

ITEM 2: MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Note Regarding Forward-Looking Statements

Forward-looking statements may appear throughout this Quarterly Report on Form 10-Q, including the following section “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Forward-looking statements are typically identified by such words as “aim”, “anticipate”, “believe”, “could”, “confident”, “continue”, “estimate”, “expect”, “intend”, “may”, “remain”, “ongoing”, “plan”, “potential”, “predict”, “will”, “should”, “would”, “could”, “likely”, “generally”, “future”, “long-term”, or the negative of these terms, and similar expressions intended to identify forward-looking statements. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties that may cause actual results to differ materially, and may include, among others, statements relating to:

- our future strategy, objectives, targets, projections and performance;
- potential growth and market opportunities;
- potential future mergers and acquisitions;
- our ability to integrate acquisitions;
- the impact of our new initiatives, services, investments, and acquisitions on us and our customers;
- our future capital expenditures and returns on those expenditures;
- the effect of any tariffs on our results of operations; and
- financing available to us from our credit facilities or other sources, our ability to refinance borrowings, and the sufficiency of our working capital to meet our financial needs.

While we have not described all potential risks related to our business and owning our common shares, the important factors discussed in “Part I, Item 1A: Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2024, which are available on our website at <https://investor.rbglobal.com>, on EDGAR at www.sec.gov, or on SEDAR at www.sedar.com, are among those that we consider may affect our performance materially or could cause our actual financial and operational results to differ significantly from our expectations. Except as required by applicable securities law and regulations of relevant securities exchanges, we do not intend to update publicly any forward-looking statements, even if our expectations have been affected by new information, future events or other developments.

We prepare our consolidated financial statements in accordance with United States generally accepted accounting principles (“US GAAP”). Except for Gross Transaction Value (“GTV”)¹, which is a measure of operational performance and not a measure of financial performance, liquidity, or revenue, the amounts discussed below are based on our consolidated financial statements.

Unless otherwise indicated, all amounts in the following tables are in millions, except share and per share amounts.

In the accompanying analysis of financial information, we sometimes use information derived from consolidated financial data but not presented in our financial statements prepared in accordance with U.S. GAAP. Certain of these data are considered “non-GAAP financial measures” under the SEC rules. The definitions of and reasons we use these non-GAAP financial measures and the reconciliations to their most directly comparable U.S. GAAP financial measures are included either with the first use thereof or in the Non-GAAP Measures section within this document (refer to pages [29-34](#)).

¹ GTV represents total proceeds from all items sold on our auctions and online marketplaces, third-party online marketplaces, private brokerage services and other disposition channels.

Overview

RB Global, Inc. and its subsidiaries (collectively referred to as “RB Global”, the “Company”, "our", "us", or “we”) (NYSE & TSX: RBA) is a leading global marketplace that connects sellers and buyers of commercial assets and vehicles. Through our omnichannel platform we facilitate transactions for customers primarily in our automotive and commercial construction and transportation ("CC&T") sectors. We also provide our customers value-added marketplace services, technology solutions for vehicle merchandising, platforms for lifecycle management of assets, and a market data intelligence platform to help customers make more informed business decisions.

Our marketplace brands include Ritchie Bros., the world's largest auctioneer of commercial assets and vehicles offering online bidding, and IAA, Inc. ("IAA"), a leading global digital marketplace connecting vehicle buyers and sellers. Our portfolio of brands also includes Rouse Services ("Rouse"), which provides a complete end-to-end asset management, data-driven intelligence and performance benchmarking system; SmartEquip Inc. ("SmartEquip"), an innovative technology platform that supports customers' management of the equipment lifecycle and integrates parts procurement with both original equipment manufacturers ("OEMs") and dealers; and VeriTread LLC ("VeriTread"), an online marketplace for heavy haul transport.

Our CC&T sector includes heavy equipment such as excavators, dozers, lift and material handling, vocational and commercial trucks and trailers. Our automotive sector includes all consumer automotive vehicles. The other sector primarily includes assets and equipment in the agricultural, forestry and energy industries, government surplus assets, smaller consumer recreational transportation items and parts sold in our vehicle dismantling business. All sectors include salvage and non-salvage transactions.

Our customers primarily include automotive insurance companies, as well as end users, dealers, fleet owners, and OEMs of commercial assets and vehicles. We also serve customers in the agriculture, energy, and natural resources sectors, as well as government entities.

We have a global presence, primarily with operations in the United States, Canada and across Europe, and employ more than 7,900 full-time employees worldwide, of which approximately 67% are located in the United States.

Proposed Acquisition

On March 10, 2025, we entered into a definitive equity purchase agreement to acquire J.M. Wood Auction Co., Inc. ("J.M. Wood") for approximately \$235.0 million in cash consideration, subject to certain adjustments. Under the terms of the agreement, 67% of the estimated purchase price will be paid at closing and the remainder (subject to post-closing adjustments) will be paid in equal installments on the first, second and third anniversaries of the date of closing. In addition to the purchase price, we will pay an agreed upon amount for inventory held for auction at the time of closing.

Founded in 1973, J.M. Wood focuses on the auction of commercial construction and transportation assets in Alabama and adjacent states and has deep local relationships and experience with municipal customers. The proposed acquisition of J.M. Wood is expected to enhance our geographic coverage, expand our customer base in the United States and bring in deep industry knowledge to further our commitment to putting our partners and customers first. The J.M. Wood team will also bring along a hard-working family culture, which is aligned with R.B. Global's roots.

We currently expect the acquisition to be completed in the second or third quarter of 2025, subject to customary closing conditions, including required regulatory clearances.

