

# Digital Realty Trust Inc

DLR  
NYSE

**D** Underperform  
Data as of 12/31/2020

## SCHWAB EQUITY RATING

**D** Underperform  
Percentile Ranking: 82  
Data as of 12/31/2020

Last week's rating: **D** Underperform  
Percentile Ranking: 84  
Data as of 12/24/2020

A	1-10	Strongly Outperform	BUY
B	11-30	Outperform	BUY
C	31-70	Marketperform	HOLD
<b>D</b>	71-90	Underperform	<b>SELL</b>
F	91-100	Strongly Underperform	SELL

Schwab Equity Ratings is a quantitative measure of the equity's prospects for stock price appreciation over the next twelve months in relation to its market peers.

For more details about the quantitative model's design and intent, please review the Schwab Equity Foundations document.

For more information on important disclosures please visit page 4 within this report.

## PRICE VOLATILITY OUTLOOK

**Low** Below average price volatility  
Data as of 12/31/2020

Last week's rating: Low  
Data as of 12/24/2020

High	Above average price volatility
Medium	Average price volatility
<b>Low</b>	<b>Below average price volatility</b>
N/A	Volatility score not available

Price Volatility Outlook measures the degree of variance typically demonstrated by the equity in relation to its peers within the same A-F ratings group. The outlook's measurement is based on a six month forecast.

Investment suitability is partially dependent on your portfolio risk tolerance. Positive or negative connotations associated with the price volatility outlook score should mirror your personal risk appetite. For more information, please consult Managing a Portfolio Using Schwab Equity Ratings.

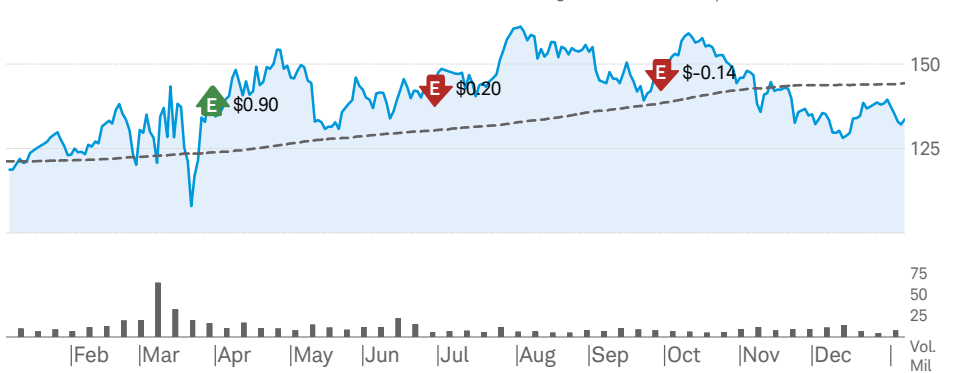
## RATIONALE BEHIND OUR **D** RATING ON DLR

For details about inputs to Schwab Equity Rating, see "Schwab Equity Ratings Foundations" in the "Stocks" article library under Market Insight. ▲ IMPROVED VS. PREVIOUS WEEK ▼ DECLINED VS. PREVIOUS WEEK

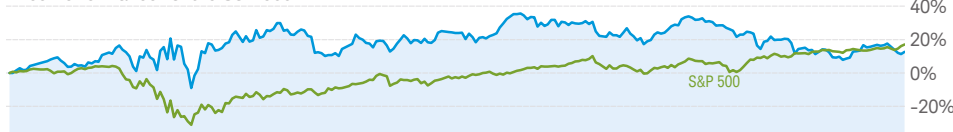
	THIS WEEK	LAST WEEK	AVERAGE IMPORTANCE
<b>D</b> Growth Grade	Negative	Negative	Medium
<b>D</b> Quality Grade	Negative	Negative	High
<b>C</b> Sentiment Grade	Neutral	Neutral	High
<b>C</b> Stability Grade	Neutral	Neutral	Low
<b>D</b> Valuation Grade	Negative	Negative	Medium

## PRICE & VOLUME HISTORY

DLR Daily Close Prices  
Data source: Refinitiv  
Next earnings announcement is expected in the week of 2/11



## Price Performance vs. the S&P 500



## BUSINESS SUMMARY

Source: Reuters

Digital Realty Trust Inc. is a real estate investment trust (REIT). The Company is engaged in the business of owning, acquiring, developing and operating data centers. It provides data center, colocation and interconnection solutions for customers ac...

For more details, see page 2.

