Q1 2016 Earnings Review and Update

May 9, 2016

Forward looking statements and non-GAAP measures

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.

This presentation contains 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

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.

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Update from Ravi Saligram

Chief Executive Officer

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Q1 2016 financial highlights

We grew all key financial metrics significantly in Q1 2016

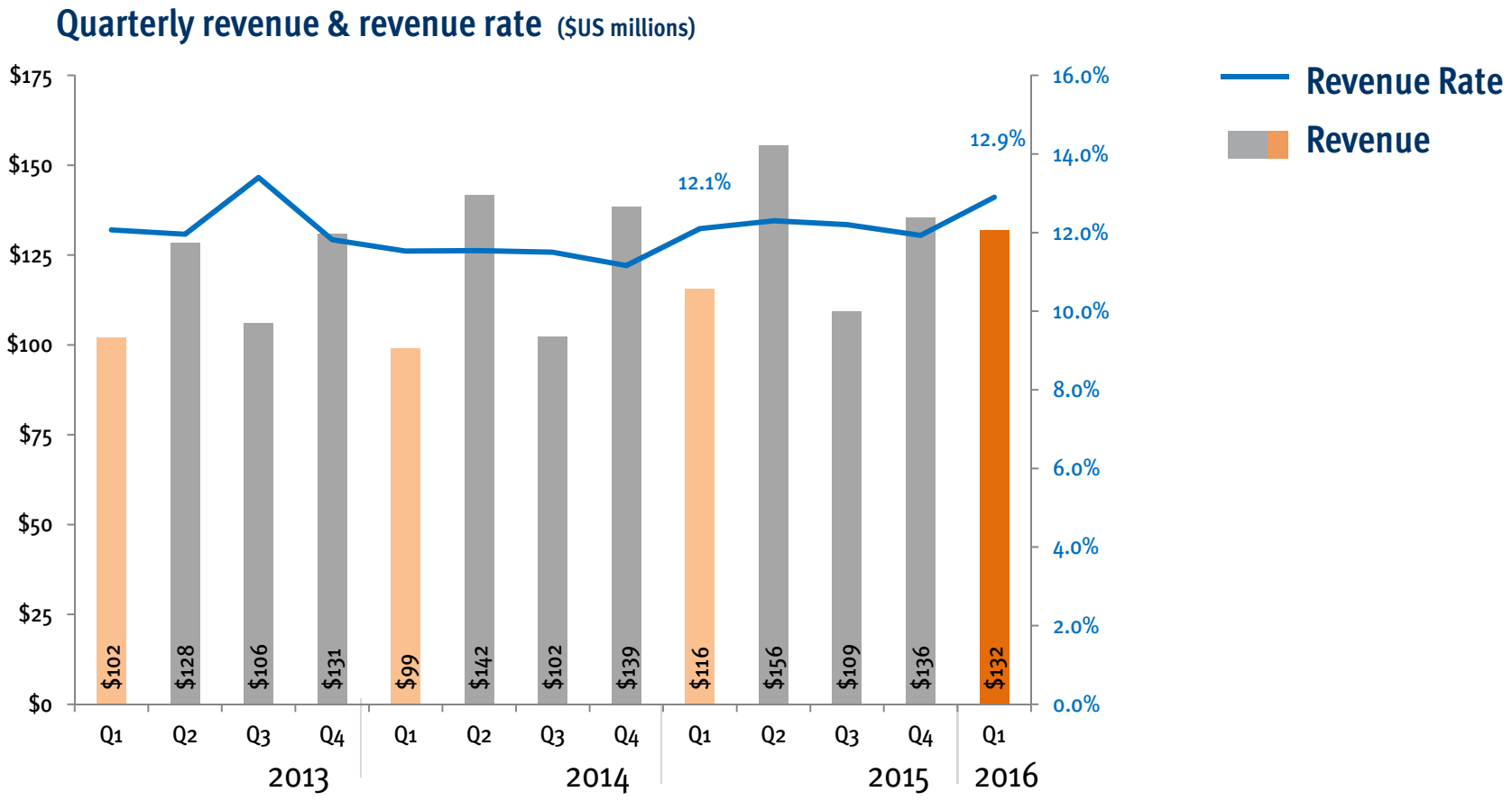
Foreign exchange continues to have an impact on quarterly comparators

	Reported - % Growth Versus Q1 2015	Organic - % Growth Versus Q1 2015
GAP	↑ 7%	↑ 9%
Revenue	↑ 14%	↑ 17%
Operating Income	↑ 19%	↑ 17% | 27%*
Diluted EPS attributable to stockholders	↑ 23%	n/a
Operating Free Cash Flow (12 month rolling)	↑ 20%	n/a
RONA (12 month rolling)	↑ 1350 bps	n/a
ROIC (12 month rolling)	↑ 250 bps	

* Excludes the impact of both translational and transactional foreign exchange in Q1 2015 and Q1 2016. 17% improvement if FX gains are included in both periods, due to fluctuations in FX gains.

Meaningful growth in Revenue Rate in Q1: +84 bps

Translational foreign exchange continued to affect revenue line

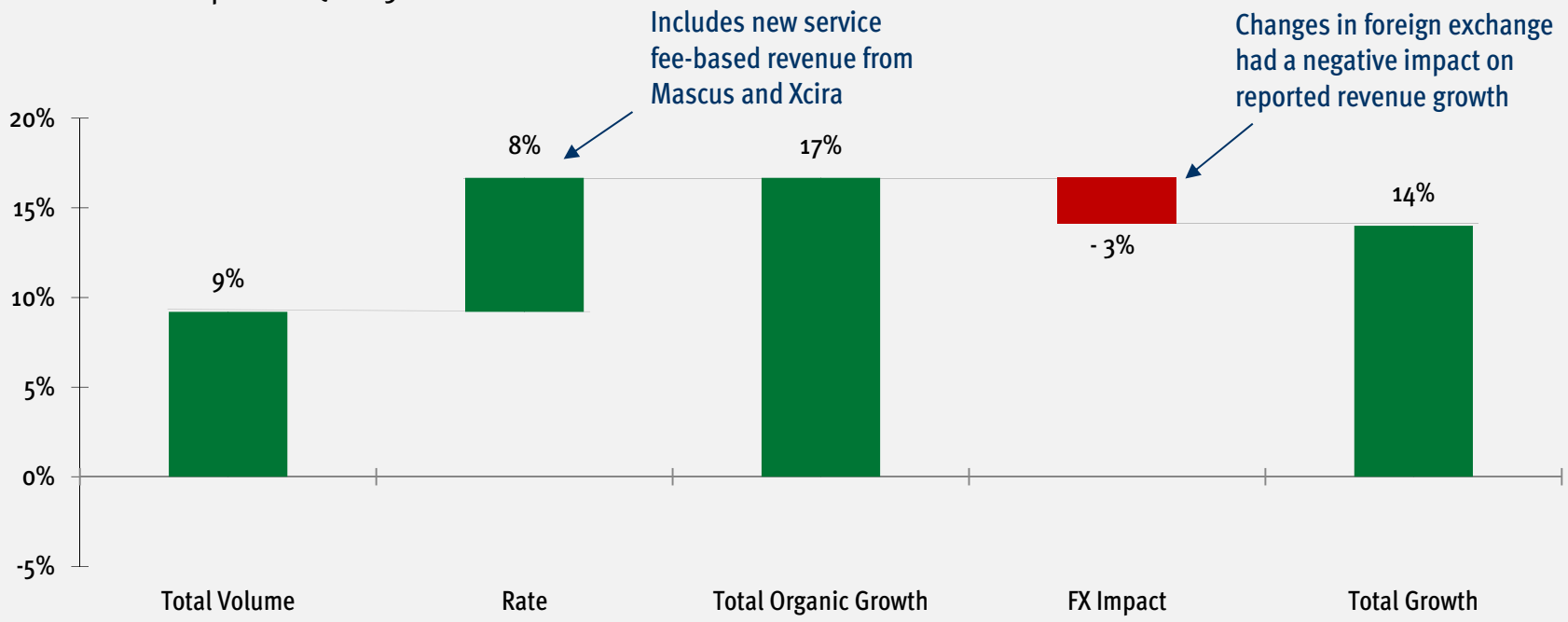


Volume & rate increases contributed to revenue growth

FX continues to mute reported revenue growth

Breakdown of revenue growth/decline, % attributable to item

Q1 2016 revenue compared to Q1 2015 revenue



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Revenue rate strength from various components

Our core auction business is performing well

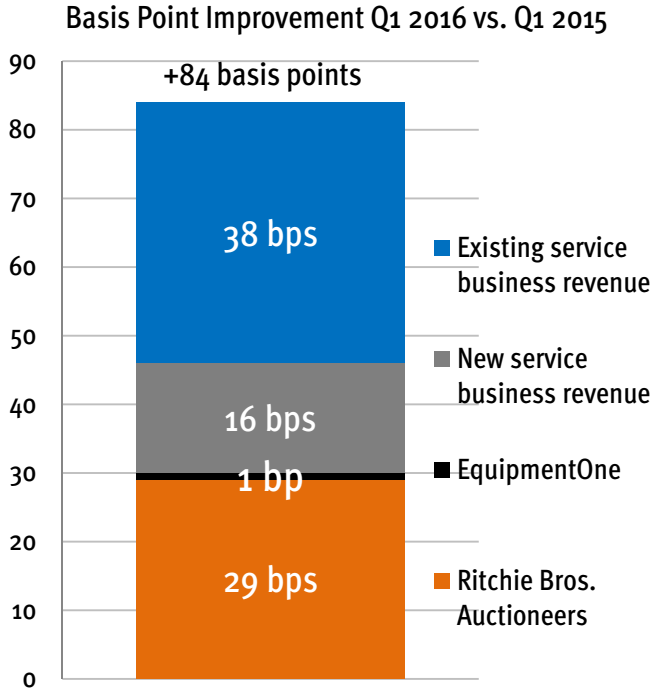
Our service businesses, both new and existing, are rapidly contributing to revenue growth

- New services based business units (Mascus and Xcira) contributed 16 bps of revenue rate growth
- Growth in revenue from existing services based businesses (RBFS, refurbishment, painting, shipping, etc.) improved the Q1 2016 rate by 38 bps compared to Q1 2015

Our auction businesses continue to generate healthy revenue rates:

Ritchie Bros. Auctioneers	EquipmentOne
11.85% revenue rate (Q1 2016)	13.96% revenue rate (Q1 2016)

Components of Rev Rate improvement



We continue to believe that an 11 to 12% revenue rate for the core auction business (Ritchie Bros. Auctioneers) is appropriate. Service based businesses will further bolster the total revenue rate.

