

QUARTERLY EARNINGS PRESENTATION

1Q2019



GRUPO ARGOS

Inversiones que transforman

Mayo 2019



Quarterly Earnings Presentation

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 forecasts, 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.

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RESULTS THAT STRENGTHEN THE STRATEGY LED BY THE ROLE OF THE HOLDING COMPANY



COP 1,5 tn

GRUPO ARGOS DEBT

▼ COP 300 bn

Sale of remaining stake of Grupo Argos in EPSA with resources used to decrease leverage

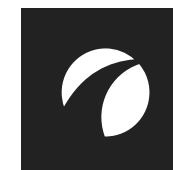


COP 1,7 tn

ENERTOLIMA ASSETS

▲ EPSA share increases to 63%

Strengthening of EPSA advances with purchase of Enertolima assets (users reach 1.1 mm) and purchase of additional EPSA share from Grupo Argos



USD 400 mm

QUIPORT BONDS

Capital structure optimization

Issuance of bonds for USD 400mn. Resources for Odinsa for USD 135 mm.



USD 40 mm

GOAL BEST 2.0 USA 2019

1Q2019 efficiencies for ~ USD 5 mm

Implementation of BEST 2.0 in the USA with tangible results. Ebitda grows 27% in 1Q2019 for this regional

ADVANCES IN PROFITABILITY AT A CONSOLIDATED LEVEL

▲ **12** %

REVENUES

COP 3,7 tn

▲ **6** %

EBITDA

COP 998 bn

EBITDA Margin 27%

▲ **1** %

NET INCOME

COP 223 bn

▲ **32** %

NET CONTROLLING INCOME

COP 144 bn

* Excluding the sale of the self generation plants in 1Q18 and the impact of IFRS 16 in 1Q19:

Ebitda COP 953 bn ▲ 10%

Net Income COP 223 bn ▲ 49%

Net Income Controller COP 144 bn ▲ 93%

2019 BEGINS WITH APPLICATION OF IFRS 16



Rationale of IFRS 16: All leases are treated in a similar way to finance leases. Leases are ‘capitalised’ by recognizing the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognizes a financial liability representing its obligation to make future lease payments.

IMPACT JANUARY 1, 2019

BALANCE SHEET

- Δ^+ Asset \rightarrow Present value of lease contracts
- Δ^+ Liability \rightarrow Present value of lease contracts

IMPACT AFTER IMPLEMENTATION

BALANCE SHEET

- Δ^- Asset by depreciation expenses
- Δ^- Liability by financial expenses

P&L STATEMENT

- Eliminates lease spending
- Δ^+ Depreciation expense
- Δ^+ Financial expense

EBITDA AND NET CONTROLLING INCOME GROW 6% AND 32%, RESPECTIVELY

1

RELEVANT FIGURES

Consolidated Income Statement

COP billion	mar-19	mar-18	Var.(%)
Revenues	3,721	3,311	12%
Costs, expenses and other revenues	3,112	2,703	15%
Operating profit	610	607	0%
EBIDTA	998	941	6%
EBITDA (Excluding IFRS 16 impact)	953	941	1%
EBIDTA margin	27%	28%	-160p
Pre-tax profit	309	338	-9%
Taxes	86	117	-27%
Current	108	116	-6%
Deferred items	-22	2	NA
Net profit	223	221	1%
Net profit of the controlling company	144	109	32%
Net margin of the controlling company	4%	3%	57p

2

Proforma *

EBITDA (Excluding IFRS 16 impact)	953	870	10%
Margen EBITDA	26%	26%	-55p
Net profit	223	150	49%
Net profit of the controlling company	144	75	93%

3

1. Quarter revenues grow 12%:

- Contribution from **Cementos (+COP 274 bn)** driven by higher volumes of cement and concrete and improvement in prices in Colombia and USA
- Contribution from **Energy business (+COP 13 bn)** driven by increase in spot prices and higher retail marketing in Colombia
- Contribution from **Concessions (+COP 55 bn)** driven by growth in traffic

2. EBITDA raises 6% in the quarter and 10% excluding the base effect of the divestment of self-generating plants from Cementos and IFRS 16

- Contribution of **Cementos (-COP 10 bn)** impacted by divestment of self generation assets. Eliminating this effect **proforma EBITDA would have been (+ COP 65 bn)**
- Contribution of **Concessions (+ COP 25 bn)** driven by increase in revenue and stability in expenditures

3. Net income for the Controller grows 32%. Excluding the base effect by divestment of self-generating plants and IFRS 16 net income of the controller would have grown 98%

- **Decrease in income tax of 27%** by change in taxation from presumptive to liquid income for Cementos and Grupo Argos

*Excludes the effect of the divestment of self-generating plants s in 2018 and impact by adoption of IFRS 16.

POSITIVE CONTRIBUTION IN REVENUES FROM STRATEGIC BUSINESSES

CONTRIBUTION BY BUSINESS TO CONSOLIDATED REVENUE

COP bn

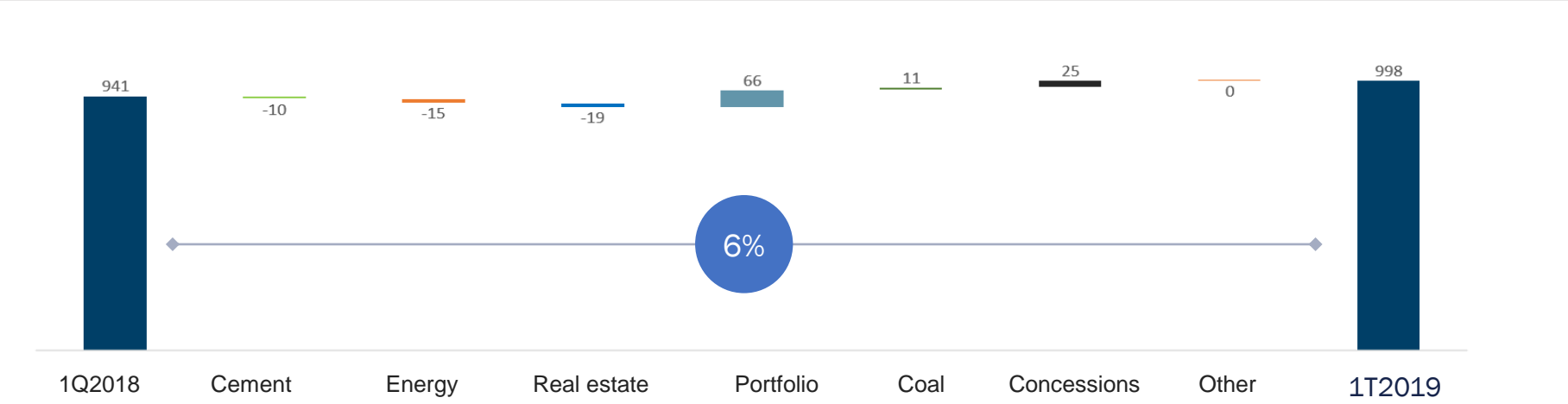


▲ 12%
Increase
revenue YoY

▲ 14%
Growth in Cement
segment

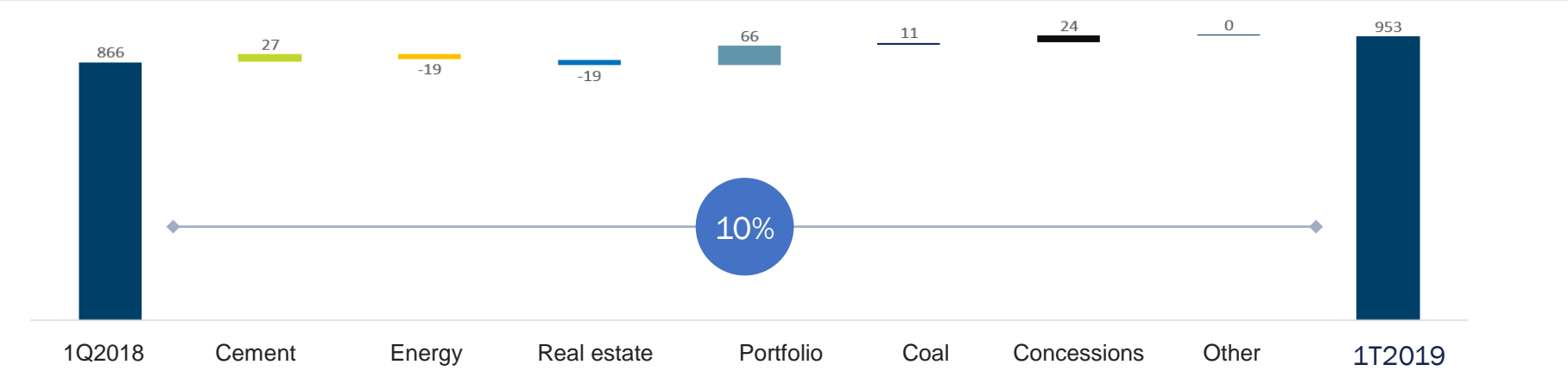
GREATER CONTRIBUTION FROM CEMENTOS ARGOS ON HIGHER VOLUMES AND PRICES

CONTRIBUTION BY BUSINESS TO CONSOLIDATED EBITDA *COP bn*



▲ **10%***
Increase in EBITDA
YoY

CONTRIBUTION BY BUSINESS TO PROFORMA CONSOLIDATED EBITDA *COP bn*



COP **953*** bn
EBITDA

*Excluyendo el efecto de la venta de las auto generadoras en 1T18 y NIIF 16

UTILIDAD NETA CRECE 26% A/A EXCLUYENDO DESINVERSION DE EPSA Y AUTO GENERADORAS

RELEVANT FIGURES

Individual Income Statement				
	COP bn	mar-19	mar-18	Var.(%)
1	Revenue	308	851	-64%
	Costs and other expenses	60	293	-79%
2	GA expenses	52	45	13%
	Operating profit	196	513	-62%
	EBIDTA	200	514	-61%
	EBIDTA margin	65%	60%	464p
	Pre-tax profit	170	486	-65%
	Taxes	-2	6	-137%
	Current	-3	5	-1,76
	Deferred items ²	1	1	5%
	Net profit	172	480	-64%
	Net margin	56%	56%	-48p
Proforma*				
1	Revenue	185	161	15%
	EBIDTA	136	119	14%
	EBIDTA margin	73%	74%	-1%
	Net profit	108	86	26%

