Ferrari

Q1 2019 Results May 7th, 2019

SAFE HARBOUR STATEMENT

This document, and in particular the section entitled "2019 Guidance" contains forward-looking statements. These statements may include terms such as "may", "will", "expect", "could", "should", "intend", "estimate", "anticipate", "believe", "remain", "continue", "on track", "successful", "grow", "design", "target", "objective", "goal", "forecast", "projection", "outlook", "prospects", "plan", "guidance" or similar terms. Forward-looking statements are not guarantees of future performance. Rather, they are based on the Group's current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future and, as such, undue reliance should not be placed on them.

Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: the Group's ability to preserve and enhance the value of the Ferrari brand; the success of Ferrari's Formula 1 racing team and the expenses the Group incurs for Formula 1 activities, as well as the popularity of Formula 1 more broadly; the Group's ability to keep up with advances in high performance car technology and to make appealing designs for its new models; Group's ability to preserve its relationship with the automobile collector and enthusiast community; changes in client preferences and automotive trends; changes in the general economic environment, including changes in some of the markets in which we operate, and changes in demand for luxury goods, including high performance luxury cars, which is highly volatile; competition in the luxury performance automobile industry; the Group's ability to successfully carry out its growth strategy and, particularly, the Group's ability to grow its presence in emerging market countries; the Group's low volume strategy; reliance upon a number of key members of executive management, employees, and the ability of its current management team to operate and manage effectively; the performance of the Group's dealer network on which the Group depend for sales and services; increases in costs, disruptions of supply or shortages of components and raw materials; disruptions at the Group's manufacturing facilities in Maranello and Modena; the performance of the Group's licensees for Ferrari-branded products; the Group's ability to protect its intellectual property rights and to avoid infringing on the intellectual property rights of others; the ability of Maserati, the Group's engine customer, to sell its planned volume of cars; continued compliance with customs regulations of various jurisdictions; the impact of increasingly stringent fuel economy, emission and safety standards, including the cost of compliance, and any required changes to its products; the challenges and costs of integrating hybrid technology more broadly into Group's car portfolio over time; product recalls, liability claims and product warranties; the adequacy of its insurance coverage to protect the Group against potential losses; ability to ensure that its employees, agents and representatives comply with applicable law and regulations; ability to maintain the functional and efficient operation of its information technology systems, including our ability to defend from the risk of cyberattacks on our in-vehicle technology; the Group's ability to service and refinance its debt; the Group's ability to provide or arrange for adequate access to financing for its dealers and clients, and associated risks; labor relations and collective bargaining agreements; exchange rate fluctuations, interest rate changes, credit risk and other market risks; changes in tax, tariff or fiscal policies and regulatory, political and labor conditions in the jurisdictions in which the Group operates, including possible future bans of combustion engine cars in cities and the potential advent of self-driving technology; potential conflicts of interest due to director and officer overlaps with the Group's largest shareholders and other factors discussed elsewhere in this document.

The Group expressly disclaims and does not assume any liability in connection with any inaccuracies in any of the forward-looking statements in this document or in connection with any use by any third party of such forward-looking statements. Any forward-looking statements contained in this document speak only as of the date of this document and the Company does not undertake any obligation to update or revise publicly forward-looking statements. Further information concerning the Group and its businesses, including factors that could materially affect the Company's financial results, is included in the Company's reports and filings with the U.S. Securities and Exchange Commission, the AFM and CONSOB.

FERRARI PORTOFINO DRIVES SOLID Q1 2019 RESULTS

Significant revenue growth with reported operating margins consistent with our 2019 guidance

Diluted EPS(1) of €0.95 (+21.8%) and strong industrial free cash flow generation(1) of €282 million

Successfully presented the Ferrari F8 Tributo at the Geneva Motor Show. Deliveries expected in H2 2019

Ferrari in pole position as world's strongest brand, according to Brand Finance

Ferrari Monza SP1 wins the iF Design Gold Award. Three more iF Design Awards won for the Ferrari Portofino, the 488 Pista and the one-off SP38

FIRING ON ALL CYLINDERS WITH THE FERRARI F8 TRIBUTO, FIRST OF 5 MODELS TO BE UNVEILED IN 2019

Note:(1) Reconciliations to non-GAAP financial measures are provided in the Appendix

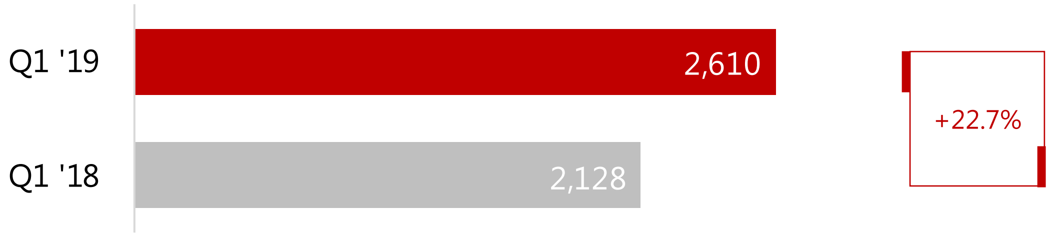
Homage to both the model's uncompromising layout and to the most powerful V8 engine in the Prancing Horse history for a non-special series car

