

The unattainable dream: Why Ferrari reigns supreme

- Ferrari is an unattainable dream meticulously crafted for a privileged few.
- Ferrari's strategy centers on deliberate scarcity and unrivaled brand mystique.
- Recommend a BUY with TP of THB1.64 (€443, based on EUR/THB at 37).

Selling dreams, not just cars

Ferrari is not merely an automaker; it's a global luxury powerhouse, holding an enviable position thanks to a deliberate strategy of scarcity. Unlike competitors who chase volume, Ferrari limits production, cultivating unparalleled exclusivity. This calculated restraint fuels insatiable demand, resulting in multi-year waitlists, robust resale values, and unmatched pricing power. With a brand steeped in 75 years of racing glory and cultural prestige, Ferrari has forged an emotional connection with its clientele that transcends typical brand loyalty. This unique blend of aspirational appeal, akin to Hermès, and Formula 1-level engineering dominance, allows Ferrari to achieve industry-leading margins that are rare in the automotive sector.

How scarcity becomes strategy

Ferrari's phenomenal business model is rooted in its disciplined scarcity. By capping annual production at around 14,000 units—far below global demand—the company strategically generates long waiting lists, safeguards resale values, and enforces unwavering pricing discipline. This scarcity isn't a limitation; it's a profound competitive advantage. It directly translates into enviable financial performance, including EBIT margins exceeding 30% and an impressive ROIC above 45%. These figures are more commonly found among elite luxury brands, underscoring Ferrari's unique position as a highly profitable entity that masterfully monetizes desire.

Luxury you have to qualify for

Ferrari's product portfolio is segmented to reinforce its exclusivity. From the Range Models (Standard model) to the Ultra-limited series, each tier demands increasing levels of loyalty and engagement. Gaining access to these coveted limited editions is an intricate process, requiring a deep, long-standing ownership history, active participation in Ferrari's exclusive ecosystem such as events, and a strict adherence to their "no speculation" policy. For the absolute pinnacle, such as the F80, potential owners are often required to possess a complete collection of current Ferrari line-up, making even standard model purchases a crucial stepping stone to future access.

Valued like Hermès, Built like Ferrari

In 1Q25, Ferrari reported €1.8b in revenue (+13% y-y), €693m in EBITDA (+14.6% y-y), and €412m in net profit (+17% y-y)—all while delivering only 3,593 cars. With an EBITDA margin nearing 39% and ROIC exceeding 45%. Trading at a premium multiple of ~45x forward P/E, Ferrari stands apart from traditional automakers. Its structural advantages—a globally recognized brand with deep emotional value, multi-year demand visibility, and strict customer curation—justify this valuation.

Recommend a BUY with TP of THB1.64 (€443, based on EUR/THB at 37)

We recommend a BUY on FERRARI80, with Bloomberg consensus TP of THB1.64 (equivalent to €443, based on EUR/THB at 37). Despite trading at a premium valuation, we believe Ferrari's scarcity-led model, multi-year demand visibility, and industry-leading ROIC more than justify its current multiple. For investors seeking long-duration exposure to global luxury with resilient fundamentals, Ferrari offers a rare combination of brand power, pricing control, and capital discipline.

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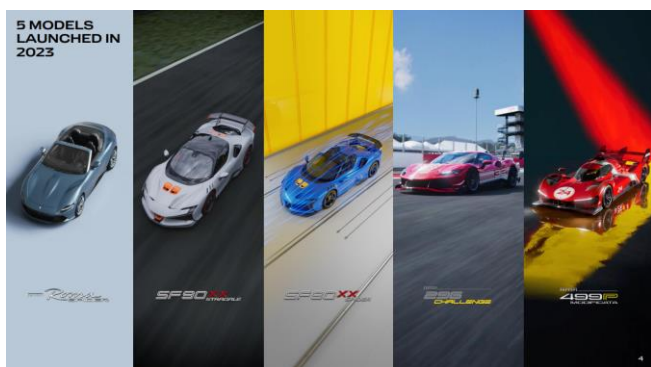
Peerayu Sirivorawong

The unattainable dream: Why Ferrari reigns supreme?