*15%
Revenue growth

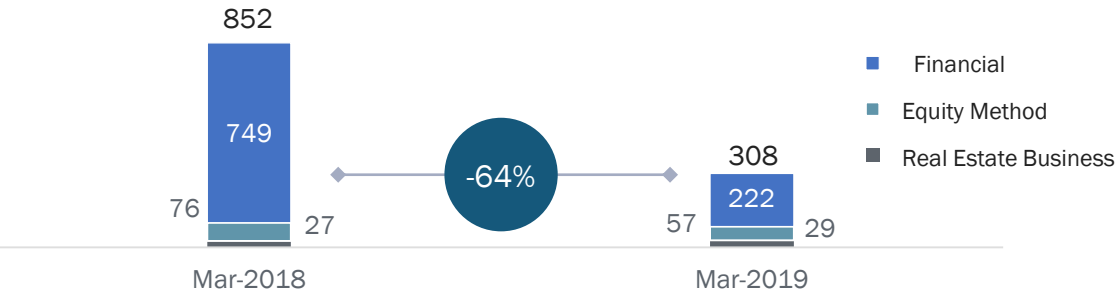
6%
Decrease
controllable
expenses
of Grupo Argos

*Excludes the effect of the divestment of self-generating plants in 2018 and sale of participation in EPSA of Grupo Argos 2018 and 2019

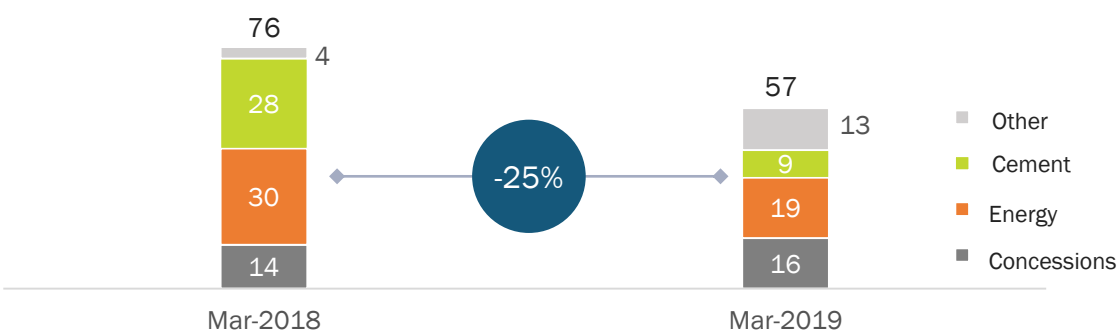
INDIVIDUAL RESULTS GRUPO ARGOS 1Q2019

GRUPO ARGOS CONTROLLABLE EXPENSES DECREASE BY 6% YOY

1. Revenue Distribution 1Q2019 COP bn

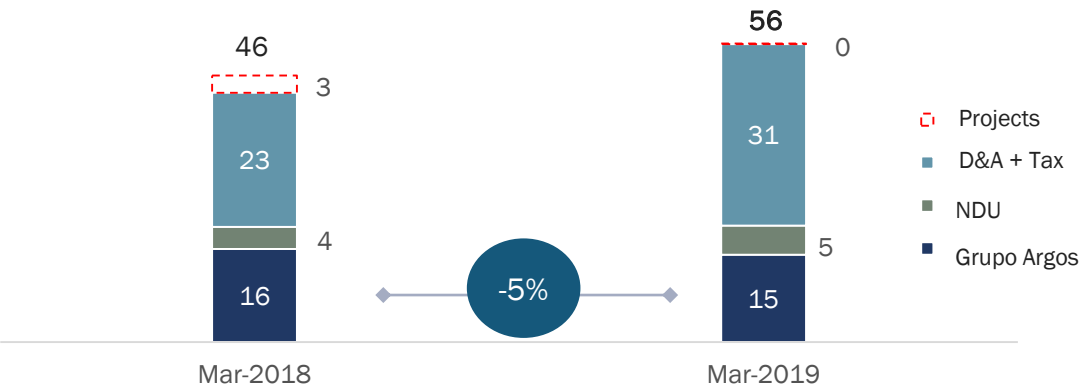


2. Equity Method Distribution 1Q2019 COP bn



- Equity Method revenue (COP 57 bn) decreases 25%. Eliminating the self-generating divestment, the equity method would have grown 38%
- In 1Q2018, the divestment of 34.6 million shares of EPSA was carried out generating an income of COP 655 bn and in 1Q2019 of 6.5 million of shares of EPSA for a financial activity income of COP 123 bn

3. SG&A 1Q2019 COP bn

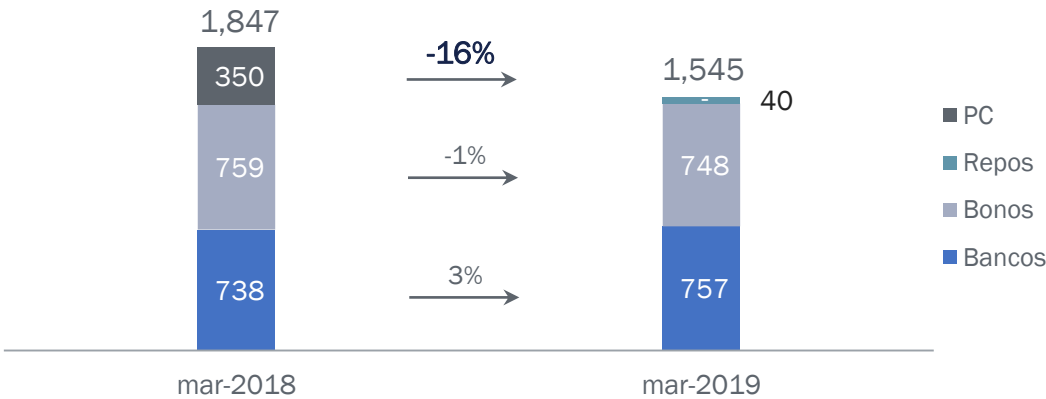


- Controllable SG&A of Grupo Argos decrease by 6% YoY
- Increase in depreciation and taxes due to the increase in land taxes and greater depreciation by IFRS16.

INDIVIDUAL RESULTS GRUPO ARGOS 1Q2019

GRUPO ARGOS DEBT DECREASES BY 16% YOY

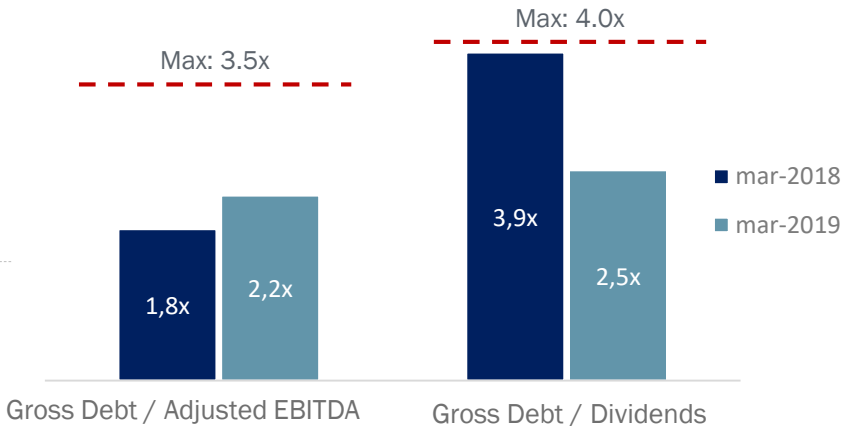
INDEBTEDNESS* COP bn



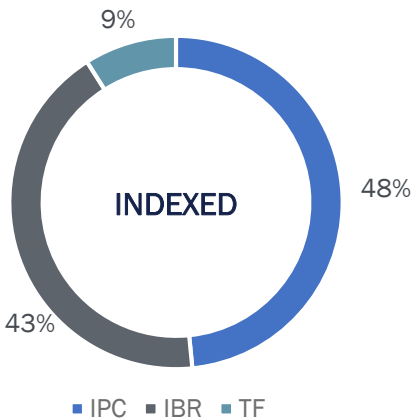
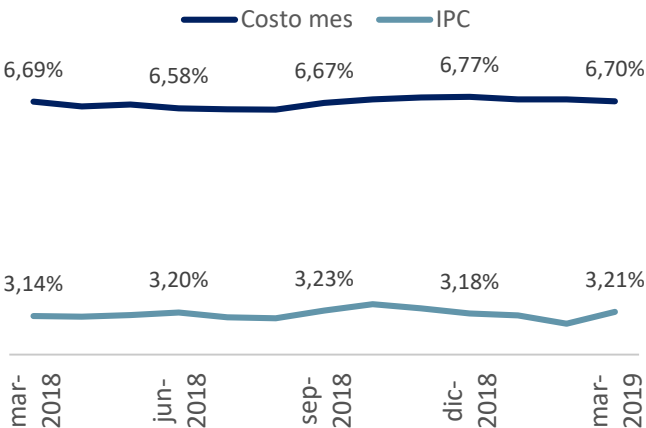
LEVERAGE INDICATORS

Adjusted EBITDA** (COP billion):

