

# The Race for the Future: *Ferrari's* *Next Big Move*



## *Gravity Defiers*

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Executive Summary

Ferrari should not acquire Pirelli, but acquire SK On global EV battery developer to pursue its electrification goals



- Pirelli is an Italian tire manufacturing company, and the fifth largest tire manufacturer in the world.
- Tires are a necessity, but Ferrari already has strategic partnerships to meet its needs.



- Pirelli is currently valued at \$9,385M USD.
- Acquiring Pirelli would require over \$10,000M USD.
- Regardless of the \$4,335.15M in synergies, acquiring it at a fair valuation it will not give Ferrari any competitive edge financially given its low growth, inability to recover acquisition costs, while still needed to invest in EV's to achieve strategic objectives.



- Misalignment of operations, expertise and future direction make the acquisition unfeasible.
- Ferrari's brand would be diluted and its profitability greatly and it would still need to pursue further acquisitions to accomplish its objectives.

Ferrari should NOT AQUIRE Pirelli



- SK On is the battery subsidiary of SK Innovation and the fifth largest Battery Producer in the world.
- Have existing partnership with Ferrari as exclusive battery supplier
- Fits strategically with Ferrari's focus on integrating cutting-edge EV battery technology in its luxury offering.



- SK ON is currently valued at \$2,741 millions USD
- Acquiring SK ON could be achieved at a lower multiple, while earning \$4,907.66M in synergies
- Historical unprofitability would allow Ferrari to acquire at a lower multiple, and their strong growth rate and improving profitability would allow Ferrari to meet its targets.



- Aligned with Ferrari's long-term strategy and expands on Ferrari's abilities to provide personalized solutions for electric cars with its BaaS and ESaaS solutions
- Allows Ferrari to make quality batteries that complement its luxury offering for a growing electric automobile future

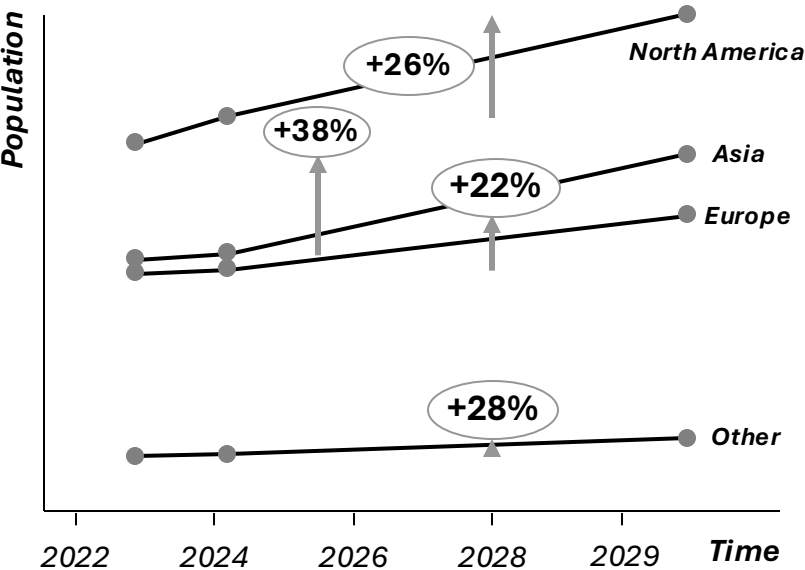
Ferrari should instead AQUIRE SK On

# Revving Up the Luxury Automotive Boom

How the rise of HNWIs is shifting gears in key sectors

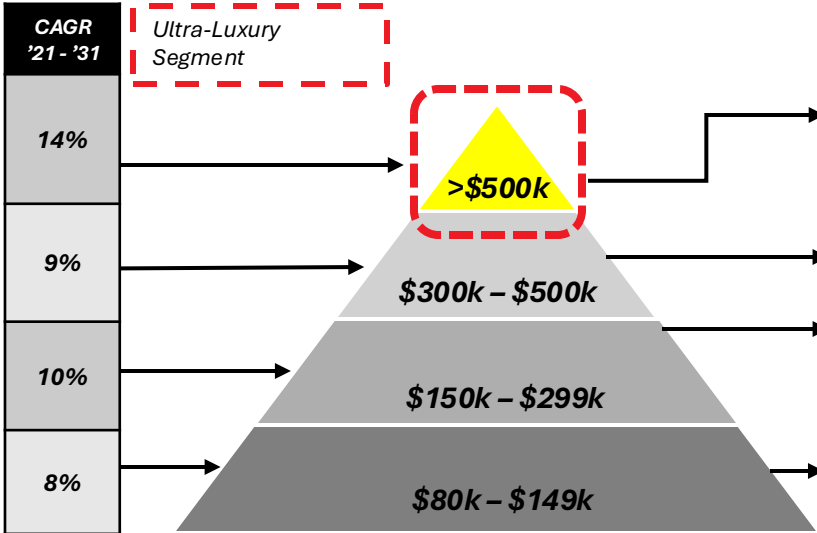


## Rising population of UHNWI Worldwide...



## ... leading to growth in key market segments

Segmentation of Luxury Car Market by Vehicle Cost Range



## ...the following market trends

**10+ new entrants**, global players from China, Europe, Japan, & the U.S.

Market shift towards **electrification**, driving **higher product launches**.

**SUV sales to 2X** as more OEMs introduce **EV SUVs**.

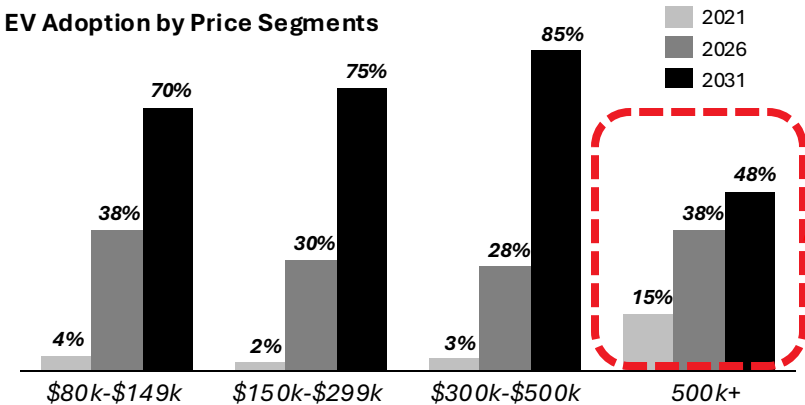
Increasing number of **luxury models released since 2021**.

**Increased competition** from new entrants expanding market size.

**Existing market players remain dominant** through frequent product launches.

## with a keen focus on electrification...

EV Adoption by Price Segments



(McKinsey & Company, 2022), (Knight Frank, 2024), (Forbes, 2023)

Slower transition to EVs as the **ICE segment remains a popular choice** due to discretionary and experiential value.

**EU's 2035 CO<sub>2</sub> emissions policy** outline automobile manufacturers to **cut emissions by 55% by 2030** and a **full transition to producing zero emissions vehicles by 2035**. Boutique manufacturers are exempt from both requirements, while **ultra luxury manufacturers** like Ferrari and McLaren are **exempt from the 2030 targets**.

## ... and a rise in popularity of SUVs

**50% of buyers prefer SUVs** for their next purchase

**10+ new BEV SUVs launching** in \$150K-\$500K segment by 2027

SUV Market Share: **25% → 40% (By 2031)**

\$500K+ SUV Sales: **15% → 50% (By 2031)**

## ...driving changes

**Growth drivers:** Shifting value pools, technology advancements, and evolving consumer preferences

**Effects:** Automakers expand EVs via DTC sales, Battery-as-a-Service, and OTA updates, while demand for ADAS, smart connectivity, and better batteries drives innovation.

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# EV Battery Market


EV Battery market presents high-growth opportunities, following global EV trends




## Growth Drivers of EV Battery Market



**Increasing Sales of EVs:** Rising demand, government incentives, stricter emissions regulations, driving EV adoption

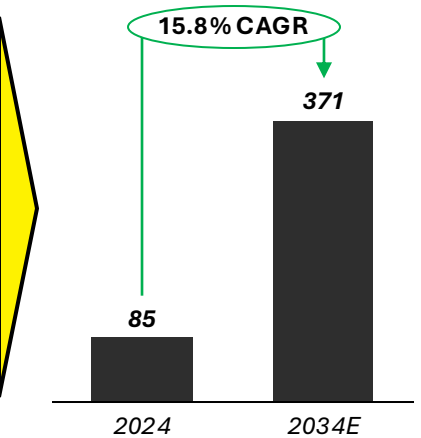


**Technology Advancements :** Innovation in battery chemistry & design, improving energy density, charging speed, lifespan, performance.





















**Expansion of Charging Infrastructure:** Growing investments in charging stations reducing range anxiety, making EVs more accessible.

## EV Battery Market Revenue

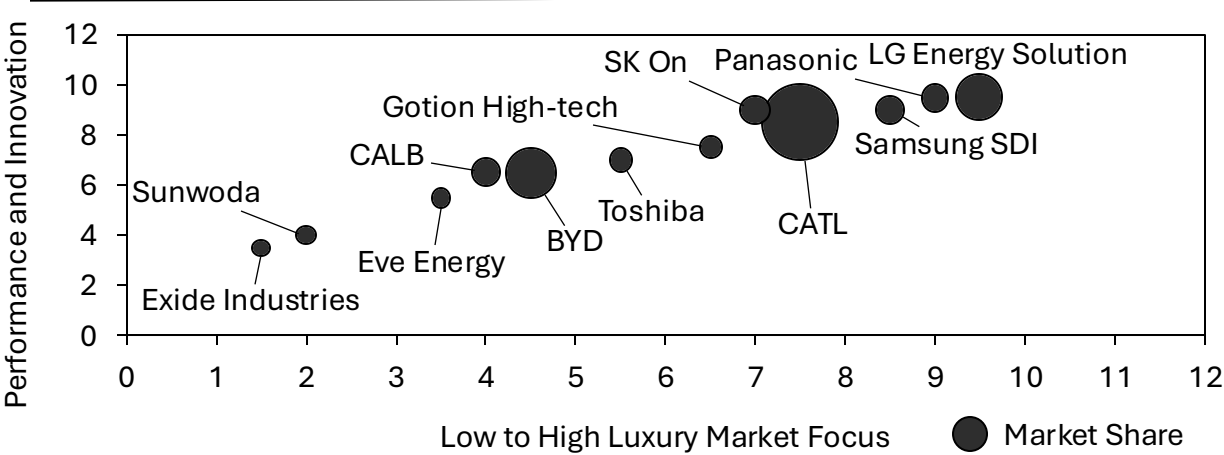


## Preparing for future EV Releases

Price Segment	Two-Seater Sports Cars	Sedans	SUVs
\$100K - \$200K	2028 	2026  	2025   2026  
\$200K - \$300K	2026  2028  2028 	2025  2027 	2026  2027 
\$300K - \$500K+		2025  2029 	2025  2027 

Increasing number of releases of electric cars, particularly electric SUVs

## Key Players



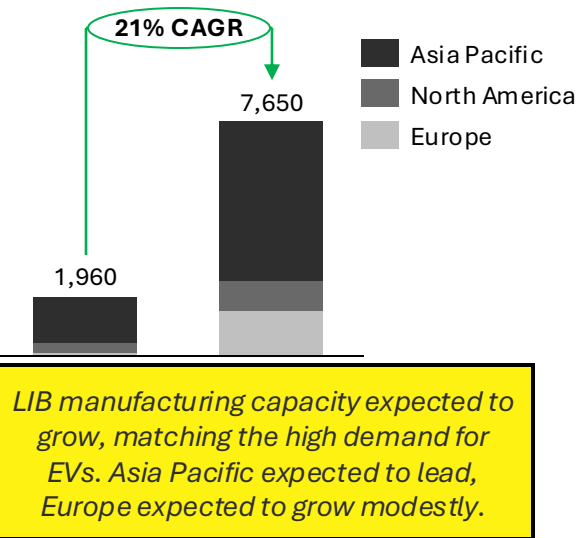
There are many key players in the EV Battery market, with varying levels of luxury market focus, and R&D investments in innovation

## EV Battery Trends

**Lithium-ion Battery:** dominates due to superior energy density, long lifespan, declining production costs.

**Solid-State Batteries for EVs:** Have the potential to be better than lithium-ion batteries in terms of energy density, safety and lifespan, however are more expensive to manufacture, and are still in process of being developed for EV's, expected around 2026-2027 for EVs.

## LIB manufacturing capacity



(Towards Automotive, 2025), (Software, D., 2023), (IRENA, 2024)



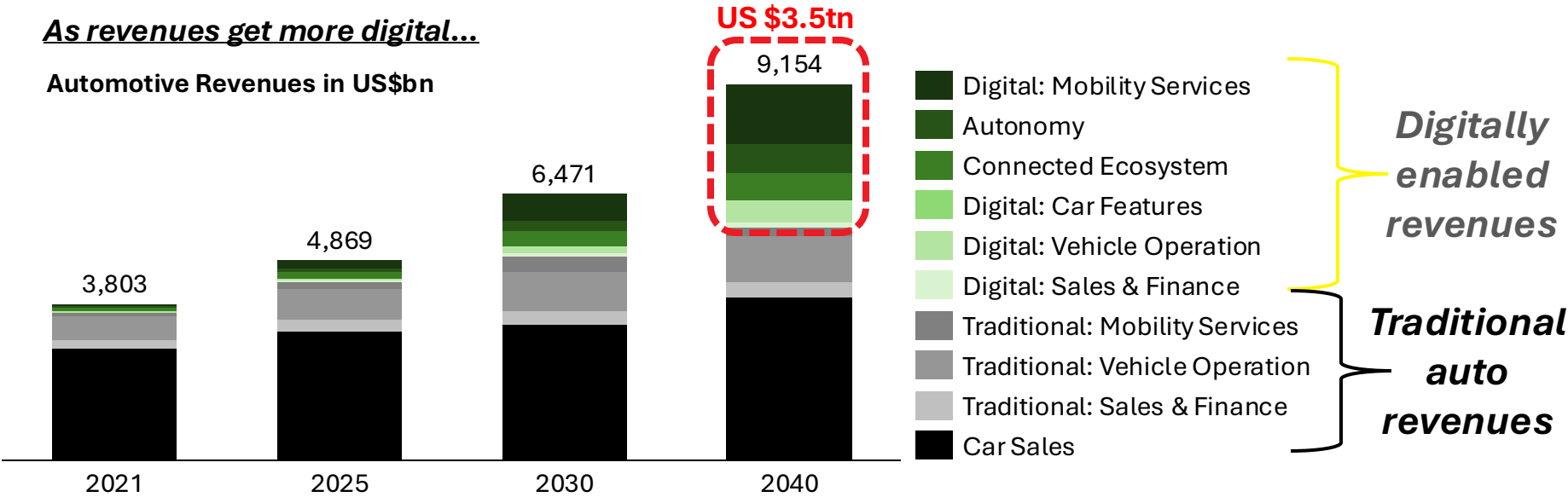
# Smarter Cars

A rise in digitization of the automobile industry



## As revenues get more digital...

Automotive Revenues in US\$bn



## Automobile suppliers look ahead...

Expansionary trends indicate the following approach to M&A activity:

- Complement hardware with software and data for ADAS
- Complement the Product & Technology Portfolio for E-Drive Supply
- Become a Comprehensive Solutions Provider in Specific Segments
- Enter OEM Supplier Market or New Regional Markets

## at rapidly growing supporting services & in target markets...

		EV Charging-as-a-service ('24 – '32)	18% CAGR	Advanced driver-assistance systems ('25 - '33)	18% CAGR	Battery-as-a-service ('23 - '30)	21% CAGR
EUROPE	Mature	More than 300,000 public and private charge points will be required by 2030.		Growing adoption could reduce the number of accidents by ~15% by 2030		30 new Battery Rental stations have opened across five countries, with more on the way.	
AMERICAS		Aim to install 500,000 universal public EV chargers nationwide by 2030.		Increasing market penetration (>90%) for several ADAS features		Expansion of startups like Ample due to >95% of EV electricity demand being for electric cars.	
ASIA	Developing	Usage of E4Ws and E2Ws are growing at soaring rates in emerging markets.		Increasing adoption in Japan and South Korea; increasing consumer preference in China.		Numerous startups within region, including key industry players like NIO.	