We believe about 12% or more is an appropriate revenue rate for the total company on an annual basis*

*Quarterly fluctuations should be expected given the lumpy nature of the business.

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RBA Core Auction business continues to perform well

Auction volumes up 9%, supporting revenue growth; Revenue rate +29 bps

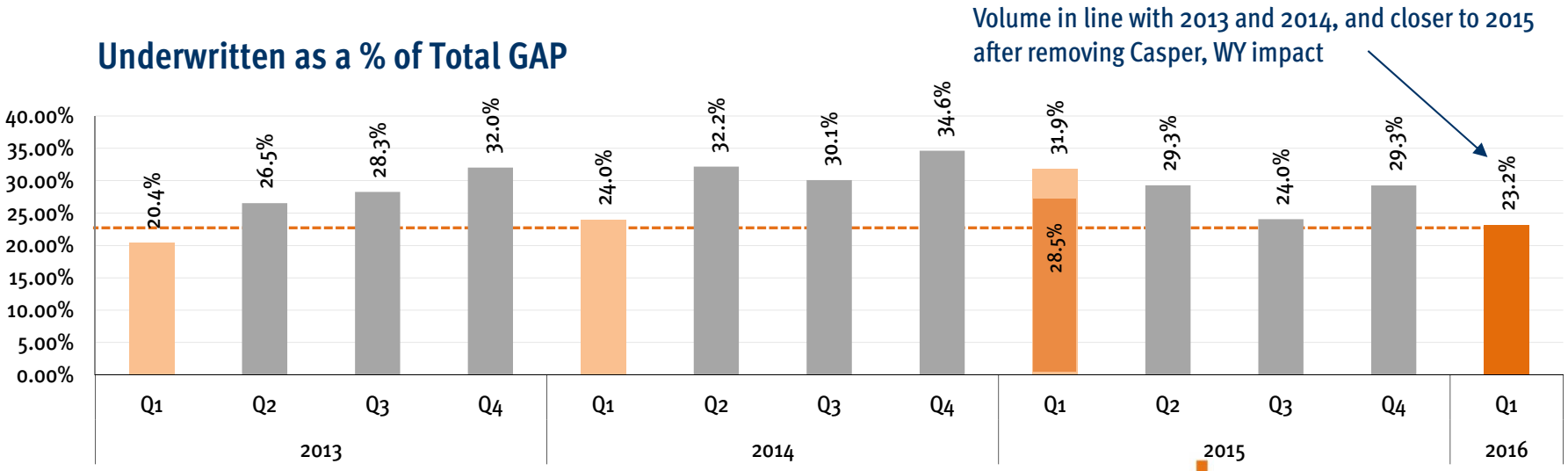
Strong straight commission and buyers fee performance

Underwritten business performed extremely well; albeit slight decrease in rate vs. Q1 2015

- In Q1 2016 underwritten business rate was significantly better than the previous three quarters

Underwritten business remains a key priority

- However, will achieve optimal balance in rate improvement vs. GAP growth in 2016 to drive revenue growth
- On a trailing 12 month basis (to Q1 2016), our underwritten rate has increased over 100 bps.



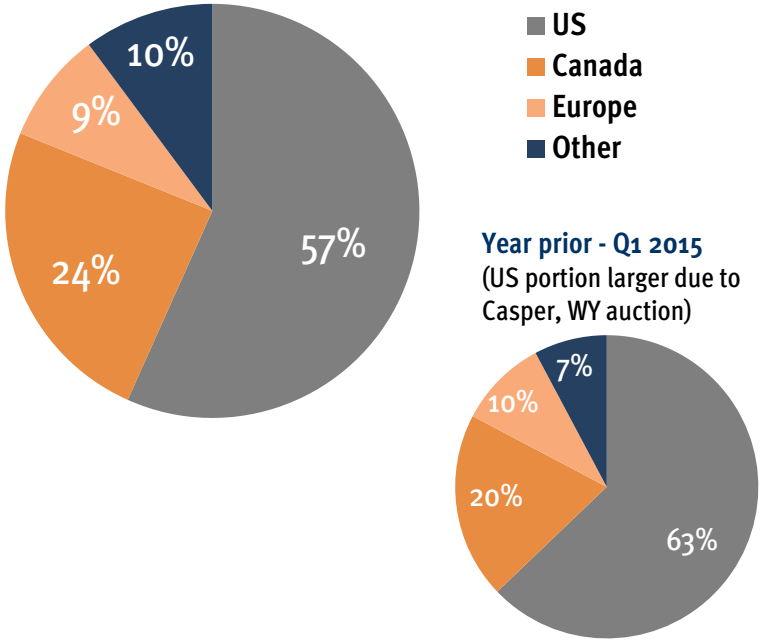
Most geographies contributed to strong revenue growth

Revenue growth in Canada, Australia and the Middle East drove most of the revenue growth in Q1 2016 relative to Q1 2015

US performed as expected, in light of very difficult comp ($54 mil Casper auction in March last year)

Geographic breakdown of Q1 revenue

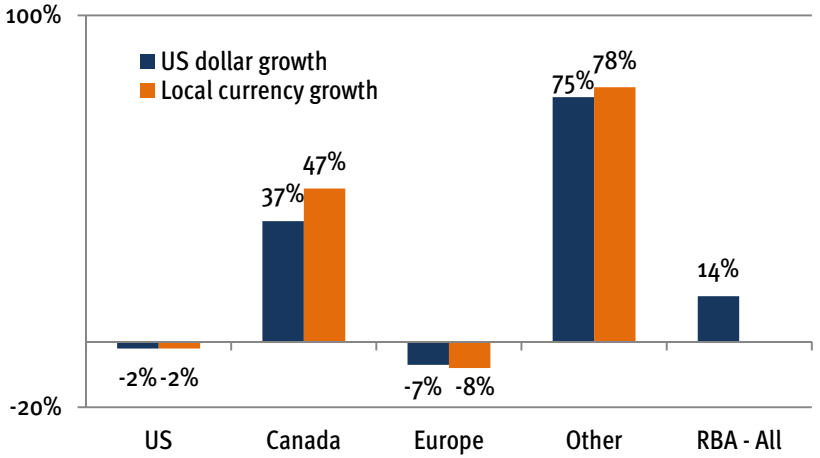
$US revenue



Year prior - Q1 2015
(US portion larger due to Casper, WY auction)

Q1 Core auction revenue growth rates

$US growth; local currency



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Construction and sales/rental customers bolstered volume

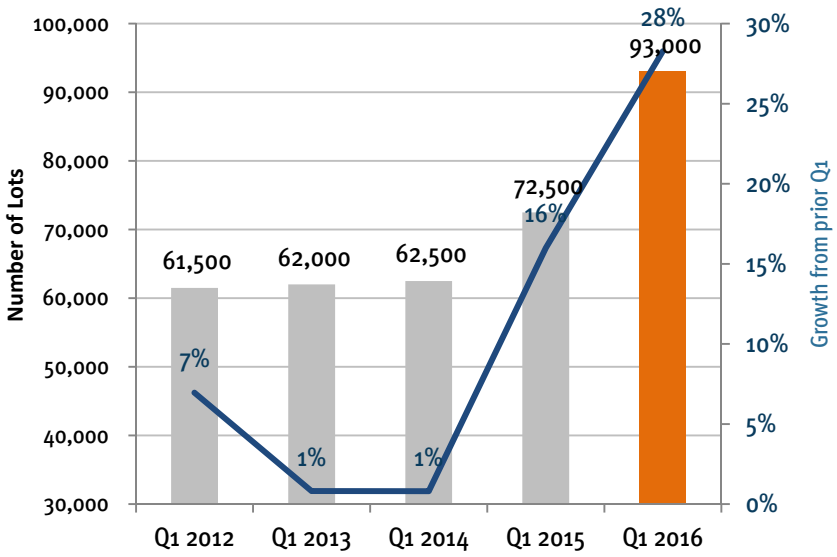
Auction volumes increased 28% to a Q1 record of 93,000 lots during Q1 2016

Increased consignments from construction related customers drove most of the volume increase

Consignments from equipment distributors grew 20% compared to Q1 last year

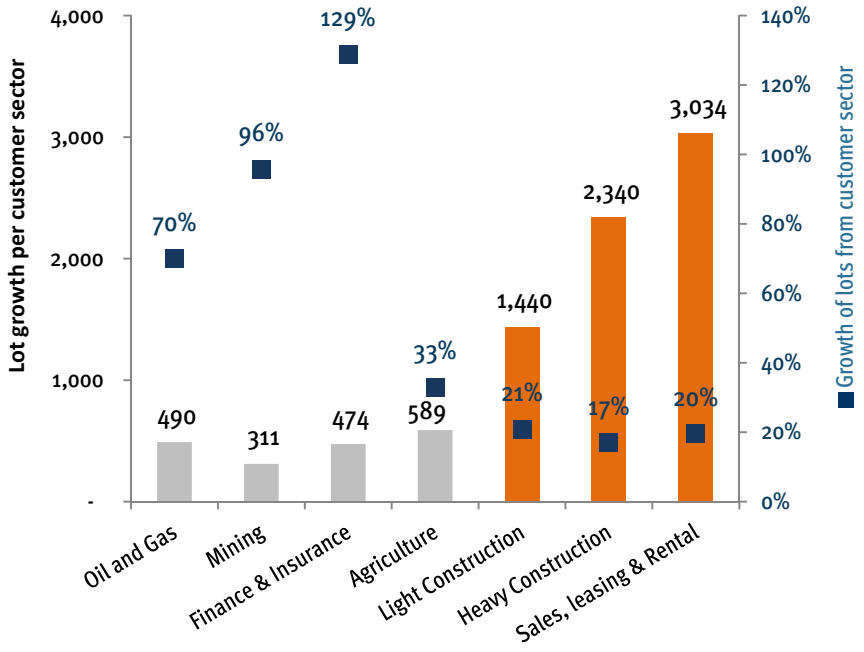
Q1 Auction volumes (Lot count)

Total lots sold per quarter



Q1 2016 Incremental Lots per Customer sector

Lot growth per customer (seller) sector, compared to Q1 2015[1]



[1] Selected customer sectors. Does not include all sectors equipment came from.

