Q4 2019 EARNINGS REVIEW AND UPDATE



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, 2019, 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.



Ann Fandozzi
Chief Executive Officer



Sharon Driscoll
Chief Financial Officer

Fourth Quarter Highlights

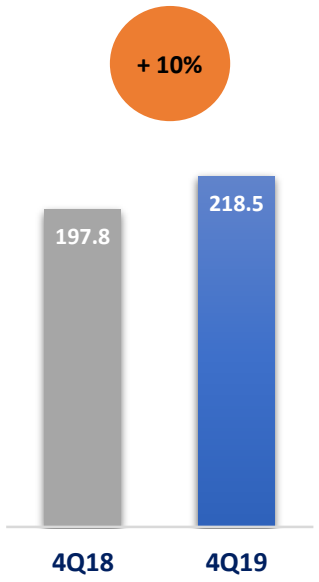
GTV (in billions)		TOTAL REVENUE (in millions)		REPORTED EPS		ADJUSTED EPS		YTD Cashflow from Operations (in millions)	
$1.4	+3.5%	$332	-7%	$0.47	+47%	$0.44	+38%	$333	+131%

- US Region delivered strong double-digit GTV growth in both live and online channels
- Online GTV accelerates +16.5% → IronPlanet Weekly +22%; Marketplace-E (MPE) +37% and GovPlanet US +72%
- Live GTV +1% → Led by strength in US; partially offset by softer Canada & International
- Total Revenue down 7% on +10% Service Revenue Growth and -28% decline in Inventory Revenue
- $43 million in voluntary debt repayments in fourth quarter → Leverage Ratio of 1.0x → S&P upgrade to BB+
- RB Asset Solutions continues to add new customers and launches inspection services offering



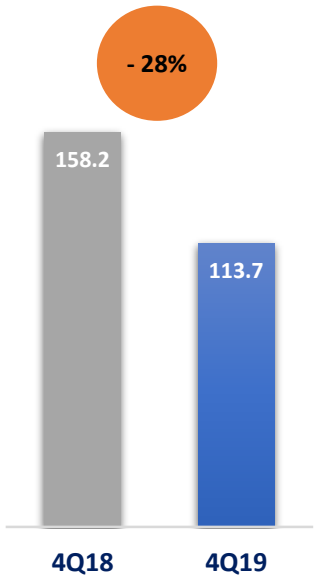
Fourth Quarter Consolidated Performance

SERVICE REVENUE



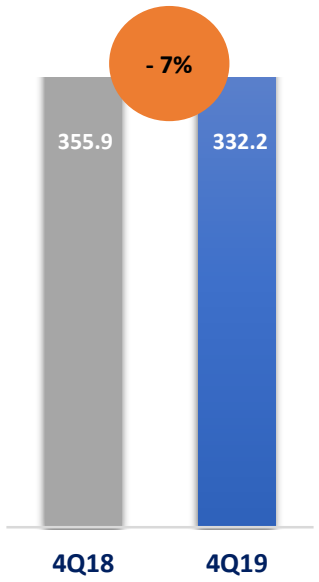
- 7% increase in commissions, 14% increase in fees
- Total service revenue as a % of total GTV 15.8% vs. 14.8% in 4Q18
- Other segment revenue -1.8% from lower RB logistics revenue; RBFS revenue +19%, Ancillary revenue +3.5%;

INVENTORY REVENUE



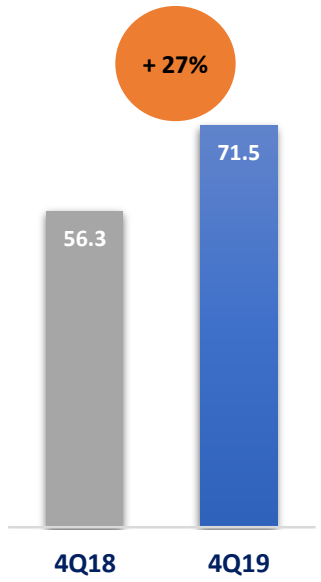
- Total inventory sales revenue as a % of total GTV (mix) 8.2% vs. 11.8% in 4Q18
- Inventory sales revenue declined 28% from lower volume/non-repeat auction volume in International and Canadian regions

TOTAL REVENUE



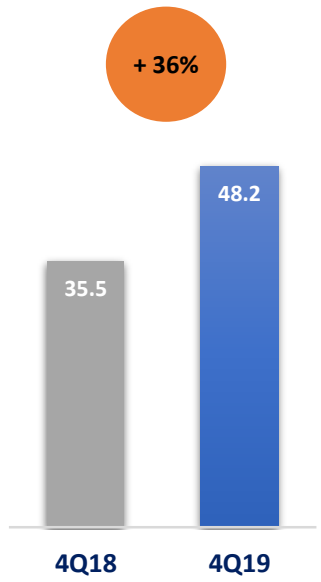
- Decrease driven by -28% decline in inventory revenue, offset by 10% higher service revenue

OPERATING INCOME



- Reported operating income growth 27%
- Service revenue growth outpacing SG&A growth

