BERKSHIRE DIVIDEND STRATEGY

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Casual Friday: New Purchase Alert: ACN + BIG Rose...

#TGICasualFriday!

7.27.2026 | New Position: Accenture (ACN) | Source of Funds: Cash

Accenture (ACN) – Berkshire Commentary

- Dublin-based global business; large and liquid at roughly $100 billion market capitalization
- ~4.2% current dividend yield, dividends ~32% of free cash flow, 5 yr dividend growth ~14.2%, increased 5 of the last 5 years
- ~11x Forward P/E vs 10 Yr Average P/E of ~22x. 46% below the 52-week high of $291
- The balance sheet stands in contrast to the leveraged SaaS and AI space — roughly $10 billion cash position, asset-light, with dividends and repurchases funded from operations
- Two roughly equal businesses — ~50% consulting, ~50% outsourcing — delivering end-to-end solutions without bringing in another firm to complete the work
    - Diversified and long tenured customer base — 300 clients spend over $100 million annually, and the top 100 clients have been customers for more than 10 years
- We believe AI narratives have been applied too broadly and too dramatically — Accenture sells neither software seats nor data centers, and is paid to implement AI rather than defend a subscription or finance a buildout
    - Private credit fueled selloff: SaaS and AI are highly levered by private credit. During historic redemptions, quality large-cap and highly liquid public companies, those with no private credit problems whatsoever, have become the easiest source of liquidity for institutions trying to reduce risk somewhere else.

(Source: Bloomberg and Morningstar 7.27.2026)

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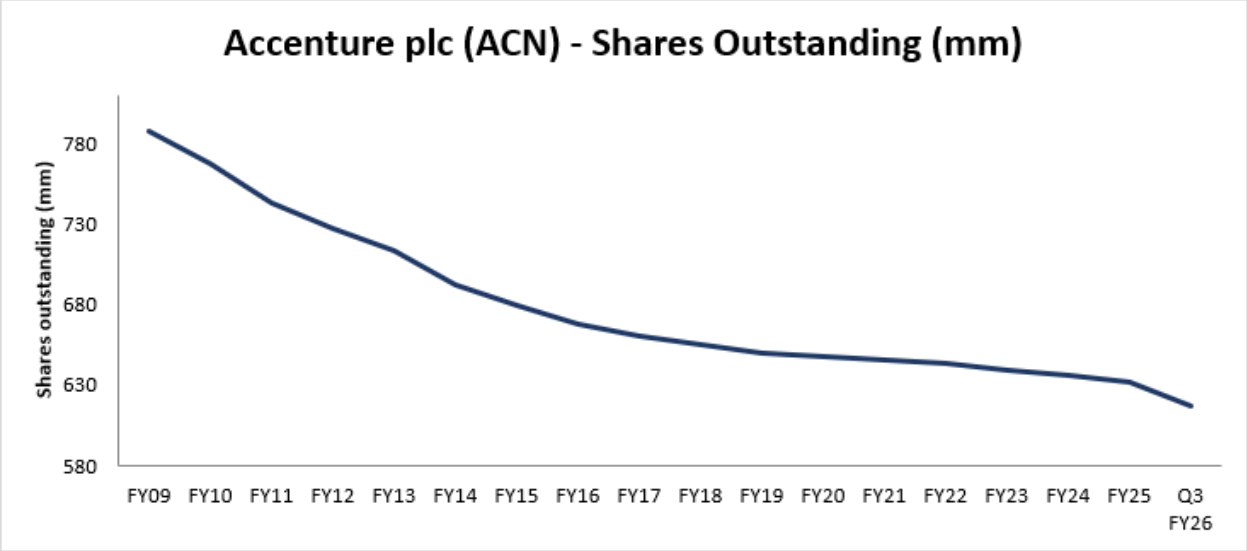

(Source: Morningstar 7.27.2026)

Potential Risks

- Serial acquirer. However, so far, acquisitions appear to have added value. ~$20 billion deployed since 2020 — though incremental returns on that capital have run near 14% against a cost of capital around 8%
- Effect of AI? Tailwind or headwind? AI may reduce demand for traditional consulting services
- Sensitive to fluctuations in economic growth, as consulting spending could weaken during periods of recession
- Ability to attract, retain and motivate talent
- Foreign currency exposure

Happy 500 Kitces!

Kitces might be the GOAT of practice management advice and for his 500th podcast he took the guest chair. He walks through the "look at the tape" tracking framework he uses to pinpoint his own highest-and-best use, his shift away from managing people directly by partnering with an operational "integrator," and the QNR (Quality, Nerdy, Relevant) standards that gave him the confidence to hand off the content production he'd built the business on. Kitces Research puts the typical advisor at roughly 50% of time on direct client-related work and barely 20% actually meeting with clients — more than two hours behind the scenes for every hour face-to-face. Top performers aren't working a different calendar;

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they're at about 24% client meeting time versus 17% for everyone else. That sliver is roughly four hours a week — and it's the primary separator between top-quartile lead advisors at a median $400,000 of income and the rest at $100,000.

Amplifying Business Growth By Constantly Honing Your Time Towards Its Highest-And-Best Use: #FASuccess Ep 500 With Michael Kitces

Speaking GOATS…

Shark week is wrapping up. And “Big Rose” from Nova Scotia? At 20ft and weighing 3 tons, she’s testing Deep Blue for the largest, great white on the planet. Check out*, Invasion of the Mega Sharks* -- https://www.discovery.com/shark-week/shark-week-2026-kicks-off-july-26

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