



A view toward downtown and multiple covered land plays in San Francisco, California.

# NAREIT's REITWeek

Virtual Investor-Analyst Meetings

June 2021

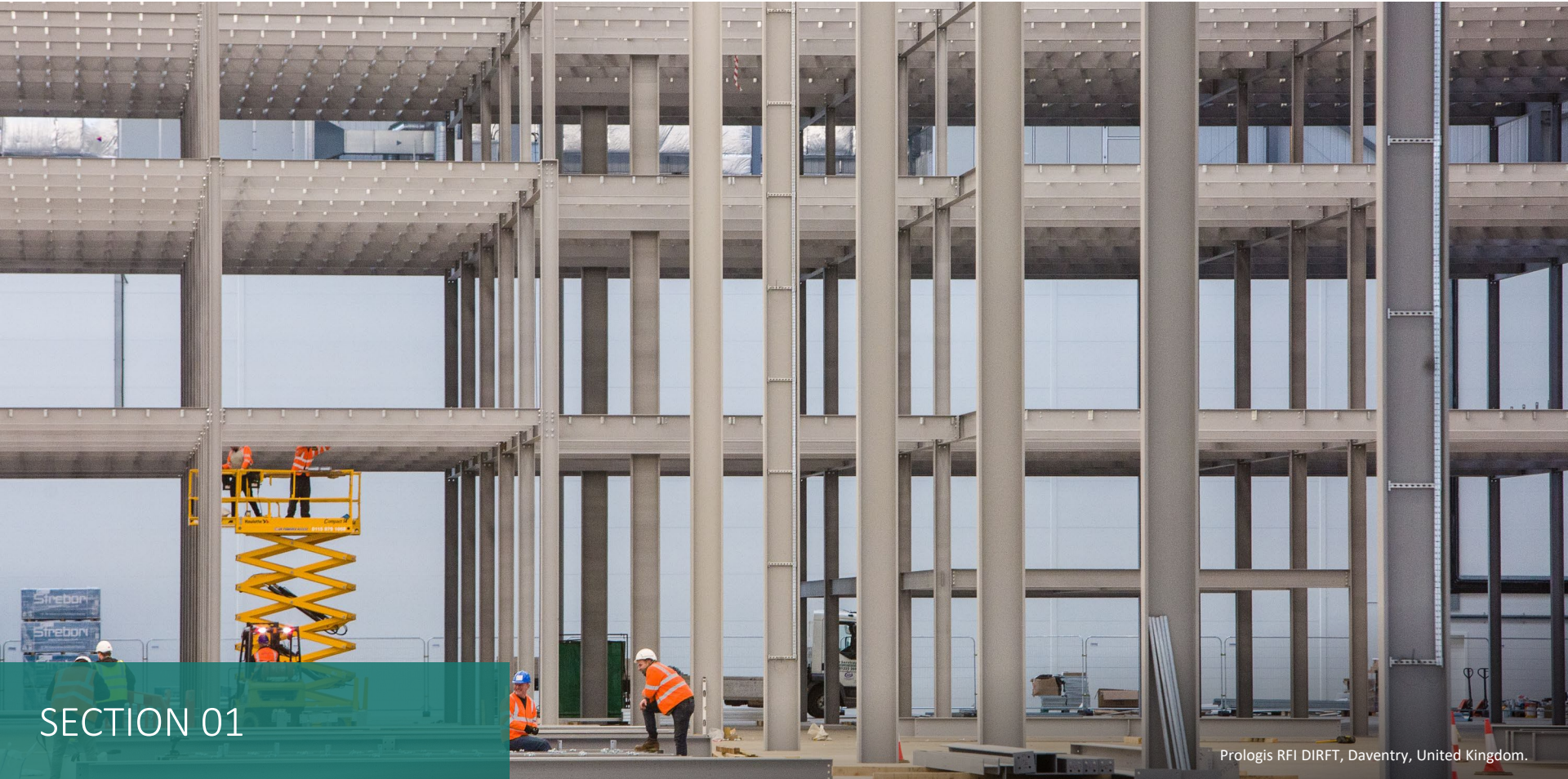
# Forward-looking statements

This presentation includes certain terms and non-GAAP financial measures that are not specifically defined herein. These terms and financial measures are defined and, in the case of the non-GAAP financial measures, reconciled to the most directly comparable GAAP measure, in our first quarter Earnings Release and Supplemental Information that is available on our investor relations website at [www.ir.prologis.com](http://www.ir.prologis.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov).

The statements in this document that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which we operate as well as management's beliefs and assumptions. Such statements involve uncertainties that could significantly impact our financial results. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," and "estimates," including variations of such words and similar expressions, are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to rent and occupancy growth, development activity, contribution and disposition activity, general conditions in the geographic areas where we operate, our debt, capital structure and financial position, our ability to form new co-investment ventures and the availability of capital in existing or new co-investment ventures — are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and, therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic and political climates; (ii) changes in global financial markets, interest rates and foreign currency exchange rates; (iii) increased or unanticipated competition for our properties; (iv) risks associated with acquisitions, dispositions and development of properties; (v) maintenance of real estate investment trust status, tax structuring and changes in income tax laws and rates; (vi) availability of financing and capital, the levels of debt that we maintain and our credit ratings; (vii) risks related to our investments in our co-investment ventures, including our ability to establish new co-investment ventures; (viii) risks of doing business internationally, including currency risks; (ix) environmental uncertainties, including risks of natural disasters; (x) risks related to the current coronavirus pandemic; and (xi) those additional factors discussed in reports filed with the Securities and Exchange Commission by us under the heading "Risk Factors." We undertake no duty to update any forward-looking statements appearing in this document except as may be required by law.

This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

Past performance is not indicative of future results.



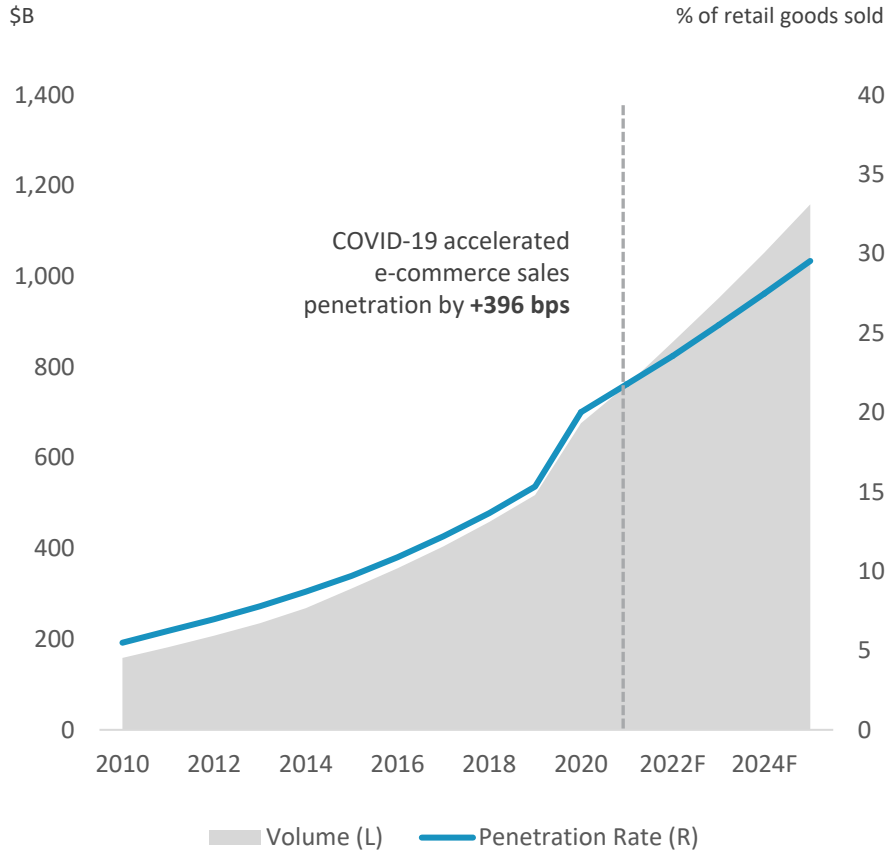
SECTION 01

Prologis RFI DIRFT, Daventry, United Kingdom.

