

Centenario
Cali, Colombia

FIRST QUARTER 2018
EARNINGS CONFERENCE CALL

May 9, 2018 - TECNOGLASS INC. (NASDAQ: 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.







Waterfront Station

Washington, U.S.

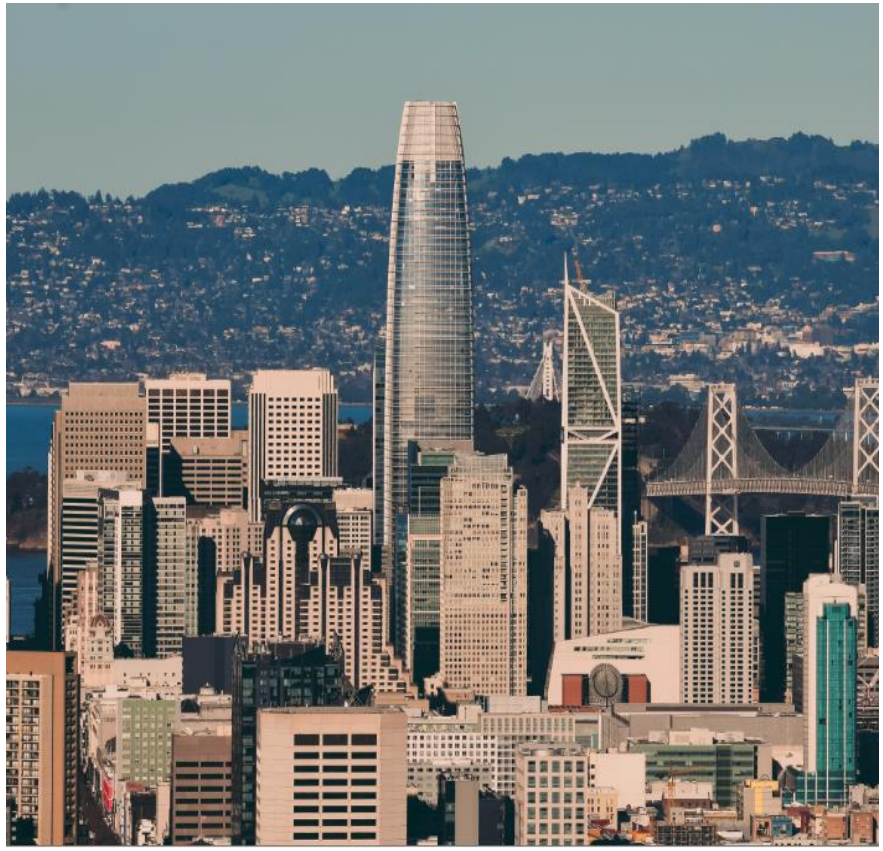
SUMMARY & HIGHLIGHTS

TECNOGLASS

Q1 2018 Key Take-Aways

Highlights:

- 5th consecutive record revenue quarter at $84.9 mm, up 29% from the prior year quarter, including 21% organic growth
- Delivered highest quarter of adjusted EBITDA since 2016 at $17.9 mm, up 30.1% from the prior year quarter. Results in line with outlook despite a roughly $475k unfavorable FX effect due to strong intra quarter appreciation of the Colombian Peso
- $10.5 mm of net income vs. prior year quarter of $1 mm. Adjusted net income (excluding non-core items) of $5.3 mm, up 160.7% vs. $2.0 mm in the prior year quarter
- EPS of $0.28 vs. $0.03 and Adjusted EPS of $0.14 vs. $0.06
- Strong revenue and profitability outlook backed by continued expansion of record backlog, up 5.8% YoY
- No material headwinds experienced from aluminum inflation



