NEWS RELEASE

# Ritchie Bros. reports second quarter 2022 results

8/4/2022

VANCOUVER, BC, Aug. 4, 2022 /CNW/ - Ritchie Bros. Auctioneers Incorporated (NYSE: RBA) (TSX: RBA), (the "Company", "Ritchie Bros.", "we", "us", or "our") reported the following results for the three months ended June 30, 2022.

(All figures are presented in U.S. dollars)

"As our marketplace vision takes shape, Ritchie Bros. momentum continues with 10% GTV growth in the quarter despite a persistently tight supply environment. We are learning and gaining confidence from our growth initiatives and will continue to prudently invest in local yards, sales coverage and services to accelerate our topline while we advance our marketplace technology," said Ann Fandozzi, CEO of Ritchie Bros.

"We are pleased with our continued strong financial performance in the quarter with service revenue growth significantly outpacing our double digit GTV growth. For example, Ritchie Bros. Financial Services revenue grew 69% as our investments in this area continue to bear fruit," said Eric Jacobs, CFO of Ritchie Bros.

Net income attributable to stockholders decreased 12% to $53.4 million, compared to $60.7 million in the second quarter of 2021. Diluted earnings per share ("EPS") attributable to stockholders decreased 13% to $0.48 per share in the second quarter of 2022 as compared to $0.55 per share in the second quarter of 2021. Non-GAAP diluted adjusted EPS attributable to stockholders increased 10% to $0.74 per share in the second quarter of 2022 compared to $0.67 per share in the second quarter of 2021.

For the second quarter of 2022 as compared to the second quarter of 2021:

## Consolidated results:

- Total revenue increased 22% to $484.5 million
  - Service revenue increased 13% to $286.5 million
  - Inventory sales revenue increased 38% to $198.0 million
- Operating income increased 3% to $91.9 million
- Non-GAAP adjusted operating income increased 12% to $119.6 million
- Net income decreased 12% to $53.4 million
- Non-GAAP adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA) increased 11% to $136.2 million
- Cash provided by operating activities was $198.0 million for the first six months of 2022
- Cash on hand at the end of second quarter of 2022 was $531.7 million, of which $367.3 million was

unrestricted, and restricted cash decreased 84% in the six month period ending June 30, 2022 as a result of the redemption of the Company's 2021 Notes1 in the quarter for $931.0 million

### Auctions & Marketplaces segment results:

- GTV2 increased 10% to $1.7 billion and increased 13% when excluding the impact of foreign exchange
- A&M total revenue increased 22% to $433.0 million
  - Service revenue increased 10% to $235.0 million
  - Inventory sales revenue increased 38% to $198.0 million

### Other Services segment results:

- Other Services total revenue increased 29% to $51.5 million
  - RBFS revenue increased 69% to $19.9 million
  - SmartEquip revenue of $5.0 million was recognized in the second quarter of 2022, which was its second full quarter since its acquisition in November 2021

In addition, the total number of organizations activated on the Company's Business Inventory Management System ("IMS"), a gateway into its marketplace, increased by 50% as compared to the first quarter of 2022.

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1 On December 21, 2021, the Company completed the offering of two series of senior notes: (i) $600,000,000 aggregate principal amount of 4.750% senior notes due December 15, 2031 (the "2021 USD Notes") and (ii) $425,000,000 Canadian dollar aggregate principal amount of 4.950% senior notes due December 15, 2029 (the "2021 CAD Notes", and together with the 2021 USD Notes, the "2021 Notes").

2 Gross Transaction Value ("GTV") represents total proceeds from all items sold at the Company's auctions and online marketplaces. GTV is not a measure of financial performance, liquidity, or revenue, and is not presented in the Company's consolidated financial statements.

The Company presents both generally accepted accounting principles ("GAAP") and non-GAAP measures to provide investors with additional information. Providing these non-GAAP measures along with GAAP measures allows for increased comparability of its ongoing performance from period to period. Non-GAAP financial measures referred to in this news release are labeled as "non-GAAP measure". Please see page 12-13 for explanations of why the Company uses these non-GAAP measures and the reconciliation to the most comparable GAAP financial measures.

### Other Company developments:

- On June 2, 2022, the Company announced the appointment of Eric Jacobs as its Chief Financial Officer, effective June 6, 2022. Sharon Driscoll, the former Chief Financial Officer, is remaining with the Company in an advisory capacity to assist with the transition prior to her previously announced retirement.

