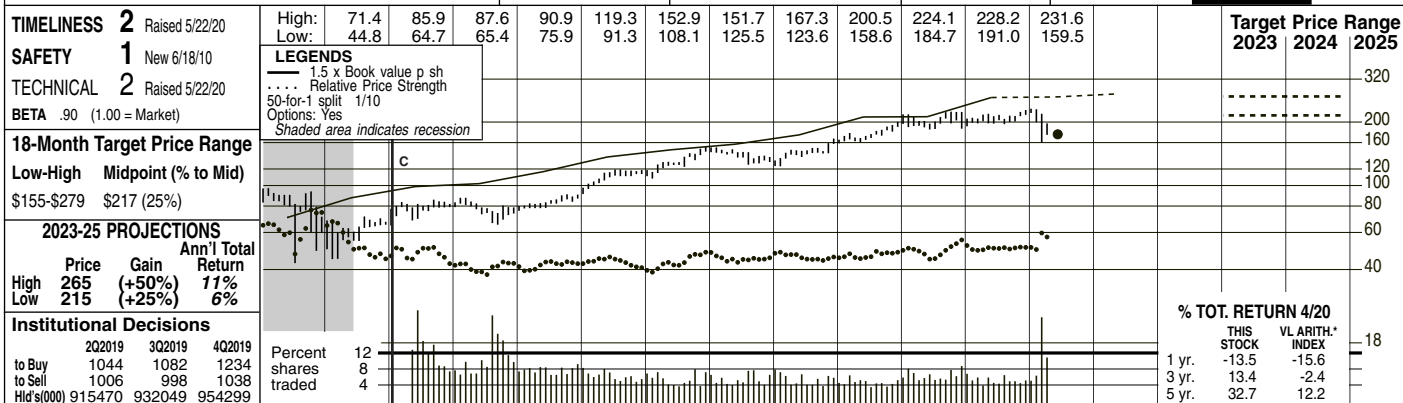


# BERKSHIRE HATH. 'B' NYSE-BRKB

RECENT PRICE **174.93** P/E RATIO **19.1** (Trailing: 17.7 Median: NMF) RELATIVE P/E RATIO **1.03** DIV'D YLD **Nil** VALUE LINE



| High   | Low    | 71.4               | 85.9    | 87.6 | 90.9 | 119.3 | 152.9 | 151.7 | 167.3 | 200.5 | 224.1 | 228.2 | 231.6 | Target Price Range |        |                    |          |             |      |         |        |              |     |      |   |                  |        |        |   |    |
|--|--------|--------------------|---------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|--------------------|--------|--------------------|----------|-------------|------|---------|--------|--------------|-----|------|---|------------------|--------|--------|---|----|
| Low  | High   | 44.8               | 64.7    | 65.4 | 75.9 | 91.3  | 108.1 | 125.5 | 123.6 | 158.6 | 184.7 | 191.0 | 159.5 | 2023               | 2024   | 2025               |          |             |      |         |        |              |     |      |   |                  |        |        |   |    |
| <p><b>2023-25 PROJECTIONS</b></p> <table border="1"> <thead> <tr> <th>Price</th><th>Gain</th><th>Ann'l Total Return</th></tr> </thead> <tbody> <tr> <td>High 265</td><td>(+50%)</td><td>11%</td></tr> <tr> <td>Low 215</td><td>(+25%)</td><td>6%</td></tr> </tbody> </table>   |        |                    |         |      |      |       |       |       |       |       |       |       |       | Price              | Gain   | Ann'l Total Return | High 265 | (+50%)      | 11%  | Low 215 | (+25%) | 6%           | 320 |      |   |                  |        |        |   |    |
| Price  | Gain   | Ann'l Total Return |         |      |      |       |       |       |       |       |       |       |       |                    |        |                    |          |             |      |         |        |              |     |      |   |                  |        |        |   |    |
| High 265   | (+50%) | 11%                |         |      |      |       |       |       |       |       |       |       |       |                    |        |                    |          |             |      |         |        |              |     |      |   |                  |        |        |   |    |
| Low 215  | (+25%) | 6%                 |         |      |      |       |       |       |       |       |       |       |       |                    |        |                    |          |             |      |         |        |              |     |      |   |                  |        |        |   |    |
| <p><b>18-Month Target Price Range</b></p> <p>Low-High Midpoint (% to Mid)</p> <p>\$155-\$279 \$217 (25%)</p>   |        |                    |         |      |      |       |       |       |       |       |       |       |       | 200                |        |                    |          |             |      |         |        |              |     |      |   |                  |        |        |   |    |
| <p><b>Institutional Decisions</b></p> <table border="1"> <thead> <tr> <th>2Q2019</th><th>3Q2019</th><th>4Q2019</th><th>Percent</th></tr> </thead> <tbody> <tr> <td>to Buy 1044</td><td>1082</td><td>1234</td><td>12</td></tr> <tr> <td>to Sell 1006</td><td>998</td><td>1038</td><td>8</td></tr> <tr> <td>Hlds(000) 915470</td><td>932049</td><td>954299</td><td>4</td></tr> </tbody> </table> |        |                    |         |      |      |       |       |       |       |       |       |       |       | 2Q2019             | 3Q2019 | 4Q2019             | Percent  | to Buy 1044 | 1082 | 1234    | 12     | to Sell 1006 | 998 | 1038 | 8 | Hlds(000) 915470 | 932049 | 954299 | 4 | 18 |
| 2Q2019   | 3Q2019 | 4Q2019             | Percent |      |      |       |       |       |       |       |       |       |       |                    |        |                    |          |             |      |         |        |              |     |      |   |                  |        |        |   |    |
| to Buy 1044  | 1082   | 1234               | 12      |      |      |       |       |       |       |       |       |       |       |                    |        |                    |          |             |      |         |        |              |     |      |   |                  |        |        |   |    |
| to Sell 1006   | 998    | 1038               | 8       |      |      |       |       |       |       |       |       |       |       |                    |        |                    |          |             |      |         |        |              |     |      |   |                  |        |        |   |    |
| Hlds(000) 915470   | 932049 | 954299             | 4       |      |      |       |       |       |       |       |       |       |       |                    |        |                    |          |             |      |         |        |              |     |      |   |                  |        |        |   |    |

