hy Innovation Report

SURVIVE OR THRIVE

How future-proof are the industries of the DACH region hy Innovation Report

Survive or Thrive: How future-proof are the industries of the DACH region

A data-driven look at our economy

No time to read the entire report?

Central findings from this report ...

Across all industries, companies in the DACH region are not well-prepared for the future. No industry achieves a „passing grade." On the contrary: most industries only achieve extremely low scores in the average rating.

The companies with the highest scores come from completely different industries and illustrate that industry-specific challenges are ultimately not decisive for future readiness.

The greatest impact for being future-proof is created at the balanced interplay of the dimensions organization, capital, and technology. None of these dimensions can compensate for one another.

Here are our *most important* findings

...and our take on them

Worse than expected: From our day-to-day work in various industries, we know that many companies are currently looking to the future with great concern. We had formed our scores on the assumption that we would find a normal distribution in the results. However, the clarity of the values underscores: Companies must rethink their positioning today, not tomorrow.

No excuses: Results depend neither on the industry nor on the size of the company. Every company has the chance NOW to take the lead and position itself in the best possible way for the future. How exactly? Let‘s talk.

Participate: We believe that every company, not only the ones we analyzed, needs an honest look at its own performance. That‘s why we not only wrote this report, but also built a self-scoring tool.

Click here for our **self-scoring tool**

Table of Contents

Preface

Sebastian Herzog

Dear *readers,*

the list of crises putting pressure on the economy and society worldwide is constantly growing. Europe, especially the DACH region, is under enormous pressure in the economic race with the USA and the Far East. Companies not only have to deal with an unstable global economy, but also react to technological change, increasing price pressure and unpredictable markets. In the midst of these crises, it is important to find a balance in order to, on the one hand, survive in the short term („put out fires“) and, on the other hand, secure long-term competitiveness („make big bets“). Not just to survive in times of crisis, but also to look ahead and set the course for a successful future.

We at hy asked ourselves: **Is “future-readiness” measurable?** That‘s why we analyzed over 500 companies from the DACH region, evaluated more than 100,000 data points and developed the hy Innovation Score. Along the dimensions of capital, organization and technology, it makes visible how well companies and industries are positioned for tomorrow.

Our work is based on the conviction that our home region has the potential to rediscover its innovative strength – but we must have a common understanding of the starting point.

The following is important to us: We do not want to make a hasty judgment, but rather give decision-makers a tool for orientation. In addition to our analysis, we have therefore developed a self-scoring tool with which companies can find out where they stand in terms of how future-proof their organization is.

Above all, I invite you to discuss with us and to challenge our observations. We are aware: The dimensions and scores we have chosen are an indicator, not a complete picture. The latter arises from fruitful exchange, and we are very much looking forward to it!

Best regards,

S. Herzog

Sebastian Herzog
Co-CEO

Who was it? The faces behind the report

Sebastian Herzog
Co-CEO, hy

Sebastian is one of the leading experts for corporate innovation: As Managing Director, he built up the Lufthansa Innovation Hub into a multi-award-winning unit. He is the founder of an e-commerce startup and a crypto index, and combines corporate experience with startup spirit. As a speaker, Sebastian regularly shares his insights into the innovation landscape.

Anne Schlösser
Partner, hy

Before joining hy, Anne was Associate Partner at McKinsey's venture building team, where she supported startups in the energy, pharmaceutical and consumer goods industries through to launch and scaling. In addition, Anne has founded and managed two companies, a data and AI venture builder and a consultancy for strategic product development and innovation.

Marie-Luise Heitmann
Senior Vice President, hy

Marie stands out for her extensive experience in innovation management and is our expert for corporate innovation projects of all kinds. Thanks to her experience in the corporate world (Deutsche Bahn), the startup ecosystem (Rocket Internet) and as the founder of an education startup, she effortlessly builds bridges between different worlds.

Christoph Schwienheer
CTO, hy

At hy, Christoph is responsible for the use of the right technologies to organize and support research processes. For the automation and scaling of knowledge work, his team builds tools relying on Natural Language Processing, Artificial Intelligence and Big Data Analytics. Before hy, he built his own tech company.

Anna Welbers
Senior Consultant, hy

Anna brings an exciting background shaped by her experience from various startups, company building, consulting and venture capital. Thanks to her experience at tink and Bridgemaker, she is our expert for the validation and implementation of innovative business models, especially for the energy and construction industry.

Calvin Zakrzewski
Consultant, hy

Calvin is an expert in the development of sustainable business models, design thinking and rapid prototyping. He has experience in the startup, digital agency (Fraunhofer spin-off) and consulting context, academically shaped by degree programs in Sustainable Business Management and Business Innovation & Entrepreneurship.

1 Why all this, anyway?

Why, anyway? ? Our initial thoughts

The DACH region is at a turning point: challenges range from geopolitical crises and sustainability to the implications of artificial intelligence. It is precisely because these difficulties are so complex that the right course must be set for the future now. Our goal was to gain a broad understanding of how well different industries are positioned, without focusing on specific case studies.

The key question was: Can we measure how well companies are positioned for the future? We are convinced that innovation describes nothing less than the ability to survive in the long run.

So the answer is: **Yes!**

Hey hy, ever heard of EBIT or company valuation? That gives a great overview of future readiness. Can't you save yourselves all the effort?

Marie-Luise Heitmann
Senior Vice President

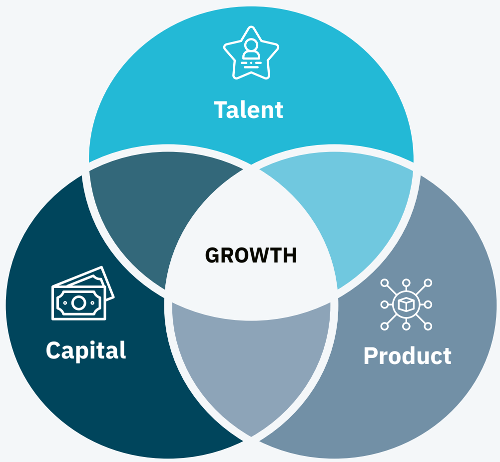
Great question!
We do not use EBIT and valuations in isolation as indicators of the future, because:

1. Linear forecasts break down in uncertain times.
In markets with disruptive technologies, geopolitical uncertainty and unstable supply chains, the assumption of linear development becomes obsolete. EBIT is based on historical data and implicitly on stability, both of which are deceptive in dynamic environments.

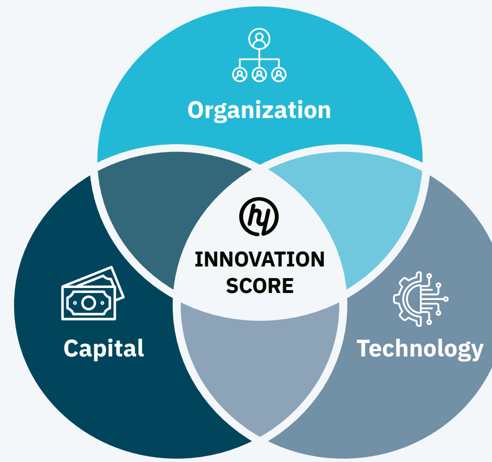
2. Valuations often reflect expectations, not capabilities.
Company valuations are often based on short-term market expectations, investor sentiment and industry trends: volatile, often speculative and not very meaningful for resilience, innovative ability or technological differentiation.

3. EBIT ignores future investments and innovation expenditure.
A high EBIT margin without significant investments in R&D, digitalization or talent retention can appear profitable in the short term, but may not be sustainable in the long term. Future-readiness is particularly evident in areas that are not visible in EBIT or even stand out negatively.

The “magic triangle”, from which we formed the **hy Innovation Score,** is also found as the field of tension in startups. Whether a listed company or a young market player: the relevant dimensions are similar.



Startup growth



Future-readiness

Click here for our **self-scoring tool**

That‘s why we opted for this approach:

- **External perspective:** Assessment from the outside on the status quo.
- **Data beats opinion:** No qualitative individual case analysis but an objective look at data points.
- **Benchmarking with companies in your own industry:** Adopt approaches from other companies where it makes sense.

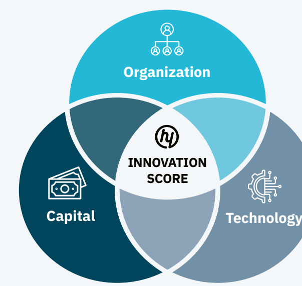
This is the hy Innovation Score: future-readiness made measurable based on data

The dimensions of the **hy Innovation Score**

ORGANIZATION shows how strong innovation responsibility, culture, and structure are anchored in companies.

CAPITAL measures whether financial resources are available and strategically deployed for innovation.

TECHNOLOGY measures how efficiently technological innovation is generated, communicated, and translated into impact.



Each dimension is based on clearly defined sub-scores that are derived from publicly available data (annual reports, Kununu scores, Google News, company databases) and standardized on a uniform scale from 1 to 5.

Why the hy Innovation Score is more than just an indicator...
The hy Innovation Score shows whether a company not only proclaims innovation, but actually manages, finances, implements, and makes it visible. It creates transparency about strengths and structural weaknesses and provides a reliable basis for targeted refinement instead of actionist scaling.

... and honestly, what is the score not?
A 360-degree view of ALL factors influencing future-readiness. It‘s a bottomless pit ;-).

Of course, we know that correlation does not equal causation. That‘s why we have interpreted the data with our experience gained from over 400 projects. There are a number of other scores and analyses that would have interested us beyond this – an overview of these can be found in the appendix.

Sub-scores

ORGANISZATION

Executive Board Anchoring Score
How strongly are innovation topics anchored in the executive board?

Cultural Readiness Score
How innovation-friendly do employees consider the culture to be?

Gender Balance Score
How close is management to a 50/50 gender ratio?

Innovation Vehicle Score
How well developed are the existing innovation units (build, partner, invest)?

Partner Ecosystem Score
How visible is the organization‘s network with external partners?

CAPITAL

Cash Readiness Score
How much financial leeway is there for future investments?

Reinvestment Score
How much of the operating profit is retained for potential future investments?

Startup Investment Score
How well-developed are organizational structures in the area of corporate venture capital?

TECHNOLOGY

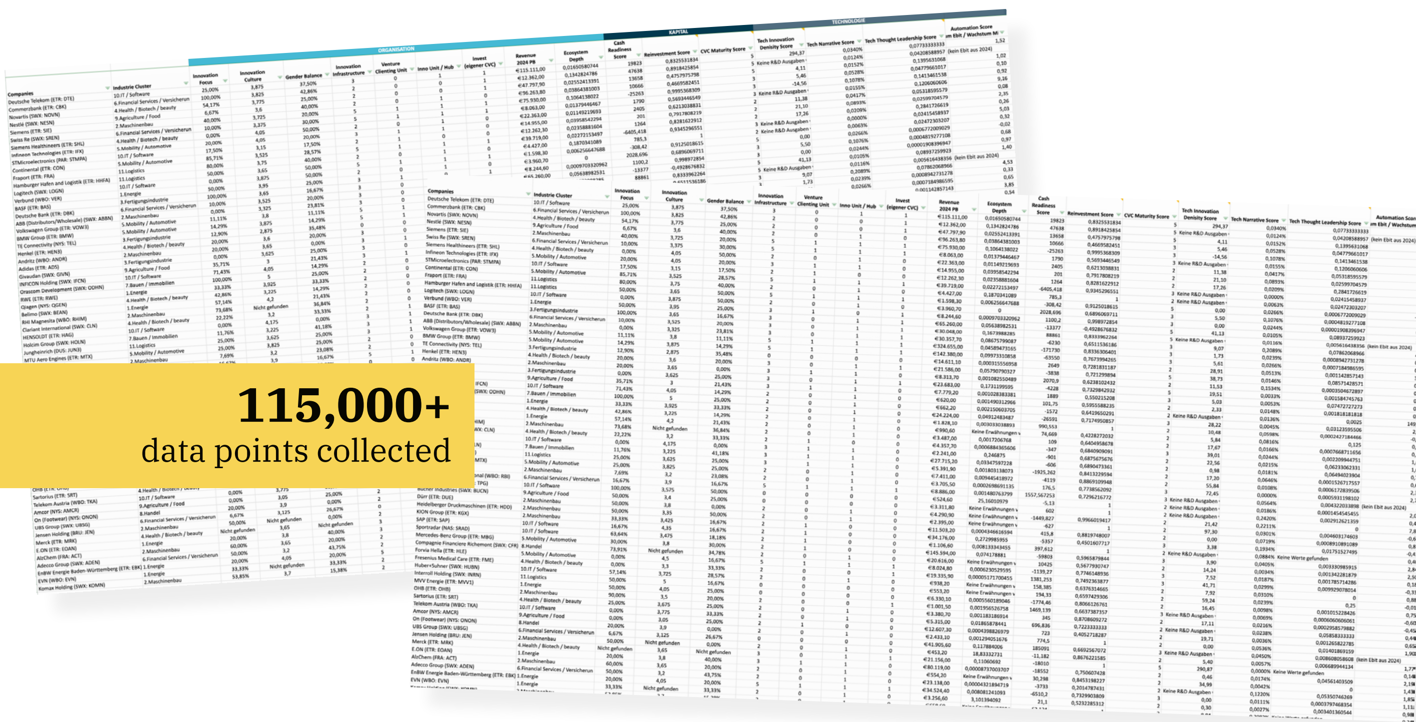
Patent Density Score
How high is productivity in generating patents?

