

TECNOGLASS

First Quarter 2024 Earnings Conference Call

May 9, 2024 – TECNOGLASS INC.
(NYSE: TGLS)

www.tecnoglass.com

Disclaimer

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.

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Highlights

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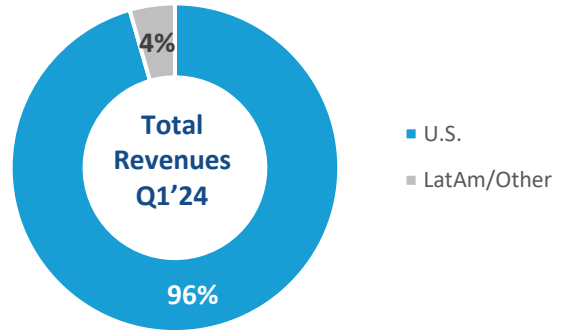
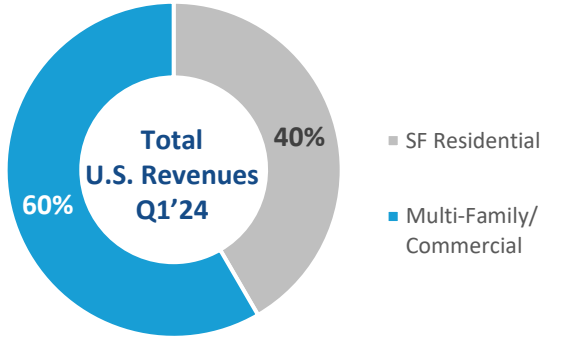
Q1 2024 Key Takeaways

- Revenues of $192.6 mm, 96% from the U.S., with single-family residential revenues of $73.2 mm
- Multi-family/commercial revenues stable at $119.5 mm through consistent execution of growing backlog, once again at a record level
- While Q1 residential revenues decreased as a result of higher interest rates, March and April orders have experienced a significant rebound, up over 20% versus January and February
- Gross profit margin of 38.8% included impacts of unfavorable FX dynamics, deleveraging on lower single-family residential revenues, the timing of promotional activity, and unfavorable revenue mix
- Strong operating cashflow of $33.4 mm driven by a continued efficient working capital management, further strengthening financial flexibility to execute expected growth along with an expected reduction in Capex, producing free cash flow of $23.5 mm
- Adj. EBITDA of $51.0 mm, or 26.5% of revenues
- Adj. net income of $30.9 mm, or Adj. EPS of $0.66
- Debt down to $158 mm after $15 mm in debt repayment in January 2024, with leverage at an all-time low of 0.08x net debt/Adjusted EBITDA
- Strong level of vinyl quoting ahead of internal expectations continues to support expected ramp-up in vinyl revenues after Q2'24
- Continued strong activity in key Tecnoglass markets continues to support a record level of backlog at $916.2 mm, up 18.0% YoY, maintaining a book to build ratio above 1.0x

Sales by Geography Q1'24



U.S. End Market Mix Q1'24



Q1'24 Revenues	**$192.6 mm**
Q1'24 Adj EBITDA	**$51.0 mm**
Q1'24 Operating Cash Flow	**$33.4 mm**
Backlog	**$916.2 mm**

Notes:

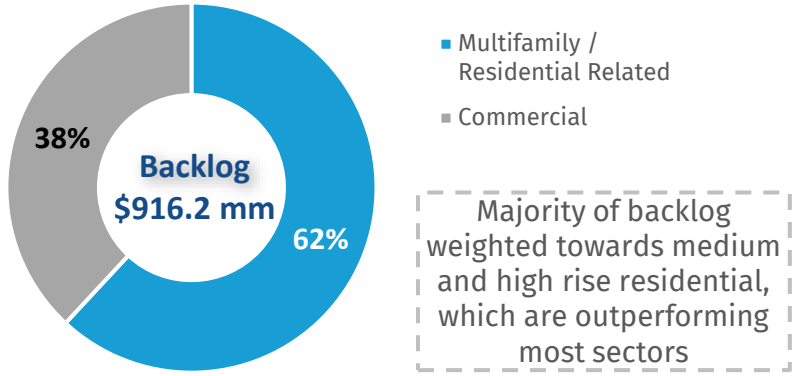
1. *Adjusted EBITDA, Adjusted Net Income and Adjusted EPS excludes non-recurring and non-cash expenses mainly associated with non-cash foreign exchange transaction gains or losses, non-recurring professional fees and other non-core items, and include the proportional contribution of the Company's joint venture with Saint-Gobain.*

