

Berkshire Hathaway Inc.

Recommendation



Equity Analyst **C. Seifert**

Price

\$175.34 (as of Aug 11, 2017 4:00 PM ET)

12-Mo. Target Price

\$185.00

Report Currency

USD

Investment Style

Large-Cap Blend

GICS Sector Financials

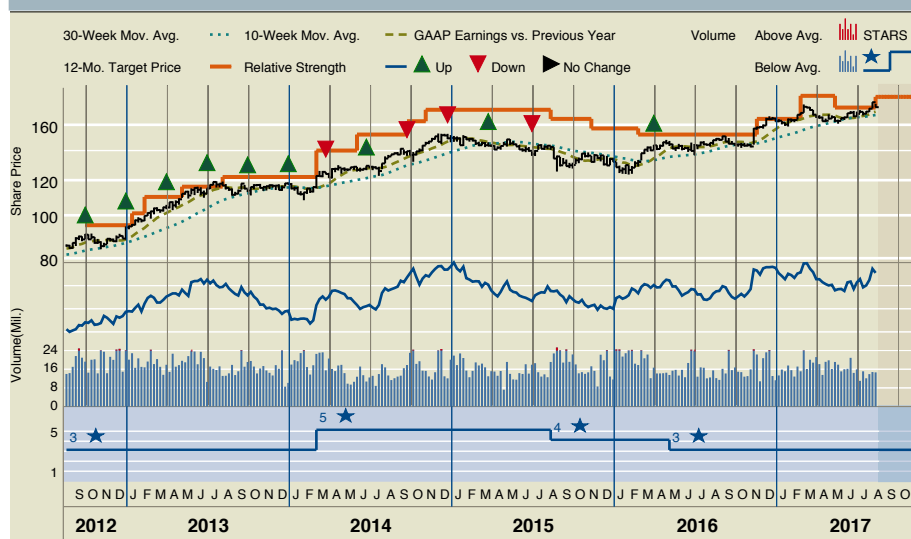
Sub-Industry Multi-Sector Holdings

Summary This holding company has interests in insurance, railroads, energy, financial services, publishing, retailing, and manufacturing. Its investment portfolio included more than \$135 billion of marketable equity securities as of June 30, 2017.

Key Stock Statistics (Source CFRA, S&P Global Market Intelligence, Vickers, company reports)

52-Wk Range	\$179.99– 141.92	Oper. EPS 2017E	6.89	Market Capitalization(B)	\$215.366	Beta	0.53
Trailing 12-Month EPS	\$9.14	Oper. EPS 2018E	8.10	Yield (%)	Nil	3-Yr. Proj. EPS CAGR(%)	9
Trailing 12-Month P/E	19.2	P/E on Oper. EPS 2017E	25.4	Dividend Rate/Share	Nil	S&P Quality Ranking	B+
\$10K Invested 5 Yrs Ago	\$20,684	Common Shares Outstg. (M)	1,227.5	Institutional Ownership (%)	72		

Price Performance



Analyst's Risk Assessment



The low risk represented by the company's diversified revenue and earnings base is partly offset by the corporate governance weaknesses -- we think -- that are embedded in Berkshire as a result of the company's decentralized management style. Also, we view chairman and CEO Warren Buffett's advanced age as a risk factor.

Revenue/Earnings Data

Revenue (Million U.S. \$)					
	1Q	2Q	3Q	4Q	Year
2016	52,403	--	--	--	--
2015	48,644	51,368	58,989	51,820	223,604
2014	45,453	49,762	51,199	48,259	194,673
2013	43,867	44,693	46,541	47,049	182,150
2012	38,147	38,546	41,050	44,720	162,463
2011	33,720	38,274	33,739	37,955	143,688

Earnings Per Share (U.S. \$)

2016	2.27	E1.77	E1.95	E1.90	9.76
2015	2.10	1.63	E1.85	E1.75	9.77
2014	1.91	2.59	1.87	1.69	8.06
2013	1.98	1.84	2.05	2.02	7.90
2012	1.31	1.25	1.58	1.58	5.98
2011	0.61	1.38	0.92	1.23	4.14

Fiscal year ended Dec. 31. Next earnings report expected: Early November. EPS Estimates based on CFRA Operating Earnings; historical GAAP earnings are as reported in Company reports.

Dividend Data

No cash dividends have been paid.

Past performance is not an indication of future performance and should not be relied upon as such.

Past performance is not an indication of future performance and should not be relied upon as such.

Analysis prepared by Equity Analyst **C. Seifert** on Aug 11, 2017 03:54 PM, when the stock traded at **\$175.49**.

Highlights

- We forecast operating revenue growth of 6% to 7% in 2017, and 7% to 9% in 2018. This reflects contributions from acquisitions and assumes that several of Berkshire's economically sensitive units begin to see some momentum amid a recovering economy, particularly later in 2017. We look for revenue growth in the insurance area (Berkshire's largest business) to be above industry averages, primarily reflecting market share gains at GEICO, offset by reduced writings at certain reinsurance units. Sales and service revenue growth was aided by acquisitions, which we see continuing, given the nearly \$100 billion in cash and equivalents Berkshire had at June 30, 2017.
- Underwriting results at GEICO further deteriorated after several quarters of deterioration on higher claims frequency and severity. This is offset by some mixed profit trends in the reinsurance units, due in part to industry overcapacity, which is depressing premium rates.
- We estimate operating EPS of \$6.89 for 2017 and \$8.10 in 2018, versus the \$7.13 Berkshire earned on an operating basis in 2016.

