

TECNOGLASS

Fourth Quarter and Full Year 2024 Earnings Conference Call

Feb 27, 2025 – 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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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.



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Highlights

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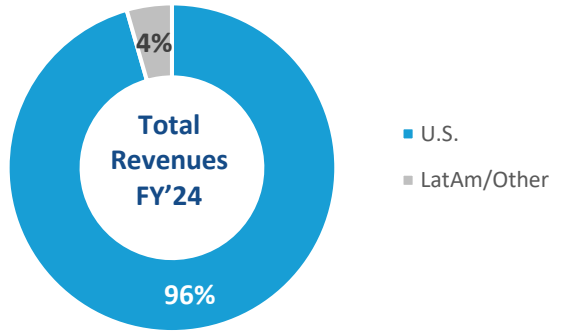
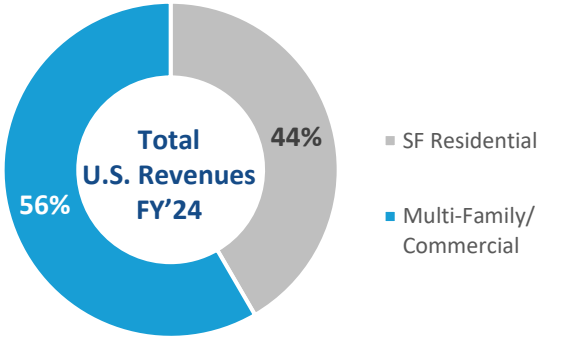
FY 2024 Key Takeaways

- Record revenues increased 6.8% YoY to a record $890.2 mm, fueled by strong performance in our main markets and by market share gains
- Single-family residential revenues up 10.9% to an all time high of $372.1 mm, through dealership growth, geographic expansion, including further expansion outside of Florida, and the initial contributions of the vinyl line
- Solid growth in multi-family and commercial activity, up 4.1% YoY to $518.1 mm as we continue to execute on our growing backlog
- Record operating cashflow of $170.5 mm attributable to strong profitability and enhanced working capital management; producing record free cash flow of $91.0 mm
- Gross profit margin for FY'24 of 42.7%, despite early year impact of deleveraging from higher salaries and headcount, as well as unfavorable FX. However, margins improved throughout the year, with H2 expanding 280 bps YoY to 45.6%, supported by relatively stable FX, favorable pricing and stronger revenues sequentially
- Adj. EBITDA of $275.8 mm, or 31.0% of revenues
- Adjusted net income of $171.6 mm, or Adj. EPS of $3.65
- Total debt of $109 mm following $65 mm in repayments YTD, resulting in a net cash position and further enhancing financial flexibility
- Backlog growth continued record trajectory, up 28% YoY to a record $1.1 bn, maintaining a book to build ratio above 1.1x and representing ~2.1x LTM multi-family and commercial revenues
- Strong level of vinyl quoting continues to support expected ramp-up in vinyl revenues throughout 2025

Sales by Geography FY'24



U.S. End Market Mix FY'24



FY'24 Revenues	**$890.2 mm**
FY'24 Adj EBITDA	**$275.8 mm**
FY'24 Operating Cash Flow	**$170.5 mm**
Backlog	**$1.1 bn**

Notes:

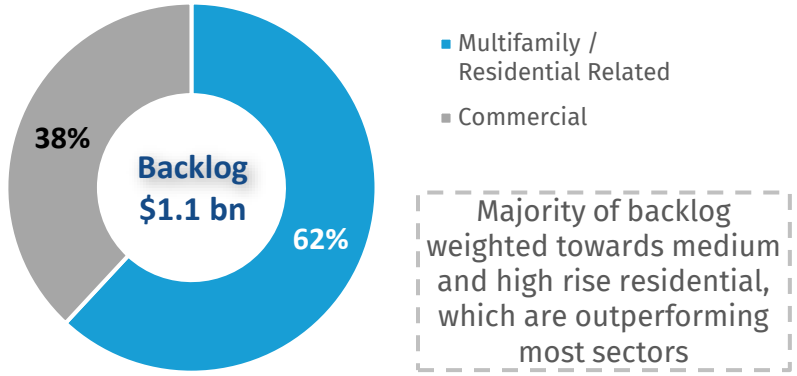
1. *Adjusted EBITDA, Adjusted Net Income and Adjusted EPS excludes non-recurring and non-cash expenses mainly associated with non-cash foreign exchange transaction gains or losses, non-recurring professional fees and other non-core items, and include the proportional contribution of the Company's joint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

