## Court orders investigation into semiconductor chipmaker Nexperia

**By Mike Corder**
THE ASSOCIATED PRESS

THE HAGUE, Netherlands — A Dutch court on Wednesday ordered a formal investigation into Dutch-based semiconductor chipmaker Nexperia and upheld an earlier order suspending its Chinese CEO, citing doubts about the company's policies and conduct.

The written decision by the Enterprise Chamber of the Amsterdam Court of Appeal is the latest step in a saga swirling around Nexperia that sent shock waves through the world's auto manufacturers, who use the company's chips in their cars.

The dispute made global headlines in October, when the Dutch government said it had effectively seized control of the company since late September based on national security concerns.

Nexperia's Chinese CEO Zhang Xuezheng, who's also founder of Nexperia owner Wingtech, was suspended by the enterprise chamber in October following claims of mismanagement.

At a court hearing last month, lawyers for Zhang and Wingtech painted him as a successful businessman trying to guide Nexperia through troubled geopolitical waters. They urged the court not to order an investigation and said Wingtech had been blindsided by the Dutch government move. Zhang was not in court for the hearing.

## Paramount sweetens offer for Warner Bros. shareholders in hostile takeover fight

**By Wyatte Grantham-Philips**
THE ASSOCIATED PRESS

NEW YORK — Paramount is again sweetening its hostile takeover bid for Warner Bros. Discovery, while again extending the deadline for its tender offer as it scrambles for more shareholder support.

On Tuesday, the Skydance-owned company said it would pay Warner shareholders an added "ticking fee" if its deal doesn't go through by the end of the year — amounting to 25 cents per share, or a total of $650 million, for every quarter after Dec. 31. Paramount also pledged to fund Warner's proposed $2.8 billion breakup payout to Netflix under its studio and streaming merger agreement.

The value of Paramount's offer otherwise remains unchanged. The company is offering to pay $30 per share in cash to Warner's stakeholders, who now have until March 2 to tender their shares.

Paramount CEO David Ellison said that the "additional benefits" announced Tuesday "clearly underscore our strong and unwavering commitment to delivering the full value WBD shareholders deserve for their investment."

Paramount wants to buy Warner's entire company for $77.9 billion, with a total enterprise value of $108 billion including debt. Beyond studio and streaming operations, that includes Warner's networks like CNN and Discovery.

## Kraft Heinz pauses plans to split into 2 companies, says problems are 'fixable'

**By Dee-Ann Durbin**
THE ASSOCIATED PRESS

Kraft Heinz said Wednesday it's pausing its plans to split into two companies.

Steve Cahillane, a former Kellogg Co. chief who became CEO of Kraft Heinz on Jan. 1, said he wants to ensure that all of the company's resources are focused on profitable growth.

"I have seen that the opportunity is larger than expected and that many of our challenges are fixable and within our control," Cahillane said in a statement.

The company's shares dropped 5.2% in early trading Wednesday as Kraft Heinz reported lower quarterly and annual results.

Kraft Heinz announced in September it was splitting into two companies a decade after a merger of the brands created one of the biggest food manufacturers on the planet.

One of the companies would include stronger-selling brands such as Heinz, Philadelphia cream cheese and Kraft Mac & Cheese. The other would include slower-selling brands like Maxwell House, Oscar Mayer, Kraft Singles and Lunchables.

At the time, Kraft Heinz said it expected the split to be finalized in the second half of this year.

On Wednesday, the company said it will pivot from the split and invest $600 million in marketing, sales and product development.


Hiring sign is displayed in front of a restaurant in Chicago, Feb. 5. **NAM Y. HUH — THE ASSOCIATED PRESS**

## 'SURPRISINGLY STRONG'

### US adds 130K jobs last month yet revisions cut hundreds of thousands of jobs last year

**By Paul Wiseman**
THE ASSOCIATED PRESS

WASHINGTON — U.S. employers added a surprisingly strong 130,000 jobs last month, but government revisions cut 2024-2025 U.S. payrolls by hundreds of thousands.

The unemployment rate fell to 4.3%, the Labor Department said Wednesday.

The report included major revisions that reduced the number of jobs created last year to just 181,000, less than half the previously reported 584,000 and the weakest since the pandemic year of 2020.

