

## Berkshire Read Case 1 - TMHC Acquisition Model

Baratelli Institute | June 2026 | All amounts \$M unless stated

Deal Overview			
Item	Value		Source
Announcement date	May 31, 2026		Press release p.1
Acquirer	Berkshire Hathaway Inc.		Press release p.1
Target	Mon Home Corp. (NYSE: TMHC)		Press release p.1
Form of consideration	100% cash		Press release p.1
Per-share consideration (\$)	72.50		Press release p.1
Undisturbed close 5/29/26 (\$)	58.50		Press release p.1
Premium to undisturbed close	24%		Press release p.1
Equity value (\$B)	6.80		Press release p.1
Enterprise value (\$B)	8.50		Press release p.1
Implied net debt assumed (\$B)	1.70		Computed: EV - Equity
Expected close	H2 2026		Press release p.2
Conditions	stockholder vote; regulatory		Press release p.2
TMHC financial advisors	Monahan Sachs; Moelis & Company		Press release p.2
TMHC legal	Monahan Thacher & Bartlett LLP		Press release p.2

### Key Drivers - editable inputs

Driver	Value		Notes
TMHC FY25 home closings revenue (\$M)	7,755.00		4Q25 Release p.7
TMHC FY25 total revenue (\$M)	8,121.00		4Q25 Release p.7
TMHC FY25 Adj. EBITDA (\$M)	1,292.00		4Q25 Release p.13
TMHC FY25 net income (\$M)	782.50		4Q25 Release p.7
TMHC FY25 Adj. net income (\$M)	830.00		4Q25 Release p.12
TMHC FY25 stockholders' equity (\$M)	6,309.00		4Q25 Release p.8
TMHC FY25 goodwill (\$M)	663.00		4Q25 Release p.8
TMHC FY25 tangible book (\$M)	5,646.00		Equity - Goodwill
TMHC FY25 GAAP diluted EPS (\$)	7.77		4Q25 Release p.7
TMHC FY25 Adj. diluted EPS (\$)	8.24		4Q25 Release p.12
Implied diluted share count (M) for EV math	93.80		\$6.8B / \$72.50 [VERIFY]
1Q26 weighted-avg diluted shares (M)	98.70		1Q26 Release

### Implied Deal Multiples (computed live)

Multiple	Value		Calc
P / FY25 GAAP EPS	9.33x		\$72.50 / \$7.77
P / FY25 Adj. EPS	8.80x		\$72.50 / \$8.24
P / FY25 Net Income (equity / NI)	8.69x		\$6.8B / \$782.5M
EV / FY25 EBITDA	7.08x		\$8.5B / \$1.201B
EV / FY25 Adj. EBITDA	6.58x		\$8.5B / \$1.292B
Price / Book Value	1.08x		\$6.8B / \$6.309B
Price / Tangible Book	1.20x		\$6.8B / \$5.646B
EV / Total Revenue	1.05x		\$8.5B / \$8.121B

All multiples computed from TMHC FY2025 actuals as reported in the 4Q25 Earnings Release (Feb 11, 2026). Forward multiples not presented - deal-discipline read uses trailing actuals.

## TMHC Historical Financials - FY2024, FY2025, 1Q26

All amounts \$M unless stated. Source: TMHC 4Q25 release, 1Q26 release.

## Income Statement

Line Item (\$M)	FY2024	FY2025	1Q26 Source
Home closings revenue, net	7,755.2	7,755.4	1,311.4 4Q25 p.7
Land closings revenue	81.4	36.9	4.5 4Q25 p.7
Financial services revenue	199.5	209.4	50.2 4Q25 p.7
Amenity and other revenue	132.0	119.7	28.6 4Q25 p.7
Total revenue	8,168.1	8,121.5	1,394.7 4Q25 p.7
Cost of home closings	5,863.7	6,008.0	1,049.4 4Q25 p.7
Cost of land closings	73.6	30.9	4.1 4Q25 p.7
Financial services expenses	108.6	104.6	25.8 4Q25 p.7
Amenity and other expenses	138.0	107.7	25.0 4Q25 p.7
Total cost of revenue	6,183.9	6,251.3	1,104.3 4Q25 p.7
Gross margin	1,984.2	1,870.2	290.4 Derived
Sales, commissions and marketing	456.1	461.5	88.6 4Q25 p.7
General and administrative	314.4	273.5	60.7 4Q25 p.7
Income from unconsolidated entities	(6.3)	(4.9)	(0.8) 4Q25 p.7
Interest expense, net	13.3	47.0	13.5 4Q25 p.7
Other expense, net	50.6	37.7	0.7 4Q25 p.7
Loss on debt extinguishment	0.0	13.3	0.0 4Q25 p.7
Income before income taxes	1,156.1	1,042.0	127.7 4Q25 p.7
Income tax provision	269.5	250.8	27.7 4Q25 p.7
Net income before NCI	886.6	791.3	100.0 4Q25 p.7
Net income (attributable)	883.3	782.5	99.0 4Q25 p.7
Diluted EPS (\$)	8.3	7.8	1.0 4Q25 p.7
Adjusted EPS (\$)	8.7	8.2	1.1 4Q25 p.12
Adjusted EBITDA	1,384.1	1,292.2	n/a [VERIFY] 4Q25 p.13

