

# Building Europe's backbone investing in the next infrastructure wave

Published 17 March 2026

## Baoqi Zhu

Associate Director, Quantitative Research & Multi Asset Solutions

## Key Takeaways

- Europe is entering a multi-year infrastructure investment cycle driven by electrification, digitalisation, ageing assets and rising security priorities.
- NATO's 2025 Hague Summit commitment to spend 5% of GDP on defence and security by 2035 includes up to 1.5% allocated to protecting critical infrastructure and strengthening civil resilience.
- Policy support and public funding programmes are translating strategic priorities into large, visible infrastructure spending pipelines.
- Investing through the infrastructure value chain can provide targeted exposure to companies building grids, transport networks and digital infrastructure across Europe.
- Related Products WisdomTree Europe Infrastructure UCITS ETF – EUR Acc Find out more

At NATO's 2025 Hague Summit, Allies committed to investing 5% of gross domestic product (GDP) in defence and security by 2035, including up to 1.5% of GDP that can be counted towards protecting critical infrastructure and strengthening civil resilience<sup>1</sup>. That has helped put infrastructure back on investors' radar. But Europe's infrastructure narrative goes well beyond resilience spending. After years of underinvestment, ageing assets need replacement and upgrades, while new sources of demand, such as electrification and digitalisation, are lifting the need for new capacity. Together, these forces point to a sustained, multi-year investment cycle across energy, transport and digital infrastructure.

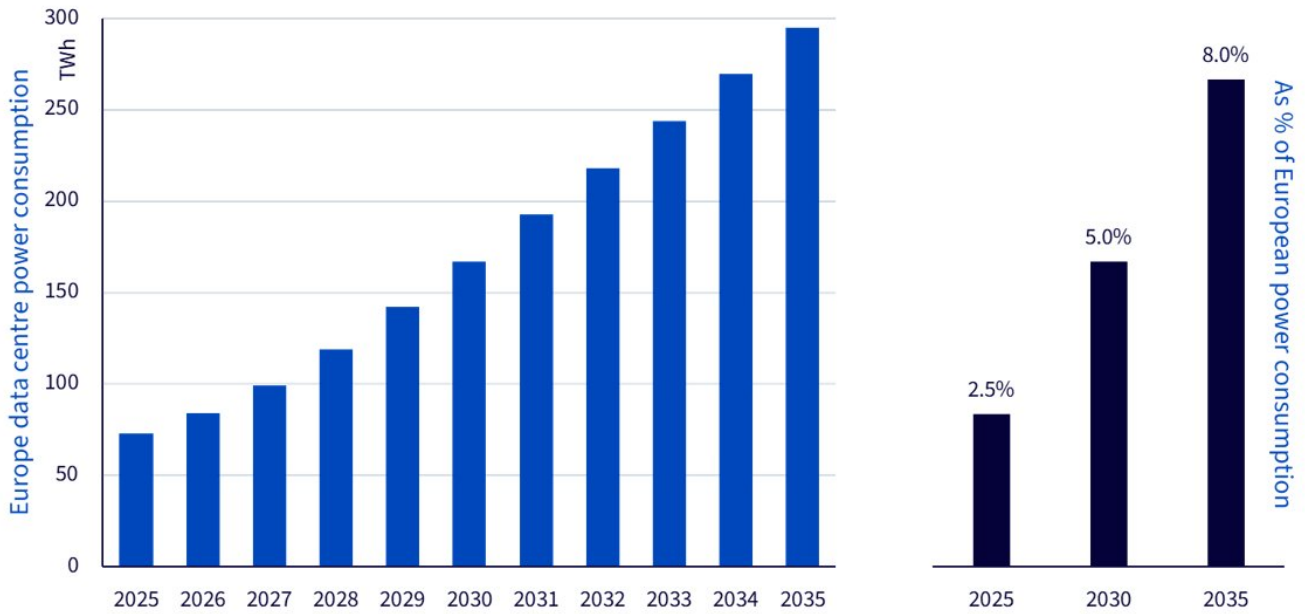
## Structural forces driving Europe infrastructure

**Underinvestment and ageing assets:** Decades of under-spend have left parts of Europe's grids, rail lines and bridges approaching the end of their useful life. Much of Europe's rail tunnel and bridge stock is over 50 years old<sup>2</sup> and the average age of power grids in Europe often exceeds 40 years. Ageing assets require more inspection and maintenance, and can constrain capacity as usage rises. Replacement and upgrades are becoming unavoidable, driving multi-year refurbishment programmes.

