Ferrari

FY 2019 Results

February 4th, 2020

SAFE HARBOUR STATEMENT

This document, and in particular the section entitled "2020 Guidance" contain forward-looking statements. These statements may include terms such as "may", "will", "expect", "could", "should", "intend", "estimate", "anticipate", "believe", "continue", "remain", "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, emissions and safety standards, including the cost of compliance, and any required changes to its products; the challenges and costs of integrating hybrid and electric technology more broadly into Group's car portfolio over time; product warranties, product recalls and liability claims; 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.

2019 PERFORMANCE CONFIRMS STRONG MOMENTUM

2019 record results met upgraded targets

Revenues up 10.1% and operating profitability up 14.0%. Adjusted diluted EPS[(1)] of €3.71 (+9.1%). Industrial free cash flow generation[(1)] of €675 million boosted by advances on the Ferrari Monza SP1 and SP2

Rewarding shareholders: €195 million of dividend distribution and share repurchase program of €387 million executed in 2019

Unveiled the Ferrari Roma in November to complete the 5 launches of the year

Finalized and announced Brand Diversification strategy

Brand Finance Global 500 names Ferrari as the world's strongest brand for second consecutive year in 2020

2020 GUIDANCE UPGRADING PREVIOUS PLAN ACROSS ALL METRICS

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

EXPANDING THE FAMILY OF FERRARISTI

Ferrari F8 TRIBUTO

SF90 STRADALE

Ferrari F8 SPIDER

812 GTS

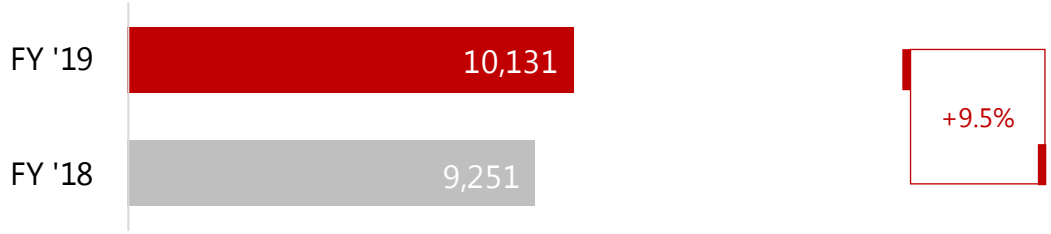
Ferrari Roma

2 NEW MODELS TO BE LAUNCHED IN 2020

FY 2019 HIGHLIGHTS

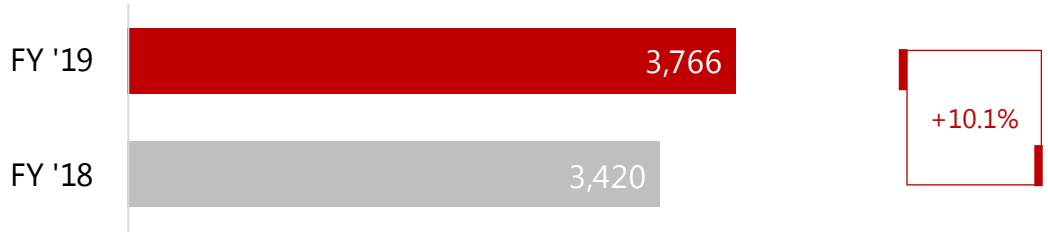
SHIPMENTS[2]

(UNITS)



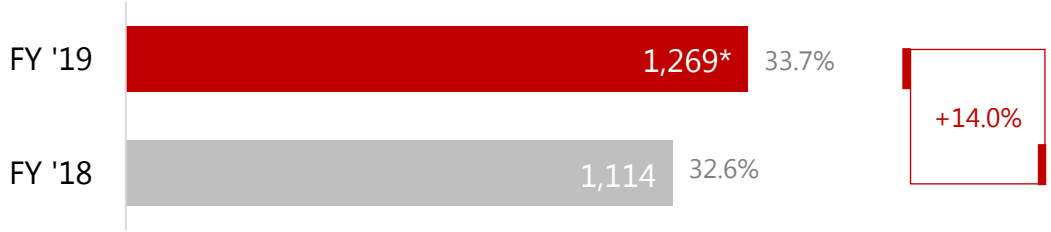
NET REVENUES

(€M)



ADJUSTED EBITDA[1]

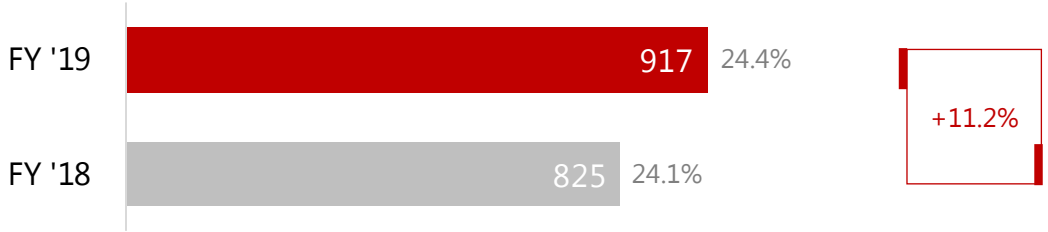
(€M and margin %)



