



 **GRUPO ARGOS**
Inversiones que transforman

Announcement Presentation

September 2023

Grupo Argos supported transaction in which CemArgos will combine its operations in the US with Summit Materials



The transaction was supported by Grupo Argos to accelerate Cementos Argos' growth platform in the United States



Investment in a sector with attractive business fundamentals is maintained through a listed company on the New York Stock Exchange



A shareholder agreement was negotiated, allowing participation and representation in the decisions of the combined company



Favorable economic terms accretive to all shareholders of CemArgos, with Grupo Argos as the most relevant shareholder



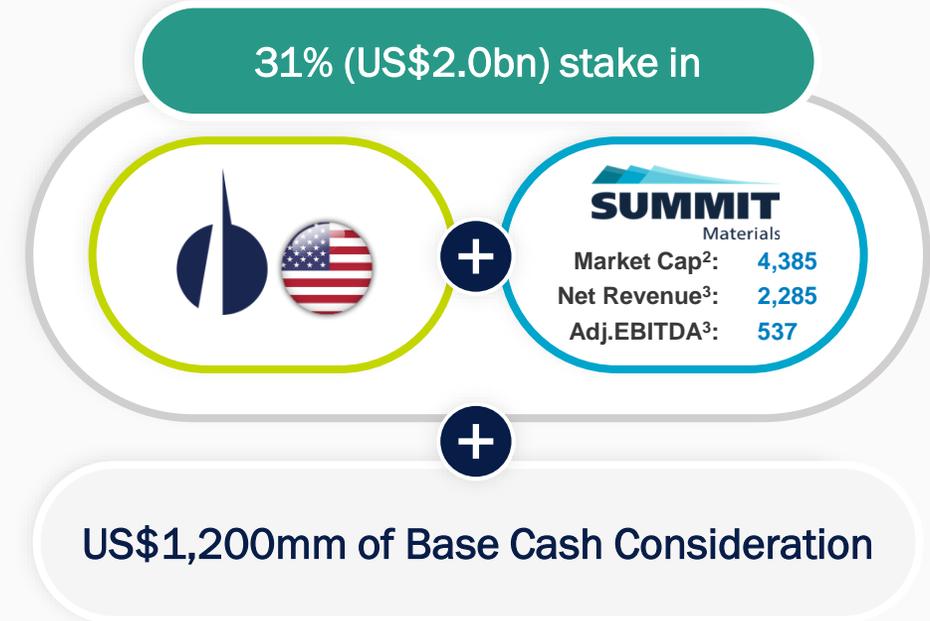
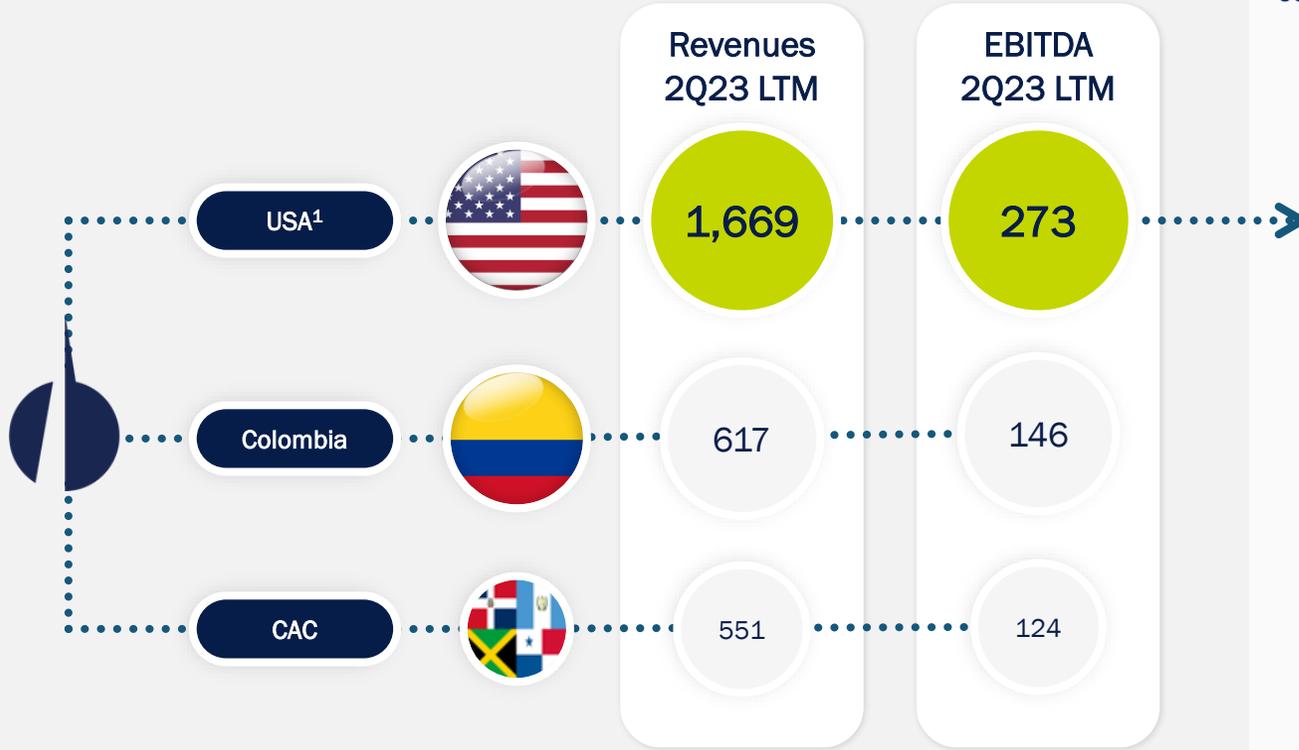
This transaction values Cementos Argos' investment in the United States at US\$3.2bn (EV), this investment represents COP\$5,809 per share of Grupo Argos¹