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

Backlog Overview

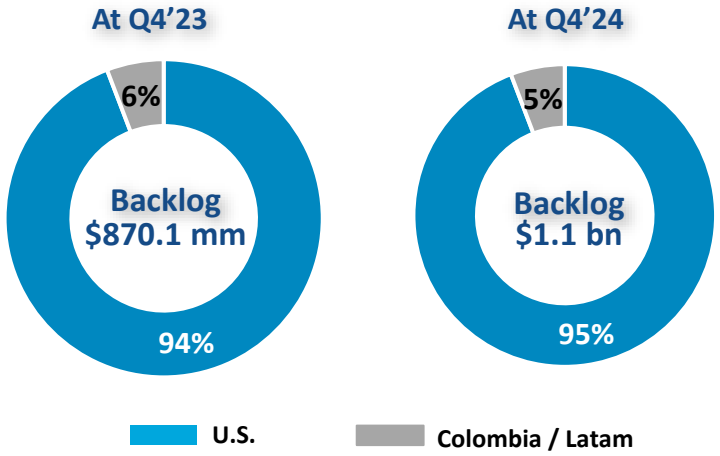
- Backlog expanded 28% YoY to a record $1.1 bn. Track record of successfully delivering high profile projects and maintaining consistent lead times has earned us an increasing number of opportunities across the U.S.
- Favorable demographic trends in Florida and Southeast along with favorable commercial sub-sector mix allow for continued strength despite macroeconomic uncertainty
- U.S. backlog represents 95% 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 2025 and 2026
- Solid single-family residential growth trajectory not fully captured in backlog given shorter term “spot” duration of projects

Backlog as of Q4’24 by End Market

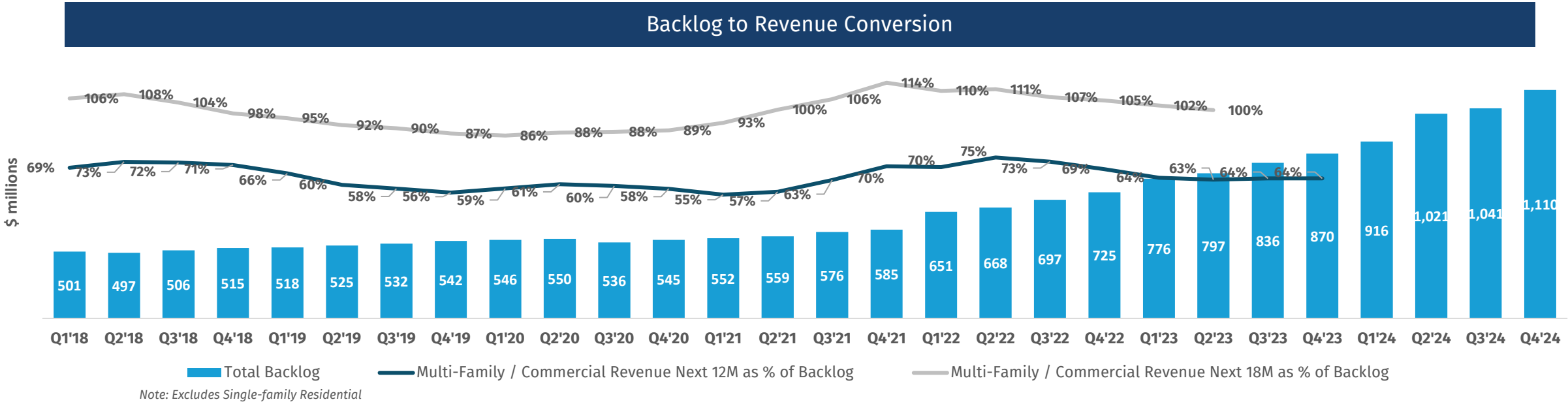


Majority of backlog weighted towards medium and high rise residential, which are outperforming most sectors

Geographic Mix



Demonstrated History of Converting Backlog to Revenue



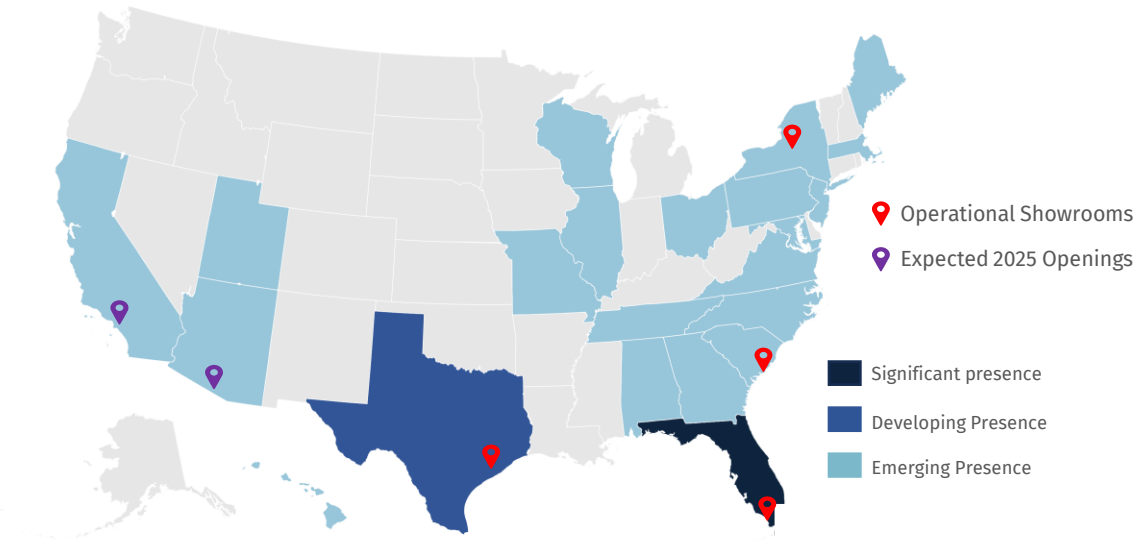
Note: Excludes Single-family Residential

