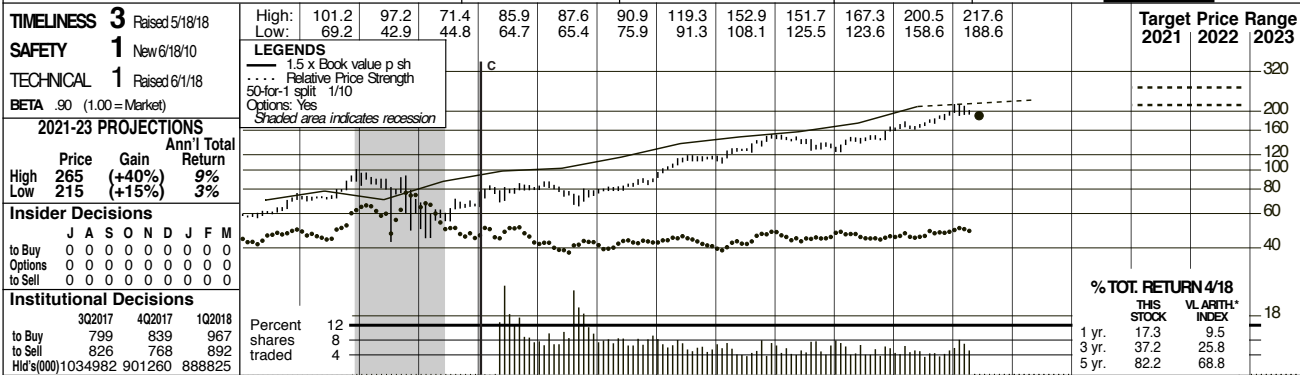


# BERKSHIRE HATH. 'B'

NYSE-BRK B RECENT PRICE **189.87** P/E RATIO **27.9** (Trailing: 27.4 Median: NMF) RELATIVE P/E RATIO **1.55** DIV'D YLD **Nil** VALUE LINE



2021-23 PROJECTIONS		Ann'l Total Return
High	265 (+40%)	9%
Low	215 (+15%)	3%

Insider Decisions	
to Buy	0 0 0 0 0 0 0 0 0 0
Options	0 0 0 0 0 0 0 0 0 0
to Sell	0 0 0 0 0 0 0 0 0 0

Institutional Decisions	
to Buy	302017 402017 102018
to Sell	799 839 967
Hld's(000)	826 768 892
	1034982 901260 888825

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
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'.	10.99	11.98	12.44	12.95	14.02	14.88	16.74	16.75	18.60	24.56	22.05	23.15	Premiums Earned p sh	28.55
	d.30	4.76	4.54	2.62	3.87	5.31	4.28	6.93	5.87	3.53	4.85	5.45	Invest. Inc (loss) p sh	7.35
	35.71	31.60	38.11	42.45	46.92	53.70	57.98	61.83	66.19	53.86	54.55	56.55	Other Income p sh	65.30
	2.14	1.51	2.49	2.14	2.73	3.30	3.18	2.95	2.94	3.17	3.55	4.40	Underwriting Income p sh	6.00
	2.15	3.46	5.29	4.14	5.24	7.89	8.06	9.77	9.77	6.43	6.80	6.60	Earnings p sh AC	12.00
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd p sh	Nil
	47.03	58.36	65.90	68.23	77.73	91.05	98.62	104.91	116.11	141.16	146.65	152.75	Book Value p sh B	167.35
	2223.4	2326.8	2472.2	2476.2	2464.8	2454.4	2464.3	2465.2	2466.2	2467.4	2475.0	2475.0	Common Shs. Outst'g C	2450.0
<b>EQUITY INVESTMENTS as of 3/31/18</b>	173%	107%	119%	115%	93%	121%	132%	133%	124%	124%			Price to Book Value	145%
Positions (12) of \$2.8 billion or more:	37.8	18.1	14.8	19.0	15.9	14.0	16.2	14.3	14.7	27.2			Avg Ann'l P/E Ratio	20.0
Wells Fargo (456,513,244 shares)	2.30	1.20	.94	1.19	1.00	.79	.85	.73	.77	1.33			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 (62,191,448 shares)	25525	27884	30749	32075	34545	36684	41253	41294	45881	60597	54525	57350	Premiums Earned	70000
American Express (151,610,700 shares)	d705.0	11073	11217	6488	9539	13081	10539	17092	14484	8710	12000	13500	Investment Income (loss)	18000
Goldman Sachs (10,959,519 shares)	82966	73536	94219	105125	115648	132385	142881	152435	163239	132887	135000	140000	Other Income	160000
Delta Airlines (53,559,357 shares)	63.7%	65.5%	58.8%	64.9%	58.2%	58.0%	64.0%	64.2%	67.4%	71.4%	68.0%	66.0%	Loss to Prem. Earned	65.0%
U.S. Bancorp (90,847,721 shares)	16.8%	21.9%	20.0%	18.6%	22.3%	19.8%	17.0%	18.2%	16.8%	15.7%	15.5%	15.0%	Expense to Prem Written	14.0%
Bank of America (679,000,000 shares)	19.5%	12.6%	21.2%	16.5%	19.5%	22.2%	19.0%	17.6%	15.8%	12.9%	16.5%	19.0%	Underwriting Margin	21.0%
Kraft Heinz (325,634,818 shares)	26.1%	30.6%	29.4%	29.8%	31.1%	31.1%	28.2%	30.1%	27.4%	28.0%	20.0%	20.0%	Income Tax Rate	20.0%
Apple (239,567,633 shares)	4994	8055	12967	10254	12916	19476	19860	24083	24095	15865.0	16830	16335	Net Profit (\$mill)	29400
Moody's (24,669,778 shares)	109267	135785	162934	168961	191588	224485	243027	258627	286359	348296	363000	378000	Shr. Equity (\$mill) B	410000
Phillips 66 (45,669,892 shares)	4.6%	5.9%	8.0%	6.1%	6.7%	8.7%	8.2%	9.3%	8.4%	4.6%	4.5%	4.5%	Return on Shr. Equity	7.0%
Market Value of all equities: \$198.3 bill.	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