## Financial Overview

(Unaudited)

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| (in U.S. $000's, except EPS and percentages) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | % Change 2022 over 2021 | 2022 | 2021 | % Change 2021 over 2020 |
| Commissions | $ 136,403 | $ 129,334 | 5 % | $ 252,778 | $ 233,309 | 8 % |
| Fees | 150,099 | 123,414 | 22 % | 278,585 | 225,469 | 24 % |
| Total service revenue | 286,502 | 252,748 | 13 % | 531,363 | 458,778 | 16 % |
| Inventory sales revenue | 198,044 | 143,613 | 38 % | 347,104 | 269,138 | 29 % |
| Total revenue | 484,546 | 396,361 | 22 % | 878,467 | 727,916 | 21 % |
| Costs of services | 45,039 | 41,301 | 9 % | 84,054 | 79,167 | 6 % |
| Cost of inventory sold | 176,171 | 131,023 | 34 % | 307,753 | 241,770 | 27 % |
| Selling, general and administrative | 144,277 | 109,560 | 32 % | 270,883 | 223,799 | 21 % |
| Total operating expenses | 393,026 | 307,019 | 28 % | 723,927 | 594,140 | 22 % |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Gain on disposition of property, plant and equipment | 347 | | 175 | | 98 | % | 170,167 | | 243 | | 69,928 | % |
| Operating income | 91,867 | | 89,517 | | 3 | % | 324,707 | | 134,019 | | 142 | % |
| Operating income as a % of total revenue | 19.0 | % | 22.6 | % | (360) | bps | 37.0 | % | 18.4 | % | 1,860 | bps |
| Non-GAAP adjusted operating income | 119,579 | | 106,973 | | 12 | % | 208,439 | | 164,748 | | 27 | % |
| Non-GAAP adjusted operating income as a % of total revenue | 24.7 | % | 27.0 | % | (230) | bps | 23.7 | % | 22.6 | % | 110 | bps |
| Net income attributable to stockholders | 53,365 | | 60,749 | | (12) | % | 231,459 | | 88,937 | | 160 | % |
| Non-GAAP adjusted net income attributable to stockholders | 83,072 | | 74,545 | | 11 | % | 134,035 | | 110,540 | | 21 | % |
| Non-GAAP adjusted EBITDA | 136,219 | | 122,970 | | 11 | % | 192,624 | | 195,874 | | (2) | % |
| Diluted EPS attributable to stockholders | $ 0.48 | | $ 0.55 | | (13) | % | $ 2.07 | | $ 0.80 | | 159 | % |
| Non-GAAP diluted adjusted EPS attributable to stockholders | $ 0.74 | | $ 0.67 | | 10 | % | $ 1.20 | | $ 0.99 | | 21 | % |
| Effective tax rate | 28.8 | % | 25.7 | % | 310 | bps | 20.0 | % | 24.9 | % | (490) | bps |
| Total GTV | 1,684,276 | | 1,527,642 | | 10 | % | 3,123,381 | | 2,802,182 | | 11 | % |
| Service GTV | 1,486,232 | | 1,384,029 | | 7 | % | 2,776,277 | | 2,533,044 | | 10 | % |
| Service revenue as a % of total GTV - Rate | 17.0 | % | 16.5 | % | 50 | bps | 17.0 | % | 16.4 | % | 60 | bps |
| Inventory GTV | 198,044 | | 143,613 | | 38 | % | 347,104 | | 269,138 | | 29 | % |
| Service GTV as a % of total GTV - Mix | 88.2 | % | 90.6 | % | (240) | bps | 88.9 | % | 90.4 | % | (150) | bps |
| Inventory sales revenue as a % of total GTV - Mix | 11.8 | % | 9.4 | % | 240 | bps | 11.1 | % | 9.6 | % | 150 | bps |

Certain amounts in the prior period have been reclassified from selling, general and administrative expenses to cost of services.

## Segment Overview

| (in U.S $000's) | Three months ended June 30, 2022 | | | Six months ended June 30, 2022 | | |
|---|---|---|---|---|---|---|
| | A&M | Other | Consolidated | A&M | Other | Consolidated |
| Commissions | $ 136,403 | — | $ 136,403 | $ 252,778 | — | $ 252,778 |
| Fees | 98,588 | 51,511 | 150,099 | 183,217 | 95,368 | 278,585 |
| Total service revenue | 234,991 | 51,511 | 286,502 | 435,995 | 95,368 | 531,363 |
| Inventory sales revenue | 198,044 | — | 198,044 | 347,104 | — | 347,104 |
| Total revenue | 433,035 | 51,511 | 484,546 | 783,099 | 95,368 | 878,467 |
| Ancillary and logistical service expenses | — | 13,446 | 13,446 | — | 24,201 | 24,201 |
| Other costs of services | 28,985 | 2,608 | 31,593 | 54,559 | 5,294 | 59,853 |
| Cost of inventory sold | 176,171 | — | 176,171 | 307,753 | — | 307,753 |
| Selling, general and administrative | 125,535 | 18,742 | 144,277 | 234,346 | 36,537 | 270,883 |
| Segment profit | $ 102,344 | 16,715 | $ 119,059 | $ 186,441 | 29,336 | $ 215,777 |
| Total GTV | 1,684,276 | N/A | N/A | 3,123,381 | N/A | N/A |
| A&M service revenue as a % of total GTV- Rate | 14.0 % | N/A | N/A | — % | N/A | N/A |

