Q1 2020 EARNINGS REVIEW AND UPDATE

May 8, 2020



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: the duration and impact of the COVID-19 pandemic on Ritchie Bros.' operations, the operations of our customers and general economic conditions, 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

First Quarter - CEO Perspectives



Our True North

- Be there for our consignors when they need liquidity the most while keeping the health and safety of our employees and customers at the forefront

Performance

- Solid Q1 results in a challenging environment
- Driving demand and price performance for our customers

Resiliency

Within 96 hours, we were able to:

- Pivot 100% of our bidding to online
- Move the majority of our workforce to work virtually/from home

Without missing a beat…

Our Purpose

- ***Our purpose has never been more essential***
  Leveraging our technology enabled platform to uniquely service the needs of our customers better than anyone else in the industry

COVID-19 Response

PRIORITIES

- Health and Safety of our Employees, our Customers and their families
- To ensure we continued to be there for our Customers
- Strictly adhere to all safety regulations and guidelines

BUSINESS CONTINUITY

- Crisis Management Steering Team
- Work From Home Policy implemented on March 16th
- Continuous operations leveraging technology platforms

COVID-19 ACTIONS

Customer

- Converted all our Live auctions to Online bidding
- Stepped up marketing and demand management
- Stopped accepting cash

Employee

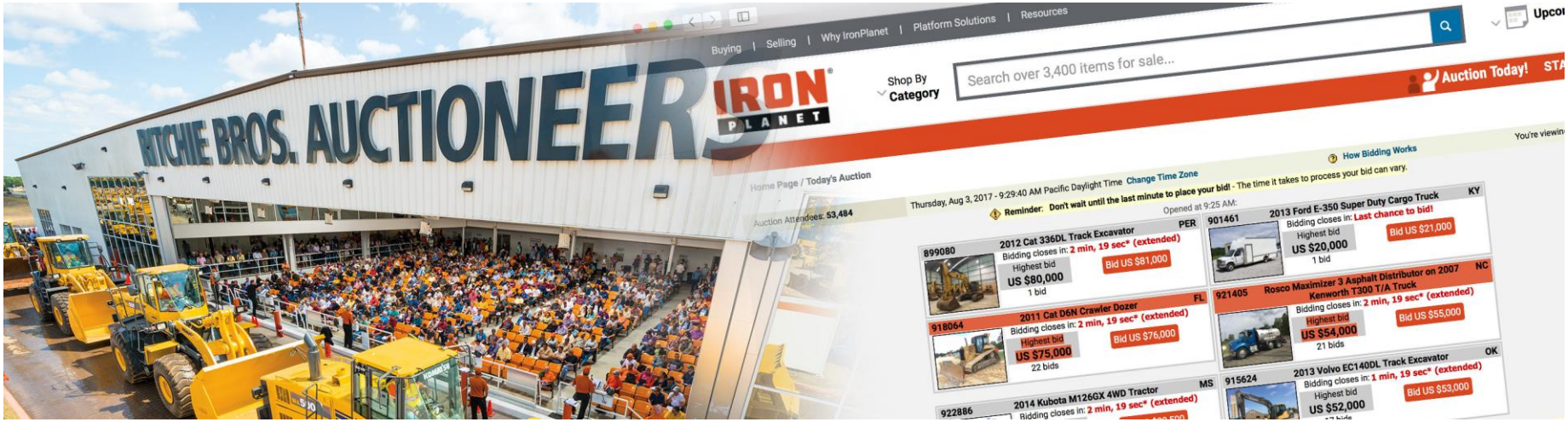
- Heightened hygiene and disinfection protocols
- Modified flow of equipment drop-off and pick-up
- Measures taken at auction yard to meet social distancing requirements
- Deployed “Home Auctioneer” capability

Technology

- Optimized transactional websites/customer experience
- Added functionality and features to our bidding engines; tailored to regional needs (i.e. IP e-Reserve)
- Scaled the number of simultaneous bidders and viewers on our digital platforms by 400%

