



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

# REITworld: 2019 Annual Conference

Los Angeles, CA

November 12, 2019

# Forward-looking statements

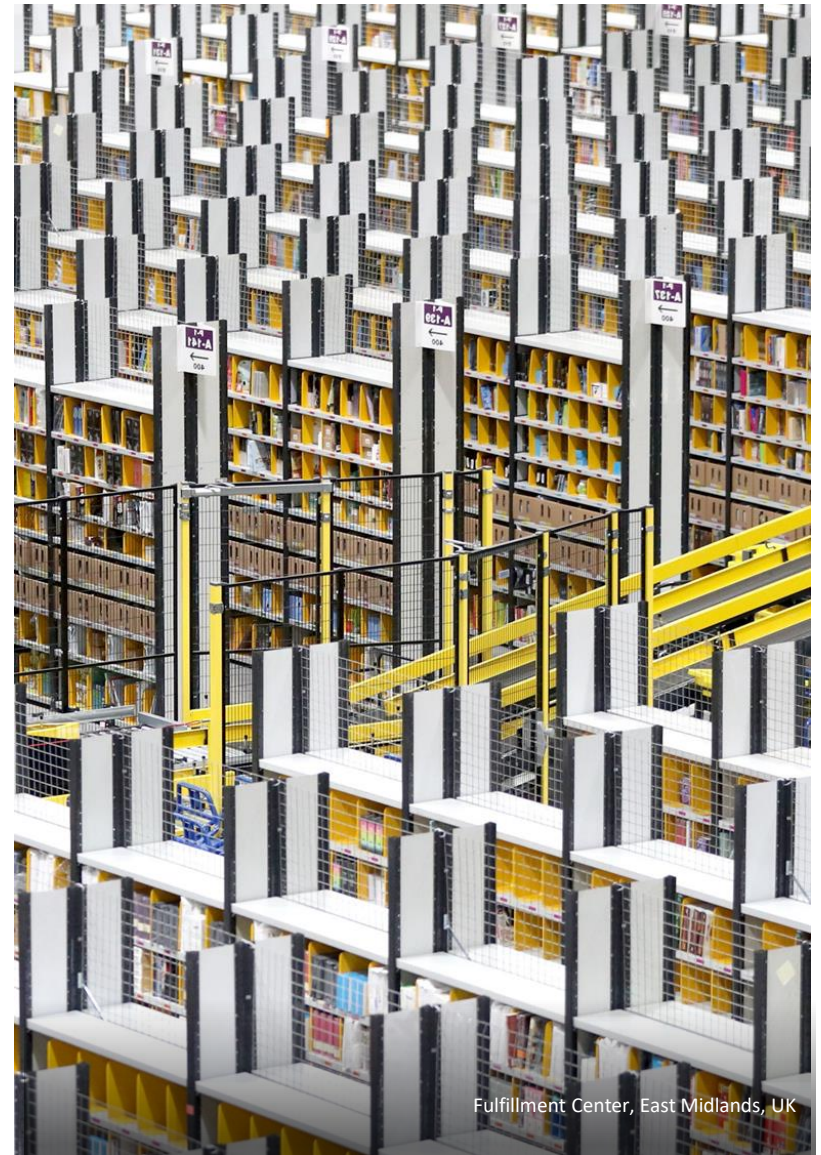
This presentation includes certain terms and non-GAAP financial measures that are not specifically defined herein. These terms and financial measures are defined and, in the case of the non-GAAP financial measures, reconciled to the most directly comparable GAAP measure, in our third quarter Earnings 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; and (x) 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.

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Prologis Park Dunstable, Dunstable, UK

01

## Points of Focus

# Durable Growth for the Future

## EMBEDDED GROWTH:

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**Global in-place-to-market of 15%** – harvesting NOI\* from rolling leases

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**Development stabilizations** – unlocking NOI\* from completed development projects and those under construction

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**Ready to build land bank of \$10B TEI** – generating NOI\* from build out of existing land bank

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**LTV capacity** – possibility to fund value-added opportunities, every 100 bps leverage = 1% Core FFO\* growth

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**Growth initiatives** – scale provides ability to create value beyond the real estate

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# Strong Organic Growth and Returns

	2017-2020 FORECAST	2017-2019 ACTUAL	2020 GUIDANCE <sup>2</sup>	2020-2022 FORECAST
Core FFO <sup>1</sup>	7-8%	9.6%	8.6%	8-9%
Dividend	3%	2.8%	2.5%	2.5%
<b>TOTAL</b>	<b>10-11%</b>	<b>12.4%</b>	<b>11.1%</b>	<b>10.5-11.5%<sup>3</sup></b>

1. Excludes promotes

2. Midpoint of guidance. Excludes the impact of the IPT and LPT acquisitions.

3. Illustrative, based on a number of assumptions that Prologis believes to be reasonable, however, no assurance can be made that Prologis' expectations will be attained and there are actual outcomes and results that may differ materially

# Top-rated Financial Position

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

## PROLOGIS DEBT METRICS

Q3 2019

Debt as % of Gross Market Cap\*

18.4%

Debt / Adjusted-EBITDA\*

3.9x

Fixed Charge Coverage Ratio\*

9.2x

USD Net Equity Exposure

94%

Liquidity

\$4.9<sub>B</sub>

Prologis manages its balance sheet to:

- Low leverage
- High liquidity
- Low near-term maturities

# \$10B of Internal Capacity to Fund Growth<sup>1</sup>

## ANNUAL CAPITAL SOURCES

Millions

Contribution Proceeds	\$1,325
Retained Cash Flow (from Core Operations)	\$275
Leverage Capacity (on Value Creation)	\$165

**Total Annual Capital Sources** **\$1,765**

## ANNUAL CAPITAL USES

Millions

Development Spend	\$2,000
Acquisitions (via co-investment ventures)	\$100

**Total Annual Capital Uses** **\$2,100**

Significant investment capacity to self fund without the need to issue equity

We have not issued equity through a follow-on offering or through our ATM since Q1 2015

## ONE-TIME CAPITAL SOURCES

Millions

Open-End Funds Capacity	\$2,250 <sup>2</sup>
Joint Venture Capacity	\$4,250 <sup>2</sup>
Balance Sheet Capacity	\$4,000

