

FINANCIAL RESULTS

Corporate Newsletter

August 2023

FIRST HALF OF 2023 WITH CONCRETE PROGRESS IN SPRINT, OUR SHARE PRICE RECOVERY PROGRAM, AND A 26% EBITDA GROWTH

- We have successfully executed three of the five pillars of its SPRINT program.
- In the first half of the year, EBITDA grew 26% and sales increase 8%.
- In all of our regions, we achieved significant increases in EBITDA and revenue.
- We started a project to increase our cement production capacity in the Dominican Republic by about 25%.
- Recently, we reached an agreement to evaluate viable structures that would allow the supply of aggregates to the Caribbean basin from Costa Rica.

SPRINT



In the first half of 2023, we report significant progress in our SPRINT program, which is known as the Share Price Recovery Initiative:

- 1 Focus on solid operational and financial results with emphasis on profitability. **EBITDA increased by 26% at the end of the semester.**
- 2 Significantly increase dividend distributions for 2023. In addition to the 128 billion pesos that were distributed as dividends in April 317 billion pesos were approved at the Extraordinary Shareholders' Meeting in June, for a total of 445 billion pesos to be distributed in 2023, which is equivalent to an increase of 15% compared to 2022.
- 3 Launch a share repurchase program for a total amount of 250 billion pesos. **In an extraordinary meeting, shareholders approved a first phase of 125 billion pesos.**

- 4 Improve the visibility of the operating value and continue the process for the listing of the US business on the New York Stock Exchange. **Argos continues its preparations to list the US operations on the NYSE once market conditions are appropriate.**

- 5 Improve the liquidity of the ordinary share by signing a local market making contract, so that they are once again eligible for repo operations. **Our shares are eligible for repo operations for the second consecutive quarter and the average daily trading volume increased by 61%.**

In terms of consolidated financial figures, we highlight the results of a semester that brought climate challenges in the United States, but in which the successful execution of the pricing strategy, efficient cost management and efforts to consolidate a winning value proposition allowed us to achieve an EBITDA of USD 278 million, with an increase of 26% compared to the first six months of 2022. In terms of consolidated revenue, it obtained USD 1.5 billion, 8% more.

In this period, shipments presented a contraction of 2.7% for cement (7.9 million tons) and 6.5% for concrete (3.5 million cubic meters), if compared with the same semester of the previous year, caused, mainly, by a higher number of rainy days in the United States, the slowdown of the housing segment in Colombia and the difficult social and political situation in Haiti.

“ In the first half of 2023 we achieved relevant milestones that demonstrate our commitment to generating value for our shareholders and other stakeholders. The progress in the execution of SPRINT, the growth of revenue and the expansion of the profitability margins of the businesses in our main markets motivate us to continue working every day in the value generation for all our stakeholders through the participation in housing and infrastructure projects that contribute to improve the quality of life and competitiveness in the 16 countries and territories where we have presence. The strength of our figures, the price dynamics and some improvements in the macroeconomic conditions support a positive perspective for the rest of 2023. **”**



**JUAN ESTEBAN CALLE,
ARGOS PRESIDENT.**

UNITED STATES

Despite the heavy rains that occurred in the southern part of the United States and operational issues at the Newberry plant in Florida, productivity and pricing improvements allowed us to achieve a record EBITDA for the first half in this region, which reached USD 158 million and increased 41% compared to the same period in 2022. Similarly, sales reached USD 860 million, 14% higher than the previous year. Based on this, cement shipments remained steady and concrete shipments decreased by 7.8%.

In the country, housing indicators show a recovery trend, and the industrial and infrastructure segments continue to gain momentum, as evidenced by the double-digit growth in public spending on construction recorded during each month of 2023.



COLOMBIA



The EBITDA achieved was USD 72 million, an increase of 7% compared to the same months of 2022, and the revenues totaled USD 318 million, 4% less than the first half of the previous year.

With respect to cement volumes, there was a slight decrease of 5.6% during the period. On the other hand, concrete volumes decreased by 5.5%. This decrease was mainly due to a lower market dynamic and the strategy of prioritizing profitability in all of our business lines. On the other hand, cement exports increased by 13.5% thanks to shipments to the United States.

We are closely monitoring the market dynamics in order to deploy strategic initiatives to adapt to a changing environment. Additionally, it continues to participate in 4G projects that are being developed normally, as well as other relevant works, such as Transmilenio Soacha, Transmilenio Avenida 68, Túnel del Toyo, and Puerto Antioquia, among others.

CARIBBEAN AND CENTRAL AMERICA

Our efforts to capitalize on the opportunities in each country allowed us to achieve an ebitda of USD 63 million, an increase of 2.8% over the same period of the previous year, and revenues of USD 286 million, an increase of 3.7% compared to the first half of 2022. Cement shipments decreased by 3.8% while concrete shipments increased by 7.5% compared to the first six months of last year.

These results were supported, to a large extent, by a satisfactory recovery in volumes in Panama and a strong dynamic in the Dominican Republic, where we started a project to expand our cement production capacity by approximately 25%.

As a strategic milestone, we've recently reached an agreement to evaluate viable structures that would enable the supply of aggregates to the Caribbean basin from Costa Rica.



We make possible the construction of housing and infrastructure dreams that enable sustainable, thriving and inclusive communities.