

# [***Truth Social Finances Show Company is 'Bleeding Money Like Crazy'***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BPF-G791-DY68-1001-00000-00&context=1516831)

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**Length:** 660 words

**Byline:** Kate Plummer

**Highlight:** Donald Trump's social media platform, Truth Social, has released its latest financial report.

**Body**

A new filing from [*Donald Trump*](https://www.newsweek.com/topic/donald-trump?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships)'s social media company, Truth Social, shows the company is "bleeding money," according to one progressive journalist.

Posting on X, formerly [*Twitter*](https://www.newsweek.com/topic/twitter?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships), Talking Points Memo founder Josh Marshall reacted to the latest Securities and Exchange Commission (SEC) disclosure from Trump Media & Technology Group Corporation (TMTG), which runs Truth Social as its main asset.

The SEC filing showed the company, which Trump holds a nearly 60 percent stake in, made just over $4.1 million in revenue but racked up $58.2 million in costs in its latest operating year. It [*revealed an operating loss*](https://www.newsweek.com/trump-media-truth-social-losses-revenue-disconnect-stock-fall-1885608?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) of $15.96 million and around $40 million in interest.

BF Borgers of Colorado, an auditor for the company, said the losses "raise substantial doubt about its ability to continue as a going concern," according to the filings.

Truth Social [*reported revenues of more than $3 million last year*](https://www.newsweek.com/trump-truth-social-spac-boost-desantis-drops-out-dwac-surge-endorsement-republican-race-1862986?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships), with close to $50 million in losses.

In response to the news, Marshall wrote that Trump Social was "bleeding money like crazy."

In another tweet, he added: "This company has zero actual value" despite enjoying wide publicity since its launch.

*Newsweek* contacted TMTG by email on Tuesday outside of business hours to comment on this story.

Truth Social launched in February 2022, around a year after Trump was banned from X and [*Facebook*](https://www.newsweek.com/topic/facebook?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) for posts about the Capitol riots. He has since been reinstated to the platforms but opts to use Truth Social, alongside some 500,000 active users through iOS and Android platforms.

X, on the other hand, had 75 million users, while Facebook registered 142 million active users.

Shareholders of Digital World Acquisition Corp. (DWAC), an existing shell company, agreed to merge with the company last Friday, clearing the way for the former president's company to go public.

When the group [*debuted on the stock market*](https://www.newsweek.com/donald-trump-truth-social-public-stock-collapse-1883532?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) last week under the ticket "DJT" shares initially spiked, closing its first day of trading 16 percent higher. The strong performance gave the company an $11 billion valuation. But following the SEC filing, shares fell by more than 20 percent on Monday, causing the former president's net worth to shrink by $1 billion, according to [*Bloomberg*](https://www.newsweek.com/topic/bloomberg?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships).

Speaking to *Newsweek*, Todd Landman, professor of political science in the School of ***Politics*** and International Relations at the U.K.'s University of Nottingham, said that Truth Social needs to gain more users to become successful.

He said: "The much-anticipated public offering of Truth Social created a buzz in financial markets with a large initial valuation, potentially yielding a large boost to Former President Trump's net worth. Trading of the DJT stock over the ensuing days showed an initial boost and then decline, which increased after the company filed its 8-K with the Security and Exchange Commission.

"The filing shows that the company had just over $4 million in revenue and $58 million in costs, leading many commentators to declare that the company profile is one of a 'meme stock', with the majority of shares owned by the former president. The company has not disclosed the number of users and has made promises of developing and releasing new content products.

"To put this into perspective, [*Amazon*](https://www.newsweek.com/topic/amazon?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) was founded in 1994 and did not show a profit until 2001, and since then has grown steadily with large growth rates and profits. Facebook was founded in 2004 (as TheFacebook) and did not make a profit until it substantially expanded its user base and diversified its business model, particularly opening up its Market Place and ad space.

"The potential success of Truth Social (and the DJT stock) thus rests on attracting a much larger volume of users and providing an attractive blend of content, functionality, and services. Its promise to users is to offer alternative content to mainstream media, Facebook, and X (formerly Twitter) in a highly competitive social media market. Whether its offer proves attractive is very much an open question."

[*Link to Image*](https://d.newsweek.com/en/full/2371237/donald-trump.jpg)

**Graphic**

Donald Trump

Photo by Michael M. Santiago/Getty Images

Donald Trump speaks during a press conference at 40 Wall Street on March 25, 2024 in New York City. His social media platform has released its latest financial report.

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