Q3 2020 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 ability of Ritchie Bros. to satisfy the Rouse acquisition agreement conditions and consummate the transaction on the anticipated timeline, or at all, the benefits and synergies of the Rouse transaction, future opportunities for the combined businesses of Ritchie Bros. and Rouse, 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 consummate the Rouse acquisition, to successfully integrate Rouse; the ability to realize anticipated growth and synergies and cost savings in the Rouse 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 and Ritchie Bros.' Interim Report on Form 10-Q for the quarter ended September 30, 2020, which are available on the SEC, SEDAR, and Ritchie Bros.' websites. 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

Third 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

- Strong 3Q amidst uncertain environment
- Continue to drive solid demand and price performance for our customers

Resiliency

- Solid execution by our entire global team
- Relentless focus on the customer
- Making right decisions to pivot towards opportunity using data and technology

Our Purpose

Our Customers Need Us Now More Than Ever…

- Leveraging our technology enabled platform to uniquely service the needs of our customers better than anyone else in the industry

Strong Performance against our Q3 Priority Focus Areas

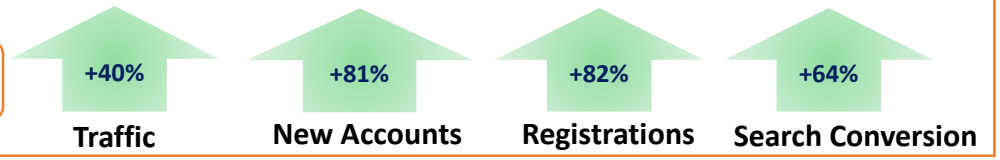
HEALTH AND SAFETY OF OUR EMPLOYEES & CUSTOMERS

- Continue vigilance on hygiene, disinfection protocols and social distancing guidelines
- Continue to work-from-home policy
- Mandatory safety (PPE) gear for our team members (e.g. masks)
- Message reinforcement (PPE Kits, Town Hall, Local Forums etc…)

CUSTOMER EXPERIENCE

- Continue to learn how to best service customer needs in current environment
- Driving better outcomes for customers through a proactive digital marketing strategy:

RBAuction.com



BALANCE SHEET STRENGTH & FINANCIAL FLEXIBILITY

- Continued focus on cost management
- Solid balance sheet stewardship & liquidity management
- Diligent approach to At-Risk contracts



Sharon Driscoll
Chief Financial Officer

Third Quarter Highlights

All amounts In USD unless otherwise stated, growth YoY

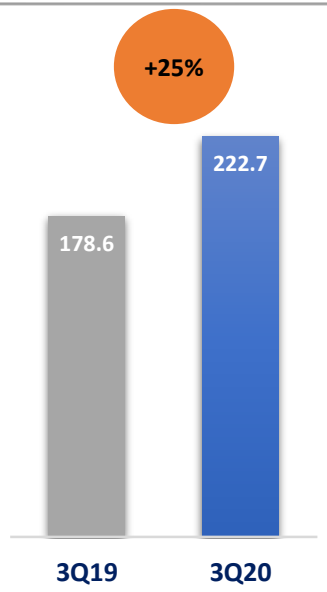
GTV (in billions)		TOTAL REVENUE (in millions)		REPORTED EPS		ADJUSTED EPS		YTD Cashflow from Operations (in millions)	
$1.3	+22%	$331	+14%	$0.41	+78%	$0.44	+91%	$266	-14%

- Strong GTV growth in all regions and channels
- Robust demand generation and strong price performance for our customers
- Cash flow exceeds net income on trailing 12 months basis; inline with evergreen targets
- COVID headwinds broadly subsided in the third quarter however new lockdowns risk remain:
  - International – Prior regional lockdown eased, while new lockdowns create uncertainty
  - Govplanet - COVID driven Defense Logistic Agency base closures continue to recover, however newer contracts largely offset most of the weakness in the quarter
  - Ritchie Bros Financial Service – growth rebounded, strong September, credit markets remain tight



