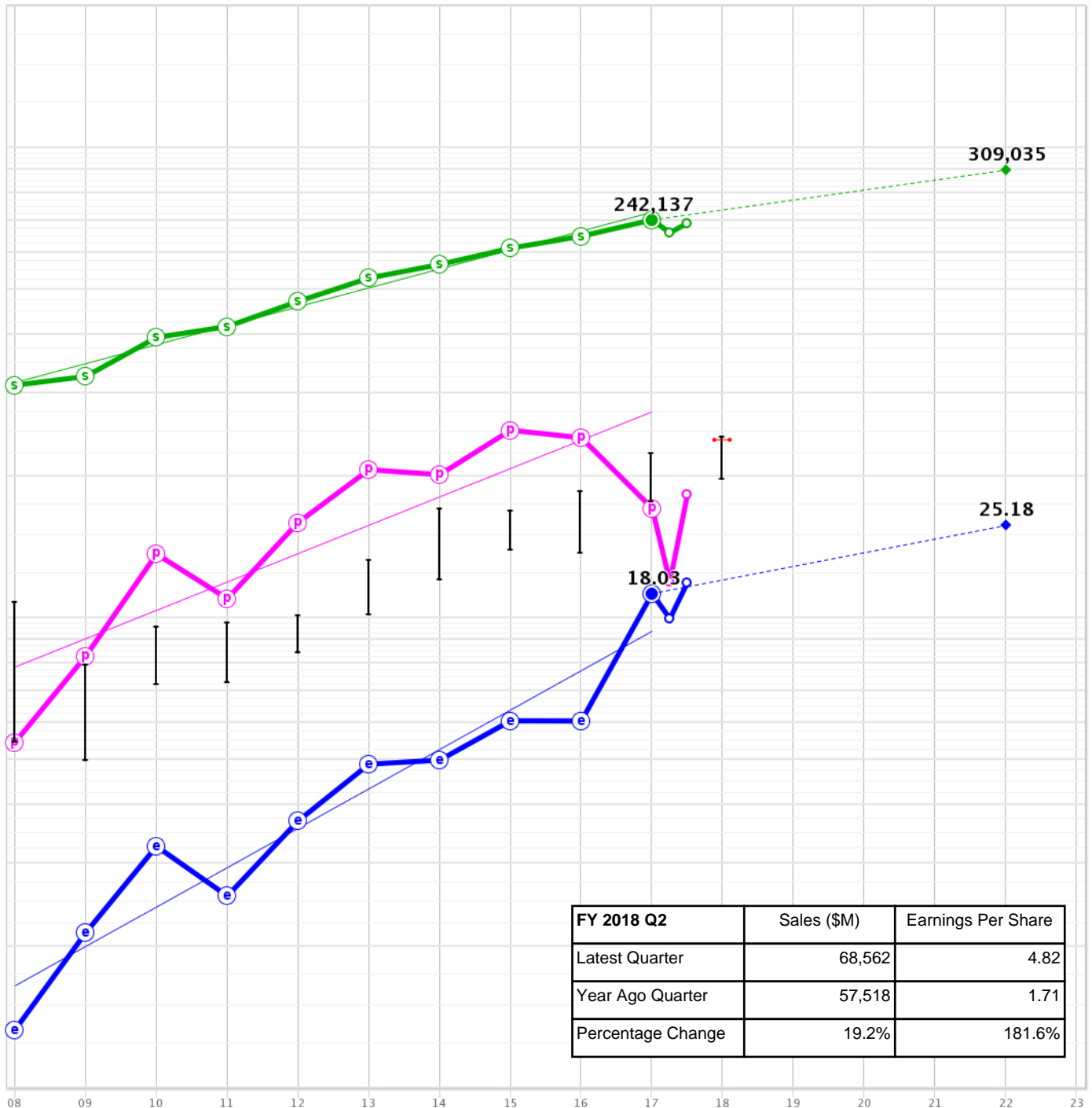


Company	Berkshire Hathaway		Date	09/10/18	
Prepared by	K EMMONS		Data taken from	BI Stock Data	
Where traded	NYS	Industry	Insurance - Diversified		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	2,492.5	0.0	36.0		
Debt (\$M)	96,773.0	% to Tot Cap	21.3	% Pot Dil	0.0

