



Prologis Park Ports Kearny, Kearny, New Jersey.

# Q2 2022 Investor Presentation

Truist NDR

July 2022

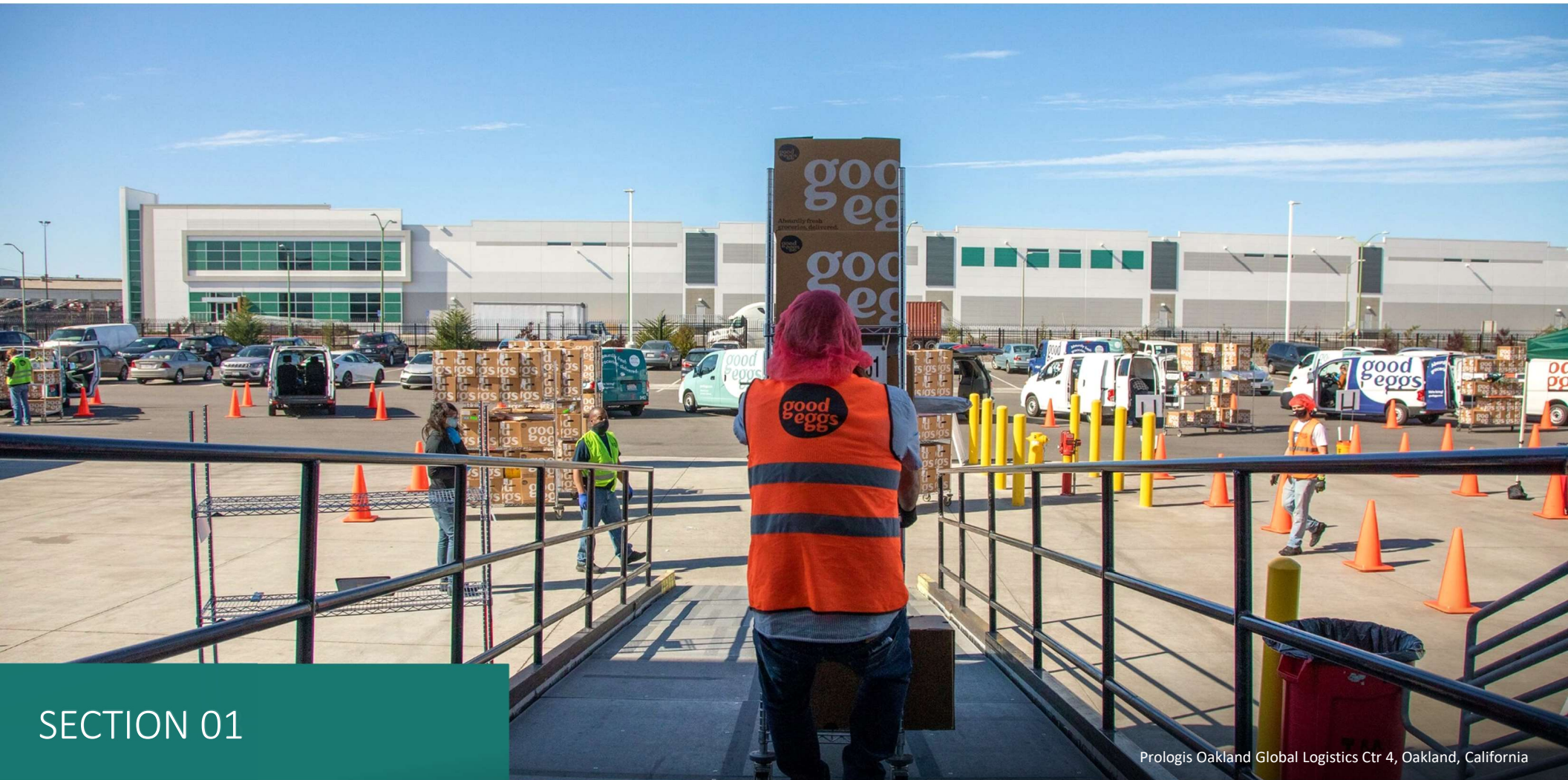


# Forward-looking statements

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 quarterly 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 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.



## SECTION 01

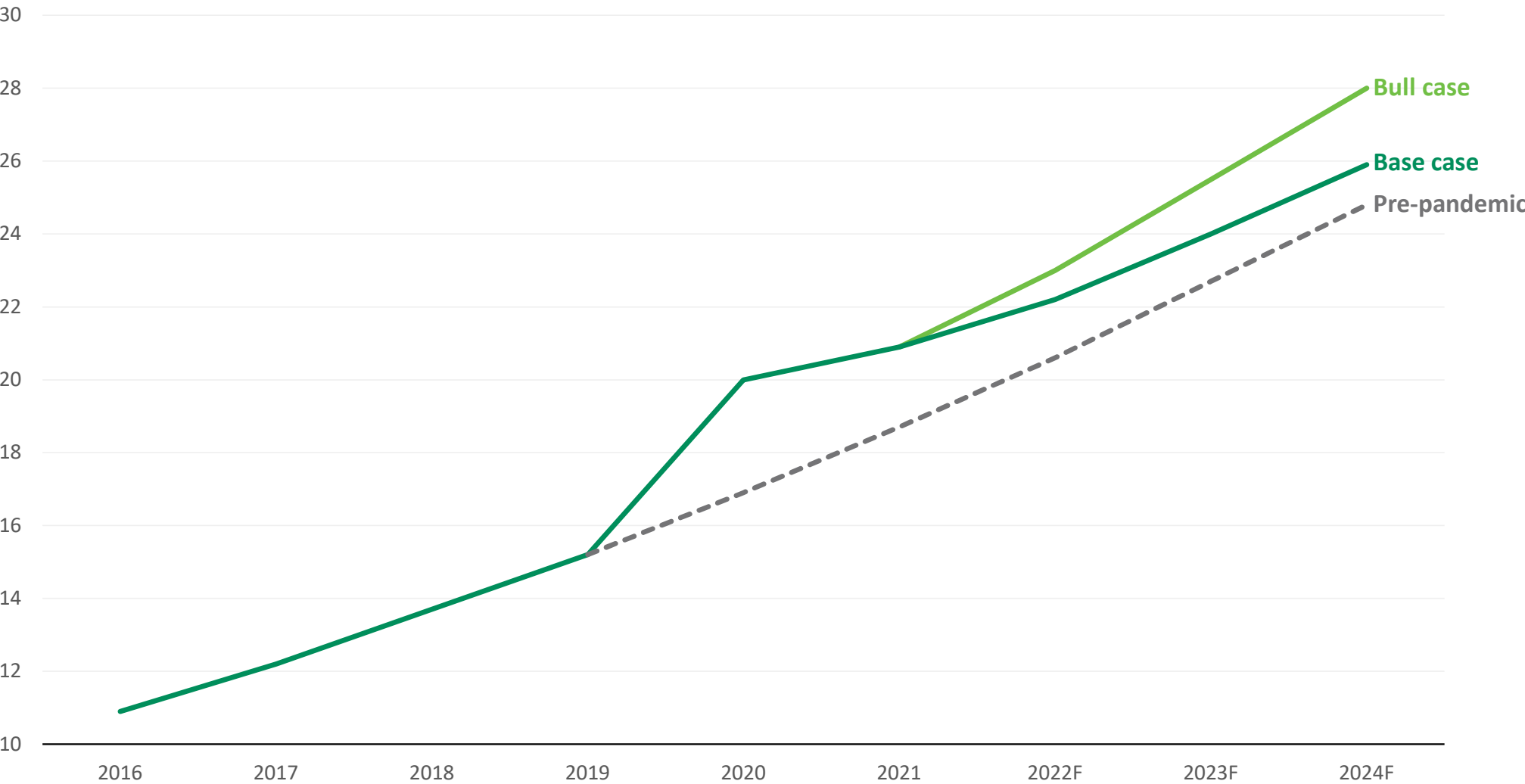
Prologis Oakland Global Logistics Ctr 4, Oakland, California

# Structural Forces Shaping Logistics Real Estate

# “Normalization” equates to very healthy demand

## E-COMMERCE SALES PENETRATION, U.S.<sup>1</sup>

E-commerce as a percent of retail goods sold



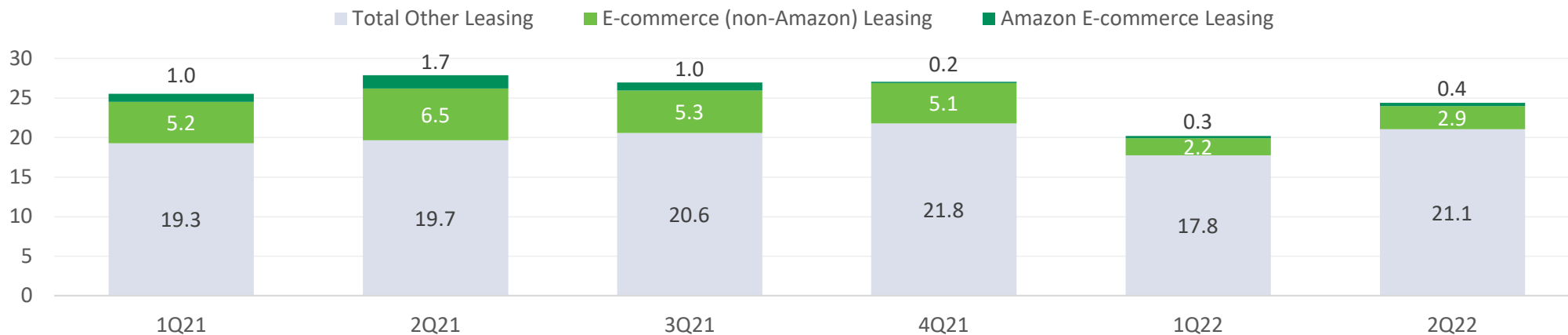
Source: U.S. Census Bureau, Euromonitor, Prologis Research forecast.



