

Ferrari N.V.

Index

| | |
|---------|---------------------------|
| Pg. 2 | Mental Model Summary |
| Pg. 10 | Company Overview |
| Pg. 29 | Industry Overview |
| Pg. 37 | Business Model |
| Pg. 87 | Management And Incentives |
| Pg. 88 | Valuation |
| Pg. 101 | Appendix |
| Pg. 102 | Disclosure |

For Information Purposes Only – Not an investment recommendation. Please see important disclosures at the end of the report.

Ferrari N.V.

Figure 1-1: Historical Stock Return Performance

| | Total Returns | | Annualized Returns | |
|----------|---------------|---------|--------------------|---------|
| | Ferrari | S&P 500 | Ferrari | S&P 500 |
| 2-Year | 113% | 33% | 46.0% | 15.4% |
| 3-Year | 118% | 46% | 29.7% | 13.4% |
| 5-Year | 261% | 88% | 29.3% | 13.5% |
| Lifetime | 647% | 308% | 21.4% | 14.5% |

Notes:

1. Return data from FactSet, in USD.
2. Total returns include dividends reinvested.
3. The start date for the return data above is 10/21/2015, the IPO date of Ferrari.
4. The end dates for the 2-Year, 3-Year, and 5-Year periods are 10/21/2017, 10/21/2018, and 10/21/2020, respectively. The lifetime end date is as of 2/28/2026.

Figure 1-2: Public/Private Market Valuation

| | Valuation (\$ Million) | MoM (from 1969) | Annualized Returns |
|------------------------------|------------------------|-----------------|--------------------|
| 1969 (Fiat purchased 50%) | \$ 6.9 | - | - |
| 1988 (Fiat increased to 90%) | \$ 192 | 28x | 19% |
| 2015 (IPO) | \$ 9,824 | 1,428x | 17% |
| February 2026 | \$ 67,352 | 9,790x | 18% |

Notes:

1. The figures above reflect equity valuation (i.e., price return) only.
2. The 1969 valuation is based on third-party estimates, as Ferrari was privately held at the time and Fiat did not disclose financial details of the transaction.¹
3. The 1988 valuation is derived from information disclosed in Fiat's 1988 annual report.² Transaction details were not disclosed.
4. The February 2026 valuation is based on FactSet data and reflects Ferrari's market capitalization as of 2/27/2026.
5. For simplicity, annualized returns are calculated as if each transaction occurred at the end of the respective year, except for February 2026, for which year-end 2025 is used in the calculation.

¹ In 1969, Fiat acquired a 50% stake in Ferrari for estimated Lire 2.15 billion (approximately \$3.44 million). "...estimated the value of Ferrari at about four billion lire...Fiat had acquired 50 percent of Ferrari for a figure that a few days later the press speculated at about two billion, 150 million lire." Turin. Enzo Ferrari: Power, Politics, And The Making of An Automotive Empire. Luca Dal Monte. The average exchange rate in 1969 was approximately 625 Italian lira per USD, according to data from the IMF. <https://data.imf.org/en/Data-Explorer>

² Fiat purchased 40% of Ferrari at approximately Lire 100 billion (about \$77 million). Fiat Auto Annual Report 1988. The average exchange rate in 1988 was approximately 1,301.63 Italian lira per USD, according to data from the IMF. <https://data.imf.org/en/Data-Explorer>

Mental Model Summary Derived from Ferrari

1. **The controlled integration of world-class racing-driven engineering, a relentless focus on high performance, and extreme craftsmanship expressed through highly personalized art-like cars.**

Since Formula One's inaugural season in 1950, Ferrari's engineering capabilities and research initiatives have been deeply connected to its experience designing and building racing cars. Formula One regulations impose strict constraints on areas such as engine design and aerodynamics, forcing teams to pursue marginal gains through highly sophisticated engineering solutions. As a result, the racetrack functions as a demanding laboratory for Ferrari where advanced technologies are tested under extreme conditions before potentially being adapted for road vehicles. Over time, Ferrari has transferred numerous innovations initially designed for competition into their road cars, including advanced electronic control systems, extensive use of carbon fiber for lightweight and structural strength, and hybrid technologies such as the Kinetic Energy Recovery System (KERS), originally developed for Formula One racing.³ Ferrari also pioneered paddle-shift gearboxes in Formula One with the 1989 Ferrari 640 and later became the first to transfer the technology to road cars with the F355 F1, where it eventually became ubiquitous across the automotive industry.⁴

According to Ferrari's IPO filing, the company brings new models to market in approximately 40 months, measured from the start of development to the beginning of production. Modified or updated versions of existing models can be developed in roughly 33 months. In contrast, a 2025 Bain report suggests that traditional automakers typically require 48 to 54 months to develop new vehicles.⁵ This roughly 20% shorter cycle⁶ (from its racing learnings) allows the company to respond better to technological changes and evolving customer preferences while renewing its product lineup regularly. Ferrari has historically aimed to introduce at least one new model (usually more) each year.⁷

Ferrari's direct lineage from racetrack to showroom lies at the core of the company's identity – every vehicle produced by the automaker carries elements of the technology, engineering discipline, and racing spirit developed through decades of competition on the racetrack.⁸ Ferrari's product is not just designed for performance but also the emotional experience of driving.⁹ The company integrates engineering, design, and sound to create a multi-sensory experience that goes beyond functional attributes such as speed or horsepower. This fusion transforms the car from a mechanical object into an emotional artifact, where ownership is as much about identity and feeling as it is about performance metrics. As the most popular form of international motorsport, Formula One attracts hundreds of millions of viewers worldwide. **During the 2014 season, the year preceding Ferrari's IPO, the championship drew approximately 425 million television viewers globally.**¹⁰ **A decade later, the sport's global reach has expanded to more than 800 million fans and roughly 1.6 billion cumulative television viewers.**¹¹ As one former Ferrari executive described, Formula One effectively serves as Ferrari's advertising, designed primarily to break even financially while delivering enormous brand exposure (e.g., newspaper photos during race seasons, etc.).¹²

Ferrari invests a significantly higher percentage of revenue into R&D compared to mass-market automakers and some of its peers in the luxury performance car industry, as available data shows, reflecting its prioritization of performance and innovation above all. **Ferrari has historically invested around 19% of its revenue in R&D, with a decreasing trend in recent years as its revenue continues to grow. By contrast, Aston Martin, which**

³ Ferrari IPO Prospectus 2015.

⁴ Great Ferrari Innovations: The F1 Semi-Automatic Gearbox. <https://www.ferrari.com/en-EN/magazine/articles/great-ferrari-innovations-the-f1-semi-automatic-gearbox>; Ferrari 355 F1 Berlinetta (1997). <https://www.ferrari.com/en-EN/auto/355-f1-berlinetta>

⁵ When Less Is More: Shifting Gears in Automotive R&D. Bain & Company. <https://www.bain.com/insights/when-less-is-more-shifting-gears-in-automotive-r-and-d>

⁶ The 20% reduction is based on comparing Ferrari's approximately 40-month cycle to the midpoint of the industry's typical 48 to 54 month range.

⁷ Ferrari IPO Prospectus 2015.

⁸ Ferrari: Engineering a Cult Brand of Speed and Exclusivity. <https://theambassador.it/the-cult-of-the-prancing-horse>

⁹ Ferrari Capital Markets Day. 6/16/2022

¹⁰ Ferrari IPO Prospectus 2015.

¹¹ For those interested in the subject, see our study on Formula One at <https://worldlypartners.com/businesshistory>; Formula 1 2025 Season – A Half Year Review. <https://corp.formula1.com/formula-1-2025-season-a-half-year-review/>

¹² Interview with Former Head of Business Development -Brand at Ferrari N.V. Tegus. 9/24/2024.

went public in 2018, has an average R&D expense ratio of roughly 1%.¹³ Other high-volume luxury automakers such as Mercedes, BMW, and Porsche typically have R&D expense ratios ranging from mid-to-high single-digit percentages of revenue. Ferrari treats R&D as a core capability, ensuring that technological leadership is sustained over time. This long-term commitment reinforces both product superiority and brand credibility.

Ferrari maintains tight control over critical components, including in-house engine production from forging components to assembly, allowing it to preserve performance integrity and protect proprietary know-how. This level of vertical integration is unusual in the automotive industry, where outsourcing is common. According to a former manager at Maserati, at times both a customer of Ferrari and a competitor, Ferrari performs most of its key performance-related engineering internally.¹⁴ This is not always the case among competitors, particularly for engine components, which are not only central to a vehicle's performance but also a critical element of a brand's identity. In addition, unlike competitors such as Mercedes-Benz, BMW, or even Porsche, Ferrari maintains a highly focused strategy centered almost exclusively on high-performance luxury sports cars. It avoids diluting its brand through mass-market segments or excessive product diversification.

Personalization is a critical economic and strategic lever for Ferrari. During a 2020 earnings call, Ferrari indicated that personalization accounted for roughly 20% of revenues¹⁵ within the cars and spare parts segment (about 82% of total revenue in 2020¹⁶). Revenue from personalization items, according to the company, has a higher margin, without providing further details.¹⁷ Ferrari offers extensive personalization options that, on average, increase selling prices by approximately 15%, including wheels, colors on different parts, sport exhaust systems, sound systems, finishes in different materials, etc.¹⁸ Customization through Tailor Made, one of the more extensive personalization programs the company offers, can significantly increase the price of a Ferrari, often adding between 20% to 100% to the base price of the vehicle.¹⁹ At the very top of this personalization pyramid are Ferrari's one-off models. **These vehicles are built for individual clients and are produced as completely unique cars.**

- 2. Deliberate scarcity crafted within the backdrop of structurally growing demand from an expanding global (ultra-) high-net-worth population. Ferrari prioritizes exclusivity, being coveted, and its place as an upper echelon iconic brand, ensuring that demand consistently exceeds supply. This imbalance is engineered through controlled production and selective client distribution (feeling "lucky and privileged" to purchase a brand new Ferrari), allowing Ferrari to sustain pricing power, resale value, and a high luxury positioning closer to Hermès or Rolex than traditional, mass-market automakers.**

Global wealth has expanded dramatically over the past decade, significantly enlarging the addressable market for luxury brands such as Ferrari. According to Credit Suisse, there were approximately 35 million high-net-worth individuals (>\$1 million) and about 128,000 ultra-high-net-worth individuals (>\$50 million) globally in 2014.²⁰ By 2025, UBS estimates the number of millionaires has risen to nearly 60 million worldwide (about 5% CAGR from the 2014 estimate) – including roughly 24 million in the United States alone – collectively holding over \$226 trillion in assets.²¹ At the very top, the ultra-high-net-worth population (>\$30 million) has grown to roughly 510,800 individuals, controlling \$59.8 trillion in wealth. This group alone spends an estimated \$290 billion annually on luxury goods,²² with more than \$100 billion, around 35%, allocated to luxury cars, making it the second-largest

¹³ The R&D expense ratio is calculated as R&D expenses divided by revenue. Aston Martin is a separately listed public company. We were unable to identify Lamborghini's R&D expense ratio because it operates as a subsidiary of Audi, whose financial results are consolidated within its parent company, Volkswagen Group, a manufacturer primarily focused on high-volume vehicles. Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025; BMW Annual Report 2012 – 2025; Mercedes Annual Report 2012 – 2025; Porsche IPO Prospectus 2022; Porsche Annual Report 2022 – 2025.

¹⁴ Interview with Former Global Product Strategy Manager, Automated Driving, Infotainment, EV Features and Connectivity at Maserati. Tegus. 11/26/2025.

¹⁵ Ferrari Q1 2020 Earnings Call. 5/4/2020.

¹⁶ Ferrari Annual Report 2020.

¹⁷ Ferrari Q1 2023 Earnings Call. 5/4/2023.

¹⁸ Ferrari IPO Prospectus 2015.

¹⁹ Inside Ferrari's New York Design Lab Where The Super Rich Can Customize \$500,000 Cars. CNBC.

<https://www.cnbc.com/2019/10/15/inside-ferraris-new-york-design-lab-where-the-super-rich-can-customize-500000-cars.html>

²⁰ Global Wealth Databook 2014. October 2014. Credit Suisse.

²¹ Global Wealth Report UBS 2025.

²² This metric reflects a broader definition of luxury spending, including categories such as private jets and yachts, rather than being limited to personal luxury goods alone. Ultra Wealthy Net Worth is Twice the Size of US Economy. NonProfit PRO.

category after personal luxury goods and highlighting the deep demand pool for high-end automakers. The backdrop for Ferrari demand versus their limited volume growth (at around 5% CAGR from fewer than 700 cars in 1967 to just 13,640 cars in 2025²³) has been very strong compared to the tens of millions of potential very wealthy buyers.

Unlike many traditional automobile manufacturers, Ferrari limits models, fueling scarcity. While many high-volume luxury automakers, such as Mercedes-Benz or Porsche, retain the same model names for many years or even decades, Ferrari typically replaces its models every four to five years.²⁴ Certain special series models may have even shorter production runs. At the same time, some underlying components and engineering architectures may remain in use across several generations of vehicles for as long as eight years, allowing Ferrari to leverage its research and development investments efficiently.

This approach reflects Ferrari's broader philosophy of maintaining undersupply and individuality across its product lineup. By frequently introducing new model names while limiting the production volume of each model, Ferrari reinforces the perception that every car represents a distinct and limited chapter in the company's history. Unlike manufacturers that rely on long-running nameplates, we believe Ferrari avoids the impression that older vehicles are merely outdated versions of current models. **Instead, each model is positioned as a unique expression of the brand's engineering and design at a specific moment in time.**

Ferrari executives have also emphasized the importance of this strategy. As the company explained in discussing its product philosophy, **Ferrari is "a believer of higher number of models with a lower volume...it's key for our business model, the scarcity...We need to make sure that there are not too many cars of the same type on the road...We want to be unique. If we do too many cars, we will not be unique."**²⁵

Ferrari's production philosophy is explicitly anchored in maintaining supply below demand. The company has historically maintained waiting lists of roughly 12 to 24 months or longer, underscoring the consistent excess of demand over supply. As its founder, Enzo Ferrari, famously noted: **"[Ferrari] will always deliver one car less than the market demand."**²⁶

Ferrari does not simply sell cars to whoever comes into the store – it curates its customer base. **First-time buyers are often encouraged to purchase a pre-owned Ferrari before gaining access to new orders,**²⁷ **effectively creating an ecosystem that rewards long-term client relationships.** Ferrari segments its clients into four tiers: Customers, Important, VIP, and Top. Buyers who own two or three Ferraris generally fall into the first two categories. Clients in the VIP and Top tiers are those most likely to receive offers for limited-edition vehicles. Purchasing rare or collectible Ferraris can also elevate a client's status within this hierarchy. It is estimated that only a few hundred customers worldwide belong to the Top tier, making it an exclusive group.²⁸ Members of this category often own double-digit numbers of Ferrari vehicles.²⁹ For collectors seeking access to limited-edition models, it is common to purchase additional cars, new or pre-owned, in order to deepen their relationship with the brand and improve their standing within this hierarchy. At the same time, status within Ferrari's client ecosystem is not permanent. The company also evaluates how actively customers engage with Ferrari, including participation in hospitality programs, driving events, and other brand experiences. Clients who decline invitations or become less involved may gradually lose priority status.³⁰ **In 2024, approximately 81% of**

<https://www.nonprofitpro.com/article/report-ultra-wealthy-population-accounts-for-combined-net-worth-twice-the-size-of-the-us-economy/>; World Ultra Wealth Report 2025. Altrata.

²³ From around 1967, the earliest data point we identified at the time of writing, when the company produced approximately 650 to 700 cars annually, to 13,640 in 2025, Ferrari's production volume has grown at roughly a 5% CAGR. Turin. Enzo Ferrari: Power, Politics, And The Making of An Automotive Empire. Luca Dal Monte; Ferrari Annual Report 2025.

²⁴ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025.

²⁵ Ferrari Annual Report 2025; Ferrari Capital Markets Day. 10/9/2025.

²⁶ Ferrari Boss Claims Maranello Will Always Deliver 'One Car Less Than Market Demand'.

<https://www.thedrive.com/news/29768/ferrari-boss-claims-maranello-will-always-deliver-one-car-less-than-market-demand>;

Ferrari's Success as A Luxury Brand Comes Down to Five Secrets. CNBC. <https://www.cnbc.com/2024/07/04/ferraris-luxury-brand-success.html>

²⁷ How to Slow Down a Ferrari: Buy It. The Wall Street Journal. <https://www.wsj.com/articles/SB117858807994195295>

²⁸ Sales Manager and F&I at a Ferrari Dealership. Tegus. 9/23/2024.

²⁹ Sales Manager and F&I at a Ferrari Dealership in California. Tegus. 7/30/2024.

³⁰ Sales Manager and F&I at a Ferrari Dealership. Tegus. 9/23/2024.

new Ferraris were sold to existing clients, and 48% were purchased by customers who already owned more than one Ferrari.³¹

Ferrari explicitly does not optimize for market share, given its controlled supply strategy.³² Nonetheless, at the time of its 2015 IPO, Ferrari stated that, based on the company's internal analysis, its market position was best evaluated within a narrower segment of the luxury performance car industry. This category included two-door GT and sports cars producing more than 500 horsepower and priced above €150,000 (including VAT at the time, later increased to €200,000 in the coming years). The segment comprised models sold by manufacturers – Aston Martin, Audi, Bentley, Ferrari, Lamborghini, McLaren, Mercedes-Benz, Porsche, and Rolls-Royce – across select markets.³³ Within this defined segment, Ferrari estimated that its market share, measured by vehicle registrations, was approximately 23%. The company indicated that it held a leading position in several markets, including certain countries in Europe and the Asia-Pacific region, while ranking second in the United States. However, Ferrari did not disclose whether it held the leading position globally under this methodology. By 2025, Ferrari's market share under a broadly similar definition of the luxury performance car segment was approximately 24%.³⁴ In addition, the company estimated an 18% share within an expanded definition of the market following the introduction of the Ferrari Purosangue in 2023, Ferrari's first four-door crossover SUV.

Resale value is a critical component of Ferrari's value proposition, similar to Rolex.³⁵ Limited supply, strong brand equity, and controlled distribution contribute to robust secondary market pricing, with some models even appreciating significantly above original purchase price. **Unlike new car sales, profits from pre-owned Ferraris are retained entirely by the dealership without sharing with the manufacturer.**³⁶ As a result, many Ferrari dealers actively encourage the acquisition and resale of pre-owned vehicles, often setting internal KPIs for sales staff to purchase cars from existing owners when they want to sell their cars or trade-in for another Ferrari through direct purchase or consignment, which the dealership will market and sell for a pre-determined fee.³⁷ This practice can both enhance dealership profitability and help maintain tighter control over the resale market, supporting the long-term value of Ferrari vehicles. Industry observers suggest that Ferrari cars tend to depreciate more slowly than many other competing luxury sports cars. A car vendor indicates that, as of 2026, typical three-year depreciation rates in the luxury performance segment are estimated to be roughly 15% to 25% for Ferrari, followed by Porsche 911's 18% to 28%, Lamborghini's 25% to 35%, McLaren's 35% to 50%, and Aston Martin's 40% to 55%.³⁸

In some cases, particularly rare Ferrari models could even appreciate in price significantly over time. For example, a 1973 Ferrari 365 GTB/4 originally priced at around \$20,000 was sold at auction in 2014 for approximately \$880,000,³⁹ representing nearly a 10% CAGR over the period. **As of 2025, among the top 10 most expensive cars ever sold at auctions, seven were Ferraris ranging from \$28 million to over \$50 million produced during the 1950s to the 1960s.**⁴⁰ Even for individual years, it is not uncommon that many of the top 10 most expensive cars sold at public auction are Ferrari. For example, in 2014, the ten highest prices paid for classic cars at public auctions were all for Ferraris, ranging from over \$7 million to \$38 million.⁴¹ In 2025, 5 of the top 10 most expensive cars sold at auction are Ferraris.⁴² Such performance in the collector market reinforces Ferrari's reputation as both a luxury product and a long-term store of value, further strengthening demand and brand desirability.

³¹ Ferrari Q4 2024 Earnings Call. 2/4/2025.

³² Ferrari IPO Prospectus 2015; Ferrari Annual Report 2025

³³ Ferrari IPO Prospectus 2015.

³⁴ Ferrari Annual Report 2025.

³⁵ For those interested, see our study on Rolex at <https://worldlypartners.com/businesshistory/>

³⁶ Ferrari Q3 2022 Earnings Call. 11/2/2022.

³⁷ Ferrari Q3 2022 Earnings Call. 11/2/2022; Interview with Sales Specialist at a Ferrari Dealership in Florida. Tegus. 9/11/2025;

Consignment Services. Twin Cities Performance Ferrari. <https://www.twincitiesperformance.com/consignment-services/>

³⁸ Do Ferraris Hold Their Value: Real Resale Data Explained. <https://premierautorentalsfrance.com/do-ferraris-hold-their-value>

³⁹ 1973 Ferrari 365 GTB_4 Daytona Berlinetta by Scaglietti. <https://rmsothebys.com/auctions/mo14/lots/r146-1973-ferrari-365-gtb4-daytona-berlinetta-by-scaglietti/>

⁴⁰ The 10 Most Expensive Cars EVER Sold at Auction. <https://www.planetf1.com/features/10-most-expensive-cars-ever-sold-at-auction>

⁴¹ 2014 Ten Most-Expensive Cars Sold at Public Auction. <https://www.classic-car-auctions.info/records/2014-ten-expensive-cars-sold-public-auction/>

⁴² 2025 Ten Most Expensive Cars Sold at Public Auction. <https://www.classic-car-auctions.info/records/2025-ten-most-expensive-cars-sold-at-public-auction/>

Despite Ferrari's steadily rising production volumes, the size of its sales network has remained largely unchanged since the company's IPO, avoiding overexpansion in retail footprint. **Over the past decade, Ferrari's authorized dealership network has stayed stable at roughly 180 dealerships in over 60 markets worldwide, representing approximately 195 points of sale. This disciplined approach reflects the company's commitment to preserving the brand's exclusivity.**

Ferrari does not view itself as just an automaker, it positions itself as ultra-luxury brands such as Hermès and Rolex. Like these brands, Ferrari emphasizes craftsmanship, scarcity, and long-term brand equity over volume growth. As of 2025, Ferrari's long-term equity incentive program compares itself to a peer group of eleven public companies. **Notably, the peer group includes several luxury goods companies, such as Hermès, Burberry, and Estée Lauder, alongside only two automakers, namely Aston Martin and Mercedes-Benz.**⁴³ **This gives insight into how Ferrari thinks about itself – not as a carmaker but as a high-end luxury brand.**

Similar to ultra-luxury brands such as Hermès, in many of Ferrari's key markets, according to the company's IPO filing, spending by its target clients has proven to be relatively insulated from short term economic downturns. This dynamic has provided Ferrari with a relatively stable source of demand at the upper end of the luxury market. The company further reinforces this resilience through frequent product renewal and its tightly controlled production strategy. For example, during the Global Financial Crisis, Ferrari experienced less than a 5% decline in vehicle shipments,⁴⁴ compared to over 20% in the global luxury automobile units,⁴⁵ demonstrating the relative stability of demand for ultra-luxury performance cars compared with the broader automotive market.

Ferrari's global brand is amplified not through traditional advertising, but through its presence in Formula One, a global platform that reaches hundreds of millions of viewers annually. **Unlike conventional marketing, Ferrari's brand is "earned" through performance and competition. Success on the track reinforces credibility, while the visibility of F1 creates continuous global exposure. We believe this combination allows Ferrari to maintain one of the strongest brands in the world without relying heavily on paid marketing, further reinforcing its authenticity and prestige.**

Ferrari's long-standing presence in Formula One is not only a product asset but also a marketing one, foundational to its brand. As the most historically successful and longest-running team in F1, Ferrari has embedded racing deeply into its narrative, making performance credibility both earned and continuously validated over decades. This historical continuity matters because it creates authenticity that competitors cannot easily replicate. Ferrari's position within this arena is uniquely powerful – through its racing division, Scuderia Ferrari, the company is the oldest and most successful team in Formula One's history, having competed continuously since the inaugural Formula One season in 1950 and having won 31 world titles, consisting of 16 constructors' championship and 15 drivers' championships,⁴⁶ , although the team's most recent championship victory dates back to 2008.⁴⁷

- 3. Owning luxury goods such as Ferrari represents not just wealth, but achievement, identity, and status, studies show.⁴⁸ Ferrari operates as a cultural symbol, reinforced over decades through racing success, craftsmanship, and controlled scarcity, allowing Ferrari to occupy a unique position in the consumer psyche as both an aspirational milestone and a reward.**

Studies show that humans tend to buy and display goods that exceed practical need in quality, price, or quantity such that the appeal of luxury goods is driven less by comfort and more by status competition.⁴⁹ Luxury product makers such as Ferrari and Hermès commonly rely on scarcity as a deliberate strategic tool, intentionally restricting supply to enhance the perceived desirability of their products. A 1989 study found strong evidence that scarcity increases perceived desirability because consumers often interpret limited availability as a signal of higher value or cost. As the study notes, "anything – such as messages, experiences, and objects – that

⁴³ Ferrari Remuneration Report 2024.

⁴⁴ Ferrari IPO Prospectus 2015.

⁴⁵ Luxury Car Sales Keep Skidding. Bloomberg. <https://www.bloomberg.com/news/articles/2009-01-13/luxury-car-sales-keep-skidding>

⁴⁶ Ferrari IPO Prospectus 2015.

⁴⁷ Ferrari Annual Report 2025.

⁴⁸ Michael Lynn, Scarcity effects on desirability: Mediated by assumed expensiveness?, Journal of Economic Psychology, Volume 10, Issue 2, 1989, Pages 257-274, ISSN 0167-4870, [https://doi.org/10.1016/0167-4870\(89\)90023-8](https://doi.org/10.1016/0167-4870(89)90023-8).

⁴⁹ Chapter II. The Theory of the Leisure Class. Thorstein Veblen.

are potentially possessable, useful to their possessors, and conveyable from one person to another... any commodity meeting these criteria... 'will be valued to the extent that it is unavailable.'"⁵⁰

We believe Ferrari ownership functions as a signal of having “arrived.” Unlike some luxury brands that emphasize flash or novelty, Ferrari is more closely associated with established success, discipline, and long-term achievement. For many, it represents not just the ability to spend, but the journey required to earn that level of success.

4. Ferrari has been under the enduring influence of an obsessive, founder-driven philosophy, where Enzo Ferrari’s uncompromising vision continues to shape the company’s strategy, culture, and operating decisions decades after his death in 1988, preserving its identity across generations.

At its core, Ferrari was built as a racing company, with road cars originally serving as a funding mechanism for its racing activities.⁵¹ Enzo Ferrari himself was reportedly described as viewing the commercial car business as a sideline, a way to finance his primary obsession with building and competing in racing machines.⁵² This philosophy continues to influence Ferrari’s identity today. Even as the company has evolved into a highly profitable luxury business, racing remains central, not only as a branding tool, but also as a core expression of purpose. Although Ferrari’s management stated in 2017 that the racing team had been losing money for roughly a decade,⁵³ participation in the championship remains central to Ferrari’s identity.⁵⁴

Enzo Ferrari described himself as a “constructor”⁵⁵ – someone focused on building machines with precision and intent. To Ferrari, achievement was driven not by profit but by prestige and the pursuit of perfection: “to transform inert raw material into a living machine.”⁵⁶ This mindset emphasized craftsmanship, hands-on control, and proximity between design, engineering, and production. This philosophy is still reflected in Ferrari’s operations today – tightly integrated production, in-house engineering of critical components, and a relatively small, focused manufacturing footprint (i.e., low volume). The company prioritizes exclusivity over scale efficiency, reinforcing its identity as an artisanal manufacturer rather than a mass producer.

Most importantly, Ferrari has successfully embedded its founder’s philosophy into its organizational DNA. Nearly four decades after his death, the company continues to reflect his original convictions – “limited production, racing validation, and uncompromising engineering standards.”⁵⁷

5. Post-IPO margin expanded dramatically (gross margin from 46% in 2014 to 52% in 2025 with operating margin from 14% in 2014 to nearly 30% by 2025) from product mix (e.g., continuously launching new models and limited editions, increasing revenue from personalization) and lower R&D as a percentage of revenue from approximately 20% around IPO to 13% in 2025 as its revenue grows.

Ferrari’s economics are structurally different from mass-market automakers. While most car companies operate on thin margins and require high volumes to generate returns, Ferrari generates high profitability on low volumes, driven by price premium, mix, and brand equity. At the time of IPO, Ferrari already exhibited strong gross margins (~46%) and solid operating margins (~15%), but over time these expanded materially, with gross margin at above 50% and operating margins approaching ~30% by 2025.⁵⁸ By comparison, mass-market luxury automakers (e.g. BMW, Mercedes, Porsche) typically have gross margins around 20% to 30% range and operating margin from single digit percentage to mid-teens.⁵⁹ **As a result, this margin expansion translated directly into higher**

⁵⁰ Michael Lynn, Scarcity effects on desirability: Mediated by assumed expensiveness?, Journal of Economic Psychology, Volume 10, Issue 2, 1989, Pages 257-274, ISSN 0167-4870, [https://doi.org/10.1016/0167-4870\(89\)90023-8](https://doi.org/10.1016/0167-4870(89)90023-8).

⁵¹ Interview with Former President – Far East & Middle East at Ferrari N.V. Tegus. 11/19/2025.

⁵² The Terrible Joys. The New Yorker. <https://www.newyorker.com/magazine/1966/01/15/the-terrible-joys>

⁵³ Ferrari Q2 2017 Earnings Call. 8/2/2017.

⁵⁴ Ferrari Q3 2017 Earnings Call. 11/2/2017. Ferrari Q2 2022 Earnings Call. 8/2/2022.

⁵⁵ The Terrible Joys. The New Yorker. <https://www.newyorker.com/magazine/1966/01/15/the-terrible-joys>

⁵⁶ The Terrible Joys. The New Yorker. <https://www.newyorker.com/magazine/1966/01/15/the-terrible-joys>

⁵⁷ Who Founded Ferrari – Enzo Ferrari & the Origin of the Brand. <https://www.ferrarifi.com/blog/everything-you-need-to-know-about-enzo-ferrari/>

⁵⁸ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025.

⁵⁹ BMW Annual Report 2012 – 2025; Mercedes Annual Report 2012 – 2025; Porsche IPO Prospectus 2022; Porsche Annual Report 2022 – 2025.

returns on invested capital. We estimated Ferrari's ROIC increased from roughly 10% at IPO to over 30% in recent years, with a median around 26% during its short public life.⁶⁰

Based on publicly available information at the time of IPO, if a hypothetical investor expected that annual shipments would grow from the 7,281 vehicles delivered at the time of the IPO to 10,000 units by the end of year five,⁶¹ while also assumed that Ferrari's average selling price would increase at roughly a 1.5% CAGR in USD, derived from historical trends disclosed in the company's IPO filing, yielding a 6% CAGR in cars and spare parts revenue. Along with the assumptions of stable operating expense ratios, based on available information at the time (for details, see page 90), the hypothetical investor might reasonably expect Ferrari to trade at approximately 18x earnings by the end of year five, compared to around 32x at the time of IPO. **In reality, by the end of fiscal year 2020, the company's actual P/E at the end of fiscal year 2020 was approximately 14x.**⁶²

The success of Ferrari's stock from its IPO through the end of February 2026, a 21% CAGR (roughly a 7x increase), was driven by a combination of steady business growth and valuation expansion. Over this period, revenue grew at approximately 7% CAGR in USD, while operating income and net earnings grew at around 15% and 16% per year, respectively, driven primarily by its decreasing R&D expense ratio (particularly post-COVID) as its revenue grew steadily. In addition, the company's valuation multiple increased from roughly 32x earnings at the time of the IPO to about 57x by February 2026, according to FactSet.

⁶⁰ Derived from data reported from company filings. We calculated ROIC as $EBIT \times (1 - \text{Effective Tax Rate}) / (\text{Total Equity} + \text{Total Debt} - \text{Cash})$.

⁶¹ Will Ferrari Keep Its Scarcity Premium. The Wall Street Journal. <https://www.wsj.com/articles/will-ferrari-keep-its-scarcity-premium-1419447955>

⁶² Revenue from cars and spare parts increased at a 9% CAGR, but this was partially offset by a roughly 5% decline in other revenue segments, resulting in an overall revenue CAGR of about 5%. It is worth noting that the COVID-19 pandemic significantly affected global economic activity in 2020. Ferrari's results were negatively impacted by lower shipments of engines to Maserati, reduced engine revenue from Formula One teams, and lower sponsorship revenue due to a shortened racing calendar (Ferrari Annual Report 2020). While SG&A and R&D expense ratios remained relatively stable during this period, Ferrari's gross margin gradually expanded from roughly 47% to over 50%, primarily driven by a more favorable product mix.

Figure 2: Valuation Metrics

| Metric | Amount (\$ Million) | Multiple / Ratio Analysis |
|--|---------------------|--|
| Market Cap | \$ 9,823.9 | - |
| Enterprise Value | \$ 8,947.7 | 3.2x EV/Sales |
| Cash | \$ 1,503.3 | 15.3% of Market Cap |
| Total Debt | \$ 629.1 | \$876M of Net Cash |
| - | | -1.1x Net Debt/EBITDA |
| Working Capital (inc. Cash) | \$ N/A | Did not disclose current/non-current liabilities |
| Net Working Capital (ex. Cash and STD) | \$ N/A | Did not disclose current/non-current liabilities |
| Total Equity Value | \$ 2,885.4 | 3.4x Price/Book Value |
| Tangible Book Value | \$ 1,697.6 | 5.8x Price/Tangible BV |
| Gross Profit | \$ 1,455.3 | 46.8% Gross Margin |
| SG&A Expense | \$ 342.8 | 11.0% SG&A/Sales |
| R&D Expense | \$ 617.3 | 19.9% R&D/Sales |
| EBITDA | \$ 779.2 | 11.5x EV/EBITDA |
| CAPEX | \$ 204.9 | 15.6x EV/(EBITDA-CAPEX) |
| Net Income | \$ 305.6 | 32.2x P/E LTM |
| Levered FCF | \$ 438.5 | 22.4x P/Levered FCF |
| Unlevered FCF | \$ 437.1 | 20.5x EV/Unlevered FCF |
| Owner's Earnings | \$ 308.6 | 31.8x P/OE |
| - | | 29.0x EV/OE |
| ROIC | 15.3% | - |
| ROTCE | N/A | Did not disclose current/non-current liabilities |
| 1-Yr. Sales CAGR | 17.7% | From F2013 to FY2014 |
| 1-Yr. CAGR of Net Income | 7.7% | - |
| 1-Yr. FCF CAGR | -27.7% | - |
| 3-Yr. Sales CAGR | 8.2% | From FY2011 to FY2014 |
| 3-Yr. CAGR of Net Income | 9.6% | - |
| 3-Yr. FCF CAGR | N/A | - |

Notes:

1. Market capitalization at the time of IPO is calculated as the issuing price times total common stock outstanding disclosed in the IPO prospectus. Ferrari's common stocks were issued at a price of \$52 per share.⁶³ The company's total number of common stock was 188,921,600 shares following the offering.
2. EV = market cap on 10/21/2015 + Total Debt (as of 6/30/2015) – Cash (as of 6/30/2015).
3. The company's financial statements were reported in euros. We converted the relevant figures into USD using the average annual exchange rate for each respective year, as disclosed in the company's IPO prospectus.
4. At the time of IPO, Ferrari did not break down its liabilities into current and non-current portions. Therefore, we calculated ROIC as $EBIT \times (1 - \text{Effective Tax Rate}) / (\text{Total Equity} + \text{Total Debt} - \text{Cash})$.

⁶³ Ferrari IPO Prospectus 2015.

Company Overview

Ferrari is one of the world's most recognizable luxury brands, **built on the combination of high-performance engineering, racing heritage, and deliberate scarcity**. The company describes itself as “among the world's leading luxury brands focused on the design, engineering, production and sale of the world's most recognizable luxury performance sports cars,” with its brand symbolizing “exclusivity, innovation, state-of-the-art sporting performance and Italian design and engineering heritage.”⁶⁴ Unlike mass-market automakers, Ferrari's business model centers on tightly controlled production and a small portfolio of highly differentiated models. The company explicitly pursues “a low volume production strategy... to maintain a reputation for exclusivity and scarcity among purchasers of our cars,” carefully managing production volumes and delivery waiting lists to sustain demand and pricing power. This strategy is reinforced by the company's Formula 1 racing activities, which both showcase technological capabilities and strengthen the emotional appeal of the brand (For those interested in the subject, see our study on Formula One at <https://worldlypartners.com/businesshistory/> or the link below in the footnote⁶⁵). As Ferrari explains, the success of its racing team forms “a large part of our brand identity,” linking motorsport excellence with the desirability of its road cars.

Ferrari's origins can be traced to 1929, when Enzo Ferrari, a car enthusiast from Modena, Italy, founded the racing team Scuderia Ferrari while working for Alfa Romeo. At the time, Ferrari served as a test driver for Alfa Romeo and later became closely involved in the company's racing activities. Scuderia Ferrari initially operated as Alfa Romeo's semi-independent racing arm, running works racing cars and serving as a testing ground for Ferrari's technical ideas and innovations.⁶⁶

Enzo Ferrari – The Founder of Ferrari

Enzo Ferrari (1898 – 1988), the founder of Ferrari, was born in Modena, Italy, into a family involved in metalworking. His father operated a small workshop supplying equipment to the Italian railway system. Enzo grew up above the factory, living in an environment of mechanical craftsmanship. This early exposure potentially shaped his lifelong fascination with machines.⁶⁷ From an early age he developed a fascination with automobiles and motor racing, attending his first race at age ten. Although his father hoped he would pursue engineering, young Ferrari showed little interest in school.⁶⁸ After graduating from a technical school in 1916, tragedy struck when both his father and older brother died during World War I.

Figure 3: Young Enzo Ferrari⁶⁹



Following a brief period of military service, Ferrari struggled to find work and moved to Turin hoping to join Fiat, but he was rejected. He eventually entered the automotive world through smaller automotive companies and began his racing

⁶⁴ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025.

⁶⁵ Formula One Multi-Decade Study. Worldly Partners. <https://worldlypartners.com/wp-content/uploads/2026/02/Formula-One.pdf>

⁶⁶ The History of Ferrari. Petersen Automotive Museum. <https://www.petersen.org/news/the-history-of-ferrari>

⁶⁷ Who Was Enzo Ferrari. History of Ferrari's Founder. <https://www.continentalautosports.com/who-was-enzo-ferrari/>

⁶⁸ Enzo Ferrari Biography. <https://www.ebsco.com/research-starters/biography/enzo-ferrari>

⁶⁹ Who Was Enzo Ferrari. History of Ferrari's Founder. <https://www.continentalautosports.com/who-was-enzo-ferrari/>

career in 1919.⁷⁰ His talent soon attracted the attention of Alfa Romeo, which hired him as a driver in 1920. Although never regarded as the fastest of his peers, Ferrari distinguished himself through discipline, technical insight, and a deep understanding of team dynamics.⁷¹ His victory at the 1924 Coppa Acerbo significantly elevated his standing and solidified his relationship with Alfa Romeo.

Over time, Ferrari recognized that his true strengths lay not in driving but in leadership and organization.⁷² By the late 1920s, he gradually withdrew from racing to focus on managing teams and developing drivers. In 1929, he founded Scuderia Ferrari, initially as a racing team worked closely with Alfa Romeo. By 1933, the organization had effectively become Alfa Romeo's racing arm, with Ferrari started to manage the company's racing activities.

Figure 4: Enzo Ferrari⁷³



Ferrari left Alfa Romeo in 1939 and established his own company in Modena. World War II temporarily halted automobile production, but after the war he relocated operations to Maranello and built the first Ferrari-badged car in 1947. The company's cars quickly achieved international success, winning major endurance races and dominating Formula One competition in the early 1950s. From 1948 to 1988, Enzo Ferrari's cars won over 5,000 races and earned 25 world titles.⁷⁴ Despite its racing achievements, Ferrari often faced financial strain due to the high costs of racing.⁷⁵ In 1969 the company sold a controlling stake to Fiat, which we will discuss later, providing financial support while allowing Ferrari to maintain influence over the racing program.

It has been reported that Ferrari's road car business existed largely as a means to sustain his deeper ambition – the creation of racing machines. As a 1966 article on the New Yorker noted, Ferrari gave the impression that the commercial car "was merely a sideline, a means of making money to lavish on an obsession: the construction of Ferrari racing cars."⁷⁶

⁷⁰ Enzo Ferrari Biography. <https://www.ebsco.com/research-starters/biography/enzo-ferrari>; The Story of Enzo Ferrari. Motor Web Museum. <https://www.motorwebmuseum.it/en/places/modena/the-story-of-enzo-ferrari/>

⁷¹ A Brief History of Ferrari. <https://f1rstmotors.com/blogs/a-brief-history-of-ferrari/>

⁷² A Brief History of Ferrari. <https://f1rstmotors.com/blogs/a-brief-history-of-ferrari/>

⁷³ A Brief History of Ferrari. <https://f1rstmotors.com/blogs/a-brief-history-of-ferrari/>

⁷⁴ Enzo Ferrari. Automotive Hall of Fame. <https://automotivehalloffame.org/honoree/enzo-ferrari/>

⁷⁵ Enzo Ferrari Biography. <https://www.ebsco.com/research-starters/biography/enzo-ferrari>

⁷⁶ The Terrible Joys. The New Yorker. <https://www.newyorker.com/magazine/1966/01/15/the-terrible-joys>

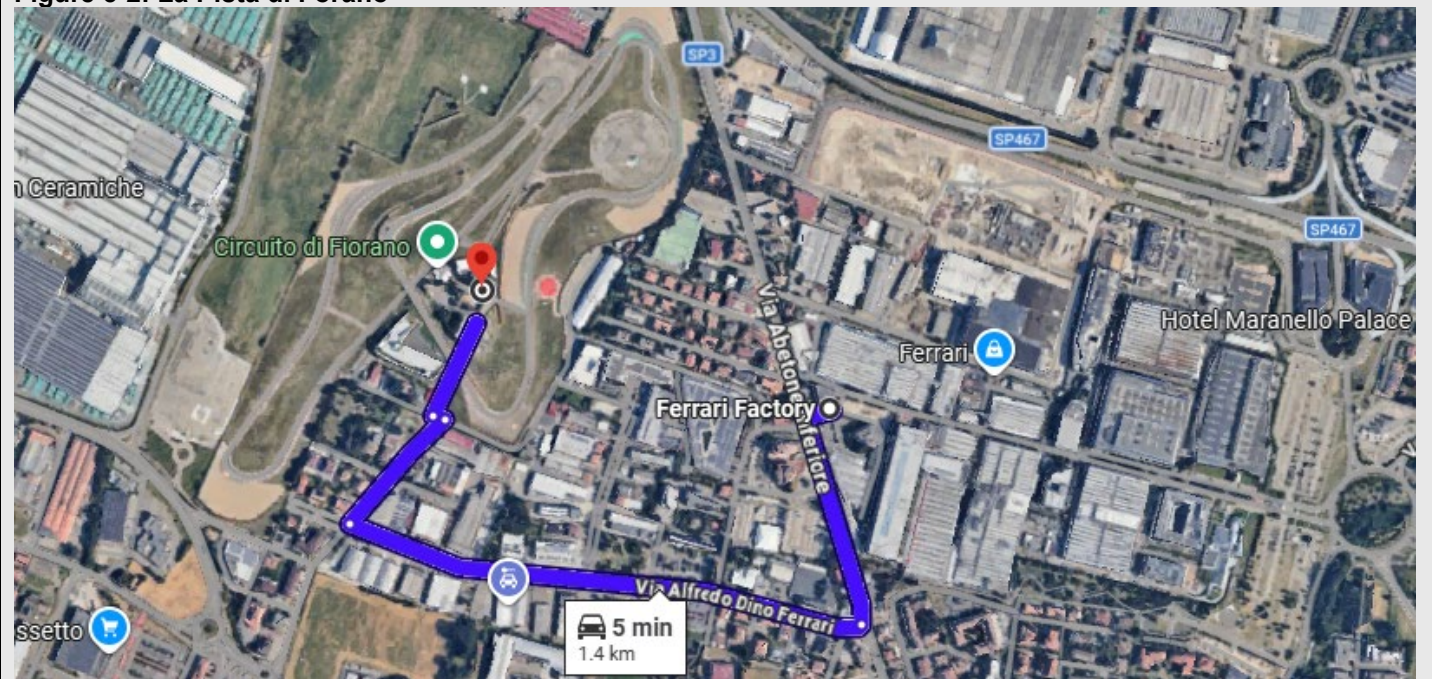
This philosophy, whether explicitly stated by the founder or not, reflected Ferrari's business model. Enzo Ferrari built not a mass-production enterprise but a tightly controlled, almost artisanal operation. Rejecting industrial scale, he insisted, "I am not an industrialist... I am a costruttore – a constructor."⁷⁷ His factory then, small and intensely focused, allowed rapid innovation and reflected his belief that excellence required proximity, control, and craftsmanship. Racing and production were deeply intertwined, with constant iteration driven by the demands of competition. His cars, both racing and road, became symbols of extreme performance, exclusivity, and risk, embodying a philosophy that celebrated speed not merely as engineering achievement but as existential pursuit.

In the 1960s, he bought a farmhouse at La Pista di Forano, a private test circuit less than a mile from the Maranello factory. There, he lived and worked until his death in 1988.⁷⁸

Figure 5-1: La Pista di Forano⁷⁹



Figure 5-2: La Pista di Forano



⁷⁷ The Terrible Joys. The New Yorker. <https://www.newyorker.com/magazine/1966/01/15/the-terrible-joys>

⁷⁸ Fiorano: Ferrari's Laboratory. <https://www.ferrari.com/en-EN/magazine/articles/ferrari-and-fiorano>

⁷⁹ Fiorano: Ferrari's Laboratory. <https://www.ferrari.com/en-EN/magazine/articles/ferrari-and-fiorano>

Ferrari's leadership style was equally uncompromising. He demanded loyalty, discipline, and absolute commitment, often creating an environment defined by pressure and relentless ambition.⁸⁰ This obsession came at a profound personal and emotional cost. Ferrari's life was marked by tragedy, including the early deaths of his father and brother, the loss of close friends and drivers on the track, and most devastatingly, the death of his son Dino,⁸¹ who died in his twenties from muscular dystrophy, a genetic disease. These experiences potentially contributed to his strict, often forbidding personality. He was widely regarded as authoritarian, solitary, and relentlessly driven – “a very tough man,” denounced even by Vatican as a “Saturn’ – a devourer of his own children.” Ferrari himself acknowledged the emotional burden of his life's work, stating: “I feel alone after a life crowded by so many events, and almost guilty of having survived.”⁸²

Ferrari's worldview was stark, and often philosophical. He saw racing as a fundamentally human expression of striving, stating that “one drives at high speeds in order to transcend oneself.” He rejected conventional comforts – social life, religion, even friendship – declaring bluntly, “I have no friends.” **Work was both his purpose and his refuge, as he noted: “One must keep working continuously; otherwise one thinks of death.”⁸³** To Ferrari, achievement was driven not by profit but by prestige and the pursuit of perfection: “to transform inert raw material into a living machine.”

Enzo Ferrari remained deeply involved in the business and its racing operations until his death in 1988 at the age of ninety.⁸⁴ More than three decades later, the company continues to reflect his original convictions – “limited production, racing validation, and uncompromising engineering standards.”⁸⁵

During the 1930s, Alfa Romeo underwent major institutional and political changes. After the automaker was brought under state control through the fascist's Istituto per la Ricostruzione Industriale (IRI), the company was reorganized to restore competitiveness and meet the regime's desire for national prestige through racing success. Although Alfa Romeo had previously “outsourced” its racing activities to Ferrari, and even acquired an 80% stake in Scuderia Ferrari in 1937, the company eventually decided to reassert direct control over its racing program.⁸⁶ As part of this restructuring, Alfa Romeo shut down the Scuderia Ferrari at the end of 1937 despite its impressive record of 144 victories and 171 podium finishes out of 225 races in eight years.

Enzo Ferrari remained with Alfa Romeo briefly and was appointed head of its racing department in 1938. However, disagreements emerged over the direction of the company's racing operations. Ferrari ultimately left Alfa Romeo in 1939 to pursue his own ventures. Under the terms of his departure agreement, he was prohibited from using the Ferrari name in connection with racing activities for four years.⁸⁷

After leaving Alfa Romeo, Ferrari founded a new company in Modena called Auto Avio Costruzioni (AAC) in 1939.⁸⁸ Initially, AAC focused on manufacturing aircraft components and machine tools, supplying equipment to the Italian government during World War II.⁸⁹ Later that same year, AAC received a commission from the Marquis Lotario Rangoni Machiavelli di Modena to build two racing cars for himself and the young driver Alberto Ascari to compete in the Mille Miglia. The result was the AAC Tipo 815, regarded by many as the first car designed by Enzo Ferrari after leaving Alfa Romeo.⁹⁰ Although the 1940 Mille Miglia was ultimately canceled due to the outbreak of World War II, the Tipo 815 marked Ferrari's first step toward building sports cars under his own direction,⁹¹ and was considered the predecessor of Ferrari 125 S, the first car under the Ferrari name.

⁸⁰ Who Founded Ferrari – Enzo Ferrari & the Origin of the Brand. <https://www.ferrarifl.com/blog/everything-you-need-to-know-about-enzo-ferrari/>; The Terrible Joys. The New Yorker. <https://www.newyorker.com/magazine/1966/01/15/the-terrible-joys>

⁸¹ The Terrible Joys. The New Yorker. <https://www.newyorker.com/magazine/1966/01/15/the-terrible-joys>

⁸² The Terrible Joys. The New Yorker. <https://www.newyorker.com/magazine/1966/01/15/the-terrible-joys>

⁸³ The Terrible Joys. The New Yorker. <https://www.newyorker.com/magazine/1966/01/15/the-terrible-joys>

⁸⁴ Enzo Ferrari Biography. <https://www.ebsco.com/research-starters/biography/enzo-ferrari>

⁸⁵ Who Founded Ferrari – Enzo Ferrari & the Origin of the Brand. <https://www.ferrarifl.com/blog/everything-you-need-to-know-about-enzo-ferrari/>

⁸⁶ The Rise and Fall of Scuderia Ferrari. <https://www.forza-mag.com/issues/195/articles/the-rise-and-fall-of-scuderia-ferrari>

⁸⁷ The History of Ferrari. Petersen Automotive Museum. <https://www.petersen.org/news/the-history-of-ferrari>

⁸⁸ Ferrari IPO Prospectus 2015.

⁸⁹ The History of Ferrari. Petersen Automotive Museum. <https://www.petersen.org/news/the-history-of-ferrari>

⁹⁰ The History of Ferrari. Petersen Automotive Museum. <https://www.petersen.org/news/the-history-of-ferrari>; Cars That Time Forgot. <https://www.hagerty.co.uk/articles/automotive-history/cars-that-time-forgot-auto-avio/>

⁹¹ The History of Ferrari. Petersen Automotive Museum. <https://www.petersen.org/news/the-history-of-ferrari>

Figure 6: Alberto Ascari in AAC 815⁹²



In 1943, Enzo Ferrari moved his headquarters from Modena to Maranello, which remains its headquarters today.⁹³ Following the end of the war and the expiration of the non-compete clause imposed by Alfa Romeo, Enzo Ferrari established Ferrari S.p.A. in 1947, merging with Auto Avio Costruzioni.⁹⁴ That same year Ferrari produced its first car bearing the Ferrari name, the 125 S (see photo), powered by a V12 engine designed by Gioachino Colombo, bring Ferrari the first victory.⁹⁵ The V12 configuration would soon become synonymous with Ferrari's identity and engineering philosophy.⁹⁶

⁹² Enzo Ferrari's First Car – Auto Avio Costruzioni 815. <https://rossoautomobili.com/blogs/magazine/enzo-ferrari-first-car-auto-avio-costruzioni-tipo-815>

⁹³ Ferrari IPO Prospectus 2015.

⁹⁴ The History of Ferrari. Petersen Automotive Museum. <https://www.petersen.org/news/the-history-of-ferrari>

⁹⁵ First Victory. Ferrari History. <https://www.ferrari.com/en-EN/history/moments/1947/first-victory/more>

⁹⁶ The Ultimate Engine. <https://www.ferrari.com/en-US/magazine/articles/the-ultimate-engine-the-v12?amp=true>

Figure 7: Ferrari 125 S – The First Car Bearing the Ferrari Name⁹⁷



⁹⁷ Meet The First Ever Ferrari Road Car, The V12-Engineed 125 S. <https://www.topgear.com/car-news/classic/meet-first-ever-ferrari-road-car-v12-engine-125-s>

In 1948 Ferrari introduced its first road car, the 166 Inter, marking the beginning of the company's dual strategy of building road cars to fund racing activities.⁹⁸ **Enzo Ferrari's founding philosophy continues to shape the company's ethos today that the road cars existed primarily to fund Scuderia Ferrari, his racing team.**⁹⁹ Over the following decades, Ferrari's identity became deeply intertwined with motorsport. Enzo Ferrari built the company's reputation around racing success, using victories on the track to enhance the prestige and desirability of its road cars.¹⁰⁰

Figure 8: Ferrari 166 Inter¹⁰¹



Ferrari entered the Formula One World Championship in 1950, the inaugural year of the series, making Scuderia Ferrari the longest-running and most successful team in Formula One history (For those interested in the subject, again see our study on Formula One at <https://worldlypartners.com/businesshistory/> or the link below in the footnote¹⁰²). The team achieved its first Constructors' World Championship in 1952, beginning a long tradition of success in the sport. Beyond Formula One, Ferrari also established a dominant presence in other prominent racing, including victories in prestigious events such as the 24 Hours of Le Mans and the 24 Hours of Daytona.¹⁰³ We believe these achievements reinforced Ferrari's brand narrative, one built on racing excellence, engineering innovation, and Italian craftsmanship, which we will discuss later.