Stock Selection Guide

Symbol: BRK.B

1 VISUAL ANALYSIS of Sales, Earnings, and Price



- | | | | |
|-----------------------------------|------|--|-------|
| (1) Historical Sales Growth | 9.7% | (3) Historical Earnings Per Share Growth | 21.3% |
| (2) Estimated Future Sales Growth | 5.0% | (4) Estimated Future Earnings Per Share Growth | 6.9% |

2 EVALUATING Management

Berkshire Hathaway

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Last 5 Year Avg.
Pre-tax Profit on Sales	7.0%	10.3%	14.0%	10.7%	13.7%	15.8%	14.4%	16.6%	15.1%	9.8%	14.3%
% Earned on Equity	4.6%	6.1%	8.3%	6.4%	7.8%	9.3%	8.3%	9.7%	8.9%	14.5%	10.1%
% Debt To Capital	25.2%	22.4%	27.1%	26.8%	25.1%	24.6%	25.0%	24.8%	26.4%	22.8%	24.7%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 215.11 (09/10/18)

HIGH THIS YEAR 217.62

LOW THIS YEAR 177.33

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2013	119.3	91.3	7.82	15.3	11.7	0.00	0.0	0.0
2014	152.9	108.1	7.98	19.2	13.5	0.00	0.0	0.0
2015	151.7	125.5	9.67	15.7	13.0	0.00	0.0	0.0
2016	167.3	123.6	9.67	17.3	12.8	0.00	0.0	0.0
2017	200.5	158.6	18.04	11.1	8.8	0.00	0.0	0.0
AVERAGE		121.4		15.7	12.0		0.0	
CURRENT/TTM			19.06			0.00	0.0	
AVERAGE PRICE EARNINGS RATIO: 13.8				CURRENT PRICE EARNINGS RATIO: 11.3				

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

$$\text{Avg. High P/E} \quad 16.0 \quad \times \quad \text{Estimate High Earnings/Share} \quad 25.18 \quad = \quad \text{Forecasted High Price } \$ \quad 402.8$$

B LOW PRICE - NEXT 5 YEARS

$$(a) \text{ Avg. Low P/E} \quad 12.0 \quad \times \quad \text{Estimate Low Earnings/Share} \quad 10.00 \quad = \quad \text{Forecasted Low Price } \$ \quad 120.0$$

$$(b) \text{ Avg. Low Price of Last 5 Years} \quad 121.4$$

$$(c) \text{ Recent Market Low Price} \quad 123.6$$

$$(d) \text{ Price Dividend Will Support} \quad \frac{\text{Indicated Dividend}}{\text{High Yield}} \quad = \quad \frac{0.00}{0.00\%} \quad = \quad 0.0$$

$$\text{Selected Forecasted Low Price } \$ \quad 123.0$$

C ZONING using 25%-50%-25%

$$\text{Forecasted High Price} \quad 402.8 \quad \text{Minus Forecasted Low Price} \quad 123.0 \quad = \quad 279.8 \quad \text{Range.} \quad 25\% \text{ of Range} \quad 70.0$$

$$\text{Buy Zone} \quad 123.0 \quad \text{to} \quad 193.0$$

$$\text{Hold Zone} \quad 193.0 \quad \text{to} \quad 332.9$$

$$\text{Sell Zone} \quad 332.9 \quad \text{to} \quad 402.8$$

$$\text{Present Market Price of} \quad 215.11 \quad \text{is in the} \quad \text{HOLD} \quad \text{Zone}$$

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$$\frac{\text{High Price} \quad 402.8 \quad \text{Minus Present Price} \quad 215.11}{\text{Present Price} \quad 215.11 \quad \text{Minus Low Price} \quad 123.0} \quad = \quad \frac{187.72}{92.11} \quad = \quad 2.0 \quad \text{To } 1$$

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$$\frac{\text{High Price} \quad 402.8}{\text{Closing Price} \quad 215.11} \quad = \quad 1.8727 \quad \times \quad 100 \quad = \quad 187.27 \quad - \quad 100 \quad = \quad 87.3 \quad \% \text{ Appreciation}$$

