

**BUY:
BRK-B**

**Current Price:
\$401**

**Price Target:
\$447**

**Upside:
12%**

Berkshire Hathaway Inc.

(NYSE: BRK-B)

Financials Sector

Sector Head: Aidan Milroy

Lead Analyst: James Scherer

Date: 5/3/2024

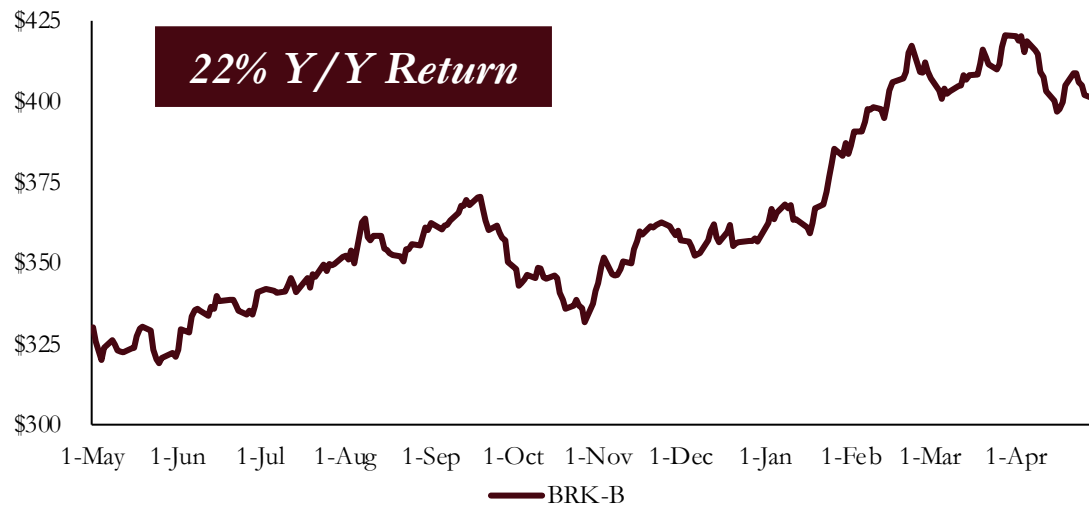
Company Overview

BERKSHIRE
HATHAWAY

Company Description

- 1 Berkshire Hathaway Inc. was founded in 1839, headquartered in Omaha, Nebraska, and **operates as a multinational conglomerate** holding company
- 2 Maintains a portfolio including businesses in **Insurance, Utilities, Railroad, Manufacturing, and Retail**, as well as a significant **Investment Portfolio**
- 3 Berkshire Hathaway is characterized by its **decentralized management approach**, allowing its subsidiaries to operate with substantial **independence**

LTM Stock Performance



Exceptional Leadership



Warren Buffett

- ❑ Buffett has applied a strict value investing philosophy and has significantly expanded Berkshire's business ventures
- ❑ Standing at 93yrs old, Buffet still remains CEO, upon his death he has formulated a plan for future of Berkshire Hathaway

Key Information

Current Share Price	\$401
52 Week Range	\$317- \$430 /share
Market Cap (\$USD Billions)	\$868
LTM Revenue (\$USD Billions)	\$364
LTM EBIT (\$USD Billions)	\$48
Beta (5yr Daily)	0.84

Operating Subsidiaries

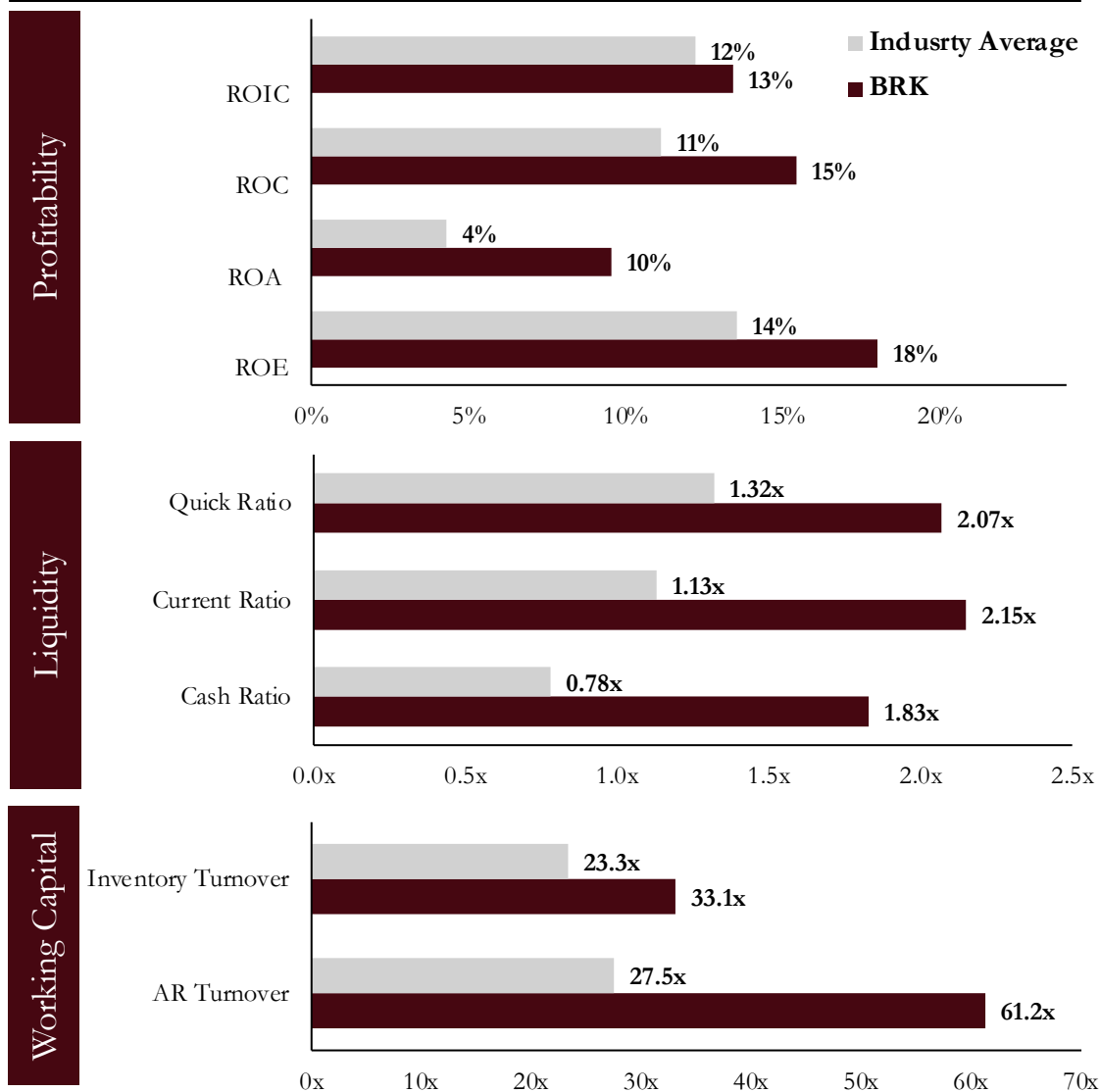
BERKSHIRE HATHAWAY



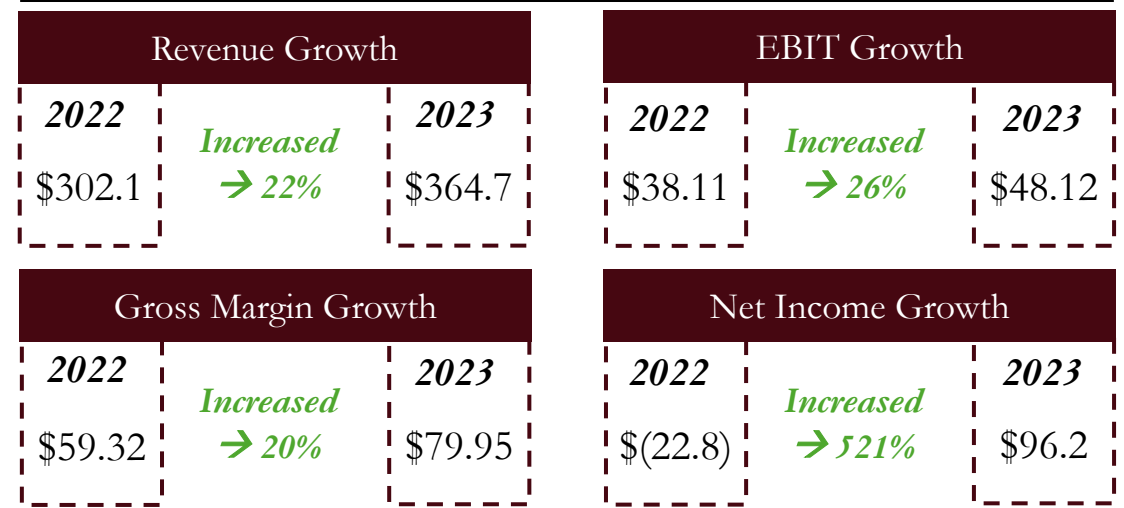
Berkshire Hathaway Inc. (NYSE: BRK-B)

