

Musk says Twitter is losing cash because advertising is down and the company is carrying heavy debt

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A Twitter app icon on a mobile phone is displayed April 26, 2017, in Philadelphia. Meta is poised to launch a new app that appears to mimic Twitter, marking a direct challenge to the social media platform owned by billionaire Elon Musk. A listing for the app, called Threads, appeared on Apple's App Store, indicating it would debut as early as Thursday, July 6, 2023. Credit: AP Photo/Matt Rourke, File

Elon Musk says Twitter is still losing cash because advertising has dropped by half.

In a reply to a tweet offering business advice, Musk tweeted Saturday, "We're still negative cash flow, due to (about a) 50% drop in advertising revenue plus heavy debt load."

"Need to reach positive cash flow before we have the luxury of anything else," he concluded.

Ever since he took over Twitter in a \$44 billion [deal](#) last fall, Musk has tried to reassure advertisers who were concerned about the ouster of top executives, widespread layoffs and a different approach to content moderation. Some high-profile users who had been banned were allowed back on the site.

In April, Musk said most of the advertisers who left had returned and that the company might become cash-flow positive in the [second quarter](#).

In May, he hired a new CEO, Linda Yaccarino, an NBCUniversal executive with deep ties to the advertising industry.

But since then, Twitter has upset some users by imposing [new limits](#) on how many tweets they can view in a day, and some users complained that they were locked out of the site. Musk said the restrictions were needed to prevent unauthorized [scraping of potentially valuable data](#).

Twitter got a new competitor this month when Facebook owner Meta launched a text-focused app, Threads, and gained tens of millions of sign-ups in a few days. Twitter responded by threatening [legal action](#).

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