

MIRA INFORM REPORT

Report No. :	542719
Report Date :	06.12.2018

IDENTIFICATION DETAILS

Name :	RITCHIE BROS AUCTIONEERS (ME) LIMITED
Registered Office :	Jebel Ali Free Zone PO Box: 16897 Dubai
Country :	United Arab Emirates
Financials (as on) :	31.12.2017
Date of Incorporation :	10.06.1997
Com. Reg. No.:	1644
Legal Form :	Branch Office of a Foreign Company
Line of Business :	Sale of machinery, industrial equipment, ships and aircraft
No. of Employees :	30

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Branch of a foreign company
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
United Arab Emirates	A2	A2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

UNITED ARAB EMIRATES - ECONOMIC OVERVIEW

The UAE has an open economy with a high per capita income and a sizable annual trade surplus. Successful efforts at economic diversification have reduced the portion of GDP from the oil and gas sector to 30%.

Since the discovery of oil in the UAE nearly 60 years ago, the country has undergone a profound transformation from an impoverished region of small desert principalities to a modern state with a high standard of living. The government has increased spending on job creation and infrastructure expansion and is opening up utilities to greater private sector involvement. The country's free trade zones - offering 100% foreign ownership and zero taxes - are helping to attract foreign investors.

The global financial crisis of 2008-09, tight international credit, and deflated asset prices constricted the economy in 2009. UAE authorities tried to blunt the crisis by increasing spending and boosting liquidity in the banking sector. The crisis hit Dubai hardest, as it was heavily exposed to depressed real estate prices. Dubai lacked sufficient cash to meet its debt obligations, prompting global concern about its solvency and ultimately a \$20 billion bailout from the UAE Central Bank and Abu Dhabi Government that was refinanced in March 2014.

The UAE's dependence on oil is a significant long-term challenge, although the UAE is one of the most diversified countries in the Gulf Cooperation Council. Low oil prices have prompted the UAE to cut expenditures, including on some social programs, but the UAE has sufficient assets in its sovereign investment funds to cover its deficits. The government reduced fuel subsidies in August 2015, and introduced excise taxes (50% on sweetened carbonated beverages and 100% on energy drinks and tobacco) in October 2017. A five-percent value-added tax was introduced in January 2018. The UAE's strategic plan for the next few years focuses on economic diversification, promoting the UAE as a global trade and tourism hub, developing industry, and creating more job opportunities for nationals through improved education and increased private sector employment.

Source : CIA

BRIEF SUMMARY

COMPANY NAME	Ritchie Bros Auctioneers (ME) Limited			
ADDRESS	Building	Area	Town	PO Box
	N/A	9th Roundabout, Jebel Ali Free Zone, Near Gate No. 8	Dubai	16897 Dubai
TEL/FAX	Verified Phones: (+971 4) 812 0600 / Fax: (+971 4) 883 8495			
EMAIL/WEBSITE	Email: fkayali@rbauktion.com / ajacob@ritchiebros.com / Website: www.rbauktion.com			
ACTIVITY	NACE 4614 - Agents involved in the sale of machinery, industrial equipment, ships and aircraft;			
PRINCIPAL	Ravi Saligram			Workforce 30
	Group Chief Executive Officer			
LEGAL INFO	Date Of Est.	Reg. No.	Legal Form	Status
	10/06/1997	1644	Branch Office of a Foreign Company	Active

IDENTIFICATION

CO. NAME	Ritchie Bros Auctioneers (ME) Limited		
ENQUIRED NAME	Ritchie Bros Auctioneer (ME) Limited		
AREA	9th Roundabout, Jebel Ali Free Zone, Near Gate No. 8		
POSTAL ADDRESS	16897 Dubai		
TOWN	Dubai		
COUNTRY	United Arab Emirates		
TELEPHONE	(+971 4) 812 0600 / Mobiles (+971 50) 552 6069 / (+971 56) 474 3943 / (+971 50) 459 4701 / (+971 50) 655 2870 (Firas Kayali)		
FAX	(+971 4) 883 8495		
VERIFIED EMAIL	fkayali@rbauktion.com / ajacob@ritchiebros.com / klima@ritchiebros.com / efaig@ritchiebros.com		
WEBSITE	www.rbauktion.com		
BUSINESS HOURS	DAYS	OFFICE HOURS	BREAK TIME
	Sun-Thu	08:00-17:00	13:00-14:00
REGISTERED ADDRESS	Jebel Ali Free Zone PO Box: 16897 Dubai United Arab Emirates		

