DELIVERING CHOICE

RITCHIE BROS. Auctioneers

IRON PLANET

Q4 2018 EARNINGS REVIEW AND UPDATE

RITCHIE BROS.

Forward looking statements and non-GAAP measures

Caution Regarding Forward-Looking Statements

This presentation contains forward-looking statements and forward-looking information within the meaning of applicable US and Canadian securities legislation (collectively, “forward-looking statements”), including, in particular, statements regarding the benefits and synergies of the IronPlanet transaction, future opportunities for the combined businesses of Ritchie Bros. and IronPlanet, future financial and operational results and any other statements regarding events or developments that Ritchie Bros. believes or anticipates will or may occur in the future. 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 Ritchie Bros.’ control, including risks and uncertainties related to: general economic conditions and conditions affecting the industries in which Ritchie Bros operates; Ritchie Bros.’ ability to successfully integrate IronPlanet's; the ability to realize anticipated growth, synergies and cost savings in the IronPlanet transaction; the maintenance of important business relationships; our ability to commercialize new platform solutions and offerings; deterioration of or instability in the economy, the markets we serve or the financial markets generally; as well as the risks and uncertainties set forth in Ritchie Bros.’ Annual Report on Form 10-K for the year ended December 31, 2018, which is available on the SEC, SEDAR, and Ritchie Bros.’ website. The foregoing list is not exhaustive of the factors that may affect Ritchie Bros.’ 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 presentation and Ritchie Bros. 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.

This presentation contains certain 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. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understand and assessing our financial condition and results. Therefore, these measures should not be considered in isolation or as alternatives to measures of profitability, liquidity or other performance under GAAP. These measures may not be comparable to similarly-titled measures used by other companies.

This presentation also includes certain forward-looking non-GAAP financial measures. We are unable to present a quantitative reconciliation of this forward-looking non-GAAP financial information because management cannot reliably predict all of the necessary components of such measures. Accordingly, investors are cautioned not to place undue reliance on this information.
All figures are in US dollars, unless otherwise noted.

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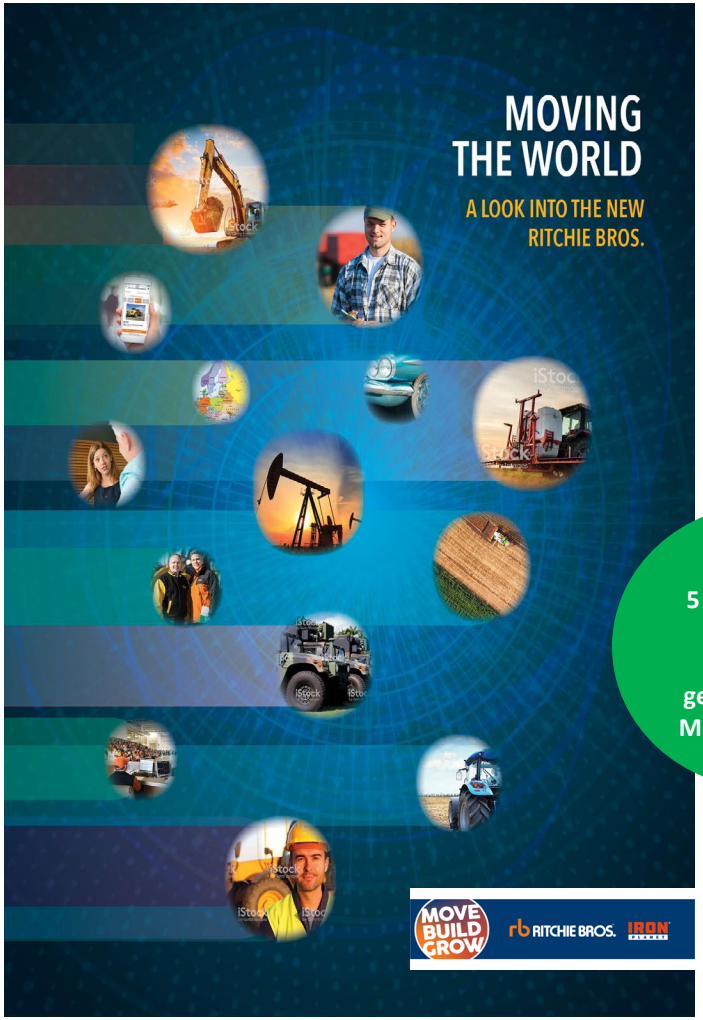
Opening Remarks

Ravi Saligram, Chief Executive Officer

A Day in the Life at Ritchie Bros.



Generating Network Effects and moving beyond just auctions….

December 6, 2018

- **Approximately 295,000 unique users visited RB properties around the globe**
- **Users generated approximately 390,000 sessions**
- **54% on mobile devices / 43% originated outside of the Americas /48% between the ages of 25 and 44**

Avg. 5 MM website users per month generating 580 MM page views

59% of total GTV across all channels purchased by online buyers

8.5 million total bids up 16%

Over a million followers on social media….

Instagram

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Fourth Quarter Business & Financial Review

Sharon Driscoll, Chief Financial Officer

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Q4 Consolidated Financial Performance

- All figures unadjusted unless otherwise noted. (In $US Millions except EPS)

GROSS TRANSACTION VALUE (GTV)

4Q18	4Q17
$1,338	$1,295
+3%	

- 14% Online growth led by strength in Canada and International
- Modest Live auction growth; 23 fewer industrial auctions
- Strong live auction comp growth; 70% of auctions posted year on year positive comps

TOTAL REVENUES

4Q18	4Q17
$356	$292
+22%	

- Higher revenue from inventory sales in US and Europe
- Higher fee revenue associated with partial fee harmonization
- Growth in other services Revenue led by RBFS

AGENCY PROCEEDS (non-GAAP)

4Q18	4Q17
$193	$179
+8%	

- GTV growth and higher online volumes
- Higher fee revenue associated with partial fee harmonization
- Growth in other services revenue

ADJUSTED OPERATING INCOME (non-GAAP)

4Q18	4Q17
$56.3	$42.2
+33%	

- Agency proceeds growth
- Disciplined expense management
- Lower acquisition costs vs. 2017

DILUTED ADJUSTED EPS (non-GAAP)

