NIC Undergrad Review



September 2025

NIC

— Undergraduate Division —

Editor's Note.

Dear reader,

Looking back, I can only feel grateful for the past three years as part of NIC-UD. It was a truly transformative experience during my bachelor's, both because of the motivated and driven individuals I had the chance to meet and everything I was able to learn along the way.

Over the past year, serving as the NUR Editor-in-Chief has been a fulfilling experience, and I can only acknowledge the remarkable quality and effort of all the members who contributed to the recent editions.

As this journey comes to an end, this edition was created in collaboration with Yash, the incoming Editor-in-Chief for this semester, who I am confident will do an outstanding job, as he already is.

Best regards,

Raquel Mendes

Former Editor-in-Chief

Dear reader,

It is with great pleasure that I present to you the fourth edition of the NIC Undergrad Review for the academic year 2024-2025.

This edition begins with a brief discussion of the Iberian Markets, followed by an overview of the M&A activity in Q2 2025, including the analysis of the acquisition made by Global Payments of Worldpay. We also present an industry overview on the emerging Carbon Markets and provide a business deep dive into Above Inc., debating the increasing competition brought by technology and AI advancements, peer analysis, risks, and catalysts. Additionally, we present an article titled "Deep Dive: Fintech", and a detailed look at the rise and loss of momentum of the industry, as well as future trends. To conclude, we had the pleasure of interviewing António de Castilho Lima, a NIC alumnus, who shared his experiences on bridging the gap between his engineering background and finance, shared insights on trends with respect to both industries, and elaborated on the different aspects of his international career, in addition to valuable advice for professional growth.

Lastly, I would like to express my heartfelt gratitude to Raquel Mendes for her precious help and guidance in this edition, and to all the members who contributed to it: Diogo Veríssimo, Francisco Viegas, Joana Bonecas, Joana Santos, Matilde Oliveira, Miguel Fernandes, and Miguel Patrício.

Best regards,

Yash Chauhan

Editor-in-Chief

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Quick Take on Iberian Markets



Miguel Fernandes

Portugal restarts plan to privatize airline TAP. The Portuguese government has restarted the long-delayed sale of TAP, announcing plans to sell 49.9% of the airline. Prime Minister Luís Montenegro expects strong interest from international buyers. Previous potential buyers include Air France-KLM, Lufthansa, and International Airlines Group. Candidates must show how they will keep Lisbon as a hub, protect TAP's brand, and maintain key long-haul routes. There are worries that a takeover by IAG, which owns Iberia, could reduce Lisbon to a feeder hub for Madrid. The government has stated that it will halt the sale if strategic objectives are not met. The plan reserves 5% of the shares for employees.

France's BPCE to buy Portugal's Novo Banco. BPCE has agreed to buy Novo Banco in a €6.4bn deal, acquiring Lone Star's 75% stake. Novo Banco, carved out of Banco Espírito Santo's collapse in 2014 and sold to Lone Star in 2017 for €1bn, has since restructured to become one of Europe's most profitable mid-sized lenders, posting RoTE above 20%. BPCE's chief executive, Nicolas Namias, hailed the transaction as the largest European cross-border banking deal in a decade. The Portuguese state (11.5% ownership) and a banking resolution fund financed by the country's banks (13.5% ownership) also agreed to sell their stakes. For BPCE, the acquisition opens a new retail market while adding exposure to variable-rate loan portfolios. For Portugal, the transaction marks the end of a long and costly rescue process.

Spain eases rules in bid to stop IPOs being derailed by market turmoil. Spain's market regulator (CNMV) and the Bolsa de Madrid are reforming IPO rules to give companies up to 18 months, instead of just five days, to begin trading after approval. The move, called "BME Easy Access," aims to prevent last-minute IPO cancellations caused by political or market turmoil, such as recently seen with Europastry and Tendam. Officials hope the change will restore confidence in Spanish equities, keep listings in Europe, and align with the EU's push to make public markets more attractive.

Portugal names new central bank governor amid political friction. Portugal's government has appointed OECD chief economist Álvaro Santos Pereira as the new central bank governor, replacing Mário Centeno after months of tensions regarding the bank's economic forecasts. Prime Minister Luís Montenegro's centre-right administration opted not to renew Centeno's mandate, accusing him of excessive pessimism. Pereira, a former economy minister during Portugal's Eurozone bailout years, brings international policy experience from his decade at the OECD. His appointment, however, awaits a parliamentary hearing, while controversy lingers over Centeno's approval of a costly new central bank headquarters project.

Macquarie to acquire stake in Luz Saúde. The Australian financial group Macquarie is set to acquire about 40% of Luz Saúde from Fidelidade, which China's Fosun International controls. The transaction, reported by Bloomberg, will value Luz Saúde at over €1bn and follows Macquarie's outbid of CVC Capital Partners and KKR. Although Macquarie is ahead in the negotiations, the talks are still ongoing, and negotiations also continue with the other candidates. The agreement, which could be signed in the coming days, is seen as a strategic move in the Portuguese healthcare sector, involving a network of more than 14 private hospitals and 15 clinics. Neither Macquarie nor Fidelidade have officially confirmed the deal, but the sale follows the cancellation of Luz Saúde's IPO plans in 2024 due to market instability, aggravated by Middle East tensions.

M&A Analysis



Miguel Patrício

3rd-highest quarterly value in 4 years, driven by 110% growth in APAC

Overview

Following a strong finish to the first quarter, global M&A appeared to hold back in April as markets stumbled from new U.S. trade policies. The slowdown marked the steepest MoM decline in deal values since January 2023. However, the setback proved short-lived as markets quickly ignored tariff risks. By the end of the second quarter, dealmaking had rebounded to $780 billion, the third-highest quarterly total in the past four years.

The surge was fuelled by 14 transactions exceeding $10 billion each, led by Toyota Motor's $44 billion acquisition of Toyota Industries Corp., one of its core suppliers. The United States accounted for $413 billion in deals during the quarter, representing 53% of global activity.

Asia-Pacific was the standout region on a YoY basis. Deal values in the region surged more than 110 percent from $89.3 billion in the second quarter of 2024 to $188.9 billion in the same period of 2025, powered largely by Toyota's blockbuster purchase. That leap allowed Asia-Pacific to surpass Europe and trail only North America in overall activity.

