

Musk secures \$7.1 bn to finance Twitter deal

May 5 2022



Tesla Chief Executive Elon Musk has raised \$7.1 billion from wealthy investors and funds to finance his Twitter takeover.

Elon Musk has raised \$7.1 billion for his Twitter acquisition from investors that include Oracle founder Larry Ellison and Saudi Prince Alwaleed bin Talal, according to a securities filing Thursday.

Musk, chief executive of Tesla and SpaceX, listed 18 [investors](#) who agreed to cash investments including Ellison (\$1 billion), Sequoia Capital (\$800 million) and Vy Capital (\$700 million).

The Saudi prince, the head of the Kingdom Holding Company conglomerate, agreed to contribute about 35 million Twitter shares worth \$1.9 billion so as to retain a [stake](#) in the company post-acquisition, the filing said.

Alwaleed had previously balked at Musk's \$54.20 per share offer as too low, but praised Musk on Twitter on Thursday, saying "I look forward to roll our ~\$1.9bn in the 'new' @Twitter and join you on this exciting journey."

The investments will reduce a \$12.5 billion margin loan organized through Morgan Stanley and other banks to \$6.25 billion, the filing said.

The new financing means less of Musk's Tesla shares will be used as collateral under the margin loan.

Musk "may receive additional financing commitments to fund additional portions of the total Merger Consideration," the filing said, adding that the Tesla chief is in talks with former Twitter Chief Executive Jack Dorsey and others who may contribute shares to maintain an [equity stake](#).

The Twitter takeover is expected to close later in 2022.

CNBC reported that upon completion of the deal, Musk is expected to serve as temporary CEO of Twitter for a few months, the network said, citing unnamed sources.

Citation: Musk secures \$7.1 bn to finance Twitter deal (2022, May 5) retrieved 10 April 2024 from <https://techxplore.com/news/2022-05-musk-bn-twitter.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.