the vehicle's digital ecosystem

<sup>2</sup> Berylls by AlixPartners Insight: Quo Vadis China 2025 – China's winning formula for intelligent and connected vehicles (2025)

# 02

## Key trends

### HMI evolution

Large, curved OLED displays that span across dashboards (e.g. Mercedes Hyperscreen, BMW Curved Display) have become a strong selling point for consumers. Some Chinese players such as NIO and BYD adopt minimalist layouts, while others (e.g. Li Auto, XPeng, AITO) embrace full-width dashboard displays. Gesture and haptic feedback can also enhance usability without visual distraction, while some players are pushing HMI innovation beyond touch. For instance, Desay SV integrates voice and gesture-enabled HMI modules for Geely and NIO.

### AI and machine learning

AI-powered voice assistants are already a growing feature in cabins, but AI can also be used for predictive settings for climate, seating, navigation, and lighting. Biometric recognition (face and fingerprint) can activate user profiles, while AI can also be used to adjust mood lighting or suggest comfort breaks for drivers. Harman Ready Care adjusts the cockpit based on driver stress or drowsiness, while Chinese players like iFlytek and Baidu DuerOS lead in localised voice AI and personalisation for Mandarin-speaking users across mass and premium segments.

### Digital cockpits

The development of unified displays throughout the vehicle so that they are of benefit to passengers as well as drivers is a growing trend. Head-up Displays (HUDs) present information to a user in their line of sight, while domain controllers (e.g., Visteon SmartCore) can integrate multiple displays. The likes of BOE, Tianma, and TCL CSOT dominate display supply, while cockpit systems from Desay SV and ECARX set benchmarks for user experience in domestic vehicles. While Chinese firms lead the way in display panel volume, cockpit domain controllers and visualisation stacks remain globally competitive with continued leadership from Visteon and Continental in system integration.

### Connectivity/Internet of Things

Wireless communication between a vehicle and any entity that may affect, or be affected by, the vehicle, is a huge growth area. An obvious example is communicating with personal video or musical systems to enhance the in-vehicle infotainment offer. But vehicles can also be integrated with smart home ecosystems through Alexa, Google Assistant and Apple CarPlay. Players such as Huawei, Quectel, PATEO, and ThunderSoft are critical for cockpit connectivity, app integration, and over-the-air programming (OTA). Significantly, local in-vehicle infotainment platforms are increasingly independent from Western operating systems.





## Health and wellness features

Since 2022, Driver Drowsiness and Attention Warning (DDAW) systems have been mandatory for all new vehicles in the EU, while last year Advanced Driver Distraction Warning (ADDW) systems also became mandatory. Similar legislation is now expected worldwide. Air quality sensors, HEPA filters, and fragrance diffusers are also being fitted in vehicles to promote well-being, while child presence detection and health monitoring (e.g. heart rate, respiration) are becoming standard. Wellness features such as seat massage and ambient aromatherapy are increasingly common in upper mid-range vehicles.

## ADAS and autonomous user experience

The development of autonomous vehicles is driving a transformation of cabin layouts which need to be adapted for 'hands-off' time. Driver-facing cameras can enforce attention during hands-free modes (e.g. Super Cruise, Drive Pilot), while displays can visualise sensor input and surroundings. Mercedes and NVIDIA are building Level 2/3-ready cockpits with AI compute, while BMW and others are designing reconfigurable interiors for hands-free time. NIO, Zeekr, and XPeng are among those experimenting with rotating screens and reconfigurable seats.

## Infotainment

Infotainment is a strategic revenue and differentiation play for OEMs which are offering app stores, subscriptions, and gaming (e.g. BMW and AirConsole, Tesla and Steam), while Android Automotive OS, Apple's next-gen CarPlay, and Amazon Alexa are all becoming deeply embedded in vehicles. ECARX, PATEO, and ThunderSoft dominate cockpit operating systems for Chinese players such as Geely, Changan, and GAC with services such as Douyin, WeChat, and Alipay integrated.

## Sustainability

Sustainability is a central design pillar in smart interiors with OEMs and Tier-1s prioritising circular design principles, recyclability, and reduced material footprint. In-cabin systems increasingly emphasise energy efficiency, modularity, and lightweight construction. For instance, Yanfeng and NBHX invest in bio-based composites, recycled trim, and low-carbon material innovation. ESG targets and carbon metrics are also shaping cockpit development roadmaps and supplier qualification.

