Nissan Motor Swings to Quarterly Profit

Cost cuts push the carmaker into the black for the first time in two years

By Kosaku Narioka

Nissan Motor reiterated its annual earnings forecasts as it reported its first quarterly net profit in two years, a feat marred slightly by reduced vehicle sales expectations due to weaker demand in China and continued uncertainty over operations in the Middle East.

The Japanese carmaker on Monday said sales grew in the U.S. and Japanese markets for the three months ended June, while cost cuts and foreign-exchange gains helped boost its bottom line.

For the fiscal year ending March 2027, it continues to expect sales growth in North America, Japan and Europe, but now projects an 11% sales drop in China, a reversal from the 8.7% rise forecast earlier.

Chief Executive Ivan Espinosa attributed weaker Chinese sales to slowed economic growth and an accelerated shift to electrified vehicles due to higher fuel costs caused by the Iran war.

Espinosa said the company will manage inventory in line with market demand and rebalance its sales mix to grow new-energy vehicles, a term encompassing electric vehicles and plug-in hybrids. "China remains a significant challenge for Nissan and the broader industry," he said.

Nissan reduced vehicle sales expectations due to weakness in China. CEO Ivan Espinosa speaks at a China event this April.

The Middle East is another challenge. While customer demand for Nissan vehicles remained resilient, elevated logistics costs and continuing geopolitical uncertainty will likely moderate profitability until supply chains normalize, Espinosa said.

Chief Financial Officer George Leondis estimated that the impact from the Middle East conflict would drag vehicle sales by about 18,000 units in the first half and weigh on profit by ¥20 billion, equivalent to $127.1 million. Nissan previously projected a drag of 19,000 units and ¥15 billion.

The surprise swing to profit was encouraging, however. It comes as the Japanese carmaker has taken steps to cut costs and address falling sales, including selling its headquarters and reducing manufacturing sites and global production capacity. Nissan also has said it would cut 20,000 jobs over the four years through March 2028.

In June, Nissan said it was in talks to manufacture cars for China's **Chery Automobile** at its Sunderland facility in the U.K., a month after the company announced plans to slash hundreds of jobs in Europe and overhaul its operations in the region.

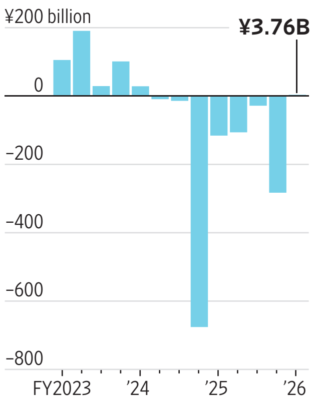
Beyond the restructuring, Nissan is taking steps to improve its offerings. It started selling the Infiniti QX65 midsize luxury sport-utility vehicle in the U.S. recently and plans to bring the Rogue Hybrid e-Power to the American market later this year.

It also has teamed with **Uber Technologies** and U.K. self-driving-car startup Wayve to offer robotaxi services. A pilot program in Tokyo is planned for late 2026.

The Japanese carmaker reported net profit of ¥3.76 billion for the three months ended June, compared with net loss of ¥115.76 billion in the year-ago period. That was better than the ¥3.65 billion loss estimated in a poll of analysts by data provider Quick. Revenue grew 9.5% to ¥2.964 trillion.

For the year ending next March, the carmaker expects global sales to be largely flat at 3.15 million units, down from 3.30 million forecast previously. It kept its outlook for net profit of ¥20 billion and revenue to grow 8.3% to ¥13 trillion.

Nissan quarterly net profit/loss



Note: Latest fiscal quarter ended June 30; ¥1 billion = $6.4 million
Sources: S&P Capital IQ; the company

Anduril Weighs Baltimore Site to Build Drone Boats

By Heather Somerville And Scott Calvert

Anduril Industries is in advanced talks with a Maryland port to build out a production site for the company's drone boats, people familiar with the matter said, a sign of the growing military demand for autonomous sea vessels and the potential for defense startups to revitalize American industrial infrastructure.

Southern California-based Anduril has signed a memorandum of understanding with the operators of the historic Sparrows Point yard, a 3,300-acre industrial site in Baltimore County with a deep-water port and a rich history of shipbuilding and steel manufacturing.

Anduril's investment in building out a portion of the site for unmanned surface vessel production could be in the hundreds of millions of dollars, the people said. The operation would involve manufacturing and testing the unmanned boats.

The office of Maryland's governor, Democrat Wes Moore, has been involved in the discussions, and any deal would likely involve state incentives to offset Anduril's cost, the people said.

Anduril hasn't signed a lease, and the people cautioned that deal talks could still unravel. A spokesman for Moore declined to comment. A spokesman for Tradepoint Atlantic, the owner of Sparrows Point, didn't respond to requests for comment.

