Ferrari N.V. (RACE)

Updated August 3rd, 2026, by Nathan Parsh

Key Metrics

Current Price:	$394	**5 Year Annual Expected Total Return:**	18.0%	**Market Cap:**	$74 Billion
Fair Value Price:	$431	**5 Year Growth Estimate:**	15.0%	**Ex-Dividend Date:**	04/21/27[1]
% Fair Value:	91%	**5 Year Valuation Multiple Estimate:**	1.8%	**Dividend Payment Date:**	05/05/27[2]
Dividend Yield:	1.1%	**5 Year Price Target**	$867	**Years Of Dividend Growth:**	10[3]
Dividend Risk Score:	A	**Sector:**	Consumer Discretionary	**Rating:**	Buy

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. Shipments totaled more than 13,600 in 2025. Ferrari generates more than $8 billion in annual revenue.

On February 19th, 2026, Ferrari raised its annual dividend 25.5% to $4.2524, which follows the company's 30.3%, 30.2%, and 35.8% increases over the last three years. Ferrari has now raised its dividend five consecutive years in USD.

On July 30th, 2026, Ferrari announced second quarter results for the period ending June 30th, 2026. All figures reported in USD. For the quarter, revenue grew 9.5% to $2.23 billion, which was $78 million above estimates. Earnings-per-share of $3.02 compared favorably to earnings-per-share of $2.72 in the prior year and was $0.15 more than expected.

For the quarter, units shipped totaled 3,366, which represented a 3.7% decline from Q2 2025. Shipments for the second quarter grew 210 units for the EMEA region. Shipments declined 206 units for the Americas, fell 89 units for Mainland China, Hong Kong, and Taiwan, and were lower by 43 units for the Rest of Asia.

We project that Ferrari will earn $11.35 per share in 2026, down from $11.42 and $11.49 previously.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.22	$3.38	$3.89	$4.12	$3.33	$5.25	$5.28	$7.47	$9.06	$10.52	***$11.35***	***$22.83***
DPS	$0.46	$0.64	$0.88	$1.16	$1.23	$1.04	$1.47	$2.00	$2.60	$3.39	***$4.25***	***$8.55***
Shares[4]	189	189	189	186	185	185	183	182	180	178	***176***	***170***

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 18.9% 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 2031. 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 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 has released several new models over the last few years.

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[1] Estimated ex-dividend date.
[2] Estimated dividend payment date.
[3] In local currency.
[4] In millions of shares.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	20.7	26.9	31.6	36.5	68.9	49.3	40.6	45.3	46.7	35.4	***34.7***	***38.0***
Avg. Yld.	1.0%	0.7%	0.7%	0.8%	0.8%	0.4%	0.7%	0.6%	0.6%	0.9%	***1.1%***	***1.0%***

Much like Ferrari's sports cars, the current share price continues to trade at a premium to the auto sector. 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 gained $71, or 22.0%, since our May 18th, 2026 report. Using earnings-per-share estimates for 2026, the stock trades with a P/E of 34.7. Ferrari has typically had an average P/E in the mid-30s to mid-40s since becoming a publicly traded company. We reaffirm our 2031 target P/E of 38 to bring it more in-line with the stock's long-term average valuation. If shares reached to our target by this time, then valuation could add 1.8% to annual returns over this time.

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 four dividend increase were very strong.

