

Price:
\$124.88

Target:
\$140.09

Upside:
12%



Sector Head: Justin Narlinger

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Company Overview

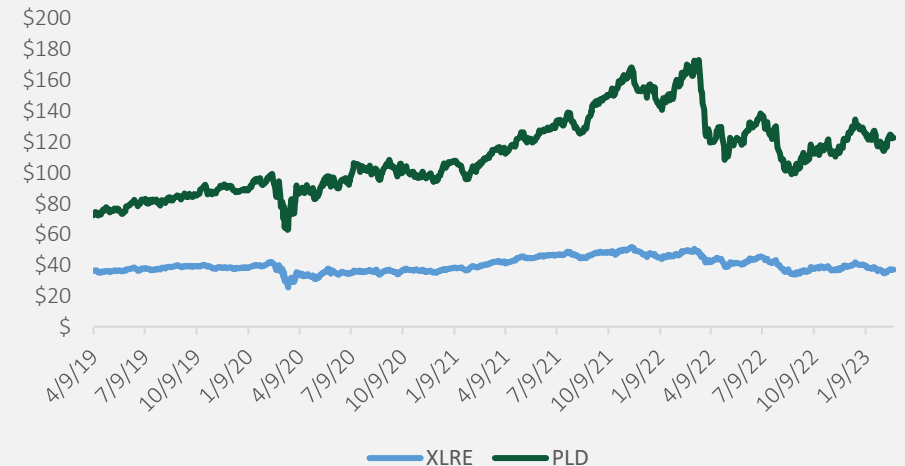
Strong Balance Sheet	The largest Industrial REIT focused on leasing logistics to customers and operating in high-growth, high-barrier to entry markets.
Debt/EBITDA: 4.3x	
EPS: \$4.25	Owns and operates about 5,495 buildings in 19 countries across North America, Latin America, Europe, and Asia, serving businesses that require speedy “last-mile” delivery.
Dividend & Yield: \$3.48 (2.85%)	
FFO Payout Ratio: 63%	Only Industrial REIT that uses a customized, built-to-suit model

Exhibit 1: Major Tenants

	3PL	Retailer	Wholesaler	Manufacturing	Transportation
	28%	23%	21%	16%	12%
Customer examples					

*19% of NER from top 20 customers

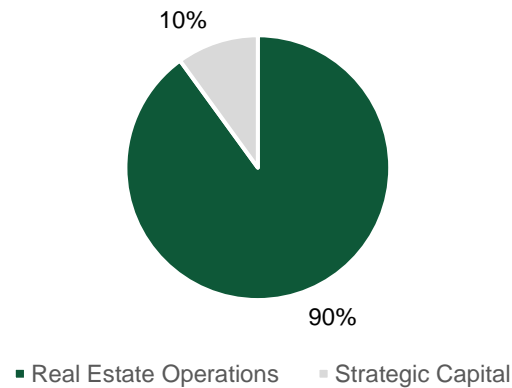
Exhibit 2: Historical Performance



Operating Segments

Real Estate Operations: Collecting rent from customers through operating leases

Strategic Capital: Partnering with investors through private equity or joint ventures



Current Trends



Absorption: International trade and e-commerce drove absorption of 53.8 million sq ft in Q1 (up the average quarterly expansion in seven years)



Applications: Use of visibility technologies such as camera sensors, RFID, AI, and Bluetooth tags to track inventories



Construction: REITs are highly capital intensive and external financing is essential to growth

Major Markets

West Coast/ California

Sunbelt region and Inland Empire are the biggest hubs in the U.S. due to low development costs near freeways, railways, and the busy Port of Los Angeles.

Southeast Coast

Congestion along the West Coast precipitated demand for the Southeast region. Charleston, Savannah, and Jacksonville have been magnets for e-commerce.

Europe

Investment volumes are above the 5-year average due to Germany housing the most globally active freight forwarding businesses and Poland's gateway between continents.

Exhibit 3: U.S. Space Utilization

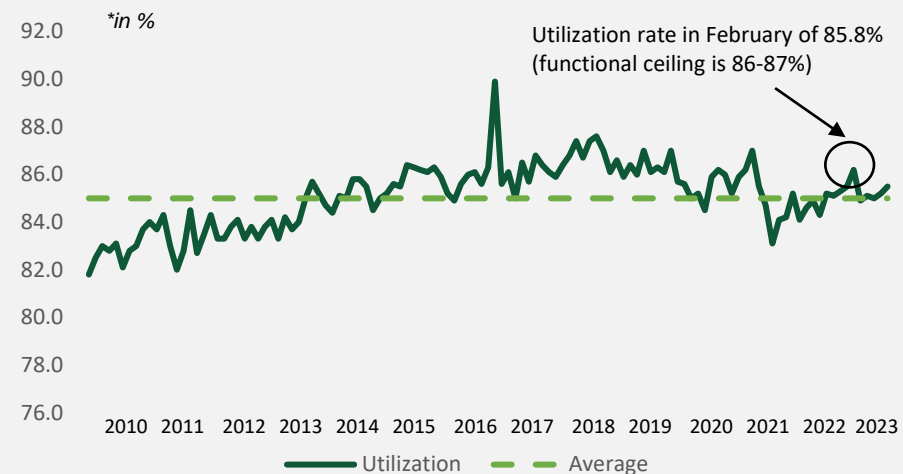
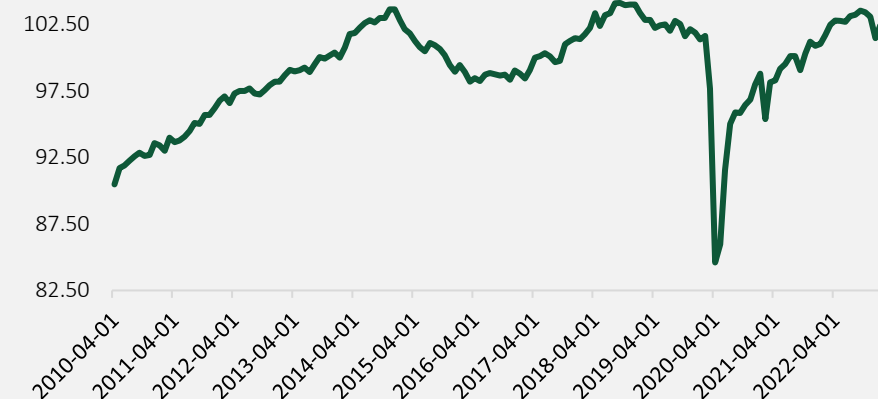


Exhibit 4: Industrial Production Index (IPI)



Investment Thesis

E-Commerce Growth

Online sales surged and continue to remain above pre-pandemic levels due to tailwinds from customer demand for quicker deliveries and shorter lead times