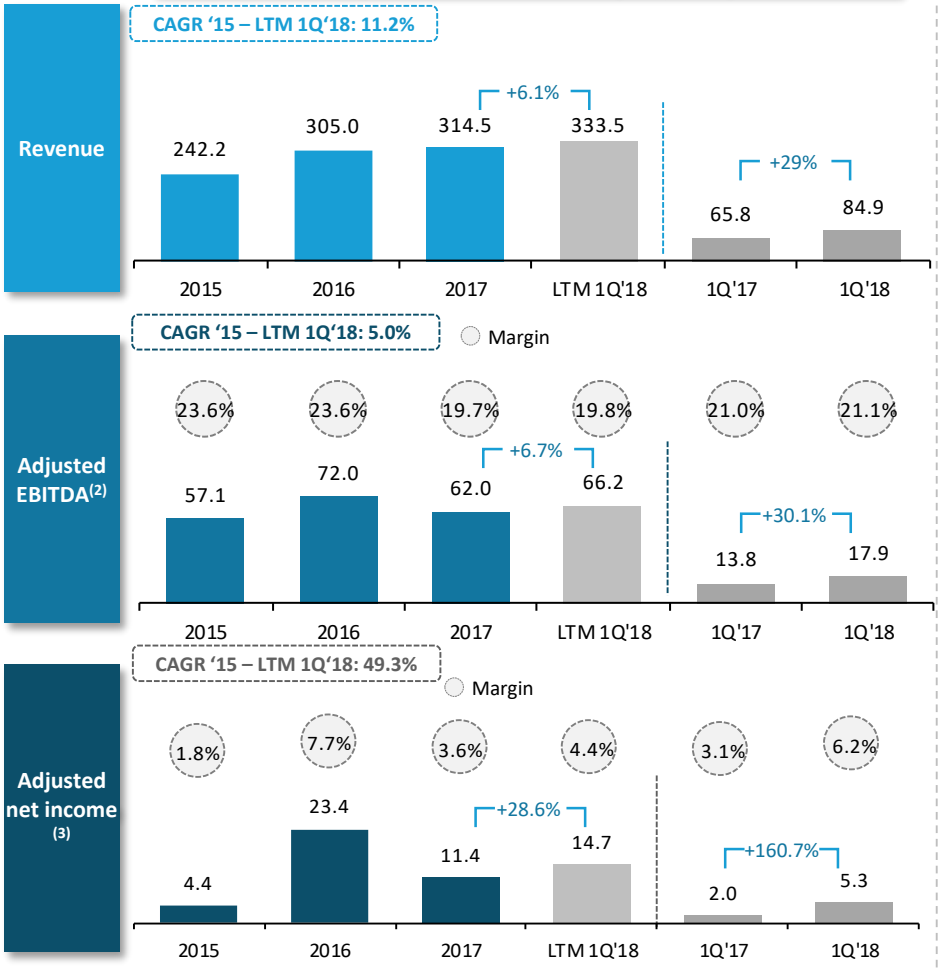
Salesforce Tower, San Francisco CA

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*

Q1 2018 Summary[1]

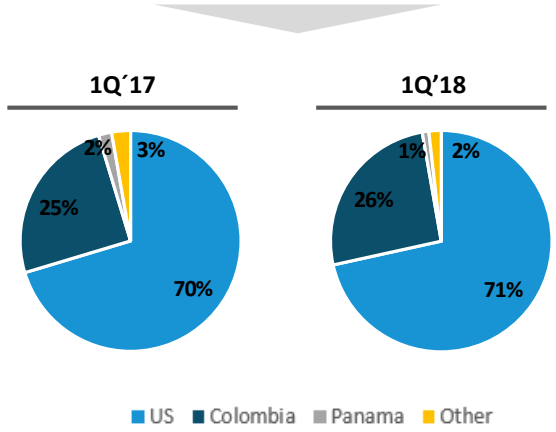
Key Financial Metrics (US$mm)



Sales Performance By Geography

	1Q		2018 vs 2017		LTM		2018 vs 2017	
Revenues (US$mm)	2017	2018	$Δ	%Δ	2017	2018	$Δ	%Δ
Colombia	16.4	21.8	5.4	32.8%	96.6	68.9	-27.7	-28.7%
United States	46.3	60.7	14.4	31.2%	196.2	253.0	56.8	28.9%
Panama	1.3	0.8	-0.4	-35.6%	7.8	3.8	-4.0	-51.1%
Other Countries	1.8	1.5	-0.3	-15.9%	6.4	7.8	1.4	22.5%
Total	65.8	84.9	19.1	29.0%	307.0	333.5	26.6	8.7%

- Overall and core business growth driven by healthy U.S based activity and a rebound in Colombian construction starts



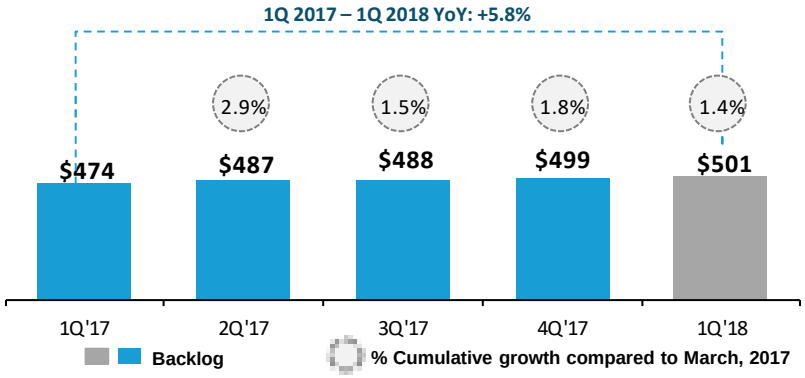
Notes:

