



Q2 2015 Earnings Review and Update

August 7, 2015

RBA
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NYSE



Forward looking statements

This presentation contains forward-looking statements.

Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions. Actual results may differ materially from those expressed herein. Additional information concerning factors that could affect the Company's actual results is included in the Company's filings with securities regulators. The Company undertakes no obligation to update publicly any forward-looking statements except as required by securities legislation.

All figures are in US dollars, unless otherwise noted.

While rounding may occur in performance numbers for presentation purposes, percent change figures are calculated using full, unrounded numbers.

Update from Ravi Saligram

Chief Executive Officer

Q2 2015 financial highlights

Strong growth compared to Q2 2014, both on a constant currency (organic) basis and a reported basis

Foreign exchange had an impact on some operating lines

	Reported - % Growth		Organic - % Growth	
	Versus Q2 2014		Versus Q2 2014	
GAP	↑	3%	↑	11%
Revenue	↑	10%	↑	19%
Operating Profit	↑	21%	↑	30%
Diluted EPS	↑	21%		n/a
Operating Free Cash Flow (12 month rolling)	↑	91%		n/a
RONA (12 month rolling)	↑	738 bps		n/a
<i>RONA excluding effects of term loan reclassification</i>	↑	495 bps		n/a

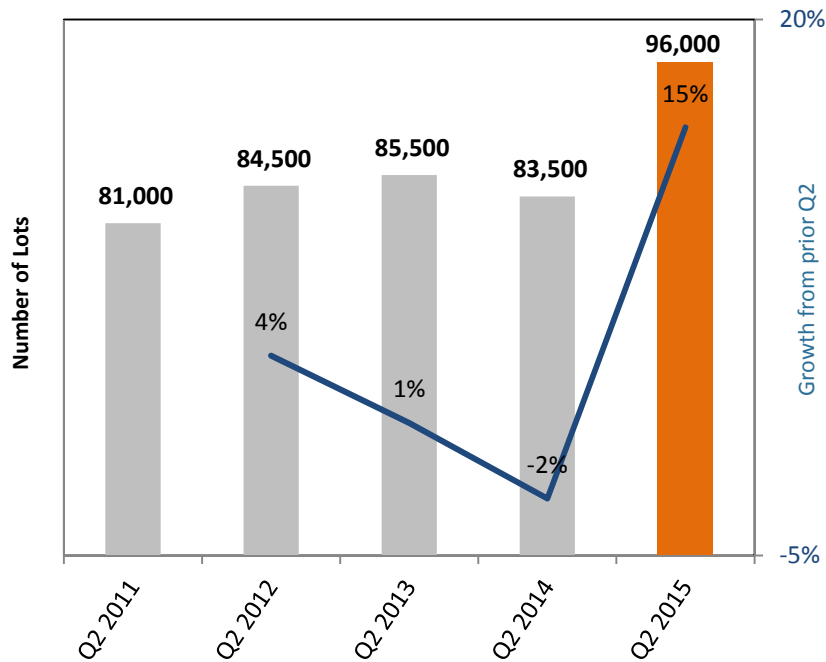
Q2 auction volumes bolstered by many sectors

15% increase in auction volume (lots sold) compared to Q2 last year

Increase largely due to more assets from customers in the heavy and light construction sectors.

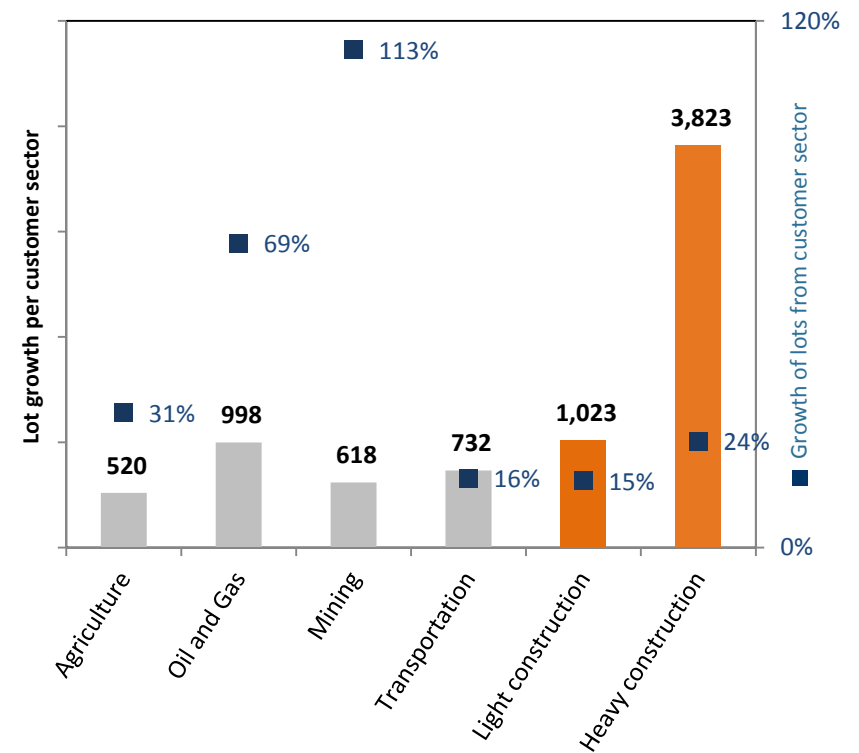
Q2 Auction volumes (Lot count)