Yet the rebound in deal values hid growing caution among corporate buyers. Many companies slowed their pursuit of acquisitions in response to economic uncertainty. According to PwC, 30% of firms paused or reconsidered transactions because of tariff risks. As a result, global M&A volumes in the first half of 2025 fell 9% compared with a year earlier, even as overall values climbed 15%. North America illustrated this divergence. Data from S&P Global Market Intelligence show 3,908 deals announced in the region during the second quarter, worth $409.6 billion. Compared with the first quarter, which marked a 12.4% decline in volume and a 2% dip in value. YoY, deal counts were down 13.4%, but total value jumped nearly 33%.

Taken together, the quarter underscored a defining feature of today's M&A market: fewer deals, but larger in size, with regional shifts increasingly driven by megadeals in Asia and continued uncertainty around U.S. trade policy.

Most relevant deals in the second quarter of 2025

Announced Data	Target	Buyer	Target Region	Target Industry	Value
03/06/2025	Toyota Industries Corp.	Toyota Motor & Toyota Fudosan	JPN	Industrials	$43.9 billion
16/05/2025	Cox Communications Inc	Charter Communications Inc.	USA	Communication&Services	$36.7 billion
16/06/2025	Santos Ltd.	Carlyle Group, ADQ and XRG	AUS	Energy	$23.9 billion
17/04/2025	Worldpay LLC	Global Payments Inc.	USA	Financials	$17 billion
08/05/2025	NTT DATA Group Corp.	NTT	JPN	Information Technology	$16.5 billion
25/05 and 09/06/2025	Dawning Information Industry Co. Ltd.	Hygon Information Technology	CHN	Information Technology	$14.5 billion
17/04/2025	Global Payments Inc.	FIS	USA	Financials	$13.5 billion
12/05/2025	CPower Inc.	NRG Energy Inc.	USA	Utilities	$12.5 billion
19/05/2025	TXNM Energy Inc.	Blackstone Inc.	USA	Utilities	$11.9 billion
05/05/2025	Skechers USA Inc.	3G Capital Inc.	USA	Consumer Discretionary	$11.3 billion

Global Payments acquires Worldpay

Deal Structure

On April 17, Global Payments announced it would acquire Worldpay from GTCR and FIS in a $24.25 billion cash-and-stock deal, less than two years after GTCR acquired its majority stake. The net purchase price is $22.7 billion, rising to $24.25 billion with $1.55 billion in expected tax benefits. The transaction values Worldpay at 8.5x adjusted EBITDA, including run-rate synergies. GTCR will receive 59% of the consideration in cash and the rest in Global Payments stock at $97 per share, leaving it with about 15% of Global Payments' pro forma shares. FIS, which held a minority stake, will be paid entirely in cash. Global Payments will fund the deal with committed bridge financing, $7.7 billion in new debt, balance sheet cash, and proceeds from selling its Issuer Solutions business to FIS for $13.5 billion.

The Rationale

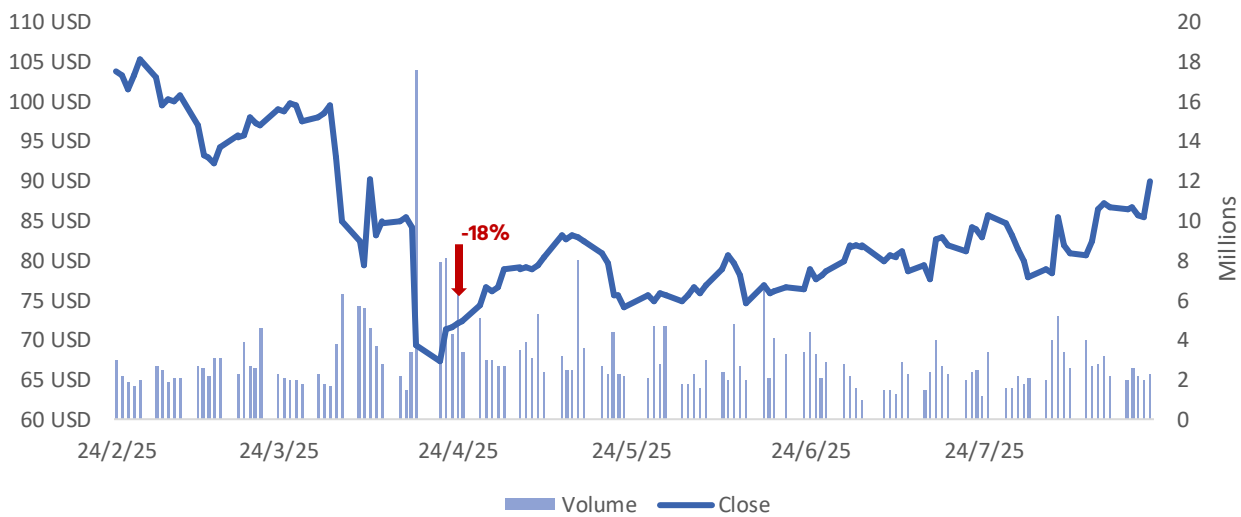
Global Payments says the twin transactions sharpen its focus by making it a pure-play merchant solutions provider on a global scale. By folding in Worldpay, the company gains stronger e-commerce and enterprise capabilities to complement its existing strength in small and midsize business payments. The combination will serve more than six million customers, process 94 billion transactions worth $3.7 trillion annually, and is projected to generate $12.5 billion in revenue and $6.5 billion in EBITDA in 2025.

Management argues the deal diversifies Global Payments' business mix, broadens its embedded and integrated offerings for software and platform partners, and expands its international distribution. The partnership with FIS is expected to provide additional cross-selling opportunities, while cost synergies of $600 million and revenue synergies of at least $200 million are targeted within three years. The company expects the deal to be modestly accretive in year one and deliver mid- to high-single-digit accretion thereafter.

Market Reaction

The market gave a split verdict on the twin deals. Shares in FIS climbed 6.2%, lifting its market value to $38.6 billion, while Global Payments' stock slumped 18%. Analysts at Mizuho were skeptical, calling the acquisition of Worldpay a "strategic step backward" and warning of margin pressure beyond what investors have priced in. The firm reiterated its neutral rating, arguing that FIS secured the "crown jewel" in Issuer Solutions, while Global Payments is left with "more of the same."

Global Payments stock performance



(Source: TradingView)

Industry Overview:
Carbon Markets & Carbon Capture



Joana Santos

The Financialization of Climate

Carbon Markets and Carbon Capture

Climate change is no longer just an environmental issue; it has become a powerful force remaking international markets. Over the past decade, carbon has shifted from being purely a pollutant to being treated as a financial asset. As governments and companies seek to reduce emissions, new financial instruments have emerged that turn pollution into a commodity that can be priced, traded, and managed. Among these, carbon markets and carbon capture, utilization, and storage (CCUS) are two of the boldest tools in the transition to a low-carbon economy, representing not only an adjustment to climate risk but also the financialization of climate.