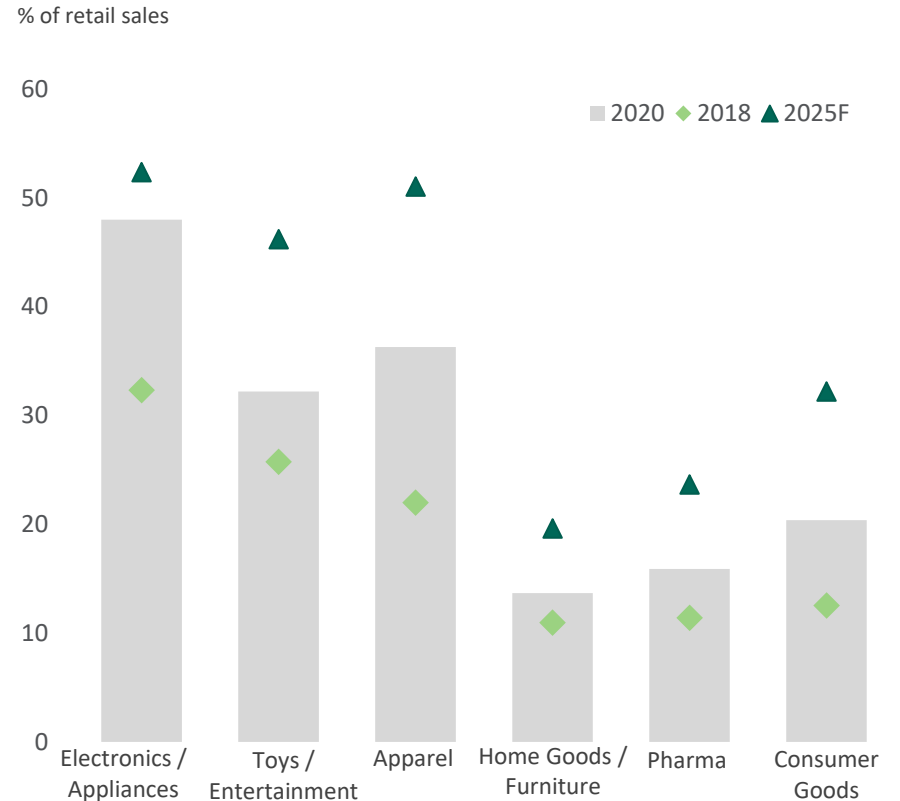
Macro fundamentals point to synchronized growth