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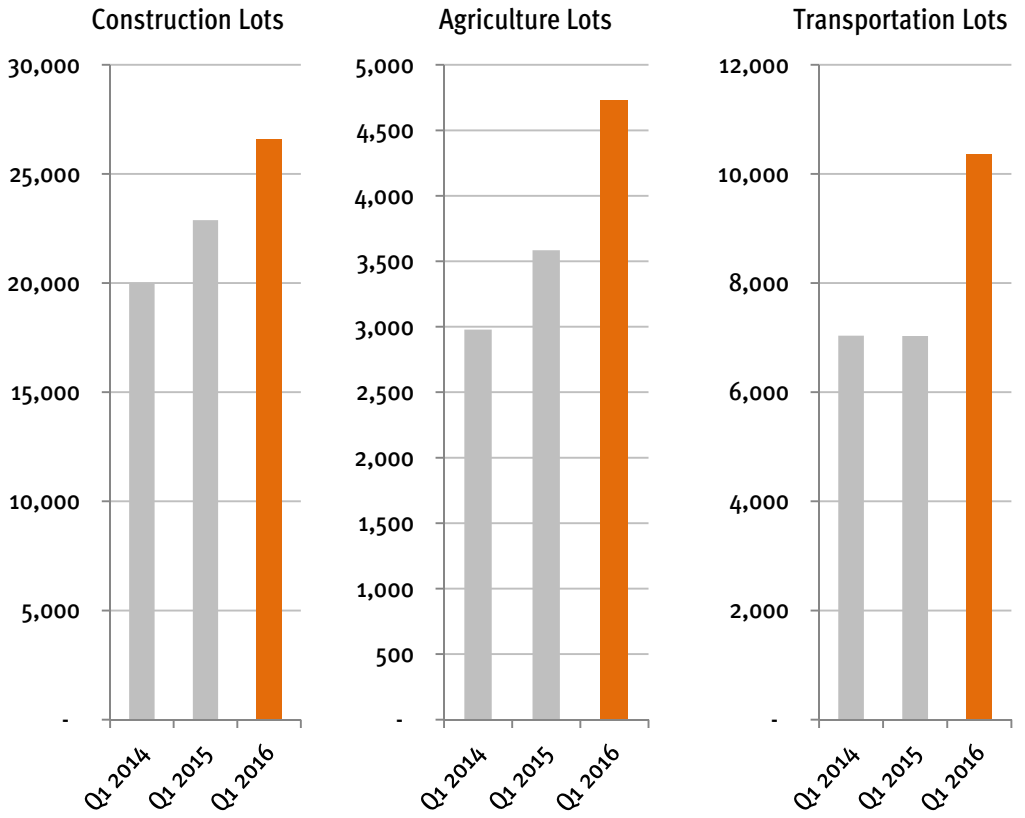
Growth of target sectors evident

GAP is growing in all our key sectors: Construction, Agriculture and Transportation; Transportation led the growth

Lot volume in each sector is driving the growth given slightly softer pricing for some assets relative to the pricing peak of Q1 2015



Q1 2016 vs. Q1 2015
By ASSET CATEGORY

Construction assets:
Lots ↑ 16%

Agricultural assets:
Lots ↑ 32%

Transportation assets:
Lots ↑ 47%

* By asset category, not by customer sector. For example, a truck sold by a construction company would be allocated to the construction sector by customer, but to the transportation sector by asset type.

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Q1 2016 auction highlights

Bonanza, Alberta – March 30, 2016
CA$24+ million of GAP LARGEST 'ON-THE-FARM' AG AUCTION EVER HELD BY RBA

Denver, Colorado – March 17-18, 2016
US$46+ million of GAP LARGEST EVER DENVER AUCTION

Grande Prairie, Alberta – March 14-15, 2016
CA$62+ million of GAP LARGEST EVER GRANDE PRAIRIE AUCTION

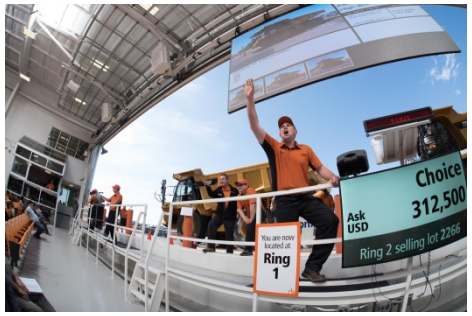
Fort Worth, Texas – March 2-3, 2016
US$57+ million of GAP 5,850+ LOTS SOLD (A TEXAS RECORD)

Dubai, UAE – March 1-2, 2016
US$41+ million of GAP (54% INCREASE RELATIVE TO LAST YEAR!)

Edmonton, Alberta – February 24-26, 2016
CA$120+ million of GAP

Orlando, Florida – February 15-19, 2016
US$172+ million of GAP

Post Q1 2016:
Massive CA$240 million auction in Edmonton:
April 26 – 30, 2016



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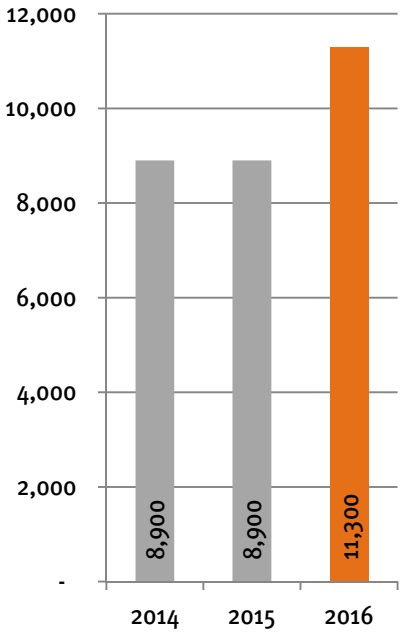
Strong auction operational performance

The number of consignors, registered bidders and buyers has grown meaningfully relative to prior first quarters[1]

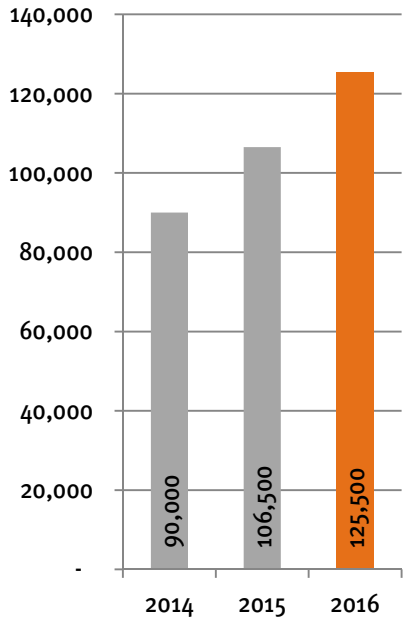
Demonstrates the operational strength of our core business

Consignors



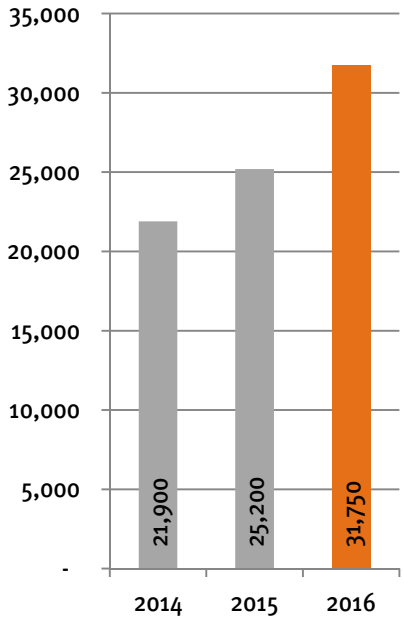
The number of consignors increased 27% compared to Q1 2015

Registered Bidders



The number of registered bidders increased 18% compared to Q1 2015

Buyers



The number of buyers increased 26% compared to Q1 2015

[1] Data is for Industrial auctions only.

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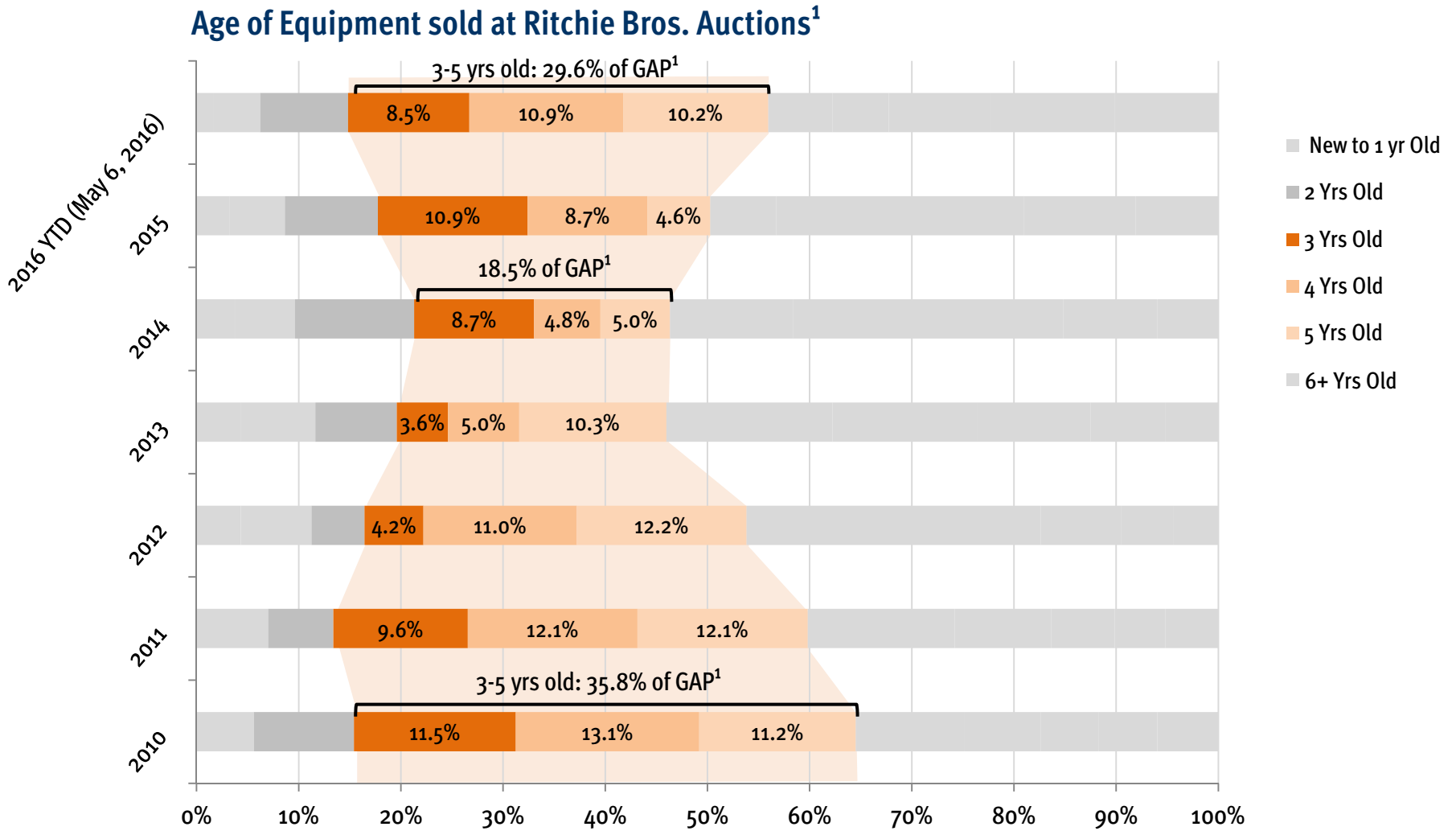
Highest proportion of GAP from 3-5 yr old equipment since 2011