Investors purchased the site, once home to the industrial juggernaut Bethlehem Steel, starting in 2014 for redevelopment and renamed it Tradepoint Atlantic. The area now houses fulfillment and logistics centers for retailers such as Amazon.com and Home Depot. Two years ago, it became a hub for rerouting global shipping and recovering wreckage when the Francis Scott Key Bridge collapsed, creating a logistical and cleanup crisis.

A potential Maryland expansion comes as Anduril, fresh off a funding round this spring that values the company at $61 billion, pushes to roughly double capacity across its weapons-systems production. Unmanned surface vessels are one of Anduril's newest products. It has partnerships with U.K.-based Kraken Technology Group and South Korea's HD Hyundai Heavy Industries to build the boats.

Rising Beef Costs Pressure Tyson Foods' Bottom Line

By Patrick Thomas

Tyson Foods lowered its profit outlook for the year because of soaring cattle prices, which continue to weigh on the meatpacking company's bottom line.

A shortage of cattle in the U.S. has been driving up costs for meatpackers such as Tyson and JBS for years, leading to steep financial losses. Tyson said its cattle costs climbed by $575 million in its latest quarter compared with a year earlier. Higher livestock costs are raising retail beef prices to record levels, curbing demand as consumers are already stressed.

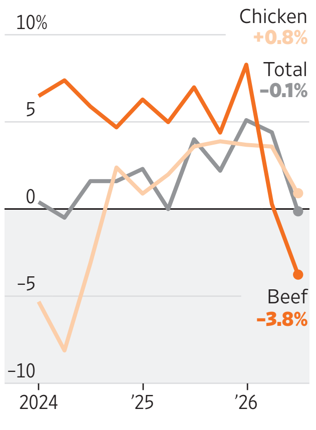
"Beef hasn't performed the way we expected, and we're not pretending otherwise," said Chief Executive Donnie King on a call with investors.

For the three months ended June 27, the company reported profit of $182 million, up from $61 million for the same period a year earlier. On an adjusted basis, Tyson earned 99 cents a share, slightly ahead of the 98 cents expected by Wall Street analysts, according to FactSet.

Tyson—which processes roughly 1 of every 5 pounds of chicken, beef and pork sold in the U.S.—said its quarterly sales were flat from the same period a year earlier at roughly $13.87 billion, below what analysts expected.

Shares of Tyson rose 2.8% on Monday.

Tyson segment revenue, change from a year earlier



Sources: S&P Capital IQ; the company

Arkansas-based Tyson posted a $142 million loss in its beef division for its fiscal third quarter. The company's beef sales price rose almost 12% year over year, while sales volumes fell 16%. The company said it expected to report an adjusted operating loss of $500 million to $650 million for its 2026 fiscal year, compared with its prior forecast of a loss between $300 million and $500 million.

The Agriculture Department said last month that it planned to lift a more than yearlong ban on Mexican cattle imports, which historically make up about 5% of the beef processed in U.S. facilities. The move was expected to help ease a cattle shortage and make it cheaper for meatpackers to buy livestock.

Tyson executives said Monday that it would still take about a year before the company experiences positive financial benefits from the reopening. Young calves are expected to begin crossing the border at the end of August, but it will take months for imports to ramp up and cattle to be fattened before they arrive at Tyson's plants.

Tyson, a bellwether for the U.S. meat industry, has leaned on its chicken business to keep its profit stable over the past year. Strong demand for its chicken breasts and frozen nuggets, and cheap livestock, has helped boost its bottom line.

But an industrywide glut over the past few months has eroded profits at chicken processors. Wholesale chicken values were down 45% during the quarter compared with a year earlier, King said.

Tyson executives said Monday that the company was more insulated than competitors from depressed poultry prices after it spent years trying to improve its chicken operations. Now most of the chicken processed in its plants feeds into the company's Tyson-branded and frozen precooked products at the grocery store, where demand is growing.

In the past, the company sold more of its chicken to other processors, distributors or restaurant customers at lower wholesale prices.

EasyJet Extends Castlelake's Bid Deadline

By Aimee Look

EasyJet extended Castlelake's bid deadline to Friday, aligning it with rival bidder **Apollo** and giving both suitors until the end of the week to either submit a firm offer for the London-listed air carrier or walk away.

Castlelake's deadline had previously been Monday. U.S. asset manager Apollo last month made a $7.6 billion takeover bid for easyJet, which trumped an earlier $7 billion agreement with Castlelake, an American private-equity and aircraft-leasing group.

Apollo's bid represented an 81% premium to easyJet's closing share price on May 28, the day before the offer period began on Castlelake's bid.

Both potential bidders are poised to solidify offers for one of Europe's best-known low-cost airlines, which holds valuable takeoff and landing spots at regional nodes.

However, any deal would land in a volatile market, with the Middle East conflict upending travel and the airline sector. Since the start of the U.S. and Israeli war on Iran, the industry has been hit by turbulent jet-fuel prices and route disruptions.