| (in U.S $000's) | Three months ended June 30, 2021 | | | Six months ended June 30, 2021 | | |
|---|---|---|---|---|---|---|
| | A&M | Other | Consolidated | A&M | Other | Consolidated |
| Commissions | $ 129,334 | $ — | $ 129,334 | $ 233,309 | $ — | $ 233,309 |
| Fees | 83,334 | 40,080 | 123,414 | 151,430 | 74,039 | 225,469 |
| Total service revenue | 212,668 | 40,080 | 252,748 | 384,739 | 74,039 | |
| Inventory sales revenue | 143,613 | — | 143,613 | 269,138 | — | 269,138 |
| Total revenue | 356,281 | 40,080 | 396,361 | 653,877 | 74,039 | 727,916 |
| Ancillary and logistical service expenses | — | 14,819 | 14,819 | — | 27,088 | 27,088 |
| Other costs of services | 25,176 | 1,306 | 26,482 | 49,480 | 2,599 | 52,079 |
| Cost of inventory sold | 131,023 | — | 131,023 | 241,770 | — | 241,770 |
| Selling, general and administrative | 99,215 | 10,345 | 109,560 | 201,996 | 21,803 | 223,799 |
| Segment profit | $ 100,867 | $ 13,610 | $ 114,477 | 160,631 | 22,549 | 183,180 |
| Total GTV | 1,527,642 | N/A | N/A | 2,802,182 | N/A | N/A |
| A&M service revenue as a % of total GTV- Rate | 13.9 % | N/A | N/A | — % | N/A | N/A |

## Second Quarter 2022 Consolidated Performance Overview

Total GTV increased 10% to $1.7 billion and increased 13% when excluding the impact of foreign exchange in the second quarter of 2022. GTV increased year-over-year with consistently strong used equipment values, aided by inflation, partially offset by lower lot counts, unfavourable mix and an unfavourable impact of foreign exchange. In Canada, total GTV increased primarily driven by several large inventory packages in Western Canada and strong year-over-year performances at its agricultural events. Canada also benefited from higher GTV generated by RBFS via PurchaseSafe which provides escrow services for private brokered transactions. In the United States, the Company saw very favourable year-over-year performances across a number of its auctions and began to see the results of its strategic growth initiatives, including from its local yards, and investments made in its sales teams in Texas. In International, total GTV grew significantly in Australia, driven by a higher number of inventory packages and strong performances from a large new national auction event attributable primarily to overall improved market conditions and the lifting of border restrictions.

Total revenue increased 22% to $484.5 million in the second quarter of 2022, with total service revenue increasing by 13% and inventory sales revenue increasing by 38%.

Service revenue increased 13%, with fees revenue increasing 22% and commissions revenue increasing 5%. Fee revenue increased 22% with buyer fees growing faster than GTV increase of 10%, reflecting the increase in buyer fee rates implemented in early 2022. Fees revenue also increased due to higher RBFS revenues on higher funded volumes, and the inclusion of fees from SmartEquip since its acquisition on November 2, 2021.

Commissions revenue increased 5%, slightly less than the 7% increase in Service GTV primarily driven by the non-repeat of several high performing guarantee contracts in Canada, as well as a lower commissions revenue from a higher proportion of GTV contributed by RBFS from facilitating financing arrangements.

Inventory sales revenue increased 38% primarily due to higher activity in Canada. The improved year-over-year performances in Canada were driven primarily by two large inventory contracts in the transportation sector. In International, inventory sales revenue grew in Australia from higher inventory contracts sold at a large new national auction event, as well as a result of the overall improvement in market conditions and the lifting of border restrictions. In the United States, higher volume of inventory contracts contributed to higher inventory sales revenue.

Costs of services increased 9% to $45.0 million, in line with total GTV increase of 10%. This increase was also partly due to higher employee compensation expenses as a result of the acquisition of SmartEquip on November 2, 2021 and in the GovPlanet business to support its growth strategy. In addition, the Company incurred additional fees paid to third parties in connection with profit sharing arrangements on inventory packages. Building, facilities and technology expenses also increased, primarily due to the inclusion of SmartEquip's costs. These increases were partially offset by lower ancillary and logistical service expenses, in line with the decrease in ancillary fees driven by lower fees earned on redeployment of assets in the United States.

Cost of inventory increased 34% to $176.2 million, primarily in line with 38% increase in inventory sales revenue. Cost of inventory sold increased at a lower rate than the increase in inventory sales revenue, indicating an increase in the revenue rates, primarily in Canada.

Selling, general and administrative increased 32% to $144.3 million. Selling, general and administrative includes share-based payments of $13.6 million, non-recurring advisory, legal, and restructuring costs charges of $1.1 million, as well as selling, general and administrative from SmartEquip of $2.9 million. The increases in selling,

general and administrative were primarily due to higher short-term incentive expenses and higher share-based payments driven by strong performance. Share-based payments also increased as a result of a higher expense relating to share-based awards issued to senior executives, and higher expense from the premium-priced options and performance share units with market conditions granted in late 2021. Wages, salaries and benefits expenses also increased, driven by a higher headcount, in part due to the acquisition of SmartEquip, as well as to accelerate the Company's growth initiatives and its transformational journey to become a trusted global marketplace. Building, facilities and technology costs also increased mainly due to the amortization of the right-of-use asset of the Bolton property from the sale and lease back arrangement completed in the first quarter of 2022, as well as higher costs as the Company shifts to cloud-based solutions to improve customer experiences. In addition, the Company saw higher travel, advertising and promotion costs from increased activity in global travel, and higher marketing expenses to promote new initiatives. Inflation has also driven higher personnel and travel costs. Professional fees also increased primarily driven by the Company's investment in new modern architecture to support its future marketplace and services strategy. These increases were partially offset by a favourable impact of foreign exchange.