1. *Prior-period financial information 2015-2016 has been retroactively adjusted for ES Windows, acquired under common control. 2017 Financials include 10 months of GM&P, acquired on March 1, 2017.*
2. *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*
3. *Adjusted net income is estimated as net income (loss) attributable to parent (+) income gain/loss on change in fair value of warrants and earnouts, FX exchange gain/loss, non-core items and tax impact of adjustments at statutory rate.*

Robust Backlog Provides Confidence Through 2019

Backlog Evolution at Quarter End

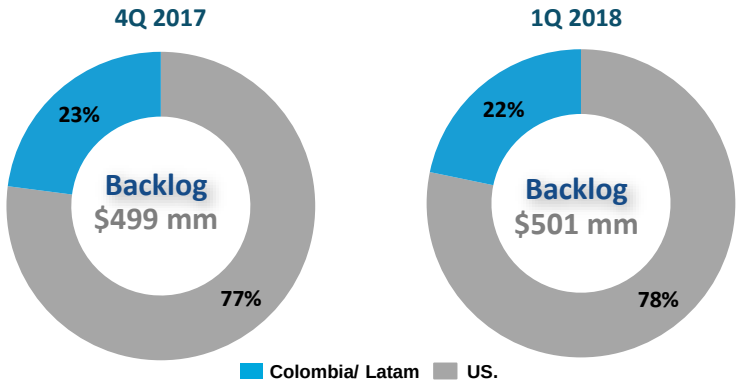
Recent strategic expansion efforts have successfully extended Company's presence into the Northeast & West Coast while actively exploring additional markets



Backlog Overview

- Organic backlog continues to rise both sequentially and YoY led by steady quoting activity in the US
- Upward trend in backlog resulting from favorable construction conditions in the U.S. and improvement in Colombian activity
- Florida continues to be the Company´s largest U.S. market providing an efficient platform for diversification
- U.S. represents 78% of backlog, consistent with 4Q17

Geographic Mix









Four Seasons

Maryland, U.S.

FINANCIAL UPDATE

Financial Highlights Q1 2018 vs Q1 2017[(1)]

	1Q		2018 vs 2017	
Key financial results (US$mm)	2017	2018	$Δ	%Δ
Revenues	65.8	84.9	19.1	29.0%
Adjusted EBITDA (2)	13.8	17.9	4.1	30.1%
Adjusted net income	2.0	5.3	3.3	160.7%
Cash at end of period	54.4	30.6	-23.8	-43.7%
Net debt (3)	173.0	195.0	22.0	12.7%
Capex (4)	1.9	1.1	-0.9	-45.0%
Paid cash dividends	0.6	0.5	0.0	-2.0%
Operating Cash Flow	11.4	(10.2)	-21.6	189.5%
Free Cash Flow (5)	9.5	(11.3)	-20.7	219.3%

