

# 1Q23 Results

May 9<sup>th</sup>, 2023



IMAGINE WHAT WE  
CAN BUILD TOGETHER



# Disclaimer

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This document contains forward-looking statements and information related to Cementos Argos S.A. and its subsidiaries (together referred to as “Argos”) that are based on the knowledge of current facts, expectations and projections, circumstances and assumptions of future events.

Various factors may cause Argos’ actual future results, performance or accomplishments to differ from those expressed or assumed herein.

If an unexpected situation presents itself or if any of the premises or of the company’s estimations turn out to be incorrect, future results may differ significantly from the ones that are mentioned herein.

The forward-looking statements are made to date and Argos does not assume any obligation to update said statements in the future as a result of new information, future events or any other factors.

All the discussions on the financial and operational results held during the call, will be based on the adjusted figures, excluding non-recurring and non-core operations. For a detail on the reconciliation and the adjustments please refer to the annexes of our quarterly report.



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Consolidated Results



# 1Q23

Highest recorded EBITDA in our history for a first quarter marks a margin expansion of 386 basis points



COP 3.4 Tn

REVENUE

+35.2% YoY

1.8 mn m3

RMX VOLUME

-2.3% YoY

COP 597 Bn

EBITDA

+70.8% YoY

3.9 mn T

CEMENT VOLUME

-0.6% YoY

## Volumes - Adjusted

		QUARTER			YTD		
		2022.Q1	2023.Q1	Var	2022.Q1	2023.Q1	Var
Cement	000 TM	3,949	3,925	-0.6%	3,949	3,925	-0.6%
RMC	000 M <sup>3</sup>	1,798	1,756	-2.3%	1,798	1,756	-2.3%

## Key Figures - Adjusted

		QUARTER			YTD		
		2022.Q1	2023.Q1	Var	2022.Q1	2023.Q1	Var
Revenue	COP Bn	2,501	3,382	35.2%	2,501	3,382	35.2%
EBITDA	COP Bn	350	597	70.8%	350	597	70.8%
Margin EBITDA	%	14.0%	17.7%	368 pbs	14.0%	17.7%	368 pbs
Owners of the parent co. Adjusted	COP Bn	-4	102	2,236%	-4	102	2,236%
Net Income	COP Bn	12	118	898.6%	12	118	898.6%
Net Margin	%	0.5%	3.5%	302 pbs	0.5%	3.5%	302 pbs

See annex for the adjustment's reconciliation



Stable market dynamics through our regions



Successful pricing strategy, and cost efficiencies



Important SPRINT milestones achieved

## Our pillars

- 1 Focus on strong financial and operational results with a special emphasis in profitability
- 2 Increase dividend payments to shareholders for a total of COP 445 billion in 2023, +15% vs 2022
- 3 ~ COP 250 billion share-buy-back program
- 4 Continue the work on listing our US business in the NYSE
- 5 Improve the liquidity of our common stock by designating a local market maker

## Our Progress

As a result of our commercial efforts in each region + our careful cost control initiatives EBITDA margin expanded 368 basis points

Dividends for COP 128 billion were paid during April. We reaffirm our commitment with our shareholders to execute the additional dividend payment for COP 317 billion and the share buyback program before our 2024 General Shareholders Meeting.

We continue to be ready to launch the transaction once market conditions are appropriate

Once again, our common shares are eligible for repo operation as a result of better liquidity conditions of our stock

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## US Region



# 1Q23 - US



**+15.2 %**

FOB PRICE CEMENT YoY

**+21.3 %**

FOB PRICE RMX YoY

**+7.1 %**

CEMENT VOLUMES YoY

**-2.5 %**

RMX VOLUMES YoY

- Ebitda +77% results in margin expansion of 483 basis points versus the first quarter of 2022.
- Results driven by prices and volumes expansion, coupled with favorable market dynamics.
- Despite productions constraints cement volumes increased 7.1% mainly due to imports.
- About 6% of our 7% growth in Q1 came through imported cement.

