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CORPORATE POWER

THE RISE OF OPENAI / THE OZEMPIC EPIDEMIC / SAUDI ARAMCO'S OIL POWER / TATA AND INDIA'S ASCENT / NUBANK AND DIGITAL BANKING / NATURA &CO - SUSTAINABLE BEAUTY AT SCALE / BHP AND AUSTRALIA'S MINING POWER

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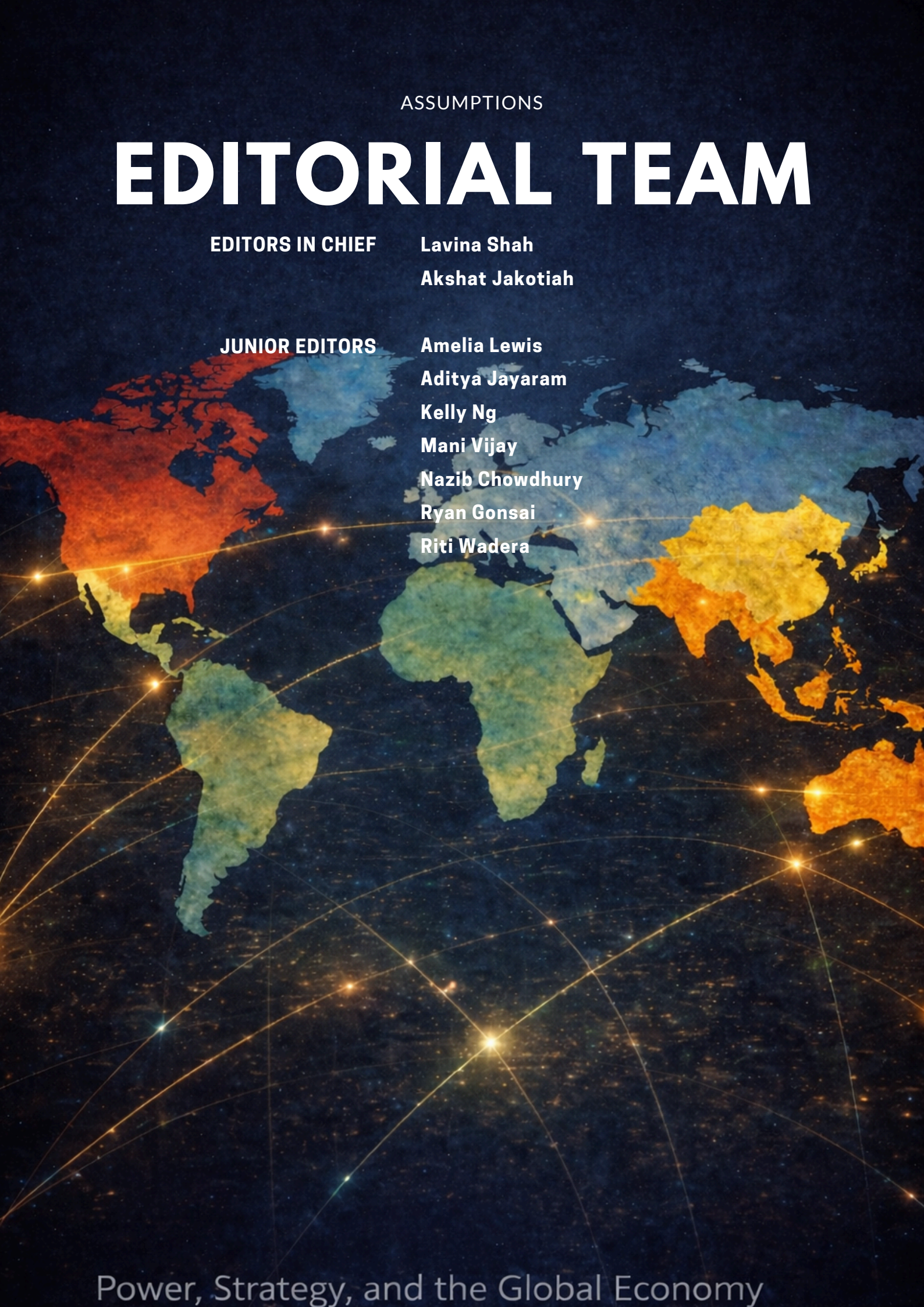

Power, Strategy, and the Global Economy

EDITORS' NOTE

Welcome to the Winter Edition of Assumptions! This issue explores some of the world's biggest companies across every continent. From Denmark's dominance in the weight-loss drug market, to BHP's leadership in the worldwide mining industry, we examine how regional champions grow into global powerhouses. Discover what their stories reveal about today's economy unique origins and paths to success.

Happy Reading!

Lavina Shah &
Akshat Jakotiah

EDITORS IN CHIEF

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THE OZEMPIC EPIDEMIC: HOW NOVO NORDISK BECAME EUROPE'S MOST VALUABLE COMPANY

BY AMELIA LEWIS

The Ozempic Epidemic refers to the craze and social media hype around the drug Ozempic, a semaglutide originally intended to treat type 2 diabetes. The growing cultural obsession with weight-loss saw this drug as a rapid weight-loss solution, sparking widespread interest without considering potential side effects. While it may have produced negative side effects for some, its producer Novo Nordisk greatly benefitted from this trend, becoming the most valuable company in Europe in September 2023 (when it was valued at $428 billion) and June 2025.

Novo Nordisk, formed in 1989 from the merger of two Danish insulin companies, is the world's leading insulin manufacturer – it is estimated that they control 50-52% of the global insulin market. Its success can be attributed to early market access, continuous innovation, and long-term investments into research & development. The global rise in diabetes and related increase in demand for insulin has driven steady and dependable growth for Novo over the years.