Despite its strong brand reputation, Ferrari faced financial pressures during the late 1960s, primarily because "racing had become incredibly expensive."¹⁰⁴ In 1969, Italian automaker Fiat acquired a 50% stake in Ferrari, for an estimated Lire

⁹⁸ Ferrari IPO Prospectus 2015.

⁹⁹ Ferrari: Engineering a Cult Brand of Speed and Exclusivity. <https://theambassador.it/the-cult-of-the-prancing-horse/>; Interview with Former President – Far East & Middle East at Ferrari N.V. Tegus. 11/19/2025.

¹⁰⁰ Aversa P, Schreiter K, Guerrini F. The Birth of a Business Icon through Cultural Branding: Ferrari and the Prancing Horse, 1923–1947. *Enterprise & Society*. 2023;24(1):28-58. doi:10.1017/eso.2021.22

¹⁰¹ Ferrari 166 Inter (1948). Ferrari. <https://www.ferrari.com/en-EN/auto/166-inter>

¹⁰² Formula One Multi-Decade Study. Worldly Partners. <https://worldlypartners.com/wp-content/uploads/2026/02/Formula-One.pdf>

¹⁰³ Ferrari IPO Prospectus 2015.

¹⁰⁴ Turin. Enzo Ferrari: Power, Politics, And The Making of An Automotive Empire. Luca Dal Monte.

2.15 billion¹⁰⁵ (approximately \$3.44 million¹⁰⁶), without further details, implying an overall equity value of \$6.8 million. The parent company would provide the capital needed to support the company's growth while allowing Enzo Ferrari to retain operational control.¹⁰⁷ Ferrari continued to produce iconic high-performance sports cars during this period, including models such as the 308 GTB in the 1970s and later the 512 TR in the 1990s.

Notably, prior to the Fiat transaction, Enzo Ferrari had explored a potential sale to Ford but ultimately withdrew from negotiations upon realizing he would not retain independent control over the company.¹⁰⁸

Figure 9-1: Ferrari 308 GTB¹⁰⁹



¹⁰⁵ "...estimated the value of Ferrari at about four billion lire...Fiat had acquired 50 percent of Ferrari for a figure that a few days later the press speculated at about two billion, 150 million lire." Turin. Enzo Ferrari: Power, Politics, And The Making of An Automotive Empire. Luca Dal Monte.

¹⁰⁶ The average exchange rate in 1969 was approximately 625 Italian lira per USD, according to data from the IMF. <https://data.imf.org/en/Data-Explorer>

¹⁰⁷ The History of Ferrari. Petersen Automotive Museum. <https://www.petersen.org/news/the-history-of-ferrari>

¹⁰⁸ Enzo Ferrari – A Great Inspiration. <https://sfcriga.com/enzo-ferrari-a-great-inspiration>; Turin. Enzo Ferrari: Power, Politics, And The Making of An Automotive Empire. Luca Dal Monte.

¹⁰⁹ Ferrari 308 GTB (1975). <https://www.ferrari.com/en-EN/auto/308-gtb>

Figure 9-2: Ferrari 512 TR¹¹⁰



Following Enzo Ferrari's death in 1988, Fiat increased its ownership stake to 90%, while the remaining 10% was retained by Piero Ferrari, Enzo Ferrari's son.¹¹¹ Fiat purchased at approximately Lire 100 billion (about \$77 million¹¹²), although no further financial details were disclosed, implying Ferrari's overall equity value at around \$192 million. This transaction increased Fiat's ownership in Ferrari to 90%, up from the original 50% stake it had acquired in 1969.¹¹³ Fiat, later reorganized as Fiat Chrysler Automobiles (FCA), maintained majority ownership of Ferrari for decades. In 2015, FCA separated Ferrari from the group through an initial public offering, returning the company to an independent corporate structure.

Since its IPO, Ferrari has continued to grow while maintaining a strategy centered on exclusivity and controlled production. Revenue increased from approximately €2.8 billion (approximately \$3.7 billion) in 2014, the fiscal year prior to the IPO, to over €7.1 billion in 2025 (approximately \$8.1 billion), representing roughly a 9% CAGR (approximately 7% in USD). At the time of the IPO, Ferrari reported that its net sales had grown at a 7% CAGR between 2005 and 2014, or close to 8% in USD after accounting for foreign exchange effects.¹¹⁴

¹¹⁰ Car of the Week: Ferrari's 512 TR Is a Fashion Statement Back in Vogue. <https://robbreport.com/motors/cars/car-of-the-week-1993-ferrari-512-tr-1234605371/>

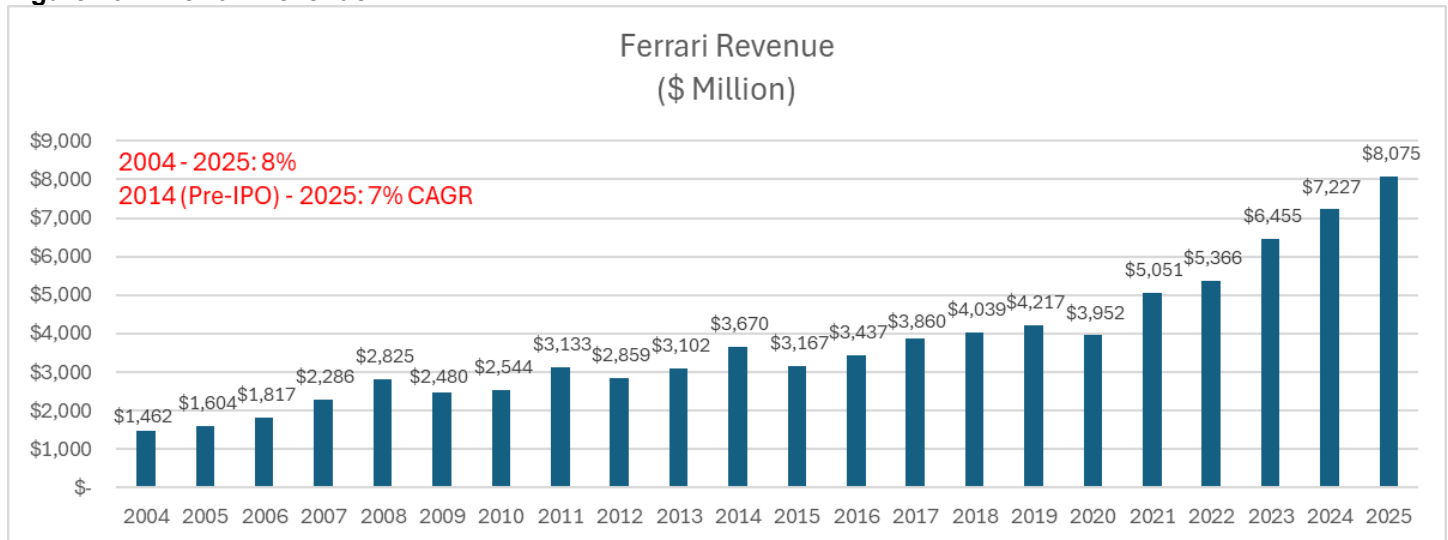
¹¹¹ Ferrari IPO Prospectus 2015; Fiat Raises Stake In Ferrari to 90%. New York Times. <https://web.archive.org/web/20150420003512/https://www.nytimes.com/1988/09/08/business/company-news-fiat-raises-stake-in-ferrari-to-90.html>

¹¹² The average exchange rate in 1988 was approximately 1,301.63 Italian lira per USD, according to data from the IMF. <https://data.imf.org/en/Data-Explorer>

¹¹³ Fiat Auto Annual Report 1988; Ferrari IPO Prospectus 2015.

¹¹⁴ Based on IMF data, the average USD per EUR exchange rate increased at a compound annual rate of approximately 0.7% from 2005 to 2014. IMF Data. [https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:ER\(4.0.1\)](https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:ER(4.0.1))

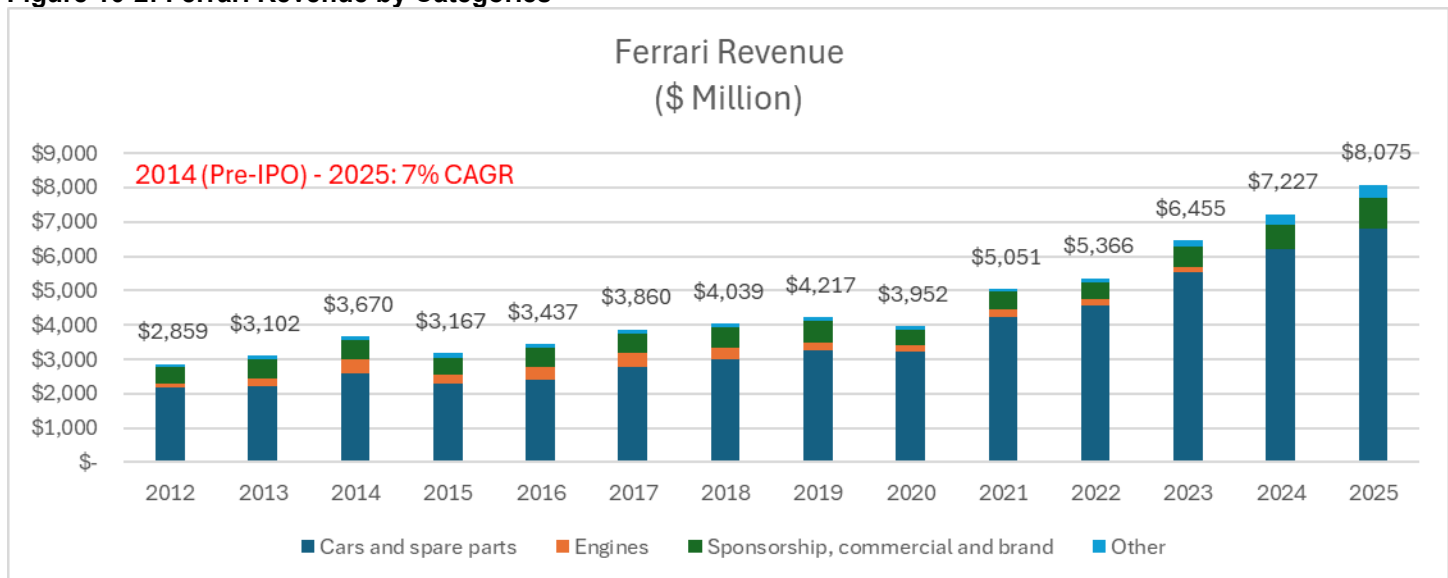
Figure 10-1: Ferrari Revenue



Notes:

1. The original data reported by the company were denominated in euros. We converted them into USD using the average annual exchange rate for each respective year provided by IMF.¹¹⁵
2. The decline in 2009 primarily reflects the impact of the Great Financial Crisis.
3. The apparent decline in 2015 was largely the result of euro depreciation against the U.S. dollar. In euro terms, Ferrari's sales increased from €2.76 billion in 2014 to €2.85 billion in 2015, representing approximately 3.3% growth.

Figure 10-2: Ferrari Revenue by Categories¹¹⁶



Notes:

1. The original data reported by the company were denominated in euros. We converted them into USD using the average annual exchange rate for each respective year provided by IMF.¹¹⁷
2. The apparent decline in 2015 was largely the result of euro depreciation against the U.S. dollar. In euro terms, Ferrari's sales increased from €2.76 billion in 2014 to €2.85 billion in 2015, representing approximately 3.3% growth.

From its IPO through 2025, Ferrari's revenue composition has remained broadly consistent, with the vast majority derived from the sale of cars and spare parts, followed by sponsorship and other commercial activities. **In 2014, approximately 71% of Ferrari's revenue came from selling cars and spare parts. Another 15% was generated from sponsorship, commercial, and brand-related activities, including sponsorship income earned by Ferrari's Scuderia Ferrari through sponsorship agreements, as well as merchandising, licensing, and royalty income. An additional 11% of revenue came**

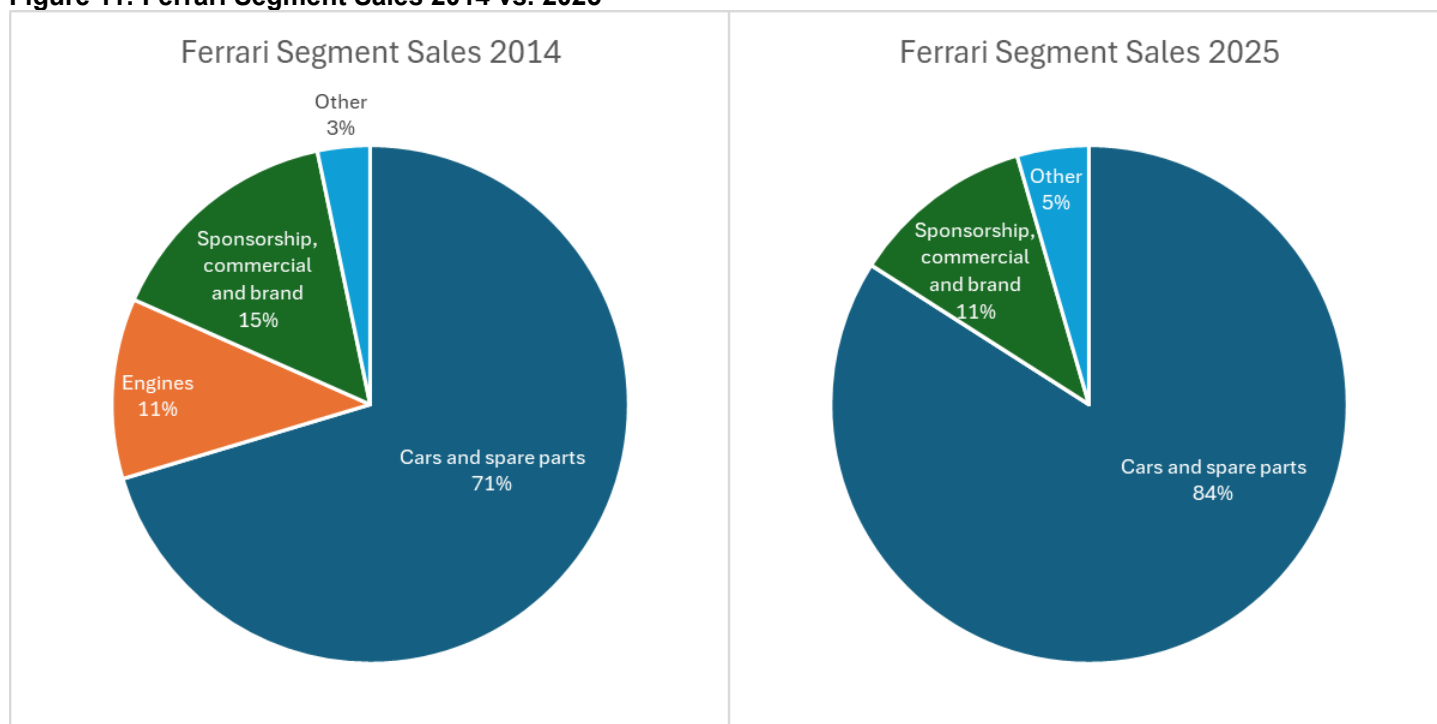
¹¹⁵ IMF Data. [https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:ER\(4.0.1\)](https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:ER(4.0.1))

¹¹⁶ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025.

¹¹⁷ IMF Data. [https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:ER\(4.0.1\)](https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:ER(4.0.1))

from selling engines to Maserati and to other teams competing in Formula One. By 2025, the overall structure remained similar, although the contribution from car sales had increased. Approximately 84% of Ferrari's revenue came from cars and spare parts, while sponsorship, commercial, and brand activities accounted for about 11%. The remaining roughly 5% was generated from other activities, including financial services and the supply of engines to other Formula One teams.

Figure 11: Ferrari Segment Sales 2014 vs. 2025¹¹⁸



Note:

1. The Engines segment at the time of the IPO included net revenues generated from the sale of engines to Maserati for use in its road cars, as well as revenues from renting engines to other teams competing in Formula One. Ferrari had supplied engines to Maserati since 2003 under an agreement that remained in place until its expiration in 2023.¹¹⁹

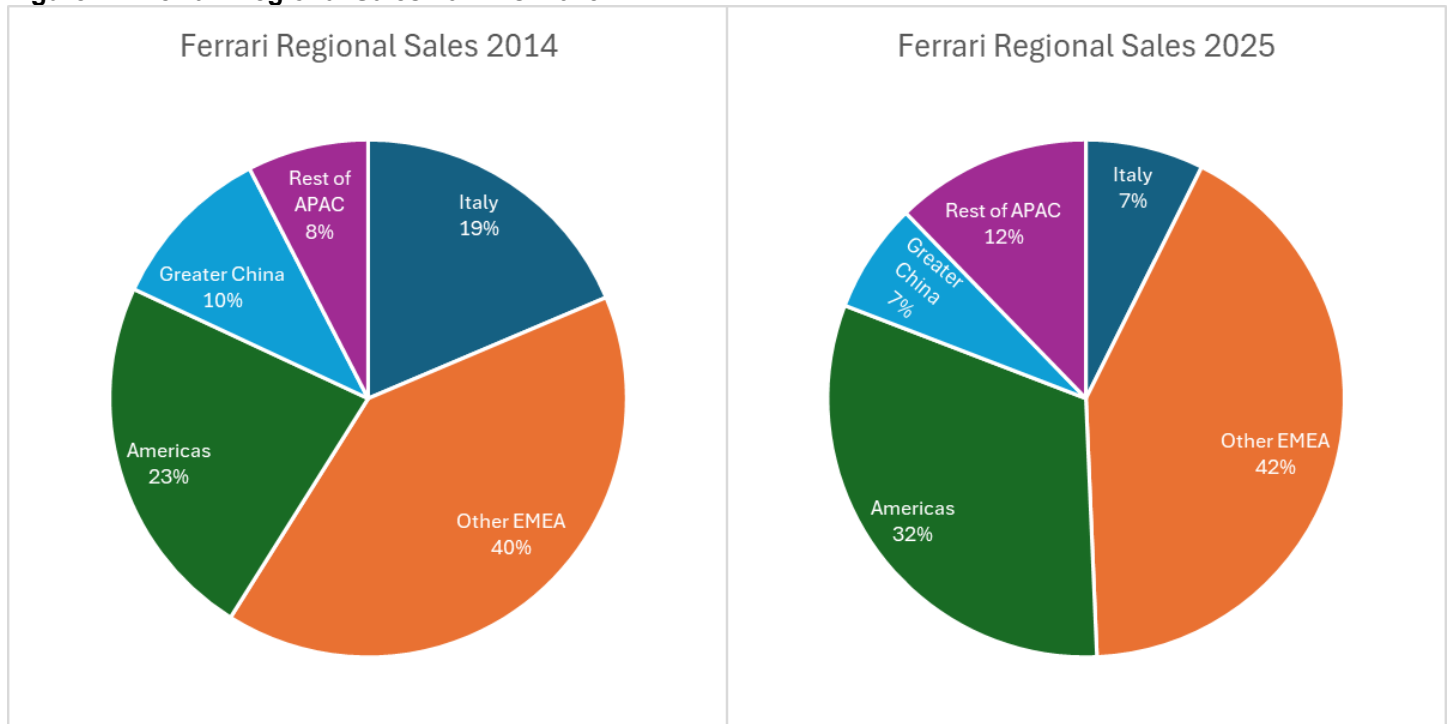
Since its IPO, Ferrari's cars are sold in over 60 markets worldwide through its network of authorized dealers.¹²⁰ Over the decade following Ferrari's IPO, the EMEA region has remained the company's largest market, with its share of total revenue increasing slightly from 40% to 42%. During the same period, the contribution from Ferrari's home country of Italy declined significantly, from 19% to 7%, as revenue generated in Italy remained nearly flat between 2014 and 2025. By contrast, the Americas expanded meaningfully, rising from 23% to 32% of total revenue. Meanwhile, the Asia-Pacific region remained relatively stable, consistently accounting for just under 20% of Ferrari's revenue throughout the period.

¹¹⁸ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2025.

¹¹⁹ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2023.

¹²⁰ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2025.

Figure 12: Ferrari Regional Sales 2014 vs. 2025¹²¹



Notes:

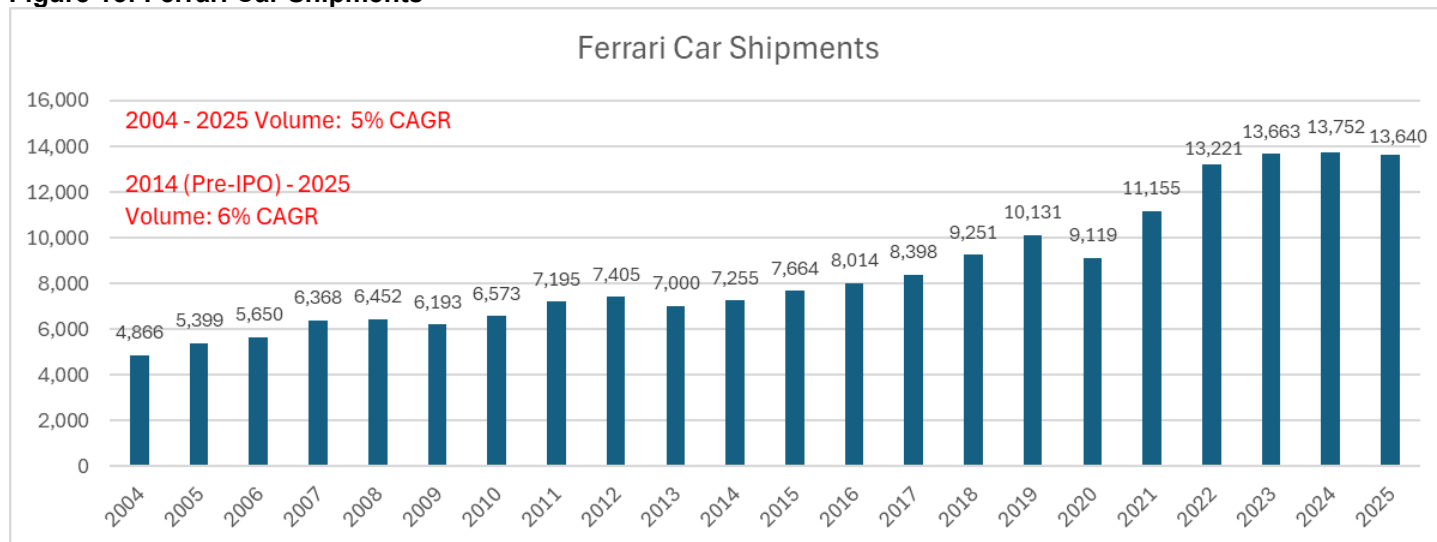
1. Americas includes the U.S., Canada, Mexico and the rest of Central and South America. Greater China includes mainland China, Hong Kong and Taiwan.¹²²
2. Other EMEA refers to markets in the EMEA region excluding Italy.

¹²¹ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2025.

¹²² Ferrari IPO Prospectus 2015; Ferrari Annual Report 2025.

Ferrari's vehicle shipments have expanded steadily over the past decade, since its 2015 IPO. **Annual deliveries increased from 7,255 cars in 2014 to 13,640 units in 2025,¹²³ representing roughly 6% CAGR. Prior to the IPO, growth was more modest. According to the company, total shipments rose by about 34% between approximately 2005 and 2014,¹²⁴ equivalent to roughly 3% annual growth, although Ferrari did not disclose the precise annual shipment figures for that period.**

Figure 13: Ferrari Car Shipments¹²⁵



We believe the slower growth during 2005 and 2014 (see in Figure 14 on the next page) was largely influenced by the 2008 global financial crisis, which significantly affected the global automotive industry, including the luxury performance car segment in which Ferrari operates. As illustrated in the chart below, the global luxury performance car market did not fully recover to its pre-crisis level until around 2015, and Ferrari's deliveries remained relatively flat between 2011 and 2014. Taking a longer historical perspective, Ferrari's production has expanded at a measured pace, similar to the rate we have observed from 2015 to 2025. From around 1967, the earliest data point we identified at the time of writing, when the company produced approximately 650 to 700 cars annually,¹²⁶ to 2025, Ferrari's production volume has grown at roughly a 5% CAGR, suggesting that the company's expansion has remained relatively disciplined and consistent throughout its history.

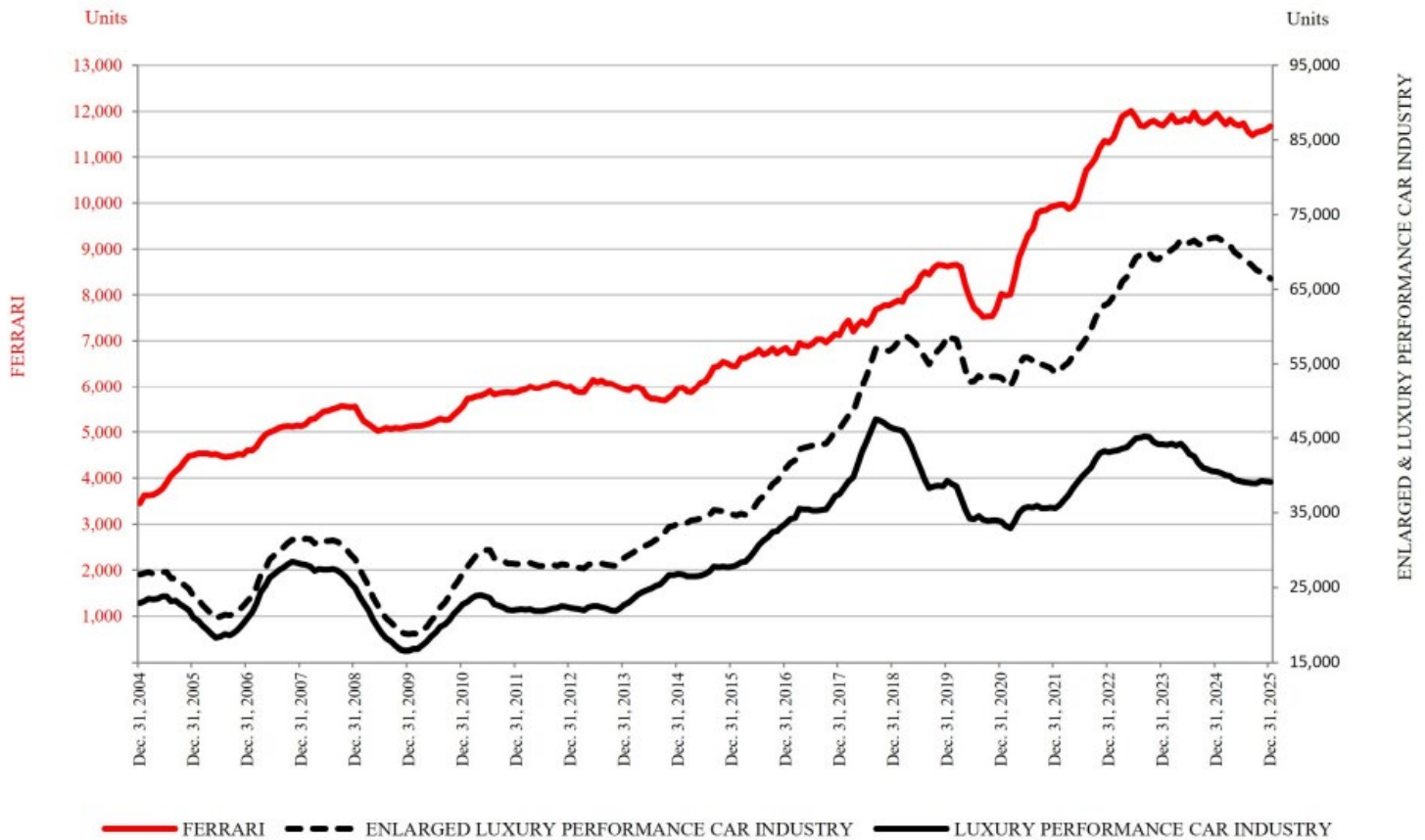
¹²³ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2025.

¹²⁴ Ferrari IPO Prospectus 2015

¹²⁵ Fiat Auto Annual Report 2005 – 2014; Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025.

¹²⁶ Turin. Enzo Ferrari: Power, Politics, And The Making of An Automotive Empire. Luca Dal Monte.

Figure 14: Ferrari vs. Luxury Performance Car Industry Volume 2004 – 2025¹²⁷



Notes:

1. Data for the Luxury Performance Car Industry include all two-door luxury sports cars with power above 500 hp, and retail price above €200,000 (Italian market price including VAT as reference) sold by Aston Martin, Audi, Bentley, Ferrari, Lamborghini, Maserati, McLaren, Mercedes Benz, Porsche and Rolls-Royce. Data is based on Ferrari’s top 25 markets, excluding Middle East countries.
2. In addition to Luxury Performance Car Industry, the Enlarged Luxury Performance Car Industry includes high-riding four-door luxury performance cars offering more than 500 hp and priced in excess of €200,000 (Italian market price including VAT as reference), mostly sold by the same aforementioned competitors with the addition of Land Rover. Data is based on Ferrari’s top 25 markets, excluding Middle East countries.

Revenue growth from Ferrari’s core automobile business has broadly followed this gradual expansion. Using the company’s “cars and spare parts” segment as a proxy for revenue generated from vehicle sales, Ferrari’s revenue increased from approximately \$2.6 billion in 2014 to about \$6.8 billion in 2025, representing roughly a 9% CAGR. We believe that the relatively moderate growth in both volumes and revenue reflects Ferrari’s long-standing strategy of carefully controlling the supply and distribution of its vehicles, a key element of its business model that will be discussed in greater detail in a later section.

Looking at the trend in average selling prices provides additional perspective. Ferrari does not explicitly provide average selling price of cars sold. If one approximates Ferrari’s average selling price by dividing revenue from car sales by vehicle deliveries, the increase over the period appears relatively modest. From 2014 to 2025, the implied average selling price rose from roughly \$356,000 to just under \$500,000 per vehicle, representing about 3% CAGR. This growth is broadly in line with the cumulative inflation rate in USD over the same period,¹²⁸ suggesting that most of Ferrari’s revenue expansion since the IPO has been driven by higher shipment volumes and product mix, including options, which we will cover in later sections, rather than substantial price increases alone. This dynamic is best illustrated in the pricing of Ferrari’s entry-level models. In 2014, the Ferrari California, the most affordable model in the company’s lineup at the time, had a starting price

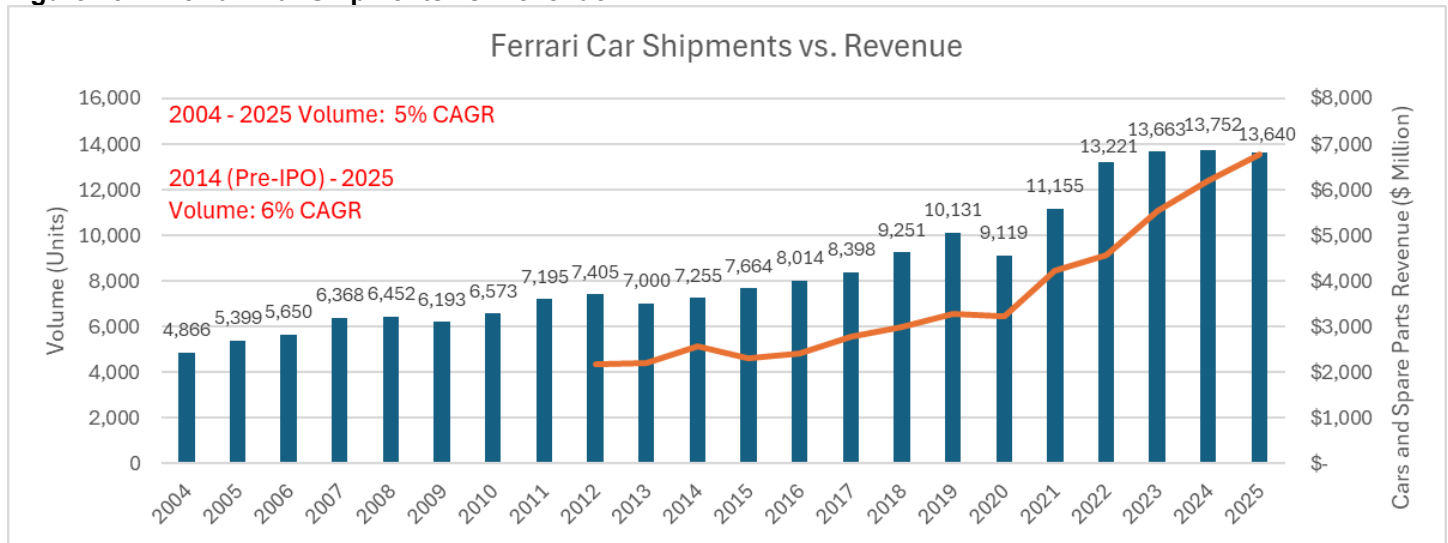
¹²⁷ Ferrari Annual Report 2025.

¹²⁸ \$1 in 2014 would be equivalent to approximately \$1.36 in 2025, implying an annualized inflation rate of about 2.8% over the period. Federal Reserve Bank of Minneapolis. <https://www.minneapolisfed.org/about-us/monetary-policy/inflation-calculator>

of roughly \$200,000.¹²⁹ By 2025, the lowest-priced model in Ferrari's current range, the Ferrari Roma, begins at approximately \$280,000.¹³⁰ This increase likewise represents an annualized price growth rate of roughly 3%, again broadly consistent with inflation over the same period.

However, we do not think benchmarking Ferrari's starting price against inflation meaningfully captures the brand's pricing power. Ferrari's estimated average selling price is heavily influenced by changes in model mix and shipment composition (e.g., cars vs. spare parts revenue, which is reported together by the company), as well as options, which can obscure underlying pricing dynamics. In addition, parts of the company's economics comes from options and personalization, which increase the final transaction price of each vehicle but may not be fully reflected in base model pricing comparisons. **As a result, Ferrari's pricing power is often expressed through richer product mix (i.e., launching different range models), limited-series models, and higher personalization content rather than through large increases in the published starting prices of its core models.**

Figure 15-1: Ferrari Car Shipments vs. Revenue¹³¹



Notes:

1. Fiat, Ferrari's parent company prior to its 2015 IPO spin-off, did not disclose Ferrari's revenue on a segmented basis.
2. The original data reported by the company were denominated in euros. We converted them into USD using the average annual exchange rate for each respective year provided by IMF.¹³²

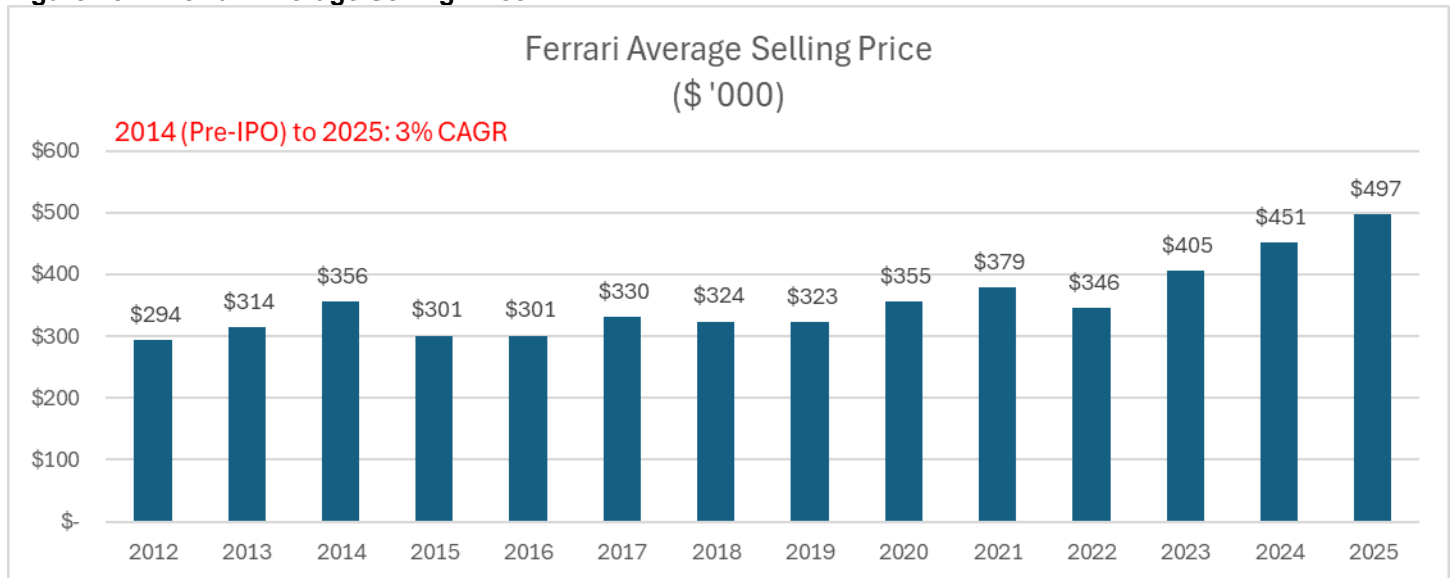
¹²⁹ 2014 Ferrari California Review, Pricing, and Specs. CARFAX. https://www.carfax.com/Research-2014-Ferrari-California_z658#pricing

¹³⁰ 2025 Ferrari Roma Review, Pricing, and Specs. <https://www.caranddriver.com/ferrari/roma-2025>

¹³¹ Fiat Auto Annual Report 2005 – 2014; Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025.

¹³² IMF Data. [https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:ER\(4.0.1\)](https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:ER(4.0.1))

Figure 15-2: Ferrari Average Selling Price

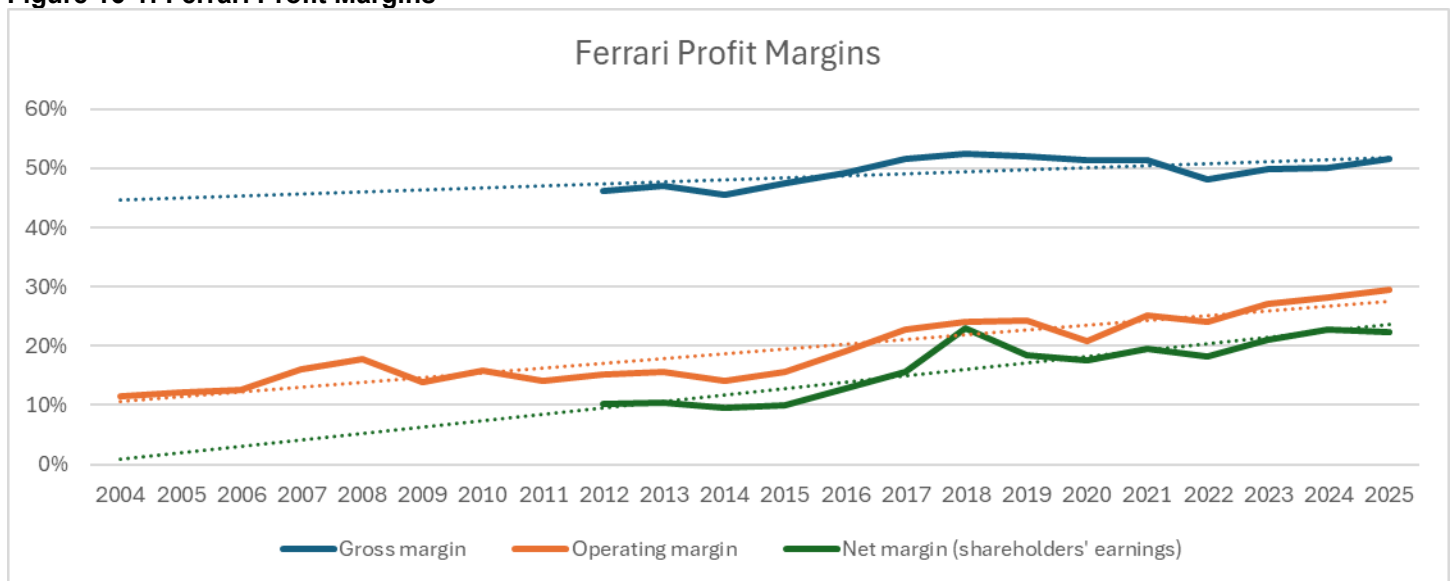


Note:

1. The average selling price is approximated by dividing revenue from cars and spare parts by the total number of vehicles shipped in the respective year.

At the time of its 2015 IPO, Ferrari reported a gross margin of roughly 46% based on the prior three years of historical financials disclosed in its filing, along with an operating margin of around 15%. Over the following decade, the company's gross margin remained relatively stable, gradually increasing from about 46% in 2014 to nearly 52% in 2025. **In contrast, Ferrari's operating margin expanded significantly, rising from approximately 14% to nearly 30% over the same period. This improvement in operating profitability was driven largely by a decline in the ratio of R&D expenses to revenue.** Prior to 2020, Ferrari's R&D spending consistently represented around 19% of revenue. However, the ratio began to decline after 2020, falling to approximately 13% by 2025. We believe the reduction was not primarily the result of declining investment in R&D, but rather a faster pace of revenue growth relative to R&D spending. **Between 2020 and 2025, Ferrari's total revenue grew at roughly 15% CAGR, while R&D expenses increased at only about 5% CAGR, similar to the growth rate observed during the previous five-year period. As a result, R&D as a percentage of revenue declined from around 20% to approximately 13% over the period.**

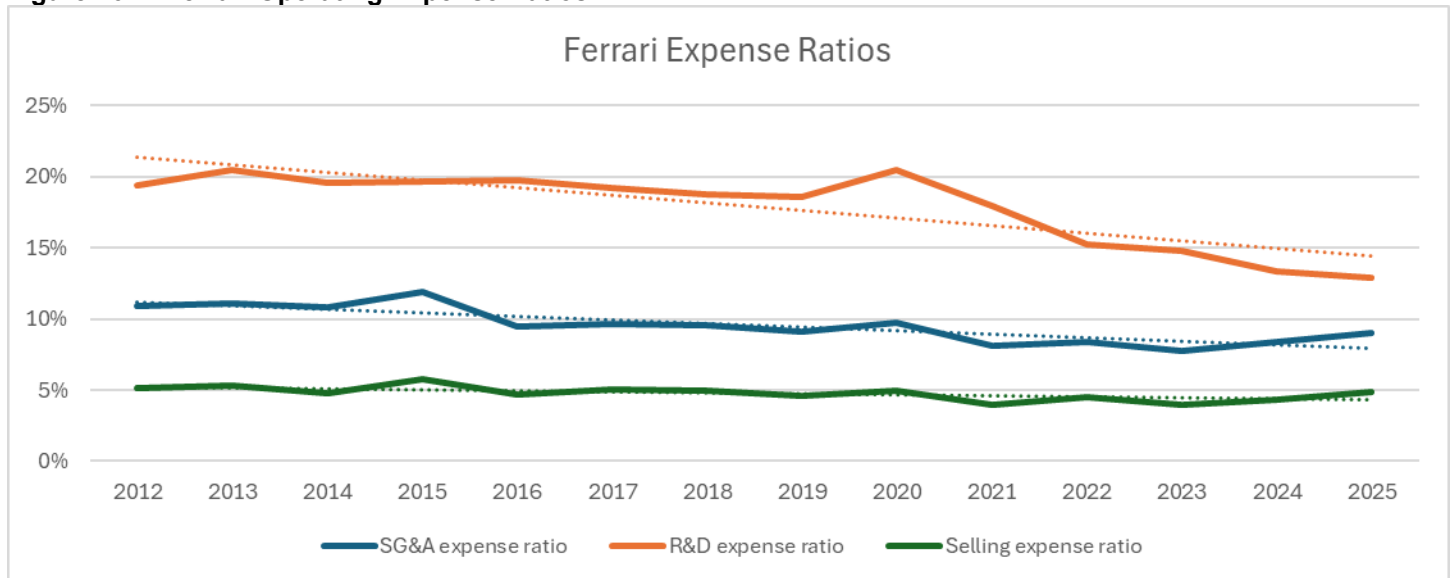
Figure 16-1: Ferrari Profit Margins



Note:

1. Fiat, Ferrari's parent company prior to its 2015 IPO spin-off, did not disclose detailed financial data for Ferrari.

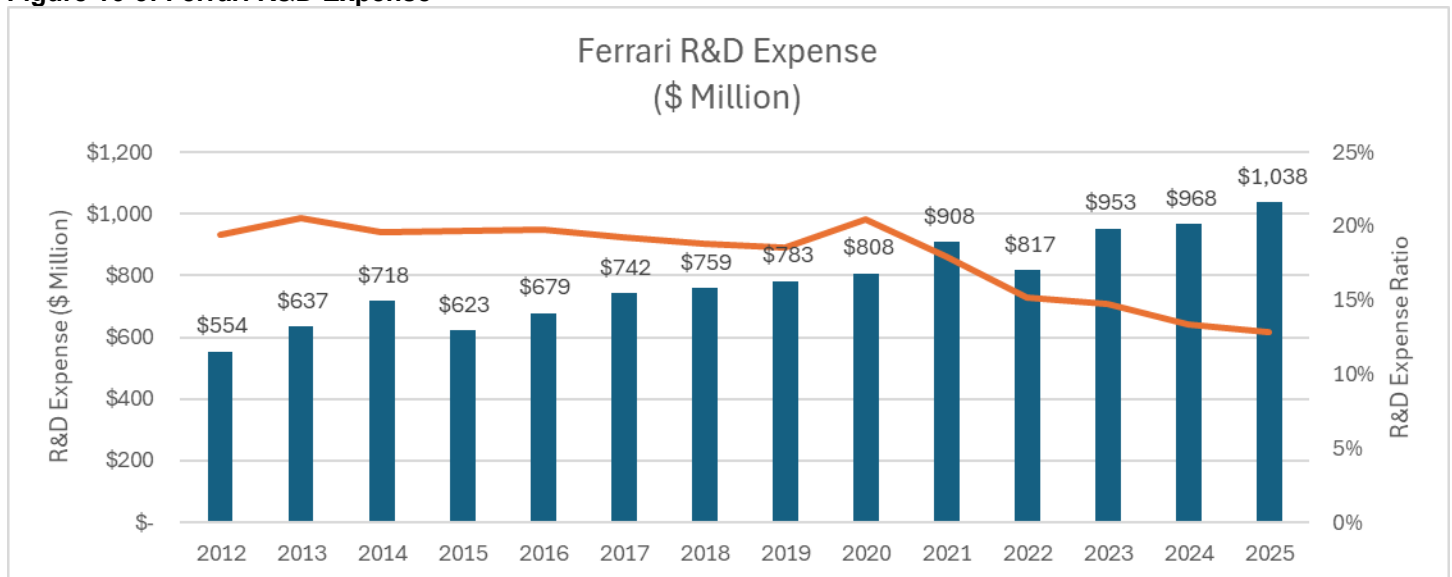
Figure 16-2: Ferrari Operating Expense Ratios



Note:

1. Operating expense ratios are calculated as operating expenses divided by revenue.

Figure 16-3: Ferrari R&D Expense

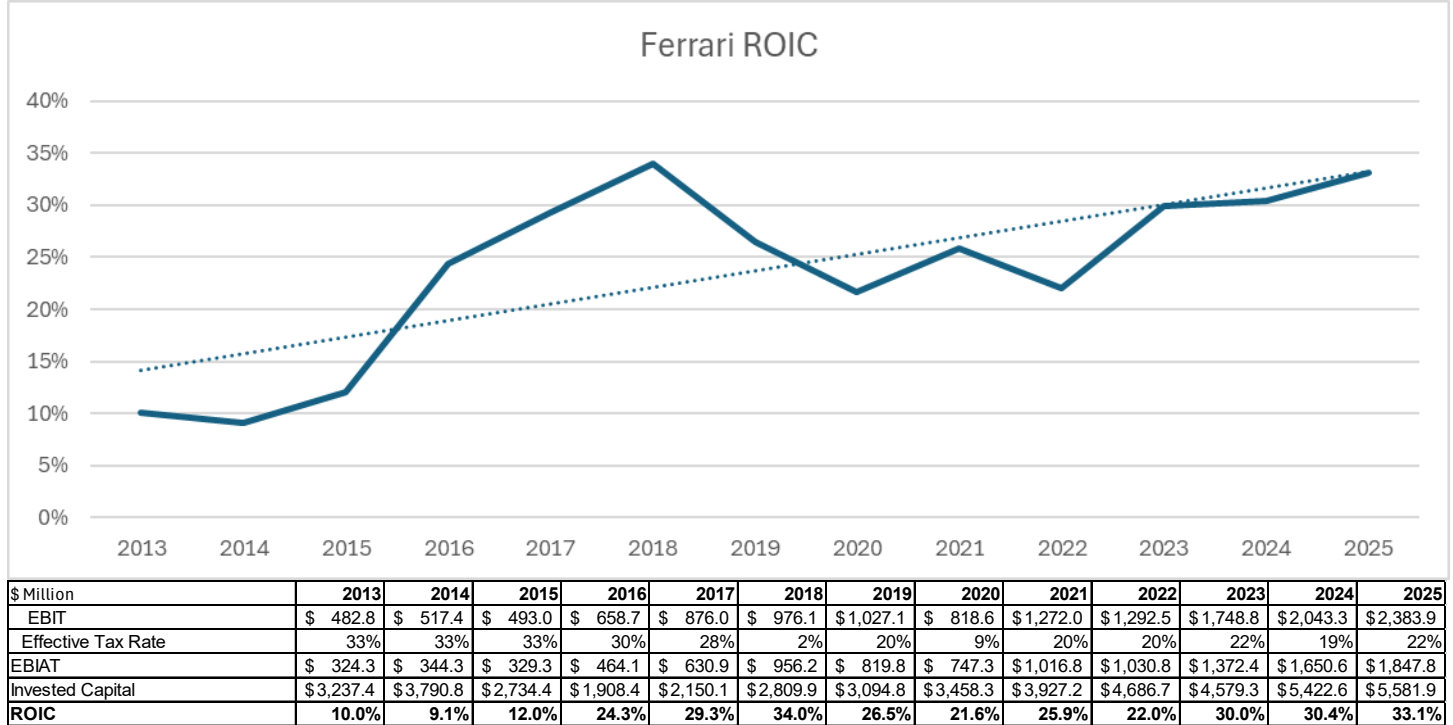


As Ferrari's operating margin has expanded, its ROIC has also increased significantly since the IPO, rising from roughly 10% prior to the listing to more than 30% in 2025, with a median around 26%.

However, calculating ROTCE is not possible because Ferrari does not present its balance sheet with a breakdown between current and non-current liabilities. This reflects the company's consolidated reporting structure, which combines its industrial operations with its financial services activities that provide customer financing. In this context, separating financial liabilities into current and non-current categories would not necessarily allow for a meaningful comparison with the corresponding financial assets.¹³³

¹³³ Ferrari IPO Prospectus 2015.

Figure 17: Ferrari ROIC



Note:

1. The original data reported by the company were denominated in euros. We converted them into USD using the average annual exchange rate for each respective year provided by IMF.¹³⁴
2. Invested capital is calculated as total equity plus total debt, less cash and cash equivalents.