[VERIFY] 1Q26 Adjusted EBITDA not separately disclosed in 1Q26 release - reconcile from 10-Q when filed.

## Balance Sheet (period-end)

Line Item (\$M)	12/31/24	12/31/25	3/31/26 Source
Cash and cash equivalents	487.2	850.0	652.9 4Q25 p.8; 1Q26 p.7
Restricted cash	0.0	1.2	0.5 4Q25 p.8; 1Q26 p.7
Total cash	487.2	851.2	653.4 4Q25 p.8; 1Q26 p.7
Owned inventory	6,162.9	6,046.5	6,138.0 4Q25 p.8; 1Q26 p.7
Consolidated real estate not owned	71.2	94.2	100.5 4Q25 p.8; 1Q26 p.7
Total real estate inventory	6,234.1	6,140.7	6,238.6 4Q25 p.8; 1Q26 p.7
Land deposits	299.7	360.7	388.3 4Q25 p.8; 1Q26 p.7
Mortgage loans held for sale	207.9	132.5	139.0 4Q25 p.8; 1Q26 p.7
Investments in unconsolidated	439.7	487.0	483.0 4Q25 p.8; 1Q26 p.7
Property and equipment, net	232.7	259.0	268.8 4Q25 p.8; 1Q26 p.7
Goodwill	663.2	663.2	663.2 4Q25 p.8; 1Q26 p.7
Total assets	9,297.1	9,837.8	9,772.0 4Q25 p.8; 1Q26 p.7
Accounts payable	270.3	251.6	255.4 4Q25 p.8; 1Q26 p.7
Accrued expenses and other	632.3	682.5	586.1 4Q25 p.8; 1Q26 p.7
Customer deposits	239.2	125.0	154.5 4Q25 p.8; 1Q26 p.7
Senior notes, net	1,470.5	1,463.3	1,463.9 4Q25 p.8; 1Q26 p.7
Loans payable and other borrowings	475.6	745.2	787.1 4Q25 p.8; 1Q26 p.7
Mortgage warehouse borrowings	174.5	82.6	90.9 4Q25 p.8; 1Q26 p.7
Total liabilities	3,419.0	3,528.5	3,523.8 4Q25 p.8; 1Q26 p.7
Stockholders' equity	5,878.2	6,309.3	6,248.2 4Q25 p.8; 1Q26 p.7
Total liabilities + equity	9,297.1	9,837.8	9,772.0 4Q25 p.8; 1Q26 p.7

## Key Operating Metrics

Metric	FY2024	FY2025	1Q26 Source
Home closings (units)	12896	12997	2268 4Q25 p.9; 1Q26 p.8
Average selling price (\$K)	601	597	578 4Q25 p.9; 1Q26 p.8
Net sales orders (units)	12248	11074	2914 4Q25 p.9; 1Q26 p.8
Backlog units (period-end)	4742	2819	3465 4Q25 p.10; 1Q26 p.8
Backlog sales value (\$M)	3192.1	1856.6	2302.8 4Q25 p.10; 1Q26 p.8
Ending active communities	339	341	356 4Q25 p.10; 1Q26 p.8
Home closings GM %	24.4%	22.5%	20.0% 4Q25 p.4; 1Q26 p.1
Adj. Home closings GM %	24.5%	23.0%	20.6% 4Q25 p.13; 1Q26 p.1
SG&A % of HC revenue	9.9%	9.5%	11.4% 4Q25 p.4; 1Q26 p.3
Lots owned and controlled	86153	78835	75626 4Q25 p.3; 1Q26 p.3
% Lots controlled off B/S	57%	54%	51% 4Q25 p.3; 1Q26 p.3
Years of supply (TTM)	6.6	6.1	6.2 4Q25 p.3; 1Q26 p.3
Mortgage capture rate	89%	88%	88% 4Q25 p.3; 1Q26 p.3
Total liquidity (\$B)	1.8	1.8	1.6 4Q25 p.3; 1Q26 p.3
Net HB debt to capital %	20.0%	17.8%	20.5% 4Q25 p.14; 1Q26 p.3

## Deal Math - Implied Transaction Value & Multiples

Based on press release May 31, 2026. All multiples on TMHC FY2025 actuals.

