FERRARI NV

64060977 CORPORATE

A+

ISSUER RATING
LongTerm

OUTLOOK
Stable

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Contacts

Lead analyst
Daniel Rivas
daniel.rivas@ethifinance.com

Committee chair
Thomas Dilasser
thomas.dilasser@ethifinance.com

Rating Action and Rationale

- EthiFinance Ratings affirms Ferrari N.V's long-term rating at A+ but changes the outlook from Positive to Stable.
- The revised outlook reflects Ferrari's current capital allocation strategies. Even if Ferrari outperformed its upwardly revised earnings guidance, we believe the company's prioritization would remain inclined towards shareholder returns. In this regard, the sustained volume of share repurchases and dividend distributions is expected to constrain the deleveraging process required to trigger a rating upgrade.
- Ferrari is a prestigious Italian manufacturer of luxury vehicles and a prominent racing team in the Formula 1 and endurance circuits.
- Our rating remains supported by the favourable trajectory of Ferrari´s credit metrics across the economic cycle (2023-27). The company´s adjusted net leverage ratio (adjusted for employee benefits and US financial services debt securitization) was 0.2x at end-2025. Driven by high profit margins and strong cash conversion, we anticipate this ratio will slightly improve by end-2026 before stabilising in 2027. This forecast assumes routine dividends (35% payout), annual share repurchases of approximately €500-700m per year, and a conservative approach to debt. Furthermore, the interest coverage ratio has remained remarkably robust, staying above 50x despite the high-rate environment of 2023-2024. We forecast this will improve to 59x by the end of our current planning horizon.
- For 2025, Ferrari achieved a 7% sales increase, reaching €7.1bn in total revenue. This growth was largely driven by robust pricing strategies and a favourable mix of models and customization options. Adjusted EBITDA (adjusted for capitalized R&D) totalled €2.3bn, translating into a strong margin of 31.7%. During 2025 Ferrari launched the Ferrari Amalfi, the successor to the Ferrari Roma, the 849 Testarossa, as well as the 296 Speciale, which, in addition to the existing F80 and the upcoming Luce, the brand´s inaugural fully electric vehicle, is expected to further solidify this order book for the long term. Ferrari´s 2025 operational milestones mark a significant evolution in its business profile. The Luce represents the brand´s first incursion into the EV market, alongside its traditional internal combustion engine (ICE) and hybrid lineups. These additions are instrumental in maintaining the brand´s exclusivity and technological leadership, while insulating the business against shifting industry trends and enhancing its long-term strategic positioning. In that regard, the A+ rating is also strongly underpinned by Ferrari´s exceptional brand prestige, which justifies its premium pricing and yields margins that significantly outperform traditional auto manufacturers, aligning instead with the benchmark levels of the exclusivity-driven luxury sector. Finally, the rating is bolstered by the company´s prudent financial discipline, a stable shareholder base, and a sound liquidity status.
- However, our rating is constrained by certain structural characteristics of Ferrari's business model. The company's heavy reliance on the luxury sports car segment, with lifestyle and sponsorship ventures accounting for only 10% of total 2024 sales, reveals a narrow revenue base. Operational risk is also heightened due to the concentration of all manufacturing activities at the Maranello plant. Additionally, the move towards electrification introduces significant transitional risks. As Ferrari launches the Luce, its first all-electric model, in May 2026, the company faces significant uncertainties. While it begins a gradual shift toward electrification, Ferrari must balance this new direction with evolving consumer tastes and the challenge of maintaining its ICE heritage. These challenges are underscored by the heavy investment required for this transition, including the construction of a specialized new production facility. Ferrari has strategically recalibrated its 2030 electrification roadmap, opting for a more measured transition to full-battery power. The revised guidance adjusts the projected share of fully electric models to 20%, a significant reduction from the 40% target initially outlined in the 2022 Capital Markets Day. This shift places a heavier emphasis on the hybrid segment, which is now expected to represent 40% of total sales.
- In line with our methodology, the auto manufacturing industry has high ESG risks (sector heatmap score between 4 and 5) given its impact on the environment, which constrains our industry assessment. The sector has a high impact on climate attributed to the significant levels of GHG emissions, resulting from production processes which rely on heavy use of raw materials. Besides, the current electrification trend is increasing the pressure on natural resources such as cobalt and nickel. The sector also generates substantial amount of waste and air pollution, resulting in a high impact on biodiversity. On a more positive note, our assessment of the company's ESG policy is advanced (company ESG score of between 0 and 1), thanks notably to excellent governance score, good social practices, and positive trend in environmental considerations. In 2024 (last available data), Ferrari had indeed decreased both its energy and GHG emissions intensities by 13% and 14%, respectively. However, all in, the resulting ESG assessment is slightly on the back of a stronger penalisation, industry-wide.