Pivoting To Online Amid COVID-19

Even before COVID-19….
Across all channels - 65% of our winning bids were coming in online[1]



COVID-19 highlighted that the spheres between our Live and Online realms are blurring, interconnected, and strengthen one another

1. Refers to full year 2019 winning bids



Sharon Driscoll
Chief Financial Officer

First Quarter Highlights

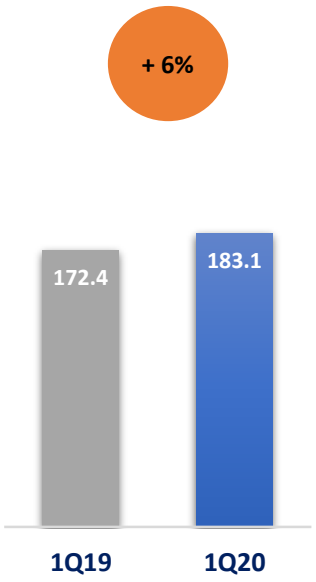
GTV (in billions)		TOTAL REVENUE (in millions)		REPORTED EPS		YTD Cashflow from Operations (in millions)	
$1.1	-2%	$273	-10%	$0.21	+24%	$4.1	-94%

- Comprehensive global RBA team response to COVID-19 with very successful pivot of our live auctions to online while protecting our employees and customers
- GTV growth negatively impacted by Covid-19 postponement of 4 auctions that generated $63 million in 1Q 2019 – GTV growth of 3% excluding these timing impacts
- Total GTV purchased online 75% up from 60% in same period last year
- US region delivered positive GTV growth and posts the largest quarter in the history of the US Core business
- Canada delivered strong Marketplace-E growth +111%
- Strong headwinds in our International business



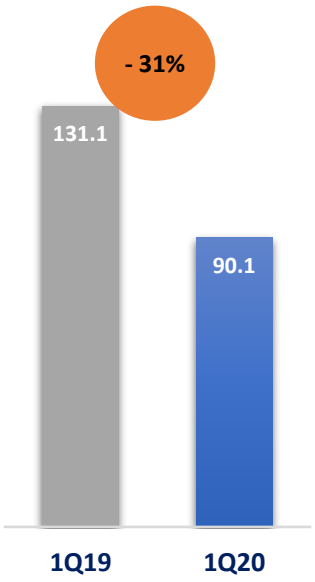
First Quarter Consolidated Performance ($mm)

SERVICE REVENUE



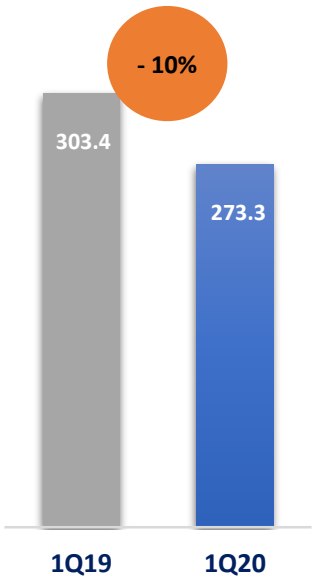
- 1% increase in commissions, 12% increase in fees
- Total service revenue as a % of total GTV 16.0% vs. 14.7% in 1Q19
- Other segment revenue -2% from lower RB logistics revenue in Europe; RBFS revenue +16%, Ancillary revenue +0.4%

INVENTORY SALES REVENUE



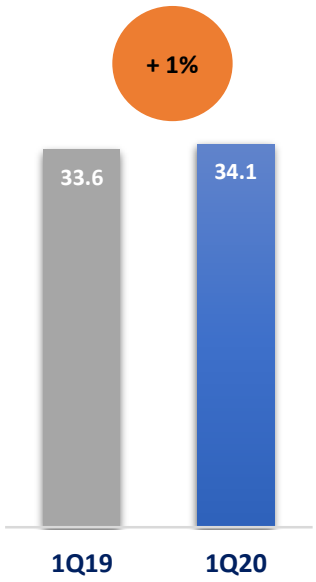
- Total inventory sales revenue as a % of total GTV (mix) 7.9% vs. 11.2% in 1Q19
- Inventory revenue declined from lower volume of inventory sales due lower inventory volumes in our International and US regions partially offset by stronger performance in Canada

