Carrier Plots to Spin Off Fire Unit

By Laura Cooper And Lauren Thomas

Carrier Global Corp. is working on a plan to sell or spin off its fire-and-security business segment, which accounts for about 17% of the air-conditioning company's sales, according to people familiar with the matter.

The process is in an early stage, the people said, and there is no guarantee the company will follow through.

The fire-and-security business accounted for $3.6 billion of Carrier's total sales of $20.4 billion in 2022.

Demand for Carrier's fire-and-security products, which are used across residential, commercial and industrial properties, was mixed in the most-recent quarter, buffeted by slower new construction in some markets, management said on a conference call in February. That has helped spur calls from some investors and analysts for the company to consider separating out the division, which they consider a drag on its valuation.

Carrier was formed after United Technologies Corp. separated itself into three independent companies, breaking apart one of America's last industrial conglomerates, a move completed in 2020.

A number of companies have lately looked to shed divisions and streamline their operations. **General Electric** Co. spun off its healthcare unit into an entity known as **GE HealthCare Technologies** Inc.

Last year, **Kellogg** Co. said that it planned to break into three, separating its North American cereal and plant-based food businesses. In 2021, **Johnson & Johnson** said it would split into two companies, choosing the name Kenvue for the planned stand-alone company that would house consumer-health brands including Band-Aid and Tylenol.

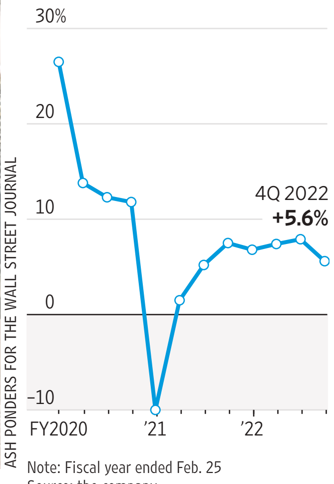
Emerson Electric Co. said in October it would sell a majority stake in its climate-technologies business to private-equity firm **Blackstone** Inc., allowing the industrial company to streamline its business and expand its technology and automation offerings.

Albertsons Records Decline in Profit

By Dean Seal

The grocer said gross margins slid due to a fall in Covid-19 vaccinations and a rise in product costs.

Albertson's identical store sales, change from a year earlier



Note: Fiscal year ended Feb. 25
Source: the company

Albertsons Cos. sales rose 5% to $18.27 billion in the recently ended quarter as consumers continue to stomach higher food prices.

The supermarket company, which operates chains such as Safeway, Shaw's and Acme, said higher prices and growth in its pharmacy business pushed identical sales, a metric that strips out store closings and openings, up 5.6% in the three-month period ended Feb. 25.

Gross margin for the Boise, Idaho, company slid again, driven in part by a drop-off in Covid-19 vaccinations at its pharmacy business compared with the winter quarter a year earlier. Margins were further dented by inflated product costs, increased advertising expenses and higher shrink, an industry term for loss in inventory due to theft, spoilage or other factors.

Albertsons said higher picking and delivery costs tied to its growing number of digital sales also ate into margins.

Albertsons posted a quarterly profit of $311.1 million, or 54 cents a share, down from $455.1 million, or 79 cents a share, in the same quarter a year before. Adjusted earnings, which strip out one-time items, topped analyst expectations at 79 cents a share, according to FactSet.

Chief Executive Vivek Sankaran said Tuesday that some headwinds plaguing the retail industry, including inflated costs and increased investments in labor, are expected to continue this year. Revenue from Covid-19 vaccines and at-home test kits also is expected to decline further, he said.

Grocery stores have battled inflated costs over the past year by raising prices, which consumers have been generally willing to pay despite a tightening in overall spending. Grocery prices in the U.S. were up 10.2% in February, according to the latest data from the U.S. Labor Department.

Albertsons, the second-largest U.S. supermarket operator, agreed in October to be bought by rival **Kroger** Co. for about $20 billion.

The grocery giants have said the merger would give them a more national footprint and boost their scale, but the deal has roused concerns from elected officials and union groups over the potential impact on food prices, job security and competition. Executives from the two companies vowed before a Senate subcommittee in November that they would keep prices low and protect workers' jobs if the deal passes.

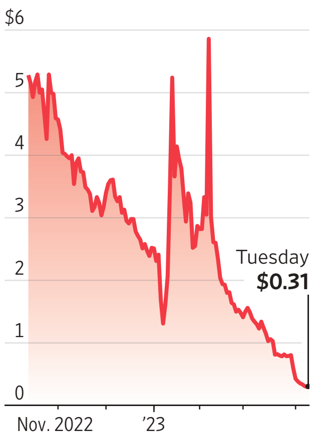
Kroger and Albertsons are expected to sell overlapping stores in their bid for approval from federal antitrust enforcers.

