August 2026

Blackfriars EU Tech MPS Portfolio Insight: August 2026

Market overview:

European technology equities recovered during much of August after July's sharp correction, although the month remained volatile. The STOXX Europe 600 Technology Index reached an intramonth high of 1,061.17 before closing at 1,015.45 on 31 August. Early gains were supported by strong corporate earnings and renewed confidence in AI infrastructure spending; later weakness reflected higher energy prices, rising bond yields and renewed debate over the financing intensity of the AI build-out.

The clearest fundamental confirmation came from NVIDIA. Fiscal Q2 2027 revenue rose 106% year on year to US$96.2bn, while Data Centre revenue increased 117% to US$89.0bn. These results reinforced demand visibility for European semiconductor equipment suppliers, power-management companies and data-centre infrastructure providers, even as investors became more selective about valuation, execution and balance-sheet risk.

Within the portfolio, Nebius was the most important company-specific event. Q2 results showed rapid revenue scaling, while the subsequent upsized convertible-note financing materially increased funding for data centres, power, land and GPUs. Prysmian announced an agreement to acquire Atkore, extending its strategic move from cable manufacturing towards a broader electrical-solutions platform. ABB and ASM International continued to demonstrate how AI investment is broadening into power quality, grid stability and advanced-memory manufacturing.

The investment case remains constructive but more discriminating. Demand is robust and backlog visibility is strong, yet the market is likely to reward companies that convert orders into free cash flow and penalise those where capital needs, integration risk or customer concentration rise faster than earnings.

Blackfriars Asset Management Limited is the manager, with a team of portfolio managers led by Anastasia Levashova, PhD, and Ming Lam, CFA, supported by the Investment team & committee. Learn here more about our investment team.

Anastasia Levashova, PhD
Portfolio Manager / Investment Director

Key Events:

- AI capex remained the central earnings driver: NVIDIA's results and continued hyperscaler investment supported expectations for multi-year demand across lithography, deposition, advanced packaging, power management and data-centre connectivity.
- Infineon Technologies reported record fiscal Q3 sales on 5 Aug, driven by AI data-centre power demand, and on 24 Aug agreed to acquire C2i Semiconductors to strengthen its AI data-centre power-management capability. Logic: extends the AI capex narrative beyond compute silicon into the power layer, and the bolt-on acquisition signals consolidation around AI infrastructure buildout.
- SUSS MicroTec posted H1 results on 6 Aug showing a record €410m of orders and a €476m backlog, with positive free cash flow. Logic: advanced-packaging equipment order books are a leading indicator that hyperscaler AI capex is translating into actual fab investment, giving a European read-through on the same demand driving NVIDIA's results.
- Software broadened the rally: US software shares recovered strongly, suggesting that AI monetisation is gradually moving beyond hardware and infrastructure towards enterprise applications.
- Elastic reported Q1 FY2027 results on 27 Aug (non-GAAP EPS $0.70), with investor focus on AI-driven search, observability and security demand. Logic: a direct example of application-layer AI monetisation, corroborating the broadening-beyond-hardware thesis at the individual stock level.
- Global-e Online delivered Q2 results on 12 Aug with a raised 2026 outlook, supported by Passport acquisition integration and its expanding Shopify relationship. Logic: shows the rotation into platform/application names extending to e-commerce infrastructure, not just core enterprise software.
- Rates and energy re-emerged as valuation constraints: late-month oil-price strength and higher government-bond yields pressured long-duration growth assets and increased scrutiny of debt-funded AI expansion.
- Nebius Group, the fund's largest single position at 8.5% weight, reported Q2 results and a shareholder letter on 12 Aug (all AGM resolutions approved 25 Aug), with investor debate centred on the capital intensity of its AI-cloud buildout, financing needs and progress toward its $7–9bn year-end ARR target. Logic: as a "neocloud" name funding rapid GPU capacity expansion largely through external capital, Nebius is the portfolio's clearest test case for how rising rates and yield pressure feed through into scrutiny of debt- and equity-funded AI infrastructure spending.
- European industrial technology retained strategic support: electrification, grid reinforcement, defence, digital infrastructure and semiconductor sovereignty continued to attract investment despite macro volatility.
- Siemens reported fiscal Q3 results on 6 Aug, with Digital Industries automation recovery and Smart Infrastructure data-centre demand as key focus areas, and Prysmian consolidated its late-July H1 update through August (9.4% organic growth, raised guidance, Encore Wire integration), underpinned by electrification, grid and data-centre cabling demand. Logic: both names illustrate how European industrial conglomerates are capturing the same data-centre/electrification capex cycle as US hyperscalers, reinforcing the case that this theme is structural rather than a single-country phenomenon.

