



PRESENTATION OF QUARTERLY RESULTS

Fourth Quarter 2019



GRUPO ARGOS

Investments that transform

February 2020



PRESENTATION OF QUARTERLY RESULTS

Important Note

This presentation contains certain forward-looking information and statements related to **Grupo Argos** and its subsidiaries that are based on current knowledge of events, expectations and projections, circumstances, and assumptions about 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 assumptions or estimations prove to be incorrect, the future results may differ considerably from those stated herein. The forward-looking statements are made as of 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.

STRATEGY

We led the strategic transformation of our businesses in the fourth quarter of 2019



Creation of Platforms for Growth

- Partnership with *Cubico Sustainable Investments*
 - 400 MW in solar development
 - Creation of the Caoba platform: distribution and transmission assets of COP 1.4 trillion

COP **1.4** trillion



Selective, Profitable and Strategic Growth

- Bogotá Airport System: entered the feasibility stage. Estimated investment of USD 3,200 million.
- Acquisition of a 53% share in the Aburrá Túnel de Oriente concession for COP 340 billion.

COP **340** billion



Divestment of Non-strategic Assets

- Divestment of the concrete cluster in southwest USA for USD 95 million
 - Reduction of leverage by COP 430 billion in 2019
 - COP 950 billion of debt amortization in the last two years

USD **95** million



STRATEGY

We are significant drivers of the Colombian economy

GRUPO ARGOS

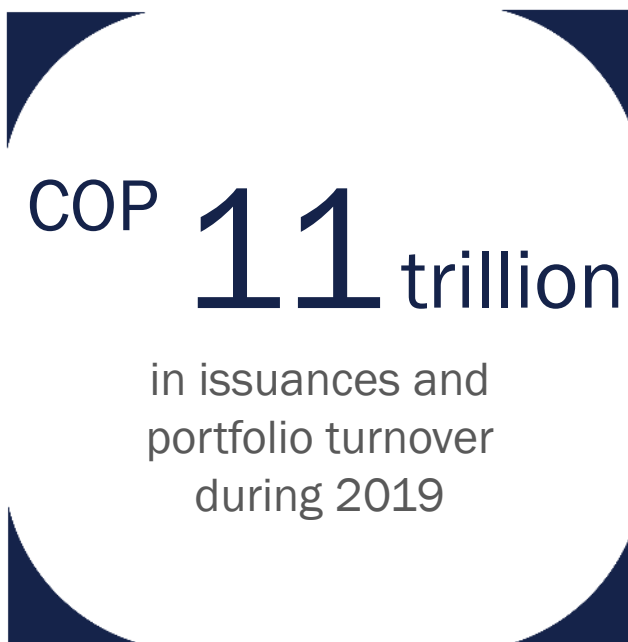
750 billion

- Divestments of COP 123 billion
- Capitalization of COP 176 billion
- Debt of COP 450 billion

CELSIA

6.5 trillion

- Divestments of COP 2.7 trillion
- Acquisitions of COP 1.9 trillion
- Debt of COP 1.9 trillion



CEMENTOS ARGOS

336 billion

- Divestments of COP 336 billion

ODINSA

3.3 trillion

- Acquisitions of COP 340 billion
- Debt of COP 3 trillion
- Capitalization of Pacífico 2 concession for COP 100 billion

STRATEGY

We achieved a consolidated EBITDA of COP 4.8 trillion, up 21% in 2019



GRUPO ARGOS

COP **16.8** trillion
INCOME

▲ **18%**

COP **4.8** trillion
EBITDA

▲ **21%**

COP **689** billion
NET PROFIT OF THE
CONTROLLING COMPANY

▲ **3%**

GRUPO ARGOS CONSOLIDATED RESULTS 4Q2019

The consolidated results confirm progress in the businesses led by Grupo Argos as an asset manager

IMPORTANT FIGURES

COP billion	4Q-2019	4Q-2018	Change (%)	DEC-2019	DEC-2018	Change (%)
Income	3,941	3,740	5%	16,799	14,295	18%
Costs, expenses and other income	3,049	2,959	3%	13,722	11,695	17%
Operating profit	892	781	14%	3,076	2,600	18%
EBIDTA	1,338	1,103	21%	4,788	3,947	21%
EBIDTA margin	34%	29%	447 bps	28%	28%	89 bps
Pre-tax profit	613	505	22%	1,863	1,537	21%
Tax	317	174	82%	607	343	77%
Current	207	130	60%	579	419	38%
Deferred	109	44	148%	28	-76	N/A
Net profit	297	330	-10%	1,256	1,194	5%
Net profit of the controlling company	123	177	-30%	690	671	3%
Net margin of the controlling company	3%	5%	-160 bps	4%	5%	-59 bps

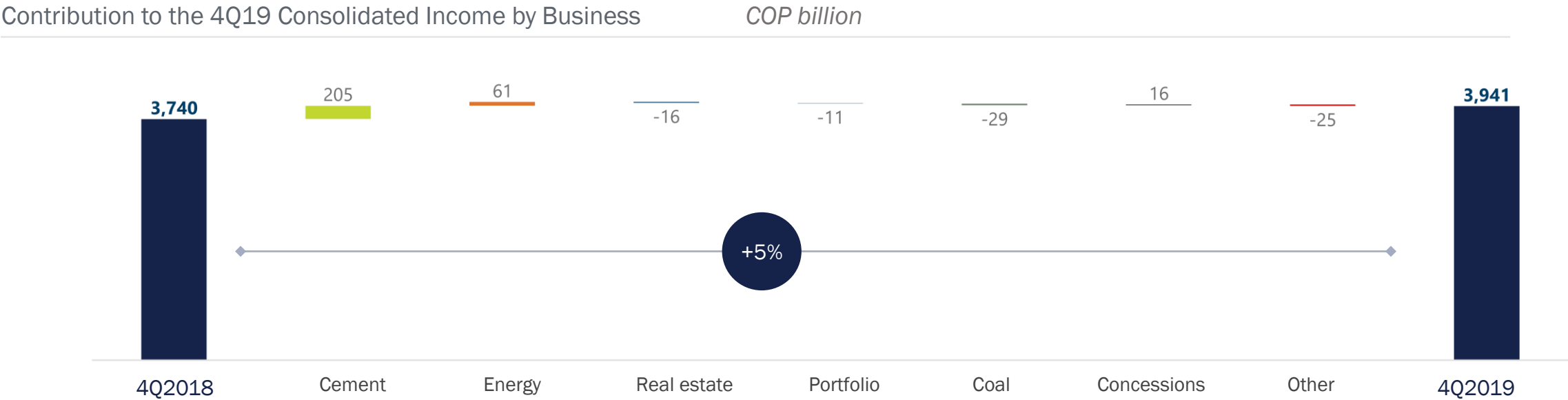
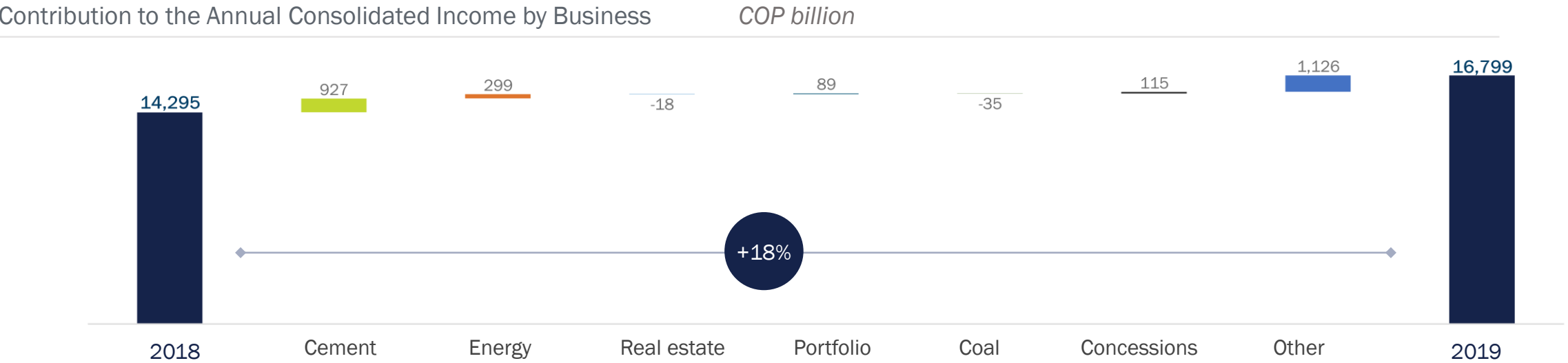
+ 11%

Increase in the contribution from the **cement** business to consolidated income in 2019

