HA Sustainable Infrastructure Capital (HASI)

Updated February 16th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$40	**5 Year Annual Expected Total Return:**	9.4%	**Market Cap:**	$5.12 B
Fair Value Price:	$34	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	04/02/2026
% Fair Value:	118%	**5 Year Valuation Multiple Estimate:**	-3.2%	**Dividend Payment Date:**	04/17/2026
Dividend Yield:	4.3%	**5 Year Price Target**	$52	**Years Of Dividend Growth:**	8
Dividend Risk Score:	C	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

HA Sustainable Infrastructure Capital is a U.S. public company focused on climate change solutions, investing in energy efficiency, renewable energy, and sustainable infrastructure. The company's $16.1 billion managed asset portfolio is concentrated in Residential Solar & Storage (32%), Grid-Connected Solar & Storage (17%), and Onshore Wind (17%), with Fuels, Transport & Nature representing 15%. The remainder is allocated to Community Solar (9%), C&I (6%), Public Sector (3%), and Other (1%), reflecting a balanced mix across distributed, utility-scale, and broader decarbonization assets. The company is based in Annapolis, Maryland. In December 2023, Hannon Armstrong's Board approved a plan to revoke its Real Estate REIT election and become a taxable C-Corporation, effective January 1st, 2024.

On February 12th, 2026, HASI reported its Q4 and full-year results for the period ended December 31st, 2025. For the full year, total revenues reached $408.5 million, compared with $383.6 million in 2024. Adjusted EPS for 2025 increased to $2.70, up 10.2% from $2.45 in 2024, while GAAP diluted EPS was $1.41 versus $1.62 in the prior year.

Driving performance was adjusted recurring net investment income of about $362 million in 2025, up from $289 million in 2024, reflecting continued growth in recurring cash flows. Adjusted earnings rose to $342 million from $291 million a year earlier. Gain on sale revenue was $65 million, compared with $80 million in 2024, as recurring income continued to represent a larger share of total profitability.

HASI remained highly active on the investment front, closing $4.3 billion of transactions in 2025, including landmark Q4 investments of $500 million with Sunrun and $1.2 billion with Pattern. Managed assets increased to $16.1 billion as of year-end, up 18% year-over-year.

On the outlook front, management introduced a new 2028 guidance framework, targeting adjusted EPS of $3.50–$3.60 and adjusted ROE of greater than 17% by then, while aiming to lower the payout ratio to below 50%. They also reiterated its expectation of delivering about 10% average annual growth in adjusted EPS over the long term.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
AEPS[1]	$0.32	$0.57	$0.75	$1.40	$1.55	$1.88	$2.08	$2.23	$2.45	$2.70	***$3.55***	***$5.46***
DPS	$1.23	$1.32	$1.32	$1.34	$1.36	$1.40	$1.50	$1.58	$1.66	$1.68	***$1.70***	***$2.38***
Shares[2]	40.3	50.4	52.8	63.9	72.4	80.0	87.5	101.8	115.5	123.0	***123.0***	***160.0***

From 2016 to 2025, HASI grew adjusted EPS from $0.32 to $2.70 (26.7% CAGR) by shifting from a transactional lender to a scaled, recurring-income platform. Managed assets expanded to $16.1 billion, with a focus on Recurring Net Investment Income reducing reliance on gain-on-sale timing. Returns on new investments rose above 10.5%, outpacing higher debt costs. We have applied an AEPS growth rate of 9% through 2031, slightly below management's AEPS growth guidance to be somewhat prudent. We retain our dividend growth estimate of 7%, which reflects management's intention to maintain the payout ratio below 50% by 2028.

[1]Adjusted (formerly distributable) earnings per share

[2] Share count is in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/AEPS	65.6	42.1	24.6	20.0	15.9	29.2	16.3	12.0	11.2	10.0	***11.2***	***9.5***
Avg. Yld.	5.7%	6.0%	6.6%	4.6%	4.6%	2.6%	4.4%	5.9%	6.1%	6.2%	***4.3%***	***4.6%***

HASI's historical P/E ratio reflects the market's expectations for the company's rapid AEPS growth, hence the prolonged premium. We have set our fair P/AEPS multiple at 9.5, which reflects both the higher equity risk premium investors ought to require from a YieldCo in the current environment and the company's growth prospects. Thus, at a P/AEPS of 11.2, we believe that HASI is somewhat overvalued. The stock features a yield of 4.3%, which income investors are likely to appreciate, considering the bold dividend growth guidance.