Ferrari is not just an automaker—it is a luxury brand with one of the strongest moats in the global market. Unlike Tesla, Porsche, or Lamborghini, Ferrari intentionally limits production to preserve exclusivity, resulting in long waitlists, strong resale value, and premium pricing power. Its brand commands deep emotional loyalty, rooted in a 75-year racing legacy and unmatched prestige. This scarcity-driven model translates into industry-leading margins, making Ferrari a rare business that combines the aspirational appeal of Hermès with the engineering dominance of Formula 1.

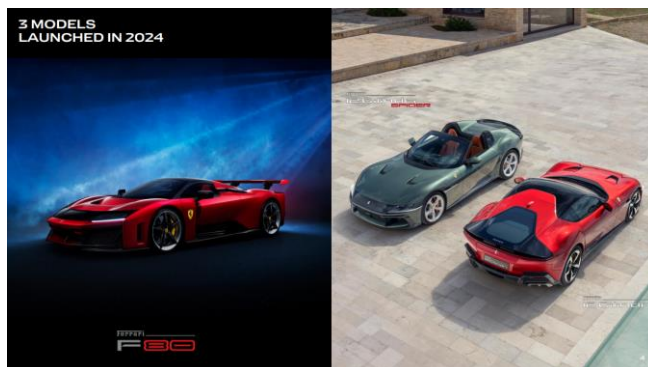
Its business model is built on three structural advantages: 1) globally recognized brand with deep emotional value and cultural status, 2) long-term demand visibility supported by multi-year waitlists and high repeat purchase rates, 74% of new Ferrari vehicles were sold to existing clients, and 40% were delivered to customers who already owned more than one Ferrari, and 3) strict customer curation for limited-edition models, reinforcing its position as a true luxury asset.

Exhibit 1: 5 Ferrari models launched in 2023



Sources: Ferrari

Exhibit 2: 5 Ferrari models launched in 2024

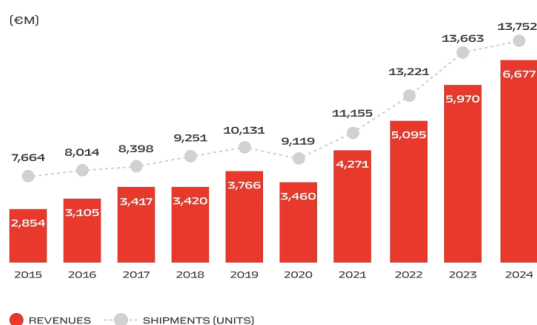


Sources: Ferrari

Selling dreams, not just cars

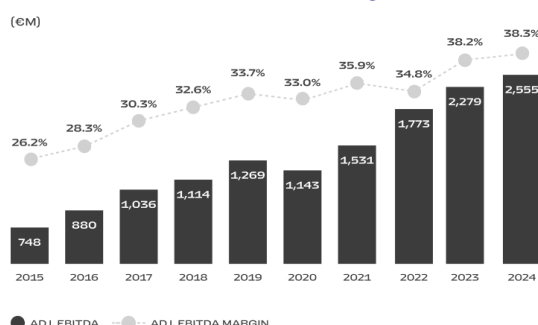
Ferrari's business model is built on a deliberate strategy of scarcity. With annual production limited to ~14,000 units—well below demand—the company creates long waiting lists, preserves resale value, and maintains strong pricing discipline. This scarcity is not a constraint but an advantage that supports Ferrari's industry-leading EBIT margins of over 30% and return on invested capital (ROIC) above 45%, levels typically associated with top-tier luxury brands, not automakers.