Low Vacancy

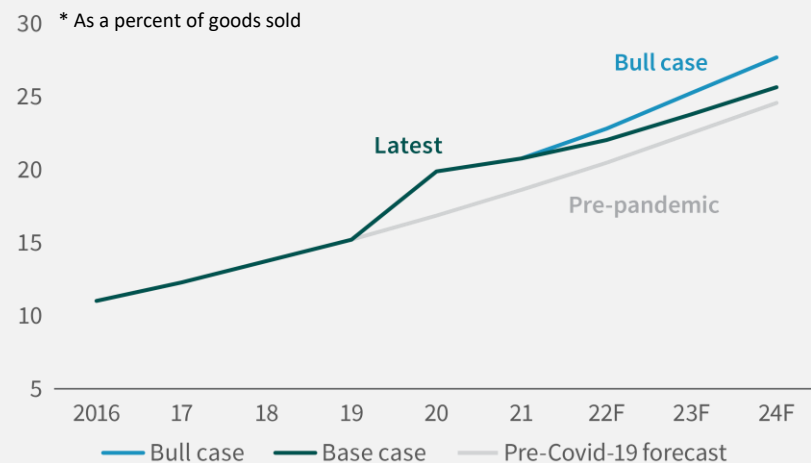
With inventory system transitions and limited warehouse expansions, industrial vacancy rates have hit an all-time low causing increased competition for space

Market Rent Escalation

High utilization and strong earnings allow for pricing power and consistent rent escalations to match the even higher market average rent

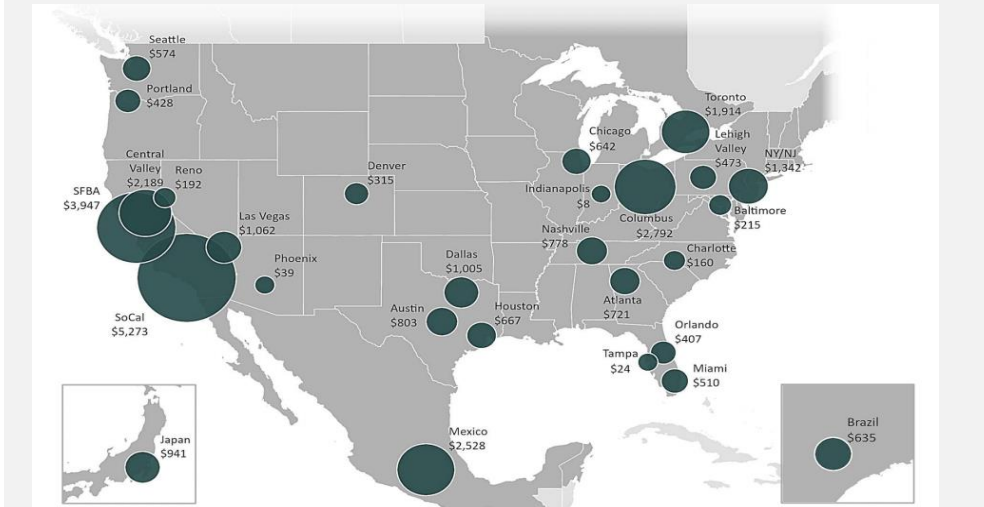
Growth in E-Commerce

Exhibit 5: E-Commerce Sales Penetration



Source: Bloomberg

Exhibit 6: An Overweight in Markets that Matter Most



Source: Investor Relations

Future of Retail

Fueled by the pandemic, e-commerce sales are expected to increase at a 14% CAGR to 2027 and 1% in sales penetration to 2025

1. Consumers demand what e-commerce offers: **convenience and choice**
2. Buildout of supply chains increases sales by providing a more **uniform service level**
 - a. More than 90% of consumers expect delivery in three days or less, 30% same day
3. The pandemic caused several stores to go out of business **limiting retail options**
 - a. Net U.S. store closings totaled 6,200 from 2020 to 2021

Attractive Geographic Diversity

Emphasis on the development of logistics real estate in high-growth, high-barrier to entry regions as slowdowns raise competition

- **Location is Key:** Benefits of operating in coastal markets such as South Bay, CA or New York, NY is the extremely low vacancy levels
- **Coastal Demand:** One of Prologis' bigger markets in Portland Oregon is seeing a surge in demand for mini warehouse facilities due to its central location near waterways
- **Globally:** UK is one of largest industrial markets due to its central location and PLD is heavily prominent there. Year-end vacancy was at its lowest coupled with replacement costs accelerated by the Russo-Ukraine War pushed rents higher up

Low Vacancy Rates

Exhibit 7: Inventory Resiliency (inventories-to-sales ratio)

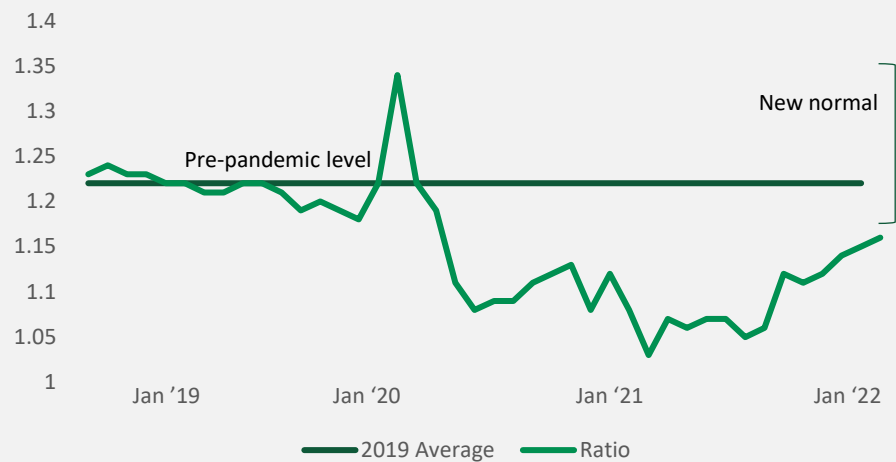
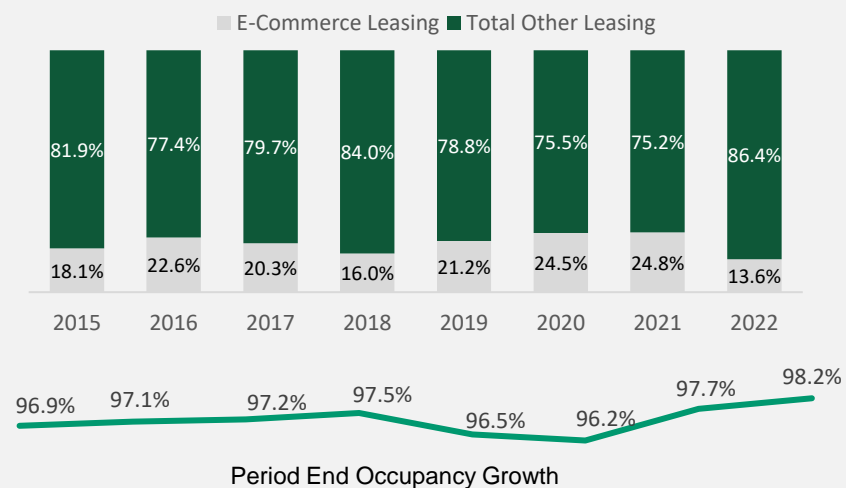


Exhibit 8: Occupancy Rising Independent of E-commerce



Occupancy High as Retention Remains Strong

One-of-a-kind business structure allowing tenants to choose scale, design, and flexibility

YTD, the average occupancy rate across all Prologis' warehouses is 98.0%

In Q1, the retention level was 82.4%, up from 76.4% in the prior quarter

Lowest Vacancy Rate in Years

Inventories have grown but are still far from being planned for sales or resilience. In the past six months, inventory was **up 7%** on a net basis for wholesale and retail. Inventory still **lags behind sales**.

