



Rejection of Prologis approach reflects a fundamental valuation gap



Matthew Norris, head of Real Estate Securities and manager of the TM Gravis UK Listed Property Fund, comments on Prologis' approach for SEGRO plc:

"The rejection of Prologis' initial approach reflects what we see as a fundamental valuation gap. While the 925p proposal may align with SEGRO's reported net asset value, NAV alone does not, in my opinion, capture the strategic worth of a business of this quality.

"SEGRO has built one of Europe's leading logistics platforms over many decades, with a portfolio that combines prime urban and big box logistics assets, embedded rental growth potential, and increasingly valuable optionality through its exposure to powered land and data centre development opportunities. Those characteristics create scarcity value that is difficult to replicate and should

command a meaningful control premium in any acquisition scenario.

"The board's response suggests it believes the proposal fails to adequately compensate shareholders for that long-term strategic value. In situations like this, NAV should be viewed as a starting point rather than the final measure of what a business is worth to an acquirer.

"If Prologis chooses to return with an improved offer, investors will rightly expect any revised proposal to fully reflect not only the quality of the underlying portfolio, but also the strategic benefits and future growth potential that ownership of SEGRO would provide."

Ends

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Disclosure

Gravis is an investor in both Prologis and SEGRO plc.

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