Financial Performance & Stability

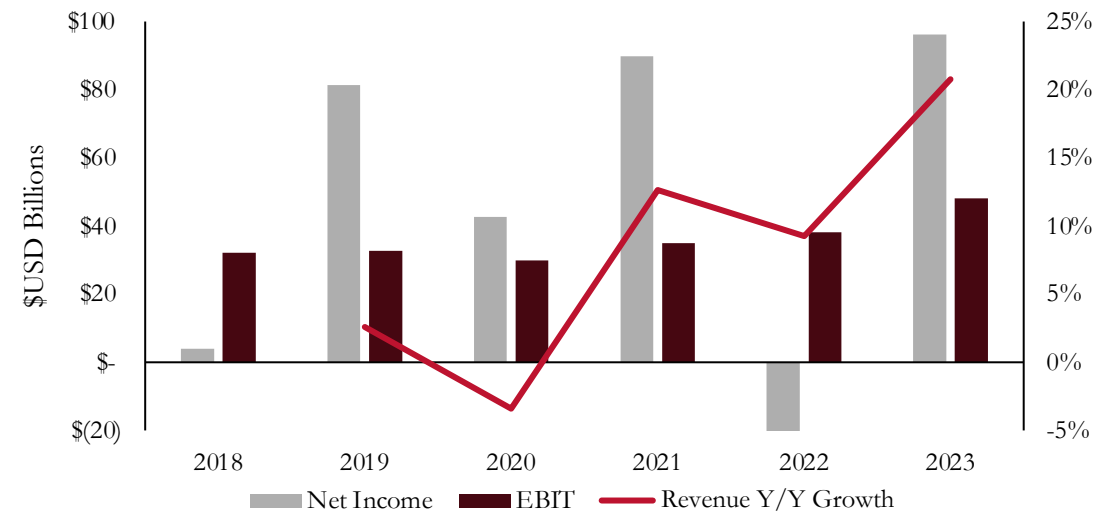
Key Financial Ratios



Key Metrics (\$USD Billions)



EBIT vs Net Income Performance



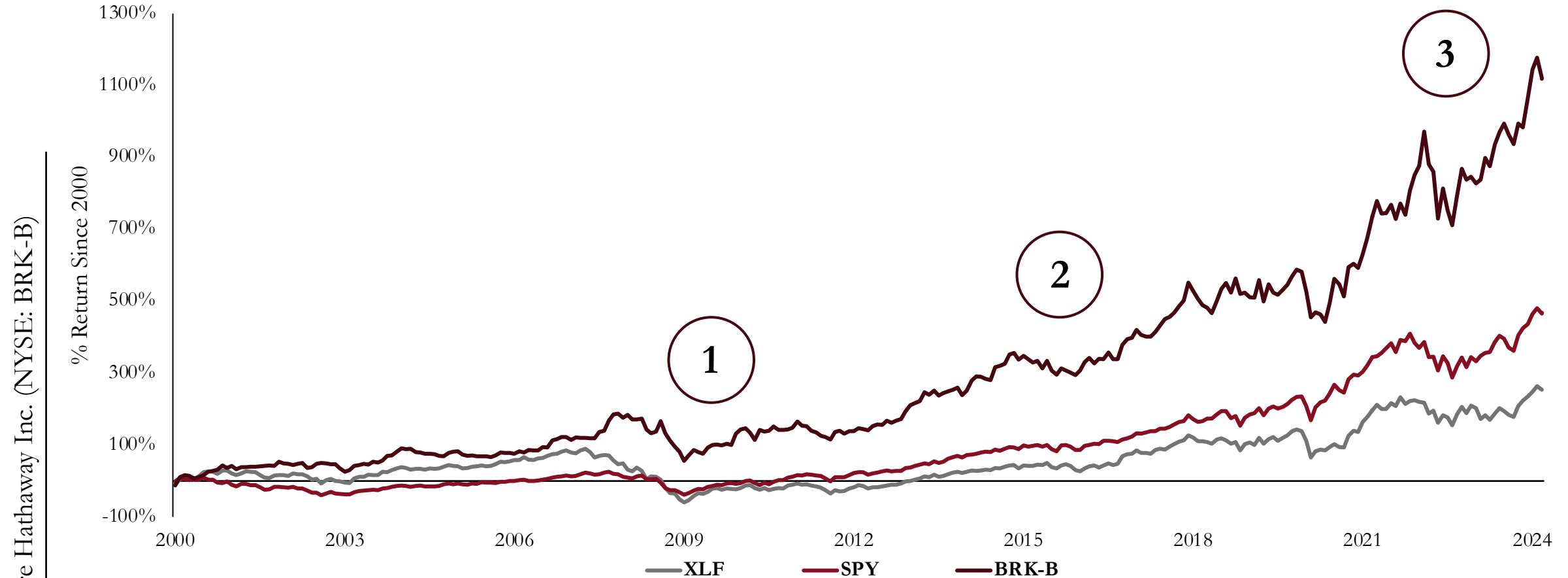
Stock Performance vs SPY & XLF

**BERKSHIRE
HATHAWAY**

**BRK-B:
1,118% Return**

**SPY Index:
468% Return**

**XLF Index:
253% Return**



Berkshire Hathaway Inc. (NYSE: BRK-B)

BRK-B had a quicker recovery post the 2008 Real-estate Market crash than S&P and XLF

1

Took a hit in 2014 due to increase in auto insurance claims but rebounded quickly

2

COVID-19 had major impact on BRK, realistically was just a bump in the road

3

Strategic Business Model Expansion

Berkshire Hathaway's **roughly \$900 billion Conglomerate** was built on continuous M&A and **more M&A** activity is expected in the future as **their cash reserve reaches an all time high**

Unparallel & Superior Investment Portfolio

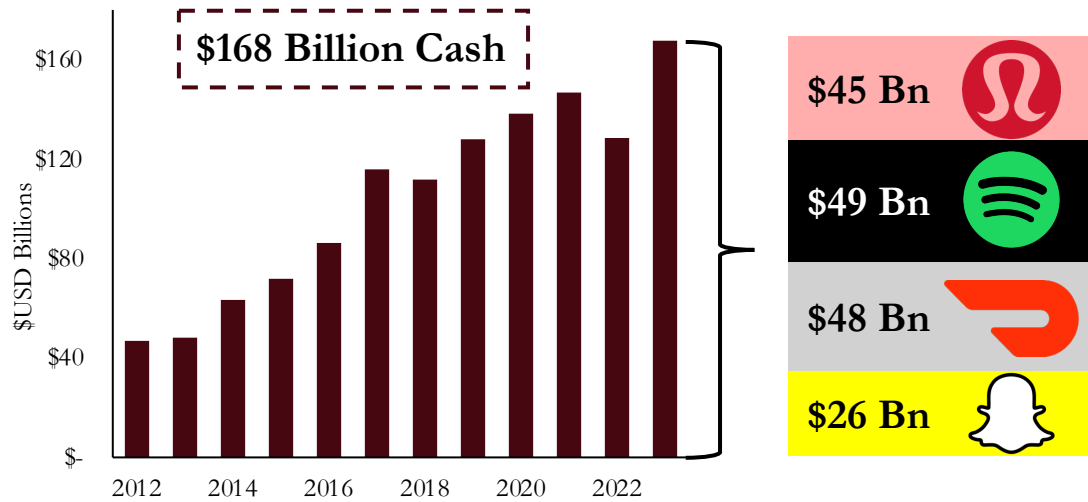
Berkshire Hathaway's significant investment portfolio with roughly **\$350 billion assets under management** allows for **market protection** as well as **substantial dividend income**