Figure 18-1: Ferrari Income Statement

| \$ Million | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Cars and spare parts | \$ 2,178 | \$ 2,198 | \$ 2,582 | \$ 2,308 | \$ 2,413 | \$ 2,774 | \$ 2,994 | \$ 3,275 | \$ 3,239 | \$ 4,226 | \$ 4,572 | \$ 5,535 | \$ 6,200 | \$ 6,786 |
| Engines | \$ 98 | \$ 250 | \$ 413 | \$ 243 | \$ 374 | \$ 422 | \$ 336 | \$ 222 | \$ 172 | \$ 224 | \$ 164 | \$ 137 | \$ - | \$ - |
| Sponsorship, commercial and brand | \$ 494 | \$ 547 | \$ 554 | \$ 489 | \$ 541 | \$ 558 | \$ 597 | \$ 603 | \$ 445 | \$ 509 | \$ 504 | \$ 618 | \$ 725 | \$ 926 |
| Other | \$ 88 | \$ 106 | \$ 121 | \$ 127 | \$ 109 | \$ 106 | \$ 112 | \$ 117 | \$ 96 | \$ 92 | \$ 126 | \$ 165 | \$ 302 | \$ 363 |
| Net revenue | \$ 2,859 | \$ 3,102 | \$ 3,670 | \$ 3,167 | \$ 3,437 | \$ 3,860 | \$ 4,039 | \$ 4,217 | \$ 3,952 | \$ 5,051 | \$ 5,366 | \$ 6,455 | \$ 7,227 | \$ 8,075 |
| Cost of sales | \$ 1,540 | \$ 1,640 | \$ 2,001 | \$ 1,663 | \$ 1,749 | \$ 1,865 | \$ 1,917 | \$ 2,021 | \$ 1,926 | \$ 2,461 | \$ 2,789 | \$ 3,239 | \$ 3,604 | \$ 3,902 |
| Gross income | \$ 1,319 | \$ 1,462 | \$ 1,669 | \$ 1,504 | \$ 1,688 | \$ 1,995 | \$ 2,123 | \$ 2,196 | \$ 2,026 | \$ 2,591 | \$ 2,576 | \$ 3,216 | \$ 3,623 | \$ 4,173 |
| Selling, general and administrative costs | \$ 312 | \$ 345 | \$ 399 | \$ 376 | \$ 327 | \$ 372 | \$ 387 | \$ 384 | \$ 384 | \$ 412 | \$ 451 | \$ 500 | \$ 607 | \$ 726 |
| Research and development costs | \$ 554 | \$ 637 | \$ 718 | \$ 623 | \$ 679 | \$ 742 | \$ 759 | \$ 783 | \$ 808 | \$ 908 | \$ 817 | \$ 953 | \$ 968 | \$ 1,038 |
| Other expenses (income), net | \$ 21 | \$ (3) | \$ 35 | \$ 12 | \$ 27 | \$ 8 | \$ 4 | \$ 6 | \$ 21 | \$ 7 | \$ 23 | \$ 20 | \$ 13 | \$ 39 |
| Result from investments | \$ - | \$ - | \$ - | \$ - | \$ 3 | \$ 3 | \$ 3 | \$ 4 | \$ 5 | \$ 8 | \$ 7 | \$ 7 | \$ 9 | \$ 14 |
| EBIT | \$ 431 | \$ 483 | \$ 517 | \$ 493 | \$ 659 | \$ 876 | \$ 976 | \$ 1,027 | \$ 819 | \$ 1,272 | \$ 1,292 | \$ 1,749 | \$ 2,043 | \$ 2,384 |
| Net financial income (expenses) | \$ (1) | \$ 4 | \$ 12 | \$ (11) | \$ (31) | \$ (33) | \$ (28) | \$ (47) | \$ (56) | \$ (39) | \$ (52) | \$ (16) | \$ 1 | \$ (52) |
| Profit before tax | \$ 430 | \$ 487 | \$ 529 | \$ 482 | \$ 628 | \$ 843 | \$ 948 | \$ 980 | \$ 763 | \$ 1,233 | \$ 1,240 | \$ 1,733 | \$ 2,045 | \$ 2,332 |
| Tax | \$ 130 | \$ 160 | \$ 177 | \$ 160 | \$ 186 | \$ 236 | \$ 19 | \$ 198 | \$ 66 | \$ 247 | \$ 251 | \$ 373 | \$ 393 | \$ 524 |
| Net profit | \$ 300 | \$ 327 | \$ 352 | \$ 322 | \$ 442 | \$ 607 | \$ 929 | \$ 782 | \$ 696 | \$ 985 | \$ 989 | \$ 1,360 | \$ 1,652 | \$ 1,807 |
| Non-controlling Interest | \$ 10 | \$ 7 | \$ 5 | \$ 2 | \$ 1 | \$ 2 | \$ 2 | \$ 3 | \$ 1 | \$ 3 | \$ 7 | \$ 6 | \$ 4 | \$ 3 |
| Net profit to shareholders | \$ 290 | \$ 320 | \$ 347 | \$ 319 | \$ 441 | \$ 605 | \$ 927 | \$ 779 | \$ 695 | \$ 983 | \$ 982 | \$ 1,354 | \$ 1,647 | \$ 1,804 |
| Basic EPS | \$ 1.53 | \$ 1.69 | \$ 1.83 | \$ 1.69 | \$ 2.34 | \$ 3.20 | \$ 4.91 | \$ 4.18 | \$ 3.76 | \$ 5.32 | \$ 5.38 | \$ 7.47 | \$ 9.17 | \$ 10.14 |
| Diluted EPS | \$ 1.53 | \$ 1.69 | \$ 1.83 | \$ 1.69 | \$ 2.34 | \$ 3.19 | \$ 4.89 | \$ 4.15 | \$ 3.75 | \$ 5.32 | \$ 5.36 | \$ 7.46 | \$ 9.16 | \$ 10.12 |

Notes:

1. The above data is derived from the company's IPO prospectus in 2015 and its annual reports from 2015 to 2025.
2. The original data reported by the company were denominated in euros. We converted them into USD using the average annual exchange rate for each respective year provided by IMF.¹³⁵ For financial statements presented in the original currency, please refer to the Appendix at the end of this document.

¹³⁴ IMF Data. [https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:ER\(4.0.1\)](https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:ER(4.0.1))

¹³⁵ IMF Data. [https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:ER\(4.0.1\)](https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:ER(4.0.1))

Figure 18-2: Ferrari Balance Sheet

| \$ Million | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
| Cash and cash equivalents | \$ 146 | \$ 178 | \$ 243 | \$ 508 | \$ 717 | \$ 897 | \$ 1,060 | \$ 1,525 | \$ 1,535 | \$ 1,643 | \$ 1,182 | \$ 1,884 | \$ 1,589 |
| Deposits in FCA Group cash management pools | \$ 878 | \$ 1,252 | \$ 185 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Inventories | \$ 305 | \$ 393 | \$ 392 | \$ 359 | \$ 436 | \$ 442 | \$ 496 | \$ 516 | \$ 617 | \$ 798 | \$ 999 | \$ 1,177 | \$ 1,206 |
| Trade receivables | \$ 265 | \$ 244 | \$ 210 | \$ 271 | \$ 265 | \$ 239 | \$ 273 | \$ 206 | \$ 211 | \$ 275 | \$ 275 | \$ 378 | \$ 390 |
| Receivables from financing activities | \$ 1,108 | \$ 1,626 | \$ 1,559 | \$ 877 | \$ 811 | \$ 992 | \$ 1,141 | \$ 1,052 | \$ 1,307 | \$ 1,656 | \$ 1,528 | \$ 1,797 | \$ 1,746 |
| Current tax receivables | \$ 2 | \$ 4 | \$ 20 | \$ 1 | \$ 7 | \$ 145 | \$ 25 | \$ 14 | \$ 16 | \$ 19 | \$ 12 | \$ 17 | \$ 34 |
| Other current assets | \$ 50 | \$ 69 | \$ 62 | \$ 60 | \$ 50 | \$ 73 | \$ 110 | \$ 86 | \$ 140 | \$ 181 | \$ 137 | \$ 149 | \$ 172 |
| Current financial assets | \$ 96 | \$ 12 | \$ 11 | \$ 18 | \$ 17 | \$ 11 | \$ 13 | \$ 45 | \$ 15 | \$ 103 | \$ 64 | \$ 27 | \$ 85 |
| Total current assets | \$ 2,851 | \$ 3,778 | \$ 2,683 | \$ 2,094 | \$ 2,304 | \$ 2,799 | \$ 3,119 | \$ 3,443 | \$ 3,842 | \$ 4,675 | \$ 4,197 | \$ 5,428 | \$ 5,222 |
| Goodwill | \$ 1,011 | \$ 1,045 | \$ 1,046 | \$ 871 | \$ 869 | \$ 887 | \$ 927 | \$ 879 | \$ 897 | \$ 929 | \$ 827 | \$ 849 | \$ 850 |
| Intangible assets | \$ 311 | \$ 352 | \$ 409 | \$ 393 | \$ 488 | \$ 730 | \$ 990 | \$ 1,096 | \$ 1,300 | \$ 1,546 | \$ 1,495 | \$ 1,671 | \$ 1,773 |
| Property, plant and equipment | \$ 730 | \$ 777 | \$ 832 | \$ 743 | \$ 786 | \$ 961 | \$ 1,263 | \$ 1,373 | \$ 1,546 | \$ 1,724 | \$ 1,659 | \$ 1,977 | \$ 2,227 |
| Investment and other financial assets | \$ 49 | \$ 63 | \$ 16 | \$ 38 | \$ 33 | \$ 36 | \$ 46 | \$ 48 | \$ 62 | \$ 70 | \$ 71 | \$ 87 | \$ 104 |
| Deferred tax assets | \$ 53 | \$ 148 | \$ 163 | \$ 132 | \$ 104 | \$ 69 | \$ 87 | \$ 170 | \$ 193 | \$ 241 | \$ 229 | \$ 256 | \$ 245 |
| Total non-current assets | \$ 2,154 | \$ 2,386 | \$ 2,465 | \$ 2,177 | \$ 2,280 | \$ 2,682 | \$ 3,313 | \$ 3,567 | \$ 3,997 | \$ 4,510 | \$ 4,281 | \$ 4,841 | \$ 5,200 |
| Total assets | \$ 5,005 | \$ 6,164 | \$ 5,148 | \$ 4,271 | \$ 4,584 | \$ 5,481 | \$ 6,432 | \$ 7,010 | \$ 7,839 | \$ 9,185 | \$ 8,478 | \$ 10,269 | \$ 10,422 |
| Employee benefits | \$ 84 | \$ 102 | \$ 104 | \$ 101 | \$ 93 | \$ 98 | \$ 104 | \$ 67 | \$ 116 | \$ 131 | \$ 130 | \$ 145 | \$ 157 |
| Provisions | \$ 133 | \$ 179 | \$ 188 | \$ 239 | \$ 218 | \$ 206 | \$ 196 | \$ 174 | \$ 172 | \$ 214 | \$ 197 | \$ 223 | \$ 200 |
| Deferred tax liabilities | \$ 36 | \$ 29 | \$ 31 | \$ 15 | \$ 12 | \$ 44 | \$ 97 | \$ 127 | \$ 110 | \$ 150 | \$ 144 | \$ 119 | \$ 275 |
| Debt | \$ 408 | \$ 678 | \$ 3,003 | \$ 2,050 | \$ 1,999 | \$ 2,177 | \$ 2,468 | \$ 3,050 | \$ 3,004 | \$ 3,326 | \$ 2,609 | \$ 3,624 | \$ 3,122 |
| Short-term debt | \$ 381 | \$ 653 | \$ 1,221 | \$ 444 | \$ 339 | \$ 398 | \$ 476 | \$ 977 | \$ 212 | \$ 190 | \$ 140 | \$ 134 | \$ 110 |
| Long-term debt | \$ 26 | \$ 25 | \$ 1,781 | \$ 1,607 | \$ 1,661 | \$ 1,779 | \$ 1,923 | \$ 2,003 | \$ 2,724 | \$ 3,061 | \$ 2,387 | \$ 3,341 | \$ 2,823 |
| Other liabilities | \$ 604 | \$ 890 | \$ 870 | \$ 728 | \$ 687 | \$ 666 | \$ 945 | \$ 770 | \$ 830 | \$ 1,126 | \$ 1,077 | \$ 1,196 | \$ 1,506 |
| Other financial liabilities | \$ 6 | \$ 138 | \$ 137 | \$ 44 | \$ 2 | \$ 13 | \$ 17 | \$ 2 | \$ 42 | \$ 24 | \$ 14 | \$ 67 | \$ 8 |
| Trade payables | \$ 624 | \$ 711 | \$ 674 | \$ 682 | \$ 672 | \$ 739 | \$ 840 | \$ 799 | \$ 911 | \$ 1,068 | \$ 980 | \$ 1,023 | \$ 911 |
| Current tax payables | \$ 134 | \$ 145 | \$ 166 | \$ 46 | \$ 32 | \$ 9 | \$ 8 | \$ 18 | \$ 129 | \$ 69 | \$ 94 | \$ 41 | \$ 5 |
| Total liabilities | \$ 2,029 | \$ 2,873 | \$ 5,174 | \$ 3,905 | \$ 3,716 | \$ 3,952 | \$ 4,675 | \$ 5,007 | \$ 5,314 | \$ 6,107 | \$ 5,245 | \$ 6,438 | \$ 6,184 |
| Shareholders' equity | \$ 2,942 | \$ 3,280 | \$ (33) | \$ 361 | \$ 862 | \$ 1,524 | \$ 1,749 | \$ 1,998 | \$ 2,520 | \$ 3,067 | \$ 3,223 | \$ 3,821 | \$ 4,229 |
| Minority interest | \$ 34 | \$ 12 | \$ 8 | \$ 5 | \$ 6 | \$ 6 | \$ 7 | \$ 4 | \$ 6 | \$ 11 | \$ 10 | \$ 10 | \$ 8 |
| Total equity | \$ 2,976 | \$ 3,291 | \$ (26) | \$ 366 | \$ 868 | \$ 1,529 | \$ 1,756 | \$ 2,003 | \$ 2,526 | \$ 3,078 | \$ 3,234 | \$ 3,831 | \$ 4,237 |
| Total liabilities and equity | \$ 5,005 | \$ 6,164 | \$ 5,148 | \$ 4,271 | \$ 4,584 | \$ 5,481 | \$ 6,432 | \$ 7,010 | \$ 7,839 | \$ 9,185 | \$ 8,478 | \$ 10,269 | \$ 10,422 |

Notes:

1. The above data is derived from the company's IPO prospectus in 2015 and its annual reports from 2015 to 2025.
2. The original data reported by the company were denominated in euros. We converted them into USD using the average annual exchange rate for each respective year provided by IMF.¹³⁶ For financial statements presented in the original currency, please refer to the Appendix at the end of this document.

¹³⁶ IMF Data. [https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:ER\(4.0.1\)](https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:ER(4.0.1))

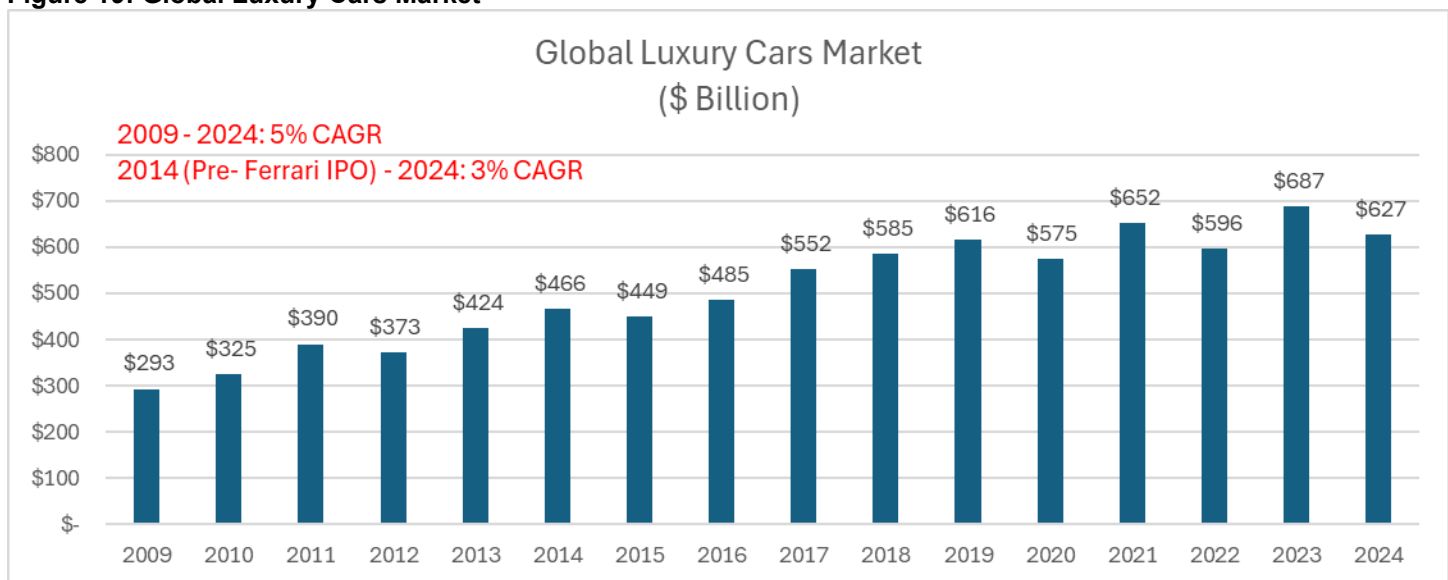
Industry Overview

According to data tracked by Bain & Company, the global luxury car market has expanded steadily over the long term, though growth has varied across periods.¹³⁷ In the years preceding Ferrari's IPO, the market experienced particularly strong expansion. From 2009 to 2014, global luxury car sales were estimated to increase from €210 billion (approximately \$290 billion) to €351 billion (approximately \$466 billion), representing a CAGR of nearly 11% (or roughly 10% in USD).¹³⁸ However, it is worth noting that 2009 could be a low point due to the Great Financial Crisis. Although we could not locate the same sets of data from Bain & Company, data from other sources suggested that might be the case. A 2009 Bloomberg report indicates that the sales of luxury automobile was around 1.19 million units in 2008, down 21% from 1.41 million in 2007, and expected to further down below 1 million units in 2009, the first time below 1 million units since 1996.¹³⁹

By comparison, Ferrari remained a very small participant in this broader market. In 2014, the fiscal year prior to its IPO, the company generated €2.8 billion in revenue (approximately \$3.8 billion). Approximately 70% of this revenue came from the sale of cars and spare parts, while the remainder was derived from other activities such as engine supply and sponsorship agreements.¹⁴⁰ **Based on its core revenue, Ferrari's share of the global luxury car market at the time was estimated to be around 0.6%.**

Following Ferrari's IPO in 2015, the luxury car market continued to expand, though at a slower pace compared to post-Great Financial Crisis. By 2024, the global market had grown to approximately €579 billion (around \$627 billion), representing a CAGR of roughly 5% since 2014 (or about 3% in USD).¹⁴¹ At the time of writing, we did not locate 2025 market data, if existed, from credible sources. Using Ferrari's 2025 revenue of approximately €6 billion (about \$6.8 billion) from cars and spare parts as a reference against the 2024 global luxury car market, the company's market share is estimated to have increased to roughly 1%.

Figure 19: Global Luxury Cars Market¹⁴²



¹³⁷ Bain & Company does not explicitly provide definition of “luxury car”. We interpret the category broadly that includes both the “accessible segments” and “more absolute expressions of luxury” (top-tiered luxury) among the “high-net-worth individuals.” Luxury Report 2024: Rebuilding the Foundations of Luxury. <https://www.bain.com/insights/luxury-in-transition-securing-future-growth/>

¹³⁸ Global luxury cars market data are from Bain & Company reports. 2009-2011: 2012 Luxury Goods Worldwide Market Study; Luxury Goods Worldwide Market Fall-Winter 2014.

¹³⁹ Luxury Car Sales Keep Skidding. Bloomberg. <https://www.bloomberg.com/news/articles/2009-01-13/luxury-car-sales-keep-skidding>

¹⁴⁰ Ferrari IPO Prospectus 2015.

¹⁴¹ Luxury Report 2024: Rebuilding the Foundations of Luxury. <https://www.bain.com/insights/luxury-in-transition-securing-future-growth/>

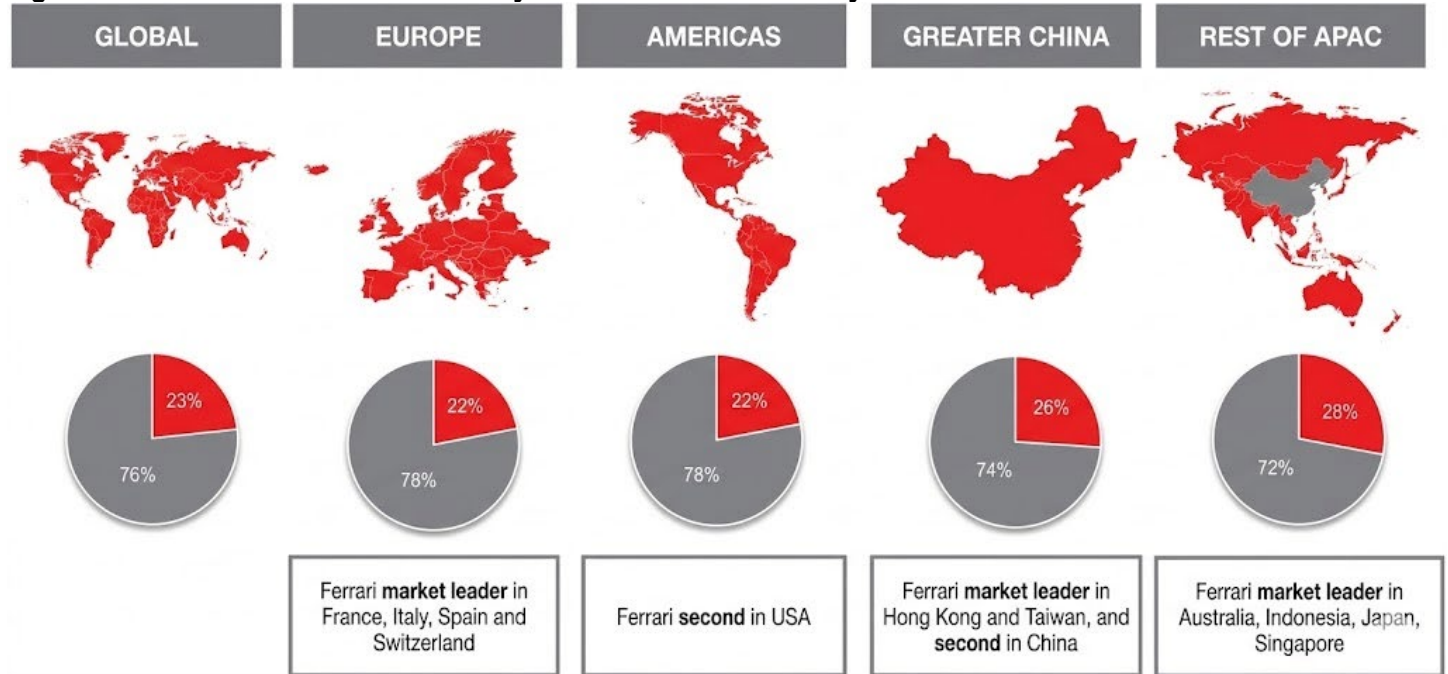
¹⁴² Global luxury cars market data are from Bain & Company reports. 2009-2011: 2012 Luxury Goods Worldwide Market Study; 2012 Luxury Market Study. <https://www.bain.com/migration/press-releases/2012/2012-dec-luxury-market-study-release-bain-middle-east/>; Luxury Goods Study 2013 Fall Update. <https://www.bain.com/migration/press-releases/2013/luxury-goods-study-fall-2013-italy/>; Luxury Goods Worldwide Market Fall-Winter 2014; Luxury Goods Worldwide Market Study Fall-Winter 2015; Luxury Goods

Note:

1. The original data reported by Bain & Company were denominated in euros. We converted them into USD using the average annual exchange rate for each respective year by IMF.¹⁴³

At the time of its 2015 IPO, Ferrari stated that, based on the company’s internal analysis, its market position was best evaluated within a narrower segment of the luxury performance car industry. This category included two-door GT and sports cars producing more than 500 horsepower and priced above €150,000 (including VAT at the time, later increased to €200,000 in the coming years). The segment comprised models sold by manufacturers – Aston Martin, Audi, Bentley, Ferrari, Lamborghini, McLaren, Mercedes-Benz, Porsche, and Rolls-Royce – across selected markets.¹⁴⁴ **Within this defined segment, Ferrari estimated that its market share, measured by vehicle registrations, was approximately 23%. The company indicated that it held a leading position in several markets, including certain countries in Europe and the Asia-Pacific region, while ranking second in the United States. However, Ferrari did not disclose whether it held the leading position globally under this methodology.**

Figure 20: Ferrari Market Share in Luxury Performance Car Industry 2014¹⁴⁵



Note:

1. Data for the Luxury Performance Car Industry include all two door GT and sports cars with power above 500hp, and retail price above €150,000 (including VAT) sold by Aston Martin, Audi, Bentley, Ferrari, Lamborghini, McLaren, Mercedes Benz, Porsche and Rolls-Royce.¹⁴⁶ Data is based on Ferrari’s 22 top markets, excluding Middle East countries.

Worldwide Market Fall-Winter 2016; Luxury Goods Worldwide Market Study, Fall–Winter 2017.

<https://www.bain.com/insights/luxury-goods-worldwide-market-study-fall-winter-2017/>; The Future of Luxury - A Look into Tomorrow to Understand Today. <https://www.bain.com/insights/luxury-goods-worldwide-market-study-fall-winter-2018/>; Eight Themes That Are Rewriting the Future of Luxury Goods. <https://www.bain.com/insights/eight-themes-that-are-rewriting-the-future-of-luxury-goods/>; The Future of Luxury: Bouncing Back from Covid-19. <https://www.bain.com/insights/the-future-of-luxury-bouncing-back-from-covid-19/>; Luxury Report 2021 – From Surging Recovery to Elegant Advance: the Evolving Future of Luxury. <https://www.bain.com/insights/from-surging-recovery-to-elegant-advance-the-evolving-future-of-luxury/>; Luxury Report 2022 – Renaissance in Uncertainty. <https://www.bain.com/insights/renaissance-in-uncertainty-luxury-builds-on-its-rebound/>; Luxury Report 2023: Converge to Expand Through Turbulence. <https://www.bain.com/insights/long-live-luxury-converge-to-expand-through-turbulence/>; Luxury Report 2024: Rebuilding the Foundations of Luxury. <https://www.bain.com/insights/luxury-in-transition-securing-future-growth/>

¹⁴³ IMF Data. [https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:ER\(4.0.1\)](https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:ER(4.0.1))

¹⁴⁴ Ferrari IPO Prospectus 2015.

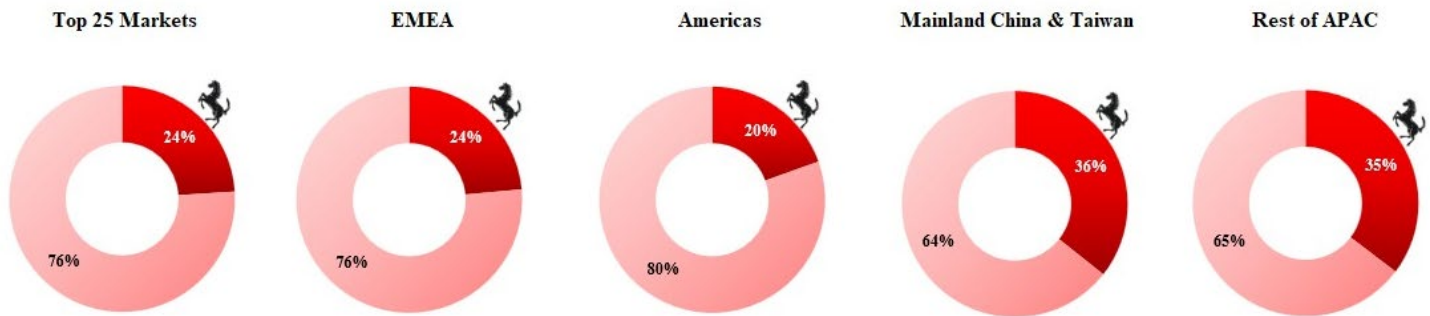
¹⁴⁵ Ferrari IPO Prospectus 2015.

¹⁴⁶ Ferrari IPO Prospectus 2015.

By 2025, Ferrari's market share under a broadly similar definition of the luxury performance car segment was approximately 24%.¹⁴⁷ In addition, the company estimated an 18% share within an expanded definition of the market following the introduction of the Ferrari Purosangue in 2023, Ferrari's first four-door crossover SUV. This broader category includes high-riding, four-door luxury performance vehicles producing more than 500 horsepower and priced above €200,000, offered by a range of premium automakers across selected markets.

Nevertheless, market share is not necessarily the best metric for evaluating Ferrari's competitive position. The company's core business model is built around deliberately controlled supply and distribution in order to maintain exclusivity, perceived scarcity, and premium pricing. Ferrari has explicitly stated in its filings that it does not regard market share as a key performance indicator, as the company intentionally manages production levels relative to demand rather than seeking to maximize unit volumes.¹⁴⁸

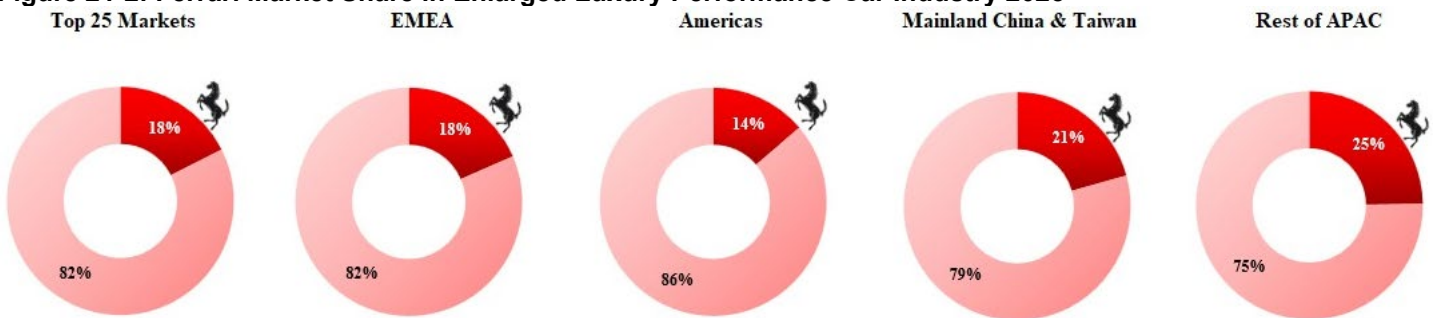
Figure 21-1: Ferrari Market Share in Luxury Performance Car Industry 2025¹⁴⁹



Note:

1. Data for the Luxury Performance Car Industry include all two-door luxury sports cars with power above 500 hp, and retail price above €200,000 (Italian market price including VAT as reference) sold by Aston Martin, Audi, Bentley, Ferrari, Lamborghini, Maserati, McLaren, Mercedes Benz, Porsche and Rolls-Royce. Data is based on Ferrari's top 25 markets, excluding Middle East countries.

Figure 21-2: Ferrari Market Share in Enlarged Luxury Performance Car Industry 2025



Note:

1. In addition to Luxury Performance Car Industry, the Enlarged Luxury Performance Car Industry includes high-riding four-door luxury performance cars offering more than 500 hp and priced in excess of €200,000 (Italian market price including VAT as reference), mostly sold by the same aforementioned competitors with the addition of Land Rover. Data is based on Ferrari's top 25 markets, excluding Middle East countries.

¹⁴⁷ Ferrari Annual Report 2025.

¹⁴⁸ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2025

¹⁴⁹ Ferrari IPO Prospectus 2015.

Figure 22: Ferrari Purosangue¹⁵⁰



While we know Ferrari deliberately positions its products at the very top of the luxury performance car segment, targeting buyers among the wealthiest consumers globally,¹⁵¹ a more specific customer profile such as the income or wealth range is lacking. Nevertheless, it is reasonable to assume that Ferrari's primary buyers, like those of most ultra-luxury automobiles, fall largely within the high-net-worth and ultra-high-net-worth population. According to a 2014 report by Credit Suisse, there were approximately 35 million high-net-worth adults worldwide in 2014 with wealth exceeding \$1 million, along with about 128,200 ultra-high-net-worth individuals possessing net assets above \$50 million.¹⁵²

By 2025, the scale of the global wealth pool has also expanded dramatically over the decades. A UBS report estimates nearly 60 million millionaires worldwide, including roughly 24 million in the United States, which has been the key market to Ferrari, collectively holding more than \$226 trillion in assets,¹⁵³ underscoring the vast and growing customer base that Ferrari and other luxury automakers can draw from. **At the very top of the wealth pyramid, the ultra-high-net-worth population, individuals with more than \$30 million in net worth defined in this case, numbers roughly 510,810 in 2025, controlling \$59.8 trillion in total assets. This group alone spends an estimated \$290 billion annually on luxury goods, accounting for 21% of all individual luxury spending.¹⁵⁴ Among the roughly \$290 billion in annual luxury spending by ultra-high-net-worth individuals, according to Altrata, a New York-based company offering intelligence on the wealthy, more than \$100 billion is allocated to luxury cars, representing nearly 35% of their total luxury expenditures. This makes luxury cars the second-largest spending category, slightly below the roughly \$115 billion spent on personal luxury goods but far exceeding the approximately \$29 billion spent on private jets and yachts combined.**

Despite the large and expanding global wealth base, Ferrari itself noted in 2022 that it has only reached a very small portion of high-net-worth individuals, around 0.3% of the pool.¹⁵⁵

¹⁵⁰ Ferrari Purosangue. <https://www.ferrari.com/en-EN/auto/ferrari-purosangue>

¹⁵¹ Ferrari IPO Prospectus 2015.

¹⁵² Global Wealth Databook 2014. October 2014. Credit Suisse.

¹⁵³ Global Wealth Report UBS 2025.

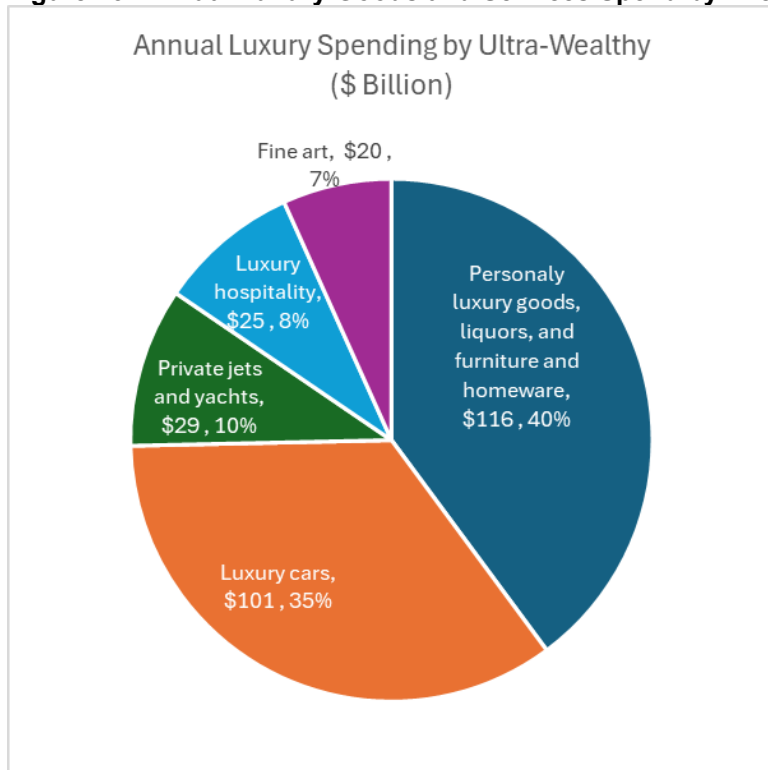
¹⁵⁴ This metric reflects a broader definition of luxury spending, including categories such as private jets and yachts, rather than being limited to personal luxury goods alone. Ultra Wealthy Net Worth is Twice the Size of US Economy. NonProfit PRO.

<https://www.nonprofitpro.com/article/report-ultra-wealthy-population-accounts-for-combined-net-worth-twice-the-size-of-the-us-economy/>; World Ultra Wealth Report 2025. Altrata.

¹⁵⁵ Ferrari Capital Markets Day. 6/16/2022.

In addition, given the level of wealth among many luxury car buyers, we believe ownership across competing brands is not necessarily mutually exclusive. Unlike ordinary consumers, who typically purchase a single vehicle for everyday use, ultra-wealthy buyers often maintain collections of multiple high-performance cars. **According to Lamborghini’s Head of After-Sales in India, roughly 60% to 70% of Lamborghini owners also own a Ferrari.**¹⁵⁶

Figure 23: Annual Luxury Goods and Services Spend by The Ultra Wealthy 2024¹⁵⁷



Note:
 1. The above data are estimates compiled by a third-party surveyor using 2024 data from multiple sources and may differ from the reality.

As of 2025, Ferrari has approximately 90,000 active clients, defined as individuals who have purchased a Ferrari within the past five years. Among them, 32,300 customers are new to the brand since 2022. It is worth noting that customers need to earn the right to buy a brand new Ferrari – first-time buyers are often encouraged to purchase a pre-owned Ferrari before gaining access to new orders,¹⁵⁸ effectively creating an ecosystem that rewards long-term client relationships. The average Ferrari owner is around 52 years old,¹⁵⁹ although the company notes that the average age has been gradually declining as younger buyers enter the brand.¹⁶⁰ Ferrari’s ownership base also remains primarily male, with over 90% of customers being men.¹⁶¹

Interestingly, while both Ferrari and Lamborghini largely target high-net-worth (or ultra-high-net-worth) customer pool, their customer demographics appear to differ. Although comprehensive data is limited, anecdotal evidence suggests that Lamborghini buyers tend to be younger, often around 40 years old or younger. **While the underlying reason remains unclear, a former Lamborghini employee noted that Ferrari is often perceived as a symbol of achievement, elegance, and established success, while Lamborghini carries a reputation more closely associated with new**

¹⁵⁶ Interview with Head Aftersales Agm at Automobili Lamborghini S.p.A. Tegus. 12/22/2025.

¹⁵⁷ World Ultra Wealth Report 2025. Altrata.

¹⁵⁸ How to Slow Down a Ferrari: Buy It. The Wall Street Journal. <https://www.wsj.com/articles/SB117858807994195295>

¹⁵⁹ Ferrari Capital Markets Day Slides. 10/9/2025.

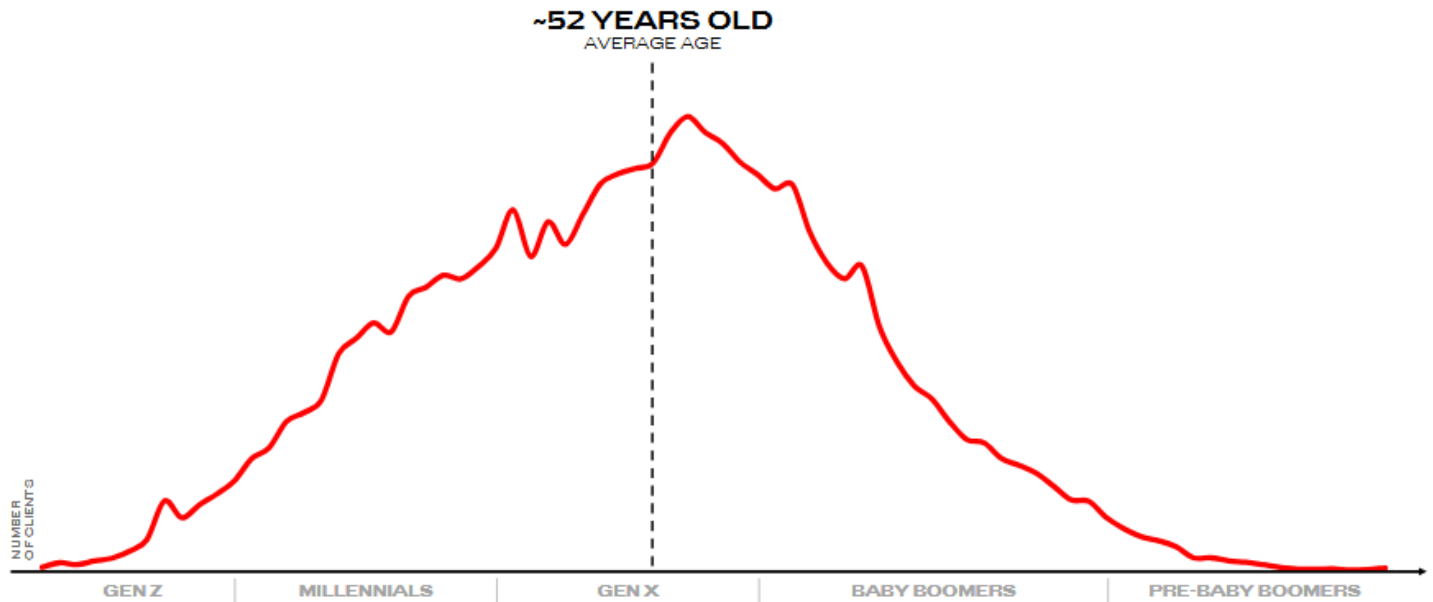
¹⁶⁰ Ferrari Capital Markets Day Slides. 6/16/2022.

¹⁶¹ Interview with Former Head of Business Development - Brand at Ferrari N.V. Tegus. 4/3/2025.

money and younger entrepreneurs. Porsche, by comparison, tends to attract an even older demographic, with buyers often averaging around 60 years old.¹⁶²

Figure 24: Ferrari Customer Age Distribution¹⁶³

UNIQUE CLIENTS: FERRARISTI ACROSS GENERATIONS
AVERAGE AGE STABLE OVER TIME



The Psychology of Luxury Consumption

The consumption of luxury goods has long been a defining element of human behavior, socially, economically, and psychologically. As early as 1899, sociologist and economist Thorstein Veblen articulated this dynamic in *The Theory of the Leisure Class*, where he introduced the concept of “conspicuous consumption.” **Veblen used the term to describe the enduring human tendency to buy and display goods that exceed practical need in quality, price, or quantity. His central argument is that the appeal of luxury goods is driven less by comfort and more by status competition.** As he writes, “the motive that lies at the root of ownership is emulation,” and “the possession of wealth confers honor; it is an invidious distinction.”¹⁶⁴ In other words, people desire expensive goods because displaying them functions as a way to assert social rank and personal worth relative to others.

From this perspective, luxury consumption becomes a socially expressive performance. Veblen argues that the “conspicuous consumption of valuable goods is a means of reputability,” whereas failing to consume at the “proper” level becomes a visible marker of social inferiority.¹⁶⁵ These signals carry even greater weight in modern societies, where social ties are fluid and judgments often occur among strangers. In such environments, what can be readily seen, “the display of goods,”¹⁶⁶ serves as crucial evidence of one’s position. **This helps explain why luxury categories so often emphasize obvious costliness, visible branding, and craftsmanship cues that unmistakably signal expense.**

The progression of luxury aligns closely with Abraham Maslow’s Hierarchy of Needs, developed in the 1940s, which categorizes human needs into five ascending levels – physiological needs, safety, love and belonging, esteem, and self-actualization. Long influential in both psychology and marketing, Maslow’s framework suggests that individuals seek to satisfy higher-order needs once more basic ones have been met.¹⁶⁷ Near the top of the hierarchy, esteem needs relate to self-respect, recognition, and the desire for status. In consumer behavior, luxury goods play a particularly effective role in

¹⁶² Interview with Former Global Product Strategy Manager, Automated Driving, Infotainment, EV Features and Connectivity at Maserati. Tegus. 11/26/2025.

¹⁶³ Ferrari Capital Markets Day Slides. 10/9/2025.

¹⁶⁴ Chapter II. The Theory of the Leisure Class. Thorstein Veblen.

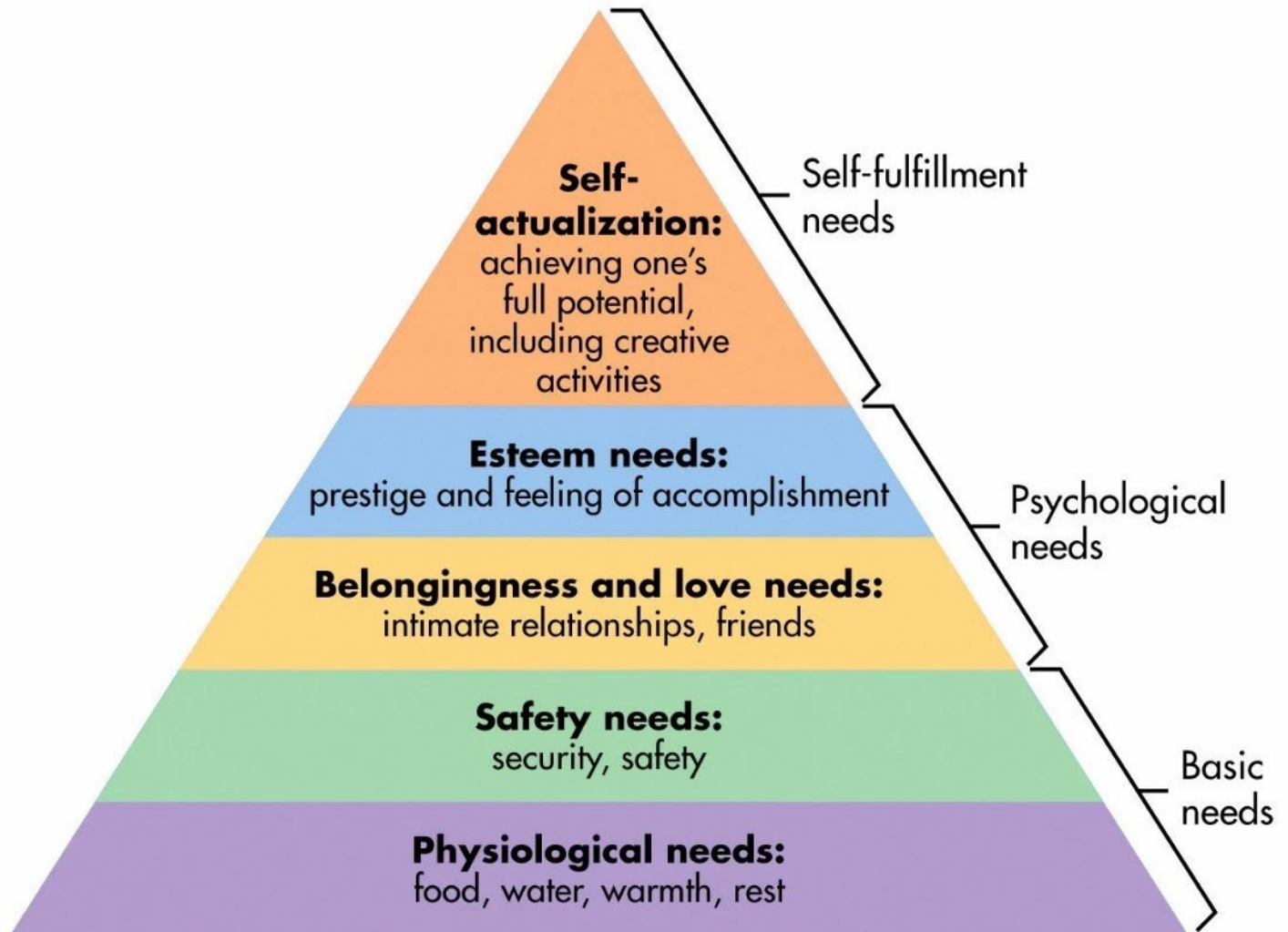
¹⁶⁵ Chapter IV. The Theory of the Leisure Class. Thorstein Veblen.

¹⁶⁶ Chapter IV. The Theory of the Leisure Class. Thorstein Veblen.

¹⁶⁷ Relevance of Abraham Maslow’s Theory to Contemporary Consumer Behavior. Akash Meshram. International Journal of Humanities Social Science and Management. Volume 3, Issue 6. 2023.

fulfilling these needs by symbolizing success, achievement, and social validation. Ownership of luxury items is often interpreted, by both the consumer and observers, as evidence of accomplishment and distinction. In some cases, luxury consumption may also contribute to self-actualization, depending on an individual's personal values, desire, and goals.¹⁶⁸

Figure 25: Maslow's Hierarchy of Needs^{105F}¹⁶⁹



A large volume of academic research examines the value, both material and psychological, associated with owning luxury cars. Scholars often interpret luxury consumption through the lens of social signaling. Because automobiles are highly visible goods, they are particularly effective at conveying status to others. One study using detailed auto-loan data finds that vehicles are highly visible goods and therefore well suited for status signaling and peer comparison.¹⁷⁰ The research shows that some lower-income consumers purchase luxury vehicles “to enhance the income and wealth status that others believe they have” or to emulate wealthier peers. Notably, non-prime borrowers exhibit stronger demand for vehicles with prestigious features even after controlling for price, suggesting that the desire for status can increase demand for more expensive cars despite the potential financial strain.

Other research links luxury consumption to evolutionary and social behavior. A 2011 study by scholars from several U.S. universities argues that conspicuous consumption – the purchase of expensive, visible goods – functions as a social

¹⁶⁸ Shadma Shahid, Justin Paul, Intrinsic Motivation of Luxury Consumers in An Emerging Market, *Journal of Retailing and Consumer Services*, Volume 61, 2021, 102531, ISSN 0969-6989, <https://doi.org/10.1016/j.jretconser.2021.102531>

¹⁶⁹ Maslow's Hierarchy of Needs. <https://www.simplypsychology.org/maslow.html>

¹⁷⁰ Wenhua Di, Yichen Su, Conspicuous consumption: Vehicle purchases by non-prime consumers, *Journal of Economic Behavior & Organization*, Volume 224, 2024, Pages 895-914, ISSN 0167-2681, <https://doi.org/10.1016/j.jebo.2024.06.025>.

signal rather than simply irrational spending.¹⁷¹ The study finds that such displays are often driven by men pursuing short-term mating strategies, in which costly purchases signal desirable traits such as resources and status to potential partners. According to the study, observers interpret these signals that women tend to view conspicuously consuming men as more interested in short-term relationships, and the displays can increase men's attractiveness in short-term dating contexts.

Industry data reflects these patterns. In 2011, the Los Angeles Times, citing the car marketplace TrueCar, reported that men accounted for more than 90% of buyers of ultra-expensive, low-volume exotic cars from brands such as Ferrari and Lamborghini.¹⁷² Later academic work further suggests that luxury car consumption also plays a role in male-to-male competition. A 2016 study finds that conspicuous spending on luxury cars can function both to attract women and to compete with other men. Luxury consumption acts as a visible and difficult-to-fake signal of resources and status, as "the conspicuous consumption of luxuries can be considered a hard to fake behavior that may signal underlying desirable traits."¹⁷³ In competitive settings, men report greater liking and purchase intentions for luxury cars because they expect such vehicles to elevate their social standing. At the same time, other men tend to perceive luxury-car owners as stronger rivals and higher in mate value, viewing them as wealthier, more ambitious, and more attractive.

Luxury product makers such as Ferrari and Hermès commonly rely on scarcity as a deliberate strategic tool, intentionally restricting supply to enhance the perceived desirability of their products. Academic research provides empirical support for this practice. **For example, a 1989 study found strong evidence that scarcity increases perceived desirability because consumers often interpret limited availability as a signal of higher value or cost. As the study notes, "anything – such as messages, experiences, and objects – that are potentially possessable, useful to their possessors, and conveyable from one person to another... any commodity meeting these criteria... 'will be valued to the extent that it is unavailable.'"**¹⁷⁴

¹⁷¹ Sundie, J. M., Kenrick, D. T., Griskevicius, V., Tybur, J. M., Vohs, K. D., & Beal, D. J. (2011). Peacocks, Porsches, and Thorstein Veblen: Conspicuous consumption as a sexual signaling system. *Journal of Personality and Social Psychology*, 100(4), 664–680. <https://doi.org/10.1037/a0021669>

¹⁷² Car Buying How Men And Women Compare. Los Angeles Times. <https://web.archive.org/web/20250518014728/https://www.latimes.com/business/la-xpm-2011-apr-07-la-fi-autos-sexes-20110408-story.html>

¹⁷³ Hennighausen C, Hudders L, Lange BP, Fink H. What If the Rival Drives a Porsche? Luxury Car Spending as a Costly Signal in Male Intrasexual Competition. *Evol Psychol*. 2016 Dec 6;14(4):1474704916678217. doi: 10.1177/1474704916678217. PMID: PMC10426904.

¹⁷⁴ Michael Lynn, Scarcity effects on desirability: Mediated by assumed expensiveness?, *Journal of Economic Psychology*, Volume 10, Issue 2, 1989, Pages 257-274, ISSN 0167-4870, [https://doi.org/10.1016/0167-4870\(89\)90023-8](https://doi.org/10.1016/0167-4870(89)90023-8).

Business Model – Exclusivity, Racing Heritage (Technological Innovation), Craftsmanship

We believe Ferrari's business model is a deliberately engineered fusion of luxury positioning, artificial scarcity, racing heritage, technological excellence, and Italian craftsmanship. Rooted in the legacy of Enzo Ferrari and its deep association with Scuderia Ferrari, the company designs and produces ultra-luxury performance sports cars while tightly controlling production volumes to preserve exclusivity and premiumness. Formula One serves simultaneously as a technology laboratory and a global marketing platform, reinforcing the automaker's brand prestige and innovation. By combining disciplined supply management, continuous model innovation, selective brand extensions, and privileged access for loyal clients, Ferrari sustains high demand, strong margins, and enduring brand equity.

As described in its 2015 IPO filing, Ferrari is "among the world's leading luxury brands focused on the design, engineering, production and sale of the world's most recognizable luxury performance sports cars," with its brand symbolizing "luxury, exclusivity, innovation, state-of-the-art sporting performance and Italian design and engineering heritage;" and its name and history reflecting a brand image "closely associated with [its] Formula 1 racing team, Scuderia Ferrari, the most successful team in Formula 1 history."¹⁷⁵

Participation in Formula 1 is central to Ferrari's identity because the racing program serves both as a proving ground for advanced engineering and as a powerful global marketing platform that reinforces the brand's reputation for performance and technological leadership. We believe success on the track strengthens Ferrari's aura of exclusivity and competition, potentially deepening customer loyalty and enhancing the desirability of its road cars.

When purchasing a luxury performance car, customers typically evaluate several key attributes.¹⁷⁶ First is aesthetic design, which is inherently subjective and often difficult to compare across brands – for example, whether one prefers the design language of Ferrari or Lamborghini is largely a matter of personal taste. Second is performance, which reflects the automaker's engineering capabilities and investment in research and development. Third is resale value, an important consideration for buyers of high-end automobiles who often view their cars not only as objects of enjoyment but also as assets that may retain value over time. Finally, personalization has become an increasingly important dimension of the luxury car experience, as clients seek vehicles that reflect their status, individual tastes and identities.

