

General Motors lifts 2024 profit forecast after strong Q1

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General Motors, which reported better than expected profits, is hopeful that the moderately priced Chevrolet Equinox will attract more consumers to electric vehicles.

General Motors reported higher profits Tuesday thanks to continued strength in North America that offset a loss in its China business,

enabling the carmaker to lift its forecast.

GM, which has benefited from consistently strong demand from US consumers for pickup trucks and other larger vehicles, increased its range for 2024 net income by \$300 million to between \$10.1 and \$11.5 billion.

"The team is executing well and making progress across the board," GM Chief Executive Mary Barra said in a letter to shareholders.

Net profits in the first quarter rose 24 percent to \$3.0 billion on a 7.6 percent rise in revenues.

US auto deliveries were down slightly in terms of volume, but North American earnings climbed on "consistent" pricing and lower costs, the company said in a presentation.

"Our consumer has been remarkably resilient in this period of higher interest rates," Chief Financial Officer Paul Jacobson said in a conference call with reporters.

Jacobson said pricing was "essentially flat" compared with the prior quarter. The company still expects pricing power to erode slightly in 2024, although it has yet to see a decline surface in the market.

Vehicle inventories at GM dealers in the United States have risen to 534,000, well above the level seen in 2023. Inventories have been lower than industry targets in recent years due to COVID-19 outages and supply chain issues.

The current inventory translates into about 63 days of supply, which GM considers "pretty good" given that spring is a seasonally strong period for car sales, Jacobson said.

GM executives confirmed plans to build between 200,000 and 300,000 [electric vehicles](#) in 2024, which will include the launch of the Chevrolet Equinox at a lower price point than other EVs.

Barra said GM was well positioned to meet [consumer demand](#) in both EVs and conventional vehicles.

"We are very focused on making sure that we don't overbuild and that we're able to maintain our prices, our margins," Barra said on a conference call with analysts.

GM's strength in its home market helped offset an [operating loss](#) of about \$100 million in GM's China operation.

Barra acknowledged that the competitive landscape had changed in China with the rise of more Chinese car producers.

"Over the long-term, we're committed to China," said Barra, who pointed to the "luxury premium" segment as an area of strength for GM in the market.

Shares of GM jumped 4.7 percent in morning trading.

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