Ferrari F8 TRIBUTO

Q1 2019 HIGHLIGHTS

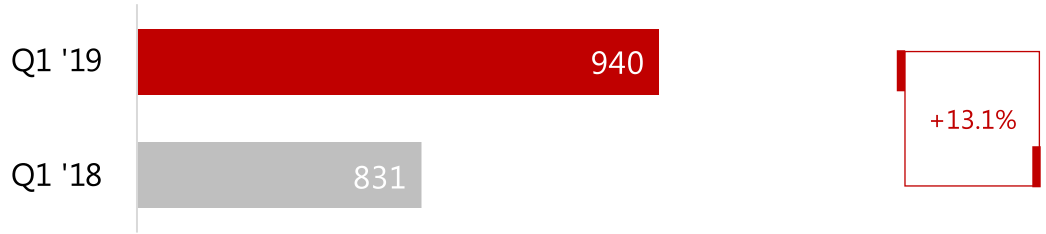
SHIPMENTS(2)

(UNITS)



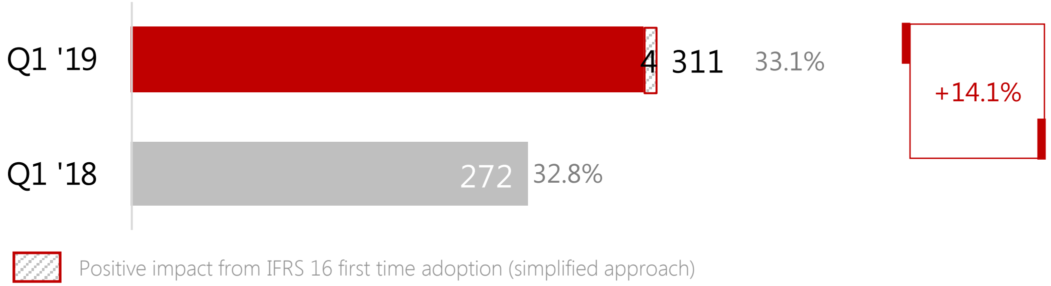
NET REVENUES

(€M)



ADJUSTED EBITDA(1)

(€M and margin %)



DILUTED EARNINGS PER SHARE(1)

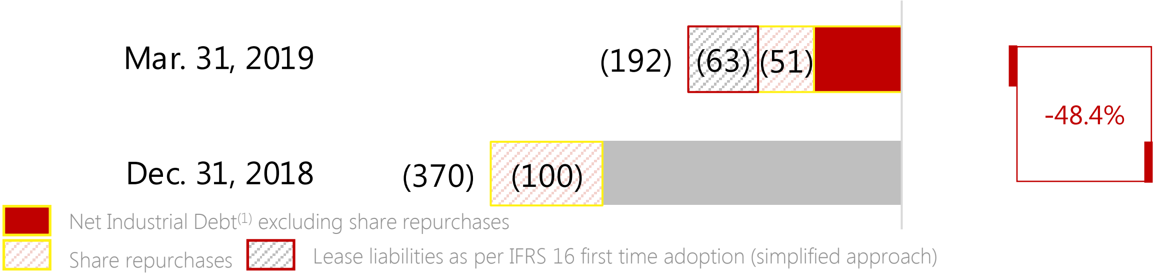
(€)

INDUSTRIAL FREE CASH FLOW(1)

(€M)

NET INDUSTRIAL DEBT(1)

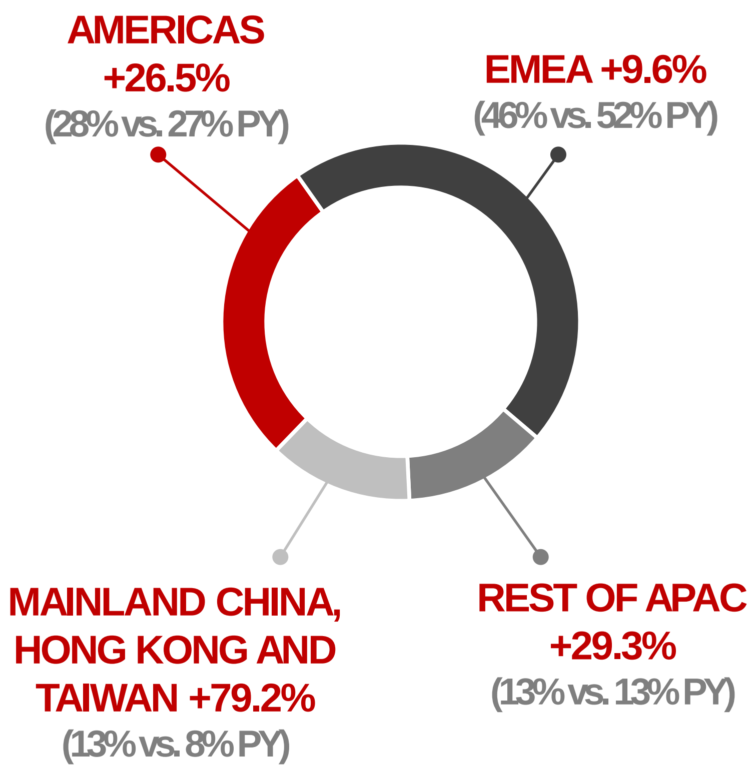
(€M)



