



VICTORY PARTNERS

MIDDLE MARKET INSIGHT | What Business Owners Need To Know

\$44B

ELON MUSK WALED AWAY FROM THE TWITTER DEAL

Twitter Shares Sink, with Legal Battle Ahead as Elon Musk Walks Away

- Twitter shares fell Monday after Elon Musk walked away from his \$44 billion deal to buy the company, setting the scene for a disruptive legal battle
- Elon Musk alleges that Twitter misrepresented user data, saying the number of spam bots on the platform is much higher than the company has disclosed.
- “The problem, though, is that this whole saga was probably quite disruptive over the last few months, which could weigh on Twitter’s performance not only in the second quarter but third quarter too.” said Vital Knowledge founder Adam Crisafulli.

INCORRECT DATA

HIGHER NUMBER OF SPAM BOTS ON THE PLATFORM

€ 900M

INVESTMENTS SOURCED FROM SOFTBANK

Wirecard Forged Client Details to Secure €900M Investment From Softbank

- Wirecard forged client data and lied about internal records to secure a €900M investment from SoftBank that was seen as a vote of confidence in the German payments group after the Financial Times started to raise questions about its business in 2019
- Citing a Wirecard spreadsheet, the FT reported that three outsourcing partners in Manila, Singapore and Dubai accounted for half of its revenue and almost all of its operating profit
- Because the three outsourcing partners had no real clients, Wirecard’s second-in-command Jan Marsalek and a colleague made up a list using genuine client data from Wirecard operations in Europe, according to people familiar with the matter

CLIENT DETAILS

FORGED CLIENT DATA TO SECURE THE INVESTMENTS

-20%

S&P 500 IS DOWN BY 20%

US Markets on Pace For Worst Start to Year in Decades

- Public equities fell again in June (-20% for S&P 500 YTD) this time coinciding with a fall in many commodities, Central banks continue to fight inflation, causing investor hesitation in public and private markets as recession odds rise.
- Corporate bond spreads inch toward stress territory, and US markets are on pace for their worst start to a year in decades.
- Unicorn creation also declined again, with fewer than 30 new ones in June. However, returns in China and Latin America held silver linings with 5.7% bounceback in the month.

30

FEWER THAN 30 UNICORNS MINTED IN JUNE 2022

Sources: www.bloomberg.com | www.ft.com | www.pitchbook.com