**Total Additional Capital Sources** **\$10,500**

## Total Annual Funding Requirement

**\$335M**

**+10 years**  
of anticipated funding requirements from one-time capital sources



02

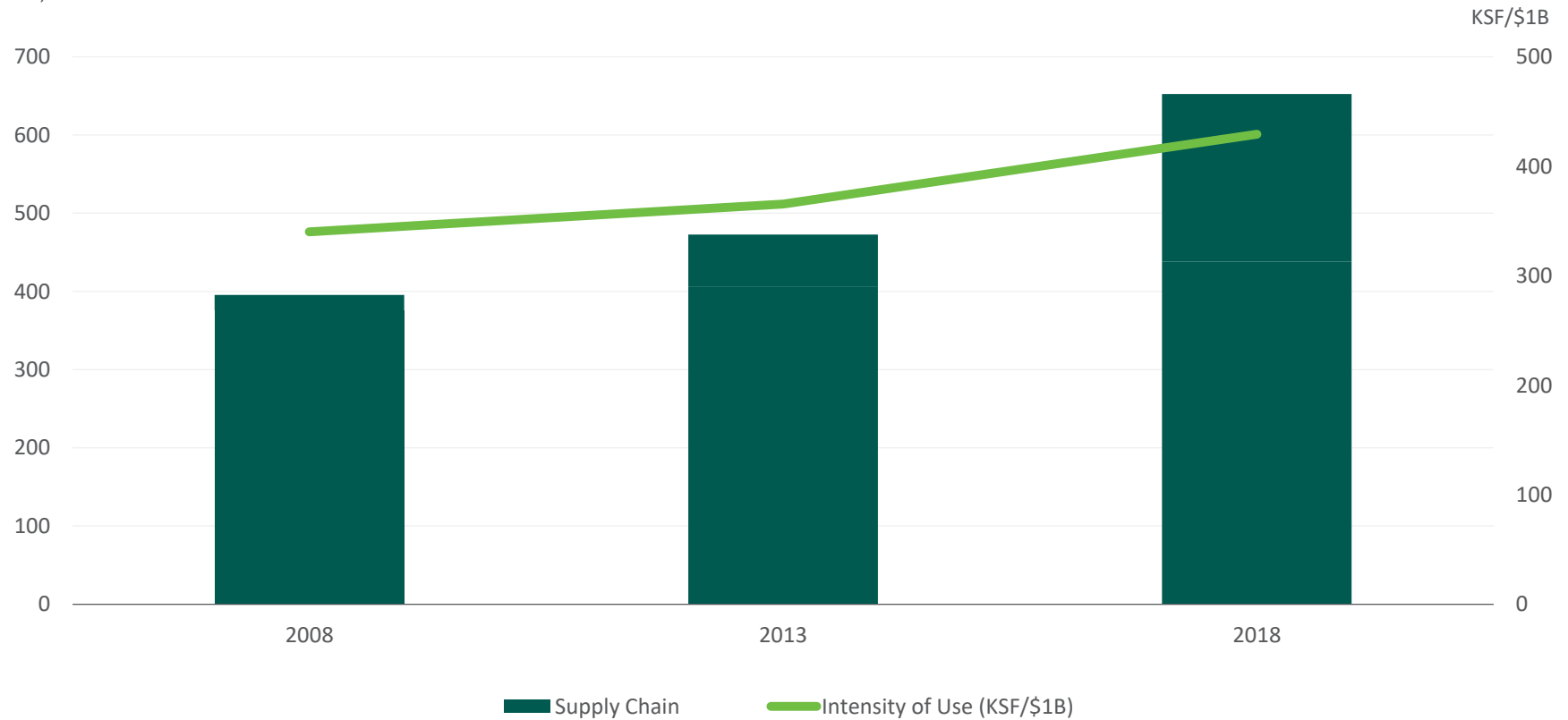
## Why Logistics Real Estate

# Structural Trends Drive Growth

Rising intensity of use

## SAME-STORE SUPPLY CHAIN GROWTH, U.S.

KSF, 30 Same-Store Retailers

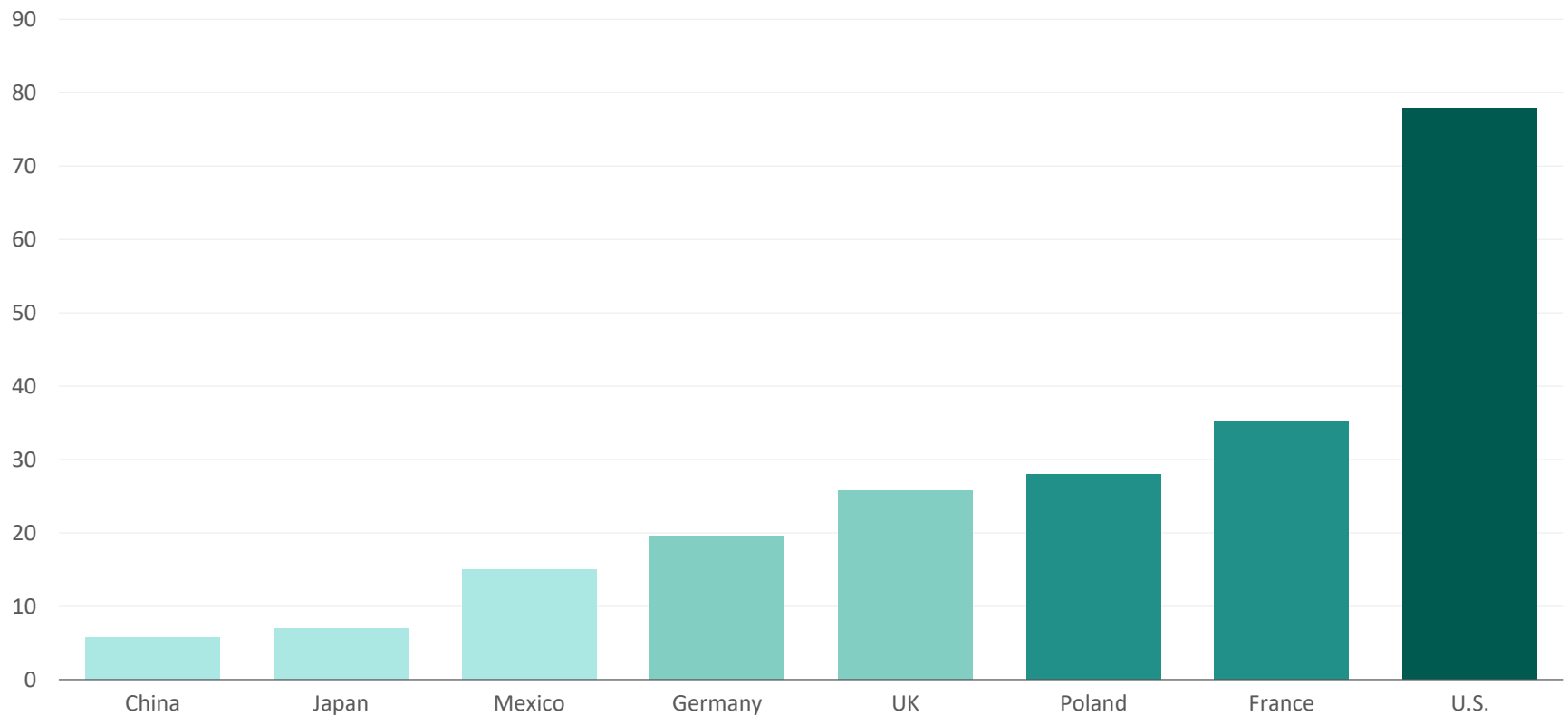


# Structural Trends Drive Growth

Rising adoption rates drive growth

## ADOPTION RATE OF MODERN LOGISTICS

Stock per consumer household, SF

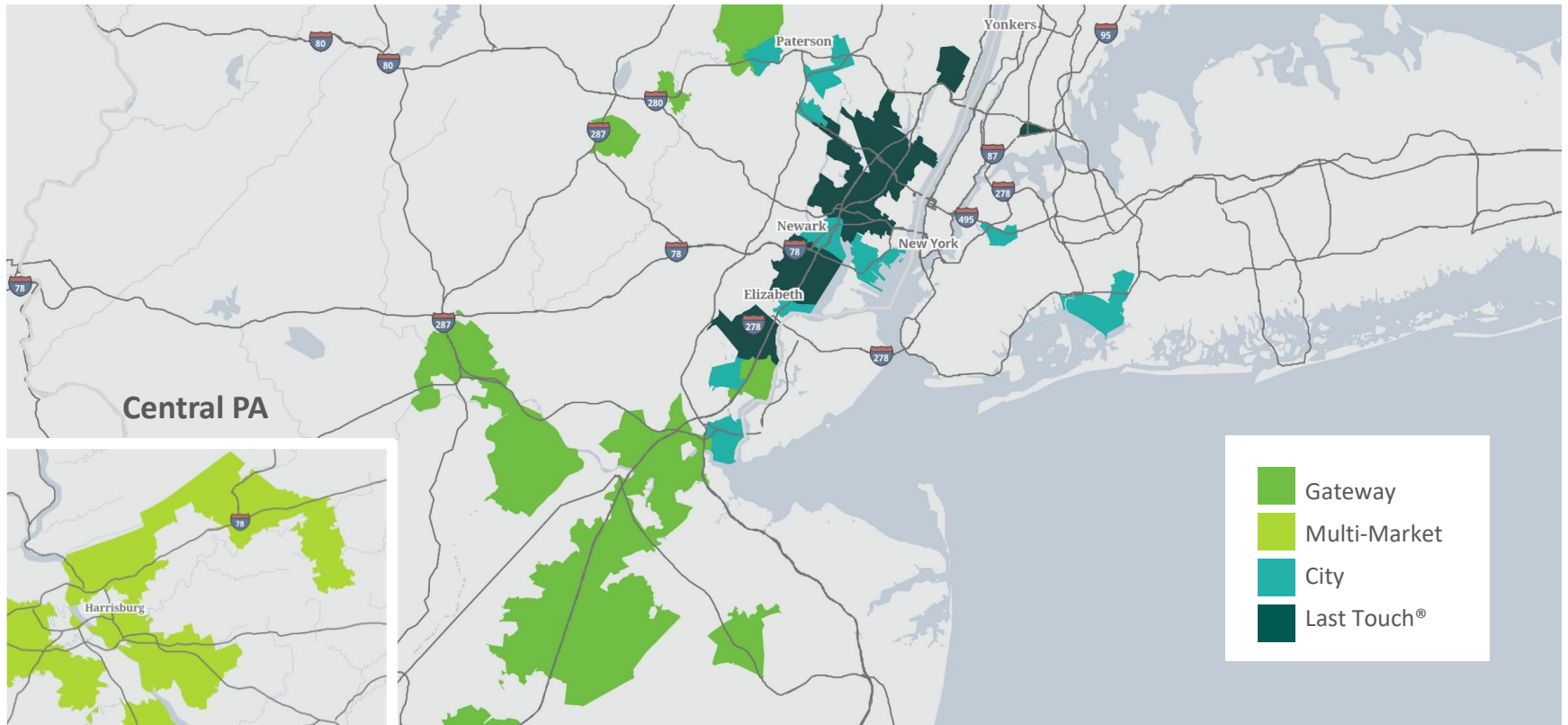


Source: CBRE, JLL, Colliers, Cushman & Wakefield, Gerald Eve, Oxford Economics, Armstrong & Associates, Inc., Prologis Research

Note: Modern stock represented as a share of consumer households (those earning at least \$20,000 USD annually (PPP and inflation-adjusted)). Mexico City shown as a proxy for Mexico's domestic distribution configuration

# Where Are These Buildings Located?

Greater New York City