Portfolio Highlights: Key Developments Across Top 5 Largest Holdings

	Company	Weight, %	Country	Investment Theme	MoM Performance, %	Relative attribution, %	Company overview	Aug-26 Actual	Sept-2026 to watch:
	Nebius Group NV	8.5%	Netherlands	AI	8%	0.34%	Nebius is an Amsterdam-based AI infrastructure "neocloud", providing NVIDIA GPU-powered computing, cloud infrastructure and developer tools for training and deploying AI models. It also owns interests in autonomous driving, edtech and other AI businesses.	12 Aug: Q2 results and the shareholder letter updated the market on rapid AI-cloud capacity expansion, revenue ramp and heavy capital requirements. All AGM resolutions were approved on 25 Aug.	Watch new capacity/customer announcements, GPU deployment pace, financing needs and annualised run-rate revenue progression after Q2. Execution versus capex remains the principal risk.
ASML	ASML Holding NV	7.9%	Netherlands	AI	1%	-0.25%	Global leader in semiconductor lithography systems and the sole commercial supplier of EUV lithography equipment used to manufacture leading-edge chips.	No company results in August. The raised 2026 outlook (€43–45bn sales; 54–56% gross margin) and expectations for €11–12bn Q3 sales kept AI-led EUV demand central; export-control headlines remained a risk.	Watch EU/US export-control developments, customer capex commentary and EUV shipment/revenue timing ahead of Q3 results in October.
	Prysmian SpA	6.5%	Italy	Datacentre & Power Infrastructure	0%	-0.29%	World-leading cable manufacturer supplying energy, telecom, grid interconnection and data-centre cabling systems.	August consolidated the strong 30 July Q2/H1 update: Q2 revenue €6.02bn, organic growth 9.4%, led by Digital Solutions, Power Grid and Transmission. Raised guidance and backlog execution supported the shares.	Watch large transmission awards, Encore Wire integration, Digital Solutions/datacentre demand and cash conversion following upgraded guidance.
ABB	ABB Ltd-Reg	6.0%	Switzerland	Industrial Automation & Robotics	-1%	-0.30%	Swiss-Swedish industrial technology group focused on electrification and automation, including robotics, motion, process automation and smart power systems.	No material company-specific release in August. Shares remained driven by strong Q2 momentum: record $12bn orders, 12% comparable revenue growth and a 20.2% operational EBITA margin, alongside data-centre and electrification demand.	No scheduled results. Watch order momentum in electrification and motion, data-centre/utility capex, portfolio actions and any guidance commentary at investor conferences.
	ASM International NV	5.5%	Netherlands	Semiconductors	1%	-0.20%	Semiconductor equipment supplier specialising in wafer-processing technologies, particularly atomic layer deposition and epitaxy used in advanced logic and memory chips.	August was an inter-results month following record Q2 revenue of €1.00bn. Leading-edge logic/foundry demand and improving memory investment supported sentiment; weekly buybacks continued.	Watch leading-edge foundry and memory order momentum, China/export controls and Q3 revenue conversion following the record Q2; no September results scheduled.