Region	Q1 23	Change Y/Y
U.S.	3.9%	10 bp
Europe	2.7%	Flat

Low Vacancy suggests higher demand for space and power to raise rent

Rent Escalation

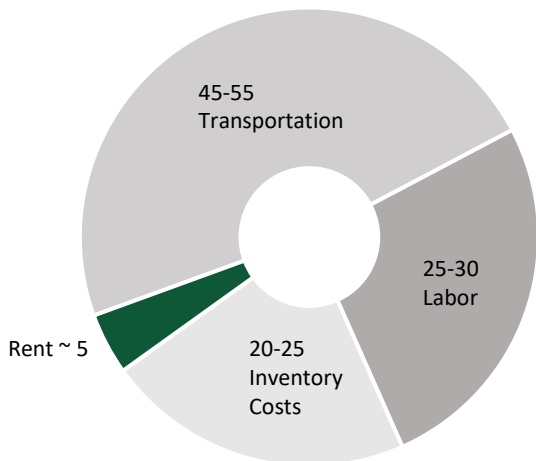
Rent Price Under Industry Average

As inflation rises, **rising construction prices** translates into higher rents and Prologis is **positioned to profit**. Rent is forecasted to grow 10% in U.S. and 9% globally from now to year end 2023.

Look for Big Rent Increases

- True Months Supply (TMOS) which compares current vacancies plus the development pipeline to trailing net absorption, remains well below the 36-month average
- Current average **mark-to-market is 56%** in all operating regions = when a lease expires, **rental rates will rise to match the market**
- Net effective rent (NER), headline rents adjusted for free rent, change on signings is 65.9% YTD

Rent: A Portion of Tenant Supply Chain Costs



Average Distribution of Supply Chain Costs for Tenants: Every % of cost savings in transportation and labor equates to ~15% increased capacity for rent

A raise in rents would only account for a small portion of total expenses

Source: Bloomberg

Exhibit 9: Lease Mark-to-Market (MTM)

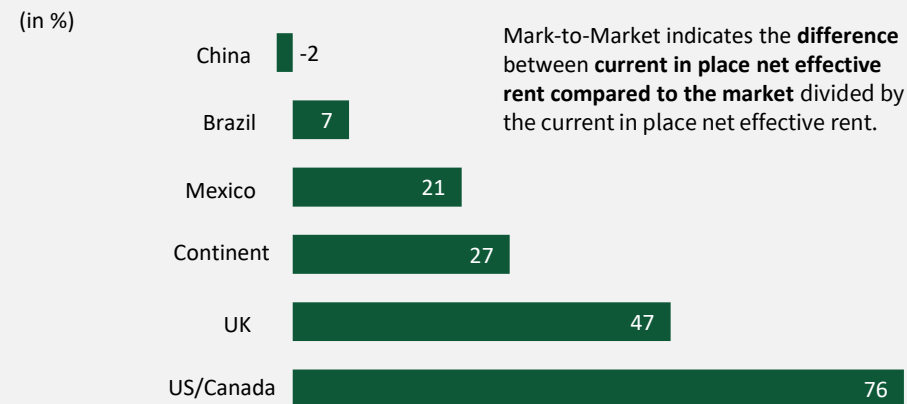


Exhibit 10: Supply & Demand Dynamic Supports Rent Growth

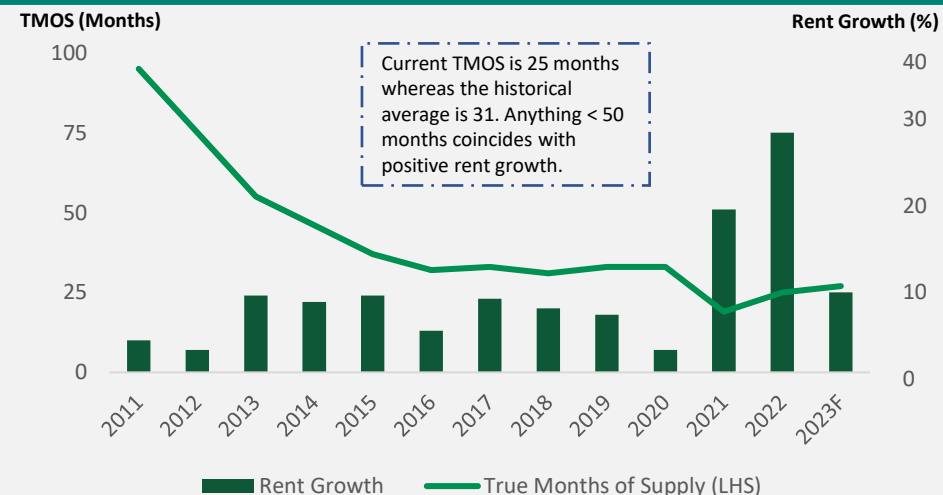
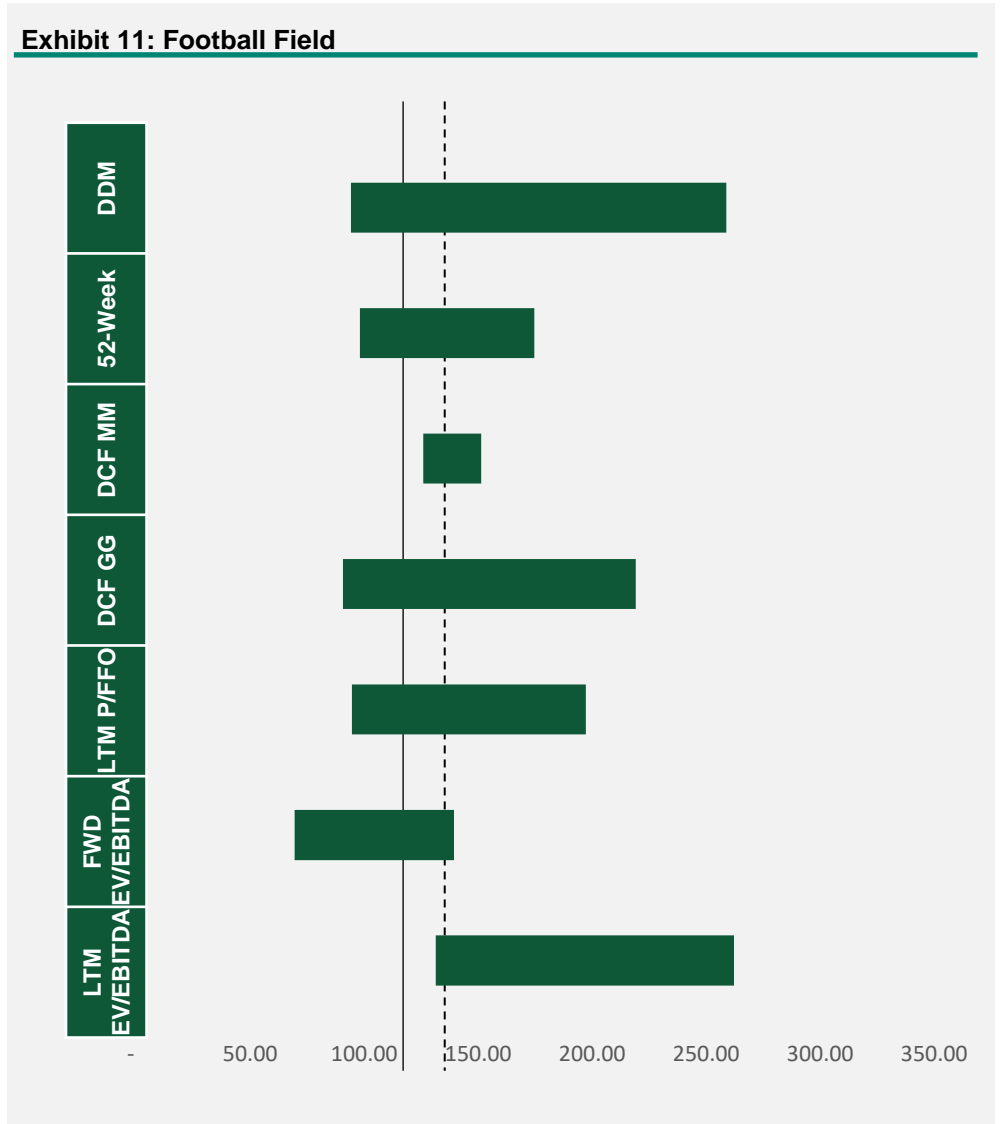
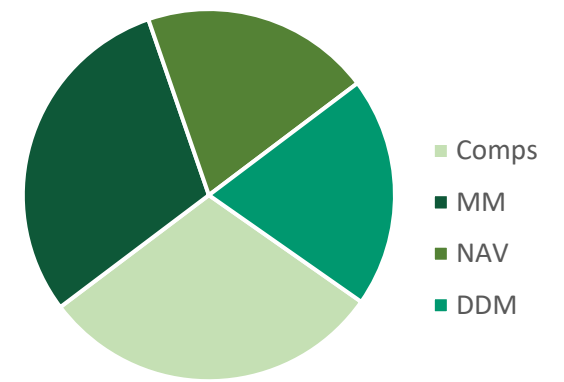