Ozempic, the brand name for semaglutide, was developed in the 2000s as a more effective, longer-lasting treatment for type 2 diabetes. Unlike insulin, a daily injection, Ozempic is a weekly injection, reducing the burden of injections on diabetic people. It was released in 2017 and became one of the most commercially successful medications in the world.

Despite being approved solely to treat diabetes, many patients began using Ozempic as a tool for weight loss after users reported weight loss as a side effect of its use. Celebrity endorsements by Elon Musk, Kelly Osbourne, and more who achieved dramatic weight loss and publicly credited semaglutides only served to encourage this use. Social media amplified the success of Ozempic, especially TikTok – the tag #ozempic has garnered billions of views, with users posting transformation photos and popular 'WIEIAD' (what I eat in a day) on Ozempic videos. This online attention vastly increased awareness of the drug and provide marketing for the drug as a weight-loss tool without Novo Nordisk's involvement. Novo recognised the cultural demand and medical potential of semaglutides in managing obesity. In 2021, they took

advantage of the opportunity to innovate and build on the success of Ozempic and developed Wegovy - a higher dose of semaglutide designed specifically for chronic weight management. This product produced more significant and sustained weight loss than other obesity medications, allowing Novo to formally enter the weight-loss market and provide a novel solution to weight management. This was highly successful, and Novo has become the market leader in the anti-obesity market, with a 74% share in the first months of 2024, cementing its position at the forefront of weight-loss drugs.

However, this rapid surge in demand was not completely positive. Persistent shortages of the drugs meant that some diabetic patients who needed the drug for medical reasons were unable to access it, while affluent customers using the drug for weight loss could obtain it privately. This has sparked debate about whether drugs like Ozempic should be funded by the NHS as Mounjaro is in order to make access easier. While this creates high costs for the NHS to shoulder, I believe that the long term benefits of treating diabetes and weight management could justify this cost. It could extend people's lives and reduce the expensive treatment that can accompany obesity complications long-term, such as treating heart failure.

The impact of Ozempic and Wegovy on the company's valuation was unprecedented. By 2024, semaglutide-based products had dramatically reconstructed Novo Nordisk's business model, composing of almost 70% of Novo's revenue. Together, Ozempic and Wegovy generated around $26 billion in sales for Novo, leading Novo's market capitalisation to surpass the $400 billion GDP of its home country, Denmark, and become the most valuable company in Europe bymarket capitalisation in both September 2023 ($428 billion) and June 2025 ($367.91 billion). However, this creates structural vulnerability – with such a high proportion of its revenue based on semaglutide sales, Novo becomes highly vulnerable to demand, competition, and findings from clinical trials. If these factors start to shift, Novo's valuation could become volatile.

At present, Novo Nordisk ranks among the largest pharmaceutical companies in the world, with a market capitalisation estimated at $200-250 billion. This is significantly less than previous valuations, but Novo remains in the top 10 most valuable companies in Europe by market capitalisation, currently No. 8. Part of this decline can be attributed to a clinical trial whose findings showed that semaglutide did not significantly slow cognitive decline in Alzheimer's patients. This caused Novo's share price to fall because investors were hoping semaglutides could be used as a new therapy, and the trial results raised questions about future growth of semaglutide products.

Novo's growth has slowed, and competition has increased as more companies enter the anti-obesity market. For example, the weight-loss drug Mounjaro and complementary weight-management drug Zepbound produced by Novo's competitor, Eli Lilly, have shown even greater efficacy in clinical trials. This poses a huge threat to Novo's position as a leader in the market, especially considering Eli Lilly's success in gaining popularity in large markets such as India and the UK. Eli Lilly has also grown faster than Novo, with its market capitalisation surpassing $700 billion in 2025. This is partially due to the success of Mounjaro – but unlike Novo, Eli Lilly has diversified, with multiple drugs in oncology, immunology, diabetes/obesity, and therapeutic areas. Having multiple growth avenues reduces the risk of failure, and many view Eli Lilly as the future leader of the anti-obesity market.

The future of weight-loss drugs is likely to be optimistic - obesity rates continue to rise globally,

and demand for medical interventions is rising with them. The antiobesity market is forecasted to be worth $150 billion by 2035, making it one of the fastest-growing areas in medicine. For Novo Nordisk to remain competitive it will need to continually innovate. The company is already looking at developing an oral semaglutide obesity drug as opposed to the injection, which would be a major breakthrough in anti-obesity medication. Oral medication is far easier for patients to administer, meaning the innovation of such a medicine could further increase Novo's market capitalisation. Overall, dominance of the market is unlikely to remain concentrated in a single company. With Novo's vulnerabilities and Eli Lilly's clinically promising developments, it is likely that the industry will become more fragmented over the next decade, especially with more firms entering the market. I think that Novo will remain a major player in the industry, but not at the level of monopoly it held during the Ozempic boom.

CAN BEAUTY BE SUSTAINABLE? INSIDE NATURA &CO'S DECADE OF TURBULENCE

HOW THE BRAZILIAN BEAUTY EMPIRE ROSE, EXPANDED AND WAS FORCED TO RECONSIDER ITS GLOBAL AMBITIONS.

BY ADITYA JAYARAM

Natura &Co is one of Latin America's most recognisable multinational corporations. The Brazilian cosmetics conglomerate has been built upon the sustainable foundations of Amazonian biodiversity and community-driven production. Over five decades, a small São Paulo start-up has grown into the continent's foremost beauty group, reaching a peak market capitalisation of $13.9 billion in 2020. The firm's model, praised by investors as 'purpose-led capitalism', fuelled global expansion beyond its flagship Natura, owning some of the world's most recognisable beauty brands: Avon, The Body Shop and Aesop.