Net income attributable to stockholders decreased 12% to $53.4 million primarily due to higher interest expense which included the loss on redemption of the 2021 Notes and certain related interest expense incurred in the quarter in connection with the discontinued Euro Auctions acquisition. Non-GAAP adjusted net income attributed to stockholders increased 11% to $83.1 million in the second quarter of 2022 compared to $74.5 million in the second quarter of 2021.

Primarily for the same reasons noted above, diluted EPS attributable to stockholders decreased 13% to $0.48 per share for the second quarter of 2022 from $0.55 per share in the second quarter of 2021. Non-GAAP diluted adjusted EPS attributable to stockholders increased 10% to $0.74 per share in the second quarter of 2022.

## Dividend Information

### Quarterly dividend

On August 3, 2022, the Company declared a quarterly cash dividend of $0.27 per common share, payable on September 14, 2022 to shareholders of record on August 24, 2022.

### Second Quarter 2022 Earnings Conference Call

Ritchie Bros. is hosting a conference call to discuss its financial results for the quarter ended June 30, 2022 at 8am Pacific time / 11am Eastern time / 4pm BST on August 5, 2022. The replay of the webcast will be available through September 5, 2022.

Conference call and webcast details are available at the following link:
**https://investor.ritchiebros.com**

## About Ritchie Bros.

Established in 1958, Ritchie Bros. (NYSE: RBA) (TSX: RBA) is a global asset management and disposition company, offering customers end-to-end solutions for buying and selling used heavy equipment, trucks and other assets. Operating in a number of sectors, including construction, transportation, agriculture, energy, mining, and forestry, the company's selling channels include: **Ritchie Bros.** Auctioneers, the world's largest industrial auctioneer offering live auction events with online bidding; IronPlanet, an online marketplace with weekly featured auctions and

providing the exclusive IronClad Assurance® equipment condition certification; Marketplace-E, a controlled marketplace offering multiple price and timing options; Ritchie List, a self-serve listing service for North America; Mascus, a leading European online equipment listing service; Ritchie Bros. Private Treaty, offering privately negotiated sales; and sector-specific solutions GovPlanet, TruckPlanet, and Ritchie Bros. Energy. The Company's suite of solutions also includes Ritchie Bros. Asset Solutions and Rouse Services LLC, which together provides a complete end-to-end asset management, data-driven intelligence and performance benchmarking system; SmartEquip, an innovative technology platform that supports customers' management of the equipment lifecycle and integrates parts procurement with both OEMs and dealers; plus equipment financing and leasing through **Ritchie Bros. Financial** Services. For more information about Ritchie Bros., visit **RitchieBros.com**.

## Forward-looking Statements

This news release contains forward-looking statements and forward-looking information within the meaning of applicable U.S. and Canadian securities legislation (collectively, "forward-looking statements"), including, in particular, statements regarding future financial and operational results, including future auctions and estimated GTV thereof, and growth and value prospects and payment of dividends. 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 the Company's control, including the duration and impact of the COVID-19 pandemic on the Company's operations, the operations of customers, and general economic conditions, including inflation and rising interest rates; the numerous factors that influence the supply of and demand for used equipment; economic and other conditions in local, regional and global sectors; the Company's ability to successfully integrate acquired companies, and to receive the anticipated benefits of such acquisitions; and the risks and uncertainties set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, which are available on the SEC, SEDAR, and Company websites. The foregoing list is not exhaustive of the factors that may affect the Company's 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 news release and the Company 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.

## GTV and Selected Condensed Consolidated Financial Information

### GTV and Condensed Consolidated Income Statements – Second Quarter

(Expressed in thousands of United States dollars, except share, per share amounts and percentages)
(Unaudited)