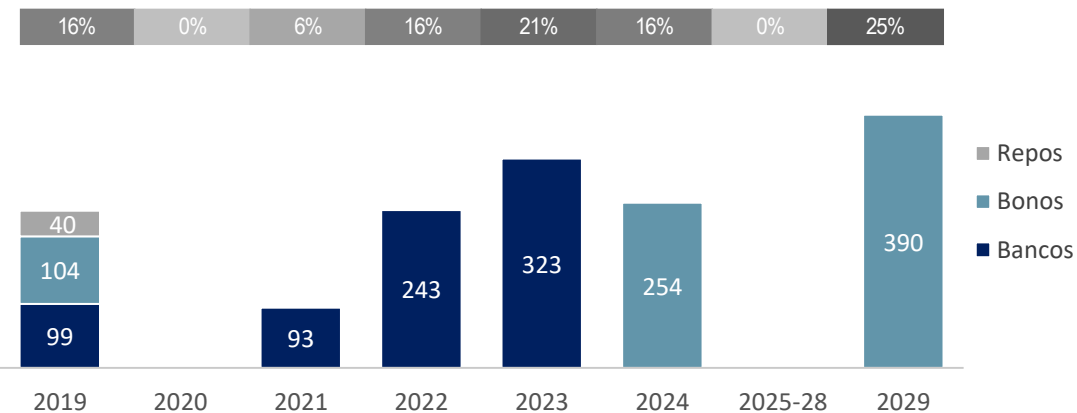
- Mar-2018: 1,041
- Mar-2019: 696



COST OF BORROWING*



PROFILE OF MATURITIES (PRINCIPAL) COP bn

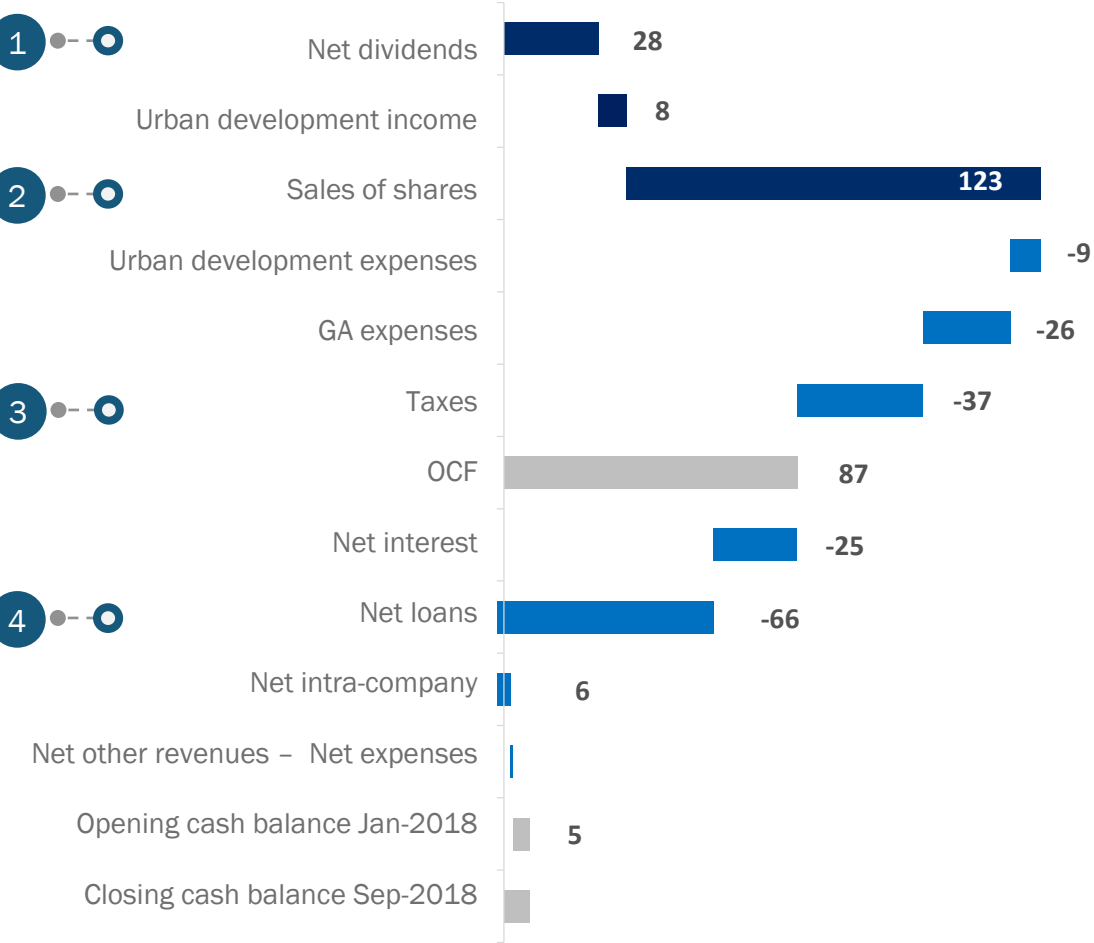


* Only includes balance of principal. Inflation for current month

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

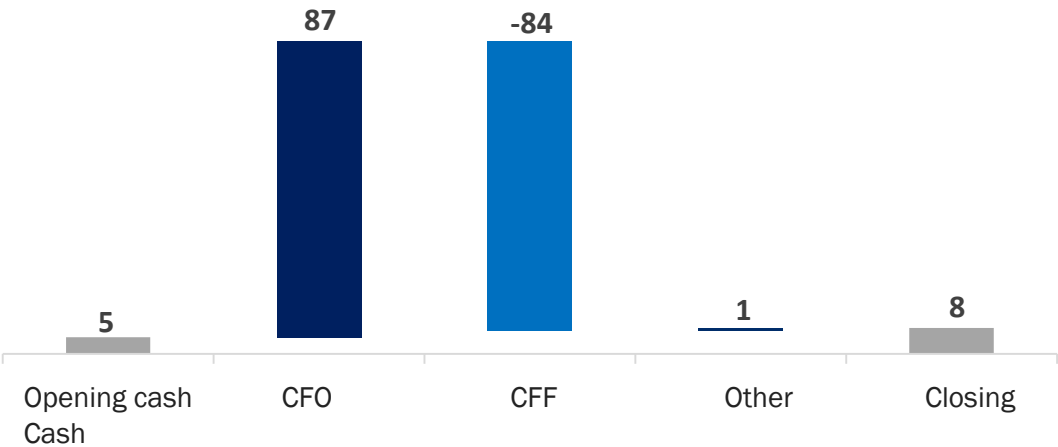
CASH RECEIVED FROM SALE OF EPSA USED TO DECREASE DEBT

INDIVIDUAL FREE CASH FLOW COP bn



NOTES

- 1. Dividends received COP 98 bn, dividends paid COP 70 bn
- 2. 6,495,205 shares of Epsa @ \$18,905 per share
- 3. Land taxes: COP 27 bn, rent: COP 6 bn, withholding tax: COP 3 bn, other: COP 1 bn
- 4. Amortization of credits COP 95 bn, repurchase of Bonds COP 11 bn, disbursement of repos COP 40 bn

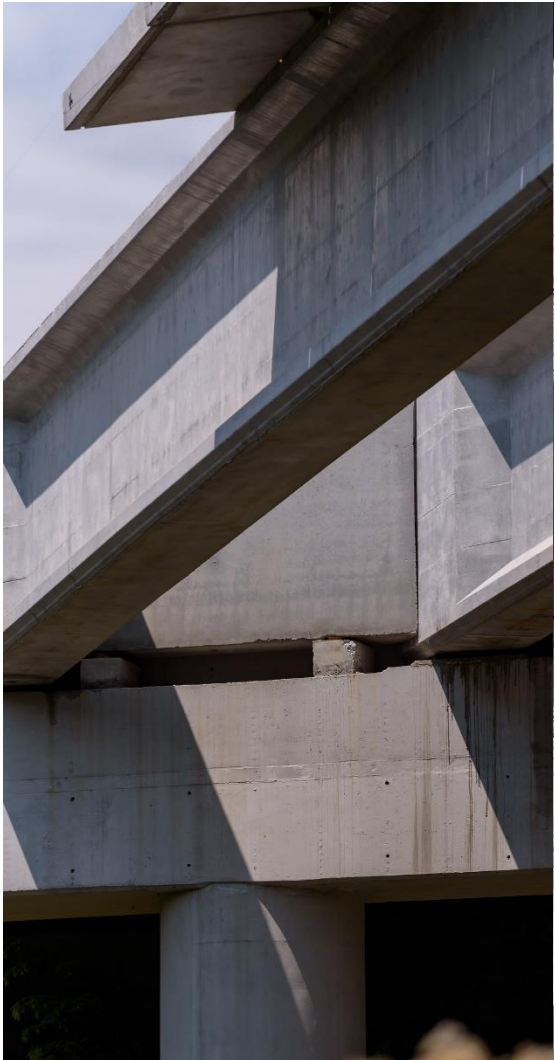


CONCESSIONS BUSINESS



ODINSA Y OPAIN
QUARTERLY RESULTS
1Q2019

QUIPORT CAPITAL STRUCTURE OPTIMIZATION FOR LEVERAGE REDUCTION AT ODINSA



NOTES



USD 400 bn
Issuance of Quiport bonds

To strengthen the capital structure of Odina



Mulatos Tunnel excavation ends successfully

Significantly reducing the risk of Pacific 2. Work advance of 66%



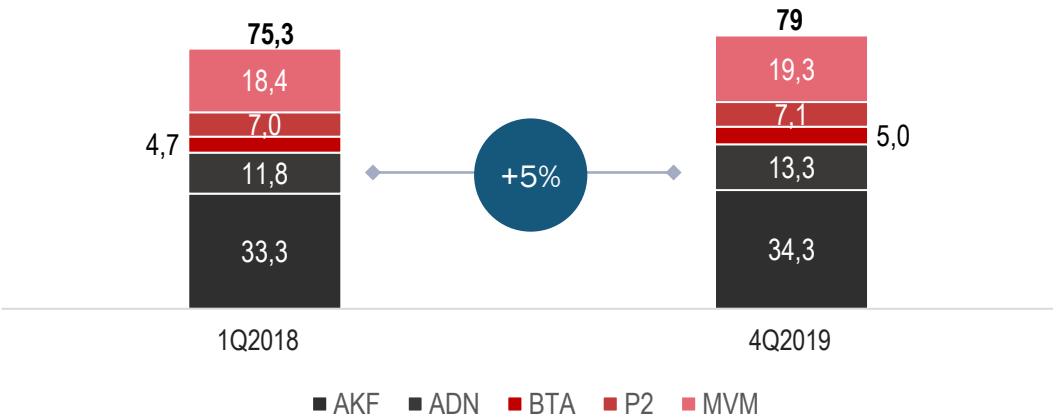
Dispute resolution in Malla Vial del Meta

