Q2 2019 EARNINGS REVIEW AND UPDATE



Columbus, OH

MOVE | BUILD | GROW

RITCHIE BROS.

Forward looking statements and non-GAAP measures

Caution Regarding Forward-Looking Statements

This presentation contains forward-looking statements and forward-looking information within the meaning of applicable US and Canadian securities legislation (collectively, "forward-looking statements"), including, in particular, statements regarding the benefits and synergies of the IronPlanet transaction, future opportunities for the combined businesses of Ritchie Bros. and IronPlanet, future financial and operational results and any other statements regarding events or developments that Ritchie Bros. believes or anticipates will or may occur in the future. Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as "expect", "plan, "anticipate", "project", "target", "potential", "schedule", "forecast", "budget", "estimate", "intend" or "believe" and similar expressions or their negative connotations, or statements that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond Ritchie Bros.' control, including risks and uncertainties related to: general economic conditions and conditions affecting the industries in which Ritchie Bros operates; Ritchie Bros.' ability to successfully integrate IronPlanet; the ability to realize anticipated growth, synergies and cost savings in the IronPlanet transaction; the maintenance of important business relationships; our ability to commercialize new platform solutions and offerings; deterioration of or instability in the economy, the markets we serve or the financial markets generally; as well as the risks and uncertainties set forth in Ritchie Bros.' Annual Report on Form 10-K for the year ended December 31, 2018, which is available on the SEC, SEDAR, and Ritchie Bros.' website. The foregoing list is not exhaustive of the factors that may affect Ritchie Bros.' forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, and actual results may differ materially from those expressed in, or implied by, these forward-looking statements. Forward-looking statements are made as of the date of this presentation and Ritchie Bros. does not undertake any obligation to update the information contained herein unless required by applicable securities legislation. For the reasons set forth above, you should not place undue reliance on forward-looking statements.

This presentation contains certain non-GAAP financial measures. For a discussion of non-GAAP measures and the most directly comparable GAAP financial measures, see the Appendix to this presentation as well as our earnings release and our Form 10-Q interim report, which are available at: investor.ritchiebros.com. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understand and assessing our financial condition and results. Therefore, these measures should not be considered in isolation or as alternatives to measures of profitability, liquidity or other performance under GAAP. These measures may not be comparable to similarly-titled measures used by other companies.

This presentation also includes certain forward-looking non-GAAP financial measures. We are unable to present a quantitative reconciliation of this forward-looking non-GAAP financial information because management cannot reliably predict all of the necessary components of such measures. Accordingly, investors are cautioned not to place undue reliance on this information.
All figures are in US dollars, unless otherwise noted.



Second Quarter Overview

Ravi Saligram

Chief Executive Officer

2Q 2019 Highlights

GROSS TRANSACTION VALUE (in billions)		TOTAL REVENUE (in millions)		DILUTED EPS		YTD Cashflow from Operations (in millions)	
$1.5	+5%	$393.2	+27%	$0.49	+17%	$160	+49%

- FX headwinds: on a constant currency basis, Gross Transaction Value +7%
- Live GTV +5% ; Online GTV +5%
- Marketplace-E (MPE) delivers strong GTV growth of 47% with GovPlanet GTV growth over 200%
- RBFS grows revenues by 19%; 30th consecutive double-digit quarter of revenue growth
- Improved operating leverage; 4% decline in SGA, 20% operating income growth
- Increased dividend $0.02 or 11% to $0.20
- Repurchased $42 million of common shares
- 9 RBAS reference contracts signed as of 1H19
- Strong Columbus auction – largest ever 2-day auction



Auction Highlights

Live Industrial Auctions



- 5% Live Industrial Auction growth
- 35% of live industrial auctions posted year-on-year growth comps
- Columbus, OH Auction, US$94 million, largest 2 day auction ever
- 9 Fewer Agricultural auctions, 9 additional industrial auctions compared to Q218. New auction in Grande Prairie, Moerdijk auction moving from Q318 to Q219
- Higher mix of small-value lots; particularly in Canada

Online Marketplaces



- 5% Online Marketplaces GTV growth led by MPE, GOV growth
- Across all channels, 63% of total GTV was purchased by online buyers in Q2 vs. 57% in Q2 last year
- 42% growth of new buyers on IronPlanet
- Marketplace-E bids up +12%; buyers up +27%
- GovPlanet bids up +594%; items listed +638%; buyers +201%



