Ferrari is often admired for its cars, but the company behind the Prancing Horse is just as remarkable as the machines it produces. Founded in 1947 when Enzo Ferrari debuted the 125 S, the brand quickly became synonymous with performance, craftsmanship and motorsport glory. Ferrari's corporate evolution has been just as carefully engineered.

Figure 1: Ferrari 125 S

Figure 2: Ferrari Purosangue

The company listed on the NYSE in 2015 at $52 a share, completing its spin-off from Fiat Chrysler shortly thereafter. Since then, Ferrari has positioned itself not as an automaker in the conventional sense but as one of the world's most powerful luxury houses—albeit one that happens to build ultra-high-performance machines.

" You don't choose Ferrari, Ferrari chooses you."

From the start, Ferrari has operated around a single principle: always sell one car fewer than the market demands. This self-imposed scarcity is the foundation of its pricing power, brand mystique and industry-leading margins. Ferrari tightly controls production volumes, caps output of each model, and cultivates multi-year order books.

"Ferrari are very good at saying No to people who are not used to taking No for an answer."

The Purosangue, for instance, drew such overwhelming demand that the company halted orders early due to wait times stretching beyond two years. Personalisation further elevates Ferrari's economics: bespoke interiors, unique paint finishes, and tailored components contribute meaningfully to margin expansion. The company's performance in 2024 and 2025 underscores this point—mix and personalisation alone offset FX and tariff headwinds and helped sustain EBITDA margins north of 38%, levels more typical of LVMH or Hermès than of any automotive peer.

Ferrari's long-term strategy has evolved over time, most notably between its 2022 and 2025 Investor Days. In 2022, management laid out an ambitious plan for 2026 and beyond: revenues up to EUR 6.7 billion, EBITDA between EUR 2.5–2.7 billion, cumulative free cash flow approaching EUR 5 billion, and a sharp transition toward electrification, with hybrids and battery electric vehicles (BEVs) reaching 60% of the mix by 2026 and BEVs alone reaching 40% by 2030. Alongside this came a promise of 15 product launches and a healthy, shareholder-friendly distribution policy.

"Ferrari has sold less cars in its entire existence than Porsche sells in a year."

By 2025, Ferrari had already achieved many of its medium-term goals ahead of schedule—yet the company opted to reset longer-term expectations. Management raised 2025 guidance to at least EUR 7.1 billion in revenue, EUR 2.7 billion in EBITDA and EUR 1.3 billion in free cash flow, effectively hitting the prior 2026 profitability targets a year ahead of plan.

But the 2030 outlook was more conservative than the enthusiastic market had anticipated: revenues of around EUR 9 billion, EBITDA of at least EUR 3.6 billion, and a much more gradual route to electrification, now targeting only about 20% BEVs by 2030. Hybrids, not full EVs, will dominate Ferrari's decade-long evolution. This pragmatic stance reflects both customer preferences and Ferrari's insistence that any electric vehicle must still "feel" like a Ferrari.

The stock's sharp pullback following the October 2025 capital markets day was less about deterioration in the business and more a reflection of recalibrated expectations. Consensus had drifted toward overly optimistic 2030 numbers, and the slower BEV ramp—paired with more grounded long-term targets—sparked the sell-off despite stronger near-term guidance. Layered onto this were macro concerns such as foreign exchange pressure and US import tariffs that, while real, have so far been fully absorbed by Ferrari's powerful mix-driven pricing engine.

	Formula 1	NASCAR	IndyCar
Annual Revenue (approx.)	~$3.65 billion	~$800M - $1B+	~$438 million
Primary Audience	Global	U.S. & North America	U.S. & North America
Business Model	Centralized, global media & sponsorship	Fragmented, domestic-focused	Centralized, niche domestic series
Top Team Budgets	>$400 million	~$20-30 million (per car)	~$8-10 million (per car)
Key Differentiator	Global presence, unified commercial rights, high tech	Deep domestic roots, large fanbase, TV deals	Historic flagship event (Indy 500), unique racing

Beyond financials, Ferrari's Formula 1 performance remains one of its most powerful brand accelerators. The 2024 season delivered victories in Australia, Monaco and Monza—exactly the kind of iconic venues where a Ferrari win resonates far beyond the track. With F1 drawing 1.6 billion cumulative TV viewers and more than six million in-person attendees in 2024, success on Sundays translates into brand heat on Mondays. This is not merely intangible: Ferrari's accounts explicitly show higher F1 commercial revenue following improved championship results.