However, Natura &Co's rapid rise has been followed by an equally dramatic strategic reversal. After several prominent acquisitions, the firm offloaded Aesop and The Body Shop, the latter at a steep loss to the £880 million paid in 2017. With plans to also sell Avon in the next 12 months, the firm has cited the divestments as a means "to simplify and refocus its operations" around its core markets. Rising leverage, insufficient global demand and operational inefficiencies may have turned Natura &Co's expansion into a cautionary tale about the limits of sustainability-driven growth in volatile macroeconomic conditions. This is the story of how one of South America's most admired companies experienced the promise and peril of globalisation.

Founded in 1969, Natura built its identity around the Amazon Rainforest. Bio-ingredients were sourced ethically, over 9000 local families were supported and carbon neutrality has been maintained since 2007. As the first publicly traded company in the world to receive B-Corp certification, Natura championed ESG long before it became mainstream, devoting $60 million annually to socio-environmental projects and pioneering refillable packaging.

Such sustainability-driven differentiation paid dividends by the mid-2010s, when shifting social expectations saw over 80% of consumers in major markets willing to pay a 9.7% premium for environmentally responsible products. Natura could suddenly maintain significant profit margins whilst remaining competitive. The company's vision began to stretch beyond the continent.

Between 2017 and 2020, Natura undertook the most ambitious beauty-sector M&A strategies in corporate history, deploying more than $3 billion across the acquisitions of The Body Shop (for $1.1 billion from L'Oréal) and Avon Products (for $2 billion in an all-stock deal). Additionally incorporating Australia's Aesop, Natura &Co built the world's fourth-largest cosmetics group, with thorough multinational diversification and enhanced bargaining power across suppliers.

Initially, Natura &Co saw great success, as group revenue soared +32% between 2016 and 2020. Avon's integration promised up to $400 million in synergies, with potential cost savings achievable primarily through the integration of international operations. Across the globe, Aesop delivered a 51% growth in sales in 2021 - its strongest year to date. At the time, the story was a symbol that emerging-market multinationals could, in fact, compete (and dominate) globally.

However, challenges quickly surfaced. The rapid horizontal integration left Natura &Co with a portfolio of brands with little in common. Aesop's minimalist boutiques, Avon's direct selling network and The Body Shop's mall-based retail proved difficult to manage under a unified umbrella, producing operational and managerial diseconomies of scale. Furthermore, with the deals heavily leveraged (financed by debt), Natura's net debt tripled, as debt-to-EBITDA ratios peaked at 3.5×. A 30% depreciation in the Brazilian Real (2019-2021) intensified the burden by raising the servicing cost of dollar-/euro-denominated debt.

By 2022, Natura &Co reported a $572 million net loss. Goodwill impairments reached $240 million, reflecting write-downs in the value of Avon and The Body Shop following consecutive quarters of negative sales growth. With e-commerce slowing post-pandemic synergies failed to materialise Natura &Co management had once expected, and began to hold the conglomerate back.

In response, Natura&Co commenced a strategic retreat through an immense restructuring programme. In April 2023, Aesop was sold to L'Oréal for $2.54 billion, generating proceeds to reduce net debt by 75% and briefly restore a net positive cash position. Months later, the firm sold The Body Shop to private equity firm Aurelius for £207 million - at just a fraction of its purchase price - exiting a chronic underperformer for which it significantly overpaid. These divestments removed major structural drags on earnings and cut exposure to weaker-performing markets. With Avon International also "held for sale", Natura &Co intends to continue this fortification of long-term financial health, shedding the global footprint that once defined its lofty ambitions.

Natura & Co's identity remains inseparable from its sustainability mission. Yet, its ESG commitments, from sustainable packaging to ethical sourcing, carry additional production costs relative to traditional cosmetics rivals. Although the premium was previously justified during high-growth years and aligned consumer trends, persistent inflationary pressures and currency volatility have made sustainability harder to finance.

This leaves Natura with a crucial dilemma: cut sustainability costs to recover profitability, or preserve its foundational principles at the expense of short-term margins. The firm may have publicly opted for the latter at present, but investors may well remain sceptical until ESG can be proven competitive, and not merely a marketing strategy.

Now on a new trajectory, Natura &Co emerges leaner and more regionally-focused. Management can be expected to prioritise its flagship eponymous brand, deepening its presence across Brazil and Andean markets. Although macroeconomic risks remain in the region, there are causes for cautious optimism with substantial brand equity and extensive distribution networks in this high-growth emerging market. While Natura &Co may no longer resemble the sprawling global empire its stakeholders once envisioned, it may become something far more resilient and true to its Amazonian roots.

THE ACCELERATION OF INTELLIGENCE: THE METEORIC RISE OF OPENAI

BY KELLY NG

In less than a decade, a small research lab called OpenAI has transformed into the engine behind one of the fastest technological shifts in human history. Its tools, most notably, ChatGPT, have reshaped how people learn, work, and communicate, altering the future of human-machine interaction. This article will therefore explore OpenAI's early milestones, its rapid rise to prominence and global impact, and the ethical considerations surrounding the use of artificial intelligence (AI).

OpenAI was founded in December 2015 by Sam Altman, Elon Musk, and a group of leading technologists. They shared the core motivation of ensuring AI would develop in a safe and transparent way to benefit humanity. In its early years (2015-2018), OpenAI ensured transparency with the public, publishing detailed research papers, and openly shared code and datasets through platforms such as GitHub. Such collaborative research manifested in various ways – one notable example being the release of OpenAI Gym in 2016, a toolkit for developing and comparing reinforcement learning algorithms. By 2018, OpenAI had developed the Generative Pre-trained Transformer (GPT) model, setting new benchmarks for language tasks. These early milestones did not just establish OpenAI as a research leader, but laid the foundation for the rapid acceleration that would soon reshape the conversation around AI.