Volumes - Adjusted		QUARTER			YTD		
		2022.Q1	2023.Q1	Var	2022.Q1	2023.Q1	Var
Cement	000 MT	1,401	1,501	7.1%	1,401	1,501	7.1%
RMC	000 M3	1,091	1,064	-2.5%	1,091	1,064	-2.5%

Key Figures - Adjusted		QUARTER			YTD		
		2022.Q1	2023.Q1	Var	2022.Q1	2023.Q1	Var
Revenue	USD M	340	416	22.2%	340	416	22.2%
EBITDA	USD M	37	65	76.6%	37	65	76.6%
Margin EBITDA	%	10.9%	15.7%	483 pbs	10.9%	15.7%	483 pbs

See annex for the adjustment's reconciliation

## Cement consumption estimates generated by the IJJA



**35** million tons  
Of cement to be consumed during the execution of the program

Source: Portland Cement Association

**550** billions  
In incremental spending



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# Colombian Region





# 1Q23 – Colombia



**+24.2 %**

**FOB PRICE CEMENT YoY**

**+24.4 %**

**FOB PRICE RMX YoY**

**-4.6 %**

**TOTAL CEMENT VOLS YoY**

**+15.9 %**

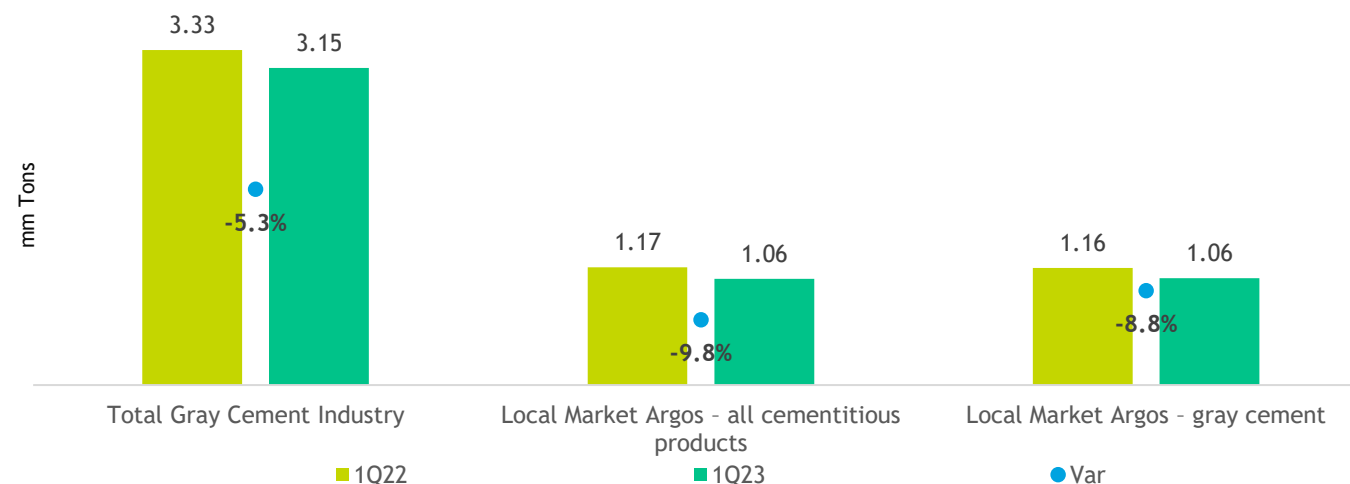
**EXPORTS VOLS YoY**

Volumes		QUARTER			YTD		
		2022.Q1	2023.Q1	Var	2022.Q1	2023.Q1	Var
Cement	000 MT	1,468	1,400	-4.6%	1,468	1,400	-4.6%
Local Market	000 TM	1,170	1,056	-9.8%	1,170	1,056	-9.8%
Exports	000 TM	297	345	15.9%	297	345	15.9%
RMC	000 M3	649	621	-4.3%	649	621	-4.3%
Aggregates	000 MT	402	313	-22.0%	402	313	-22.0%

Key Figures		QUARTER			YTD		
		2022.Q1	2023.Q1	Var	2022.Q1	2023.Q1	Var
Revenue	COP Bn	632	712	12.6%	632	712	12.6%
EBITDA	COP Bn	130	181	39.4%	130	181	39.4%
Margin EBITDA	%	20.5%	25.4%	488 pbs	20.5%	25.4%	488 pbs

- Double digit EBITDA expansion as a result of pricing strategy, slowdown in terms of unitary fuel costs and stability on power and raw materials.
- Margins expanded 488 points on the back of optimization of our client portfolio, segments, and distribution logistics.
- Cement exports growth driven by 81% increase of exports to the US.
- RMX and cement volumes slightly decreased due the overall market contraction and a landslide in the southwest region of the country.
- Gray cement accounts for 95% of total volumes for the local market. During the quarter volumes of gray cement decreased 8.8%.

