FIRST QUARTER 2019 EARNINGS CONFERENCE CALL

May 9, 2019 – TECNOGLASS INC.
(NASDAQ: TGLS)



University of Massachusetts
Massachusetts, USA

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.

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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.







Muse
Florida, United States

SUMMARY & HIGHLIGHTS

TECNOGLASS

Q1 2019 Key Take-Aways

- ✓ 8th consecutive record revenue quarter at $107.2 mm, up 23% from prior year quarter driven by strong U.S. activity
- ✓ U.S. revenues reached a new record level of $92.1 mm, making up 86% of total sales, driven by favorable trends in commercial construction and rapid growth in single family residential
- ✓ Operating income up 42.5% year over year on significant sales growth and strong operating leverage. SG&A down from 19.2% to 16.5% as a percentage of sales
- ✓ First quarter record Adjusted EBITDA of $21.1 mm, up 16% from prior year quarter, supported by U.S. sales growth and higher operating income
- ✓ Record Backlog reaches $518 mm or 1.4x total 2018 revenues
- ✓ Completed Key Joint Venture with Saint Gobain expected to augment Tecnoglass' vertical integration strategy, ensuring stable float glass supply and to provide significant synergies over time
- ✓ Completed nearly half of high return investments to expand capacity and automate key processes across plant network



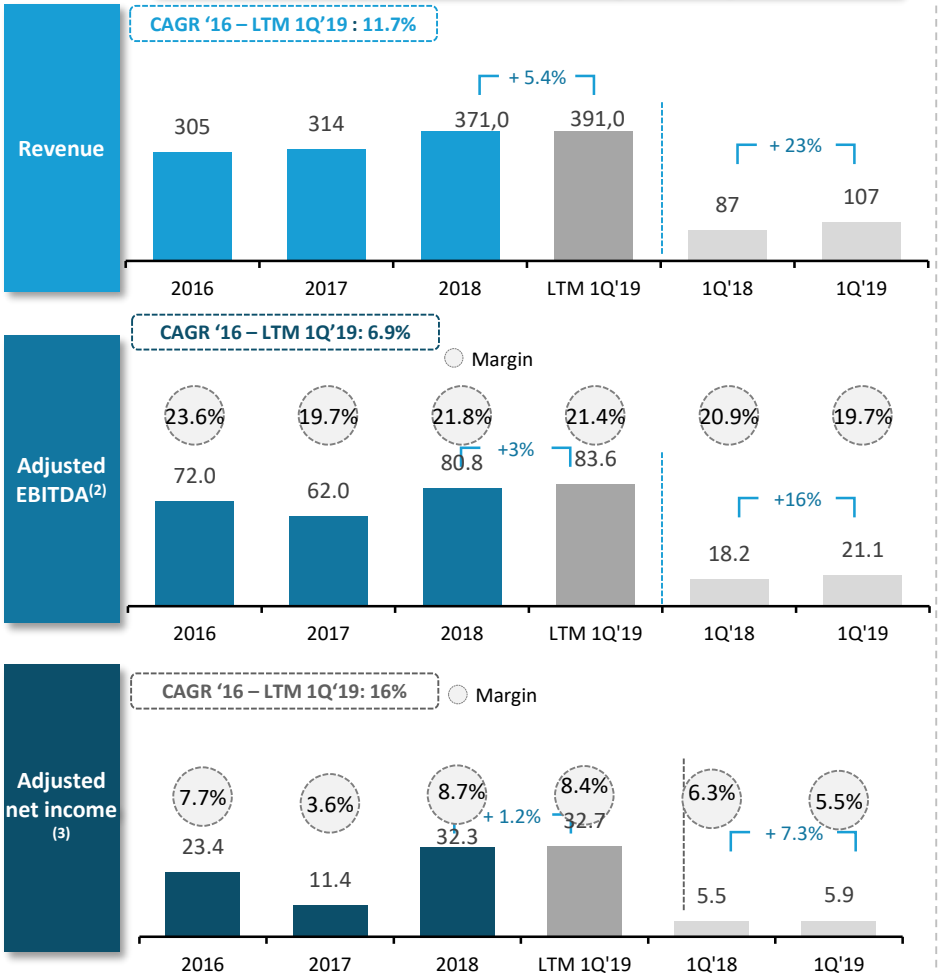
The Wilshire
Texas, US

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 2019 Summary[1]