TOTAL REVENUE



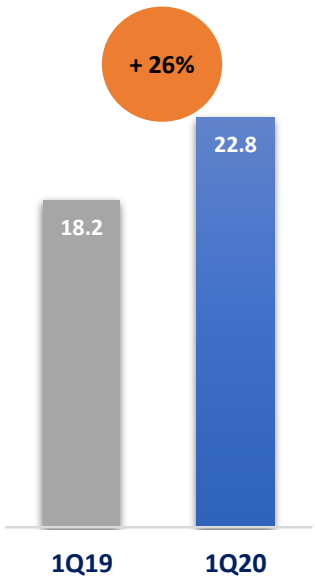
- Decrease driven by -31% decline in inventory revenue, offset by 6% higher service revenue
- $3.4 million in foreign exchange headwinds

OPERATING INCOME



- Operating leverage - Service revenue growth (6%) outpacing SG&A growth (3%)
- Decisions to terminate a UK business partnership, a US property transaction and employee separations amounted to ~$2 million of non-recurring costs impacted 1Q20 operating income

NET INCOME

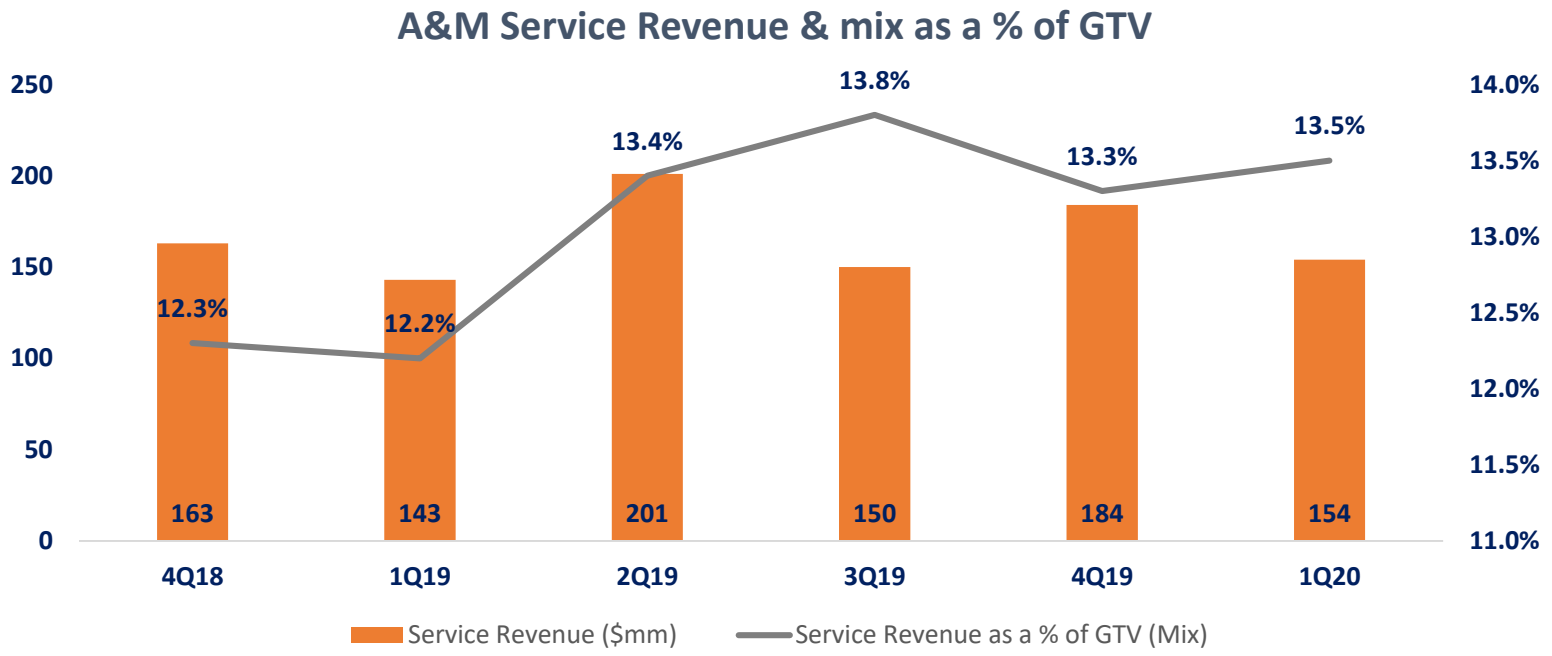


- $1.6 million in lower year-over-year Interest expense
