



Twitter CEO “Expects Deal To Close” After Musk Chaos

Description

Update (1550ET): Late in the US cash session, Twitter shares have recovered some losses after tumbling as much as 21% in premarket after growing speculation that Elon Musk might walk away from the deal to purchase the social media company. Musk later clarified that the deal saga isn't over yet and he's “still committed to the acquisition.” At 1515 ET, shares are down 9.5% around the \$40.80 mark.



At 1510 ET, Twitter CEO Parag Agrawal tweeted a series of updates about what had happened over the past weeks.

*“We **announced changes to our leadership** team and operations yesterday. Changes impacting people are always hard. And some have been asking **why a “lame-duck” CEO would make these changes if we’re getting acquired anyway**,” Agrawal said.*

He said the **short answer is very clear**:

While I **expect the deal to close, we need to be prepared for all scenarios and always do what's right for Twitter. I'm accountable for leading and operating Twitter, and our job is to build a stronger Twitter every day.*

No one at Twitter is working just to keep the lights on. We take pride in our work. Regardless of the company's future ownership, we're here **improving Twitter as a product and business for customers, partners, shareholders, and all of you.*

People have also asked: **why manage costs now vs after close? Our **industry is in a very challenging macro environment** – right now. I **won't use the deal as an excuse to avoid making important decisions for the health of the company**, nor will any leader at Twitter.*

**So what can you expect from me going forward? I'm still focused on doing the job, and that includes making hard decisions as needed. I will continue to embrace the deep complexities of our service and our business. And you can expect more change for the better.*

I will also try to **bring more transparency to the work that we do. You won't see tweets from me on the 'topic of the day' or the loudest sound bite, but rather on the ongoing, continuous, and challenging work our teams are doing to improve the public conversation on Twitter.*

**Finally – so much gratitude for our whole Twitter team. They have stood strong and focused, sharp and agile. They've been doing the work, as they always have. Onward.*

* * *

Update (0750ET): Twitter shares are bouncing back now that Musk has clarified that the deal saga isn't over yet: on the contrary, Musk just clarified that he is "still committed to the acquisition".

Still committed to acquisition

— Elon Musk (@elonmusk) [May 13, 2022](#)

Twitter shares trading in the premarket have rallied on the clarification.



* * *

Two weeks ago, after Twitter reported disappointing earnings and admitted that [it was “overestimating” millions of users since 2019](#), we asked whether this “merits a purchase price adjustment.”

Twitter gets acquire and quickly admits it was “overestimating” millions of users since 2019. Does this merit a purchase price adjustment? cc: [@elonmusk](#) pic.twitter.com/RDK7Q5LHeY

— zerohedge (@zerohedge) [April 28, 2022](#)

A few days later, noted short-seller [Hindenburg Research picked up on this](#) and in a report warned that Twitter is overpriced and that there is a “significant risk” that the deal could get repriced lower.

Fast forward to today, when amid growing speculation that Elon Musk’s deal to buy Twitter might collapse, that he might walk away, or hold out for a better price, as the recent turmoil in markets – especially for tech stocks – have caused equity valuations to re-rate lower en masse, Musk has confirmed just that on Twitter.

Twitter deal temporarily on hold pending details supporting calculation that spam/fake accounts do indeed represent less than 5% of users <https://t.co/Y2t0QMuuyyn>

— Elon Musk (@elonmusk) [May 13, 2022](#)

Musk posted the comments about the deal on Twitter (where else?), and [referenced a Reuters](#) report citing Twitter claiming that fake accounts represented less than 5% of users...

negotiating for a lower deal price.

“The nature of Musk creating so much uncertainty in a tweet (and not a filing) is very troubling to us and the Street and now sends this whole deal into a circus show with many questions and no concrete answers”.

As for Twitter’s few remaining employees...

Will be awkward if instead of “canceling” dissenting voices, Twitter’s legal team was helping cook the books

— zerohedge (@zerohedge) [May 13, 2022](#)

by Tyler Durden

Category

1. Economy-Business-Fin/Invest
2. Freedom-Free speech-Resistance & H-rights
3. Main
4. Science-Tech-AI-Medical & Gen. Research

Date Created

05/14/2022