



GRUPO ARGOS

Investors Presentation
January 2018

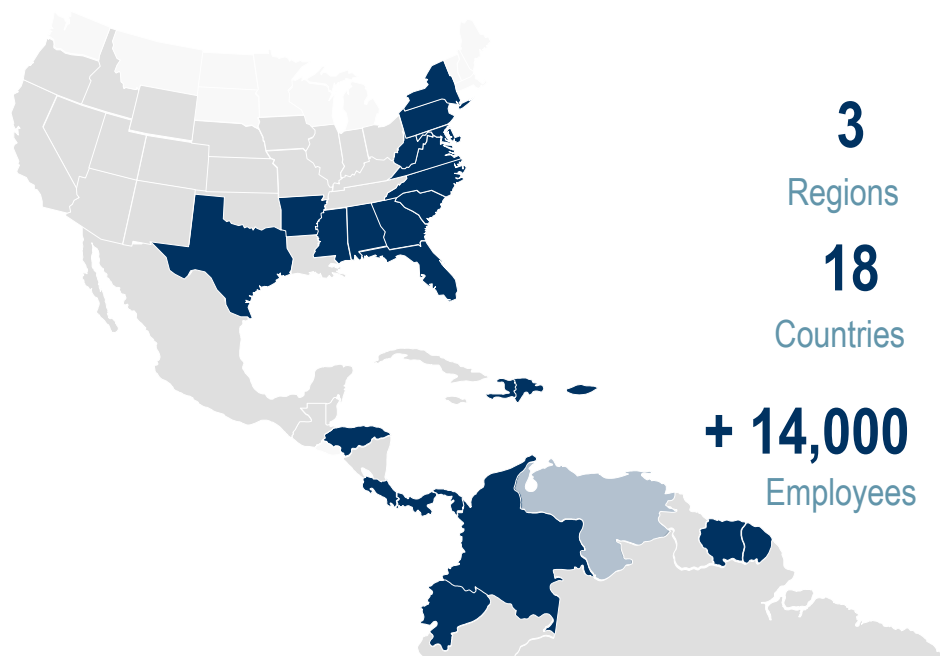


IMPORTANT NOTE

This presentation contains certain forward-looking information and statements related to GRUPO ARGOS and its subsidiaries that are based on knowledge of current events, expectations and forecasts, circumstances, and assumptions of future events. Many factors could cause the future results, performance or achievements of GRUPO ARGOS and its subsidiaries to be different to those expressed or assumed herein.

If an unforeseen situation occurs, or the premises or estimations are shown to be incorrect, the future results may be considerably different to those stated herein. The forward-looking statements are made to this date, and GRUPO ARGOS and its subsidiaries do not claim nor assume any obligation to update these forward-looking statements as a result of new information, future events or any other factor.

GRUPO ARGOS AT A GLANCE



- Only liquid vehicle to invest in infrastructure in Colombia
- Strategic focus in **Cement, Energy, Road and Airport Concessions**
- Holding company with a solid and articulated portfolio with **USD 16 billion in AUM**
- With a **balanced portfolio** in regions, currency, and sectors
- One of the most **important players in infrastructure in the Americas**
- Operating in markets with significant **growth potential**



HOLDING WITH A BALANCED PORTFOLIO FOCUSED IN INFRASTRUCTURE



Mkt Cap¹ Revenue² EBITDA²
USD 5.9 bn USD 4.9 bn USD 1.3 bn

STRATEGIC - In Infrastructure

Cement



55.3%³

LTM
 Sept17 Revenues: USD 2.8 bn
 EBITDA: USD 0.5 bn

Energy



52.9%

LTM
 Sept17 Revenues: USD 1.0 bn
 EBITDA: USD 0.4 bn

Concessions



99.7%

LTM
 Sept17 Revenues: USD 0.5 bn (+0.3 bn of Opaín⁷)
 EBITDA: USD 0.2 bn (+0.1 bn of Opaín⁷)

PORTFOLIO

Manages a portfolio of USD 3.1 billion⁶ composed by:

36.3%⁴



100%



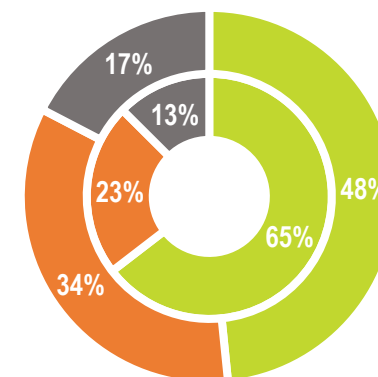
27.7%⁵



9.8%



Revenue and Ebitda contribution from Strategic Portfolio



- Outer Circle: EBITDA contribution 3Q17 (USD 0.3 bn / COP 841 bn)
- Inner Circle: Revenue contribution 3Q17 (USD 1.1 bn / COP 3.4 tn)

¹ Mkt Cap in USD as of 12/28/2017 (1 USD = 2,984 COP) ² Revenues & EBITDA LTM Sept 17 in USD / (1 USD = 2,984 COP) ³ Cementos Argos 55.3% ordinary shares and 46.83% of outstanding shares ⁴ 50% participation in the managing vehicle, 36.3% Economic right with the entrance of Protección Pension Fund ⁵ Grupo Argos and its related companies adds to 35.9% ⁶ Portfolio valued at Market prices for Grupo Sura and Nutresa and book value for other investments as of 3Q17 ⁷ Corresponds to recurrent revenues and Ebitda for 2016

WITH STRATEGIC ARCHITECT PRINCIPLES

Institutional

Defining a **Group Governance Model**, as well as a **Control and Risks System** that ensures the protection of the interests of the shareholders. Establishing the strategy of **Sustainability, Brand, Communications** and relationship with interest groups.

Strategic

Ensuring coherence in the **corporate strategy** and alignment with the competitive strategy of the subsidiaries; empowering **innovation**

*Acquisition of Odinsa and reshaping of portfolio.

Management

Management of strategic human talent and corporate culture. In addition, implementing and coordinating actions that **improve profitability by seeking corporate synergies**.

*SUMMA – creation of intercompany services subsidiary to capture synergies.

Financial Strategy

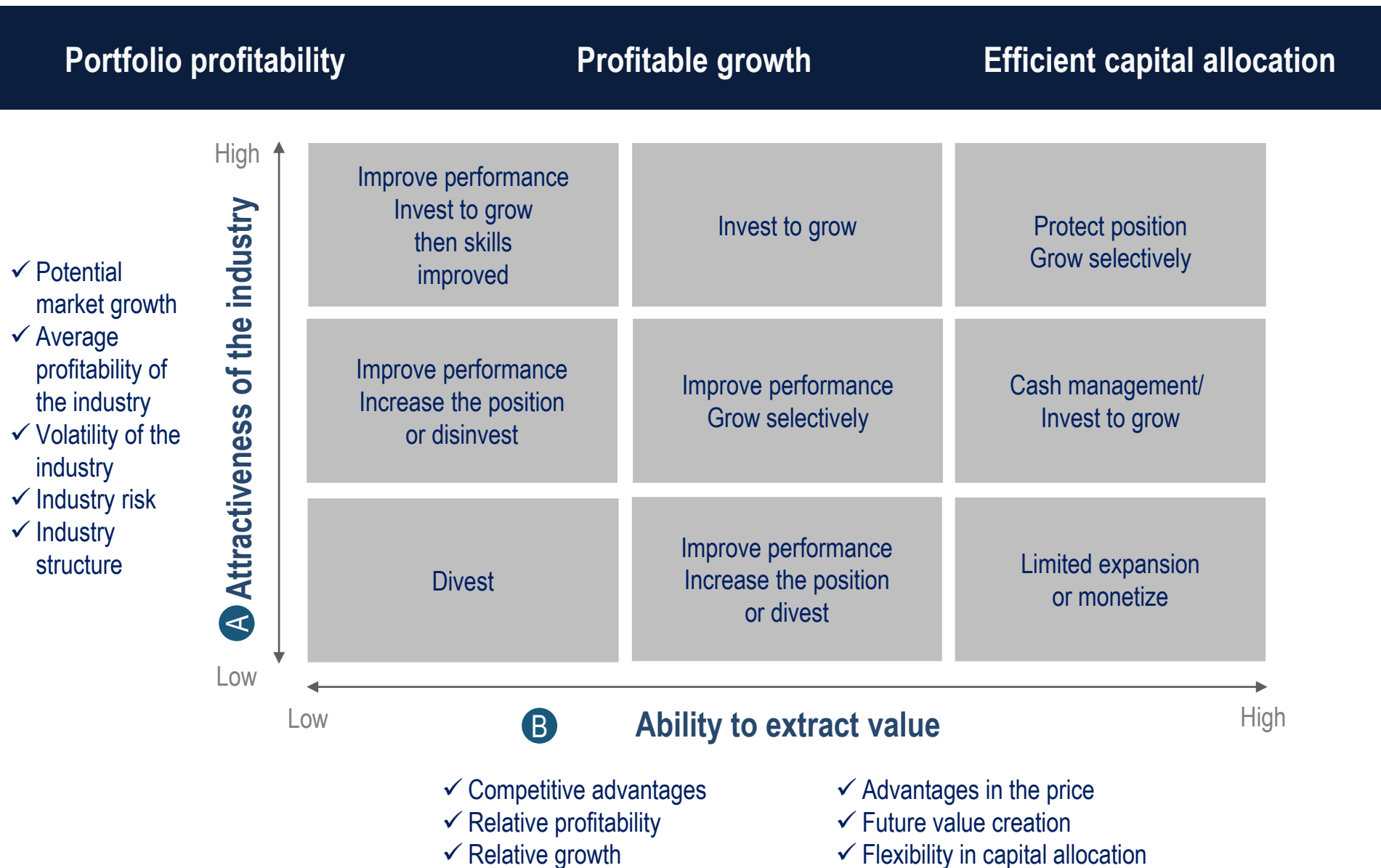
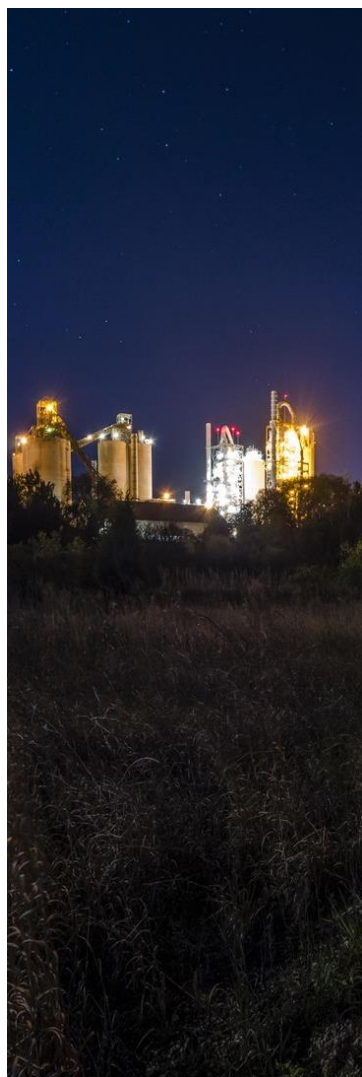
Lead the **mergers, acquisitions and divestments processes**, seeking to generate the highest value of the investment portfolio in line with the **efficient capital allocation model**

30% acquisition of OPAIN guaranteeing the consolidation strategy of ODINSA.
Financial closing of Pacifico II with a more efficient capital structure.



