



FERRARI N.V.
ANNUAL GENERAL MEETING

Address from Chairman and CEO
Sergio Marchionne

Amsterdam, 13 April 2018



Good Morning Shareholders,

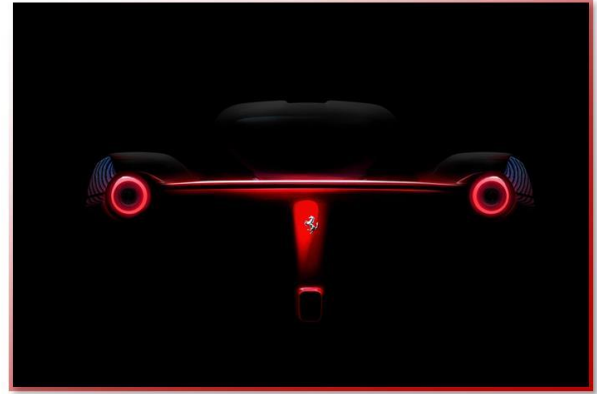
And welcome to Ferrari's 2018 Annual General Meeting.



2017 WAS ANOTHER RECORD YEAR



- Solid revenues of €3.4 billion (+10.0%) driving adj. EBIT⁽¹⁾ to €775 million (+22.7%)
- Two successful launches: the 812 Superfast and the Ferrari Portofino, further strengthening waiting lists
- “International Engine of the year” and “Red Dot: Best of the Best” design awarded for the second and third year running respectively
- Increasingly closer to our customers thanks to the 70 year anniversary celebrations globally
- Getting ready for the 2018 F1 season
- Dividend distribution proposal of €134 million or €0.71 per common share⁽²⁾



**WITH OVER €1 BILLION ADJ. EBITDA, TWO YEARS AHEAD OF THE IPO BUSINESS PLAN.
TARGETING €2 BILLION ADJ. EBITDA AND
€1.2 BILLION INDUSTRIAL FREE CASH FLOW NO LATER THAN 2022.**

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Note:(1) Reconciliations to non-gaap financial measures are provided in the appendix
(2) Subject to approval by the Shareholders at the 2018 Annual General Meeting

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Before going over our commercial performance and financial results, I just want to say a few words about what 2017 represented for us.

2017 marked Ferrari's 70th Anniversary. We were surprised and delighted by the enthusiasm and the extraordinary turnout, with tens of thousands of clients and fans participating in the yearlong tour of celebrations all over the world. Events were held in over 60 different countries, providing a truly vivid and unforgettable display of the brand's power.

We had one more reason to celebrate, as 2017 was another year of new fantastic models and a very good, solid financial performance. We continued our growth, offering the widest range of products ever, without compromising on our fundamental principles of exclusivity and leading technological innovation.



On the financial results side, Ferrari ended 2017 with a new record. Two years on from the listing on the U.S. and Italian stock markets, we can confirm that we have not only kept our promises but in certain instance exceeded our own plans. In fact, our adjusted EBITDA grew to over a billion euro, with a margin of 30.3%, two years ahead of the IPO business plan.

As previously announced, based on these strong results, the Board of Directors has recommended a dividend of €71 cents per common share, corresponding to a total dividend of approximately €134 million, subject to the approval of the Company's Shareholders at this meeting.



2017 PRODUCT LAUNCHES



Ferrari
Portofino



812superfast



Ferrari **FXXK** *EVO*

CONTINUOUSLY STRENGTHENING OUR WAITING LIST

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In 2017 we launched three new cars, designed to meet the requirements of very diverse clients:

- the 812 Superfast, our most powerful and fastest road model ever,
- the Ferrari Portofino, which tops our V8 GT range, and
- the FXX-K Evo, a track-only "laboratory car" unveiled at the Finali Mondiali in Mugello.

Ferrari's technical prowess was, once more, recognized with the automotive industry's most important accolade, the International Engine of the Year award, for the second consecutive year. This is an important acknowledgement of our leading-edge technology as it is one of the most sought-after plaudits in the car industry. The award was won by the 3.9-litre V8 power unit from the 488 family, for the new benchmarks it set in the turbo engine segment.



We are, of course, just as determined to create equally impressive hybrid engines for the Ferraris of the future. In 2018 we will lay the groundwork of our future strategy, which will include hybrid technology as well as new models designed to meet the needs of a GT group of customers, which have not been fully addressed yet. In doing so, we will stay true to our strong DNA, ensuring that, whichever technology we use, we will always provide our customers with a unique driving experience, as Ferrari has always done.