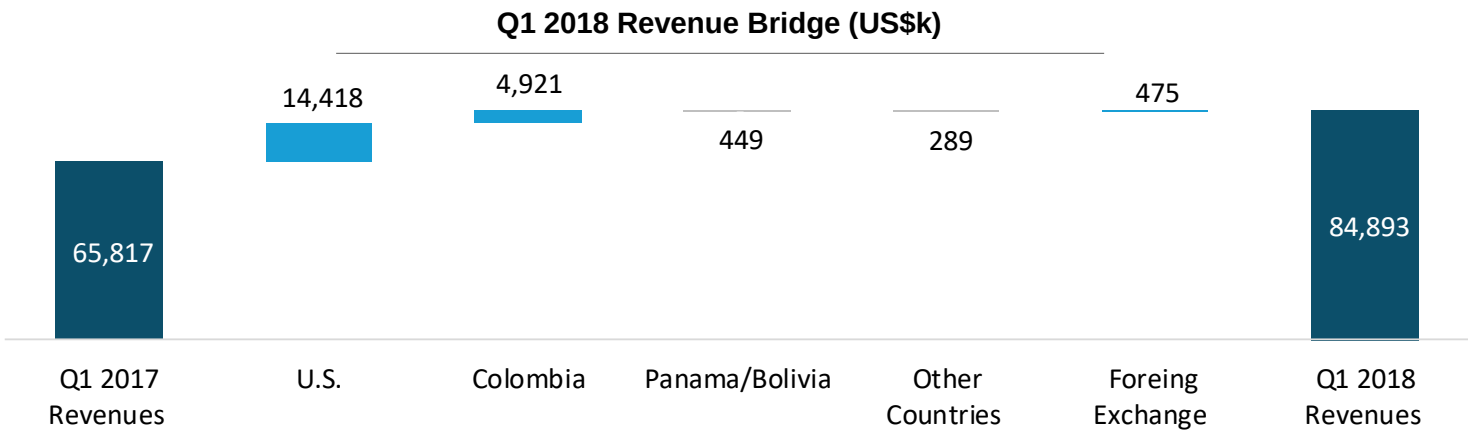
Fourth quarter results

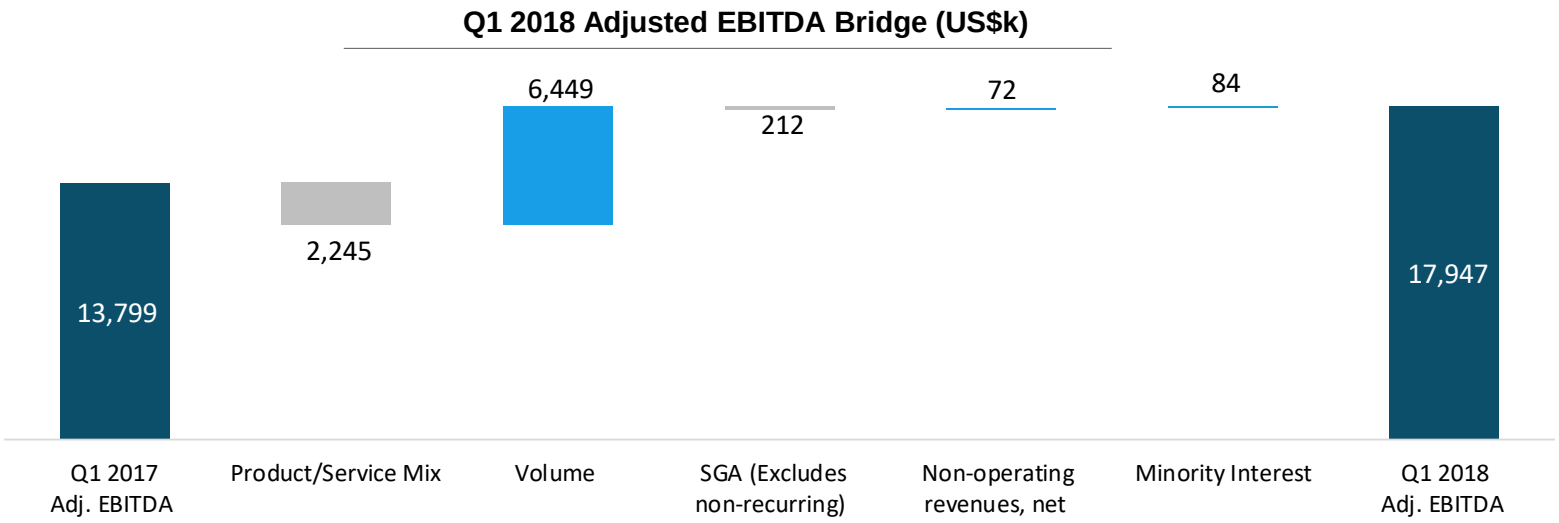
- Revenues up 29% YoY, including organic growth of 21%.
  - U.S. and Colombia each grew over 30%
- Adjusted EBITDA of $17.9mm, up 30.1% YoY despite an unfavorable $475k FX impact as COP revaluated sharply during the quarter
- Adjusted earnings more than doubled YoY driven by increased sales and favorable operating leverage
- Use of cash mainly associated with semi-annual interest payments and inventory build-up for Q2 projects. Minimal Capex given robust installed capacity to address growth
- Net leverage conservative with minimal increase in nominal debt beyond bond issuance in 2017. Expect 2018 free cash flow with seasonal short-term usage of working capital facilities
  - Pro forma Q1 leverage stable after GM&P purchase

Notes:

1. *Prior-period financial information 2015-2016 has been retroactively adjusted for ES Windows, acquired under common control. 2017 Financial statements includes 10 months of GM&P, acquired on March 1, 2017.*
2. *Q1´18 adjusted EBITDA excludes $1.3 mm in stock based compensation and other non recurring*
3. *Net debt is calculated as gross debt (-) cash & equivalents.*
4. *Capex refers to acquisition of property and equipment with cash. Do not include assets acquired under capital lease and debt.*
5. *Free Cash Flow is calculated as cash (used in) provided by operating activities (-) Capex, that is cash acquisition of property and equipment.*

Revenue Bridge Q1 2018 vs Q1 2017[(1)]





Notes:

1. *Financial statements in 2017 Include 10 months of GM&P, acquired on March 1, 2017.*
2. *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.*