Investment Rationale/Risk

- Our opinion on the shares is hold. Berkshire's premium valuation -- versus the broader market and the company's closest peers -- is dependent upon its ability to produce revenue growth and operating profit margins that are superior to broader averages. First-half 2017 results did not meet that hurdle, in our view.
- Risks to our opinion and target price include significant erosion in claims and premium pricing trends, and a less-than-robust recovery in the economy, which would likely dampen demand for many of Berkshire's products.
- Our 12-month target price of \$185 assumes the shares will trade at 26.9X our 2017 operating EPS forecast. This is slightly above the midpoint of Berkshire's historical average multiple, and is a premium to most of the company's insurance and reinsurance peers. This premium is warranted amid Berkshire's superior financial strength, in our view. Our target price equates about 2X estimated 2017 year-end book value per share.

Berkshire Hathaway Inc.

Business Summary August 11, 2017

CORPORATE OVERVIEW. This insurance-based conglomerate's segment operating revenues totaled \$215.8 billion in 2016 (up from \$200.8 billion in 2015) and were derived as follows: GEICO Corp. 12%, General Re 3%, Berkshire Hathaway Reinsurance Group 4%, Berkshire Hathaway Primary Group 3%, investment income 2%, Burlington Northern Santa Fe 9%, McLane Company 22%, Berkshire Hathaway Energy 8%, Manufacturing 22%, Service and Retailing 11% and Financial Products 4%.

Berkshire has grown through acquisitions and we think will continue to do so. On January 26, 2016, Berkshire acquired Precision Cast Parts, an aerospace components manufacturer, for some \$32.7 billion in cash and the assumption of debt, making this Berkshire's largest acquisition to date. On November 13, 2014, Berkshire agreed to buy the Duracell battery business from Procter and Gamble (PG 89 Hold) for some \$4.7 billion in PG stock currently held by Berkshire. Duracell will also receive a \$1.7 billion cash infusion from PG prior to closing. On December 9, 2013, Berkshire's Mid American unit acquired NV energy, Inc. for \$5.6 billion. On June 7, 2013, Berkshire and 3G Capital acquired H.J. Heinz Company for \$72.50 a share in cash in a transaction valued at \$23.25 billion. In September 2011, Berkshire acquired Lubrizol (LIZ) for \$9.7 billion (\$135 a share in cash). In February 2010, Berkshire acquired the 77.5% of Burlington Northern Santa Fe it did not already own for \$26.5 billion (\$100 a share in cash/stock).

Berkshire's equity holdings had a market value of more than \$122 billion at year-end 2016. The largest holdings were Coca-Cola (KO) (with a 12/31/16 market value of \$16.6 billion), International Business Machines Corp. (IBM) (\$13.5 billion), Wells Fargo (WFC) (\$27.6 billion), and American Express Co. (AXP) (\$11.2 billion). Among the more significant investments Berkshire made recently was the purchase of Apple Inc. (AAPL) shares. Berkshire's AAPL position equaled \$7.1 billion at year-end 2016. Other significant purchases included the August 2011 purchase of \$5 billion of Bank of America (BAC) 6% preferred stock that came with warrants to buy 700 million BAC common shares at \$7.14 a share. Berkshire also purchased 63.9 million shares of IBM for \$10.9 billion during 2011. In March 2009, Berkshire acquired a 12% convertible perpetual capital instrument without maturity and redemption date, issued by Swiss Re for \$2.7 billion, that is convertible into 120 million Swiss Re common shares.

CORPORATE STRATEGY. The company has outlined a series of principles that guide its operations and the management of its business. Central, we think, is its long-term goal of maximizing the "average annual rate of gain in intrinsic business value on a per-share basis." To achieve that goal, Berkshire has stressed a preference for directly owning a diversified group of businesses that generate cash and consistently earn above-average returns on capital. The company has also outlined its acquisition criteria. To be considered for acquisition, Berkshire requires a business to be large enough (at least \$75 million in pretax earnings); have a demonstrated consistent earning power; earn "good" returns on equity with little or no debt; have a management team in place; be simple; and have an offering price. Also, once Berkshire acquires a business, it typically does not plan on selling it. The company's second choice is to invest in similar types of companies through the purchase of marketable common stocks by its insurance subsidiaries. (The degree to which the company is able to do this is influenced by the capital needs of its insurance subsidiaries.) Berkshire also seeks to achieve its goals without an over-reliance on the issuance of debt. Moreover, in instances where it finds it necessary to issue debt, it seeks to do so on a long-term, fixed-rate basis. The company also will not issue stock that it thinks would be dilutive to existing holders. Berkshire also stresses the "partnership" mindset it has with its shareholders, and that most directors of the firm have a major portion of their net worth invested in the company.

MANAGEMENT. Famed value investor Warren Buffett is the chairman and chief executive officer of Berkshire Hathaway, a position he has held since 1970. The company stresses that each of its operating units functions independently and with its own management team. Mr. Buffett oversees the company's investments and allocation of capital. Because Mr. Buffett is in his 80s, succession planning is an important consideration, in our view. The company has not as of early March 2017 publicly announced a successor to Mr. Buffett. However, in his annual letter to shareholders Mr. Buffett noted in late February 2014 that a successor had been chosen.

LEGAL/REGULATORY ISSUES. An investigation by several state attorneys general (including New York's), the SEC and the Department of Justice into certain insurance underwriting and marketing practices, including the use of non-traditional, finite reinsurance products, culminated in the indictment, in February 2006, of several former executives of General Re Corp., a wholly owned subsidiary of Berkshire Hathaway. The fraud charges levied against these executives stemmed from a controversial finite reinsurance deal consummated in 2000 with American International Group (AIG). The transaction ultimately led to the ouster of long-time AIG CEO Maurice "Hank" Greenberg.