Note: (1) Reconciliations to non-GAAP financial measures are provided in the Appendix (2) Refer to notes to the presentation in the Appendix
2019 results reflect IFRS 16 first time adoption (simplified approach). Certain totals in the tables included in this document may not add due to rounding

Q1 2019 – SHIPMENTS(2)

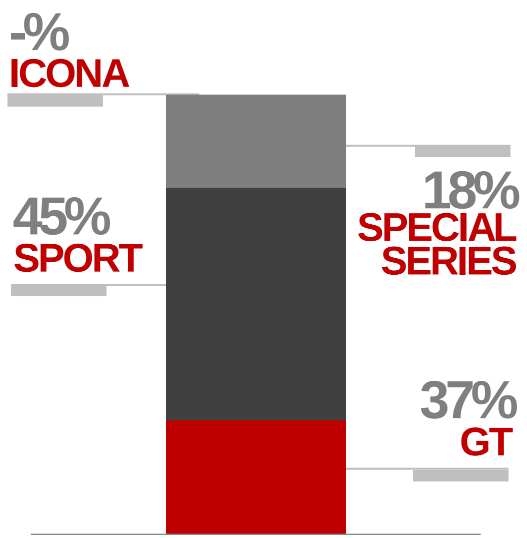
SHIPMENTS BY REGION(3)



Total shipments increased by 482 units (+22.7% vs. PY) supported by a 30.6% increase in V8 models and a 4.1% increase in V12 models:

- Robust deliveries for the Ferrari Portofino
- 488 family currently lower than prior year due to the 488 GTB and Spider approaching the end of lifecycle, partially offset by the 488 Pista in ramp up phase. The 488 Pista Spider yet to arrive on the market
- V12 supported by the 812 Superfast
- Geographic mix shifted in favor of Mainland China to accelerate deliveries in advance of the early implementation of new emission regulations