- Effective income tax rate decreased 700 bps to 19.8% in 1Q20 vs. 26.8% in 1Q19
- $1.7m contingent consideration received in 1Q

Auctions & Marketplaces - Service Revenue

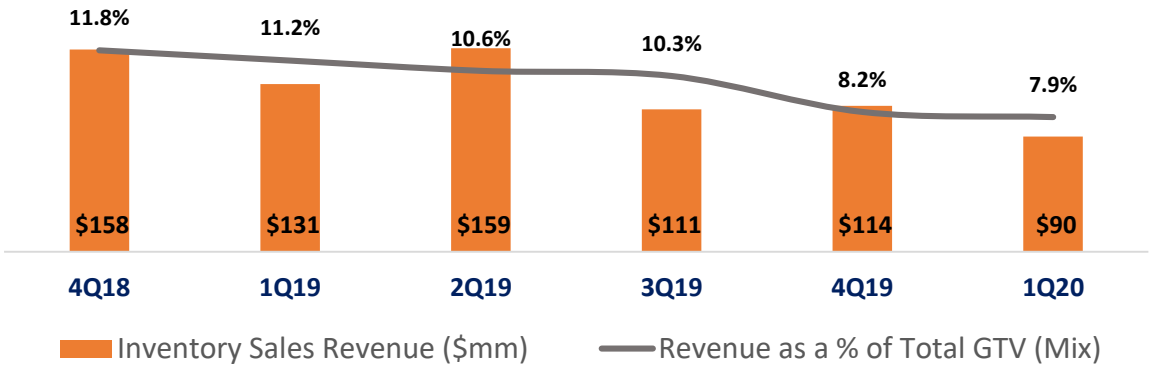
Service revenue increase of 8% driven by higher fee revenue from fee harmonization, strong U.S. region rate performance and GovPlanet

- US Service revenue +17%
- Canada Service revenue -6%
- International Service revenue -23%



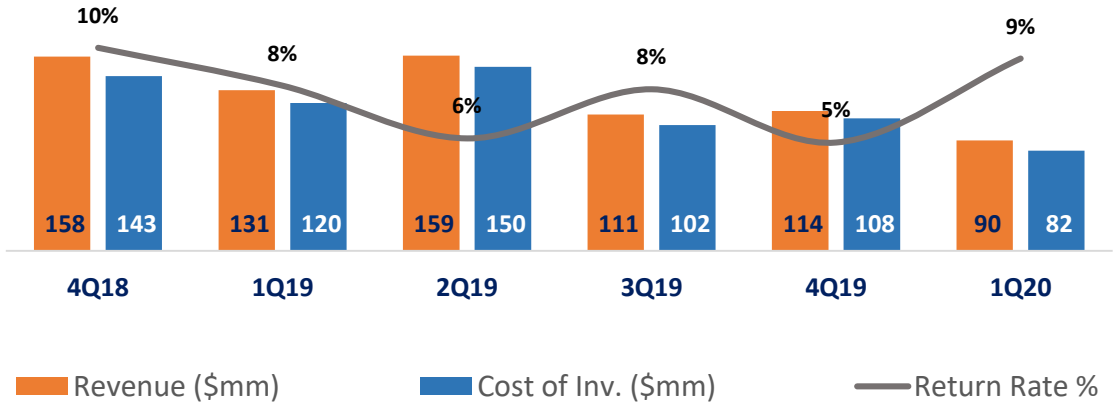
Auctions & Marketplaces – Inventory Sales Revenue

