



ISSUER RATING  
Long term

OUTLOOK  
Positive

Initiation date 29/11/2022  
Rating Date 21/03/2025

## Contacts

### Lead analyst

Thomas Dilasser  
thomas.dilasser@ethifinance.com

### Secondary analyst

Reda Mouaacha  
reda.mouaacha@ethifinance.com

### Committee chair

Marc Pierron  
marc.pierron@ethifinance.com

## Rating Action and Rationale

- EthiFinance Ratings affirms Ferrari N.V.'s long-term rating at A+, maintaining the Positive outlook.
- Ferrari is a world-renowned Italian luxury car manufacturer and a racing team (endurance and Formula 1).
- Our rating remains supported by Ferrari's improvement in credit metrics through the cycle, both historically (2023-2024) as well as for the foreseeable future (2025-2027) according to our estimates. The adjusted net leverage ratio (adjusted for employee benefits as well as US securitization debt in financial services) stood at 0.2x as of end-2024. Assuming no exceptional dividend but just a regular dividend based on a payout ratio of 35%, and a total buyback of €700m per year from 2025 onwards, this ratio is expected to turn negative by 2027, on the back of negative adjusted net debt. Additionally, the interest coverage ratio remained exceptional, above 50.0x, during the rise in Central Banks' interest rates over 2023-2024, and is expected to be higher than 70x by the end of our forecast period.
- For 2024, Ferrari achieved 11.8% sales growth, to reach €6.7bn, mainly driven by the mix (in models and personalisation) along with some pricing effect as volumes remained quite stable at around 13.7k deliveries. Adjusted EBITDA (adjusted for capitalised R&D) reached €2.1bn, equivalent to a margin of 31.1%. This was supported by i) the sales mix of Daytona SP3, Purosangue, Roma Spider, 499P Modificata and to a lesser extent the SF 90 XX, along with the recently introduced models of the 12 Cilindri range. ii) country mix was also a driving factor especially due to the weight of Americas. Ferrari introduced 3 new models in 2024 (two 12 Cilindri types, and the exclusive F80). These models, combined with the phasing-out of older ones, have largely contributed to the current robust order book, covering the next two years. Additionally, Ferrari is expected to introduce 6 new models in 2025 (including its first-ever full electric car) which will further strengthen its order book for the foreseeable future. Our ratings also remain supported by Ferrari's strong brand recognition allowing for premium pricing and above-benchmark margins, clearly surpassing those of traditional automotive OEMs, and more in line with those of the luxury industry known for its commitment to exclusivity. Finally, its conservative financial policy, solid shareholder base, and 'good' liquidity profile all reinforce the A+ rating.
- However, our rating is constrained by the specifics of Ferrari's business model. The company's exclusive focus on high-end sports cars, with only a minimal contribution from lifestyle and sponsorship activities (10% of FY24 sales), highlights a lack of diversification in its product lineup. Additionally, operational risks are exacerbated by the reliance on a single manufacturing facility in Maranello (Italy). Our rating is also constrained by electrification concerns, as Ferrari plans to integrate electric models into its lineup by the end of 2025, gradually phasing out part of its Internal Combustion Engines (ICE) vehicles. This offering addition introduces uncertainties regarding shifts in consumer preferences and market demand while Ferrari has had to make significant investments (c.€250m) with notably a new dedicated e-building which is expected to bring flexibility and optimisation to the industrial process (in-house development and production of electric components) while being technology-neutral.
- 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, Ferrari has indeed decreased both its energy and GHG emissions intensities (scope 1 and 2) YoY by 13% and 14% respectively. All in, the resulting ESG assessment is slightly negative for the final rating.