SENIOR PERSONNEL

MANAGEMENT	NAME	POSITION
	Ravi Saligram	Group Chief Executive Officer
	Sharon Driscoll	Group Chief Financial Officer
	Eduard Faig	Regional Manager
	Firas Kayali	Regional Operations Manager
	Aneel Jacob	Territory Manager Industrial / UAE & Pakistan
	Kiran Dileema	Territory Manager Industrial / India

WORKFORCE	NO. OF EMPLOYEES	PERIOD
	30	12.2018
	2,100 (Ritchie Bros. Auctioneers Group)	01.2018

FINANCIAL SUMMARY

TURNOVER	31/12/2017 USD 7,000,000	31/12/2018 (Projected) USD 8,000,000
NET PROFIT / (LOSS)	Not given but stated to be profitable	
NOTES	The following consolidated financial statements as at 31/12/2017 applies to subject's parent company, Ritchie Bros. Auctioneers Incorporated:	

31/12/2017 31/12/2016
(in thousands of USD)

Assets	31/12/2017	31/12/2016
Current assets:		
Cash and cash equivalents	267,910	207,867
Restricted cash	63,206	50,222
Trade and other receivables	92,105	52,979
Inventory	38,238	28,491
Advances against auction		

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contracts	7,336	5,621
Prepaid expenses and deposits	19,690	19,005
Assets held for sale	584	632
Income taxes receivable	19,418	13,181
	508,487	377,998
Property, plant and equipment	526,581	515,030
Equity-accounted investments	7,408	7,326
Restricted cash	-	500,000
Other non-current assets	24,146	20,244
Intangible assets	261,094	72,304
Goodwill	670,922	97,537
Deferred tax assets	18,674	9,094
	2,017,312	1,599,533
Liabilities and Equity		
Current liabilities:		
Auction proceeds payable	199,245	98,873
Trade and other payables	164,553	124,694
Income taxes payable	732	5,355
Short-term debt	7,018	23,912
Current portion of long-term debt	16,907	-
	388,455	252,834
Long-term debt	795,985	595,706
Other non-current liabilities	46,773	38,088
Deferred tax liabilities	32,334	17,125
	1,263,547	903,753
Contingencies		
Contingently redeemable performance share units	9,014	3,950
Stockholders' equity:		
Share capital:		
Common stock; no par value, unlimited shares authorized, issued and outstanding		
shares: 107,269,783 (December 31, 2016: 106,822,001)	138,582	125,474
Additional paid-in capital	41,005	27,638
Retained earnings	602,609	601,071
Accumulated other comprehensive loss	(42,514)	(67,126)
Stockholders' equity	739,682	687,057
Non-controlling interest	5,069	4,773
	744,751	691,830
	2,017,312	1,599,533

CONSOLIDATED INCOME STATEMENTS

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	31/12/2017	31/12/2016
	(in thousands of USD)	
Revenues	610,517	566,395
Costs of services, excluding depreciation and amortization	79,013	66,062
	531,504	500,333
Selling, general and administrative expenses	323,270	283,529
Acquisition-related costs	38,272	11,829
Depreciation and amortization expenses	52,694	40,861
Gain on disposition of property, plant and equipment	(1,656)	(1,282)
Impairment loss	8,911	28,243
Foreign exchange loss (gain)	2,559	1,431
Operating income	107,454	135,722
Other income (expense):		
Interest income	3,194	1,863
Interest expense	(38,291)	(5,564)
Debt extinguishment costs	-	(6,787)
Equity income (loss)	(26)	1,028
Other, net	5,063	4,232
	(30,060)	(5,228)
Income before income taxes	77,394	130,494
Income tax expense (recovery):		
Current	19,356	40,341
Deferred	(17,268)	(3,359)
	2,088	36,982
Net income	75,306	93,512

FISCAL YEAR-END

31 December.

LEGAL STATUS

INCORPORATION
REGISTRATION NO.