Total lots sold per quarter



Q2 2015 Incremental Lots per Customer sector

Lot growth per customer (seller) sector, compared to Q2 2014¹



Average GAP per lot

Average GAP per lot declined 11% in Q2 2015 compared to Q2 2014

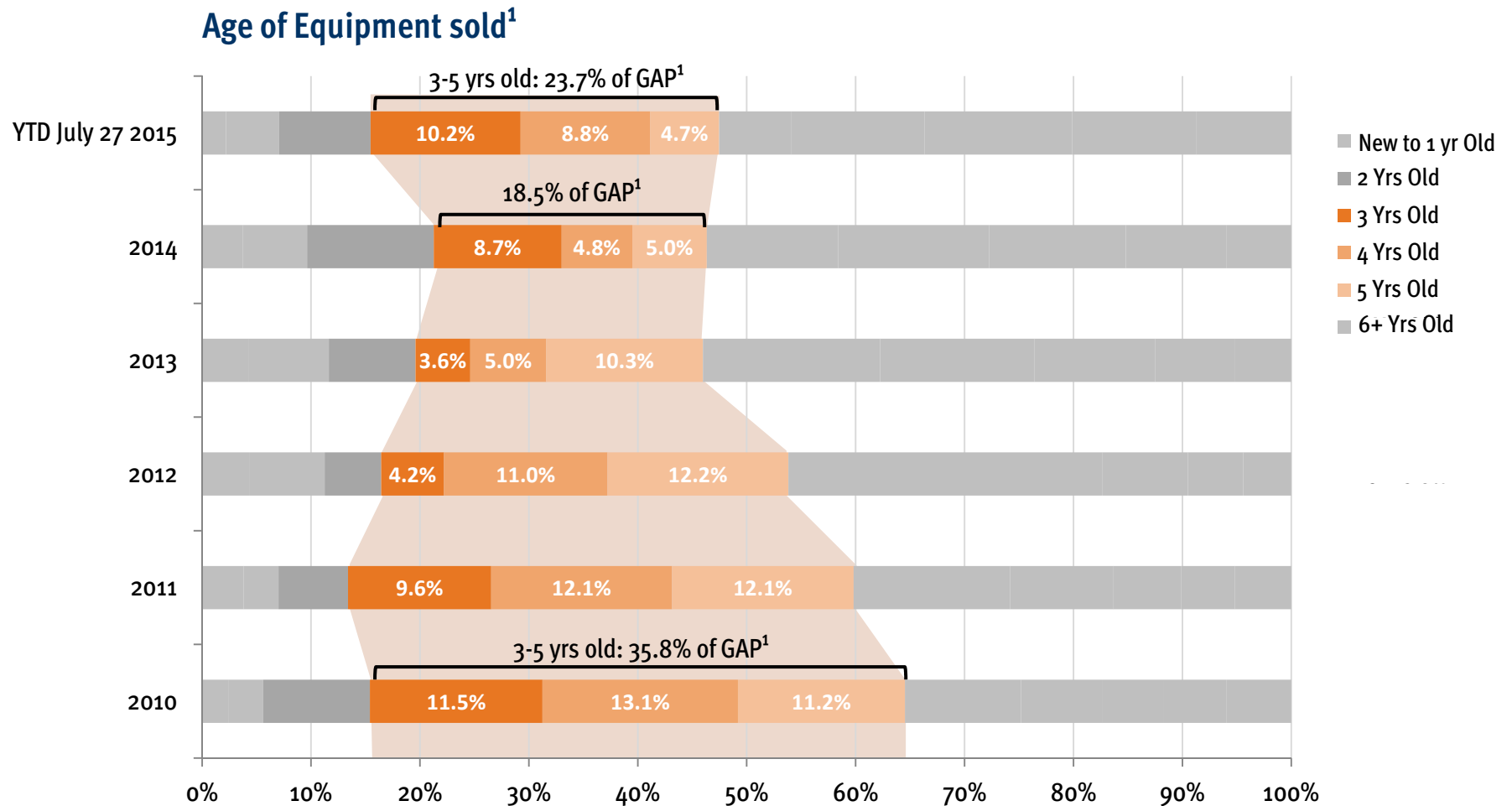
- Due largely to FX translation of GAP (7% decline in Avg. GAP per lot) and an increase in small value lots
- 21% increase in small value lots (less than \$2500)
- Corresponding change in proportion of low and high value assets sold

Due to pricing and fee structures, RBA generates a higher revenue rate on the sale of small value items

Equipment pricing has softened from the peak in Q1 2015

- Pricing trends are asset/sector dependent; some categories/regions performing far better than others
- Late model small to mid-size construction assets continue to perform well
- Strong demand for equipment supporting non-res construction activity (ie. dumptrucks)
- Oil & Gas assets pricing has declined

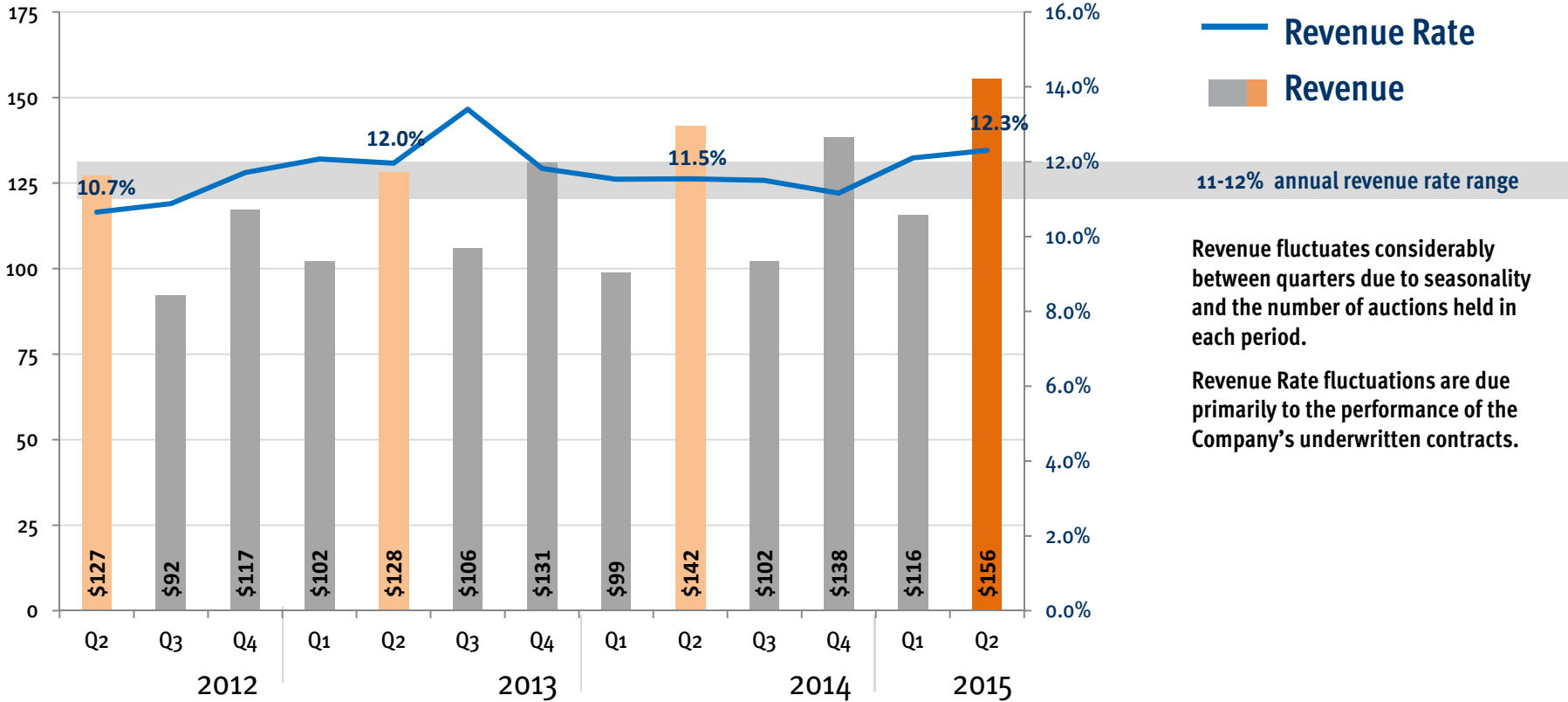
Equipment sold in 3-5 year age range is growing



¹ Industrial auctions only. Excludes equipment over 10+ years and equipment with unknown ages.

Record quarterly revenue achieved in Q2 2015

Quarterly revenue & revenue rate (\$US millions)