Exclusivity (Artificial Scarcity through Controlled Supply)

***"[Ferrari] will always deliver one car less than the market demand."*¹⁷⁷**

- **Enzo Ferrari**

A defining feature of Ferrari's business model is its disciplined control of supply. Rather than maximizing unit sales, Ferrari deliberately limits production in order to preserve exclusivity and strengthen the desirability of its brand. As the company explained in its IPO prospectus, Ferrari pursues:

"a low volume production strategy in order to maintain a reputation of exclusivity and scarcity among purchasers of [its] cars and deliberately monitor and maintain [its] production volumes and delivery wait-times to promote this reputation."¹⁷⁸

Importantly, scarcity in Ferrari's strategy does not simply mean producing a small number of cars in absolute terms. **Rather, we believe it means maintaining production volumes below demand, ensuring that customers are willing to wait for a Ferrari even when they could purchase a competitor's car with similar performance, comparable horsepower, and immediate availability. Although the exact annual number of potential Ferrari buyers is unknown, the company has historically maintained waiting lists of roughly 12 to 24 months or longer, underscoring the consistent excess of demand over supply.**

¹⁷⁵ Ferrari IPO Prospectus 2015.

¹⁷⁶ Interview with Former Global Product Strategy Manager, Automated Driving, Infotainment, EV Features and Connectivity at Maserati. Tegus. 11/26/2025.

¹⁷⁷ Ferrari Boss Claims Maranello Will Always Deliver 'One Car Less Than Market Demand'.

<https://www.thedrive.com/news/29768/ferrari-boss-claims-maranello-will-always-deliver-one-car-less-than-market-demand>;

Ferrari's Success as A Luxury Brand Comes Down to Five Secrets. CNBC. <https://www.cnbc.com/2024/07/04/ferraris-luxury-brand-success.html>

¹⁷⁸ Ferrari IPO Prospectus 2015.

Consistent with this philosophy, Ferrari has historically maintained tight production discipline even when demand significantly exceeds supply. Prior to the company's 2015 IPO, reports from various public sources frequently highlighted the persistent undersupply of Ferrari vehicles. **A 2007 report in The Wall Street Journal noted that Ferrari maintained a typical waiting list of around 12 months for a new car, long enough to build anticipation among buyers, but not so long that customers would abandon the brand for competitors such as Porsche or Lamborghini, where waiting times were often shorter¹⁷⁹ (i.e., 3 – 6 months for Porsche, up to a year for Lamborghini, in the 2000s¹⁸⁰).** In some markets the waiting period could be considerably longer. In regions such as Hong Kong, the U.S., Australia, and the U.K., delivery times occasionally extended over 24 months. Even in Ferrari's home market of Italy, wait times typically hovered around 18 months. **The imbalance between supply and demand occasionally created a gray market in which buyers resold newly delivered Ferraris at significant premiums, sometimes even doubling the original purchase price.** To discourage speculative flipping, Ferrari introduced policies designed to protect its long-term customer relationships. Buyers are typically expected not to resell a newly purchased Ferrari within the first six months. If a customer violates this rule, Ferrari may refuse future orders, and the dealership involved may also face penalties, though the specific consequences are not publicly disclosed.¹⁸¹

In addition, Ferrari typically includes a First Right of Refusal clause in its sales contracts for new cars. Under this provision, customers are prohibited from selling a newly purchased Ferrari to third parties for a specified period and must first offer the vehicle back to Ferrari or its authorized dealer in such circumstances. The restriction period varies by model, for example, the Purosangue is subject to an 18-month period,¹⁸² while other models may carry shorter or longer terms.¹⁸³ During this time, the dealership retains the right to repurchase the vehicle at the original purchase price. If the clause is violated, Ferrari may pursue legal action, and the customer may be required to surrender any profit earned from the resale.

A 2014 report indicates that despite the automotive industry had not fully recovered from the 2008 Great Financial Crisis, Ferrari's long wait list potentially helped the automaker to mitigate the industry wide reduced demand. **Ferrari and Fiat's then chairman Sergio Marchionne hinted that even Ferrari increased its production volume to 10,000, from then around 7,000 annual volumes, the company would be still able to keep its average \$250,000 selling price,¹⁸⁴ reflecting its strong underlying demand.**

Sergio Marchionne

Sergio Marchionne (1952 – 2018) was an Italian-Canadian executive who reshaped the modern automotive industry through a series of bold turnarounds and strategic integrations. Born in Chieti, Italy, he emigrated to Toronto at age 13 with his family. He earned a degree from the University of Toronto, a law degree from York University, and an MBA from the University of Windsor. He began his career at Deloitte & Touche as an accountant and tax specialist before moving into industrial leadership roles across Europe and North America. By the early 2000s, he had established a reputation as a capable turnaround specialist, serving as CEO of SGS, a Swiss testing group, and chairman of Lonza, a manufacturing company for pharmaceutical and biology sectors.

Marchionne joined Fiat's board in 2003, when the Agnelli family's long-standing enterprise was in deep financial trouble, burdened by billions in losses and constant leadership turnover.¹⁸⁵ Appointed CEO in 2004 despite having no prior experience in the automotive industry, he quickly implemented sweeping changes including streamlining management, promoting young executives, and adopting operational strategies from successful companies such as Toyota and Apple.¹⁸⁶ His efforts produced a rapid turnaround, with Fiat returning to profitability by 2006.

¹⁷⁹ How to Slow Down a Ferrari: Buy It. The Wall Street Journal. <https://www.wsj.com/articles/SB117858807994195295>

¹⁸⁰ Lamborghini Waiting Times Cut in Half on The Back of Slow Sales; https://www.motorauthority.com/news/1033499_lamborghini-waiting-times-cut-in-half-on-the-back-of-slow-sales; How to Slow Down a Ferrari: Buy It. The Wall Street Journal. <https://www.wsj.com/articles/SB117858807994195295>

¹⁸¹ Sales Manager and F&I at a Ferrari Dealership in California. Tegus. 7/30/2024.

¹⁸² Ferrari Dealer Sues Customer Who Sold New Car Saying They 'Violated Sales Agreement' over Overlooked Fine Print. <https://www.the-sun.com/motors/12716432/ferrari-dealer-sues-customer-sold-new-car>

¹⁸³ Interview with Sales Manager and F&I at Ferrari dealership. Tegus. 6/24/2024.

¹⁸⁴ Will Ferrari Keep Its Scarcity Premium. The Wall Street Journal. <https://www.wsj.com/articles/will-ferrari-keep-its-scarcity-premium-1419447955>

¹⁸⁵ Sergio Marchionne – 1952–2018. <https://www.caranddriver.com/features/a22546662/sergio-marchionne-1952-2018/>; Sergio Marchionne, Who Saved Fiat and Chrysler, Has Died. <https://www.pbs.org/newshour/world/sergio-marchionne-who-saved-fiat-and-chrysler-has-died>

¹⁸⁶ Sergio Marchionne – 1952–2018. <https://www.caranddriver.com/features/a22546662/sergio-marchionne-1952-2018/>

Soon, the global financial crisis of 2008–2009 presented both a challenge and an opportunity. Marchionne orchestrated Fiat's acquisition of a controlling stake in the bankrupt Chrysler Group, eventually merging the two companies into Fiat Chrysler Automobiles (FCA), making it the world's seventh largest automaker.¹⁸⁷ Under his leadership, FCA stabilized financially, largely driven by the success of models under the Jeep brand such as Renegade and Cherokee.¹⁸⁸ He was instrumental in integrating the two organizations across continents, leveraging shared platforms and scale while maintaining distinct brand identities.

Figure 26: Sergio Marchionne¹⁸⁹



Marchionne also played a pivotal role in shaping Ferrari's modern trajectory. He oversaw Ferrari's spin-off from FCA in 2015 and later served as its chairman, influencing key strategic decisions such as building SUVs that balanced exclusivity with growth.¹⁹⁰ Known for his relentless work ethic and distinctive personal style, he often managed multiple global operations simultaneously and advocated for industry consolidation to address rising technological costs, particularly in electrification.

He passed away in 2018, in Zurich following complications from surgery, at the age of 66.

As of 2025, the standard waiting time is deliberately kept between 20 to 24 months, which the company believes is the right length of time before customers got deterred away, especially among new clients.¹⁹¹ The longer waiting period observed over the past decade reflects both the increasing strength of demand and the enduring allure of Ferrari cars.

¹⁸⁷ Sergio Marchionne, Who Saved Fiat and Chrysler, Has Died. <https://www.pbs.org/newshour/world/sergio-marchionne-who-saved-fiat-and-chrysler-has-died>

¹⁸⁸ Sergio Marchionne – 1952–2018. <https://www.caranddriver.com/features/a22546662/sergio-marchionne-1952-2018/>

¹⁸⁹ Sergio Marchionne, Who Saved Fiat And Chrysler, Dead at 66. <https://www.oregister.com/2018/07/25/sergio-marchionne-who-saved-fiat-and-chrysler-has-died/>

¹⁹⁰ Sergio Marchionne – 1952–2018. <https://www.caranddriver.com/features/a22546662/sergio-marchionne-1952-2018/>

¹⁹¹ Ferrari Capital Markets Day. 10/9/2025.

Ferrari's disciplined production strategy has continued in the years since its IPO. From 2014 to 2025, shipments increased from 7,255 vehicles to 13,640 vehicles, representing a CAGR of roughly 6%. Over the same period, Ferrari's average selling price, which we approximated by dividing cars and spare parts revenue by annual unit shipments as disclosed in its annual filings, rose from about \$356,000 to approximately \$497,000 per vehicle, a 3% annual increase.

Figure 27-1: Ferrari Car Shipments

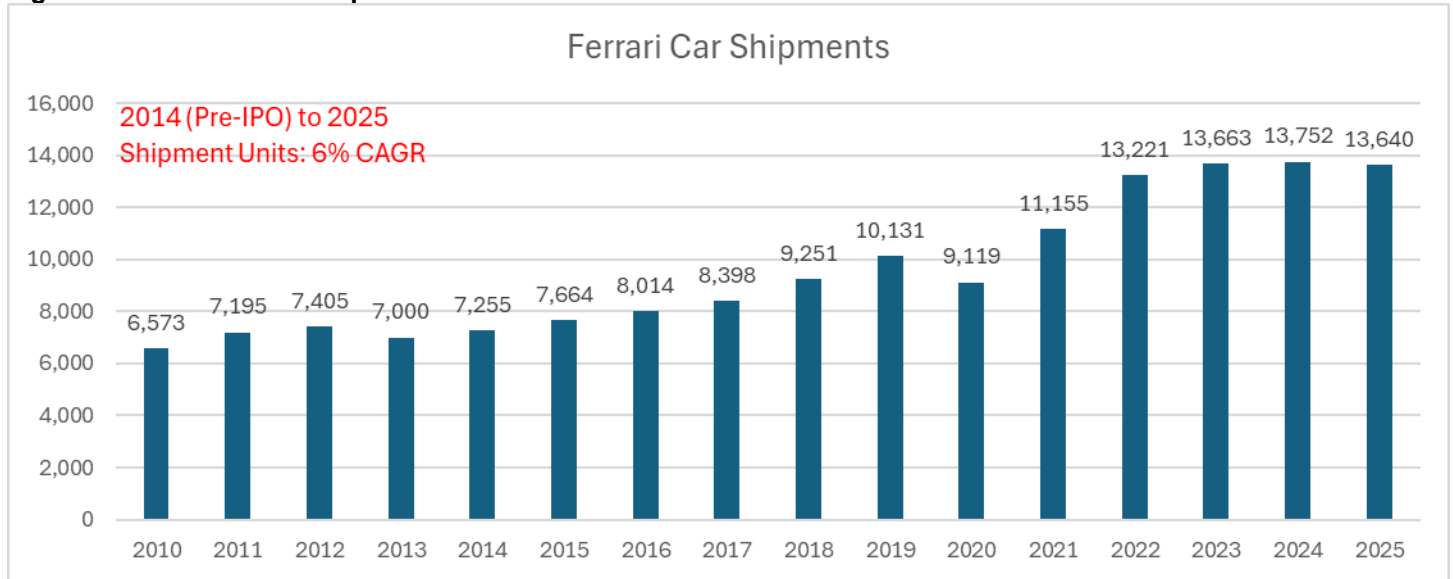
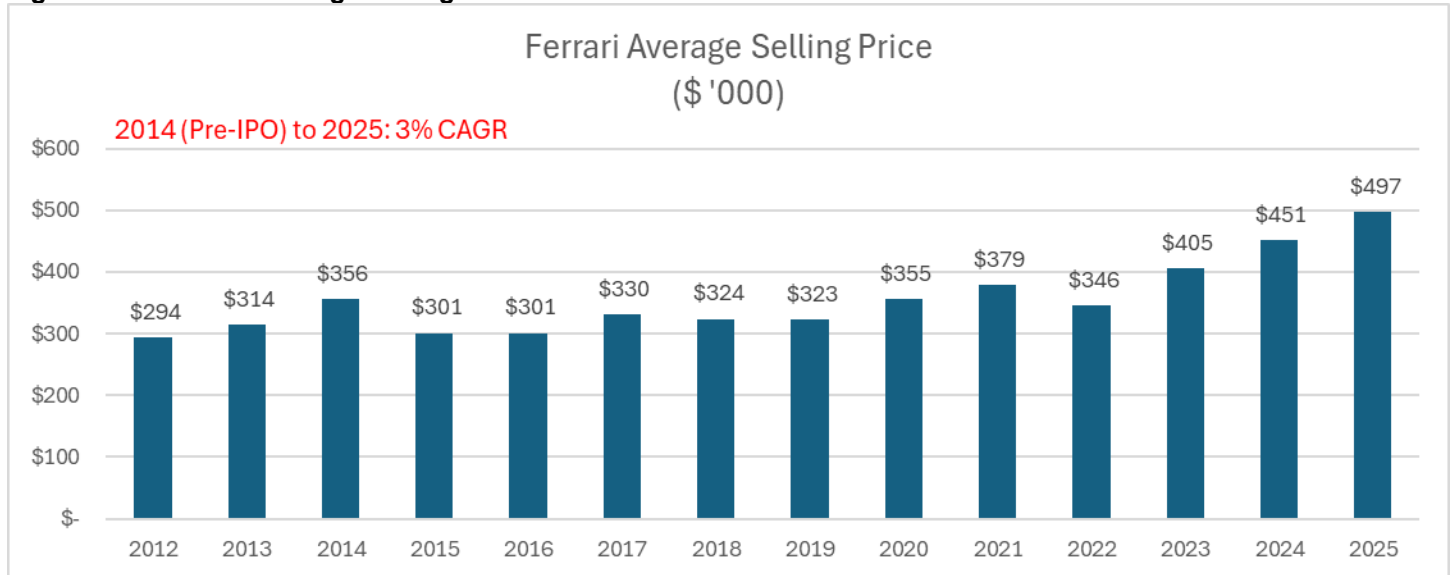
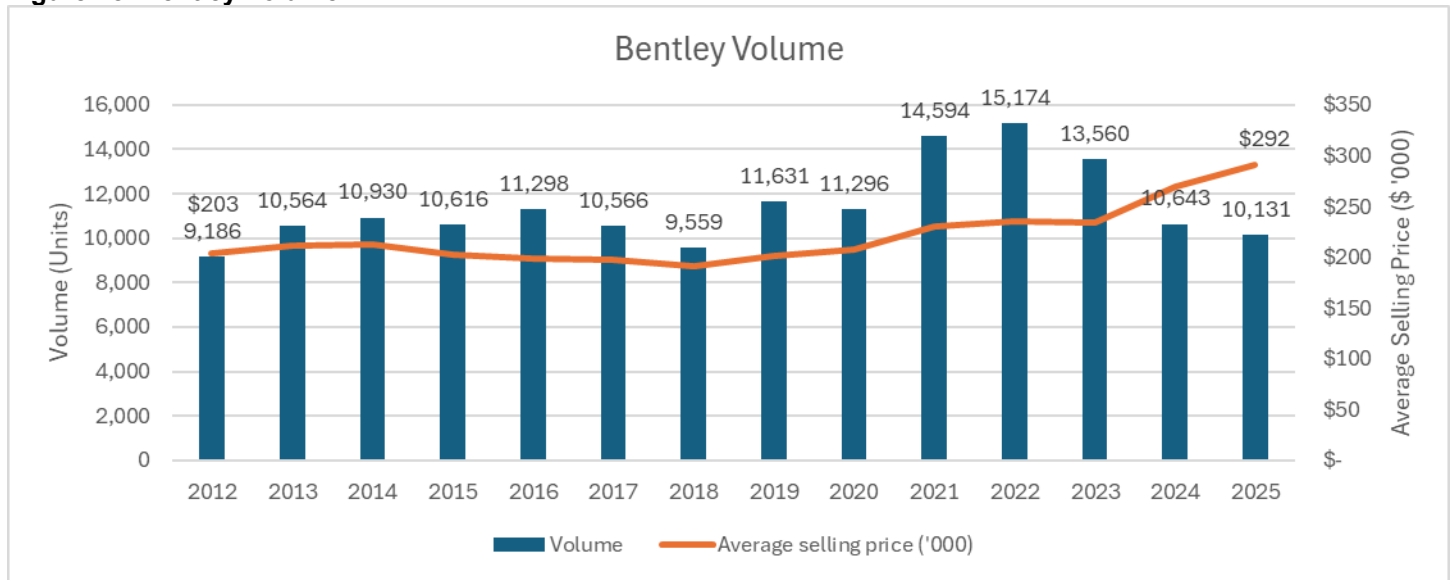


Figure 27-2: Ferrari Average Selling Price



In contrast, over the same period, competitors volume varies. Bentley, whose lineup primarily consists of luxury sedans and SUVs (together ~65% of its volume as of 2024¹⁹²), maintained relatively stable volumes between roughly 10,000 and 11,000 vehicles annually between 2014 and 2025. Based on available disclosures from Volkswagen and Audi, we estimated its average selling price increased modestly from approximately \$212,000 in 2014 to about \$292,000 in 2025, about 3% CAGR.¹⁹³

Figure 28: Bentley Volume¹⁹⁴



Lamborghini experienced much faster growth over the same period. According to Volkswagen and Audi’s annual filings, Lamborghini’s volume increased from 2,530 vehicles in 2014 to 10,747 vehicles in 2025, representing a CAGR of roughly 14%. However, this growth was largely driven by the launch of the Lamborghini Urus SUV in 2017. By 2025 it represented more than 70% of total deliveries. **Excluding the Urus, our estimates based on available data suggest that Lamborghini’s sports car deliveries actually declined from 3,815 units in 2017 to 2,939 units in 2025.**¹⁹⁵ By contrast, Ferrari has taken a more disciplined approach to SUVs. In early 2023, the automaker indicated that the Ferrari Purosangue, its first SUV, launched in late 2022, would not account for more than 20% of the company’s total deliveries over the model’s lifecycle.¹⁹⁶

Financially, Lamborghini’s growth has been driven primarily by volume expansion. Available data shows that, from 2017 to 2025, its revenue increased from approximately \$1.17 billion to \$3.6 billion, an approximately 15% CAGR, broadly in line with its delivery growth of around 14%.¹⁹⁷ Over this period, we estimate its average selling price remained relatively flat, increasing from roughly \$306,000 to \$336,000 per vehicle, about a 1% CAGR. This stands in contrast to Ferrari, where pricing has been a more significant driver of growth, as discussed above, rose from about \$356,000 to approximately \$497,000 per vehicle, a 3% annual increase.

¹⁹² Audi Annual Report 2024.

¹⁹³ Volkswagen Annual Report 2012 – 2021; Audi Annual Report 2022 – 2025.

¹⁹⁴ Volkswagen Annual Report 2012 – 2021; Audi Annual Report 2022 – 2025.

¹⁹⁵ Automobili Lamborghini – Deutsche Bank Investor Field Trip. 10/7/2025; Audi Annual Report 2017 – 2025.

¹⁹⁶ Ferrari CEO Moves Fast Like Musk While Forging Own Path on EVs. Bloomberg.

<https://web.archive.org/web/20230227051305/https://www.bloomberg.com/news/articles/2023-02-13/ferrari-ceo-moves-fast-like-musk-while-forging-own-path-on-evs-race>

¹⁹⁷ Financials. Lamborghini. <https://www.lamborghini.com/en-en/financials>

Figure 29-1: Ferrari vs. Lamborghini Revenue¹⁹⁸

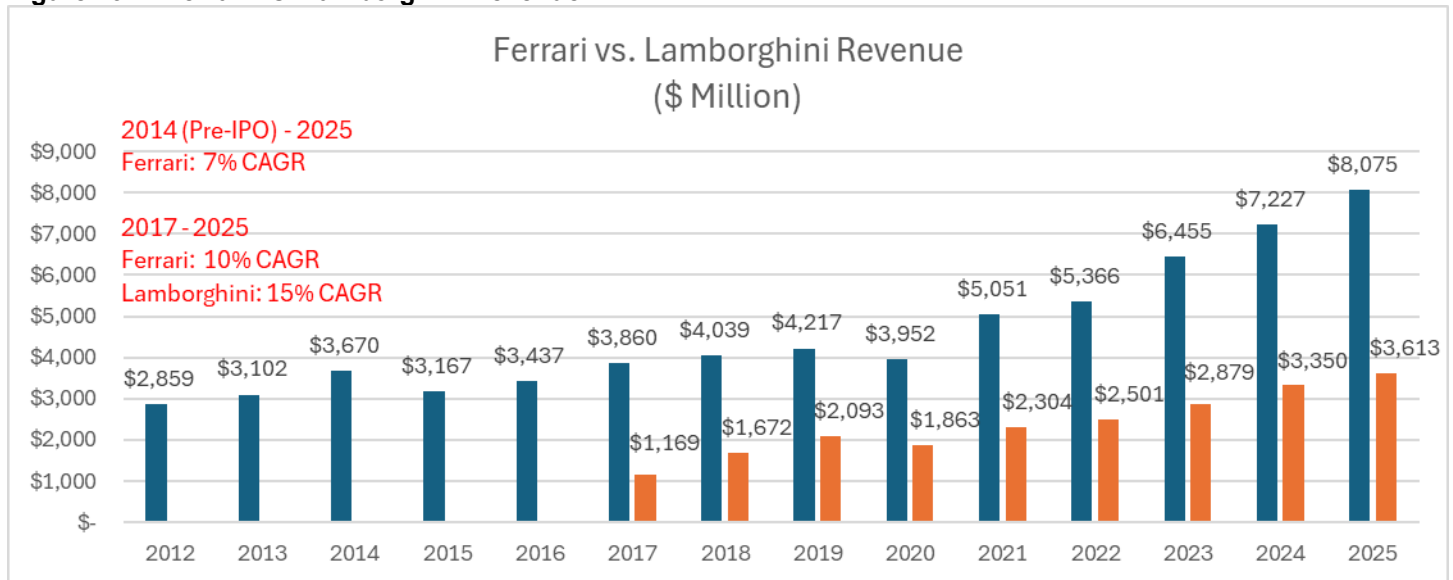
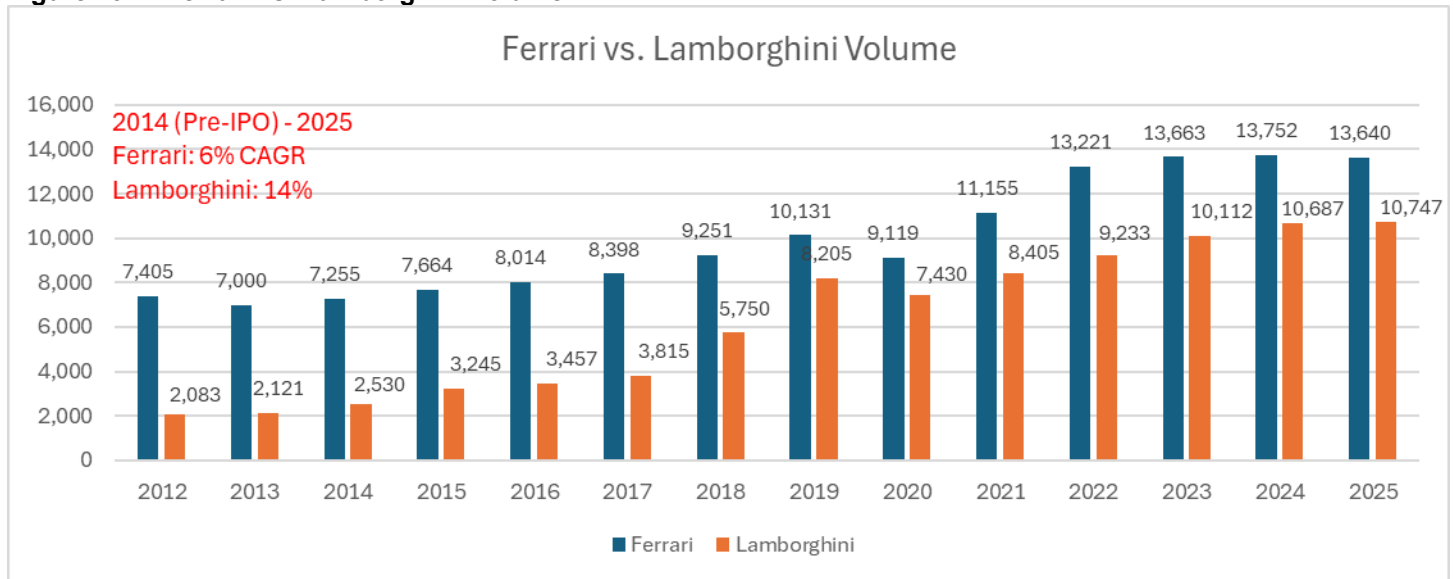


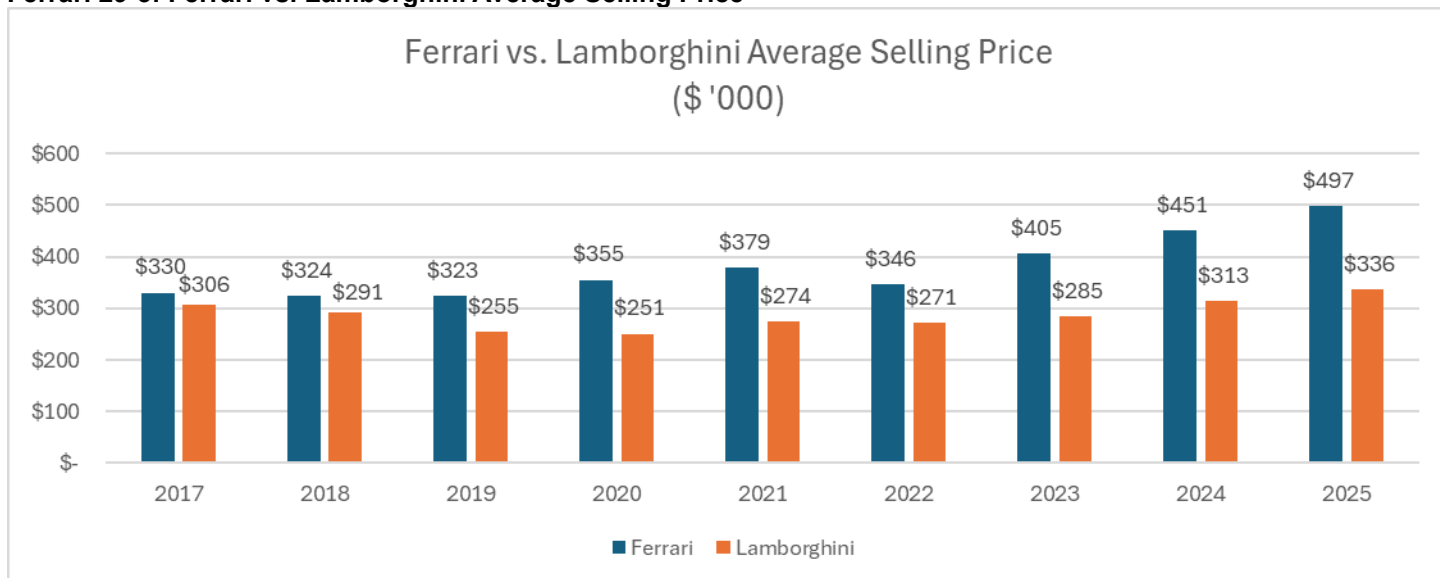
Figure 29-2: Ferrari vs. Lamborghini Volume¹⁹⁹



¹⁹⁸ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025; Financials. Lamborghini. <https://www.lamborghini.com/en-en/financials>

¹⁹⁹ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025; Automobili Lamborghini – Deutsche Bank Investor Field Trip. 10/7/2025.

Ferrari 29-3: Ferrari vs. Lamborghini Average Selling Price

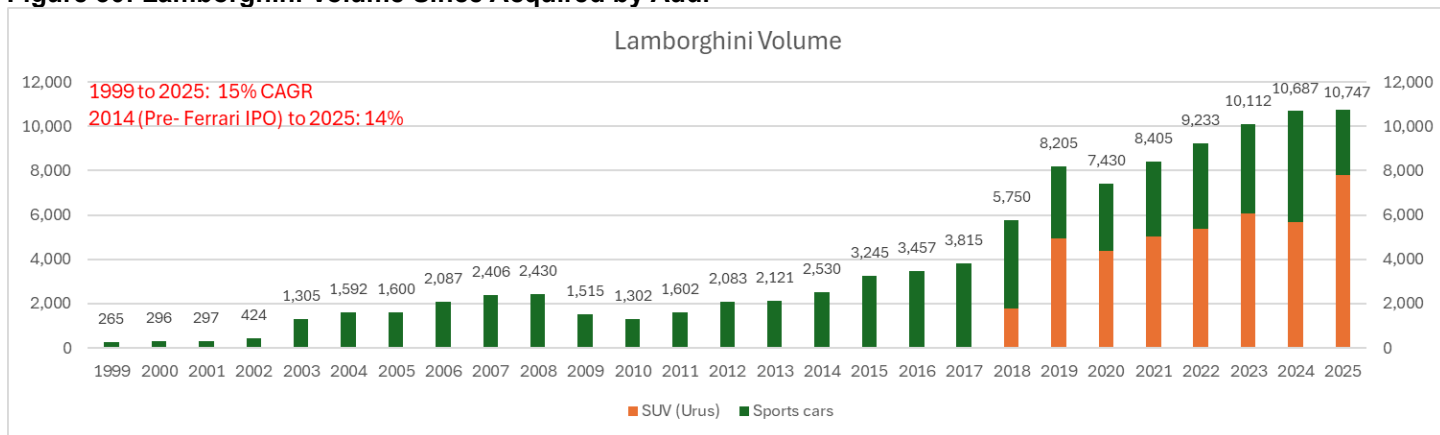


Note:

- Lamborghini's average selling price is calculated by dividing total group revenue by the number of cars delivered. As Lamborghini operates as a subsidiary of Audi, which is owned by Volkswagen Group, it does not disclose detailed standalone financials. Reported revenue may therefore include contributions from sources such as vehicle sales, merchandise, spare parts, and potentially racing-related sponsorships, which could cause the calculated figure to differ from the reality.

Looking further back, Lamborghini's long-term expansion has been substantial. From 1999, shortly after its acquisition by Audi for an estimated \$111 million, to 2025, annual deliveries grew from 265 units to 10,747, representing a CAGR of approximately 15%.²⁰⁰ By the end of 2025, eight years after the launch of the Urus, SUVs accounted for 7,808 units, or more than 70% of total deliveries.

Figure 30: Lamborghini Volume Since Acquired by Audi²⁰¹



Note:

- Lamborghini introduced the Urus, its high-performance luxury SUV, in 2017.

Porsche's scale makes direct comparisons with Ferrari more difficult. Porsche does not separately disclose unit volumes or financial performance for its higher-end sports cars such as the 911 Turbo, Turbo S, or GT3 RS, which are typically considered closer competitors to Ferrari models. However, these vehicles are reported together with the rest of Porsche's lineup, which also includes entry-level sports cars, SUVs, and sedans. We believe Porsche's broader product range, characterized by generally lower price points and significantly higher production volumes across sports cars, sedans, and

²⁰⁰ Volkswagen's Audi Unit To Acquire Lamborghini. New York Times.

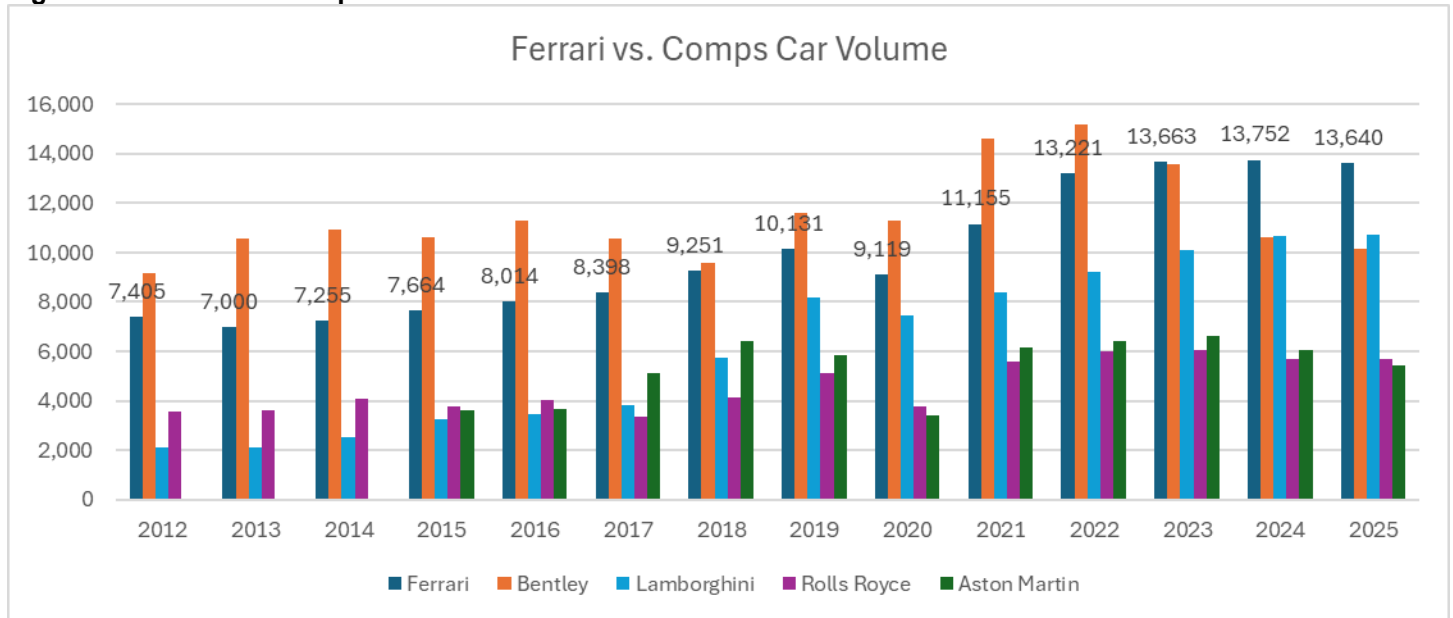
<https://web.archive.org/web/20101201141941/https://www.nytimes.com/1998/06/13/business/international-briefs-volkswagen-s-audi-unit-to-acquire-lamborghini.html>; Financials. Lamborghini. <https://www.lamborghini.com/en-en/financials>

²⁰¹ Automobili Lamborghini – Deutsche Bank Investor Field Trip. 10/7/2025; Audi Annual Report 2018 – 2025.

SUVs, means that much of the brand’s portfolio is not directly comparable to Ferrari. Overall, Porsche deliveries increased from approximately 187,000 vehicles in 2014 to about 313,000 vehicles in 2024,²⁰² a CAGR of roughly 5%. Within this total, the volume of the 911 model rose from approximately 31,590 units in 2014, based on Volkswagen’s production data, to about 52,208 units in 2025, according to Porsche’s sales data, an annual growth rate of roughly 4% to 5%.²⁰³

Aston Martin, based on disclosures available since its 2018 IPO, increased deliveries from about 3,615 vehicles in 2015 to 5,448 vehicles in 2025, representing roughly 4% annual growth. Over the same period, its estimated average selling price rose from approximately \$193,000 to about \$276,000, implying a CAGR of roughly 4%.²⁰⁴

Figure 31: Ferrari vs. Comps Volume²⁰⁵



Note:

1. Aston Martin IPO’ed in 2018. Therefore, data in earlier years were not available.

²⁰² Volkswagen Annual Report 2014 – 2025; Porsche IPO Prospectus 2022; Porsche Annual Report 2022 – 2025.

²⁰³ Volkswagen Annual Report 2014; Porsche Annual Report 2025.

²⁰⁴ Aston Martin IPO Prospectus 2018; Aston Martin Annual Report 2018 – 2025.

²⁰⁵ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025; Aston Martin IPO Prospectus 2018; Aston Martin Annual Report 2018 – 2025; Volkswagen Annual Report 2014 – 2025.

Despite Ferrari's steadily rising production volumes, the size of its sales network has remained largely unchanged since the company's IPO. **Over the past decade, Ferrari's authorized dealership network has stayed stable at roughly 180 dealerships in over 60 markets worldwide, representing approximately 195 points of sale. This disciplined approach reflects the company's commitment to preserving the brand's exclusivity. As Enrico Galliera, Ferrari's Chief Marketing & Commercial Officer, explained, with a luxury-focused corporate identity the automaker "[does not] want to have [its] dealership appearing like a normal auto car showroom," but instead aims to provide clients with "the real luxury experience."**²⁰⁶ In addition, Ferrari follows a clear principle of not being everywhere; the company wants to ensure that when clients decide to join the Ferrari family, they receive the best experience.²⁰⁷

Ferrari does not directly own its dealerships but operates through a network of authorized partners.²⁰⁸

At the same time, while Ferrari has deliberately limited the number of sales locations, it has gradually expanded its after-sales infrastructure. By 2025 the company operated 249 workshops worldwide, up from 239 at the time of the IPO. These workshops are located either adjacent to showrooms or in stand-alone service facilities.²⁰⁹ Ferrari emphasizes that although clients may be willing to travel some distance to purchase a car from a dealership in a major city, they expect convenient access to servicing afterward. Expanding the workshop network therefore helps ensure that owners receive the highest standard of after-sales support.²¹⁰

By contrast, Lamborghini has pursued a more expansionary strategy. Its dealer network grew from approximately 130 dealers across 48 countries in 2014 to around 185 dealers in 56 countries by 2025.²¹¹

As discussed above, in 2014, Ferrari sold approximately 7,255 cars versus Lamborghini's 2,530. By 2025, Ferrari's volume had increased to 13,640 units, while Lamborghini reached 10,747.²¹² We estimated that, on average, each Ferrari dealer sold about 40 cars in 2014 and roughly 75 cars in 2025, implying a CAGR of around 6%. Lamborghini dealers, by comparison, sold fewer than 20 cars per dealer in 2014 but approximately 58 by 2025, representing a faster CAGR of about 10%, albeit from a lower base. While the absolute figures suggest that Ferrari's dealers are generally more productive, likely reflecting its stronger brand prestige and deeper client relationships, which we will discuss later, Lamborghini's faster growth points to a different dynamic. In particular, we believe its acceleration is likely driven by the successful introduction of the luxury performance SUV in 2017, which by the end of 2025 accounted for over 70% of its overall deliveries.

²⁰⁶ Ferrari Capital Markets Day. 9/18/2018.

²⁰⁷ Ferrari Capital Markets Day. 10/9/2025.

²⁰⁸ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025.

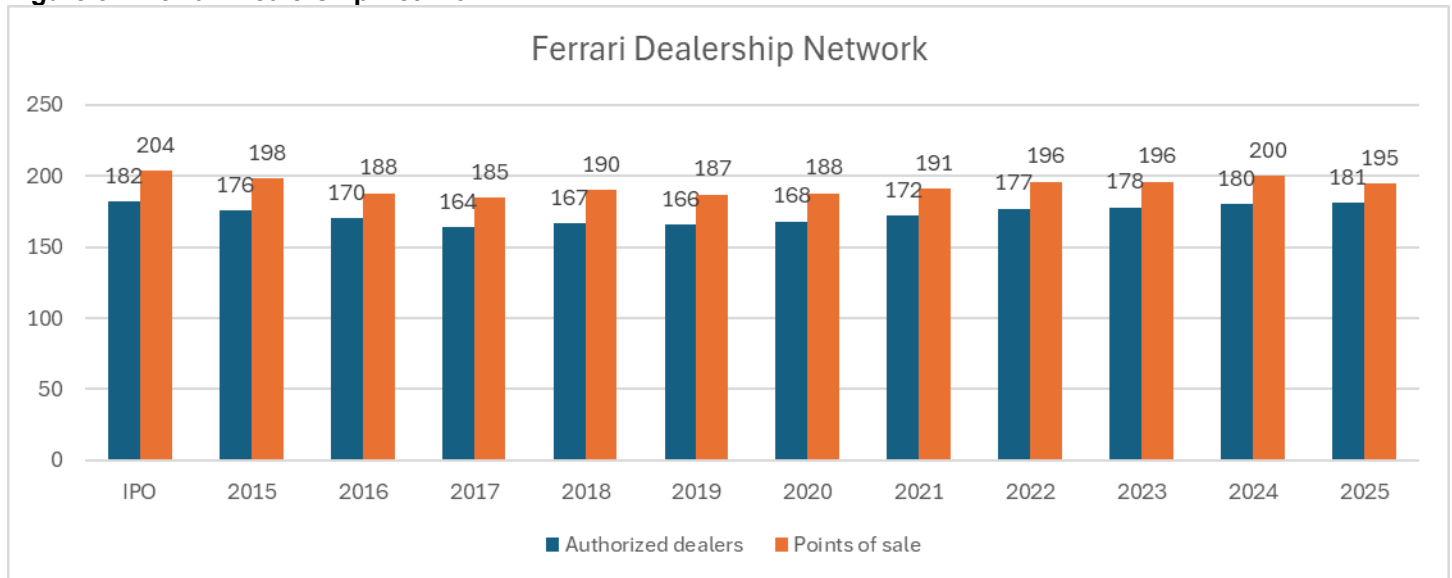
²⁰⁹ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2025.

²¹⁰ Ferrari Capital Markets Day. 9/18/2018; Ferrari Capital Markets Day. 10/9/2025.

²¹¹ Record Year for Automobili Lamborghini – Deliveries increased to 2,530 Units in 2014. <https://www.automotiveworld.com/news-releases/record-year-automobili-lamborghini-deliveries-increased-2530-units-2014/>; Automobili Lamborghini – Deutsche Bank Investor Field Trip. 10/7/2025.

²¹² Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025; Automobili Lamborghini – Deutsche Bank Investor Field Trip. 10/7/2025.

Figure 32: Ferrari Dealership Net Work²¹³



Ferrari carefully manages demand through waiting lists and controlled allocation of vehicles across markets and dealerships. Similar to Hermès in handbags and Rolex in luxury watches (For those interested, see our study on Rolex at <https://worldlypartners.com/businesshistory/> or the link below in the footnote²¹⁴), the company believes these mechanisms reinforce the perception of exclusivity surrounding its products.²¹⁵

As discussed above, historically, waiting times for Ferrari vehicles have often been substantial. Industry reports in the mid-2000s suggested a typical waiting period of around 12 months, though delivery timelines in certain markets could extend well beyond two years.²¹⁶ Rising demand from emerging markets also contributed to these longer queues.

Ferrari has publicly emphasized that these waiting lists are a deliberate outcome of its supply discipline. Luca Cordero di Montezemolo, Ferrari's chairman at the time, remarked in 1999 that Ferrari would never produce more than 5,000 cars per year.²¹⁷ Even by 2008, planned production had only increased to around 6,000 vehicles annually, implying growth of roughly 2% per year over nearly a decade.

Unlike some other high performance car brands such as Lamborghini, Ferrari vehicles are generally made to order, and dealerships typically do not maintain inventory for immediate purchase.²¹⁸ Demand for certain markets can significantly exceed supply, stretching the waiting period well over its standard 12 months. In some cases, dealerships have reported waiting lists extending to three years. Ferrari also tightly controls the number of vehicles allocated to each dealership. As a result, dealerships frequently give priority to existing Ferrari owners when allocating new orders. **First-time buyers are often encouraged to purchase a pre-owned Ferrari before gaining access to new orders,²¹⁹ effectively creating an ecosystem that rewards long-term client relationships.**

Within this system, dealerships maintain high discretion over which customers can access which vehicles.²²⁰ This encourages buyers to cultivate strong, long-term relationships not only with Ferrari but also with their local dealers.

²¹³ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025.

²¹⁴ Rolex Multi-Decade Study. Worldly Partners. <https://worldlypartners.com/wp-content/uploads/2025/02/Rolex.pdf>

²¹⁵ Ferrari IPO Prospectus 2015; Will Ferrari Keep Its Scarcity Premium. The Wall Street Journal. <https://www.wsj.com/articles/will-ferrari-keep-its-scarcity-premium-1419447955>; How to Slow Down a Ferrari: Buy It. The Wall Street Journal. <https://www.wsj.com/articles/SB117858807994195295>

²¹⁶ Will Ferrari Keep Its Scarcity Premium. The Wall Street Journal. <https://www.wsj.com/articles/will-ferrari-keep-its-scarcity-premium-1419447955>; How to Slow Down a Ferrari: Buy It. The Wall Street Journal. <https://www.wsj.com/articles/SB117858807994195295>

²¹⁷ How to Slow Down a Ferrari: Buy It. The Wall Street Journal. <https://www.wsj.com/articles/SB117858807994195295>

²¹⁸ Interview with Former Head of Business Development -Brand at Ferrari N.V. Tegus. /4/3/2025.

²¹⁹ How to Slow Down a Ferrari: Buy It. The Wall Street Journal. <https://www.wsj.com/articles/SB117858807994195295>

²²⁰ Interview with Former President – Far East & Middle East at Ferrari N.V. Tegus. 11/19/2025.

At the top of the product hierarchy are ultra-exclusive, invitation-only models such as the LaFerrari introduced in 2013 and the Daytona SP3 launched in 2021. Ferrari also offers clients one-off projects, bespoke vehicles built for the brand's most loyal clients. Access to these models is not simply a matter of willingness to pay. Instead, Ferrari selects customers based largely on the depth of their relationship with the brand, including the number of Ferraris they own and their long-term engagement with Ferrari activities.²²¹ In this sense, purchasing these vehicles becomes less a traditional transaction and more a form of recognition within Ferrari's most loyal community, further enhancing the aura of exclusivity of the brand.

Figure 33-1: Ferrari LaFerrari²²²



²²¹ Interview with Former President – Far East & Middle East at Ferrari N.V. Tegus. 11/19/2025.

²²² Ferrari LaFerrari Review. <https://www.motortrend.com/reviews/ferrari-laferrari-review/photos>

Figure 33-2: Ferrari Daytona SP3²²³



Ferrari segments its clients into four tiers: Customers, Important, VIP, and Top. Buyers who own two or three Ferraris generally fall into the first two categories. Clients in the VIP and Top tiers are those most likely to receive offers for limited-edition vehicles. Purchasing rare or collectible Ferraris can also elevate a client's status within this hierarchy. It is estimated that only a few hundred customers worldwide belong to the Top tier, making it an exclusive group.²²⁴ Members of this category often own double-digit numbers of Ferrari vehicles.²²⁵ For collectors seeking access to limited-edition models, it is common to purchase additional cars, new or pre-owned, in order to deepen their relationship with the brand and improve their standing within this hierarchy. At the same time, status within Ferrari's client ecosystem is not permanent. The company also evaluates how actively customers engage with Ferrari, including participation in hospitality programs, driving events, and other brand experiences. Clients who decline invitations or become less involved may gradually lose priority status.²²⁶

Ferrari's distribution system also incentivizes dealerships to actively manage the pre-owned market. While Ferrari does not publicly disclose the full details of its dealer incentive structure, industry reports suggest that dealers typically earn roughly 10% margin on new Ferrari sales, depending on models, with the potential to receive an additional 5% hold-back if certain performance criteria are met. Various deductions may apply if dealerships carry competing cars, fail to meet accessory sales targets, do not participate sufficiently in training or events, or fall short of service and sales quotas.²²⁷ The economics of the pre-owned market are particularly attractive for dealers. **Unlike new car sales, profits from pre-owned Ferraris are retained entirely by the dealership without sharing with the manufacturer.**²²⁸ As a result, many Ferrari dealers actively encourage the acquisition and resale of pre-owned vehicles, often setting internal KPIs for sales staff to purchase cars from existing owners when they want to sell their cars or trade-in for another Ferrari through direct purchase or consignment, which the dealership will market and sell for a pre-determined fee.²²⁹ This practice can both

²²³ Ferrari Daytona SP3 Review. <https://www.topgear.com/car-reviews/daytona-sp3/first-drive>

²²⁴ Sales Manager and F&I at a Ferrari Dealership. Tegus. 9/23/2024.

²²⁵ Sales Manager and F&I at a Ferrari Dealership in California. Tegus. 7/30/2024.

²²⁶ Sales Manager and F&I at a Ferrari Dealership. Tegus. 9/23/2024.

²²⁷ Ferrari's Fat Margins. Ferraris Online. <https://ferraris-online.com/ferraris-fat-margins/>

²²⁸ Ferrari Q3 2022 Earnings Call. 11/2/2022.

²²⁹ Ferrari Q3 2022 Earnings Call. 11/2/2022; Interview with Sales Specialist at a Ferrari Dealership in Florida. Tegus. 9/11/2025; Consignment Services. Twin Cities Performance Ferrari. <https://www.twincitiesperformance.com/consignment-services/>

enhance dealership profitability and help maintain tighter control over the resale market, supporting the long-term value of Ferrari vehicles.

The strength of Ferrari's client relationships is reflected in its sales statistics. **In 2024, approximately 81% of new Ferraris were sold to existing clients, and 48% were purchased by customers who already owned more than one Ferrari.**²³⁰

We believe Ferrari's disciplined supply and distribution strategy also has important economic consequences. The strong desirability of Ferrari's cars enables the company to command significant premiums relative to competitors. While it is difficult to compare Ferrari's average selling prices directly with many of its peers due to limited information on comprehensive pricing data and differences in product mix,²³¹ gross margin provides a useful reference point. Since its IPO, Ferrari has consistently maintained gross margins close to 50%, with a slight upward trend over time. By contrast, competitors such as Aston Martin and Porsche typically report gross margins in the range of 30% to 35%, with yearly fluctuations. Meanwhile, large luxury automakers such as BMW and Mercedes-Benz generally operate with gross margins closer to 20%. That said, some of these companies, including BMW, Mercedes, and Porsche, also sell high-volume vehicles at far lower price points (e.g. entry-level models priced around \$40,000 to \$50,000 for BMW and Mercedes), which can dilute their overall margins and make direct comparisons less meaningful.

Neither Lamborghini nor its parent companies, Audi and Volkswagen, disclose standalone gross margin data for the Lamborghini brand.

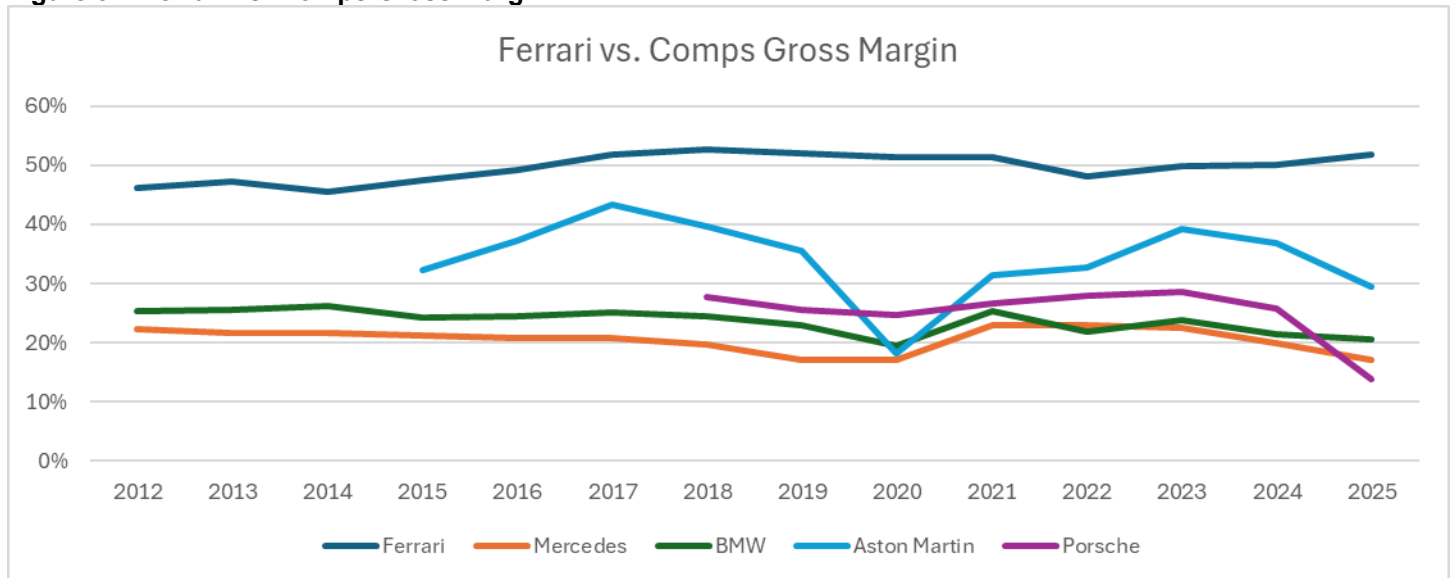
At the same time, direct pricing comparisons with closest peers such as Lamborghini remain challenging. Both Ferrari and Lamborghini offer entry-level models starting in the low-\$200,000 range, while their limited-edition and bespoke vehicles can range from several hundred thousand dollars to well over several million,²³² depending on customization and rarity. As a result, differences in product mix and bespoke options make precise pricing comparisons across brands difficult. Ferrari sits at the very top of the luxury performance car pyramid. In many ways, its economic model, we believe, may be more comparable to Hermès in the high luxury fashion.

