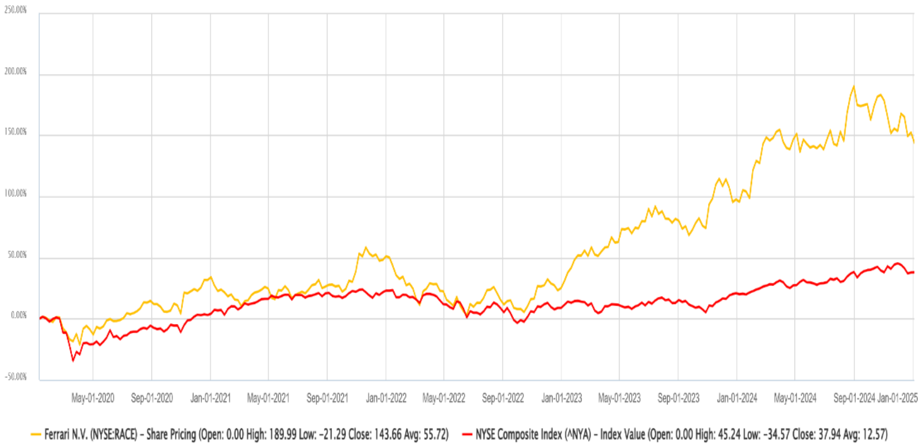
EDUQTY

Ferrari's Race to Electrification

FERRARI N.V.

Performance RACE vs NYSE Composite Index (5Y)



Ferrari, a global icon in luxury and exotic sports cars, boasts over 100 years of history and a legendary Formula 1 racing heritage. Renowned for the quality, performance, and rarity of its vehicles, the brand represents a dream for many enthusiasts. Leveraging its exceptional brand image, Ferrari combines stable revenue growth (5-year CAGR of 12%) with outstanding operational margins exceeding 50%, nearly three times the automotive industry average of 15.5%, highlighting its dominant market position.

Financially, Ferrari demonstrates exemplary health, with a LTM Debt-to-Equity Ratio of 92%, significantly below the industry average of 198%, making it one of the least leveraged companies in the sector. This strong financial position, coupled with robust operational performance, has made Ferrari a highly sought-after investment, as reflected in its current P/E of 47, among the highest in the sector, comparable to Hermès (51.3).

However, Ferrari faces substantial challenges in the coming years. The EU-mandated transition to electrification threatens to disrupt its operational model and market positioning. With an ambitious target of carbon neutrality by 2030 and a lineup expected to consist of 60% hybrid/electric models by 2026, the company is increasingly exposed to supply chain risks, particularly in the sourcing of critical components such as electric batteries, which are outsourced to SK, a South Korean supplier. Additionally, the transition will require significant investments in R&D, potentially straining Ferrari's low-debt profile and increasing its financial leverage. This transition phase, marked by operational and financial tensions, could undermine Ferrari's resilience and put downward pressure on its already lofty valuation.

As a result, we issue a SELL recommendation for RACE:NYSE, with a 1-year price target of $358.9, representing a 14% correction from its current market.

Analyst : Marius Fournier

RECOMMENDATION

SELL

TARGET PRICE 1Y :

358.9$

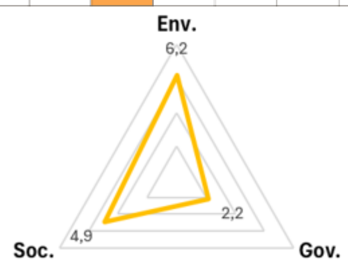
Informations

Pays	Italy
Secteur	Automobile Manufacturer

Date :	12/2024
Current Price	$ 417.42
Primary Listing Exchange *:*	
New York Stock Exchange (NYSE)	
Ticker :	NYSE:RACE
Secondary Listing Exchange*:*	
Euronext Milan (MIL)	
Ticker :	MIL:RACE
Shares Outstanding :	179.2M
Market Cap :	74,784.3M
Beta (5Y) :	0.95

ESG Score (Msci) :

CCC	B	BB	BBB	A	AA	AAA



Ferrari ESG rating Score on 10 (Msci)

Sector exposure to E&S factors :

Hight	Medium	Low

Company ESG momentum :

Improving	Stable	Declining

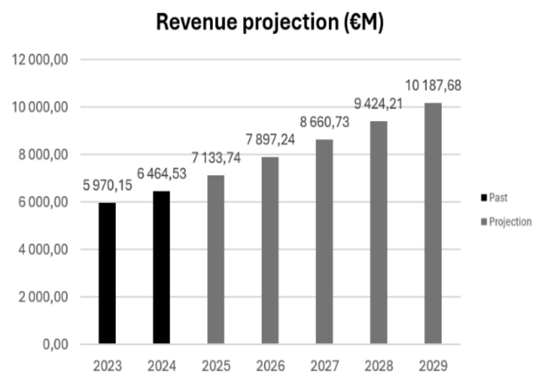
Financial data	déc-24	déc-25	déc-26	déc-27
Revenues (€bn)	6,46	7,32	8,08	8,85
Rev. yoy growth(%)	8,28	13,16	10,46	9,47
EBIT margin (%)	27,61	24,53	24,10	24,38
Rep. net inc. (€bn)	1,43	1,42	1,54	1,70
EPS (adj.) (€)	7,97	7,93	8,61	9,55
EPS yoy growth(%)	13,15	-0,61	8,68	10,91
Dividend / share (€)	2,45	2,20	2,39	2,66
Dividend yoy growth(%)	33,99	-10,22	8,73	10,98