# Leasing activity continues to be broad-based

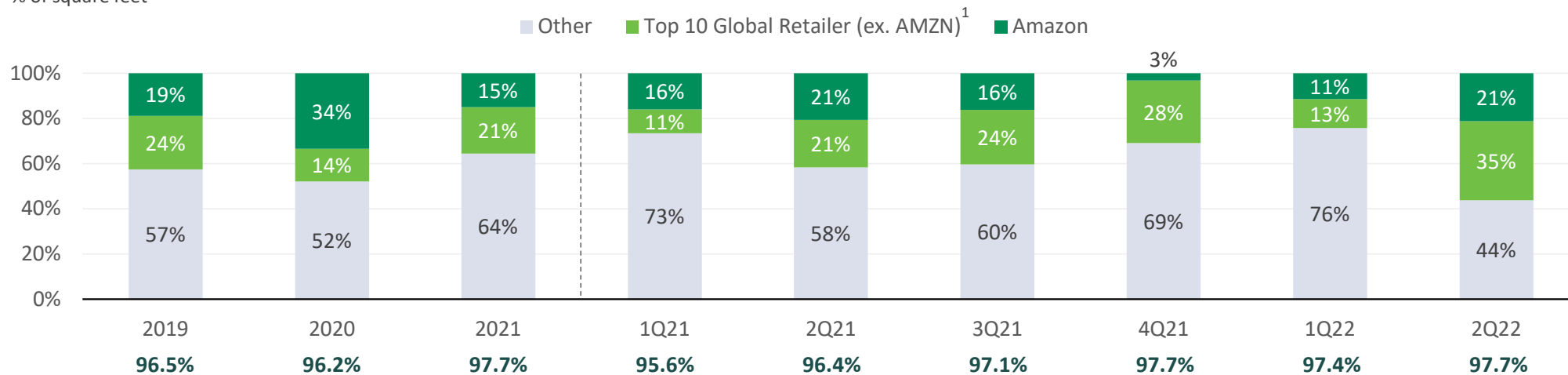
## NEW LEASING BY CUSTOMER TYPE, PROLOGIS

MSF



## PROPORTION OF NEW E-COMMERCE LEASING BY CUSTOMER TYPE, PROLOGIS

% of square feet



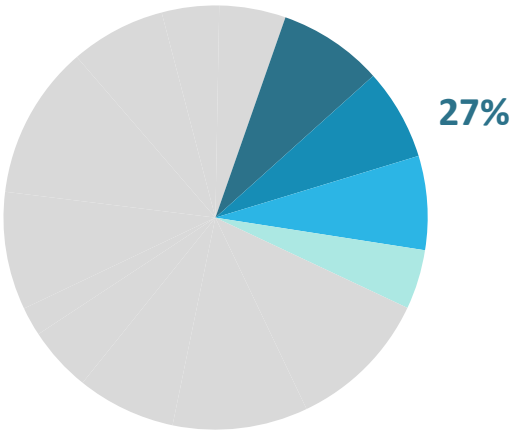
Period End Occupancy

Source: Prologis Research as of June 30, 2022.

1. Top 10 Global Retailers (ex. AMZN) includes Alibaba Group, Bed Bath &amp; Beyond, JD.com, Meli Participaciones, MonotaRO, Rakuten Group, Shein Group, Stitch Fix, Walmart, Z Holdings.

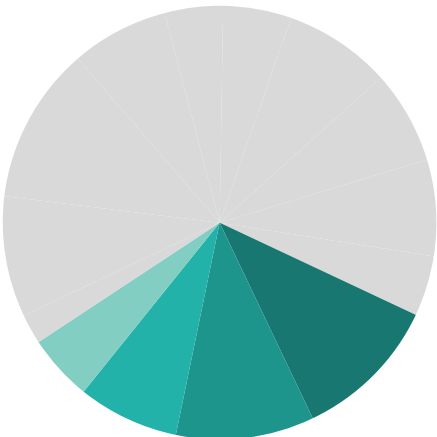
# Customer mix is diversified

CYCLICAL SPENDING



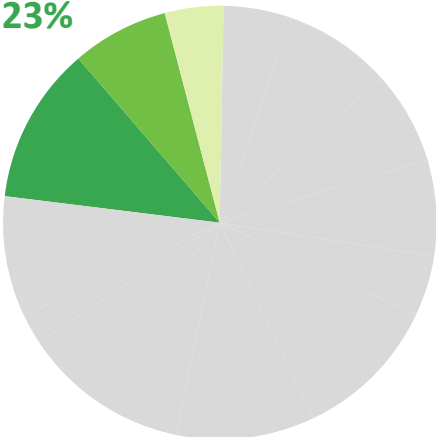
- Appliances
- Auto parts
- Construction
- Home goods

BASIC DAILY NEEDS



- Fast-moving consumer goods
- Food & beverage
- Apparel
- Paper/Packaging

STRUCTURAL TRENDS



- General Retailer / Ecommerce
- Transportation
- Healthcare

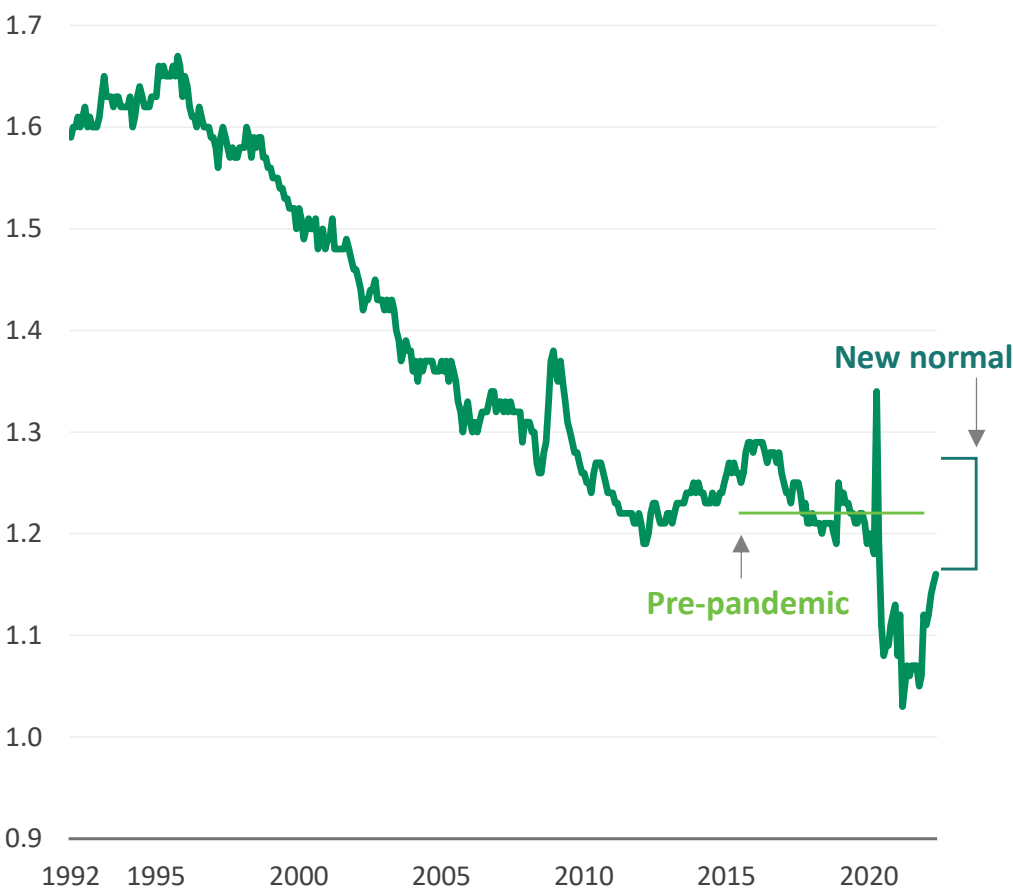
Source: Prologis Research as of June 30, 2022.  
Note: Graphics represent approximate share of logistics space occupied globally. Shares do not sum to 100% due to spaces used for multiple product types, commodities, and other types of goods.



# Resilience is essential to the future supply chain

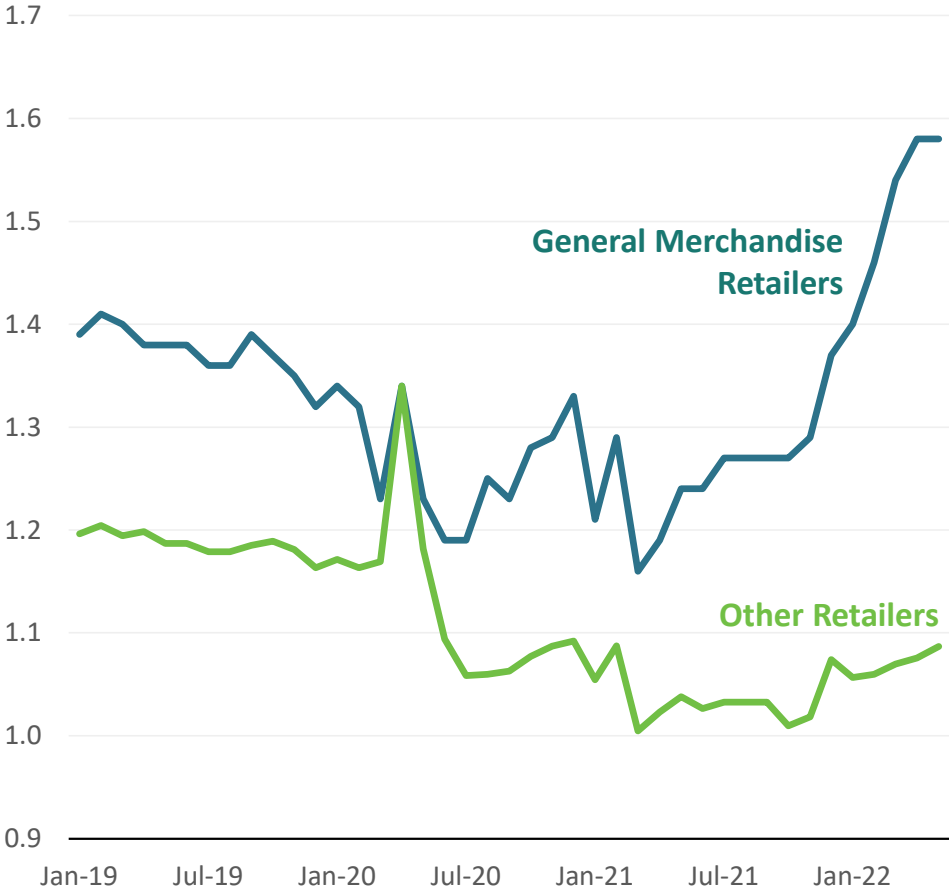
U.S. INVENTORY-TO-SALES RATIO, RETAILERS<sup>1</sup>