# What Do These Buildings Look Like?



Gateway Distribution



Multi-Market Distribution



City Distribution



Last Touch®

Market	Port Reading, NJ
Size	~600,000 sq. ft.
Year Built	2007
Clear Height	36'
Truck Court Depth	175'
Trailer Parking	60

Market	Carlisle, PA
Size	~1,000,000 sq. ft.
Year Built	2015
Clear Height	34'
Truck Court Depth	190'
Trailer Parking	304

Market	Carteret, NJ
Size	~300,000 sq. ft.
Year Built	1985
Clear Height	24'
Truck Court Depth	102'
Trailer Parking	45

Market	Bronx, NY
Size	~200,000 sq. ft.
Year Built	1968
Clear Height	16'
Truck Court Depth	130'
Trailer Parking	0

# Rising Importance of Locations

Portfolio construction for the future of supply chains

	Gateway		Multi-Market		City		Last Touch®	
High-Barrier	<b>PLD</b> <b>18%</b>	Others 16%	<b>PLD</b> <b>7%</b>	Others 7%	<b>PLD</b> <b>17%</b>	Others 6%	<b>PLD</b> <b>29%</b>	Others 17%
Lower-Barrier	<b>PLD</b> <b>4%</b>	Others 8%	<b>PLD</b> <b>11%</b>	Others 21%	<b>PLD</b> <b>15%</b>	Others 25%		