- 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 1.3x in Q4'24 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 16 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

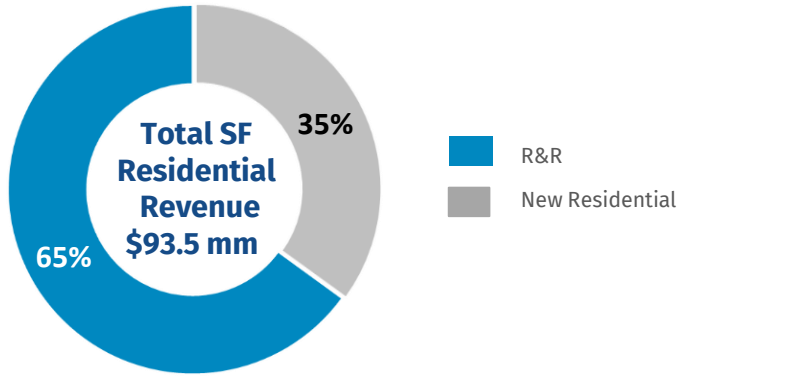
Single-Family Residential Business Expanding

- Record Q4 and FY'24 SF residential revenues of 93 mm and $372 mm respectively; accounting for 41% and 44% of U.S. revenues, compared to 3% in 2017
- 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 U.S. with additional showrooms in key markets (NYC, Charleston & Houston)
  - Recent vinyl market entry significantly expanded addressable market, providing a solid runway for revenue growth and product diversification
- Favorable demographics support secular trend of population migration into southern states
- Balanced end-market exposure with ~65% of SF residential revenues tied to R&R demand, which is more resilient and historically less correlated with mortgage rate fluctuations
- Vinyl entry more than doubles addressable market, leveraging existing network for rapid U.S. expansion; strong early traction with robust quoting activity signals significant growth potential
- The ES Windows Pivot Door won "Best Hardware Product or System" in the 2024 Glass Magazine Awards and received the Luxe RED (Residential Excellence in Design) Awards Readers' Choice recognition
- Currently launching various campaigns to maximize the visibility of the Pivot Door and leverage its award-winning status to drive sales growth

Geographic Exposure



Q4'24 Single-Family Residential End Market Exposure

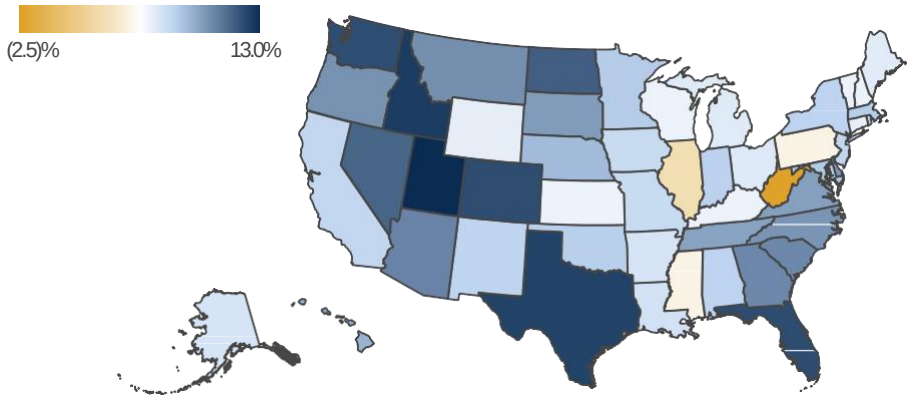


TGLS Main Markets Experiencing Strong Demographic Trends

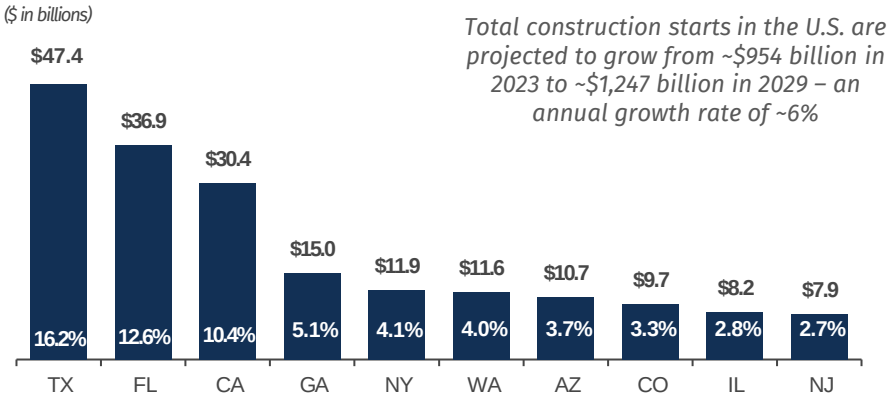
Population migration trends – which continue to skew toward the Southeast and pockets of the West – are a leading indicator for future residential construction spending, while federal funding for infrastructure & manufacturing development are a leading indicator for nonresidential spending

