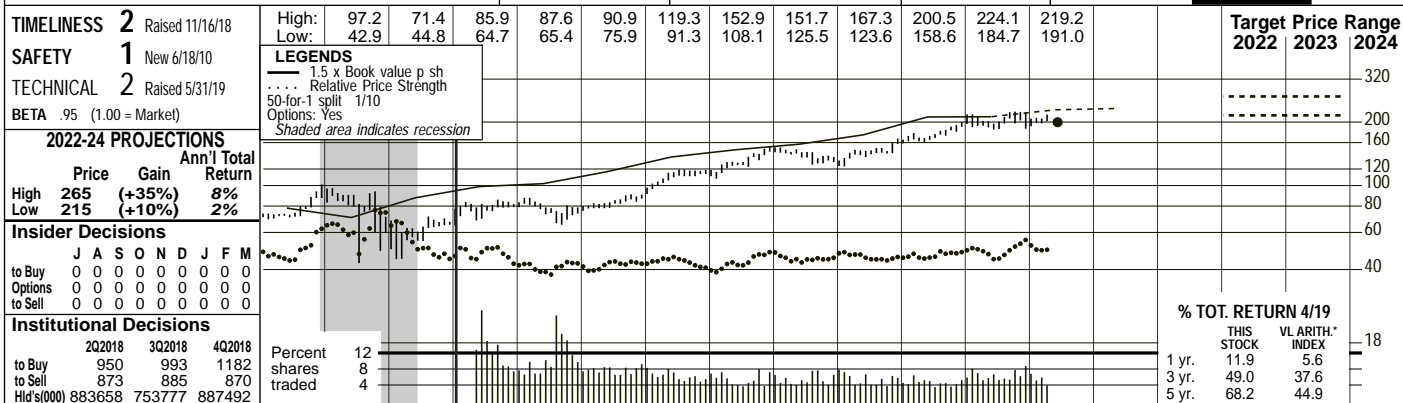


# BERKSHIRE HATH. 'B' NYSE-BRKB

RECENT PRICE **199.70** P/E RATIO **19.8** (Trailing: 19.7 Median: NMF) RELATIVE P/E RATIO **1.20** DIV'D YLD **Nil** VALUE LINE



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
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'.	11.98	12.44	12.95	14.02	14.88	16.74	16.75	18.60	24.56	23.29	24.40	25.50	Premiums Earned p sh	28.55
	4.76	4.54	2.62	3.87	5.31	4.28	6.93	5.87	3.53	3.11	5.45	6.00	Invest. Inc (loss) p sh	7.35
	31.60	38.11	42.45	46.92	53.70	67.98	61.83	66.19	53.86	56.40	56.55	58.00	Other Income p sh	65.30
	1.51	2.49	2.14	2.73	3.30	3.18	2.95	2.94	3.17	3.70	4.40	4.85	Underwriting Income p sh	6.00
	3.46	5.29	4.14	5.24	7.89	8.06	9.77	9.77	6.43	10.04	10.10	10.30	Earnings p sh AC	12.00
	58.36	65.90	68.23	77.73	91.05	98.62	104.91	116.11	141.16	141.42	152.75	154.75	Div'ds Decl'd p sh	Nil
	2326.8	2472.2	2476.2	2464.8	2454.4	2464.3	2465.2	2466.2	2467.4	2465.7	2475.0	2475.0	Book Value p sh B	167.35
	107%	119%	115%	93%	121%	132%	133%	124%	124%	144%			Common Shs. Outst'g C	2450.0
	18.1	14.8	19.0	15.9	14.0	16.2	14.3	14.7	27.2	20.3			Price to Book Value	145%
	1.20	.94	1.19	1.00	.79	.85	.73	.77	1.33	1.10			Avg Ann'l P/E Ratio	20.0
	--	--	--	--	--	--	--	--	--	--			Relative P/E Ratio	1.10
													Avg Ann'l Div'd Yield	Nil