Service Offerings

We provide a global marketplace for our partners and customers to buy and sell a variety of asset classes by leveraging our proprietary transaction solutions, services and market insights. We offer various branded solutions to help our partners and customers more efficiently manage their asset lifecycles and improve on their return on investments. For a complete list of our branded solutions, please refer to our Annual Report on Form 10-K for the year ended December 31, 2024, which is available on our website at <https://investor.rbglobal.com>, on EDGAR at www.sec.gov, or on SEDAR at www.sedar.com.

Contract Options

We offer consignors several contract options to meet their individual needs and sale objectives for selling assets, which include:

- Straight commission contracts, where the consignor receives the gross proceeds from the sale less a pre-negotiated commission rate;
- Fixed fee commission contracts, where the consignor receives the gross proceeds from the sale less a fixed flat fee; and

- Guarantee contracts, where the consignor receives a guaranteed minimum amount plus an additional amount if proceeds exceed a specified level.

We also offer our customers the option to enter into inventory contracts, where we purchase assets before they are resold in the auctions or marketplaces. We may also sell consigned assets or purchased inventory in private sales transactions.

Value-added Services

We also provide a wide array of value-added services to make the process of selling and buying equipment and vehicles convenient for our customers, including refurbishment services such as repair, paint and make-ready services, and parts services to connect equipment owners with parts manufacturers, inspection and appraisals, financial services through Ritchie Bros. Financial Services ("RBFS"), loan payoff services through IAA, end-to-end transportation and logistics services, as well as other services such as insights, data intelligence, performance benchmarking solutions, and title and liens processing. We offer equipment listing services under the RitchieList and Boom & Bucket brands in North America and the Mascus brand in Europe to make private selling more efficient and safe for customers, including a secure transaction management service, complete with invoicing. We also provide an innovative technology platform that supports customers' vehicle merchandising and selling.

Revenue Mix Fluctuations

Our revenue continues to be comprised of service revenue and inventory sales revenue. Total service revenue includes revenue by customer type, between revenue earned from buyers or sellers who transact in live and online auctions, online marketplaces and private brokerages, as well as marketplace services revenue, revenue earned from optional services provided to our customers.

Transactional seller revenue includes commissions, pre-negotiated or fixed, as well as certain auction-related fees earned from sellers to complete the sale of an asset, such as towing to our yards, liens search, title processing and online listing and inspection fees.

Transactional buyer revenue includes buyer transaction fees based on a tiered structure earned from purchasers upon purchase of an asset, as well as other auction-related fees earned from buyers to complete the purchase of an asset, such as title processing, late-pick up, salvage buyer platform registration and other administrative processing charges.

Marketplace services revenue include fees earned from various optional services provided to buyers, sellers or other third parties, and includes transportation, buyer towing, refurbishment, financing, parts procurement, data and appraisal, and other ancillary services.

Inventory sales revenue relates to revenue earned through our inventory contracts and is recognized at the GTV of the assets sold, with the related cost recognized in cost of inventory sold.

Our revenue each period can fluctuate significantly based on the mix of sales arrangements, which is driven by customer preferences. Completed straight commission, fixed commission or guarantee commission contracts result in the commission being recognized as service revenue based on a percentage of gross transaction value or based on a fixed value, while completed inventory contracts result in the full GTV of the assets sold being recorded as inventory sales revenue. As a result, a change in the revenue mix between service revenue and revenue from inventory sales can have a significant impact on our revenue growth percentages.

Macroeconomic Conditions and Trends

Various macroeconomic conditions and trends, such as inflationary pressures, including as a result of tariffs, and interest rate volatility, impact our business, GTV and operating costs. In addition, our GTV is impacted by the combination of unit volume growth and changes in average selling prices.

In our CC&T sector, the need for transaction solutions following the surge experienced post-pandemic has normalized. Customers are increasingly delaying decisions over disposition of assets as they evaluate the current business conditions in the face of an uncertain macro environment, global trade tensions and changing trade policies, negatively impacting our unit volume growth of higher value assets. In addition, market uncertainty in the construction and transportation end markets is putting pressure on asset prices within the sector. Our customers and partners continue to experience lower equipment utilization rates, weaker end market demand, a higher interest rate environment, and higher costs to acquire new assets, resulting in delays in replacing or adding assets to their existing asset base. These trends are contributing to a lower need for our customers to transact equipment.

In our automotive sector, the total number of accidents and the number of accidents deemed a total loss influence unit volume growth in the industry. The total number of accidents is a function of the number of vehicles in service and the aggregated number of miles driven. Used automotive prices, the age, and the complexity of the design and technology content of vehicles, in combination with the cost of repair, are some of the factors that influence if a vehicle is deemed a total loss. The current inflation spread between automotive repair and used vehicles is providing a productive environment for a higher number of vehicles deemed a total loss as a percent of total accidents, which is driving industry salvage unit volume growth. Despite these positive trends, we have also seen used automotive prices remain fairly flat year over year, as pricing has normalized following the pandemic.

Key Operating Metrics

We regularly review a number of metrics, including the following key operating metrics, to evaluate our business, measure our performance, identify trends affecting our business, and make operating decisions. We believe these key operating metrics are useful to investors because management uses these metrics to assess the growth of our business and the effectiveness of our operational strategies.

We define our key operating metrics as follows:

GTV: Represents total proceeds from all items sold on our auctions and online marketplaces, third-party online marketplaces, private brokerage services and other disposition channels. GTV is not a measure of financial performance, liquidity, or revenue, and is not presented in the Company's consolidated financial statements.

Inventory return: Inventory sales revenue less cost of inventory sold.

Inventory rate: Inventory return divided by inventory sales revenue.

Total lots sold: A single asset to be sold or a group of assets bundled for sale as one unit. Low value assets are sometimes bundled into a single lot, collectively referred to as "small value lots."

