



Investors Presentation

March 2019

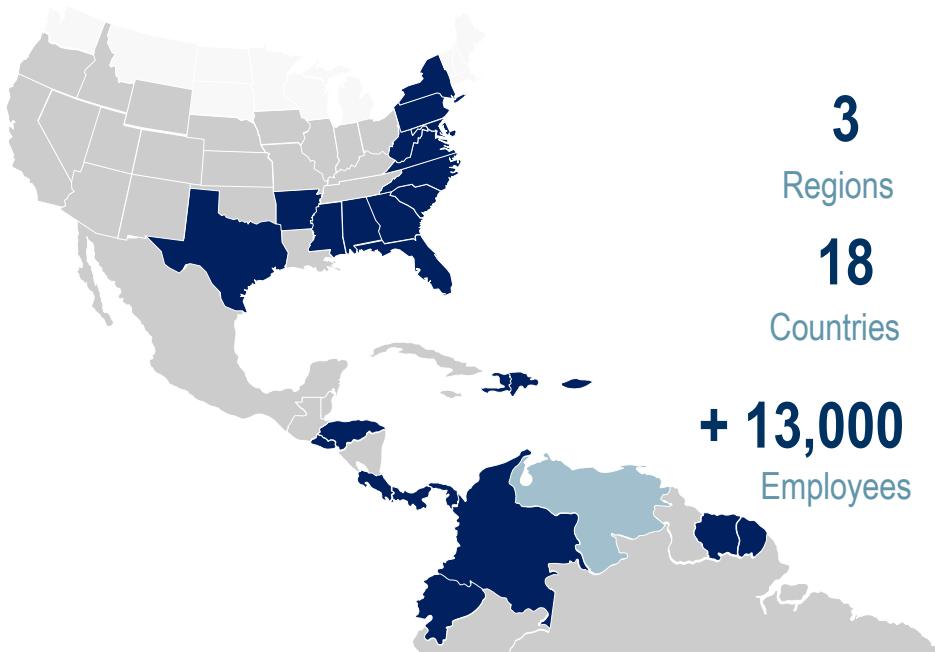


IMPORTANT NOTE

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**
- Solid and articulated portfolio with ~ **USD 16.3 billion in consolidated assets**
- **Balanced** in regions, currency, and sectors
- One of the most **important players in infrastructure in the Americas**
- Operating in markets with significant **growth potential**



BALANCED PORTFOLIO FOCUSED IN INFRASTRUCTURE



Mkt Cap¹ Revenue² EBITDA²
USD 4.9 bn USD 4.8 bn USD 1.3 bn

STRATEGIC - In Infrastructure

Cement



58.0%³

2018 Revenues: USD 2.8 bn
 EBITDA: USD 0.5 bn

Energy



52.9%

2018 Revenues: USD 1.1 bn
 EBITDA: USD 0.4 bn

Concessions



99.8%⁸

2018 Revenues: USD 0.6 bn (+0.3 bn of Opaín⁷)
 EBITDA: USD 0.3 bn (+0.1 bn of Opaín⁷)

PORTFOLIO

Manages a portfolio of USD 2.9 billion⁶ composed by:

27.5%⁴



100%



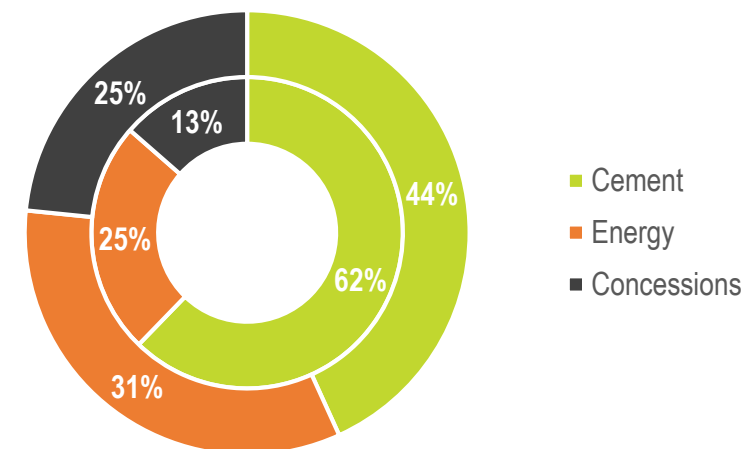
27.7%⁵



9.8%



Revenue and Ebitda contribution from Strategic Portfolio



- Outer Circle: EBITDA contribution LTM Dic 18 (USD 1.3 bn)
- Inner Circle: Revenue contribution LTM Dic18 (USD 4.7 bn)

¹ Mkt Cap in USD as of 2/28/2019 (1 USD = 3,000 COP) ² Revenues & EBITDA LTM Dec 2018 in USD ³ Cementos Argos 58% ordinary shares and 49.1% of outstanding shares ⁴ 50% participation in the managing vehicle, 27,5% 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, unit value for Pactia as of Dec 31 2018 and book value for urban development ⁷ Corresponds to recurrent revenues and Ebitda for 2017 ⁸ Grupo Argos and its related companies adds to 99.84%

COHERENCE, GROWING EBITDA WITH MARGIN IMPROVEMENT AND OPERATING EFFICIENCY, WILL CONTINUE TO SUPPORT OUR FOCUS IN PROFITABILITY

STRATEGY

Coherence

+

Financial
flexibility

+

Corporate
governance

+

Strategic human
talent
management

Cementos Argos

- Efficiency Strategy to lever future growth
- Argos as a regional platform
- Focus on innovation and digital strategy as a source of EBITDA Growth



Celsia

- Capital allocation strategy
- Solid growth platform after successful follow-on
- Entering into a new market – renewable energy

Odinsa

- Platform with regional reach that provides growth opportunities (Solid proprietary pipeline)
- Balanced portfolio (stage of assets, currency exposure, maturity of projects)
- Attractive investment vehicle (credentials and corporate governance standards)

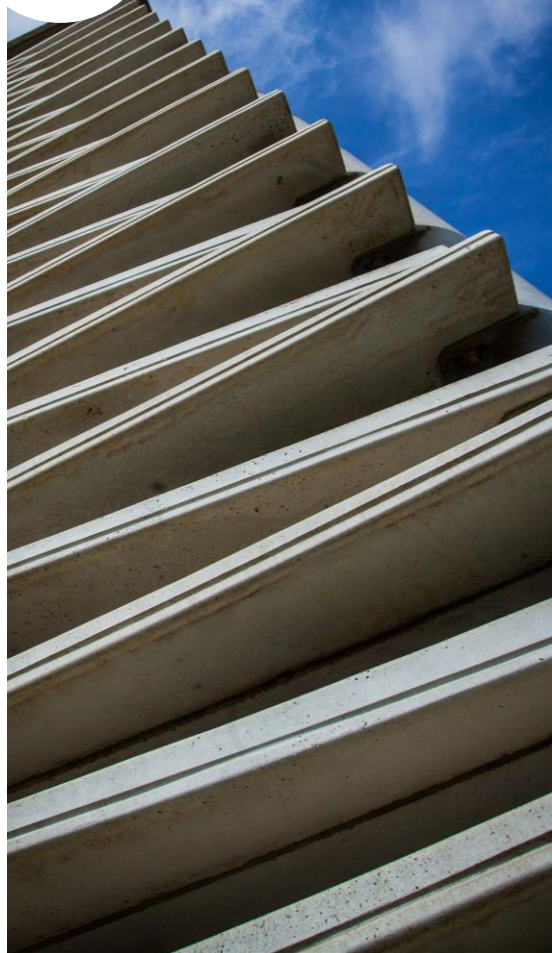


PROFITABILITY



ACTIVE MANAGER LEADING THE PROFITABLE GROWTH OF ITS BUSINESSES

CEMENTOS ARGOS – EFFICIENCY FOCUS



PROFITABLE GROWTH

- **Cost per ton reduction in Colombia (-USD 12 / ton).**
Efficiency project extends to USA in 2019 with estimated savings of USD 40 mm
- **Administration and sales expenses -5.6% YoY in 2018**
- EBITDA of COP 1.5 bn + 8% with improvement in margins of 159 bp to 18.3%
- Focus on **cash flow generation**. CAPEX guidance for 2019 USD 150 – 170 mm (includes maintenance)