## Issuer Description

- Founded in 1947, Ferrari stands as a prominent brand within the ultra-premium segment of the automotive market, with a portfolio of more than 40 models, including both sports and racing cars. It is known also for its Formula 1 (F1) team with multiple world championship titles. Beyond its manufacturing and distribution operations, Ferrari extends financial services to its clientele in the United States, offering financing solutions through securitization via asset-backed financing. Ferrari is publicly traded on the New York Stock Exchange (NYSE) under the ticker 'RACE US' and on Euronext Milan as 'RACE IM'. As of March 12th, 2024, Ferrari's market capitalization was at € 71.9bn.
- For FY24, Ferrari reported revenues of €6.7bn, equivalent to an increase of 11.8% YoY, for adjusted EBITDA of €2.1bn, equivalent to a margin of 31.1%. Our EthiFinance Ratings-net adjusted leverage ratio was 0.2x at end-2024.

## Main Financial Figures

Main financial figures. Millions of €.						
	FY23	FY24	FY25e	FY26e	FY27e	24vs23
Turnover	5 970	6 677	7 132	7 495	7 813	11,8%
Adj EBITDA <sup>(1)</sup>	1 831	2 078	2 261	2 377	2 477	13,5%
Adj EBITDA Margin <sup>(1)</sup>	30,7%	31,1%	31,7%	31,7%	31,7%	0,5pp
EBIT	1 512	1 742	1 879	1 958	2 027	15,2%
EBIT Margin	25,3%	26,1%	26,3%	26,1%	25,9%	0,8pp
EBT	1 482	1 702	1 839	1 925	1 995	14,8%
Total Assets	8 051	9 497	9 308	9 693	10 088	18,0%
Equity	3 071	3 543	3 863	4 241	4 665	15,4%
Adj Total Financial Debt <sup>(2)</sup>	1 434	2 144	1 552	1 506	1 431	49,5%
Adj Net Financial Debt <sup>(2)</sup>	312	402	359	146	-186	28,6%
Equity/Adj TFD <sup>(2)</sup>	214,1%	165,3%	248,9%	281,7%	326,1%	-48,8pp
Adj NFD/ Adj EBITDA <sup>(2)</sup>	0,2x	0,2x	0,2x	0,1x	-0,1x	0,0x
Funds From Operations	2 070	2 304	2 374	2 486	2 589	11,3%
FFO/ Adj NFD <sup>(1) (2)</sup>	663,1%	573,9%	660,6%	1702,5%	n.a.	-89,3pp
Adj EBITDA/Interest <sup>(1)</sup>	62,6x	52,0x	56,9x	72,4x	77,1x	-10,6x

(1) Adj EBITDA is adjusted for capitalised R&D

(2) Adj Net Debt is adjusted for employee benefits (added) and debt related to US securitisation (removed)

## Credit Rating

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

## Rating Sensitivity

- Long-term rating positive factors (↑)

As reflected by the Positive outlook, Ferrari is close to AA- and an upgrade could result from the natural evolution of credit metrics as forecast over 2025-2027, under current market conditions and assuming no significant deviation with respect to our forecasts.

- Long-term rating negative factors (↓)

We could downgrade our rating should Ferrari's credit metrics deteriorate, with its adjusted net leverage ratio returning to levels above 1.0x on a sustainable basis coupled with an interest coverage ratio below 30.0x. Such a deterioration may result, for example, from a more aggressive financial policy, with debt-funded M&A or a significant unplanned dividend payment/buyback program (significantly higher levels than our €3.7bn cash-out planned by EthiFinance Ratings between 2025 and 2027). This could also result from more stringent environmental regulations in the years ahead, leading to higher taxes being paid, more R&D expenditure, or a market demand decline owing to the phasing out of some of the ICE models going forward.

## 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.

### Conditions of Use for this document and its content:

For all types of Ratings that ETHIFINANCE RATINGS, S.L. (the "AGENCY") issues, the User may not, either by themselves or via third parties, transfer, sublease, sublicense, sell, extract, reuse, or dispose of in any other way the content of this Document to a third party, either for free or for consideration.

For the purpose of these Conditions of Use, any client who might have subscribed for a product and/or a service that allows him to be provided with the content of this Document as well as any privileged person who might access the content of this Document via [www.ethifinance.com](http://www.ethifinance.com) shall be considered as a User.