(Fortune Business Insights, 2024), (Accenture, 2022), (Global Market Insights, 2024), (Straits Research, 2024), (Kearney, 2021)

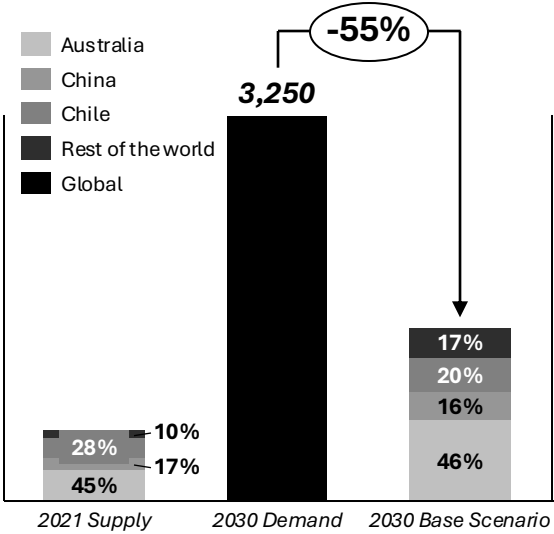
# Powering the engines of expansion

Supply chains, batteries, and the road ahead

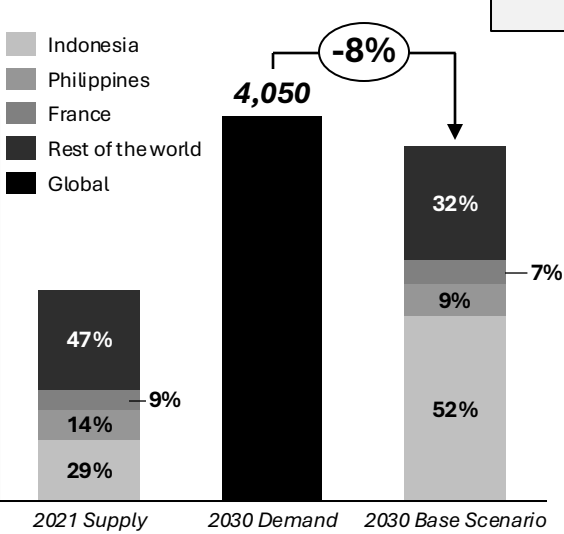


## While supply chain disruptions are anticipated ...

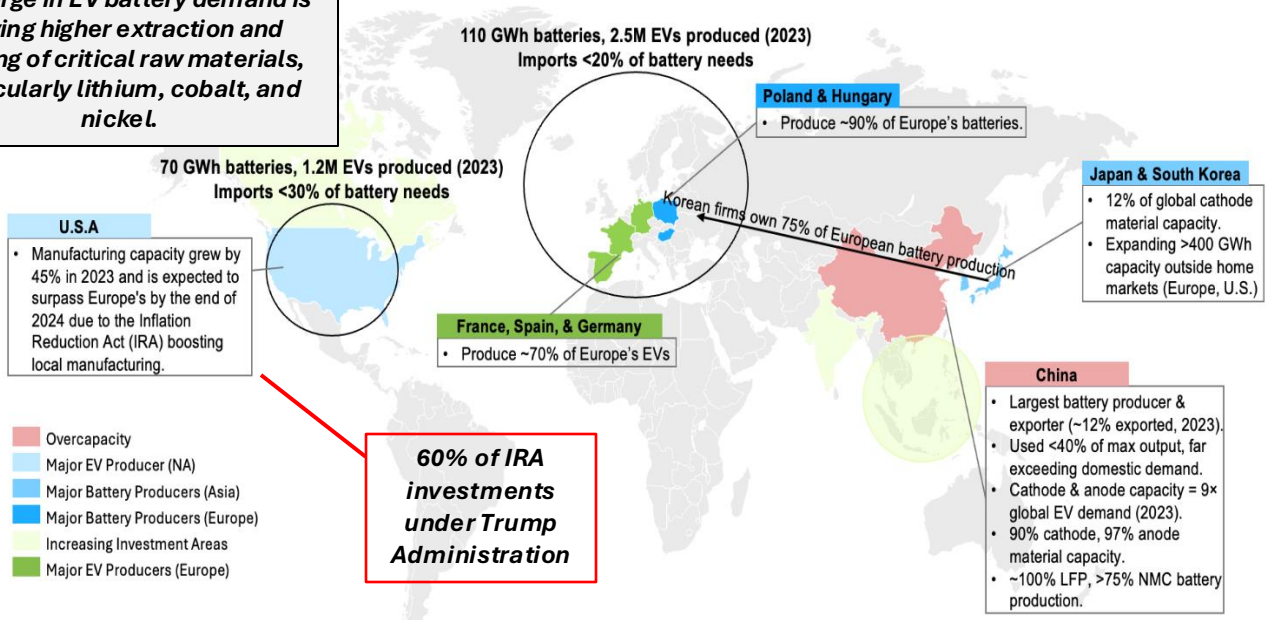
Lithium carbonate global equivalent demand 2030, supply 2021 & 2030, kt



Nickel global equivalent demand 2030, supply 2021 & 2030, kt

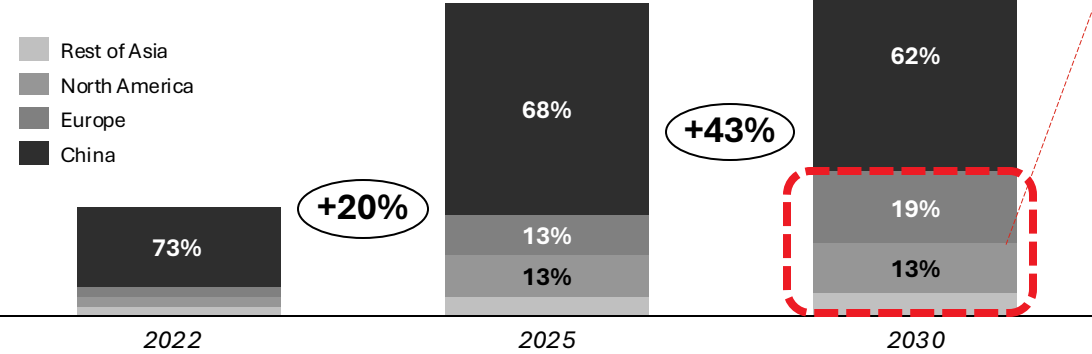


The surge in EV battery demand is driving higher extraction and refining of critical raw materials, particularly lithium, cobalt, and nickel.



## ... there is a push towards regionalisation.

Global announced nameplate capacity for Li-ion batteries, GWh/ year



(IEA, 2024), (McKinsey & Company, 2023)

Cell suppliers are expanding capacity in Europe, the U.S., and other key markets to be closer to automakers. By 2030, these regions could account for ~40% of global capacity.

Challenges like project delays, underutilized capacity, and reliance on long-term contracts suggest the market will remain supplier-dominated. China maintains significant overproduction capacity while Europe and North America may struggle to meet local demand.

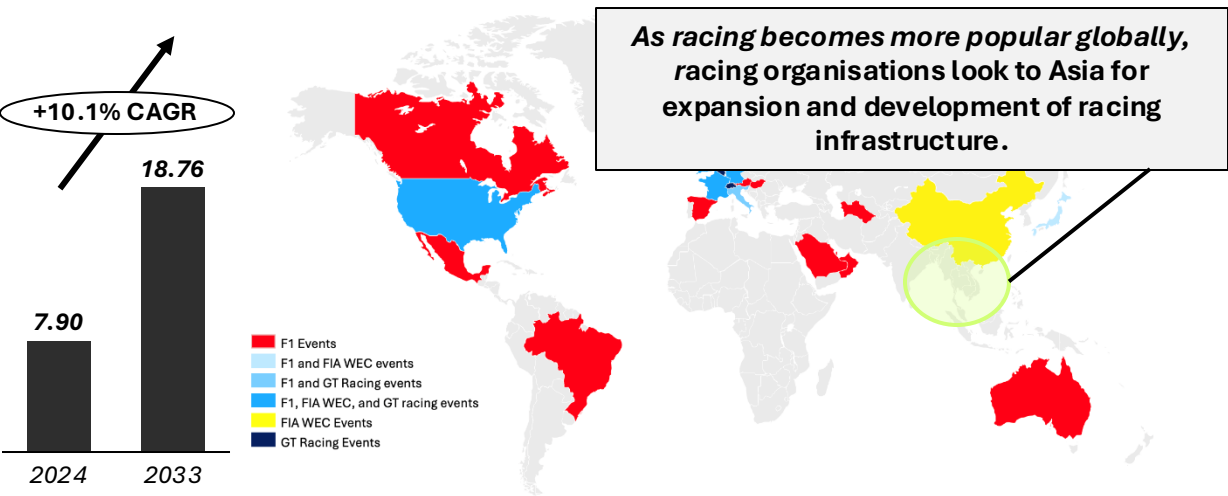
Overcoming challenges involves strategic sourcing of minerals, expanding on battery chemistries, improving supply chain resilience, and focusing on suppliers based on target markets.

# Racing into the Electric Future

Need for speed meets technology



## Motorsports market continues to grow...



## Companies explore increased opportunities...

E-Sports	New regulations like the FIA Esports Code and events such as the F4 Esports Global Championship and Olympic Esports Games highlight increasing integration of e-sports.
Sponsorship	The motorsports sponsorship market is growing at ~7% CAGR (2024-33), driven by diverse industry players and AI-driven data analytics for sponsorship management.
EV Racing	Formula E and Extreme E are gaining traction, with increasing industry participation and viewership.

Shift towards electrification of motorsports.

## As electrification leads the way...

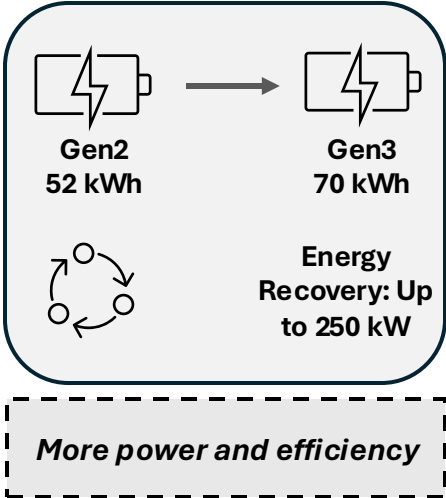
### E-Racing comes into its own...

**FORMULA-E** Expands to 12 racing teams; Gen2 & Gen3 battery improvements boost speed, efficiency & performance.

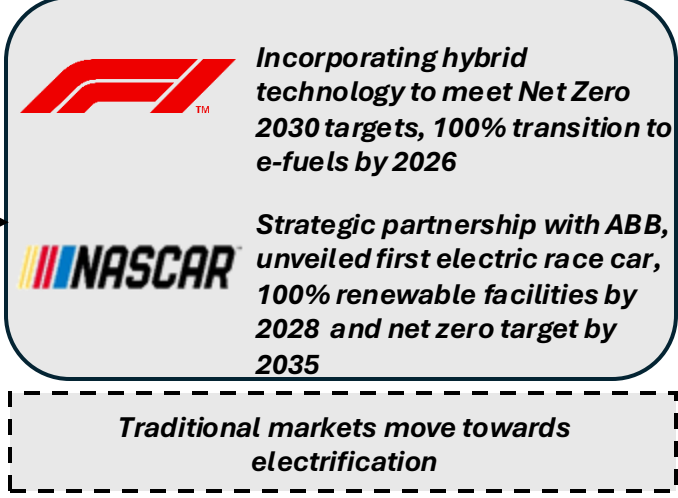
**EXTREME E** Hosted in climate -affected regions to raise environmental awareness; feature high-powered SUVs – built to withstand extreme conditions and push EV tech limits.

Increased investment in EV innovation, accelerating integration into consumer vehicle technology.

### Technology gets better...



### The market adapts...



### ... and changes



(Fortune Business Insights, 2024)

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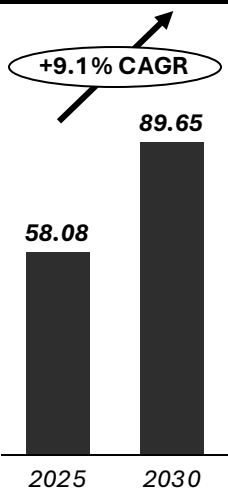


# Luxury Car Tires Market



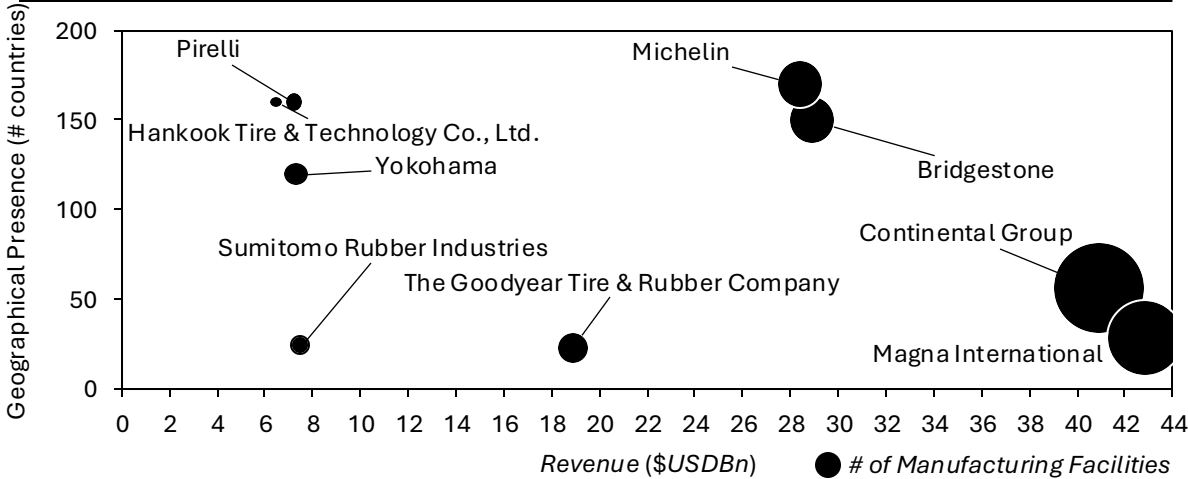
The automobile tire market is growing at a stable rate driven by increasing demand for innovative tires

## High performance tires market is growing for various reasons





- EV & SUV Growth** – Rising EV and SUV boost demand for specialized tires with higher torque, weight, and efficiency needs.
- Tech Innovations** – Smart and airless tires enhance durability, safety, and real-time performance tracking.
- Sustainability & R&D** – Tire makers invest heavily in R&D for eco-friendly materials and sustainable production.
- Consumer Demand for Safety**: Drivers prioritize high-performance tires for better grip, handling, and braking.
- SUV & Truck Demand** – Growing SUV and truck sales drive demand for high-traction, durable, and specialized tires.

## Competition is driven by innovation and strategic developments



## Market opportunities in car segments, technology, and product innovation

Racing Cars Segment			
30% Market Share	Driven by global motorsport enthusiasm, Formula 1, and demand from top performance car brands (Porsche, Audi, Mercedes, Ferrari).		<i>Racing tires push <b>R&amp;D advancements</b> in specialized compounds, extreme durability, and performance optimization.</i>
Off-the-Road Vehicles			
Increasing demand from mining, agriculture, and military operations, requiring high-durability tires with enhanced traction and puncture resistance.			<i>Off-road and commercial tires benefit from <b>enhanced construction techniques</b> first developed in racing.</i>
Commercial & Passenger Vehicles			
Expansion of high-performance tires into everyday vehicles, emphasizing fuel efficiency, safety, and technological innovations			

## Global Perspective

2023 to 2030 Expected CAGR Per Region			
4.5%	North America	▶	Innovation-driven market with strong consumer demand for high-performance and stylish tires.
4.8%	Europe	▶	Rapid growth fueled by premium tire demand, cutting-edge designs, and advanced vehicle features.
7.2%	Asia Pacific	▶	Fastest-growing region due to demand for radial tires, rising affluence & technological advancements.
5.5%	South America	▶	Increasing preference for premium tires with modern safety & performance features, especially radial tires.
5.6%	Middle East & Africa	▶	Growth driven by high-performance and dominant radial tires & fast-growing aftermarket segment.