Corporate Information

Investor Contact
M. Hamburg (402-346-1400)

Office
3555 Farnam Street, Omaha, NE 68131.

Telephone
402-346-1400.

Fax
402-346-3375.

Website
<http://www.berkshirehathaway.com>

Officers

Chrmn & CEO	Treas
W.E. Buffett	K.S. Ham

Vice Chrmn	Secy
C.T. Munger	S.L. Heck

SVP & CFO
M.D. Hamburg

Board Members

H. G. Buffett	W. E. Buffett
S. B. Burke	S. L. Decker
W. H. Gates, III	D. S. Gottesman
C. Guyman	C. T. Munger
T. S. Murphy	R. L. Olson
W. Scott, Jr.	M. B. Witmer

Domicile	Auditor
Delaware	DELOITTE & TOUCHE

Founded
1889

Employees
367,671

Stockholders
21,500

Berkshire Hathaway Inc.

Quantitative Evaluations

Fair Value Rank	NR	1	2	3	4	5
		LOWEST				HIGHEST

Based on CFRA's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

Fair Value Calculation **NA**

Investability Quotient Percentile	98
	LOWEST = 1 HIGHEST = 100

BRK.B scored higher than 98% of all companies for which a Report is available.

Volatility	LOW	AVERAGE	HIGH
-------------------	------------	----------------	-------------

Technical Evaluation **BULLISH** Since June, 2017, the technical indicators for BRK.B have been BULLISH.

Insider Activity	NA	UNFAVORABLE	NEUTRAL	FAVORABLE
-------------------------	-----------	--------------------	----------------	------------------

Expanded Ratio Analysis

	2015	2014	2013	2012
Price/Sales	1.46	1.90	1.60	1.37
Price/Pretax Income	9.31	13.17	10.15	9.99
P/E Ratio	13.51	18.63	15.01	14.99
Avg. Diluted Shares Outstg (M)	2,464.8	2,465.2	2,465.4	2,476.9

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Net Income	21.19	15.90	16.53	11.73

Ratio Analysis (Annual Avg.)	1 Year	3 Years	5 Years	9 Years
Return on Equity (%)	9.70	9.27	8.52	8.24

Company Financials Fiscal Year Ended Dec. 31

Per Share Data (U.S. \$)	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Tangible Book Value	NA	NA	NA	63.14	49.96	40.97	41.02	41.72	32.49	37.84
Operating Earnings	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Earnings	NA	9.77	8.06	7.90	5.98	4.14	5.29	3.46	2.15	5.70
Core Earnings	NA	NA	NA	NA	NA	NA	NA	NA	3309.61	6300.75
Dividends	NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	NA	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Prices:High	NA	151.69	152.94	119.30	90.93	87.65	85.86	71.38	97.16	101.18
Prices:Low	NA	125.50	108.12	91.29	75.86	65.35	64.72	44.82	49.02	69.20
P/E Ratio:High	NA	16	19	15	15	21	16	21	45	18
P/E Ratio:Low	NA	13	13	12	13	16	12	13	23	12

Income Statement Analysis (Million U.S. \$)

Premium Income	NA	41,294	41,253	36,684	34,545	32,075	30,749	27,884	25,525	31,783
Net Investment Income	NA	6,745	6,458	6,408	6,106	6,410	6,898	7,131	6,756	6,696
Other Revenue	NA	162,782	146,962	139,058	121,812	105,203	98,538	77,478	75,505	79,766
Total Revenue	NA	210,821	194,673	182,150	162,463	143,688	136,185	112,493	107,786	118,245
Pretax Income	NA	34,946	28,105	28,796	22,236	15,314	19,101	11,979	7,574	20,161
Net Operating Income	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net Income	NA	24,083	19,872	19,476	14,824	10,254	12,967	8,055	4,994	13,213
Core Earnings	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Balance Sheet & Other Financial Data (Million U.S. \$)

Cash & Equivalent	NA	71,730	63,269	48,186	46,992	37,299	38,427	30,558	25,539	44,329
Premiums Due	NA	8,843	7,914	7,474	7,845	6,663	6,342	5,295	4,961	4,215
Investment Assets:Bonds	NA	25,988	27,397	28,785	32,291	32,188	34,883	37,131	31,632	31,571
Investment Assets:Stocks	NA	110,623	116,828	116,970	86,467	76,063	59,819	56,562	49,073	74,999
Investment Assets:Loans	NA	12,772	12,566	12,826	12,809	13,934	15,226	13,989	13,942	12,359
Investment Assets:Total	NA	176,033	173,137	170,915	147,624	139,106	132,937	140,282	116,182	118,929
Deferred Policy Costs	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total Assets	NA	552,257	526,186	484,931	427,452	392,647	372,229	297,119	267,399	273,160
Debt	NA	84,289	80,209	72,224	62,736	60,384	58,574	37,909	36,882	33,826
Common Equity	NA	255,550	240,170	221,890	187,647	164,850	157,318	131,102	109,267	120,733
Property & Casualty:Loss Ratio	NA	82.1	77.7	76.7	75.9	78.2	74.4	77.0	74.8	72.2
Property & Casualty:Expense Ratio	NA	15.9	16.6	17.2	20.0	18.1	17.8	18.2	17.9	18.4
Property & Casualty Combined Ratio	NA	98.0	94.3	93.9	95.9	96.3	92.2	95.2	92.7	90.6
% Return on Revenue	NA	11.4	10.2	10.7	9.1	7.1	9.5	7.2	4.6	11.2
% Return on Equity	NA	9.7	8.6	9.5	8.4	6.4	9.0	6.7	4.3	11.5

Data as originally reported in Company reports.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Berkshire Hathaway Inc.

