

FINANCIAL RESULTS



CORPORATE NEWSLETTER

February 2024

2023, A COMPANY YEAR WITH RECORD EBITDA AND MARGIN HIGHS

We began a new era of our presence in the United States and strengthened our growth potential in Latam.



- We achieved an annual consolidated EBITDA of COP 2.7 trillion*, 30% higher than in 2022.
- With the combination of the assets with Summit Materials, we initiated a new model for managing our presence in the U.S. market, as a majority shareholder of a leading company in the building materials industry with a national scale and high growth potential.
- We launched the SPRINT 2.0 program, building on the progress made in the previous year, with ambitious goals and targets on the different work fronts and an additional pillar for converting preferred shares into common stock.

We report year-end 2023 adjusted consolidated EBITDA of COP 2.7 trillion*, representing a 30% increase over 2022 and the highest ever, leveraged on constructive pricing dynamics in all regions, cost efficiencies, and productivity improvements. The adjusted EBITDA margin* stood at 21.1%, increasing 329 basis points. Consolidated revenues amounted to COP 12.7 billion, an increase of 9.7%, while shipments amounted to COP 15.7 million tons of cement and 6.7 million cubic meters of ready-mix, down 3% and 9%, respectively.

On January 12th, 2024, we successfully closed the asset combination with Summit in the U.S., a NYSE-listed company since 2015, a milestone that allows us to transition to a new business model to manage our presence in the U.S. market presence in the U.S. market after executing a disciplined growth strategy since we arrived in that country in 2005.

This transaction recognized the value of the U.S. operations at US\$3.2 billion, equivalent to 1.5 times the market value of the entire company on the Colombian Stock Exchange at the time of closing, by providing us with a cash payment of US\$1.2 billion and a 31% stake in Summit Materials, making us the largest shareholder in a leading U.S. building materials company, with a total value of nearly US\$9 billion, vertically integrated, with national scale and multiple opportunities for continued growth in North America. In addition, the resulting deleveraging of the capital structure opens a new chapter for us to take advantage of opportunities to supply cement, aggregates, and other materials to a larger platform in the U.S., as well as greater expansion possibilities within the LATAM region.



In 2023, we successfully executed the SPRINT program, the Share Price Recovery Initiative, with its five pillars: 1) Focus on strong financial and operating results with an emphasis on profitability; 2) Increased distributions to shareholders; 3) Share repurchase program; 4) Listing of the U.S. business; and 5) Appointment of a local market maker to improve the liquidity of common shares.

From its launch on February 20th, 2023, to December 31st, the price of Argos' ordinary shares grew from COP 2,744 to COP 6,110, which, together with capital distributions to shareholders, represents a total shareholder return (TSR) of 138%. while the preferred share had a TSR of 159% in the same period.



I am very pleased with the results achieved in 2023, which strongly support our vision of creating long-term value, not only in the United States but also in our Latin American markets. The extraordinary figures reflect the effort and commitment of every one of you, who, with disciplined strategy, efficiency, customer focus, and commitment to our stakeholders, are contributing to the consolidation of a more sustainable, prosperous, and inclusive society.

JUAN ESTEBAN CALLE,
PRESIDENT OF CEMENTOS ARGOS.

REGIONAL PERFORMANCE

UNITED STATES

Adjusted operating EBITDA for the region at the end of 2023 stood at US\$365 million*, with a growth of 43% and an EBITDA margin of 21.4%, 523 basis points higher than in 2022, results that were driven by the continued implementation of a strategy focused on profitability, robust price dynamics throughout the year, and favorable fuel cost conditions. The region shipped 6 million metric tons of cement and 4 million cubic meters of ready-mix concrete.

REGIONAL PERFORMANCE

COLOMBIA

Colombia's total EBITDA was COP 744 billion, an increase of 23%, with an EBITDA margin of 25.2%, 283 basis points higher than at the end of 2022, as a result of the deployment and execution of a comprehensive strategy throughout the value chain with incremental operating efficiencies, a focus on generating value for our customers and a rigorous cost discipline to overcome challenging market conditions, which experienced a 4.5% contraction in cement shipments due to the decline in real-estate activity, the stable but unimproved deployment of infrastructure projects, and uncertain macroeconomic conditions.

The region achieved volumes of 5.8 million metric tons of cement; 2.4 million cubic meters of ready-mix concrete, and 991,000 metric tons of aggregates.



REGIONAL PERFORMANCE

CENTRAL AMERICA, CARIBBEAN AND TRADING

EBITDA on December 31st, 2023, was US\$124 million, equal to that recorded in 2022, with an ebitda margin of 22.8%.

On a consolidated basis in Central America and the Caribbean, cement shipments totaled 3.8 million tons of cement and 277,000 cubic meters of ready-mix concrete.

Central America, comprising Panama, Honduras and Guatemala, was characterized by stable industry dynamics in most of the countries of operation and a positive evolution of volumes and prices in the local markets, successfully offset the region's remaining inflationary pressures from raw materials and energies.



LAUNCH OF SPRINT 2.0

With the presentation of 2023 year-end results, Argos launches the SPRINT 2.0 program, leveraged on the progress made in the previous year, with ambitious targets on the different work fronts and an additional pillar for the conversion of preferred shares into common shares, which will be submitted for approval at the Ordinary Shareholders' Meeting to be held on March 18th, 2024. All of this, with the aim to further advance the goal of unlocking the fundamental value of the shares in the market and the commitment to deliver greater shareholder value.