The moment that truly reshaped OpenAI's identity came in 2019, when the organisation made the decision to turn OpenAI from a non-profit research lab to a capped-profit company. This transformative structural change led to the creation of OpenAI LP, which allowed investors to earn up to 100 times their initial investments. Yet, reactions from the AI research community and stakeholders were mixed. Some expressed concerns the new model may compromise OpenAI's foundational mission of ensuring AGI benefits humanity. Following this structural shift, OpenAI entered a period of rapid acceleration marked by a series of groundbreaking advances. The organisation pushed the bounds of large-scale language modelling (LLM) with the release of GPT-2 in 2019, and GPT-3 in 2020, marking revolutionary advancements in natural language processing. OpenAI also furthered the development of AI through the introduction of DALL-E for image generation, and Codex for programming assistance in 2021. Another defining moment for OpenAI came in 2023, when CEO Sam Altman was abruptly fired by the board over concerns that he had not been 'consistently candid in communications', and they had 'lost confidence' over his leadership. Though he was reinstated as CEO a week later, this sparked a week-long crisis. Employee protests and public scrutiny raised questions regarding OpenAI's transparency, accountability, and pace of development – tensions that continue to shape OpenAI today

The pivotal moment for OpenAI came in November 2022 with the launch of ChatGPT. Unlike previous AI systems, ChatGPT was conversational and accessible, allowing the general public to experience the capabilities of AI firsthand. Its adoption by the public was unprecedented, and within just 5 days of its launch, the platform reached 1 million users. As of November 2025, there are approximately 800 million ChatGPT weekly active users, showcasing how deeply integrated the platform has become in personal and professional workflows.

In the 3 years since the launch of ChatGPT, it has become increasingly clear this technology has led to a cultural shift, influencing everything from education and employment to relationships and communication. Its impact on education has been particularly concerning, as students may now rely on ChatGPT to complete homework or essays, with minimal critical thinking of their own. This risk is also exacerbated by the fact ChatGPT can, and often does, provide incorrect, biassed, or oversimplified answers, leading to a generation that may appear more productive, but less equipped with the analytical and evaluative skills education is meant to develop. However, this does not necessarily mean ChatGPT should be completely left out of the education realm. ChatGPT can bring about a level of personalised learning students can easily use, allowing them access to quick explanations to questions they may need assistance with. In addition, its impact on relationships and communication has also been consequential: AI-driven conversations increasingly replace human interaction, raising concerns about isolation, and the erosion of authentic human connection. According to research by the online dating company Match, almost half of Gen-Z Americans have reported they have used LLMs such as ChatGPT for dating advice, revealing how embedded AI has become in guiding choices that were once entirely human.

Beyond communication and education, the rise of ChatGPT has also raised serious concerns about job displacements, and economic inequality. It is undeniable AI could bring about higher economic growth, with McKinsey reporting AI could deliver additional global economic activity of around $13 trillion. However, its impact on job displacements has been especially controversial, with many industries now confronting the reality that AI can perform tasks faster, cheaper, and at times, more accurately than humans. A study by Goldman Sachs has reported AI could replace the equivalent of 300 million full-time jobs – around two-thirds of jobs in the US and Europe are exposed to some degree of AI automation. This has also raised questions on economic inequality, particularly as the benefits of AI tend to advantage highly skilled workers and large tech firms disproportionately more. Conversely, many have also argued ChatGPT and other generative AIs may serve as mechanisms for upskilling individuals who face barriers to employment. A study by MIT found that while ChatGPT unsurprisingly raised overall productivity, its effects were most pronounced among lower skilled workers. The tool effectively reduced the performance gap between employees, implying generative AI may function as an equalising technology. Ultimately, the trajectory of ChatGPT's economic impact remains deeply ambivalent, as it can either entrench existing inequalities through large-scale displacement, or help broaden opportunity by supporting lower skilled workers.

As OpenAI continues to shape the technological landscape, the acceleration of its tools presents both extraordinary opportunities and profound challenges. OpenAI's rise has not occurred in isolation. Its competitors, such as Google DeepMind, Gemini, and CoPilot, have each advanced their frontier models, intensifying the race to build safer, more efficient, more powerful AI systems. As we approach the next stage of advanced AI development, the central question is no longer whether AI will transform society, but whose interest that transformation will serve, and whether humanity will be able to guide this acceleration with the responsibility and transparency its scale requires.

BHP – THE STORY OF AUSTRALIA'S GREATEST REVENUE MINE

BY MANI VIJAY

Society is continually evolving amidst mass technological change, global market fluctuations, and urban development. However, throughout most of this period of modern expansion, the mining industry has been an ever-present constant. Mining provides the essential raw materials used in almost every component of the modern world. In an increasingly demand-driven society, it is pivotal for almost all aspects of life, from supporting the largest of infrastructure projects to components of phones. The Minerals Education Coalition estimates that the average American would need around 3.19 million pounds of minerals, metals, and fuels in their lifetime, highlighting how vital the industry's resources are. Furthermore, the mining sector is influential in contributing to global economic growth (adding A$349 billion in GVA to the Australian economy in the 2023/24 financial year) alongside other benefits such as regional development, technological innovations and energy transitions. Standing at the forefront of the mining industry is BHP, an Australian-based mining company and the leading producer of iron ore, copper and metallurgical coal.

