

A Work Project, presented as part of the requirements for the Award of a Master Degree in Finance from the NOVA – School of Business and Economics.

Equity Research on Ferrari – Shaping the
Future of the Luxury Automotive Industry
Through Innovation

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A Project carried out on the Master's in Finance Program, under the supervision of:

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17th December 2025

Abstract

This report constitutes one component of a jointly prepared equity research analysis of Ferrari N.V., an ultra-luxury automotive manufacturer renowned for its highly exclusive product portfolio. The valuation assessment incorporates revenue growth prospects, margin performance, and competitive positioning. Based on the analysis, a Buy recommendation is warranted, underpinned by robust cash flow generation and the enduring strength of the Ferrari brand.

Keywords

Ferrari NV, Formula 1, Electric Vehicles, Luxury

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209).

This report is part of the “Equity Research on Ferrari N.V.” report (annexed), developed by Alexandra Nunes and Mariana Lopes and should be read as an integral part of it.

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Introduction

Ferrari N.V. is a luxury automotive brand known for high-performance, exclusive sports cars. Originating from its Italian racing heritage, Scuderia Ferrari is one of the most successful historical Formula 1 teams.

This report constitutes a complementary component of a comprehensive equity research analysis of Ferrari N.V, jointly prepared by two analysts with the objective of delivering a thorough assessment of the company's investment case. The purpose is to evaluate Ferrari's historical and projected financial performance, competitive positioning, and strategic outlook, to deliver a well-supported investment recommendation.

The full analysis supports a BUY recommendation for Ferrari N.V., driven by the company's strong brand, high margins, resilient cash flows, and ongoing transition toward electrification. Based on the applied valuation methods, the implied target share price is €464.68 as of December 31st, 2026, representing a 12.9% upside from the reference price of €411.6 as of September 30th, 2025.

This individual report covers: a brief company overview, including its business model dimensions and financial services activities; industry analysis and trends, focusing on demand and consumer trends and supply chain and geopolitical risks; an assessment of the competitive landscape; SWOT analysis; an historical financial analysis; revenues' drivers and forecasts. Furthermore, it also covers discount rate assumptions, a relative valuation of the company, and part of the risk assessment, including a Monte Carlo Simulation. The report concludes with the investment risks.

The complementary individual report prepared by Alexandra Nunes covers a brief company overview, including Ferrari's origins and shareholder structure; macroeconomic analysis, focusing on the regulatory and technological landscape; ESG analysis; cost structure, invested capital and terminal value drivers' forecasts. Furthermore, it also covers discount rate assumptions, cash-based valuation methods and their respective discount rates, as well as part of the risk assessment, including the scenario and sensitivity analyses. The report concludes with a final investment recommendation.

Company Overview

Ferrari at a Glance

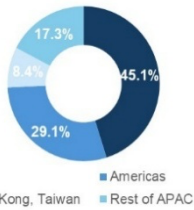


Figure 1 - Regional Shipments Distribution (2024)

Source: Ferrari

Ferrari's DNA is deeply woven into every aspect of its business. The company's philosophy is built on three values: Individual and Team, Tradition and Innovation and Passion and Achievement. These pillars have led Ferrari from a racing-focused manufacturer into one of the world's most admired luxury brands. This international recognition and presence are translated into the company's geographic extension. Ferrari covers a client base over four major areas, including, in order of relevance in total shipments, in 2024: **EMEA** (45%) – among which United Kingdom, Germany, Italy, France, Switzerland, the Middle East and other European and regional countries; the **Americas** (29%); **China, Hong Kong and Tawain** (8%); and the **Rest of APAC** (17%), which includes all the remaining Asia and Pacific markets.

The company's business model is composed of the following **three dimensions**.

Sports Cars

The **Sports Cars** segment refers to the Range models, Special Series, Icona, One-Off, Supercar and *Classiche*, as well as client events, experience and services. Ferrari differentiates itself by deliberately managing **supply below demand**, producing significantly fewer cars than the market demands. Strategically positioned as a **"small volume" manufacturer**, Ferrari produces just between 10,000 and 15,000 vehicles annually - substantially below some peers as Porsche's 310,718 units, in 2024. This approach allows Ferrari to safeguard the **exclusivity** of the brand, rather than just pursuing market share growth.

Ferrari's line-up has evolved over the decades following a clear product timeline, alternating between regular road cars, special editions and hypercars, with the brand introducing an average of **3 to 4 new models per year**. By 2025, this strategy has resulted in an especially diverse line-up.

The **Range models** comprise cars powered by **traditional internal combustion engines** – including the 12 Cilindri, the 12 Cilindri Spider, the Roma Spider and the Purosangue, Ferrari's first four-door, four-seater car –; and **plug-in hybrid vehicles** – such as the SF90 Spider, the 296 GTB and the 296 GTS.

Furthermore, the **Special Series** line-up brings even more exclusivity with the SF90 XX Stradale, SF90 XX Spider – both plug-in hybrids – and 812 Competizione A – powered by an internal combustion engine –, representing the peak of Ferrari's engineering capabilities through track-inspired performance vehicles. Within the **Icona** models, reserved for ultra-exclusive models, the Daytona SP3, an internal combustion vehicle, stands as the sole 2025 offering. The **Supercar** line-up is

Unit: Number of Shipments

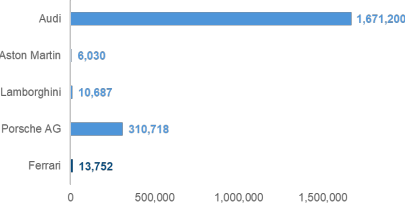


Figure 2 - Number of Shipments, per company (2024)

Source: Companies' 2024 Reports

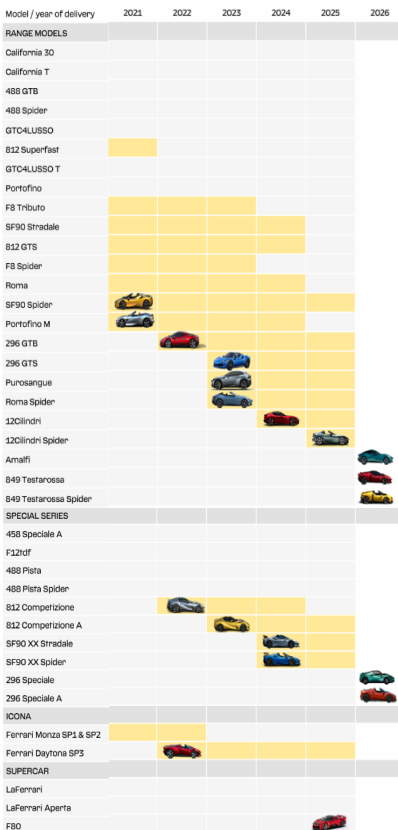


Figure 3 - Ferrari's Product Line-Up (2021-2026)

Source: Ferrari

defined by the introduction of the F80, a hybrid vehicle, sold out ahead of entering production in 2025.

These offerings illustrate how key models, particularly hypercars and Icona series vehicles, continue to shape the line-up portfolio and trigger a lasting influence on Ferrari's **design, performance and brand trajectory**, with the current product mix consisting of 49% ICE and 51% plug-in hybrid models.

Racing

Racing activities include Formula 1, Endurance competitions, Esports and the Corse Clienti. Formula 1 remains as the core of Ferrari's motorsport program. F1 serves as the primary platform for technological development and global brand visibility, with 16 Constructors' Championships and 15 Driver's Championships in the sports history. In Endurance competitions, Ferrari has won 24 world titles in the FIA World Endurance Championship, including 9 overall world titles and 15 class titles since the beginning of the championship in 1953. In Esports, Ferrari participates in major sim racing competitions such as the F1 Sim Racing Championship, PSL E-series – in which the team has taken multiple constructor's titles – and the Ferrari HP Esports Series, created by the brand. The Corse Clienti program enables competitive and one-make racing in Ferrari Challenge categories, with drivers and teams competing for annual titles.



Figure 4 - Scuderia Ferrari's 2025 Drivers
Source: Formula 1

Lifestyle

The **Lifestyle** dimension extends the Prancing Horse beyond the track through Personal Luxury Goods, Collectibles and Experience. It includes Ferrari's fashion collection, flagship stores, Il Cavallino Restaurant as well as museums, such as the Ferrari Maranello Museum and the Museo Enzo Ferrari in Modena. Additionally, it includes the Ferrari World in Abu Dhabi and Ferrari land in Portaventura. Through these initiatives, Ferrari offers immersive experiences that strengthen its brand appeal.

- Maranello: the integrated home base

Ferrari's operations are centered in Maranello, where production and design have been kept in-house since 1943. The company's evolution over the past decade underscores the strength of its business model, balancing **low-volume, high-margin production** with **technological innovation** and **brand expansion into lifestyle** segments. Besides this horizontal integration, Ferrari's investments have reinforced a vertical dimension: from the Design Centre (2018) to the Technical Centre (2019), the Simulator (2020) and the *Attività Sportive GT* base at Fiorano (2021). More recently, in 2024, the new **e-building** inauguration marked Ferrari's leap into electrification. The state of the art facility produces and develops diverse **powertrain models**, as well as strategic **electric components**. A paint shop, due in 2027, is designed with a focus on sustainability and energy efficiency. This will



Figure 5 - Museo Enzo Ferrari in Modena
Source: Ferrari

enhance Ferrari's **personalization capabilities**, reinforcing its commitment to **craftsmanship** and **originality**, key differentiators in the luxury market.

- Beyond the Dream: Ferrari Financial Services

A complementary core component of the Ferrari ecosystem is **Ferrari Financial Services (FFS)**. FFS offers tailored **consumer financing solutions**, facilitating model purchases. It operates directly in the United States via its wholly owned subsidiary *Ferrari Financial Services Inc.*. Additional services are offered in Europe through *Ferrari Financial Services GmbH*, a joint venture with CA Auto Bank and Crédit Agricole. Beyond that, Ferrari also maintains partnerships in other major international markets, including Japan and Mainland China. As of 2024, FFS managed a financial receivables portfolio of €1,662 million, entirely originated in the United States. Its **selective** and **client-driven** approach ensures that financing does not dilute brand prestige but enhances access for qualified clients, while preserving the perception of **rarity** that defines the Prancing Horse.

Industry analysis and macroeconomics

Industry Analysis and Trends

The **luxury automotive industry** represents a **premium segment** of the automotive industry where the market players are characterized by a strong brand **prestige**, **technological innovation** and **personalized customer experience**. The luxury and, particularly, the ultra-luxury segments rely on **exclusivity**, **craftsmanship** and **emotional appeal**, while mass-market manufacturers operate with high-volumes and compete primarily on price and broad utility.

In 2024, Ferrari held a **23% market share in the Luxury Performance Car industry**, its historic benchmark, and a 14% market share in the Enlarged Luxury Performance Car Industry, which includes high-performance SUVs, similar to the Purosangue. These metrics demonstrate Ferrari's dominance in a niche where technological innovation, design and customer intimacy converge.

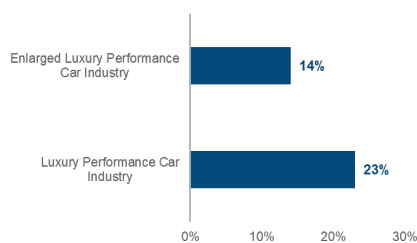


Figure 6 - Ferrari's Positioning in the (Enlarged) Luxury Performance Car Industry (2024)
Source: Ferrari

- Demand and Consumer Trends

The Luxury Automotive segment's primary customers are **high-net-worth (HNWIs)** and **ultra-high-net-worth (UHNWIs)**. Luxury car buyers fall into groups such as "*collectors/ connoisseurs, innovation seekers, performance enthusiasts and personal-status buyers*" (McKinsey & Company, 2025). These clients tend to value both heritage and innovation, allowing premium manufacturers to sustain strong pricing power and industry-leading margins. Nonetheless, the sector is indirectly influenced by global macroeconomic developments, geopolitical tensions, regulatory changes, technological improvements, supply-chain stability and wealth creation trends.

Unit: \$Billion

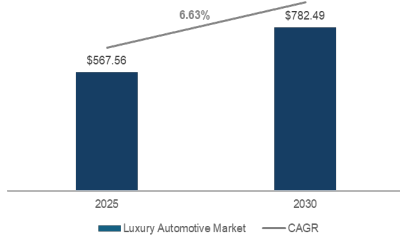


Figure 7 - Luxury Automotive Market Growth 2025-2030

Source: Mordor Intelligence

In recent years, the global automotive industry has faced some **turbulence**. High inflation, high interest rates, geopolitical instability and prolonged supply-chain bottlenecks in semiconductors and logistics have affected the growth of the industry. Despite these challenges, the **luxury automotive segment** has continued to **expand**. While industry forecasts expect a CAGR of 3.46% from 2025 to 2030 in the overall global automotive market size – from \$2.75 trillion to \$3.26 trillion –, the **luxury car segment** is projected to grow at a faster rate, at a **CAGR of 6.63%** within the same period - from \$567.56 billion to \$782.49 billion. This growth is reflected by the rising wealth concentration and has therefore become one of the strongest demand-side drivers of Ferrari's addressable market. The demographic composition of luxury car buyers is also changing. A growing share of Ferrari's new clients, approximately 40%, are under the age of 40, indicating that younger affluent buyers increasingly seek high-performance vehicles, driven from an aspiration of luxury, exclusivity and to showcase achievement. This evolution requires manufacturers, such as Ferrari, to balance brand heritage with contemporary forms of customer interaction.

- Supply Chain and Geopolitical Risks

The complexity of the supply chain for European Automotive manufacturers is an ongoing concern. The rising competition for semiconductors, higher logistics costs and growing concerns about rare-earth, minerals and permanent magnet supply linked to Chinese restrictions, affect the entire sector, as these are essential elements for the production of EV batteries and other electronic components. In addition, the ongoing effects of the war in Ukraine, that continues to contribute to elevated and volatile energy and fuel costs in Europe, impacts production and logistics expenses across the industry. Trade tensions and tariffs, particularly on cars and components exported to and from the United States, further increase costs. These create additional uncertainty in the supply chain, affecting manufacturers that rely heavily on global sourcing.

Ferrari operates within this challenging **supply environment**, even though it operates on a low-volume production basis. The company depends on a **limited number of suppliers** for critical components, particularly for hybrid and electric systems, which will become even more important in the coming years, composing a material operational risk. On the one hand, although Ferrari has measures in place to mitigate these vulnerabilities, such as active-supplier management and hedging, there can still be **disruptions** in the **supply chain**. On the other hand, the **e-building** strengthens its **control** over electric cars and battery-related components, increasing **flexibility** in an environment where semiconductor availability, electronic components prices and demand for battery materials, remain volatile. The company's production strategy allows for operational agility through fast adjustment to component shortages and regulatory changes comparing to high-volume luxury

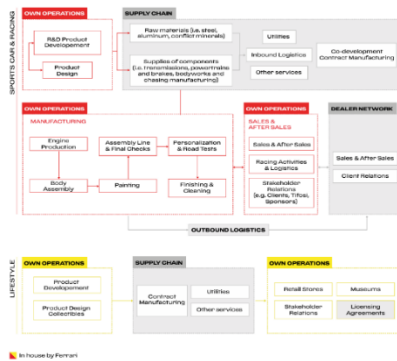


Figure 8 - Ferrari's Supply Chain

Source: Ferrari

manufacturers. Nevertheless, Ferrari is still exposed to industry-wide supply chain pressures.

Competitive landscape

The competitive landscape in the luxury automotive segment continues to intensify. Among the following, Lamborghini, Aston Martin and Porsche are the most similar to Ferrari due to their focus on luxury, design, and technological excellence.

Unit: Revenues in €Million

	Shipments	Revenues	EBIT Margin	EBITDA Margin
Lamborghini	10,687	3,095		
Aston Martin	6,030	1,910	-5.2%	17.1%
Porsche	310,718	40,083	17.4%	23.4%
Mercedes-Benz	2,389,000	145,594	9.34%	13.99%
Stellantis	5,415,000	156,878	2.35%	6.96%
Ferrari	13,752	6,678	28.27%	38.26%

Table 1 - Automotive Peers Comparison

Source: Companies' Reports

- Lamborghini**¹, part of the Audi Group, within the Volkswagen Group, has transformed its line-up to consist mostly of hybrid cars. The company's first full electric vehicle is scheduled for launch in 2029, after a one-year delay from the original plan. In 2024, Lamborghini sold 10,687 units, aligning with Ferrari's low production model.
- Following a recent financial restructuring, **Aston Martin** cut approximately 5% of its global workforce, while still prioritizing the launch of its mid-engine plug-in hybrid "Valhalla" in 2025 and postponing its first full-electric vehicle. The company produces lower volumes, with 6,030 units, in 2024. The adjusted EBITDA margin was 17.1%, but the company reported a negative adjusted EBIT Margin of -5.2% in 2024, reflecting operational challenges.
- Porsche**, which is supported by the engineering resources of the Volkswagen Group, has been improving its capabilities in high-performance electric vehicles. Porsche operates with significantly higher production volumes than Ferrari, and an EBIT and EBITDA Margins of 17.4% and 23.4%, respectively, in 2024.
- Mercedes-Benz**, through its AMG division, continues to push technological boundaries in hybrid performance systems and luxury electric platforms, leveraging its large-scale R&D infrastructure. Mercedes-Benz produces volumes more aligned with the mass-market, with 2,389,000 units, in 2024, yielding an EBIT Margin of 9.34% and an EBITDA Margin of 13.99%.
- Stellantis**, while also more generally positioned across the mass-market segment, continues to invest in performance engineering through brands such as Maserati, which is undergoing a strategic repositioning to compete more directly in the luxury electric vehicles segment. Stellantis present EBIT and EBITDA margins of 2.35% and 6.96%, respectively, in 2024.

Despite these pressures, Ferrari maintains a **structural advantage** grounded in its **brand prestige**, decades of **racing-derived engineering expertise**, exceptionally strong **values**, and deeply **loyal customer base**. The company's ability to translate Formula 1 innovation into road-car performance remains a central differentiator

¹ Lamborghini's EBIT and EBITDA margins are not available, since it is not publicly traded

within an increasingly competitive luxury landscape.

SWOT Analysis

Ferrari's internal and external environment can be further synthesized through a SWOT analysis, highlighting the main insights outlined above.

Strengths and weaknesses

The company's strongest asset is its globally recognized **brand**, which personifies luxury, performance and exclusivity. This brand equity enables the company to maintain premium pricing and achieve industry-leading margins. Supported by a robust and highly specialized **research and development** division, Ferrari has sustained its leadership in innovation, particularly as it advances **hybrid powertrains** across more of its line-up. Ferrari's strong **book order** and high demand provide further financial stability, allowing the company to plan production in advance. Despite its strengths, Ferrari continues to face structural limitations. Although Ferrari has expanded geographically, the region of **EMEA remains proportionately significant** for its deliveries, creating potential concentration risk. Furthermore, its transition towards electrification is still uncertain. While hybrid models have achieved commercial success, the company has only recently announced its first full-electric vehicle, the *Ferrari Elettrica*. The delay could limit Ferrari's competitiveness as consumer expectations and regulatory requirements accelerate the shift toward electrification.

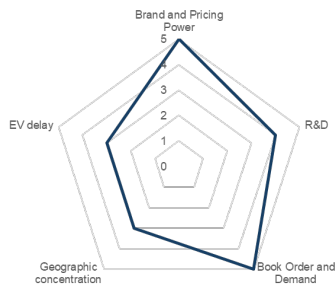


Figure 9 – Strengths and Weaknesses

Opportunities and threats

The transition to electrification is also Ferrari's most substantial opportunity. **Expanding its hybrid portfolio** and successfully launching a **high-performance electric vehicle** would allow Ferrari to capture new customers while remaining compliant with emerging regulatory frameworks. Additionally, the company can benefit from continuous growth in the lifestyle segments and customization programs, all of which strengthen brand engagement. As the competitive landscape evolves, Ferrari faces **regulatory pressures**, which may require costly adaptation and accelerate the need for electrification. **Supply chain vulnerabilities**, particularly for specialized components also pose a risk to production continuity and cost control.

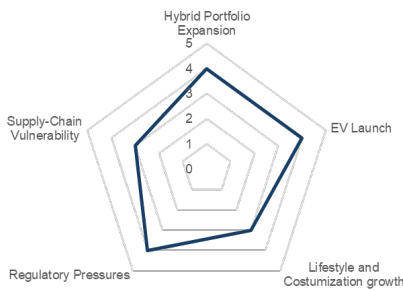


Figure 10 - Opportunities and Threats

Historical Financial Analysis

Ferrari reports itself as a one-segment company, but two main operating businesses can be identified: the **Automotive & Performance Business (A&P)** – encompassing Ferrari's Sports Cars, Racing and Lifestyle dimensions – and **Ferrari's Financial Services (FFS)**. While the latter's overall contribution to the company could be considered residual, the significant differences in business

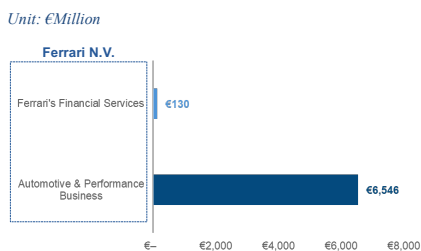


Figure 11 – Breakdown of revenues, by identified segments (2024)
Source: Ferrari

models require distinct valuation approaches. It should be reinforced that the company does not present this distinction and the approach to isolate financials is derived from Ferrari's annual reports, and the analysts' own judgement. This section evaluates Ferrari's performance across both referred segments, focusing on historical trends from 2018 to 2024. Financial statements concerning the A&P business have been reformulated to isolate operating performance, providing a clearer view of the company's operational efficiency and capital allocation.

Automotive & Performance Business

Over the past decade, global electric car sales have more than doubled. Although Ferrari has only recently begun its electrification process, hybrid models already account for more than half of the brand's lineup (51%, in 2024). The delayed transition is consistent with the company prioritizing exclusivity and performance over volume. This shift has supported revenue growth, largely through higher average selling prices enabled by technology innovation and premium components. Ferrari's introduction of the SF90 XX Stradale and the SF90 XX Spider further boosted volumes of hybrid powertrain cars, in 2023, reflecting strong market reception. Revenues grew from €3.4 billion, in 2018, to €6.5 billion, in 2024, corresponding to an 11.72% CAGR, on a period of significant transformation.

The structural shift in Ferrari's product mix has been accompanied by substantial investment in R&D, with the F1 division allowing knowledge spillovers to the commercial division. Although historically high, a slight deceleration of R&D to revenues ratio is observed, as Ferrari moves past the initial phase of electrification.

Despite operational changes, gross margin has consistently averaged above 61% across the period, supported by disciplined product strategy and the strong performance of limited-edition and special series models, which carry structurally higher margins. A slight decline of both ICE and hybrid vehicles' gross margins is observed driven by rising production complexity. Nonetheless, resilience has carried through to operating performance. EBITDA margin increased from 32%, in 2018, to 38%, in 2024, reflecting Ferrari's disciplined cost management and mix optimization. While further efficiency gains may support incremental improvements, margins remain sensitive to shifts in the product portfolio and the cost dynamics associated with the pace of technological transition.

The evolution of Ferrari's net working capital (NWC) reflects the structural characteristics of its ultra-luxury, low-volume business nature. The company benefits from advance customer payments, while maintaining efficient inventory management, resulting in historically negative NWC. The level of NWC showed a slight increase, reflecting ongoing product and operational changes. This aligns with the rise in the cash conversion cycle, which turned positive in 2024 – and is expected to remain in the future. The shift toward more complex, premium



Figure 12 – Automotive & Performance Business Revenue Evolution (2018-2024)
Source: Ferrari

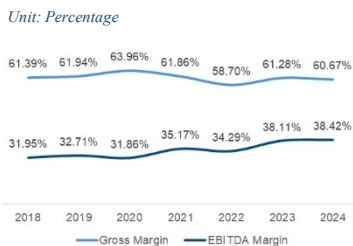


Figure 13 – Gross Margin & EBITDA Margin (2018-2024)
Source: Ferrari

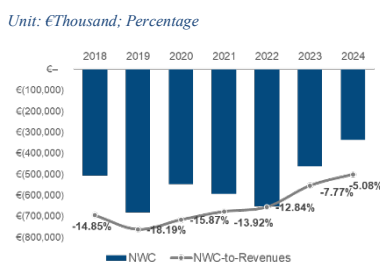


Figure 14 – Net Working Capital and NWC-to-Revenues (2018-2024)
Source: Ferrari

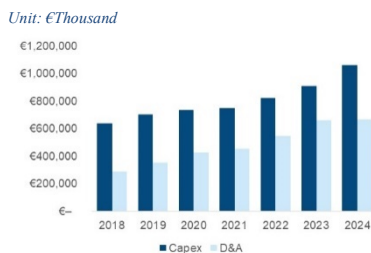


Figure 15 – Capex and Depreciation & Amortization (2018-2024)

Source: Ferrari

components lengthen inventory cycle, while average days payable decreased at a CAGR of -4.7% over 2018 through 2024, reflecting tighter supplier terms. Furthermore, Ferrari’s significant technological and product-related transformation has required substantial investment in Capex, noted to have been historically taken by the company. Investments in manufacturing equipment and facilities throughout the period enable Ferrari to support production growth objectives.

Ferrari’s A&P Business has historically generated exceptionally high ROIC, averaging around 36%. A temporary decline occurred during the Covid-19 period due to factory shutdowns and supply chain disruptions. Post-pandemic, ROIC rebounded as the company expanded its lineup, boosting average selling prices and supporting margin improvement. Overall, Ferrari demonstrates strong capital efficiency, with reinvestment rates typically ranging between 10-20%. Under normal conditions, Ferrari’s business model requires limited capital spending relative to sales growth. At the consolidated level, ROE has remained consistently high. It exceeded 50% levels prior to Covid, declining sharply during the pandemic, and subsequently recovering to levels around 40%, where it is expected to stabilize going forward. These values reflect Ferrari’s exceptional ability to generate returns for shareholders.

(Millions, %)	2019	2020	2021	2022	2023	2024
ROIC	38%	36%	23%	36%	38%	38%
NOPLAT	€653	€515	€748	€973	€1,171	€1,354
Operating Inv. Cap.	€1,826	€2,246	€2,518	€2,695	€3,107	€3,591

Table 2 – ROIC, NOPLAT & Operating Invested Capital (2018-2024)

Ferrari’s Financial Services

Regarding Ferrari’s Financial Services, net interest margins have historically been modest, ranging from 2% to 3.4% over the period. While net interest income occasionally shows negative growth, pre-tax profit margins have remained stable at approximately 30%, in recent years, reflecting disciplined cost management and a structurally profitable business. Receivables growth aligns with the sales of cars and spare parts. The average yield on client financing and cost of funds are discussed under the following section.