|  | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020                                  | 2021   | © VALUE LINE PUB. LLC    | 23-25  |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------------------------|--------|--------------------------|--------|
| Berkshire Hathaway 'B' shares were introduced in May, 1996. At that time, each 'B' was worth 1/30 of a Berkshire 'A' share. In February, 2010, the company acquired railroad Burlington Northern Santa Fe. As part of that transaction, Berkshire split the 'B' shares 50-to-1. Now, each 'B' share is worth 1/1500 of an 'A'. | 12.44  | 12.95  | 14.02  | 14.88  | 16.74  | 16.75  | 18.60  | 24.56  | 23.29  | 25.06  | 25.90                                 | 28.70  | Premiums Earned p sh     | 31.65  |
|  | 4.54   | 2.62   | 3.87   | 5.31   | 4.28   | 6.93   | 5.87   | 3.53   | 3.11   | 3.79   | 4.50                                  | 5.10   | Invest. Inc (loss) p sh  | 7.35   |
|  | 38.11  | 42.45  | 46.92  | 53.70  | 67.98  | 61.83  | 66.19  | 53.86  | 56.40  | 61.60  | 58.00                                 | 60.00  | Other Income p sh        | 65.30  |
|  | 2.49   | 2.14   | 2.73   | 3.30   | 3.18   | 2.95   | 2.94   | 3.17   | 3.70   | 3.18   | 4.85                                  | 5.20   | Underwriting Income p sh | 6.00   |
|  | 5.29   | 4.14   | 5.24   | 7.89   | 8.06   | 9.77   | 9.77   | 6.43   | 10.04  | 9.76   | 9.15                                  | 9.80   | Earnings p sh AC         | 12.00  |
|  | --     | --     | --     | --     | --     | --     | --     | --     | --     | --     | Nil                                   | Nil    | Div'ds Decl'd p sh       | Nil    |
|  | 65.90  | 68.23  | 77.73  | 91.05  | 98.62  | 104.91 | 116.11 | 141.16 | 141.42 | 174.35 | 175.50                                | 181.65 | Book Value p sh B        | 204.10 |
|  | 2472.2 | 2476.2 | 2464.8 | 2454.4 | 2464.3 | 2465.2 | 2466.2 | 2467.4 | 2465.7 | 2436.6 | 2450.0                                | 2450.0 | Common Shs. Outst'g C    | 2450.0 |
| <b>EQUITY INVESTMENTS as of 3/31/20</b>  | 119%   | 115%   | 93%    | 121%   | 132%   | 133%   | 124%   | 124%   | 144%   | 120%   | Bold figures are Value Line estimates |        | Price to Book Value      | 120%   |
| Positions (12) of \$2.9 billion or more:   | 14.8   | 19.0   | 15.9   | 14.0   | 16.2   | 14.3   | 14.7   | 27.2   | 20.3   | 21.3   |                                       |        | Avg Ann'l P/E Ratio      | 20.0   |
| Wells Fargo (409,803,773 shares)   | .94    | 1.19   | 1.00   | .79    | .85    | .73    | .77    | 1.33   | 1.10   | 1.17   |                                       |        | Relative P/E Ratio       | 1.10   |
| Coca Cola Co. (400,000,000 shares)   | --     | --     | --     | --     | --     | --     | --     | --     | --     | --     |                                       |        | Avg Ann'l Div'd Yield    | Nil    |
| Bank of New York Mellon (80,937,250 shares)  |        |        |        |        |        |        |        |        |        |        |                                       |        | Premiums Earned          | 77500  |
| American Express (151,610,700 shares)  | 30749  | 32075  | 34545  | 36684  | 41253  | 41294  | 45881  | 60597  | 57418  | 61078  | 63500                                 | 70350  | Investment Income (loss) | 18000  |
| Southwest (53,649,213 shares)  | 11217  | 6488   | 9539   | 13081  | 10539  | 17092  | 14484  | 8710   | 7678   | 9240   | 11000                                 | 12500  | Other Income             | 160000 |
| Delta Airlines (70,910,456 shares)   | 94219  | 105125 | 115648 | 132385 | 142881 | 152435 | 163239 | 132887 | 139068 | 150085 | 145000                                | 148000 | Loss to Prem. Earned     | 65.0%  |
| U.S. Bancorp (132,459,618 shares)  | 58.8%  | 64.9%  | 58.2%  | 58.0%  | 64.0%  | 64.2%  | 67.4%  | 71.4%  | 69.5%  | 72.8%  | 66.0%                                 | 66.0%  | Expense to Prem Written  | 14.0%  |
| Bank of America (927,248,600 shares)   | 20.0%  | 18.6%  | 22.3%  | 19.8%  | 17.0%  | 18.2%  | 16.8%  | 15.7%  | 14.6%  | 14.5%  | 15.0%                                 | 15.0%  | Underwriting Margin      | 21.0%  |
| Kraft Heinz (325,634,818 shares)   | 21.2%  | 16.5%  | 19.5%  | 22.2%  | 19.0%  | 17.6%  | 15.8%  | 12.9%  | 15.9%  | 12.7%  | 19.0%                                 | 19.0%  | Income Tax Rate          | 20.0%  |
| Apple (249,589,329 shares)   | 29.4%  | 29.8%  | 31.1%  | 31.1%  | 28.2%  | 30.1%  | 27.4%  | 28.0%  | 8.0%   | 20.4%  | 20.0%                                 | 20.0%  | Net Profit (\$mill)      | 29400  |
| Moody's (24,669,778 shares)  | 12967  | 10254  | 12916  | 19476  | 19880  | 24083  | 24095  | 15865  | 24760  | 23780  | 22420                                 | 24010  | Shr. Equity (\$mill) B   | 500000 |
| JPMorgan Chase (70,186,000 shares)   | 162934 | 168961 | 191588 | 224485 | 243027 | 258627 | 286359 | 348296 | 348703 | 424791 | 430000                                | 445000 | Return on Shr. Equity    | 6.0%   |
| Market Value of all equities: \$241.9 bill.  | 8.0%   | 6.1%   | 6.7%   | 8.7%   | 8.2%   | 9.3%   | 8.4%   | 4.6%   | 7.1%   | 5.6%   | 5.0%                                  | 5.5%   | All Div'ds to Net Prof   | Nil    |