U.S. Growth Driving Resilient Multi-family/Commercial Backlog

Backlog Overview

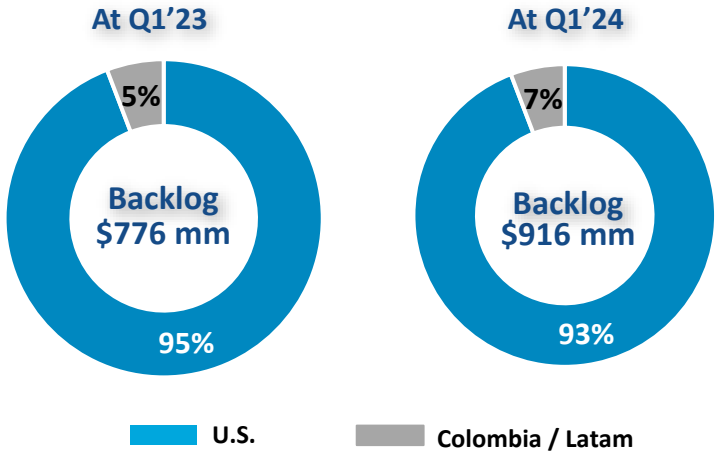
- Track record of successfully delivering high profile projects and maintaining consistent lead times has earned us an increasing number of opportunities across the U.S., including a strong market share of the approximate 750 of ongoing and planned projects in the Miami, Ft. Lauderdale and Palm Beach areas alone[1]
- Favorable demographic trends in Florida and Southeast along with favorable commercial sub-sector mix allow for continued strength despite macroeconomic uncertainty
- U.S. backlog of $856 mm, representing 93% of total backlog, led by market share gains, geographical diversification and strong activity in the Southeast U.S.
- While interest rates remain high, the majority of backlog is comprised of projects that we believe to have lesser sensitivity to interest rate fluctuations (high end condos, luxury lodging, etc.)
- Strong “book to build” continues, paving the way for growth during 2024 and 2025
- Solid single-family residential growth trajectory not fully captured in backlog given shorter term “spot” duration of projects

Backlog as of Q1’24 by End Market



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

Geographic Mix

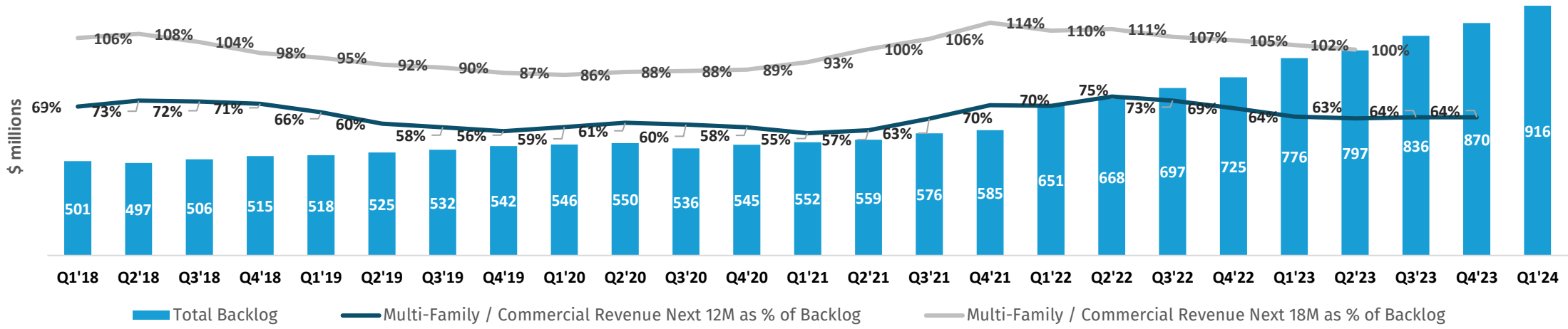


Notes:

