Milan, 01 April 2025

Italian Equity Research – 1Q25 Preview

FERRARI

OUTPERFORM

Sector: Consumers

Price: Eu392.20 - **Target: Eu490.00**

Strong Start to the Year, Limited Impact from US Tariff

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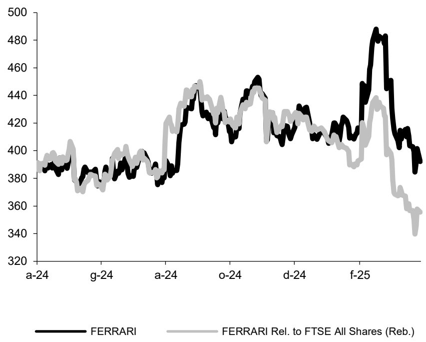
Stock Rating

Rating:			Unchanged
Target Price (Eu):			from 494.00 to 490.00
	2025E	**2026E**	**2027E**
Chg in Adj EPS	-1.6%	-1.2%	-0.8%

Next Event
1Q25 Results Out 6th of May

FERRARI - 12M Performance



Stock Data

Reuters code:			RACE.MI
Bloomberg code:			RACE IM
Performance	**1M**	**3M**	**12M**
Absolute	-12.8%	-4.9%	-2.9%
Relative	-11.3%	-15.5%	-11.9%
12M (H/L)			487.90/374.50
3M Average Volume (th):			411.87

Shareholder Data

No. of Ord shares (mn):	180
Total no. of shares (mn):	179
Mkt Cap Ord (Eu mn):	70,593
Total Mkt Cap (Eu mn):	70,593
Mkt Float - Ord (Eu mn):	46,231
Mkt Float (in %):	65.5%
Main Shareholder:	
Exor	24.2%

Balance Sheet Data

Book Value (Eu mn):	4,229
BVPS (Eu):	23.77
P/BV:	16.5
Net Financial Position (Eu mn):	-1,589
Enterprise Value (Eu mn):	69,749

We expect RACE to report a positive start to the year, fully exploiting its strong line-up of models with ARPU up double-digit. The limited impact of <2% at EPS level from the recently implemented tariffs in the US once again show the resilience of the business model. With 2025 set to be another year of solid growth and "as a floor" guidance sitting in a comfortable range vs expectations, we confirm our view on the stock. The recent pullback by the stock price, also created by the Exor ABB (stake reduced to 20% from 24%), offers an attractive entry point in our view. Solid results, reassuring messages on the order book, and residual values should act as catalysts for the shares. OUTPERFORM confirmed, TP trimmed to €490 from €494 on slightly lower estimates.

- **1Q25 preview: strong mix drives earnings growth.** We expect a positive 1Q thanks to a strong mix, partial help from FX, and non-auto income. Our estimates point to: revenues of €1.76bn, +11% YoY, driven by Auto&Parts up +11% YoY (88% of total) and SBC+Others up +8%; EBIT of €523mn, +18% YoY with a 29.8% margin (+1.9pp YoY); EPS of €2.30 (+18% YoY); FCF of €435mn and net debt of €150mn after a €405mn buyback. Key items to consider:
  - **Price&Mix:** ARPU up strongly to €439k (+13% YoY, -1% QoQ) thanks to mix amid the ramp-up of SF90XX and 12 Cilindri, while the Daytona is still in full production (though a little lower YoY). Personalisation should come in at ~20% of revenues (vs 19% in 1Q24) and pricing should benefit from the increase on the Purosangue;
  - **Volumes:** a small decline (-1.5% YoY) in line with management indication of shipments evenly spread throughout the year;
  - **FX:** tailwind amid € weakness against all other currencies;
  - **R&D/Ind. Cost/SG&A:** a headwind due to higher F1 exp., digital transformation expenses, and support measures for the supply chain, partly offset by lower D&A;
  - **Other:** positive thanks to F1-related income (sponsorship and commercial).
- **2025 outlook: guidance confirmed despite tariff pressure.** Despite the application of tariffs on auto imports by the US, RACE has already confirmed its guidance (Americas ~25% of shipments). After adjusting its commercial policy with retail price increases of up to 10% on newer models (i.e. excluding the S96, SF90 and Roma), RACE sees only a slight reduction of 50bps for adj. EBITDA/EBIT margins. We translate that into a ~€35mn EBIT impact, or less than 2% at EPS level. Our updated estimates are in line with consensus and are ~3% above "floor" guidance, a comfortable level at this stage. Our estimates point to revenues of €7.30bn, up +9% YoY, EBITDA at €2.74bn (+7% YoY, 37.5% margin), EBIT at €2.09bn (+11% YoY, 28.6% margin, +0.3pp YoY) and EPS at €9.17 (+8% YoY).
- **Change in estimates.** We are slightly lowering our 2025-27 EPS by -1% due to the net impact of tariffs and less favourable FX, partially offset by a higher contribution from the "Other" line (F1) and greater focus on costs.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	5,970	6,678	7,297	7,919	8,463
EBITDA Adj (Eu mn)	2,280	2,555	2,739	3,107	3,418
Net Profit Adj (Eu mn)	1,254	1,522	1,638	1,869	2,071
EPS New Adj (Eu)	6.910	8.459	9.174	10.470	11.600
EPS Old Adj (Eu)	6.910	8.458	9.320	10.595	11.694
DPS (Eu)	2.443	2.986	3.239	3.696	4.095
EV/EBITDA Adj	22.0	27.8	25.5	22.1	19.8
EV/EBIT Adj	31.0	37.6	33.4	28.8	25.6
P/E Adj	56.8	46.4	42.7	37.5	33.8
Div. Yield	0.6%	0.8%	0.8%	0.9%	1.0%
Net Debt/EBITDA Adj	0.6	0.6	0.6	0.6	0.5

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&PMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and – 10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between –10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 31 March 2025 Intermonte's Research Department covered 131 companies.

As of today Intermonte's distribution of stock ratings is as follows:

BUY:	30.60 %
OUTPERFORM:	43.28 %
NEUTRAL:	26.12 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

As at 31 March 2025 the distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (74 in total) is as follows:

BUY:	52.70 %
OUTPERFORM:	29.73 %
NEUTRAL:	17.57 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short

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Further information is available