

The Henry Fund

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Ferrari N.V. (RACE)

April 22, 2026

Consumer Discretionary – Luxury Performance Automobiles

Stock Rating

BUY

Target Price

\$435.45-445.67

Investment Thesis

We recommend a **BUY** rating on Ferrari with a 12-month price target between \$435.45 and \$445.67. You have to look at Ferrari as a luxury goods brand rather than a car maker to get the valuation right. By keeping supply low and pushing expensive, custom options, they are set to keep their brand exclusive and grow margins even past the record highs they hit in 2025.

Henry Fund DCF	\$449.21
Henry Fund DDM	\$404.67
Relative Multiple	\$130.58

Price Data

Current Price	\$352.32
52wk Range	\$312.51 – 519.10
Consensus 1yr Target	\$446.09

Drivers of Thesis

- **Pricing Power Without Volume:** The average selling price hit €440,000 in 2025, a 57% jump over the last decade. This is driven by more expensive models and a 20% "attach rate" for custom features. For context, one F80 supercar makes as much profit as 22 standard models.
- **The Hermes Playbook:** Ferrari is sold out through 2027, giving them better revenue visibility than almost any luxury peer. Their plan for 20 new models with shorter runs mimics the Hermes strategy and should push EBITDA margins toward 40% by 2028.
- **Formula 1 Catalyst:** The 2026 F1 rules reset is Ferrari's best shot at a title since 2008. Winning would trigger performance clauses in sponsorship deals worth tens of millions in extra revenue that the market hasn't priced in yet.

Key Statistics

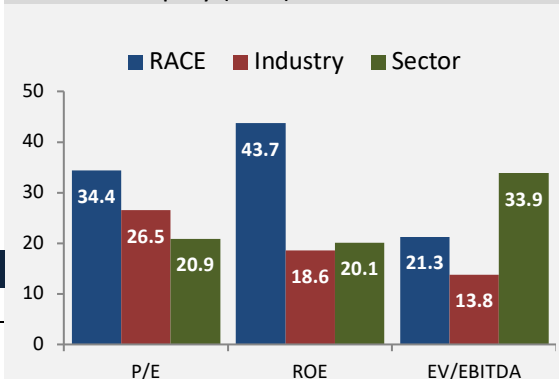
Market Cap (B)	\$65,340.06
Shares Outstanding (M)	\$176.462
Institutional Ownership	67.55%
Beta	0.93
Dividend Yield	1.17%
Est. 5yr Growth	9.1%
Price/Earnings (TTM)	34.39
Price/Earnings (FY1)	31.97
Price/Sales (TTM)	7.82
Price/Book (mrq)	13.98

Risks to Thesis

- **Valuation Compression:** At 33x forward earnings, the market expects perfection. If the multiple drops to 28x, still a huge luxury premium, the price could fall to the \$305–\$315 range even if the business stays healthy.
- **EV Transition:** Moving to electric power risks turning Ferraris into a commodity. With hybrid resale values already softening and high electrification costs, the "scarcity premium" could easily disappear.
- **China Slump:** Sales in China crashed 52% in two years, making Ferrari more dependent on the U.S. and Europe. If those two markets slow down at the same time, Ferrari doesn't have much geographic backup.

Profitability

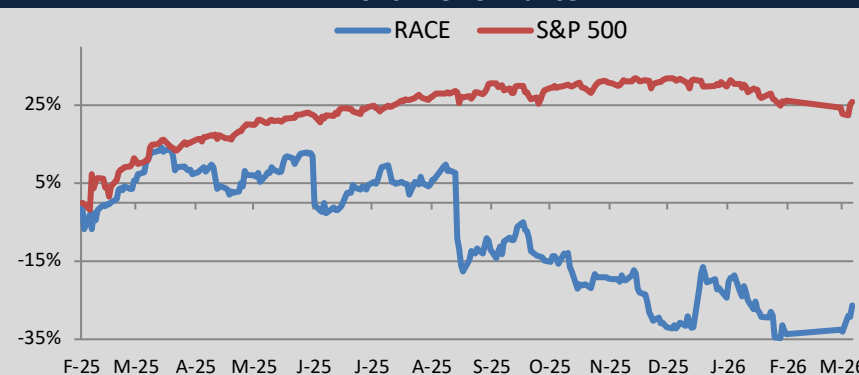
Operating Margin	29.44%
Profit Margin	22.35%
Return on Assets (TTM)	16.83%
Return on Equity (TTM)	43.70%



Earnings Estimates

Year	2023	2024	2025	2026E	2027E	2028E
EPS	\$6.32	\$7.32	\$8.95	\$11.23	\$12.34	\$13.34
HF est.				\$10.24	\$11.84	\$13.27
growth	31.7%	13.6%	18.2%	12.6%	13.5%	10.8%

12 Month Performance



Company Description

Ferrari designs, engineers, and builds the most recognized high-performance sports cars in the world.¹ The company operates a single primary manufacturing hub in Maranello, Italy, alongside a dedicated body assembly facility in Modena. The operational strategy differs entirely from traditional auto manufacturers. Traditional automakers compete on volume, market share, and cost efficiency. Ferrari competes strictly on scarcity, exclusivity, and brand desirability.¹

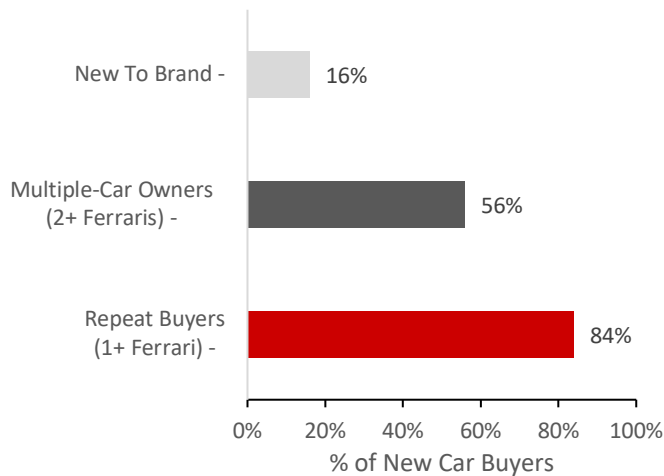
Important disclosures appear on the last page of this report.

Company Overview

Ferrari is a luxury goods brand, not a car company. While normal automakers worry about volume and market share, Ferrari focuses on scarcity and brand power. This is the most important factor for the valuation.

They keep production low on purpose to ensure waitlists stay long. These waitlists are a tool to keep the brand exclusive. Their customers also don't care about the economy. In 2025, about 84% of buyers already owned a Ferrari, and over 53% owned more than one.¹ These collectors provide steady revenue that other brands can't touch. You can see this in how they handle downturns: during 2020, shipments only fell 10% and bounced back a year later, which was much faster than the rest of the industry.

2025 Customer Profile



Segment Breakdown

The company divides its operations into three reporting segments, all of which achieved growth in 2025 to produce record highs across revenues, operating profit, and free cash flow simultaneously.

Cars & Spare Parts: Mix Over Volume

The Cars & Spare Parts segment is the core of the business, and the 2025 growth shows exactly how the model works. Ferrari shipped 13,640 units, which was actually a drop of 112 cars from 2024. Even with lower volume, segment revenue went up 4.8% to €6,005M. This proves they can

grow sales through pricing and mix rather than just pumping out more cars.

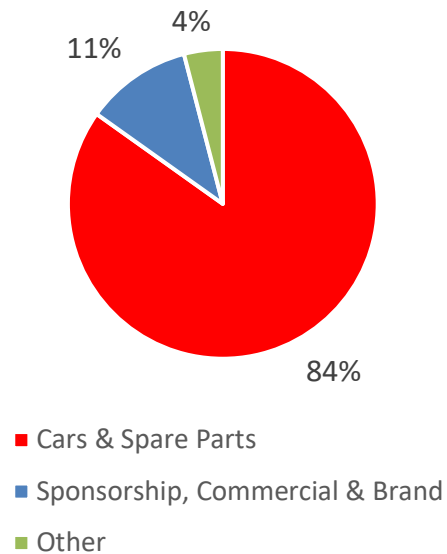
Sponsorship: Racing as a Commercial Engine

The Sponsorship, Commercial and Brand segment grew 22.4% in 2025, making it the fastest-growing division. This growth was fueled by new partnership agreements, improved commercial revenues tied to Ferrari's fourth-place 2025 F1 Constructor Championship ranking, and a remarkable year in endurance racing: Ferrari won both the World Manufacturers' and World Drivers' Championships at the 2025 FIA WEC, the first top-class endurance title for Maranello in 53 years. Formula 1's participation is not merely a sporting endeavor, it is the company's primary global marketing platform, reaching approximately 827 million fans with over 2.3 billion digital interactions in 2025.

Other

The Other segment accounts for the remaining €321 million. This bucket includes the company's financial services division. It also covers revenues from operating the Mugello racetrack and engine rental agreements

FY 2025 Sales

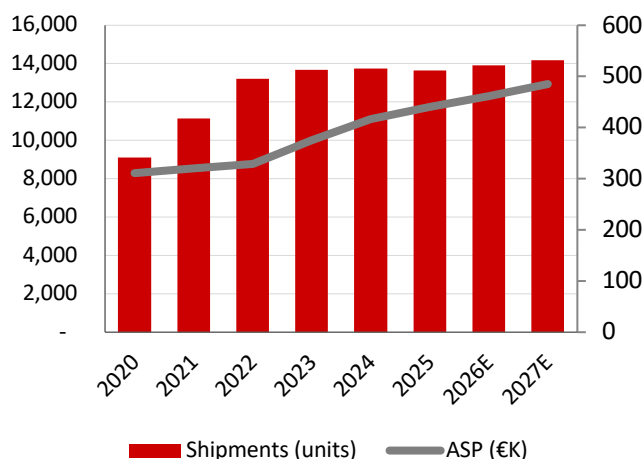


Investment Drivers

Driver #1: Structural Pricing Power and the ASP Compounding Machine

The core of this thesis is Ferrari's remarkable pricing power. Their average selling price (ASP) hit about €440,000 in 2025. For context, it was €272,000 in 2016. That is a 5-6% annual growth rate over a decade, and it isn't just because of inflation. They are doing this by selling more expensive models and high-end customizations. Even though shipments doubled since 2016, they actually pulled back on volume in 2025 compared to 2024 and still made more money.