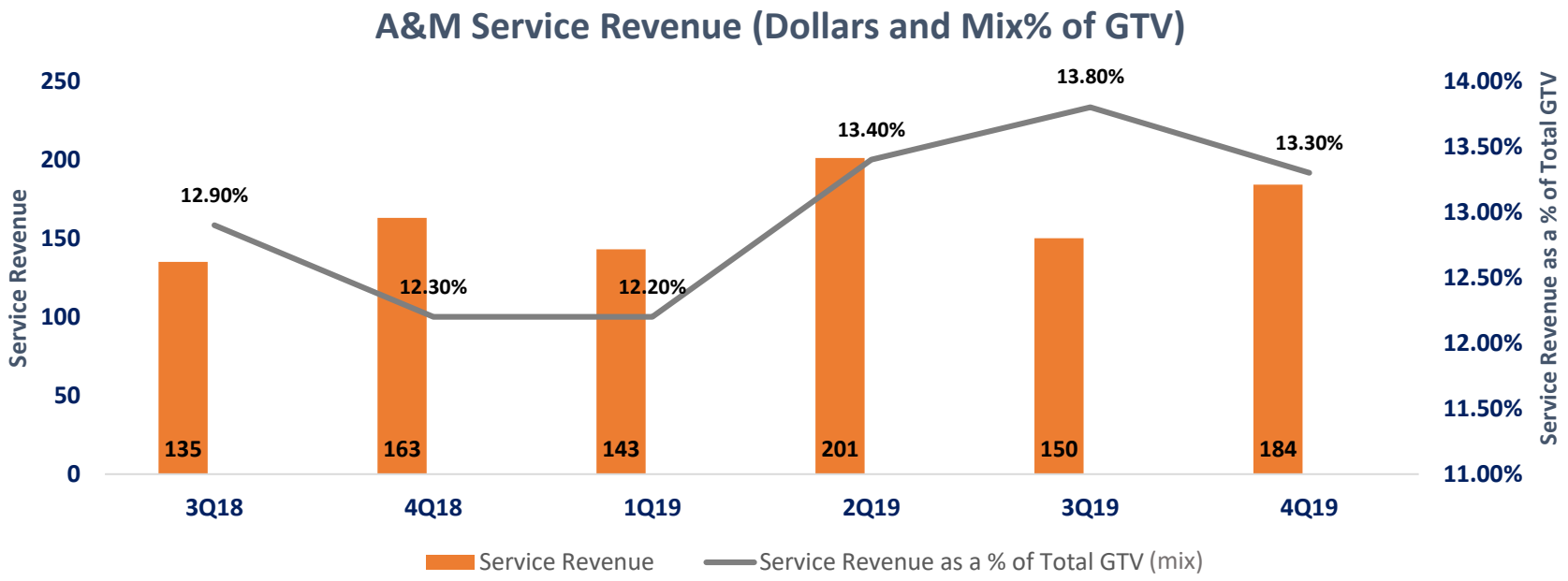
ADJUSTED NET INCOME



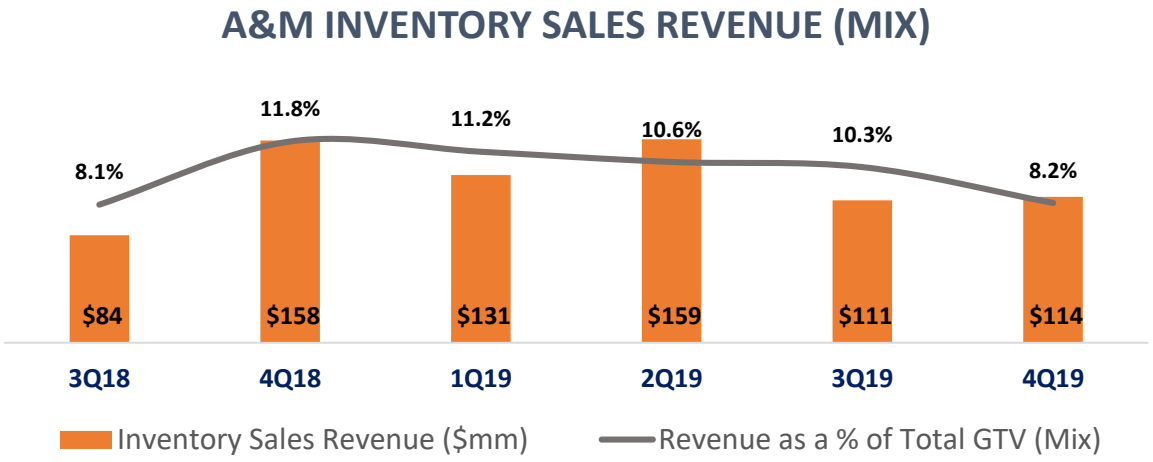
- Reported net income growth 45%
- 13% lower interest expense
- 4Q18 adjusted for $4.1m share based payment expense recovery

