FOURTH QUARTER 2022 EARNINGS CONFERENCE CALL

March 2, 2023 – TECNOGLASS INC.
(NYSE: TGLS)



Safe Harbor

FORWARD LOOKING STATEMENTS

This presentation includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding future financial performance, future growth and future acquisitions. These statements are based on Tecnoglass' current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive and/or regulatory factors, and other risks and uncertainties affecting the operation of Tecnoglass' business. These risks, uncertainties and contingencies are indicated from time to time in Tecnoglass' filings with the Securities and Exchange Commission. The information set forth herein should be read in light of such risks. Further, investors should keep in mind that Tecnoglass' financial results in any particular period may not be indicative of future results. Tecnoglass is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise.

FINANCIAL PRESENTATION

Certain of the financial information contained herein is unaudited and does not conform to SEC Regulation S-X. Furthermore, it includes EBITDA (earnings before interest, taxes, depreciation and amortization) which is a non-GAAP financial measure as defined by Regulation G promulgated by the SEC under the Securities Act of 1933, as amended. Accordingly, such information may be materially different when presented in Tecnoglass' filings with the Securities and Exchange Commission. Tecnoglass believes that the presentation of this non-GAAP financial measure provides information that is useful to investors as it indicates more clearly the ability of Tecnoglass to meet capital expenditures and working capital requirements and otherwise meet its obligations as they become due. EBITDA was derived by taking earnings before interest, taxes, depreciation and amortization as adjusted for certain one-time non-recurring items and exclusions.

NO OFFER OR SOLICITATION

This announcement is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.







165 Main Street

Massachusetts, United States

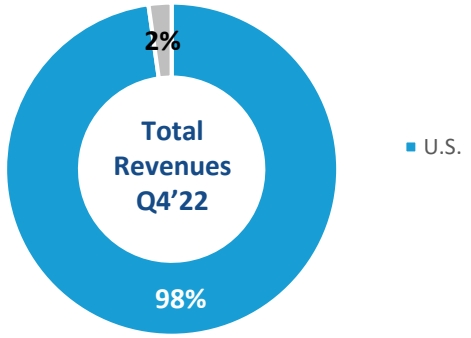
SUMMARY & HIGHLIGHTS

TECNOGLASS

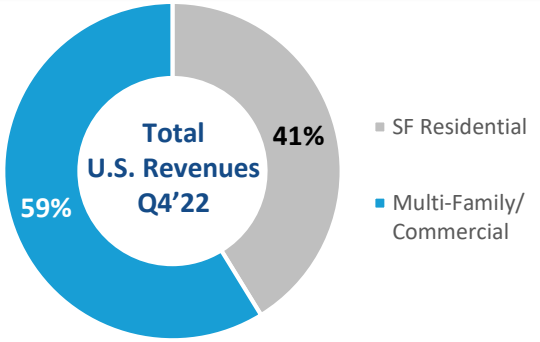
Q4 2022 Key Takeaways

- ✓ Q4'22 saw all-organic revenue growth of 60.2% to $211.1 mm led by strong U.S. performance on continued healthy residential and ramping commercial activity
- ✓ Accelerated growth in the U.S. single-family residential market, with sales up 58.6% to $85.1 mm through dealership expansion, geographic diversification and new innovative products. Ramping up multi-family and commercial construction, up 61.2% YoY
- ✓ Record Q4'22 gross profit increased 94.8% to $110.2 mm, with gross margin up 930 bps reaching 52.2%, attributable to operating leverage on higher sales, favorable pricing, revenue mix and automation initiatives
- ✓ Record Operating Income of $76.8 mm on higher sales. Operating margins improved by 1150 bps to 36.4%
- ✓ Adj. net income increased 117.4% to $52.1 mm
- ✓ Adj. EPS which excludes non-cash FX and non core items up 117.4% to $1.09 compared to $0.50 in the previous year quarter
- ✓ Adj. EBITDA of $87.2 mm, with margins up by 930 bps to 41.3% YoY

Sales By Geography Q4'22



U.S. End Market Mix Q4'22



Q4'22 Gross Margin	**52.2%**
Q4'22 Adj. EBITDA[1] Margin	**41.3%**
Q4'22 Operating Cash Flow	**$49.8 mm**

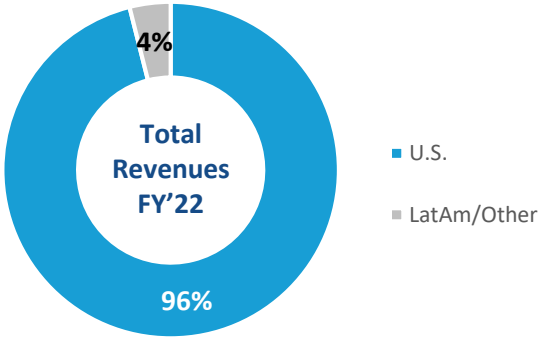
Notes:

1. *Adjusted EBITDA excludes non-recurring and non-cash expenses mainly associated with our bond issuance and respective extinguishment of former debt, withholding taxes associated with payments to bondholders, acquisition related costs and other non-recurring items*