+ 108%

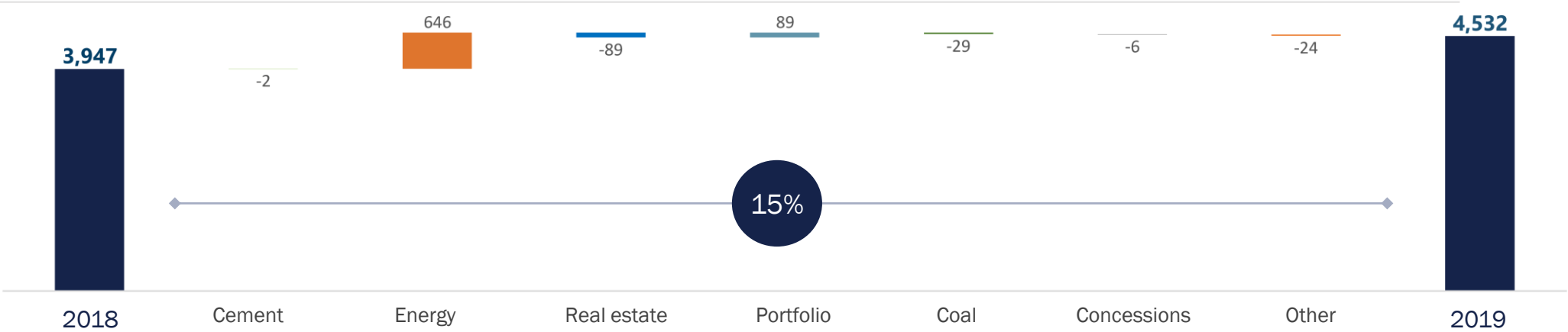
Increase in the contribution of the **energy** business to the net profit of the controlling company in 2019

Growth of 18% in income in 2019 with the positive contribution of all the strategic businesses

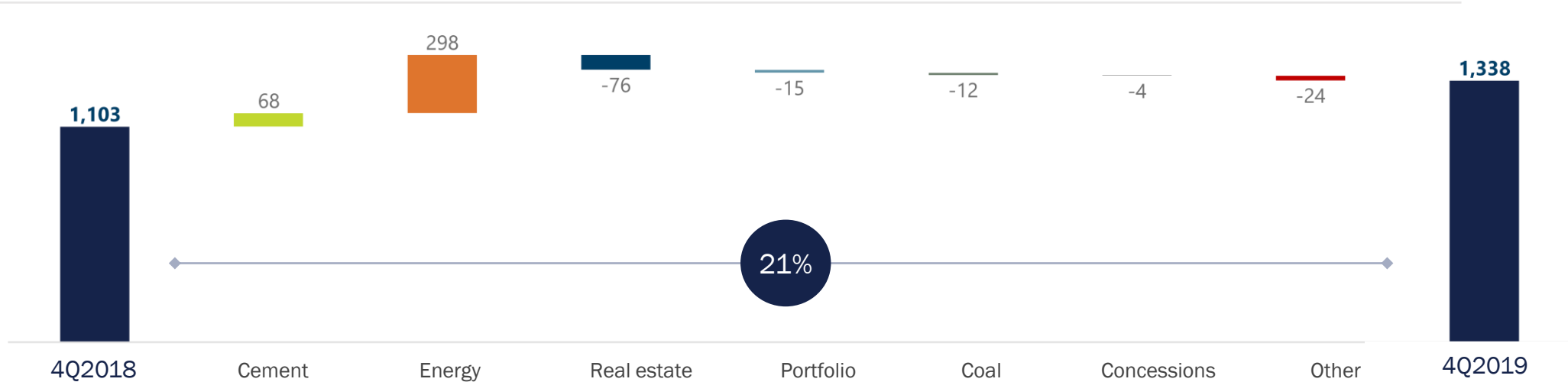


Growth of 21% in the quarter's EBITDA due to the greater contribution of the energy and cement businesses

Contribution to the Annual Consolidated Income by Business COP billion



Contribution to the 4Q19 Consolidated Income by Business COP billion



GRUPO ARGOS INDIVIDUAL RESULTS 4Q2019

The EBITDA margin in 2019 improved 172 basis points

IMPORTANT FIGURES

COP billion	4Q - 2019	4Q - 2018	Var (%)	Dic-2019	Dic-2018	Var.(%)
Income	185	184	1%	846	1,380	-39%
Costs, expenses and other income	39	-19	N/A	104	281	-63%
GA expenses	40	49	-18%	143	141	1%
Operating profit	106	153	-31%	599	958	-37%
EBIDTA	110	173	-36%	615	980	-37%
EBIDTA margin	60%	94%	-3445 pb	73%	71%	172 pb
Pre-tax profit	77	126	-38%	496	847	-41%
Tax	0	25	-102%	13	35	-62%
Current	1	11	-95%	-1	17	n/a
Deferred	-1	14	N/A	14	18	-22%
Net profit	78	101	-23%	483	812	-41%
Net margin	42%	55%	-1278 pb	57%	59%	-174 pb

+69%

The contribution of the energy sector using the equity method increased in 4Q19

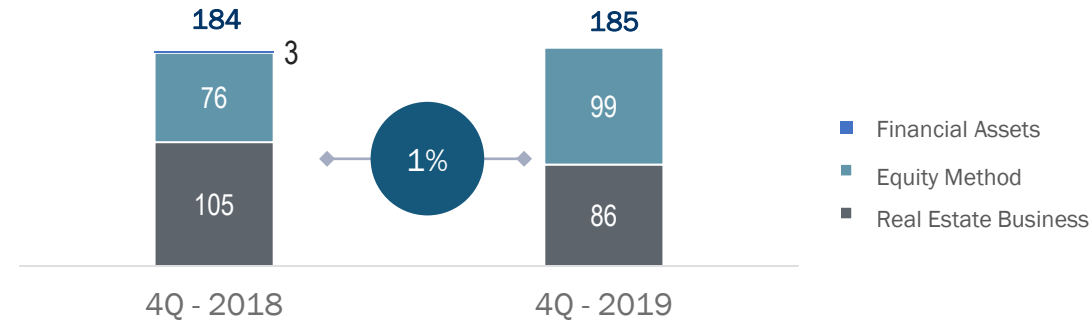
+362%

The contribution of the concessions sector using the equity method increased in quarter

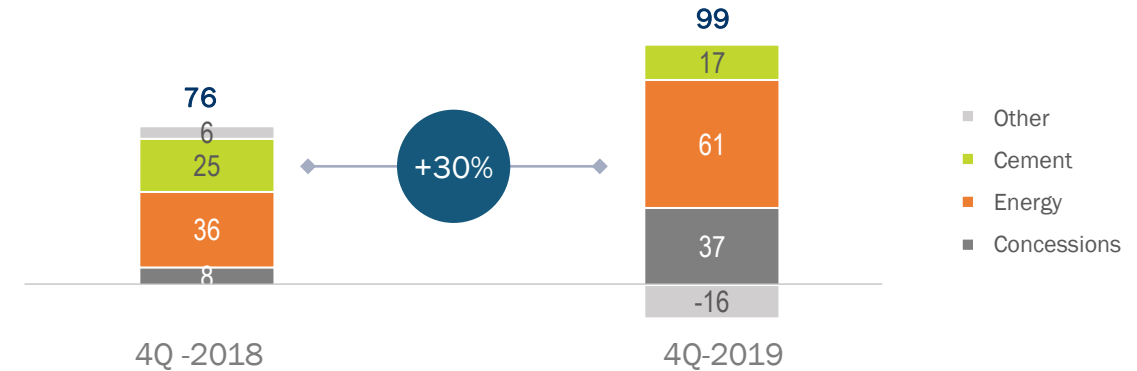
GRUPO ARGOS INDIVIDUAL RESULTS 4Q2019

The equity method increased 30% in 4Q due to the greater contribution of the energy and concessions businesses

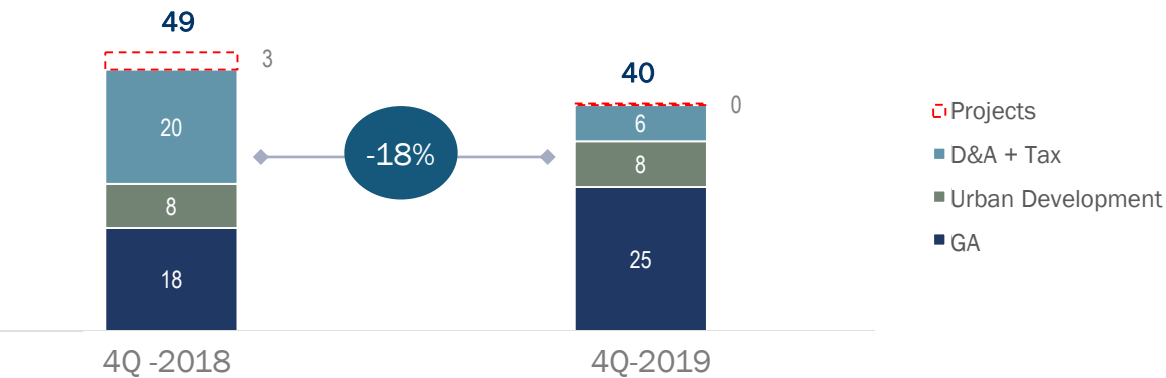
1. Income Distribution 4Q2019 COP billion



2. EM* Distribution 4Q2019 COP billion



3. Controllable Expenses 4Q2019 COP billion



* EM = Equity method

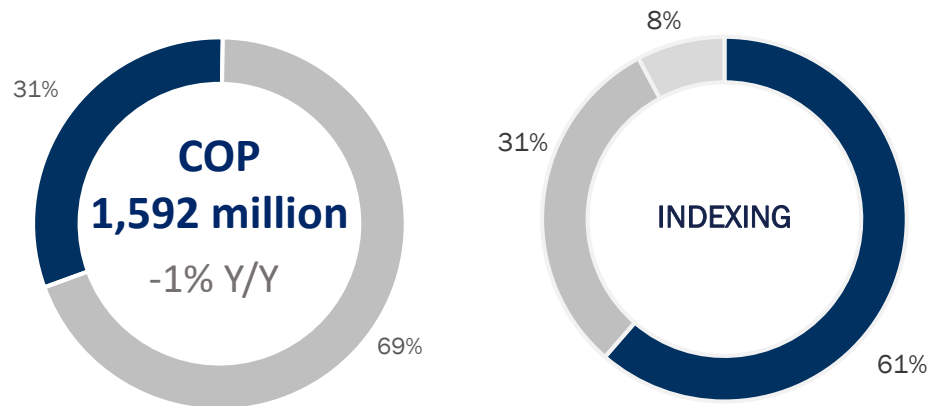
- **Equity method with greater contribution from the energy business**, which incorporates the divestment of assets and creation of the T+D platform.
Greater contribution of the concessions business due to improved performance of its road operations.
- **Increase in expenses attributable to greater expenses** of depreciations and taxes due to the implementation of **IFRS 16**.
- Increase in administrative expenses by optimization of structure.