Performance Overview and Consolidated Results

For the first quarter of 2025 as compared to the first quarter of 2024:

- Total GTV decreased 6% to \$3.8 billion
- Total revenue increased 4% to \$1.1 billion
 - Service revenue remained flat at \$852.5 million
 - Inventory sales revenue increased 19% to \$256.1 million
- Net income increased 5% to \$113.3 million
- Net income available to common stockholders increased 6% to \$102.9 million
- Diluted earnings per share ("EPS") available to common stockholders increased 4% to \$0.55 earnings per share
- Diluted adjusted EPS available to common stockholders decreased 1% to \$0.89 per share
- Adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") decreased 1% to \$327.9 million

Other Company Developments

- On April 3, 2025, the Company amended and restated its Credit Agreement dated October 27, 2016, to increase the aggregate principal amount of our multi-currency senior secured revolving credit facilities from \$750.0 million to \$1.3 billion, and reduce our USD Term Loan A facility aggregate principal amount from \$1.2 billion to \$950.0 million. As part of the amendment, we also extended the maturity date of the Credit Agreement from September 2026 to April 2030, and reduced our bank spread by approximately 85 basis points and the undrawn revolver fee by approximately 20 basis points.

Results of Operations

The following table summarizes key components of our results of operations for the periods indicated.

(in U.S. dollars in millions, except percentages)	Three months ended March 31,		
			% Change
	2025	2024	2025 over 2024
Service revenue	\$ 852.5	\$ 849.1	—%
Inventory sales revenue	256.1	215.6	19%
Total revenue	\$ 1,108.6	\$ 1,064.7	4%
Costs of services	361.9	353.0	3%
Cost of inventory sold	235.0	196.6	20%
Selling, general and administrative	205.0	198.1	3%
Acquisition-related and integration costs	3.1	12.8	(76)%
Depreciation and amortization	114.5	107.7	6%
Total operating expenses	\$ 919.5	\$ 868.2	6%
Gain on disposition of property, plant and equipment	0.4	2.4	(83)%
Operating income	189.5	198.9	(5)%
Net income	113.3	107.4	5%
Net income available to common stockholders	102.9	97.1	6%
Effective tax rate	20.7%	23.2%	(250)bps
Total GTV	\$ 3,828.9	\$ 4,077.4	(6)%
Service GTV	3,572.8	3,861.8	(7)%
Inventory GTV	256.1	215.6	19%
Inventory return	\$ 21.1	\$ 19.0	11%
Inventory rate	8.2%	8.8%	(60)bps

Total GTV

Total GTV decreased 6% to \$3.8 billion in the first quarter of 2025.

The following summarizes our total GTV by geography and by sector for the periods indicated:

(in U.S. dollars in millions, except percentages)	Three months ended March 31,		
			% Change
	2025	2024	2025 over 2024
United States	\$ 3,061.1	\$ 3,261.8	(6)%
Canada	488.8	553.5	(12)%
International	279.0	262.1	6 %
Total GTV	\$ 3,828.9	\$ 4,077.4	(6)%

(in U.S. dollars in millions, except percentages)	Three months ended March 31,		
			% Change
	2025	2024	2025 over 2024
Automotive	\$ 2,144.7	\$ 2,105.0	2 %
Commercial construction and transportation	1,276.7	1,561.2	(18)%
Other	407.5	411.2	(1)%
Total GTV	\$ 3,828.9	\$ 4,077.4	(6)%

The following table illustrates the breakdown of total lots sold by sector for the periods indicated:

(in '000's of lots sold, except percentages)	Three months ended March 31,		
			% Change
	2025	2024	2025 over 2024
Automotive	625.6	584.6	7 %
Commercial construction and transportation	87.6	108.8	(19)%
Other	141.9	145.6	(3)%
Total lots sold	855.1	839.0	2 %

Total GTV decreased year over year in the first quarter of 2025, driven primarily by lower GTV in our CC&T sector in the United States and Canada. We saw lower GTV as a result of lower lot volumes as consignors are taking a cautious stance amid ongoing market uncertainty, partially offset by a higher average price per lot sold on an improved asset mix. The decrease in GTV was primarily driven by anticipated lower volume within our strategic accounts team, as we benefited in the prior period from certain significant large customer contracts. Partially offsetting the decline in our CC&T sector, we saw higher GTV in our automotive sector due to continued growth from existing partners, as well as year-over-year market share gains, partially offset by a lower average price per lot sold.

Total Revenue

Total revenue increased 4% to \$1.1 billion in the first quarter of 2025 primarily due to a 19% increase in inventory sales revenue, while total service revenue remained flat year over year.

Service Revenue

Service revenue is comprised of transactional seller revenue, which mainly includes commissions earned on service GTV from our straight, fixed or guarantee commission contracts, transactional buyer revenue, which mainly includes buyer transaction fees earned on total GTV from purchasers on the sale of inventory or consigned equipment, and revenues earned from our marketplace services.

The following table summarizes key components of total service revenue for the periods indicated:

(in U.S. dollars in millions, except percentages)	Three months ended March 31,		
			% Change
	2025	2024	2025 over 2024
Transactional seller revenue	\$ 216.8	\$ 238.6	(9)%
Transactional buyer revenue	556.7	525.4	6 %
Marketplace services revenue	79.0	85.1	(7)%
Total service revenue	\$ 852.5	\$ 849.1	— %

Total service revenue remained flat in the first quarter of 2025, with transactional buyer revenue increasing 6%, offset by transactional seller revenue decreasing 9% and marketplace services revenue decreasing 7%.

Transactional buyer revenue increased 6%, while total GTV decreased 6%, primarily from higher buyer fees within our automotive sector driven by changes in our buyer fee rate structures implemented in November 2024 and early 2025. Partially offsetting these increases, we saw lower buyer and document fees in line with lower GTV volume in our CC&T sector, despite a higher buyer fee rate structure implemented in early 2025.