We have bolstered Cementos Argos by combining the U.S. operations with Summit Materials, elevating their strenght, footprint, and capabilities

By leveraging on the regional footprint and robust U.S. Platform...

...We have managed to unlock additional value for Cementos Argos through the strategic combination of the U.S. Operations with Summit Materials



From the combination of Argos North America Corp. (Argos USA) and Summit Materials, Cementos Argos will receive a 31% stake in the combined entity plus US\$ 1,200mm of Base Cash Consideration

Implied Enterprise Value of Argos USA post transaction:

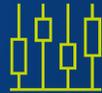
US\$3.2bn
10x EV/EBITDA 23E
12x EV/EBITDA LTM 2Q23

Notes: Subject to closing; figures in US\$m unless otherwise noted; 1 In US GAAP, EBITDA excludes US\$19.7mm of royalty expenses for 2Q23 LTM; 2 As of September 06, 2023; 3 2Q23 LTM

This agreement delivers on the strategic pillar of value realization in the U.S. business



Cementos Argos will become **the largest and most relevant shareholder** in a leading building materials player in the U.S.



Cementos Argos will receive shares in a **liquid US publicly-listed entity**, delivering on the strategy communicated to the market



Immediate exposure to the aggregates segment in a vertically integrated and diversified platform



Significant **synergy potential of +US\$100mm incremental EBITDA per year** and attractive new avenues of growth for the combined entity



Base Cash Consideration of US\$1.2bn that will strengthen Cementos Argos' capital structure (pro-forma leverage ratio of 1.8x after closing), enabling the pursuit of strategic initiatives



Active role in strategic decision-making through a sound and adequate governance framework agreement signed with Summit Materials

Through this combination we have established a highly complementary platform across geographies and products...