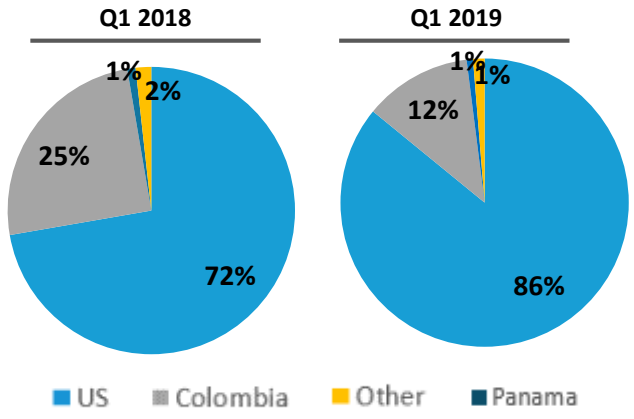
Key Financial Metrics (US$mm)



Sales Performance By Geography

	Q1		´18 vs ´19		1Q LTM		´19 vs ´18	
Revenues US$mm	2018	2019	$Δ	%Δ	2018	2019	$Δ	%Δ
United States	63,0	92,1	29,1	46%	255,2	325,6	70,4	28%
Colombia	21,8	13,0	(8,9)	-41%	68,9	53,6	(15,4)	-22%
Other Countries	2,3	2,1	(0,2)	-8%	11,6	11,8	0,2	1%
Total	87,2	107,2	20,0	23%	335,8	391,0	55,2	16%

- Strong U.S. revenue growth driven by successful penetration into new geographies and rapid expansion into the single-family residential market



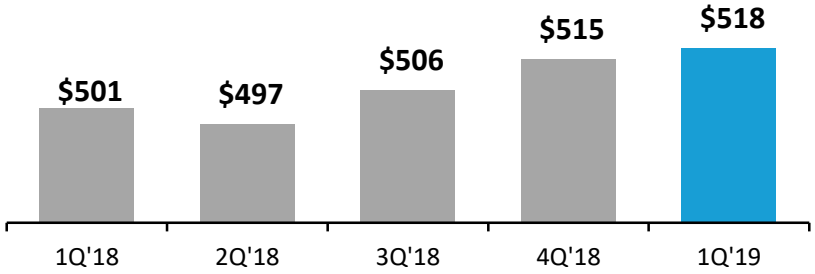
Notes:

1. *Prior-period financial information 2016 has been retroactively adjusted for ES Windows, acquired under common control. 2017 Financials includes GM&P since 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, 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.*

Continued Record Levels of Backlog

Backlog Evolution at Quarter End (US$mm)

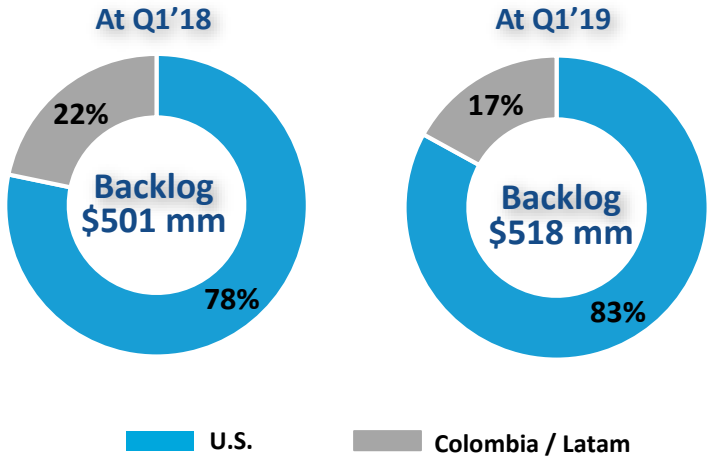
Business conditions stronger YoY with visibility beyond first half 2020