# Outsized Rent Growth

Identifying outperformance among Prologis overweight strategies

## RENT CHANGE ON ROLLOVER

%, trailing 4 quarter

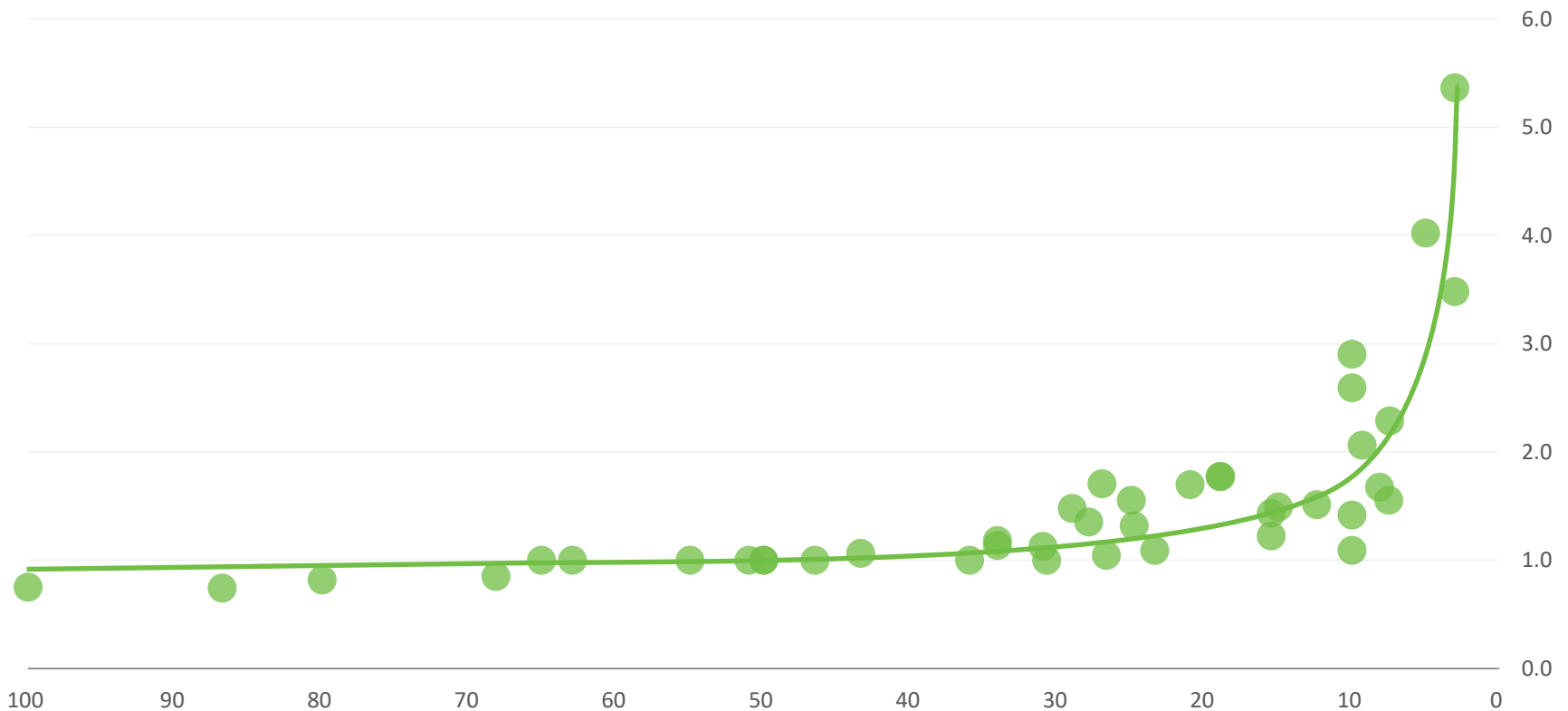


# Outsized Rent Growth

## Rent growth gradient

### RENTAL RATE PREMIUM, INTRA-CITY DIFFERENCES: HIGH-BARRIER-TO-ENTRY MARKETS

Indexed to 50 miles from city center

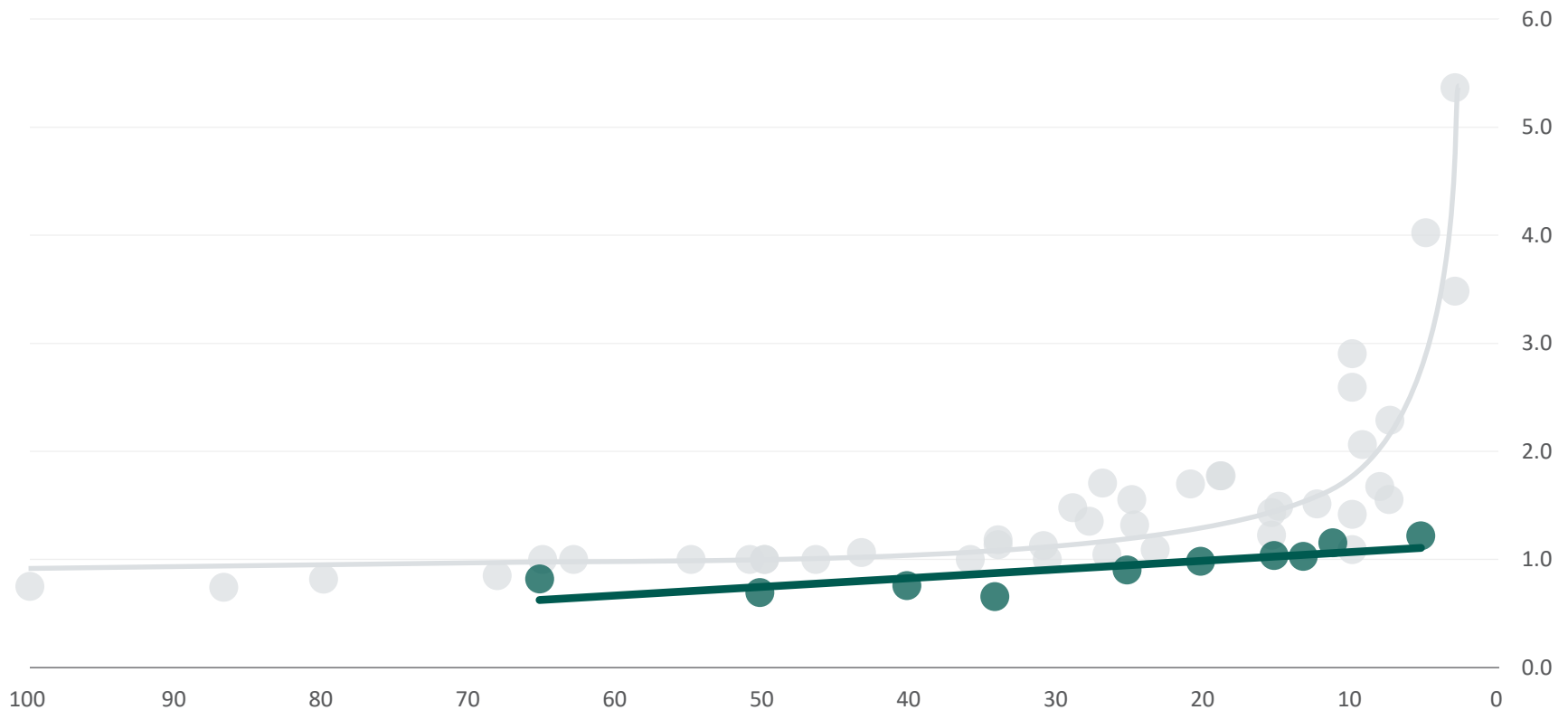


# Outsized Rent Growth

## Rent growth gradient

### RENTAL RATE PREMIUM, INTRA-CITY DIFFERENCES: LOW-BARRIER-TO-ENTRY MARKETS

Indexed to 50 miles from city center



Source: Prologis Research

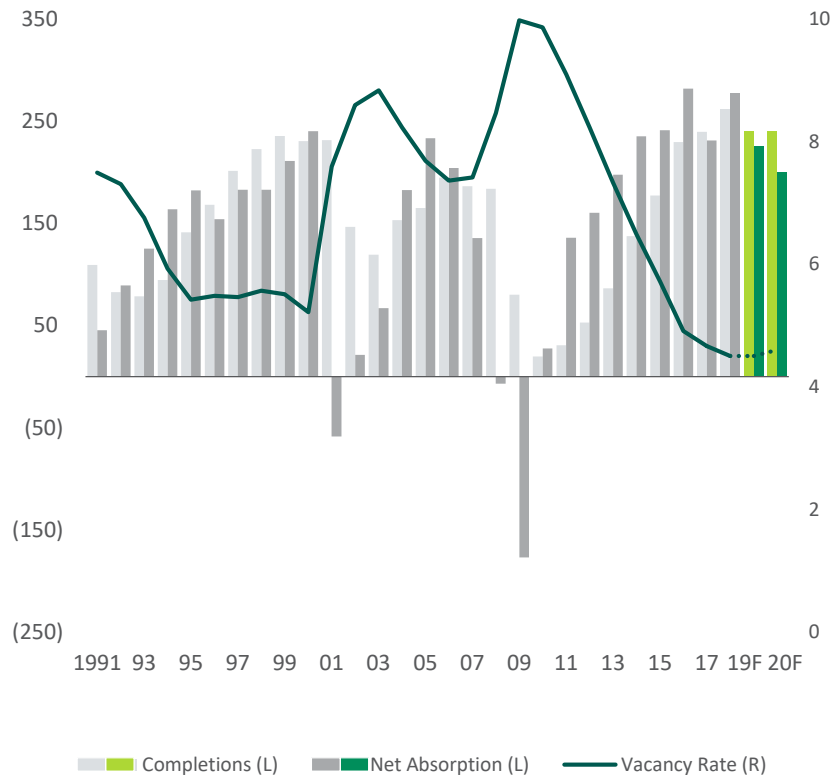
Note: Prologis' infill premium is defined as the market rental rate in the given submarket divided by the market rental