

# Twitter investor writes down stake by 47% as analyst claims Threads user fall

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An investor in Elon Musk's Twitter has written down their stake in the business by 47% as advertisers rein in their spending on the social media platform. The move by ARK Investment Management came as an analysis firm claimed that usage of the "Twitter killer" Threads app has fallen by half since its launch by Mark Zuckerberg's Meta. The ARK founder and chief executive, Cathie Wood, told the Wall Street Journal she was bullish about Twitter despite the writedown. "We take fair valuation very seriously and absolutely have had to write that [Twitter] down," Wood said. "The writedown is not representative of our fundamental outlook and belief in the long-term return on investment we believe that it will have for our shareholders." ARK's writedown gives Twitter an implied value of \$23bn and comes after Musk told staff in March the platform had lost more than half its value, while the asset manager Fidelity has written down the value of its stake to about \$15bn. Musk paid \$44bn for Twitter in October 2022. Musk said at the weekend that advertising on Twitter – the platform's main source of income – had fallen by nearly 50% and the business remained cashflow negative, a useful measure for gauging whether a heavily indebted business like Twitter can manage its interest payments. Wood said she remained a committed investor in Twitter and would like to buy more shares in the business, whose backers include the cryptocurrency exchange Binance, the Saudi investor Prince Alwaleed bin Talal and the tech billionaire Larry Ellison. Musk, the world's richest man, bought Twitter in October last year with the support of equity investors including ARK and a \$13bn debt package that sits on Twitter's balance sheet. "I would love to get more stock at these price levels actually, but no one wants to let any go. So that tells you something," Wood said. ARK's move came as the data firm Similarweb estimated Twitter's rival Threads lost half its daily user base within a week. Similarweb said in a blogpost said daily active users on Threads had dropped from 49 million on 7 July – two days after its launch – to 23.6 million by 14 July, based on usage on Android phones. The 14 July number represented about 22% of Twitter's audience, Similarweb said. "Threads is missing many basic features and still needs to offer a compelling reason to switch from Twitter or start a new social media habit with Threads," said David Carr, the senior insights manager at Similarweb. In a post on his Threads account on Monday, Zuckerberg, the Meta's founder and CEO, said "tens of millions" of people were coming back to the app on a daily basis but "it'll take time to stabilise".