# 03 Market mapping

The transformation of automotive interiors into software-defined environments is driving a huge reorganisation of the supplier landscape. Here we identify leading companies active in each key technology domain.

## Displays

Instrument clusters, central infotainment displays, passenger/co-driver displays, AR head-up displays, curved/widescreen OLED/QLED panels



## HMI

Touchscreens and capacitive controls, voice control interfaces, gesture recognition modules, haptic feedback sensors



## AI-based personal assistants and user experience software

In-vehicle AI assistants, cabin monitoring algorithms, predictive personalisation, natural language processing



## In-cabin sensing and wellness

Driver Monitoring Systems (DMS), occupant monitoring (presence, vital signs), cabin air quality sensors/filtration, biometric recognition (face/fingerprint)



## Ambient lighting and light-based HMI

Dynamic/multicolour ambient LED lighting, light-based alerts (safety, climate feedback), synchronisation with music or driven mode



## Smart surfaces

Capacity-touch dashboards/inlays, shy-tech interfaces (hidden until lit/touched), integrated light, haptic and gesture control surfaces



## Infotainment systems and platforms

Operating systems, streaming, apps, navigation, gaming, Over-The-Air (OTA) software update systems



## Connected features and IoT integration

Telematics Control Units (TCUs), 5G modems/V2X connectivity, smart home/car connectivity



# 04

## M&A activity

M&A and strategic partnerships are set to play a major role in helping both Tier-1 suppliers and OEMs rise to the challenges of the smart interior market, and recent years have seen a number of notable transactions.

Companies are using M&A to accelerate cockpit innovation, address urgent capability gaps in cockpit AI and user experience, deliver systems integration across display, HMI, sensing, and infotainment, and to adapt to safety and regulatory shifts. M&A activity also helps them achieve the scale they need to withstand big tech platform encroachment.

However, despite a number of high-profile deals, the automotive interiors and cockpit electronics market remains fragmented with many established Tier-1s buying niche tech providers or merging specific business units, rather than undertaking massive mergers with whole interior suppliers. This suggests a trend of specialised consolidation, whereby each supplier is curating its own tech stack (sensors, software, displays, etc.) through M&A to differentiate, rather than one giant company controlling the entire interior market.

### Other emerging trends

- > **Full-stack cockpit consolidation:** Suppliers like AUO and Panasonic Automotive (see p.9) are evolving into platform integrators, combining displays, electronics, ECUs (Electronic Control Units) and software into turnkey cockpit systems
- > **Software and AI capability building:** Tier-1s are targeting AI, User Experience (UX), HMI, and personalisation software (e.g. Seeing Machines and Tobii) to meet the demand for adaptive, intelligent interiors
- > **Interior sensing regulation push:** Regulatory pressure drives M&A in Dealer Management Systems (DMS) and Occupant Monitoring Systems (OMS) space (e.g. Tobii, Seeing Machines, Gentex), consolidating the fragmented interior sensing ecosystem
- > **Private equity and non-traditional players:** PE and display firms (e.g. Apollo, AUO) are acquiring cockpit tech assets, accelerating modernisation
- > **Smart surfaces and HMI material integration:** Partnerships are forming around touch-embedded materials, smart textiles, and 'shy-tech' panels where the dashboard display is concealed
- > **Platform thinking:** OEMs like Geely acquiring software stacks (Meizu) signals a shift to owning OS-level cockpit control, moving beyond hardware integration. The cockpit is increasingly viewed as a unified 'platform play' by OEMs and investors, requiring suppliers to integrate cross-cluster capabilities, from chip to screen to software



# Selected notable transactions

## Lear acquisition of I.G. Bauerhin

In 2023, Lear Corporation of the US, a global leader in seating and e-systems, completed its acquisition of German-based I.G. Bauerhin (IGB), further expanding its suite of in-vehicle comfort technologies. IGB is a supplier of automotive seat heating, ventilation, active cooling, steering wheel heating, seat sensors, and electronic control modules with nine manufacturing plants worldwide. The deal enhances Lear's Thermal Comfort Systems portfolio, which combines efficient heating, ventilation and active cooling, lumbar support, and massage.



## AUO acquisition of BHTC

In response to the prevalence of smart and autonomous vehicles, AUO is transitioning from a display supplier to a solutions provider in smart mobility. This deal in 2024 solidified AUO's expansion into the smart mobility ecosystem. BHTC produces human-machine interfaces and climate control systems product lines. AUO is a specialist in automotive Display HMI solutions and advanced Micro LED technology.



