BRKB80 (DR)

Don't bet against Berkshire—even now

- Berkshire blends operating strength, investment discipline, and unmatched liquidity.
- In volatile markets, Berkshire doesn't just survive—it outperforms.
- Recommend a BUY with TP of THB1.72 ($523.4, based on USD/THB at 32.5).

The end of an era—but not the edge

Warren Buffett's upcoming retirement as CEO marks the end of a legendary era—but Berkshire Hathaway's edge is far from over. Since 1965, Buffett has transformed a dying textile mill into one of the greatest compounding machines in financial history. Over nearly six decades, he delivered a 5,502,284% return, compared to just ~39,000% for the S&P 500. Even now, $10,000 invested at the time of his takeover would be worth over $550m. With Buffett stepping aside by the end of 2025, the question is clear: can Berkshire continue to outperform without him? Our view is yes—because the engine he built isn't slowing down; it's designed to outlast him.

A conglomerate that prints cash

Berkshire's structure is its superpower. It combines the earnings power of a diversified conglomerate with the flexibility of a global investment fund. The portfolio stands on three pillars: a $259b public equity portfolio, ~$387b in wholly owned private businesses like BNSF Railway, GEICO, and Berkshire Hathaway Energy, and a war chest of $328b in net cash and Treasuries. This model generates income from operating businesses, capital appreciation, dividends, and insurance float—all feeding into a centralized capital allocator. Few, if any, public companies operate with this much structural advantage and cash optionality.

Steady, silent, superior

While Berkshire may not grab headlines like AI stocks or meme trades, its returns speak louder than its profile. From mid-2020 to mid-2025, Berkshire delivered a +170% total return, far ahead of the S&P 500's +98%, with far less volatility. Its annualized volatility was ~16% versus 20% for the index, and it consistently outperformed in drawdowns—declining only 14% in 2022 compared to the S&P's 25% fall. This is no accident: Berkshire's combination of high-quality assets, recurring operating income, and strategic cash use gives it a rare asymmetric return profile—strong upside, muted downside. It doesn't just beat the market; it beats it when it matters most.

Can Berkshire win without Warren?

Leadership is in strong hands. Greg Abel, Buffett's chosen successor, has a proven track record at Berkshire Hathaway Energy and now oversees non-insurance operations. Ajit Jain continues to run Berkshire's world-class insurance arm. And investment managers Ted Weschler and Todd Combs—the stewards of the equity portfolio—have already demonstrated sound judgment through long-term bets on Apple, Amazon, and financials.

Recommend a BUY with TP of THB1.72 ($523.4, based on USD/THB at 32.5)

Bloomberg consensus recommends a BUY on BRKB80, with a TP of THB1.72 ($523.4, USD/THB of 32.5). Compared to the S&P 500, Berkshire trades at a lower forward P/E, yet delivers higher ROE and stronger free cash flow yield. While consensus expects Berkshire's EPS growth to trail the S&P 500 over the next 3–5 years, that slower growth is paired with far less risk.

Analyst

Suwat Sinsadok, CFA, FRM, ERP
suwat.s@globlex.co.th,
+662 687 7026

Assistant Analyst

Peerayu Sirivorawong

Don't bet against Berkshire—even now

Berkshire Hathaway is not just a holding company—it's one of the most successful long-term investment vehicles ever created. Under Warren Buffett's leadership since 1965, Berkshire has transformed from a struggling textile firm into a "trillion" conglomerate spanning insurance, railroads, energy, consumer goods, and technology.

During the AGM, Buffett announced he will step down as CEO at the end of 2025, marking the close of one of the most legendary careers in capital markets. To honor his upcoming retirement, it's worth reflecting on what he's built: a total return of 5,502,284%, compared to ~39,000% for the S&P 500. That's not a typo—$10,000 invested in Berkshire in 1965 would be worth over $550m today. Put differently, even if Berkshire shares fell 99.4% tomorrow, Buffett would still have outperformed the market.