Issuer Description

- Established in 1947, Ferrari has cemented its position as a global leader in the ultra-luxury automotive industry, offering an extensive lineup of over 40 distinct models that span both high-performance sports cars and competitive racing vehicles. The brand's identity is deeply intertwined with its legendary Formula 1 racing team, which boasts a storied history of numerous world championship victories. In addition to its core automotive production and sales, the company provides sophisticated financial services to its North American customers, utilizing asset-backed securitization for financing solutions. Ferrari maintains a dual listing on the New York Stock Exchange (NYSE) and Euronext Milan, trading under the symbols 'RACE US' and 'RACE IM', respectively. As of mid-February 2026, the firm’s market valuation was recorded at approximately €50.6 billion.
- For FY 2025, Ferrari reported revenues of €7.1bn (+7% YoY), and an adjusted EBITDA of €2.3bn, equivalent to a robust 31.7% margin. Our estimated adjusted net leverage ratio was 0.2x at end-December 2025.

Main Financial Figures

Main financial figures. millions of EUR	FY23	FY24	FY25e	FY26e	FY27e	23vs22	24vs23
Turnover	5.970,1	6.676,7	7.144,0	7.508,4	7.823,7	17,2%	11,8%
Adj EBITDA [1]	1.831,7	2.078,5	2.264,7	2.380,2	2.480,1	34,9%	13,5%
Adj EBITDA Margin	30,7%	31,1%	31,7%	31,7%	31,7%	4,0pp	0,5pp
EBIT	1.512,4	1.742,8	1.919,7	1.995,5	2.068,8	41,4%	15,2%
EBIT Margin	25,3%	26,1%	26,9%	26,6%	26,4%	4,3pp	0,8pp
EBT	1.613,9	1.879,2	1.977,8	2.098,2	2.186,7	33,8%	16,4%
Total Assets	8.051,3	9.497,1	9.655,4	10.463,4	11.067,0	3,7%	18,0%
Equity	3.070,6	3.543,2	4.132,7	4.798,5	5.191,1	18,0%	15,4%
Adj Total Financial Debt	1.434,2	2.143,6	1.720,7	1.813,0	1.980,9	-21,1%	49,5%
Adj Net Financial Debt [2]	312,2	401,4	396,3	16,3	-50,1	-27,2%	28,6%
Equity/TFD	214,1%	165,3%	240,2%	264,7%	262,1%	70,9pp	-48,8pp
Adj NFD/Adj EBITDA	0,2x	0,2x	0,2x	0,0x	0,0x	-0,1x	0,0x
Adj Funds From Operations [1]	1.626,9	1.833,3	1.856,2	1.950,2	2.030,7	43,5%	12,7%
Adj FFO/Adj NFD	521,1%	456,7%	468,4%	12000,6%	-4054,4%	256,8pp	-64,4pp
Adj EBITDA/Adj Interest	62,6x	51,9x	52,8x	59,0x	58,9x	9,3x	-10,7x

[1] Adjusted for capitalised R&D

[2] Adjusted for employee benefits (+) and debt related to US securitisation (-)

Credit Rating

Credit Rating	
Business Risk Profile	**BBB+**
Industry risk assessment	*BB+*
Industry's ESG	*Negative*
Competitive Positioning	*A-*
Governance	*A+*
Financial Risk Profile	**AAA**
Cash flow and leverage	*AA+*
Capitalization	*A+*
Company's ESG	Positive
Anchor Rating	**A+**
Modifiers	-
Rating	**A+**

Rating Sensitivity

- **Long-term rating positive factors (↑)**

An upgrade to AA- would derive from a change in Ferrari’s shareholder remuneration policy. A reduction in the share buyback intensity or dividend distribution while maintaining strong cash generation would reduce the adjusted net debt. As such, all things being equal, a negative adjusted net leverage ratio could trigger an upgrade.

- **Long-term rating negative factors (↓)**

The rating remains sensitive to the structural challenges of the automotives industry and specifically to its green energy transition. The affirmation of the current rating is underpinned by a disciplined financial strategy. A shift toward a more aggressive capital allocation policy represents the primary risk to Ferrari’s credit standing. Any deviation from its projected shareholder return plan via massive debt-funded acquisitions or unplanned buybacks, could result in a rise in the adjusted net leverage to above 1.0x, which could lead to a downgrade.

Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
    - Corporate Rating Methodology - General : https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmdl=35203
- The rating scale used in this report is available at https://www.ethifinance.com/en/ratings/ratingScale.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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