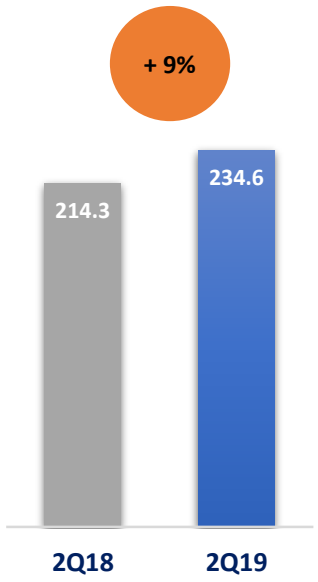
Financial Review

Sharon Driscoll

Chief Financial Officer

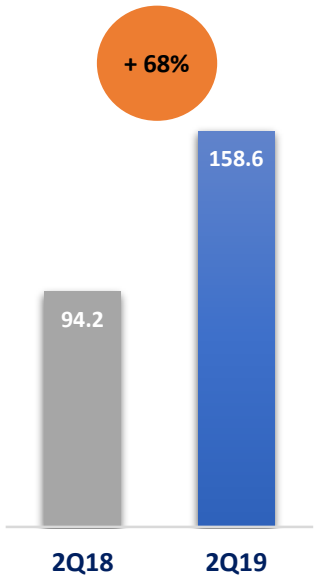
Consolidated Performance

SERVICE REVENUE



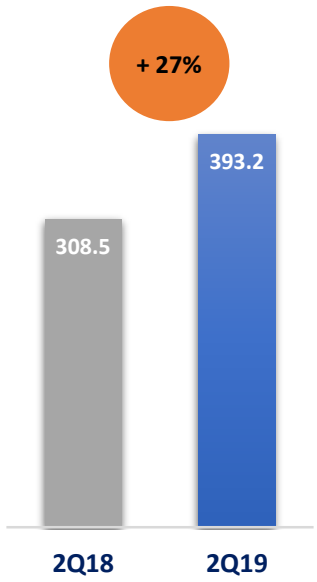
- 8% increase in commissions, 12% increase in fees
- Total service revenue as a % of total GTV 15.7% vs. 15.0% in 2Q18
- Other Segment revenue -2%; RBFS revenue +19%, Ancillary revenue declined

INVENTORY REVENUE



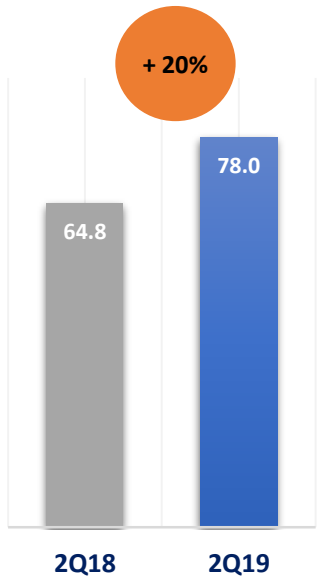
- Total inventory sales revenue as a % of total GTV (mix) 10.6% vs. 6.6% in 2Q18
- Inventory sales revenue +68% from higher revenue in US, International, GovPlanet

TOTAL REVENUE



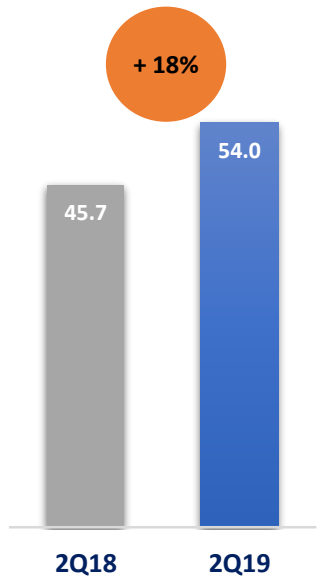
- Increase driven by both 68% higher inventory revenue and 9% growth in service revenue

OPERATING INCOME



- Higher total revenue
- 4% decline in SG&A
- $1.4M decline in acquisition related costs
- 3% increase in depreciation & amortization

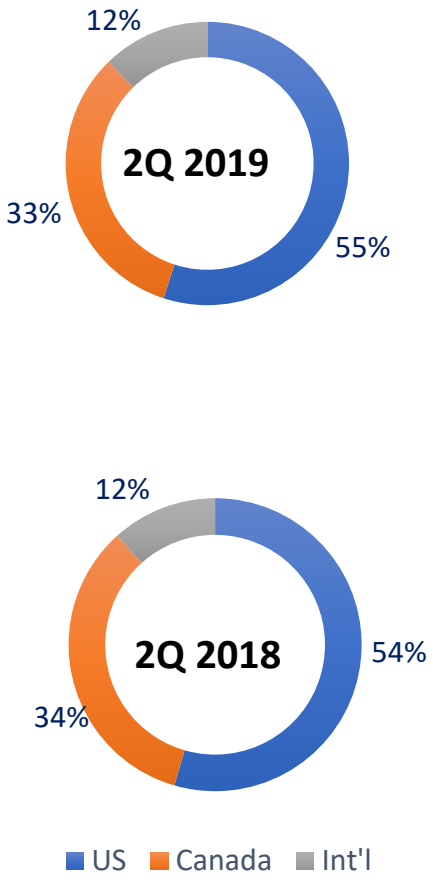
NET INCOME



- Operating income growth
- 7% lower interest expense
- Higher tax expense – effective tax rate of 22.1% vs. 16.5% in 2Q18