SHIPMENTS BY PILLAR

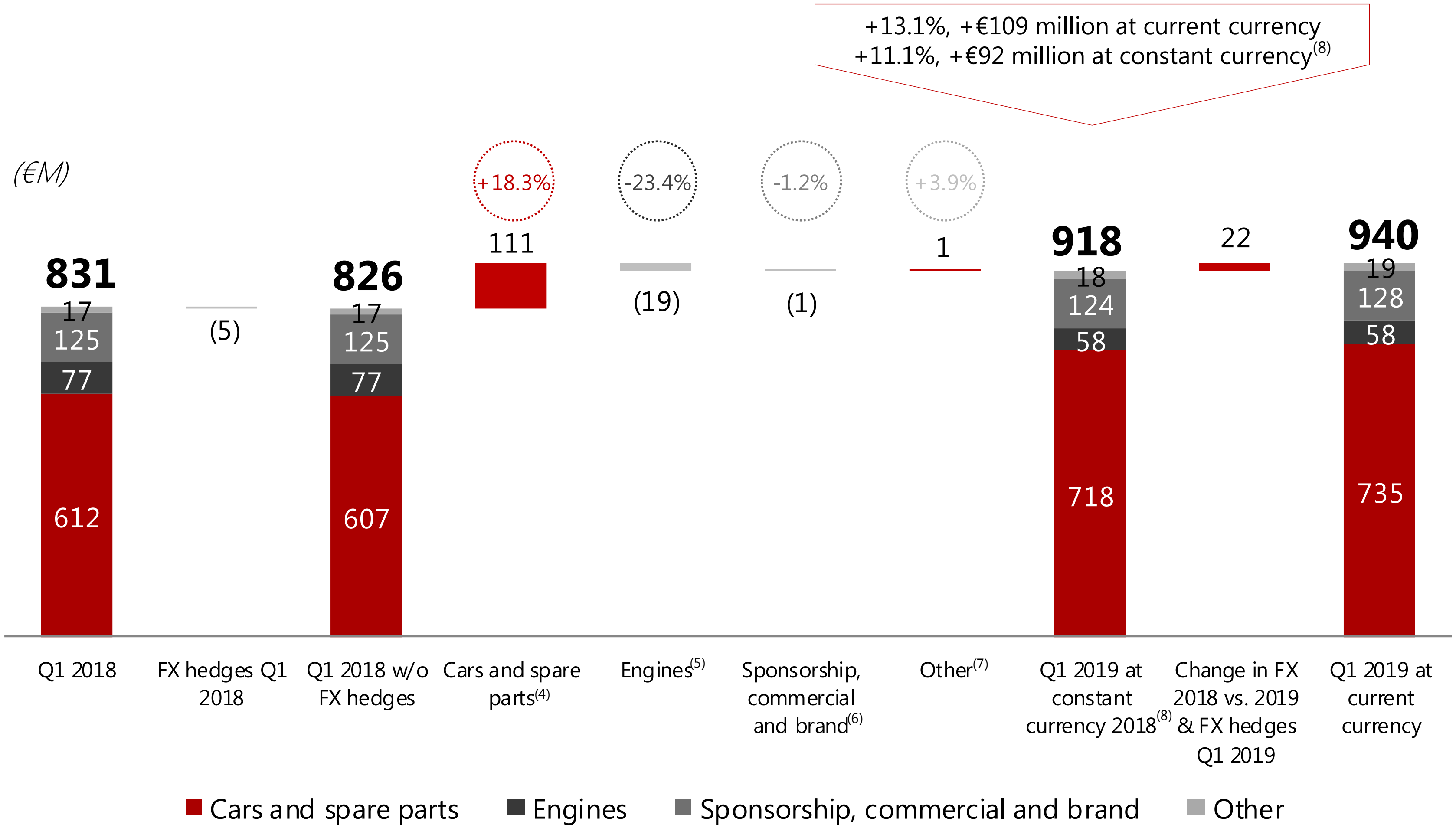


PILLAR BREAKDOWN

ATTRACTING NEW FERRARISTI THANKS TO THE FERRARI PORTOFINO

Note: (2) (3) Refer to notes to the presentation in the Appendix

NET REVENUES BRIDGE Q1 2018-2019



- **Cars and spare parts:** growth reflecting volume increase of the Ferrari Portofino, the 812 Superfast as well as ramp up of the 488 Pista, partially offset by lower sales of LaFerrari Aperta and the 488 GTB as well as the 488 Spider phase out. Personalization programs also positively contributed, along with deliveries of the FXX K EVO.
- **Engines:** erosion reflecting lower shipments to Maserati
- **Sponsorship, commercial and brand:** lower revenues from other brand related activities
- **Currency**[8]**:** net positive impact from translation, transaction and hedges, mainly USD

Note: (4) (5) (6) (7) (8) Refer to notes to the presentation in the Appendix

ADJ. EBIT BRIDGE Q1 2018 – 2019(1)

Adj. EBITDA	Adj. EBITDA w/o FX hedges	Adj. EBITDA at constant curr. 2018(8)	Adj. EBITDA at current curr.
272	267	294	311
32.8%	32.3%	32.0%	33.1%

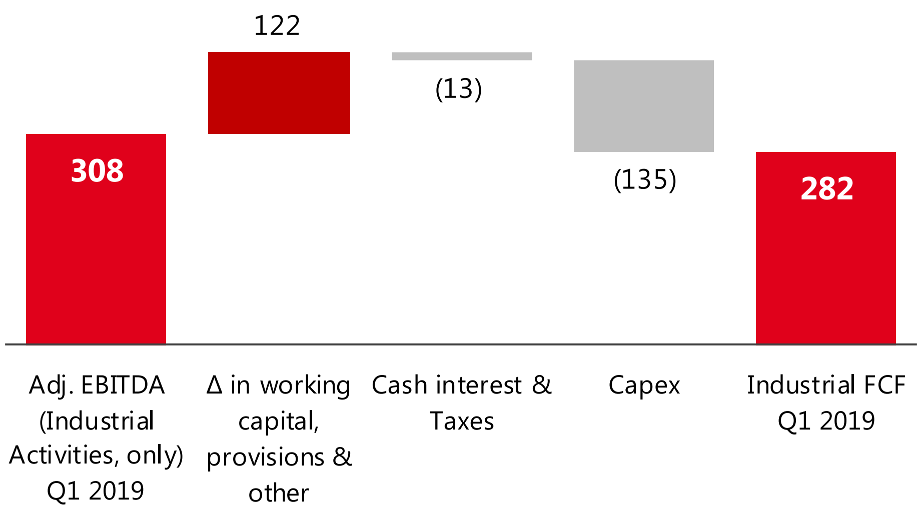
- **Volume** reflecting shipments increase
- **Mix / price** negative due to the combined impact of lower sales of LaFerrari Aperta, that finished its limited series run in 2018, and the strong increase of the Ferrari Portofino. This was partially offset by deliveries of the FXX K EVO along with personalization programs.
- **Industrial costs / R&D** increased mainly due to higher depreciation and amortization of fixed assets
- **SG&A** increased mainly due to product launches
- **Other** decreased due to lower engines sales to Maserati as well as lower revenues from other brand related activities, with one timers in line with prior year.

Note: (1) Reconciliations to non-GAAP financial measures are provided in the Appendix.
(8) Refer to notes to the presentation in the Appendix