ASP (Volume vs. Price)



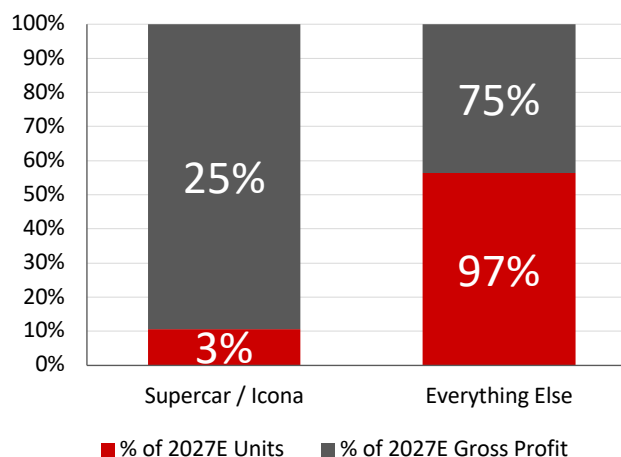
There are three main things driving this expansion. First, the model mix is shifted toward higher margins. Cars like the SF90 XX and the 12Cilindri were in peak delivery throughout 2025. They also strictly capped the Purosangue SUV at 20% of annual volume even though demand is huge. This prevents the brand from becoming too common.

Second, the Tailor-Made personalization program is a huge revenue driver. It accounted for about 20% of car revenue in 2025, which is roughly €1.2 billion. Customers pay massive premiums for things like custom paint or carbon fiber interior packages. These options cost Ferrari almost nothing to add, so the money flows straight to the bottom line. Since management expects this 20% attach rate to hold, the actual euro amount of customization

revenue will grow automatically as the base car prices increase.

Third, limited supercars like the F80 act as major catalysts. The F80 costs over €3.6 million and production is capped at 799 units. Bloomberg Intelligence estimates that each unit has a 60% margin, meaning Ferrari makes about €2.1 million in profit per car. By 2027, the F80 could account for 20% of the company's total profit while only making up 2% of the cars they sell. Even at a slow delivery pace, one F80 brings in more revenue than 25 standard models combined.

F80 Profit Concentration



Looking at 2026, the pipeline stays strong with the 296 Speciale and other new models that will have higher prices than the cars they replace. One thing to note for the model is that 2026 has seven model changeovers happening at once. This will likely make the first half of the year look a bit weaker, with most of the earnings hitting in the second half.

Driver #2: Order Book, Scarcity, and the Hermes Comparison

The second main point is something that makes Ferrari different from every other company in the car or luxury space: they are already sold out through 2027. This basically removes any demand risk for the next two years and gives management total control over pricing. No other

automaker has this kind of visibility. In the luxury world, only Hermes has waitlists that look like this.

This isn't an accident. Ferrari manages scarcity on purpose. At their October 2025 Capital Markets Day, they announced plans for 20 new models through 2030. These models will have shorter production runs to keep them exclusive. Every new car starts at a higher price than the one it replaces, which just builds more hype and longer waitlists. Even though their factory can technically make 15,000 units, they are capping 2026 at around 14,050. They are intentionally staying below capacity to keep the brand elite.

Being sold out through 2027 means Ferrari can give much more specific guidance than its competitors. Management can plan model transitions and ship cars to whichever global markets are most profitable without worrying about whether people will actually buy them.

The Hermes Margin Framework

A major insight here is that Ferrari's margins are starting to look like Hermes, which is the most profitable luxury company in the world. Ferrari's EBITDA margin grew to 38.8% in 2025, and management is calling for at least 39% in 2026. This was actually higher than what most analysts expected.

Looking ahead to 2028, margins could hit nearly 41%. This growth is driven by the same things I mentioned before: the F80 supercar, a potential new "Icona" model (the SP5), more customization, and better F1 sponsorship deals. These gains should easily cover any rise in labor or operating costs.

Hermes runs at a 45% EBITDA margin. Ferrari is following their exact playbook by selling more expensive, exclusive items while keeping total volume low. Right now, Ferrari trades at a discount compared to Hermes, but as that margin gap closes, that discount should shrink. This provides a lot of potential upside for the stock that isn't even fully baked into the base valuation model.

Capital Returns

Ferrari's plan for returning cash to shareholders also supports the stock price. They announced a €3.5 billion buyback program through 2030 and increased their

dividend payout. The 2025 dividend is up 20% from the year before.

Between buybacks and dividends, they are sending over €1.3 billion back to investors every year. This creates a solid floor for the stock price. Over the next few years, Ferrari expects to generate about €8 billion in free cash flow and plans to give 88% of that back to shareholders. These buybacks aren't just for show; they will actually help drive earnings per share higher.

Driver #3: The 2026 Formula 1 Regulatory Reset as a Sponsorship Catalyst

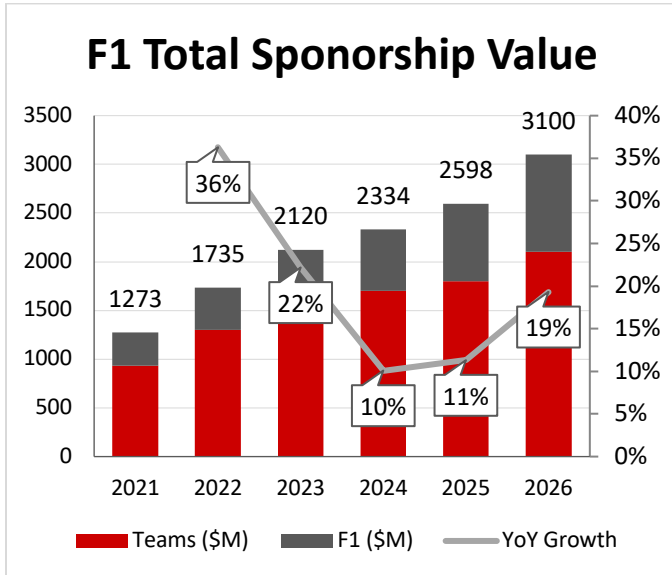
The Sponsorship, Commercial and Brand segment is often underappreciated by traditional automotive analysts. At €820 million in 2025 with 22.4% growth, it is the fastest-growing part of the business and operates at high incremental margins. We believe this segment could approach €1 billion in annual revenue within three years, with the 2026 F1 regulatory reset serving as the primary catalyst.

The 2026 Formula 1 season introduces the most sweeping technical rule changes since the hybrid era began in 2014. The new regulations mandate a roughly equal split between internal combustion power and electrical deployment. Because all teams must design entirely new power units from scratch, the accumulated advantages held by Red Bull and Mercedes are effectively eliminated.

This matters directly to the investment thesis because sponsorship revenue is closely tied to on-track performance. Ferrari has not won a Constructors' Championship since 2008. As a full constructor that builds both its chassis and engines internally, Ferrari holds structural integration advantages over customer teams under the new FIA cost cap (approximately €199M for chassis, \$130M for power units). CEO Benedetto Vigna has firmly stated that 2026 will be a year of growth, pushing back against concerns that it would be a difficult transition period.

A return to genuine title contention would trigger lucrative performance clauses in existing sponsorship agreements and allow the company to command significantly higher premiums for future partnerships. Even in a neutral scenario where they do not win the championship, the new Concorde Agreement guarantees minimum revenue

distributions through 2030, and the addition of the Cadillac team expands the overall prize fund pool. The WEC titles in 2023, 2024, and 2025 demonstrate that Ferrari's motorsport commercial engine is already firing, the F1 reset offers the potential to put it on an entirely different level.



Financial Estimates

Ferrari broke records across the board in 2025. Net revenue hit €7.15 billion, up 7% from 2024. EBITDA reached €2.77 billion with a 38.8% margin, and operating profit grew to €2.11 billion. Net profit came in at €1.60 billion, with diluted EPS at €8.96. Free cash flow also jumped 50% to over €1.5 billion, mostly because of the massive deposits customers paid upfront for the F80. Some of that cash flow will technically reverse in 2026 as those cars actually get delivered.

For 2026, I am forecasting revenue of about €7.66 billion, which is a 6.9% increase. This breaks down to €6.5 billion from Cars & Spare Parts, driven by 3% volume growth and 5% higher average prices. I also expect sponsorship revenue to hit €885 million thanks to new F1 deals. My total revenue estimate is actually about €160 million lower than management's guidance of €7.8 billion, as I am staying a bit more conservative on near-term growth.

I am projecting EBIT of about €2.266 billion, maintaining a 30% margin. This accounts for some currency headwinds and higher spending related to launching the new "Luce" model and handling seven different model changeovers. However, the high-profit F80 deliveries and more

personalization revenue should offset those costs. This leads to an estimated diluted EPS of €9.64, or roughly \$11.09 based on a 1.15 exchange rate and a 23% tax rate.