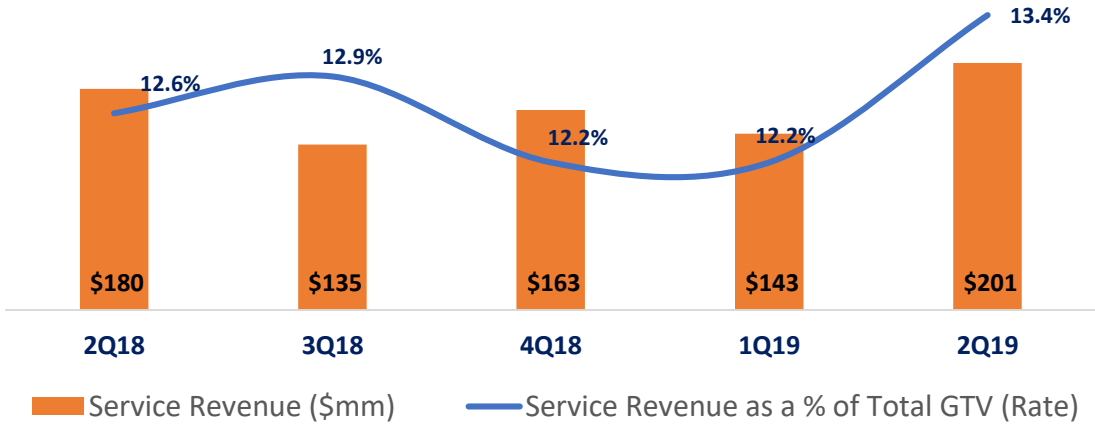
Auctions & Marketplaces - Service Revenue

Service Revenue Mix by Region



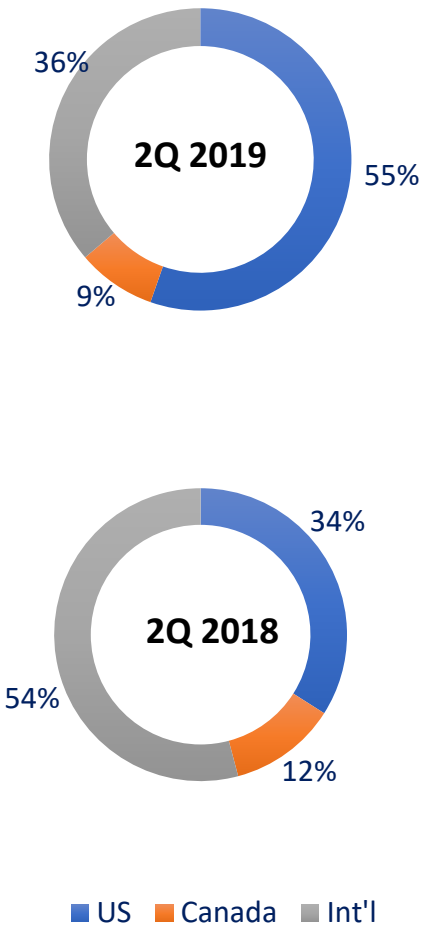
- Service revenue increased in line with GTV increase, higher commission and fee revenue
- Commission revenue increased on higher GTV, higher guarantee and straight commission rates
- Fee revenue increased due to higher GTV, full fee harmonization enacted in June 2019 and higher proportion of low value lots in Canada

A&M SERVICE REVENUE

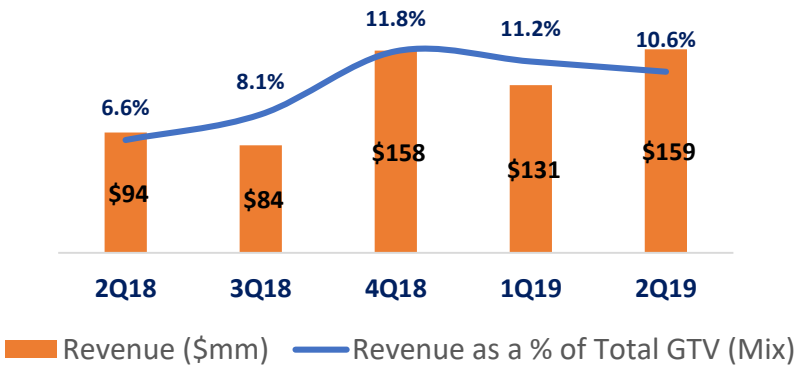


Auctions & Marketplaces – Inventory Sales Revenue

Inventory Sales Revenue mix by region

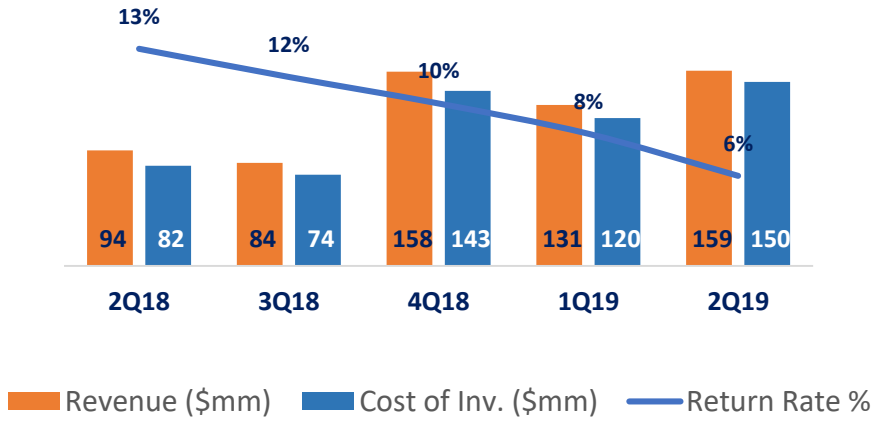


A&M INVENTORY SALES REVENUE



Inventory sales revenue increased 68% primarily due to an increase in volume of inventory sales contracts in the US, partly from the Columbus pipeline sale, and from GovPlanet non rolling stock revenue