rate for 50 miles from city center. Includes the market rents at the submarket level of ten major consumption markets

# Market Fundamentals Continue Their Positive Trend

## U.S.

Square Feet, Millions

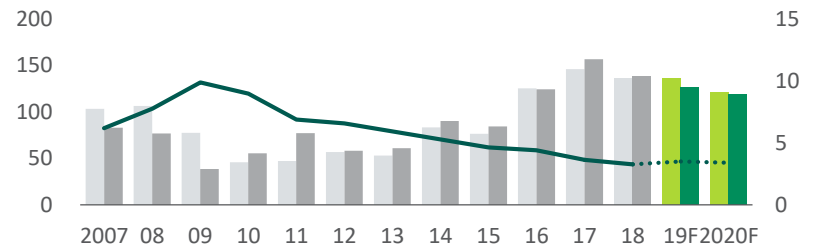
%



## EUROPE

Square Feet, Millions

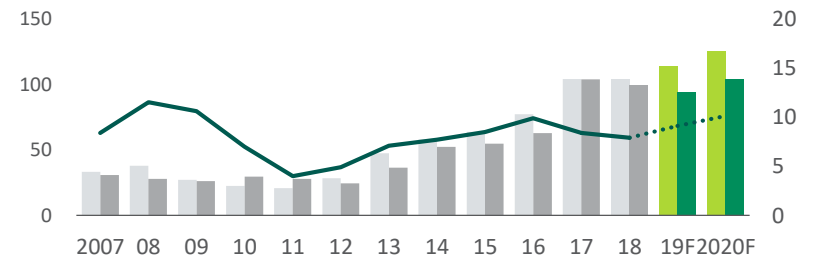
%



## ASIA

Square Feet, Millions

%





Prologis Essentials – LED Lighting

03

## Why Prologis

# Prologis at a Glance

1983

Founded

100 GLOBAL

Most sustainable corporations

PLD NYSE

S&P 500 member

\$111 B

Assets under management

797 MSF

On four continents

A3/A-

Credit rating



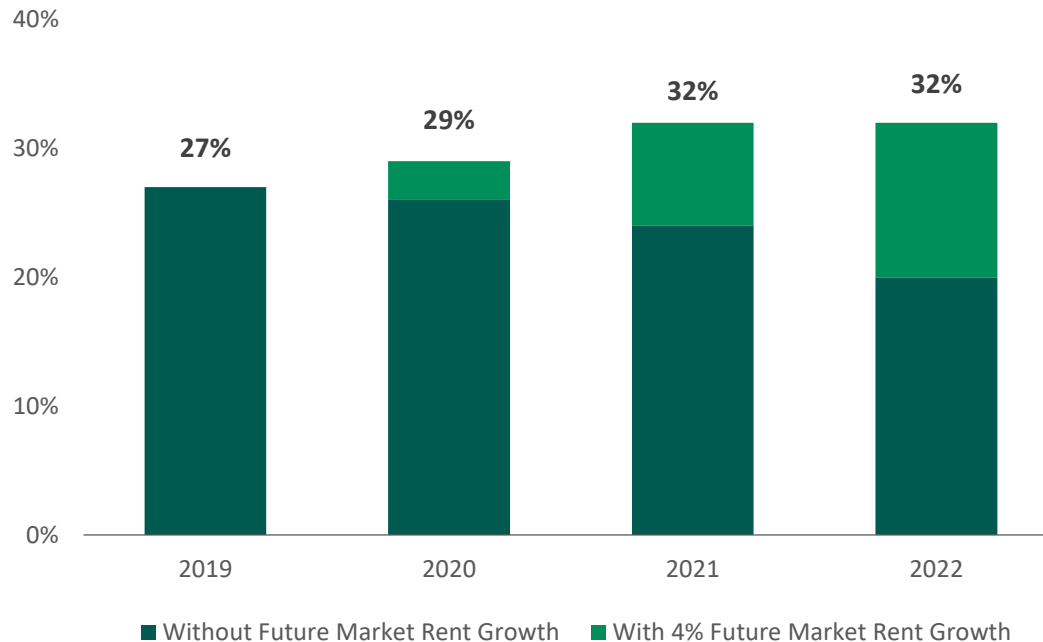
Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time  
Data as of September 30, 2019