Industry Trends & Market Outlook

The market values Ferrari as a luxury brand instead of a traditional automaker. The stock currently trades around 33 times our 2026 earnings estimate. This multiple aligns with luxury companies like LVMH or Hermes rather than standard car manufacturers. This valuation is justified because Ferrari generates a massive return on invested capital of roughly 41%. Traditional luxury brands usually see returns between 15% and 25%. Ferrari manages to combine an asset-light brand with extreme pricing power. The main risk here is that this high multiple leaves zero room for error. If the market starts doubting the company's pricing power, the multiple could compress to 28 times forward earnings. That would push the share price down to roughly \$305.

Trend #2: Customers and Geographic Pivot

Ferrari specifically targets ultra-high-net-worth buyers with more than \$30 million in assets. This wealthy demographic has grown steadily over the last decade. Because Ferrari intentionally keeps its production volumes flat, this growing target market makes the waiting lists even longer. We are also seeing a shift in where the cars are going. Deliveries to Mainland China dropped sharply between 2023 and 2025. To offset this, shipments increased across the Middle East and the broader Asia-Pacific region. Management also highlighted India as a major new growth opportunity because a recent trade agreement is making it easier to bypass historically high import tariffs.

Trend #3: Navigating Emissions Regulations

A major concern for performance auto stocks is whether electric vehicle mandates will destroy their core product. These regulations are basically a non-issue for Ferrari. The company qualifies as a Small Volume Manufacturer in the United States, which grants them flexibility under fuel economy rules. European emissions frameworks also offer similar exemptions for low-volume producers. Management plans to offer a varied product lineup containing combustion engines alongside electric alternatives. However, they made it clear this is a product

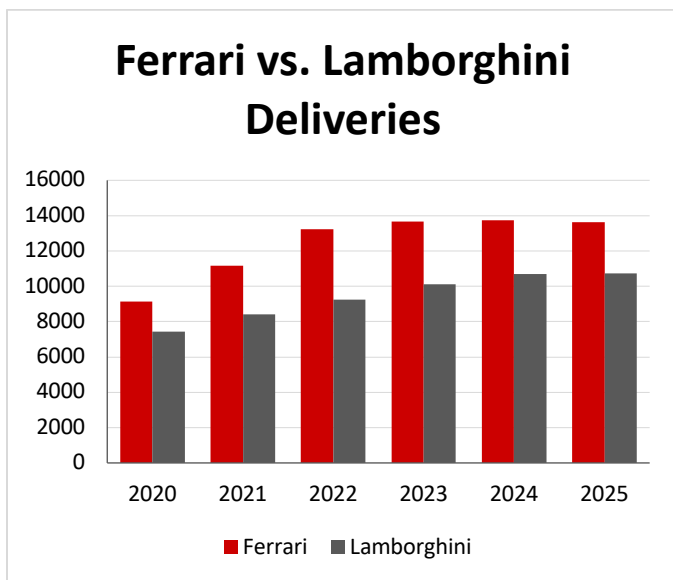
strategy designed to meet client preferences rather than a forced response to government mandates.

Competition

Ferrari has a unique competitive position because it lacks true direct rivals. The company defines its target market as cars producing over 500 horsepower and priced above €200,000. Within this specific segment, Ferrari captures roughly 55% to 60% of global unit volume. Lamborghini acts as the closest competitor in terms of volume. Together, these two brands control the vast majority of the ultra-luxury performance market. Other brands like McLaren, Aston Martin, and Porsche with its GT models round out the competitive set for Ferrari's standard Range cars. However, when looking at the higher-priced Special Series, Icona, and Supercar tiers, Ferrari stands completely alone. No other automaker maintains multi-year waiting lists for cars priced over €500,000 regardless of the broader economic environment.

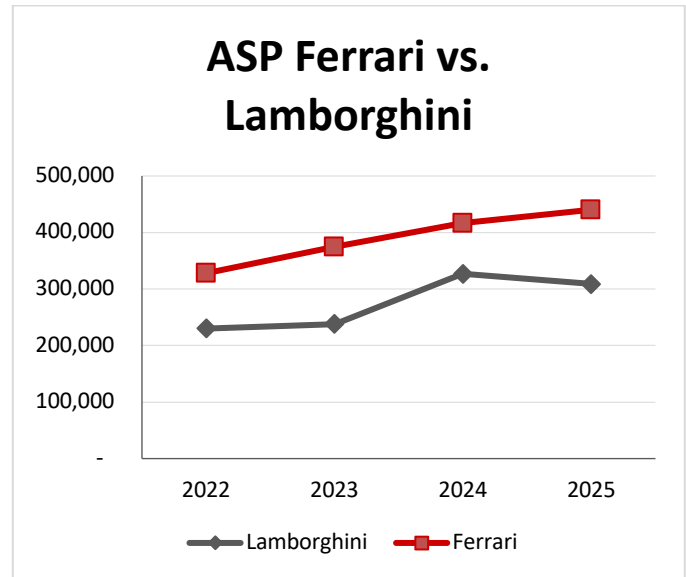
Lamborghini Comparison

The clearest way to see why Ferrari's discipline matters is to compare it to Lamborghini's growth. In 2014, Lamborghini delivered 2,530 cars, but by 2025 they hit 10,747, a 4.2x increase. Ferrari only grew 1.9x in that same time, moving from 7,255 to 13,640 units. Lamborghini closed the volume gap by letting the Urus SUV carry the business, accounting for 60% of their 2023 deliveries.



Ferrari handles the Purosangue (their SUV) differently by capping it at 20% of annual volume, even though demand

is basically unlimited. While Lamborghini chased volume, Ferrari protected its brand exclusivity. The market's preference is clear in the multiples: Ferrari trades at 33x forward earnings, while Lamborghini's parent company, Volkswagen Group, trades at just 4x. That gap isn't about the cars; it is about Ferrari's choice to stay scarce.



Other Models

The recent launch of the Amalfi provides a strong data point regarding Ferrari's ability to pull buyers from other brands. The Amalfi is a grand touring model designed for elegance and longer drives rather than aggressive track performance. Management noted that this model is attracting clients who are completely new to Ferrari. These new buyers are leaving competitors because they want that specific mix of elegance and performance. This proves the company's diversification strategy is actually working. Ferrari is expanding its total addressable market instead of just selling differently packaged cars to its existing base. Bringing in new clients supports the company's volume growth targets and helps maintain the upward trajectory of its average selling price.

A new group of boutique electric hypercar startups, such as Rimac, has emerged as a potential threat. These companies try to compete at ultra-high price points by leaning heavily on superior straight-line acceleration metrics. We do not view these startups as a serious competitive risk. Clients do not buy a Ferrari solely for acceleration times. They are paying for the heritage, the racing connection, the community, and the story. A startup

like Rimac simply cannot replicate those emotional factors regardless of its technical achievements.

Economic Outlook

Ferrari's exposure to the economy operates differently than typical consumer discretionary companies. The average client holds investable assets well over \$30 million, meaning their spending aligns with financial asset prices rather than general GDP growth or employment figures. The 2020 pandemic proved this resilience. Ferrari shipments dropped only 10% during a global shock and completely recovered by 2021, well before the broader luxury performance industry. Entering 2026, the macro environment is supportive. Global equity markets have bounced back from the 2022 rate shock and real estate wealth in key markets remains high. Furthermore, the ultra-high-net-worth population continues to expand.

U.S. Tariffs and Currency Headwinds

The most concrete macroeconomic risks are U.S. tariffs and a strong euro. In April 2025, the U.S. imposed a 25% tariff on imported cars, which was later adjusted to a 15% blended rate after August 1. Since the U.S. makes up roughly 25% of annual shipments and 28% of Cars & Spare Parts revenues, this is a major factor. At a 15% rate, the direct hit to EBIT is estimated between €60 million and €80 million before any pricing adjustments.

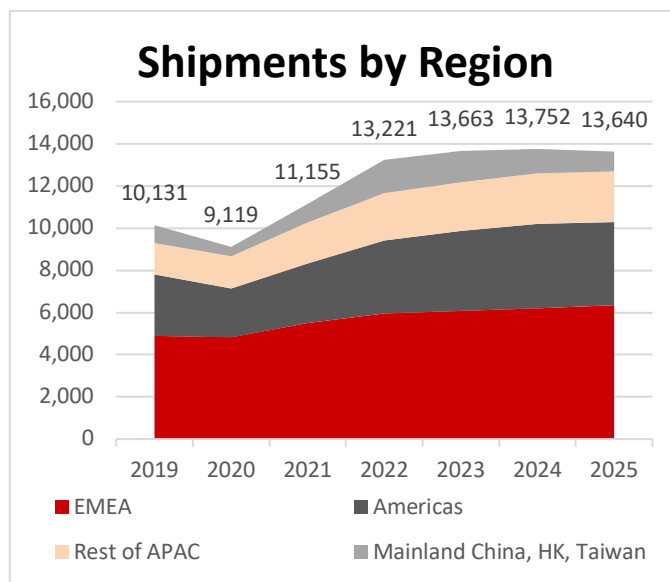
Foreign exchange presents an even larger problem. Management expects a €200 million EBIT headwind in 2026, which is already built into their guidance. This drag comes from assuming a EUR/USD exchange rate of \$1.20, significantly higher than the \$1.05 level where Ferrari built its hedges in 2024. The hedges that helped offset the strong euro in 2025 are rolling off and being replaced at \$1.15 or higher. Management noted they have the contractual right to pass FX costs directly to U.S. customers, but they have not factored any price hikes into their official 2026 guidance. If they decide to use this pricing lever, it offers upside that the market is not currently modeling.

Mainland China Weakness

Shipments to Mainland China cratered from 1,221 units in 2023 down to 584 units in 2025. Management insists this is a deliberate strategy to reduce allocations in a market where waiting lists have shrunk, rather than pushing

inventory into a softening region. They pointed out that a recent volume decline in the Americas was driven by model changeovers rather than weak demand, showing a pattern of active allocation management.