Exhibit 11: Football Field



Valuation Weight

Comps	30%
MM	30%
NAV	20%
DDM	20%



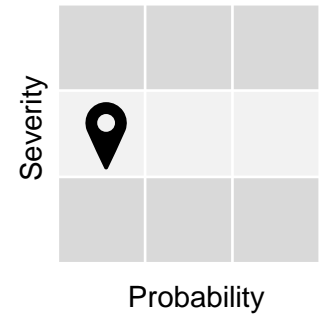
Target: \$140.09

Sensitivity Analysis

WACC	gordon growth				
	1.50%	2.00%	2.50%	3.00%	3.50%
7.00%	136.75	151.16	168.76	190.76	219.04
7.50%	122.35	134.16	148.33	165.65	187.29
8.00%	110.17	120.00	131.62	145.56	162.60
8.50%	99.73	108.03	117.70	129.13	142.85
9.00%	90.69	97.76	105.92	115.44	126.69

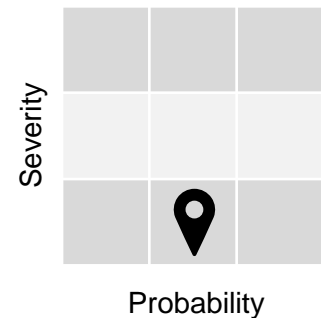
WACC	multiples method				
	21.78	22.28	22.78	23.28	23.78
7.00%	138.55	141.73	144.91	148.09	151.26
7.50%	135.26	138.37	141.49	144.60	147.71
8.00%	132.05	135.10	138.15	141.20	144.24
8.50%	128.92	131.91	134.89	137.88	140.86
9.00%	125.87	128.79	131.71	134.64	137.56

Macro environment causes materially lower warehouse demand



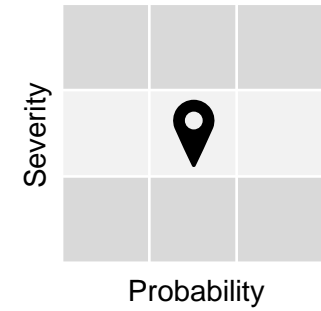
Halts in construction, regulatory barriers, and land scarcity will force competition among tenants

Higher vacancy leads to lower than anticipated market rent growth



Normalization in the pace of rent growth can be offset by e-commerce growth and supply chain reconfiguration

Increased construction costs for expansions could compress yields



Stable revenue and Strategic Capital segment investments offers financial safety

Conclusion

Future Outlook

Price:
\$124.88

Target:
\$140.09

Upside:
12%

2022 was year of record rent growth and strong fundamentals continue in 2023.

Continued growth in E-Commerce produces demand for warehouses in coastal and non-coastal regions. Increased competition for vacant space due to land scarcity and inventory system developments drives long-term growth.

Coupled with significant mark-to-market rent escalation, Prologis is positioned for success in 2023 despite macro uncertainty.

We believe that PLD is trading at a discounted price and will be a diverse addition to our portfolio.