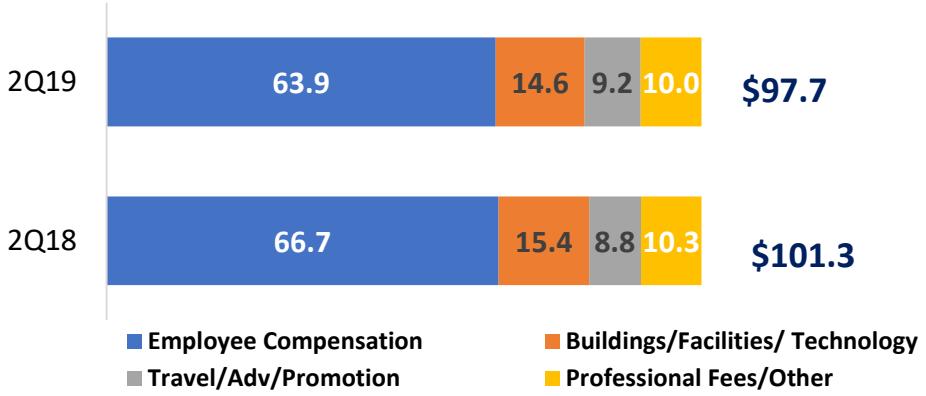
REVENUE / COST / RETURN RATE



- Inventory returns lower than Q1 rates across all regions
- Expected rate impact in Q2 from sell-through of lower rate inventory from Q1

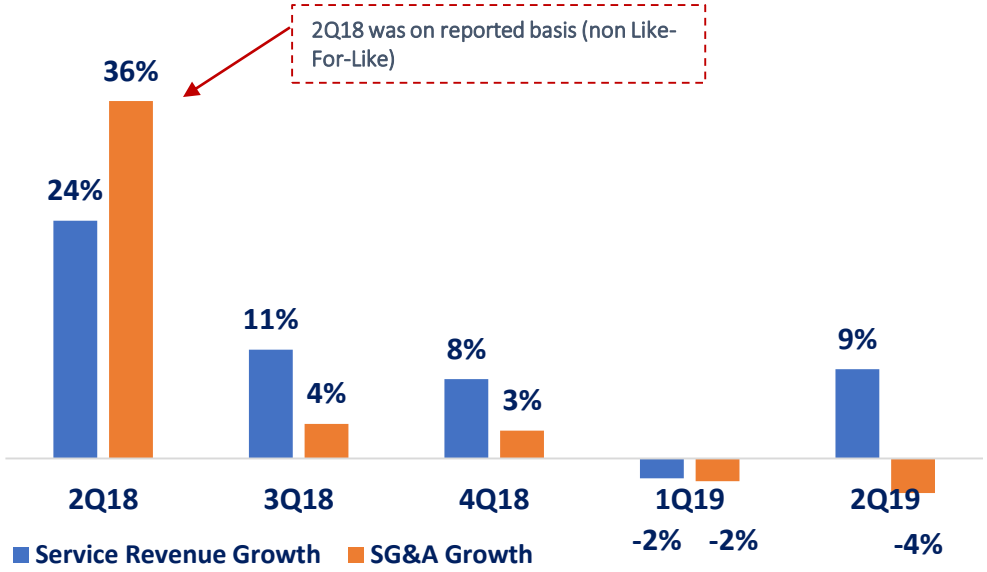
SG&A Expenses

2Q19 vs 2Q18



2Q19 SG&A declined 4% from lower employee compensation costs, partially offset by ongoing investments in growth

Service Revenue Growth vs SG&A Growth



Service Revenue growth outpacing SG&A growth resulting in stronger operating leverage

Balance Sheet & Liquidity Metrics

2019 Balance sheet and liquidity metrics (all unadjusted unless otherwise noted)

TTM Operating Free Cash Flow (non-GAAP)

2Q19	2Q18
$165M	$101M

Capex Spend

2019 Capex Range
$45M to $55M YTD SPEND $17M

Adjusted Net Debt/ Adjusted EBITDA (non-GAAP)

2Q19	2Q18
1.8X	2.5X

TTM Return On Invested Capital (non-GAAP)

2Q19	2Q18
8.3%	6.6%

Capital Allocation Priorities

Support Growth and Base Business

- Continued investment in RBFS, GovPlanet
- Investment in MARS initiatives
- Required investments to support SAGE

Debt Repayment

- Keep adjusted net debt/adjusted EBITDA ratio under 2X

Return Cash To Shareholders

- Maintain dividend payout ratio within evergreen target of 55%-60%
- Increased quarterly dividend by 11% to $0.20 in 2Q19
- Share repurchases to offset option dilution