INDUSTRIAL FCF(1) AND NET INDUSTRIAL DEBT BRIDGES(1) DEC 31, 2018 – MAR 31, 2019

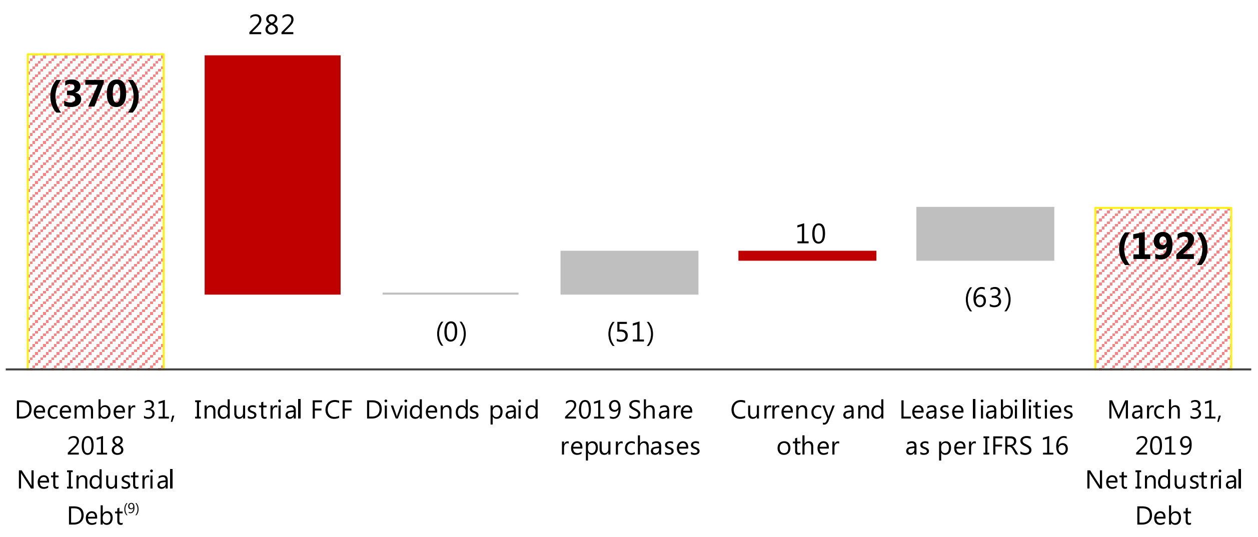
Industrial Free Cash Flow

(€M)



Change in Net Industrial Debt

(€M)



	Adj. EBITDA	Δ in working capital	Cash interest & Taxes	Capex	Industrial FCF	Dec 31, 2018	Industrial FCF	Dividends paid	2019 Share repurchases	Currency and other	Lease liabilities	Mar 31, 2019
Δ vs. Q1 '18	+40	+167	(2)	(14)	+191		+191	-	(21)	+6	(63)	

- H1 2019 collecting advances on the Ferrari Monza SP1 and SP2
- Capex investments skewed to H2 2019
- 2019 dividends to be paid in Q2 2019

Note: (1) Reconciliations to non-GAAP financial measures are provided in the Appendix
(9) Refer to notes to the presentation in the Appendix

2019 GUIDANCE CONFIRMED

(€B, unless otherwise stated)	2018A	2019E	Δ %
NET REVENUES	3.4	>3.5	>+3%
ADJ. EBITDA (margin %)	1.1 32.6%	1.2-1.25 ~34%	~+10%
ADJ. EBIT (margin %)	0.825 24.1%	0.85-0.9 ~24.5%	~+6%
ADJ. DILUTED EPS[(10)] (€)	3.40	3.50-3.70	~+6%
IND. FCF	0.4	~0.45	>+10%

DELIVERING SOLID GROWTH

Note: (10) Calculated using the weighted average diluted number of shares for 2018

APPENDIX

NOTES TO THE PRESENTATION

1. *Reconciliations to non-GAAP financial measures are provided in the Appendix*
2. *Excluding the XX Programme, racing cars, Fuori Serie, one-off and pre-owned cars*
3. *Shipments geographical breakdown*
   EMEA includes: Italy, UK, Germany, Switzerland, France, Middle East (includes the United Arab Emirates, Saudi Arabia, Bahrain, Lebanon, Qatar, Oman and Kuwait) and Rest of EMEA (includes Africa and the other European markets not separately identified);
   Americas includes: United States of America, Canada, Mexico, the Caribbean and Central and South America;
   Rest of APAC mainly includes: Japan, Australia, Singapore, Indonesia, South Korea, Thailand and Malaysia
4. *Includes the net revenues generated from shipments of our cars, including any personalization revenue generated on these cars and sales of spare parts*
5. *Includes the net revenues generated from the sale of engines to Maserati and the revenues generated from the rental of engines to other Formula 1 racing teams*
6. *Includes the net revenues earned by our Formula 1 racing team through sponsorship agreements and our share of the Formula 1 World Championship commercial revenues and net revenues generated through the Ferrari brand, including merchandising, licensing and royalty income*
7. *Primarily includes the interest income generated by our financial services activities and the net revenues from the management of the Mugello racetrack*
8. *The constant currency presentation eliminates the effects of changes in foreign currency (transaction and translation) and of foreign currency hedges*
9. *Net Industrial Debt redefined as Net Debt less Net Debt of Financial Services Activities*
10. *Calculated using the weighted average diluted number of shares for 2018*

STRONG TRACK-RECORD IN NEW MODELS INTRODUCTION

Range models introduced or announced

Model / Year of delivery	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
SPORT RANGE																
F430																
F430 Spider																
599 GTB Fiorano																
458 Italia																
458 Spider																
F12berlinetta																
488 GTB																
488 Spider																
812 Superfast																
F8 Tributo																
GRAN TURISMO RANGE																
612 Scaglietti																
California																
FF																
California 30																
California T																
GTC4Lusso																
GTC4Lusso T																
Portofino																

