

Berkshire Hathaway (BRK.B)

\$499.77 (Stock Price as of 01/08/2026)

Price Target (6-12 Months): **\$531.00**

Long Term: 6-12 Months	Zacks Recommendation:	Neutral
	(Since: 05/24/23)	
	Prior Recommendation: Outperform	
Short Term: 1-3 Months	Zacks Rank: (1-5)	3-Hold
	Zacks Style Scores:	VGM: F
	Value: C	Growth: F
		Momentum: F

Summary

Berkshire is one of the largest property and casualty insurance companies with numerous diverse business activities. A strong cash position supports earnings-accretive bolt-on buyouts and is indicative of its financial flexibility. Continued insurance business growth fuels an increase in float, drives earnings and generates maximum return on equity. The non-insurance businesses have also been doing well in the last few years. The insurer has also started increasing its investment in Japan. A sturdy capital level provides further impetus. Shares of Berkshire have outperformed the industry year to date. However, exposure to cat loss induces earnings volatility and also affects underwriting results. Huge capital expenditure remains a headwind. Also, it remains to be seen how the behemoth fares when Greg Abel succeeds Warren Buffett as CEO of Berkshire.

Data Overview

52 Week High-Low	\$542.07 - \$440.10
20 Day Average Volume (sh)	4,057,492
Market Cap	\$1,070.3 B
YTD Price Change	-1.3%
Beta	0.72
Dividend / Div Yld	\$0.00 / 0.0%
Industry	<u>Insurance - Property and Casualty</u>
Zacks Industry Rank	Top 45% (111 out of 244)

Last EPS Surprise	33.2%
Last Sales Surprise	-0.1%
EPS F1 Est- 4 week change	-0.3%
Expected Report Date	02/27/2026
Earnings ESP	0.0%

P/E TTM	21.9
P/E F1	25.0
PEG F1	-5.5
P/S TTM	2.9

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	97,404 E	97,861 E	100,726 E	111,160 E	407,150 E
2025	89,725 A	92,515 A	94,972 A	107,073 E	384,285 E
2024	89,869 A	93,653 A	92,995 A	94,916 A	371,433 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	4.66 E	5.27 E	5.11 E	4.98 E	19.98 E
2025	4.47 A	5.17 A	6.26 A	4.89 E	20.86 E
2024	5.19 A	5.38 A	4.68 A	6.73 A	22.00 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 01/08/2026.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/30/2025.

Overview

Founded in 1889, Berkshire Hathaway is an Omaha, NE-based holding company, which owns more than 90 subsidiaries in insurance, rail roads, utilities, manufacturing services, retail and home building.

The most important of these are insurance businesses conducted on both a primary basis and insurance basis, a freight rail transportation business and a group of utility and energy generation and distribution businesses.

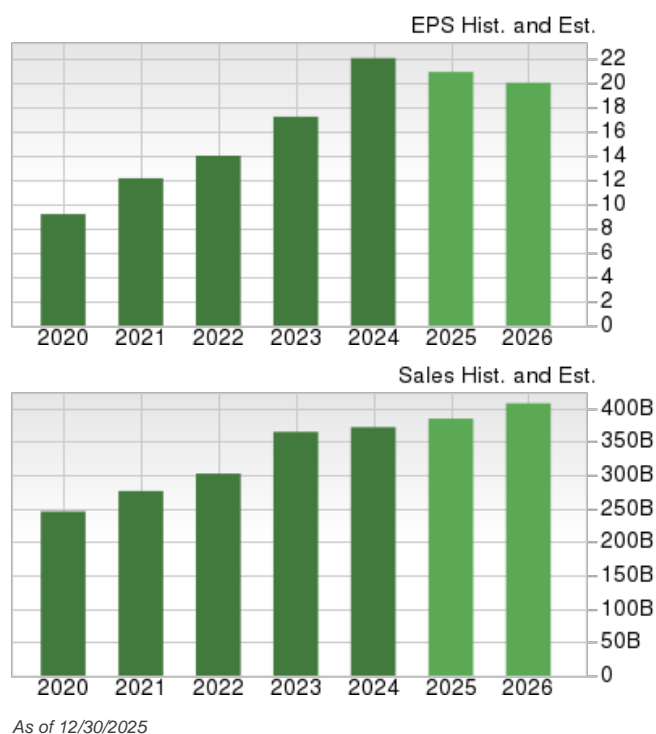
It has four major operating sectors - The Insurance group includes (26% of 2024 revenue) : GEICO, Government Employees Insurance Company writes private passenger automobile insurance; General Re conducts reinsurance business, offering property and casualty, life and health coverage to clients worldwide; Berkshire Hathaway Reinsurance Group underwrites excess-of-loss reinsurance and quota-share coverage for insurers and reinsurers globally; Berkshire Hathaway Primary Group comprises a wide variety of independently-managed insurance businesses that principally write liability coverage for commercial accounts.