Prologis Inc. (NYSE: PLD)								
Consolidated Statements of Income - Thousands USD								
	FY 2020	FY 2021	FY 2022	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
Revenues:								
Rental	3,791,131	4,147,994	4,913,171	5,502,752	6,163,082	6,841,021	7,593,533	8,352,886
Strategic capital	636,987	590,750	1,039,585	1,143,544	1,257,898	1,383,688	1,535,893	1,704,842
Development management and other	10,617	20,696	20,936	21,145	21,357	21,784	22,220	22,664
Total revenues	4,438,735	4,759,440	5,973,692	6,667,440	7,442,336	8,246,492	9,151,646	10,080,392
% Growth		7%	26%	12%	12%	11%	11%	10%
Expenses:								
Rental	952,063	1,041,316	1,205,738	1,338,369.18	1,485,589.79	1,649,004.67	1,830,395.18	2,031,738.65
% Change		9%	16%	11%	11%	11%	11%	11%
Strategic Capital	218,041	207,171	303,356	309,423.12	315,611.58	321,923.81	328,362.29	334,929.54
% Change		-5%	46%	2%	2%	2%	2%	2%
COGS	1,170,104	1,248,487	1,509,094	1,647,792.30	1,801,201.37	1,970,928.48	2,158,757.47	2,366,668.19
General and administrative	274,845	293,167	331,083	363,528	399,881	439,869	483,856	532,242
% Change		7%	13%	10%	10%	10%	10%	10%
Depreciation and amortization	1,561,969	1,577,942	1,812,777	849,432	948,154	964,840	1,070,743	1,048,361
Other	30,010	22,435	40,336	41,546	42,792	44,076	45,399	46,760
Total Expenses	4,207,032	4,390,518	5,202,385	2,902,299	3,192,029	3,419,714	3,758,755	3,994,031
Gross Profit	231,703	368,922	771,307	3,765,142	4,250,308	4,826,779	5,392,891	6,086,361
Operating income before gains on real estate transactions, net	1,401,807	1,617,409	2,280,402	2,305,567	2,604,818	2,886,272	3,203,076	3,528,137
% Sales	32%	34%	38%	35%	35%	35%	35%	35%
Gains on dispositions of development properties and land, net	464,942	817,017	597,745	836,701	967,504	1,072,044	1,189,714	1,310,451
% Sales	10%	17%	10%	13%	13%	13%	13%	13%
Gains on other dispositions of investments in real estate, net	252,195	772,570	589,391	706,315	818,657	907,114	1,006,681	1,108,843
% Sales	6%	16%	10%	11%	11%	11%	11%	11%
Operating income (EBIT)	2,118,944	3,206,996	3,467,538	3,848,584	4,390,978	4,865,430	5,399,471	5,947,431
Other income (expense):								
Interest Expense	314,507	266,228	309,037	321,398	334,254	347,625	361,530	375,991
Total other income (expense)	371,856	115,852	223,272	232,203	241,491	251,151	261,197	271,645
Earnings before income taxes (EBT)	1,747,088	3,322,848	3,690,810	3,912,259	4,146,994	4,395,814	4,659,563	4,939,136
Total income tax expense	130,458	174,258	135,412	142,406	149,527	157,003	164,853	173,096
Tax Rate	6%	5%	4%	5%	5%	5%	5%	5%
Net Income	1,616,630	3,148,590	3,555,398	3,769,852	3,997,468	4,238,811	4,494,710	4,766,041
Less: net earnings attributable to noncontrolling interests	134,816	208,867	190,542	203,880	218,152	233,422	249,762	267,245
Net earnings attributable to Prologis Inc.	1,481,814	2,939,723	3,364,856	3,565,972	3,779,316	4,005,389	4,244,948	4,498,796
Less preferred stock/unit dividends/distributions			6,345	6,152	6,060			
Loss on preferred stock/unit repurchase			2,347	0	0			
Net earnings attributable to common stockholders/unitholders			\$ 1,473,122	\$ 2,933,571	\$ 3,358,796			
Basic (shares)			728,323	739,363	785,675			
Diluted (shares)			754,414	764,762	811,608			
Net earnings per share/unit attributable to common stockholders/unitholders - Basic			\$ 2.02	\$ 3.97	\$ 4.28			
Net earnings per share/unit attributable to common stockholders/unitholders - Diluted			\$ 2.01	\$ 3.94	\$ 4.25			

Prologis Inc. (NYSE: PLD)								
<i>Consolidated Balance Sheets - USD (\$) shares in Thousands, \$ in Thousands</i>	FY 2020	FY 2021	FY 2022	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027 E
Assets:								
Investments in real estate properties	\$50,384,328	\$53,005,190	\$81,623,396					
Less accumulated depreciation	6,539,156	7,668,187	9,036,085					
Net investments in real estate properties	43,845,172	45,337,003	72,587,311	11,444,127	12,428,783	13,963,087	15,389,528	17,009,797
Investments in and advances to unconsolidated entities	7,602,014	8,610,958	9,698,898					
Assets held for sale or contribution	1,070,724	669,688	531,257					
Net Investments in Real Estate (Total Current Assets)	52,517,910	54,617,649	82,817,466					
Cash and cash equivalents	598,086	556,117	278,483					
Other assets	2,949,009	3,312,454	4,801,499					
Total assets	56,065,005	58,486,220	87,897,448					
Liabilities:								
Debt	16,849,076	17,715,054	23,875,961					
Accounts payable and accrued expenses	1,143,372	1,252,767	1,711,885	1,761,331	1,925,312	2,106,734	2,307,505	2,529,741
Other liabilities	1,261,005	1,776,189	1,210,000	1,832,739	2,003,528	2,192,320	2,401,248	2,632,513
Total liabilities	19,253,453	20,744,010	26,797,846					
Prologis, Inc. stockholders' equity:								
Preferred Stock	63,948	63,948	63,948					
Common Stock	7,394	7,398	9,231					
Additional paid-in capital	35,488,634	35,561,608	54,065,407					
Accumulated other comprehensive loss	-1,193,739	(878,253)	-443,609					
Distributions in excess of net earnings	-2,394,690	(1,327,828)	-457,695					
Total Prologis, Inc. stockholders' equity	31,971,547	33,426,873	53,237,282					
Noncontrolling interests	4,353,033	4,315,337	4,625,811					
Total Equity	36,324,580	37,742,210	57,863,093					
Total liabilities and equity	55,578,033	58,486,220	84,660,939					

Prologis Inc. (NYSE: PLD)								
<i>Consolidated Statements of Cash Flows (in thousands)</i>								
	FY 2020	FY 2021	FY 2022	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027 E
Operating activities:								
Net Income	\$ 1,616,630	\$ 3,148,590	\$ 3,555,398					
Adjustments to reconcile net earnings to net cash provided by operating activities:								
Straight-lined rents and amortization of above and below market leases	(126,328)	(148,239)	(267,709)					
Equity-based compensation awards	109,831	113,028	175,356					
Depreciation and amortization	1,561,969	1,577,942	1,812,777	849,432	948,154	964,840	1,070,743	1,048,361
<i>% of CapEx</i>	125%	128%	44%	49%	49%	45%	45%	40%
Earnings from unconsolidated entities, net	(297,370)	(404,255)	(310,872)					
Operating distributions from unconsolidated entities	450,622	440,034	410,483					
Decrease (increase) in operating receivables from unconsolidated entities	14,670	(14,223)	(63,947)					
Amortization of debt discounts and debt issuance costs, net	7,859	8,656	23,736					
Gains on dispositions of development properties and land, net	(464,942)	(817,017)	(597,745)					
Gains on other dispositions of investments in real estate, net	(252,195)	(772,570)	(589,391)					
Unrealized foreign currency and derivative losses (gains), net	160,739	(173,026)	(92,201)					
Losses on early extinguishment of debt, net	188,290	187,453	20,184					
Deferred income tax expense	744	1,322	12,638					
Increase in accounts receivable and other assets	(127,619)	(328,511)	(71,307)					
Increase in accounts payable and accrued expenses and other liabilities	94,105	176,858	109,030					
Net cash provided by operating activities	2,937,005	2,996,042	4,126,430					
Investing activities:								
Real estate development	(1,920,218)	(2,639,872)	(3,118,379)					
Real estate acquisitions	(1,239,034)	(2,320,448)	(2,492,108)					
Tenant improvements and lease commissions on previously leased space	(221,491)	(329,059)	(339,234)					
Property improvements	(149,491)	(169,933)	(211,358)					
Proceeds from dispositions and contributions of real estate	2,281,940	4,222,290	2,063,623					
Capital Expenditures	(1,248,294)	(1,237,022)	(4,097,456)	(1,733,534.50)	(1,935,007.46)	(2,144,087.99)	(2,379,427.93)	(2,620,901.87)
% of Sales	28.12%	25.99%	68.59%	26.00%	26.00%	26.00%	26.00%	26.00%
Investments in and advances to unconsolidated entities	(385,936)	(798,103)	(442,366)					
Return of investment from unconsolidated entities	257,065	58,275	76,994					
Proceeds from repayment of notes receivable backed by real estate	4,312	0	0					
Proceeds from the settlement of net investment hedges	2,352	3,305	59,281					
Payments on the settlement of net investment hedges	(9,034)	(16,513)	(3,458)					
Net cash used in investing activities	(2,627,829)	(3,227,080)	(8,504,460)					