# Synchronized growth: accelerated ecommerce

**ONLINE SALES, U.S.**



**ONLINE SHARE BY CATEGORY, U.S.**

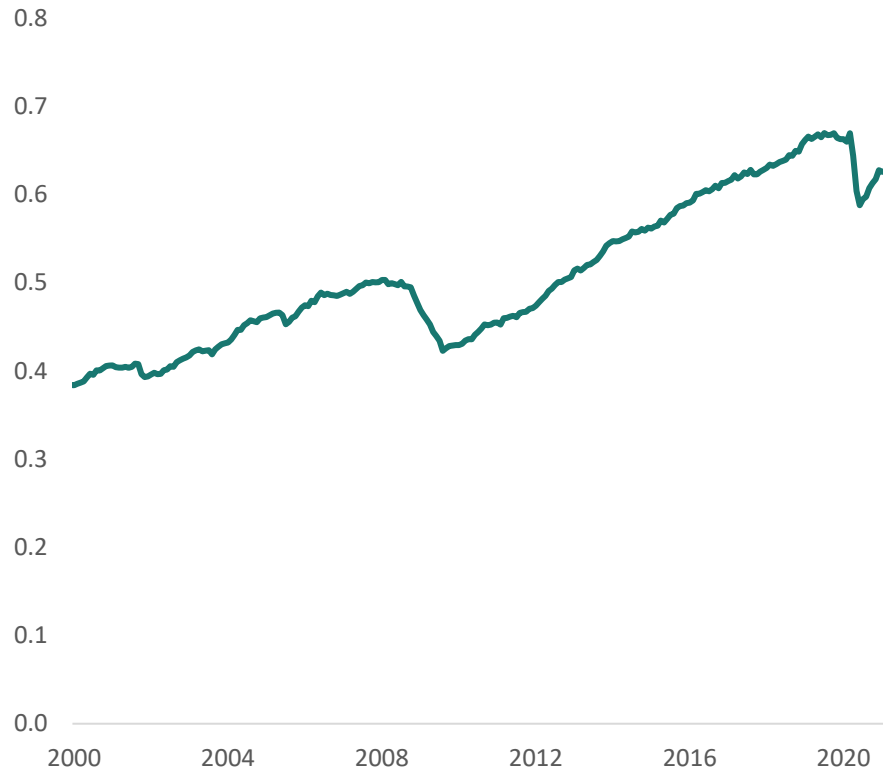


1. Source: U.S. Census, Euromonitor, Prologis Research.

# Synchronized growth: rising inventory levels

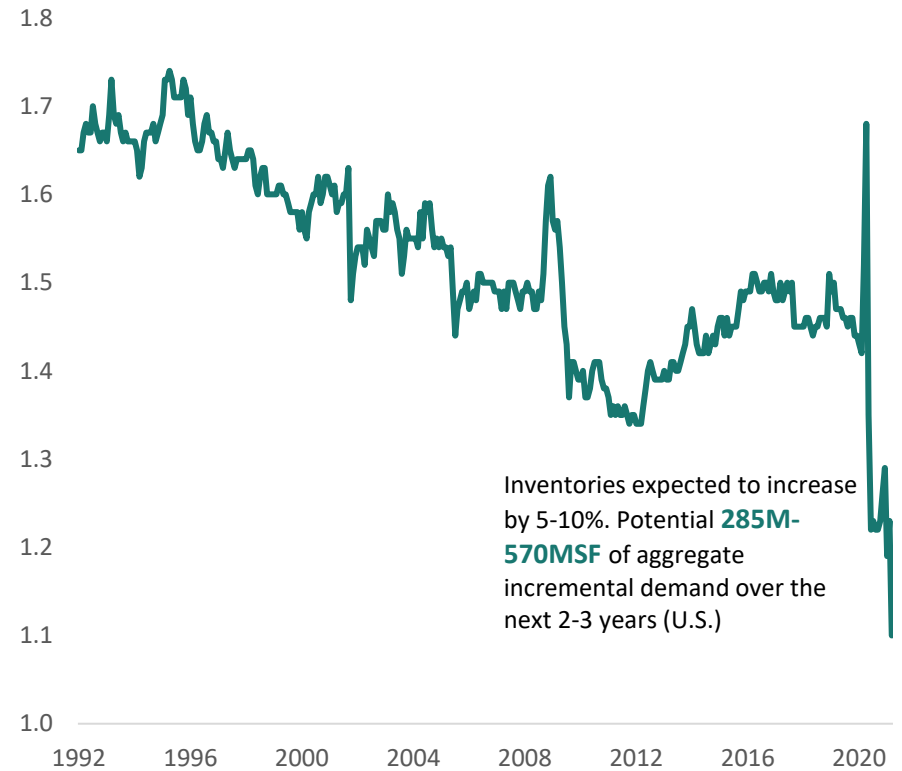
## INVENTORIES

\$, Trillions, Retailers



## INVENTORY TO SALES RATIO, U.S.

Ratio, Retailers

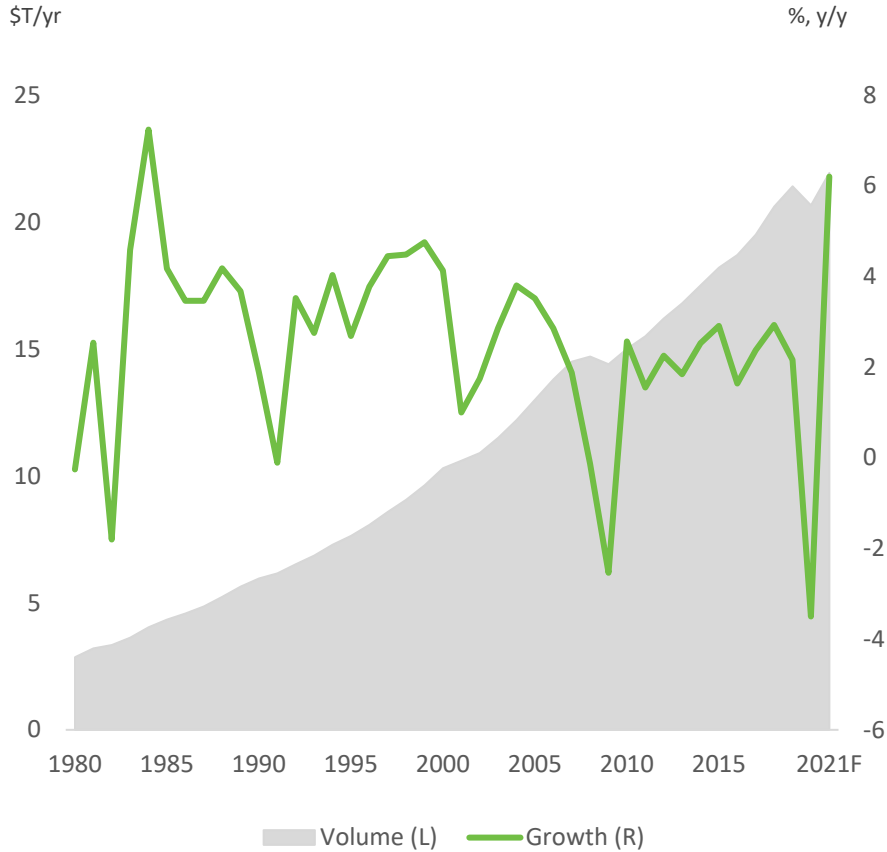


Inventories expected to increase by 5-10%. Potential **285M-570MSF** of aggregate incremental demand over the next 2-3 years (U.S.)

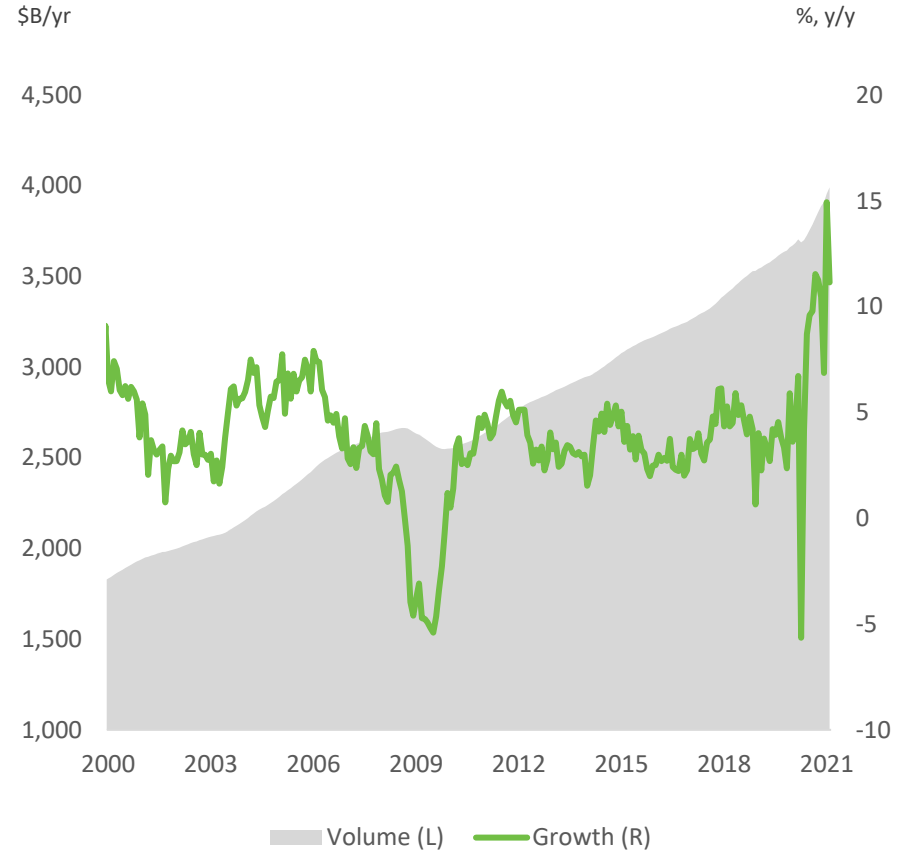
1. Source: FRED, U.S. Census.