*€17 million due to positive impact from IFRS 16 (first time adoption, simplified approach)

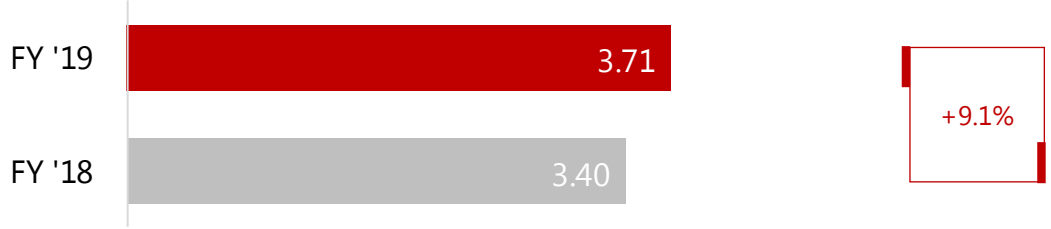
ADJUSTED EBIT[1]

(€M and margin %)



ADJUSTED DILUTED EARNINGS PER SHARE[1]

(€)



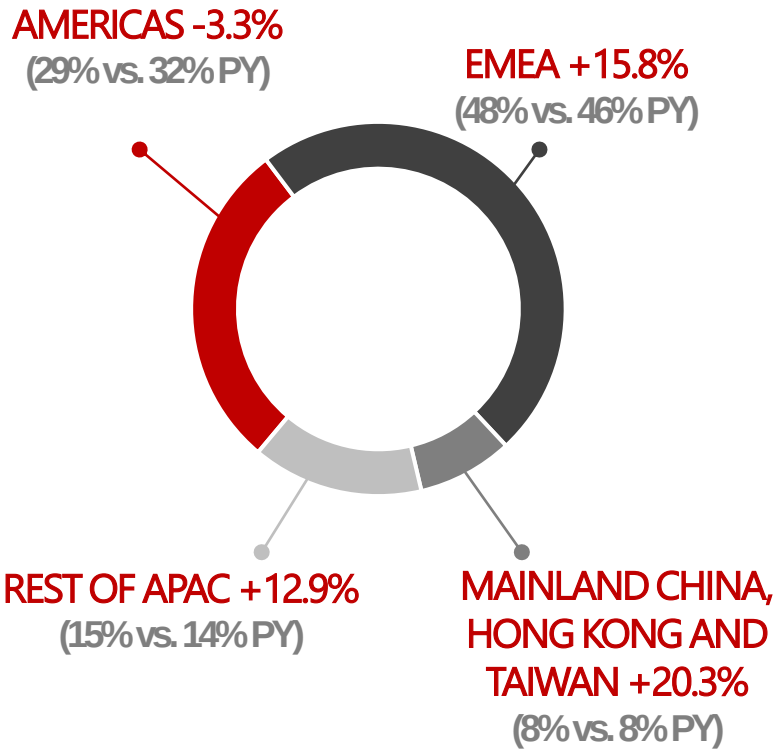
INDUSTRIAL FREE CASH FLOW[1]

(€M)

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

FY 2019 – SHIPMENTS[2]

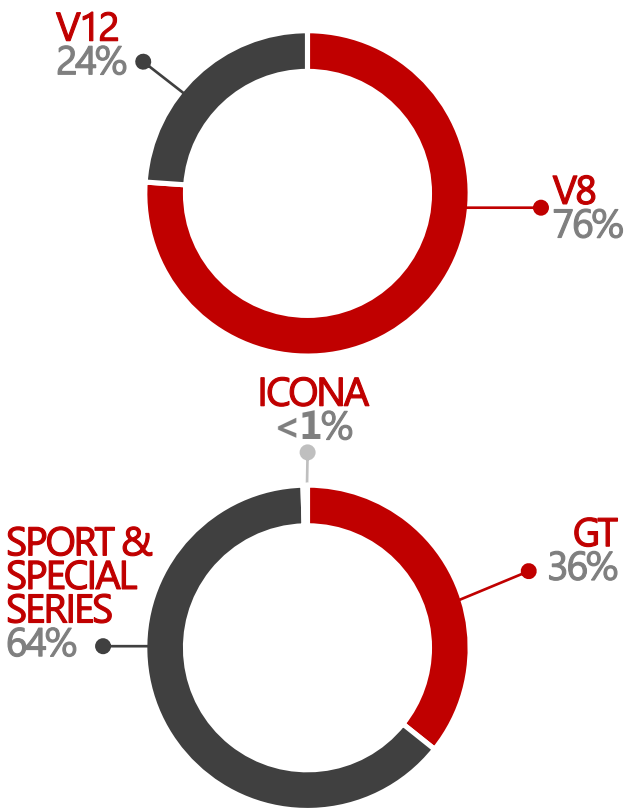
SHIPMENTS BY REGION[3]
(FY 2019 vs. FY 2018)