Transaction Value Build			
Component	Value	Per Share	Source / Note
Per-share cash consideration (\$)	72.50	72.50	Press release p.1
Implied diluted shares outstanding (M)	93.80		Equity / per-share
Equity value (\$B)	6.80		Press release p.1
+ TMHC homebuilding debt 12/31/25 (\$M)	2,220.20		4Q25 p.14
- TMHC cash & equivalents 12/31/25 (\$M)	(850.00)		4Q25 p.8
- Mortgage warehouse (operational) (\$M)	(82.60)		Excluded from net HB debt
Err:509	1,370.10		4Q25 p.14
Implied other adjustments (\$M)	329.90		EV - Equity - Net HB Debt
Enterprise value (\$B) - stated	8.50		Press release p.1

[VERIFY] The \$329.9M residual between stated EV minus computed Equity + Net HB Debt likely reflects (a) minority interest, (b) deferred-tax adjustments, (c) restricted cash or other working-capital items in the EV definition. Reconcile to merger proxy when filed.

Equity Value Multiples			
Multiple	Numerator	Denominator	Implied
P / FY25 GAAP EPS	\$72.50	\$7.77	9.33x
P / FY25 Adj. EPS	\$72.50	\$8.24	8.80x
P / FY25 Net Income	\$6,800M	\$782.5M	8.69x
P / FY25 Adj. Net Income	\$6,800M	\$830.0M	8.19x
P / Book Value (12/31/25)	\$6,800M	\$6,309M	1.08x
P / Tangible Book	\$6,800M	\$5,646M	1.20x
Premium to BVPS (\$64)	\$72.50	\$64.00	13%

Enterprise Value Multiples			
Multiple	Numerator	Denominator	Implied
EV / FY25 Total Revenue	\$8,500M	\$8,121M	1.05x
EV / FY25 Home Closings Revenue	\$8,500M	\$7,755M	1.10x
EV / FY25 EBITDA	\$8,500M	\$1,201M	7.08x
EV / FY25 Adj. EBITDA	\$8,500M	\$1,292M	6.58x
EV / FY25 EBIT (operating income)	\$8,500M	~\$1,089M	7.8x
EV / Total Real Estate Inventory	\$8,500M	\$6,141M	1.38x

Premium Analysis			
Reference Price	Value (\$)	Premium	Source
Undisturbed close 5/29/26	58.50	+24.0%	Press release p.1
TMHC BVPS (12/31/25)	64.00	+13.3%	Equity / shares
TMHC 1Q26 BVPS (3/31/26)	64.00	+13.3%	1Q26 release p.1
TMHC FY25 average price [VERIFY]	~62	~+17%	Approximate
Q1 26 average buyback price	61.00	+18.9%	1Q26 release p.3

**Public Homebuilder Comparables - Trading Multiples, Debt + Capital Return**

All data as of late-May / early-June 2026, primarily Yahoo Finance + GuruFocus. Refresh from a paid data source before publication.

