ModernGraham Valuation

Company Name: Wheaton Precious Metals Corp

Company Ticker TSE:WPM

Date of Analysis 7/25/2018

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	$9,660,783,000	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.51	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-36.79%	Fail
6. Moderate PEmg Ratio	PEmg < 20	72.04	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.95	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	2.51	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	9.25	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
	Score		

Suitability

Defensive	**No**
Enterprising	**No**

Stage 2: Determination of Intrinsic Value

EPSmg		$0.39
MG Growth Estimate		-4.25%
MG Value		**$0.00**
MG Value based on 3% Growth		$5.64
MG Value based on 0% Growth		$3.31
Market Implied Growth Rate		31.77%

MG Opinion

Current Price		$28.03
% of Intrinsic Value	N/A	
Opinion	**Overvalued**	
MG Grade	**F**	

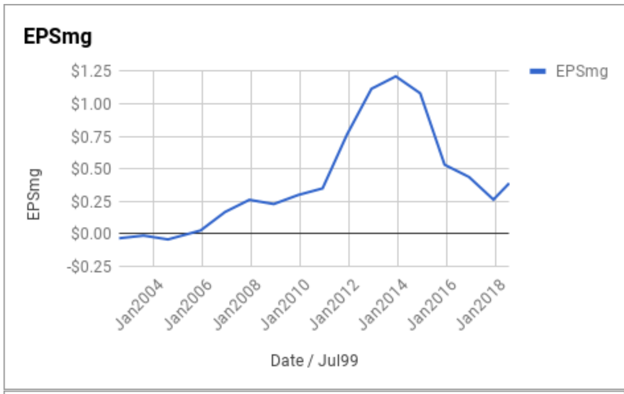
Stage 3: Information for Further Research

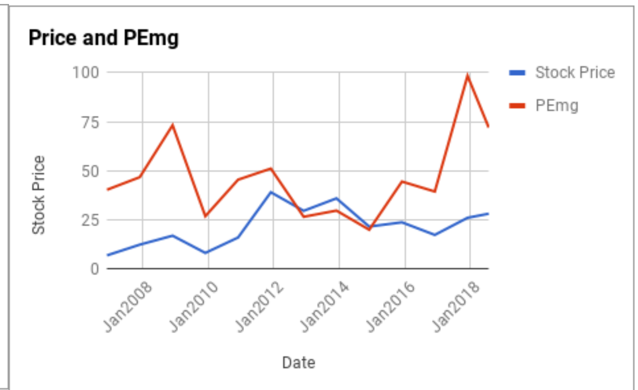
Net Current Asset Value (NCAV)	-$1.73
Graham Number	$15.65
PEmg	72.04
Current Ratio	2.51
PB Ratio	1.95
Current Dividend	$0.42
Dividend Yield	1.50%
Number of Consecutive Years of Dividend Growth	2

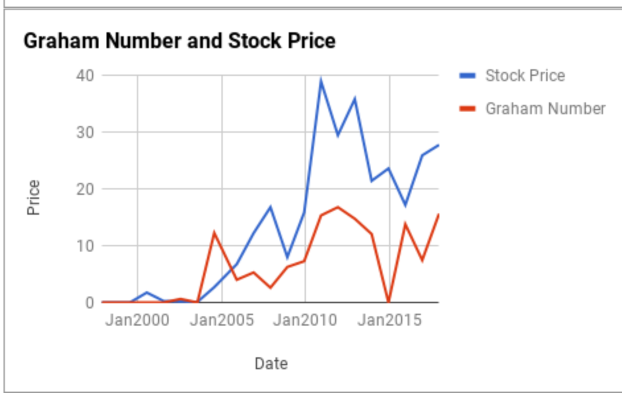
Useful Links:

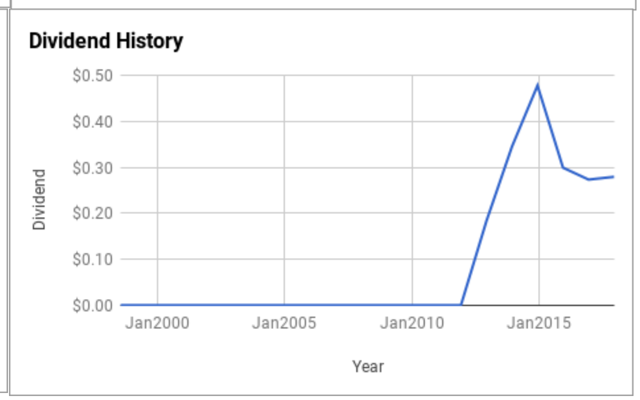
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		**EPSmg History**	
Next Fiscal Year Estimate	$0.77	Next Fiscal Year Estimate	$0.39
Dec2017	$0.17	Dec2017	$0.26
Dec2016	$0.60	Dec2016	$0.44
Dec2015	-$0.56	Dec2015	$0.53
Dec2014	$0.65	Dec2014	$1.08
Dec2013	$1.12	Dec2013	$1.21
Dec2012	$1.63	Dec2012	$1.12
Dec2011	$1.59	Dec2011	$0.76
Dec2010	$0.44	Dec2010	$0.35
Dec2009	$0.40	Dec2009	$0.30
Dec2008	$0.09	Dec2008	$0.23
Dec2007	$0.37	Dec2007	$0.26
Dec2006	$0.43	Dec2006	$0.17
Dec2005	$0.17	Dec2005	$0.03
Aug2004	-$0.10	Aug2004	-$0.04
Aug2003	$0.04	Aug2003	-$0.01
Aug2002	-$0.10	Aug2002	-$0.03
Aug2001	-$0.01	**Balance Sheet Information**	**3/1/2018**
Aug2000	$0.01	Total Current Assets	$154,240,000
Aug1999	$0.00	Total Current Liabilities	$61,522,000
Aug1998	$0.00	Long-Term Debt	$857,475,000
		Total Assets	$7,291,421,000
		Intangible Assets	$0
		Total Liabilities	$921,092,000
		Shares Outstanding (Diluted Average)	443,181,000









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 Corp Valuation – December 2016 $SLW Silver Wheaton Corp Valuation – August 2016 $SLW 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	Alliance Resource Partners LP Valuation – July 2018 $ARLP Century Aluminum Co Valuation – July 2018 $CENX Goldcorp Inc Valuation – July 2018 $GG Freeport-McMoRan Inc Valuation – May 2018 $FCX Newmont Mining Corp Valuation – March 2018 $NEM Lucara Diamond Corp Valuation – March 2018 $TSE-LUC MAG Silver Corp Valuation – Initial Coverage $TSE:MAG Osisko Gold Royalties Ltd Valuation – Initial Coverage $TSE:OR Alcoa Corp Valuation – Initial Coverage $AA New Gold Inc (USA) Valuation – Initial Coverage $NGD