1. South Florida Business Journal.

Demonstrated History of Converting Backlog to Revenue

Backlog to Revenue Conversion

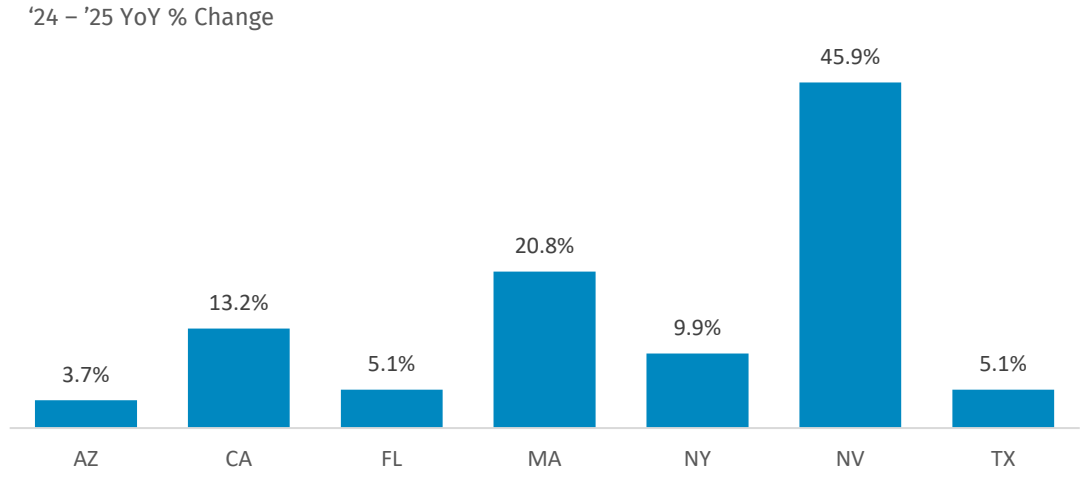


Note: Excludes Single-family Residential

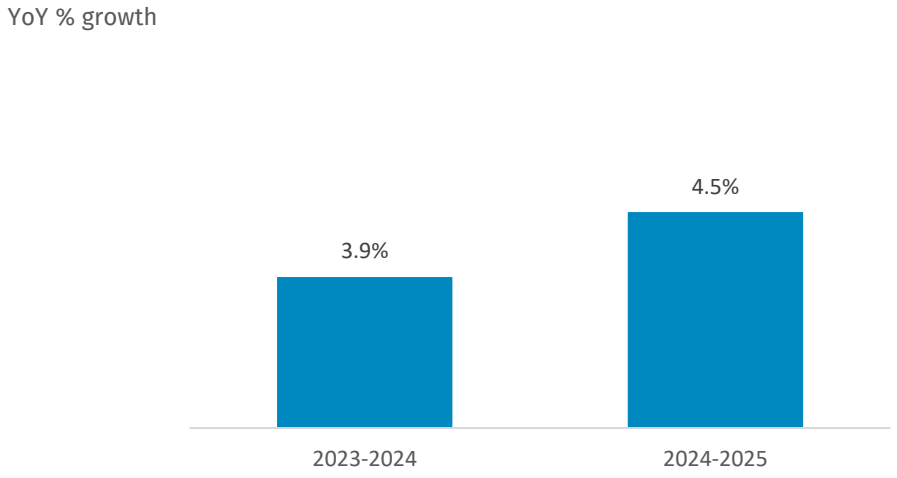
- Backlog has demonstrated consistent growth each quarter since 2021, reflecting sustained business momentum and a strong pipeline
- Historically, ~65% of multi-family and commercial revenue in backlog rolls off within 12 months and ~99% of the backlog rolls off within 18 months
- Book-to-bill ratio of 1.2x in Q1'24 with strong bidding activity signaling attractive project opportunities in the near future and adding to a solid book-to-bill ratio above 1.1x for the past 13 consecutive quarters
- Virtually no project cancellations historically given late-stage installation of windows into largely completed buildings, though tighter lending standards or other delays may lead to lags in invoicing materializing into revenues over a longer time period
- Single-family residential not reflected in backlog and provides additional growth avenues through showroom expansions and recent vinyl window market entry

Favorable Demographics in Key Regions Despite Macro Headwinds

Multi-family housing starts; ’24 – ’25 YoY % change[1]



Single-family U.S. housing starts in key Tecnoglass markets[2]



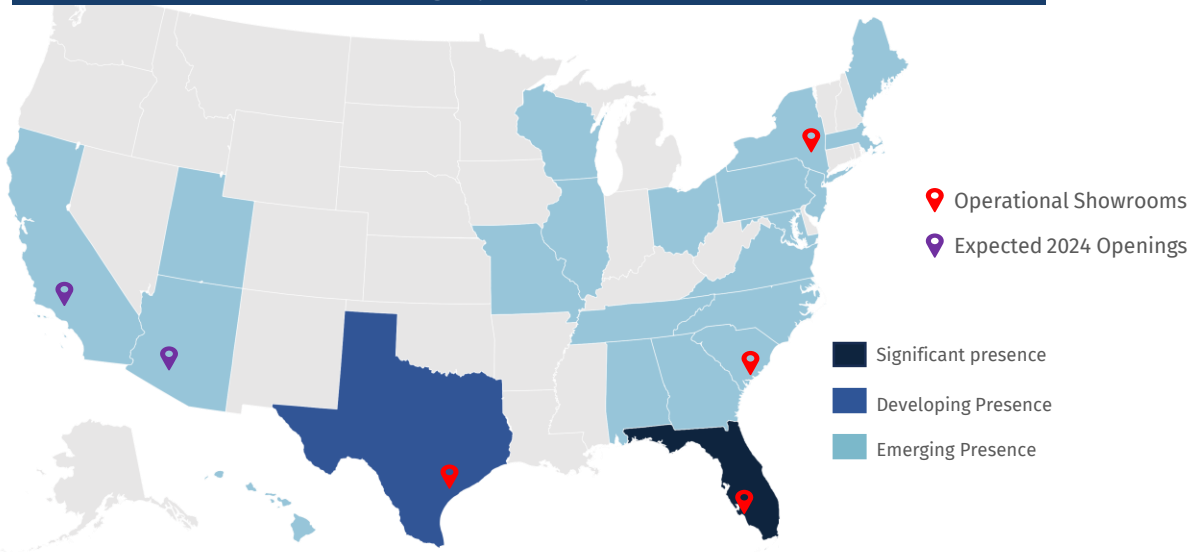
- Despite the overall U.S. outlook, multi-family housing starts forecasts continue to show growth in key Tecnoglass markets
- Single-family housing starts in the U.S. have picked up in recent quarters and are expected to remain resilient in 2024 and 2025, fueled by population growth across the U.S. and a significant housing deficit
- R&R spending supported long-term by aging U.S. housing stock and a lack of existing homes for sale driving both home improvements and new construction
- Large market share of 750 projects in South Florida pipeline, with significant development activity concentrated in areas like West Palm Beach, Fort Lauderdale, and others. Multi-family and mixed-use projects lead the way, representing TGLS’s strongest sub-sectors[1]