Transactional seller revenue decreased 9%, primarily in line with the decrease in service GTV of 7% and a lower commission rate. Although commission rates in both our automotive and CC&T sector increased in the period compared to the prior period, the higher proportion of automotive service GTV in the current quarter led to a lower commission rate overall.

Marketplace services revenue decreased 7% in the first quarter of 2025, primarily driven by the non-repeat of fees earned in our CC&T sector from transportation services provided to a large consignor contract in the United States and lower fees from electronic title and registration services provided in our automotive sector.

Inventory Sales Revenue

Inventory sales revenue increased 19% in the first quarter of 2025, primarily in our CC&T sector due to contract mix. We saw higher inventory volume driven by a significant inventory contract in the transportation sector in the United States within our strategic accounts, partially offset by lower volume in Canada due to fewer inventory contracts in construction.

Costs of Services

In the first quarter of 2025, costs of services increased 3% to \$361.9 million primarily driven by higher tow costs from increased activity in our automotive sector and higher employee compensation expenses from changes to our employee benefit plans implemented in the second quarter of 2024 as well as an increase in short-term incentive-based compensation. We also saw an increase in rent expense from the renewal of a lease in California. These increases were partially offset by lower transportation and third-party profit-sharing costs in our CC&T sector due to the non-repeat of a large consignor contract in transportation in the United States.

Cost of Inventory Sold

In the first quarter of 2024, cost of inventory sold increased 20% to \$235.0 million, primarily in line with a 19% increase in inventory sales revenue. Our inventory rate declined 60 basis points year over year to 8.2%, attributable to weaker performance in all sectors.

Selling, General and Administrative

In the first quarter of 2025, selling, general and administrative expenses increased 3% to \$205.0 million, primarily due to higher technology costs as part of the development of our new payroll and finance cloud computing systems, higher short-term incentive compensation driven by strong performance, higher professional fees primarily driven by an increase in legal costs associated with the departure of our ex-CEO in 2023 and the CRA matter, partially offset by lower rent expense from the termination of the Bolton lease arrangement in Ontario, Canada at the beginning of the year.

Acquisition-related and Integration Costs

In the first quarter of 2025, acquisition-related and integration costs decreased 76% to \$3.1 million, primarily due to lower severance and integration costs in connection with the acquisition of IAA.

Operating Income

For the first quarter of 2025, operating income decreased 5% to \$189.5 million, driven by higher depreciation and amortization expense from internally developed software and technology assets, higher selling, general and administrative expenses, as well as lower flow-through of service revenue. These decreases were partially offset by lower acquisition-related and integration costs in connection with the acquisition of IAA and higher flow-through of inventory revenue.

Income Tax Expense and Effective Tax Rate

At the end of each interim period, we estimate the effective tax rate expected to be applicable for the full fiscal year. The estimate reflects, among other items, management's best estimate of operating results. It does not include the estimated impact of foreign exchange rates or unusual and/or infrequent items, which may cause significant variations in the customary relationship between income tax expense and income before income taxes.

For the first quarter of 2025, income tax expense decreased by 9% to \$29.6 million, and our effective tax rate decreased 250 bps to 20.7%, as compared to the first quarter of 2024 primarily due to increased deductions for share-based payments in excess of the related book expense.

Net Income Attributable to Controlling Interests

In the first quarter of 2025, net income attributable to controlling interests increased 5% to \$113.4 million, primarily driven by lower interest expense due to lower long-term debt levels driven by repayments of principal in prior year and lower income tax expense from a lower effective tax rate, partially offset by a decrease in operating income, as discussed above.

Diluted EPS

Diluted EPS available to common stockholders increased 4% to \$0.55 per share for the first quarter of 2025, compared to \$0.53 per share for the first quarter of 2024. The increase is primarily due to the increase in net income attributable to controlling interests, as discussed above.

U.S. Dollar Exchange Rate Comparison

We conduct global operations in various currencies, with our presentation currency being the U.S. dollar. The following table presents the variance in select foreign exchange rates over the comparative reporting periods:

Value of one local currency to U.S. dollar	2025	2024	% Change 2025 over 2024
Period-end exchange rate - March 31,			
Canadian dollar	0.6949	0.7386	(6)%
Euro	1.0819	1.0798	— %
British pound sterling	1.2920	1.2625	2 %
Australian dollar	0.6242	0.6521	(4)%
Average exchange rate - Three months ended March 31,			
Canadian dollar	0.6966	0.7419	(6)%
Euro	1.0516	1.0861	(3)%
British pound sterling	1.2588	1.2683	(1)%
Australian dollar	0.6273	0.6579	(5)%

In the first quarter of 2025, foreign exchange had an unfavorable impact on total revenue and a favorable impact on expenses when compared to the prior year quarter. These impacts were primarily due to the fluctuations in the Canadian dollar relative to the U.S. dollar.

Non-GAAP Measures

As part of management's non-GAAP measures, we may eliminate the financial impact of certain items that we do not consider to be part of our normal operating results.

Adjusted net income available to common stockholders remained flat at \$165.2 million in the first quarter of 2025.

Diluted adjusted EPS available to common stockholders decreased 1% to \$0.89 per share in the first quarter of 2025.

Adjusted EBITDA decreased 1% to \$327.9 million in the first quarter of 2025.

Refer to the non-GAAP measures section below on pages [29-34](#) for further information.