Backlog Overview

- Record quarter at $518 mm mainly driven by healthy bidding activity in commercial construction
- US continues to grow as a percentage of total backlog given successful geographical expansion and market penetration
- Backlog level equates to 1.4x our 2018 revenue levels. Continued growth despite record invoicing at US$391mm on an LTM basis
- Single-family residential not fully captured in backlog given shorter term “spot” duration of projects

Geographic Mix









EA'O Tower
Honolulu, Hawaii

FINANCIAL UPDATE

Financial Highlights Q1 2019 vs Q1 2018

Key financial results (US$mm)	Q1 2018	Q1 2019	2018 vs 2019 $Δ	2018 vs 2019 %Δ
Revenues	87,2	107,2	20,0	23%
Adjusted EBITDA	18,2	21,1	2,9	16%
Adjusted net income	5,5	5,9	0,4	7%
Cash at end of period	30,6	61,7	31,1	102%
Net debt (1)	195,0	186,2	(8,8)	-5%
Capex (2)	1,1	3,7	2,6	246%
Paid cash dividends	0,5	0,8	0,2	41%
Leverage (3)	2,9	2,2	(0,7)	24%

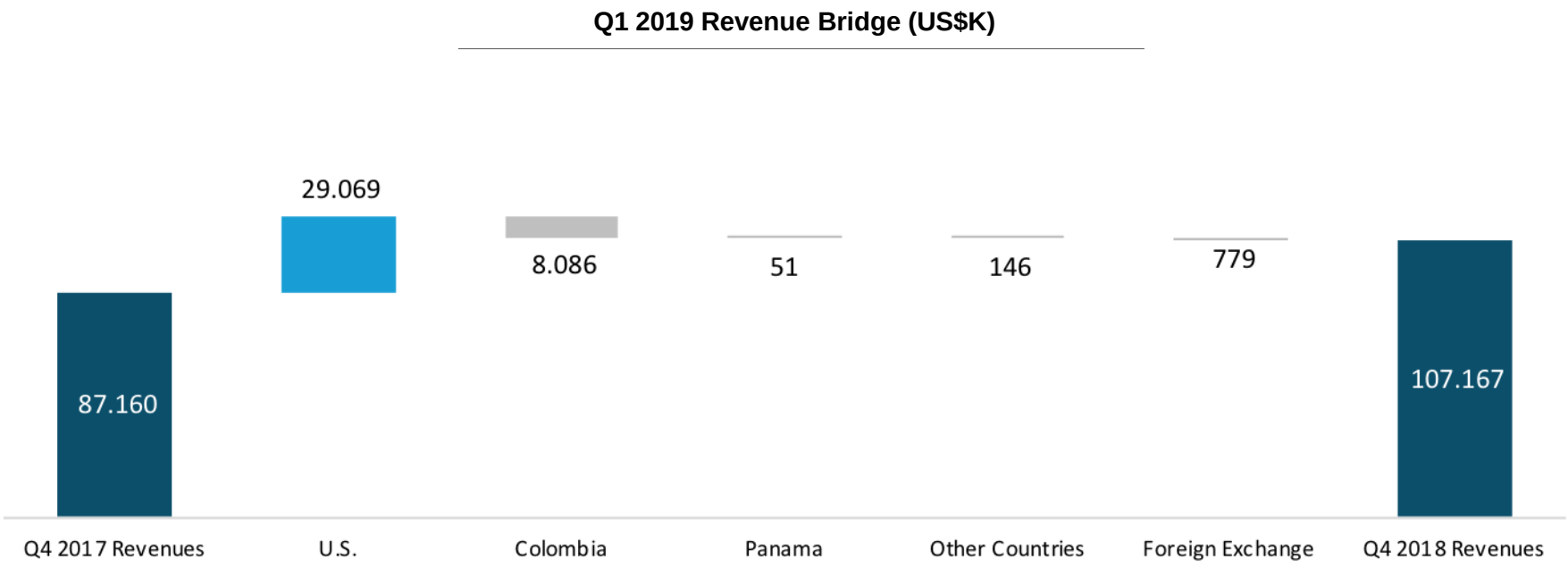
First quarter results

- Total revenues increased 23% YoY to $107.2 mm compared to $87.2 mm in the prior year quarter