(Michelin, 2024), (Goodyear Corporate, 2024), (The Business Research Company, 2025)

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# Ferrari Overview


Ferrari predominantly provides luxury vehicles, merchandise, and racing technology to high-value clients worldwide




## What Ferrari Offers



**Luxury Performance Vehicles**  
Known for creating iconic vehicles that blend advanced technology with classic design for a great driving experience

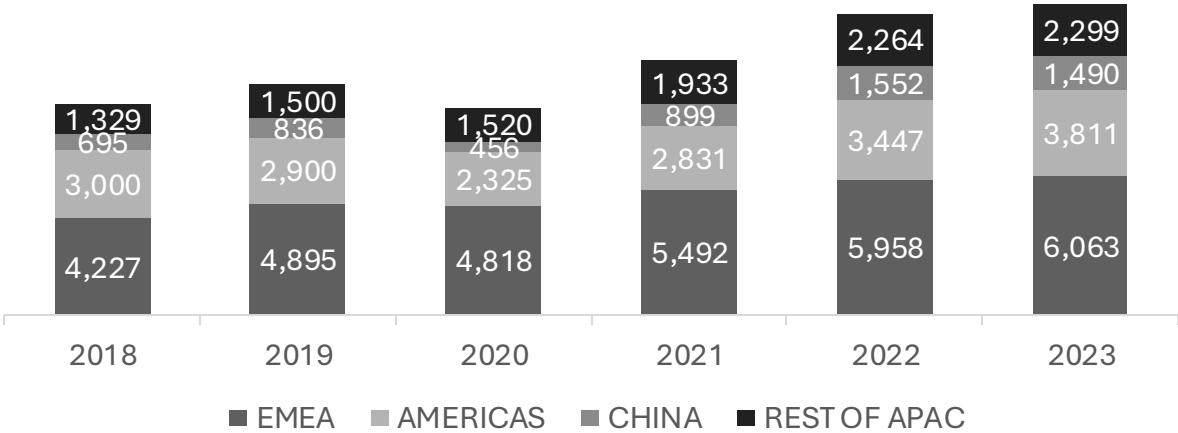


**High-Margin Lifestyle and Luxury Merchandise**  
Branded merchandise include apparel and accessories, enhancing brand engagement and generating additional revenue streams

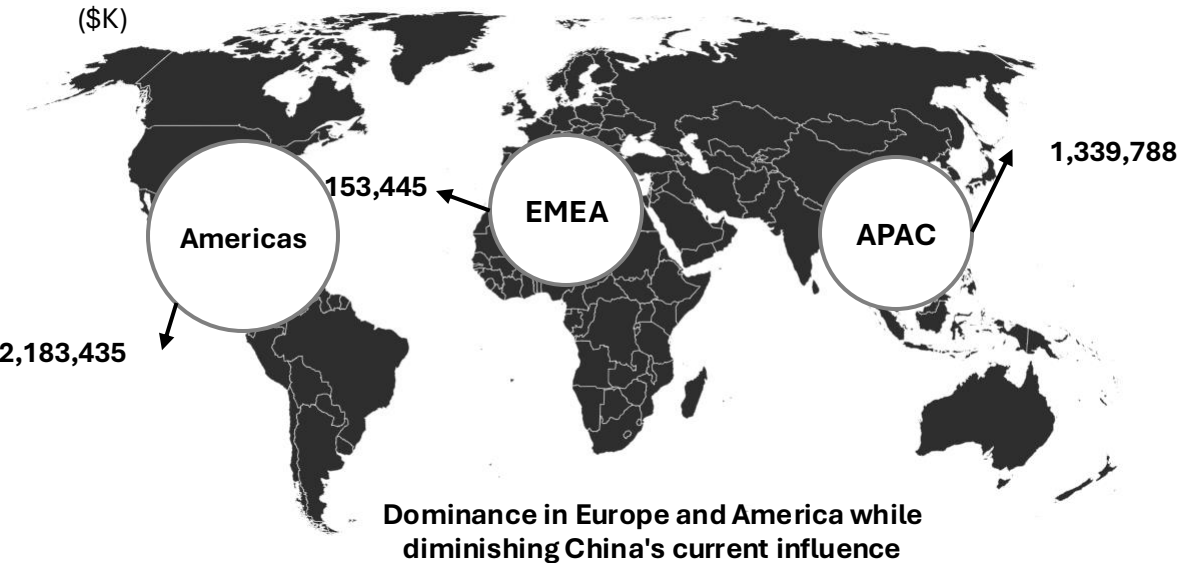


**Racing Legacy & Technology**  
Cutting-edge tech from Formula 1 dominance and track-only hyper cars for elite clientele

## Ferrari's Operations Per Region (Group Shipments)



## 2024 Revenue by Geography



## Key Players



## Ferrari's Strategic Direction

- Product Excellence:** Utilizes advanced technology and sophisticated design to surpass customer expectations.
- Controlled Production:** Maintains exclusivity for better pricing and profitability
- Electrification:** introduce its first electric vehicle in 2025 with a goal to achieve 60% sales from electric and hybrid models.
- Rejection of Autonomous Technology:** Ferrari continues to reject the inclusion of autonomous driving systems in its vehicles.
- Market Expansion:** Expanding presence in emerging markets in Asia.
- Personalised Services and Customisation:** The company elevates customer satisfaction by providing customized design choices and personalized ownership support.
- Valuing Performance in Racing as Branding:** Ferrari uses its racing legacy to strengthen both brand identity and technological advancements in their road vehicles.

(Ferrari, 2024)

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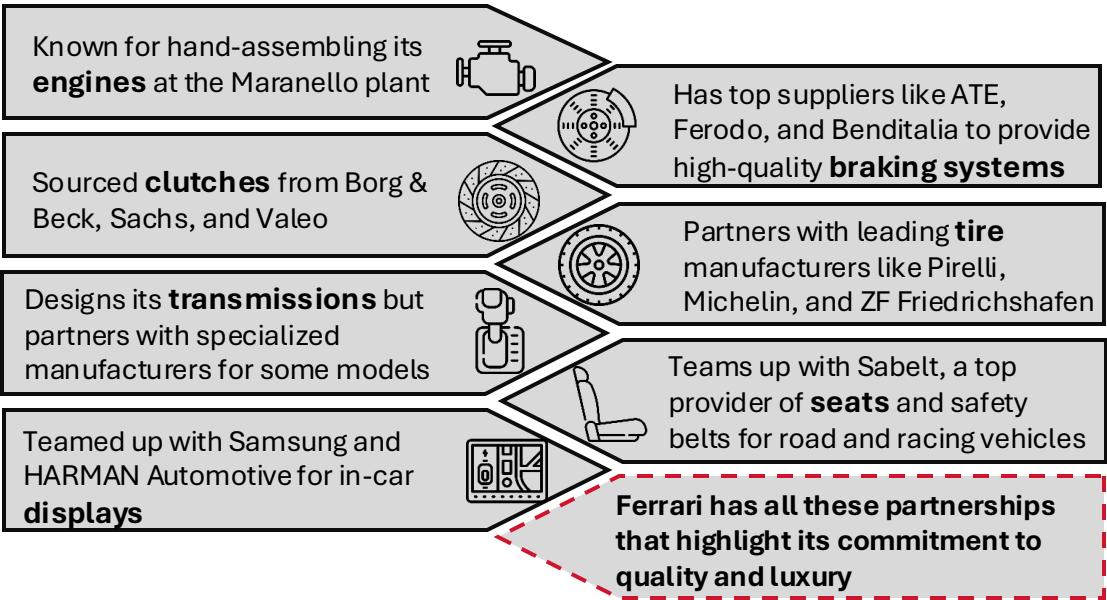
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# Ferrari Overview

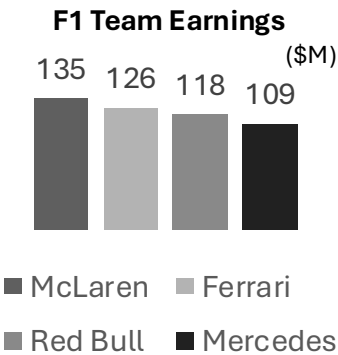
Racing success drives revenue, while EV innovation secures Ferrari’s future



## Ferrari Cars’ Components



## Ferrari’s Dominance in Motorsport



(Ferrari, 2024)

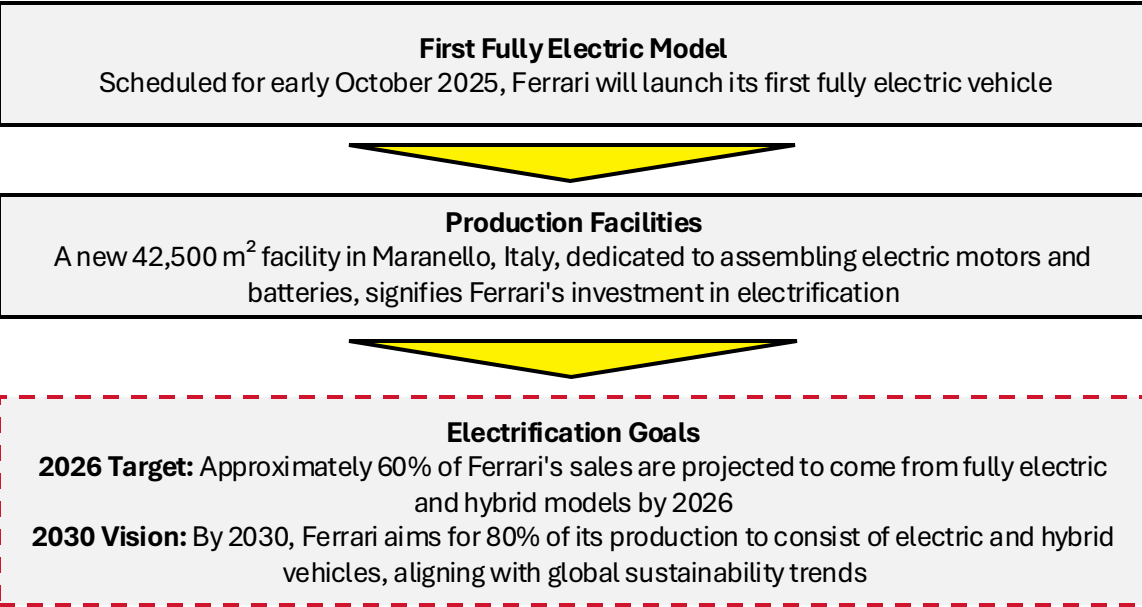
- Key Innovations in Motorsport**
- AI & Data Analytics – Enhancing race strategy & fan engagement
  - Augmented Reality (AR) – Interactive overlays & real-time race insights
  - Virtual Racing – FIA-backed sim racing championships
  - Sustainability – F1’s push for net-zero carbon by 2030

- Ferrari Winning Race**
- Monaco GP
  - Italian GP
  - Mexico City GP
  - P3Australian GP
  - United States GP
- Ferrari's success in F1 is its core competency, and it needs no external guidance**

## Electric Vehicles are Around the Corner

Regulatory Pressure	Corporate Social Responsibility	Market Trends
<ul style="list-style-type: none"><li>New cars must reduce average CO2 emissions by <b>55%</b> by 2030 and <b>100%</b> by 2035, compared to 2021 levels</li></ul>	<ul style="list-style-type: none"><li>Has committed to becoming <b>carbon neutral by 2030</b>, which requires a shift toward electrification</li></ul>	<ul style="list-style-type: none"><li>Competitors like Porsche (Taycan), Lamborghini (Revuelto PHEV), Aston Martin, and McLaren are embracing electrification</li></ul>

## Ferrari's Electric Vehicle (EV) Strategy



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# Pirelli Overview

Ferrari predominantly provides luxury vehicles, merchandise, and racing technology to high-value clients worldwide



## Pirelli's Unique Market Positioning as Leader in Prestige Segment

- 1

**Pure Consumer Tire Company:** Specializes in high-value tires for cars, motorcycles, and bicycles.
- 2









**Competitive Edge:** Competes with Tier 1 producers, offering high-quality, premium-priced tires. Associated with exclusivity, luxury, and innovation.
- 3

**Market Presence:** Leader in the Prestige segment, with +50% market share in Original Equipment channel. 18 factories in 12 countries, 20,000 POS in +160 countries
- 4

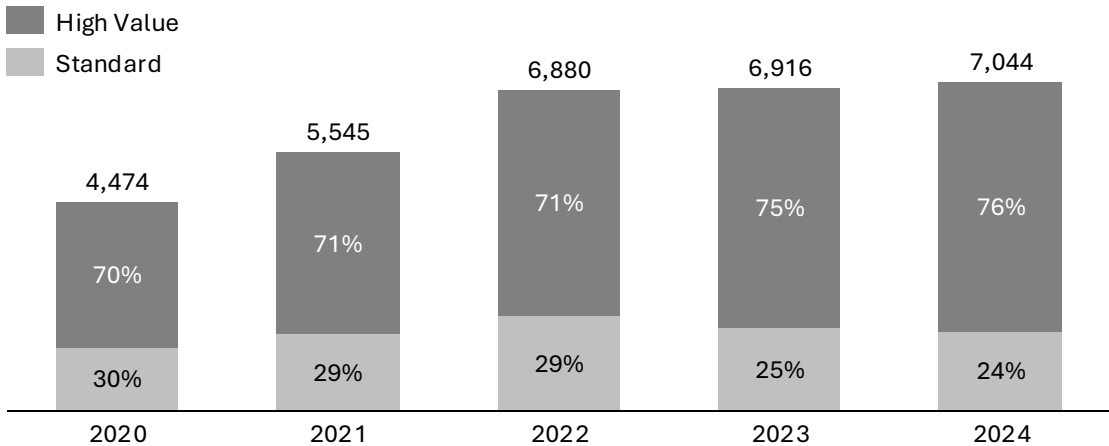
**Performance & Innovation:** Focus on safety, grip, noiselessness, and top-tier performance.
- 5

**Certification:** Pioneered the use of FSCTM-certified natural rubber and aims to use solely FSCTM-certified rubber in European factories by 2026.

## Sustainability & Innovation Objectives

 <div><b>100%</b> bio-based &amp; recycled materials tire by 2040</div>	<div>Focus on EV Tires Development</div> 	 <div><b>\$279M</b> USD investment in R&amp;D (2024)</div>
 <div><b>97.4%</b> Waste sent to recovery</div>		 <div><b>5,900</b> Patents</div>
 <div><b>72%</b> Electricity from renewable resources</div>		 <div><b>-30%</b> Wear rate reduction by 2030</div>
	 <div><b>Net Zero</b> by 2040</div>	

## Majority of revenue generated from High-Value Automobile market



## Pirelli's Motorsport Leadership & Strategic Partnerships

**Formula 1:** Since 2011, Pirelli has been the sole-supplier to the Formula 1 World Championships.

**Paying to be F1 Supplier:** Pirelli won the sole-supplier rights/contract for 2025-2027 with the option to extend for 1 year.

**Intense Competition:** **BRIDGESTONE**  
Bridgestone, Japanese brand tire manufacturer was 2010 F1 supplier, considered valid candidate in most recent F1 supplier contract formation.