Ratio, Seasonally Adjusted, ex. Autos



U.S. INVENTORIES-TO-SALES RATIO, SELECT U.S. RETAILERS

Ratio, Seasonally Adjusted

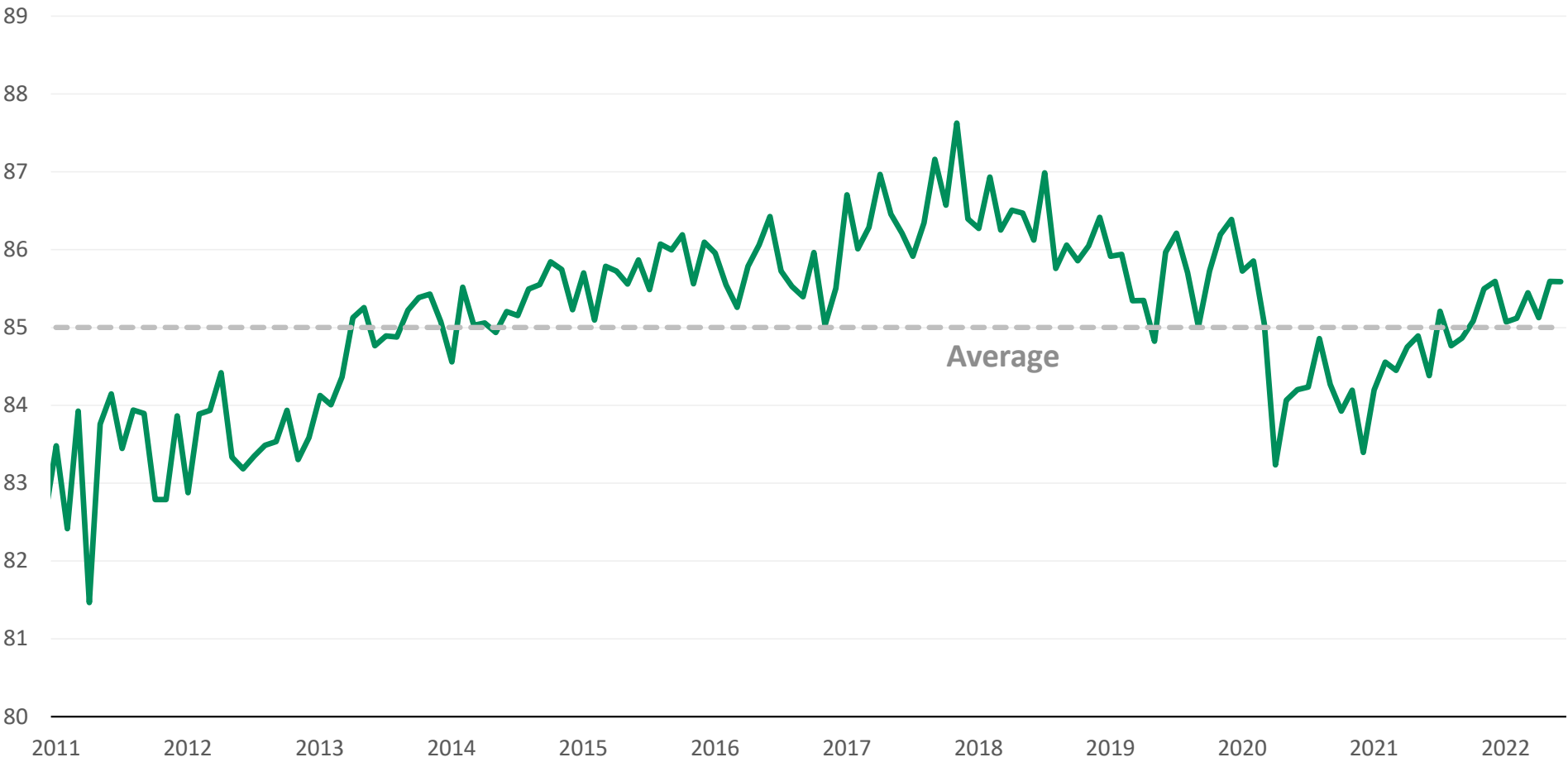


Source: U.S. Census Bureau.

1. Prologis Research forecasts 10% more inventory to reach historical levels, and an incremental 10% of safety stock inventory, and a 5% pullback in retail sales as consumer spending shifts from goods to services. We believe there is opportunity for further resilience to be built into supply chain.

# Utilization levels indicate need for additional capacity

**IBI™ UTILIZATION RATE**  
%, Seasonally Adjusted



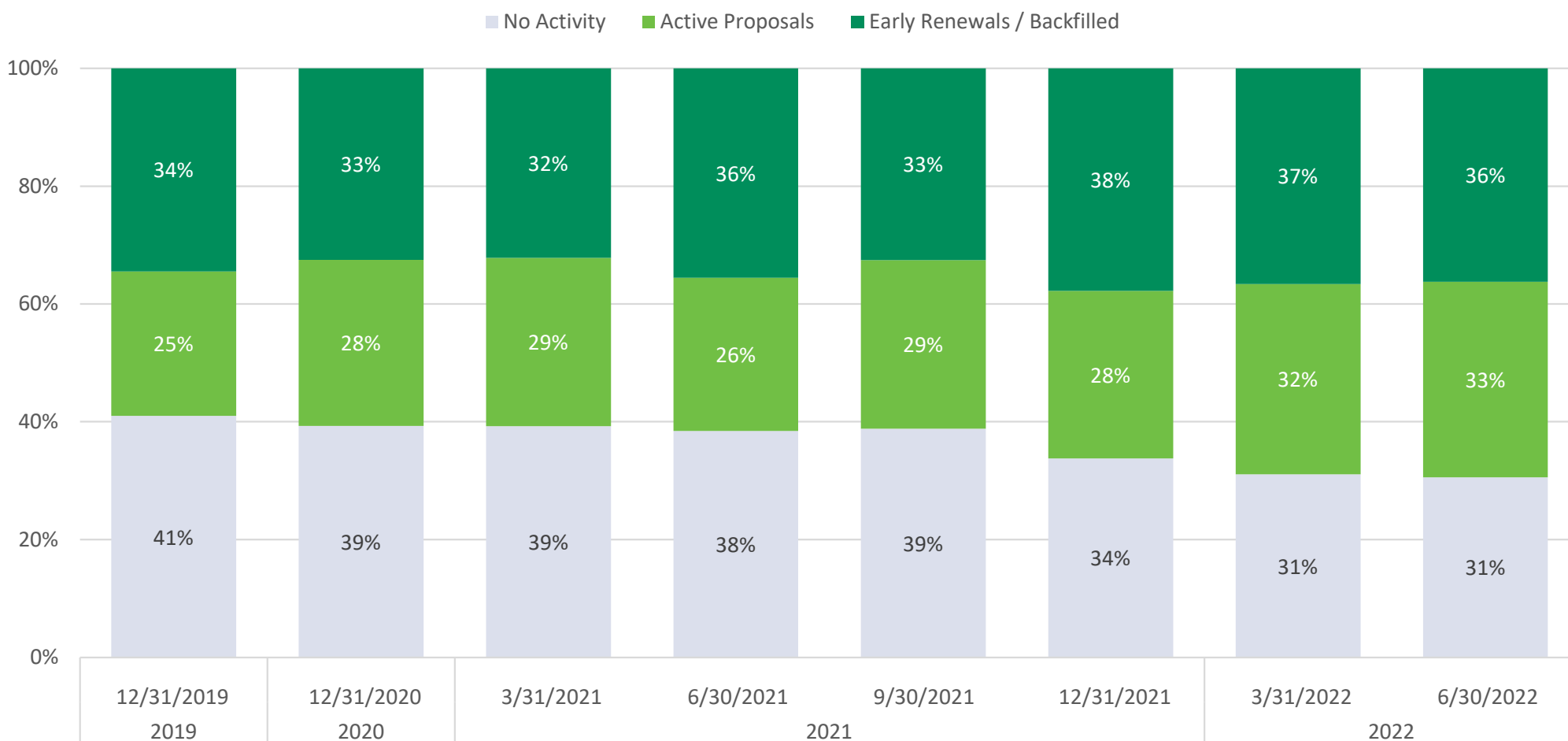
Source: Prologis Research as of June 30, 2022.



# Customers are proactively leasing space...

## MIX OF LEASING ACTIVITY, PROLOGIS

% of Total, Forward 12-Month Lease Roll, Global<sup>1</sup>

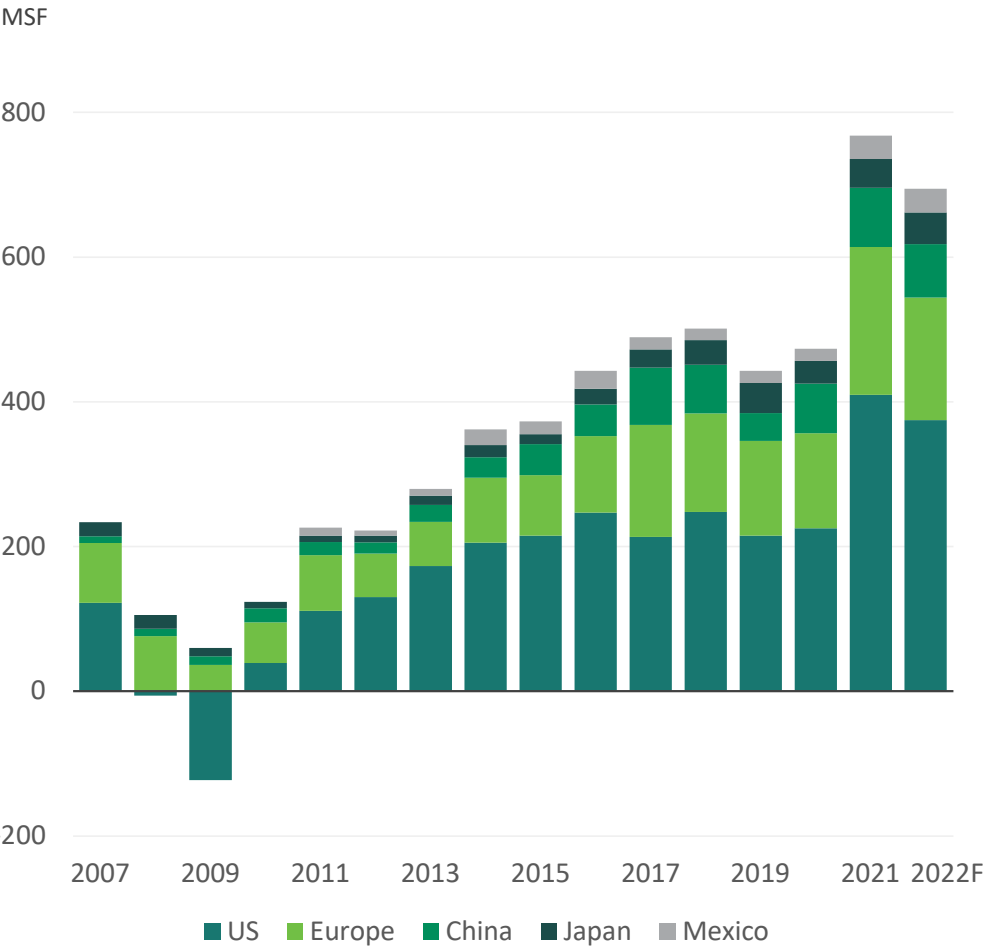


Source: Prologis Research as of June 30, 2022.

