RITCHIE BROS.

INVESTOR DAY

2020



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 proposed Rouse transaction, future opportunities for the combined businesses of Ritchie Bros. and Rouse, the terms and conditions of the proposed Rouse transaction, the expected timetable for completing the Rouse transaction, 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; each of Ritchie Bros.' and Rouse's ability to satisfy the acquisition agreement conditions and consummate the transaction on the anticipated timetable, or at all; Ritchie Bros.' ability to successfully integrate Rouse; the ability to realize anticipated growth and synergies 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.

Strategic Vision



Ann Fandozzi
Chief Executive Officer

- Growth Agenda
- Strategic Pillars Overview
- Organization Changes
- Learning Organization

The trusted global marketplace for insights, services, and transaction solutions for commercial assets.

Growth Agenda

Time (Eastern)	Section	Topics	Speaker
10:00 – 10:20	CEO Perspectives	• Strategic Pillars Overview • Organization Changes • Learning Organization	Ann Fandozzi, Chief Executive Officer
10:20 – 10:25	Employee Experience	• Employee Experience • Diversity and Inclusion	Carmen Thiede, Chief Human Resources Officer
10:25 – 10:30	ESG	• Inaugural sustainability report	Ann Fandozzi, Chief Executive Officer
10:30 – 10:50	Learning Organization	• North America Growth Strategy • International Satellite Site Strategy	Kari Taylor, President, North America Sales Karl Werner, President, International
10:50 – 11:15	Question and Answer		Executive Team
11:15 – 11:25	Break		
11:25 – 11:45	Marketplace	• Inventory Management System • Data & Analytics • Service • Marketplace implications for Strategic Accounts • Enabling Innovation and Speed to Market	Matt Ackley, Chief Marketing Officer Jeff Jeter, President, Global Strategic Accounts Baron Concors, Chief Information Officer
11:45 – 11:55	Customer Experience	• Buyer / Seller Journey • Deconstructing Sales Day	Jim Kessler, Chief Operating Officer
11:55 – 12:10	Finance Review	• Review of Financial Performance • Refreshing Evergreen metrics • Capital Allocation Strategy	Sharon Driscoll, Chief Financial Officer
12:10 – 12:20	Closing Remarks	• Excited about the future	Ann Fandozzi, Chief Executive Officer
12:20 – 1:00	Question and Answer		Executive Team

Management Team Brings History of Shareholder Value Creation and Experience



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, Global Strategic Accounts



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

Strategic Vision

Growth hypothesis before joining

Current



USA



Canada



International

Potential



Canada



USA



International

Now the rest of the story…



Canada

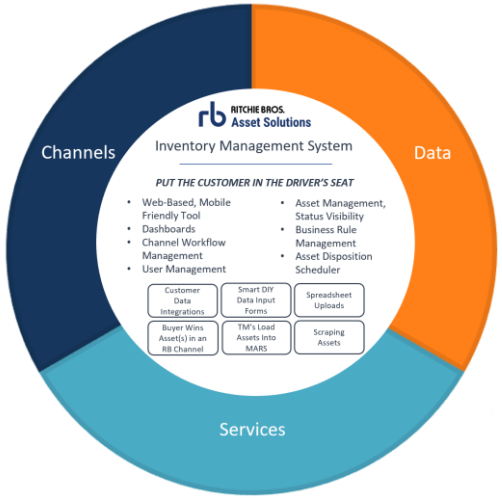


USA



International





Strategic Pillars



Executive Leadership Team Changes Aligned to Strategy



2020 – COVID-19 Learnings

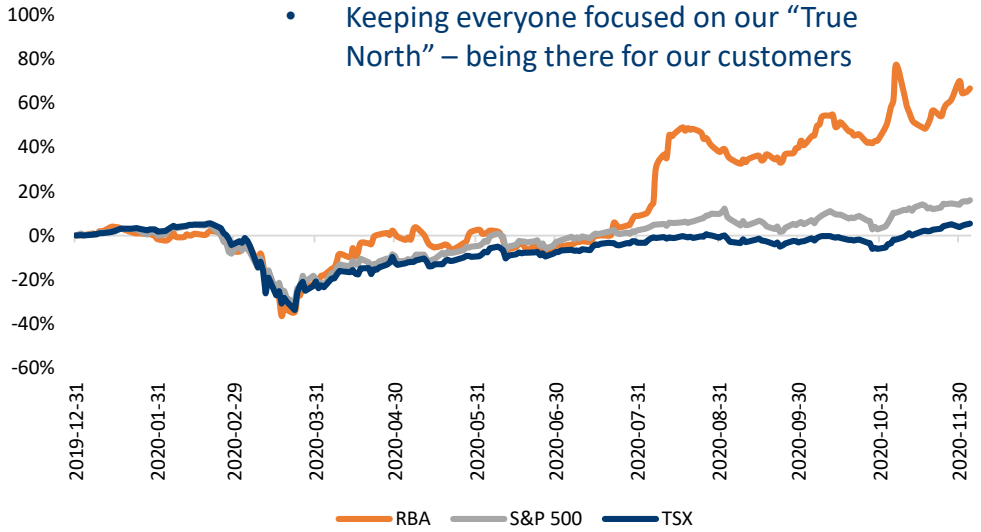
The World

Out of our control: COVID

- COVID-19
- Government policy
  - Boarder restrictions
  - Size, shape, type and focus of Stimulus
- COVID-19 impacts on business confidence and macro environment

In our control

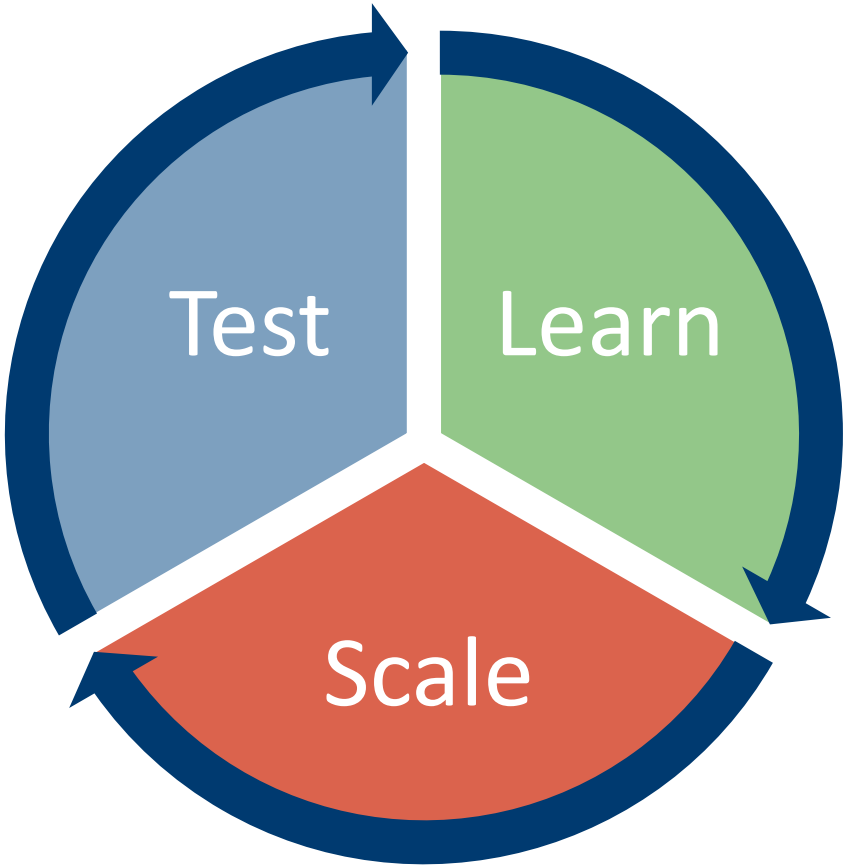
- Health and safety of our employees and customer through COVID-19 protocols
  - Corporate staff from home
  - PPE for employees and customers
  - Alter work shifts to improve social distancing
- People
  - Transparent dialog
  - Maintaining “Team feel” during these tough times – we are all in this together
  - Keeping everyone focused on our “True North” – being there for our customers
- Efficient operations
  - Not ramping
  - Sale day 100% online
  - TAL for agriculture and international
  - Scheduling of equipment pick up
- Market Demand
  - Marketing tools that we are enabling by driving all transactions online
- Technology
  - Capacity, functionality, usability
- Capital allocation
  - No long paying down debt
  - Acquiring Rouse



Source: Bloomberg; dividends reinvested in index or equity; daily returns 2019-12-31 to 2020-12-03

Learning Organization: Adapting to Help Our Customers

- Pilot improvements in markets across the globe
- Use flexible resources where possible



- Clear KPIs
- Fail fast
- Celebrate success *and* failure

- Quickly adopt successes across the organization

Employee Experience / Diversity and Inclusion



Carmen Thiede
Chief Human Resources Officer

- Employee Experience
- Diversity and Inclusion

Delivering the Best Employee Experience

Creating a common framework of the desired Employee Experience to prioritize our programs, mindshare and spend to support the ***Moments that Matter***



#MyRBStory





My First Impression

Candidate Experience
Onboarding



My Rewards

Benefits
Compensation
Recognition



My Development

New Opportunities
Skill Building



My Leader

Leader Development
Regular Check Ins



My Life Moments

Work Anniversaries
Life Events



My making a Difference

Community Giving
Volunteering
My Voice

Our Ritchie Bros. Values

Connecting with Our People & Communities

WOMEN'S LINK

Greater Vancouver Food Bank



Four BLM Committees

Communication



Talent Practices



Education / Training



Community



ESG



Ann Fandozzi
Chief Executive Officer

- Inaugural sustainability report

Our Inaugural ESG Report



Doing Our Part for ESG: Enabling the Circular Economy



To be a great global company, you have to be a great local company.



Ritchie Bros. is one of the world's largest "practical green" re-commerce companies, meaning we enable and encourage the market liquidity of heavy equipment and trucks like no other. Each year, hundreds of thousands of customers use our solutions and services to re-use and recycle previously owned assets, given them a new life and avoiding landfill waste.

Test, Learn, Scale



Kari Taylor
President, North America Sales

- North America Growth Strategy

Spearheading Growth as a Thriving, Learning Organization

Building blocks for this growth initiative bring clarity to…



what we sell through named initiatives, framing solution selling



how we intersect complementary digital touch strategies



how we challenge news sales coverage models to move faster and cover more opportunities, and



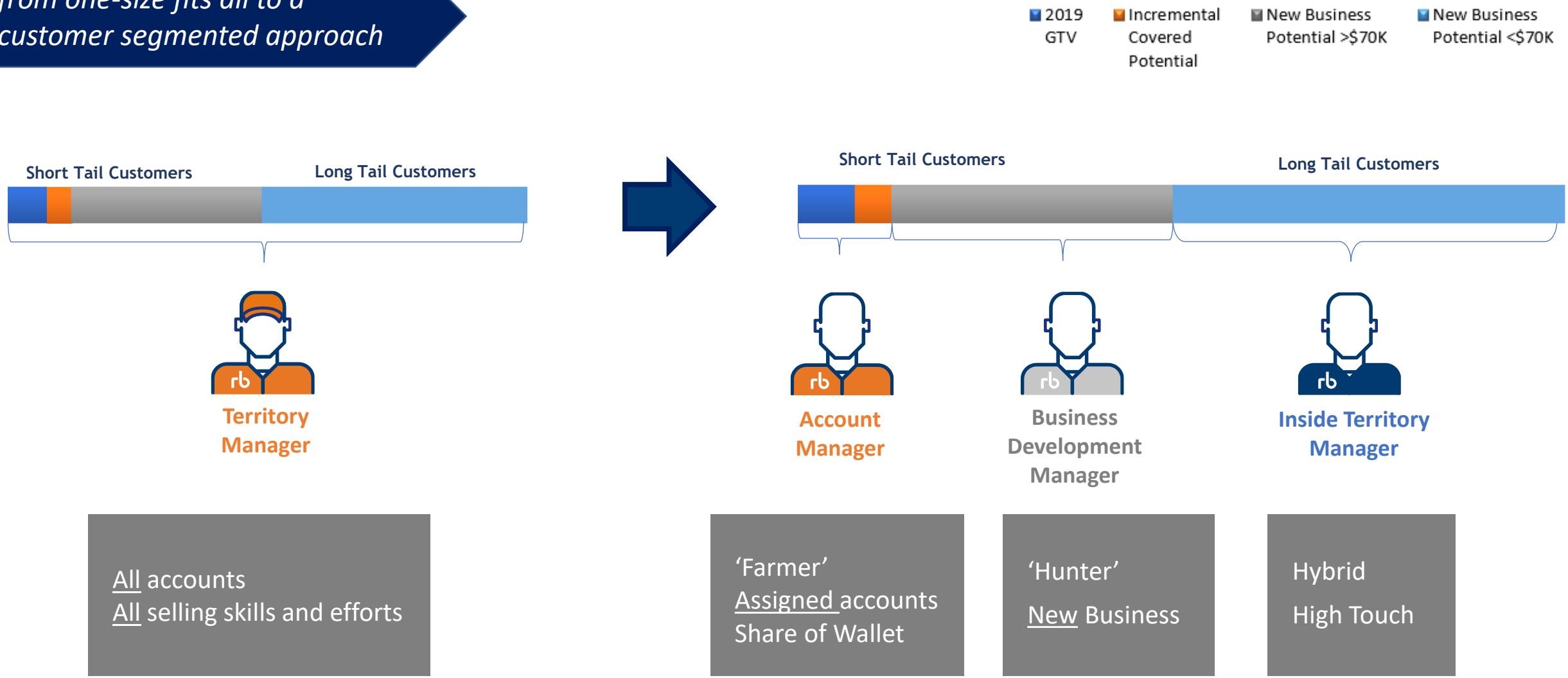
how we solve for greater market reach and seller productivity



Cascading successes as trusted business advisors, selling solutions, to inform sustainable growth across North America.

