

**Quarterly Report Q1 2018 for:
Berkshire Hathaway, Inc. (BRK.B)**

**Report Date: 06/13/18
Earnings Date: 05/05/18**

Percentage change in Sales from year ago quarter: (22.6%)

Percentage change in Earnings per Share from year ago quarter: 128.0%

Is company meeting our target sales & earnings estimates? No

Pre-tax Profit on sales trend? up

Return on equity trends? up

Debt? (up, even, down) Up

Current P/E is 12.1

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

Signature P/E = 13.7

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

Current price (03/14/18) is \$195.27

Current fair value: Morningstar: \$220.00

My SSG Compound Annual Return using High P/E is **15.6** Projected Average Return using
Average P/E is **13.0**

What will drive future growth: Continuing improvement in the US and world economy; fewer severe weather events that elevate insurance claims, and acquisitions. The best outlook is for BRK to find new acquisitions. Price may be somewhat suppressed by concerns about the succession plan.

Book value per share, which is a good proxy for measuring changes in Berkshire's intrinsic value, increased at 19.9% compound annual growth rate during 1965-2017, compared with a 15/8 .0% return for the S&P 500.

5.3% of portfolio

SSG analysis indicates HOLD. Recommendation: **HOLD**