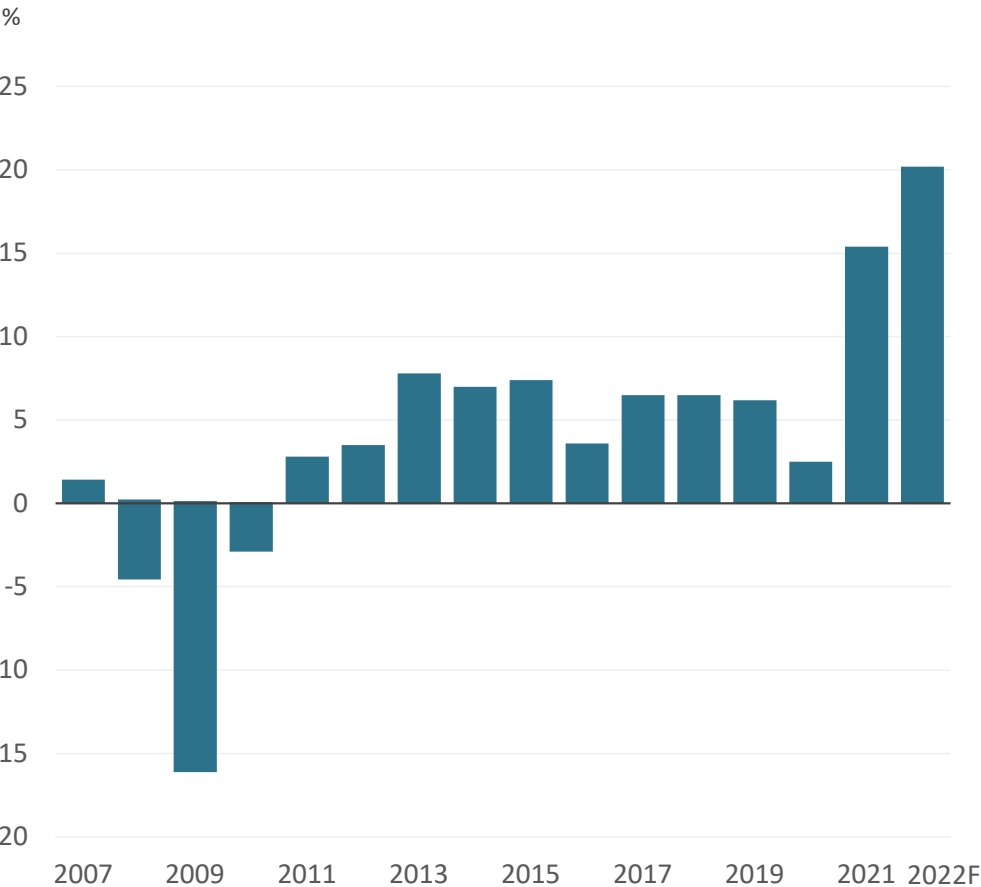
1. Percentages may not total to 100 due to rounding.

# ...generating strong demand and record rent growth

NET ABSORPTION, GLOBAL<sup>1</sup>



RENT GROWTH, GLOBAL<sup>2</sup>



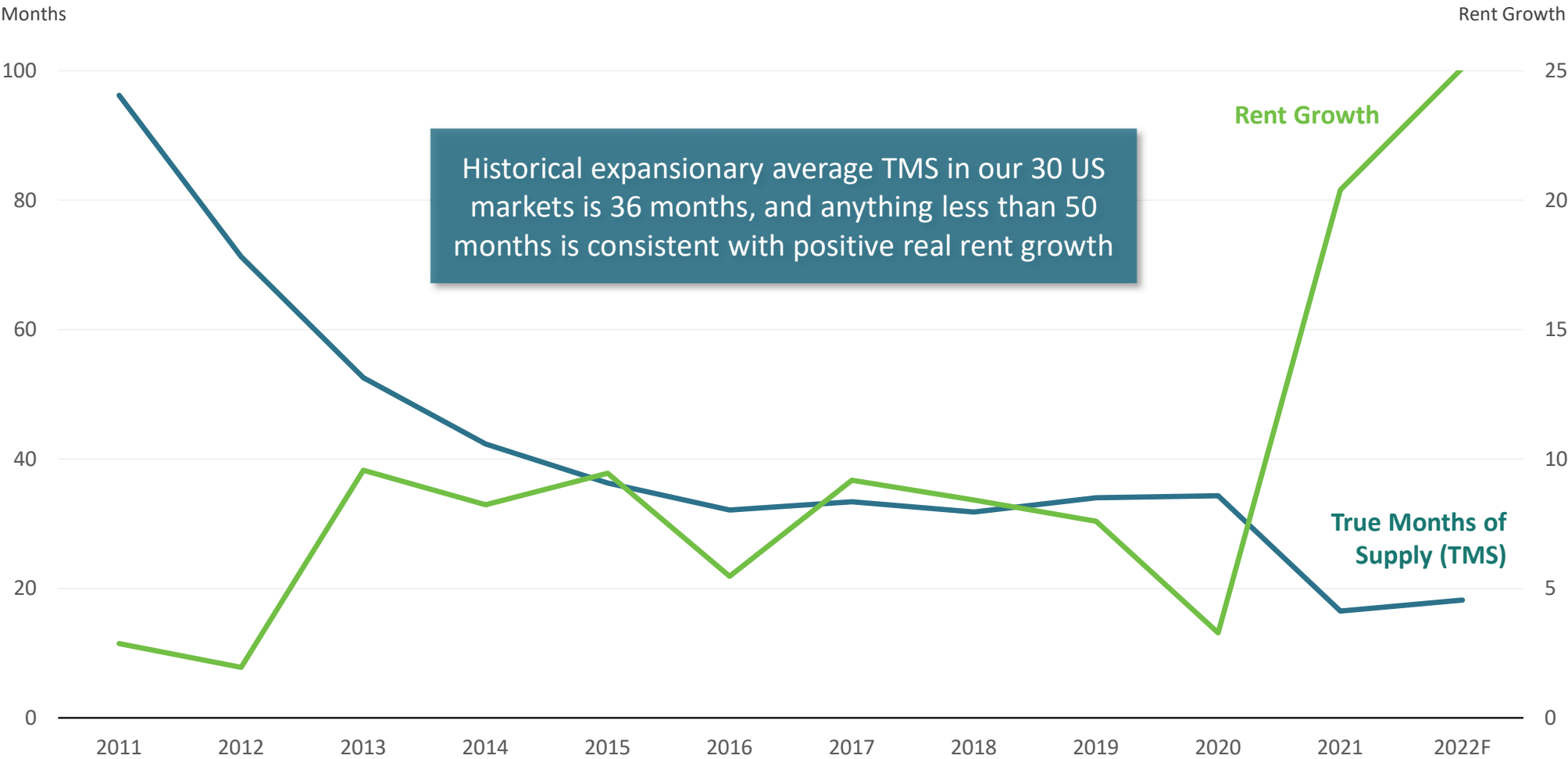
Source: CBRE, CBRE-EA, JLL, Colliers, Gerald Eve, C&W and Fraunhofer. Prologis Research.

1. Net absorption and rent growth in Prologis' markets globally.  
2. The data above is based on our proprietary [Prologis Logistics Rent Index](#). To create the index, Prologis Research combines the company's local insights on market pricing dynamics with data from our global portfolio. Rental rates are weighted averages based on estimates of market revenue. At PLD share.



# Current supply would be absorbed in 18 months, near a record low...

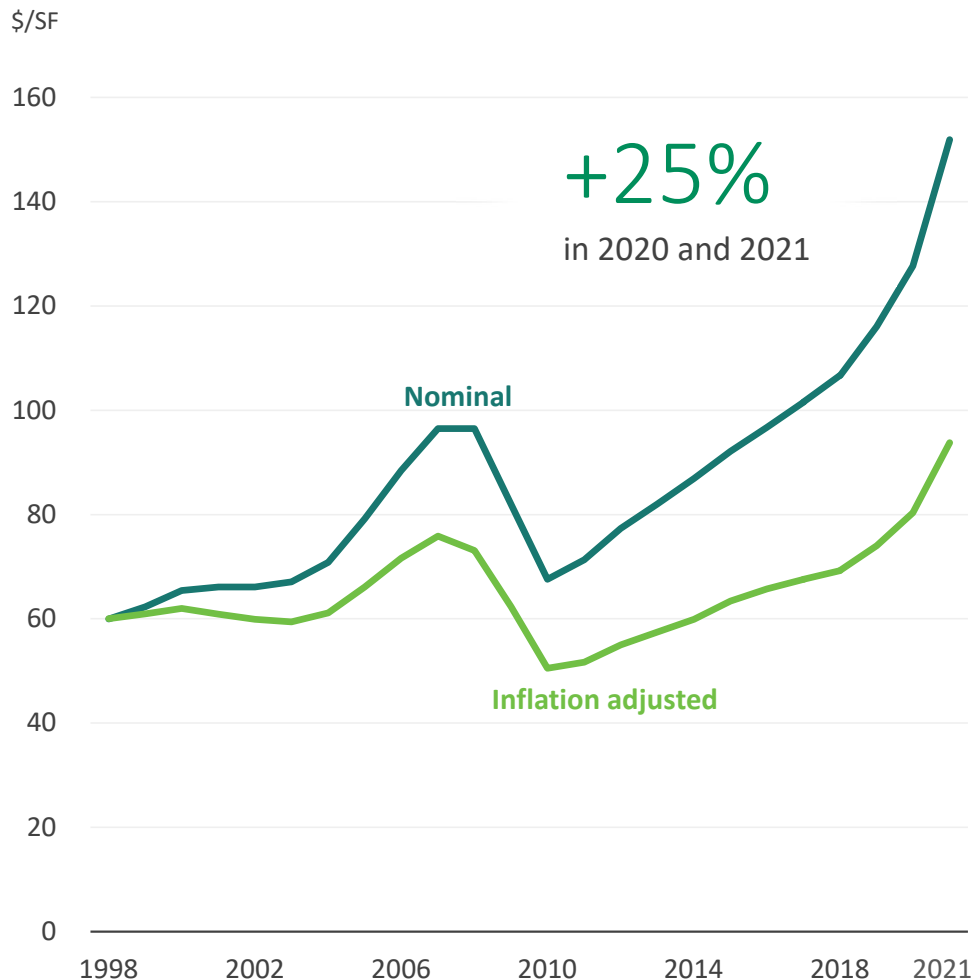
U.S. TRUE MONTHS OF SUPPLY (TMS)



Source: CBRE, JLL, Cushman & Wakefield, Colliers, CoStar, CBRE-EA, Prologis Research.  
See [Prologis Research Paper](#) for additional detail on True Months of Supply (TMS).

# ...while barriers to supply are increasing

## REPLACEMENT COST, U.S.<sup>1</sup>



## REPLACEMENT COST GROWTH BY REGION

GROWTH 2021	% LAND VALUE (Y/Y)	% CONSTRUCTION (Y/Y)	% REPLACEMENT COSTS (Y/Y)
U.S.	50%	25%	33%
Europe	40%	20%	24%
Mexico	25%	25%	25%
Japan	6%	10%	9%
China	7%	7%	7%

Source: Prologis Research estimates based upon Turner Construction, Engineering News Record, Prologis Research.