Prologis Park Ichikawa 1, Tokyo, Japan

# Significant Embedded NOI Drives SSNOI\* Growth

Potential rent change on rollover

Current IPTM<sup>1</sup> of 15.5% = Rent change on rollover >18%



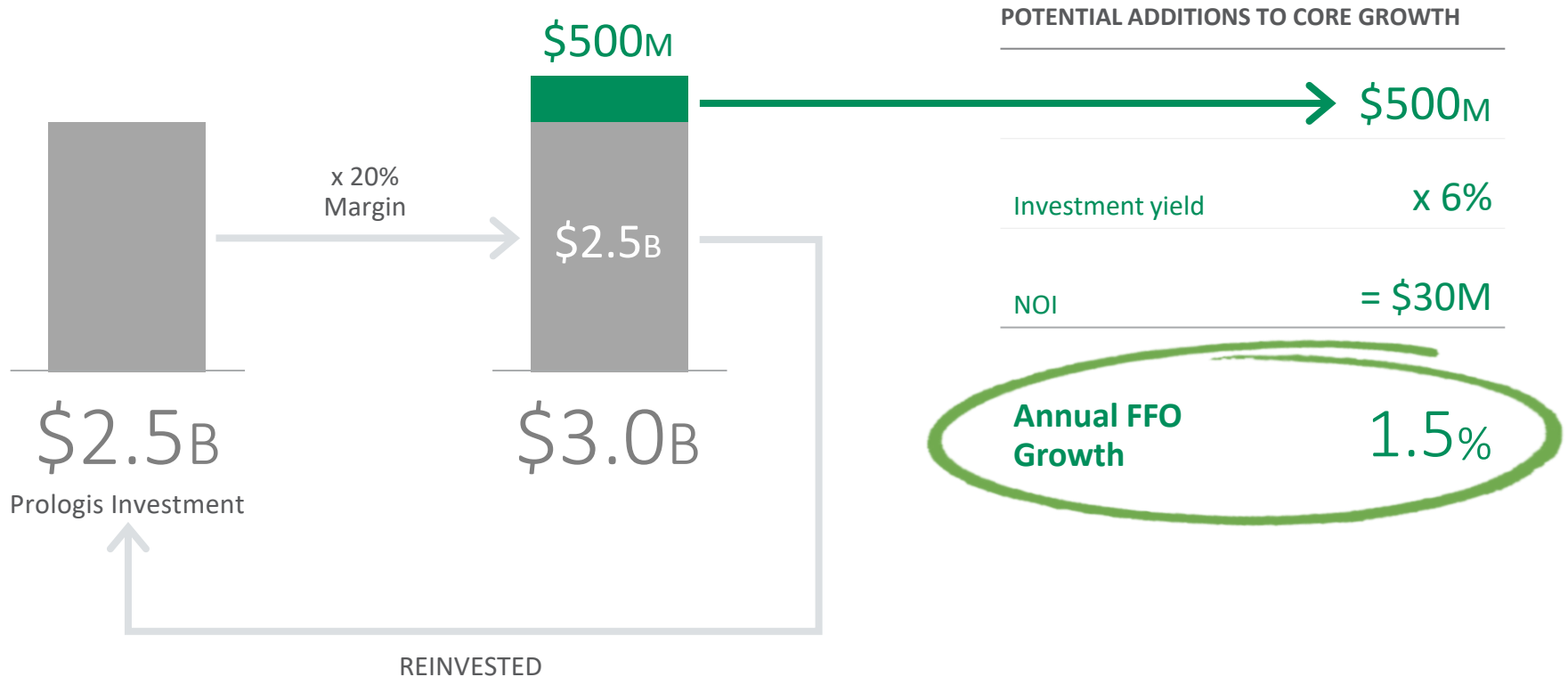
## POTENTIAL SAME STORE NOI<sup>2</sup> RANGE

	RANGE	
Average Rent Change	23%	31%
Annual NOI-Based Churn	16%	16%
NOI Growth from Rent Change	3.75%	5.00%
Reserve for Occupancy Loss	(0.25%)	(0.50%)