2017 HIGHLIGHTS



- Total shipments increased by 384 units (+4.8% vs. PY) mainly driven by 25.1% increase in V12 models while V8 models were in line with prior year:
- The 488 and the GTC4Lusso families posted a solid performance
 - LaFerrari Aperta fully contributing and yet to finish its limited series run
 - The 812 Superfast approaching global reach
 - The California T and the F12berlinetta phased-out. The F12tdf finished its limited series run
 - Deliveries of the newly launched Ferrari Portofino will commence in Q2 2018



- Net revenues up 10.0% (11.2% at constant currencies)
- Cars and spare parts leading the way with mix and pricing as well as volumes
 - Solid Engines performance, mainly attributable to strong sales to Maserati
 - Partially offset by the deconsolidation of the European Financial Services business (November 2016)



Adjusted EBITDA⁽¹⁾ grew by 17.8%, primarily driven by positive mix thanks to LaFerrari Aperta as well as strong performance from product range models, higher volumes and engines to Maserati. This was partially offset by higher SG&A and R&D expenses for innovation, components and hybrid technology.



Adjusted EBIT⁽¹⁾ margin increased by 230 bps thanks to adjusted EBITDA⁽¹⁾, partially offset by higher D&A mainly attributable to the 812 Superfast and the GTC4Lusso family



Industrial free cash flow⁽¹⁾ driven by strong adjusted EBITDA⁽¹⁾, partially offset by capex, tax payments (FY 2016 balance and FY 2017 advances) and lack of contribution from advances of LaFerrari Aperta



Net industrial debt⁽¹⁾ reduced to €473 million primarily due to industrial free cash flow⁽¹⁾ generation, partially offset by cash distribution of €120 million

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Note: (1) Reconciliations to non-gaap financial measures are provided in the appendix. Certain totals in the tables included in this document may not add due to rounding.

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Looking at the **results** for 2017, Ferrari closed the year with record performance, and well in excess of our guidance.

Net revenues were up 10% to €3.4 billion, mainly driven by Cars and spare parts as well as Engines.

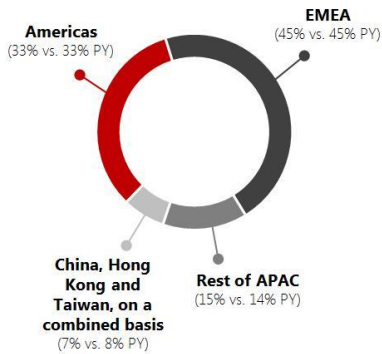
Adjusted EBITDA, as mentioned, increased 17.8% to over €1 billion with 30.3% margin. **Adjusted EBIT** reached €775 million with a margin increase of 230 basis points to 22.7%.

Free cash flow generation for the year was primarily driven by the strong increase in cash from operating activities.

We also further reduced our **net industrial debt** to €473 million, which represents a 27.5% improvement from year-end 2016.



2017 – SHIPMENTS BY REGION⁽³⁾



Americas +4.6%

- USA – in Ferrari's single largest market shipments increased by 2.8% driven by a strong performance of the 488 family and the GTC4Lusso, as well as the limited edition LaFerrari Aperta. This was partially offset by the California T and the F12berlinetta phase-out and the F12tdf that finished its limited series run.
- The GTC4Lusso T and the 812 Superfast arrived on the market in Q4 2017

EMEA: +3.5%

- UK – shipments up almost 10% supported by the 488 and the GTC4Lusso families, as well as the 812 Superfast, partially offset by the California T and the F12berlinetta phase-out, as well as the F12tdf that finished its limited series run
- Italy (+15%), France (+13%) and Germany (+5%) recorded strong growth thanks to the 488 and the GTC4Lusso families as well as the 812 Superfast
- Other European countries up single-digit, while Middle East recorded a decrease due to a reallocation triggered by tough market conditions

China, Hong Kong and Taiwan, on a combined basis: flat

- China – up 11% supported by the GTC4Lusso family and V12 models
- Hong Kong – slowdown due to Ferrari's decision to terminate the distributor in Hong Kong in 2016 and the new dealership becoming fully operational in Q3 2017
- Taiwan – few units decrease due to the timing of new product launches