²³⁰ Ferrari Q4 2024 Earnings Call. 2/4/2025.

²³¹ Because automakers sell different mixes of vehicle types and price tiers. For example, Porsche produces both high-volume models and luxury high performance cars priced in the hundreds of thousands of dollars, such as the Porsche 911 Turbo and Porsche 911 GT3 RS. Their average selling prices are heavily influenced by product mix (e.g., entry-level models, mid-range sports cars, SUVs, limited editions, and bespoke vehicles), making direct ASP comparisons across manufacturers less meaningful. In addition, some peers, such as Bentley, Lamborghini, and Rolls-Royce, do not disclose revenue or average sales data separately from their parent companies, which are typically high-volume automakers, making direct comparisons difficult.

²³² Customization. Lamborghini. <https://www.lamborghini.com/en-en/customization>

Figure 34: Ferrari vs. Comps Gross Margin²³³



Notes:

1. Aston Martin and Porsche IPO'ed in 2018 and 2022, respectively.
2. The figures above for Mercedes prior to 2020 include Daimler's truck business. In 2021, Mercedes spun off its truck division, and the company's results now primarily reflect its cars and vans operations.

Furthermore, Ferrari's disciplined strategy of tightly controlling the distribution of new vehicles and prioritizing long-term, loyal clients also helps support strong resale values in the secondary market. These higher residual values reinforce the desirability of Ferrari's new cars and strengthen the brand's image of exclusivity. Industry observers suggest that Ferrari cars tend to depreciate more slowly than many other competing luxury sports cars. A car vendor indicates that, as of 2026, typical three-year depreciation rates in the luxury performance segment are estimated to be roughly 15% to 25% for Ferrari, followed by Porsche 911's 18% to 28%, Lamborghini's 25% to 35%, McLaren's 35% to 50%, and Aston Martin's 40% to 55%.²³⁴

As aforementioned, Ferrari dealerships play an active role in this ecosystem through the pre-owned market. Their involvement not only increases dealer profitability but also helps maintain stronger resale values while keeping customers within the Ferrari network. Dealers frequently facilitate trade-ins and consignments, whereby they market and sell vehicles on behalf of owners for a pre-determined fee.²³⁵ This process effectively allows owners to transition from one Ferrari to another while preserving much of the value of their previous vehicle.

For example, an owner who purchased a \$500,000 Ferrari SF90 may find that the car is worth roughly \$400,000 after several years. At first glance this appears to represent a \$100,000 loss. However, that same customer may also own an earlier model, such as an F8, 458, or 488 Pista, whose value has appreciated by a similar (or more in many cases) amount due to strong collector demand for older Ferraris. In such situations, dealerships may encourage the client to trade in the older model at a premium and move into a new Ferrari. The financial outcome can resemble a relatively low net cost of ownership after accounting for appreciation in older models, trade-in incentives, and potential tax advantages associated with vehicle trade-ins,²³⁶ depending on local jurisdiction, reducing sales tax liability by allowing customers to pay tax only on the difference between the new car's price and their trade-in value.²³⁷

Dealerships may also offer consignment services for pre-owned Ferraris, often certifying the vehicle and displaying it in the showroom, for a pre-determined fee²³⁸ (e.g., 7.5% of sale price at Ferrari dealer in Tampa Bay²³⁹). This exposure to

²³³ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025; Aston Martin IPO Prospectus 2018; Aston Martin Annual Report 2018 – 2025; BMW Annual Report 2012 – 2025; Mercedes Annual Report 2012 – 2025; Porsche IPO Prospectus 2022; Porsche Annual Report 2022 – 2025.

²³⁴ Do Ferraris Hold Their Value: Real Resale Data Explained. <https://premierautorentalsfrance.com/do-ferraris-hold-their-value>

²³⁵ Consignment Services. Twin Cities Performance Ferrari. <https://www.twincitiesperformance.com/consignment-services/>

²³⁶ Interview with Sales Specialist at a Ferrari Dealership in Florida. Tegus. 9/11/2025.

²³⁷ Trade-In Tax Benefits by State. <https://www.motorenn.com/vehicle-trade-in-tax-benefits-by-state>

²³⁸ Consignment Services. Twin Cities Performance Ferrari. <https://www.twincitiesperformance.com/consignment-services/>

²³⁹ Consignment Process Tampa FL. <https://www.ferraritampabay.com/consignment-process-tampa-fl/>

potential buyers, sometimes hundreds or even thousands of prospective clients, can allow the car to command a higher resale price than a private sale. As a result, many owners find themselves effectively rotating through multiple Ferrari models over time, with the appreciation of certain collectible vehicles offsetting depreciation in newer ones.²⁴⁰ Some customers even claim that they essentially get Ferraris for free because of the gains on earlier models. This contrasts with many competing cars, which may lose 20% to 30% of their value shortly after leaving the dealership²⁴¹ (e.g., Lamborghini, McLaren, Aston Martin²⁴²).

In some cases, particularly rare Ferrari models could even appreciate in price significantly over time. For example, a 1973 Ferrari 365 GTB/4 originally priced at around \$20,000 was sold at auction in 2014 for approximately \$880,000,²⁴³ representing nearly a 10% CAGR over the period. **As of 2025, among the top 10 most expensive cars ever sold at auctions, seven were Ferraris ranging from \$28 million to over \$50 million produced during the 1950s to the 1960s.**²⁴⁴ Even for individual years, it is not uncommon that many of the top 10 most expensive cars sold at public auction are Ferrari. For example, in 2014, the ten highest prices paid for classic cars at public auctions were all for Ferraris, ranging from over \$7 million to \$38 million.²⁴⁵ In 2025, 5 of the top 10 most expensive cars sold at auction are Ferraris.²⁴⁶ Such performance in the collector market reinforces Ferrari's reputation as both a luxury product and a long-term store of value, further strengthening demand and brand desirability.

To further support the resale value of Ferrari cars, the automaker actively engaged in after sales activities, believing that its cars' performance in terms of value preservation after a period of ownership significantly exceeds that of any other brand in the luxury car segment, as discussed above. High residual value is important to the primary market because clients, when purchasing our cars, take into account the expected resale value of the car in assessing the overall cost of ownership. Furthermore, a higher residual value potentially lowers the cost for the owner to switch to a new model thereby supporting client loyalty and promoting repeat purchases.²⁴⁷ These services include standard and extended maintenance and warranty programs across all powertrains, designed to support vehicles throughout their entire life. According to the company, as of 2025, over 90% of Ferrari car produced since its founding in 1947, totaling around 330,000 cars, still exist,²⁴⁸ not only reflecting Ferrari's after sales services but also its exceptional (in our opinion) craftsmanship and engineering.

This long life of ultra luxury cars can be found throughout the segment. **By comparison, the average lifespan of regular passenger vehicles is significantly shorter. According to the U.S. Bureau of Transportation Statistics, the average vehicle age reached approximately 15 years as of 2025, up from less than 10 years two decades ago.**²⁴⁹

For context, limited data suggests that roughly 90% of the approximately 110,000 cars produced by Aston Martin since its founding in 1913 were still on the road as of 2024.²⁵⁰ Rolls-Royce estimates that roughly two-thirds of all cars built since its founding in 1906 remain in operation.²⁵¹ Bentley stated in 2021 that about 84% of all cars it built for the U.K. market are still on the road.²⁵² Porsche has indicated that about 70% of all vehicles it has produced since its founding in 1931 remain

²⁴⁰ Interview with Sales Specialist at a Ferrari Dealership in Florida. Tegus. 9/11/2025.

²⁴¹ Interview with Former Head of Business Development -Brand at Ferrari N.V. Tegus. 9/24/2024.

²⁴² Do Ferraris Hold Their Value: Real Resale Data Explained. <https://premierautorentalsfrance.com/do-ferraris-hold-their-value>

²⁴³ 1973 Ferrari 365 GTB_4 Daytona Berlinetta by Scaglietti. <https://rmsothebys.com/auctions/mo14/lots/r146-1973-ferrari-365-gtb4-daytona-berlinetta-by-scaglietti/>

²⁴⁴ The 10 Most Expensive Cars EVER Sold at Auction. <https://www.planetf1.com/features/10-most-expensive-cars-ever-sold-at-auction>

²⁴⁵ 2014 Ten Most-Expensive Cars Sold at Public Auction. <https://www.classic-car-auctions.info/records/2014-ten-expensive-cars-sold-public-auction/>

²⁴⁶ 2025 Ten Most Expensive Cars Sold at Public Auction. <https://www.classic-car-auctions.info/records/2025-ten-most-expensive-cars-sold-at-public-auction/>

²⁴⁷ Ferrari IPO Prospectus 2015.

²⁴⁸ Ferrari Annual Report 2025; Ferrari Capital Markets Day. 10/9/2025.

²⁴⁹ Average Age of Automobiles and Trucks in Operation in the United States. Bureau of Transportation Statistics. <https://www.bts.gov/content/average-age-automobiles-and-trucks-operation-united-states>

²⁵⁰ Aston Martin Says 90 Percent of Its Cars Are Still on the Road. <https://www.motor1.com/news/723721/90-percent-of-aston-martins-still-on-the-road/>

²⁵¹ The Pursuit of Perfection. <https://www.press.rolls-roycemotorcars.com/rolls-royce-motor-cars-pressclub/article/detail/T0449206EN/the-pursuit-of-perfection:-craftsmanship-at-the-home-of-rolls-royce?language=en>

²⁵² Bentley Celebrates Manufacturing Milestone Of 200,000th Luxury Car. <https://www.bentleymedia.com/en/newsitem/1201-bentley-celebrates-manufacturing-milestone-of-200000th-luxury-car>

on the road today.²⁵³ While we were unable to identify the total number of vehicles Porsche has manufactured since inception, the company reported that more than one million units of the 911 alone had been produced as of 2017 since its debut in 1963.²⁵⁴ Comparable data for Lamborghini was not located at the time of writing.

In addition, we believe this scarcity model and the long waiting list to some degree help Ferrari mitigate short-term macroeconomic risks as it could potentially shorten the wait time to compensate for the weak demand during the downtime. Furthermore, because Ferrari targets consumers at the highest end of the wealth distribution, demand for its products has historically proven relatively resilient during economic downturns. **Similar to ultra-luxury brands such as Hermès, in many of Ferrari’s key markets, as indicated by the company in its IPO filing, spending by its target clients has proven to be relatively insulated from short term economic downturns. This dynamic has provided Ferrari with a relatively stable source of demand at the upper end of the luxury market. The company further reinforces this resilience through frequent product renewal and its tightly controlled production strategy.**

Ferrari’s low-volume manufacturing approach, combined with strict control over the allocation of vehicles across global markets, also allows the company to adjust geographic sales distribution in response to changes in economic conditions or wealth creation in different regions. **For example, during the Global Financial Crisis, Ferrari experienced less than a 5% decline in vehicle shipments,²⁵⁵ compared to over 20% in the global luxury automobile units.²⁵⁶ demonstrating the relative stability of demand for ultra-luxury performance cars compared with the broader automotive market.**

According to Ferrari’s data, this pattern has been evident over the past two decades. While Ferrari’s shipment volumes generally move in the same direction as the broader luxury performance car industry, the magnitude of its fluctuations has historically been significantly smaller during extremely volatile periods. In 2025, Ferrari defined this industry segment as including all two-door luxury sports cars producing more than 500 horsepower and priced above €200,000 (using the Italian market price including VAT as a reference), sold by manufacturers such as Aston Martin, Audi, Bentley, Ferrari, Lamborghini, Maserati, McLaren, Mercedes-Benz, Porsche, and Rolls-Royce Motor Cars across Ferrari’s top 25 markets, excluding Middle Eastern countries.²⁵⁷ During major market downturns, such as the Global Financial Crisis around 2008 and the COVID-19 pandemic, Ferrari’s decline in volumes appears to have been materially less severe than that of the broader segment. Ferrari provided similar data in its IPO filing. During the 2008 financial crisis, the broader luxury performance car segment, including the manufacturers listed above, experienced an estimated decline of nearly 40% in volumes from peak to trough across the markets analyzed (the company did not disclose precise figures, so we inferred the estimate from the chart presented in the filing). By contrast, Ferrari’s shipments declined by only about 10% over the same period and recovered to their previous peak within roughly two years. The broader industry, however, had still not returned to its prior peak even seven years later, when Ferrari completed its IPO in 2015.²⁵⁸

²⁵³ Timeless Style, Modern Care: Essential Porsche Classic Parts for Every Enthusiast.

<https://dealer.porsche.com/gb/porsche-centre-newport/en-GB/News-and-Events/News/Timeless-Style-Modern-Care>; A Fountain of Youth for Classic Cars. <https://newsroom.porsche.com/en/products/a-fountain-of-youth-for-classic-cars-10719.html>

²⁵⁴ The Porsche 911. Porsche Newsroom. <https://newsroom.porsche.com/en/products/porsche-one-millionth-911-milestone-automotive-icon-sports-car-13737.html>

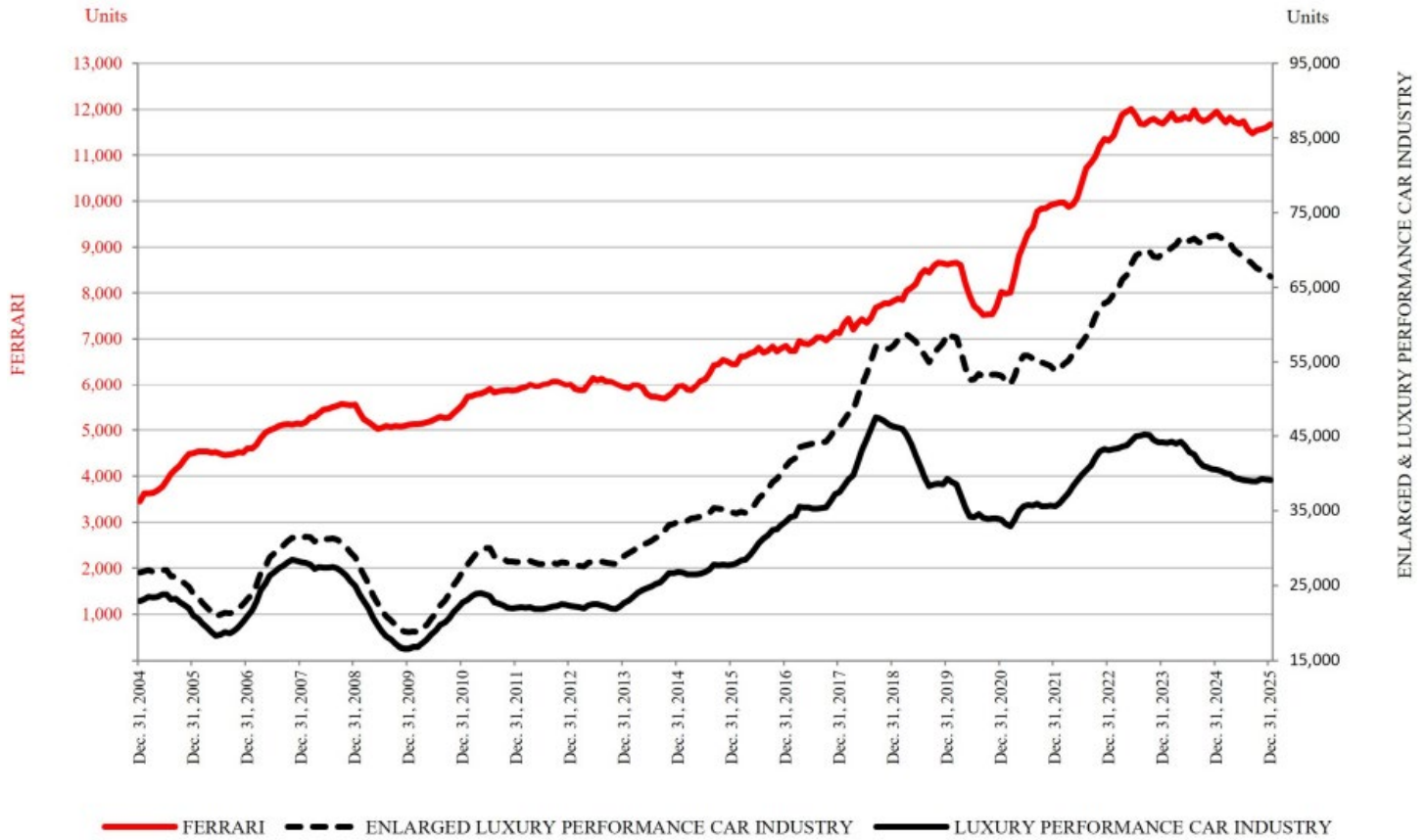
²⁵⁵ Ferrari IPO Prospectus 2015.

²⁵⁶ Luxury Car Sales Keep Skidding. Bloomberg. <https://www.bloomberg.com/news/articles/2009-01-13/luxury-car-sales-keep-skidding>

²⁵⁷ Ferrari Annual Report 2025.

²⁵⁸ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2025.

Figure 35-1: Ferrari vs. Luxury Performance Car Industry Volume 2004 – 2025²⁵⁹

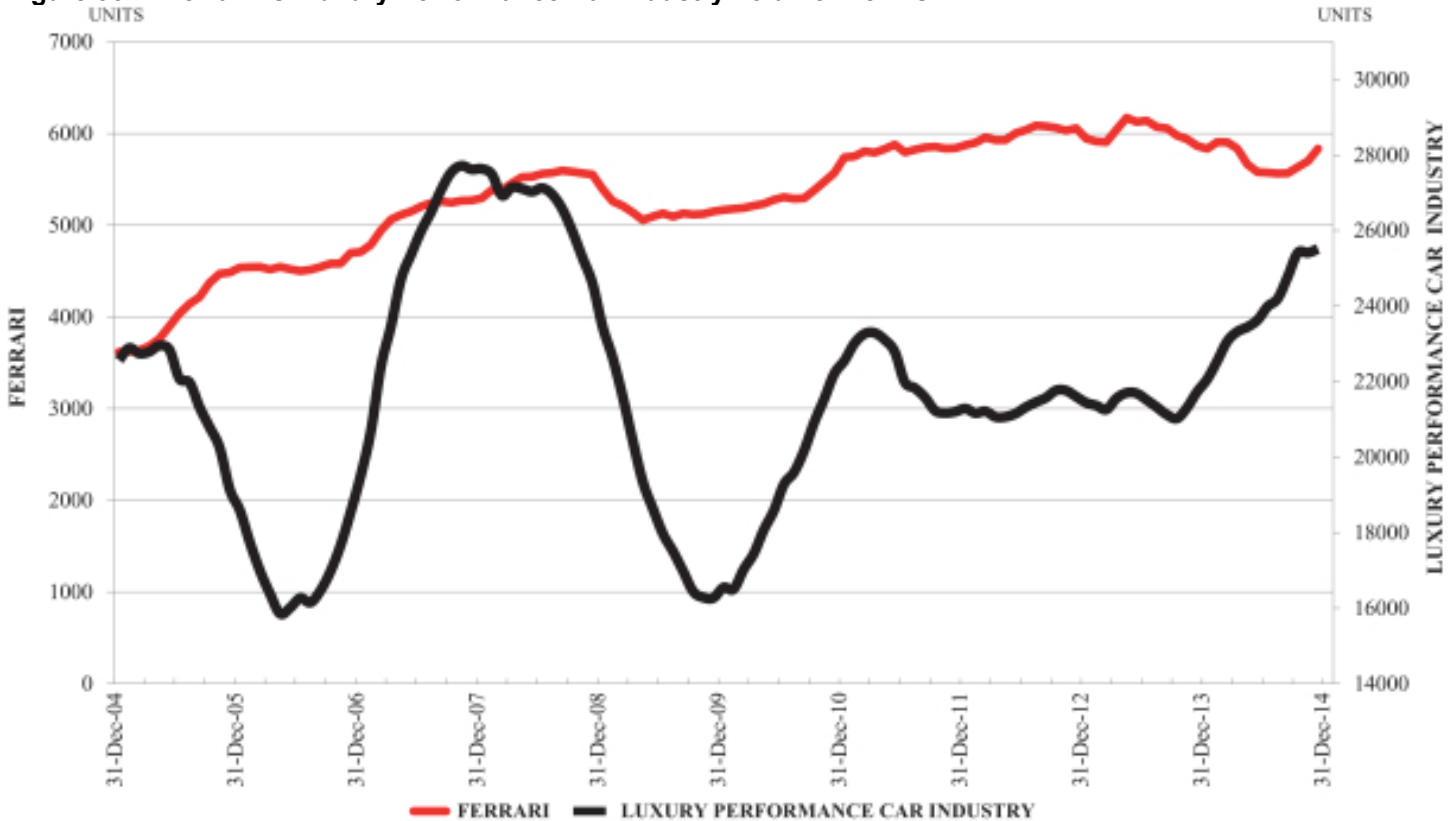


Notes:

1. Data for the Luxury Performance Car Industry include all two-door luxury sports cars with power above 500 hp, and retail price above €200,000 (Italian market price including VAT as reference) sold by Aston Martin, Audi, Bentley, Ferrari, Lamborghini, Maserati, McLaren, Mercedes Benz, Porsche and Rolls-Royce. Data is based on Ferrari's top 25 markets, excluding Middle East countries.
2. In addition to Luxury Performance Car Industry, the Enlarged Luxury Performance Car Industry includes high-riding four-door luxury performance cars offering more than 500 hp and priced in excess of €200,000 (Italian market price including VAT as reference), mostly sold by the same aforementioned competitors with the addition of Land Rover. Data is based on Ferrari's top 25 markets, excluding Middle East countries.

²⁵⁹ Ferrari Annual Report 2025.

Figure 35-2: Ferrari vs. Luxury Performance Car Industry Volume Pre-IPO²⁶⁰



Note:

1. Data for the Luxury Performance Car Industry include all two door GT and sports cars with power above 500hp, and retail price above €150,000 (including VAT) sold by Aston Martin, Audi, Bentley, Ferrari, Lamborghini, McLaren, Mercedes Benz, Porsche and Rolls-Royce.²⁶¹ Data is based on Ferrari's 22 top markets, excluding Middle East countries.

Beyond automobile sales, Ferrari monetizes its brand through licensing, lifestyle products, and racing activities.²⁶² However, these extensions are tightly controlled to protect the integrity of the brand. As a result, Ferrari functions not only as a car manufacturer but also as a global luxury lifestyle brand. The company believes that its presence in the broader luxury landscape is key to ensure brand relevance across present and future generations and to amplify the cultural relevance of its brand.²⁶³ To broaden its exposure and increase the overall experience of its clients, the company expands its peripheral products and services over the years in selected luxury and lifestyle categories such as personal luxury goods, collectibles, and experiences, fueling long-term growth by broadening its customer base. For example, in 2021, the company launched its first fashion collection in Maranello, Italy,²⁶⁴ marking a major step in the brand's new strategy as it would want the new segment to account for around 10% of the profits in a decade.²⁶⁵ Not only does this initiative target those who buy a Ferrari but also increases broader audience of its brand awareness and value, according to the creative director of Ferrari's apparel collections.²⁶⁶ At the end of 2025, such lifestyle activities remains insignificant to the automaker's overall revenue (<10%) and is not reported separately with detailed financials.²⁶⁷

²⁶⁰ Ferrari IPO Prospectus 2015.

²⁶¹ Ferrari IPO Prospectus 2015.

²⁶² Ferrari IPO Prospectus 2015.

²⁶³ Ferrari Annual Report 2025.

²⁶⁴ Ferrari Annual Report 2021.

²⁶⁵ Ferrari's Fashions Reveal High-Performance Fabrics with 'Couture Touch'. Reuters. <https://www.reuters.com/world/china/ferraris-fashions-reveal-high-performance-fabrics-with-couture-touch-2021-06-13/>

²⁶⁶ Ferrari's Fashions Reveal High-Performance Fabrics with 'Couture Touch'. Reuters. <https://www.reuters.com/world/china/ferraris-fashions-reveal-high-performance-fabrics-with-couture-touch-2021-06-13/>; Ferrari Appoints Rocco Iannone as New Brand Diversification Creative Director. <https://www.ferrari.com/en-BF/corporate/articles/ferrari-appoints-rocco-iannone-as-new-brand-diversification-creative-director>

²⁶⁷ Ferrari Annual Report 2025.

Racing Heritage And Technological Innovation

Ferrari identifies its “iconic brand with superior, enduring power, benefiting from a loyal customer base”²⁶⁸ as a primary competitive strength, noting its brand image “depends in part on the continued success of the Scuderia Ferrari racing team,” with Formula One serving as both a technology laboratory and global marketing platform. This philosophy traces directly back to the vision of founder Enzo Ferrari. His guiding principle still dictates the company today – the road cars existed for the primary purpose of funding the Scuderia Ferrari, his racing team.²⁶⁹ According to a former president of Ferrari for the Far East and Middle East, in 2025:

“The ethos of the company hasn't fundamentally changed... a company that was founded around the passion for racing by its original founder... Ferrari has always produced cars for normal people for the road, but that was basically a way of earning money in order to finance the racing. The focus point was never supposed to be on customer-owned cars for the world. That came a little bit later...as a source of income.”²⁷⁰

Ferrari recognizes the need to “continu[e] to invest in research and development to design and build technically innovative, aesthetically iconic and highly performing cars able to deliver the most ‘fun to drive’ experience and feature design excellence.”²⁷¹ In practice, we believe Ferrari’s competitive advantage is built on the interaction between engineering innovation and brand image it has portrayed through decades of efforts in motorsports.

Ferrari’s long-standing participation in Formula One has been central to both its technological development and its brand positioning. At the time of IPO, the company states that its participation in the sports is “the core element of [its] marketing effort and an important source of technological innovation” for the development of its road cars.²⁷² The company’s engineering capabilities and research initiatives are deeply connected to its experience designing and building racing cars. Formula One regulations impose strict constraints on areas such as engine design and aerodynamics, forcing teams to pursue marginal gains through highly sophisticated engineering solutions. As a result, the racetrack functions as a demanding laboratory for Ferrari where advanced technologies are tested under extreme conditions before (potentially) being adapted for road vehicles. Over time, Ferrari has transferred numerous innovations initially designed for competition into their road cars, including advanced electronic control systems, extensive use of carbon fiber for lightweight and structural strength, and hybrid technologies such as the Kinetic Energy Recovery System (KERS), originally developed for Formula One racing.²⁷³

The technological progress achieved through decades of racing can be seen clearly in the evolution of Ferrari’s engines. **For instance, the naturally aspirated V8 engine in the Ferrari F430, introduced in the mid-2000s, produced approximately 490 horsepower. By the time of Ferrari’s 2015 IPO, the company’s turbocharged V8 engines were capable of generating around 670 horsepower, reflecting significant advances in both performance and efficiency. In 2025, some of Ferrari’s road car models equipped with turbo charged V8 engines and electric motors can deliver over 1,000 horsepower.** Even for models with smaller engine, such as the 296 series, which are powered by turbo charged V6 engine featured with Ferrari’s hybrid technology can produce over 800 horse power, making it the most power-dense (defined as horsepower per liter) V6 production cars when it came out.²⁷⁴ These improvements illustrate how Ferrari’s continuous engagement in the world’s most demanding motorsport environment ultimately translates into superior engineering, enabling the company to deliver road cars that combine industry-leading performance with distinctive design and craftsmanship.

Ferrari’s racing activities also support the development of its most exclusive vehicles. Technologies refined on the track help enable the company’s special series, limited-edition, and bespoke one-off models, cars that often command prices exceeding €1 million.²⁷⁵ These ultra-exclusive vehicles play a strategic role within Ferrari’s business model. Rather than expanding volumes by competing with lower-priced luxury or premium cars, the company has consistently pushed the quality, performance, and craftsmanship of its vehicles further into the upper end of the market. In addition, Ferrari offers extensive personalization options that, on average, increase selling prices by approximately 15%, including wheels, colors on different parts, sport exhaust systems, sound systems, finishes in different materials, etc. The company believes that,

²⁶⁸ Ferrari IPO Prospectus 2015.

²⁶⁹ Ferrari: Engineering a Cult Brand of Speed and Exclusivity. <https://theambassador.it/the-cult-of-the-prancing-horse>

²⁷⁰ Interview with Former President – Far East & Middle East at Ferrari N.V. Tegus. 11/19/2025.

²⁷¹ Ferrari Annual Report 2019.

²⁷² Ferrari IPO Prospectus 2015.

²⁷³ Ferrari IPO Prospectus 2015.

²⁷⁴ The Most Power-Dense V6 Available In 2024. <https://carbuzz.com/most-power-dense-v6-2024>

²⁷⁵ Ferrari IPO Prospectus 2015.

together, these initiatives reinforce the brand's aura of exclusivity while supporting premium pricing across its entire product range.

Figure 36: Tailor Made Ferrari 812 Competizione²⁷⁶



Participation in Formula One also provides Ferrari with an unparalleled global marketing platform. Victories achieved on the track serve as powerful proof of Ferrari's engineering capability – performance that wealthy clients could then experience themselves through Ferrari's road cars. **This direct lineage from racetrack to showroom lies at the core of Ferrari's identity – from our perspective, every vehicle produced by the automaker carries elements of the technology, engineering discipline, and racing spirit developed through decades of competition on the racetrack.**²⁷⁷ As the most popular form of international motorsport, Formula One attracts hundreds of millions of viewers worldwide. **During the 2014 season, the year preceding Ferrari's IPO, the championship drew approximately 425 million television viewers globally.**²⁷⁸ A decade later, the sport's global reach has expanded to more than 800 million fans and roughly 1.6 billion cumulative television viewers.²⁷⁹ (For those interested in the subject, see our study on Formula One at <https://worldlypartners.com/businesshistory/> or the link below in the footnote²⁸⁰) **We found Ferrari's position within this arena to be uniquely powerful – through its racing division, Scuderia Ferrari, the company is the oldest and most successful team in the sport's history, having competed continuously since the inaugural Formula One season in 1950 and having won 31 world titles, consisting of 16 constructors'**

²⁷⁶ 2023 Ferrari 812 Competizione. <https://www.dupontregistry.com/autos/listing/2023/ferrari/812--competizione/557165>

²⁷⁷ Ferrari: Engineering a Cult Brand of Speed and Exclusivity. <https://theambassador.it/the-cult-of-the-prancing-horse>

²⁷⁸ Ferrari IPO Prospectus 2015.

²⁷⁹ Formula 1 2025 Season – A Half Year Review. <https://corp.formula1.com/formula-1-2025-season-a-half-year-review/>

²⁸⁰ Formula One Multi-Decade Study. Worldly Partners. <https://worldlypartners.com/wp-content/uploads/2026/02/Formula-One.pdf>

championship and 15 drivers' championships,²⁸¹ , although the team's most recent championship victory dates back to 2008.²⁸²

Some competitors have also entered Formula One as factory teams, though generally much later than Ferrari. Mercedes, for example, returned to the sport in 2010 after a brief participation in the 1950s and went on to win eight consecutive Constructors' Championships from 2014 to 2021.²⁸³ Aston Martin, which previously competed briefly between 1959 and 1960, rejoined the championship in 2021 and has yet to win a title. While these manufacturers participate in Formula One partly to enhance brand prestige, it remains unclear at this stage how directly racing success translates into retail sales for their high-performance road cars.

Running a Formula One team is an extremely expensive endeavor. In 2014, Mercedes was estimated to have incurred losses of approximately \$117 million during the season. Toto Wolff, the team principal, later explained:

"We are on plan of what Daimler expects from the team. You must just not forget how much the marketing benefit and the branding benefit is of the Formula One exercise. **We had \$3 billion of marketing value compared to our spending.** One thing is clear, we are trying to be very efficient and the pressure from the Daimler mother company is always on and we are on a downward slope in terms of our costs... Nevertheless, the value we achieve in racing in Formula One makes sense economically to Mercedes and our partners."²⁸⁴

For Ferrari, the racing team plays a similar strategic role. The visibility and prestige generated by Formula One allow the company to showcase its technological expertise to a global audience more effectively than traditional advertising.²⁸⁵ Ferrari has long believed that conventional mass-market advertising would conflict with the sense of exclusivity associated with its brand.²⁸⁶ Instead, racing success fuels passion among employees, customers, and enthusiasts while reinforcing the mythology surrounding the brand.

Indeed, Formula One has historically been a difficult business financially, with many teams having collapsed due to financial pressures since the championship's inaugural season in 1950. Even for Ferrari, whose team receives a special 5% share of Formula One's prize pool in addition to standard prize money and sponsorship income, the profitability of Scuderia Ferrari has not always been positive.

Because Ferrari does not publicly disclose the financial details of its racing operations, the exact profitability of the team is unknown. However, estimates from Forbes suggest that Scuderia Ferrari generated roughly \$670 million in revenue in 2025, with approximately \$80 million in operating profit, implying a 12% operating margin and a valuation of around \$6.5 billion.²⁸⁷ By comparison, in 2014, a year before Ferrari's IPO, the team was estimated to generate \$460 million in revenue with about \$60 million in operating profit, and was valued at approximately \$1.35 billion.²⁸⁸ This implies that the team's valuation increased at roughly a 15% CAGR over the following decade. The automaker's brand value has significantly increased during this period.

Over the same period, Ferrari's brand value has also increased significantly. Brand Finance estimated the brand at approximately \$4 billion in 2014; by 2025, this had risen to more than \$14 billion, representing a CAGR of about 12%.²⁸⁹ Meanwhile, Ferrari's market capitalization increased from about \$9.8 billion at the time of its IPO to approximately \$65.5 billion by the end of 2025, according to FactSet, about 19% CAGR.

²⁸¹ Ferrari IPO Prospectus 2015.

²⁸² Ferrari Annual Report 2025.

²⁸³ Mercedes. Formula 1®. <https://www.formula1.com/en/information/mercedes-year-by-year.45gq1OShE3U1H5iEJSVtNd>; Mercedes – All You Need to Know About the Team Ahead of the 2026 F1 Season. <https://www.formula1.com/en/latest/article/team-preview-mercedes-all-you-need-to-know-about-the-team-ahead-of-the-2026.2NkQWlgjf5Sn2PmtwMQdTo>

²⁸⁴ Toto Wolff Exclusive: Behind the Mercedes Dominance. <https://f1i.com/magazine/29314-toto-wolff-exclusive-behind-the-mercedes-dominance.html>

²⁸⁵ Ferrari IPO Prospectus 2015.

²⁸⁶ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025.

²⁸⁷ Forbes Formula 1's Most Valuable Teams 2025 List. Forbes. <https://www.forbes.com/sites/brettknight/2025/11/20/formula-1s-most-valuable-teams-2025/>

²⁸⁸ Formula One's Most Valuable Teams 2014. Forbes. <https://www.forbes.com/pictures/eejk45fdkjm/1-ferrari-2/>

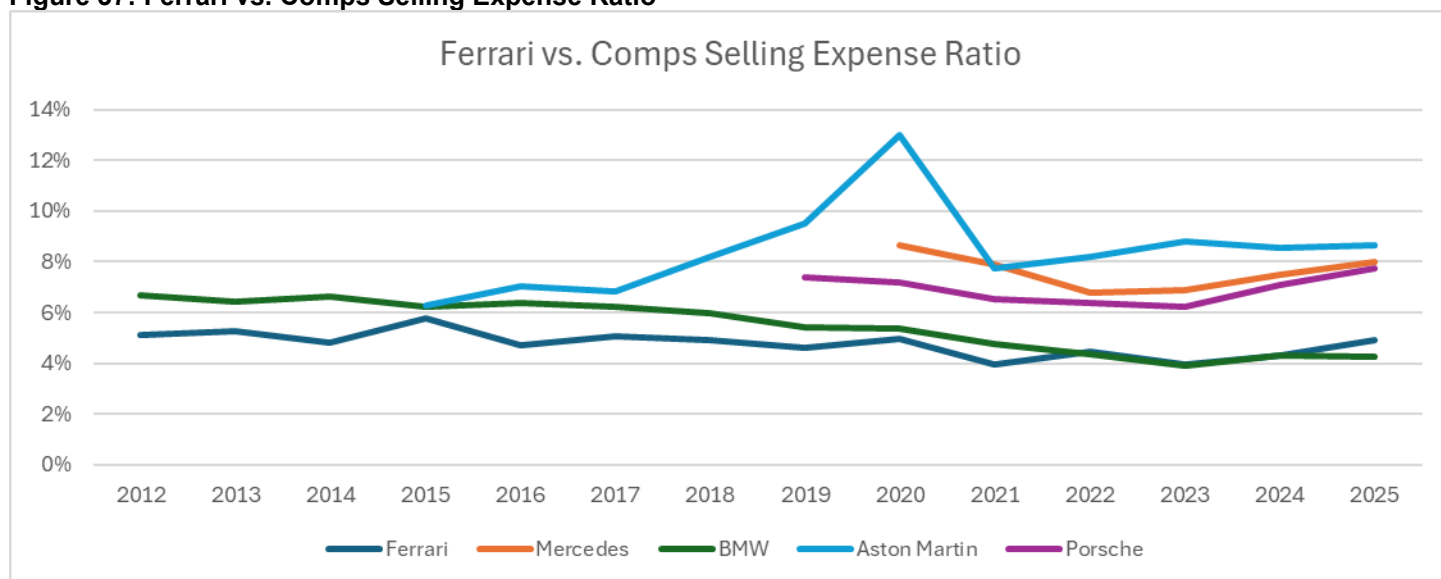
²⁸⁹ Ferrari – The World's Most Powerful Brand. <https://brandfinance.com/press-releases/ferrari-the-worlds-most-powerful-brand;Luxury & Premium 2025. https://brandirectory.com/reports/luxury-and-premium/2025>

Nevertheless, Ferrari's management stated in 2017 that the racing team had been losing money for roughly a decade,²⁹⁰ highlighting the challenging economics of Formula One. Despite this, participation in the championship remains central to Ferrari's identity.²⁹¹ **As one former Ferrari executive described, Formula One effectively serves as Ferrari's advertising, designed primarily to break even financially while delivering enormous brand exposure (e.g., newspaper during race seasons).**²⁹²

Consistent with this philosophy, Ferrari spends relatively little on conventional advertising. A former marketing director for Ferrari in Greater China noted that a large portion of the company's marketing budget is instead dedicated to experiential events.²⁹³ These include track days, road tours, and driving experiences where clients and potential buyers can participate in curated journeys that combine driving Ferrari vehicles with luxury hospitality, fine dining, and exclusive destinations. Such events often involve small groups of owners driving their cars across scenic routes or between cities, fostering a sense of community among enthusiasts.

Ferrari's marketing spending therefore is relatively modest compared with many of its peers. Since its IPO, Ferrari has typically spent less than 5% of revenue on marketing, which we proxy using selling expenses as disclosed in the company's financial reports. By comparison, publicly available data suggests that competitors such as Aston Martin, Porsche, and Mercedes tend to report selling expense ratios in the mid- to high-single-digit range relative to their respective revenues. Lamborghini does not disclose standalone financials because it operates as a subsidiary of Audi, whose results are consolidated within the broader Volkswagen. At the group level, Volkswagen similarly reports selling expenses in the mid- to high-single-digit range relative to annual sales.²⁹⁴

Figure 37: Ferrari vs. Comps Selling Expense Ratio



Notes:

1. The above data are derived from the respective companies' filings.
2. The selling expense ratio is calculated as selling expenses divided by revenue.
3. Aston Martin is a separately listed public company.
4. The ratio above for Mercedes is calculated using the selling expenses of the Mercedes-Benz Cars segment (or the Cars and Vans segment), which the company began disclosing in 2019. Prior to that, the company's financial statements consolidated the truck segment and did not provide the segment-level details necessary to compute this ratio.

Furthermore, Ferrari's racing expertise also contributes to its ability to develop new vehicles relatively quickly. We believe the company's engineers and designers operate within a culture reflecting the spirit of Formula One, where teams constantly push technological limits in pursuit of marginal performance gains.

²⁹⁰ Ferrari Q2 2017 Earnings Call. 8/2/2017.

²⁹¹ Ferrari Q3 2017 Earnings Call. 11/2/2017. Ferrari Q2 2022 Earnings Call. 8/2/2022.

²⁹² Interview with Former Head of Business Development -Brand at Ferrari N.V. Tegus. 9/24/2024.

²⁹³ Interview with Former Director of Marketing - Greater China at Ferrari N.V. Tegus. 12/3/2025.

²⁹⁴ Volkswagen Annual Report 2012 – 2025.

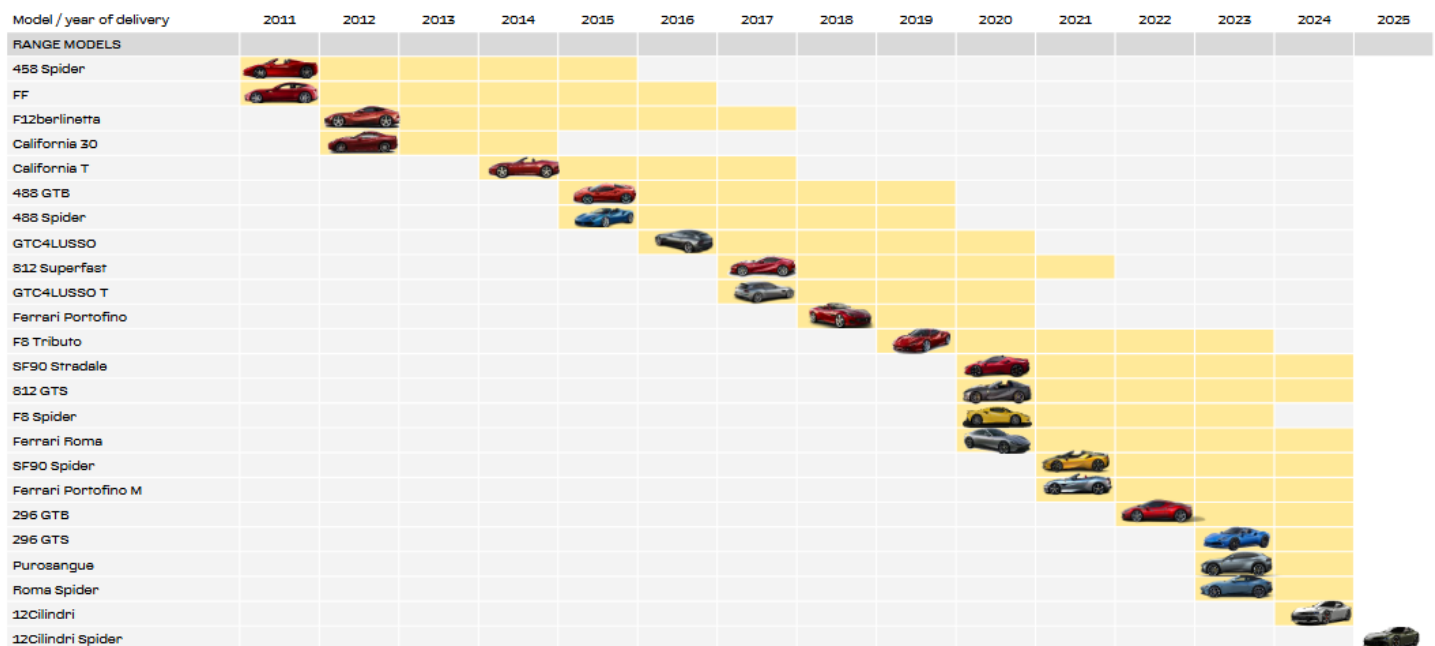
The championship operates under a strict regulatory framework that is updated each year, covering nearly every aspect of the competition, from car design and power units to team budgets and operations, with more significant changes introduced periodically throughout its history (For those interested in the subject, see our study on Formula One at <https://worldlypartners.com/businesshistory/> or the link below in the footnote²⁹⁵). Each Formula One team must allocate their finite technical and financial resources toward areas that yield the highest marginal returns, typically measured in lap times and ultimately reflected in championship points. In Formula One, every millisecond matters – differences measured in thousandths of a second can determine grid positions, race outcomes, and ultimately a team’s standing in the championship.²⁹⁶

According to Ferrari’s IPO filing, this environment allows the company to bring new models to market in approximately 40 months, measured from the start of development to the beginning of production. Modified or updated versions of existing models can be developed in roughly 33 months.

Such development speed provides Ferrari with several strategic advantages. Shorter cycles allow the company to respond better to technological changes and evolving customer preferences while renewing its product lineup regularly. Ferrari has historically aimed to introduce at least one (usually more) new model each year.²⁹⁷

Figure 38-1: Ferrari Range Model Introduced²⁹⁸

RANGE MODELS INTRODUCED



²⁹⁵ Formula One Multi-Decade Study. Worldly Partners. <https://worldlypartners.com/wp-content/uploads/2026/02/Formula-One.pdf>

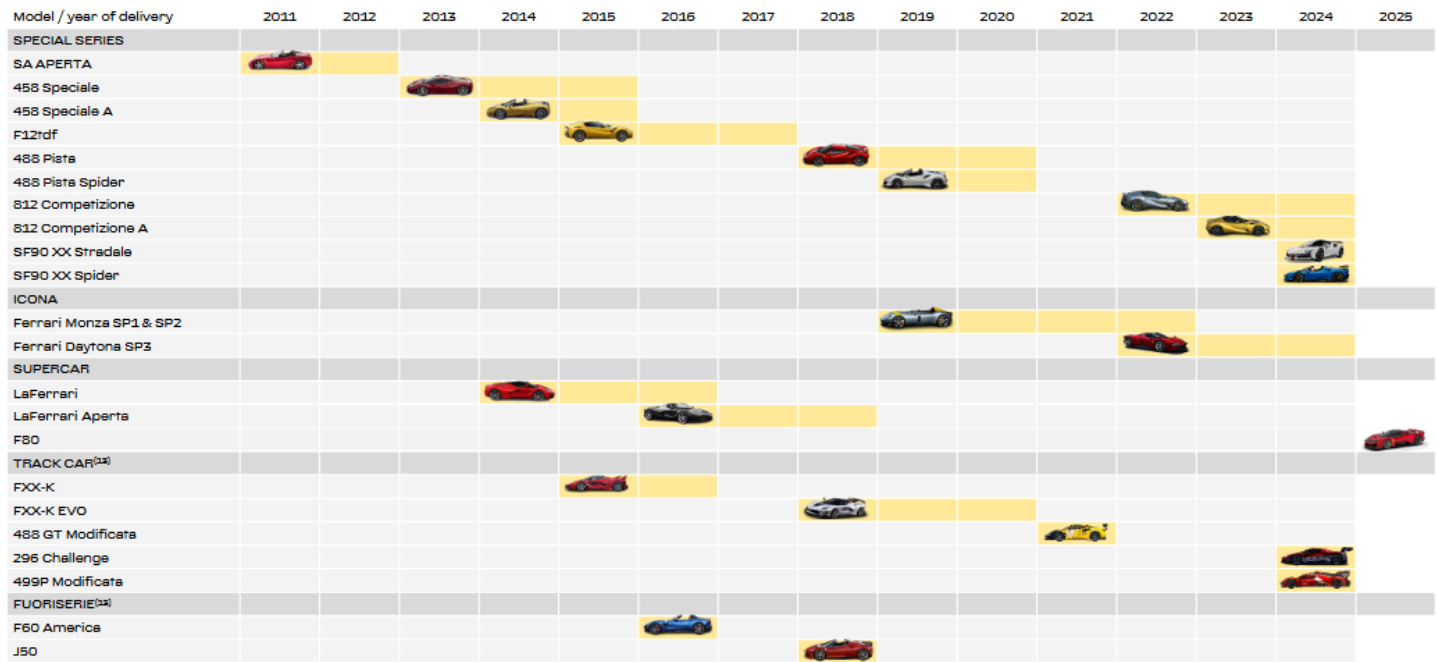
²⁹⁶ The Beginner’s Guide to the F1 Weekend. Formula 1®. <https://www.formula1.com/en/latest/article/the-beginners-guide-to-the-formula-1-weekend.5RFzGXNhEi9AEuMXwo987>

²⁹⁷ Ferrari IPO Prospectus 2015.

²⁹⁸ Ferrari Q4 2024 Earnings Call. 2/4/2025.

Figure 38-2: Ferrari Special Series And Limited Edition Models Introduced²⁹⁹

SPECIAL SERIES AND LIMITED EDITION MODELS INTRODUCED



Unlike many traditional automobile manufacturers, Ferrari manages its model lifecycle in a different way. While many high-volume luxury automakers, such as Mercedes-Benz or Porsche, retain the same model names for many years or even decades, Ferrari typically replaces its models every four to five years.³⁰⁰ Certain special series models may have even shorter production runs. At the same time, some underlying components and engineering architectures may remain in use across several generations of vehicles for as long as eight years, allowing Ferrari to leverage its research and development investments efficiently.

This approach reflects Ferrari’s broader philosophy of maintaining scarcity and individuality across its product lineup. By frequently introducing new model names while limiting the production volume of each model, Ferrari reinforces the perception that every car represents a distinct and limited chapter in the company’s history. Unlike manufacturers that rely on long-running nameplates, we believe Ferrari avoids the impression that older vehicles are merely outdated versions of current models. Instead, each model is positioned as a unique expression of the brand’s engineering and design at a specific moment in time.

As a former director of marketing at Ferrari explained:

“Every car, if you will, is limited because they stop the production of this car and then they bring out a new model. Every car is limited, and therefore, exclusive and rare...this plays a big role in making sure that you don't own an old generation of the same model basically...that helps a lot in keeping the value up.”³⁰¹

Ferrari executives have also emphasized the importance of this strategy. As the company explained in discussing its product philosophy, **Ferrari is “a believer of higher number of models with a lower volume...it’s key for our business model, the scarcity...We need to make sure that there are not too many cars of the same type on the road...We want to be unique. If we do too many cars, we will not be unique.”**³⁰²

Ferrari’s sports car lineup provides a clear illustration of this strategy. For example, the Ferrari 458 Italia, introduced in 2009, became one of the brand’s most celebrated models and is often regarded by enthusiasts as the last naturally

²⁹⁹ Ferrari Q4 2024 Earnings Call. 2/4/2025.

³⁰⁰ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025.

³⁰¹ Interview with Former Director of Marketing - Greater China at Ferrari N.V. Tegus. 12/3/2025.

³⁰² Ferrari Annual Report 2025; Ferrari Capital Markets Day. 10/9/2025.

aspirated V8 Ferrari.³⁰³ The model was discontinued in 2015 and replaced by the 488 GTB, which itself was succeeded only four years later by the F8 Tributo.³⁰⁴

Figure 39: Ferrari 458 Italia, 488 GTB, And F8 Tributo³⁰⁵



While Ferrari does not publicly disclose detailed production figures for most of its range models, our estimate suggests that Ferrari models typically have relatively modest volumes compared with some other luxury automakers. **For example, a Ferrari U.S. dealership estimates that approximately 15,000 units of the Ferrari 458 Italia were produced during its lifecycle, along with about 3,000 units of the track-focused 458 Speciale. Production of the subsequent 488 family, including the 488 GTB, 488 Spider, and 488 Pista, is estimated to have totaled roughly 10,000 to 15,000 vehicles.**³⁰⁶

One notable exception to Ferrari's typical model lifecycle was the California series. The original Ferrari California was introduced in 2008 and updated to the California T in 2014 before eventually being replaced by the Portofino in 2018.³⁰⁷ Even in this case, however, production remained relatively controlled. Industry estimates suggest Ferrari produced roughly 8,000 units of the California and about 7,900 units of the California T during their respective lifecycles.³⁰⁸

Ferrari's shorter model lifecycles stand in contrast to some of its closest competitors in the luxury performance segment. **Lamborghini, for example, historically kept its flagship models in production for longer periods. The Lamborghini Gallardo – often referred to as the brand's "baby Lambo" – was introduced in 2003 as the company's first modern V10 sports car developed under Audi ownership. The model remained in production until 2013, during which time more than 14,000 units were produced. Similarly, the Lamborghini Murciélago served as the company's flagship V12 model from its introduction in 2001 until its discontinuation in 2010, with total production exceeding 4,000 vehicles.**³⁰⁹

By contrast, Ferrari typically replaces its models every four to five years,³¹⁰ although actual lifecycles can vary by model. The company also introduces special editions toward the end of some models' production cycle.