Same Store  
NOI Growth

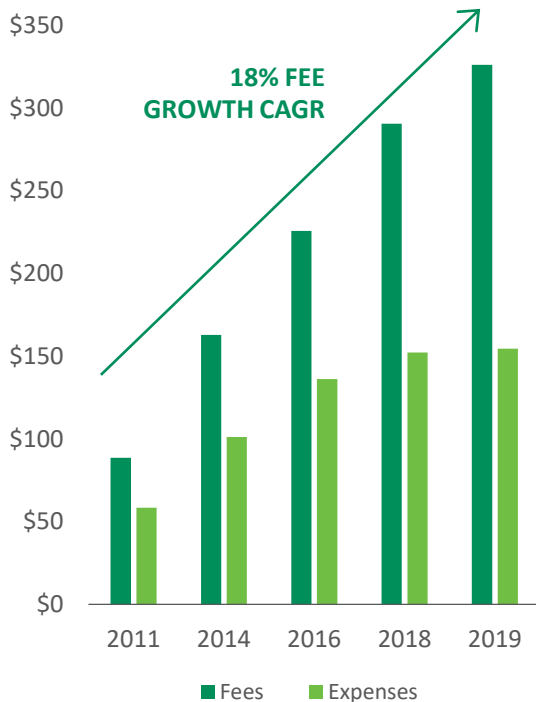
3.5% 4.5%

# Value Creation Drives Core Growth

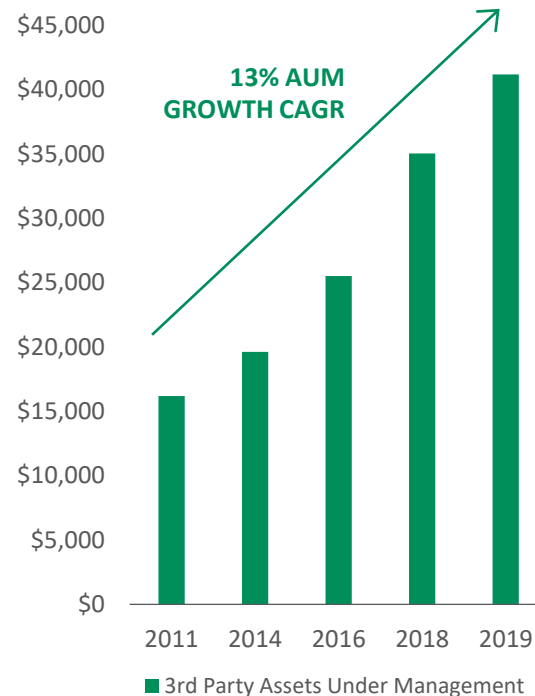


# Scale – Growing Profitability

## MANAGEMENT FEES AND EXPENSES<sup>1</sup>



## 3<sup>RD</sup> PARTY ASSETS UNDER MANAGEMENT



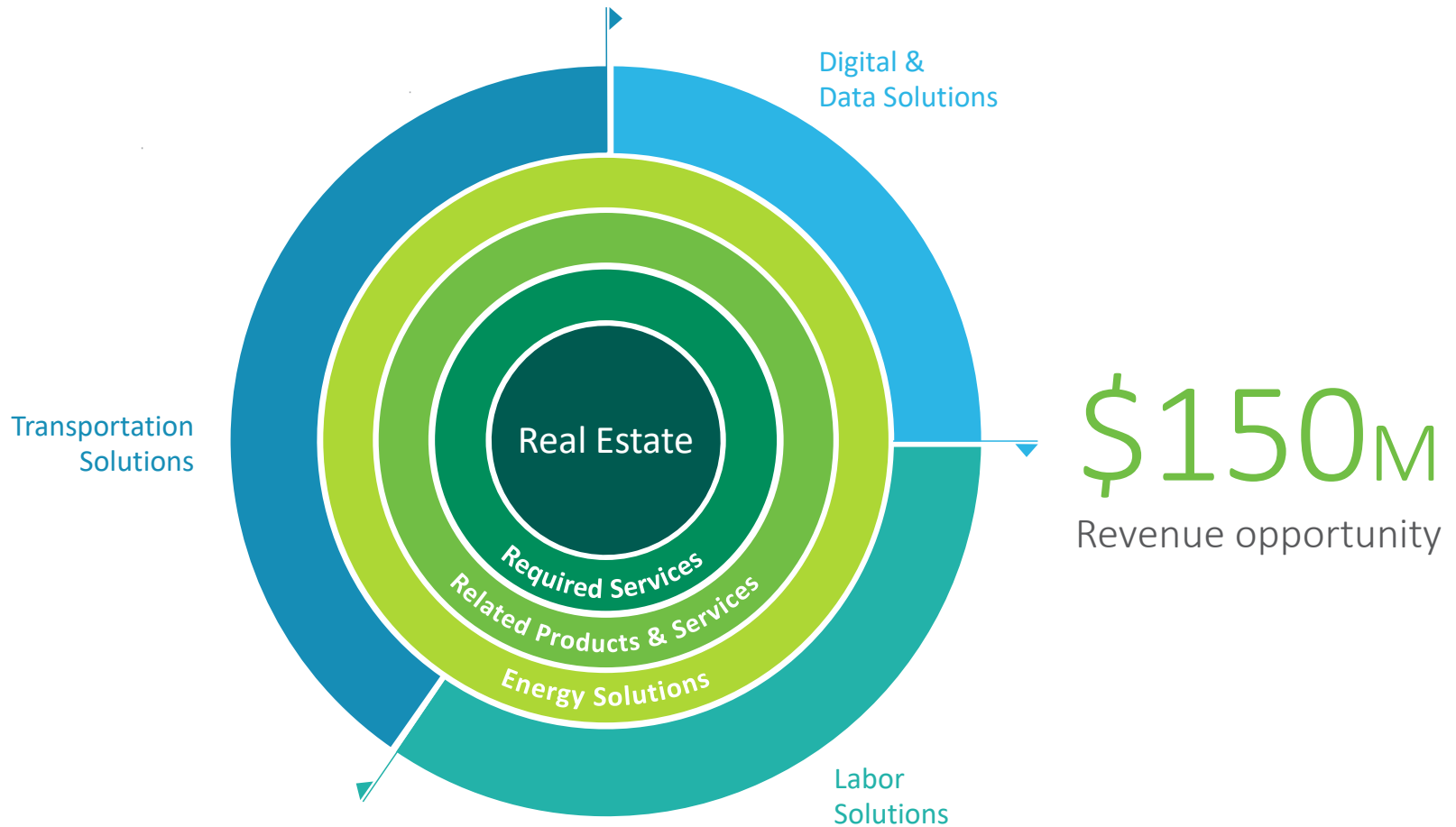
## POTENTIAL ANNUAL SCALE BENEFIT

NOI Growth Exceeding G&A Growth by 1-2%	0.25%
Increased fees from Contributions	0.25%
Fees from Asset Value growth	0.50%
<b>Subtotal from Scale</b>	<b>1.0%</b>
Prologis Essentials	0.50%