- Projected population growth consistent with historical migration trends:
  - Citizens continued to move from the major metros, with IL and PA projected to experience population reduction; Northeast states likely to experience slower growth than national average of 5.5%
  - **The Sunbelt Region** – and particularly the Southeast – continues to lead nation in projected population growth, with **NC, SC and FL all projecting total growth of 6.5% or better**
- Population migration trends are a leading indicator for future construction spending when analyzing regional landscape of industry – though not the only factor
  - Several states such as AZ and NY are benefitting from federally-funded mega project investments in manufacturing and re-shoring capabilities
  - Similarly, some of the nation's largest states by population – including CA and NY – stand to benefit from federal funding allocations to revitalize aged infrastructure
  - Further, the 2021 Infrastructure Investment and Jobs Act ("IIJA") has granted $480 billion for over 60,000 projects to date, with over $720 billion left to be deployed – indicating continued future spending[1]

Projected Population Growth by State (2020 – 2030)[2]



Forecasted Growth in Construction Starts from 2023 – 2029P (% of Total) [3]



Total construction starts in the U.S. are projected to grow from ~$954 billion in 2023 to ~$1,247 billion in 2029 – an annual growth rate of ~6%

Notes:
1. Whitehouse.gov
2. UVA, Weldon Cooper Center
3. ConstructConnect; Exhibit shows Top 10 States



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Financial Update

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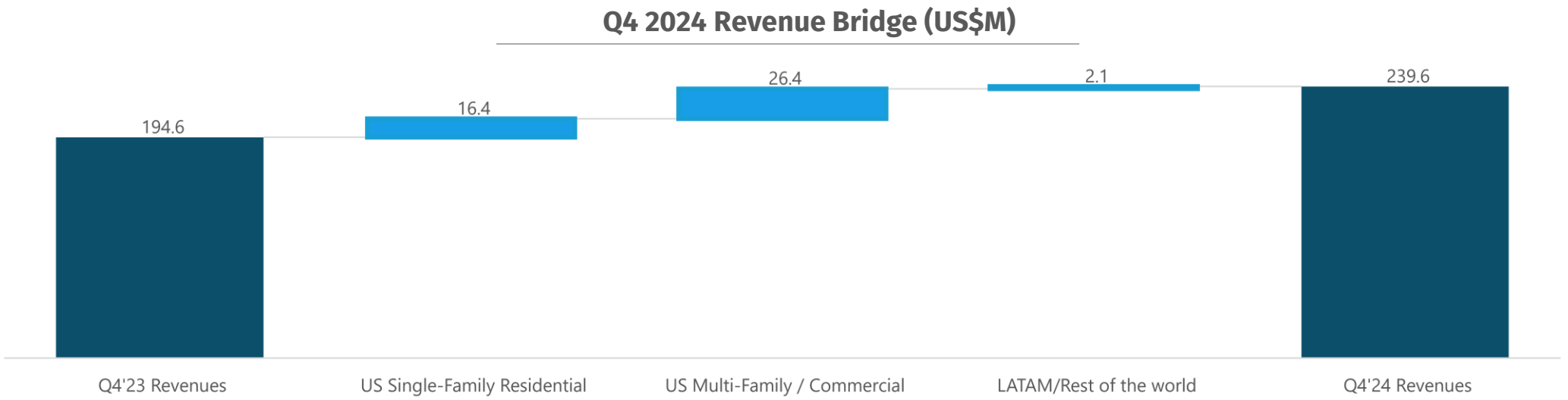
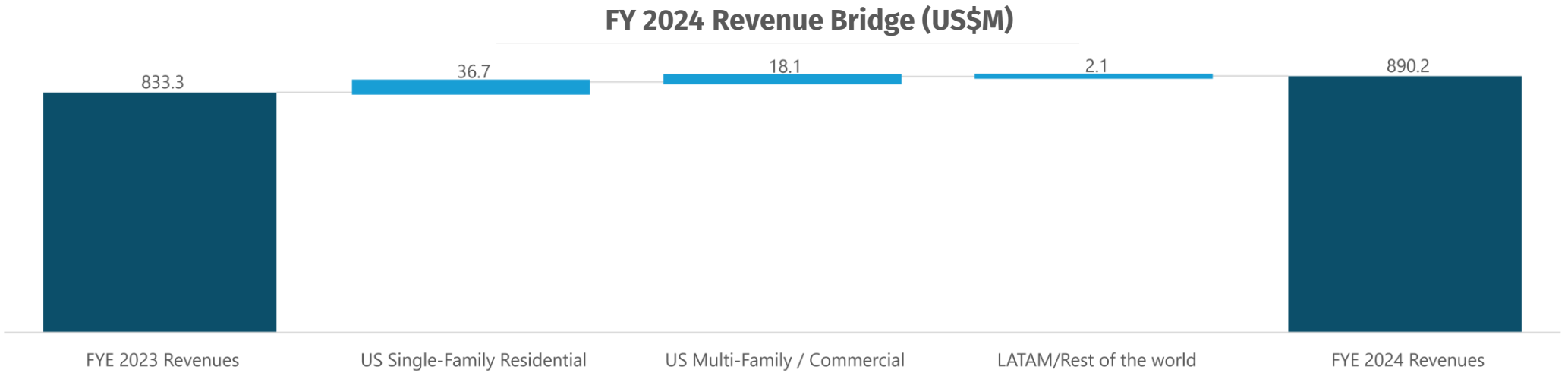
Revenue Bridge 2024 vs. 2023