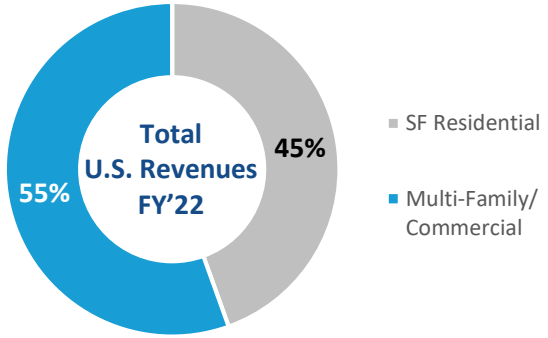
FY 2022 Key Takeaways

- ✓ Record FY'22 revenues, gross profit, operating income, Adj. EBITDA, Adj. Net Income and free cash flow
- ✓ Total revenues of $716.6 mm, up 44.2% YoY, led by strong U.S. growth, which increased 50.8% to $688.4 mm on strong single-family residential activity and commercial construction growth
- ✓ Accelerated growth in the single-family residential market, up 72.8% to $306.4 mm, through continued expansion of our dealers network and geographic presence along with new product introductions
- ✓ Operating efficiencies on automation initiatives, favorable revenue mix and operating leverage drove a significant and margin expansion during the year; driving gross profit margins up 800 bps YoY
- ✓ Adj. EPS of $3.32, which excludes non cash FX gains and losses and non core items up 91.6% from $1.74 in 2021
- ✓ Adj. EBITDA grew 76.8% YoY to a record $265.7 mm at a 37.1% margin
- ✓ Strong FY'22 cash generation with operating cash flow of $141.9 mm driven by higher profitability YoY and enhanced working capital management further strengthening financial flexibility to execute expected growth; record free cash flow of $70.5 mm for the full year
- ✓ Continued deleveraging, with all time low net debt / LTM adj. EBITDA standing at 0.2x
- ✓ Record backlog of $725.2 mm, up ~24% YoY, representing ~1.8x LTM multi family and commercial revenues

Sales By Geography FY'22



U.S. End Market Mix FY'22



FY'22 Gross Margin	48.8%
FY'22 Adj. EBITDA[1] Margin	37.1%
FY'22 Operating Cash Flow	$141.9 mm
FY'22 Net Leverage	0.2x

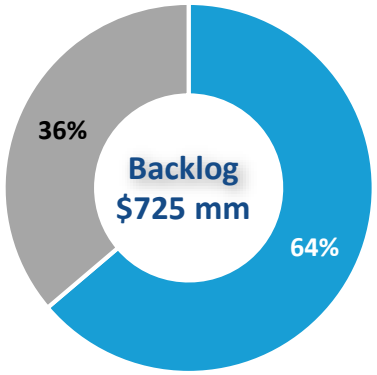
1. *Adjusted EBITDA excludes non-recurring and non-cash expenses mainly associated with our bond issuance and respective extinguishment of former debt, withholding taxes associated with payments to bondholders, acquisition related costs and other non-recurring items*

U.S. Growth Driving Resilient Backlog

Backlog Overview

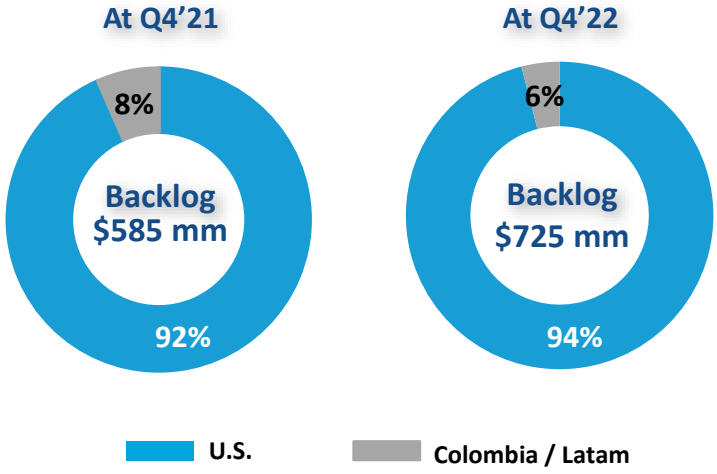
- ✓ Our track record of successfully delivering high profile projects and maintaining consistent lead times has earned us an increasing number of opportunities across the U.S., demonstrated by our expanding backlog, up 24% YoY to a record $725 mm
- ✓ U.S. backlog of $682 mm, representing 94% of total backlog, led by increased geographical diversification and strong activity in the Southeast U.S., our strongest region, currently outperforming most of the country
- ✓ While high interest rates remain, secular and demographic trends continue to fuel backlog growth, including "pent-up" activity from projects formerly on hold during the pandemic
- ✓ Solid single-family residential growth trajectory not fully captured in backlog given shorter term "spot" duration of projects

Backlog as of Q4'22 by End Market



Majority of backlog weighted towards medium and high rise residential, which are outperforming most sectors