CAPITAL ALLOCATION

- **Divestment of non-core assets in line with efficient capital allocation guideline** and decrease in leverage
- 7 days **improvement in working capital** as of December 2018 = **COP 222 billion of additional cash**
- **Decrease in leverage**. Net debt / (ebitda + dividends) from 4.2x to **3.7x by the end of 2018**. Target of 3.2x as of June 2020

Net Income 2018
COP 179 billion
vs. Net loss COP 13 billion in 2017

Free Cash Flow 2018
COP 939 billion
+73%

ACTIVE MANAGER LEADING THE PROFITABLE GROWTH OF ITS BUSINESSES

CELSIA – STRATEGIC ASSET ALLOCATION AND STRUCTURE SIMPLIFICATION



PROFITABLE GROWTH

- Focus in renewable energy with positive impact in profitability indicators
- Increase in Ebitda to COP1.13 bn + 1%

CAPITAL ALLOCATION

- **Value reveal of Epsa and of generation assets that were held by Celsia**
- **Simplification of the corporate structure** with increased participation in EPSA
- **Decreased leverage** to position it as a growth vehicle
- **Transfer of assets to Epsa**, achieving:
 - Operational and financial optimization of EPSA and Celsia
 - Improvement in Celsia's consolidated cash flow (+ COP 26 bn / year)
 - Strengthened investment vehicle with focus in renewable and distribution

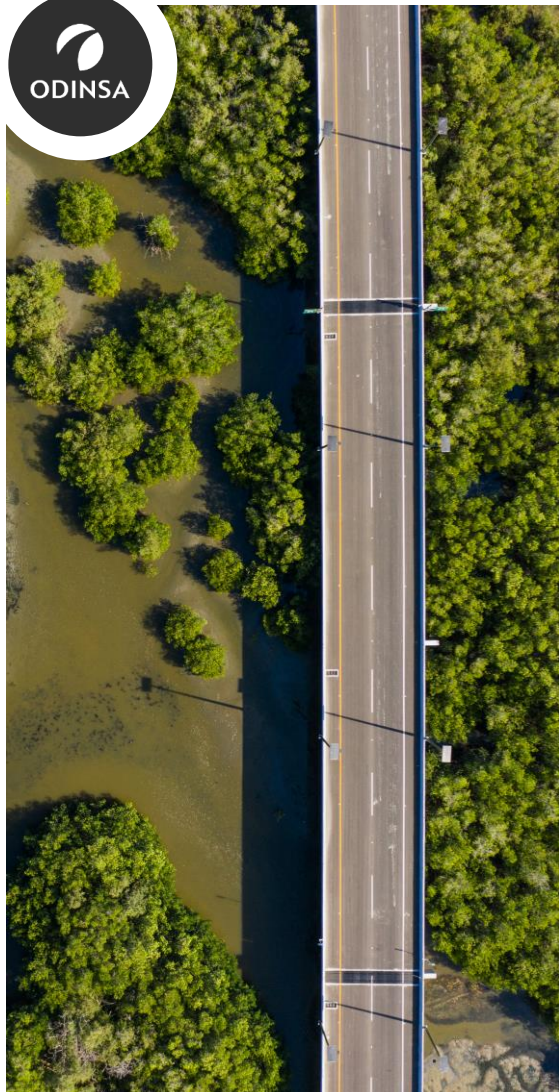
**Celsia´s Consolidated
Net Income 2018
COP 351 bn
+ 40%**

**Celsia´s controllers Net
Income 2018
COP 228 bn
+ 53%**

**Free Cash Flow 2018
COP 414 bn
+ 23%**

HOLDING MANAGER DIRECCIONANDO EL CRECIMIENTO RENTABLE DE SUS NEGOCIOS.

ODINSA – GROWTH FOCUS



PROFITABLE GROWTH

ODINSA

- AKF's contingency legal management allowed to maintain the concession until January 2027

OPAIN

- Growth in unregulated revenues of 24% in 2018
- Installed capacity expansion

CAPITAL ALLOCATION

ODINSA

- **Corporate structure simplification** achieving concentration and control to maximize assets value
- **Project structuring with a pipeline of USD 4 bn to execute in the next 5 years**

**Odinsa´s Consolidated
Net Income 2018***
COP 188 bn
+ 16%

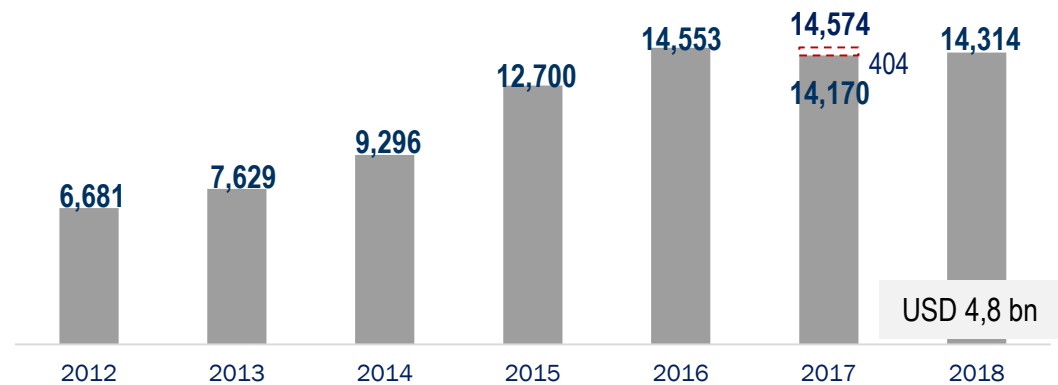
**Odinsa´s controllers Net
Income 2018***
COP 135 bn
+ 28%

* Proforma: Elimina efecto de la utilidad en venta de inversión de: a) participación en farallones COP 10 mil mm, b) Santa Marta Paraguachón COP 20 mil mm