## Apollo acquires majority of Panasonic Automotive

In 2024, PE investor Apollo acquired a majority stake in Panasonic Automotive Systems, a leader in advanced automotive solutions, including integrated cockpit systems, in-vehicle electronics and infotainment systems, from Panasonic Holdings Corporation. Panasonic retains a minority stake in the company which will maintain its strategic relationship with Panasonic Group.



## Tobii acquires AutoSense (Xperi)

In 2024, Swedish technology company Tobii acquired the AutoSense business from Xperi Inc, boosting its growth in the automotive interior sensing market. The market is growing rapidly due to safety regulations mandating its use. The technology capabilities required for automotive interior sensing are valuable in other verticals where Tobii is active, including scientific research, personal computing, and extended reality.



## Valeo partners with Seeing Machines

Another deal in 2024 saw Valeo, a global leader in the automotive industry, and Seeing Machines, the advanced computer vision technology company that designs AI-powered operator monitoring systems to improve transport safety, announce a strategic collaboration aimed at strengthening their position in the driver and OMS market. As part of the agreement, Valeo transferred its driver monitoring perception software activity to Seeing Machines.



# Recent partnerships

## Renault and Google

Google Cloud is assisting Renault in building a digital twin of its vehicle platform to improve AI model development, analytics, and in-vehicle software.

**Relevance:** Addresses AI capability gaps, system integration, and scalability.



## Volkswagen and Rivian

Through a joint venture, the companies plan to bring next generation electrical architecture and software technology into their future electric vehicles.

**Relevance:** The JV will scale the technology across a wide range of price points and international markets, paving the way for new generations of high-volume vehicles that are fully capable of advanced automated driving functions.



## Mercedes-Benz and NVIDIA

Mercedes-Benz is developing the MB.OS platform using NVIDIA's AI and autonomous driving technologies.

**Relevance:** Helps Mercedes deliver advanced digital UX, regulatory-ready Advanced Driver Assistance Systems (ADAS), and scalable AI.



## Stellantis and Amazon

Amazon provides voice AI, cloud infrastructure, and smart cockpit software across Stellantis brands.

**Relevance:** Tackles system integration and competition from tech giants.



## BMW and Valeo

Partnered to develop Level 4 autonomous parking systems compliant with European regulations.

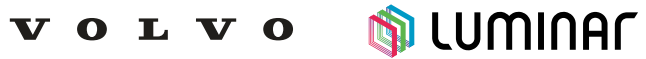
**Relevance:** Supports automated compliance and safety system development.



## Volvo, Luminar, and Zenseact

These companies are integrating LIDAR and AI technologies to enable autonomous highway driving and advanced safety features.

**Relevance:** Critical for regulatory-aligned ADAS and cybersecurity readiness.



## Bosch and Cariad (VW)

Bosch and Cariad are developing secure OTA updates and ADAS platforms.

**Relevance:** Directly addresses cybersecurity, compliance, and long-term maintainability of software.



## Hyundai Mobis and ZEISS

Entered partnership to engage in the development of holographic displays in transparent vehicle surfaces.

**Relevance:** New innovation within UX and potential to further enhance safety and comfort for drivers.



## ECARX, Desay SV, and SmartEye (Affectiva)

ECARX and Desay SV collaborate with SmartEye (Affectiva) and other sensor software partners on integrated cockpit platforms.

**Relevance:** Merged company forms a global AI powerhouse that will lead and accelerate the growth and development of software for automotive interior sensing, media, analytics, and other adjacent markets.



## VC funding

Despite a broader market correction, venture funding in cockpit technologies remains strong across UX, sensing, and AI integration, with investments increasingly favouring full-stack platforms over point solutions. Start-ups that combine software, sensors, and OTA architecture attract particular attention.

With the EU continuing to emphasise safety and compliance, start-ups aligned with Euro NCAP regulation are gaining traction among OEM-aligned VCs. Meanwhile, strategic investors (e.g. FAW, Geely, BMW i Ventures, Stellantis Ventures) continue to actively shape cockpit innovation across regions.

