

GE reports higher profits, sees deeper virus hit in 2Q

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bigger hit from the coronavirus pandemic.

The industrial giant reported first-quarter profits of \$6.2 billion, up 73 percent from the year-ago period and boosted by funds from the sale of BioPharma.

Revenues fell eight percent to \$20.5 billion.

The company said it plans to cut costs by \$2 billion in the wake of the hit from COVID-19, which fell especially hard on its aviation business.

GE cautioned that the "[second quarter](#) will be the first full quarter with pressure from COVID-19, and GE expects that its [financial results](#) will decline sequentially."

Despite that, GE is "embracing today's reality," said Chief Executive Lawrence Culp.

"While there are many unknowns, there will be another side—planes will fly again, healthcare will normalize and modernize, and the world still needs more efficient, resilient energy," he said.

GE described its liquidity position as "strong" due to cash from the BioPharma sale. It undertook what it described as "leverage-neutral" actions that involved the raising of debt to retire other liabilities, saying it had cash and cash equivalents of \$47.3 billion at the end of the quarter.

Shares fell 2.8 percent to \$6.60 in pre-market trading.

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