New project scope definition with ANI

CONCESSIONS BUSINESS FIRST QUARTER 2019

5% YOY GROWTH IN ROAD TRAFFIC AND STABILITY IN PASSENGER TRAFFIC

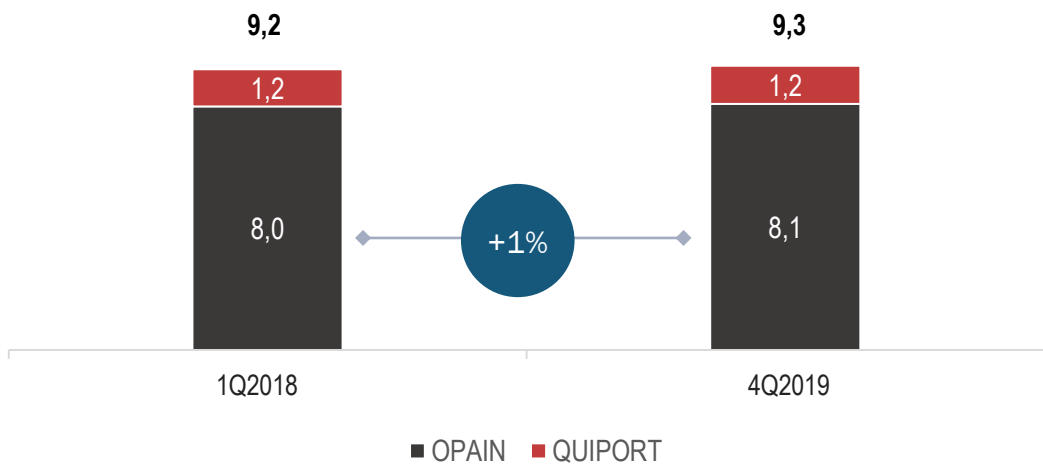
AVERAGE DAILY VEHICLE TRAFFIC 1Q2019 *Thousands of vehicles*



NOTES

- **AKF:** During 1Q19 traffic vehicles increase +3% YoY. The low growth was affected mainly by the works of Pacific 3 and the closing of the bridge Irra by major maintenance in February
- **ADN + BTA:** ADN traffic recovery of 13% YoY and BTA registers increase in traffic of 7% YoY
- **Pacifico II:** Increase in traffic of 2% YoY in 1Q19 by progress of work that is of 66% surpassing work schedule. Positive variations driven by vehicles of heavy traffic
- **MVM:** reached 19,000 vehicles per day, growing 5% YoY

AIRPORT TRAFFIC *Millions of passengers (PAX)*

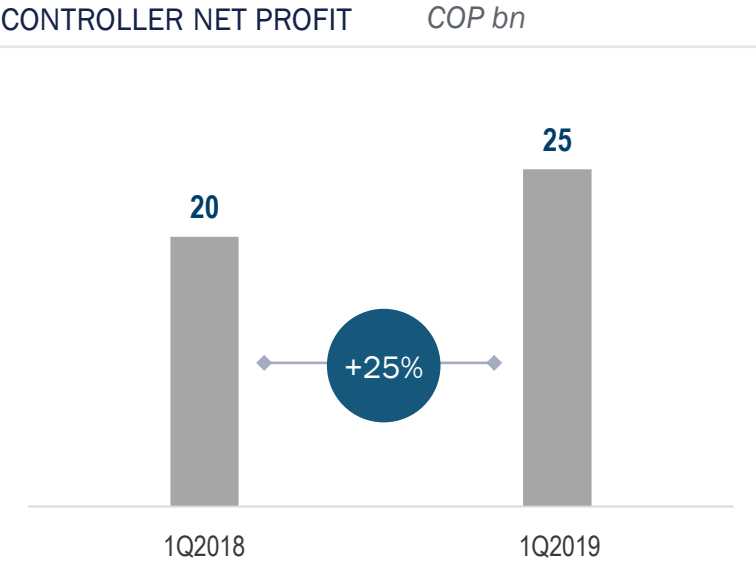
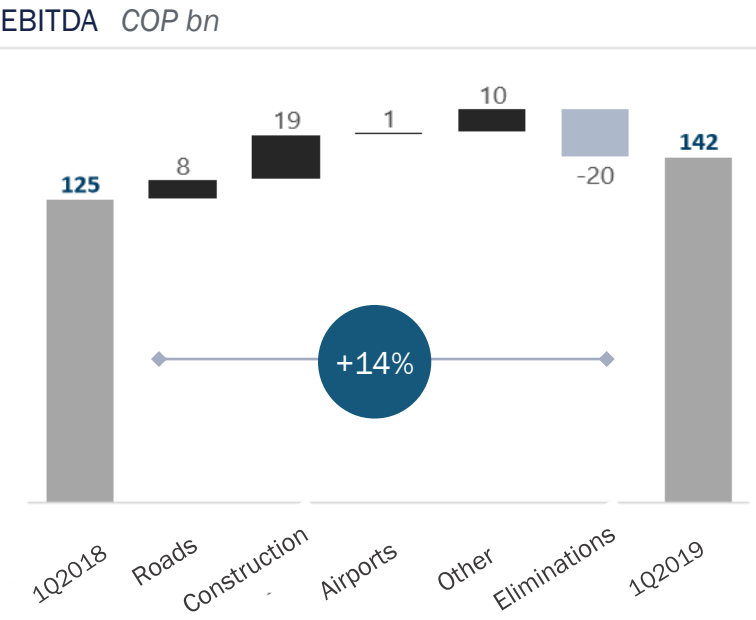
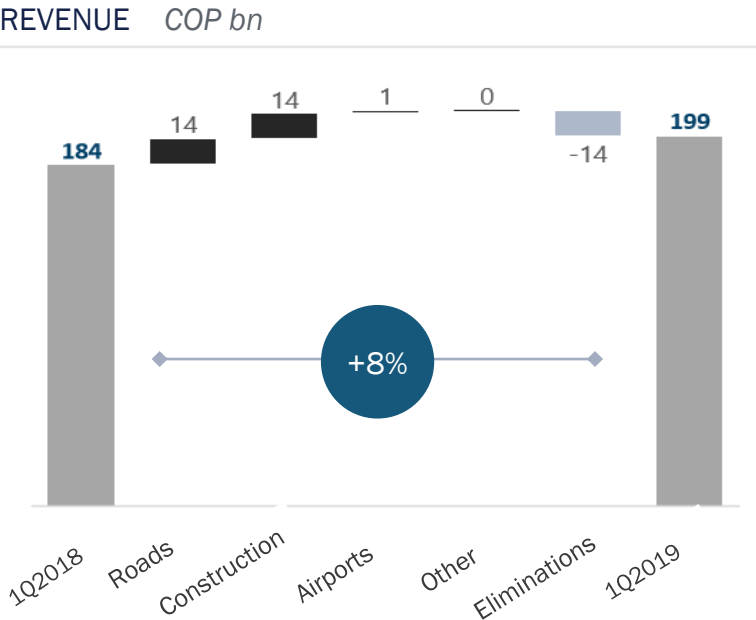


NOTES

- **Aeropuerto El Dorado:** Total passenger movement in El Dorado in 1Q19 of 8 million, grows 1% against 1Q18. International passenger traffic grows 7% and national -2%
- **Aeropuerto Quito:** passengers grow 2% A/A, in equal measure by domestic and international operations

CONCESSIONS BUSINESS FIRST QUARTER 2019

ALL SEGMENTS CONTRIBUTE POSITIVELY TO THE GENERATION OF EBITDA



▲ Increase in revenues:

- Positive contribution of all segments
- Average daily traffic of road concessions grows 5% YoY and airport traffic remains stable (+ 1% YoY)
- Good performance of the ADN and BTA concessions, which increased revenue by 15% and 1%, respectively

▲ Increase in Ebitda :

- Higher revenues (+ COP 15 bn) mainly from road concessions segment
- Stability in the expenses 2019 vs 2018

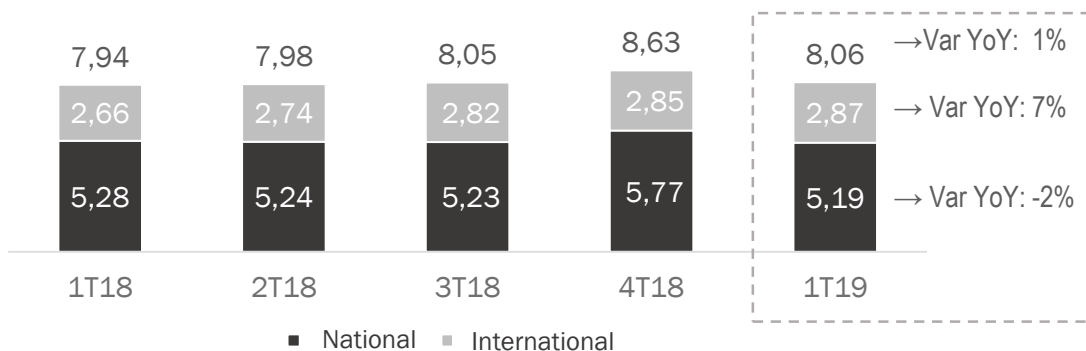
▲ Increase in controller net income :

- Improvement in operating income (+ COP 16 bn)
- Decrease in income tax (-COP 5.000 mm)

CONCESSIONS BUSINESS FIRST QUARTER 2019

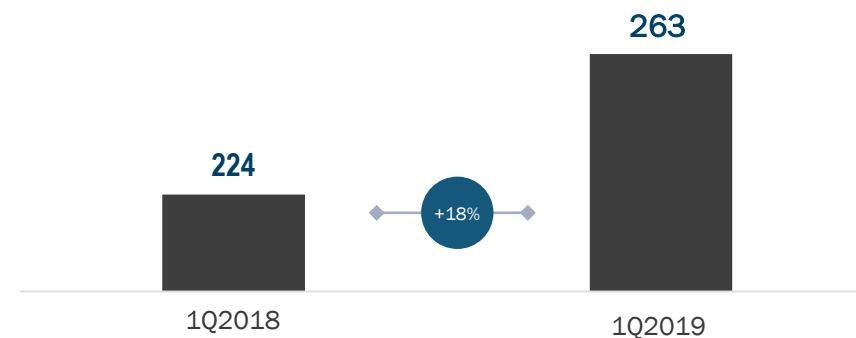
REVENUE PER PASSENGER IN OPAIN GROWS 11% YOY

PASSENGERS Millions of passengers (PAX)



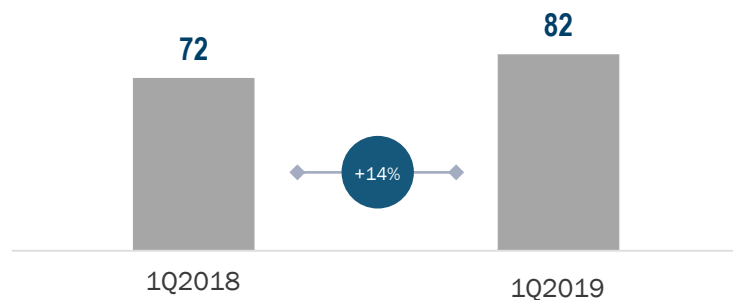
- The Easter period in 2018 was in March and in 2019 in April affecting the comparison year by year