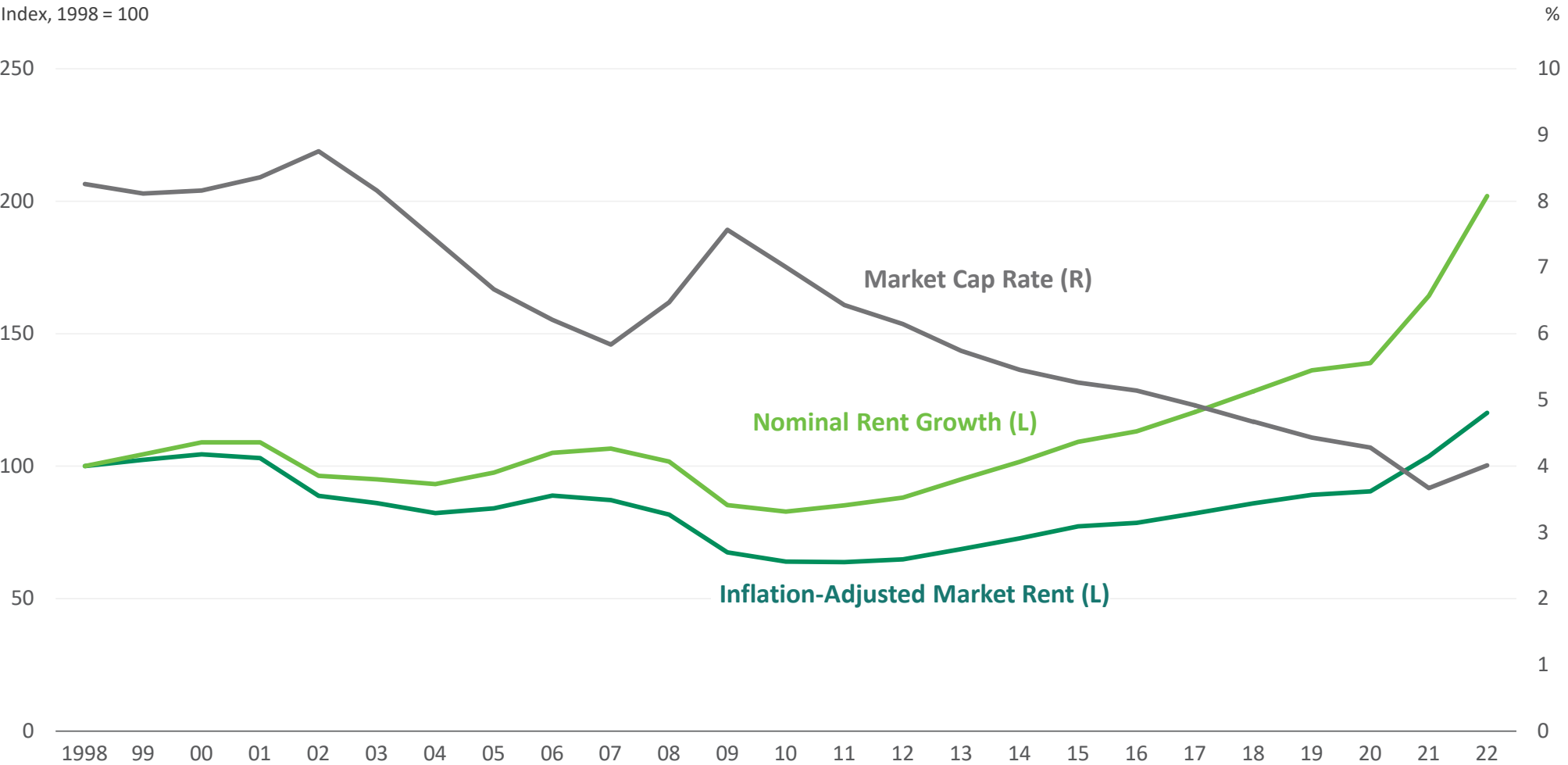
1. Note: Inflation-adjusted is in 1998 dollars.



# Rent growth has driven increases in values

## MARKET RENTS, GLOBAL

Index, 1998 = 100



Note: Global based upon 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.

Source: CBRE, JLL, Cushman & Wakefield, Consensus Economics, Prologis Research, International Monetary Fund.