Total shipments increased by 880 units (+9.5% vs. PY) supported by an 11.2% increase in V8 models and a 4.6% one in V12 models:

- Robust deliveries for the Ferrari Portofino and the 812 Superfast
- Initial deliveries of the Ferrari Monza SP1 and SP2 as well as of the F8 Tributo in H2 2019
- The 488 GTB and the 488 Spider concluded their lifecycle, partially offset by the 488 Pista and the ramp up of the 488 Pista Spider
- Deliberate geographical rebalancing driven by product phase-in pace and waiting lists

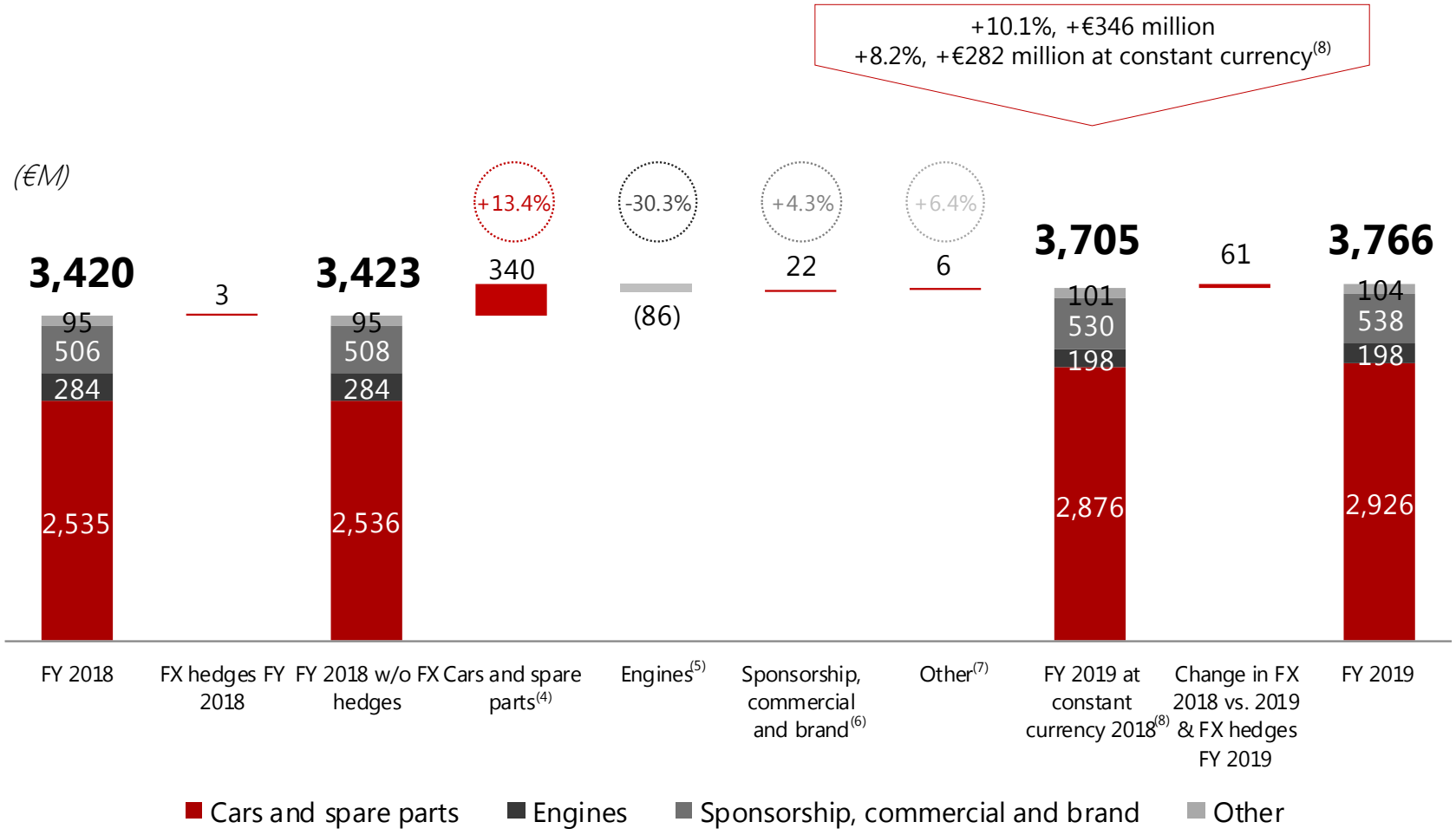
SHIPMENTS BREAKDOWN
(FY 2019)