Sector Outlook

CFRA recommends marketweighting the S&P 500 financials sector. Year-to-date through May 9, 2017, the S&P 500 financials index, which represented 14.2% of the S&P 500 index, was up 1.7% in price, compared with a 7.1% increase for the S&P 500. In 2016, this sector index jumped 20.1%, versus a price advance of 9.5% for the 500. There are 11 sub-industry indices in this sector. Diversified banks is the largest, representing more than 36% of the sector's market value, while multi-line insurance is the smallest, accounting for just 3.25% of the sector.

The cap-weighted average of this sector's component company CFRA STARS (STock Appreciation Ranking System) is 3.5 out of 5.0, as compared with a cap-weighted average of 3.7 for the S&P 500. Also, the percentage of stocks in the S&P 500 financials sector that carry favorable investment recommendations is below average versus the market as a whole. The sub-industries within this sector that currently show the highest average STARS are diversified banks, investment banking & brokerage, life & health insurance, and multi-line insurance. Those with the lowest average STARS include consumer finance, multi-sector holdings, reinsurance and thrifts & mortgage finance. According to S&P Capital IQ Consensus Estimates, the sector is projected to record a 13.1% year-over-year increase in operating earnings per share in 2017, as compared with the S&P 500's estimated EPS gain of 11.1%. During 2016, this sector posted a 7.9% rise in EPS, versus a 0.4% increase for the S&P 500. In addition, revenues for the sector are expected to increase by 14.4% in 2017 versus the S&P 500's projected rise of 4.8%. The sector's price-to-earnings ratio of 14.1X, based on S&P Capital IQ consensus 2017 operating EPS estimates, is well below the S&P 500's forward P/E of 18.3X. S&P Capital IQ also reports that the consensus long-term EPS growth estimate for this

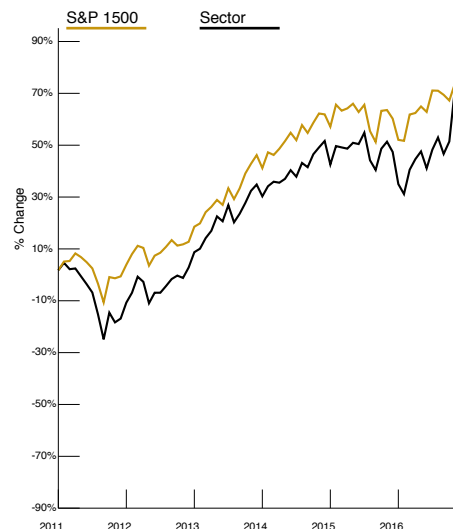
sector is 9.5% versus the S&P 500's 12.6%, giving the sector a P/E-to-projected EPS growth rate (PEG) ratio of 1.5X, which is equal to the broader market's PEG of 1.5X. Finally, this sector pays a dividend yield of 1.8%, as compared with the yield of 2.0% for the S&P 500.

CFRA's proprietary technical indicator for this sector currently shows a neutral reading. In researching the past market history of prices and trading volume for each company, CFRA's computer models apply special technical methods and formulas to identify and project price trends for the sector.

Industry Performance

GICS Sector: Financials

Based on S&P 1500 Indexes
Five-Year market price performance through Aug 12, 2017



NOTE: A sector chart appears when the sub-industry does not have sufficient historical index data.

All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS).

Past performance is not an indication of future performance and should not be relied upon as such.

Price performance prior to September 16, 2016 for Real Estate sector is based on the previous GICS Real Estate Industry Group.

Sector : Financials Peer Group*: Based on market capitalizations within GICS Sub-Industry

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	S&P Quality Ranking	IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Berkshire Hathaway'B'	BRK.B	215,366	175.34	179.99/141.92	0.53	Nil	19	NA	B+	98	11.4	20.1
AGNC Investment	AGNC	7,587	21.34	22.34/17.30	0.21	10.1	4	NA	NR	65	85.6	18.4
Annaly Capital Management	NLY	13,328	12.25	12.73/9.83	0.16	9.8	4	NA	B	80	82.2	85.3
Apollo Commercial Real Est Fin	ARI	1,896	17.98	19.92/15.54	0.55	10.2	9	14.50	NR	44	85.0	43.3
Berkshire Hathaway'A'	BRK.A	227,232	263000	270000/213030	0.50	Nil	19	NA	B+	99	10.2	24.4
Blackstone Mortgage Tr'A'	BXMT	2,953	31.14	32.47/27.89	2.23	8.0	13	NA	NR	27	76.0	71.4
Chimera Investment	CIM	3,528	18.79	20.90/14.70	0.78	10.6	5	NA	B	80	78.2	80.5
Invesco Mortgage Capital	IVR	1,878	16.83	17.34/14.15	0.76	9.5	4	NA	NR	59	84.9	47.4
MFA Financial	MFA	3,492	8.81	8.85/7.03	0.28	9.1	11	NA	B	50	84.6	0.8
New Residential Investment	NRZ	5,090	16.56	17.86/13.30	NA	12.1	6	NA	NR	23	63.4	79.2
Onex Corp	ONEX.C	7,723	75.20	7053/60.04	0.78	0.4	NM	NA	NR	NA	NA	86.2
Starwood Property Trust	STWD	5,740	22.06	23.46/21.11	0.63	8.7	12	22.00	NR	43	66.4	57.6
Texas Pac Ld Tr	TPL	2,829	359.93	377.75/170.00	1.13	0.1	55	NA	B+	56	63.9	NA
Two Harbors Investment	TWO	3,486	9.99	10.54/7.91	0.50	10.4	7	14.00	NR	59	58.8	NA
UBS Group	UBS	63,368	17.05	18.31/12.86	NA	3.5	16	17.60	NR	78	9.5	19.7

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

Berkshire Hathaway Inc.

