



# Northland Power Inc. (NPIFF)

Updated November 24<sup>th</sup>, 2025 by Nikolaos Sismanis

## Key Metrics

<b>Current Price:</b>	\$12.00	<b>5 Year Annual Expected Total Return:</b>	10.1%	<b>Market Cap:</b>	\$3.16 B
<b>Fair Value Price:</b>	\$13.50	<b>5 Year Growth Estimate:</b>	2.0%	<b>Ex-Dividend Date:</b>	11/28/2025
<b>% Fair Value:</b>	89%	<b>5 Year Valuation Multiple Estimate:</b>	2.4%	<b>Dividend Payment Date:</b>	12/15/2025
<b>Dividend Yield:</b>	7.1%	<b>5 Year Price Target</b>	\$14.91	<b>Years Of Dividend Growth:</b>	0
<b>Dividend Risk Score:</b>	F	<b>Sector:</b>	Utilities	<b>Rating:</b>	Sell

## Overview & Current Events

Headquartered in Toronto and operating across seven countries, Northland Power develops, builds, owns, and operates power generation assets, including offshore and onshore wind, solar, natural gas, and battery energy storage systems. It also supplies energy through a regulated utility in Colombia. Northland manages 3.2 GW of gross operating capacity and has 2.4 GW in active construction across three projects: Hai Long (Taiwan), Baltic Power (Poland), and Oneida (Canada), with a broader development pipeline totaling about 10 GW. Northland Power pays dividend on a monthly basis. It trades on the Toronto Stock Exchange and Over the Counter at a market cap of about \$3.16 billion. Northland reports in CAD. All figures have been converted to USD unless otherwise noted.

On November 12<sup>th</sup>, 2025, Northland Power reported its Q3 results for the period ending September 30<sup>th</sup>, 2025. Revenue grew 13% year-over-year to about \$393 million, driven by higher offshore wind production, continued strong contributions from North American onshore wind, and incremental benefits from the Oneida battery storage facility, partially offset by weaker results from Spanish onshore assets.

Adjusted EBITDA rose 13% to about \$182 million, supported by stronger offshore wind output, the full-quarter impact of Oneida, and improved performance at natural gas facilities, partially offset by lower production from Spain. Net loss was \$324 million compared to a loss of \$136 million a year earlier, mainly due to a large non-cash impairment at the Nordsee One offshore wind facility and fair value movements on financial instruments.

Northland reaffirmed its full-year Adjusted EBITDA guidance of CAD \$1.2 billion to \$1.3 billion (\$852 million to \$923 million in USD), consistent with the revised outlook provided in August, reflecting year-to-date offshore wind variability while incorporating ongoing contributions from Oneida and progress at Hai Long. For the year, we still expect EPS of \$1.08.

## Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
<b>EPS</b>	(\$0.05)	\$0.47	\$0.68	\$1.07	\$1.29	\$1.45	\$0.65	\$2.55	(\$0.54)	\$0.72	<b>\$1.08</b>	<b>\$1.19</b>
<b>DPS</b>	\$0.78	\$0.80	\$0.87	\$0.88	\$0.92	\$0.94	\$0.95	\$0.89	\$0.91	\$0.83	<b>\$0.85</b>	<b>\$0.94</b>
<b>Shares<sup>1</sup></b>	167.6	172.9	175.4	189.6	187.6	201.2	218.9	236.2	252.7	257.3	<b>261.5</b>	<b>260.0</b>

Northland's EPS has historically been notably volatile, with sharp swings including both strong gains and even negative figures in certain years. This volatility, however, is largely the result of one-off, non-cash accounting items rather than fundamental issues with the company's operations. EPS is frequently impacted by fair value adjustments on derivatives, impairments on development assets, and the timing of large-scale project construction phases. For example, in 2023, despite achieving over \$1.2 billion in Adjusted EBITDA and a 95%+ availability across its assets, Northland posted a loss due to unrealized losses on financial instruments and upfront costs for its \$16 billion development pipeline.

Weather variability, particularly in offshore wind, can also play a role in short-term revenue fluctuations. However, these factors mask the actual strength of the business. Northland consistently generates strong free cash flow and maintains a

<sup>1</sup> Share count is in millions.

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portfolio of long-term, inflation-linked power purchase agreements that support stable, contracted income. When you view the company through the lens of core metrics like Adjusted EBITDA and cash flow per share, which routinely meets or exceeds guidance, the Northland reveals itself to be highly resilient. Moving forward we have assumed a 2% CAGR in our EPS and dividend per share estimates, which we believe can be supported by the company's long-term contracted cash flows, growing contribution from new projects like Hai Long, Baltic Power, and Oneida as they come online.

Note that while Northland's DPS has remained stable at rate of CAD 1.20 per annum since 2018, the company has never cut its dividend. Still dividend growth has been infrequent and modest rates. For context, the annual dividend in 1998 was CAD 0.88. Thus, you can see that dividend growth has been extremely slow over the decades.

## Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	---	31.6	25.1	16.6	14.3	16.6	---	12.2	---	23.0	<b>11.1</b>	<b>12.5</b>
Avg. Yld.	5.5%	5.4%	5.1%	5.0%	5.0%	3.9%	6.9%	2.9%	3.8%	5.0%	<b>7.1%</b>	<b>6.4%</b>

Northland's past P/E ratio figures become mostly irrelevant in the face of the one-off items, non-cash items that often widely sway its underlying earnings. Regardless, based on our EPS estimate for the year, which assumes the company's earnings potential under normal conditions, we find shares to be undervalued here. Our fair value estimate is 11.1x and takes into account both Northland's qualities and the lack of meaningful growth expectations.