# Synchronized growth: positive economic landscape

**REAL GDP GROWTH, U.S.**



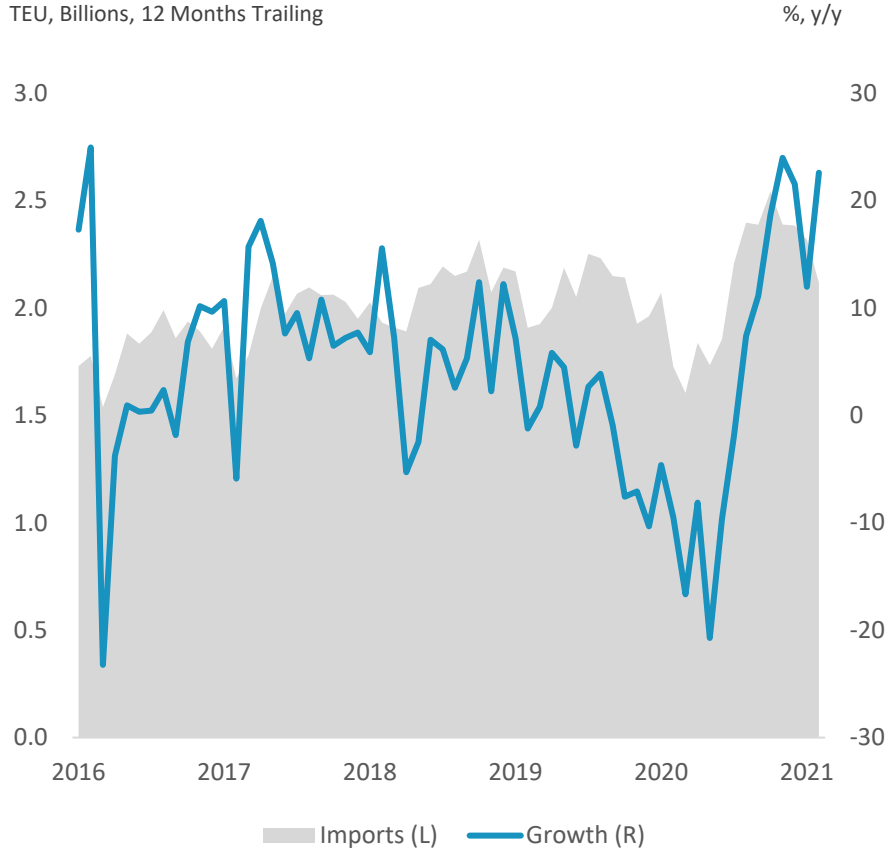
**RETAIL GOODS SALES, U.S.**



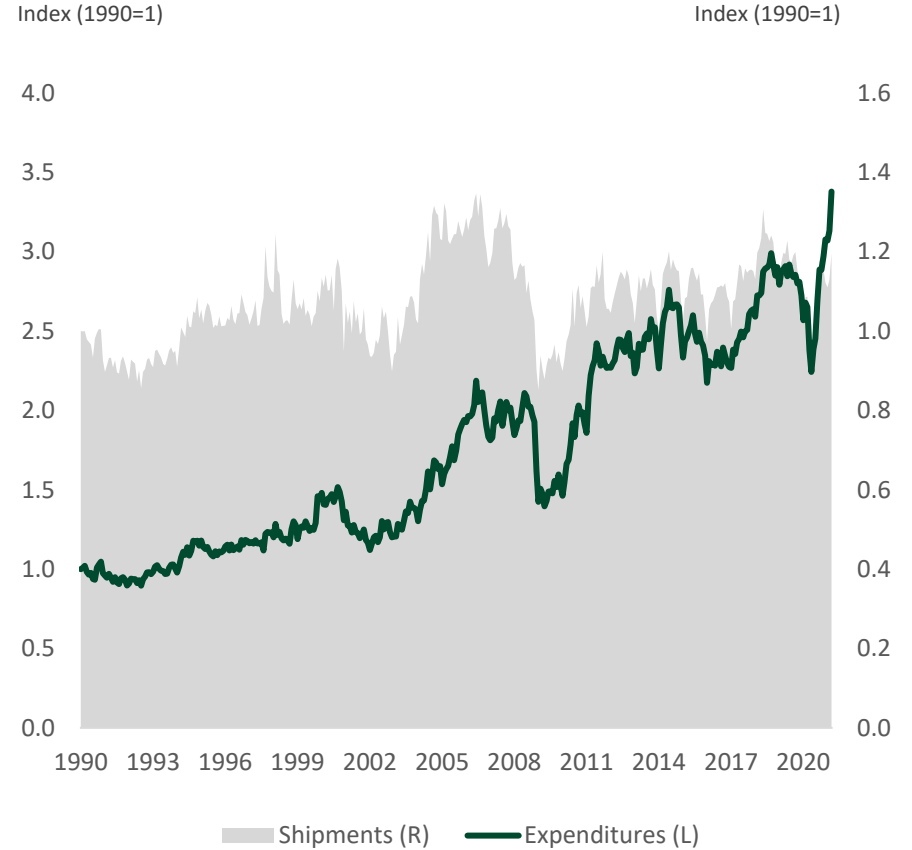
1. Sources: WorldBank, Consensus Economics, FRED.

# Supply chains racing to catch up

## CONTAINER TEU VOLUMES, U.S. PORTS



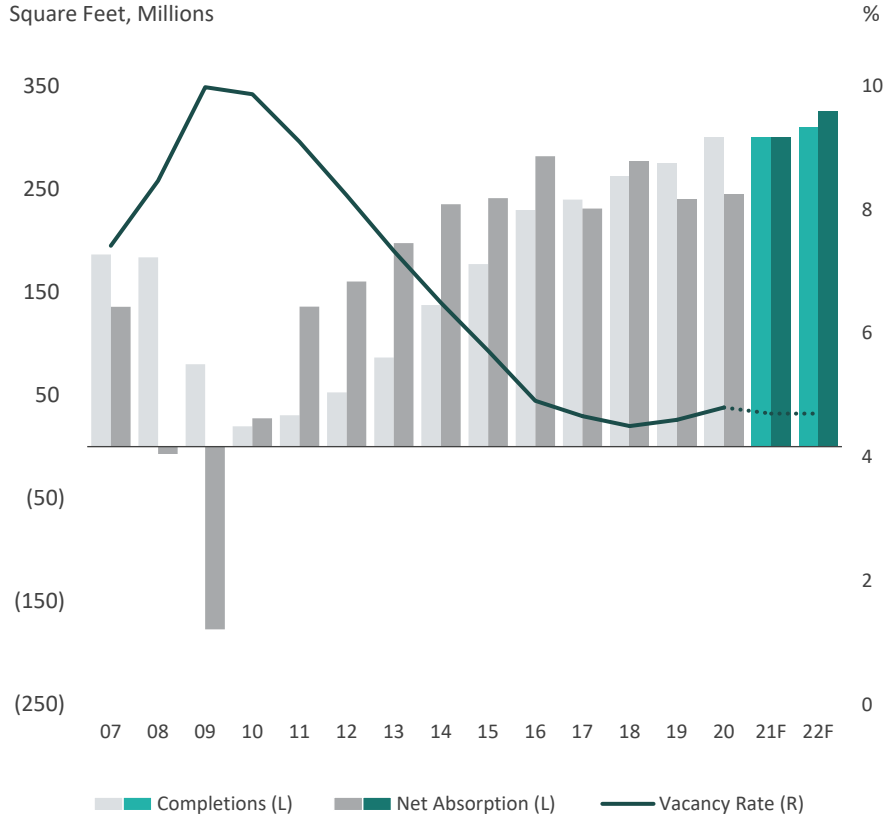
## CASS FREIGHT INDEX



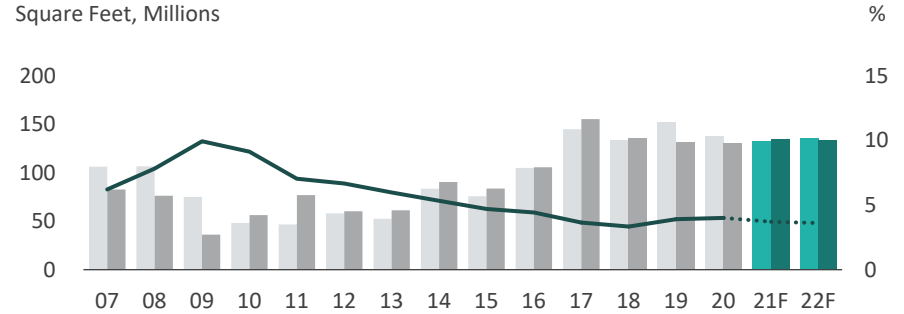
1. Sources: Port Volumes, Cass Information Systems, Inc.

# Tight market fundamentals

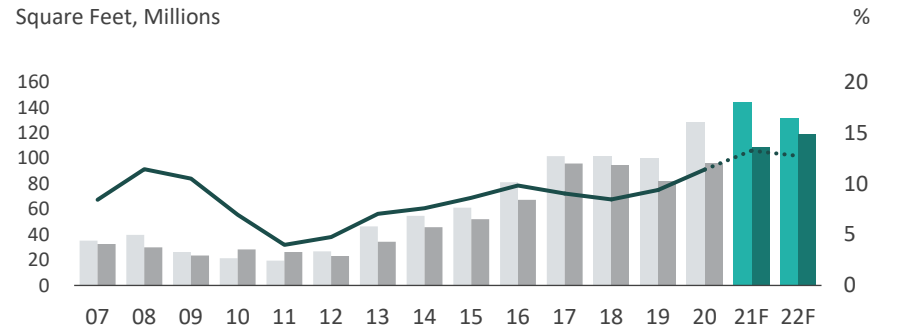
## U.S.