CONTROLLING GROWTH ACROSS GEOGRAPHIES

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

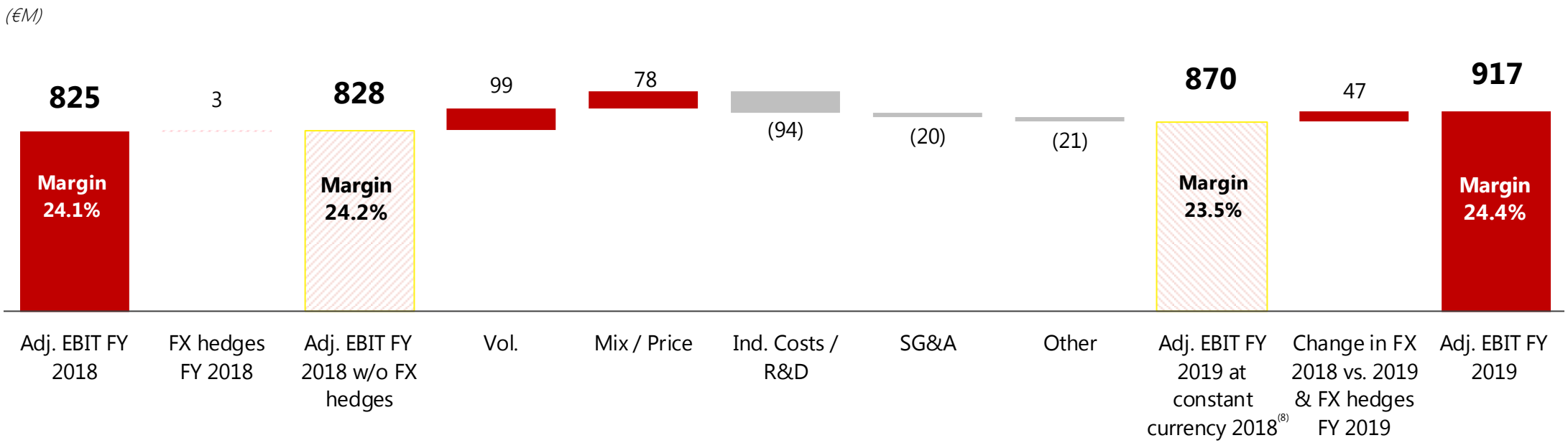
NET REVENUES BRIDGE FY 2018 – 2019



- **Cars and spare parts:** growth reflecting volume increase of the 488 Pista and 488 Pista Spider, the Ferrari Portofino, the 812 Superfast and the initial deliveries of the F8 Tributo. Positive contribution also from the Ferrari Monza SP1 and SP2 and personalization programs. This was partially offset by lower sales of the 488 GTB and the 488 Spider, as well as prior year shipments of LaFerrari Aperta and the Ferrari J50.
- **Engines:** reflecting lower shipments to Maserati
- **Sponsorship, commercial and brand:** higher revenues from Formula 1 racing activities
- **Currency:** 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 FY 2018 – 2019[1]

