

# Ritchie Bros. completes final auctions of 2016

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- \$4.3 billion of equipment was sold by Ritchie Bros. in 2016
- \$2.1 billion of equipment sold to online buyers, 49% of total sales
- 17%+ growth in equipment sold through EquipmentOne – Ritchie Bros.' online marketplace
- \$107.2 million returned to shareholders through dividends and share repurchases during 2016

(All figures are presented in U.S. dollars, unless otherwise noted)

VANCOUVER, Dec. 23, 2016 /CNW/ - Ritchie Bros. Auctioneers Incorporated (NYSE and TSX: RBA, "the Company"), the world's largest industrial auctioneer, sold approximately \$4.33 billion of equipment through 356 unreserved auctions and its online equipment marketplace during 2016. This is a new annual record for the Company, and represents a 2% increase in gross auction proceeds (GAP) compared to 2015.

"During 2016 we made strategic investments and acquisitions to better position our business for future growth, including the addition of an equipment sales listing offering, obtaining full ownership of Ritchie Bros. Financial Services, key bolt-on acquisitions to bolster our strength in certain regions and sectors, and the announcement of our impending acquisition of IronPlanet. All of these initiatives have built a stronger platform for our customers and shareholders as we expand our service offering and the solutions we provide equipment sellers.

"Mr. Saligram continued: "The two percent GAP growth we recorded this year was negatively affected by lower equipment values relative to last year, though lot volume, buyers, consignors and registered bidders all grew substantially from 2015, indicating strong operational growth. Lot volumes grew nearly 13%, the number of buyers and consignors grew by 12%, and the number of registered bidders grew by 8%. Regionally, our Canadian business led growth, and achieved yet another record year."

During the fourth quarter of 2016, the Company generated gross auction proceeds of \$1.0 billion, a decrease of 9%

compared to the fourth quarter GAP achieved last year. On a constant currency<sup>1</sup> basis, GAP declined 8.5% during the fourth quarter of 2016 compared to the fourth quarter of 2015. As previously discussed on Ritchie Bros.' Q3 2016 earnings call, auction timing differences did affect the quarter, with both the fall Montreal and Columbus auctions of 2016 occurring in the third quarter this year, rather than in the fourth quarter as they did in 2015.

Ritchie Bros. conducted its final unreserved auction of 2016 on Wednesday, December 21 in St. Louis, Missouri. The Company plans to release its full audited financial results for 2016 before market open on February 20, 2017.

## Gross Auction Proceeds:

(in U.S. \$ billions)	2016	2015	Growth / (Decline)	Constant currency growth <sup>1</sup> (using the same foreign exchange rates as 2015 period)
First quarter (3 months ended March 31)	\$ 1.020	\$ 0.955	7%	9%
Second quarter (3 months ended June 30)	\$ 1.276	\$ 1.262	1%	3%
Third quarter (3 months ended September 30)	\$ 0.998	\$ 0.895	12%	12%
Fourth quarter (3 months ended December 31)	\$ 1.033	\$ 1.135	(9%)	(9%)
Full Year	\$ 4.328	\$ 4.247	2%	3%

<sup>1</sup> To provide investors with a better understanding of organic growth, which removes the impact of foreign exchange rate changes relative to the prior year, we have broken out both reported (FX impacted) GAP growth and organic (FX normalized) GAP growth results. Ritchie Bros. defines constant currency growth as an improvement in current year performance compared to prior year performance, where current year performance is measured using foreign exchange Rates consistent with those of the comparative year ago period. The Company believes that using organic growth information is important in evaluating the operational health of the business.