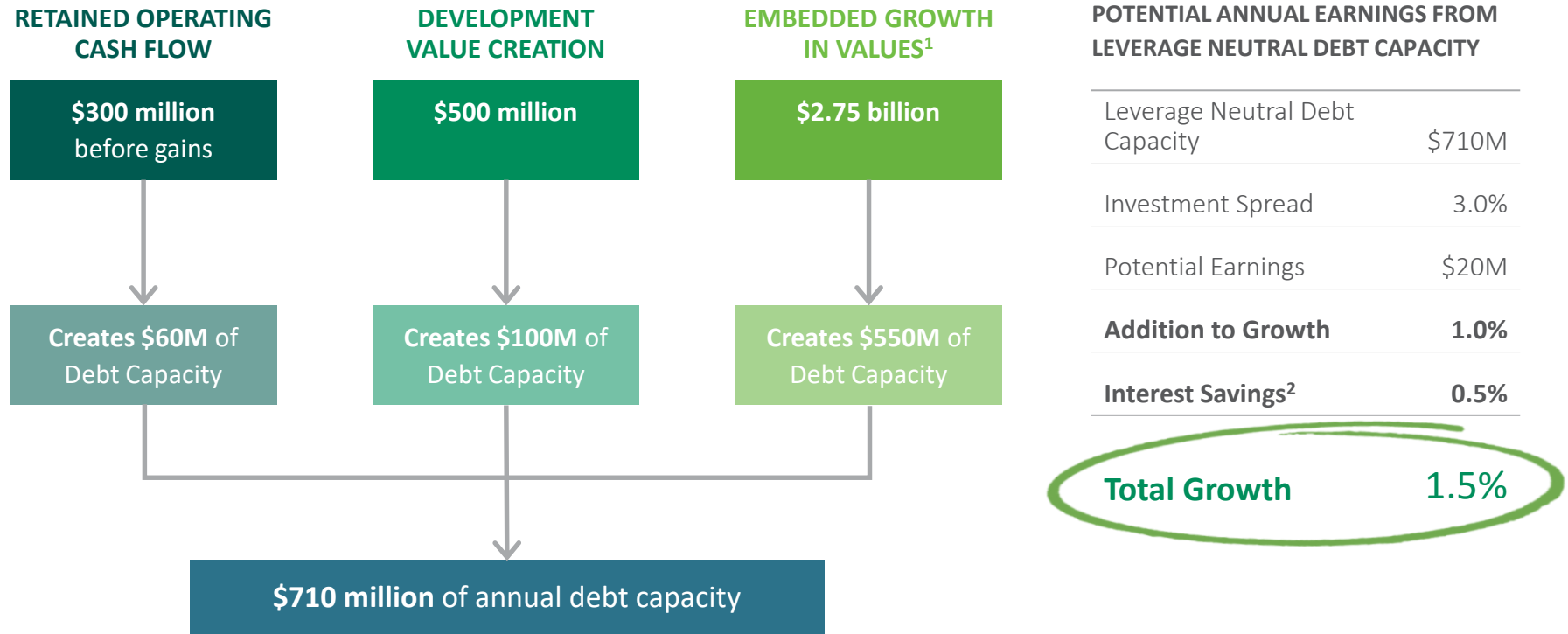
**Total Scale Benefits 1.5%**

# Value Beyond the Real Estate

Current and future opportunities



# Annual Leverage Neutral Debt Capacity



# Strong Organic Growth and Returns

Illustrative potential 2020-2022

Net Effective SSNOI*		3.5-4.5%
Value Creation Drives Core Growth	+	1.5%
Scale	+	1.5%
Additional Cash Flow and Maintaining Debt Capacity	+	1.5%
<b>Core FFO* Growth Excluding Promotes</b>	<b>=</b>	<b>8.0-9.0%</b>
Dividend Yield	+	2.5%
<b>Annual Total Return</b>	<b>=</b>	<b>10.5-11.5%</b>

# 2020 Guidance

96%-  
97%

Period End  
Occupancy

4.25%-  
5.25%

Cash SSNOI\*

\$1.1B-  
\$1.6B

Dispositions /  
Contributions

\$0.3B-  
\$0.5B

Acquisitions

\$1.8B-  
\$2.2B

Development  
Starts

\$1.9B-  
\$2.2B

Development  
Stabilizations

\$3.36-  
\$3.44

Core FFO\*<sup>1,2</sup>  
per Share,  
excluding  
promotes

\$0.15

Net Promotes  
per Share

\$1.90-  
\$2.05

Earnings per  
Share<sup>1</sup>

\$0.05-  
\$0.06

Year-One Core  
FFO\* per Share  
increase from  
acquisition of  
Industrial  
Property Trust<sup>2</sup>

\$0.10-  
\$0.12

Year-One Core FFO\*  
per Share increase  
from acquisition of  
Liberty Property  
Trust<sup>2</sup>

Note: Prologis Share with the exception of period end occupancy

1. Refer to Notes and Definitions for a reconciliation from EPS

2. Accretion based upon 2020 estimated Core FFO per share, excluding promotes. Due to the impact of non-cash real estate depreciation, Prologis expects the acquisitions to be dilutive to net earnings

\* Non-GAAP financial measure



04

## Prologis ESG: Ahead of What's Next

# Environmental Objectives

	PROGRESS	GOALS
Certifications <sup>1</sup>	139 MSF	100% (design standards)
Solar <sup>2</sup>	186 MW	200 MW by 2020
Cool roofs <sup>3</sup>	42% globally	100%
Efficient lighting	88% efficient <sup>4</sup>	100% LED

Note: All numbers are as of December 31, 2018 and cover the global portfolio

1. 100% of new developments are designed with a goal of certification where appropriate and recognized sustainability rating systems are available.

2. The generating capacity of solar installations is measured in megawatts (MW). The current goal is to generate 200 MW by 2020.

3. Goal is to install cool roofing at 100 percent of new developments and property improvements, where feasible and appropriate, given climate factors.

4. Prologis defines efficient lighting as T5 or T8 fluorescent and LED. Going forward, Prologis will install LED lighting in all new buildings, and retrofit existing buildings with LED lighting.



# Prologis Labor Solutions

**PARK***life*

**Creating logistics parks where businesses,  
employees and local communities can flourish**



Amenities for employees and communities



Dedicated transportation options



Learning and Development space for  
employees and the community

# Prologis Labor Solutions



**WORKSTEP**

**Delivering a faster, more cost-effective way to hire and retain high-quality labor**

- Talent sourcing & retention platform for warehousing, trucking and/or production operations
- Enables large facilities to reduce turnover
- Employers only pay for retained hires



**Providing a reduction in the time and cost to source temporary labor for businesses**

- On-demand staffing platform that connects businesses with available workers
- Pre-screened pool of talent / temporary placement
- Enables businesses to adjust their labor force quickly

# Prologis Labor Solutions



# Building the Future

- #1 in U.S. / #6 in the world / the only REIT (Global 100 Most Sustainable Corporations)
- #1 industrial real estate company in the Americas and Asia (GRESB)
- #3 in corporate solar installations in the U.S.<sup>1</sup>
- First WELL<sup>2</sup> certified logistics facilities in Europe / U.S.
- First logistics real estate company to set a Science Based Target (SBT)

MEMBER OF  
**Dow Jones**  
**Sustainability Indices**  
In Collaboration with RobecoSAM

**MSCI**



FTSE4Good



1. Measured by installed onsite solar capacity by Solar Energy Industry Association's (SEIA) Solar Means Business Report 2018

2. The WELL Building Standard® is a performance-based system for measuring, certifying, and monitoring features of the built environment that impact human health and well-being, through air, water, nourishment, light, fitness, comfort, and mind.



**PROLOGIS<sup>®</sup>**