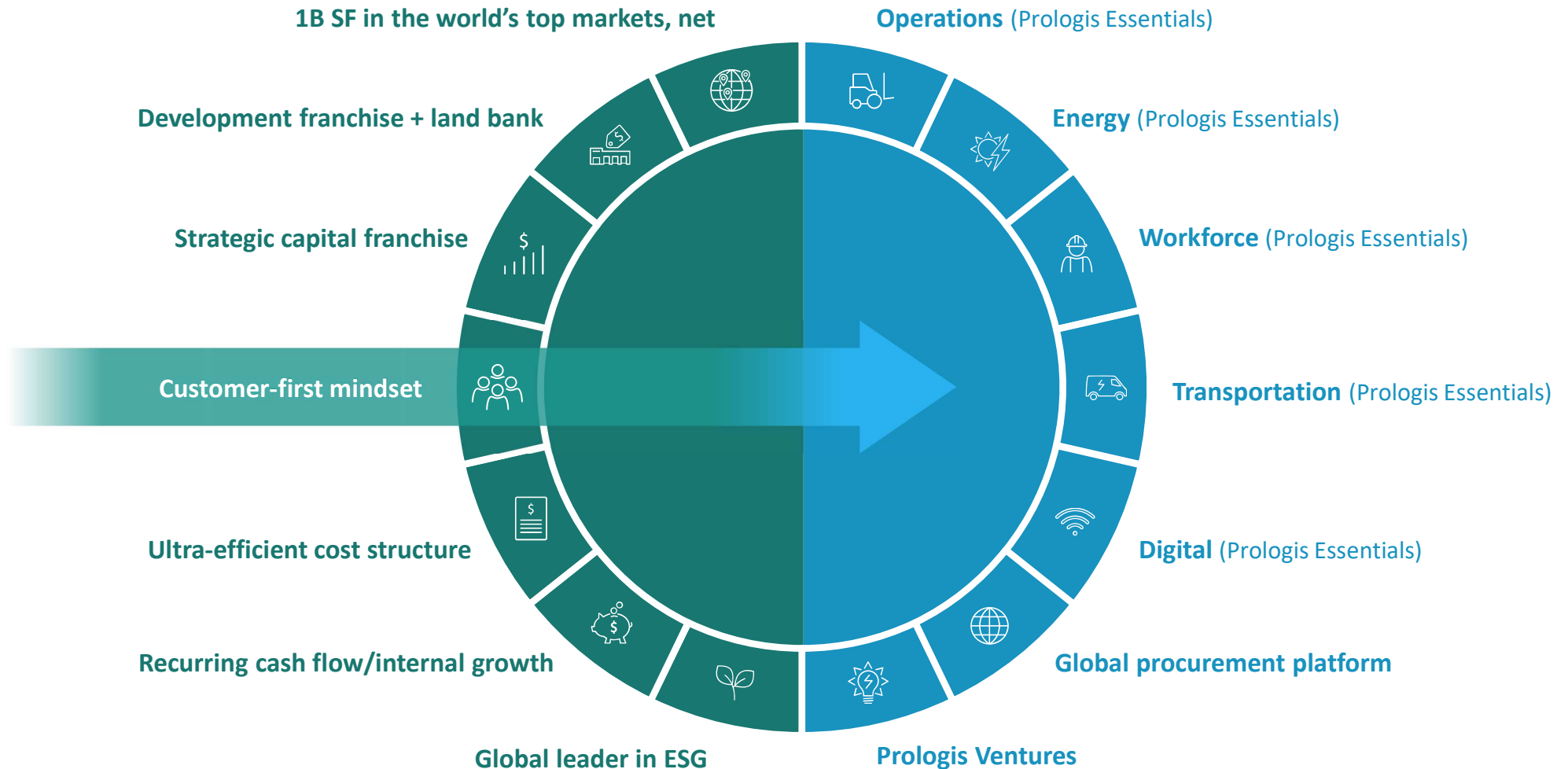


## SECTION 02

Prologis Park Venlo, Venlo, the Netherlands

# Prologis: A differentiated investment opportunity

# Multiple differentiators define one great business





# Unrivalled scale where consumption is highest...

## \$180B

Assets under management

## 1.0 BSF

On four continents  
19 countries

## PLD

NYSE, S&P 500  
member, #75

## A3/A-

Credit rating

## 5,800

Customers

## 15%

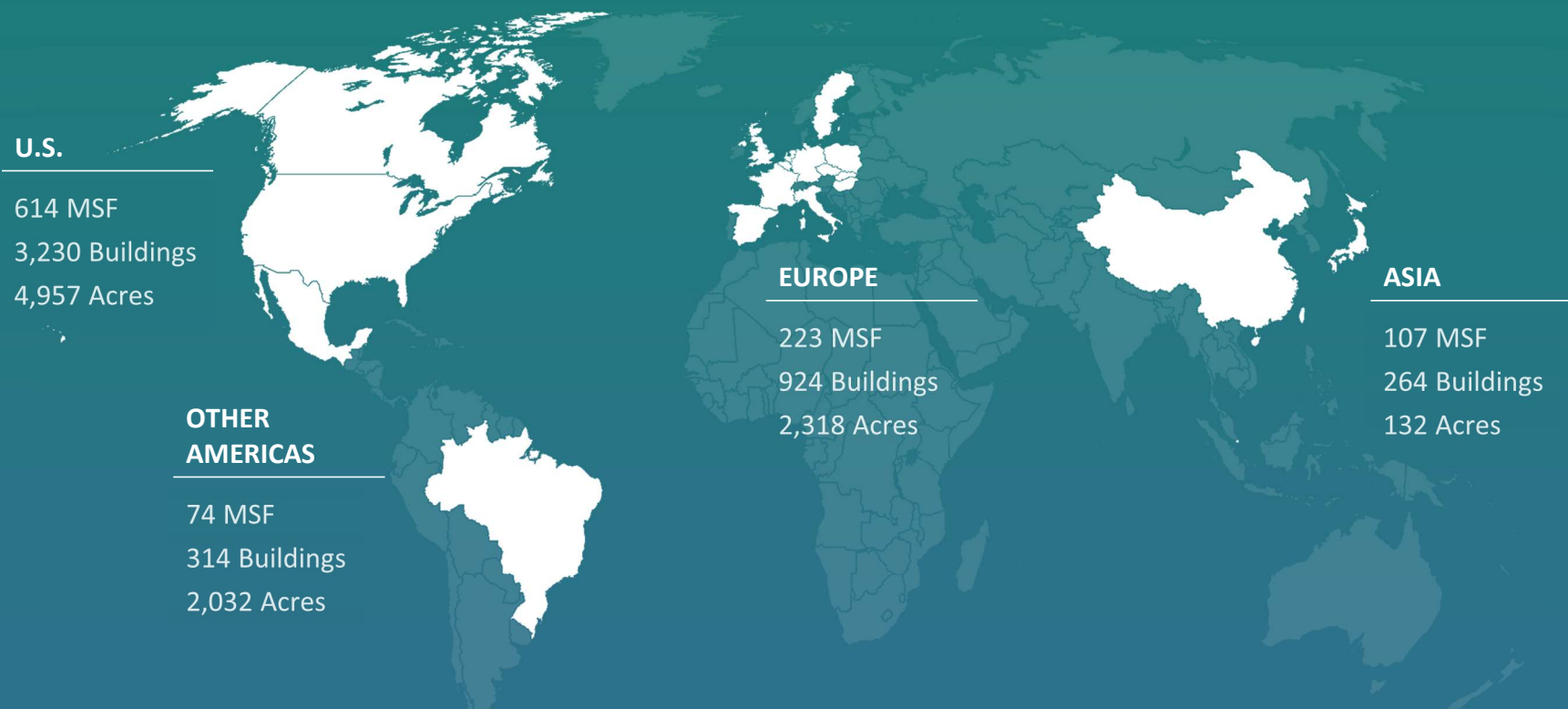
Global goods consumption

## 1983

Founded

## \$30.9B

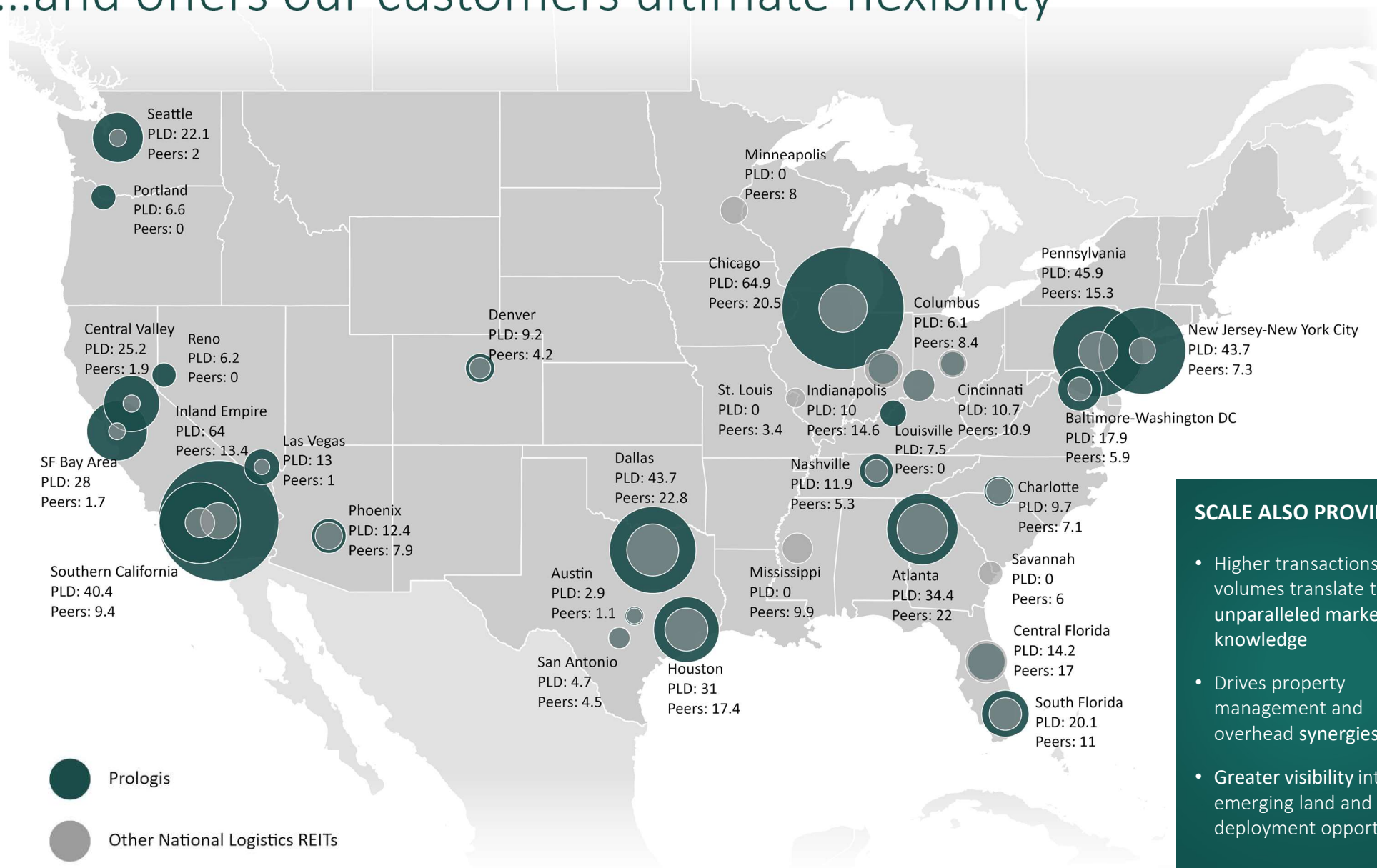
Build out of land bank (TEI)



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 June 30, 2022, 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 1.0 billion square feet (95 million square meters) in 19 countries.

# ...and offers our customers ultimate flexibility



## SCALE ALSO PROVIDES:

- Higher transactions volumes translate to unparalleled market knowledge
- Drives property management and overhead synergies
- Greater visibility into emerging land and deployment opportunities

Source: Company filings as of March 31, 2022, Prologis Research. Prologis reflects Owned & Managed portfolio. JV development data unavailable for certain companies, therefore information with respect to those companies includes CBRE and CoStar data.

\* Other National Logistics REITs include DRE, EGP, FR and STAG.



# 20 years of sourcing extraordinary risk-adjusted returns...

## Prologis development track record

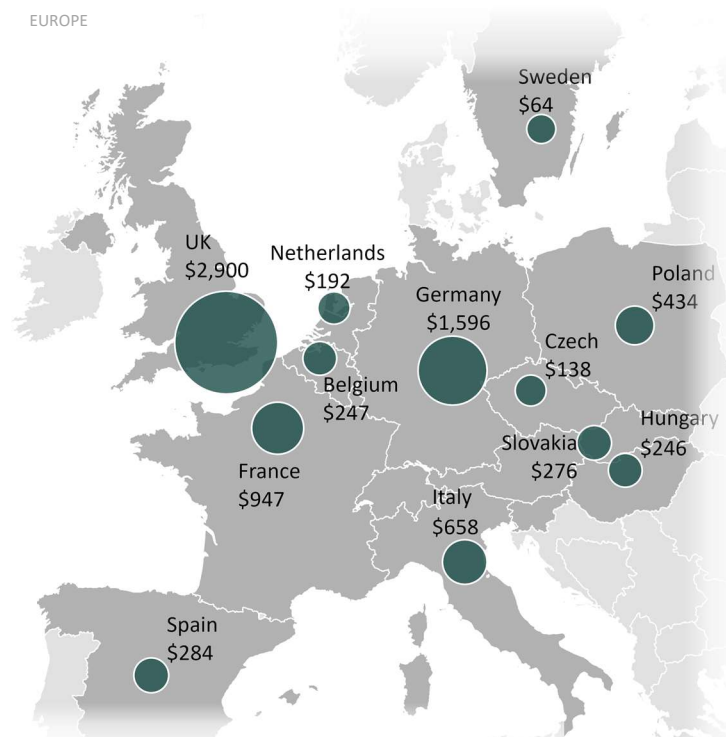
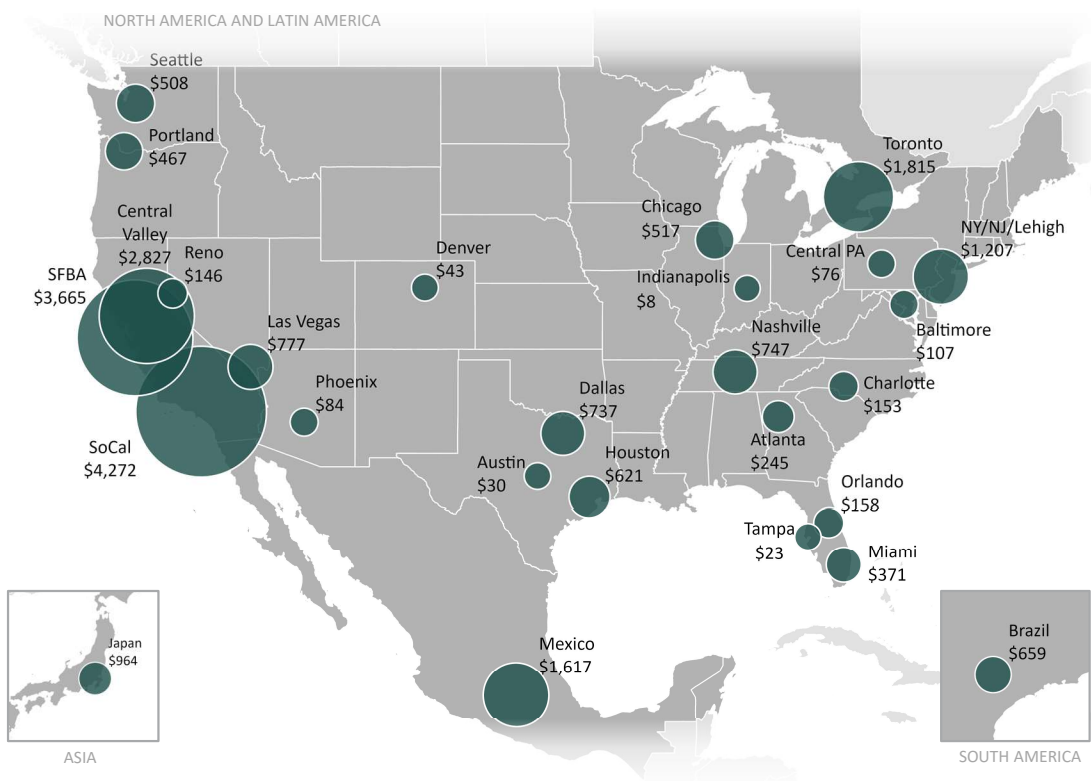
	IN THE U.S.	OUTSIDE THE U.S.
<b>\$38.2B</b> Investment	\$10.3B	\$27.9B
479M Square Feet	163M	316M
<b>\$9.7B</b> Value Creation <sup>1</sup>	\$2.8B (29%)	<b>\$6.9B</b> (71%)
25.5% Margin	27.7%	24.8%

Note: Data based on development activity from 2001 through 2021.

1. Value Creation is calculated as the amount by which our value exceeds our TEI and does not include any fees or promotes we may earn.

Prologis Gateway Park, San Francisco, California.

# ...with a significant, development-ready land portfolio



**Embedded growth**

10,700 acres  
and potential TEI of  
**\$30.9B<sup>1</sup>**

With an **overweight**  
to the markets that matter  
the most

CLP's<sup>2</sup> are generating  
stabilized yield of  
**~5%**

Note: Land data as of June 30, 2022. Land values in above bubble map are in \$ millions and represent estimated TEI by market.

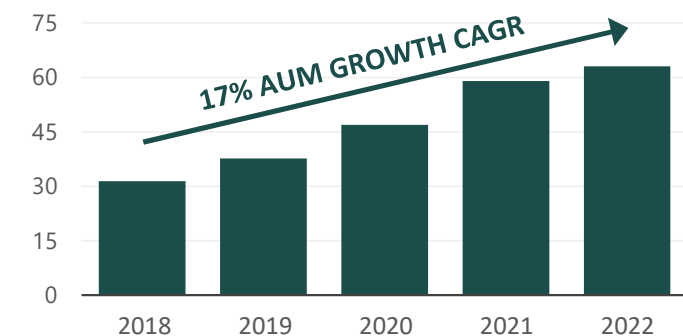
1. Owned & Managed.
2. Covered Land (Plays) are acquisitions of income generating assets with the intention to redevelop for higher and better use. These assets are currently in either Operating Portfolio, Value-Added Properties or Other Real Estate Investments.