Diversified Revenue Segments Poised for Growth

Berkshire Hathaway's vast range of **operating companies** are well positioned to benefit from their individual **industry trends and projections**, which will further **increase Berkshire's revenue**

Strategic Business Model Expansion

Record High Cash Pile

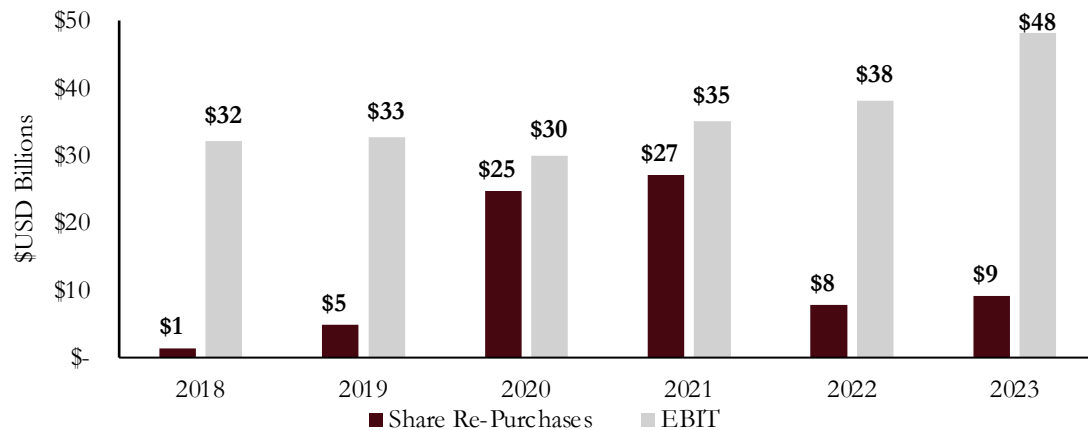


Mergers & Acquisitions

Alleghany Capital	\$11.6 Billion	Executes insurance investments such as property, casualty, reinsurance, healthcare, construction, and transportation
Pilot Flying J	\$10.9 Billion	One of the largest travel centers in North America with over 750 locations, offering truck-stops, gas, and food services
PCC	\$37.0 Billion	Precision Castparts is a global leader in diversified manufacturing offering complex metal components and products

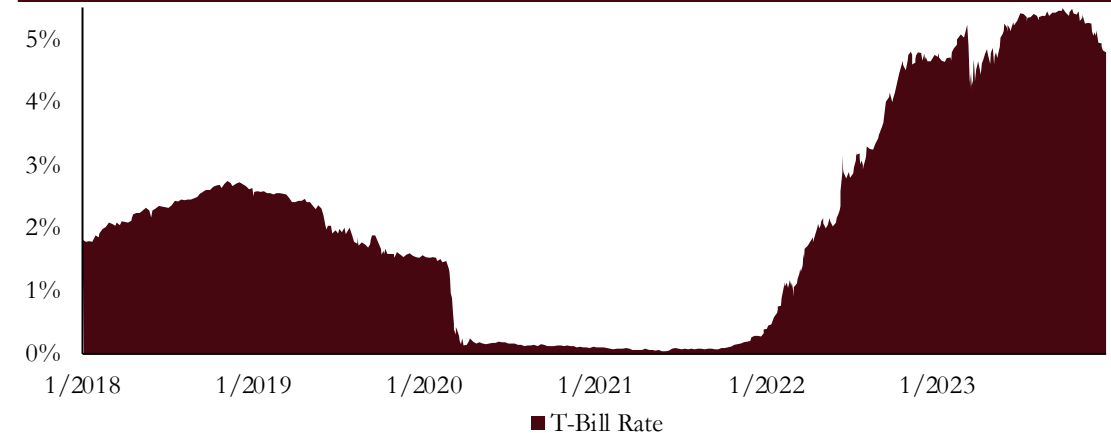
Share Buy-Backs

Berkshire has historically participated share buy backs with their cash, which in result has further increased shareholder value



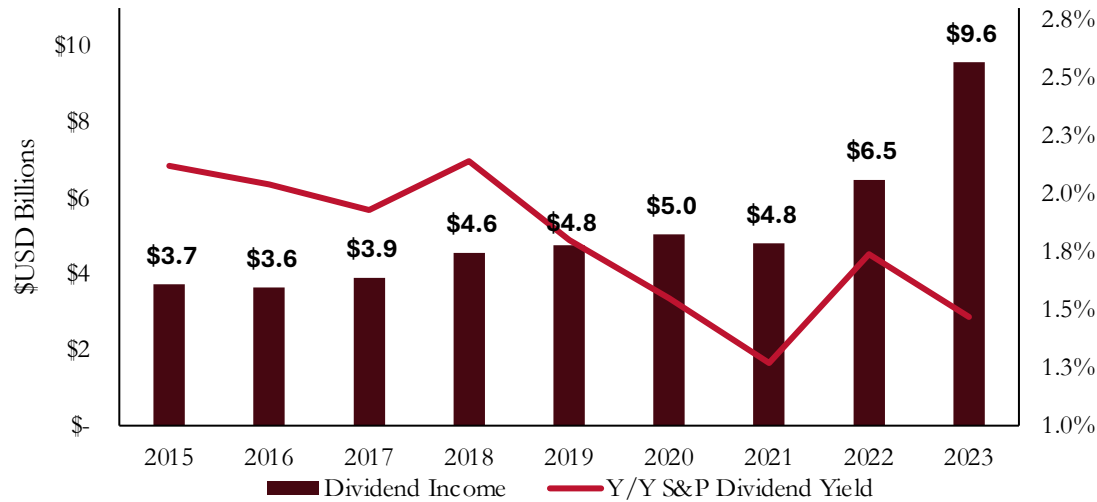
Liquidity

Berkshire's 168 Billion cash position is largely invested in Treasury Bills with 85% invested at 5% which provides significant liquidity



Stand-Alone Investment Portfolio

Substantial Dividend Income



Bottom Line



Maintaining their **strategic positions in companies in which operate in growth industries**, will exponentially increase their investment portfolio's **value and size**











Proven ability to capitalize on market conditions with a **valued-focus** philosophy, **long-term holding** periods, and significant **re-investments**



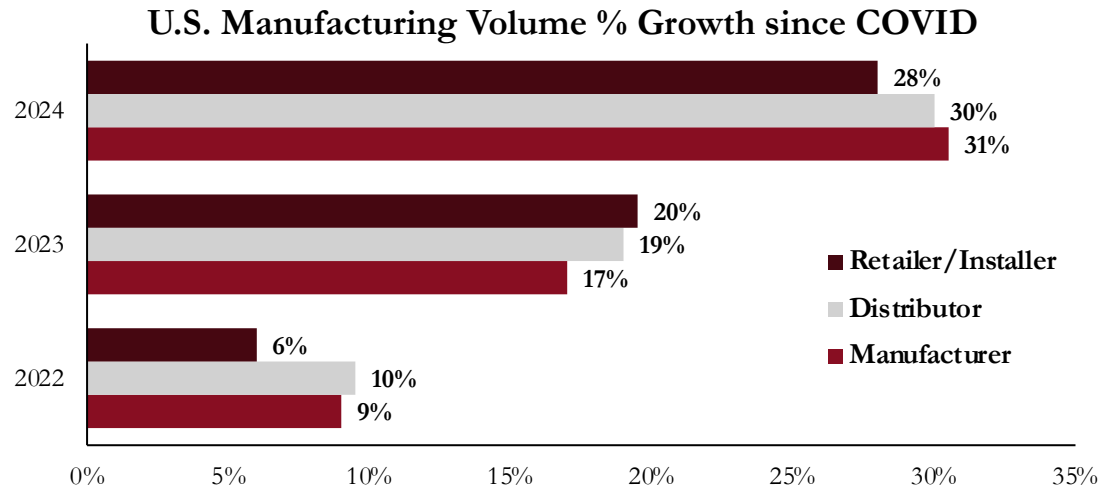
Berkshire's portfolio offers **protection during economic downturns**, and returns significant value that is **uncorrelated to its operations**

Diversified Quality Holdings

Company	Value (\$Billions)	% Stake	% Portfolio
 Apple Inc	\$165.10	5.90%	44.60%
 Bank of America	\$34.81	13.10%	9.40%
 American Express	\$31.97	20.90%	8.60%
 Coca-Cola	\$24.50	9.30%	6.60%
 Chevron	\$19.60	28.20%	4.10%
 Kraft Heinz	\$11.85	26.80%	3.20%
 Moody's	\$9.27	13.50%	2.50%
 Others	\$72.79	N/A	21.00%
Total	\$ 369.89	N/A	100.00%

