# Prologis (PLD)

*Updated April 19th, 2026 by Nikolaos Sismanis*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $145 | **5 Year Annual Expected Total Return:** | 6.5% | **Market Cap:** | $138.5 B |
| **Fair Value Price:** | $117 | **5 Year Growth Estimate:** | 8.0% | **Ex-Dividend Date:** | 06/17/2026[1] |
| **% Fair Value:** | 124% | **5 Year Valuation Multiple Estimate:** | -4.2% | **Dividend Payment Date:** | 06/30/2026 |
| **Dividend Yield:** | 2.9% | **5 Year Price Target** | $172 | **Years Of Dividend Growth:** | 12 |
| **Dividend Risk Score:** | C | **Sector:** | Real Estate | **Rating:** | Hold |

## Overview & Current Events

Prologis is the largest industrial U.S. REIT by far, owning about 1.3 billion square feet of real estate in 20 countries. For context, the second-largest U.S. industrial REIT in the sector is Public Storage (PSA), with a market cap of around $54.4 billion, less than half that of Prologis. The company has a diversified rental collection base, comprising of more than 6,900 individual tenants. Prologis was founded in 1983 and is based in San Francisco, California.

On February 13th, 2026, Prologis raised its dividend by 5.9% to a quarterly rate of $1.07.

On April 16th, 2026, Prologis reported its Q1 results for the period ending March 31st, 2026. For the period, rental and other revenues grew by about 6.9% year-over-year to $2.14 billion. Strategic capital revenues came in at $161 million. Total revenues increased by about 7.4% year-over-year to $2.30 billion. Core FFO/share increased by 5.6% year-over-year to $1.50, supported by solid operating performance and continued leasing strength.

Meanwhile, debt as a percentage of total market cap remained at a healthy at 23.8%. Its weighted average borrowing rate stood at 3.3%, and the weighted average term of its debt was 8.1 years. The company maintained strong activity with 66.7 million sq. ft. of lease commencements and $387 million in estimated value creation from development stabilizations.

Management highlighted record lease signings and continued demand resilience, alongside progress in scaling its data center platform and strategic capital partnerships. Reflecting this backdrop, Prologis raised its FY2026 Core FFO/share guidance to a range of $6.07 to $6.23. We have utilized the midpoint in our estimates, which implies a year-over-year growth of about 6%.

## Growth on a Per-Share Basis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **FFO/Share** | $2.57 | $2.81 | $3.03 | $3.31 | $3.80 | $4.15 | $5.16 | $5.61 | $5.56 | $5.81 | ***$6.15*** | ***$9.04*** |
| **DPS** | $1.68 | $1.76 | $1.92 | $2.12 | $2.32 | $2.52 | $3.16 | $3.48 | $3.84 | $4.04 | ***$4.28*** | ***$6.29*** |
| **Shares[2]** | 526 | 530 | 567 | 631 | 754 | 764 | 811 | 952 | 954 | 958 | ***958*** | ***1200*** |

Over the past five years, FFO/share CAGR was 8.0%, while DPS CAGR was 9.9% over the same period. Prologis has been achieving growth through its strategic acquisition and development of prime logistics properties on a global scale. The COVID-19 pandemic resulted in surging demand for the company's properties, surpassing previous peak market cycles. Prologis expects demand for its properties to remain solid, supported by strong leasing momentum and customer commitment, although near-term occupancy could be influenced by normal lease roll and some near-term move-outs before being backfilled by its active leasing pipeline.

We anticipate that Prologis can support FFO/share growth of 8% through 2031. The main drivers should prove to be a combination of structurally healthy demand for modern logistics space and the company's ability to steadily push rents in infill and high-barrier markets. In addition, a large, well-located development pipeline should continue to deliver

[1] Estimated dates based on past dividend dates.
[2] Share count is in millions.

*Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.*

accretive growth as projects stabilize. Capital recycling and the expansion of the strategic capital business should further support earnings by improving returns on invested capital and adding high-margin fee income. Finally, newer growth vectors such as data centers and energy infrastructure provide incremental upside over time, while the balance sheet gives the company ample flexibility to fund these opportunities in a disciplined way.

## Valuation Analysis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Now | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Avg. P/FFO** | 17.5 | 20.8 | 18.9 | 28.1 | 26.3 | 31.3 | 25.2 | 20.8 | 21.4 | 20.3 | ***23.6*** | ***19.0*** |
| **Avg. Yld.** | 3.0% | 2.0% | 2.0% | 1.8% | 1.8% | 1.8% | 2.4% | 3.0% | 3.2% | 3.4% | ***2.9%*** | ***3.7%*** |

Over the past decade, shares of Prologis have mostly traded between 20 and 30 times their underlying funds from operations. The stock's valuation has somewhat normalized from the 2019 to 2021 levels. That said, at 23.6x this year's expected FFO/share, we still find Prologis to be modestly overvalued. We believe a below-average multiple is fair given that interest rates remain elevated, even if cuts are expected in the near term. Note that the stock's dividend yield is above its historical average levels following the recent multiple contraction.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