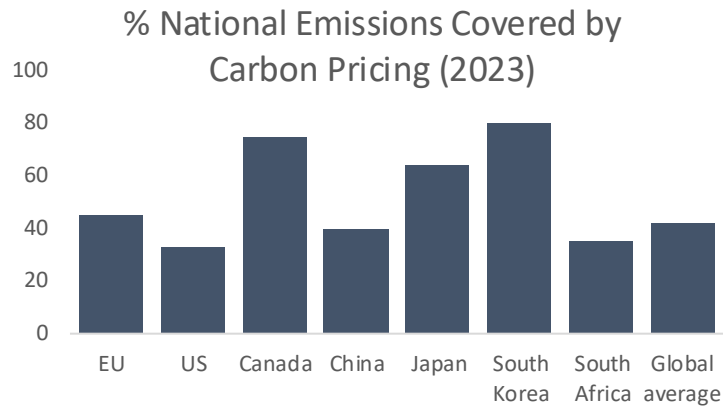
Carbon Markets

Simply put, carbon markets work by putting a price on carbon to incentivize change. By treating the right to emit carbon dioxide as a scarce commodity, governments establish a system where companies must either pay for their emissions or reduce them. Carbon markets exist in two forms:

- On one side are cap-and-trade systems, which are essentially known as compliance markets. In these, governments impose an emission cap, and companies must purchase allowances if they wish to emit beyond their limit.
- While in voluntary carbon markets (VCMs), firms or individuals buy credits to offset emissions beyond regulatory requirements, frequently used to finance reforestation, renewable energy, or carbon removal projects.

Carbon Capture

CCUS technologies, on the other hand, tackle the problem at the source. Instead of trading rights to emit, these systems directly capture CO_2 at the source of pollution, like factories, power plants, or even from the air itself, before storing it underground or repurposing it for industrial use. Though still expensive and technically complex, CCUS is increasingly seen as indispensable for cement, steel, and energy sectors.



(Source: World Bank Group)

Why this industry matters

The carbon markets and carbon capture sector are essential to the global transition toward net-zero emissions. Governments and corporations have committed to reducing greenhouse gases, making carbon an increasingly tangible and tradable asset. Compliance markets such as the EU Emissions Trading System (ETS) already put a price on hundreds of millions of tonnes of CO_2, transforming carbon into a measurable financial instrument. Simultaneously, voluntary carbon markets are expanding, as firms want to offset emissions beyond regulatory obligations, thus creating demand for good-quality credits.

CCUS technologies support these markets by providing measurable emission reductions or removals. As a result, this sector has become an investment asset class and has the potential to yield returns while addressing one of the planet's most pressing issues.

Market overview and segmentation

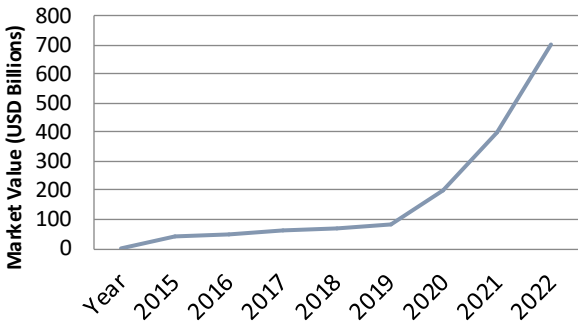
Carbon markets and carbon capture represent a rapidly evolving sector. Generally, the industry can be segmented into compliance markets, voluntary carbon markets, and carbon capture, utilization, and storage technologies, as we have covered before.

Compliance markets are regulatory-driven systems where companies are mandated to limit their carbon emissions, some examples are the European Union Emissions Trading System (EU ETS), California's cap-and-trade program, the Regional Greenhouse Gas Initiative (RGGI) in the U.S. and China's national ETS. The global carbon credit market reached approximately $850 billion in 2021, and in 2023, they accounted for over 97.8% of the total carbon trading market share. In addition, the global carbon offsets market size was valued at $1,205.40 billion in 2024 and is projected to grow to $3,230.29 billion by 2032, exhibiting a CAGR of 13.1% during the forecasted period.

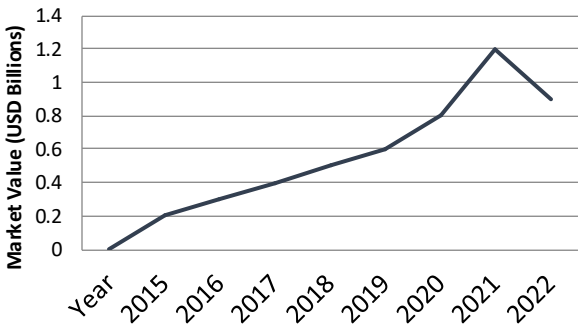
While way smaller than compliance systems, VCMs are increasingly relevant as companies pursue net-zero targets, with the total reported transaction value of the voluntary carbon market in 2024 being $535 million.

In carbon capture technologies, direct air capture companies such as Climeworks and Carbon Engineering are pioneers in removing CO_2 directly from the atmosphere.

Compliance Markets (2015–2023)



Voluntary Carbon Markets (2015–2023)



(Source: MSCI)

Growth Drivers

- Policy pressure remains the most important catalyst. The EU Green Deal has tightened caps under the EU ETS, while over 140 countries have announced net-zero pledges, reinforcing the role of carbon markets as indispensable policy instruments.
- Corporate commitments are creating sustained demand. The number of companies setting net-zero targets has spiked in recent years, driving demand for high-quality credits as firms look to address residual emissions.
- As technologies keep developing, direct air capture projects are scaling up, industrial storage hubs are being developed, and costs are beginning to decline.
- Lastly, financial innovation is broadening investor participation. Carbon futures, ETFs such as KRBN, and dedicated carbon credit funds provide new access points for institutional and retail investors.

Regional Trends

Europe

Europe is the world's most advanced and liquid carbon market. The EU Emissions Trading System is the world standard, covering about 40% of EU emissions and serving as a carbon price signal. Apart from compliance, Europe also dominates the offsetting space, accounting for nearly 80% of world's issuance of carbon credits in 2023.

United States of America

The U.S. carbon market is still fragmented, with compliance programs limited to the state level; however, a large voluntary market has emerged, driven by corporate demand for offsets.

New federal policies, like the Inflation Reduction Act, offer huge subsidies and tax credits for carbon capture and storage, making the U.S. a dominant force in technologies like Direct Air Capture.