Analyst Research Notes and other Company News

August 4, 2017

06:17 pm ET ... CFRA KEEPS HOLD OPINION ON CLASS B SHARES OF BERKSHIRE HATHAWAY INC. (BRK.B 179.50***): We lift our 12-month target by \$10 to \$185, 26.9X our '17 operating EPS estimate of \$6.89 (cut by \$0.95), 22.8X our '18 operating EPS estimate of \$8.10 (cut by \$0.65), the upper end of historical averages. Q2 operating EPS of \$1.67 vs. \$1.87 lagged our \$2.10 EPS estimate on 6.7% operating revenue growth (in line with our 6%-7% growth forecast), offset by a 22% rise in insurance loss costs amid adverse reinsurance trends, narrower insurance margins. But, Railroad-Energy pretax margins widened by 80 basis points. Lacking a cash dividend, we view the shares as fairly valued /C. Seifert

July 10, 2017

03:22 pm ET ... CFRA KEEPS HOLD OPINION ON CLASS B SHARES OF BERKSHIRE HATHAWAY INC. (BRK.B 170.38***): We keep our 12 month target of \$175, or 22.3X our 2017 operating EPS forecast of \$7.84, slightly above the midpoint of Berkshire's historical average multiple. Unconfirmed reports published in Reuters this afternoon claim Elliott Management is set to make a \$9.3B offer for Energy Future Holdings, claiming Berkshire's \$9B bid is not adequate. We think this presents BRK with an interesting situation, since Berkshire has publicly stated a refusal to enter into bidding wars. A counter bid in this case may indicate a turning point in Berkshire's acquisition philosophy. /C. Seifert

July 7, 2017

10:15 am ET ... CFRA KEEPS HOLD OPINION ON CLASS B SHARES OF BERKSHIRE HATHAWAY (BRK.B 170.20***): Published, unconfirmed reports in today's Wall St. Journal and other venues indicate BRK is set to acquire Energy Future Holdings (EFH), parent of Texas-based Oncor, a leading power transmission firm, for \$9B in cash. Given BRK's cash bid and its financial strength, we expect regulators to approve the deal. In addition to increasing BRK's energy exposure to nearly 10% of revenues from the current 7%, this deal may also test BRK's hands off management style. Given BRK's \$79.4B of cash on hand at March 31, 2017, we believe BRK has the capacity to do \$50B more in deals. /C. Seifert

June 30, 2017

11:43 am ET ... CFRA KEEPS HOLD OPINION ON CL B SHARES OF BERKSHIRE HATHAWAY INC. (BRK.B 169.60***): We keep our 12-month target of \$175, 22.3X our '17 EPS estimate of \$7.84, above the mid-point of BRK's historical average multiple. We view positively BRK's decision to exercise its Bank of America (BAC 24 ****) warrants, enabling it to become BAC's largest shareholder at below-market rates. But, our view of the shares remains tempered by some adverse insurance underwriting trends that may persist, coupled with the likelihood BRK's core McLane grocery unit could be hurt by structural changes to the grocery store business model amid the growing presence of online retailers. /C. Seifert

June 22, 2017

10:10 am ET ... CFRA KEEPS HOLD OPINION ON CLASS B SHARES OF BERKSHIRE HATHAWAY INC. (BRK.B 169.62***): Troubled Canadian mortgage originator Home Capital Group (HCG) said Berkshire plans to acquire C\$400M worth of its common shares (a 19.9% interest) and to extend the firm a C\$2B line of credit. Terms of the deal are harsh, with an interest rate reported to be 9%, but not unlike other deals Berkshire has structured as the "lender of last resort". Though this transaction does not materially impact Berkshire's results, it represents another facet of BRK's capital allocation/investment strategy. We view BRK shares as fairly valued, given some near-term revenue and margin pressures. /C. Seifert

May 5, 2017

05:16 pm ET ... CFRA KEEPS HOLD OPINION ON CLASS B SHARES OF BERKSHIRE HATHAWAY INC. (BRK.B 166.52***): We cut our 12-month target by \$11 to \$175, 22X our '17 operating EPS estimate of \$7.84 (cut by \$0.26), 20X our '18 operating EPS estimate of \$8.75, in line with historical averages. Q1 operating EPS of \$1.44 vs. \$1.52 lagged our \$1.70 EPS estimate on 1.2% lower investment income, a \$267M underwriting loss (vs. a \$213M gain), which offset 9.3% higher railroad/energy/utility profits. Though revenues rose 25% on a large reinsurance deal, we view the underwriting loss and lower investment income as laggard results. Lacking a cash dividend, we view the shares as fairly valued. /C. Seifert

February 27, 2017

09:15 am ET ... S&P CAPITAL IQ KEEPS HOLD OPINION ON CL B SHARES OF

BERKSHIRE HATHAWAY INC. (BRK.B 170.22***): We keep our 12-month target of \$186, 23X our '17 operating EPS estimate of \$8.10, 21.3X our '18 operating EPS estimate of \$8.75, the upper end of historical ranges. Q4 operating EPS of \$1.78 vs. \$1.90 lagged our \$1.90 operating EPS estimate on 14% lower investment income, 5.4% lower railroad/energy/utility profits, 79% higher insurance profits (which surpassed peers). We also expect BRK to use part of its \$86.4B in cash (at 12/31/16) to pursue acquisitions, enhancing revenue growth. At current levels, with no cash dividend, mixed earnings, we view the shares as fairly valued. /C. Seifert