CEMENTOS ARGOS TODAY

SUMMIT MATERIALS

9.6mm / 4

Tons per annum of cement grinding capacity / cement plants



2.2mm / 2

Tons per annum of cement grinding capacity / cement plants



+140 / +950

RMX plants / Trucks



+80 / +850

RMX plants / Trucks



+1,600

Rail cars



+5,500mm

Short Tons of reserves of aggregates / >90 years



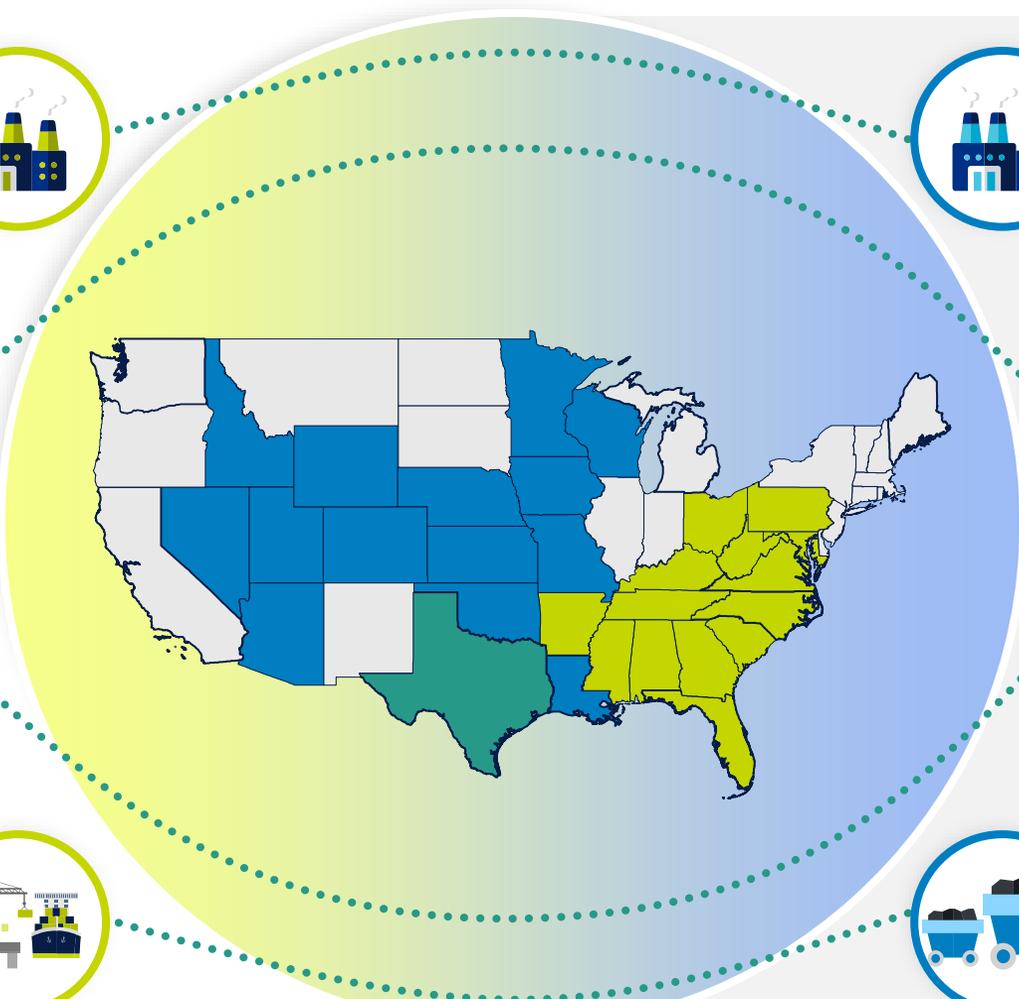
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Ports / terminals