AI Narrative Score
How prominently is AI featured in the official annual report?

Tech Thought Leadership Score
How strong is the association with expertise in current tech trends?

Automation Score
How strongly are efficiency gains being driven forward?

For the hy Innovation Score, we delved deep into the *„data rabbit hole“* ...



115,000+
data points collected

... very deep!

For our assessment of *future-readiness* we have analyzed

500+ **companies** from

11 **industries** in

100+ **hours of** data crunching

Annual reports

kununu

NORTH DATA

Google News

+ various
company databases

2 What is the outcome?

What was the outcome?

How do we measure future-readiness and how not?

Our three core dimensions—organization, capital, and tech—are represented by selected scores that serve as **a set of indicators for future-readiness**, but do not cover all relevant facets. Qualitative factors and non-standardized data are not taken into account in our analysis.

What scale do we use?

The discrete 0-5 or 1-5 point scale is based on min/max normalization with fixed „buckets" and is primarily intended to make key figures relatively comparable. We chose this approach because it easily brings heterogeneous data from organization, capital, and tech to a common denominator, enabling fast, consistent ranking.

This also means that outliers at the edge of the scale have a direct impact on the entire range of the scale, while values that are close together receive the same score and are grouped together in the same „bucket" – subtle differences can thus be lost.

Accordingly, the **scores should primarily be understood as consistent rankings across all industries:** they reliably show who is relatively ahead or behind in comparison, but do not allow for a detailed assessment of the distance or gaps between individual values.

What do the colors on the heat map show?

Each cell represents the relative ranking of an industry within the respective score. **Dark green = highest score, dark yellow = lowest score.** The second to last column shows the total score (the hy Innovation Score) for each industry across all dimensions**.** The bottom row shows the average value for the respective scores across all industries. This allows you to quickly see at a glance whether an industry is performing below or above average.

NOTE: In addition to the arithmetic mean, we also calculated the median of the individual indicators in each industry. The median-based rankings differ only minimally from the means, confirming the stability of our findings. Outliers or highly skewed distributions in the raw data thus did not have a disproportionate influence on the ranking. For this reason, the medians are not shown separately here.

Aggregated mean per indistry and score

	ORGANIZATION					CAPITAL			TECHNOLOGY					
Industries	Executive Board Anchoring Score	Cultural Readiness Score	Gender Balance Score	Innovation Vehicle Score	Partner Ecosystem Score	Cash Readiness Score	Reinvest-ment Score	Startup Investment Score	Patent Density Score	AI Narrative Score	Tech Thought Leadership Score	Automation Score	Σ	Ø
Energy & Utilities	1.6	3.1	2.0	1.4	2.3	0.8	3.7	2.1	2.0	1.1	1.6	1.7	23.5/60	2.0
IT & Software	1.0	3.1	1.9	1.4	2.9	0.9	3.0	2.0	1.7	2.2	1.7	1.1	23.0/60	1.9
Logistics & Transport	1.3	3.0	2.1	1.7	2.1	1.0	3.6	2.4	1.3	1.4	1.1	1.6	22.5/60	1.9
Mechanical & Plant Engineering	1.7	3.0	1.9	1.6	2.6	0.9	3.2	2.0	3.0	2.1	1.4	2.0	25.2/60	2.1
Production & Manufacturing	1.5	2.8	2.1	1.4	2.3	0.7	3.3	2.0	2.7	1.3	1.0	1.4	22.5/60	1.9
Health & Biotech	1.5	2.9	2.2	1.2	2.7	1.1	2.7	2.1	2.6	1.2	1.4	1.0	22.9/60	1.9
Mobility & Transport	1.1	3.1	1.7	1.8	2.5	0.6	3.1	2.0	2.4	1.3	1.4	1.7	22.6/60	1.9
Finance & Insurance	1.2	3.1	2.2	1.5	2.3	2.4	3.3	2.3	0.0	1.3	1.3	1.7	22.4/60	1.9
Construction & Real Estate	1.5	3.1	2.3	1.3	2.5	0.4	3.0	1.8	1.7	0.9	1.1	1.4	20.9/60	1.7
Trade & Consumer Goods	1.4	3,0	1.8	1.0	2.6	0.9	2.6	1.8	1.5	1.0	1.0	1.2	19.8/60	1.7
Agriculture & farming	1.1	2.7	2.3	1.5	2.5	1.0	3.4	1.7	2.3	1.0	1.4	1.9	22.8/60	1.9
OVERALL AVERAGE	**1.4**	**3.0**	**2.0**	**1.4**	**2.5**	**1.0**	**3.1**	**2.0**	**1.9**	**1.3**	**1.3**	**1.5**		

This means:

There is no clear *industry Champion.*

No industry consistently achieves top scores in all dimensions; even supposed pioneers show weaknesses in some areas. Nevertheless, blueprints can be derived from industry-specific observations.

1. **Software companies** excel with top scores in the Partner Ecosystem, AI Narrative, and Tech Thought Leadership. This shows that the industry is networking and communicating future topics credibly. It is in a clear pioneering role that other industries can follow.

2. **Logistics companies** show a high willingness to reinvest and also manage to translate this into startup investments via dedicated units.

3. **Mechanical and plant engineering companies** excel as leaders in almost all tech dimensions with top scores in patent density, automation, and AI narrative. At the capital and organizational level, however, the industry languishes in mediocrity. Technical know-how is there, but without clear governance and financial resources, the potential fizzles out.

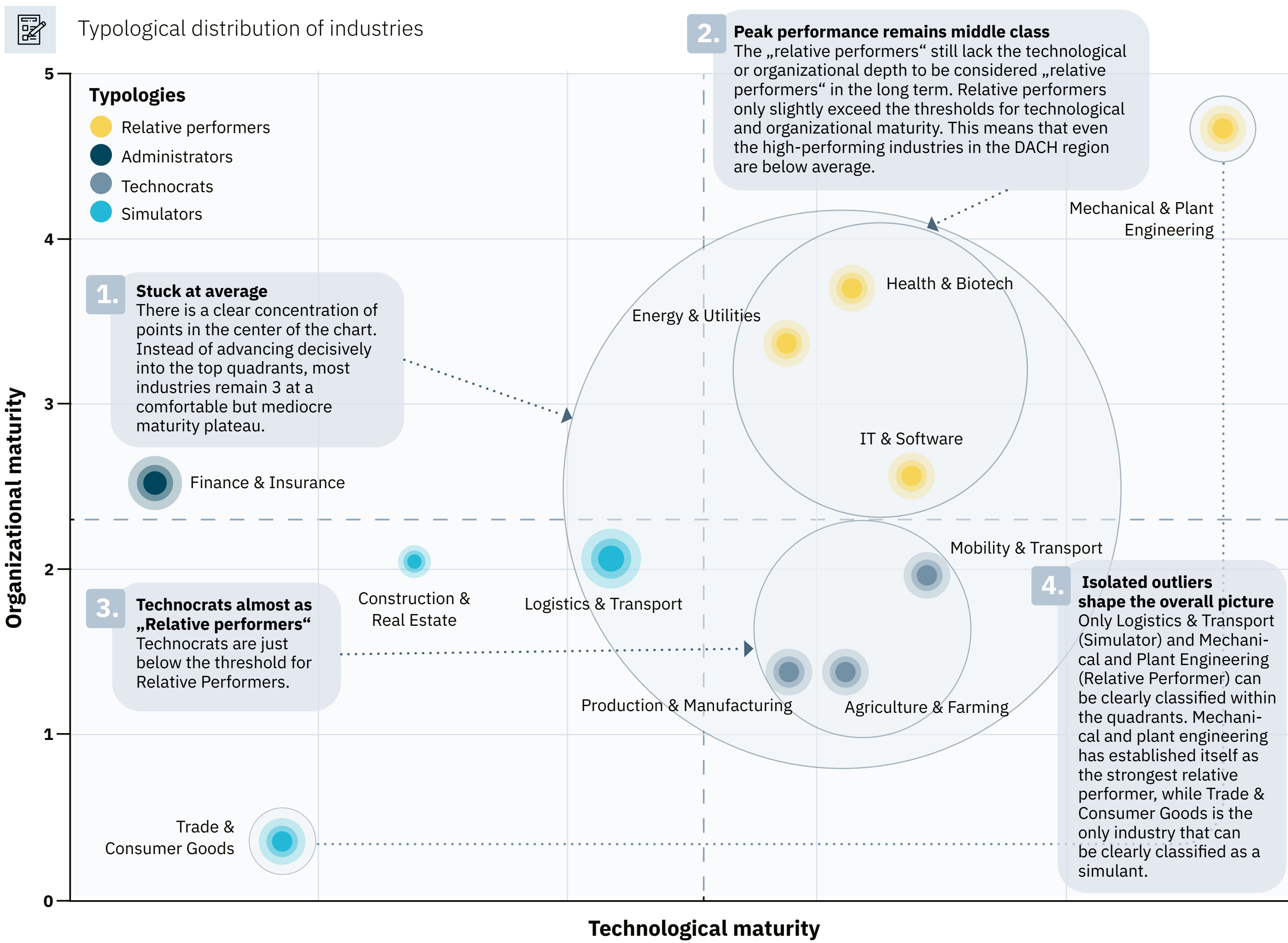
4. Mature innovation units and close partner networks show how far the **mobility industry** has already come. However, weak cash readiness clearly shows the effects of the current sales crisis.

Typologies

Within the industries, we see four types...	... and these are our thoughts on this when we think about our project work.
Relative performers: Despite weak overall performance, they have relative technological depth and structural maturity.	**The sticking point: scaling.** Although many initiatives are underway (and working), there is no clearly measurable leverage on key performance indicators. Companies need to roll out their flagship projects and master the associated complexity.
Administrators: Are structurally stable, but make few technological leaps.	**The sticking point: focus.** We often see companies focusing purely on business model innovations without technological depth. These often require different skills and roles.
Technocrats: Are tech-savvy but lack structural and organizational anchoring.	**The sticking point: operations.** Technology is an asset, but there are often problems with go-to-market and translating it into clear visions for change. Clear handover points, mandates, and communication ensure success**.**
Simulators: Neither technologically nor structurally strong, but have a high external impact.	**The sticking point: impact.** Companies can inspire enthusiasm and talk about their activities, but fail to communicate this commitment externally and build internal momentum.

Note: The chart on the following page shows a relative distribution of industries along the dimensions of the hy Innovation Score. The axes show technological and organizational maturity. The axis scaling is for visual differentiation only and does not reflect the actual, absolute characteristics of the dimensions. The circular areas around the points visualize the respective capital score of the industries.

Typological distribution of industries



Industry *comparison*

No industry in the DACH region is fully future-proof. All remain stuck in the lower to middle maturity range. This must be taken seriously.

Even leading industries such as Mechanical & Plan Engineering or Health & Biotechnology do not exceed the threshold value of 3.

This means:

No industry has a truly mature, deeply rooted, and holistically implemented innovation strategy.

Thesis 1

INTERCONNECTIVITY

Future-readiness does not come from individual strengths, but from the combination of organization, capital, and technology.

„One-trick ponies“ with extremely high scores in only one criterion regularly end up in the middle or bottom of the field. However, all three dimensions, especially their interaction, are crucial for innovation. and especially their interaction, are crucial for innovation.