Generating value Through	Disciplined capital allocation	Active participation in strategy of the core portfolio	DNA of business group	
Contributing to its subsidiaries	Access to capital markets in better conditions	Knowledge of target markets through other subsidiaries	Dialogue and relationship with public entities	Mobility of human capital
Acting according to sustainability principles	Good corporate governance and social responsibility practices	Respect for the environment		

FOLLOWING A METHODOLOGY FOCUSED ON PROFITABILITY



REFLECTED IN THE TRANSFORMATION OF THE PORTFOLIO: FROM CEMENT CONGLOMERATE TO AN ACTIVE INFRASTRUCTURE HOLDING COMPANY

Growth & Internationalization

Profitability

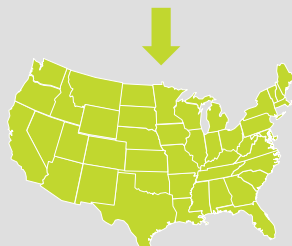
2003 - 2007

2008 - 2011

2012 - 2014

2015 - 2017

- Strategic and cultural consolidation of **Cementos Argos**
- Internationalization strategy



- Entry in the **power business**
 - Control purchase of Celsia and EPSA
- **Cement expansion**
 - Columbus plant construction
 - Growing presence in the US

- **Split of non-cement assets**
 - Cementos Argos = pure cement player
 - Administrative independence
 - **GA's vision as an infrastructure matrix**
 - Creation of Situm, Sator & Compas



- **Internationalization of Celsia** (Panamá & Costa Rica)
- **Cementos Argos expansión in the USA**

- **Infrastructure business consolidation**
 - Acquisition of control of Odinsa
- Simplification, targeting and profitability (focus in 3 businesses):



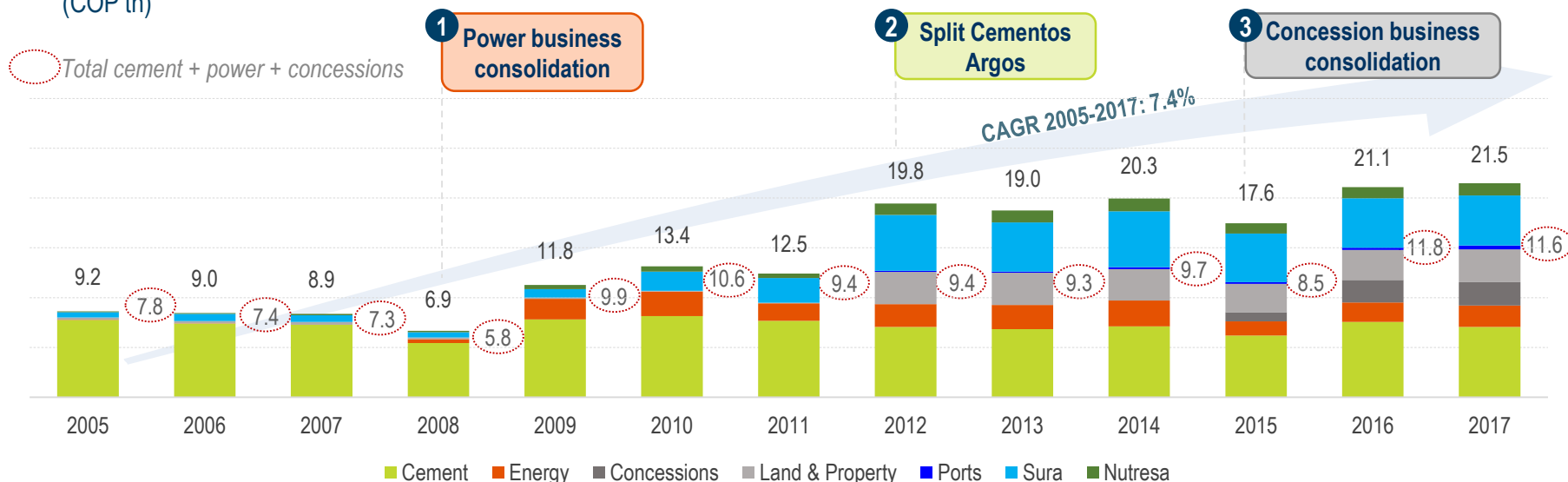
- **Profitable growth & efficient capital allocation**
- **Holding with an active role**

STRATEGIC ARCHITECT

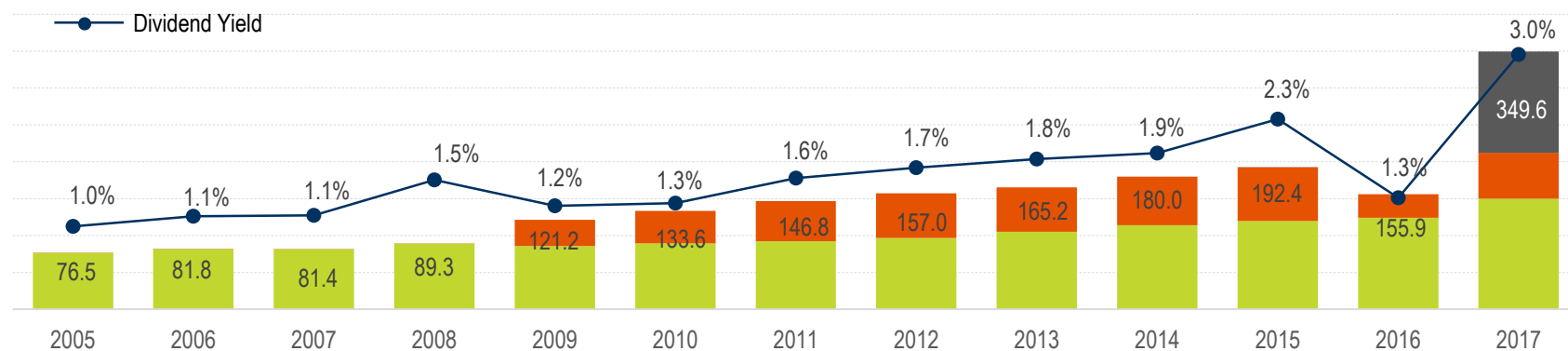
ACTIVE INVESTOR

WITH A GROWING DIVIDEND POLICY THAT CONFIRMS PROFITABILITY GUIDELINE

PORTFOLIO EVOLUTION (COP tn)

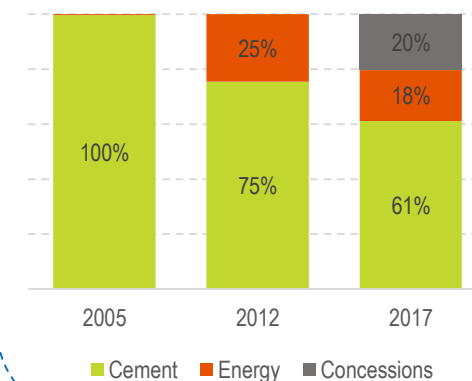


DIVIDENDS RECEIVED (CEMENT + POWER + CONCESSIONS) (COP bn)

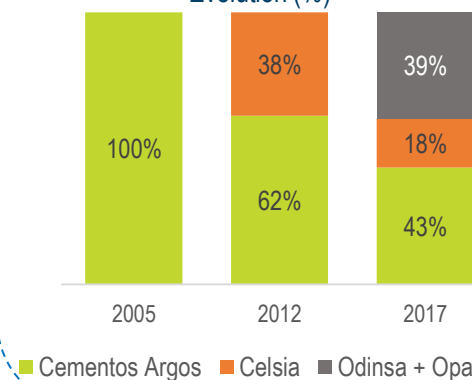


1 Total Value received by Grupo Argos during the year

STRATEGIC PORTFOLIO Evolution (%)



DIVIDENDS RECEIVED FROM STRATEGIC PORTFOLIO Evolution (%)



AND TRACK RECORD AS AN ACTIVE PORTFOLIO MANAGER IN THE LAST YEARS

- 1 Simplification and focus
- 2 Portfolio profitability
- 3 Profitable growth
- 4 Efficient capital allocation

TYPE OF HOLDING: ACTIVE MANAGER

2014

- ✓ 6.3 mm **Sura PF** shares divested

2015

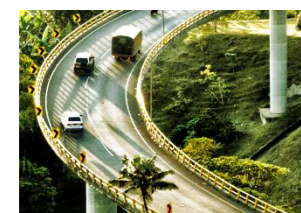
- ✓ Divestment of 300,000 shares of **Sura PF**
- ✓ Divestment of 5 mm shares of **Bancolombia Ord**

2016

- 1 Completed acquisition of 98.6% of **Odinsa**
- ✓ Divestment of 2.2 mm of **Sura PF** shares
- ✓ Divestment of 7.7 mm shares of **Bancolombia Ord**

Sept 2017

- 1 Acquisition of 30% of **Opain** (Control 65%)
- 1 Reached shareholding participation in **Odinsa** of 99.7%
- 1a Optimization and simplification of **Odinsa's** portfolio
- 2 Divestment of **Compas**
- ✓ Close and first debt disbursement for the 4G project **Pacifico II**
- ✓ **Odinsa** issues COP 400bn in bonds (oversubscribed 2.23x)
- 3 Intentions to **simplify the energy business** with the announcement of **Celsia** to acquire up to 14% of **EPSA** and issue up to 350 mm of shares
- ❖ Divestment of land parcels with profitability focus



1 CONSOLIDATION OF THE INFRASTRUCTURE PILLAR WITH THE ACQUISITION OF ODINSA AND THE CONTROL OF OPAIN



ODINSA - 99%

Of voting rights after successful takeover bid

(last transaction 43.8% of the company with 83% acceptances in GA PF shares)

CONTROL

Acquisition of

OPAIN

35% +

Odinsa

30%

Grupo Argos



Between April 2015 and December 2016 Grupo Argos acquired **98.6%** of Odinsa through a series of transactions.