Financing activities:			
Proceeds from issuance of common stock/units	2,217	743	0
Repurchase and retirement of common stock	(34,829)	0	0
Repurchase of preferred stock	(7,200)	0	0
Dividends/distributions paid on common and preferred stock/units	(1,722,989)	(1,872,861)	(2,494,723)
Noncontrolling interests contributions	917,092	74,404	13,295
Noncontrolling interests distributions	(361,636)	(375,054)	(270,109)
Settlement of noncontrolling interests	(116,978)	(153,236)	(88,980)
Tax paid with shares withheld	(24,887)	(19,855)	(27,688)
Debt and equity issuance costs paid	(54,204)	(23,318)	(45,654)
Net proceeds from (payments on) credit facilities	(10,959)	323,336	294,164
Repurchase of and payments on debt	(6,782,306)	(2,560,174)	(1,381,005)
Proceeds from the issuance of debt	7,824,517	3,597,690	4,116,489
Net cash provided by (used in) financing activities	(372,162)	(1,008,325)	115,789
Effect of foreign currency exchange rate changes on cash	18,718	(39,628)	(20,796)
Net decrease in cash and cash equivalents	(490,769)	(41,969)	(277,634)
Cash and cash equivalents, beginning of year	1,088,855	598,086	556,117
Cash and cash equivalents, end of year	598,086	556,117	278,483

Prologis Inc. (NYSE: PLD)									
<i>Revenue Build (in thousands)</i>	FY 2020	FY 2021	FY 2022	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E	
Rental	\$ 3,791,131	\$ 4,147,994	\$ 4,913,171	\$ 5,502,752	\$ 6,163,082	\$ 6,841,021	\$ 7,593,533	\$ 8,352,886	
<i>% Growth</i>		9%	18%	12%	12%	11%	11%	10%	
Strategic capital	636,987	590,750	1,039,585	\$ 1,143,544	\$ 1,257,898	\$ 1,383,688	\$ 1,535,893	\$ 1,704,842	
<i>% Growth</i>		-7%	76%	10%	10%	10%	11%	11%	
Development management and other	10,617	20,696	20,936	\$ 21,145	\$ 21,357	\$ 21,784	\$ 22,220	\$ 22,664	
<i>% Growth</i>		95%	1%	1%	1%	2%	2%	2%	
Total revenues	4,438,735	4,759,440	5,973,692	6,667,440	7,442,336	8,246,492	9,151,646	10,080,392	
<i>% Growth</i>		7%	26%	12%	12%	11%	11%	10%	

Prologis Inc. (NYSE: PLD)								
<i>NWC (in thousands)</i>	FY 2020	FY 2021	FY 2022	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E
Investments in and advances to unconsolidated entities	7,602,014	8,610,958	9,698,898	11,444,127	12,428,783	13,963,087	15,389,528	17,009,797
Revenue	4,438,735	4,759,440	5,973,692	6,667,440	7,442,336	8,246,492	9,151,646	10,080,392
<i>DSO</i>		660	593	626	610	618	614	616
Total Current Assets	7,602,014	8,610,958	9,698,898	11,444,127	12,428,783	13,963,087	15,389,528	17,009,797
Accounts Payable	1,143,372	1,252,767	1,711,885	1,761,331	1,925,312	2,106,734	2,307,505	2,529,741
COGS (Property + Service)	1,170,104	1,248,487	1,509,094	1,647,792	1,801,201	1,970,928	2,158,757	2,366,668
<i>DPO</i>	357	366	414	390	390	390	390	390
Other Accrued Liabilities	1,261,005	1,776,189	1,210,000	1,832,739	2,003,528	2,192,320	2,401,248	2,632,513
COGS (Property + Service)	1,170,104	1,248,487	1,509,094	1,647,792	1,801,201	1,970,928	2,158,757	2,366,668
<i>DPO</i>	393	519	293	406	406	406	406	406
Total Current Liabilities	2,404,377	3,028,956	2,921,885	3,594,071	3,928,840	4,299,054	4,708,753	5,162,254
NWC	5,197,637	5,582,002	6,777,013	7,850,056	8,499,943	9,664,033	10,680,775	11,847,542
Change in NWC		384,365	1,195,011	1,073,043	649,887	1,164,090	1,016,742	1,166,767

Prologis Inc. (NYSE: PLD)	
WACC	
Beta	1.018231168
Risk-Free Rate	3.88%
Expected Market Return	9.00%
Risk Premium	5.12%
Cost of Equity	9.09%
Pre-Tax Cost of Debt	4.57%
Tax Rate	21.00%
After-Tax Cost of Debt	3.61%
Market Capitalization	101,353,607
Debt Outstanding	23,875,961
Total Capitalization	125,229,568
Weight of Equity	80.93%
Weight of Debt	19.07%
WACC	8.05%

EBIT	\$3,467,538
Interest Expense	\$309,037
Interest Coverage Ratio	11.22046227
Damodaran Spread	0.69%
Risk-Free Rate	3.88%
Cost of Debt	4.57%

Current PLD Price	124.88
Shares Outstanding	811,608

Prologis Inc. (NYSE: PLD)								
Discounted Cash Flow (In Thousands USD)	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Revenue	4,438,735	4,759,440	5,973,692	6,667,440	7,442,336	8,246,492	9,151,646	10,080,392
% Growth		7%	26%	12%	12%	11%	11%	10%
EBIT	2,118,944	3,206,996	3,467,538	3,848,584	4,390,978	4,865,430	5,399,471	5,947,431
EBIT Margin		51%	8%	11%	4%	11%	11%	10%
Tax Rate	6%	5%	4%	5%	5%	5%	5%	5%
NOPAT	1,988,486	3,032,738	3,332,126	3,649,797	4,171,430	4,622,159	5,129,498	5,650,060
Plus: D&A	1,561,969	1,577,942	1,812,777	849,432	948,154	964,840	1,070,743	1,048,361
Less: CapEx	-1,248,294	-1,237,022	-4,097,456	-1,733,534	-1,935,007	-2,144,088	-2,379,428	-2,620,902
Less: Change in NWC		384,365	1,195,011	1,073,043	649,887	1,164,090	1,016,742	1,166,767
FCFF	4,798,749	5,463,337	8,047,348	5,159,720	6,404,704	6,566,996	7,562,926	8,152,555
Discount Factor (years)				0.5	1.5	2.5	3.5	4.5
Present Value FCFF				4,963,841.31	5,702,616.81	5,411,595.72	5,768,087.89	5,754,653.35

Terminal Value (Growth)								150,620,569
Terminal Value (Multiple)								166,074,146
Cash Flows (growth)				5,159,720	6,404,704	6,566,996	7,562,926	158,773,124
Cash Flows (multiple)				5,159,720	6,404,704	6,566,996	7,562,926	174,226,701
PV of CF (growth)				4,963,841.31	5,702,616.81	5,411,595.72	5,768,087.89	112,073,366.74
PV of CF (multiple)				4,963,841.31	5,702,616.81	5,411,595.72	5,768,087.89	122,981,600.69