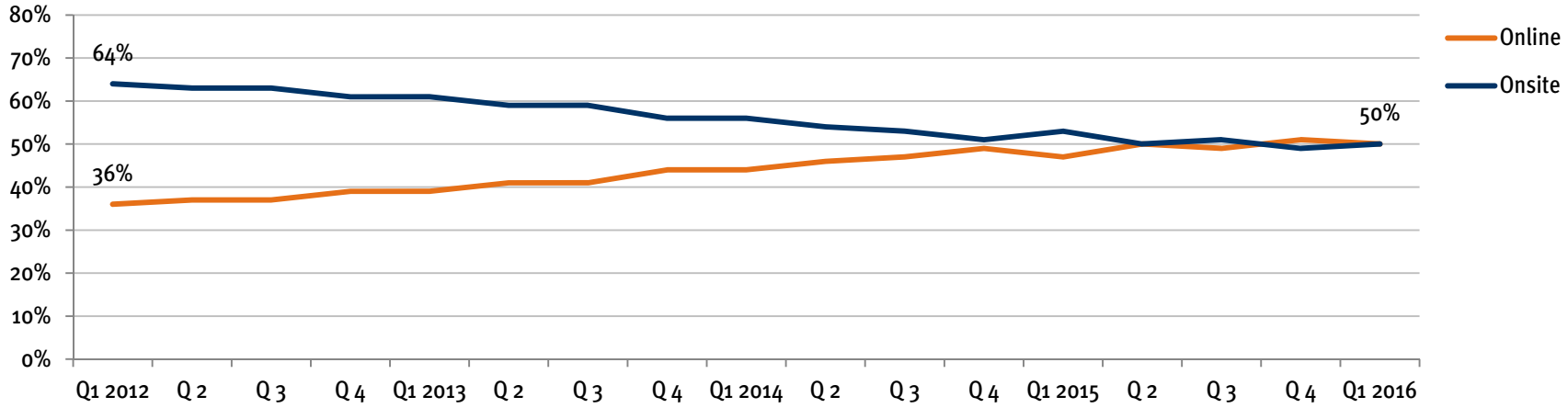
[1] Industrial auctions only. Excludes equipment over 10+ years and equipment with unknown ages.

50% of our buyers are now online

The strength of our live (simulcast) online bidding capabilities is valued by our customers

- During Q1 2016 we attracted record first quarter online bidder registrations
- 62% of registered bidders during Q1 were online bidders
- Sold approx. $449 million of assets through online transactions during Q1 2016, an increase of 11% from Q1 2015; comprising 44% of Q1 2016GAP

Percent of buyers: On site or online



*Industrial auction data

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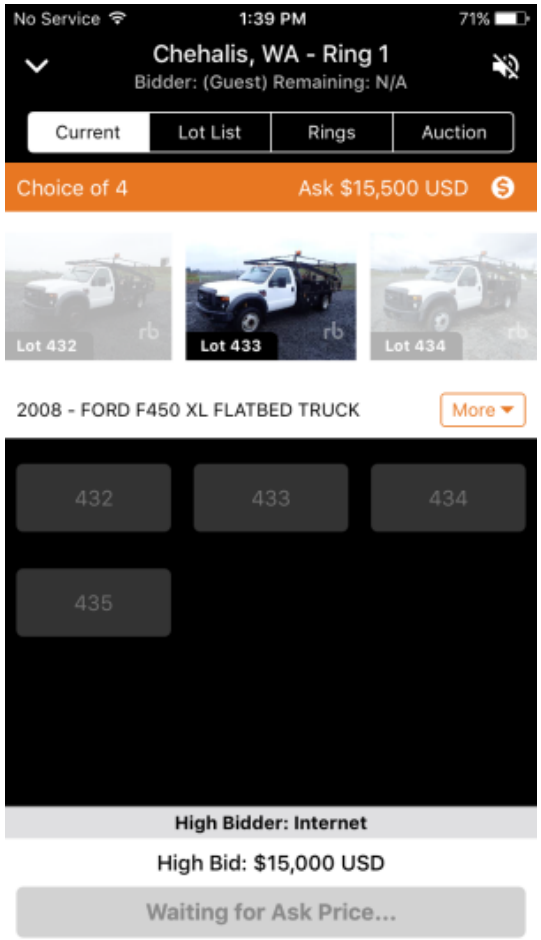
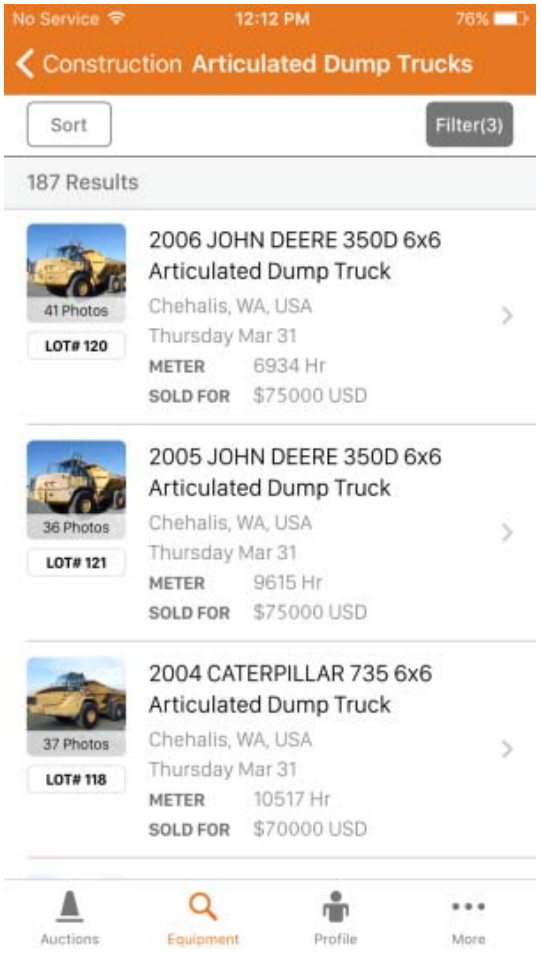
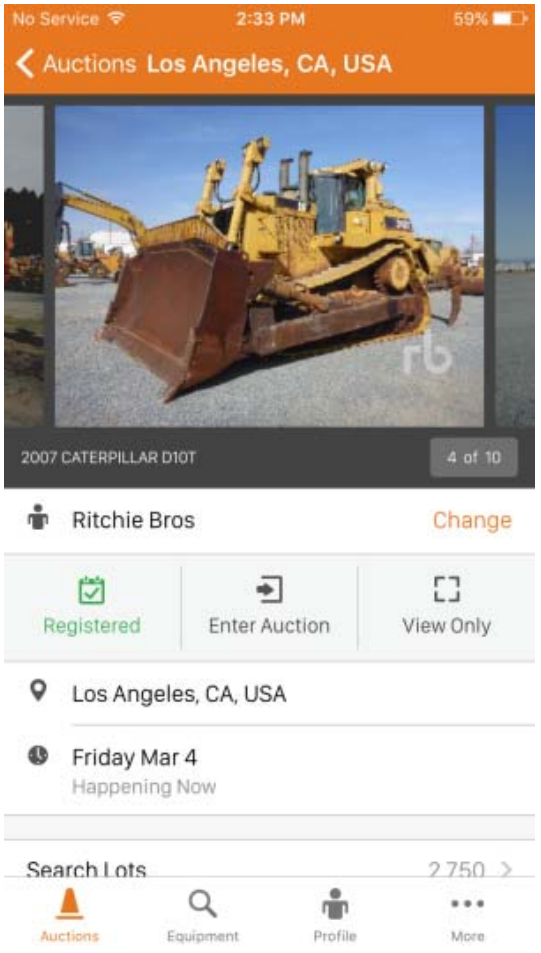
The Ritchie Bros. App – Sample Screens







The Ritchie Bros. App: Phase 1 Features

The Ritchie Bros. app provides a mobile channel with which to stay connected to and purchase equipment at auction.

