

BUSI 7110/7116: Financial Analysis Ferrari: The 2015 Initial Public Offering

Purchase the case, as discussed in class and on the course web page. Read it thoroughly and complete your analysis. Be prepared to discuss the case and your analysis in class on the due date. To help guide you, be prepared with answers to the following questions. You may work in teams of up to 3 people, but everyone is expected to understand all parts of the analysis. You do not need any data or analysis beyond what is included in the case, what we have discussed in class, and your own logic/reasoning. You will not be counted off for being wrong, you are only expected to be prepared and try your best.

The case must be purchased from Darden Business Publishing from the link provided on the course web page.

Objective: The objective of this case is not to complete a detailed financial analysis, but to apply some of what we have discussed regarding financial statements, financial ratios, and being a public corporation.

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1. With whom should we benchmark? What are the pros and cons of different groups of benchmark firms?
 2. Calculate enterprise value and enterprise value multiples (also called the EBITDA multiple) for your benchmark firms. (Think market value ratios from our discussion of financial statement analysis during orientation.)
 3. What is your estimate of enterprise value for Ferrari? What is your estimate of the value of the firm's equity? **What is your estimate of the value per share in (\$USD)?**
 4. What are the pros and cons of using a market-multiples approach to valuation?
 5. What are the potential benefits and costs of Ferrari's spinoff and IPO?

After your team analysis is complete, submit your answers online (see the link on the course web page) **by midnight on Sunday, September 8th**. No assignments will be accepted after that time.

Each TEAM will submit 1 assignment. Students are not to discuss the assignment with anyone outside of their team except Dr. Yost. Be sure to clarify among your team who the ONE person is that will submit your answers. Do not submit more than once per team.