REVENUES COP bn



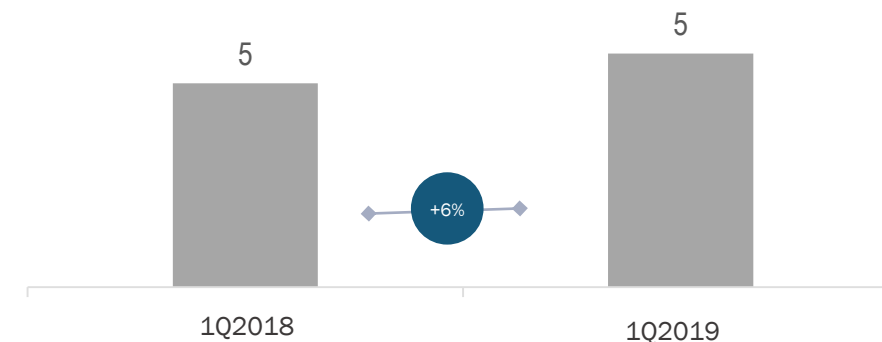
- Regulated revenues grow 9% and unregulated revenues grow 10% driven by entry into operation of commercial spaces

EBITDA COP bn



- EBITDA grows 14% reflecting the efficiency plan implemented at the airport

NET INCOME COP bn



CEMENT BUSINESS



CEMENTOS ARGOS
QUARTERLY RESULTS
1Q2019

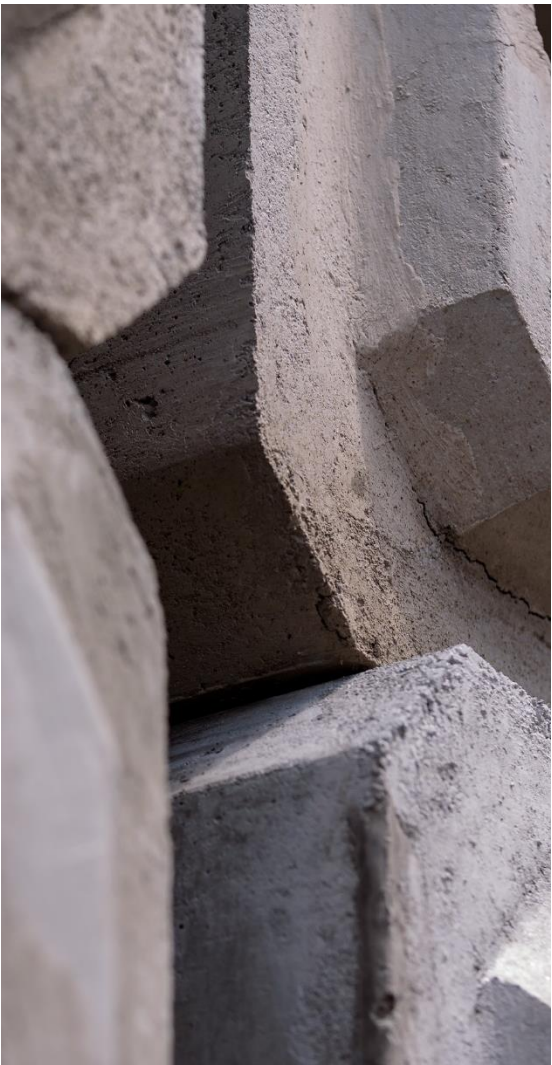
CEMENT BUSINESS FIRST QUARTER 2019

REVENUES IN COLOMBIA (+ 7%) AND USA (+ 11%) GROW SUPPORTING IMPROVEMENT IN TREND

REVENUES
▲14% (YoY)
COP 2,2 tn

*EBITDA
COP 311 billion ➡ %14 MARGIN
+4% (YoY)

NET INCOME
COP 15 bn



NOTES

Revenues grow 14% on better volume and prices

USA cement volume grow 13% and 4% in Colombia. USA concrete volume grow 3% and in Colombia 4%

Best 2.0 USA

Estimated savings of USD 5 mm in 1Q2019
Lowering the cost of electricity rate. Start of test phase of Pet Coke in Roberta plant

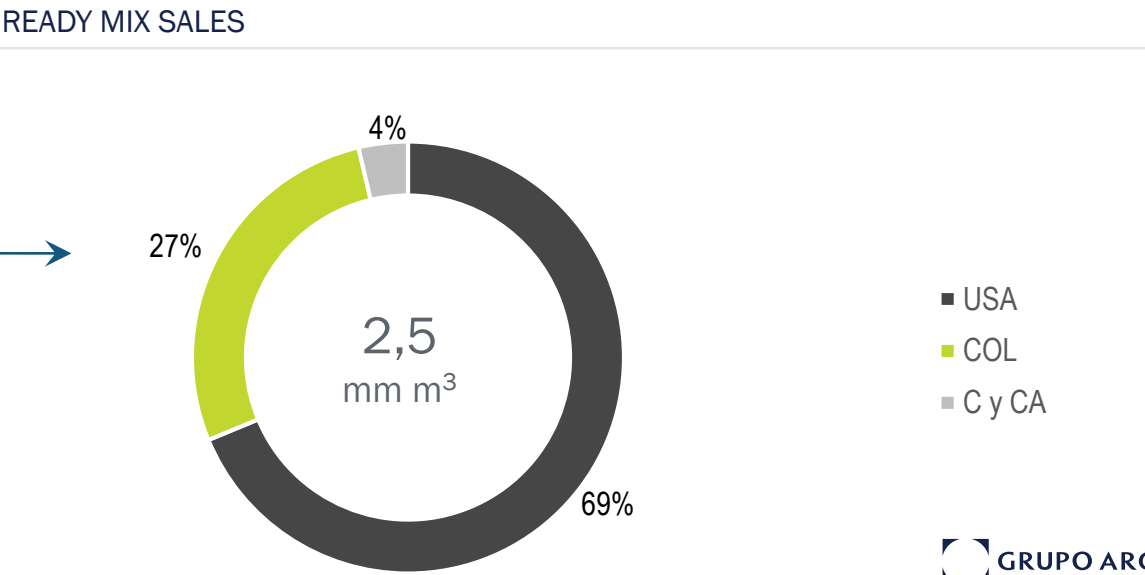
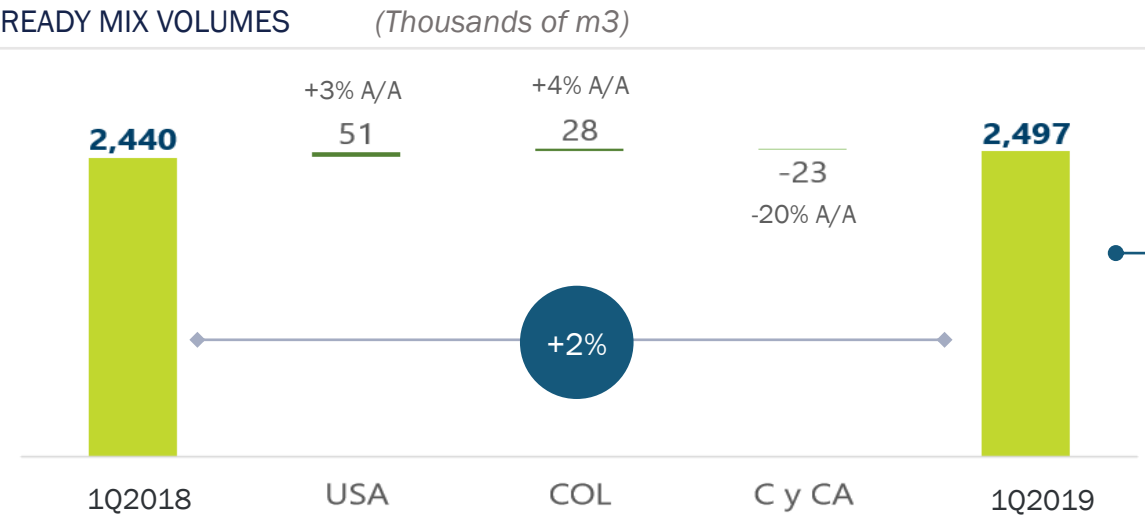
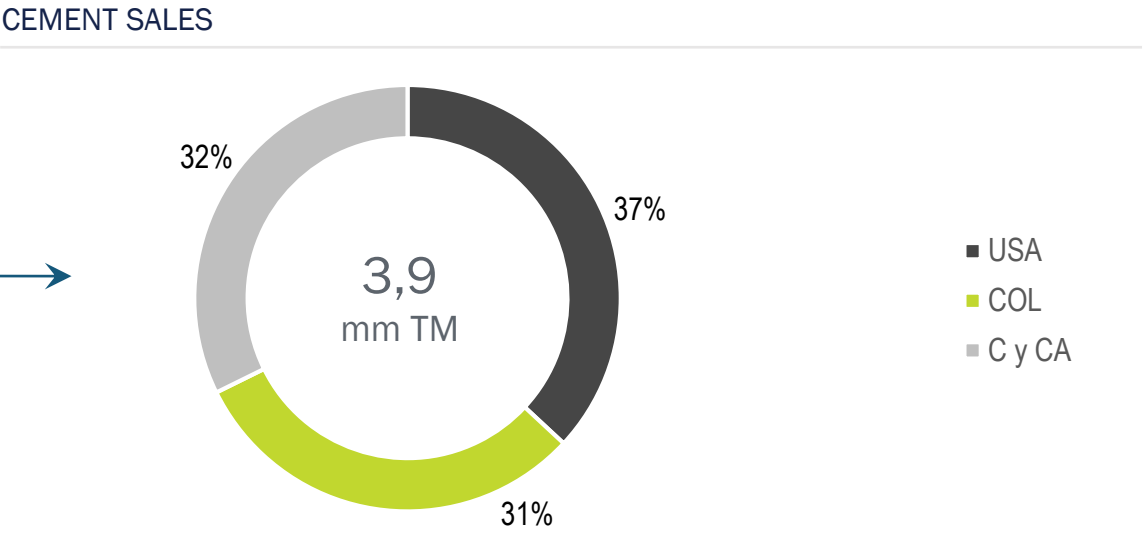
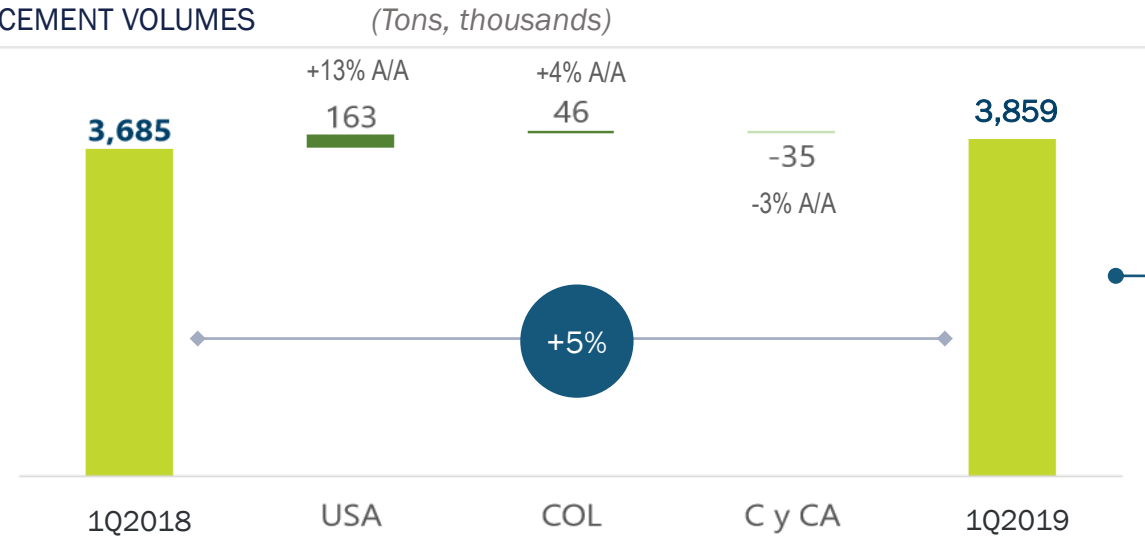
Argos One

