

FEATURE

# What's Ahead for DJT After Trump Takes Office

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President-elect Donald Trump owns shares in DJT worth \$4.2 billion. His plans for the company are unclear. (SAUL LOEB / AFP / GETTY IMAGES)

Donald Trump will be busy running the country in 2025, which presumably means he won't have much time to worry about his social media company. What will that mean for investors in Truth Social and its corporate owner [Trump Media & Technology Group](#)?

Investors are in uncharted waters. The president-elect's now indirect stake in the company—worth more than \$4.2 billion at recent prices around \$37—raise knotty questions about government ethics rules and how the company and stock will be handled once he takes office.

For investors considering the stock as more than a trade on Trump's popularity and social-media posts, there's also the issue of whether DJT, as it's known, is worth anywhere close to its recent market cap of \$7.8 billion.

Trump's plans for the company aren't clear. He disclosed in a [Securities and Exchange Commission filing](#) [that he had transferred his entire stake in Trump Media](#) to his revocable trust on December

17. The president-elect is still an indirect owner of the stock but his son Donald Jr. now has sole voting power over the shares.

Trump has maintained on numerous occasions that he has no plans to sell shares, even though he has been allowed since a lockup period expired in September.

Whether Trump could still sell without violating securities rules on public disclosures is unclear, according to Chris Manderson, chair of the corporate department at the law firm Ervin Cohen & Jessup. Manderson said in an email that it's "a nuanced issue" and that Trump could be protected under the SEC's safe harbor for "forward looking statements."

"In the future he could simply say circumstances changed and he decided to sell," Manderson said.

Trump Media did not respond to a request for comment. The Trump transition team did not have a direct response when asked for clarifications about the president-elect's decision to put DJT shares into the trust.

That may not allay concerns about potential conflicts of interest. "This is not a blind trust with an independent trustee, where people can have confidence that the conflicts of interest are in fact removed. President Trump having his son as the trustee looks more like a blind trust with one eye open," said Dennis Kelleher, CEO of Better Markets, an investor advocacy organization.

Presidents typically put their financial assets in a blind trust to avoid a potential conflict. Trump did not sell assets in the privately held Trump Organization real estate firm the last time around, instead

placing them in a trust that was controlled by his sons Eric and Donald Jr.

According to a 1983 [opinion letter](#) issued by the Office of Government Ethics, the president and vice president “are not legally subject to the restrictions” of conflict of interest laws, though they “should conduct themselves as if they were so bound.”

“There is no legal requirement that a president must place their assets, including shares in a company like DJT, into a blind trust,” Manderson said, adding that “many politicians do so [to] avoid actual or perceived conflicts of interest and bolster public trust.”

Setting aside Trump’s plans, there’s the question of how much value is in the stock beyond the “goodwill” attributed to Trump’s ownership and support. Based on revenue and profits, DJT doesn’t have much going for it. The company posted a net loss of \$19.2 million and revenue of \$1 million in the third quarter.

Looking to Wall Street for answers won’t work. There isn’t one brokerage covering the stock and providing estimates, according to FactSet. That makes its financial outlook largely a guessing game.

What’s more, there isn’t a lot of support from big institutions. Vanguard and BlackRock are top investors, each owning more than 1% of the shares outstanding. But it appears the firms only own DJT in index funds because the company was added to the Russell 1000 and Russell 3000 indexes in early July.

Trump Media does have growth plans. The company is building out its Truth+ streaming video service. The Truth+ app is now available on iOS, Android devices and other platforms. The company could also

expand into crypto, partly to lessen its reliance on advertising for revenue.

Some reports indicated Trump Media could buy the publicly traded crypto platform [Bakkt](#). Trump Media had \$673 million in cash and no debt on its balance sheet at the end of the third quarter; in theory, it could afford to buy Bakkt, which has a market value of about \$200 million. The companies did not respond to a request for comment about a possible deal.

Trump Media CEO Devin Nunes said in its third quarter earnings release that the firm “continues to explore additional possibilities for growth such as potential mergers and acquisitions...including in the realm of fintech.”

All this uncertainty is leaving DJT stock in limbo. While shares have risen slightly since early November, they are down 30% from a peak of \$55 in late October and off more than 50% since late March when the stock peaked around \$80 after the company went public through a merger with a blank-check firm.

What might get it moving again is retail investors—crowds of traders that have had huge success at moving meme stocks like [GameStop](#), [AMC Entertainment](#), and DJT. That doesn't seem to be happening.

“Retail investor demand for DJT has fallen since the election,” said JJ Kinahan, CEO of IG North America, which owns the tastytrade online brokerage. Kinahan told *Barron's* that many traders who were supporting Trump politically may have felt that it was more important to buy the stock before the election, like making a campaign donation.

Kinahan doesn't think many of these investors have cashed in on the stock yet. “We're not necessarily seeing selling in DJT but there is not

an influx of new buyers either,” he said.

Steve Sosnick, chief strategist with Interactive Brokers, also doesn't see as much retail support for DJT. Since peaking as the second most actively traded stock on the Interactive Brokers platform on election day, its volume has declined. Sosnick told *Barron's* in mid-December he thinks traders have moved on to other stocks.

None of this means the stock won't pop again on something unexpected like a buyout offer or tie-up with a crypto company or token issuer. But investors have to weigh that against prospects that insider owners might unload shares, partly because some are joining Trump's administration. Pam Bondi, [Trump's pick for Attorney General](#), owns shares of DJT, for example.

As for its valuation, comparing it to other social media companies only indicates that Trump Media is in a class of its own. [Snap](#) is worth around \$18.7 billion in equity, based on estimated revenue of \$6 billion in 2025 and \$764 million in Ebitda (earnings before interest, taxes, depreciation, and amortization).

Then there are the social media giants that DJT competes with. Instagram and Facebook owner [Meta Platforms](#) is worth \$1.5 trillion. TikTok owner ByteDance, privately held, may be worth \$300 billion, according to some recent estimates. Elon Musk's X, also private, is worth an estimated \$12.5 billion, based on the value of a Fidelity fund's stake in X.

Trump Media would only be worth a tiny fraction of those rivals based on revenue. Then again, it has always been a bet on Trump himself. For now, the market seems to think that's worth at least \$7.5 billion.

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