**A. Market Cap, EV, and Trading Multiples (May-June 2026)**

Builder	Ticker	Mkt Cap (\$B)	EV (\$B)	P/E (TTM)/E (Fwd, est.)	P/B (MRQ) BITDA (TTM)	Div Yield	tal Debt (\$B)	Cash (\$B)	Profile Note	
DR Horton	DHI	\$41.71	46.4x	13.8x	11.50x	1.77x	11.5%	\$0.90	\$5.97/1.25	Largest US builder; entry/first-move-up; broad geo
Lennar	LEN	\$22.06	24.9x	12.9x	10.50x	1.01x	10.4%	\$1.50	\$4.55/1.68	Land-light leader; broad SKU; FivePoint gain
NVR Inc.	NVR	\$16.52	15.9x	14.9x	14.00x	4.75x	9.6%	\$0.00	\$0.92/1.55	Lot-option model; no land bank; NET CASH position
PulteGroup	PHM	\$22.42	22.4x	11.4x	10.00x	1.74x	8.1%	\$1.00	\$1.41/1.45	Diversified buyer segments; Centex / Del Webb / D/Vesta
KB Home	KBH	\$3.20	4.9x	9.4x	8.00x	0.80x	10.2%	\$2.00	\$2.06/0.34	Entry-level focus; lower margin; highest relative leverage
Meritage Homes	MTH	\$4.35	5.5x	11.9x	10.00x	0.85x	10.8%	\$1.70	\$1.49/0.35	Closest TMHC comparable in size; Sun Belt focus
Toll Brothers	TOL	\$12.93	14.8x	10.5x	9.00x	1.50x	8.3%	\$1.00	\$2.30/0.48	Luxury skew; higher margin (closest TMHC buyer-profile)
Tri Pointe Homes	TPH	\$4.00	4.4x	22.0x	12.00x	1.21x	14.2%	\$0.00	\$0.80/0.4	CAVIX concentration; elevated P/E on depressed EPS
Cohort median		\$12.93	14.8x	12.4x	10.25x	1.36x	10.5%	\$1.00	\$1.78/1	Excl. TMHC
Cohort mean		\$15.90	17.4x	13.4x	10.60x	1.70x	10.4%	\$1.00	\$2.44/0.94	Excl. TMHC
TMHC (deal price)	TMHC	\$6.80	8.5x	8.8x	n/m (priv.)	1.08x	6.6%	\$0.00	\$2.22/0.85	Berkshire all-cash; ZERO dividend (pure buyback returner)
TMHC (undisturbed close)	TMHC	\$5.49	7.2x	7.0x	n/m	0.87x	5.6%	\$0.00	\$2.22/0.85	Pre-announcement market price

[VERBP] Trading multiples + market cap + EV: as of late-May / early-June 2026 from Yahoo Finance and GuruFocus. Forward P/E is consensus estimate (rough; sensitive to which broker poll). Debt and cash are most recent MRQ filings. Refresh from FactSet / S&P CapitalQ / Bloomberg before any public publication.

**B. Debt Analysis - Leverage and Cash Position**

Builder	Ticker	tal Debt (\$B)	Cash (\$B)	net Debt (\$B)	Debt / EV (%)	Net Debt / Mkt Cap (%)	Debt-to-Cap Tier	Note
DR Horton	DHI	\$5.97	\$1.25	4.7%	10.2%	11.3	Moderate	Largest absolute debt; capacity matched to scale
Lennar	LEN	\$4.55	\$1.68	2.9%	11.5%	13	Moderate	Strong cash position; net leverage manageable
NVR Inc.	NVR	\$0.92	\$1.55	-0.6%	-1.4%	-3.8	Net CASH	Asset-light model; carries net cash; lowest leverage
PulteGroup	PHM	\$1.41	\$1.45	0.0%	-0.2%	-0.2	Net Neutral	Balanced debt/cash; effectively unleveraged
KB Home	KBH	\$2.06	\$0.34	1.7%	35.0%	53.8	HIGH (33%+ ND/EV)	Highest relative leverage in cohort; entry-level squeeze
Meritage Homes	MTH	\$1.49	\$0.35	1.1%	20.8%	26.2	Moderate-High	Sun Belt growth focus; moderate-high relative leverage
Toll Brothers	TOL	\$2.30	\$0.48	1.8%	12.3%	14.1	Low-Moderate	Higher-priced inventory carries modest debt
Tri Pointe Homes	TPH	\$0.80	\$0.40	0.4%	9.1%	10	Low	Smaller scale; conservative balance sheet
Cohort median		\$2.06	\$0.78	1.4%	10.1%	11.6		
TMHC (deal-time)	TMHC	\$2.22	\$0.85	1.4%	16.1%	20.1	Moderate (in line w/ cohort median)	Net homebuilding debt / cap 17.8% per 4Q25 release p.14

Net debt = total debt less cash and equivalents. Net Debt / EV is the positioner-grade leverage metric for homebuilders because EV captures both equity and debt sides of the capital stack. NVR is the anomaly; asset-light lot-option model means it doesn't need a land bank, so it carries net cash and trades at a premium book multiple (~4.75x P/B vs cohort ~1.2-1.7x).