However, a 52% drop over two years is hard to explain through allocation management alone. It is highly likely that luxury demand in China has softened structurally, forcing Ferrari to pull back. Our base case projects China shipments recovering slightly to 6% or 7% of total volume by 2027. In a bear case where China stays flat at 4%, it would create a €150 million to €200 million annual revenue drag.



Valuation

Our valuation methodology relies on two approaches. We use a Discounted Cash Flow model weighted at 70%, and a Dividend Discount Model weighted at 30%. We place the heaviest weight on the DCF because Ferrari produces highly predictable cash flows, maintains a conservative capital structure, and has provided a clear long-term business plan. All target price figures are expressed in U.S. dollars using an exchange rate of 1.15 EUR/USD, while financial operating metrics stay in reported euros. We did not weight the relative valuation method because Ferrari trades at a premium compared to peers.

Revenue and Earnings Build

We forecast 2026 revenue of roughly €7,643 million, which translates to a 6.9% increase from 2025. We build this estimate segment by segment. For Cars & Spare Parts, we

project €6,428 million driven by 2% unit growth and 5% average selling price expansion. For Sponsorship, Commercial and Brand, we forecast €885 million supported by new Formula 1 deals and lifestyle brand growth. We model the Other segment at €331 million. It is important to note that our total revenue estimate sits roughly €160 million below management's official guidance of over €7.8 billion. We intentionally took a conservative stance to avoid overestimating near-term growth

On the profitability side, we expect operating income of roughly €2,200 million, hitting a 30% margin. This accounts for currency headwinds and increased marketing spend, which are ultimately offset by highly profitable F80 deliveries and personalization revenues. We estimate diluted earnings per share of €9.50, or roughly \$10.93 at our assumed exchange rate. This assumes a tax rate of roughly 23% under the new Patent Box framework.

DCF and Economic Profit Model

Our DCF utilizes a weighted average cost of capital of 6.28%. This breaks down into a 6.48% cost of equity and a 2.52% after-tax cost of debt. We use a low cost of capital because Ferrari operates with near-zero net industrial leverage and generates highly defensive revenues. For the terminal phase, we assign a 2.5% continuing value growth rate. This is notably conservative compared to the company's historical 10-year revenue growth rate of roughly 9%.

Our model projects a terminal year return on invested capital of roughly 43%. This implies Ferrari will sustain massive economic profits in perpetuity due to its entrenched pricing power. The DCF outputs an intrinsic value of €299.80 per share. Adjusted for the exchange rate, this equates to an implied current price of \$367.59. Compared to the recent trading price of \$342.47, this base case scenario points to a 7.3% upside.

Relative Valuation and Target Price

Our Dividend Discount Model outputs a value of \$321.68, sitting about 6% below the current market quote. We only weight this model at 10% because it ignores the significant

value created by the share repurchase program. Dividends alone do not justify the current trading multiple.

Blending our DCF, and DDM figures gives us an intrinsic value range of \$405 to \$449. This supports our final 12-month price target range of \$435.45 to \$445.67. The low end of this range prices in the worst-case currency drag, sluggish China sales, and delayed model launches. The high end assumes management exercises their pricing flexibility to offset currency hits, strong F80 deliveries, and improved Formula 1 competitiveness

Investment Risks

Risk #1: Multiple Compression

Ferrari's operational risks are actually very low. The company has a track record of surviving recessions and pandemics without much trouble. The real danger for shareholders isn't the business itself, but the valuation. At around 33x forward earnings, the stock price assumes the company will keep its luxury status and pricing power forever. If the market starts treating Ferrari more like a regular car company, or if high-multiple stocks sell off, that premium will disappear fast.

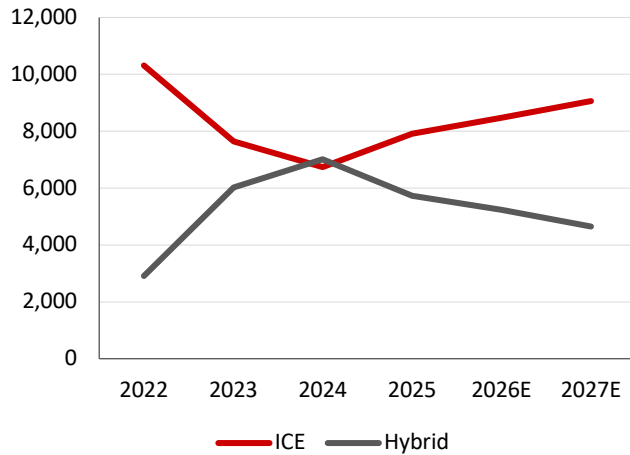
A few things could trigger this. If Formula 1 results stay weak, it might hurt the brand's performance reputation over time. There is also a risk that the "Luce" launch or the push into lifestyle categories, like fashion shows, retail stores, and ocean racing, could dilute the core identity of being an exclusive racing brand from Maranello. If the multiple drops to 28x forward earnings, the share price would fall to between \$305 and \$315. That is a 10–12% downside from where we are now, even if the underlying business stays healthy.

Risk #2: Electric Vehicle Transition

Ferrari is built on the engine sound and mechanical theater of internal combustion, and moving to electric power risks turning their cars into a commodity. Early data on Ferrari's hybrids, like the SF90 and 296, shows they aren't holding their resale value as well as the old-school gas models. If collectors don't see EVs as long-term investments, the

scarcity premium that drives the whole business could fall apart.

ICE vs. Hybrid



There is also a warning sign from the broader luxury market. Rolls-Royce's electric Spectre failed to grow volumes after the initial hype, suggesting wealthy buyers might not see electric drivetrains as status symbols. In China, EVs are increasingly associated with mass-market affordability rather than exclusivity, which is the exact opposite of the vibe Ferrari needs for the Luce.

The financial cost of this transition is massive. Ferrari is spending heavily on an "e-building" in Maranello to develop their own batteries and motors. I am modeling about €850 million in capital expenditures for 2026 alone. If the Luce underwhelms, all that money becomes a sunk cost that tanks their returns on investment, similar to what happened to Porsche in 2025.

Finally, there is the regulatory and timing risk. Ferrari recently cut its 2030 goal for electric car sales from 40% down to 20%. While that is a more realistic target, it leaves them with very little room to pivot if emissions laws get stricter in the U.S. or Europe. The reveal in Rome on May 25 is a make-or-break moment for the stock. A bad reaction to the design or the lack of engine sound could cause the market to question if a €500,000 electric Ferrari is even a defensible product.

Risk #3: China Decline and Geographic Concentration

Shipments to China, Hong Kong, and Taiwan have crashed, dropping from 1,221 units in 2023 to just 584 in 2025. That

is a 52% decline, cutting the region's share of total sales in half. Management says this is a choice to protect waitlists and move cars to more profitable markets. While they have always capped China at 10% of their sales mix, this steep drop probably reflects real weakness in Chinese luxury demand. Issues like the property market crash and low consumer confidence are likely to blame.

The bigger worry is that Ferrari is becoming less diversified. With China shrinking, the company is leaning more on Europe and the Middle East (46.5% of sales) and the Americas (28.9%). If both of those regions hit a slump at the same time, like during a global stock market crash, Ferrari doesn't have many other places to sell those cars.

My base case assumes China recovers a bit to 6–7% of volume by 2027. This should be helped by the new four-door BEV "Luce" model and continued demand for the Purosangue. In a worse scenario where China stays stuck at 4%, it would drain about €150–200 million in annual revenue. That isn't a death blow, but it would definitely put pressure on the high growth story that keeps the stock price so high.

Conclusion

The investment case for Ferrari is simple: it's a luxury scarcity platform, not a car company. Being able to grow revenue by 7% while actually shipping fewer cars proves they have pricing power that you just don't see anywhere else in the stock market.

My thesis is built on three main drivers. First, the pricing machine is still working, with 5–6% annual price growth coming from more expensive models, custom options, and the massive profit margins on the F80 supercar. Second, having an order book that is sold out through 2027, plus moving to a plan with 20 new models, gives them the visibility they need to push EBITDA margins toward 40%. This should help close the valuation gap with Hermes. Third, the 2026 F1 rule changes are a real catalyst that could push sponsorship revenue toward €1 billion, which I think the market is overlooking.

The main risks are the high valuation at 33x forward earnings, the €200 million currency headwind, and the decline in China that makes them more dependent on the U.S. and Europe. These are serious, but they are manageable because of the two-year waitlist, the €1.3

billion they return to shareholders every year, and their ability to just send cars to more profitable regions. Also, the Luce launch in May 2026 gives them a foot in the door with EVs that isn't fully priced in yet.

I am sticking with a BUY rating and a 12-month price target of \$435.45 to \$445.67.

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9. JATO Dynamics – Global Luxury Vehicle Market Report, 2025

Peer & Competitor Data

10. Volkswagen Group 2025 Annual Report (for Lamborghini segment data)
11. Hermès International 2025 Annual Report (for margin benchmarking)
12. LVMH 2025 Annual Report

Macro & Regulatory

13. U.S. Federal Register – Proclamation on Section 232 Automotive Tariffs, April 2025
14. European Commission – CO2 Emissions Standards for Passenger Cars (Small Volume Manufacturer Exemption Framework), 2025
15. FIA – 2026 Formula 1 Technical & Sporting Regulations

News & Analysis

16. *Financial Times* – "Ferrari Sold Out Through 2027 as Demand for Hypercars Holds Firm," November 2025
17. *Bloomberg* – "Ferrari's F80 Could Generate 20% of Profits from 2% of Units," January 2026
18. *Reuters* – "China Luxury Auto Demand Softens as Property Woes Persist," December 2025
19. *Automotive News Europe* – "Ferrari Caps Purosangue at 20% of Volume Despite Surging Demand," 2025
20. Brittle, Cian. "F1 Sponsorship Revenue 'to Exceed US\$3bn' in 2026." *BlackBook Motorsport*, February 23, 2026.