## Local market volumes vs Industry



A worker in a yellow safety suit and helmet is shown in profile, reaching up to handle a bag of cement. The background is filled with stacks of similar cement bags, creating a sense of a large warehouse or storage area. The worker's suit has reflective silver stripes, and they are wearing safety glasses. The cement bags are yellow and red, with the 'ARGOS' logo and 'MULTIUSO' text visible.

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# Caribbean and Central America Region



# 1Q23 – Caribbean and Central America



**+8.2 %**

**FOB PRICE CEMENT YoY**

**+14.2 %**

**FOB PRICE RMX YoY**

**+4.9 %**

**LOCAL CEMENT VOLS YoY**

**+22.1 %**

**RMX VOLS YoY**

- Stable demand dynamics continued during the quarter in the local markets:
  - Panama** cement volumes recovered satisfactorily +21.3%. Currently the country leads the growing prospects for the year in the region, according to the IMF real GDP growth for 2023 will stand at 5%
  - Dominican Republic** strong dynamics with prices increase +13% YoY, volumes +14% YoY
- Trading business volumes decreased 31.9 % year over year, as we continue with our vision of capitalizing the usage of our export capacity from Colombia and maximize margins.

Volumes		QUARTER			YTD		
		2022.Q1	2023.Q1	Var	2022.Q1	2023.Q1	Var
Cement	000 TM	1,080	1,024	-5.2%	1,080	1,024	-5.2%
Central America	000 TM	387	414	7.2%	387	414	7.2%
Caribbean	000 TM	398	408	2.6%	398	408	2.6%
Trading	000 TM	296	201	-31.9%	296	201	-31.9%
RMC	000 M3	58	71	22.1%	58	71	22.1%
Central America	000 M3	31	49	57.3%	31	49	57.3%
Caribbean	000 M3	27	22	-18.0%	27	22	-18.0%

Key Figures		QUARTER			YTD		
		2022.Q1	2023.Q1	Var	2022.Q1	2023.Q1	Var
Revenue	USD M	137	145	5.4%	137	145	5.4%
Central America	USD M	58	67	15.4%	58	67	15.4%
Caribbean	USD M	63	71	12.6%	63	71	12.6%
Trading*	USD M	17	7	-55.8%	17	7	-55.8%
EBITDA	USD M	29	30	2.2%	29	30	2.2%
Central America	USD M	17	18	0.9%	17	18	0.9%
Caribbean	USD M	8	9	10.8%	8	9	10.8%
Trading	USD M	4	3	-9.5%	4	3	-9.5%
Margin EBITDA	%	21.3%	20.6%	-65 pbs	21.3%	20.6%	-65 pbs
Margin EBITDA Central America	%	30.1%	26.3%	-378 pbs	30.1%	26.3%	-378 pbs
Margin EBITDA Caribbean	%	12.7%	12.5%	-20 pbs	12.7%	12.5%	-20 pbs

\*Does not include sales to related companies

## New product launches - Panama



- ✓ Cost affordable
- ✓ Practical
- ✓ Higher performance



Improve **efficiencies** for our clients and **increase margins** for our business.



