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Berkshire’s $377 Billion Question: Record Cash, Falling Profits and Abel’s Buyback Bet

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EXECUTIVE SUMMARY

Berkshire Hathaway’s operating profit fell 5.8 percent to $12.7 billion in the third quarter of 2026, yet its cash pile hit a record $377.4 billion and buybacks more than doubled to $9.6 billion. This study measures the insurance slump, the cash mountain and what new chief executive Greg Abel does next.

KEY RESEARCH FINDINGS & STRATEGIC OUTLOOK

Executive Summary OMAHA Berkshire Hathaway’s third quarter delivered the paradox that has defined the post-Buffett era: profits fell, and the cash pile grew anyway. Operating earnings dropped 5.8 percent to $12.705 billion in the three months to September 30, the company reported on Saturday, November 7, while cash and Treasury bills reached a record $377.4 billion. The question the numbers pose is simple: with more money than ever, what does Berkshire do next? The drag came from insurance, the engine on which Warren Buffett built the empire. Underwriting earnings fell 43 percent to $1.352 billion as Geico’s costs climbed, and insurance investment income dropped 14 percent to $2.734 billion. Yet the rest of the conglomerate held up: railroad, energy and manufacturing earnings all expanded, revenue rose 11 percent to $105.65 billion, and operating earnings for the first nine months of 2026 reached $37.0 billion, up from $34.3 billion a year earlier. The headline response was not a deal but a buyback. Berkshire repurchased $9.6 billion of its own shares in the quarter more than double the $4.5 billion of the second quarter and about $2 billion more in October. Under Greg Abel, who succeeded Buffett as chief executive, the company is showing a greater willingness to put its cash to use. This study measures the slump, the cash mountain and the buyback bet, and tests what each says about the year ahead. Methodology This study rests on Berkshire Hathaway’s third-quarter 2026 earnings release and Form 10-Q, published on Saturday, November 7, cross-checked against Reuters reporting, market-wire summaries and independent analyses of the filing. Every load-bearing figure appears in at least two independent reports. Where sources count cash differently a gross balance-sheet total against Berkshire’s own adjusted measure the

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