CLEAR GUIDELINE IN THE STRATEGY THAT HAS TRANSLATED IN GROWING RESULTS

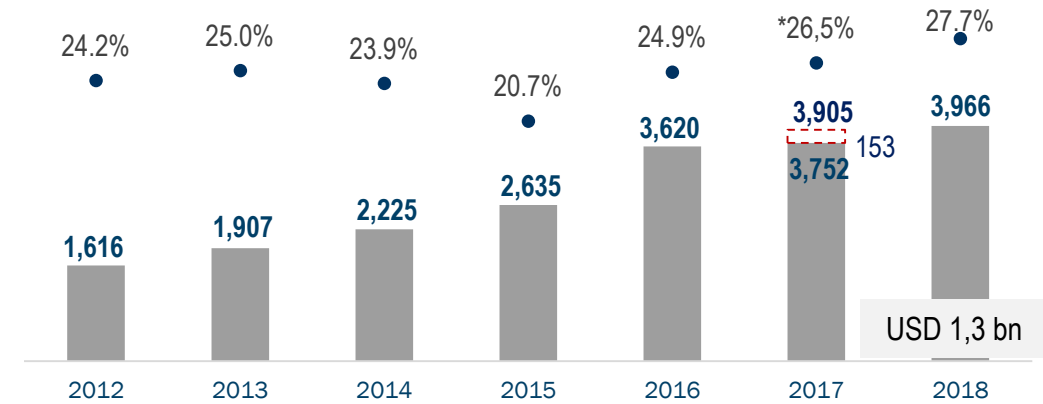
GRUPO ARGOS CONSOLIDATED REVENUES
(COP mn)

CAGR (2012 - 2018) 13.5%



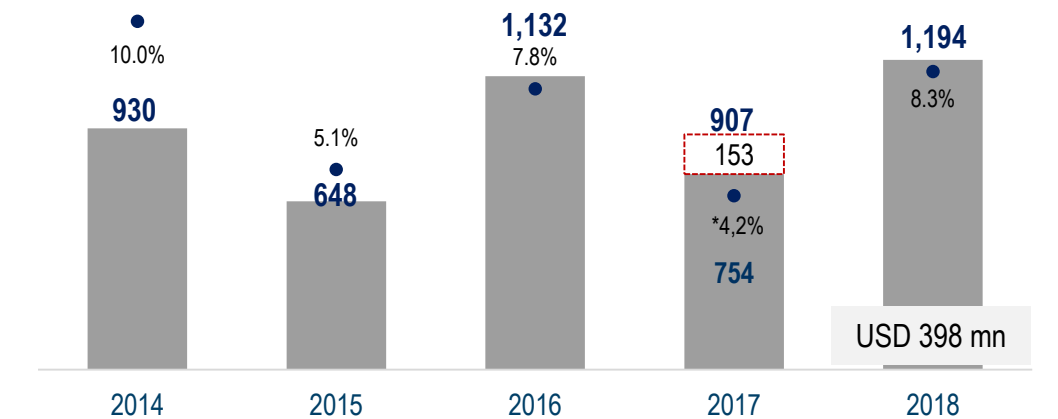
GRUPO ARGOS CONSOLIDATED EBITDA
(COP mn)

CAGR (2012 - 2018) 16,1%



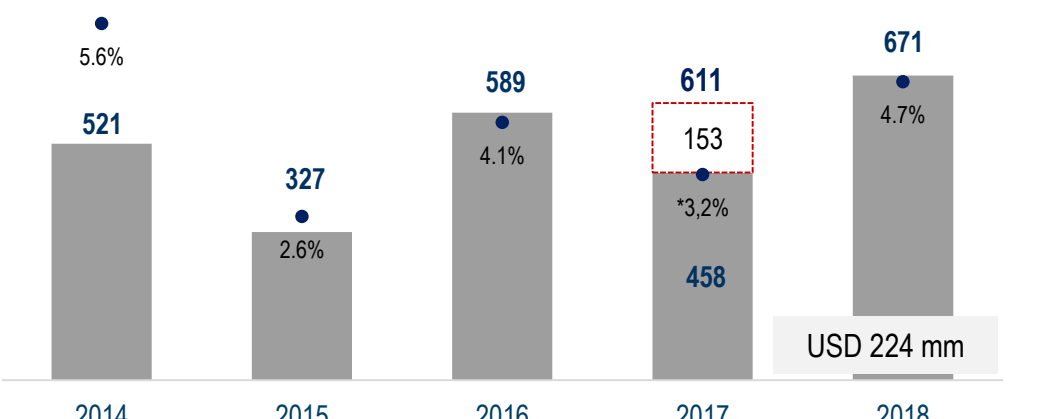
GRUPO ARGOS REVENUE CONTRIBUTION BY BUSINESS
(COP mn)

CAGR (2014 - 2018) 6,4%



CONTROLLER NET INCOME
(COP mn)




CAGR (2014 - 2018) 6,5%



Compas

* Adjusted margin by compas

STRATEGIC ARCHITECT GUIDELINES

SUSTAINABLE GROWTH AND MAXIMIZE PROFITABILITY			
Efficient Capital Assignment + Corporate Governance High Standards + Social Responsibility + Human Talent Management			
Strategic	Financial	Institutional	Asset and Talent Management
<ul style="list-style-type: none"> ✓ Corporative strategy ✓ Innovation 	<ul style="list-style-type: none"> ✓ Merge & Acquisitions and divestments ✓ Efficient capital allocation ✓ Capital structure ✓ Tax and accounting guidelines 	<ul style="list-style-type: none"> ✓ Corporate goveranance ✓ Risks and control system ✓ Reputation, brand and communications ✓ Sustainability and corporate citizens 	<ul style="list-style-type: none"> ✓ Strategic human talent management ✓ Improvement in profitability looking for corporate synergies
			
<ul style="list-style-type: none"> *Acquisition of Odinsa and streamlining of portfolio * Simplified GA architecture * Simplification of the energy business model 	<ul style="list-style-type: none"> *Financial closing of Pacifico II with more sources at better costs *Odinsa bond issuance *Divestment of Compas 	<ul style="list-style-type: none"> * Grupo Argos and Cementos Argos received the Gold Class distinction in the Sustainability Yearbook of the firm RobecoSAM, which places the two companies as world leaders in sustainability 	<ul style="list-style-type: none"> *SUMMA – creation of intercompany services subsidiary to capture synergies

VARIABLE REMUNERATION SCHEME OF GRUPO ARGOS MANAGEMENT SEEKS TO ALIGN SHAREHOLDERS AND COMPANIES OBJECTIVES

Bonuses for organizational results = Compensation strategy of Grupo Argos that seeks:

- **Align companies interests with those of shareholder**, seeking for the long term sustainability of the business
- Recognize and encourage **high performance** of the different teams to achieve greater levels of group competitiveness and alignment with the objectives of the organization
- Encourage **long-term thinking**
- Strengthen competitiveness in terms of compensation, in line with the organizational strategy, to **attract, motivate and retain the best talent**
- Reward superior performance
- Remuneration from level 0 to 3 with greater weighting of corporate objectives

Short term objectives

- ✓ EBITDA
- ✓ Net income for the parent company
- ✓ Primary surplus
- ✓ Budget execution

Long term objectives

- ✓ ROCE
- ✓ CFO / EBITDA
- ✓ CFO / Interest
- ✓ SPREAD TSR

Sustainability

Maintain the category in the DJSI, or obtain a score higher than the score obtained the previous year



GRUPO ARGOS IS THE WORLD'S MOST SUSTAINABLE COMPANY IN THE CONSTRUCTION MATERIALS INDUSTRY, ACCORDING TO THE DOW JONES SUSTAINABILITY INDEX

Grupo Argos

2nd

consecutive year as the world's most sustainable company in the construction materials industry

Grupo Argos and Cementos Argos

6th

consecutive year on the Dow Jones Sustainability World Index

Grupo Argos and Cementos Argos



only Colombian cement producers in the World Index

Cementos Argos

5th

time it is included in the Emerging Markets Index, and **2nd** consecutive year in the Latin American Integrated Market (MILA, for the Spanish original) sustainability index (since it was created)

Celsia



included in the Dow Jones Sustainability Index for the Latin American Integrated Market (MILA) - Pacific Alliance, along with Grupo Argos and Cementos Argos

The index, which includes 317 companies, is a **global reference point for investors** that enables analyzing organizations that manage their businesses responsibly and in an integral manner, with a strong focus on the value that investors can receive over the long term.