**New infrastructure for Europe's future:** Europe also needs new capacity to compete in a changing world. Electrification across transport and industry is lifting power demand, while digitalisation is adding a

new load. The European Commission expects EU electricity consumption to rise by around 60% by 2030. Data centres are expected to be an important driver of incremental power demand, reinforcing the urgency around grid connections, reinforcement and new generation.

## Figure 1: Rising AI power demand is making grid capacity the binding constraint

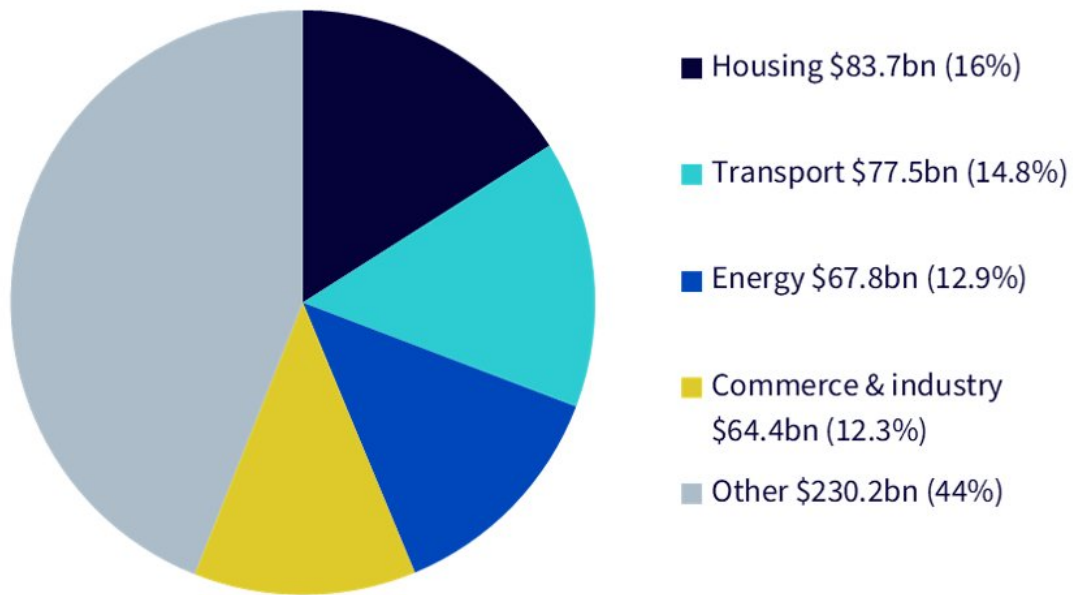


Source: Morgan Stanley, 'Powering AI Comes To Europe', 03 December 2025. **Forecasts are not an indicator of future performance and any investments are subject to risks and uncertainties.**

**Multi-year policy funding:** EU and national programmes are translating strategic priorities into funded pipelines. Funding programmes imply well over €1tn4 of funding envelopes over the cycle. Stabilised inflation volatility helps those budgets turn into contracts, improving cost visibility for long projects. Germany adds momentum, having eased its fiscal brake and set up a €500bn special fund5 for infrastructure and climate neutrality.

**Security and resilience priorities:** Geopolitics has added a strategic layer to infrastructure decisions, alongside the traditional focus on cost and efficiency. NATO's 2025 Hague Summit Declaration states Allies will account for up to 1.5% of GDP annually to protect critical infrastructure and strengthen civil preparedness and resilience. Beyond that, Ukraine reconstruction adds longer-dated optionality, with \$524bn estimated to be needed over the next decade6.