A&M INVENTORY SALES REVENUE (MIX)



Inventory sales revenue decreased 31% driven by International/Orlando Supply softness and non-repeat of contracts in International region

REVENUE / COST / RETURN (RATE)

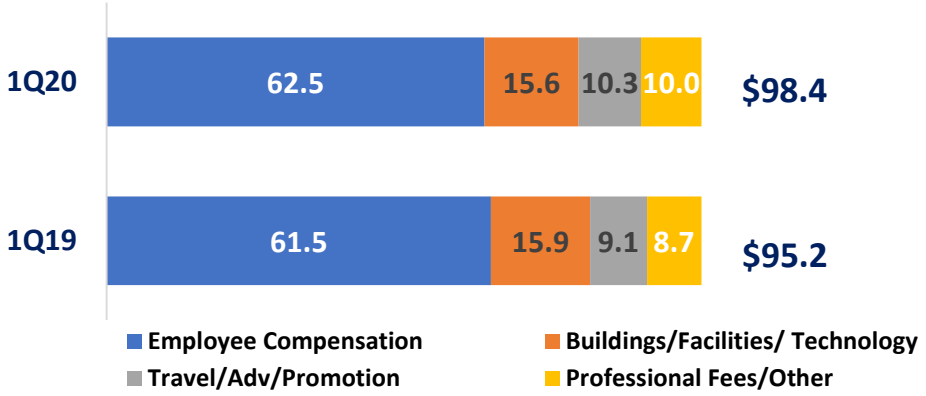


Inventory Sales return rate bolstered by stronger year over year Canadian and GovPlanet performance

Overall at-risk portfolio (Inventory + Guarantees) continues to perform at expectations

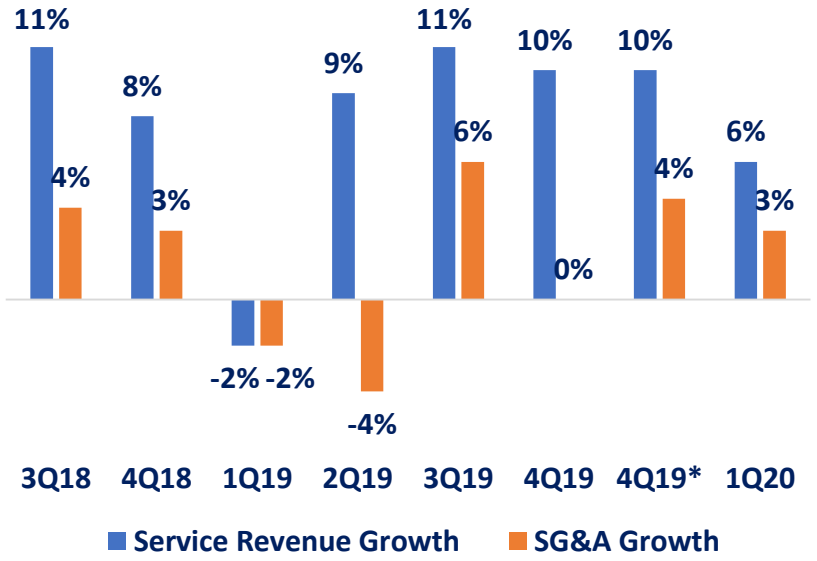
SG&A Expenses

1Q20 vs 1Q19
in millions (USD)



