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Ferrari NV | North America

Maranello Magic: Ferrari is an 'n of 1'

Reaction to earnings

Unchanged Impact to our thesis	↑ Modest upside Financial results versus consensus	— Largely unchanged Direction of next 12-month consensus EPS
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Source: Company data, Morgan Stanley Research

Ferrari 2Q results were modestly higher vs. consensus while increasing confidence in unchanged outlook. While consensus may not move on the print, we'd use any weakness in the stock to increase exposure to the name. Reiterate OW.

Key 2Q Numbers

- **Revenue** of €1,787mn missed vs. cons of €1,809mn and MSe of €1,794mn. ASPs of €431k missed vs. cons of €438k and MSe of €440k. Shipments were modestly lower vs. cons, driven by weaker EMEA (-0.5% y/y, -2.1% miss vs. cons) partially offset by stronger Greater China vs. consensus (9% beat vs. cons). Stronger Sponsorship, Commercial and Brand Revenues (+22% y/y and 6% beat vs. cons) helped partially offset the modest miss in Cars and spare parts and Other.
- **Adj. EBITDA** of €709mn beat vs cons of €698mn and MSe of €671mn. EBITDA margin 1ppt higher vs. cons, at 39.7% vs. cons of 38.6%, driven by richer country and product mix as well as increased personalizations, partially offset by higher SG&A reflecting racing expenses and brand investments.
- **EPS** of €2.38 came in ahead of cons of €2.20 and MSe of €2.34.
- **Industrial FCF** of €232mn missed vs. cons of €276 and MSe of €236mn, driven by negative working capital mainly due to inventory increase driven by production planning, capex spending focused on product and infrastructure development, and dividend distribution of ~€536M.
- **FY25 guidance reiterated with increased confidence.**
 - **Revenue** >€7,000mn vs. cons of €7,158mn and MSe of €7,118mn
 - **Adj. EBITDA** >= €2,680mn vs. cons of €2,754mn and MSe of €2,662mn
 - **Adj EPS** >= €8.60 vs. cons of €8.88 and MSe of €8.74

Ferrari is hosting its Capital Markets Day on October 9, 2025 in Maranello. We look forward to updates on medium-term guidance (such as powertrain mix and BEV/product unveiling) and long-term company strategy.

Stock reaction: Modestly lower. 2Q's beat on strong product and country mix / personalizations plus Sponsorship, Commercial and Brand revenues and the reiterated 2025 guide likely leaves consensus relatively unchanged. The implied FY EBITDA margin of 38.3%, flat vs. 2024, suggests rising costs (electric, supply chain)

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Ferrari NV (RACE.N, RACE.UN)

Autos & Shared Mobility | United States of America

Stock Rating	Overweight
Industry View	In-Line
Price target	\$520.00
Shr price, close (Jul 30, 2025)	\$498.79
Mkt cap, curr (mm)	€76,106
52-Week Range	\$518.75-391.62

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on a high personalization/pricing comp. That being said, investors may look to the removal of 50bps risk to EBIT and EBITDA margin guide as the company saw “No significant impact from the introduction of new import tariffs on EU cars into the US in the quarter”. We continue to view Ferrari as a uniquely positioned, defensive business (order book extending well into 2026) that can achieve HSD% top line growth and DD% profit growth with relatively low volatility to earnings, supporting our OW rating.

For Further Reading:

- [Ferrari NV: 1Q Results: Follow the Safety Car](#)
- [Ferrari NV: Lessons from Luxury: Ferrari at a 7-Turn Discount to Hermès](#)
- [Ferrari NV: Ferrari vs. Honey Deuce](#)
- [Ferrari NV: Multiple RACEs Ahead: Target to \\$520, Bull Case \\$600](#)
- [Ferrari NV: Benedetto's Secret](#)

Exhibit 1: 2025 Guidance Variance

FY 2025 Guidance (€)	Ferrari Guidance	MSe	Cons	Guidance vs. Cons
Net revenues (€mn)	> 7,000	7,118	7,158	-2.2%
Adjusted EBITDA (€mn)	>= 2,680	2,662	2,734	-2.0%
Adjusted EBIT (€mn)	>= 2,030	2,033	2,073	-2.1%
Adjusted Diluted EPS (€)	>= 8.60	8.74	8.88	-3.1%
Industrial FCF (€mn)	>= 1,200	1,443	1,475	-18.6%