10/06/1997
LICENSE NUMBER
Trade License No.: 1644 (expiry date: 09/06/2019)

ISSUED BY
Jebel Ali Free
Zone Authority
(JAFZA)

CAPITAL
BUSINESS HISTORY

Not provided
The Company was incorporated in Jebel Ali Free Zone on 10 June
1997 as a branch office of a foreign company registered in Cyprus.

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STATUS
PARENT

Active
NAME
Ritchie Bros Auctioneers (ME) Limited
Cyprus

LEGAL FORM
Branch of a
Foreign
Company

Ultimate parent company:

Ritchie Bros. Auctioneers Incorporated
9500 Glenlyon Parkway
Burnaby, BC V5J 0C6
Canada
Phone: (+1 778) 331 5500
Fax : (+1 778) 331 5501
Ritchie Bros. Auctioneers (RBA), or simply Ritchie Bros., is an industrial auctioneer, selling heavy industrial equipment and trucks through live and online auctions. The company is headquartered in Burnaby, a suburb of Metro Vancouver, and has operations in 12 countries and 40 auction sites worldwide. The company sells through unreserved public auctions, weekly featured auctions at IronPlanet, and various other online marketplaces, a broad range of used and unused industrial assets, including equipment, trucks and other assets utilized in the construction, transportation, agricultural, material handling, mining, forestry, petroleum, and marine industries.

Ritchie Bros. is a public company. Its common shares are traded on the New York and Toronto stock exchanges under the ticker symbol RBA.

OPERATION

BANKERS

Emirates NBD Bank
Jebel Ali Branch
P.O. Box: 777
Dubai
United Arab Emirates
Telephone: (+971 4) 222 2111
Fax : (+971 4) 228 3000
IBAN Acc. No.: AE530 26000 0515030822402 (USD)
IBAN Acc. No.: AE800 26000 0515030822401 (AED)
SWIFT: EBILAEADXXX

ACTIVITY CODE (NACE)

4614 - Agents involved in the sale of machinery, industrial equipment, ships and aircraft;

LINE OF BUSINESS	Providers of auction services, selling heavy industrial equipment and trucks through live and online auctions. Subject sells a broad range of used and unused industrial assets, including equipment, trucks and other assets utilized in the construction, transportation, agricultural, material handling, mining, forestry, petroleum, and marine industries. Worldwide.
IMPORT FROM	services to Middle East, Africa, Asia Subcontinent, including Greece, Cyprus, India, Pakistan, Bahrain, Egypt, Libya, Qatar, Kuwait, Saudi Arabia, Lebanon, Jordan and Oman.
EXPORT TO	
FACILITIES	Premises comprising administrative offices located at the heading address.
RELATED COMPANIES	Subsidiaries of Ritchie Bros. Auctioneers Incorporated: <ol style="list-style-type: none"> 1. Ritchie Bros. Holdings Inc. USA 2. RBA Holdings Inc. USA 3. Ritchie Bros. Holdings (America) Inc. USA 4. Ritchie Bros. Auctioneers (America) Inc. USA 5. Ritchie Bros. Properties Inc. USA 6. Ritchie Bros. Financial Services (America) Inc. USA 7. Bridgeport Agencies Inc. USA 8. AssetNation, Inc. USA 9. Spindletop Group, LLC USA 10. SalvageSale Services, Inc. USA 11. Mascus USA Inc. USA 12. Xcira, LLC USA