### Recent deals include:

- > Smart surface and HMI startup TactoTek (Finland) closed a **circa €56m (\$65m)** round in January 2025 to scale light-embedded interface materials
- > In displays and AR HUDs, Envisics (UK) raised **circa €86m (\$100m)** in September 2023 from Hyundai, GM, and others - showing continued European traction in deep cockpit components
- > Interior sensing sees steady activity. Vayyar (Israel) raised **circa €93m (\$108m)** in May 2022 for in-cabin radar
- > Smart Eye (Sweden), which went public in 2016, and Cipia (Israel), which went public in 2021, remain top targets in driver monitoring
- > Infotainment and cockpit software receive strategic backing. ECARX (CN) went public via SPAC at a **circa €3.3bn (\$3.8bn)** valuation in December 2022. PATEO (CN) raised **circa €129m (\$150m)** in Series D Funding in July 2024, followed by an IPO later that month
- > In the connectivity domain, Sibros (US) raised **circa €69m (\$80m)** in September 2023 for OTA platforms

Currency conversion correct on 16<sup>th</sup> July 2025

# Selected recent M&A activity

Type	Component Cluster	Date	Target	Products	Deal / Financing Rounds	Acquirer
M&A	Connected Features & IoT Integration	Jul-2025	Exein SpA	Firmware runtime protection for infotainment and telematics ECUs	Acquisition (100%, EUR 59m)	Partech Partners SAS
M&A	In-Cabin Sensing & Wellness	Jul-2025	Suzhou CalmCar Electronic Technology Co., Ltd.	DMS/OMS modules, gesture recognition, cockpit AI perception	Acquisition (100%)	Undisclosed Acquirer
M&A	Human-Machine Interface (HMI)	Jun-2025	SUBPAC Inc (Technology assets)	Seat-integrated haptics, vibroacoustic feedback systems	Acquisition (100%)	Harman Becker Automotive Systems GmbH, Samsung Group
M&A	AI-Based Personal Assistants & UX Software	Jun-2025	EmbeDL AB	Edge AI deployment tools for DMS, HMI, and perception AI	Acquisition (100%, EUR 6m)	Almi Invest AB
M&A	In-Cabin Sensing & Wellness	Jun-2025	Silex Microsystems AB (54.76% Stake)	MEMS sensors for LiDAR, pressure, and cabin environment monitoring	Acquisition (55%, EUR 262m)	Bure Equity AB
M&A	Infotainment Systems & Platforms	Jun-2025	Beijing Silicon Motion Technology Co Ltd	Flash controllers for infotainment, clusters, and DER	Acquisition (100%)	Aliyun Computing Co Ltd
M&A	Connected Features & IoT Integration	Jun-2025	Alphawave IP Group plc	SerDes IP for infotainment and ADAS data channels	Acquisition (100%, EUR 2.1bn)	Qualcomm Inc
M&A	Connected Features & IoT Integration	Jun-2025	Autotalks Ltd.	C-V2X/DSRC chipsets for V2X communication modules	Acquisition (100%, EUR 20m)	Qualcomm Inc; Qualcomm Technologies, Inc.
M&A	Human-Machine Interface (HMI)	May-2025	Spiegel Institut Management GmbH	User experience (UX) consultancy specialising in HMI development	Acquisition (90%)	Visteon Corp
M&A	Connected Features & IoT Integration	May-2025	Blues Inc	Cellular IoT modules for diagnostics and OTA updates	Acquisition (100%, EUR 22m)	Sequoia Capital Operations LLC
M&A	Connected Features & IoT Integration	Apr-2025	Marvell Technology Inc (Automotive Ethernet business)	High-speed automotive networking components	Acquisition (100%, EUR 2.5bn)	Infineon Technologies AG
M&A	In-Cabin Sensing & Wellness	Mar-2025	Allegro Microsystems Inc	Magnetic sensors, power ICs, motor drivers	Acquisition (100%, EUR 6.8bn)	ON Semiconductor Corp
M&A	Connected Features & IoT Integration	Mar-2025	All Circuits SAS	ECUs, sensor modules, connectivity boards	Acquisition (100%, EUR 101m)	DBG Technology Co., Ltd.
M&A	Displays	Feb-2025	Medallion Instrumentation Systems LLC	Digital clusters, LCDs, gauges, and instrumentation	Acquisition (100%)	Patrick Industries Inc
M&A	Infotainment Systems & Platforms	Dec-2024	VOXX International Corp	Rear-seat infotainment, remote start, and vehicle security systems	Acquisition (remaining 54.7%, EUR 97m)	Gentex Corp
M&A	Connected Features & IoT Integration	Oct-2024	Packetcraft Inc	Bluetooth and wireless protocol stacks	Acquisition (100%)	Synaptics Inc
M&A	Connected Features & IoT Integration	Sep-2024	Inseego Corp (Fleet management and telematics business)	Fleet management and telematics solutions	Acquisition (100%, USD 52m)	Convergence Partners
M&A	AI-Based Personal Assistants & UX Software	Jul-2024	Asaphus Vision GmbH	AI-enabled driver monitoring systems	Acquisition (100%, USD 6m)	Seeing Machines Limited
M&A	Smart Surfaces	Jul-2024	Canatu Oy	Flexible transparent conductive films and touch sensors	Acquisition (100%, EUR 286m)	Lifeline SPAC I Oy