GRUPO ARGOS SEPARATE RESULTS 4Q2019

We improved the debt profile from 4.9 to 6.4 years

DEBT¹

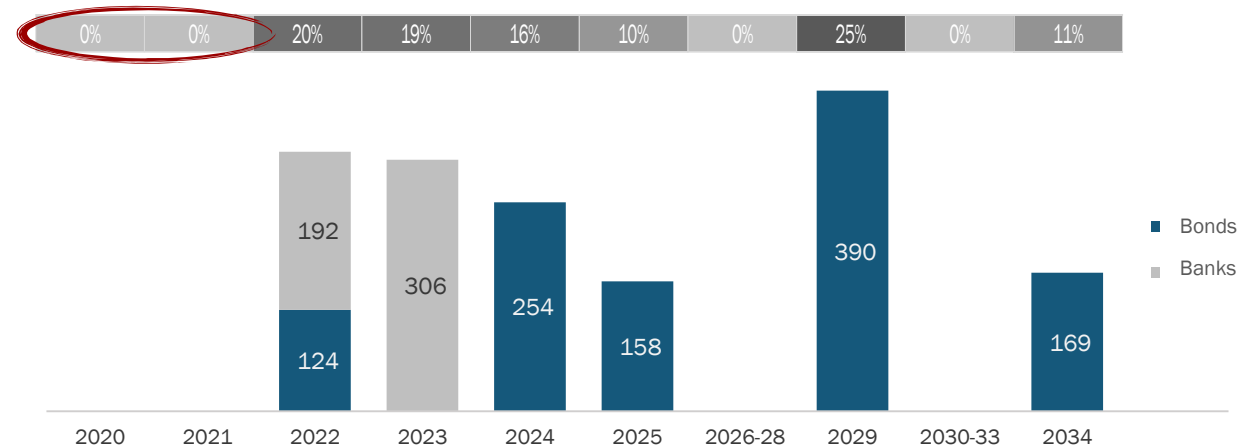
COP



Repos Banks Bonds OS

CPI IBR FT

PROFILE OF MATURITIES (CAPITAL) COP billion



Gross Debt / Dividends

2.7x

vs. 2.7x in December 2018

Gross Debt / Adj. EBITDA²

2.5x

vs. 1.7x in December 2018

Cost of Debt

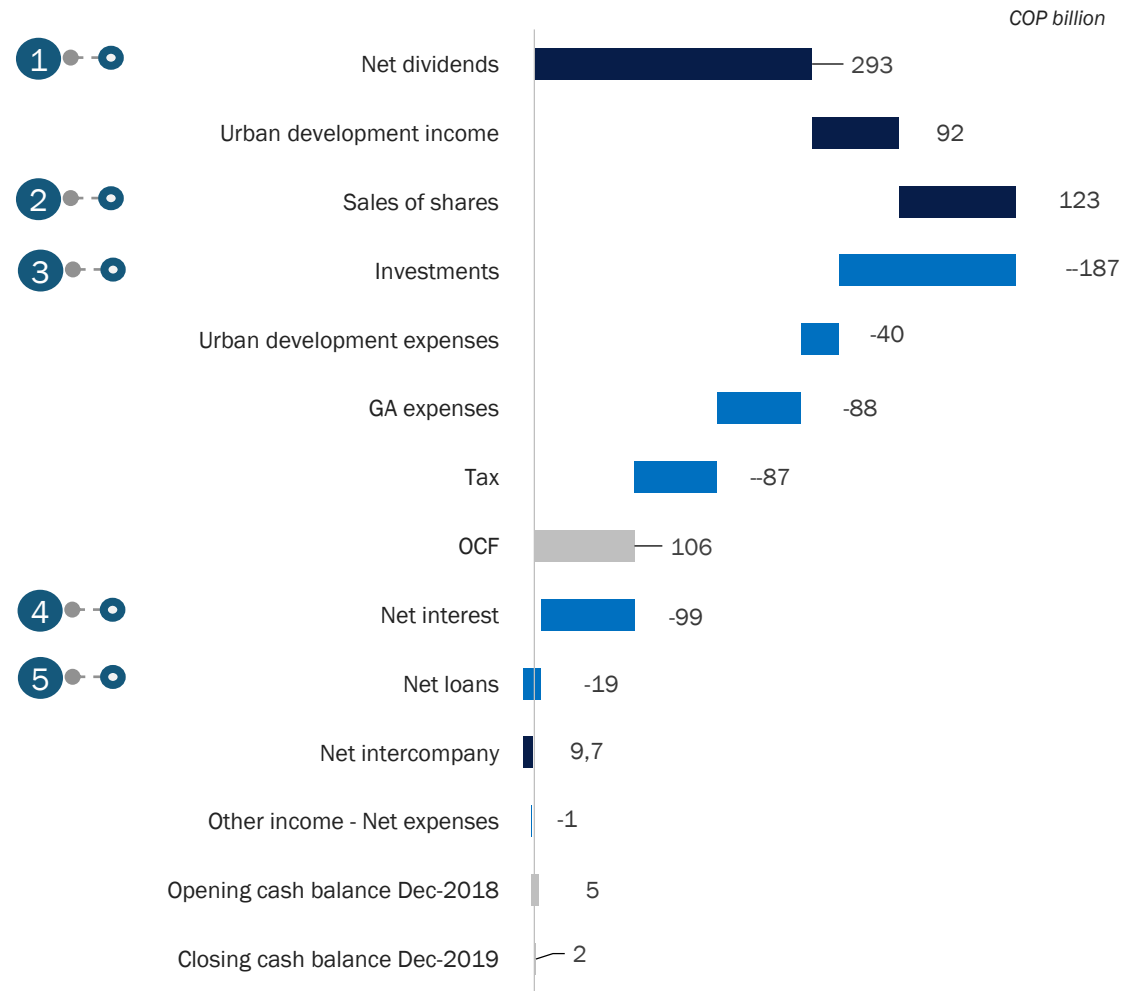
7.0%

at December 2019

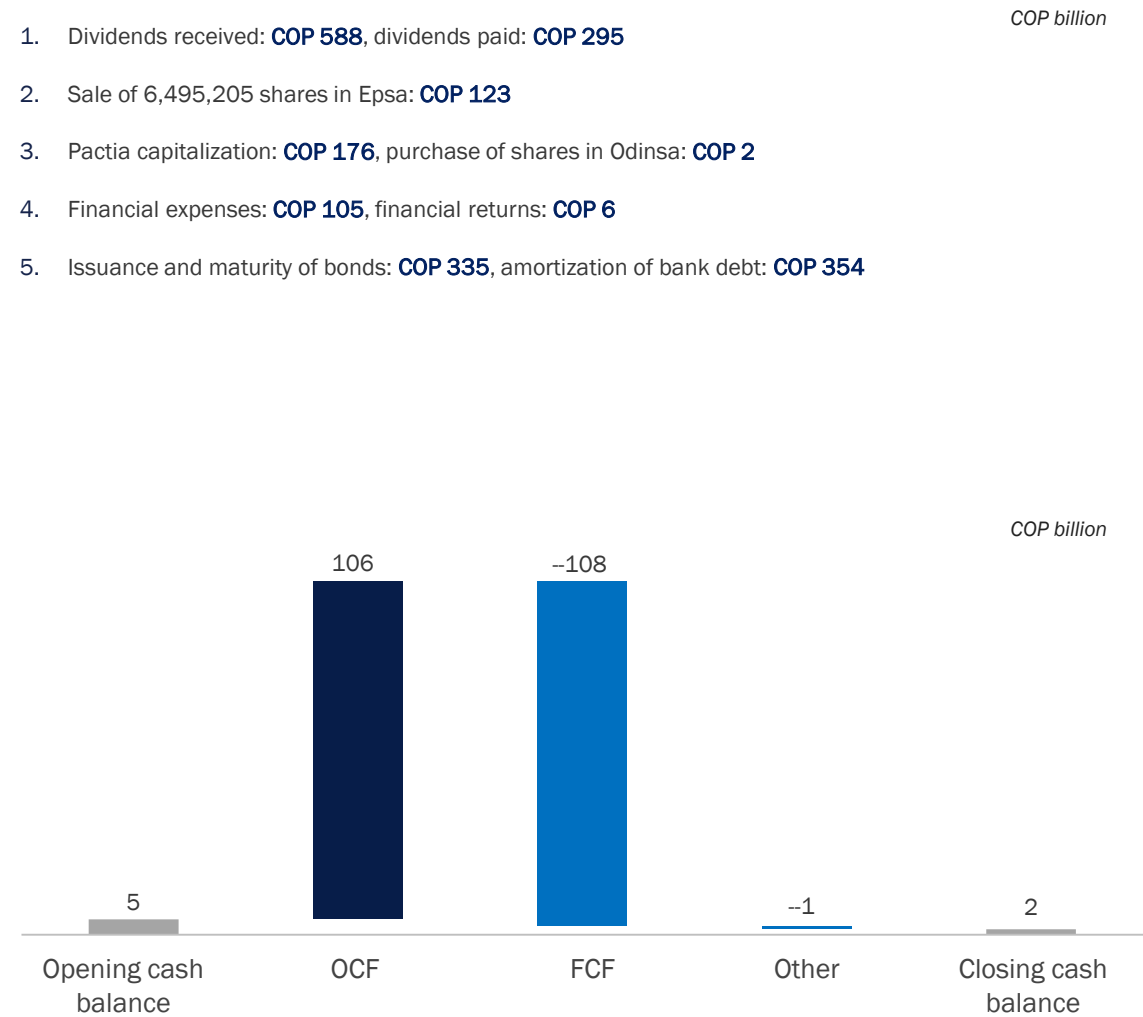
1. Only includes capital balance. 2. Portfolio of listed shares appraised with the monthly closing price + share in Pactia. 3. Adjusted EBITDA = EBITDA (-) Equity method (+) Dividends received (+) Gain on divestments (-) Urban development valuations. 4. Limit established by Fitch and S&P for the AAA rating. 5. Current monthly inflation.