Value Drivers and Forecasts

For the forecasting period, four periods of growth were considered: (i) the period corresponding to the **2026-2030 management strategic plan**, announced on the Capital Markets Day (CMD) on October 9th, 2025, used as a guidance (ii) a gradual **period transitioning into a new portfolio mix**, composed mainly of hybrid and electric vehicles (2030-2035); (iii) a **margin stabilization period** following the portfolio transition (2035-2040) and (iv) the **perpetual growth period**. Although Ferrari can be considered a mature company, recent investments in the electrification of its product portfolio introduce structural changes that affect revenues, costs and invested capital dynamics, delaying its steady-state point.

Ferrari’s race to success

The following section addresses the forecasting methods and value drivers of the

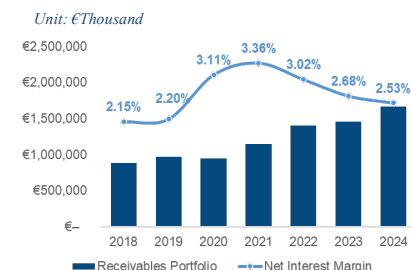


Figure 16 – Receivables from Financing Activities vs Net Interest Margin Evolution (2018-2024)

Source: Ferrari

Automotive & Performance Business, through periods (i) and (ii).

- Revenues

Ferrari breakdowns revenues into the following categories.

Manufacturing of Cars and Spare Parts revenues

A **bottom-up approach** was used for revenue forecast, focusing on projected shipments and average selling prices, as Ferrari produces on a **low volume basis** targeting a relatively resilient client base.

Shipments are closely linked to the company's evolving powertrain mix across the Range, Special Series and Icona product lines. Prior to the announcement of the new 2026-2030 strategic plan, Ferrari had initially outlined a 20-40-40 product mix of ICE, hybrid and electric vehicles, respectively. The 2030 lineup is now expected to comprise 20% electric, 40% hybrid and 40% ICE models - units sold were assumed to be proportional to the composition. Changing circumstances have led to the adjustment of the initial targets, assumed to be postponed, yet achievable in **2035**. Beyond this, no further decrease in ICE models is to be expected, as they remain an integral part of the company's heritage and brand identity.

Furthermore, the **luxury automotive segment volume** is expected to slightly **decline** from 252,000 units, in 2025, to 247,000 units, in 2030 (-1.8%), supporting that expected growth in the industry will mainly stem from **higher selling prices**. Looking at Ferrari's shipment historical evolution, even as hybrid share doubled, in 2023, shipment growth was around 3%. Consequently, the **introduction of fully electric vehicles is not expected to dramatically alter shipment growth**, aligning with Ferrari's limited supply strategy.

Ferrari's niche position within the luxury automotive market complicates efforts to forecast units' shipment, along with the challenge of an early EV development stage. Aligning current industry dynamics with the company's historical performance, **shipment growth is projected at 2% for 2026-2028**. This reflects the launch of the Ferrari Elettrica and falls within the 1-3.5% growth range historically observed. Growth slightly increases to **2.5% in 2028-2029**, in anticipation of additional EV launches and favorable market response. Beyond 2030, it gradually slows to 1.5% by 2035, consistent with a mature ultra-luxury market, intentional production limits and a long-term real GDP growth rate of 1.6%, for advanced economies. Overall, shipments are expected to grow to **17,073 units**, from **2024 to 2035**, at a **CAGR of 1.99%**.

Regional shipment distribution is driven by GDP, inflation and consumer trends, accounting for factors as the expected wealth growth in Asia-Pacific, and the UK market contraction following post-Brexit tariffs. Based on this distribution and respective price evolutions, an **average inflation rate** was computed. The average

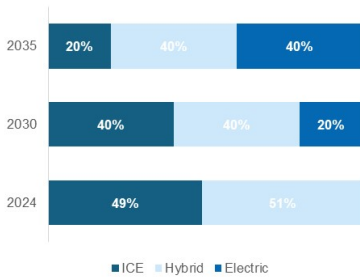


Figure 17 - Portfolio Mix 2024 vs 2030 vs 2035
Source: 2030 Guidance - Ferrari's Capital Markets Day

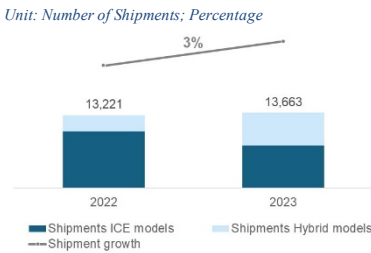


Figure 18 - Historical Unit Shipment 2022 VS 2023
Source: Ferrari

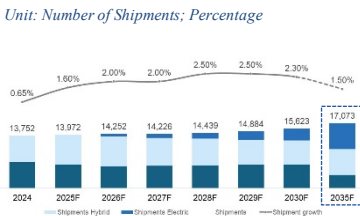


Figure 19 - Forecasted Shipment Evolution and respective growth rates (2024-2035)

	2019	2020	2021	2022	2023	2024
Real ASP	€282	€299	€297	€280	€301	€321
ICE ASP	€282	€298	€282	€260	€261	€272
Hybrid ASP		€403	€381	€351	€352	€368
Est. Premium	35%					

Table 3 - Average Selling Price of ICE and hybrid models (2019-2024)

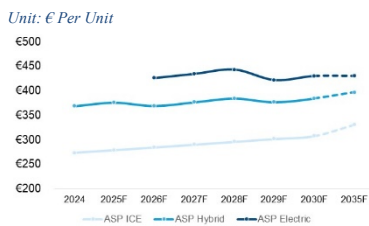


Figure 20 - Average Selling Price Evolution (2024-2035)

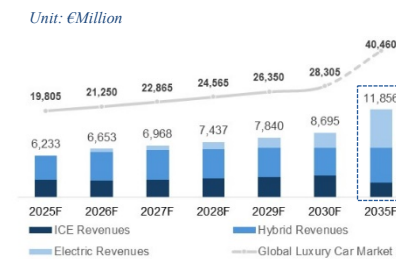


Figure 21 - Forecasted Cars & Spare Parts Revenues (2025-2035)
Source: Global Luxury Car Market - Future Market Insights



Figure 22 - Sponsorship, Commercial & Brand Revenues Breakdown and F1 Revenues (2018-2035)
Source: F1 Revenues – Liberty Media Investor Relations

selling price is computed on real terms, to which inflation is added.

The pricing model is anchored to the pricing of **combustion vehicles**. Their projected evolution reflects Ferrari’s continuous strong investment in **customization** and its unique brand **positioning**, aligning with historical trends.

Considering increased production complexity and highly specialized components, a **price premium** was then applied over the price, in real terms, of ICE vehicles, for both hybrid and electric vehicles (on top of inflation).

Prior to developing forward-looking projections, a price premium for existing PHEV was calculated, to establish an ASP for each model category. Mass-market data indicate that **plug-in hybrid vehicles** command roughly a 30% premium over comparable ICE models in major European markets, such as Germany and the UK. Given Ferrari’s place at the top of the luxury spectrum, a slightly higher **35% premium** was assumed **until 2025**, allowing for a more granular analysis for forecasts. This combines additional production costs (against a standard combustion engine vehicle), with Ferrari’s ability to define higher prices, supported by top-tier product quality. As hybrids become more mainstream, this premium is expected to gradually slow, moving prices closer to ICE levels.

For **electric vehicles**, a 50% premium is assumed in the introduction stage, in 2026. Although Ferrari has not disclosed the pricing for the upcoming *Ferrari Elettrica*, several sources anticipate a price of over €500,000 – compared to an estimated ICE ASP of around €370k, strengthening the projected value. This is consistent with Ferrari’s brand exclusivity, as well as cost dynamics, explained further below. Prices are expected to converge into hybrid model levels, following the same rationality, although a significant premium is still expected, reflecting Ferrari’s strong pricing power.

Revenues of Cars and Spare parts are expected to grow at a **2024-2030 CAGR of 7.20%**, slightly above the expectations to the industry, and a 2024-2035 CAGR of 6.84%.

Sponsorship, Commercial and Brand revenues

Ferrari’s historical F1 team, **Scuderia Ferrari**, is this revenue’s dimension main driver of generated wealth. Through the F1 Concorde Agreement, Ferrari receives an annual “heritage” payment. Although not disclosed, this amount is proportional to the F1 prize pool, which represents around 45% of F1’s total revenues. A formal request was recently submitted for the payment to be capped at 5% of the prize pool, the assumed value through the forecast period. Regarding F1’s total revenues, the sport is modeled to continue growing with the observed global fanbase evolution of 63% for the analyzed period, becoming stable in 2035.

The remaining portion of the caption — driven by sponsorships, F1 and the World

Endurance Championship, and the Ferrari brand — has historically represented around 87%, a share expected to remain stable going forward. These revenues are linked to F1’s performance and success. These include Scuderia Ferrari championship results, as well as the visibility the sport gives to the brand. As a result, a **2024–2035 CAGR of 8.16%** for Sponsorship, Commercial, and Brand revenues is project.

Other revenues

“Other” revenues originate from **engines**, including both engines previously sold to Maserati, whose contract agreement ended in 2023, and the rental of engines to other F1 racing teams, as well as those generated by the **Mugello racetrack**. The rental price per unit was forecasted, considering Ferrari has historically supplied engines to two racing teams, with an average of two power units per team, per season. Unit price was assumed to increase at a similar rate to the automotive engines market size, aligning with the expected 2.89% CAGR forecasted in the next 10 years, on top of inflation. Regarding the Mugello racetrack, its contribution to revenues is modeled according to its stable pattern, as no different activity is expected.

Total revenues from the **Automotive & Performance business** present a 2024-2035 CAGR of **6.92%**.

Valuation Methods

Discount Rate for the A&P Business

- Weighted cost of capital

To determine Ferrari’s Weighted Average Cost of Capital (WACC), all financial figures were taken as of September 30, 2025. Ferrari’s market capitalization amounted to €73.23 billion, calculated using 177,924,671 shares outstanding and a share price of €411.60.

Cost of Equity

To determine the cost of equity, the CAPM was used, with the following considered metrics. The **risk-free rate** was based on the yield of the German 10-year Bond, 2.71%, reflecting Ferrari’s geographical and economic context. The **market risk premium** was derived from Damodaran’s forward-looking equity risk premium of 4.33%. This mature MRP is derived from the implied ERP of the S&P 500 and serves as a benchmark to how investors collectively assess equity risk in integrated global capital markets. Given that Ferrari is an international luxury player, the US-based premium serves as a reasonable proxy – a widely adopted approach in valuation.

The **equity beta** was estimated through a regression analysis of Ferrari’s historical

Unit: €Thousand

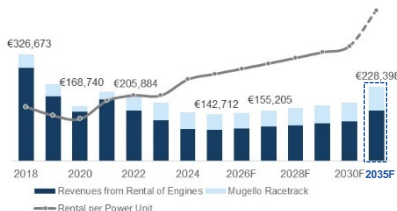


Figure 23 - Other Revenues Breakdown (2024-2035)

Cost of Equity	
Risk-Free Rate	2.71%
Market Risk Premium	4.33%
Levered Beta (Regression)	0.796
Current D/E	0.16%
Corporate Tax Rate	24%
Unlevered Beta	0.795
Target D/E	0.549%
Levered Beta	0.799
Levered Cost of Equity	6.17%
Unlevered Cost of Equity	6.16%

Table 4 - Cost of Equity Calculation (A&P)

Source: Investing.com; Ferrari; Damodaran

monthly returns against those of the MSCI World Index, covering a period of 3 years, starting from September 2022 to the valuation reference date. This analysis produced a **levered beta of 0.796**, indicating that Ferrari's shares fluctuate less than the overall market, which aligns with the Luxury Automotive Industry. To isolate the company's operational risk from financial leverage, the **unlevered beta** was calculated with the **current 0.16% D/E ratio** and an applicable **Italian corporate tax rate of 24%**. This results in an **unlevered beta of around 0.795**. Companies like Ferrari tend to have strong brand loyalty, pricing power, and lower sales volatility than mass-market automakers. After re-levering this beta with the 0.55% target D/V, reflecting Ferrari's future capital structure, the cost of equity was determined through CAPM and an **equity beta of 0.799** – a **levered cost of equity of 6.17%** and an **unlevered cost of equity of 6.16%** were obtained. The minor difference is justified by Ferrari's leverage policy.

Cost of debt

Ferrari's cost of debt was calculated departing from the yield of its 2030 Bond of 3.69%. The bond yield reflects the return required by investors based on the company's credit quality, which, in the case of Ferrari, is A+. This yield is adjusted for the expected loss given default to reflect the true cost of debt. The expected loss depends on the probability of default and on the loss given default. The probability of default is 1.35%. The loss given default was assumed to be 45%, representing the portion that would be lost in case of default. By multiplying both metrics, an expected loss of 0.61% is expected. By subtracting the expected loss from the bond yield, a **pre-tax cost of debt of 3.08%** is obtained, after adjustments for credit risk.

The target D/V of 0.55%, the levered cost of equity of 6.17%, and the pre-tax cost of debt of 3.08% (adjusted for the 24% Italian corporate tax rate) led to a **6.15% WACC** for the A&P Business.

Discount Rate for the Ferrari's Financial Services

For FFS, the **cost of equity** was used as a discount rate and calculated separately from the remainder of the business, due to its distinct **leverage and risk profile**. Given the consolidated financial services portfolio is primarily based in the United States, the US 10-year-treasury yield of 4.1% (Investing.com, 2025) was used as a risk-free rate. An unlevered industry beta of 0.34, the industry D/E of 287% and a 21% US corporate tax rate, were then used to obtain a **levered equity beta of 1.11**. This figure captures the sensitivity of FFS to interest rates, credit risk, and macroeconomic conditions, reflecting higher sensitivity to market fluctuations. The debt used for the D/E includes asset-backed securitizations, borrowing from banks and other financial institutions and other debt. A **levered cost of equity of 8.9%**

Cost of Debt	
Yield Bond 2030	3.69%
Credit Rating	A+
Probability of Default	1.35%
Loss given default	45%
Cost of debt	3.08%

Table 5 - Cost of Debt Calculation (A&P)

Source: Bloomberg; Abdelnour & Eliseev

Cost of Equity FFS	
Unlevered Beta	0.34
Corporate Tax Rate	21%
D/E	287%
Levered Equity Beta	1.11
Market Risk Premium	4.33%
Risk-Free Rate	2.71%
Levered Cost of Equity	8.9%

Table 6 - Cost of Equity Calculation for FFS

Source: Investing.com; Damodaran

was obtained, capturing the risk profile of FFS.

Relative Valuation

For the Relative Valuation approach, the analysis focuses on Ferrari N.V. as a consolidated entity. The multiple-based valuation uses a selected luxury peer group, as traditional luxury automakers' lower margins make them less reliable for the analysis. The comparable companies chosen are: Hermès International Société, Moncler S.p.A., Kering S.A., Prada S.p.A. and LVMH Moët Hennessy Louis Vuitton S.A.. These represent **leading global luxury brands** characterized by **strong pricing influence, limited supply strategies, high margins** and similar **exposure** to economic cycles and consumer sentiment. These traits mirror Ferrari's luxury-driven pricing strategy and demand resilience. For the analysis, two multiples were selected: **EV/EBITDA** and **EV/EBIT**, calculated both on a trailing and forward-looking basis. Trailing multiples provide insight into how the market has historically valued Ferrari relative to its peers, focusing on EBITDA and EBIT. Using available information, the multiples were computed for the period of June 30, 2024 to June 30, 2025. It is assumed that September 30, 2025, figures can still be used to compute Ferrari's share price, as the business exhibits limited seasonality, ensuring no distortion in the analysis. Both chosen multiples enable comparability across companies with different capital structures, focusing on margins. **EV/EBITDA** reflects the market's assessment of a company's **operating profitability**, while **EV/EBIT** is suited for **asset-intensive** sectors as Ferrari.

Considering the full peer group, the **trailing EV/EBITDA** is 13.75x, implying a share price of €201.47, as of September 30, 2025. Limiting the comparison to peers with similar EBITDA margins, such as Hermès and Moncler, the multiple increases to 21.69x, corresponding to a share price of **€322.53**. The **trailing EV/EBIT** provides broadly consistent conclusions, although peers may not present the same capital intensity as Ferrari: the multiple is 19.05x for the full peer group, implying a price of €212.74, while the similar peer group, yields a trailing EV/EBIT of 26.03x, leading to a price of **€293.80**. Both estimates remain below Ferrari's actual market price of **€411.6** on the same reference date, highlighting the premium investors are willing to pay for Ferrari's unique brand and performance positioning.

To extend the analysis into a **forward-looking perspective**, Bloomberg's forecasted multiples for 2026 were used. Applying the same approach, Ferrari's target share price for 2026 ranges from €254.59 (15.12x EV/EBITDA) for the full peer set, to **€347.79** (20.44x EV/EBITDA), when focusing on the most similar comparables. The EV/EBIT are 20.96x and 24.47x, for full and similar peer groups, yielding prices of €261.74 and **€307.35** respectively. Both prices are below the

Comparables		
Trailing	EV/EBITDA	EV/EBIT
Hermès International Société	32.32	37.04
Moncler S.p.A	11.05	15.02
Kering SA	7.87	16.55
Prada S.p.A	7.49	11.95
LVMH	10.02	14.67
Forward-Looking	EV/EBITDA	EV/EBIT
Hermès International Société	28.31	31.72
Moncler S.p.A	12.56	17.21
Kering SA	13.98	26.12
Prada S.p.A	6.87	10.70
LVMH	13.89	19.04

Table 7 - Trailing and Forward-Looking Multiples for Peer Group
Source: Companies' Reports, Yahoo Finance, Bloomberg

Trailing EV/EBITDA	All	Similar
Multiple	13.75	21.69
EBITDA (30/09/2025)	€2,714,152	€2,714,152
EV	€37,324,560	€68,864,097
Net Debt (30/09/2025)	€1,478,275	€1,478,275
Equity	€35,846,284	€67,385,822
Number of Shares	177,925	177,925
Price	€201.47	€322.53

Table 8 - Trailing EV/EBITDA
Source: Ferrari

Forward-Looking EV/EBITDA	All	Similar
Multiple	15.12	20.44
EBITDA (Forecasted)	€3,087,928	€3,087,928
EV	€46,694,639	€63,105,647
Net Debt (Forecasted)	€1,867,295	€1,867,295
Equity	€44,827,344	€61,238,352
Number of Shares	176,079	176,079
Price	€254.59	€347.79

Table 9 - Forward-Looking EV/EBITDA
Source: Bloomberg; Analysts' Forecasts

implied share price of €464.68 (FCFE). These findings provide a clear vision of Ferrari's positioning in the industry, consistent with the premium obtained under the trailing multiples. Nevertheless, this approach is not particularly relevant to determine the value of the target share price as the company's high-performance engineering combined with luxury brand premium is unmatched by its peers.

Risk Assessment

Monte Carlo Simulation

For the Monte Carlo simulation, the same set of input variables – portfolio composition, revenue growth and unlevered beta –, and baseline assumptions were employed. This procedure models each parameter as a continuous stochastic variable, defined by its probability distribution. A Normal distribution was chosen as an approximation given the assumed ranges, reducing the likelihood of unrealistic draws beyond economic bounds. Standard deviations are estimated given a 95% confidence interval and its respective critical value. The means for all variables are aligned with the base-case assumptions. A +/- 10% range around the mean was assumed for the EV share in the portfolio composition. For revenue growth, a wider range was used than in the previous analysis. The lower and upper bounds were set 1 p.p. below and above the mean, respectively. The unlevered beta was modelled within a +/- 0.1 range. For each iteration, a random draw was generated, and inputs were plugged into the model to produce a corresponding target price for the FCFE approach. Through repeated random sampling, the simulation generated 1000 possible outcomes. This methodology captures non-linearities, interaction effects between variables and tail-risk dynamics. An example output from the several possible simulations averaged a target price of **€512.09**, representing the expected valuation of Ferrari when accounting for uncertainty in the modeled variables. As the presence of outliers is not unusual for this type of analysis, the median represents a more accurate prediction. The yielded target price of **€466.09** represents a 0.01% difference from the implied price (€464.68), suggesting the modelled assumptions are reasonable - FCFE valuation provides a reliable central estimate, even under considerable uncertainty, supporting a buy recommendation.

Variables	Base	Standard Deviation	Iteration
EV composition (2030)	20%	5.10%	27.27%
EV composition (2035)	40%	5.10%	44.58%
Revenue growth	4%	0.51%	4.2%
Unlevered Beta	0.80	5.10%	0.74

Table 10 - Variables analyzed under the Monte Carlo Simulation

Summary Statistics of the Simulation		
Average	€	512.09
Median	€	466.09
Minimum	€	283.04
Maximum	€	2,713.83
1 st Quartile	€	400.38
3 rd Quartile	€	561.43

Table 11 - Summary Statistics of an output of the Monte Carlo Simulation

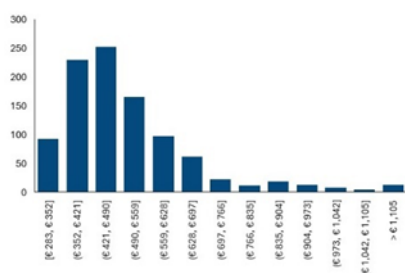


Figure 24 - Histogram from Monte Carlo Simulation

Investment Risks

From an investor's perspective, several industry and company-specific risks could negatively impact investment decisions.

- A slowdown in the **global economy or reduced confidence among HNW and UHNW individuals** could compress margins and materially affect cash flows, given Ferrari's sensitivity to luxury consumption patterns.

- Delays in the **rollout of EV models, high battery costs** or slower than expected **customer adoption** could negatively impact operating profitability. Ferrari notes that the *“introduction of electric technology (...) is costly and its long-term success is uncertain”* (Ferrari, 2025). These technological and market risks carry a high potential impact on projected growth and margins.
- **Scuderia Ferrari’s results** strongly influence brand perception and overall customer sentiment, besides being the source of sponsorship revenue. Historical performance has been volatile and regulatory changes and underperformance on the track can affect profitability. This risk is further amplified by the perception of engine quality and reliability among customers and teams that lease the Ferrari engines.
- **Increasing pressure from traditional luxury and high-performance manufacturers**, as well as **emerging electric vehicles entrants**, could erode Ferrari’s pricing power or market share. Although the probability is considered moderate to high, the financial consequences could be significant if Ferrari’s differentiation and brand prestige were to weaken over time.

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Appendix: Financial Statements