SG&A dollars increased 3% to $98.4 million from additional investments in growth initiatives and travel, offset by lower share based payment expense

Service Revenue Growth vs SG&A Growth



Continuing favorable trend of Service Revenue +6% outpacing SG&A growth +3%

* represents normalizing 4Q19 for one-time stock based compensation recovery

Liquidity and Balance Sheet Strength

Cash / Liquidity	▪ Ending 3/31 cash and equivalents of $290m plus restricted cash of $66m ▪ Available credit facilities of $640m of which $462m is unused at March 31st ▪ TTM OFCF of $228m is up 95% over comparative period
Debt	▪ TTM ended 3/31, repaid $68m of term loans of which $53m was voluntary ▪ No material debt maturities until October 2021 ▪ Sufficient capacity and access to bank credit in place
Capital Allocation	▪ Focus on cash preservation ---lowering capex target to $35 to $40 million – proceeding with only essential property capex ▪ Completed $53 million of the current NCIB buy back program in Q1 but suspended until further notice due to COVID-19 ▪ Dividend unchanged but will continue to monitor COVID-19 cash flow impacts
Leverage	▪ Leverage ratio (Adjusted Net Debt/Adjusted EBITDA) currently at 1.3x for 1Q20 – well within our Evergreen target range of below 2.5x

Balance Sheet & Liquidity Metrics

2020 Balance sheet and liquidity metrics

TTM Operating Free Cash Flow (non-GAAP)

1Q20	1Q19
$227.7M	$116.9M

Capex Spend

2020 Capex Spend
Revised FY Range $35 to $45 M

Adjusted Net Debt/ Adjusted EBITDA (non-GAAP)

1Q20	1Q19
1.3X	1.7X

TTM Return On Invested Capital (non-GAAP)

1Q20	1Q19
10.0%	7.7%



Ann Fandozzi
Chief Executive Officer

A Platform Of Opportunity

The scalability and agility of our multi-channel platform allowed us to quickly and effectively transition our business to 100% online for our customers



We are meeting the needs of our customer in many ways…

- **AUCTION PLATFORMS** - Unreserved & Reserved Auctions
- **SERVICES –** Financing (RBFS), Inspections, Inventory Management (RBAS), Transaction Mgmt. & More…
- **CARE, CUSTODY & CONTROL**

Current Trends and Looking Forward

Q2 PRIORITIES

HEALTH AND SAFETY OF OUR EMPLOYEES & CUSTOMERS

CUSTOMER EXPERIENCE

MAINTAIN BALANCE SHEET STRENGTH & FINANCIAL FLEXIBILITY

Q2 CONSIDERATIONS

Current conditions indicate that Q2 could be the most challenging quarter of 2020

Company Specific

- Mobility of equipment in International regions continue to be hampered by border restrictions, lockdowns
- Consignor timing of dispositions will vary between immediate liquidity needs vs "wait and see" approach in Q2
- Nonrepeat of $93 million Columbus, OH auction in Q2 of 2019
- April off to a reasonable start but auctions calendar is back-weighted
  - Montreal +29% / Los Angeles +17% (YoY performance)
  - Moerdijk, Netherlands -74% (YoY performance)

Macro Considerations

- ABI / Non-Resi Construction declines –Unknown how or when government stimulus can offset demand pressure
- Oil price volatility – Continued pressure on prices could cause bankruptcies however there is a lag time for equipment to get to auction
- OEM Production cuts / supply chain issues – Availability of new equipment may impact trade-ins and equipment supply
- Rental company capex cuts – Rental companies aging out the fleet could negatively impact equipment supply
- Concerns of COVID-19 re-flaring up in the fall

Q&A

Members of the RBA Management Team

Appendix

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.

There were no adjusting items in Q1 2020 or in the comparative prior period.