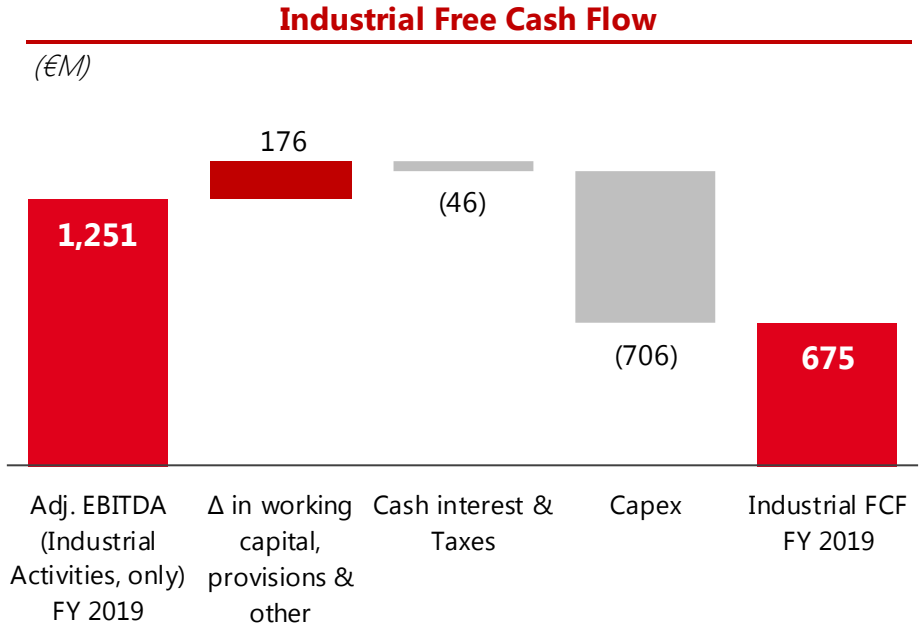


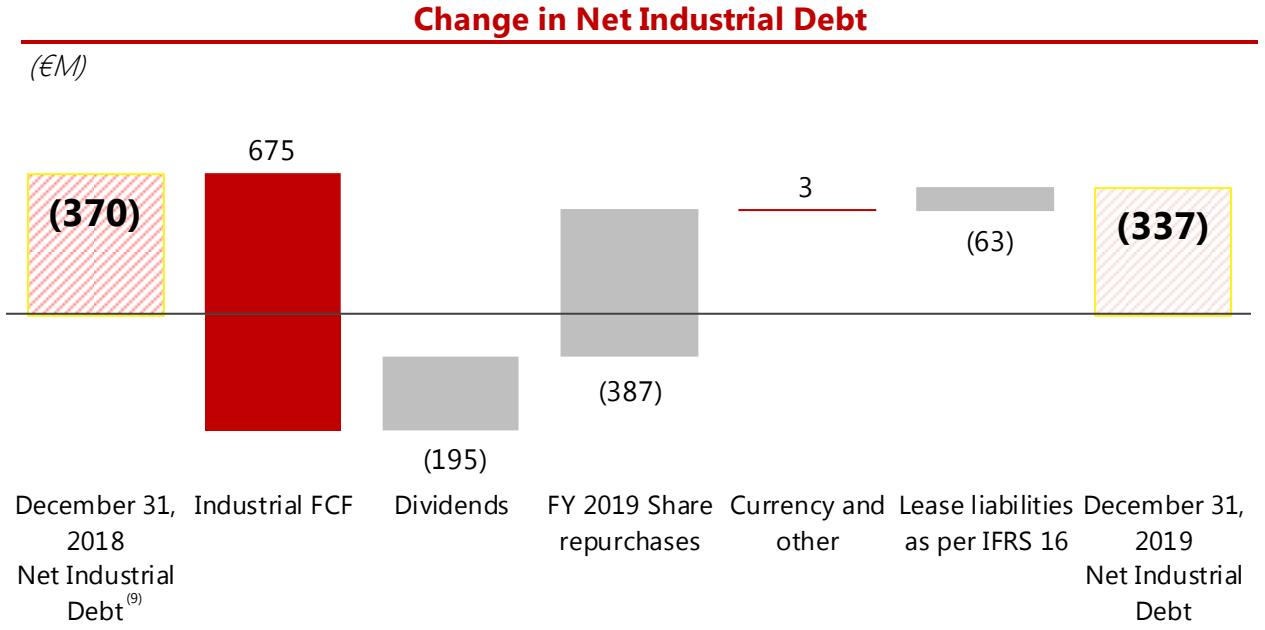
Adj. EBITDA	Adj. EBITDA w/o FX hedges	Adj. EBITDA at constant curr. 2019[8]	Adj. EBITDA
1,114	1,117	1,222	1,269
32.6%	32.6%	33.0%	33.7%

- Volume reflecting shipments increase
- Mix / price performance due primarily to the initial deliveries of the Ferrari Monza SP1 and SP2 along with the impact of personalization programs, partially offset by a negative range product mix as well as prior year shipments of LaFerrari Aperta and the Ferrari J50
- Industrial costs / R&D grew mainly due to product innovation activities and Formula 1, higher operational startup expenses in connection with the introduction of new models as well as higher depreciation and amortization of fixed assets
- SG&A increased mainly due to new product launches as well as to support the Company's organizational development
- Other decreased due to lower engine sales to Maserati and other supporting activities

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(1) BRIDGES DEC 31, 2018 – DEC 31, 2019





Δ vs. FY '18	+153	+168	+47	(68)	+300	+300	(59)	(287)	+4	(63)

- Strong collection of advances on the Ferrari Monza SP1 and SP2
- Patent Box benefit
- Phasing of some infrastructural investments between 2019 and 2020

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

2020 GUIDANCE UPGRADING PREVIOUS PLAN ACROSS ALL METRICS

(€B, unless otherwise stated)	2020 PLAN	2020 GUIDANCE
NET REVENUES	>3.8	>4.1
ADJ. EBITDA (margin %)	>1.3 ~34%	1.38-1.43 ≥34%
ADJ. EBIT (margin %)	>0.9 ~24%	0.95-1.0 ~24%
ADJ. DILUTED EPS (€)	>3.40(10)	3.90-3.95(11)
IND. FCF	>0.4	≥0.4

Note: (10) Calculated using the weighted average diluted number of common shares as of June 30, 2018
(11) Calculated using the diluted number of common shares as of December 31, 2019 (186,052 thousand)

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 common shares as of June 30, 2018*
11. *Calculated using the diluted number of common shares as of December 31, 2019 (186,052 thousand)*

STRONG TRACK-RECORD IN NEW MODELS INTRODUCTION

Range models introduced or announced

Model / Year of delivery	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
SPORT RANGE																
F430																
F430 Spider																
599 GTB Fiorano																
458 Italia																
458 Spider																
F12berlinetta																
488 GTB																
488 Spider																
812 Superfast																
F8 Tributo																
SF90 Stradale																
812 GTS																
F8 Spider																
GRAN TURISMO RANGE																
612 Scaglietti																
California																
FF																
California 30																
California T																
GTC4Lusso																
GTC4Lusso T																
Portofino																
Roma																

