1 VISUAL ANALYSIS of Sales, Earnings, and Price

<table>
<thead>
<tr>
<th>Date</th>
<th>Company</th>
<th>Prepared by</th>
<th>Where traded</th>
<th>Data taken from</th>
<th>Industry</th>
<th>Where traded</th>
<th>Date</th>
<th>BI Stock Data Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/12/18</td>
<td>Berkshire Hathaway</td>
<td>EMMONS</td>
<td>NYS</td>
<td>Data from:</td>
<td>Industry - Diversified</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capitalization --- Outstanding Amounts</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferred ($M)</td>
<td>% Insiders</td>
</tr>
<tr>
<td>Common (M Shares)</td>
<td>2,467.4</td>
</tr>
<tr>
<td>Debt ($M)</td>
<td>99,085.0</td>
</tr>
</tbody>
</table>

Symbol: BRK.B

<table>
<thead>
<tr>
<th>FY 2018 Q1</th>
<th>Sales ($M)</th>
<th>Earnings Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latest Quarter</td>
<td>50,458</td>
<td>-0.46</td>
</tr>
<tr>
<td>Year Ago Quarter</td>
<td>65,187</td>
<td>1.65</td>
</tr>
<tr>
<td>Percentage Change</td>
<td>-22.6%</td>
<td>-128.0%</td>
</tr>
</tbody>
</table>

(1) Historical Sales Growth: 9.7%
(2) Estimated Future Sales Growth: 5.0%
(3) Historical Earnings Per Share Growth: 21.3%
(4) Estimated Future Earnings Per Share Growth: 6.7%
This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-tax Profit on Sales</td>
<td>7.0%</td>
<td>10.3%</td>
<td>14.0%</td>
<td>10.7%</td>
<td>13.7%</td>
<td>15.8%</td>
<td>14.4%</td>
<td>16.6%</td>
<td>15.1%</td>
<td>9.8%</td>
</tr>
<tr>
<td>% Earned on Equity</td>
<td>4.6%</td>
<td>6.2%</td>
<td>8.3%</td>
<td>6.4%</td>
<td>7.9%</td>
<td>9.4%</td>
<td>8.4%</td>
<td>9.7%</td>
<td>8.9%</td>
<td>14.6%</td>
</tr>
<tr>
<td>% Debt To Capital</td>
<td>25.2%</td>
<td>22.4%</td>
<td>27.1%</td>
<td>26.8%</td>
<td>25.1%</td>
<td>24.6%</td>
<td>25.0%</td>
<td>24.8%</td>
<td>26.4%</td>
<td>22.8%</td>
</tr>
</tbody>
</table>

### 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 | 195.27 (06/12/18) |
| HIGH THIS YEAR | 217.62 |
| LOW THIS YEAR | 166.64 |

#### A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E X Estimate High Earnings/Share = Forecasted High Price $403.0

#### B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E X Estimate Low Earnings/Share = Forecasted Low Price $123.0

(b) Avg. Low Price of Last 5 Years = 121.4

(c) Recent Market Low Price = 123.6

(d) Price Dividend Will Support

\[
\text{Indicated Dividend} \times \frac{\text{High Yield}}{100} = 0.00\%
\]

\[
\text{Selected Forecasted Low Price} \times \frac{\text{High Yield}}{100} = 0.00\%
\]

#### C ZONING using 25%-50%-25%

Forecasted High Price - Minus Forecasted Low Price = 280.0

Range. 25% of Range = 70.0

Buy Zone = 193.0

Hold Zone = 330.0

Sell Zone = 403.0

Present Market Price of 195.27 is in the HOLD Zone

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

High Price - Minus Present Price = 207.77

To 1

#### E PRICE TARGET

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

High Price - Closing Price = 2.0640

\[
\times 100 = 206.40 - 100 = 106.4 \text{ % Appreciation}
\]

#### 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**

Indicated Annual Dividend

\[
\frac{\text{195.27}}{\text{Closing Price}} = 0.00 = 0.0 \text{ % Current Yield}
\]

**B AVERAGE YIELD - USING FORECAST HIGH P/E**

\[
\text{Avg. % Payout} = \frac{0.0 \%}{16.00} = 0.0 \%
\]

**C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E**

Annualized Appreciation = 15.6 %

Average Yield = 0.0 %

Annualized Rate of Return = 15.6 %

**D EQUITY**

Berkshire Hathaway

**EVALUATING Management**


| Pre-tax Profit on Sales | 7.0% | 10.3% | 14.0% | 10.7% | 13.7% | 15.8% | 14.4% | 16.6% | 15.1% | 9.8% | 14.3% |
| % Earned on Equity | 4.6% | 6.2% | 8.3% | 6.4% | 7.9% | 9.4% | 8.4% | 9.7% | 8.9% | 14.6% | 10.2% |
| % Debt To Capital | 25.2% | 22.4% | 27.1% | 26.8% | 25.1% | 24.6% | 25.0% | 24.8% | 26.4% | 22.8% | 24.7% |

5-YEAR POTENTIAL

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.

**EVALUATE RISK and REWARD over the next 5 years**

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E X Estimate High Earnings/Share = Forecasted High Price $403.0

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E X Estimate Low Earnings/Share = Forecasted Low Price $123.0

(b) Avg. Low Price of Last 5 Years = 121.4

(c) Recent Market Low Price = 123.6

(d) Price Dividend Will Support

\[
\text{Indicated Dividend} \times \frac{\text{High Yield}}{100} = 0.00\%
\]

\[
\text{Selected Forecasted Low Price} \times \frac{\text{High Yield}}{100} = 0.00\%
\]

C ZONING using 25%-50%-25%

Forecasted High Price - Minus Forecasted Low Price = 280.0

Range. 25% of Range = 70.0

Buy Zone = 193.0

Hold Zone = 330.0

Sell Zone = 403.0

Present Market Price of 195.27 is in the HOLD Zone

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

High Price - Minus Present Price = 207.77

To 1

E PRICE TARGET

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

High Price - Closing Price = 2.0640

\[
\times 100 = 206.40 - 100 = 106.4 \text{ % Appreciation}
\]