The Railroad business includes MidAmerican and BNSF operations (6.3%), which provides railway services through Burlington Northern Santa Fe Corp.

The Utilities and Energy businesses (22%) that includes Berkshire Hathaway Energy and Pilot Travel Centers.

The Manufacturing, Service & Retailing Operations includes (45.7%): Manufacturing – Acme Building Brands, Benjamin Moore, H.H. Brown Shoe Group, CTB, Fechheimer Brothers, Forest River, Fruit of the Loom, Garan, ISCAR, Johns Manville, Justin Brands, Larson-Juhl, MiTek, Russell, Scott Fetzer, Vanity Fair, Richline Group and Albecca. The Service sub-segment includes – Buffalo News, Business Wire, FlightSafety, International Dairy Queen, Pampered Chef, and NetJets.

Retailing sub-segment includes – Ben Fridge Jeweler, Borsheim's, Helzberg Diamond Shops, Jordan's Furniture, Nebraska Furniture Mart, See's Candies, Star Furniture, R.C. Willey and TTI Inc. Others include – Marmon Group, McLane Company and Shaw Industries.



Reasons To Buy:

▲ Berkshire is a conglomerate with more than 90 subsidiaries engaged in diverse business activities but is one of the **largest property and casualty insurers globally**. The insurance operations serve as the cornerstone of its business model and remain a key growth engine. Berkshire operates through a diverse portfolio of insurance businesses, including GEICO (auto insurance), General Re (reinsurance), and Berkshire Hathaway Reinsurance Group (BHRG). The insurance business is poised to grow banking on increased exposure, prudent underwriting standards and better pricing.

▲ It is evident that the industry is going through a **hard market cycle** that started in 2018. With inflation staying above 2% and an increase in catastrophe losses due to climate change, the hard market is here to stay. A hard market leads to higher pricing, which coupled with prudent underwriting standards, should continue to drive premiums higher and ensure sustained profitability.

▲ Berkshire's **manufacturing, retail and service operations** are a vital pillar of its long-term growth strategy, contributing significantly to revenues, earnings stability and diversification. Manufacturing business spans across industrial, building, and consumer products, the service division includes well-established names such as NetJets, FlightSafety, TTI Inc., McLane Company and XTRA Corporation and on the retailing side, Berkshire operates automotive dealerships, home furnishing businesses and a diverse group of brands like Pampered Chef, Candy Shops Inc., and several jewelry companies. These businesses operate in cyclical yet essential sectors, providing dependable cash flows that help offset fluctuations in financial markets and insurance results. Many of these firms are industry leaders with strong competitive advantages, such as efficient production, specialized technologies and long-standing customer relationships. Their consistent earnings boost Berkshire's overall profitability and help sustain its large capital base, which fuels investments across other segments.

▲ Berkshire's subsidiary Berkshire Hathaway Energy Company ("BHE") is a diversified **energy** company with a heightened focus on renewable energy. Given BHE has exposure to essential infrastructure, it ensures stability to Berkshire. Burlington Northern Santa Fe, LLC ("BNSF"), Berkshire's flagship **railroad** subsidiary, provides stable, inflation-protected cash flows and a competitive advantage in the North American freight rail industry. Berkshire Hathaway acquired BNSF in 2010 and has consistently contributed robust earnings, reflecting the essential nature of rail transport in the U.S. economy. With its scale and pricing power, the railroad consistently delivers strong free cash flow, giving Berkshire Hathaway the flexibility to reinvest or preserve capital for future acquisitions.