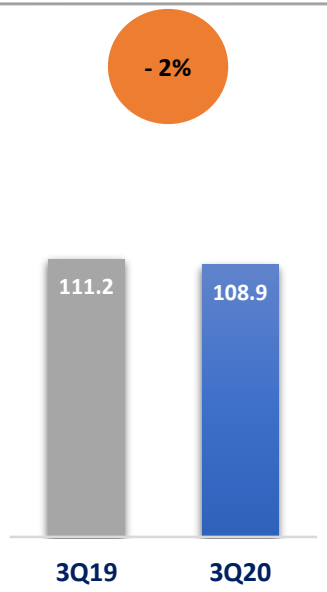
Third Quarter Consolidated Performance ($mm)

SERVICE REVENUE



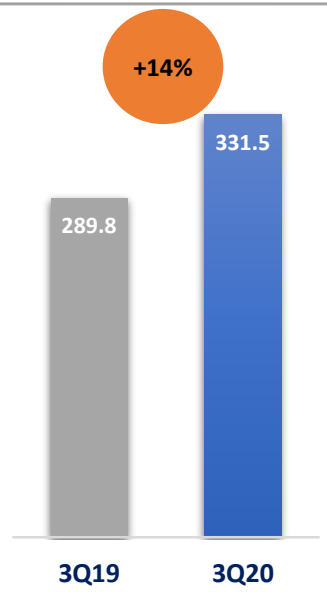
- 24% increase in commissions, 25% increase in fees
- Total service revenue as a % of total GTV up YoY at 16.9%
- Other segment revenue Increased 18% from higher repair, hauling and RBFS revenue.

INVENTORY SALES REVENUE



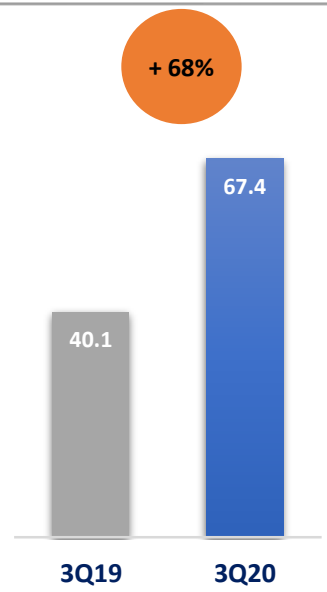
- Total inventory sales revenue as a % of total GTV (mix) 8.2% - down YoY
- Inventory revenue declined 2% due to lower volume in Govplanet (COVID impact) and shifts in Canadian Auctions partially offset by increases in International

TOTAL REVENUE



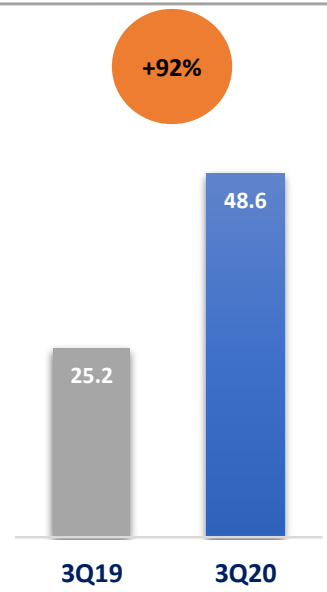
- Increase driven by strong service growth partially offset by inventory sales
- Contract mix can skew revenue growth depending on consigners preference for sales structured as service or inventory

OPERATING INCOME



- Increase driven primarily by lower Cost of Services expenses.
- Expect cost of services expense growth to be contained to less than 50% rate of service revenue growth with COVID protocols.

