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Ferrari's profits up 34% to €537 million. Sales up 10%. 8,398 cars shipped.

A record year for the "Prancing Horse"

New plan in September. Shares (+7.46%) top €100

By GIACOMO BERBENNI

For Ferrari, 2017 was another record year in terms of financial results. Net profit leapt 34% on an annual basis to €537 million, while for the fourth quarter the rise was 24%, to €136 million. Annual sales grew 10% to €3,417 million, and rose slightly (+1%) for the quarter, to €840 million. In 2017 earnings before interest, taxes, depreciation and amortisation (EBITDA) improved by 23%, to €1,036 million (for the quarter +16%, to €258 million). Net industrial debt fell to €473 million, from €653 million at December 2016. The Board proposed a coupon of €0.71 per share, for a total value of €134 million.

Over the 12 months 8,398 vehicles were shipped (+5%). The result was driven by a 25.1% increase in 12-cylinder models, with 8-cylinder models remaining stable. This year the "Prancing Horse" estimates net revenues of over €3.4 billion and adjusted EBITDA of €1.1 billion. Deliveries are expected to top 9,000 units, including the Supercars. Indebtedness is estimated to stay below €400 million, falling to zero by 2021.

The Chairman and Chief Executive Officer, Sergio Marchionne welcomed the results and announced that the business plan to 2022 will probably be illustrated in September, and in any case in the third quarter. Ferrari's secret will lie in combining technology and market presence. "We need to work with the dealers", he repeated several times, pointing out that this is a period for executive action and fine-tuning of strategy. Ferrari expects to double its adjusted EBITDA by the end of 2022, but this won't happen by doubling volumes, Marchionne pointed out. On the contrary, the company will focus on improving margins, on prices and on rationalising some of its activities. Marchionne observed that Ferrari had exceeded the targets indicated at the time of the IPO. "I'm happy with where we are, happy with what we've achieved. 2017 was a good year".

In the stock markets, Ferrari stocks jumped by 7.46%, taking them over the €100 mark to €103.20. Volumes are high: 2,774 million shares were traded, or 1.4% of capital. Analysts are optimistic. Jefferies is confident about Ferrari stocks (buy, target price €110) after the accounts were "slightly better on the earnings and margins side" and accompanied by a medium-term outlook "well ahead of consensus". Angelo Meda, head of equities at Banor SIM, is of the view that the market was favourably impressed by the official targets to 2022, which confirm future growth.

Another expert mentioned the guidelines for this year, which are characterised by better debt levels than estimated, while earnings for 2017 were a positive surprise. © All rights reserved



Ferrari stocks