**C. Capital Return Profile - Dividends + Buybacks**

Builder	Ticker	Annual Dividend / Sh (\$)	Div Yield (%)	Buyback Program?	Capital-Return Posture	Note	
DR Horton	DHI	1.5	130.0%	1.2	Yes (active)	Dividend + Buyback (balanced)	Modest yield; opportunistic buybacks
Lennar	LEN	2	130.0%	1.5	Yes (active)	Dividend + Buyback (balanced)	Increased dividend recent years
NVR Inc.	NVR	0	5,200%	0	Yes (large)	Pure Buyback (no dividend)	Pure-buyback returner; same posture as TMHC
PulteGroup	PHM	0.84	105.0%	0.8	Yes (active)	Dividend + Buyback (balanced)	Modest yield; meaningful buybacks
KB Home	KBH	1	50.0%	2	Yes (smaller)	Higher Yield (defensive) Dividend + Buyback (balanced)	Highest yield in cohort; reflects depressed valuation
Meritage Homes	MTH	1	60.0%	1.7	Yes (smaller)	Dividend + Buyback (balanced)	Initiated regular dividend recent years
Toll Brothers	TOL	0.95	130.0%	0.7	Yes (active)	Dividend + Buyback (balanced)	Modest yield; buybacks are primary return
Tri Pointe Homes	TPH	0	40.0%	0	Yes	Pure Buyback (no dividend)	No dividend history
TMHC	TMHC	0	\$72.50 (deal)	0	Yes (\$1B auth through 2027)	Pure Buyback (no dividend since 2013 IPO)	Returned ~\$1.5B since program inception

Dividend yields are approximate (price drift moves them daily). Three of the eight peers carry ZERO dividends and are pure buyback returners: NVR, TPH, and TMHC. The dividend-paying peers (DHI, LEN, PHM, KBH, MTH, TOL) carry modest yields (0.7-2.0%) and supplement with buybacks; KB Home's 2.0% yield is the cohort high and reflects its depressed valuation, not a deliberate high-yield strategy.

**D. TMHC vs Cohort - Where the Deal Fits**

Metric	TMHC (deal)	Cohort Median	Cohort Range	TMHC vs Median	Read
P/E (TTM, Adj)	8.8x	12.4x	9.4x - 22.0x	29% BELOW	TMHC priced cheaper than every peer except KB Home. Below median; defensible (not distressed)
P/B (MRQ)	1.08x	1.36x	0.80x - 4.75x	21% BELOW	LOWEST cash-flow multiple in entire cohort
EV/EBITDA (TTM, Adj)	6.6x	10.45x	7.9x - 14.8x	37% BELOW	Moderate leverage; in line w/ Lennar / Meritage range
Net Debt / EV	16.1%	10.1%	-1.4% to 35%	ABOVE median	Pure buyback returner (like NVR, TPH)
Dividend Yield	0.0%	1.0%	0.0% - 2.0%	ZERO	\$1B authorization through 2027 (4Q25 release p.4)
Annual Buyback (\$M)	~\$400M run-rate	n/a (varies)	n/a	Active program	

Headline reading: Berkshire bought the cheapest publicly-traded US homebuilder on cash flow (lowest EV/EBITDA in cohort, 37% below median) at a defensible (not distressed) book multiple. The 24% deal premium pulled TMHC from 0.8x book to 1.08x book - still below the cohort median 1.36x. The closest buyer-profile comp (Toll Brothers at 8.3x EV/EBITDA, luxury skew matching TMHC's Esplanade emphasis) trades at a 26% premium to the TMHC deal multiple. There is no peer in the cohort that trades at or below the price Berkshire paid - even the cohort floor sits above the deal multiple.

## Cycle Sensitivity - Mid-Cycle EBITDA Scenarios

Berkshire's compound return on the \$8.5B EV varies with mid-cycle EBITDA assumption.

### Mid-Cycle EBITDA Scenarios

Scenario	Mid-Cycle EBITDA (\$M)	EV/EBITDA at deal	Pre-tax Yield	After-tax FCF Yield	Read
Deep recession	700	12.1x	8.2%	6.2%	TMHC under prolonged stress
Soft cycle	900	9.4x	10.6%	7.9%	1Q26 run-rate annualized
Mid-cycle (assumed)	1,200	7.1x	14.1%	10.6%	Slightly below FY25
Current run-rate (FY25)	1,292	6.6x	15.2%	11.4%	FY25 Adj. EBITDA
Up-cycle (FY24-comparable)	1,384	6.1x	16.3%	12.2%	FY24 Adj. EBITDA
Peak cycle (FY22-comparable)	1,800	4.7x	21.2%	15.9%	Approx FY22 historic peak [VERIFY]

After-tax FCF yield assumes 25% effective tax rate (TMHC FY25 effective rate 24.1%) and EBITDA-to-FCF conversion of 1.0x (illustrative; production builders typically convert 0.6-0.9x EBITDA to FCF after working-capital absorption).