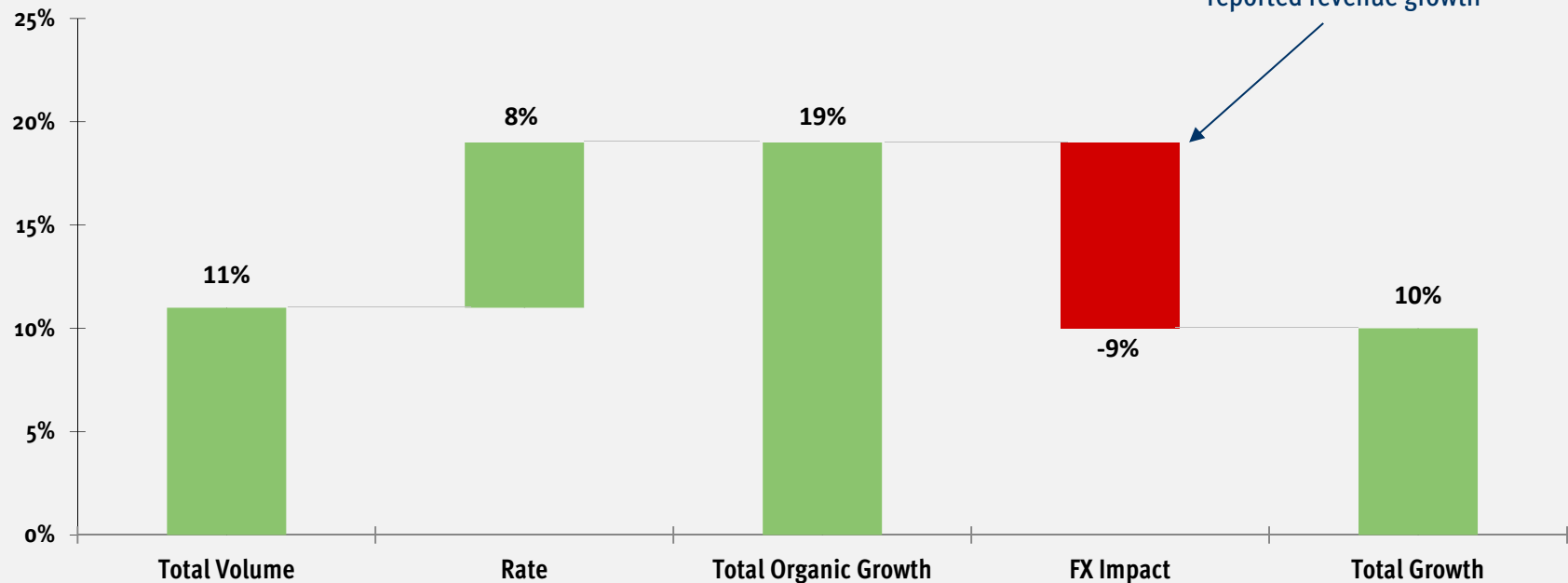


Revenue growth bolstered from both volume and rate

~60% of the organic revenue growth was driven by increases in auction volumes
~40% was driven by revenue rate improvement

Breakdown of revenue growth, % attributable to item

Q2 2015 revenue compared to Q2 2014 revenue



Focus on underwritten business showing results

Disciplined approach to underwritten business is resulting in more consistent performance

- Strategic use of the strength of our balance sheet allows us to pursue larger underwritten transactions
- Smaller transactions are receiving more scrutiny
- Not a vehicle to 'buy' GAP
- Focus on improving the performance of underwritten business

RESULTS TO DATE: (First half of 2015)

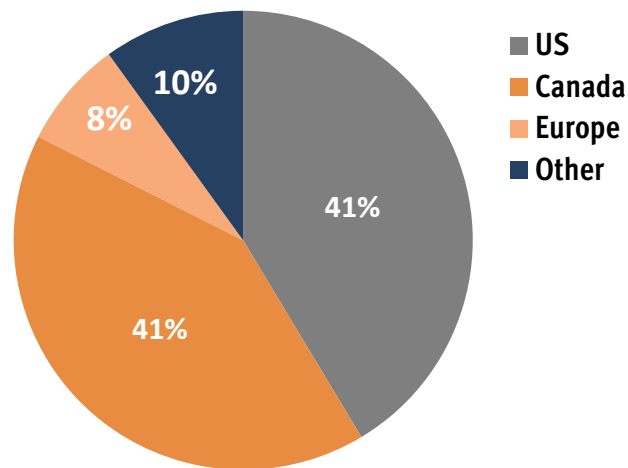
- Improvement in underwritten commission rate of **225 bps** compared to underwritten commission rate in first half of 2014

Strong revenue growth from Canada and US

Strong revenue growth in the US and Canada in local currency;
FX translation muted reported growth in Canada and Europe.