4Q18	4Q17
$0.32	$0.26
+23%	

- Higher operating income offset by higher tax rate in 4Q18 vs. prior year

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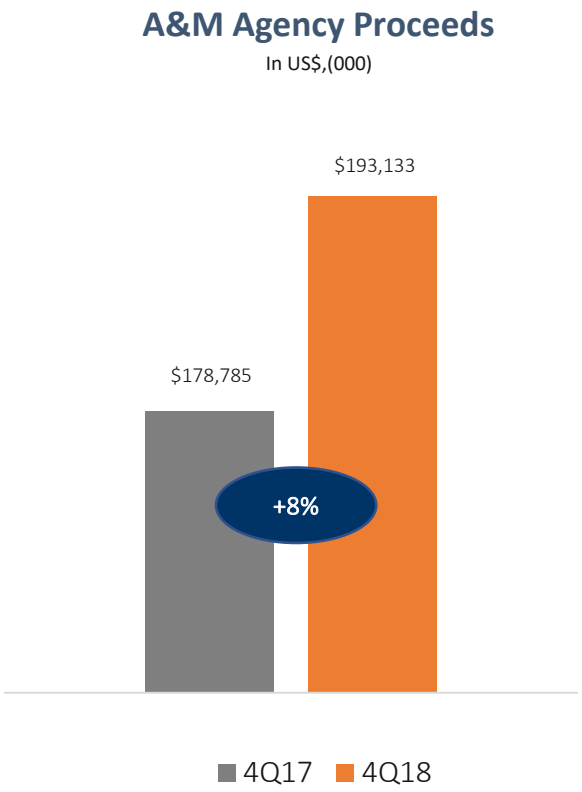
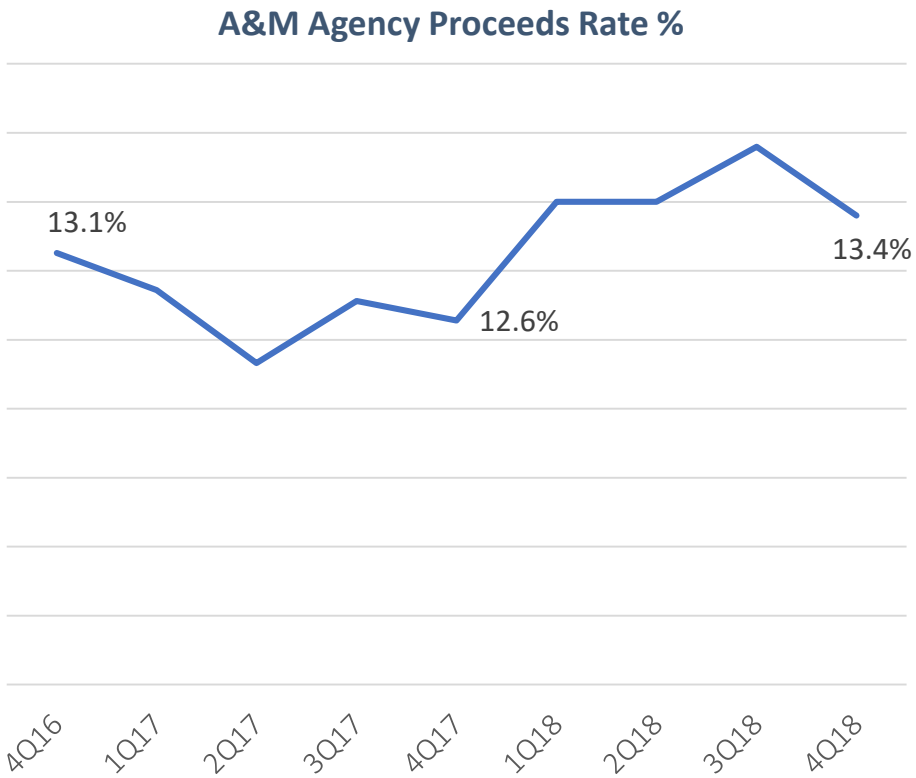
Fourth Quarter A&M Segment – Agency Proceeds

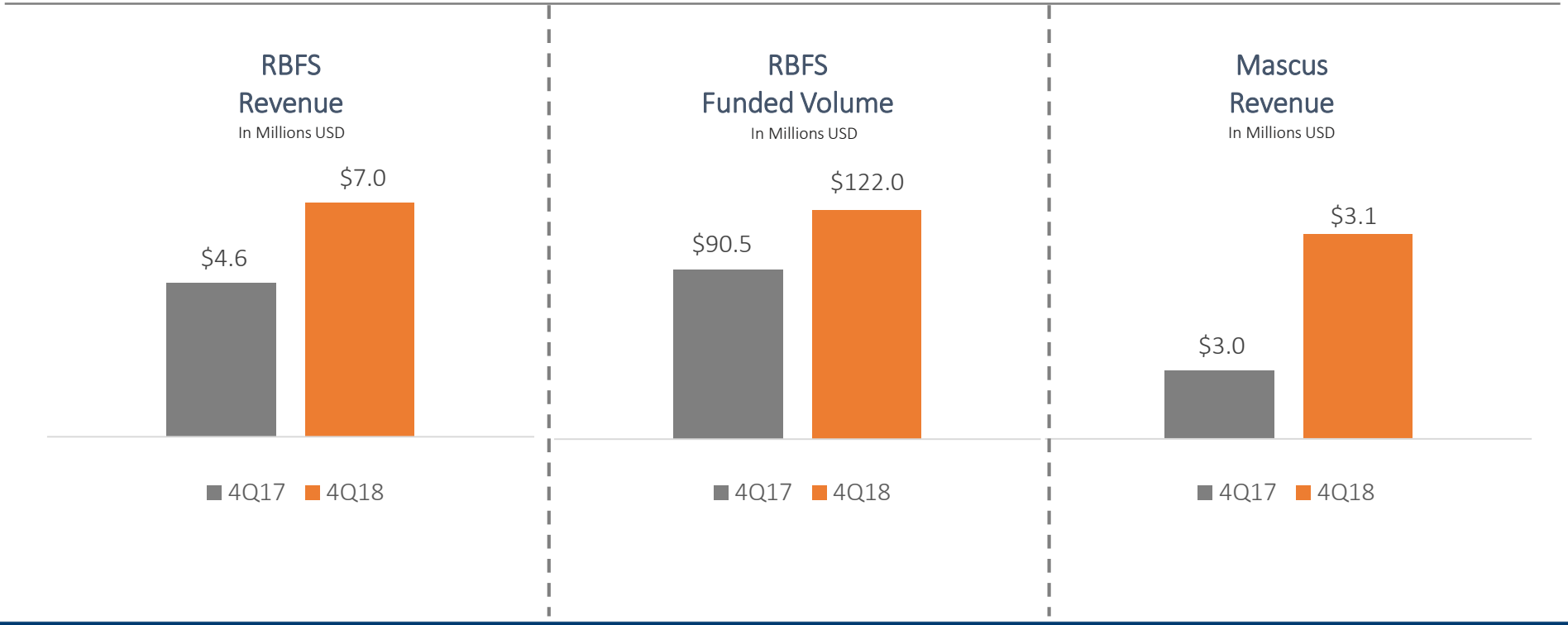
- Agency proceeds growth of 8% driven by GTV, strong online auction performance, partially offset by some inventory rate softness in the U.S.
- Auctions and Marketplaces Agency Proceeds rate (non-GAAP) increased 80 basis points to 13.4% over 4Q17 due to continued overall market price performance and contributions from partial fee harmonization