## Figure 2: Ukraine reconstruction and recovery needs



Source: World Bank, Fourth Rapid Damage and Needs Assessment (RDNA4), February 2025; Rebuild Ukraine. **Forecasts are not an indicator of future performance and any investments are subject to risks and uncertainties.**

### A value-chain approach to investing in Europe's next infrastructure wave

As Europe enters its next infrastructure wave, the investment opportunity is best understood through the value chain. This keeps the focus on where spending flows and on the multi-year project pipeline. The WisdomTree Europe Infrastructure UCITS ETF (WBLD) offers investors targeted exposure to the companies positioned to benefit from long-duration spending on the infrastructure that underpins growth and resilience.

The strategy targets engineering and construction companies, manufacturers of grid and power equipment, makers of specialised infrastructure components, and key materials suppliers involved in the construction of these assets. By contrast, it typically excludes utilities and other operators whose earnings are primarily tied to running existing networks, where returns are more driven by regulation and operating economics than by construction activity.

### Figure 3: The WisdomTree Europe Infrastructure portfolio mainly targets exposure to construction and supply segments



Source: WisdomTree.

The strategy focuses on four pillars where spending is most visible across policy programmes and project pipelines:

- Clean power build-out, from renewables and storage to grid connections.
- Smart grids and electrification, including cables, switchgear, substations and grid automation.
- Transport modernisation, especially rail and critical logistics links.
- Digital infrastructure, including fibre, data-centre enablement and the electrical backbone that powers it.

## How to capture the opportunities in Europe infrastructure?

The WisdomTree Europe Infrastructure UCITS ETF is designed to give investors targeted exposure to the companies building Europe's next infrastructure wave. Alongside the WisdomTree Europe Defence UCITS ETF (WDEF), it offers complementary exposure to the physical build-out that underpins Europe's competitiveness and security.

The fund tracks the WisdomTree Europe Infrastructure UCITS Index. The index starts with the equity universe from eligible developed markets<sup>7</sup>, then applies size and liquidity requirements and uses caps and other guardrails to help manage concentration.

Stock selection is driven by both revenue relevance and Europe revenue exposure.

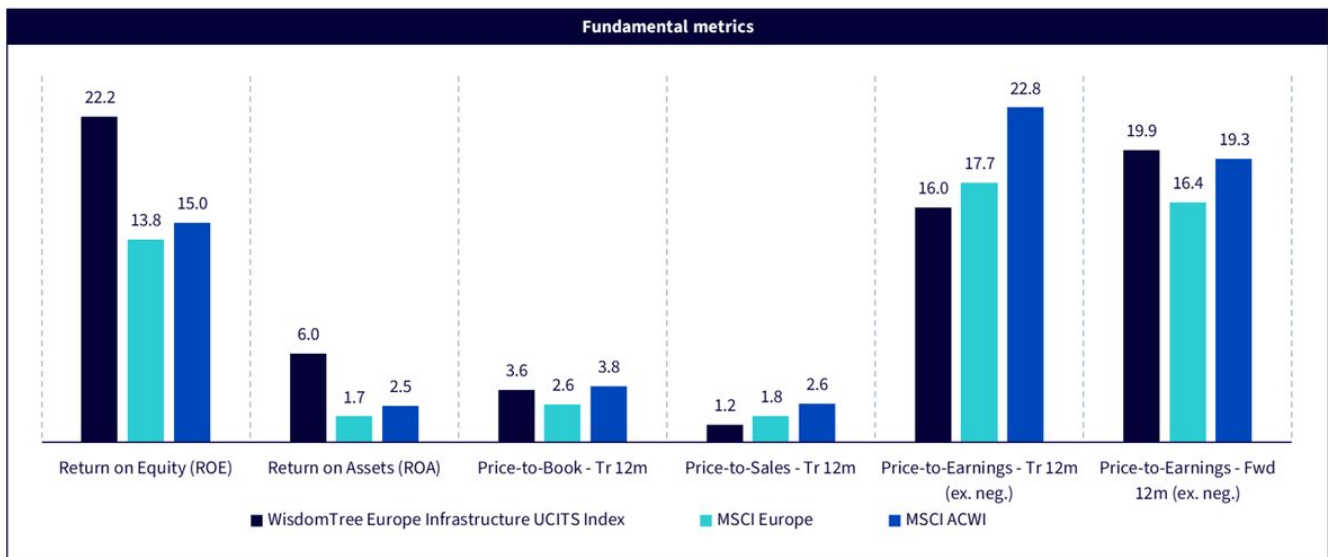
- Companies qualify if at least 25% of revenue comes from Core infrastructure activities, or at least 50% from a combination of Core and Adjacent activities. Core activities are directly tied to Europe's infrastructure build-out, including developers, contractors and specialised equipment or component suppliers, while Adjacent activities support infrastructure projects more indirectly.
- A Europe-revenue overlay ensures exposure is genuinely linked to the region. European-domiciled companies must generate at least 10% of revenue from Europe, while non-European companies must generate at least 20%, helping align the portfolio with growing European demand.