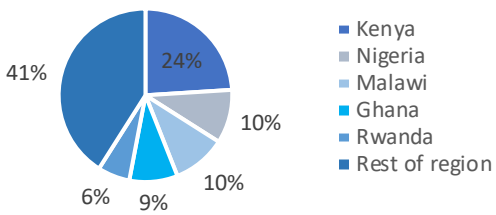
Latin America and the Caribbean

Latin America is emerging as a powerhouse, led by Brazil and Colombia. The Latin America and the Caribbean accounted for about 22% of global voluntary project expenditure between 2013 and 2023, and in 2023, Brazil recorded $1.1 billion, representing 17% of global expenditure, the highest of any single country.

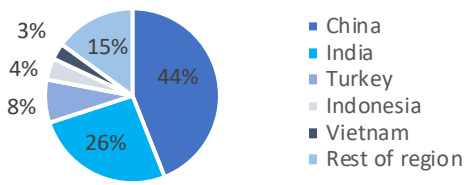
Sub-Saharan Africa

Although it represents only 14%, of global expenditure, the Sub-Saharan Africa is the fastest-growing region. Project spending rose by 128% in 2021–2022, the largest increase globally. Contrary to the Americas and Asia, project financing in Africa is not as concentrated, as the the top five nations accrue less than 60% of total spending, compared to the 85–90% concentration in the Americas and Asia.

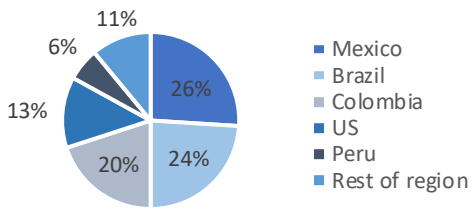
Share of Regional Expenditure: Sub-Saharan Africa



Share of Regional Expenditure: Asia



Share of Regional Expenditure - Americas



(Source: Ecosystem Marketplace)

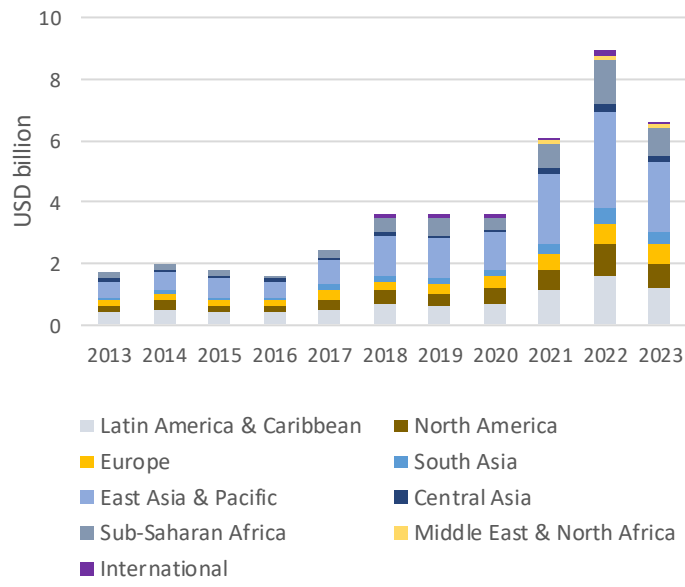
China

China implemented its national ETS in 2021, initially covering only the power sector, and it is already the world's largest carbon market by covered emissions. Prices are still low compared to Europe, but the planned expansion into heavy industries such as steel and cement could make it the most influential market worldwide. The country has also been central to VCMs, with around $8.9 billion invested in carbon-credit projects between 2013 and 2023. However, its leadership is fading away, as China's share of global project expenditure has fallen from 37% in 2019 to just 10% in 2023, as India and other Asian markets accelerate.

Other Emerging Markets

Voluntary markets are increasingly becoming important in all the emerging economies. Asia, the Americas, and Sub-Saharan Africa together accounted for 99% of global project capital expenditure between 2013 and 2023. Projects in Least Developed Countries (LDCs) represented almost $5 billion over the course of this decade, equivalent to 11% of total expenditure. Notably, LDC project spending grew at twice the pace of non-LDCs in 2021–2022, rising from $0.4 billion to $1.0 billion, and kept growing in 2023 despite a broader market downturn.

Annual voluntary carbon-credit project capital expenditure by region



(Source: MSCI)

Investment Outlook

From an investment standpoint, CCUS and carbon markets offer an attractive combination of policy-driven security and growth potential, which strongly draws investors. In addition, capture technologies and carbon credits demand are predictable due to policies like the EU ETS, the U.S. Inflation Reduction Act subsidies, and China's domestic carbon market.

Furthermore, it is becoming increasingly accessible to gain exposure to this new asset class with financial instruments like carbon futures, ETFs, and specialized carbon credit funds. On the other hand, the upside potential of CCUS projects comes from technological advancements, which offer early-stage venture and private equity opportunities.

Carbon Markets

On the trading side, exchanges such as ICE, EEX, and Nasdaq list carbon futures, provide liquidity for carbon futures, while carbon credit platforms like Xpansiv and AirCarbon Exchange are creating digital marketplaces for voluntary and compliance credits.

Alternatively, carbon credit investment funds offer diversified ways of investing in carbon markets. Carbon credit ETFs like KRBN and KCCA allow investors to gain diversified exposure to compliance markets.

Carbon Capture Technologies

Direct Air Capture (DAC) Technologies remove CO_2 directly from the air using chemical processes. Although very expensive, technological advancements and scaling developments could make DAC a worthwhile investment in the future.

Bioenergy with Carbon Capture and Storage (BECCS) combines biomass energy production with carbon capture and storage. Investments in BECCS projects can be lucrative, especially with supportive policies and incentives.

Investments in Carbon Capture Utilization and Storage (CCUS) Projects are essential for industries with difficult-to-reduce emissions. In CCUS, energy companies such as Occidental Petroleum, Shell, and TotalEnergies are investing billions of dollars into capture projects, positioning themselves as pioneers in this emerging industrial sector.

Carbon Capture ETFs like the iShares Global Clean Energy ETF (ICLN) and the Invesco Solar ETF (TAN) offer investors exposure to firms that are involved in creating such technologies.

Lastly, venture capitalists and private equity firms are increasingly investing in early-stage carbon capture startups, aiming to capitalize on innovative solutions and technologies.