ADJUSTED NET INCOME

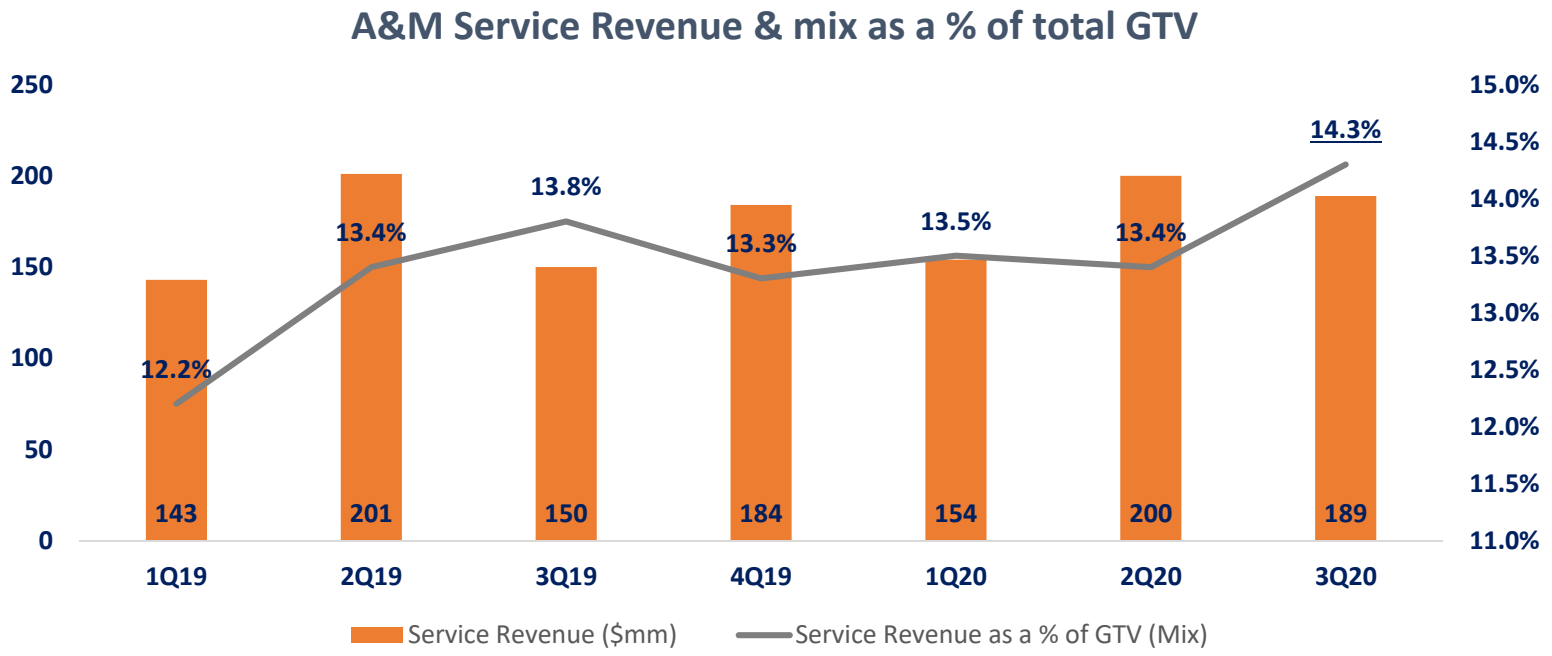


- Reported net income growth of 80% YoY
- $3.2 m in severance related to realignment, net of tax.
- Interest expense declined 13% YoY
- Effective tax rate higher due to the US Hybrid final regulation and jurisdiction mix

Auctions & Marketplaces - Service Revenue

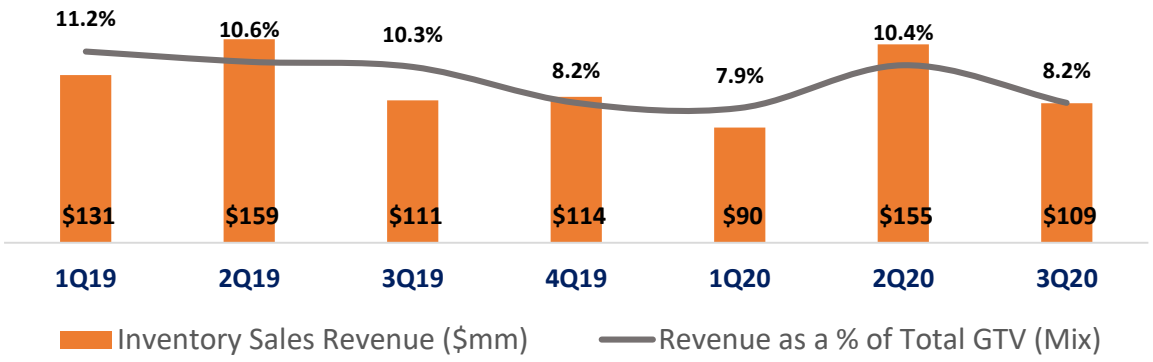
26% Year-Over-Year Service revenue driven by strong execution across all regions

- US Service revenue +28%
- Canada Service revenue +20%
- International Service revenue +26%