Fourth Quarter - Other Services

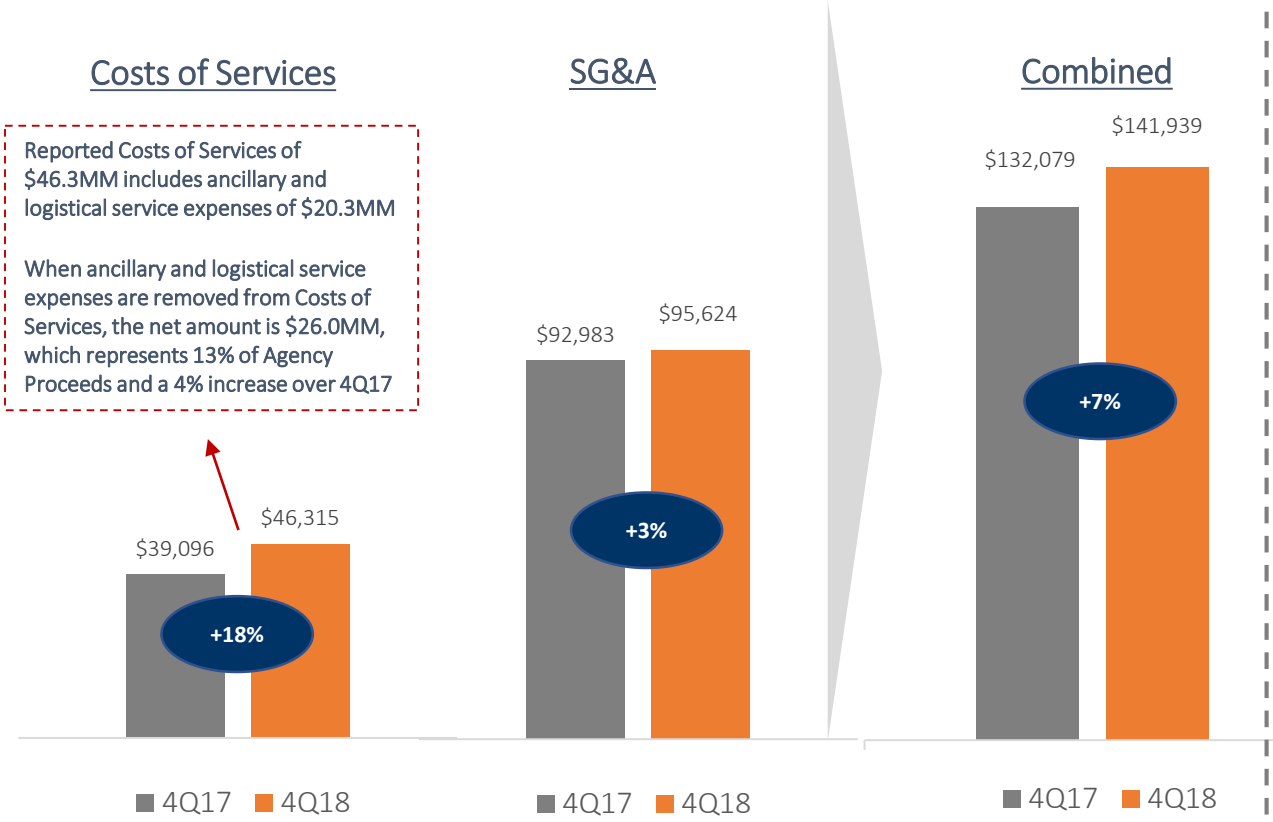
- Other Services Revenues improved 20%
- RBFS Revenue growth of 50%
- RBFS Funded Volume improved 35%
- Mascus revenue growth of 3%



Fourth Quarter - Costs of Services / SG&A

- 4Q18 Total Revenue growth of 22% / Agency Proceeds growth of 8% outpacing SG&A growth of 3%
- 4Q18 SG&A leverage – roughly 200 basis point rate improvement (SG&A as a % of Agency Proceeds) vs. 4Q17
- Costs of Services increased 18%

Costs of Services and SG&A Expenses (in $ US Thousands)



SG&A Expenses
(as a % of Agency Proceeds)

2017 & 2018 (RB+IP) Combined Company	
4Q17	52%
1Q18	57%
2Q18	49%
3Q18	55%
4Q18	50%

Balance Sheet & Liquidity Metrics

2018 Balance sheet and liquidity metrics (all unadjusted unless otherwise noted)

Operating Free Cash Flow (non-GAAP)

4Q18	4Q17
$112MM	$113MM

TTM Agency Proceeds Capex Rate (non-GAAP)

4Q18	4Q17
4.4%	5.6%

Adjusted Net Debt/ Adjusted EBITDA (non-GAAP)

4Q18	4Q17
1.9X	2.9X

TTM Return On Invested Capital (non-GAAP)

4Q18	4Q17
7.6%	6.2%

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2019 Financial Focus

Operating Leverage

- Continued expense management - focus on managing expense growth at a lower rate than revenues
- Invest resources in high growth opportunity channels

Cash Flow Management

- Continued focus on cash flow generation and optimization / Working Capital efficiency
  - Efficient GovPlanet inventory management
  - Supporting International growth / inventory purchases
  - At-Risk deal management

Capital Allocation

- Priority on debt repayment; and maintaining leverage ratio below 2X
- Continue to invest in IT and back office efficiency projects, site maintenance expenditures only
- Return cash through ongoing dividends / growing dividends with earnings
- Maintain financial flexibility for tuck-in M&A opportunity / Share repurchases

Revenue Recognition (ASU-2014)

- Discontinue use of Agency Proceeds beginning in 1Q2019; will now report Total Revenues only
- No change to current business operating fundamentals – only change to financial reporting
- Evergreen metrics impact review underway; and any necessary adjustments to be introduced in 1Q2019