## Industrial Auction Metrics:

(in U.S. \$ billions)	2016	2015	Better/ (Worse)
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Number of industrial auctions	233	229	2%
Registered Bidders	549,000	507,500	8%
Buyers	138,500	123,700	12%
Consignors	53,500	47,600	12%
Lots	399,000	354,500	13%

## Average Industrial Auction Metrics:

(in U.S. \$ billions)	2016	2015	Better/ (Worse)
Gross Auction Proceeds (US\$ millions)	\$ 16.8	\$ 16.8	n.c.
Registered Bidders	2,350	2,200	7%
Buyers	590	540	9%
Consignors	225	200	13%
Lots	1,710	1,540	11%

## US performance

Ritchie Bros. sold approximately US\$2.1 billion of equipment and trucks in the United States during 2016 – unchanged from US\$2.1 billion in 2015. Certain regions of the US generated strong performance, including:

- A 58% increase in GAP sold in Ohio
- A 50% increase in GAP sold in Las Vegas
- A 34% increase in GAP sold in Minnesota
- A 23% increase in GAP sold in Arizona

A number of Company records were broken in the US this year, including:

- On March 17 – 18, 2016, Ritchie Bros. sold more than US\$46 million of equipment and trucks at its largest-ever Denver, Colorado auction. The two-day auction also set new Denver site records for attendance (5,950+ bidders) and items sold (3,950+).
- On August 17, 2016, Ritchie Bros. sold US\$21 million of assets at its Tipton, California auction. This was the largest-ever auction held at the Tipton auction site.
- On September 28-29, 2016, the Company held its largest ever two-day auction in the United States, at its Columbus, Ohio auction site. More than US\$76 million of assets were sold at this auction, including US\$61 million on the auction's first day – the largest single day Ritchie Bros. has ever achieved at an auction in the U.S.

### Largest year ever in Canada

Ritchie Bros. sold more than CA\$1.7 billion (US\$1.3+ billion) of equipment and trucks in Canada during 2016 – a 6% increase from 2015, and a new record for the Company's Canadian operations. A number of other Company records were broken in Canada this year, including:

- On March 14 -15, 2016, Ritchie Bros. held its largest-ever Grande Prairie, Alberta auction, selling more than CA\$62 million (US\$46+ million) of equipment on behalf of 250+ consignors. The two-day auction attracted 7,150+ registered bidders, which was also a new site record.
- On March 30, 2016, Ritchie Bros. held its largest-ever 'on-the-farm' offsite agricultural auction, selling more than CA\$24 million (US\$19+ million) of equipment and real estate from a consignor's farm in Bonanza, Alberta.
- The first ever 5-day auction in Canada, held in Edmonton, AB, April 26 – 30, 2016. This massive CA\$240+ million (US\$191+ million) auction was Ritchie Bros.' largest auction ever held in Canada, and the second largest in the Company's history. The sale attracted more than 16,700 bidders from 55 countries, and sold over 10,200+ lots. 84% of the assets sold in this auction went to Canadian buyers, including 46% sold to buyers within the province of Alberta.
- On July 21-22, 2016, Ritchie Bros. held its first two-day Lethbridge, AB auction, selling CA\$24+ million (US\$18+ million) of equipment and other assets – a new record for the site.
- On September 28-29, 2016, Ritchie Bros. sold more than CA\$39 million (US\$30+ million) of equipment and other assets at its auction in Toronto, ON. This was largest auction ever held at the Toronto auction site, and the second time in 2016 the site set new sales records.

### International participation at auctions

International bidders are an important element of Ritchie Bros. auctions, as they generate global market pricing. During 2016, approximately 16% of GAP was generated by international buyers (successful bidders located outside the country of the sale), consistent with 16% in 2015. Approximately 9% of GAP generated in the United States was sold to international buyers, consistent again with 9% in 2015.

## Online sales

Ritchie Bros. attracted record online bidder registrations and sold approximately \$2.1 billion of equipment, trucks and other assets to online buyers at Ritchie Bros. auctions and EquipmentOne customers in 2016, a 10% increase over 2015 and the highest amount ever sold online by the Company in one year.

## EquipmentOne sells approx. \$137+ million in Gross Transaction Value in 2016

EquipmentOne, the Company's online equipment marketplace, has generated more than US\$137 million in Gross Transaction Value (GTV) so far this year, representing 17%+ growth over last year.

## Ritchie Bros. Financial Services finances over \$285 million in 2016

Ritchie Bros. Financial Services (RBFS) provided over US\$285 million of financing to equipment buyers so far this year, a new record for this growing business and a 28.6% increase in financing activity compared to 2015. RBFS works with select lending partners to find financing solutions for customers purchasing equipment, including loans and lease-to-own programs. RBFS does not utilize Company capital in its financing activities. During 2016, Ritchie Bros. purchased the minority interest of RBFS, and now owns 100% of the business.