STRONG TRACK-RECORD IN NEW MODELS INTRODUCTION

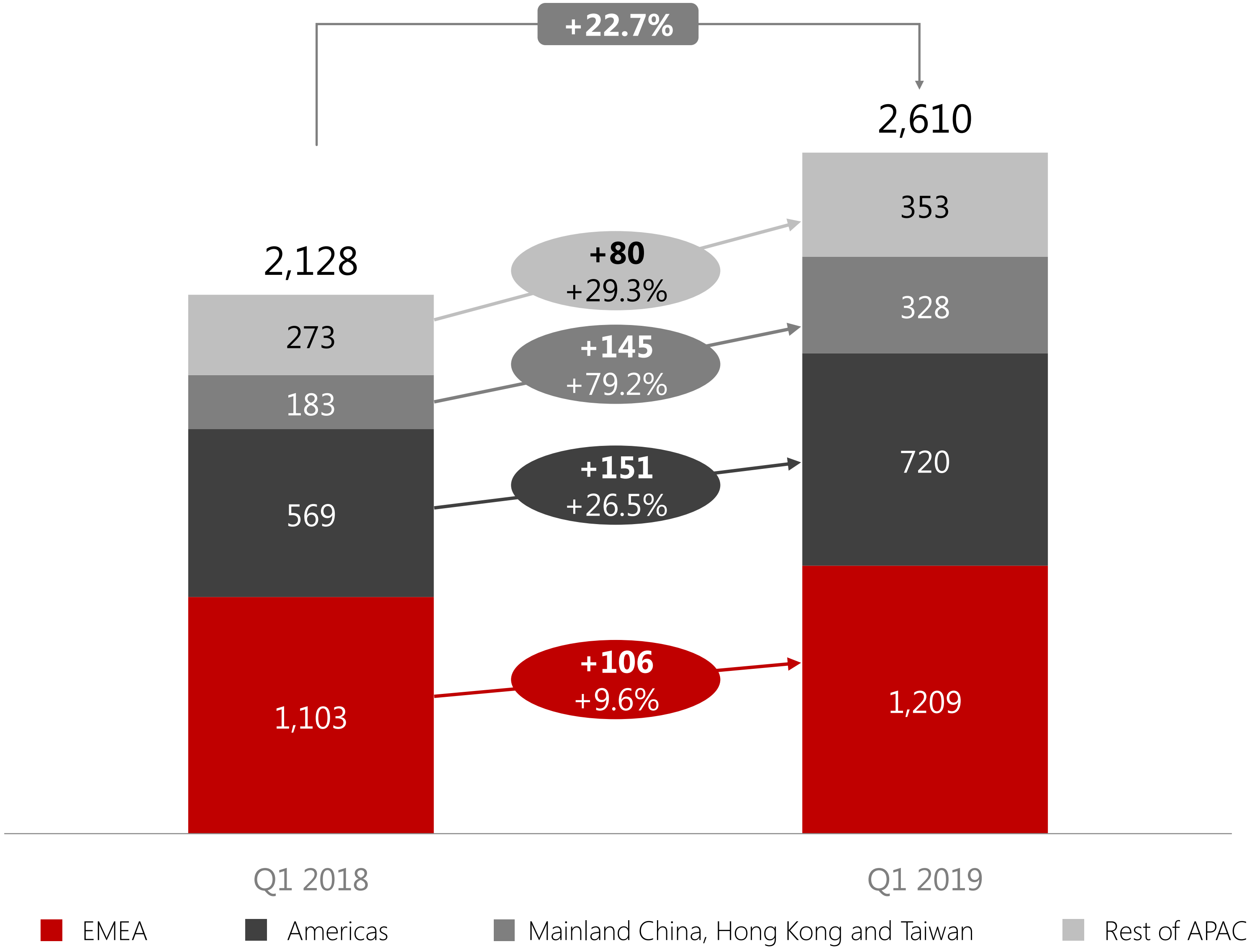
Special and Limited edition models introduced or announced

Model / Year of delivery	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
SPECIAL SERIES																
Superamerica																
F430 Scuderia																
Scuderia Spider 16M																
599 GTO																
SA APERTA																
458 Speciale																
458 Speciale A																
F12tdf																
488 Pista																
488 Pista Spider																
ICONA																
Ferrari Monza SP1																
Ferrari Monza SP2																

Model / Year of delivery	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
HYPERCAR																
LaFerrari																
LaFerrari Aperta																
TRACK CARS																
FXX K(11)																
FXX K EVO(11)																
FUORISERIE																
F60 America(11)																
J50(11)																

Note: (11) Models not included in the total shipments' figure provided

GROUP SHIPMENTS(2)(3)