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

$$\text{A} \quad \frac{\text{Indicated Annual Dividend} \quad 0.00}{\text{Closing Price} \quad 215.11} \quad = \quad 0.0000 \quad = \quad 0.0\% \quad \text{Current Yield}$$

B AVERAGE YIELD - USING FORECAST HIGH P/E

$$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} \quad = \quad \frac{0.0\%}{16.00} \quad = \quad 0.0\%$$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} \quad = \quad \frac{0.0\%}{14.00} \quad = \quad 0.0\%$$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

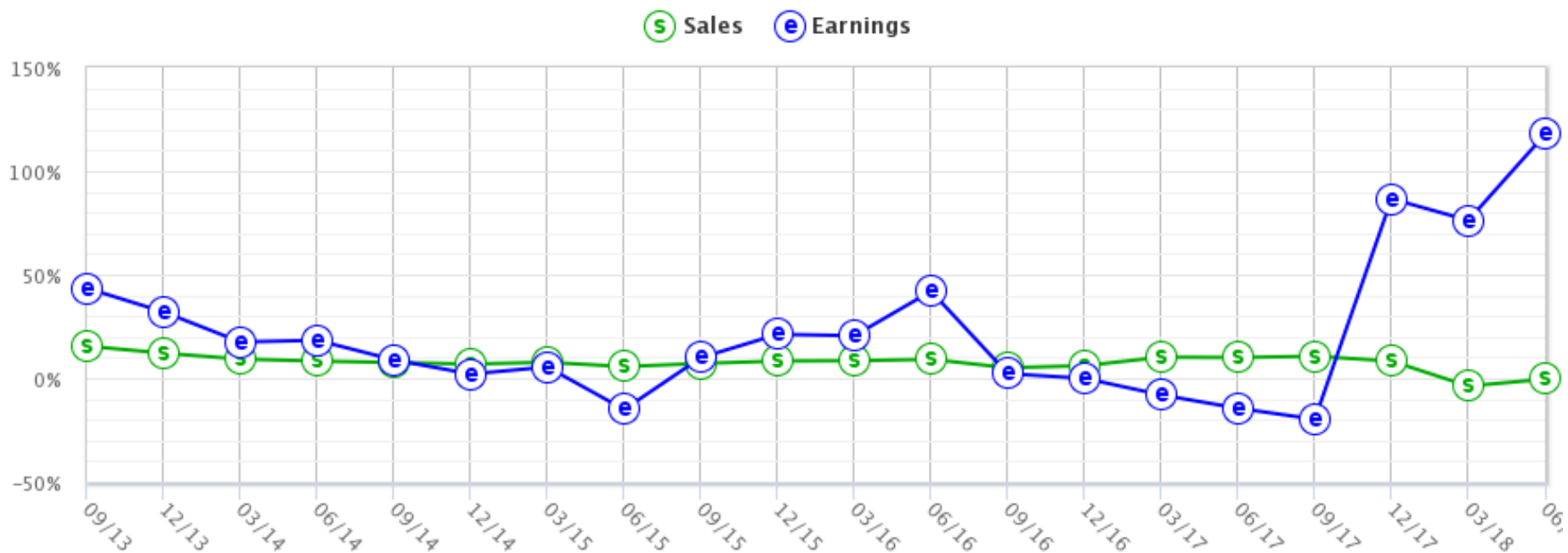
$$\begin{aligned} \text{Annualized Appreciation} & \quad 13.4\% \\ \text{Average Yield} & \quad 0.0\% \\ \text{Annualized Rate of Return} & \quad 13.4\% \end{aligned}$$

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

$$\begin{aligned} \text{Annualized Appreciation} & \quad 10.4\% \\ \text{Average Yield} & \quad 0.0\% \\ \text{Annualized Rate of Return} & \quad 10.4\% \end{aligned}$$