Auctions & Marketplaces – Inventory Sales Revenue

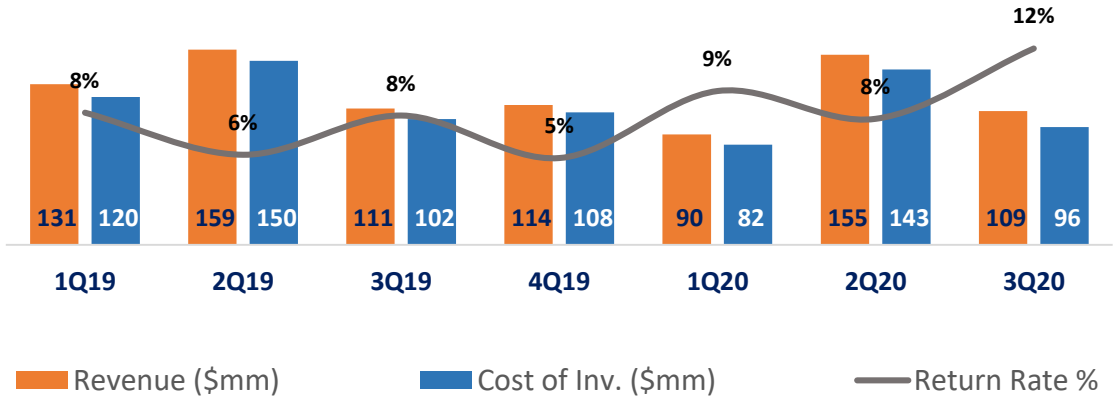
A&M INVENTORY SALES REVENUE (MIX)



Lower inventory volumes in Canada and US partially offset by increases international

Government surplus contracts volume still recovering from COVID driven base closures

REVENUE / COST / RETURN (RATE)

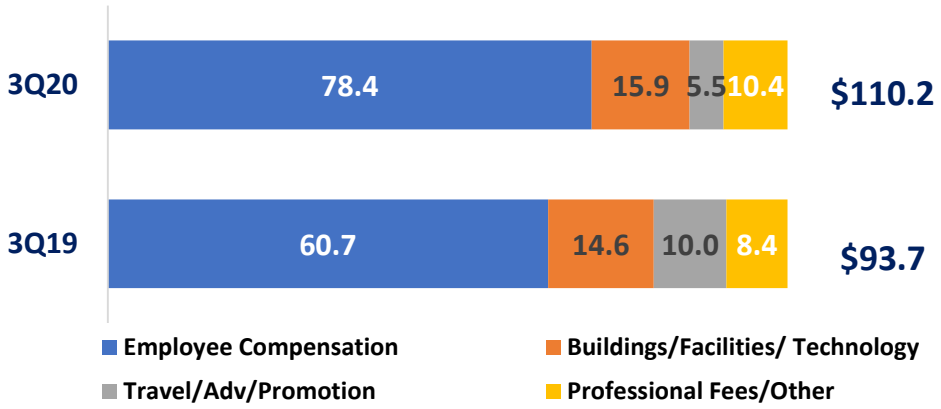


Return rate +400bps stronger than 3Q19 with solid performance in US and Canada

Discipline around inventory deals combined with strong price realization drove results

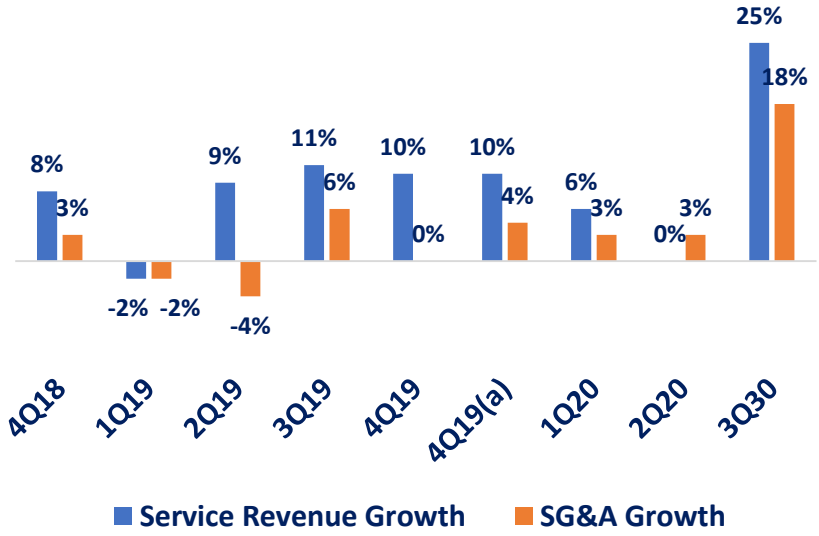
SG&A Expenses

SG&A Expense Breakdown
in millions (USD)