Safety, Quality, Competitive Advantage, & Recession Resiliency

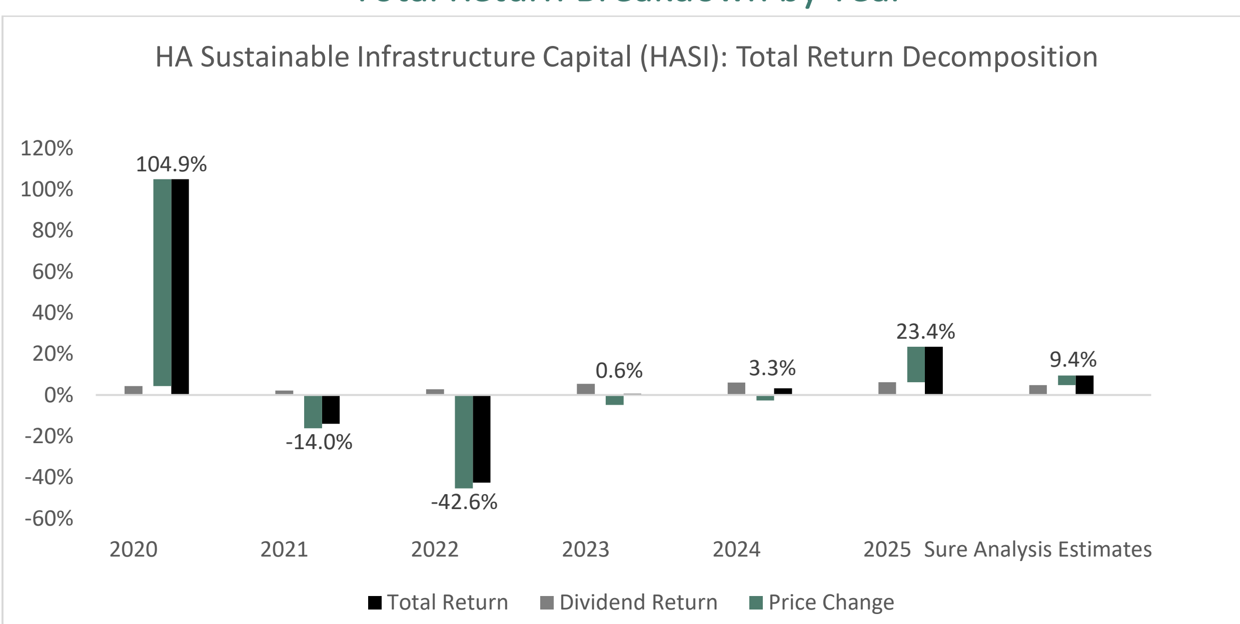
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	384%	232%	176%	96%	88%	74%	72%	71%	68%	62%	***48%***	***44%***

HASI maintains a solid footing by focusing on long-term, contract-based investments in renewable energy and energy efficiency projects, often backed by creditworthy counterparties. These contractual agreements create relatively predictable cash flows, helping to insulate HASI from broader market volatility. Although rising interest rates can affect financing costs, the company's diversified portfolio and active risk management have historically supported a stable dividend. The environmental, social, and governance (ESG) theme has lost traction globally lately. Still, HASI's emphasis on climate solutions remains quite relevant, in line with its notable opportunity backlog. We believe the dividend is set to remain well-covered, especially given management's forward-looking guidance.

Final Thoughts & Recommendation

Despite its small market cap, HASI is one of the leading diversified renewable energy asset operators. Management has proven its skills in rapidly growing HASI's infrastructure portfolio while its backlog stands at an all-time high. We now forecast annualized returns of 9.4% through 2031, powered by the stock's 4.3% yield, our adjusted EPS and DPS growth estimates, offset by the possibility of a valuation headwind. Shares earn a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	32.2	42.1	62.8	84.7	141.5	142.7	218	155.5	290	389
SG&A Exp.	7.3	8.3	11.2	15.1	14.7	14.9	20	30	31	33
D&A Exp.	4.0	7.7	3.6	4.5	3.6	3.6	3.8	4	3	1
Net Profit	8.0	14.7	30.9	41.6	81.6	82.4	127	41.5	149	200
Net Margin	24.7%	34.8%	49.1%	49.1%	57.6%	57.7%	58.3%	26.7%	51.4%	51.4%
Free Cash Flow	18.5	56.9	11.7	58.8	29.5	72.3	13.3	0.2	100	5.9
Income Tax	0.1	0.1	0.9	2.1	8.1	-2.8	17.2	7.4	32	70

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	32.2	42.1	62.8	84.7	141.5	3459	4148	4760	6552	7080
Cash & Equivalents	7.3	8.3	11.2	15.1	14.7	286.3	226	156	63	130
Total Liab.	4.0	7.7	3.6	4.5	3.6	2249	2582	3095	4411	4,675
Accounts Payable	8.0	14.7	30.9	41.6	81.6	59.9	---	---	---	276
Long-Term Debt	635	911	975	1428	1242	1393	2189	2493	4247	4400
Total Equity	18.5	56.9	11.7	58.8	29.5	1203	1545	1629	2092	1883
LTD/E Ratio	0.1	0.1	0.9	2.1	8.1	1.8	1.61	1.83	2030	1.88

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.6%	0.9%	1.5%	1.9%	3.6%	2.8%	3.3%	0.9%	2.6%	2.9%
Return on Equity	2.3%	2.9%	5.1%	5.8%	9.4%	7.7%	9.2%	2.6%	7.8%	8.8%
ROIC	0.7%	1.0%	1.7%	2.0%	3.7%	2.9%	3.4%	1.0%	2.7%	3.0%
Shares Out.	30.8	40.3	50.4	52.8	64.8	74.4	87.7	90.6	109.5	130.5
Revenue/Share	1.05	1.04	1.25	1.60	2.18	1.92	2.49	1.72	2.65	2.98
FCF/Share	0.60	1.41	0.23	1.11	0.46	0.99	0.15	0.00	0.91	0.04

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

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