Another distinctive element of Ferrari's product strategy is the use of high-performance "special series" variants to mark the final phase of a model's lifecycle. Near the end of production, Ferrari often introduces limited-volume versions that significantly enhance performance while further restricting supply. Examples include the 458 Speciale, 488

³⁰³ The Last Naturally Aspirated V8 From Ferrari Is Worth Its Weight In Gold Today. <https://carbuzz.com/ferrari-458-italia-last-naturally-aspirated-v8-price/>

³⁰⁴ The Ferrari 488 GTB Is Dead, Long Live The 710HP F8 Tributo! <https://www.carscoops.com/2019/02/ferrari-488-gtb-dead-long-live-720-ps-f8-tributo/>

³⁰⁵ Ferrari 458 Italia (2009). <https://www.ferrari.com/en-EN/auto/458-italia>; Ferrari 488 GTB. <https://carbuzz.com/cars/ferrari/488-gtb/>; F8 Tributo. <https://www.ferrariofnaples.com/f8-tributo/>

³⁰⁶ How Many Cars Does Ferrari Make Each Year. <https://www.continentalautosports.com/ferrari-information/how-many-cars-does-ferrari-make-a-year/>

³⁰⁷ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2017.

³⁰⁸ How Many Cars Does Ferrari Make Each Year. <https://www.continentalautosports.com/ferrari-information/how-many-cars-does-ferrari-make-a-year/>

³⁰⁹ Celebrating The Lamborghini Gallardo. <https://www.lamborghini.com/en-en/news/celebrating-the-lamborghini-gallardo>; Lamborghini's First V10-Powered Production Supercar – the Gallardo – Is 20 Years Old. <https://www.autoevolution.com/news/lamborghini-s-first-v10-powered-production-supercar-the-gallardo-is-20-years-old-218367.html>; International Lamborghini Registry; <https://www.lamborghiniregistry.com/lamborghini-models/murcielago>

³¹⁰ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025.

Pista, and the recently introduced 296 Speciale. To distinguish them from their regular series, these models typically incorporate upgraded engines, advanced aerodynamics, and technologies derived directly from Ferrari's racing activities.

The Ferrari 458 Speciale, introduced in 2013 toward the end of the 458 Italia's lifecycle, illustrates this approach. The vehicle featured a 605-horsepower V8 engine, compared with 570 horsepower in the standard 458 Italia. Ferrari described. Ferrari described the car as aimed at clients who are willing to sacrifice some on-board comfort in exchange for a more track-focused driving experience.³¹¹ At the time of its release, Ferrari also described it as the most aerodynamically advanced road car the company had produced. In addition, it also integrated Ferrari's Formula One technology, such as Side Slip Angle Control (SSC), "which employs an algorithm to analyze the car's side slip, compare it to the car's projected trajectory and work with the electronic differential to instantly change the torque distribution between the rear wheels."³¹²

Through this strategy of frequent model renewal combined with limited-production special variants, Ferrari is able to continuously refresh its product lineup while reinforcing the perception that each model represents a rare and distinctive offering within the broader Ferrari universe.

Figure 40-1: Ferrari Product Offerings 2020³¹³

RANGE MODELS

SPORTS



V8 Hybrid -
SF90 Stradale



V8 Hybrid -
SF90 Spider



V8 -
F8 Tributo



V8 -
F8 Spider



V12 - 812
Superfast



V12 -
812 GTS

GRAN TURISMO



V8 -
Portofino M



V8 - Roma



V8 -
GTC4Lusso T



V12 -
GTC4Lusso

SPECIAL SERIES MODELS



V8 - 488 Pista



V8 -
488 Pista Spider



V12 -
Monza SP1/ SP2



V12 - Ferrari
Omologata

ICONA

ONE-OFF

Note:

- The above product lineup does not include track cars and limited one-off vehicles that Ferrari might offer from time to time.

³¹¹ Ferrari IPO Prospectus 2015.

³¹² Ferrari IPO Prospectus 2015.

³¹³ Ferrari Annual Report 2020.

Figure 40-2: Ferrari Product Offerings 2025³¹⁴

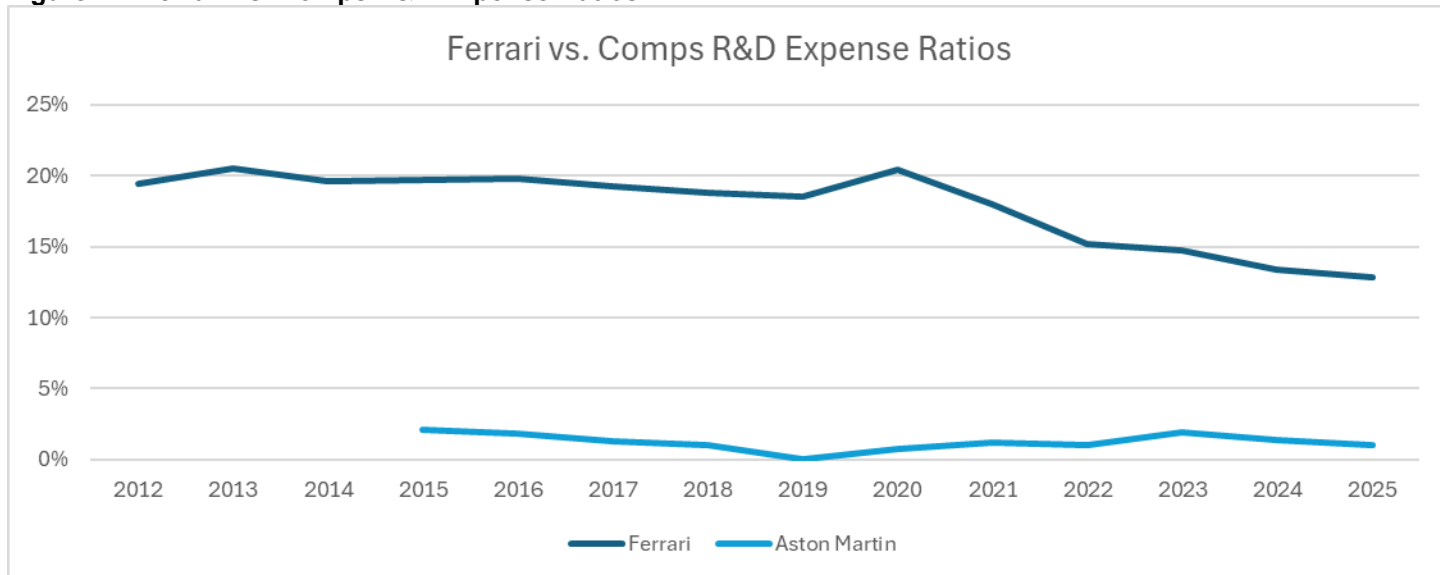
| ROAD CARS | | | | | | | | | |
|--------------------|-----------------------|---|---------------------------------|------------|--------------------------------|---------------------------|-------------|-----------|--|
| RANGE | | | | | SPECIAL SERIES | | ICONA | SUPERCAR | |
| | | | | | | | | | |
| | | | | | | | | | |
| V6 Hybrid | V8 | V8 Hybrid | V12 | V12 | V6 Hybrid | V8 Hybrid | V12 | V6 Hybrid | |
| 296 GTB 296 GTS | Amalfi Roma Spider | 849 Testarossa 849 Testarossa Spider | 12Cilindri 12Cilindri Spider | Purosangue | 296 Speciale 296 Speciale A | SF90 XX SF90 XX Spider | Daytona SP3 | F80 | |

Note:
1. The above product lineup does not include track cars and limited one-off vehicles that Ferrari might offer from time to time.

In addition to frequently introducing new models, the company also invests heavily in research and development relative to its size. At the time of Ferrari’s IPO in 2015, many of its closest competitors, including Lamborghini, Bentley, and Aston Martin, were either privately held or operated as subsidiaries of larger automotive groups, making direct comparisons difficult. Nevertheless, available disclosures suggest that Ferrari’s R&D spending as a percentage of revenue significantly exceeds that of most traditional automakers.

The following chart compares the R&D expense ratios of Ferrari and Aston Martin over time. **Ferrari has historically invested around 19% of its revenue in R&D, with a decreasing trend in recent years as its revenue continues to grow. By contrast, Aston Martin, which went public in 2018, has an average R&D expense ratio of roughly 1%.** We were unable to identify Lamborghini’s R&D expense ratio because it operates as a subsidiary of Audi, whose financial results are consolidated within its parent company, Volkswagen Group, a manufacturer primarily focused on high-volume vehicles. Similarly, Bentley is also a Volkswagen Group brand and focuses mainly on luxury sedans and is owned by BMW Group, which does not disclose the brand’s financials separately. Porsche, which went public in 2022, offers a few models at price points comparable to Ferrari, such as the 911 Turbo and 911 GT3 RS, but it remains largely a higher-volume automaker serving a more accessible luxury segment relative to Ferrari.

Figure 41: Ferrari vs. Comps R&D Expense Ratios³¹⁵



Notes:
1. The R&D expense figures presented above include only the amounts recognized on the companies’ income statements and exclude any capitalized R&D costs.

³¹⁴ Ferrari Annual Report 2025.

³¹⁵ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025; Aston Martin IPO Prospectus 2018; Aston Martin Annual Report 2018 – 2025.

2. The R&D expense ratio is calculated as R&D expenses divided by revenue.
3. Aston Martin is a separately listed public company.

Ferrari's premium positioning supports structurally high gross margins. **Limited spending on traditional marketing and sustained investment in R&D, combined with high gross margins, have enabled the company to achieve high operating margins compared to competitors. Since its IPO, Ferrari's operating margin has expanded significantly, from roughly 14% to nearly 30% by 2025, driven largely by a decline in the ratio of R&D expenses to revenue as demonstrated in the chart above.**

Lamborghini, Ferrari's closest peer, has also delivered substantial margin expansion, with operating margins rising from approximately 5% in 2017 to around 24% in 2025,³¹⁶ based on available disclosures. While detailed segment data is not provided by Lamborghini or its parent companies, Audi and Volkswagen, we believe several key factors underpin this improvement. First, Lamborghini's volumes have increased materially following the launch of the Urus SUV. Annual deliveries grew from 2,530 units in 2014 to 10,747 units in 2025, implying a CAGR of approximately 14%, with the Urus accounting for over 70% of total deliveries by 2025.³¹⁷ At launch in 2017, Audi indicated that the Urus would "drive volume development for the Lamborghini brand as well as strengthening brand awareness and profitability."³¹⁸ Beyond attracting new customers, the model has also enabled Lamborghini to leverage group-wide synergies. Higher Urus volumes have supported capacity expansion and improved manufacturing efficiency,³¹⁹ driving operating leverage. In addition, Lamborghini benefits from collaboration with engineers across the group, particularly Audi and Porsche, in areas such as R&D. The Urus shares its technical platform with models including the Audi Q7, Audi Q8, and Bentley Bentayga, and also benefits from shared production of key components,³²⁰ further enhancing cost efficiency.

As a result, Lamborghini's R&D, SG&A, and capital expenditure ratios relative to sales have declined since 2017, although the company does not disclose specific figures detailed financial metrics.³²¹ From 2017 to 2022, its R&D and SG&A expense ratios declined 11 and 5 percentage points, respectively.³²²

By comparison, mass-market luxury carmakers such as Mercedes-Benz and BMW typically generate operating margins in the high-single-digits, while Porsche operates at mid-teens margins. Aston Martin, by contrast, has struggled to achieve consistent profitability and has reported negative operating margins in many periods.

³¹⁶ Audi Annual Report 2017 – 2025.

³¹⁷ Automobili Lamborghini – Deutsche Bank Investor Field Trip. 10/7/2025; Audi Annual Report 2017 – 2025.

³¹⁸ Audi Annual Report 2017.

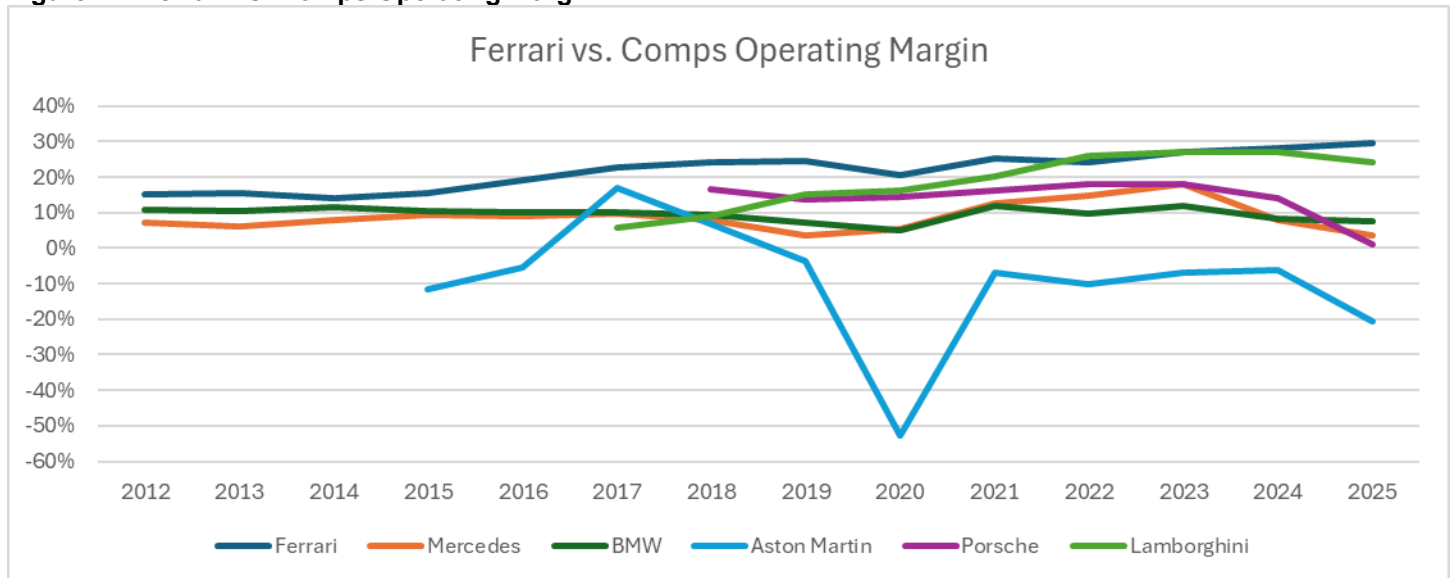
³¹⁹ Audi Annual Report 2018.

³²⁰ Audi Annual Report 2022.

³²¹ Automobili Lamborghini – Deutsche Bank Investor Field Trip. 10/7/2025

³²² Automobili Lamborghini – UBS Investor Field Trip. 11/16/2023

Figure 42: Ferrari vs. Comps Operating Margin³²³

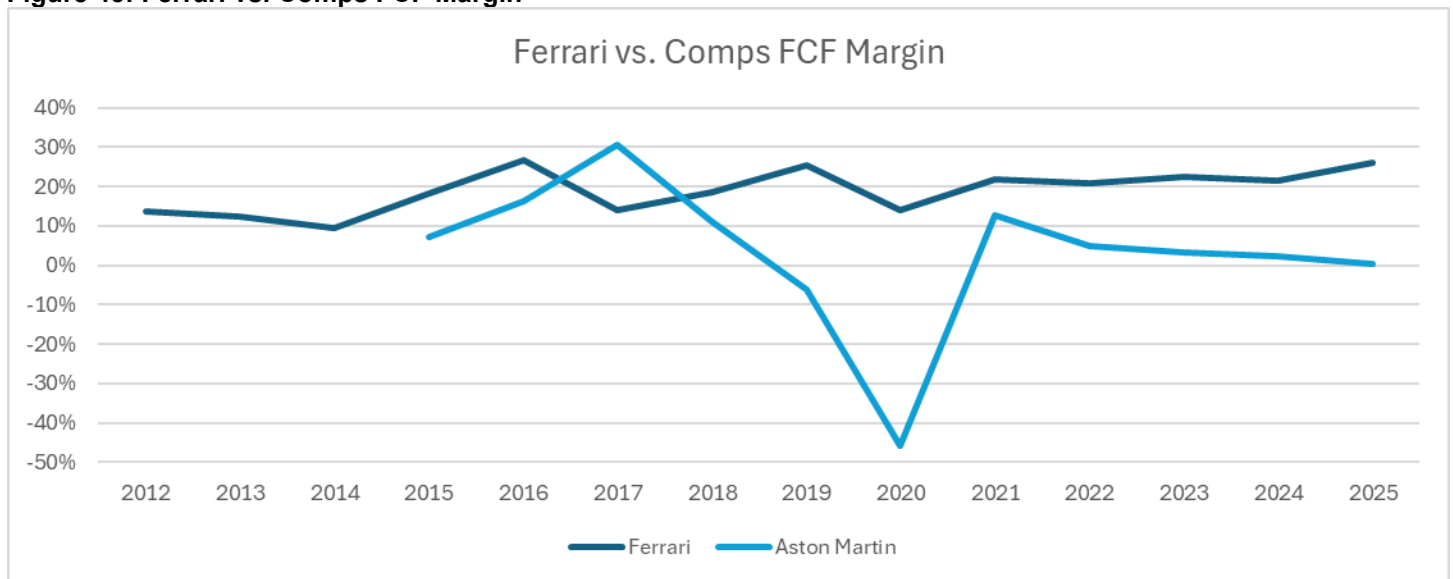


Notes:

1. Aston Martin and Porsche IPO'ed in 2018 and 2022, respectively.
2. The figures above for Mercedes prior to 2020 include Daimler's truck business. In 2021, Mercedes spun off its truck division, and the company's results now primarily reflect its cars and vans operations.

We believe the company's high margins translate into strong cash generation that can be reinvested into product development. Since its IPO, Ferrari has produced a free cash flow margin of roughly 19%, with an upward trend in recent years as profitability has expanded, driven primarily by favorable product mix. By comparison, Aston Martin's free cash flow margin has remained volatile with an average of a low-single-digit percentage as the company has struggled financially. Financial data for Lamborghini and Bentley are not disclosed on a standalone basis, as both brands are consolidated within the Volkswagen Group.

Figure 43: Ferrari vs. Comps FCF Margin³²⁴



Note:

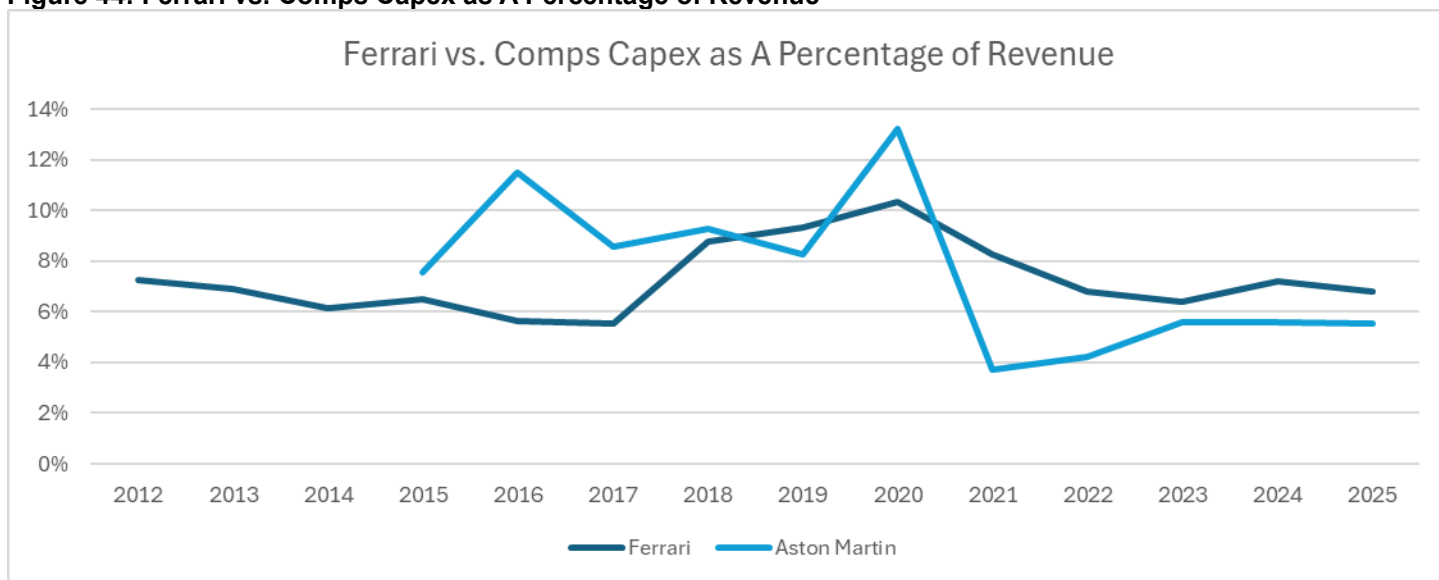
³²³ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025; Aston Martin IPO Prospectus 2018; Aston Martin Annual Report 2018 – 2025; Audi Annual Report 2017 – 2025. BMW Annual Report 2012 – 2025; Mercedes Annual Report 2012 – 2025; Porsche IPO Prospectus 2022; Porsche Annual Report 2022 – 2025.

³²⁴ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025; Aston Martin IPO Prospectus 2018; Aston Martin Annual Report 2018 – 2025

1. FCF margin is calculated as free cash flow divided by revenue for the respective year. Free cash flow is defined as operating cash flow less capital expenditures on property, plant, and equipment.

Ferrari's high profitability also allows it to remain committed to its scarcity-driven business model. Unlike mass-market manufacturers, we believe Ferrari does not fully benefit from economies of scale, as it deliberately limits production while continuing to invest heavily in new models and technology. This dynamic is reflected in the company's relatively high capital expenditure ratio relative to revenue compared with some of its peers. Since its IPO, Ferrari's capital expenditures have averaged roughly 7% of revenue, similar to Aston Martin, both of which are low-volume luxury performance car manufacturers producing vehicles in the range of several thousand to just over ten thousand units annually. For context, we estimated based on their filings that high-volume automakers such as BMW, Mercedes-Benz, and Porsche have average capital expenditure ratios closer to around 5% of revenue, despite offering luxury high-performance models within their broader product portfolios.

Figure 44: Ferrari vs. Comps Capex as A Percentage of Revenue³²⁵



Note:

1. Capital expenditure (Capex) refers to the company's annual investments in property, plant, and equipment (PP&E).

Industry participants point to Ferrari's financial strength and organizational structure as key enablers of this investment approach. A former Global Product Strategy Manager at Maserati, who also worked at Lamborghini, emphasized Ferrari's ability and willingness to pursue ambitious engineering projects, noting:

“They (Ferrari) have a lot of money. This allows them to make very audacious investments in research and development, and innovation. Investments that would be seen as either too complex or too expensive in their competitors, Lamborghini and Maserati...we were very jealous of is their speed. Ferrari is... independent. It's not part of a bigger group. This allows them to be very agile, to write their own processes, to have way fewer committees or alignments. They need to ask a lot fewer permissions to stakeholders to make their own decisions. This allows them to make cars a lot faster than their competitors.”³²⁶

As a result of this sustained investment, Ferrari is widely regarded not only as one of the most prestigious automobile manufacturers in the world but also as one of the most technologically innovative performance car companies. A defining feature of Ferrari's engineering approach is the continuous transfer of technology from its racing operations, particularly Formula One, into its road cars. One of the earliest examples of this technology transfer was Ferrari's pioneering work on semi-automatic gearboxes. In the 1989 Formula One season, Ferrari introduced the Ferrari 640, the first F1 car to use paddle-shift gear controls mounted behind the steering wheel. This system eliminated the need for a traditional manual

³²⁵ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2015 – 2025; Aston Martin IPO Prospectus 2018; Aston Martin Annual Report 2018 – 2025

³²⁶ Interview with Former Global Product Strategy Manager, Automated Driving, Infotainment, EV Features and Connectivity at Maserati. Tegus. 11/26/2025.

gear lever and clutch pedal, allowing drivers to keep both hands on the wheel and maintain focus on the racing line.³²⁷ By the mid-1990s, paddle-shift transmissions had become standard across the entire Formula One grid. Ferrari then successfully transferred the technology to its road cars. The Ferrari F355 F1, introduced in the late 1990s, became the world's first production road car equipped with a Formula One-style paddle-shift gearbox management system.³²⁸ Over the following decades, paddle shifters became a standard feature not only in high-performance sports cars but eventually in many mainstream vehicles produced by manufacturers.

Figure 45-1: Ferrari F355 F1³²⁹



³²⁷ Great Ferrari Innovations: The F1 Semi-Automatic Gearbox. <https://www.ferrari.com/en-EN/magazine/articles/great-ferrari-innovations-the-f1-semi-automatic-gearbox>

³²⁸ Ferrari 355 F1 Berlinetta (1997). <https://www.ferrari.com/en-EN/auto/355-f1-berlinetta>

³²⁹ Ferrari 355 F1 Berlinetta (1997). <https://www.ferrari.com/en-EN/auto/355-f1-berlinetta>

Figure 45-2: Ferrari F355 F1 Paddle Shifter³³⁰



Another notable example of Ferrari's racing-derived innovation was the introduction of the LaFerrari hypercar in 2013. Limited to 499 units and initially priced at approximately \$1.4 million, LaFerrari represented the technological pinnacle of Ferrari's road car engineering at the time.³³¹ The vehicle incorporated Ferrari's HY-KERS hybrid powertrain system, combining an 800-horsepower V12 engine with an electric motor to produce a total output of 963 horsepower. The system was directly inspired by the KERS hybrid technology used widely in Formula One.³³² LaFerrari also featured a carbon-fiber monocoque chassis, similar to the structures used in modern Formula One cars, as well as advanced active aerodynamics and a fully digital instrument panel. Ferrari described the car as "the meeting point between a sports car and a F1 single-seater."³³³ At the time of its release, LaFerrari became the fastest road car in the company's history, accelerating from 0 to 60 miles per hour in under 2.5 seconds and reaching a top speed of approximately 218 miles per hour,³³⁴ making it one of the fastest road cars in the world.

Importantly, the technological advancements developed through Ferrari's racing activities are not limited to limited edition or one-off models. Many innovations gradually migrate into Ferrari's standard production vehicles over time, allowing the company to spread the benefits of its R&D investments across multiple model generations. These technologies derived from racetracks potentially give Ferrari car owners the impression that they are tested and perfected under the extreme competitive environment before they are adapted and transferred to their cars.

³³⁰ Ferrari F355 F1 The First Ferrari With Paddle Shifters. <https://www.drive.com.au/news/remember-when-ferrari-f355-f1/>

³³¹ Ferrari IPO Prospectus 2015.

³³² LaFerrari (2013). <https://www.ferrari.com/en-EN/auto/laferrari>

³³³ LaFerrari (2013). <https://www.ferrari.com/en-EN/auto/laferrari>; The Fastest Ferraris Ever Made. AOL. <https://www.aol.com/articles/fastest-ferraris-ever-made-140709472.html>

³³⁴ 2014 Ferrari LaFerrari Is Hellaciously Quick. <https://www.caranddriver.com/reviews/a15107243/ferrari-laferrari-hypercar-tested-review/>

Figure 46-1: Ferrari LaFerrari³³⁵



Figure 46-2: Ferrari LaFerrari Interior³³⁶



³³⁵ The LaFerrari: A True Trailblazer. <https://www.ferrari.com/en-US/magazine/articles/the-laferrari-a-true-trailblazer>

³³⁶ 2014 Ferrari LaFerrari Interior Photos. <https://carbuzz.com/cars/ferrari/laferrari/2014/photos-interior/>

Despite Ferrari's relatively short model lifecycles, the underlying technological platforms are often shared across several vehicles. Ferrari therefore does not design each new model entirely from scratch. Instead, technologies and components developed through earlier programs are refined and adapted for future vehicles. As the company noted at the time of its IPO, Ferrari seeks to transfer components and technologies developed in racing or previous models into new vehicles whenever appropriate. Michael Hugo Leisters, Ferrari's Chief Technology Officer, summarized this philosophy by noting that the company must continue to build upon technologies it has already developed. While new models introduce refinements and improvements, the underlying engineering knowledge must create synergies across Ferrari's broader product portfolio.³³⁷ In other words, innovation at Ferrari tends to be cumulative, with new vehicles evolving from a foundation of previously developed technologies rather than being entirely redesigned each cycle.

Development and Product Launch Process

Ferrari's product creation process reflects a tightly integrated model that combines design, engineering, and brand philosophy into a unified system. From the earliest stages, the company emphasizes collaboration across disciplines, where "designers, modelers and engineers work together to create car bodies that incorporate the most innovative aerodynamic solutions"³³⁸ Design is not merely aesthetic, but foundational to the product itself, guided by the principle that "each new model represents a clear departure from prior models and introduces new and distinctive aesthetic elements"³³⁹ To reinforce this approach, Ferrari established its in-house Design Centre in 2010 "to improve control over the entire design process and ensure long-term continuity of the Ferrari style,"³⁴⁰ owning the entire process.

This integrated design philosophy flows directly into Ferrari's development process, which is notably fast for a luxury automotive manufacturer. **As aforementioned, Ferrari is able to "bring to market new models in approximately 40 months, depending on the modifications (approximately 33 months for modified or "M" models), measured from the beginning of the development project to the start of production"**³⁴¹ This relatively short development period stems from Ferrari's racing heritage, where continuous iteration and rapid engineering cycles are embedded in the organization. The company explicitly links its Formula One activities to product development, noting that know-how from racing "has allowed us to streamline our new car design and development schedule."³⁴² In this way, racing functions as both a technological laboratory and an organizational discipline that shapes how Ferrari develops road cars.

At the core of Ferrari's product development is a clearly defined "product DNA," built around three primary pillars: design, performance, and driving thrills. These elements are carefully balanced, sometimes in different proportions depending on the model, to deliver what Ferrari describes as "a different Ferrari for different Ferraristi, on different moments."³⁴³

1. Design is the first pillar and reflects the belief that visual impact is the initial point of connection between the car and the driver. Every Ferrari must be beautiful, but beauty is never detached from function. The development of a car's lines is inherently tied to improving aerodynamic efficiency, performance, and the emotional experience of driving.
2. Performance, the second pillar, is most directly measurable, often expressed in lap times, but extends beyond raw speed. It encompasses drivability, responsiveness, and the ability to deliver performance in a controlled and accessible manner. Ferrari engineers focus on optimizing power density, throttle response, and overall vehicle balance to ensure that performance translates into a seamless driving experience.
3. Driving thrills, the third pillar, capture the emotional dimension of Ferrari's cars. This includes longitudinal acceleration, the sensation of being pushed back into the seat, as well as lateral dynamics through corners, enabled by precise balance, grip, and chassis control. Steering precision is critical, allowing the driver to position the car exactly as intended. Braking performance, supported by carbon-ceramic systems, delivers high deceleration and confidence under extreme conditions. Gear shifts are engineered to enhance sensation during both acceleration and deceleration, while engine sound serves as a unifying element that

³³⁷ Ferrari Capital Markets Day. 9/18/2018.

³³⁸ Ferrari IPO Prospectus 2015.

³³⁹ Ferrari IPO Prospectus 2015.

³⁴⁰ Ferrari IPO Prospectus 2015.

³⁴¹ Ferrari IPO Prospectus 2015.

³⁴² Ferrari IPO Prospectus 2015.

³⁴³ Ferrari Capital Markets Day. 6/16/2022

amplifies the entire driving experience. Together, these elements create a multi-sensory engagement that defines what it feels like to drive a Ferrari.

Once development is complete, production remains centralized in Maranello, Italy, ensuring tight control over quality and execution. Ferrari manufactures key performance-related components in-house,³⁴⁴ most notably its engines, which are cast, inspected, and assembled with meticulous care to ensure performance, reliability, and longevity. Production begins at Ferrari's foundry, where engine parts are created from molten aluminum and carefully inspected by skilled engineers before being hand-assembled, reflecting techniques passed down through generations.³⁴⁵ While modern automation supports precision tasks such as welding and measurement control, human expertise remains central to assembly, embodying Ferrari's philosophy of "craftsmanship assembly, automatic control."³⁴⁶ Each vehicle moves through a tightly coordinated process, from engine construction to final installation and testing, typically over a three-month period,³⁴⁷ culminating in rigorous diagnostics such as cold testing to ensure strict tolerance, a process involving sensors to collect thousands of parameters.³⁴⁸ This blend of vertical integration, artisanal skill, and technological precision underpins Ferrari's ability to produce durable, high-performance cars designed to endure for decades.

However, Ferrari's process does not end at manufacturing. A distinctive feature of its model is the extension of product development into the customer phase through personalization, which we will discuss later in detail. Vehicles can be configured with a wide array of options, and in higher-tier programs, "a dedicated Ferrari designer assists clients in selecting and applying virtually any specific design element chosen by the client."³⁴⁹ This effectively makes the customer part of the final stage of the design process, reinforcing Ferrari's positioning as both an industrial manufacturer and a luxury craftsman.

Finally, Ferrari maintains strict discipline around product disclosure. The company does not discuss vehicles in development until they are ready to be unveiled,³⁵⁰ typically through carefully orchestrated reveal events or major auto shows. We believe this approach preserves anticipation, reinforces exclusivity, and ensures that each new model introduction remains a significant moment for both the brand and its customers.

For context, across the automotive industry, vehicle development timelines vary widely. A 2025 Bain report suggests that traditional automakers typically require 48 to 54 months to develop new vehicles, while newer entrants, particularly electric vehicle manufacturers, can often develop models in 24 to 30 months.³⁵¹ However, since Ferrari has not publicly disclosed updated development timelines since around 2018, it is difficult to determine whether its internal development cycles have changed materially since the IPO.

The rapid rise of electric vehicle manufacturers, especially Chinese EV companies, has introduced new competitive dynamics to traditional internal combustion engine car makers. From 2020 to 2024, Chinese EV makers reportedly achieved full vehicle development costs roughly 27% of those incurred by the top five German automakers, and about 43% of the costs of European automakers more broadly.³⁵² These newer manufacturers often pursue a different innovation model, relying on continuous software updates and incremental hardware improvements throughout a vehicle's lifecycle. By contrast, traditional automakers, including many luxury brands, tend to incorporate major updates in periodic model redesigns or "facelift" cycles.

Electrification has also dramatically lowered the technological barrier to producing extremely high horsepower vehicles. Performance levels that once defined high-end sports cars can now be achieved in relatively affordable electric vehicles.

³⁴⁴ Interview with Former Global Product Strategy Manager, Automated Driving, Infotainment, EV Features and Connectivity at Maserati. Tegus. 11/26/2025.

³⁴⁵ Inside The Factory: The Foundry. <https://www.ferrari.com/en-EN/magazine/articles/inside-the-factory-the-foundry>

³⁴⁶ Inside the Factory: The Engine Assembly Plant. <https://www.ferrari.com/en-US/magazine/articles/inside-the-factory-the-engine-assembly-plant>

³⁴⁷ Where Are Ferraris Made. <https://www.ferrarilakeforest.com/where-are-ferraris-made>

³⁴⁸ Inside the Factory: The Engine Assembly Plant. <https://www.ferrari.com/en-US/magazine/articles/inside-the-factory-the-engine-assembly-plant>

³⁴⁹ Ferrari IPO Prospectus 2015.

³⁵⁰ Ferrari Q4 2016 Earnings Call. 2/2/2017.

³⁵¹ When Less Is More: Shifting Gears in Automotive R&D. Bain & Company. <https://www.bain.com/insights/when-less-is-more-shifting-gears-in-automotive-r-and-d>

³⁵² When Less Is More: Shifting Gears in Automotive R&D. Bain & Company. <https://www.bain.com/insights/when-less-is-more-shifting-gears-in-automotive-r-and-d>

For example, a Tesla Model 3 Performance can deliver more than 500 horsepower for under \$60,000,³⁵³ while China's Xiaomi SU7 Ultra reportedly produces over 1,500 horsepower at a price of roughly \$70,000,³⁵⁴ and BYD's Han L EV exceeds 1,000 horsepower at a price point below \$40,000.³⁵⁵

This shift is beginning to extend beyond road cars into motorsport ambitions for some of these emerging EV makers. BYD, for instance, is reportedly exploring entry into global racing series such as Formula One and the World Endurance Championship as part of a broader effort to elevate its brand internationally.³⁵⁶ The company is considering multiple approaches, including building its own Formula One team or acquiring an existing one, though no final decision has been made. Such a move would align with the growing importance of hybrid technologies in racing and could significantly enhance BYD's visibility, particularly in markets like the United States where its presence remains limited. However, the barriers to entry are substantial – participation in Formula One can cost up to \$500 million per season, alongside a one-time \$200 million anti-dilution fee for new entrants based on the current Concorde Agreement.³⁵⁷ Existing teams are also often resistant to expansion due to concerns over prize dilution, and while acquisitions are more common than new team entries, full team sales are rare. Even so, the timing may be favorable given Formula One's rising global popularity and the sport's openness to attracting a Chinese manufacturer.

Despite these emerging challenges from EV makers, according to a former Ferrari marketing executive, such vehicles are not yet direct competitors to Ferrari, despite their impressive performance figures. Simply offering extreme acceleration or horsepower is not sufficient to replicate Ferrari's luxury positioning.³⁵⁸

One reason is that Ferrari vehicles are rarely used as daily transportation by their owners. While Ferrari has gradually improved the practicality of its cars over time, these vehicles remain fundamentally special-purpose luxury sports cars rather than everyday transportation. For many customers, attributes such as uniqueness, craftsmanship, emotional experience, and exclusivity matter more than features typically emphasized in modern electric vehicles, such as advanced infotainment systems or digital interfaces.³⁵⁹ Some Ferrari buyers even prefer a relatively pure driving experience without extensive in-car entertainment systems or digital distractions. In certain cases, owners of Ferrari's special series models and supercars rarely drive them at all, instead treating them as collectible assets or investment pieces within their car collections.

Nevertheless, Ferrari is unlikely to remain insulated from the broader transformation occurring across the automotive industry. Electrification is increasingly becoming part of the company's long-term strategy. In 2021, approximately 80% of Ferrari's models were powered by internal combustion engines (ICE), while 20% were hybrid vehicles. By 2026, Ferrari expects the composition of its lineup to shift significantly – ICE models are projected to decline to roughly 40%, hybrid vehicles to increase to 55%, and fully electric models to represent approximately 5% of the lineup. By 2030, Ferrari anticipates that 40% of its vehicles will be fully electric, 40% hybrid, and only 20% powered solely by ICE.³⁶⁰

Importantly, Ferrari has not framed electrification primarily as a compromise driven by environmental pressures. Instead, the company presents it as a technological evolution designed to enhance performance and driving experience.³⁶¹ An example is the Ferrari 296, the company's first road car powered by a V6 hybrid powertrain. The vehicle produces more than 800 horsepower, making it one of the most power-dense V6 production engines at the time of its introduction. In this way, Ferrari has sought to demonstrate that hybrid technology can enhance performance rather than dilute the brand's identity.

Despite these technological achievements, electrification remains a sensitive topic among Ferrari enthusiasts. Some fans associate the brand's identity strongly with the sound and mechanical character of internal combustion engines, and there

³⁵³ Model 3 – Sports Electric Sedan. Tesla. <https://www.tesla.com/model3>

³⁵⁴ Xiaomi SU7 Ultra Officially Opens Sale with a Starting Price of RMB 529,900. <https://www.mi.com/global/discover/article?id=4328>

³⁵⁵ BYD Han L EV and Tang L EV 1086hp Started Presales in China for 37,300 USD. <https://carnewschina.com/2025/03/17/byd-han-l-ev-and-tang-l-ev-1086-hp-started-presales-in-china-for-37300-usd/>

³⁵⁶ China's BYD Explores F1 Entry in First Auto Racing Push. Bloomberg. <https://web.archive.org/web/20260310154516/https://www.bloomberg.com/news/articles/2026-03-10/china-s-byd-explores-f1-entry-in-first-auto-racing-push>

³⁵⁷ F1's Dilution Debate: The Tricky Finances And Competing Motives of Adding An 11th Team. The Athletic. <https://www.nytimes.com/athletic/5083642/2023/11/23/f1-andretti-team-expansion-dilution-fee/>

³⁵⁸ Interview with Former Director of Marketing - Greater China at Ferrari N.V. Tegus. 12/3/2025.

³⁵⁹ Interview with Former Global Product Strategy Manager, Automated Driving, Infotainment, EV Features and Connectivity at Maserati. Tegus. 11/26/2025.

³⁶⁰ Ferrari Capital Markets Day Slides. 6/16/2022; Ferrari Capital Markets Day Slides. 10/9/2025.

³⁶¹ Interview with Former Director of Marketing - Greater China at Ferrari N.V. Tegus. 11/17/2025.

are concerns that electrification could diminish the emotional appeal that has long defined Ferrari. There are also practical questions regarding long-term resale values, particularly for hybrid and future fully electric Ferraris, since battery replacement costs could be substantial over time.³⁶² At this stage, however, the long-term reception of Ferrari's electrification strategy among collectors and enthusiasts is still uncertain.

In contrast, Lamborghini announced in early 2026 that it has cancelled plans to launch a fully electric vehicle, including the previously announced Lanzador, after concluding that demand for EVs among its wealthy customers remains extremely limited.³⁶³ Stephan Winkelmann, the company's CEO, said the company found the "acceptance curve" for battery-powered supercars in its customer base was flattening and "close to zero," noting that buyers value the "emotional experience" of Lamborghini vehicles, particularly the distinctive sound, raw performance, and feedback of internal combustion engines, which "EVs, in their current form, struggle to deliver." As a result, the company decided that continuing to invest heavily in fully electric development could become "an expensive hobby."

Instead of a fully electric lineup, Lamborghini will focus on plug-in hybrid electric vehicles (PHEVs), meaning that by 2030 all models are expected to combine electric assistance with internal combustion engines. Winkelmann argued that PHEVs "offer the best of both worlds," combining electric torque with the "emotion and power output" of traditional engines, while allowing the company to maintain financial discipline and customer appeal. The strategy reflects broader uncertainty around EV adoption even as governments push for stricter emissions targets, with Lamborghini, owned by Audi within the Volkswagen Group, seeking to balance electrification readiness with the preferences of its niche luxury market. Still, when asked whether Lamborghini might eventually produce an EV, Winkelmann noted: "Never say never, but only when the time is right. For the foreseeable future, only PHEVs. We will continue to develop electrification because we also need to be ready."³⁶⁴

Extreme Craftsmanship

Since its founding in the late 1940s, Ferrari has built its cars through a combination of advanced engineering and traditional handcraft (i.e., forging and assembling engine components by hand). From the beginning, the company has sought not only to push the limits of performance and technology, but also to elevate the quality and craftsmanship of its automobiles, positioning them at the very top of the luxury market.³⁶⁵ Ferrari believes that the ability to combine cutting-edge technology with exceptional artisanal craftsmanship is what allows it to create cars that become timeless icons.³⁶⁶

This emphasis on craftsmanship is reflected in Ferrari's highly integrated production process. All Ferrari cars are manufactured at the company's facilities in Maranello, where production has been based since the company's founding in 1947, while chassis components are produced nearby in Modena.³⁶⁷ Much of the philosophy behind Ferrari's manufacturing process remains similar to the approach established under Enzo Ferrari. The engines, the heart of every Ferrari, are built entirely in-house, each one assembled with extreme care and precision to ensure performance, reliability, and longevity.³⁶⁸ **According to a former manager at Maserati, at times both a customer of Ferrari and a competitor, Ferrari performs most of its key performance-related engineering internally.**³⁶⁹ **This is not always the case among competitors, particularly for engine components, which are not only central to a vehicle's performance but also a critical element of a brand's identity.**

Ferrari's vertically integrated approach stands in contrast to several of its competitors in the luxury performance car segment. Some rival manufacturers rely heavily on external suppliers or shared platforms. Aston Martin, for example, disclosed in its 2018 IPO filing that its V8 engines were supplied by Mercedes-Benz AMG and its V12 engines assembled by Ford.³⁷⁰ Lamborghini, a subsidiary of Audi within the Volkswagen Group, has historically shared significant components with its parent company. For instance, the Lamborghini Gallardo LP560-4, introduced in the mid-2000s with a starting

³⁶² Interview with Sales Manager and F&I at Ferrari dealership. Tegus. 9/12/2024.

³⁶³ Lamborghini Scraps Electric Car Plans in Favor of Hybrids. The Times. <https://www.thetimes.com/business/companies-markets/article/lamborghini-scraps-electric-car-plans-in-favour-of-hybrids-lspfbp300>

³⁶⁴ Lamborghini Scraps Electric Car Plans in Favor of Hybrids. The Times. <https://www.thetimes.com/business/companies-markets/article/lamborghini-scraps-electric-car-plans-in-favour-of-hybrids-lspfbp300>

³⁶⁵ Ferrari Factory Tour. <https://www.designboom.com/design/ferrari-factory-tour-design/>; Ferrari IPO Prospectus 2015.

³⁶⁶ Ferrari Annual Report 2025.

³⁶⁷ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2025.

³⁶⁸ How Ferrari Engines Are Made. <https://www.continentalautosports.com/ferrari-information/how-ferrari-engines-are-made/>

³⁶⁹ Interview with Former Global Product Strategy Manager, Automated Driving, Infotainment, EV Features and Connectivity at Maserati. Tegus. 11/26/2025.

³⁷⁰ Aston Martin IPO Prospectus 2018; AMG Engines at Other Manufacturers. <https://www.mercedes-amg.com/en/amg-engines-at-other-manufacturers>

price of around \$200,000, shared its V10 engine, transmission, and all-wheel-drive architecture with the Audi R8, a luxury sports car launched by Audi in 2008 with a starting price of approximately \$146,000.³⁷¹ McLaren has also relied at times on engines supplied by Mercedes for both road cars and Formula One competition.³⁷² **Ferrari, by contrast, has traditionally retained control over nearly every critical component of its vehicles.**

Ferrari's manufacturing philosophy reflects an expectation that its cars should endure for generations. The company has historically designed its vehicles with an intended lifespan of at least 80 years, far longer than the average automobile in Europe, where the typical vehicle lifespan ranges between 18 and 28 years.³⁷³ We believe achieving such durability requires meticulous attention to detail throughout the production process.

Engine production begins at Ferrari's in-house foundry, where solid aluminum ingots are heated in large furnaces until they become liquid metal. The molten alloy is then poured into sand or steel casting molds to form engine components. Although modern machinery produces the molds themselves, Ferrari artisans, or engineers, still inspect each one by hand, marking and removing imperfections.³⁷⁴ Errors at this stage could later translate into defects deep within an engine, making careful inspection essential. As Federico Santini, Ferrari's Head of Engine Components, has noted, the fundamentals of the process remain "little changed from the old days."³⁷⁵ **Many of the techniques involved have been passed down through decades of on-the-job training, with experienced engineers teaching younger generations of technicians.**³⁷⁶

After casting, the engine components are assembled by hand.³⁷⁷ This human-centered assembly process has remained a defining characteristic of Ferrari manufacturing since the company's founding years. Today the production process integrates advanced technology and automation, but human craftsmanship still plays a central role.³⁷⁸ The complete process, from casting the engine parts to installing the interior and conducting final tests, typically takes about three months.³⁷⁹

Ferrari's assembly line therefore blends craftsmanship with modern industrial precision. Each car frame is mounted on mechanical lifts that move the vehicle from one workstation to another, automatically adjusting height and rotating the chassis so technicians can access different areas during assembly. Robots assist with highly repetitive and precision-sensitive tasks such as lubrication and welding, while engineers oversee complex assembly work that requires judgement and experience.³⁸⁰ Ferrari summarizes this philosophy as "craftsmanship assembly, automatic control."³⁸¹ **Skilled technicians rely on their expertise to assemble components, while computers and automated systems monitor measurements and tolerances to ensure absolute precision.** Once an engine is fully assembled, it undergoes a final diagnostic procedure known as a cold test. During this test, an electric motor spins the crankshaft without fuel or combustion while sensors collect thousands of parameters. **The goal is not to measure performance but to verify that every component operates within Ferrari's strict tolerances before the engine is approved for installation.**

³⁷¹ 20 Percent Rule: Lamborghini to Share Less with Audi. <https://www.motortrend.com/news/20-percent-rule-lamborghini-to-share-less-with-audi-711>; Audi R8 V10 Priced From \$146K. <https://www.jalopnik.com/audi-r8-v10-priced-from-146k-5322123/>; 2009 Lamborghini LP560-4 Pricing Info. https://www.motorauthority.com/news/1023908_2009-lamborghini-lp560-4-pricing-info

³⁷² The Origins of the McLaren-Mercedes Collaboration. <https://f1rstmotors.com/news/the-origins-of-the-mc-laren-mercedes-collaboration>; McLaren Formula 1 Team And Mercedes-Benz Renew Power Unit Agreement until 2030; <https://www.mclaren.com/racing/formula-1/2023/mclaren-formula-1-team-and-mercedes-benz-renew-power-unit-agreement-until-2030/>

³⁷³ Ferrari Annual Report 2025.

³⁷⁴ Inside The Factory: The Foundry. <https://www.ferrari.com/en-EN/magazine/articles/inside-the-factory-the-foundry>

³⁷⁵ The Heart Makers of Maranello. <https://www.ferrari.com/en-US/magazine/articles/the-heart-makers-of-maranello>; Ferrari Annual Report 2025.

³⁷⁶ The Heart Makers of Maranello. <https://www.ferrari.com/en-US/magazine/articles/the-heart-makers-of-maranello>; Ferrari Annual Report 2025.

³⁷⁷ Where Are Ferraris Made. <https://www.ferrarilakeforest.com/where-are-ferraris-made>

³⁷⁸ How Ferrari Engines Are Made. <https://www.continentalautosports.com/ferrari-information/how-ferrari-engines-are-made/>

³⁷⁹ Where Are Ferraris Made. <https://www.ferrarilakeforest.com/where-are-ferraris-made>

³⁸⁰ Inside the Factory: The Engine Assembly Plant. <https://www.ferrari.com/en-US/magazine/articles/inside-the-factory-the-engine-assembly-plant>

³⁸¹ Inside the Factory: The Engine Assembly Plant. <https://www.ferrari.com/en-US/magazine/articles/inside-the-factory-the-engine-assembly-plant>

Figure 47-1: Ferrari Assembly Line³⁸²

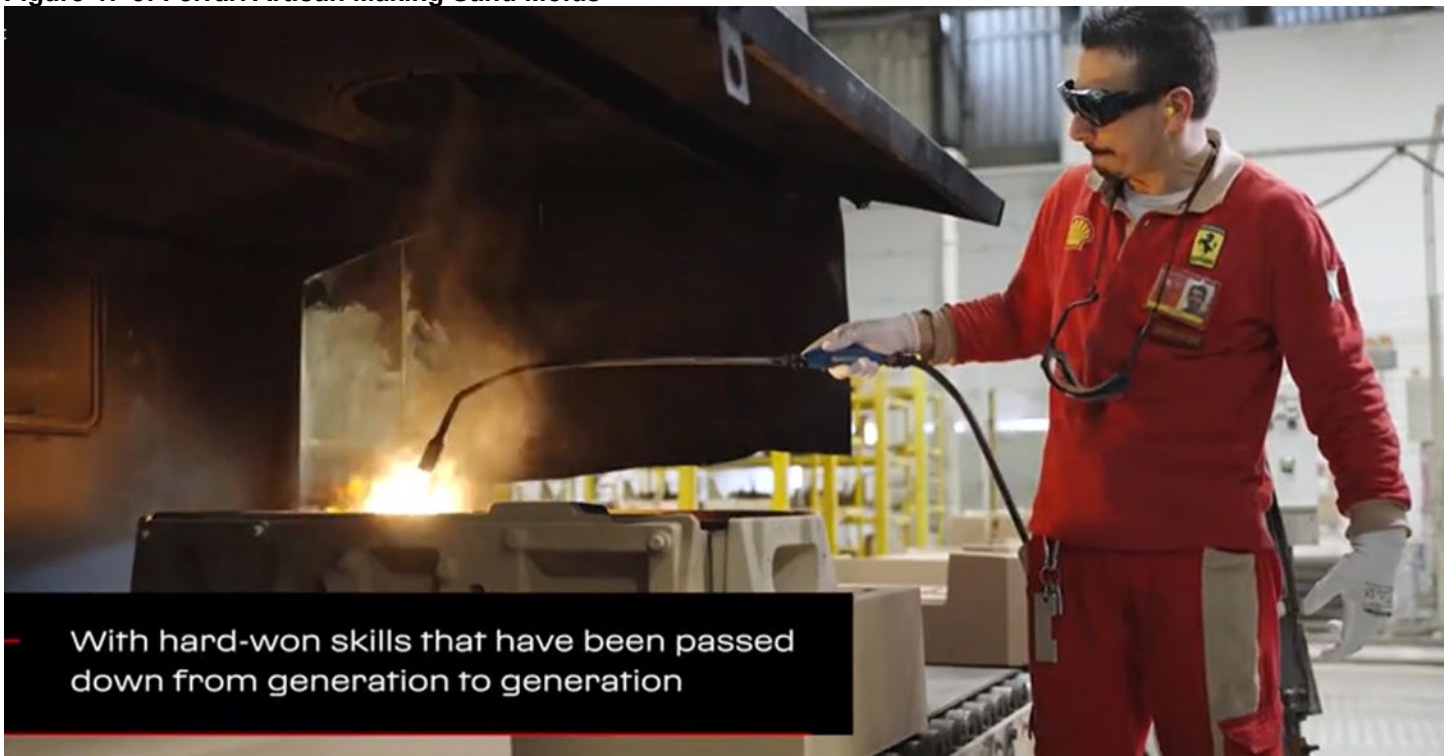


³⁸² Inside The Top Secret Factory Where New Ferraris Are Born. <https://www.wired.com/story/ferrari-car-factory-manufactured-italy-enzo-build-create/>

Ferrari 47-2: Ferrari Cold Test Station³⁸³



Figure 47-3: Ferrari Artisan Making Sand Molds³⁸⁴



Even as the automotive industry where many traditional high-volume automakers move toward downsizing and electrification (e.g., electric/hybrid vehicles), Ferrari continues to treat the internal combustion engine, particularly its naturally aspirated V12, as a form of mechanical art. Ferrari engineers design engines not only for power and performance but also for the emotional experience they deliver.³⁸⁵ **Sound, throttle response, and the sensation of mechanical precision are all central to the driving experience.**

³⁸³ Inside the Factory: The Engine Assembly Plant. <https://www.ferrari.com/en-US/magazine/articles/inside-the-factory-the-engine-assembly-plant>

³⁸⁴ The Heart Makers of Maranello. <https://www.ferrari.com/en-US/magazine/articles/the-heart-makers-of-maranello>

³⁸⁵ Ferrari: Engineering a Cult Brand of Speed and Exclusivity. <https://theambassador.it/the-cult-of-the-prancing-horse>

Ferrari's engines are famous for their distinctive exhaust notes, which are typically high-pitched and smooth. The automaker focuses on acoustic engineering and mechanical design. As Francesco Carosone, a senior acoustic engineer at Ferrari, has explained: "We have the authentic sound that other car companies want to create artificially, and we intend to keep it that way."³⁸⁶ The Ferrari 458 Italia, for example, uses a flat-plane crankshaft in its V8 engine, producing a high-pitched and resonant sound that differs significantly from the deeper tone of cross-plane V8 engines commonly used in American performance cars.