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Ferrari N.V.

Revenue Decomposition

Fiscal Years Ending Dec. 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Metric																				
Shipments (units)	8014	8398	9251	10131	9119	11155	13221	13663	13752	13640	13913	14191	14475	14764	15060	15210	15362	15516	15671	15828
YoY Growth		4.8%	10.2%	9.5%	-10.0%	22.3%	18.5%	3.3%	0.7%	-0.8%	2.0%	2.0%	2.0%	2.0%	2.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Implied ASP (€K)	272	292	274	289	311	320	328	375	416	440	502	552	596	632	663	696	731	768	798	822
YoY Growth		7.4%	-6.2%	5.5%	7.6%	2.9%	2.5%	14.3%	10.9%	5.8%	14.0%	10.0%	8.0%	6.0%	5.0%	5.0%	5.0%	5.0%	4.0%	3.0%
Cars & spare parts (€M)	2180	2456	2535	2926	2835	3573	4341	5119	5728	6005	6979	7830	8626	9326	9988	10592	11233	11913	12513	13018
YoY Growth		12.7%	3.2%	15.4%	-3.1%	26.0%	21.5%	17.9%	11.9%	4.8%	16.2%	12.2%	10.2%	8.1%	7.1%	6.1%	6.1%	6.0%	5.0%	4.0%
Sponsorship (€M)	489	494	506	538	390	431	478	572	670	820	983	1131	1255	1368	1464	1552	1630	1711	1780	1833
YoY Growth		1.1%	2.4%	6.4%	-27.5%	10.4%	11.1%	19.5%	17.1%	22.4%	20.0%	15.0%	11.0%	9.0%	7.0%	6.0%	5.0%	5.0%	4.0%	3.0%
Other	99	94	95	104	84	78	120	152	279	321	347	371	393	413	429	442	455	469	483	498
YoY Growth		-5.1%	1.4%	10.0%	-19.5%	-7.4%	54.2%	27.1%	83.1%	15.0%	8.0%	7.0%	6.0%	5.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Engines (Maserati)	338	373	285	198	151	189	155	127	0	0	0	0	0	0	0	0	0	0	0	0
YoY Growth		10.5%	-23.8%	-30.3%	-24.0%	25.7%	-18.0%	-18.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Revenues	3105	3417	3420	3767	3460	4271	5095	5970	6677	7146	8309	9332	10274	11107	11882	12587	13318	14093	14776	15348
YoY Growth		10.0%	0.1%	10.1%	-8.2%	23.4%	19.3%	17.2%	11.8%	7.0%	16.3%	12.3%	10.1%	8.1%	7.0%	5.9%	5.8%	5.8%	4.8%	3.9%

Ferrari N.V.
Income Statement

Fiscal Years Ending Dec. 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Sales	3105	3417	3420	3767	3460	4271	5095	5970	6677	7146	8309	9332	10274	11107	11882	12587	13318	14093	14776	15348
COGS	1332	1390	1334	1453	1250	1625	2103	2334	2663	2735	3261	3649	4012	4330	4631	4904	5183	5500	5772	6001
Adjusted Gross Income (Excl. D+A)	1773	2027	2086	2313	2200	2646	2993	3637	4014	4410	5048	5683	6263	6777	7251	7683	8125	8593	9004	9347
Depreciation	130	143	156	191	218	230	280	290	300	299	211	190	219	246	262	276	285	298	313	331
Amortization of Intangibles	118	118	132	160	209	226	286	372	367	363	421	490	524	560	587	631	631	631	631	631
Adjusted Research & Development	651	741	846	889	847	937	934	987	1039	1014	1282	1439	1585	1713	1833	1942	2054	2174	2279	2368
Other SG&A	295	329	327	343	336	348	428	463	561	641	696	781	860	930	995	1054	1115	1180	1237	1285
Adjusted EBIT (Operating Income)	580	696	624	729	590	905	1085	1525	1747	2094	2438	2782	3075	3327	3574	3780	4039	4311	4544	4732
Interest Expense	32	37	29	51	53	40	56	36	47	47	57	58	65	66	73	73	74	75	76	77
Adjusted EBT (Pretax Income)	548	659	595	678	537	865	1029	1489	1700	2047	2381	2724	3010	3261	3501	3707	3965	4236	4468	4656
Adjusted Income Taxes	124	151	136	155	120	194	237	342	387	461	548	627	692	750	805	853	912	974	1028	1071
Equity in Earnings of Affiliates	1	2	3	4	5	7	6	6	8	13	13	13	13	13	13	13	13	13	13	13
Minority Interest Expense	1	2	2	3	1	2	7	5	4	3	3	3	3	3	3	3	3	3	3	3
Adjusted Net Income	424	508	460	524	421	675	791	1148	1318	1596	1818	2082	2302	2496	2681	2839	3038	3246	3425	3570
Adjusted EBITDA	827	839	780	920	808	1135	1345	1815	2047	2393	3070	3462	3818	4133	4423	4687	4956	5240	5488	5694
Adjusted EPS (diluted)	2.24	2.68	2.43	2.79	2.27	3.65	4.32	6.32	7.32	8.95	10.24	11.84	13.27	14.60	15.93	17.05	18.43	19.89	21.18	22.27
Diluted Shares Outstanding	189	190	189	188	185	185	183	182	180	178	178	176	173	171	168	167	165	163	162	160
Total Shares Outstanding	189	189	188	185	185	184	182	180	179	177	176	175	172	170	167	166	164	162	161	159
Dividends per Share	0.64	0.71	1.03	1.13	0.87	1.36	1.81	2.44	2.99	3.62	3.74	4.14	4.48	5.30	5.90	6.37	6.88	7.43	8.03	8.67

Ferrari N.V.
Balance Sheet

Fiscal Years Ending Dec. 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Assets																				
Cash	458	648	794	898	1362	1344	1389	1122	1742	1468	2279	2710	3067	3496	3959	4848	5839	6932	8115	9350
Short-Term Investments	10	12	7	9	39	14	87	61	25	78	81	84	87	90	93	96	100	103	107	110
Short-Term Receivables	453	417	592	525	341	410	491	526	612	700	770	864	952	1029	1100	1166	1233	1305	1368	1421
Inventories	324	394	391	420	461	541	675	949	1088	1114	1329	1487	1634	1764	1887	1998	2116	2241	2352	2445
Other Current Assets	85	64	73	103	103	135	169	154	225	151	223	251	276	299	319	338	359	379	397	415
Total Current Assets	1331	1534	1857	1955	2306	2444	2811	2812	3692	3511	4682	5396	6015	6678	7359	8446	9646	10960	12339	13738
Net Property, Plant & Equipment	581	654	635	810	837	981	1165	1115	1213	1408	1265	1460	1642	1749	1841	1903	1986	2088	2205	2338
Construction in Progress	8	57	215	201	330	319	239	392	499	503	584	656	722	781	835	885	936	990	1038	1079
Operating Lease Right-of-Use Assets	0	0	0	58	60	54	54	68	116	146	131	152	171	182	191	198	206	217	229	243
LT Investment - Affiliate Companies	21	23	26	30	35	43	49	55	63	76	79	82	85	88	91	94	97	101	105	108
Other Long-Term Investments	13	7	6	9	8	12	10	12	17	20	21	22	23	24	24	25	26	27	28	29
Long-Term Note Receivable	604	578	654	743	827	994	1237	1263	1471	1405	1741	1955	2153	2327	2490	2637	2791	2953	3096	3216
Goodwill	785	785	785	785	785	785	785	785	785	785	785	785	785	785	785	785	785	785	785	785
Other Intangible Assets	31	33	35	37	41	31	43	50	43	43	43	43	43	43	43	43	43	43	43	43
Deferred Tax Assets	72	63	27	16	95	95	107	128	93	368	368	368	368	368	368	368	368	368	368	368
Total Assets	3526	3733	4241	4646	5324	5756	6501	6681	7994	8266	9698	10918	12006	13023	14026	15384	16885	18532	20236	21948
Liabilities & Shareholders' Equity																				
ST Debt & Curr. Portion LT Debt	400	306	352	421	889	516	979	741	1334	962	800	800	800	800	800	800	800	800	800	800
Accounts Payable	615	608	654	712	714	798	903	931	946	841	1154	1291	1419	1532	1639	1735	1837	1946	2042	2123
Income Tax Payable	44	30	8	7	33	130	99	126	65	113	169	194	214	232	249	263	282	301	318	331
Other Current Liabilities	118	136	125	135	117	159	181	171	172	157	211	237	261	283	302	320	339	359	376	391
Total Current Liabilities	1177	1080	1139	1275	1753	1603	2162	1968	2517	2073	2335	2622	2886	2847	2990	3119	3258	3405	3536	3645
Long-Term Debt	1448	1500	1575	1628	1790	2072	1791	1680	1918	1791	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900
Capital and Operating Lease Obligations	0	0	0	40	46	41	42	57	100	131	151	170	187	202	216	229	242	256	269	279
Provision for Risks & Charges	306	282	269	254	215	252	292	310	340	330	413	464	511	552	591	626	662	700	734	763
Deferred Tax Liabilities	11	10	39	82	96	78	96	101	82	380	380	380	380	380	380	380	380	380	380	380
Other Liabilities	304	212	204	405	302	348	521	570	661	818	855	961	1058	1143	1223	1296	1371	1451	1521	1580
Deferred Income	273	274	272	275	271	256	270	296	336	425	441	495	545	589	631	668	707	748	784	814
Total Liabilities	3520	3357	3498	3959	4473	4652	5163	4981	5954	5947	6475	6892	7275	7614	7930	8217	8520	8841	9124	9362
Common Equity	589	571	571	571	571	571	571	571	571	571	570	578	576	574	571	578	578	576	575	573
Total Retained Earnings	-689	-540	-503	-501	-924	-672	-443	-480	-3740	-3460	-2555	-1750	-1043	-362	527	1400	2599	3827	5340	6826
Total Shareholders' Equity	2	371	738	681	847	1059	1328	1691	2031	2311	3215	4019	4723	5402	6088	7159	8356	9683	11104	12579
Accumulated Minority Interest	5	5	5	6	4	6	10	10	9	8	8	8	8	8	8	8	8	8	8	8
Total Equity	7	376	743	687	851	1104	1338	1701	2040	2319	3223	4026	4731	5409	6096	7167	8364	9691	11112	12586
Total Liabilities & Shareholders' Equity	3526	3733	4241	4646	5324	5756	6501	6681	7994	8266	9698	10918	12006	13023	14026	15384	16885	18532	20236	21948