# Perpetual-life ventures produce durable cash flow

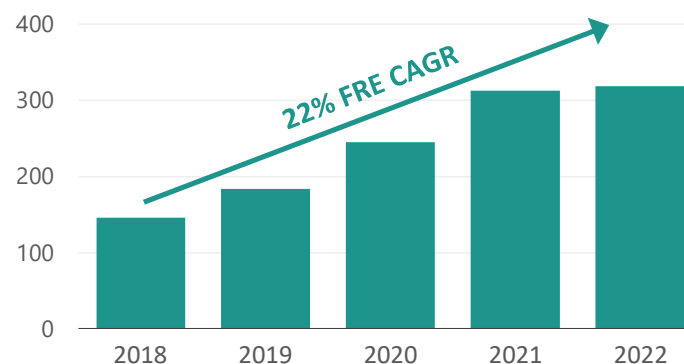
## GROWTH IN THIRD-PARTY AUM<sup>1</sup>

\$ in Billions



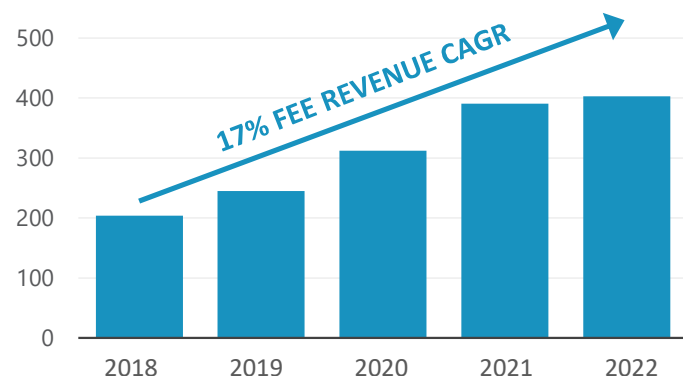
## GROWTH IN THIRD-PARTY FEE RELATED EARNINGS

\$ in Millions



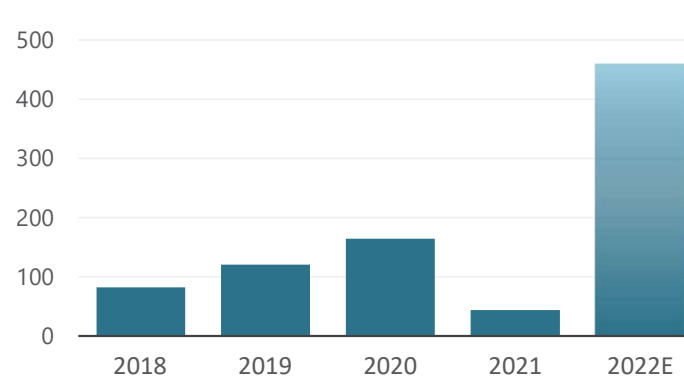
## GROWTH IN THIRD-PARTY FEE REVENUE<sup>2</sup>

\$ in Millions



## NET PROMOTE INCOME<sup>3</sup>

\$ in Millions



- Fee growth significantly outpaces expense growth
- **80% margin** on fee related revenues
- Asset values marked-to-market every quarter with fees based on market appraisals
- Promotes provide additional revenue, averaging 20bps of third-party AUM per year, historically
- **~70% of third-party AUM is promotable**
- Very durable fee stream with **~95% from perpetual** or long-life ventures

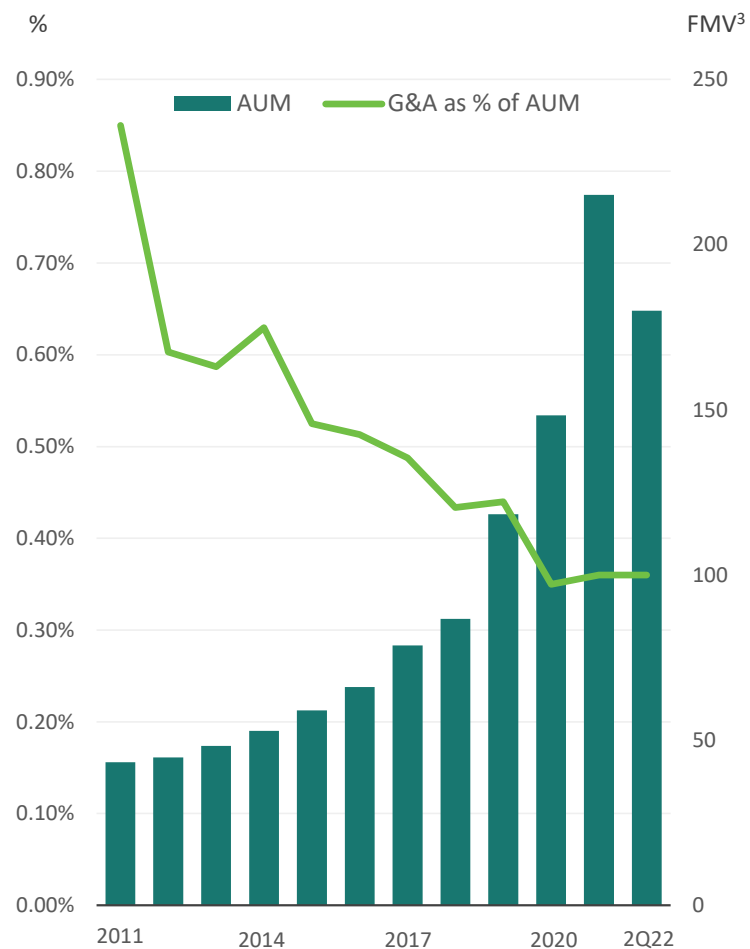
\*Data as of June 30, 2022.

1. AUM (fee earning) represents estimated fair value of real estate owned by third-parties and managed by Prologis through both our consolidated and unconsolidated entities, calculated by adding investment capacity and the third-party investors' share of the estimated fair value of assets in co-investment ventures.
2. Third-party fees include asset management and related transactional fees. Q4 annualized numbers for 2018-2021; Q2 annualized for 2022.
3. Promotes are net of expenses. 2022 is based on full year net promote guidance.

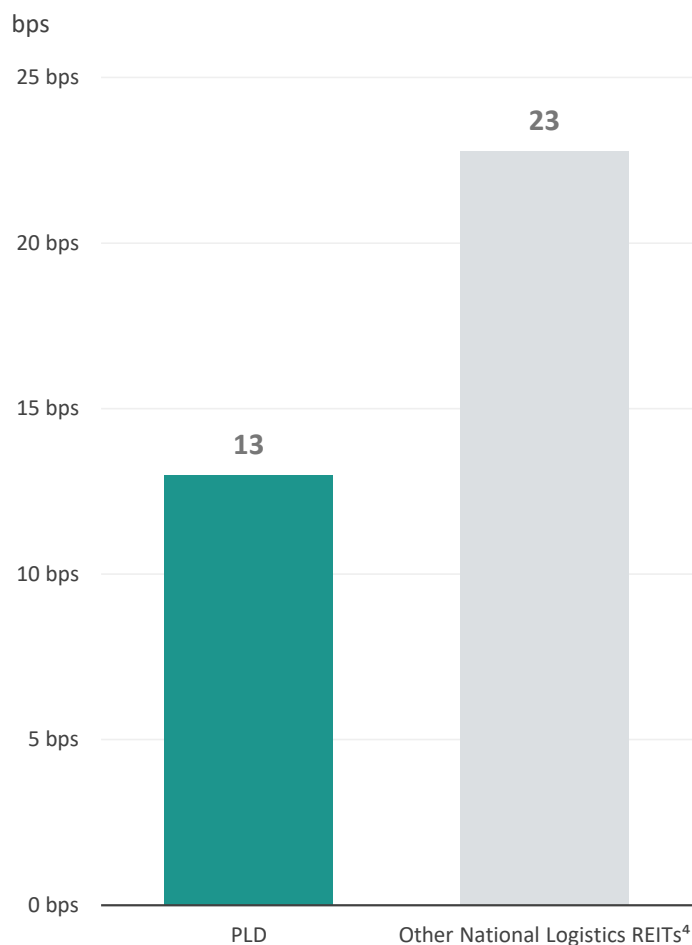


# We're relentless about continuous improvement...

## ADJUSTED G&A<sup>1</sup> % OF GROSS BOOK VALUE AUM<sup>2</sup>



## G&A<sup>1</sup> % OF MARKET VALUE AUM<sup>3</sup>



- Early investments in technology infrastructure and synergies from strategic acquisitions
- Reduced G&A as % of AUM from **85bps to 36bps** since 2011
- Most efficient despite investments in innovation and new lines of business
- Efficiently outpacing the other logistics REITs<sup>4</sup> **by 10bps**

1. Adjusted G&A reflects net TTM G&A expense each year plus TTM strategic capital expenses less TTM strategic capital property management expenses.  
 2. Total AUM based on fair market value and Adjusted G&A as % of AUM based on Book Value AUM as of June 30, 2022.  
 3. Market value AUM is total enterprise value plus JV debt as of March 31, 2022 given Other National Logistics REITs yet to report 2Q22 results.  
 4. Other National Logistics REITs include DRE, EGP, FR and STAG.

# ...and maintaining maximum financial flexibility

## Prologis debt metrics – Q2 2022

<b>DEBT AS % OF GROSS MARKET CAP<sup>1</sup></b>  <b>18.5%</b>	<b>Debt / Adjusted-EBITDA<sup>1</sup></b>  <b>4.2X</b>	<b>Fixed Charge Coverage Ratio<sup>1</sup></b>  <b>12.9X</b>
<b>USD Net Equity Exposure</b>  <b>95%</b>	<b>Liquidity</b>  <b>\$5.2B</b>	<b>Investment Capacity</b>  <b>\$17.0B<sup>2</sup></b>

- **+\$17B of dry powder** across PLD and our open-ended ventures
- Weighted average interest rate of **1.8%** with a weighted average term of **9.7 years**
- Strong preference for green financings with **19 issuances** to date
- A3/A (positive outlook) rated by Moody's/S&P<sup>3</sup>

\*Data as of June 30, 2022.

1. This is a non-GAAP financial measure.
2. Includes leverage capacity of Prologis and its open-ended vehicles as well as a reduction in our ownership interest in our PELF and USLF ventures down to 15%.
3. 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.