BHP is the world's leading mining company, working in over 90 worldwide locations, contributing US$49.2 billion in FY2024 and employing more than 90,000 employees across the corporation. Founded in 1885 as Broken Hill Proprietary Company Limited, BHP was initially focused on silver and lead mining. In 1915, the company took significant steps towards national domination by opening up Newcastle Steelworks – the first large-scale steelworks in the nation and a thriving branch of the company for the next 84 years. Entering the steel industry was a landmark moment for BHP because it enabled vertical integration and industrial expansion. The move essentially shifted BHP from a pure mining company to an industrial leader.

With WWII becoming a growing threat, 1940 saw the Australian government directly ask BHP to build a naval shipyard at Whyalla, South Australia. The shipyard became a source of national navy vessels, with BHP overseeing the production of 63 ships between 1941-78. BHP's role in WWII forced it to operate at a much larger scale than it had ever done so before, yet it did so with little struggle, meeting all

national-security demands. The operation consequently not only expanded BHP's production capacity, but arguably more significantly, bolstered its reputation as a strategic industrial powerhouse.

In 1964, BHP entered a partnership with Esso Australia (now ExxonMobil) to explore and develop oil and gas fields within certain parts of Australia. This was motivated by Australia's growing energy needs and the desire to reduce dependence on imported oil. BHP's role was to provide capital investment and engineering expertise alongside Esso's technical knowledge. The partnership was a success, having produced more than 3.5 billion barrels of oil and 5 trillion cubic feet of gas, with a supposed A$570 billion contribution to Australia's GDP. The venture was impactful for BHP's evolution for three reasons. Firstly, it transformed BHP into a multi-commodity resource company capable of generating revenue from energy markets. Secondly, the collaboration enabled BHP to move ahead of its competitors in the mining industry via technological advancements such as advanced drilling and seismic surveying. Thirdly, BHP's involvement in oil and gas allowed it to participate in global energy supply chains, strengthening its ability to influence price and its market access.

The following decades saw BHP capitalise on its recent expansions into global supply chains by furthering its international presence. In April 1984, BHP acquired Utah International from General Electric in a deal reportedly worth US$2.4 billion. Utah International was a large, diversified mining and construction company with assets including coal operations in the USA, a copper mine in Canada, iron-ore projects in Brazil and a portfolio of undeveloped projects across the southern hemisphere. The acquisition marked a deliberate pivot in BHP's strategy from being a big Australian firm to aspiring for global dominance. Over time, these international assets became major sources of BHP's profitability; coal and copper, especially from Escondida, Chile, provided strong cash flow, enabling BHP to fund future expansion and reinvest whilst simultaneously diversifying its portfolio.

Having already established itself as a frontrunner in the mining industry, BHP's merger with Billiton in 2001 took it to the level where it is at now, as both the leading mining company and as Australia's most successful firm. Billiton was an Anglo-Dutch mining giant specialising in the extraction and processing of diversified mineral resources. The merger of these two successful firms, forming BHP Billiton (later renamed to BHP Group Limited), had extraordinary results. The new company reported a rise in sales revenue from US$18.4 billion to US$19.1 billion within a year, whilst the EBITDA margin grew from around 27.4% to approximately 29.8%. BHP also saw an increase in exposure to aluminium, manganese, nickel and ferroalloys, making it a truly diversified global miner. The merger also boosted BHP's balance sheet strength, giving it more capital firepower to execute larger-scale projects and acquisitions, as seen with Western Mining Corporation in 2005.

Despite enduring a predominantly stable route to success, BHP have encountered a few periods of concern, the most renowned being the Samarco Dam Disaster. In 2015, a joint venture between BHP and Vale collapsed in Mariana, Brazil. The dam's collapse saw over 40 million cubic metres of highly toxic slurry be released, with 19 people dying. The incident went on to become Brazil's worst environmental disaster in history; investigations concluded that BHP failed in its governance responsibilities, with stability warnings dating back to 2013 not adequately adhered to. BHP was found to have also relied upon third-party reports, which were revealed to have underestimated structural weaknesses.

The incident had significant financial consequences. By 2020, BHP had recorded over US$6.5 billion in charges through the form of remediation,

compensation and legal provisions. Investor confidence also wavered: in the weeks following the collapse, BHP's market value plummeted by roughly US$20 billion. This disaster greatly impacted BHP's reputation, resulting in the firm taking a new approach. Mining in general faces inherent environmental and ethical challenges, such as land degradation, water contamination, emissions, loss of biodiversity and disruptions to local communities. The Samarco Dam Disaster showed that even the largest of mining corporations struggled to deal with these issues. BHP recognised this and began to implement a series of changes.

Since 2016, BHP has undertaken a huge structural overhaul of its risk management framework. A centralised geotechnical risk unit was created, and independent Dam Review Panels were introduced globally, ensuring that tailings facilities received external scrutiny. Engagement with local communities was also strengthened. On top of these changes, BHP began to align its portfolio with lower-carbon, long-life assets whilst committing to a net-zero operational emissions target by 2050. Large-scale investments such as the Jansen Potash Project in Canada highlight this apparent shift towards sectors aligned with global green infrastructure and food security. Additionally, environmental initiatives in green steel, low-carbon shipping and methane reduction have strengthened its ESG standing. Though the legacy of the Samarco Dam Disaster has overshadowed BHP's past decade, its reforms and consistent performance have enabled it to re-establish itself as one of the most financially stable and forward-looking mining companies in history.