Strategic & Operational Update

Ravi Saligram, Chief Executive Officer

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2018 Full Year Consolidated Financial Performance

- All figures unadjusted unless otherwise noted. (In $US Millions except EPS)

GROSS TRANSACTION VALUE (GTV)		TOTAL REVENUES		AGENCY PROCEEDS (non-GAAP)		Reported EPS		Adjusted EPS (non-GAAP)	
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
$4,964	$4,468	$1,170	$971	$729	$611	$1.11	$0.69	$1.08	$0.81
↑ 11% Reported		↑ 20% Reported		↑ 19% Reported		↑ 61%		↑ 33%	
↑ 3% Like for Like				↑ 10.5% Like for Like					

2H Agency Proceeds +10%
2H SG&A +3%

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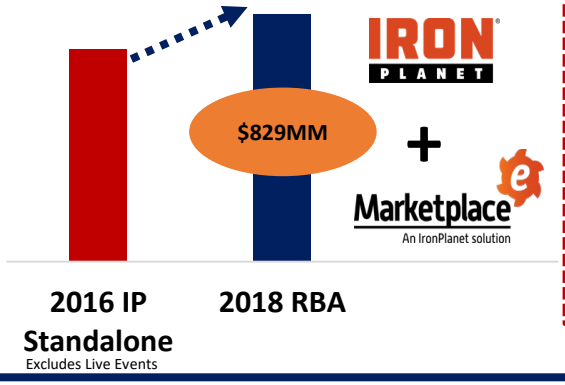
2018 – Growth Drivers

Our Online Channel had a Banner Year



Online volume of $829 million significantly exceeded IP standalone pure online volume in 2016

Significant Services Growth

RITCHIE BROS. Financial Services

44% Revenue Growth

41% Funded Volume Growth

390 bps YoY improvement in penetration to addressable GTV

MASCUS

21% Revenue Growth

Other Services Revenue is 12% of Total Revenues

Global Growth

US

Strategic Accounts growth up YoY

US West Region growth up YoY

Canada

GTV growth

International

Major Inventory deals driving strong European GTV growth

Strong MPE growth

Strategic Accounts acquired 181 new accounts for $100MM in GTV

Additional Growth Drivers

CATERPILLAR Alliance

93 MORA's signed

Contributing to volume growth in International

GOVPLANET an IronPlanet marketplace

Operationalized NRS Contract;

Significant investment to fuel future growth;

Acquired more new users in 2018 than RB & IP

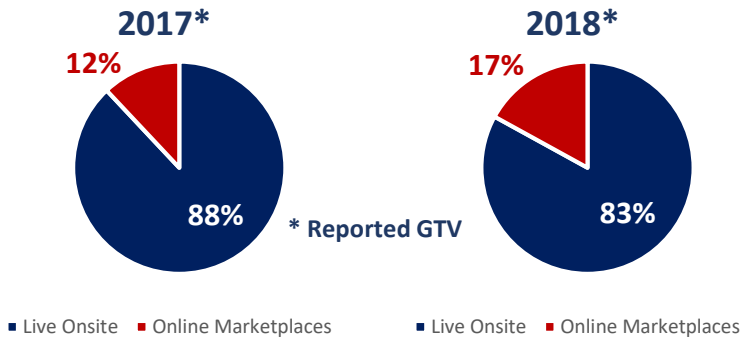
2018 – Solid Progress Against our Strategic Objectives

In addition to our growth drivers….we made very good strides on our strategic objectives

Grow Auction Business

- Live auction GTV growth with >65% auctions delivering comp growth

GTV Mix – Live vs Online



- Sales productivity positively inflecting in 2018
- Canadian Agriculture business improving

Penetrate Upstream

- Launched Marketplace-E – scaling well with International markets adopting quickly and early momentum in Canada
- Leveraging Marketplace-E to facilitate events in markets where RBA does not have physical presence e.g. Brazil.
- Launched Ritchie Bros. Asset Solutions in 4Q2018; the full service asset disposition solution for OEM's, OEM Dealers and other large enterprises

- Supply Remained Tight but Demand Increased
  - Unique Listing Sellers -2%
  - Bids +16% / Bids Per Item+15%

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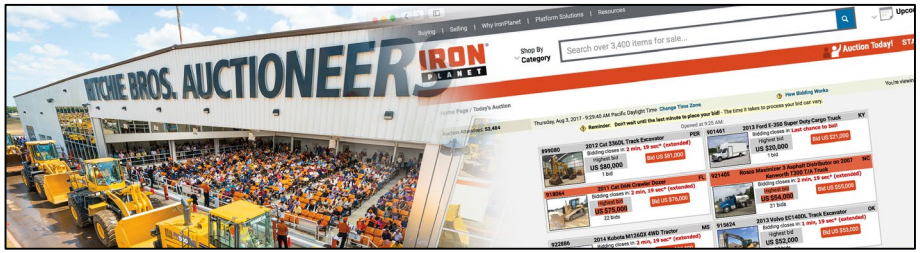
2018 – Solid Progress Against our Strategic Objectives

In addition to our growth drivers….we made very good strides our strategic objectives

Improve Customer Experience & Operational Efficiencies

- Integrated listings launched across RB and IP
- Digital & Sales Ops. managed more assets through IP Admin System than ever before
- Inspections in H2 higher than any prior year in IP history
- Built data lake connecting RB and IP customer data
- Moved Mascus + IP back office functions to Oracle



MARS Multichannel Administration & Reporting System

- MARS Platform delivery is well underway; modules successfully tested in several auctions in 2018

- Investments to promote mobile investments are driving incremental adoption – FY18 73% YoY increase in GTV purchased through the mobile app.

