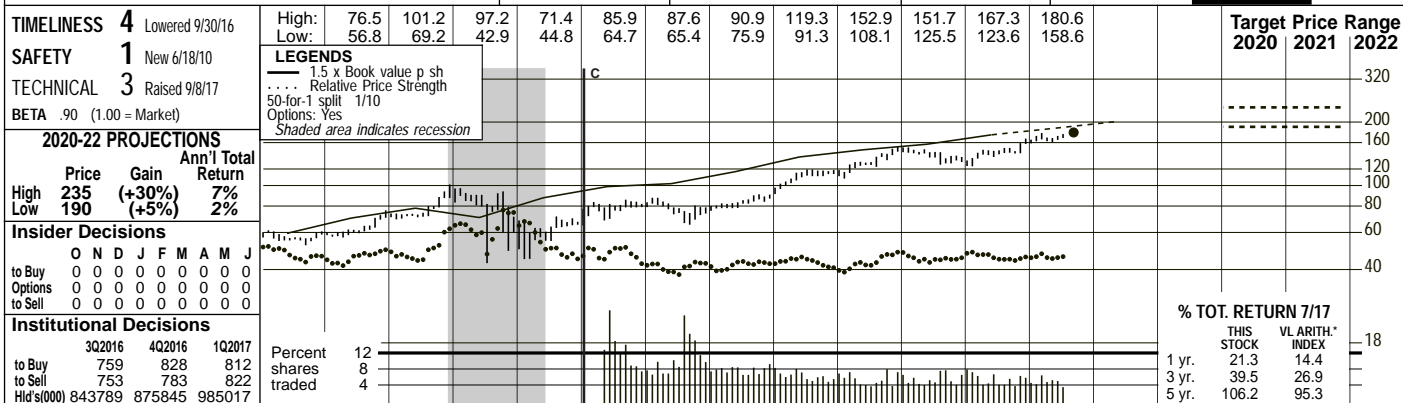


# BERKSHIRE HATH. 'B' NYSE-BRKB

RECENT PRICE **178.62** P/E RATIO **20.8** (Trailing: 20.2 Median: NMF) RELATIVE P/E RATIO **1.11** DIV'D YLD **Nil** VALUE LINE



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	20-22
Price	13.71	10.99	11.98	12.44	12.95	14.02	14.88	16.74	16.75	18.60	24.15	21.25	27.15
Gain	5.26	d.30	4.76	4.54	2.62	3.87	5.31	4.28	6.93	5.87	8.00	8.40	10.00
Low	32.03	35.71	31.60	38.11	42.45	46.92	53.70	57.98	61.83	66.19	67.00	68.50	75.00
High	2.23	2.14	1.51	2.49	2.14	2.73	3.30	3.18	2.95	2.94	3.90	4.15	5.15
Ann'l Total Return	5.70	2.15	3.46	5.29	4.14	5.24	7.89	8.06	9.77	9.77	8.00	10.00	12.50

Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	20-22
Premiums Earned p sh	2318.6	2223.4	2326.8	2472.2	2476.2	2464.8	2454.4	2464.3	2465.2	2466.2	2450.0	2450.0	27.15
Invest. Inc (loss) p sh	52.07	47.03	58.36	65.90	68.23	77.73	91.05	98.62	104.91	116.11	124.70	134.70	10.00
Other Income p sh	2318.6	2223.4	2326.8	2472.2	2476.2	2464.8	2454.4	2464.3	2465.2	2466.2	2450.0	2450.0	75.00
Underwriting Income p sh	52.07	47.03	58.36	65.90	68.23	77.73	91.05	98.62	104.91	116.11	124.70	134.70	5.15
Earnings p sh	52.07	47.03	58.36	65.90	68.23	77.73	91.05	98.62	104.91	116.11	124.70	134.70	12.50
Div'ds Decl'd p sh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Book Value p sh	2318.6	2223.4	2326.8	2472.2	2476.2	2464.8	2454.4	2464.3	2465.2	2466.2	2450.0	2450.0	157.15
Common Shs. Outst'g	2318.6	2223.4	2326.8	2472.2	2476.2	2464.8	2454.4	2464.3	2465.2	2466.2	2450.0	2450.0	2450.0
Price to Book Value	150%	173%	107%	119%	115%	93%	121%	132%	133%	124%	14.7	14.7	135%
Avg Ann'l P/E Ratio	13.7	37.8	18.1	14.8	19.0	15.9	14.0	16.2	14.3	14.7	14.7	14.7	17.0
Relative P/E Ratio	.72	2.30	1.20	.94	1.19	1.00	.79	.85	.73	.77	.77	.77	1.05
Avg Ann'l Div'd Yield	..	..	..	..	..	..	..	..	..	..	..	..	Nil