Bed Bath & Beyond Lures Individual Investors

By Alexander Gladstone

Kais Maalej, a 49-year-old Uber driver and amateur investor active on social media, is a proponent of the theory on Reddit forums that distressed retailer **Bed Bath & Beyond** Inc. will soon be acquired by a holding company associated with billionaire Ryan Cohen.

Bed Bath & Beyond's share price over the past six months



Source: FactSet

"I am very confident" that Bed Bath & Beyond will be bought, said Mr. Maalej, who lives in Queens, N.Y. He said that he started purchasing Bed Bath & Beyond shares last year and has been buying up more in recent months. "I'm loaded with shares," he said.

It is this kind of confidence among individual investors that has kept trading volumes in Bed Bath & Beyond stock robust as the company floods the market with hundreds of millions of shares even while warning about a potential bankruptcy.

Over the past couple of months, Bed Bath & Beyond issued more than 300 million shares through a complex equity deal involving hedge fund **Hudson Bay Capital Management** LP, bringing the number of shares to 428 million at the end of March, up from 117 million as of late January. The company is now trying to sell hundreds of millions of additional shares directly into the market in a last-ditch attempt to avoid chapter 11.

The increasingly diluted stock has been dropping lower and lower the more shares the company sells, which means the company needs to sell even more to raise the minimum of $300 million it said it needs from the latest stock-sale effort to stay out of bankruptcy.

The shares closed at 31.4 cents Tuesday and are down more than 90% since January, shortly before the company began raising capital through the deal with Hudson Bay.

Heavy trading volumes in Bed Bath & Beyond's stock, with at least 100 million shares changing hands each day over the past week, are largely due to individual investors' interest in the well-known consumer chain, propelled in part by various investment theories espoused on social media.

As of April 3, Bed Bath & Beyond had 260 million shares available to sell, which would only net the company about $80 million given the stock's trading price Tuesday. To meet the $300 million equity-raising threshold it says it needs, the company has scheduled a shareholder vote for May 9 to seek approval of a proposal for a reverse stock split that would free up more new shares it can sell.

The retailer's investor base, composed primarily of individual investors, may make it difficult for the company to round up the needed votes, investors and analysts said. In general, it is harder to round up votes from a widely dispersed crowd of retail investors than from a smaller group of institutional firms, they said.

"While there continues to be speculation around our story, our choices have been to improve our liquidity and drive our turnaround," a representative for Bed Bath & Beyond said.

A failure to obtain shareholder approval for the reverse-split proposal will likely force it to file for bankruptcy, the company said recently.

A spokesman for Mr. Cohen declined to comment about the theories being discussed about him on social media.

YouTube TV to Lift Price of NFL Sunday Ticket Package

By Joe Flint

The cost for being a National Football League fanatic is going up.

YouTube TV unveiled its pricing plans for the Sunday Ticket package of NFL games that it acquired the rights to last year, and prices are higher than what previous rights holder satellite broadcaster DirecTV charged.

The full season of Sunday Ticket will retail for $349 for people who subscribe to YouTube TV's base video-service package, which includes major broadcast and cable networks and costs $72.99 a month. Consumers who want Sunday Ticket but don't want to subscribe to YouTube TV's other offerings will pay $449.

Last season, DirecTV charged around $300 annually to its subscribers who had signed up for the service's basic package of channels, which retails at $64.99 a month. Subscribing to just Sunday Ticket wasn't an option.

Subscribers to Sunday Ticket get access to all Sunday afternoon games for out-of-market teams. DirecTV had about 1.5 million subscribers last season, The Wall Street Journal has reported.

YouTube's rights deal for Sunday Ticket is around $2 billion a year and runs seven years, the Journal previously reported.

DirecTV, which didn't bid to keep the package, had been paying $1.5 billion annually. YouTube is a division of **Alphabet** Inc.'s Google.

While its price is higher than what DirecTV was charging, Christian Oestlien, YouTube's vice president of product management, noted that unlike DirecTV, YouTube TV doesn't require a contract—which means customers can sign up for the service and then unsubscribe without any penalties.

Most Sunday Ticket customers also had to have a satellite dish put on their roof to receive it from DirecTV.

"There are no contracts or hidden fees," Mr. Oestlien said.

Like DirecTV, YouTube will also offer a package of Sunday Ticket and the RedZone channel, a network that carries live action from all the Sunday afternoon games simultaneously. Unlike DirecTV, which operated its own RedZone channel, YouTube will carry the NFL's version of the channel.

That package will cost $389 annually for YouTube TV subscribers and $489 for nonsubscribers.

DirecTV charged around $400 for its package of the two channels.

YouTube said it would offer a $100 discount to people signing up for Sunday Ticket before June 6, months before the NFL season starts.