(€ thousands)	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Automotive & Performance Business													
Operating Activities													
(*) Net Revenues	€ 3,367,619	€ 3,700,229	€ 3,393,912	€ 4,215,851	€ 5,025,865	€ 5,870,485	€ 6,546,262	€ 7,211,641	€ 7,560,354	€ 7,938,100	€ 8,478,032	€ 8,961,957	€ 9,910,208
<i>Cars and Spare Parts</i>	€ 2,535,245	€ 2,925,721	€ 2,835,170	€ 3,573,119	€ 4,341,482	€ 5,119,181	€ 5,727,688	€ 6,232,691	€ 6,552,546	€ 6,968,015	€ 7,437,073	€ 7,839,921	€ 8,694,907
<i>Sponsorship, commercial and brand</i>	€ 505,701	€ 538,238	€ 390,002	€ 430,579	€ 478,499	€ 571,759	€ 669,776	€ 836,238	€ 759,920	€ 814,880	€ 878,074	€ 951,092	€ 1,035,900
Engines & Rental of engines to other F1 racing teams	€ 284,546	€ 198,308	€ 150,655	€ 189,432	€ 155,342	€ 126,748	€ 97,200	€ 97,093	€ 100,614	€ 105,593	€ 110,817	€ 116,300	€ 122,054
Mugello race-track	€ 42,127	€ 37,962	€ 18,085	€ 22,721	€ 50,542	€ 52,797	€ 51,598	€ 45,619	€ 47,273	€ 49,612	€ 52,067	€ 54,643	€ 57,347
Total Operating Income	€ 3,367,619	€ 3,700,229	€ 3,393,912	€ 4,215,851	€ 5,025,865	€ 5,870,485	€ 6,546,262	€ 7,211,641	€ 7,560,354	€ 7,938,100	€ 8,478,032	€ 8,961,957	€ 9,910,208
(-) Cost of Sales: Manufacturing and distribution of cars and spare parts	€ 1,300,329	€ 1,408,281	€ 1,223,059	€ 1,607,985	€ 2,075,583	€ 2,272,764	€ 2,574,398	€ 2,743,790	€ 2,773,833	€ 2,912,245	€ 3,100,842	€ 3,347,421	€ 3,675,318
(-) Selling, general and administrative costs	€ 324,883	€ 340,189	€ 332,999	€ 345,710	€ 425,237	€ 458,805	€ 555,820	€ 633,926	€ 678,700	€ 730,321	€ 788,055	€ 850,430	€ 916,859
(-) Research and Development Costs	€ 643,038	€ 699,211	€ 707,385	€ 768,104	€ 775,572	€ 881,559	€ 894,092	€ 942,471	€ 1,019,894	€ 1,102,176	€ 1,201,692	€ 1,299,485	€ 1,442,848
(*) Financial Income: Foreign Exchange Gains	€ 2,122	€ 5,806	€ 1,127	€ 37,860	€ 78,674	€ 91,019	€ 92,051	€ -	€ -	€ -	€ -	€ -	€ -
(-) Financial Expenses: Foreign Exchange Losses	€ 25,685	€ 47,888	€ 50,219	€ 49,267	€ 104,597	€ 111,216	€ 99,087	€ -	€ -	€ -	€ -	€ -	€ -
EBITDA	€ 1,075,806	€ 1,210,466	€ 1,081,377	€ 1,482,645	€ 1,723,550	€ 2,237,160	€ 2,514,916	€ 2,891,454	€ 3,087,928	€ 3,193,357	€ 3,387,443	€ 3,464,621	€ 3,875,182
(-) Depreciation	€ 156,384	€ 191,482	€ 217,952	€ 230,097	€ 259,849	€ 290,204	€ 299,638	€ 323,211	€ 346,280	€ 372,313	€ 402,015	€ 436,891	€ 477,737
(-) Amortization	€ 132,364	€ 160,464	€ 208,685	€ 225,892	€ 286,376	€ 372,101	€ 367,139	€ 396,608	€ 453,446	€ 513,047	€ 575,642	€ 642,502	€ 713,192
Operating Profit Before Taxes (EBIT)	€ 787,058	€ 858,520	€ 654,740	€ 1,026,656	€ 1,177,325	€ 1,574,855	€ 1,848,139	€ 2,171,635	€ 2,288,202	€ 2,307,997	€ 2,409,786	€ 2,385,228	€ 2,684,253
Total Operating Expenses	€ 2,582,683	€ 2,847,515	€ 2,740,299	€ 3,227,055	€ 3,927,214	€ 4,386,649	€ 4,790,174	€ 5,040,006	€ 5,272,153	€ 5,630,103	€ 6,068,245	€ 6,576,729	€ 7,225,955
(-) Taxes	€ 188,894	€ 206,045	€ 157,138	€ 246,397	€ 282,558	€ 377,965	€ 443,553	€ 436,679	€ 459,065	€ 463,036	€ 483,457	€ 478,530	€ 538,521
(*) Other Comprehensive Income	€ (3,440)	€ 990	€ 17,087	€ (31,941)	€ 78,070	€ (26,204)	€ (50,952)	€ -	€ -	€ -	€ -	€ -	€ -
After-Tax Operating Profit (NOPLAT) from Automotive & Performance Business	€ 594,724	€ 653,465	€ 514,689	€ 748,318	€ 972,837	€ 1,170,686	€ 1,353,634	€ 1,735,956	€ 1,829,137	€ 1,844,961	€ 1,926,329	€ 1,906,698	€ 2,145,731
Non-Operating Activities													
(-) Other expenses, net	€ 3,195	€ 4,991	€ 18,475	€ 5,561	€ 21,548	€ 18,898	€ 12,443	€ 26,968	€ 16,708	€ 15,651	€ 15,650	€ 13,204	€ 15,670
(*) Financial Income: Interest Income	€ -	€ -	€ -	€ 1,579	€ 4,150	€ 25,813	€ 31,486	€ 28,693	€ 25,716	€ 28,223	€ 28,510	€ 31,654	€ 33,458
(*) Result from investments	€ 2,665	€ 3,522	€ 4,647	€ 6,896	€ 6,175	€ 6,137	€ 8,245	€ 10,945	€ 11,682	€ 12,236	€ 13,060	€ 13,767	€ 15,269
Non-Operating Result Before Taxes	€ (530)	€ (1,468)	€ (13,828)	€ 2,914	€ (11,223)	€ 13,052	€ 27,288	€ 12,669	€ 20,690	€ 24,808	€ 25,920	€ 32,218	€ 33,056
(-) Taxes	€ (127)	€ (353)	€ (3,319)	€ 699	€ (2,694)	€ 3,132	€ 6,549	€ 2,542	€ 4,151	€ 4,977	€ 5,200	€ 6,464	€ 6,632
(*) Other Comprehensive Income	€ 297	€ (1,622)	€ 35	€ (353)	€ 1,229	€ 169	€ (523)	€ -	€ -	€ -	€ -	€ -	€ -
After-Tax Non-Operating Profit	€ (106)	€ (2,738)	€ (10,474)	€ 1,862	€ (7,300)	€ 10,089	€ 20,216	€ 10,128	€ 16,539	€ 19,831	€ 20,719	€ 25,754	€ 26,425
Financial Activities													
(-) Net financial expenses	€ -	€ -	€ -	€ 23,429	€ 27,843	€ 20,631	€ 23,245	€ 20,213	€ 16,798	€ 17,760	€ 17,242	€ 18,364	€ 17,967
(-) Taxes (Tax Shield)	€ -	€ -	€ -	€ (5,623)	€ (6,682)	€ (4,951)	€ (5,579)	€ (4,055)	€ (3,370)	€ (3,563)	€ (3,459)	€ (3,684)	€ (3,605)
After-Tax Financial Result	€ -	€ -	€ -	€ (17,806)	€ (21,161)	€ (15,680)	€ (17,666)	€ (16,158)	€ (13,428)	€ (14,197)	€ (13,783)	€ (14,680)	€ (14,363)
Financial Services Business													
(*) Interest and other financial income from financial services activities	€ 52,702	€ 66,386	€ 65,878	€ 55,043	€ 69,389	€ 99,661	€ 130,406	€ 148,017	€ 141,527	€ 123,819	€ 108,330	€ 95,779	€ 84,926
(-) Interest and other financial expenses from financial services activities	€ 33,828	€ 45,083	€ 36,628	€ 16,639	€ 27,145	€ 60,808	€ 88,308	€ 108,457	€ 86,672	€ 73,494	€ 62,012	€ 52,582	€ 44,441
Net Interest Income	€ 18,874	€ 21,303	€ 29,250	€ 38,404	€ 42,244	€ 38,853	€ 42,098	€ 39,560	€ 54,855	€ 50,325	€ 46,319	€ 43,197	€ 40,485
(-) General and Administrative Costs	€ 2,458	€ 2,990	€ 3,127	€ 2,314	€ 2,737	€ 3,775	€ 5,324	€ 5,780	€ 6,177	€ 6,470	€ 6,905	€ 7,279	€ 8,073
Profit Before Taxes	€ 16,416	€ 18,313	€ 26,123	€ 36,090	€ 39,507	€ 35,078	€ 36,774	€ 33,780	€ 48,678	€ 43,855	€ 39,413	€ 35,918	€ 32,412
(-) Taxes	€ 3,940	€ 4,395	€ 6,270	€ 8,562	€ 9,482	€ 8,419	€ 8,826	€ 8,777	€ 9,766	€ 8,798	€ 7,907	€ 7,206	€ 6,503
Net Income from Financial Services Business	€ 12,476	€ 13,918	€ 19,853	€ 27,428	€ 30,025	€ 26,659	€ 27,948	€ 27,003	€ 38,912	€ 35,057	€ 31,506	€ 28,712	€ 25,909

(€ thousands)	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
Automotive & Performance Business										
Operating Activities										
(*) Net Revenues	€10,321,877	€11,074,754	€11,879,582	€12,742,821	€13,672,071	€14,556,249	€15,391,070	€16,173,871	€16,903,388	€17,579,524
<i>Cars and Spare Parts</i>	€ 9,005,330	€ 9,648,285	€ 10,333,760	€ 11,067,391	€ 11,855,882					
<i>Sponsorship, commercial and brand</i>	€ 1,128,270	€ 1,228,876	€ 1,338,453	€ 1,457,800	€ 1,587,790					
Engines & Rental of engines to other F1 racing teams										
Mugello race-track										
Total Operating Income	€10,321,877	€11,074,754	€11,879,582	€12,742,821	€13,672,071	€14,556,249	€15,391,070	€16,173,871	€16,903,388	€17,579,524
(-) Cost of Sales: Manufacturing and distribution of cars and spare parts	€ 3,902,007	€ 4,132,874	€ 4,368,580	€ 4,609,839	€ 4,857,386					
(-) Selling, general and administrative costs	€ 987,641	€ 1,063,100	€ 1,143,593	€ 1,229,508	€ 1,321,272					
(-) Research and Development Costs	€ 1,543,060	€ 1,677,111	€ 1,820,670	€ 1,974,654	€ 2,140,128					
(*) Financial Income: Foreign Exchange Gains	€ -	€ -	€ -	€ -	€ -					
(-) Financial Expenses: Foreign Exchange Losses	€ -	€ -	€ -	€ -	€ -					
EBITDA	€ 3,889,171	€ 4,201,669	€ 4,546,739	€ 4,928,820	€ 5,353,284	€ 5,727,981	€ 6,086,771	€ 6,428,330	€ 6,751,870	€ 7,057,054
(-) Depreciation	€ 528,530	€ 594,387	€ 648,113	€ 720,966	€ 804,532					
(-) Amortization	€ 791,348	€ 872,779	€ 960,156	€ 1,053,891	€ 1,154,445					
Operating Profit Before Taxes (EBIT)	€ 2,569,293	€ 2,744,503	€ 2,938,471	€ 3,153,943	€ 3,394,307	€ 3,631,887	€ 3,859,382	€ 4,075,951	€ 4,281,095	€ 4,474,600
Total Operating Expenses	€ 7,752,584	€ 8,330,251	€ 8,941,111	€ 9,588,878	€ 10,277,763					
(-) Taxes	€ 515,458	€ 550,609	€ 589,523	€ 632,752	€ 680,974	€ 728,638	€ 774,279	€ 817,728	€ 858,884	€ 897,706
(*) Other Comprehensive Income	€ -	€ -	€ -	€ -	€ -					
After-Tax Operating Profit (NOPLAT) from Automotive & Performance Business	€ 2,053,835	€ 2,193,894	€ 2,348,947	€ 2,521,191	€ 2,713,333	€ 2,903,249	€ 3,085,103	€ 3,258,224	€ 3,422,211	€ 3,576,895
Non-Operating Activities										
(-) Other expenses, net	€ 11,595	€ 12,217	€ 13,019	€ 14,034	€ 15,304					
(*) Financial Income: Interest Income	€ 38,022	€ 43,093	€ 48,830	€ 55,320	€ 62,661					
(*) Result from investments	€ 15,814	€ 16,943	€ 18,146	€ 19,435	€ 20,819					
Non-Operating Result Before Taxes	€ 42,241	€ 47,818	€ 53,957	€ 60,721	€ 68,176	€ 76,826	€ 86,572	€ 97,555	€ 109,932	€ 123,878
(-) Taxes	€ 8,474	€ 9,593	€ 10,825	€ 12,182	€ 13,678	€ 15,413	€ 17,368	€ 19,572	€ 22,055	€ 24,853
(*) Other Comprehensive Income	€ -	€ -	€ -	€ -	€ -					
After-Tax Non-Operating Profit	€ 33,766	€ 38,225	€ 43,132	€ 48,539	€ 54,499	€ 61,413	€ 69,204	€ 77,983	€ 87,877	€ 99,026
Financial Activities										
(-) Net financial expenses	€ 19,965	€ 21,643	€ 23,580	€ 25,815	€ 28,382					

(€ thousands)	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Automotive & Performance Business													
Operating Activities													
(+) Inventories	€ 391,064	€ 420,051	€ 460,617	€ 540,575	€ 674,662	€ 948,514	€ 1,088,194	€ 1,145,780	€ 1,112,655	€ 1,258,474	€ 1,266,209	€ 1,459,237	€ 1,533,180
(+) Trade Receivables	€ 211,399	€ 231,439	€ 184,260	€ 185,000	€ 232,414	€ 261,380	€ 349,176	€ 412,518	€ 426,660	€ 448,518	€ 479,238	€ 507,542	€ 560,608
(+) Other current assets	€ 64,295	€ 92,830	€ 76,471	€ 122,224	€ 153,183	€ 130,228	€ 137,763	€ 167,171	€ 173,969	€ 182,417	€ 194,482	€ 207,283	€ 228,817
(+) Operating Cash	€ 51,305	€ 56,499	€ 51,897	€ 64,063	€ 76,429	€ 89,552	€ 100,150	€ 108,175	€ 113,405	€ 119,071	€ 127,170	€ 134,429	€ 148,653
(+) Current Financial Assets: Foreign Currency Derivatives	€ 4,263	€ 9,333	€ 37,868	€ 5,330	€ 43,457	€ 38,155	€ 13,803	€ -	€ -	€ -	€ -	€ -	€ -
(-) Current Financial Assets: Commodities Derivatives	€ -	€ -	€ 271	€ 182	€ 5	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
(-) Other liabilities	€ 576,363	€ 783,866	€ 846,640	€ 714,169	€ 931,617	€ 1,001,038	€ 1,082,507	€ 1,344,181	€ 1,309,173	€ 1,385,564	€ 1,478,806	€ 1,571,650	€ 1,735,393
(-) Trade Payables	€ 653,751	€ 711,539	€ 713,807	€ 797,832	€ 902,968	€ 930,560	€ 945,657	€ 968,315	€ 877,605	€ 971,274	€ 906,780	€ 1,027,354	€ 998,550
Net Working Capital	€ (507,788)	€ (685,253)	€ (549,063)	€ (594,627)	€ (654,435)	€ (463,769)	€ (339,078)	€ (478,853)	€ (360,089)	€ (348,356)	€ (318,486)	€ (290,512)	€ (262,684)
(+) Goodwill	€ 785,182	€ 785,182	€ 785,182	€ 785,182	€ 785,182	€ 785,182	€ 785,182	€ 785,182	€ 785,182	€ 785,182	€ 785,182	€ 785,182	€ 785,182
(+) Intangible Assets	€ 645,797	€ 837,938	€ 979,290	€ 1,138,173	€ 1,307,388	€ 1,419,699	€ 1,545,664	€ 1,816,764	€ 2,063,178	€ 2,284,852	€ 2,493,789	€ 2,680,578	€ 2,884,267
(+) Property, Plant and Equipment	€ 850,550	€ 1,069,652	€ 1,226,630	€ 1,353,165	€ 1,457,825	€ 1,575,200	€ 1,828,784	€ 1,854,182	€ 1,890,194	€ 1,942,486	€ 2,030,113	€ 2,148,407	€ 2,354,257
Total Fixed and Intangible Assets	€ 2,281,529	€ 2,692,772	€ 2,991,102	€ 3,276,520	€ 3,550,395	€ 3,780,081	€ 4,159,630	€ 4,456,128	€ 4,738,554	€ 5,012,520	€ 5,309,085	€ 5,614,167	€ 6,023,706
(-) Provisions: Warranty and recall campaigns provision	€ 111,129	€ 107,811	€ 106,942	€ 108,767	€ 126,069	€ 130,488	€ 152,178	€ 147,068	€ 156,976	€ 164,419	€ 175,487	€ 184,593	€ 205,168
(-) Provisions: Legal proceedings and disputes	€ 37,154	€ 27,097	€ 26,349	€ 13,701	€ 12,062	€ 7,480	€ 11,899	€ 11,499	€ 12,056	€ 12,658	€ 13,519	€ 14,290	€ 15,803
(-) Provisions: Environmental and Other risks	€ 34,256	€ 30,664	€ 22,044	€ 28,400	€ 42,563	€ 49,298	€ 42,135	€ 40,720	€ 42,689	€ 44,822	€ 47,871	€ 50,603	€ 55,958
(-) Other Liabilities	€ 13,380	€ 16,149	€ 40,822	€ 12,606	€ 20,408	€ 21,929	€ 23,714	€ 29,446	€ 28,679	€ 30,353	€ 32,395	€ 34,429	€ 38,016
Total Operating Invested Capital from A&P Business	€ 1,577,822	€ 1,825,798	€ 2,245,882	€ 2,518,419	€ 2,694,858	€ 3,107,107	€ 3,590,626	€ 3,748,540	€ 4,138,066	€ 4,411,911	€ 4,721,326	€ 5,039,338	€ 5,446,078
Non-Operating Activities													
(+) Current tax receivables	€ 128,234	€ 21,078	€ 12,438	€ 14,306	€ 16,054	€ 11,616	€ 15,918	€ 18,704	€ 19,708	€ 19,879	€ 20,755	€ 20,544	€ 23,119
(+) Investments and other financial assets: Other securities and fir	€ 6,162	€ 8,704	€ 8,178	€ 11,582	€ 10,447	€ 12,471	€ 17,384	€ 18,371	€ 19,413	€ 20,515	€ 21,680	€ 22,910	€ 24,211
(-) Deferred Tax Assets	€ 60,744	€ 73,683	€ 152,221	€ 168,757	€ 203,382	€ 217,553	€ 236,791	€ 224,311	€ 238,304	€ 249,781	€ 266,620	€ 281,263	€ 311,699
(-) Employee benefits	€ 86,575	€ 88,116	€ 59,985	€ 101,200	€ 110,807	€ 123,045	€ 134,147	€ 129,334	€ 133,171	€ 137,270	€ 141,632	€ 146,263	€ 151,165
(-) Current tax payables	€ 7,635	€ 7,106	€ 15,895	€ 112,910	€ 58,563	€ 89,271	€ 37,873	€ 52,720	€ 55,550	€ 56,031	€ 58,502	€ 57,906	€ 65,165
(-) Deferred Tax Liabilities	€ 39,142	€ 82,208	€ 113,474	€ 95,973	€ 126,507	€ 136,846	€ 110,016	€ 114,959	€ 119,902	€ 125,111	€ 130,364	€ 135,849	€ 141,279
Total Non-Operating Invested Capital from Automotive & Pe	€ 61,788	€ (73,965)	€ (16,517)	€ (115,438)	€ (65,994)	€ (107,522)	€ (11,943)	€ (35,628)	€ (31,198)	€ (28,256)	€ (21,444)	€ (15,301)	€ 1,421
Total Invested Capital from Automotive & Performance Busi	€ 1,639,610	€ 1,751,833	€ 2,229,365	€ 2,402,981	€ 2,628,864	€ 2,999,585	€ 3,578,683	€ 3,712,912	€ 4,106,868	€ 4,383,655	€ 4,699,882	€ 5,024,037	€ 5,447,499
Financial Activities													
(+) Current financial assets	€ 3,386	€ 1,986	€ 1,448	€ 1,935	€ 7,068	€ 5,568	€ 5,656	€ -	€ -	€ -	€ -	€ -	€ -
Other financial assets	€ 3,386	€ 1,986	€ 1,448	€ 1,935	€ 7,068	€ 5,568	€ 5,656	€ -	€ -	€ -	€ -	€ -	€ -
(-) Debt	€ 1,198,109	€ 1,245,966	€ 1,897,312	€ 1,635,820	€ 1,585,242	€ 1,195,497	€ 1,895,695	€ 2,068,715	€ 1,788,771	€ 1,938,491	€ 1,973,313	€ 2,158,517	€ 2,274,275
(-) Other financial liabilities	€ 11,342	€ 14,791	€ 2,140	€ 36,520	€ 19,993	€ 13,539	€ 61,894	€ -	€ -	€ -	€ -	€ -	€ -
Financial Debt from Automotive & Performance Business	€ 1,206,065	€ 1,258,771	€ 1,898,004	€ 1,670,405	€ 1,598,467	€ 1,209,481	€ 1,957,333	€ 2,068,715	€ 1,788,771	€ 1,938,491	€ 1,973,313	€ 2,158,517	€ 2,274,275
Total Financial Debt	€ 1,206,065	€ 1,258,771	€ 1,898,004	€ 1,670,405	€ 1,598,467	€ 1,209,481	€ 1,957,333	€ 2,068,715	€ 1,788,771	€ 1,938,491	€ 1,973,313	€ 2,158,517	€ 2,274,275
(-) Excess Cash	€ 742,359	€ 841,447	€ 1,310,509	€ 1,280,083	€ 1,312,472	€ 1,032,429	€ 1,642,064	€ 1,747,223	€ 1,341,124	€ 1,471,903	€ 1,486,870	€ 1,650,844	€ 1,744,886
Net Financial Debt	€ 463,706	€ 417,324	€ 587,495	€ 390,322	€ 285,995	€ 171,039	€ 309,869	€ 321,492	€ 447,646	€ 466,587	€ 486,443	€ 507,673	€ 529,388
Total Equity	€ 1,175,904	€ 1,334,509	€ 1,641,870	€ 2,012,659	€ 2,343,169	€ 2,828,546	€ 3,268,814	€ 3,391,421	€ 3,659,221	€ 3,917,068	€ 4,213,440	€ 4,516,364	€ 4,918,111
Non-Controlling Interests	€ 5,117	€ 5,998	€ 4,016	€ 5,518	€ 9,330	€ 7,734	€ 3,232	€ 11,010	€ 11,522	€ 12,051	€ 12,846	€ 13,351	€ 14,353
Total Shareholder's Equity from Automotive & Performance	€ 1,170,787	€ 1,328,511	€ 1,637,852	€ 2,007,141	€ 2,333,539	€ 2,818,812	€ 3,259,522	€ 3,380,410	€ 3,647,699	€ 3,905,007	€ 4,200,594	€ 4,502,813	€ 4,903,157
Total Funding	€ 1,639,610	€ 1,751,833	€ 2,229,365	€ 2,402,981	€ 2,628,864	€ 2,999,585	€ 3,578,683	€ 3,712,912	€ 4,106,868	€ 4,383,655	€ 4,699,882	€ 5,024,037	€ 5,447,499
Financial Services Business													
(+) Receivables from financing activities	€ 878,496	€ 966,448	€ 939,607	€ 1,143,968	€ 1,399,997	€ 1,451,158	€ 1,661,632	€ 1,597,722	€ 1,625,029	€ 1,644,617	€ 1,672,673	€ 1,695,672	€ 1,742,451
(+) Investments and Other financial assets	€ 25,972	€ 30,012	€ 34,663	€ 42,927	€ 49,087	€ 55,200	€ 63,438	€ 66,685	€ 92,524	€ 96,912	€ 103,435	€ 109,038	€ 120,929
(+) Current financial assets	€ 2,525	€ 90	€ 497	€ 6,053	€ 36,771	€ 17,407	€ 5,547	€ -	€ -	€ -	€ -	€ -	€ -
(-) Debt	€ 729,058	€ 843,771	€ 827,433	€ 994,191	€ 1,226,537	€ 1,281,689	€ 1,456,193	€ 1,395,793	€ 1,419,648	€ 1,436,780	€ 1,461,270	€ 1,481,363	€ 1,522,230
Total Shareholder's Equity Financial Services	€ 177,935	€ 152,779	€ 147,334	€ 198,757	€ 259,318	€ 242,076	€ 274,424	€ 288,614	€ 297,905	€ 304,788	€ 314,838	€ 323,347	€ 341,151

(€ thousands)	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
Automotive & Performance Business										
Operating Activities										
(+) Inventories	€ 1,643,805	€ 1,721,150	€ 1,835,716	€ 1,917,581	€ 2,037,267					
(+) Trade Receivables	€ 586,116	€ 629,844	€ 676,707	€ 727,072	€ 781,377					
(+) Other current assets	€ 239,739	€ 255,480	€ 271,961	€ 289,282	€ 307,560					
(+) Operating Cash	€ 154,828	€ 166,121	€ 178,194	€ 191,142	€ 205,081					
(+) Current Financial Assets: Foreign Currency Derivatives	€ -	€ -	€ -	€ -	€ -					
(+) Current Financial Assets: Commodities Derivatives	€ -	€ -	€ -	€ -	€ -					
(-) Other liabilities	€ 1,816,945	€ 1,949,878	€ 2,092,190	€ 2,244,331	€ 2,407,902					
(-) Trade Payables	€ 1,053,367	€ 1,019,979	€ 1,070,798	€ 1,033,954	€ 1,081,802					
Net Working Capital	€ (245,824)	€ (197,261)	€ (200,411)	€ (153,206)	€ (158,418)	€ (169,256)	€ (180,835)	€ (193,206)	€ (206,423)	€ (220,545)
(+) Goodwill	€ 785,182	€ 785,182	€ 785,182	€ 785,182	€ 785,182					
(+) Intangible Assets	€ 3,047,876	€ 3,199,658	€ 3,338,482	€ 3,463,404	€ 3,573,720					
(+) Property, Plant and Equipment	€ 2,552,839	€ 2,793,531	€ 3,079,239	€ 3,416,140	€ 3,812,874					
Total Fixed and Intangible Assets	€ 6,385,897	€ 6,778,371	€ 7,202,903	€ 7,664,726	€ 8,171,776					
(-) Provisions: Warranty and recall campaigns provision	€ 212,493	€ 227,664	€ 243,839	€ 261,150	€ 279,755					
(-) Provisions: Legal proceedings and disputes	€ 16,459	€ 17,659	€ 18,943	€ 20,319	€ 21,801					
(-) Provisions: Environmental and Other risks	€ 58,282	€ 62,533	€ 67,078	€ 71,952	€ 77,199					
(-) Other Liabilities	€ 39,803	€ 42,715	€ 45,832	€ 49,165	€ 52,749					

