

Parent company of Trump's Truth Social posts \$328 mln loss

May 21 2024



Former US president Donald Trump saw the value of the parent company behind his Truth Social media platform drop after it began trading publicly.

Trump Media and Technology Group, which owns former US president Donald Trump's social media platform Truth Social, lost more than \$300

million in the first quarter of 2024, it said Monday.

TMTG, which recently went public, posted a [net loss](#) of \$327.6 million from January to March, compared with \$210,300 in net losses for the same period last year, according to a company statement.

Over the quarter, TMTG—whose primary asset is the Truth Social network founded by Trump after he was kicked off Twitter and Facebook in 2021—generated just \$770,500 in sales.

Some experts have likened TMTG to "meme stocks," whose prices are often driven by popular support rather than a business's financial standing or vision.

TMTG began publicly trading on the Nasdaq on March 26, meaning the Republican White House candidate's media group is now obligated to publish quarterly results.

Trump holds 57.3 percent of TMTG, which merged with a shell company known as Digital World Acquisition in late March.

Such special purpose mergers are often used as a way to enable a young company to quickly get its shares trading publicly. Equity owners in such transactions are typically required to hold the stock for six months before cashing out.

According to TMTG, the vast majority of the quarterly losses were related to \$311 million in non-cash expenses—including the elimination of prior liabilities—which occurred prior to the [merger](#) with Digital World.

Closing costs of the merger amounted to \$6.3 million, contributing to a Q1 [operating loss](#) of \$12.1 million, about four times the operating loss in

the year-ago period.

"As of April 29, 2024, the company's stock was held by over 621,000 shareholders, the vast majority of whom are retail investors," it said in the statement.

TMTG's share price plunged by more than 70 percent shortly after its Wall Street debut, before rebounding from mid-April.

The drop slashed several billion dollars from Trump's financial holdings.

TMTG chief executive Devin Nunes, a former Republican congressman, had accused [hedge funds](#) of illegally manipulating the market to drive down TMTG's share price.

In Monday's statement, Nunes said that the company is "well-capitalized."

"Our positive working capital allows us to explore and pursue a wide array of initiatives and innovations to build out the Truth Social platform including potential mergers and acquisitions activities," as well as options such as live TV streaming, he added.

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Citation: Parent company of Trump's Truth Social posts \$328 mln loss (2024, May 21) retrieved 13 July 2024 from <https://techxplore.com/news/2024-05-parent-company-trump-truth-social.html>

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