

# ModernGraham Valuation

Company Name:

Prologis Inc

Company Ticker PLD

Date of Analysis

10/21/2015



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$22,359,597,098	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.65	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-36.46%	Fail
6. Moderate PEmg Ratio	PEmg < 20	57.72	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.55	Pass

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.65	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-65.03	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$0.74
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$28.64</b>
MG Value based on 3% Growth	\$10.79
MG Value based on 0% Growth	\$6.32
Market Implied Growth Rate	24.61%

### MG Opinion

Current Price	\$42.94
% of Intrinsic Value	149.91%
<b>Opinion</b>	<b>Overvalued</b>

## Stage 3: Information for Further Research

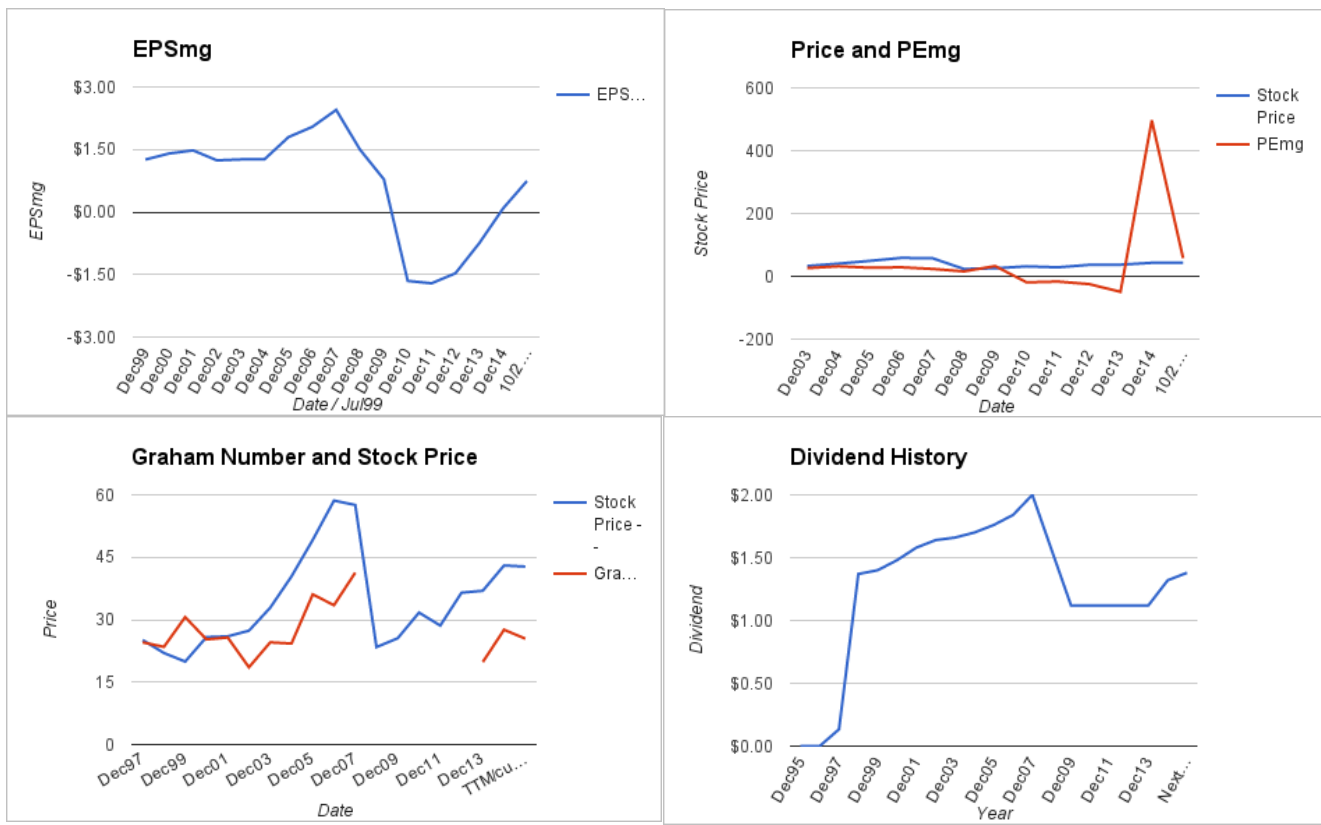
Net Current Asset Value (NCAV)	-\$31.17
Graham Number	\$25.44
PEmg	57.72
Current Ratio	0.65
PB Ratio	1.55
Dividend Yield	3.21%
Number of Consecutive Years of Dividend Growth	2

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.03	Next Fiscal Year Estimate	\$0.74
Dec14	\$1.24	Dec14	\$0.09
Dec13	\$0.64	Dec13	-\$0.75
Dec12	-\$0.18	Dec12	-\$1.47
Dec11	-\$0.51	Dec11	-\$1.71
Dec10	-\$5.90	Dec10	-\$1.65
Dec09	-\$0.37	Dec09	\$0.78
Dec08	-\$0.68	Dec08	\$1.50
Dec07	\$2.96	Dec07	\$2.45
Dec06	\$2.30	Dec06	\$2.04
Dec05	\$2.85	Dec05	\$1.80
Dec04	\$1.39	Dec04	\$1.27
Dec03	\$1.41	Dec03	\$1.26
Dec02	\$0.75	Dec02	\$1.24
Dec01	\$1.41	Dec01	\$1.48
Dec00	\$1.35	Dec00	\$1.40
Dec99	\$1.94	Dec99	\$1.26
Dec98	\$1.26	<b>Balance Sheet Information Jun15</b>	
Dec97	\$1.38	Total Current Assets	\$351,025,000
Dec96	\$0.00	Total Current Liabilities	\$537,432,000
Dec95	\$0.00	Long-Term Debt	\$12,121,310,000
		Total Assets	\$31,602,400,000
		Intangible Assets	\$0
		Total Liabilities	\$16,891,650,000
		Shares Outstanding (Diluted Average)	530,640,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

**Recommended Reading:**

**Other ModernGraham posts about the company**

- [28 Companies in the Spotlight This Week – 11/1/14](#)
- [Prologis Inc. Annual Valuation – 2014 \\$PLD](#)

**Other ModernGraham posts about related companies**

- [HCP Inc. Valuation – October 2015 Update \\$HCP](#)
- [Essex Property Trust Inc. Analysis – October 2015 Update \\$ESS](#)
- [Macerich Company Analysis – September 2015 Update \\$MAC](#)
- [Alexandria Real Estate Equities Inc. Analysis – Initial Coverage \\$ARE](#)
- [Weyerhaeuser Company Analysis – August 2015 Update \\$WY](#)
- [Boston Properties Inc. Analysis – August 2015 Update \\$BXP](#)
- [Health Care REIT Inc. Analysis – August 2015 Update \\$HCN](#)
- [Kimco Realty Corporation Analysis – August 2015 Update \\$KIM](#)
- [American Campus Communities Inc. Analysis – Initial Coverage \\$ACC](#)
- [Ventas Inc. Analysis – 2015 Update \\$VTR](#)