Notes:

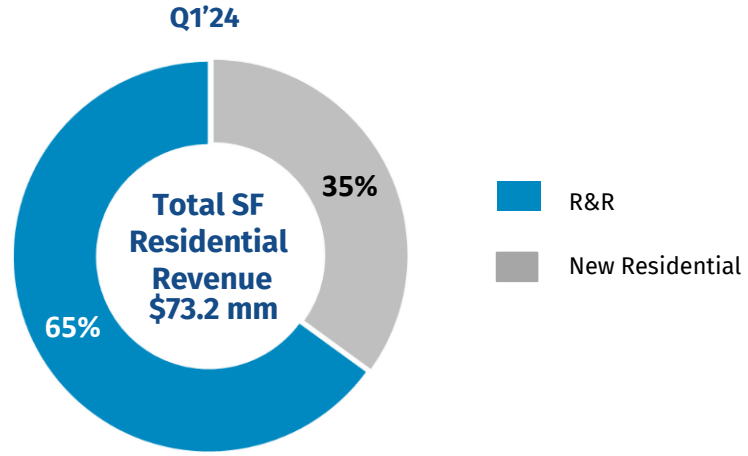
1. St. Louis Federal Reserve Economic Research, National Association of Home Builders)
2. US Census Bureau, Fannie Mae, St. Louis Federal Reserve Economic Research, Bloomberg. Note: (1) Represents single-family housing starts in AZ, CA, FL, MA, NV, NY and TX
3. *South Florida Business Journal.*

Single-Family Residential Business Expanding

Geographic Exposure



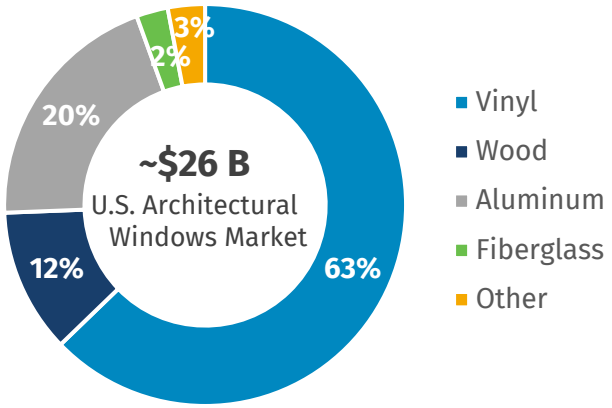
Single-Family Residential



- Q1 2024 single-family residential revenue of $73 mm; accounting for 40% of U.S. revenues, compared to 3% in 2017
- Current orders support an upward trajectory in Q2 and beyond with March and April orders at a record high, up over 20% versus January and February and up over 12% year-over-year
- Market share upside to single-family residential revenues exists through multiple avenues:
  - Organic growth driven by a widening dealer base enabled by short lead times (5-6 weeks), innovative product development and tailwinds in sustainability
  - Geographic expansion in Florida and further brand recognition throughout the US with additional showrooms in key markets (NYC, Charleston & Houston now operational)
  - Recent vinyl market entry significantly expanded our addressable market, providing a huge runway for revenue growth and product diversification
- Favorable demographic trends support secular trend of population migration into southern states
- Balanced end market exposure with ~65% of single-family residential revenues tied to R&R demand

Recent Strategic Entry into Vinyl Windows More than Doubles Addressable Market

Significant Addressable Market Potential[1]



Current vinyl window operating capacity represents an estimated $300 million in annual revenues over time

- More than doubles addressable market with an opportunity to add ~$300 mm in annual revenues once production lines fully ramped up
- Further strengthens geographic expansion, given vinyl's adaptability for various weather conditions and efficient thermal performance to address increased demand for energy efficiency
- Attractive synergies given that 1) many existing dealer customers already sell both aluminum and vinyl windows and 2) ability to leverage manufacturing expertise and vertically integrated operations

Operational Update

- Five fully operational vinyl window production lines capable of serving both the US and LatAm markets. Initial shipments began in December 2023
- TGLS vinyl sales & marketing primarily focused on North Florida, Alabama, South Carolina, North Carolina & Georgia. Expansion in the northeast U.S. supported by existing NYC showroom
- Strong quoting activity YTD, leveraging the network of approximately 60 legacy dealers in central and northern Florida which already carried both aluminum & vinyl products, providing a faster ramp-up opportunity vs. the legacy aluminum line with new distributors signed in northern Florida in 2024
- Showrooms already displaying legacy aluminum window lines plus new vinyl designs
- Cadence of orders expected to start ramping up after Q2'24, supported by ongoing robust quoting activity and early positive feedback from sampling