Exhibit 1: Berkshire's Performance vs. the S&P 500

	Annual Percentage Change	
Year	in Per-Share Market Value of Berkshire	in S&P 500 with Dividends Included
1995	57.4%	37.6%
1996	6.2	23.0
1997	34.9	33.4
1998	52.2	28.6
1999	(19.9)	21.0
2000	26.6	(9.1)
2001	6.5	(11.9)
2002	(3.8)	(22.1)
2003	15.8	28.7
2004	4.3	10.9
2005	0.8	4.9
2006	24.1	15.8
2007	28.7	5.5
2008	(31.8)	(37.0)
2009	2.7	26.5
2010	21.4	15.1
2011	(4.7)	2.1
2012	16.8	16.0
2013	32.7	32.4
2014	27.0	13.7
2015	(12.5)	1.4
2016	23.4	12.0
2017	21.9	21.8
2018	2.8	(4.4)
2019	11.0	31.5
2020	2.4	18.4
2021	29.6	28.7
2022	4.0	(18.1)
2023	15.8	26.3
2024	25.5	25.0
Compounded Annual Gain – 1965-2024	19.9%	10.4%
Overall Gain – 1964-2024	5,502,284%	39,054%

Sources: Berkshire Hathaway

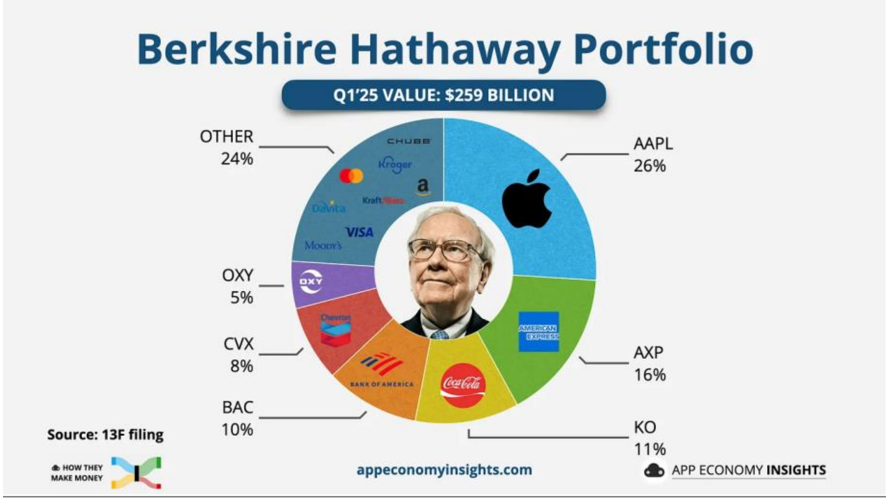
Globlex Securities Co., Ltd.

Inside Berkshire's $1 trillion empire

Berkshire Hathaway's portfolio is built around three pillars: public stock holdings, wholly owned private businesses, and a massive cash reserve. Together, these components create a unique structure that blends the strengths of a mutual fund, a private equity firm, and a cash-rich holding company—all under one roof.

The first pillar is Berkshire's $259b public equity portfolio, which includes long-term stakes in iconic companies. Just five names—Apple, American Express, Coca-Cola, Bank of America, and Chevron—make up over 70% of the portfolio. These are not just passive investments; they reflect Buffett's conviction in durable, high-quality businesses with strong brands, pricing power, and predictable earnings. Apple alone is worth over $66b to Berkshire and contributes billions in annual dividends. Unlike most asset managers, Berkshire doesn't chase quarterly performance. It buys businesses to own them—often for decades.

Exhibit 2: Berkshire Hathaway's public equity portfolio



Sources: App Economy Insights

The second pillar consists of wholly owned businesses, which generate steady profits across industries. These include industrial giants like Precision Castparts, beloved consumer brands like Dairy Queen and See's Candies, and critical infrastructure assets such as BNSF Railway and Berkshire Hathaway Energy. Perhaps most importantly, Berkshire also owns a vast insurance empire—led by GEICO, General Re, and its global reinsurance units.

These insurance companies not only generate underwriting profit, but also produce "float"—the premiums collected upfront that Berkshire invests long before claims are paid. Collectively, these operating businesses are estimated to contribute around $387b in value and provide Berkshire with stable, recurring cash flows independent of market cycles. Altogether, these private businesses are estimated to account for ~$387b of value—about 40% of the total.

