

Saudi Prince Alwaleed Becomes Twitter's Second Largest Shareholder

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Saudi Prince Alwaleed. GETTY IMAGES

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When Elon Musk's \$44 billion Twitter acquisition was finalized last Thursday, a few key questions remained. Chief among them: whether a group of 19 investors would follow through on the \$7.1 billion equity commitment they made to the Tesla chief in May—back before tech stocks plummeted. A piece of that puzzle was revealed Monday when Prince Alwaleed bin Talal bin Abdulaziz of Saudi Arabia announced in a [Securities and Exchange Commission filing](#) that he'd made good on his \$1.9 billion commitment, making him the social media company's second largest shareholder after Musk.

On Friday, the Saudi royal [tweeted](#) "Dear friend "Chief Twit" @elonmusk Together all the way @Twitter," with the image of a statement from the prince's publicly-traded investing firm, Kingdom Holding, and his private office declaring that the prince was rolling over his 34.948 million shares of Twitter—worth \$54.20 per share based on Musk's offer—which made him the second largest shareholder in the company. Together Alwaleed and Kingdom Holding now own approximately 4% of Twitter. (Alwaleed owns 95% of Kingdom Holding, the SEC filing says.)

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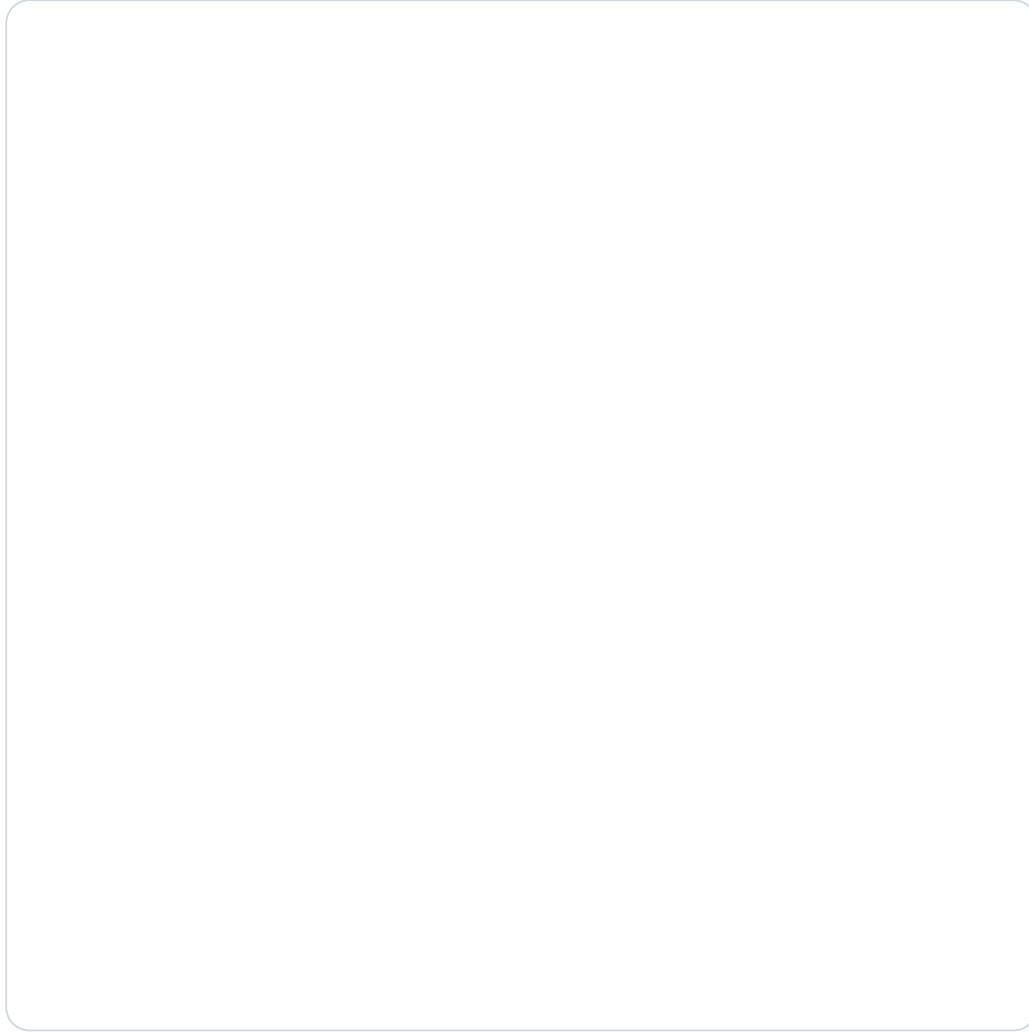
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That made him one of two investors who chimed in about co-investing with Musk. The Qatar Investment Fund announced in an SEC filing that it had committed a previously agreed upon \$375 million. These Middle Eastern investments have sparked national security concerns for a number of

government officials, including Senator Chris Murphy (D-Connecticut) who called for a review by the Committee on Foreign Investment in the U.S. (aka CFIUS) in a [tweet](#) Monday.

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For years, Alwaleed—a nephew of the Saudi king—was one of the most high-profile Saudi investors in U.S. stocks. In 1991 he purchased \$590 million of Citigroup (then called Citicorp) preferred shares—at a time when Citi was under pressure from regulators to expand its capital base. That investment grew to be worth more than \$9.5 billion by 2007. He picked up stakes in companies like HP, Apple and Kodak and more along the way, and climbed to the upper ranks of *Forbes*’ list of the World’s Billionaires. In November 2017, the Saudi government detained Alwaleed and about 200 others in the Ritz-Carlton hotel in Riyadh on unspecified corruption charges. *Forbes* removed Alwaleed from the billionaire ranks in March 2018 due to a lack of clarity about which assets he still owns; *Forbes* did the same for others who’d been listed as Saudi billionaires.

But the Middle Eastern money is a good sign for Musk, with 32% of the original \$7.1 billion equity commitment coming from Alwaleed and the Qatari fund. Seventeen other signers of the May letter, including Oracle’s Larry Ellison, plus venture capital firms Sequoia Capital and Andreessen Horowitz, were not required to make SEC filings because they did not hold Twitter shares prior to signing the document.

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Alwaleed’s commitment was never a sure thing. He was initially a vocal critic of Musk’s Twitter takeover, [tweeting](#) on April 14 that as “one of the largest &

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long-term shareholders of Twitter, @Kingdom_KHC & I reject this offer”. This prompted a follow-up tweet from Musk questioning “the Kingdom’s views on journalistic freedom of speech.” On May 5, Alwaleed responded in the same thread that it was “great to connect with you my “new” friend @elonmusk.”

Then on May 13, the same day Musk’s tweet about his \$44 billion takeover of the social media company being on hold sent shares spiraling 9.7%, Alwaleed bought \$20 million of Twitter stock, only to sell the same shares for a comically small \$1.7 million trading loss the following Wednesday. If Alwaleed had buyer’s regret or wanted to register his displeasure with Musk’s moves at the time, he seems to have come around for good. A spokesperson for Alwaleed did not immediately respond to a request for comment.

Back in April, when he was still seeking to block Musk’s takeover, Alwaleed tweeted, “I don’t believe the proposed offer by @elonmusk (\$54.20) comes close to the intrinsic value of @Twitter given its growth prospects.” Apparently, Alwaleed still believes that-and is hoping for a big investment return.

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