Notes:

1. External sources include IBISWorld, Fenestration and Glazing Industry Alliance (FGIA), Insight Partners and Arizton Advisory and Intelligence



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Financial Update

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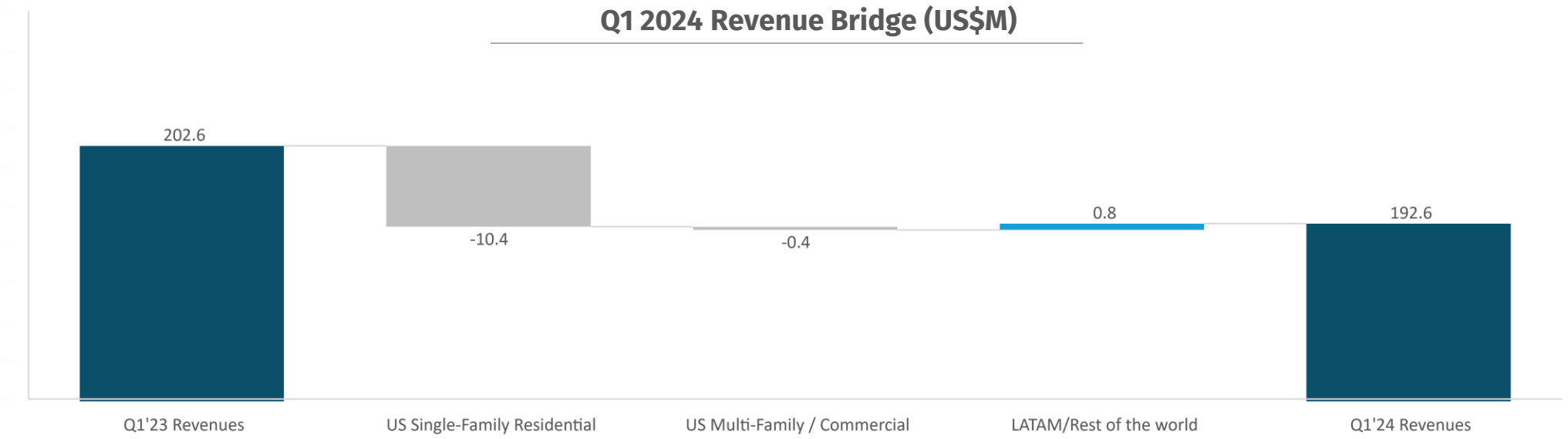
Revenue Bridge 2024 vs. 2023



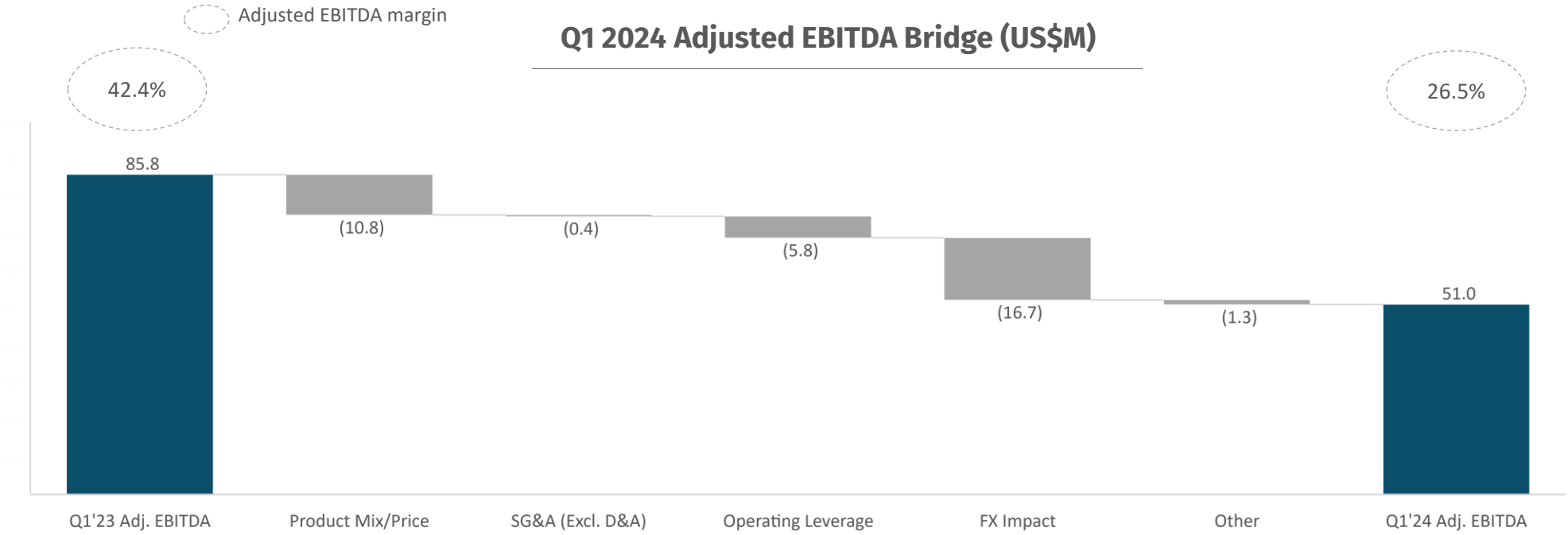
- Q1’24 revenues of $192.6 mm, accounting for seasonal trends and downtime related to maintenance in January
- Single-family residential revenues decreased $10.4 mm, or 13% year-over-year, to $73.2 mm in Q1’24, comprising approximately 38% of total sales
- U.S. multi-family and commercial revenues remained relatively stable at around $111 mm, accounting for approximately 60% of US sales in Q1’24, as we continue to execute on our growing backlog

