

BERKSHIRE HATHAWAY INC.

NEWS RELEASE

FOR IMMEDIATE RELEASE

February 25, 2023

Omaha, NE (BRK.A; BRK.B) –

Berkshire’s operating results for the fourth quarter and full year of 2022 and 2021 are summarized in the following paragraphs. However, we urge investors and reporters to read our 2022 Annual Report, which has been posted at www.berkshirehathaway.com. *The limited information that follows in this press release is not adequate for making an informed investment judgment.*

Earnings (losses) of Berkshire Hathaway Inc. and its consolidated subsidiaries for the fourth quarter and full year of 2022 and 2021 are summarized below. Earnings (losses) are stated on an after-tax basis. (Dollar amounts are in millions, except for per share amounts).

	<u>Fourth Quarter</u>		<u>Full Year</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net earnings (loss) attributable to Berkshire shareholders	<u>\$ 18,164</u>	<u>\$ 39,646</u>	<u>\$ (22,819)</u>	<u>\$ 89,795</u>
Net earnings (loss) includes:				
Investment and derivative gains (losses).....	11,455	32,361	(53,612)	62,340
Operating earnings.....	<u>6,709</u>	<u>7,285</u>	<u>30,793</u>	<u>27,455</u>
Net earnings (loss) attributable to Berkshire shareholders	<u>\$ 18,164</u>	<u>\$ 39,646</u>	<u>\$ (22,819)</u>	<u>\$ 89,795</u>
Net earnings (loss) per average equivalent Class A Share	\$ 12,412	\$ 26,690	\$ (15,535)	\$ 59,460
Net earnings (loss) per average equivalent Class B Share.....	\$ 8.27	\$ 17.79	\$ (10.36)	\$ 39.64
Average equivalent Class A shares outstanding.....	1,463,422	1,485,452	1,468,876	1,510,180
Average equivalent Class B shares outstanding.....	2,195,133,576	2,228,178,320	2,203,313,642	2,265,269,867

Note: Per share amounts for the Class B shares are 1/1,500th of those shown for the Class A.

Generally Accepted Accounting Principles (“GAAP”) require that we include the changes in unrealized gains/losses of our equity security investments as a component of investment gains/losses in our earnings statements. In the table above, investment gains (losses) in 2022 include gains of \$10.1 billion in the fourth quarter and losses of \$53.8 billion in the full year and in 2021 include gains of \$31.7 billion in the fourth quarter and \$58.6 billion in the full year due to *changes* during the fourth quarter and the full year in the *unrealized* gains that existed in our equity security investment holdings. Investment gains (losses) in 2022 also include after-tax *realized* gains on sales of investments of \$1.0 billion in the fourth quarter and \$54 million in the full year and in 2021 include after-tax *realized* gains on sales of investments of \$535 million in the fourth quarter and \$2.9 billion in the full year.

The amount of investment gains/losses in any given quarter is usually meaningless and delivers figures for net earnings (losses) per share that can be extremely misleading to investors who have little or no knowledge of accounting rules.

An analysis of Berkshire's operating earnings follows (dollar amounts are in millions).

	<u>Fourth Quarter</u>		<u>Full Year</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Insurance-underwriting.....	\$ 244	\$ 372	\$ (90)	\$ 728
Insurance-investment income	2,000	1,219	6,484	4,807
Railroad	1,469	1,685	5,946	5,990
Utilities and energy.....	739	598	3,904	3,572
Other controlled businesses	2,991	2,791	12,512	11,120
Non controlled businesses*	718	174	1,528	804
Other**	<u>(1,452)</u>	<u>446</u>	<u>509</u>	<u>434</u>
Operating earnings.....	<u>\$ 6,709</u>	<u>\$ 7,285</u>	<u>\$30,793</u>	<u>\$27,455</u>

* Includes certain businesses in which Berkshire had between a 20% and 50% ownership interest.

** Includes foreign currency exchange losses related to non-U.S. Dollar denominated debt of approximately \$1.2 billion in the fourth quarter and gains of approximately \$1.3 billion in the full year in 2022 and in 2021 includes foreign currency exchange gains of approximately \$279 million in the fourth quarter and approximately \$955 million in the full year.

Approximately \$2.6 billion was used to repurchase Berkshire shares during the fourth quarter bringing the total for the year to approximately \$7.9 billion. On December 31, 2022 there were 1,459,733 Class A equivalent shares outstanding. At December 31, 2022, insurance float (the net liabilities we assume under insurance contracts) was approximately \$164 billion, an increase of \$17 billion since yearend 2021. The increase in float includes \$14 billion related to Berkshire's acquisition of Alleghany Corporation.

Use of Non-GAAP Financial Measures

This press release includes certain non-GAAP financial measures. The reconciliations of such measures to the most comparable GAAP figures in accordance with Regulation G are included herein.

Berkshire presents its results in the way it believes will be most meaningful and useful, as well as most transparent, to the investing public and others who use Berkshire's financial information. That presentation includes the use of certain non-GAAP financial measures. In addition to the GAAP presentations of net earnings, Berkshire shows operating earnings defined as net earnings exclusive of investment and derivative gains/losses and impairments of goodwill and intangible assets.

Although the investment of insurance and reinsurance premiums to generate investment income and investment gains or losses is an integral part of Berkshire's operations, the generation of investment gains or losses is independent of the insurance underwriting process. Moreover, as previously described, under applicable GAAP accounting requirements, we are required to include the changes in unrealized gains/losses of our equity security investments as a component of investment gains/losses in our periodic earnings statements. In sum, investment gains/losses for any particular period are not indicative of quarterly business performance.

About Berkshire

Berkshire Hathaway and its subsidiaries engage in diverse business activities including insurance and reinsurance, utilities and energy, freight rail transportation, manufacturing, retailing and services. Common stock of the company is listed on the New York Stock Exchange, trading symbols BRK.A and BRK.B.

Cautionary Statement

Certain statements contained in this press release are "forward looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guaranties of future performance and actual results may differ materially from those forecasted.

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