Completion of GM&P Purchase Solidifies Highly Accretive Transaction for U.S. Expansion

GM&P (Giovanni Monti & Partners) & Componenti

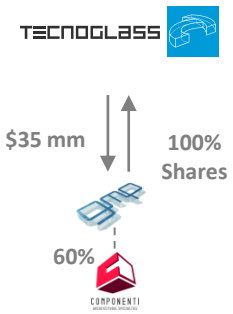
- GM&P is a U.S. design and installation company
- High-returning acquisition purchased at an attractive EBITDA multiple
- Seamless integration providing enhanced vertical integration and streamlined distribution logistics
- Strong platform to benefit from U.S. construction, and expanded access to underpenetrated markets
- Exceeding initial expectations and combined company driving industry-leading margins

Transaction Payment Structure

- On March 1, 2017 Tecnoglass acquired GM&P for $35 mm
- In March 2017, paid $6 mm within 60 days of the agreement, with the remainder under future obligation with cash or stock
- In May 2018, paid remaining $29 million purchase price
  - $6 mm of cash on hand
  - $10 mm of 6% junior subordinated note due in 2022
  - 1.2 mm TGLS shares issued at $10,50 per share, a 23% over close price of TGLS shares on payment date

Payment Structure Highlights

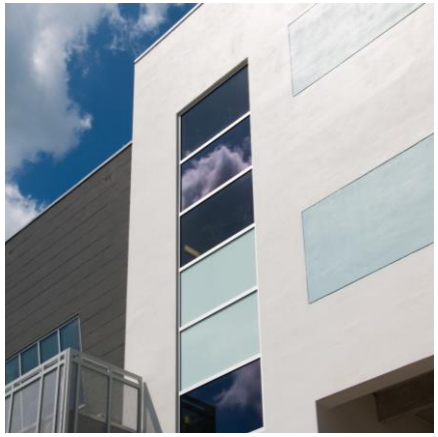
- Payment structure provides financial flexibility to support growth
- Equity component validates commitment of GM&P team to shared success
- Highly accretive transaction based on 2017 and 2018 realized and expected earnings, respectively



Payment		
TGLS Cash	**Seller´s Note**	**TGLS´s Shares**
$12 mm Cash on hand in two payments of $6 mm each	**$10 mm** Subordinated note with 6% fixed-rate interest-only payments with maturity in March 2022	**$13 mm** 23% premium to prevailing TGLS share price shows GM&P sellers' commitment to Tecnoglass

TECNOGLASS









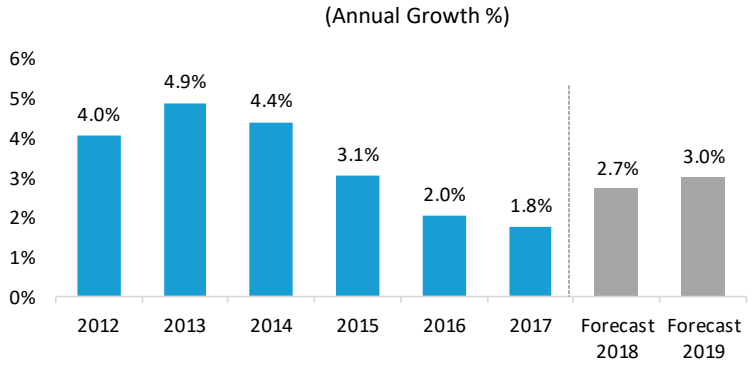
Mast Academy
Florida, U.S.

MARKET UPDATE

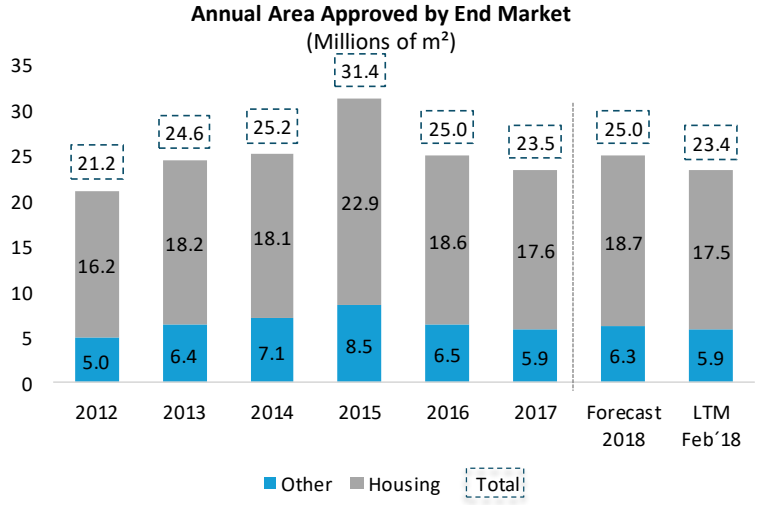
Colombian Macro-Environment Supports Continued Recovery

