

Should **Twitter's** shareholders **accept** **Elon Musk's offer?**



Valuation Master Class



This information is for
learning purposes only.

***This is not
investment advice or a
recommendation.***



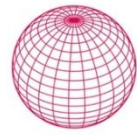
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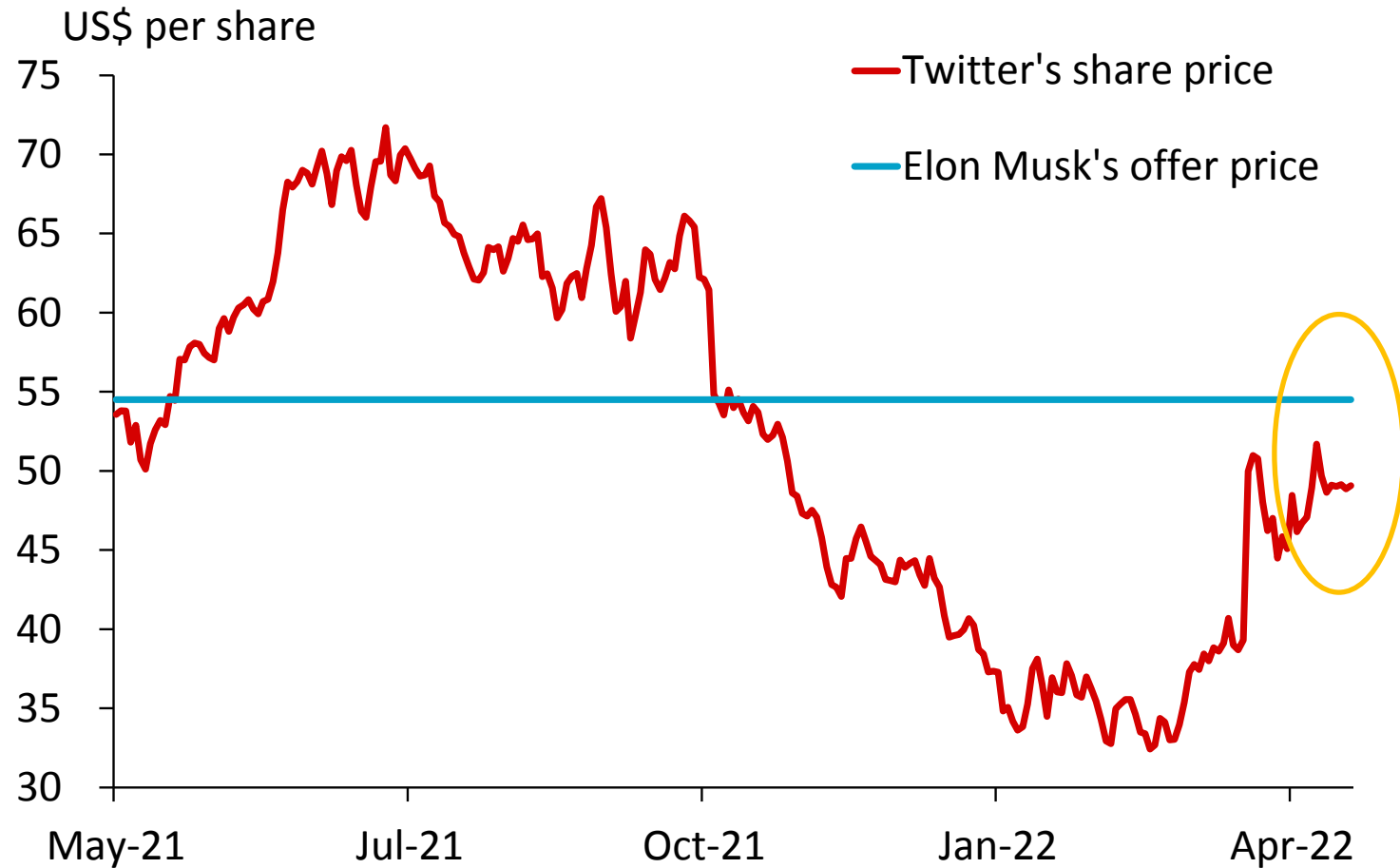
Merger Agreement

On April 25, 2022, the Company entered into an Agreement and Plan of Merger (the Merger Agreement) with X Holdings I, Inc. (Parent), X Holdings II, Inc., a wholly owned subsidiary of Parent (Acquisition Sub), and, solely for the purpose of certain provisions of the Merger Agreement, Elon Musk. Parent and Acquisition Sub are affiliates of Elon Musk. The Merger Agreement provides that, subject to the terms and conditions set forth in the Merger Agreement, Acquisition Sub will merge with and into the Company (the Merger), with the Company surviving the Merger and becoming a wholly owned subsidiary of Parent (the Surviving Corporation). Under the Merger Agreement, at the effective time of the Merger, each issued and outstanding share of the Company's common stock (subject to certain exceptions set forth in the Merger Agreement) will be canceled and converted into the right to receive \$54.20 in cash, without interest (the Merger Consideration).

Elon Musk's offer is far below 12 months high



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- ★ Between July 2021 and January 2022, the share price dropped by half
- ★ With the rumors around Elon Musk, Twitter's share price started to recover
 - However, there is not much upside left given the offer price of US\$54.50

How does the consensus assess Twitter now?



Recommendation	Jan-22	Feb-22	Mar-22	Current
Strong buy	4	4	4	2
Buy	7	7	7	1
Hold	24	13	26	31
Sell	5	5	4	3
Strong sell	-	-	-	-
Average score	2.8	2.7	2.7	2.9

Price target	Jan-22	Feb-22	Mar-22	Current
Median	57	42	42	54
Mean	58	45	44	51

- ★ Most analysts issued a HOLD recommendation
- ★ The median target price is close to the offer price of Elon Musk
 - Based on that, shareholders should accept the offer