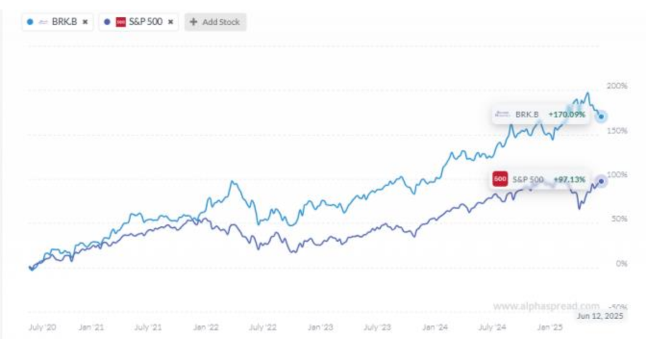
The final and arguably most underrated pillar is cash and U.S. Treasuries, currently totaling $347.7b gross, or $328b net after obligations. This is more than the GDP of most countries. Buffett keeps this dry powder ready for large acquisitions, buybacks, or opportunistic investing during market downturns. It also adds a layer of resilience—giving Berkshire the flexibility to act when others are forced to sell. In effect, it allows Berkshire to stay on offense even when the rest of the market is in retreat

Did Berkshire beat the market?

Over the past five years, Berkshire Hathaway has significantly outperformed the broader market. From mid-2020 to mid-2025, Berkshire delivered a total return of approximately +170%, while the S&P 500, including dividends, returned about +98%. This translates to a 5-year compound annual growth rate (CAGR) of ~19.4% for Berkshire versus ~14.6% for the S&P 500. The gap may not seem dramatic year by year, but it compounds powerfully over time—especially in volatile markets.

The real edge, however, is volatility and drawdown control. Berkshire's 5-year annualized volatility was about 16%, significantly lower than the S&P 500's ~20%. During major market drawdowns—such as the COVID-19 crash in 2020 and the inflation-driven selloff in 2022—Berkshire consistently held up better. In 2022, while the S&P 500 plunged more than 25%, Berkshire fell just 14%, thanks to its defensive portfolio mix, stable operating income, and high cash reserves. With $328b in cash and short-term Treasuries, or roughly 35% of its total value, Berkshire can stay on offense even as others are forced to retreat.

Exhibit 3: BRK.B vs S&P 500 price in 5 years



Sources: Alpha Spread

Exhibit 4: BRK.B vs S&P 500 price in 1 year

Sources: Alpha Spread

This kind of asymmetric return profile—**limited downside, steady upside**—is rare in public markets. Berkshire doesn't rely on earnings beats, product launches, or speculative tech trends. Instead, it delivers through **operating cash flows, disciplined reinvestment, and prudent risk management**. That makes it not just a stock, but a portfolio anchor—especially valuable for investors seeking long-term compounding without excessive exposure to market volatility.

In our view, Berkshire may not always lead during euphoric bull markets, especially those driven by speculative tech. However, during downturns or financial crises, this is where Berkshire gains the most relative strength. While most companies focus on survival during volatile periods, Berkshire can act decisively—acquiring businesses, buying back stock, or deploying capital into beaten-down assets. In this sense, it offers not just stability, but optionality—a rare strategic advantage in a world where liquidity is often a constraint, not a tool.

Can Berkshire still win without Warren?

With Warren Buffett set to step down as CEO at the end of 2025, leadership will pass to Greg Abel, Vice Chairman of Non-Insurance Operations. A native Canadian and former CEO of MidAmerican Energy (now Berkshire Hathaway Energy), Abel joined the Berkshire family in 2000. Over two decades, he built BHE into one of the largest utility operators in the U.S., expanding aggressively into renewables while maintaining a conservative capital structure. Both Buffett and Charlie Munger publicly endorsed Abel, with Munger stating, *"Greg understands the Berkshire culture better than anyone except Warren"*.

Exhibit 5: Warren Buffett and Greg Abel

Sources: WSJ

Abel is known for his quiet, hands-on leadership style and strong execution across diverse industries. He now oversees a broad portfolio of businesses—from BNSF Railway and Precision Castparts to retail and housing subsidiaries—representing over half of Berkshire's total operating value. His track record reflects discipline, decentralization, and a deep understanding of value creation through long-cycle investment.

On the insurance side, Ajit Jain, Vice Chairman of Insurance Operations, remains one of Berkshire's most valuable assets. Recruited by Buffett in 1986, Jain transformed Berkshire's reinsurance operations into a global powerhouse. He is renowned for his rigorous underwriting discipline, particularly in large and complex risks—a key reason why Berkshire's insurance float has remained both profitable and stable.

Exhibit 6: Ajit Jain, vice chairman of insurance

Sources: CNBC

Exhibit 7: Todd Combs and Ted Weschler

Sources: CNBC

On the investment side, Ted Weschler and Todd Combs—who joined Berkshire in 2010—have grown from portfolio managers to key strategic voices. Both have made successful long-term investments in companies like **Apple, Amazon, Moody's, Liberty Media, and Occidental Petroleum**. Todd Combs, who also serves as CEO of GEICO, brings a rare blend of operational and investment experience. Ted Weschler, known for his quiet intensity and deep research process, has shown a keen eye for high-quality compounders.