Building Capacity Through Enhanced Sales Coverage Model

from one-size fits all to a customer segmented approach



Evolving How We Sell to Unlock Our Addressable Market



Relationship-based selling

Credibility | Respect | Trust



Activity-based selling (SAGE)

Capacity | Velocity | Reach



Initiative-based solution selling

Relevance | Value-add
Trusted Advisor

Morphing Our Sales Team, Armed With Data and Analytics, Into Trusted Advisors



Evolving Sales Process









Platform

RITCHIE BROS.

IRONPLANET
Weekly Feature

Marketplace
Buy Now. Make Offer.

Timed Auction Lots

Data/New Services

RITCHIE BROS. Asset Solutions

RB Asset Valuator Beta

RITCHIE BROS. Financial Services

Customer Targeted

- Reseller Solution
- Oil & Gas Targeted Campaigns
- Scaling ‘SARP’ (Streamlined At Risk Program)
- RPO Lease Buybacks

Cascading Proven Results To Accelerate Growth as a Learning Organization

Identify growth Initiatives → Test and Incubate in Texas → Expand to other regions



- USA-So CA → USA-No CA
- USA-So CA → USA-C CA
- Ca-So Ontario → Ca-No Ontario
- Ca-So Ontario → Ca-Quebec



H2-2020

- Sales coverage model
- Expanded solutions named by sub-initiatives

Full Year 2021

- Learn
- Iterate
- Prove

Starting H2-2021

- Sub-initiatives to cascade incrementally (not dependent on one another)
- Deployment triggered by proven success metrics

Incubating → Proving results → SCALING

Test, Learn, Scale



Karl Werner
President, International

- International Satellite Site Strategy

Understanding the Customers Benefits of a Satellite Site

Online digital model allows us to transact globally, however we think equipment transportation costs remains a hurdle in attracting customers.

1. Yards closer in proximity to customers reduces transportation barriers and attracts customers and accessibility, brand awareness and online traffic

2. Customers value the care, custody, and control that is offered by physical locations as it reduces friction in the transaction process and supports the online marketplace

3. Satellite sites have a lower cost profile compared to traditional auction sites and can generate incremental GTV with high ROI



We Gained Confidence With Our Australia “Mini-Test” in 2020

Results

Overall, very positive results and feedback from customers during the initial test pilot

Satellite sites further expanded RB’s online presence with sellers and buyers around each site vicinity

Perth, Australia

- GTV up 85% in 2 years
- YoY Online session - 48%
- YoY User growth - 35%

COVID-19 further accelerated customer adoption of online platforms




CONSTRUCTION
TRANSPORT
AGRICULTURE




RITCHIE BROS.
TRANSPORT



Confirming Our Hypothesis at Scale in 2021

Proprietary Satellite Site Selection Methodology

Blending quantitative and qualitative factors

Quantitative (Data Science)

Qualitative (RB Sales Team)

Validation

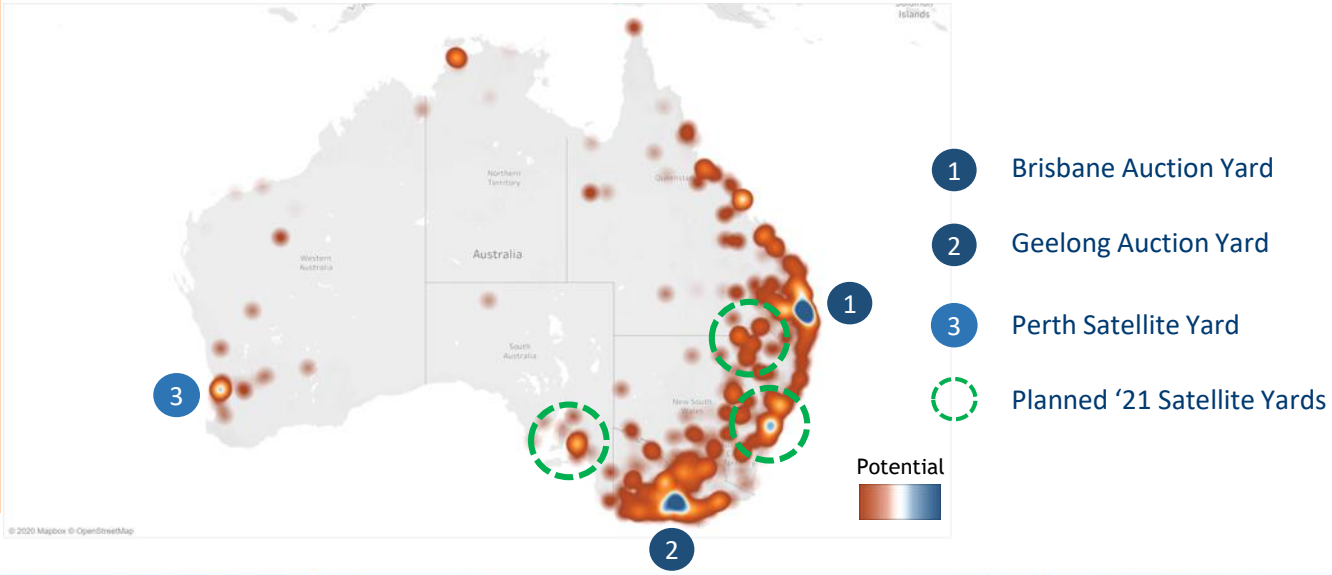
Site Selection

The successful test pilot serves as a proof point for our yard selection methodology

Australia

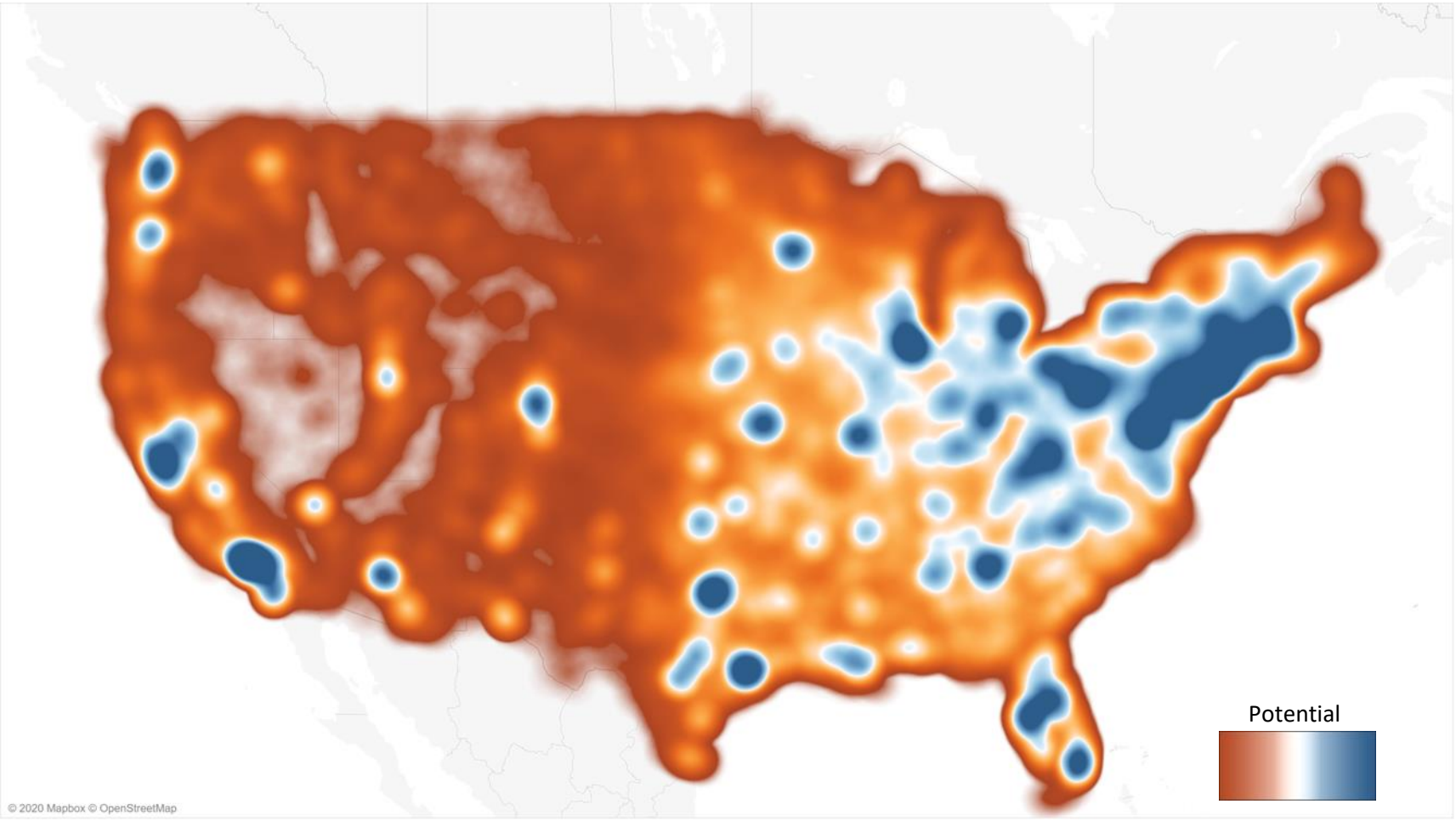
1. Identify additional satellite sites using our proprietary site selection methodology
2. Open 3 additional satellite sites in Eastern Australia (Adelaide, Mittagong, Dubbo)
3. Nurture our existing sites in Perth, Brisbane, and Geelong

GTV potential heat map



Confirming Our Hypothesis at Scale in 2021

GTV potential heat map



United States Example

1. Continue to scale our learnings and insights from Australia to the US and abroad
2. Accelerate the adoption of the online marketplace with additional satellite sites to provide a seamless online and offline experience

Replicating our successful pilots to accelerate and scale organic growth in Australia and the US

Question & Answer



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
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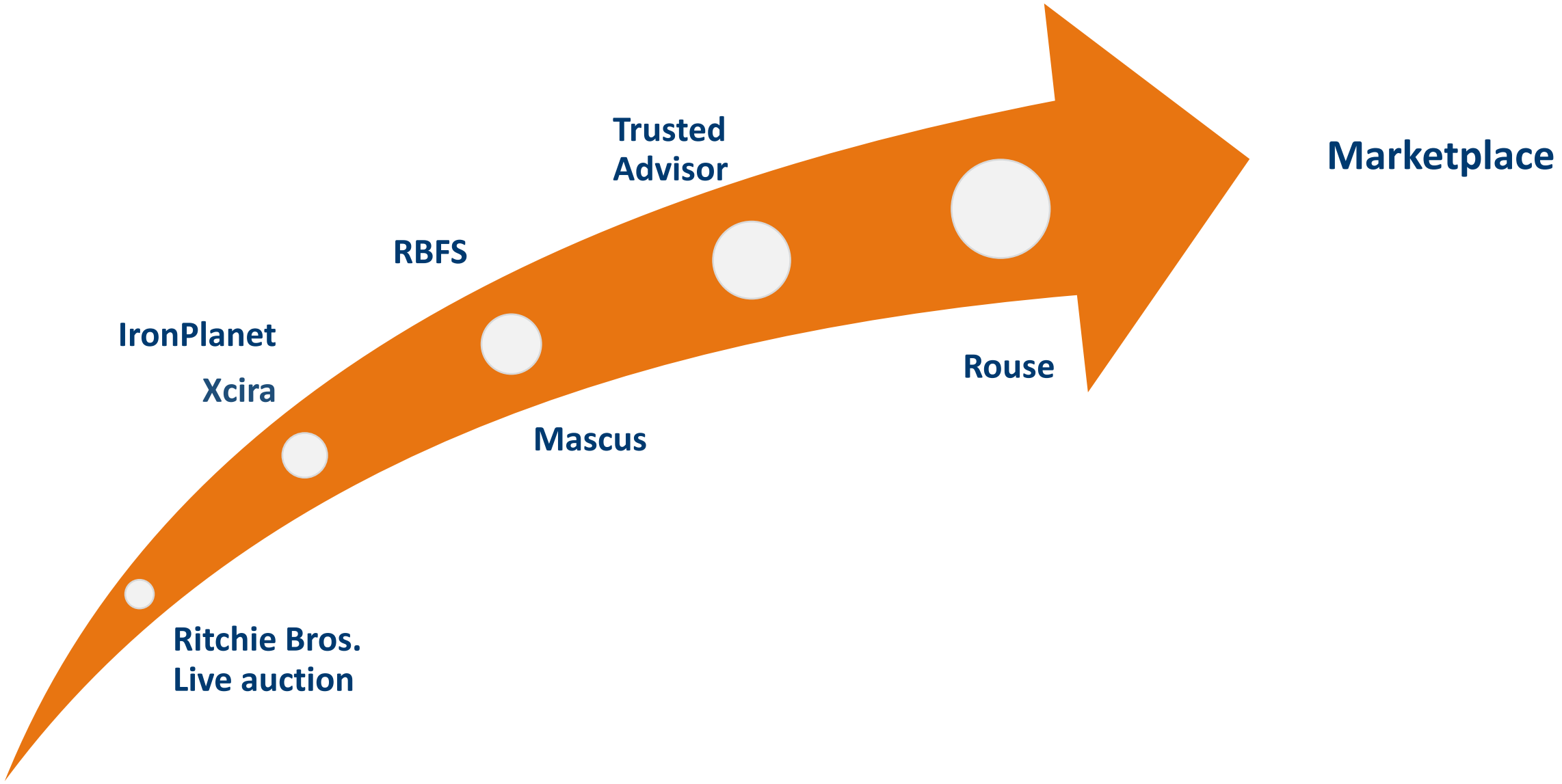
Darren Watt
Senior Vice President & General Counsel