RITCHIE Specs

- Re-Launched RitchieSpecs.com Added 4,000 specs

2018 Evergreen Model Metrics Review

Evergreen Model (Average annual expectation over a 5 to 7 year period)				
Description	**Target**	**2015/2016 Combined**	**2017**	**2018**
Agency Proceeds Growth Rate	**High single digit to low teens**	8.5%, 13.5%[1]	7.8%	**19.4% [10.5% LFL]**
EPS Growth Rate	**Low double digits to mid teens**	16%[2]	-30%[3]	**33%[3]**
Agency Proceeds Capex Rate	**<8.5%**	4.1%	5.6%	**4.4%**
OFCF as a % of Net Income	**>100%**	135%[2]	129.1%[3]	**95.1%[3]**
ROIC	**15% by 2021**	15.3%	6.2%	**7.6%**
Dividend Payout Ratio	**55% - 60%**	55%[3]	83%[3]	**64%[3]**
Net Debt to EBITDA	**<2.5x**	0.55X[3]	2.9X[3]	**1.9X[3]**
Agency Proceeds Adjusted EBITDA Rate	**40% by 2019 -run rate basis**	39.2%[3]	31.4%[3]	**35.3%[3]**

1 - Constant Currency basis; 2 - Comparable basis; 3 – Adjusted basis

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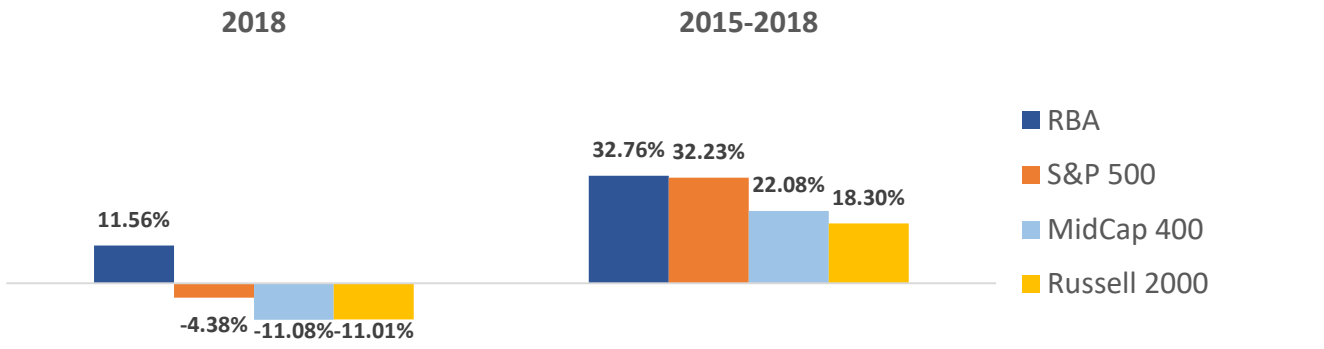
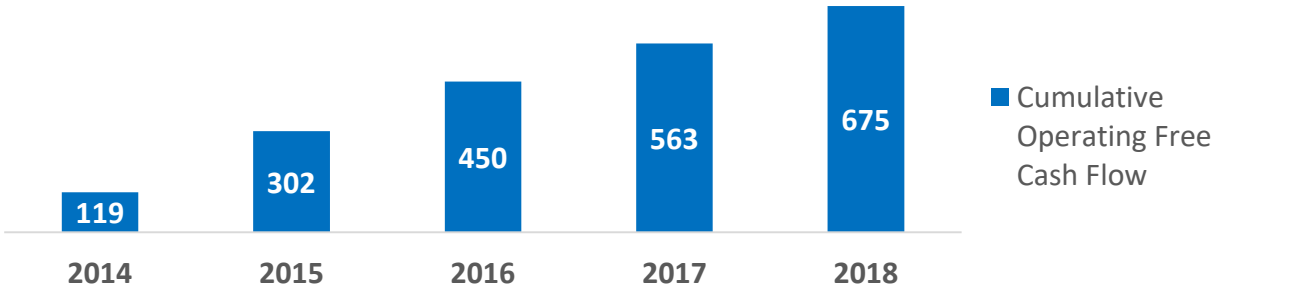
Creating Value

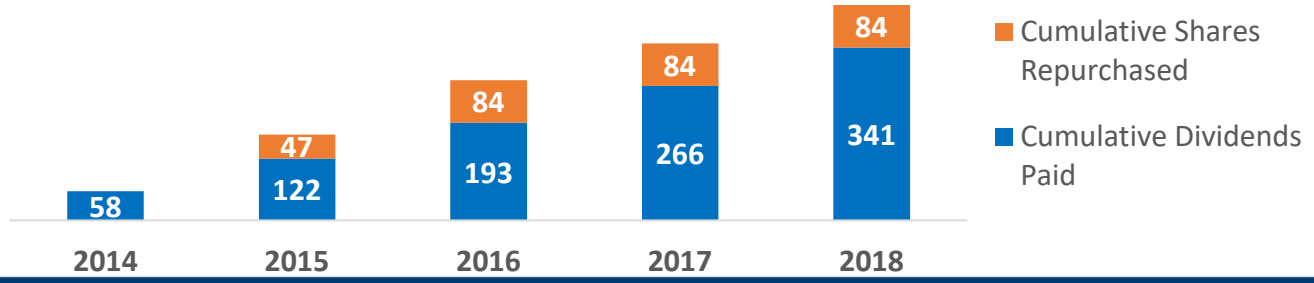
Total Return*
1 Year (2018) &
3 Year (2015-2018)



Cumulative
Operating Free Cash
Flow 2014-2018



Cumulative Cash
Returned to
Shareholders
2014-2018



*Total Return Data obtained from FactSet

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Early look into 2019 Auction Highlights

Focus on Safety: Proud to drive record results with no safety incidents

Total Gross Transactional Value

$297 Million

7% growth

- **Amount sold to online bidders –** US$146+ million **new company record*
- **Total registered bidders (in person and online) –** 15,900+ **new site record*
- **Registered online bidders –** 11,300+ **new site record*
- **Total lots sold –** 13,350+ **new company record*
- **Number of sellers –** 1,150+ **new site record*

Tipton, CA

US$23 million

5% growth

Largest Tipton, CA auction ever

Houston, TX

US$46 million

12% growth

Setting multiple site records

Edmonton, AB

CAD$69 million

15% growth

2019 Trends & Insights – Q1/1H Considerations

TAILWINDS

- End user projects/contracts healthy but not as robust as 2018
- Supply constraints appear to be easing and 2019 is expected to be better than 2018
- Early GTV momentum in 2019 with Orlando, Houston and Tipton auctions
- Will look to capitalize on high activity sectors where projects wind down to completion
- Stalemate/uncertainty on major infrastructure projects and pending elections in Canada could release additional inventory
- Pricing continues to be strong in Transportation

HEADWINDS

- Pricing momentum gradually moderating in Construction but strong in Transportation
- Monitoring pressure on rates and will pivot accordingly using deep data expertise; underwritten; mix
- Age of Equipment
- Macro uncertainties. Brexit, Trade Issues, Tariffs etc.…
- Fewer selling days in 1Q19 vs 1Q18

