

Elon Musk deal to buy Twitter in danger: report

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Billionaire Elon Musk may try to slash the price he agreed to pay for Twitter or could attempt to walk away only paying a \$1 billion breakup fee, analysts say.

Twitter shares slid late Thursday after a Washington Post report that Elon Musk's \$44 billion deal to buy the social media giant is in danger.



The world's richest man has previously expressed misgivings and even implied he could walk away from the deal over concerns about what he believes are an abundance of fake accounts.

According to the Post, however, Musk has been unable to pin down the percentage of Twitter accounts that are not genuine, despite being given access to internal data.

While Musk has already made comments putting his commitment to the deal in doubt, the latest report cited an anonymous source saying his team is preparing for a "change in direction."

Twitter shares, which were already trading lower than the price offered by Musk, sank about four percent on the news in after-market trades.

"The Twitter soap opera is clearly coming to some sort of finale over the coming months as Musk makes the decision to stay (with a lower price) or go," Wedbush analyst Dan Ives said in a note to investors.

"The Twitter deal has clearly caused chaos at Twitter."

Ives expected Musk to reveal details of his fake <u>account</u> concerns in the coming weeks.

During the Qatar Economic Forum last month, Musk said that his Twitter purchase remained held up by "very significant" questions about the number of fake users on the social network.

"So we are still awaiting resolution on that matter and that is a very significant matter," the Tesla car and SpaceX exploration chief said via a video link to the gathering.

Twitter executives have held firm that less than five percent of accounts



are bogus, with Musk saying he believes the number to be much higher.

Musk said there were also questions about Twitter's debt.

The chances of Musk buying Twitter as originally negotiated are slim, Ives said.

Wedbush set the chance of the <u>deal</u> happening at a <u>lower price</u> at 60 percent, leaving open the door to the possibility Musk will try to walk away with only paying a required \$1 billion breakup fee.

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