Colombia orders of cemento of 61% and concrete of 44% a 1Q19
USA cemnet orders of 28%

Ebitda Operacional excluye ingresos no recurrentes: (1) desinversión de auto generadoras en 1T2018 por COP 71 mil millones y (2) valorización de lotes por COP 10 mil millones en 1T2019. Se elimina también impacto contable de NIIF16

CEMENT BUSINESS FIRST QUARTER 2019

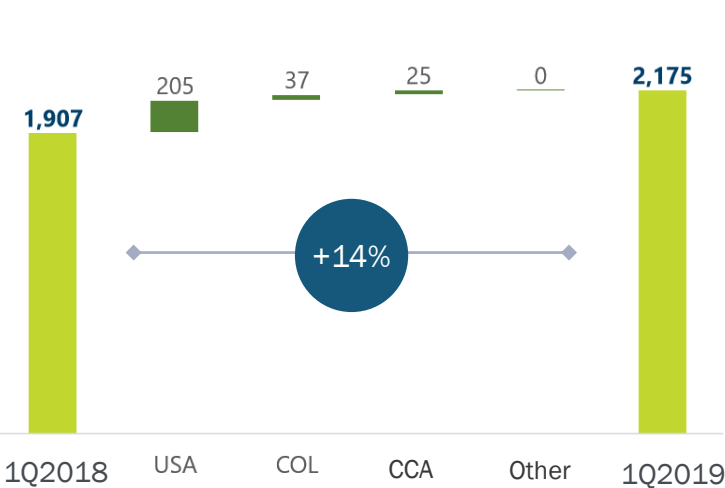
CEMENT VOLUME GROWTH IN THE UNITED STATES OF 13% YoY



CEMENT BUSINESS FIRST QUARTER 2019

1Q19: EFFICIENCIES IN THE USA AND RECOVERY OF PRICES IN COLOMBIA

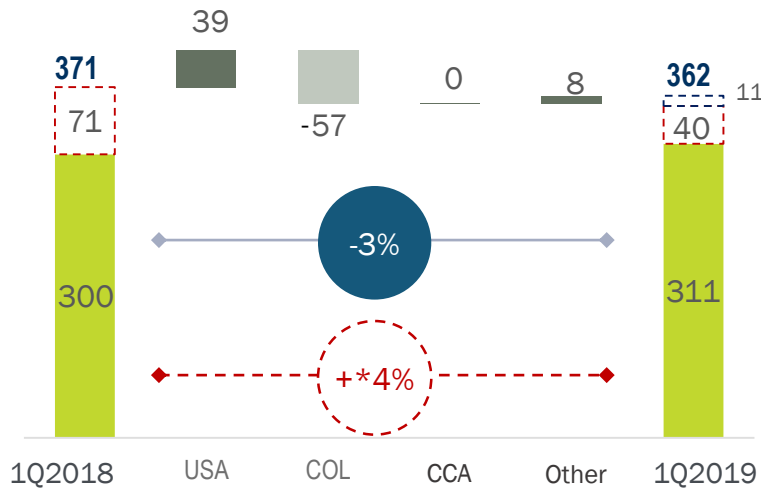
REVENUES COP bn



▲ Increase in revenues:

- Consolidated cement volume (+4% YoY) and ready mix (+2% YoY)
- Higher cement prices, mainly in Colombia (+ 3.9% YoY) and USA (+ 1.9% YoY). Price adjustment In the Caribbean
- Concrete prices in USA (+ 3.1% YoY) and in Colombia (+ 1.9% YoY)
- Excluding the devaluation effect the income would grow 7%

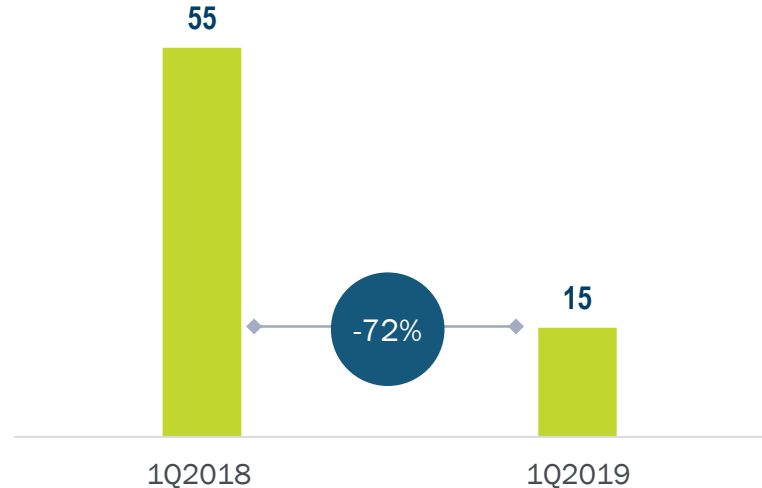
EBITDA COP bn



▲ EBITDA adjusted by the sale of self generation plants by COP 71 bn in March 2018, eliminating this effect:

- EBITDA of Colombia grows +18% YoY
- EBITDA at consolidated level would grow 4% YoY

CONTROLLER NET PROFIT COP bn



▲ Decrease in net profit by base effect from the sale of the self generating plants, leads to a decrease in the operational income of COP 51 bn. At the non operational level:

- Increase in financial expenditure (+ COP 9 bn)
- Decrease in income tax (-COP 17 bn)

* Excludes the effect of the divestment of self-generating plants in 2018 and the valuation of land for 10 billion in the first quarter of 2019

Mobile rate as of March 2019 of COP 3,134.6 vs COP 2,860.3 in March 2018, devaluation equivalent to 10% .

ENERGY BUSINESS



CELSIA QUARTERLY RESULTS 1Q2019

PURCHASE OF ASSETS FROM ENERTOLIMA STRENGTHENS POSITION IN THE DISTRIBUTION SEGMENT

REVENUES

▲ 2% (YoY)

COP 861 bn

EBITDA

COP 276 billion

- 5% (YoY)

→ % 32 MARGIN

NET INCOME

COP 108 bn

FOR THE CONTROLLER

COP 34 bn



NOTES

COP 1,7 tn

Purchase assets Enertolima

Doubling number of customers to 1.1 million

63% EPSA

Acquisition of 6.5 million of additional shares to reach a share of 63.15%

COP 1,1 tn

Bond issuance

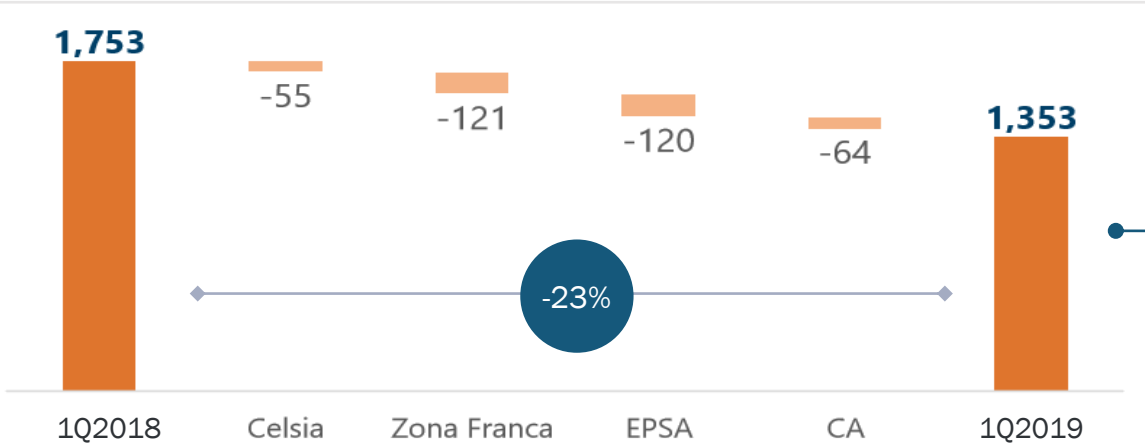
Demand for + COP 2 tn, rates optimization of between 26 and 36pb, and average life of + 11 years

More than 70% of the resources used for the acquisition of Tolima assets, percentage remaining to strengthen liquidity position