## OVERVIEW

Source: Reuters

Price as of 1/7/21	\$133.61
Market Capitalization	\$37.4 Billion
Asset Class	Large Cap
Beta	0.14

## SECTOR/INDUSTRY

Source: S&P Global

Sector	Real Estate
Industry	Equity Real Estate
	Investment Trusts (REITs)
Sub-Industry	Specialized REITs

Schwab Sector Viewpoint Marketperform

## METRICS

Source: Refinitiv

VALUE METRICS	DLR	S&P 500
P/E last 4Q	54.2	36.9
P/E forecast EPS	123.7	48.2
P/Free Cash Flow last 4Q	--	24.9
P/Sales last 4Q	10.32	2.80
Price/Book	2.2	16.3
Dividend Yield(%)	3.4	1.8

## GROWTH METRICS (%)

1 year sales growth	13.4	-8
3 year sales growth	14.4	13.5
1 year EPS growth	146.6	-25.8
3 year EPS growth	2.2	22.5
1-year forecast EPS growth	-54.0	23.7
Long term growth rate 3-5 years	--	13.5
1 year dividend growth	7.3	8.5
3 year dividend growth	6.8	12.4

## MOMENTUM METRICS (%)

4 week stock price change	3.0	3.7
26 week stock price change	-9.1	20.7

## FINANCIAL METRICS (%)

Gross margin	61.6	43.7
Net margin	18.0	7.7
Return on assets	2.2	2.8
Return on equity	4.3	11.4
Return on invested capital	2.5	10.9
Long-term debt/capital	.41	.45

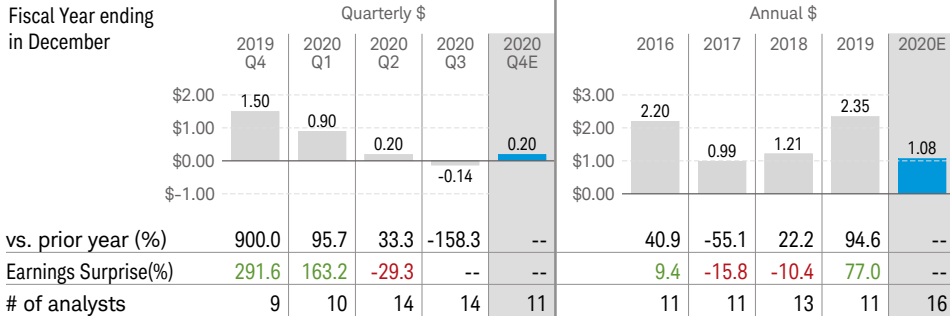
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## EARNINGS PER SHARE

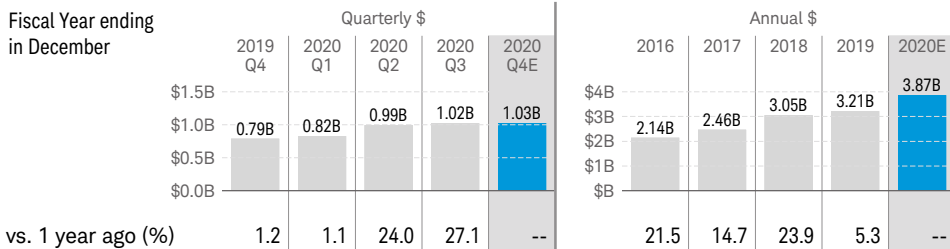
Earnings data source: Refinitiv



Next earnings announcement is expected in the week of 2/11

## REVENUE

Revenue data source: Refinitiv



## ANNUAL EARNINGS FORECAST

Source: Refinitiv

	MEAN FORECAST	CONSENSUS CHANGE IN LAST 30 DAYS	FORECAST RANGE	NUMBER OF FORECASTS
12/31/2020	\$1.08	\$0.00	\$0.95-\$1.28	16
12/31/2021	\$1.06	-\$0.01	\$0.61-\$1.39	16

## DIVIDENDS

Dividends data source: Refinitiv



Dividends are paid on a Quarterly basis.

## OTHER OPINIONS

CFRA RANKING SINCE 06/09/2017



Morningstar Rating RATING SINCE 11/09/2020



Credit Suisse Rating RATING SINCE 06/01/2020



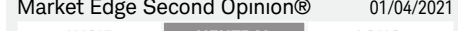
Argus 12 Month Rating RATING SINCE 07/03/2019