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

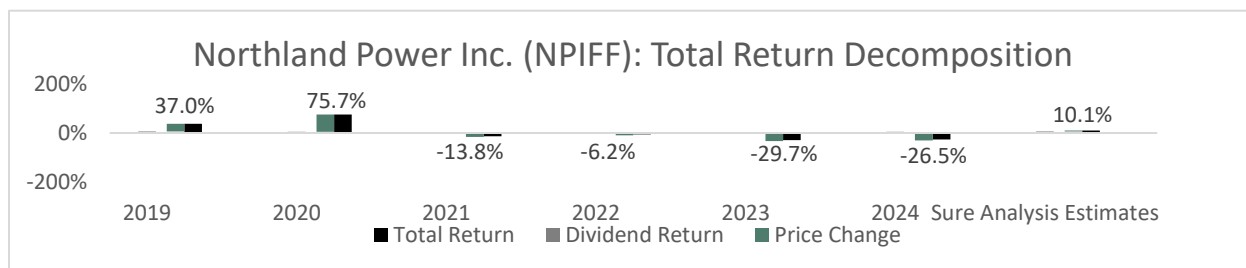
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	---	---	---	82%	71%	65%	---	35%	---	115%	<b>79%</b>	<b>79%</b>

Northland Power stands out for its high operational reliability, and consistent asset performance, with availability rates above 95%. Its long-term, inflation-linked contracts provide stable, predictable cash flows, forming a strong foundation for its dividend, which has remained steady even through the toughest economic cycles. Its competitive edge lies in its leadership in offshore wind, deep development pipeline, and global partnerships that enable efficient project execution and scale. With electricity demand largely insulated from downturns, and a revenue model built on contracted assets, Northland, we believe Northland is well-positioned to maintain its current level of payouts and potentially grow the dividend gradually. We also remind that Northland's past payout ratio figures are mostly meaningless given the one-off items impacting earnings from time to time.

## Final Thoughts & Recommendation

Northland Power offers a compelling investment case anchored by long-term, inflation-linked cash flows from a high-quality, contracted asset base, with strong visibility into future cash flows. Still, growth on a per-share basis has been mostly underwhelming over the years, a trend which we expect will endure moving forward. We expect annualized returns of 10.1% moving forward, which we expect to be driven by the dividend and the possibility of some soft growth ahead, offset by a valuation headwind. However, given the lack of dividend growth, we rate the stock as a sell.

## Total Return Breakdown by Year



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## Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	570	830	1,062	1,200	1,250	1,538	1,670	1,882	1,654	1,712
Gross Profit	394	684	954	1,112	1,162	1,387	1,499	1,674		
Gross Margin	69.0%	82.4%	89.9%	92.7%	93.0%	90.2%	89.8%	89.0%	0.0%	0.0%
SG&A Exp.	33	49	66	62	35	51	54	65	85	83
D&A Exp.	113	187	286	335	349	428	507	480	483	491
Operating Profit	186	361	468	537	580	625	611	796	536	609
Operating Margin	32.7%	43.5%	44.1%	44.8%	46.4%	40.6%	36.6%	42.3%	32.4%	35.6%
Net Profit	1	92	124	215	242	284	151	636	(130)	198
Net Margin	0.2%	11.1%	11.7%	17.9%	19.3%	18.5%	9.1%	33.8%	-7.8%	11.6%
Free Cash Flow	-1,262	(684)	26	569	345	817	573	1,007	273	348
Income Tax	(10)	22	35	65	59	86	122	234	29	140

## Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	5,308	6,426	8,175	7,589	8,022	8,940	10,095	10,479	10,272	9,479
Cash & Equivalents	109	228	319	204	205	341	528	958	558	427
Accounts Receivable	86	117	216	202	226	292	301	405	299	190
Inventories	10	12	14	13	16	19	29			
Goodwill & Int. Ass.	334	327	627	577	556	974	981	905	819	705
Total Liabilities	4,294	5,406	7,016	6,458	6,865	7,369	7,769	6,998	6,892	6,304
Accounts Payable	171	171	274	145	148	198	108	113	122	118
Long-Term Debt	3,649	4,607	5,878	5,488	5,523	5,951	6,044	5,137	5,425	5,018
Shareholder's Equity	528	500	545	595	615	1,201	1,958	3,129	3,046	2,816
D/E Ratio	5.10	6.65	7.81	6.97	6.78	4.23	2.80	1.59	1.72	1.72

## Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.0%	1.6%	1.7%	2.7%	3.1%	3.4%	1.6%	6.2%	-1.3%	2.0%
Return on Equity	0.1%	9.0%	11.4%	18.7%	21.1%	20.9%	7.8%	21.9%	-3.8%	6.1%
ROIC	0.0%	1.8%	2.0%	3.1%	3.6%	4.0%	1.9%	7.5%	-1.5%	2.3%
Shares Out.	167.6	172.9	175.4	189.6	187.6	201.2	218.9	236.2	252.7	257.3
Revenue/Share	3.40	4.80	6.05	6.33	6.66	7.65	7.63	7.97	6.54	6.65
FCF/Share	-7.53	(3.96)	0.15	3.00	1.84	4.06	2.62	4.26	1.08	1.35

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

### Disclaimer

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