WACC	8.05%
Terminal Growth Rate	2.50%
Terminal Multiple (EV/EBITDA)	23.74

Gordon Growth	
Enterprise Value	133,919,508
Less: Debt	23,875,961
Plus: Cash	278,483
Less: Minority Interest	4,625,811
Equity Value	105,696,219
Diluted Shares Outstanding	811,608
Price Per Share	\$ 130.23

Terminal Multiple	
Enterprise Value	144,827,742
Less: Debt	23,875,961
Plus: Cash	278,483
Less: Minority Interest	4,625,811
Equity Value	116,604,453
Diluted Shares Outstanding	811,608
Price Per Share	\$143.67

Prologis Inc. (NYSE: PLD)						
Discounted Dividend Model (\$ in Thousands)						
DPS	3.16					
Expected Market Return	9.00%					
Risk-Free Rate	3.88%					
Beta	1.018231					
Cost of Equity	9.09%					
Period	1	2				
Growth Rate	10.00%	7.00%				
Length of Period	6 Years	Forever				
Year	1	2	3	4	5	6
DPS	3.476	3.8236	4.20596	4.626556	5.089212	5.5981328
PV	3.186262	3.212743	3.239443	3.266366	3.293512	3.3208838
Sum of PV of stage 1	19.51921					
Final Year Dividend x 1+ stage 2 rate	3.553346					
Terminal Value	181.6271					
PV of terminal Value	117.541					
Sum of Present Values	137.0602					

	Perpetuity Dividend Growth Rate				
	6.50%	6.75%	7.00%	7.25%	7.50%
8.59%	142.32	159.58	182.27	213.40	258.77
8.84%	126.36	139.66	156.57	178.79	209.28
9.09%	113.51	124.03	137.06	153.63	175.39
9.34%	102.96	111.45	121.75	134.52	150.75
9.59%	94.14	101.12	109.43	119.53	132.03

Cost of Equity

Prologis Inc. (NYSE: PLD)	
Net Asset Valuation (\$ in Thousands)	
Rental Income	4913171
General and Administrative expenses	331,083
Straight line rent	267,709
Cash NOI	4,314,379
Adjust noi for acquisitions, construction, or purchases:	
Construction	442,366
Cash NOI	3,872,013
Cap rate	8.50%
Fair Market Value	45553094.12
Adjust for other investments and financing:	
Cash	83,627,206
Debt	23,875,961
NAV	105,304,339
Shares outstanding	811608
NAV per share	129.7477836

Prologis Inc. (NYSE: PLD)																		
Comparable Companies Analysis (in thousands USD except share prices and ratios)																		
Company	Ticker	Share Price	Shares	Market Cap	Cash	Total Debt	Revenue	EV	EBIT	EBITDA	EPS	FFO	FFO Per Share	EV/EBIT	EV/EBITDA	EV/Revenue	P/FFO	P/E
Prologis Inc.	PLD	124.88	811,608	101,353,607	278,480	24,510,000	6,280,000	137,580,000	3,467,538	5,795,490	4.15	5,245,500	5.16	39.68	23.74	21.91	24.20	30.12
Terreno Realty Corp	TRNO	61.88	82,730	5,119,332	26,390	775,100	276,210	5,868,042	30,200	159,850	2.61	150,880	2.00	194.31	36.71	21.24	30.94	23.71
First Industrial	FR	51.69	132,100	6,828,249	147,300	2,006,300	539,900	8,687,249	129,800	256,500	2.72	308,430	2.29	66.93	33.87	16.09	22.57	19.00
EastGroup Properties	EGP	162.01	43,600	7,063,636	100	1,881,700	487,000	8,945,236	145,300	336,200	4.39	298,930	7.00	61.56	26.61	18.37	23.14	36.90
Stag Industrial	STAG	32.80	179,200	5,877,760	25,900	2,533,900	657,300	8,385,760	127,400	455,600	1.00	403,350	2.21	65.82	18.41	12.76	14.84	32.80

Multiples

Minimum	39.68	18.41	12.76	14.84	19.00
Quartile 1	61.56	23.74	16.09	22.57	23.71
Median	65.82	26.61	18.37	23.14	30.12
Quartile 3	66.93	33.87	21.24	24.20	32.80
Maximum	194.31	36.71	21.91	30.94	36.90

Valuation

Minimum	139.32	131.43	68.52	95.92	78.79
Quartile 1	232.83	169.52	94.30	145.89	61.88
Median	251.02	189.99	111.93	149.58	81.93
Quartile 3	255.75	241.85	134.19	156.42	143.99
Maximum	799.96	262.13	139.32	199.97	36.90

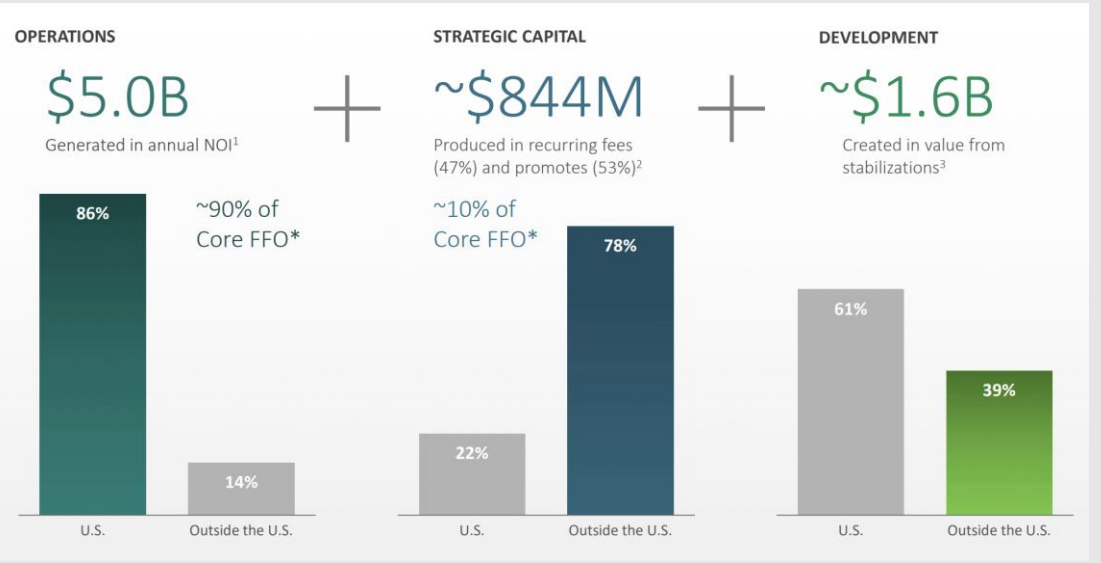
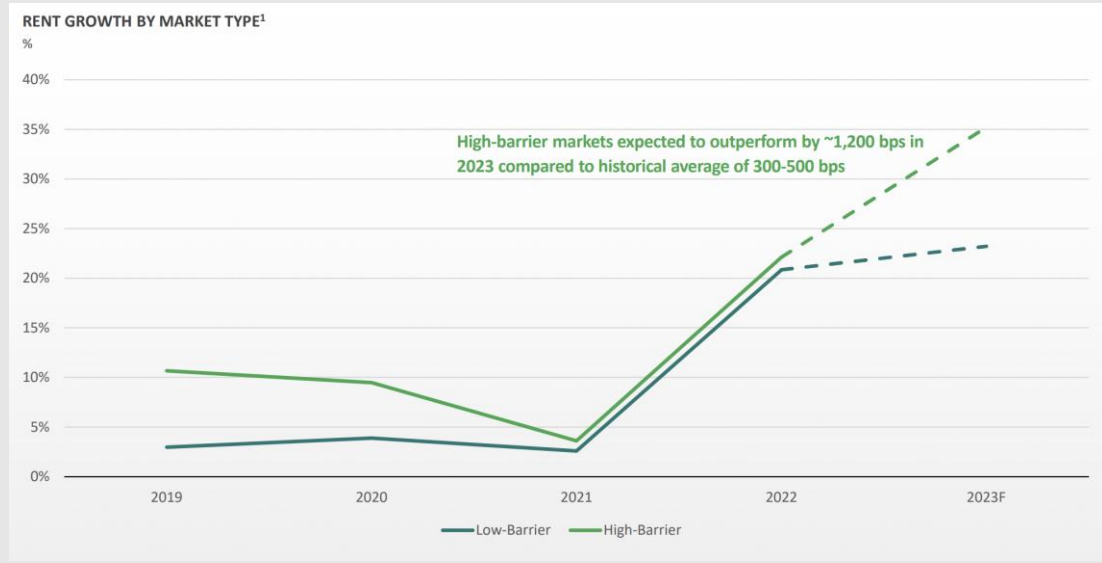
Prologis Inc. (NYSE: PLD)												
Comparable Companies Analysis (in thousands)												
Company	Forward 2024 Forecast											
	2024E Revenue	2024E EBIT	2024E EBITDA	2024E EPS	2024E FFO	2024E FFO Per Share	EV/2024E Revenue	EV/2024E EBIT	EV/2024E EBITDA	2024E P/AFFO	2024E P/E	
Prologis Inc.	7,442,336	4,390,978	5,339,132	4.66	538,521	5.65	18.49	31.33	25.77	22.10	26.82	
Terreno Realty Corp	342,600	108,800	231,400	1.29	23,400	2.35	17.13	53.93	25.36	26.33	47.97	
First Industrial	644,700	270,000	441,100	1.37	359,952	2.61	13.47	32.17	19.69	19.80	37.73	
EastGroup Properties	603,400	171,300	419,900	3.90	360,300	7.98	14.82	52.22	21.30	20.30	41.54	
Stag Industrial	694,300	138,700	553,400	0.68	444,550	2.36	12.08	60.46	15.15	13.90	48.24	