The correlation between the dimensions is practically zero:

Organization vs. capital	-0.06
Organization vs. technology:	+0.03
Capital vs. technology:	0.00

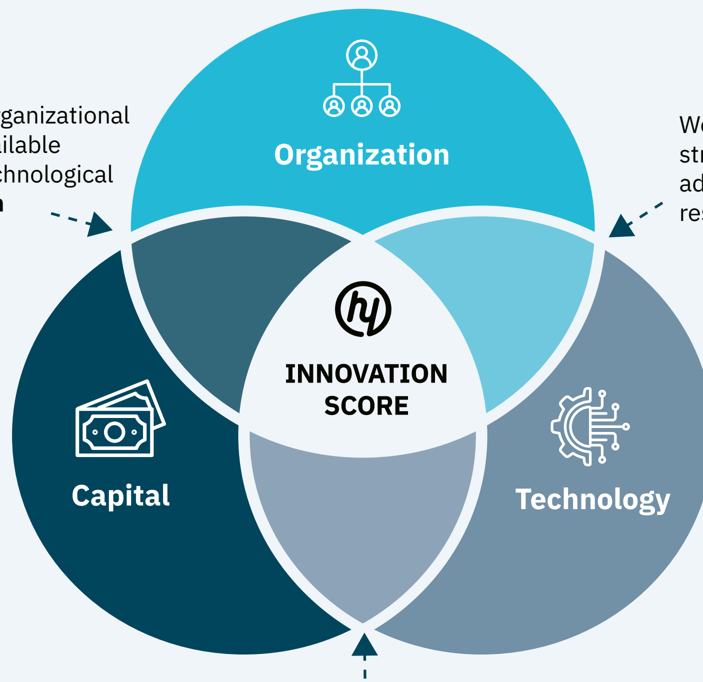
This means:

Organization, capital, and technology do not act as amplifiers in the DACH industry, but rather as isolated silos. The non-existent correlation shows that no single dimension automatically drives the others.

If you want to be innovative, you have to actively and independently develop all three dimensions with equal importance.

Well-developed organizational structures and available capital without technological adaptation **remain ineffective.**

Well-defined organizational structures and technological adaptation without financial resources are **not scalable.**



Technological adaptation and capital without structures **remain isolated cases** or **lack transformative power.**

#hythoughts
to thesis 1

Sebastian Herzog
Co-CEO, hy

Every CEO faces the challenge of balancing three forces: **technology, organization, and capital.** If you really want to drive innovation, you can‘t look at these dimensions in isolation, because they only have an impact when they work together. This requires new ways of thinking and working. Two particularly effective levers are **hypothesis-driven strategy work**, which creates clarity and adaptability, **and zero-based budgeting** that radically aligns resources with impact.

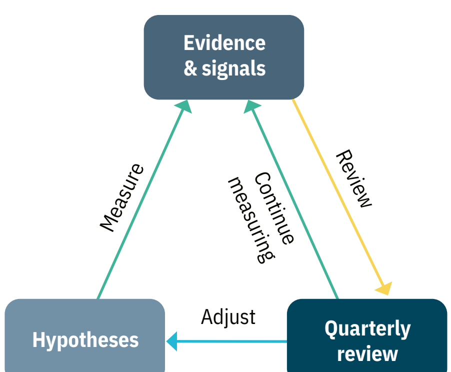
1.

Hypothesis-driven strategy work:
From having a plan to a *learning system*

Strategy is not a document; it is a living learning process. Nevertheless, many companies still work with 3- to 5-year strategies that are created in complex top-down processes and rarely questioned.

A more sustainable approach: hypothesis-driven strategy work. During strategy development, the underlying assumptions about market behavior, customer benefits, competitive dynamics, or technological developments are formulated as explicit hypotheses, ideally quantified and with an expected time horizon. This set of hypotheses is reviewed regularly, e.g., on a quarterly basis by the management team. This turns strategy into an iterative learning process.

The actual strategy is only adjusted if key assumptions prove to be incorrect or outdated. This results in a **#Continuous Strategy** that is further developed on the basis of data. A systematic way to maintain a long-term orientation in dynamic markets.



Back to the beginning:
Zero-based budgeting done right

The classic budgeting process is a tough ritual in many companies: departments fight for increases on the previous year‘s budget, controllers put the brakes on, and managers moderate. The result: weeks of negotiations about comparative values that often have nothing to do with strategic priorities or real resource requirements.

A radical but effective alternative: **zero-based budgeting (ZBB)**. Instead of basing decisions on previous year‘s figures, every expense is justified from scratch each year, with a focus on its contribution to strategic goals, customer benefits, or innovative strength. This does not mean that every team has to fight for its existence every year – but that every budget regularly proves its relevance and impact. Combining ZBB with flexible resource allocation creates maximum adaptability. In times when market opportunities shift faster than planning cycles allow, #BackToSquareOne is not a step backwards, but a step forwards.

Thesis 2

IMPACT

Without a clear vision, even a strong culture of innovation remains ineffective.

Good scores: Almost all industries achieve an average of 3 in innovation culture. Across all industries, the cultural readiness score is almost the same, with values ranging from 2.7 (agriculture & farming) to 3.3 (construction & real estate). However, employees rate their own companies better than the output suggests.

Cultural readiness correlates with no other technological score:

Correlation pairs (industry average) – ρ value

Cultural Readiness Score ↔ Tech Thought Leadership Score	+0.25
Cultural Readiness Score ↔ Automation Score	-0.09
Overall correlation Cultural Readiness Score ↔ hy Innovation Score Tech Dimension	+0.03

This means:

Innovation culture is fundamentally present.

In the DACH region, companies are able to take their workforce with them on the journey. An outdated image and hostility towards new topics do not seem to be a dominant perspective.

However, using culture as a direct lever for growth and technology is not successful when measured one-dimensionally. Indirect effects on, for example, the attitudes of experts or quality are not considered here.

#hythoughts
on thesis 2

Anne Schlösser
Partner, hy

An innovation-friendly culture alone does not lead to measurable results. Agreement and consensus do not create change; in many cases, they result in a lack of focus on relevant development initiatives, capital and resources tied up in strategic bets for too long, and development cycles repeatedly extended. When in doubt, wait until the market has moved on. Given the geopolitical and economic challenges facing Europe, more than just good cooperation is needed: innovative strength must be translated into strategic action and growth. To achieve this, we must define our goals as Europe, as industries, and as companies, and create the structures pave the way.

*A little self-promotion:
In our **‚Return on Innovation‘** podcast we talk to decision-makers from SMEs and corporations about growth and transformation initiatives and the associated return on innovation every[1] week.

Listen on Spotify

[1] German only

Culture eats strategy for breakfast, but without a goal and structure, it remains inconsequential.

Our data clearly shows that innovation culture is established across all industries, but steering it in the right direction requires more than just a feel-good atmosphere. What is the overarching goal that culture should contribute to?

Instead of cultivating culture as an end in itself, a common vision is needed, coupled with strong decision-making structures and flexible budget allocation. Culture, viewed as a breeding ground, must be cultivated with the right initiatives and nurtured through financing, resource allocation, and growth-promoting processes so that the yield becomes measurable.

Mirror instead of showcase realistically classifying innovation culture

Subjective assessments of corporate innovation culture often reveal a positive feeling, but say little about actual innovation performance. Only a comparison with hard facts provides clarity: How quickly are ideas implemented? How many of our initiatives enable growth?

What is the return on innovation?* Companies need this reflection to make progress measurable and controllable, to make future decisions more accurate, and above all, to stay on course.

The format lies between the mission statement and reality

A culture of innovation does not work through appeals, but through practical application. The decisive factor is how concretely, visibly, and effectively employees are involved. Formats such as open gate calls, innovation boards, etc. create participation in and transparency about projects.

At hy, for example, we implemented an AI Agentic Challenge this year: each employee independently builds AI agents that automate real processes. This develops skills, ownership, and a keen eye for concrete opportunities. Culture thus becomes tangible, applicable, and strategically effective.

Thesis 3

FUNDING

Money is being reinvested, but (still) not in young companies and technologies. Yet that is precisely what would help the DACH-region.

Many companies and industries focus on reinvestment rather than short-term dividend payments; in almost all industries, the average value is >3.

Industries with a relatively high focus on reinvestments are more willing to invest capital into startups. Those with greater cash reserves (high cash readiness) are also moderately more willing to allocate funding to startups.

Cash Readiness ↔ Reinvestment	r =	0.13
Cash Readiness ↔ CVC Maturity	r =	0.44
Reinvestment ↔ CVC Maturity:	r =	0.54

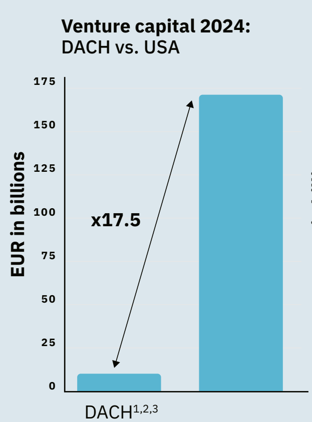
Another interesting fact: the most pronounced startup investment structures are found in the healthcare, biotech, finance, and insurance industries – where we found most of the top values. At the same time, the range is particularly wide: in addition to pioneers, there are many companies with hardly any visible activities.

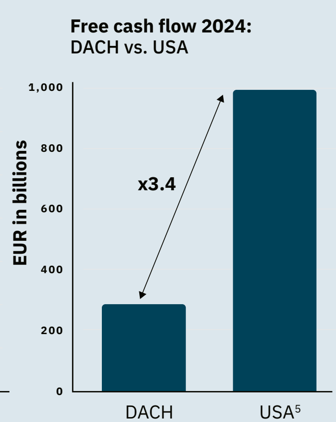
In the logistics and transportation industry, on the other hand, the picture is different: there are fewer extremes, but a broad base, with almost every company „somewhat“ active.

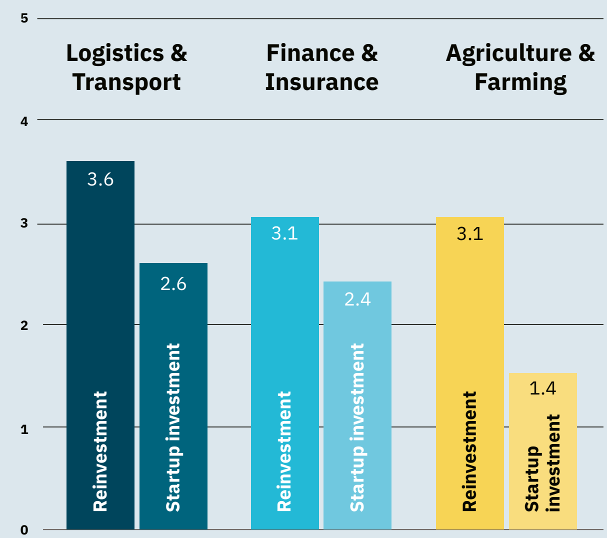
This *means:*

At the end of the day, the data shows no surprises: the DACH region invests too little in startups, which also play a key role in shaping technological progress. The lack of available venture capital leads—and this has been known for many years—to a brain drain of talent and tech. For every company with a lead investor from Europe there is another company that has a lead investor from the US6. Clearly, directing free cash flow toward targeted startup investments is not a universally appropriate measure across all types of companies.

But one thing is clear: the industries in the DACH region are too hesitant.





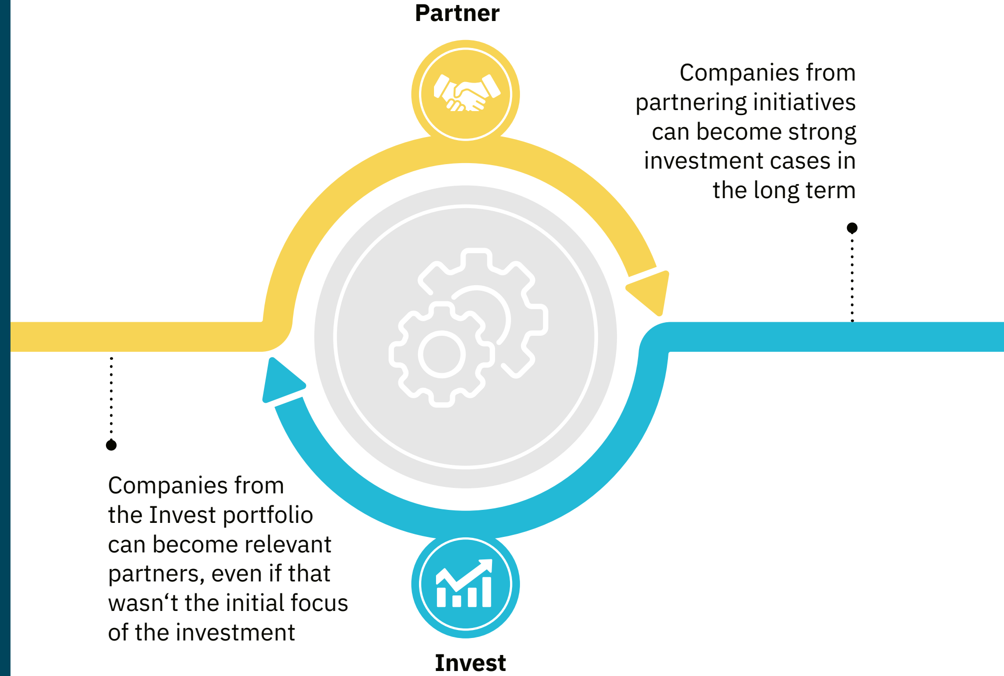


*#hy***thoughts**
on thesis 3

Marie-Luise Heitmann
Senior Vice President, hy

CVC is dead, long live partnering? In recent years, many companies have refocused their efforts and are increasingly turning to venture clienting models. This involves comparing and exchanging two approaches that have completely different effects. My appeal: Do one thing, but don‘t neglect the other. **Proper integration has both short- and long-term effects!**

Combining *Partner* and *Invest* in a flywheel mechanism



Many companies have been burned by startup investments.