February 23, 2017

02:27 pm ET ... S&P CAPITAL IQ KEEPS HOLD ON CLASS B SHARES OF BERKSHIRE HATHAWAY (BRK.B 169.73***): We raise our 12-month target by \$21 to \$186, 23X our '17 operating EPS estimate of \$8.10, 21.3X our '18 operating EPS estimate of \$8.75, at the upper end of historical ranges. We expect Berkshire to post Q4 EPS of \$1.90 a share, '16 EPS of \$7.25 when it releases results this Saturday. We think there are favorable catalysts, like improved consumer spending trends and an expected rise in infrastructure spending that will aid the shares, offset by mixed insurance and energy trends. At current levels, we view the shares as fairly valued versus historical levels, but worth holding. /C. Seifert

November 11, 2016

09:23 am ET ... S&P CAPITAL IQ KEEPS HOLD OPINION ON CLASS B SHARES OF BERKSHIRE HATHAWAY (BRK.B 156.06***): We lift our 12 month target by \$13 to \$165, 20.4X our '17 operating EPS estimate of \$8.10, the upper end of historical ranges. Berkshire's year to date operating results have been mixed, in our view. We expect BRK to produce operating revenue growth of 5% to 8% in '16, as low-teen revenue growth at GEICO and an acquisition-driven 20%-plus expected rise in manufacturing revenues are offset by declines in energy, railroad and certain reinsurance segments. We also expect BRK to use part of its \$68.3B in cash (at 9/30/16) to pursue acquisitions, enabling further revenue growth. /C. Seifert

November 7, 2016

05:01 pm ET ... S&P CAPITAL IQ KEEPS HOLD OPINION ON CL B SHARES OF BERKSHIRE HATHAWAY INC (BRK.B 142.95***): We keep our 12 month target of \$152, 18.8X our '17 operating EPS estimate, in line with historical averages. We initiate an '18 operating EPS estimate of \$8.75, and raise our 16 operating EPS estimate by \$0.01 to \$7.25. Q3 operating EPS of \$1.97 vs. \$1.85 topped our \$1.95 operating EPS estimate. Results were mixed, as insurance underwriting profits sank 34% on adverse claim trends, while railroad-energy-utility profits stabilized. The 38% rise in profits at "other" businesses reflected acquisitions, something we think Berkshire will continue to pursue to help fuel growth. /C. Seifert

Berkshire Hathaway Inc.



Wall Street Consensus Opinion

BUY/HOLD

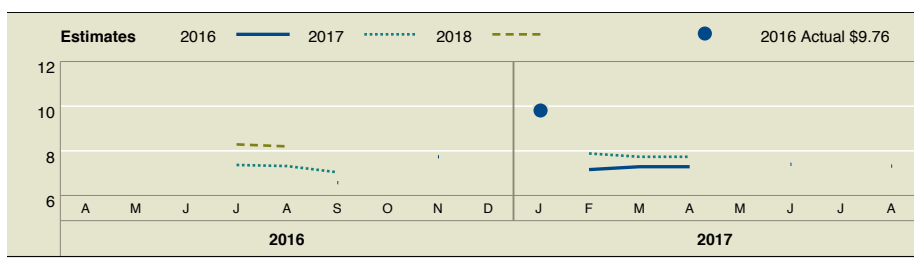
Companies Offering Coverage

- Argus Research Company
- Barclays
- Morgan Stanley
- Morningstar Inc.
- UBS Investment Bank

Of the total 5 companies following BRK.B, 5 analysts currently publish recommendations.

	No. of Recommendations	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	1	20	1	0
Buy/Hold	1	20	1	0
Hold	3	60	3	0
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	0	0	0	0
Total	5	100	5	0

Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2018	7.84	8.10	7.75	4	22.4
2017	6.91	7.06	6.76	3	25.4
2018 vs. 2017	▲ 13%	▲ 15%	▲ 15%	▲ 33%	▼ -12%
Q2'18	1.95	1.95	1.95	3	89.9
Q2'17	1.80	1.85	1.74	3	97.4
Q2'18 vs. Q2'17	▲ 8%	▲ 5%	▲ 12%	0%	▼ -8%

Wall Street Consensus vs. Performance

For fiscal year 2017, analysts estimate that BRK.B will earn US\$ 6.91. For the 1st quarter of fiscal year 2017, BRK.B announced earnings per share of US\$ 1.85, representing 27% of the total annual estimate. For fiscal year 2018, analysts estimate that BRK.B's earnings per share will grow by 13% to US\$ 7.84.

A company's earnings outlook plays a major part in any investment decision. S&P Global Market Intelligence organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years, as well as how those earnings estimates have changed over time. Note that the information provided in relation to consensus estimates is not intended to predict actual results and should not be taken as a reliable indicator of future performance.

Berkshire Hathaway Inc.



Glossary

STARS

Since January 1, 1987, CFRA Equity and Fund Research Services, and its predecessor S&P Capital IQ Equity Research has ranked a universe of U.S. common stocks, ADRs (American Depositary Receipts), and ADSs (American Depositary Shares) based on a given equity's potential for future performance. Similarly, we have ranked Asian and European equities since June 30, 2002. Under proprietary STARS (STock Appreciation Ranking System), equity analysts rank equities according to their individual forecast of an equity's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350® Index or S&P 500® Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P Capital IQ Quality Ranking

(also known as **S&P Capital IQ Earnings & Dividend Rankings**) - Growth and stability of earnings and dividends are deemed key elements in establishing S&P Capital IQ's earnings and dividend rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

EPS Estimates

CFRA's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, EPS estimates reflect either forecasts of equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by S&P Global Market Intelligence, a data provider to CFRA. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

Core Earnings

Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

12-Month Target Price

The equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including Fair Value.