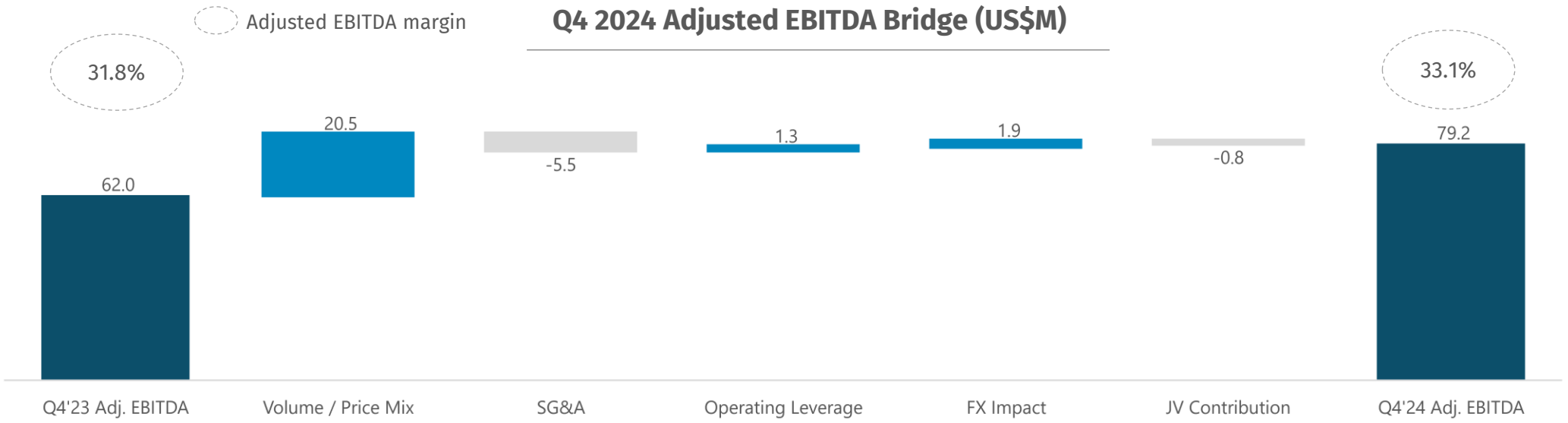


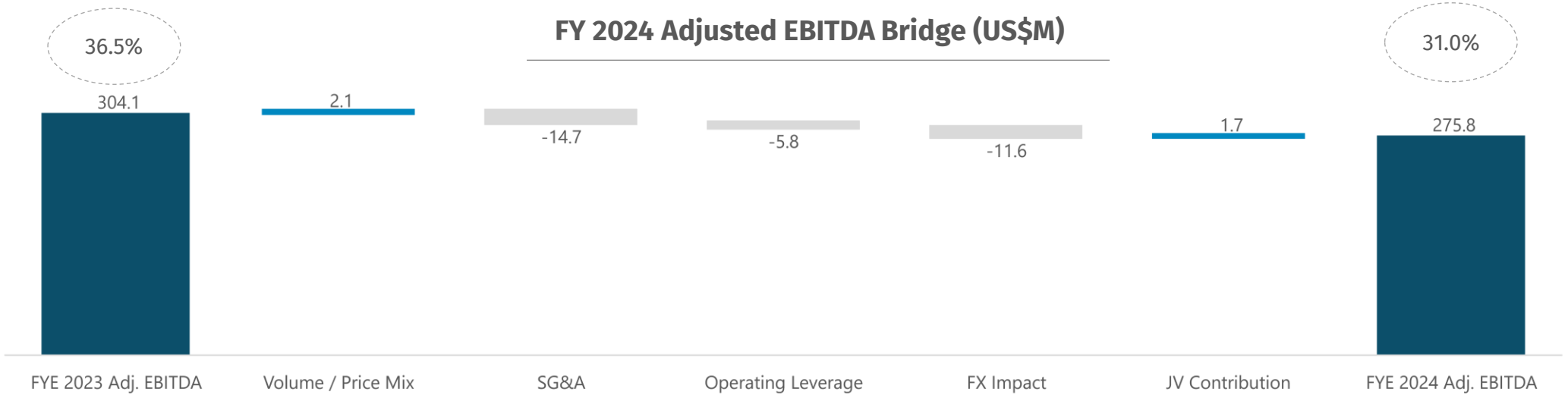
TGLS LTM revenue mix from U.S. +95%, compared to average of 84% for U.S.-based building product peers(1)