Feature list:

- Equipment Search
- Equipment Details
- Auction Listing / Details
- Auction Registration
- Sign In / Authentication
- Profile & Bidding Limit Information
- **Live Auction Bidding** and Viewing
- Multi Ring participation and navigation
- Purchase History (proforma invoice)

Key Milestones

- Completed version 1 In Q1
- Currently beta testing at live auctions
- First mobile bidding transactions in Q1
- Full roll-out

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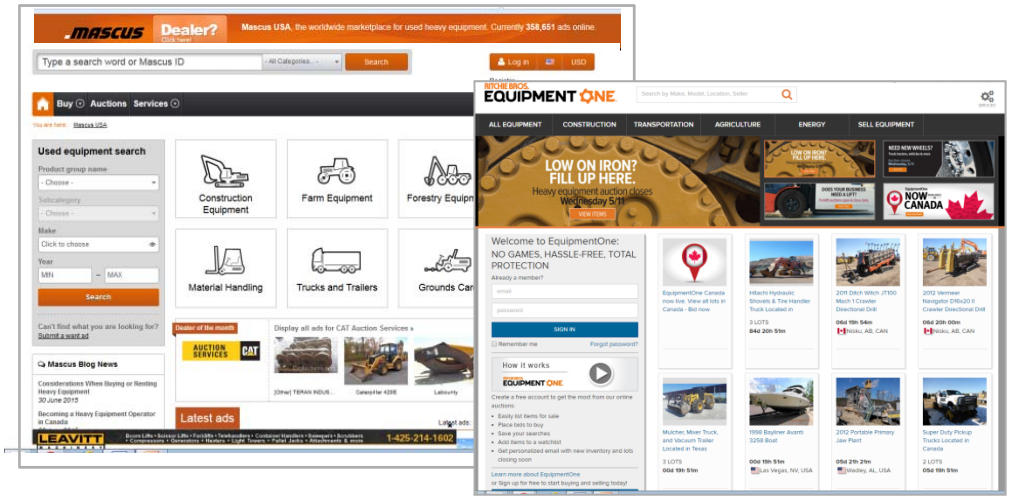
Other sales channels continue to perform well

EquipmentOne and Mascus are now reporting as “Other” business segment

Both are considered to be online only service models, to facilitate the sale of equipment

- Segment produced $4.6 million of revenue in Q1 2016 *(Mascus contribution not a full quarter, acquired in February 2016)*
- Generated $0.5 million of Costs of Services; $3.5 mil of SG&A (excl. Dep & Amort)
- Both businesses operated EBITDA positive
- Mascus contributed positively to earnings;
- Depreciation and Amortization of intangible assets main drag on E1 earnings



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EquipmentOne performing as expected

Strategies to grow EquipmentOne taking hold

- Expanded EquipmentOne into Canada during Q1 2016
- $23.7 million of Gross Transaction Value (GTV) sold through E1 during Q1 2016, a 9% increase from Q1 2015
- Revenues grew 12%

EquipmentOne metrics	Q1 2016 performance
GTV	$23.7 million
Revenue Rate	13.96%
Revenue	$3.3 million (12% improvement to Q1 2015)
Cost of Services	$0.4 million
SG&A expenses	$2.5 million

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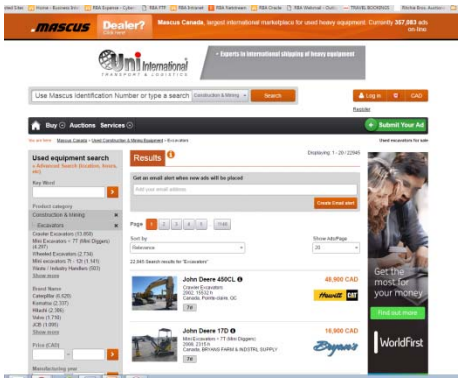
Mascus acquisition in Q1 drove slight fee revenue increase

Contributing positively to our results

- Mascus contribution was not a full quarter; acquired on February 19, 2016
- Generated positive earnings, but relatively immaterial impact in Q1

No operational impacts to Mascus as a result of our acquisition

- No integration of systems ; business as usual
- Current mandate to “Do no harm” to existing Mascus business



Mascus generated 3.6 million of average monthly users to its website in Q1 2016

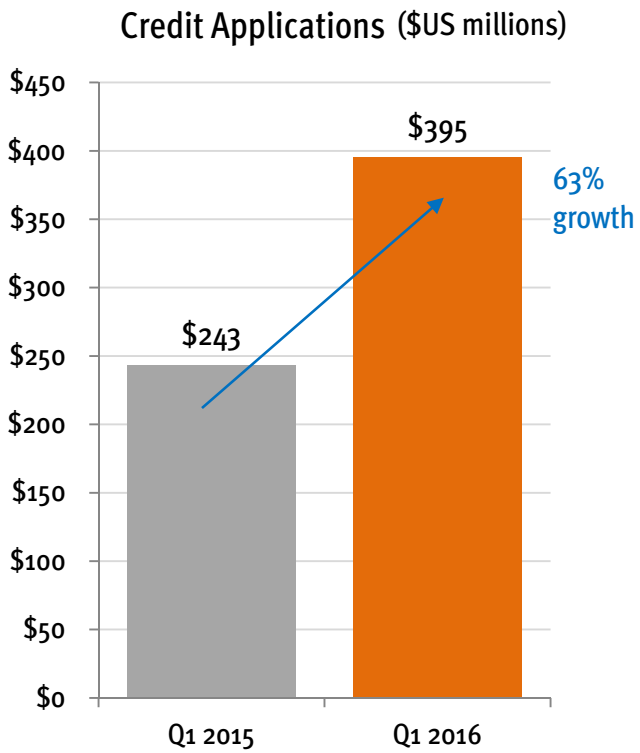
Mascus metrics	Q1 2016 performance (Partial quarter contribution)
Revenue	$1.3 million
Cost of Services	$0.1 million
SG&A expenses	$0.7 million

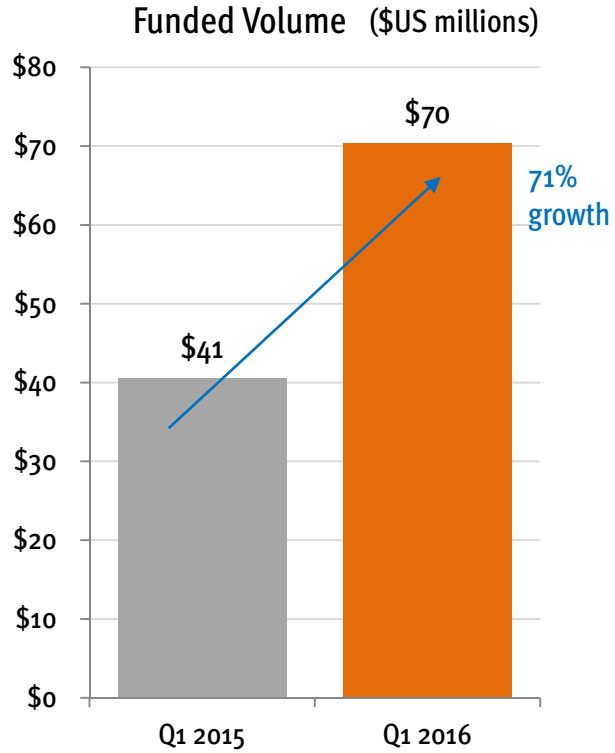
Ritchie Bros. Financial Services

LOANS • LEASING • STRUCTURED FINANCE • DEALER SOLUTIONS

Q1 2016 revenue from RBFS grew 53% compared to Q1 2015

Penetration into addressable market increased 83%





Q1 2016 Performance

Sharon Driscoll, Chief Financial Officer

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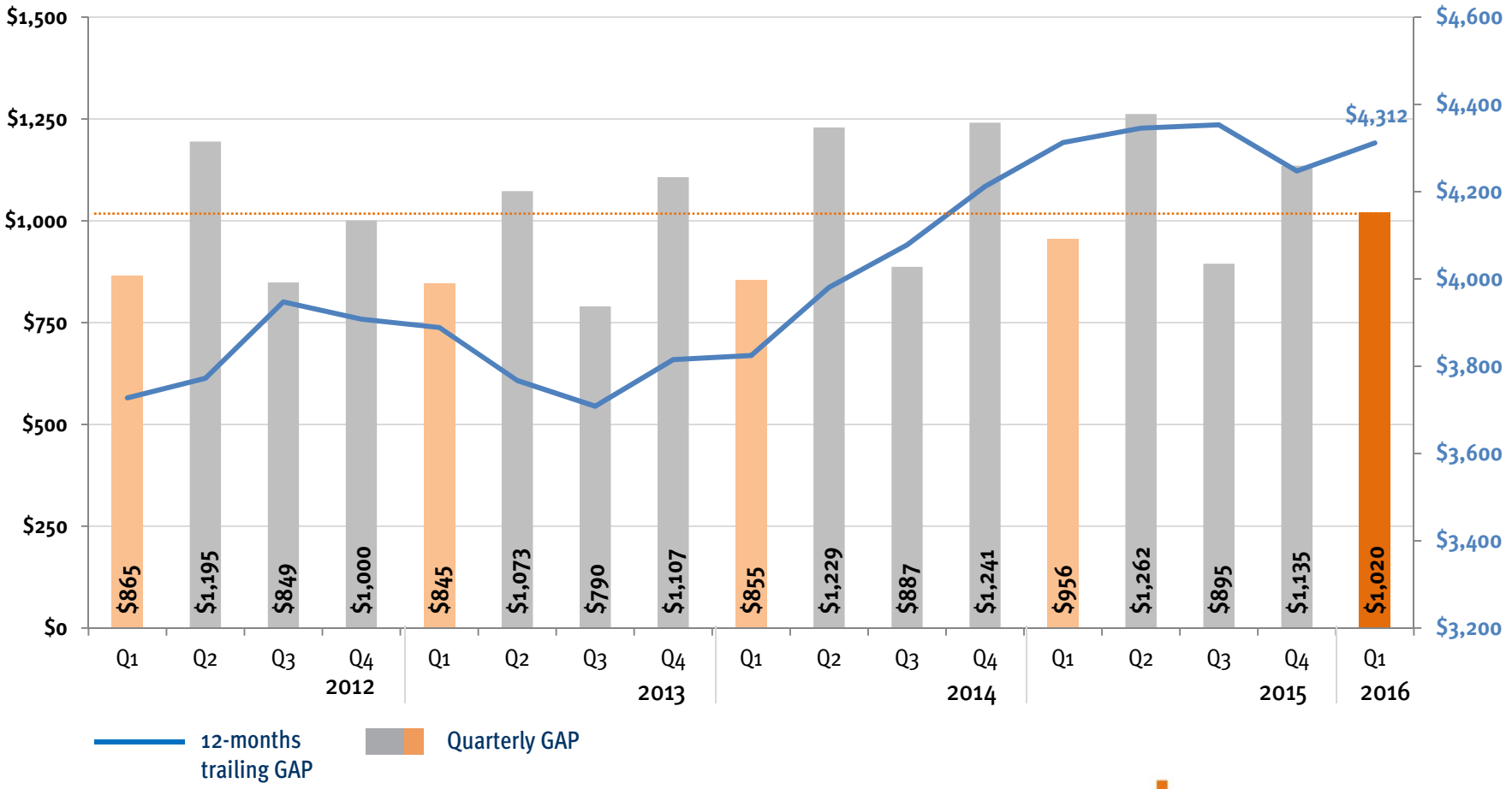
Quarterly gross auction proceeds (GAP)

