

Ferrari shares roar ahead on raised 2019 targets

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Revvng up the forecasts

Shares in Italian luxury sportscar maker Ferrari leapt ahead Monday after the company raised its 2019 targets and unveiled a partnership with Armani.

Ferrari shares gained 6.51 percent to 153.85 euros, outperforming the overall Milan stock market which closed 1.64 percent higher.

After releasing third-quarter results that were better than expected, the automaker raised its overall 2019 sales target to 3.7 billion euros (\$4.1 billion) from a previous forecast of more than 3.5 billion.

Core earnings are now tipped to come in around 1.27 billion euros, an improvement on Ferrari's earlier estimate of between 1.2 and 1.25 billion.

Ferrari then unveiled a venture with the Armani fashion house to market derivative products.

For the third quarter of the year, the company's net profit was nonetheless 41 percent lower at 169 million euros compared with the same period a year earlier, but that was better than the

consensus analyst forecast of 164 million compiled by the financial information provider Factset.

Third-quarter sales gained 9.2 percent to 915 million euros meanwhile, exceeding the analysts forecast of 884 million.

The increase was in large part the result of a 9.4 percent rise in the number of cars delivered during the three-month period to 2,474 units.

Best selling models included the entry-level Portofino model that has a list price of 196,000 euros and the 812 Superfast.

The company's strongest markets were in Europe, the Middle East and Africa, while sales slipped slightly in the China-Hong Kong-Taiwan region, it said.

Sales in the Americas were essentially the same as a year earlier.

Ferrari plans to focus on a hybrid model in the coming years, and on a special series dubbed Icona, of which two models, Monza SP1 and SP2, have already begun to be delivered.

Their price starts at 1.5 million euros.

Ferrari chief executive Louis Camilleri told analysts in a telephone conference there was "strong interest" among Ferrari owners for hybrid vehicles, but said the company would "take its time" before unveiling a fully electric model, to ensure it was a "real Ferrari".

Finally, the company plans to reorganise its stores and internet site to boost sales of merchandise such as video games to the point where they generate 10 percent of Ferrari's profits within seven to 10 years, Camilleri said.

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