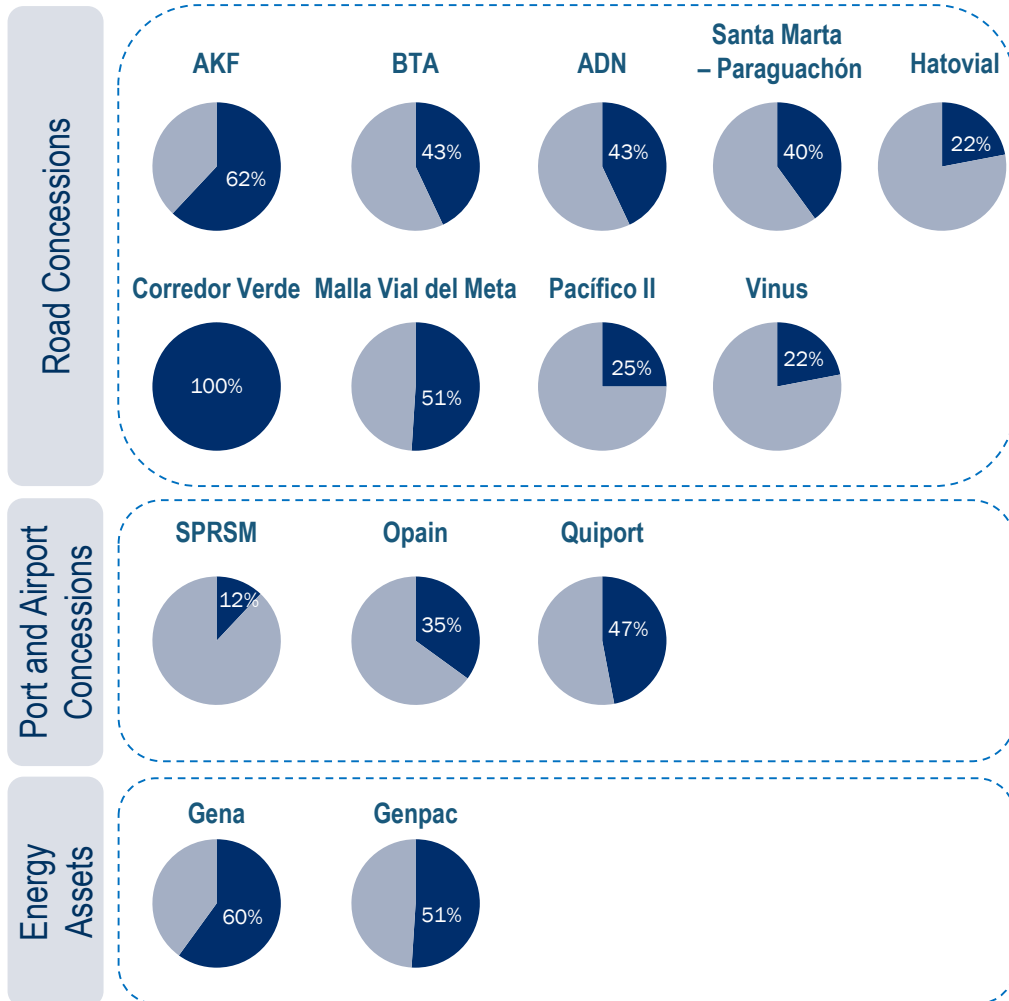
total transactions = COP 1.83 tn (USD 611 mn)

*Current participation **99.7%**

Currently delisting the company = focus companies management in long term initiatives and access capital more efficiently

Support Odinsas strategic plan of consolidating the **airport concession business** with the **acquisition of control of OPAIN** through a non solicited offer to buy **30% = COP 480 bn (USD 160 mn)**

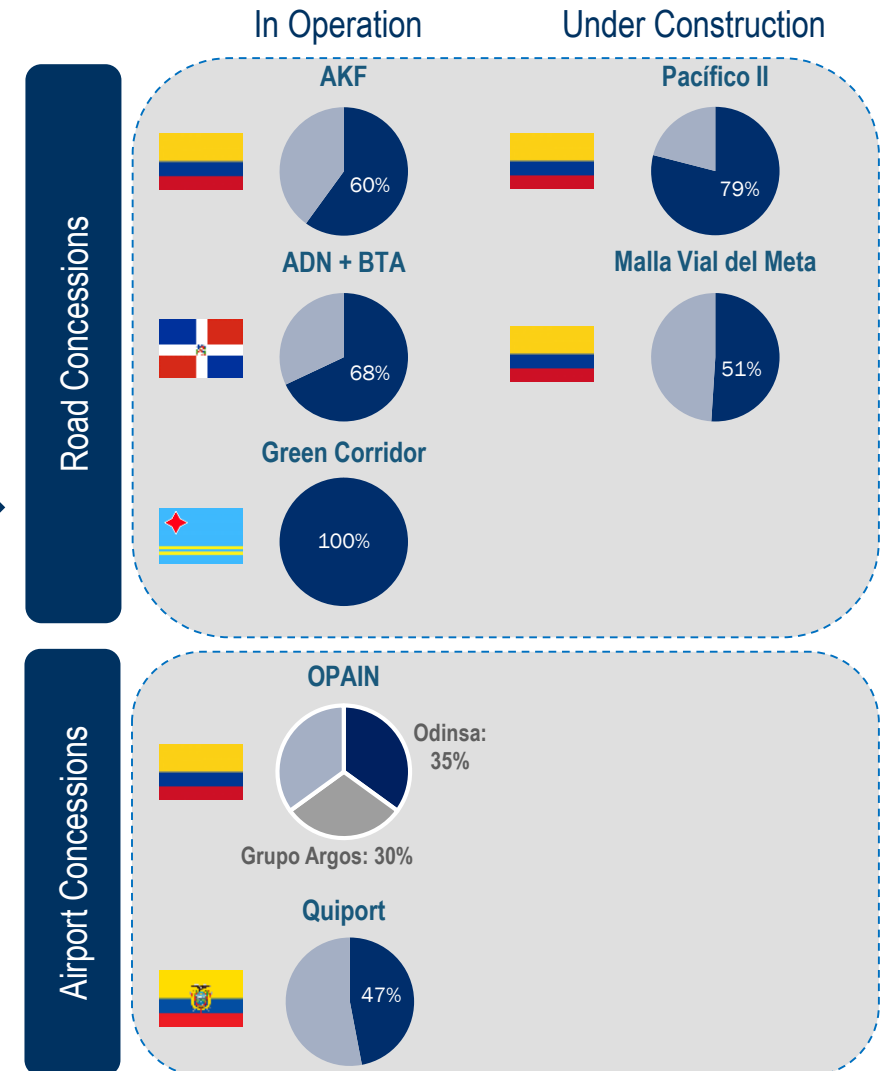
1a FOLLOWED BY A SUCCESSFUL CONSOLIDATION IN THE CONCESSIONS BUSINESS: A CLEAR EXAMPLE OF OUR ROLE AS STRATEGIC ARCHITECTS



- FROM:**
- 3 business lines
 - 15 assets
 - Governance 5 / 15 assets
 - 1 co-control

2015 - 2017

- TO:**
- 2 business lines
 - 7 assets
 - Governance 6 / 7 assets
 - 1 co-control
 - Balanced portfolio
 - (Operation / Construction)
 - Revenues (COP / USD)



2 SALE OF COMPAS REAFFIRMING OUR COMMITMENT TO EFFICIENTLY MANAGE THE INVESTMENT PORTFOLIO

Strategic Rational

- **Fulfillment of investment thesis**
- Exercise role of active holding
- **Focus** on cement, energy and roads and airports concessions
- **Financial flexibility** to efficiently manage portfolio
- Different alternatives of **access to capital**



Multiples

Amount of the transaction
COP 407 bn (USD 135 mn)
25.2x
EV/EBITDA 2016



Contribution to the strategy as of Sept 2017

Change in debt profile

Amortization:

COP 195 bn (USD 65 mn)

Gross debt/Ebitda 2.2x

Cash position 3Q17

COP 270 bn



3 CELSIA'S ANNOUNCEMENT IS IN LINE WITH OUR SIMPLIFICATION AND EFFICIENT CAPITAL ALLOCATION STRATEGY



Simplification of the strategic architecture of Grupo Argos

- Consolidation of the energy business in a single vehicle
- Greater clarity of the holding structure for the market



Strengthening of the energy business

- Capitalization with the issuance of up to 350 million shares
- Strengthen the capital structure necessary for the businesses to continue its profitable growth
- Leverage reduction
- Strengthening of Celsia's cash flow

Value reveal

- Recognition of the value of EPSA, unleashing a cascade of value for both the shareholders of Grupo Argos and those of Celsia

