ModernGraham Valuation

Company Name: Prologis Inc

Company Ticker	PLD
Date of Analysis	2/10/2017

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	$26,436,297,594	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.56	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	101.05%	Pass
6. Moderate PEmg Ratio	PEmg < 20	46.32	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.85	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	0.56	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-37.90	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
	Score		

Suitability

Defensive	**No**
Enterprising	**No**

Stage 2: Determination of Intrinsic Value

EPSmg	$1.08
MG Growth Estimate	15.00%
MG Value	**$41.53**
MG Value based on 3% Growth	$15.64
MG Value based on 0% Growth	$9.17
Market Implied Growth Rate	18.91%

MG Opinion

Current Price	$49.96
% of Intrinsic Value	120.30%
Opinion	**Overvalued**
MG Grade	**D**

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-$28.72
Graham Number	$24.53
PEmg	46.32
Current Ratio	0.56
PB Ratio	1.85
Current Dividend	$1.66
Dividend Yield	3.32%
Number of Consecutive Years of Dividend Growth	3

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	$0.96	Next Fiscal Year Estimate	$1.08
Dec2015	$1.64	Dec2015	$0.95
Dec2014	$1.24	Dec2014	$0.09
Dec2013	$0.64	Dec2013	-$0.75
Dec2012	-$0.18	Dec2012	-$1.47
Dec2011	-$0.51	Dec2011	-$1.71
Dec2010	-$5.90	Dec2010	-$1.65
Dec2009	-$0.37	Dec2009	$0.78
Dec2008	-$0.68	Dec2008	$1.50
Dec2007	$2.96	Dec2007	$2.45
Dec2006	$2.30	Dec2006	$2.08
Dec2005	$2.85	Dec2005	$1.87
Dec2004	$1.39	Dec2004	$1.38
Dec2003	$1.41	Dec2003	$1.42
Dec2002	$1.33	Dec2002	$1.43
Dec2001	$1.41	Dec2001	$1.48
Dec2000	$1.35	Dec2000	$1.40
Dec1999	$1.94	**Balance Sheet Information**	**9/1/2016**
Dec1998	$1.26	Total Current Assets	$375,120,000
Dec1997	$1.38	Total Current Liabilities	$672,111,000
Dec1996	$0.00	Long-Term Debt	$11,256,997,000
		Total Assets	$30,888,209,000
		Intangible Assets	$0
		Total Liabilities	$16,089,042,000
		Shares Outstanding (Diluted Average)	547,200,000

MG Value and Stock Price

EPSmg

Price and PEmg

Graham Number and Stock Price

Dividend History

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	Prologis Inc. Valuation – October 2015 Update $PLD
	28 Companies in the Spotlight This Week – 11/1/14
	Prologis Inc. Annual Valuation – 2014 $PLD

Other ModernGraham posts about related companies	CoreSite Realty Corp Valuation – Initial Coverage $COR
	Senior Housing Properties Trust Valuation – Initial Coverage $SNH
	Tanger Factory Outlet Centers Inc Valuation – Initial Coverage $SKT
	Mack Cali Realty Corp Valuation – Initial Coverage $CLI
	Chesapeake Lodging Trust Valuation – December 2016 $CHSP
	Summit Hotel Properties Inc Valuation – Initial Coverage $INN
	Sabra Health Care REIT Inc Valuation – Initial Coverage $SBRA
	National Retail Properties Inc Valuation – November 2016 $NNN
	Welltower Inc Valuation – November 2016 $HCN
	Realty Income Corp Valuation – November 2016 $O