Acquisitions

- Smaller tuck in and bolt on acquisitions to be considered as opportunities arise



Strategic & Operational Overview

Ravi Saligram

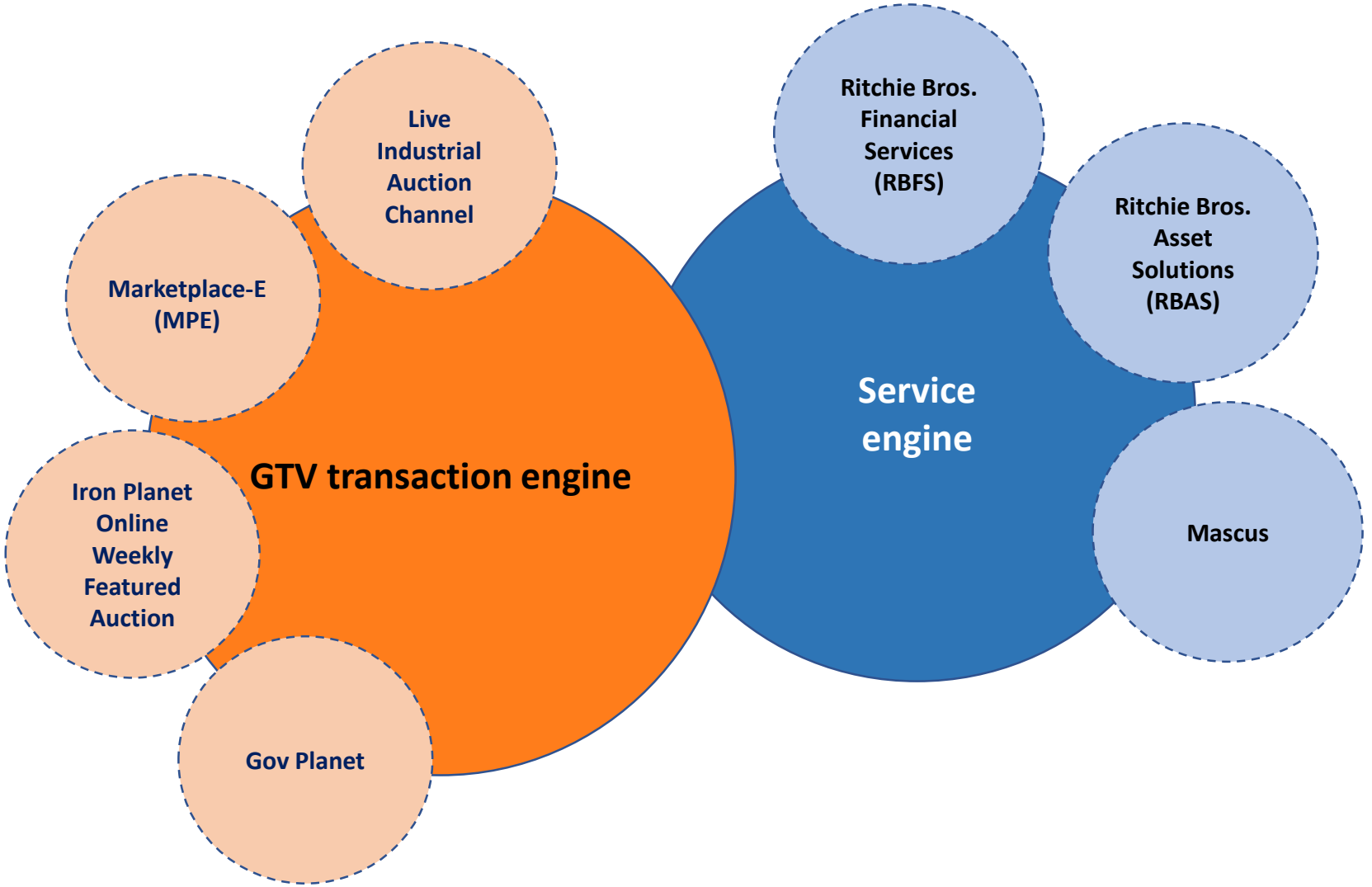
Chief Executive Officer

Our strategy is to offer multiple solutions in multiple channels and penetrate all segments of the used equipment market…be more than auctions