Ratios	déc-24	déc-25	déc-26	déc-27
P/E (x)	46,26	43,57	46,98	46,32
EV/revenues (x)	9,22	8,63	8,31	8,07
EV/EBIT (x)	33,41	35,17	34,48	33,09
FCF yield (/EV) (%)	1,59	1,80	1,87	2,00
Dividend yield (%)	0,56	0,71	0,59	0,60

Financial Analysis

Revenue Analysis

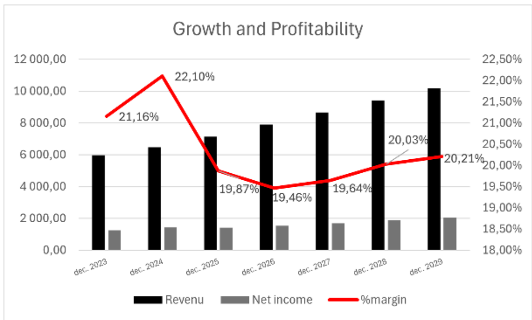
Ferrari's revenue growth is supported by its strong brand image and its positioning in the luxury segment, which has proven resilient to macroeconomic conditions. The company benefits from a loyal and affluent customer base, ensuring consistent demand even during economic downturns. Additionally, Ferrari's ability to maintain exclusivity through limited production volumes enhances its pricing power, further solidifying its revenue streams. This strategic approach, rooted in deliberately rationed sales to preserve a sense of rarity, ensures that the company focuses on quality over quantity. The goal is not to sell a large number of vehicles but to sustain demand through exclusivity and scarcity, which strengthens the brand's prestige. By capitalizing on the growing global demand for high-end luxury goods, Ferrari continues to drive stable and sustainable sales growth in the coming years.



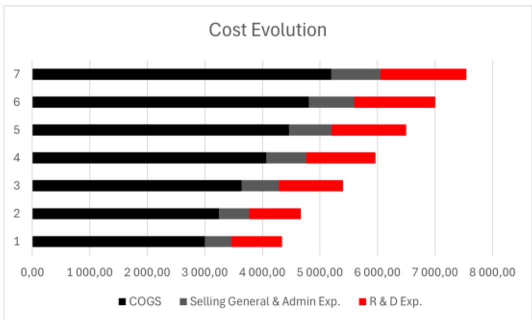
Profitability Analysis

	déc-23	déc-24	déc-25	déc-26	déc-27	déc-28	déc-29
Gross Margin	49,82%	49,80%	49,00%	48,50%	48,50%	49,00%	49,00%
EBIT Margin	27%	28%	24%	24%	24%	25%	26%
Net Profit Margin	21%	22%	19%	19%	19%	20%	20%

Ferrari, as part of its strategic transition toward the production of electric vehicles, faces significant adjustments within its production chain. This transition will primarily impact COGS due to the partial outsourcing of production, particularly for the supply of electric batteries from the Korean supplier SK. This decision will lead to an increase in production costs, slightly reducing the gross margin in the initial years.



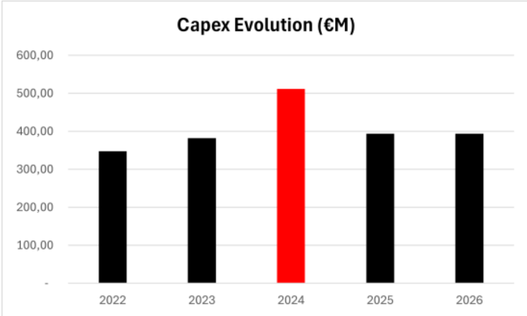
Additionally, this transition requires substantial investments in R&D, especially in the early phases, to ensure the integration of cutting-edge technologies, in line with the high standards expected in the luxury segment. However, Ferrari has been developing its expertise in electrification since 2009, and the required investments are therefore not overly significant. This is exemplified by the already available hybrid V6 engine, showcasing Ferrari's advanced capabilities in this area. These expenditures, while significant, are critical to maintaining Ferrari's position as a technological leader in an evolving market.



An increase in SG&A costs is expected. These expenses aim to reposition Ferrari's image with its customer base by emphasizing the electrification of its vehicles. This includes marketing efforts tied to the launch of fully electric models, while adapting the brand identity historically associated with thermal performance to a new hybrid/electric era.

Despite these adjustments, Ferrari's margins, while temporarily affected, remain strong. A slight compression of the EBIT margin is observed during the 2025-2027 period due to rising investments and operational costs, but a progressive stabilization is expected from 2028 onward, supported by economies of scale and better cost management. The net profit margin reflects this evolution, remaining overall healthy and aligned with the standards of the luxury automotive sector.

