

Loans, investments and piles of his own cash: How Musk financed Twitter takeover

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Billionaire Elon Musk will personally cough up a little more than \$27 billion in cash in his deal to take over Twitter.

In looking for ways to pay for his takeover of Twitter, Elon Musk has offered up money sourced from his own personal assets, investment

funds and bank loans, among others.

Here are the financing details for the deal, which was finalized Thursday.

Musk's own money

At first, the Tesla head had hoped to avoid contributing any more than \$15 billion of his personal money to the \$44 billion deal.

A large part of that, around \$12.5 billion, was set to have come from loans backed by his shares in the electric car company—meaning he would not have had to sell those shares.

Ultimately, Musk abandoned the loan idea and put up more funding in cash. The 51-year-old ended up selling around \$15.5 billion worth of Tesla shares in two waves, in April and in August.

In the end, the South African-born billionaire will personally cough up a little more than \$27 billion in cash in the transaction.

And importantly, Musk, who Forbes magazine says is worth around \$220 billion, already owns 9.6 percent of Twitter in market shares.

Investment funds

The total sum of the deal also includes \$5.2 billion from investment groups and other large funds, including from Larry Ellison, the co-founder of software company Oracle, who wrote a \$1 billion check as part of the arrangement.

Qatar Holding, which is controlled by Qatar's [sovereign wealth fund](#), the

Qatar Investment Authority, has also tossed capital into the pot.

And Prince Alwaleed bin Talal of Saudi Arabia transferred to Musk the nearly 35 million shares he already owned.

In exchange for their investments, the contributors will become Twitter shareholders.

Loans

The rest of the money—about \$13 billion worth—is backed by [bank loans](#), including from Morgan Stanley, Bank of America, Japanese banks Mitsubishi UFJ Financial Group and Mizuho, Barclays and the French banks Societe Generale and BNP Paribas.

According to documents filed with the US Securities and Exchange Commission, Morgan Stanley's contribution alone is about \$3.5 billion.

These loans are guaranteed by Twitter, and it is the company, not Musk himself, which will assume the [financial responsibility](#) to pay them back.

The California company has so far struggled to generate profit and has worked at an [operating loss](#) over the first half of 2022, meaning the debt generated in the takeover could add even more financial pressure to the social media platform's already shaky position.

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