SG&A dollars increased 18% to $110.2[(b)] million primarily driven by higher performance driven employee compensation partially offset by lower T&E

Service Revenue Growth vs SG&A Growth



+25% Service Revenue with SG&A growth +18%

(a) represents normalizing 4Q19 for one-time stock-based compensation recovery (b) inclusive of $4.3m in severance expense

Balance Sheet & Liquidity Metrics

2020 Balance sheet and liquidity metrics

TTM Operating Free Cash Flow (non-GAAP)

3Q20	3Q19
$260.4M	$334.4M

- Ending 9/30 cash and equivalents of $470m plus restricted cash of $120m
- TTM Operating Free Cash Flow 151% of adjusted net income.

Net Capex Spend

3Q20
$28.8M

- Focus on disciplined cash management and investing wisely to support our business operations

Adjusted Net Debt/ Adjusted EBITDA (non-GAAP)

3Q20	3Q19
0.5X	1.4X

- Adjusted Net Debt / Adjusted EBITDA well within our Evergreen target range of below 2.5x
- Available credit facilities of $637 of which $470 is unused at September 30th
- Amended and extended credit facilities from October 2021 to October 2023
- No material debt maturities until October 2023

TTM Return On Invested Capital (non-GAAP)

3Q20	3Q19
11.5%	8.6%

- Strong YoY improvement in ROIC



Ann Fandozzi
Chief Executive Officer

Rouse expected to accelerate our evolution

RITCHIE BROS. + ROUSE

Strategic Rationale

- Rouse offers a highly complementary suite of data and service products that is expected to accelerate Ritchie Bros.' evolution to a global trusted marketplace for used equipment and services
- Rouse accelerates new data and technology platforms to offer customers a unified view to better understand used equipment trends to make optimal fleet management decisions
- Rouse increases connectivity and deepens already strong relationships with fleet owners and asset backed lenders

Transaction Considerations

- Approximately $275 million
- The acquisition is expected to be accretive 12 to 18 months post close
- Timing of close subject to regulatory approvals
- Subject to customary closing adjustments and conditions

Rouse Services overview

Business overview	▪ Leading provider of information services to the industrial equipment industry ▪ Proprietary database of actual transactional and operational information augmented nightly through a network connections with industry participants
Business segments	▪ Analytics – Benchmarking solutions tailored to meet the needs of construction equipment rental companies and dealers ▪ Sales – Automated equipment valuation system and supporting remarketing tools ▪ Appraisals – Fleet valuation to support asset-based loans.
Business Model	▪ Highly stable and growing client base with minimal churn and recurring fees based on evergreen contracts ▪ Strong operating leverage inherent in information-based business model

Strong cultural fit with shared core principles

Customer-first culture



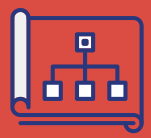
Strong cultural fit with a shared core value of deep focus on customers

Data driven insights



Shared belief on arming customers with the right tools and deep data to drive insights to make better decisions

Care, custody and control of data



Data integrity, reliability, and strict confidentiality

Current Trends and Looking Forward

Q4 PRIORITIES

HEALTH AND SAFETY OF OUR EMPLOYEES & CUSTOMERS

CUSTOMER EXPERIENCE

BALANCE SHEET STRENGTH & FINANCIAL FLEXIBILITY

Q4 CONSIDERATIONS

Opportunities

- Distressed consignors need liquidity quickly
- Government stimulus programs to restart economy including significant infrastructure funding injection
- Continued rigor on expense management and further optimizing the current 100% online operating model for further efficiencies
- Customers who have been taking the “wait and see” approach decide to move equipment