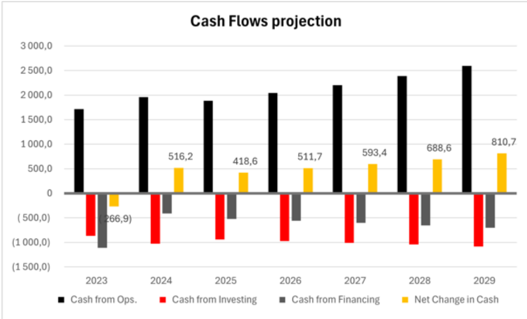
Investment analysis



Ferrari is renowned for the exceptional quality of its products, supported by state-of-the-art manufacturing facilities. To ensure the successful production of electric vehicles, Ferrari inaugurated its new E-Building this summer—a cutting-edge, eco-friendly facility spanning over 50,000 square meters, designed in line with the company's ESG commitments and environmental improvement directives. As shown in the graph, the noticeable peak in CapEx for 2024 corresponds to the investments made for this new facility.

Cash Flow analysis

Cash Flow from Operations (CFO)

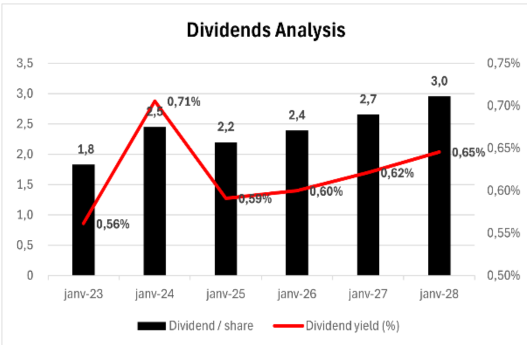


Ferrari demonstrates stable growth in its CFO, driven by its high margins and efficient management of working capital. The company's limited inventory levels, a result of its deliberate strategy to maintain rarity and exclusivity, further optimize cash flow generation. Despite challenges such as the COVID-19 crisis, Ferrari has shown remarkable resilience, reflecting its strong operational model. Looking forward, we forecast a CFO growth rate of approximately 8% annually, supported by continued operational efficiency and controlled sales growth aimed at preserving the brand's exclusivity.

Cash Flow from Investing (CFI)

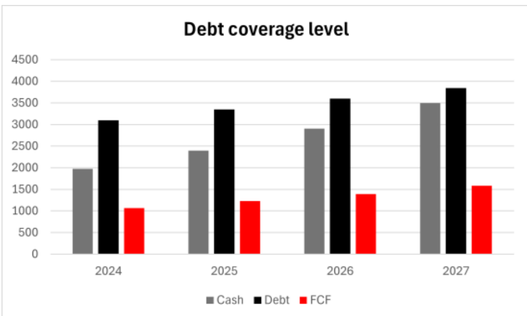
Ferrari has undertaken significant investments to support its transition to electrification, leading to substantial outflows in its CFI. These investments primarily include CapEx related to the construction of new production facilities, and Sale (Purchase) of Intangible Assets, which represent atypical activities for the company. While these expenses are critical for Ferrari's long-term strategic objectives, they introduce variability to its investing cash flows, making them harder to predict. Nonetheless, these investments align with Ferrari's vision for innovation and maintaining its leadership in the luxury automotive market.

Cash Flow from Financing (CFF)



Ferrari effectively manages its financing activities, maintaining a low debt profile and leveraging this position to regularly repay outstanding debt. This disciplined approach underscores its financial stability and reduces dependency on external financing. Regarding its equity structure, Ferrari consistently repurchases shares, averaging approximately 0.21% of outstanding shares annually, a practice that supports shareholder value. Dividend payouts have shown steady growth, representing 15-20% of EBIT annually, and we have extended this assumption into the forecast period. These practices highlight Ferrari's commitment to balanced capital allocation and returning value to shareholders.

Net Change in Cash



Despite substantial outflows in CFI, Ferrari's strong CFO ensures positive cash generation over the long term. While the company experienced a temporary negative net change in cash of €266.9M in 2023, driven by high CapEx and financing outflows, projections indicate a return to consistent positive net cash flows. By 2029, Ferrari's net change in cash is expected to reach €810.7M, reflecting its ability to balance significant investments with operational strength and prudent financial management.

Investment risks

Sensitivity Factors

		Corr.		Descriptive	
		6m	1Y	R^2 (%) 1Y	P-Value 1 Y
Market	MSCI USA Index	0,37	0,40	15,83	6.582607e-11
Sector	Luxury Goods	0,26	0,33	11,15	6.292725e-08
Macro.	U.S. Treasury 10Y	-0,10	-0,21	4,30	9.743914e-04
F.X	EUR/USD	-0,07	-0,08	0,60	2.231167e-01

Investing in Ferrari involves considerable risks related to many internal and external challenges. First of all, the company operates in an environment where environmental regulations are increasingly strict. This requires massive investments in hybrid and electric technologies to ensure compliance. However, any delay or failure in this transition could severely damage Ferrari's competitiveness in the face of competitors who are making faster progress in the electric vehicle space. Competition is intensifying with the arrival of new players like Tesla in the luxury electric vehicle segment. These innovative companies are redefining consumer expectations and Ferrari must not only maintain its high-end positioning but also meet these new technological requirements.