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data



Period	Quarterly Data								Last 12 Months Data								
	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change		\$	\$ Mil	%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales	
06/18	4.82	181.6	15,098.0	22.0	146.3	68,562.0	19.2	20.0	19.06	25,596.0	10.7	238,452.0	-21,496.2	-84.0	117.7	-19.1	-0.4
03/18	-0.46	-128.0	-1,523.0	-3.0	-126.8	50,458.0	-22.6	29.7	15.95	16,627.0	7.3	227,408.0	-13,592.6	-81.8	76.2	-49.5	-3.8
12/17	13.06	417.8	6,391.0	10.8	-31.4	58,907.0	2.1	-411.0	18.04	23,838.0	9.8	242,137.0	-19,633.6	-82.4	86.6	-29.2	8.3
09/17	1.63	-43.5	5,630.0	9.3	-46.5	60,525.0	2.5	25.4	7.50	26,761.0	11.1	240,903.0	7,579.4	28.3	-19.8	-15.7	10.6
06/17	1.71	-14.8	6,129.0	10.7	-16.9	57,518.0	5.6	28.9	8.75	31,656.0	13.2	239,446.0	9,359.9	29.6	-14.5	-10.3	10.0
03/17	1.63	-27.4	5,688.0	8.7	-11.9	65,187.0	24.4	27.2	9.05	32,899.0	13.9	236,388.0	9,901.8	30.1	-8.0	-2.5	10.2
12/16	2.52	14.7	9,314.0	16.1	26.2	57,673.0	11.3	31.8	9.67	33,667.0	15.1	223,604.0	8,883.0	26.4	-0.1	-3.7	6.1
09/16	2.89	-23.7	10,525.0	17.8	-25.2	59,068.0	0.1	30.3	9.34	31,734.0	14.6	217,751.0	7,824.0	24.7	2.2	-5.0	5.1
06/16	2.01	24.6	7,372.0	13.5	26.1	54,460.0	6.0	31.1	10.24	35,281.0	16.2	217,672.0	8,872.3	25.1	42.0	35.3	9.1
03/16	2.25	8.2	6,456.0	12.3	-15.6	52,403.0	7.7	12.4	9.84	33,755.0	15.7	214,580.0	8,378.0	24.8	20.5	15.8	8.4

