

GM profits rise, affirms 2021 outlook despite semiconductor crunch

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Shares of General Motors jumped after it reaffirmed its full-year forecast despite a hit from the semiconductor shortage

General Motors reported higher first-quarter profits Wednesday and reaffirmed its full-year outlook despite a global shortage of semiconductors that has constrained manufacturing.

The big US automaker reported profits of \$3 billion, 10 times the level in the year-ago period, on strong vehicle pricing. The company said it is "highly confident" in its full-year financial outlook released in February.

Revenues were essentially flat at \$32.5 billion.

GM benefited from higher auto deliveries in the United States and China that more than offset declines in other markets.

Another bright spot was GM Financial, its lending arm, which posted higher profits amid rising prices for used vehicles.

"These strong results demonstrate once again the underlying strength of our business, especially in North America and China and at GM Financial," Chief Executive Mary Barra said in a letter to shareholders.

"We continue to execute our strategy and make significant progress on our transition to an all-electric future with the growth opportunities it creates."

Barra, in a conference call with reporters, said the [second quarter](#) would be the "weakest" period of 2021, but that the company's continued confidence in the full-year outlook reflects "super creative" ingenuity throughout its supply chain teams.

Like other carmakers, GM has temporarily suspended production at some factories due to the semiconductor shortage. But it has worked to minimize the impact on its best-selling trucks, which generally have higher [profit](#) margins.

Barra said she now expects full-year operating profit to be "at the higher end" of the previously-released \$10 to \$11 billion range.

Shares of GM rose 4.0 percent to \$57.53 in pre-market trading.

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