Ferrari N.V.
Common Size Balance Sheet

Fiscal Years Ending Dec. 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	
Assets																					
Cash	14.74%	18.96%	23.20%	23.84%	39.38%	31.47%	27.26%	18.79%	26.09%	20.54%	27.43%	29.04%	29.85%	31.48%	33.32%	38.52%	43.84%	49.19%	54.92%	60.92%	
Short Term Investments	0.33%	0.34%	0.20%	0.25%	1.12%	0.32%	1.71%	1.02%	0.37%	1.09%	0.97%	0.90%	0.84%	0.81%	0.78%	0.76%	0.75%	0.73%	0.72%	0.72%	
Short-Term Receivables	14.60%	12.22%	17.31%	13.93%	9.87%	9.61%	9.64%	8.82%	9.17%	9.80%	9.26%	9.26%	9.26%	9.26%	9.26%	9.26%	9.26%	9.26%	9.26%	9.26%	
Inventories	10.43%	11.52%	11.43%	11.15%	13.31%	12.66%	13.24%	15.89%	16.30%	15.59%	15.99%	15.93%	15.91%	15.89%	15.88%	15.87%	15.89%	15.90%	15.92%	15.93%	
Other Current Assets	2.76%	1.87%	2.15%	2.74%	2.99%	3.16%	3.33%	2.58%	3.36%	2.12%	2.69%	2.69%	2.69%	2.69%	2.69%	2.69%	2.69%	2.69%	2.69%	2.69%	
Total Current Assets	42.87%	44.90%	54.29%	51.91%	66.66%	57.22%	55.18%	47.10%	55.30%	49.14%	56.34%	57.82%	58.55%	60.12%	61.93%	67.11%	72.42%	77.77%	83.51%	89.52%	
Net Property, Plant & Equipment	18.71%	19.13%	18.58%	21.52%	24.20%	22.96%	22.87%	18.68%	18.17%	19.71%	15.22%	15.65%	15.98%	15.75%	15.49%	15.12%	14.91%	14.81%	14.93%	15.23%	
Construction in Progress	2.85%	1.66%	6.29%	5.35%	9.53%	7.47%	4.68%	6.56%	7.48%	7.05%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	
Operating Lease Right-of-Use Assets	0.00%	0.00%	0.00%	1.53%	1.73%	1.26%	1.06%	1.14%	1.74%	2.05%	1.58%	1.63%	1.66%	1.64%	1.61%	1.57%	1.55%	1.54%	1.55%	1.58%	
LT Investment - Affiliate Companies	0.67%	0.68%	0.76%	0.80%	1.00%	1.01%	0.96%	0.92%	0.95%	1.06%	0.95%	0.87%	0.82%	0.79%	0.76%	0.75%	0.73%	0.72%	0.71%	0.71%	
Other Long-Term Investments	0.42%	0.20%	0.18%	0.23%	0.24%	0.27%	0.21%	0.21%	0.26%	0.29%	0.25%	0.24%	0.22%	0.21%	0.21%	0.20%	0.20%	0.19%	0.19%	0.19%	
Long-Term Note Receivable	19.44%	16.90%	19.12%	19.73%	23.89%	23.28%	24.28%	21.16%	22.04%	19.66%	20.95%	20.95%	20.95%	20.95%	20.95%	20.95%	20.95%	20.95%	20.95%	20.95%	
Goodwill	25.29%	22.98%	22.96%	20.85%	22.69%	18.38%	15.41%	13.15%	11.76%	10.99%	9.45%	8.41%	7.64%	7.07%	6.61%	6.24%	5.90%	5.57%	5.31%	5.12%	
Other Intangible Assets	1.01%	0.96%	1.03%	0.99%	1.18%	0.73%	0.84%	0.83%	0.64%	0.60%	0.51%	0.46%	0.42%	0.38%	0.36%	0.34%	0.32%	0.30%	0.29%	0.28%	
Deferred Tax Assets	2.32%	1.85%	0.80%	0.44%	2.75%	2.22%	2.10%	2.15%	1.39%	5.15%	4.43%	3.94%	3.58%	3.31%	3.10%	2.92%	2.76%	2.61%	2.49%	2.40%	
Total Assets	113.57%	109.26%	124.00%	123.34%	153.87%	134.78%	127.60%	111.91%	119.73%	115.68%	116.73%	117.00%	116.86%	117.25%	118.05%	122.23%	126.78%	131.50%	136.95%	143.00%	
Liabilities & Shareholders' Equity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
ST Debt & Curr. Portion LT Debt	12.88%	8.96%	10.30%	11.19%	25.70%	12.08%	19.22%	12.41%	19.98%	13.47%	9.63%	8.57%	7.79%	7.20%	6.73%	6.36%	6.01%	5.68%	5.41%	5.21%	
Accounts Payable	19.80%	17.78%	19.11%	18.89%	20.63%	18.68%	17.72%	15.59%	14.16%	11.77%	13.89%	13.84%	13.81%	13.79%	13.79%	13.79%	13.80%	13.81%	13.82%	13.84%	
Income Tax Payable	1.42%	0.89%	0.22%	0.19%	0.96%	3.05%	1.94%	2.10%	0.98%	1.58%	2.04%	2.07%	2.08%	2.09%	2.09%	2.09%	2.12%	2.14%	2.15%	2.16%	
Other Current Liabilities	3.81%	3.98%	3.66%	3.57%	3.39%	3.73%	3.55%	2.86%	2.58%	2.19%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	
Total Current Liabilities	37.92%	31.60%	33.30%	33.84%	50.68%	37.54%	42.43%	32.96%	37.70%	29.01%	28.10%	27.03%	26.23%	25.63%	25.16%	24.78%	24.46%	24.16%	23.93%	23.75%	
Long-Term Debt	46.64%	43.90%	46.04%	43.22%	51.73%	48.53%	35.15%	28.14%	28.72%	25.07%	22.87%	20.36%	18.49%	17.11%	15.99%	15.10%	14.27%	13.48%	12.86%	12.38%	
Capital and Operating Lease Obligations	0.00%	0.00%	0.00%	1.07%	1.33%	0.97%	0.81%	0.95%	1.49%	1.83%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	1.82%	
Provision for Risks & Charges	9.86%	8.24%	7.87%	6.74%	6.22%	5.90%	5.72%	5.20%	5.10%	4.61%	4.97%	4.97%	4.97%	4.97%	4.97%	4.97%	4.97%	4.97%	4.97%	4.97%	
Deferred Tax Liabilities	0.34%	0.29%	1.14%	2.18%	2.78%	1.84%	1.69%	1.69%	1.23%	5.32%	4.58%	4.07%	3.70%	3.42%	3.20%	3.02%	2.85%	2.70%	2.57%	2.48%	
Other Liabilities	9.80%	6.19%	5.97%	10.75%	8.72%	8.15%	10.22%	9.54%	9.89%	11.44%	10.29%	10.29%	10.29%	10.29%	10.29%	10.29%	10.29%	10.29%	10.29%	10.29%	
Deferred Income	8.79%	8.02%	7.95%	7.31%	7.83%	6.00%	5.31%	4.95%	5.03%	5.94%	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%	
Total Liabilities	113.36%	98.25%	102.27%	105.11%	129.28%	108.93%	101.34%	83.43%	89.17%	83.23%	77.93%	73.85%	70.81%	68.55%	66.74%	65.29%	63.97%	62.73%	61.75%	61.00%	
Common Equity	189.72%	168.90%	168.73%	153.22%	166.81%	135.13%	113.26%	96.67%	86.44%	80.76%	69.45%	61.82%	56.12%	51.89%	48.49%	45.76%	43.23%	40.84%	38.95%	37.48%	
Total Retained Earnings	-189.66%	-158.04%	-147.14%	-135.15%	-142.33%	-109.40%	-87.19%	-68.34%	-56.02%	-48.42%	-30.75%	-18.75%	-10.16%	-3.26%	2.75%	11.12%	19.51%	27.86%	36.20%	44.47%	
Total Shareholders' Equity	0.06%	10.86%	21.59%	18.07%	24.47%	25.73%	26.07%	28.32%	30.42%	32.34%	38.70%	43.06%	45.97%	48.63%	51.24%	56.88%	62.74%	68.71%	75.15%	81.96%	
Accumulated Minority Interest	0.15%	0.15%	0.15%	0.16%	0.12%	0.13%	0.19%	0.16%	0.14%	0.11%	0.09%	0.08%	0.08%	0.07%	0.07%	0.06%	0.06%	0.06%	0.05%	0.05%	
Total Equity	0.21%	11.01%	21.73%	18.23%	24.59%	25.86%	26.26%	28.49%	30.56%	32.45%	38.79%	43.15%	46.04%	48.70%	51.30%	56.94%	62.80%	68.76%	75.20%	82.01%	
Total Liabilities & Shareholders' Equity	113.57%	109.26%	124.00%	123.34%	153.87%	134.78%	127.60%	111.91%	119.73%	115.68%	116.73%	117.00%	116.86%	117.25%	118.05%	122.23%	126.78%	131.50%	136.95%	143.00%	

Ferrari N.V.