▲ Insurers prefer fixed-income investments, such as bonds, because they offer predictable returns that can be used in claims payment. A major portion of Berkshire's capital is allocated to **short-term U.S. Treasury bills and other government-backed instruments** -exceeding \$100 billion or about 90%. This positioning has proved increasingly beneficial, as elevated interest rates in recent periods have boosted yields, despite the Federal Reserve implementing three rate cuts last year and anticipating two more in the near term. This conservative strategy serves a dual purpose — preserving capital and maintaining liquidity for strategic acquisitions or investments. Infact in 2024, Berkshire saw a significant rise in investment income, primarily due to increased exposure to short-term Treasuries and the benefit of higher yields. As other segments face cyclical challenges, this stable income stream continues to enhance Berkshire's profitability and financial resilience.

▲ Continued insurance business growth fuels an **increase in float**, the pool of insurance premiums held before claims are paid, which is one of the low-cost capital sources for the company. . Berkshire consistently achieves underwriting profitability, meaning it not only grows float but does so while earning a profit. This makes its float both stable and low-cost, enhancing its utility as a long-term funding mechanism. Though recorded as liabilities, float effectively serves as an interest-free source of capital that can be invested elsewhere. On a consolidated basis, float has grown from approximately \$114 billion at the end of 2017 to \$176 billion at the end of third quarter 2025.

▲ Berkshire Hathaway has made **share repurchases** a more prominent part of its capital allocation strategy in recent years. Backed by strong cash generation and given a lack of compelling acquisition targets, Berkshire has increasingly turned to buybacks as a method to return capital to shareholders. In 2024, the company repurchased \$2.9 billion worth of stock. Berkshire's repurchase strategy has become a vital lever in driving shareholder value. By supporting EPS growth and signaling confidence in the stock's long-term potential, buybacks offer an effective response to limited reinvestment options and will likely remain central to the company's financial strategy.

Berkshire Hathaway is poised to benefit from its insurance business, manufacturing, service and retail business, disciplined capital management as well as acquisitions.

Reasons To Sell:

- ▼ Berkshire Hathaway's earnings are subject to volatility, given its **exposure to catastrophes**. The company's insurance underwriting results have often suffered from high cat loss. The timing and magnitude of catastrophe and large individual losses will continue to produce significant volatility in its property and casualty underwriting results. Losses incurred from catastrophes during first quarter of 2025 were \$1.1 million, stemming from California wildfire.
- ▼ Berkshire Hathaway's railroad, utilities and energy businesses (operated through BNSF and BHE) have **considerable investments in capital assets** and the company will continue to pump in its resources going forward. In the first nine months of 2024, consolidated capital expenditures for property, plant and equipment, and equipment held for lease were \$14.1 billion, which included capital expenditures by railroad, utilities and energy businesses (BNSF and BHE) of \$10.7 billion. The company projects capital expenditures of these two operations to be \$4.4 billion for the remainder of 2025. Notably, BNSF's, the most important non-insurance subsidiary, capital expenditure is higher than what any other railroad has spent in a single year and represents an extraordinary amount compared with revenues, earnings or depreciation charges.
- ▼ The remarkable success of Berkshire Hathaway is attributable to Warren Buffett and Charles Munger. Though Buffett has duly put in place a **succession plan** and chosen a successor. However, it remains to be seen how the behemoth fares when Greg Abel succeeds Warren Buffett as CEO of Berkshire, effective Jan. 1, 2026. Buffett will, however, remain the company's executive chairman. In our view, it is unlikely that any new management of this conglomerate will be able to sustain Buffett long-term market outperformance.

Warren Buffett's eventual stepping down, insurance business exposure to catastrophes and high expenses in the rail road operations are some of the headwinds faced by the company.

Last Earnings Report

Berkshire Hathaway Q3 Earnings Beat, Revenues Miss, Both Rise Y/Y

Berkshire Hathaway's third quarter 2025 operating earnings of \$6.26 per share increased 33.8% year over year and beat the Zacks Consensus Estimate by 33.2%.

Operating earnings were \$13.5 billion, which increased 3.4% year over year. The increase was due to higher earnings in insurance underwriting, BNSF, and Manufacturing, service, and retailing.

FY Quarter Ending	12/31/2025
Earnings Reporting Date	Nov 01, 2025
Sales Surprise	-0.08%
EPS Surprise	33.19%
Quarterly EPS	6.26
Annual EPS (TTM)	22.63

Behind the Headlines

Revenues increased 2.2% year over year to \$92.5 billion due to higher revenues at Insurance and Other and Railroad, Utilities and Energy. The top line, however, missed the consensus estimate by 0.1%.

