

**Quarterly Report (Q1 2019) for:  
Berkshire Hathaway, Inc. (BRK.B)**

**Report Date: June 9, 2019  
Earnings Date: Feb 24, 2019**

Percentage change in Sales from year ago quarter: **60.5%**

Percentage change in Earnings per Share from year ago quarter: **2010.2%**

Is company meeting our target sales & earnings estimates? **Sales & Earnings yes, but NOT stock price appreciation**

Pre-tax Profit on sales trend? **down**

Return on equity trends? **down**

Debt? (up, even, down) **Down**

Current P/E is **18.9**

Where does it fall in my estimated High/Low range of P/E's? **Higher P/E**

Signature P/E = **13.8**

Club cost basis for this stock is **\$125.34**  
(from latest valuation)

Current price on SSG (011/9/18) is **\$205.81.**

Current fair value: Morningstar: **\$243.00**

**CFRA: Hold—12-month target \$220**

My SSG Compound Annual Return using forecast high P/E is **5.7%**

Compound Annual Return using Forecast Average PE is **4.8%**; Compound Annual Return using Forecast High P/E **9.7%**

6.1% of portfolio

Cost Basis \$125.34

SSG analysis indicates HOLD. Recommendation: **Challenge. Berkshire is NOT a growth company and ranks near the bottom of our portfolio PAR according to MI (7.7%).**

**What will drive future growth:** Continuing improvement in the US and world economy; fewer severe weather events that elevate insurance claims, and **acquisitions**. BRK.B is loaded with cash, but good acquisitions are increasingly hard to find

**Morningstar** analyst (6/7/19) **updated Fair Value to \$243**, expecting increasing book value per share at high-single- to low-double digit rate annually. Is concerned that there are not many good buys at current market valuations.

**Value Line 6/7/19:** "...currently in the good graces of VL Timeliness Ranking System." Longer term, the stock's appreciation potential doesn't stand out.

**What will drive Future: Acquisitions and fewer severe weather events that increase insurance liabilities.**