Auctions & Marketplaces - Service Revenue

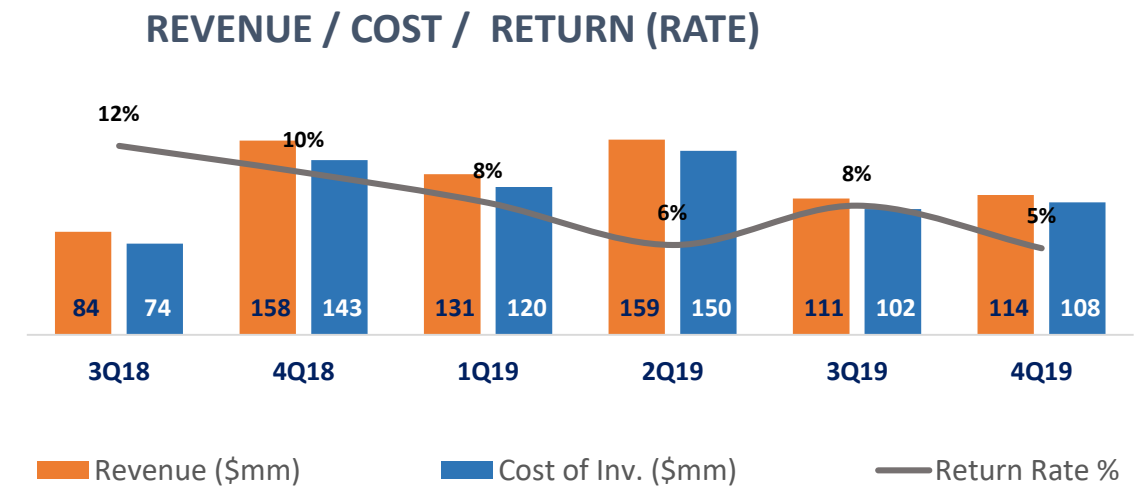
- Service revenue increase of 13% driven by both strong guarantee rate performance and higher fee revenue from fee harmonization and GTV growth
  - US Service revenue +19%
  - Canada Service revenue +7%
  - International Service revenue 1%



Auctions & Marketplaces – Inventory Sales Revenue



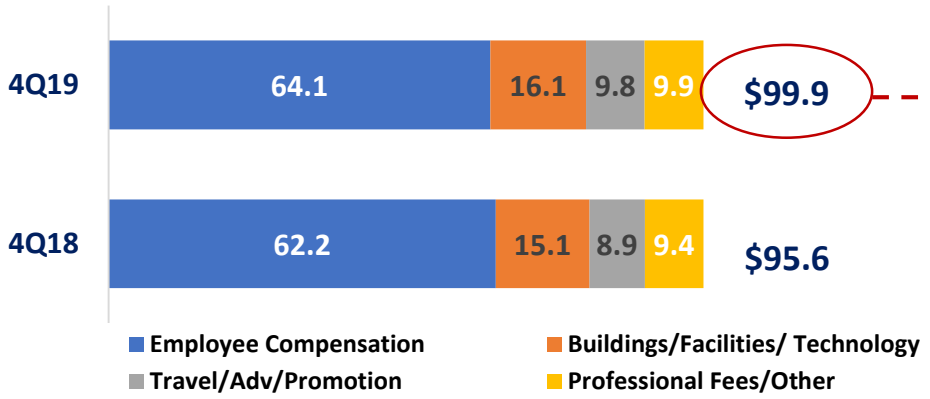
- Inventory sales revenue decreased 28% driven by International/Canada
- Supply softness and non-repeat of contracts in International region
- Non-repeat of large contracts in Western Canada



- Canadian and International rate declines on select contracts; overall at-risk portfolio performed to expectations

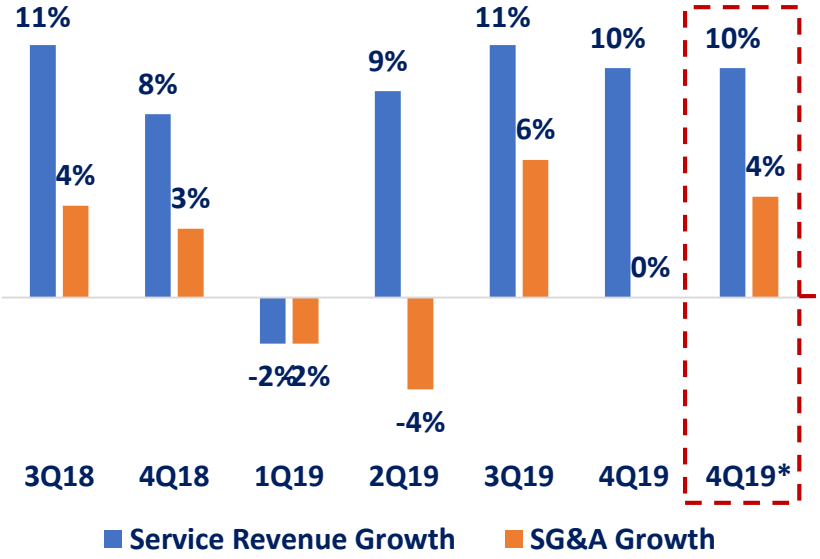
SG&A Expenses

4Q19 vs 4Q18



- Normalized SG&A was $99.9 million in 4Q19; up $4.3 million over last year including a one time $4.1 million stock based compensation recovery
- Reported SG&A in 4Q19 was $95.8 million