+200

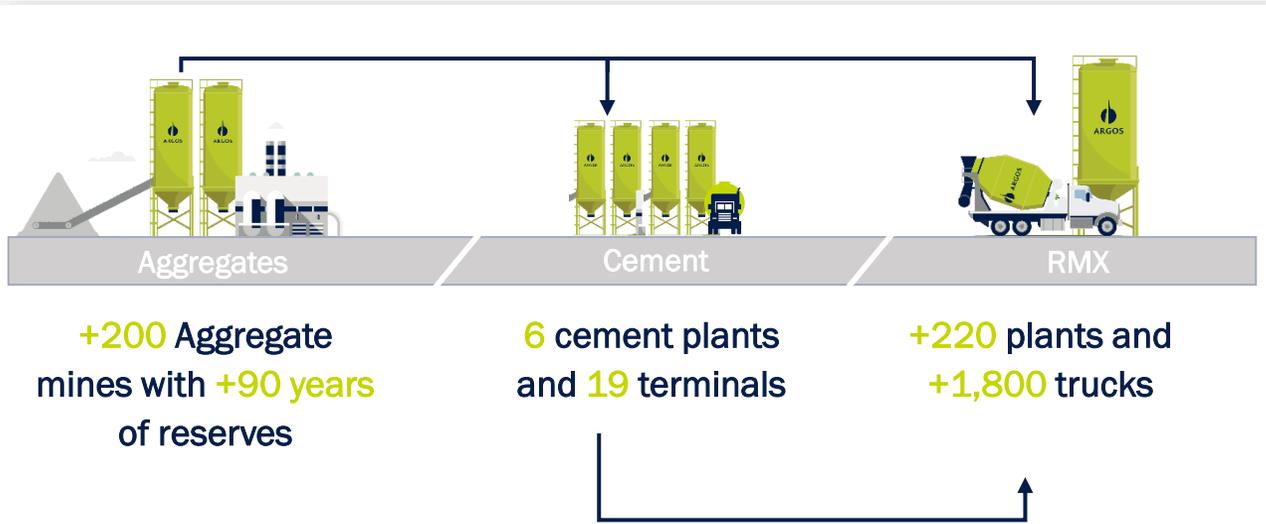
Aggregate mines



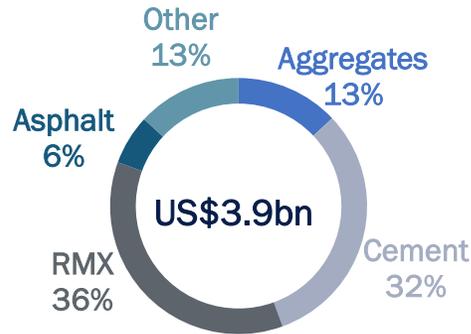
Predominant states



...which is expected to catalyze our strategic vision by leveraging on our vertically integrated business...