10 Minute Break



Evolution to Marketplace



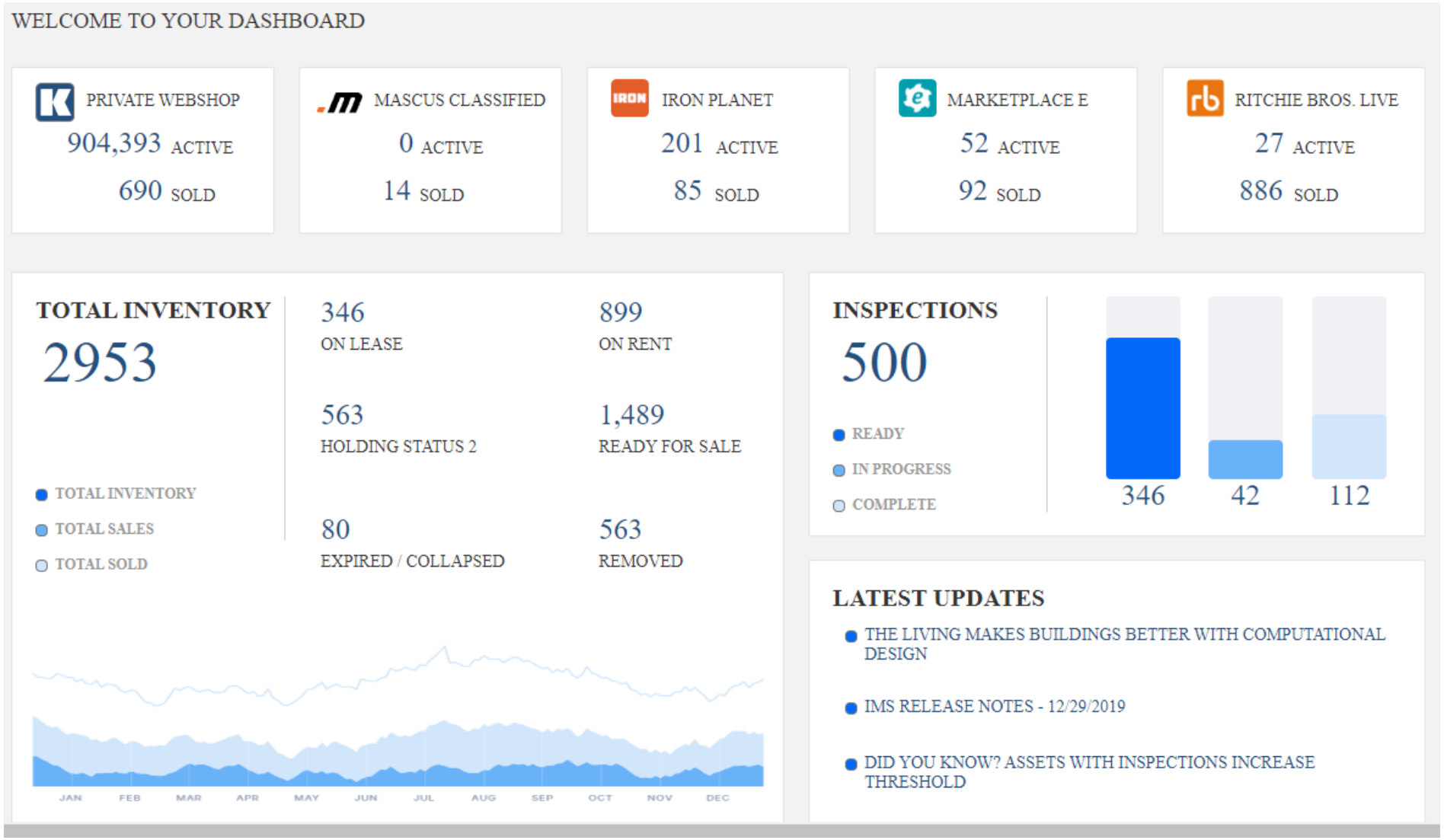
Marketplace



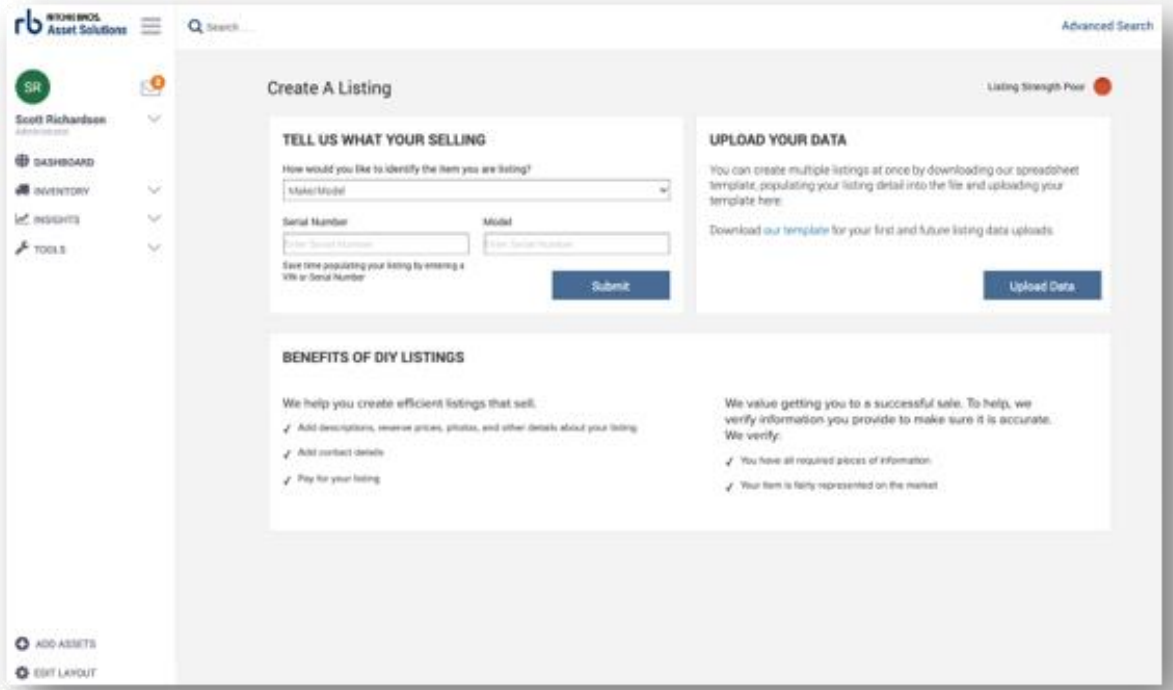
Matt Ackley
Chief Marketing Officer

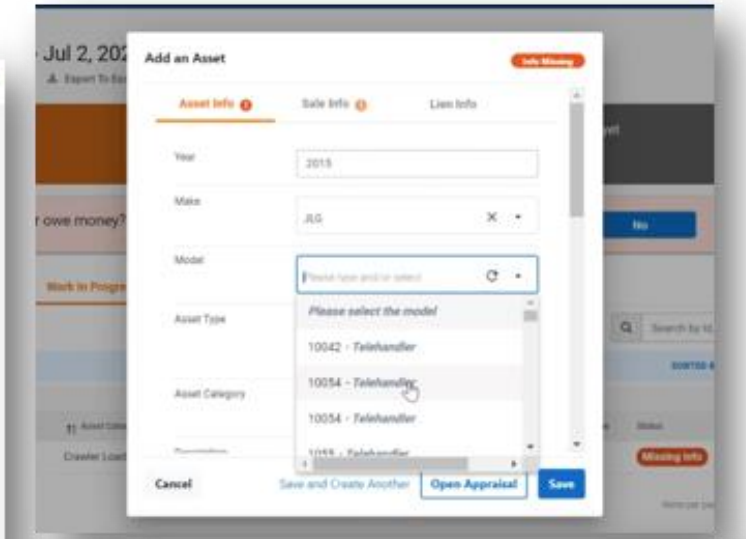
- Inventory Management System
- Data & Analytics
- Service

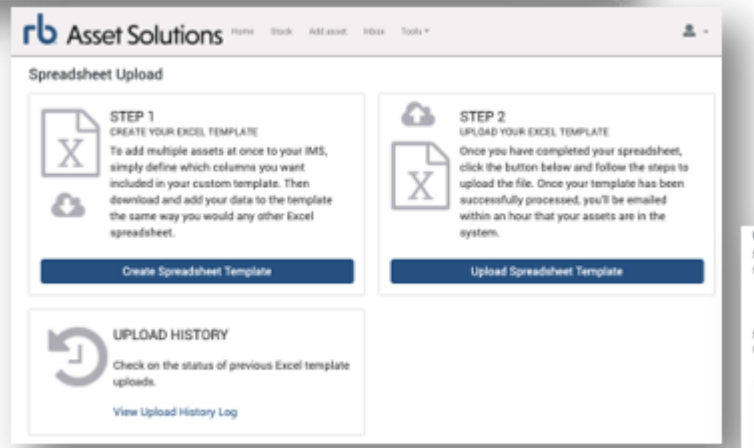
RBAS Represents a New Way to Go to Market