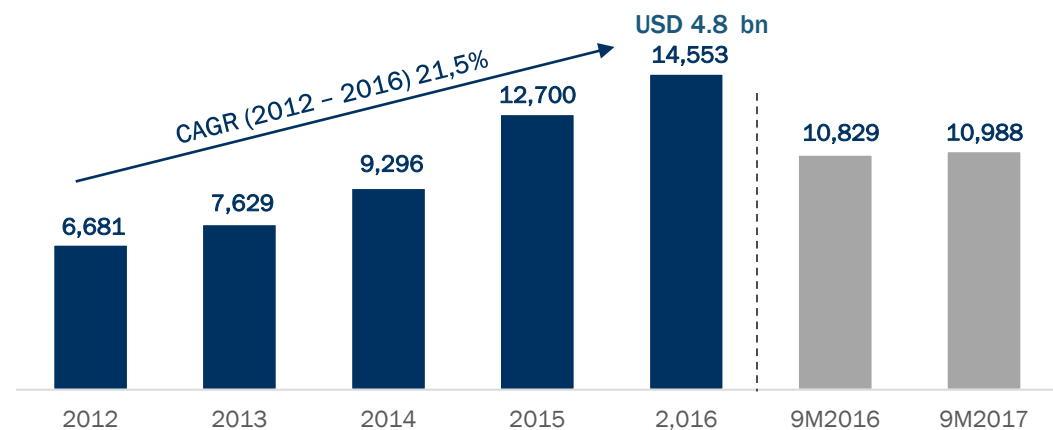


In a framework of transparency and equitability for minority shareholders

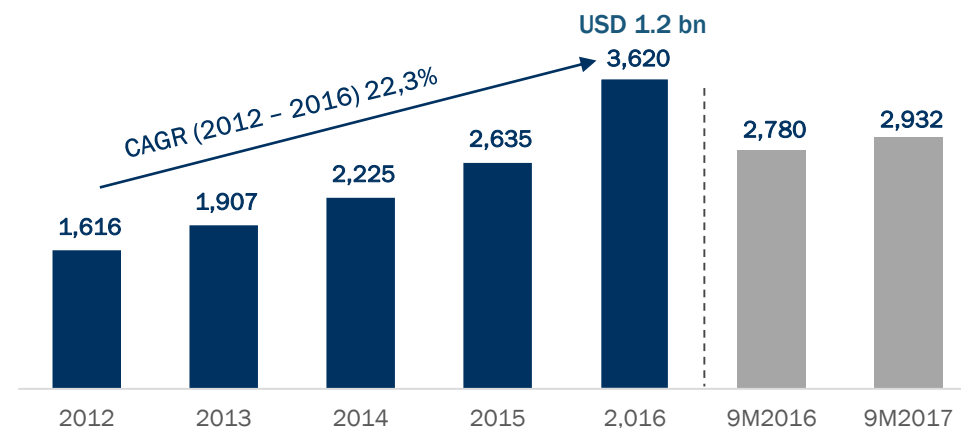
- Market operations
- Independent valuers
- Decisions taken by independent members of the board of directors of Celsia

THAT HAVE TRANSLATED INTO GROWING RESULTS

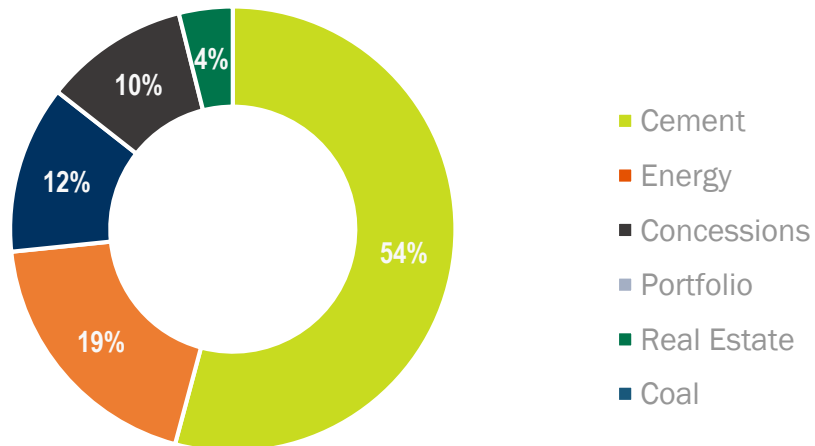
GRUPO ARGOS CONSOLIDATED REVENUES
(COP bn)



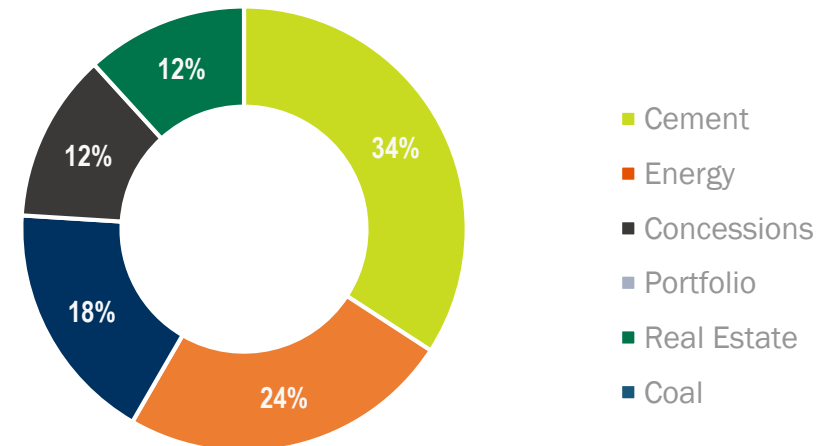
GRUPO ARGOS CONSOLIDATED EBITDA
(COP bn)



GRUPO ARGOS REVENUE CONTRIBUTION BY BUSINESS
(%) 3T17

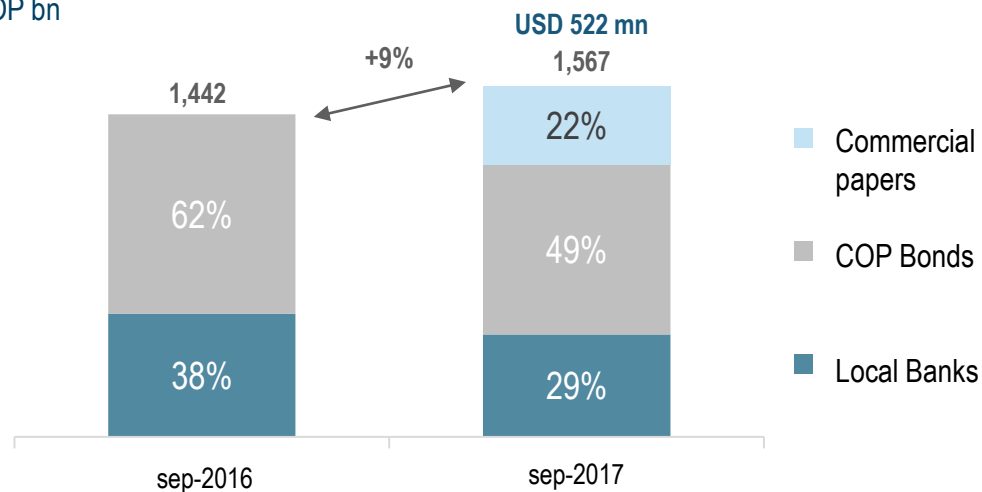


GRUPO ARGOS EBITDA CONTRIBUTION BY BUSINESS
(%) 3T17



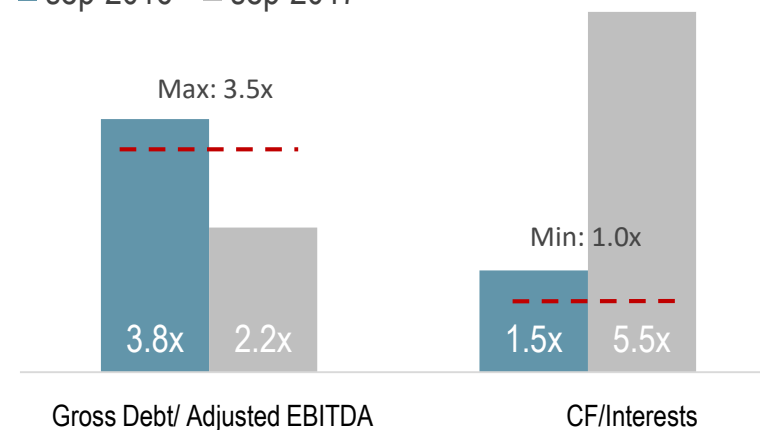
AND LEVERAGE INDICATOR AT THE INDIVIDUAL LEVEL AT A MINIMUM OF 2.2x, WITH CASH POSITION CLOSING AT COP 267 BN FOR 3Q17

DEBT COP bn



LEVERAGE RATIOS

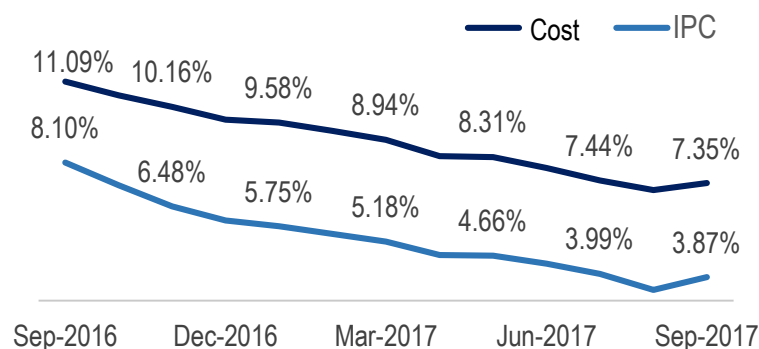
■ sep-2016 ■ sep-2017



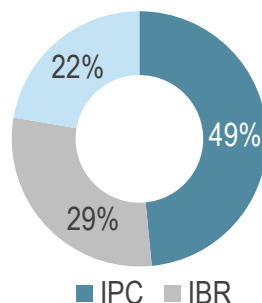
Adjusted EBITDA** (COP bn)
(12 months)**

