ModernGraham Valuation

Berkshire Hathaway

Inc.



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

1/7/2017

Defensive Investor; must pass all 6 of the following tests.

BRK.B

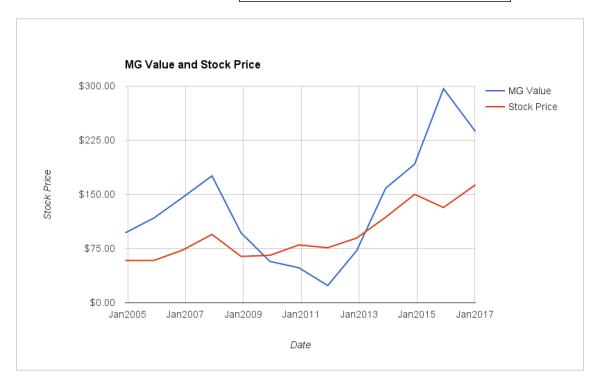
Company Name:

Company Ticker

Date of Analysis

	,, ,		
	1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$402,387,877,822 Pass
	2. Earnings Stability	Positive EPS for 10 years prior	Pass
	3. Dividend Record	Dividend Payments for 10 years prior	Fail
	4. Earsiage Crawth	Increase of 33% in EPS in past 10 years using 3 year averages at	104 45% Dece
	4. Earnings Growth	beginning and end	121.45% Pass
	5. Moderate PEmg Ratio	PEmg < 20	20.24 Fail
	6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.50 Pass
Enterprising Invest	or; must pass all 3 of the following tests, or be su	uitable for the Defensive Investor.	
	1. Earnings Stability	Positive EPS for 5 years prior	Pass
	2. Dividend Record	Currently Pays Dividend	Fail
	3. Earnings Growth	EPSmg greater than 5 years ago	Pass
Suitability			
	Defensive	No	
	Enterprising	No	
Stage 2: Det	ermination of Intrinsic Value	0.07	
	EPSmg	8.07	
	MG Growth Estimate	10.44%	
	MG Value	\$237.19	
	MG Value based on 3% Growth	\$117.08	
	MG Value based on 0% Growth	\$68.64	
	Market Implied Growth Rate	5.87%	
MG Opinion			
	Current Price	\$163.41	
	% of Intrinsic Value	68.89%	
	Opinion	Undervalued	
	MG Grade	F	
Stage 3: Info	ormation for Further Research		
otago o. mit	Graham Number	\$133.13	
	PEmg	20.24	
	PB Ratio	1.50	
	Dividend Yield	0.00%	
	Number of Consecutive Years of Dividend	0.0070	
	Growth	0	
Useful Links:	ModernGraham tagged articles	Morningstar	
	Google Finance	MSN Money	
	Yahoo Finance	<u>Seeking Alpha</u>	
	GuruFocus	<u>SEC Filings</u>	

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$7.21	Next Fiscal Year Estimate	\$8.07
Dec2015	\$9.77	Dec2015	\$8.06
Dec2014	\$8.06	Dec2014	\$6.90
Dec2013	\$7.90	Dec2013	\$5.99
Dec2012	\$5.99	Dec2012	\$4.76
Dec2011	\$4.14	Dec2011	\$4.15
Dec2010	\$5.29	Dec2010	\$4.19
Dec2009	\$3.46	Dec2009	\$3.75
Dec2008	\$2.15	Dec2008	\$3.89
Dec2007	\$5.70	Dec2007	\$4.57
Dec2006	\$4.76	Dec2006	\$3.80
Dec2005	\$3.69	Dec2005	\$3.06
Dec2004	\$3.17	Dec2004	\$2.52
Dec2003	\$3.54	Dec2003	\$1.99
Dec2002	\$1.86	Dec2002	\$1.20
Dec2001	\$0.35	Dec2001	\$0.91
Dec2000	\$1.46	Dec2000	\$1.20
Dec1999	\$0.68	Balance Sheet Information	9/1/2016
Dec1998	\$1.51	Long-Term Debt & Capital Lease Obligation	\$101,798,000,000
Dec1997		Total Assets	\$604,038,000,000
Dec1996	\$1.38	Intangible Assets	\$114,426,000,000
	· · ·	Total Liabilities	\$334,774,000,000
		Shares Outstanding (Diluted Average)	2,465,868,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author held a long position in BRK.B at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

 Other
 Berkshire Hathaway Analysis – August 2015 Update \$BRK/B

 ModernGraham
 20 Companies in the Spotlight This Week – 8/16/14

 company
 20 Companies in the Spotlight This Week – 8/16/14

Other	Infinity Property and Casualty Corp Valuation – Initial Coverage \$IPCC
ModernGraham posts about related	Hartford Financial Services Group Inc Valuation – December 2016 \$HIG
companies	AFLAC Inc Valuation – December 2016 \$AFL
	Arthur J Gallagher & Co Valuation – December 2016 \$AJG
	Aspen Insurance Holdings Limited Valuation – December 2016 \$AHL
	MetLife Inc Valuation – December 2016 \$MET
	Travelers Companies Inc Valuation – November 2016 \$TRV
	Allstate Corp Valuation – November 2016 \$ALL
	Unum Group Valuation – August 2016 \$UNM
	Principal Financial Group Inc Valuation – August 2016 \$PFG