(€thousands)	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Automotive & Performance Business													
(+) NOPLAT from Automotive & Performance Business	€ 569,882	€ 625,468	€ 492,027	€ 715,896	€ 933,391	€ 1,121,774	€ 1,303,226	€ 1,735,956	€ 1,829,137	€ 1,844,961	€ 1,926,329	€ 1,906,698	€ 2,145,731
(+) Depreciation	€ 156,384	€ 191,482	€ 217,952	€ 230,097	€ 259,849	€ 290,204	€ 299,638	€ 323,211	€ 346,280	€ 372,313	€ 402,015	€ 436,891	€ 477,737
(+) Amortization	€ 132,364	€ 160,464	€ 208,685	€ 225,892	€ 286,376	€ 372,101	€ 367,139	€ 396,608	€ 453,446	€ 513,047	€ 575,642	€ 642,502	€ 713,192
(+) Other adjustments non-cash	€ 73,458	€ 74,242	€ 86,926	€ 75,016	€ 145,947	€ 181,647	€ 205,668	€ -	€ -	€ -	€ -	€ -	€ -
(-) OCI	€ (3,440)	€ 990	€ 17,087	€ (31,941)	€ 78,070	€ (26,204)	€ (50,952)	€ -	€ -	€ -	€ -	€ -	€ -
Operating Gross Cash Flow from Automotive & Performance Business	€ 935,528	€ 1,050,666	€ 988,503	€ 1,278,842	€ 1,547,493	€ 1,991,930	€ 2,226,623	€ 2,455,775	€ 2,628,863	€ 2,730,321	€ 2,903,986	€ 2,986,091	€ 3,336,661
(-) Change in NWC	€ (177,465)	€ 136,190	€ (45,563)	€ (59,808)	€ 190,666	€ 124,691	€ (139,775)	€ 118,764	€ 117,320	€ 117,320	€ 29,871	€ 27,973	€ 27,829
(-) Capex	€ 763,189	€ 724,967	€ 741,407	€ 820,100	€ 891,991	€ 1,046,326	€ 1,016,317	€ 1,082,152	€ 1,159,326	€ 1,274,221	€ 1,384,475	€ 1,460,469	€ 1,600,469
(-) Change in net other operating assets	€ 14,198	€ (14,436)	€ 32,883	€ (37,628)	€ (8,103)	€ (20,721)	€ 1,191	€ (11,665)	€ (11,853)	€ (17,020)	€ (15,044)	€ (15,044)	€ (30,628)
Total Investments from Automotive & Performance Business	€ (599,922)	€ (846,721)	€ (728,527)	€ (722,663)	€ (1,074,554)	€ (1,150,296)	€ (877,734)	€ (1,189,251)	€ (1,159,206)	€ (1,287,072)	€ (1,397,405)	€ (1,397,405)	€ (1,597,570)
Operating Free Cash Flow from Automotive & Performance Business	€ 450,744	€ 141,783	€ 550,315	€ 824,830	€ 917,375	€ 1,076,327	€ 1,578,041	€ 1,439,612	€ 1,571,115	€ 1,616,914	€ 1,588,686	€ 1,588,686	€ 1,738,991
(+) After-tax Non-Operating Result	€ 201,126	€ 58,690	€ 114,121	€ 75,324	€ 76,337	€ 98,668	€ 160,930	€ 10,128	€ 16,539	€ 19,831	€ 20,719	€ 25,754	€ 26,425
(-) OCI	€ 297	€ (1,622)	€ 35	€ (353)	€ 1,229	€ 169	€ (523)	€ -	€ -	€ -	€ -	€ -	€ -
(-) Change Non-Operating Assets	€ (135,753)	€ 57,448	€ (98,921)	€ 49,444	€ (41,528)	€ 95,579	€ (23,685)	€ 4,430	€ 2,942	€ 6,812	€ 6,143	€ 6,143	€ 16,721
Non-Operating Free Cash Flow	€ 196,065	€ 56,838	€ 174,598	€ 25,864	€ 140,027	€ 85,874	€ 33,813	€ 12,109	€ 16,889	€ 13,907	€ 19,611	€ 19,611	€ 8,703
Free Cash Flow to Firm (Automotive & Performance Business)	€ 646,809	€ 198,421	€ 724,913	€ 850,494	€ 1,057,403	€ 1,142,201	€ 1,611,854	€ 1,451,721	€ 1,588,004	€ 1,630,821	€ 1,608,291	€ 1,608,291	€ 1,748,694
(+) After-tax Financial Result	€ -	€ -	€ (17,806)	€ (21,161)	€ (15,680)	€ (17,666)	€ (16,158)	€ (13,428)	€ (14,197)	€ (13,783)	€ (14,680)	€ (14,363)	€ (14,363)
(+) Change in Net Financial Debt	€ (46,382)	€ 170,171	€ (197,172)	€ (104,628)	€ (114,656)	€ 138,830	€ 11,623	€ 126,155	€ 18,941	€ 19,855	€ 21,230	€ 21,715	€ 21,715
(+) Transactions with shareholders	€ (600,427)	€ (368,552)	€ (508,935)	€ (724,706)	€ (927,068)	€ (1,263,365)	€ (1,607,319)	€ (1,554,447)	€ (1,532,748)	€ (1,636,894)	€ (1,614,848)	€ (1,558,046)	€ (1,758,046)
Financing Cash Flow	€ (646,809)	€ (198,421)	€ (724,913)	€ (850,494)	€ (1,057,403)	€ (1,142,201)	€ (1,611,854)	€ (1,451,721)	€ (1,588,004)	€ (1,630,821)	€ (1,608,291)	€ (1,608,291)	€ (1,748,694)
Financial Services Business													
(+) Net Income from Financial Services Business	€ 12,476	€ 13,918	€ 19,853	€ 27,428	€ 30,025	€ 26,659	€ 27,948	€ 27,003	€ 38,912	€ 35,057	€ 31,506	€ 28,712	€ 25,909
(-) Change in Receivables	€ 87,952	€ (26,841)	€ 204,361	€ 256,029	€ 51,161	€ 210,474	€ (63,910)	€ 27,307	€ 19,587	€ 28,056	€ 22,999	€ 46,779	€ 46,779
(-) Change in net other operating assets	€ 1,605	€ 5,058	€ 13,820	€ 36,878	€ (13,251)	€ (3,622)	€ 23,247	€ 5,839	€ 4,388	€ 6,524	€ 5,603	€ 11,891	€ 11,891
(+) Net borrowings	€ 114,713	€ (16,338)	€ 166,758	€ 232,346	€ 55,152	€ 174,504	€ (60,400)	€ 23,856	€ 17,112	€ 24,510	€ 20,092	€ 40,887	€ 40,887
Free Cash Flow to Equity from Financial Services Business	€ 39,074	€ 25,298	€ (23,995)	€ (30,536)	€ 43,901	€ (4,400)	€ 7,265	€ 29,622	€ 28,194	€ 21,436	€ 20,202	€ 20,202	€ 8,106

(€thousands)	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
Automotive & Performance Business										
(+) NOPLAT from Automotive & Performance Business	€ 2,053,835	€ 2,193,894	€ 2,348,947	€ 2,521,191	€ 2,713,333					
(+) Depreciation	€ 528,530	€ 584,387	€ 648,113	€ 720,986	€ 804,532					
(+) Amortization	€ 791,348	€ 872,779	€ 960,156	€ 1,053,891	€ 1,154,445					
(+) Other adjustments non-cash	€ -	€ -	€ -	€ -	€ -					
(-) OCI	€ -	€ -	€ -	€ -	€ -					
Operating Gross Cash Flow from Automotive & Performance Business	€ 3,373,713	€ 3,651,060	€ 3,957,216	€ 4,296,068	€ 4,672,310	€ 4,999,342	€ 5,312,492	€ 5,610,603	€ 5,892,986	€ 6,159,348
(-) Change in NWC	€ 16,860	€ 48,563	€ (3,150)	€ 47,205	€ (5,213)					
(-) Capex	€ 1,682,069	€ 1,849,640	€ 2,032,800	€ 2,236,700	€ 2,466,028					
(-) Change in net other operating assets	€ (12,092)	€ (23,535)	€ (25,120)	€ (26,895)	€ (28,918)					
Total Investments from Automotive & Performance Business	€ (1,686,837)	€ (1,874,667)	€ (2,004,530)	€ (2,257,011)	€ (2,431,897)	€ (2,614,775)	€ (2,781,554)	€ (2,944,455)	€ (3,103,355)	€ (3,258,310)
Operating Free Cash Flow from Automotive & Performance Business	€ 1,686,876	€ 1,776,393	€ 1,952,686	€ 2,039,057	€ 2,240,413	€ 2,384,567	€ 2,530,938	€ 2,666,148	€ 2,789,630	€ 2,901,039
(+) After-tax Non-Operating Result	€ 33,766	€ 38,225	€ 43,132	€ 48,539	€ 54,499	€ 61,413	€ 69,204	€ 77,983	€ 87,877	€ 99,026
(-) OCI	€ -	€ -	€ -	€ -	€ -					
(-) Change Non-Operating Assets	€ 3,498	€ 10,612	€ 11,267	€ 12,036	€ 12,941	€ 3,541	€ 3,783	€ 4,042	€ 4,319	€ 4,614
Non-Operating Free Cash Flow	€ 30,280	€ 27,613	€ 31,866	€ 36,503	€ 41,558	€ 57,871	€ 65,420	€ 73,941	€ 83,558	€ 94,411
Free Cash Flow to Firm (Automotive & Performance Business)	€ 1,717,156	€ 1,804,005	€ 1,984,551	€ 2,075,560	€ 2,281,970	€ 2,442,439	€ 2,596,359	€ 2,740,089	€ 2,873,189	€ 2,995,450
(+) After-tax Financial Result	€ (15,960)	€ (17,301)	€ (18,849)	€ (20,636)	€ (22,688)	€ (24,151)	€ (25,526)	€ (26,822)	€ (28,022)	€ (29,143)
(+) Change in Net Financial Debt	€ 23,334	€ 24,280	€ 24,810	€ 25,864	€ 26,354	€ 27,187	€ 28,059	€ 29,046	€ 30,157	€ 31,403
(+) Transactions with shareholders	€ (1,724,530)	€ (1,810,984)	€ (1,990,512)	€ (2,080,787)	€ (2,285,636)	€ (2,445,475)	€ (2,598,892)	€ (2,742,313)	€ (2,875,324)	€ (2,997,710)
Financing Cash Flow	€ (1,717,156)	€ (1,804,005)	€ (1,984,551)	€ (2,075,560)	€ (2,281,970)	€ (2,442,439)	€ (2,596,359)	€ (2,740,089)	€ (2,873,189)	€ (2,995,450)
Financial Services Business										
(+) Net Income from Financial Services Business	€ 20,511	€ 19,808	€ 19,333	€ 18,842	€ 18,332	€ 19,835	€ 19,275	€ 19,886	€ 19,178	€ 19,945
(-) Change in Receivables	€ 15,847	€ 31,850	€ 32,285	€ 32,861	€ 33,580					
(-) Change in net other operating assets	€ 4,317	€ 8,942	€ 9,534	€ 10,203	€ 10,966					
(+) Net borrowings	€ 13,844	€ 27,824	€ 28,205	€ 28,708	€ 29,344					
Free Cash Flow to Equity from Financial Services Business	€ 14,191	€ 6,839	€ 3,719	€ 4,489	€ 3,120	€ 3,753	€ 3,246	€ 3,538	€ 3,326	€ 3,459

Appendix 3 - Historical and Forecasted Cash Flow Statement (2018-2040)

FERRARI N.V.

LUXURY AUTOMOTIVE INDUSTRY

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COMPANY REPORT

17 DECEMBER 2025

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Equity Research on Ferrari N.V.

Sustaining growth in a changing landscape

- Ferrari is an **ultra-luxury automotive player** with a remarkable historical path. From its exclusive combustion vehicles, the brand is progressively transitioning towards a more **electrified lineup**.
- A predominantly high-net worth customer base underpins Ferrari's business resilience, allowing for **revenue** to grow at a 2024-2035 CAGR of **6.84%**.
- Scuderia Ferrari's racing team competences alongside the company's continuous investment in innovative features and its pricing power, allow **EBITDA margin** to remain around **37-40%** across the forecasted period, higher than that of automotive peers, on average.
- Efficient management of operating capital** further allows the company to sustain high returns, with ROIC consistently exceeding WACC, by a long margin, stabilizing at **33.9%**.
- Ferrari is exposed to macroeconomic sensitivity in luxury demand, execution and cost risks related to electrification, and increasing competitive and regulatory pressure. The company's **strong cash flow generation** is expected to offset these risks in the future.
- All factors considered, a **BUY recommendation** is issued based on a target share price of **€464.68**, as of December 31st, 2026, implying a **12.9% upside potential** (vs €411.6, as of September 30th, 2025).

Company description

Ferrari N.V. is a luxury automotive brand known for high-performance, exclusive sports cars. Originating from its Italian racing heritage, Scuderia Ferrari is one of the most successful historical Formula 1 teams. Through high margins and customer exclusivity, Ferrari continues to reinforce its top positioning in the market.

Recommendation: BUY

Price Target FY26: 464.68 €

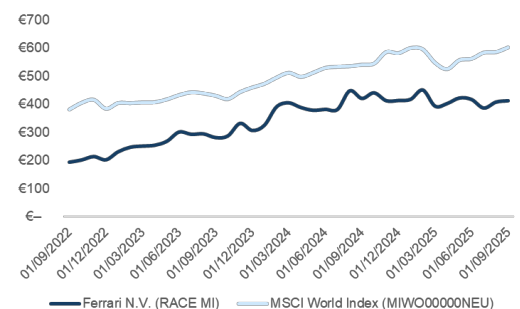
Upside potential: 12.9%

Price (as of 30-Sep-25) 411.60 €

Yahoo Finance: RACE.MI

52-week range (€)	321.70—492.80
Market Cap (€m)	73,233.794
Outstanding Shares (m)	177.92

Source: Yahoo Finance and Company's Report



Ferrari N.V. Stock Price vs MSCI World Index Evolution (2022-2025)

Source: Investing.com

(Values in € millions)	2024	2025E	2026F
Revenues	6.677	7.360	7.702
Revenue growth (%)	11.8%	10.2%	4.6%
Gross Margin (%)	61.4%	62.7%	64.0%
EBITDA Margin	39.5%	41.2%	41.9%
ROIC	37.7%	46.3%	44.2%

Source: Analysts' Estimations

THIS REPORT WAS PREPARED EXCLUSIVELY FOR ACADEMIC PURPOSES BY ALEXANDRA NUNES AND MARIANA LOPES, A MASTER IN FINANCE STUDENT OF THE NOVA SCHOOL OF BUSINESS AND ECONOMICS. THE REPORT WAS SUPERVISED BY A NOVA SBE FACULTY MEMBER, ACTING IN A MERE ACADEMIC CAPACITY, WHO REVIEWED THE VALUATION METHODOLOGY AND THE FINANCIAL MODEL. (PLEASE REFER TO THE DISCLOSURES AND DISCLAIMERS AT END OF THE DOCUMENT)

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Company Overview

The Origins

The history of Ferrari begins in 1929 when Enzo Ferrari founded Scuderia Ferrari, a racing team backed by Alfa Romeo. After the latter’s racing team ceased operations in 1933, Scuderia Ferrari took full control of racing operations and gained greater technical independence. This period of autonomy ended in 1937 when Alfa Romeo acquired 80% of Scuderia Ferrari and transferred its staff and equipment to Milan under the name of Alfa Corse. In 1939, Enzo left Alfa Romeo and established *Auto Avio Costruzioni*, the company that would later become Ferrari SpA. In 1947, Ferrari emerged as a car manufacturer with the creation of 125S, which also secured the brand's first Grand Prix victory that same year.



Figure 1 – Ferrari’s Prancing Horse emblem
Source: Ferrari

Long before Ferrari became synonym of luxury cars and racing success, its iconic Prancing Horse emblem had already begun to take shape. This emblem first appeared in 1932 on the Alfa Romeo cars used by Scuderia Ferrari at the time and has since become “a legend and a synonym for both beauty and success” (Ferrari, 2019).

Ferrari at a Glance

Ferrari’s DNA is deeply woven into every aspect of its business. The company’s philosophy is built on three values: Individual and Team, Tradition and Innovation and Passion and Achievement. These pillars have led Ferrari from a racing-focused manufacturer into one of the world’s most admired luxury brands. This international recognition and presence are translated into the company’s geographic extension. Ferrari covers a client base over four major areas, including, in order of relevance in total shipments, in 2024: **EMEA** (45%) – among which United Kingdom, Germany, Italy, France, Switzerland, the Middle East and other European and regional countries; the **Americas** (29%); **China, Hong Kong and Tawain** (8%); and the **Rest of APAC** (17%), which includes all the remaining Asia and Pacific markets.

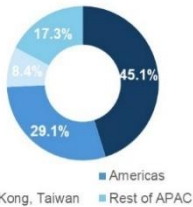


Figure 2 – Regional Shipments Distribution (2024)
Source: Ferrari

The company’s business model is composed of the following **three dimensions**.

Sports Cars

The **Sports Cars** segment refers to the Range models, Special Series, Icona, One-Off, Supercar and *Classiche*, as well as client events, experience and services. Ferrari differentiates itself by deliberately managing **supply below demand**, producing significantly fewer cars than the market demands. Strategically positioned as a “**small volume**” manufacturer, Ferrari produces just between 10,000 and 15,000 vehicles annually - substantially below some peers as

Unit: Number of Shipments

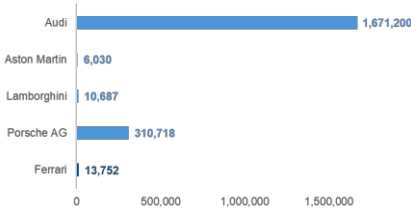


Figure 3 – Number of Shipments, per company (2024)
Source: Companies’ 2024 Reports

Porsche's 310,718 units, in 2024. This approach allows Ferrari to safeguard the **exclusivity** of the brand, rather than just pursuing market share growth.

Ferrari's line-up has evolved over the decades following a clear product timeline, alternating between regular road cars, special editions and hypercars, with the brand introducing an average of **3 to 4 new models per year**. By 2025, this strategy has resulted in an especially diverse line-up.

The **Range models** comprise cars powered by **traditional internal combustion engines** – including the 12 Cilindri, the 12 Cilindri Spider, the Roma Spider and the Purosangue, Ferrari's first four-door, four-seater car –; and **plug-in hybrid vehicles** – such as the SF90 Spider, the 296 GTB and the 296 GTS.

Furthermore, the **Special Series** line-up brings even more exclusivity with the SF90 XX Stradale, SF90 XX Spider – both plug-in hybrids – and 812 Competizione A – powered by an internal combustion engine –, representing the peak of Ferrari's engineering capabilities through track-inspired performance vehicles. Within the **Icona** models, reserved for ultra-exclusive models, the Daytona SP3, an internal combustion vehicle, stands as the sole 2025 offering. The **Supercar** line-up is defined by the introduction of the F80, a hybrid vehicle, sold out ahead of entering production in 2025.

These offerings illustrate how key models, particularly hypercars and Icona series vehicles, continue to shape the line-up portfolio and trigger a lasting influence on Ferrari's **design, performance and brand trajectory**, with the current product mix consisting of 49% ICE and 51% plug-in hybrid models.

Racing

Racing activities include Formula 1, Endurance competitions, Esports and the Corse Clienti. Formula 1 remains as the core of Ferrari's motorsport program. F1 serves as the primary platform for technological development and global brand visibility, with 16 Constructors' Championships and 15 Driver's Championships in the sports history. In Endurance competitions, Ferrari has won 24 world titles in the FIA World Endurance Championship, including 9 overall world titles and 15 class titles since the beginning of the championship in 1953. In Esports, Ferrari participates in major sim racing competitions such as the F1 Sim Racing Championship, PSL E-series – in which the team has taken multiple constructor's titles – and the Ferrari HP Esports Series, created by the brand. The Corse Clienti program enables competitive and one-make racing in Ferrari Challenge categories, with drivers and teams competing for annual titles.

Lifestyle

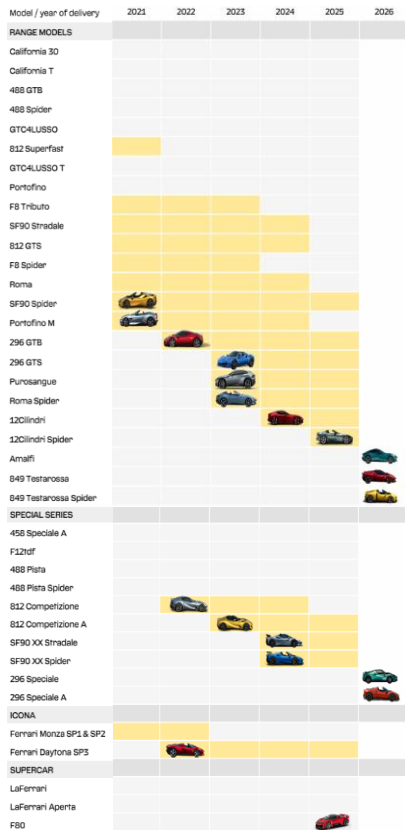


Figure 4 – Ferrari's Product Line-Up (2021-2026)
Source: Ferrari



Figure 5 – Scuderia Ferrari's 2025 Drivers
Source: Formula 1



Figure 6 – Museo Enzo Ferrari in Modena
Source: Ferrari

The **Lifestyle** dimension extends the Prancing Horse beyond the track through Personal Luxury Goods, Collectibles and Experience. It includes Ferrari's fashion collection, flagship stores, Il Cavallino Restaurant as well as museums, such as the Ferrari Maranello Museum and the Museo Enzo Ferrari in Modena. Additionally, it includes the Ferrari World in Abu Dhabi and Ferrari land in Portaventura. Through these initiatives, Ferrari offers immersive experiences that strengthen its brand appeal.

- **Maranello: the integrated home base**

Ferrari's operations are centered in Maranello, where production and design have been kept in-house since 1943. The company's evolution over the past decade underscores the strength of its business model, balancing **low-volume, high-margin production** with **technological innovation** and **brand expansion into lifestyle** segments. Besides this horizontal integration, Ferrari's investments have reinforced a vertical dimension: from the Design Centre (2018) to the Technical Centre (2019), the Simulator (2020) and the *Attività Sportive GT* base at Fiorano (2021). More recently, in 2024, the new **e-building** inauguration marked Ferrari's leap into electrification. The state of the art facility produces and develops diverse **powertrain models**, as well as strategic **electric components**. A paint shop, due in 2027, is designed with a focus on sustainability and energy efficiency. This will enhance Ferrari's **personalization capabilities**, reinforcing its commitment to **craftsmanship** and **originality**, key differentiators in the luxury market.

- **Beyond the Dream: Ferrari Financial Services**

A complementary core component of the Ferrari ecosystem is **Ferrari Financial Services (FFS)**. FFS offers tailored **consumer financing solutions**, facilitating model purchases. It operates directly in the United States via its wholly owned subsidiary *Ferrari Financial Services Inc.*. Additional services are offered in Europe through *Ferrari Financial Services GmbH*, a joint venture with CA Auto Bank and Crédit Agricole. Beyond that, Ferrari also maintains partnerships in other major international markets, including Japan and Mainland China. As of 2024, FFS managed a financial receivables portfolio of €1,662 million, entirely originated in the United States. Its **selective** and **client-driven** approach ensures that financing does not dilute brand prestige but enhances access for qualified clients, while preserving the perception of **rarity** that defines the Prancing Horse.

Share Details

As of September 30, 2025, Ferrari N.V. had 193,923,499 common shares, of which 15,998,828 were held in treasury, representing 6.22% of the total issued share capital. In addition, the company had 63,349,112 special voting shares.

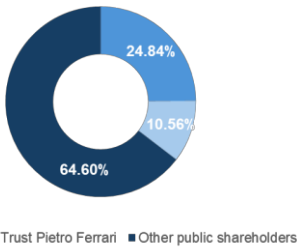


Figure 7 – Ferrari's ownership structure

Source: Ferrari

As of February 6, 2025, Ferrari's main shareholder was **Exor N.V.**, holding 24.84% of the company's outstanding shares and 36.69% of voting power under the loyalty voting program. The second largest shareholder was the **Trust Pietro Ferrari**, a Jersey trust established by Mr. Pietro Ferrari, which owned 10.56% of the common shares. Through this trust, Pietro Ferrari retains the usufruct of the rights associated with those shares, giving him 15.60% of voting power. All the remaining shares are held by other public shareholders.

Ferrari has implemented a **loyalty voting program** to reward long-term shareholders. Investors who hold common shares continuously for at least three years receive one special voting share per common share, each carrying one vote. If the underlying common shares are sold, they must be deregistered from the program and the corresponding special voting shares returned to Ferrari. An independent dividend reserve exists for special voting shares to allocate the mandatory minimum profit attributable to them, but these shares have no material impact on earnings per share. The program may, however, reduce common share liquidity and affect the trading price.

Ferrari N.V.' shares are listed on the **New York Stock Exchange (RACE)** since October 21st, 2015, and on the **Euronext Milan (RACE.MI)** since January 4th, 2016. Furthermore, at its 2025 Capital Markets Day, Ferrari announced a new share repurchase program to follow the existing program launched in 2022, which will end in 2026. The new program will start in 2026 and run through 2030, in the amount of €3.5 billion. In addition, on April 16, 2025, Ferrari approved a dividend distribution of 2.986€ per share, an increase from the 2.443€ per share of 2024.

Industry analysis and macroeconomics

Macroeconomic outlook

The global economic outlook is cautiously optimistic but fragile. According to IMF's October 2025 World Economic Outlook, global real GDP growth is expected to be 3.2% in 2025, decreasing to 3.1% in 2026, with global headline inflation easing from 4.2% to 3.7%. Advanced economies show mixed dynamics. For the US, world output is expected to increase from 2% in 2025 to 2.1% in 2026, while the Euro Area may decrease from 1.2% to 1.1%. The inflation target set by both the European Central Bank (ECB) and the Federal Reserve (FED) is 2%.

Monetary policy has moved from a tight stance towards a more neutral, although still restrictive, level. The ECB's deposit facility rate has fallen from a peak of 4% in mid-2023 to 2% as of late 2025. In the case of the US, the FED has been lowering its target federal funds from 5.25%-5.5% range in July 2023 to 3.50%-3.75% by

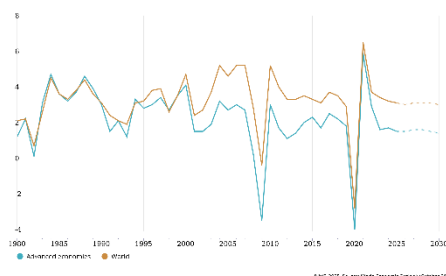


Figure 8 – Real GDP growth Advanced Economies VS World (Annual percent change)

Source: IMF

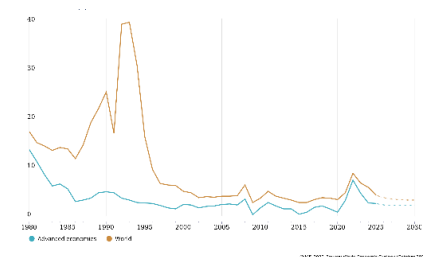


Figure 9 – Inflation Rate Advanced Economies VS World, average consumer prices (Annual percent change)

Source: IMF

December 2025, with a further cut expected in 2026 as inflation trends towards the target. These decrease in rates suggests a gradually easing financing environment for consumer credit.

Luxury Consumption Outlook

The Luxury sector continues to benefit from the resilience of high-net-worth individuals (HNWIs) and ultra-high-net-worth individuals (UHNWIs), whose spending patterns are less sensitive to short-term macroeconomic shocks. According to Bain & Company, luxury spending is expected to increase from, approximately, €1.5 trillion in 2024 to at least €2 trillion by 2030. This growth is driven by the expected growth in **ultra wealthy population** of 31%, from 2025 to 2030, particularly noticeable in Asia, North America and Europe – forecasted to rise by 6.9%, 5.8% and 5%, respectively, by the end of the decade. Moreover, younger consumers – millennials and generation Z – are progressively entering this market, influencing demand towards more contemporary and experience-driven luxury.

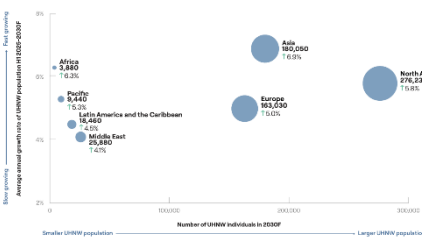


Figure 10 – UHNW population size and growth to 2030
Source: Altrata

Industry Analysis and Trends

The **luxury automotive industry** represents a **premium segment** of the automotive industry where the market players are characterized by a strong brand **prestige, technological innovation** and **personalized customer experience**. The luxury and, particularly, the ultra-luxury segments rely on **exclusivity, craftsmanship** and **emotional appeal**, while mass-market manufacturers operate with high-volumes and compete primarily on price and broad utility.

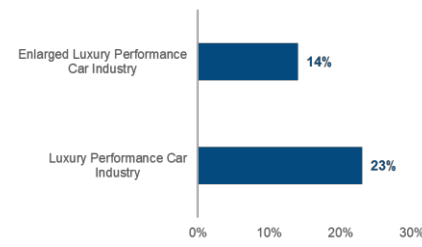


Figure 11 – Ferrari's Positioning in the (Enlarged) Luxury Performance Car Industry (2024)
Source: Ferrari

In 2024, Ferrari held a **23% market share in the Luxury Performance Car industry**, its historic benchmark, and a 14% market share in the Enlarged Luxury Performance Car Industry, which includes high-performance SUVs, similar to the Purosangue. These metrics demonstrate Ferrari’s dominance in a niche where technological innovation, design and customer intimacy converge.