CONCRETE ADVANCES IN ESG MATTERS

Dimension

ECONOMIC



- Independent Board President
- 43% of women members on the Board
- 97.6% Assistance to the Board of Directors in 2017
- External evaluation of the board by an independent firm
- Public tax policy
- External verification from Deloitte of ESG data reported

Dimension

SOCIAL



- Responsible Operation Goal: LABOR CLIMATE: 95.3% in the Great Place to Work survey (Previous measurement: 94.6%)
- Unification of the social investment program (FGA) of the Business Group, making it the largest National Foundation with a strategic focus in WATER

Dimension

ENVIRONMENTAL



- Responsible Operation Goal - CLIMATE CHANGE: 33% reduction of CO2 emissions per million pesos in revenue to 2017 (baseline 2015)
- 2,137,944 trees planted in 2016 and 2017 (includes all subsidiaries and the FGA)



EXTERNALITIES

- The externalities of Cementos Argos were quantified, measuring what was taken and delivered to the environment, from 2015 - 2018 (available at: <https://www.argos.co/Media/Default/images/vas-2017.pdf>; 2018 will be published in April 2019)
- Cementos Argos delivered to society 4.73 times what it took from it in 2017
- The externalities of the Urban Development business were quantified, measuring what was taken and delivered to the environment in 2017 and 2018 (results will be published in April 2019)