- Each eligible company receives a Relevancy Score of 3, 2 or 1 based on the directness of its infrastructure exposure and the importance of European revenues. Constituents are then weighted by full market capitalisation multiplied by this score, tilting the portfolio towards companies with more direct infrastructure exposure.

### A closer look at the WisdomTree Europe Infrastructure UCITS ETF's portfolio

As of 27 February 2026, the WisdomTree Europe Infrastructure UCITS Index shows higher profitability than broad equity benchmarks. Return on equity is about 22% versus about 14% for MSCI Europe. Valuation signals are mixed, which is typical for a portfolio tilted to industrial technology and specialist suppliers. On trailing earnings and sales, the Index appears cheaper than MSCI Europe and MSCI ACWI.

## Figure 4: WisdomTree Europe Infrastructure UCITS Index - Key fundamentals



Source: WisdomTree, FactSet, as of 27 February 2026. You cannot invest directly in an index. **Historical performance is not an indication of future performance and any investments may go down in value.**

The top 20 holdings represent 78.18% of the Index. They cluster around the parts of the value chain most exposed to Europe's build-out.

- **Builders and transport infrastructure:** VINCI and Ferrovial are complemented by construction and engineering names such as Acciona, Skanska, ACS, Sweco, Strabag and Eiffage.
- **Materials for construction:** CRH, Holcim and Heidelberg Materials support the refurbishment and expansion cycle.

- **Grid and electrification enablers:** Prysmian is the largest position, alongside Schneider Electric, ABB and Legrand. Cable specialists such as NKT and Nexans also feature.
- **Energy system build:** Siemens Energy provides exposure to equipment needed for power system expansion. Nordex and Vestas add exposure to renewable build-out.

**Figure 5: Top 20 holdings in the WisdomTree Europe Infrastructure UCITS Index**

Top 20 Holdings	Weight
Prysmian SpA	7.69%
Siemens Energy AG	7.36%
Vinci SA	7.29%
Schneider Electric SE	4.84%
Ferrovial SE	4.70%
ABB Ltd	4.63%
CRH PLC	4.48%
Holcim AG	4.39%
Heidelberg Materials AG	4.10%
Legrand SA	4.07%
Acciona SA	3.79%
Skanska AB	3.45%
Nordex SE	3.08%
Vestas Wind Systems A/S	3.05%
ACS Actividades de Construccio	2.81%
NKT A/S	1.93%
Nexans SA	1.85%
Sweco AB	1.66%
Strabag SE	1.55%
Eiffage SA	1.46%
<b>Total 20 weights</b>	<b>78.18%</b>

Source: WisdomTree, as of 27 February 2026. You cannot invest directly in an index. **Historical performance is not an indication of future performance and any investments may go down in value.**

## Conclusion

Europe's infrastructure cycle is shifting from planning to delivery, with a multi-year pipeline across grids, electrification, transport and energy systems. The equity opportunity is concentrated in the companies that build these assets and supply the critical equipment and materials. [WisdomTree Europe Infrastructure UCITS ETF \(WBLD\)](#) provides targeted, rules-based exposure to this value chain through revenue screens and a Europe-revenue overlay, with relevance-weighted construction that tilts the portfolio towards more direct infrastructure developments pure-plays.

