Stock Selection Guide

Company	Berkshire Hathaway		Date	03/10/20
Prepared by	BILLMYER		Data taken from	BI Stock Data
Where traded	NYS	Industry	Insurance - Diversified	

Capitalization --- Outstanding Amounts		Reference		
Preferred ($M)		0.0	% Insiders	% Institution
Common (M Shares)		2,442.1	4.3	23.2
Debt ($M)	103,368.0 % to Tot Cap	19.6	% Pot Dil	0.0

Symbol: BRK.B

1 VISUAL ANALYSIS of Sales, Earnings, and Price

437,898

327,223

44.45

33.22

FY 2019 Q4	Sales ($M)	Earnings Per Share
Latest Quarter	96,679	11.92
Year Ago Quarter	28,206	-10.32
Percentage Change	242.8%	215.6%

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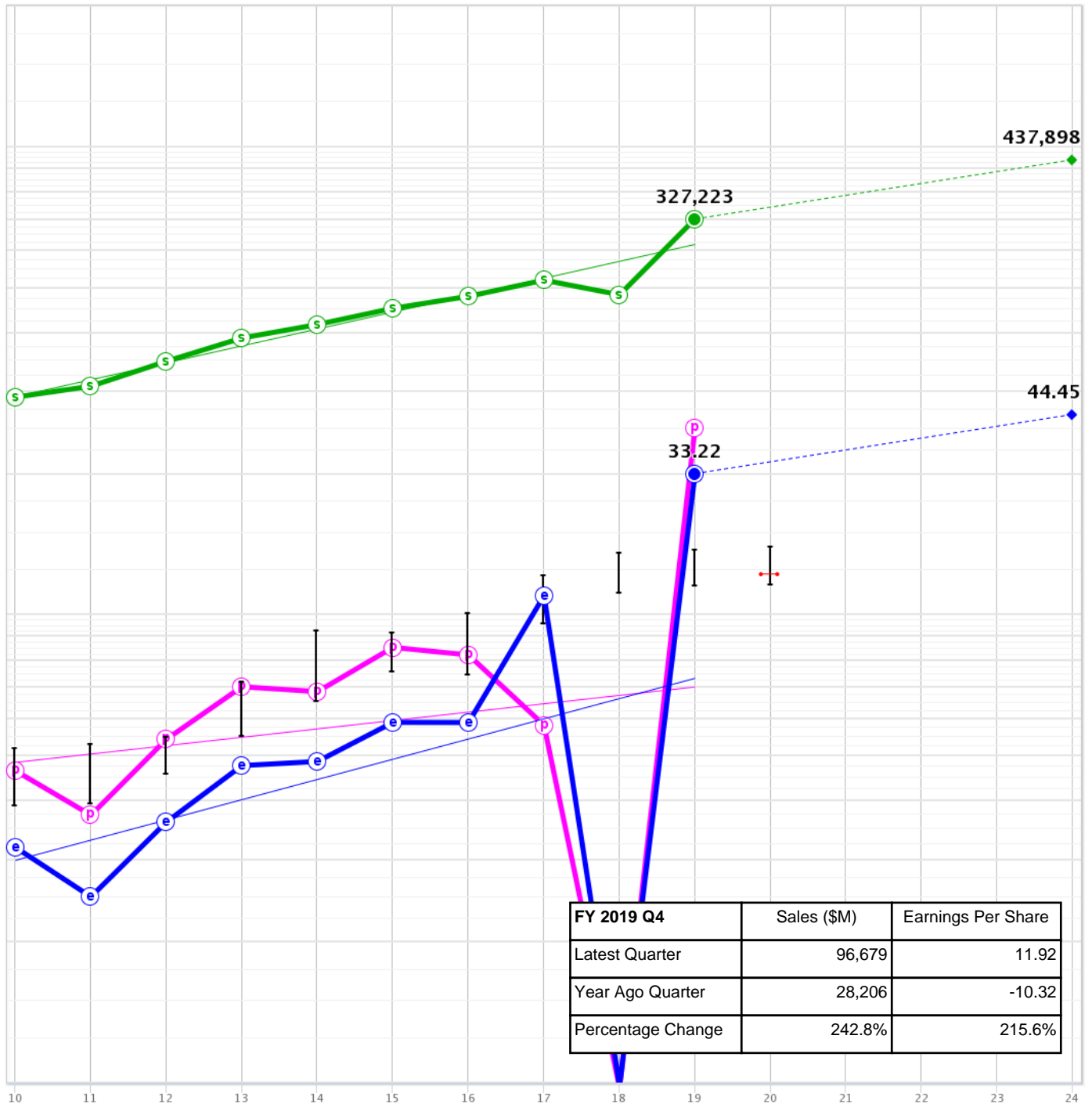
(1) Historical Sales Growth	8.7%	(3) Historical Earnings Per Share Growth	10.5%
(2) Estimated Future Sales Growth	6.0%	(4) Estimated Future Earnings Per Share Growth	6.0%