Common Shares	
2,467,627,000 Class B shares	
Includes 747,677 Class A shrs, as if converted.	
as of 4/27/2018	
<b>MARKET CAP: \$469 billion (Large Cap)</b>	

FINANCIAL POSITION				2016	2017	3/31/18
(SMILL)						
Bonds	23432	21353	19920			
Stocks	120471	164026	166658			
Cash	70919	103975	98599			
Other	406032	412741	417474			
Total Assets	620854	702095	702651			
Unearned Prems	14245	16040	18448			
Reserves	76918	104059	104438			
Other	243332	230042	228713			
Total Liabilities	334495	350141	351599			

ANNUAL RATES		Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
of change (per sh)				
Earnings p sh	24.0%	25.0%	9.0%	
Dividends	-	-	Nil	
Book Value	19.0%	6.0%	8.0%	

Cal-endar	NET PREMIUMS EARNED(\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015	9540	10400	10514	10840	41294
2016	11124	10799	11364	12594	45881
2017	21753	12367	13349	13128	60597
2018	13373	13500	13700	13952	54525
2019	14000	14200	14450	14700	57350

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015	2.10	1.63	3.82	2.22	9.77
2016	2.27	2.03	2.92	2.55	9.77
2017	1.65	1.73	1.65	1.40	6.43
2018	2.15	1.50	1.55	1.60	6.80
2019	1.55	1.62	1.71	1.72	6.60

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016					
2017					
2018					

**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,

**We will now report Berkshire Hathaway's earnings on an operating basis.** Generally, we report property and casualty insurance results on an operating basis, since realized capital gains and losses are difficult to estimate and also cause lumpiness in earnings. We also feel that these transactions don't represent a clear picture of a company's underlying fundamentals since transactions can be timed to potentially make a quarter's results look better than they actually are. However, we felt that Berkshire's case was unique, given that the investment portfolio accounted for a significant portion of the company's profits and was generally sustainable. However, due to a 2018 GAAP change, insurers are now required to include changes in unrealized capital gains and losses as a component of investment gains and losses on the income statement. Hence, we believe this makes it difficult, if not impossible, to project forward-looking earnings. As a result, we will now report Berkshire's earnings on an operating basis beginning in 2018.

**The company started out 2018 in fine fashion.** Operating earnings per share in-

fractional ownership programs for general aviation (*NetJets*), energy (*Mid-American Energy*). Has approximately 377,291 employees. Officers & directors control 21.6% of voting power (3/18 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.

creased 30.3% relative to the previous year tally. Results were strong across the board, with Insurance Underwriting, Insurance Investment Income, Railroads, Utilities & Energy, and Other businesses all reporting a year-over-year increase. This doesn't come as much of a surprise to us, given the relative pricing strength across the industry.

**We look for a good earnings advance this year, before likely declining a bit next year.** Insurers, in aggregate, are set to benefit from rate increases this year, reflecting 2017's difficult hurricane season. However, this will make for a tough comparison next year.

**These shares are neutrally ranked for Timeliness.** Appreciation potential over the 3- to 5-year period isn't enticing, either. However, we believe this requires an explanation. Acquisitions aren't included in our projections until they are consummated. Indeed, significant purchases have been a part of Berkshire's game plan for the past several years. Hence, our forecast could be enhanced (and perhaps meaningfully), for acquisitions.

Alan G. House June 8, 2018

(A) Based on diluted shares outstanding. Earnings include investment gains/(losses) and derivative gains and losses. Next earnings report due late July.

(B) Incl. goodwill. In 3/31/18, \$81.3 billion; \$32.96/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	
Stock's Price Stability	A++
Price Growth Persistence	100
Earnings Predictability	75
	60