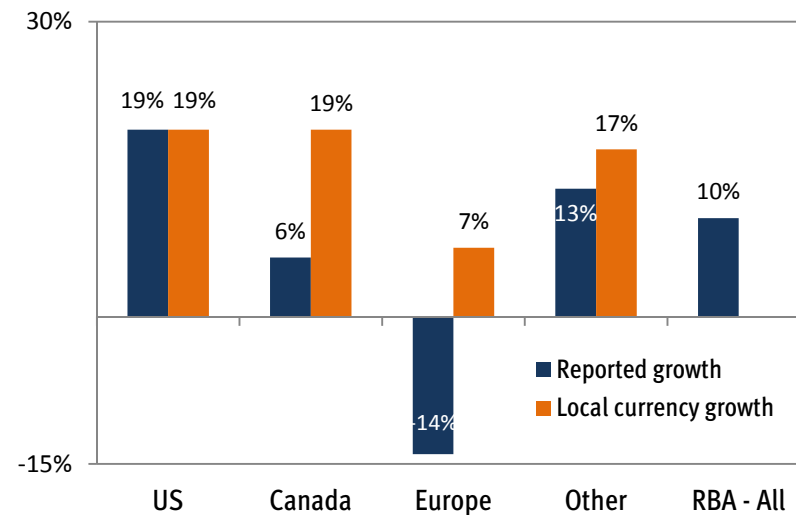
Geographic breakdown of Q2 revenue

\$US revenue



Q2 Revenue growth rates

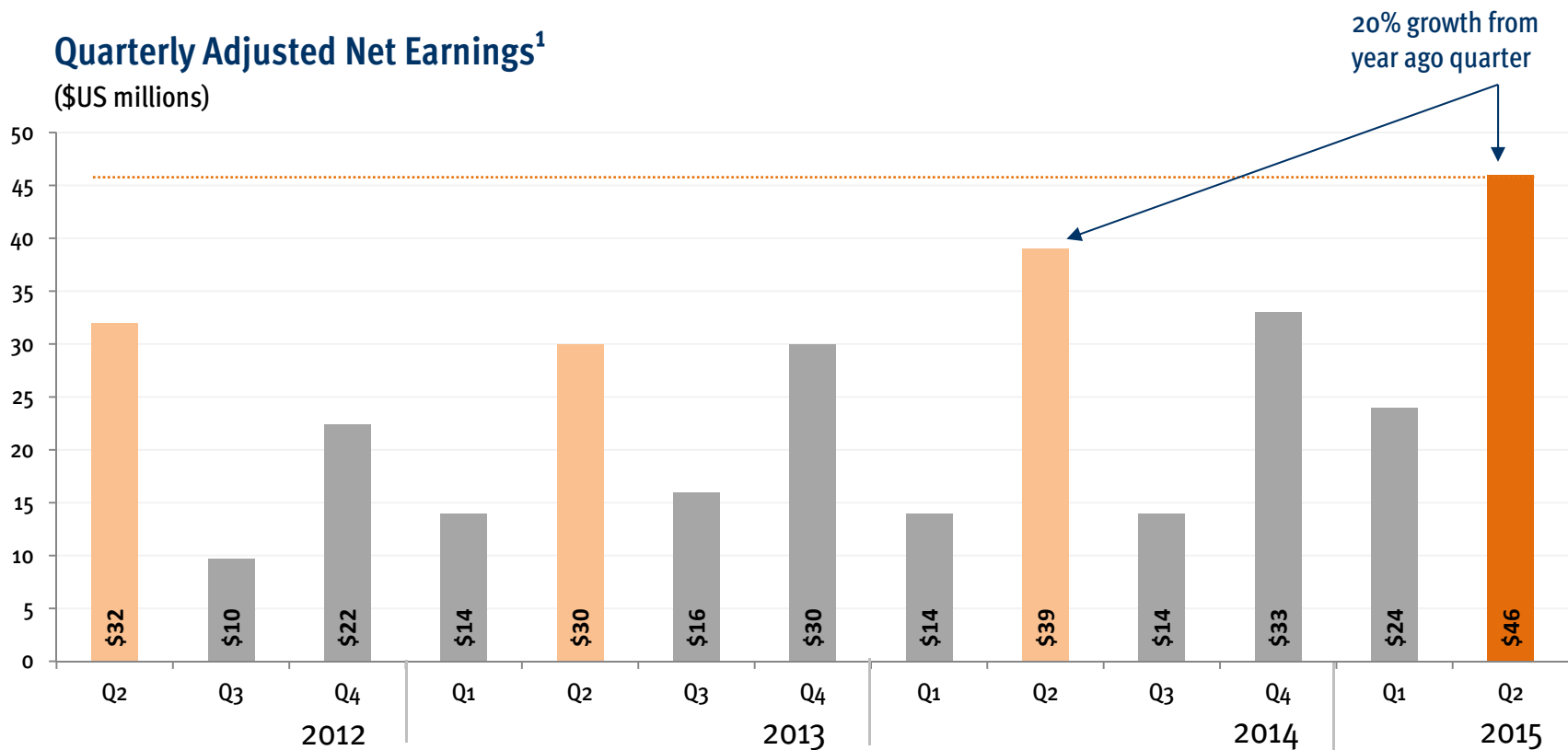
\$US reported growth; local currency



Q2 2015 earnings increased 20% from Q2 2014

Record quarterly earnings driven by auction volumes, strong revenue rate, and revenues growth exceeding expense growth

Tax rate consistent with Q2 2014



April/May auction highlights

Houston, TX: April 15 – 16, 2015

- US\$57+ million of GAP
- US\$28+ million sold to online bidders (49% of sales)

Moerdijk, Netherlands: April 23 – 24, 2015

- €16+ million of GAP (US\$18 million)

Edmonton auction: April 28 – May 1, 2015

- **Most revenue ever generated by a single auction in RBA history**
- CA\$215+ million of GAP (US\$177+ million) **CANADIAN RECORD**
- 89% sold to buyers within Canada; 51% sold within Alberta
- 14,000+ bidders from over 55 countries; 3,200+ buyers **COMPANY RECORDS**
- 7,700+ lots sold **CANADIAN RECORD**

Fort Worth, TX: May 6, 2015

- US\$50+ million of GAP
- 3,900+ lots sold **SITE RECORD**



June auction highlights

June auctions generated over \$560 million in GAP

Dubai auction: June 2 – 3, 2015

- US\$33+ million of GAP

Edmonton auction: June 9 – 11, 2015

- CA\$96+ million of GAP (US\$78+ million)
- 90% sold to buyers within Canada; 57% sold to buyers in Alberta
- 6,950+ registered bidders; 5,800+ lots sold

Denver auction: June 11 – 12, 2015

- US\$40+ million of GAP **SITE RECORD**
- US\$17+ million sold to online bidders **SITE RECORD**
- 2,400 lots sold **SITE RECORD**

Ocana, Spain: June 16 – 17, 2015

- €17+ million of GAP (US\$19+ million)

Australia auctions: Brisbane – June 23; Geelong – June 25

- AUD\$52+ million of GAP combined (US\$40+ million)



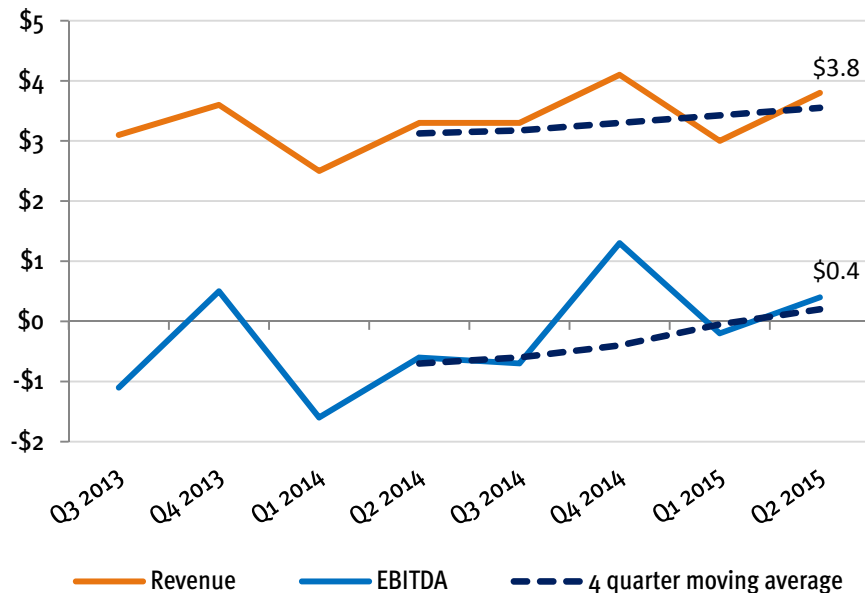
EquipmentOne – Better Together strategy is taking hold

E1 achieved 15% revenue growth compared to Q2 last year

Q2 2015 EBITDA was positive on a 12 month trailing and 4-quarter moving average basis for the first time

EquipmentOne Revenue and EBITDA

(\$US millions)



EquipmentOne Revenue and EBITDA

(\$US millions)

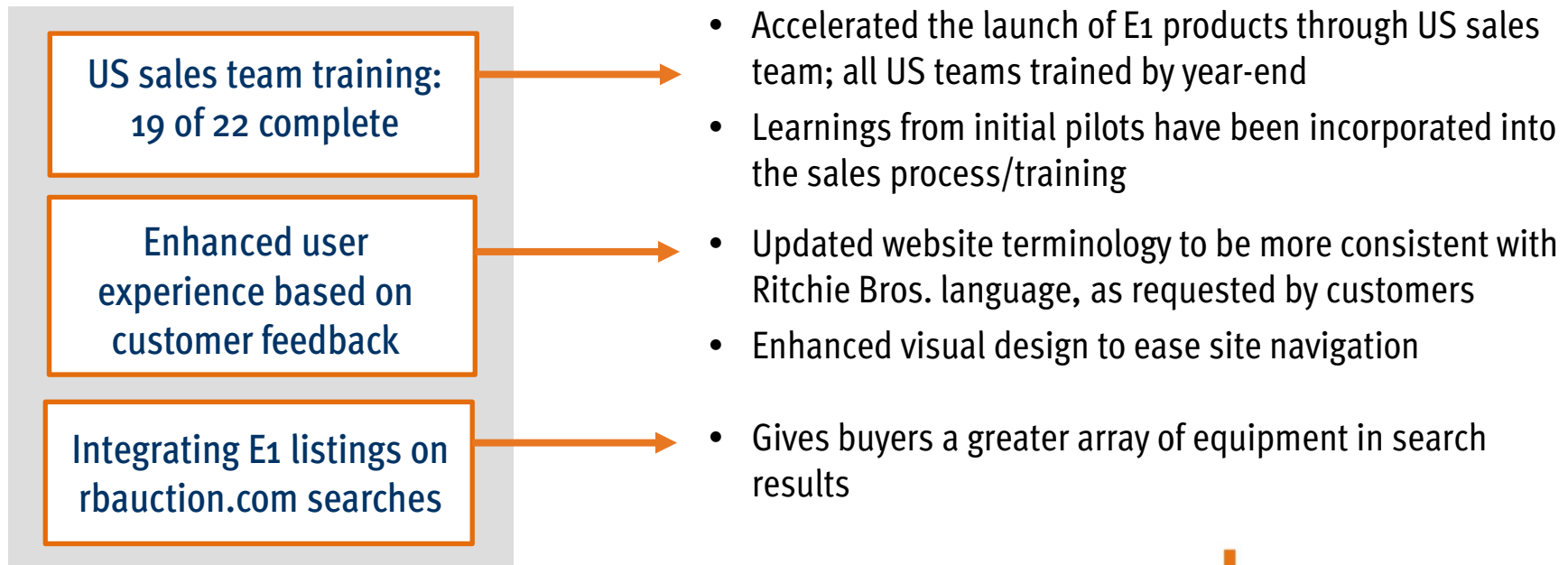
	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Revenue				
4-quarter moving average	\$ 3.2	\$ 3.3	\$ 3.4	\$ 3.6
Trailing 12 months	\$ 12.7	\$ 13.2	\$ 13.7	\$ 14.2
EBITDA				
4-quarter moving average	\$ (0.6)	\$ (0.4)	\$ (0.0)	\$ 0.2
Trailing 12 months	\$ (2.4)	\$ (1.6)	\$ (0.2)	\$ 0.8