Type	Component Cluster	Date	Target	Products	Deal / Financing Rounds	Acquirer
M&A	Ambient Lighting & Light-Based HMI	May-2024	ams-OSRAM AG (Passive Optical Components assets)	Optical semiconductors for lighting and sensing	Acquisition (100%, EUR 45m)	Xi'an Focuslight Technologies Co., Ltd.
M&A	Infotainment Systems & Platforms	May-2024	Faurecia Aptoide Automotive	Android-based automotive app store	Acquisition (100%)	Forvia SE
M&A	Human-Machine Interface (HMI)	Mar-2024	Panasonic Automotive Systems Corp	HMI and cockpit control systems	Acquisition (100%, USD 1.6bn)	Apollo Global Management Inc
M&A	In-Cabin Sensing & Wellness	Jan-2024	Hella Aglaia Mobile Vision GmbH (People Sensing business)	Vision-based people sensing systems	Acquisition (100%)	Xovis AG
M&A	Connected Features & IoT Integration	Jan-2024	Forsberg Services Ltd	GNSS receivers, inertial navigation modules, and antennas	Acquisition (100%)	Teleplan Globe AS
M&A	Infotainment Systems & Platforms	Dec-2023	FotoNation Ltd	Embedded image processing and SoC IP	Acquisition (100%, USD 45m)	Tobii AB
M&A	AI-Based Personal Assistants & UX Software	Oct-2023	Advanced Driver Information Technology GmbH (Business activities in Germany)	UX and infotainment software	Acquisition	Robert Bosch GmbH
M&A	Connected Features & IoT Integration	Oct-2023	3db Access AG	Ultra-wideband (UWB) connectivity solutions	Acquisition (100%)	Infineon Technologies AG
M&A	Human-Machine Interface (HMI)	Oct-2023	Behr-Hella Thermocontrol GmbH	Automotive HVAC and HMI control systems	Acquisition (100%, EUR 600m)	AUO Corp
M&A	Displays	Jun-2023	Saab AB (Head-Up Display (HUD) assets)	Head-up display (HUD) technologies	Acquisition (100%)	Honeywell International Inc
M&A	Connected Features & IoT Integration	Jan-2023	NOVELIC doo Beograd Zvezdara	Radar and sensor modules with IC design	Acquisition (54%, EUR 41m)	Sona BLW Precision Forgings Ltd
M&A	Connected Features & IoT Integration	Sep-2022	Semiconductor Ideas to the Market BV	ASIC/SoC design for smart electronics	Acquisition (100%)	Robert Bosch GmbH
M&A	In-Cabin Sensing & Wellness	Sep-2022	Caaresys	Radar-based occupant health and presence detection	Acquisition (100%)	Harman International Industries, Inc.
M&A	In-Cabin Sensing & Wellness	Aug-2022	Newsight Imaging Ltd	3D and spectral imaging sensors	Acquisition (100%, USD 215m)	Vision Sensing Acquisition Corp
M&A	Human-Machine Interface (HMI)	Jun-2022	Meizu Telecom Equipment Co Ltd	Smartphones and vehicle-smartphone HMI tech	Acquisition (80%)	Hubei Xingji Shidai Technology Co Ltd
M&A	Displays	May-2022	Marelli Holdings Co Ltd	Cockpit modules, displays, and electronics	Acquisition (100%, USD 5.3bn)	KKR & Co Inc
M&A	In-Cabin Sensing & Wellness	May-2022	I.G. Bauerrhin GmbH	Heated/coated surfaces and sensors	Acquisition (100%, EUR 140m)	Lear Corp
M&A	AI-Based Personal Assistants & UX Software	Apr-2022	Arriver Software GmbH	ADAS and occupant monitoring stack	Acquisition (100%)	Qualcomm Inc
M&A	AI-Based Personal Assistants & UX Software	May-2021	Affectiva, Inc.	Emotion AI and occupant monitoring	Acquisition (100%, USD 73m)	Smart Eye AB
VC	In-Cabin Sensing & Wellness	Jun-2025	Vertilite	VCSELs for LiDAR, DMS/OMS, and in-cabin 3D sensing	Later Stage VC (undisclosed)	Glory Ventures and Consortium
VC	Connected Features & IoT Integration	Apr-2025	Zhixingchanglian	Telematics units, smart cockpit displays, camera mirrors	Later Stage VC (undisclosed)	Undisclosed Acquirer
VC	In-Cabin Sensing & Wellness	Apr-2025	Beijing Kuangshi Technology Co., Ltd. (subsidiary)	Facial recognition and AI vision	Later Stage VC (undisclosed)	Ant Group and Consortium
VC	Human-Machine Interface (HMI)	Mar-2025	Forciot Oy Ltd.	Stretchable sensor electronics for in-cabin use	Later Stage VC (undisclosed)	Chimet

