

### **DESK NOTE**

# HA Sustainable Infrastructure Capital (HASI US) -Seizing the A? Opportunity: HAS? as a good

### play to recent Biden's executive order

Conclusive Summary: HASI presents a compelling investment opportunity to recent Biden administration's executive order, also driven by its strategic positioning in climate-focused infrastructure financing and resilience in navigating market challenges. Despite recent GAAP losses and elevated interest costs, the company has shown strong portfolio growth, with managed assets increasing to \$13.1 billion (+14% YoY) and new investment yields rising to 10.5%. The Biden administration's executive order enabling AI companies to lease federal sites for datacenters further supports HASI's growth prospects amid surging power demands, combined with a favorable bear steepener (rising 10Y/2Y spread). The company forecasts an 8-10% CAGR in EPS through 2026, supported by a manageable 60-70% payout ratio (expected 5-6% dividend yield), while a target price of \$36.20 (+34% from current levels) highlights meaningful upside potential and solid dividend prospects. With institutional investors increasing their holdings and upcoming 4Q24 results expected to act as catalysts with further analyst upgrades, we recommend adding HASI at or below \$27, leveraging the current share weakness to capitalize on medium-term growth potential.

Competitive Position: Hannon Armstrong Sustainable Infrastructure Capital, Inc. (HASI) stands out in the renewable energy and climate finance sector with its unique focus on climate-positive investments and its proprietary CarbonCount® metric, which quantifies the environmental impact of each project. Unlike peers such as Brookfield Renewable Partners, NextEra Energy Partners, and Clearway Energy, HASI combines innovative securitization strategies with a diversified portfolio spanning behind-the-meter, grid-connected, and sustainable fuels projects. This integration of environmental impact measurement, financial expertise, and sector diversity positions HASI as a distinctive leader in advancing the energy transition.

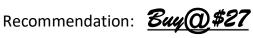
Valuation: Using a combination of forward P/E and P/B multiples we reach a blended target price (TP) of \$36.20, around +34% above current levels. The stock is trading at a discount to its 2-year and 5-year multiple averages. We recommend adding HASI stock at or below \$27.



## 16.01.2025

#### Ticker: HASI US

Previous day close price: \$27.56 Price range (52w.): \$21.77 - \$36.56 Target price: \$36.20 (+34% upside)



Description: Hannon Armstrong Sustainable Infrastructure Capital, Inc. (HASI) is a leading investor climate-positive infrastructure, in targeting greenhouse gas reductions through investments in renewable energy, energy efficiency, and sustainable projects. The company operates across three key sectors: Behind-the-Meter (BTM) distributed energy systems, Grid-Connected (GC) utility-scale renewables, and Fuels, Transport, and Nature (FTN) initiatives. It generates revenue through two primary streams: net investment income from its \$6.2 billion on-balance-sheet portfolio and gain-on-sale income and fees from securitization and advisory services. As of December 2023, the company managed \$12.3 billion in assets, leveraging financial structures like green bonds and securitization.

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