# Creating value beyond real estate

Integrating state-of-the art innovation and technologies across all segments of fulfillment

## PROLOGIS ESSENTIALS

### OPERATIONS

#### New Leasing

- Racking
- Forklift
- Office furniture and design
- Moving and relocation
- Generator
- Locksmith

#### Optimize and Scale

- Racking services
- Forklifts
- Fans and cooling systems
- Dock maintenance
- HVAC equipment
- Facility safety

#### Move Out

- Move-out services
- Equipment buyback

### ENERGY

- Smart Lighting
- In-Platform LED
- SolarSmart
- Smart Metering
- Energy Efficiency Retrofits
- Energy Storage / Resale

### MOBILITY

- EV Charging
- Autonomous Yard Trucks\*
- Freight Marketplace\*
- Last Mile Routing\*
- Fleet Management\*

### WORKFORCE

- Prologis Academy
- Prologis CWI
- Training & Certification
- Warehouse Robotics
- Talent Hiring & Retention Platform

### DIGITAL

- Data & Insights
- Inventory Analytics
- IoT Platforms
- Dock & Spatial Visibility\*
- Aerial Drones\*
- Connectivity Infrastructure\*
- Optical Networking Equipment\*

## PROLOGIS VENTURES

(\$160M invested in 38 companies)



GIDEON

REDAPTIVE

AIRSPACE *Emerge*

 STRIVR

data.world kahua



Gaussy

cargomatic wise

WORKSTEP



FORT

INXEPTION

KINETIC

FREIGHTWAVES

Outrider



FLEXPORT



Timee

Logimeter

Flexe



Altana

# Prologis Energy Essentials, Solar

Corporate Goal: 1 Gigawatt Worldwide by 2025

11

countries

343+

MWs of generating capacity

263

buildings

41.1+

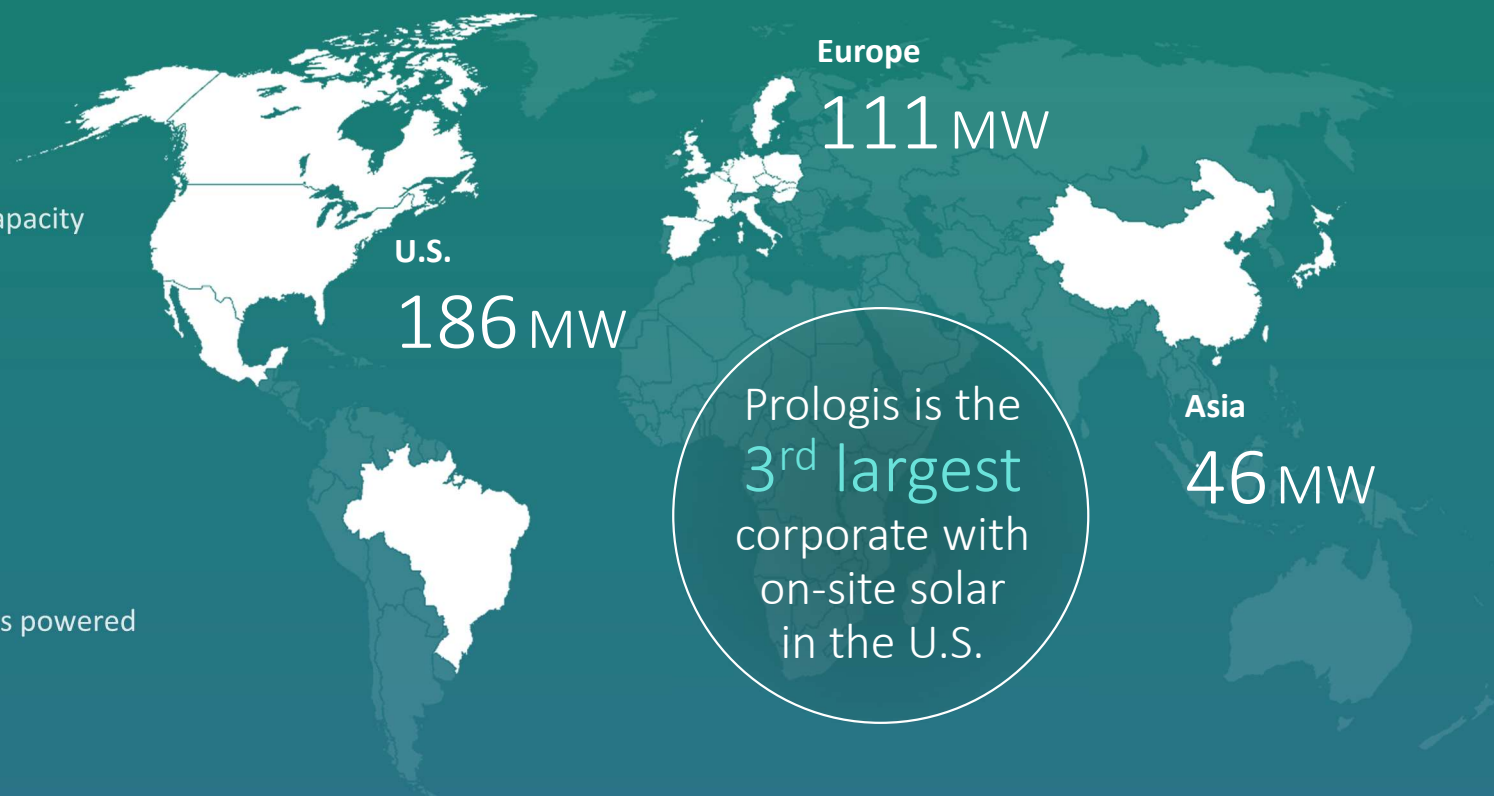
MSF of rooftops

125+

customers

60,000+

household equivalents powered



**PLD Global TAM\*** is 40% of our portfolio (3.3 GW)

# Prologis Energy Essentials, EV Charging

Supporting our customers transition from diesel to zero emission vehicles

## The Opportunity

- By 2030, nearly 14M commercial electric vehicles will be on the road<sup>1</sup>
- Significant policy pressures are catalyzing strong cohort of early movers



Vehicles will charge at or near logistics facilities to minimize deviations from routes and leverage dwell time



Longstanding investment strategy provides our buildings with optimal grid adjacencies



Synergies with site development and TI or BTS construction scope translate to market-beating charger install costs



Prologis can capture retail energy margin by procuring energy wholesale and/or generating power onsite



# Prologis Workforce Essentials, CWI

## 17 markets with programs

- Chicago
- Dallas
- Los Angeles
- Long Beach
- Tracy/Stockton
- Miami
- DIRFT-UK
- San Francisco
- Oakland
- Northern NJ/NY
- Atlanta
- Las Vegas
- Seattle
- Houston
- DC/Baltimore
- Mexico City
- Pennsylvania

## KEY PARTNERS

Prologis looks to support local organizations that align with our business and share our priorities with CWI, including:

- Access to a pool of candidates looking for jobs in the logistics industry
- Direct connection to leading workforce providers in the region



Source: Prologis as of June 30, 2022.



## 13,000+

Participants (program to date)

## 17 markets

Total as of June 30, 2022

## Certification

Industry-first program in partnership with ASCM

## Goal

Train 25k by 2025

# Increasing our Climate Ambition

## Prior milestones:

2005: First solar installation in France  
 2008: Committed to LEED development standards  
 2013: Surpassed 100 megawatts of solar capacity  
 2016: Set LED as the standard for new developments  
 2018: First logistics REIT with an approved Science-Based emissions reduction target  
 2021: Committed to net zero carbon emissions for construction



**Commit to net zero and launch key partnerships**

Submit target to Science Based Targets initiative for validation

Today



**Deploy 1 GW of onsite solar supported by storage**



**Carbon neutral for construction and operations**

2025



**Net zero for operations (scopes 1 & 2)**

2030

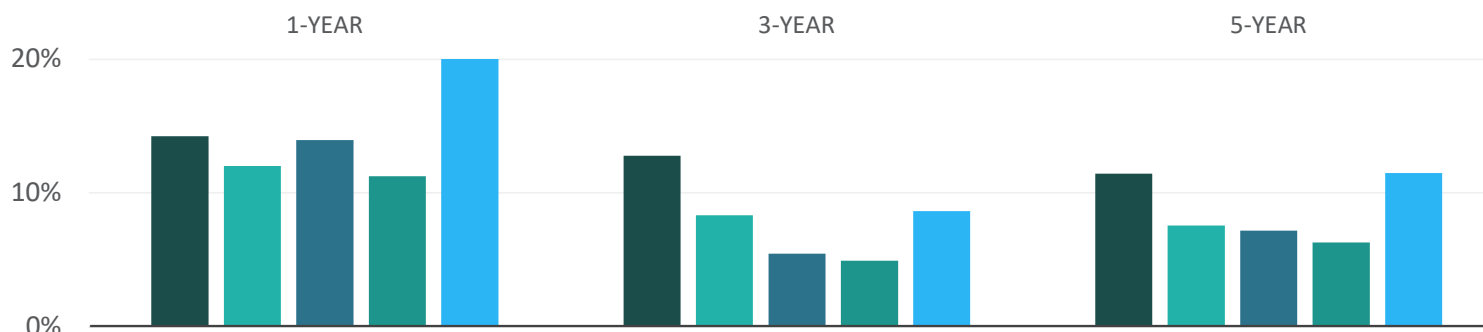


**Net zero for value chain (scopes 1, 2 & 3)**

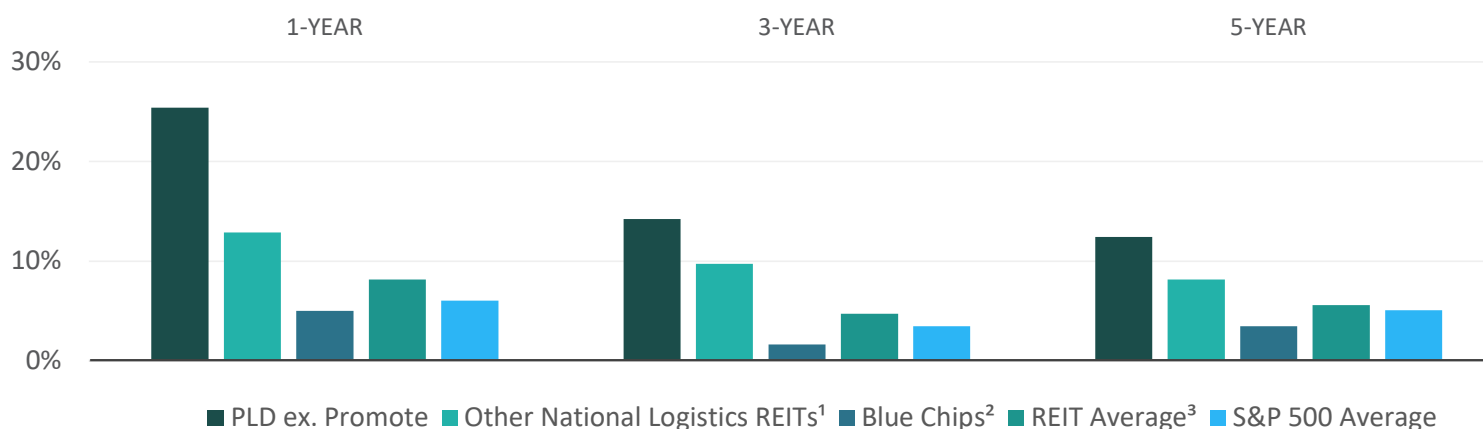
2040

# Superior earnings and dividend growth

## CORE FFO\* PER SHARE CAGR



## DIVIDEND CAGR



### Prologis has:

- Leading Core FFO\* CAGR for the one, three, and five-year time periods
- Best Dividend CAGR spanning one, three, and five-year time periods
- Over the five-year time period, Prologis reduced leverage by 1,360bps
- Industry-leading cost structure with expected ~60% AFFO payout ratio\* and \$1.7B of free cash flow\* after dividends in 2022
- ~75% of our 2022 Core FFO\* growth, excluding promotes, derived from organic growth

\*This is a non-GAAP financial measure.

Source: FactSet. Core FFO as of December 31, 2021. Dividend growth based on most recent dividend annualized for PLD, Other National Logistics REITs, Blue Chips and REIT average and 2022 estimates for S&P 500.

1. Includes DRE, EGP, FR, and STAG. Weighted on market cap as of December 31, 2021.

2. Includes AVB, BXP, EQIX, FRT, HST, PSA, and SPG. Weighted on market cap as of December 31, 2021.

3. Includes REITs in the VNQ as of March 31, 2022 with data for every year in each respective period; weighted on market cap as of December 31, 2021.