Quarterly Gross Auction Proceeds

($US millions)



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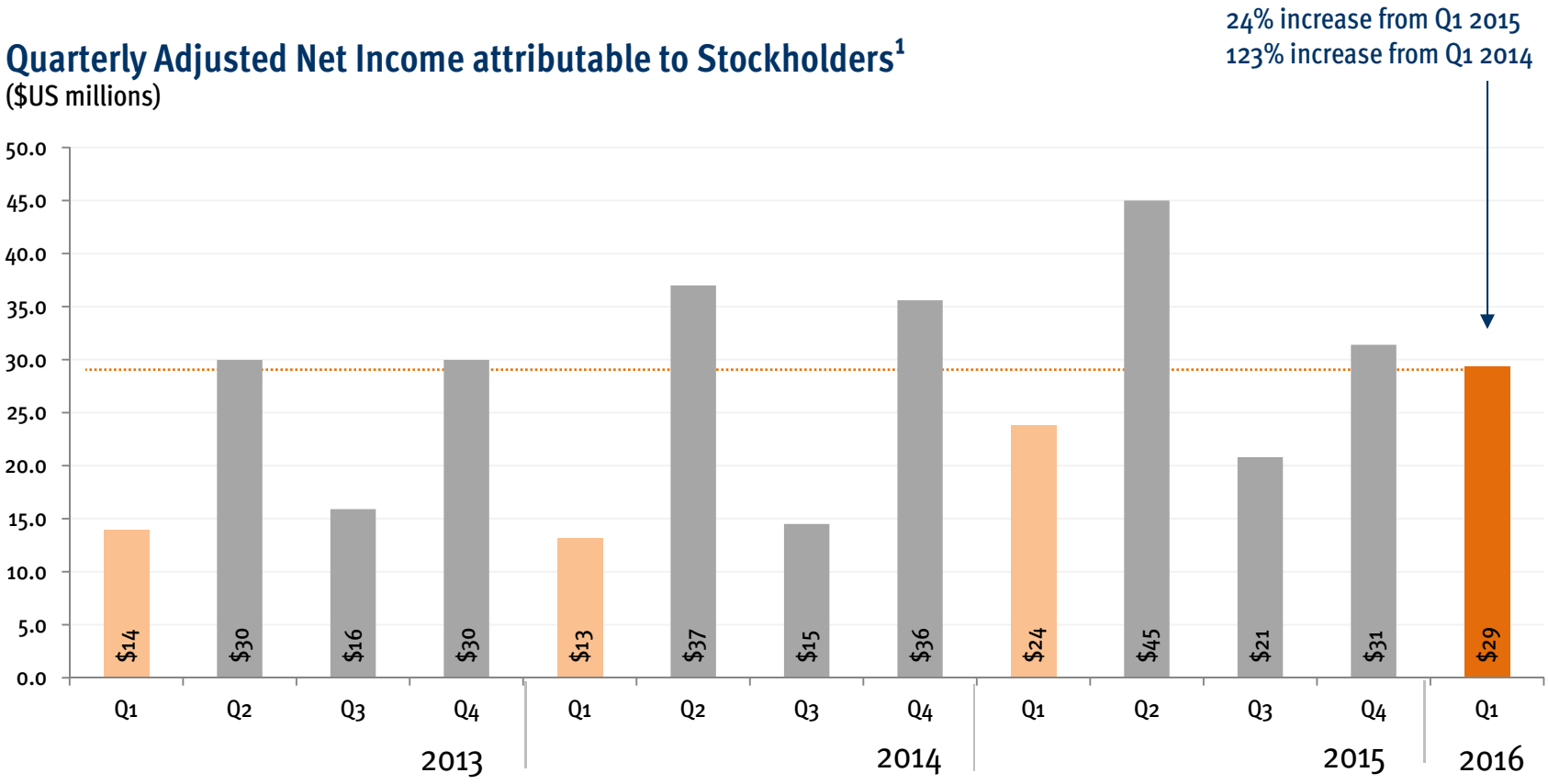
Strong earnings growth

Q1 2016 net income grew 24% relative to Q1 2015

Driven by strong revenue growth

Quarterly Adjusted Net Income attributable to Stockholders[1]

($US millions)



[1] Earnings attributable to Ritchie Bros. Incorporated. Excludes minority interest of Ritchie Bros. Financial Services and Xcira.

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Income statement scorecard – Q1 2016

GAP and revenue rate growth bolstered earnings

Operating income would have grown 29% if not for FX gains now accounted for above the line (US GAAP)

Q1 2016 Income statement scorecard

3 months trailing ($US Millions except for EPS, %)	March 31, 2016	March 31, 2015	*Better / (Worse)*
GAP	$1,019.9	$955.6	*7%*
Revenues	$131.9	$115.6	*14%*
Revenue Rate	12.94%	12.10%	*84 bps*
Adjusted Operating Income*	$39.2	$33.0	*19%*
Adjusted Operating Income Margin*	29.7%	28.5%	*120 bps*
EBITDA	$49.3	$43.6	*13%*
Diluted EPS attributable to stockholders	$0.27	$0.22	*23%*

*There were no adjusting items during Q1 2016 and Q1 2015.

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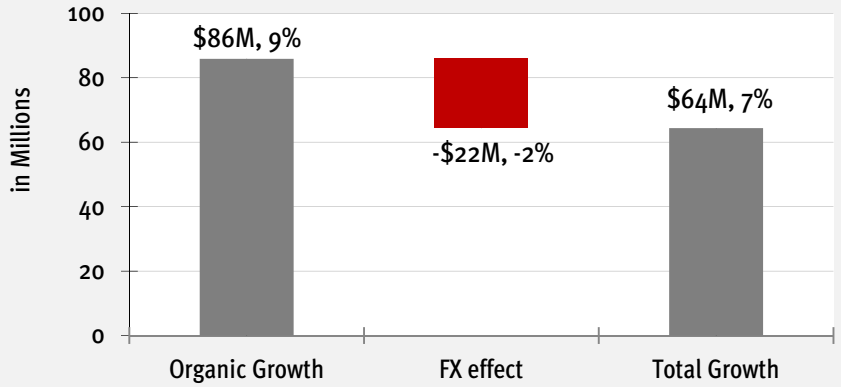
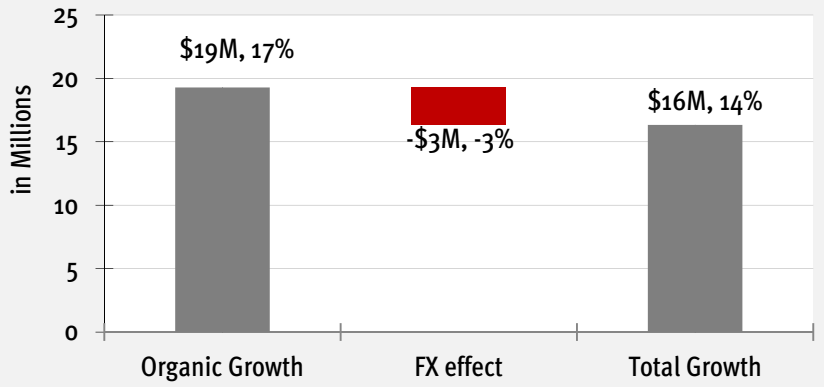
Impact of FX on our Q1 2016 performance