We ended the year with cash flow equivalent to one day of the Company’s revenue

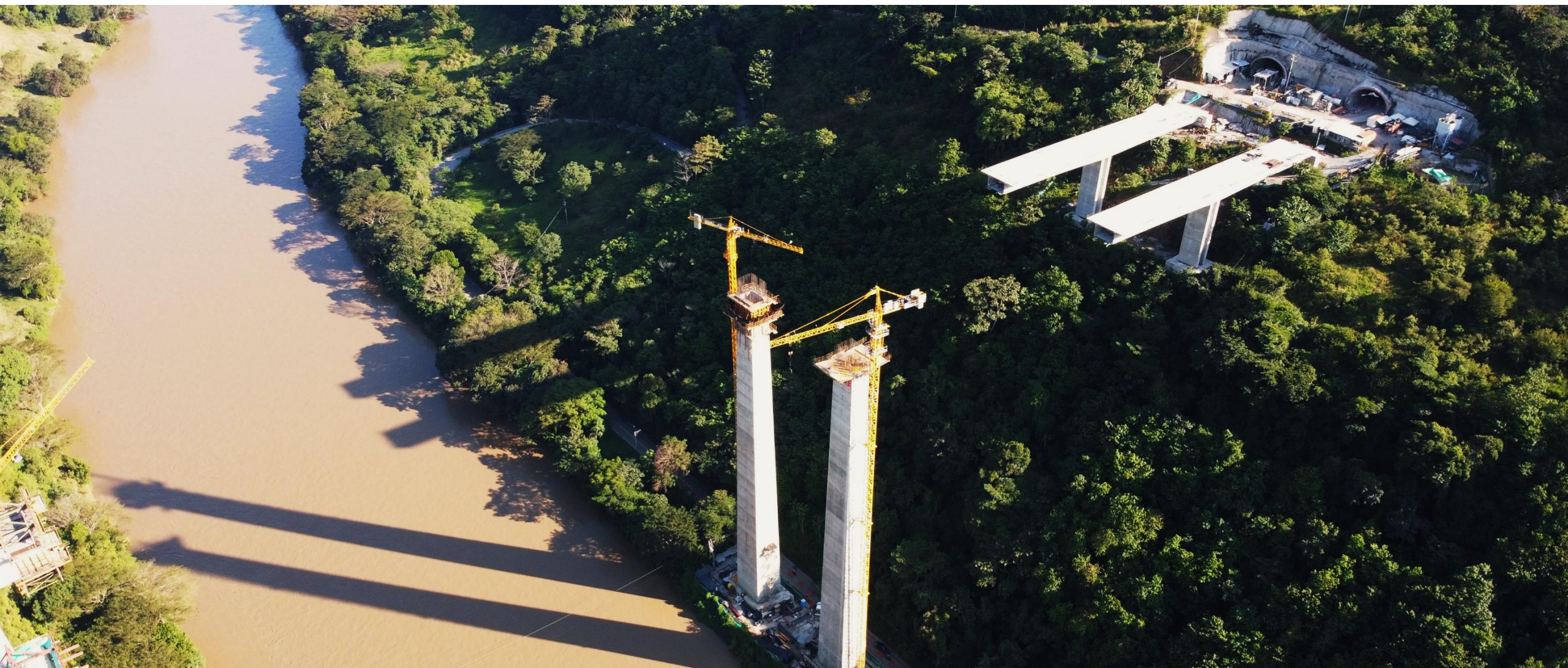
Cash flow



Notes



CONCESSIONS BUSINESS



We strengthened financial flexibility to drive growth



Bogotá Airport System enters into the feasibility stage

- Estimated investment of USD 3,200 million



Debt reprofiling for Autopistas del Café of COP 250 billion



82% progress in Pacífico 2

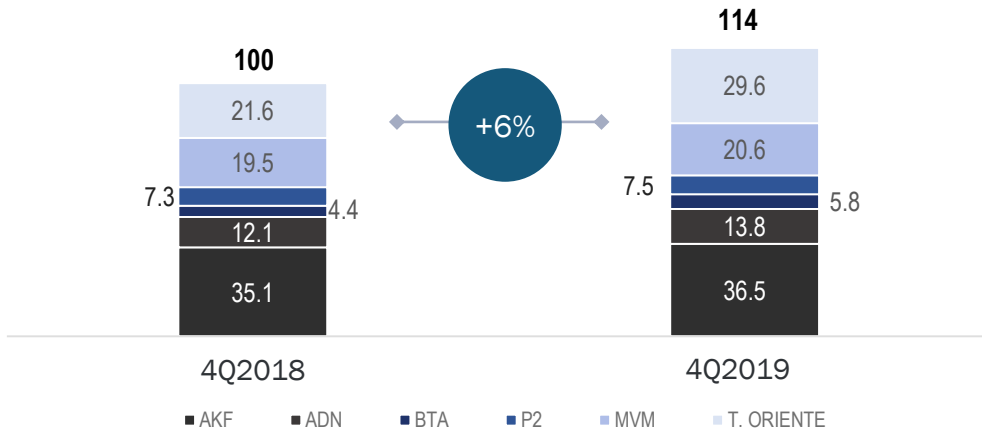
- 3% ahead of the initial schedule
- It is part of the first group of 4G projects which will be delivered in 2020

CONCESSIONS BUSINESS 4Q2019

More than 40 million passengers in airports and 37 million vehicles

DAILY AVERAGE OF VEHICLES

Thousands of vehicles

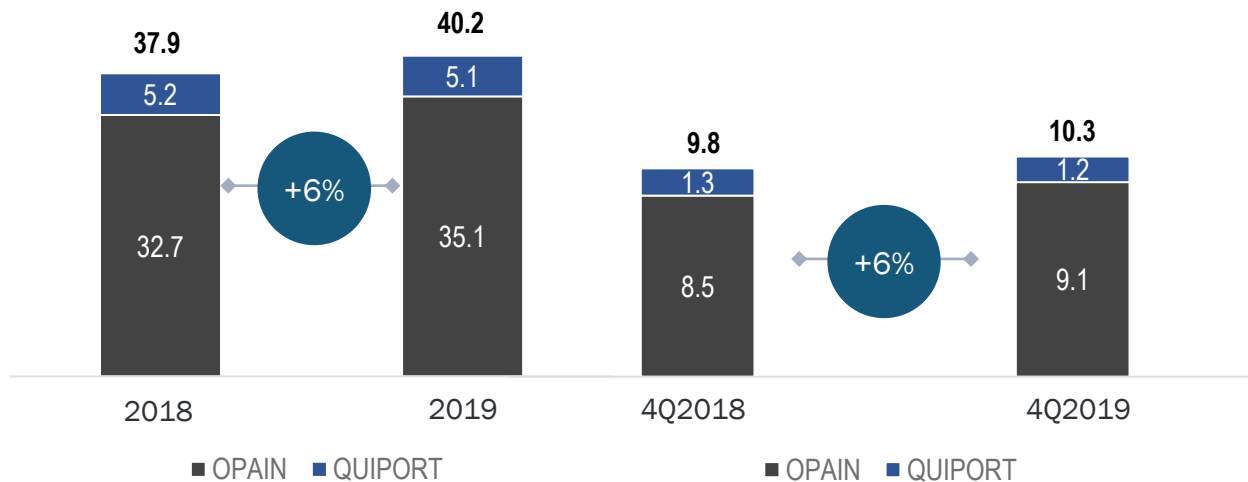


ROAD NOTES

- **AKF:** Vehicle traffic in 4Q19 varied +4% Y/Y. Accumulated traffic in 2019 varied +2%.
- **Túnel Oriente:** Vehicle traffic in 4Q19 of 29,600 vehicles per day, (+37% Y/Y).
- **ADN + BTA:** Recovery of traffic on ADN of +14% Y/Y and of +32% in BTA due to greater flows related to tourism.
- **Pacífico 2:** Traffic varied +3% Y/Y in 4Q19. The progress made in the works stands out, which are ahead of schedule with a 82% completion rate.
- **MVM:** Traffic varied +6% in 4Q19.