## EUROPE



## ASIA



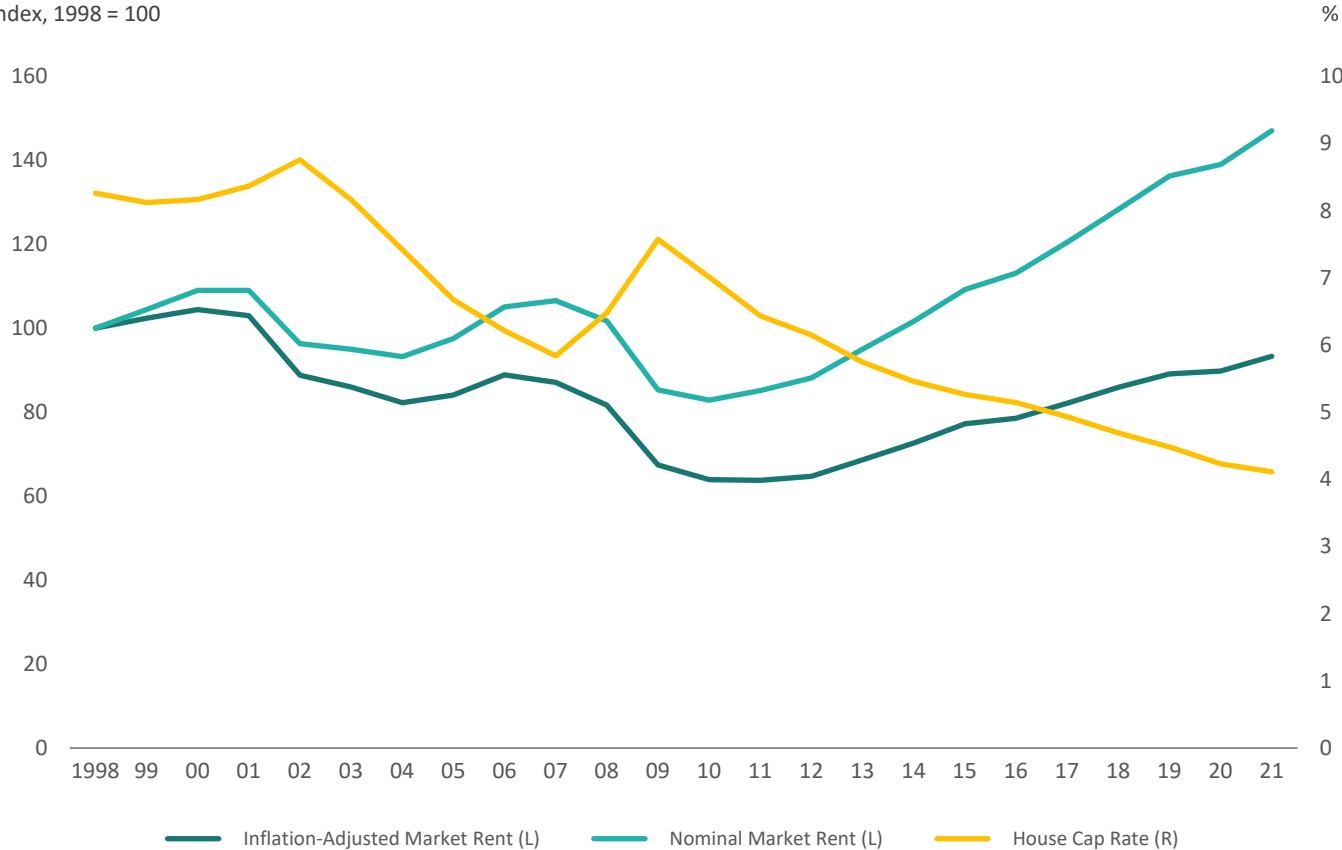
Source: CBRE, JLL, Gerald Eve, Cushman & Wakefield, Colliers, Prologis Research.  
 Note: Prologis Research forecasts as of March 31, 2021.



# Market rents continue to rise

## MARKET RENTS, GLOBAL

Index, 1998 = 100



- Rent growth continued despite the structural decline of cap rates
- Rising replacement costs and strong demand together translated into strong rent growth
- Inflation-adjusted market rents now above 2006 levels, but remain below 1998 peak

Note: Global based upon Prologis share of NOI by geography, specifically 71% Americas, 18% Europe, 3% Japan and 1% China. Estimates of inflation-adjusted market rents based on IMF historical inflation data and Prologis Research estimates of historical Prologis share of NOI by geography; cap rates shown represent core assets in the top markets of each region, stabilized to 95% occupancy and are adjusted for the amortization of the ground lease and free rent. 2021 cap rate reflects 1Q house view and not year-end forecast.  
 Source: CBRE, JLL, Cushman & Wakefield, Consensus Economics, Prologis Research, International Monetary Fund.

# Three governors to new supply

Barriers to supply are rising

Building requirements are increasing

Differentiation among properties is widening





SECTION 02

Locus Robotics. Prologis Park San Leandro 9, San Leandro, California.

# Prologis: A compelling investment opportunity

# What sets Prologis apart?

A powerful platform that delivers durable, sector-leading growth

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**Global scale** – 2.5% of world’s GDP flows through our buildings annually<sup>1</sup>. Irreplaceable global portfolio of 1 BSF enables network effect and clustering benefits. In-place-to-market of over 13.5% equates to \$660M in annual NOI\*

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**Strategic Capital & Efficiencies** – Very durable fee stream with ~90% from perpetual or long-life ventures. High margin business of 75%. Minimizes Prologis’ equity exposure to non-USD investments

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**Development & Land** – 19-year track record: \$36.5B invested and ~20% IRR achieved. Significant land portfolio to support \$17B of future development

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**Solutions beyond real estate** – Prologis Essentials centered on addressing customer pain points and Prologis Ventures / data infrastructure to lead innovation in next-generation logistics technologies

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**Financial strength** – liquidity and combined leverage capacity between Prologis and open-ended vehicles of \$14B. Industry-leading cost of capital with ability to self fund run-rate deployment without the need to issue equity

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\* This is a non-GAAP financial measure.

1. Source: Oxford Economics, IMF, Prologis Research as of June 30, 2020.

# Scale: Prologis is a critical waypoint for the global economy

## \$2.2 TRILLION

Is the economic value of goods flowing through our distribution centers each year, representing

## 3.5%

of GDP for the 19 countries where we do business, and

## 2.5%

of the World's GDP.

## 850<sub>k</sub>

Employees under Prologis' roofs.



# Scale: Prologis at a glance

Critical mass within submarkets provides unique ability to serve customers

## U.S.

619 MSF  
3,339 Buildings  
4,419 Acres

## OTHER AMERICAS

67 MSF  
281 Buildings  
1,094 Acres

## EUROPE

202 MSF  
845 Buildings  
2,860 Acres

## ASIA

102 MSF  
253 Buildings  
116 Acres

5-YEAR AVG. SSNOI*	NET EFFECTIVE	CASH	5-YEAR AVG. RCOR	NET EFFECTIVE	CASH
<b>PLD</b>	<b>4.1%</b>	<b>4.9%</b>	<b>PLD</b>	<b>23.5%</b>	<b>11.0%</b>
Other Logistics REITs <sup>1</sup>	3.2%	3.9%	Other Logistics REITs <sup>1</sup>	21.1%	9.4%
Blue Chips	-1.0% <sup>2</sup>	1.0% <sup>3</sup>	Blue Chips	0.9% <sup>4</sup>	11.5% <sup>5</sup>

\* This is a non-GAAP financial measure.

Data as of March 31, 2021, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 990 million square feet (92 million square meters) in 19 countries.