| (in U.S. $000's, except EPS) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | % Change 2022 over 2021 | 2022 | 2021 | % Change 2020 over 2019 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| GTV | $ 1,684,276 | $ 1,527,642 | 10 % | $ 3,123,381 | $ 2,802,182 | 11 % | | |
| Revenues: | | | | | | | | |
| Service revenues | $ 286,502 | $ 252,748 | 13 % | $ 531,363 | $ 458,778 | 16 % | | |
| Inventory sales revenue | 198,044 | 143,613 | 38 % | 347,104 | 269,138 | 29 % | | |
| Total revenues | 484,546 | 396,361 | 22 % | 878,467 | 727,916 | 21 % | | |
| Operating expenses: | | | | | | | | |
| Costs of services | 45,039 | 41,301 | 9 % | 84,054 | 79,167 | 6 % | | |
| Cost of inventory sold | 176,171 | 131,023 | 34 % | 307,753 | 241,770 | 27 % | | |
| Selling, general and administration | 144,277 | 109,560 | 32 % | 270,883 | 223,799 | 21 % | | |
| Acquisition-related costs | 3,399 | 3,049 | 11 % | 13,036 | 5,971 | 118 % | | |
| Depreciation and amortization | 24,298 | 21,935 | 11 % | 48,523 | 43,005 | 13 % | | |
| Foreign exchange (gain) loss | (158) | 151 | (205) % | (322) | 594,140 | (100) % | | |
| Total operating expenses | 393,026 | 307,019 | 28 % | 723,927 | 1,187,852 | (39) % | | |
| Gain on disposition of property, plant and equipment | 347 | 175 | 98 % | 170,167 | 243 | 69,928 % | | |
| Operating income | 91,867 | 89,517 | 3 % | 324,707 | (459,693) | (171) % | | |
| Interest expense | (18,463) | (8,867) | 108 % | (39,149) | (17,813) | 120 % | | |
| Change in fair value of derivatives, net | — | — | — % | 1,263 | — | 100 % | | |
| Other income, net | 1,639 | 1,196 | 37 % | 2,558 | 2,198 | 16 % | | |
| Income before income taxes | 75,043 | 81,846 | (8) % | 289,379 | (475,308) | (161) % | | |
| Income tax expense | 21,632 | 21,065 | 3 % | 57,867 | 29,484 | 96 % | | |
| Net income | $ 53,411 | $ 60,781 | (12) % | $ 231,512 | $ (504,792) | (146) % | | |
| Net income attributable to: | | | | | | | | |
| Stockholders | $ 53,365 | $ 60,749 | (12) % | $ 231,459 | $ 88,937 | 160 % | | |
| Non-controlling interests | 46 | 32 | 44 % | 53 | (17) | (412) % | | |
| | $ 53,411 | $ 60,781 | (12) % | $ 231,512 | $ 88,920 | 160 % | | |
| Earnings per share attributable to stockholders: | | | | | | | | |
| Basic | $ 0.48 | $ 0.55 | (13) % | $ 2.09 | $ 0.81 | 158 % | | |
| Diluted | $ 0.48 | $ 0.55 | (13) % | $ 2.07 | $ 0.80 | 159 % | | |
| Weighted average number of share outstanding: | | | | | | | | |
| Basic | 110,760,339 | 110,311,615 | 0 % | 110,705,182 | 110,144,229 | 1 % | | |
| Diluted | 111,705,102 | 111,334,184 | 0 % | 111,681,644 | 111,302,711 | 0 % | | |

## Condensed Consolidated Balance Sheets

(Expressed in thousands of United States dollars, except share data)

(Unaudited)

| Year ended June 30, | 2022 | 2021 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 367,289 | $ 326,113 |
| Restricted cash | 164,371 | 102,875 |
| Trade and other receivables | 295,241 | 150,895 |
| Less: allowance for credit losses | (3,763) | (4,396) |
| Inventory | 124,964 | 102,494 |
| Other current assets | 36,212 | 64,346 |
| Income taxes receivable | 12,525 | 19,895 |
| Total current assets | 996,839 | 762,222 |
| Restricted cash | — | 933,464 |
| Property, plant and equipment | 442,743 | 449,087 |
| Other non-current assets | 168,360 | 142,504 |
| Intangible assets | 332,615 | 350,516 |
| Goodwill | 945,950 | 947,715 |
| Deferred tax assets | 7,458 | 7,406 |
| Total assets | $ 2,893,965 | $ 3,592,914 |
| **Liabilities and Equity** | | |
| Auction proceeds payable | $ 493,688 | $ 292,789 |
| Trade and other liabilities | 254,514 | 280,308 |
| Income taxes payable | 31,362 | 5,677 |
| Short-term debt | 8,637 | 6,147 |
| Current portion of long-term debt | 4,617 | 3,498 |
| Total current liabilities | 792,818 | 588,419 |
| Long-term debt | 639,755 | 1,733,940 |
| Other non-current liabilities | 155,911 | 147,260 |
| Deferred tax liabilities | 61,396 | 52,232 |
| Total liabilities | 1,649,880 | 2,521,851 |
| Commitments and Contingencies | | |
| Stockholders' equity: | | |
| Share capital: | | |
| Common stock; no par value, unlimited shares authorized, issued and outstanding shares: 110,735,243 (December 31, 2021: 110,618,049) | 235,244 | 227,504 |
| Additional paid-in capital | 73,014 | 59,535 |
| Retained earnings | 1,015,301 | 839,609 |
| Accumulated other comprehensive loss | (79,883) | (55,973) |
| Stockholders' equity | 1,243,676 | 1,070,675 |
| Non-controlling interest | 409 | 388 |
| Total stockholders' equity | 1,244,085 | 1,071,063 |
| Total liabilities and equity | $ 2,893,965 | $ 3,592,914 |

## Condensed Consolidated Statements of Cash Flows

(Expressed in thousands of United States dollars)