AIRPORT TRAFFIC

Millions of passengers (PAX)



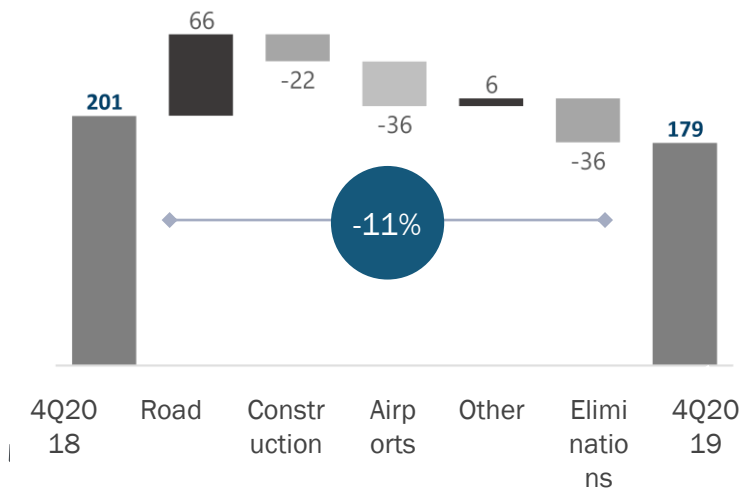
AIRPORT NOTES

- **El Dorado International Airport:** Total passenger traffic at El Dorado International Airport in 4Q19 of 9.1 million, up +7% Y/Y. Domestic passenger traffic increased 13% and international passenger traffic decreased -2%.
- **Quito Airport:** Total passengers decreased -7% Y/Y, due to the decrease in international operations.

CONCESSIONS BUSINESS 4Q2019

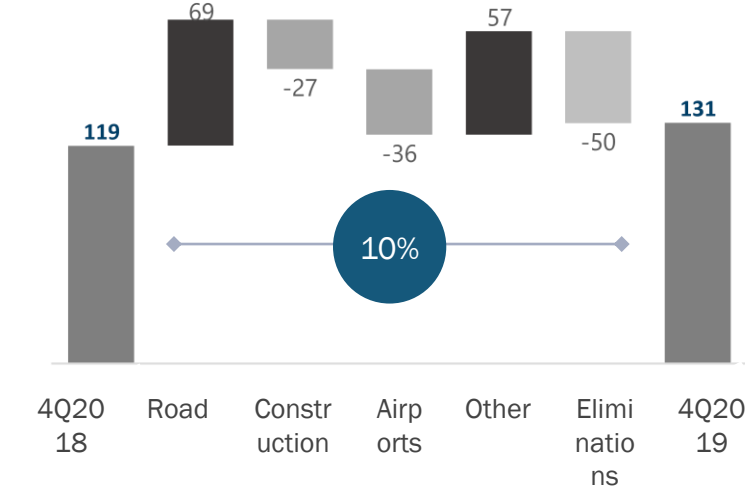
The EBITDA in concessions increased 10%

INCOME COP billion



- **Road concessions** amounted to COP 197 billion, **+50% Y/Y** due to better results in Pacífico 2, such as the start-up of Túnel de Oriente
- **Decrease using the EM** from Quiport due to **lower net profit**, as a result of the **debt reprofiling**
- **Reduced contribution** of the **construction** segment

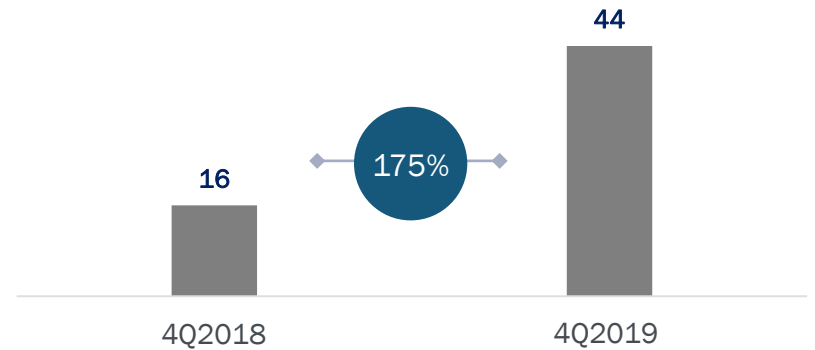
EBITDA COP billion



- **Greater contribution of road concessions** with an input of **131 billion**, up **134% Y/Y**
- **Greater contribution of ADN and Pacífico 2** due to greater revenue
- The last month of operation of the Túnel de Oriente concession is reported
- **Construction with lower contribution to the EBITDA (-68%)**

NET PROFIT OF THE CONTROLLING COMPANY

COP billion

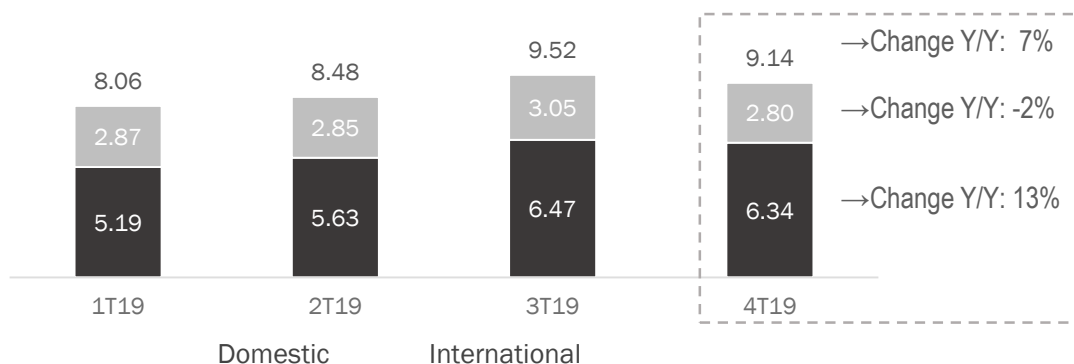


- Greater one-off expenses in 4Q2018 (Project completion certificate of Green Corridor + AKF arbitration tribunal)

CONCESSIONS BUSINESS 4Q2019

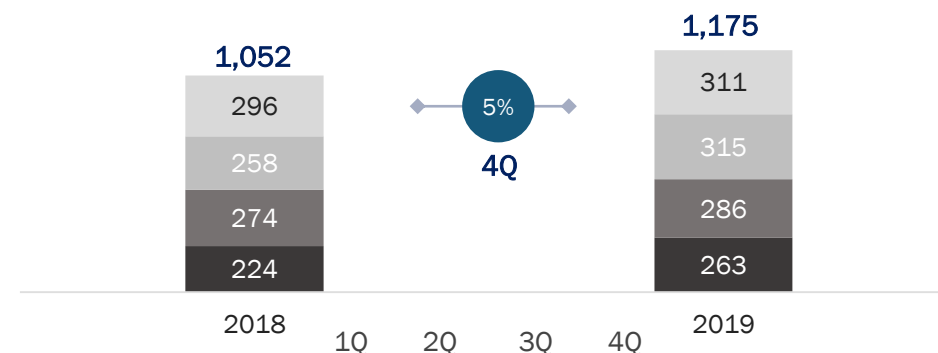
Opain ends 2019 with more than 35 million passengers

PASSENGERS Millions of passengers (PAX)



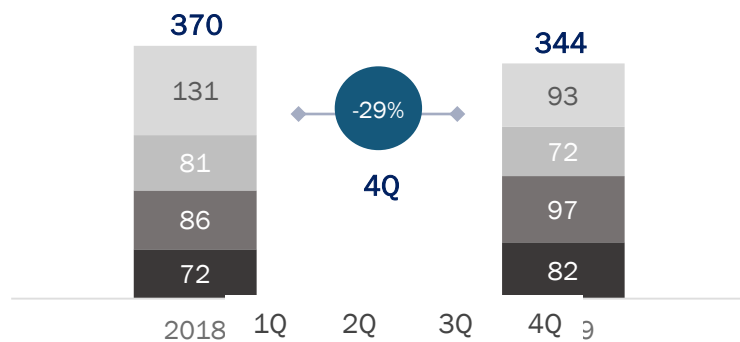
- Passenger traffic increased **+7% Y/Y**, twice the growth of the Colombian GDP, amounting to **9 million** passengers

INCOME COP billion



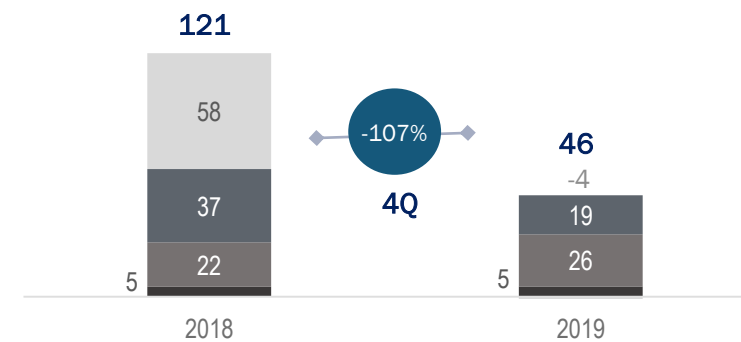
- Regulated income increased **11%**
- Non-regulated income increased **7%**

EBITDA COP billion



- The **EBITDA** decreased **29%** due to the recognitions of future terms of 4Q2018