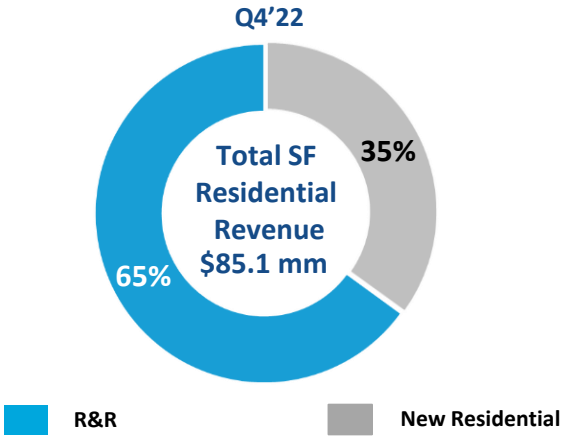
Geographic Mix



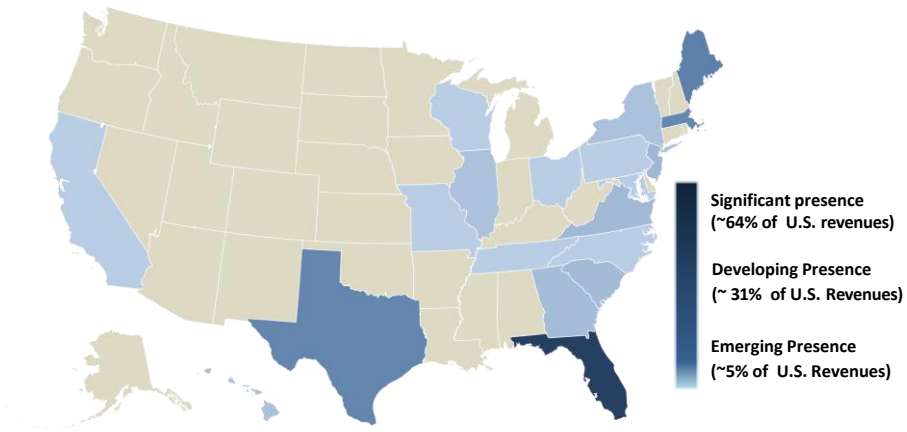
•Source:
1. The Conference Board reported the Consumer Confidence Index

Single-Family Residential Weighted Towards R&R

Repair & Remodel Exposure



Geographic Exposure



- ✓ Q4'22 and FY'22 single-family residential sales up 59% and 73% YoY respectively; accounting for 45% of FY'22 U.S. revenues, compared to 3% in 2017
- ✓ Approximately 65% of single-family residential revenues are tied to R&R demand, which has a historically low correlation to mortgage rates
- ✓ Market share upside to single-family revenues exists through an expanding dealer base, geographic expansion within the Southeast and Southcentral U.S., the introduction of innovative new products specifically catering to a growing opportunity with production homebuilders and the opening of new showrooms in expanding geographies (NYC and Charleston now operational)
- ✓ Favorable demographics support secular trend of population migration into southern states

Vertically-Integrated & Well-Situated Operations Create Structural Advantages



Tecnoglass integration across the architectural glass and window value chain provides significant control over a substantial portion of costs and structural advantages relative to industry peers

Raw Materials

- ✓ Stable glass supply and costs resulting from JV with St. Gobain
- ✓ Majority of aluminum costs hedged through fixed price contracts

Labor

- ✓ Investments in automation initiatives and commitment to workforce providing production efficiency and low turnover
- ✓ While TGLS pays 15% above minimum wage, this is 7-10x below U.S. peers

Transportation

- ✓ U.S./Colombia trade imbalance mitigates marine transportation costs
- ✓ Connected supply chain keeps intercompany transport costs <5% of revenues

Energy

- ✓ 15% energy savings from prior investments in renewables (solar panels)
- ✓ Utilizing co-generation through on-site natural gas emissions

Structural advantages resulting in substantially shorter lead times than industry, unlocking opportunities for continued expansion and market share gains