2 EVALUATING Management

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Last 5 Year Avg.
Pre-tax Profit on Sales	14.0%	10.7%	13.7%	15.8%	14.4%	16.6%	15.1%	9.8%	1.8%	31.4%	14.9%
% Earned on Equity	8.3%	6.4%	7.9%	9.4%	8.4%	9.7%	8.9%	14.6%	1.1%	20.4%	10.9%
% Debt To Capital	27.1%	26.8%	25.1%	24.6%	25.0%	24.8%	26.4%	22.8%	21.8%	19.6%	23.1%

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 202.73 (03/10/20)   **HIGH THIS YEAR** 231.61   **LOW THIS YEAR** 192.26

	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
2015	151.7	125.5	9.77	15.5	12.8	0.00	0.0	0.0
2016	167.3	123.6	9.76	17.1	12.7	0.00	0.0	0.0
2017	200.5	158.6	18.22	11.0	8.7	0.00	0.0	0.0
2018	224.1	184.7	1.63	137.4	113.3	0.00	0.0	0.0
2019	228.2	191.0	33.22	6.9	5.8	0.00	0.0	0.0
AVERAGE		156.7		12.6	10.0			0.0
CURRENT/TTM			33.21			0.00	0.0	

AVERAGE PRICE EARNINGS RATIO: 11.3   CURRENT PRICE EARNINGS RATIO: 6.1

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

Avg. High P/E   6.9   X Estimate High Earnings/Share   44.45   =   Forecasted High Price $ 306.7

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E   5.8   X Estimate Low Earnings/Share   33.21   =   Forecasted Low Price $ 192.6

(b) Avg. Low Price of Last 5 Years   156.7

(c) Recent Market Low Price   184.7

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

Selected Forecasted Low Price $ 162.7

C ZONING   using 25%-50%-25%

Forecasted High Price   306.7   Minus Forecasted Low Price   162.7   =   144.0   Range.   25% of Range   36.0

Buy Zone	162.7	to	198.7
Hold Zone	198.7	to	270.7
Sell Zone	270.7	to	306.7

Present Market Price of   202.73   is in the   **HOLD**   Zone

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

$\dfrac{\text{High Price } 306.7 - \text{Present Price } 202.73}{\text{Present Price } 202.73 - \text{Low Price } 162.7} = \dfrac{104.01}{40.03} = 2.6$ To 1

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

$\dfrac{\text{High Price } 306.7}{\text{Closing Price } 202.73} = 1.5130 \ \text{X} \ 100 = 151.30 - 100 = 51.3$ % 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.

A $\dfrac{\text{Indicated Annual Dividend } 0.00}{\text{Closing Price } 202.73} = 0.0000 = 0.0\ \%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\dfrac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \dfrac{0.0\ \%}{6.90} = 0.0\ \%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\dfrac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \dfrac{0.0\ \%}{6.35} = 0.0\ \%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation	8.6 %
Average Yield	0.0 %
Annualized Rate of Return	8.6 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation	6.8 %
Average Yield	0.0 %
Annualized Rate of Return	6.8 %