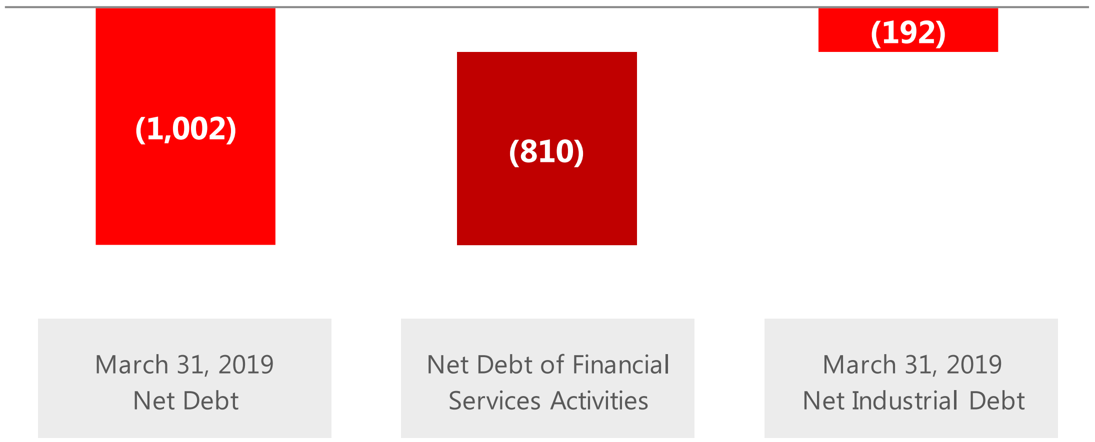
Note: (2) (3) Refer to notes to the presentation in the Appendix
Graphs not to scale.

DEBT AND LIQUIDITY POSITION

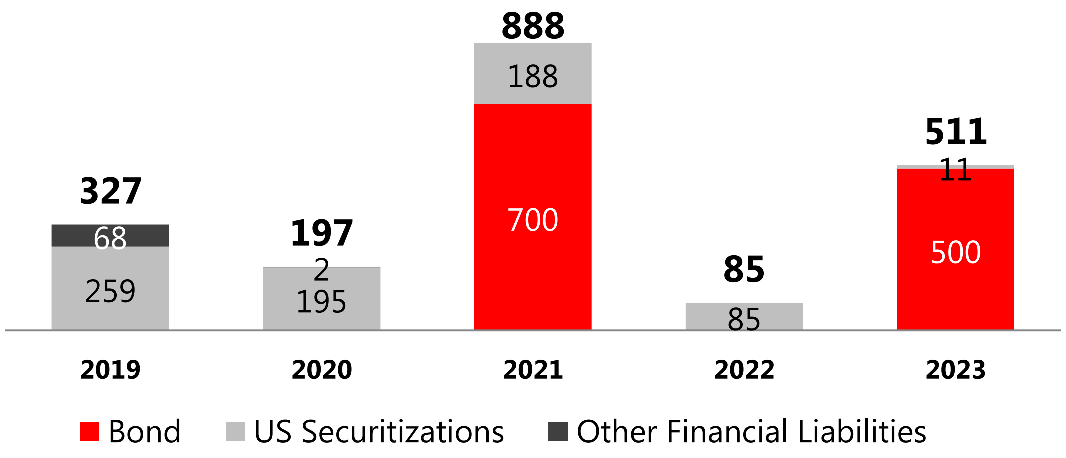
Net Industrial Debt (€M)

(€M)	At Mar. 31 2019	At Dec. 31 2018	2017	2016
Debt	(2,064)	(1,927)	(1,806)	(1,848)
Cash & Cash Equivalents (A)	1,062	794	648	458
Net Debt	(1,002)	(1,133)	(1,158)	(1,390)
Net Debt of Financial Services Activities	(810)	(763)	(650)	(700)
Net Industrial Debt	(192)	(370)	(508)	(690)
Undrawn Committed Credit Lines (B)	500	500	500	500
Total Available Liquidity (A+B)	1,562	1,294	1,148	958

Net Industrial Debt (€M)



Gross Debt Maturity Profile(*) (€M)



Cash and Marketable Securities (€M)

(€M)	Mar. 31 2019	FY 2018	FY 2017	FY 2016
Euro	806	616	435	318
Chinese Yuan	88	73	62	58
US Dollar	133	50	88	16
Japanese Yen	6	24	26	37
Other Currencies	29	31	37	29
Total (€ equivalent)	1,062	794	648	458

(*) Not including lease liabilities as per IFRS 16 first time adoption (simplified approach)
Certain totals in the tables included in this document may not add due to rounding

CAPEX AND R&D

€M	Q1 '19	Q1 '18
Capital expenditures	135	121
of which capitalized development costs[12] (A)	65	57
Research and development costs expensed (B)	154	149
Total research and development (A+B)	219	206
Amortization of capitalized development costs (C)	31	24
Research and development costs as recognized in the consolidated income statement (B+C)	185	173

Certain totals in the tables included in this document may not add due to rounding

Note: (12) Capitalized as intangible assets during the quarter

non-GAAP FINANCIAL MEASURES

Operations are monitored through the use of various non-GAAP financial measures that may not be comparable to other similarly titled measures of other companies.

Accordingly, investors and analysts should exercise appropriate caution in comparing these supplemental financial measures to similarly titled financial measures reported by other companies.

We believe that these supplemental financial measures provide comparable measures of our financial performance which then facilitate management's ability to identify operational trends, as well as make decisions regarding future spending, resource allocations and other operational decisions.