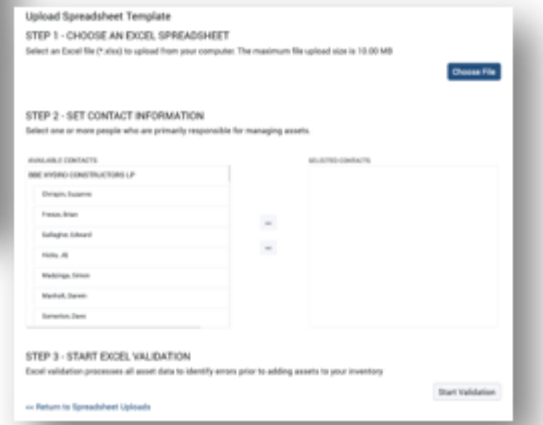


Making It Easier to Add Inventory

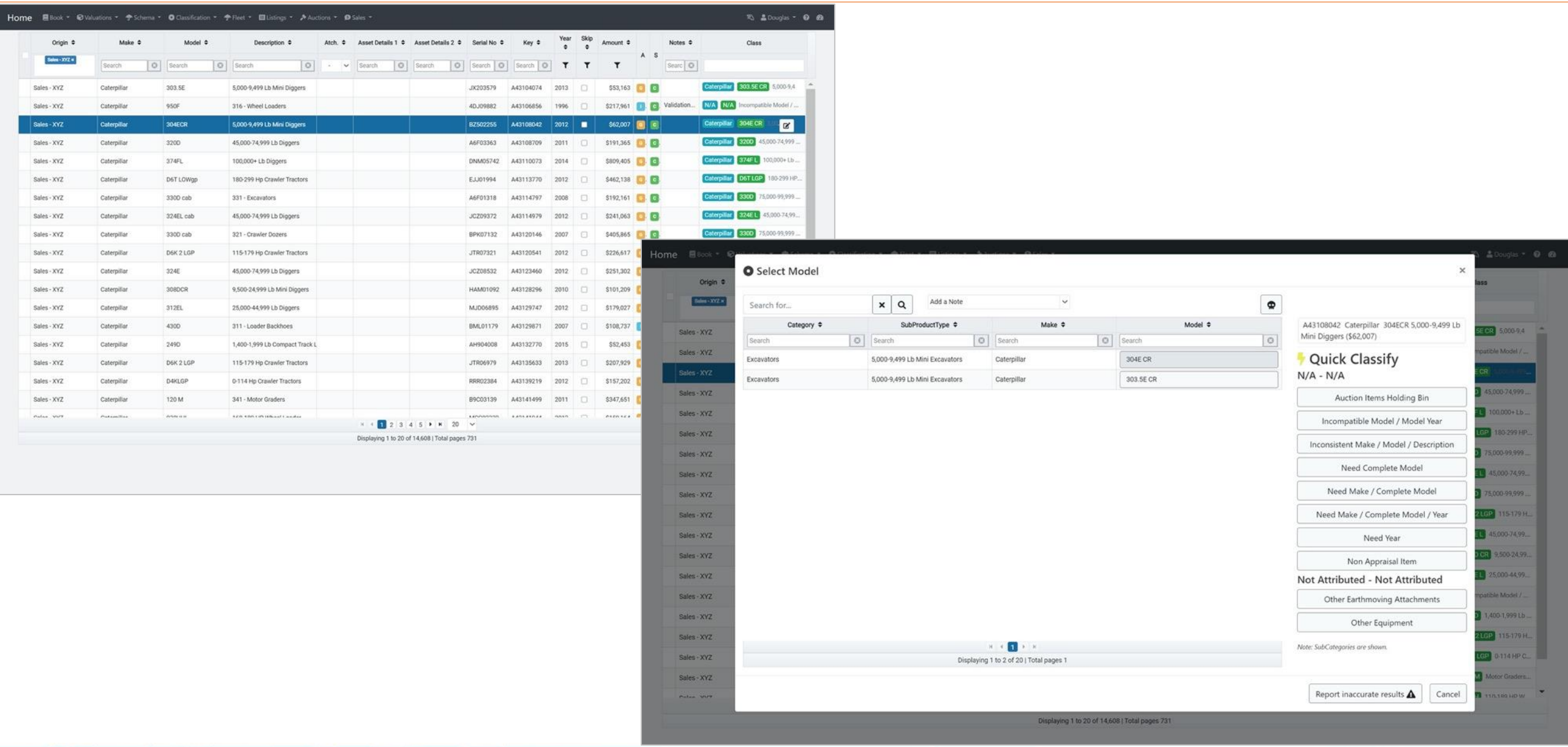




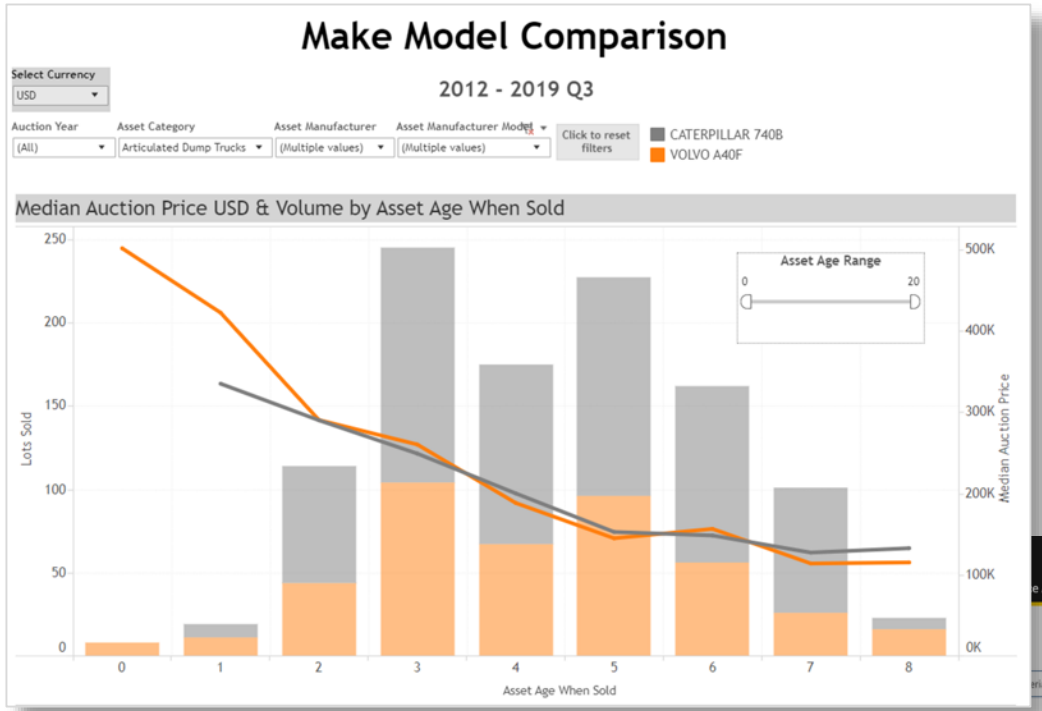


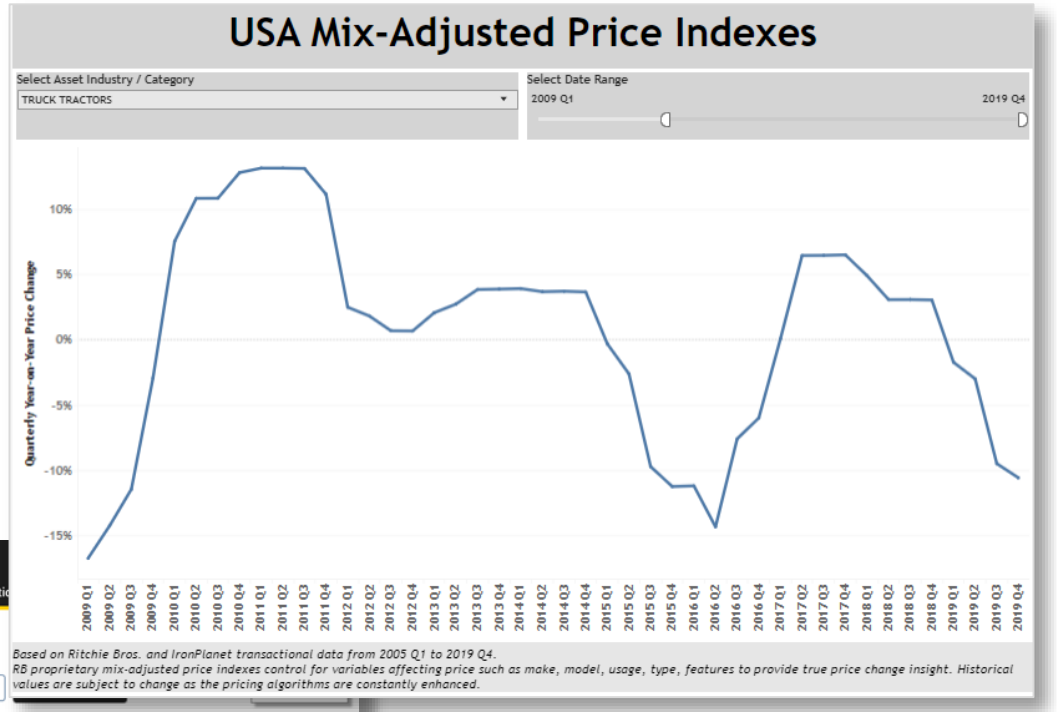


Taxonomy and Classification Is Key to Valuation



The End Goal Is Better Decision Making for Our Customers





RELATIVE ASSESSMENT				OVERALL ECONOMICS				RECOMMENDATION		
Equipment #	Util.	Avail.	TTM M & R	Price Strength	Geo. Var.	Market Value	Cost Ratio		Suggested Action	Edit
10052331						$51,100	13%	Threshold Met	Utilization Review	
10052329						$51,500	17%	Threshold Met	Mechanical Review	
10052328						$65,678	13%	Threshold Met	Operate	
10052331						$101,100	20%	Threshold Met	M & R Cost Review	
10052332						$121,100	23%	Threshold Met	Operate	
10052333						$143,550	32%	Fail	Sell	
10052334						$151,200	11%	Threshold Met	Operate	
10052335						$151,340	13%	Threshold Met	Operate	
10052336						$251,100	19%	Threshold Met	Operate	
10052337						$521,100	22%	Threshold Met	Operate	
10052338						$651,100	18%	Threshold Met	Operate	

Enable Predictions with Machine Learning and Better Data

Stock

69833 Not For Sale | 17 Pre-sale | 1457 For sale | 217 Post Sale | 3 Expired / Collapsed | 2369 Sold

SEARCH FORM

Showing items 17 of 17

0 Selected | Bulk Change | Excel



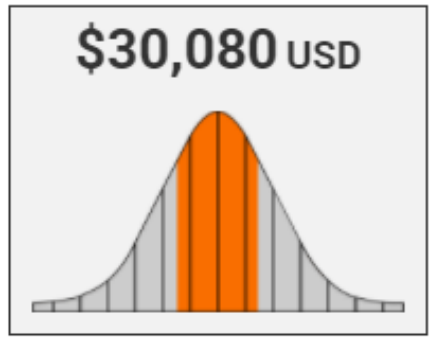
SkyTrak 10054L

Misc Forklifts
United States, 2001 N. MOO...
2013 5874 h

RB Price Estimate *Beta

The RB Price Estimate is an asset valuation based on a machine-learning algorithm that analyzes Ritchie Bros. transaction history.

Research in Asset Valuator



Workflow

lays)

Weekly Auction

Region	306	RB Price Estimate *Beta	$30,080 USD
State	OK		
Serial Number	0160050289	Cost	111,480 USD
IP listing number	3519575	NBV	49,489 USD
		Target auction value	30,256 USD

A Platform to Enable an Entire Suite of Services

Branded Webshops

Third Party Marketplaces

RB Mascus Listings Site

MASCUS

RB Reserved Online Marketplace

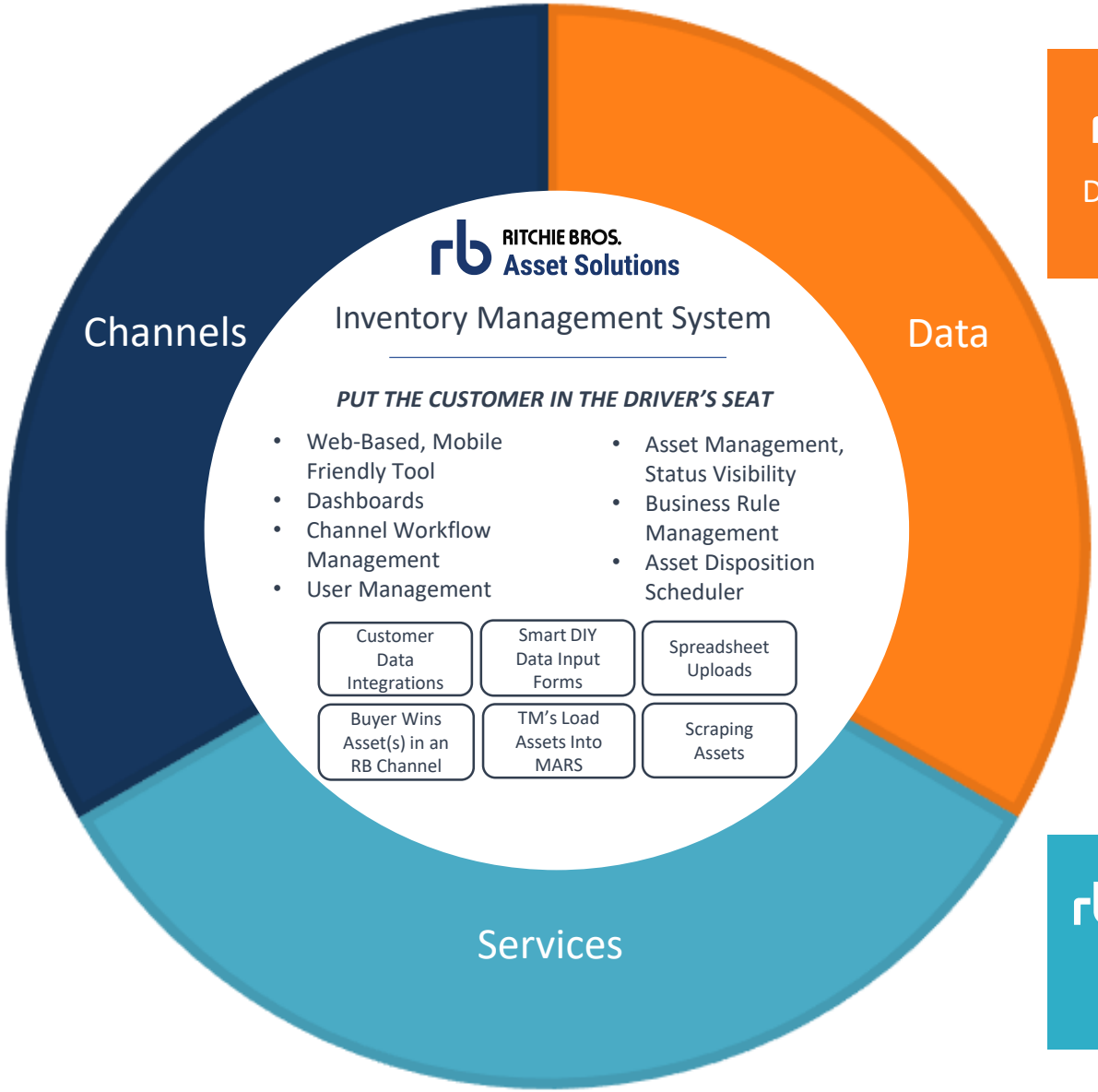
Marketplace e

RB Unreserved Online Marketplace

IRONPLANET

RB Unreserved Online Marketplace

RITCHIE BROS. Auctioneers



RITCHIE BROS. Asset Solutions

Data Analytics/ Insights

- Decision-Making Tools
- Market Trends
- RB Asset Valuator
- RB Price Estimate
- Depreciation Curves
- Reports & Dashboards
- Fleet Recommendations

RITCHIE BROS.