Paramount Miami Worldcenter

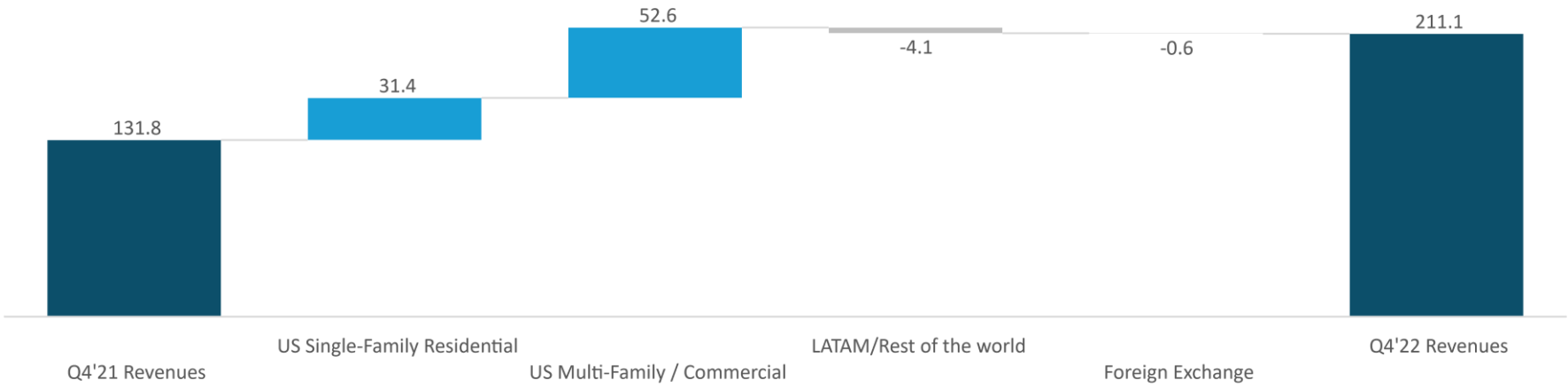
Florida, United States

FINANCIAL UPDATE

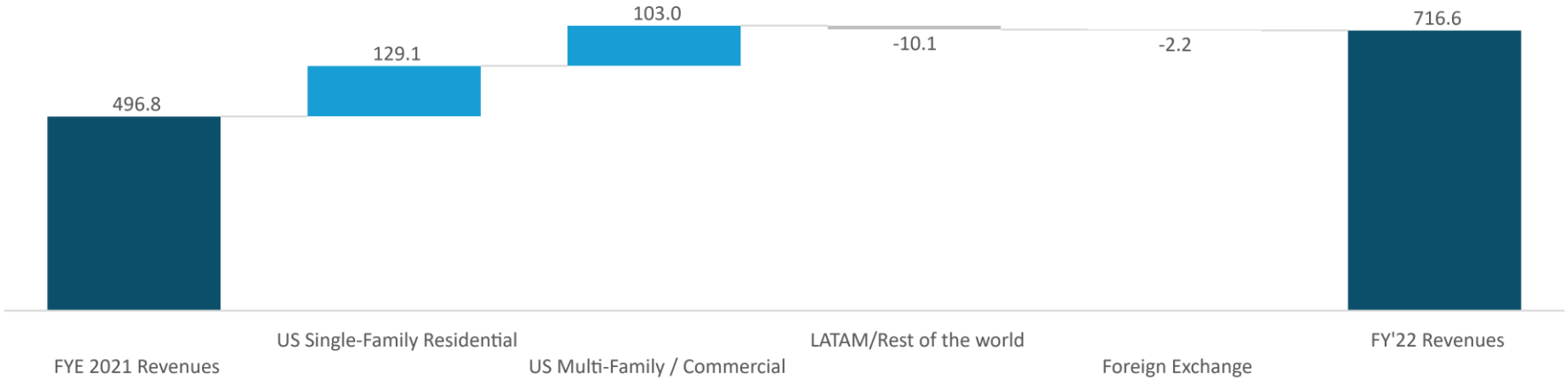
TECNOGLASS

Revenue Bridge 2022 vs. 2021

Q4 2022 Revenue Bridge (US$M)



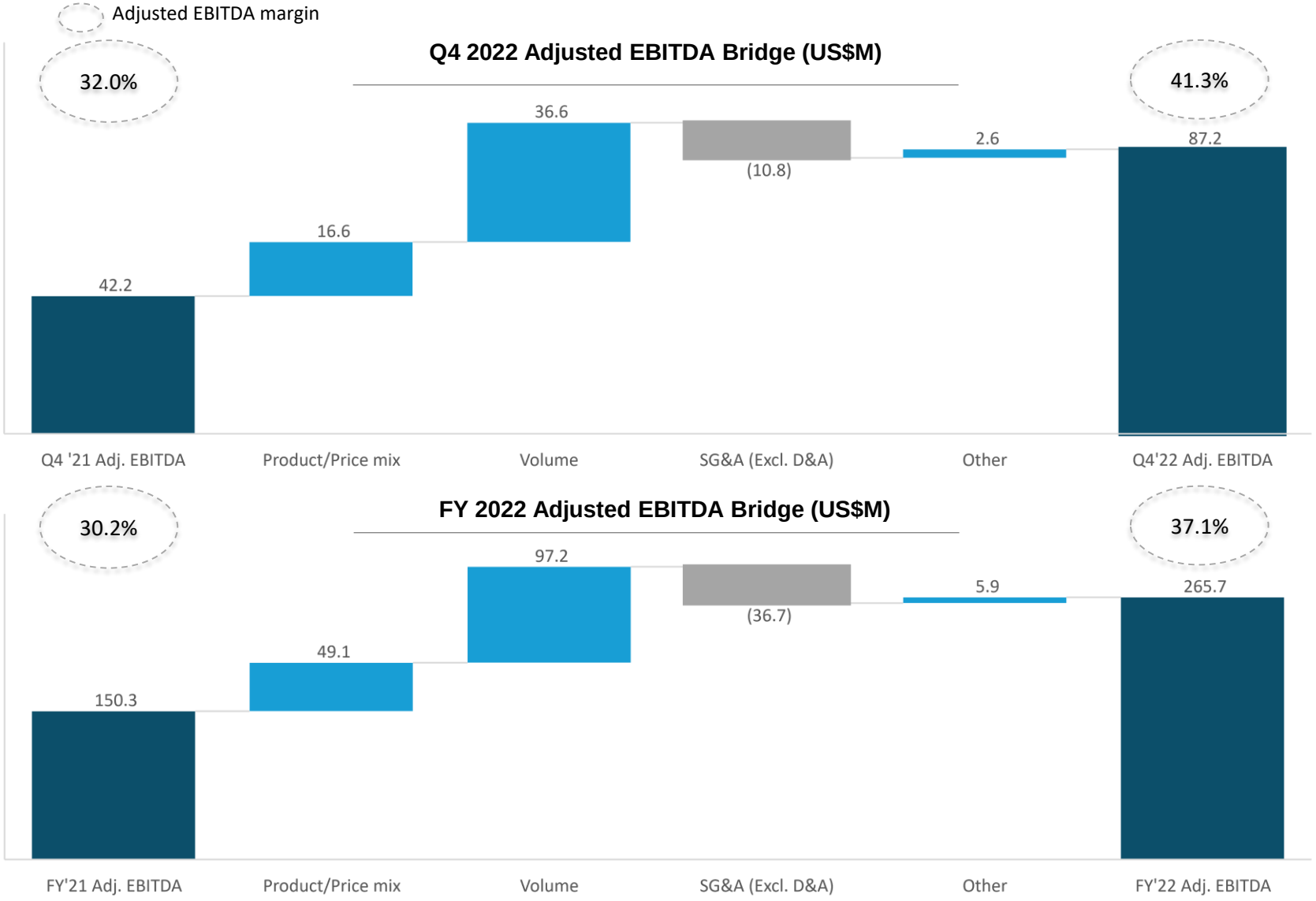
FY 2022 Revenue Bridge (US$M)