OTHER CONSIDERATIONS

- Q1 2018 Grande Prairie auction not re-occurring in 2019 totaling approximately $37 million in GTV
- Higher Effective Tax Rate in 2019

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2019 Executional Priorities

1. Multi-channel New Customer Acquisition
2. Scale Marketplace-E
3. Grow our Government business profitably
4. Key Set of Reference Accounts for RB Asset Solutions
5. Efficient operations and improved customer service

Keep SG&A growth significantly lower than Agency Proceeds growth to drive incremental flow-through

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Q&A

Members of the RBA Management Team

Appendix

Reconciliation of non-GAAP measures

The following table reconciles agency proceeds*, adjusted operating income*, and agency proceeds adjusted operating income rate* to total revenues, operating income, and operating income margin, which are the most directly comparable GAAP measures in, or calculated from, our consolidated income statements:

	Year ended December 31,			% Change	
(in U.S. $000's)	2018	2017	2016	2018 over 2017	2017 over 2016
Operating income	$ 185,189	$ 107,454	$ 135,722	72%	(21)%
Pre-tax adjusting item:					
Accelerated vesting of assumed options	-	4,752	-	(100)%	100%
Acquisition and finance structure advisory	-	9,063	-	(100)%	100%
Severance and retention	1,501	3,613	-	(58)%	100%
Impairment loss	-	8,911	28,243	(100)%	(68)%
Adjusted operating income (non-GAAP measure)	186,690	133,793	163,965	40%	(18)%
Total revenues	1,170,026	971,191	1,126,977	20%	(14)%
Less: cost of inventory sold	(374,339)	(306,498)	(513,348)	22%	(40)%
Less: ancillary and logistical service	(66,576)	(54,176)	(47,234)	23%	15%
Agency proceeds (non-GAAP measure)	$ 729,111	$ 610,517	$ 566,395	19%	8%
Operating income margin	15.8%	11.1%	12.0%	470 bps	-90 bps
Agency proceeds adjusted operating income rate (non-GAAP measure)	25.6%	21.9%	28.9%	370 bps	-700 bps

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Reconciliation of non-GAAP measures

The following table reconciles adjusted net income attributable to stockholders* and 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 our consolidated income statements:

	Year ended December 31,			% Change	
(in U.S. $000's, except share and per share data)	2018	2017	2016	2018 over 2017	2017 over 2016
Net income attributable to stockholders	$ 121,479	$ 75,027	$ 91,832	62%	(18)%
Pre-tax adjusting items:					
Accelerated vesting of assumed options	-	4,752	-	(100)%	100%
Acquisition and finance structure advisory	-	9,063	-	(100)%	100%
Severance and retention	1,501	3,613	-	(58)%	100%
Gain on sale of equity accounted for investment	(4,935)	-	-	100%	0%
Impairment loss	-	8,911	28,243	(100)%	(68)%
Debt extinguishment costs	-	-	6,787	-	(100)%
Current income tax effect of adjusting items:					
Acquisition and finance structure advisory	-	(2,447)	-	(100)%	100%
Severance and retention	(376)	(748)	-	(50)%	100%
Debt extinguishment costs	-	-	(1,787)	-	(100)%
Deferred income tax effect of adjusting items:					
Impairment loss	-	(2,361)	(1,798)	(100)%	31%
Severance and retention	-	(368)	-	(100)%	100%
Current income tax adjusting item:					
Change in uncertain tax provision	-	2,290	-	(100)%	100%
Deferred tax adjusting item:					
Remeasurement of deferred taxes	-	(10,070)	-	(100)%	100%
Adjusted net income attributable to stockholders (non-GAAP measure)	$ 117,669	$ 87,662	$ 123,277	$ 34%	(29)%
Effect of dilutive securities	$ -	$ (152)	$ -	$ (100)%	100%
Weighted average number of dilutive shares outstanding	109,388,236	108,113,151	107,457,794	1%	1%
Diluted earnings per share attributable to stockholders	$ 1.11	$ 0.69	$ 0.85	$ 60%	(19)%
Diluted adjusted EPS attributable to stockholders (non-GAAP measure)	$ 1.08	$ 0.81	$ 1.15	$ 33%	(29)%

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Reconciliation of non-GAAP measures

The following table reconciles adjusted EBITDA* and agency proceeds adjusted EBITDA rate* to net income and net income margin, which are the most directly comparable GAAP measures in, or calculated from, our consolidated income statements:

	Year ended December 31,			% Change	
(in U.S. $000's)	2018	2017	2016	2018 over 2017	2017 over 2016
Net income	$ 121,506	$ 75,306	$ 93,512	61%	(19)%
Add: depreciation and amortization expenses	66,614	52,694	40,861	26%	29%
Add: interest expense	44,527	38,291	5,564	16%	588%
Less: interest income	(2,888)	(3,194)	(1,863)	(10)%	71%
Add: income tax expense	31,006	2,088	36,982	1385%	(94)%
Pre-tax adjusting items:					
Accelerated vesting of assumed options	-	4,752	-	(100)%	100%
Acquisition and finance structure advisory	-	9,063	-	(100)%	100%
Severance and retention	1,501	3,613	-	(58)%	100%
Gain on sale of equity accounted for investment	(4,935)	-	-	100%	0%
Impairment loss	-	8,911	28,243	(100)%	(68)%
Debt extinguishment costs	-	-	6,787	0%	(100)%
Adjusted EBITDA (non-GAAP measure)	257,331	191,524	210,086	34%	(9)%
Total revenues	1,170,026	971,191	1,126,977	20%	(14)%
Less: cost of inventory sold	(374,339)	(306,498)	(513,348)	22%	(40)%
Less: ancillary and logistical service expenses	(66,576)	(54,176)	(47,234)	23%	15%
Agency proceeds (non-GAAP measure)	$ 729,111	$ 610,517	$ 566,395	19%	8%
Net income margin	10.4%	7.8%	8.3%	260 bps	-50 bps
Agency proceeds adjusted EBITDA rate (non-GAAP measure)	35.3%	31.4%	37.1%	390 bps	-570 bps

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Reconciliation of non-GAAP measures

The following table reconciles adjusted EBITDA* and adjusted net debt/adjusted EBITDA* to debt, cash and cash equivalents, net income, and debt as a multiple of net income, which are the most directly comparable GAAP measures in, or calculated from, our consolidated financial statements.