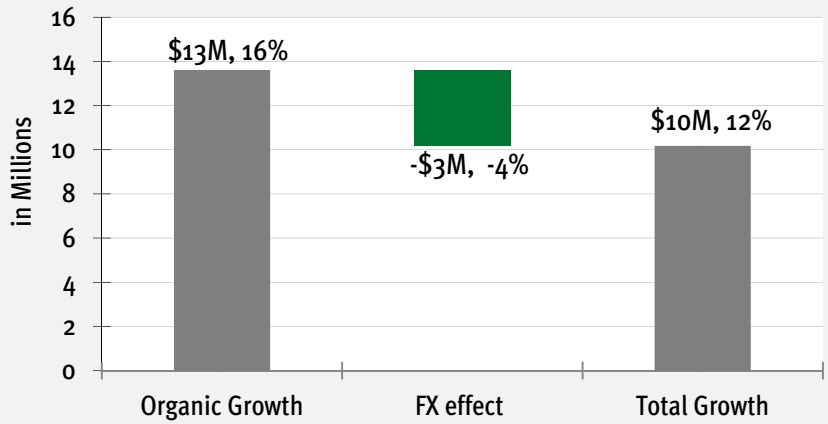
GAP/GTV and FX – Q1 2016



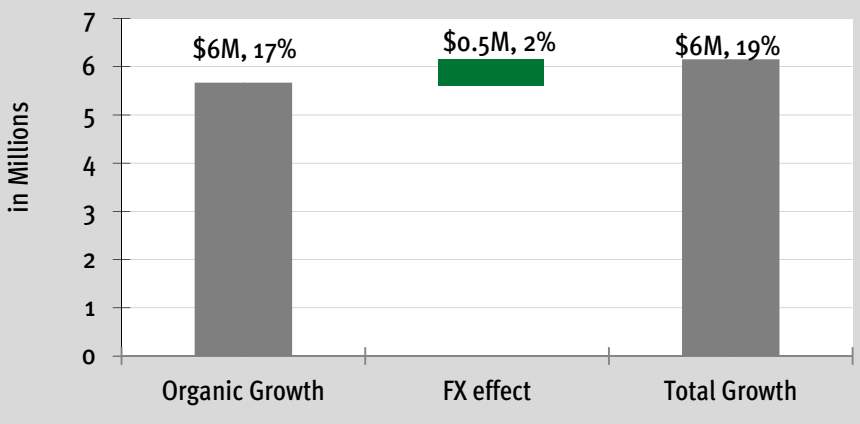
Revenue and FX – Q1 2016



Expenses (DE, SG&A, D&A) and FX – Q1 2016



Operating Income and FX – Q1 2016



* Figures rounded to the million

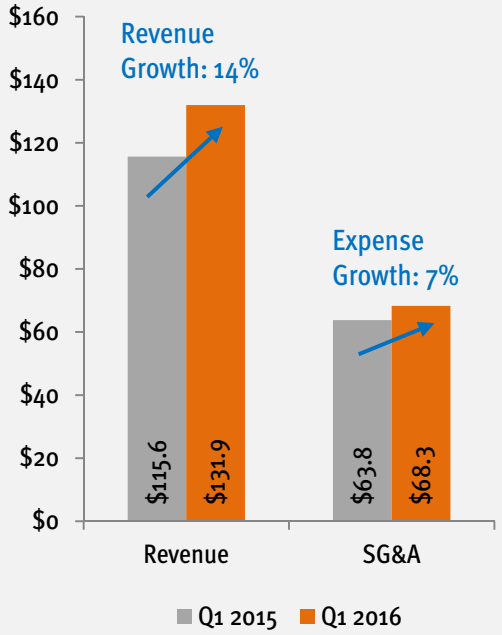
Revenue grew at twice the rate of SG&A

Committed to keeping expense growth lower than revenue growth on annual basis

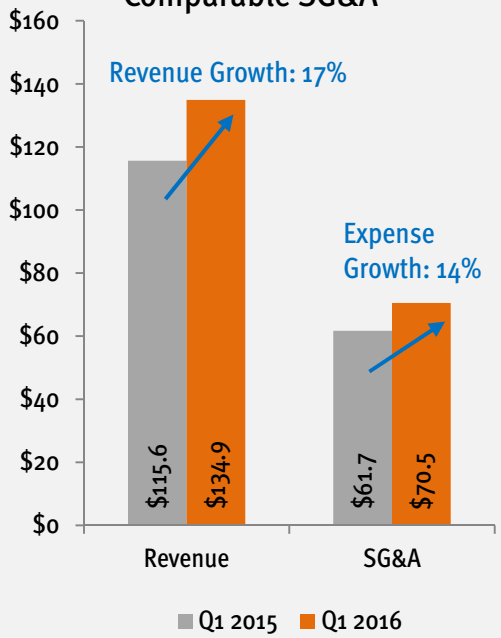
Reported revenue grew 14%, while SG&A grew 7%
On an organic comparable basis revenue grew 17% while SG&A grew 14%

Q1 2016 Quarterly revenue and SG&A growth ($US mil)

Reported Revenue and SG&A



Organic Revenue and Organic Comparable SG&A



SG&A normalized to:

- Exclude $2.1 mil of restructuring expenses in Q1 2015
- Exclude acquisition related expenses in Q1 2016

YoY SG&A expense increases related to:

- Bonus accrual increase
- Planned staffing changes (YoY)
- Mark-to-market adjustments for share based comp expenses
- Increase in IT license fees

Modeling expense lines

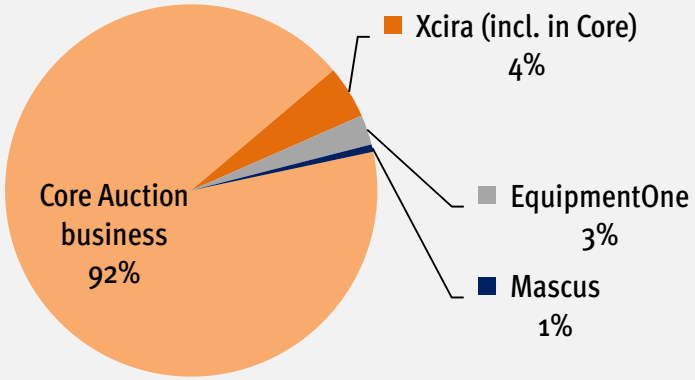
Introducing 'Costs of Services' to better reflect the cost of offering online

- No longer called "Direct Expense" to better reflect our broader service offering
- Acquisitions of Mascus and Xcira generate revenue not associated with direct auction activity

Prior "Direct Expense" definition	New "Costs of Services" definition
Direct Labour, Buildings & Facilities charges and travel, advertising and promotion costs associated with auction activity	Direct Labour, Buildings & Facilities and Technology charges and travel, advertising and promotion costs associated with auction activity
	PLUS: Costs of services incurred in earning other fee revenues (such as revenue from Mascus and Xcira) including: direct labour (including commissions on sales), software maintenance fees, and materials.

Q1 2016 Costs of Services breakdown (US$ mil)

Brand	Q1 2016 Cost of Services	Q1 2015 Direct expense
Core auction business *(excl. Xcira)*	$14.1	$11.6
Xcira	$0.7	--
EquipmentOne	$0.4	Previously recorded within SG&A
Mascus *(partial quarter)*	$0.1	--
Total	$15.3	$11.6



Tax rate assumptions for 2016

Estimate our annual 2016 tax rate will be approx. 26%

- US GAAP tax practices require an estimation of the annual rate
- Based on our expectations that a greater portion of earnings are likely to be generated in lower tax jurisdictions (ie. Canada, UAE)
- New arrangements within the business in Q4 resulted in reliable projections of future taxable profits in regions with tax loss carryforwards
- These are forward looking estimates, that could vary with actual performance

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Balance sheet scorecard – Q1 2016

Q1 2016 Balance sheet scorecard

12 months trailing ($US Millions except for percent figures)	March 31, 2016	March 31, 2015	*Better / (Worse)*
Operating free cash flow	$205.5	$171.7	*20%*
Working Capital Intensity	-34.6%	-27.7%	*690 bps*
Capex Intensity	2.7%	4.9%	*220 bps*
ROIC (Return on Invested Capital)	16.7%	14.2%	*250 bps*
RONA (Return on Net Assets)	34.8%	21.3%	*1350 bps*
RONA excluding term loan reclassification	*31.3%*	*21.3%*	*1000 bps*
Debt / Adjusted EBITDA	0.7x	0.6x	*(0.1x)*

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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.

- US$36.7 million spent on share repurchases during Q1 2016
- May 9, 2016: Company declares a dividend of $0.16 per common share, payable on June 14, 2016 to shareholders of record on May 24, 2016

*Priorities for cash utilization after operating CAPEX needs have been met.

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Final Comments

Ravi Saligram, Chief Executive Officer

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Acquisition of the minority interest in RBFS

Ritchie Bros. Financial Services has performed extremely well in the last 18 months

- **We currently own 51% of this business; have signed a binding letter of intent to acquire 100% of the company**
- **Transaction closing expected by July 1, 2016, at which time we will make a formal announcement**
- Contributions from RBFS are already accounted for on a fully consolidated basis in our financial statements
- Allocation of 49% interest is noted within the minority interest line of our income statement
- Minority interest valued at US$41.4 million; final purchase price could differ from fair value estimates contained in our Q1 2016 disclosure

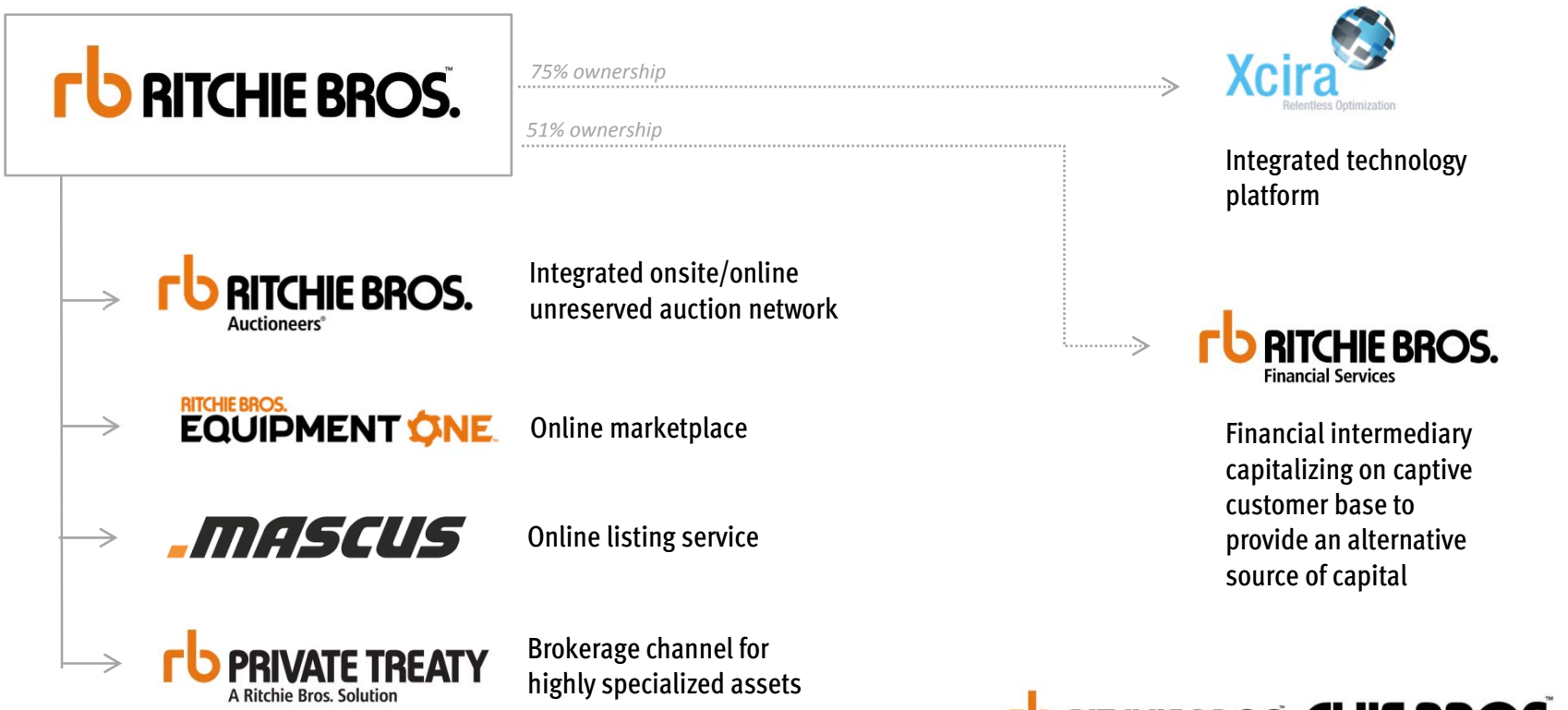
RITCHIE BROS. Financial Services

We are fast becoming a multichannel, digital powerhouse

Ritchie Bros. now offers four main sales channels to equipment owners

Business units are supported through Ritchie Bros. ownership of Xcira (online auction technology provider) and Ritchie Bros. Financial Services (financial solutions partner for equipment buyers).