	Three months ended March 31,		
(in U.S. $000's, except share and per share data, and percentages)	2020	2019	% Change 2020 over 2019
Net income attributable to stockholders	$ 22,809	$ 18,164	26 %
Adjusted net income attributable to stockholders*	$ 22,809	$ 18,164	26 %
Weighted average number of dilutive shares outstanding	110,482,837	110,044,213	0 %
Diluted earnings per share attributable to stockholders	$ 0.21	$ 0.17	24 %
Diluted adjusted EPS attributable to Stockholders*	$ 0.21	$ 0.17	24 %

(1) Adjusted net income attributable to stockholders* represents net income attributable to stockholders excluding the effects of adjusting items.

(2) 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

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 measures in, or calculated from, our consolidated income statements:

	Three months ended March 31,		
(in U.S. $000's, except percentages)	2020	2019	% Change 2020 over 2019
Net income	$ 22,829	$ 18,172	26 %
Add: depreciation and amortization expenses	19,293	17,115	13 %
Add: interest expense	9,182	10,816	(15)%
Less: interest income	(873)	(855)	2 %
Add: income tax expense	5,648	6,639	(15)%
Adjusted EBITDA*	$ 56,079	$ 51,887	8 %

(1) Please refer to page 42 for a summary of adjusting items during the three months ended March 31, 2020 and March 31, 2019.
(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.

	As at and for the 12 months ended March 31,		
(in U.S. $millions, except percentages)	2020	2019	% Change 2020 over 2019
Short-term debt	$ 33.1	$ 8.7	280 %
Long-term debt	630.5	703.3	(10)%
Debt	663.6	712.0	(7)%
Less: Cash and cash equivalents	290.1	266.5	9 %
Adjusted net debt*	373.5	445.5	(16)%
Net income	$ 153.8	$ 122.5	26 %
Add: depreciation and amortization expenses	72.7	67.5	8 %
Add: interest expense	39.6	44.0	(10)%
Less: interest income	(3.8)	(3.4)	12 %
Add: income tax expense	40.6	32.4	25 %
Pre-tax adjusting items:			
Share-based payment expense recovery	(4.1)	—	(100)%
Severance and retention	—	1.5	(100)%
Gain on sale of equity accounted for investment	—	(4.9)	100 %
Adjusted EBITDA*	$ 298.8	$ 259.6	15 %
Debt/net income	4.3 x	5.8 x	(26)%
Adjusted net debt*/adjusted EBITDA*	1.3 x	1.7 x	(24)%

(1) Please refer to page 42 for a summary of adjusting items during the trailing 12-months ended March 31, 2020 and March 31, 2019.
(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

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:

	12 months ended March 31,		
			% Change
(in U.S. $ millions, except percentages)	2020	2019	2020 over 2019
Cash provided by operating activities	$ 265.0	$ 148.9	78 %
Property, plant and equipment additions	14.3	17.1	(16)%
Intangible asset additions	29.0	24.7	17 %
Proceeds on disposition of property plant and equipment	(6.0)	(9.8)	(39)%
Net capital spending	$ 37.3	$ 32.0	17 %
OFCF*	$ 227.7	$ 116.9	95 %

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

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:

	12 months ended March 31,		
(in U.S. $millions, except percentages)	2020	2019	%Change 2020 over 2019
Dividends paid to stockholders	$ 84.9	$ 77.0	10 %
Net income attributable to stockholders	$ 153.7	$ 122.5	25 %
Pre-tax adjusting items:			
Share-based payment expense recovery	(4.1)	—	(100)%
Severance and retention	—	1.5	(100)%
Gain on sale of equity accounted for investment	—	(4.9)	100 %
Current income tax effect of adjusting items:			
Severance and retention	—	(0.4)	100 %
Deferred income tax effect of adjusting items:			
Share-based payment expense recovery	0.7	—	100 %
Adjusted net income attributable to stockholders*	$ 150.3	$ 118.7	27 %
Dividend payout ratio	55.2 %	62.9 %	(770)bps
Adjusted dividend payout ratio*	56.5 %	64.9 %	(840)bps