Costs and expenses decreased 2.6% year over year to \$79.1 billion, largely due to a decline in insurance losses and loss adjustment expenses, lower underwriting expense, and lower selling, general and administrative expenses. The figure was lower than our estimate of \$116 billion.

Segment Performance

Berkshire Hathaway's **Insurance and Other** segment revenues increased 2.4% year over year to \$81.7 billion in the reported quarter due to higher premiums earned, sales and service revenues and leasing revenues.

Insurance underwriting earnings improved more than threefold year over year to \$2.4 billion, benefiting from lower losses.

Railroad, Utilities, and Energy operating revenues decreased 1.5% year over year to \$13.1 billion, primarily due to higher freight rail transportation revenues and utility and energy operating revenues. The figure was lower than our estimate of \$25 billion. Pre-tax earnings of the Railroad decreased 2.5% to \$2.9 billion due to lower earnings at BHE as lower earnings at U.S. utilities, natural gas pipelines and other energy businesses weighed on BHE's quarterly performance.

Total revenues at **Manufacturing, Service, and Retailing** increased 2.4% year over year to \$54.7 billion. Earnings from Manufacturing, Service and Retailing businesses rose 8.2% year over year to \$3.6 billion.

Financial Position

As of Sept. 30, 2025, consolidated shareholders' equity was \$700.4 billion, up 7.5% from the level as of Dec. 31, 2024. At quarter-end, cash and cash equivalents were \$72.2 billion, up 62.7% from the level at 2024-end.

BRK.B exited the third quarter of 2025 with a float of about \$176 billion, up from \$171 billion at Dec. 31, 2024

Cash flow from operating activities totaled \$34.8 billion in the first nine months of 2025, up 33.9% from the year-ago period. BRK.B did not repurchase shares in the first nine months of 2025.

Recent News

Berkshire Reshaping Portfolio - Nov 18, 2025

Berkshire Hathaway is yet again reshaping its portfolio — bought shares in Alphabet and trimming stake at Apple. Per TheStreet, Berkshire has purchased around 17.85 million shares for about \$4.34 billion as found in the 13F form. Berkshire also trimmed 41-42 million shares in Apple, and it now has only 238.2 million shares.

Berkshire Strengthening Oil & Gas Business With OxyChem Buyout - Oct 8, 2025

Berkshire Hathaway is strengthening its oil and gas business by buying Occidental's chemical business, OxyChem, for \$9.7 billion in cash. OxyChem is a global manufacturer of commodity chemicals. As Berkshire already holds a good stake in Occidental, buying the chemical business seems prudent. The transaction is expected to be closed in the fourth quarter of 2025, pending approvals and other closing conditions.

Valuation

Berkshire Hathaway's shares are up 2.4% and up 10.6% in past six months and over the trailing 12-month period, respectively. Stocks in the Zacks sub-industry and the Zacks Finance sector are up 2.3% and up 7.8% in past six months, respectively. Over the past year, the Zacks sub-industry and sector are up 10.2% and up 17.7%, respectively.

The S&P 500 index is up 14.3% in past six months and up 19.8% in the past year.

The stock is currently trading at 1.54X trailing 12-month book value, which compares to 1.52X for the Zacks sub-industry, 4.33X for the Zacks sector and 8.57X for the S&P 500 index.

Over the past five years, the stock has traded as high as 1.77X and as low as 1.14X, with a 5-year median of 1.43X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$531 price target reflects 1.63X book value.