The reasons are well known...

...and can be remedied.

The reasons are well known...	...and can be remedied.
Wrong objectives: Strategic vs. financial motivation is conceptually thought out on paper, but not really put into practice.	Implementation of **a strategic alignment framework** that serves as a roadmap, providing guidance on where partnerships are sought and where investments are focused. Regular calibration with top management enables refinement.
Scouting black box: Separate consideration of the ecosystem without an integrated perspective through partners and investment vehicles leads to ambiguity and confusion.	Instead of „walls," share deal flow via a **shared database** (e.g., Dealroom or Affinity) and quarterly exchange formats between CVC and partner units. This can effectively catalyze access to the ecosystem.
Lack of access to truly relevant assets for portfolio companies: Theoretical availability is not translated into real application.	Development of an **asset map** that visualizes experts, facilities, data, laboratories, etc., including access options for startups to access such assets. Which assets can be leveraged for which type of startup or project milestone, and how.

Thesis 4

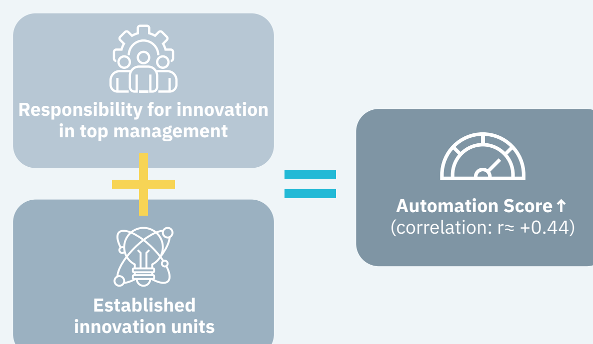
NARRATIVE

Future-readiness arises when technical infrastructure and storytelling come together. But that‘s exactly where the problem is.

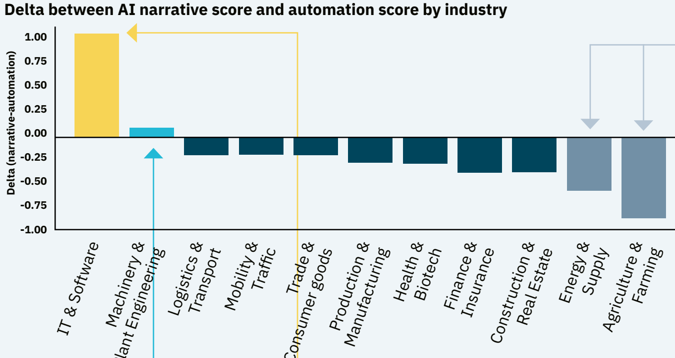
Automation, as the basis for AI applications, is driving all industries. Our comparison shows that in 9 out of 11 industries, the AI Narrative Score is below the Automation Score, an indicator that although the technical basis is being created, the strategic AI vision is lacking.

At the same time, not a single industry achieves an automation score >2, which shows that the foundation is developing, but not at the necessary speed.

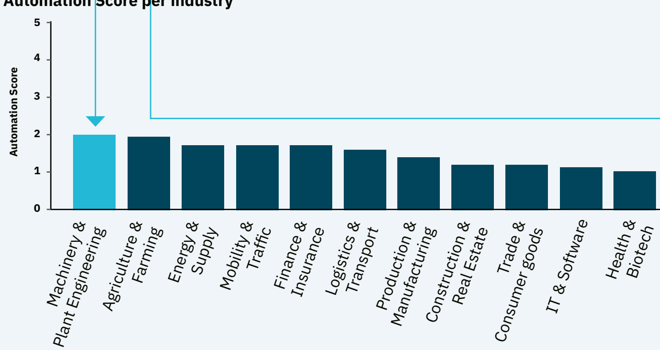
While automation is still struggling, our data reveals an exciting insight. Companies with innovation responsibility in top management and established innovation units (e.g., labs, CVCs, venture clienting) achieve significantly higher automation scores (correlation: r ≈ +0.44):



Delta between AI narrative score and automation score by industry



Automation Score per industry



The cautious ones:
The Energy & Utilities as well as the Agriculture & Farming industry are relatively highly automated, but without a clear narrative on the future of AI. Are there not enough use cases, or is potential being wasted here?

The visionaries:
The IT and software industry presents the opposite picture: strong AI storytelling, but weak automation momentum. Only time will tell whether storytelling will translate into action.

The makers:
Mechanical & Plant engineering successfully combines technological implementation with an AI vision. Our experience confirms this picture: we see industrial tech as a great opportunity for the DACH-region.

Limitations: The Automation Score measures efficiency dynamics, not the maturity levels of individual processes. The AI Narrative Score captures communication volume, not strategic substance. Nevertheless, the data clearly show that where structure and leadership are effective, genuine AI readiness grows.

This *means:*

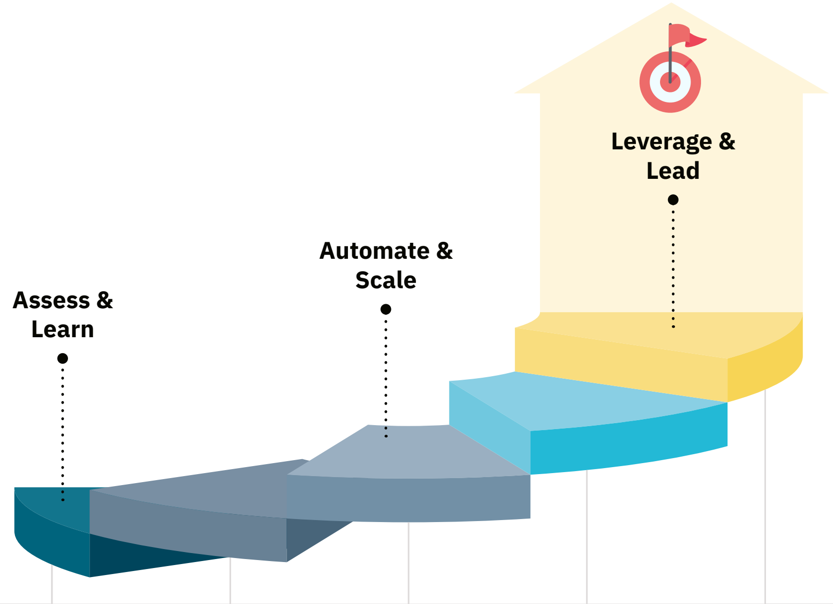
Narrative without implementation remains inconsequential; implementation without vision remains ineffective. Future-readiness in terms of AI only arises when strategic goals and technological implementation are in balance. It is important to have a clear understanding of whether vision and capabilities are in balance. What to do in case of imbalance? Put simply:

- If the narrative is strong but automation is lacking: invest in infrastructure (data flows, processes, architecture)
- If automation is strong but the narrative is weak: sharpen the vision, activate leadership, strategically anchor use cases

#hythoughts
on thesis 4

Christoph Schwienheer
CTO, hy

A structured expansion of AI capabilities transforms automation and pilot projects into a scalable innovation engine. However, it is the conscious opening up to the outside world through partnerships, collaborations, and networking events that multiplies these effects and creates real future-readiness.



In view of the increasing shortage of skilled workers, **automation is currently becoming a top priority in many industries:**

A study by the German Economic Institute (IW) has determined that around 487,000 positions will remain unfilled by 2024, and that this gap could widen to around 768,000 open positions by 2028.

Assess & Learn

What?

• Evaluation of the status quo in terms of data maturity, technology use, and process automation

• Empowering employees through an introduction to AI and generative AI with application-oriented live demonstrations

Hack: The hy AI Readiness Check: A two-week intensive analysis for an AI-optimized corporate future with a final assessment of AI readiness across the dimensions of strategy, governance, applications, frameworks, models, data management, system management, and infrastructure.

Automate & Scale

What?

• Identification of repetitive and knowledge-based tasks

• Identification of solutions for the use of AI and generative AI

• Define and prioritize use cases based on expected business impact and technical feasibility.

Hack: Launch an AI Agent Challenge: A company-wide competition in which teams have sixmonths to design autonomous AI agents that can independently perform a real process (e.g., document review, chat support). Winning agents are tested directly in a sandbox and, of course, rewarded—this is what we are currently doing at hy.

Leverage & Lead

What?

• Developing a strategic vision for AI-driven business models and services.

• Develop a communication and scaling strategy to promote internal successes externally.

Hack: Thought Leadership Hub: Share best practice stories, customer testimonials, and startup collaborations on platforms such as LinkedIn and at relevant networking events. This generates genuine external resonance, which in turn attracts talent and partners and multiplies internal effects.

Thesis 5

 # FRAMEWORK

Regulation is NOT a killer for future-readiness. Read that again.

Every day, we see how regulations slow down existing processes and tie up resources for our customers, but compliance requirements also *drive* companies to rethink their processes and implement digital solutions that make them more agile and competitive in the long term. This creates more robust business models.

Nevertheless, external requirements do not automatically elevate companies to the Champions League of innovation. Only when companies transform their compliance obligations into a self-selected strategic agenda do they make the leap from conformity to differentiation.

Limitations: Aggregated industries distort the picture. On average, extreme values level out, so that the mid-range result reflects the general level rather than individual best or worst cases.

This is also clearly shown by our data: the three highly regulated industries (Healthcare & Biotech, Finance & Insurance, and Energy & Utilities) rank in the upper mid-range across all innovation scores, neither lagging behind nor clearly leading.

PERSPECTIVE 1

Regulations create additional effort and restrict the scope for action in the short term.

PERSPECTIVE 2

Clear guidelines “force“ companies to question tried-and-tested processes and try new things instead of taking the easy route.

	ORGANIZATION					CAPITAL			TECHNOLOGY			
Industries	Executive Board Anchoring Score	Cultural Readiness Score	Gender Balance Score	Innovation Vehicle Score	Partner Ecosystem Score	Cash Readiness Score	Reinvest-ment Score	Startup Investment Score	Patent Density Score	AI Narrative Score	Tech Thought Leadership Score	Automation Score
Energy & Utilities	1.6	3.1	2.0	1.4	2.3	0.8	3.7	2.1	2.0	1.1	1.6	1.7
Healthcare & Biotech	1.5	2.9	2.2	1.2	2.7	1.1	2.7	2.1	2.6	1.2	1.4	1.0
Finance & Insurance	1.2	3.1	2.2	1.5	2.3	2.4	3.3	2.3	0.0	1.3	1.3	1.7
TOTAL AVERAGE	**1.4**	**3.0**	**2.0**	**1.4**	**2.5**	**1.0**	**3.1**	**2.0**	**1.9**	**1.3**	**1.3**	**1.5**

Which topics do these industries need to address now?

Unsurprisingly, the financial industry scores by far the highest in cash readiness and startup investments, but is stuck in risk-averse cultures with rigid hierarchies and outdated IT architectures.

SO WHAT:
Banks and insurers need to rethink their approach: streamline hierarchies, form cross-departmental innovation groups, and replace legacy systems so that financial resources can be directed toward digital projects for the future.

In healthcare and biotech, high patent density meets minimal automation. Strict regulations make processes complex and lengthy, but result in legally robust patents that make companies future-proof in the medium term.

SO WHAT:
Investing in modern compliance tools early on creates scalability and long-term sustainability.

Energy companies lead the field in terms of reinvestment score, but lag behind in cash readiness. In other words, the money is there and is being reinvested, but due to regulatory requirements, it tends to go into infrastructure projects rather than innovation.

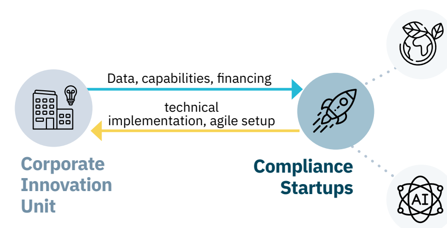
SO WHAT:
Set up innovation funds that specifically promote young technology companies e.g., for digital network control or storage innovations. This creates riplpe effects for your own infrastructure in the long term.