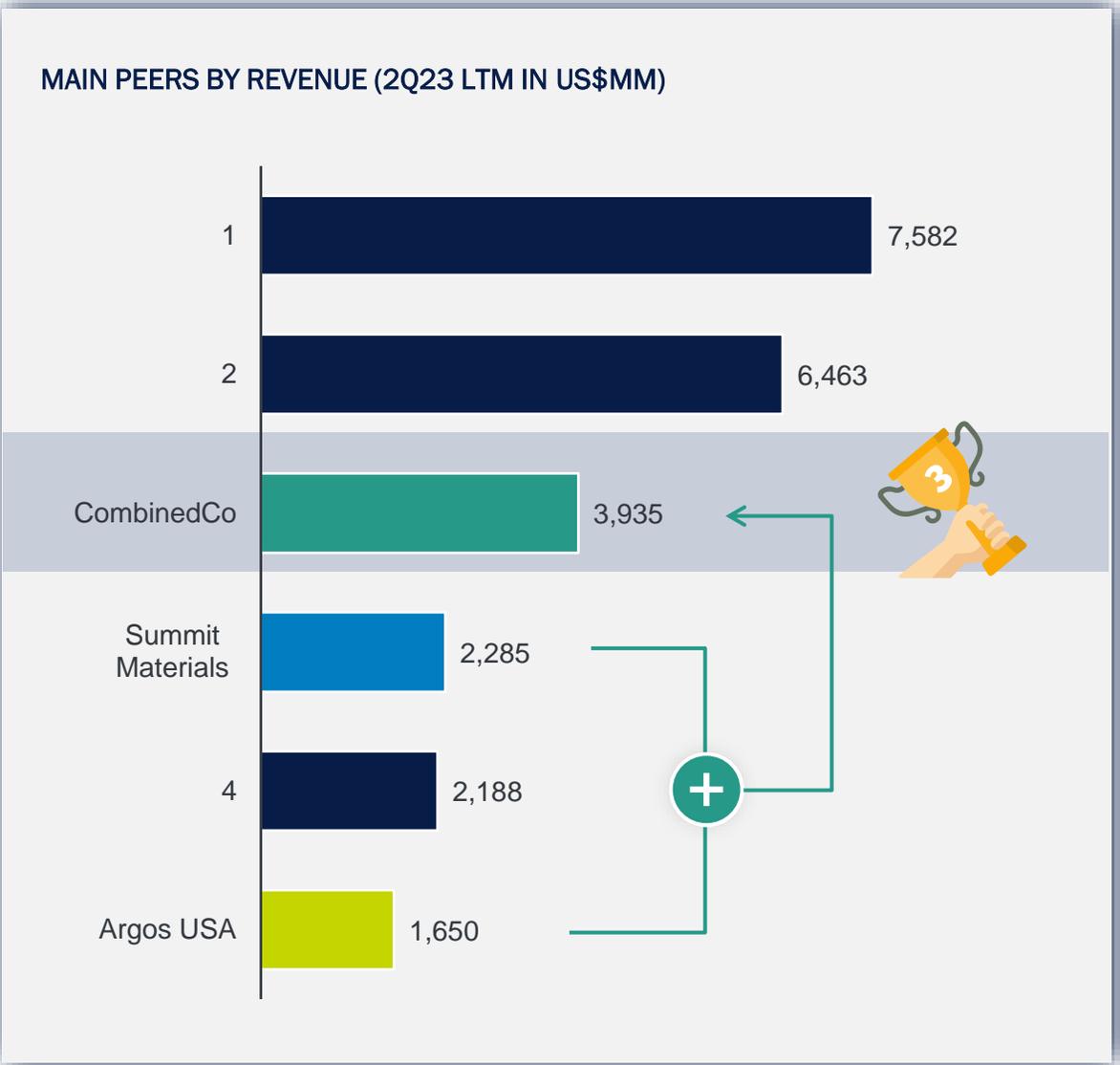


Pro-forma revenue mix 2Q23 LTM



- 1 Diversified presence and strong positions across aggregates, cement, and ready-mix segments
- 2 Robust logistics network with access to imports, rail-cars, and terminals, positioning us for growth
- 3 Attractive national geographic exposure of high-quality assets located in favorable growth markets
- 4 Potential for continued organic and inorganic growth
- 5 Combination of two executive teams with ample experience in the sector
- 6 Anticipating +US\$100mm in synergies with significant realization within 2 years and double-digit EBITDA growth

...while strengthening our leadership across the industry by scaling Cementos Argos' operations and enhancing profitability and capital structure



Notes: Figures in US GAAP, based on public filings; 1 Companies estimates for 2023E