Exhibit 3: Revenue and shipments



Sources: Ferrari

Exhibit 4: EBITDA and EBITDA margin



Sources: Ferrari

How Ferrari Monetizes Exclusivity

Ferrari leverages its brand prestige and supply discipline through 3 core levers:

1. **Tight Production Control:** Ferrari deliberately limits production (~14,000 units/year) to create scarcity, fuel desirability, and sustain long-term pricing power.
2. **Personalization Programs:** Through platforms like Tailor Made and Atelier Ferrari, clients can customize interiors, paint schemes, and materials—boosting average selling prices (ASPs) by up to 30% and strengthening emotional connection
3. **Client Curation & Access Control:** Ferrari hand-selects buyers for special models (e.g., SF90 XX, Daytona SP3), often requiring a strong ownership history. This reinforces customer loyalty and discourages speculation

Ferrari's Product Portfolio

Ferrari's lineup is segmented into four key product families, each designed for specific customer profiles and strategic purposes:

1. **Range Models (Standard Production):** Includes both Sport Range (mid-engine V6/V8) and GT Range (front-engine V8/V12), along with the Purosangue SUV and the upcoming fully electric model (2026E). These cars are the foundation of Ferrari's brand and volume.
2. **Special Series:** Track-focused, limited-edition variants of core models—such as the 812 Competizione and SF90 XX. These are typically offered to Ferrari's most loyal clients via invitation only.
3. **Icona Series:** Ultra-limited, heritage-inspired models like the Monza SP1/SP2 and Daytona SP3. Production volumes are extremely low, enhancing collectability and historical value.
4. **Supercars (Hypercars):** The most powerful and advanced road cars Ferrari produces—e.g., LaFerrari and F80. These cars are released once per generation and represent the pinnacle of Ferrari engineering.

Exhibit 5: Range model: 296GTB (Mid-engine V6)



Sources: Ferrari

Exhibit 6: Range model: Purosangue (SUV)



Sources: Ferrari

Exhibit 7: Special series: 296 Special (\$464,000)



Sources: Ferrari

Exhibit 8: Special series: SF90 XX Stradale (\$840,000)



Sources: Ferrari

Conditions to Access Ferrari's Special Series

Gaining access to Ferrari's Special Series is highly selective and based on loyalty, reputation, and brand alignment. Key requirements include

1. **Established Ownership History:** Clients must have a long-standing relationship with Ferrari—typically proven through ownership of multiple new Ferraris
2. **Participation in the Ferrari Ecosystem:** Engaging with Ferrari beyond just ownership is essential. This includes attending Ferrari events, track days, factory visits, and being part of the brand's lifestyle network.
3. **No Speculative Behavior:** Ferrari actively discourages flipping—the act of quickly reselling a new car for profit. This strict control helps preserve resale value and brand integrity.

Exhibit 9: Icona Series: Daytona SP3 (\$2.2m)



Sources: Ferrari

Exhibit 10: Hypercar: F80 (\$4m)



Sources: Ferrari

Icona and Hypercar Series: The Pinnacle of Exclusivity

Access to Ferrari's Icona Series and Hypercar lineup is even more restrictive than Special Series models, with eligibility often reserved for the most loyal and high-profile clients. While exact criteria vary, the overarching requirement is decades of demonstrated loyalty and deep ownership history.

For example, to be eligible for the Daytona SP3, buyers were typically required to already own an SP1 or SP2—highlighting how Ferrari rewards continuous engagement across model generations. This practice ensures that the Icona Series remains in the hands of long-term collectors and brand ambassadors.

The Hypercar Series follows similar logic. Eligibility often requires an extensive purchase record, including ownership of prior hypercars (e.g., LaFerrari), multiple Special Series models, and consistent brand participation.