**Source: Blackfriars AM, Morningside. Data as of 31/08/2026. Past performance is not a reliable indicator of future performance.*

Portfolio Analysis: Top 5 Contributors

Company	Weight, %	Country	Investment Theme	MoM Performance, %	Relative attribution, %	Company overview	Aug-26 Actual	Sept-2026 to watch
Elastic NV	1.3%	Netherlands/US	AI	48%	0.59%	Search and data analytics software company behind Elasticsearch, providing observability, security and enterprise-search solutions with growing generative-AI use cases.	27 Aug: Q1 FY2027 results showed non-GAAP diluted EPS of $0.70. Elastic's AI search, observability and security demand, cloud consumption and revised go-to-market execution were the main investor focus.	Watch post-results guidance revisions, cloud consumption, GenAI search adoption and go-to-market execution. Investor-conference commentary could move FY2027 expectations.
Qt Group Oyj	0.3%	Finland	Enterprise & Industrial Software	43%	0.12%	Finnish software company providing cross-platform development tools and frameworks for graphical user interfaces used in automotive, industrial and consumer devices.	6 Aug: H1 report updated investors on licence/subscription sales, developer demand and profitability. Automotive and embedded-software customer decisions remained important amid the ongoing business-model transition.	Watch customer licence decisions, automotive design wins, subscription transition and cost discipline after H1 results; no scheduled September earnings.
Kainos Group PLC	0.7%	UK	IT Services & Digital Transformation	42%	0.28%	UK digital services and software company specialising in public-sector digital transformation and Workday implementation, testing and automation products.	No scheduled August results. UK public-sector digital programmes, Workday consulting activity, utilisation and commercial-project timing remained the key operating drivers.	Watch UK government digital procurement, Workday project pipeline and utilisation ahead of the autumn trading update; project delays remain the key risk.
AutoStore Holdings Ltd	0.6%	Norway	Industrial Automation & Robotics	36%	0.20%	Warehouse automation technology company best known for its cube-storage robotic systems, software and fulfilment solutions.	14 Aug: Q2/H1 reporting focused on order intake, revenue conversion and profitability as warehouse automation demand improved unevenly. Management commentary on project timing and customer investment was the key share-price driver.	Watch Q2 order conversion, pipeline quality, gross margin and signs of improving warehouse-automation investment; no confirmed September results catalyst.
Computacenter PLC	1.8%	UK	Datacentre & Power Infrastructure	23%	0.35%	UK-based IT infrastructure and services provider supplying hardware, software, cloud, networking and managed services to large corporate and public-sector customers.	No August results; investors prepared for September interims. AI-ready infrastructure demand remained strong, while Germany/France public-sector activity, working capital and the mix between Technology Sourcing and Services were watched.	8 Sep: H1 results. Focus on profit growth, Germany/France public-sector activity, Services margins, cash conversion and whether AI infrastructure demand supports the full-year outlook.

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Portfolio Analysis: Bottom 3 Performers

Company	Weight, %	Country	Investment Theme	MoM Performance, %	Relative attribution, %	Company overview	Aug-26 Actual	Sept-2026 to watch
Trainline PLC	0.4%	UK	Digital Platforms & Ecommerce	-16%	-0.09%	European digital rail and coach ticketing platform aggregating operators and fares through consumer apps and B2B distribution services.	No material August trading update. Summer rail volumes, international growth—particularly Spain—and progress in B2B distribution remained the principal operating drivers.	Watch post-summer UK and continental ticket volumes, Spain competition, take rate and rail disruption; no scheduled September results.
Infineon Technologies AG	2.4%	Germany	Semiconductors	-9%	-0.32%	German semiconductor manufacturer focused on power semiconductors, automotive chips, microcontrollers, sensors and connectivity, with growing exposure to AI power infrastructure.	5 Aug: fiscal Q3 achieved record sales, helped by strong AI power demand; profit rose to €423m and free cash flow to €599m. On 24 Aug Infineon agreed to acquire C2i Semiconductors to strengthen AI datacentre power management.	Watch C2i integration, new AI-customer capacity agreements and datacentre power-design wins. Automotive/industrial demand and the fiscal Q4 margin ramp remain key sensitivities.
SUSS MicroTec SE	2.5%	Germany	Semiconductors	-6%	-0.26%	German semiconductor-equipment company supplying coating, bonding, lithography and photomask-processing systems used in advanced packaging and microelectronics.	6 Aug: H1 results showed record €410m orders and a €476m backlog; Q2 orders were €260m. H1 revenue fell to €202.8m, but Q2 EBIT margin improved to 9.0% and free cash flow turned positive.	Watch conversion of the record backlog into H2 sales, qualification of panel-level tools and further AI advanced-packaging orders; timing slippage is the main risk.

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