



Ferrari N.V. (RACE)

Updated May 14th, 2025 by Nathan Parsh

Key Metrics

Current Price:	\$491	5 Year CAGR Estimate:	10.2%	Market Cap:	\$87 Billion
Fair Value Price:	\$383	5 Year Growth Estimate:	15.0%	Ex-Dividend Date:	04/23/26 ¹
% Fair Value:	128%	5 Year Valuation Multiple Estimate:	-4.8%	Dividend Payment Date:	05/06/26 ²
Dividend Yield:	0.7%	5 Year Price Target	\$770	Years Of Dividend Growth:	9 ³
Dividend Risk Score:	A	Sector:	Consumer Discretionary	Rating:	Hold

Overview & Current Events

Ferrari was founded in 1947 and is headquartered in Italy. The company began trading as a public company in 2015, following a spinoff from Fiat Chrysler. Today, the company manufactures luxury sports cars under a variety of models. Its cars are generally high performance, with a number of V-8 and V-12 models among its best sellers. Ferrari's luxury vehicles cater to the very top of the consumer automotive market. In 2020, shipments fell more than 10% to 9,119 units, with about half of that in Europe, Middle East, and Africa, and a third coming from the Americas. Shipments for 2024 rebounded to a new record of nearly 14,000. Ferrari generates more than \$8 billion in annual revenue.

On February 20th, 2025, Ferrari raised its annual dividend 30.3% to \$3.39, which follows the company's 30.2% and 35.8% increases over the last two years. Ferrari has now raised its dividend four consecutive years in USD.

On May 6th, 2025, Ferrari reported first quarter results for the period ending March 31st, 2025. All figures reported in USD. For the quarter, revenue grew 19.5% to \$2.04 billion, which beat estimates by \$18 million. Earnings-per-share of \$2.62 compared favorably to earnings-per-share of \$2.10 in the prior year, which was \$0.08 more than expected.

For the quarter, units shipped totaled 3,593, which represented a 0.9% increase from Q1 2024. Shipments grew 25 units for the Americas and 128 units for the EMEA. Unit shipments declined 80 for Mainland China, Hong Kong, and Taiwan and were lower by 40 units for the Rest of Asia. Internal combustion engine models accounted for 51% of units shipped during the period with hybrid models contributing the remainder.

Management remains cautious on 2025, but we have raised our EPS estimates for 2025 to \$10.08, up from \$8.89 previously.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$1.66	\$2.22	\$3.38	\$3.89	\$4.12	\$3.33	\$5.25	\$5.28	\$7.47	\$9.06	\$10.08	\$20.27
DPS	---	\$0.46	\$0.64	\$0.88	\$1.16	\$1.23	\$1.04	\$1.47	\$2.00	\$2.60	\$3.39	\$6.82
Shares⁴	189	189	189	189	186	185	185	183	182	180	179	175

Ferrari became a publicly-traded company in 2015, when it was spun-off from its former parent company Fiat Chrysler. The company has posted strong growth as a public company as EPS has increased by 20.8% over the last decade. As long as the global economy remains strong, Ferrari's sales and earnings should continue to grow. Of course, this growth trajectory would be called into question in tougher times. Given the name brand, growth in all markets, and recent results, we reaffirm our estimate that Ferrari can grow earnings by a rate of 15% annually, up from 10% previously, through 2030. This is a premium to other car manufacturers' expected growth rates, but still below the medium- and long-term growth rates Ferrari will also be investing in new products to generate growth. For example, Ferrari released

¹ Estimated ex-dividend date

² Estimated dividend date

³ In local currency

⁴ In millions of shares

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its first SUV model, called the Purosangue. It is a hybrid based on a new platform that Ferrari will be using for many of its next-generation models going forward. The company plans to release six new models in 2025.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	29.7	20.7	26.9	31.6	36.5	68.9	49.3	40.6	45.3	46.7	48.7	38.0
Avg. Yld.	0.0%	1.0%	0.7%	0.7%	0.8%	0.8%	0.4%	0.7%	0.6%	0.6%	0.7%	0.9%

Much like Ferrari’s sports cars, the current share price continues to trade a premium to the stock’s historical average. While we do believe that some sort of upward revision is warranted because of the strong brand name and growth prospects, the current valuation still appears lofty. Ferrari’s business was greatly impacted by COVID-19, but has more than recovered since. Shares of Ferrari have increased \$32, or 7.0%, since our February 5th, 2025 report. Using earnings-per-share estimates for 2025, the stock trades with a P/E of 48.7. Ferrari has typically had an average P/E in the mid-30s to mid-40s since becoming a publicly traded company. We are reaffirming our 2030 target P/E of 38 to bring it more in-line with the stock’s long-term average valuation. If shares revert to our 2030 target P/E by this time then valuation would be a 4.8% headwind to total annual returns.

The current dividend payout is prudent – pegged at 25% to 40% of past year’s profits and paid once a year – but the yield is unexciting due to the elevated valuation. That said, the last three dividend increase were very strong.