### Strategic OEM Partnerships



(Pirelli, 2024)

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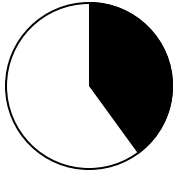
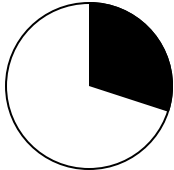
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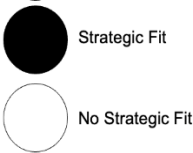
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# Strategic Fit

Crafting the future for a combined company



Strategic Alignments		HOW?	WHERE?	HOW MUCH?
	EV TECHNOLOGY PROVIDER	<ul style="list-style-type: none"><li><b>EV-Specific Tire Development:</b> Pirelli’s 900+ homologations for EV tires by 2025 directly address Ferrari’s need for advanced, high-performance tires tailored to electric powertrains. This ensures Ferrari’s 2025 EV and hybrid models can handle unique demands like instant torque and heavier battery loads.</li><li><b>Real-Time Safety &amp; Performance:</b> Integration of Pirelli’s Cyber™ Tyre technology enhances Ferrari’s EVs by providing real-time data on road conditions and tire health, improving safety and dynamic performance—critical for Ferrari’s reputation as a leader in cutting-edge engineering.</li></ul>	INNOVATION & PERFORMANCE ENHANCEMENT	
	CUSTOMIZED SERVICE PROVIDER	<ul style="list-style-type: none"><li><b>Bespoke Tire Customization:</b> Leveraging Pirelli’s manufacturing capabilities, Ferrari could offer premium tires (e.g., unique tread patterns, colors, or sidewall branding) to complement its new paint shop and personalization options. This strengthens Ferrari’s luxury appeal and client exclusivity.</li><li><b>Co-Branded Prestige:</b> A partnership would reinforce both brands’ motorsport heritage, creating premium co-branded products (e.g., limited-edition tires for Ferrari owners) that enhance perceived value and loyalty.</li></ul>	BRAND PERCEPTION & CUSTOMER LOYALTY	



# Potential Peer Group

Tires, EV Parts Manufacturers and AI Powered Performance Software are potential peer groups for Pirelli



Tires

Similar **business models** and **revenue streams**. Own and operate **global supply chain networks**



EV Parts Manufacturers

Similar OEM supplier models and heavy **R&D investments**. Maintain **global footprint** with **strategic partnerships**

AI Powered Performance Software

Partner with automakers and **component suppliers**. Focus on **ADAS** and **predictive analytics** as Pirelli



# Comparable Company Selection

Due to discrepancies in the revenue and cost drivers to Pirelli AI Cars segment was discarded



	Market size	Market CAGR	Brand relevance	Revenue drivers	Cost drivers	Retained
	-	4.8% ('24-'28)	-	<ul style="list-style-type: none"><li>✓ High-Performance and Specialty Product Focus</li><li>✓ Strategic OEM Partnerships</li><li>✓ Expansion in Emerging Markets</li><li>✓ Direct-to-Consumer Sales Channels</li></ul>	<ul style="list-style-type: none"><li>✓ Fluctuating Raw Material Costs</li><li>✓ Advanced Manufacturing Technologies</li><li>✓ Regulatory Compliance and Environmental Standards</li><li>✓ Labor Costs</li></ul>	-
<b>Tire</b>	\$350bn ('23)	4.8% ('24-'28)		<ul style="list-style-type: none"><li>✓ High-Performance and Specialty Product Focus</li><li>✓ Strategic OEM Partnerships</li><li>✓ Expansion in Emerging Markets</li><li>✓ Direct-to-Consumer Sales Channels</li></ul>	<ul style="list-style-type: none"><li>✓ Fluctuating Raw Material Costs</li><li>✓ Advanced Manufacturing Technologies</li><li>✓ Regulatory Compliance and Environmental Standards</li><li>✓ Labor Costs</li></ul>	
<b>EV Parts</b>	\$300bn ('23)	15.2% ('24-'28)		<ul style="list-style-type: none"><li>✓ High-Performance and Specialty Product Focus</li><li>✓ Strategic OEM Partnerships</li><li>✓ Expansion in Emerging Markets</li><li>✗ Direct-to-Consumer Sales Channels</li></ul>	<ul style="list-style-type: none"><li>✓ Fluctuating Raw Material Costs</li><li>✓ Advanced Manufacturing Technologies</li><li>✓ Regulatory Compliance and Environmental Standards</li><li>✓ Labor Costs</li></ul>	
<b>AI Cars</b>	\$250bn ('23)	20.5% ('24-'28)		<ul style="list-style-type: none"><li>✗ High-Performance and Specialty Product Focus</li><li>✓ Strategic OEM Partnerships</li><li>✓ Expansion in Emerging Markets</li><li>✗ Direct-to-Consumer Sales Channels</li></ul>	<ul style="list-style-type: none"><li>✗ Fluctuating Raw Material Costs</li><li>✓ Advanced Manufacturing Technologies</li><li>✓ Regulatory Compliance and Environmental Standards</li><li>✓ Labor Costs</li></ul>	

Raw material costs and traditional supply chains distinguish tire and EV parts industries from AI-powered cars, which rely on software and data monetization.

Tires is the most comparable segment

Sources : FactSet (2025).

# Peer Group Analysis

Pirelli is growing slower than its peers, but has a strong profitability due to its positioning and business model



Company Overview		Sales FY23 (\$ bn)		EBITDA Margin FY23		EBIT Margin FY23	
	<ul style="list-style-type: none"><li>Leader in high-performance and premium tires</li><li>Exclusive tire supplier for Formula 1</li><li>Global presence in over 160 countries</li><li>Strong focus on smart tire tech and sustainability</li></ul>	<div>+7%</div> <div>6.36.97.1</div>		<div>17.5%</div>		<div>7.2%</div>	
	<ul style="list-style-type: none"><li>One of the largest tire manufacturers globally</li><li>Innovator in run-flat and fuel-efficient tires</li><li>Publisher of the Michelin Guide for restaurants and travel</li></ul>	<div>+9%</div> <div>23.728.528.3</div>		<div>19.5%</div>		<div>13.4%</div>	
	<ul style="list-style-type: none"><li>Major global supplier of passenger, commercial, and aircraft tires</li><li>Known for developing airless and high-durability tires</li><li>Operates in over 20 countries worldwide</li></ul>	<div>+2%</div> <div>29.531.230.6</div>		<div>Median 13.1%</div> <div>18.1%</div>		<div>Median 7.1%</div> <div>11.0%</div>	
	<ul style="list-style-type: none"><li>Supplier for automotive, aviation, and industrial applications</li><li>Investing in smart tire technology and airless tires</li><li>Owens the Firestone brand</li></ul>	<div>+7%</div> <div>17.420.820.0</div>		<div>8.2%</div>		<div>3.3%</div>	
	<ul style="list-style-type: none"><li>Developing smart tires and advanced mobility technologies</li><li>Operations in over 60 countries</li><li>Diversified portfolio including braking systems and electronics</li></ul>	<div>+6%</div> <div>39.941.444.7</div>		<div>7.6%</div>		<div>2.4%</div>	

Pirelli has a **high EBITDA** margin due to its focus on **high-performance and premium tires**, given its positioning and strong emphasis on smart tire technology

Pirelli has **grown slower** than some peers but maintains a **strong profitability position**

Sources : FactSet (2025).

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# Peer Group Trading Multiples

Pirelli is trading at a significant premium to comparable companies – Ferrari should not pay this premium given a lack of synergies



		Enterprise value (\$ m)	EV/Sales FY22E-23E	EV/EBITDA FY22E-23E	P/E FY22E-23E
		9,618	<div><div></div><div></div></div> <div>1.4x 1.3x</div>	<div><div></div><div></div></div> <div>8.3x 7.6x</div>	<div><div></div></div> <div>14.3x</div>
		31,045	<div><div></div><div></div></div> <div>1.1x 1.1x</div>	<div><div></div><div></div></div> <div>5.9x 5.6x</div>	<div><div></div></div> <div>7.2x</div>
			Median 0.7x	Median 5.8x	Median 11.7x
		26,082	<div><div></div><div></div></div> <div>0.8x 0.9x</div>	<div><div></div><div></div></div> <div>4.7x 4.7x</div>	<div><div></div></div> <div>8.1x</div>
		9,934	<div><div></div><div></div></div> <div>0.5x 0.5x</div>	<div><div></div><div></div></div> <div>5.2x 6.0x</div>	N/A
		23,386	<div><div></div><div></div></div> <div>0.6x 0.5x</div>	<div><div></div><div></div></div> <div>7.9x 6.9x</div>	<div><div></div></div> <div>2.9x</div>

FY23E

FY22E

Pirelli trades at **higher multiples** than its peers, reflecting strong **investor confidence** in its premium positioning, but also implying higher expectations and **valuation risk**

Sources : FactSet (2025).

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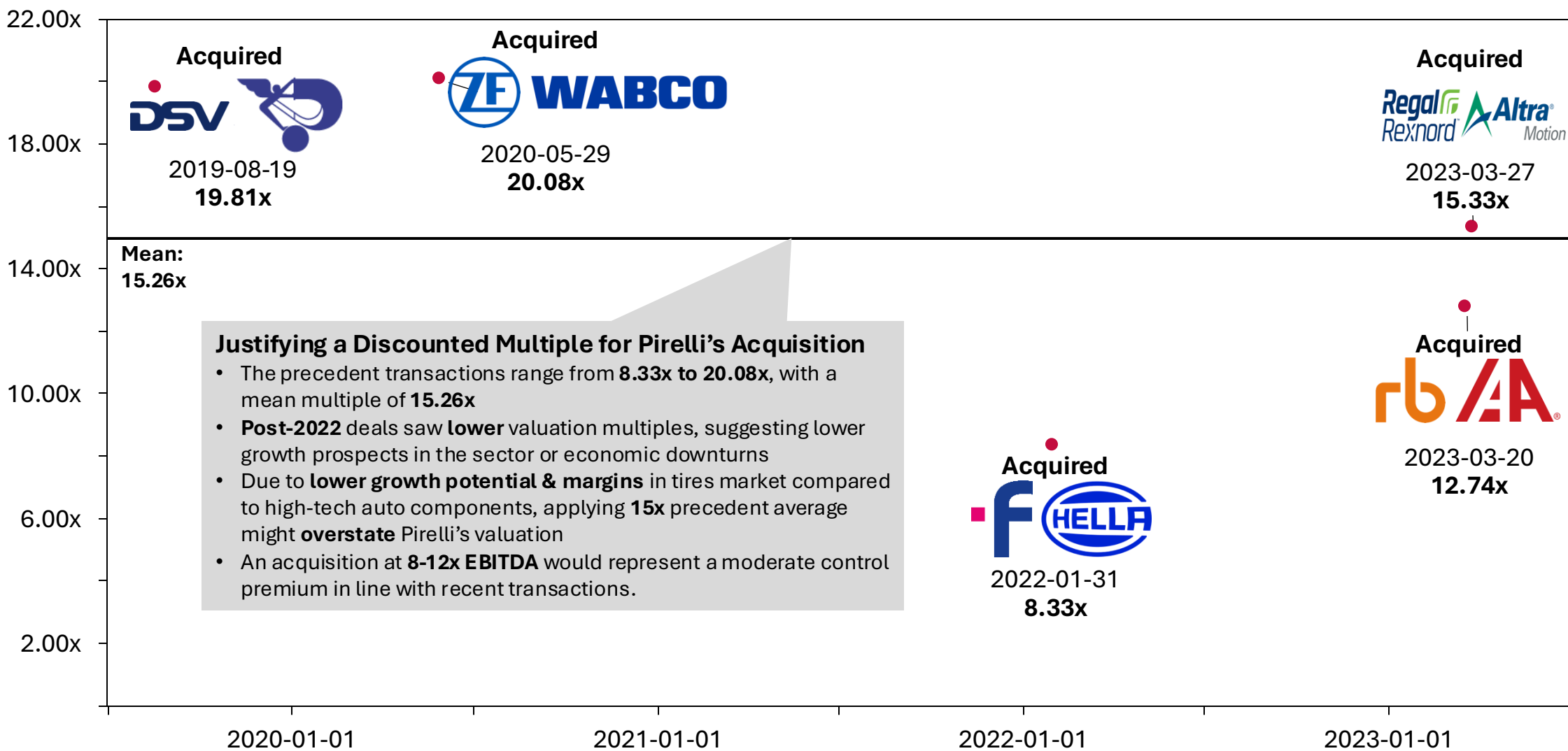
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# Precedent Transactions Analysis

Pirelli's Valuation Warrants a Discount: 8-12x EBITDA is Justifiable



# Pirelli Discounted Cash Flows

## Pirelli's Valuation and Free Cash Flows Projections



Discounted Cash Flows						
	FY2023A	FY2024P	FY2025P	FY2026P	FY2027P	FY2028P
Net Revenue	\$ 7,189.49	\$ 7,441.12	\$ 7,701.56	\$ 7,932.61	\$ 8,170.59	\$ 8,415.70
Net Revenue Growth		3.50%	3.50%	3.00%	3.00%	3.00%
EBIT	\$ 655.80	\$ 669.70	\$ 693.14	\$ 713.93	\$ 735.35	\$ 757.41
EBIT Margin	9.1%	9.00%	9.00%	9.00%	9.00%	9.00%
Taxes @ 24%	\$ (157.39)	\$ (160.73)	\$ (166.35)	\$ (171.34)	\$ (176.48)	\$ (181.78)
NOPAT	\$ 498.41	\$ 508.97	\$ 526.79	\$ 542.59	\$ 558.87	\$ 575.63
+ Depreciation & Amortization @ 8.5% of Revenue	\$ 603.20	\$ 632.50	\$ 654.63	\$ 674.27	\$ 694.50	\$ 715.33
± Changes in Working Capital	\$ 469.00	\$ 38.67	\$ 36.98	\$ 32.81	\$ 30.62	\$ 37.98
- Capital Expenditures	\$ (431.40)	\$ (419.81)	\$ (434.50)	\$ (447.54)	\$ (460.96)	\$ (474.79)
Unlevered Free Cash Flows	\$ 1,139.21	\$ 760.33	\$ 783.90	\$ 802.14	\$ 823.03	\$ 854.16
Discount Rate		8.60%	8.60%	8.60%	8.60%	8.60%
Discount Period		1	2	3	4	5
Discount Factor		0.92	0.85	0.78	0.72	0.66
Present Value of Unlevered Free Cash Flows		\$ 700.09	\$ 664.61	\$ 626.19	\$ 591.59	\$ 565.32

Cost of Debt	
Pre-tax cost of debt	3.12%
Tax rate	24.00%
After-tax cost of debt	2.37%

Cost of Equity	
Risk-free rate	3.59%
Market Risk Premium	13.86%
Beta	0.67
Cost of Equity	12.94%

Cost of Capital (WACC)	
Capital Structure	
Market Value of Equity	59.00%
Market Value of Net Debt	41.00%
Cost of Capital (WACC)	8.60%

### Commentary

- 1 We assume conservative revenue growth rate in line with Pirelli's historical growth and tire industry's growth rate
- 2 We assume 8.5% depreciation margin based on historical figures
- 3 Due to large fluctuations in net working capital in past, we spread the expected change in net working capital across 5 years to narrow down a more accurate present value of free cash flows

### Cost of Debt Assumptions

- We use Italian Statutory Corporate Tax Rate in our model and use Pirelli's corporate bond's yield as an estimate of cost of debt

### Cost of Equity Assumptions

- Risk-free rate assumption is based on Italy's 10-year Treasury Bond Yield
- We use FTSE MIB market return as a benchmark for market risk premium and run a statistical analysis to calculate Pirelli's beta in the market

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# Pirelli Discounted Cash Flow Sensitivity Analysis

Perpetuity Growth and Exit EBITDA Multiple methods indicate a fair valuation of Pirelli



Perpetuity Growth Approach	
FY2028P Unlevered Free Cash Flow	\$ 854.16
Long-term Growth Rate	1%
Terminal Value	\$ 11,344.52
Present Value of Terminal Value	\$ 7,508.38
Present Value of Unlevered Free Cash Flows	\$ 3,147.80
Enterprise Value	\$ 10,656.19
Implied Exit EBITDA Multiple	7.70x

Exit EBITDA Multiple Approach	
Terminal Year EBITDA	\$ 1,472.75
FY2023A EV / EBITDA Multiple	7.64x
Terminal Value	\$ 11,250.79
Present Value of Terminal Value	\$ 7,446.35
Present Value of Unlevered Free Cash Flows	\$ 3,147.80
Enterprise Value	\$ 10,594.15
Implied Terminal Growth Rate	0.94%

- We assume a very conservative future growth rate in line with **Italian Treasury’s projections** on Italian GDP Growth rate according to Reuters

- We use Pirelli’s **2023 EV/EBITDA multiple** due to it being less volatile post-pandemic and recognizing Pirelli’s competitive advantage in the industry

		Equity Value per Share					
		Long Term Growth Rate					
WACC		0.50%	0.75%	1.00%	1.25%	1.50%	
	9.60%	\$ 5.61	\$ 5.79	\$ 5.98	\$ 6.19	\$ 6.41	
	9.10%	\$ 6.14	\$ 6.35	\$ 6.57	\$ 6.81	\$ 7.06	
	8.60%	\$ 6.74	\$ 6.98	\$ 7.24	\$ 7.51	\$ 7.80	
	8.10%	\$ 7.42	\$ 7.70	\$ 8.00	\$ 8.32	\$ 8.66	
	7.60%	\$ 8.19	\$ 8.52	\$ 8.87	\$ 9.25	\$ 9.66	

		Equity Value per Share					
		Exit EBITDA Multiple					
WACC		6.64x	7.14x	7.64x	8.14x	8.64x	
	9.60%	\$ 5.83	\$ 6.29	\$ 6.76	\$ 7.22	\$ 7.69	
	9.10%	\$ 6.01	\$ 6.49	\$ 6.96	\$ 7.44	\$ 7.92	
	8.60%	\$ 6.20	\$ 6.69	\$ 7.17	\$ 7.66	\$ 8.15	
	8.10%	\$ 6.39	\$ 6.89	\$ 7.39	\$ 7.89	\$ 8.39	
	7.60%	\$ 6.59	\$ 7.10	\$ 7.61	\$ 8.12	\$ 8.63	