Risks

Though they might seem like a perfect idea, both carbon markets and carbon capture are highly debated. Critics argue that poorly regulated systems may encourage "greenwashing" rather than actual decarbonization, while large-scale capture projects face sky-high costs and scale problems. For policymakers and investors alike, the real question is not just if these mechanisms work, but whether they can actually provide climate solutions. Despite its recent popularity, the industry faces various risks that investors must weigh carefully:

- Greenwashing is the most prominent challenge in voluntary markets. Low offset quality and over-crediting have undermined trust, promoting stricter verification standards.
- Price volatility is another significant risk. The EU ETS carbon price has varied from €30 and €100 per ton in recent years, reflecting sensitivity to economic conditions, energy demand, and regulatory changes. Such volatility has the potential to jeopardize long-term investment.
- Finally, Carbon capture projects are extremely capital-intensive, face uncertain scalability, and tend to require long-term policy support to remain viable, which raises technological risks.

Conclusion

To conclude, carbon capture and carbon markets are essential to transition towards net-zero emissions. They are supported by government policies, developing technologies, and new financial instruments that turn carbon into something investors can trade.

Although the market is still small and a bit volatile, in the long run, it is likely to grow exponentially, with carbon reaching a multi-trillion-dollar market by 2050, used by governments and companies to meet climate goals.

For investors, the best approach is to be selective: aim for mature compliance markets, credible voluntary credits, and scalable carbon capture projects. That way, investors can support decarbonization as well as profit from one of the fastest-growing markets.

Business Deep Dive

Adobe



Francisco Viegas

Adobe Inc. is a leading software company renowned for transforming creative and digital experiences worldwide. Founded in 1982 by John Warnock and Charles Geschke, Adobe has continuously expanded its innovative product suite, pioneering industry-defining solutions such as Photoshop, Acrobat, and the Creative Cloud platform. Headquartered in San Jose, California, the company empowers individuals and enterprises to create, communicate, and collaborate through robust tools for digital media, marketing, and document management. Adobe's mission to change the world through digital experiences has cemented its reputation as a technological pioneer in both creative and enterprise markets, making it a key innovator in the global software industry.

Adobe's integration of AI technology, including innovations like Adobe Sensei and Firefly, enhances creative workflows, automates design tasks, and enables more personalized experiences, securing its leadership in digital content creation. However, amid growing competition from lower-cost alternatives, Adobe faces increased pressure to differentiate and defend its market share as disruptive technologies challenge its dominance.

Markets

Adobe's stock has declined approximately 37% over the past two years, with its 52-week range currently between $330 and $588. Despite this pullback, the stock remains substantially above its 2022 low, demonstrating underlying resilience. The company has also maintained consistent top-line growth, posting double-digit increases year-over-year in annual and quarterly revenues across 2024 and 2025.

Company Data	
Price	$356.70
YTD Performance	-20.34%
52-week Range	$330.04 - $587.75
Shares Outstanding (M)	424.2
Market Cap (Bn)	$151.3
Enterprise Value (Bn)	$152.2

Market data from 1/09/2025

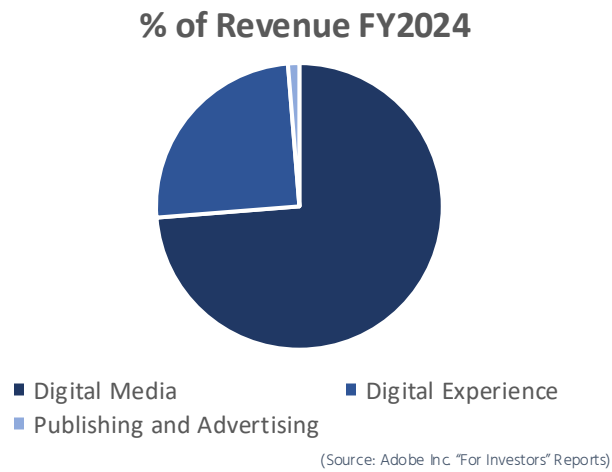
Price Performance



(Source: Yahoo Finance)

Business Model

Adobe's business model is built around a subscription-first approach, with the majority of its revenue coming from recurring cloud-based services. The company organizes its operations into three main segments: Digital Media, Digital Experience, and Publishing & Advertising. Digital Media, which includes the Creative Cloud suite (Photoshop, Illustrator, Premiere Pro, and others) and Document Cloud (Acrobat and e-signature solutions), contributes over 70% of total revenue. This segment benefits from a global base of individual creatives, enterprises, and educational institutions that rely on Adobe's tools for content creation and productivity.



(Source: Adobe Inc. "For Investors" Reports)

The Digital Experience segment, accounting for about 25% of revenue, provides analytics, content management, and marketing automation solutions. These services target enterprise clients seeking data-driven personalization and customer engagement, positioning Adobe as a leader in digital marketing and commerce infrastructure. Meanwhile, the smaller Publishing & Advertising segment, though less material, offers legacy tools and advertising platforms that continue to generate steady income.

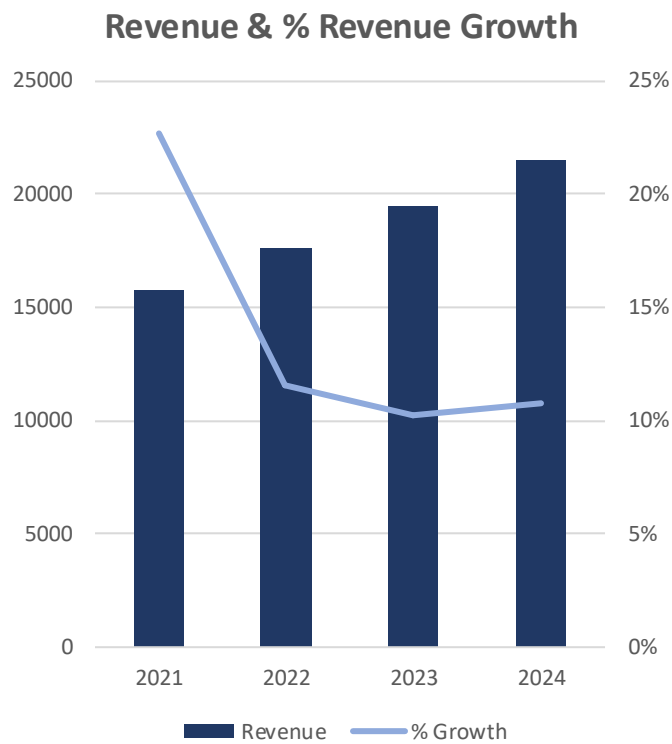
Adobe's recurring revenue model is reinforced by its strong ecosystem: tight integration across its software suite, cloud-based collaboration, and enterprise contracts with multi-year commitments.