- sep-2016: 376
- sep-2017: 707

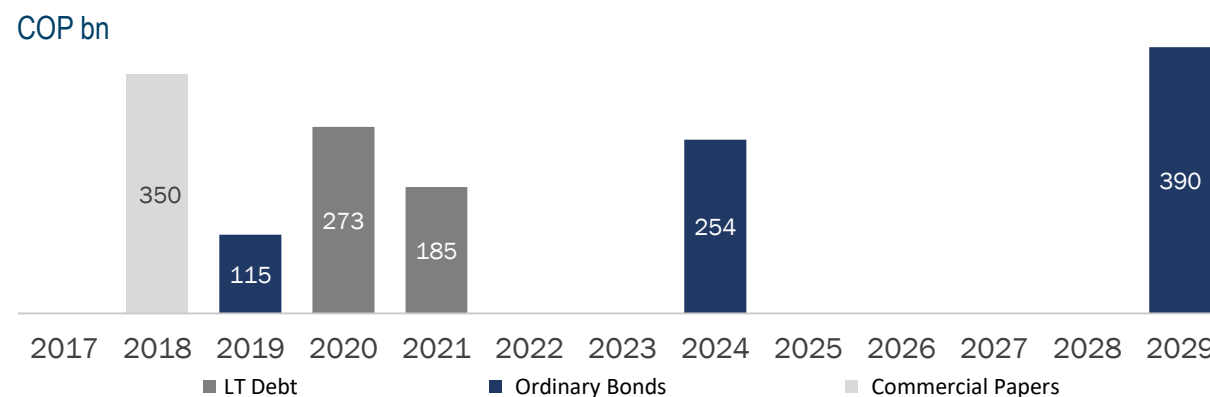
COST OF DEBT*



Debt Indexation



DEBT PROFILE COP bn



*Includes only capital balance. Current inflation for the month

** Adjusted EBITDA = EBITDA (-) Equity method (+) Dividends received (+) Divestments revenues – Corporate Rating Methodology



GRUPO ARGOS

Annexes



GRUPO ARGOS

Concession Business

ACTIVE TRANSFORMATION IN THE CONCESSION BUSINESS



5

highway concessions in operations



2

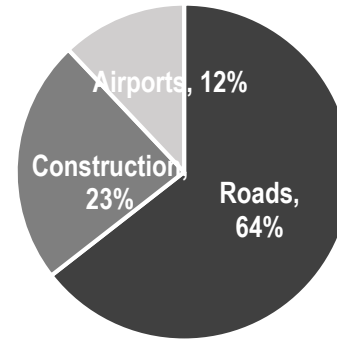
concessions under construction



2

Airport concessions

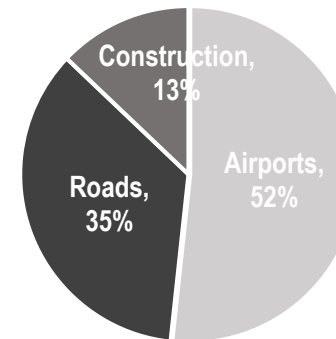
Revenue by business with equity method 9M17



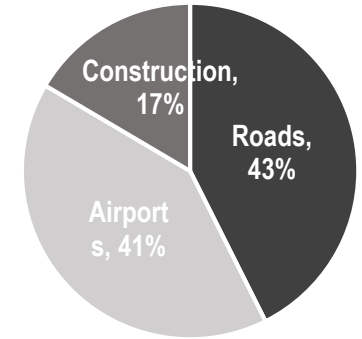
Revenues 9M17 Odinsa + Equity Method:
COP 576 bn / USD 192 mn
EBITDA 9M17 Odinsa + Equity Method :
COP 342 bn / USD 114 mn

Key Figures (9M17)

Revenue by business adjusted*



EBITDA by business adjusted*




- ✓ Leader in the road and airport concession industry in Colombia
- ✓ Long-term infrastructure concessions in two specific business segments, at any stage of the value chain: **Roads and Airports**
- ✓ Structural position in Colombia and **active player in the industry in LATAM**
- ✓ **Adequate mix of mature assets and brownfield projects** that give stability without sacrificing growth
- ✓ Major holdings in assets with **decision-making power**
- ✓ Privileged positioning to **benefit from potential growth of the infrastructure sector**
- ✓ Anti-cyclical industry promoter of economic growth, with institutional and state support
- ✓ High standards of corporate governance

*Odinsa includes Opain and Quiport through the equity method, for this exercise we have included 100% of revenues and EBITDA, as all other assets are consolidated

RATIONAL BEHIND THE ROAD CONCESSION BUSINESS


GEOGRAPHICAL ENVIRONMENT




- ✓ Presence in developing countries with a **high deficit in infrastructure**

Global competitiveness index – Quality of roads*

Country	Position / 138
Ecuador	24
Chile	30
Dom. Republic	54
Mexico	58
Peru	110
Colombia	120



- ✓ **Government bet to dinamize economy through infrastructure** (4G's, tertiary roads, free housing, "Mi Casa Ya", house rate subsidies)
- ✓ **4G program approved = USD 20.7 bn**
- ✓ **Stable regulatory and institutional framework** with efficient market mechanisms
 - ✓ ANI



- ✓ Sector consolidation in Colombia – a sign of the maturity that is being gained by the sector



ODINSA'S STRATEGY

- ✓ **Consolidate strategic corridors** in Colombia and the region
- ✓ **Experience and credentials** as a constructor and sponsor
- ✓ **Balanced portfolio** in terms of mature and Green field projects

- ✓ **Solid relationship with the government**
- ✓ Participation in: 1 4G Project and 1 PPP
- ✓ **Total capex committed for 4G program = USD 1.1 bn (5.2% of total 4G program)**
- ✓ **Strong corporate governance**

- ✓ Strong balance sheet
- ✓ Credentials to participate in other projects

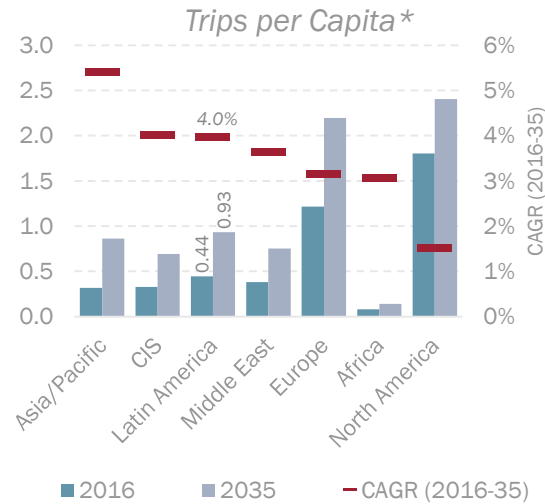
*Source: World Economic Forum

RATIONAL BEHIND THE AIRPORT CONCESSION BUSINESS

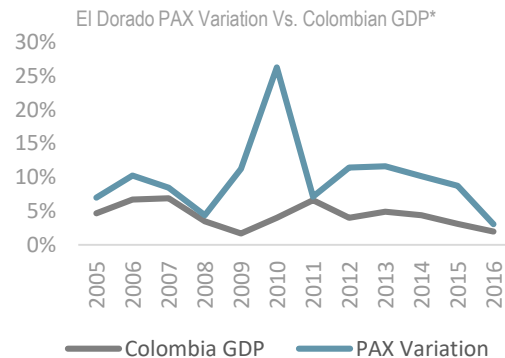
GEOGRAPHICAL ENVIRONMENT



- ✓ For the next 20 years the middle class will grow in about 2 bn, **leveraging the growth of air traffic.**
- ✓ Most of the growth in traffic will come from **emerging countries.**
- ✓ **70% of traffic growth will be in the current network**, the remaining 30% will be on new routes.



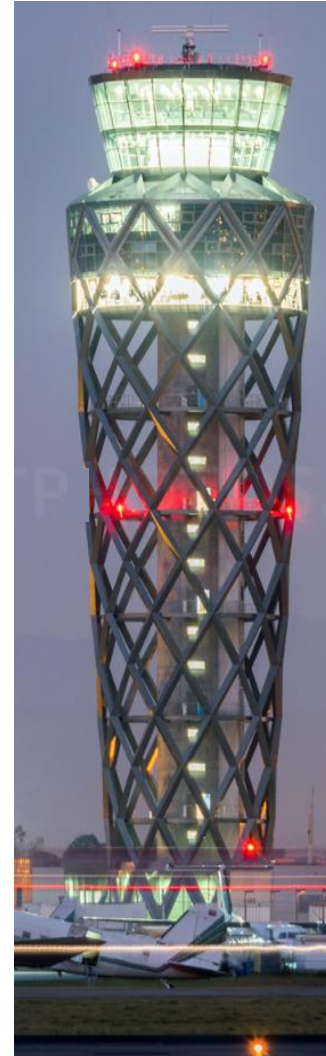
- ✓ **Growing passenger traffic above GDP growth.**
 - ✓ Avg growth PAX above GDP (2005 – 2016) of 2.61x.



ODINSA'S STRATEGY

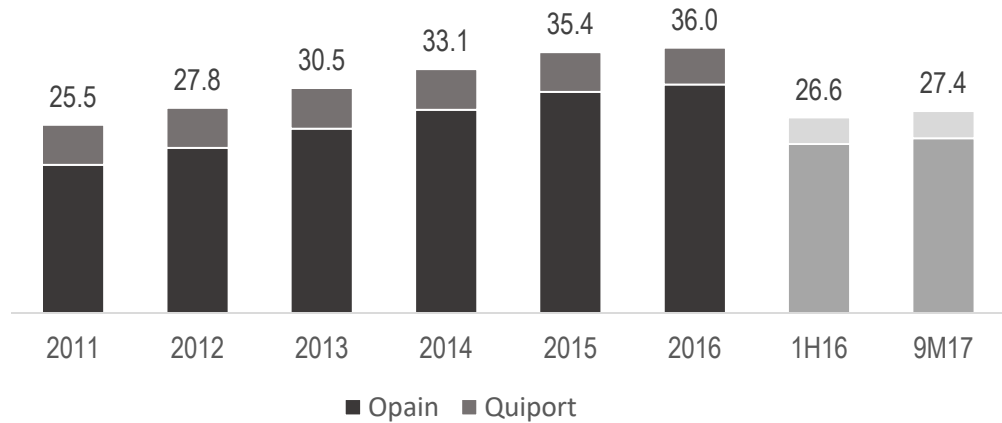
- ✓ **Busiest airports** in Colombia and Ecuador to take advantage of the regional traffic growth.
- ✓ **Strategic geographic location** of El Dorado that positions it as a hub to connect the region with the world.