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





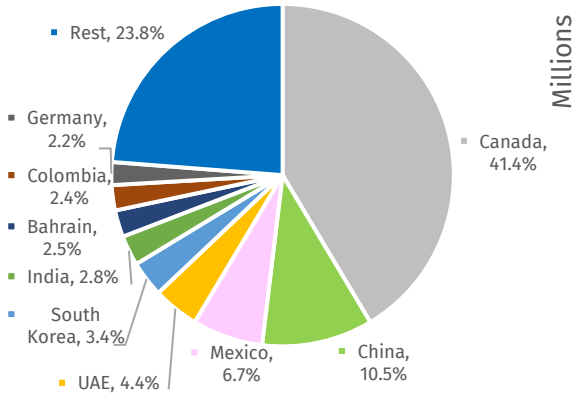
Notes:

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*

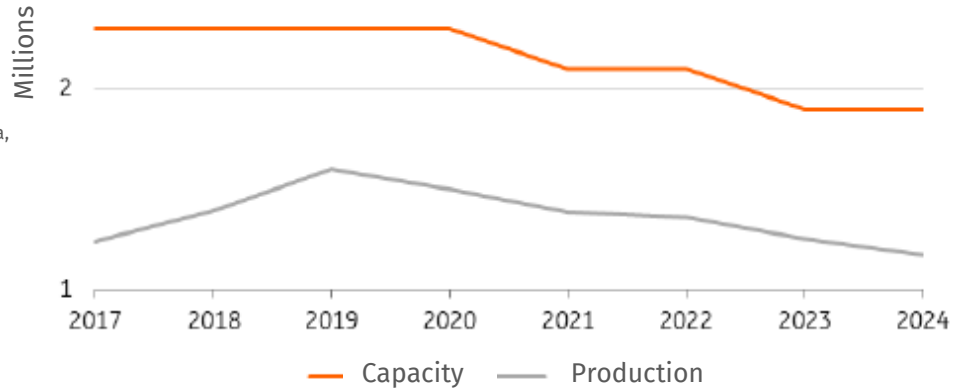
U.S. Aluminum Tariff Dynamics & Mitigation

U.S. Trade & Production Dynamics

U.S. Aluminum Imports by Country [1]



U.S. Aluminum Production and Capacity Has Decreased Recently, With Imports Filling up Supply Gaps [2]



- The U.S. imports over 50% of its aluminum needs from different countries; Colombia is not a material exporter of aluminum or steel to the U.S.
- U.S. aluminum production has declined ~10% since 2017, due to high energy costs, lack of investment and shortage of labor
- Industries such as solar, construction and automotive continue to grow; further creating import needs
- New tariffs may drive prices higher across the board as several key industry players rely on imports to supply their customer needs. In 2025 several companies have already announced price increases in response to newly proposed tariffs

Colombia & U.S. Trade Dynamics

- The U.S. is Colombia´s main trade partner, accounting for approximately 30% of its total exports. A bilateral trade agreement has been in place between both nations since its signing in 2006
- Given Colombia´s reliance in commodities, the country constantly runs a manufacturing trade deficit with the U.S.
- Tecnoglass currently imports a large amount of raw materials and sources a large amount of services from U.S. based companies

US – Colombia Trade in Merchandise 2024[3]

Including energy-mining products
- *Exports: US$: 19 B*
- *Imports: US$: 17.6 B*

U.S. Surplus: US$ 1.3 B

Excluding energy-mining products
- *Exports: US$: 13 B*
- *Imports: US$: 10.2 B*

U.S. Surplus: US$ 3.6 B

Strategies to Mitigate Tariff Impact

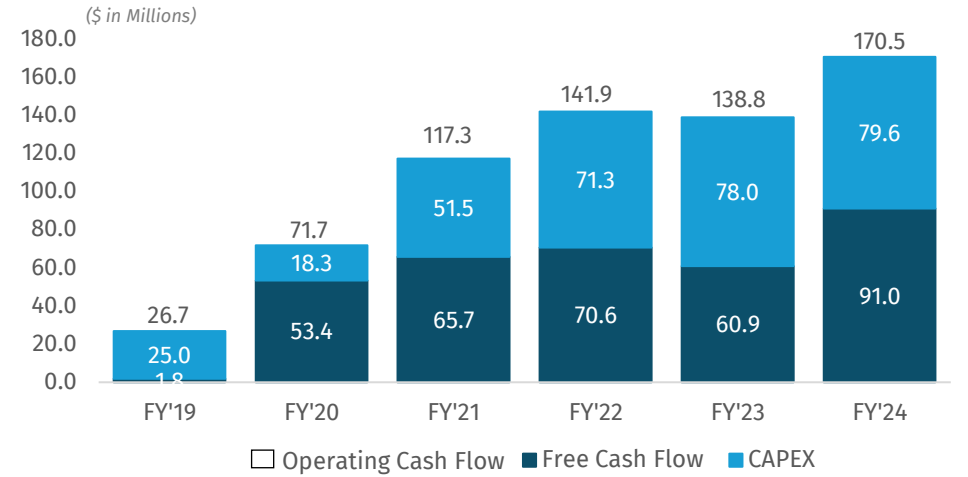
- Buying U.S. sourced aluminum to minimize exposure to import tariffs while continuing to support U.S. based manufacturing by sourcing many other raw materials and services from the US
- Prior entry and ongoing expansion into vinyl window market to further diversify offering beyond aluminum
- Working in tandem with clients to find pricing alternatives to help mitigate the incremental cost while still providing competitive solutions for the U.S. construction industry

