

Precision Castparts | Private Company Profile

Deal #2: Merger/Acquisition, \$37.2B, Completed; 29-Jan-2016

Deal Types	Merger/Acquisition	Financing Status	Corporate Backed or Acquired	Post Valuation	\$38.37B ^E
Deal Amount	\$37.20B	Financing Source	Corporate	CEO/Lead Mgt	Byron Gaddis
Deal Status	Completed			Site	Portland, OR
Deal Date	29-Jan-2016			Business Status	Profitable
Announced Date	10-Aug-2015				
% Acquired	96.94%				

Deal Synopsis

The company (NYSE: PCP) was acquired by Berkshire Hathaway (NYSE: BRK.A) for \$37.2 billion on January 29, 2016. The acquisition allows Berkshire Hathaway to expand its product portfolio in the industrial sector.

‡ Not necessarily a summation of individual debt figures

** Does not include grant funding

E Estimated

Investors (1)

Investor Name	Status	Lead/Sole	Comments
1. Berkshire Hathaway	Acquirer	Yes	Amount: \$37.20B Lead Partner: Warren Buffett Form of Payment: Cash

E Estimated

Advisors (10)

#	Advisor Name	Service Type	Hired By	Comments
1.	The Abernathy MacGregor Group	Advisor: Communications	Precision Castparts	
2.	Merrill Lynch Pierce Fenner & Smith	Advisor: General	Berkshire Hathaway	
3.	Bank of America Merrill Lynch	Advisor: General	Precision Castparts	
4.	Citigroup	Advisor: General	Precision Castparts	
5.	Credit Suisse	Advisor: General	Precision Castparts	Lead Partner: Andrew Lipsky
6.	Allen & Overy	Legal Advisor	Berkshire Hathaway	

7.	Munger, Tolles & Olson	Legal Advisor	Berkshire Hathaway	Lead Partner:	Robert Denham JD
8.	Alston & Bird	Legal Advisor	Credit Suisse	Lead Partner:	Aaron Dixon JD
9.	Cravath, Swaine & Moore	Legal Advisor	Precision Castparts	Lead Partner:	Faiza Saeed JD
10.	Stoel Rives	Legal Advisor	Precision Castparts	Lead Partner:	Margaret Noto

Stock Info

Price Per Share	\$235.00 ^E	% Owned by Buyer Before	3.06%
		% Owned by Buyer After	100.00%

E Shares Sought and Price Per Share calculated using the Weighted Average Method

Stock Price Data

Deal Announced: 10-Aug-2015

Precision Castparts

VWAP 30 days prior:	\$193.58
Price 5 days prior:	\$192.19
Price 1 day prior:	\$193.88
Price on Announce Date:	\$230.92
Price 1 day after:	\$230.80
Price 5 days after:	\$230.50
Price 30 days after:	\$229.27

Deal Closed: 29-Jan-2016

Precision Castparts

VWAP 30 days prior:	\$232.61
Price 5 days prior:	\$231.48
Price 1 day prior:	\$234.85
Price on Close Date:	\$234.95
Price 1 day after:	\$234.95
Price 5 days after:	\$234.95
Price 30 days after:	\$234.95

Berkshire Hathaway (BRK.B)

VWAP 30 days prior:	\$128.04
Price 5 days prior:	\$127.04
Price 1 day prior:	\$126.01
Price on Close Date:	\$129.77
Price 1 day after:	\$129.77
Price 5 days after:	\$126.24
Price 30 days after:	\$131.92

Financials

Financials - Fiscal Year 2016

All Financials in Thousands, USD

Deal Multiples		Income Statement		Balance Sheet	
Valuation / EBITDA	17.68	Total Revenue	9,506,000	Total Current Assets	5,835,000
Valuation / EBIT	21.03	Gross Profit	2,670,000	Net Property, Plant and Equipment	2,660,000
Valuation / Net Income	40.48	Total Operating Profit/(Loss)	1,889,000	Total Non-Current Assets	14,662,000
Valuation / Revenue	4.04	Earnings Before Interest, Tax, Depreciation, & Amortization (EBITDA)	2,170,000	Total Assets	20,497,000
Valuation / Cash Flow	-935.96	Earnings Before Interest and Tax (EBIT)	1,825,000	Total Current Liabilities	1,485,000
Deal Size / EBITDA	17.14	Net Income from Continuing Operations	977,000	Total Non-Current Liabilities	7,273,000
Deal Size / EBIT	20.38	Net Income Available to Common Stockholders	948,000	Total Liabilities	8,758,000
Deal Size / Net Income	39.24	Normalized Income	1,293,308	Total Equity	11,739,000
Deal Size / Revenue	3.91	Diluted EPS from Continuing Operations	7.04	Equity Attributable to Parent Stockholders	11,709,000
Deal Size / Cash Flow	-907.32	Normalized Diluted EPS	9.31	Total Debt	5,184,000
Implied EV / EBITDA	17.47	Diluted Weighted Average Shares Outstanding	139,075,000	Total Shares Outstanding (TSO)	137,588,238
Implied EV / EBIT	20.77			Working Capital	4,350,000
Implied EV / Net Income	39.98				
Implied EV / Revenue	3.99				
Implied EV / Cash Flow	-924.40				

