# X sees drastic revenue and profit decline in the UK post Musk's takeover



X, formerly known as Twitter, has reported a dramatic decline in both revenues and profits in the UK, following Elon Musk's acquisition of the social media platform. The financial downturn was disclosed in accounts recently filed with Companies House, where the company attributed the plummeting figures to a significant drop in advertising spending due to concerns regarding "brand safety and/or content moderation."

In the financial year ending in 2023, X's total revenue fell to £69.1 million, a staggering 66.3% decrease from £205.3 million in 2022. The profit for the same year also dwindled, dropping from £5.6 million to £1.2 million. Pre-tax profits saw a striking decline of 74%, amounting to £2.25 million. The company acknowledged that this represented a "significant decrease in the performance of the company."

In addition to its financial woes, X narrowly avoided a potential strike-off when it failed to submit its accounts on time last month. The company managed to file its full accounts earlier this week, coinciding with the year it rebranded from Twitter to X after Musk's takeover.

The changes in personnel have also been notable, with significant layoffs occurring under Musk's leadership. He stated in an interview with the BBC that only about 1,500 of the original 8,000 employees remained by 2023. The latest accounts reveal a reduction in the company's workforce in the UK, with employee numbers dropping to 114 from 399 the previous year. This reduction included significant cuts in the research and development sector.

Despite these challenges, X's valuation reportedly rebounded to the $44 billion that Musk initially paid for the platform earlier this year. Recently, Musk's artificial intelligence firm, txAI, completed the acquisition of the business for $33 billion.

Digital advertising expert Farhad Divecha, who serves as chief executive of AccuraCast and is the founder of Unyte.AI, remarked on the financial results, stating, "The indicators have been there all along... If anything, I think we’ve seen the worst and X might finally have the chance to recover advertiser revenues, but that’s only going to happen in UK and Europe if Musk and his crew pull their act together, provide support for advertisers and put in place some brand safety guardrails."

In conjunction with these developments, information has emerged regarding Musk's establishment of a new company, X.AI London, at the end of 2022. This company was reportedly set up amidst speculation of a significant donation to Nigel Farage’s Reform UK party. Incorporated on 12 December, X.AI London is engaged in "business and domestic software development" and is operating from the same London premises as X.

X has been approached for comment regarding these financial figures, as has Kin Fai Cheung, who is listed as one of the directors overseeing the recent accounts. While Cheung and another director, Adeeb Sahar, officially manage the company, Musk remains recorded at Companies House as the individual with "significant control."

Source: [Noah Wire Services](https://www.noahwire.com)