NET PROFIT COP billion



CEMENT BUSINESS

 **GRUPO ARGOS**
Investments that transform



Efficiency, profitability of existing assets and divestment of non-strategic assets



Divestment of the concrete cluster in southwest USA for USD 95 million



Manufacturing and distribution of green cement started

- It reduces CO₂ emissions by 38% and energy consumption by 30%

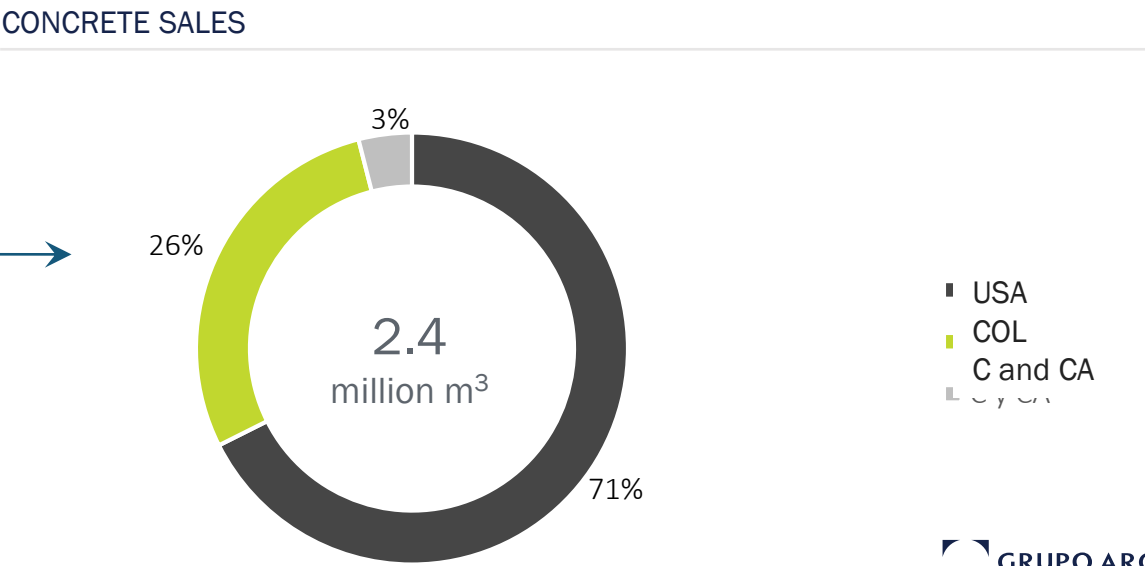
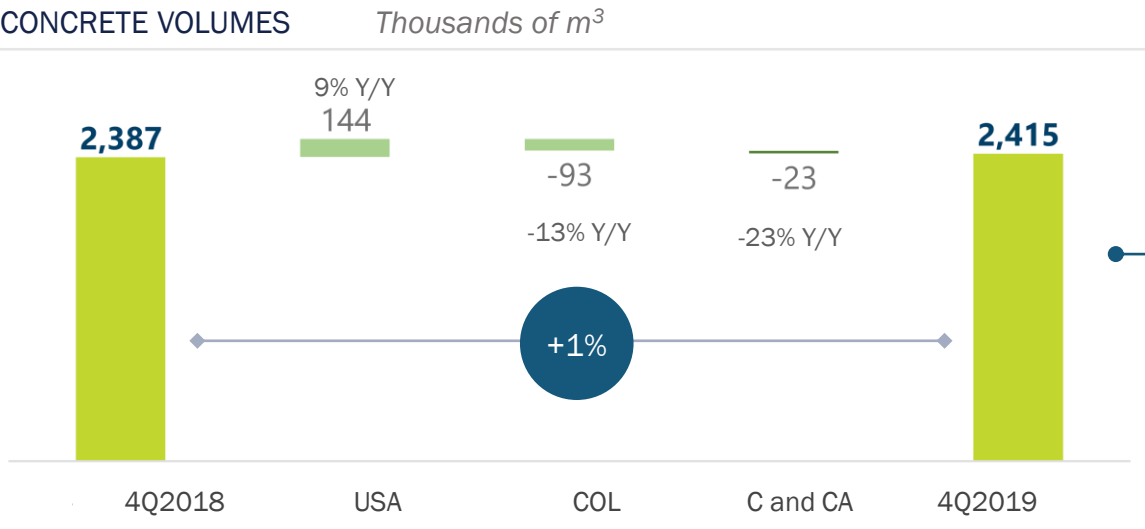
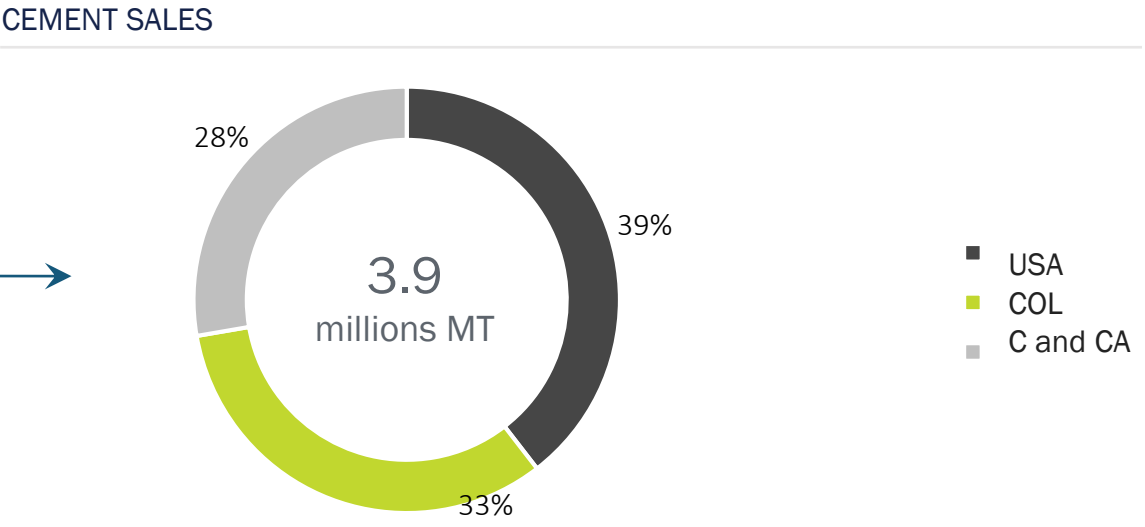
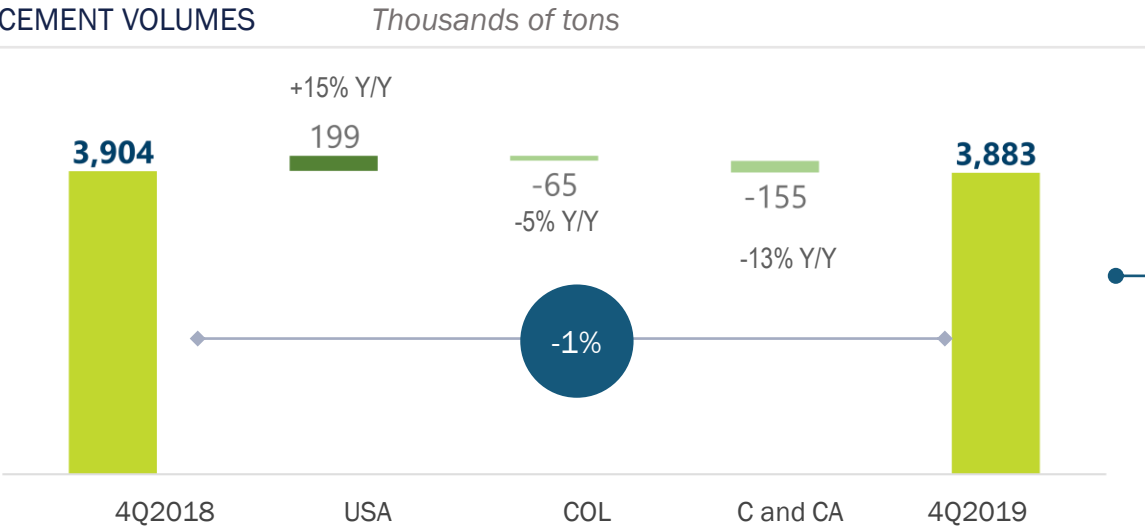


Cement and concrete volumes increased in the USA

- Cement sales amounted to 6.3 million tons, with a record growth of 9.5%
- Concrete sales reached 7.1 million cubic meters, up 1.2%

CEMENT BUSINESS 4Q2019

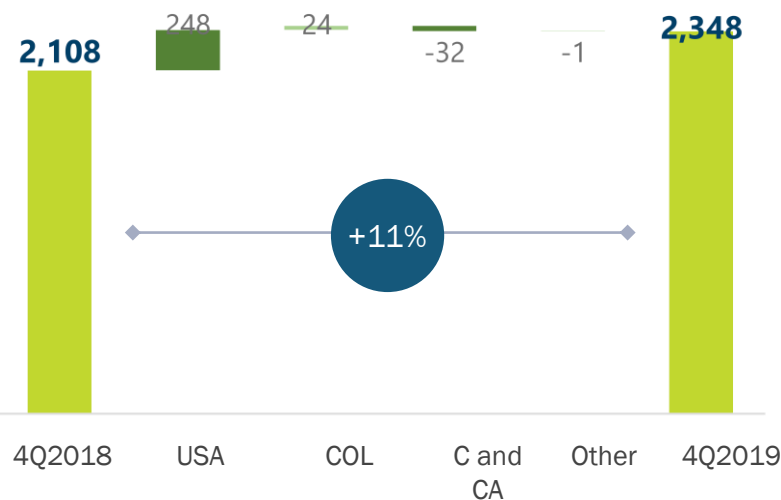
Cement and concrete volumes increased in the USA with greater profitability