Q2 EquipmentOne updates

Operational Results:

- Gross Transaction Value (GTV) from E1 in Q2 up 7% from Q2 last year
 - GTV of \$111.6 million twelve months trailing June 2015
- Website traffic up 19% in Q2 2015 (average monthly user, three months trailing June 30)

Recent Initiatives:



Ritchie Bros. Financial Services

LOANS • LEASING • STRUCTURED FINANCE • DEALER SOLUTIONS

Funded volume in first half of 2015 up 37% compared to same period last year

- Growing # of RBFS sales professionals to increase awareness of financial services with auction and E1 customers

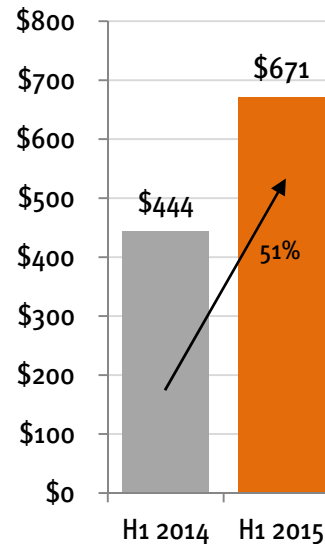
Now offering equipment leasing through RBFS – through financing partners

- Launched in Q2
- Currently available in the US and Canada
- Several leasing options can be applied for, including sale lease backs, traditional leases and variations of lease-to-own terms

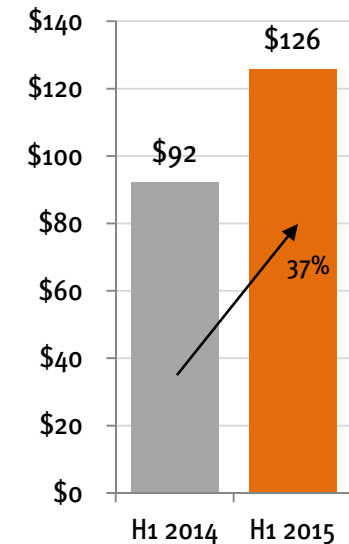
RBFS applications and funded loans

(\$US millions)

Credit Applications



Funded Volume



Capital Allocation & Dividend Increase

Sharon Driscoll, Chief Financial Officer



Capital allocation priorities

Priority	Discussion	
1. Grow dividends with earnings	Highly valued return of cash to shareholders	✓
2. Hold fully-diluted shares flat	Offset dilution from management stock options through share buybacks	✓
3. Acquisitions	Accelerate top-line growth and leverage the model	□
4. Share buy-backs	Growth initiatives are a higher priority at this time	
5. Pay down debt	Only if better economic returns are not available	

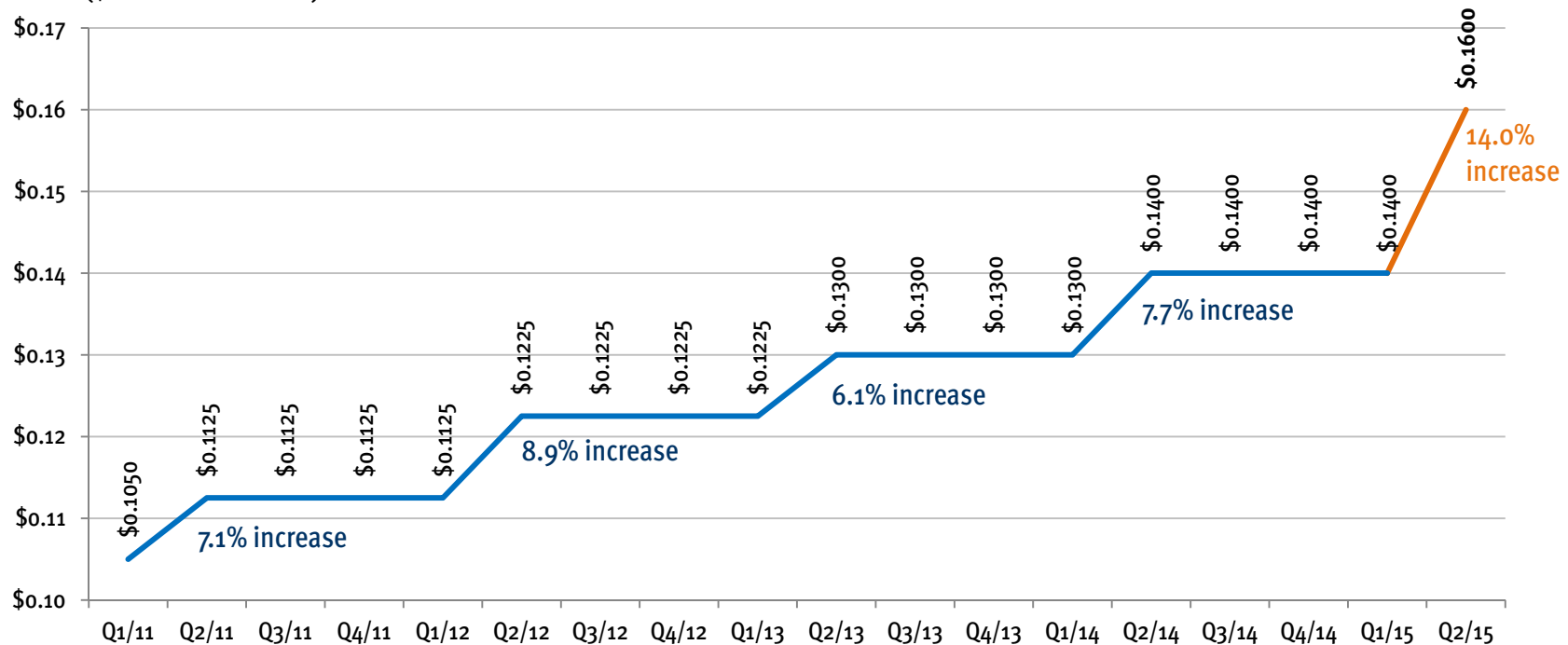
Consistently make use of cash on our balance sheet to facilitate underwritten transactions;
The strength of our balance sheet is a competitive advantage.