- ✓ **Controlling stake in Opain** to lead value creating strategies.
- ✓ **Construction of voluntary works** in Opain for US\$135 mm.
- ✓ **Increase non commercial revenues** to reach regional standards (non regulated revenues el Dorado ~USD 2.7 per PAX vs USD 5.8 in LAC).

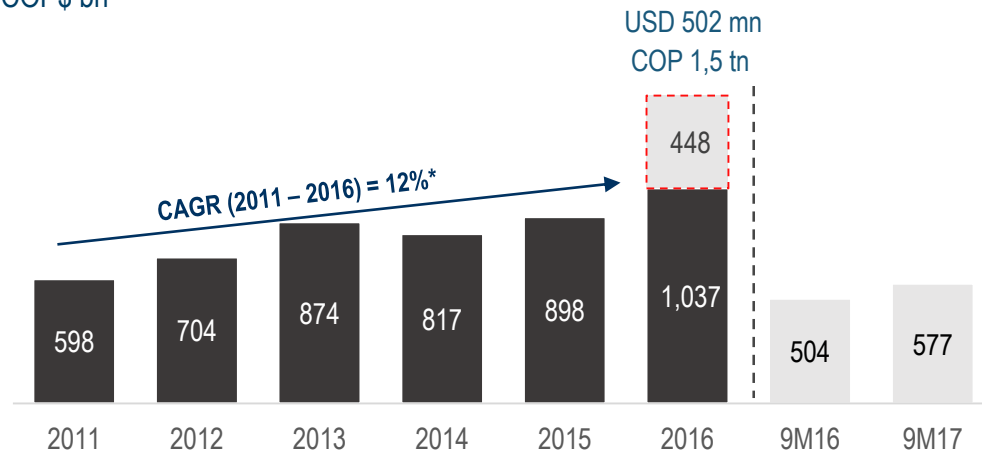


RECENT PERFORMANCE

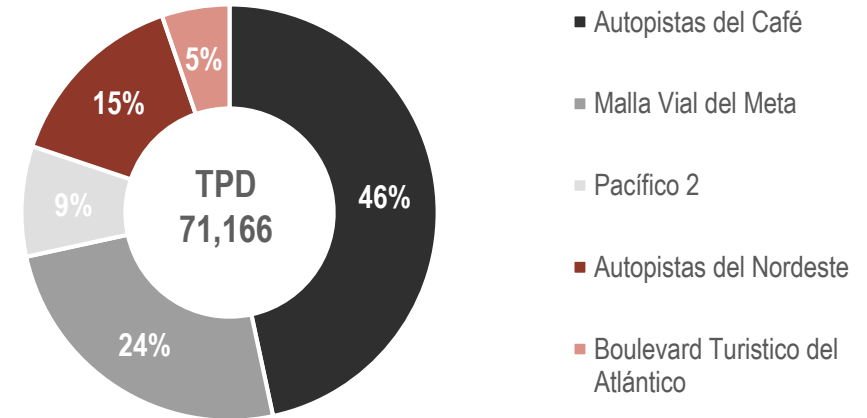
PASSENGERS MM PAX



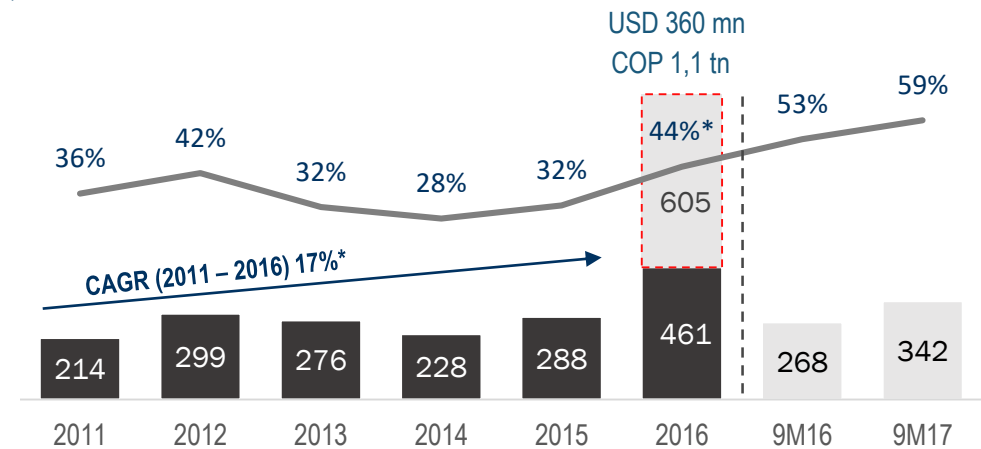
REVENUES COP\$ bn



TPD 9M2017



EBITDA – EBITDA MARGIN (%) COP\$ bn



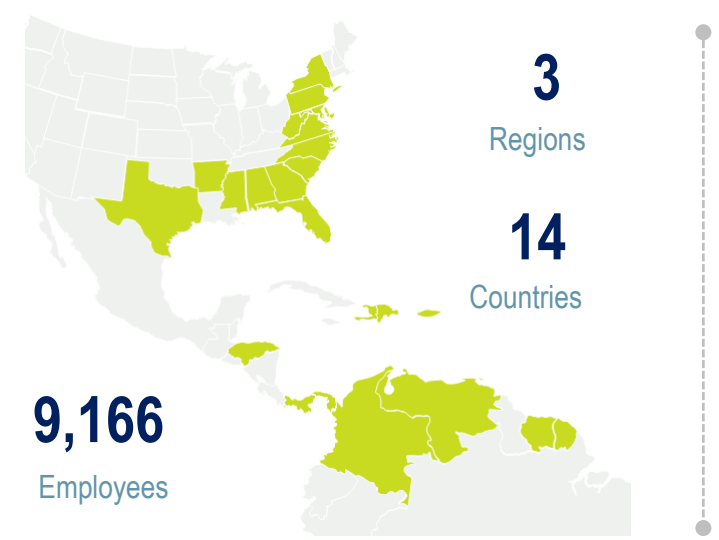
(1 USD = 2,960 COP)

*Taking into account only recurrent revenues and EBITDA



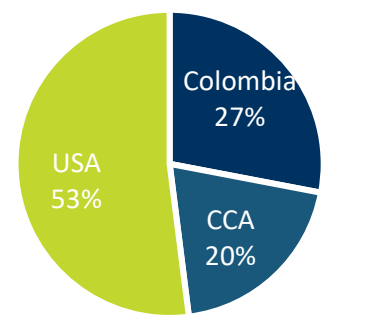
Cement Business

CEMENT AND CONCRETE LEADER IN THE AMERICAS



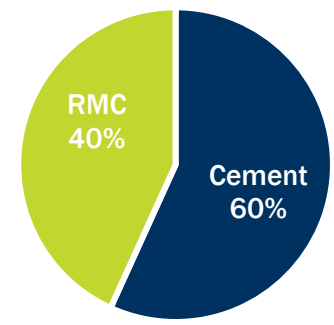
Key Figures (9M17)

Revenue by Geography



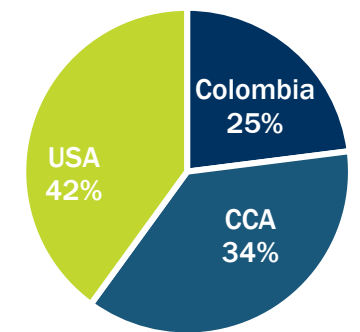
9M17: COP 6.4 tn / USD 2.1 bn

Product Mix



Cement Volume 9M17: 12 Mtpa
RMC Volume 9M17: 8 Mcmpa

EBITDA by Geography



9M17: COP 1.1 tn / USD 353 mn

	32 Ports/ terminals		12 Cement plants		24M ton Cement Installed Capacity
	375 Concrete plants		2.700 Mixers		18M m3 Concrete Installed Capacity
	94 Dispatch facilities and warehouses		9 Grinding plants		

- ✓ **#1 or #2 positions** in key emerging and developed interconnected markets in the Americas.
- ✓ Undertaking **strategic investments to further enhance efficiency** and competitiveness. Materializing results via cash cost reduction with BEST initiative
- ✓ **Flexible operations with vertical integration** and extensive **logistics network**
- ✓ Operating in countries with significant **growth potential**
- ✓ Benefiting from the **recovery of the US** thanks to a **privileged footprint**
- ✓ Ability to **scale operations to be highly efficient** in the Caribbean and Central America
- ✓ Included in the Dow Jones Global and Emerging Markets sustainability index, for 5 consecutive years. Selected as the cement company most sustainable worldwide according to the Dow Jones Sustainability Index.

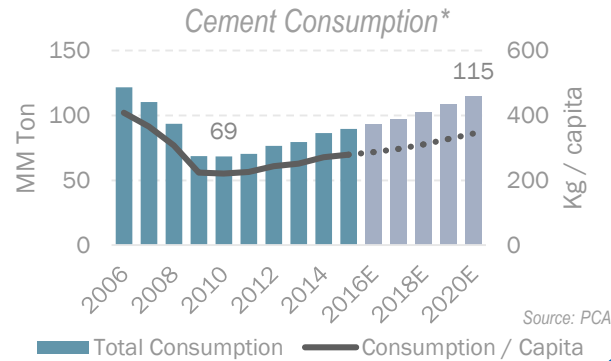
RATIONAL BEHIND THE CEMENT BUSINESS

GEOGRAPHICAL ENVIRONMENT



USA

- ✓ **Residential sector** main driver for cement demand recovery
- ✓ **Infrastructure plan of USD 1 Tr** for the next 10 years



COL

- ✓ Government **ambitious infrastructure investments** (4G's, tertiary roads, free housing, "Mi Casa Ya", house rate subsidies). **4G approved USD 20.7 bn**
- ✓ **Low cement consumption per capita** (265 Kg)
- ✓ **Housing structural deficit** of 27,000 houses/year

~1.3%
contribution to
total GDP in
2017



CCA

- ✓ **High long term growth prospects** and strategic interconnection of all regions.
- ✓ Positive market dynamics with significant infrastructure projects underway.