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data									
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit			Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
12/15	2.20	31.7	7,381.0	14.2	26.4	51,820.0	7.4	24.9	9.67	34,946.0	16.6	210,821.0	10,350.1	29.6	21.2	24.3	8.3	
09/15	3.79	104.1	14,072.0	23.9	108.5	58,989.0	15.2	32.3	9.14	33,406.0	16.1	207,260.0	10,139.6	30.4	9.9	13.3	7.1	
06/15	1.61	-37.2	5,846.0	11.4	-34.4	51,368.0	3.2	29.8	7.21	26,084.0	13.1	199,470.0	7,771.1	29.8	-15.1	-13.4	5.6	
03/15	2.07	9.8	7,647.0	15.7	15.9	48,644.0	7.0	31.6	8.17	29,154.0	14.7	197,864.0	8,526.8	29.2	5.4	3.8	7.7	
12/14	1.67	-16.7	5,841.0	12.1	-19.2	48,259.0	2.6	27.8	7.98	28,105.0	14.4	194,673.0	7,945.3	28.3	2.0	-2.4	6.9	
09/14	1.86	-8.6	6,750.0	13.2	-8.5	51,199.0	10.0	30.1	8.32	29,496.0	15.2	193,463.0	8,500.7	28.8	8.9	4.2	7.6	
06/14	2.57	40.7	8,916.0	17.9	29.4	49,762.0	11.3	27.6	8.49	30,124.0	16.0	188,805.0	8,689.3	28.8	18.3	12.1	8.3	
03/14	1.89	-3.9	6,598.0	14.5	-9.6	45,453.0	3.6	27.7	7.75	28,099.0	15.3	183,736.0	8,491.5	30.2	17.5	14.2	9.2	
12/13	2.00	10.1	7,232.0	15.4	7.1	47,049.0	5.2	30.0	7.82	28,796.0	15.8	182,150.0	8,959.2	31.1	32.0	29.5	12.1	
09/13	2.03	29.6	7,378.0	15.9	24.3	46,541.0	13.4	30.2	7.64	28,318.0	15.7	179,821.0	8,881.2	31.4	43.4	42.1	15.5	
06/13	1.82	46.9	6,891.0	15.4	49.3	44,693.0	15.9	33.1	7.18	26,876.0	15.4	174,330.0	8,532.5	31.7	53.6	54.8	17.5	
03/13	1.97	51.4	7,295.0	16.6	47.9	43,867.0	15.0	31.2	6.59	24,600.0	14.6	168,183.0	7,620.5	31.0	37.5	36.6	13.5	
12/12	1.82	49.3	6,754.0	15.1	51.7	44,720.0	17.8	31.0	5.93	22,236.0	13.7	162,463.0	6,916.5	31.1	44.4	45.2	13.1	
09/12	1.57	71.9	5,936.0	14.5	76.5	41,050.0	21.7	31.7	5.33	19,934.0	12.8	155,698.0	13,471.4	67.6	14.7	14.9	9.7	
06/12	1.24	-9.2	4,615.0	12.0	-12.3	38,546.0	0.7	30.0	4.67	17,361.0	11.7	148,387.0	11,586.7	66.7	-5.2	-6.2	2.7	
03/12	1.30	114.5	4,931.0	12.9	120.7	38,147.0	13.1	31.7	4.80	18,011.0	12.2	148,115.0	12,145.3	67.4	10.3	11.3	7.4	
12/11	1.22	-30.7	4,452.0	11.7	-31.3	37,955.0	4.9	176.9	4.10	15,314.0	10.7	143,688.0	8,033.3	52.5	-21.8	-19.6	5.5	
09/11	0.91	-23.9	3,363.0	10.0	-25.8	33,739.0	-7.0	28.3	4.64	17,343.0	12.2	141,898.0	2,771.4	16.0	-3.0	1.8	9.0	
06/11	1.37	73.4	5,265.0	13.8	79.2	38,274.0	20.7	32.8	4.93	18,514.0	12.8	144,433.0	3,091.4	16.7	-0.8	6.8	16.6	
03/11	0.61	-59.7	2,234.0	6.6	-56.2	33,720.0	5.3	-28.2	4.35	16,187.0	11.7	137,868.0	2,545.0	15.7	-22.0	-15.7	13.2	
12/10	1.76	35.2	6,481.0	17.9	45.2	36,165.0	19.8	31.0	5.24	19,051.0	14.0	136,185.0	5,584.8	29.3	53.1	64.9	21.1	
09/10	1.20	-13.1	4,534.0	12.5	-6.3	36,274.0	21.3	31.2	4.79	17,035.0	13.1	130,218.0	5,039.4	29.6	120.0	135.5	21.8	
06/10	0.79	-43.7	2,938.0	9.3	-38.7	31,709.0	7.1	28.9	4.97	17,340.0	14.0	123,848.0	5,211.1	30.1	297.9	344.8	18.1	
03/10	1.50	329.7	5,098.0	15.9	300.5	32,037.0	40.6	26.2	5.58	19,193.0	15.8	121,746.0	5,905.7	30.8	419.4	436.4	15.5	
12/09	1.30	2,500.0	4,465.0	14.8	2,916.9	30,198.0	22.8	32.1	3.43	11,552.0	10.3	112,493.0	3,949.1	34.2	60.9	52.5	4.4	
09/09	1.38	206.0	4,839.0	16.2	222.2	29,904.0	7.1	33.1	2.18	7,235.0	6.8	106,887.0	-147.4	-2.0				
06/09	1.40	14.2	4,791.0	16.2	7.2	29,607.0	-1.6	31.7	1.25	3,898.0	3.7	104,909.0	-211.2	-5.4				
03/09	-0.65	-262.8	-2,543.0	-11.2	-275.0	22,784.0	-9.5	39.9	1.07	3,578.0	3.4	105,395.0	-189.0	-5.3				
12/08	0.05		148.0	0.6		24,592.0		-112.8										
09/08	0.45		1,502.0	5.4		27,926.0		19.6										
06/08	1.23		4,471.0	14.9		30,093.0		32.3										
03/08	0.40		1,453.0	5.8		25,175.0		28.1										