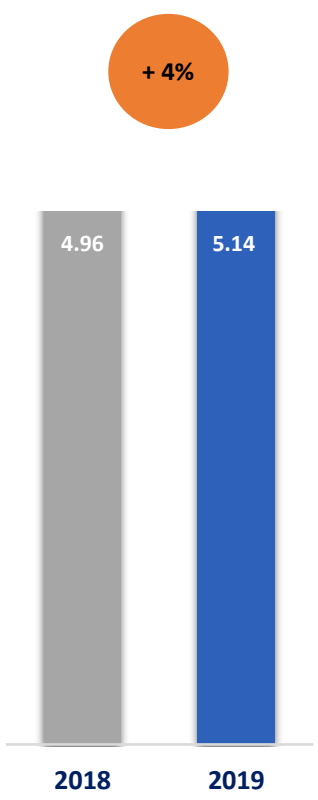
Service Revenue Growth vs SG&A Growth



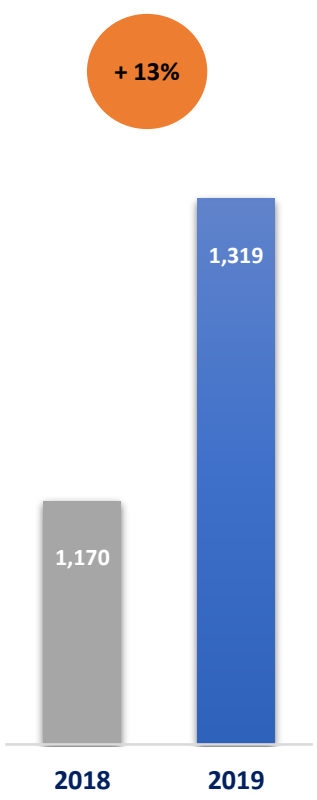
- Reported SG&A flat vs. Service Revenue growth of 10%.
- Normalizing for the one-time stock based compensation recovery, SG&A growth was 4.4% versus 10% Service Revenue growth

Full Year Consolidated 2019 Performance

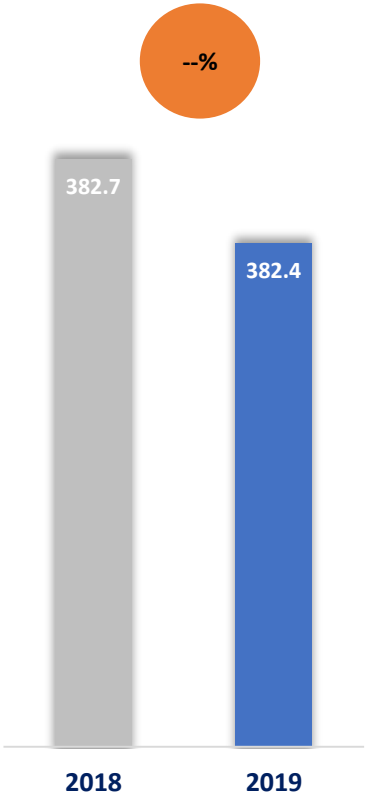
GTV	TOTAL REVENUE	SG&A	ADJUSTED NET INCOME	ADJUSTED EPS



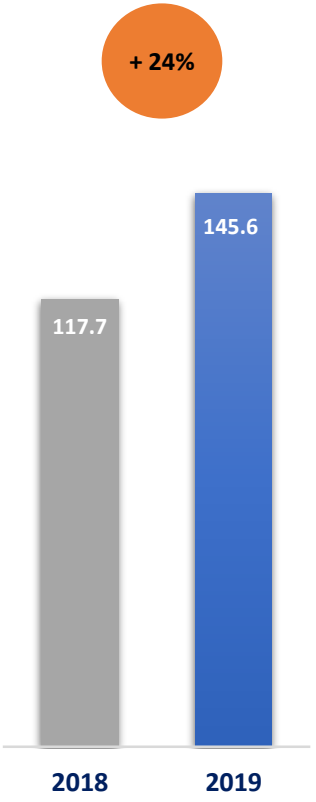
- $5.1 billion GTV

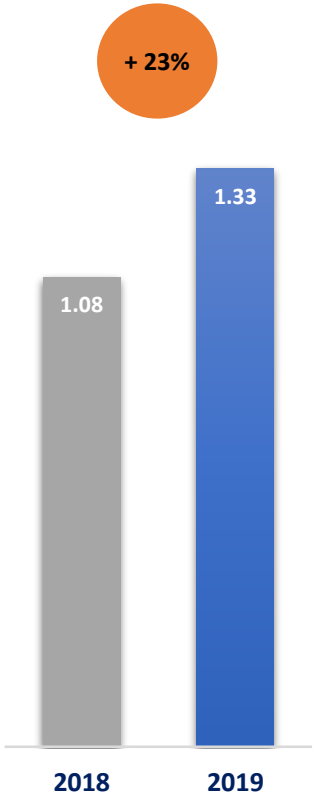


- Service Revenue +7%
- Inventory Sales Revenue +22%



- Includes favorable $4.1 million share based comp recovery in 4Q19

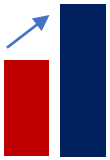




2019 Growth Drivers & Executional Priorities Recap

2019 Growth Drivers





- 16.4% online marketplaces GTV growth



- Strong live and online performance in 2019
- Successful implementation of SAGE → good field adoption; positive foundational efforts