Reconciliations are only provided to the most directly comparable IFRS financial statement line item for Adjusted EBITDA, Adjusted EBIT and Adjusted EPS diluted for historical periods, as the income or expense excluded from these non-GAAP financial measures in accordance with our policy are, by definition, not predictable and uncertain.

non-GAAP financial measures

Total Net Revenues, EBITDA, adj. EBITDA, EBIT and adj. EBIT at constant currency eliminate the effects of changes in foreign currency (transaction and translation) and of foreign currency hedges.

EBITDA is defined as net profit before income tax expense, net financial expenses and depreciation and amortization. Adjusted EBITDA is defined as EBITDA as adjusted for certain income and costs which are significant in nature, expected to occur infrequently, and that management considers not reflective of ongoing operational activities.

Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT") represents EBIT as adjusted for certain income and costs which are significant in nature, expected to occur infrequently, and that management considers not reflective of ongoing operational activities.

Adjusted net profit represents net profit as adjusted for certain income and costs (net of tax effect) which are significant in nature, expected to occur infrequently, and that management considers not reflective of ongoing operational activities.

Adjusted earnings per share diluted represents earnings per share as adjusted for certain income and costs (net of tax effect) which are significant in nature, expected to occur infrequently, and that management considers not reflective of ongoing operational activities.

Net Industrial Debt is defined as total Debt less Cash and cash equivalents (Net Debt), further adjusted to exclude the debt and cash and cash equivalents related to our financial services activities (Net Debt of Financial Services Activities).

Free Cash Flow is defined as cash flows from operating activities less investments in property, plant and equipment and intangible assets. Free Cash Flow from Industrial Activities is defined as Free Cash Flow adjusted to exclude the operating cash flow from our financial services activities (Free Cash Flow from Financial Services Activities).

KEY PERFORMANCE METRICS AND RECONCILIATIONS OF non-GAAP MEASURES

€M, unless otherwise stated	Q1 '19	Q1 '18
Net revenues	940	831
EBITDA	311	272
Adjustments	-	-
Adjusted EBITDA	311	272
of which Adj. EBITDA (Industrial Activities, only)	308	268
Amortization and depreciation	79	62
EBIT	232	210
Adjusted EBIT	232	210
Net financial expenses	7	4
Profit before taxes	225	206
Income tax expense / (benefit)	45	57
Effective tax rate	20.0%	27.9%
Net profit	180	149
Adjustments	-	-
Adjusted net profit	180	149
Basic EPS (€)	0.95	0.78
Diluted EPS (€)	0.95	0.78
Adjusted Basic EPS (€)	0.95	0.78
Adjusted Diluted EPS (€)	0.95	0.78

Certain totals in the tables included in this document may not add due to rounding.

RECONCILIATIONS OF non-GAAP MEASURES: TOTAL NET REVENUES AT CONSTANT AND CURRENT CURRENCY(8)

€M	Q1 '19 at current currency	Q1 '19 at constant currency
Cars and spare parts	735	718
Engines	58	58
Sponsorship, commercial and brand	128	124
Other	19	18
Total Net Revenues	940	918

Certain totals in the tables included in this document may not add due to rounding

Note: (8) The constant currency presentation eliminates the effects of changes in foreign currency (transaction and translation) and of foreign currency hedges

BASIC AND DILUTED EPS

€M (unless otherwise stated)	Q1 '19	Q1 '18
Net profit attributable to owners of the Company	178	148
Weighted average number of common shares (thousand)	187,680	188,846
Basic EPS (€)	0.95	0.78
Weighted average number of common shares for diluted earnings per common share (thousand)	188,478	189,651
Diluted EPS (€)	0.95	0.78

Certain totals in the tables included in this document may not add due to rounding

RECONCILIATIONS OF non-GAAP MEASURES: ADJUSTED EPS

€ per common share	Q1 '19	Q1 '18
Basic EPS	0.95	0.78
Adjustments	-	-
Adjusted EPS	0.95	0.78
Diluted EPS	0.95	0.78
Adjustments	-	-
Adjusted diluted EPS	0.95	0.78

Certain totals in the tables included in this document may not add due to rounding

RECONCILIATIONS OF non-GAAP MEASURES: FREE CASH FLOW AND FREE CASH FLOW FROM INDUSTRIAL ACTIVITIES

€M	Q1 '19	Q1 '18
Cash flow from operating activities	384	210
Investments in property, plant and equipment and intangible assets	(135)	(121)
Free Cash Flow	249	89
Free Cash Flow from Financial Services Activities	(33)	(2)
Free Cash Flow from Industrial Activities	282	91

Certain totals in the tables included in this document may not add due to rounding

RECONCILIATIONS OF non-GAAP MEASURES: NET INDUSTRIAL DEBT

€M	March 31, 2019	December 31, 2018
Debt	(2,064)	(1,927)
of which: Lease liabilities as per IFRS 16 first time adoption (simplified approach)	63	-
Cash and cash equivalents	1,062	794
Net Debt	(1,002)	(1,133)
Net Debt of Financial Services Activities	(810)	(763)
Net Industrial Debt	(192)	(370)

Certain totals in the tables included in this document may not add due to rounding