Debt Schedule & Interest Expense Bridge

	Fiscal Years Ending Dec. 31		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Bonds & Notes: Principal Outstanding (€ million)	Coupon	Maturity																				
2023 Bond	1.50%	Mar 2023	500	500	500	285	285	285	285													
2021 Bond	1.50%	Jan 2021	700																			
2017 Bond (ref of Term Loan)	1.50%	Nov 2021		700	700	500	500															
2025 Bond	1.50%	May 2025					500	500	500	459												
2029 Private Notes	1.12%	Aug 2029				150	150	150	150	150	150	150	150	150	150							
2031 Private Notes	1.27%	Aug 2031				150	150	150	150	150	150	150	150	150	150	150	150					
2030 Bond	3.50%	2030										500	500	500	500	500						
Total Bonds & Notes			1200	1200	1200	1085	1735	1235	1235	759	800	800	800	800	800	650	150	0	0	0	0	0
Debt Components (€ million)																						
Lease Liabilities	Var.	Rolling	0	0	0	40	46	41	42	57	100	131	151	170	187	202	216	229	242	256	269	279
ST Debt & Curr. Portion LT Debt			400	306	352	421	889	516	979	741	1334	962	800	800	800	800	800	800	800	800	800	800
Long-Term Debt			1448	1500	1575	1628	1700	2072	1791	1680	1918	1791	1900	1900	1900	1900	1900	1900	1900	1900	1900	1900
Total Debt			1848	1806	1927	2090	2725	2630	2812	2477	3352	2884	2851	2870	2887	2902	2916	2929	2942	2956	2969	2979
Interest Expense Calculation (€ million)																						
Average Bonds & Notes Balance (BOY + EOY) ÷ 2			1848	1806	1927	2090	2725	2630	2812	2477	3352	2884	2851	2870	2887	2902	2916	2929	2942	2956	2969	2979
Blended Coupon Rate Bonds & Notes			2%	2%	2%	2%	2%	2%	2%	1%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Interest on Bonds & Notes			28	27	29	33	54	39	42	30	60	52	51	52	58	58	64	64	65	65	65	66
Average Lease Liabilities Balance (BOY + EOY) ÷ 2			0	0	0	20	43	44	41	49	78	115	141	161	178	195	209	223	236	249	263	274
Blended Rate Lease Liabilities			3%	3%	3%	3%	3%	3%	3%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Interest on Other Debt			0	0	0	1	1	1	1	2	3	5	6	6	7	8	8	9	9	10	10	11
Modeled Gross Interest Expense			28	27	29	34	56	41	43	32	63	57	57	58	65	66	73	73	74	75	76	77

Ferrari N.V.
Historical Cash Flow Statement

Fiscal Years Ending Dec. 31	2017	2018	2019	2020	2021	2022	2023	2024	2025
Cash flow from Operations									
Net Income	535	785	696	608	831	933	1252	1522	1597
Depreciation & Amortization	261	289	352	427	456	546	662	667	662
Equity in Earnings of Affiliates	-1	-2	-3	-4	-5	-7	-6	-6	-8
Unrealized Valuation Loss	1	0	0	0	0	0	0	0	0
Short-Term Receivables	36	-175	67	183	-69	-81	-35	-86	-88
Inventories	-70	3	-29	-41	-80	-134	-274	-140	-26
Other Current Assets	22	-10	-30	0	-32	-35	15	-71	73
Operating Lease Right-of-Use Assets	0	0	-58	-2	6	0	-14	-48	-30
Deferred Tax Assets	9	36	11	-79	0	-12	-21	35	-275
Accounts Payable	-7	46	58	2	84	105	28	15	-104
Income Tax Payable	-14	-23	-1	26	97	-31	26	-60	47
Other Current Liabilities	18	-11	10	-17	42	22	-10	1	-15
Capital and Operating Lease Obligations	0	0	40	6	-4	0	15	43	31
Provision for Risks & Charges	-25	-12	-15	-38	37	39	19	30	-11
Deferred Tax Liabilities	-1	29	43	14	-18	8	15	-18	298
Other Liabilities	-93	-7	201	-103	46	173	49	91	157
Deferred Income	1	-2	4	-5	-15	14	25	40	89
Cash from Operations	673	945	1346	977	1377	1539	1746	2015	2398
Cash Flow from Investing									
Short Term Investments	-1	5	-3	-29	25	-74	26	36	-53
Capital Expenditures	-342	-391	-638	-706	-709	-737	-805	-869	-989
Construction in Progress	32	-158	14	-128	11	80	-153	-107	-4
LT Investment - Affiliate Companies	-2	-3	-4	-5	-8	-6	-6	-8	-13
Other Long-Term Investments	6	1	-3	1	-3	1	-2	-5	-3
Goodwill	0	0	0	0	0	0	0	0	0
Other Intangible Assets	-1	-3	-2	-4	10	-12	-7	7	0
Loss/Gain on Sale of Assets									
Cash from Investing	-309	-550	-636	-871	-675	-748	-947	-946	-1062
Cash flow from Financing									
Long-Term Note Receivable	26	-76	-89	-83	-168	-243	-26	-208	66
ST Debt & Curr. Portion LT Debt	-94	46	69	468	-373	463	-239	593	-372
Long-Term Debt	52	75	53	161	283	-282	-111	238	-127
Change in Common Equity	-120	0	0	0	0	0	0	0	0
Accumulated Minority Interest	0	0	1	-2	2	4	0	0	-1
Dividends Payable	-120	-133	-193	-208	-160	-250	-329	-440	-530
Cash Fom Financing	-255	-89	-159	336	-416	-307	-704	183	-963
Cash at Beg.	458	648	794	898	1362	1344	1389	1122	1742
Cash at End	109	307	551	442	286	485	95	1252	372
Net Change in Cash	-349	-341	-242	-456	-1076	-859	-1293	130	-1370

Ferrari N.V.

Forecasted Cash Flow Statement

Fiscal Years Ending Dec. 31	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Cash flow from Operations										
Net Income	1818	2082	2302	2496	2681	2839	3038	3246	3425	3570
Depreciation & Amortization	632	680	743	806	849	907	916	929	944	962
Short-Term Receivables	-69	-95	-87	-77	-72	-65	-68	-72	-63	-53
Inventories	-215	-158	-148	-130	-122	-111	-118	-125	-111	-94
Other Current Assets	-72	-28	-25	-22	-21	-19	-20	-21	-18	-15
Operating Lease Right-of-Use Assets	15	-20	-19	-11	-10	-7	-9	-11	-12	-14
Deferred Tax Assets	0	0	0	0	0	0	0	0	0	0
Accounts Payable	313	137	128	113	106	97	102	108	96	81
Income Tax Payable	56	24	20	18	17	15	18	19	17	13
Other Current Liabilities	55	26	24	21	20	18	19	20	17	15
Capital and Operating Lease Obligations	20	19	17	15	14	13	13	14	12	10
Provision for Risks & Charges	83	51	47	41	38	35	36	39	34	28
Deferred Tax Liabilities	0	0	0	0	0	0	0	0	0	0
Other Liabilities	38	105	97	86	80	73	75	80	70	59
Deferred Income	16	54	50	44	41	37	39	41	36	30
Cash from Operations	2690	2878	3150	3400	3622	3831	4043	4268	4448	4593
Cash Flow from Investing										
Short Term Investments	-3	-3	-3	-3	-3	-3	-3	-4	-4	-4
Capital Expenditures	-489	-875	-925	-913	-941	-970	-1000	-1030	-1062	-1094
Construction in Progress	-80	-72	-66	-59	-54	-50	-51	-54	-48	-40
LT Investment - Affiliate Companies	-3	-3	-3	-3	-3	-3	-3	-4	-4	-4
Other Long-Term Investments	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
Goodwill	0	0	0	0	0	0	0	0	0	0
Other Intangible Assets	0	0	0	0	0	0	0	0	0	0
Cash from Investing	-576	-953	-998	-978	-1003	-1027	-1059	-1093	-1118	-1143
Cash flow from Financing										
Long-Term Note Receivable	-336	-214	-197	-175	-162	-148	-153	-162	-143	-120
ST Debt & Curr. Portion LT Debt	-162	0	0	0	0	0	0	0	0	0
Long-Term Debt	109	0	0	0	0	0	0	0	0	0
Change in Common Equity	-1	-2	-2	-3	-3	-2	-2	-2	-2	-1
Accumulated Minority Interest	0	0	0	0	0	0	0	0	0	0
Dividends Payable	-663	-731	-783	-914	-1002	-1066	-1139	-1218	-1302	-1394
Share Repurchases	-250	-547	-813	-901	-990	-700	-700	-700	-700	-700
Cash from Financing	-1303	-1494	-1795	-1992	-2157	-1915	-1994	-2082	-2147	-2215
Cash at Beg.	1468	2279	2710	3067	3496	3959	4848	5839	6932	8115
Cash at End	2279	2710	3067	3496	3959	4848	5839	6932	8115	9350
Net Change in Cash	811	431	356	430	463	889	991	1094	1182	1235