SYNERGY POTENTIAL OF AT LEAST US\$100MM

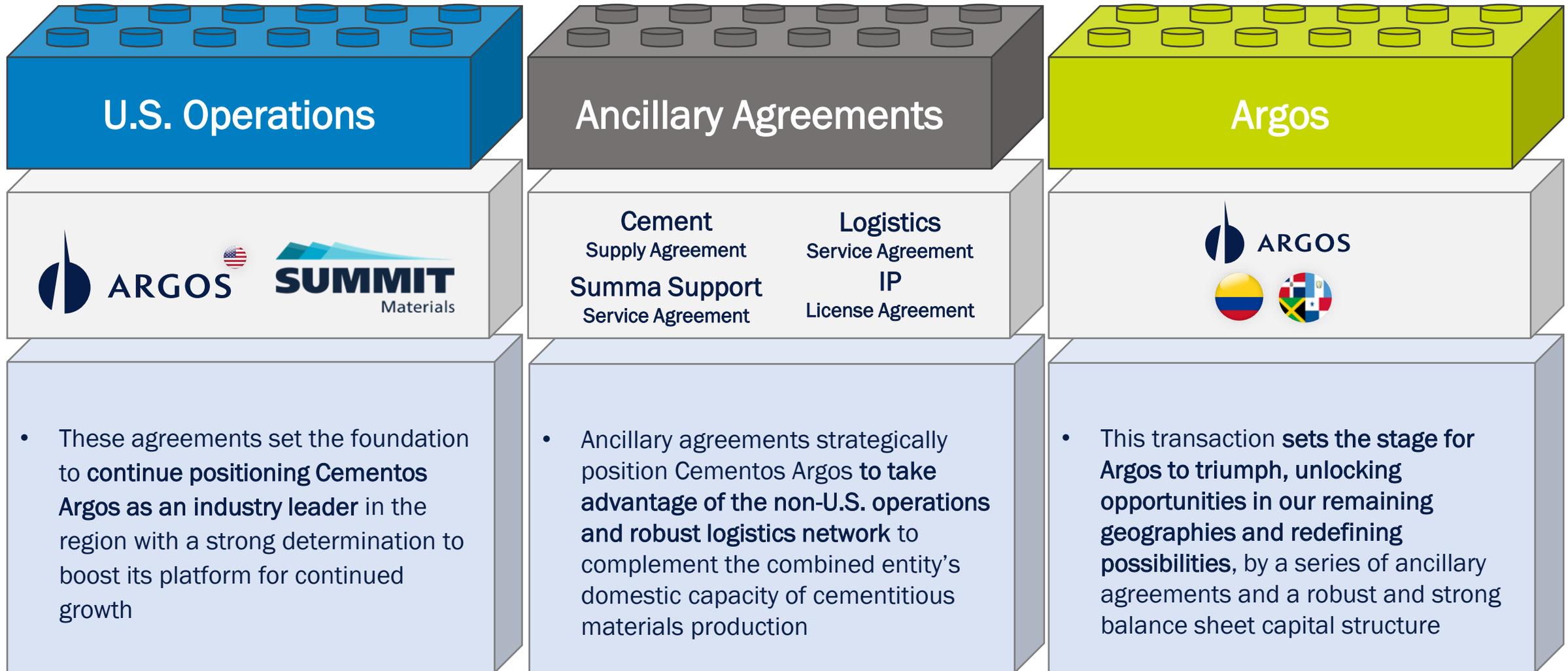


Significant value unlocking in the U.S. business with a relevant stake in the combined entity and net cash received...



Note: 1 As of September 06, 2023

...complemented by thoroughly assessed ancillary agreements that will allow us to strengthen Cementos Argos' non-U.S. operations



This combination marks a significant step towards a future of enhanced possibilities and strategic synergies

STRATEGICALLY ALIGNED WITH OUR INVESTMENT THESIS...



Delivering on previously announced commitment of listing our US assets in a liquid exchange, unlocking significant value



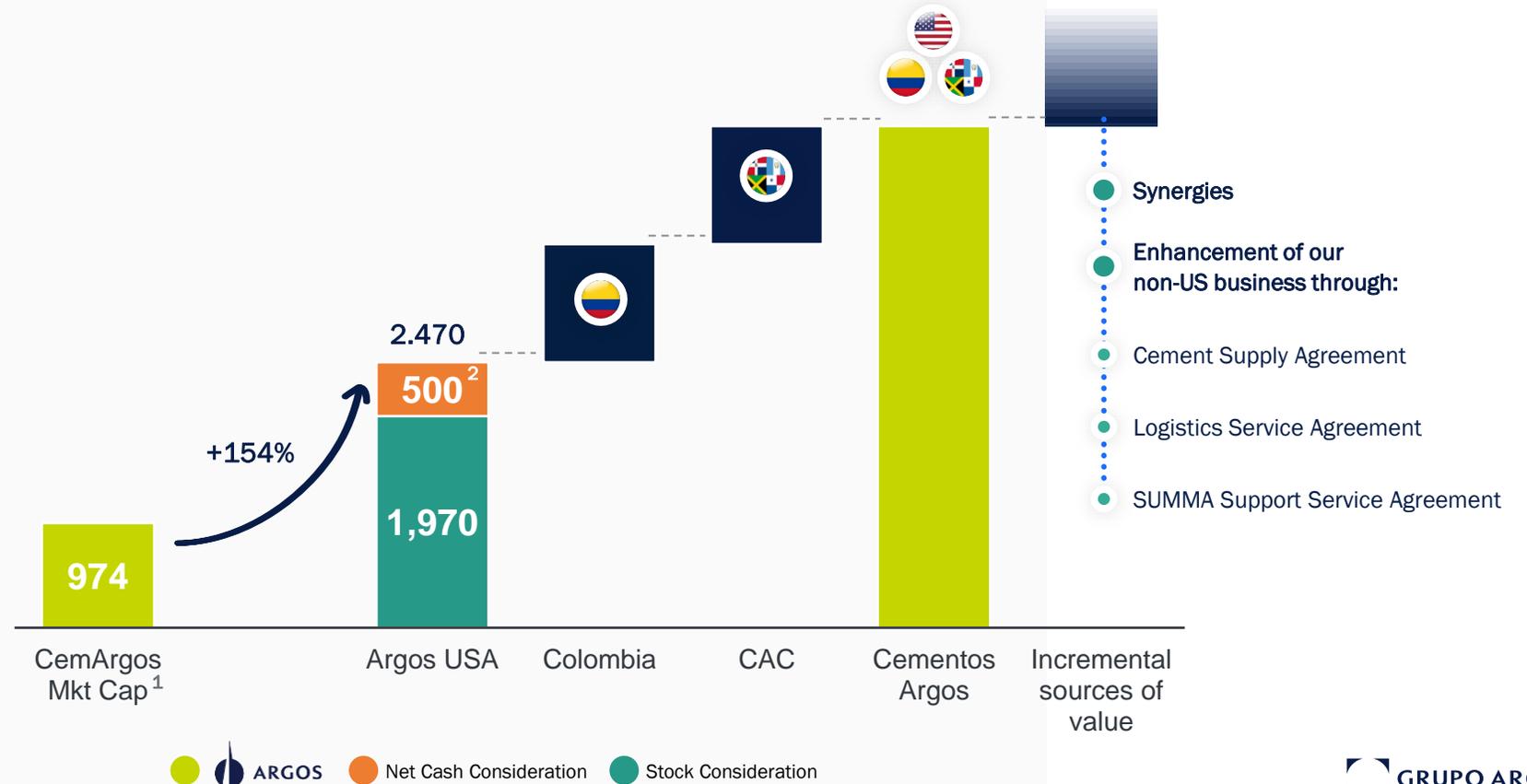
Robust synergy potential of **+US\$100mm incremental EBITDA**