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# Balance Sheet





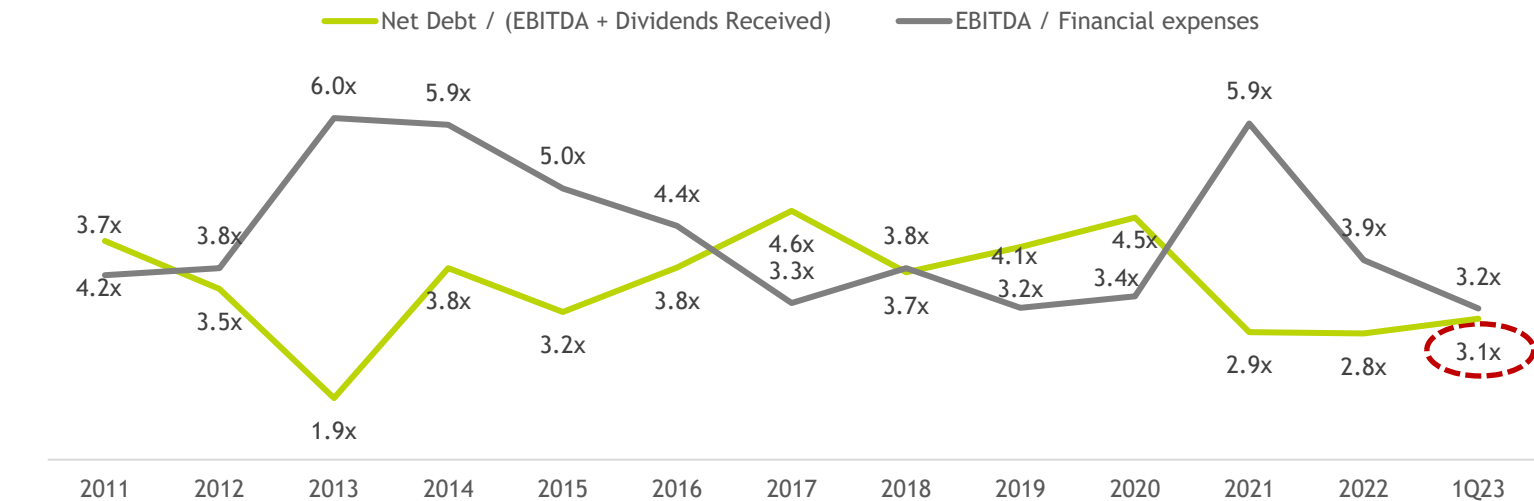
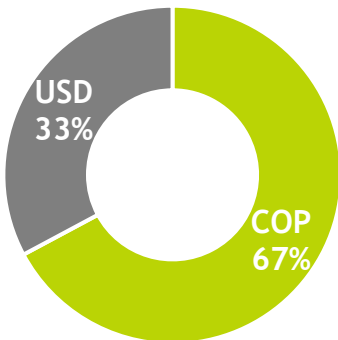
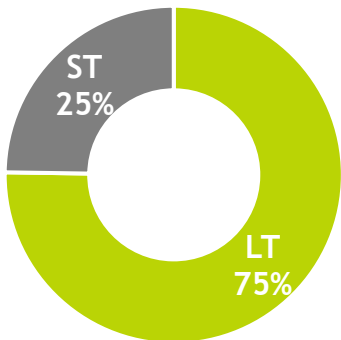
# Debt profile



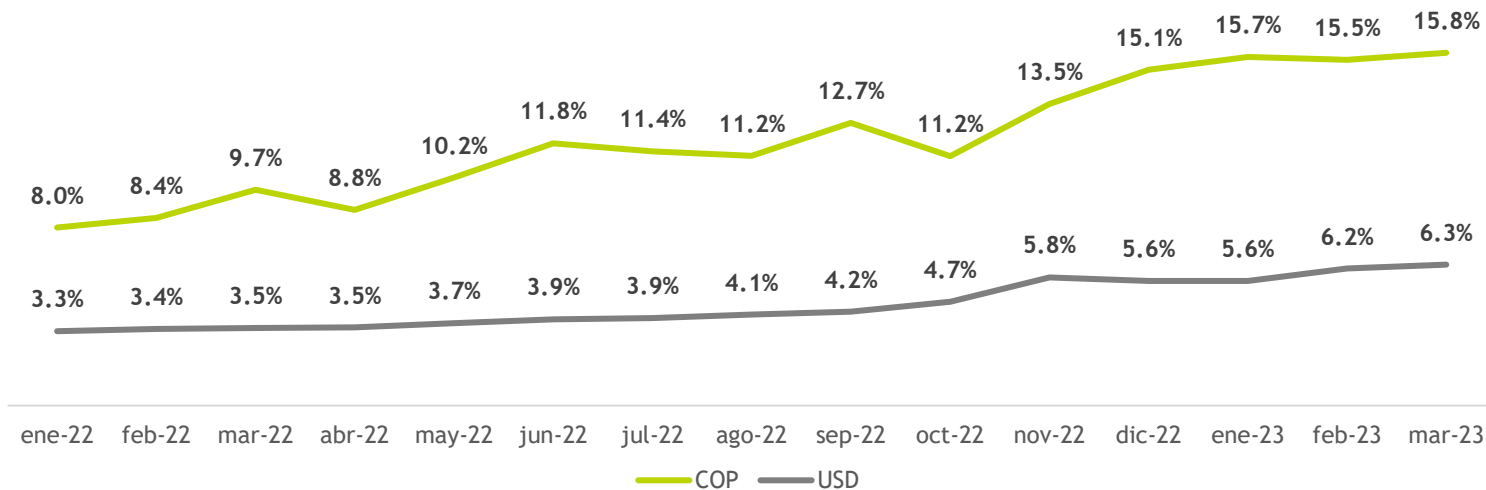
- Flattening of the debt cost evolution derived from improvements in short-term refinancing rates and hedging strategy.
- Net debt to EBITDA ratio stood at 3.1x during the quarter, increasing versus last year in a context of stable debt and increased EBITDA, mainly caused by the sharp Peso revaluation experienced at the end of March

