

September 7<sup>th</sup>, 2023

**Grupo Argos supported the transaction in which Cementos Argos will combine its operations in the United States with Summit Materials, a company listed on the New York Stock Exchange.**

- *The transaction was promoted by Grupo Argos in its role as an asset manager and majority shareholder of Cementos Argos, marking a significant milestone in the company's history of growth and value creation since its entry into the U.S. market in 2005.*
- *As part of the agreement, Cementos Argos will receive 54.7 million shares of the combined business, equivalent to a 31.0% stake, in a company listed on the New York Stock Exchange. The company will also receive an additional USD 1.2 billion in cash, of which USD 700 million will be used to settle the U.S. operation's debt, and USD 500 million in cash to reduce net debt, providing greater flexibility for strategic projects.*
- *The organization will contribute its U.S. operations at a multiple of 10 times EV/EBITDA 2023E, which equals to a multiple of 12 times EV/EBITDA 2Q23 LTM.*
- *The value of the shares Cementos Argos will receive is approximately USD 2.0 billion, that in addition to the USD 1.2 billion received in cash, represents more than 3.3 times the market capitalization of all Cementos Argos on the Colombian Stock Exchange, as of September 6<sup>th</sup>, 2023.*

Grupo Argos' cement business will combine its assets in the United States with Summit Materials, consolidating one of the largest companies based in the U.S. in the building materials segment. The company will continue to be listed on the New York Stock Exchange, and Cementos Argos will have a 31.0% stake. The transaction also represents an inflow of USD 1.2 billion in cash (subject to customary closing adjustments) into Cementos Argos, of which approximately USD 700 million will be used to pay off the U.S. operation's debt, and USD 500 million will reduce net debt, providing greater flexibility for the company to advance strategic projects. As a result of this operation, Cementos Argos' Net Debt will decrease by 72% compared to the one recorded in June 2023, and the Net Debt / EBITDA proforma multiple will close at 1.8 times.

Cementos Argos is contributing its operations valued at a multiple of EV/EBITDA 2023E of 10 times, capitalizing its investment through a liquid entity on the New York Stock Exchange, which will unlock value for all its shareholders and leverage the growth of its building materials business in the United States. When considering the EBITDA generated over the last 12 months, the EV / EBITDA multiple at which the operations are being contributed is 12 times.

The combined organization will have 5.5 billion short tons of aggregates reserves, 11.8 million tons of installed cement capacity, 224 RMC plants, 32 asphalt plants, and will become one of the most important companies in the sector with an estimated enterprise value of approximately USD 9.0 billion, based on Summit Materials' stock price and the value of the assets being contributed by Argos USA.

Proforma combined EBITDA is expected to be approximately USD 1.0 billion, including synergies, which are estimated to be over USD 100 million of incremental EBITDA. Additionally, Cementos Argos' operations in Colombia, Central America, and the Caribbean will be strengthened by a series of ancillary agreements between the two entities (the main one being a long-term cement supply agreement from the Cartagena plant to the operation in the United States) and by the increased flexibility in its capital structure due to the cash received.



As of the September 6<sup>th</sup>, Cementos Argos had a market capitalization of USD 975 million, which means that the investment in the US combined entity on a standalone basis is worth more than triple that value, without considering the value contribution from assets in Colombia, Central America, and the Caribbean, which constitute 45% of Cementos Argos' total EBITDA over the past 12 months. Additionally, Summit Materials' average daily trading volume on the New York Stock Exchange over the past year amounts to more than USD 20 million, a higher amount than the total traded by all equity issuers on the Colombian Stock Exchange in a single day. These figures highlight the market discount at which currently the company is trading on the Colombian Stock Exchange.

The transaction was supported by Grupo Argos as the majority shareholder of Cementos Argos and in its role as an asset manager, marking a significant milestone in the organization's history of growth and value creation. In 2005, Cementos Argos entered the United States with a long-term strategic vision: to establish itself as a relevant player in the building materials industry and integrate its logistics network to strengthen its cement and concrete operations in Colombia, Central America, and the Caribbean. Today, after active management, Grupo Argos is pleased to announce a transformational transaction for the organization's future.

*"We have fulfilled the realization of the strategy announced to the market by closing this transaction that values our cement operations in the United States at approximately USD 3.2 billion, within a publicly traded vehicle on the New York Stock Exchange. This strategic move opens doors to new opportunities within the world's largest economy and highlights our role as managers of high-quality assets."*

**Jorge Mario Velásquez**  
CEO of Grupo Argos

#### About Summit Materials

Summit Materials is a leading vertically integrated company that supplies aggregates, cement, concrete, and asphalt in the United States and Canada for public infrastructure, residential, and non-residential markets. The company operates 217 aggregates mines, possesses 5.5 billion short tons of aggregates reserves, with a sufficient supply for the next 53 years, operates two cement plants with a combined production capacity of 2.2 million short tons, has 84 concrete plants and a fleet of over 850 RMC trucks. For more information about Summit Materials, visit [www.summit-materials.com](http://www.summit-materials.com).

Press room: <https://www.grupoargos.com/es-co/media/noticias>  
For further information, please contact:

**Manuel Valencia**  
Director of Communications  
Email: [mvalencia@grupoargos.com](mailto:mvalencia@grupoargos.com)  
Mobile: +57 311 3845611

**Nathalia Ríos**  
Senior External Communications Leader  
Email: [nathalia.rios@grupoargos.com](mailto:nathalia.rios@grupoargos.com)  
Mobile: +57 301 4807642