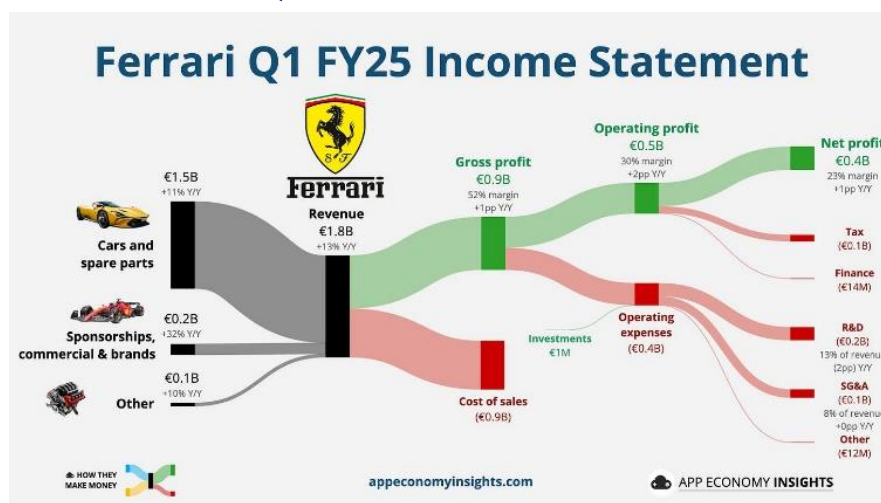
Our interview with a Thai's Ferrari hypercar owner, Ferrari required the client to purchase each engine configuration from the current range—V6, V8, V12, and the SUV (Purosangue)—to qualify for the upcoming F80 allocation. In addition, the owner had to demonstrate long-term loyalty, with a sizable number of Ferraris already in the collection.

This selective allocation strategy explains why demand for standard Ferrari models far exceeds supply. Buying base models is not just about ownership—it's a stepping stone toward future access. As a result, typical wait times for standard models can stretch from 12 to 24 months, further reinforcing brand exclusivity and pricing strength.

Valued like Hermès, Built like Ferrari

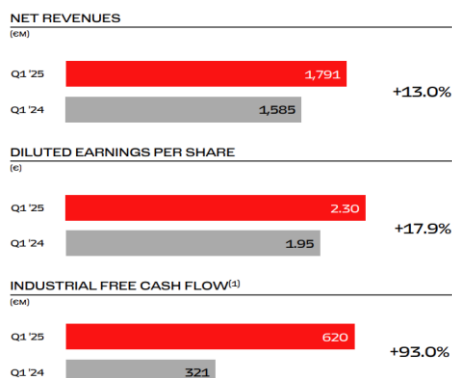
In 1Q25, Ferrari reported revenue of €1.8b, up 13% y-y, driven by a richer product mix—including the SF90XX and 12Cilindri—strong demand across the Americas and APAC, and increased revenue from personalization programs. EBITDA rose 14.6% y-y to €693m, resulting in an EBITDA margin of 38.7%, one of the highest in the global auto and luxury sectors. Net profit came in at €412m, up 17% y-y, supported by strong operating leverage and a favorable mix of high-margin models and markets.