CEMENT BUSINESS 4Q2019

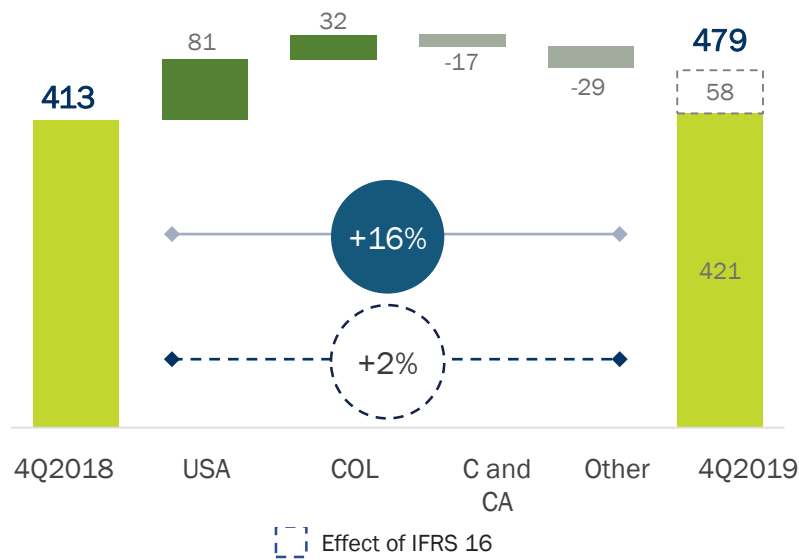
Improved profitability of the business with the EBITDA increasing 16% year-on-year

INCOME COP billion



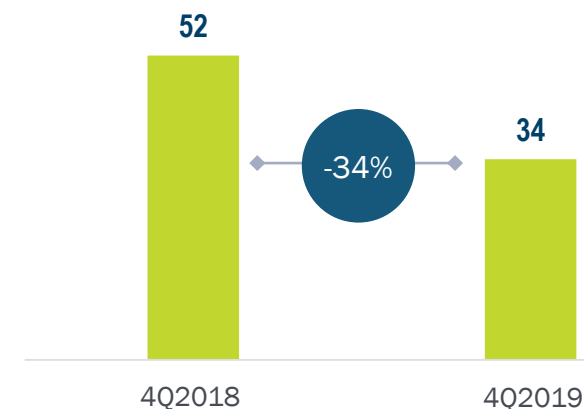
- ▲ Increase in cement and concrete prices in Colombia.
- ▲ Stability in volumes of cement, -1% Y/Y, and concrete, +1% Y/Y. The USA stands out with increases of 15% Y/Y and 9% Y/Y, respectively.
- ▲ Negative effect of devaluation on income.

EBITDA COP billion



- ▲ Adjusted EBITDA from the effect of IFRS 16 of COP 421 billion.
- ▲ Increase in other income (+COP 45 billion) from recovery of insurance, reimbursements and divestments.
- ▲ Political instability in Central America.

NET PROFIT OF THE CONTROLLING COMPANY COP billion



- ▲ Increase in net financial expenses and effect of IFRS 16.
- ▲ Greater income tax due to divestment of assets.

ENERGY BUSINESS

 **GRUPO ARGOS**
Investments that transform



Strategic movements of asset turnover to balance out the income matrix



Partnership with *Cubico Sustainable Investments* for COP 1.4 trillion

- Projects to develop more than 400 MW of solar power
- Expansion of the distribution and transmission business



768 GWh/year granted to Celsia in energy auction

- Acacia and Camelia wind power plant projects with an installed capacity of 300 MW
- Projects contracted for 15 years from January 2022



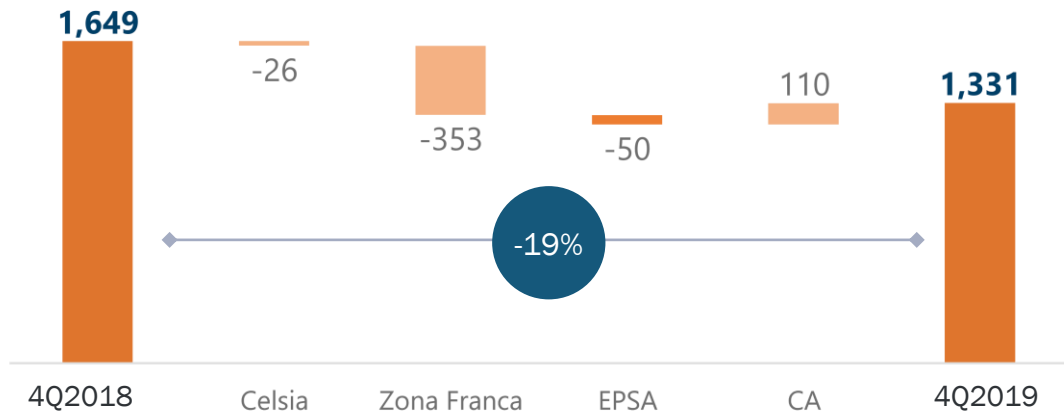
Granting of fleet of 120 electric buses to the Bogotá Transmilenio transport system

- They will start operations in September 2020

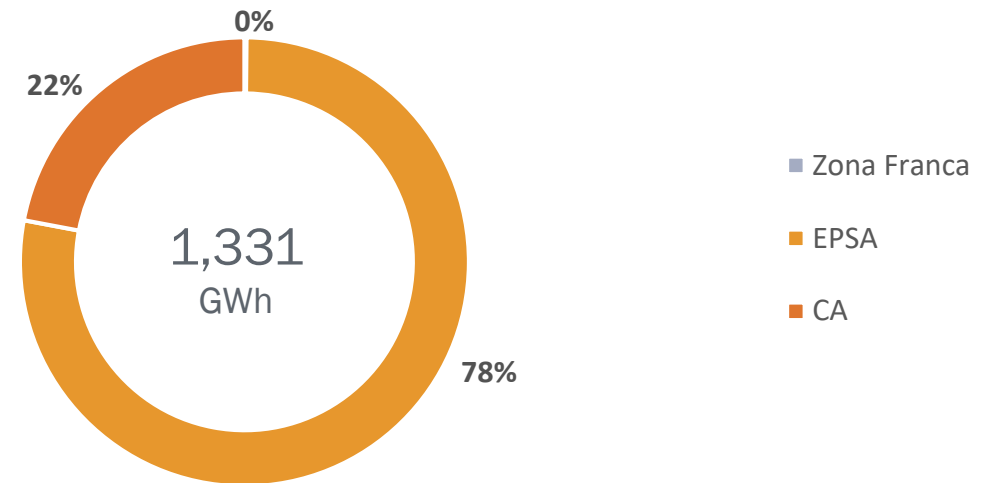
ENERGY BUSINESS 4Q2019

Balance in the transmission and generation matrix and T+D contributes 42% of the EBITDA at the close of 2019

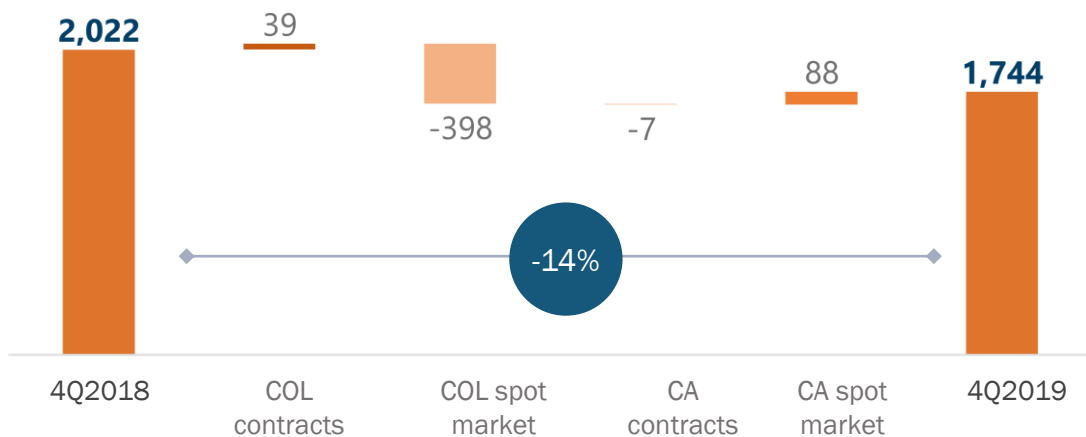
GENERATION* GWh



COMPOSITION OF GENERATION



CHANGE IN ELECTRICITY SALES GWh



NOTES

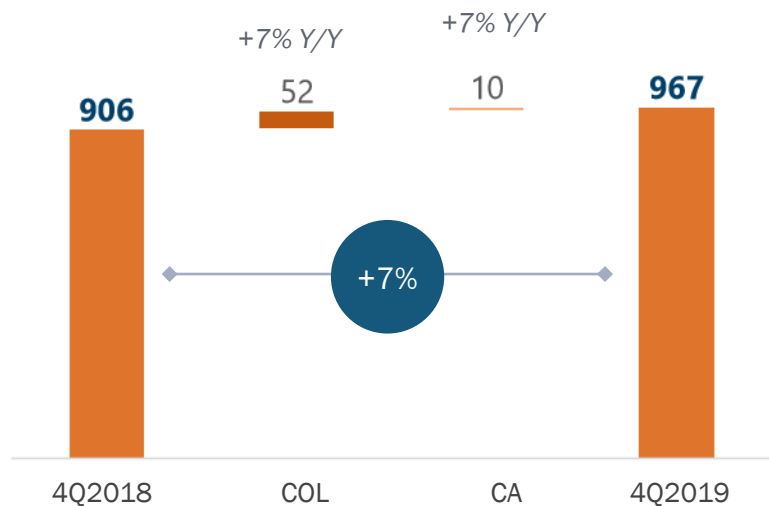
- ▲ Energy sales decreased 14% Y/Y.
- ▲ Generation **decreased 19%**, but excluding the sale of Zona Franca, it would increase 2.6% Y/Y.
- ▲ Zona Franca only contributed to generation during July and August.
- ▲ The **average** energy price on the spot market in **4Q19 = COP 286/kWh (+115% Y/Y)**. The average price of contracts covering the **regulated market = COP 209/kWh (+9% Y/Y)**.