Ferrari's reliance on key markets such as Europe, the United States and China represents another major risk. These regions generate a significant portion of its revenue, making the company vulnerable to economic fluctuations, political instabilities, and changes in trade policies. In addition, rising raw material costs, including lithium used for electric vehicle batteries, could weigh heavily on profit margins. Ferrari will have to find ways to reduce these pressures while maintaining its high-quality standards.

As a luxury brand, Ferrari is highly dependent on its reputation. Any scandal, whether related to product quality or business practices, could seriously affect the brand's image and, consequently, its sales. Managing this reputation is crucial in an environment where consumers are increasingly attentive to the ethics and sustainability of brands.

Finally, Ferrari is particularly sensitive to global economic cycles. In times of economic downturn, consumers cut back on discretionary spending, which could lead to a significant drop in demand for luxury goods like Ferrari's. This sensitivity is exacerbated by the fact that Ferrari operates in a segment where products are not essential, but rather symbols of social status and success. In this context, Ferrari must constantly adjust its strategies to mitigate the effects of these risks while continuing to captivate its loyal and demanding customer base.

Valuation

Methodology :

For our valuation, we adopt an approach combining Discounted Cash-Flow (DCF) and multiples-based valuation, with an 80% weight assigned to the DCF method, as it better reflects the intrinsic enterprise value and accounts for the challenges ahead. The remaining 20% weight is allocated to the multiples-based approach, capturing the premium that the market is willing to pay for Ferrari due to its strong brand equity and investor confidence, which drives a higher valuation.

Multiple Approach (20% weight) :

The multiples-based valuation method results in a **1-year fair value of $441.32 per share** with an Market capitalization of 79329,91$(M). We applied a 12-month forward EV/EBITDA multiple to determine this fair value.
Ferrari like Hermès, has exceptionally high operating margins. The EV/EBITDA ratio better reflects this performance compared to other ratios. Ferrari is benchmarked against Hermès (ENXTPA:RMS) due to their similarities as very top end in the luxury sector, both characterized by high margins and comparable P/E ratios. This approach yields a target multiple of 35.4x the 2025 EBITDA. No premium or discount adjustments were applied to the valuation based on FCF yield multiples.

DCF Approach (80% weight) :

The discounted cash-flow (DCF) valuation, accounting for 80% of the weighting, indicates a **1-year fair value of $337.53 per share**, with an Market Capitalization of $61,343.27M. Our valuation include 2024 and project over a 5-year horizon, until 2029, to capture the transition period toward electrification. Our long-term DCF assumptions include a terminal growth rate of 5.5% for free cash-flow to equity (FCFE), reflecting expectations of sustained high growth, and a terminal EBIT margin of 25.18%, adjusted for the operational challenges the company is anticipated to face. The weighted average cost of capital (WACC) is set at 7.90%, based on a risk-free rate of 2.34% (German 10-year bond yield), an equity risk premium of 8%, a beta of 0.95, and a market return (10Y S&P 500) of 11.07%.

Technical Analysis

Uptrend :

Since November 11, 2022, the price has been moving within an upward channel, starting at 176.6 and reaching its peak at 498 on August 30, 2025—a remarkable performance of +173.6% over 2 years and 24 days. This uptrend has been supported by key technical levels, notably the 100-day EMA (Exponential Moving Average), which has acted as a reliable dynamic support multiple times throughout this period.

The Ichimoku analysis also provides a positive outlook. The price has only fallen below the Ichimoku cloud once, without triggering a significant bearish signal, as the cloud remained green. Furthermore, the Kijun-Sen has consistently served as a solid support level, reinforcing the sustained upward trend. The EMA 50 and EMA 100 confirm this structural uptrend.

Potential End of the Uptrend

Recent signals suggest a potential end to the bullish trend :

The price briefly exited its upward channel before re-entering it. A definitive breakdown from this channel would be a strong bearish signal.

EMA : The EMA 50 crossed below the EMA 100 for the first time since the beginning of the uptrend, hinting at a potential reversal.

Ichimoku : The price has also recently dropped below the Kijun-Sen, accompanied by the Ichimoku cloud turning red for the first time, signaling a potential bearish shift.

RSI : The RSI shows a downtrend, indicating a gradual weakening of bullish momentum.

Key Levels

Historical levels: 500 (major resistance), 410-400, 370, 329, and 283, which have acted as support or resistance at various points. These levels are likely to remain critical in the event of a correction.

Fibonacci retracements: Calculated levels (422, 375, 337, 300, 176) provide additional technical insight. Each level has been respected and has played a role in framing price movements.

The price has already retraced to the 23.61% Fibonacci level. In the event of a deeper correction, it could target the 300-375 zone, which would represent a strong support area for a potential resumption of the uptrend.

Bullish channel + EMA (50;100)

Ichimoku Analysis

Historical levels

Fibonacci retracement

EDUQTY

Short-Term Analysis

In the short term, bearish signals are emerging:

A downward channel appears to be forming, marking a shift from the previous bullish trend.