STRONG TRACK-RECORD IN NEW MODELS INTRODUCTION

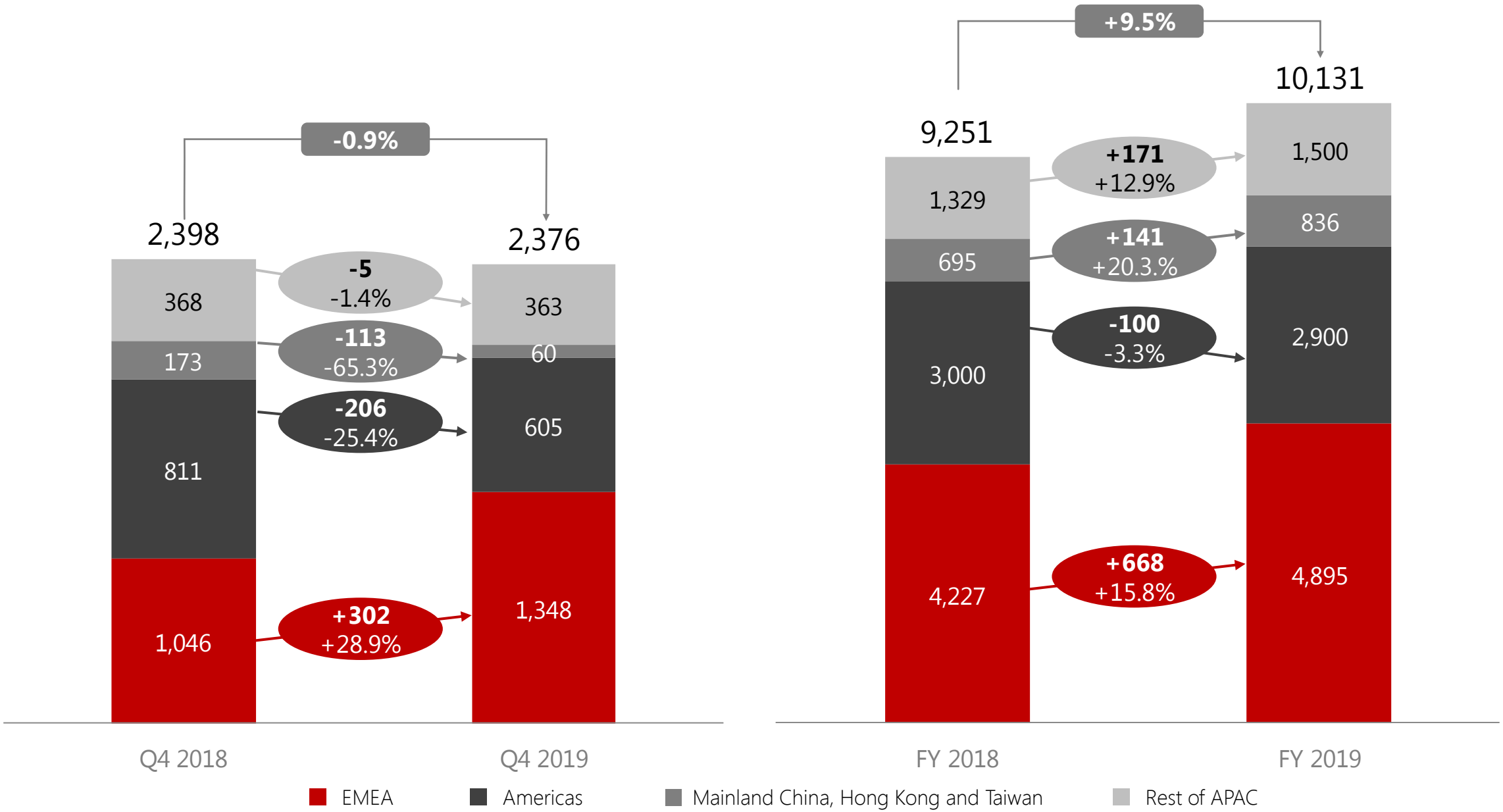
Special and Limited edition models introduced or announced

Model / Year of delivery	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
HYPERCAR																
LaFerrari																
LaFerrari Aperta																
TRACK CARS																
FXX K(12)																
FXX K EVO(12)																
FUORISERIE																
F60 America(12)																
J50(12)																

Note: (12) Models not included in the total shipments' figure provided

GROUP SHIPMENTS BY REGION(2)(3)