The table below shows summary valuation data for BRK.B

Valuation Multiples - BRK.B					
		Stock	Sub-Industry	Sector	S&P 500
P/B	Current	1.54	1.52	4.33	8.57
	5-Year High	1.77	1.73	4.38	9.13
	5-Year Low	1.14	1.17	2.87	6.57
	5-Year Median	1.43	1.45	3.53	8.04
P/S F12M	Current	2.66	2.29	9.08	5.29
	5-Year High	25.45	10.43	10.06	5.49
	5-Year Low	1.87	1.66	6.69	3.82
	5-Year Median	2.35	2.08	8.4	5.04
P/E F12M	Current	25	28.09	17.43	23.35
	5-Year High	27.26	31.85	18.28	23.8
	5-Year Low	15.43	23.33	12.36	15.74
	5-Year Median	22.6	28.01	16.12	21.23

As of 12/29/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 45% (111 out of 244)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
The Allstate Corpora...(ALL)	Neutral	3
Chubb Limited (CB)	Neutral	3
Cincinnati Financial...(CINF)	Neutral	2
CNA Financial Corpor...(CNA)	Neutral	3
The Hartford Insuran...(HIG)	Neutral	3
The Progressive Corp...(PGR)	Neutral	3
The Travelers Compan...(TRV)	Neutral	3
W.R. Berkley Corpora...(WRB)	Neutral	4

Industry Comparison⁽¹⁾ Industry: Insurance - Property And Casualty

	BRK.B	X Industry	S&P 500	CB	PGR	TRV
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	F	-	-	C	A	A
Market Cap	1,070.30 B	4.47 B	40.07 B	120.67 B	122.62 B	63.17 B
# of Analysts	2	3	22	11	10	12
Dividend Yield	0.00%	0.53%	1.38%	1.27%	0.19%	1.55%
Value Score	C	-	-	B	A	A
Cash/Price	0.07	0.13	0.04	0.06	0.01	0.12
EV/EBITDA	7.85	8.13	14.89	10.66	11.37	4.55
PEG Ratio	-5.52	2.15	2.04	3.21	1.27	2.71
Price/Book (P/B)	1.53	1.55	3.41	1.55	3.46	2.00
Price/Cash Flow (P/CF)	17.74	12.43	15.44	13.50	14.37	5.06
P/E (F1)	25.15	10.56	18.58	11.89	12.68	10.73
Price/Sales (P/S)	2.88	1.33	3.06	2.06	1.44	1.31
Earnings Yield	4.03%	9.46%	5.38%	8.41%	7.89%	9.32%
Debt/Equity	0.00	0.14	0.57	0.20	0.19	0.29
Cash Flow (\$/share)	27.96	4.63	8.98	22.71	14.55	56.00
Growth Score	F	-	-	D	A	B
Hist. EPS Growth (3-5 yrs)	20.80%	18.53%	8.24%	25.94%	30.12%	13.64%
Proj. EPS Growth (F1/F0)	-5.18%	4.43%	9.21%	5.15%	27.90%	14.69%
Curr. Cash Flow Growth	20.98%	15.00%	7.00%	-3.64%	115.86%	26.88%
Hist. Cash Flow Growth (3-5 yrs)	12.12%	11.62%	7.49%	11.38%	14.76%	9.98%
Current Ratio	0.41	0.50	1.19	0.27	0.29	0.35
Debt/Capital	0.00%	13.30%	38.14%	17.19%	16.29%	22.67%
Net Margin	18.13%	10.57%	12.77%	16.53%	12.57%	12.14%
Return on Equity	7.29%	16.51%	17.03%	12.93%	33.88%	20.28%
Sales/Assets	0.32	0.34	0.53	0.23	0.75	0.35
Proj. Sales Growth (F1/F0)	3.50%	5.38%	5.29%	6.50%	15.00%	5.10%
Momentum Score	F	-	-	C	B	D
Daily Price Chg	-0.59%	-0.25%	-0.34%	-0.86%	-1.53%	-0.70%
1 Week Price Chg	-0.29%	-1.92%	1.10%	-1.09%	-6.61%	-2.37%
4 Week Price Chg	1.16%	0.91%	0.50%	3.40%	-6.15%	1.74%
12 Week Price Chg	-0.05%	3.01%	3.75%	10.18%	-7.68%	5.10%
52 Week Price Chg	9.80%	14.71%	16.94%	14.99%	-14.16%	16.65%
20 Day Average Volume	4,057,492	201,165	2,431,070	1,570,668	2,856,268	1,249,220
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	-0.03%
(F1) EPS Est 4 week change	-0.30%	0.00%	0.00%	0.08%	-1.90%	-0.04%
(F1) EPS Est 12 week change	-3.70%	0.40%	0.44%	1.76%	-2.19%	6.14%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.21%	-0.55%	0.00%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	C
Growth Score	F
Momentum Score	F
VGM Score	F

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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