Notes:
1. *Sicex_Sisduan U.S., FOB Values*
2. *US Geological Survey, ING Research*
3. *U.S. Census Bureau Analysis: AmCham Colombia*

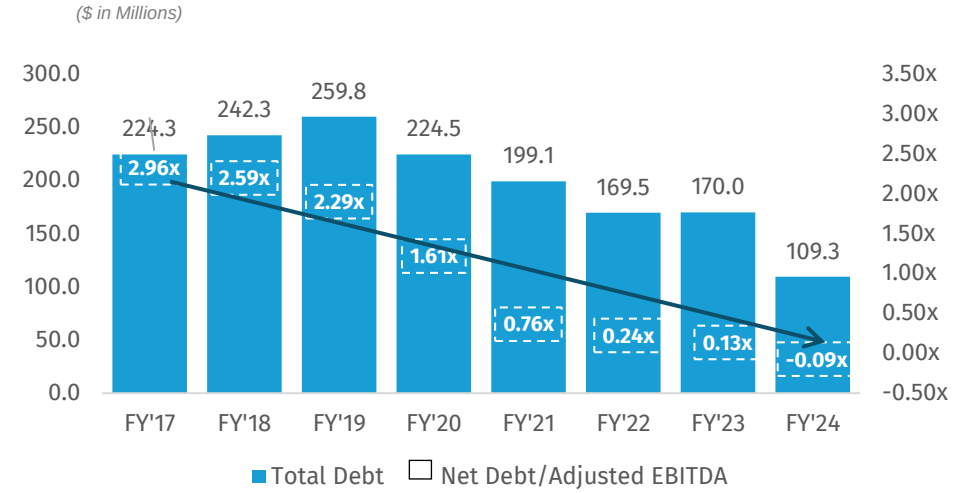
Strong Cash Flow & Balance Sheet

- Strong cash conversion of Adj. EBITDA[1] driving $170.5 mm of cash flow from operations in 2024
- Record free cash flow of $91.0 mm for FY'24
- Liquidity[2] of ~$305 mm, including cash of $134.9 mm and $170.0 mm of availability under revolving credit facility
- Further deleveraging net cash position with all time low net debt / LTM Adj. EBITDA[1] at -0.09x 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
- Paid down $65 mm of debt outstanding in 2024