Cash Flow		Ratios		Multiples*	
Cash Flow from Operating Activities, Indirect	1,413,000	EBITDA Margin	22.83%	Stock Price	232.01
Cash Flow from Investing Activities	(1,581,000)	Revenue % Growth	-5.10%	Market Cap	31,921,847
Cash Flow from Financing Activities	127,000	EBITDA % Growth	-31.05%	Enterprise Value	36,316,847
Change in Cash	(41,000)	EBIT % Growth	-35.56%	Enterprise Value to Revenue	3.76
Capital Expenditure (Calc)	506,000	Net Income from Continuing Operations Sequential % Growth	-27.14%	Enterprise Value to EBIT	15.59
Issuance of/(Payments for) Common Stock, Net	(884,000)	Net Income Available to Common Stockholders Sequential % Growth	-28.29%	Enterprise Value to EBITDA	13.62
Cash Dividends Paid	(16,000)	Current Ratio	3.93	Price to Earnings	24.24
Cash and Cash Equivalents, Beginning of Period	430,000	Quick Ratio	1.33	Price to Book (PB)	2.85
Cash and Cash Equivalents, End of Period	343,000	Debt to Equity	0.44	Price to Cash Flow (PCF)	14.78
		Total Debt to Equity	0.44	Price to Tangible Book Value	49.88
		Total Asset Turnover	0.47		
		Normalized Return on Equity	11.32%		
		Normalized Return on Assets	6.46%		
		Normalized Return on Invested Capital	8.35%		
Data Origination					
Restated	Yes				
Calculated	Yes				

Investors (1)

Acquirer (1)

Name	Investor Type	Related Deals
Berkshire Hathaway	Corporation	#2. Merger/Acquisition : New Investor, Jan 2016, Warren Buffett, \$37.20B

Service Providers

General Service (3)

Service Provider Name	Service Provided	Comments
Bushkin Associates	Advisor: General	
The Abernathy MacGregor Group	Advisor: Communications	
Wood Warren & Co.	Advisor: General	

Service on a Deal (10)

Service Provider Name	Service Provided	Service To	Deal Date	Deal #	Comments	
Allen & Overy	Legal Advisor	Berkshire Hathaway	29-Jan-2016	2	Start Date:	10-Aug-2015
Alston & Bird	Legal Advisor	Credit Suisse	29-Jan-2016	2		
Bank of America Merrill Lynch	Advisor: General	Precision Castparts	29-Jan-2016	2	Start Date:	10-Aug-2015
Citigroup	Advisor: General	Precision Castparts	29-Jan-2016	2	Start Date:	10-Aug-2015
Cravath, Swaine & Moore	Legal Advisor	Precision Castparts	29-Jan-2016	2	Start Date:	10-Aug-2015
Credit Suisse	Advisor: General	Precision Castparts	29-Jan-2016	2	Start Date:	10-Aug-2015
Merrill Lynch Pierce Fenner & Smith	Advisor: General	Berkshire Hathaway	29-Jan-2016	2		
Munger, Tolles & Olson	Legal Advisor	Berkshire Hathaway	29-Jan-2016	2	Start Date:	10-Aug-2015
Stoel Rives	Legal Advisor	Precision Castparts	29-Jan-2016	2	Start Date:	10-Aug-2015
The Abernathy MacGregor Group	Advisor: Communications	Precision Castparts	29-Jan-2016	2		

Lead Partners on Deals (6)

Investors (1)

Name	All Deals	Title	Representing	Deals	Phone	Email
Warren Buffett	65	Chief Executive Officer & Chairman	Berkshire Hathaway	#2. Merger/Acquisition: Jan 2016, \$37.20B, Completed		wbuffett@berkshirehathaway.com

Service Providers - Sell Side (3)

Name	All Deals	Title	Representing	Deals	Phone	Email
Andrew Lipsky	1	Co-Heads of Investment Banking and Capital Markets, Americas	Credit Suisse	#2. Merger/Acquisition: Jan 2016, \$37.20B, Completed	+41 (0)44 333 1111	andy.lipsky@creditsuisse.com
Faiza Saeed JD	27	Partner	Cravath, Swaine & Moore	#2. Merger/Acquisition: Jan 2016, \$37.20B, Completed	+1 (212) 474-1454	fsaeed@cravath.com
Margaret Noto	1	Retired Partner	Stoel Rives	#2. Merger/Acquisition: Jan 2016, \$37.20B, Completed	+1 (503) 294-9348	

Service Providers - Buy Side (1)

Name	All Deals	Title	Representing	Deals	Phone	Email
Robert Denham JD	4	Partner	Munger, Tolles & Olson	#2. Merger/Acquisition: Jan 2016, \$37.20B, Completed	+1 (213) 683-9104	robert.denham@mto.com

Service Providers (1)

Name	All Deals	Title	Representing	Deals	Phone	Email
Aaron Dixon JD	19	Partner	Alston & Bird	#2. Merger/Acquisition: Jan 2016, \$37.20B, Completed	+1 (404) 881-7820	aaron.dixon@alston.com

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