1. Other Logistics REITs include DRE, EGP, FR and STAG.

2. Includes BXP, EQR, FRT and SPG based on availability of company disclosures.

3. Includes AVB, BXP and PSA based on availability of company disclosures.

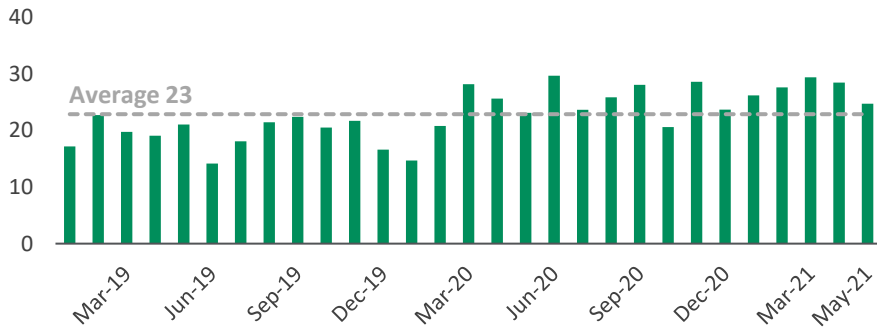
4. Includes Same Store Average Rental Rate for AVB and EQR.

5. Includes BXP, FRT and SPG based on availability of company disclosures.

# Scale: Prologis proprietary data analytics gaining momentum

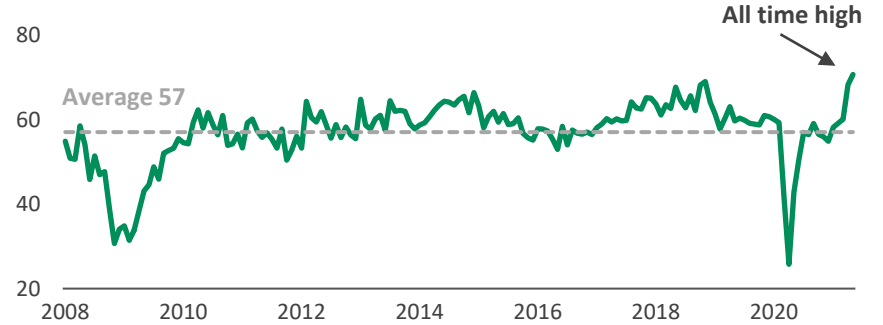
## NEW LEASE PROPOSALS

in millions of square feet



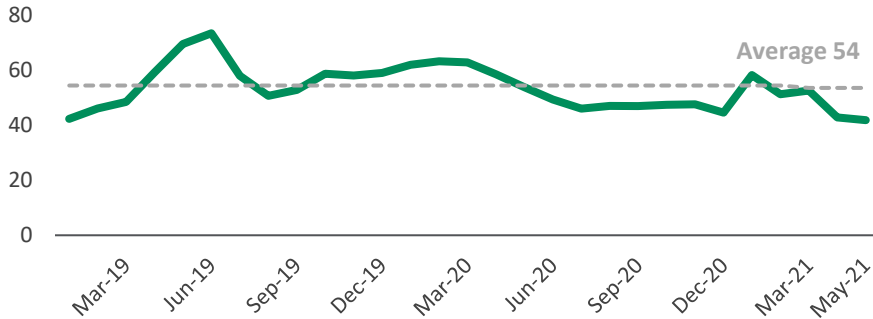
## U.S. IBI ACTIVITY INDEX

as of May 2021



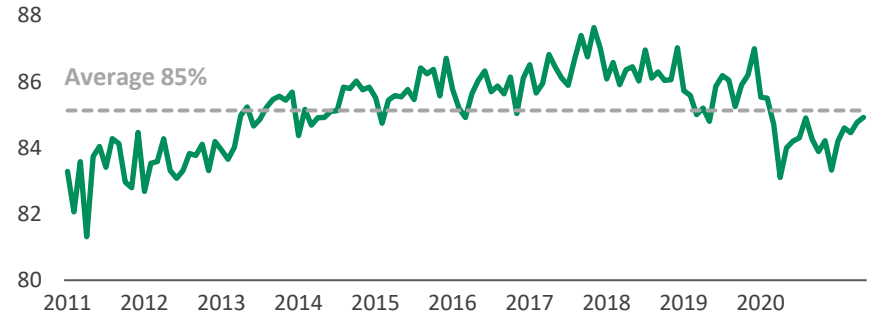
## LEASE NEGOTIATION GESTATION- ROLLING AVG QUARTERLY TREND

in days



## U.S. SPACE UTILIZATION

as of May 2021



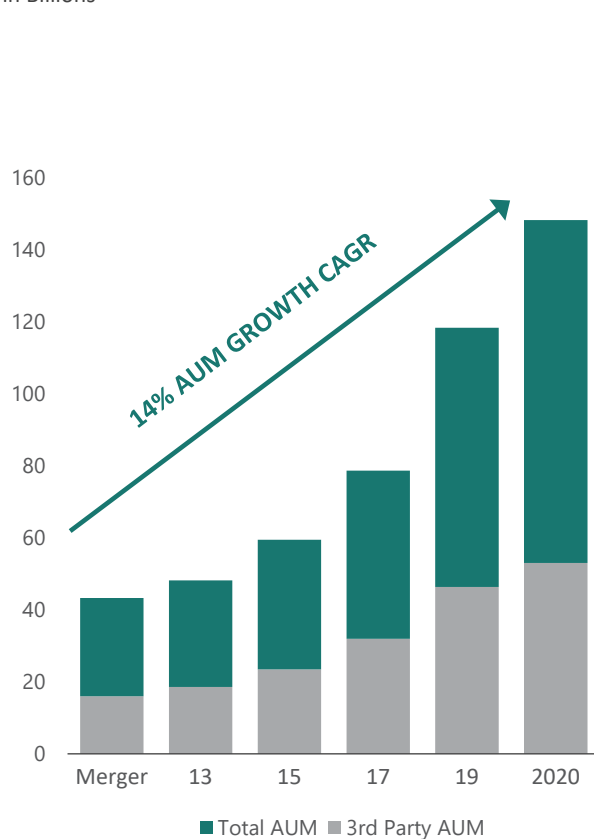
\*Please see our Notes and Definitions in our Supplemental Report for further explanation.

# Scale: Strategic Capital and efficiencies

Perpetual life ventures produce stable, long-term cash flow

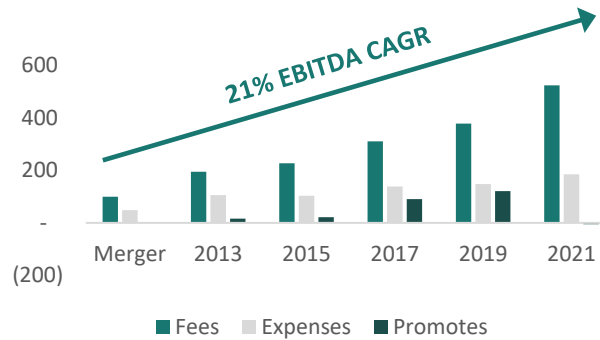
## GROWTH IN AUM<sup>1,2</sup>

in Billions

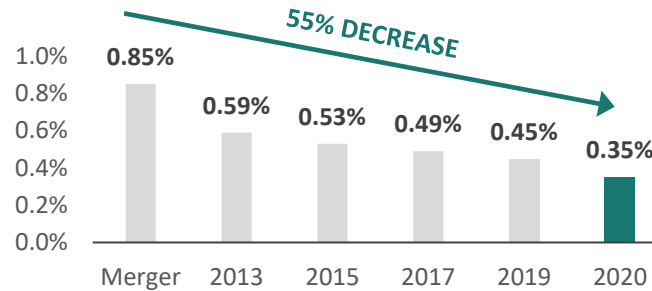


## MANAGEMENT FEES, EXPENSES AND PROMOTES<sup>1,3</sup>

In Millions



## ADJUSTED G&A % OF AUM<sup>3,4</sup>



- High growth EBITDA CAGR is very durable, growing at 21% as fees significantly outpace expense growth. Further upside from promotes
- Management fees +75% margin
- Efficiencies of scale allow for investments including ~\$90M in technology spend expected in 2021

1. Includes asset management, transactional and property management fees and reimbursements. Q4 annualized numbers for each respective period except 2021. Promotes are net of expenses.  
 2. AUM represents the estimated fair value of the real estate we own or manage through both our consolidated and unconsolidated entities., calculated by adding investment capacity and the third-party investors' share of the estimated fair value of the assets in the co-investment ventures to enterprise value.  
 3. From 2011 to Q1 2021.  
 4. AUM represents gross book value of our operating properties, development portfolio, land portfolio, and other real estate investments/assets held for sale.