Volumes : Trading volumes are gradually decreasing, indicating a loss of buyer strength. Notably, a significant spike in selling volume on November 5, 2024, could signal capitulation among buyers.

RSI : The declining RSI confirms a loss of momentum, reinforcing the observed reversal signals.

Short therm + Indicator (RSI, Volume)

Conclusion

The strong uptrend that has propelled the price over the past two years appears to be losing steam, meeting major resistance at 500 a key psychological level. Since then, signs of buyer weakness, combined with a gradual exit from the upward channel, suggest a possible transition to a corrective phase.

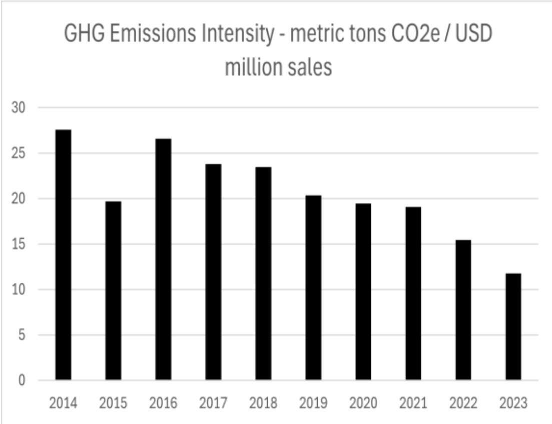
The critical support zone lies between 400 and 430, where significant buying positions have accumulated. A breakdown of this level would send a strong bearish signal, potentially pushing the price towards the 337-375 zone. Conversely, a resumption of bullish momentum will depend on the price’s ability to hold these key support levels and convincingly re-enter its upward channel.

Our 358,9$ valuation for 1Y aligns with the scenario of a potential correction reaching the 337-375 zone.

MSCI ESG RATINGS BB

Overview of Ferrari and Its ESG Position

As a leading manufacturer of sports cars, Ferrari faces significant regulatory and reputational risks related to potential product safety and quality concerns, as highlighted by our analysis. However, the company continues to trail most of its peers in implementing initiatives to mitigate these risks. For example, it appears to lack comprehensive supplier training programs focused on quality assurance. In terms of labor management, Ferrari performs on par with industry standards. Its corporate governance practices are comparable to the global average, indicating room for further enhancement. Ferrari is noted BB since december 2022, before she was noted BBB, wich is showing an improving momentum.



Source : Msci

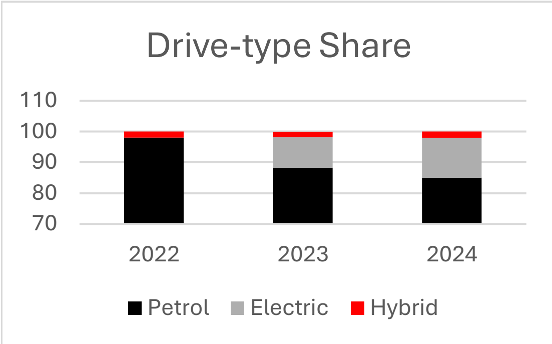
ESG Pillar Analysis

Environmental (E)

Decarbonization Plan: Ferrari aims for carbon neutrality by 2030, targeting 40% fully electric vehicles (BEVs) and 80% electrified vehicles by then. Regulatory support for synthetic fuels (e-fuels) in the EU could allow Ferrari to preserve its legacy internal combustion engine (ICE) models while meeting climate goals.

Carbon Footprint: Ferrari's emissions are at 283 gCO_2/km, far exceeding the sector average of 115.2 gCO_2/km. However, sales of plug-in hybrid vehicles rose by 50% YoY, accounting for 19.6% of total units sold.

Water and Waste Management: The report lacks significant details on water consumption and waste management.



Source : Statista

Social (S)

Labor Management and Strikes : Ferrari operates mainly in EMEA, a region with high labor unrest risk. The company mitigates this through performance-linked bonuses, but the absence of employee stock ownership programs is a notable gap.

Product safety litigation: Relatively high proportion of revenue from business lines associated with frequent recalls or product safety litigation.

Governance (G)

Board Structure: Ferrari is a family firm, is board is 72.7% independent, with 27.3% female representation, which is below global benchmarks. Governance is weakened by the ownership structure controlled by Exor N.V. (36.48% voting rights) and Piero Ferrari (15.51%).