Services

- Inspections
- Storage
- AAS
- Redeploy
- R&R

Marketplace



Jeff Jeter

President, Global Strategic Accounts

- Marketplace implications for Strategic Accounts

Marketplace

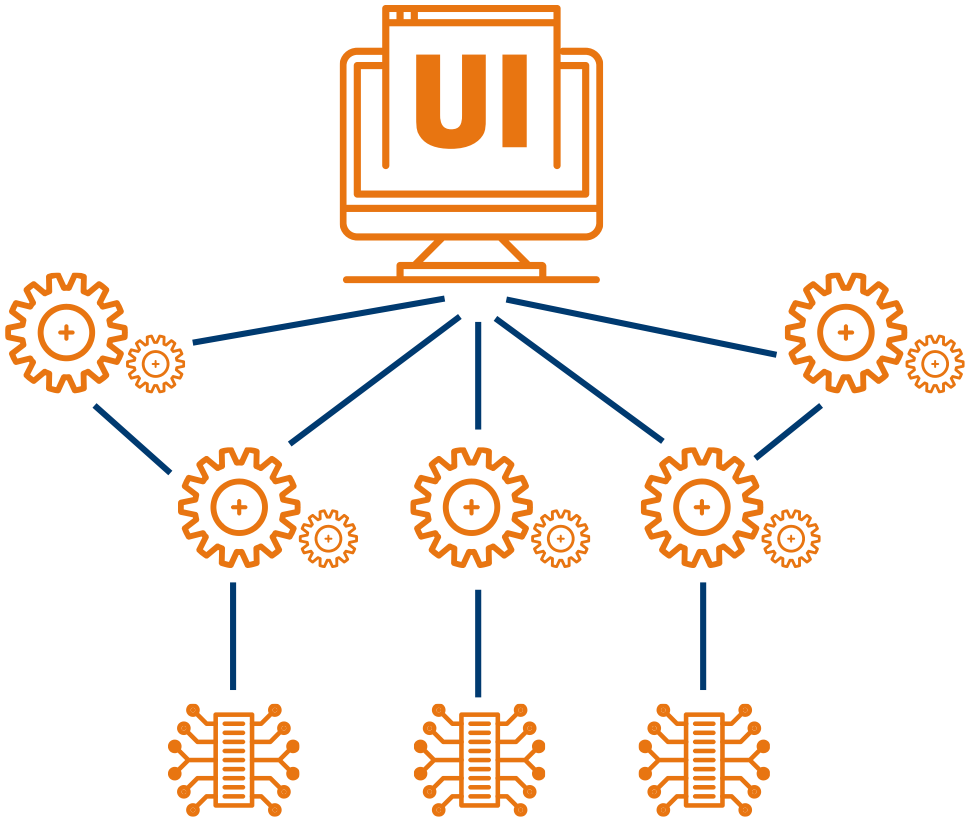


Baron Concors
Chief Information Officer

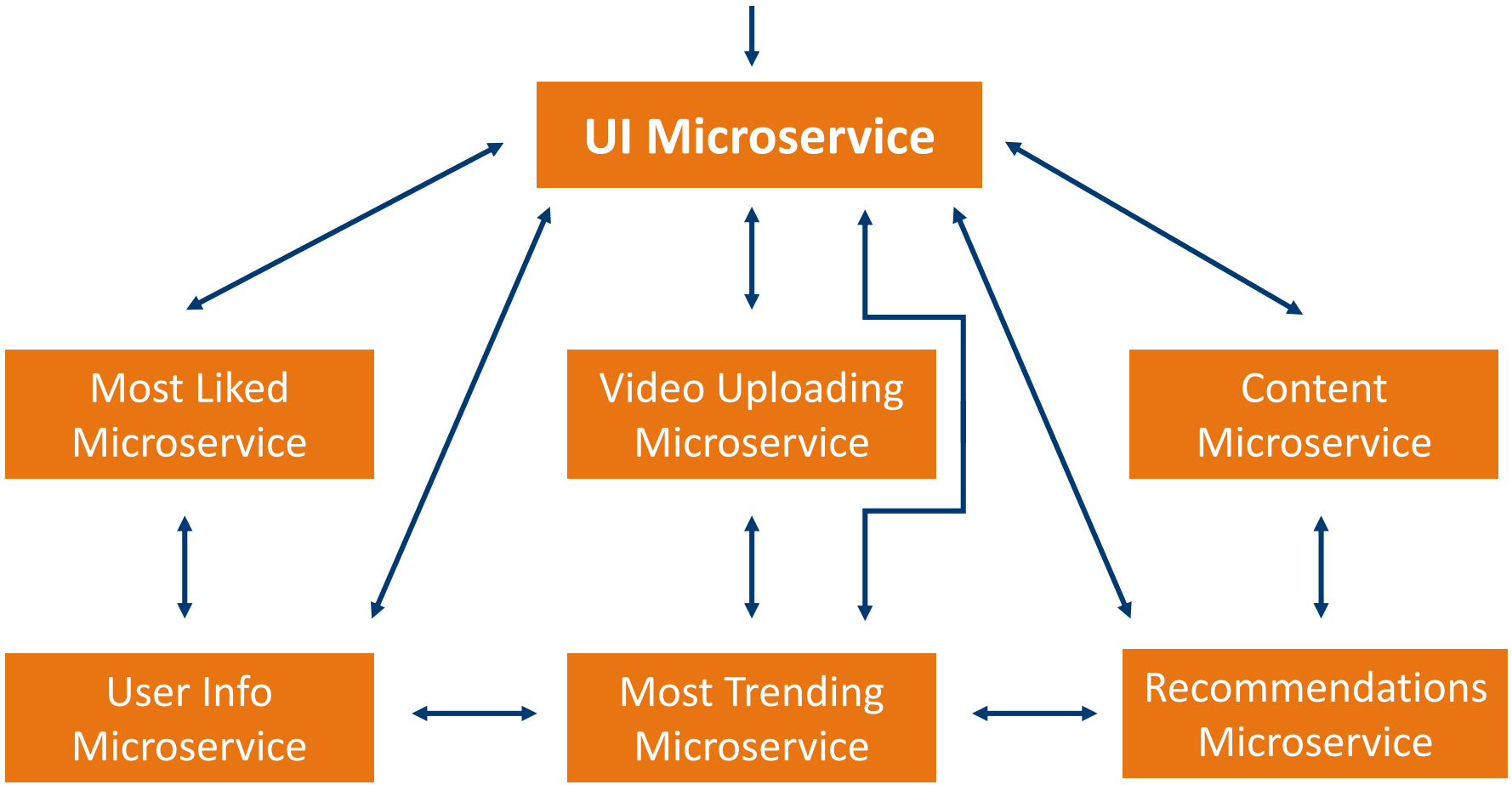
- Enabling Innovation and Speed to Market

Future State – Microservices Architecture

- Microservice architecture allows a system to be divided into several smaller, individual and independent services.
- Organized around business capabilities not technologies.
- Improved productivity and speed by decomposing applications into manageable services that are faster to develop.
- Flexibility in Using Technologies - each microservice can be written using a different technology.
- Improved reliability – if a service does down, it does not impact the rest of the platform.
- Autonomous, Small, Cross-functional Teams



Video Streaming Platform Example



Creating a Business Capability Map to Serve as a Blueprint for Microservices



Transactions

Bids, Offers	Listings
Fraud Prevention	Risk Management



Inventory

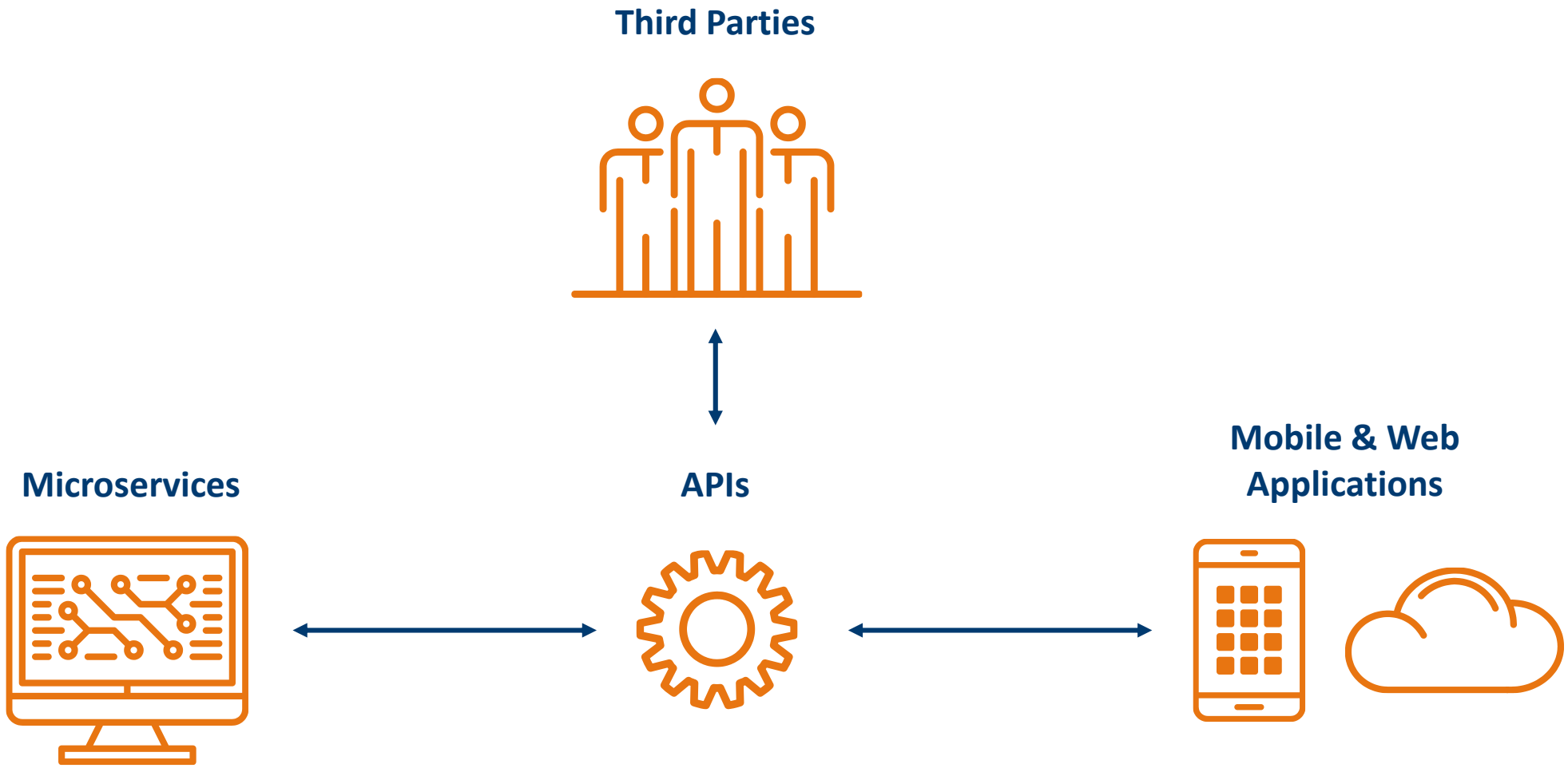
Assets	Taxonomy
Inspections	Pricing



Buyer Experience

My Account	Browse/ Search	Content	Financing
Item Details	Checkout	Payment	PriorityBid

Exposing Our Microservices Through APIs Will Fuel Growth and Innovation



Customer Experience



Jim Kessler
Chief Operating Officer

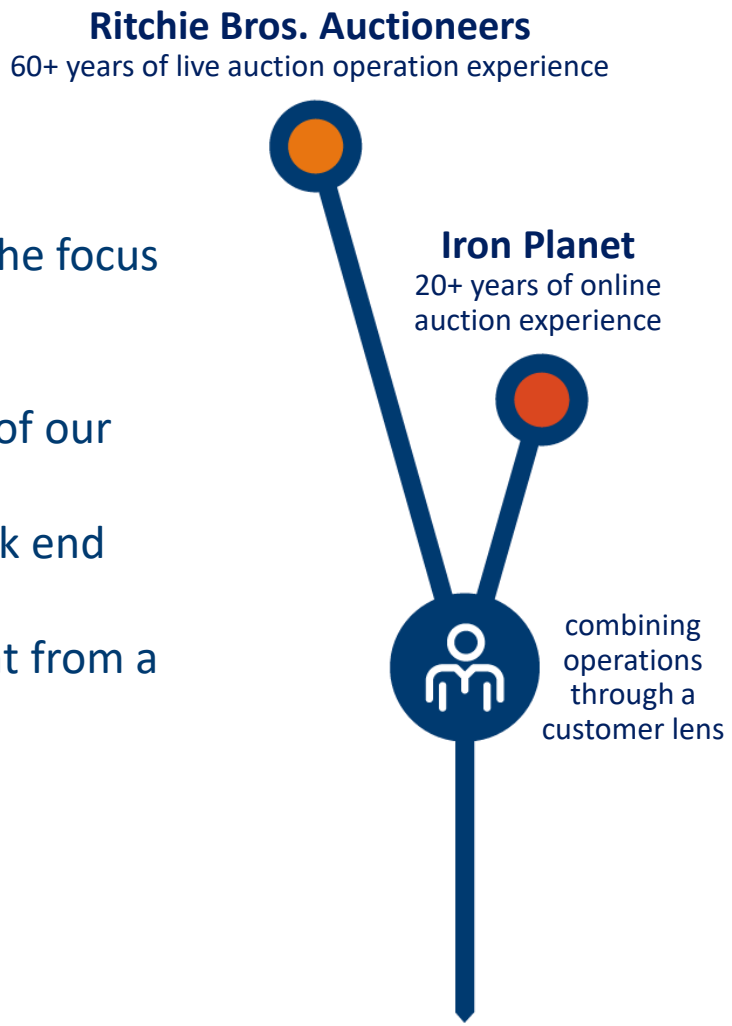
- Buyer / Seller Journey
- Deconstructing Sales Day

Customer Experience Initiative

- Continued evolution of how we interact with our customers
  - Ritchie Bros Auctioneers built over the last 60 years with a live event as the focus
  - Iron Planet built for an online/digital experience over the last 20 years

- Bringing together live and online operations while viewing it through the lens of our customers
  - Started with MARS which is currently in process of building a singular back end support system regardless of marketplace
  - Adding a detail customer journey map so we understand every touchpoint from a seller and buyer point of view
  - We will measure success with a new Customer Effort Score

Our goal is to be the easiest to interact with



Customer Experience – Need for Ease

Six-month Observations

- Ritchie Bros. will solve any issues or problem that occur with any of our customers