CFRA Equity Research

CFRA Equity Research is produced and distributed by Accounting Research & Analytics, LLC d/b/a CFRA ("CFRA US"). Certain research is distributed by CFRA UK Limited (together with CFRA US, "CFRA"). Certain research is produced by Standard & Poor's Malaysia Sdn. Bhd ("S&P Malaysia") under contract to CFRA US.

Abbreviations Used in Equity Research Reports

CAGR - Compound Annual Growth Rate
CAPEX - Capital Expenditures
CY - Calendar Year
DCF - Discounted Cash Flow
DDM - Dividend Discount Model
EBIT - Earnings Before Interest and Taxes
EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization
EPS - Earnings Per Share
EV - Enterprise Value

FCF - Free Cash Flow
FFO - Funds From Operations
FY - Fiscal Year
P/E - Price/Earnings
P/NAV - Price to Net Asset Value
PEG Ratio - P/E-to-Growth Ratio
PV - Present Value
R&D - Research & Development
ROCE - Return on Capital Employed
ROE - Return on Equity
ROI - Return on Investment
ROIC - Return on Invested Capital
ROA - Return on Assets
SG&A - Selling, General & Administrative Expenses
SOTP - Sum-of-The-Parts
WACC - Weighted Average Cost of Capital

Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).

Qualitative Risk Assessment

Reflects an equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices. For an ETF this reflects on a capitalization-weighted basis, the average qualitative risk assessment assigned to holdings of the fund.

STARS Ranking system and definition:

★★★★★ 5-STARS (Strong Buy):

Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ 4-STARS (Buy):

Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ 3-STARS (Hold):

Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ 2-STARS (Sell):

Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★☆☆☆☆ 1-STAR (Strong Sell):

Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks:

In North America, the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are the S&P Europe 350 Index and the S&P Asia 50 Index, respectively.

Berkshire Hathaway Inc.



Disclosures

S&P GLOBAL™ is used under license. The owner of this trademark is S&P Global Inc. or its affiliate, which are not affiliated with CFRA or the author of this content. Stocks are ranked in accordance with the following ranking methodologies:

STARS Stock Reports:

Qualitative STARS recommendations are determined and assigned by equity analysts. For reports containing STARS recommendations refer to the Glossary section of the report for detailed methodology and the definition of STARS rankings.

Quantitative Stock Reports:

Quantitative recommendations are determined by ranking a universe of common stocks based on 5 measures or model categories: Valuation, Quality, Growth, Street Sentiment, and Price Momentum. In the U.S., a sixth sub-category for Financial Health will also be displayed. Percentile scores are used to compare each company to all other companies in the same universe for each model category. The five (six) model category scores are then weighted and rolled up into a single percentile ranking for that company. For reports containing quantitative recommendations refer to the Glossary section of the report for detailed methodology and the definition of Quantitative rankings.

STARS Stock Reports and Quantitative Stock Reports:

The methodologies used in STARS Stock Reports and Quantitative Stock Reports (collectively, the "Research Reports") reflect different criteria, assumptions and analytical methods and may have differing recommendations. The methodologies and data used to generate the different types of Research Reports are believed by the author and distributor reasonable and appropriate. Generally, CFRA does not generate reports with different ranking methodologies for the same issuer. However, in the event that different methodologies or data are used on the analysis of an issuer, the methodologies may lead to different views or recommendations on the issuer, which may at times result in contradicting assessments of an issuer. CFRA reserves the right to alter, replace or vary models, methodologies or assumptions from time to time and without notice to clients.

STARS Stock Reports:

Global STARS Distribution as of June 30, 2017

Ranking	North America	Europe	Asia	Global
Buy	37.4%	25.9%	36.6%	35.4%
Hold	55.1%	56.1%	39.4%	53.5%
Sell	7.5%	18.0%	24.0%	11.1%
Total	100%	100%	100%	100%

Analyst Certification

STARS Stock Reports are prepared by the equity research analysts of CFRA and S&P Malaysia, under contract to CFRA. All of the views expressed in STARS Stock Reports accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. Analysts generally update stock reports at least four times each year. No part of analyst, CFRA, or S&P Malaysia compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in a STARS Stock Report.

About CFRA Equity Research's Distributors:

This Research Report is published and originally distributed by Accounting Research & Analytics, LLC d/b/a CFRA ("CFRA US"), with the following exceptions: In the UK/EU/EEA, it is published and originally distributed by CFRA UK Limited, an Appointed Representative of Hutchinson Lilley Investments LLP, which is regulated by the Financial Conduct Authority (No. 582181), and in Malaysia by S&P Malaysia, which is regulated by Securities Commission Malaysia, (No. CMSL/A0181/2007) under license from CFRA US. These parties and their subsidiaries do not distribute reports to individual (retail) investors and maintain no responsibility for reports redistributed by third parties such as brokers or financial advisors.

General Disclosure

Notice to all jurisdictions:

Where Research Reports are made available in a language other than English and in the case of inconsistencies between the English and translated versions of a Research Report, the English version will control and supersede any ambiguities associated with any part or section of a Research Report that has been issued in a foreign language. Neither CFRA nor its affiliates guarantee the accuracy of the translation.