Looking ahead at BHP's trajectory, its increasing focus on future-facing commodities positions it to benefit from the rising demand for electrification, renewable infrastructure, and global food security. With the copper market alone projected to face a supply gap of 4-6 million tonnes annually by 2030, and the Jansen Potash Project targeting over 4 million tonnes of output per year in its first stage, BHP is in a healthy position to capitalise upon global megatrends. Regular revenues in excess of US$50 billion and a more disciplined capital allocation framework provide BHP the flexibility to meet its emissions goal by 2050.

Overall, BHP was ultimately transformed via its merger with Billiton into a global, multi-commodity giant. Having started out as a mere mining firm focused on silver and lead, it is now a diversified resources company with deep exposure to metals, energy and critical minerals on top of its mining projects. Strong cash flows and its extreme variance have ensured that BHP has been able to capitalise on global megatrends, implement new solutions to deal with environmental and ethical issues in the mining industry, and cement itself as the global leader in the mining industry.

THE PURPLE BANK AT SCALE: CAN NUBANK'S LOW-COST MODEL OUTRUN PIX, CREDIT RISK, AND REGULATION?

BY NAZIB CHOWDHURY

Nubank's story is credited for its design and branding. However at its core, it is a bet against Brazil's traditional banking model. As banks began to form in Brazil, retail banking was dominated by a small group of large financial institutions. This has led to credit cards which could have annualised rates above 400%, with monthly account and card fees on top.With current models, large branch networks and high staffing costs were unavoidable and customers faced with little choice. Nubank's mobile-first, low-cost approach set out to attack this structure.

The core idea was simple: strip out branches, automate anything that software can handle, and pass the savings back to customers in the form of lower fees and a smoother user experience. Nubank launched with a zero-fee, app-managed credit card and later added digital accounts, loans, insurance and investments. By 2025 it will manage around 127 million customers across Brazil, Mexico and Colombia, with an activity rate of roughly 83%. In Brazil alone it serves more than 60% of adults and has over 110 million customers, making it one of the country's largest financial institutions by customer count. Achieving that kind of reach in such a short period would have been impossible with a branch-led model. Nubank's cost to serve each active customer is about $0.90 per month, versus roughly US$13.40 at typical banks.

If you look at what Nubank is saying and doing over the last 12–18 months, we can see their growth plan: create more value out of Brazil, to drive Mexico and Colombia toward the kind of inflection Brazil went through, create a platform it can deploy globally. It's uncertain whether they have capacity to pull that off without breaking their risk profile or diluting returns. Since Brazil still acts as the profit engine for the rest. In Mexico, Nubank has passed 13 million customers and now reaches around 14% of the adult population. Colombia is smaller at just under 4 million customers, but both markets generate solid revenue despite much thinner product sets. At the same time, Nubank is rolling out a global credit platform that adapts to local regulation. "Nu Control" in Colombia, a product designed to work within the country's interest rate cap while still expanding access to

credit, suggesting they aren't simply copy-pasting Brazilian products.

However, looking at its competitors like Mercado Pago in Argentina who have embedded in the broader Mercado Libre ecosystem. Serving tens of millions of active fintech users across Latin America, it has become the default digital wallet for firms and consumers. It leans more on payments and marketplace synergies than on full-service retail banking, while Nubank is more exposed to credit and deposit-taking. At scale, that makes Nubank's low-cost model more sensitive to funding costs, capital requirements and credit quality than a pure payments wallet. The question is if Nubank can keep holding significantly more balance-sheet risk than a competitor whose revenue mix is more diversified.

PIX was the first serious challenge to Nubank's model. PIX is Brazil's nationwide instant payment system that lets people and businesses move money between accounts in seconds, 24/7, at little to no cost. Since launching in 2020, PIX has grown rapidly and now accounts for a large share of payment transactions, significantly outpacing debit cards. The PIX fees average around 0.22% per transaction versus more than 1% for debit. Nubank has managed to turn this threat into an advantage. It now processes more than 2 billion PIX transfers every month, roughly a third of all PIX traffic in Brazil, becoming many users' main transaction hub rather than just a secondary card. Benefiting Nubank greatly with more app activity generates better behavioural data for credit decisions. When integrated well, PIX becomes a growth accelerant however when managed poorly, it exposes how fragile any model is if it leans too heavily on a single revenue stream.

Credit cycles are the repeating phases of expansion and contraction in lending that happen as the economy fluctuates. These cycles hit Nubank's middle-income customer base hardest as they are more exposed to inflation. Fintechs like Nubank now hold a substantial share of Brazil's credit card market, which means an increasing slice of consumer credit risk sits on relatively young balance sheets. Nubank's advantage lies in its ability to adjust limits, pricing and collections rapidly using behavioural data at very low marginal cost. Also, stricter regulation as the Central Bank of Brazil has raised capital requirements and governments have strengthened consumer rights and pushed open finance initiatives. For Nubank, this will mean higher capital needs and lower headline returns. As Nubank becomes systemically important, regulators are likely to treat it more like a traditional bank. That will reduce its freedom to take risks but provide stability and long-term position.

Investors and the public are torn on Nubank's stage. Some believe its data advantage, strong brand and ultra-low cost base give it years of profitable growth, even if margins get squeezed. Others worry that so much exposure to middle-income customers, and heavy dependence on Brazil as a profit engine, leaves it vulnerable in a downturn. For them, Nubank's push to build a global platform looks less like a natural evolution and more like the first signs of strategic overreach and future strain.

In the end, the biggest risk is not that the mobile-first, low-cost model suddenly breaks, but that Nubank's own success leads it to overreach by stretching its credit book too far or by expanding into new markets too quickly. If the company continues to use its data and AI capabilities to refine risk selection and product design, it should be able to absorb regulatory pressure and credit cycles. PIX, credit cycles and regulation will not be the result of Nubank's downfall; they will help strip away from Nubank's brand. The real test is whether it can sustain itself and discipline even after the purple sheen wears off.