## Sources

1. NATO, Defence expenditures and NATO's 5% commitment
2. Europe's Rail, Extending the life and capacity of Europe's ageing tunnels and bridges
3. European Commission, A European Grid Action Plan
4. Based on committed envelopes for major EU programmes including the Next Generation EU, Recovery and Resilience Facility, InvestEU, Connecting Europe Facility, as per European Commission documentation.
5. Source: German Federal Ministry of Finance, 'The Special Fund for Infrastructure and Climate Neutrality', 5 December 2025.
6. Source: World Bank, Fourth Rapid Damage and Needs Assessment (RDNA4) , February 2025
7. Source: World Bank, Fourth Rapid Damage and Needs Assessment (RDNA4) , February 2025

## Important Risks Related to this Article

### IMPORTANT INFORMATION

**Marketing communications issued in the European Economic Area (“EEA”):** This document has been issued and approved by WisdomTree Ireland Limited, which is authorised and regulated by the Central Bank of Ireland. **Marketing communications issued in jurisdictions outside of the EEA:** This document has been issued and approved by WisdomTree UK Limited, which is authorised and regulated by the United Kingdom Financial Conduct Authority. WisdomTree Ireland Limited and WisdomTree UK Limited are each referred to as “WisdomTree” (as applicable). Our Conflicts of Interest Policy and Inventory are available on request. This marketing communication has been prepared for professional investors, but the WisdomTree products set out in this document may be available in some jurisdictions to any investors, subject to applicable laws and regulations. As the product may not be authorised or its offering may be restricted in your jurisdiction, it is the responsibility of every person or entity to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction. Prior to any application investors are advised to take all necessary legal, regulatory, tax and investment advice on the suitability and consequences of an investment in the products. Past performance is not a reliable indicator of future performance. Any historical performance included in this document may be based on back testing. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested performance is purely hypothetical and is provided in this document solely for informational purposes. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. The value of any investment may be affected by exchange rate movements. Any decision to invest should be based on the information contained in the appropriate prospectus and after seeking independent investment, tax and legal advice. These products may not be available in your market or suitable for you. The content of this document does not constitute investment advice nor an offer for sale nor a solicitation of an offer to buy any product or make any investment. An investment in exchange-traded products (“ETPs”) is dependent on the performance of the underlying index, less costs, but it is not expected to match that performance precisely. ETPs involve numerous risks including among others, general market risks relating to the relevant underlying index, credit risks on the provider of index swaps utilised in the ETP, exchange rate risks, interest rate risks, inflationary risks, liquidity risks and legal and regulatory risks. The information contained in this document is not, and under no circumstances is to be construed as, an advertisement or any other step in furtherance of a public offering of shares in the United States or any province or territory thereof, where none of the issuers or their products are authorised or registered for distribution and where no prospectus of any of the issuers has been filed with any securities commission or regulatory authority. No document or information in this document should be taken, transmitted or distributed (directly or indirectly) into the United States. None of the issuers, nor any securities issued by them, have been or will be registered under the United States Securities Act of 1933 or the Investment Company Act of 1940 or qualified under any applicable state securities statutes. This document may contain independent market commentary prepared by WisdomTree based on publicly available information. Although WisdomTree endeavours to ensure the accuracy of the content in this document, WisdomTree does not warrant or

guarantee its accuracy or correctness. Any third party data providers used to source the information in this document make no warranties or representation of any kind relating to such data. Where WisdomTree has expressed its own opinions related to product or market activity, these views may change. Neither WisdomTree, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or its contents. This document may contain forward looking statements including statements regarding our belief or current expectations with regards to the performance of certain assets classes and/or sectors. Forward looking statements are subject to certain risks, uncertainties and assumptions. There can be no assurance that such statements will be accurate and actual results could differ materially from those anticipated in such statements. WisdomTree strongly recommends that you do not place undue reliance on these forward-looking statements. WisdomTree Issuer ICAV The products discussed in this document are issued by WisdomTree Issuer ICAV ("WT Issuer"). WT Issuer is an umbrella investment company with variable capital having segregated liability between its funds organised under the laws of Ireland as an Irish Collective Asset-management Vehicle and authorised by the Central Bank of Ireland ("CBI"). WT Issuer is organised as an Undertaking for Collective Investment in Transferable Securities ("UCITS") under the laws of Ireland and shall issue a separate class of shares ("Shares") representing each fund.

