

ModernGraham Valuation

**Berkshire Hathaway
Inc. Class B**



Company Name:

Company Ticker BRK/B

Date of Analysis

4/2/2019

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

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

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$501,551,804,600	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	93.65%	Pass
4. Earnings Growth			
5. Moderate PEmg Ratio	PEmg < 20	21.36	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.40	Pass

Enterprising Investor; must pass all 3 of the following tests, or be suitable 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: Determination of Intrinsic Value

EPSmg	9.36
MG Growth Estimate	2.43%
MG Value	\$125.05
MG Value based on 3% Growth	\$135.79
MG Value based on 0% Growth	\$79.60
Market Implied Growth Rate	6.43%

MG Opinion

Current Price	\$200.07
% of Intrinsic Value	159.99%
Opinion	Overvalued
MG Grade	F

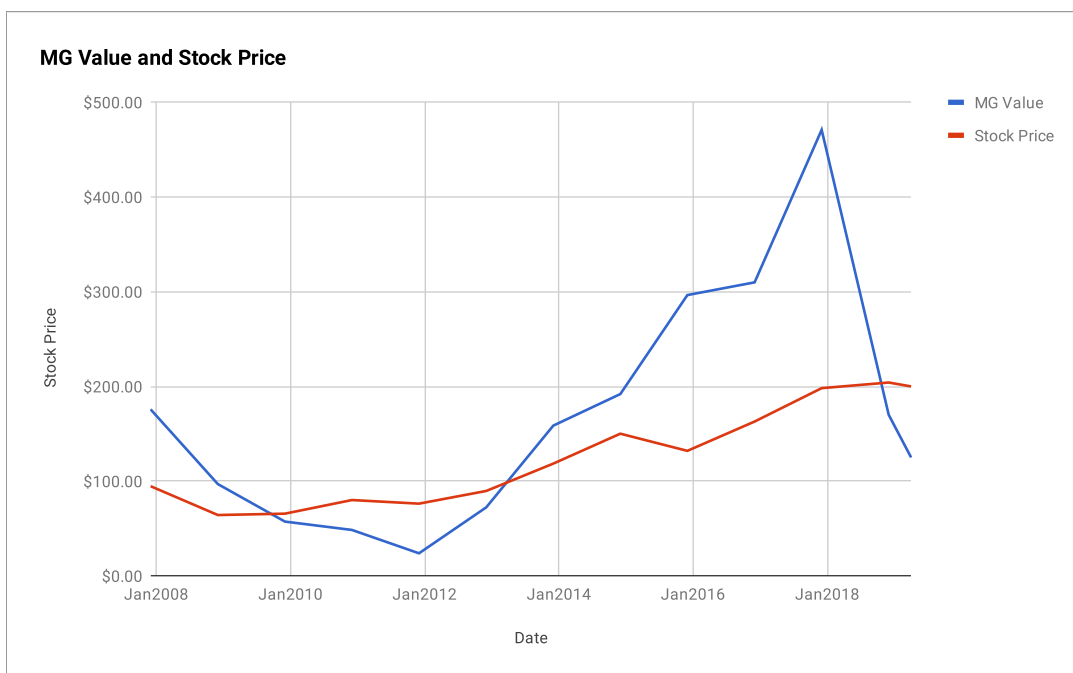
Stage 3: Information for Further Research

Graham Number	\$178.09
PEmg	21.36
PB Ratio	1.40
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$10.00	Next Fiscal Year Estimate	\$9.36
Dec2018	\$1.63	Dec2018	\$9.19
Dec2017	\$18.22	Dec2017	\$12.23
Dec2016	\$9.76	Dec2016	\$8.92
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		
Dec2001	\$0.35		
Dec2000	\$1.46		
Dec1999	\$0.68		
		Balance Sheet Information	12/1/2018
		Long-Term Debt & Capital Lease Obligation	\$93,117,000,000
		Total Assets	\$707,794,000,000
		Intangible Assets	\$113,173,000,000
		Total Liabilities	\$355,294,000,000
		Shares Outstanding (Diluted Average)	2,462,433,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company

- [Berkshire Hathaway Inc Valuation – May 2018 \\$BRK-B](#)
- [Berkshire Hathaway Inc Valuation – January 2017 \\$BRK.B](#)
- [Berkshire Hathaway Analysis – August 2015 Update \\$BRK/B](#)
- [20 Companies in the Spotlight This Week – 8/16/14](#)

Other ModernGraham posts about related companies

- [Prudential Financial Inc Valuation – April 2019 #PRU](#)
- [Torchmark Corp Valuation – March 2019 #TMK](#)
- [Assurant Inc Valuation – March 2019 #AIZ](#)
- [Humana Inc Valuation – March 2019 #HUM](#)
- [American International Group Inc Valuation – March 2019 #AIG](#)
- [Chubb Ltd Valuation – March 2019 #CB](#)
- [Loews Corporation Valuation – March 2019 #L](#)
- [Anthem Inc Valuation – February 2019 \\$ANTM](#)
- [Arthur J Gallagher & Co Valuation – February 2019 \\$AJG](#)
- [Brighthouse Financial Inc Valuation – February 2019 \\$BHF](#)