Revenue Segment Growth

Manufacturing: U.S. Supply Chain



Service / Retailing: Stability and Growth

Berkshires segments, as well as their strong global presence, will contribute to **top-line revenue and bottom-line profitability growth**

Diversified Revenue Streams

Global Expansion/Growth

Increasing Consumer Spending

Insurance: New Personalize Demand

Global Insurance Market

Berkshire's strong brand name & operations positioned for increasing insurance demand in regions like Asia and Latin America

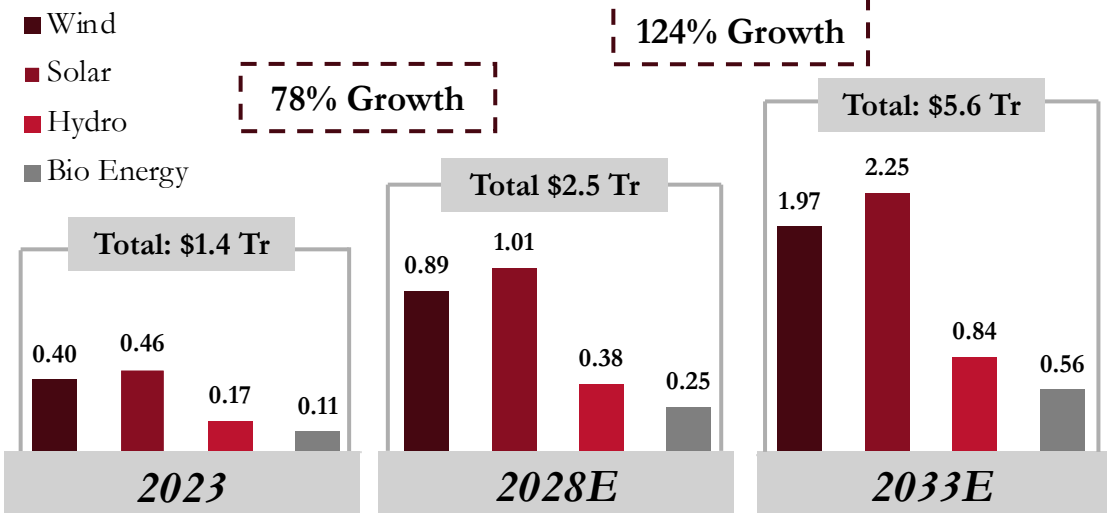
Capital & Float Management

Insurance floats are growing and providing significant source of capital; which are then used to invest in high-return opportunities

Reinsurance Opportunities

Capable underwriting large & complex risks, as global risk evolve, Berkshire will see increased demand for risk coverage

Energy: Growing Renewables Market

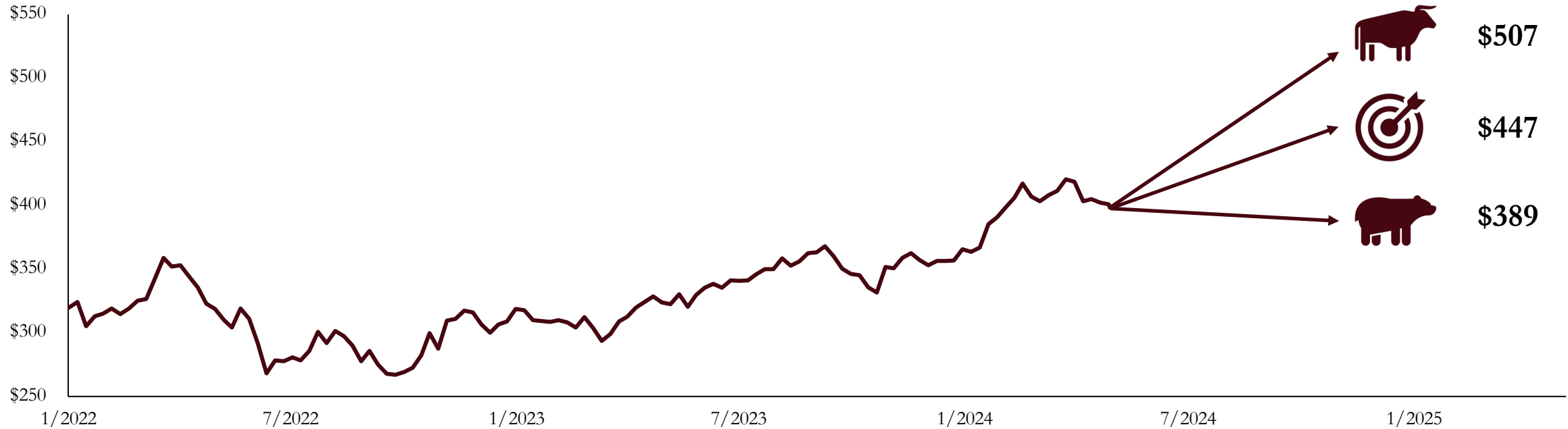


Valuation

Key Figures			Current \$401	Target \$447	Comments
Hist.	52 Week Range	Trading at a 93% of 52 week high	\$317	\$430	Stock has fallen 7% since February's \$430 due to PC's & wildfire costs
	Analyst Estimates	Average PT of \$445	\$405	\$485	Only 3 coverages: 2 BUY & 1 Hold
Comps	LTM EV/EBIT	LTM EV/EBIT: \$45.12 Bn	\$397	\$498	Assumed Range: 8.73x -13.30x
	LTM EV/EBITDA	LTM EV/EBITDA: \$60.61 Bn	\$383	\$479	Assumed Range: 6.44x – 9.86x
	LTM EV/Revenue	LTM EV/Revenue: \$364.5 Bn	\$407	\$447	Assumed Range: 1.21x – 1.45x
	FWD EV/EBITDA	FWD EV/EBITDA: \$67.76 Bn	\$368	\$452	Assumed Range: 5.29x – 7.96x
	FWD EV/EBIT	FWD EV/EBIT \$49.03 Bn	\$400	\$452	Assumed Range: 8.27x – 11.01x
	FWD EV/Revenue	FWD EV/Revenue \$395.4 Bn	\$403	\$451	Assumed Range: 1.10x – 1.36x
Intr.	Terminal Multiple	EV/EBIT: 7.06x	\$438	\$469	6yr Discount Cash Flow
	Gordon Growth	Terminal Growth Rate: 2%	\$421	\$479	Beta: 0.84 WACC: 8.97% Terminal Year FCF: \$41.6 Bn

Risk Analysis

BERKSHIRE
HATHAWAY




Berkshire Hathaway Inc. (NYSE: BRK-B)

 **Bear**

- ❑ Leadership transition concerns when Buffet passes
- ❑ Macro-economic downturns & geopolitical tensions
- ❑ Operations underperform expectations

 **Base**

- ❑ Unlimited opportunities with record high cash pile
- ❑ Reinvestment into investment portfolio, add income and value
- ❑ Operating segment growth relative industry trends

 **Bull**

- ❑ Major M&A transaction(s) substantially boosting revenues
- ❑ Strong bull market exponentially increasing portfolio value
- ❑ Operation overperform expectations

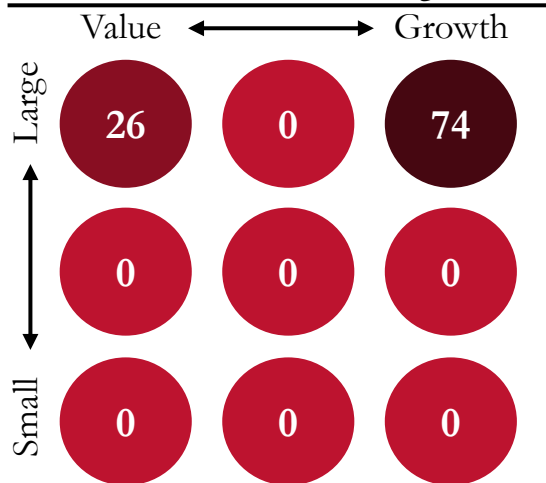
Allocation With Berkshire Hathaway

The overall estimated risk of the Financial portfolio would fall .67% from 22.75% to 22.08%