* The data of Epsa and Celsia are unified, because Celsia's hydroelectric power generation assets were transferred to Epsa.

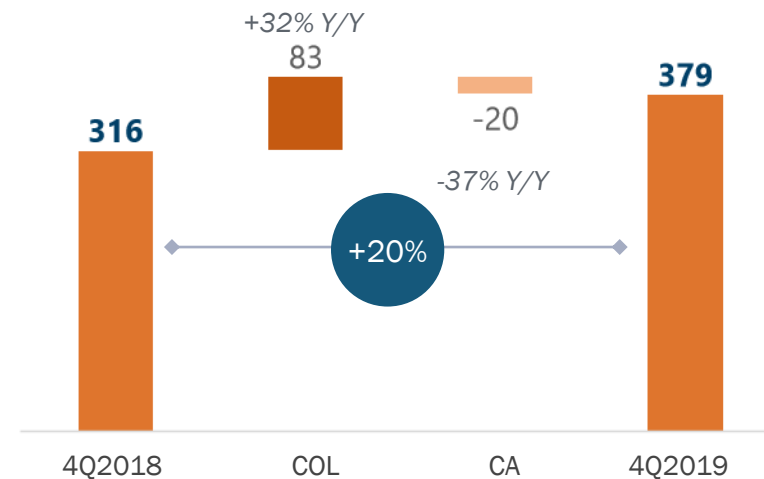
ENERGY BUSINESS 4Q2019

Results consistent with the Selective, Profitable and Strategic Growth strategy

INCOME COP billion

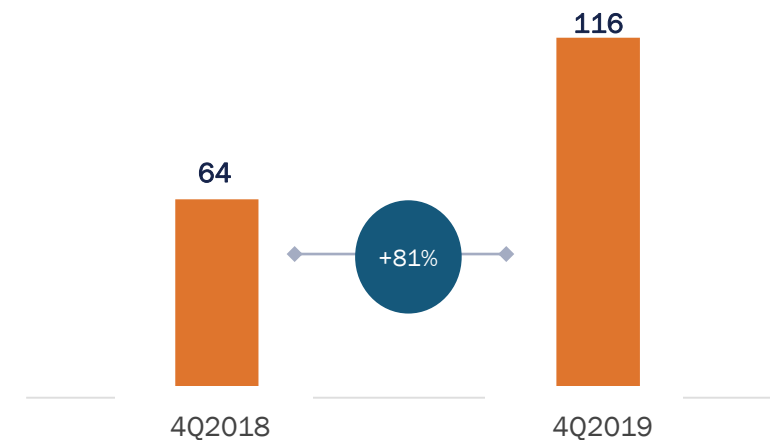


EBITDA COP billion



NET PROFIT OF THE CONTROLLING COMPANY

COP billion



▲ Colombia (84% income):

- Operation of the Tolima assets (+COP 195 billion)
- Better spot market prices (COP 286/kWh +115%)
- Greater contract sales (+5%) and lower spot market sales due to less dispatches from Zona Franca because of divestment

▲ Central America (16% income):

- Greater income explained by the effect of the exchange rate

▲ Colombia contributed COP 345 billion, where COP 157 billion were from generation and COP 125 were from distribution and sales

- ▲ The Tolima operations contributed +COP 63 billion
- ▲ The contribution in Central America decreased because of the finalization of BLM contracts

▲ Increase in tax due to the partnership with Cubico Sustainable Investments (+COP 72 billion)

- ▲ The consolidated net earnings were COP 191 billion (+77% Y/Y) and the net profit attributable to the owners of the controlling company was COP 116 billion (+81% Y/Y)

REAL ESTATE BUSINESS

 **GRUPO ARGOS**
Investments that transform



Focus on the sale of land and profitability of the portfolio



- ▲ In 2019, 11 deals were closed, amounting to COP 120 billion
- ▲ Income of COP 87 billion in the quarter
- ▲ Cash flow amounted to COP 31 billion in 4Q19 and in the year-to-date, it reached 92 billion, up 11.6%

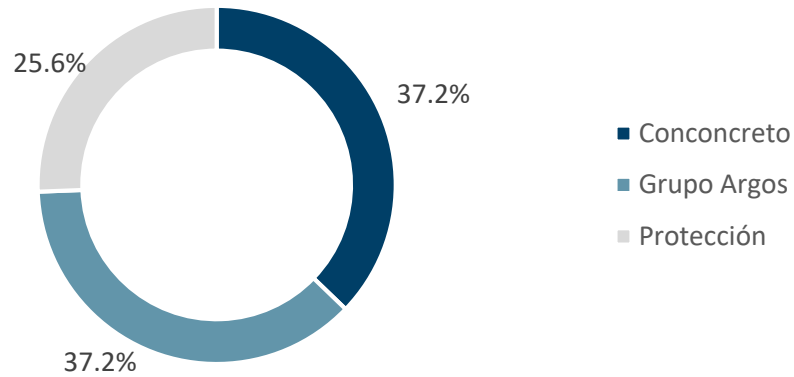
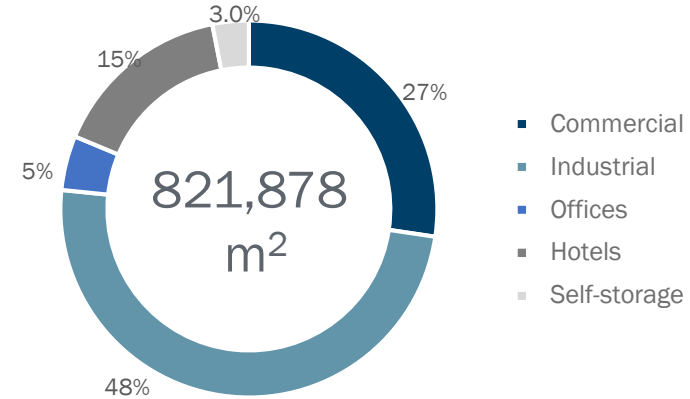


- ▲ Income of COP 87 billion in 4Q19 (+38% Y/Y), due to the increase in GLA and AUM over the last 12 months
- ▲ The GLA increased 14% in 4Q19 thanks to the other openings of the year, which included the Colgate distribution center in Yumbo and the Hilton Corferias hotel in Bogotá

REAL ESTATE BUSINESS 4Q2019

Pactia's assets under management amounted to COP 3.9 trillion at the end of 2019

SHARE %

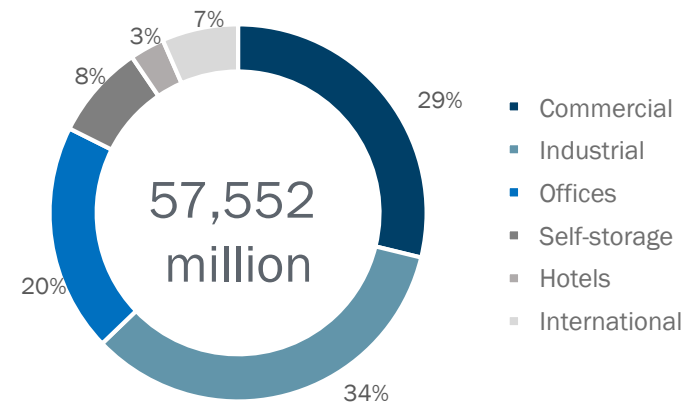
GLA m²

INCOME AND NOI COP billion

IMPORTANT FIGURES

COP billion	4T2019	4T2018	Var.(%)	2019	2018	Var.(%)
Effective gross income	86.883	63.122	38%	308.939	276.914	12%
Operating costs	29.331	23.741	24%	110.592	85.787	29%
Net operating income	57.552	39.381	46%	198.347	191.127	4%
Consolidated EBIDTA	39.287	23.256	69%	133.897	130.654	2%
EBIDTA margin	45%	37%	838 pb	43%	47%	-384 pb

NOI COP million



SUSTAINABILITY

 **GRUPO ARGOS**
Investments that transform



Grupo Argos: The world's most sustainable company in its sector



For the third year in a row, we stand out as global leaders for our economic, social and environmental performance.



A pioneering electricity company in the incorporation of renewable energy generation in Colombia and Central America.



We have been part of the global Dow Jones Sustainability Index for seven years.

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