The content of this report and the opinions expressed herein are those of CFRA based upon publicly-available information that CFRA believes to be reliable and the opinions are subject to change without notice. This analysis has not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. While CFRA exercised due care in compiling this analysis, CFRA AND ALL RELATED ENTITIES SPECIFICALLY DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, to the full extent permitted by law, regarding the accuracy, completeness, or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes. No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of CFRA. The Content shall not be used for any unlawful or unauthorized purposes. CFRA and any third-party providers, as well as their directors, officers, shareholders, employees or agents do not guarantee the accuracy, completeness, timeliness or availability of the Content.

Past performance is not necessarily indicative of future results.

This document may contain forward-looking statements or forecasts; such forecasts are not a reliable indicator of future performance.

This report is not intended to, and does not, constitute an offer or solicitation to buy and sell securities or engage in any investment activity. This report is for informational purposes only. Recommendations in this report are not made with respect to any particular investor or type of investor. Securities, financial instruments or strategies mentioned herein may not be suitable for all investors and this material is not intended for any specific investor and does not take into account an investor's particular investment objectives, financial situations or needs. Before acting on any recommendation in this material, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice.

Additional information on a subject company may be available upon request.

CFRA's financial data provider is S&P Global Market Intelligence. THIS DOCUMENT CONTAINS COPYRIGHTED AND TRADE SECRET MATERIAL DISTRIBUTED UNDER LICENSE FROM S&P GLOBAL MARKET INTELLIGENCE. FOR RECIPIENT'S INTERNAL USE ONLY.

The Global Industry Classification Standard (GICS®) was developed by and/or is the exclusive property of MSCI, Inc. and Capital IQ, Inc. ("Capital IQ"). GICS is a service mark of MSCI and Capital IQ and has been licensed for use by CFRA.

Other Disclaimers and Notices

Certain information in this report is provided by S&P Global, Inc. and/or its affiliates and subsidiaries (collectively "S&P"). Such information is subject to the following disclaimers and notices: "Copyright 2017, S&P Global Market Intelligence (and its affiliates as applicable). All rights reserved. Nothing contained herein is investment advice and a reference to a particular investment or security, a credit rating or any observation concerning a security or investment provided by S&P is not a recommendation to buy, sell or hold such investment or security or make any other investment decisions. This may contain information obtained from third parties, including ratings from credit ratings agencies. Reproduction and distribution of S&P's information and third party content in any form is prohibited except with the prior written permission of S&P or the related third party, as applicable. Neither S&P nor its third party providers guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such information or content.

S&P AND ITS THIRD PARTY CONTENT PROVIDERS GIVE NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE AND ALL S&P INFORMATION IS PROVIDED ON AN AS-IS BASIS. S&P AND ITS THIRD PARTY CONTENT PROVIDERS SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, EXEMPLARY, COMPENSATORY, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, COSTS, EXPENSES, LEGAL FEES, OR LOSSES (INCLUDING LOST INCOME OR PROFITS AND OPPORTUNITY COSTS OR LOSSES CAUSED BY NEGLIGENCE) IN CONNECTION WITH ANY USE OF THEIR INFORMATION OR CONTENT, INCLUDING RATINGS. Credit ratings are statements of opinions and are not statements of fact or recommendations to purchase, hold or sell securities. They do not address the suitability of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice."

Certain information in this report may be provided by Securities Evaluations, Inc. ("SE") a wholly owned subsidiary of Intercontinental Exchange. Such information is subject to the following disclaimers and notices: "Copyright 2017, Securities Evaluations, Inc. (and its affiliates, as applicable). Reproduction of BondMark and BondScreen in any form is prohibited except with the prior written permission of SE.

Berkshire Hathaway Inc.

Odd-lot prices and odd-lot ranges represent an opinion, and not a statement of fact, or a recommendation to make an investment decision, and readers of this information have the right to accept or reject such opinion, at their discretion. Odd-lot prices and odd-lot ranges do not represent a determination of the fair market value of any security or the 'best execution' price in the market for a security, and that readers of this information will be responsible for complying with any applicable best execution requirements, as defined in FINRA Rule 5310, and for complying with any disclosure requirements as may be required under any applicable laws or regulations. None of SE, its affiliates or their suppliers guarantees the accuracy, adequacy, completeness or availability of any information and is not responsible for any errors or omissions, regardless of the cause or for the results obtained from the use of such information. In no event shall SE, BondDesk Group, LLC, their affiliates or any of their third-party information providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with the use of SE content. (2017). BondMark and BondScreen may include data provided by BondDesk Group, LLC."

Any portions of the fund information contained in this report supplied by Lipper, A Thomson Reuters Company, are subject to the following: "Copyright 2017 Thomson Reuters. All rights reserved. Lipper shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon."

For residents of the European Union/European Economic Area:

Research reports are originally distributed by CFRA UK Limited (company number 08456139 registered in England & Wales with its registered office address at 131 Edgware Road, London, W2 2AP, United Kingdom). CFRA UK Limited is an Appointed Representative of Hutchinson Lilley Investments LLP, which is regulated by the UK Financial Conduct Authority (No. 582181).

For residents of Malaysia:

Research reports are originally produced and distributed by S&P Malaysia, under license from CFRA US. S&P Malaysia is regulated by Securities Commission Malaysia (License No. CMSL/A0181/2007).

For residents of all other countries:

Research reports are originally distributed Accounting Research & Analytics, LLC d/b/a CFRA.

Copyright © 2017 CFRA. All rights reserved. CFRA and STARS are registered trademarks of CFRA.