Source: Visible Alpha, Company Data, Morgan Stanley Research

Exhibit 2: Segment Variance

Automotive Breakdown	2Q25	Cons	MSe	vs. Cons	vs. MSe
Shipments					
EMEA	1,646	1,681	1,688	(2.1%)	(2.5%)
Growth (y/y)	(1%)				
Americas	993	1,004	1001	(1.1%)	(0.8%)
Growth (y/y)	1%				
Greater China	274	251	250	9.3%	9.5%
Growth (y/y)	(1%)				
Rest of APAC	581	580	553	0.2%	5.1%
Growth (y/y)	2%				
Total	3,494	3,517	3,492	(0.6%)	0.1%
Growth (y/y)	0%				
Revenues Breakdown (€ mm)					
Cars and spare parts	1,507	1,540	1536	(2.2%)	(1.9%)
Growth (y/y)	2%				
Sponsorship, commercial and brand	205	193	185	6.0%	10.9%
Growth (y/y)	22%				
Other	75	80	73	(6.8%)	3.0%
Growth (y/y)	7%				
Total	1,787	1,809	1,794	(1.2%)	(0.4%)
Growth (y/y)	4%				

Source: Visible Alpha, Company Data, Morgan Stanley Research

Exhibit 3: Income Statement Variance

Ferrari Income Statement (€ mm)	2Q25	Cons	MSe	vs. Cons	vs. MSe
Revenues	1,787	1,809	1,794	(1.2%)	(0.4%)
<i>Growth (y/y)</i>	4%				
EBITDA	709	698	671	1.6%	5.6%
EBITDA Margin %	39.7%	38.6%	37.4%		
EBIT	552	542	510	1.9%	8.1%
EBIT Margin %	30.9%	30.0%	28.5%		
Pre-Tax Profit	545	540	505	0.9%	8.0%
Provision for income taxes	120	120	111		
Tax Rate %	22.0%	22.2%	22.0%		
Net Profit	425	418	394	1.6%	7.9%
Diluted EPS	€ 2.38	€ 2.34	€ 2.20	1.8%	8.0%
Diluted Shares	179	179	179		
Industrial FCF	232	276	236	(15.9%)	(1.7%)

Source: Visible Alpha, Company Data, Morgan Stanley Research

Valuation Methodology and Risks

Ferrari NV (RACE.N)

Our \$520 PT is derived using a 15 year DCF valuation to 2040 applying a WACC of 8.7%. We apply an exit multiple of 25.0x . Exit assumptions also include a 29.0% EBIT margin & 39.2% EBITDA margin.

Risks to Upside

- Robust orderbook, new customers, new models, shipment growth
- High ASPs, strong mix & margins
- Commoditization of EVs mean more value is placed on Ferrari ICE

Risks to Downside

- Weakness in demand or production issues
- Execution risk around brand expansion
- Increases in engineering costs to EV migration & EVs could hurt value proposition
- F1 R&D costs higher than expected
- Austerity limits perception of Ferrari owners

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(as of June 30, 2025)

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	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1497	40%	372	45%	25%	702	41%
Equal-weight/Hold	1632	44%	380	46%	23%	776	45%
Not-Rated/Hold	4	0%	0	0%	0%	2	0%
Underweight/Sell	593	16%	79	10%	13%	233	14%
Total	3,726		831			1713	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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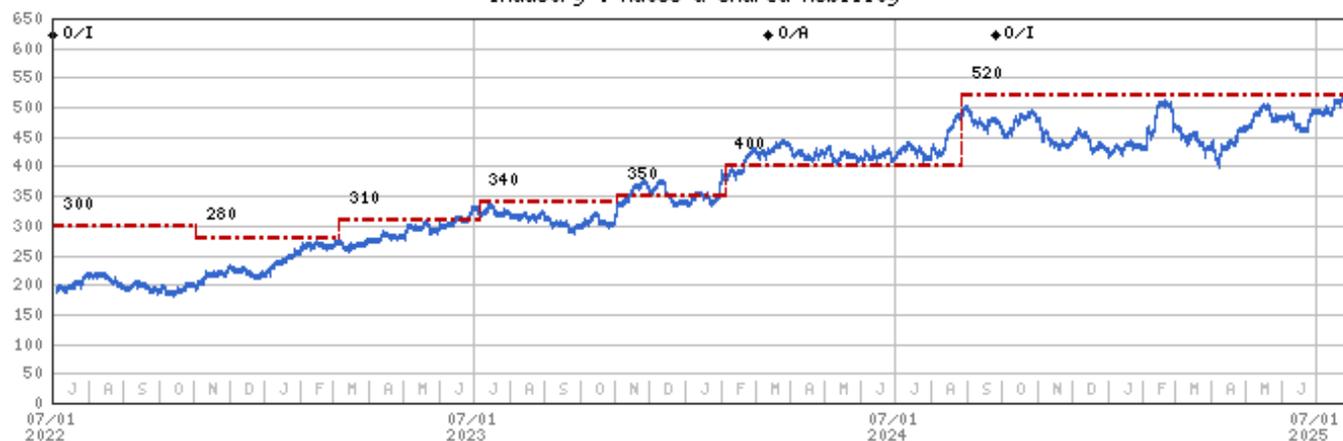
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Stock Price, Price Target and Rating History (See Rating Definitions)