# Proven development track record

19 years of recurring value creation through development

\$36.5<sub>B</sub>

Total Investment

\$10.0<sub>B</sub>

In the U.S.

\$26.5<sub>B</sub>

Outside the U.S.

\$8.9<sub>B</sub>

Value Creation\*

19.4%

IRR in the U.S.\*

21.4%

IRR outside the U.S.\*

1,666

Total Properties

585

Properties in the U.S.

1,081

Properties outside the U.S.

461<sub>M</sub>

Square Feet

152<sub>M</sub>

Square Feet in the U.S.

308<sub>M</sub>

Square Feet outside the U.S.

## Prologis has:

- Built 47% of our portfolio
- Minimized ongoing maintenance costs by building to certified specifications and investing in sustainable materials

Durability of value creation given breadth of opportunity from global presence

Global program allows for sourcing highest risk adjusted return across 19 countries, enhances clustering

## 2021 development starts:

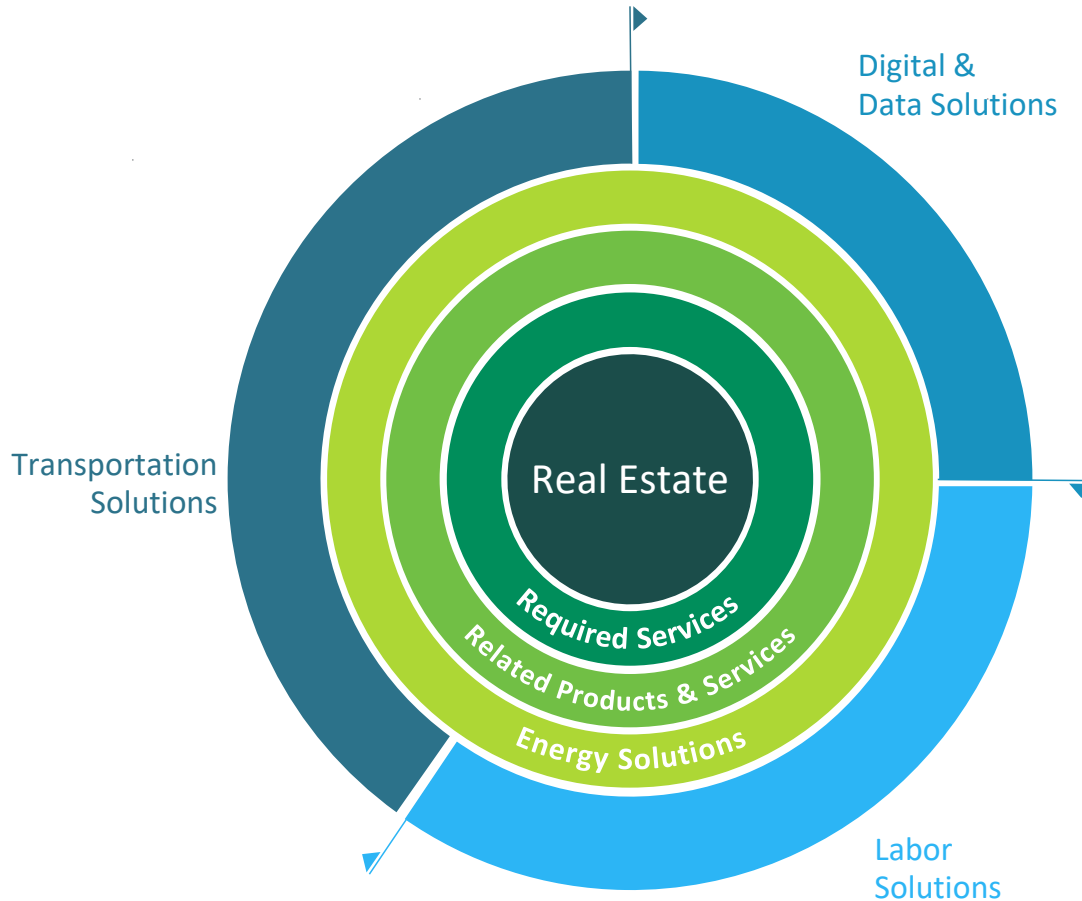
- ~40% BTS projects
- Geographic Mix:
  - 45% U.S.
  - 25% Europe
  - 15% Japan/5% China
  - 10% Other Americas

\* This is a non-GAAP financial measure.

Note: Data based on development activity from 2001 through December 31, 2020.

# Beyond real estate: Prologis Essentials and procurement

Significant upside given addressable market and breadth of product



- Customer-first focus to offer certain logistics products to full turnkey solutions, creating **\$150m+ revenue opportunity**
  - LED lighting, racking, forklifts
  - Janitorial services, PPE, pest control
  - Entire turnkey solutions to make moving in and out painless
- We have unlocked ~5% or more than **\$150M of annual savings** in our development program and CapEx, translating into higher operating and development margins

# Beyond real estate: environmental stewardship

## SDGS

## PROGRESS

## GOALS



### Certifications<sup>1</sup>

171 MSF  
477 buildings

100% of developments /  
redevelopments globally

### LED lighting

42% LED<sup>2</sup>

100% LED by 2025



### Solar<sup>3</sup>

252 MW

400 MW by 2025



### Science Based Target for GHG emission (Scope 1, 2 & 3)

Scope 1 & 2: 40% MTCO<sub>2</sub>e  
increase since 2016<sup>4</sup>  
Scope 3: 37% MTCO<sub>2</sub>e  
reduction since 2016

Scope 1 & 2: 21% MTCO<sub>2</sub>e  
to be reduced by 2025  
Scope 3: 15% MTCO<sub>2</sub>e to  
be reduced by 2025

Note: All numbers are as of December 31, 2020 and cover the global portfolio.

1. Operating portfolio. 100% of new development/redevelopment achieve sustainable certification globally.

2. Percentage of total operating portfolio by square footage.

3. The generating capacity of solar installations is measured in megawatts (MW).

4. Even though Scope 1 and 2 is only 0.1% of our total carbon emission, we continue to seek opportunities to drive reductions. In 2020 we saw a 21% reduction compared to 2019, and we are exploring additional solutions for both mobile and stationary fuel combustion.

\*Goal is to install cool roofing at 100 percent of new developments and property improvements, where feasible and appropriate, given climate factors. Note, we are retiring our cool roofs goal due to methodological challenges.