- Demand and Consumer Trends

The Luxury Automotive segment’s primary customers are **high-net-worth (HNWIs)** and **ultra-high-net-worth (UHNWIs)**. Luxury car buyers fall into groups such as “*collectors/ connoisseurs, innovation seekers, performance enthusiasts and personal-status buyers*” (McKinsey & Company, 2025). These clients tend to value both heritage and innovation, allowing premium manufacturers to sustain strong pricing power and industry-leading margins. Nonetheless, the sector is indirectly influenced by global macroeconomic developments, geopolitical tensions, regulatory changes, technological improvements, supply-chain stability and wealth creation trends.

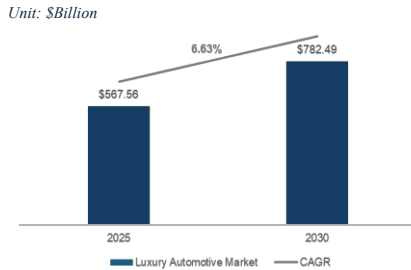


Figure 12 – Luxury Automotive Market Growth 2025-2030

Source: Mordor Intelligence

In recent years, the global automotive industry has faced some **turbulence**. High inflation, high interest rates, geopolitical instability and prolonged supply-chain bottlenecks in semiconductors and logistics have affected the growth of the industry. Despite these challenges, the **luxury automotive segment** has continued to **expand**. While industry forecasts expect a CAGR of 3.46% from 2025 to 2030 in the overall global automotive market size – from \$2.75 trillion to \$3.26 trillion –, the **luxury car segment** is projected to grow at a faster rate, at a **CAGR of 6.63%** within the same period - from \$567.56 billion to \$782.49 billion. This growth is reflected by the rising wealth concentration and has therefore become one of the strongest demand-side drivers of Ferrari's addressable market. The demographic composition of luxury car buyers is also changing. A growing share of Ferrari's new clients, approximately 40%, are under the age of 40, indicating that younger affluent buyers increasingly seek high-performance vehicles, driven from an aspiration of luxury, exclusivity and to showcase achievement. This evolution requires manufacturers, such as Ferrari, to balance brand heritage with contemporary forms of customer interaction.

▪ Regulatory and Technological Landscape

In line with the current climate regulation, emission standards and evolving consumer preferences, manufacturers are also being impelled to develop **hybrid and fully electric vehicles** that meet **environmental expectations**, by enabling lower emissions, without compromising performance. **Hybrid Electric Vehicles (HEV)** combine an internal combustion engine with an electric motor, with batteries recharged through regenerative braking and the engine. **Plug-In Hybrid Electric Vehicles (PHEV)** feature larger batteries that can be charged externally, in addition to an internal combustion engine, allowing for short-distance all-electric driving and further reducing emissions. **Battery electric vehicles (BEV)** operate solely on electricity stored in high-capacity batteries, producing zero tailpipe emissions.

This transition is reinforced by the **European Green Deal framework** that aims to make Europe climate-neutral by 2050, targeting a reduction of 90% in transport-related greenhouse gas emissions. Within this framework, the **“Euro 7” regulation** aims to significantly reduce exhaust emissions of road vehicles as well as particles produced when braking. This is further supported by the **EU “Fit for 55” package**, which mandates that all new passenger cars and light commercial vehicles sold in 2035 must be zero-emission. Currently, passenger cars account for 16% of total CO₂ emissions in the EU, with light commercial vehicles contributing 3%. Moreover, the interim CO₂ reduction targets of 55% for cars and 50% for vans, along with the incentives for zero and low emission vehicle (ZLEV)

registrations further contribute towards the transformation of the automotive industry. The Green Deal provides the strategic vision, while the “Euro 7” and “Fit for 55” supply the regulatory and market tools to transform the automotive sector, reduce emissions and accelerate the shift toward sustainable mobility.

Electrification presents both a challenge and an opportunity to the sector. Although it demands heavy capital expenditure and new technological capabilities, it also expands the market towards younger, sustainability-minded consumers, and unlocks entirely new forms of performance. Ferrari has responded decisively to this growing demand by expanding their line-up to include **PHEV** and a **full electric vehicle**, schedule to be launched in **2026**. Ultra-luxury brands have deliberately paced electrification, prioritizing performance and the exclusive quality they offer, while demand for electric vehicles is still limited within this premium automotive segment. As highlighted by Mordor Intelligence, “*Ferrari has filed patents for synthetic exhaust acoustics to retain emotional appeal in silent drivetrains*”, while peers, as Aston Martin, have delayed electric launches to refine key features.

▪ Supply Chain and Geopolitical Risks

The complexity of the supply chain for European Automotive manufacturers is an ongoing concern. The rising competition for semiconductors, higher logistics costs and growing concerns about rare-earth, minerals and permanent magnet supply linked to Chinese restrictions, affect the entire sector, as these are essential elements for the production of EV batteries and other electronic components. In addition, the ongoing effects of the war in Ukraine, that continues to contribute to elevated and volatile energy and fuel costs in Europe, impacts production and logistics expenses across the industry. Trade tensions and tariffs, particularly on cars and components exported to and from the United States, further increase costs. These create additional uncertainty in the supply chain, affecting manufacturers that rely heavily on global sourcing.

Ferrari operates within this challenging **supply environment**, even though it operates on a low-volume production basis. The company depends on a **limited number of suppliers** for critical components, particularly for hybrid and electric systems, which will become even more important in the coming years, composing a material operational risk. On the one hand, although Ferrari has measures in place to mitigate these vulnerabilities, such as active-supplier management and hedging, there can still be **disruptions** in the **supply chain**. On the other hand, the **e-building** strengthens its **control** over electric cars and battery-related components, increasing **flexibility** in an environment where semiconductor availability, electronic components prices and demand for battery materials, remain volatile. The company’s production strategy allows for operational agility through fast adjustment

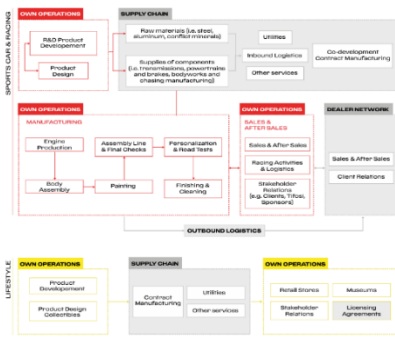


Figure 13 – Ferrari's Supply Chain

Source: Ferrari

to component shortages and regulatory changes comparing to high-volume luxury manufacturers. Nevertheless, Ferrari is still exposed to industry-wide supply chain pressures.

Competitive landscape

The competitive landscape in the luxury automotive segment continues to intensify. Among the following, Lamborghini, Aston Martin and Porsche are the most similar to Ferrari due to their focus on luxury, design, and technological excellence.

Unit: Revenues in €Million

	Shipments	Revenues	EBIT Margin	EBITDA Margin
Lamborghini	10,687	3,095		
Aston Martin	6,030	1,910	-5.2%	17.1%
Porsche	310,718	40,083	17.4%	23.4%
Mercedes-Benz	2,389,000	145,594	9.34%	13.99%
Stellantis	5,415,000	156,878	2.35%	6.96%
Ferrari	13,752	6,678	28.27%	38.26%

Table 1 – Automotive Peers Comparison
Source: Companies' Reports

- Lamborghini**¹, part of the Audi Group, within the Volkswagen Group, has transformed its line-up to consist mostly of hybrid cars. The company's first full electric vehicle is scheduled for launch in 2029, after a one-year delay from the original plan. In 2024, Lamborghini sold 10,687 units, aligning with Ferrari's low production model.
- Following a recent financial restructuring, **Aston Martin** cut approximately 5% of its global workforce, while still prioritizing the launch of its mid-engine plug-in hybrid "Valhalla" in 2025 and postponing its first full-electric vehicle. The company produces lower volumes, with 6,030 units, in 2024. The adjusted EBITDA margin was 17.1%, but the company reported a negative adjusted EBIT Margin of -5.2% in 2024, reflecting operational challenges.
- Porsche**, which is supported by the engineering resources of the Volkswagen Group, has been improving its capabilities in high-performance electric vehicles. Porsche operates with significantly higher production volumes than Ferrari, and an EBIT and EBITDA Margins of 17.4% and 23.4%, respectively, in 2024.
- Mercedes-Benz**, through its AMG division, continues to push technological boundaries in hybrid performance systems and luxury electric platforms, leveraging its large-scale R&D infrastructure. Mercedes-Benz produces volumes more aligned with the mass-market, with 2,389,000 units, in 2024, yielding an EBIT Margin of 9.34% and an EBITDA Margin of 13.99%.
- Stellantis**, while also more generally positioned across the mass-market segment, continues to invest in performance engineering through brands such as Maserati, which is undergoing a strategic repositioning to compete more directly in the luxury electric vehicles segment. Stellantis present EBIT and EBITDA margins of 2.35% and 6.96%, respectively, in 2024.

Despite these pressures, Ferrari maintains a **structural advantage** grounded in its **brand prestige**, decades of **racing-derived engineering expertise**, exceptionally strong **values**, and deeply **loyal customer base**. The company's ability to translate

¹ Lamborghini's EBIT and EBITDA margins are not available, since it is not publicly traded

Formula 1 innovation into road-car performance remains a central differentiator within an increasingly competitive luxury landscape.

ESG Analysis

Ferrari’s Environmental, Social and Governance (ESG) strategy has become an increasingly integral part of its long-term value creation model. The company’s annual report includes an ESG dedicated section, highlighting its significance.

Environmental

The Company has committed to achieving **carbon neutrality** across its entire value chain by 2030. To support this objective, Ferrari has set detailed emissions-reduction targets: Scope 1 and 2 absolute emissions² reduced by at least 90% compared to 2021 levels; and Scope 3 emissions per car³, by at least 25%, compared to 2024. These reductions are supported by innovation in vehicle technologies and electrification, with its first full-electric vehicle soon to be introduced and a targeted product mix moving toward 40% hybrid and 20% electric by 2030. In addition, in 2024, the company shut down the trigeneration plant at Maranello, which contributed to a decline in Scope 1 and 2 CO₂ emissions. Ferrari also intends to enhance Power Purchase Agreement in the coming years to further increase the share of renewable energy. Moreover, in 2024, Ferrari held for the second consecutive year, the Green Dealer Award, which encourages dealers to reduce energy consumption and emissions, adopt water-saving measures and implement social initiatives within their communities. Both the Power Purchase Agreement and the Green Dealer Award do not entail significant material operational or capital expenditure requirements for Ferrari.

Ferrari’s vehicle emissions remain above industry averages. Its Range segment emits 258-393 g/km of CO₂ for ICE models and up to 205 g/km for PHEVs, while Special Series hybrid models range from 156-228 g/km. By comparison, Porsche’s combustion vehicles emit 201-312 g/km, below Ferrari’s levels. Porsche’s hybrid technology allows some models to reach emissions as low as 40 g/km and up to 267 g/km. Furthermore, Lamborghini’s ICE models emit up to 338 g/km, with high-performance electrified vehicles comparable to Special Series, range from 272-350 g/km. Ferrari’s and Lamborghini’s focus on high-performance sports cars further highlights the significant trade-off between extreme performance and low emissions, with peers as Porsche prioritizing hybrid efficiency alongside performance. Increasingly stricter regulation could require accelerated adoption of low-emission technologies for these companies.

Unit: g/Km

	ICE	Hybrid
Lamborghini	320-338	272-350
Porsche	201-312	40-267
Ferrari	258-393	156-205

Table 2 – Range of CO₂ Emissions

Source: Companies’ websites

² Carbon dioxide equivalent – standardized unit to measure the climate impact of various emissions

³ Carbon dioxide, methane and nitrous oxide

Social

On the Social dimension, Ferrari emphasizes responsible sourcing, supplier ESG due diligence and safeguarding worker’s rights across the value chain, in line with the European requirements. The company has set ESG criteria into employee-related practices, including an Equity Incentive Plan in which ESG performance accounts for 20% of awards, split evenly between reduction of CO₂ emissions and maintaining Equal Salary certification. Moreover, the company has set 2027 targets concerning the Board of Directors composition, including: at least 30% of seats assigned to women and at least 30% to men; no nationality should account for more than 60% of members and there should be diversity in ages.

Governance

Regarding the Governance aspect, it is reinforced at senior levels, including oversight through the Green Sustainability Steering Committee. This ensures strategic alignment and accountability for environmental and social targets. The remuneration of Executive directors is also dependent on long term incentives, that encompass ESG practices. In 2024, the total remuneration for Benedetto Vigna, the CEO and Executive Director, was 7,983,034€, of which 3,123,629€ relate to long term incentives. As for the Chairman and Executive director, the total remuneration was 2,607,804, of which 1,041,210€ relates to long term incentives. Piero Ferrari, the Vice Chairman and Non-Executive Director, received 74,298€ of fixed remuneration and 20,164€ related to car benefits. The median fixed remuneration of employees was 38,000€.

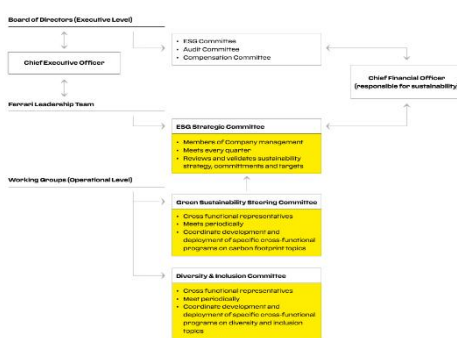


Figure 14 – ESG governance structure at Ferrari

Source: Ferrari

Overall, Ferrari’s sustainability roadmap shows a comprehensive approach focused on operational decarbonization, value-chain engagement and governance mechanisms that embed ESG performance into corporate decision-making, strengthening its positioning within the luxury automotive industry.

SWOT Analysis

Ferrari’s internal and external environment can be further synthesized through a SWOT analysis, highlighting the main insights outlined above.

Strengths and weaknesses

The company strongest asset is its globally recognized **brand**, which personifies luxury, performance and exclusivity. This brand equity enables the company to maintain premium pricing and achieve industry-leading margins. Supported by a robust and highly specialized **research and development** division, Ferrari has sustained its leadership in innovation, particularly as it advances **hybrid powertrains** across more of its line-up. Ferrari’s strong **book order** and high



Figure 15 – Strengths and Weaknesses

demand provide further financial stability, allowing the company to plan production in advance. Despite its strengths, Ferrari continues to face structural limitations. Although Ferrari has expanded geographically, the region of **EMEA remains proportionately significant** for its deliveries, creating potential concentration risk. Furthermore, its transition towards electrification is still uncertain. While hybrid models have achieved commercial success, the company has only recently announced its first full-electric vehicle, the *Ferrari Elettrica*. The delay could limit Ferrari’s competitiveness as consumer expectations and regulatory requirements accelerate the shift toward electrification.

Opportunities and threats

The transition to electrification is also Ferrari’s most substantial opportunity. **Expanding its hybrid portfolio** and successfully launching a **high-performance electric vehicle** would allow Ferrari to capture new customers while remaining compliant with emerging regulatory frameworks. Additionally, the company can benefit from continuous growth in the lifestyle segments and customization programs, all of which strengthen brand engagement. As the competitive landscape evolves, Ferrari faces **regulatory pressures**, which may require costly adaptation and accelerate the need for electrification. **Supply chain vulnerabilities**, particularly for specialized components also pose a risk to production continuity and cost control.

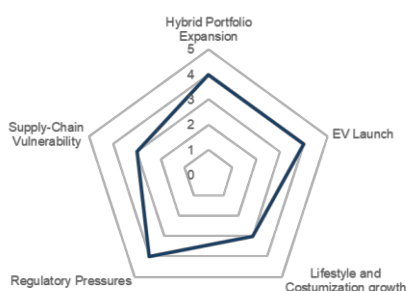


Figure 16 – Opportunities and Threats

Historical Financial Analysis

Ferrari reports itself as a one-segment company, but two main operating businesses can be identified: the **Automotive & Performance Business (A&P)** – encompassing Ferrari’s Sports Cars, Racing and Lifestyle dimensions – and **Ferrari’s Financial Services (FFS)**. While the latter’s overall contribution to the company could be considered residual, the significant differences in business models require distinct valuation approaches. It should be reinforced that the company does not present this distinction and the approach to isolate financials is derived from Ferrari’s annual reports, and the analysts’ own judgement. This section evaluates Ferrari’s performance across both referred segments, focusing on historical trends from 2018 to 2024. Financial statements concerning the A&P business have been reformulated to isolate operating performance, providing a clearer view of the company’s operational efficiency and capital allocation.

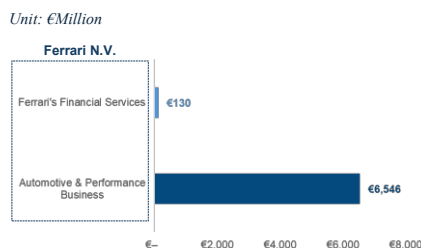


Figure 17 – Breakdown of revenues, by identified segments (2024)

Source: Ferrari

Automotive & Performance Business

Over the past decade, global electric car sales have more than doubled. Although Ferrari has only recently begun its electrification process, hybrid models already account for more than half of the brand’s lineup (51%, in 2024). The delayed

Unit: €Thousand

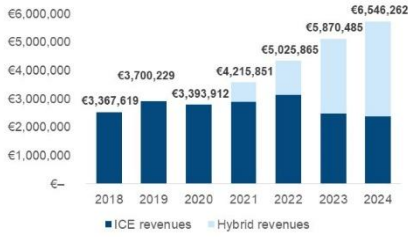


Figure 18 – Automotive & Performance Business Revenue Evolution (2018-2024)
Source: Ferrari

transition is consistent with the company prioritizing exclusivity and performance over volume. This shift has supported revenue growth, largely through higher average selling prices enabled by technology innovation and premium components. Ferrari’s introduction of the SF90 XX Stradale and the SF90 XX Spider further boosted volumes of hybrid powertrain cars, in 2023, reflecting strong market reception. Revenues grew from €3.4 billion, in 2018, to €6.5 billion, in 2024, corresponding to an 11.72% CAGR, on a period of significant transformation.

Unit: Percentage



Figure 19 – Gross Margin & EBITDA Margin (2018-2024)
Source: Ferrari

The structural shift in Ferrari’s product mix has been accompanied by substantial investment in R&D, with the F1 division allowing knowledge spillovers to the commercial division. Although historically high, a slight deceleration of R&D to revenues ratio is observed, as Ferrari moves past the initial phase of electrification.

Despite operational changes, gross margin has consistently averaged above 61% across the period, supported by disciplined product strategy and the strong performance of limited-edition and special series models, which carry structurally higher margins. A slight decline of both ICE and hybrid vehicles’ gross margins is observed driven by rising production complexity. Nonetheless, resilience has carried through to operating performance. EBITDA margin increased from 32%, in 2018, to 38%, in 2024, reflecting Ferrari’s disciplined cost management and mix optimization. While further efficiency gains may support incremental improvements, margins remain sensitive to shifts in the product portfolio and the cost dynamics associated with the pace of technological transition.

Unit: €Thousand; Percentage

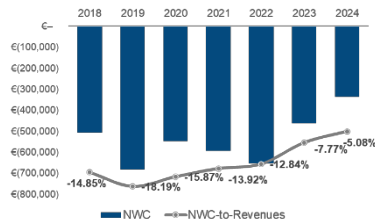


Figure 20 – Net Working Capital and NWC-to-Revenues (2018-2024)
Source: Ferrari

The evolution of Ferrari’s net working capital (NWC) reflects the structural characteristics of its ultra-luxury, low-volume business nature. The company benefits from advance customer payments, while maintaining efficient inventory management, resulting in historically negative NWC. The level of NWC showed a slight increase, reflecting ongoing product and operational changes. This aligns with the rise in the cash conversion cycle, which turned positive in 2024 – and is expected to remain in the future. The shift toward more complex, premium components lengthen inventory cycle, while average days payable decreased at a CAGR of -4.7% over 2018 through 2024, reflecting tighter supplier terms. Furthermore, Ferrari’s significant technological and product-related transformation has required substantial investment in Capex, noted to have been historically taken by the company. Investments in manufacturing equipment and facilities throughout the period enable Ferrari to support production growth objectives.

Unit: €Thousand

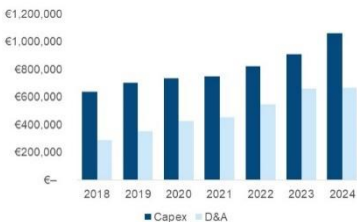


Figure 21 – Capex and Depreciation & Amortization (2018-2024)
Source: Ferrari

Ferrari’s A&P Business has historically generated exceptionally high ROIC, averaging around 36%. A temporary decline occurred during the Covid-19 period due to factory shutdowns and supply chain disruptions. Post-pandemic, ROIC rebounded as the company expanded its lineup, boosting average selling prices

(Millions, %)	2019	2020	2021	2022	2023	2024
ROIC	38%	36%	23%	36%	38%	38%
NOPLAT	€653	€515	€748	€973	€1,171	€1,354
Operating Inv. Cap.	€1,826	€2,246	€2,518	€2,695	€3,107	€3,591

Table 3 – ROIC, NOPLAT & Operating Invested Capital (2018-2024)

and supporting margin improvement. Overall, Ferrari demonstrates strong capital efficiency, with reinvestment rates typically ranging between 10-20%. Under normal conditions, Ferrari’s business model requires limited capital spending relative to sales growth. At the consolidated level, ROE has remained consistently high. It exceeded 50% levels prior to Covid, declining sharply during the pandemic, and subsequently recovering to levels around 40%, where it is expected to stabilize going forward. These values reflect Ferrari’s exceptional ability to generate returns for shareholders.

Ferrari’s Financial Services

Regarding Ferrari’s Financial Services, net interest margins have historically been modest, ranging from 2% to 3.4% over the period. While net interest income occasionally shows negative growth, pre-tax profit margins have remained stable at approximately 30%, in recent years, reflecting disciplined cost management and a structurally profitable business. Receivables growth aligns with the sales of cars and spare parts. The average yield on client financing and cost of funds are discussed under the following section.

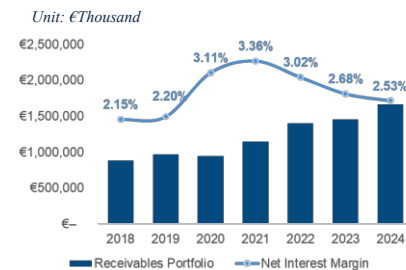


Figure 22 – Receivables from Financing Activities vs Net Interest Margin Evolution (2018-2024)
Source: Ferrari

Value Drivers and Forecasts

For the forecasting period, four periods of growth were considered: (i) the period corresponding to the **2026-2030 management strategic plan**, announced on the Capital Markets Day (CMD) on October 9th, 2025, used as a guidance (ii) a gradual **period transitioning into a new portfolio mix**, composed mainly of hybrid and electric vehicles (2030-2035); (iii) a **margin stabilization period** following the portfolio transition (2035-2040) and (iv) the **perpetual growth period**. Although Ferrari can be considered a mature company, recent investments in the electrification of its product portfolio introduce structural changes that affect revenues, costs and invested capital dynamics, delaying its steady-state point.

Ferrari’s race to success

The following section addresses the forecasting methods and value drivers of the Automotive & Performance Business, through periods (i) and (ii).

- Revenues

Ferrari breakdowns revenues into the following categories.

Manufacturing of Cars and Spare Parts revenues

A **bottom-up approach** was used for revenue forecast, focusing on projected shipments and average selling prices, as Ferrari produces on a **low volume basis** targeting a relatively resilient client base.

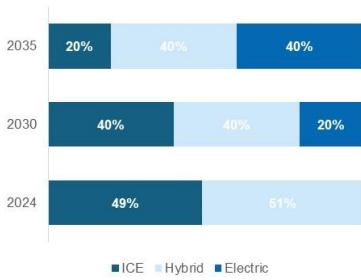


Figure 23 – Portfolio Mix 2024 vs 2030 vs 2035
Source: 2030 Guidance - Ferrari’s Capital Markets Day

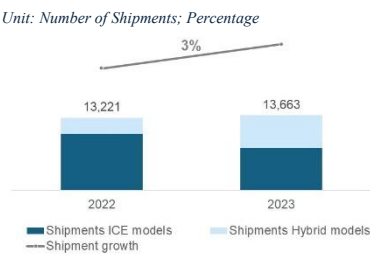


Figure 24 – Historical Unit Shipment 2022 VS 2023
Source: Ferrari

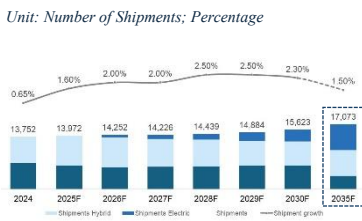


Figure 25 – Forecasted Shipment Evolution and Respective Growth Rates (2024-2035)

	2019	2020	2021	2022	2023	2024
Real ASP	€282	€299	€297	€280	€301	€321
ICE ASP	€282	€298	€282	€260	€261	€272
Hybrid ASP		€403	€381	€351	€352	€368
Est. Premium	35%					

Table 4 – Average Selling Price of ICE and hybrid models (2019-2024)

Shipments are closely linked to the company’s evolving powertrain mix across the Range, Special Series and Icona product lines. Prior to the announcement of the new 2026-2030 strategic plan, Ferrari had initially outlined a 20-40-40 product mix of ICE, hybrid and electric vehicles, respectively. The 2030 lineup is now expected to comprise 20% electric, 40% hybrid and 40% ICE models - units sold were assumed to be proportional to the composition. Changing circumstances have led to the adjustment of the initial targets, assumed to be postponed, yet achievable in **2035**. Beyond this, decrease in ICE models is expected to be moderate, as they remain an integral part of the company’s heritage and brand identity.

Furthermore, the **luxury automotive** segment **volume** is expected to slightly **decline** from 252,000 units, in 2025, to 247,000 units, in 2030 (-1.8%), supporting that expected growth in the industry will mainly stem from **higher selling prices**. Looking at Ferrari’s shipment historical evolution, even as hybrid share doubled, in 2023, shipment growth was around 3%. Consequently, the **introduction** of fully **electric vehicles** is **not expected** to dramatically **alter shipment growth**, aligning with Ferrari’s limited supply strategy.