This creates high switching costs for customers and ensures stable cash flows. The company is also embedding generative AI (via Adobe Firefly) into its core products, aiming to create new monetization channels and drive incremental subscription growth.

Market Analysis

Adobe operates in a vast, fast-moving digital media and creative-software market, serving 30M+ Creative Cloud subscribers and generating $20B+ annually. The space is defined by rapid cloud adoption, quick innovation cycles, and shifting needs across design, video, photography, document workflows, and marketing automation. Growth is propelled by the expanding creator economy, rising personalization demands, and the accelerating use of AI in creative and productivity tools..

Competition is intensifying: new entrants are disrupting pricing while specialist platforms gain share among freelancers, startups, and cost-conscious users. Web-based, collaborative, and AI-first design tools increasingly challenge Adobe, especially in UI/UX and online content creation. Even so, Adobe's broad suite, mature cloud infrastructure, and entrenched customer base remain strengths, provided it keeps adapting to technology shifts and evolving user expectations.



(Source: Adobe Inc. "For Investors" Reports)

Peer Analysis

In creative & documents, newer web-first/AI-native tools - Figma, Canva, DaVinci Resolve, Final Cut, DocuSign, Dropbox Sign, plus built-ins from Microsoft and Google - scale fast and undercut entry pricing, winning freelancers and SMBs. They pressure Adobe's lead in UI/UX, lightweight design, and basic document workflows.

In digital experience, full suites (Salesforce, Oracle, SAP) and "best-of-breed" options (Braze, Twilio Segment, Optimizely, Shopify, BigCommerce, Google Analytics) let enterprises assemble modular, "good-enough" stacks - weakening Adobe's end-to-end platform advantage.

Financial Overview

Adobe has delivered robust financial performance over the last five years, nearly doubling its annual revenue from $12.8 billion in 2020 to $22.6 billion in 2025, maintaining an impressive average growth rate of approximately 11% per year. EBITDA and net income have remained strong, with EBITDA reaching $7.6 billion in 2024 and net income for the twelve months ending May 2025 rising to $6.87 billion, reflecting a healthy net margin above 30%—a standout for the software industry. Operating cash flows have continued to trend positively, and Adobe's free cash flow reached $9.4 billion in 2025, enabling continued investment in innovation and shareholder returns.

In terms of valuation, Adobe's price-to-earnings (P/E) ratio stands at 21.9 as of September 2025, representing a relatively moderate valuation given the company's leading market position and defensible business model.

Risks and Catalysts

Risks

Adobe faces several structural risks in a rapidly evolving creative-software market. Intensifying competition from lower-cost, AI-powered challengers is chipping away at its traditional moat and share, particularly in consumer and SMB segments.

The democratization of design via generative tools lowers barriers to entry and can dilute the perceived premium of Adobe's pro ecosystem.

A further concern is slowing growth in core Digital Media ARR; if sustained, it could prompt a valuation reset and weaken investor sentiment. Pricing remains a hurdle: Adobe's premium relative to alternatives, together with periodic transparency worries, such as reduced ARR disclosures, may hinder new customer acquisition and retention in price-sensitive cohorts.

Catalysts

Conversely, Adobe has multiple tailwinds. Monetizing and broadening AI features across the suite, e.g., Firefly and Express, can unlock new revenue streams and deeper engagement as AI adoption accelerates across content creation. Ongoing expansion in enterprise solutions and the use of value-based pricing should extend penetration among business professionals and global organizations. Finally, Adobe's strong balance sheet, active innovation pipeline, and substantial installed base provide significant cross-sell opportunities, supporting resilience and the ability to capture market growth even amid tougher competition.

Conclusion

Adobe remains a global leader in creative software, delivering strong revenue growth and exceptional profitability through its subscription-driven business model and ongoing AI innovation, despite mounting competition and some market pressures. The company's robust financials, expanding product suite, and focus on enterprise and AI-powered solutions position it well to navigate industry shifts and capitalize on future opportunities in a rapidly evolving digital landscape.

Deep Dive: FinTech



Diogo Veríssimo

Finance without Friction

Introduction

FinTech is the modern operating layer of finance. It brings together software, data, and cloud infrastructure to design and deliver financial services with less friction.

This segment of the financial industry is longstanding. It began with early electronic transfers, card networks, and the advent of ATMs, and momentum accelerated after 2008 as smartphones, open application programming interfaces (APIs), and the public cloud enabled third parties to build on core financial infrastructure and prompted banks to expose services through software.

The industry has become more modular. Accounts, payments, and risk management are now components that can be assembled. The effect for customers is faster onboarding and clearer pricing; for companies, healthier unit economics and more reliable operations.

Layers of the FinTech Ecosystem

It is possible to break the ecosystem into three layers: infrastructure, platforms, and applications.

The infrastructure layer covers issuer/acquirer processing, core ledgering, identity verification, fraud prevention, and payouts.

Above it, platforms expose banking and payments through APIs, often called banking-as-a-service (BaaS), so it is straightforward to process activities such as launching accounts, cards, and onboarding processes.

At the top sit applications, the products individuals use: neobanks and wallets, checkout finance such as BNPL, brokerage and robo-advice, small-business lending, Insurtech, mobility, and software-as-a-service (SaaS) tools.

Open banking links these layers by enabling secure data access, supporting more tailored products.

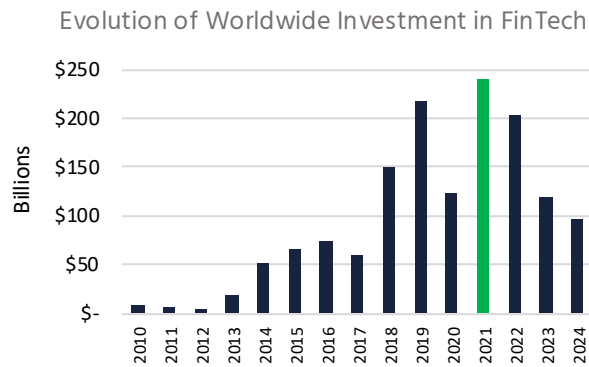
What is Driving the Change

The current tendencies are shaped by a small group of design shifts. Decentralization appears in public blockchains and DeFi, which demonstrate that value can move and settle with fewer intermediaries, even if adoption remains selective. Open banking allows customers to grant access to their data so that providers can personalize offers and reduce friction in onboarding and payments. Embedded finance brings financial actions into the software usually used to perform other non-financial activities. Personalization combines data with AI to improve fraud detection, payment routing, and credit decisions, often in near real time.