Ned Davis Rating RATING SINCE 10/19/2020



Market Edge Second Opinion® RATING SINCE 01/04/2021



Reuter's Average Rating RATING SINCE 12/31/2020



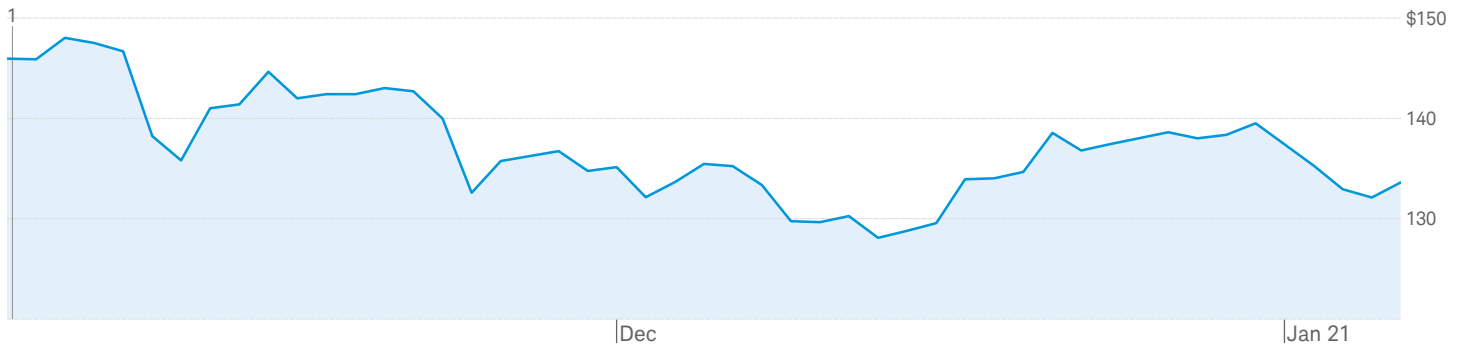
## BUSINESS DESCRIPTION

Source: Reuters

Digital Realty Trust Inc. is a real estate investment trust (REIT). The Company is engaged in the business of owning, acquiring, developing and operating data centers. It provides data center, colocation and interconnection solutions for customers across a range of industry verticals ranging from cloud and information technology services, communications and social networking to financial services, manufacturing, energy, healthcare, and consumer products. Its portfolio consists of approximately 225 data centers, of which 147 are located in the United States, 41 are located in Europe, 19 are located in Latin America, 10 are located in Asia, five are located in Australia and three are located in Canada. PlatformDIGITAL is its platform for centers of data exchange, interconnection, and colocation solutions.

# Digital Realty Trust Inc

## NEWS HEADLINES



**1 11/02/20 4:48 pm ET...** CFRA Maintains Hold Opinion on Shares of Digital Realty Trust, Inc. (DLR 144.30 \*\*\*): We keep our 12-month target price at \$170, 25.9x our '21 FFO estimate, comparable to the peer average, reflecting favorable industry trends and benefits from recent expansion efforts. We raise our '20 FFO estimate by \$0.06 to \$6.03 and increase '21's by \$0.07 to \$6.56. DLR reported Q3 FFO of \$1.54 vs \$1.67, \$0.05 higher than the consensus. Q3 revenue increased 27%, with total bookings of \$89 million, including a \$14 million contribution from interconnection and a record 130 new logos. DLR signed \$160 million of renewals in Q3 with a 0.2% drop in cash rents. We remain confident in DLR's growth potential, as it is fortunate to be primarily serving customers whose businesses are thriving in the current environment. DLR will continue, in our view, to capitalize on favorable conditions in the debt capital markets to reduce interest costs and push back maturities.. /Keith Snyder

# Digital Realty Trust Inc

## IMPORTANT DISCLOSURES FOR DLR

**Regulation Analyst Certification:** The views expressed in this research report accurately reflect Schwab's quantitative research model, and no part of Schwab's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views disclosed in the research report.

Note the Price Chart in the disclosures of this report which shows the rating and price history over applicable periods for this stock, including if and when coverage was terminated or suspended.

Within the previous 12 months, the percentage of companies that have a Schwab Equity Rating and for which Schwab has provided investment banking services are as follows:

- 5.55% in Buy Category (Schwab Equity Ratings and Schwab Equity Ratings International of A or B)
- 3.7% in Hold Category (Schwab Equity Ratings and Schwab Equity Ratings International of C)
- 1.5% in Sell Category (Schwab Equity Ratings and Schwab Equity Ratings International of D or F)

Price History for DLR

Schwab Equity Rating History for DLR



## SCHWAB EQUITY RATINGS MEANING AND DISTRIBUTION

Schwab Equity Ratings are assigned to approximately 3000 U.S.-traded stocks. The Schwab Equity Ratings model universe is generally composed of the combined set of stocks in the Russell Investments' ("Russell") 3000 Index and the Standard & Poor's ("S&P") 500. Additional universe coverage may be incorporated from time to time. The explanation and table below are included to assist you in using Schwab Equity Ratings as one component of your own research to evaluate stocks and investment opportunities.