TGLS LTM revenue mix from U.S. +90%; higher than average of 77% for U.S.-based building product peers[1]

1. *Peer average includes APOG, AWI, DOOR, FBHS, JELD, MAS, MHK, OC, PGTI, ROCK, SSD, TILE, WMS, as of latest annual SEC filings; Sourced from FactSet*

Adjusted EBITDA Bridge 2022 vs. 2021[1]

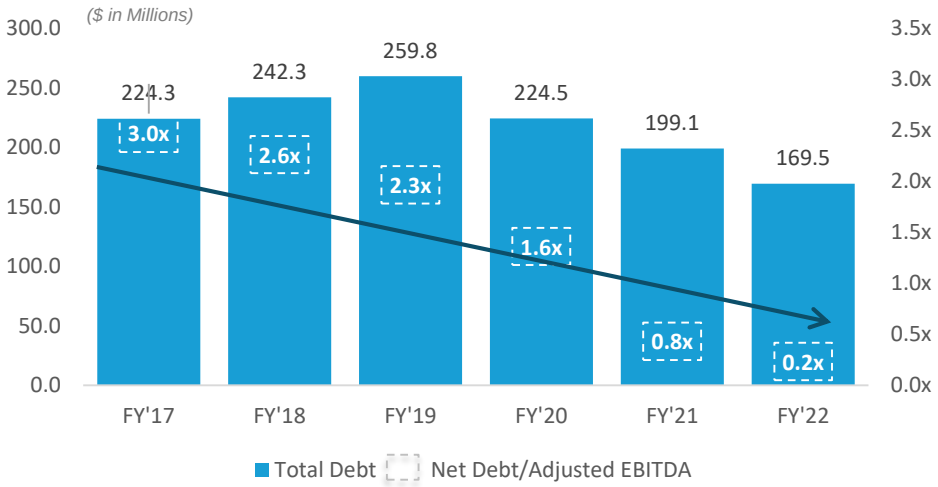


Notes:

1. *Adjusted EBITDA excludes non-recurring and non-cash expenses mainly associated with our bond issuance and respective extinguishment of former debt, withholding taxes associated with payments to bondholders, acquisition related costs and other non-recurring items*

Continued Balance Sheet & Leverage Profile Improvement

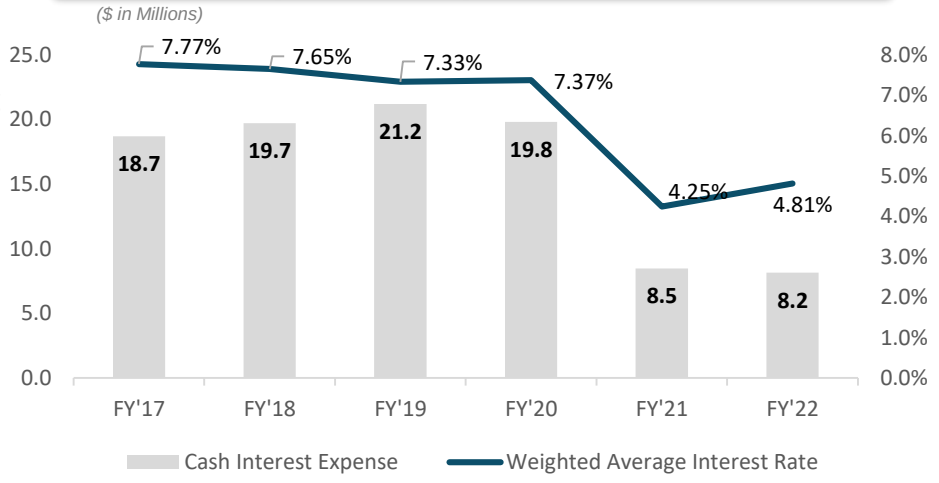
Improved Leverage



- ✓Solid cash conversion of adj. EBITDA[1] driving $141.9 mm of cash flow from operations in 2022
- ✓Continued deleveraging, with lowest net debt / LTM adj. EBITDA[1] in the Company's history at 0.2x
- ✓Liquidity of ~$270 mm[2], including cash of $103.7 mm and $170 mm availability under its committed revolver facility and working capital lines
- ✓Significant financial flexibility to execute growth, invest in business and return cash to shareholders

- ✓Improved weighted average interest rate by ~250 basis point since 2020
- ✓Company at lowest interest rate tier under debt agreement at LIBOR + 1.50%, with no LIBOR floor
- ✓No significant debt maturities until the end of 2026
- ✓Variable rate debt hedged through 2026 at low rates, mitigating interest rate fluctuations

Weighted Average Interest Rate [3]

