Twitter reporting earnings on heels of Elon Musk buyout deal

April 28 2022, by San Francisco

A sign is pictured outside the Twitter headquarters in San Francisco, Monday, April 25, 2022. Elon Musk reached an agreement to buy Twitter for roughly $44 billion on Monday, promising a more lenient touch to policing content on the platform where he promotes his interests, attacks critics and opines on social and economic issues to more than 83 million followers. Credit: AP Photo/Jed Jacobsohn

Twitter, which has agreed to be sold to billionaire Elon Musk, is due to report its first-quarter earnings Thursday before trading opens on Wall Street.

The report will provide details on how the San Francisco-based social network fared over the first three months of the year. But Twitter has canceled the conference call with executives and industry analysts that usually accompanies its results, so there will be no further insight into its current state.

Analysts are expecting Twitter to earn 5 cents per share on revenue of $1.23 billion, according to a poll by FactSet. Analysts are also forecasting that Twitter added 11 million daily active users compared with the last three months of 2021.

Musk's purchase of Twitter is expected to close sometime this year. But before the deal is completed, shareholders will have to weigh in, as well as regulators in the U.S. and in countries where Twitter does business. So far though, few hurdles are expected, despite objections from some of Twitter's own employees, along with users who worry about Musk's stance on free speech and what it might mean for harassment and hate speech on the platform.

Musk, who also runs the electric car company Tesla, as well as SpaceX and other ventures, says he plans to take Twitter private. If he does, the company will no longer be beholden to shareholders or publicly report its financial results, which have been mixed at best since the company went public in 2013.

Twitter has struggled to consistently post profits as a public company while generating lackluster revenue growth compared to the two dominant forces in digital advertising, Google and Facebook.

On one hand, going private could give Twitter more room to experiment while focusing less on short-term profit and its stock price. On the other hand, even the world's richest man is likely to want the company to make money.

"I think there is nothing better for Twitter than Elon Musk buying it and ideally replacing the board, and also doubling down on investments into products and new revenue-generating sources," John Meyer, a technology entrepreneur and investor, told The Associated Press earlier this week.

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