SOLID COMMITMENT TO CORPORATE GOVERNANCE

BOARD OF DIRECTORS

ROSARIO CÓRDOBA

(Chair of the Board) - Independent



CLAUDIA BETANCOURT

Non – Independent



ANA CRISTINA ARANGO

Independent



ARMANDO MONTENEGRO

Independent



JORGE URIBE

Independent



DAVID BOJANINI

Non – Independent

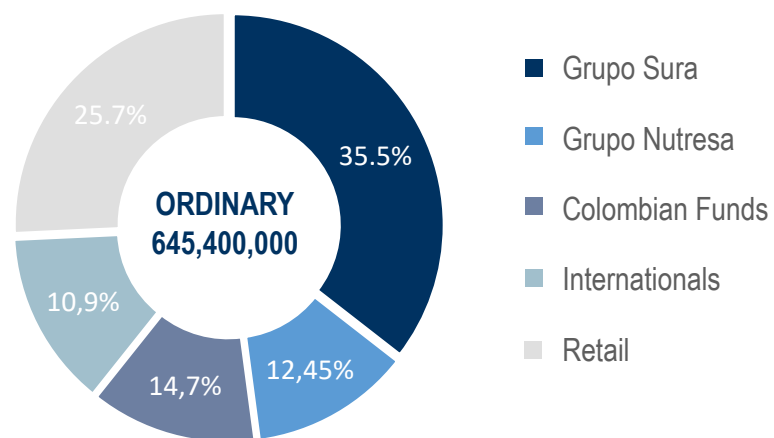


CARLOS GALLEGO

Non – Independent



SHAREHOLDERS



Figures as of December 31, 2018

RECOGNITIONS



Dow Jones
Sustainability Indexes



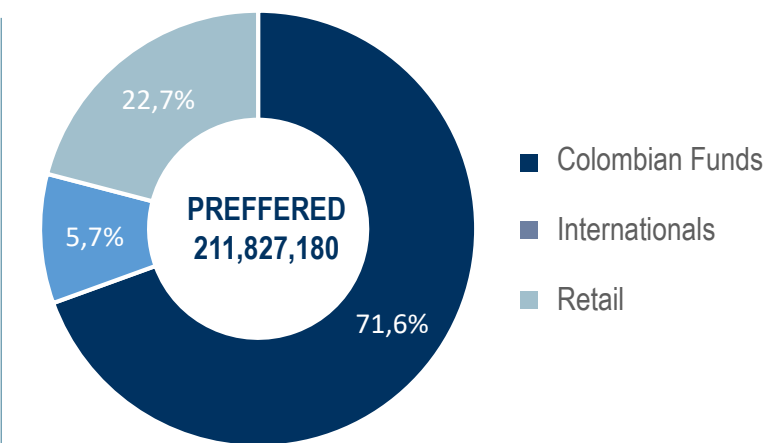
FTSE4Good



ROBECOSAM
Sustainability Award
Gold Class 2018



EMPRESAS ACTIVAS
ANTICORRUPCIÓN
NEGOCIOS CON PRINCIPIOS



Preferred shares do not carry voting rights

AFFILIATIONS



HACIA
LA INTEGRIDAD



The CEO Water Mandate

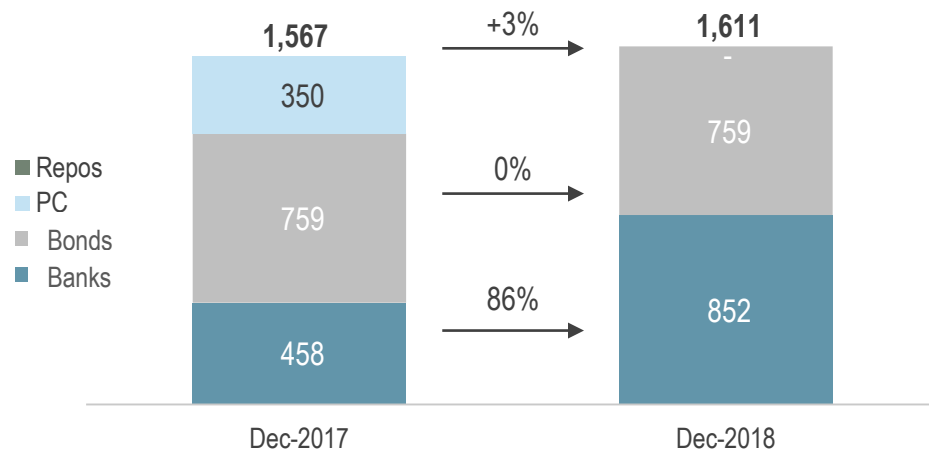


Nuestra Gestión Como Holding Frente a la Estructura de Capital

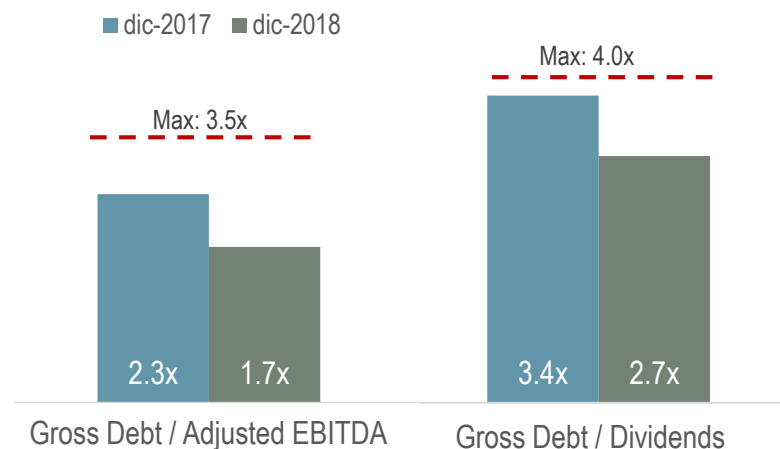
REDUCTION IN LEVERAGE INDICATORS THAT CLOSE IN 1.7x *** HISTORICALLY LOW

INDEBTEDNESS*

COP billion



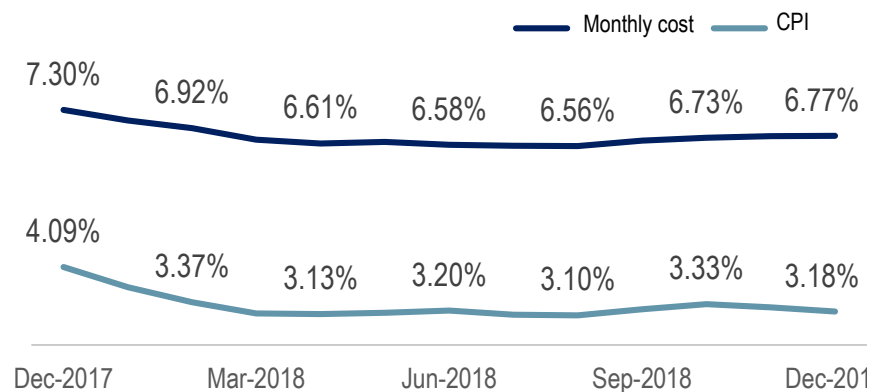
LEVERAGE INDICATORS



Adjusted EBITDA**
(COP billion):

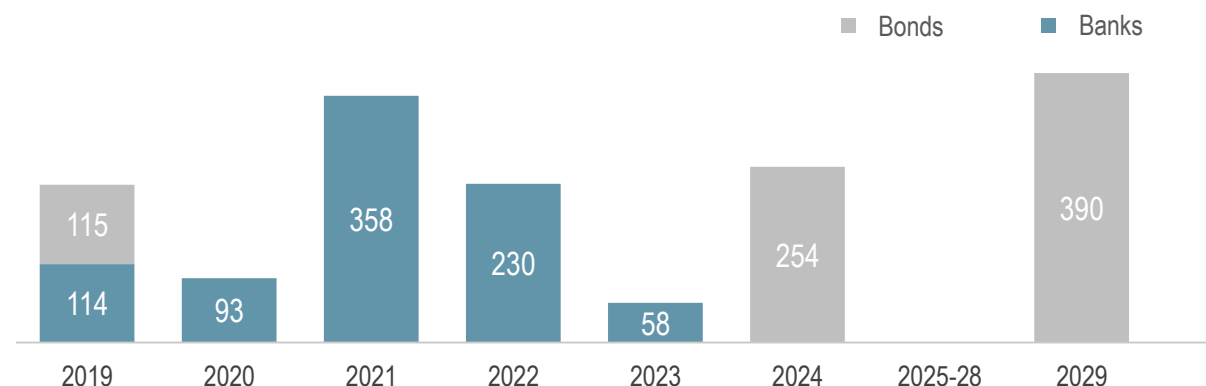
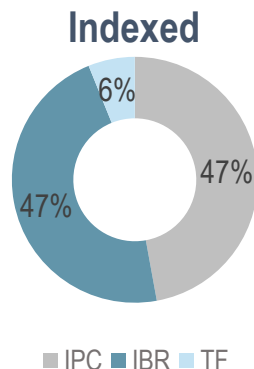
- dic-2017: 679
- dic-2018: 944

COST OF BORROWING*



PROFILE OF MATURITIES (PRINCIPAL)

COP billion

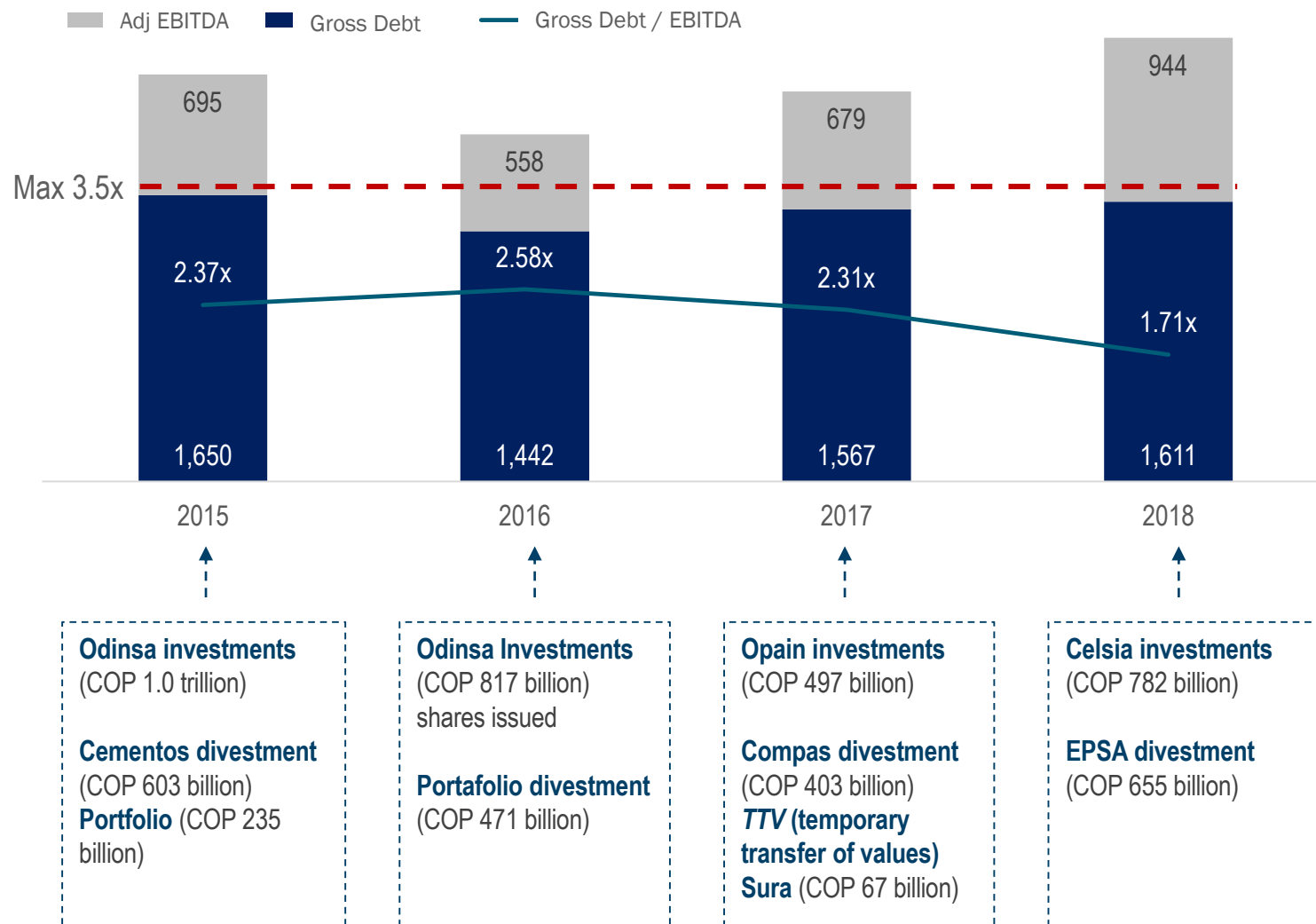


* Only includes balance of principal. Inflation for current month

**Adjusted EBITDA (credit rating methodology) = EBITDA (-) Equity method (+) Dividends received (+) Gains from divestments (-) Urban development valuations