Ferrari’s niche position within the luxury automotive market complicates efforts to forecast units’ shipment, along with the challenge of an early EV development stage. Aligning current industry dynamics with the company’s historical performance, **shipment growth** is projected at **2% for 2026-2028**. This reflects the launch of the Ferrari Elettrica and falls within the 1-3.5% growth range historically observed. Growth slightly increases to **2.5% in 2028-2029**, in anticipation of additional EV launches and favorable market response. Beyond 2030, it gradually slows to **1.5% by 2035**, consistent with a mature ultra-luxury market, intentional production limits and a long-term real GDP growth rate of 1.6%, for advanced economies. Overall, shipments are expected to grow to **17,073 units**, from **2024 to 2035**, at a **CAGR of 1.99%**.

Regional shipment distribution is driven by GDP, inflation and consumer trends, accounting for factors as the expected wealth growth in Asia-Pacific, and the UK market contraction following post-Brexit tariffs. Based on this distribution and respective price evolutions, an **average inflation rate** was computed. The average selling price is computed on real terms, to which inflation is added.

The pricing model is anchored to the pricing of **combustion vehicles**. Their projected evolution reflects Ferrari’s continuous strong investment in **customization** and its unique brand **positioning**, aligning with historical trends.

Considering increased production complexity and highly specialized components, a **price premium** was then applied over the price, in real terms, of ICE vehicles, for both hybrid and electric vehicles (on top of inflation).

Prior to developing forward-looking projections, a price premium for existing PHEV was calculated, to establish an ASP for each model category. Mass-market data indicate that **plug-in hybrid vehicles** command roughly a 30% premium over comparable ICE models in major European markets, such as Germany and the UK. Given Ferrari's place at the top of the luxury spectrum, a slightly higher **35% premium** was assumed **until 2025**, allowing for a more granular analysis for forecasts. This combines additional production costs (against a standard combustion engine vehicle), with Ferrari's ability to define higher prices, supported by top-tier product quality. As hybrids become more mainstream, this premium is expected to gradually slow, moving prices closer to ICE levels.

For **electric vehicles**, a 50% premium is assumed in the introduction stage, in 2026. Although Ferrari has not disclosed the pricing for the upcoming *Ferrari Elettrica*, several sources anticipate a price of over €500,000 – compared to an estimated ICE ASP of around €370k, strengthening the projected value. This is consistent with Ferrari's brand exclusivity, as well as cost dynamics, explained further below. Prices are expected to converge into hybrid model levels, following the same rationality, although a significant premium is still expected, reflecting Ferrari's strong pricing power.

Revenues of Cars and Spare parts are expected to grow at a **2024-2030 CAGR of 7.20%**, slightly above the expectations to the industry, and a 2024-2035 CAGR of 6.84%.

Sponsorship, Commercial and Brand revenues

Ferrari's historical F1 team, **Scuderia Ferrari**, is this revenue's dimension main driver of generated wealth. Through the F1 Concorde Agreement, Ferrari receives an annual "heritage" payment. Although not disclosed, this amount is proportional to the F1 prize pool, which represents around 45% of F1's total revenues. A formal request was recently submitted for the payment to be capped at 5% of the prize pool, the assumed value through the forecast period. Regarding F1's total revenues, the sport is modeled to continue growing with the observed global fanbase evolution of 63% for the analyzed period, becoming stable in 2035.

The remaining portion of the caption — driven by sponsorships, F1 and the World Endurance Championship, and the Ferrari brand — has historically represented around 87%, a share expected to remain stable going forward. These revenues are linked to F1's performance and success. These include Scuderia Ferrari

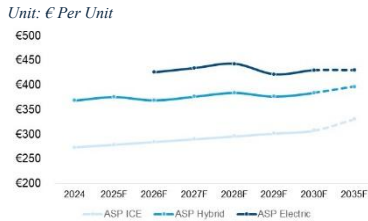


Figure 26 – Average Selling Price Evolution (2024-2035)

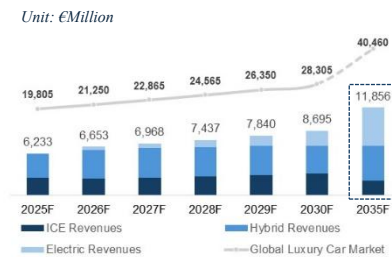


Figure 27 – Forecasted Cars & Spare Parts Revenues (2025-2035)
Source: Global Luxury Car Market - Future Market Insights



Figure 28 – Sponsorship, Commercial and Brand Revenues Breakdown and F1 Revenues (2018-2035)
Source: F1 Revenues – Liberty Media Investor Relations

championship results, as well as the visibility the sport gives to the brand. As a result, a **2024–2035 CAGR of 8.16%** for Sponsorship, Commercial, and Brand revenues is projected.

Other revenues

“Other” revenues originate from **engines**, including both engines previously sold to Maserati, whose contract agreement ended in 2023, and the rental of engines to other F1 racing teams, as well as those generated by the **Mugello racetrack**. The rental price per unit was forecasted considering Ferrari has historically supplied engines to two racing teams, with an average of two power units per team, per season. Unit price was assumed to increase at a similar rate to the automotive engines market size, aligning with the expected 2.89% CAGR forecasted in the next 10 years, on top of inflation. Regarding the Mugello racetrack, its contribution to revenues is modeled according to its stable pattern, as no different activity is expected.

Total revenues from the **Automotive & Performance business** present a 2024-2035 CAGR of **6.92%**.

▪ **Cost Structure**

Ferrari’s cost of sales for the manufacturing and distribution of cars and spare parts is divided into fixed and variable components, with **variable costs** dependent on annual production volumes. A linear regression of historical COGS on revenues resulted in a considerably high variable cost to revenue ratio of 0.43, reflecting the low-volume, highly customized production model. This approach was used to compute a base value for modelling variable costs. The latter was then subject to premiums dependent on the type of powertrain. Meanwhile, real **fixed costs** have exhibited a declining path, assumed to continue until 2030 before stabilizing, consistent with Ferrari’s statement that its “*facilities can accommodate a meaningful increase in production*” (Ferrari, 2025).

Historical variable cost dynamics

To understand **cost dynamics**, the **historical variable cost per unit** was divided into individual costs for ICE and hybrid. PwC research indicates that, in 2020, plug-in hybrid productions costs were roughly 36% higher than those of ICE vehicles. For Ferrari, a **production cost premium of 30% over ICE models** is assumed during its PHEV introduction stage, in **2020**, reflecting the shared architecture of the V6 engines used, with Ferrari’s F1 power units. Scuderia Ferrari’s extensive engineering, allows for knowledge transfer, shared components, and production efficiencies, reducing early-stage inefficiencies. High performance powertrains, thermal management and energy recovery systems further contribute to the hybrid

Unit: €Thousand

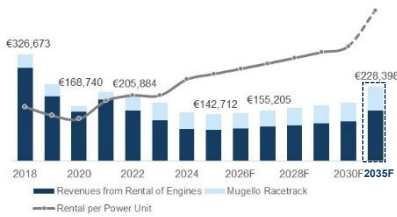


Figure 29 – Other Revenues Breakdown (2024-2035)

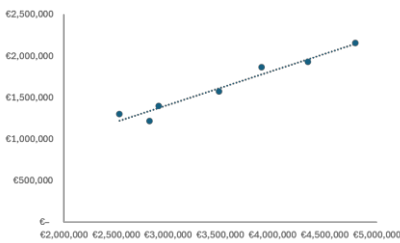


Figure 30 – Real Cost of Sales (A&P) vs Real Revenues from Cars & Spare Parts Regression (2018-2024)

	2019	2020	2021	2022	2023	2024
Real VC/unit	€123	€133	€134	€127	€137	€150
ICE VC/unit	€123	€133	€129	€119	€122	€132
Hybrid VC/unit		€172	€166	€153	€155	€167
Est. Premium		30%	29%	28%	27%	26%

Table 5 – Real Variable Costs per Unit (2019-2024)

production costs. Learning curve effects are assumed to enable a slight cost premium decline to 25%, through 2025. Through the estimated premium, one can compute the average variable cost for hybrid and ICE vehicles, providing details to further understand future behavior.

Forward-looking variable cost modelling

Combustion models’ variable cost per unit serves as the baseline for electric and hybrid vehicles. Cost evolution reflects historical trends, given mature production processes, and accounts for customization programs and premium features.

The *Ferrari Elettrica* is forecasted with an **initial 50% production cost premium** relative to ICE models, in line with a 2023 BCG’ study highlighting that European EV’s costs can be up to 65% higher than ICE. Battery prices are expected to fall by nearly 50%, by 2026, justifying a slightly lower than 65% premium for Ferrari’s luxury, performance-focused vehicles. Although plug-in-hybrid batteries are more expensive per kWh than electric similars, a V6 hybrid engine has a battery capacity of only 7.5 kWh vs 122 kWh expected for the *Ferrari Elettrica*. This further consolidates a higher initial electric cost addition of 50%, compared to early-stage hybrids. Over time, electric variable costs are projected to converge toward hybrid vehicle levels, as cost reductions are expected through battery learning effects, though remaining modestly above ICE models. By **2035**, the **EV cost premium** is assumed to stabilize around **20%**, reflecting production processes improvements.

The introduction of the full electric model and continued process improvements, including component standardization, are expected to reduce hybrid production costs to around 13-15% above ICE vehicles, by 2026. A recent study performed on electric and plug-in purchase prices and respective costs highlights that electric vehicles production costs are currently around 33% higher than that of plug-in hybrids. Through this difference, a corresponding hybrid production cost is inferred from the costs allocated to electric vehicles. By 2035, hybrid production costs are projected to converge closer to ICE vehicle levels, though remaining slightly higher due to high-performance system complexity. Even as cost premiums gradually decrease, costs are expected to grow slightly as Ferrari continues to introduce new technologies into its vehicles.

As a result of these dynamics, gross margin across Ferrari’s A&P business is projected to rise from **60.7% in 2024 to 64.5% in 2035**, well above peers as Aston Martin (around 40% in the 2028). ICE margins are expected to decline to 48.9% by 2035, reflecting a mature market, limited efficiency gains, and a shifting portfolio with lower volumes but sustained high prices. Hybrid margins start high, supported by low volume, premium performance models like the Ferrari 296 with V6 engines,

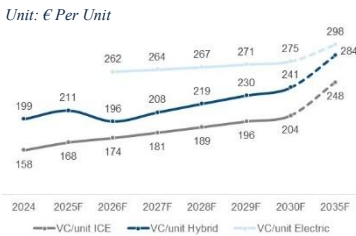


Figure 31 – Variable Cost per Unit, per engine type (2024-2035)

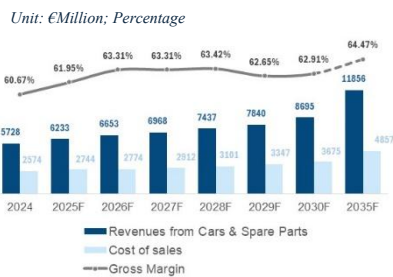


Figure 32 – Revenues, Cost of Sales and Gross Margin of Cars & Spare Parts (2024-2035)

	2024	2030	2035
Gross Margin ICE	51.4%	50.09%	48.94%
Gross Margin PHEV	54.67%	52.86%	51.37%
Gross Margin EV		51.87%	52.87%

Table 6 – Gross margin, per type of engine 2024 vs 2030 vs 2035

gradually converging to 51.4%, by 2035, as learning curves and price stabilization effects materialize. Electric vehicles margins are projected to improve to 52.9% by 2035 as battery costs decrease and manufacturing efficiencies are realized.

Selling, general and administrative costs

Additionally, given that **selling costs** are driven by model performance and client engagement, the caption was modelled on a per-unit-sold basis, growing at the historical CAGR on top of inflation and stabilizing from 2030 onwards. The **general and administrative costs** incurred by the A&P Business, were forecasted per white-collar employee in Italy. It was assumed key areas, as headquarters administration and other corporate functions are mainly located in the company's home. Both the number of employees and G&A per employee were modelled as to remain at 2025 levels, which aligns with historical values as well.

Research and development costs

Research and development will remain a core focus for Ferrari, driving technological advances that reduce production costs, while still delivering top-tier quality. R&D is assumed to remain stable as at 8.5% of revenues of the A&P business. This ratio has historically slightly declined, reflecting the company's progress toward a steady-state R&D level, while sustaining innovation. Recent initiatives, as the Hypersail project, a 100-foot racing yacht, are conservatively included in R&D for their potential automotive technological relevance, without inflating forecasts. Although no direct guidance regarding commercial launch is given, the intention of entering endurance competitions is briefly mentioned. Moreover, ongoing production processes improvements, emphasis on component quality and F1's new technical requirements of embracing up to 50% electrification, fully sustainable fuels and active aerodynamics, further support future R&D levels.



Figure 33 – Hypersail Project
Source: Ferrari

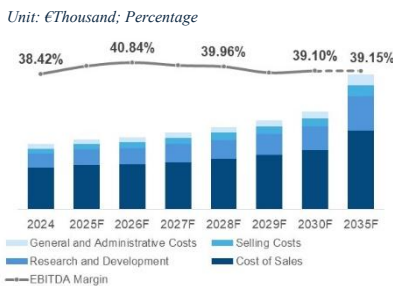


Figure 34 – Costs Breakdown and EBITDA Margin (2024-2035)

Ferrari's EBITDA margin for its A&P Business is expected to reach around 39%, in 2035, growing from the 38% observed in 2024. Comparing to other luxury car manufacturers, Ferrari is very well positioned, with Aston Martin achieving an overall 17.1% EBITDA margin and Porsche with a 23.4% margin, for 2024.

At last, Ferrari has benefited from the Italian Patent Box regime since 2018, reformed in 2021 to a "110% super tax deduction" (Ferrari, 2025) for R&D expenses. This has been consistently applied, and no further changes are expected in adjustments. Therefore, a 20% effective tax rate was applied according to historical behavior, considering the years of tax policy change as outliers.

- Invested Capital

Despite the industry being capital-intensive, Ferrari’s unique operational features shape its invested capital. The company maintains a flexible production structure, enabling it to scale capacity according to expected supply requirements.

Net Working Capital

Ferrari’s net working capital exhibits negative values, reflecting its built-to-order strategy and upfront payments from clients. The NWC-to-revenues ratio is projected to rise from -4.7%, in 2026 (vs -14.9%, in 2018), indicating a maturing operational model requiring less incremental working capital to sustain growth.

Accordingly, the cash conversion cycle is expected to rise, driven by lengthening inventory cycles associated with greater product complexity. Inventory levels are modeled considering COGS levels and the recent rise in inventory holding period. Due to the shift in product mix, the ratio of inventory to COGS exhibits a 10 p.p. jump, in 2023, from values around 30%, in 2019, remaining above 40% through 2035. Additionally, average payable periods are expected to continue shortening. Although suppliers’ terms are tightening, Ferrari’s in-house production strategy reduces dependency on suppliers, mitigating operational risk and supporting a stable working capital structure. Despite converging CCC with automotive industry trends, Ferrari’s negative NWC enables the company to outperform it, highlighting its operational efficiency. NWC represents -1.16% of revenues, in 2035, an increase from the -5.18% observed in the last reported year of 2024.

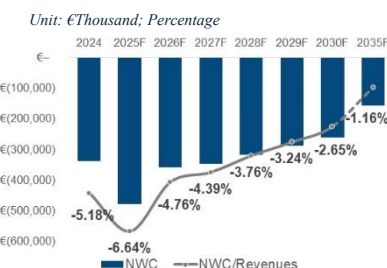


Figure 35 – Net Working Capital and NWC-to-Revenues Evolution (2024-2035)

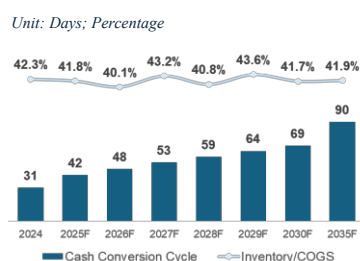


Figure 36 – Cash Conversion Cycle and Inventory-to-COGS (2024-2035)

Fixed and Intangible Assets

Fixed assets are a critical component of the business. Operating invested capital to revenues is projected to increase to around 60%, by 2040 (from 54.9%, in 2024), reflecting a balance between capital needs, operational efficiency and the in-house production model. Furthermore, **property, plant and equipment** are decomposed and modelled in line with Cars & Spare Parts’ revenues. Both the sold models and the Formula 1 engines’ critical components require upgrades to maintain product quality and performance standards. These require consistent improvement on manufacturing machinery and equipment, as well as in facilities, reflected in Capex levels. The increasing electrification of the product mix, along with the transition to low carbon emission related infrastructure, also contribute to the modelled levels of PPE. Moreover, in the absence of depreciation schedules, straight-line depreciation follows historical trends. PPE is forecasted to grow at a **6.9% CAGR from 2024-2035**, remaining below the 13.6% historical CAGR following the end of the initial stage of investment.

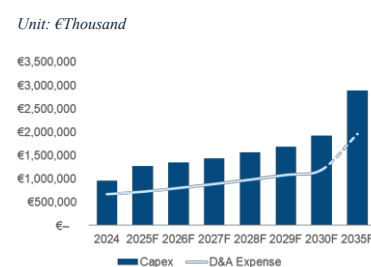


Figure 37 – Capex and Depreciation & Amortization Expense Evolution (2024-2035)

Intangible assets mainly comprising development costs and patents reflect Ferrari’s commitment to innovation and technology, to which the new design for the iconic V12 engines and the auto-braking feature are examples of. The forecast

of gross intangible assets a ratio to revenues was modelled following the same line of thought as property plant and equipment. It is expected that the value of intangibles will double over the course of the 2026-2030 management strategic plan. Moreover, no changes in goodwill are expected and it is therefore kept at €785 million throughout the period.

Despite moderately high invested capital, Ferrari maintains **returns on invested capital** (ROIC), well above the computed WACC of 6.17%, consistently generating levels superior to 30%. This aligns with other luxury automakers that benefit from the brand premium that clients are willing to pay. For example, Lamborghini has reached a return on sales (ROIC not disclosed) of 27%, in 2024. From 2030 onwards, ROIC starts to stabilize at 32%, with a slight decline by 2040. This demonstrates a mature operating model that balances ongoing innovation and technological investment with sustainable profitability.

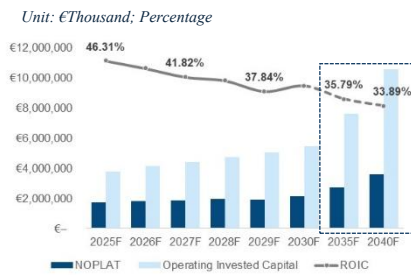


Figure 38 – ROIC vs NOPLAT vs Operating Invested Capital (2025-2030, 2035, 2040)

Ferrari’s complementary financial branch

Ferrari’s Financial Services provides clients with financing solutions. Unlike the A&P Business, debt is a core operational driver, making a standard reformulated cash flow inappropriate. Therefore, FFS is valued separately, focusing on financial metrics rather than operational metrics.

The division is mainly driven by its receivables portfolio, financed via debt instruments and originates in the US. Ferrari covers client financing through asset-backed securitizations (ABS), borrowings from banks and other financial institutions and other debt. Through ABS, receivables are sold to a dedicated special purpose vehicle (SPV), which issues notes to investors, and cash flows from the receivables repay the SPV. Ferrari consolidates these receivables in its financial statements, retaining certain risks and rewards until customer payments are collected. The SPV pays interest on the notes, representing FFS’ financing cost, while Ferrari earns a profit from the spread between client rates and the cost of financing.

Funding sources were modelled based on the historical stable ratios to Receivables from Financing Activities. Receivables are projected assuming the proportion of financed sales remains stable at around 25%, derived from the historical ratio of client financing receivables to Cars & Spare parts revenues. Forecasts incorporate both projected ASP and shipment growth in the Americas, used as proxy to the US – share of total units sold remains constant within the forecasting period. Other assets potentially held by this business were considered residual and not significant for the purpose of valuation.

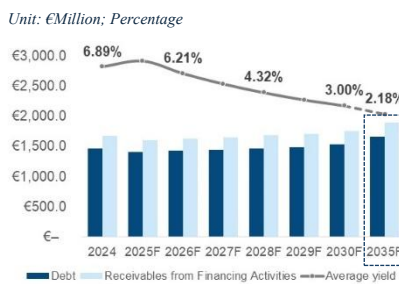


Figure 39 – Debt, Receivables from Financing Activities and Average Yield Funds (2024-2035)

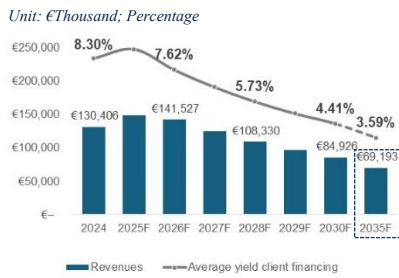


Figure 40 - Revenues and Average Yield of Client Financing (2024-2035)

(€Billion;%)	2025	2026	2027	2028	2029	2030
Cost of sales	2.9	2.9	3.0	3.2	3.4	3.7
Debt	1.4	1.4	1.4	1.5	1.5	1.5
Yield	7.5%	6.2%	5.2%	4.3%	3.6%	3.0%

Table 7 – Cost of sales, Debt, and Average Rate of Funds (2025-2030)

FFS revenues are driven by the average yield in client financing and the receivables portfolio size. Using historical average yields and estimated funding costs, explained below, a spread converging toward 1.4% was applied to the projected average rate of funds. This resulted in an estimated annual yield on client financing – 3.59%, in 2035 –, then applied to Receivables from Client Financing Activities to obtain revenues. ASP and shipment growth are already incorporated into projections. Ferrari’s client base has exceptionally low credit risk and high collateral value, supporting a stable yield spread even as base rates normalize.

Cost of sales from FFS comprises interest and other financial expenses, driven by an average interest rate paid on debt items used to finance clients. Annual funding rates were estimated based on the historical analysis of the mentioned drivers. Asset-backed financing instruments are the majority observed. Long-term interest rates are expected to converge toward inflation, reaching a similar value of 2.18%, in 2035. The cost of sales of FFS shows a 2024-2035 CAGR of -8%, reflecting the combined effect of declining interest rates and stable financing volumes. General and administrative costs are mostly driven by the revenues of cars and spare parts, which are the main influence on the client financing requested.

Net interest income margin gradually reaches a steady state of **1.8% in 2035**. This reflects the convergence of long-term interest rates, lower risk premiums given Ferrari’s high creditworthy client base, and the stabilization of financing volumes. As the portfolio matures and macro rates normalize, absolute yields decrease, resulting in a lower but consistent Net interest margin.

Converging to a steady state: terminal value drivers

Following the achievement of the 20-40-40 mix for ICE, hybrid and electric vehicles, in 2035, margins would stabilize towards a steady state. Only then does the perpetual period begin, consistent with standard valuation approaches described by McKinsey.

A revenue growth rate of 4% is assumed, by 2040, derived from the long-term real GDP growth of 1.6% for advanced economies – which account for most HNWI in Ferrari’s client base –, combined with the estimated long-term inflation rate (2.64%). Ferrari’s strong pricing power and brand exclusivity, is expected to offset the deceleration in unit shipments growth, maintaining robust revenue growth.

EBITDA margins are projected to reach around 39%, in 2035, reflecting continued mix improvement, cost efficiencies and hybridization benefits. From 2035 onwards, EBITDA margin growth moderates to 0.5% per year. This progressive slowdown from the 1% year on year increases observed during 2031-2035, ensures a smooth convergence toward terminal profitability without overstating long-term value

(€ Billion)	2036	2037	2038	2039	2040
Revenues	€14.6	€15.4	€16.2	€16.9	€17.6
Revenue growth	6.5%	5.7%	5.1%	4.5%	4.0%
EBITDA	€5.7	€6.1	€6.4	€6.8	€7.1
EBITDA Margin	39.4%	39.5%	39.7%	39.9%	40.1%
EBIT	€3.6	€3.9	€4.1	€4.3	€4.5
EBIT Margin	25%	25.1%	25.2%	25.3%	25.5%
NOPLAT	€2.9	€3.1	€3.3	€3.4	€3.6

Table 8 – Main metrics for the Automotive & Performance Business (2036-2040)

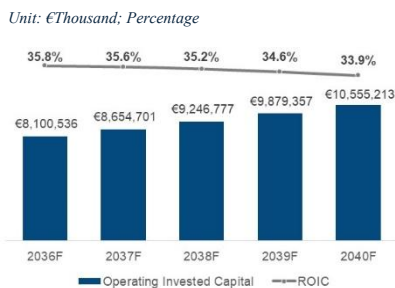


Figure 41 – Operating Invested Capital & ROIC (2036-2040)

creation. This leads to an EBITDA margin of 40%, in 2040, for the A&P business. NOPLAT is assumed to grow along with EBITDA, as taxes are a fixed proportion of EBIT, and no extraordinary changes are expected.

Operating invested capital is expected to grow at the same 2030-2035 CAGR, during the stabilizing period, despite slower revenue growth. Ferrari intentionally caps volume to maintain exclusivity; however, capital intensity remains, due to ongoing machinery and equipment upgrades, as well as technology and process enhancements to preserve product quality and competitiveness. These sustained investments support a stable ROIC, projected to converge to 33.9% by 2040. ROIC remains well above WACC (33.9% vs 6.17%), supporting value creation even in perpetuity. The modelled revenue growth and operating invested capital evolution yield a **3.99% perpetual free cash flow growth**, with an implied reinvestment rate of 11.79%. Although this may appear high relative to typical companies, Ferrari is a unique ultra-luxurious company that has exhibited extraordinary results. Its luxury industry positioning, pricing power and exposure to a growing base of high-net-worth customers support a sustainable perpetual growth rate, above the market.

FFS is expected to converge to a similar perpetual growth to the main business operations, as it is mainly driven by client’s financing needs, which depend on the average selling price and the number of units sold by the A&P business. Its free cash flow to equity is therefore modelled to converge to the same **long-term growth rate of 3.99%**.

Valuation Methods

The valuation was primarily conducted using the Free Cash Flow to Equity (FCFE) method, reflecting the minimal leverage of the A&P segment and the financial nature of FFS. The Adjusted Present Value (APV) and the Discounted Cash Flow (DCF) methods were also performed. Additionally, a complementary relative analysis was carried out using the multiples approach.

The reference date for the valuation is **September 30, 2025**. Ferrari’s share price dropped significantly after the CMD, in October 2025, as the new guidance fell short of investors’ expectations. Using the pre-event price ensures the model reflects fundamentals rather than a short-term market overreaction. Nevertheless, the valuation itself incorporates long-term strategic adjustments announced at the event, given its importance for forward-looking intrinsic value.