#hythoughts
on thesis 5

Calvin Zakrzewski
Consultant, hy

Regulation eliminates the “why“ and “what“ and forces companies directly to the “How“. Early adopters can develop their compliance systems, e.g., for ESG or AI, and market them externally. This turns compliance with regulations into a business model.

Regulations apply to everyone. Those who are *one step ahead* will benefit.



CSRD compliance Startups:
VC investments (since 2020; DACH): EUR 2.6 billion
Average invested capital / funding round: EUR 46.28 million*

EU AI ACT compliance startups:
VC investments (since 2020; DACH): EUR 63.27 million
Ø invested Capital / Funding Round: EUR 3.5 million*

* Data source: Startup databases – VC investments within the DACH region between January 2020 and August 2025

Sustainability
... is more than just a sense of duty for us – it is a growth driver and iincreasingly becoming an unfair competitive advantage.

Our ESG+ overview showcases innovative tech solutions from the startup ecosystem that accelerate your corporate sustainability. They offer inspiration for future venture building projects, are potential strategic partners, or show a possible segmentation for investment target scouting.

1. **Those who deliver early define the playing field:**
Regulation has become a barrier to entry in many markets: those who implement first actively shape standards and, as compliance thought leaders, secure access to tenders, the trust of the market, customers, and legislators, as well as pioneer status among partners and investors. This is an unfair advantage that is difficult to replicate.

2. **Those who use regulation as a framework for building structures and processes create (incidentally) operational clarity as an innovation accelerator:**
Whether it‘s CSRD or the EU AI Act, those who address the requirements strategically don‘t build individual measures, but rather scalable systems for governance, data quality, and auditability. These systems go far beyond compliance. They enable technological scaling, faster product development, and systemic innovation.

3. **Those who understand regulation from a product perspective can turn imposed constraints into lucrative business models:**
In addition to increasing internal capabilities, we see a great opportunity to market internal solutions externally as early movers and benefit from the wave of regulation across the entire industry. Many solutions are being developed by startups to address the compliance pressures faced by large corporations. Corporations can quickly enter the market through acquisitions or partnerships: Corporations offer access to data and test environments, and startups offer technological implementation expertise and an agile setup.

An analysis of VC investment flows in compliance startups in the DACH region shows that a mature market has already formed around the CSRD, for example, with average funding rounds of EUR 46.28 million. This is exciting for corporations with a lower risk appetite. Looking at the startup dynamics surrounding the EU AI Act, we see a much younger market with fewer players and (as of now) smaller financing rounds, averaging EUR 3.5 million, which means there is still plenty of room for growth here.

Thesis 6

FUNDAMENT

The future needs structure for innovation. Anchoring acts as a driving force.

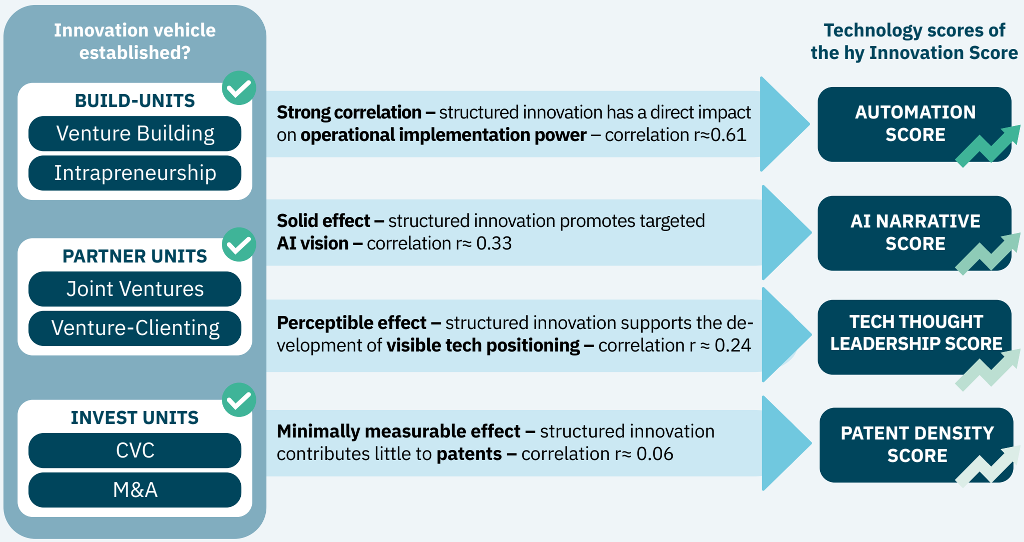
Our data shows which companies that anchor innovation in their organization through structured and integrated units, such as build, partner, and invest units (= high Innovation Vehicle Score), achieve significantly higher values in the technology dimension of the hy Innovation Score (correlation r ≈ +0.43). The difference is no coincidence, but rather an expression of systematically built innovation strength.

If no industry in the DACH-region achieves a hy Innovation Score of above 3, what distinguishes the top 10% of companies?

They come from completely different industries: Energy & Utilities, Health & Biotech, Mobility & Transportation, and Retail & Consumer Goods.

They operate under different regulatory requirements, levels of technological maturity, and market logics, yet they consistently achieve above-average scores across almost all metrics.

What unites them is not what they do, but the fact that they embed innovation into their organizations with a clearly structured and institutionalized approach.



Corporate innovation units are out, right? According to Innovation Leader (2025), around 90% of all corporate innovation labs are closed within three years. Initial euphoria in the first year is followed by increasing ROI pressure in the second year and budget cuts or dissolution in the third year. There are similar developments in Germany. As part of our hy Corporate Innovation Report 2023, we have identified a similar.

Picture: 59% of C-level executives surveyed believe that their corporate innovation structures are not future-proof. But how can efficiency be increased? The problem rarely lies with the lab structures themselves, but rather in their lack of integration with the core business – 67% of C-level executives surveyed agree with us on this point and consider it to be the biggest lever.

This *means:*

Technological future-readiness does not happen by chance. It requires clear responsibilities, structured innovation architectures, and strategic leadership. Companies that treat innovation as a crossfunctional task or a loose project landscape lose direction and impact.

And: those declared dead live longer. Despite current debates about the effectiveness of innovation vehicles, they make a substantial contribution to securing the future. The crucial question is not whether we need them, but how we can make them more effective.

#hythoughts
on thesis 6

Anna Welbers
Senior Consultant, hy

Structure beats chance. Those who firmly anchor *Build, Partner,* and *Invest* structures, and automate processes through AI get quicker results and thereby reduce cost per experiment. This allows strong ideas to be scaled more quickly and weak ones to be stopped earlier.

Hacking the AI Setup: How we use AI to create *testable landing pages in <72 hours*

Structure works: Companies with dedicated innovation vehicles achieve higher tech scores. This is no coincidence, but a system.

Nevertheless, many corporate labs are closed less than three years after launch due to a lack of integration with the core business and/or proof of ROI. Build projects are not getting off the ground quickly enough, hypotheses are being tested too slowly, and there is a lack of data- driven approaches to investment strategies.

My hack? Picking up speed with AI-supported processes!

1. Create a framework:
Especially AI-supported processes need methodology. Have AI summarize relevant literature, upload it to the GPT project folder, and use it as a “guiding framework“ throughout the whole project.

2. Use the DeepResearch GPT function (or a competitor‘s equivalent)
Master prompt (example):

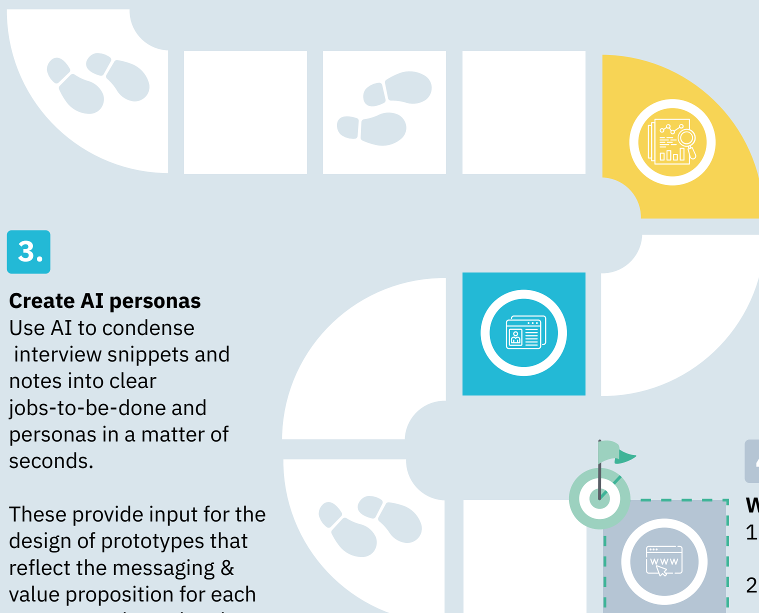
Briefing – Deep Research:
You are our research co-pilot on the topic of {X}. Work in a fact-based, structured, and precise manner.

OBJECTIVE
The objective of the research is to provide a basis for decision-making for hypothesis testing in the build process.

RESEARCH QUESTIONS / SEARCH FIELDS
- Market logic (segments, value drivers, regulations) → OnePager
- Top 10 competitors [USP, weaknesses, pricing model] → Table
- 3 white space hypotheses → Bullet list
- KPI benchmark (CAC range, conversion) → Table

OUTPUT
- Tables: Comparison matrix (columns: USP, weaknesses, pricing model, source).
- OnePager: max. 400 words, structured into [market logic, hypotheses, benchmarks, implications].

RULES
- Always cite sources with a short quote + date.
- Max. 3 [ASSUMPTIONS] if information is missing, clearly indicate.
- Short sentences, no empty phrases or repetitions.



3.

Create AI personas
Use AI to condense interview snippets and notes into clear jobs-to-be-done and personas in a matter of seconds.

These provide input for the design of prototypes that reflect the messaging & value proposition for each persona and can then be tested with real users.

4.

We ❤ Loveable
1.) Use the AI personas to generate Lovable prompts („Build landing page with hero, subline, 3 bullets that appeal to persona A“).
2.) Start a new project in Lovable and insert GPT texts. Lovable immediately renders responsive designs.

The result: a hosted landing page with a standard domain.

So What?

These are *the questions* we would ask ourselves as CEO

GROWTH

Are we able to tap into new sources of growth independently of our core business?

Our analysis shows that only 14% of the companies surveyed use venture clienting systematically. **Growth occurs when companies consistently gain access to new technologies and markets, whether through partnerships, M&A, or venture clienting.**

Can we use innovation activities to trigger new growth cycles, or do they remain one-off projects?

In our sample, the median reinvestment score is zero. In half of the companies, there are no documented returns.
Growth becomes more sustainable when innovation gains are reinvested in new activities, as evidenced by reinvestments from investments or CVC exits.

How do we align our capital allocation to secure our long-term innovation and growth agenda?

70% of the companies considered in our study show fragmented CVC activities, and in 50% of cases, the reinvestment score is zero. From the outside, this looks like selective rather than systematic investment. **Transformation is secured by capital portfolios that are clearly aligned with the company strategy, for example through consistent CVC programs and documented reinvestments.**

LEADERSHIP AND MANAGEMENT

What role does our management team play in securing the future?

In around half of the companies examined, the executive board anchoring score is zero. From the outside, there is no discernible formal responsibility for innovation on the board. There may be responsibilities internally, but they are not visible. **Securing the future requires responsibility on the board, and visibility both internally and externally in order to create orientation, credibility, and commitment.**

How do we make the economic impact of innovation visible?

Only 1% of the companies in our analysis report KPIs for innovation in their annual reports. This does not mean that measurements are not taken internally. However, it remains unclear to the outside world what contribution innovation actually makes. **Without this transparency, there can be no common innovation narrative, something that is crucial for the future-readiness of the DACH region.**

STRUCTURES

What structural deficits prevent good ideas from having an economic impact?

Our data shows that the Cultural Readiness Score correlates very little with implementation. An open innovation culture alone does not automatically lead to greater implementation. **Impact is created where structures are in place, with clear responsibilities, processes, and a resilient operating model. If these elements are missing, such as processes for transferring ideas from the lab to the core business, many ideas remain stuck in the prototype stage.**

How can we ensure that our innovation structures do not remain isolated experiments, but are systematically integrated with the core business?