RITCHIE BROS. GROUP OF COMPANIES:

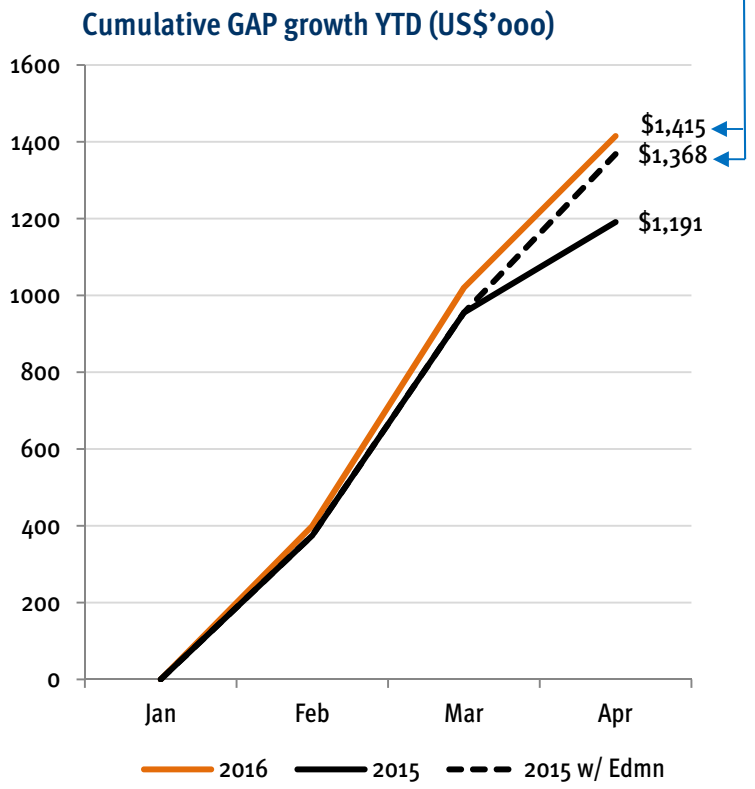


YTD GAP continues to trend above 2015

Auction timing had a significant impact on April GAP

- Due mostly to the timing of the Edmonton Auction (auction was attributed to April in 2016 but May in 2015 due to the date of the last day of the sale)
- Edmonton contributed US$191+ mil to April 2016 GAP
- Comparable Edmonton auction of 2015 ended in May, and contributed US$177+ mil to May 2015 GAP
- Other auction timing difference contributed to April 2016 monthly metrics:
  - Auctions held in April 2015, but in prior months in 2016: Albuquerque, Raleigh-Durham, Chilliwack, Hamilton
  - Auctions held in April 2015, but in later months in 2016: Donington Park, Linton
  - Auctions held in April 2016, but in later months in 2015: Phoenix and Kearney

Adjusting YTD 2015 to include the comparable Edmonton sale, 2016 YTD GAP grew 3%



Q&A

Ravi Saligram, Chief Executive Officer
Sharon Driscoll, Chief Financial Officer
Jim Barr, Group President
Terry Dolan, President – US and Latin America
Randy Wall, President – Canada

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Appendix

Evergreen Model
Reconciliation of Non-GAAP measures

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

RBA's evergreen financial model

Performance Metric	Avg. Annual Growth Targets	2015 performance
• GAP Growth (%)	High Single Digit to Low Double Digits	✓ +8% (organic)
• Revenue Growth (%) (1)	Mid Single Digit to High Single Digit	✓ +16% (organic)
• SG&A Growth (%)	Will grow slower than revenues	✓ +12% (organic, excl. D&A)
• Operating Income Margin	50 bps +	✓ +360 bps
• EPS Growth (%) (2)	High Single Digit to Low Double Digits	✓ +22% (adjusted)
• Net Capex Intensity (3)	<10%	✓ 2.8% (abnormally low)
• OFCF (4) % of Net Earnings	>100%	✓ 150%
• RONA (5) Increase	50 bps +	✓ +910 bps (excl. current portion of long term debt)
• Dividend Payout Ratio	55% to 60%	✓* 53% (*announced 14% increase in dividend in Aug. 2015 based on TTM earnings)
• Net Debt / EBITDA	<2.5X	✓ 0.5x

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

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Reconciliation of Non-GAAP Measures

Adjusted Net Income attributable to stockholders and Diluted Adjusted EPS attributable to stockholders are reconciled to net income attributable to stockholders and the weighted average number of diluted shares outstanding as follows:

(in U.S. $000's, except share and per share amounts)	Three months ended March 31,	
	2016	2015
Net income attributable to stockholders	$ 29,406	$ 23,777
Adjusted Net Income attributable to stockholders	$ 29,406	$ 23,777
Weighted average number of diluted shares outstanding	107,159,010	107,807,948
Diluted Adjusted EPS attributable to stockholders	$ 0.27	$ 0.22

Adjusted Operating Income and Adjusted Operating Income Margin reconcile to revenues and operating income as follows:

(in U.S. $ millions)	Three months ended March 31,		
	2016	2015	Better/ (Worse)
Revenues	$ 131.9	$ 115.6	14%
Operating income	$ 39.2	$ 33.0	19%
Adjusted Operating Income	$ 39.2	$ 33.0	19%
Adjusted Operating Income Margin	29.7%	28.5%	120 bps

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Reconciliation of Non-GAAP Measures

Operating Free Cash Flow reconciles to cash provided by operating activities and net capital spending as follows:

(in U.S. $ millions)	12 months ended March 31,		% Change
	2016	2015	2016 over 2015
Cash provided by operating activities	$ 220.1	$ 195.9	12%
Property, plant and equipment additions	21.2	21.6	(2%)
Intangible asset additions	10.1	12.0	(16%)
Proceeds on disposition of property plant and equipment	(16.7)	(9.4)	78%
Net capital spending	$ 14.6	$ 24.2	(40%)
Operating Free Cash Flow	$ 205.5	$ 171.7	20%

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Reconciliation of Non-GAAP Measures

Working Capital Intensity reconciles to the following current assets and current liabilities, and revenues as follows:

(in U.S. $ millions)	As at and for the 12 months ended March 31,		% Change
	2016	2015	2016 over 2015
Trade and other receivables	$ 131.1	$ 123.5	6%
Inventory	29.5	27.9	6%
Advances against auction contracts	3.8	7.6	(50%)
Auction proceeds payable	(289.1)	(255.1)	13%
Trade payables	(59.4)	(42.1)	41%
	$ (184.1)	$ (138.2)	33%
Revenues	532.2	498.1	7%
Working Capital Intensity	-34.6%	-27.7%	25%

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Reconciliation of Non-GAAP Measures

Return on Invested Capital ("ROIC") reconciles to net income attributable to stockholders, long-term debt, and stockholders' equity as follows:

(in U.S. $ millions)	12 months ended March 31,		% Change
	2016	2015	2016 over 2015
Net income attributable to stockholders	$ 141.8	$ 101.6	40%
After-tax adjusting items:			
Management reorganization	-	4.2	(100%)
Gain on sale of excess property	(7.3)	(2.9)	152%
Impairment loss	-	8.1	(100%)
Tax loss utilization	(7.9)	-	(100%)
Adjusted Net Income attributable to stockholders	$ 126.7	$ 110.9	14%
Opening long-term debt	104.1	143.1	(27%)
Ending long-term debt	102.3	104.1	(2%)
Average long-term debt	$ 103.2	$ 123.6	(17%)
Opening stockholders' equity	631.6	686.3	(8%)
Ending stockholders' equity	676.5	631.6	7%
Average stockholders' equity	$ 654.1	$ 659.0	(1%)
Average invested capital	$ 757.3	$ 782.6	(3%)
ROIC	16.7%	14.2%	18%

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Reconciliation of Non-GAAP Measures

Return on Net Assets ("RONA") reconciles to net income attributable to stockholders, interest income, interest expense, total assets, cash and cash equivalents, restricted cash, and current liabilities as follows:

(in U.S. $ millions)	As at and for the 12 months ended March 31,		% Change
	2016	2015	2016 over 2015
Net income attributable to stockholders	$ 141.8	$ 101.6	40%
Less: Interest income	(2.3)	(2.6)	(12%)
Add: Interest expense	5.1	5.1	-
Less: Income tax recovery on finance costs	(0.6)	(0.7)	(14%)
	$ 144.0	$ 103.4	39%
Total assets	$ 1,335.5	$ 1,163.9	15%
Less: Cash and cash equivalents	(294.1)	(176.3)	67%
Less: Restricted cash	(117.9)	(124.7)	(5%)
Less: Current liabilities	(509.3)	(376.8)	35%
	$ 414.2	$ 486.1	(15%)
RONA	34.8%	21.3%	63%

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Reconciliation of Non-GAAP Measures

Debt/Adjusted EBITDA reconciles to debt, operating income, and depreciation and amortization expenses as follows:

(in U.S. $ millions)	As at and for the 12 months ended March 31,		% Change
	2016	2015	2016 over 2015
Short-term debt	$ 42.5	$ 7.6	459%
Long-term debt	102.3	104.1	(2%)
Debt	$ 144.8	$ 111.7	30%
Operating income	$ 181.0	$ 141.9	28%
Adjusting items:			
Management reorganization	-	5.5	(100%)
Gain on sale of excess property	(8.4)	(3.4)	146%
Impairment loss	-	8.1	(100%)
Adjusted Operating Income	$ 172.6	$ 152.1	13%
Depreciation and amortization expenses	41.5	44.6	(7%)
	$ 214.1	$ 196.7	9%
Debt/Adjusted EBITDA	0.7x	0.6x	17%

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