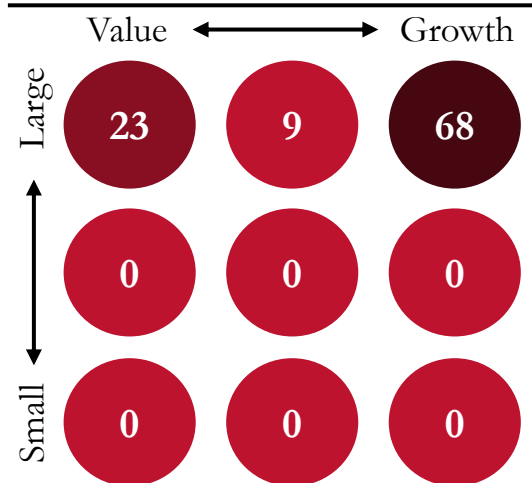
Financials with Berkshire Hathaway

BLK	BlackRock Inc	13.19%
BRK-B	Berkshire Hathaway Inc Class B	8.65%
BX	Blackstone Inc A	29.61
ICE	Intercontinental Exchange Inc	10.29%
KKR	KKR and Co Inc A	17.65%
SPGI	S&P Global Inc	2.16%
V	Visa Inc Class AA	18.46%

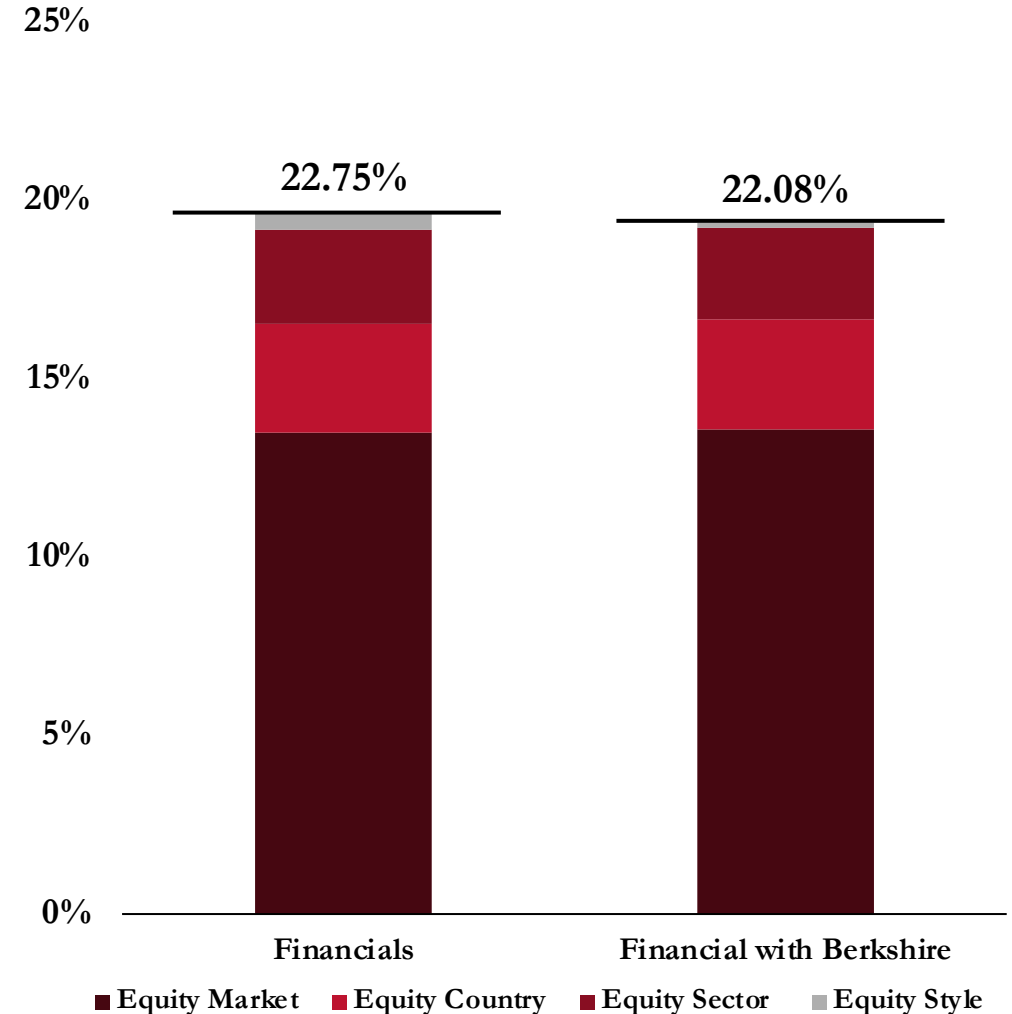
Financial Currently



Financial w/ BRK-B



Portfolio Risk



**BUY:
BRK-B**

**Current Price:
\$401**

**Price Target:
\$447**

**Upside:
12%**

BERKSHIRE HATHAWAY

Thank You

Any Questions?

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Appendix A: Income Statement

Berkshire Hathaway Inc. (NYSE: BRK-B)												
Income Statement												
<i>Figures in \$USD Billions</i>												
	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E
Revenue	247.84	254.62	245.51	276.09	302.09	364.48	378.69	395.40	415.31	437.48	461.58	489.46
COGS	187.34	192.36	186.13	210.21	231.87	281.05	292.0	304.9	320.2	337.3	355.9	377.4
Depreciation & Amortization Expense	9.78	10.06	10.60	10.72	10.90	12.49	13.6	15.8	16.6	17.5	18.5	19.6
Gross Income	50.71	52.20	48.78	55.16	59.32	70.95	73.09	74.73	78.49	82.68	87.24	92.51
SG&A Expense	18.60	19.51	18.81	20.14	21.21	22.82	24.6	25.7	27.0	30.6	32.3	34.3
EBIT (Operating Income)	32.11	32.68	29.98	35.02	38.11	48.12	48.47	49.03	51.50	52.06	54.93	58.25
Nonoperating Income	-1.23	2.91	-14.32	3.50	-0.94	7.90	6.00	6.00	6.00	6.00	6.00	6.00
Interest Expense	3.85	3.96	4.08	4.17	4.35	5.00	5.4	5.8	6.2	6.6	7.0	7.4
Investments	-22.73	69.58	44.38	76.38	-63.12	69.14	69.1	69.1	69.1	69.1	69.1	69.1
Hedges/Derivatives	-0.30	1.48	-0.16	0.97	-0.28	0.00	-	-	-	-	-	-
Pretax Income (EBT)	4.00	102.70	55.79	111.69	-30.58	120.17	118.21	118.37	120.44	120.60	123.07	125.98
Income Taxes	-0.32	20.90	12.44	20.88	-8.52	23.02	24.8	24.9	25.3	25.3	25.8	26.5
<i>% Tax Rate</i>	-8%	20%	22%	19%	28%	19%	21%	21%	21%	21%	21%	21%
Consolidated Net Income	4.3	81.8	43.4	90.8	-22.1	97.1	93.4	93.5	95.1	95.3	97.2	99.5
Minority Interest	0.3	0.4	0.7	1.0	0.8	0.9	1.0	1.0	1.0	1.0	1.0	1.0
Net Income	4.0	81.4	42.6	89.8	-22.8	96.2	92.4	92.5	94.1	94.3	96.2	98.5
Per Share												
EPS (basic)	1.63	33.22	17.78	39.64	-10.36	44.27	42.51	42.57	43.32	43.38	44.27	45.33
Basic Shares Outstanding (M)	2,465.69	2,450.92	2,391.70	2,265.27	2,203.31	2,173.32	2,173.32	2,173.32	2,173.32	2,173.32	2,173.32	2,173.32
EPS (diluted)	1.63	33.22	17.78	39.64	-10.36	44.27	42.51	42.57	43.32	43.38	44.27	45.33
Diluted Shares Outstanding (M)	2,465.69	2,450.92	2,391.70	2,265.27	2,203.31	2,173.32	2,173.32	2,173.32	2,173.32	2,173.32	2,173.32	2,173.32
Cost Drivers:												
<i>COGS as a % of Revenue</i>	75.6%	75.5%	75.8%	76.1%	76.8%	77.1%	77.1%	77.1%	77.1%	77.1%	77.1%	77.1%
<i>Depreciation & Amortization Expense as a % of Revenue</i>	3.9%	4.0%	4.3%	3.9%	3.6%	3.4%	3.6%	4.0%	4.0%	4.0%	4.0%	4.0%
<i>SG&A Expense as a % of Revenue</i>	7.5%	7.7%	7.7%	7.3%	7.0%	6.3%	6.5%	6.5%	6.5%	7.0%	7.0%	7.0%

