

# [***Lessons Learned From Twitter And FTX, Investors Sour As Companies Brace For Slower Holiday Spending***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:69HT-WDM1-JBCM-F0J0-00000-00&context=1516831)

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**Highlight:** The published version of Forbes' CFO newsletter delivers the latest news for chief financial officers and other budget-focused leaders to inboxes every Tuesday.

**Body**

**This is the published version of Forbes' CFO newsletter, which offers the latest news for chief finance officers and other leaders focused on the budget. to get it delivered to your inbox every Tuesday.**

There isn t any question that the CFO s role is vital to any company doing business. That s been a fact literally for as long as there have been businesses. However, in these days of high inflation, geopolitical upheaval, fluctuating markets, disruptive AI technology and new attitudes on businesses role in society, the **CFO s role is taking on a new degree of importance**. CFOs aren t just balancing the books. They re making big decisions that impact their companies, business in general and possibly society at large, weighing diverse factors ranging from profits to ***politics*** to sustainability.

AnIDC InfoBrief sponsored by enterprise software maker Epicorfound more than 80% of companies in the manufacturing and distribution sector agreed that the CFO**has a much more elevated role today in driving strategy** largely because financial performance and growth are so important to companies.

The back office is not the back office anymore, with CFOs and their finance organizations increasingly playing a more vital role in driving IT investment to compete and grow, Marco de Vries, Epicor vice president of product marketing, said in arelease about the report.

At**Forbes**, we want to**provide CFOs and high-ranking financial decision makers with the information they need**from outside the back office to help them chart the best course of action for their business. This newsletter targeting CFOs will be sent every Tuesday. We strive to provide the best of**Forbes**business news stories, providing insight on the global economy, markets and business investors, plus the stories that are moving the headlines and may impact your work.

Feedback and tips are always welcome. Thanks for reading!

**ECONOMIC INDICATORS**

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Companies are preparing for more careful shoppers this holiday season.

getty

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As consumers frustration about huge increases in the cost of living, interest rates and prices of most goods has been a common refrain, more**objective measures of the economy have been much more positive**. According to Bureau of Economic Analysis data released last week, U.S.gross domestic product grew at an annual rate of 4.9%, exceeding most projections. It was the largest quarterly gain since the end of 2021, but economists say that s unlikely to last.

Companies also know this is likely the case. Last week, online retail behemothAmazon reported projection-topping revenuesof $143.1 billion in its most recent quarter. But the company is**predicting much slower sales**for the all-important fourth quarter than analysts forecasts a midpoint of $163.5 billion, less than analyst forecasts of $167.1 billion.

Amazon isn t the only company predicting less holiday spending.Toy makers Mattel and Hasbro, both of which reported earnings last week,**projected cautious outlooks for their next quarter**. Mattel actuallysaw 9% more saleswhen compared with a year before, but its share price dropped nearly 8% because the company did not increase its sales outlook for the fourth quarter. Hasbro missed its revenue targets altogether and revised its outlook for the next quarter,projecting that retailers would be cautiousabout inventory levels as shoppers are more careful during the holidays.

**VALUATIONS + FUNDING**

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Twitter X icon displayed on a phone screen.

NurPhoto via Getty Images

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**It s been a year since Elon Musk bought Twitter**for $44 billion, andmany things have changed on the microblogging app. Musk has rebranded the company as X, laid off more than 6,000 employees, overhauled its verification system and worked to add new features including broadcast video and person-to-person calls.

But Musk has also**driven a lot of business away**. The company isworth about $19 billion today, according to stock grants Musk reportedly handed out to employees.Guideline data reported by Reutersshowed a 60% year-over-year decline in ad revenue as of August. reportedthe number of people actively posting on the platform has dropped by more than 30%. The reason for much of the flight: Musk s dismantling of Twitter s content moderation and verification systems, which has led towidespread disinformation on the platform.

For their part, X and Musk**have tried to smooth over the negative news**. After the EU gave the company a 24-hour deadline to address illegal content & disinformation on the platform about the Israel-Hamas war, X CEO Linda Yaccarino saidthey had removed hundredsof Hamas-linked accounts. And Musk said last weekend that authors of tweets found to be factually incorrect by feedback through the platform s Community Notes feature arenot eligible for compensation.