Ferrari NV (RACE.N) - As of 07/31/25 GMT in USD
Industry : Autos & Shared Mobility



Stock Rating History: 8/1/20 : 0/I; 3/13/24 : 0/A; 9/25/24 : 0/I

Price Target History: 5/5/20 : 180; 8/12/20 : 265; 2/2/21 : 273; 5/4/21 : 265; 11/16/21 : 350; 5/23/22 : 300; 11/2/22 : 280; 3/6/23 : 310; 7/6/23 : 340; 11/2/23 : 350; 2/4/24 : 400; 8/27/24 : 520

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INDUSTRY COVERAGE: Autos & Shared Mobility

COMPANY (TICKER)	RATING (AS OF)	PRICE* (07/30/2025)
Adam Jonas, CFA		
Adient PLC (ADNT.N)	U (03/17/2021)	\$21.43
American Axle & Manufacturing Holdings Inc (AXL.N)	O (02/28/2022)	\$4.42
Aptiv Plc (APTV.N)	U (02/06/2024)	\$66.68
Avis Budget Group Inc (CAR.O)	O (06/20/2023)	\$172.46
BorgWarner Inc. (BWA.N)	O (05/15/2023)	\$34.53
Carvana Co (CVNA.N)	O (03/25/2025)	\$333.59
Ferrari NV (RACE.N)	O (05/09/2019)	\$498.79
Ford Motor Company (F.N)	E (09/25/2024)	\$10.87
General Motors Company (GM.N)	E (12/10/2024)	\$52.11
Hertz Global Holdings Inc (HTZ.O)	E (02/08/2024)	\$6.32
Lear Corporation (LEA.N)	O (05/10/2024)	\$94.26
Lucid Group Inc (LCID.O)	E (03/17/2025)	\$2.50
Magna International Inc. (MGA.N)	E (09/25/2024)	\$40.79
Mobileye Global Inc (MBLY.O)	E (08/02/2024)	\$13.95
PHINIA INC (PHIN.N)	E (09/25/2024)	\$51.24
Quantumscape Corp (QS.N)	NR (11/21/2024)	\$8.78
Rivian Automotive, Inc. (RIVN.O)	E (09/25/2024)	\$13.03
Tesla Inc (TSLA.O)	O (09/10/2023)	\$319.04
Visteon Corporation (VC.O)	E (06/01/2022)	\$111.71
Daniela M Haigian		
Asbury Automotive Group Inc (ABG.N)	E (09/25/2024)	\$222.00
AutoNation Inc. (AN.N)	O (09/25/2024)	\$192.28
Carmax Inc (KMX.N)	O (07/10/2018)	\$58.00
Group 1 Automotive, Inc (GPI.N)	O (09/25/2024)	\$412.70
Lithia Motors Inc. (LAD.N)	E (09/25/2024)	\$286.05
Penske Automotive Group, Inc (PAG.N)	O (09/25/2024)	\$166.81
Sonic Automotive Inc (SAH.N)	E (09/25/2024)	\$72.20
Shaqeal A Kirunda		
Goodyear Tire & Rubber Company (GT.O)	E (06/13/2024)	\$10.17

Stock Ratings are subject to change. Please see latest research for each company.

* Historical prices are not split adjusted.