Nor may they alter, transform or distort the information provided in any way. In addition, the User will also not be permitted to copy and/or duplicate the information, nor create files which contain the information of the Document, either in its entirety or partially. The Document and its source code, regardless of the type, will be considered as the elaboration, creation, or work of the AGENCY and subject to the protection of intellectual property right regulation. For those uses of this Document which are permitted, the User is obliged to not allow the removal of the copyright of the AGENCY, the date of the Document's issuance, the business name as established by the AGENCY, as well as the logo, brands and any other distinctive symbol which is representative of the AGENCY and its rights over the Document. The User agrees to the conditions of Use of this Document and is subject to these provisions since the first time they are provided with this Document no matter how they are provided with the document. The Document and its content may not be used for any illicit purpose or any purpose other than those authorised by the AGENCY. The User will inform the AGENCY about any unauthorised use of the Document and/or its content that may become apparent. The User will be answerable to the AGENCY for itself and its employees and/or any other third party which has been given or has had access to the Document and/or its content in the case of damages which arise from the breach of obligations which the User declared to have read, accepted and understood upon receiving the Document, without prejudice to any other legal actions that the AGENCY may exercise in defence of its lawful rights and interests. The Document is provided on the acceptance that the AGENCY is not responsible for the interpretation that the User may make of the information contained. Credit analyses included in the Document, as well as the ratings and statements, are to be deemed as opinions valid on the date of issuance of the reports and not as statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. The credit ratings and

credit rating prospects issued by the AGENCY are considered to be its own opinion, so it is recommended that the User take it as a limited basis for any purpose that it intends to use the information for. The analyses do not address the suitability of any value. The AGENCY does not act as a fiduciary or an investment advisor, so the content of the Document should not be used as a substitute for knowledge, criteria, judgement or experience of the User, its Management, employees, advisors and/or clients in order to make investment decisions. The AGENCY will devote every effort to ensure that the information delivered is both accurate and reliable. Nonetheless, as the information is elaborated based on data supplied by sources which may be beyond the control of the AGENCY, and whose verification and comparison is not always possible, the AGENCY, its subsidiaries, and its directors, shareholders, employees, analysts and agents will not bear any responsibility whatsoever (including, without any limitations, loss of revenue or income and opportunity costs, loss of business or reputational damage or any other costs) for any inaccuracies, mistakes, noncorresponding information, incompleteness or omission of data and information used in the elaboration of the Document or in relation to any use of its content even should it have been warned of potential damages. The AGENCY does not make audits nor assume the obligation of verifying independent sources of information upon which the ratings are elaborated. Information on natural persons that may appear in this document is solely and exclusively relevant to their business or business activities without reference to the sphere of their private life and should thus be considered. We would like to inform that the personal data that may appear in this document is treated in accordance with Regulation (EU) 679/2016, on the protection of natural persons with regard to the processing of personal data and the free movement of such data and other applicable legislation. Those interested parties who wish to exercise the rights that assist them can find more information in the link: <https://www.ethifinance.com/> in the Privacy Policy page or contact our Data Protection Officer in the mail [dpo@ethifinance.com](mailto:dpo@ethifinance.com). Therefore the User agrees that information provided by the AGENCY may be another element to consider when making business decisions, but decisions will not be made based solely on it; that being the case the AGENCY will not be held responsible for the lack of suitability. In addition, the use of the information before courts and/or tribunals, public administrations, or any other public body or private third party for any reason shall be solely the User's responsibility and the AGENCY shall not be held responsible for any liabilities on the grounds of inappropriateness of the information's contents. Copyright © 2023 ETHIFINANCE RATINGS, S.L. All Rights Reserved. C/ Benjamín Franklin S/N, Edificio Camt, 1º Izquierda, 18100, Granada, España C/ Velázquez nº18, 3º derecha, 28001 - Madrid