Debt

Our Credit Agreement is comprised of multicurrency revolving facilities and the Term Loan A facility. The TLA Facility is comprised of a facility denominated in US dollars (the "USD TLA Facility"), and a facility denominated in Canadian dollars (the "CAD TLA Facility"). On April 3, 2025, the Company amended the Credit Agreement to, among other things, increase the aggregate principal amount of the revolving facilities from \$750.0 million to \$1.3 billion, reduce the USD TLA Facility from \$1.2 billion to \$950.0

million, reduce certain loan margins and fees, adjust certain covenants for more financial flexibility, and extend the maturity of the Credit Agreement from September 21, 2026 to April 3, 2030. The TLA Facility loans are subject to quarterly installment payments of 1.25% of principal, with the balance payable at maturity. As of March 31, 2025, there were no mandatory principal repayments remaining on the USD TLA Facility until maturity of the debt; however, with the refinancing completed on April 3, 2025, quarterly installment payments will begin in the third quarter of 2025.

At March 31, 2025, the Company also had \$550.0 million aggregate principal amount of 6.750% senior secured notes due March 15, 2028 (the "Secured Notes"), and (ii) \$800.0 million aggregate principal amount of 7.750% senior unsecured notes due March 15, 2031 (the "Unsecured Notes") (collectively, the "Notes"). These Notes were used, along with the USD TLA Facility, to fund the acquisition of IAA in March 2023, and accrue interest to be paid in cash semi-annually in arrears. The Secured Notes are jointly and severally guaranteed on a senior secured basis and the Unsecured Notes are jointly and severally guaranteed on a senior unsecured basis by certain of the Company's subsidiaries.

The below were our committed and uncommitted revolving credit facilities at March 31, 2025 and December 31, 2024:

(in U.S. dollars in millions)	March 31, 2025	December 31, 2024
<i>Committed</i>		
Multicurrency revolving credit facilities	\$ 750.0	\$ 750.0
<i>Uncommitted</i>		
Foreign demand revolving credit facilities	15.0	15.0
Total revolving credit facilities	<u>\$ 765.0</u>	<u>\$ 765.0</u>
<i>Unused</i>		
Multicurrency revolving credit facilities	\$ 676.0	\$ 705.9
Foreign demand revolving credit facilities	15.0	15.0
Total revolving credit facilities unused	<u>\$ 691.0</u>	<u>\$ 720.9</u>

Debt Covenants

We were in compliance with all financial and other covenants applicable to our credit facilities at March 31, 2025.

Our ability to borrow under the Credit Agreement is subject to compliance with financial covenants of a consolidated leverage ratio and a consolidated interest coverage ratio. In the event of sustained deterioration of global markets and economies, we expect the covenants pertaining to our leverage ratio would be the most restrictive to our ability to access funding under our Credit Agreement. We continue to evaluate courses of action to maintain current levels of liquidity and compliance with our debt covenants.

For more information on our debt, see "Item 1 – Financial Statements: Note. 14 Debt" in our consolidated financial statements.

Liquidity and Capital Resources

Our short-term cash requirements include (i) payment of quarterly dividends to common shareholders on an as-declared basis, and payment of participating dividends and preferential dividends to preferred equity holders, (ii) settlement of contracts with consignors, partners and other suppliers, (iii) personnel expenditures, with a majority of short-term incentive compensation paid annually in the first quarter following each fiscal year, (iv) income tax payments, primarily paid in quarterly installments, (v) payments, including interest, on our short-term debt, as well as principal and interest payments on our long-term debt, (vi) payment of amounts committed under certain service agreements to build our modern IT architecture, (vii) payments on our operating and finance lease obligations, (viii) other capital expenditures and working capital needs, and (ix) advances.

On December 3, 2024, the Canadian Revenue Agency ("CRA") issued the Company a Notice of Assessment and Statement of Interest ("NOA") for CA \$79.1 million (Canadian dollars) (approximately \$55.0 million) for additional taxes, interest and penalties with respect to the Company's Luxembourg subsidiary relating to taxation years 2010 through 2015. In February 2025, the Company filed a Notice of Objection with the CRA as it believes it is and has been in full compliance with Canadian tax laws and to begin the appeal process, paid a required deposit of 50% of the assessed amount, or CA\$39.5 million (approximately \$27.4 million) to the CRA. In the event the Company's tax filing position is not upheld, the Company would be required to pay the remaining 50% of the assessed amount with interest. However, in the event that the Company prevails in its objection or subsequent legal proceedings, the deposit would be refunded with interest to the Company. The matter is expected to take years to resolve. The CRA has also requested information regarding the 2016 to 2020 taxation years for the same matter. For more information on the matter, see "Item 1 – Financial Statements: Note. 7 Income Taxes" in our consolidated financial statements.

We believe that our existing working capital and availability under our revolving facilities are sufficient to satisfy our present operating requirements and contractual obligations, including to fund the potential acquisition of J.M. Wood, which will be a material cash requirement upon closing. In the current interest rate environment, the Company intends to continue to evaluate and pursue the most financially beneficial arrangements to fund future capital expenditures, which may include lease agreements or cash purchases.

Our long-term cash requirements include scheduled principal and interest payments of long-term debt on the TLA Facility of \$1.3 billion and the Notes of \$1.4 billion, repayment of any drawn funds under our revolving credit facilities, as well as scheduled repayments of operating and finance lease obligations relating to the Company's commercial leases for various auctions sites, branches and offices, operating leases for computer equipment, software, motor vehicles and small office equipment, and finance lease arrangements for certain vehicles, computers, yard equipment, fixtures, and office furniture. For more information on our debt and leases, see "Item 1 – Financial Statements: Note. 14 Debt" and "Item 1 – Financial Statements: Note. 17 Leases," respectively, in our consolidated financial statements, as well as in our audited consolidated financial statements for the year ended December 31, 2024.