(Unaudited)

| Year ended June 30, | 2022 | 2021 |
|---|---|---|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Net income | $ 231,512 | $ 88,920 |
| Adjustments for items not affecting cash: | | |
| Depreciation and amortization | 48,523 | 43,005 |
| Share-based payments expense | 21,527 | 16,183 |
| Deferred income tax expense | 9,480 | 1,719 |
| Unrealized foreign exchange gain | (1,965) | (65) |
| Gain on disposition of property, plant and equipment | (170,167) | (243) |
| Loss on redemption of the 2021 Notes | 4,792 | — |
| Amortization of debt issuance costs | 2,352 | 1,443 |
| Amortization of right-of-use assets | 8,586 | 6,280 |
| Change in fair value of derivatives | (1,263) | — |
| Other, net | 2,805 | 1,568 |
| Net changes in operating assets and liabilities | 41,844 | 52,577 |
| Net cash provided by operating activities | 198,026 | 211,387 |
| Investing activities: | | |
| Acquisitions, net of cash acquired | (63) | 728 |
| Property, plant and equipment additions | (4,522) | (4,616) |
| Proceeds on disposition of property, plant and equipment | 165,132 | 342 |
| Intangible asset additions | (15,730) | (17,361) |
| Issuance of loans receivable | (6,093) | (2,622) |
| Repayment of loans receivable | 1,554 | 226 |
| Net cash used in investing activities | 140,278 | (23,303) |
| Financing activities: | | |
| Dividends paid to stockholders | (55,352) | (48,537) |
| Dividends paid to NCI | — | (26) |
| Proceeds from exercise of options and share option plans | 2,862 | 10,699 |
| Payment of withholding taxes on issuance of shares | (3,716) | (9,155) |
| Net increase (decrease) in short-term debt | 2,722 | 6,842 |
| Repayment of long-term debt | (1,093,772) | (5,328) |
| Debt issue costs | (3,677) | — |
| Repayment of finance lease obligations | (5,390) | (5,355) |
| Net cash used in financing activities | (1,156,323) | (50,860) |
| Effect of changes in foreign currency rates on cash, cash equivalents, and restricted cash | (12,773) | (1,396) |
| Increase | (830,792) | 135,828 |
| Beginning of period | 1,362,452 | 306,895 |
| Cash, cash equivalents, and restricted cash, end of period | $ 531,660 | $ 442,723 |

## Selected Data

(Unaudited)

## Total auction metrics

| | Three months ended June 30, | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | | | % Change | | | | % Change | |
| | 2022 | 2021 | 2022 over 2021 | | 2022 | 2021 | 2022 over 2021 | |
| Bids per lot sold * | 28 | 27 | 4 | % | 28 | 28 | — | % |
| Total lots sold * | 144,167 | 148,206 | (3) | % | 249,934 | 263,035 | (5) | % |

* Management reviews industrial equipment auction metrics excluding GovPlanet; as a result, GovPlanet business metrics are excluded from these metrics

## Non-GAAP Measures

This news release references non-GAAP measures. Non-GAAP measures do not have a standardized meaning and are, therefore, unlikely to be comparable to similar measures presented by other companies. The presentation of this financial information, which is not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation of, or as a substitute for, the financial information prepared and presented in accordance with GAAP. Non-GAAP financial measures referred to in this report are labeled as "non-GAAP measure".

### Non-GAAP Adjusted Operating Income Reconciliation

The Company believes that non-GAAP adjusted operating income provides useful information about the growth or decline of its operating income for the relevant financial period and eliminates the financial impact of adjusting items the Company do not consider to be part of its normal operating results.

Non-GAAP adjusting operating income eliminates the financial impact of adjusting items from operating income, which are significant recurring and non-recurring items that the Company do not consider to be part of its normal operating results, such as share-based payments expense, acquisition-related costs, amortization of acquired intangible assets, management reorganization costs, and certain other items, which the Company refers to as "adjusting items".

In 2021, the Company updated the calculation of non-GAAP adjusted operating income to add-back share-based payments expense, all acquisition-related costs (including any share-based continuing employment costs recognized in acquisition-related costs), amortization of acquired intangible assets, and gain or loss on disposition of property, plant and equipment. The Company has also adjusted for certain non-recurring advisory, legal and restructuring costs. These adjustments in 2021 have been applied retrospectively to all periods presented, as applicable.

The following table reconciles non-GAAP adjusted operating income to operating income, which is the most directly comparable GAAP measure in the consolidated financial statements.

| (in U.S. $000's, except percentages) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|---|---|---|---|---|---|
| | | | % Change | | | % Change |
| | 2022 | 2021 | 2022 over 2021 | 2022 | 2021 | 2022 over 2021 |
| Operating income | $ 91,867 | $ 89,517 | 3 % | $ 324,707 | $ 134,019 | 142 % |
| Share-based payments expense | 13,640 | 7,540 | 81 % | 19,026 | 11,318 | 68 % |
| Acquisition-related costs | 3,399 | 3,049 | 11 % | 13,036 | 5,971 | 118 % |
| Amortization of acquired intangible assets | 8,426 | 6,802 | 24 % | 16,958 | 13,443 | 26 % |
| Gain on disposition of property, plant and equipment and related costs | 1,153 | (175) | (759) % | (168,667) | (243) | 69,310 % |
| Non-recurring advisory, legal and restructuring costs | 1,094 | 240 | 356 % | 3,379 | 240 | 1,308 % |
| Non-GAAP adjusted operating income | $ 119,579 | $ 106,973 | 12 % | $ 208,439 | $ 164,748 | 27 % |

(1) Please refer to page 12-13 for a summary of adjusting items during the three months and year ended June 30, 2022 and June 30, 2021.
(2) Non-GAAP adjusted operating income represents operating income excluding the effects of adjusting items.