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13. Topaz Mergersub, Inc.
USA
14. SalvageSale Mexico Holding LLC
USA
15. Ritchie Bros. Holdings Ltd.
Canada
16. Ritchie Bros. Auctioneers (Canada) Ltd.
Canada
17. Ritchie Bros. Real Estate Service Ltd.
Canada
18. Bridgeport Agencies Ltd.
Canada
19. Ritchie Bros. Properties Ltd.
Canada
20. Ritchie Bros. Financial Services Ltd.
Canada
21. Mascus Canada Limited
Canada
22. Ritchie Bros. Auctioneers (International)
Ltd.
Canada
23. Ritchie Bros. Investment Holdings
(Luxembourg) SARL
Cyprus
24. Ritchie Bros. (Hungary) Kft.
Hungary
25. Ritchie Bros. Auctioneers India Private
Limited
India
26. Ritchie Bros. Auctioneers Ireland Limited
Ireland
27. Ritchie Bros. Holdings B.V.
The Netherlands

- 28.Ritchie Bros. Auctioneers B.V.
The Netherlands
- 29.Ritchie Bros. Shared Services B.V.
The Netherlands
- 30.Ritchie Bros. Properties B.V.
The Netherlands
- 31.Ritchie Bros. Auctioneers (Poland) Sp.z.o.o.
Poland
- 32.Ritchie Bros. Properties S.r.l.
Italy
- 33.Ritchie Bros. Auctioneers S.r.l.
Italy
- 34.Ritchie Bros. Auctioneers (Spain) S.L.U.
Spain
- 35.Ritchie Bros. Properties (Spain) S.L.U.
Spain
- 36.Ritchie Bros. Auctioneers (UK) Limited
United Kingdom
- 37.SalvageSale Limited
United Kingdom
- 38.Ritchie Bros. Auctioneers GmbH
Germany
- 39.Ritchie Bros. Auctioneers (Belgium) N.V.
Belgium
- 40.Ritchie Bros. Auctioneers France SAS
France
- 41.Ritchie Bros. Services SARL
France
- 42.Ritchie Bros. Holdings SARL
France
- 43.Ritchie Bros. Properties EURL
France
- 44.Ritchie Bros. Holdings Pty Ltd.

- Australia
- 45.Ritchie Bros. Auctioneers Pty Ltd.
Australia
- 46.Ritchie Bros. Properties Pty Ltd.
Australia
- 47.Ritchie Bros. Properties Japan K.K.
Japan
- 48.Ritchie Bros. Auctioneers (Japan) K.K.
Japan
- 49.Ritchie Bros. Auctioneers Pte Ltd.
Singapore
- 50.Ritchie Bros. Auctioneers (Beijing) Co. Ltd.
China
- 51.Ritchie Auction (Beijing) Co. Ltd.
China
- 52.Ritchie Bros. Auctioneers Mexico Services, S.
de R.L. de C.V.
Mexico
- 53.Ritchie Bros. Auctioneers de Mexico, S. de
R.L. de C.V.
Mexico
- 54.Ritchie Bros. Properties, S. de R.L. de C.V.
Mexico
- 55.SalvageSale De Mexico S. de R.L. de C.V.
Mexico
- 56.SalvageSale Servicios, S. de R.L. de C.V.
Mexico
- 57.Ritchie Bros. Auctioneers (Panama) S.A.
Panama
- 58.Ritchie Bros. Auctioneers Comercial de
Equipamentos Industriais Ltda
Brazil
- 59.Ritchie Bros. Auctioneers Muzayede
Danismanlik ve Ticaret Limited Sirketi

Turkey

60.Ritchie Bros. Auctioneers LLC
Russia

61.Ritchie Bros. Holdings Luxembourg SARL
Luxembourg

62.Ritchie Bros. Luxembourg SARL
Luxembourg

PAYMENT

CREDIT OPINION

We consider it is acceptable to deal with subject for MEDIUM amounts.

SPECIAL REMARKS

INTERVIEWED

Firas Kayali (Regional Operations Manager) and Aneel Jacob
(Territory Manager Industrial / UAE & Pakistan).

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.51
UK Pound	1	INR 89.44
Euro	1	INR 79.83
UAE DH	1	INR 19.33

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	DNS

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)