Craftsmanship also extends beyond mechanical engineering into the design and interior finishing of Ferrari vehicles. While robots perform tasks such as precision welding, skilled artisans at Ferrari hand-stitch leather interiors and install many of the finishing elements.³⁸⁷ Each vehicle therefore combines industrial accuracy with human attention to detail.

Ferrari further reinforces its craftsmanship positioning through extensive personalization programs that allow customers to tailor their vehicles to individual preferences. **Clients can customize nearly every aspect of their car, including exterior paint, interior materials, trim details, and performance options. Personalization is offered through several channels, including Ferrari's Atelier studios, online configurators, and the highly exclusive Tailor Made program.**³⁸⁸

Figure 48: Atelier Ferrari Studio³⁸⁹



³⁸⁶ Why Ferrari Engine Sounds Are So Distinctive. <https://www.continentalautosports.com/ferrari-information/ferrari-engine-sounds/>

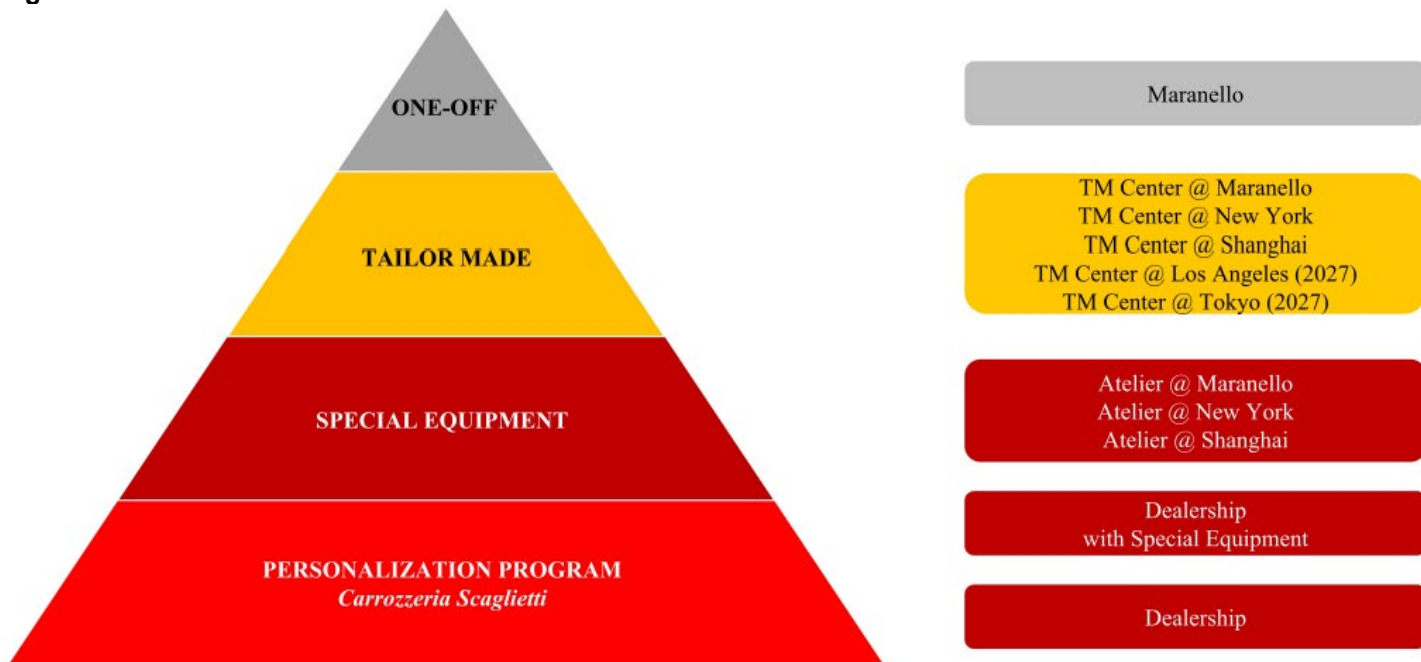
³⁸⁷ Ferrari: Engineering a Cult Brand of Speed and Exclusivity. <https://theambassador.it/the-cult-of-the-prancing-horse>

³⁸⁸ Ferrari Personalisation Programme. <https://www.ferrari.com/en-EN/auto/personalization>

³⁸⁹ Ferrari Personalisation Programme. <https://www.ferrari.com/en-EN/auto/personalization>

At the very top of this personalization pyramid are Ferrari's one-off models. **These vehicles are built for individual clients and are produced as completely unique cars.** Although they are typically based on the chassis and powertrain of an existing Ferrari model, largely for engineering and registration purposes, the exterior and interior designs are entirely customized according to the client's specifications.³⁹⁰ These projects are extremely rare and are typically offered by invitation only to Ferrari's most loyal and distinguished clients. The company generally produces no more than two or three one-off projects per year,³⁹¹ and it does not publicly disclose the prices of such vehicles.

Figure 49: Ferrari Personalization Offer³⁹²



³⁹⁰ Ferrari IPO Prospectus 2015; Ferrari Annual Report 2025.

³⁹¹ Ferrari Capital Markets Day. 9/18/2018.

³⁹² Ferrari Annual Report 2025.

A notable example is the Ferrari SP12 EC, created in 2012 for Eric Clapton, the legendary English guitarist and songwriter. The car was based on the Ferrari 458 Italia but incorporated styling cues inspired by Ferrari's classic 512 BB, a model of which Clapton had owned three.³⁹³ While Ferrari did not reveal the price of the vehicle, media reports at the time estimated its cost at approximately \$4.7 million, compared with a starting price of around \$230,000 for a standard 458 Italia in 2012.³⁹⁴

Figure 50: Eric Clapton and Ferrari SP12 EC³⁹⁵



³⁹³ Ferrari Officially Announces One-Off SP12 EC for Eric Clapton. <https://www.motortrend.com/news/ferrari-builds-one-off-sp12-ec-for-eric-clapton-210937>

³⁹⁴ 2012 Ferrari 458 Italia Pricing, Photos & Specs. <https://carbuzz.com/cars/ferrari/458-italia/2012/>

³⁹⁵ Ferrari Officially Announces One-Off SP12 EC for Eric Clapton. <https://www.motortrend.com/news/ferrari-builds-one-off-sp12-ec-for-eric-clapton-210937>

Through this combination of handcrafted interiors, extensive personalization options, and ultra-exclusive bespoke projects, we believe Ferrari reinforces the perception that its vehicles are not merely a product but a highly individualized expression of engineering, design, and craftsmanship.

Introduced in 2011, the Tailor Made program allows clients to create one-of-a-kind vehicles to their taste.³⁹⁶ Ferrari currently operates Tailor Made design centers in Maranello, New York, and Shanghai, with plans to open additional centers in Tokyo and Los Angeles by 2027.³⁹⁷ **The program continues the tradition from Ferrari's earliest years, when every Ferrari car was made bespoke,³⁹⁸ offering an extraordinary range of possibilities. Clients can request custom paint colors, unique materials such as carbon fiber, denim, or cashmere interiors, and bespoke design details inspired by personal preferences.** Some customers ask Ferrari to match the paint color of their yacht or private jet, while others commission entirely new color shades that are then added to Ferrari's permanent offerings.³⁹⁹ One well-known example is Grigio Ingrid, a grey tone originally created by Italian film director Roberto Rossellini to match the eyes of his wife, actress Ingrid Bergman.

Figure 51: Ferrari Tailor Made Studio⁴⁰⁰



The program is highly selective and only serves a limited number of clients a year. **Ferrari reportedly produces only around 200 to 300 Tailor Made cars each year,⁴⁰¹ and prospective buyers must apply for access.** Although Ferrari

³⁹⁶ Ferrari Personalisation Programme. <https://www.ferrari.com/en-EN/auto/personalization>; Inside Ferrari's New York Design Lab Where The Super Rich Can Customize \$500,000 Cars. CNBC. <https://www.cnbc.com/2019/10/15/inside-ferraris-new-york-design-lab-where-the-super-rich-can-customize-500000-cars.html>

³⁹⁷ Ferrari Annual Report 2025.

³⁹⁸ Ferrari Personalisation Programme. <https://www.ferrari.com/en-EN/auto/personalization>

³⁹⁹ Inside Ferrari's New York Design Lab Where The Super Rich Can Customize \$500,000 Cars. CNBC.

<https://www.cnbc.com/2019/10/15/inside-ferraris-new-york-design-lab-where-the-super-rich-can-customize-500000-cars.html>

⁴⁰⁰ Tailor Made Ferrari Ital Automotive (Shanghai) Co., Ltd. <https://shanghai.ferraridealers.com/en-GB/tailor-made>

⁴⁰¹ Inside Ferrari's New York Design Lab Where The Super Rich Can Customize \$500,000 Cars. CNBC.

<https://www.cnbc.com/2019/10/15/inside-ferraris-new-york-design-lab-where-the-super-rich-can-customize-500000-cars.html>

does not publicly disclose precise eligibility criteria, the program is typically reserved for long-standing and loyal customers. As Ferrari's Chief Marketing and Commercial Officer Enrico Galliera has remarked, "there is no specific entry gate... Certainly you have to be a client for some time. **You have to purchase and collect your car and keep it as a piece of art.**"⁴⁰²

Customization through Tailor Made can significantly increase the price of a Ferrari, often adding between 20% to 100% to the base price of the vehicle.⁴⁰³ While Ferrari does not disclose the exact revenue generated from personalization, the company has described it as "an important source of revenue."⁴⁰⁴ During a 2020 earnings call, Ferrari indicated that personalization accounted for roughly 20% of revenues⁴⁰⁵ within the cars and spare parts segment. In addition, revenue from personalization items has higher margin, according to the company, without providing further details.⁴⁰⁶

In contrast, most traditional automakers offer customers only a limited set of color, trim, and package options designed primarily to maximize production efficiency. Ferrari's approach, by emphasizing craftsmanship, exclusivity, and personalization, reinforces its positioning not merely as a manufacturer of automobiles but as a creator of highly individualized luxury objects.

As aforementioned, Ferrari deliberately positions its vehicles at the very top of the luxury performance car segment, targeting the wealthiest consumers globally. At the same time, the company seeks to extend the reach of its brand to a broader aspirational audience.⁴⁰⁷ To accomplish this, Ferrari has developed a range of peripheral brand activities, including Ferrari-branded retail stores, licensing partnerships, and theme parks such as Ferrari World. While only a small number of consumers will ever own a Ferrari, we believe these initiatives allow the company to engage both existing customers and individuals who aspire to one day own a Ferrari, broadening its appeal and reinforcing the brand's cultural presence while preserving the exclusivity of its automobiles.

⁴⁰² Inside Ferrari's New York Design Lab Where The Super Rich Can Customize \$500,000 Cars. CNBC.

<https://www.cnbc.com/2019/10/15/inside-ferraris-new-york-design-lab-where-the-super-rich-can-customize-500000-cars.html>

⁴⁰³ Inside Ferrari's New York Design Lab Where The Super Rich Can Customize \$500,000 Cars. CNBC.

<https://www.cnbc.com/2019/10/15/inside-ferraris-new-york-design-lab-where-the-super-rich-can-customize-500000-cars.html>

⁴⁰⁴ Ferrari Capital Markets Day. 9/18/2018.

⁴⁰⁵ Ferrari Q1 2020 Earnings Call. 5/4/2020.

⁴⁰⁶ Ferrari Q1 2023 Earnings Call. 5/4/2023.

⁴⁰⁷ Ferrari IPO Prospectus 2015.

Figure 52-1: Ferrari World in Abu Dhabi⁴⁰⁸



Figure 52-2: Ferrari World in Abu Dhabi⁴⁰⁹



⁴⁰⁸ Stay On Yas Island. <https://www.ferrariworldabudhabi.com/en/yas-island>

⁴⁰⁹ Stay On Yas Island. <https://www.ferrariworldabudhabi.com/en/yas-island>

Within its niche market, Ferrari maintains a diversified model lineup designed to appeal to different types of customers while remaining firmly within the high-performance luxury segment. Ferrari’s product range generally falls into two primary categories – sports cars, which prioritize high-speed performance and low-slung driving dynamics, and GT cars, which combine performance with greater comfort and everyday drivability.⁴¹⁰ Over time, Ferrari has gradually broadened its offerings within these categories while remaining consistent with its brand identity. The company now produces vehicles with various engine configurations, including V6, V8, and V12 powertrains, across naturally aspirated, turbocharged, and hybrid architectures. Its vehicles also come in multiple body styles, including coupes, spiders (convertibles), and four-door models, as well as both two-seat and four-seat configurations.⁴¹¹

This diversification allows Ferrari to address different customer preferences while remaining within the ultra-luxury performance segment. Internally, the company often describes this strategy as “different Ferrari for different Ferraristi” and “different Ferrari for different moments.”⁴¹² The goal is to offer a highly differentiated product lineup capable of meeting the varying needs of both existing and new customers, whether those needs relate to performance, comfort, space, or design, and to allow Ferrari owners to enjoy the brand across different moments of their lives.

Figure 53: Ferrari Product Offerings 2025⁴¹³

| ROAD CARS | | | | | | | | | |
|--------------------|-----------------------|---|---------------------------------|------------|--------------------------------|---------------------------|-------------|-----------|--|
| RANGE | | | | | SPECIAL SERIES | | ICONA | SUPERCAR | |
| | | | | | | | | | |
| | | | | | | | | | |
| V6 Hybrid | V8 | V8 Hybrid | V12 | V12 | V6 Hybrid | V8 Hybrid | V12 | V6 Hybrid | |
| 296 GTB 296 GTS | Amalfi Roma Spider | 849 Testarossa 849 Testarossa Spider | 12Cilindri 12Cilindri Spider | Purosangue | 296 Speciale 296 Speciale A | SF90 XX SF90 XX Spider | Daytona SP3 | F80 | |

Note:

1. The above product lineup does not include track cars and limited one-off vehicles that Ferrari might offer from time to time.

Ferrari also seeks to maintain long-term relationships with its customers beyond the initial purchase of a vehicle. One important initiative in this regard is Ferrari Classiche,⁴¹⁴ a program launched in 2006 to preserve the company’s heritage and support owners of classic Ferrari models. The program offers specialized restoration and certification services for Ferraris that are more than twenty years old. Using original components or replicas, Ferrari technicians can restore vehicles to their original conditions.⁴¹⁵

This program reflects Ferrari’s broader philosophy that its automobiles are meant to be enduring objects rather than disposable consumer goods. Ferrari cars are often regarded not merely as transportation, but as collectible pieces that last forever.⁴¹⁶ Much like Hermès in the luxury goods industry, Ferrari designs its products with durability and longevity in mind, engineering its vehicles to endure for decades and to be passed down from one generation to the next.

Ferraris are therefore often treated less as daily transportation and more as collectible objects. Many owners reportedly drive their vehicles relatively infrequently, helping preserve them over time.⁴¹⁷ As discussed previously, Ferrari has historically designed its cars with an expected lifespan of over 80 years, far longer than the typical automobile in Europe, where the average vehicle lifespan ranges between 18 to 28 years.⁴¹⁸

⁴¹⁰ Grand Tourer vs. Sports Car: What’s the Difference. <https://www.continentalautosports.com/ferrari-information/grand-tourer-vs-sports-car/>

⁴¹¹ Ferrari Annual Report 2025.

⁴¹² Ferrari Annual Report 2025.

⁴¹³ Ferrari Annual Report 2025.

⁴¹⁴ A Ferrari Day dedicated to Ferrari Classiche. https://koeln.ferrari dealers.com/en-GB/articles/2025_Maranello-Motors-Events_Ferrari-Classiche-Day

⁴¹⁵ Ferrari IPO Prospectus 2015.

⁴¹⁶ Ferrari Annual Report 2025.

⁴¹⁷ More Than 90% of All Ferraris Ever Produced Are Still on The Road And Working. <https://sbxcars.com/stories/article/more-than-90-of-all-ferraris-ever-produced-are-still-on-the-road-and-working>

⁴¹⁸ Ferrari Annual Report 2025.

As a result of this durability and the strong collector culture surrounding the brand according to the company, as of 2025, over 90% of Ferrari car produced since its founding in 1947, totaling around 330,000 cars, still exist,⁴¹⁹ not only reflecting Ferrari's after sales services but also its exceptional (in our opinion) craftsmanship and engineering.

For context, limited data suggests that roughly 90% of the approximately 110,000 cars produced by Aston Martin since its founding in 1913 were still on the road as of 2024.⁴²⁰ Rolls-Royce estimates that roughly two-thirds of all cars built since its founding in 1906 remain in operation.⁴²¹ Bentley stated in 2021 that about 84% of all cars it built for the U.K. market are still on the road.⁴²²

⁴¹⁹ Ferrari Annual Report 2025; Ferrari Capital Markets Day. 10/9/2025.

⁴²⁰ Aston Martin Says 90 Percent of Its Cars Are Still on the Road. <https://www.motor1.com/news/723721/90-percent-of-aston-martins-still-on-the-road/>

⁴²¹ The Pursuit of Perfection. <https://www.press.rolls-roycemotorcars.com/rolls-royce-motor-cars-pressclub/article/detail/T0449206EN/the-pursuit-of-perfection:-craftsmanship-at-the-home-of-rolls-royce?language=en>

⁴²² Bentley Celebrates Manufacturing Milestone Of 200,000th Luxury Car. <https://www.bentleymedia.com/en/newsitem/1201-bentley-celebrates-manufacturing-milestone-of-200000th-luxury-car>

Over time, Ferrari's brand and its iconic prancing horse has become a symbol of luxury, exclusivity, innovation, elite sporting performance, and Italian design and engineering heritage. This reputation has been reinforced over decades through success in international motorsport (particularly Formula One), and through the performance and styling of Ferrari's road cars.⁴²³ At the same time, we found Ferrari's tightly controlled production and distribution strategy further strengthens brand desirability by ensuring that demand consistently exceeds supply.

Iconic Logo – Prancing Horse

Ferrari's rampant black horse on a yellow background is one of the most widely recognizable logos in the world. **The Prancing Horse did not originate with automobiles, but with aviation.** The black horse was first painted on the warplane of Francesco Baracca, one of Italy's most celebrated World War I fighter aces.⁴²⁴ When Baracca was killed in 1918 during a mission, the emblem had already become widely associated with courage, heroism, and national pride in Italy.

Figure 54: Francesco Baracca and His Warplane⁴²⁵



In 1923, after winning the Circuito del Savio in Ravenna, Enzo Ferrari was introduced to Baracca's parents. During the meeting, Baracca's mother, Countess Paolina Baracca, suggested that Ferrari adopt the symbol for his racing cars. Ferrari later recalled her words: "Ferrari, why don't you put my son's prancing horse on your cars? It will bring you good luck."⁴²⁶ Ferrari kept the horse in black but with a yellow background, which represents the color of his hometown, Modena.

The emblem first appeared in 1932 on Alfa Romeo racing cars operated by Scuderia Ferrari. When Enzo Ferrari established Ferrari in 1947, the Prancing Horse became the official symbol of the brand and debuted on the Ferrari 125 S, the first car to bear the Ferrari name. Over time, the emblem developed into two principal forms – the shield-shaped

⁴²³ Ferrari IPO Prospectus 2015.

⁴²⁴ The Début of the Prancing Horse. <https://www.ferrari.com/en-EN/magazine/articles/prancing-horse-scuderia-ferrari-first-appearance>

⁴²⁵ The Début of the Prancing Horse. <https://www.ferrari.com/en-EN/magazine/articles/prancing-horse-scuderia-ferrari-first-appearance>

⁴²⁶ The Début of the Prancing Horse. <https://www.ferrari.com/en-EN/magazine/articles/prancing-horse-scuderia-ferrari-first-appearance>

badge bearing the initials “S” and “F” for Scuderia Ferrari, and the rectangular badge with the Ferrari name beneath the horse. Both incorporate three stripes, green, white, and red, representing the Italian flag.⁴²⁷

⁴²⁷ Ferrari Logo History – What Does the Ferrari Logo Mean. <https://www.ferrarilakeforest.com/manufacture-information/ferrari-logo-history/>

Management And Incentives

Prior to its 2015 IPO, Ferrari was majority owned by Fiat, later Fiat Chrysler Automobiles (FCA), which had held approximately 90% of the company's equity, while the remaining stake was owned by Piero Ferrari, the son of Enzo Ferrari.⁴²⁸ In preparation for Ferrari's public listing, FCA reorganized its ownership structure and separated Ferrari from the group. Ferrari completed its IPO in 2015, marking the beginning of its transition to an independent publicly traded company.

Following the transaction, Ferrari's ownership structure consisted of three principal shareholder groups. Exor S.p.A., the holding company controlled by the Agnelli family and the largest shareholder of FCA, held approximately 23.6% of Ferrari's shares. Piero Ferrari retained around 10% ownership, maintaining a direct link to the company's founding family. The remaining shares were distributed among public investors through the stock market.

At the time of the IPO, Ferrari's management team did not appear to hold a meaningful equity stake in the company, if any. Partly because Ferrari had previously operated as a subsidiary of FCA and the company's independent governance structure was only being established during the spin-off process, the IPO prospectus did not disclose a detailed remuneration policy for senior management. Instead, the filing stated that a Compensation Committee would be established following the IPO to design and oversee the company's executive compensation framework.⁴²⁹

Ferrari provided its first discussion of executive compensation in its 2015 annual report, the company's first report as a standalone public entity. The company stated that remuneration for executive directors would consist of both fixed and variable components.⁴³⁰ The fixed portion primarily consists of base salary, which is periodically benchmarked against executives with comparable experience at peer companies. The variable portion includes both short-term cash incentives and long-term share-based incentive plans. Short-term incentives are linked to the achievement of annual financial and operational objectives established in advance by the Compensation Committee. Long-term incentives are tied to share-based compensation programs designed to reward the achievement of performance targets aligned with Ferrari's long-term business plan. While the 2015 disclosure outlined the overall structure of compensation, it did not specify the exact metrics or weightings used to determine payouts.

We found more detailed information was disclosed in Ferrari's 2025 annual report, which outlined the performance metrics used to determine short-term incentives. These incentives are based on four financial indicators: net revenues, adjusted operating profit, adjusted EBITDA, and industrial free cash flow, weighted at 20%, 20%, 20%, and 40%, respectively.⁴³¹

As of 2025, Ferrari's long-term equity incentive program incorporates several performance measures, which we believe the company stated was designed to align management incentives with long-term shareholder value creation.⁴³² The most significant factor is relative total shareholder return (TSR), which accounts for 40% of the performance evaluation and is measured against a peer group of eleven companies. **Notably, the peer group includes several luxury goods companies, such as Hermès, Burberry, and Estée Lauder, alongside only two automakers, namely Aston Martin and Mercedes-Benz. This gives insight into how Ferrari thinks about itself – not as a carmaker but as a high-end luxury brand.**

Additional components of the long-term incentive program include adjusted EBITDA performance, weighted at 40%, measured against targets derived from Ferrari's five-year business plan, with payouts varying depending on whether the company exceeds, meets, or falls short of these targets. The program also incorporates an ESG-related performance factor, representing 20% of the total evaluation.

⁴²⁸ Ferrari IPO Prospectus 2015.

⁴²⁹ Ferrari IPO Prospectus 2015.

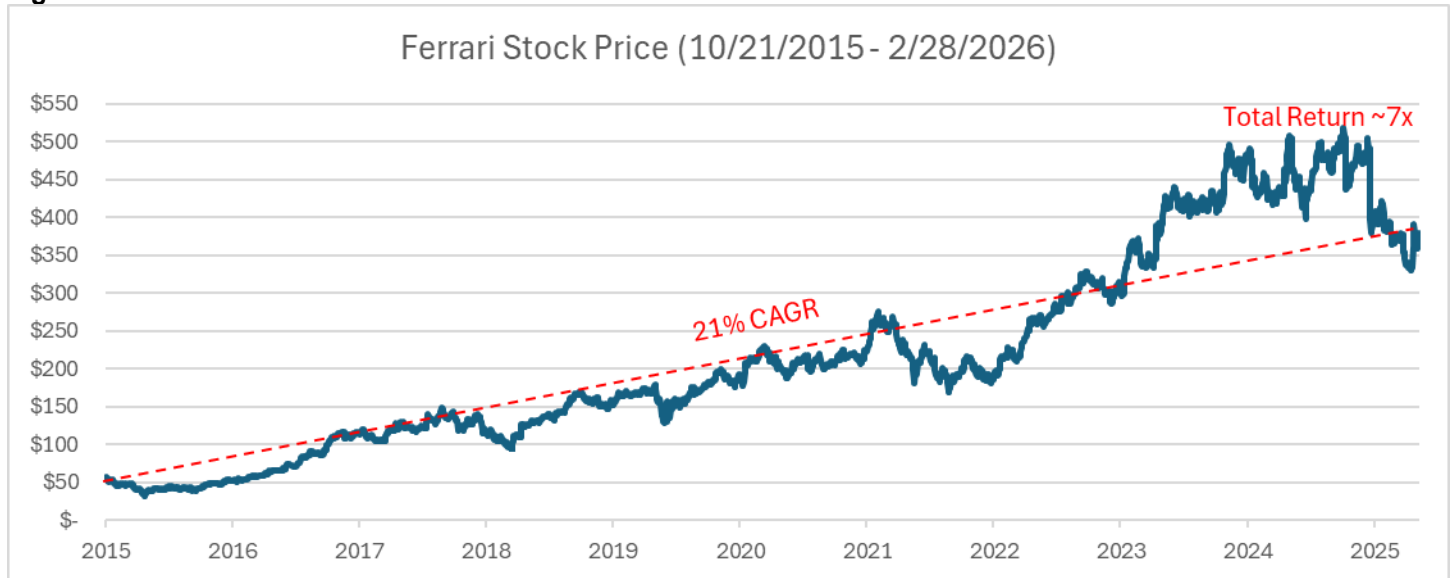
⁴³⁰ Ferrari Annual Report 2015.

⁴³¹ Ferrari Annual report 2025.

⁴³² Ferrari Annual report 2025.

Valuation

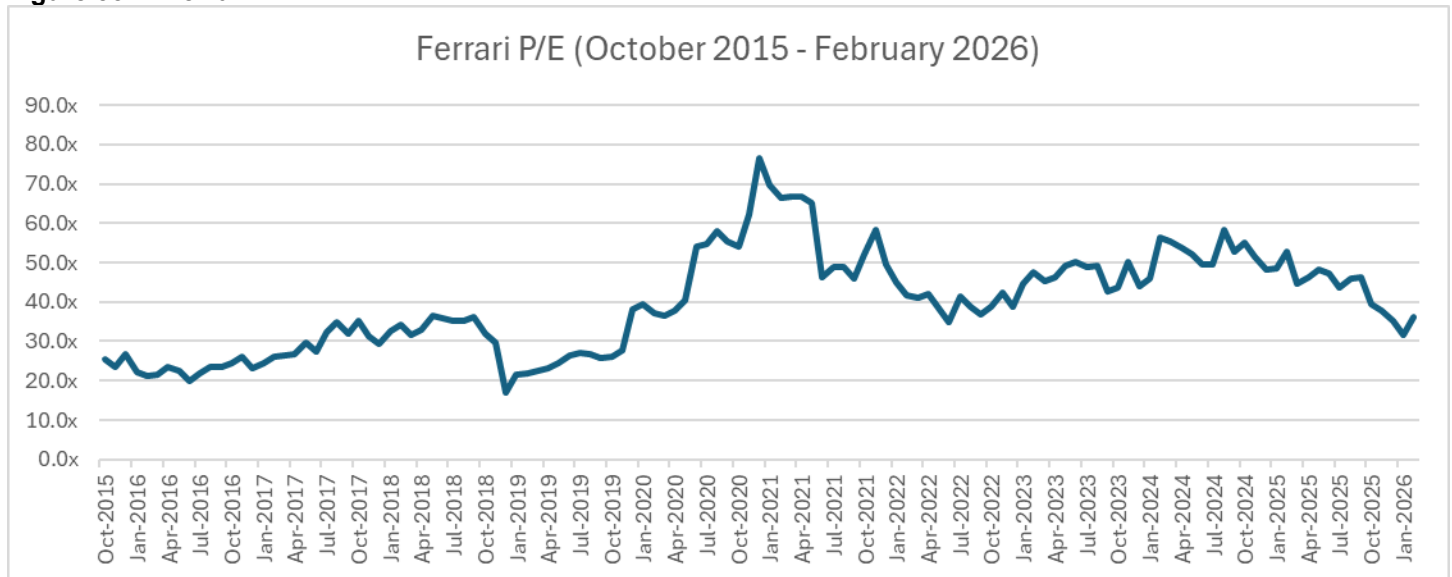
Figure 55-1: Ferrari Stock Price



Notes:

1. The above data is from FactSet.
2. Total returns include dividends reinvested, if any.

Figure 55-2: Ferrari P/E



Notes:

1. The above monthly P/E data above is from Bloomberg.
2. Bloomberg did not provide data for October and November 2015. We therefore estimated these figures by interpolating last-twelve-months earnings based on Ferrari's Q3 2015 results, which were released on October 28, 2015.⁴³³

⁴³³ Ferrari Posted A Record Q3 2015 Performance. <https://www.ferrari.com/en-EN/corporate/articles/ferrari-posted-a-record-q3-2015-performance>

In 1969, Fiat acquired a 50% stake in Ferrari for estimated Lire 2.15 billion⁴³⁴ (approximately \$3.44 million⁴³⁵), according to Enzo Ferrari's biography written by Luca Dal Monte, who served in the communications departments of Maserati and Ferrari from the early 2000s to the mid-2010s. This transaction implied a total equity valuation for Ferrari of roughly \$6.88 million.⁴³⁶ However, at the time of writing, we have not been able to verify these figures through public disclosures from Fiat or Ferrari, or from other credible third-party sources, assuming such data exists in the public domain. By the end of February 2026, Ferrari's market capitalization stood at approximately \$67.35 billion, according to FactSet. If the reported purchase price is accurate, this would imply that Fiat's original investment in Ferrari in 1969 appreciated by roughly 9,790x, equivalent to an annualized return of nearly 18% over more than five decades.

Separately, according to Fiat Auto S.p.A., it acquired an additional 40% stake in Ferrari S.p.A. from a former director (Enzo Ferrari) in 1988 for approximately Lire 100 billion (about \$77 million⁴³⁷), although no further financial details were disclosed. This transaction increased Fiat's ownership in Ferrari to 90%, up from the original 50% stake it had acquired in 1969.⁴³⁸ Based on this transaction price, Ferrari's implied equity valuation in 1988 would have been approximately \$192 million. By the end of February 2026, Ferrari's market capitalization stood at roughly \$67.35 billion, according to FactSet. This implies that, had Fiat retained its 90% stake in Ferrari, the investment made in 1988 would have generated a return of roughly 350x. This corresponds to an approximate annualized return of about 17% over roughly 37 years. (This estimate excludes any dividends, if any, due to the lack of available information, as Ferrari did not become a publicly listed company until 2015.)

At the time of its 2015 IPO, when it was traded at around 32x last-twelve-months earnings, Ferrari expected annual vehicle shipments to increase to approximately 9,000 units by 2019.⁴³⁹ In addition, a Wall Street Journal report at the end of 2014 indicated that the company's chairman had hinted that annual production could rise to around 10,000 units without negatively affecting average selling prices or overall profitability.⁴⁴⁰ Based on this information, a hypothetical investor at the time of IPO might expect that annual shipments would grow from the 7,281 vehicles delivered at the time of the IPO to 10,000 units by the end of year five. He also assumed that Ferrari's average selling price would increase at roughly a 1.5% CAGR in USD, derived from historical trends disclosed in the company's IPO filing. Together, these assumptions imply approximately a 6% CAGR in revenue from cars and spare parts.

Ferrari did not provide explicit guidance for its other revenue segments such as sponsorship and commercial, lifestyle collections, merchandising, engines to other Formula One teams, etc. As a result, we lacked a clear reference point for forecasting these businesses. However, given that other revenues had grown at roughly a 23% CAGR between 2012 and the first half of 2015, we assumed these segments would continue to expand at a similar, though gradually moderating, pace off a larger base, while maintaining a similar share of total company revenue. Under these assumptions, Ferrari's total revenue would grow at an estimated 11% CAGR over the five years following the IPO.

Prior to the IPO, Ferrari's gross margin and operating expense ratios had remained relatively stable.⁴⁴¹ The company also indicated that R&D expenditure would peak around 2015 and in future years as it continued renewing its product lineup.⁴⁴² Based on the available information, we assumed a gross margin of approximately 47%, an SG&A expense ratio of around 11%, and an R&D expense ratio of roughly 20%, with these ratios remaining broadly stable over time given the maturity of the business.

Under these assumptions, the hypothetical investor might reasonably expect Ferrari to trade at approximately 18x earnings by the end of year five, compared to around 32x at the time of IPO.

⁴³⁴ "...estimated the value of Ferrari at about four billion lire...Fiat had acquired 50 percent of Ferrari for a figure that a few days later the press speculated at about two billion, 150 million lire." Turin. Enzo Ferrari: Power, Politics, And The Making of An Automotive Empire. Luca Dal Monte.

⁴³⁵ The average exchange rate in 1969 was approximately 625 Italian lira per USD, according to data from the IMF.

<https://data.imf.org/en/Data-Explorer>

⁴³⁶ At the time of writing, we could not find transaction details such as Ferrari's earnings at the time of transaction.

⁴³⁷ The average exchange rate in 1988 was approximately 1,301.63 Italian lira per USD, according to data from the IMF.

<https://data.imf.org/en/Data-Explorer>

⁴³⁸ Fiat Auto Annual Report 1988; Ferrari IPO Prospectus 2015.

⁴³⁹ Ferrari IPO Prospectus 2015.

⁴⁴⁰ Will Ferrari Keep Its Scarcity Premium. The Wall Street Journal. <https://www.wsj.com/articles/will-ferrari-keep-its-scarcity-premium-1419447955>

⁴⁴¹ Operating expense ratios are calculated as operating expenses divided by revenue. Ferrari IPO Prospectus 2015.

⁴⁴² Ferrari IPO Prospectus 2015.

In reality, by the end of fiscal year 2020, approximately 4.5 years after the IPO, Ferrari's total revenue had grown at about a 5% CAGR. Revenue from cars and spare parts increased at a 9% CAGR, but this was partially offset by a roughly 5% decline in other revenue segments, resulting in an overall revenue CAGR of about 5%. It is worth noting that the COVID-19 pandemic significantly affected global economic activity in 2020. Ferrari's results were negatively impacted by lower shipments of engines to Maserati, reduced engine revenue from Formula One teams, and lower sponsorship revenue due to a shortened racing calendar.⁴⁴³ While SG&A and R&D expense ratios remained relatively stable during this period, Ferrari's gross margin gradually expanded from roughly 47% to over 50%, primarily driven by a more favorable product mix. As a result, the company's actual P/E at the end of fiscal year 2020 was approximately 14x.

The success of Ferrari's stock from its IPO through the end of February 2026, a 21% CAGR (roughly a 7x increase), was driven by a combination of steady business growth and valuation expansion. Over this period, revenue grew at approximately 7% CAGR in USD, while operating income and net earnings at around 15% and 16% per year, respectively, driven primarily by its decreasing R&D expense ratio as its revenue grew steadily. In addition, the company's valuation multiple increased from roughly 32x earnings at the time of the IPO to about 57x by February 2026, according to FactSet.

Figure 56-1: Five-Year Scenario

| \$ Million | IPO (Jun. 2015) | Year 5 | 5-Year CAGR |
|--|------------------------|----------------|--------------------|
| Cars and spare parts | \$ 2,222 | \$2,999 | 6% |
| Other | \$ 887 | \$2,207 | 20% |
| Total Revenue | \$ 3,109 | \$5,206 | 11% |
| Gross profit | \$ 1,455 | \$2,437 | 11% |
| <i>Gross margin</i> | 47% | 47% | |
| SG&A expense | \$ 343 | \$574 | 11% |
| <i>SG&A expense as a percentage of revenue</i> | 11% | 11% | |
| R&D expense | \$ 617 | \$1,034 | 11% |
| <i>R&D expense as a percentage of revenue</i> | 20% | 20% | |
| Operating Income | \$ 469 | \$829 | |
| <i>Operating Margin</i> | 15% | 16% | |
| <i>Incremental Operating Margin</i> | | 17% | |
| Earnings Before Tax | \$ 470 | \$829 | |
| Tax (benefit) | \$ 162 | \$285 | |
| <i>Tax Rate</i> | 34% | 34% | |
| Net Income | \$ 306 | \$544 | |
| <i>Net Margin</i> | 10% | 10% | |
| P/E | 32.2x | 18.1x | |

Notes:

1. The company's financial statements were reported in euros. We converted the relevant figures at the time of IPO into USD using the average annual exchange rate for each respective year, as disclosed in the company's IPO prospectus.
2. The P/E ratios are estimated by dividing the market capitalization at the time of the IPO by net income attributable to shareholders.

⁴⁴³ Ferrari Annual Report 2020.

Figure 56-2: Sensitivity Analysis

| | | Revenue CAGR | | | | | | | | | | |
|------------------|-----|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | 0.7x | 0.8x | 0.9x | 1.0x | 1.1x | 1.2x | 1.3x | 1.5x | 1.6x | 1.8x | 1.9x |
| | | -6% | -4% | -2% | 0% | 2% | 4% | 6% | 8% | 10% | 12% | 14% |
| Operating Margin | 10% | 65.6x | 59.0x | 53.3x | 48.1x | 43.6x | 39.6x | 36.0x | 32.8x | 29.9x | 27.3x | 25.0x |
| | 11% | 59.6x | 53.7x | 48.4x | 43.8x | 39.6x | 36.0x | 32.7x | 29.8x | 27.2x | 24.8x | 22.7x |
| | 12% | 54.7x | 49.2x | 44.4x | 40.1x | 36.3x | 33.0x | 30.0x | 27.3x | 24.9x | 22.8x | 20.8x |
| | 13% | 50.5x | 45.4x | 41.0x | 37.0x | 33.5x | 30.4x | 27.7x | 25.2x | 23.0x | 21.0x | 19.2x |
| | 14% | 46.9x | 42.2x | 38.0x | 34.4x | 31.1x | 28.3x | 25.7x | 23.4x | 21.4x | 19.5x | 17.9x |
| | 15% | 43.7x | 39.4x | 35.5x | 32.1x | 29.1x | 26.4x | 24.0x | 21.8x | 19.9x | 18.2x | 16.7x |
| | 16% | 41.0x | 36.9x | 33.3x | 30.1x | 27.3x | 24.7x | 22.5x | 20.5x | 18.7x | 17.1x | 15.6x |
| | 17% | 38.6x | 34.7x | 31.3x | 28.3x | 25.7x | 23.3x | 21.2x | 19.3x | 17.6x | 16.1x | 14.7x |
| | 18% | 36.4x | 32.8x | 29.6x | 26.7x | 24.2x | 22.0x | 20.0x | 18.2x | 16.6x | 15.2x | 13.9x |
| | 19% | 34.5x | 31.1x | 28.0x | 25.3x | 23.0x | 20.8x | 18.9x | 17.2x | 15.7x | 14.4x | 13.2x |
| | 20% | 32.8x | 29.5x | 26.6x | 24.1x | 21.8x | 19.8x | 18.0x | 16.4x | 14.9x | 13.7x | 12.5x |

Figure 56-3: Actual Results in Five Years

| | IPO (Jun. 2015) | 2020 | 5-Year CAGR |
|---|-----------------|----------------|-------------|
| Cars and spare parts | \$ 2,222 | \$ 3,239 | 9% |
| Other | \$ 887 | \$ 713 | -5% |
| Total Revenue | \$ 3,109 | \$3,952 | 5% |
| Gross profit | \$ 1,455 | \$ 2,026 | 8% |
| <i>Gross margin</i> | 47% | 51% | |
| SG&A expense | \$ 343 | \$ 384 | 3% |
| <i>SG&A expense as a percentage of revenue</i> | 11% | 10% | |
| R&D expense | \$ 617 | \$ 808 | 6% |
| <i>R&D expense as a percentage of revenue</i> | 20% | 20% | |
| Other operating expenses (income) | N/A | \$ 16 | |
| <i>Other op. expense as a percentage of revenue</i> | | 0% | |
| Operating Income | \$ 469 | \$819 | |
| <i>Operating Margin</i> | 15% | 21% | |
| <i>Incremental Operating Margin</i> | 0% | 41% | |
| Earnings Before Tax | \$ 470 | \$ 763 | |
| Tax (benefit) | \$ 162 | \$ 66 | |
| <i>Tax Rate</i> | 34% | 9% | |
| Net Income | \$ 306 | \$ 695 | |
| <i>Net Margin</i> | 10% | 18% | |
| P/E | 32.2x | 14.1x | |

Notes:

1. The company's financial statements were reported in euros. We converted the relevant figures at the time of IPO into USD using the average annual exchange rate for each respective year, as disclosed in the company's IPO prospectus.
2. The chart covers fiscal Q2 2015 through fiscal year-end 2020. Therefore, CAGR is calculated over a 4.5-year period.
3. The P/E ratios are estimated by dividing the market capitalization at the time of the IPO by net income attributable to shareholders.

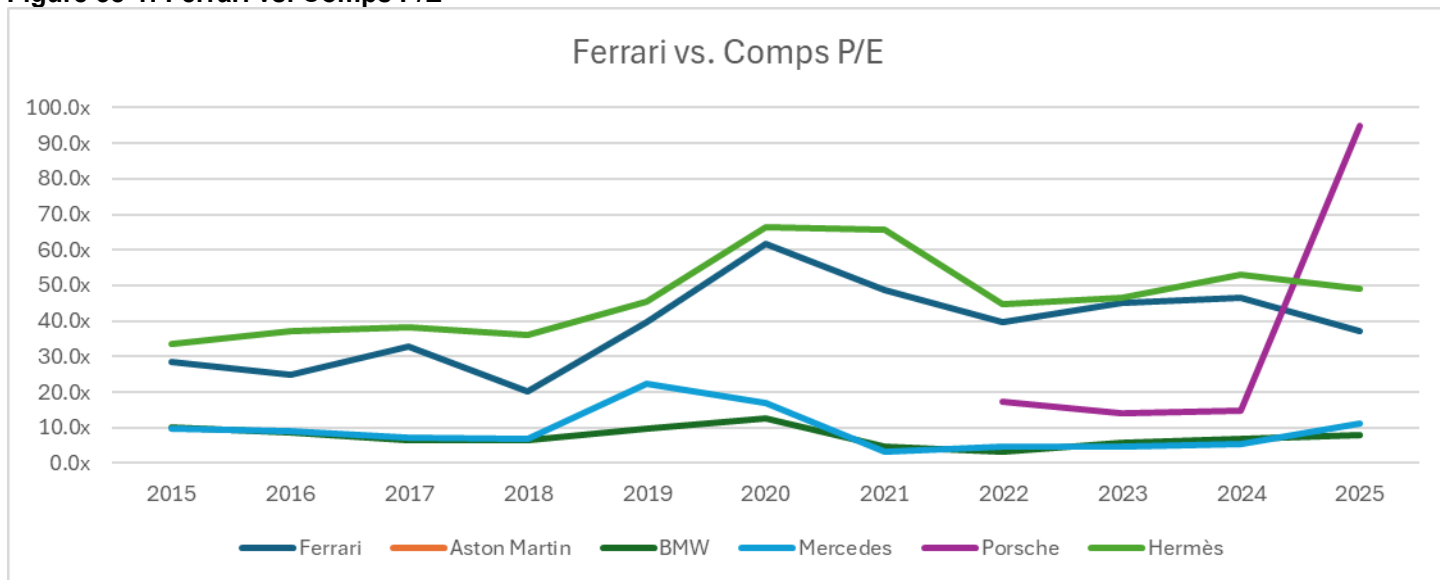
Figure 57: Ferrari Income Statement

| \$ Million | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Cars and spare parts | \$ 2,178 | \$ 2,198 | \$ 2,582 | \$ 2,308 | \$ 2,413 | \$ 2,774 | \$ 2,994 | \$ 3,275 | \$ 3,239 | \$ 4,226 | \$ 4,572 | \$ 5,535 | \$ 6,200 | \$ 6,786 |
| YoY growth | | 0.9% | 17.5% | -10.6% | 4.6% | 15.0% | 7.9% | 9.4% | -1.1% | 30.5% | 8.2% | 21.1% | 12.0% | 9.5% |
| Engines | \$ 98 | \$ 250 | \$ 413 | \$ 243 | \$ 374 | \$ 422 | \$ 336 | \$ 222 | \$ 172 | \$ 224 | \$ 164 | \$ 137 | \$ - | \$ - |
| YoY growth | | 153.8% | 65.6% | -41.3% | 54.2% | 12.7% | -20.3% | -33.9% | -22.5% | 30.2% | -27.0% | -16.2% | | |
| Sponsorship, commercial and brand | \$ 494 | \$ 547 | \$ 554 | \$ 489 | \$ 541 | \$ 558 | \$ 597 | \$ 603 | \$ 445 | \$ 509 | \$ 504 | \$ 618 | \$ 725 | \$ 926 |
| YoY growth | | 10.7% | 1.2% | -11.6% | 10.5% | 3.2% | 7.0% | 0.9% | -26.1% | 14.3% | -1.1% | 22.7% | 17.3% | 27.7% |
| Other | \$ 88 | \$ 106 | \$ 121 | \$ 127 | \$ 109 | \$ 106 | \$ 112 | \$ 117 | \$ 96 | \$ 92 | \$ 126 | \$ 165 | \$ 302 | \$ 363 |
| YoY growth | | 20.8% | 13.3% | 5.2% | -14.0% | -3.2% | 6.0% | 4.3% | -17.9% | -4.1% | 37.3% | 30.5% | 83.3% | 20.0% |
| Net revenue | \$ 2,859 | \$ 3,102 | \$ 3,670 | \$ 3,167 | \$ 3,437 | \$ 3,860 | \$ 4,039 | \$ 4,217 | \$ 3,952 | \$ 5,051 | \$ 5,366 | \$ 6,455 | \$ 7,227 | \$ 8,075 |
| YoY growth | | 8.5% | 18.3% | -13.7% | 8.5% | 12.3% | 4.6% | 4.4% | -6.3% | 27.8% | 6.2% | 20.3% | 11.9% | 11.7% |
| Cost of sales | \$ 1,540 | \$ 1,640 | \$ 2,001 | \$ 1,663 | \$ 1,749 | \$ 1,865 | \$ 1,917 | \$ 2,021 | \$ 1,926 | \$ 2,461 | \$ 2,789 | \$ 3,239 | \$ 3,604 | \$ 3,902 |
| Gross income | \$ 1,319 | \$ 1,462 | \$ 1,669 | \$ 1,504 | \$ 1,688 | \$ 1,995 | \$ 2,123 | \$ 2,196 | \$ 2,026 | \$ 2,591 | \$ 2,576 | \$ 3,216 | \$ 3,623 | \$ 4,173 |
| Gross margin | 46.1% | 47.1% | 45.5% | 47.5% | 49.1% | 51.7% | 52.6% | 52.1% | 51.3% | 51.3% | 48.0% | 49.8% | 50.1% | 51.7% |
| Selling, general and administrative costs | \$ 312 | \$ 345 | \$ 399 | \$ 376 | \$ 327 | \$ 372 | \$ 387 | \$ 384 | \$ 384 | \$ 412 | \$ 451 | \$ 500 | \$ 607 | \$ 726 |
| SG&A expenses as a percentage of revenue | 10.9% | 11.1% | 10.9% | 11.9% | 9.5% | 9.6% | 9.6% | 9.1% | 9.7% | 8.1% | 8.4% | 7.7% | 8.4% | 9.0% |
| Research and development costs | \$ 554 | \$ 637 | \$ 718 | \$ 623 | \$ 679 | \$ 742 | \$ 759 | \$ 783 | \$ 808 | \$ 908 | \$ 817 | \$ 953 | \$ 968 | \$ 1,038 |
| R&D expenses as a percentage of revenue | 19.4% | 20.5% | 19.6% | 19.7% | 19.8% | 19.2% | 18.8% | 18.6% | 20.4% | 18.0% | 15.2% | 14.8% | 13.4% | 12.9% |
| Other expenses (income), net | \$ 21 | \$ (3) | \$ 35 | \$ 12 | \$ 27 | \$ 8 | \$ 4 | \$ 6 | \$ 21 | \$ 7 | \$ 23 | \$ 20 | \$ 13 | \$ 39 |
| Result from investments | \$ - | \$ - | \$ - | \$ - | \$ 3 | \$ 3 | \$ 3 | \$ 4 | \$ 5 | \$ 8 | \$ 7 | \$ 7 | \$ 9 | \$ 14 |
| EBIT | \$ 431 | \$ 483 | \$ 517 | \$ 493 | \$ 659 | \$ 876 | \$ 976 | \$ 1,027 | \$ 819 | \$ 1,272 | \$ 1,292 | \$ 1,749 | \$ 2,043 | \$ 2,384 |
| EBIT margin | 15.1% | 15.6% | 14.1% | 15.6% | 19.2% | 22.7% | 24.2% | 24.4% | 20.7% | 25.2% | 24.1% | 27.1% | 28.3% | 29.5% |
| Net financial income (expenses) | \$ (1) | \$ 4 | \$ 12 | \$ (11) | \$ (31) | \$ (33) | \$ (28) | \$ (47) | \$ (56) | \$ (39) | \$ (52) | \$ (16) | \$ 1 | \$ (52) |
| Profit before tax | \$ 430 | \$ 487 | \$ 529 | \$ 482 | \$ 628 | \$ 843 | \$ 948 | \$ 980 | \$ 763 | \$ 1,233 | \$ 1,240 | \$ 1,733 | \$ 2,045 | \$ 2,332 |
| EBT margin | 15.0% | 15.7% | 14.4% | 15.2% | 18.3% | 21.8% | 23.5% | 23.2% | 19.3% | 24.4% | 23.1% | 26.8% | 28.3% | 28.9% |
| Tax | \$ 130 | \$ 160 | \$ 177 | \$ 160 | \$ 186 | \$ 236 | \$ 19 | \$ 198 | \$ 66 | \$ 247 | \$ 251 | \$ 373 | \$ 393 | \$ 524 |
| Net profit | \$ 300 | \$ 327 | \$ 352 | \$ 322 | \$ 442 | \$ 607 | \$ 929 | \$ 782 | \$ 696 | \$ 985 | \$ 989 | \$ 1,360 | \$ 1,652 | \$ 1,807 |
| Non-controlling Interest | \$ 10 | \$ 7 | \$ 5 | \$ 2 | \$ 1 | \$ 2 | \$ 2 | \$ 3 | \$ 1 | \$ 3 | \$ 7 | \$ 6 | \$ 4 | \$ 3 |
| Net profit to shareholders | \$ 290 | \$ 320 | \$ 347 | \$ 319 | \$ 441 | \$ 605 | \$ 927 | \$ 779 | \$ 695 | \$ 983 | \$ 982 | \$ 1,354 | \$ 1,647 | \$ 1,804 |
| Net margin | 10.1% | 10.3% | 9.5% | 10.1% | 12.8% | 15.7% | 22.9% | 18.5% | 17.6% | 19.5% | 18.3% | 21.0% | 22.8% | 22.3% |
| Forward Split Adjusted P/E | | | 28.4x | 30.8x | 22.3x | 16.3x | 10.6x | 12.5x | 13.9x | 9.8x | 9.7x | 7.0x | 5.7x | 5.1x |
| Price at IPO (10/21/2015) | | | | \$ 52.0 | | | | | | | | | | |

Notes:

- Ferrari has not undertaken any stock splits since its IPO.
- Forward P/E ratios are estimated by dividing the share price at the time of the IPO by the company's reported diluted EPS for each respective year.