On Musk s first anniversary of owning X, the servicelaunched two new tiersof premium subscriptions,**presumably to help the company build back its revenue**. These tiers can allow users to bypass some ads, have their posts promoted, share in revenue from popular posts and edit their posts. But whether this can help the company get back to where it was before Musk s purchase remains to be seen.

Maybe X can**borrow a page from the playbook of Snap**, a much smaller player in the social media scene. Its most recent earnings showed that the vanishing-messages social app getsmost of its income from intereston its money in the bank.

**NOTABLE EARNINGS**

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A pedestrian walks in front of the sign in front of Meta headquarters in Menlo Park, California.

Getty Images

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Publicly traded tech companies are seeing much better days. But considering the depths of Twitter s fall over the last year,**that isn t necessarily saying a lot**. At the end of last week, the S&P 500dipped to a five-month lowbecause the Magnificent 7 tech stocks reported less hopeful earnings. The index has begun to rebound, but hasn t fully recovered.

* Facebook and Instagram parent Meta delivered record sales and profits in its last quarter, with ad sales up 24% year-over-year and the deep cost cuts and layoffs from earlier this year dropping internal expenses 8%.

1. While entertainment and tech giant Comcast saw relatively flat earnings its profits increased only 0.9% year-over-year analysts found the divisions that saw profits and losses somewhat unexpected. Much of the growth came from the company s Universal Studios theme parks, which saw 17.2% revenue growth. But the company lost 18,000 high speed internet subscribers, with 17,000 of them coming from residential customers. Analysts thought this might be because more workers are returning to offices and no longer need top-of-the-line connectivity at home.
2. Digital workflow provider ServiceNow saw its quarterly earnings beat expectations. Revenues were up 25%, and the company has 1,789 customers paying more than $1 million in subscription services, according to figures reported by Yahoo Finance. The company is launching generative AI services to help specific industries deal with their more mundane operational issues.

**DEEP DIVE**

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FTX logo on mobile screen with crypto coins and paper money.

NurPhoto via Getty Images

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**FTX Customers Should Recoup Most Of Their Losses, Unless IRS Bigfoots Them**

As FTX founder Sam Bankman-Friedanswered questions from the witness standduring his trial on charges of fraud and money laundering, many**investors in the defunct cryptocurrency exchange got good news**. Maybe. FTX Trading, now run by a bankruptcy specialist, has been able torecoup 90% of the distributable valueof the funds invested in the exchange about $13 billion out of $15 billion in customer claims, reports**Forbes** Nina Bambysheva. Why isn t this overwhelming good news? Because the**U.S. government says FTX owes it $44 billion**.

The federal government will be looking for payments such as payroll taxes: Assessments that are considered administrative, and therefore**may take precedence over creditor claims**. Experts don t think that the federal government will actually get what it s been asking for some of the claims could very well be duplicates but it is likely to get something.

There s also**the question of how much money might be divvied up**. The bankruptcy specialists running FTX now are trying to clawback customer withdrawals from the exchange that add up to more than $250,000 in the nine days before it filed for bankruptcy. And investments in companies and other cryptocurrencies also are subject to valuations.

Not many good estimates exist, largely because claims are still coming in, they need to settle clawback issues, Zach Rosenberg, attorney and principal at crypto-focused Rosehill Legal, told**Forbes**.

**FACTS + COMMENTS**

Spotify plans tochange its structure of royalty paymentsnext year, setting a new minimum number of plays for a track before the streaming service needs to pay an artist. The change will**help the service deal with the glut**of new audio tracks it receives.

**120,000+**: Number of new tracks uploaded to Spotify on a daily basis

**42%:** Percentage of songs on streaming platforms with 10 or fewer plays, according to 2022 data from Luminate

**The current system is stopping money from getting to working artists :** A source s explanation toMusic Business Worldwide

**VIDEO**

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**QUIZ**

The National Football League**maintained its superior credit rating**, according to a report from Fitch Ratings. Which of the following was not listed as a reason the professional sport kept its rating?

A. National media deals

B. Rising team valuations

C. Diversity metrics

D. Deals to broadcast games digitally

**Check if you got it right .**

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