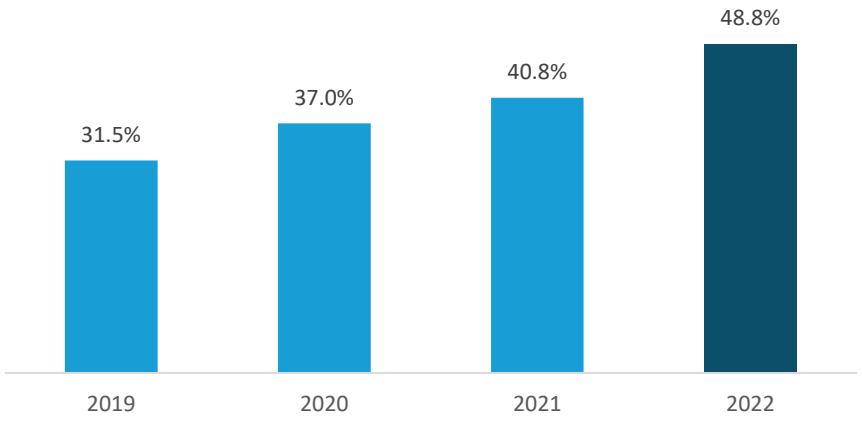


Notes:

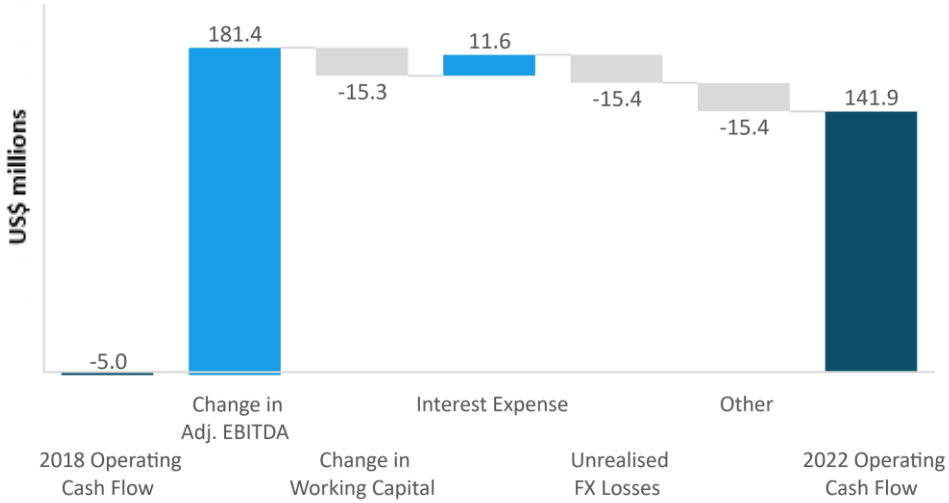
1. *Adjusted EBITDA excludes non-recurring and non-cash expenses mainly associated with our bond issuance and respective extinguishment of former debt, acquisition related costs and other non-recurring items*
2. *On a pro forma basis as of September 30, 2022 giving effect to the addition of the new $350 mm senior secured facility and pay down of previous facilities*
3. *Calculated based on current nominal amount of financial debt and assuming a Libor + 1.50% interest rate based on projected leverage profile*

Structurally Improved Margins & Cash Flow

Improved Gross Margin



Operating Cash Flow Bridge (2018 – 2022)



- ✓ Gross margin increased to 48.8% as of FY 2022, up from 31.5% at the end of 2019. Three main factors have contributed to the improved margin profile:
  - ➢ Step-up in gross margin from structural and sustainable operational improvements related to automation initiatives
  - ➢ Shift of business strategy to expand into the single-family residential end market is accretive to margins given the higher mix of manufacturing vs. installation revenues
  - ➢ Operating leverage on higher revenues have more than offset depreciation, labor, and other indirect manufacturing costs

- ✓ Tecnoglass has established a strong record of cash flow generation as a result of increased profitability, better working capital management, reduced interest expense and a more favorable mix of revenues
- ✓ Significant DSO improvement, from 90 in 2018 to 80 in 2022, driven by improved collection efforts and a higher mix of revenues from single-family residential, which includes upfront payments, shorter sales cycles and no retainage; Company allows for 10-15 day transit times in addition to typical 60 day terms
- ✓ Interest expense savings achieved through reduction in both debt outstanding and weighted average interest rate

Stronger profitability and significant improvement in working capital metrics driving significant cash flow generation and low net leverage (Net Debt / LTM Adjusted EBITDA) levels

Notes:

1. *Prior periods retroactively adjusted to include the historical financial results of Ventanas Solar, given the acquisition of VS was deemed to be a transaction between entities under common control.*



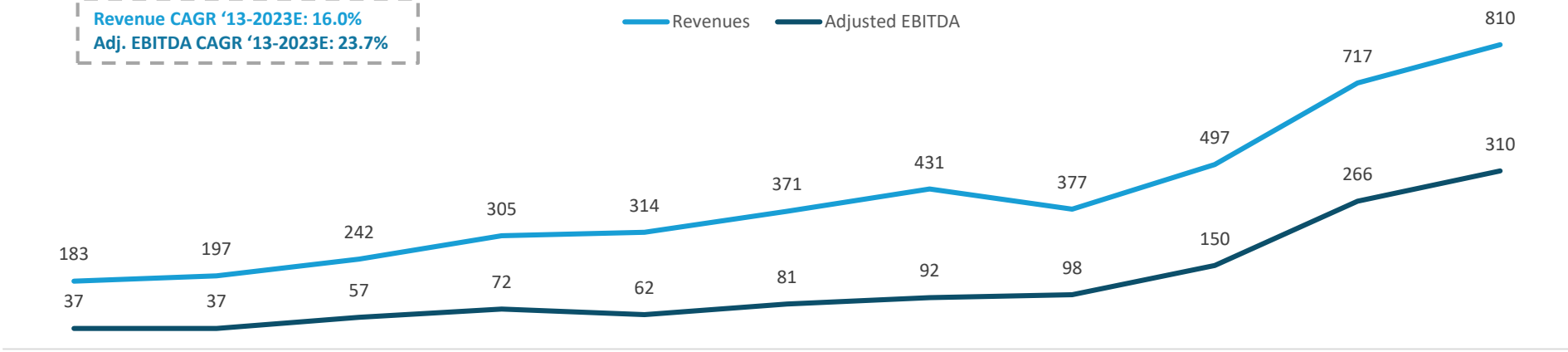
Residential Project,
Florida, United States