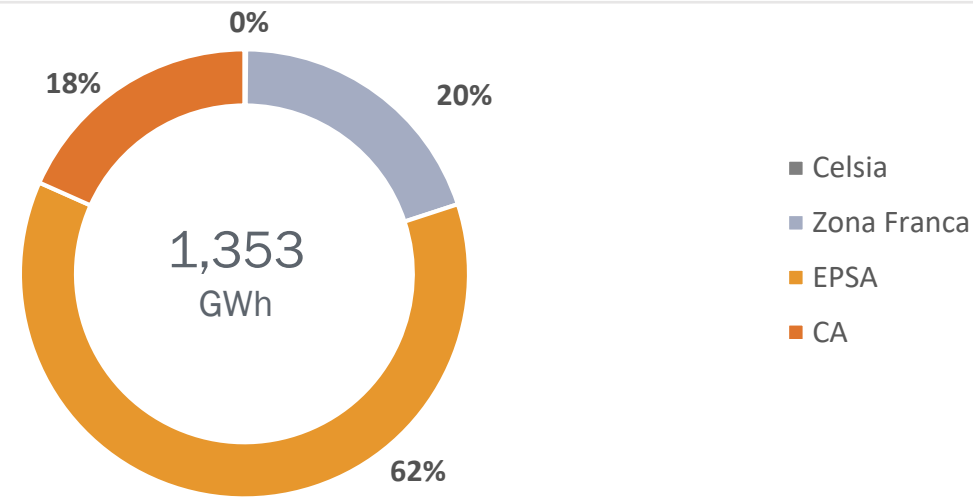
ENERGY BUSINESS FIRST QUARTER 2019

95% INCREASE IN ENERGY PRICES COMPENSATES LOWER GENERATION LEVELS

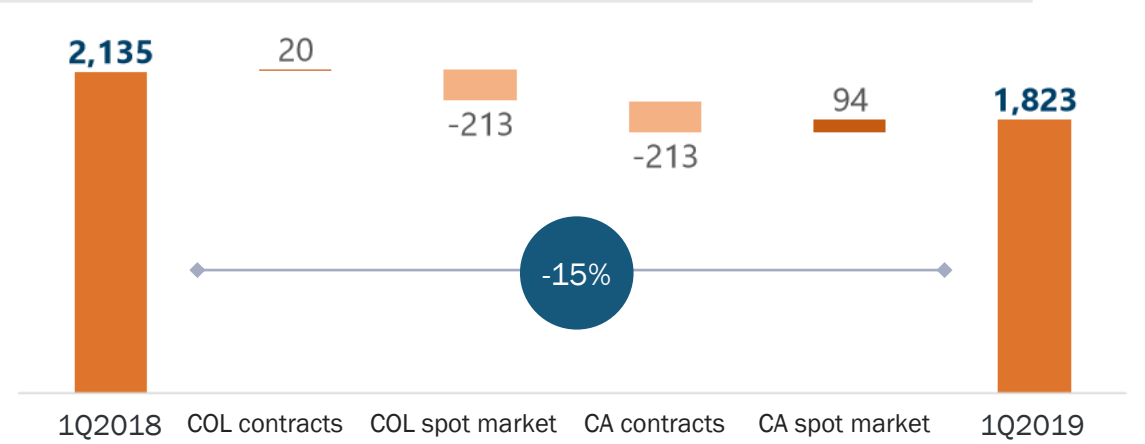
GENERATION GWh



BREAKDOWN OF GENERATION



CHANGE IN ELECTRICITY SALES GWh



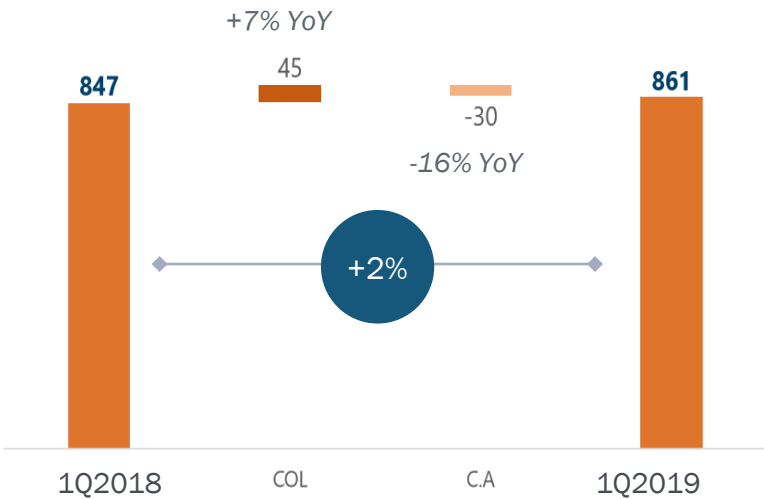
NOTES

- Energy sales decreases 15% YoY, on **higher sales from contracts in Colombia**
- Generation decreases 22% by:
 - Termination of the contract of BLM in Central America
 - Lower generation in Zona Franca
- Average energy price in the **spot market in 1Q19 = \$284/kWh (+ 95% YoY)**. Average price of contracts serving the **regulated market = \$202/kWh (+ 7% YoY)**

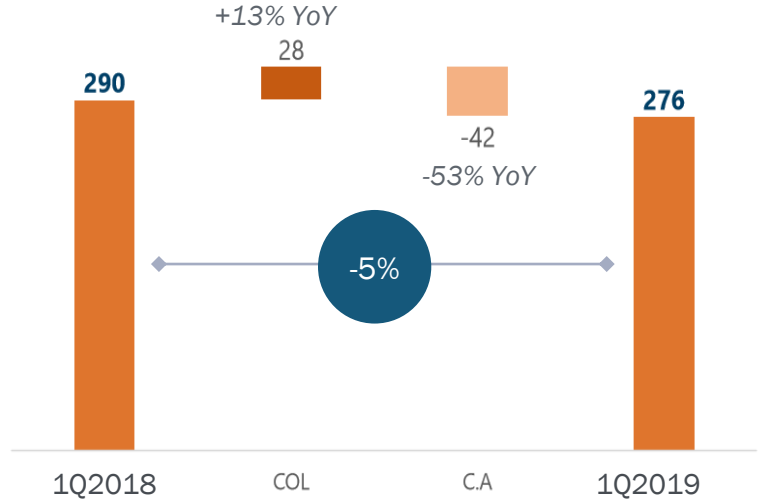
ENERGY BUSINESS FIRST QUARTER 2019

INCOME AND EBITDA IN COLOMBIA GROW 7% YoY AND 13% YoY RESPECTIVELY

REVENUES COP bn

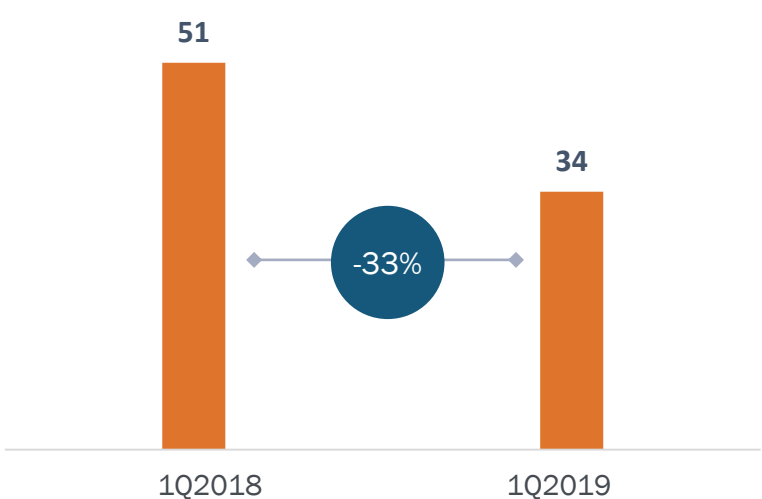


EBITDA COP bn



CONTROLLER NET INCOME

COP bn



▲ Increase in revenues:

- Colombia:
 - Non regulated Market sales (+COP 30 bn)
 - Increase in sales to the spot Market (+COP 15 bn) on higher prices
- Central America
 - End of contract of BLM

▲ Decrease in Ebitda on:

- Colombia +13% YoY on higher contribution in margin from the distribution and generation segment
- End of contract of BLM

▲ Decrease in net income to the controller:

- Decrease in EBITDA (- COP 14 bn)
- Aumento en gasto por intereses (+COP 2,000 mm), menor ganancia por diferencia en cambio (-COP 2,000 mm)
- Increase in interest expenditure (+ COP 2 bn), lower gain on FX difference (-COP 2 bn)

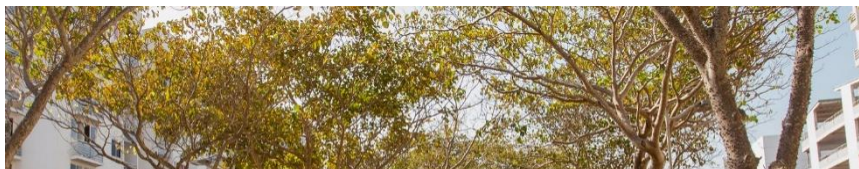
REAL ESTATE BUSINESS



URBAN DEVELOPMENT BUSINESS
AND PACTIA
QUARTERLY RESULTS
1Q2019

URBAN DEVELOPMENT BUSINESS AND PACTIA FIRST QUARTER 2019

PACTIA'S EBITDA GROWS 17% IN TERMS OF SAME SQUARE METERS



GRUPO ARGOS

- ▲ Revenues of COP 32 billion that are composed of:
 - Land Valuations: COP 10 bn
 - Dividends: COP 16 bn
 - Deeds: COP 3 bn
- ▲ COP 8 bn cash flow in 1Q19
- ▲ Arquitectura y Concreto began the works of the Sofitel Cala Blanca Hotel marking a milestone for land development in Barú