## Executive and Board changes during 2016

Several important executive and board changes were announced during the year, including the appointment of Marianne Marck as Chief Information Officer, and Becky Alseth as Chief Marketing Officer. The Company also welcomed Sarah Raiss as a director on the board.

## US\$107.2 million return to shareholders

Ritchie Bros. increased its quarterly cash dividend by 6% in August 2016 to \$0.17 per share, and paid shareholders \$70.5 million in total dividends during 2016. During the year, Ritchie Bros. also repurchased and cancelled 1.46 million shares, for a total cost of \$36.7 million.

## Corporate development activities

During 2016, Ritchie Bros. completed and announced several important acquisitions, to reach new customer segments and cater to a broader set of customer needs.

- On February 19, 2016, the Company announced its acquisition of Mascus – one of the world's leading online equipment listing services, adding to Ritchie Bros. menu of sales solutions for equipment sellers.
- On July 12, 2016, Ritchie Bros. acquired the minority interest of Ritchie Bros. Financial Services, providing the Company with 100% ownership of its equipment finance brokerage business.
- Also on July 12, 2016, Ritchie Bros. announced that it has made a strategic minority investment in Machinio – a global search engine for finding, buying and selling equipment.

- On August 2, 2016, the Company acquired Petrowsky Auctioneers, an industrial auctioneer with a strong presence in the New England region of the U.S.
- On August 29, 2016, Ritchie Bros. announced its impending acquisition of IronPlanet – a leading online marketplace for used heavy equipment, for \$758.5 million.
- On November 15, 2016, the Company acquired Kramer Auctions, a boutique agricultural auctioneer that caters to the needs of farming communities in Canada's prairie provinces.

## Upcoming auctions

There are currently 78 unreserved auctions already scheduled for the 2017 Ritchie Bros. auction calendar at [www.rbauction.com](http://www.rbauction.com), including:

- North Franklin, Connecticut on January 26, 2017 (a Petrowsky Auctioneers event)
- Phoenix, Arizona on February 9, 2017
- Donington Park, U.K. on February 14 – 15, 2017
- Houston, Texas on February 15 – 16, 2017
- Tipton, California on February 17, 2017
- Orlando, Florida (a five-day auction) on February 20 – 24, 2017
- Moerdijk, The Netherlands on February 22 – 23, 2017
- Narita, Japan on February 26, 2017 (a Japan Super Auction event)
- Toronto, Ontario on February 27 – 28, 2017
- Dubai, UAE on February 27 – 28, 2017

All annual and fourth quarter figures contained in this news release are preliminary, and are subject to adjustment as final results are processed.

## About Ritchie Bros.

Established in 1958, Ritchie Bros. (NYSE and TSX: RBA) is the world's largest industrial auctioneer, and one of the world's largest sellers of used equipment for the construction, transportation, agriculture, energy, mining, forestry and other industries. Ritchie Bros.TM asset management and disposition solutions include live unreserved public auctions with on-site and online bidding; EquipmentOneTM, an online auction marketplace; Mascus, a global online equipment listing service; private negotiated sales through Ritchie Bros. Private Treaty; and a range of ancillary services, including financing and leasing through Ritchie Bros. Financial Services. Ritchie Bros. has operations in 18 countries, including 45 auction sites worldwide.

## Forward looking statements

This press release may contain forward-looking information. Such forward looking information involves material assumptions, risks and uncertainties, certain of which are beyond the control of Ritchie Bros. Such

assumptions, risks and uncertainties include, without limitation, factors influencing the supply of and demand for used equipment, fluctuations in market conditions and values of used equipment, seasonal and periodic variations in operating results, actions of competitors, the success of the Company's new initiatives, economic and other conditions in local, regional and global markets, and other risks and uncertainties as detailed from time to time in the Company's securities filings. Ritchie Bros.' actual achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking information will transpire or occur. Any forward-looking information is made as at the date of this press release and Ritchie Bros. does not undertake any obligation to update publicly or to revise any of the included forward-looking information, except as may be required by applicable securities laws.

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