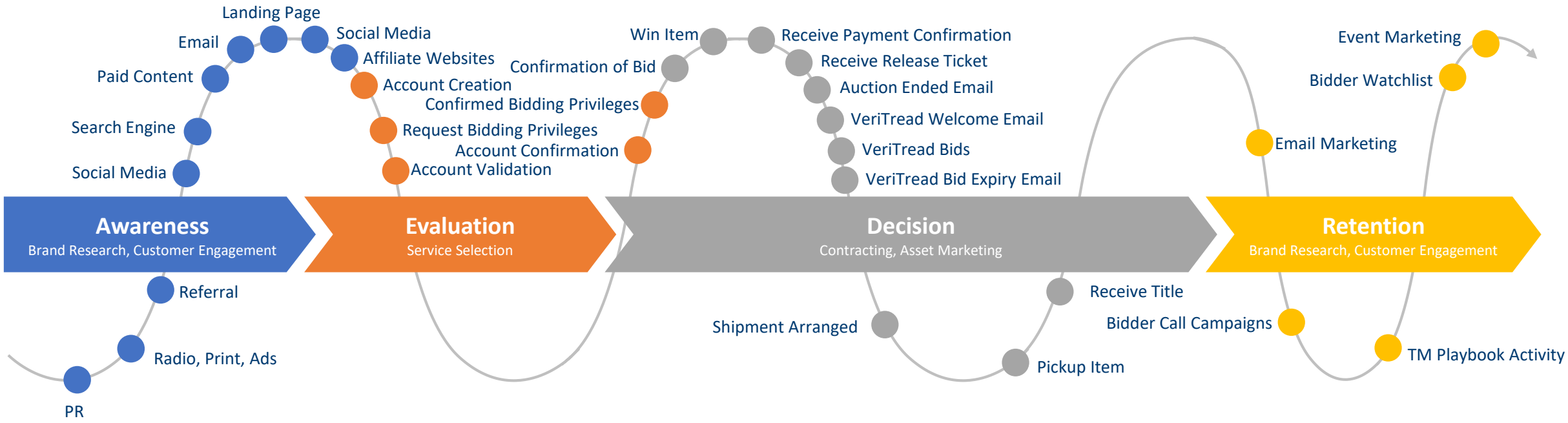
- Areas of Opportunity
  - Understanding and researching why customer issues arise and then ensuring the journey for the customer is intuitive
  - We need to manage, streamline and have full visibility into our third-party partners part of the customer journey since our customers don’t distinguish between our partners and us
  - Finish building out MARS and reorganizing our operating teams to be agnostic of marketplace



We need to measure how easy we are to interact with

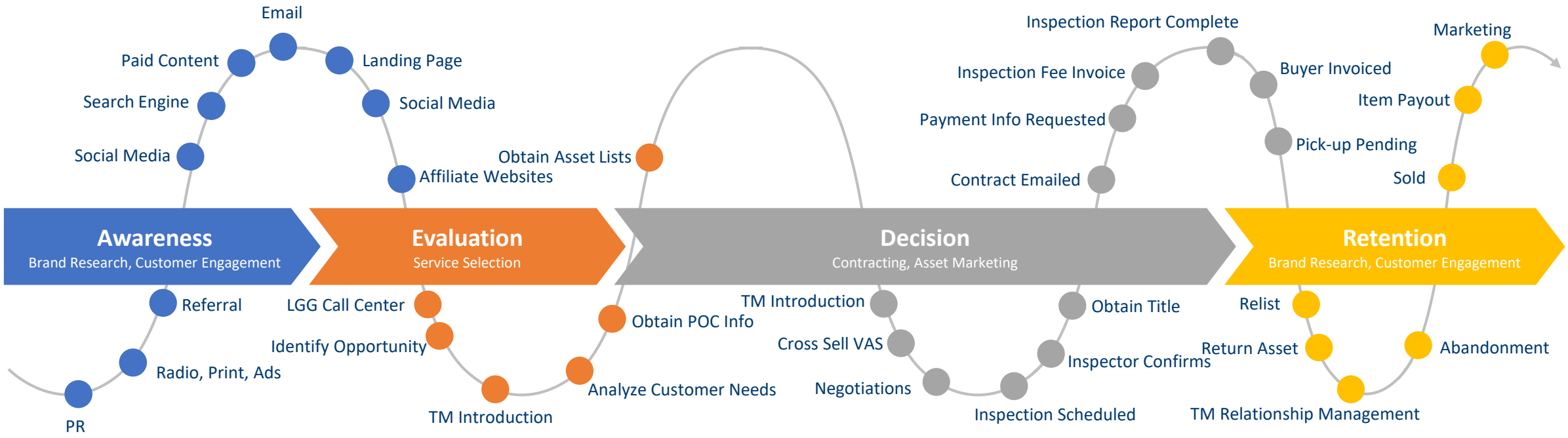
Customer Journey Mapping – Buyer and Seller

Buyer Journey Map



Customer Journey Mapping – Buyer and Seller

Seller Journey Map



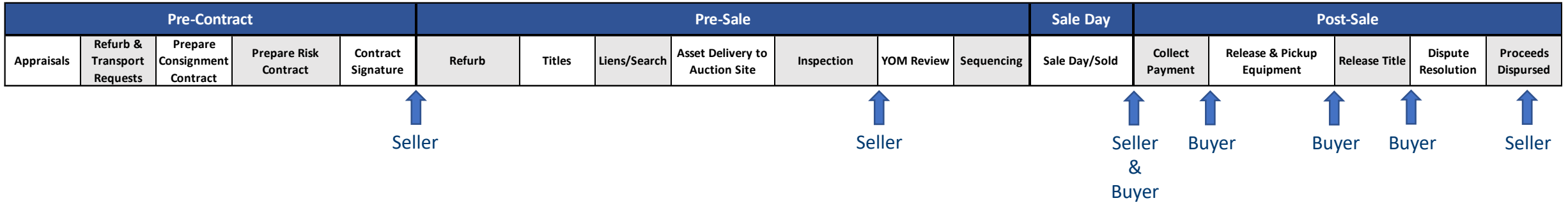
Customer Effort Score (CES) How to Measure

Customer Effort Score (CES) [1] is a type of **customer** satisfaction survey used to measure the ease of service experience with an organization. It asks **customers** to rate the ease of using products or services on a scale of "very difficult" or "very easy."

Implementation of CES – Keep It Simple [1]

Customer Effort Score (CES) = ☺ **% Easy** ☹ **% Difficult**

Potential Opportunities to Measure CES in the Consignment to Cash Process



[1] Source: QuestionPro.com

Deconstructing Sales Day



Customer Celebration/
Appreciation



Catalog/Brochure



Ramping



In-person Registration



Equipment Evaluation



Networking/
Industry Events

Finance Review



Sharon Driscoll
Chief Financial Officer

- Review of Financial Performance
- Refreshing Evergreen Metrics
- Capital Allocation Strategy

History of Delivering Results for All Stakeholders

- Initial period of transforming into technology enabled company
- Prepared to enable seamless transition into 100% online bidding

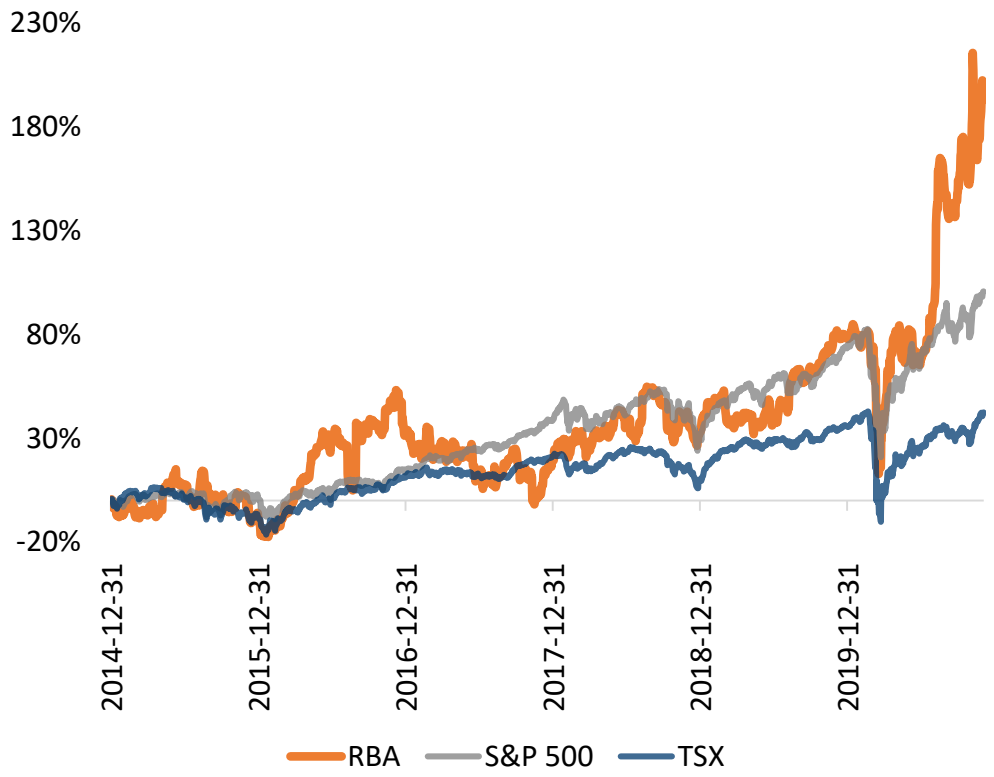
Evergreen Model Score Card

Introduced in 2015 Average Annual expectation over a 5-7-year period

2015 Investor Day		Current		
Measure	**Metric**	**Measure**	**Metric**	**2015 - LTM 3Q 2020**
Gross transaction Value	High Single Digits to Low Double Digits			CAGR: 4.2%
Agency Proceeds	Mid Single Digits to High Single Digits	**Service revenue growth[1]**	High single digit to low teens	CAGR: ~11%
Adjust EPS Growth	High Single Digits to low double digits	**Adjusted EPS Growth**	Low double digits to mid teens	CAGR: ~10%
OFCF as a % of Net Income[2]	Greater than 100%	**OFCF as a % of Net Income[2]**	Greater than 100%	~131%
Dividend Payout[2]	55%-60%	Dividend Payout Ratio[2]	55% - 60%	~58%
Net Debt to Adjusted EBITDA	Less than 2.5x	Adjusted Net Debt to Adjusted EBITDA	Less than 2.5x	Current: 0.5x
ROIC Increase	50 bps+	ROIC	15% by 2021	Current: 12%

1. Due to 606 accounting changes, we now use service revenue growth instead of total revenue
2. Period Average : 2015 to 2019, and LTM 3Q 2020
3. Compounded average growth rate used 2014 as base year

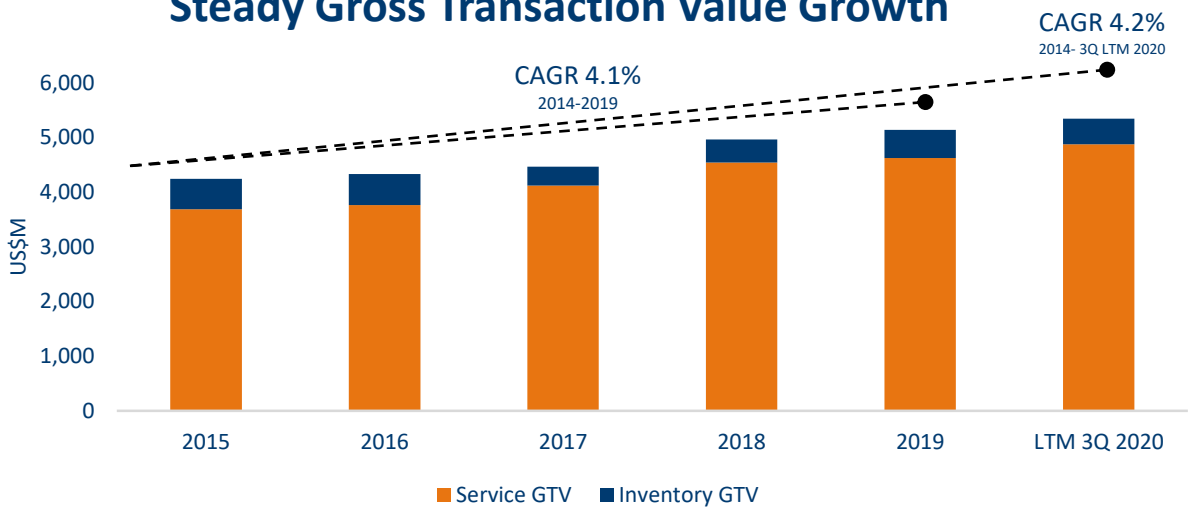
Strong share price outperformance



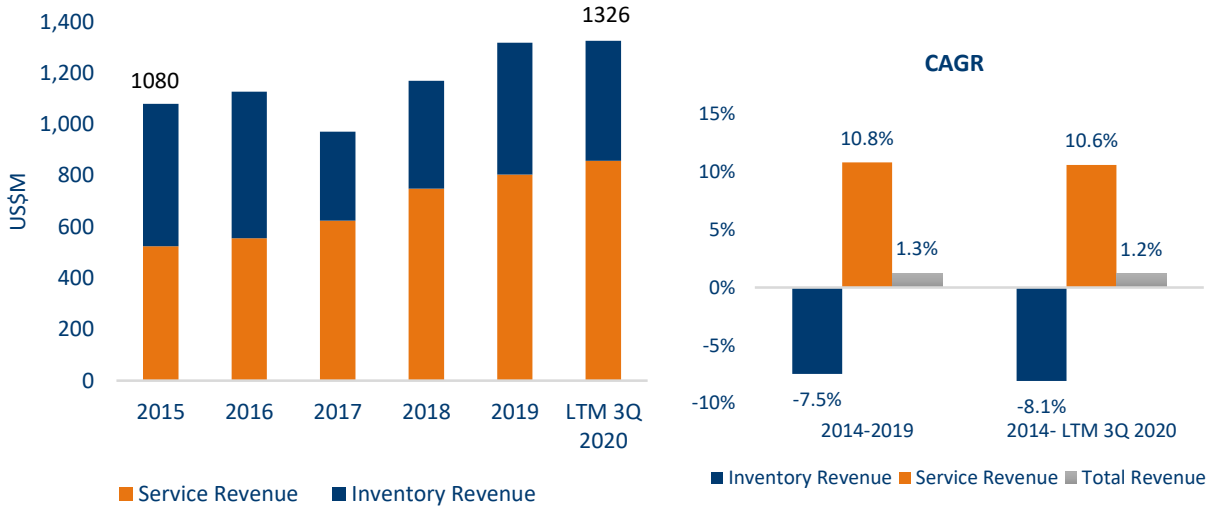
Source: Bloomberg; dividends reinvested in index or equity; daily returns 2014/12/31 to 2020/12/03