Discount Rate for the A&P Business

- Capital Structure

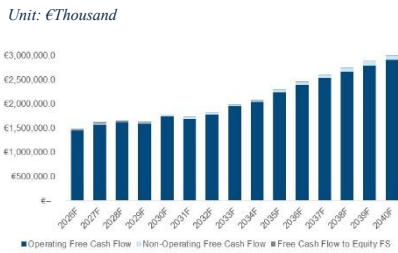


Figure 42 – Operating FCF, Non-Operating FCF from A&P and FCF to Equity from FFS (2026-2040)

Unit: Percentage

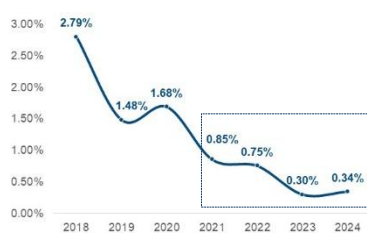


Figure 43 – Market Debt-to-Value of Automotive & Performance Business
Source: Consolidated Company’s Market Capitalization – Yahoo Finance

(Thousand, except per share)	30/09/2025
Shares Outstanding	177,925
Share Price	€411.6
Market Capitalization RACE.MI	€73,233,795
D/E FS Non-Bank	287%
Estimated Market Cap FFS	€486.9
Estimated Market Cap A&P	€73,233,308

Table 9 – Market Capitalization Estimation for A&P and FFS, if separately listed companies
Source: Yahoo Finance; Ferrari; Damodaran

Unit: €Million

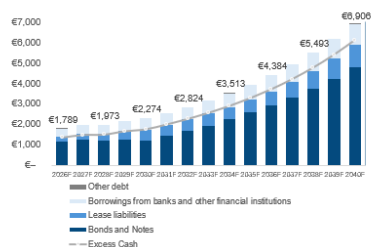


Figure 44 – A&P Debt Structure & Excess Cash (2026-2040)

Ferrari’s near zero leverage policy in its industrial business is reflected in historical year-end observations that show consistently low market debt-to-value levels, in recent years. Since FFS accounts for a relatively small portion of the consolidated enterprise value and a significant part of debt is allocated to the segment, the D/V is lower than if cash flows from both businesses were considered as one. Given this, to compute the current D/E ratio, and since the individual business are not separately listed, it is assumed that the FFS’ market value of equity is similar to applying the inverse of the industry D/E of 287% to its debt value. This approach approximates what FFS’s equity value would be if it were independently listed and valued according to industry standards.

For valuation purposes, a **target D/V of 0.55%** is applied, equal to the median of the latest year’s values. The forward-looking leverage structure is expected to remain accordingly, with enterprise values aligning with rising debt, as the company transitions to a more sustainable and technologically advanced lineup.

Debt is modelled through the operating levered enterprise value obtained in each year through the APV. It includes lease liabilities, assumed to correspond approximately to the value of right-of-use assets, as well as bank borrowings related to Ferrari N.V. and Ferrari S.p.A. Lastly, bonds and notes were forecasted as the residual balancing item between projected net financial debt and the remaining debt components, as Ferrari issues such debt instruments on an as-needed basis.

- **Weighted cost of capital**

To determine Ferrari’s Weighted Average Cost of Capital (WACC), all financial figures were taken as of September 30, 2025. Ferrari’s market capitalization amounted to €73.23 billion, calculated using 177,924,671 shares outstanding and a share price of €411.60.

Cost of Equity

To determine the cost of equity, the CAPM was used, with the following considered metrics. The **risk-free rate** was based on the yield of the German 10-year Bond, 2.71%, reflecting Ferrari’s geographical and economic context.

The **market risk premium** was derived from Damodaran’s forward-looking equity risk premium of 4.33%. This mature MRP is derived from the implied ERP of the S&P 500 and serves as a benchmark to how investors collectively assess equity risk in integrated global capital markets. Given that Ferrari is an international luxury player, the US-based premium serves as a reasonable proxy – a widely adopted approach in valuation.

Cost of Equity	
Risk-Free Rate	2.71%
Market Risk Premium	4.33%
Levered Beta (Regression)	0.796
Current D/E	0.16%
Corporate Tax Rate	24%
Unlevered Beta	0.795
Target D/E	0.549%
Levered Beta	0.799
Levered Cost of Equity	6.17%
Unlevered Cost of Equity	6.16%

Table 10 – Cost of Equity Calculation (A&P)

Source: Investing.com; Ferrari; Damodaran

The **equity beta** was estimated through a regression analysis of Ferrari’s historical monthly returns against those of the MSCI World Index, covering a period of 3 years, starting from September 2022 to the valuation reference date. This analysis produced a **levered beta of 0.796**, indicating that Ferrari’s shares fluctuate less than the overall market, which aligns with the Luxury Automotive Industry. To isolate the company’s operational risk from financial leverage, the **unlevered beta** was calculated with the **current 0.16% D/E ratio** and an applicable **Italian corporate tax rate of 24%**. This results in an **unlevered beta of around 0.795**. Companies like Ferrari tend to have strong brand loyalty, pricing power, and lower sales volatility than mass-market automakers. After re-levering this beta with the 0.55% target D/V, reflecting Ferrari’s future capital structure, the cost of equity was determined through CAPM and an **equity beta of 0.799** – a **levered cost of equity of 6.17%** and an **unlevered cost of equity of 6.16%** were obtained. The minor difference is justified by Ferrari’s leverage policy.

Cost of debt

Cost of Debt	
Yield Bond 2030	3.69%
Credit Rating	A+
Probability of Default	1.35%
Loss given default	45%
Cost of debt	3.08%

Table 11 – Cost of Debt Calculation (A&P)

Source: Bloomberg; Abdelnour & Eliseev

Ferrari’s cost of debt was calculated departing from the yield of its 2030 Bond of 3.69%. The bond yield reflects the return required by investors based on the company’s credit quality, which, in the case of Ferrari, is A+. This yield is adjusted for the expected loss given default to reflect the true cost of debt. The expected loss depends on the probability of default and on the loss given default. The probability of default is 1.35%. The loss given default was assumed to be 45%, representing the portion that would be lost in case of default. By multiplying both metrics, an expected loss of 0.61% is expected. By subtracting the expected loss from the bond yield, a **pre-tax cost of debt of 3.08%** is obtained, after adjustments for credit risk.

The target D/V of 0.55%, the levered cost of equity of 6.17%, and the pre-tax cost of debt of 3.08% (adjusted for the 24% Italian corporate tax rate) led to a **6.15% WACC** for the A&P Business.

Discount Rate for the Ferrari’s Financial Services

Cost of Equity FFS	
Unlevered Beta	0.34
Corporate Tax Rate	21%
D/E	287%
Levered Equity Beta	1.11
Market Risk Premium	4.33%
Risk-Free Rate	2.71%
Levered Cost of Equity	8.9%

Table 12 – Cost of Equity Calculation for FFS

Source: Investing.com; Damodaran

For FFS, the **cost of equity** was used as a discount rate and calculated separately from the remainder of the business, due to its distinct **leverage and risk profile**. Given the consolidated financial services portfolio is primarily based in the United States, the US 10-year-treasury yield of 4.1% (Investing.com, 2025) was used as a risk-free rate. An unlevered industry beta of 0.34, the industry D/E of 287% and a 21% US corporate tax rate, were then used to obtain a **levered equity beta of 1.11**. This figure captures the sensitivity of FFS to interest rates, credit risk, and macroeconomic conditions, reflecting higher sensitivity to market fluctuations. The

debt used for the D/E includes asset-backed securitizations, borrowing from banks and other financial institutions and other debt. A **levered cost of equity of 8.9%** was obtained, capturing the risk profile of FFS.

Cash-Flow Based Methods of Valuation

A **sum-of-the parts valuation** enables the use of distinct methods for each business segment. Once the equity values for each were obtained, these were combined to derive the total equity value of the company. The obtained implied share price is referent to **December 31, 2026**. The number of common shares was estimated based on the prior share repurchase program, adjusted for the period between September 30, 2025, and the valuation date, to ensure accuracy.

Ferrari Financial Services

Ferrari Financial Services was valued separately using the Free Cash Flow to Equity (FCFE) method. This approach provides a more appropriate valuation for financing-driven businesses. The projected free cash flows to equity were discounted at the calculated cost of equity of 8.9%, resulting in an equity value of €112.3 million as of December 31, 2026.

Automotive & Performance Business

Three cash-flow based valuation approaches were applied to the A&P segment to ensure robustness and cross-method consistency, to which FFS' equity was added.

1. Free Cash Flow to Equity Method

Given the nearly unlevered nature, the FCFE is particularly suitable the A&P business. FCFE was computed based on expected transactions with shareholders, excluding non-operating items, and discounted at a **cost of equity of 6.17%**. This yielded an **equity value of €81,719 million**, to which the FFS equity value was added, and minority interests were subtracted. Dividing by an estimated number of shares outstanding of 176,079,150 shares, results in an implied fair value of **€464.68 per share**, representing an **12.9% upside** relative to the share price of €411.6, as of September 30, 2025.

2. Discounted Cash Flow (DCF) and Adjusted Present Value (APV) Methods

Both the DCF and the APV approaches are present to further consolidate the above presented price. Under the **DCF methodology**, the enterprise value is derived by discounting the forecasted unlevered free cash flows at the computed WACC of 6.15%. After adjusting for non-operating items, net debt and adding the FFS equity value, excluding minority interests, the resulting target share price comes to **€463.01**, implying a **12.5% upside** by 31/12/2026. The **APV method** discounts the unlevered free cash flows using the unlevered cost of equity of 6.16% to which tax

(Thousand)	31/12/2026	Perpetuity
FCF-to-Equity		€73,321
PV of FCFE	€112,304	
Cost of Equity	8.9%	
Perpetual Growth	3.99%	

Table 13 - FFS Equity Calculation, as of 31/12/2026

(Thousand)	31/12/2026	Perpetuity
FCF-to-Equity		€3,184,471
PV of FCFE	€81,719,144	
Cost of Equity	6.17%	
Perpetual Growth	3.99%	
Equity A&P	€81,719,144	
Equity FFS	€112,304	
Minority Interests	€11,522	
Total Shareholder's Equity	€81,819,925	
Outstanding Shares	176,079	
Target Share Price	€464.68	
Upside Potential	12.9%	

Table 14 – Target Share Price Computation through the FCFE Method, as of 31/12/2026

(Thousand)	31/12/2026
Operating EV	€81,903,990
WACC	6.15%
Perpetual Growth	3.99%
Value of Non-Operating Items	€(31,198)
Total EV	€81,872,792
Net Debt	€447,646
Equity A&P	€81,425,146
Equity FFS	€112,304
Minority Interests	€11,522
Total Shareholder's Equity	€81,525,927
Outstanding Shares	176,079
Target Share Price	€463.01
Upside Potential	12.5%

Table 15 – Target Share Price Computation through the DCF Method, as of 31/12/2026

(Thousand)	31/12/2026
Operating Unlevered EV	€81,648,738
Tax Shield	€314,685
Operating EV	€81,963,423
Unlevered Cost of Equity	6.16%
Value of Non-Operating Items	€(31,198)
Total EV	€81,932,225
Net Debt	€447,646
Equity A&P	€81,484,579
Equity FFS	€112,304
Minority Interests	€11,522
Total Shareholder's Equity	€81,585,360
Outstanding Shares	176,079
Target Share Price	€463.34
Upside Potential	12.6%

Table 16 – Target Share Price Computation through the APV Method, as of 31/12/2026

Comparables		
Trailing	EV/EBITDA	EV/EBIT
Hermès International Société	32.32	37.04
Moncler S.p.A	11.05	15.02
Kering SA	7.87	16.55
Prada S.p.A	7.49	11.95
LVMH	10.02	14.67
Forward-Looking	EV/EBITDA	EV/EBIT
Hermès International Société	28.31	31.72
Moncler S.p.A	12.56	17.21
Kering SA	13.98	26.12
Prada S.p.A	6.87	10.70
LVMH	13.89	19.04

Table 17 – Trailing and Forward-Looking Multiples for Peer Group
Source: Companies' Reports, Yahoo Finance, Bloomberg

Trailing EV/EBITDA	All	Similar
Multiple	13.75	21.69
EBITDA (30/09/2025)	€2,714,152	€2,714,152
EV	€37,324,560	€58,864,097
Net Debt (30/09/2025)	€1,478,275	€1,478,275
Equity	€35,846,284	€57,385,822
Number of Shares	177,925	177,925
Price	€201.47	€322.53

Table 18 – Trailing EV/EBITDA
Source: Ferrari

Forward-Looking EV/EBITDA	All	Similar
Multiple	15.12	20.44
EBITDA (Forecasted)	€3,087,928	€3,087,928
EV	€46,694,639	€63,105,647
Net Debt (Forecasted)	€1,867,295	€1,867,295
Equity	€44,827,344	€61,238,352
Number of Shares	176,079	176,079
Price	€254.59	€347.79

Table 19 – Forward-Looking EV/EBITDA
Source: Bloomberg; Analysts' Forecasts

shields are added. After similar adjustments to the DCF, a target fair value per share of **€463.34** is obtained, representing a **12.6% upside**. The close alignment of the three methods supports the reliability of the resulting implied share price.

Relative Valuation

For the Relative Valuation approach, the analysis focuses on Ferrari N.V. as a consolidated entity. The multiple-based valuation uses a selected luxury peer group, as traditional luxury automakers' lower margins make them less reliable for the analysis. The comparable companies chosen are: Hermès International Société, Moncler S.p.A., Kering S.A., Prada S.p.A. and LVMH Moët Hennessy Louis Vuitton S.A.. These represent **leading global luxury brands** characterized by **strong pricing influence, limited supply strategies, high margins** and similar **exposure** to economic cycles and consumer sentiment. These traits mirror Ferrari's luxury-driven pricing strategy and demand resilience.

For the analysis, two multiples were selected: **EV/EBITDA** and **EV/EBIT**, calculated both on a trailing and forward-looking basis. Trailing multiples provide insight into how the market has historically valued Ferrari relative to its peers, focusing on EBITDA and EBIT. Using available information, the multiples were computed for the period of June 30, 2024 to June 30, 2025. It is assumed that September 30, 2025, figures can still be used to compute Ferrari's share price, as the business exhibits limited seasonality, ensuring no distortion in the analysis. Both chosen multiples enable comparability across companies with different capital structures, focusing on margins. **EV/EBITDA** reflects the market's assessment of a company's **operating profitability**, while **EV/EBIT** is suited for **asset-intensive** sectors as Ferrari.

Considering the full peer group, the **trailing EV/EBITDA** is 13.75x, implying a share price of €201.47, as of September 30, 2025. Limiting the comparison to peers with similar EBITDA margins, such as Hermès and Moncler, the multiple increases to 21.69x, corresponding to a share price of **€322.53**. The **trailing EV/EBIT** provides broadly consistent conclusions, although peers may not present the same capital intensity as Ferrari: the multiple is 19.05x for the full peer group, implying a price of €212.74, while the similar peer group, yields a trailing EV/EBIT of 26.03x, leading to a price of **€293.80**. Both estimates remain below Ferrari's actual market price of **€411.6** on the same reference date, highlighting the premium investors are willing to pay for Ferrari's unique brand and performance positioning.

To extend the analysis into a **forward-looking perspective**, Bloomberg's forecasted multiples for 2026 were used. Applying the same approach, Ferrari's target share price for 2026 ranges from €254.59 (15.12x EV/EBITDA) for the full

peer set, to **€347.79** (20.44x EV/EBITDA), when focusing on the most similar comparables. The EV/EBIT are 20.96x and 24.47x, for full and similar peer groups, yielding prices of €261.74 and **€307.35** respectively. Both prices are below the implied share price of €464.68 (FCFE). These findings provide a clear vision of Ferrari’s positioning in the industry, consistent with the premium obtained under the trailing multiples. Nevertheless, this approach is not particularly relevant to determine the value of the target share price as the company’s high-performance engineering combined with luxury brand premium is unmatched by its peers.

Risk Assessment

Scenario analysis

The future of the luxury automotive industry will largely depend on how the market responds to the introduction of electric vehicles by iconic brands such as Ferrari, whose heritage is deeply rooted in combustion engines. Consequently, the EV adoption rate represents a key uncertainty for the valuation, affecting revenue, costs, and main financial metrics. To capture this uncertainty, two additional scenarios, alongside the base case, are analyzed. The variables considered in the analysis are the following:

- **Product mix:** The **EV adoption rate** that impacts revenues, and other closely tied items, as inventories and PPE. FFS would be directly influenced as well.
- **Unlevered equity beta:** Maintaining a relatively narrow interval of a +/-0.1 change to the upper and lower bounds, reflects the change in **perceived risk**, which directly influences the cost of equity.
- **Revenue growth in final forecast year before perpetuity:** Influences ROIC, reinvestment rate and perpetual growth. The upper bound of 4.28%, is based on the nominal growth rate derived from the long-term GDP (1.6%) and the average inflation rate (2.64%).

These ranges aim to demonstrate how changes in the base-case assumptions, underlying the cash-flow-based approaches, would influence Ferrari’s valuation.

Bear Case

In this scenario, EV adoption progresses more slowly than expected, with EVs accounting for only 20% of the product portfolio and units sold by 2035. Hybrids stabilize at 45%, supported by F1-inspired performance features, which have resonated well in the market, while the remainder of the portfolio preserves Ferrari’s tradition of combustion engines. The higher uncertainty surrounding the EV transition in an increasingly sustainability-focused industry raises perceived business risk, pushing the unlevered beta to 0.9, and resulting in a levered cost of

Unit: €Thousand; Per unit

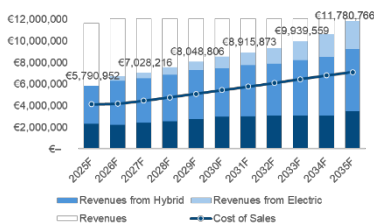


Figure 45 – Revenue Breakdown and Costs of Sales (A&P), in Bear Case Scenario (2025-2035)

equity of 6.61%. Additionally, **stricter emission regulations** could expose Ferrari to **regulatory risks**, adding uncertainty to its operations and costs.

Revenue growth drops to **3.72%**, while NOPLAT and EBITDA margins growth remains stable, reflecting Ferrari's limited production volume yet high unsatisfied demand, which would enable offsetting the lower number of EV units sold. Under these assumptions, the **perpetual growth rate is 3.8%**, supported by a ROIC of 31.6%, and an implied reinvestment rate of 12%. The resulting FCFE-based fair value is **€330.4** per share, representing a downside of **19.7%** relative to September 30 figures and a 29% decline from the base case target share price of €464.68.

(Thousand, except per price)	31/12/2026	Perpetuity
FCF-to-Equity		€2,808,016
PV of FCFE (A&P)	€58,026,299	
Cost of Equity	6.61%	
Perpetual Growth	3.8%	
Total Shareholder's Equity	€58,177,317	
Outstanding Shares	176,079	
Target Share Price	€330.4	
Upside Potential	-19.7%	

Table 20 – Target Share Price Computation through the FCFE under Bear Case Scenario

Bull Case

The bullish scenario assumes that consumer demand for luxury electric vehicles outpaces expectations, leading to faster adoption, with EVs reaching 30% of the portfolio by 2030, and 45% by 2035. A floor of 20% is maintained for ICE models, reflecting brand heritage and symbolic importance. Favorable regulation and stronger public awareness support this higher penetration. Lower uncertainty reduces perceived business risk, reinforced by the company's focus on ESG. However, one must be cautious as execution risk might arise given Ferrari's iconic brand heritage originating from combustion vehicles and successful integration of EVs requires careful management. This lowers beta to 0.75, corresponding to a cost of equity of 5.95%. Revenue growth rises to 4.28%, primarily reflecting the premium value of electric vehicles combined with that of the brand. This scenario yields a perpetual growth rate of 4.25%, a ROIC of 32.9%, and an implied reinvestment rate of 12.9%. The FCFE-based fair value increases to **€572.71** per share, representing a **39% upside** relative to September 30, 2025, and a 23% positive change from the base case target share price of €464.68.

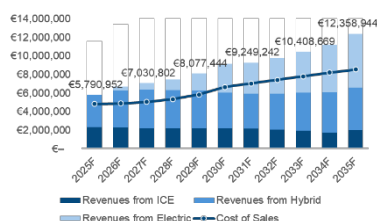


Figure 46 – Revenue Breakdown and Costs of Sales (A&P), in Bull Case Scenario (2025-2035)

(Thousand, except per price)	31/12/2026	Perpetuity
FCF-to-Equity		€3,130,967
PV of FCFE (A&P)	€100,701,792	
Cost of Equity	5.95%	
Perpetual Growth	4.25%	
Total Shareholder's Equity	€100,843,055	
Outstanding Shares	176,079	
Target Share Price	€572.71	
Upside Potential	39.1%	

Table 21 – Target Share Price Computation through the FCFE under Bull Case Scenario

Monte Carlo Simulation

For the Monte Carlo simulation, the same set of input variables – portfolio composition, revenue growth and unlevered beta –, and baseline assumptions were employed. This procedure models each parameter as a continuous stochastic variable, defined by its probability distribution. A Normal distribution was chosen as an approximation given the assumed ranges, reducing the likelihood of unrealistic draws beyond economic bounds. Standard deviations are estimated given a 95% confidence interval and its respective critical value. The means for all variables are aligned with the base-case assumptions. A +/- 10% range around the mean was assumed for the EV share in the portfolio composition. For revenue growth, a wider range was used than in the previous analysis. The lower and upper bounds were set 1 p.p. below and above the mean, respectively. The unlevered beta was modelled within a +/- 0.1 range. For each iteration, a random draw was generated,

Variables	Base	Standard Deviation	Iteration
EV composition (2030)	20%	5.10%	27.27%
EV composition (2035)	40%	5.10%	44.58%
Revenue growth	4%	0.51%	4.2%
Unlevered Beta	0.80	5.10%	0.74

Table 22 – Variables analyzed under the Monte Carlo Simulation

Summary Statistics of the Simulation		
Average	€	512.09
Median	€	466.09
Minimum	€	283.04
Maximum	€	2,713.83
1 st Quartile	€	400.38
3 rd Quartile	€	561.43

Table 23 – Summary Statistics of an output of the Monte Carlo Simulation

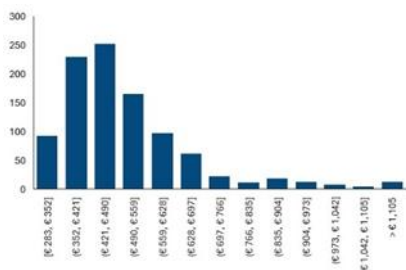


Figure 47 – Histogram from Monte Carlo Simulation

and inputs were plugged into the model to produce a corresponding target price for the FCFE approach. Through repeated random sampling, the simulation generated 1000 possible outcomes. This methodology captures non-linearities, interaction effects between variables and tail-risk dynamics. An example output from the several possible simulations averaged a target price of **€512.09**, representing the expected valuation of Ferrari when accounting for uncertainty in the modeled variables. As the presence of outliers is not unusual for this type of analysis, the median represents a more accurate prediction. The yielded target price of **€466.09** represents a 0.03% difference from the implied price (€464.68), suggesting the modelled assumptions are reasonable - FCFE valuation provides a reliable central estimate, even under considerable uncertainty, supporting a buy recommendation.

Sensitivity analysis

Market risk premium vs Last Modelled Revenue Growth

The first sensitivity analysis examines the impact of the market risk premium and the final forecasted revenue growth on Ferrari's valuation. The latter influences perpetual growth, ROIC, the reinvestment rate and operating capital dynamics, and is modeled over a wider range than in the scenario analysis, for granularity. *Ceteris paribus*, a **1 p.p. increase in revenue growth** raises the target share price by **103%**, while a **decrease in the same magnitude reduces it by 29%**, highlighting higher sensitivity to upside changes. A 5% revenue growth would push valuations beyond feasible levels, with prices over 103% of the base case. The target price is also highly sensitive to the market risk premium, affecting the cost of equity. A 1 p.p. increase would require revenue growth above 4.5% to maintain the base case target price, which is even higher than the combined effect of GDP growth and the inflation rate.

Market risk premium	Revenue Growth				
	464.68	3.00%	3.50%	4.00%	4.50%
3.33%	440.5	545.2	743.8	1269.1	6807.8
3.83%	379.1	451.0	572.7	824.5	1661.4
4.33%	332.1	383.9	464.7	609.3	944.9
4.8%	295.0	333.6	390.3	482.5	659.4
5.3%	265.0	294.5	336.0	398.9	506.0

Table 24 – Sensitivity Analysis: Market Risk Premium vs Revenue Growth

Electric vehicles: ASP vs Cost Premium

Limited visibility on EV price and cost premiums introduces further uncertainty. While the model relies on luxury and mass-market automotive industry benchmarks, Ferrari's unique positioning may deviate from these assumptions. To address this, a sensitivity was conducted on both initial EV ASP and production cost premiums. Given Ferrari's strong pricing power, changes in cost premiums are the more likely source of deviation. The results show that production costs make Ferrari's valuation particularly sensitive. The current modelled 50% initial ASP premium would not offset a cost premium above 50%, with the target share price falling by up to 40% if EV production costs reached 80% above combustion models. This would mean Ferrari's intrinsic value would fall below the target price if no price increase occurred. Conversely, if EV costs were only 20% higher than

Initial ASP Premium Electric	Initial Cost Premium Electric				
	464.68	20.00%	35.00%	50.00%	65.00%
30%	551.6	416.0	317.9	221.3	128.2
40%	638.0	491.8	394.0	298.3	206.0
50%	715.3	561.6	464.7	370.1	278.7
60%	785.5	626.9	531.1	437.7	347.4
70%	850.4	688.6	594.1	502.0	412.8

Table 25 – Sensitivity Analysis: Initial ASP Premium of EVs vs Initial Cost Premium of EVs

combustion levels, the target share price would increase across all tested ASP premiums (19-83%).

Investment Risks

From an investor's perspective, several industry and company-specific risks could negatively impact investment decisions.

- A slowdown in the **global economy or reduced confidence among HNW and UHNW individuals** could compress margins and materially affect cash flows, given Ferrari's sensitivity to luxury consumption patterns.
- Delays in the **rollout of EV models, high battery costs** or slower than expected **customer adoption** could negatively impact operating profitability. Ferrari notes that the *"introduction of electric technology (...) is costly and its long-term success is uncertain"* (Ferrari, 2025). These technological and market risks carry a high potential impact on projected growth and margins.
- **Scuderia Ferrari's results** strongly influence brand perception and overall customer sentiment, besides being the source of sponsorship revenue. Historical performance has been volatile and regulatory changes and underperformance on the track can affect profitability. This risk is further amplified by the perception of engine quality and reliability among customers and teams that lease the Ferrari engines.
- **Increasing pressure from traditional luxury and high-performance manufacturers**, as well as **emerging electric vehicles entrants**, could erode Ferrari's pricing power or market share. Although the probability is considered moderate to high, the financial consequences could be significant if Ferrari's differentiation and brand prestige were to weaken over time.

