

## Rating report

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### GRUPO ARGOS S.A.

*This English version is provided upon request and reflects the translation from the original one provided only in Spanish by BRC Ratings – S&P Global S.A. Sociedad Calificadora de Valores on January 23, 2025, under the title “GRUPO ARGOS S.A.”. In case of any discrepancy between this English version and the original in Spanish, the Spanish version shall apply.*

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# GRUPO ARGOS S.A.

## I. OVERVIEW

- We affirmed the AAA rating of Grupo Argos S.A. (hereinafter GA).
- We believe that the decision by Grupo Argos and Grupo Sura (GS) to dispose of their crossholdings does not have any direct impact on GA's credit profile. This is due to the strategic clarity that has characterized its management over the years, the strong business position of each of its subsidiaries, and the financial strength that we expect it will maintain over the long term.

## II. RATING ACTION

BRC Ratings – S&P Global SA Credit Rating Agency in extraordinary review confirmed the AAA issuer rating of Grupo Argos S.A.

## III. RATING RATIONALE

The agreement between the two organizations proposes disposing of cross-shareholdings through takeover spin-offs that would materialize simultaneously. Upon completion of the transaction, each GA shareholder will retain their shares and will additionally receive 0.23 GS shares for each GA share they initially held. Likewise, each GS shareholder will retain their shares in the company and will receive 0.72 GA shares for each GS share they held before the transaction.

The consolidation of this transaction underpins GA's goal of specializing as a relevant player in the region's infrastructure sector. According to the rating agency's estimates, we expect no changes to the organization's credit profile compared to our last rating review in the next two to three years, supported by the financial strength of the company and its subsidiaries, favorable liability management, and prudent risk management in recent years.

## IV. FACTORS TO MODIFY THE RATING

### What can lead us to affirm the rating

- The use of alternative and stable financing sources to leverage the expansion plan without pressuring its debt metrics.
- Sustainability of the net debt-to-EBITDA ratio below 3x over the next three years.

### What could lead us to downgrade the rating

- The deterioration of EBITDA compared to our projections, which may put pressure on leverage or liquidity metrics.
- Changes in its business position that could imply a loss of market share, significant exposure to geographies with lower credit quality levels than Colombia, or changes in business lines that, in our view, pose greater risks to the holding.

## V. THE ISSUER AND ITS ACTIVITY

Grupo Argos is an infrastructure investment manager. The group has consolidated platforms in three strategic businesses: cement (Cementos Argos – CA), energy (Celsia), and road and airport concessions (Odinsa). He is also a partner in a real estate fund (Pactia), owns a land bank for urban development (Grupo Argos Desarrollo Urbano), and has a solid investment portfolio in the financial sector.

## VI. INDUSTRY RISKS

The general characteristics of the sectors in which Grupo Argos operates remained relatively stable compared to the previous year:

- High capital requirements and energy use.
- Entry barriers due to infrastructure (plants, access to raw materials, equipment), knowledge, experience, financial strength, and ease of access to financing sources.
- Strong correlation with economic cycles and population dynamics.
- Long business cycles, with long recovery periods for its investments.
- Exposure to regulatory and policy changes.
- Public policy dependency.

## VII. ADDITIONAL INFORMATION

Type of rating	Issuer
Minute number	2699
Date of the Committee	January 23, 2025
Type of review	Extraordinary review
Issuer	Grupo Argos S.A.
Members of the Committee	María Carolina Barón
	María Soledad Mosquera
	Andrés Marthá

### Rating history

Periodic review May/24: AAA  
 Periodic Review May/23: AAA  
 Initial rating May/14: AAA

*BRC Ratings – S&P Global S.A. SCV does not perform auditing; therefore, the entity's management takes full responsibility for the integrity and veracity of all the information provided and that has served as the basis for the preparation of this report. On the other hand, BBRC Ratings – S&P Global S.A. SCV reviewed the available public information and compared it with the information provided by the entity.*

The financial information included in this report is based on audited financial statements for the past three years (2021-2023) and as of September 2024.

If you have any question regarding the indicators included in this document, you can consult the glossary at [www.brc.com.co](http://www.brc.com.co).

To see the definitions of our ratings visit [www.brc.com.co](http://www.brc.com.co) or click [here](#).

## **VIII. MEMBERS OF THE TECHNICAL COMMITTEE**

The resumes of the members of the Technical Rating Committee are available on our website [www.brc.com.co](http://www.brc.com.co)

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