TGLS LTM revenue mix from U.S. +95%, compared to average of 84% for U.S.-based building product peers(1)

Notes:

1. *Peer average includes AMWD, APOG, AWI, AYI, AZEK, DOOR, FBIN, JBI, JELD, MBC, NX, PGTI, ROCK, SSD, and TILE as of latest annual SEC filings; Sourced from FactSet*

Adjusted EBITDA(1) Bridge 2024 vs. 2023



- Gross margin of 38.8%, down year-over-year primarily due to a strong FX revaluation period since Q2'23, coupled with deleveraging from lower single family residential revenues, the timing of promotional activity, and unfavorable revenue mix that included more installation and stand-alone product sales
- SG&A decreased slightly on lower shipping and commission expenses given more installation revenue mix; SG&A as a percent of total sales was 17.5% compared to 16.8% in the prior year quarter, primarily due to lower revenues
- Q1'24 Adjusted EBITDA of $51.0 mm or 26.5% of revenues

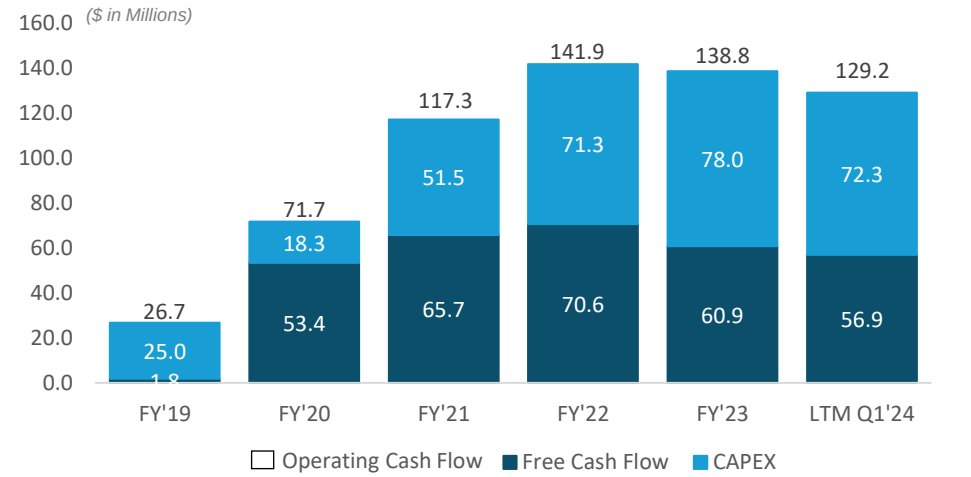
Notes:

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*

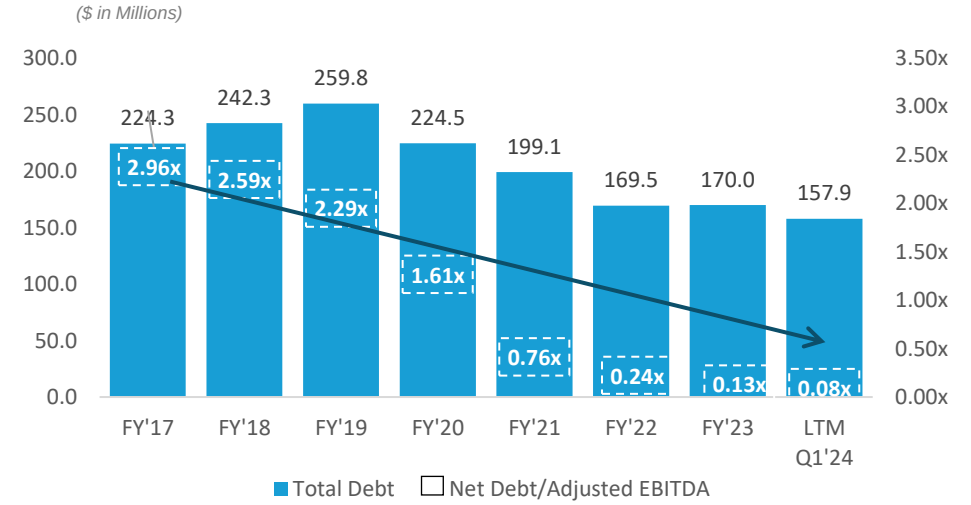
Strong Cash Flow & Balance Sheet

- Strong cash conversion of Adj. EBITDA[1] driving $33.4 mm of cash flow from operations in Q1 2024
- Strong free cash flow expected to continue through 2024 given meaningful drop in projected Capex for the year
- Liquidity[2] of ~$306 mm, including cash of $135.9 mm and $170.0 mm of availability under revolver facility
- Continued deleveraging, with all time low net debt / LTM Adj. EBITDA[1] at 0.08x with no significant debt maturities until the end of 2026
- Interest rate at lowest tier under debt agreement at SOFR + 1.50% and hedged through maturity at low rates, mitigating interest rate fluctuations
- Significant financial flexibility to execute growth, invest in business and return cash to shareholders
- In January 2024, paid down $15 mm of debt outstanding
- Similar to prior years, expect Q2'24 to be lowest free cash flow period in 2024 due to typical timing of annual cash tax payments

Strong Cash Flow Generation



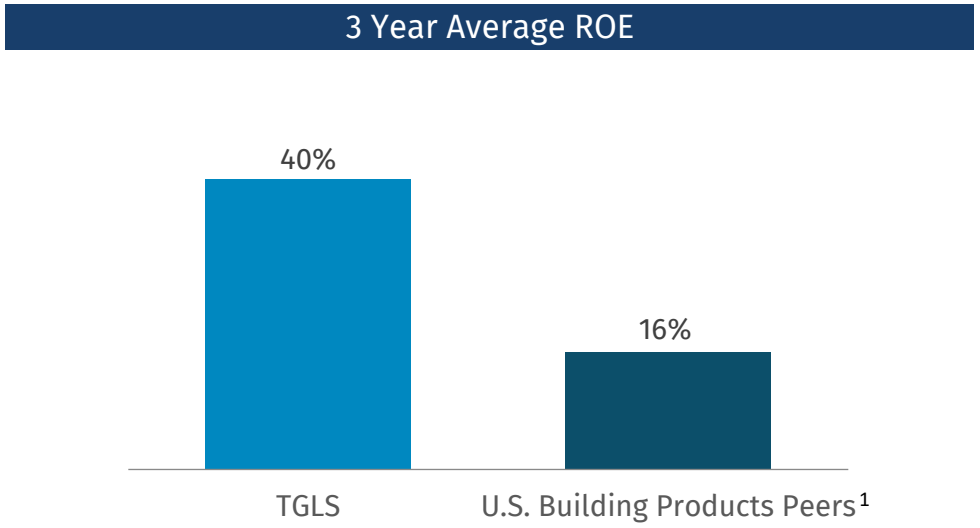
Solid Net Leverage and Balance Sheet

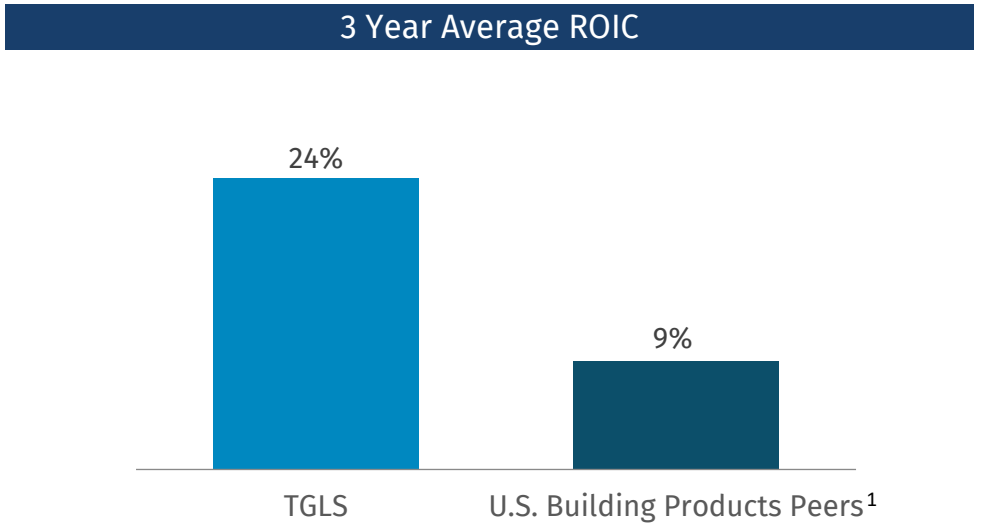


Notes:

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 March 31, 2024 giving effect to the $350 mm senior secured facility*

Track Record of Strong Returns Above Peers





Stronger profitability and significant improvement in working capital driving strong returns

Notes:

1. U.S. Building Products Peers include AMWD, APOG, AWI, AYI, AZEK, DOOR, FBIN, JBI, JELD, MBC, NX, PGTI, ROCK, SSD, and TILE for the three year period from Q1 2021 to Q1 2024.