Appendix B: Balance Sheet

Berkshire Hathaway Inc. (NYSE: BRK-B)												
Balance Sheet												
Figures in \$USD Billions	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E
Assets:												
Cash Equivalents	30.4	64.2	48.0	88.2	35.8	38.0						
Total Short-Term Investments	81.5	63.8	90.3	58.5	92.8	129.6						
Accounts Receivables	51.5	53.4	55.1	60.3	71.5	75.9	82.4	86.0	90.3	95.2	100.4	106.5
Inventories	19.1	19.9	19.2	21.0	25.4	24.2	29.0	30.3	31.8	33.5	35.3	37.5
Total Current Assets	182.4	201.2	212.6	228.0	225.5	267.7	111.4	116.3	122.1	128.7	135.7	143.9
Property, Plant & Equipment	229.9	248.8	269.5	279.8	293.0	319.9						
Accumulated Depreciation	63.2	68.6	76.9	83.5	91.0	98.0						
Total Long-Term Investments	210.6	284.8	319.6	385.4	363.1	407.6						
Goodwill	81.0	81.9	73.7	73.9	78.1	84.6						
Other Intangible Assets	32.1	31.6	30.7	29.6	30.5	37.1						
Deferred Charges	14.1	13.7	12.4	10.6	9.9	9.5						
Tangible Other Assets	20.8	24.1	32.2	34.9	39.4	41.5						
Total Assets	707.8	817.7	873.7	958.8	948.5	1,070.0						
Liabilities & Shareholders' Equity:												
Short-Term Debt	12.2	11.8	10.7	7.4	14.2	15.3						
Accounts Payable	37.1	36.4	38.9	40.7	44.6	49.4	56.3	58.8	61.8	65.1	68.7	72.8
Total Current Liabilities	49.3	48.2	49.7	48.1	58.9	64.6	56.3	58.8	61.8	65.1	68.7	72.8
Long-Term Debt	85.3	97.5	111.6	111.9	113.4	118.3						
Deferred Tax Liabilities	51.4	66.8	74.1	90.2	77.0	93.0						
Other Liabilities	169.4	176.8	187.0	193.7	218.5	223.3						
Total Liabilities	355.3	389.2	422.4	443.9	467.8	499.2						
Shareholder's Equity:												
Common Equity & Retained Earnings	348.7	424.8	443.2	506.2	472.4	561.3						
Total Shareholders' Equity	348.7	424.8	443.2	506.2	472.4	561.3						
Accumulated Minority Interest	3.8	3.8	8.2	8.7	8.3	9.5						
Total Equity	352.5	428.6	451.3	514.9	480.6	570.8						
Total Liabilities & Shareholders' Equity	707.8	817.7	873.7	958.8	948.5	1,070.0						
Per Share												
Book Value per Share	141.7	174.3	191.4	228.4	215.7	259.6						
Tangible Book Value per Share	95.7	127.7	146.3	181.7	166.1	203.3						

Appendix C: Net Working Capital

Net Working Capital Drivers												
Current Assets:												
AR Days	75.9	76.5	81.8	79.7	86.4	76.0	79.4	79.4	79.4	79.4	79.4	79.4
Inventory Days	28.1	28.5	28.6	27.7	30.6	24.2	27.9	27.9	27.9	27.9	27.9	27.9
Current Liabilities:												
AP Days	72.2	69.0	76.3	70.7	70.3	64.1	70.4	70.4	70.4	70.4	70.4	70.4
Current Assets	70.6	73.2	74.3	81.3	96.9	100.1	111.4	116.3	122.1	128.7	135.7	143.9
Current Liabilities	37.1	36.4	38.9	40.7	44.6	49.4	56.3	58.8	61.8	65.1	68.7	72.8
Net Working Capital	33.5	36.9	35.3	40.6	52.2	50.7	55.0	57.5	60.3	63.6	67.1	71.1
Change in Net Working Capital		3.3	-1.5	5.2	11.7	-1.5	4.3	2.4	2.9	3.2	3.5	4.1

Appendix D: Cash Flow Statement

Berkshire Hathaway Inc. (NYSE: BRK-B)												
Cash Flow Statement												
<i>Figures in \$USD Billions</i>	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E
Operating Activities:												
Net Income / Starting Line	4.3	81.8	43.3	90.8	-22.1	97.1						
Depreciation, Depletion & Amortization	9.8	10.1	10.6	10.7	10.9	12.5	14.6	16.5	18.7	21.2	23.9	26.9
Other Funds	25.1	-72.4	-29.6	-81.0	63.3	-80.9						
Funds from Operations	39.2	19.5	24.2	20.6	52.1	28.8						
Changes in Working Capital	-1.8	19.2	15.6	18.9	-14.9	20.4						
Net Operating Cash Flow	37.4	38.7	39.8	39.4	37.2	49.2						
Investing Activities:												
Capital Expenditures	-14.5	-16.0	-13.0	-13.3	-15.5	-19.4	-20.8	-21.7	-22.8	-24.1	-25.4	-26.9
Net Assets from Acquisitions	-3.3	-1.7	-2.5	-0.5	-10.6	-8.6						
Purchase/Sale of Investments	-13.5	13.3	-18.3	42.4	-61.8	-5.3						
Other Funds	-1.5	-1.2	-4.0	0.8	0.2	0.7						
Net Investing Cash Flow	-32.8	-5.6	-37.8	29.4	-87.6	-32.7						
Financing Activities:												
Repurchase of Common & Preferred Stk.	-1.3	-4.9	-24.7	-27.1	-7.9	-9.2						
Issuance/Reduction of Debt	-4.1	6.1	6.8	-0.8	8.2	-1.1						
Other Funds	-0.3	-0.5	-0.4	-0.7	-2.0	-4.1						
Net Financing Cash Flow	-5.8	0.7	-18.3	-28.5	-1.7	-14.4						
All Activities:												
Exchange Rate Effect	-0.1	0.0	0.1	0.0	-0.3	0.1						
Net Change in Cash	-1.4	33.8	-16.2	40.3	-52.3	2.2						
Free Cash Flow	22.9	22.7	26.8	26.1	21.8	29.8						
Depreciation and amortization as a % of CapEx	67%	63%	81%	81%	70%	64%	70%	76%	82%	88%	94%	100%
Payments for acquisition of property, plant and equipment as a % of Sales	5.9%	6.3%	5.3%	4.8%	5.1%	5.3%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%

Appendix E: Revenue Build

Berkshire Hathaway Inc. (NYSE: BRK-B)												
Revenue Build												
Figures in \$USD Billions												
	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E
Consolidated Revenue Segments:												
Insurance	62.9	67.7	69.4	75.1	82.4	95.0	102.6	110.8	119.7	129.3	139.6	150.8
% of Net Revenue	25%	27%	28%	27%	27%	26%	27%	28%	29%	30%	30%	31%
Manufacturing	61.9	62.7	59.1	68.7	75.8	75.4	77.7	80.0	83.2	86.5	90.0	94.5
% of Net Revenue	25%	25%	24%	25%	25%	21%	21%	20%	20%	20%	19%	19%
McLane Company	50.0	50.5	46.8	49.5	53.2	52.6	53.7	55.3	56.9	58.6	61.0	63.4
% of Net Revenue	20%	20%	19%	18%	18%	14%	14%	14%	14%	13%	13%	13%
Pilot Travel Centers	-	-	-	-	-	51.7	53.3	55.4	57.6	60.5	63.5	67.4
% of Net Revenue	-	-	-	-	-	14%	14%	14%	14%	14%	14%	14%
Service & Retailing	28.9	29.5	28.2	34.8	38.3	40.0	42.0	44.1	46.7	49.5	52.5	56.2
% of Net Revenue	12%	12%	11%	13%	13%	11%	11%	11%	11%	11%	11%	11%
Berkshire Hathaway Energy	20.0	20.1	21.0	25.0	26.4	26.0	26.5	27.3	28.4	29.8	31.3	32.9
% of Net Revenue	8%	8%	9%	9%	9%	7%	7%	7%	7%	7%	7%	7%
Burlington Northern Santa Fe	23.9	23.5	20.9	23.3	25.9	23.9	22.9	22.5	22.7	23.1	23.6	24.3
% of Net Revenue	10%	9%	9%	8%	9%	7%	6%	6%	5%	5%	5%	5%
Net Revenue	247.6	254.0	245.4	276.4	302.0	364.7	378.7	395.4	404.6	415.3	437.5	489.5
% Growth Y/Y		3%	-3%	13%	9%	21%	4%	4%	5%	5%	6%	6%