Type	Component Cluster	Date	Target	Products	Deal / Financing Rounds	Acquirer
VC	Infotainment Systems & Platforms	Mar-2025	Mavi.IO, Inc.	Vehicle commerce platform for payments	Seed Round (undisclosed)	Govo Venture Partners and Consortium
VC	Infotainment Systems & Platforms	Feb-2025	DRIMAES Inc.	Software-defined cockpit and infotainment systems	Later Stage VC (undisclosed)	Incubateur HEC Paris
VC	In-Cabin Sensing & Wellness	Jan-2025	Büyütech	Camera-based ADAS and interior vision technology	Later Stage VC (EUR 1m)	Artificial Intelligence Factory
VC	Smart Surfaces	Jan-2025	TactoTek Oy	Surfaces with integrated touch controls and lighting	Later Stage VC (EUR 62m)	3M Ventures and Consortium
VC	In-Cabin Sensing & Wellness	Jan-2025	Vayyar Imaging Ltd.	4D imaging radar for in-cabin and ADAS safety	Later Stage VC (undisclosed)	Pegasus Tech Ventures
VC	In-Cabin Sensing & Wellness	Nov-2024	Soma Reality GmbH	Eye-tracking technology for VR, AR	Early Stage VC (EUR 3m)	AWS and Consortium
VC	In-Cabin Sensing & Wellness	Oct-2024	Driver Technologies Inc.	Mobile-based driver monitoring and safety app	Later Stage VC (EUR 2m)	Connecticut Innovations and Consortium
VC	AI-Based Personal Assistants & UX Software	Oct-2024	Kardome Technology Ltd.	3D voice isolation and enhancement for speech	Later Stage VC (EUR 9m)	Honey Stone VC, Hyundai Motor Group and Consortium
VC	Displays	Oct-2024	Hardstone Mobile Media (Asia Pacific) Co., Ltd.	In-car multimedia and HUD systems	Later Stage VC (undisclosed)	Zhejiang Geely Industry Investment Holdings
VC	AI-Based Personal Assistants & UX Software	Oct-2024	Kneron Inc.	Edge AI chips and software	Later Stage VC (EUR 272m)	ADATA, Alibaba Group, Qualcomm Ventures and Consortium
VC	Human-Machine Interface (HMI)	Oct-2024	SemsoTec Holding GmbH	Integrated display and control systems	Later Stage VC (EUR 8m)	Dexerials
VC	Connected Features & IoT Integration	Aug-2024	Beijing Siwei Zhilian Technology Co., Ltd.	V2X and intelligent vehicle connectivity	Later Stage VC (EUR 98m)	DiDi Global, NavInfo Company
VC	Infotainment Systems & Platforms	Jul-2024	Beijing Semidrive Technology Corp.	Automotive SoC and central computing chips	Later Stage VC (EUR 129m)	Vinno Capital
VC	AI-Based Personal Assistants & UX Software	Jun-2024	Nota Inc.	AI model optimisation for on-device applications	Later Stage VC (undisclosed)	DS Investment Partners and Consortium
VC	AI-Based Personal Assistants & UX Software	Jun-2024	Ivee, LLC	Voice-activated assistants and infotainment platforms	Later Stage VC (EUR 3m)	Genuine Capital
VC	Infotainment Systems & Platforms	Jun-2024	Shanghai PATEO Network Technology Service Co., Ltd.	Infotainment systems, telematics, and IoT services	Later Stage VC (EUR 139m)	Anhui Zhongan Capital and Consortium
VC	In-Cabin Sensing & Wellness	Jun-2024	Motion Gestures	AI-based hand tracking and gesture recognition software	Later Stage VC (EUR 2m)	China Canada Angels Alliance, Golden Triangle Angelnet, Keiretsu Forum, Propel
VC	In-Cabin Sensing & Wellness	May-2024	Pura Scents, Inc.	Smart fragrance diffusers, including automotive-specific versions	Later Stage VC (undisclosed)	Banner Capital Management, Interplay (New York)
VC	AI-Based Personal Assistants & UX Software	Apr-2024	Basemark Oy	Augmented reality interfaces	Later Stage VC (EUR 22m)	Birch Venture, Business Finland, Constructor Capital, ETF Partners, Tesi
VC	Infotainment Systems & Platforms	Apr-2024	Autonomo Labs, Inc.	In-vehicle payments and data commerce platform	Accelerator/Incubator (undisclosed)	Plug and Play Tech Center
VC	In-Cabin Sensing & Wellness	Apr-2024	Recognition Technologies, Inc.	Vision-based facial recognition systems	Accelerator/Incubator (undisclosed)	Element 46 Tech Accelerator
VC	In-Cabin Sensing & Wellness	Jan-2024	DEEP IN SIGHT Co.,Ltd.	3D sensing and camera-based recognition systems	Early Stage VC (undisclosed)	iAccel, Xplor Investment
VC	In-Cabin Sensing & Wellness	Dec-2023	Shenzhen Autocruis Technology Co., Ltd	Vehicle radar and cabin monitoring systems	Later Stage VC (undisclosed)	Soaring Capital

