

ModernGraham Valuation

Company Name:

Company Ticker SLW

Date of Analysis

12/4/2016

Silver Wheaton Corp.
(USA)



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	\$8,511,302,329 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	8.23 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Fail
4. 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	-9.76% Fail
5. Earnings Growth		
6. Moderate PEmg Ratio	PEmg < 20	41.59 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.66 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	8.23 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	11.71 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Fail
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.45
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$6.52
MG Value based on 0% Growth	\$3.82
Market Implied Growth Rate	16.55%

MG Opinion

Current Price	\$18.69
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$2.79
Graham Number	\$12.22
PEmg	41.59
Current Ratio	8.23
PB Ratio	1.66
Current Dividend	\$0.20
Dividend Yield	1.07%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

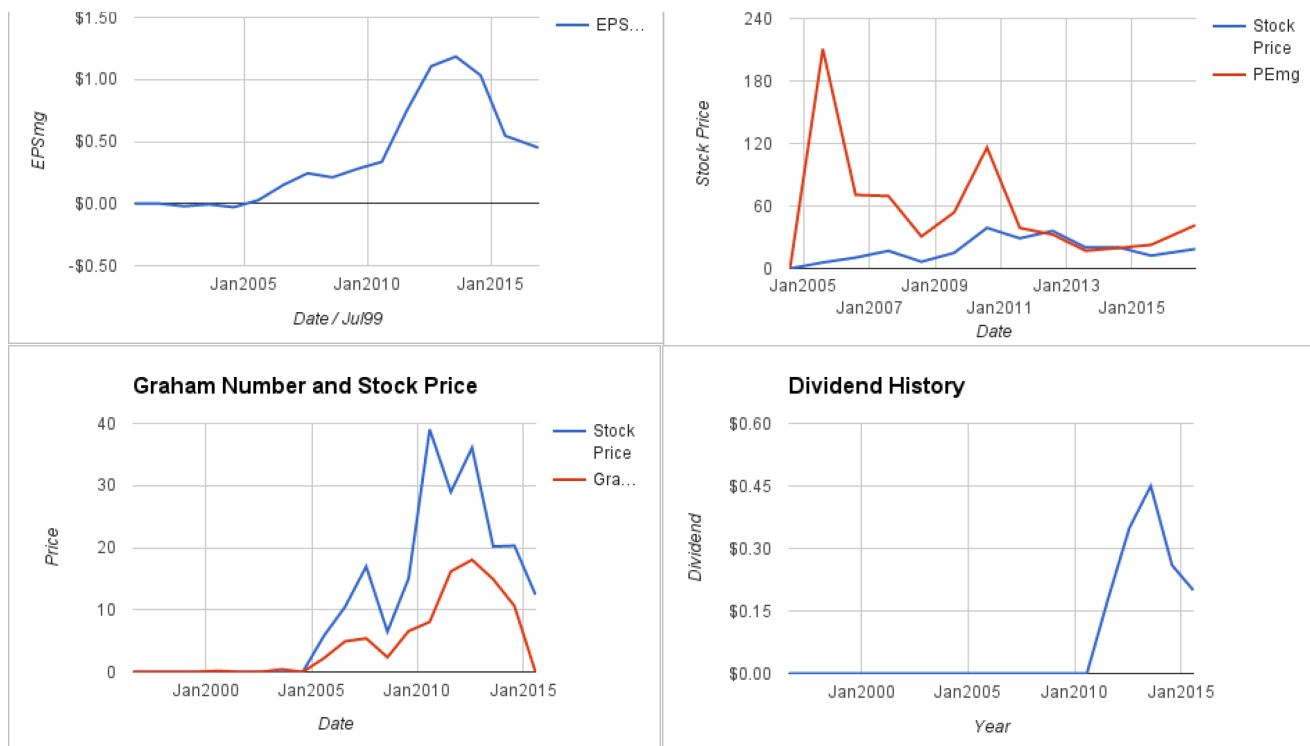
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Aug2015	-\$0.41	Aug2015	\$0.45
Aug2014	\$0.56	Aug2014	\$0.55
Aug2013	\$1.05	Aug2013	\$1.03
Aug2012	\$1.65	Aug2012	\$1.18
Aug2011	\$1.55	Aug2012	\$1.11
Aug2010	\$0.44	Aug2011	\$0.74
Aug2009	\$0.38	Aug2010	\$0.34
Aug2008	\$0.07	Aug2009	\$0.28
Aug2007	\$0.37	Aug2008	\$0.21
Aug2006	\$0.37	Aug2007	\$0.24
Aug2005	\$0.15	Aug2006	\$0.15
Aug2004	-\$0.08	Aug2005	\$0.03
Aug2003	\$0.03	Aug2004	-\$0.03
Aug2002	-\$0.06	Aug2003	-\$0.01
Aug2001	\$0.00	Aug2002	-\$0.02
Aug2000	\$0.00	Aug2001	\$0.00
Aug1999	\$0.00	Aug2000	\$0.00
Aug1998	\$0.00	Balance Sheet Information 9/16/2016	
Aug1997	\$0.00	Total Current Assets	\$130,779,000
Aug1996	\$0.00	Total Current Liabilities	\$15,881,000
		Long-Term Debt	\$1,345,000,000
		Total Assets	\$6,326,032,000
		Intangible Assets	\$0
		Total Liabilities	\$1,362,857,000
		Shares Outstanding (Diluted Average)	441,917,000



EPSmg

Price and PEmg



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 – February 2016 Update \\$SLW](#)
[Silver Wheaton Corporation Valuation – October 2015 Update \\$SLW](#)
[Silver Wheaton Corporation Valuation – Initial Coverage \\$SLW](#)

Other
ModernGraham
posts about related
companies

[Goldcorp Inc Valuation – August 2016 \\$GG](#)
[Alliance Resource Partners LP Valuation – September 2016 \\$ARLP](#)
[Silver Wheaton Corp Valuation – August 2016 \\$SLW](#)
[Alcoa Inc Valuation – July 2016 \\$AA](#)
[Newmont Mining Corp Valuation – June 2016 \\$NEM](#)
[Silver Wheaton Corporation – February 2016 Update \\$SLW](#)
[Consol Energy Inc Valuation – November 2015 Update \\$CNX](#)
[Silver Wheaton Corporation Valuation – October 2015 Update \\$SLW](#)
[Natural Resource Partners LP Analysis – October 2015 Update \\$NRP](#)
[Peabody Energy Corporation Analysis – September 2015 Update \\$BTU](#)