Schwab rates stocks using a scale of A/B/C/D/F. Schwab's outlook is that "A" rated stocks, on average, will strongly outperform and "F" rated stocks, on average, will strongly underperform the equities market over the next 12 months. Schwab Equity Ratings are based upon a disciplined, systematic approach that evaluates each stock on the basis of a wide variety of investment criteria from five broad categories: Growth, Quality, Sentiment, Stability and Valuation. This approach attempts to gauge investor expectations since stock prices tend to move in the same direction as changes in investor expectations. Stocks with low and potentially improving investor expectations tend to receive the best Schwab Equity Ratings ("A" or "B" ratings), while stocks with high and potentially falling investor expectations tend to receive the worst Schwab Equity Ratings ("D" or "F" ratings). Schwab may update the Schwab Equity Ratings methodology.

### Schwab Equity Ratings Distribution

Schwab Equity Rating	Percentile Ranking Distribution	Distribution	12 Month Return Outlook	General Buy/Hold/Sell Guidance*
A	1 - 10	Top 10%	Strongly Outperform	Buy
B	11 - 30	Next 20%	Outperform	Buy
C	31 - 70	Next 40%	Marketperform	Hold
D	71 - 90	Next 20%	Underperform	Sell
F	91 - 100	Bottom 10%	Strongly Underperform	Sell

\*The general buy/hold/sell guidance is relative to other rated equities only. Before considering whether to take any action, an investor should consider whether equities generally are performing well in comparison to other asset classes and whether other equities in the same sector or category with the same or better rating may be more appropriate.

### Investment Rating Explanation

**A (Strongly Outperform):** If an investor is looking to add a stock to his or her portfolio, "A" rated stocks may be the best candidates for consideration.

**B (Outperform):** An investor looking to add a stock to his or her portfolio might also consider a "B" rated stock, though preference should be given to "A" rated stocks.

**C (Marketperform):** An investor would not usually consider a "C" rated stock for purchase. An investor holding a "C" rated stock in his or her portfolio should consider continuing to hold the stock, and might monitor the stock's ongoing performance and compare the potential benefits of owning a stock with higher ratings.

**D (Underperform):** An investor holding a "D" rated stock should consider whether it is appropriate to continue to hold that stock in his or her portfolio. An investor would not usually consider a "D" rated stock for purchase.

**F (Strongly Underperform):** An investor holding an "F" rated stock should consider whether it is appropriate to eliminate that stock from his or her portfolio. An investor would not usually consider an "F" rated stock for purchase.

**Percentile Rankings Explanation:** Each of the approximately 3,000 stocks rated in the Schwab Equity Ratings U.S. universe is given a composite score that is derived from the research factors used in the Schwab Equity Ratings model. Once the stock's composite score, which includes all research factor scores, is calculated, the universe of rated stocks is divided into percentiles ranging from 1 to 100. The lowest percentile rankings represent the best Schwab Equity Rating Model scores and correspond to the best letter grades. For example, in a universe of 1000 stocks, the top 10 stocks would receive a percentile ranking of 1 and the bottom 10 stocks would receive a percentile ranking of 100. Stocks ranked in percentile groups 1-10 are rated "A" and those in percentile groups 11-30 are rated "B", and so forth.

### Model Risks

Schwab Equity Ratings uses quantitative analyses in its modeling method. Any limitations or inaccuracies in its analyses or models could affect model performance and the results investors may achieve. Models that appear to explain prior market data can fail to predict future market events. While the data used in the models has been taken from sources Schwab believes to be reliable; its accuracy, completeness or interpretation cannot be guaranteed. Schwab Equity Ratings may not capture subjective, qualitative influences on return and risk such as changes in management, business and political trends, or legal and regulatory developments. Thus, it is important to conduct additional research prior to making a trading decision.

# Digital Realty Trust Inc

## IMPORTANT DISCLOSURES FOR DLR

### Descriptions for Non-Rated Stocks

Category	Definition	Description
NR	Not Rated	Schwab has decided not to publish a rating on this stock due to unusual or extraordinary business circumstances related to this company. Although Schwab generally does not monitor C, D, and F rated stocks for unusual or extraordinary business circumstances, from time to time, a rating of NR may appear on a particular stock.
NC	Not Covered	This stock is not currently in the Schwab Equity Ratings universe or is prohibited from coverage for regulatory or other reasons.

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Â¹Markit on Demand used S&P Global's data in making its calculations.