These shifts are enabled by a common backbone of cloud infrastructure for flexible scaling, open APIs so systems integrate, machine learning (ML) to spot patterns and make decisions, and blockchain to move value securely where appropriate.

Market Context

Funding has cooled since the 2021 peak. Investors now favor clear paths to profitability and are less tolerant of subsidized growth. Regulators are also focusing more on conduct, operational resilience, and consumer outcomes. Market indexes such as the Global X FinTech ETF give only a rough signal of sentiment. Because results are cyclical, what matters most is a company's ability to compound, more than headline volumes or app downloads.



(Source: Statista)

Risks, Regulation and Resilience

FinTech's strengths come with matching risks. Profitability can be shortened if distribution is expensive or if funding costs rise faster than pricing. Cybersecurity exposure grows as APIs and partners multiply, so access controls, monitoring, and incident response are essential. Operational fragility can arise from relying on a small set of vendors and from rapid change.

Building resilience now means redundancy, testing failover, and holding partners to clear uptime commitments.

Regulatory risk is constant: anti-money-laundering (AML) and know-your-customer (KYC), data-privacy, and consumer-protection rules apply even to firms without a banking license. Enforcement is significant, as recent cases include GDPR fines near €290M and AML fines around €46M, so compliance should be built into the product from day one, not added later.

Impact on Traditional Banking

The relationship has shifted from a rivalry between newcomers and banks to a more practical partnership. Traditional banks keep structural advantages in licenses, balance sheets, access to payment schemes, and low-cost funding. New entrants excel at product speed, user experience, and experimentation. The result is collaboration. Banks increasingly monetize infrastructure while platforms supply modern developer experience and reach. BaaS and issuer processing have become connective layers that make this possible.

A visible example is the integration of banking features into large payment platforms, which bring together regulated infrastructure, easy-to-use developer tools, and access to a large user base.

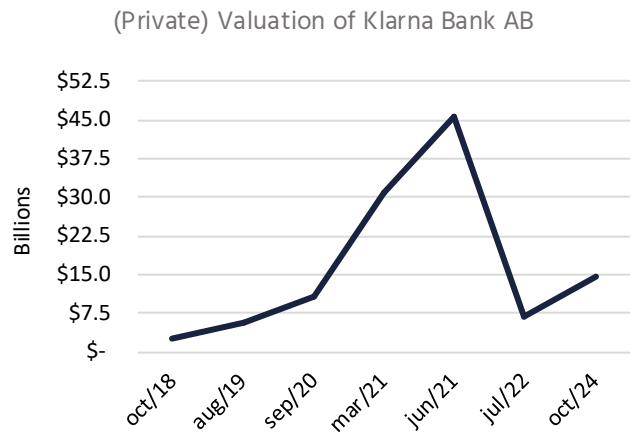
On the retail side, younger users are now comfortable with digital-first money management.

Surveys in major European markets show a strong share of people in their twenties using a neobank as their primary budgeting tool. This preference raises expectations for everyday experiences across the industry.

Case Study: Klarna and BNPL

Checkout financing provides a clear example of how the economic cycle affects FinTech.

Klarna grew quickly through a simpler user experience, strong merchant adoption, and a low-rate environment. As inflation and interest rates rose and credit losses normalized in 2022, sector valuations fell, and private pricing reset.



(Source: Statista)

Reports indicated that Klarna's valuation declined sharply, and a public listing was prepared, but postponed.

The company responded by tightening underwriting, improving efficiency, and diversifying revenue.

The broader point is that models linked to consumer credit are very sensitive to the macro backdrop. Strong data, disciplined collections, and transparent pricing are what allow these models to perform through a cycle, rather than only in favorable conditions.

Conclusion

FinTech is a long-term upgrade to the financial system. Successful firms pair reliable infrastructure with strong risk management and solid compliance, then turn that capability into products customers adopt and keep. In today's more selective market, these strengths translate into lasting profits and make software a central driver of finance.

Interview with



António de Castilho Lima

/in/antónio-de-castilho-lima/

António earned a Bachelor's in Electrical and Computer Engineering from Instituto Superior Técnico and a Master's in Finance from Nova SBE, where he was part of the Nova Investment Club.
He began his career as an intern at Accenture in Lisbon before joining full-time to work on technology solutions in the utilities sector.
In 2021, he moved to Barcelona to work on data strategy and computational linguistics at Dow Jones.
The following year, he joined BlackRock in London as an Analyst on the Aladdin Wealth platform. After nearly two and a half years in Business Development and Strategy, he relocated to Madrid, where he now works as an Associate in Product Delivery.

Q1: As members of the Nova Investment Club, we are curious to hear how you think your experience at NIC has influenced your career.

When I joined Nova, it was all new to me. I studied engineering, so finance was a completely different world. I would always have been interested in it, but when I arrived, I realized most of my friends from management or economics already knew a lot more than I did.

That pushed me to go the extra mile. It was also during the pandemic, so we were not going to classes in person. NIC felt like a no-brainer: an opportunity to learn more, meet people, and expand my network.

What I loved most was working with such an international group. Everyone came from different backgrounds, but we all had the same goal: to learn and eventually work in finance. That common drive helped us grow together and really shaped my path.

Q2: Your academic and professional journey has evolved from engineering to finance, spanning consulting and fintech along the way. What initially sparked your interest in finance, and how have these diverse experiences influenced how you approach problems today?

Honestly, in my last year of engineering, I realized I did not want to be a traditional engineer. I've always liked solving problems, working with numbers, and thinking logically, and that naturally drew me to finance.

I talked to people already working in the field, and their experiences convinced me I had the right mindset, even if I lacked the technical knowledge. At first, I wasn't sure how to connect my engineering background to finance, but working at Accenture helped bridge that gap.

Having both perspectives has been truly valuable. Engineering gave me an analytical approach, while studying finance at Nova gave me the fundamentals. Now, whenever I deal with something financial, that combination of logic and knowledge makes a difference.

Q3. You joined BlackRock in 2022 as an Analyst in London. Could you provide us with some insights into the application process?

The application process is undoubtedly a challenge. We all aim for a specific role in a particular company or industry, and that makes it essential to reflect carefully before applying. It is not just about sending out as many applications as possible; you really need to think about how you want to position yourself for each role.

For me, the first step is always preparing a precise and focused CV. It needs to clearly highlight what I bring to the table: my skills, my background, and my most relevant experiences. In the early stages of recruitment, the CV is often the only document that recruiters will review, so it must be clear and aligned with the role.