**Common Stock** 2,430,034,870 Class B shares  
Includes 692,885 Class A shares, as if converted.  
as of 4/23/20  
**MARKET CAP: \$425 billion (Large Cap)**

| FINANCIAL POSITION | 2018   | 2019   | 3/31/20 |
|--------------------|--------|--------|---------|
| (SMILL.)           |        |        |         |
| Bonds              | 19898  | 18685  | 17923   |
| Stocks             | 172757 | 248027 | 180782  |
| Cash               | 109255 | 127997 | 133340  |
| Other              | 405884 | 423020 | 428403  |
| Total Assets       | 707794 | 817729 | 760448  |
| Unearned Prems     | 18093  | 19782  | 21718   |
| Reserves           | 110292 | 115460 | 115631  |
| Other              | 226909 | 253924 | 247864  |
| Total Liabilities  | 355294 | 389166 | 385213  |

**BUSINESS:** Berkshire Hathaway Inc. is a holding company owning subsidiaries engaged in property and casualty insurance on a direct and reinsurance basis through GEICO, General Re and Berkshire Reinsurance. Other business activities include electric utilities, railroads, flight training services, candy manufacturing, ice cream, building products, newspapers, retailing, fine jewelry, etc. Also, fractional ownership programs for general aviation (NetJets), energy (Mid-American Energy). Has approximately 391,500 employees. Officers & directors control 19.9% of voting power (3/20 proxy). Chrmn. & CEO: Warren E. Buffett. Vice Chrmn.: Charles T. Munger. Inc.: DE. Addr.: 3555 Farnam Street, Omaha, Nebraska 68131. Tel.: 402-346-1400. Internet: www.berkshirehathaway.com.