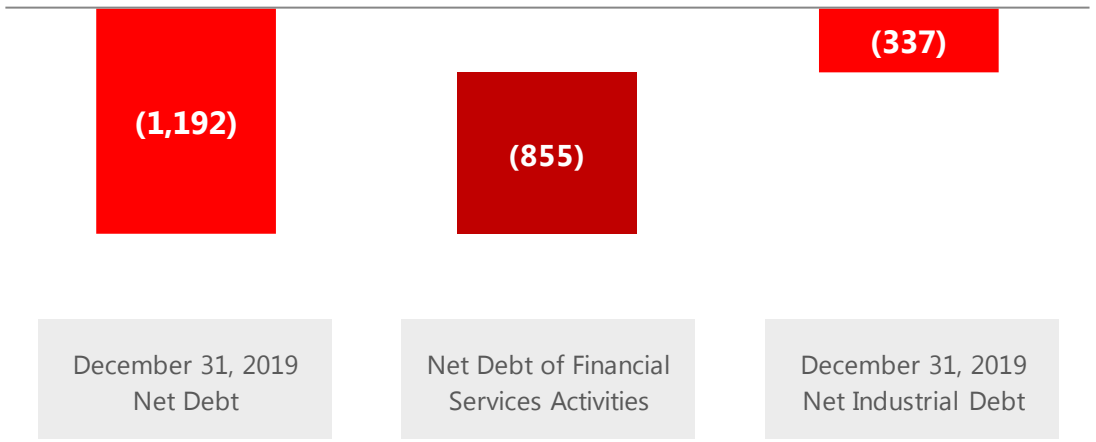
Note: (2) (3) Refer to notes to the presentation in the Appendix
Graphs not to scale.

DEBT AND LIQUIDITY POSITION

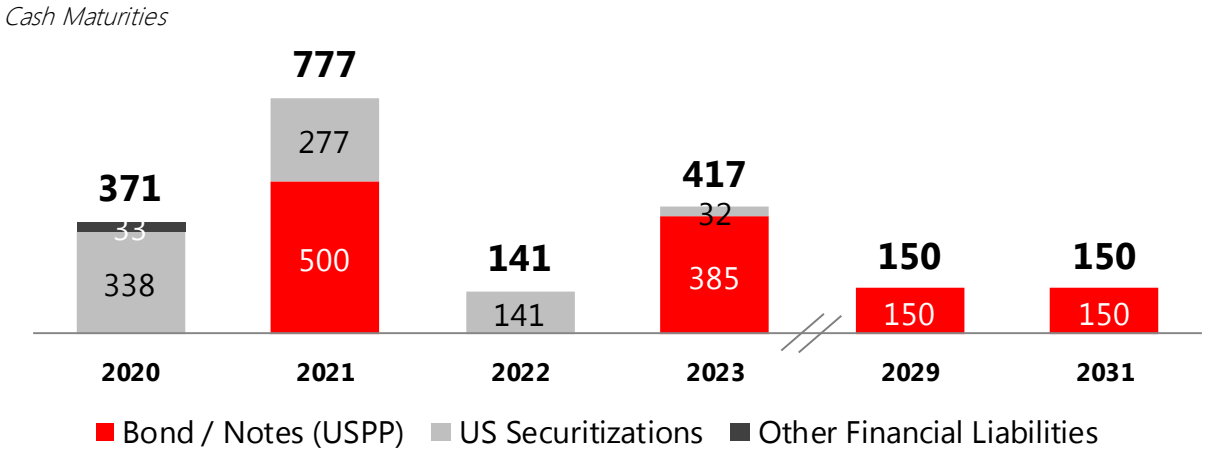
Net Industrial Debt (€M)

(€M)	At Dec. 31 2019	2018	2017	2016
Debt	(2,090)	(1,927)	(1,806)	(1,848)
Cash & Cash Equivalents (A)	898	794	648	458
Net Debt	(1,192)	(1,133)	(1,158)	(1,390)
Net Debt of Financial Services Activities	(855)	(763)	(650)	(700)
Net Industrial Debt	(337)	(370)	(508)	(690)
Undrawn Committed Credit Lines (B)	350	500	500	500
Total Available Liquidity (A+B)	1,248	1,294	1,148	958

Net Industrial Debt (€M)



Gross Debt Maturity Profile(*) (€M)



Cash and Marketable Securities (€M)

(€M)	2019	2018	2017	2016
Euro	690	616	435	318
Chinese Yuan	110	73	62	58
US Dollar	63	50	88	16
Japanese Yen	12	24	26	37
Other Currencies	23	31	37	29
Total (€ equivalent)	898	794	648	458

(*) Not including lease liabilities
Certain totals in the tables included in this document may not add due to rounding

CAPEX AND R&D

Q4 '19	Q4 '18	€M	FY '19	FY '18
253	236	Capital expenditures	706	639
102	102	of which capitalized development costs[13] (A)	330	318
136	131	Research and development costs expensed (B)	559	528
238	233	Total research and development (A+B)	889	846
46	30	Amortization of capitalized development costs (C)	140	115
182	161	Research and development costs as recognized in the consolidated income statement (B+C)	699	643