## Non-GAAP Adjusted Net Income Attributable to Stockholders and Non-GAAP Diluted Adjusted EPS Attributable to Stockholders Reconciliation

The Company believes that non-GAAP adjusted net income attributable to stockholders provides useful information about the growth or decline of the net income attributable to stockholders for the relevant financial period and eliminates the financial impact of adjusting items the Company does not consider to be part of the normal operating results. Non-GAAP diluted adjusted EPS attributable to stockholders eliminates the financial impact of adjusting items which are after-tax effects of significant recurring and non-recurring items that the Company does not consider to be part of the normal operating results, such as share-based payments expense, acquisition-related costs, amortization of acquired intangible assets, management reorganization costs, and certain other items, which the Company refers to as "adjusting items".

In 2021, the Company updated the calculation of non-GAAP diluted adjusted EPS attributable to stockholders to add-back certain adjustments that have been applied retrospectively to all periods presented, as applicable (refer to non-GAAP adjusted operating income reconciliation above).

The following table reconciles non-GAAP adjusted net income attributable to stockholders and non-GAAP 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 the consolidated financial statements.

| (in U.S. $000's, except share and per share data, and percentages) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | % Change 2022 over 2021 | 2022 | 2021 | % Change 2022 over 2021 |
| Net income attributable to stockholders | $ 53,365 | $ 60,749 | (12) % | $ 231,459 | $ 88,937 | 160 % |
| Share-based payments expense | 13,640 | 7,540 | 81 % | 19,026 | 11,318 | 68 % |
| Acquisition-related costs | 3,399 | 3,049 | 11 % | 13,036 | 5,971 | 118 % |
| Amortization of acquired intangible assets | 8,426 | 6,802 | 24 % | 16,958 | 13,443 | 26 % |
| Gain on disposition of property, plant and equipment and related costs | 1,153 | (175) | (759) % | (168,667) | (243) | 69,310 % |
| Loss on redemption of the 2021 Notes and certain related interest expense | 9,664 | — | 100 % | 9,664 | — | 100 % |
| Change in fair value of derivatives | — | — | — % | (1,263) | — | (100) % |
| Non-recurring advisory, legal and restructuring costs | 1,094 | 240 | 356 % | 3,379 | 240 | 1,308 % |
| Related tax effects of the above | (7,669) | (3,660) | 110 % | 10,443 | (9,126) | (214) % |
| Non-GAAP adjusted net income attributable to stockholders | $ 83,072 | $ 74,545 | 11 % | $ 134,035 | $ 110,540 | 21 % |
| Weighted average number of dilutive shares outstanding | 111,705,102 | 111,334,184 | 0 % | 111,681,644 | 111,302,711 | 0 % |
| Diluted earnings per share attributable to stockholders | $ 0.48 | $ 0.55 | (13) % | $ 2.07 | $ 0.80 | 159 % |
| Non-GAAP diluted adjusted EPS attributable to Stockholders | $ 0.74 | $ 0.67 | 10 % | $ 1.20 | $ 0.99 | 21 % |

(1) Please refer to page 12-13 for a summary of adjusting items for the three months and year ended June 30, 2022 and June 30, 2021.
(2) Non-GAAP adjusted net income attributable to stockholders represents net income attributable to stockholders, excluding the effects of adjusting items.
(3) Non-GAAP diluted adjusted EPS attributable to stockholders is calculated by dividing non-GAAP adjusted net income attributable to stockholders, net of the effect of dilutive securities, by the weighted average number of dilutive shares outstanding.

## Non-GAAP Adjusted EBITDA

The Company believes non-GAAP adjusted EBITDA provides useful information about the growth or decline of its

net income when compared between different financial periods. The Company uses non-GAAP adjusted EBITDA as a key performance measure because the Company believes it facilitates operating performance comparisons from period to period.

In 2021, the Company updated the calculation of non-GAAP diluted adjusted EPS attributable to stockholders to add-back certain adjustments that have been applied retrospectively to all periods presented, as applicable (refer to non-GAAP adjusted operating income reconciliation above).

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

| (in U.S. $000's, except percentages) | Three months ended June 30, | | | Six months ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | % Change 2022 over 2021 | 2022 | 2021 | % Change 2022 over 2021 |
| Net income | $ 53,411 | $ 60,781 | (12) % | $ 231,512 | $ 88,920 | 160 % |
| Add: depreciation and amortization | 24,298 | 21,935 | 11 % | 48,523 | 43,005 | 13 % |
| Add: interest expense | 18,463 | 8,867 | 108 % | 39,149 | 17,813 | 120 % |
| Less: interest income | (871) | (332) | 162 % | (1,415) | (634) | 123 % |
| Add: income tax expense | 21,632 | 21,065 | 3 % | 57,867 | 29,484 | 96 % |
| EBITDA | 116,933 | 112,316 | 4 % | 375,636 | 178,588 | 110 % |
| Share-based payments expense | 13,640 | 7,540 | 81 % | 19,026 | 11,318 | 68 % |
| Acquisition-related costs | 3,399 | 3,049 | 11 % | 13,036 | 5,971 | 118 % |
| Gain on disposition of property, plant and equipment and related costs | 1,153 | (175) | (759) % | (168,667) | (243) | 69,310 % |
| Change in fair value of derivatives | — | — | — % | (1,263) | — | (100) % |
| Non-recurring advisory, legal and restructuring costs | 1,094 | 240 | 356 % | 3,379 | 240 | 1,308 % |
| Non-GAAP adjusted EBITDA | $ 136,219 | $ 122,970 | 11 % | $ 241,147 | $ 195,874 | 23 % |