### Rate-Sensitivity Cycle Bracket

Rate Environment	30-yr Mortgage Rate	Implied Volume Impact	Implied EBITDA Impact	EV/EBITDA at \$8.5B	Note
Lower rates / normal	5.5-6.0%	+15-20% units	+25-30% EBITDA	5.0-5.5x	Up-cycle scenario
Current (1Q26)	6.5-7.0%	Baseline	Baseline	6.6x	FY25 Adj. EBITDA basis
Higher rates / strained	7.5-8.0%	-10-15% units	-15-20% EBITDA	7.7-8.2x	1Q26-extended trough
Recession + rate cut	5.5-6.0%	-5% units, +ASP recovery	-5% EBITDA	~7x	Mixed - cycle bottoming

[VERIFY] Rate-sensitivity table is directional - based on long-run elasticity of new-home demand to mortgage rate (~3% units per 100 bps). Refresh from TMHC IR commentary in 1Q26 / 2Q26 cycle.

## TMHC Post-Close - Berkshire Segment Mapping

*Berkshire reports housing across multiple segments. TMHC most likely reports into Manufacturing / Building Products.*

Berkshire Residential Footprint - Pre-TMHC			
Business	Role	Reporting segment	Source
Clayton Homes (manufactured)	49,400 off-site homes 2025	Manufacturing (Building Products)	BRK 10-K p.K-16
Clayton Properties Group (site-built)	~10,000 site-built homes 2025; 9 builders in 17 states	Manufacturing (Building Products)	BRK 10-K p.K-16
HomeServices of America	~35,000 agents, 770 offices, 35 states + DC; franchise network 250+ franchisees	Service & Retailing	BRK 10-K p.K-11
Shaw Industries	Carpet/flooring - 3,800+ styles	Manufacturing (Building Products)	BRK 10-K p.K-16
Benjamin Moore	Premium architectural paint, 8,000+ retailers	Manufacturing (Building Products)	BRK 10-K p.K-18
MiTek	Engineered building products / connectors / software	Manufacturing	BRK 10-K
Acme Brick	Brick / masonry / stone	Manufacturing (Building Products)	BRK 10-K
Johns Manville	Insulation / roofing / engineered products	Manufacturing (Building Products)	BRK 10-K
Berkshire Hathaway Energy	Utilities (PacifiCorp, MidAmerican, NV Energy, NSP, others)	Railroad, Utilities & Energy	BRK 10-K p.K-7

TMHC Post-Close Placement (Institute view)			
TMHC Unit	Likely BRK home	Note	Conf
Taylor Morrison site-built homebuilding	Manufacturing (Building Products) - merged with Clayton Properties Group over time	Abel statement: 'unify our site-built homebuilding operations'	High
Esplanade resort-lifestyle	Manufacturing (Building Products) - run inside TMHC operating unit	Brand likely retained	High
Yardly (Build-to-Rent)	Possible spin into BHE-adjacent rental vehicle, or stays within TMHC	Strategic option, 24-36 mo decision	Med
TMHF (mortgage origination)	Service & Retailing - possibly merged with HomeServices mortgage	Capture-rate gains	Med
Inspired Title	Service & Retailing - possibly merged with HomeServices title	Closing-table economics	Med
TMIS (insurance agency)	Service & Retailing or Insurance group	Small; integration optional	Low-Med

*Confidence levels are the Institute's read of strategic likelihood based on Berkshire's historical integration patterns with Clayton and HomeServices. Berkshire does not preannounce integration plans. Actual segment placement will be disclosed in Berkshire's first 10-K post-close.*

Berkshire Capital Position 3/31/26 (deal funding capacity)			
Line Item (\$B)	3/31/26	12/31/25	Source
Cash and cash equivalents (Insurance)	51.5	47.7	BRK 1Q26 p.2
Short-term Treasury Bills (Insurance)	339.3	321.4	BRK 1Q26 p.2
Cash and cash equivalents (Railroad/Util)	6.6	4.2	BRK 1Q26 p.2
Total cash + Treasuries	397.4	373.3	Sum
Equity securities portfolio	288.0	297.8	BRK 1Q26 p.2
TMHC EV (deal use of cash)	8.5	n/a	Press release
TMHC EV as % of cash + Treasuries	2.1%	n/a	Computed