*	Honduras	Panama
GDP 17e growth	~6%	~5.6%
Infra Inv. USD MM	130	270



CEMENTOS ARGOS STRATEGY

- ✓ Acquisition of a cement plant in Martinsburg to become **4th largest cement producer in the USA**
- ✓ Expected **synergies of ~USD 8 MM/year**
- ✓ **Strategically located plants** close to high growth and demand centers

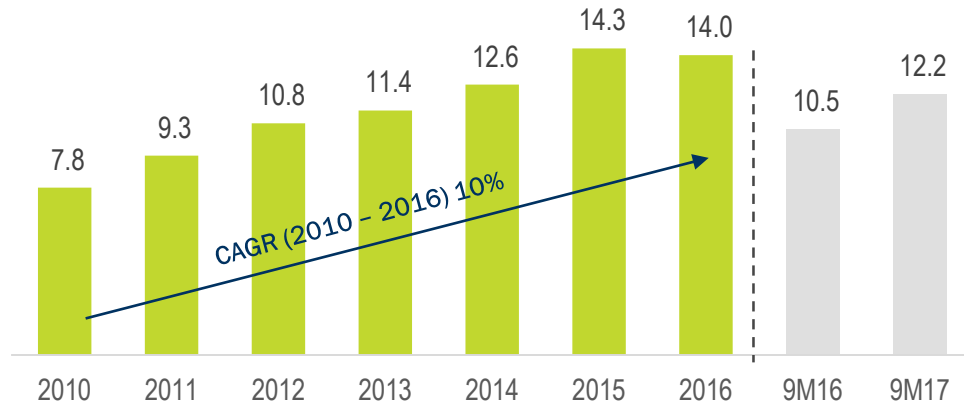
- ✓ **BEST Program**: Improving operational efficiencies
- ✓ Backlog: +72% of awarded functional unites to provide cement for the 4G's

- ✓ Highly efficient capital allocation through scalable network
- ✓ Control of 47% of the cement and clinker seaborne trade market

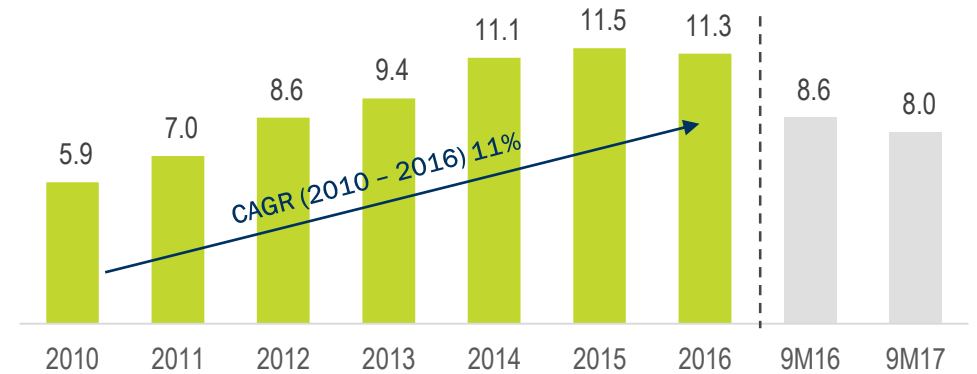
*Source: PCI, Realrisk report

RESULTS THAT EVIDENCE A GROWING OPERATION BENEFITED BY GEOGRAPHICAL DIVERSIFICATION

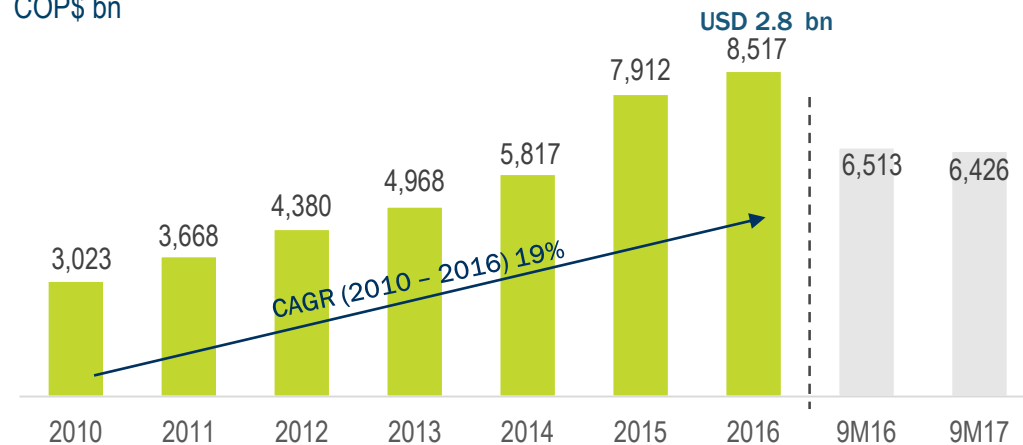
CEMENT VOLUME
Mtpa



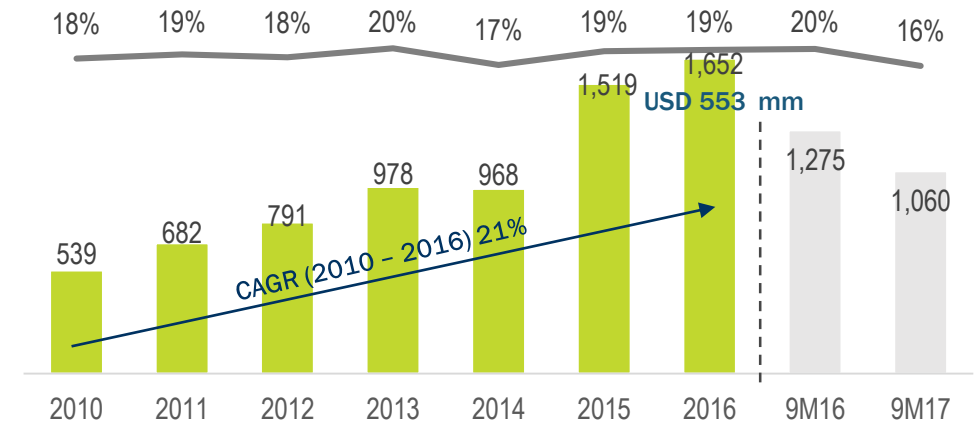
RMX VOLUME
Mcmpa



REVENUES
COP\$ bn



EBITDA – EBITDA MARGIN (%)
COP\$ bn



(1 USD = 2,960 COP)

*Taking into account only recurrent revenues and EBITDA

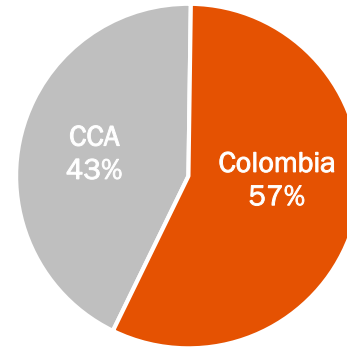


Energy Business

A PROCESS OF SUCCESSFUL TRANSFORMATION AND GROWTH WITH FOCUS

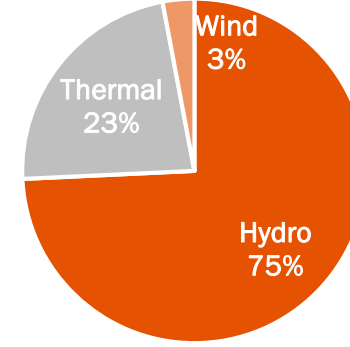


Revenue by Geography

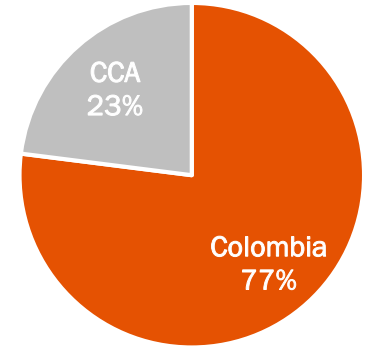


9M17: COP 2.2 tn / USD 757 mn

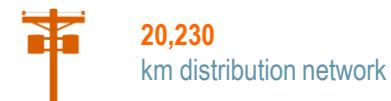
Revenue by type of generation



EBITDA by Geography



9M17: COP 623 bn / USD 207 mn



- ✓ Relevant position in the power sector: Leader in Gx (2nd Panama and 4th Colombia)
- ✓ Diversification of assets by geography, types and generation technologies
- ✓ Leader in the development of renewable energies and Distributed Energy
- ✓ Stability in flows T + D + C contributing to the predictability of revenues
- ✓ Vertically integrated: Generation, transmission, distribution and commercialization
- ✓ 5-year CAGR (2011-2015) of 16.1% in revenues and 5.4% (CAGR 2010-2014 ex Niño) in EBITDA.
- ✓ Innovation Focus:
 - Become a strong player in large-scale unconventional renewable energies connected to the grid.
 - First solar facility in Colombia to start operations (Celsia Solar Yumbo with 10MW)

RATIONAL BEHIND THE POWER SECTOR BUSINESS

GEOGRAPHICAL ENVIRONMENT

Colombia + Panama + Costa Rica



- ✓ Energy consumption **growth potential** (low per capita consumption).
- ✓ Developing economies with attractive growth that will require **additional capacity**.

Per Capita Energy Consumption kWh*



- ✓ **Regulated sector** with efficient market mechanisms.



- ✓ Governments that encourage the execution of **renewable projects**.
 - ✓ Colombia Law 1715.



