

Elon Musk is buying Twitter for \$43.4B

Article

The news: Twitter has accepted **Elon Musk's** offer to buy the social media giant. The sale is expected to close in 2022, [per](#) Ars Technica.

How did we get here? The Twitter-Musk drama has been brewing since the **Tesla** CEO started buying Twitter stocks, hitting a 9% share of the social network at the beginning of April. The two sides reportedly worked through Sunday night to finalize a deal.

- **Musk** made an [offer](#) to buy the social media app outright for **\$43 billion** April 14.

- Twitter's board immediately went on high alert, enacting a poison pill defense to keep Musk at bay, per Reuters.
- Undeterred, Musk obtained **\$25.5 billion** in debt financing from a bank group including **Morgan Stanley, Bank of America, Barclays, MUFG, Societe Generale, Mizuho Bank, and BNP Paribas.**
- The remaining funds will come from equity, including **\$12 billion** of margin loans against Musk's Tesla stock to finance the transaction.
- The Wall Street Journal reports that Musk made video call pitches to select Twitter shareholders over the weekend, hoping they could sway the company's decision. **Twitter shares rose more than 5% premarket Monday.**
- Musk's rationale for buying Twitter is that he wanted to make it a private company and allow people to speak more freely on the service. "Twitter has extraordinary potential. I'll unlock it," Musk wrote in his letter to the board.

Citizen Musk: Altruistic free speech aspirations aside, purchasing Twitter gives Musk political leverage similar to **Rupert Murdoch's** purchase of the **New York Post** in 1976 as well as his 2007 purchase of **The Wall Street Journal.**

- Billionaires buying into the media is nothing new. **Jeff Bezos** bought **The Washington Post** for **\$250 million** in 2013.
- Musk, the world's wealthiest person, will own one of the world's largest megaphones and could impose his will on how it operates, essentially giving him the ultimate bully pulpit.

What's the catch? Ownership by Musk won't immediately solve Twitter's problems—namely stagnant user growth, sliding engagement, and a rotating door for leadership.

- Depending on changes enacted by Musk, Twitter could become a different service, one without any content moderation or the facility to block or ban abuse and misinformation in the name of free speech.
- Twitter, whose value rests in its **354.3 million active users**, could see an exodus if changes in the social media company's fundamentals change significantly.
- Once the sale is final, pending shareholder approval, Twitter will need to double-down on advertising to pay off the various debts used for Musk's acquisition.

Twitter Users, by Region

2022

Millions

Asia-Pacific

133.2

Central & Eastern Europe

10.9

Latin America

76.5

Middle East & Africa

12.1

North America

64.9

Western Europe

47.8

Source: eMarketer, November 2021

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