Ferrari N.V.
Value Driver Estimation

Fiscal Years Ending Dec. 31	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Adjusted EBIT:	580	696	624	729	590	905	1085	1525	1747	2094	2438	2782	3075	3327	3574	3780	4039	4311	4544	4732
Less: Adjusted Taxes																				
Plus: Interest expense * Tax Rate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted provision for Income Taxes	124	151	136	155	120	194	237	342	387	461	548	627	692	750	805	853	912	974	1028	1071
Total Adjusted Taxes	124	151	136	155	120	194	237	342	387	461	548	627	692	750	805	853	912	974	1028	1071
NOPLAT	456	545	488	574	470	711	848	1183	1360	1633	1890	2156	2382	2577	2769	2928	3127	3336	3516	3662
Invested Capital (IC):																				
Plus: Operating Current Assets																				
Normal Cash (% of Sales)	67	95	117	132	201	198	205	165	257	216	336	400	452	515	584	715	861	1022	1196	1378
Accounts receivable	453	417	592	525	341	410	491	526	612	700	770	864	952	1029	1100	1166	1233	1305	1368	1421
Inventories	324	394	391	420	461	541	675	949	1088	1114	1329	1487	1634	1764	1887	1998	2116	2241	2352	2445
Other Current Assets	86	64	73	103	103	135	169	154	225	151	223	251	276	299	319	338	358	379	397	413
Less: Operating Current Liabilities																				
Accounts payable	615	608	654	712	714	798	903	931	946	841	1154	1291	1419	1532	1639	1735	1837	1946	2042	2123
Income tax payable	44	30	8	7	33	130	99	125	65	113	169	194	214	232	249	263	282	301	318	331
Other Current Liabilities	118	136	125	135	117	159	181	171	172	157	211	237	261	283	302	320	339	359	376	391
Working Capital	153	197	387	327	242	197	357	568	999	1071	1123	1279	1420	1561	1701	1898	2110	2342	2578	2813
Plus: Net Property, Plant & Equipment:																				
Property, Plant & Equipment	581	654	635	810	837	981	1165	1115	1213	1408	1265	1460	1642	1749	1841	1903	1986	2088	2205	2338
Construction in Progress	88	57	215	201	330	319	239	392	499	503	584	656	722	781	835	885	936	990	1038	1079
Plus: Other Operating Assets																				
ROU Assets	0	0	0	58	60	54	54	68	116	146	131	152	171	182	191	198	206	217	229	243
Long-Term Note Receivable	604	578	654	743	827	994	1237	1263	1471	1405	1741	1955	2153	2327	2490	2637	2791	2953	3096	3216
Less: Other Operating Liabilities																				
Deferred Income	273	274	272	275	271	256	270	296	336	425	441	495	545	589	631	668	707	748	784	814
Invested Capital	1153	1210	1620	1864	2024	2288	2782	3110	3963	4109	4403	5007	5562	6010	6427	6853	7323	7842	8363	8874
Free Cash Flow (FCF):																				
NOPLAT	456	545	488	574	470	711	848	1183	1360	1633	1890	2156	2382	2577	2769	2928	3127	3336	3516	3662
Change in IC		58	409	245	160	263	494	328	853	146	294	604	555	448	417	427	470	519	521	511
FCF	456	487	78	329	310	447	353	855	507	1487	1596	1552	1828	2129	2352	2501	2658	2818	2995	3151
Return on Invested Capital (ROIC):																				
NOPLAT	456	545	488	574	470	711	848	1183	1360	1633	1890	2156	2382	2577	2769	2928	3127	3336	3516	3662
Beginning IC		1153	1210	1620	1864	2024	2288	2782	3110	3963	4109	4403	5007	5562	6010	6427	6853	7323	7842	8363
ROIC	0%	47%	40%	35%	25%	35%	37%	43%	44%	41%	46%	49%	48%	46%	46%	46%	46%	46%	45%	44%
Economic Profit (EP):																				
Beginning IC		1153	1210	1620	1864	2024	2288	2782	3110	3963	4109	4403	5007	5562	6010	6427	6853	7323	7842	8363
x (ROIC - WACC)	-6.29%	40.97%	34.01%	29.12%	18.91%	28.82%	30.76%	36.24%	37.43%	34.91%	39.71%	42.66%	41.28%	40.04%	39.77%	39.26%	39.34%	39.27%	38.55%	37.49%
EP	0	472	412	472	353	583	704	1008	1164	1384	1632	1878	2067	2227	2390	2523	2696	2876	3023	3135

Ferrari N.V.*Weighted Average Cost of Capital (WACC) Estimation***Cost of Equity:**

Risk-Free Rate	3.92%
Beta	0.93
Equity Risk Premium	6.69%
Cost of Equity	6.48%

Cost of Debt:

Risk-Free Rate	3.92%
Implied Default Premium	-0.42%
Pre-Tax Cost of Debt	3.50%
Marginal Tax Rate	23%
After-Tax Cost of Debt	2.70%

Market Value of Common Equity:

Total Shares Outstanding	177
Current Stock Price	\$308.10
MV of Equity	54,619.63

MV Weights

94.98%

Market Value of Debt:

ST Debt & Curr. Portion LT Debt	962
Long-Term Debt	1791
PV of Operating Leases	131
MV of Total Debt	2,884.22

5.02%

Market Value of the Firm

57,503.85

100.00%

Estimated WACC**6.29%**

Ferrari N.V.*Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models*

Key Inputs:

CV Growth of NOPLAT	2.50%
CV Year ROIC	44%
WACC	6.29%
Cost of Equity	6.48%

Fiscal Years Ending Dec. 31	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
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DCF Model:

Free Cash Flow (FCF)	1596	1552	1828	2129	2352	2501	2658	2818	2995	3151
Continuing Value (CV)										90999
PV of FCF	1502	1374	1522	1668	1733	1734	1733	1729	1729	52537

Value of Operating Assets:	67261
Non-Operating Adjustments	-1858
+ Excess Cash	1251
+ LT Investment - Affiliate Companies	76
+ Other Long-Term Investments	20
+ Goodwill	785
+ Other Intangible Assets	43
+ Deferred Tax Assets	368
- ST Debt & Curr. Portion LT Debt	-962
- Long-Term Debt	-1791
- Capital and Operating Lease Obligations	-131
- Provision for Risks & Charges	-330
- Deferred Tax Liabilities	-380
- Other Liabilities	-818
+ Equity in Earnings of Affiliates	13
- Minority Interest Expense	-2.6
Value of Equity	65402
Shares Outstanding	177
Intrinsic Value of Last FYE	\$ 368.92
Implied Price as of Today in Euro	\$ 393.34
Implied Price in USD	\$ 452.34

EP Model:

Economic Profit (EP)	1632	1878	2067	2227	2390	2523	2696	2876	3023	3135
Continuing Value (CV)										82636
PV of EP	1535.1	1663	1721	1745	1762	1749	1759	1765	1745	47709

Total PV of EP	63151
Invested Capital (last FYE)	4109
Value of Operating Assets:	67261
Non-Operating Adjustments	-1858
Value of Equity	65402
Shares Outstanding	177
Intrinsic Value of Last FYE	\$ 368.92
Implied Price as of Today in Euro	\$ 393.34
Implied Price in USD	\$ 452.34

Ferrari N.V.*Relative Valuation Models*

Tier 2-Autos			EPS			
Ticker	Company	Price	2026E	2027E	P/E 26	P/E 27
P911-DE	Porsche	\$49.62	\$2.09	\$2.31	23.50	18.10
VOW3-DE	Volkswagen Vz	\$105.74	\$23.53	\$28.80	4.50	3.70
500570-IN	Tata Motors	\$3.81	\$0.19	\$0.21	22.00	22.70
STLAM-IT	Stellantis	\$8.68	\$0.86	\$1.70	9.90	5.10
MBG-DE	Mercedes-Benz	\$60.11	\$6.74	\$8.56	8.80	6.90
BMW-DE	BMW	\$98.11	\$12.35	\$14.20	7.80	6.80
Average					12.75	10.55

RACE Ferrari N.V. \$308.10 \$10.24 \$11.84 30.1 26.0

Implied Relative Value:

P/E (EPS26) \$ 130.58

P/E (EPS27) \$ 124.94

Ferrari N.V.

Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding

Number of Options Outstanding (shares): 0
 Average Time to Maturity (years): 0.00
 Expected Annual Number of Options Exercised: 0

Current Average Strike Price: \$ -
 Cost of Equity: 6.48%
 Current Stock Price: \$308.10

Fiscal Years Ending Dec. 31	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Increase in Shares Outstanding:	0	0	0	0	0	0	0	0	0	0
Average Strike Price:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in Common Stock Account:	-	-	-	-	-	-	-	-	-	-
Share Repurchases (\$)	250	547	813	901	990	700	700	700	700	700
Expected Price of Repurchased Shares:	\$ 308.10	\$ 324.32	\$ 341.39	\$ 359.36	\$ 378.28	\$ 398.19	\$ 419.15	\$ 441.21	\$ 464.44	\$ 488.89
Number of Shares Repurchased:	0.81	1.69	2.38	2.51	2.62	1.76	1.67	1.59	1.51	1.43
Shares Outstanding (beginning of the year)	177	176	175	172	170	167	166	164	162	161
Plus: Shares Issued Through ESOP	0	0	0	0	0	0	0	0	0	0
Less: Shares Repurchased in Treasury	1	2	2	3	3	2	2	2	2	1
Shares Outstanding (end of the year)	176	175	172	170	167	166	164	162	161	159