14% increase in quarterly dividend (additional 2 cents per quarter)

Growing our dividend alongside earnings;
Committed to 55-60% dividend payout, based on earnings trailing 12 months

Dividends declared

(\$US cash dividends)

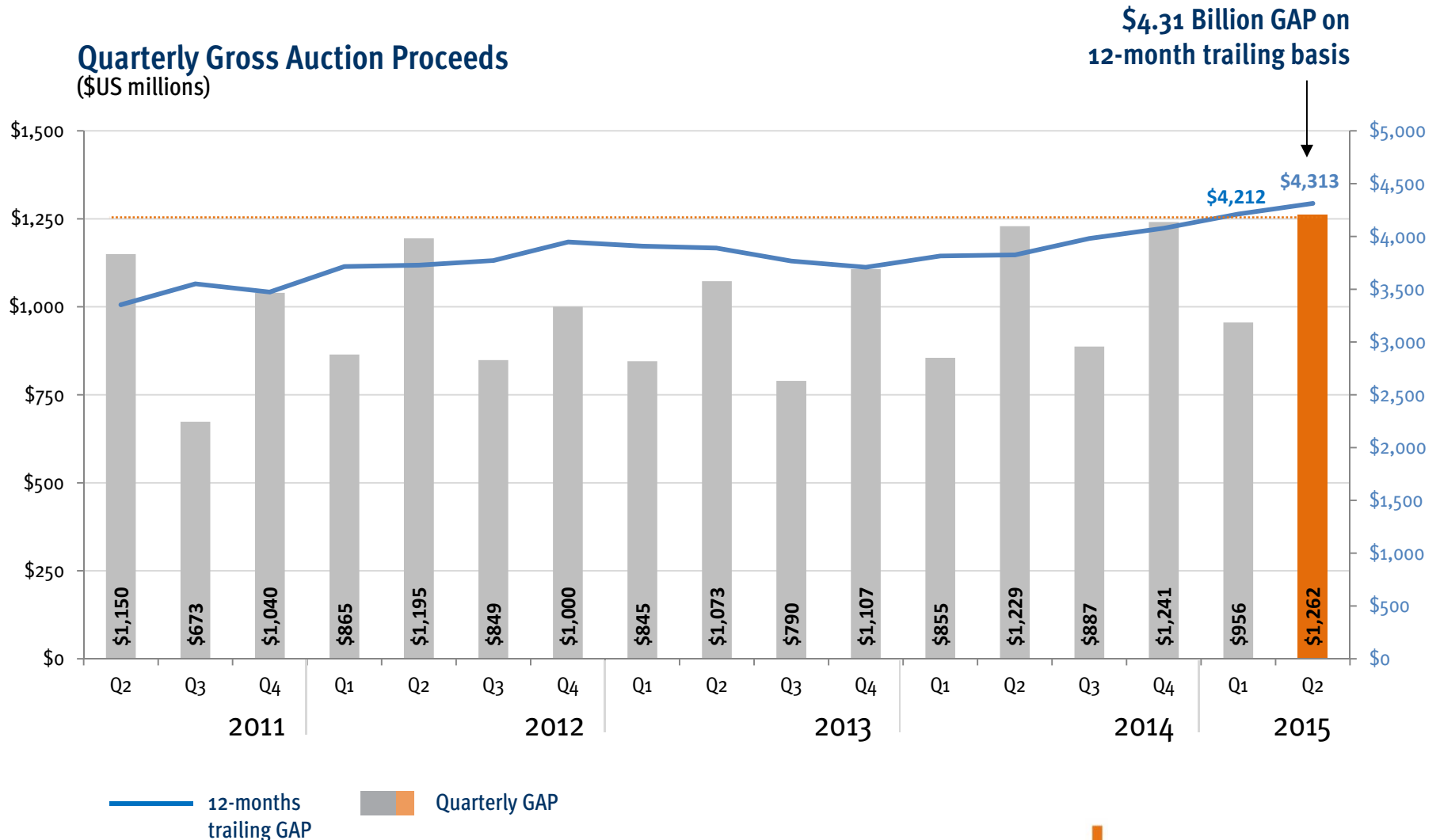


Q2 2015 Performance

Rob McLeod, Chief Business Development Officer

Record Q2 and 12-month trailing

Quarterly Gross Auction Proceeds
(\$US millions)



\$4.31 Billion GAP on 12-month trailing basis

Income statement scorecard – Q2 2015

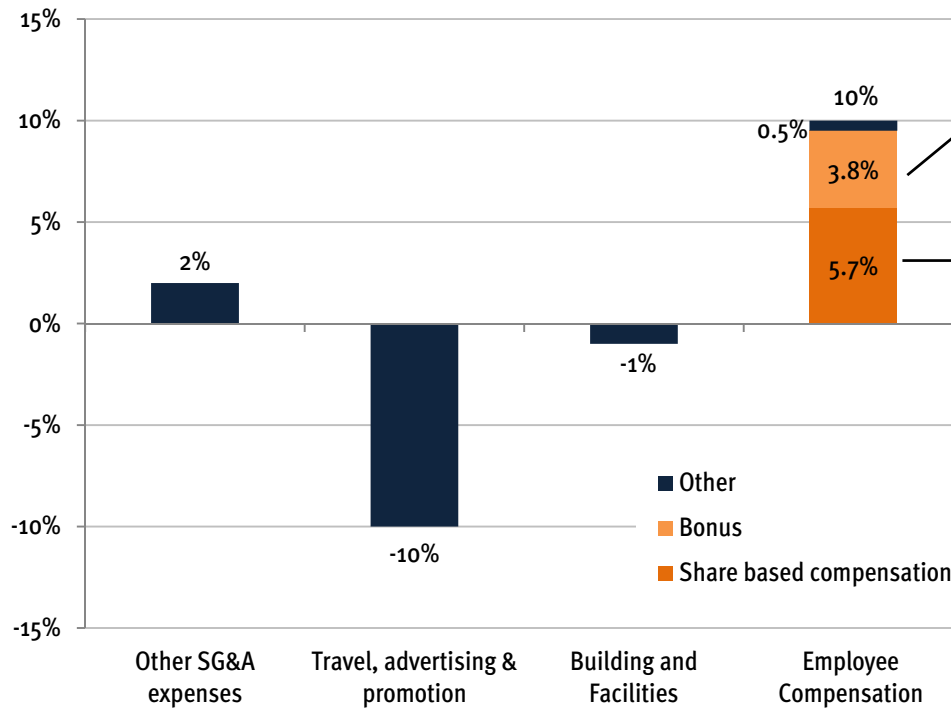
Q2 2015 Income statement scorecard

<i>3 months trailing</i> (\$US Millions except for EPS, %)	June 30, 2015	June 30, 2014	<i>Better / (Worse)</i>
GAP	\$1,262.2	\$1,229.2	3%
Revenues	\$155.5	\$141.8	10%
Revenue Rate	12.32%	11.54%	78 bps
Operating Income	\$62.4	\$51.7	21%
Operating Income Margin	40.2%	36.5%	370 bps
Diluted EPS	\$0.43	\$0.36	21%

Q2 2015 expense breakdown

Q2 2015 – SG&A growth breakdown

(Percent change from Q2 2014, as reported)