*** Gross debt / Adjusted Ebitda

LEVERAGE RATIOS EVOLUTIONS IN LINE WITH EFFICIENT CAPITAL ALLOCATION STRATEGY



From 2015 to 2018 Grupo Argos has:

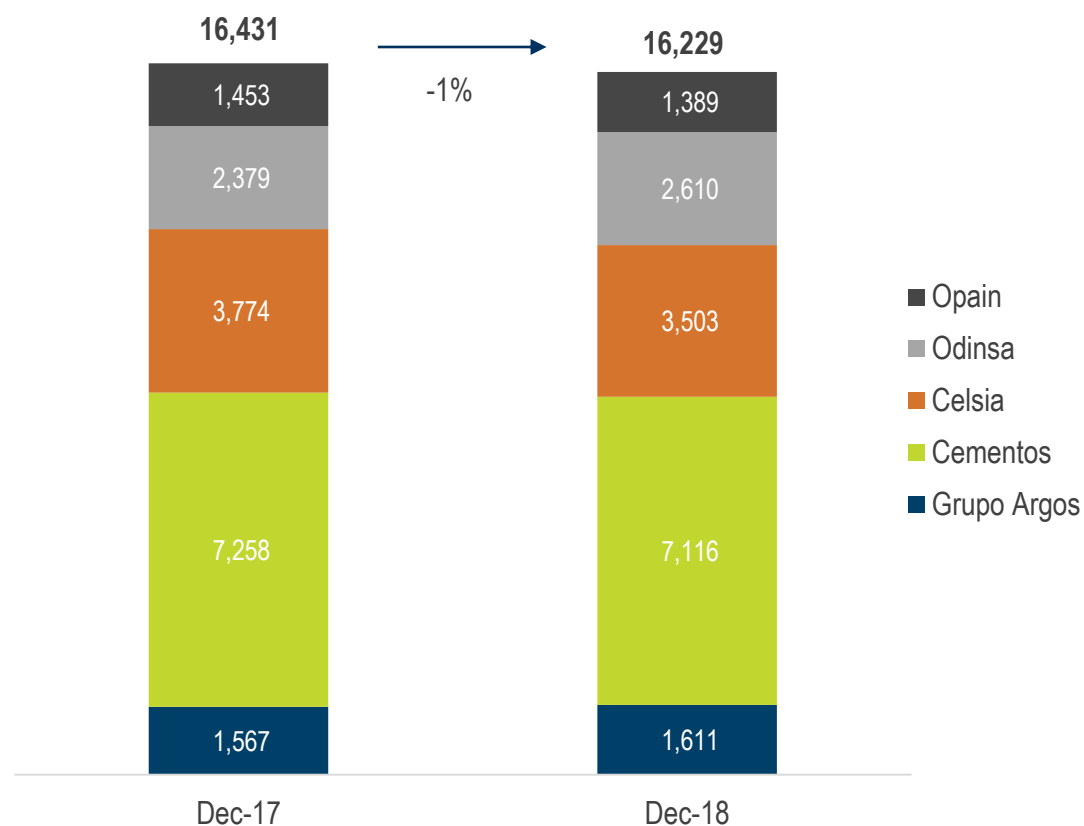
- ✓ Invested + **COP 3,1 trillion**
- ✓ Divestments for **COP 2,4 trillion**
- ✓ Efficient debt management, supporting its growth
- ✓ Ends 2018 with the lowest debt multiple

Adjusted EBITDA

(+) EBITDA
 (-) Equity Method
 (+) Dividends received
 (+) Disinvestments income
 = Adjusted EBITDA

CONSOLIDATED DEBT MANAGEMENT THROUGH DEBT REDUCTION STRATEGIES AND SOCIETARY REORGANIZATION

DEBT*



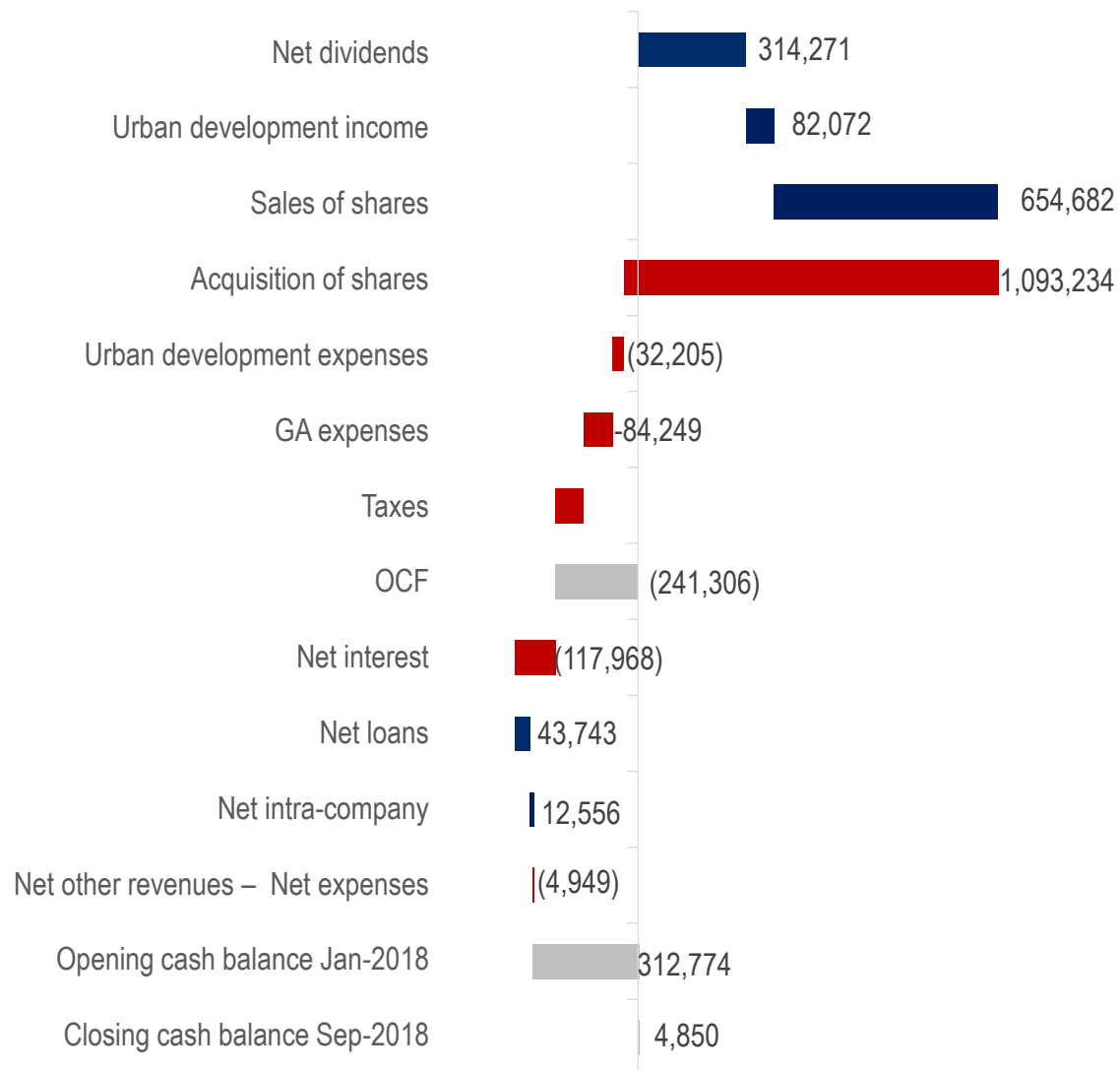
In 2018 consolidated debt decreases in COP 202 billion to COP 16,2 trillion with a greater participation from local market

