

PSA Agrees to Buy GM's European Brands in \$2.3 Billion Deal



PSA Group agreed to buy General Motors Co.'s Opel unit in a transaction valued at 2.2 billion euro (\$2.3 billion), creating Europe's second-largest carmaker in a bid to better compete in the region's saturated market. The combination is expected to generate annual savings of 1.7 billion euros by 2026, with the loss-making Opel unit generating an operating profit margin of 2 percent by 2020 and 6 percent by 2026, GM and the Paris-based maker of Peugeot and Citroen vehicles said in a joint statement. The deal includes the Germany-based Opel, its U.K. nameplate Vauxhall, as well as the GM unit's financing operations. BNP Paribas SA will buy 50 percent of the financing business for about 450 million euros.

GM, which has owned Opel for almost 90 years, is cutting ties after the division missed a target to break even in 2016, contributing to losses that have totaled about \$9 billion since 2009.