- Colombia GDP growth in 2018 expected to be in the 2.7%[(1)] to 3% range, following 2 years of softer growth
- Inflation rate of 3.14% in March 2018, within the Central Bank´s targeted 2-4% rate[(4)]
- Available indicators of economic activity suggests continued economic recovery following a challenging 2017
- Moderate improvement in building construction on the demand side for 2018, given lower interest rates of 350bps to 4.25%

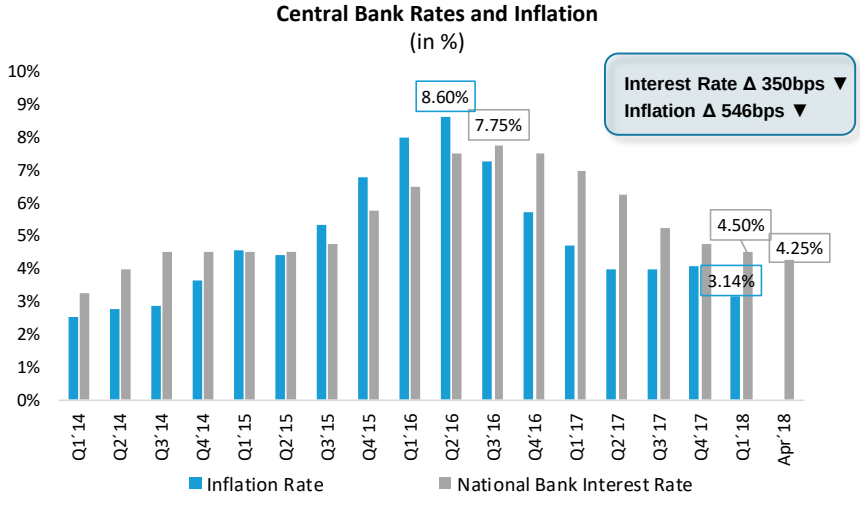
Colombian GDP Performance [(2)]



Building Construction Statistics Licenses in Colombia [(3)]



Central Bank Interest Rates and Inflation[(4)]



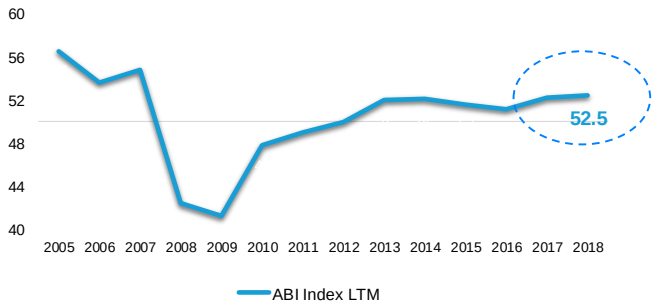
Source:

1. *Colombia. General Budget. Minister of Finance. As of December, 2017.*
2. *Colombia GDP Annual Growth Rate. DANE (Direction of Methodology and Statistical Production). As of December, 2017.*
3. *Statistics of Building Construction Licenses. DANE (Direction of Methodology and Statistical Production). As of February 2018.*
4. *Colombian Central Bank Board of Director Meeting. Intervention Rate, Inflation and Target. Central Bank´s Policy Rate. As of April 27, 2018.*

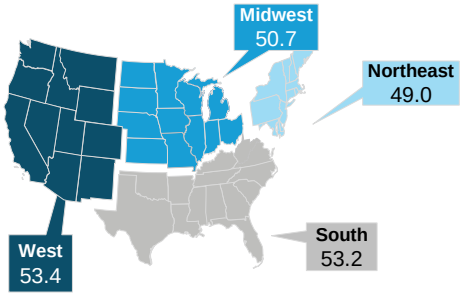
US Construction Fundamentals & 2018 Outlook Remain Encouraging

Architecture Billings Have Been Surprisingly Strong So Far This Year

Architectural Billing Index as of March 2018 [1]
Firms continuing to report strong billings



Regional [1]
Results show healthy growth in 3 major sectors



- ABI remain strong in South and West as well as in the commercial market
- Survey participant responses continue evidencing growth and expansion
- Sector index continues to report strong business conditions:
  - Commercial / industrial 53.1
  - Institutional 49.7
  - Residential 53.4