## Comparable-Set Valuation Summary - What Berkshire Paid vs. Public Comps

*Directional view; comp multiples flagged [VERIFY].*

### Implied TMHC Value at Comp Multiples

Apply Multiple	Comp Median (est.)	Apply to TMHC FY25	Implied EV/Equity (\$B)	vs. Deal \$8.5B EV
Comp P/E - apply ~8.5x to TMHC FY25 EPS \$7.77	8.5x	\$7.77 EPS	5.8 equity	-\$1.0 vs \$6.8
Comp P/B - apply ~1.15x to TMHC FY25 BVPS \$64	1.15x	\$64 BVPS	6.9 equity	+\$0.1 vs \$6.8
Comp EV/EBITDA - apply ~6x to FY25 Adj EBITDA \$1.292B	6.0x	\$1,292M Adj EBITDA	7.8 EV	-\$0.7 vs \$8.5
Comp EV/EBITDA - apply ~7x to FY25 Adj EBITDA \$1.292B	7.0x	\$1,292M Adj EBITDA	9.0 EV	+\$0.5 vs \$8.5
TMHC closest peer multiples (KBH/MTH/TPH avg)	6.5x P/E, 1.0x P/B, 5.5x EV/EBITDA	Multiple sources	5-7 EV range	Slight discount to deal

*Implied EV/Equity figures use illustrative comp medians. Berkshire's \$8.5B EV / \$6.8B equity value sits modestly above the comp-median equity implied multiple - consistent with a 24% control premium over a Q2 2026 trading multiple.*

### What this multiple bought Berkshire (compound return illustration)

Scenario	Mid-Cycle FCF (\$M)	Years to Earn Back EV	10-Yr IRR (Pre-Tax)	Read
Bear (cycle stays soft)	600	14.2	~5%	Cycle never normalizes
Base (mid-cycle = \$1.0-1.2B FCF)	1,000	8.5	~8-9%	Median expected outcome
Bull (cycle re-accelerates + Esplanade/Yardly scale)	1,400	6.1	~12-14%	Includes platform-multiplier
Berkshire baseline hurdle	ng-bond + risk premium	n/a	~7-9%	Internal Berkshire hurdle [VERIFY]

**[VERIFY]** Mid-cycle FCF and IRR figures are illustrative scenarios for case-study purposes. Berkshire does not publish acquisition-IRR targets; the 'baseline hurdle' is the Institute's inference from Buffett's annual-letter framework, not a Berkshire-disclosed number.

## Capital Return History - What Ends at Close

TMHC has been a meaningful repurchaser; the program ends at close.

### Share Repurchase History

Period	Shares Repurchased (M)	\$ Spent (\$M)	Avg Price (\$)	Source
FY 2021 - 1Q 2026 cumulative	39.0	1,500.0	n/a	4Q25 release p.3 (since 2021)
Approximately % of shares retired	~34%			4Q25 release p.3
FY 2025 total	6.5	381.0	58.60	4Q25 release p.3
4Q 2025	1.2	71.0	59.20	4Q25 release p.3
1Q 2026	2.5	150.0	60.00	1Q26 release p.3 (~\$61 avg)
Repurchase authorization remaining (3/31/26)	n/a	863.0	n/a	1Q26 release p.3
Current authorization total	n/a	1,000.0	n/a	4Q25 release p.4 (extends thru 12/31/27)

### Dividend Policy

Item	Status	Note
Common dividend	None paid	TMHC has not declared dividends as a public company
Preferred dividend	None outstanding	n/a
Capital return mechanism	Buybacks only	Approximately \$381M FY25; \$150M 1Q26

### Post-Close Capital Return

Item	Pre-Close	Post-Close	Note
Buyback program	\$1B authorized through 12/31/27	Terminated at close	Standard Berkshire treatment
Dividend payments	None	Will not be reinstated	Berkshire does not pay dividends from operating subs
Free cash flow routing	Internal reinvestment + buybacks	Routes to Berkshire HQ for redeployment	Cash flow upstream to BRK Omaha
TMHC land investment	~\$2B/yr guided FY26	Likely flat-to-up	Berkshire patient with land cycle

## Footnotes & Sources

Every numeric input traces to a specific document and page.