Only 3 out of 10 companies in our sample have a consistently structured innovation operation model. Labs, CVC, or venture clienting often exist side by side without being integrated into the core business. **Lasting impact only occurs when governance and processes connect these structures.**

FUTURE-READINESS

How do we secure a technological edge that will differentiate us in 3-5 years?

In 9 out of 11 industries in our analysis, the AI narrative score is lower than the automation score. **The technical basis is growing, but a clearly communicated vision of the future is rarely found. Key technologies such as artificial intelligence often remain without a recognizable framework or prioritization to the outside world.**

Are we structurally prepared for thenext disruption?

Only 3 out of 10 companies surveyed have a consistently structured innova-tion system. **Individual initiatives, from labs to CVC, are often in place, but without uniform governance. Resilien-ce arises where these building blocks are connected, for example through an integrated operating model.**

4 How

did we come up with this?

Go:
“Do we want to do another report this year?“ we asked ourselves at the beginning of the year, and it quickly became clear: **the team is motivated, so let‘s go.**

Income tax:
Doing a report alongside our day-to-day project business? It‘s not paid for with euros, but with commitment, sweat, and the occasional tear... Nevertheless, we made a conscious decision to get the ball rolling.

Reading Railroad:
Speaking of rolling... we steam full speed ahead... Where should the journey take us? A question that is currently preoccupying decision-makers: “How do we make our company future-proof?“ From here, we steam full ahead toward hypotheses.

Electric company:
The first few weeks were electrifying:
Based on our guiding question, we energetically derived a set of hypotheses that define the dimensions of true future-readiness. Our experience from more than 500 innovation projects provided input for this. We had many ideas and, with this momentum, advanced 10 fields to the Chance field.

Boardwalk:
But that's not all! In the final stage, we reached the most exclusive field in the entire game! In addition to the six core theses, we derived specific insights for each industry. And because we not only analyzed but also wanted to empower, we developed a **self-scoring tool**. This allows companies to benchmark themselves, identify gaps in their knowledge and derive concrete measures.

Click here for the **self-scoring tool**

Community Chest:
In one of our infamous WAR ROOMS, we focused on the heart of the report: the key findings. Together as the whole team, we locked ourselves away for a whole day, creating pivot tables, calculating correlations and discussing until our heads were spinning. The result is the six cross-industry core theses that you can read in this report.

Jail:
We hate it, we love it: data. Of course, nothing worked out the way we had imagined. Annual reports? Not standardized. LinkedIn? Impossible to scrape. R&D expenditures? Rarely traceable. And when you examine board members for "AI" in their titles, every ChAIrman quickly becomes an AI wizard... automated data analysis at its best! So: scores were discarded, rethought, iterated, and we were stuck for the time being. Fortunately, thanks to good project management, we had accumulated enough "time credit" to buy ourselves out, so we continued full speed ahead towards the Community Chest.

Chance:
things got serious and the "real work" began. The result of our extensive data crawling efforts countless raw data fields ranging from cash flow positions to Kununu ratings. Using self-built crawlers and API enrichment, we analyzed annual reports, websites, Google searches, and more. "So far, so good," we thought, until the next pair of dice catapulted us straight into jail.

And this is how we used AI

As in all our projects, we did not use AI as a tool "on top," but as an invisible co-pilot that accompanied the entire process, from the initial ideas to data collection and writing the report.

The following prompt & tool library shows examples of how this looked like:

IDEATION

From a blank page to the first structure

Example prompt
"For each proposed KPI, analyze which data sources are typically available (e.g., annual reports, sustainability reports, Kununu/Glassdoor, patent applications, press releases, databases).

For each KPI, evaluate its collectability using three levels: (1) easily automatable, (2) partially available, manual effort required, and (3) difficult to obtain. For critical KPIs, suggest alternative indicators that represent a similar dimension but are easier to measure."

DATA COLLECTION

Custom Python scripts with the following functions

1. Finding and collecting annual reports from the internet
2. Advanced document analysis with AI for extracting specific raw data
3. Document classification and quality control
4. Search engine analysis for news and mentions of companies
5. Data management and integration to manage collected data in organized databases and spreadsheets

TOOL STACK:

Langflow python Gemini

DATA EXTRACTION

Exemplary use of GPT for sheets

Correlation analysis in natural language

=GPT_EXPLAIN(A2:E20;
"Analyze possible correlations between revenue, EBIT, and innovation signals and describe them in an understandable way.")

Text mining in tables
=GPT_SUMMARIZE(F2:F200;
"Extract extract the 5 most common innovation topics.")

SheetsGPT

DATA COLLECTION

Fine-tuning wording with ChatGPT

Example prompt

"Revise the following text section so that it is concise and effective for decision-makers and innovation managers:

- Use clear, active language and strategic terminology.
- Condense the text by about 20% without losing any of the substance.
- Ensure that the text conveys decision-making relevance and innovation perspective.

Original text: [Insert text here]"

Closing remarks

Dear **readers,**

that‘s our main findings about the future-readiness of industries in the DACH region. Our analysis serves as part of a larger whole and shines light on the coming years. Especially in times when it is becoming more difficult to make forecasts, we are convinced that this kind of perspective creates added value.

There are now two things to do:

1. With our self-scoring tool, companies can find out how future-proof they are and compare themselves with their industry peers and the cross-industry average.

2. You and your team can get in touch with us. We look forward to exchanging ideas on questions, measures, and opportunities for existing and new business.

My thanks go to everyone who contributed to this report.

Best regards

S. Herzog

Sebastian Herzog
Co-CEO, hy

Appendix I

SUB-SCORES ORGANIZATION

Sub-Scores	Why should I care?	Formula	Scoring	Classification
Executive Board Anchoring Score How strongly are innovation topics anchored in the executive board?	Innovation begins with responsibility. Only when innovation-related competencies are anchored in the executive board can strategic management replace reactive individual initiatives.	(# of people on the executive board with at least one innovation keyword* in their job title) / (# of people in top management)	0% = 0 points ○○○○○ >0 - ≤20% = ●○○○○ >20% – ≤40% = ●●○○○ >40% – ≤60% = ●●●○○ >60% – ≤80% = ●●●●○ >80% – 100% = ●●●●●	Responsibility for innovation is not always visible in job titles – operational control can also lie beyond the organizational charts.
Cultural Readiness Score How innovation-friendly do employees consider the culture to be?	Culture is the breeding ground for change. Without psychological security, meaning, and participation, there is no breeding ground for sustainable innovation performance.	(Kununu ratings related to innovation culture**) / 4	< 2 = ●○○○○ < 3 = ●●○○○ < 4 = ●●●○○ < 5 = ●●●●○ 5 = ●●●●●	Kununu data provides a useful but subjective perspective. It also represents a snapshot in time that does not take fluctuations into account.
Gender Balance Score How close is management to a 50/50 gender ratio?	Diverse management teams promote better decision-making, risk competence, and creative problem- solving—key levers for future viability.	(# of women on the board) / (# of people at management level)* 100	Deviation from 50/50 split: 50% = ●○○○○ 25-49% = ●●○○○ 15-25% = ●●●○○ 5-15% = ●●●●○ 0-5% = ●●●●●	Diversity encompasses much more than gender ratios. However, the data basis leaves much to be desired; there is a lack of standardized reporting.
Innovation Vehicle Score How well-developed are the existing innovation structures (build, partner, invest)?	Structure determines scalability. Only those who systematically invest in innovation vehicles—both internally and externally—can build sustainable future viability.	Partner= Venture Clienting Unit available (yes/no?) Build = Innovation Unit/Hub available (yes/no?) Invest= CVC/investment unit available (yes/no?)	1/3 vehicles available = ●○○○○ 2/3 vehicles available = ●●●○○ 3/3 vehicles available = ●●●●●	The existence of units is no guarantee of effectiveness – governance, mandate, and integration are crucial.
Partner Ecosystem Score How visible is the organization's network of external partners?	Openness to the outside world is a factor in resilience. Those who actively form partnerships accelerate access to knowledge, technology, and markets.	(# Google mentions „Company+ Partnership Keyword***" 2024) / (Google mentions „Company" 2024) / Revenue 2024	Log-uniform scale****: <= 0.000307 = ●○○○○ <= 0.00564 = ●●○○○ <= 0.1036 = ●●●○○ <= 1.904 = ●●●●○ > 1.904 = ●●●●●	The analysis measures publicly visible collaborations – silent alliances or proprietary partnerships remain hidden.

* Keywords: Innovation, Digital, Information, Technology, CIO, CTO, CDO
** Work atmosphere, communication, supervisor behavior, interesting tasks
*** Innovation partnership, strategic partnership, research partnership, start-up collaboration, venture clienting, co-creation, co-development, joint development, joint venture, innovation hub, accelerator program, open innovation initiative, start-up partnership, consortium project, research network, technology partnership, university partnership, strategic investment, strategic investor
**** smooths out outliers by compressing the extremes

SUB-SCORES CAPITAL

Sub-Scores	Why should I care?	Formula	Scoring	Classification
Cash Readiness Score How big is thefinancial leeway for Investing in the future?	Liquidity is the prerequisite capacity for action. Only those who have free funds can react quickly to opportunities, finance innovation and cushi-on uncertainties.	(means of payment & payment cash equivalents)+ (FCF from core business) - (short-term Provisions & Liabilities)	Log-uniform Scale: < 0 = 0 points ○○○○○ <= 5.43 = ●○○○○ <= 56.5 = ●●○○○ <= 585 = ●●●○○ <= 6107 = ●●●●○ > 6107 = ●●●●●	Liquidität ist kein Garant für Innovationsinvestitionen – sie zeigt nur das Potenzial. Zudem können Unterschiede durch Bilanzierungslogiken entstehen.
Reinvestment Score What percentage of the operating result is retained for potential future investments?	Future viability is created where profit is reinvested. Anyone who only manages the cash cow without evolving will eventually stumble.	(EBIT - Distributed Dividends) / EBIT	<0 = 0 points ○○○○○ <=0.2 = ●○○○○ <= 0.4 = ●●○○○ <= 0.6 = ●●●○○ <= 0.8 = ●●●●○ > 0.8 = ●●●●●	The metric captures how much of the profit is retained – not what it is retained for. However, it remains a good indicator of the mindset regarding financial sustai-nability. Reserves or special effects can distort the picture.
Startup Investment Score How well-developed are organizational structures in the area of corporate venture capital?	Startups are the pacemakers of new technologies and mar-kets. Those who get involved through CVC units or direct investments secure early access to external expertise, scalable innovations, and strategic expansion options.	As LP in funds (yes/no) Direct investments in startups (yes/no) Own CVC available (yes/no)	LP in fund = ●○○○○ direct investments in startups = ●●●○○ Own CVC available = ●●●●●	The existence of investments is not proof of strategic rele-vance or ROI. However, it is an indicator of industry-specific CVC maturity.