Marketplace e

- Marketplace-E solution surpasses $500 million in GTV since launch in 2018
- 47% GTV growth in 2019

RITCHIE BROS. Asset Solutions

- Launched 40 customers on the new RB Asset Solutions platform
- Driving incremental learnings and equipment transaction flow

RITCHIE BROS. Financial Services

- ↑ revenue growth
- ↑ funded volume growth
- ↑ application growth
- ↑ transaction growth

GOV PLANET

- Fully implemented non-rolling stock contract → stood up supply chain infrastructure → scaling the business
- Strong GTV growth; focused on process optimization and investment leverage

2019 Executional Priorities

1. Multi-channel New Customer Acquisition
2. Scale Marketplace-E
3. Grow our Government business profitably
4. Key Set of Reference Accounts for RB Asset Solutions
5. Efficient operations and improved customer service

Balance Sheet & Liquidity Metrics

2019 Balance sheet and liquidity metrics

TTM Operating Free Cash Flow (non-GAAP)

4Q19	4Q18
$298M	$112M

Capex Spend

2019 Capex Spend
$41M[1]

Adjusted Net Debt/ Adjusted EBITDA (non-GAAP)

4Q19	4Q18
1.0X	1.9X

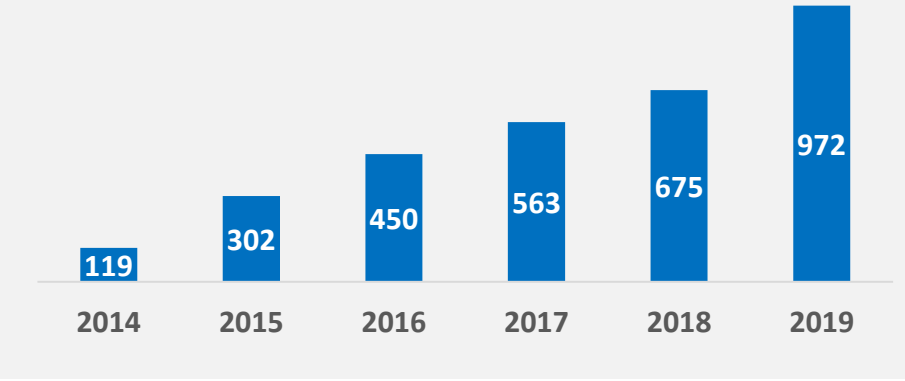
TTM Return On Invested Capital (non-GAAP)

4Q19	4Q18
9.4%	7.6%

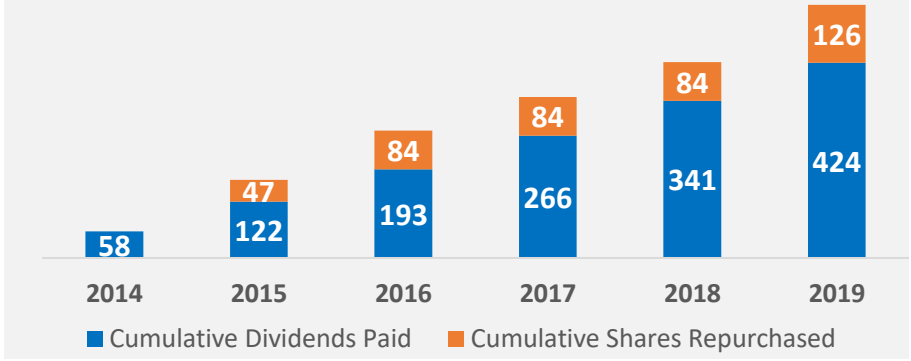
1. Represents 2019 in-year capital expenditures. Latest 2019 capex guidance was $35 million to $40 million.

