



GREATEST COMPANIES · RESEARCH SHEET · The Scarcity Moat

Ferrari

The Art of Selling One Car Too Few

NYSE: RACE · Luxury Automotive · Founded 1929 (team) / 1947 (first car) · Maranello, Italy

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There is a principle, attributed to Enzo Ferrari himself, that explains more about the company than any balance sheet: Ferrari will always build one car fewer than the market demands. It sounds like a mistake. Every other carmaker on Earth strains to sell as many vehicles as possible; Ferrari does the opposite, deliberately holding back, keeping its cars rare, its waiting lists long, its customers hungry. In that restraint lies one of the most powerful and profitable competitive moats in all of business, a company that makes only a tiny number of cars each year yet earns margins most luxury houses can only dream of.

Key Facts

Founder	Enzo Ferrari, a racing obsessive who built road cars to fund his racing team
Sector	Ultra-luxury automotive
Moat	An intangible brand of pure desire, protected by deliberately engineered scarcity
The Strategy	Sell fewer cars than the market demands, on purpose, without exception
Profit Engine	Extraordinary pricing power, bespoke personalization, and brand licensing
Public Listing	Spun off from Fiat Chrysler and listed on the NYSE in 2015
Status	Public (NYSE: RACE), controlled by Exor (Agnelli family) and the Ferrari family

By the Numbers

2025 revenue above €7 billion at an operating margin near 30%, extraordinary for any carmaker

An order book stretching toward the end of 2027 despite making only a tiny fraction of rivals' volumes

Listed on the NYSE in 2015 under the fitting ticker RACE

Founded as a racing team in 1929; the first Ferrari-badged road car, the 125 S, built in 1947

Fiat took a major stake in 1969, providing the industrial backing behind the brand

Sometimes requires a history of prior purchases before a customer may buy the most exclusive models

The Moat

Engineered Scarcity, Not Capacity Limits

Ferrari is the purest example of a moat made of pure desire. It does not compete on price, volume or even mainly on technology; it competes on the intensity of longing it can create, then protects that longing by refusing to satisfy all of it. As the company grew, its leaders understood something that would seem insane to a mass-market carmaker: the value of the brand depends on keeping it rare. Flood the market and each car feels less special, the waiting lists vanish, and the mystique that justifies the staggering prices evaporates. So Ferrari caps production deliberately, well below what it could sell, reserving its most exclusive models for its most loyal customers. Because demand always exceeds supply, Ferrari never has to discount and can charge extraordinary prices customers gladly pay, and the rich personalization business, bespoke paint, materials, one-off commissions, extracts still more value from a tiny number of physical products.

The Constant Temptation to Grow

The Discipline of Turning Down Revenue

Every luxury brand that grows successful faces the same temptation, and Ferrari faces it constantly: demand vastly exceeds the number of cars it chooses to make, and it could raise production significantly, sell many more cars, and book a surge of immediate revenue. The factory could be expanded; the waiting lists could be shortened; the market is clearly there. Ferrari has consistently chosen restraint instead, growing volumes only slowly and deliberately while pushing value through pricing, personalization and ever more exclusive models. This is not a single crisis with a resolution but a permanent, recurring test, the willingness to turn down obvious, available revenue in order to remain priceless, repeated every year against the same pressure that has eroded lesser luxury names into mass-market mediocrity.

“The willingness to turn down revenue, to sell less than you could in order to remain priceless, is the discipline at the heart of the company.”

The Legendary Scorecard

Category	Score	Notes
Founder Vision	9	Enzo Ferrari built road cars to fund racing and created a mythology, not just a car company
Innovation	7	Genius lies in brand and discipline rather than technological invention
Execution	9	Decades of disciplined scarcity management, sustained across ownership changes
Moat	10	A near-perfect moat: engineered scarcity giving almost total pricing power
Capital Allocation	8	Consistently forgoes easy volume revenue to protect long-term brand value
Wealth Creation	8	Extraordinary margins and a strong public run since the 2015 IPO

Durability	9	Enzo Ferrari's mythology has proved remarkably resilient across a century
Historical Importance	7	Cultural and financial influence rather than industry-transforming invention
Overall Legendary	8.5 / 10	A near-perfect moat built on the counterintuitive power of restraint

Scores are an editorial verdict on the standard eight-category Greatest Companies scale. The overall is a judgment, not a weighted average.

Timeline

1929	Enzo Ferrari founds the Scuderia Ferrari racing team
1947	The first car bearing the Ferrari name, the 125 S, is built in Maranello
1950s–80s	Ferrari builds road cars largely to fund racing, while the brand becomes a global symbol of desire
1969	Fiat takes a major stake in Ferrari, providing industrial backing
2015	Ferrari is spun off from Fiat Chrysler and lists on the NYSE under the ticker RACE
2025	Ferrari earns more than €7 billion in revenue at ~30% operating margin, order book into 2027

Lessons — What This Means for You

THE MOVE · Protect scarcity as the source of value

Ferrari deliberately limits supply, selling fewer cars than the market demands, to keep the brand rare and desired. For certain goods, value comes not from abundance but from scarcity, and the supply of a desirable thing must be carefully managed, never flooded. The skill to study is the discipline to hold back, to protect the exclusivity that justifies the premium, rather than satisfying every unit of demand.

THE MONEY · Pricing power is the purest form of profit

Because Ferrari's demand always exceeds its supply, it enjoys near-total pricing power: it can charge extraordinary prices, never discount, and earn margins that dwarf ordinary carmakers'. Pricing power, the ability to raise prices without losing customers, is the single clearest marker of a great business; a company that can name its price because customers cannot bear to go elsewhere has found the surest road to durable profit.

THE MIND · The restraint to leave money on the table

The hardest discipline at Ferrari is psychological: the willingness to turn down obvious, available revenue by refusing to make more cars. Most companies, and most people, cannot resist the temptation of immediate gains. True long-term value often requires the restraint to forgo short-term rewards today in order to protect something far more valuable tomorrow, scarcity is a choice, and the discipline to keep choosing it is rare.

Related Reading

Industrialized luxury and desire across dozens of brands: [LYMH: The Man Who Industrialized Desire](#)

A single-brand feeling compounded for a century: [Coca-Cola: The Most Valuable Feeling in the World](#)

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Read the Full Story

Read the full company story: [Ferrari: The Art of Selling One Car Too Few](#)

Sources & Further Reading

Luca Dal Monte, Enzo Ferrari: Power, Politics, and the Making of an Automotive Empire (2018)

Ferrari N.V. annual reports and disclosures

Greatest Companies (Ferrari chapter), The Complete Trader's Edge

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