36% International Banks (-9% YoY)
19% Local Banks (-22% YoY)
45% Capital Markets (+20% YoY)

Consolidated Grupo Argos net debt/ EBITDA indicators decrease to
3,5x in 2018
vs. 3,6x in 2017

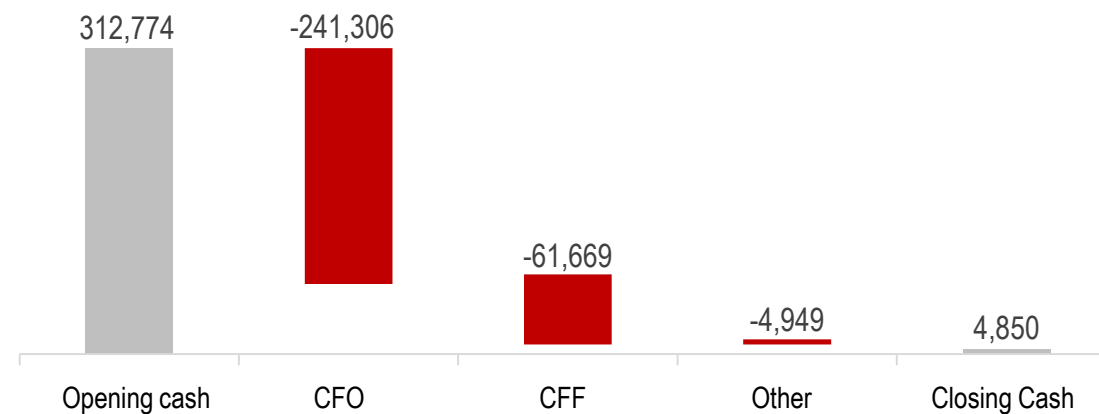
CASH FLOW AS LEVERAGE TO STRENGTHEN OUR STRATEGIC BUSINESS

COP million



NOTES

- 1 Net Dividends: **COP 314 billion**
- 2 Urbanized land COP 31 billion, lots in gross COP 42 billion, rents and others 8 billion
- 3 Sale Epsa shares: **COP 655 billion**
- 4 Acquisition Celsia shares: **COP 783 billion**
Acquisition CemArgos shares: **COP 295 billion**
Acquisition Odinsa shares: **COP 3 billion**
- 5 Financial expenses: **COP 124 billion**, financial yields: **COP 6 billion**

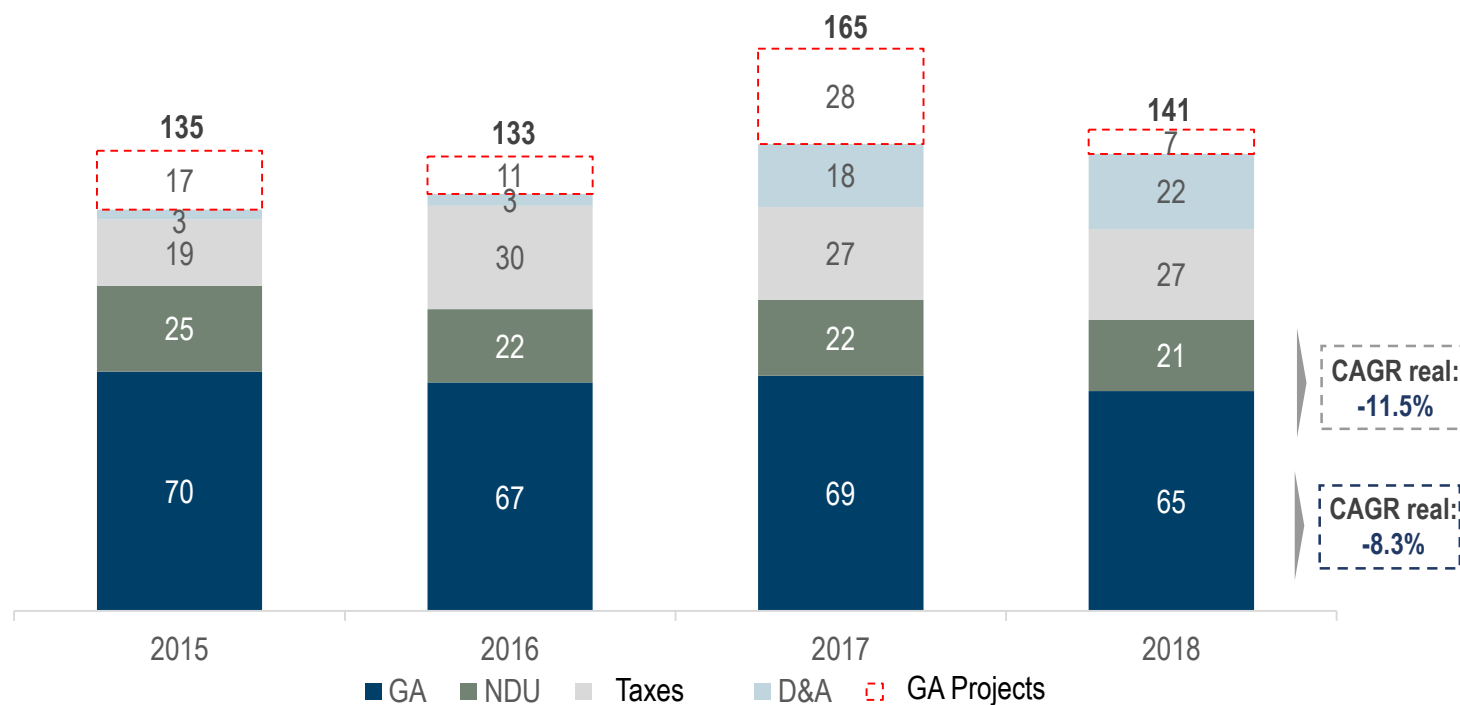


* Includes Pactia contribution reimbursement for COP 97,9 bn

BETWEEN 2015 AND 2018, CONTROLLABLE MANAGEMENT EXPENSES OF GRUPO ARGOS HAVE DECREASED 8.3% IN REAL TERMS

SG&A
COP billion

CAGR real: -4.0%



The costs associated with specific investment and divestment projects are not recurrent and depend on the dynamics and magnitude of the projects. According to the activity of the holding they should be registered as costs, but in the accounting they are recorded as expense

* Excludes depreciation and taxes

** AUM 2018 average with market prices and book value = COP 20,5 trillion

** International equity funds: Morningstar, Prudential, Parnassus, JP Morgan, Vanguard, TRowe

Grupo Argos Controllable
Management Cost

-8.3%

CAGR (2015 – 2018)

Real Estate Business Expenses

-11.5%

CAGR (2015 – 2018)