Bonus compensation

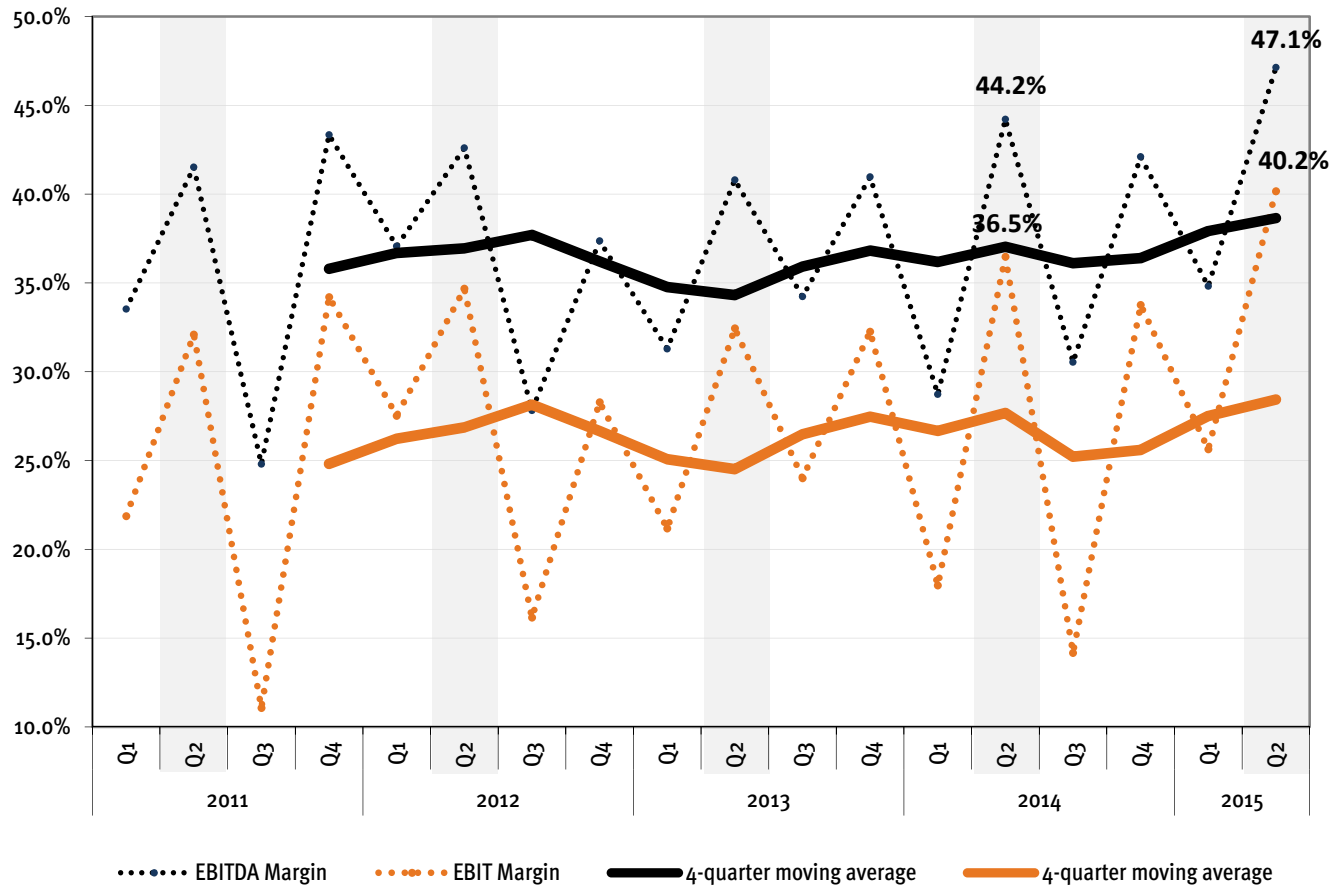
- Direct result of the improved performance over Q2 2014 and achievement of key performance metric targets.

Share based compensation

- Primarily due to an increase in the fair value of our share units relative to share price (*pricing*)
- Increased grants (*volume*)
- Accelerated vesting of options and share units due to executive departures (*timing*)

Strong margin growth

Adjusted operating income (EBIT) and EBITDA margins

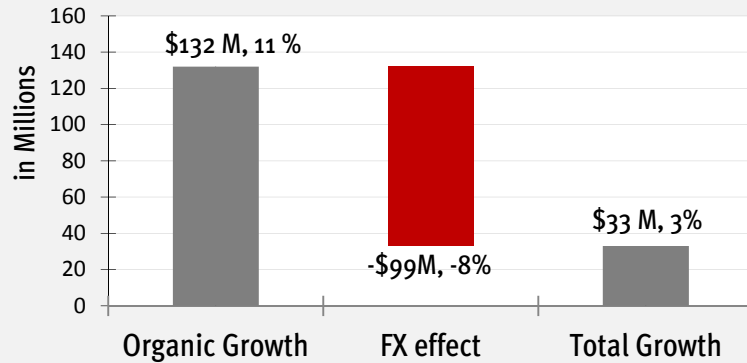


Q2 2015 generated the highest margins in over 4 years.

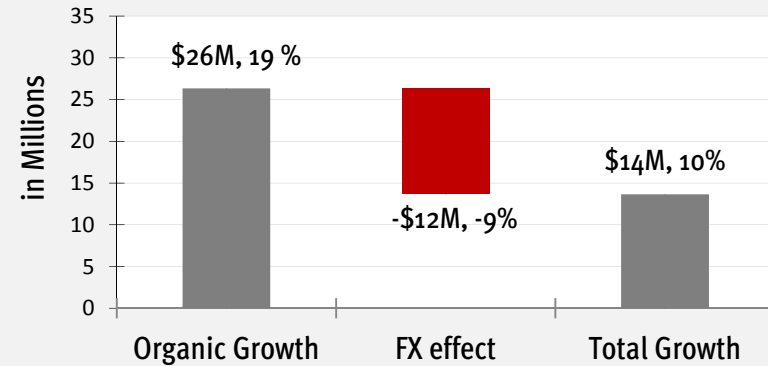
Seasonality influences our volume of business, and therefore revenue, flow-through and margins.

Impact of FX on our Q2 2015 performance

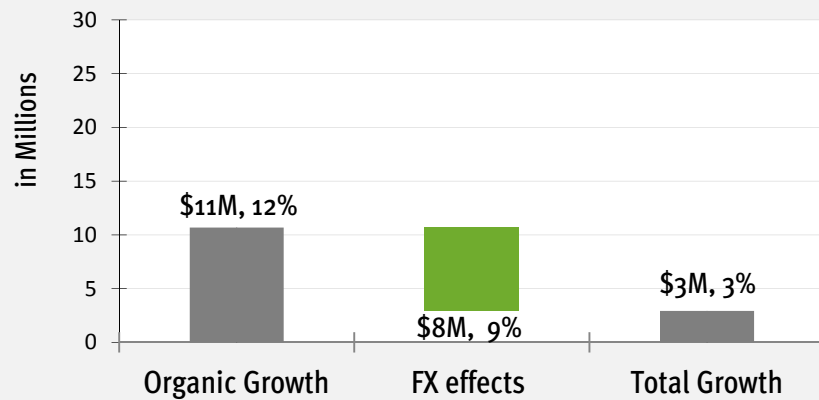
GAP and FX



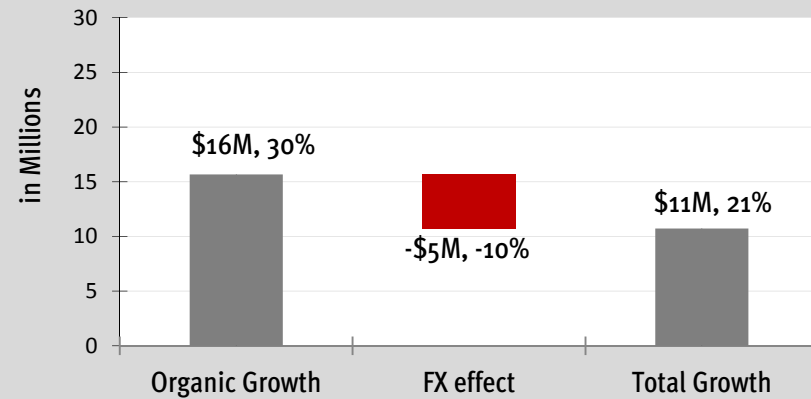
Revenue and FX



Expenses (DE, SG&A, D&A) and FX



Operating Income and FX



Income statement scorecard – First half of 2015

H1 2015 Income statement scorecard

<i>6 months trailing</i> (\$US Millions except for EPS, %)	June 30, 2015	June 30, 2014	<i>Better / (Worse)</i>
GAP	\$2,217.7	\$2,084.6	6%
Revenues	\$271.1	\$240.4	13%
Revenue Rate	12.22%	11.53%	69 bps
Operating Income	\$92.1	\$69.4	33%
Operating Income Margin	34.0%	28.9%	509 bps
Diluted EPS	\$0.65	\$0.49	33%

