

Uber shares surge after citing signs of rebound from virus slump

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Uber CEO Dara Khosrowshahi says the ridesharing giant is seeing some indications of a rebound in parts of the world from the coronavirus crisis

Uber shares surged Thursday after the ridesharing giant suggested it is seeing the "beginnings of a recovery" in parts of the world following a brutal coronavirus-induced slump.

In midday trade, Uber shares were up nearly 40 percent as it joined a broad rebound in the battered stock market.

Uber chief executive Dara Khosrowshahi told analysts on a conference call he is seeing some signs of improvement in places such as Hong Kong, one of the earliest markets to be hit by coronavirus concerns.

"In some parts of our business, we're already seeing what we believe is a worse impact behind us and the beginnings of a recovery," he said, pointing to Hong Kong in particular where ride traffic dropped some 45 percent.

"Hong Kong was one of our earliest cities that was affected and it's the earliest one that is recovering.

And if the world looks like Hong Kong, we will be in great shape."

Khosrowshahi said other cities like Seattle have seen drops as much as 70 percent but that he expects a broad rebound.

Even in hard-hit cities such as Seattle, he said, "we're assuming two months of absolute lockdown and shutdown based on what we're seeing... we're assuming that things get better because certainly Hong Kong is showing that things get better."

The CEO said Uber is well-positioned to ride out the crisis with \$10 billion in "unrestricted" cash and no debt repayments due in the near future.

Even in a [worst-case scenario](#) where business declined some 80 percent for the rest of the year, he said Uber would still have about \$4 billion in reserve.

"We absolutely don't expect that kind of case to happen," he said. "But we feel responsible to model it even in that case our balance sheet remains strong."

Khosrowshahi said Uber is working to ramp up efforts in crisis-hit cities such as London and Paris with more food delivery and materials for [health care](#).

"We have a Uber for health, so we already have contact in the [health sector](#), we got all of the processes that we need to make sure that the materials and the pathogens that they carry are there," he said.

"Food and logistics is kind of our core. It's something that we're really, really good at. It starts with helping the community and that's the angle right now."

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