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

Note: (13) Capitalized as intangible assets

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

Q4 '19	Q4 '18	€M, unless otherwise stated	FY '19	FY '18
927	845	Net revenues	3,766	3,420
333	274	EBITDA	1,269	1,115
-	-	Adjustments	-	(1)
333	274	Adjusted EBITDA	1,269	1,114
328	271	of which Adj. EBITDA (Industrial Activities, only)	1,251	1,098
114	79	Amortization and depreciation	352	289
219	195	EBIT	917	826
219	195	Adjusted EBIT	917	825
10	8	Net financial expenses	42	23
209	187	Profit before taxes	875	803
43	(4)	Income tax expense / (benefit)	176	16
20.8%	n.m.	Effective tax rate	20.2%	2.0%
166	191	Net profit	699	787
-	-	Adjustments	-	(142)
166	191	Adjusted net profit	699	645
0.90	1.01	Basic EPS (€)	3.73	4.16
0.90	1.00	Diluted EPS (€)	3.71	4.14
0.90	1.01	Adjusted Basic EPS (€)	3.73	3.41
0.90	1.00	Adjusted Diluted EPS (€)	3.71	3.40

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 CURRENCY(9)

Q4 '19	Q4 '19 at constant currency	€M	FY '19	FY '19 at constant currency
717	710	Cars and spare parts	2,926	2,876
41	41	Engines	198	198
144	143	Sponsorship, commercial and brand	538	530
25	25	Other	104	101
927	919	Total Net Revenues	3,766	3,705

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

Note: (9) The constant currency presentation eliminates the effects of changes in foreign currency (transaction and translation) and of foreign currency hedges

RECONCILIATIONS OF non-GAAP MEASURES: ADJUSTED EBIT

Q4 '19	Q4 '18	€M	FY '19	FY '18
219	195	EBIT	917	826
-	-	Release of charges for Takata airbag inflator recalls	-	(1)
219	195	Adjusted EBIT	917	825

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

RECONCILIATIONS OF non-GAAP MEASURES: ADJUSTED EBITDA

Q4 '19	Q4 '18	€M	FY '19	FY '18
333	274	EBITDA	1,269	1,115
-	-	Release of charges for Takata airbag inflator recalls	-	(1)
333	274	Adjusted EBITDA	1,269	1,114

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

RECONCILIATIONS OF non-GAAP MEASURES: ADJUSTED NET PROFIT

Q4 '19	Q4 '18	€M	FY '19	FY '18
166	191	Net profit	699	787
-	-	Patent Box benefit for the period 2015-2017	-	(141)
-	-	Release of charges for Takata airbag inflator recalls (net of tax effect)	-	(1)
166	191	Adjusted net profit	699	645

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

BASIC AND DILUTED EPS

Q4 '19	Q4 '18	€M, unless otherwise stated	FY '19	FY '18
167	190	Net profit attributable to owners of the Company	696	785
185,492	188,294	Weighted average number of common shares (thousand)	186,767	188,606
0.90	1.01	Basic EPS (€)	3.73	4.16
186,260	189,081	Weighted average number of common shares for diluted earnings per common share (thousand)	187,535	189,394
0.90	1.00	Diluted EPS (€)	3.71	4.14

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

Note: For the three and twelve months ended December 31, 2019 and 2018 the weighted average number of common shares for diluted earnings per share was increased to take into consideration the theoretical effect of the potential common shares that would be issued under the Company's equity incentive plans (assuming 100 percent of the related awards vested).

RECONCILIATIONS OF non-GAAP MEASURES: ADJUSTED EPS

Q4 '19	Q4 '18	€ per common share	FY '19	FY '18
0.90	1.01	Basic EPS	3.73	4.16
-	-	Patent Box benefit for the period 2015-2017	-	(0.74)
-	-	Release of charges for Takata airbag inflator recalls (net of tax effect)	-	(0.01)
0.90	1.01	Adjusted EPS	3.73	3.41
0.90	1.00	Diluted EPS	3.71	4.14
-	-	Patent Box benefit for the period 2015-2017	-	(0.74)
-	-	Release of charges for Takata airbag inflator recalls (net of tax effect)	-	(0.01)
0.90	1.00	Adjusted diluted EPS	3.71	3.40

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

Q4 '19	Q4 '18	€M	FY '19	FY '18
357	315	Cash flow from operating activities	1,306	934
(253)	(236)	Investments in property, plant and equipment and intangible assets	(706)	(639)
104	79	Free Cash Flow	600	295
(12)	(32)	Free Cash Flow from Financial Services Activities	(75)	(80)
116	111	Free Cash Flow from Industrial Activities(14)	675	375

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

Note: (14) Free Cash Flow from Industrial Activities for the three and twelve months ended December 31, 2018, include Euro 1 million of quick refund to shareholders due to eligibility for withholding exemption

RECONCILIATIONS OF non-GAAP MEASURES: NET INDUSTRIAL DEBT

€M	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Debt	2,090	(1,927)	(1,806)	(1,848)
of which: Lease liabilities as per IFRS 16 (simplified approach)	60	-	-	-
Cash and cash equivalents	898	794	648	458
Net Debt	(1,192)	(1,133)	(1,158)	(1,390)
Net Debt of Financial Services Activities	(855)	(763)	(650)	(700)
Net Industrial Debt	(337)	(370)	(508)	(690)

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