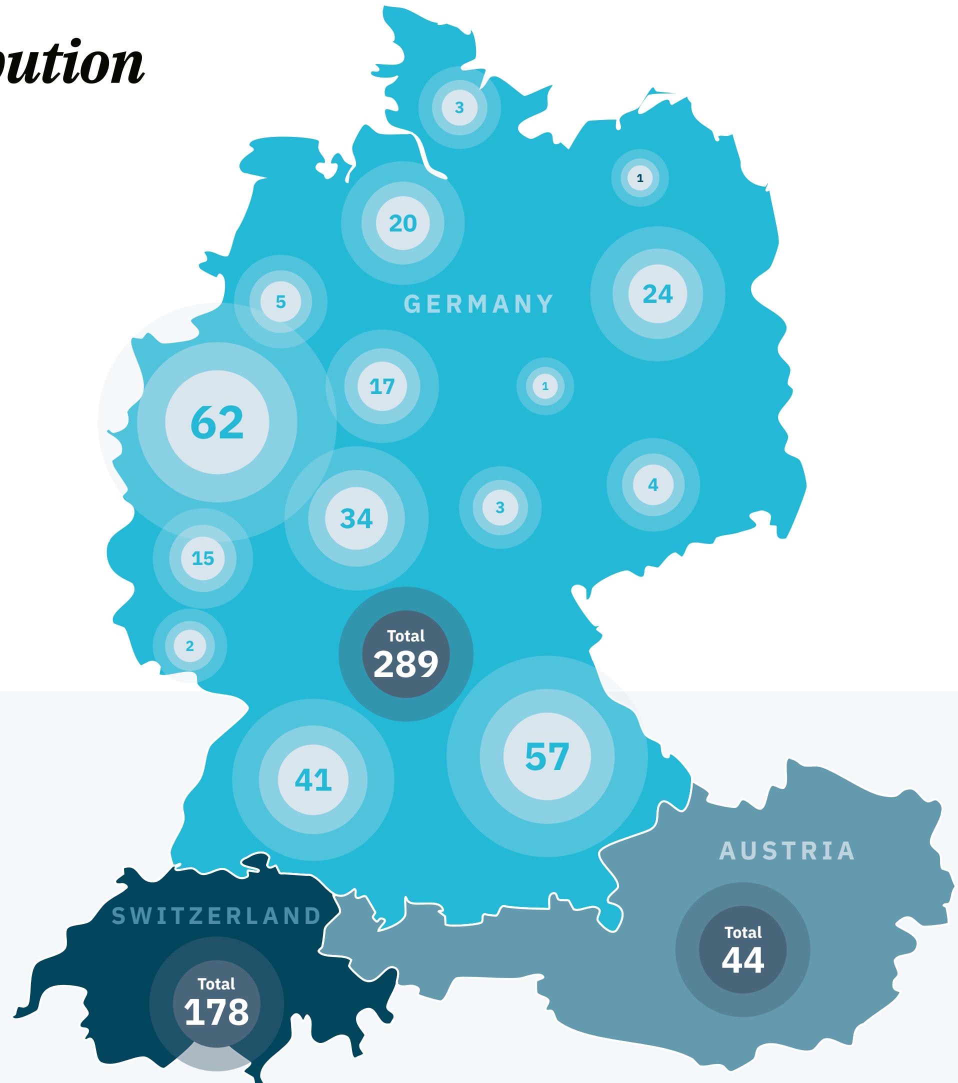
SUB-SCORES TECHNOLOGY

Sub-Scores	Why should I care?	Formula	Scoring	Classification
Patent Density Score How high is productivity in the Generation of patents?	Patents are an early indicator of technological strength. Companies with many relevant property rights per euro spent on R&D, secures advantages in IP, market position and exploitation opportunities.	(number of patents) / R&D expenditure	Log-uniform Scale: <=0 = ○○○○○ <= 0.13 = ●○○○○ <= 1.65 = ●●○○○ <= 21.3 = ●●●○○ <= 60 = ●●●●○ > 60 = ●●●●●	Not every invention is a real advance – and not every patent is economically viable. Compared to the average, the number of patents generated per euro of R&D expenditure is 1.65 times higher.
AI Narrative Score How prominent is AI in official annual reports?	Communication is strategy. Those who do not include AI in their narrative is not sending a signal for innovation ambitions – neither to capital markets nor talent or partners.	(# AI-Keywords* in annual report) / (# words in the annual report)	<=0 = ○○○○○ <= 0.02% = ●○○○○ <= 0.05% = ●●○○○ <= 0.1% = ●●●○○ <= 0.2% = ●●●●○ > 0.2% = ●●●●●	High keyword density shows focus— but no substance. The metric measures communicative orientation, not technological implementation.
Tech Thought Leadership Score How strong is the association with expertise in current tech trends?	Visibility creates trust. Those who are associated with technology from the outside build brand value, recruiting power, and cooperation potential.	(# Google searches, Company + Tech Keyword**" / # Google searches Company)	Log-uniform scale <=0 = ○○○○○ <= 0.00052 = ●○○○○ <= 0.027 = ●●○○○ <= 1.4 = ●●●○○ <= 73 = ●●●●○ > 73 = ●●●●●	External perception can distorted by campaigns, crises, or seasonality – no guarantee of substance or leadership.
Automation Score How strong are efficiency gains driven forward?	Automation is the first levers for technology maturity. Those who scale here create structural efficiency and creates conditions for AI and data-drivenmodels.	(((EBIT 2024 / Number of employees 2024) / (EBIT 2019 / Number of employees 2019)) -1) *100	<=0 = ○○○○○ <= 0.078 = ●○○○○ <= 0.61 = ●●○○○ <= 4.75 = ●●●○○ <= 37 = ●●●●○ > 37 = ●●●●●	The metric measures productivity – not their cause. EBIT Can jumps also be other effects (e.g., restructuring).

* AI, machine learning, NLP, data science, automation,

** Artificial Intelligence, Machine Learning, Generative AI, Data Strategy, Data-driven, Robotic Process Automation, RPA, Intelligent Workflows, Autonomous Systems, Technology-driven Process Innovation, Cloud Computing, API-first Architecture, Platform Technology, Digital Scalability, Autonomous AI Agents, Digital Twin, Edge Computing, Spatial Computing, Quantum Computing

Regional distribution
Companies



Alphabetical list of companies

1&1
123Fahrschule
2G Energy
3D Systems
3U Holding
A.S. Création Tapeten
Aareal Bank
ABB
ABO Energy
About You
AC Immune
Accelleron Industries
ADC Therapeutics
Addiko Bank
Adecco Group
Adidas
Aevis Victoria
Aktienbrauerei Kaufbeuren
Alcon
All for One Group
Allgeier
Allianz Group
Allreal Holding
ALSO Holding
Alstria office REIT
AlzChem
Amadeus Fire
AMAG Austria Metall
Amcor
ams-OSRAM
Andritz
APG|SGA
Arbonia
Aryzta
Ascom Holding
AT&S Austria Technologie & Systemtechnik
Atoss Software
Aumann
Aurubis
Austriacard Holdings
Austrian Post
AUTO1 Group
Autoneum
Bachem Holding
Baloise Holding
Bank für Tirol und Vorarlberg
Banque Cantonale du Jura
Barry Callebaut
Basellandschaftliche Kantonalbank
BASF
Basilea Pharmaceutica
Basler
Basler Kantonalbank
Bastei Lübbe
Bawag
Bayer
Bebo Health
Bechtle
Beiersdorf
Belimo
Bell Food Group
Berentzen-Gruppe
Bergbahnen Engelberg
Berliner Effektengesellschaft
Berner Kantonalbank
Bertrandt
bet-at-home.com
Bike24
BioNTech
Birkenstock
BKS Bank
BLG Logistics Group
BMW Group
Borussia Dortmund
Bossard Group
BRAIN Biotech
Branicks
Brenntag
Bucher Industries
Burckhardt Compression
BVZ Holding
Bystronic Group
CA Immobilien Anlagen
CABKA Group
Cancom
Carl Zeiss Meditec
Carlo Gavazzi Holding
Cavotec
Ceconomy
Cembra Money Bank
Cenit
Centrotherm International
CeoTronics
CEWE Stiftung
Chubb
Clariant International
CLIQ Digital
Coca-Cola Hellenic Bottling Company
Coltene
Comet Holding
Commerzbank
Compagnie Financiere Richemont
Compagnie Financière Tradition
CompuGroup Medical
Continental
CPH Group
CPI Europe
CRISPR Therapeutics
CTS Eventim
CureVac
Daimler Truck
Data Modul
Dätwyler Holding
DDM Holding
DEAG Deutsche Entertainment
Delignit
Delivery Hero
Delticom
Dermapharm
Deufol
Deutsche Bank
Deutsche Beteiligungs
Deutsche Börse Group
Deutsche Telekom
Deutsche Wohnen
Deutz
DHL Group
DKSH Holding
DMG Mori Aktiengesellschaft
Do & Co
DocMorris
Dormakaba Group
Dottikon ES Holding
Dr. Honle
Drägerwerk
DSM-Firmenich
Dürr
DWS
E.ON
Ecotel Communication
EDAG Engineering Group
Edel
EFG International
Eisen- und Huettenwerke
Elementis
Elma Electronic
Elmos Semiconductor
ElringKlinger
elumeo Group
Emmi
EMS-Chemie Holding
EnBW Energie Baden-Württemberg
Energiekontor
Ernest Borel
Erste Group
EUROKAI
EuroTeleSites
EVN
Evonik Industries
Evotec
Fabasoft
FACC
FamiCord
Fenix Outdoor International
Fielmann Group
First Sensor
flatexDEGIRO
Flughafen Wien
Forbo Holding
Formycon
Fortec Elektronik
Forvia Hella
Francotyp-Postalia Holding
Fraport
Freenet
Frequentis
Fresenius
Fresenius Medical Care
Friedrich Vorwerk Group
FRoSTA Tiefkuhlkost
Fuchs
Galderma
Galenica Group
Garrett Motion
GEA Group
Geberit International
Gelsenwasser
Georg Fischer
GESCO
GFT Technologies
Givaudan
Glencore
Global Blue
Grenke Leasing
Gurit Holding
H&R
Hamburger Hafen and Logistik
Hannover Re
HanseYachts
Hapag-Lloyd
Hartmann Group
Hawesko Holding
HBM Healthcare Investments
Heidelberg Materials
Heidelberg Pharma
Heidelberger Druckmaschinen
HelloFresh
Helvetia Group
Henkel
HENSOLDT
hGears
Highlight Event and Entertainment
Hochtief
Holcim Group
HomeToGo
Hornbach Holding
Huber+Suhner
Hugo Boss
Hypoport
Hypothekarbank Lenzburg
Idorsia Pharmaceuticals
Immatics
Implenia
Indus Holding
INFICON Holding
Infineon Technologies
INIT Innovation in Traffic Systems
InnoTec TSS
Institut Straumann
Instone Real Estate Group
International Workplace Group
Interroll Holding
Intershop Communications
Investis Holding
Ionos
IVF Hartmann
IVU Traffic Technologies
Jenoptik
Jensen Holding
Josef Manner & Company
JOST World
Julius Baer Group
Jungheinrich
K+S
KAP

Kapsch
Kardex
KHD Humboldt Wedag Industrial Services
KHD Humboldt Wedag International
KION Group
Klingelnberg
Klockner & Co
Knaus Tabbert
Knorr-Bremse
Koenig & Bauer
Komax Holding
Kontron
Kps
Krones
KSB
Kudelski Group
Kuehne + Nagel
Kulmbacher Brewery
Kuros Biosciences
KWS Saat
Laiqon
Landis+Gyr
Lanxess Deutschland
Lechwerke
LEG Immobilien
Leifheit
LEM Holding
Lenzing
Leonteq
Lindt & Sprüngli
Linz Textil Holding
Logitech
Lonza Group
LPKF Laser & Electronics
LS telcom
Ludwig Beck
Lufthansa Group
LuxExperience
Luzerner Kantonalbank
Maschinenfabrik Berthold HERMLE
Masterflex
Mbb
MCH Group
Medacta International
Medartis
MediClin
Medion
Medios
Medmix Group
MedNation
Meier Tobler
Mensch und Maschine Software
Mercedes-Benz Group
Merck
Metall Zug
Metro
MeVis Medical Solutions
Mikron
Mineralbrunnen Überkingen
Mister Spex
MLP
Mobilezone
Mobimo Holding
Molecular Partners
Montana Aerospace
MoonLake Immunotherapeutics
MPC Muenchmeyer Petersen Capital
MS Industrie
MTU Aero Engines
Müller-Die lila Logistik
Multitude
Münchener Rückversicherungs-Gesellschaft
MVV Energie
Naturenergie Holding
Nemetschek Group
Nestlé
NFON
NLS Pharmaceutics
Nordex
Nordwest Handel
Norma Group
Northern Data Group
Novartis
Novocure
NÜRNBERGER Beteiligungs-AG
Oberbank
Oberstdorf Kleinwalsertal Bergbahnen
Oerlikon
OHB
OMV
On
Onejoon
Orascom Development
Orbis
Orior Group
OVB Holding
Palfinger
Parfümerie Douglas
PATRIZIA
Peach Property Group
Perrot Duval Holding
Pfeiffer Vacuum
Pharvaris
Pilkington Deutschland
Pittler Maschinenfabrik
PLANOPTIK
PolyPeptides Group
Polytec Holding
PORR Group
Porsche
ProCredit Holding
ProSiebenSat.1 Media
PSI
PSP Swiss Property
Puma
PVA TePla
PWO
q.beyond
Qiagen
Quirin Privatbank
R. Stahl
R&S Group
Raiffeisen Bank International
Rational
Readcrest Capital
Renk
Rheinmetall
RHI Magnesita
RHÖN-KLINIKUM
Rieter Holding
Ringmetall
Roche
RWE
SAF-HOLLAND
Salzgitter
Sandoz Group
SAP
Sartorius
Saurer Group
SBF
Schaeffler
Schindler Holding
Schloss Wachenheim
Schott Pharma
Schwalbchen Molkerei Jakob Berz
Schweiter Technologies
Scout24
SDM
Sedlmayr Grund
Semperit
Sensirion
Serviceware
SFC Energy
SFS Group
SGL Carbon
Siegfried Holding
Siemens
Siemens Energy
Siemens Healthineers
SIG Group
Sika Group
Siltronic
Simona
Singulus Technologies
Sirius Real Estate
Sixt Rent a Car
Skan
SMA Solar Technology
SMT Scharf
Softing
Sonova
SOPHiA GENETICS
Sportradar
St. Galler Kantonalbank
Stabilus
Stadler Rail
StarragTornos Group
Steyr Motors
STMicroelectronics
Strabag
Stratec
Ströer
Südzucker
Suedwestdeutsche Salzwerke
Sulzer
Sunrise Communications
Suss Microtec
Swiss Life Group
Swiss Prime Site
Swiss Re
Swiss Steel Holding
Swisscom
Swissquote Bank
Symrise
TAG Immobilien
Takkt
Talanx
TalkPool
TE Connectivity
TeamViewer
Tecan Trading
Technotrans
Tele Columbus
Telekom Austria
Televerbier
Temenos Headquarters
The BKW Group
The Platform Group
The Swatch Group
Thyssenkrupp
Thyssenkrupp Nucera
Tiscon
Tonies
Tonkens Agrar
Tradegate
Transocean
Traton
Trivago
TUI Group
Turbon
TX Group
U-blox
UBM Development
UBS Group
Uestra Hannoversche Verkehrsbetriebe
UNIQA Insurance Group
United Internet
Uzin Utz
V-Zug Holding
Valiant
Vantage Towers
VAT Group
Vaudoise Assurances Holding
Verbio
Verbund
Vetropack
Vienna Insurance Group
Villars Holding
Villeroy & Boch
Viscom
Voestalpine
Vohringer Home Technology
Volkswagen Group
Vonovia
Vontobel Holding
Vossloh
VZ Holding
Wacker Chemie
Wacker Neuson
Walliser
Wash Tec
Westwing
Wienerberger
WISeKey
Wolford
Wüstenrot & Württembergische
Ypsomed
Zalando
ZEAL Network
Zehnder Group
Zug Estates Holding
Zuger
Zumtobel Group
Zurich Insurance Group
Zwahlen & Mayr