KPIs

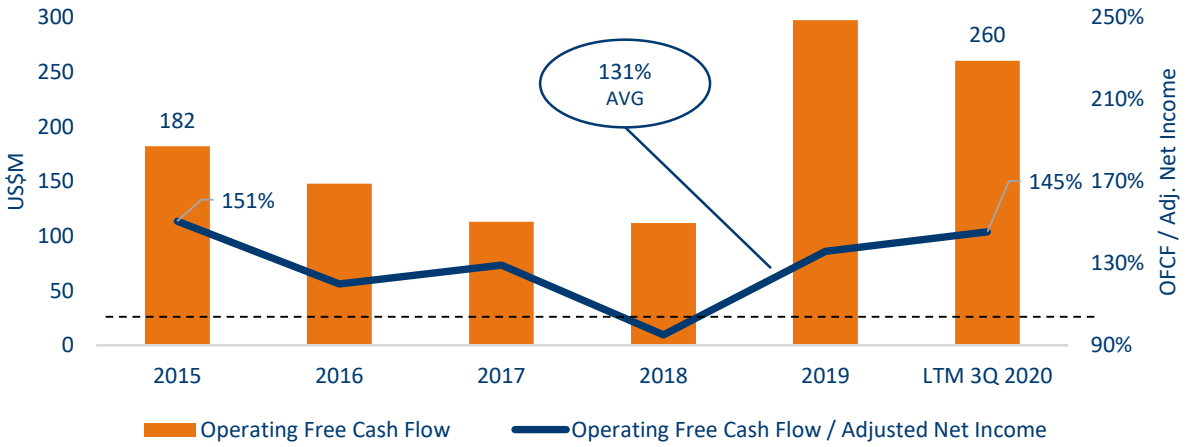
Steady Gross Transaction Value Growth



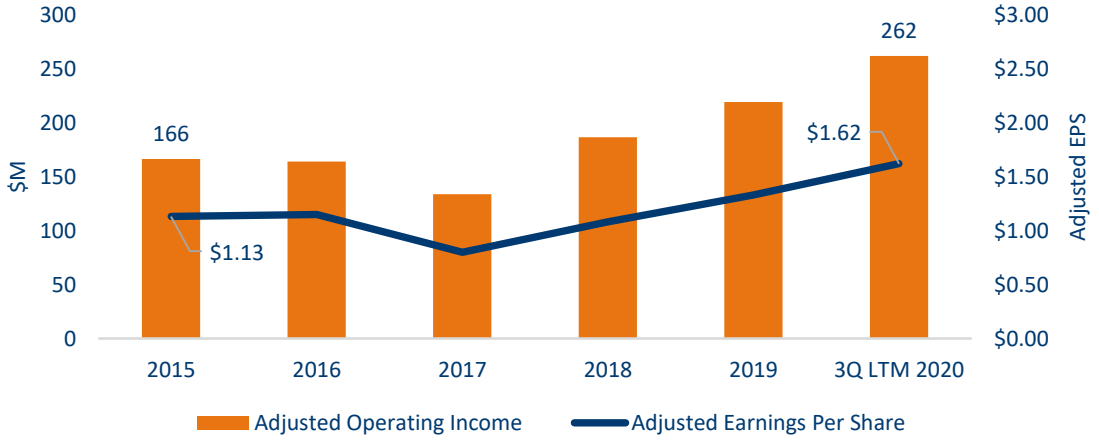
Total Revenue Masks Strength in Service Revenue



Strong Operating Free Cash Flow



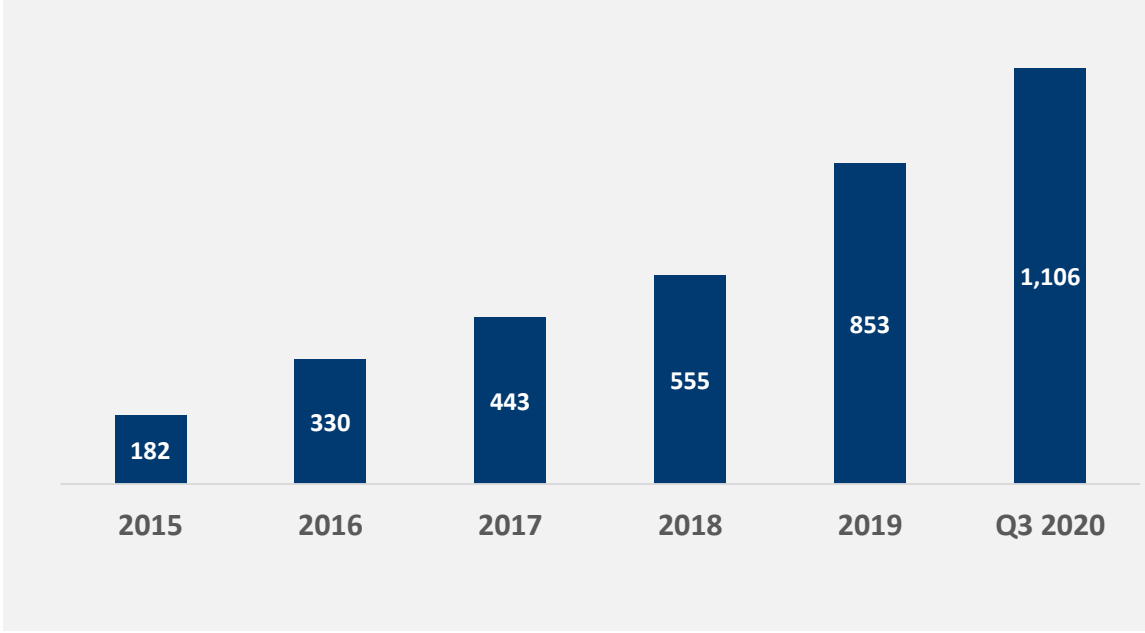
Adjusted Operating Income & Adjusted EPS



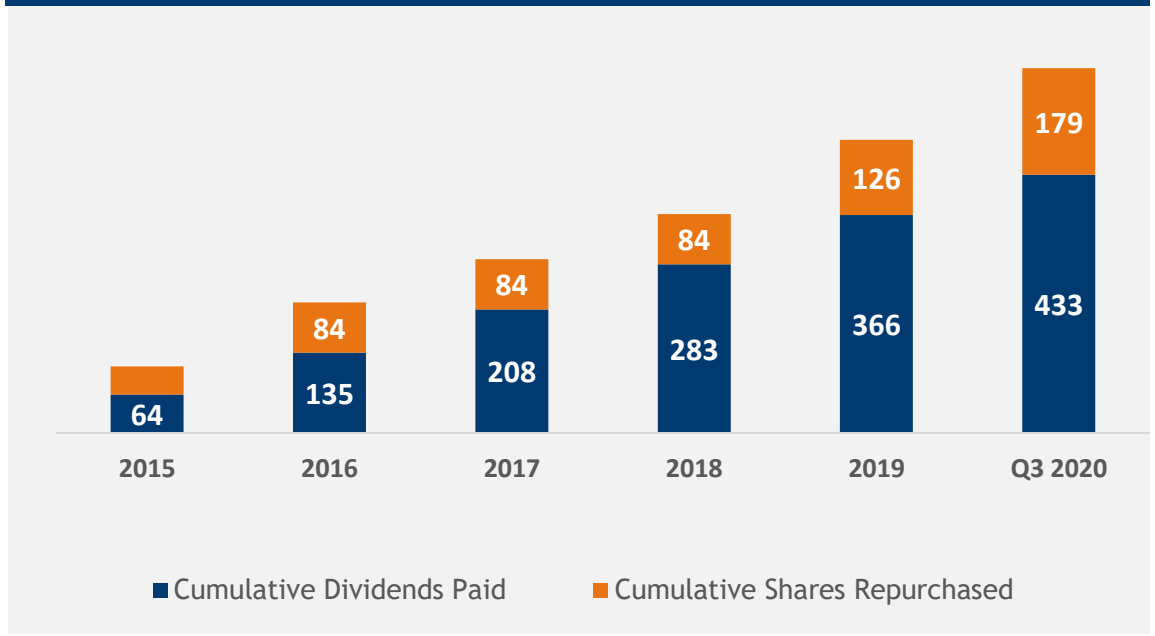
*Compounded Average Growth Rates uses 2014 as base

Cumulative OFCF and Cash Returned to Shareholders

Cumulative Operating Free Cash Flow ($m)
2015 – Q3 2020



Cumulative Cash Returned to Shareholders
2015 – Q3 2020



Over $1.1 billion cumulative OFCF generated since 2015 with > 55% returned to shareholders

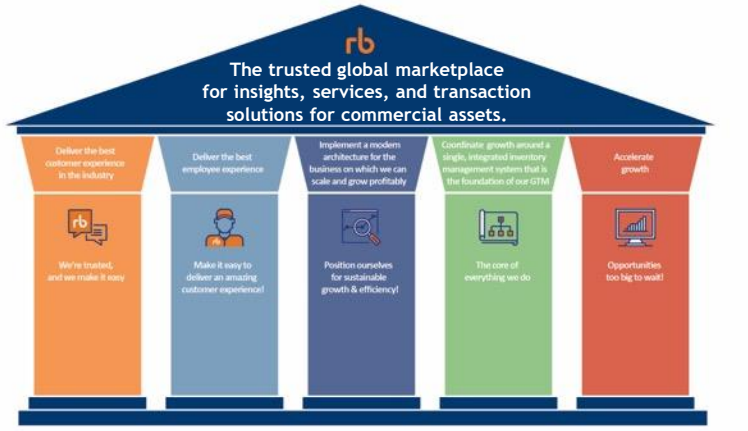
Transitioning Post Pandemic to Refreshed Evergreen Metrics

Evergreen Metrics*

Gross Transaction Value Growth	**High single digits to low teens**	• North America Growth Strategy • International Growth Strategy • Satellite yard expansion
Service Revenue Growth	**Low double digits to high teens**	• IMS gateway to services • RBAS platform adoption • Data Monetization • New Services Offerings
Operating Income Growth	**Greater than Service Revenue Growth**	• Enhanced Customer Experience • Modern architecture to scale and grow profitably • Enhanced sales and operations productivity
Operating Free Cash Flow	**Greater than 100% of Adjusted Net Income**	• Effective Working Capital management

* Targeted average annual performance level over a 5-to-7-year period

Capital Allocation Priorities: Flexibility

Source of Capital	Capex, Acquisitions, Partnerships to Fuel Growth	Stakeholder Returns
Strong Operating Cash Flow Generation		Dividend Growth
Debt Flexibility		Share Repurchase / Debt Repayment

Guiding Principles

OFCF > 100% of Adjusted Net Income	**ROIC > WACC**	**Grow dividend as we grow**

Closing remarks



Ann Fandozzi
Chief Executive Officer

Excited about the future

Estimated Total Available Market Potential – Leveraging and Growing our Marketplace

Global Used Heavy Equipment Annual Dispositions
$300B GTV

Dealer / Retail / Rental
$130B
RITCHIE BROS. Asset Solutions

Private Sales / Brokerage
$140B
Marketplace

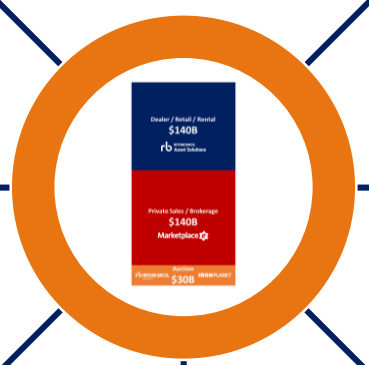
Auction
RITCHIE BROS. Auctioneers **$30B** IRONPLANET



Data Monetization
TBD
ROUSE

Appraisal & Inspection Services
$2B - $4B
(Annual Revenue)
RITCHIE BROS. Inspection Services

Parts and Services
$100B - $150B
(Annual Revenue)



Financial Services
$25B - $35B
(Annual Revenue)
RITCHIE BROS. Financial Services

Asset Management
TBD
RITCHIE BROS. Asset Solutions

Advertising and Search
TBD

Global Listings
35M listing per year
+$75M Direct Annual Revenue Opportunity
MASCUS

Source: Ritchie Bros. internal estimates

Ritchie Bros. Investment Highlights



- Omni channel marketplace positioned for growth
- Market leader with brand, data and scale advantage
- Providing liquidity for used commercial assets through global reach
- Growth agenda supported by strong cashflow profile and balance sheet flexibility
- Learning organization unlocking growth through a test / learn / scale approach
- Experienced leadership team with a history of innovation and success

Question & Answer



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, Global Strategic Accounts



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



Join us on ZOOM

(link no longer valid)

Appendix

US GAAP

Reconciliation of Non-GAAP measures

The following tables reconcile non-GAAP measures referred to in this presentation to the most directly comparable GAAP measure reflected in the Company's financial statements.