Cash provided by operating activities can fluctuate significantly from period to period. We assess our liquidity based on our ability to generate cash and secure credit to fund operating, investing, and financing activities. Our liquidity is primarily affected by fluctuations in cash provided by operating activities, significant acquisitions of businesses, payment of dividends, our net capital spending¹, and repayments of debt. We are also committed under various letters of credit and provide certain guarantees in the normal course of business. We believe our principal sources of liquidity, which include cash flow from operations and our unused capacity under our revolving credit facilities of \$691.0 million, is sufficient to fund our current and planned operating activities.

Book overdrafts represent outstanding checks and other pending disbursements, which are in excess of cash account balances with a right of offset. The excess of such amounts is included within trade and other liabilities in our consolidated balance sheet.

If we were to consider further acquisitions to deliver on our strategic growth drivers, we may seek financing through equity markets or additional debt markets. The issuance of additional equity securities may result in dilution to our shareholders. Issuance of preferred equity securities could provide for rights, preferences or privileges senior to those of our common stock. Further, this additional capital may not be available on reasonable terms, or at all.

Cash Flows

(in U.S. dollars in millions)	Three months ended March 31,		
	2025	2024	Change 2025 over 2024
Cash provided by (used in):			
Operating activities	\$ 156.8	\$ 124.8	\$ 32.0
Investing activities	(101.9)	(77.5)	(24.4)
Financing activities	(45.0)	(190.9)	145.9
Effect of changes in foreign currency rates	3.1	(6.9)	10.0
Net decrease in cash, cash equivalents, and restricted cash	<u>\$ 13.0</u>	<u>\$ (150.5)</u>	<u>\$ 163.5</u>

Net cash provided by operating activities was \$156.8 million in the first three months of 2025, as compared to net cash provided by operating activities of \$124.8 million in the first three months of 2024. Net cash provided by operating activities increased \$32.0 million partially due to a lower cash outflow from the net change in operating assets and liabilities of \$16.4 million, as well as

¹ We calculate net capital spending as property, plant and equipment additions plus intangible asset additions less proceeds on disposition of property, plant and equipment.

higher net income from operations. The net change in operating assets and liabilities was primarily driven by the timing and size our auctions, higher prepaid costs recognized in the prior period in connection with transportation services provided to a large consignor contract in the United States in our CC&T sector, and lower incentive-based employee compensation costs. These lower cash outflows were partially offset by increases in cash outflows relating to timing of book overdrafts, higher income tax payments as a result of strong performance, the required deposit paid in connection with the CRA matter, and the timing of recovery of advances from customers.

Net cash used in investing activities was \$101.9 million in the first three months of 2025, as compared to net cash used in investing activities of \$77.5 million in the first three months of 2024. The increase is primarily due to an increase in the issuance of loans receivable in our financing business in the current period, and higher capital expenditures on property, plant and equipment, mainly relating to purchases of property.

Net cash used in financing activities was \$45.0 million in the first three months of 2025, as compared to net cash used in financing activities of \$190.9 million in the first three months of 2024. The decrease in cash outflow is primarily driven by the repayment of a \$150.0 million debt on our USD TLA Facility in the prior period and higher borrowings on our short-term debt in the current period. These decreases in cash outflow are partially offset by lower proceeds received from the exercise of stock options and higher dividend payments made to common stockholders in the current period.

Dividend Information

We declared a dividend of \$0.29 per common share for each of the quarters ended December 31, 2024, September 30, 2024, and June 30, 2024, and \$0.27 per common share for the quarter ended March 31, 2024. We have declared, but not yet paid, a dividend of \$0.29 per common share for the quarter ended March 31, 2025. All dividends that we pay are “eligible dividends” for Canadian income tax purposes unless indicated otherwise.

Debt over Net Income

Debt at the end of the first quarter of 2025 represented 6.4 times net income at and for the trailing twelve months ended March 31, 2025, compared to 8.6 times net income at and for the trailing twelve months ended March 31, 2024. The decrease in this debt/net income multiplier was primarily due to lower levels of debt driven by repayments of principal on our TLA Facility. The adjusted net debt/adjusted EBITDA was 1.6 times at and for the trailing twelve months ended March 31, 2025, compared to 2.0 times at and for the trailing twelve months ended March 31, 2024. The decrease in this debt/net income multiplier was due to the same reasons as discussed above.

Critical Accounting Policies, Judgments, Estimates and Assumptions

In preparing our consolidated financial statements in conformity with US GAAP, we must make decisions that impact the reported amounts and related disclosures. Such decisions include the selection of the appropriate accounting principles to be applied and the assumptions on which to base accounting estimates. In reaching such decisions, we apply judgments based on our understanding and analysis of the relevant circumstances and historical experience. At March 31, 2025, there were no material changes in our critical accounting policies, and there were no material changes in judgments, estimates and assumptions from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024.

Non-GAAP Measures

We reference various non-GAAP measures throughout this Quarterly Report on Form 10-Q. These measures do not have a standardized meaning and are, therefore, unlikely to be comparable to similar measures presented by other companies. The presentation of this financial information, which is not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation of, or as a substitute for, the financial information prepared and presented in accordance with US GAAP.

Adjusted Net Income Available to Common Stockholders and Diluted Adjusted EPS Available to Common Stockholders Reconciliation

We believe that adjusted net income available to common stockholders provides useful information about the growth or decline of our net income available to common stockholders for the relevant financial period and eliminates the financial impact of adjusting items we do not consider to be part of our normal operating results. Diluted adjusted EPS available to common stockholders eliminates the financial impact of adjusting items from net income available to common stockholders that we do not consider to be part of our normal operating results. Please refer to page 34 for a summary of adjusting items.

Adjusted net income available to common stockholders is calculated as net income available to common stockholders, excluding the effects of adjusting items that we do not consider to be part of our normal operating results, such as share-based payments expense, acquisition-related and integration costs, amortization of acquired intangible assets, executive transition costs and certain other items.