**EQUITY INVESTMENTS as of 3/31/19**  
 Positions (12) of \$3.1 billion or more:

Company	Shares	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Value Line
Wells Fargo	(426,768,540 shares)	107%	119%	115%	93%	121%	132%	133%	124%	124%	144%			
Coca Cola Co.	(400,000,000 shares)	18.1	14.8	19.0	15.9	14.0	16.2	14.3	14.7	27.2	20.3			
Bank of New York Mellon	(80,937,250 shares)	1.20	.94	1.19	1.00	.79	.85	.73	.77	1.33	1.10			
American Express	(151,610,700 shares)	27784	30749	32075	34545	36684	41253	41294	45881	60597	57418	60400	63050	Premiums Earned
Goldman Sachs	(18,353,635 shares)	11073	11217	6488	9539	13081	10539	17092	14484	8710	7678	13500	14850	Investment Income (loss)
Delta Airlines	(65,535,000 shares)	73536	94219	105125	115648	132385	142881	152435	163239	132887	139068	140000	145000	Other Income
U.S. Bancorp	(129,308,831 shares)	65.5%	58.8%	64.9%	58.2%	58.0%	64.0%	64.2%	67.4%	71.4%	69.5%	66.0%	66.0%	Loss to Prem. Earned
Bank of America	(896,167,600 shares)	21.9%	20.0%	18.6%	22.3%	19.8%	17.0%	18.2%	16.8%	15.7%	14.6%	15.0%	15.0%	Expense to Prem Written
Kraft Heinz	(325,634,818 shares)	12.6%	21.2%	16.5%	19.5%	22.2%	19.0%	17.6%	15.8%	12.9%	15.9%	19.0%	19.0%	Underwriting Margin
Apple	(249,589,329 shares)	30.6%	29.4%	29.8%	31.1%	31.1%	28.2%	30.1%	27.4%	28.0%	8.0%	20.0%	20.0%	Income Tax Rate
Moodys's	(24,669,778 shares)	8055	12967	10254	12916	19476	19860	24083	24095	15865	24760	25000	25500	Net Profit (\$mill)
JPMorgan Chase	(50,163,394 shares)	135785	162934	168961	191588	224485	243027	258627	286359	348296	348703	378000	383000	Shr. Equity (\$mill) B
Market Value of all equities: \$183 bill.		5.9%	8.0%	6.1%	6.7%	8.7%	8.2%	9.3%	8.4%	4.6%	7.1%	6.5%	6.5%	Return on Shr. Equity
		--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof

**Common Stock** 2,452,914,000 Class B shares  
 Includes 723,114 Class A shrs, as if converted.  
**as of 4/25/19**  
**MARKET CAP: \$492 billion (Large Cap)**

**FINANCIAL POSITION** 2017 2018 3/31/19 (\$MILL.)

	2017	2018	3/31/19
Bonds	2135	19898	19415
Stocks	164026	172757	191771
Cash	103975	109255	110516
Other	412741	405884	417022
Total Assets	702095	707794	738724
Unearned Prems	16040	18093	20172
Reserves	104059	110292	111168
Other	230042	226909	234793
Total Liabilities	350141	35294	366133

**ANNUAL RATES** Past Past Est'd '16-'18 of change (per sh) 10 Yrs. 5 Yrs. to '22-'24

	10 Yrs.	5 Yrs.	to '22-'24
Earnings p sh	6.0%	12.0%	6.0%
Dividends	--	--	Nil
Book Value	10.0%	11.0%	6.0%

**NET PREMIUMS EARNED (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	11124	10799	11364	12594	45881
2017	21753	12367	13349	13128	60597
2018	13373	14149	14333	15563	57418
2019	14319	15000	15400	15681	60400
2020	15500	15700	15850	16000	63050

**EARNINGS PER SHARE A**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	2.27	2.03	2.92	2.55	9.77
2017	1.65	1.73	1.65	1.40	6.43
2018	2.14	2.79	2.79	2.32	10.04
2019	2.26	2.55	2.50	2.79	10.10
2020	2.50	2.55	2.60	2.65	10.30

**QUARTERLY DIVIDENDS PAID**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017					
2018					
2019					

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 3/31/19, \$112.5 billion; \$45.64/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.

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**Company's Financial Strength** A++  
**Stock's Price Stability** 100  
**Price Growth Persistence** 80  
**Earnings Predictability** 60

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**Berkshire Hathaway started off 2019 on solid footing.** Earnings from operations, which excludes capital gains and losses from the investment portfolio, dialed in at \$2.26, which represents a decent improvement over the previous-year tally. While underwriting income slipped a bit in the P/C Insurance unit, investment income picked up the slack. We believe this reflects healthy bond reinvestment rates, which have received a shot in the arm from several interest-rate increases by the Federal Reserve over the past couple of years. While the Fed has enacted a seemingly more dovish stance of late, bond yields are certainly higher than they were a few years ago, which is beneficial to P/C insurers, as most tend to keep the lion's share of their assets in bonds due to their conservative bent. The company's other segments, including Railroad and Utilities & Energy performed well, too, which helped shore up bottom-line results.

**We look for a moderate bottom-line advance in each of the next two years.** Fundamentals in the broader insurance market are fairly healthy, as last year's fractional ownership programs for general aviation (*NetJets*), energy (*Mid-American Energy*). Has approximately 377,291 employees. Officers & directors control 20.3% of voting power (3/19 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.

overage of industrywide catastrophes has given many players the upper hand during policy renewal season. Investment income trends should also remain positive as bond yields remain favorable compared to a couple of years ago.

**The company's diversification gives it a leg up on the competition over the 3 to 5 years ahead.** This benefit of not putting all of its eggs in one basket is exemplified in its good Earnings Predictability score relative to its P/C peers.

**These shares are currently in the good graces of our Timeliness Ranking System.** We believe this reflects Berkshire's solid performance over the past few quarters, coupled with the stock's strong relative performance. Though these shares' capital appreciation potential lags many other equities in our universe, acquisitions could add meaningfully to our projections. As per *Value Line* convention, we do not include acquisitions in our forecast until they are completed. Berkshire is a big player in the acquisition game, and we look for that to continue due to its strong balance sheet.

Alan G. House  
 June 7, 2019