Recurrent expenses GA* /
AUM** 2018

0,5%

**Vs. 0.82% average fee from
international equity funds*****



FINANCIAL RESULTS 2018

FOCUS ON PROFITABLE GROWTH WITH IMPROVEMENT AT THE EBITDA LEVEL AND GROWTH OF THE MARGIN AT THE CONSOLIDATED LEVEL OF 91 bp



Positive results as an active holding

Consolidated Ebitda for 2018: COP 4 trillion

Consolidated Ebitda margin of 28% for 2018 +91 bp YoY

Consolidated net income 2018: COP 1.2 trillion +32% YoY



Energy platform of grupo argos, now strengthened

2018: Deleveraging + Corporate Simplification + Growth

Controlling Net Income = 2018: +53% YoY



Achieved efficiencies with tangible results

Ebitda 2018 +8% YoY

Net profit of COP 179 bn in 2018 vs. a net loss of COP 13 bn in 2017



Optimal structure with high standards of governance and balance between assets, currencies and countries

2018: year of progress in structuring its pipeline

Odinsa: Ebitda 2018 +3% YoY

Opain: Ebitda 2018 +32% YoY

IN 2018 NET INCOME GROWS 32%, SUPPORTED ON STRENGTHENING OF THE HOLDING COMPANY INCREASING PROFITABILITY OF ITS INVESTMENTS

IMPORTANT FIGURES

Consolidated Statement of Income

	Dic-2018	Dic-2017	Var.(%)
1 COP Billions			
Revenues ¹	14.314	14.574	-2%
Costs, expenses and other revenues	11.695	12.053	-3%
Operating profit	2.619	2.521	4%
2 EBITDA	3.966	3.905	2%
EBITDA margin	28%	27%	91p
Pre-tax profit	1.537	1.441	7%
Taxes	343	535	-36%
Current	419	471	-11%
Deferred items	-76	64	219%
3 Net profit	1.194	907	32%
Net profit of the controlling company	671	611	10%
Net margin of the controlling company	5%	4%	50p
Excludes Compas Impact			
Revenues	14.314	14.171	1%
EBITDA	3.966	3.752	6%
Net profit	1.194	754	58%
Net profit of the controlling company	671	458	46%
EBITDA margin	28%	26%	123p

NOTES

1

✓ Revenues increased 1% during 2018 deleting the compas effect:

- ✓ Energy contribution (+COP 326,000 million) due to sales and price increase
- ✓ Concessions contribution (-COP 11,000 million) due to lower revenues in Aruba, Llanos and AKF.
- ✓ Cementos contribution (-COP 57,000 million) due to a decrease in volume and lower cement prices in USA and the Caribbean
- ✓ Real Estate contribution (-COP 66,000 million) due to lower terrain valuations

2

✓ EBITDA increase 6% deleting the non recurrent compas effect. Highlights:

- ✓ **Cementos** positive contribution (+ COP 120 billion) due to higher efficiency in expenses and non strategic assets divestment
- ✓ **Real Estate Business** positive contribution due to divestment in Baru and Barranquilla
- ✓ Energy contribution (-COP 9 billion) due to higher thermic generation costs

3

✓ Net Income of the controller increases to COP 671 billion

- ✓ Cementos contribution (+COP 239,000 million) due to better operations and by a decrease on income
- ✓ Energy contribution (+COP 96,000 million) due to greater contribution margin, lower income tax, greater exchange rate and lower financial expenses
- ✓ Concession contribution (+COP 62,000 million) by operational performance offset by higher interest and lower expense in exchange rates
- ✓ Real Estate contribution (+COP 14,000 mm)

Accounting impact from sale of Compas: (1) Revenue: COP 403 billion, (2) Cost of shares: COP 250 billion (3) EBITDA: COP 153 billion

EQUITY METHOD INCREASES 7x REFLECTING THE STRENGTH OF THE BUSINESSES

IMPORTANT FIGURES

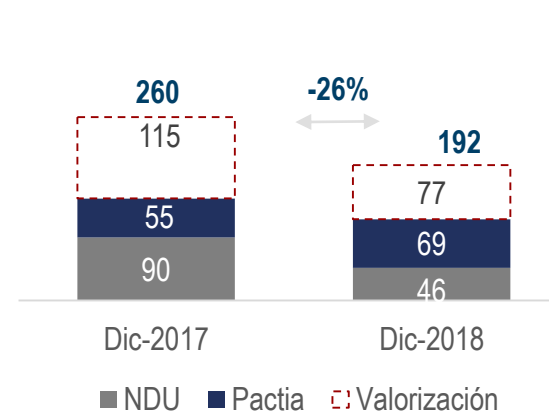
Separate Statement of Income

COP billion

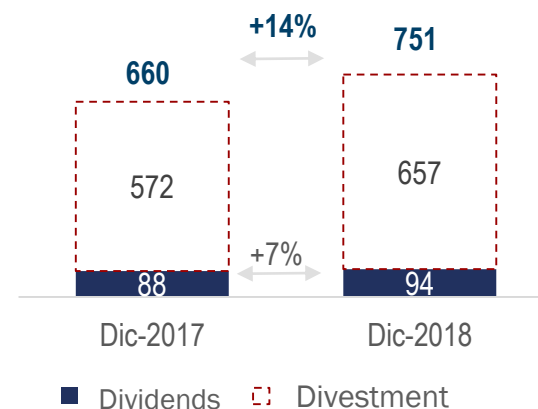
	Dic-2018	Dic-2017	Var.(%)
Revenue	1.380	1.190	16%
Costs and other expenses	281	417	-33%
GA expenses	141	165	-14%
Operating profit	958	608	58%
EBIDTA	980	630	56%
<i>EBIDTA margin</i>	<i>71%</i>	<i>53%</i>	<i>1811p</i>
Pre-tax profit	847	491	72%
Taxes	35	39	-9%
Current	17	53	-69%
Deferred items ²	18	-15	-222%
Net profit	812	453	79%
Net margin	59%	38%	2078p

NOTES

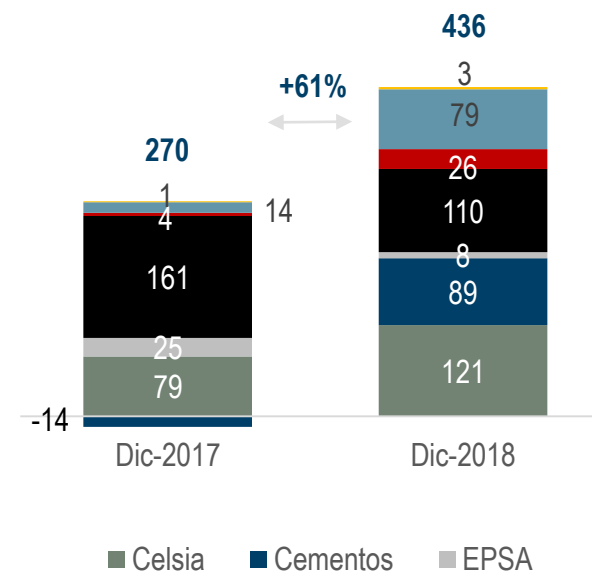
Income Real Estate Bussines



Income Financial Activity



Income Equity Method



Divestment

- 2017: **Compas** (COP 403,000 million), **TTV Sura** (COP 67,000 million), **Transfer of Odinsa shares to Sator** (COP 102,000 million)
- 2018: **EPSA** (COP 655,000 mm): 34.6 mm shares @ COP 18,900/share