Multiples

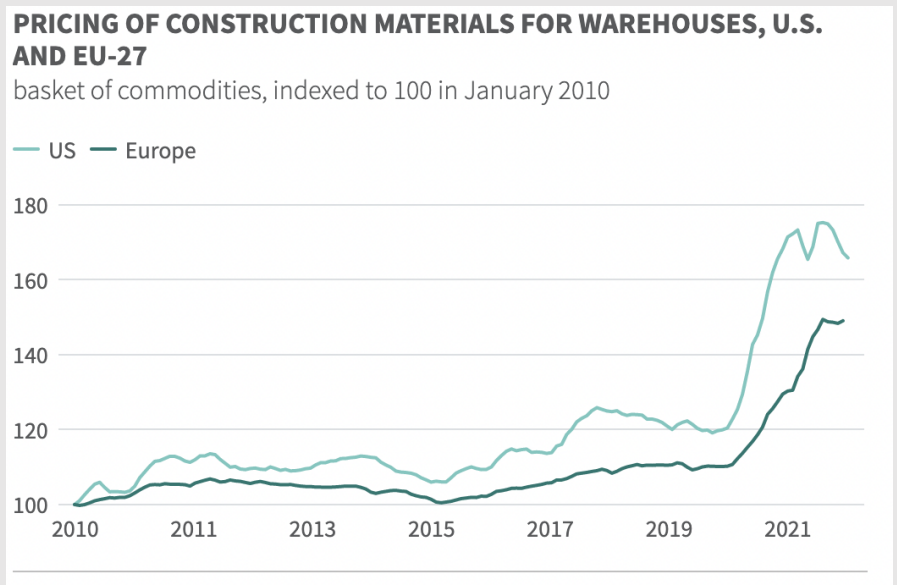
Minimum	12.08	31.33	15.15	13.90	26.82
Quartile 1	13.47	32.17	19.69	19.80	37.73
Median	14.82	52.22	21.30	20.30	41.54
Quartile 3	17.13	53.93	25.36	22.10	47.97
Maximum	18.49	60.46	25.77	26.33	48.24

Valuation

Minimum	80.55	139.32	69.49	90.47	124.88
Quartile 1	93.36	143.87	99.36	128.92	48.67
Median	105.74	252.32	109.94	132.15	56.91
Quartile 3	126.86	261.60	136.62	143.87	187.08
Maximum	139.32	296.90	139.32	171.40	32.80



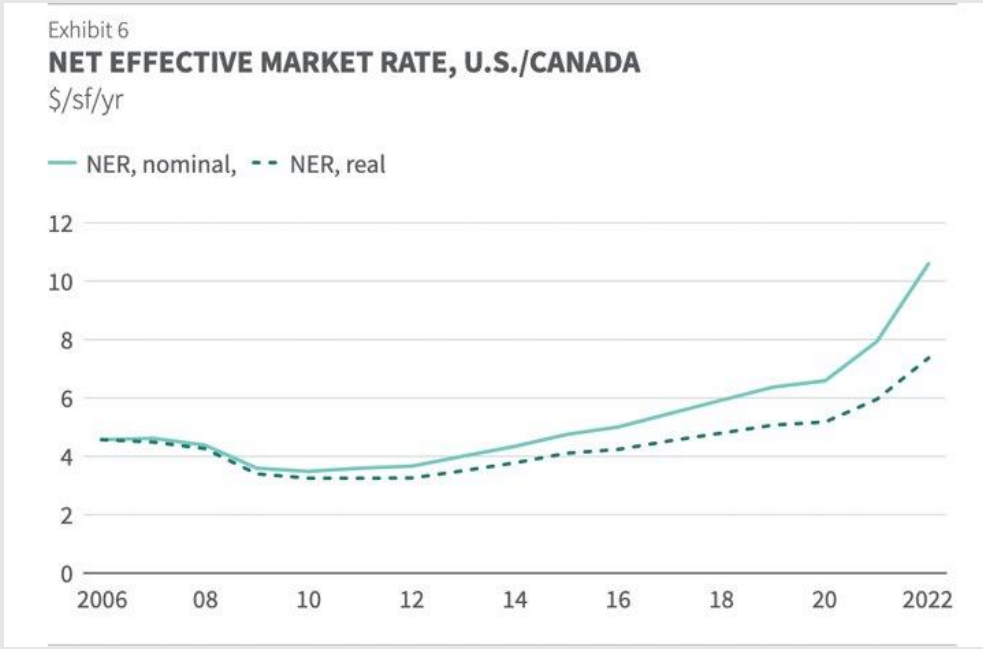
Source: Investor Relations/ 10-K



FY22 RENT GROWTH, GLOBAL, US/CANADA, EUROPE ⁱ

30%	34%	15%
Global	U.S./Canada	Europe

Source: Investor Relations



Source: Investor Relations