OUTLOOK UPDATE

Evolution of Revenue & Adjusted EBITDA

Revenues & Adj. EBITDA Evolution

Revenue CAGR '13-2023E: 16.0%
Adj. EBITDA CAGR '13-2023E: 23.7%



- **2013** — Became public
- **2015** — Investment in Top-class manufacturing facility to produce high-spec insulated glass
- **2017** — Entered into the Single-family Residential Market in the U.S., now accounting for 45% of total U.S. sales
- **2019** — Entered into Joint Venture Agreement with Saint Gobain for secure float glass supply; Investments in automation began, US$25mm of Capex invested during 2019
- **2020** — Automation investments became operational; COVID-19 Pandemic
- **2021** — Introduction of Multimax products oriented towards production homebuilders; Sales reps in expanding geographies building relationships with targeted GC´s, developers, architects & glazers
- **2022** — Opening of new showrooms in expanding geographies (NYC & Charleston now operational); Revenue increase of 44% YoY at the higher end of guidance; gross margin up ~790bps
- **2023E** — Geographic Diversification and Dealership Expansion; Installed capacity expected to reach approx. US$950mm by Q2 2023

2023 Double-Digit Growth Outlook

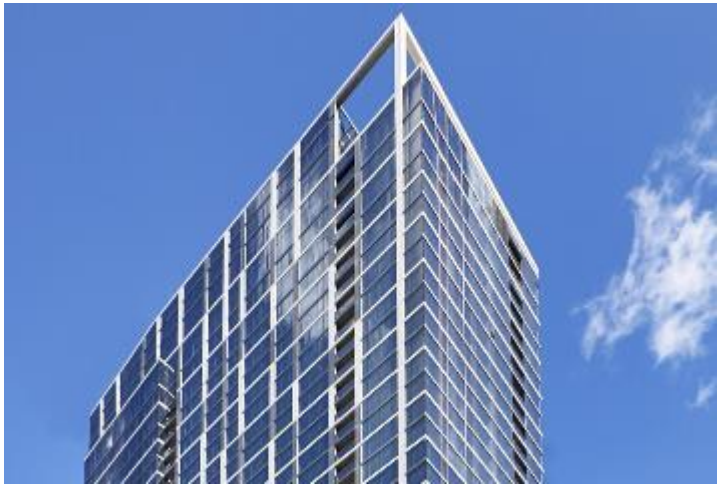
- Expected revenue growth led by continued geographical expansion and market share gains into single-family residential, coupled with stronger momentum from multi-family and commercial backlog
- Adjusted EBITDA outlook incorporates expectation for full year gross margin to be in the high ~40% range, mainly attributable to strong operating leverage, structural advantages, vertically integrated operations, and a higher mix of product versus installation revenue
- Strong invoicing continuing into Q1'23, but we are taking a more leveled approached on the single-residential segment outlook
- Anticipate strong cash flow from operations and executing on growth capex investments to support expected growth in demand. Growth capex expected to step down given installed capacity in place

Revenue
$790-$830 MM
+10-16% YoY

Adj. EBITDA
$300-$320 MM
+13-21% YoY







APPENDIX

Hub50House
Massachusetts, United States

TECNOGLASS

ESG Strategy

Outstanding Achievements

Environmental

Leading Eco-Efficiency and Innovation

- National Carbon Neutrality Program
- +15,000 Solar Panels Installed Generating Over 32.443,19 MWh
- Waste Management and Utilization
- Container and Packaging Environmental Management Plan
- Automation and Innovation

Social

Enhancing Our Environment

- Employee Training and Education Programs
- Program for Prevention and Care of COVID-19
- Occupational Health and Safety
- Tecnoglass ESWindows Foundation
- Social Intervention Campaigns

Governance

Promoting Continuous, Ethical and Responsible Growth

- Ethics and Compliance Program
- Efficient Supply Chain Security Management
- Continuous Improvement of Our Products Through Our Quality Management System “QMS”
- Communication Strategies In-Line With the Company’s Objectives and Specially Designed for Each Audience

ESG Strategy

Our Sustainability Strategy contains the Company's guidelines and value propositions to meet the expectations of our stakeholders

Environmental

Leading Eco-Efficiency and Innovation

- Encourage the energy efficiency of the operation and the products
- Prevent, mitigate and compensate environmental impacts of the business
- Promote the efficient use of materials and technologies, respectful with the environment
- Responsible management of the value chain and the product cycle
- Position an innovation and quality approach within all of the Company`s processes

Social

Enhancing Our Environment

- Generate quality work opportunities
- Promote and adopt the best labor and Human Rights
- Build and develop a comprehensive teamwork with innovating mentality
- Achieve an accident-free labor environment, supported by culture of health and safety
- Generate value for the communities in the areas of influence