Free Cashflow & Capital Allocation

Cumulative Operating Free Cash Flow
2014 – 2019



Cumulative Cash Returned to Shareholders
2014-2019



Significant Free Cash Flow Generation: Nearly $1 billion cumulative OFCF since 2014

2019 Return of Capital Highlights

- Paid $83 million in dividends
- Raised dividend 11% to $0.20
- Repurchased $42 million in common shares under our NCIB

Balance Sheet Highlights

- Long-term debt $645 million
- Reduced LT debt by $76 with $63 million of that in voluntary repayments
- Adjusted Net Debt / Adjusted EBITDA 1.0X
- S&P upgrade to BB+ in 2019

2019 Evergreen Model Metrics Review

Evergreen Model (Average annual expectation over a 5 to 7 year period)			
Description	**Target**	**2019 Actual**	
EPS Growth Rate	**Low double digits to mid teens**	23%[3]	✓
OFCF as a % of Net Income	**>100%**	204%[3]	✓
ROIC	**15% by 2021**	9.4%	
Dividend Payout Ratio	**55% - 60%**	55.4%	✓
Net Debt to EBITDA	**<2.5x**	1.0X[3]	✓

1 - Constant Currency basis; 2 - Comparable basis; 3 – Adjusted basis

2020 Financial Focus

Operating Leverage

- Prioritize growth; Invest resources in high growth opportunity channels
- Maintain SG&A growth lower than Service Revenue growth
  - ➢ Continued expense management and productivity focus

Cash Flow Management

- Continued focus on cash flow generation and optimization / Working Capital efficiency
- Supporting growth initiatives
- At-Risk contract opportunities

Capital Allocation

- Debt Repayment
- Return Cash to Shareholders
  - ➢ Maintain dividend payout ratio within evergreen target of 55%-60%
  - ➢ Share repurchases to offset option dilution
- Acquisitions (Considered as opportunities arise)

Early look into 2020 Auction Highlights



Total Gross Transactional Value
$237 Million

- Amount sold to online bidders – US$126+ million (53%)
- Total registered bidders (in person and online) – 18,100+ **new Company record*
- Registered online bidders – 14,100+ **new Company record*
- Total lots sold – 13,500+ **new Company record*
- Number of sellers – 1,200+ **new Orlando record*

Tipton, CA
US$27 million

Largest Tipton, CA auction ever

Sellers -1%;
Registrations +21%;
Buyers +18%; Lots +18%

Houston, TX
US$61 million

Sellers +17% ;
Registrations +23%
Buyers +30%; Lots +23%

Edmonton, AB
CAD$59 million

Sellers +15% ;
Registrations +13%
Buyers +5%; Lots +1%

Still to come in Q1…
- **Toronto - March 3rd**
- **Moerdijk - March 4th**
- **Ft. Worth - March 10th**
- **Las Vegas - March 12th**

2020 Trends & Insights – Q1/1H Considerations

TAILWINDS	▪ Supply constraints in the US continued to ease through 2019 and cautiously optimistic for similar trends in 2020 ▪ Eastern Canada strong demand for equipment. Usage is high and outlook is positive ▪ Increasing sales force traction selling our multi-channel marketplaces – Marketplace-E is our fastest growing channel
HEADWINDS	▪ Favorable demand conditions in the US still holding; Construction activity remains robust with high utilizations across many sectors ▪ Sectors in Western Canada continue to face uncertainty ▪ ASP pressure from disposition of older fleet and transportation sector ▪ Geopolitical uncertainty and sluggish demand in parts of Europe and Asia & uncertainties around impact of Coronavirus

2020 Near Term Priorities

COMMITTED ACHIEVING EVERGREEN MODEL TARGETS

ENABLING OUR CHANNELS WITH TECHNOLOGY TO DRIVE GROWTH

PRIORITIZING AND FOCUSING OUR EFFORTS

MAINTAINING AND STRENGTHENING OUR CULTURAL VALUES

Q&A

Members of the RBA Management Team

Appendix

Fourth Quarter – Auction Calendar Notes

4Q19 Live Auction Notes (Total Auctions = Live Industrial + Agriculture)

	4Q19	4Q18	+/-
Total Live Auctions	**82**	**76**	**+6**
Non Recurring 2018 Auctions			
Irvine Scotland, SCT		1	-1
Northam, AUS		1	-1
Sprigdale, NL		1	-1
Lincoln, NE		1	-1
Auctions moved to 3Q19 from 4Q18			
Grande Prairie, AB		1	-1
Las Vegas, NV		1	-1
Auctions moved to 4Q19 from 3Q18			
Toronto, ON	1		1
New 4Q19 auctions			
Regina, SK	1		1
Chehalis, WA	1		1
Estevan, SK	1		1
North Battleford, SK	1		1
Hamilton, NZL	1		1
Anthony, NM	1		1
AG Auctions	5		5
	12	**6**	**+6**

1Q20 Provisional Live Auction Notes

	1Q20	1Q19	+/-
Industrial Auctions	39	38	1
AG Auctions	6	12	-6
	45	**50**	-5

These are provisional auction calendar notes and are subject to change

Reconciliation of non-GAAP measures

Adjusted Net Income Attributable to Stockholders* and Diluted Adjusted EPS Attributable to Stockholders* Reconciliation

We believe that adjusted net income attributable to stockholders* provides useful information about the growth or decline of our net income attributable to stockholders for the relevant financial period and eliminates the financial impact of adjusting items we do not consider to be part of our normal operating results. Diluted Adjusted EPS attributable to stockholders* eliminates the financial impact of adjusting items which are after-tax effects of significant non-recurring items that we do not consider to be part of our normal operating results, such as acquisition-related costs, management reorganization costs, and certain other items, which we refer to as 'adjusting items'.