Appendix II

We had lots of ideas for other scores that were similar to

Examples of other score ideas we had...

ORGANIZATION

Innovation Skill Score = Percentage of employees with innovation-related job titles
Innovative strength is not a product of chance, but a question of structural competence.
Those who systematically invest in skills build innovative capacity in the long term.

Innovation Talent Access Score = Applications per position related to innovation
Innovative companies attract talent before they need it.
Those who do not receive applications for future roles today will lose out tomorrow.

Diversity Balance Score = Deviation from balanced diversity ratios
Diversity is not an end in itself – it creates perspectives that keep organizations adaptable and creative.
Without it, you lose your innovative edge.

CAPITAL

Return-on-Innovation Score = Innovation revenue per employee
Innovation must deliver results. This score shows whether investments in new products and models are already translating into economic impact.

Skin-in-the-Game Score = Proportion of long-term variable compensation for board members
A forward-looking approach starts at the top. If you don‘t set long-term incentives, you shouldn‘t be surprised when people think in the short term.

TECHNOLOGY

Tech Disruption Risk Score = VC investments in own industrys own innovation budget
The more venture capital flows into startups compared to the budgets of established companies, the higher the risk of disruption.

Tech Revenue Score = Share of revenue from technology-driven products & services
The future is reflected in the sales mix. Those who want to remain in the market tomorrow must earn money from relevant technology today.

Patent Momentum Score = Technology patents÷ R&D expenditure (last 3 years)
Those who build up IP even in uncertain times are investing strategically in technological leadership. No patent, no advantage.

failed due to *lack of data availability*

...and why we couldn‘t implement it:

ORGANIZATION

- There is no register that lists all the people in a company, including their job titles. LinkedIn has scraping blockers on its website, and manual analysis would be too time-consuming.
- Due to the wide range of recruiting channels, the data is very scattered and not very standardized. An analysis of 500 companies would be too time-consuming within the scope of this report.
- In Germany, it is currently mainly the gender ratio that can be measured – with CSRD / ESRS S1, significantly broader diversity data will be available from 2025, particularly on age, disability, and nationality.

CAPITAL

- Detailed revenue data from innovation projects would be required to determine this score, but this data is usually neither publicly available nor systematically recorded internally.
- Listed companies must disclose their remuneration structures, but there is no standardized reporting, which makes cross-industry evaluation difficult.

TECHNOLOGY

- This would require detailed data on innovation budgets, but this data is usually neither publicly available nor systematically recorded internally.
- This would require detailed data on sales ratios, but this data is usually neither publicly available nor systematically recorded internally.
- This would require a time-limited allocation of technological patents at the company level, but this data is only available to the public in fragments – which is not feasible for 500+ companies.

Our final hy Innovation Score is not yet perfect either – but: *no data, no signal*

Scores that we would have liked to calculate...

LONG-TERM INNOVATION IMPACT

The score captures visible progress – what is missing is a view of Horizon 3 initiatives with strategic future impact. Many measures only take effect over a period of years. It is precisely these “future options“ that have been neglected so far – even though they are crucial in view of changing customer

INPUT VS. OUTPUT

The hy Innovation Score is based primarily on publicly available input factors, such as structural characteristics, financial indicators, and communication patterns. Output factors, such as the share of sales generated by new products, market share gains, and innovation successes, would be valuable for a more in-depth analysis of effectiveness, but are rarely publicly available and usually require a consulting mandate, including an NDA.

INTERNATIONAL COMPARISON

Originally, under the title “Survive or Thrive – How Sustainable Are Europe‘s Industries?“, we wanted to examine the sustainability of European industries in comparison to other continents, with the aim of making reliable statements about the structural strengths, weaknesses, and areas for action of individual economies.

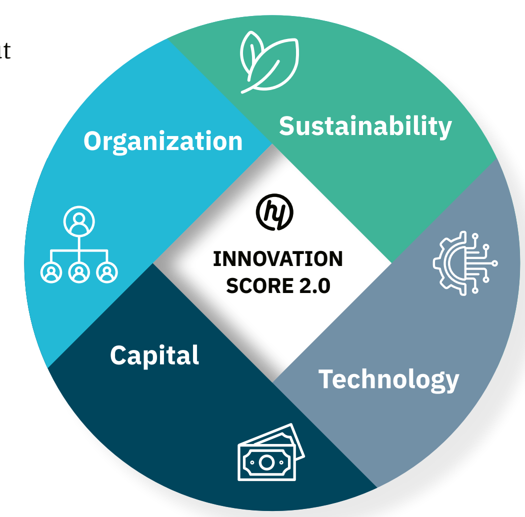
SUSTAINABILITY

A score for future viability without sustainability? We find this problematic because the topic has become an integral part of most innovation projects, including ours. Ecological and social responsibility are no longer marginal issues, but central drivers of resilience, competitiveness, and access to capital. Those who do not consider sustainability are not assessing the whole reality of the future of business.

...and why we couldn‘t implement it:

Horizon 3 initiatives are difficult to capture in data-based terms, as they are rarely quantified, not publicly reported, and often only documented internally in qualitative terms — their long-term impact remains outside the publicly available data sets and thus eludes standardized evaluation.

Data on the actual results of innovation – such as the contribution of new products to sales or effects on market positions – are deeply embedded in operations and are rarely disclosed externally. Without consistent, comparable sources, a reliable measurement of the impact of innovation remains methodologically unfeasible.



Since data availability and methodological comparability vary greatly outside the DACH region, a European benchmark was not currently feasible in a consistent and reliable manner.

Many companies will report in accordance with CSRD standards for the first time in the 2025 financial year. We hope for a better data basis in the future and see this as a potential fourth dimension alongside organization, capital, and tech.
hy Innovation Score 2.0? We‘ll talk about that next year.

Appendix III

Limitations

An excerpt, not a complete picture of future viability

The hy Innovation Score merely provides guidance on the future viability of various industries in the DACH region, but does not reflect all relevant factors. Sustainability, geopolitical risks, and market position have been deliberately excluded and must be supplemented in further analyses.

Data availability and quality

The analysis is based on publicly available data such as annual reports, Kununu, or Google News. These sources are sometimes incomplete, vary in terms of standardization, and may be distorted by communication strategies. Enrichment with non-public data is extremely exciting, which we would be happy to discuss with you directly.

Standardization and aggregation

The chosen min/max normalization places all values in a uniform grid. As a result, subtle differences between companies are lost, while individual outliers have a strong influence on the entire scale. At the industry or cluster level, individual strengths and weaknesses are also obscured by average values, so that differences within an industry remain invisible.

Subjective keyword selection

The scores for executive board anchoring, partner ecosystem, AI narrative, and tech thought leadership are based on the frequency of specific keywords in annual reports and Google searches.

This means:

The report shows robust indicators and patterns of industries with regard to future viability, but does not replace a company-specific in-depth analysis.

Only in combination with qualitative analyses and dialogue can a complete picture be formed.

These keywords were defined by us based on our project experience, but do not claim to be exhaustive. A detailed list of the keywords used can be found on pages 63 to 65.

Input-oriented measurement
Many subscores capture structures or communication patterns, but not the actual impact on sales, market share, or return on innovation. As a result, long-term effects and Horizon 3 initiatives remain partially outside our focus.

Indirect effects not measured
The indirect effects that cultural and communication aspects, for example, have on the overall position of a company or industry were not considered, but they naturally play a role in areas such as talent acquisition.

Correlation ≠ causality
The patterns identified show correlations, but do not allow direct conclusions to be drawn about cause and effect. External factors such as the economy, crises, or regulation have a parallel effect and influence the results.

Bibliography

Ernst & Young (EY) (2025a) EY Startup Barometer 2025 – Presentation (English). Verfügbar unter: https://www.ey.com/content/dam/ey-unified-site/ey-com/de-de/newsroom/2025/01/ey-praesentation-startup-barometer-2025-englisch.pdf (Accessed: 31.07.2025)

Ernst & Young (EY) (2025b) EY Start-up Investment Barometer 2024 – Austria. Verfügbar unter: https://www.ey.com/de_at/news-room/2025/01/ey-start-up-investment-barometer-2024 (Accessed 31.07.2025)

Juniper Square (2024) VC Q4 2024 report – Dealmaking activity & deal value. Verfügbar unter: https://www.junipersquare.com/blog/vc-q4-2024 (Accessed: 31.07.2025)

Pacer ETFs (2024) Growth investing illuminated – Part 2: The Magnificent Seven. Verfügbar unter: https://www.paceretfs.com/re-sources/resource-library/growth-investing-illuminated-part-2-the-magnificent-seven (Accessed: 31.07.2025)

SECA – Swiss Private Equity & Corporate Finance Association (2025) Swiss Venture Capital Report 2025 – Pressemitteilung. Verfügbar unter: https://www.seca.ch/media/dtqfp2ze/press-release-svcr-25-en.pdf (Accessed: 31.07.2025)

Atomico (2024) The State of European Tech 2024. Verfügbar unter: https://www.stateofeuropeantech.com/ (Accessed: 31.07.2025)

IW – Institut der Deutschen Wirtschaft (2025) IW-Arbeitsmarktfortschreibung 2028. Verfügbar unter: https://www.iwkoeln.de/file-admin/user_upload/Studien/Report/PDF/2025/IW-Report_2025-IW-Arbeitsmarktfortschreibung-bis-2028.pdf Accessed: 08.08.2025)

IW – Institut der Deutschen Wirtschaft (2025) Pressemitteilung: Arbeitsmarkt: 2028 fehlen 768.000 Fachkräfte. Verfügbar unter: https://www.iwkoeln.de/fileadmin/user_upload/Studien/Report/PDF/2025/IW-Report_2025-IW-Arbeitsmarktfortschreibung-bis-2028.pdf (Accessed: 08.08.2025)

innolead – Analyzing the Three-Year Rise and Fall of Corporate Innovation Efforts (2025). Verfügbar unter: https://www.innovati-onleader.com/topics/articles-and-content-by-topic/employee-engagement/analyzing-the-three-year-rise-and-fall-of-corporate-in-novation-efforts/ (Accessed: 13.8..2025)

Stay informed. Click here to sign up for our **hy newsletter!**

Click here for the **digital version** of the report!

Feedback? Questions? Need to discuss something or have ideas?
We look forward to hearing from you — let‘s talk!

sebastian.herzog@hy.co
+49 151 5893 0459

Published September 2025

Responsible for the content of this report:
hy – theAxel Springer Consulting Group
Represented by Sebastian Herzog (Managing Director/Co-CEO)
Axel-Springer-Str. 65 10888 Berlin

Editorial design & layout: Deborah Amanor • deborah.amanor@gmail.com

This is how future-proof the industries of the DACH region are. What matters in the interplay between organization, capital, and technology.

+ 500 companies
+ 100,000 data points