Rest of APAC: +12.3%

- Japan – up mid single-digit mostly thanks to the GTC4Lusso family, partially offset by the California T and the F12berlinetta phased-out
- Australia and Other APAC – shipments up double-digit supported by the 488 and the GTC4Lusso families

**SOLID PERFORMANCE OF THE 488 AND THE GTC4LUSSO FAMILIES AS WELL AS LAFERRARI APERTA.
812 SUPERFAST APPROACHING GLOBAL REACH**

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

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In terms of **geographical distribution**, all regions contributed positively thanks to the 488 and GTC4Lusso families as well as LaFerrari Aperta. Our biggest growth came in the Rest of APAC region, where shipments increased by more than 12%. We posted a strong performance in all other regions as well, with shipments increasing by 4.6% in Americas and by more than 3% in EMEA, providing further evidence that, even in our most established markets, Ferrari still has underexploited potential.

We remain committed to preserving the exclusivity of the Ferrari brand and upholding Enzo Ferrari's tenet to produce "one car less than what the market demands". However, we believe that the demand for Ferrari is robust and growing and we will seize opportunities offered by the market. If market conditions are right, we will consider increasing production volumes gradually and organically over the next few years.



2018 OUTLOOK



	2017 Actual	2018 Outlook	2018 Drivers
Shipments ⁽¹⁰⁾	8,398	> 9,000	Strong contribution from range models and new model launches
Net Revenues	€3.4 billion	> €3.4 billion	Top line growth driven by strong Volume, higher Sponsorship and better F1 ranking revenues, partially offset by lower LaFerrari Aperta, finishing its limited series run, and FX
Adj. EBITDA ⁽¹¹⁾	€1.04 billion	≥ €1.1 billion	Positive contribution from range models Volume, Sponsorship, better F1 ranking, lower industrial costs and R&D partially offset by lower LaFerrari Aperta, finishing its limited series run, and FX
Net Industrial Debt ⁽¹²⁾	€473 ⁽¹¹⁾ million	< €400 ⁽¹²⁾ million	Strong adj. EBITDA, partially offset by capex, taxes, and dividend distributions to holders of common shares. Patent Box opportunity not included.
Capital Expenditures	€387 million	~ €550 million	Relevant capex increase to support broadening and hybridization of our product range in line with the expected volume growth over the 2019-2022 period

Note: (1) Reconciliations to non-gaap financial measures are provided in the appendix
(10) Including supercars

(11) Including a cash distribution to the holders of common shares

(12) Including a dividend distribution proposal to the holders of common shares and excluding potential share repurchases

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With regard to the near-term outlook, we have already given our guidance for the current year, with expected:

Shipments at approximately 9,000 units including supercars. This will be achieved with the strong contribution from range models and new model launches.

Net revenues at over Euro 3.4 billion driven by strong Volume, higher Sponsorship and better F1 ranking revenues, partially offset by lower LaFerrari Aperta, finishing its limited series run, and negative FX;

Adjusted EBITDA greater or equal to Euro 1.1 billion thanks to positive contribution from range models Volume, Sponsorship, better F1 ranking, lower industrial costs and R&D partially offset by lower LaFerrari Aperta and negative FX;



Net Industrial Debt lower than Euro 400 million, supported by positive Industrial Free Cash Flow generation thanks to strong adjusted EBITDA, partially offset by capex, taxes, and dividend distribution to holders of common shares. The Patent Box opportunity is not included.

And **Capital Expenditures** at roughly Euro 550 million. The increase is due to support the broadening and hybridization of our product range in line with the expected volume growth over the 2019-2022 period.



MID-TERM OUTLOOK



Adj. EBITDA

€2 billion
no later than
2022

Industrial FCF

€1.2 billion
no later than
2022

Net Industrial Debt^(*)

FREE
No later than
2021

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Note: (*) Including dividend/capital distributions and excluding share repurchases

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After thoroughly reviewing its current portfolio and all of its product development initiatives, the Group is targeting an **adjusted EBITDA** performance of Euro 2 billion and Euro 1.2 billion in **industrial free cash flow** no later than 2022 and to be **net industrial debt free** (after dividend/capital distributions and excluding share repurchases) no later than 2021.

* * *

I would like to conclude by thanking everyone at Ferrari for their professional and personal contribution over the past year and for what they continue to do for the future of our Group.

I would also like to thank all of you - our shareholders - for your continued support. I am convinced, more than ever, that there is much value left to create as we build on the innovation, passion and exclusivity that have made Ferrari the legend that it is today.

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