Strong Cash Flow Generation



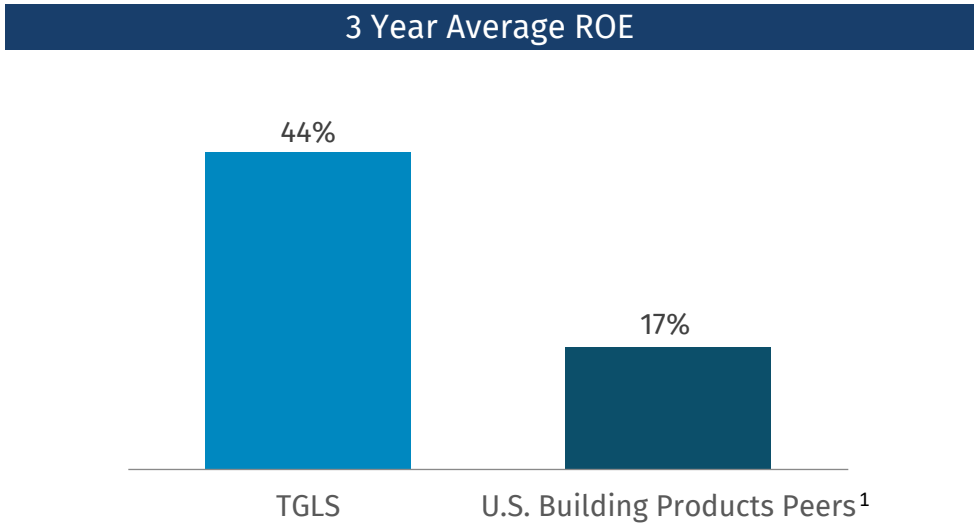
Solid Net Leverage and Balance Sheet

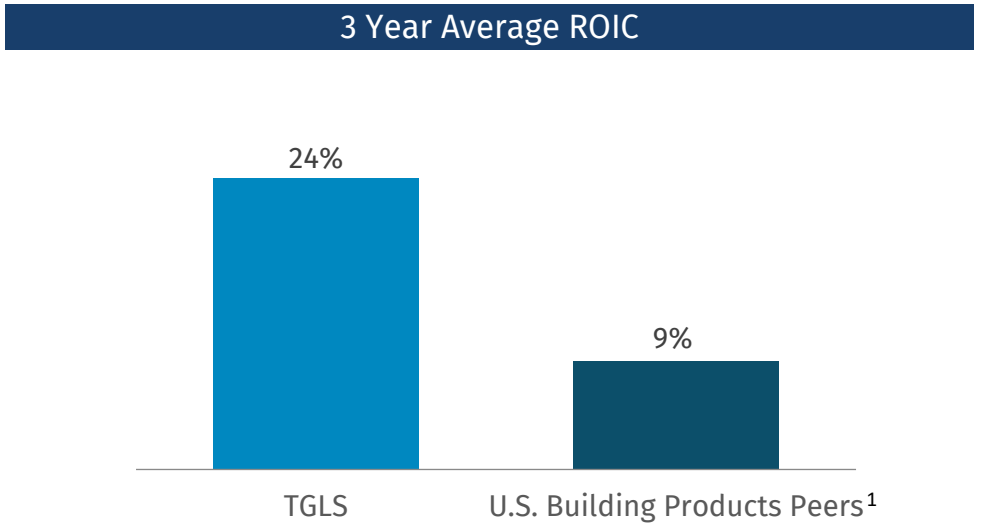


Notes:

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 Q3 2021 to Q3 2024. Source: FactSet.



205 Race Street
Philadelphia, Pennsylvania

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OUTLOOK UPDATE

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2025 Outlook

Full Year 2025 Outlook	Assumptions

High End

$1.02 B Revenue

$340 MM Adj. EBITDA

- Non-material impact to construction industry from U.S. aluminum tariffs; Mostly offset via favorable pricing and tax incentives
- Continued downtrend in interest rates driving mortgage rates lower
- Favorable FX with the Peso at $4,200 or weaker
- HSD growth for legacy residential revenues
- Vinyl revenues of approximately $40 mm
- Improved activity in short-term/small commercial projects
- Gross Margin at mid to high 40% range

Low End

$940 MM Revenue

$300 MM Adj. EBITDA

- Widespread tariffs drives up inflation and constrains construction spending.
- Assumes only partial offset to incremental cost of tariffs through pricing arrangements with customers
- Inflation causes interest rates/mortgage rates to stay at current levels or higher
- Appreciating Colombian Peso at $3,900-$4,000
- Flat to LSD growth for legacy residential revenues
- Vinyl Revenues of approximately $15 mm
- Slower activity in short-term/small commercial projects
- Gross Margin at low 40% range

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 Dec 31,		Twelve months ended Dec 31,	
	2024	**2023**	**2024**	**2023**
Net (loss) income	**47,016**	**36,478**	**161,309**	**183,510**
Less: Income (loss) attributable to non-controlling interest	-	(139)	-	(628)
(Loss) Income attributable to parent	**47,016**	**36,339**	**161,309**	**182,882**
Foreign currency transactions losses (gains)	807	245	5,665	(686)
Provision for bad debt	143	272	857	2,809
Non-Recurring expenses (non-recurring professional fees, capital market fees, other non-core items)	2,374	894	5,462	6,494
Joint Venture VA (Saint Gobain) adjustments	63	644	3,179	802
Tax impact of adjustments at statutory rate	(1,084)	(658)	(4,852)	(3,014)
Adjusted net (loss) income	**49,319**	**37,737**	**171,620**	**189,287**
Basic income (loss) per share	1.00	0.77	3.43	3.85
Diluted income (loss) per share	1.00	0.77	3.43	3.85
Diluted Adjusted net income (loss) per share	1.05	0.80	3.65	3.98
Diluted Weighted Average Common Shares Outstanding in thousands	**46,995**	**47,093**	**46,996**	**47,509**
Basic weighted average common shares outstanding in thousands	**46,995**	47,093	46,996	47,509
Diluted weighted average common shares outstanding in thousands	**46,995**	47,093	46,996	47,509

	Three months ended Dec 31,		Twelve months ended Dec 31,	
	2024	**2023**	**2024**	**2023**
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Less: Income (loss) attributable to non-controlling interest	-	(139)	-	(628)
(Loss) Income attributable to parent	**47,016**	**36,339**	**161,309**	**182,882**
Interest expense and deferred cost of financing	1,510	2,259	7,433	9,178
Income tax (benefit) provision	20,219	14,539	63,849	77,905
Depreciation & amortization	6,739	6,034	26,469	21,875
Foreign currency transactions losses (gains)	807	245	5,665	(686)
Provision for bad debt	143	272	857	2,809
Non-Recurring expenses (non-recurring professional fees, capital market fees, other non-core items)	2,375	893	5,462	6,493
Joint Venture VA (Saint Gobain) EBITDA adjustments	432	1,397	4,770	3,661
Adjusted EBITDA	**79,241**	**61,978**	**275,814**	**304,117**

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 Dec 31,	
	2023	**2024**
Short Term Debt and Current Portion of Long Term Debt	7,002	1,087
Long Term Debt	166,350	108,221
Gross Debt	**170,006**	**109,307**
Cash at the end of the period	129,508	134,882
Net Debt	**40,498**	**(25,575)**
LTM Adjusted EBITDA	304,117	275,814
Net Debt / LTM Adjusted EBITDA	**0.13x**	**-0.09x**

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.*