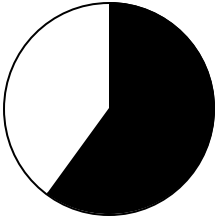

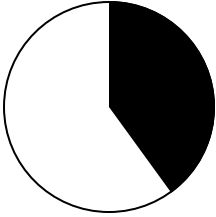

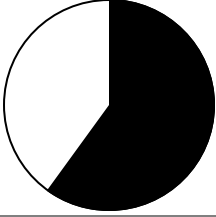

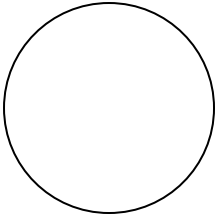
Pirelli’s DCF Outputs Indicate that the company is **fairly valued** compared to its current market valuation at share price of **\$6.28**



# Synergies

Ferrari and Pirelli Achieve Strategic Value Through Collaboration



	Synergies	Reasoning	Duration	Impact
Revenue Synergies	<ul style="list-style-type: none"><li>Co-Branded High-Performance Tires</li><li>Joint Marketing and Promotional Activities</li><li>Integration in Motorsport Platforms</li></ul>	<ul style="list-style-type: none"><li>Exclusive tires for Ferrari enhance performance</li><li>Increase brand presence to reach a wider audience</li><li>Pirelli's Formula 1 partnership showcases Ferrari's high-performance capabilities</li></ul>	 5+ Years	
Cost Synergies	<ul style="list-style-type: none"><li>Lower Per-Unit Tire Prices</li><li>Shared Procurement of Raw Materials</li><li>Optimized Supply Chain and Logistics</li></ul>	<ul style="list-style-type: none"><li>Significant cost savings and technological advancements benefit</li><li>Collaborative procurement offers bulk discounts on materials like rubber</li><li>Reduce transportation and inventory costs</li></ul>	 5+ Years	
R&D Integration	<ul style="list-style-type: none"><li>More efficient resource allocation across Ferrari and Pirelli's R&amp;D teams</li><li>3% overlap in R&amp;D expenses related to tire development eliminated</li></ul>	<ul style="list-style-type: none"><li>Ferrari has invested a lot of money in F1 performance, electrification, and tire innovation</li><li>Integration eliminates duplicate R&amp;D efforts in tire development, leading to cost savings.</li></ul>	 3-5 Years	
Supply Chain Synergies	<ul style="list-style-type: none"><li>Minimal synergies are expected as Pirelli already manages Ferrari's tire production</li><li>There are a few cost reductions in storage or distribution</li></ul>	<ul style="list-style-type: none"><li>Pirelli is already the official tire supplier for Ferrari</li><li>Existing production, distribution, and storage processes are optimized, leaving little room for additional synergies</li></ul>	 N/A	

The co-branding and R&D integration represent the strongest synergies, helping with revenue expansion and cost optimization, while shared procurement, combined with the Formula 1 alignment, reinforces the distinct competitiveness

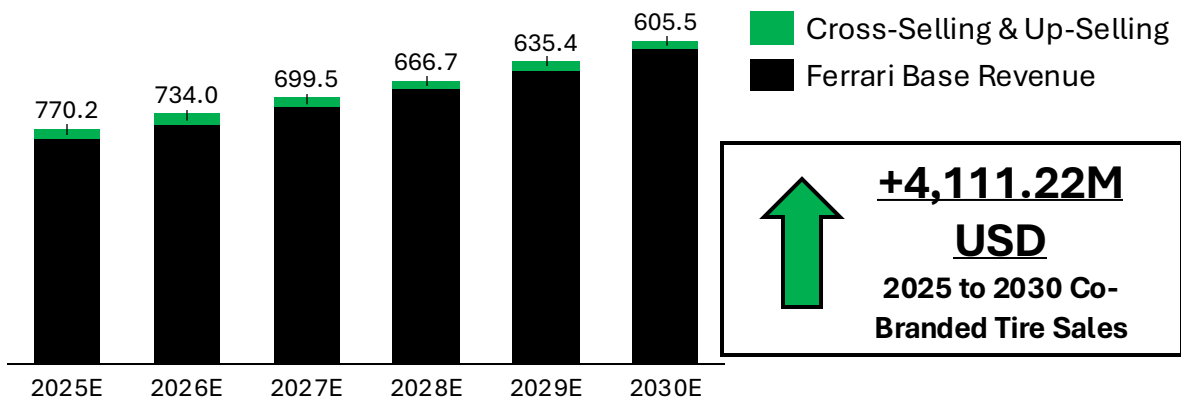
# Cost & Revenue Synergies

Cross-Selling Revenues, Research & Development and Price Markup Cost Savings



## Cross-Selling of Co-Branded Tires

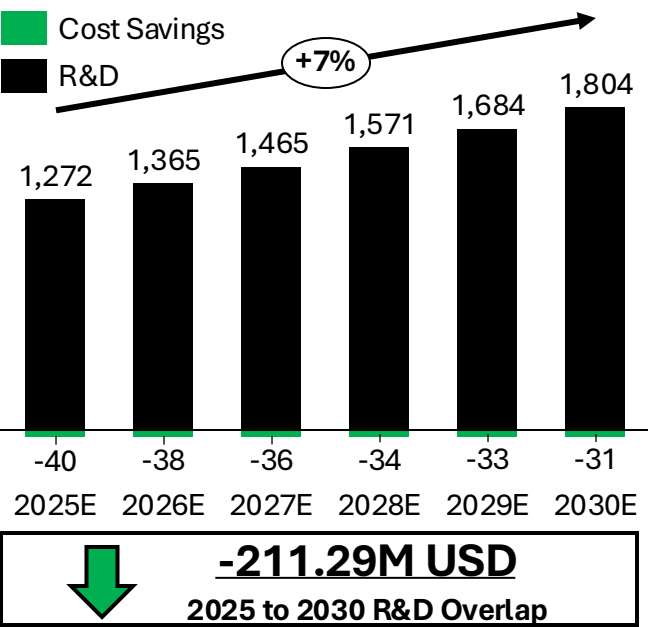
- Ferrari can leverage **co-branding** synergies to **cross** and **up-sell** Ferrari-Pirelli tires to generate additional revenue, utilizing **premium pricing** due to the exclusivity and high-quality, targeting the growing **UHNWI market**.
- Demand** for luxury tires is forecasted to increase over the next several years, providing Ferrari an opportunity to capture additional market share with their tire line.



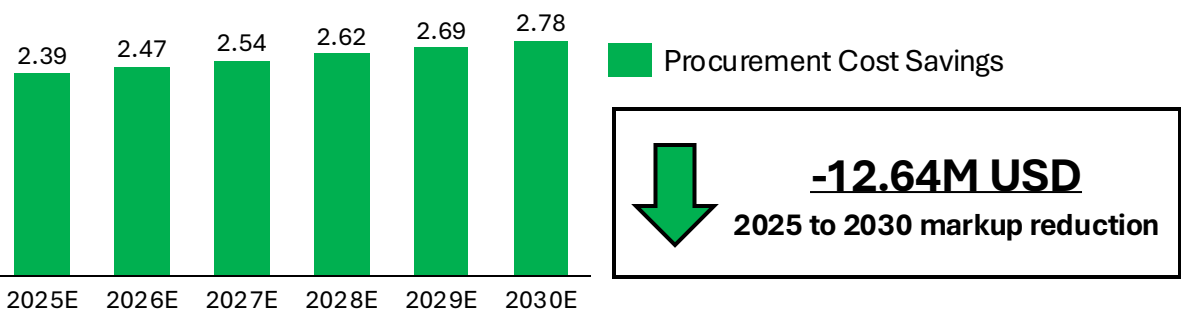
## Research & Development Cost Savings

Over the past 5 years, Ferrari and Pirelli's combined R&D Investment Growth rate was **7%**. Continuing on this trajectory, 2025 is forecasted to be **1,381 Mil USD**.

Ferrari has been heavily investing in features to enhance their offerings (F1, speed, tires, electrification, innovation). With an estimated overlap of **3% R&D expenses** related to tire development, the acquisition can result in a **-211.29M USD** reduction in R&D expenses over the next 6 years.



## Cost Reductions from Pricing Markup Reduction



Reducing Pirelli's markup on tires will allow Ferrari to generate procurement cost savings, estimated around **15%** of markup.

## Supply Chain Synergies

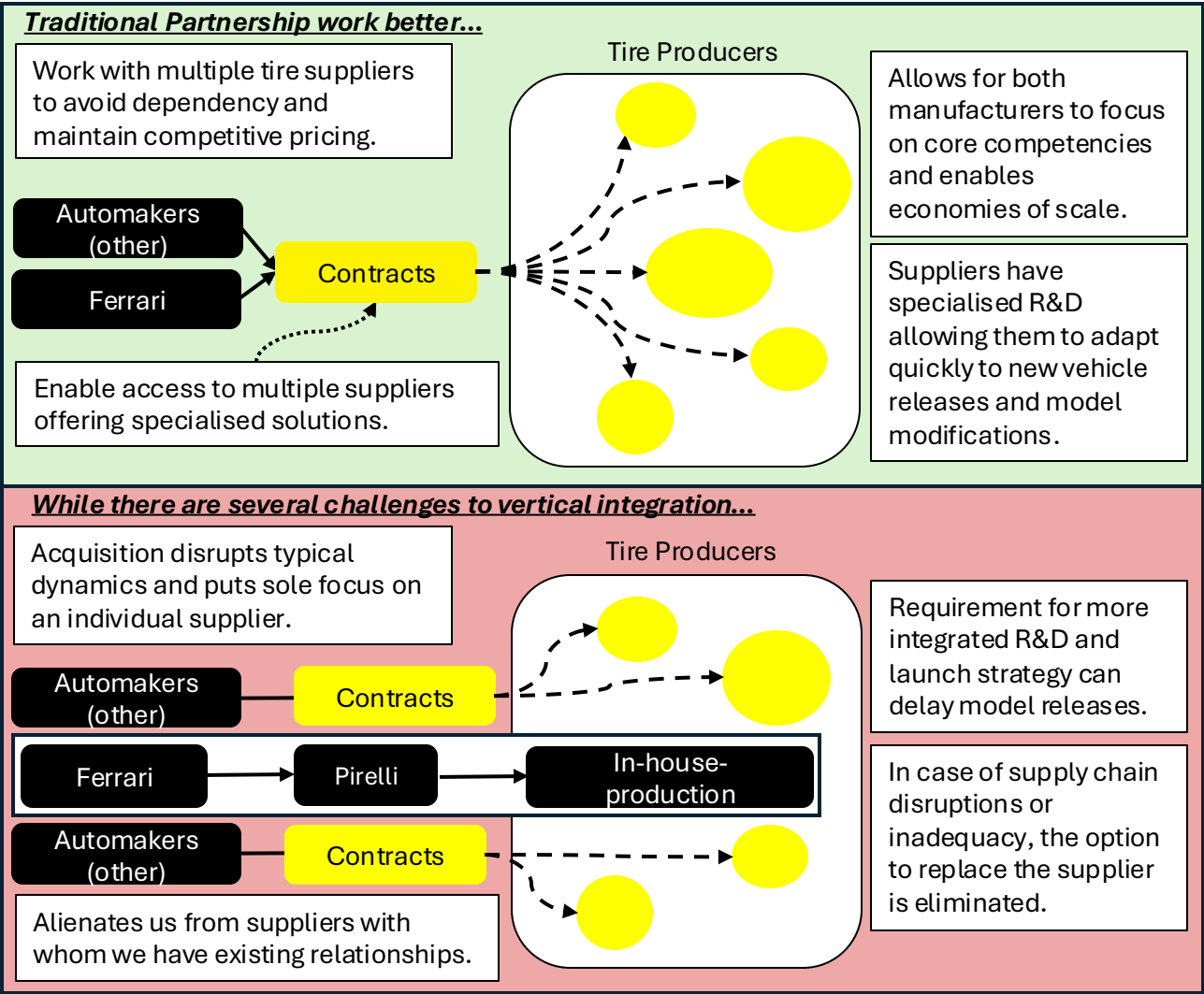
Pirelli is the official tire supplier for Ferrari, they handle the production, distribution, and storage of tires for Ferrari vehicles, therefore limited synergies will be generated from the supply chain and storage aspect.

# Acquisition Feasibility

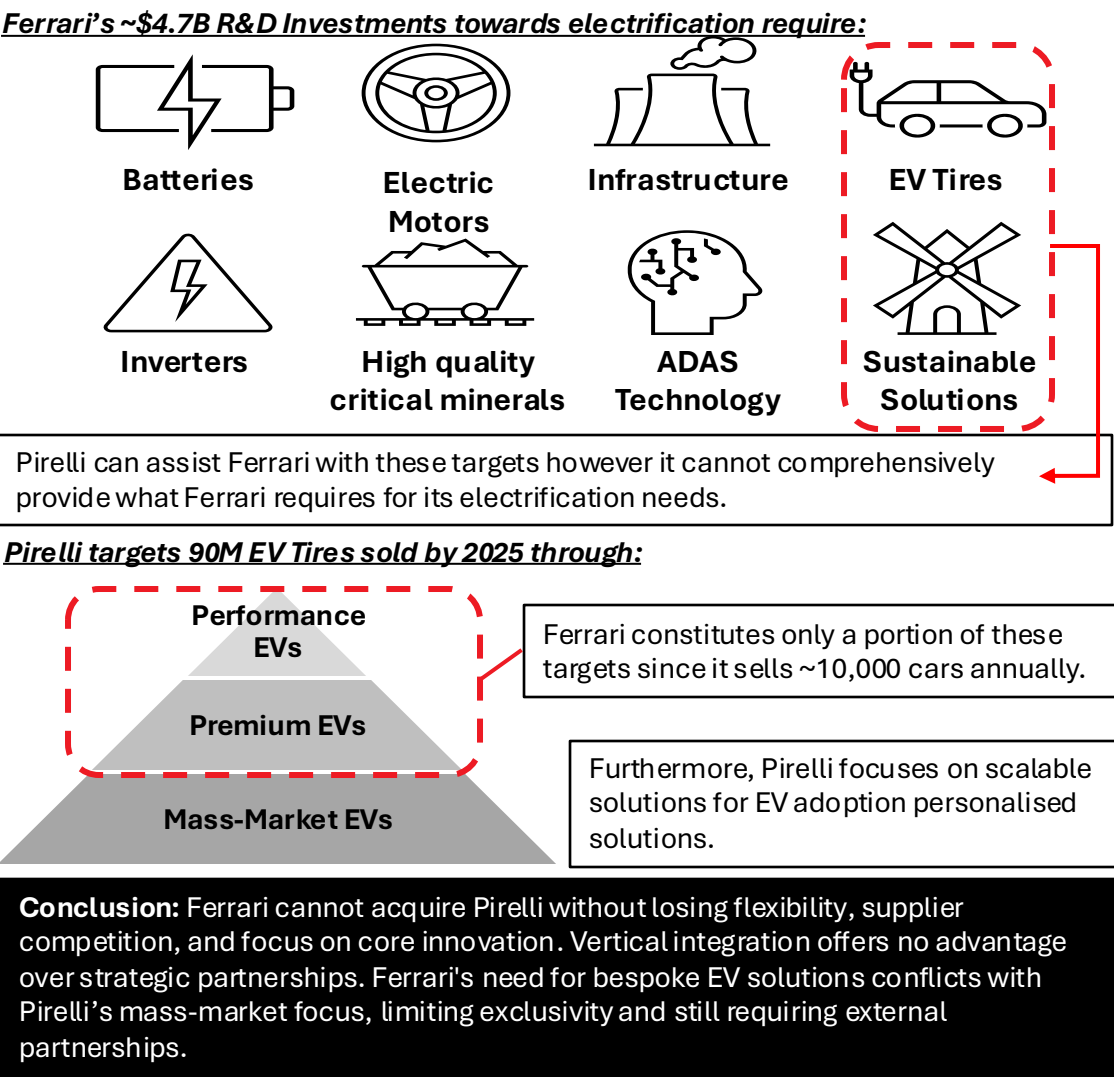
Acquiring Pirelli disrupts operational efficiency and achieving strategic targets



## Open Roads vs. Closed Lanes: The Trade-offs of producing tires



## Roads to electrification, different destinations



(Pirelli Industrial Plan, 2024), (Ferrari, 2022)

# Acquisition Feasibility

The combined company's market positioning is ill defined



## A mismatch in expertise

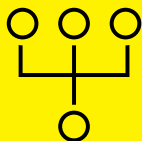
### Expertise Ferrari would need to develop to manage Pirelli:

#### Supply Chain



- Raw material sourcing for tires, including overcoming expected shortages
- Global logistics related to navigating customs regulations, tariffs, and transportation networks across 150+ countries
- High volume inventory management
- Securing partnerships with suppliers for innovative materials

#### Operations



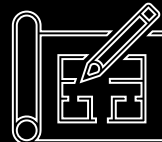
- Negotiating contracts with automakers and other large corporations, shifting from a B2C to a B2B retailer
- Developing new quality standards incorporating Ferrari, Pirelli and Industry standards
- Investment opportunities for tire-specific innovation
- Establishing regional teams to meet diverse regulatory standards

**Ferrari risks brand dilution** by diversifying into mass-market B2B tire sales, conflicting with its exclusivity-driven model and diverting focus from core competencies like high-performance automotive innovation. Acquiring a tire manufacturer to aid in assembly in its limited supply of cars would be an excessive investment.