## Currency mix

Total debt: USD1,595 m



## Consolidated cost of debt



FX Rate as of Mar 31<sup>st</sup>, 2023: COP 4,627.27 / USD  
 Note: Since 2Q15, for Net debt to EBITDA + Dividend's ratio, Net debt and EBITDA are calculated with the same FX closing rate. For the calculation of this ratio IFRS 16 is applied from Jun 2020 on

# 06 Outlook





# Outlook Argos



## Guidance 2023e

COP  
**2.3 - 2.4**  
Tn

EBITDA

Mid point of our Guidance represents a  
~13% growth vs 2022 real EBITDA

**<3.0x**

LEVERAGE

2022 leverage ratio closed **below 3.0x**  
and we intend to continue with this  
tendency

USD  
**200 - 220**  
mm

CAPEX

Maintenance ~55%  
Growth ~ 45%

**10% - 11%**

ROCE

Complying with our 2022 Guidance, we  
intend to continue to deliver **positive**  
**return**



## Medium Term guidance

**20%-21%**

EBITDA MARGIN

Reinforcing our commitment to add value, we estimate a  
medium-term guidance in terms of operating profitability  
that represents an **increase of ~270 bps** compared to  
what was obtained in 2022

Calculation accounts for certain adjustments on EBIT and capital  
employed

### Nominator

Operating EBITDA  
(-) Maintenance capex  
(=) Adjusted EBIT

### Denominator

Total assets -(Current Liabilities -  
Current Financial liabilities)  
(-) In-Construction, deferred tax  
assets and other non-operating  
assets  
(=) Adjusted Capital employed

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# Appendix





# IFRS results per regional / other businesses



COP Bn	Revenue		
	2022.Q1	2023.Q1	Var
Colombia	632	712	12.6%
USA	1,407	1,980	40.7%
CCA	538	689	28.3%
Central America	226	318	40.4%
Caribbean	246	337	36.9%
Trading	65	35	-46.2%
<b>Subtotal</b>	<b>2,577</b>	<b>3,382</b>	<b>31.2%</b>
Corporate			0.0%
Other Businesses			0.0%
<b>Consolidated Results</b>	<b>2,577</b>	<b>3,382</b>	<b>31.2%</b>

## USD M

Colombia	162	150	-7.4%
USA	360	416	15.7%
CCA	137	145	5.4%
Central America	58	67	15.4%
Caribbean	63	71	12.6%
Trading	17	7	-55.8%
<b>Subtotal</b>	<b>659</b>	<b>711</b>	<b>7.9%</b>
Corporate			0.0%
Other Businesses			0.0%
<b>Consolidated Results</b>	<b>659</b>	<b>711</b>	<b>7.9%</b>

EBITDA				
2022.Q1	Mgn (%)	2023.Q1	Mgn (%)	Var Marg
130	20.5%	181	25.4%	488
240	17.1%	307	15.5%	-156
114	21.3%	142	20.6%	-65
68	30.1%	84	26.3%	-378
31	12.7%	42	12.5%	-20
15	23.0%	17	47.0%	2,407
<b>484</b>	<b>18.8%</b>	<b>630</b>	<b>18.6%</b>	<b>-16 bps</b>
-39	N/A	-36	N/A	N/A
	N/A	-0.7	N/A	N/A
<b>445</b>	<b>17.3%</b>	<b>594</b>	<b>17.6%</b>	<b>28 bps</b>

33	20.5%	38	25.4%	488
61	17.1%	64	15.5%	-156
29	21.3%	30	20.6%	-65
17	30.1%	18	26.3%	-378
8	12.7%	9	12.5%	-20
4	23.0%	3	47.0%	2,407
<b>124</b>	<b>18.8%</b>	<b>132</b>	<b>18.6%</b>	<b>-16 bps</b>
-10	N/A	-7	N/A	N/A
	N/A	-0.15	N/A	N/A
<b>114</b>	<b>17.3%</b>	<b>125</b>	<b>17.6%</b>	<b>28 bps</b>