The job market has been sluggish for months even though the economy is registering solid growth.

But the January numbers came in stronger than the 75,000 economists had expected. Healthcare accounted for nearly 82,000, or more than 60%, of last month's new jobs. Factories added 5,000, snapping a streak of 13 straight months of job losses. The federal government shed 34,000 jobs.

Average hourly wages rose a solid 0.4% from December to January.

The unemployment rate fell from 4.4% in December as the number of employed Americans rose and the number of unemployed fell.

"The surprisingly strong job gains in January were driven mainly by health care and social assistance," Heather Long, chief economist at Navy Federal Credit Union, wrote in a commentary. "But it is enough to stabilize the job market and send the unemployment rate slightly lower. This is still a largely frozen job market, but it is stabilizing. That's an encouraging sign to start the year, especially after the hiring recession in 2025."

Weak hiring over the past year reflects the lingering impact of high interest rates, billionaire Elon Musk's purge last year of the federal workforce and uncertainty arising from President Donald Trump's erratic trade policies, which have left businesses less willing to hire.

Dreary numbers had been coming in ahead of Wednesday's report. Employers posted just 6.5 million job openings in December, fewest in more than five years.

Payroll processor ADP reported last week that private employers added 22,000 jobs in January, far fewer than economists had forecast. And the outplacement firm Challenger, Gray & Christmas reported that companies slashed more than 108,000 jobs last month, the most since October and the worst January for job cuts since 2009.

Several well-known companies announced layoffs last month. UPS is cutting 30,000 jobs. Chemicals giant Dow, shifting to more automation and artificial intelligence, is cutting 4,500 jobs. And Amazon is slashing 16,000 corporate jobs, its second round of mass layoffs in three months.

The sluggish job market doesn't match the economy's performance.

From July to September, America's gross domestic product — its output of goods and services — galloped ahead at a 4.4% annual pace, fastest in two years. Consumer spending was strong, and growth got a boost from rising exports and tumbling imports. And that came on top of solid 3.8% growth from April through June.

Economists are puzzling out whether job creation will eventually accelerate to catch up to strong growth, perhaps as President Donald Trump's tax cuts translate into big tax refunds that consumers start spending this year. But there are other possibilities. GDP growth could slow and fall into line with a weak labor market or advances in AI and automation could mean that the economy can roar ahead without creating many jobs.

The jobs report Wednesday could lead the Federal Reserve to further delay any new cuts in its key interest rate. Some Fed officials have specifically argued that last year's weak hiring is evidence that borrowing costs are too high and are weighing on growth and discouraging companies from expanding. But a pickup in hiring, if sustained, undercuts that view.

## Parents scramble as teachers strike leaves 50K students out of school

**By Olga R. Rodriguez**
THE ASSOCIATED PRESS


Teachers, students and supporters picket outside of Mission High School in San Francisco, Monday. **JEFF CHIU — THE ASSOCIATED PRESS**

SAN FRANCISCO — Connor Haught has been juggling virtual work meetings and arts and crafts projects for his two daughters as his family tries to navigate a teachers strike in San Francisco with no end date in sight.

Haught's job in the construction industry allows him to work from home but, like many parents in the city, he and his wife were scrambling to plan activities for their children amid the uncertainty of a strike that has left nearly 50,000 students out of the classroom.

"The big concern for parents is really the timeline of it all and trying to prepare for how long this could go on," Haught said.

The San Francisco Unified School District's 120 schools were set to remain closed for a third day Wednesday, after about 6,000 public schoolteachers went on strike over higher wages, health benefits, and more resources for students with special needs.

Some parents are taking advantage of after-school programs offering full-day programming during the strike, while others are relying on relatives and each other for help with child care.

Haught said he and his wife, who works evenings at a restaurant, planned to have their 8- and 9-year-old daughters at home the first week of the strike. They hope to organize play dates and local excursions with other families. They have not yet figured out what they will do if the strike goes on a second week.

"We didn't try to jump on all the camps and things right away because they can be pricey, and we may be a little more fortunate with our schedule than some of the other people that are being impacted," Haught said.

The United Educators of San Francisco and the district have been negotiating for nearly a year, with teachers demanding fully funded family health care, salary raises and the filling of vacant positions impacting special education and services.