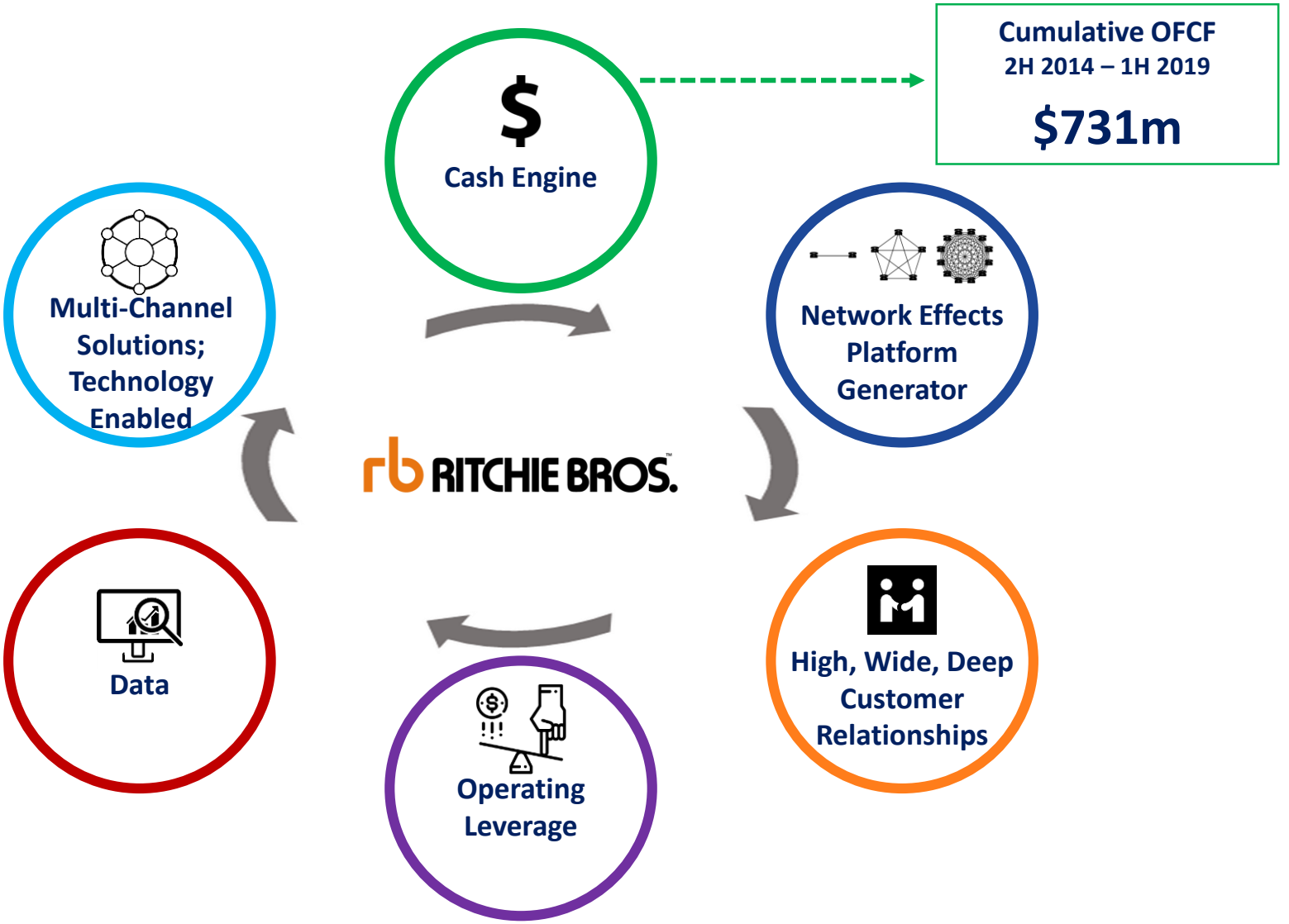
Protect, Penetrate, Partner ….not just auctions

REVENUE GENERATION SEGMENTS			
Seller Segments	**UPSTREAM**	**MIDSTREAM**	**AUCTION**
	OEM & Dealers / Rental / Strategic Accounts	Brokerage / Private Sales	End Users
Objective	**Embedded Partnerships**	**Penetrate**	**Protect & Gain**
RBA Solutions	rb Asset Solutions MASCUS SALE D2D CAT Alliance	Marketplace An IronPlanet solution MASCUS rb PRIVATE TREATY A Ritchie Bros. Solution GovPlanet Direct™	rb RITCHIE BROS. Auctioneers® IRON PLANET
Go-To-Market Drivers	**N.A. Strategic Accounts** **Mascus**	**N.A. Strategic Accounts** **International / US Regions / Canada Regions / Gov Bus.Dev./ State & Local / N.A. Agriculture**	