Type	Component Cluster	Date	Target	Products	Deal / Financing Rounds	Acquirer
VC	Infotainment Systems & Platforms	Dec-2023	Zlingsmart Technology Co., Ltd.	Embedded virtualisation OS and cockpit systems	Early Stage VC (undisclosed)	Shunwei Capital
VC	Displays	Sep-2023	Aledia SA	3D nanowire-based microLED technology	Venture Round (EUR 120m)	Investissement Quebec and Consortium
VC	Connected Features & IoT Integration	Sep-2023	Commsignia, Inc.	V2X and connected vehicle communication systems	Later Stage VC (EUR 13m)	Credo Ventures, LG Electronics, Qualcomm Ventures, Samsung Catalyst Fund and Consortium
VC	Displays	Sep-2023	Envisics Ltd.	Holographic AR head-up display tech	Later Stage VC (EUR 91m)	GM Ventures, Hyundai Mobis, Jaguar Land Rover Automotive, M&G, Stellantis and Consortium
VC	Displays	Sep-2023	CY Vision Inc.	Augmented reality HUDs	Later Stage VC (EUR 2m)	International Finance Corporation and Consortium
VC	In-Cabin Sensing & Wellness	Jul-2023	Paravision®	Facial recognition and biometric vision AI	Later Stage VC (EUR 35m)	HICO Investment Group, J2 Ventures
VC	In-Cabin Sensing & Wellness	May-2023	roboGaze Kft.	AI-based driver monitoring systems	Early Stage VC (EUR 1m)	Hiventures
VC	Displays	May-2023	Anyractive Inc.	Augmented reality head-up displays	Accelerator/Incubator (undisclosed)	Google for Startups
VC	In-Cabin Sensing & Wellness	Apr-2023	PreAct Technologies, Inc.	Near-field sensors and perception platforms	Later Stage VC (EUR 18m)	I Squared Capital and Consortium
VC	Infotainment Systems & Platforms	Apr-2023	4.screen GmbH	In-car marketing platform integrated with infotainment system	Early Stage VC (EUR 21m)	BayBG and Consortium
VC	In-Cabin Sensing & Wellness	Feb-2023	Observant AI	Emotion and behaviour monitoring	Later Stage VC (undisclosed)	Giovanni Gardelli, Jenna Jolley, Oyster Ventures
VC	Infotainment Systems & Platforms	Jan-2023	APLAYZ Inc.	Infotainment software	Seed Round (undisclosed)	Hyundai Motors Group
VC	AI-Based Personal Assistants & UX Software	Dec-2022	German Auto Labs GAL GmbH	Voice assistant systems for logistics and fleet drivers	Later Stage VC (undisclosed)	Redstone VC, Schwarzwälder Bote Mediengruppe
VC	In-Cabin Sensing & Wellness	Nov-2022	Beijing 7invensun Technology Co., Ltd.	Eye-tracking technology for VR, AR and automotive applications	Later Stage VC (EUR 14m)	Tsinghua Capital, Tsinghua Holdings Capital, Vive X, Vlink Technology
VC	Displays	Oct-2022	Saphlux, Inc.	MicroLED and optical components	Later Stage VC (EUR 20m)	Baidu, Fargo Telecom Holdings
VC	In-Cabin Sensing & Wellness	Sep-2022	Blaize Holdings Inc.	Edge AI chips and platforms	Later Stage VC (EUR 134m)	Bess Ventures and Advisory, Franklin Venture Partners, TLG Capital Management
VC	AI-Based Personal Assistants & UX Software	Sep-2022	holoride GmbH	VR entertainment	Early Stage VC (undisclosed)	NxGen Ventures
VC	Infotainment Systems & Platforms	Sep-2022	OVO Automotive	Connected in-vehicle app delivery platform	Early Stage VC (EUR 3m)	Michael van Swaaij and Consortium
VC	Infotainment Systems & Platforms	Jul-2022	ECARX Holdings Inc.	Digital cockpit and computing platforms	Later Stage VC (EUR 43m)	Geely Automobile Holding, Lotus Cars, Luminar
VC	Connected Features & IoT Integration	Jul-2022	BDStar Navigation Co., Ltd.	GNSS navigation and data services	Early Stage VC (EUR 40m)	CICC Capital, Nuoyan Capital, Zhilai Investment
VC	Human-Machine Interface (HMI)	Jul-2022	Ultraleap Ltd.	Touchless haptics and hand-tracking tech	Later Stage VC (EUR 71m)	British Patient Capital and Consortium
VC	Infotainment Systems & Platforms	Jul-2022	SiEngine Technology Co. Ltd.	Automotive-grade system-on-chip (SoC) solutions	Early Stage VC (EUR 144m)	Boyuan Capital, Neusoft Group and Consortium