# Reconciliation of adjusted figures



## Consolidated

Consolidated			QUARTER		YTD	
			2022.Q1	2023.Q1	2022.Q1	2023.Q1
RMC Volume	m3		1,907	1,756	1,907	1,756
Divested Operations	RMC Volume Divested Operations P&P	m3	-109		-109	
RMC Volume - Adjusted		m3	1,798	1,756	1,798	1,756

Consolidated			QUARTER		YTD	
			2022.Q1	2023.Q1	2022.Q1	2023.Q1
Revenue - IFRS	COP Bn		2,577	3,382	2,577	3,382
Divested Operations	RMX Assets Divested in the US 2022	COP Bn	-76		-76	
Revenue - Adjusted		COP Bn	2,501	3,382	2,501	3,382

Consolidated			QUARTER		YTD	
			2022.Q1	2023.Q1	2022.Q1	2023.Q1
EBITDA - IFRS	COP Bn		445	594	445	594
Divested Operations	RMX Assets Divested in the US 2022	COP Bn	-96	4	-96	4
Listing Expenses	Non - Operational Expenses	COP Bn	.02			
EBITDA - Adjusted		COP Bn	350	597	350	597

EBITDA Margin - IFRS	%		17.3%	17.6%	17.3%	17.6%
EBITDA Margin - Adjusted	%		14.0%	17.7%	14.0%	17.7%

Consolidated			QUARTER		YTD	
			2022.Q1	2023.Q1	2022.Q1	2023.Q1
Net Profit - IFRS	COP Bn		22	78	22	78
Divested Operations	RMX Assets Divested in the US 2022	COP Bn	-39		-39	
Listing Expenses	Non - Operational Expenses	COP Bn		4		4
Intercompany Operations	Non-Recurring Income Tax	COP Bn	12	20	12	20
Net Profit - Comparable		COP Bn	-4	102	-4	102

Net Margin - IFRS	%		0.8%	2.3%	0.8%	2.3%
Net Margin - Comparable	%		-0.2%	3.0%	-0.2%	3.0%

## USA

USA			QUARTER		YTD	
			2022.Q1	2023.Q1	2022.Q1	2023.Q1
RMC Volume	m3		1,200	1,064	1,200	1,064
Divested Operations	RMC Volume Divested Operations P&P	m3	-109		-109	
RMC Volume - Adjusted		m3	1,091	1,064	1,091	1,064