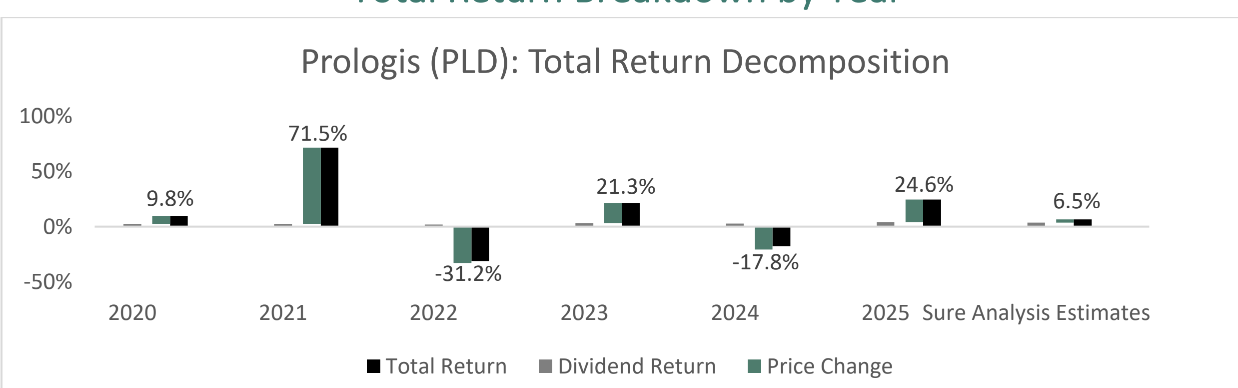
| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Payout** | 65% | 63% | 63% | 64% | 61% | 61% | 61% | 62% | 69% | 70% | ***70%*** | ***70%*** |

Prologis appears to be one of the safest choices amongst REITs during this period of uncertainty in other real estate industries. It features a healthy customer base consisting of huge enterprises that provided essential logistics services during the pandemic. Its occupancy rate remains very strong at 95.3%, and management's encouraging guidance points towards another year of record FFO/share. Also, the company's payout ratio remains healthy at 70%, which could easily support growing dividends in line with FFO/share growth. Further, while the company's low financing costs could keep rising in the current credit environment, we believe that Prologis will manage to retain competitive borrowing rates. Considering that creditors have loose demands based on Prologis' pristine financials, coupled with the company being the largest U.S. REIT in the sector, we find it incredibly unlikely that other REITs could attract cheaper financing than Prologis. Prologis has a unique competitive advantage in that regard.

## Final Thoughts & Recommendation

Investors looking to buy into a growing REIT with such a diversified tenant base have limited options nowadays. In our view, Prologis combines growth with numerous operating qualities. We project annual total returns of 6.5% through 2031, driven by our 8.0% FFO/share growth estimate, the 2.9% starting yield, and the possibility of a 4.2% annual valuation headwind. We assign a hold rating to Prologis.

## Total Return Breakdown by Year

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## Income Statement Metrics

| Year | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|
| Revenue | 2804 | 3331 | 4439 | 4759 | 5974 | 8,023 | 8,202 | 8,790 |
| Gross Profit | 2047 | 2412 | 3269 | 3511 | 4465 | 6,013 | 6,144 | 3,929 |
| Gross Margin | 73.0% | 72.4% | 73.6% | 73.4% | 74.7% | 74.9% | 74.9% | 44.7% |
| SG&A Exp. | 239 | 267 | 275 | 293 | 331 | 390 | 419 | 0 |
| D&A Exp. | 947 | 1140 | 1562 | 1578 | 1813 | 2,485 | 2,581 | 2,626 |
| Operating Profit | 847 | 992 | 1402 | 1617 | 2280 | 3,084 | 3,098 | 3,276 |
| Op. Margin | 30.2% | 29.8% | 31.6% | 34.0% | 38.2% | 38.4% | 37.8% | 37.3% |
| Net Profit | 1649 | 1573 | 1482 | 2940 | 3365 | 3,059 | 3,732 | 3,565 |
| Net Margin | 58.8% | 47.2% | 33.4% | 61.8% | 56.3% | 38.1% | 45.5% | 40.6% |
| Free Cash Flow | 1804 | 2264 | 2937 | 2996 | 4126 | 5,373 | 4,912 | 4,119 |
| Income Tax | 63 | 75 | 131 | 174 | 135 | 211 | 167 | 204 |

## Balance Sheet Metrics

| Year | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|
| Total Assets | 38418 | 40032 | 56070 | 58490 | 87900 | 93,020 | 95,330 | 98,720 |
| Cash & Equivalents | 344 | 1089 | 598 | 556 | 278 | 530 | 1,319 | 1,146 |
| Acc. Receivable | 107 | 86 | 189 | 424 | 378 | 326 | 407 | - |
| Goodwill & Int. | 451 | 314 | 727 | 553 | 1183 | 1,011 | 765 | 588 |
| Total Liabilities | 12617 | 13960 | 19740 | 20740 | 30030 | 35,200 | 36,710 | 40,970 |
| Accounts Payable | 761 | 705 | 1143 | 1253 | 1712 | 1,766 | 1,769 | - |
| Long-Term Debt | 11090 | 11906 | 16850 | 17720 | 23880 | 29,000 | 30,880 | 37,050 |
| Total Equity | 22229 | 22584 | 31910 | 33360 | 53170 | 53,120 | 53,890 | 53,130 |
| LTD/E Ratio | 0.50 | 0.53 | 0.53 | 0.53 | 0.45 | 0.55 | 0.57 | 0.70 |

## Profitability & Per Share Metrics

| Year | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|
| Return on Assets | 4.9% | 4.0% | 3.1% | 5.1% | 4.6% | 3.4% | 4.0% | 3.7% |
| Return on Equity | 8.7% | 7.0% | 5.4% | 9.0% | 7.8% | 5.3% | 6.4% | 6.1% |
| ROIC | 5.1% | 4.2% | 3.3% | 5.4% | 4.9% | 3.6% | 4.2% | 3.8% |
| Shares Out. | 590 | 655 | 754 | 765 | 812 | 952 | 954 | 957 |
| Revenue/Share | 4.75 | 5.09 | 5.88 | 6.22 | 7.36 | 8.43 | 8.60 | 9.19 |
| FCF/Share | 3.06 | 3.46 | 3.89 | 3.92 | 5.08 | 5.65 | 5.15 | 4.31 |

*Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.*