The following table reconciles adjusted net income attributable to stockholders* and diluted adjusted EPS attributable to stockholders* to net income attributable to stockholders and diluted EPS attributable to stockholders, which are the most directly comparable GAAP measures in our consolidated income statements.

(in U.S. $000's, except share and per share data, and percentages)	Year ended December 31,			% Change	
	2019	2018	2017	2019 over 2018	2018 over 2017
Net income attributable to stockholders	$ 149,039	$ 121,479	$ 75,027	23%	62%
Pre-tax adjusting items:					
Share-based payment recovery	(4,078)	-	-	-100%	0%
Accelerated vesting of assumed options	-	-	4,752	0%	-100%
Acquisition and finance structure advisory	-	-	9,063	0%	-100%
Severance and retention	-	1,501	3,613	-100%	-58%
Gain on sale of equity accounted for investment	-	(4,935)	-	100%	0%
Impairment loss	-	-	8,911	0%	-100%
Current income tax effect of adjusting items:					
Acquisition and finance structure advisory	-	-	(2,447)	0%	100%
Severance and retention	-	(376)	(748)	100%	-50%
Deferred income tax effect of adjusting items:					
Share-based payment recovery	688	-	-	100%	0%
Impairment loss	-	-	(2,361)	0%	100%
Severance and retention	-	-	(368)	0%	100%
Current income tax adjusting item:					
Change in uncertain tax provision	-	-	2,290	0%	-100%
Deferred tax adjusting item:					
Remeasurement of deferred taxes	-	-	(10,070)	0%	100%
Adjusted net income attributable to stockholders*	$ 145,649	$ 117,669	$ 87,662	24%	34%
Weighted average number of dilutive shares outstanding	109,759,123	109,388,236	108,113,151	0%	1%
Diluted earnings per share attributable to stockholders	$ 1.36	$ 1.11	$ 0.69	23%	61%
Diluted adjusted EPS attributable to stockholders*	$ 1.33	$ 1.08	$ 0.81	23%	33%

(1) Please refer to page 52 for a summary of adjusting items during the years ended December 31, 2019, 2018, and 2017.
(2) Adjusted net income attributable to stockholders* represents net income attributable to stockholders excluding the effects of adjusting items.
(3) Diluted adjusted EPS attributable to stockholders* is calculated by dividing adjusted net income attributable to stockholders*, net of the effect of dilutive securities, by the weighted average number of dilutive shares outstanding.

Reconciliation of non-GAAP measures

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, which is the most directly comparable GAAP measure in, or calculated from, our consolidated statements of cash flows:

(in U.S. $ millions, except percentages)	Year ended December 31,			% Change	
	2019	2018	2017	2019 over 2018	2018 over 2017
Cash provided by operating activities	$ 332.8	$ 144.3	$ 147.6	131%	-2%
Property, plant and equipment additions	13.6	16.9	10.8	-20%	56%
Intangible asset additions	27.4	26.1	28.6	5%	-9%
Proceeds on disposition of property plant and equipment	(5.9)	(10.6)	(5.0)	-44%	112%
Net capital spending	$ 35.1	$ 32.4	$ 34.4	8%	-6%
OFCF*	$ 297.7	$ 111.9	$ 113.2	166%	-1%

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

Reconciliation of non-GAAP measures

Adjusted EBITDA*

We believe adjusted EBITDA* provides useful information about the growth or decline of our net income when compared between different financial periods.

The following table reconciles adjusted EBITDA* to net income, which is the most directly comparable GAAP measure in, or calculated from, our consolidated income statements:

(in U.S. $000's, except percentages)	Year ended December 31,			% Change	
	2019	2018	2017	2019 over 2018	2018 over 2017
Net income	$ 149,140	$ 121,506	$ 75,306	23%	61%
Add: depreciation and amortization expenses	70,501	66,614	52,694	6%	26%
Add: interest expense	41,277	44,527	38,291	-7%	16%
Less: interest income	(3,802)	(2,888)	(3,194)	32%	-10%
Add: income tax expense	41,623	31,006	2,088	34%	1385%
Pre-tax adjusting items:					
Share-based payment recovery	(4,078)	-	-	-100%	0%
Accelerated vesting of assumed options	-	-	4,752	0%	-100%
Acquisition and finance structure advisory	-	-	9,063	0%	-100%
Severance and retention	-	1,501	3,613	-100%	-58%
Gain on sale of equity accounted for investment	-	(4,935)	-	100%	-100%
Impairment loss	-	-	8,911	0%	-100%
Adjusted EBITDA*	$ 294,661	$ 257,331	$ 191,524	15%	34%

(1) Please refer to page 52 for a summary of adjusting items during the years ended December 31, 2019, 2018, and 2017.

(2) Adjusted EBITDA* is calculated by adding back depreciation and amortization expenses, interest expense, and income tax expense, and subtracting interest income from net income excluding the pre-tax effects of adjusting items.

Reconciliation of non-GAAP measures

Adjusted Net Debt* 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 net debt* to debt, adjusted EBITDA* to net income, and adjusted net debt*/adjusted EBITDA* to debt/ net income, respectively, which are the most directly comparable GAAP measures in, or calculated from, our consolidated financial statements.