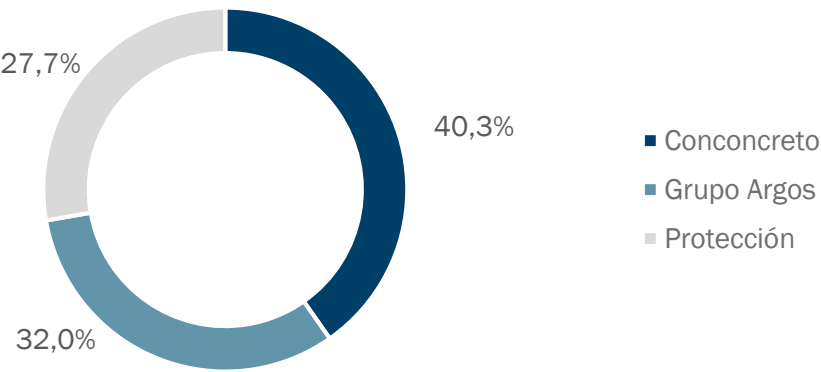


- ▲ Income distribution of COP 27 bn
- ▲ Colgate's distribution center in Palmira, Valle del Cauca, start operations (+ 30.411 m2)
- ▲ Finish the construction of the Hilton Corferias Hotel in Bogota. The operation started in March and opened in April. COP 260 bn investment (Pactia 70%)
- ▲ Remaining 50% of Buró 26 in Bogotá and Buró 51 in Barranquilla were acquired

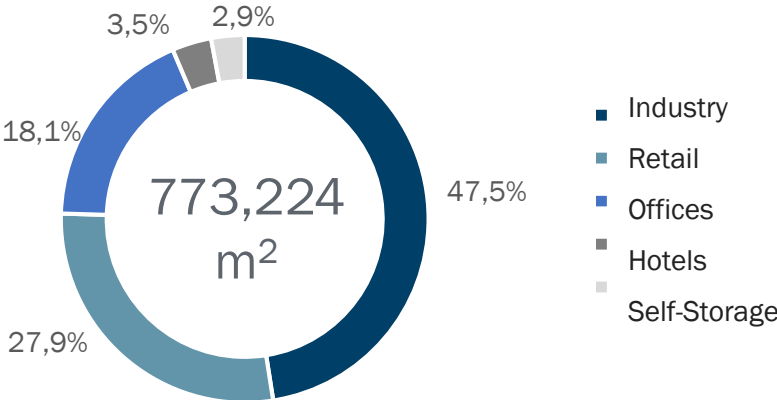
URBAN DEVELOPMENT BUSINESS AND PACTIA FIRST QUARTER 2019

GLA AUMENTA 7% A/A POR APERTURA DE CENTRO DE DISTRIBUCION DE COLGATE Y HOTEL COLFERIAS

PARTICIPATION IN PACTIA %



GLA m²

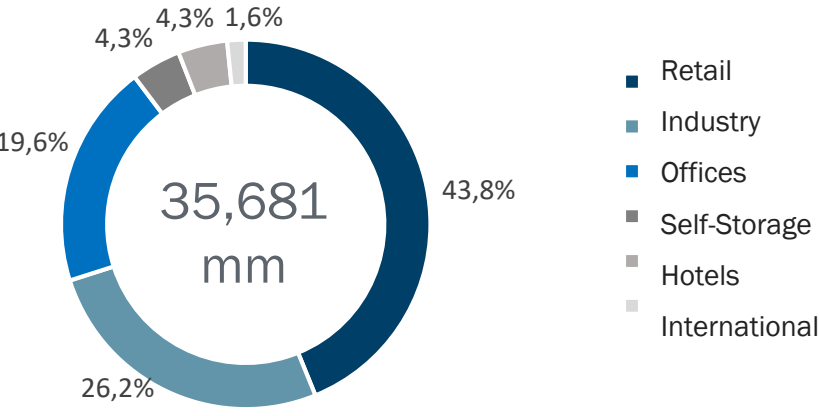


REVENUES AND NOI COP bn

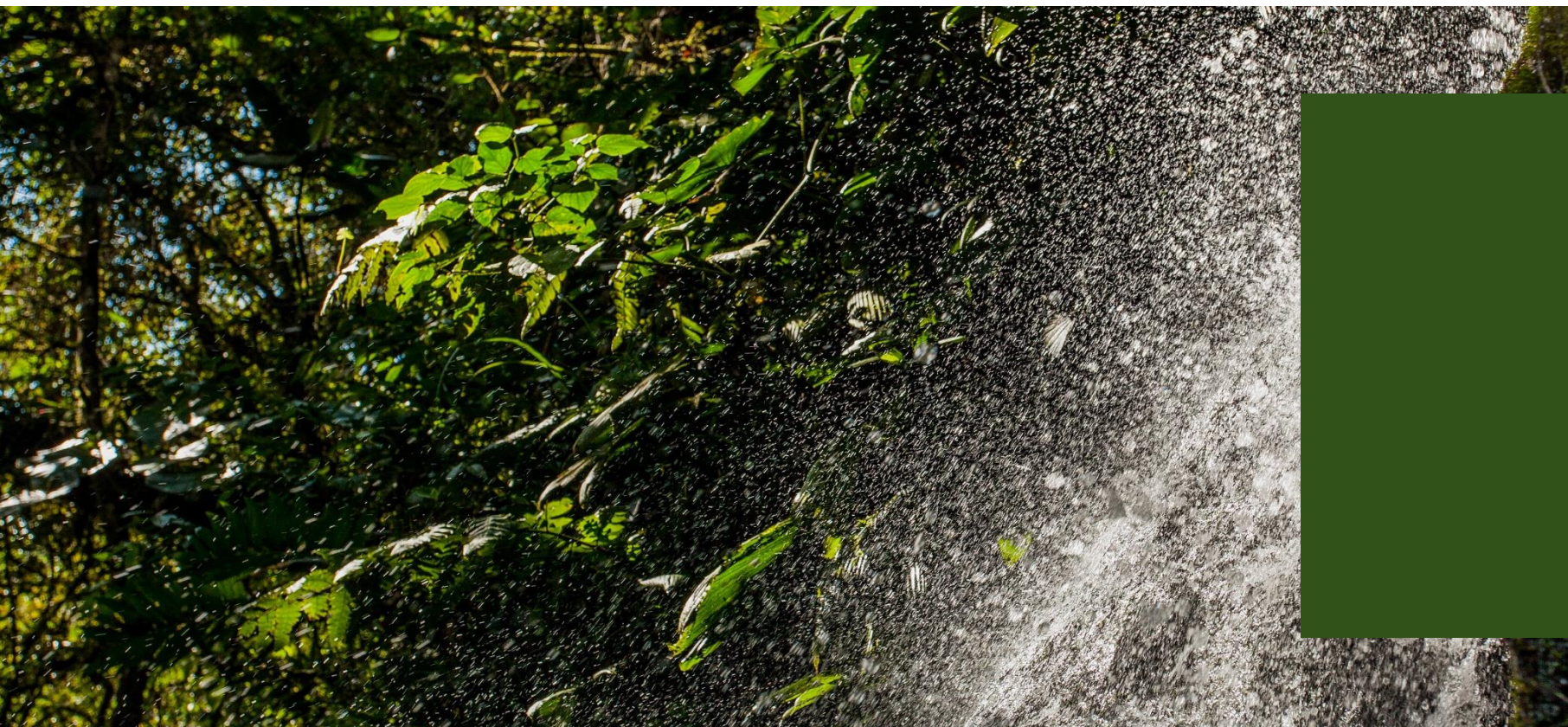
NOI COP mm

RELEVANT FIGURES

COP million	1Q2019	1Q2018	Var.(%)
Effective gross revenue	67,937	64,921	5%
Operating costs	32,820	29,131	13%
Net operating income	35,117	35,791	-2%
Consolidated EBIDTA	20,856	22,547	-8%
EBIDTA margin	31%	35%	-400p



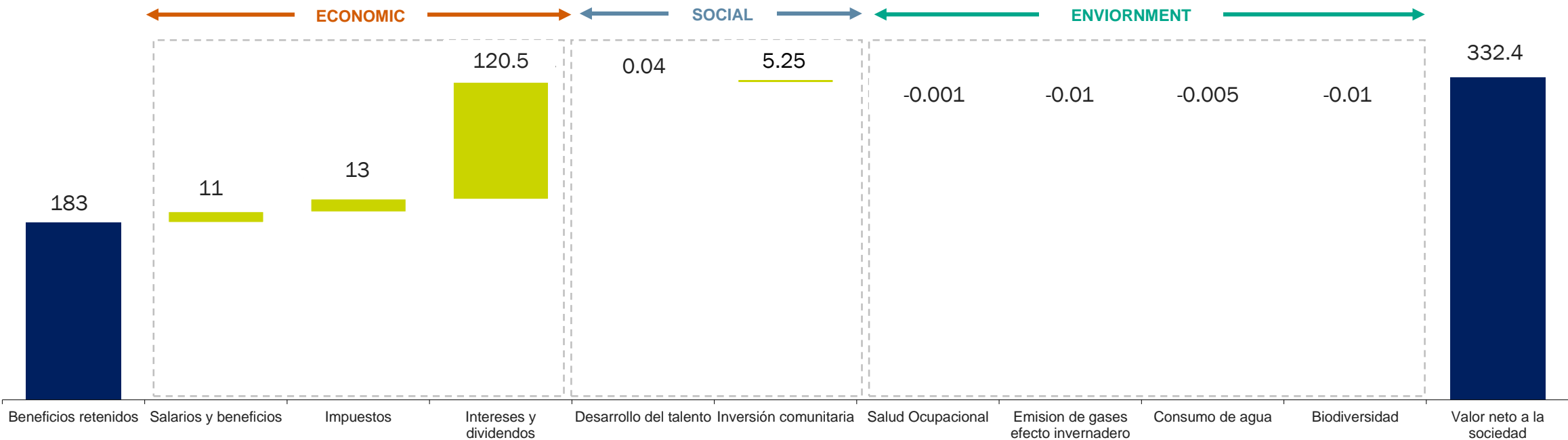
SUSTAINABILITY



ADVANCES
SUSTAINABILITY
1Q2019

GRUPO ARGOS ADDED TO THE SOCIETY 1,8X THE BENEFIT TAKEN , EQUIVALENT TO USD 332 MM

VALUE ADDED STATEMENT OF GRUPO ARGOS 2018 (USD bn)



Economic dimension:

Payments of taxes, salaries, interests and dividends that are positive to the economy, boosting productivity and competitiveness of the country. It represents 43% of the net value that we deliver to society



Social dimension:

Greater contribution to the community infrastructure made by the urban development business, which is estimated to have benefited the community in USD 5.2 million



Environmental Dimension:

Marginal negative impacts, since activity is not intensive in the use of natural capital. We work actively to contribute to the conservation of the ecosystems through the Grupo Argos Foundation

