

FERRARI

Sector: Consumers

OUTPERFORM

Price: Eu289.90 - Target: Eu362.00

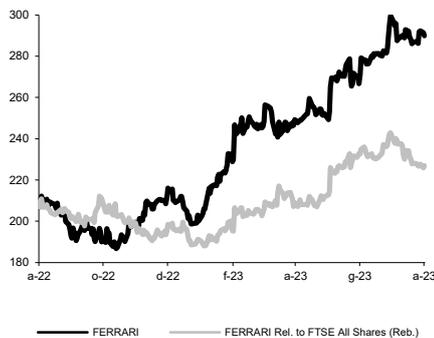
2Q23 Slightly Above Consensus; FY23 Guidance Upgraded, In Line with Forecast

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Stock Rating

Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2023E	2024E	2025E
Chg in Adj EPS	0.0%	0.0%	0.0%

FERRARI - 12M Performance



Stock Data

Reuters code:	RACE.MI
Bloomberg code:	RACE IM

Performance	1M	3M	12M
Absolute	-3.2%	14.9%	40.1%
Relative	-6.8%	7.6%	12.4%
12M (H/L)	299.50/186.70		
3M Average Volume (th):	294.13		

Shareholder Data

No. of Ord shares (mn):	182
Total no. of shares (mn):	182
Mkt Cap Ord (Eu mn):	52,675
Total Mkt Cap (Eu mn):	52,675
Mkt Float - Ord (Eu mn):	34,497
Mkt Float (in %):	65.5%
Main Shareholder:	
Exor	24.2%

Balance Sheet Data

Book Value (Eu mn):	3,270
BVPS (Eu):	18.05
P/BV:	16.1
Net Financial Position (Eu mn):	-1,438
Enterprise Value (Eu mn):	52,488

■ **2Q23 results in line with our estimates, but slightly above consensus.** RACE reported strong 2Q23 results that were in line with our estimates, but slightly above consensus (+5% for adj. EBIT). Revenues were €1.47bn, up +14% YoY with a 1% ForEx contribution (vs. -2% exp.). Auto&Parts (85% of total) were up +14% driven by a strong ASP at €371k (exp. €372k), up +16% YoY thanks to strong mix, personalisation and pricing, whilst volumes were a touch down YoY (-2% vs. flat exp.) as RACE is intentionally rebalancing 1H vs. 2H shipments (now 1H=2H vs. prev. 1H>2H). Adj. EBIT was €437mn (vs. our/cons. €435/415mn), +35% YoY for a 29.6% margin, up 4.6pp YoY. Looking at the bridge, Price&Mix was strong, albeit slightly below our assumptions, but offset by a higher contribution from ForEx and “Others” deriving from the better contribution from racing activities and the release of environmental provisions. Adj. EPS was €1.83 (vs. our/cons. €1.84/1.73).

■ **2023 guidance raised in line with forecasts.** Thanks to strong personalisation and slightly better revenues from racing activities, RACE upgraded its FY23 guidance, with the upper end of the range coming into line with pre-event expectations. In 2H, EBITDA should continue to grow strongly YoY and by ~+20%, but decline slightly vs. 1H. Management addressed the slight resulting drop in margins (1H at 39.0% vs. 2H at ~37%) due to non-recurrence of some benefits, as explained above, and persistent inflation. Overall, we don’t expect estimates to move after the release.

■ **Feedback from the call: order book keeps expanding.** The main highlights from the conference call were: i) the order backlog continues to expand, with no change in customer attitudes, and the Purosangue has now essentially sold out for 2026 as well; ii) the trend around personalisation seems strong, as it is occurring across models, customers and geographical markets.

■ **Change in estimates.** We are leaving our forecast unchanged, as 2Q23 was in line with our forecast and FY23 indications are consistent with our model.

■ **OUTPERFORM; target €362.0.** We remain positive on the stock as we believe Ferrari is well placed to significantly outpace 2026 targets, reaching the upper end of the range a year earlier than indicated. RACE enjoys strong demand for products that already have a 2-year waiting list, which cannot be lengthened much further. The launch of the mix-accretive white-space Purosangue and our expectations for the launch of a “Supercar”, which will fill and fix the mix vacuum between “Icona” models, are factors providing further visibility to earnings growth. Target price confirmed.

Key Figures & Ratios	2021A	2022A	2023E	2024E	2025E
Sales (Eu mn)	4,271	5,095	5,905	6,437	6,948
EBITDA Adj (Eu mn)	1,531	1,774	2,233	2,498	2,801
Net Profit Adj (Eu mn)	831	933	1,197	1,353	1,544
EPS New Adj (Eu)	4.497	5.094	6.588	7.456	8.509
EPS Old Adj (Eu)	4.497	5.094	6.588	7.456	8.509
DPS (Eu)	1.362	1.810	2.306	2.610	2.978
EV/EBITDA Adj	22.5	20.4	23.5	20.7	18.1
EV/EBIT Adj	32.1	29.5	33.6	29.3	25.5
P/E Adj	64.5	56.9	44.0	38.9	34.1
Div. Yield	0.5%	0.6%	0.8%	0.9%	1.0%
Net Debt/EBITDA Adj	0.6	0.7	0.6	0.6	0.6