Safety, Quality, Competitive Advantage, & Recession Resiliency

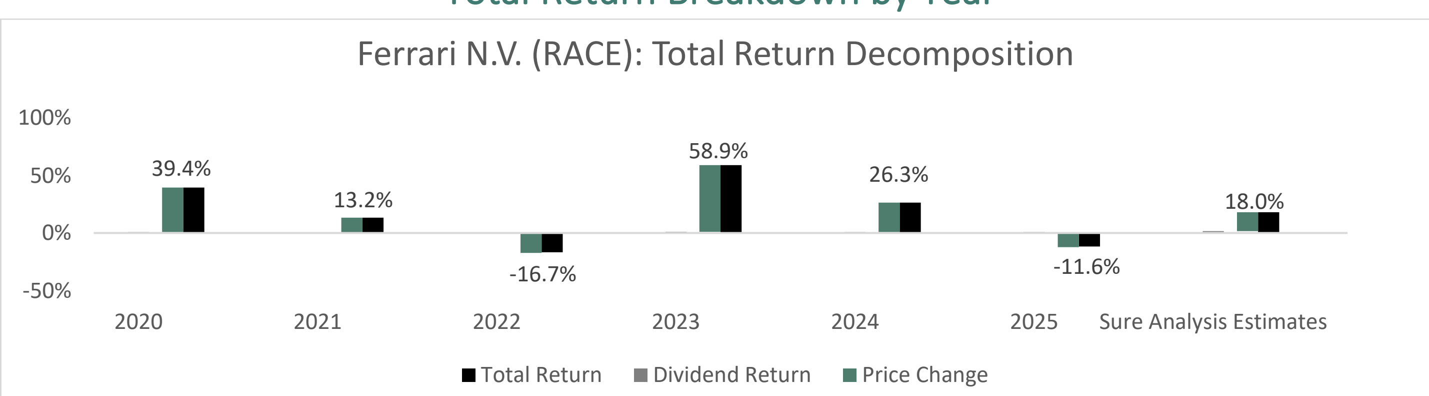
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	21%	19%	23%	28%	37%	20%	28%	27%	29%	32%	***37%***	***37%***

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

Following second quarter results, Ferrari is expected to produce an annual return of 18.0% through 2031, down from our prior estimate of 22.9%. Our projection stems from 15.0% annual earnings growth, a starting yield of 1.1%, and a low single-digit tailwind from multiple expansion. Shipments were once again weaker for the period. We have lowered our five-year price target $6 to $867 due to EPS estimates. We continue to rate shares of the company as a buy due to projected returns and a strong dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	3,435	3,854	4,035	4,216	3,944	5,048	5,355	6,454	7,222	8,065
Gross Profit	1,687	1,992	2,121	2,195	2,022	2,589	2,571	3,216	3,621	4,230
Gross Margin	49.1%	51.7%	52.6%	52.1%	51.3%	51.3%	48.0%	49.8%	50.1%	52.5%
SG&A Exp.	327	371	386	384	383	411	450	500	607	725
D&A Exp.	274	294	341	394	486	539	574	716	721	747
Operating Profit	659	873	976	1,028	832	1,270	1,306	1,762	2,047	2,406
Operating Margin	19.2%	22.7%	24.2%	24.4%	21.1%	25.2%	24.4%	27.3%	28.3%	29.8%
Net Profit	442	606	928	782	694	985	987	1,359	1,651	1,805
Net Margin	12.9%	15.7%	23.0%	18.6%	17.6%	19.5%	18.4%	21.1%	22.9%	22.4%
Free Cash Flow	734	306	349	672	147	645	629	916	1,014	1,587
Income Tax	185	235	19	198	66	247	251	373	393	524

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	4,060	4,973	5,546	6,114	7,662	7,805	8,288	8,894	9,834	11,583
Cash & Equivalents	494	792	915	1,019	1,714	1,544	1,575	1,307	1,830	1,815
Accounts Receivable	257	287	242	260	168	157	199	249	313	373
Inventories	342	473	447	472	564	615	720	1,048	1,127	1,308
Goodwill & Int. Ass.	1,202	1,472	1,636	1,822	2,159	2,187	2,233	2,436	2,414	2,846
Total Liabilities	3,713	4,031	3,999	4,444	5,473	5,290	5,511	5,502	6,165	6,985
Accounts Payable	649	729	747	799	873	907	964	1,028	979	988
Long-Term Debt	1,527	1,801	1,800	1,895	2,266	2,421	1,973	1,936	2,117	2,294
Shareholder’s Equity	343	935	1,542	1,663	2,184	2,509	2,767	3,381	3,659	4,588
LTD/E Ratio	5.69	2.32	1.43	1.41	1.53	1.19	1.08	0.81	0.95	0.74

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	10.7%	13.4%	17.6%	13.4%	10.1%	12.7%	12.3%	15.8%	17.6%	16.9%
Return on Equity	271%	94.0%	74.6%	48.6%	36.0%	41.9%	37.3%	44.1%	46.8%	43.7%
ROIC	18.7%	22.4%	27.1%	20.1%	14.6%	17.9%	17.5%	22.8%	24.9%	23.9%
Shares Out.	189	189	189	186	185	185	183	182	180	178
Revenue/Share	18.18	20.31	21.31	22.48	21.28	27.33	29.25	35.56	40.12	45.22
FCF/Share	3.88	1.61	1.84	3.58	0.79	3.49	3.44	5.05	5.63	8.90

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