### Expertise Pirelli would need as a part of Ferrari:

#### Personalization



- Developing personalized products and customisation centres to cater to customer demand
- Establishing flexible supply chains to handle special customization requests
- Differentiating wider market offering from exclusivity reserved for Ferrari

#### Customer Experience



- Incorporating high engagement B2C strategies and bespoke services in business practices
- Navigating value proposition of CX offering for wider market and Ferrari customers
- Technology and digital platforms aimed at enhancing personalisation visualisation experiences
- After sales services



**Pirelli faces market isolation** as rival automakers may avoid its tires due to perceived Ferrari bias, limiting its broad industry relevance and revenue streams. Through strategic divestment, it has also specialised primarily as a tire manufacturer- expanding its capabilities as a service provider is contradictory to their historic goals.

**The acquisition misaligns capabilities as both companies are required to expand their capabilities past their core competencies.**

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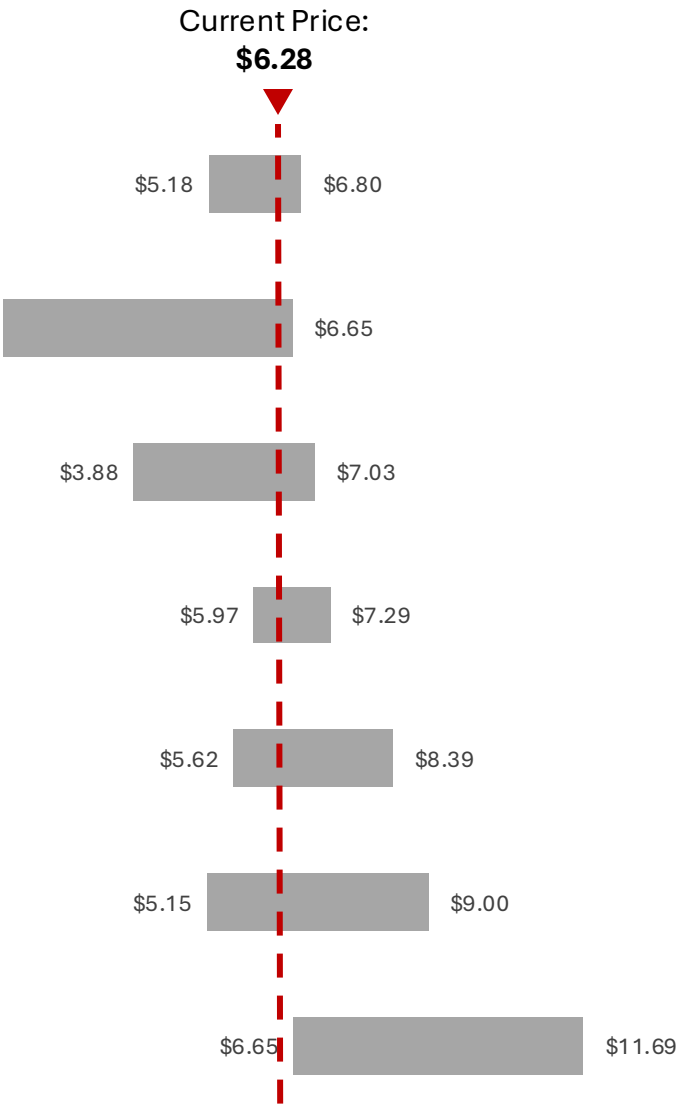
# Acquisition Feasibility

Multiple Valuation Methods suggests Pirelli is currently fairly valued

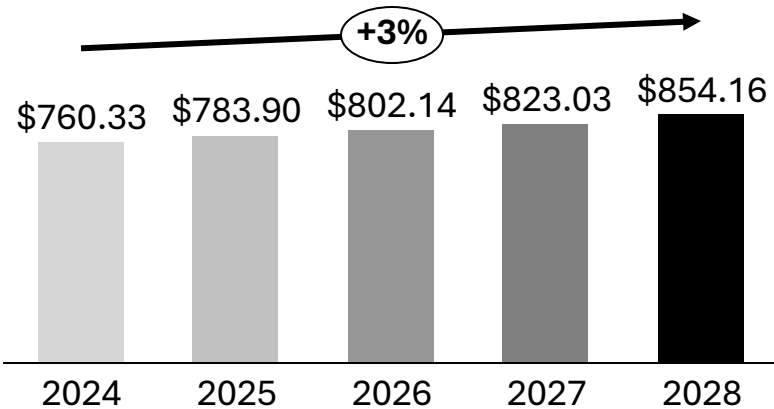


Market
Comparable Companies
Intrinsic Valuation
Precedent Transactions

52 Week Market High/Low
EV/Revenue FY2023A
EV/EBITDA FY2023A
P/E FY2023A
DCF EBITDA multiple
DCF Perpetuity Growth
EV/EBITDA



## FCFF Projections



## Conclusions

### Financial Implications

- Our valuation methods suggest that Pirelli is currently **fairly valued** in the market, implying Ferrari would not gain from a discount or an inherent mispricing.
- Pirelli's **slow compound annual growth rate of 3%**, might present a concern for Ferrari's future goals.

### Strategic Implications

- Pirelli might be better as a partner to Ferrari in part due to its **poor alignment of their business models**

Acquisition costs incurred will NOT justify the synergies generated

Ferrari should NOT acquire Pirelli

# Finding the Ideal Market for Ferrari to Invest in

Tires vs AI-Powered Performance Software & Autonomous Driving vs EV Batteries



Luxury Tires Market	AI-Powered Performance Software Market & Automated Driving	EV Battery Market																		
<table><tr><th>Year</th><th>Value</th></tr><tr><td>2025</td><td>58.08</td></tr><tr><td>2030</td><td>89.65</td></tr></table>	Year	Value	2025	58.08	2030	89.65	<table><tr><th>Year</th><th>Value</th></tr><tr><td>2025</td><td>5.22</td></tr><tr><td>2030</td><td>14.92</td></tr></table>	Year	Value	2025	5.22	2030	14.92	<table><tr><th>Year</th><th>Value</th></tr><tr><td>2024</td><td>85</td></tr><tr><td>2034E</td><td>371</td></tr></table>	Year	Value	2024	85	2034E	371
Year	Value																			
2025	58.08																			
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Year	Value																			
2025	5.22																			
2030	14.92																			
Year	Value																			
2024	85																			
2034E	371																			
Mid-sized market size, steady growth	Small market size, unstable, rapid expected growth	Largest market size, high and steady expected growth																		
<b>EV &amp; SUV Growth, Technology Innovation:</b> Rising EV and SUV boost demand for specialized tires with higher torque, weight, and efficiency needs	Consumers desire for <b>AD</b> (Level 2+ systems) lags behind automakers strategies, <b>AI Technologies</b> coming with <b>uncertainties</b>	<b>Increasing Sales of EVs:</b> Rising demand, government incentives, stricter emissions regulations, driving EV adoption																		
<div><div>✓</div><div>✗</div><div>✗</div></div>	<div><div>✗</div><div>✗</div><div>✗</div></div>	<div><div>✓</div><div>✓</div><div>✓</div></div>																		

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# Potential Alternative Targets

SK On is the most promising acquisition target, based on the strategic fit, financial impact, feasibility and risks



Company Overview		Revenue FY24E (3-year CAGR)	Strategic Fit	Financial Impact	Feasibility	Risks
	<ul style="list-style-type: none"><li>Incorporated in 2021 (spun off)</li><li>Focuses on lithium-ion batteries for electric vehicles</li><li>Key offering is high-performance EV battery solutions</li><li>Industry applications: auto &amp; energy storage</li></ul>	\$4.59b (9.1%)				
	<ul style="list-style-type: none"><li>Incorporated in 2006</li><li>Focuses on lithium-ion battery and energy storage</li><li>Key offerings are battery components and cell chemistries</li><li>Industry applications: EV and energy storage</li></ul>	\$0.37b (16.1%)				
	<ul style="list-style-type: none"><li>Incorporated: 2011</li><li>Focuses on solid-state battery development</li><li>Key offerings is high-energy-density solid-state batteries</li><li>Industry Applications: EV, aerospace, energy storage</li></ul>	\$0.02b (14.5%)				
	<ul style="list-style-type: none"><li>Incorporated in 1994</li><li>Focuses on specialty chemicals/lithium production</li><li>Key offerings are lithium for EV batteries</li><li>Industry Applications: EV, electronics, oil refining</li></ul>	\$5.38b (-7.4%)				
	<ul style="list-style-type: none"><li>Incorporated in 1906</li><li>Focuses on industrial solutions and tech.</li><li>Key offerings are aerospace systems and automation solutions</li><li>Industry Applications: Aerospace, manufacturing, energy</li></ul>	\$10.9b (5.2%)				

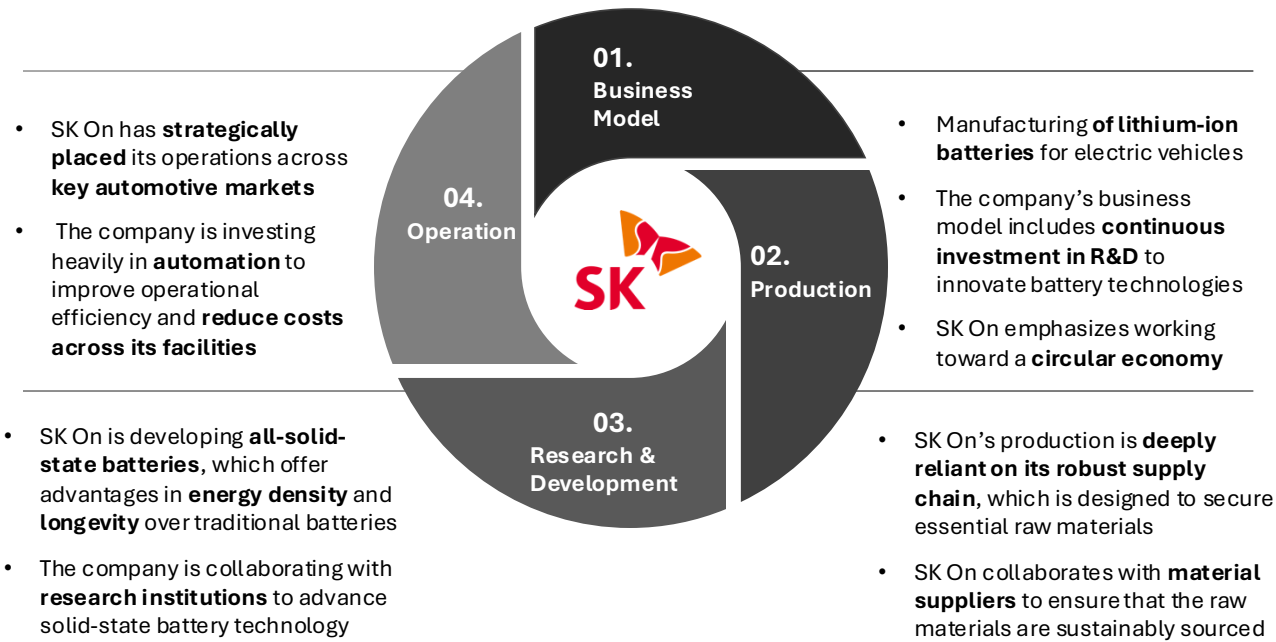
Ferrari's potential acquisition of SK On aligns well with its electrification goals, leveraging an existing partnership to enhance technological capabilities and accelerate EV development

This move could improve profit margins and financial performance through vertical integration

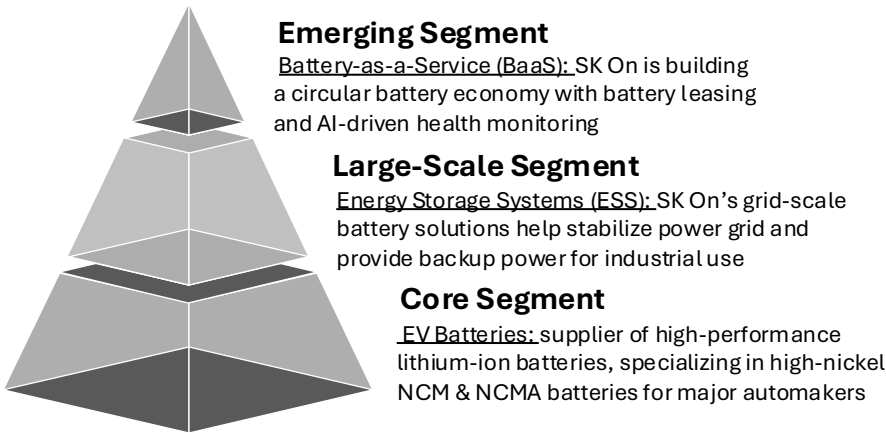
Sources : StockAnalysis. (2025).