Drivers:												
Insurance												
% Growth Y/Y		7.6%	2.5%	8.3%	9.6%	15.3%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Manufacturing												
% Growth Y/Y		1.4%	-5.8%	16.3%	10.3%	-0.5%	3.0%	3.0%	4.0%	4.0%	4.0%	5.0%
McLane Company												
% Growth Y/Y		0.9%	-7.2%	5.6%	7.6%	-1.1%	2.0%	3.0%	3.0%	3.0%	4.0%	4.0%
Pilot Travel Centers												
% Growth Y/Y							3.0%	4.0%	4.0%	5.0%	5.0%	6.0%
Service & Retailing												
% Growth Y/Y		1.9%	-4.4%	23.6%	10.0%	4.4%	5.0%	5.0%	6.0%	6.0%	6.0%	7.0%
Berkshire Hathaway Energy												
% Growth Y/Y		0.6%	4.6%	18.8%	5.6%	-1.5%	2.0%	3.0%	4.0%	5.0%	5.0%	5.0%
Burlington Northern Santa Fe												
% Growth Y/Y		-1.5%	-11.3%	11.6%	11.2%	-7.8%	-4.0%	-2.0%	1.0%	2.0%	2.0%	3.0%

Appendix F: Beta

Covariance	0.000145
Variance	0.000174
Beta	0.834984

Appendix G: WACC

Berkshire Hathaway Inc.	
WACC - \$USD Billions	
Cost of Equity	
Beta	0.83
Risk-Free Rate	4.58%
Expected Market Return	10%
Risk Premium	5.87%
Cost of Equity	9.69%
Cost of Debt	
Credit Spread	0.85%
Risk-Free Rate	4.58%
Pre-Tax Cost of Debt	5.43%
Tax Rate	21%
Tax-Affected Cost of Debt	4.29%
Shares Outstanding	2.17
Share Price	\$401.00
Market Capitalization	870
Debt Outstanding	134
Total Capitalization	1,004
Weight of Equity	86.69%
Weight of Debt	13.31%
WACC	8.97%

Appendix H: DCF

Berkshire Hathaway Inc. (NYSE: BRK-B)									
Discounted Cash Flow									
<i>Figures in \$USD Billions</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024E</i>	<i>2025E</i>	<i>2026E</i>	<i>2027E</i>	<i>2028E</i>	<i>2029E</i>
EBIT	35.02	38.11	48.12	48.47	49.03	51.50	52.06	54.93	58.25
(1-T)	81.3%	72.1%	80.8%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%
NOPAT	28.47	27.49	38.91	38.29	38.73	40.68	41.13	43.39	46.01
Add: D&A	10.72	10.90	12.49	14.58	16.53	18.73	21.17	23.86	26.92
Less: CapEx	13.28	15.46	19.41	20.83	21.75	22.84	24.06	25.39	26.92
Less: Change in NWC	5.22	11.68	(1.49)	4.28	2.43	2.89	3.22	3.50	4.05
FCFF	\$ 20.70	\$ 11.25	\$ 33.47	\$ 27.77	\$ 31.09	\$ 33.68	\$ 35.02	\$ 38.37	\$ 41.96
Discount Factor				1	2	3	4	5	6
PV of Cash Flows				\$27.22	\$29.88	\$31.74	\$32.35	\$34.75	\$37.26

Appendix I: DCF Continued

WACC	8.97%
Terminal Growth Rate	2.00%
Terminal Multiple	7.064x

Gordon Growth	
Terminal CF	41.96
WACC	8.97%
Terminal Growth Rate	2.00%
Terminal Value	613.66
PV of Terminal Value	366
Enterprise Value	559.61
Less: Debt	133.57
Add: Cash	574.30
Equity Value	1,000
Diluted Shares Outstanding	2.17
Price Per Share	\$ 460.99

Multiples Method	
Terminal EBITDA	85.17
EV/EBITDA	7.1x
Terminal Value	601.62
PV of Terminal Value	359.22
Enterprise Value	\$552.42
Less: Debt	133.57
Add: Cash	574.30
Equity Value	993
Diluted Shares Outstanding	2.17
Price Per Share	\$ 457.67

		Terminal Growth Rate					
		\$ 460.99	1.00%	1.50%	2.00%	2.50%	3.00%
WACC	7.95%	\$ 472.84	\$ 485.87	\$ 501.40	\$ 520.12	\$ 542.98	
	8.70%	\$ 449.06	\$ 458.86	\$ 470.43	\$ 484.16	\$ 500.62	
	9.45%	\$ 429.77	\$ 437.25	\$ 446.01	\$ 456.30	\$ 468.47	
	10.20%	\$ 413.87	\$ 419.63	\$ 426.33	\$ 434.16	\$ 443.34	
	10.95%	\$ 400.58	\$ 405.02	\$ 410.19	\$ 416.20	\$ 423.21	

		Terminal Multiple (EV/EBIT)					
		\$ 457.67	6.1x	6.6x	7.1x	7.6x	8.1x
WACC	7.45%	\$ 446.89	\$ 459.63	\$ 472.38	\$ 485.13	\$ 497.88	
	8.45%	\$ 438.52	\$ 450.58	\$ 462.64	\$ 474.69	\$ 486.75	
	9.45%	\$ 430.68	\$ 442.09	\$ 453.50	\$ 464.91	\$ 476.33	
	10.45%	\$ 423.32	\$ 434.13	\$ 444.93	\$ 455.74	\$ 466.54	
	11.45%	\$ 416.41	\$ 426.65	\$ 436.89	\$ 447.13	\$ 457.36	

Appendix J: Comps

Berkshire Hathaway Inc. (NYSE: BRK-B)

Comparable Companies Analysis

(\$USD in million, except for share price)

Comparable Companies	Ticker	Share Price	Market Cap	Shares Outstanding	Cash	Total Debt	Enterprise Value	Last 12 Months*							
								Revenue	EBITDA	EBIT	EPS	EV/Revenue	EV/EBITDA	EV/EBIT	P/E
Berkshire Hathaway Inc.	BRK-B	\$ 401.00	\$ 870,170.00	2170	\$ 574,300	\$ 133,570	\$ 429,440.00	\$ 364,482	\$ 60,610	\$ 48,120	\$ 44.27	1.18x	7.09x	8.92x	9.06x
Hartford Financial Services Group Inc.	HIG	\$ 96.20	\$ 29,052.40	302	\$ 189	\$ 4,506	\$ 33,369.40	\$ 25,181	\$ 6,007	\$ 3,453	\$ 9.13	1.33x	5.56x	9.66x	10.54x
American International Group	AIG	\$ 74.59	\$ 52,809.72	708	\$ 2,155	\$ 23,306	\$ 73,960.72	\$ 49,604	\$ 12,751	\$ 8,537	\$ 7.53	1.49x	5.80x	8.66x	9.91x
Cubb Ltd	CB	\$ 245.75	\$ 100,757.50	410	\$ 2,651	\$ 15,822	\$ 113,928.50	\$ 52,252	\$ 11,550	\$ 11,240	\$ 23.10	2.18x	9.86x	10.14x	10.64x
CNA Financial Corporation	CAN	\$ 43.01	\$ 11,698.72	272	\$ 345	\$ 3,031	\$ 14,384.72	\$ 13,398	\$ 1,817	\$ 1,744	\$ 4.72	1.07x	7.92x	8.25x	9.11x
Travelers Company Inc.	TRV	\$ 213.35	\$ 49,497.20	232	\$ 667	\$ 8,032	\$ 56,862.20	\$ 42,964	\$ 11,451	\$ 4,275	\$ 13.72	1.32x	4.97x	13.30x	15.55x

Minimum	1.07x	4.97x	8.25x	9.06x
Quartile 1	1.21x	5.62x	8.73x	9.31x
Median	1.32x	6.44x	9.29x	10.22x
Quartile 3	1.45x	7.71x	10.02x	10.61x
Maximum	2.18x	9.86x	13.30x	15.55x
Average	1.43x	8.01x	9.82x	10.80x

Appendix K: Comps Continued

Berkshire Hathaway Inc. (NYSE: BRK-B)