Safety, Quality, Competitive Advantage, & Recession Resiliency

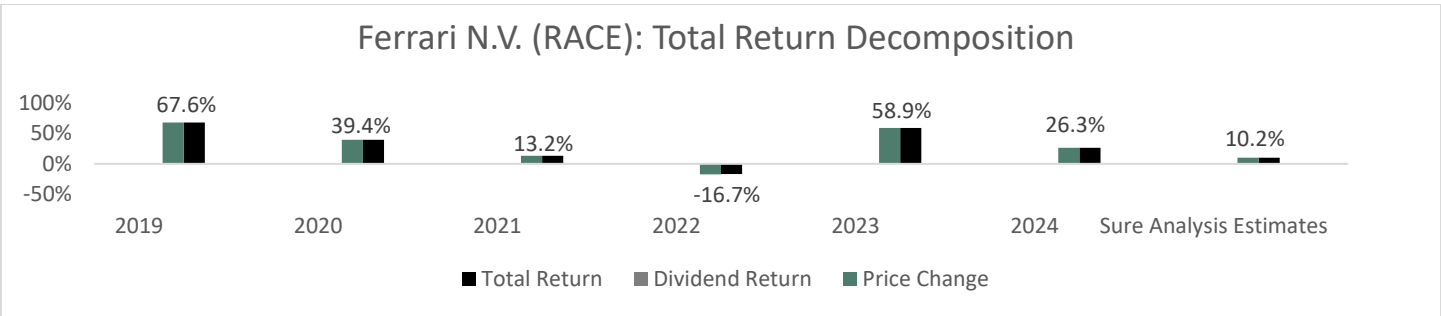
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	---	21%	19%	23%	28%	37%	20%	28%	27%	29%	34%	34%

Ferrari’s lasting competitive advantage is its brand. In some ways, the more expensive its vehicles, the more inaccessible they are to the average person, the more appealing the ultra-luxury automobiles become. Interestingly, substantially increased production is unlikely to be a long-term growth driver as this would devalue the exclusivity of the brand. The company currently generates healthy profit margins, as Ferrari does not have to battle it out in the exceptionally competitive middle-market segment. That said, the next recession could be concerning if luxury vehicle purchases were to decline significantly as we expect they would.

Final Thoughts & Recommendation

After first quarter results, Ferrari is expected to produce an annual return of 10.2% through 2030, up from our prior estimate of 8.8%. Our projection stems from 15.0% annual earnings growth and a starting yield of 0.7% that are offset by a mid-single-digit headwind from multiple contraction. Shipments were up slightly for the quarter, with mixed results among the company’s regions of operation. We have raised our five-year price target \$91 to \$770 due to EPS estimates and a higher expected growth rate, but we reaffirm our holding rating on shares of Ferrari because the stock trades ahead of our fair value target.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	3,167	3,437	3,870	4,039	4,217	3,951	5,053	5,373	6,463	7,226
Gross Profit	1,504	1,688	2,000	2,122	2,196	2,025	2,591	2,580	3,220	3,623
Gross Margin	47.5%	49.1%	51.7%	52.6%	52.1%	51.3%	51.3%	48.0%	49.8%	50.1%
SG&A Exp.	376	327	373	387	384	384	412	451	501	607
D&A Exp.	305	274	295	341	394	487	540	576	717	722
Operating Profit	505	682	883	977	1,029	834	1,271	1,311	1,744	2,034
Operating Margin	16.0%	19.9%	22.8%	24.2%	24.4%	21.1%	25.2%	24.4%	27.0%	28.2%
Net Profit	319	441	606	927	779	694	983	984	1,355	1,647
Net Margin	10.1%	12.8%	15.7%	22.9%	18.5%	17.6%	19.5%	18.3%	21.0%	22.8%
Free Cash Flow	390	734	307	349	672	148	646	631	918	1,015
Income Tax	160	186	236	19	198	66	247	251	373	393

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	4,237	4,070	4,968	5,550	6,101	7,702	7,771	8,328	8,900	9,882
Cash & Equivalents	200	484	777	908	1,006	1,676	1,522	1,489	1,240	1,813
Accounts Receivable	173	258	287	242	259	227	209	249	289	363
Inventories	323	343	472	447	471	567	612	724	1,048	1,132
Goodwill & Int. Ass.	1,197	1,205	1,470	1,637	1,818	2,170	2,178	2,244	2,437	2,425
Total Liabilities	4,258	3,721	4,028	4,001	4,435	5,501	5,267	5,537	5,506	6,195
Accounts Payable	555	650	729	748	797	878	903	968	1,029	984
Long-Term Debt	2,471	1,954	2,167	2,204	2,273	3,275	2,914	2,954	2,658	3,356
Shareholder's Equity	(27)	344	934	1,543	1,659	2,196	2,498	2,781	3,384	3,677
LTD/E Ratio	(90.0)	5.69	2.32	1.43	1.37	1.49	1.17	1.06	0.79	0.91

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	6.5%	10.6%	13.4%	17.6%	13.4%	10.1%	12.7%	12.2%	15.7%	17.5%
Return on Equity	21.5%	279%	94.9%	74.8%	48.7%	36.0%	41.9%	37.3%	43.8%	46.5%
ROIC	10.5%	18.6%	22.4%	27.0%	20.3%	14.7%	18.0%	17.6%	23.0%	25.2%
Shares Out.	189	189	189	189	186	185	185	183	182	180
Revenue/Share	16.77	18.19	20.39	21.32	22.49	21.31	27.36	29.35	35.61	40.15
FCF/Share	2.06	3.89	1.62	1.84	3.58	0.80	3.49	3.45	5.06	5.64

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise

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