Governance

Promoting Continuous, Ethical and Responsible Growth

- Adapt our offer and operation to new markets
- Conduct our business with integrity, ethical and transparency
- Adopt best corporate governance practices that facilitate decision making and accountability
- Consolidate and protect our brand
- Strengthen risk management as strategic factor for the organization

Non-GAAP Reconciliation[(1)]

Adjusted EBITDA and adjusted net (loss) income attributable to parent reconciliation
Figures in U.S. $k

	Three months ended Dec 31,		Twelve months ended Dec 31,	
	2022	2021	2022	2021
Net (loss) income	**55,124**	**19,788**	**156,412**	**68,428**
Less: Income (loss) attributable to non-controlling interest	(153)	(117)	(669)	(277)
(Loss) Income attributable to parent	**54,971**	**19,671**	**155,743**	**68,151**
Foreign currency transactions losses (gains)	(2,869)	4,641	(2,013)	4,308
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	510	1,671	2,455	5,933
Non Recurring professional fees	-	-	3,402	-
Extinguishment of debt - Call Option Premium	-	-	-	8,610
Extinguishment of debt - Deferred Costs	-	(104)	-	2,089
Joint Venture VA (Saint Gobain) adjustments	(1,691)	(45)	52	57
Change in FV of Hedging Derivatives	-	-	-	(176)
Tax impact of adjustments at statutory rate	1,215	(1,849)	(1,169)	(6,246)
Adjusted net (loss) income	**52,136**	**23,985**	**158,470**	**82,726**
Basic income (loss) per share	1.15	0.41	3.27	1.43
Diluted income (loss) per share	1.15	0.41	3.27	1.43
Diluted Adjusted net income (loss) per share	1.09	0.50	3.32	1.74
Diluted Weighted Average Common Shares Outstanding in thousands	**47,675**	**47,675**	**47,675**	**47,675**
Basic weighted average common shares outstanding in thousands	47,675	47,675	47,675	47,675
Diluted weighted average common shares outstanding in thousands	47,675	47,675	47,675	47,675

	Three months ended Dec 31,		Twelve months ended Dec 31,	
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(Loss) Income attributable to parent	**54,971**	**19,671**	**155,743**	**68,151**
Interest expense and deferred cost of financing	2,724	1,730	8,156	9,850
Income tax (benefit) provision	26,542	8,330	74,758	28,485
Depreciation & amortization	4,597	5,318	19,686	20,923
Foreign currency transactions losses (gains)	(2,869)	4,641	(2,013)	4,308
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	510	1,297	2,455	4,564
Non Recurring professional fees	-	-	3,402	-
Extinguishment of debt - Call Option Premium	-	-	-	8,610
Extinguishment of debt - Deferred Costs	-	(104)	-	2,089
Joint Venture VA (Saint Gobain) EBITDA adjustments	768	1,294	3,477	3,448
Change in FV of Hedging Derivatives	-	-	-	(176)
Adjusted EBITDA	**87,243**	**42,177**	**265,664**	**150,252**

Notes:

1. Adjusted EBITDA, Adjusted EBIT and Adjusted Net Income are not measures of financial performance under generally accepted accounting principles ("GAAP"). Management believes Adjusted EBITDA, Adjusted EBIT and Adjusted Net Income, in addition to operating profit, net income and other GAAP measures, is useful to investors to evaluate the Company's results because it excludes certain items that are not directly related to the Company's core operating performance. Investors should recognize that Adjusted EBITDA, Adjusted EBIT and Adjusted Net Income might not be comparable to similarly-titled measures of other companies. These measures should be considered in addition to, and not as a substitute for or superior to, any measure of performance prepared in accordance with GAAP. Because GAAP financial measures on a forward-looking basis are not accessible, and reconciling information is not available without unreasonable effort, we have not provided reconciliations for forward-looking non-GAAP measures.

TECNOGLASS

Non-GAAP Reconciliation[(1)]

Net Debt, Leverage and Total Investment Reconciliations
Figures in U.S. $k

	As of December 31,	
	2021	**2022**
Short Term Debt and Current Portion of Long Term Debt	10,700	504
Long Term Debt	188,418	168,980
Corporate Bond	-	-
Gross Debt	**199,118**	**169,484**
Cash at the end of the period	85,012	103,671
Net Debt	**114,106**	**65,813**
LTM Adjusted EBITDA	150,549	265,664
Net Debt / LTM Adjusted EBITDA	**0.76x**	**0.25x**

Notes:

1. *Total Investment and Free Cash Flow are not financial measures under generally accepted accounting principles ("GAAP"). Management believes this measurements are useful to investors to evaluate the Company's performance. Total Investment includes Capex or cash acquisition of property and equipment, assets acquired under capital lease and assets acquired with debt. Free Cash Flow is calculated as cash (used in) provided by operating activities (-) Capex or cash acquisition of property and equipment. Free Cash Flow do not include assets acquired under capital lease or debt. Investors should recognize Total Investment and Free Cash Flow might not be comparable to similarly-titled measures of other companies. These measures should be considered in addition to, and not as a substitute for or superior to, any measure prepared in accordance with GAAP. Because GAAP financial measures on a forward-looking basis are not accessible, and reconciling information is not available without unreasonable effort, we have not provided reconciliations for forward-looking non-GAAP measures.*