Reconciliation of non-GAAP measures

The following table presents our OFCF (non-GAAP measure) results on a trailing 12-month basis and for the years ended December 31, 2019, 2018, 2017, 2016 and 2015, and reconcilles that metric to cash provided by operating activities and net capital spending, which are the most directly comparable GAAP measures in our consolidated statements of cash flows:

	LTM 3Q	Year ended December 31,				
(in U.S. $ millions, except percentages)	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Cash provided by operating activities	289.2	332.8	144.3	146.3	177.6	196.5
Property, plant and equipment additions	16.5	13.6	16.9	10.8	18.9	22.1
Intangible asset additions	28.9	27.4	26.1	28.6	17.6	8.8
Proceeds on disposition of property plant and equipment	(16.6)	(5.9)	(10.6)	(5.0)	(6.7)	(16.7)
Net capital spending	28.8	35.1	32.4	34.4	29.8	14.2
OFCF*	260.4	297.7	111.9	111.9	147.8	182.3
Adjusted net income attributable to stockholders	179	146	118	88	123	121
OFCF as % of Adj Net Income	145%	204%	95%	128%	120%	151%
Net income attributable to stockholders	173	149	121	75	92	136
OFCF as % of Net Income	151%	200%	92%	149%	161%	134%

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

Reconciliation of non-GAAP measures

The following table presents our adjusted operating income (non-GAAP measure) results on a trailing 12-month basis and for the years ended December 31, 2019, 2018, 2017, 2016 and 2015, and reconcile that metric to operating income, which is the most directly comparable GAAP measures in our consolidated income statements:

	LTM 3Q	Year ended December 31,				
(in U.S. $000's, except percentages)	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Operating income	261,750	223,202	185,189	107,454	135,722	174,840
Pre-tax adjusting items:						
Share-based payment recovery	(4,078)	(4,078)	—	—	—	—
Accelerated vesting of assumed options	—	—	—	4,752	—	—
Acquisition and finance structure advisory	—	—	—	9,063	—	—
Severance	4,283	—	1,501	3,613	—	—
Gain on sale of excess property	—	—	—	—	—	(8,384)
Impairment loss	—	—	—	8,911	28,243	—
Adjusted operating income*	261,955	219,124	186,690	133,793	163,965	166,456

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

Reconciliation of non-GAAP measures

The following table presents our adjusted net income attributable to stockholders and diluted adjusted EPS attributable to stockholders (non-GAAP measure) results on a trailing 12-month basis and for the years ended December 31, 2019, 2018, 2017, 2016 and 2015, and reconciles those metrics 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)	LTM 3Q 2020	Year ended December 31, 2019	2018	2017	2016	2015
Net income attributable to stockholders	172,812	149,039	121,479	75,027	91,832	136,214
Pre-tax adjusting items:						
Accelerated vesting of assumed options	—	—	—	4,752	—	—
Acquisition and finance structure advisory	—	—	—	9,063	—	—
Share-based payment recovery	(4,078)	(4,078)	—		—	—
Severance	4,283	—	1,501	3,613	—	—
Debt extinguishment costs	—				6,787	—
Gain on sale of equity accounted for investment	—	—	(4,935)	—	—	(8,384)
Impairment loss	—	—	—	8,911	28,243	—
Current income tax effect of adjusting items:						
Acquisition and finance structure advisory	—	—	—	(2,447)	—	—
Severance	(1,065)	—	(376)	(748)	—	—
Debt extinguishment costs	—	—	—	—	(1,787)	—
Gain on sale of equity accounted for investment	—				—	1,090
Deferred income tax effect of adjusting items:						
Share-based payment recovery	688	688	—	—	—	—
Impairment loss	—	—	—	(2,361)	(1,798)	—
Severance	—	—	—	(368)	—	—
Current income tax adjusting item:						
Change in uncertain tax provision	766	—	—	2,290	—	—
Deferred tax adjusting item:						
Change in uncertain tax provision	5,462	—	—	(10,070)	—	(7,862)
Adjusted net income attributable to stockholders*	178,868	145,649	117,669	87,662	123,277	121,058
Weighted average number of dilutive shares outstanding	110,060,712	109,759,123	109,388,236	108,113,151	107,457,794	107,432,474
Diluted earnings per share attributable to stockholders	1.57	1.36	1.11	0.69	0.85	1.27
Diluted adjusted EPS attributable to Stockholders*	1.63	1.33	1.08	0.81	1.15	1.13
CAGR - EPS	11.3%					
CAGR - Adjusted EPS	10.2%					

(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.

(3) CAGR calculation for both EPS and Adjusted EPS use 2014 as base

Reconciliation of non-GAAP measures

The following table presents our adjusted net income attributable to stockholders (non-GAAP measure) and adjusted dividend payout ratio (non-GAAP measure) results on a trailing 12-month basis and for the years ended December 31, 2019, 2018, 2017, 2016 and 2015, and reconciles those metrics to dividends paid to stockholders, net income attributable to stockholders, and divided payout ratio, which are the most directly comparable GAAP measures in our consolidated financial statements:

	LTM 3Q	Year ended December 31,				
(in U.S. $millions, except percentages)	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Dividends paid to stockholders	89.4	82.5	75.7	72.8	70.5	64.3
Net income attributable to stockholders	172.8	149.0	121.5	75.0	91.8	136.2
Pre-tax adjusting items:						
Share-based payment expense recovery	(4.1)	(4.1)	—	—	—	—
Accelarated vesting of assumed options	—	—	—	4.8	—	—
Acquisition and finance structure advisory	—	—	—	9.1	—	—
Severance	4.3	—	1.5	3.6	—	—
Debt extinguishment costs	—	—	—	—	6.8	—
Gain on sale of equity accounted for investment	—	—	(4.9)	—	—	(8.4)
Impairment loss	—	—	—	8.9	28.2	—
Current income tax effect of adjusting items:						
Acquisition and finance structure advisory		—	—	(2.4)	—	—
Severance	(1.1)	—	(0.4)	(0.7)	—	—
Debt extinguishment costs	—	—	—	—	(1.8)	—
Gain on sale of equity accounted for investment	—	—	—	—	—	1.1
Deferred income tax effect of adjusting items:						
Share-based payment expense recovery	0.7	0.7	—	—	—	—
Impairment loss	—	—	—	(2.4)	(1.8)	—
Severance	—	—	—	(0.4)	—	—
Current income tax adjusting item:						
Change in uncertain tax provision	0.8	—	—	2.3	—	—
Deferred tax adjusting item:						
Change in uncertain tax provisions	5.5	—	—	(10.1)		(7.9)
Adjusted net income attributable to stockholders*	178.9	145.6	117.7	87.7	123.3	121.1
Dividend payout ratio	51.7 %	55.4 %	62.3 %	97.1 %	76.8 %	47.2 %
Adjusted dividend payout ratio*	50.0 %	56.7 %	64.3 %	83.0 %	57.2 %	53.1 %

(1) Adjusted dividend payout ratio* is calculated by dividing dividends paid to stockholders by adjusted net income attributable to stockholders*.

Reconciliation of non-GAAP measures

The following table presents our adjusted debt/ adjusted EBITDA (non-GAAP measures) results on a trailing 12-month basis and for the years ended December 31, 2019, 2018, 2017, 2016 and 2015, and reconciles those metrics to debt, net income, and debt as a multiple of net income, which are the most directly comparable GAAP measures in our consolidated financial statements:

	LTM 3Q	Year ended December 31,				
(in U.S. $millions, except percentages)	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Short-term debt	20.3	4.7	19.9	7.0	23.9	12.4
Long-term debt	632.6	645.5	711.3	812.9	595.7	97.9
Debt	652.9	650.2	731.2	819.9	619.6	110.3
Less: Cash and cash equivalents	(470.3)	(359.7)	(237.7)	(267.9)	(207.9)	(210.1)
Less: Long-term debt in escrow	—	—	—	—	(495.8)	—
Adjusted net debt*	182.6	290.5	493.5	552.0	(84.1)	(99.8)
Net income	173.0	149.1	121.5	75.3	93.5	138.6
Add: depreciation and amortization expenses	74.2	70.5	66.6	52.7	40.9	42.1
Add: interest expense	37.1	41.3	44.5	38.3	5.6	5.0
Less: interest income	(3.1)	(3.8)	(2.9)	(3.2)	(1.9)	(2.7)
Add: income tax expense	61.6	41.6	31.0	2.1	36.9	37.8
Pre-tax adjusting items:						
Share-based payment expense recovery	(4.1)	(4.1)	—	—	—	—
Accelerated vesting of assumed options	—	—	—	4.8	—	—
Acquisition and finance structure advisory	—	—	—	9.1	—	—
Severance	4.3	—	1.5	3.6	—	—
Debt extinguishment costs	—	—	—	—	6.8	—
Gain on sale of equity accounted for investment	—	—	(4.9)	—	—	(8.4)
Impairment loss	—	—	—	8.9	28.2	—
Adjusted EBITDA*	343.0	294.6	257.3	191.6	210.1	212.4
Debt/net income	3.8 x	4.4 x	6 x	10.9 x	6.6 x	0.8 x
Adjusted net debt*/adjusted EBITDA*	0.5 x	1.0 x	1.9 x	2.9 x	(0.4) x	(0.5) x

(1) 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.

(2) Adjusted net debt* is calculated by subtracting cash and cash equivalents from short and long-term debt.

(3) Adjusted net debt*/adjusted EBITDA* is calculated by dividing adjusted net debt* by adjusted EBITDA*.

Reconciliation of non-GAAP measures

The following table presents our ROIC (non-GAAP mesaure) results on a trailing 12-month basis and for the years ended December 31, 2019, 2018, 2017, 2016 and 2015, and reconciles that metric to net income attributable to stockholders, long-term debt, stockholders' equity, and erturn on average invested capital, which are the most directly comparable GAAP measures in our consolidated financial statements. Adjusted opening long-term debt (non-GAAP measure) is not presented due to the lack of adjusting items during the relevant periods:

	LTM 3Q	Year ended December 31,				
(in U.S. $millions, except percentages)	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Net income attributable to stockholders	172.8	149.0	121.5	75.0	91.8	136.2
Pre-tax adjusting items:						
Share-based payment expense recovery	(4.1)	(4.1)	—	—	—	—
Accelerated vesting of assumed options	—	—	—	4.8	—	—
Acquisition and finance structure advisory	—	—	—	9.1	—	—
Severance	4.3	—	1.5	3.6	—	—
Impairment loss	—	—	—	8.9	28.2	—
Debt extinguishment costs	—	—	—	—	6.8	—
Gain on sale of equity accounted for investment	—	—	(4.9)	—	—	(8.4)
Current income tax effect of adjusting items:						
Acquisition and finance structure advisory		—	—	(2.4)	—	—
Severance	(1.1)	—	(0.4)	(0.7)	—	—
Debt extinguishment costs	—	—	—	—	(1.8)	—
Gain on sale of equity accounted for investment	—	—	—	—	—	1.1
Deferred income tax effect of adjusting items:						
Share-based payment expense recovery	0.7	0.7	—	—	—	—
Severance and retention	—	—	—	(0.4)	—	—
Impairment loss	—	—	—	(2.4)	(1.8)	—
Current income tax adjusting item:	—	—	—		—	—
Change in uncertain tax provision	0.8	—	—	2.3	—	—
Deferred tax adjusting item:	—	—	—		—	—
Change in uncertain tax provisions	5.5	—	—	(10.1)	—	(7.9)
Adjusted net income attributable to stockholders*	178.9	145.6	117.7	87.7	123.3	121.1
Opening long-term debt	689.3	711.3	812.9	595.7	97.9	110.8
Ending long-term debt	632.6	645.5	711.3	812.9	595.7	97.9
Less: long-term debt in escrow	—	—	—	—	(495.8)	—
Adjusted ending long-term debt	632.6	645.5	711.3	812.9	99.9	97.9
Average long-term debt	661.0	678.4	762.1	704.3	346.8	104.4
Adjusted average long-term debt	661.0	678.4	762.1	704.3	98.9	104.4
Opening stockholders' equity	838.2	830.6	739.7	687.1	703.2	691.9
Ending stockholders' equity	959.5	901.8	830.6	739.7	687.1	703.2
Average stockholders' equity	898.9	866.2	785.2	713.4	695.2	697.6
Average invested capital	1,559.9	1,544.7	1,547.3	1,417.7	1,042.0	802.0
Adjusted average invested capital	1,559.9	1,544.7	1,547.3	1,417.7	794.1	802.0
Return on average invested capital	11.1 %	9.6 %	7.9 %	5.3 %	8.8 %	17.0 %
ROIC*	11.5 %	9.4 %	7.6 %	6.2 %	15.5 %	15.1 %

(1) ROIC* is calculated as adjusted net income attributable to stockholders* divided by average invested capital.