# SK On Company Overview

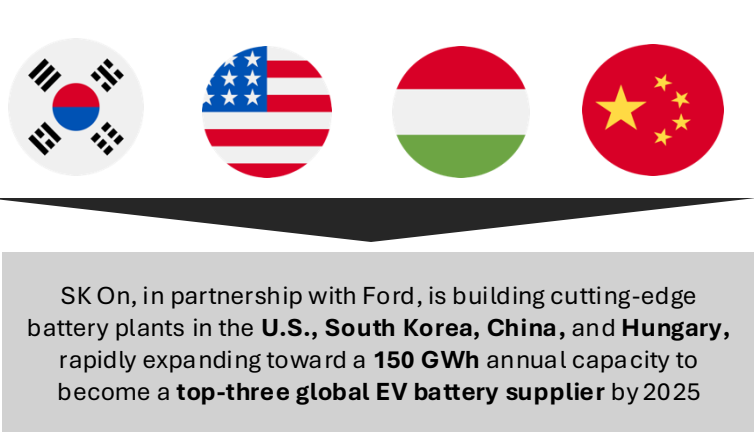
SK On is the key missing element in Ferrari's strategic vision for the electric vehicle industry



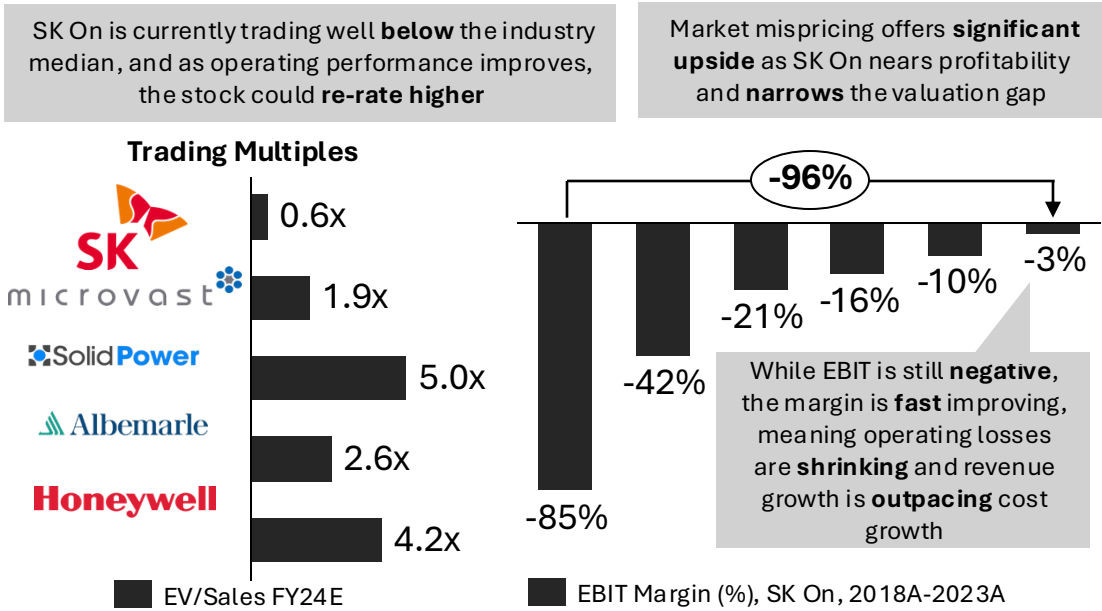
## Main Business Segments



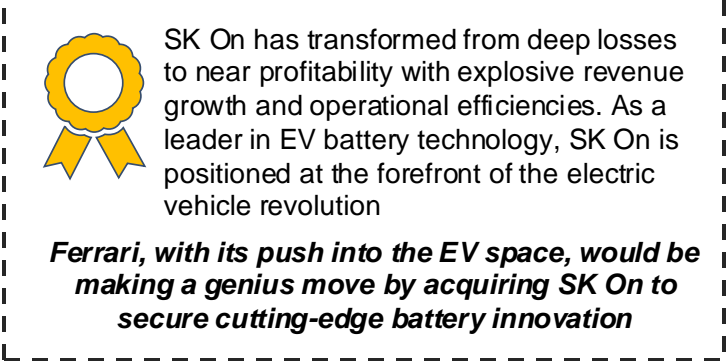
## Strategic Partnerships



## Financial Overview



## Key Takeaway



Sources : SK. (2024), SK Innovation Newsroom SKInno News. (2020), SK. (2025), Park Jae-hyuk (2025)

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# Ferrari and SK On Strategic Fit

Leveraging cutting-edge battery technology for Ferrari’s electrification future



## Ferrari and SK On’s Weaknesses

**Ferrari’s Weaknesses**  
**Limited Battery Expertise:** No mature in-house battery R&D  
**Supply Chain Dependency:** Relies on third-party battery suppliers  
**Late to EV Market:** Lags behind others like Porsche and Rimac

**SK On’s Weakness**  
**No Supercar Expertise:** Focuses on mass-market EVs  
**Competitive Industry:** Faces rivals like CATL & Panasonic  
**Brand Recognition:** Strong in B2B but lacks Ferrari’s prestige

## Ferrari and SK On’s Strategic Benefits

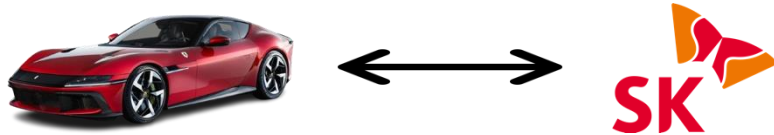
**Ferrari Gain**  
Direct control over **battery tech & supply chain**  
**Custom high-performance EV batteries** for Ferrari’s standards  
Faster transition to **luxury EVs without relying on multiple suppliers**

**SK On Gain**  
Entry into **high-performance EV market**, strengthening its portfolio  
Collaboration with a **prestigious luxury brand** enhances its reputation  
Potential to **develop premium battery solutions** for future supercars

## The Power of this Strategic Alliance

Global Market Leadership	As the fifth-largest EV battery supplier, SK On is geared to put Ferrari in a stronger position in both Europe and the U.S., while making use of its Fortune-recognized leadership in electrification to sync with Ferrari’s premium markets.
Supply Chain Autonomy & Efficiency	Ferrari gains direct control over battery production, reducing supplier risks, while integrating SK On’s technology streamlines EV assembly for greater customization and performance optimization
Exclusive Innovation Partnership	As Ferrari’s sole battery supplier, SK On enables dedicated R&D for high-performance EVs, accelerating innovation through focused collaboration rather than fragmented supplier networks
Premium Customer Solutions	SK On’s Battery-as-a-Service and energy management systems elevate Ferrari’s ownership experience, enabling flexible models and advanced performance enhancements

## Strategic Fit Summary



- **Growth of Ferrari EVs:** 40% targeting hybrid/EVs by 2030
- **SK On’s Market Position:** the 5th largest EV battery supplier with solid strength in the US & Europe
- **Exclusive battery supply:** assures that Ferrari has direct control over production & innovation
- **Competitive edge:** maintain its status in ultra performance and sustainable EVs

**Ferrari partners with SK On, relying on new EV battery technology, and also strengthens supply chain control to accelerate high-performance electrification.**

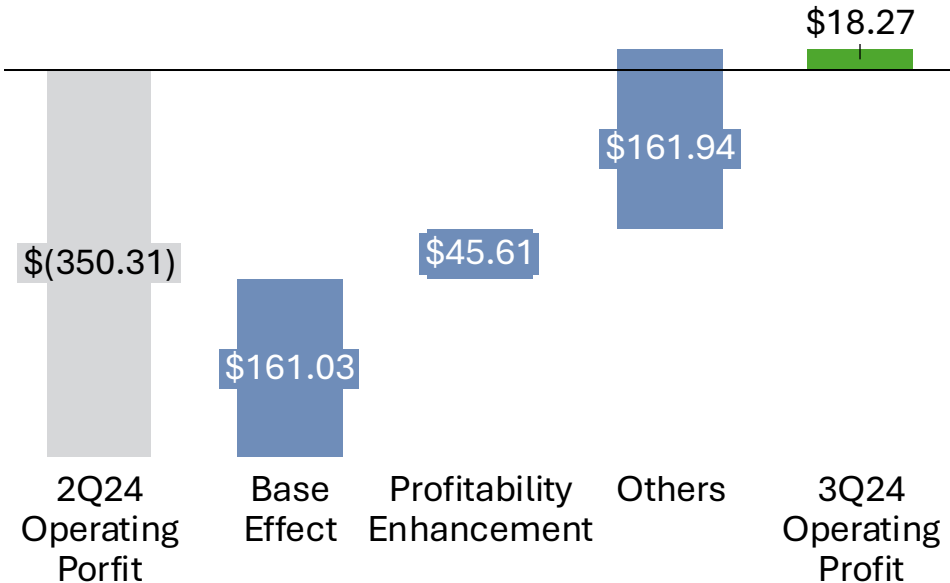
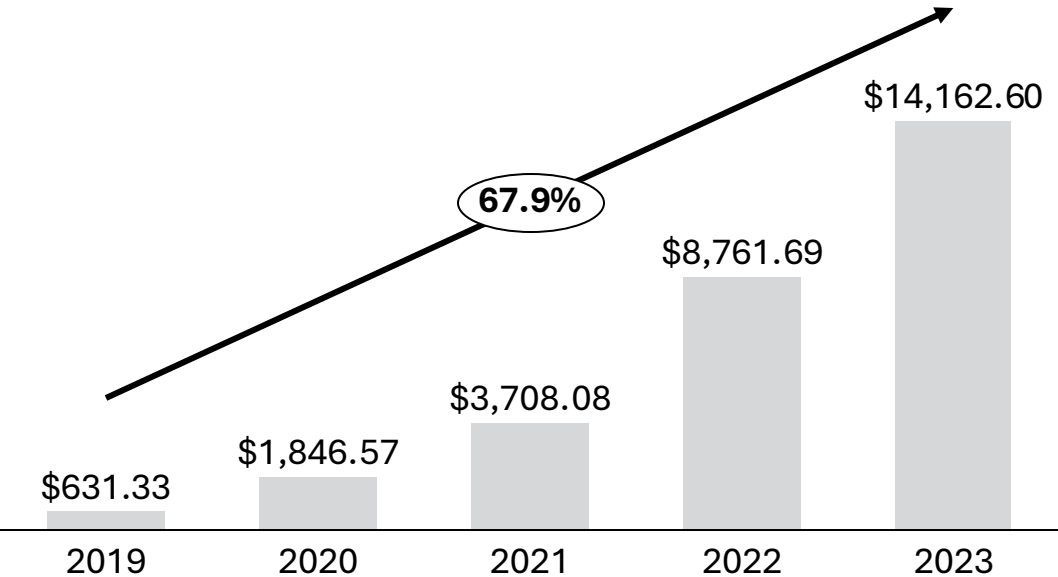
# Financial Outlook on SK ON



Business being unprofitable may command lower acquisition multiples, while steep growth rate ensures future opportunities

SK ON has grown at a **CAGR of 67.9%** over the past five years, demonstrating strong market expansion and increasing demand.

Despite historically operating at a loss, **SK ON became profitable for the first time in Q3 2024**, marking a significant milestone in its financial performance.



The company is projected to further **improve its profitability in 2025**, driven by expanded sales to existing customers and new customer orders.

Given SK ON's **historical unprofitability**, Ferrari can negotiate a lower acquisition value at a **more favorable multiple**.

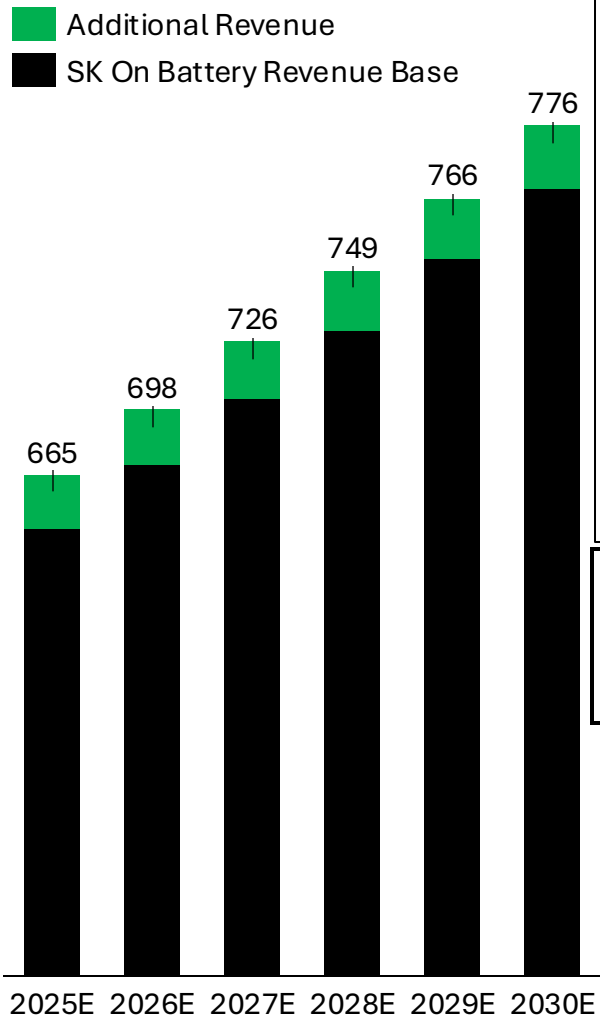
SK ON's **strong growth trajectory** and recent **shift to profitability** present a strategic opportunity for Ferrari to expand its capabilities and meet its long-term objectives without incurring significant losses.

# Ferrari and SK On Revenue & Cost Synergies



Ferrari will see additional revenue inflows from EV Battery Sales to Luxury Players and cost reductions in R&D

## EV Batteries Additional Revenue



- SK On has had a history of rapid growth in Battery Revenue, from 2018 to 2023, a decline in 2024, with expectations of recovery with a **5-year CAGR of 67.9%**.
- Synergies through directly selling high-performance batteries to other luxury brands and collaborating with motorsport events (such as Formula E) will generate a new revenue stream.
- Matching the **EV battery market growth**, demand for additional SK On batteries with post acquisition is expected to generate 12% incremental increase in battery sales.

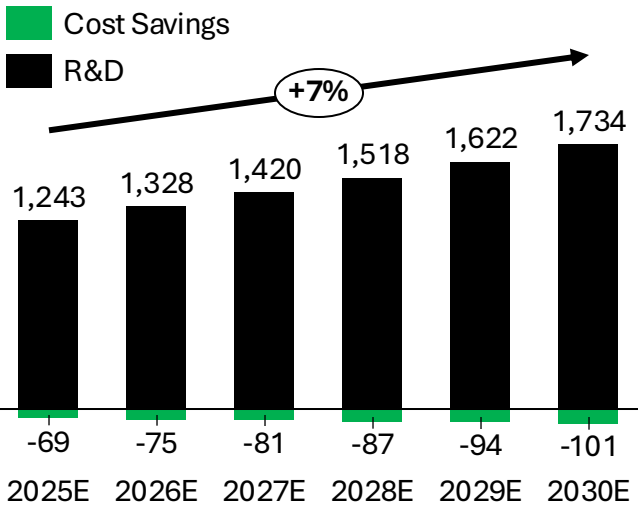
**+4,379.72M USD**  
2025 to 2030 EV Battery New Sales

**Pricing Markup:** Reducing SK On's markup on EV batteries will allow Ferrari to generate procurement cost savings, estimated around 15% of markup.

## Research & Development Cost Savings

Over the past 5 years, Ferrari and Pirelli's combined R&D Investment Growth rate was **7%**. Continuing on this trajectory, 2025 is forecasted to be **1,381 Mil USD**.

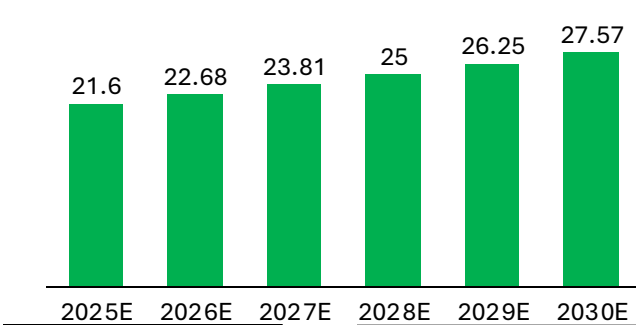
Ferrari has been heavily investing in features to enhance the EV development of their offerings to meet their 2040 objectives. With an estimated redundancy of **5% R&D expenses** related to tire development, the acquisition can result in a **-408.62M USD** reduction in R&D expenses over the next 6 years.



**-408.62M USD**  
2025 to 2030 R&D Overlap

## Cost Reductions from Pricing Markup Reduction

**-119.32M USD**  
2025 to 2030 markup reduction



(Software, D. 2023), (Ferrari, 2023)

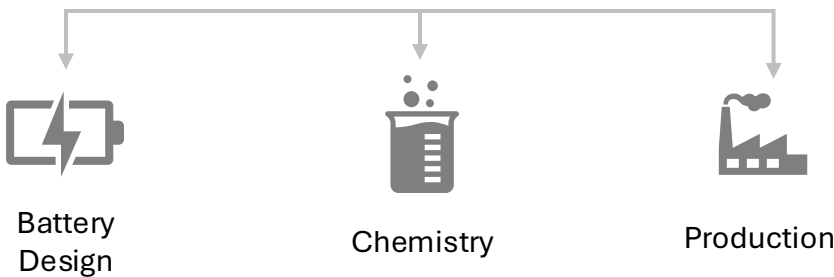
# Acquisition Feasibility



## Leveraging SK On for EV Technology, Revenue Diversification & Energy Solutions

Automakers increasingly acquire or vertically integrate EV-critical technologies to secure supply chains and differentiate offerings

Ferrari ensures high-performance solutions by gaining **direct control** over:



### Acquiring SK On Before Profitability



Current valuation reflects **short-term losses, not long-term potential**. Margins expected to rebound post-2025 as factories scale and subsidies lower costs. Ferrari could **acquire SK On at a discount**, mirroring Volkswagen's early bet on QuantumScape

### Revenue Diversification & Personalization Through Service Integration

#### Leveraging SK On's Partnerships with Hyundai & Ford



Diversified revenue streams offset Ferrari's **R&D costs**



High demand ensures **stability & innovation funding**

#### Utilising SK On's Service Lines



Battery as a Service & Energy Storage as a Service



Low upfront EV costs + Recurring Revenue from Battery Leasing



Custom subscription models boosting demand



Branded Home Storage & Solar-linked Charging



Ferrari Energy Network: App-controlled charging solutions



Enhanced customer experience with Ferrari ecosystem

SK On's business model **integrates well** with Ferrari's vision. With **undervalued market position** and **strong future growth potential**, acquiring SK On presents a rare opportunity for Ferrari to **enter the EV ecosystem at a discount while securing a long-term competitive advantage**.