Figure 3: Leclerc's Monaco Victory

Ferrari's model pipeline remains a strength. The V12-powered 12Cilindri and its Spider variant ramped through 2025, reaffirming the brand's leadership in emotional performance. The F80 supercar, previewed in the 2024 annual report, adds halo appeal at the very top of the range. The first full EV, the Ferrari Elettrica, is due in 2026 and is a centrepiece of the company's new e-building—the facility designed to ensure that the EV driving experience is engineered entirely in-house. Alongside this, the Amalfi and 849 Testarossa plug-in hybrids are driving fresh order intake, with the overall order book already stretching into 2027. Successor models for the SF90, 296 and Roma families provide strong support for mix and personalisation over the coming two years.

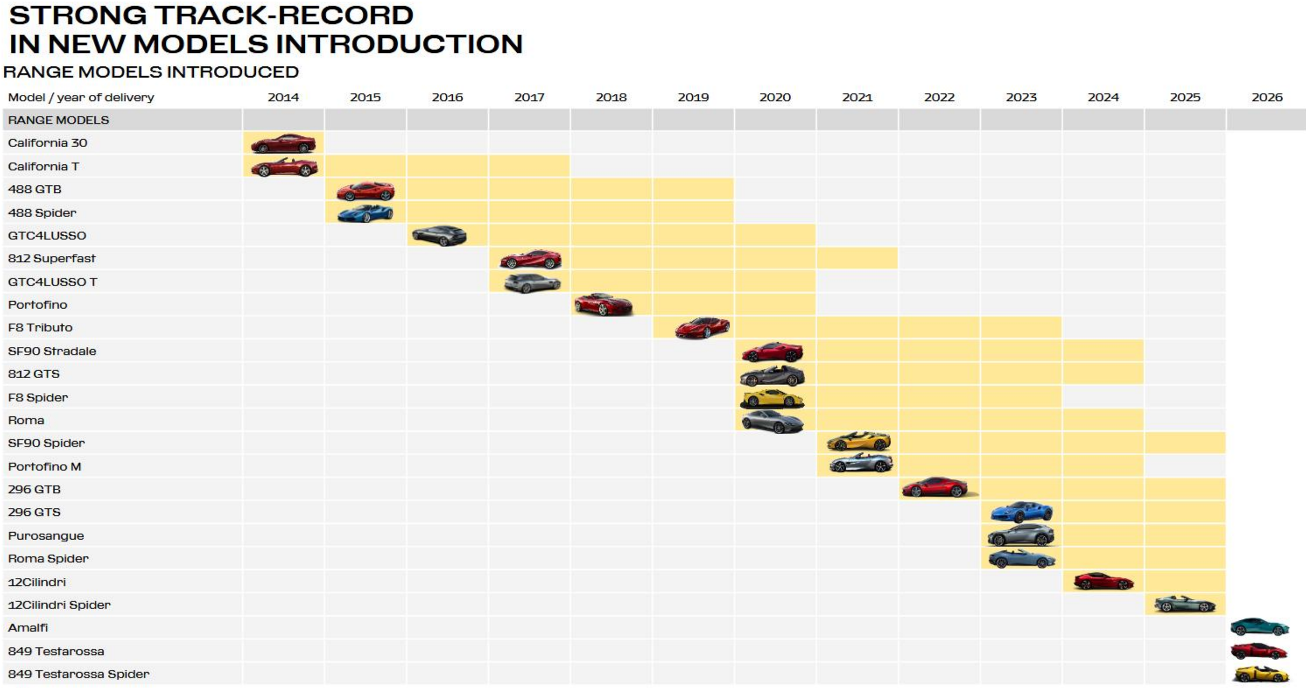

Figure 4: Ferrari Model History

Stepping back, the case for Ferrari following the share price pullback is straightforward. The company has raised near-term guidance and continues to deliver luxury-like margins. Demand remains far in excess of supply, and the multi-year order book—combined with a full product cycle—supports high visibility into growth.

The moderated electrification roadmap reduces risk rather than signalling retreat. F1 momentum adds brand power just as new model introductions and personalisation drive stronger economics. The recent de-rating was a reaction to expectations, not fundamentals.

" We don't sell a car; we sell a dream. We are Italy's national team. There are many great football teams in our country, but there is only one Ferrari."

For long-term investors, Ferrari remains what it has always been: a scarcity asset with unrivalled pricing power. The correction presents an opportunity to accumulate a brand with exceptional financial resilience, strong product catalysts and a strategy that is more realistic and more durable than what the market had previously priced. In short, Ferrari continues to do what Ferrari has always done best—operate in a class of its own.