Country: Operates mainly in regions that are politically stable and/or where corruption is limited

Governance Indicators	12/2023a
No. Of board members	11
Average board tenure (years)	5,9
Female board members (%)	27,3
Board members independence (%)	72,7

Social Indicators	12/2023a
Employee costs as % of revenues	9,6
Employee turnover (%)	4,9
Diversity policy	Yes

Environmental Indicators	12/2023a
GHG emission intensity	15
Energy intensity	65,4
CO2 reduction policy	Yes

<u>*Compare to peers:*</u>

Peer benchmarking

	Opportunities in Clean Tech	Product Carbon Footprint	Labor Management	Product Safety & Quality	Corporate Governance	Corporate Behaviour	Rating & Trend
Bayerische Motoren Werke Aktiengesellschaft	● ● ●	● ● ●	● ●	● ● ●	● ●	● ● ● ●	AA ◄ ►
Mercedes-Benz Group AG	● ● ●	● ●	● ●	● ● ● ●	● ● ● ●	● ●	A ◄ ►
Ferrari N.V.	● ● ●	● ●	● ● ●	●	● ● ●	● ● ●	BB ◄ ►
Stellantis N.V.	● ● ●	●	●	● ● ●	● ● ●	●	BB ◄ ►
Dr. Ing. h.c. F. Porsche Aktiengesellschaft	● ● ● ●	●	● ●	● ●	●	● ● ●	BB ▼
VOLKSWAGEN AKTIENGESELLSCHAFT	● ● ● ●	● ●	●	● ● ●	● ●	●	B ◄ ►

QUARTILE KEY : Bottom Quartile ● Top Quartile ● ● ● ●

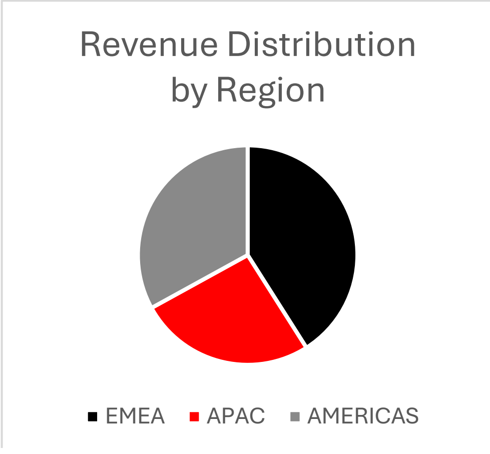
RATING TREND KEY : Maintain ◄ ► Upgrade ▲ Upgrade by two or more notches ▲▲ Downgrade ▼ Downgrade by two or more notches ▼▼

The five industry peers are companies in the Automobiles ESG Rating Industry, as of November 02, 2024, selected based on similarities in four attributes (ESG Key Issue weights, industry classification, region, and size), sorted by ESG Rating (best to worst).

Business Description

Ferrari has a balanced geographical presence: 41% of the revenue comes from EMEA, 15% comes from the Americas, and 26% comes from APAC. The brand is also gaining good traction in China. The product portfolio is designed to cater to varied consumer tastes comprising GT cars such as the Roma, sports cars like the 296 GTB, and limited series such as the Monza. The growing share of hybrid models 35% of the sales in 2026 reflects sustainability trends and changing regulatory requirements.

The business model is focused on low-volume-high-margin vehicles, ensuring exclusivity and strong pricing power. About 70% of total revenues come from vehicle sales, while the limited edition and new launches further drive these sales. Non-automotive revenues of about 15% of the overall revenues come from licensing, merchandising, and theme parks that provide diversification with stability. Ferrari's involvement in Formula 1 further enriches its brand image and adds an extra 10% or more revenue brought by sponsorships and other related activities. Ferrari also invests in targeted R&D in hybrid and electric technologies, while efficient production from its Maranello facility supports the optimization of fixed costs per unit. All these factors enable robust free cash flow generation, while FCF margins are anticipated to increase from 18% in 2023 to 20% in 2024.

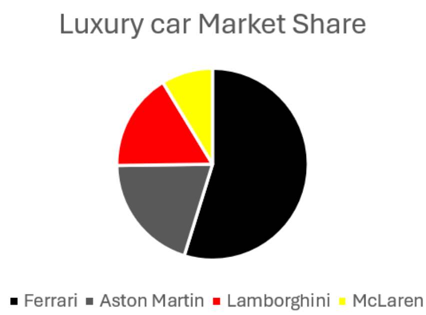


Source : Statista

See Appendix 2 (SWOT Analysis).

Industry Overview and Competitive Positioning

In the luxury automobile industry, Ferrari has remained singular in being able to create cash flows in a very sustainable manner. These facts are basically rooted in the business model of the company that, besides guaranteeing high margins and low leverage, is also focused on producing exclusive vehicles in very limited amounts. Ferrari's economic plan, defined by above-average gross margins and able to realize high free cash flow while keeping leverage low, allows it to boast strong sustainability. Strength also comes from its durable competitive advantages such as :



Source : Statista

• Strong brand: Ferrari is among the most recognized and respected brands in the world, able to command premium pricing and loyalty among customers.

• Technological Innovation: Strategic investment in hybrid and electric technologies, launching the first 100% electric model in 2025.

• Product Exclusivity: This means that the series is limited and can be customized, so exclusivity is reinforced.

• Great Customer Experience: Ferrari continues to invest in unique customer experiences, bespoke services, very special events, and a wide range of personalization options for their vehicles.

Competition is the hallmark of the luxury automotive world, but Ferrari's leading position is maintained in the market according to a well-outlined strategy in place. Though the luxury EV segment is very new, it presents an important opportunity in which Ferrari is being positioned to capitalize on as the industry leader in this transition. All this will be topped by the continued success of their hybrid models and the launch of new EVs.