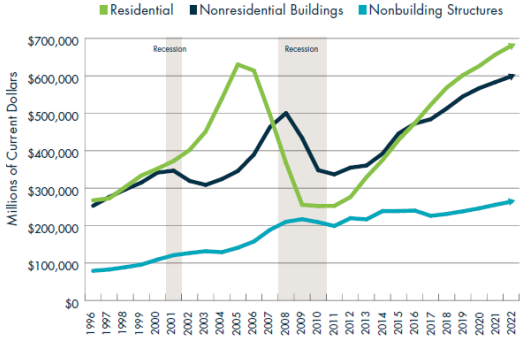
2018 U.S. Commercial Construction Forward-looking Indicators Stayed in Positive Territory Overall

Summary of Commercial Construction Monitor Starts as of February 2018 [2]

Forward Looking Indicators	Most Recent Reporting Date	Value	Measure	Y/Y Performance	Positive/ Negative	Source
Dodge Momentum Index - Commercial	Feb-18	150.4	Index Val	-0.5%	=	Dodge
Dodge Momentum Index - Institutional	Feb-18	142.6	Index Val	+7.0%	+	Dodge
Dodge Commercial Construction Starts	Feb-18	$246.7	$bns	+3.8%	=	Dodge
Architectural Billings Index - Commercial	Feb-18	51.0	Index Val	+4.3%	+	AIA
Architectural Billings Index - Institutional	Feb-18	53.8	Index Val	+3.9%	+	AIA
Construction Backlog Indicator	4Q17	10.1	Months	+25.7%	+	AB&C
ENR Construction Industry Confidence Index	1Q18	73.0	Index Val	-3.9%	+	ENR
Net Forward Looking Indicators					+	

- New residential construction accelerated in Jan from Dec levels driven by a significant improvement in multi-family starts +19.7% MoM [3]
- Population growth and confident consumers continue to drive demand for housing; this housing cycle should support favorable demand dynamics for building product manufacturers [3]
- Long-term window remodeling expenditures grew +4.8% YoY as reported by PPI[4]

Total Construction Put in Place Estimated for the U.S. [2,4]
($ Billions)

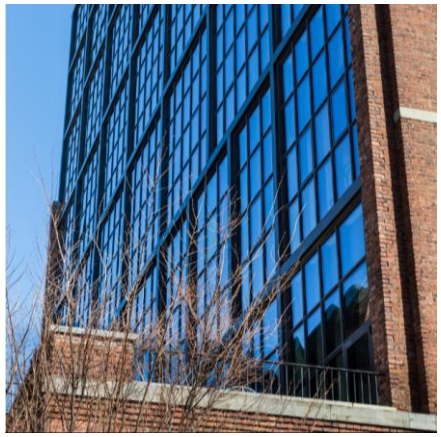


- Commercial construction (among non-residential buildings) is forecasted to grow 7% in 2018 to $94 billion and at a 4% CAGR to $107 billion by 2022

Source:

1. *The American Institute of Architects (AIA) reported the Architecture Billing Index March,2018. Figures represents trailing 12 month average from April 2017 to March 2018 across U.S. census regions.*
2. *Deutsche Bank. Building & Building Products. Commercial Construction Monitor. United States. April, 2018.*
3. *Deutsche Bank. Building & Building Products. Remodeling Market Monitor. United States March, 2018. PPI(Producer Price Index)*
4. *FMI´s Construction Outlook 2018, First Quarter Report, April 2018*







Whyte Hotel

New York, U.S.

OUTLOOK UPDATE

2018 Outlook

Revenues
$345 to $365 Million
Up 10-16% YoY

Adjusted EBITDA
$71 to $81 million
Up 15-31% YoY

Highlights

- Double-digit percent growth in revenues and adjusted EBITDA
- Stronger visibility provided by project level analysis of backlog
- Significant pent-up demand in Colombia and Florida

- Expect favorable operating leverage on higher revenues and improved mix of sales from manufacturing operations
- Continued cost optimization efforts driving additional margin

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Thank you

Questions?









Tre Piu

Medellín, Colombia

APPENDIX

Profit & Loss Q1 2018 vs Q1 2017[1,2]