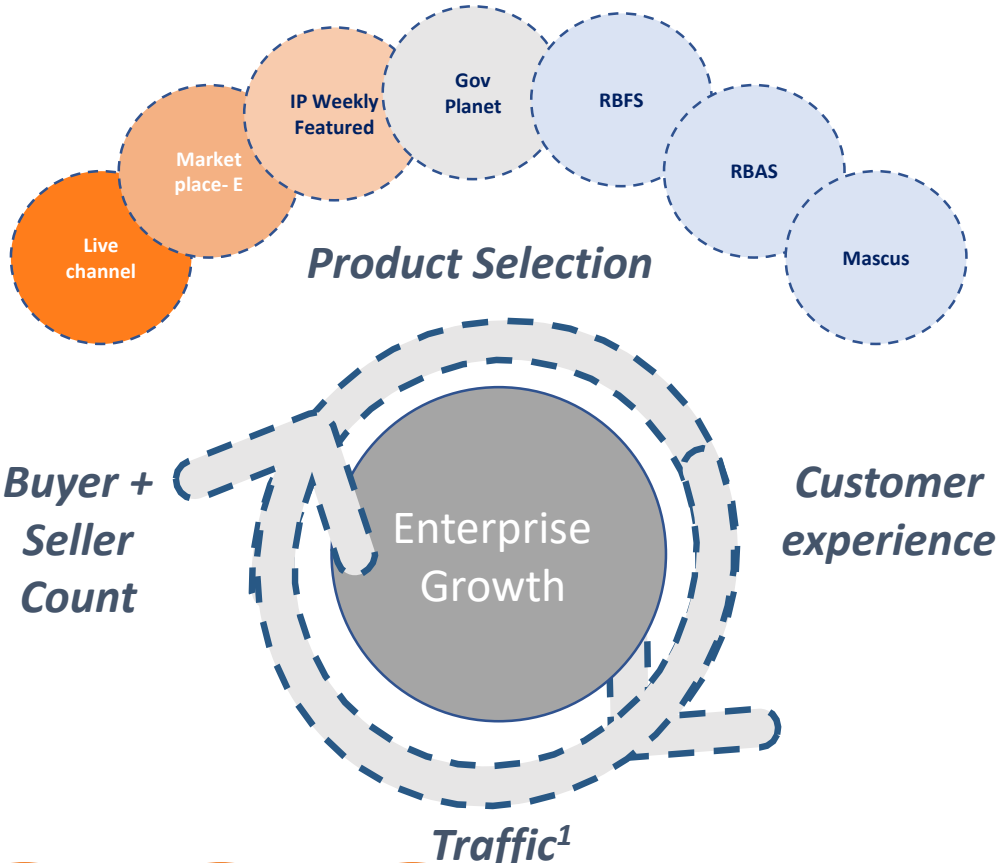
Transformation has created a business model founded on a strong and growing transaction engine; supplemented by a solid service proposition



Sources of Competitive Advantage



Network Effect
The virtuous cycle of a growing and diverse ecosystem





Over a **million followers** on social media

888,000+ | 65,800+ | 49,200+ | 42,700+ | 5,600+

[1]Full year 2018 results

Recap of Announcements

Announcement of Interim Co-Chief Executive Officers

Sharon Driscoll, Chief Financial Officer, and Karl Werner, President, International, have been named interim Co-Chief Executive Officers of the Company effective October 1st.

Executive Team Promotions:

- Jeff Jeter who was recently appointed President, Upstream and Emerging Businesses, North America will now also assume responsibility for digital operations. He will continue to play an important role in accelerating momentum behind key growth initiatives including oversight of North American strategic accounts, the Government business and the commercial roll-out of Ritchie Bros. Asset Solutions.
- Kari Taylor, currently Chief Sales Officer, U.S. Regions, will become President, US Regions, overseeing both sales and operations functions in the US.
- Kieran Holm, currently SVP, Operations Excellence & Efficiencies, will become President, Canada, responsible for all aspects of the region's sales and operations.
- Matt Ackley, currently SVP Product Management & Digital Marketing will become Chief Marketing Officer responsible for the entire Marketing function including digital product management and the global development of Ritchie Bros. Asset Solutions.

Compelling growth drivers add to the strength of our base business and contribute to the Evergreen model growth profile



Takeaways from Q2

1 **Expense Discipline /Improved Operating Leverage**
SG&A -4%

2 **Strong Financial Performance across the board**
+7% GTV* / +27% Rev / +20% OI / +17% EPS

3 **Strong Balance Sheet / Cash Flow**
Adjusted Net Debt to Adjusted EBITDA of 1.8x
11% dividend increase
$42m share repurchase in the quarter

4 **Strong online GTV performance from Marketplace-E & GovPlanet**
MPE +47% / Gov +239%

* GTV referenced is on a constant currency basis; reported basis GTV growth was 5%

Q&A
Members of the RBA Management Team

Appendix

2Q19 and 3Q19 – Auction Calendar Notes

2Q19 Live Auction Notes (Total Auctions = Live Industrial + Agriculture)

	2Q19	2Q18	+ / -
Total Live Auctions	**152**	**152**	**0**
Non Recurring 2018 auctions			
Narita		1	-1
Regina		1	-1
Other		3	-3
Auctions moved to 1Q19 from 2Q18			
Columbus		1	-1
Nashville		1	-1
Auctions moving from 3Q18 to 2Q19			
Kansas City	1		1
Salt Lake City	1		1
Lethbridge	1		1
Moerdijk	1		1
North Battleford	1		1
New 2Q19 auctions			
Grande Prairie	1		1
Lincoln	1		1
Saskatoon	1		1
Other	8		8
Fewer Ag auctions		9	-9
	16	16	0

3Q19 Provisional Live Auction Notes

	Q319	Q318	+/-
Industrial auctions	46	45	1
Agricultural Auctions	10	23	-13
	56	68	-12

These are provisional auction calendar notes and are subject to change

Appendix – Non GAAP Reconciliations

Adjusted EBITDA* and Adjusted Net Debt/Adjusted EBITDA* Reconciliation

We believe that comparing adjusted net debt/adjusted EBITDA* on a trailing 12-month basis for different financial periods provides useful information about the performance of our operations as an indicator of the amount of time it would take us to settle both our short and long-term debt. We do not consider this to be a measure of our liquidity, which is our ability to settle only short-term obligations, but rather a measure of how well we fund liquidity. Measures of liquidity are noted under "Liquidity and Capital Resources".