Risks

- Resurgence in Covid drives new restrictions
- Elongated recovery; Demand softens significantly
- Increased restrictions to equipment movement in Europe
- Price performance softens



RITCHIE BROS.
INVESTOR DAY
2020

Monday, December 7, 2020

10:00 a.m. ET

Virtual

To register for the event, please visit:
http://investor.ritchiebros.com

Q&A

Members of the RBA Management Team



Ann Fandozzi
Chief Executive Officer



Sharon Driscoll
Chief Financial Officer



Jim Kessler
Chief Operating Officer



Karl Werner
President, International



Kari Taylor
President, North America Sales



Jeff Jeter
President, Upstream & Emerging Businesses



Kieran Holm
President, RB Services



Carmen Thiede
Chief Human Resources Officer



Baron Concors
Chief Information Officer



Matt Ackley
Chief Marketing Officer



Kevin Geisner
Chief Strategy Officer



Darren Watt
Senior Vice President & General Counsel

Appendix

Reconciliation of non-GAAP measures

Adjusted Operating Income* Reconciliation

Adjusting operating income* eliminates the financial impact of adjusting items which are 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 operating income to operating income, which is the most directly comparable GAAP measure in our consolidated income statements.

	Three months ended September 30,			Nine months ended September 30,		
(in U.S. $000's, except percentages)	2020	2019	% Change 2020 over 2019	2020	2019	% Change 2020 over 2019
Operating income	$ 67,384	$ 40,160	68 %	$ 190,266	$ 151,718	25 %
Pre-tax adjusting items:						
Severance	4,283	—	100 %	4,283	—	100 %
Adjusted operating income*	$ 71,667	$ 40,160	78 %	$ 194,549	$ 151,718	28 %

(1) Please refer to page 48 for a summary of adjusting items during the three and nine months ended September 30, 2020 and September 30, 2019.

(2) Adjusted operating income* represents operating income excluding the effects of adjusting items.

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)	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	% Change 2020 over 2019	2020	2019	% Change 2020 over 2019
Net income attributable to stockholders	$ 45,387	$ 25,266	80 %	$ 121,239	$ 97,466	24 %
Pre-tax adjusting items:						
Severance	4,283	—	100 %	4,283	—	100 %
Current income tax effect of adjusting items:						
Severance	(1,065)	—	(100)%	(1,065)	—	(100)%
Current income tax adjusting item:						
Change in uncertain tax provision	—	—	— %	766	—	100 %
Deferred tax adjusting item:						
Change in uncertain tax provision	—	—	— %	5,462	—	100 %
Adjusted net income attributable to stockholders*	$ 48,605	$ 25,266	92 %	$ 130,685	$ 97,466	34 %
Weighted average number of dilutive shares outstanding	110,369,718	109,381,173	1 %	110,060,712	109,634,195	0 %
Diluted earnings per share attributable to stockholders	$ 0.41	$ 0.23	78 %	$ 1.10	$ 0.89	24 %
Diluted adjusted EPS attributable to Stockholders*	$ 0.44	$ 0.23	91 %	$ 1.19	$ 0.89	34 %

(1) Please refer to page 48 for a summary of adjusting items during the three and nine months ended September 30, 2020 and September 30, 2019.
(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

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 September 30,			Nine months ended September 30,		
(in U.S. $000's, except percentages)	2020	2019	% Change 2020 over 2019	2020	2019	% Change 2020 over 2019
Net income	$ 45,490	$ 25,272	80 %	$ 121,438	$ 97,575	24 %
Add: depreciation and amortization expenses	18,436	17,692	4 %	55,586	51,919	7 %
Add: interest expense	8,737	10,090	(13)%	26,801	31,023	(14)%
Less: interest income	(510)	(517)	(1)%	(1,775)	(2,435)	(27)%
Add: income tax expense	15,437	6,760	128 %	48,741	28,800	69 %
Pre-tax adjusting items:						
Severance	4,283	—	100 %	4,283	—	100 %
Adjusted EBITDA*	$ 91,873	$ 59,297	55 %	$ 255,074	$ 206,882	23 %