SAUDI ARAMCO: THE $2 TRILLION COMPANY TURNING OIL INTO A FINANCIAL SUPERPOWER

BY RYAN GONSAI

In 2019 Saudi Aramco floated just 1.5% of its shares. It raised $29.4 billion.

The world watched a country turn the nature around them into capital in real time. Dissimilar to other major IPOs that needed global roadshows, Aramco essentially only relied on domestic demand and managed to reach a valuation of over $2 trillion. This listing showed the world that oil is not just a commodity but an asset class, redefining how oil experts dealt with the good. How could a company with such a tight free float overtake Apple temporarily? The answer lies in how the company behaves: unlike an oil major and alike to a state financial instrument built on resource dominance. This IPO revealed Saudi's intentions to convert geological advantage into long term geopolitical and technological leverage, something more central to the future of Aramco than the past.

The underground economics is truly what separates Aramco from the crowd. Extraction costs sit at around $3 per barrel, the lowest point of the global cost curve. At oil prices able to bankrupt regions, the company reaps in unorthodox profits. This structural advantage means the company isn't valued the same way Western oil giants are with investors regarding it as a sovereign bond with attached cash flows. In 2024 alone there were $124 billion of dividend payments, putting it on par with the GDP of some small countries. Even during economic downturns, Aramco's profit seems invincible. It behaves like an eternal cash generator whose margins are secured by geology, not business cycle. This key advantage underlies the companies ability to shape any system which comes in place of the modern hydrocarbon economy.

This lets the company sit at the centre of Saudi's economic restructuring. The profits pour into the Public Investment Fund financing projects such as Vision 2030. The cash forms new cities like NEOM, expands the tourism industry, funds green hydrogen projects and allows the country to have a presence in global investment. It is certainly unique for a company to fund the economy which created it whilst funding the one being designed to replace it. This creates a feedback loop between corporate

authority and domestic strategy which no western firm is even able to replicate.

The pressing question which makes Aramco interesting in today's climate is what happens as the world shifts away from carbon. Critics believe renewable energy will undermine the company's future but the reality is more complicated. If the global oil market has a fall in demand, Saudi would not be close to being forced out first; instead it would be the high cost regions such as Canadian oil sands, US shale and offshore Brazil. The last barrels used will certainly come from producers which are low cost and low emission allowing Aramco to thrive. Its market share grows and it gets a bigger slice in a shrinking pie.

Beyond fuels, hydrocarbons will remain powering the world in a different way. Petrochemicals such as plastics, fertilisers and solvents are forecast to be one of the few areas of rising demand even in net zero pathways. Through the acquisition of SABIC and the expansion of chemical capacity and refining, Aramco has solidified itself in this shift. Even though oil as a transport fuel may begin to decline, oil as a material feedstock is just beginning to rise. If the demand for energy breaks as the demand for material rises, Aramco will shift from the backbone of transport to the backbone of industrial production.

Strangely even climate policy creates unusual advantages for Aramco with its oil being some of the least carbon intensive in the world. A likely new climate regulation will be governments starting to price imports based on emissions content which would allow Aramco to sell clean barrels to buyers willing to pay a premium. Decarbonisation is not as simple as stopping hydrocarbon demand, it instead reorganises it around the producers who emit the least. In a global market where carbon intensity becomes a tradable attribute, the oil under Saudi will be a competitive moat, not a liability.

The company becomes truly intriguing when we look into its attempt to redesign what ‘oil’ means. Aramco is funneling capital into synthetic fuels, carbon capture, advanced materials, blue hydrogen and other tech which may allow oil to be produced without releasing any carbon. It is not attempting to outrun the transition of energy; it is instead trying to engineer a climate compatible form of hydrocarbons. It is feasible that in 20 years, Aramco is not just the leading global oil firm but also the leading global carbon management firm - something only a firm with its engineering capacity, capital and geological advantage could attempt.

This long term strategy coexists with the companies positioning geopolitically. Global firms usually fear geopolitical tensions; Aramco often benefits from it. When the price of oil spikes, the company’s cash flows are amplified meaning global instability can enhance its financial position. This makes buying Aramco shares, counterintuitively, a hedge on the volatility which destabilises other companies. This mix of resource certainty, financial strength, geopolitical leverage and technological ambition makes Aramco a classification nightmare.

Aramco’s future is uncertain. It depends on which of the several paths becomes a reality. In one scenario, it becomes the final dominant global producer of oil that continues to consume hydrocarbons but instead from cheaper, fewer sources. In another, the bet on carbon-engineered fuels pays off, giving it a core role in a decarbonised energy system. And in a third outcome, Saudi Arabia' s diversification is such a success that Aramco becomes less central not due to failure but due to the economy around it strengthening. The most plausible outcome of these is a hybrid option. This sees Aramco dominating the end of the ‘oil era’ whilst leading and deciding the era which comes after it by using its cutting edge engineering.

Regardless which path emerges, Aramco will forever be one of the most unusual companies on the planet. A firm which turns the surrounding nature into capital, the capital into national strategy and the strategy into global relevance and potentially dominance. Its past is built on oil but its future will be determined by how it reinvents that oil in an atmosphere fixed on moving beyond it. The next chapter will be shaped not by the volume of oil sold but how it reshapes the term 'hydrocarbons'.

TATA: THE INVISIBLE HAND BEHIND INDIA'S GLOBAL RISE

BY RITI WADERA

The Birth of Industrial India:

Every country has an origin story. For India it begins with Jamsetji Nusserwanji Tata. In 1868, with only ₹21,000 and ambitious dreams, Tata set up a trading firm in Bombay, which in later years allowed India to stand on its own industrial feet.