The Fund is described in a Key Information Document (KID) or Key Investor Information Document (KIID) for UK investors, and the prospectus of WT Issuer ("WT Prospectus"). A copy of the WT Prospectus and the KID / KIID is available, for EEA/UK only, in English at [www.wisdomtree.eu](http://www.wisdomtree.eu). Where required under national rules, the KID will also be available in the local language of the relevant EEA Member State. Investors should read the WT Prospectus before investing and should refer to the section of the WT Prospectus entitled »Risk Factors¼ for further details of risks associated with an investment in the Shares. The [summary of investor rights](#) associated with an investment in the fund is available in English on WisdomTree Europe¼s website. WisdomTree Management Limited may decide to terminate the arrangements made for the marketing of its collective investment undertakings. In such circumstances, shareholders in the affected EEA Member State will be notified of this decision and will be provided with the opportunity to redeem their shareholding in the fund free of any charges or deductions for at least 30 working days from the date of such notification. For Investors in Switzerland: This document constitutes an advertisement of the financial product(s) mentioned herein. The prospectus (in English only) and the key investor information documents (KID) (in German, French and Italian) are available from WisdomTree¼s website <https://www.wisdomtree.eu/en-ch/resource-library/prospectus-and-regulatory-reports> **For WisdomTree UCITS products only:** the representative and paying agent of the ETPs in Switzerland is Société Générale Paris, Zurich Branch, Talacker 50, PO Box 5070, 8021 Zurich, Switzerland. The prospectus, the key investor information documents (KIID), the articles of association and the annual and semi-annual reports of the sub-funds are available free of charge from the representative and paying agent. As regards distribution in Switzerland, the place of jurisdiction and performance is at the registered seat of the representative and paying agent. Some of the sub-funds referred to in this document may not have been registered with the Swiss Financial Market Supervisory Authority ("FINMA"). In Switzerland, such sub-funds that have not been registered with FINMA may only be available to Qualified Investors. For Investors in France: The information in this document is intended exclusively for professional investors

(as defined under the MiFID) investing for their own account and this material may not in any way be distributed to the public. The distribution of the Prospectus and the offering, sale and delivery of Shares in other jurisdictions may be restricted by law. WT Issuer is a UCITS governed by Irish legislation, and approved by the Financial Regulatory as UCITS compliant with European regulations although may not have to comply with the same rules as those applicable to a similar product approved in France. The Fund has been registered for marketing in France by the Financial Markets Authority (Autorité des Marchés Financiers) and may be distributed to investors in France. Copies of all documents (i.e. the Prospectus, the Key Investor Information Document, any supplements or addenda thereto, the latest annual reports and the memorandum of incorporation and articles of association) are available in France, free of charge at the French centralizing agent, Societe Generale at 29, Boulevard Haussmann, 75009, Paris, France. Any subscription for Shares of the Fund will be made on the basis of the terms of the prospectus and any supplements or addenda thereto. **For Investors in Malta:** This document does not constitute or form part of any offer or invitation to the public to subscribe for or purchase shares in the Fund and shall not be construed as such and no person other than the person to whom this document has been addressed or delivered shall be eligible to subscribe for or purchase shares in the Fund. Shares in the Fund will not in any event be marketed to the public in Malta without the prior authorisation of the Maltese Financial Services Authority. Certain information contained herein (the "Information") is sourced from/copyright of MSCI Inc., MSCI ESG Research LLC, or their affiliates ("MSCI"), or information providers (together the "MSCI Parties") and may have been used to calculate scores, signals, or other indicators. The Information is for internal use only and may not be reproduced or disseminated in whole or part without prior written permission. The Information may not be used for, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund's assets under management or other measures. MSCI has established an information barrier between index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user assumes the entire risk of any use it may make or permit to be made of the Information. No MSCI Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No MSCI Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.