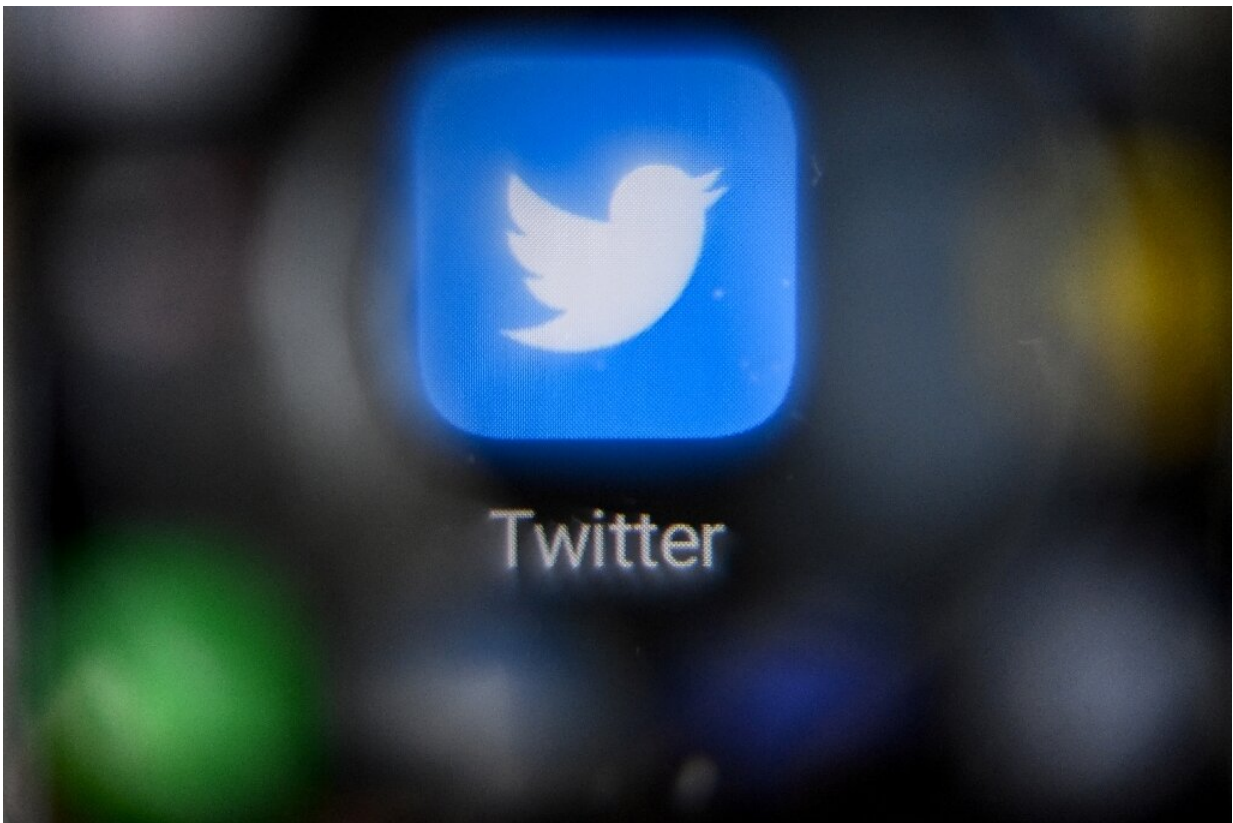


Twitter posts \$537 mn net loss over lawsuit payout

October 26 2021



Twitter posted a net loss due to a lawsuit settlement.

Twitter said Tuesday it had posted a \$537 million net loss in the third quarter after settling a lawsuit alleging investors were misled about slowing user growth.

Despite revenue rising sharply with the help of robust ad sales, Twitter still posted an [operating loss](#) of \$743 million, fuelled by the more than \$800 million settlement.

The 2016 federal suit filed by shareholders claimed the defendants, such as former CEO Dick Costolo, did not disclose the full picture of the company's state while they sold their personal stock in Twitter.

The shareholders claimed board members sold stock at an "artificially inflated" price. The suit was filed the year after Twitter's shares tumbled in value as the company revealed lethargic growth.

Despite the lawsuit costs, Twitter said third quarter revenue hit \$1.3 billion, an increase of 37 percent over this time last year.

The company noted that advertising [revenue](#) reached \$1.14 billion, which is 41 percent above 2020's third quarter results.

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