Net income available to common stockholders is calculated as net income attributable to controlling interests, less cumulative dividends on Series A Senior Preferred Shares and allocated earnings to participating securities.

Diluted adjusted EPS available to common stockholders is calculated by dividing adjusted net income available to common stockholders by the weighted average number of dilutive shares outstanding, except that it is computed based upon the lower of the two-class method or the if-converted method, which includes the effects of the assumed conversion of the Series A Senior Preferred Shares and the effect of shares issuable under the Company's stock-based incentive plans, if such effect is dilutive.

The following table reconciles adjusted net income available to common stockholders and diluted adjusted EPS available to common stockholders to net income available to common stockholders and diluted EPS available to common stockholders, which are the most directly comparable GAAP measures in our consolidated financial statements:

(in U.S. dollars in millions, except share, per share data, and percentages)	Three months ended March 31,		
	2025	2024	% Change 2025 over 2024
Net income available to common stockholders	\$ 102.9	\$ 97.1	6 %
Share-based payments expense	14.4	13.3	8 %
Acquisition-related and integration costs	3.1	12.8	(76)%
Amortization of acquired intangible assets	68.3	69.6	(2)%
Gain on disposition of property, plant and equipment and related costs	(0.2)	(1.8)	(89)%
Prepaid consigned vehicles charges	(0.3)	(2.1)	(86)%
Other legal, advisory, restructuring and non-income tax expenses	3.9	2.2	77 %
Executive transition costs	2.7	1.7	59 %
Related tax effects of the above	(27.3)	(24.8)	10 %
Related allocation of the above to participating securities	(2.3)	(2.5)	(8)%
Adjusted net income available to common stockholders	<u>\$ 165.2</u>	<u>\$ 165.5</u>	<u>— %</u>
Weighted average number of dilutive shares outstanding	<u>186,352,974</u>	<u>184,581,054</u>	<u>1 %</u>
Diluted earnings per share available to common stockholders	<u>\$ 0.55</u>	<u>\$ 0.53</u>	<u>4 %</u>
Diluted adjusted earnings per share available to common stockholders	<u><u>\$ 0.89</u></u>	<u><u>\$ 0.90</u></u>	<u><u>(1)%</u></u>

Adjusted EBITDA Reconciliation

We believe adjusted EBITDA provides useful information about the growth or decline of our net income when compared between different financial periods. We use adjusted EBITDA as a key performance measure because we believe it facilitates operating performance comparisons from period to period and it provides management with the ability to monitor its controllable incremental revenues and costs.

Adjusted EBITDA is calculated by adding back depreciation and amortization, interest expense, income tax expense, and subtracting interest income from net income, as well as adding back the adjusting items as described on page 34.

The following table reconciles adjusted EBITDA to net income, which is the most directly comparable GAAP measure in, or calculated from, our consolidated financial statements:

(in U.S. dollars in millions, except percentages)	Three months ended March 31,		
	2025	2024	% Change 2025 over 2024
Net income	\$ 113.3	\$ 107.4	5 %
Add: depreciation and amortization	114.5	107.7	6 %
Add: interest expense	49.9	63.9	(22)%
Less: interest income	(3.0)	(6.6)	(55)%
Add: income tax expense	29.6	32.5	(9)%
EBITDA	304.3	304.9	— %
Share-based payments expense	14.4	13.3	8 %
Acquisition-related and integration costs	3.1	12.8	(76)%
Gain on disposition of property, plant and equipment and related costs	(0.2)	(1.8)	(89)%
Prepaid consigned vehicles charges	(0.3)	(2.1)	(86)%
Other legal, advisory, restructuring and non-income tax expenses	3.9	2.2	77 %
Executive transition costs	2.7	1.7	59 %
Adjusted EBITDA	<u>\$ 327.9</u>	<u>\$ 331.0</u>	<u>(1)%</u>

Adjusted Net Debt and Adjusted Net Debt/Adjusted EBITDA Reconciliation

We believe that comparing adjusted net debt/adjusted EBITDA on a trailing twelve-month basis for different financial periods provides useful information about the performance of our operations as an indicator of the amount of time it would take us to settle both our short and long-term debt. We do not consider this to be a measure of our liquidity, which is our ability to settle only short-term obligations, but rather a measure of how well we fund liquidity. Measures of liquidity are noted under “Liquidity and Capital Resources.”

Adjusted net debt is calculated by subtracting cash and cash equivalents from short and long-term debt and long-term debt in escrow. Adjusted net debt/Adjusted EBITDA is calculated by dividing adjusted net debt by adjusted EBITDA.

The following table reconciles adjusted net debt to debt, adjusted EBITDA to net income, and adjusted net debt/ adjusted EBITDA to debt/ net income, respectively, which are the most directly comparable GAAP measures in, or calculated from, our consolidated financial statements.

(in U.S. dollars in millions, except percentages)	At and for the twelve months ended March 31,		
	2025	2024	% Change 2025 over 2024
Short-term debt	\$ 62.8	\$ 24.8	153 %
Long-term debt	2,626.7	2,926.2	(10)%
Debt	2,689.5	2,951.0	(9)%
Less: cash and cash equivalents	(578.1)	(462.8)	25 %
Adjusted net debt	2,111.4	2,488.2	(15)%
Net income	\$ 418.7	\$ 341.6	23 %
Add: depreciation and amortization	451.2	423.7	6 %
Add: interest expense	219.7	256.8	(14)%
Less: interest income	(22.6)	(22.3)	1 %
Add: income tax expense	134.4	118.1	14 %
EBITDA	1,201.4	1,117.9	7 %
Share-based payments expense	57.4	52.2	10 %
Acquisition-related and integration costs	19.3	102.7	(81)%
Loss (gain) on disposition of property, plant and equipment and related costs	0.4	(2.5)	NM
Remeasurements in connection with business combinations	1.2	—	NM
Prepaid consigned vehicles charges	(3.0)	(56.6)	(95)%
Other legal, advisory, restructuring and non-income tax expenses	15.1	4.1	268 %
Executive transition costs	7.7	13.7	(44)%
Adjusted EBITDA	\$ 1,299.5	\$ 1,231.5	6 %
Debt/net income	6.4 x	8.6 x	(26)%
Adjusted net debt/adjusted EBITDA	1.6 x	2.0 x	(20)%