Executive  
Summary

Industry  
Overview

Company  
Analysis

Financial  
Analysis

Acquisition  
Feasibility

Alternative  
Solution

Conclusion



# Conclusion

Ferrari should not acquire Pirelli and instead focus on acquisition that better aligns with its strategic initiatives

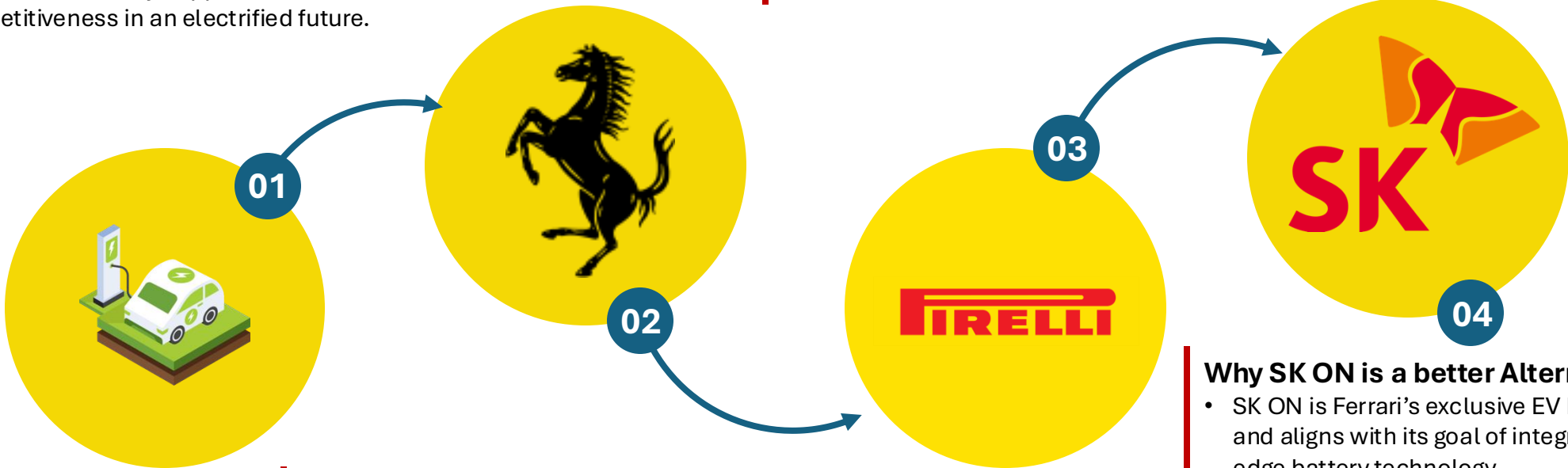


## Future of EV Batteries Market

- The EV market is experiencing rapid growth, driven by increasing government regulations, consumer demand, and technological advancements.
- Luxury automakers, including Ferrari, must strategically align with EV battery suppliers to ensure competitiveness in an electrified future.

## Why Pirelli doesn't align with Ferrari's strategy

- Pirelli focuses on mass-market tire production rather than specialized EV battery technology.
- Limited synergies exist, as Ferrari already has tire partnerships that meet its needs without requiring acquisition.
- Acquiring Pirelli would dilute Ferrari's brand, introduce operational inefficiencies, and require further investments to meet electrification goals.



## Ferrari's strategic goals

- Ferrari is committed to 60% of its sales from electric and hybrid models by 2026 and 80% by 2030.
- The company prioritizes performance, exclusivity, and luxury over mass-market expansion.

## Why SK ON is a better Alternative

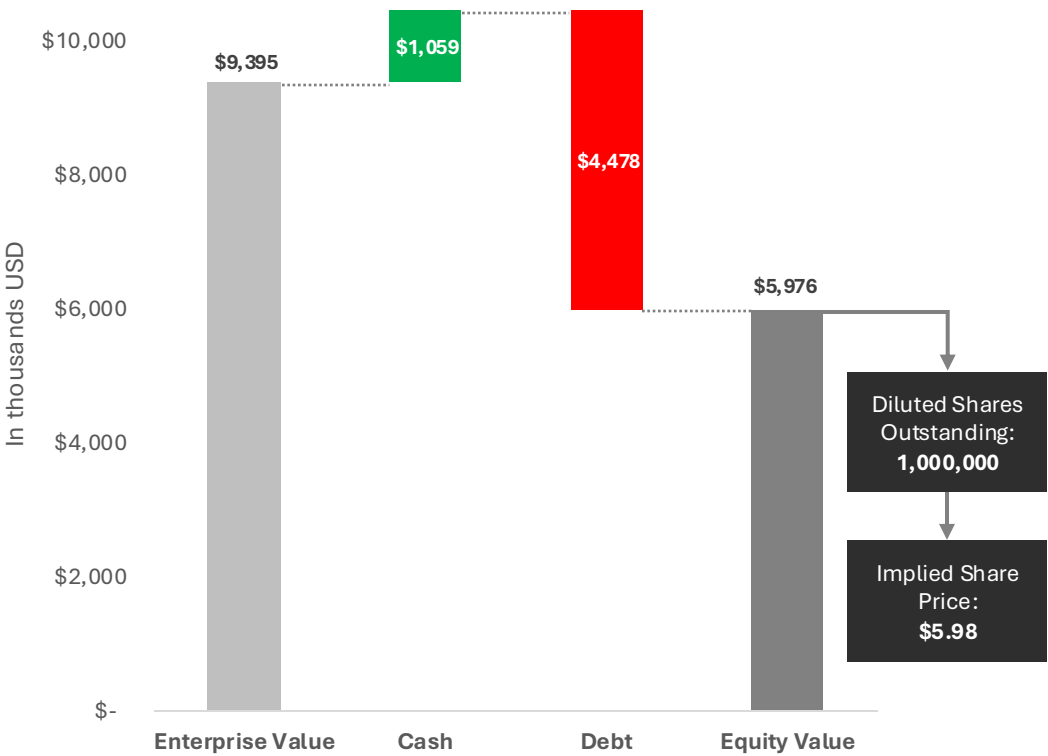
- SK ON is Ferrari's exclusive EV battery supplier and aligns with its goal of integrating cutting-edge battery technology.
- SK ON is currently valued at a lower multiple due to historical unprofitability, presenting an opportunity for Ferrari to acquire it at a discount.
- Its strong growth trajectory and improving profitability position SK ON as a long-term strategic asset for Ferrari's electrification goals

## Appendix and Bibliography



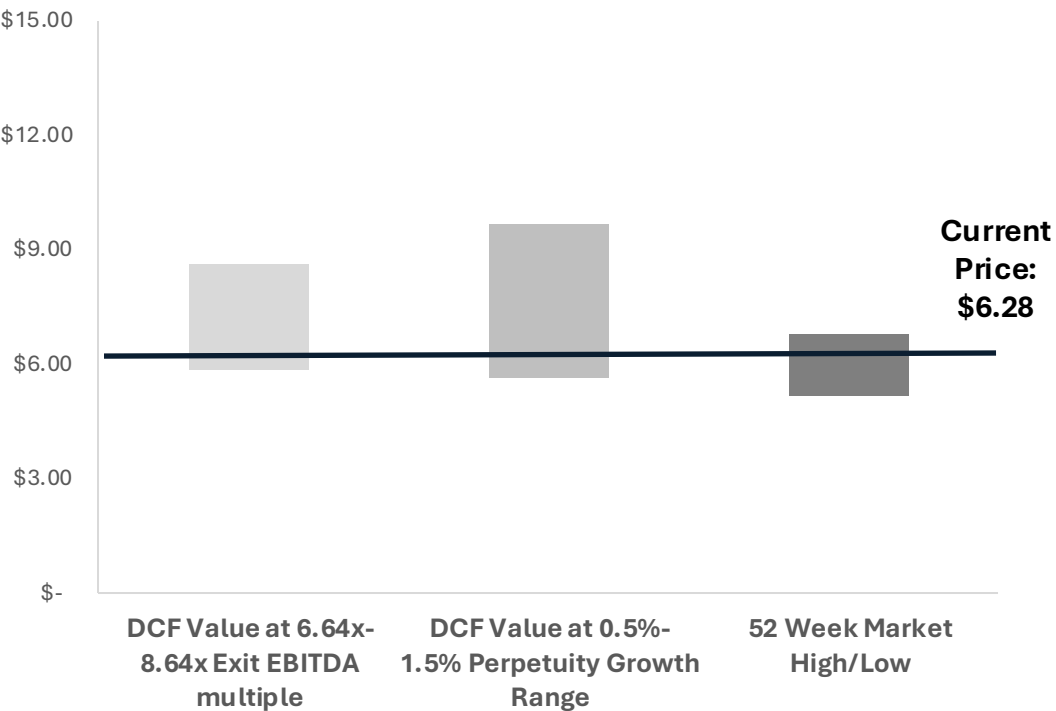


Enterprise to Equity Value Bridge

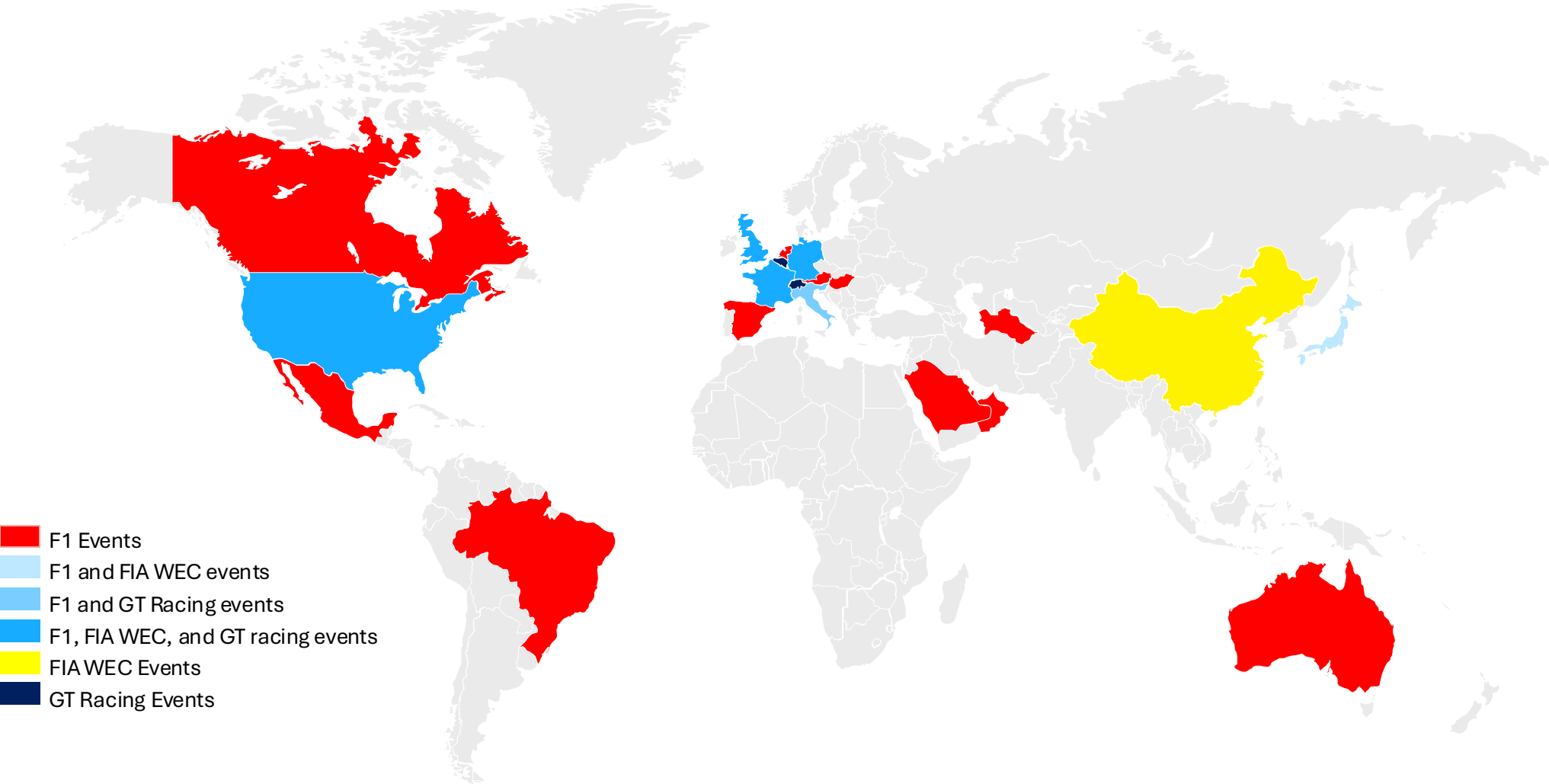


**Current Enterprise Value: \$9.395 millions**  
+ Cash & Equivalents: \$1.059 millions  
- Total Debt: \$4.478 million  
**Equity Value: \$5.976 million**

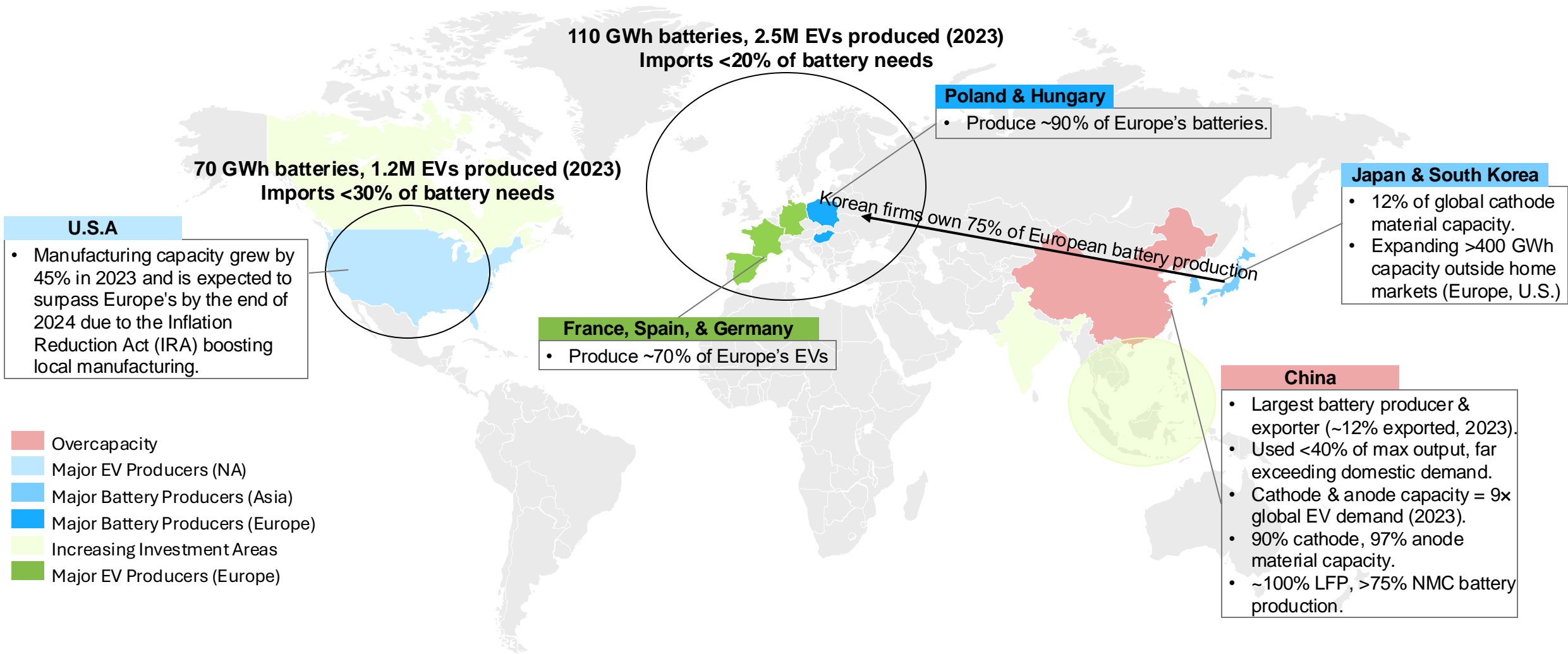
Football Field



Enterprise Value via Exit EBITDA multiple Approach: **\$10.59 million**  
Enterprise Value via Perpetuity Approach: **\$10.66 million**  
  
Pirelli's DCF Outputs Indicate that the company is **fairly valued** compared to its current market valuation











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