### Source Documents

Citation	Document	Date / Period
PR	Press release: 'Berkshire Hathaway to Acquire Taylor Morrison Home Corporation for \$8.5 Billion'	May 31, 2026
TMHC-10K	Taylor Morrison Home Corporation Form 10-K	FY ended 12/31/2025
TMHC-10Q	Taylor Morrison Home Corporation Form 10-Q	Quarter ended 3/31/2026
TMHC-4Q25	TMHC 4Q25 Earnings Release	Feb 11, 2026
TMHC-1Q26	TMHC 1Q26 Earnings Release	Apr 22, 2026
TMHC-4Q25-IP	TMHC 4Q25 Investor Presentation	Feb 11, 2026
TMHC-1Q26-IP	TMHC 1Q26 Investor Presentation	Apr 22, 2026
BRK-10K	Berkshire Hathaway Inc. Form 10-K	FY ended 12/31/2025
BRK-10Q	Berkshire Hathaway Inc. Form 10-Q	Quarter ended 3/31/2026

### [VERIFY] Register - Items Pending Refresh

Marker	Description	Resolution Path
[VERIFY-share-count]	Reconciliation of ~93.8M shares (implied from \$6.8B / \$72.50) to 1Q26 weighted-avg diluted 98.7M	Definitive proxy when filed
[VERIFY-comp-multiples]	DHI, LEN, NVR, PHM, KBH, MTH, TOL, TPH P/E, P/B, EV/EBITDA TTM	FactSet / S&P CapIQ / Bloomberg refresh
[VERIFY-VWAP]	TMHC TTM VWAP estimate	Public price-history database
[VERIFY-52wk]	TMHC 52-week trading range	Public price-history database
[VERIFY-1Q26-EBITDA]	1Q26 Adjusted EBITDA not separately disclosed in earnings release	1Q26 10-Q financial statements
[VERIFY-peak-EBITDA]	FY22 historical peak Adj. EBITDA reference figure	TMHC FY22 10-K
[VERIFY-BRK-hurdle]	Berkshire internal acquisition IRR hurdle is the Institute's inference	Not a Berkshire-disclosed number

### Methodology Notes

<b>Currency convention</b>	All dollars in \$M unless otherwise noted (\$B billions, \$K thousands). No interior \$ signs in numeric cells.
<b>Alignment convention</b>	Numeric columns right-justified per Institute discipline (matches Lyft / CLF / Fiserv models).
<b>Adjusted EBITDA</b>	TMHC non-GAAP measure per 4Q25 release p.13; adjustments include legal reserves, real-estate impairments, pre-acq abandonment, warranty, debt-extinguishment losses, non-cash comp.
<b>Net homebuilding debt</b>	Per TMHC's own definition: senior notes + other borrowings + mortgage warehouse adjustments less unrestricted cash; per 4Q25 release p.14.
<b>Book value per share</b>	\$6,309M (12/31/25 equity) / ~98.7M weighted-avg diluted shares = approximately \$64 per share.
<b>Tangible book value</b>	Stockholders' equity less \$663M goodwill = \$5,646M; excludes intangibles which TMHC does not separately disclose.
<b>Implied EV components</b>	EV (\$8.5B) - Equity (\$6.8B) = \$1.7B implied net debt; reconciles approximately to net homebuilding debt + minority interest + working-capital adjustments.

## Library Crosswalk - Which Institute Guides This Case Illuminates

See companion *Library Crosswalk PDF* for full chapter-by-chapter read.

Crosswalk Summary			
Guide	Lead Chapter	Severity	Read
<b>Private Equity Guide</b>	Deal Mechanics & Comparable-Company Pricing	High	Full PE / strategic-buyer deal-mechanics flow at public-merger scale.
<b>First Principles of Master Investing</b>	Berkshire Doctrine; Margin of Safety	High	Live Berkshire-discipline read against the FP framework.
<b>CFO &amp; Controller's Guide</b>	Capital Allocation (Ch. 18)	High	Textbook cash-on-balance-sheet acquisition financing.
<b>Business Buyers Guide</b>	Owner-Operator Acquisition Lens	High	Palmer-stays template at large scale - lesson for small-business acquirers.
<b>Liquidity Event Playbook</b>	Strategic Sale to a Patient Buyer	Medium-High	TMHC shareholder's liquidity event - cash, modest premium, premium-priced certainty.
<b>Insurance &amp; Risk Architecture</b>	Float Deployment	Medium	Berkshire's \$397B insurance-float-driven cash deploys into long-cycle assets.
<b>Real Estate Decoded</b>	Production Homebuilder Economics	Medium	Sun Belt land-and-build economics from a residential-decoded lens.
<b>Tax Strategy Decoded</b>	Cash Merger Tax Treatment	Medium	TMHC shareholders receive \$72.50 cash - capital-gains realization event.