**EQUITY INVESTMENTS as of 6/30/17**  
Positions (12) of \$2.9 billion or more:

Company	Shares	Value
Wells Fargo	(467,987,270 shares)	\$1.1 billion
Coca Cola Co.	(400,000,000 shares)	\$1.1 billion
IBM	(54,084,673 shares)	\$1.1 billion
American Express	(151,610,700 shares)	\$1.1 billion
Southwest	(47,659,456 shares)	\$1.1 billion
Charter Communications	(9,443,491 shares)	\$1.1 billion
U.S. Bancorp	(85,063,167 shares)	\$1.1 billion
Delta	(53,110,395 shares)	\$1.1 billion
Kraft Heinz	(325,634,818 shares)	\$1.1 billion
Apple	(130,191,960 shares)	\$1.1 billion
Moody's	(24,669,778 shares)	\$1.1 billion
Phillips 66	(80,689,892 shares)	\$1.1 billion

Market Value of all equities: \$162.3 bill.

**Common Shares** 2,466,800,000 Class B shares  
Includes 755,437 Class A shrs, as if converted.

**MARKET CAP: \$440 billion (Large Cap)**

Category	2015	2016	6/30/17
Bonds	25988	23432	23381
Stocks	110212	120471	135355
Cash	61181	70919	86150
Other	354876	406032	420704
Total Assets	552257	620854	665590
Unearned Prems	13311	14245	16129
Reserves	73144	76918	95307
Other	207175	243332	250061
Total Liabilities	293630	334495	361497

Category	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16	to '20-'22
Earnings p sh	24.0%	25.0%	9.0%	9.0%
Dividends	..	..	Nil	Nil
Book Value	19.0%	6.0%	8.0%	8.0%

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	9416	9323	12717	9797	41253
2015	9540	10400	10514	10840	41294
2016	11124	10799	11364	12594	45881
2017	21753	12367	12453	12602	59175
2018	12750	12900	13100	13250	52000

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	1.91	2.59	1.87	1.69	8.06
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	2.12	2.50	8.00
2018	2.25	2.40	2.55	2.80	10.00

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015					
2016					
2017					

**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,

**Berkshire Hathaway shares have gained ample ground over the past three months.** Though earnings fell on a year-over-year basis during the June period, we believe this requires an explanation. The Insurance group registered a sharp decline in earnings before taxes during the June quarter from \$1.7 billion to just over \$1.2 billion. However, this was due to a significant loss in the Reinsurance group, which posted a gain of \$184 million during last year's comparable period. Results in that unit can be especially volatile, largely reflecting uncertainty related to the weather and susceptibility to larger, sometimes nonrecurring, losses. Hence, underlying fundamentals in the insurance unit remain in good shape, from our perspective.

**Following a hiccup this year, earnings ought to advance in 2018 according to our financial model.** The company's insurance arm is poised to benefit from increased investment income per share, as bond reinvestment rates perk up. Also, the company's Manufacturing and Service & Retailing segments ought to benefit from the likelihood of healthy economic condi-

fractional ownership programs for general aviation (*NetJets*), energy (*Mid-American Energy*). Has approximately 367,700 employees. Officers & directors control 22.1% of voting power (3/17 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.

Investors should note that we include capital gains and losses in our financial presentation for Berkshire, which is not our usual convention for P/C insurers. This is because investments account for a significant percentage of Berkshire's business portfolio. While exposure to equity markets can potentially result in volatile earnings, BRKB stock's Price Stability rating is at the top of the pack. We attribute this to the savvy investment style of its CEO, Warren Buffett.

**Berkshire is always in the market for an acquisition.** Relatively recent purchases include Precision Castparts (January, 2016) and the Duracell business from Procter & Gamble (February, 2016). **These shares are trading on the doorstep of our 3- to 5-year Target Price Range.** However, it should be noted that our projections don't take into account acquisitions, which are an integral part of the company's growth strategy. This could prove our long-term projections on the conservative side. For the year ahead, these shares are ranked to be market underperformers.

Alan G. House September 8, 2017

Category	Rating
Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	80
Earnings Predictability	70

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(A) Based on diluted shares outstanding. Earnings include investment gains/(losses) and derivative gains and losses. Next earnings report due late Oct. (B) Incl. goodwill. In 12/31/16, \$79.5 billion; \$32.24/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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