# 05 Summary



The convergence of the EV and autonomous driving revolution alongside huge technological innovation means the automotive industry's emphasis has shifted definitively from hardware towards software.

And within this new ecosystem, the vehicle interior has become a dynamic digital living space where the needs of passengers are becoming just as great as those of the drivers.

The car cockpit is the new digital battleground for customer retention and differentiation, and smart interiors have become core to brand value, regulatory readiness, and monetisation strategies.

OEMs have also realised that they must own the user experience within a vehicle to retain loyalty, while Tier-1 suppliers must deliver cross-domain integration too. Indeed, many suppliers are moving from being component suppliers to 'solutions' suppliers, forging new strategic partnerships and creating their own ecosystems.

Against this backdrop, M&A has a crucial role to play in terms of helping suppliers and OEMs respond to these huge challenges and stay both innovative and competitive. Much of this M&A will need to be innovative too, as more traditional automotive players are forced to strike partnerships with technological firms.

Meanwhile, as China continues to set user expectations globally, both OEMs and Tier-1s must continue to monitor closely China's fast iteration cycles, localisation benchmarks, and strategic cockpit investments.

## Our automotive transactions

**SEKISUI**KASEI

sold



to

**brose sitech**  
Interior Solutions

 **RHEININVEST**

sold

**spiegel**Institut

to

**Visteon**<sup>®</sup>

 **Megatech**

sold to



 **EXPERICA**  
Truck Aftermarket Specialists

sold to

**EURO PART** 

**embotech** \*

secures €25.3m in funding  
to expand autonomous  
driving solutions  
for logistics

**MAHLE**

sold its thermostat  
business to

 **ADMETOS**

  
**nazca**  
PRIVATE EQUITY

acquired

**DOGA**



a portfolio company of

palatine

sold to



sold to



ROLEC

sold to



acquired



sold to



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# 08

## About Clearwater

At Clearwater, we are the home of business —dedicated to ensuring that every business meets its true potential.

With over 20 years of experience, we've been helping great businesses achieve more by providing expert, tailored advice to unlock opportunities and create lasting success.

We know the hard work that goes into building a business, and we work tirelessly to make sure your efforts are rewarded. As an independent adviser, we prioritise transparency and trust, so you can be confident we'll always look after your business.

Specialising in the mid-market sector, where specialist guidance is often overlooked, we have a proven track record of unleashing potential and unlocking the future for ambitious businesses. Whether working locally or leveraging our global reach, we deliver bespoke, high-quality services to meet the unique needs of our clients.





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