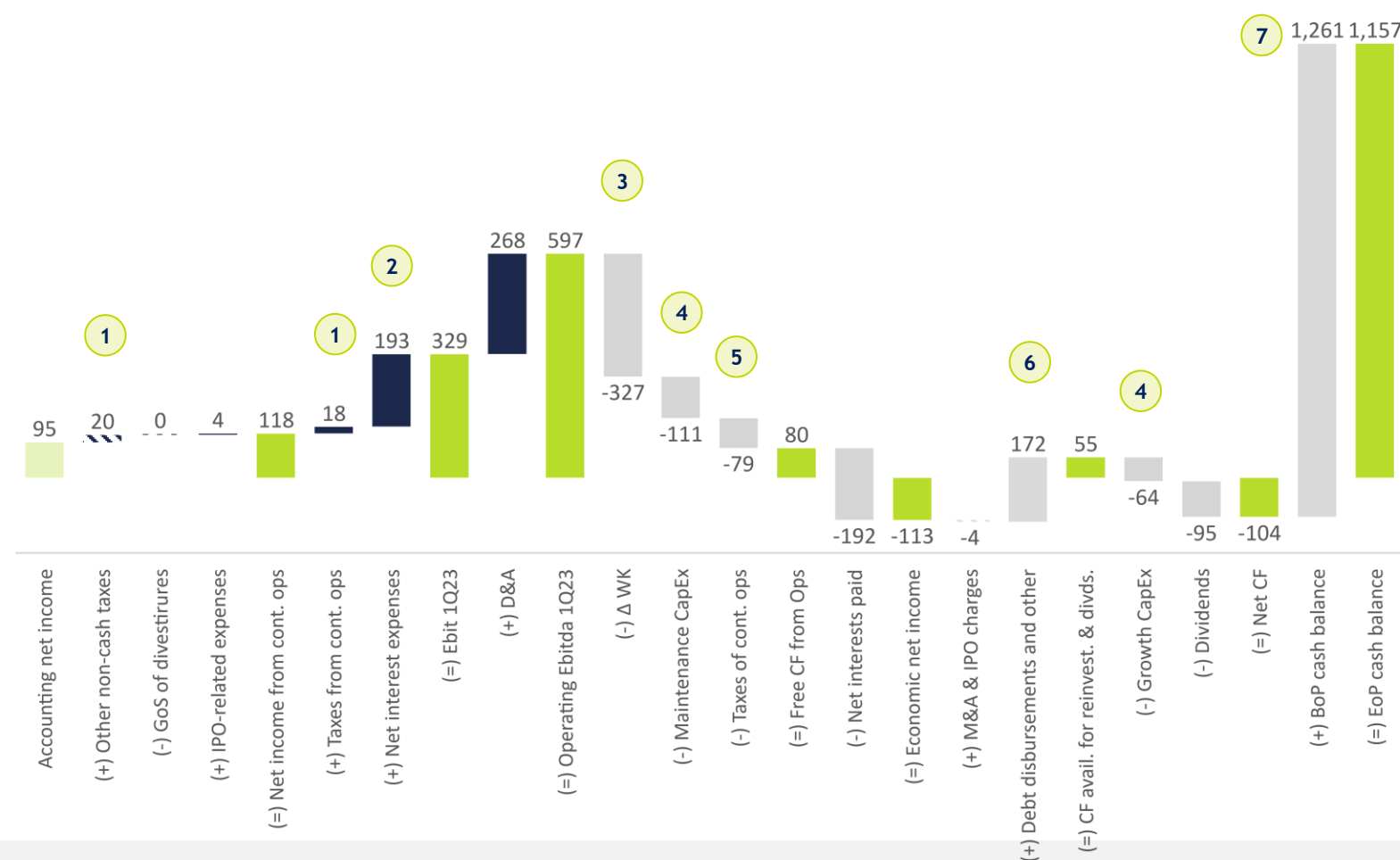
USA			QUARTER		YTD	
			2022.Q1	2023.Q1	2022.Q1	2023.Q1
Revenue - IFRS	USD M		360	416	360	416
Divested Operations	RMX Assets Divested in the US 2022	USD M	-19		-19	
Revenue - Adjusted		USD M	340	416	340	416

USA			QUARTER		YTD	
			2022.Q1	2023.Q1	2022.Q1	2023.Q1
EBITDA - IFRS	USD M		61	64	61	64
Divested Operations	RMX Assets Divested in the US 2022	USD M	-24		-24	
Listing Expenses	Non - Operational Expenses IPO	USD M		1		1
EBITDA - Adjusted		USD M	37	65	37	65

EBITDA Margin - IFRS	%		17.1%	15.5%	17.1%	15.5%
EBITDA Margin - Adjusted	%		10.9%	15.7%	10.9%	15.7%



# Consolidated Cash flow



## Reconciliations vs Accounting method

- 1 COP 20 Bn Non-Recurring Income Tax. COP 18 bn income tax
- 2 Includes Net Financial expenses, Net Foreign currency exchange gains (loss), Share of profit of associates and joint ventures
- 3 Investment in working capital excluding FX distortions
- 4 Total Capex executed in 1Q23 was COP 175 bn. The growth Capex is discretionary and did not report any benefits to the company in 2023
- 5 This amount correspond to taxes paid in cash in 1Q23
- 6 Includes debt disbursements, non-operating income tax and others
- 7 Includes investments in short-term CDs

## Investment portfolio improves Argos financial flexibility

\* FX Rate as of March 31<sup>st</sup>, 2023: COP 4,627.27 / USD

Company	% Stake	Price per Share (COP)	Value (COP million)	Value (USD million)
Grupo Sura	6.08%	40,500	1,149,995	249
<b>Total</b>			<b>1,149,995</b>	<b>249</b>

# Contact Information

## IR Team

**Indira Díaz**

[indira.diaz@argos.com.co](mailto:indira.diaz@argos.com.co)

**Susana Gaviria**

[susana.gaviria@argos.com.co](mailto:susana.gaviria@argos.com.co)

**Investor webpage**

[ir.argos.co](http://ir.argos.co)

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