(in U.S. $ millions, except percentages)	Year ended December 31,				
				% Change	
	2019	2018	2017	2019 over 2018	2018 over 2017
Short-term debt	$ 4.7	$ 19.9	$ 7.0	-76%	184%
Long-term debt	645.5	711.3	812.9	-9%	-12%
Debt	650.2	731.2	819.9	-11%	-11%
Less: cash and cash equivalents	(359.7)	(237.7)	(267.9)	51%	-11%
Adjusted net debt*	290.5	493.5	552.0	-41%	-11%
Net income	$ 149.1	$ 121.5	$ 75.3	23%	61%
Add: depreciation and amortization expenses	70.5	66.6	52.7	6%	26%
Add: interest expense	41.3	44.5	38.3	-7%	16%
Less: interest income	(3.8)	(2.9)	(3.2)	31%	-9%
Add: income tax expense	41.6	31.0	2.1	34%	1376%
Pre-tax adjusting items:					
Share-based payment recovery	(4.1)	-	-	-100%	0%
Accelerated vesting of assumed options	-	-	4.8	0%	-100%
Acquisition and finance structure advisory	-	-	9.1	0%	-100%
Severance and retention	-	1.5	3.6	-100%	-58%
Gain on sale of equity accounted for investment	-	(4.9)	-	100%	-100%
Impairment loss	-	-	8.9	0%	-100%
Adjusted EBITDA*	$ 294.6	$ 257.3	$ 191.6	14%	34%
Debt/net income	4.4x	6x	10.9x	-43%	-45%
Adjusted net debt*/adjusted EBITDA*	1x	1.9x	2.9x	-47%	-34%

(1) Please refer to page 52 for a summary of adjusting items during the years ended December 31, 2019, 2018, and 2017.
(2) Adjusted EBITDA* is calculated by adding back depreciation and amortization expenses, interest expense, and income tax expense, and subtracting interest income from net income excluding the pre-tax effects of adjusting items.
(3) Adjusted net debt* is calculated by subtracting cash and cash equivalents from short and long-term debt.
(4) Adjusted net debt*/adjusted EBITDA* is calculated by dividing adjusted net debt* by adjusted EBITDA*.

Reconciliation of non-GAAP measures

Adjusted Net Income Attributable to Stockholders* and Adjusted Dividend Payout Ratio* Reconciliation

We believe that adjusted net income attributable to stockholders* provides useful information about the growth or decline of our net income attributable to stockholders for the relevant financial period and eliminates the financial impact of adjusting items we do not consider to be part of our normal operating results. We believe that disclosing our adjusted dividend payout ratio* for different financial periods provides useful information about how well our net income supports our dividend payments.

The following table reconciles adjusted net income attributable to stockholders* and adjusted dividend payout ratio* to net income attributable to stockholders, and dividend payout ratio, which are the most directly comparable GAAP measures in, or calculated from, our consolidated financial statements:

(in U.S. $ millions, except percentages)	Year ended December 31,			% Change	
	2019	2018	2017	2019 over 2018	2018 over 2017
Dividends paid to stockholders	$ 82.5	$ 75.7	$ 72.8	9%	4%
Net income attributable to stockholders	$ 149.0	$ 121.5	$ 75.0	23%	62%
Pre-tax adjusting items:					
Share-based payment recovery	(4.1)	-	-	-100%	0%
Accelerated vesting of assumed options	-	-	4.8	0%	-100%
Acquisition and finance structure advisory	-	-	9.1	0%	-100%
Severance and retention	-	1.5	3.6	-100%	-58%
Impairment loss	-	-	8.9	0%	-100%
Gain on sale of equity accounted for investment	-	(4.9)	-	100%	-100%
Current income tax effect of adjusting items:					
Acquisition and finance structure advisory	-	-	(2.4)	0%	100%
Severance and retention	-	(0.4)	(0.7)	100%	-43%
Deferred income tax effect of adjusting items:					
Share-based payment recovery	0.7	-	-	100%	0%
Severance and retention	-	-	(0.4)	0%	100%
Impairment loss	-	-	(2.4)	0%	100%
Current income tax adjusting item:					
Change in uncertain tax provision	-	-	2.3	0%	-100%
Deferred tax adjusting item:					
Remeasurement of deferred taxes	-	-	(10.1)	0%	100%
Adjusted net income attributable to stockholders*	$ 145.6	$ 117.7	$ 87.7	24%	34%
Dividend payout ratio	55.4%	62.3%	97.1%	-690 bps	-3480 bps
Adjusted dividend payout ratio*	56.7%	64.3%	83.0%	-760 bps	-1870 bps

(1) Please refer to page 52 for a summary of adjusting items for the years ended December 31, 2019, 2018, and 2017.
(2) Adjusted net income attributable to stockholders* represents net income attributable to stockholders excluding the effects of adjusting items.
(3) Adjusted dividend payout ratio* is calculated by dividing dividends paid to stockholders by adjusted net income attributable to stockholders*.