The following table reconciles adjusted EBITDA* and adjusted net debt*/adjusted EBITDA* to debt, cash and cash equivalents, net income, and debt as a multiple of net income, which are the most directly comparable GAAP measures in, or calculated from, our consolidated financial statements.

	As at and for the 12 months ended June 30,		
(in U.S. $millions)	2019	2018	% Change 2019 over 2018
Short-term debt	$ 8.0	$ 4.1	95 %
Long-term debt	704.9	750.4	(6)%
Debt	712.9	754.5	(6)%
Less: cash and cash equivalents	(210.4)	(210.6)	— %
Adjusted net debt*	502.5	543.9	(8)%
Net income	$ 130.9	$ 110.1	19 %
Add: depreciation and amortization expenses	68.1	63.3	8 %
Add: interest expense	43.2	43.8	(1)%
Less: interest income	(3.6)	(2.5)	43 %
Add: income tax expense	38.7	5.0	674 %
Pre-tax adjusting items:			
Severance and retention	1.5	2.2	(32)%
Gain on sale of equity accounted for investment	(4.9)	—	— %
Adjusted EBITDA*	$ 273.9	$ 221.9	23 %
Debt/net income	5.4x	6.9x	(22)%
Adjusted net debt*/adjusted EBITDA*	1.8x	2.5x	(28)%

Appendix – Non GAAP Reconciliations

Operating Free Cash Flow* ("OFCF") Reconciliation

We believe OFCF*, when compared on a trailing 12-month basis to different financial periods provides an effective measure of the cash generated by our business and provides useful information regarding cash flows remaining for discretionary return to stockholders, mergers and acquisitions, or debt reduction. Our balance sheet scorecard includes OFCF* as a performance metric. OFCF* is also an element of the performance criteria for certain annual short-term and long-term incentive awards.

The following table reconciles OFCF* to cash provided by operating activities and net capital spending, which are the most directly comparable GAAP measures in, or calculated from, our consolidated statements of cash flows:

	12 months ended June 30,		
(in U.S. $millions)	2019	2018	% Change 2019 over 2018
Cash provided by operating activities	$ 196.8	$ 139.4	41 %
Property, plant and equipment additions	15.7	12.3	28 %
Intangible asset additions	26.1	30.7	(15)%
Proceeds on disposition of property plant and equipment	(9.5)	(4.2)	126 %
Net capital spending	$ 32.3	$ 38.8	(17)%
OFCF*	$ 164.5	$ 100.6	64 %

(1) OFCF* is calculated by subtracting net capital spending from cash provided by operating activities.

Appendix – Non GAAP Reconciliations

Adjusted Net Income Attributable to Stockholders* and ROIC* Reconciliation

We believe that comparing ROIC on a trailing 12-month basis for different financial periods, provides useful information about the after-tax return generated by our investments.

The following table reconciles adjusted net income attributable to stockholders* and ROIC* to net income attributable to stockholders, long-term debt, stockholders' equity, return on average invested capital which are the most directly comparable GAAP measures in, or calculated from, our consolidated financial statements:

	As at and for the 12 months ended June 30,		
(in U.S. $millions)	2019	2018	% Change 2019 over 2018
Net income attributable to stockholders	$ 130.8	$ 109.9	19 %
Pre-tax adjusting items:			
Severance and retention	1.5	2.2	(32)%
Gain on sale of equity accounted for investment	(4.9)	—	— %
Current income tax effect of adjusting items:			
Severance and retention	(0.4)	(0.2)	100 %
Deferred income tax effect of adjusting items:			
Severance and retention	—	(0.4)	100 %
Deferred tax adjusting item:			
Remeasurement of deferred taxes	—	(10.1)	100 %
Adjusted net income attributable to stockholders*	$ 127.0	$ 101.4	25 %
Opening long-term debt	$ 750.4	$ 814.3	(8)%
Ending long-term debt	704.9	750.4	(6)%
Average long-term debt	727.7	782.4	(7)%
Opening stockholders' equity	$ 786.4	$ 711.6	11 %
Ending stockholders' equity	830.7	786.4	6 %
Average stockholders' equity	808.6	749.0	8 %
Average invested capital	$ 1,536.3	$ 1,531.4	— %
Return on average invested capital	8.5 %	7.2 %	130 bps
ROIC*	8.3 %	6.6 %	170 bps

(1) Please refer to page 45 for a summary of adjusting items during the trailing 12-months ended June 30, 2019 and June 30, 2018.
(2) Return on average invested capital is calculated as net income attributable to stockholders divided by average invested capital. We calculate average invested capital as the average long-term debt and average stockholders' equity over a trailing 12-month period.
(3) ROIC* is calculated as adjusted net income attributable to stockholders* divided by average invested capital.
(4) The adoption of Leases (Topic 842) requires lessees to recognize almost all leases, including operating leases, on the balance sheet through a right-of-use asset and a corresponding lease liability. The lease liability is not included in the calculation of debt.