Final Recommendation

All combined factors support a **BUY recommendation**, given a target share price of **€464.68**, which translates into a **12.9% upside**, based on the closing price as of 30th September 2025. Ferrari's resilient brand power, strong profitability and cash flow generation, along with a robust outlook for electric transition, underpins sustainable long-term value creation. It is believed Ferrari's already strong business will remain so amongst a changing environment.

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Appendix: Financial Statements

(€ thousands)	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Automotive & Performance Business													
Operating Activities													
(+) Net Revenues	€ 3,367,619	€ 3,700,229	€ 3,393,912	€ 4,215,851	€ 5,025,865	€ 5,870,485	€ 6,546,262	€ 7,211,641	€ 7,560,354	€ 7,938,100	€ 8,478,032	€ 8,961,957	€ 9,910,208
- Cars and Spare Parts	€ 2,535,245	€ 2,925,721	€ 2,835,170	€ 3,573,119	€ 4,341,482	€ 5,119,181	€ 5,727,688	€ 6,232,691	€ 6,652,546	€ 6,968,015	€ 7,437,073	€ 7,839,921	€ 8,694,907
- Sponsorship, commercial and brand	€ 505,701	€ 538,238	€ 390,002	€ 430,579	€ 478,499	€ 571,759	€ 669,776	€ 836,238	€ 759,920	€ 814,880	€ 876,074	€ 951,092	€ 1,035,900
- Engines & Rental of engines to other F1 racing teams	€ 284,546	€ 198,308	€ 150,655	€ 189,432	€ 155,342	€ 126,748	€ 97,200	€ 97,093	€ 100,614	€ 105,593	€ 110,817	€ 116,300	€ 122,054
- Mugello racetrack	€ 42,127	€ 37,962	€ 18,085	€ 22,721	€ 50,542	€ 52,797	€ 51,598	€ 45,619	€ 47,273	€ 49,612	€ 52,067	€ 54,643	€ 57,347
Total Operating Income	€ 3,367,619	€ 3,700,229	€ 3,393,912	€ 4,215,851	€ 5,025,865	€ 5,870,485	€ 6,546,262	€ 7,211,641	€ 7,560,354	€ 7,938,100	€ 8,478,032	€ 8,961,957	€ 9,910,208
(-) Cost of Sales: Manufacturing and distribution of cars and spare parts	€ 1,300,329	€ 1,408,281	€ 1,223,059	€ 1,607,985	€ 2,075,583	€ 2,272,764	€ 2,574,398	€ 2,743,790	€ 2,773,833	€ 2,912,245	€ 3,100,842	€ 3,347,421	€ 3,675,318
(-) Selling, general and administrative costs	€ 324,883	€ 340,189	€ 332,999	€ 345,710	€ 425,237	€ 458,805	€ 555,820	€ 633,926	€ 678,700	€ 730,321	€ 788,055	€ 850,430	€ 916,859
(-) Research and Development Costs	€ 643,038	€ 699,211	€ 707,385	€ 768,104	€ 775,572	€ 881,559	€ 894,092	€ 942,471	€ 1,019,894	€ 1,102,176	€ 1,201,692	€ 1,299,485	€ 1,442,848
(+) Financial Income: Foreign Exchange Gains	€ 2,122	€ 5,806	€ 1,127	€ 37,860	€ 78,674	€ 91,019	€ 92,051	€ -	€ -	€ -	€ -	€ -	€ -
(-) Financial Expenses: Foreign Exchange Losses	€ 25,895	€ 47,898	€ 50,219	€ 49,297	€ 104,597	€ 111,216	€ 99,987	€ -	€ -	€ -	€ -	€ -	€ -
EBITDA	€ 1,075,806	€ 1,210,466	€ 1,081,377	€ 1,482,645	€ 1,723,550	€ 2,237,160	€ 2,514,916	€ 2,891,454	€ 3,087,928	€ 3,193,357	€ 3,387,443	€ 3,464,621	€ 3,875,182
(-) Depreciation	€ 156,384	€ 191,482	€ 217,952	€ 230,097	€ 259,849	€ 290,204	€ 299,638	€ 323,211	€ 346,280	€ 372,313	€ 402,015	€ 436,891	€ 477,737
(-) Amortization	€ 132,364	€ 160,464	€ 208,685	€ 225,892	€ 286,376	€ 372,101	€ 367,139	€ 396,608	€ 453,446	€ 513,047	€ 575,642	€ 642,502	€ 713,192
Operating Profit Before Taxes (EBIT)	€ 787,058	€ 858,520	€ 654,740	€ 1,026,656	€ 1,177,325	€ 1,574,855	€ 1,848,139	€ 2,171,635	€ 2,288,202	€ 2,307,997	€ 2,409,786	€ 2,385,228	€ 2,684,253
Total Operating Expenses	€ 2,582,683	€ 2,847,515	€ 2,740,299	€ 3,227,055	€ 3,927,214	€ 4,386,649	€ 4,790,174	€ 5,040,006	€ 5,272,153	€ 5,630,103	€ 6,068,245	€ 6,576,729	€ 7,225,955
(-) Taxes	€ 188,894	€ 206,045	€ 157,138	€ 246,397	€ 282,558	€ 377,965	€ 443,553	€ 435,679	€ 459,065	€ 463,036	€ 483,457	€ 478,530	€ 538,521
(+) Other Comprehensive Income	€ (3,440)	€ 990	€ 17,087	€ (31,941)	€ 78,070	€ (26,204)	€ (50,952)	€ -	€ -	€ -	€ -	€ -	€ -
After-Tax Operating Profit (NOPLAT) from Automotive & Performance Business	€ 594,724	€ 653,465	€ 514,689	€ 748,318	€ 972,837	€ 1,170,686	€ 1,353,634	€ 1,735,956	€ 1,829,137	€ 1,844,961	€ 1,926,329	€ 1,906,698	€ 2,145,731
Non-Operating Activities													
(-) Other expenses, net	€ 3,195	€ 4,991	€ 18,475	€ 5,561	€ 21,548	€ 18,898	€ 12,443	€ 26,968	€ 16,708	€ 15,851	€ 15,650	€ 13,204	€ 15,670
(+) Financial Income: Interest Income	€ -	€ -	€ -	€ 1,579	€ 4,150	€ 25,813	€ 31,486	€ 28,693	€ 25,716	€ 28,223	€ 28,510	€ 31,654	€ 33,458
(+) Result from investments	€ 2,665	€ 3,522	€ 4,647	€ 6,896	€ 8,175	€ 8,245	€ 10,945	€ 11,682	€ 12,236	€ 13,060	€ 13,060	€ 13,767	€ 15,269
Non-Operating Result Before Taxes	€ (530)	€ (1,469)	€ (13,828)	€ 2,914	€ (11,223)	€ 13,052	€ 27,288	€ 12,669	€ 20,690	€ 24,808	€ 25,920	€ 32,218	€ 33,056
(-) Taxes	€ (127)	€ (353)	€ (3,319)	€ (3,828)	€ (2,694)	€ 3,132	€ 6,549	€ 2,542	€ 4,151	€ 4,977	€ 5,200	€ 6,464	€ 6,632
(+) Other Comprehensive Income	€ 297	€ (1,622)	€ 35	€ (353)	€ 1,229	€ 169	€ (523)	€ -	€ -	€ -	€ -	€ -	€ -
After-Tax Non-Operating Profit	€ (106)	€ (2,738)	€ (10,474)	€ 1,862	€ (7,300)	€ 10,089	€ 20,216	€ 10,128	€ 16,539	€ 19,831	€ 20,719	€ 25,754	€ 26,425
Financial Activities													
(-) Net financial expenses	€ -	€ -	€ -	€ 23,429	€ 27,843	€ 20,631	€ 23,245	€ 20,213	€ 16,798	€ 17,760	€ 17,242	€ 18,364	€ 17,967
(-) Taxes (Tax Shield)	€ -	€ -	€ -	€ (5,623)	€ (6,682)	€ (4,951)	€ (5,579)	€ (4,055)	€ (3,370)	€ (3,563)	€ (3,459)	€ (3,684)	€ (3,605)
After-Tax Financial Result	€ -	€ -	€ -	€ (17,806)	€ (21,161)	€ (15,880)	€ (17,666)	€ (16,158)	€ (13,428)	€ (14,197)	€ (13,783)	€ (14,680)	€ (14,363)
Financial Services Business													
(+) Interest and other financial income from financial services activities	€ 52,702	€ 66,386	€ 65,878	€ 55,043	€ 69,389	€ 99,661	€ 130,406	€ 148,017	€ 141,527	€ 123,819	€ 108,330	€ 95,779	€ 84,926
(-) Interest and other financial expenses from financial services activities	€ 33,828	€ 45,083	€ 36,628	€ 16,639	€ 27,145	€ 60,808	€ 88,308	€ 108,457	€ 86,672	€ 73,494	€ 62,012	€ 52,582	€ 44,441
Net Interest Income	€ 18,874	€ 21,303	€ 29,250	€ 38,404	€ 42,244	€ 38,853	€ 42,098	€ 39,560	€ 54,855	€ 50,325	€ 46,319	€ 43,197	€ 40,485
(-) General and Administrative Costs	€ 2,458	€ 2,990	€ 3,127	€ 2,314	€ 2,737	€ 3,775	€ 5,324	€ 5,790	€ 6,177	€ 6,470	€ 6,905	€ 7,279	€ 8,073
Profit Before Taxes	€ 16,416	€ 18,313	€ 26,123	€ 36,090	€ 39,507	€ 35,078	€ 36,774	€ 33,770	€ 48,678	€ 43,855	€ 39,413	€ 35,918	€ 32,412
(-) Taxes	€ 3,940	€ 4,395	€ 6,270	€ 8,662	€ 9,482	€ 8,419	€ 8,826	€ 6,777	€ 9,766	€ 7,967	€ 7,907	€ 7,206	€ 6,503
Net Income from Financial Services Business	€ 12,476	€ 13,918	€ 19,853	€ 27,428	€ 30,025	€ 26,659	€ 27,948	€ 27,003	€ 38,912	€ 35,888	€ 31,506	€ 28,712	€ 25,909

(€ thousands)	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
Automotive & Performance Business										
Operating Activities										
(+) Net Revenues	€ 10,321,877	€ 11,074,754	€ 11,879,582	€ 12,742,821	€ 13,672,071					
- Cars and Spare Parts	€ 9,005,330	€ 9,648,285	€ 10,333,760	€ 11,067,391	€ 11,855,882					
- Sponsorship, commercial and brand	€ 1,128,270	€ 1,228,876	€ 1,338,453	€ 1,457,800	€ 1,587,790					
- Engines & Rental of engines to other F1 racing teams										
- Mugello racetrack										
Total Operating Income	€ 10,321,877	€ 11,074,754	€ 11,879,582	€ 12,742,821	€ 13,672,071	€ 14,556,249	€ 15,391,070	€ 16,173,871	€ 16,903,388	€ 17,579,524
(-) Cost of Sales: Manufacturing and distribution of cars and spare parts	€ 3,902,007	€ 4,132,874	€ 4,368,580	€ 4,609,839	€ 4,857,386					
(-) Selling, general and administrative costs	€ 987,641	€ 1,063,100	€ 1,143,593	€ 1,229,508	€ 1,321,272					
(-) Research and Development Costs	€ 1,543,060	€ 1,677,111	€ 1,820,670	€ 1,974,654	€ 2,140,128					
(+) Financial Income: Foreign Exchange Gains	€ -	€ -	€ -	€ -	€ -					
(-) Financial Expenses: Foreign Exchange Losses	€ -	€ -	€ -	€ -	€ -					
EBITDA	€ 3,889,171	€ 4,201,669	€ 4,546,739	€ 4,928,820	€ 5,353,284	€ 5,727,981	€ 6,086,771	€ 6,428,330	€ 6,751,870	€ 7,057,054
(-) Depreciation	€ 528,530	€ 584,387	€ 648,113	€ 720,986	€ 804,532					
(-) Amortization	€ 791,348	€ 872,779	€ 960,156	€ 1,053,891	€ 1,154,445					
Operating Profit Before Taxes (EBIT)	€ 2,569,293	€ 2,744,503	€ 2,938,471	€ 3,153,943	€ 3,394,307	€ 3,631,887	€ 3,859,382	€ 4,075,951	€ 4,281,095	€ 4,474,600
Total Operating Expenses	€ 7,752,584	€ 8,330,251	€ 8,941,111	€ 9,588,878	€ 10,277,763					
(-) Taxes	€ 515,458	€ 550,609	€ 589,523	€ 632,752	€ 680,974	€ 728,638	€ 774,279	€ 817,728	€ 858,884	€ 897,706
(+) Other Comprehensive Income	€ -	€ -	€ -	€ -	€ -					
After-Tax Operating Profit (NOPLAT) from Automotive & Performance Business	€ 2,053,835	€ 2,193,894	€ 2,348,947	€ 2,521,191	€ 2,713,333	€ 2,903,249	€ 3,085,103	€ 3,268,224	€ 3,422,211	€ 3,576,895
Non-Operating Activities										
(-) Other expenses, net	€ 11,595	€ 12,217	€ 13,019	€ 14,034	€ 15,304					
(+) Financial Income: Interest Income	€ 38,022	€ 43,093	€ 48,330	€ 55,320	€ 62,661					
(+) Result from investments	€ 15,814	€ 16,943	€ 18,146	€ 19,435	€ 20,819					
Non-Operating Result Before Taxes	€ 42,241	€ 47,818	€ 53,957	€ 60,721	€ 68,176	€ 76,826	€ 86,572	€ 97,555	€ 109,932	€ 123,878
(-) Taxes	€ 8,474	€ 9,593	€ 10,825	€ 12,182	€ 13,678	€ 15,413	€ 17,368	€ 19,572	€ 22,055	€ 24,853
(+) Other Comprehensive Income	€ -	€ -	€ -	€ -	€ -					
After-Tax Non-Operating Profit	€ 33,766	€ 38,225	€ 43,132	€ 48,539	€ 54,499	€ 61,413	€ 69,204	€ 77,983	€ 87,877	€ 99,026
Financial Activities										
(-) Net financial expenses	€ 19,965	€ 21,643</								

(€ thousands)	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025F	2026F	2027F	2028F	2029F	2030F
Automotive & Performance Business													
(+) NOPLAT from Automotive & Performance Business	€ 569,882	€ 625,468	€ 492,027	€ 715,896	€ 933,391	€ 1,121,774	€ 1,303,226	€ 1,735,956	€ 1,829,137	€ 1,844,961	€ 1,926,329	€ 1,906,698	€ 2,145,731
(+) Depreciation	€ 156,384	€ 191,482	€ 217,952	€ 230,087	€ 259,849	€ 290,204	€ 299,638	€ 323,211	€ 346,280	€ 372,313	€ 402,015	€ 436,891	€ 477,737
(+) Amortization	€ 132,364	€ 160,464	€ 208,685	€ 225,892	€ 286,376	€ 372,101	€ 367,139	€ 396,608	€ 453,446	€ 513,047	€ 575,642	€ 642,502	€ 713,192
(+) Other adjustments non-cash	€ 73,458	€ 74,242	€ 86,926	€ 75,016	€ 145,947	€ 181,647	€ 205,668	€ -	€ -	€ -	€ -	€ -	€ -
(-) OCI	€ (3,440)	€ 990	€ 17,087	€ (31,941)	€ 78,070	€ (26,204)	€ (50,952)	€ -	€ -	€ -	€ -	€ -	€ -
Operating Gross Cash Flow from Automotive & Performance Business	€ 935,528	€ 1,050,666	€ 988,503	€ 1,278,842	€ 1,547,493	€ 1,991,930	€ 2,226,623	€ 2,455,775	€ 2,628,863	€ 2,730,321	€ 2,903,986	€ 2,986,091	€ 3,336,661
(-) Change in NWC	€ -	€ (177,465)	€ 136,190	€ (45,563)	€ (59,808)	€ 190,666	€ 124,891	€ (139,775)	€ 118,764	€ 11,732	€ 29,871	€ 27,973	€ 27,829
(-) Capex	€ 763,189	€ 724,967	€ 741,407	€ 741,407	€ 820,100	€ 891,991	€ 1,046,326	€ 1,016,317	€ 1,082,152	€ 1,159,326	€ 1,274,221	€ 1,384,475	€ 1,600,469
(-) Change in net other operating assets	€ 14,198	€ (14,436)	€ 32,683	€ (37,628)	€ (8,103)	€ (20,721)	€ 1,191	€ (11,665)	€ (11,853)	€ (11,853)	€ (17,020)	€ (15,944)	€ (30,628)
Total Investments from Automotive & Performance Business	€ (599,922)	€ (646,721)	€ (728,527)	€ (722,663)	€ (722,663)	€ (1,074,554)	€ (1,150,296)	€ (877,734)	€ (1,189,251)	€ (1,159,206)	€ (1,287,072)	€ (1,397,405)	€ (1,597,670)
Operating Free Cash Flow from Automotive & Performance Business	€ 450,744	€ 414,783	€ 550,315	€ 824,830	€ 917,375	€ 1,076,327	€ 1,578,041	€ 1,439,612	€ 1,571,115	€ 1,616,914	€ 1,588,004	€ 1,588,686	€ 1,738,991
(+) After-tax Non-Operating Result	€ 201,126	€ 58,690	€ 114,121	€ 75,324	€ 76,337	€ 98,668	€ 160,930	€ 10,128	€ 16,539	€ 19,831	€ 20,719	€ 25,754	€ 26,425
(-) OCI	€ 297	€ (1,622)	€ 35	€ (353)	€ 1,229	€ 169	€ (523)	€ -	€ -	€ -	€ -	€ -	€ -
(-) Change Non-Operating Assets	€ (135,753)	€ 57,448	€ (96,921)	€ 49,444	€ (41,528)	€ 95,579	€ (23,685)	€ 4,430	€ 2,842	€ 6,812	€ 6,143	€ 6,143	€ 16,721
Non-Operating Free Cash Flow	€ 196,065	€ 56,638	€ 174,598	€ 26,664	€ 140,027	€ 65,874	€ 33,813	€ 12,109	€ 16,889	€ 13,907	€ 19,611	€ 19,611	€ 9,703
Free Cash Flow to Firm (Automotive & Performance Business)	€ 646,809	€ 198,421	€ 724,913	€ 850,494	€ 1,057,403	€ 1,142,201	€ 1,611,854	€ 1,451,721	€ 1,588,004	€ 1,630,821	€ 1,608,297	€ 1,608,297	€ 1,748,694
(+) After-tax Financial Result	€ -	€ -	€ (17,806)	€ (21,161)	€ (15,680)	€ (17,666)	€ (16,158)	€ (13,428)	€ (14,197)	€ (13,783)	€ (14,680)	€ (14,363)	€ (14,363)
(+) Change in Net Financial Debt	€ (46,382)	€ 170,171	€ (197,172)	€ (104,628)	€ (114,656)	€ 138,830	€ 116,623	€ 126,155	€ 18,941	€ 19,855	€ 21,230	€ 21,715	€ 21,715
(+) Transactions with shareholders	€ (600,427)	€ (368,592)	€ (509,935)	€ (724,706)	€ (927,068)	€ (1,263,365)	€ (1,607,319)	€ (1,564,447)	€ (1,592,748)	€ (1,636,894)	€ (1,614,848)	€ (1,756,046)	€ (1,756,046)
Financing Cash Flow	€ (646,809)	€ (198,421)	€ (724,913)	€ (850,494)	€ (1,057,403)	€ (1,142,201)	€ (1,611,854)	€ (1,451,721)	€ (1,588,004)	€ (1,630,821)	€ (1,608,297)	€ (1,608,297)	€ (1,748,694)

Financial Services Business													
(+) Net Income from Financial Services Business	€ 12,476	€ 13,918	€ 19,853	€ 27,428	€ 30,025	€ 26,659	€ 27,948	€ 27,003	€ 38,912	€ 35,057	€ 31,506	€ 28,712	€ 25,909
(-) Change in Receivables	€ 87,952	€ (26,841)	€ 204,361	€ 256,029	€ 51,161	€ 210,474	€ (63,910)	€ 27,307	€ 19,587	€ 28,056	€ 22,999	€ 22,999	€ 46,779
(-) Change in net other operating assets	€ 1,605	€ 5,058	€ 13,820	€ 36,878	€ (13,251)	€ (3,622)	€ 23,247	€ 5,839	€ 4,388	€ 6,524	€ 5,603	€ 11,891	€ 11,891
(+) Net borrowings	€ 114,713	€ (16,338)	€ 166,758	€ 232,346	€ 55,152	€ 174,504	€ (60,400)	€ 23,856	€ 17,112	€ 24,510	€ 20,092	€ 20,092	€ 40,867
Free Cash Flow to Equity from Financial Services Business	€ 39,074	€ 25,298	€ (23,995)	€ (30,536)	€ 43,901	€ (4,400)	€ 7,265	€ 29,622	€ 28,194	€ 21,436	€ 20,202	€ 20,202	€ 8,106

(€ thousands)	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F
Automotive & Performance Business										
(+) NOPLAT from Automotive & Performance Business	€ 2,053,835	€ 2,193,894	€ 2,348,947	€ 2,521,191	€ 2,713,333	€ -	€ -	€ -	€ -	€ -
(+) Depreciation	€ 528,530	€ 584,387	€ 648,113	€ 720,986	€ 804,532	€ -	€ -	€ -	€ -	€ -
(+) Amortization	€ 791,348	€ 872,779	€ 960,156	€ 1,053,891	€ 1,154,445	€ -	€ -	€ -	€ -	€ -
(+) Other adjustments non-cash	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
(-) OCI	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Operating Gross Cash Flow from Automotive & Performance Business	€ 3,373,713	€ 3,651,060	€ 3,957,216	€ 4,296,068	€ 4,672,310	€ 4,999,342	€ 5,312,492	€ 5,610,603	€ 5,892,986	€ 6,159,348
(-) Change in NWC	€ 16,860	€ 48,563	€ (3,150)	€ 47,205	€ (5,213)	€ -	€ -	€ -	€ -	€ -
(-) Capex	€ 1,682,069	€ 1,849,640	€ 2,032,800	€ 2,236,700	€ 2,466,028	€ -	€ -	€ -	€ -	€ -
(-) Change in net other operating assets	€ (12,092)	€ (23,535)	€ (25,120)	€ (26,895)	€ (28,918)	€ -	€ -	€ -	€ -	€ -
Total Investments from Automotive & Performance Business	€ (1,686,837)	€ (1,874,667)	€ (2,004,530)	€ (2,257,011)	€ (2,431,897)	€ (2,614,775)	€ (2,781,554)	€ (2,944,455)	€ (3,103,355)	€ (3,258,310)
Operating Free Cash Flow from Automotive & Performance Business	€ 1,686,876	€ 1,776,393	€ 1,952,686	€ 2,039,057	€ 2,240,413	€ 2,384,567	€ 2,530,938	€ 2,666,148	€ 2,789,630	€ 2,901,039
(+) After-tax Non-Operating Result	€ 33,766	€ 38,225	€ 43,132	€ 48,539	€ 54,499	€ 61,413	€ 69,204	€ 77,983	€ 87,877	€ 99,026
(-) OCI	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
(-) Change Non-Operating Assets	€ 3,486	€ 10,612	€ 11,267	€ 12,036	€ 12,941	€ 3,541	€ 3,783	€ 4,042	€ 4,319	€ 4,614
Non-Operating Free Cash Flow	€ 30,280	€ 27,613	€ 31,866	€ 36,503	€ 41,558	€ 57,871	€ 65,420	€ 73,941	€ 83,558	€ 94,411
Free Cash Flow to Firm (Automotive & Performance Business)	€ 1,717,156	€ 1,804,005	€ 1,984,551	€ 2,075,560	€ 2,281,970	€ 2,442,439	€ 2,596,359	€ 2,740,089	€ 2,873,189	€ 2,995,450
(+) After-tax Financial Result	€ (15,960)	€ (17,301)	€ (18,849)	€ (20,636)	€ (22,688)	€ (24,151)	€ (25,526)	€ (26,822)	€ (28,022)	€ (29,143)
(+) Change in Net Financial Debt	€ 23,334	€ 24,280	€ 24,810	€ 25,864	€ 26,354	€ 27,187	€ 28,059	€ 29,046	€ 30,157	€ 31,403
(+) Transactions with shareholders	€ (1,724,530)	€ (1,810,984)	€ (1,990,512)	€ (2,080,787)	€ (2,265,636)	€ (2,445,475)	€ (2,598,892)	€ (2,742,313)	€ (2,875,324)	€ (2,997,710)
Financing Cash Flow	€ (1,717,156)	€ (1,804,005)	€ (1,984,551)	€ (2,075,560)	€ (2,281,970)	€ (2,442,439)	€ (2,596,359)	€ (2,740,089)	€ (2,873,189)	€ (2,995,450)
Financial Services Business										
(+) Net Income from Financial Services Business	€ 20,511	€ 19,806	€ 19,333	€ 18,842	€ 18,332	€ 19,835	€ 19,275	€ 19,886	€ 19,178	€ 19,945
(-) Change in Receivables	€ 15,847	€ 31,850	€ 32,285	€ 32,861	€ 33,590	€ -	€ -	€ -	€ -	€ -
(-) Change in net other operating assets	€ 4,317	€ 8,942	€ 9,534	€ 10,203	€ 10,966	€ -	€ -	€ -	€ -	€ -
(+) Net borrowings	€ 13,844	€ 27,824	€ 28,205	€ 28,708	€ 29,344	€ -	€ -	€ -	€ -	€ -
Free Cash Flow to Equity from Financial Services Business	€ 14,191	€ 6,839	€ 5,719	€ 4,486	€ 3,120	€ 3,753	€ 3,246	€ 3,538	€ 3,326	€ 3,459

Appendix 3 - Historical and Forecasted Cash Flow Statement (2018-2040)

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Report Recommendations

Buy	Expected total return (including expected capital gains and expected dividend yield) of more than 10% over a 12-month period.
Hold	Expected total return (including expected capital gains and expected dividend yield) between 0% and 10% over a 12-month period.
Sell	Expected negative total return (including expected capital gains and expected dividend yield) over a 12-month period.

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