Ferrari also has an unusually loyal customer base and very high barriers to entry into its segment. All these reasons, including revenue diversification, make for a pretty robust business model. In an environment in which the automotive industry faces several challenges such as environmental regulations, rising raw material costs, and increasing competition from new EV players Ferrari still looks fairly well-placed. Its innovative capability, ability to meet consumers' changing expectations, and skill in differentiating itself from competitors will ensure it stays competitive for a long period.

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Apendix

Sources are from Bloomberg / Capital IQ / Ferrari Reports

Appendix 1 :

Category	Indicator	Current Value	Target	Trend
Environmental	Carbon Neutrality Target	2030	Achieve neutrality	Improving
Environmental	Fleet C02 Emissions	283 gC02/km	Continuous reduction	Lagging
Environmental	Hybrid/Electric Vehicle Sales	19.6% of total sales	40% BEV by 2030	Improving
Social	Employee Strikes Risk	Moderate	Mitigate through bonuses	Stable
Social	Female Board Representation	27.3%	>30%	Stable
Governance	Independent Board Members	72.7%	Maintain or increase	Improving
Governance	Related Party Transactions	Recurring	Reduce dependencies	Stagnant
Governance	ESG Rating	BB (MSCI)	Improve to B	Improving

Appendix 2 :

SWOT Analysis :

Strengths	Weaknesses
▪ Iconic global brand ▪ Strong pricing power ▪ High-margin product mix ▪ Loyal customer base	▪ High R&D costs for EVs ▪ Limited production scale ▪ Regulatory challenges
Opportunities	**Threats**
▪ Expansion in China ▪ Leadership Luxury EVs ▪ Diversified revenue streams	▪ Rising competition (EVs) ▪ Economic slowdown risks ▪ FX volatility

Appendix 3 :

Porter's 5 Forces :

Force	Impact on Ferrari	Explanation
Bargaining Power of Suppliers	Low	Ferrari has long-standing relationships with specialized suppliers and uses contracts to secure consistent quality and cost advantages.

Bargaining Power of Customers	**Low**	**Ferrari have significant pricing and low sensitivity to fluctuations due to customers value exclusivity, luxury and brand prestige.**
Threat of New Entrants	**Low**	**High barriers to entry due to brand recognition, significant R&D costs, economies of scale and a well-established global network.**
Threat of Substitutes	**Moderate**	**While luxury alternatives exist like for example Aston Martin, Lamborghini. Ferrari's brand loyalty and exclusivity significantly limit substitution.**
Industry Rivalry	**High**	**Intense competition in the luxury automotive sector, especially with technological innovation and the shift towards electric vehicles.**

Appendix 4:

PESTEL Analysis :

Factor	**Impact on Ferrari**
Political	**Ferrari is influenced by global environmental policies, in particular restrictions on CO2 emissions in major markets such as Europe and China. Tax incentives on electric vehicles could also work in its favour, but any tightening of regulations could increase compliance costs.**
Economic	**Ferrari is heavily influenced by global economic cycles. Demand for its luxury vehicles is linked to the economic health of key markets, including Europe, the United States and China. In times of economic growth, sales increase due to higher disposable income for customers. Conversely, during economic downturns, demand may decrease due to the discretionary nature of its products.**
Social	**Consumer preferences are shifting towards more sustainable mobility solutions and highly personalized experiences. Ferrari is meeting these expectations by investing in hybrid and electric technologies and offering advanced customization options for its vehicles. In addition, the brand enjoys a strong cultural appeal, particularly in emerging markets where luxury is perceived as a status symbol. However, Ferrari also has to navigate an environment where the perception of luxury vehicles can be affected by sustainability concerns.**
Technological	**Ferrari needs to invest heavily in technological innovation to remain competitive. This includes the development of electric vehicles (EVs) and hybrids that meet rising consumer expectations and environmental regulations. The launch of its first electric model scheduled for 2025 is a strategic step in this direction. In addition, Ferrari focuses on advanced technologies such as in-car connectivity, improved safety, performance, and lightweight materials to increase fuel efficiency. These innovations require high R&D budgets, but they guarantee a leading position in the luxury industry.**
Environmental	**The pressure to reduce the carbon footprint is affecting Ferrari's production and operations. The automotive industry is facing heightened expectations for sustainability, which is pushing Ferrari to incorporate more environmentally friendly practices.**
Legal	**Ferrari must comply with a complex array of international regulations, particularly in the areas of safety and the environment. Vehicle safety standards, emissions testing, and energy consumption laws vary by region, requiring rigorous legal monitoring.**

Apendix 5 (Financial Analysis)