(1) Please refer to page 12-13 for a summary of adjusting items during the three months and year ended June 30, 2022 and June 30, 2021.
(2) Non-GAAP adjusted EBITDA is calculated by adding back depreciation and amortization expenses, interest expense, income tax expense, and subtracting interest income from net income, as well as adding back share-based payments expense, acquisition-related costs, and excluding the effects of any non-recurring or unusual adjusting items.

## Adjusting Items Non-GAAP Measures

In 2021, the Company began adjusting for share-based payment expenses, amortization of acquired intangible assets and all gains or losses on disposition of property, plant and equipment, which the Company did not consider to be part of its normal operating results. These adjustments in 2021 have been applied retrospectively to all periods presented.

## Adjusting items during the three months and year ended June 30, 2022 were:

Recognized in the second quarter of 2022

- $13.6 million share based payments expense.
- $3.4 million of acquisition-related costs related to the proposed acquisition of Euro Auctions and the

completed acquisitions of SmartEquip and Rouse.

- $8.4 million amortization of acquired intangible assets primarily from the acquisitions of Iron Planet, SmartEquip, and Rouse.
- $1.2 million gain on disposition of property, plant and equipment and related costs includes $1.3 million unwind relating to a non-cash fair market value adjustment made to recognize the Bolton property sale proceeds at fair value when calculating the $169.0 million gain on the Bolton property in the first quarter of 2022, and $0.1 million gain on disposition of property, plant and equipment in the quarter.
- $9.7 million loss on redemption of the 2021 Notes and certain related interest expense includes $4.8 million of loss on redemption of the 2021 Notes due to a difference between the reacquisition price of the 2021 Notes and the net carrying amount of the extinguished debt (primarily the write off of the unamortized debt issuance costs), as well as the write off of the deferred debt issuance costs of $0.7 million due to the expiry of the undrawn $205.0 million delayed-draw term loan facility in the quarter. A non-recurring interest expense of $4.2 million was also adjusted in the quarter relating to the 2021 Notes, which were redeemed as a result of the discontinued Euro Auctions acquisition.
- $1.1 million of non-recurring advisory, legal and restructuring costs, which include $0.6 million of terminated and ongoing transaction and legal costs relating to mergers and acquisition activity, $0.3 million of severance and retention costs in connection with the restructuring of the Company's IT team driven by its strategy to build a new digital technology platform, and $0.2 million of advisory costs relating to a cybersecurity incident detected in the fourth quarter of 2021.

Recognized in the first quarter of 2022

- $5.4 million share based payments expense.
- $8.5 million amortization of acquired intangible assets primarily from the acquisitions of Iron Planet, SmartEquip, and Rouse.
- $169.8 million gain recognized on the disposition of property, plant and equipment of which $169.1 million related to the sale of a property located in Bolton, Ontario.
- $9.6 million of acquisition-related costs related to the proposed acquisition of Euro Auctions and the completed acquisitions of SmartEquip and Rouse.
- $1.3 million gain due to the change in fair value of derivatives to manage the Company's exposure to foreign currency exchange rate fluctuations on the purchase consideration for the proposed acquisition of Euro Auctions.
- $2.3 million of non-recurring advisory, legal and restructuring costs, which include $0.9 million related to severance and retention costs in connection with the restructuring of the Company's IT team driven by its strategy to build a new digital technology platform, $0.5 million terminated and ongoing transaction and legal costs relating to mergers and acquisition activity, $0.4 million of SOX remediation costs, and $0.6 million of advisory costs relating to a cybersecurity incident detected in the fourth quarter of 2021.

### Adjusting items during the three months and year ended June 30, 2021 were:

Recognized in the second quarter of 2021

- $7.5 million share based payments expense.
- $6.8 million amortization of acquired intangible assets primarily from the acquisitions of Iron Planet and Rouse.
- $3.0 million of acquisition-related costs related to the acquisition of Rouse.
- $0.2 million gain recognized on the disposition of property, plant and equipment

- $0.2 million of non-recurring advisory, legal and restructuring costs related to SOX remediation costs relating to the Company's efforts to remediate the material weaknesses identified in 2020, which has been retrospectively applied to the second quarter of 2021.

Recognized in the first quarter of 2021

- $3.8 million share based payments expense.
- $6.6 million amortization of acquired intangible assets primarily from the acquisitions of Iron Planet and Rouse.
- $2.9 million of acquisition-related costs related to the acquisition of Rouse.

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