Comparable Companies Analysis
(*\$USD in million, except for share price*)

Comparable Companies	Ticker	Share Price	Market Cap	Shares Outstanding	Cash	Total Debt	Enterprise Value	FWD 2025 FY Forecast							
								Revenue	EBITDA	EBIT	EPS	EV/Revenue	EV/EBITDA	EV/EBIT	P/E
Berkshire Hathaway Inc.	BRK-B	\$ 401.00	\$ 870,170.00	2170	\$ 574,300	\$ 133,570	\$ 429,440.00	\$ 395,405	\$ 67,760	\$ 49,030	\$ 44.46	1.09x	6.34x	8.76x	9.02x
Hartford Financial Services Group Inc.	HIG	\$ 96.20	\$ 29,052.40	302	\$ 189	\$ 4,506	\$ 33,369.40	\$ 27,699	\$ 6,760	\$ 4,010	\$ 11.44	1.20x	4.94x	8.32x	8.41x
American International Group	AIG	\$ 74.59	\$ 52,809.72	708	\$ 2,155	\$ 23,306	\$ 73,960.72	\$ 40,836	\$ 10,431	\$ 6,217	\$ 7.82	1.81x	7.09x	11.90x	9.54x
Cubb Ltd	CB	\$ 245.75	\$ 100,757.50	410	\$ 2,651	\$ 15,822	\$ 113,928.50	\$ 57,596	\$ 10,267	\$ 9,932	\$ 23.62	1.98x	11.10x	11.47x	10.40x
CNA Financial Corporation	CAN	\$ 43.01	\$ 11,698.72	272	\$ 345	\$ 3,031	\$ 14,384.72	\$ 15,154	\$ 1,737	\$ 1,649	\$ 5.13	0.95x	8.28x	8.72x	8.38x
Travelers Company Inc.	TRV	\$ 213.35	\$ 49,497.20	232	\$ 667	\$ 8,032	\$ 56,862.20	\$ 49,549	\$ 12,248	\$ 5,907	\$ 20.94	1.15x	4.64x	9.63x	10.19x

Minimum	0.95x	4.64x	8.32x	8.38x
Quartile 1	1.10x	5.29x	8.73x	8.56x
Median	1.18x	6.71x	9.19x	9.28x
Quartile 3	1.66x	7.98x	11.01x	10.03x
Maximum	1.98x	11.10x	11.90x	10.40x
Average	1.36x	7.06x	9.80x	9.57x

Appendix L: Multiples Output

Comps Output		EV	Debt	Cash	Equity	Shares	Per Share
FWD EBIT	49,030						
Min	8.32x	408,007	133,570	574,300	848,737	2,170	\$ 391.12
Q1	8.73x	428,139	133,570	574,300	868,869	2,170	\$ 400.40
Med	9.19x	450,708	133,570	574,300	891,438	2,170	\$ 410.80
Q3	11.01x	539,808	133,570	574,300	980,538	2,170	\$ 451.86
Max	11.90x	583,289	133,570	574,300	1,024,019	2,170	\$ 471.90
Average	9.80x	480,473	133,570	574,300	921,203	2,170	\$ 424.52
FWD EBITDA	67,760						
Min	4.64x	314,581	133,570	574,300	755,311	2,170	\$ 348.07
Q1	5.29x	358,223	133,570	574,300	798,953	2,170	\$ 368.18
Med	6.71x	454,945	133,570	574,300	895,675	2,170	\$ 412.75
Q3	7.98x	540,971	133,570	574,300	981,701	2,170	\$ 452.40
Max	11.10x	751,904	133,570	574,300	1,192,634	2,170	\$ 549.60
Average	7.06x	478,667	133,570	574,300	919,397	2,170	\$ 423.69
FWD Revenue	395,405						
Min	0.95x	375,332	133,570	574,300	816,062	2,170	\$ 376.07
Q1	1.10x	435,521	133,570	574,300	876,251	2,170	\$ 403.80
Med	1.18x	465,057	133,570	574,300	905,787	2,170	\$ 417.41
Q3	1.66x	656,195	133,570	574,300	1,096,925	2,170	\$ 505.50
Max	1.98x	782,135	133,570	574,300	1,222,865	2,170	\$ 563.53
Average	1.36x	538,861	133,570	574,300	979,591	2,170	\$ 451.42
LTM Revenue	364,482						
Min	1.07x	391,325	133,570	574,300	832,055	2,170	\$ 383.44
Q1	1.21x	442,677	133,570	574,300	883,407	2,170	\$ 407.10
Med	1.32x	482,696	133,570	574,300	923,426	2,170	\$ 425.54
Q3	1.45x	528,340	133,570	574,300	969,070	2,170	\$ 446.58
Max	2.18x	794,704	133,570	574,300	1,235,434	2,170	\$ 569.32
Average	1.43x	520,719	133,570	574,300	961,449	2,170	\$ 443.06
LTM EBITDA	60,610						
Min	4.97x	300,971	133,570	574,300	741,701	2,170	\$ 341.80
Q1	5.62x	340,411	133,570	574,300	781,141	2,170	\$ 359.97
Med	6.44x	390,501	133,570	574,300	831,231	2,170	\$ 383.06
Q3	7.71x	467,235	133,570	574,300	907,965	2,170	\$ 418.42
Max	9.86x	597,853	133,570	574,300	1,038,583	2,170	\$ 478.61
Average	8.01x	485,196	133,570	574,300	925,926	2,170	\$ 426.69
LTM EBIT	48,120						
Min	8.25x	396,899	133,570	574,300	837,629	2,170	\$ 386.00
Q1	8.73x	420,027	133,570	574,300	860,757	2,170	\$ 396.66
Med	9.29x	447,233	133,570	574,300	887,963	2,170	\$ 409.20
Q3	10.02x	482,064	133,570	574,300	922,794	2,170	\$ 425.25
Max	13.30x	640,049	133,570	574,300	1,080,779	2,170	\$ 498.05
Average	9.82x	472,675	133,570	574,300	913,405	2,170	\$ 420.92

Appendix M: Valuation

Methods	Average	Weight	Average x Weight
FWD EV/Revenue	\$ 451.42	8%	\$ 37.62
FWD EV/EBIT	\$ 424.52	8%	\$ 35.38
FWD EV/EBITDA	\$ 423.69	8%	\$ 35.31
LTM EV/Revenue	\$ 443.06	8%	\$ 36.92
LTM EV/EBITDA	\$ 426.69	8%	\$ 35.56
LTM EV/EBIT	\$ 443.06	8%	\$ 36.92
Comps		50%	\$ 217.70
Gordon Growth	\$ 460.99	25%	\$ 115.25
Terminal Multiple	\$ 457.67	25%	\$ 114.42
DCF		50%	\$ 229.67
Target Price			\$ 447.37
<i>Upside</i>			11.56%

Appendix N: Bull / Bear Case

Methods	Average	Weight	Average x W
FWD EV/Revenue	\$ 376.07	8%	\$ 31.34
FWD EV/EBIT	\$ 391.12	8%	\$ 32.59
FWD EV/EBITDA	\$ 348.07	8%	\$ 29.01
LTM EV/Revenue	\$ 383.44	8%	\$ 31.95
LTM EV/EBITDA	\$ 341.80	8%	\$ 28.48
LTM EV/EBIT	\$ 386.00	8%	\$ 32.17
Comps		50%	\$ 185.54
Gordon Growth	\$ 400.58	25%	\$ 100.14
Terminal Multiple	\$ 416.41	25%	\$ 104.10
DCF		50%	\$ 204.25
Bear Target Price			\$ 389.79
<i>Upside</i>			<i>-2.80%</i>

Methods	Average	Weight	Average x W
FWD EV/Revenue	\$ 505.50	8%	\$ 42.12
FWD EV/EBIT	\$ 451.86	8%	\$ 37.66
FWD EV/EBITDA	\$ 452.40	8%	\$ 37.70
LTM EV/Revenue	\$ 569.32	8%	\$ 47.44
LTM EV/EBITDA	\$ 478.61	8%	\$ 39.88
LTM EV/EBIT	\$ 498.05	8%	\$ 41.50
Comps		50%	\$ 246.31
Gordon Growth	\$ 542.98	25%	\$ 135.74
Terminal Multiple	\$ 497.88	25%	\$ 124.47
DCF		50%	\$ 260.21
Target Price			\$ 506.53
<i>Upside</i>			<i>26.32%</i>