Become an investor of reference on a relevant company with proportional governance and Board representation

...CRYSTALIZED ON A TRANSFORMATIONAL TRANSACTION...

...POSITIONING THE COMPANY TO UNLOCK SIGNIFICANT VALUE

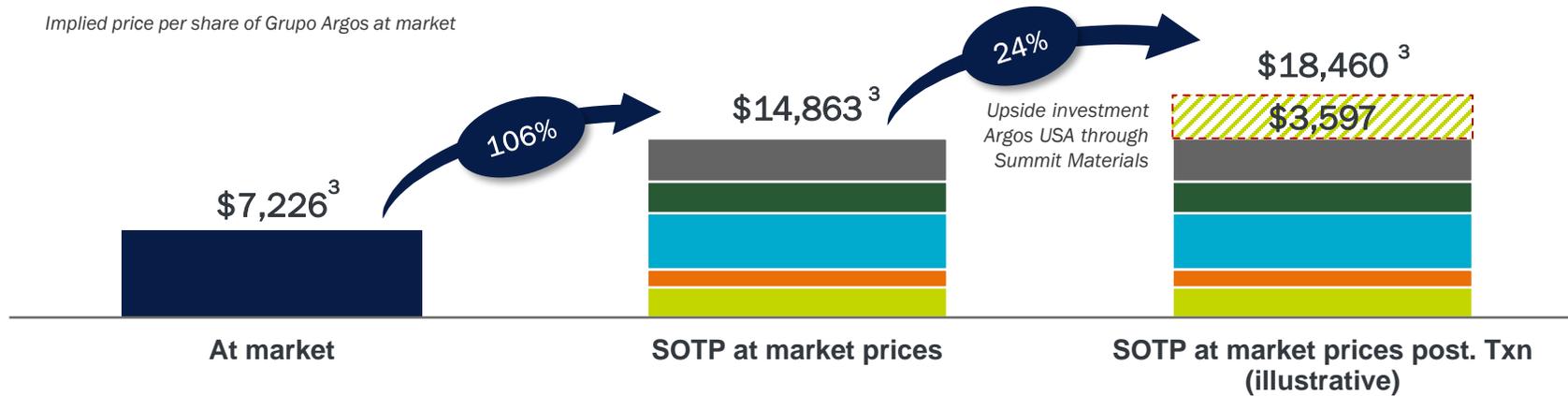


Note: 1 As of September 06, 2023, considering spot COP/US\$ of COP 4,089.46; 2 Subject to closing adjustments, net cash proceeds after repaying debt of ~US\$700mm in the business

Grupo Argos strategic role has a significant upside potential for value delivering on its price per share...



... with strong underlying assets coupled with strategic vision management



“With this transaction, we have not only unlocked substantial value for Cementos Argos, but we have also exemplified our capabilities as strategic visionaries and key role as long-term investors. We strongly believe there is a great underlying value on the company’s assets, that coupled with our strategic know-how, positions us as an unparalleled infrastructure company on the Latin American landscape”

Jorge Mario Velásquez

Notes: 1 Grupo Argos announced a transaction in which the investment in Grupo Nutresa will be exchanged for shares of Grupo Sura and Grupo Argos; 2 Others include Odinsa, Sator, NDU, other investments and Net Debt at book value, Overhead valued at 10.0x multiple; 3 Weighted average considering ordinary and preferred shares