	Year ended December 31,			% Change	
(in U.S. $ millions)	2018	2017	2016	2018 over 2017	2017 over 2016
Short-term debt	$ 19.9	$ 7.0	$ 23.9	$ 184%	-71%
Long-term debt	711.3	812.9	595.7	-12%	36%
Debt	731.2	819.9	619.6	-11%	32%
Less: cash and cash equivalents	(237.7)	(267.9)	(207.9)	-11%	29%
Adjusted net debt (non-GAAP measure)	493.5	552.0	411.7	-11%	34%
Net income	$ 121.5	$ 75.3	$ 93.5	$ 61%	-19%
Add: depreciation and amortization expenses	66.6	52.7	40.9	26%	29%
Add: interest expense	44.5	38.3	5.6	16%	584%
Less: interest income	(2.9)	(3.2)	(1.9)	-9%	68%
Add: income tax expense	31.0	2.1	36.9	1376%	-94%
Pre-tax adjusting items:					
Accelerated vesting of assumed options	-	4.8	-	-100%	100%
Acquisition and finance structure advisory	-	9.1	-	-100%	100%
Severance and retention	1.5	3.6	-	-58%	100%
Gain on sale of equity accounted for investment	(4.9)	-	-	100%	-
Impairment loss	-	8.9	28.2	-100%	-68%
Debt extinguishment costs	-	-	6.8	-	-100%
Adjusted EBITDA (non-GAAP measure)	$ 257.3	$ 191.5	$ 210.1	$ 34%	-9%
Debt/net income	6x	10.9x	6.6x	-46%	65%
Adjusted net debt/adjusted EBITDA (non-GAAP measure)	1.9x	2.9x	2x	-34%	825%

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Reconciliation of non-GAAP measures

The following table reconciles A&M agency proceeds* and A&M agency proceeds rate* results to A&M total revenues and A&M revenue rate, which are the most directly comparable GAAP measures in, or calculated from, our consolidated financial statements

	Three months ended December 31, 2018			Year ended December 31,		
			% Change 2018 over			% Change 2018 over
(in U.S. $000's)	2018	2017	2017	2018	2017	2017
A&M total revenues	$ 321,124	$ 262,628	22%	$ 1,046,518	$ 870,797	20%
Less: cost of inventory sold	(142,505)	(98,895)	44%	(374,339)	(306,498)	22%
A&M agency proceeds (non-GAAP measure)	178,619	163,733	9%	672,179	564,299	19%
GTV	$ 1,337,614	$ 1,294,932	3%	$ 4,964,165	$ 4,467,982	11%
A&M revenue rate	24.0%	20.3%	370 bps	21.1%	19.5%	160 bps
A&M agency proceeds rate (non-GAAP measure)	13.4%	12.6%	80 bps	13.5%	12.6%	90 bps

The following table reconciles OFCF* to cash provided by operating activities and net capital spending, which are the most directly comparable GAAP measures in, or calculated from, our consolidated statements of cash flows:

	Year ended December 31,				
				% Change	
				2018 over	2017 over
(in U.S. $ millions)	2018	2017	2016	2017	2016
Cash provided by operating activities	$ 144.3	$ 147.6	$ 177.6	$ (2)%	(17)%
Property, plant and equipment additions	16.9	10.8	18.9	56%	(43)%
Intangible asset additions	26.1	28.6	17.6	(9)%	63%
Proceeds on disposition of property plant and equipment	(10.6)	(5.0)	(6.7)	112%	(25)%
Net capital spending	$ 32.4	$ 34.4	$ 29.8	$ (6)%	15%
OFCF (non-GAAP measure)	$ 111.9	$ 113.2	$ 147.8	$ (1)%	(23)%

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Reconciliation of non-GAAP measures

The following table reconciles adjusted net income attributable to stockholders* and ROIC* to net income attributable to stockholders, long-term debt, stockholders' equity, return on average invested capital which are the most directly comparable GAAP measures in, or calculated from, our consolidated financial statements:

	Year ended December 31,			% Change	
(in U.S. $ millions)	2018	2017	2016	2018 over 2017	2017 over 2016
Net income attributable to stockholders	$ 121.5	$ 75.0	$ 91.8	$ 62%	(18)%
Pre-tax adjusting items:					
Accelerated vesting of assumed options	-	4.8	-	(100)%	100%
Acquisition and finance structure advisory	-	9.1	-	(100)%	100%
Severance and retention	1.5	3.6	-	(58)%	100%
Impairment loss	-	8.9	28.2	(100)%	(68)%
Debt extinguishment costs	-	-	6.8	-	(100)%
Gain on sale of equity accounted for investment	(4.9)	-	-	100%	-
Current income tax effect of adjusting items:					
Acquisition and finance structure advisory	-	(2.4)	-	(100)%	100%
Severance and retention	(0.4)	(0.7)	-	(43)%	100%
Debt extinguishment costs	-	-	(1.8)	-	(100)%
Deferred income tax effect of adjusting items:					
Severance and retention	-	(0.4)	-	(100)%	100%
Impairment loss	-	(2.4)	(1.8)	(100)%	33%
Current income tax adjusting item:					
Change in uncertain tax provision	-	2.3	-	(100)%	100%
Deferred tax adjusting item:					
Remeasurement of deferred taxes	-	(10.1)	-	(100)%	100%
Adjusted net income attributable to stockholders (non-GAAP measure)	$ 117.7	$ 87.7	$ 123.3	$ 34%	(29)%
Opening long-term debt	$ 812.9	$ 595.7	$ 97.9	$ 36%	508%
Ending long-term debt	711.3	812.9	595.7	(12)%	36%
Average long-term debt	$ 762.1	$ 704.3	$ 346.8	$ 8%	103%
Opening stockholders' equity	$ 739.7	$ 687.1	$ 703.2	$ 8%	(2)%
Ending stockholders' equity	830.6	739.7	687.1	12%	8%
Average stockholders' equity	785.2	713.4	695.2	10%	3%
Average invested capital	$ 1,547.3	$ 1,417.7	$ 1,042.0	$ 9%	36%
Return on average invested capital	7.9%	5.3%	8.8%	260 bps	-350 bps
ROIC (non-GAAP measure)	7.6%	6.2%	11.8%	140 bps	-560 bps

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Reconciliation of non-GAAP measures

The following table presents CAPEX intensity and agency proceeds CAPEX rate (non-GAAP measure), as well as reconciles those metrics to property, plant and equipment additions, intangible asset additions, proceeds on disposition of property, plant and equipment, and total revenues, which are the most directly comparable GAAP measures in, or calculated from, our consolidated financial statements.

