

ModernGraham Valuation

Company Name:

Company Ticker SLW
Date of Analysis

Silver Wheaton Corp.
(USA)

10/14/2015



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

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$5,591,833,769 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.20 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	155.56% Pass
6. Moderate PEmg Ratio	PEmg < 20	17.42 Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.32 Pass

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	4.20 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	12.32 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.84
MG Growth Estimate	1.85%
MG Value	\$10.21
MG Value based on 3% Growth	\$12.12
MG Value based on 0% Growth	\$7.11
Market Implied Growth Rate	4.46%

MG Opinion

Current Price	\$14.56
% of Intrinsic Value	142.64%
Opinion	Overvalued

Stage 3: Information for Further Research

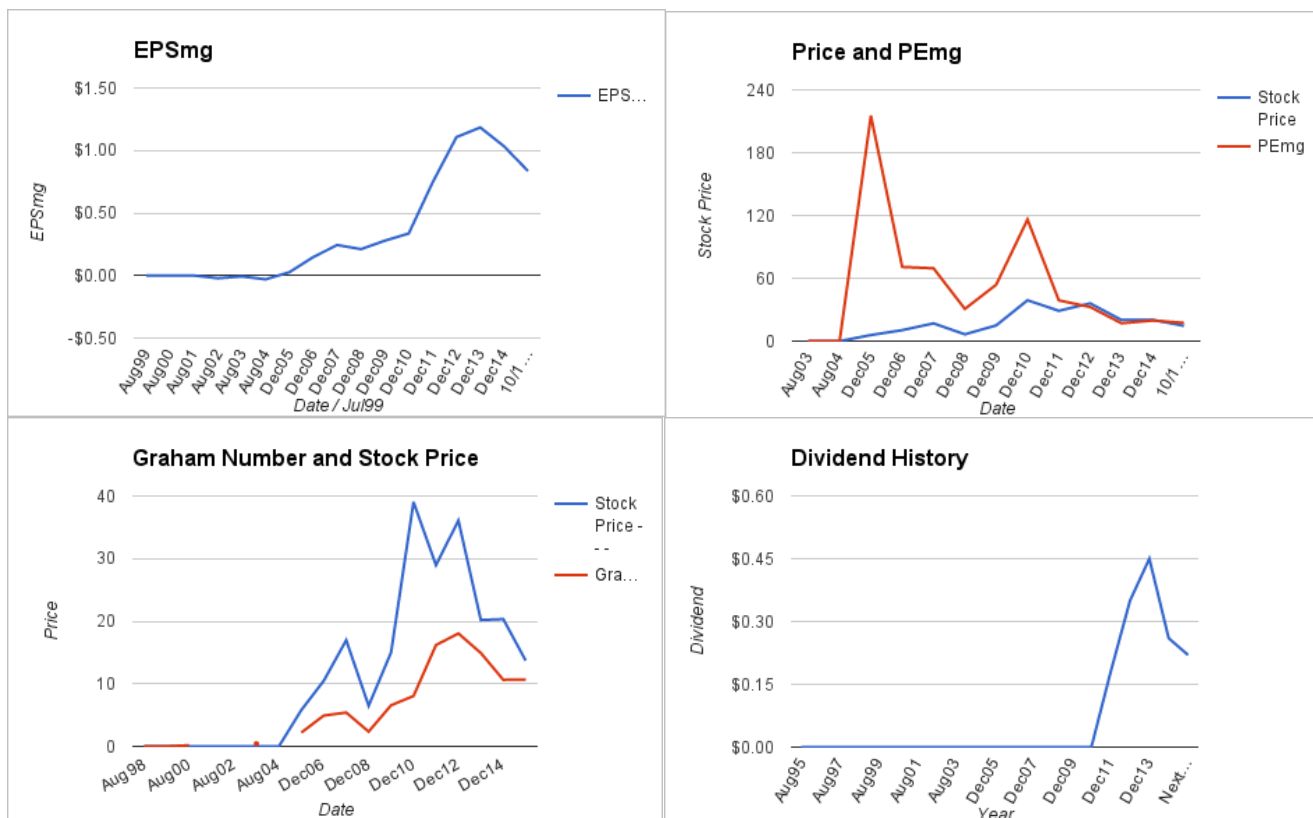
Net Current Asset Value (NCAV)	-\$1.63
Graham Number	\$10.70
PEmg	17.42
Current Ratio	4.20
PB Ratio	1.32
Dividend Yield	1.51%
Number of Consecutive Years of Dividend Growth	0

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	\$0.46	Next Fiscal Year Estimate	\$0.84
Dec14	\$0.56	Dec14	\$1.03
Dec13	\$1.05	Dec13	\$1.18
Dec12	\$1.65	Dec12	\$1.11
Dec11	\$1.55	Dec11	\$0.74
Dec10	\$0.44	Dec10	\$0.34
Dec09	\$0.38	Dec09	\$0.28
Dec08	\$0.07	Dec08	\$0.21
Dec07	\$0.37	Dec07	\$0.24
Dec06	\$0.37	Dec06	\$0.15
Dec05	\$0.15	Dec05	\$0.03
Aug04	-\$0.08	Aug04	-\$0.03
Aug03	\$0.03	Aug03	-\$0.01
Aug02	-\$0.06	Aug02	-\$0.02
Aug01	\$0.00	Aug01	\$0.00
Aug00	\$0.00	Aug00	\$0.00
Aug99	\$0.00	Aug99	\$0.00
Aug98	\$0.00	Balance Sheet Information	Jun15
Aug97	\$0.00	Total Current Assets	\$76,197,000
Aug96	\$0.00	Total Current Liabilities	\$18,157,000
Aug95	\$0.00	Long-Term Debt	\$715,000,000
		Total Assets	\$5,203,371,000
		Intangible Assets	\$0
		Total Liabilities	\$735,672,000
		Shares Outstanding (Diluted Average)	404,308,000





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

[Silver Wheaton Corporation Valuation – Initial Coverage \\$SLW](#)

Other
ModernGraham
posts about related
companies

[Natural Resource Partners LP Analysis – October 2015 Update \\$NRP](#)

[Peabody Energy Corporation Analysis – September 2015 Update \\$BTU](#)

[Freeport-McMoRan Inc. Analysis – September 2015 Update \\$FCX](#)

[Alliance Resource Partners LP Analysis – Initial Coverage \\$ARLP](#)

[Goldcorp Inc. Analysis – Initial Coverage \\$GG](#)

[Silver Wheaton Corporation Valuation – Initial Coverage \\$SLW](#)

[Newmont Mining Corporation Annual Valuation – 2015 \\$NEM](#)

[Alcoa Inc. Annual Valuation – 2015 \\$AA](#)

[Consol Energy Inc. Annual Valuation – 2014 \\$CNX](#)

[Peabody Energy Corporation Annual Stock Valuation – 2014 \\$BTU](#)