Figure 58-1: Ferrari vs. Comps P/E

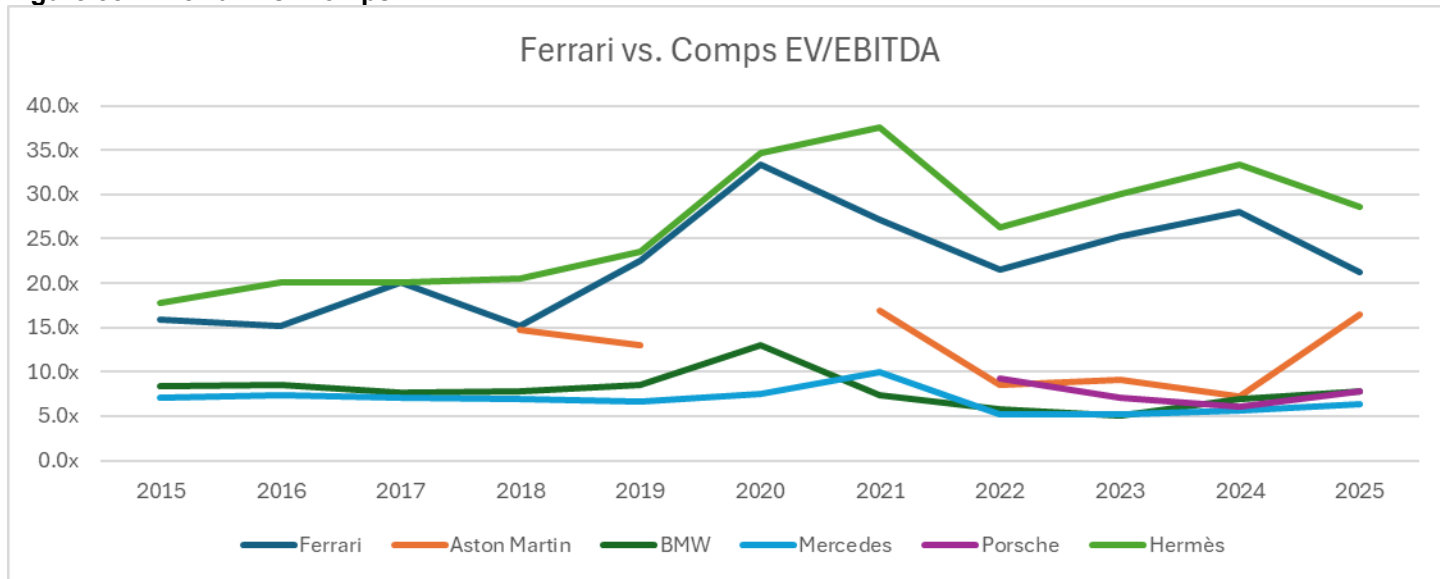


| P/E | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Average | Median |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|--------|
| Ferrari | 28.4x | 25.0x | 32.9x | 20.2x | 39.8x | 61.6x | 48.6x | 39.9x | 45.1x | 46.6x | 37.0x | 38.6x | 39.8x |
| Aston Martin | | | | | | | | | | | | | |
| BMW | 10.1x | 8.5x | 6.6x | 6.5x | 9.8x | 12.6x | 4.7x | 3.1x | 5.7x | 6.8x | 7.8x | 7.5x | 6.8x |
| Mercedes | 9.9x | 8.9x | 7.2x | 6.8x | 22.2x | 17.0x | 3.1x | 4.5x | 4.6x | 5.3x | 11.2x | 9.2x | 7.2x |
| Porsche | | | | | | | | 17.4x | 14.0x | 14.8x | 95.0x | 35.3x | 16.1x |
| Hermès | 33.4x | 37.0x | 38.1x | 36.0x | 45.4x | 66.3x | 65.7x | 44.9x | 46.6x | 52.9x | 49.2x | 46.9x | 45.4x |

Notes:

1. The above P/E data sourced from FactSet are calculated using the year-end share price divided by year-end earnings.
2. The calendar years referenced above correspond to the companies' fiscal years, each of which concludes in December.
3. Aston Martin and Porsche IPO'd in 2018 and 2022, respectively.
4. Aston Martin has reported negative earnings since its IPO in 2018. Therefore, its P/E ratios are not meaningful.
5. Unless otherwise noted, an empty cell indicates that the data is either unavailable or not meaningful (i.e., due to negative values).

Figure 58-2: Ferrari vs. Comps EV/EBITDA

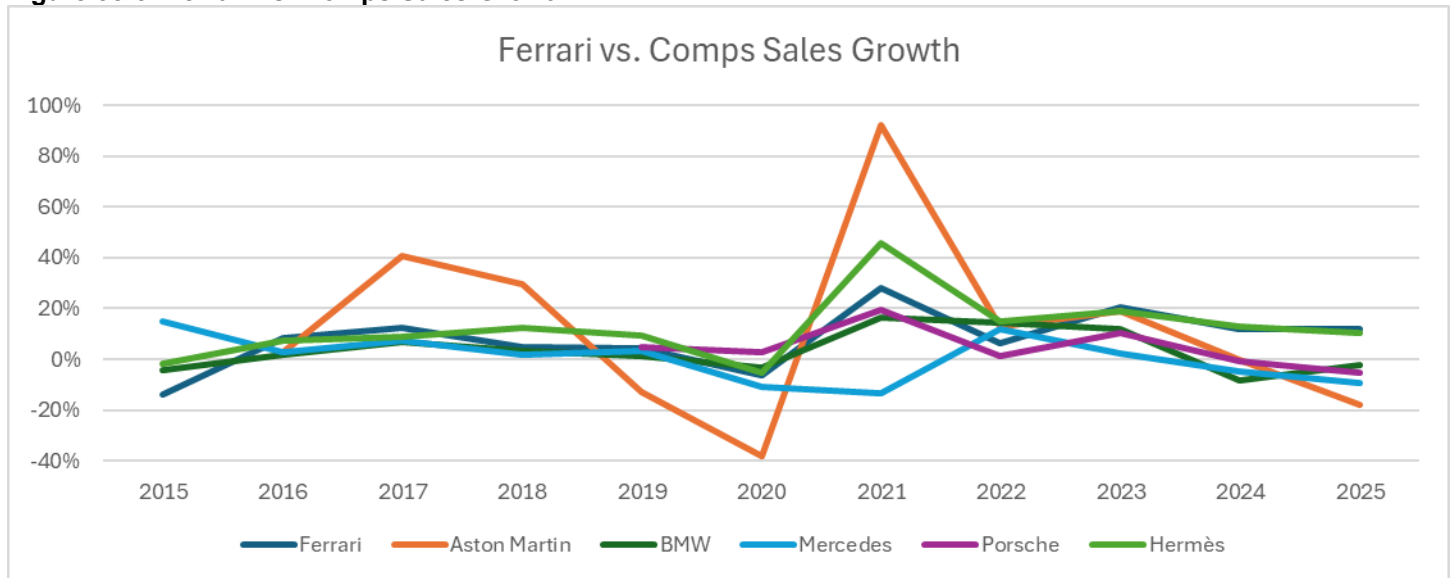


| EV/EBITDA | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Average | Median |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|--------------|
| Ferrari | 15.9x | 15.2x | 20.1x | 15.2x | 22.5x | 33.4x | 27.1x | 21.5x | 25.2x | 28.1x | 21.3x | 22.3x | 21.5x |
| Aston Martin | | | | 14.7x | 13.0x | | 16.9x | 8.6x | 9.1x | 7.2x | 16.5x | 12.3x | 13.0x |
| BMW | 8.4x | 8.5x | 7.7x | 7.8x | 8.5x | 13.0x | 7.3x | 5.7x | 5.1x | 7.0x | 7.8x | 7.9x | 7.8x |
| Mercedes | 7.1x | 7.4x | 7.1x | 6.9x | 6.6x | 7.5x | 9.9x | 5.2x | 5.2x | 5.6x | 6.4x | 6.8x | 6.9x |
| Porsche | | | | | | | | 9.2x | 7.1x | 6.0x | 7.8x | 7.5x | 7.4x |
| Hermès | 17.8x | 20.1x | 20.1x | 20.5x | 23.5x | 34.7x | 37.5x | 26.2x | 30.0x | 33.4x | 28.5x | 26.6x | 26.2x |

Notes:

1. The above data is from FactSet.
2. Aston Martin and Porsche IPO'd in 2018 and 2022, respectively. The figures for Mercedes prior to 2020 include Daimler's truck business. In 2021, Mercedes spun off its truck division, and the company's results now primarily reflect its cars and vans operations.
3. Unless otherwise noted, an empty cell indicates that the data is either unavailable or not meaningful (i.e., due to negative values).

Figure 58-3: Ferrari vs. Comps Sales Growth

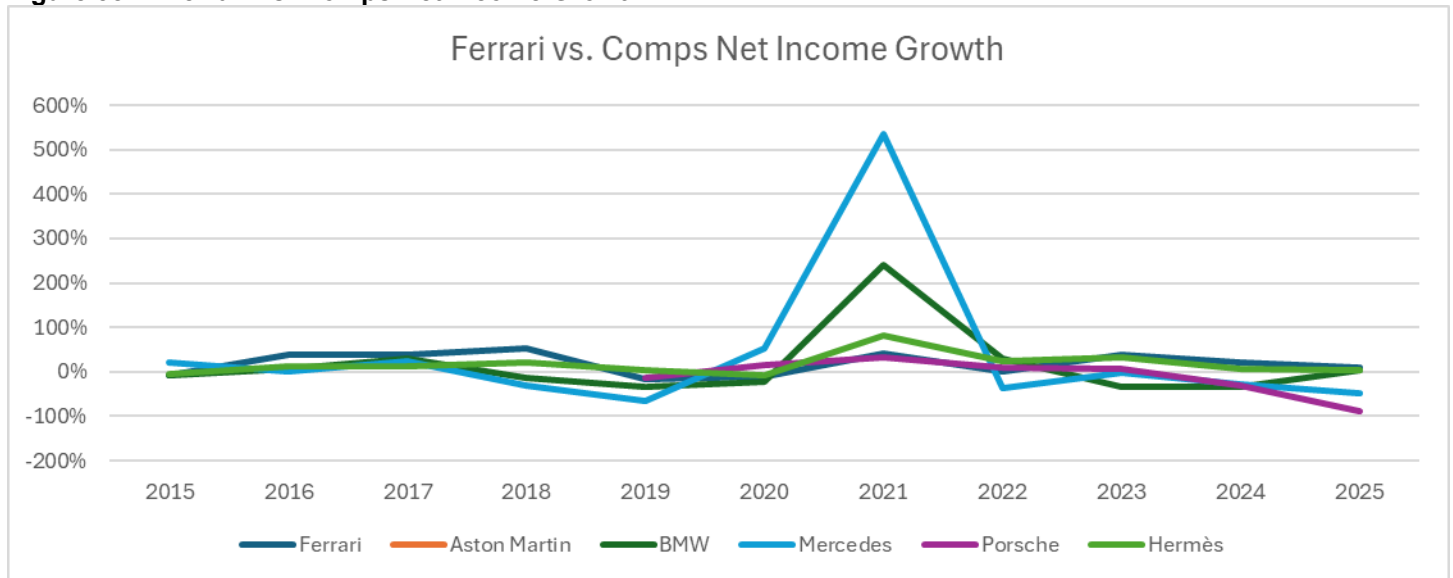


| Sales Growth | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Average | Median |
|---------------------|--------|------|-------|-------|--------|--------|--------|-------|-------|-------|--------|--------------|--------------|
| Ferrari | -13.7% | 8.5% | 12.3% | 4.6% | 4.4% | -6.3% | 27.8% | 6.2% | 20.3% | 11.9% | 11.7% | 8.0% | 8.5% |
| Aston Martin | | 2.8% | 40.7% | 29.8% | -13.0% | -38.4% | 92.1% | 13.0% | 19.2% | -0.3% | -18.2% | 12.8% | 7.9% |
| BMW | -4.3% | 1.9% | 7.0% | 3.3% | 1.3% | -3.1% | 16.4% | 14.1% | 12.0% | -8.3% | -2.1% | 3.5% | 1.9% |
| Mercedes | 15.1% | 2.5% | 7.2% | 1.8% | 3.2% | -10.7% | -13.2% | 12.0% | 2.1% | -5.0% | -9.2% | 0.5% | 2.1% |
| Porsche | | | | | 4.8% | 2.7% | 19.6% | 1.1% | 10.6% | -1.0% | -5.5% | 4.6% | 2.7% |
| Hermès | -1.8% | 7.2% | 8.9% | 12.4% | 9.4% | -5.3% | 45.6% | 15.0% | 18.8% | 13.1% | 10.1% | 12.1% | 10.1% |

Notes:

1. The above are based on underlying financial data in USD and are derived from company filings or FactSet.
2. Aston Martin and Porsche IPO'ed in 2018 and 2022, respectively.
3. The figures for Mercedes prior to 2020 include Daimler's truck business. In 2021, Mercedes spun off its truck division, and the company's results now primarily reflect its cars and vans operations.
4. Unless otherwise noted, an empty cell indicates that the data is either unavailable or not meaningful (i.e., due to negative values).

Figure 58-4: Ferrari vs. Comps Net Income Growth

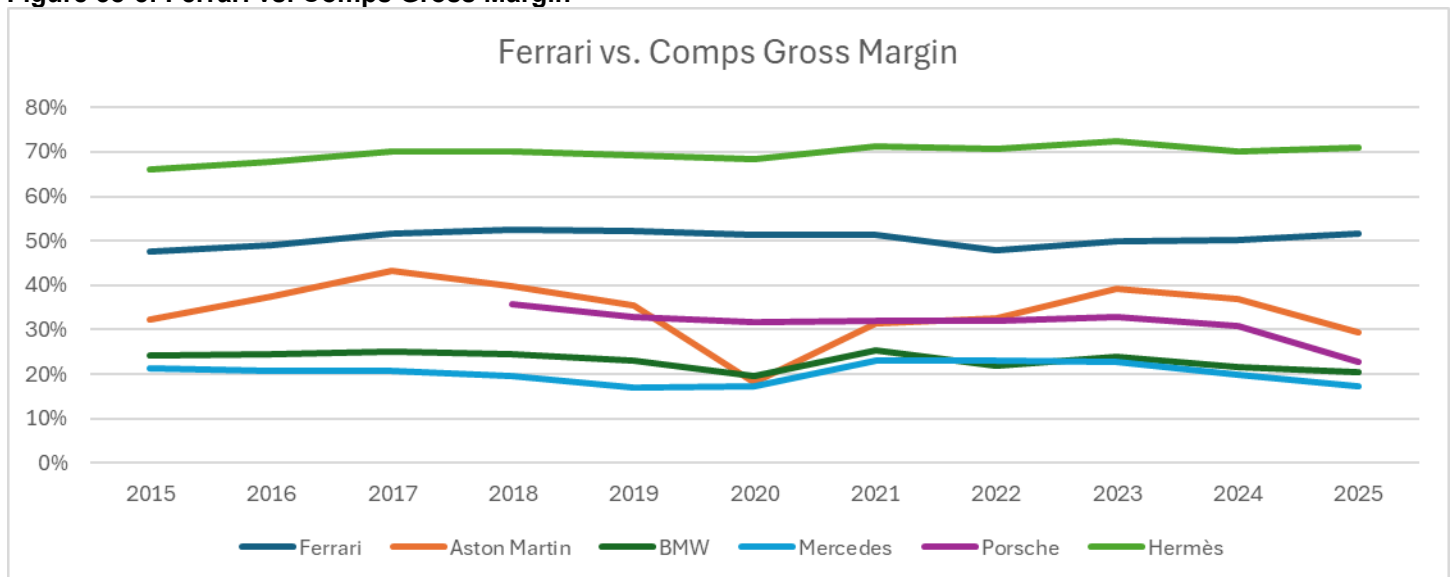


| Net Income Growth | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Average | Median |
|---------------------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|--------------|
| Ferrari | -8.0% | 38.2% | 37.0% | 53.2% | -15.9% | -10.8% | 41.4% | -0.1% | 37.8% | 21.7% | 9.5% | 18.6% | 21.7% |
| Aston Martin | | | | | | | | | | | | | |
| BMW | -8.3% | 7.5% | 28.2% | -13.7% | -34.5% | -21.6% | 239.6% | 29.0% | -35.4% | -35.4% | 4.5% | 14.5% | -8.3% |
| Mercedes | 21.0% | 1.2% | 23.4% | -31.1% | -67.2% | 52.6% | 534.3% | -37.0% | -1.7% | -28.4% | -49.6% | 38.0% | -1.7% |
| Porsche | | | | | -14.9% | 15.4% | 32.0% | 9.3% | 7.0% | -30.3% | -87.5% | -9.8% | 7.0% |
| Hermès | -5.4% | 12.9% | 13.3% | 20.2% | 3.1% | -7.5% | 82.7% | 22.6% | 31.5% | 6.9% | 2.6% | 16.6% | 12.9% |

Notes:

1. The above are based on underlying financial data in USD and are derived from company filings or FactSet.
2. Aston Martin and Porsche IPO'ed in 2018 and 2022, respectively.
3. Unless otherwise noted, an empty cell indicates that the data is either unavailable or not meaningful (i.e., due to negative values).

Figure 58-5: Ferrari vs. Comps Gross Margin

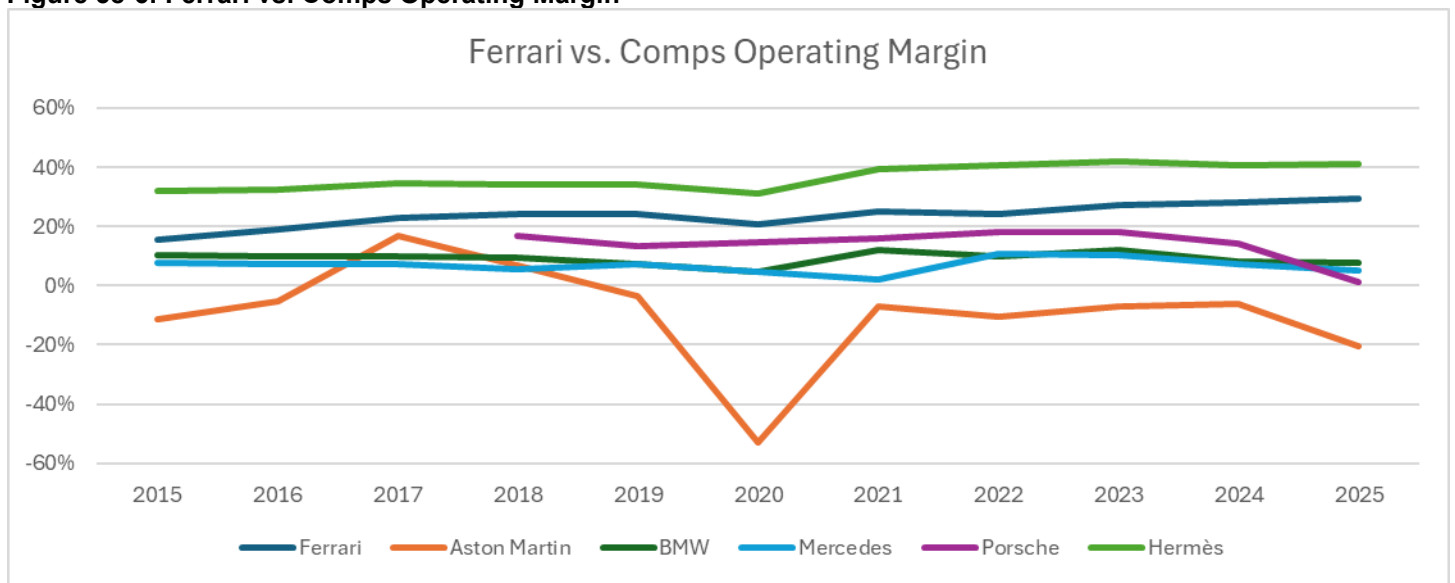


| Gross Margin | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Average | Median |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|--------|
| Ferrari | 47.5% | 49.1% | 51.7% | 52.6% | 52.1% | 51.3% | 51.3% | 48.0% | 49.8% | 50.1% | 51.7% | 50.5% | 51.3% |
| Aston Martin | 32.3% | 37.3% | 43.4% | 39.7% | 35.6% | 18.2% | 31.4% | 32.6% | 39.1% | 36.9% | 29.4% | 34.2% | 35.6% |
| BMW | 24.3% | 24.4% | 25.2% | 24.5% | 23.0% | 19.5% | 25.4% | 21.9% | 23.9% | 21.4% | 20.6% | 23.1% | 23.9% |
| Mercedes | 21.2% | 20.8% | 20.8% | 19.6% | 17.1% | 17.1% | 22.9% | 22.9% | 22.6% | 19.9% | 17.2% | 20.2% | 20.8% |
| Porsche | | | | 35.7% | 33.0% | 31.7% | 32.1% | 32.0% | 32.9% | 30.9% | 22.6% | 31.3% | 32.0% |
| Hermès | 66.1% | 67.7% | 70.1% | 70.0% | 69.1% | 68.5% | 71.3% | 70.8% | 72.3% | 70.3% | 71.1% | 69.7% | 70.1% |

Notes:

1. The above data are derived from company filings or FactSet.
2. Aston Martin and Porsche IPO'ed in 2018 and 2022, respectively.
3. The reported gross profit of Porsche and BMW is originally reported after deducting R&D expenses. To make it comparable with its peers, we adjusted the figures by adding those expenses back to gross profit.
6. The figures for Mercedes prior to 2020 include Daimler's truck business. In 2021, Mercedes spun off its truck division, and the company's results now primarily reflect its cars and vans operations.
4. Unless otherwise noted, an empty cell indicates that the data is either unavailable or not meaningful (i.e., due to negative values).

Figure 58-6: Ferrari vs. Comps Operating Margin

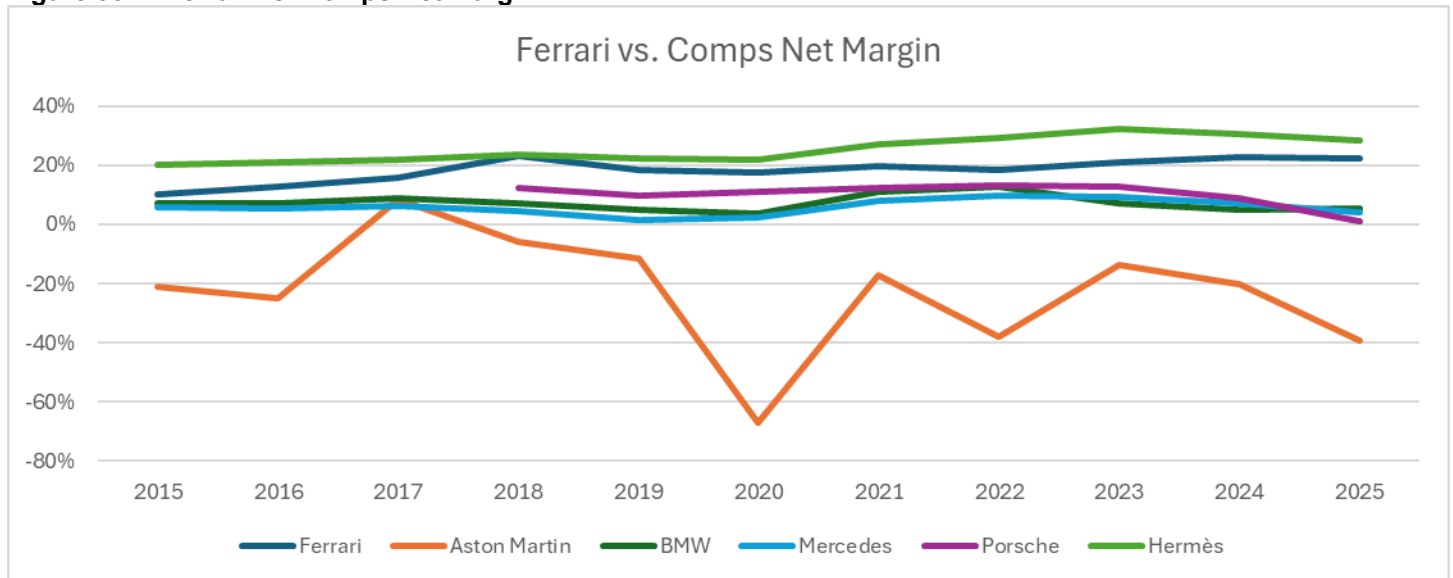


| Operating Margin | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Average | Median |
|------------------|--------|-------|-------|-------|-------|--------|-------|--------|-------|-------|--------|---------|--------|
| Ferrari | 15.6% | 19.2% | 22.7% | 24.2% | 24.4% | 20.7% | 25.2% | 24.1% | 27.1% | 28.3% | 29.5% | 23.7% | 24.2% |
| Aston Martin | -11.4% | -5.4% | 17.0% | 6.6% | -3.7% | -52.8% | -7.0% | -10.3% | -6.8% | -6.3% | -20.6% | -9.2% | -6.8% |
| BMW | 10.4% | 10.0% | 10.0% | 9.4% | 7.1% | 4.9% | 12.0% | 9.8% | 11.9% | 8.1% | 7.6% | 9.2% | 9.8% |
| Mercedes | 7.8% | 7.4% | 7.2% | 5.6% | 7.2% | 4.7% | 2.3% | 10.6% | 10.4% | 7.3% | 4.9% | 6.8% | 7.2% |
| Porsche | | | | 16.6% | 13.5% | 14.6% | 16.0% | 18.0% | 18.0% | 14.1% | 1.1% | 14.0% | 15.3% |
| Hermès | 31.8% | 32.6% | 34.6% | 34.3% | 34.0% | 31.0% | 39.3% | 40.5% | 42.1% | 40.5% | 41.1% | 36.5% | 34.6% |

Notes:

1. The above data are derived from company filings or FactSet.
2. Aston Martin and Porsche IPO'ed in 2018 and 2022, respectively.
3. The figures for Mercedes prior to 2020 include Daimler's truck business. In 2021, Mercedes spun off its truck division, and the company's results now primarily reflect its cars and vans operations.
4. Unless otherwise noted, an empty cell indicates that the data is either unavailable or not meaningful (i.e., due to negative values).

Figure 58-7: Ferrari vs. Comps Net Margin

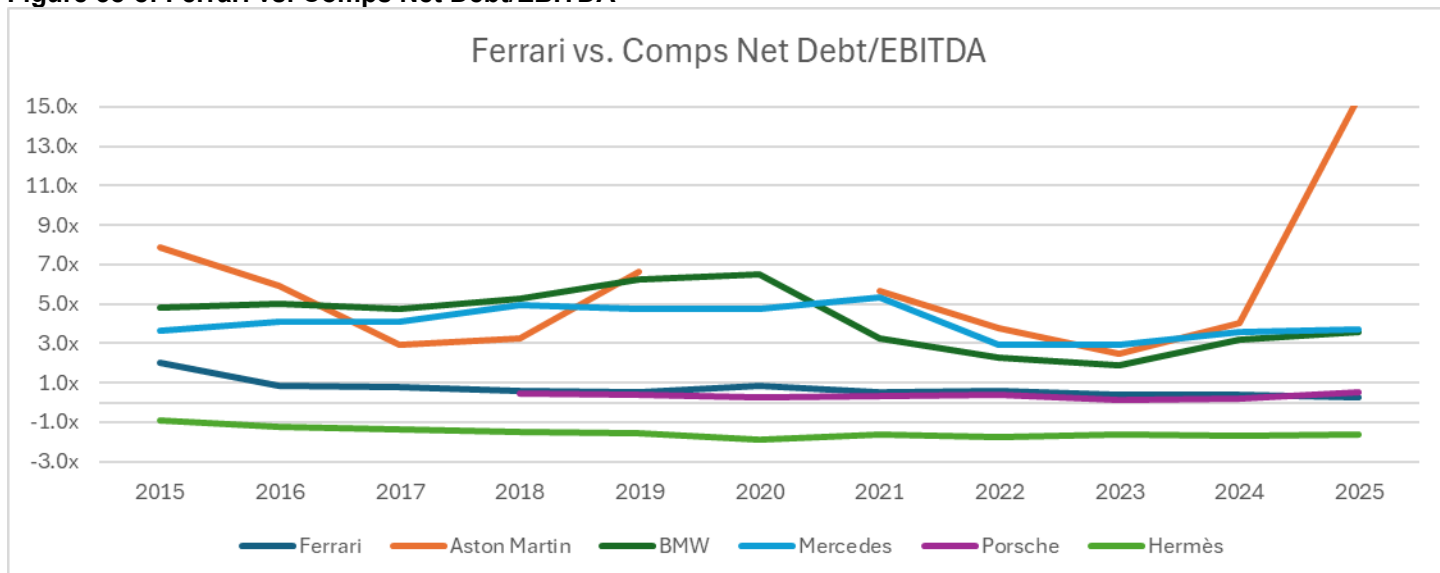


| | | | | | | | | | | | | | |
|---------------------|--------|--------|-------|-------|--------|--------|--------|--------|--------|--------|--------|---------------|---------------|
| Ferrari | 10.1% | 12.8% | 15.7% | 22.9% | 18.5% | 17.6% | 19.5% | 18.3% | 21.0% | 22.8% | 22.3% | 18.3% | 18.5% |
| Aston Martin | -21.0% | -24.9% | 8.5% | -5.7% | -11.4% | -67.1% | -17.3% | -38.2% | -13.9% | -20.4% | -39.2% | -22.8% | -20.4% |
| BMW | 6.9% | 7.3% | 8.7% | 7.3% | 4.7% | 3.8% | 11.1% | 12.6% | 7.3% | 5.1% | 5.5% | 7.3% | 7.3% |
| Mercedes | 5.6% | 5.6% | 6.4% | 4.3% | 1.4% | 2.4% | 8.0% | 9.7% | 9.3% | 7.0% | 3.9% | 5.8% | 5.6% |
| Porsche | | | | 12.1% | 9.8% | 11.0% | 12.2% | 13.2% | 12.7% | 9.0% | 1.2% | 10.1% | 11.5% |
| Hermès | 20.1% | 21.2% | 22.0% | 23.5% | 22.2% | 21.7% | 27.2% | 29.0% | 32.1% | 30.3% | 28.3% | 25.2% | 23.5% |

Notes:

1. The above data are derived from company filings or FactSet.
2. Aston Martin and Porsche IPO'ed in 2018 and 2022, respectively.
3. The figures for Mercedes prior to 2020 include Daimler's truck business. In 2021, Mercedes spun off its truck division, and the company's results now primarily reflect its cars and vans operations.
4. Unless otherwise noted, an empty cell indicates that the data is either unavailable or not meaningful (i.e., due to negative values).

Figure 58-8: Ferrari vs. Comps Net Debt/EBITDA



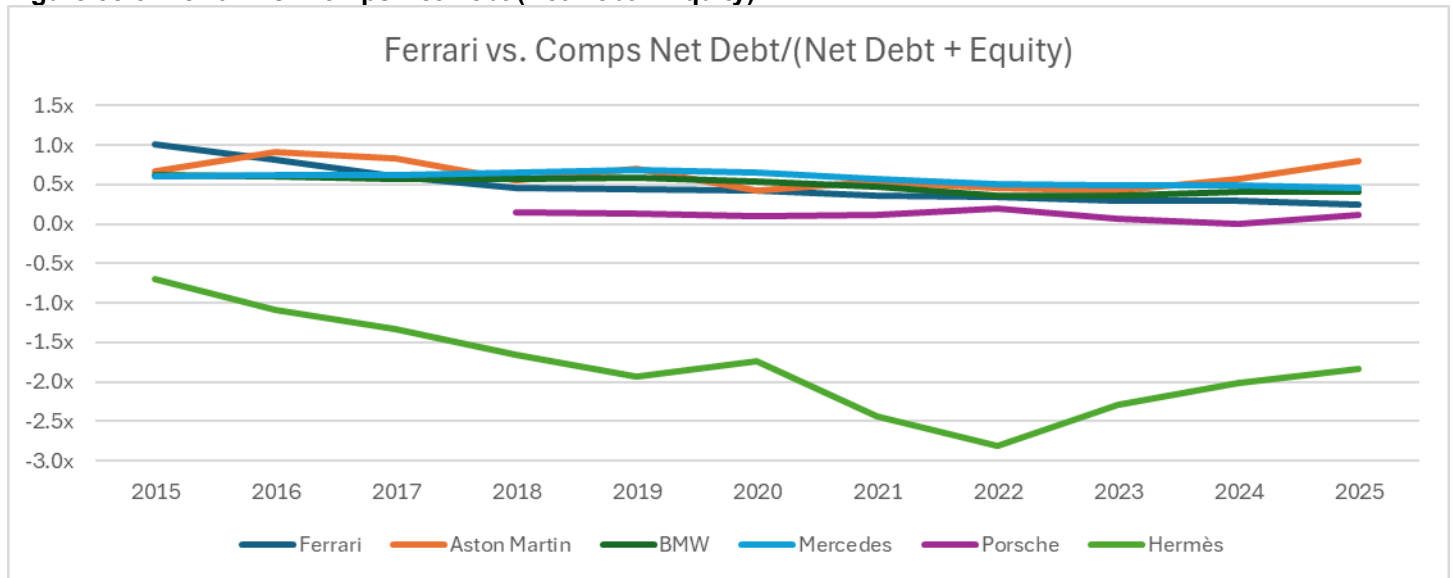
| Net Debt/EBITDA | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Average | Median |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|--------------|
| Ferrari | 2.0x | 0.9x | 0.8x | 0.6x | 0.5x | 0.8x | 0.5x | 0.6x | 0.4x | 0.4x | 0.3x | 0.7x | 0.6x |
| Aston Martin | 7.9x | 5.9x | 2.9x | 3.2x | 6.6x | | 5.7x | 3.8x | 2.5x | 4.0x | 15.5x | 5.8x | 4.9x |
| BMW | 4.8x | 5.0x | 4.7x | 5.3x | 6.2x | 6.5x | 3.3x | 2.3x | 1.9x | 3.2x | 3.5x | 4.3x | 4.7x |
| Mercedes | 3.6x | 4.1x | 4.1x | 5.0x | 4.7x | 4.8x | 5.3x | 3.0x | 2.9x | 3.6x | 3.7x | 4.1x | 4.1x |
| Porsche | | | | 0.4x | 0.4x | 0.3x | 0.4x | 0.4x | 0.2x | 0.2x | 0.5x | 0.3x | 0.4x |
| Hermès | -0.9x | -1.2x | -1.4x | -1.5x | -1.6x | -1.9x | -1.6x | -1.7x | -1.6x | -1.7x | -1.6x | -1.5x | -1.6x |

Notes:

1. The above data are derived from company filings or FactSet.
2. Aston Martin and Porsche IPO'ed in 2018 and 2022, respectively.
3. Aston Martin's ratio increased significantly in 2025, primarily due to a decline in EBITDA. Based on reported data, we estimated its EBITDA margin decreased from approximately 16% in 2024 to 6% in 2025. During the fiscal year, revenue fell by 21%, largely reflecting a weaker macroeconomic environment, including the impact of tariffs, which led to lower year-over-year volumes and a decline in average selling prices. As a result, gross profit declined by 37% and gross margin compressed to 29% (from 37% in 2024). This deterioration in profitability drove further operating losses, widening from £100 million in 2024 to £259 million in 2025.⁴⁴⁴
4. Unless otherwise noted, an empty cell indicates that the data is either unavailable or not meaningful (i.e., due to negative values).

⁴⁴⁴ Aston Martin Preliminary Results for the Twelve Months Ended 31 December 2025.

Figure 58-9: Ferrari vs. Comps Net Debt/(Net Debt + Equity)

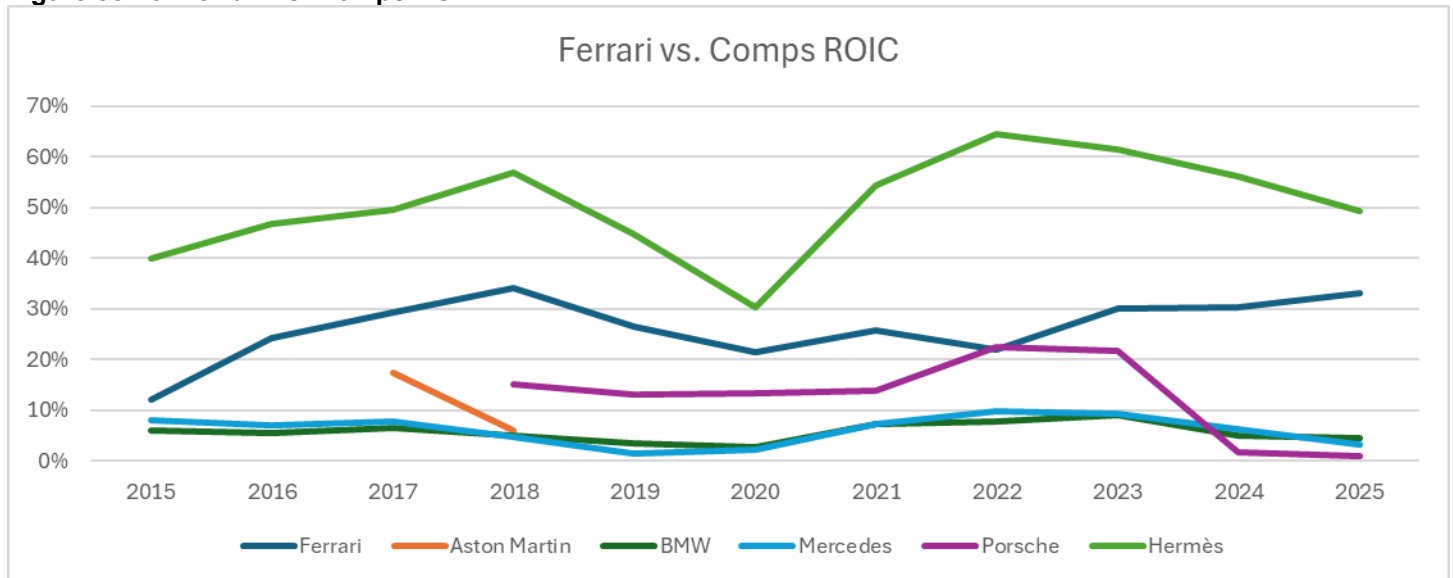


| Net Debt/(Net Debt + Equity) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Average | Median |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|--------------|
| Ferrari | 1.0x | 0.8x | 0.6x | 0.5x | 0.4x | 0.4x | 0.4x | 0.3x | 0.3x | 0.3x | 0.2x | 0.5x | 0.4x |
| Aston Martin | 0.7x | 0.9x | 0.8x | 0.6x | 0.7x | 0.4x | 0.5x | 0.4x | 0.4x | 0.6x | 0.8x | 0.6x | 0.6x |
| BMW | 0.6x | 0.6x | 0.6x | 0.6x | 0.6x | 0.5x | 0.5x | 0.4x | 0.4x | 0.4x | 0.4x | 0.5x | 0.5x |
| Mercedes | 0.6x | 0.6x | 0.6x | 0.6x | 0.7x | 0.7x | 0.6x | 0.5x | 0.5x | 0.5x | 0.5x | 0.6x | 0.6x |
| Porsche | | | | 0.2x | 0.1x | 0.1x | 0.1x | 0.2x | 0.1x | 0.0x | 0.1x | 0.1x | 0.1x |
| Hermès | -0.7x | -1.1x | -1.3x | -1.6x | -1.9x | -1.7x | -2.4x | -2.8x | -2.3x | -2.0x | -1.8x | -1.8x | -1.8x |

Notes:

1. The above data are derived from company filings or FactSet.
2. Aston Martin and Porsche IPO'ed in 2018 and 2022, respectively.
3. Unless otherwise noted, an empty cell indicates that the data is either unavailable or not meaningful (i.e., due to negative values).

Figure 58-10: Ferrari vs. Comps ROIC



| ROIC | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Average | Median |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|--------------|
| Ferrari | 12.0% | 24.3% | 29.3% | 34.0% | 26.5% | 21.6% | 25.9% | 22.0% | 30.0% | 30.4% | 33.1% | 26.3% | 26.5% |
| Aston Martin | | | 17.4% | 6.0% | | | | | | | | 11.7% | 11.7% |
| BMW | 6.0% | 5.6% | 6.5% | 5.0% | 3.6% | 2.7% | 7.4% | 7.7% | 9.1% | 5.1% | 4.5% | 5.7% | 5.6% |
| Mercedes | 8.1% | 7.1% | 7.8% | 4.9% | 1.5% | 2.4% | 7.3% | 9.9% | 9.4% | 6.3% | 3.2% | 6.2% | 7.1% |
| Porsche | | | | 15.1% | 13.2% | 13.5% | 13.9% | 22.6% | 21.8% | 1.7% | 1.1% | 12.9% | 13.7% |
| Hermès | 40.0% | 46.9% | 49.5% | 56.8% | 44.8% | 30.4% | 54.4% | 64.5% | 61.4% | 56.1% | 49.2% | 50.4% | 49.5% |

Notes:

1. The above data are derived from company filings or FactSet.
2. Aston Martin and Porsche IPO'ed in 2018 and 2022, respectively.
3. Unless otherwise noted, an empty cell indicates that the data is either unavailable or not meaningful (i.e., due to negative values).

Appendix

Appendix 1: Ferrari Income Statement

| € Million | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Cars and spare parts | € 1,695 | € 1,655 | € 1,944 | € 2,080 | € 2,180 | € 2,456 | € 2,535 | € 2,926 | € 2,836 | € 3,573 | € 4,341 | € 5,119 | € 5,728 | € 6,005 |
| Engines | € 77 | € 188 | € 311 | € 219 | € 338 | € 373 | € 285 | € 198 | € 151 | € 189 | € 155 | € 127 | € - | € - |
| Sponsorship, commercial and brand | € 385 | € 412 | € 417 | € 441 | € 489 | € 494 | € 506 | € 538 | € 390 | € 431 | € 478 | € 572 | € 670 | € 820 |
| Other | € 69 | € 80 | € 91 | € 114 | € 99 | € 94 | € 95 | € 104 | € 84 | € 78 | € 120 | € 152 | € 279 | € 321 |
| Net revenue | € 2,225 | € 2,335 | € 2,762 | € 2,854 | € 3,105 | € 3,417 | € 3,420 | € 3,767 | € 3,460 | € 4,271 | € 5,095 | € 5,970 | € 6,677 | € 7,146 |
| Cost of sales | € 1,199 | € 1,235 | € 1,506 | € 1,499 | € 1,580 | € 1,651 | € 1,623 | € 1,805 | € 1,686 | € 2,081 | € 2,649 | € 2,996 | € 3,329 | € 3,453 |
| Gross income | € 1,026 | € 1,101 | € 1,256 | € 1,356 | € 1,525 | € 1,766 | € 1,797 | € 1,961 | € 1,774 | € 2,190 | € 2,446 | € 2,974 | € 3,347 | € 3,693 |
| Selling, general and administrative costs | € 243 | € 260 | € 300 | € 339 | € 295 | € 329 | € 327 | € 343 | € 336 | € 348 | € 428 | € 463 | € 561 | € 642 |
| Research and development costs | € 431 | € 479 | € 541 | € 562 | € 614 | € 657 | € 643 | € 699 | € 707 | € 768 | € 776 | € 882 | € 894 | € 919 |
| Other expenses (income), net | € 17 | € (2) | € 26 | € 11 | € 25 | € 7 | € 3 | € 5 | € 18 | € 6 | € 22 | € 19 | € 12 | € 34 |
| Result from investments | € - | € - | € - | € - | € 3 | € 2 | € 3 | € 4 | € 5 | € 7 | € 6 | € 6 | € 8 | € 13 |
| EBIT | € 335 | € 364 | € 389 | € 444 | € 595 | € 775 | € 827 | € 917 | € 717 | € 1,075 | € 1,227 | € 1,617 | € 1,888 | € 2,110 |
| Net financial income (expenses) | € (1) | € 3 | € 9 | € (10) | € (28) | € (29) | € (24) | € (42) | € (49) | € (33) | € (50) | € (15) | € 1 | € (46) |
| Profit before tax | € 335 | € 366 | € 398 | € 434 | € 567 | € 746 | € 803 | € 875 | € 668 | € 1,042 | € 1,178 | € 1,602 | € 1,889 | € 2,064 |
| Tax | € 101 | € 120 | € 133 | € 144 | € 168 | € 209 | € 16 | € 177 | € 58 | € 209 | € 238 | € 345 | € 363 | € 464 |
| Net profit | € 233 | € 246 | € 265 | € 290 | € 400 | € 537 | € 787 | € 699 | € 609 | € 833 | € 939 | € 1,257 | € 1,526 | € 1,600 |
| Non-controlling Interest | € 8 | € 5 | € 4 | € 2 | € 1 | € 2 | € 2 | € 3 | € 1 | € 2 | € 7 | € 5 | € 4 | € 3 |
| Net profit to shareholders | € 225 | € 241 | € 261 | € 288 | € 399 | € 535 | € 785 | € 696 | € 608 | € 831 | € 933 | € 1,252 | € 1,522 | € 1,597 |
| Basic EPS | € 1.19 | € 1.27 | € 1.38 | € 1.52 | € 2.11 | € 2.83 | € 4.16 | € 3.73 | € 3.29 | € 4.50 | € 5.11 | € 6.91 | € 8.47 | € 8.97 |
| Diluted EPS | € 1.19 | € 1.27 | € 1.38 | € 1.52 | € 2.11 | € 2.82 | € 4.14 | € 3.71 | € 3.28 | € 4.50 | € 5.09 | € 6.90 | € 8.46 | € 8.96 |

Appendix 2: Ferrari Balance Sheet

| € Million | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Cash and cash equivalents | € 114 | € 134 | € 183 | € 458 | € 648 | € 794 | € 898 | € 1,362 | € 1,344 | € 1,389 | € 1,122 | € 1,742 | € 1,468 |
| Deposits in FCA Group cash management pools | € 684 | € 942 | € 139 | € - | € - | € - | € - | € - | € - | € - | € - | € - | € - |
| Inventories | € 237 | € 296 | € 295 | € 324 | € 394 | € 391 | € 420 | € 461 | € 541 | € 675 | € 949 | € 1,088 | € 1,114 |
| Trade receivables | € 206 | € 184 | € 158 | € 244 | € 239 | € 211 | € 231 | € 184 | € 185 | € 232 | € 261 | € 349 | € 360 |
| Receivables from financing activities | € 863 | € 1,224 | € 1,174 | € 790 | € 733 | € 878 | € 966 | € 940 | € 1,144 | € 1,400 | € 1,451 | € 1,662 | € 1,613 |
| Current tax receivables | € 1 | € 3 | € 15 | € 1 | € 6 | € 128 | € 21 | € 12 | € 14 | € 16 | € 12 | € 16 | € 32 |
| Other current assets | € 39 | € 52 | € 46 | € 54 | € 45 | € 64 | € 93 | € 76 | € 122 | € 153 | € 130 | € 138 | € 159 |
| Current financial assets | € 75 | € 9 | € 9 | € 16 | € 16 | € 10 | € 11 | € 40 | € 14 | € 87 | € 61 | € 25 | € 78 |
| Total current assets | € 2,219 | € 2,845 | € 2,020 | € 1,887 | € 2,081 | € 2,477 | € 2,641 | € 3,076 | € 3,364 | € 3,953 | € 3,986 | € 5,020 | € 4,824 |
| Goodwill | € 787 | € 787 | € 787 | € 785 | € 785 | € 785 | € 785 | € 785 | € 785 | € 785 | € 785 | € 785 | € 785 |
| Intangible assets | € 242 | € 265 | € 308 | € 354 | € 440 | € 646 | € 838 | € 979 | € 1,138 | € 1,307 | € 1,420 | € 1,546 | € 1,638 |
| Property, plant and equipment | € 568 | € 585 | € 626 | € 669 | € 710 | € 851 | € 1,070 | € 1,227 | € 1,353 | € 1,458 | € 1,575 | € 1,829 | € 2,058 |
| Investment and other financial assets | € 38 | € 47 | € 12 | € 34 | € 30 | € 32 | € 39 | € 43 | € 55 | € 60 | € 68 | € 81 | € 96 |
| Deferred tax assets | € 42 | € 112 | € 123 | € 119 | € 94 | € 61 | € 74 | € 152 | € 169 | € 203 | € 218 | € 237 | € 226 |
| Total non-current assets | € 1,677 | € 1,797 | € 1,856 | € 1,962 | € 2,060 | € 2,374 | € 2,805 | € 3,186 | € 3,500 | € 3,813 | € 4,065 | € 4,477 | € 4,804 |
| Total assets | € 3,895 | € 4,641 | € 3,875 | € 3,850 | € 4,141 | € 4,852 | € 5,446 | € 6,262 | € 6,864 | € 7,766 | € 8,051 | € 9,497 | € 9,628 |
| Employee benefits | € 65 | € 77 | € 78 | € 91 | € 84 | € 87 | € 88 | € 60 | € 101 | € 111 | € 123 | € 134 | € 145 |
| Provisions | € 104 | € 135 | € 142 | € 215 | € 197 | € 183 | € 166 | € 155 | € 151 | € 181 | € 187 | € 206 | € 184 |
| Deferred tax liabilities | € 28 | € 22 | € 23 | € 13 | € 11 | € 39 | € 82 | € 113 | € 96 | € 127 | € 137 | € 110 | € 254 |
| Debt | € 317 | € 510 | € 2,260 | € 1,848 | € 1,806 | € 1,927 | € 2,090 | € 2,725 | € 2,630 | € 2,812 | € 2,477 | € 3,352 | € 2,884 |
| Short-term debt | € 297 | € 491 | € 919 | € 400 | € 306 | € 352 | € 403 | € 873 | € 186 | € 161 | € 133 | € 124 | € 102 |
| Long-term debt | € 21 | € 19 | € 1,341 | € 1,448 | € 1,500 | € 1,575 | € 1,628 | € 1,790 | € 2,385 | € 2,588 | € 2,267 | € 3,090 | € 2,608 |
| Other liabilities | € 470 | € 670 | € 655 | € 656 | € 620 | € 590 | € 800 | € 687 | € 727 | € 952 | € 1,023 | € 1,106 | € 1,392 |
| Other financial liabilities | € 4 | € 104 | € 103 | € 40 | € 1 | € 11 | € 15 | € 2 | € 37 | € 20 | € 14 | € 62 | € 7 |
| Trade payables | € 486 | € 536 | € 507 | € 615 | € 608 | € 654 | € 712 | € 714 | € 798 | € 903 | € 931 | € 946 | € 841 |
| Current tax payables | € 104 | € 110 | € 125 | € 42 | € 29 | € 8 | € 7 | € 16 | € 113 | € 59 | € 89 | € 38 | € 5 |
| Total liabilities | € 1,579 | € 2,163 | € 3,895 | € 3,520 | € 3,357 | € 3,498 | € 3,959 | € 4,473 | € 4,652 | € 5,163 | € 4,981 | € 5,954 | € 5,714 |
| Shareholders' equity | € 2,290 | € 2,470 | € (25) | € 325 | € 779 | € 1,349 | € 1,481 | € 1,785 | € 2,206 | € 2,593 | € 3,061 | € 3,534 | € 3,907 |
| Minority interest | € 27 | € 9 | € 6 | € 5 | € 5 | € 5 | € 6 | € 4 | € 6 | € 10 | € 10 | € 9 | € 8 |
| Total equity | € 2,316 | € 2,478 | € (19) | € 330 | € 784 | € 1,354 | € 1,487 | € 1,789 | € 2,211 | € 2,602 | € 3,071 | € 3,543 | € 3,915 |
| Total liabilities and equity | € 3,895 | € 4,641 | € 3,875 | € 3,850 | € 4,141 | € 4,852 | € 5,446 | € 6,262 | € 6,864 | € 7,766 | € 8,051 | € 9,497 | € 9,628 |

Disclosures

Worldly Partners, and its affiliates, do not have a financial interest in Ferrari N.V. or the securities, or derivatives thereof, issued by this company. This research report has been published on April 7, 2026, and is for informational and educational purposes only and is not meant to provide information on any services or products connected to Worldly Partners and its affiliates. The statements or conclusions made are opinions only and should not be relied upon as fact. The report does not serve as an endorsement or as an investment recommendation. Worldly Partners did not receive compensation for creating or providing this research report. No investors in Worldly Partners or its affiliates or in its Funds requested that we produce this report or make the statements or conclusions included herein.

Data throughout this report is sourced from third-parties, including multiple levels of third-parties, unrelated to Worldly Partners. While we believe the sources to be reliable, we have not confirmed the accuracy of the data presented or the analyses or assumptions made by such third-parties in arriving at any projections shown or conclusions made. Accordingly, the actual data may be materially different from what is presented in the third-party reports. In addition, the projections included in the report as determined by such third-parties may not be achieved, and the actual results could be materially different from those projected by such third-parties. In addition, past performance is not an indication of future results. Comments made in the Notes section of charts or graphs throughout this research report include statements and concepts from companies' annual reports, including direct statements, summaries of statements, and, in some cases, interpretations, extrapolations, or analyses of statements contained therein.

When comparing performance to an index, keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. An individual investor's results will vary. The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market.

Much of the information throughout this report represents historical analysis or data which, if updated to periods closer to the report year or date, could result in materially different data and conclusions. Worldly Partners is not updating this report as new data is released or made available. The statements made are based upon information reviewed as of the date of the report.

This presentation is confidential and is intended solely for the information of the person to whom it has been delivered. This report is provided for the purpose of providing insight into the research approach used by Worldly Partners in its investment process. This document may not be copied, quoted, or referenced without the prior written consent of Worldly Partners.