Cash Flow Statement

	2023	2024	2025	2026	2027	2028	2029
Cash from Ops.	**1 716,6**	**1 959,2**	**1 884,2**	**2 042,4**	**2 203,6**	**2 386,5**	**2 594,3**
Cash from Ops. (Var%)	*22%*	*14%*	*-4%*	*8%*	*8%*	*8%*	*9%*
Cash from Investing	**(866,5)**	**(1 027,1)**	**(940,6)**	**(973,1)**	**(1 007,4)**	**(1 043,8)**	**(1 082,4)**
Cash from Investing (Var%)	*8%*	*19%*	*-8%*	*3%*	*4%*	*4%*	*4%*
Cash from Financing	**(1 109,4)**	**(411,9)**	**(524,2)**	**(556,9)**	**(602,0)**	**(653,3)**	**(700,5)**
Cash from Financing (Var%)	*100%*	*-63%*	*27%*	*6%*	*8%*	*9%*	*7%*
Net Change in Cash	**(266,9)**	**516,2**	**418,6**	**511,7**	**593,4**	**688,6**	**810,7**

Income Statement

	2023	2024	2025	2026	2027	2028	2029
Total Revenue	5 970	6 465	7 134	7 897	8 661	9 424	10 188
Gross Profit	2 974	3 219	3 496	3 830	4 200	4 618	4 992
EBIT	1 611	1 785	1 707	1 909	2 114	2 348	2 613
EBT	1 608	1 778	1 686	1 884	2 085	2 314	2 574
Net Income	1 263	1 429	1 349	1 507	1 668	1 851	2 059

Balance Sheet

Debt

Year	Var.	Debt	DEBT REPAID	Issued Debt	
2019		2 089,7	**(322,8)**	**402,8**	
2020	30%	2 724,7	**(21,8)**	**702,3**	
2021	-3%	2 630,0	**(745,1)**	**557,8**	
2022	7%	2 811,8	**(167,5)**	**262,3**	
2023	-12%	2 477,2	**(751,1)**	**435,8**	
2024	25%	3 095,8	**(194,8)**	**743,8**	
2025	8%	3 345,8	-350	600	Continuation of investments in electrification and infrastructure.
2026	7%	3 595,8	-400	650	Introduction of electric models, leading to increased capital expenditures.
2027	7%	3 845,8	-450	700	Completion of projects related to carbon neutrality.
2028	7%	4 095,8	-500	750	Gradual stabilization of debt levels.
2029	6%	4 345,8	-550	800	Progressive reduction in growth, aligned with increased cash flow generation.

EDUQTY

Apendix 6 (Valuation)

DCF

Assumptions

WACC	7,90%
g	5,5%

DCF	2024	2025	2026	2027	2028	2029
	1	2	3	4	5	6
Revenue	6464,53	7315,14	8080,10	8845,06	9610,02	10374,98
%growth		*13%*	*10%*	*9%*	*9%*	*8%*
EBIT	1784,88	1707,06	1908,78	2114,32	2347,51	2612,57
% Margin	*28%*	*23%*	*24%*	*23,90%*	*24,43%*	*25,18%*
Taxes	356,98	341,41	381,76	422,86	469,50	522,51
% of EBIT	*20%*	*20%*	*20%*	*20%*	*20%*	*20%*
EBIAT	**1427,90**	**1365,65**	**1527,02**	**1691,45**	**1878,01**	**2090,05**
D&A	319,65	329,65	329,65	329,65	329,65	329,65
CapEX	-511,80	-394,02	-394,02	-394,02	-394,02	-394,02
Change in NWC	-290,11	-235,13	-235,13	-235,13	-235,13	-235,13
Unlevered FCF	945,64	1066,15	1227,52	1391,95	1578,51	1790,55
Terminal Value						78567,36
FCF	945,64	1066,15	1227,52	1391,95	1578,51	80357,91

Discount Factor	0,93	0,86	0,80	0,74	0,68	0,63
	876,37	915,67	977,04	1026,76	1079,08	1134,37

Discounted FCF	6009,28
Discounted TV	49774,67826
EV	55783,96
Entreprise value	55783,96
Cash	2393,35
Debt	-3345,78
	54831,54
Shares	178,82
Shares Price	306,6256139

1Y Forecast

		Convert at 1,03537	
	59 247,68 €	$	61 343,27
Cash	2393,35	$	2 478,01
Debt	-3345,78	$	-3 464,12
	58295,25	$	60 357,16
Shares	178,82		178,82
Shares Price	326,00 €	$	337,53

Actualised

	55 783,96 €	$	57 757,04
Cash	2393,35	$	2 478,01
Debt	-3345,78	$	-3 464,12
	54831,54	$	56 770,93
Shares	178,82		178,82
Shares Price	306,63 €	$	317,47

Disounted FCF	5 683,74	10%
Discounted TV	53 709,04	90%

Assumptions	
Re	8,15%
Rf	2,34%
Beta 5Y	0,95
Ke	7,87%
Kd	0,03%
WACC	7,90%
D	3,4%
E	96,6%
g	5,50%

Multiple

Hermes		
TEV/EBITDA		35,4
Ferrari		
Ebitda 2029 projected		2 942,21
2029		
EBITDA * Mult		104 154,38
EV		104 154,38 €
NB share		177,32
Cash		4 678,45
Debt		-4 345,78
Mk. Cap		104 487,05 €
Share price		589,26 €
Mk. Cap	$	108 182,76
Share price	$	606,93
2025 (1Y)		
EV Actualised in 2025	$	79 329,92
Share price Actualised	$	441,32
WACC		7,90%