	Year ended December 31,			% Change	
(in U.S. $ millions)	2018	2017	2016	2018 over 2017	2017 over 2016
Property, plant and equipment additions	$ 16.9	$ 10.8	$ 18.9	$ 56%	(43)%
Intangible asset additions	26.1	28.6	17.6	(9)%	63%
Proceeds on disposition of property plant and equipment	(10.6)	(5.0)	(6.7)	112%	(25)%
Net capital spending	$ 32.4	$ 34.4	$ 29.8	$ (6)%	15%
Total revenues	1,170.0	971.2	1,127.0	20%	(14)%
Less: cost of inventory sold	(374.3)	(306.5)	(513.3)	22%	(40)%
Less: ancillary and logistical service expenses	(66.6)	(54.2)	(47.2)	23%	15%
Agency proceeds (non-GAAP measure)	$ 729.1	$ 610.5	$ 566.5	$ 19%	8%
CAPEX intensity	2.8%	3.5%	2.6%	-70 bps	90 bps
Agency Proceeds CAPEX rate (non-GAAP measure)	4.4%	5.6%	5.3%	-120 bps	30 bps

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Reconciliation of non-GAAP measures

The following table reconciles adjusted net income attributable to stockholders* and adjusted dividend payout ratio* to net income attributable to stockholders, and dividend payout ratio, which are the most directly comparable GAAP measures in, or calculated from, our consolidated financial statements:

	Year ended December 31,			% Change	
(in U.S. $ millions)	2018	2017	2016	2018 over 2017	2017 over 2016
Dividends paid to stockholders	$ 75.7	$ 72.8	$ 70.5	$ 4%	3%
Net income attributable to stockholders	$ 121.5	$ 75.0	$ 91.8	$ 62%	(18)%
Pre-tax adjusting items:					
Accelerated vesting of assumed options	-	4.8	-	(100)%	100%
Acquisition and finance structure advisory	-	9.1	-	(100)%	100%
Severance and retention	1.5	3.6	-	(58)%	100%
Impairment loss	-	8.9	28.2	(100)%	(68)%
Debt extinguishment costs	-	-	6.8	-	(100)%
Gain on sale of equity accounted for investment	(4.9)	-	-	0%	-
Current income tax effect of adjusting items:					
Acquisition and finance structure advisory	-	(2.4)	-	100%	100%
Severance and retention	(0.4)	(0.7)	-	(43)%	100%
Debt extinguishment costs	-	-	(1.8)	-	(100)%
Deferred income tax effect of adjusting items:					0%
Severance and retention	-	(0.4)	-	100%	100%
Impairment loss	-	(2.4)	(1.8)	100%	33%
Current income tax adjusting item:					
Change in uncertain tax provision	-	2.3	-	(100)%	100%
Deferred tax adjusting item:					
Remeasurement of deferred taxes	-	(10.1)	-	100%	100%
Adjusted net income attributable to stockholders (non-GAAP measure)	$ 117.7	$ 87.7	$ 123.3	$ 34%	(29)%
Dividend payout ratio	62.3%	97.1%	76.8%	-3480 bps	2030 bps
Adjusted dividend payout ratio (non-GAAP measure)	64.3%	83.0%	57.2%	-1870 bps	2580 bps

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Topic 606 – Supplementary Schedule

	2018	2017	2016
GTV	4,964	4,468	4,335
Straight commissions % total GTV	84%	84%	75%
Guarantee contracts % total GTV	9%	8%	12%
Inventory contracts % total GTV	8%	8%	13%
Agency Proceeds	729	611	566
Service Revenues	750	624	556
Inventory Revenues	421	347	571
Total Revenues	1,170	971	1,127
Services Revenues % Total Revenues	64%	64%	49%
Inventory Revenues % Total Revenues	36%	36%	51%

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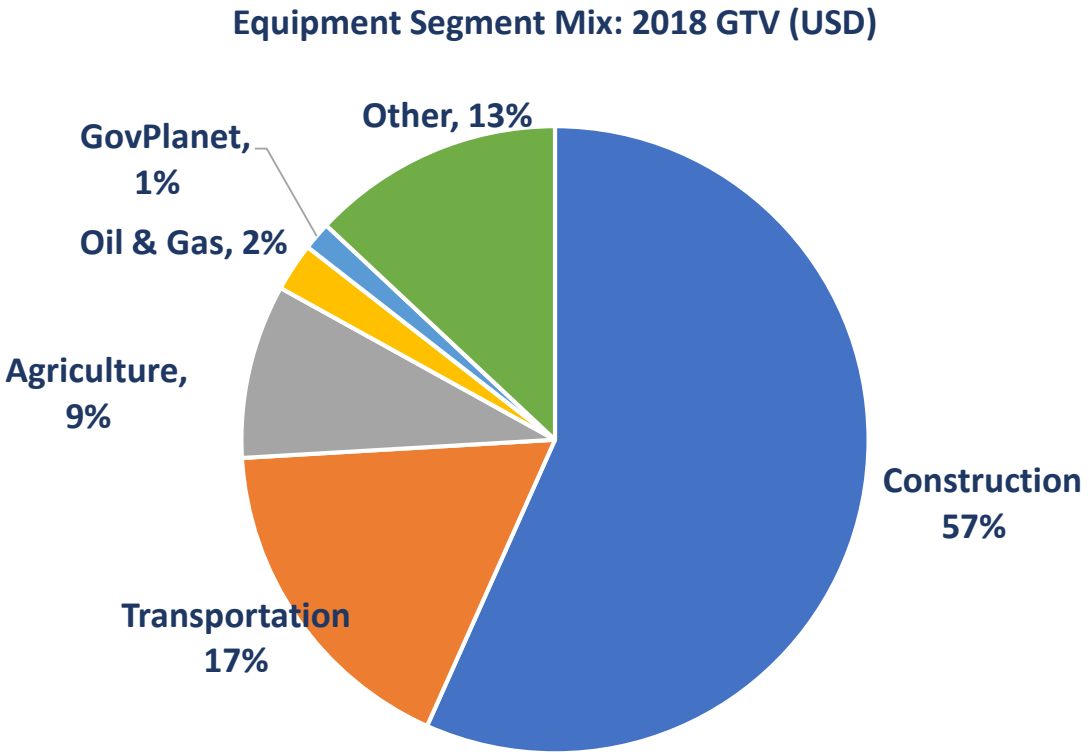
Ritchie Bros. Equipment Segment Mix: 2018 GTV



Notes: Equipment segments assigned by primary use of equipment make models. Oil and Gas, for example, has a significant component of equipment primarily classified in Construction not in the Oil and Gas segment.