(1) Please refer to page 48 for a summary of adjusting items during the three and nine months ended September 30, 2020 and September 30, 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 September 30,		
(in U.S. $millions, except percentages)	2020	2019	% Change 2020 over 2019
Short-term debt	$ 20.3	$ 5.8	250 %
Long-term debt	632.6	689.3	(8)%
Debt	652.9	695.1	(6)%
Less: Cash and cash equivalents	(470.3)	(309.6)	52 %
Adjusted net debt*	182.6	385.5	(53)%
Net income	$ 173.0	$ 133.0	30 %
Add: depreciation and amortization expenses	74.2	69.1	7 %
Add: interest expense	37.1	42.8	(13)%
Less: interest income	(3.1)	(3.3)	(6)%
Add: income tax expense	61.6	40.7	51 %
Pre-tax adjusting items:			
Share-based payment expense recovery	(4.1)	—	(100)%
Severance	4.3	—	100 %
Adjusted EBITDA*	$ 343.0	$ 282.3	22 %
Debt/net income	3.8 x	5.2 x	(27)%
Adjusted net debt*/adjusted EBITDA*	0.5 x	1.4 x	(64)%

(1) Please refer to page 48 for a summary of adjusting items during the trailing 12-months ended September 30, 2020 and September 30, 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 September 30,		
(in U.S. $ millions, except percentages)	2020	2019	% Change 2020 over 2019
Cash provided by operating activities	$ 289.2	$ 356.2	(19)%
Property, plant and equipment additions	16.5	10.4	59 %
Intangible asset additions	28.9	25.1	15 %
Proceeds on disposition of property plant and equipment	(16.6)	(13.7)	21 %
Net capital spending	$ 28.8	$ 21.8	32 %
OFCF*	$ 260.4	$ 334.4	(22)%

(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 September 30,		
			%Change
(in U.S. $millions, except percentages)	**2020**	**2019**	**2020 over 2019**
Dividends paid to stockholders	$ 89.4	$ 80.4	11 %
Net income attributable to stockholders	$ 172.8	$ 133.0	30 %
Pre-tax adjusting items:			
Share-based payment expense recovery	(4.1)	—	(100)%
Severance	4.3	—	100 %
Current income tax effect of adjusting items:			
Severance	(1.1)	—	(100)%
Deferred income tax effect of adjusting items:			
Share-based payment expense recovery	0.7	—	100 %
Current income tax adjusting item:			
Change in uncertain tax provision	0.8	—	100 %
Deferred tax adjusting item:			
Change in uncertain tax provisions	5.5	—	100 %
Adjusted net income attributable to stockholders*	$ 178.9	$ 133.0	35 %
Dividend payout ratio	51.7 %	60.5 %	(880)bps
Adjusted dividend payout ratio*	50.0 %	60.5 %	(1050)bps

(1) Please refer to page 48 for a summary of adjusting items during the trailing 12-months ended September 30, 2020 and September 30, 2019.

(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*.

Reconciliation of non-GAAP measures

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 and 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 September 30,		
(in U.S. $millions, except percentages)	**2020**	**2019**	**2020 over 2019**
Net income attributable to stockholders	$ 172.8	$ 133.0	30 %
Pre-tax adjusting items:			
Share-based payment expense recovery	(4.1)	—	(100)%
Severance	4.3	—	100 %
Current income tax effect of adjusting items:			
Severance	(1.1)	—	(100)%
Deferred income tax effect of adjusting items:			
Share-based payment expense recovery	0.7	—	0 %
Current income tax adjusting item:			
Change in uncertain tax provision	0.8	—	100 %
Deferred tax adjusting item:			
Change in uncertain tax provisions	5.5	—	100 %
Adjusted net income attributable to stockholders*	$ 178.9	$ 133.0	35 %
Opening long-term debt	$ 689.3	$ 751.8	(8)%
Ending long-term debt	632.6	689.3	(8)%
Average long-term debt	661.0	720.6	(8)%
Opening stockholders' equity	$ 838.2	$ 815.5	3 %
Ending stockholders' equity	959.5	838.2	14 %
Average stockholders' equity	898.9	826.9	9 %
Average invested capital	$ 1,559.9	$ 1,547.5	1 %
Return on average invested capital	11.1 %	8.6 %	250 bps
ROIC*	11.5 %	8.6 %	290 bps

(1) Please refer to page 48 for a summary of adjusting items during the trailing 12-months ended September 30, 2020 and September 30, 2019.

(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.