# Beyond real estate: Prologis Workforce Solutions

Preparing for the future of logistics and train 25,000 by 2025



## PROLOGIS COMMUNITY WORKFORCE INITIATIVE



- Develops targeted training for logistics industry careers
- Furthers relationships with city agencies to assist with entitlements
- Enhances local economies and community

# Beyond real estate: Prologis Ventures

Investing in disruptive technologies to define the future of commerce

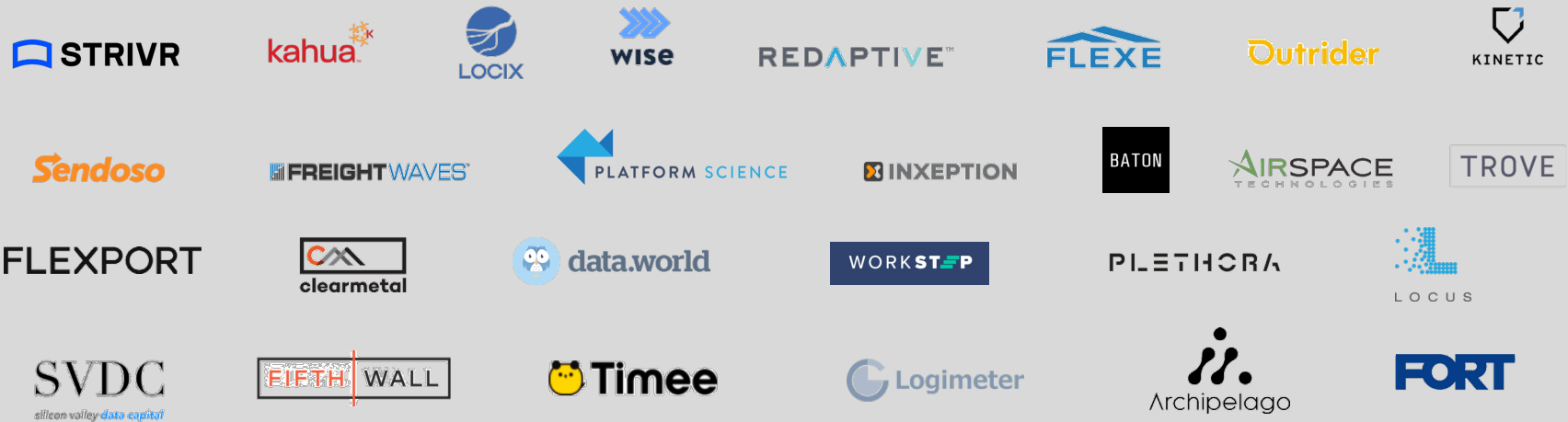
## Our goal is to leverage innovation to:

- Drive new sources of revenue
- Deepen our customer relationships
- Harness the power of data

## We achieve these through:

- Corporate venture capital investments
- Strategic business development with the innovation and supply chain teams at our customers
- Business model exploration to create and refine new businesses for Prologis

## INVESTMENT PORTFOLIO (\$100M INVESTED IN 30 COMPANIES)



# Top-rated financial position

A3/A- rated by Moody's/S&P<sup>1</sup>

PROLOGIS DEBT METRICS	Q1 2021
Debt as % of Gross Market Cap*	18.6%
Debt / Adjusted-EBITDA*	4.3x
Fixed Charge Coverage Ratio*	10.9x
USD Net Equity Exposure	95%
Liquidity	\$4.9 <sub>B</sub>
Investment Capacity	~\$14 <sub>B</sub> <sup>2</sup>

- Significant liquidity and investment capacity
- Low leverage
- Industry-leading cost of capital
- Total weighted avg rate 1.8% and weighted avg term 10.6 years

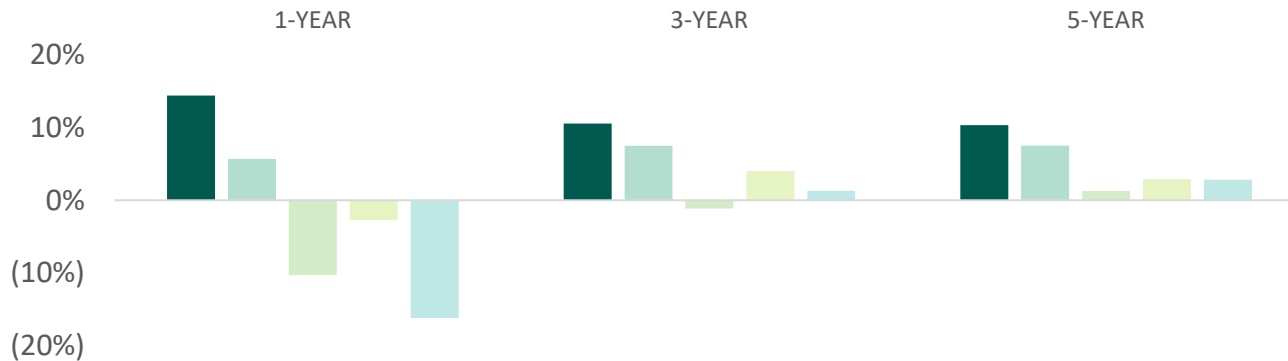
\* This is a non-GAAP financial measure.

1. A securities rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal at any time by the rating agency.

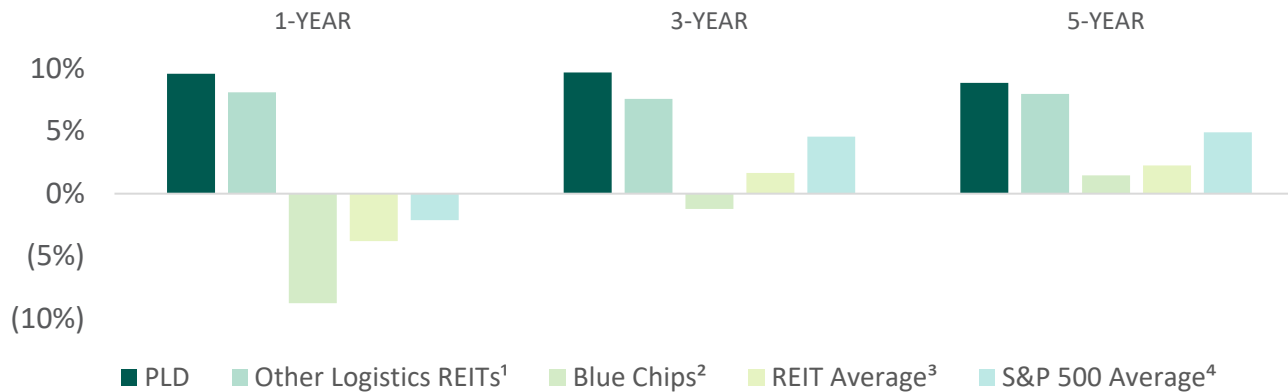
2. Includes liquidity and combined leverage capacity between Prologis and our open-ended vehicles.

# Superior earnings and dividend growth

## CORE FFO\* PER SHARE CAGR



## DIVIDEND CAGR



### Prologis has:

- Best Core FFO\* CAGR for the one, three, and five-year time periods
- Best Dividend CAGR for the one, three, and five-year time periods
- Over the five-year time period, Prologis reduced leverage by 1,470 bps
- Industry-leading cost structure with expected low 60% AFFO payout ratio\* and \$1.25B of free cash flow\* after dividends for future growth

\* This is a non-GAAP financial measure.

Source: FactSet; Core FFO and Dividend growth through December 31, 2020.

1. Includes DRE, EGP, FR, REXR, STAG and TRNO. Weighted on market cap as of December 31, 2020.

2. Includes AVB, BXP, EQR, FRT, HST, PSA, and SPG. Weighted on market cap as of December 31, 2020.

3. Includes REITs in the RMZ as of 12/31/2020 with data for every year in each respective period; weighted on market cap as of December 31, 2020.

4. Source: SP500 per FactSet.