**Berkshire Hathaway reported solid first-quarter results on an operating-per-share basis.** (This excludes capital gains and losses from the investment portfolio.) However, on a GAAP basis, the insurance behemoth lost an astounding \$49.75 billion (\$30,653 per Class A share), reflecting \$54.52 billion of losses from investments, mainly on the equity side of the ledger. This is in stark contrast to the year-earlier gain of \$21.66 billion, or \$13,209 per share. Nonetheless, when you back out the equity losses, the company's insurance operations fared well. Looking at it with more granularity, net premiums earned increased nearly 10%, to just north of \$15.7 billion. Losses in the insurance segments climbed 7.9%, which was manageable. However, we believe that last year's results will be difficult to match during the next two quarters. Rate increases will likely be difficult to come by as the domestic economy sputters. Also, bond reinvestment rates have trended lower on a year-over-year basis.

**Earnings might well rebound next year, assuming the coronavirus is largely behind us.** A likely recovering domestic economy ought to give insurers the upper hand during next year's policy renewal season. Too, probably more stable equity markets and higher bond reinvestment rates would augur well for investment income advances.

**Berkshire's diversified status should provide some support to bottom-line results over the 3 to 5 years ahead.** Our projections assume a decent economy over that time frame.

**These shares have been hard hit by the recent market oscillations.** Generally, they are among the more-stable holdings under our review as indicated by their top-notch Price Stability score. However, we are in unprecedented times, given that we have not had a pandemic of this magnitude in a century. Despite the equity's decline over the past three months, these shares do not stand out from the pack for long-term appreciation potential. Still, acquisitions, which are not included in our forecast as per Value Line convention, could add to our assumptions. These shares are currently ranked to be market outperformers in the year ahead.

| ANNUAL RATES       | Past    | Past   | Est'd      | '17-'19 |
|--------------------|---------|--------|------------|---------|
| of change (per sh) | 10 Yrs. | 5 Yrs. | to '23-'25 |         |
| Earnings p sh      | 6.0%    | 12.0%  | 6.0%       |         |
| Dividends          | --      | --     | Nil        |         |
| Book Value         | 10.0%   | 11.0%  | 6.0%       |         |

| Cal-endar | NET PREMIUMS EARNED(\$ mill.) | Full Year |        |           |       |
|-----------|-------------------------------|-----------|--------|-----------|-------|
| Mar.31    | Jun.30                        | Sep.30    | Dec.31 | Full Year |       |
| 2017      | 21753                         | 12367     | 13349  | 13128     | 60597 |
| 2018      | 13373                         | 14149     | 14333  | 15563     | 57418 |
| 2019      | 14319                         | 14863     | 15323  | 16573     | 61078 |
| 2020      | 15748                         | 15000     | 15800  | 16952     | 63500 |
| 2021      | 17200                         | 17400     | 17750  | 18000     | 70350 |

| Cal-endar | EARNINGS PER SHARE A | Full Year |        |           |       |
|-----------|----------------------|-----------|--------|-----------|-------|
| Mar.31    | Jun.30               | Sep.30    | Dec.31 | Full Year |       |
| 2017      | 1.65                 | 1.73      | 1.65   | 1.40      | 6.43  |
| 2018      | 2.15                 | 2.79      | 2.79   | 2.31      | 10.04 |
| 2019      | 2.26                 | 2.50      | 3.21   | 1.79      | 9.76  |
| 2020      | 2.41                 | 2.15      | 2.25   | 2.34      | 9.15  |
| 2021      | 2.20                 | 2.40      | 2.55   | 2.65      | 9.80  |

| Cal-endar | QUARTERLY DIVIDENDS PAID | Full Year |        |           |
|-----------|--------------------------|-----------|--------|-----------|
| Mar.31    | Jun.30                   | Sep.30    | Dec.31 | Full Year |
| 2018      | NO DIVIDENDS BEING PAID  |           |        |           |
| 2019      | NO DIVIDENDS BEING PAID  |           |        |           |
| 2020      | NO DIVIDENDS BEING PAID  |           |        |           |

(A) Based on diluted shares outstanding. Earnings include investment gains/(losses) and derivative gains and losses prior to 2018. Next earnings report due late July.  
(B) Incl. goodwill and other intang. In 3/31/20, \$68.9 billion; \$28.35/share.  
(C) In mill. Split B shares 50-to-1 in January 2010. Each B share is now worth 1/1500 of an A share.

**Company's Financial Strength** A++  
**Stock's Price Stability** 100  
**Price Growth Persistence** 90  
**Earnings Predictability** 60

**To subscribe call 1-800-VALUELINE**

Alan G. House June 5, 2020