NM = Not meaningful

Adjusted Return and Adjusted ROIC Reconciliation

We believe that comparing adjusted ROIC on a trailing twelve-month basis for different financial periods provides useful information about the after-tax return generated by our investments. Adjusted ROIC is a measure used by management to determine how productively the Company uses its long-term capital to gauge investment decisions.

ROIC is calculated as reported return divided by average invested capital. Reported return is defined as net income attributable to controlling interests excluding the impact of net interest expense and tax effected at the Company’s adjusted annualized effective tax rate. Adjusted ROIC is calculated as adjusted return divided by adjusted average invested capital. Adjusted return is defined as reported return and adjusted for items that we do not consider to be part of our normal operating results and tax effected at the

applicable tax rate. Adjusted average invested capital is calculated as average invested capital but excludes any long-term debt in escrow.

The following table reconciles adjusted return and adjusted ROIC to net income attributable to controlling interests and adjusted average invested capital to average invested capital, which are the most directly comparable GAAP measures in, or calculated from, our consolidated financial statements:

(in U.S. dollars in millions, except percentages)	At and for the twelve months ended March 31,		
	2025	2024	% Change 2025 over 2024
Net income attributable to controlling interests	\$ 419.1	\$ 342.0	23 %
Add:			
Interest expense	219.7	256.8	(14)%
Interest income	(22.6)	(22.3)	1 %
Interest, net	197.1	234.5	(16)%
Tax on interest, net	(48.4)	(56.9)	(15)%
Reported return	\$ 567.8	\$ 519.6	9 %
Add:			
Share-based payments expense	57.4	52.2	10 %
Acquisition-related and integration costs	19.3	102.7	(81)%
Amortization of acquired intangible assets	273.6	279.2	(2)%
Loss (gain) on disposition of property, plant and equipment and related costs	0.4	(2.5)	NM
Remeasurements in connection with business combinations	1.2	0.1	1100 %
Prepaid consigned vehicles charges	(3.0)	(56.6)	(95)%
Other legal, advisory, restructuring and non-income tax expenses	15.1	4.1	268 %
Executive transition costs	7.7	13.7	(44)%
Related tax effects of the above	(94.0)	(87.0)	8 %
Adjusted return	\$ 845.5	\$ 825.5	2 %
Short-term debt - opening balance	\$ 24.8	\$ 23.6	5 %
Short-term debt - ending balance	62.8	24.8	153 %
Average short-term debt	43.8	24.2	81 %
Long-term debt - opening balance	2,926.2	3,220.4	(9)%
Long-term debt - ending balance	2,622.6	2,926.2	(10)%
Average long-term debt	2,774.4	3,073.3	(10)%
Preferred equity - opening balance	482.0	482.0	— %
Preferred equity - ending balance	482.0	482.0	— %
Average preferred equity	482.0	482.0	— %
Stockholders' equity - opening balance	5,066.3	4,861.5	4 %
Stockholders' equity - ending balance	5,283.5	5,066.3	4 %
Average stockholders' equity	5,174.9	4,963.9	4 %
Average invested capital	\$ 8,475.1	\$ 8,543.4	(1)%
ROIC	6.7 %	6.1 %	60bps
Adjusted ROIC	10.0 %	9.7 %	30bps

NM = Not meaningful

Adjusting Items

Recognized in the first quarter of 2025

- \$14.4 million share-based payments expense.
- \$3.1 million of acquisition-related and integration costs, primarily relating to integration activities in connection with the acquisition of IAA and acquisition-related costs associated with the potential acquisition of J.M Wood.
- \$68.3 million amortization of acquired intangible assets from past acquisitions, primarily IAA.
- \$0.2 million gain on disposition of property, plant and equipment and related costs.
- \$0.3 million relating to a fair value adjustment made to the prepaid consigned vehicle charges on the opening balance sheet of IAA at acquisition.
- \$3.9 million of other legal, advisory, restructuring and non-income tax expenses, which primarily includes severance associated with the wind-down of our Xcira business, costs incurred for the settlement of remediation costs in connection with a fire at one of our branches, which occurred prior to the acquisition of IAA, as well as costs in connection with the CRA dispute.
- \$2.7 million of executive transition costs, primarily legal costs, associated with the departure of our ex-CEO in August 2023.

The adjusting items recognized in our prior quarters are discussed in "Part I, Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our market risk during the three months ended March 31, 2025 from those disclosed in Item 7A in our Annual Report on Form 10-K for the year ended December 31, 2024, which is available on our website at <https://investor.rbglobal.com>, on EDGAR at www.sec.gov, or on SEDAR at www.sedar.com.

ITEM 4: CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Management of the Company, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), have evaluated the effectiveness of the Company's disclosure controls and procedures as of March 31, 2025. The term "disclosure controls and procedures" means controls and other procedures established by the Company that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Based upon their evaluation of the Company's disclosure controls and procedures, the CEO and the CFO concluded that, as of March 31, 2025, the disclosure controls are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to management, including the CEO and the CFO, as appropriate, to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms.

The Company, including its CEO and CFO, does not expect that its internal controls and procedures will prevent or detect all error and all fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.