His early ventures were audacious: textile mill in Nagpur, the Taj Mahal Palace Hotel in Mumbai and plans to expand into steel and power plants. In an era when Indians were rarely more than a middleman in the British Empire's economy, Tata didn't just strive to earn, he wanted to create a modern nation that could grow independently. He was imagining a modern India decades before independence.

After his death, the torch was passed onto his successor, Sir Dorabji Tata, who built TATA steel in 1907. This was India's first integrated steel plant, with TATA power following soon after, providing electricity to Mumbai factories and homes. Furthermore, Jamsetji's passion for science provoked the opening of the Indian Institute of science (IISc) in 1911 which remains one of Asia's top research centers.

By the mid-20th century, TATA had become the shorthand for Indian industry itself, as a brand that has 30 companies and that stands for progress long before marketing made it a thing.

Rethinking the Firms Purpose:

TATAs unique structure allowed them to live in the future. Two thirds of its holding company, TATA sons, is owned by TATA Trusts, which does not sit on profits but reinvests them back into India, the primary beneficiary of its profits. India is their biggest investment, allowing them to be a main factor in India's Economic revelation.

Every year, billions are invested into India's hospitals, schools, research labs and rural development programs. Approximately 60% of TATA's profits are funneled into philanthropy. Giving isn't a side hustle, it's at the core of their business model. Jamsetji wrote 'The community is not just another stakeholder in business; it is the very purpose of its existence'. These words turned capitalism on its head, as it was realised that the existence of a business is dependent on its fanbase/following.

When India needed institutions, TATA built them. When India needed jobs, TATA created them. When India needed faith in private enterprise, TATA represented it. TATA stepped in when the nation needed it the most, and architected India's growth.

The Ethics of Scale:

Within the corporate world, big businesses and ethics are not normally linked to each other. However, TATA's story is the rare exception as they have survived large shifts in Indian history without losing public trust or credibility. Part of their resilience comes from their values: integrity, responsibility, excellence, pioneering and unity. TATA built its business for decades, looking forward into the future and diversifying its market domination across steel, software, energy and automobiles, allowing clear navigation through economic storms.

In a corporate world often defined by excess, Tata managed to grow without greed. The group's conservative approach to debt, and its refusal to compromise ethics for expedience have made it an anomaly in India's capitalist landscape. That doesn't mean it's flawless. The ouster of Cyrus Mistry in 2016 revealed that even the most respected firms aren't immune to boardroom battles. Yet, unlike so many corporate feuds, Tata's controversies rarely shake the public's faith. In India, the name still evokes trust. From my perspective, the genius lies in the structure where the majority of profits belong to charity, ethics stop being a slogan and start being a system.

Redefining the Invisible Hand:

If economics had a creation myth, it would be Adam Smith's "invisible hand." Smith imagined a world where people chasing their own interests unintentionally made society better. Profit, he said, could create public goods.

Tata flipped the script. For them, public goods became the foundation of profit. The group didn't stumble into doing good but designed itself that way. Its investments in education, healthcare, and social infrastructure have strengthened markets it operates in. Think of it as capitalism 2.0. One where the "invisible hand" isn't the impersonal market, but an institution guided by values. In Tata's world, morality and profitability aren't enemies. They're business partners that work together. In countries like India, where markets often fail and governments can't fill every gap, this model matters. Tata shows that ethical capitalism isn't a contradiction but a competitive edge.

Building the Indian Boom:

From the early 1900s steel mills to today's software campuses, Tata has been a constant in India's growth story. Tata Steel built the bridges and railways that modernized India. Tata Power lit up cities. TCS put India on the digital map.

Tata didn't stop at national borders. It bought Tetley Tea in 2000, Corus Steel in 2007, and Jaguar Land Rover in 2008, deals that turned an Indian industrial house into a global brand. These moves weren't just about expansion; they were statements. India could now own the companies that once symbolised Western prestige.

Beyond hard power, Tata wields a subtler form of soft power. In a global economy skeptical of corporate giants, Tata's reputation for ethical business has become one of India's best exports. The group's name opens doors in London, Nairobi, and San Francisco not because it's the biggest, but because it's trusted.

Looking Ahead: The Future Hand:

As India moves into a new industrial era, Tata stands at the crossroads. Its recent bets on electric vehicles, renewable energy, and AI-driven software suggest a company ready to lead the next phase of India's modernisation.

TATA is intent on shaping India's next 50 years as decisively as it shaped the previous 100. The challenge, however, is balance. Can Tata keep its ethical compass steady as it grows faster, bigger, and more global? I believe it can, only if it continues to do what made it unique: treat value as infrastructure, not ornamentation..

Tata's legacy is proof that capitalism doesn't have to be cold. It can be humane, even hopeful. By tying business success to national progress, Tata didn't just build companies, it built confidence, capacity, and character for an entire country. As India enters a future defined by technology, sustainability, and global competition, TATA's invisible hand remains steady. It shapes meaning, identity and showcases the idea of what progress can look like. If India's rise has a quiet architect, it's TATA, and its work is far from finished.

THANK YOU NOTE

We hope you had an enriching experience reading this edition of the Assumptions magazine. We are grateful to all our writers who helped us explore innovative powerhouses from across the globe. Learning about companies and success stories from different economic regions highlights that growth comes in many forms. We hope these articles inspire discussion and a deeper understanding of how success is shaped by distinct institutional values We look forward to providing our readers with more fascinating content in the future!

Lavina Shah &
Akshat Jakotiah
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