205 Race Street
Philadelphia, Pennsylvania

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OUTLOOK UPDATE

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2024 Outlook

Full Year 2024 Scenarios		Assumptions
Upside Case		• 3 or more interest rate cuts • COP $4,000 average • Legacy residential revenues in line with current order level • Vinyl revenues of $25 mm • Improved activity in short-term/small commercial projects • Gross Margin at mid 40% range
$910 MM Revenue	**$285 MM** Adj. EBITDA	
Base Case		• 2 interest rate cuts • COP between $3,900-$4,000 • Legacy residential revenues at current order levels through June with a step down the rest of the year • Vinyl Revenues of $20 mm • Stable activity in short-term/small commercial projects • Gross Margin at low to mid 40% range
$875 MM Revenue	**$267 MM** Adj. EBITDA	
Downside Case		• 0 or 1 interest rate cuts • COP $3,850 • Legacy residential revenues at current order levels through June with a step down to Q1'24 levels the rest of the year • Vinyl Revenues of $15 mm • Slower activity in short-term/small commercial projects • Gross Margin at low 40% range
$850 MM Revenue	**$250 MM** Adj. EBITDA	

*All 3 scenarios assume that large multi-family/commercial projects stay within scheduled timetables

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*



3Eleven 601 Hudson Yards
New York City, New York

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APPENDIX

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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

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

Leading Eco-efficiency and Innovation

Over 85% of Tecnoglass' total revenues are considered Green Revenues, including low emissivity and impact-resistant glass and windows, contributing to reducing global emissions and mitigating climate change effects

68%

of our revenues are Impact Resistant (Hurricane), reflecting the increasing demand for resilient solutions in regions vulnerable to extreme weather events

65%

of our revenues are Energy Efficient, including IGUs and low emissivity glass, providing greener and more efficient cooling or heating energy usage

84%

of our Low-E products are equipped with double or more coatings, providing superior performance sought in sustainable building solutions

Non-GAAP Reconciliation[1]

Adjusted EBITDA and adjusted net (loss) income attributable to parent reconciliation

Figures in U.S. $k	Three months ended Mar 31,		Twelve months ended Mar 31,	
	2024	2023	2024	2023
Net (loss) income	**29,730**	**48,372**	**164,868**	**183,831**
Less: Income (loss) attributable to non-controlling interest	-	(137)	(491)	(706)
(Loss) Income attributable to parent	**29,730**	**48,235**	**164,377**	**183,125**
Foreign currency transactions losses (gains)	153	1,100	(1,633)	(3,822)
Provision for bad debt	125	914	2,020	1,158
Non-Recurring expenses (non-recurring professional fees, capital market fees, other non-core items)	671	2,361	4,800	3,810
Joint Venture VA (Saint Gobain) adjustments	783	435	1,150	451
Tax impact of adjustments at statutory rate	(554)	(1,539)	(2,028)	(779)
Adjusted net (loss) income	**30,908**	**51,506**	**168,686**	**184,621**
Basic income (loss) per share	0.63	1.01	3.50	3.84
Diluted income (loss) per share	0.63	1.01	3.50	3.84
Diluted Adjusted net income (loss) per share	0.66	1.08	3.59	3.87
Diluted Weighted Average Common Shares Outstanding in thousands	**46,997**	**47,675**	**46,997**	**47,675**
Basic weighted average common shares outstanding in thousands	46,997	47,675	46,997	47,675
Diluted weighted average common shares outstanding in thousands	46,997	47,675	46,997	47,675

	Three months ended Mar 31,		Twelve months ended Mar 31,	
	2024	2023	2024	2023
Net (loss) income	**29,730**	**48,372**	**164,868**	**183,831**
Less: Income (loss) attributable to non-controlling interest	-	(137)	(491)	(706)
(Loss) Income attributable to parent	**29,730**	**48,235**	**164,377**	**183,125**
Interest expense and deferred cost of financing	2,106	2,273	9,011	8,961
Income tax (benefit) provision	11,159	24,671	64,393	88,871
Depreciation & amortization	6,316	4,767	23,424	19,202
Foreign currency transactions losses (gains)	153	1,100	(1,633)	(3,822)
Provision for bad debt	125	914	2,020	1,158
Non-Recurring expenses (non-recurring professional fees, capital market fees, other non-core items)	671	2,361	4,799	3,810
Joint Venture VA (Saint Gobain) EBITDA adjustments	783	1,515	2,929	4,167
Adjusted EBITDA	**51,043**	**85,836**	**269,320**	**306,150**

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.

Non-GAAP Reconciliation[1]

Net Debt, Leverage and Total Investment Reconciliations

Figures in U.S. $k	As of March 31,	
	2023	2024
Short Term Debt and Current Portion of Long Term Debt	819	3,338
Long Term Debt	172,688	154,567
Gross Debt	**169,895**	**157,905**
Cash at the end of the period	128,538	135,881
Net Debt	**41,357**	**22,024**
LTM Adjusted EBITDA	306,150	269,320
Net Debt / LTM Adjusted EBITDA	**0.14x**	**0.08x**

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.*