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GM reports \$3.9 billion loss for 2017

By Nora Naughton

General Motors Co. reported Tuesday a loss of \$3.9 billion in 2017, due largely to charges related to the new tax law and the Opel-Vauxhall sale.

But GM's continuing operations made \$300 million last year, still down 96 percent from 2016.

The Detroit automaker's earnings-per-share reached \$6.62. GM said last month it expected earnings-per-share of \$6.50.

GM characterized 2017 as a year of transformation.

"The actions we took to further strengthen our core business and advance our vision for personal mobility made 2017 a transformative year," CEO Mary Barra said in a statement. "We will continue executing our plan and reshaping our company to position for long-term success."

The automaker's continuing operations — that part of the company outside of its money-losing European Opel-Vauxhall business — made \$300 million on \$145.6 billion in revenue. In the fourth quarter, continuing operations lost \$4.9 billion on \$37.7 billion in revenue. That loss is related to a non-cash \$7.3 billion write-down of its tax assets in the fourth quarter of 2017.

GM took a \$6.2 billion hit on the year in its sale of Opel-Vauxhall to PSA Groupe SA, bringing down the year-end result. But the automaker in 2016 lost \$257 million pre-tax in Europe, still an improvement from its \$813 million pre-tax loss in the region in 2015. The automaker has said it is counting on strength in North America and China — and "improvement in South America" — to drive its performance in 2018.

GM's adjusted earnings before interest and taxes in North America totaled \$11.9 billion, down from \$12.4 in 2016. China joint ventures and other international operations made \$1.3 billion in 2017.

The automaker also announced profit sharing of up to \$11,750 for its roughly 50,000 United Auto Worker hourly employees, compared to the \$12,000 checks distributed last year.

In 2016, GM made \$9.43 billion in net income, record earnings-per-share of \$6 and adjusted pre-tax earnings of \$12 billion.

In the fourth quarter, GM reported a net loss of \$5.1 billion. As GM prepares for a new corporate tax rate in the GOP tax bill, the company took a non-cash \$7.3 billion write-down of its tax assets in the fourth quarter of 2017.

"With a fortress balance sheet, successful product pipeline and well-articulated strategic vision for the future of the automotive industry and mobility in general, investors can see real value in GM, beyond a nice dividend," David Kudla, a financial analyst with Mainstay Capital Management, said in a statement.

Ford Motor Co. reported a 65 percent increase in annual profit last year, but the automaker's pre-tax profit dropped \$1.9 billion from a year ago to \$8.4 billion. Fiat Chrysler Automobiles NV's net profit nearly doubled in 2017 to \$4.35 billion (3.5 billion euros).

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