CELSIA ARGOS STRATEGY

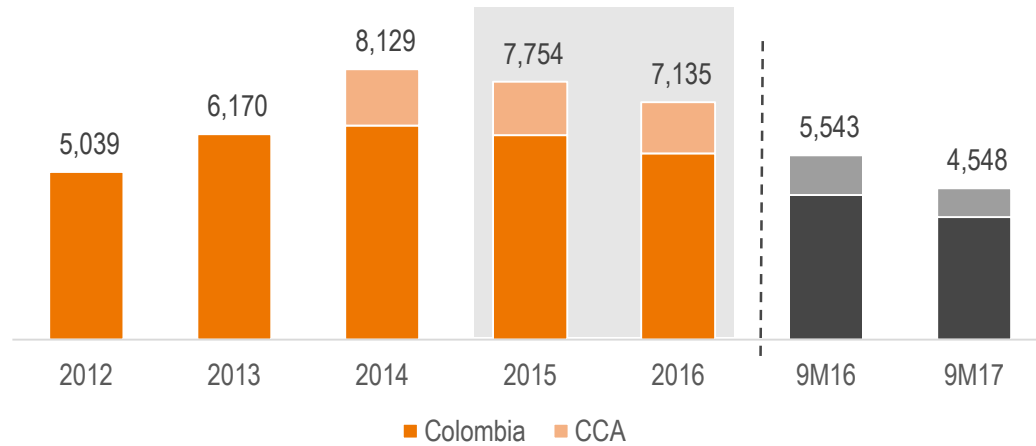
- ✓ **Leader** in the countries where it operates.
- ✓ **Project Pipeline** to capture growth opportunities
 - ✓ Hydro (+350 MW)
 - ✓ Solar farms (+200 MW)
 - ✓ Wind farms
 - ✓ Plan 5 Caribe (Transmission) – with guaranteed revenue.
- ✓ Vertically integrated (T+C+D) in the energy business that translates into efficiencies.

- ✓ **High predictability of cash flows** in the T+C+D businesses.

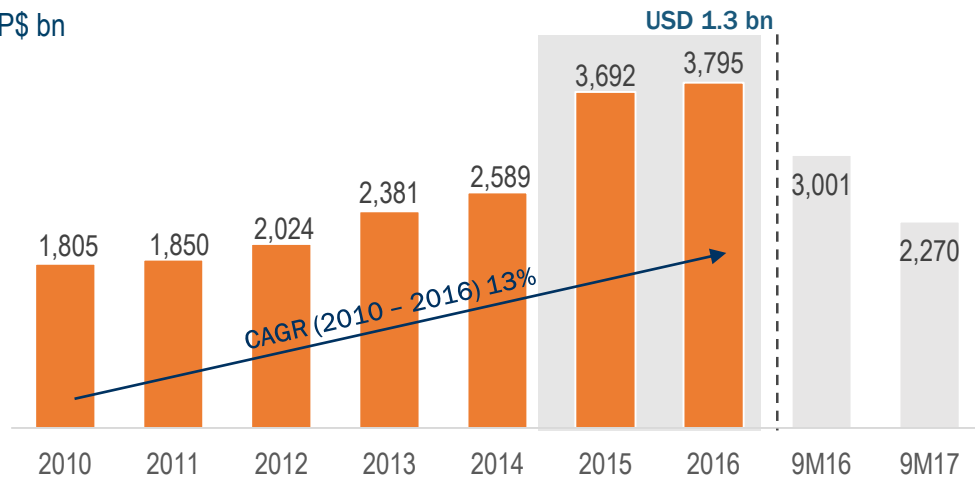
- ✓ **Leaders in the development of non-conventional renewable energies and distributed energy.**
- ✓ **Innovation platform** seeking new business opportunities.

RECENT PERFORMANCE

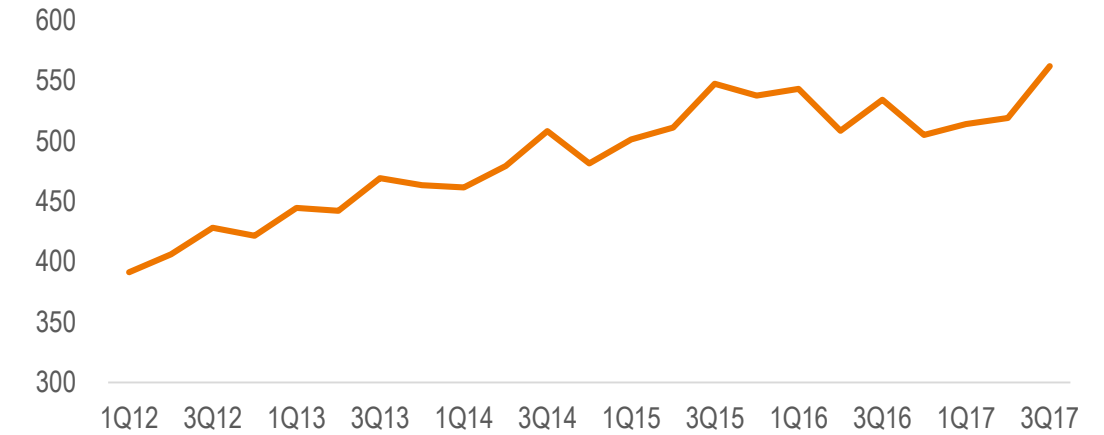
GENERATION
GWh



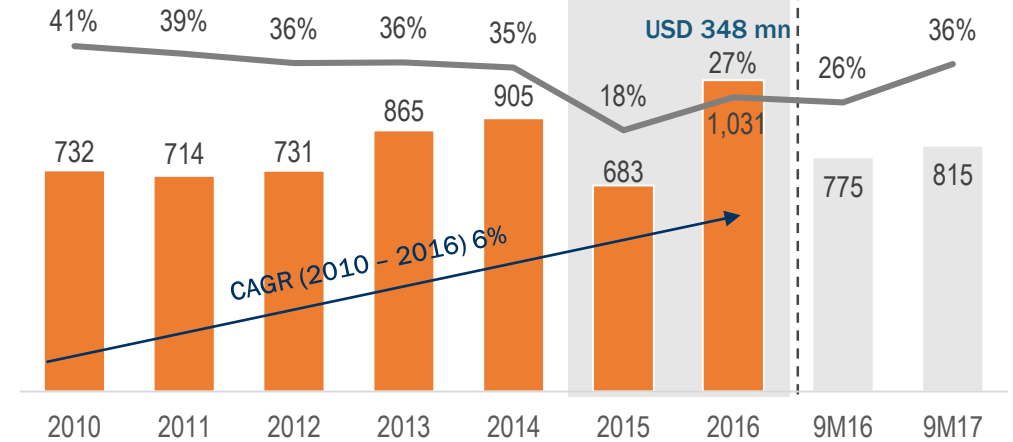
REVENUES
COP\$ bn



REGULATED AND NON REGULATED MARKET SALES
GWh



EBITDA – EBITDA MARGIN (%)
COP\$ bn

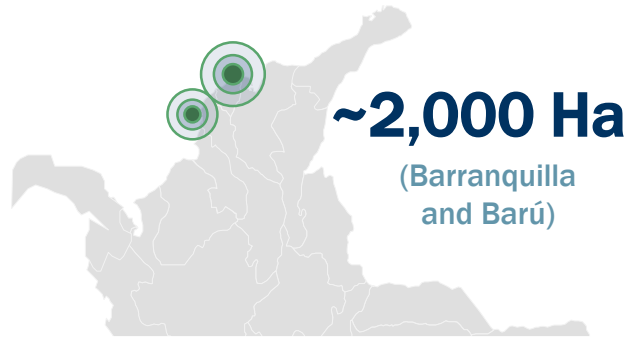


* Results affected by El Niño phenomenon 2H15 and 1H16

Real Estate Business

Land Bank with cash generation potential

Situm



416 Ha developed up to 2015



2002



2017

- ✓ ~ 2.000 Ha to develop between Barranquilla and Barú.
 - Land development in Barranquilla: 833 Ha equivalent to 2.5x Central Park in NYC.
 - Land development in Barú: 1,180 Ha. Tourism potential.
- ✓ 35 years of expertise.
 - Orderly planning, optimizing investment, verifying costs that are appropriate for the operation and increase efficiency.
 - Synergy opportunities for development of all the groups lands assets.

Property Joint Venture with USD 1bn of assets under management

Pactia

3
Countries

14
Colombian States



~ 588.800 m2

Shopping centers, offices, warehouses, self-storage and hotels



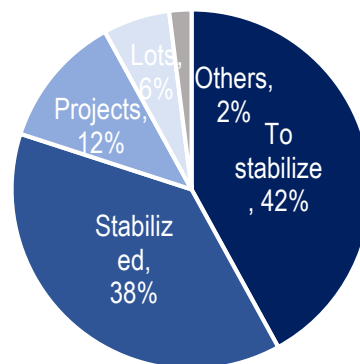
COP 3 tn / USD 1bn
million in assets



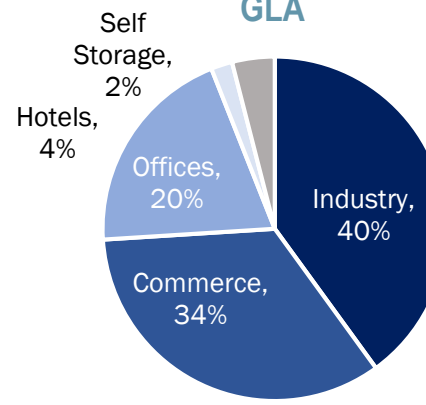
>1,800
commercial units

Key Figures 9M17

Distribution by asset

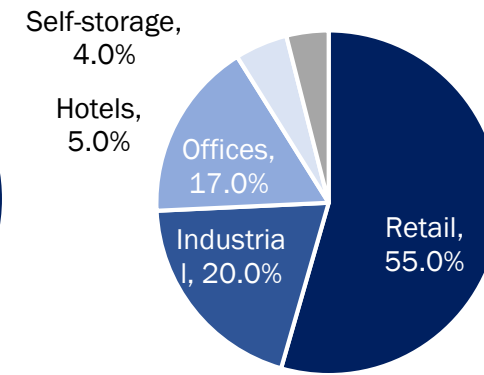


GLA



588,492 m2

NOI



NOI 9M17: COP 109 bn (USD 36 mm)

- ✓ Real estate developers with growth potential in Colombia and the region
- ✓ Investment plan of COP 1.1 bn (USD 367mn)
- ✓ Investors that add to the table: Internationalization (Grupo Argos), Operational experience (Concreto), Access to institutional investors (Proteccion)
- ✓ EBITDA CAGR projected 2016 – 2026: 21%
- ✓ Over 400,000 of AUM under development
- ✓ 61 Assets:
 - 15 shopping centers
 - 8 Independent commerce
 - 14 industrial projects
 - 11 corporate buildings
 - 697 rooms in 5 hotels
 - + 3,400 self-storage units in 8 properties

* Grupo Argos has a 36.3% stake in Pactia as of 3Q17