Figures in US $k

	Three months ended March 31,				2018 vs 2017	
	2,018	% Sales	2,017	% Sales	$ Δ	% Δ
Operating revenues	**84,893**	**100%**	**65,817**	**100%**	**19,076**	**29%**
Cost of sales	**58,437**	**69%**	**43,565**	**66%**	**14,872**	**34%**
Gross profit	**26,456**	**31%**	**22,252**	**34%**	**4,204**	**19%**
SG&A & other operating expenses	**16,758**	**20%**	**15,390**	**23%**	**1,368**	**9%**
Operating income	**9,698**	**11%**	**6,862**	**10%**	**2,836**	**41%**
Adjusted EBITDA	**17,947**	**21%**	**13,799**	**21%**	**4,148**	**30%**
Gain on change in fair value of warrant liability	0	0%	0	0%	0	0%
Gain on change in fair value of earnout shares liabilities	0	0%	0	0%	0	0%
Non-operating revenues, net	1,099	1%	1,027	2%	72	7%
Foreign currency transaction gains (losses)	-9,973	-12%	-2,425	-4%	-7,548	311%
Loss on extinguishment of debt	0	0%	3,159	5%	-3,159	-100%
Interest expense	5,050	6%	5,082	8%	-32	-1%
(Loss) income before taxes	**15,720**	**19%**	**2,073**	**3%**	**13,647**	**658%**
Income tax provision	5,288	6%	1,042	2%	4,246	407%
Net (loss) income	**10,432**	**12%**	**1,031**	**2%**	**9,401**	**912%**
Less: Net income attributable to non-controlling interest	72	0%	-12	0%	84	-700%
Net income (loss) attributable to parent	**10,504**	**12%**	**1,019**	**2%**	**9,485**	**931%**
Basic income per share	0.30		0.03			
Diluted income per share	0.28		0.03			
Basic weighted average common shares	35,339,965		35,292,743			
Diluted weighted average common shares	37,041,416		35,753,145			

Notes:

1. *Financial statements in 2017 Include 10 months of GM&P, acquired on March 1, 2017.*
2. *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*

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Non-GAAP Reconciliation[(1)]

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

Figures in US $k

	Three months ended				
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018
Net Income (loss)	**1,031**	**(3,500)**	**7,025**	**1,169**	**10,432**
Less: net income attributable to non-controlling interest	(12)	(60)	(101)	(103)	72
Net Income (loss) atributable to parent	**1,019**	**(3,560)**	**6,924**	**1,066**	**10,504**
Interest expense and amortization of deferred financing costs	5,082	5,175	4,633	4,982	5,050
Income tax (benefit) provision	1,042	(4,052)	5,806	2,997	5,288
Depreciation & amortization	4,905	5,461	5,326	5,277	5,665
Foreign currency transactions losses (gains)	(2,425)	8,713	(5,394)	2,134	(9,973)
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	4,105	1,565	206	668	1,342
Director Stock compensation and provision for obsolete inventory	71	129	93	71	71
Gain on change in fair value of earnout shares liabilities	-	-	-	-	-
Gain on change in fair value of warrant liability	-	-	-	-	-
Adjusted EBITDA	**13,799**	**13,431**	**17,594**	**17,195**	**17,947**
Net Income (loss)	**1,031**	**(3,500)**	**7,025**	**1,169**	**10,432**
Less: net income attributable to non-controlling interest	(12)	(60)	(101)	(103)	72
Net Income (loss) atributable to parent	**1,019**	**(3,560)**	**6,924**	**1,066**	**10,504**
Foreign currency transactions losses (gains)	(2,425)	8,713	(5,394)	2,134	(9,973)
Gain on change in fair value of earnout shares liabilities	-	-	-	-	-
Gain on change in fair value of warrant liability	-	-	-	-	-
Amortization of deferred financing costs	-	-	-	338	346
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	4,105	1,565	206	668	1,342
Tax impact of adjustments at statutory rate	(672)	(4,111)	2,075	(1,256)	3,065
Adjusted net (loss) income	**2,027**	**2,607**	**3,811**	**2,950**	**5,284**
Basic income (loss) per share	0.03	(0.10)	0.20	0.03	0.30
Diluted income (loss) per share	0.03	(0.10)	0.20	0.03	0.28
Diluted Adjusted net (loss) income per share	0.06	0.07	0.11	0.08	0.14
Diluted Weighted Average Common Shares Outstanding in thousands	**35,753**	**35,300**	**35,764**	**35,797**	**37,041**
Basic weighted average common shares outstanding in thousands	35,293	35,300	35,300	35,334	35,340
Diluted weighted average common shares outstanding in thousands	35,753	35,300	35,764	35,797	37,041

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]

Total Investment and Free Cash Flow
Figures in US $k

Total Investment Reconciliation	Three Months As of March 31, 2016	2017	2018
Capex or Cash acquisition of property and equipment	-	1,947	1,070
Assets acquired under capital lease and debt	6,883	-	314
Total Investment	**6,883**	**1,947**	**1,384**

Free Cash Flow Reconciliation	2016	2017	2018
Cash (used in) provided by operating activities	(9,197)	11,407	(10,212)
Capex or Cash acquisition of property and equipment	-	(1,947)	(1,070)
Free Cash Flow	**(9,197)**	**9,460**	**(11,282)**

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.*