

Twitter shares rise on reports of activist investor stake

March 2 2020, by Twitter Shares Rise On Activist Investor Stake



In this June 7, 2019, file photo, Twitter CEO Jack Dorsey leaves after his talk with French President Emmanuel Macron at the Elysee Palace in Paris. Twitter shares rose Monday, March 2, 2020, following reports an activist investor took a stake in the social media service and plans to push for changes. (AP Photo/Francois Mori, File)

Twitter shares rose Monday following reports an activist investor took a stake in the social media service and plans to push for changes.

Elliott Management Corp. has taken a \$1 billion stake in the company, about 5%, and plans to nominate four directors to the board, according to people familiar with the matter who spoke on condition of anonymity because talks are confidential. The Wall Street Journal reported the plans on Saturday, also citing an unnamed person.

Twitter has lagged behind other tech powerhouses like Facebook and Google in terms of user growth and advertising revenue. CEO Jack Dorsey left the company to start payments company Square, but returned in 2015. Now he splits his time between Square and Twitter. Dorsey has also tweeted that he would spend three to six months in Africa this year, leading some to question who would be running Twitter.

Elliott has been in talks with Twitter's board to discuss how the lack of a full-time CEO has affected high-level executive retention and [product innovations](#), the people familiar with the matter said. Facebook and Snapchat have introduced [new products](#) and features that attract advertisers, while Twitter hasn't changed its product much beyond raising its character count.



In this Oct. 27, 2016, file photo, the Twitter logo appears on a phone post on the floor of the New York Stock Exchange. Twitter shares rose Monday, March 2, 2020, following reports an activist investor took a stake in the social media service and plans to push for changes. (AP Photo/Richard Drew, File)

In February the company reported fourth-quarter user numbers that exceeded expectations, but profit still fell as expenses rose. Twitter and other social media companies have been spending more to step up efforts to remove misinformation, abuse, [hate speech](#) and spam.

Shares jumped \$2.21, or nearly 7%, to \$35.41 in afternoon trading Monday.

Founded in 1977 by Republican billionaire Paul Singer, Elliott has stakes

in or owns a wide array of organizations including bookseller Barnes & Noble and soccer team AC Milan.

Elliott is known for pushing for changes at companies it invests in. In September it took a 1% stake in AT&T and advocated for selling assets and paying down debt. AT&T eventually agreed to look for more parts of its business to sell off and to add two new board members. Elliott also advocated for changes at eBay, and the CEO of that [company](#), Devin Wenig, stepped down in September.

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