Once you move beyond the screening phase and reach the interview stage, preparation becomes even more crucial. You must be clear about why you want that specific job, why you are interested in that particular team, and how you can add value. I believe that having this clarity of purpose is what helps you stand out.

Another point I would like to highlight is the importance of exploring all the available opportunities. Often, we are not even aware of the full range of options available, so researching and keeping an open mind can make a huge difference.

Q4. At BlackRock, you have held several roles within

the Aladdin Wealth division, first in Business Development & Strategy, and more recently in Product Delivery. Could you elaborate on the transition between these two areas and what skills or experiences were key to succeeding in those roles?

My first role was more client-focused, with a strong emphasis on presenting and selling our products to clients. It was an incredibly valuable learning experience because I had to quickly understand how to meet client needs and respond to their specific requirements. Working closely with a team and with managers who guided me on how to grow and improve my skills was fundamental at that stage.

I joined as an analyst, and in that role, the priority is really to learn as much as possible. You are exposed to numerous new situations, especially when entering a firm for the first time. I had the opportunity to interact with a wide range of clients, which helped me develop both technical and interpersonal skills.

When I moved to my second role, which coincided with my promotion to associate, my responsibilities shifted significantly. As an associate, you are expected to work more independently and deliver high-quality results with greater efficiency. The focus of this role, in product delivery, was less about direct client interaction and more about developing solutions that address client needs.

Q5. Through the Aladdin platform, you work at the intersection of finance and technology. What unique challenges or advantages have you encountered, and how do you see this hybrid space shaping the future of the financial industry?

I think the key point here is how technology is evolving and how it is affecting almost everything we interact with in our lives. In finance, it makes things much easier, not just for firms like BlackRock, but also for individuals. It is helping people manage accounts, use financial planning tools, and get insights much faster.

Nowadays, with AI and other technological advances, tasks that used to take hours can be done in minutes. That's a huge shift. For example, in financial analysis or manual work, the time savings are incredible.

In my case, I work more on the wealth management side, but I can clearly see how this will shape the future. Things are becoming simpler, more efficient, and more accessible than ever before.

Q6. Is there a trend in the fintech industry that you find particularly promising, but that you feel is still overlooked?

Yes, as I mentioned before, I believe there is a promising trend in finance, which is the rise of easy-to-use financial tools for individuals. For example, nowadays, many apps such as Revolut make it much easier to invest, do financial planning, or set goals.

Let's say you want to buy a house in a few years. Today, you can simply open an app, view your finances, and gain insight into how to manage your money to achieve your goal. In the past, this would have required a big analysis, or maybe even a trip to the bank. It was much harder.

Now, we clearly have the tools to get an idea of what to expect, how to manage our assets and liabilities, and how to stay on track. So now it is easier than ever to organise everything right from your phone.

Q7. How did working in such a dynamic and competitive environment in London contribute to expanding your professional network, and in what ways did this experience influence your development within the financial sector?

I am going to say something that I think we all recognize: within Europe, London has traditionally been the financial centre, at least up to now. That could change in the future, of course, but for the moment, working in London, even for a few years, is quite a unique experience.

One of the main reasons is the exposure. If you work at a firm like BlackRock, you are not just working within your own team. You interact with many different teams across the organization, and you are part of an ecosystem where countless companies and professionals operate side by side. That creates constant opportunities to engage, to collaborate, and to learn from others.

There are also frequent networking events, and those play a big role in helping you understand market trends and developments. In many cases, what happens in London tends to set the pace for the rest of Europe. So being there gives you a front-row seat to changes and innovations in the industry.

Another significant advantage of working in London is the ability to build your network. Many companies have their senior management based there, and because the offices tend to be larger than in other locations, you have more direct contact with key people in the sector. It is an environment that helps you make connections that can be valuable throughout your career.

Q8 Working at BlackRock might have posed some challenges to your work-life balance. How have you been able to manage both throughout your international career?

Yes, I have been quite lucky in that I do not work on weekends, which is already a big plus. On average, my schedule is relatively standard, usually between 9 a.m. and 7 or 8 p.m., which for finance is actually quite reasonable.

Of course, there are periods during the year when the workload is heavier because of specific requirements, and during those months, I might work more. But overall, the work-life balance at BlackRock, at least in my team, is really good.

I also believe that if you can manage your work and personal life well, you end up delivering results most efficiently.

Q10: Finally, do you have any advice for young people aspiring to pursue an international career?

First, build your network. Not just because you want to work abroad, but because it's valuable in itself. Many of my friends from NIC are not in Madrid or London, but they're still part of my network today. University is the best time to start building those connections.

Second, learn as much as you can while at Nova or NIC. It helps not only academically, but also personally. And do as many internships as possible, not in a stressful way, but to figure out what you like and, even more importantly, what you do not.

Also, try not to compare yourself too much to others during recruitment. It's easy to fall into that trap, especially when everyone is aiming for the same places. But no one has the same path. What you do is not what someone else does, and that's fine.

Lastly, really try to understand what you want to do and why. If you're clear about that, it will help a lot during interviews and throughout your whole career.



Joana Bonecas



Matilde Oliveira



Raquel Mendes

Message from the Co-presidents.

Dear reader,

We are pleased to present the latest edition of the NIC Undergrad Review - the final issue of the 2024/25 academic year and the first released under our new team. It marks both the conclusion of one cycle and the beginning of another.

This edition features an overview of Iberian markets, an analysis of Q2 M&A activity with a focus on Global Payments' acquisition of Worldpay, and an industry analysis into carbon markets and carbon capture. We also include a Business Deep Dive on Adobe, examining its strategy, AI integration, and financial performance, as well as a comprehensive article on the FinTech sector. To conclude, we are delighted to share an interview with NIC alumnus António de Castilho Lima, now at BlackRock, who reflects on his path from engineering to finance and offers valuable insights from his international career.

We would like to extend our sincere thanks to Raquel Mendes for her outstanding leadership as Editor-in-Chief. NUR will now be continued under the direction of Yash Chauhan, who will guide it into its next chapter with creativity and vision.

This edition also marks a transition in leadership at NIC-UD. We warmly thank Rafael Mora and Francisco Bragança Santos for their dedicated work as Co-Presidents over the past year. Building on their contribution, we are honored to step into the role of Co-Presidents and look forward to continuing the growth of the club and the NUR. We hope you find this edition as insightful and engaging as we do.

Sincerely,

Afonso Freitas & Afonso Monteiro

Co-Presidents NIC-UD



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