Exhibit 11: Ferrari's 1Q25 results



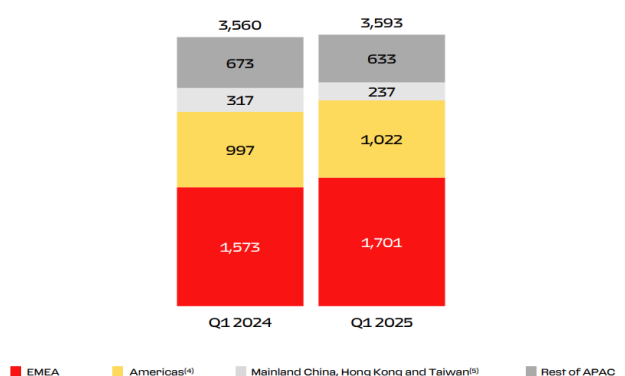
Sources: App Economy Insights

Exhibit 12: 1Q25 financial highlights



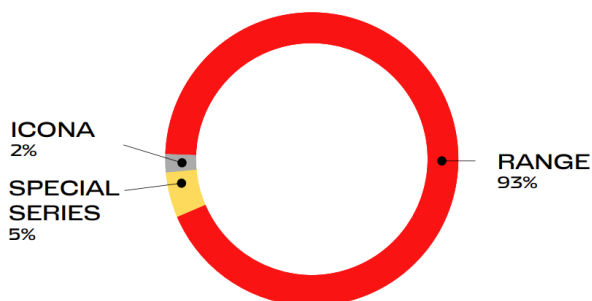
Sources: Ferrari

Exhibit 13: 1Q25 shipment by regions



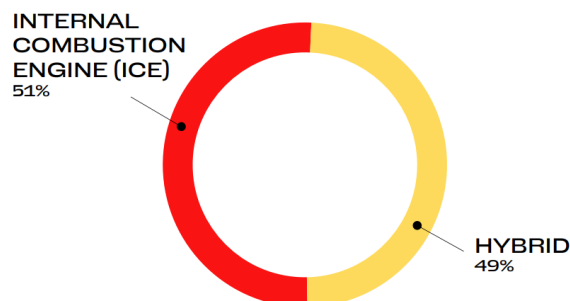
Sources: Ferrari

Exhibit 14: 1Q25 shipment breakdown by categories



Sources: Ferrari

Exhibit 15: 1Q25 shipment breakdown by engine types



Sources: Ferrari

In 1Q25, Ferrari delivered 3,593 vehicles, up just 1% y-y, but with a significantly richer mix. Hybrid models made up 49% of shipments, reflecting steady progress toward the company's electrification goals. Regionally, EMEA and the Americas led volume growth, while Greater China saw a 25% decline, extending the region's downtrend. Despite regional headwinds, management reaffirmed its full-year guidance of €7b in revenue (+5% y-y) and €8.60 in EPS, which is slightly below consensus but remains conservative given product momentum.

Why Ferrari deserves a spot in long-term portfolios

Over the past 3–5 years, Ferrari has consistently delivered strong financial growth, with a revenue CAGR of 10–12%, EBITDA CAGR of 13–15%, and net profit CAGR of 15–17%. This growth trajectory reflects the strength of its scarcity-driven model and disciplined execution. In terms of profitability, Ferrari's EBIT margins remain among the highest in both the luxury auto and luxury sectors, consistently outperforming peers on margin quality.

Exhibit 16: 2025E peers' EBIT margin comparison

Company	EBIT Margin (2025E)
Ferrari	~30%
Porsche	~15%
Lamborghini	~22–23%
LVMH	~22%
Hermès	~41%

Sources: Bloomberg; Globlex Securities

Exhibit 17: 2025E peers' valuation comparison

Company	Forward P/E (2025E)	ROIC	Business Model Type
Ferrari	~45x	>45%	Luxury scarcity, capital-light
Hermès	~50x	~35%	Ultra-luxury, low volume
LVMH	~20x	~18%	Diversified luxury conglomerate
Porsche	~18x	~20%	Scaled performance auto

Sources: Bloomberg; Globlex Securities

Ferrari currently trades at ~45x forward P/E, a premium multiple that may seem high in absolute terms but is well-supported by the company's structural strengths. Unlike traditional automakers, Ferrari operates with a scarcity-driven model, allowing for exceptional pricing power and margin durability. With EBIT margins exceeding 30% and ROIC above 45%, Ferrari delivers financial metrics more akin to ultra-luxury brands than mass-market auto peers.

We recommend a BUY on FERRARI80, with Bloomberg consensus target price of THB1.64 (equivalent to €443, based on EUR/THB at 37). Despite trading at a premium valuation, we believe Ferrari's scarcity-led model, multi-year demand visibility, and industry-leading ROIC more than justify its current multiple. Upcoming catalysts—including the 2026 launch of its first EV, the continued ramp-up of Purosangue SUV, and expanding penetration in Asia—are expected to drive both earnings growth and sentiment. For investors seeking long-duration exposure to global luxury with resilient fundamentals, Ferrari offers a rare combination of brand power, pricing control, and capital discipline.

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Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.