

Ritchie Bros. STRATEGIC ROADMAP

to anticipate and satisfy evolving customer needs,
build employee engagement and drive shareholder value.

WHAT WE'LL ACHIEVE

OUR KEY OUTCOMES

Restore revenue & earnings growth,
drive cash flow, improve return on net assets (RONA)

WHAT WE'RE DOING

OUR STRATEGIC PILLARS

1

Grow

revenue & earnings

Mergers and acquisitions

Tuck-ins and bolt-ons
Scale enhancers & needle movers
Accretive in relatively short time frame

Geographies

Drive depth vs breadth
Focus on the US
Grow UK, Germany & France
Evaluate Japan and China strategic options

Sectors

Leverage construction
Focus on transportation
Grow agriculture
Evaluate oil & gas

Services

Scale RBFS
Pilot Logistics

Channels

Relaunch EquipmentOne
Drive multi channel

Segments

Accelerate Strategic Accounts
Pilot Private Treaty as a new vehicle for high value, specialized deals

Underwritten Contracts

Utilize aggressively
Minimize volatility

2

Drive

efficiencies & effectiveness

Sales Productivity

Territory management & coverage based on market potential
Consistent go to market processes
Improve selection, onboarding & training of new hires
Consistently utilize sales tools

Processes & Systems

Modernize legacy systems
Focus on Customer Relationship Management (CRM)
Enable scaling business & leveraging multichannel

Org Structure and selling, general & administrative expense

Regional org structure with profit & loss (P&L) statement and balance sheet accountability
Target selling, general & administrative expense (SG&A) growth lower than revenue growth
Flatten levels

Performance Metrics

P&L statement and balance sheet scorecard
Operational metrics
Accountability at all levels

Incentive Compensation

Tie to P&L statement and balance sheet measures
Revamp sales compensation

3

Optimize

balance sheet

Cash Flow

Align organization & incentivize
Target Op FCF equal to net income

Organic Capital Spends

Target net capital spend <10% revenue
Control spending on new sites
Focus on IT systems & site maintenance

Capital Structure

Return cash via ongoing dividends
Address option dilution through share repurchase
Invest in growth-driven M&A

Existing site returns

High, medium and low site return league table
Initiatives to improve medium and low site returns
Dispose of excess assets

KEY ENABLERS

Disciplined execution | Analytical DNA | Accountability culture | Learning organization
Rewards & recognition | Talent development | Diversity to drive innovation