Together, they represent the next chapter in Berkshire's investing strategy: less about individual brilliance, and more about team-based discipline, long-horizon thinking, and rational capital deployment

Todd Combs joined Berkshire after Buffett discovered his work as a hedge fund manager at Castle Point Capital. Combs stood out for his disciplined, value-based approach—particularly in analyzing financial stocks during the post-crisis period.

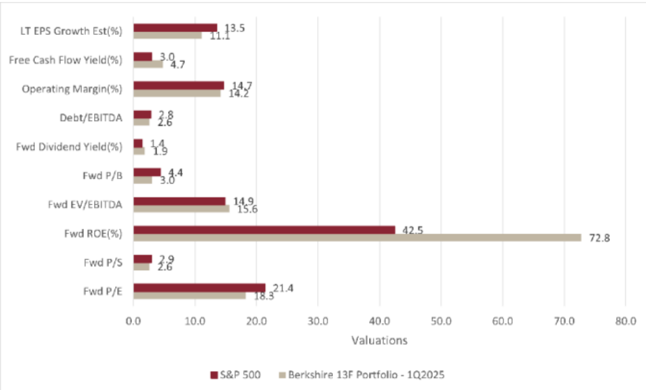
Around the same time, **Ted Weschler** came to Buffett's attention after winning two annual charity lunches with him, paying over $5m combined. Their conversations impressed Buffett enough that he offered Weschler a job soon after. Both were hired to independently manage a portion of Berkshire's equity portfolio and have since earned broader strategic roles within the company.

In short, Berkshire's leadership transition is not a pivot—it's a continuation. With Abel, Jain, Weschler, and Combs at the helm, the company remains anchored in the same principles: patience, prudence, and performance without pressure.

Quality at a reasonable price

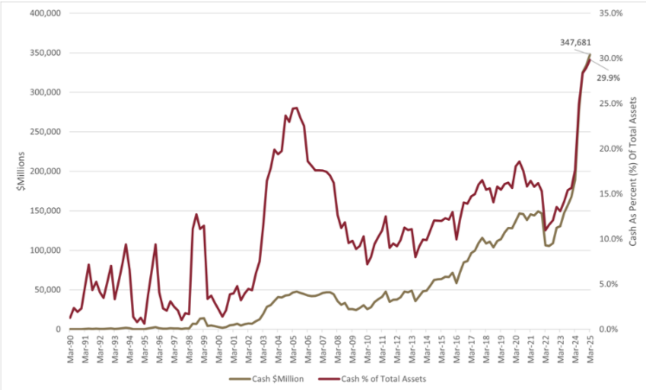
Despite Berkshire's massive scale, the stock continues to trade at a reasonable valuation. As of Jun-25, BRK.B trade at 1.6x P/B—slightly above the 10-year average of ~1.35x, but still below levels Buffett has historically considered "overvalued." Given Berkshire's $656b in book value and its roughly $1tr in total asset value, the current market price reflects a modest premium for a company with unmatched balance sheet strength, operating diversity, and capital flexibility.

Exhibit 8: BRK's 13F portfolio valuation vs. S&P 500



Sources: Bloomberg

Exhibit 9: BRK's cash to total assets



Sources: Bloomberg

Bloomberg consensus recommends a BUY on BRKB80, with a TP of THB1.72 ($523.4, USD/THB of 32.5). Compared to the S&P 500, Berkshire trades at a lower forward P/E, yet delivers higher ROE and stronger free cash flow yield. While consensus expects Berkshire's EPS growth to trail the S&P 500 over the next 3–5 years, that slower growth is paired with far less risk.

GENERAL DISCLAIMER
Analyst Certification

Suwat Sinsadok, Register No. 020799, Globlex Securities Public Company Limited

The opinions and information presented in this report are those of the Globlex Securities Co. Ltd. Research Department. No representation or warranty in any form regarding the accuracy, completeness, correctness or fairness of opinions and information of this report is offered by Globlex Securities Co. Ltd. Globlex Securities Co. Ltd. Accepts no liability whatsoever for any loss arising from the use of this report or its contents. This report (in whole or in part) may not be reproduced or published without the express permission of Globlex Securities Co. Ltd.

RECOMMENDATION STRUCTURE
Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.