Teachers on the picket lines said they know the strike is hard on students but that they walked out to offer children stability in the future.

"This is for the betterment of our students. We believe our students deserve to learn safely in schools and that means having fully staffed schools. That means retaining teachers by offering them competitive wage packages and health care and it means to fully fund all of the programs we know the student need the most," said Lily Perales, a history teacher at Mission High School.

Superintendent Maria Su said Tuesday there was some progress in the negotiations Monday, including support for homeless families, AI training for teachers and establishing best practices for the use of AI tools.

## Ford sees profit rebound after $900M tariff surprise

**By Keith Naughton**
BLOOMBERG

Ford Motor Co. expects profit to jump in 2026 even after a surprise $900 million tariff bill at the end of last year dented the carmaker's earnings.

The Trump administration informed Ford on Dec. 23 that the company could only apply a measure to trim tariffs paid on imported auto parts dating back to November, rather than May, Chief Financial Officer Sherry House told reporters alongside the company's fourth-quarter earnings report late Tuesday. The change effectively doubled Ford's tariff toll to $2 billion in 2025, she said, a level the company expects to face again this year.

The updated tariff outlook highlights ongoing volatility for the domestic auto industry, which faces both elevated costs from President Donald Trump's trade policies and possible benefits from demand for high-margin pickups and sport-utility vehicles. Ford expects adjusted earnings before interest and taxes to climb to as much as $10 billion in 2026, reversing a decline last year.

"There's an achievable path to meeting or exceeding the top end of guidance," Alexander Potter, an analyst with Piper Sandler, said in a note. "In this regard, we think Ford largely controls its own destiny — barring force majeure events."

## Stellantis credit rating cut by Moody's after writedowns

**By Elisabeth Behrmann**
BLOOMBERG NEWS

Moody's Ratings downgraded Stellantis NV's credit rating, citing the carmaker's warning that a recovery in profitability will take longer than expected due to the costs of scaling back its electric vehicle plans. The ratings company moved Stellantis down one notch to Baa3 from Baa2, according to a statement. Baa3 is the lowest level indicating an investment grade rating.

Shares in the maker of Jeep sport utility vehicles and Fiat cars slumped by a record last week when the company outlined a major reset of its EV strategy. The adjustment involved reimbursing suppliers, canceling several models and lower-than-expected returns. It triggered around €22 billion ($26.2 billion) in writedowns.

Moody's said Tuesday its downgrade was also prompted by an expectation of continued negative free cash flow this year. Uncertainty about the timing for a return to positive cash flow and improved profitability means the new rating "is currently weakly positioned."

The company's shares pared earlier gains of as much as 6.7% and traded up 2.5% as of 2:09 p.m. in Milan. The stock has shed roughly half of its value over the past year.

Chief Executive Officer Antonio Filosa has been working on a turnaround for the struggling automaker, after cost cuts by his predecessor Carlos Tavares hurt quality and sales.

## Stellantis seeks to exit battery venture with Samsung as EV losses mount

**By Gabrielle Coppola and Albertina Torsoli**
BLOOMBERG

Stellantis NV is looking to exit its US battery joint venture with South Korea's Samsung SDI Co. as the automaker unwinds electric-vehicle bets and tries to preserve cash after announcing more than €22 billion ($26 billion) in writedowns last week.

The owner of the Jeep and Ram brands has been exploring ways to divest from the venture, but no final decision has been made and the situation could change, according to people familiar with the discussions who asked not to be identified commenting on sensitive matters. An exit could be costly for Stellantis and a lengthy process, some of the people said. Stellantis could sell its stake to a third party, one of the people said.

"We continue to have ongoing collaborative discussions with Samsung on the future of our StarPlus Energy JV," Stellantis said in an emailed statement. US-based representatives for Samsung didn't immediately respond to a request for comment.

Stellantis Chief Executive Officer Antonio Filosa is working to stem losses on EV and battery projects that were destined to be money-losers following President Donald Trump's moves that undermine plug-in cars. Last week, Stellantis said it would exit a separate JV with partner LG Energy Solution Ltd. in Windsor, Canada. In that transaction, LG bought out Stellantis' stake for just $100, and the automaker still plans to buy EV batteries from the factory.