Balance sheet scorecard

Q2 2015 Balance sheet scorecard

<i>12 months trailing</i> (US Millions except for percent figures)	June 30, 2015	June 30, 2014	<i>Better / (Worse)</i>
Operating free cash flow	\$220.3	\$115.3	91%
Working Capital Intensity	-23.9%	-15.9%	806 bps
Capex Intensity	3.2%	6.9%	369 bps
RONA (Return on Net Assets)	24.9%	17.5%	738 bps
<i>RONA excluding term loan reclassification</i>	22.5%	17.5%	495 bps
Debt / Adjusted EBITDA	0.6x	0.9x	0.3x

Final Comments

Ravi Saligram, Chief Executive Officer

H1 2015 financial highlights

Performance in first half of the year demonstrates our commitment to execution and our agility in leveraging market opportunities

Foreign exchange remains a headwind

	Reported - % Growth		Organic - % Growth	
	Versus H1 2014		Versus H1 2014	
GAP	↑	6%	↑	14%
Revenue	↑	13%	↑	21%
Operating Profit	↑	33%	↑	41%
Diluted EPS	↑	33%		n/a
Operating Free Cash Flow (12 month rolling)	↑	91%		n/a
RONA (12 month rolling)	↑	738 bps		n/a
<i>RONA excluding effects of term loan reclassification</i>	↑	495 bps		n/a

Q&A

Ravi Saligram, Chief Executive Officer

Sharon Driscoll, Chief Financial Officer

Rob McLeod, Chief Business Development Officer

Jim Barr, Group President

Terry Dolan, President – US and Latin America

Randy Wall, President – Canada

RBA evergreen financial model

Performance Metric	Avg. Annual Growth Targets
• GAP Growth (%)	High Single Digit to Low Double Digits
• Revenue Growth (%) ⁽¹⁾	Mid Single Digit to High Single Digit
• SG&A Growth (%)	Will grow slower than revenues
• Operating Income Margin (& EBITDA Margin)	50 bps +
• EPS Growth (%) ⁽²⁾	High Single Digit to Low Double Digits
• Net Capex Intensity ⁽³⁾	<10%
• OFCF ⁽⁴⁾ % of Net Earnings	>100%
• RONA ⁽⁵⁾ Increase	50 bps +
• Dividend Payout Ratio	55% to 60%
• Net Debt / EBITDA	<2.5X

Above model reflects our aspiration on how the model should work in the next 5 to 7 years

(1) Includes Tuck In and Bolt On acquisitions

(2) Variances may occur in certain years based on tax rate that is influenced by geographic revenue mix

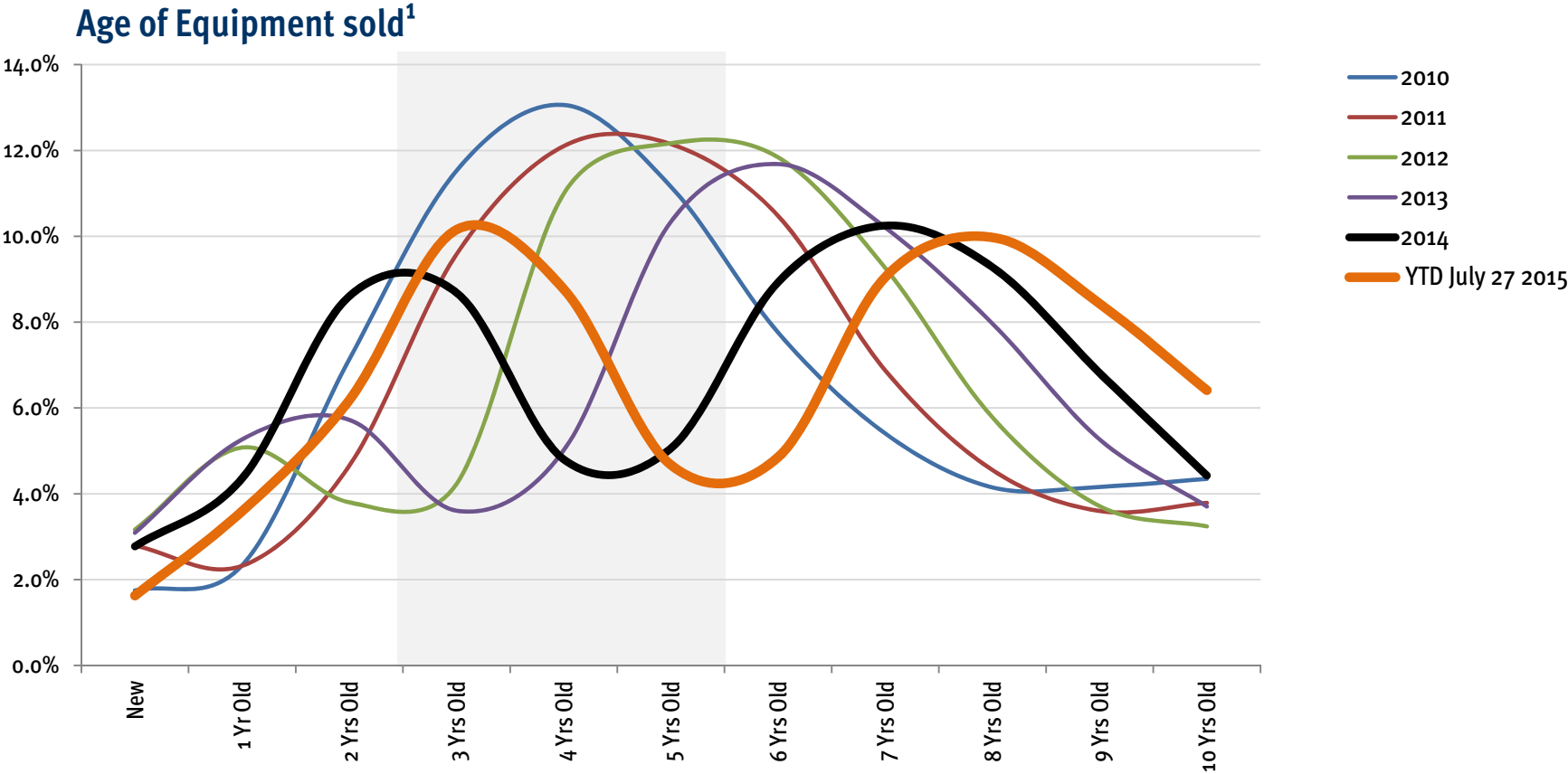
(3) Net Capital Spending as % of Revenue

(4) Operating Free Cash Flow

(5) Return on Net Assets

Age of Equipment improvement

The age of equipment sold continues to improve and track as we expect.



¹ Industrial auctions only. Excludes equipment over 10+ years and equipment with unknown ages.