- U.S. revenues grew 46.1% or 21.9 mm YoY, from $63 mm to $92 mm driven by positive commercial and residential construction activity and slight pricing improvement, along with $5-7 mm of installation revenue pulled forward from Q2'19
- Q1 Adjusted EBITDA of $21.1 mm, increased 15.7% as to $18.2 mm in the prior year quarter, resulting from higher sales and our successful vertical integration strategy
- Adjusted net income improved to $5.9 mm, or $0.15 per diluted share, compared to $5.5 mm, or $0.14 per diluted share in the prior year quarter
- Strong cash balance at $61.7 mm, providing ample flexibility to execute the Company´s strategic plan
- CAPEX of $3.7 mm primarily related to previously announced high-return investments, supporting growth and efficiencies
- Net leverage improved to 2.2x net debt to LTM Adjusted EBITDA in part attributable to stronger financial results

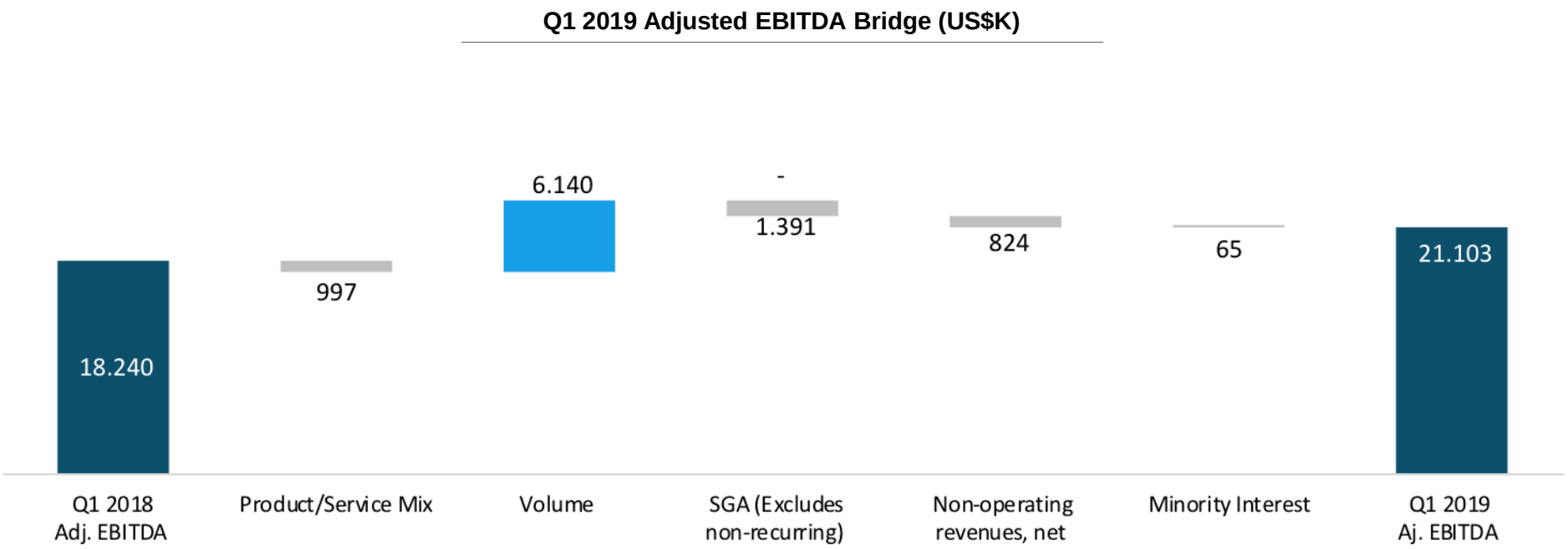
Notes:

1. *Net debt is calculated as gross debt (-) cash & equivalents.*
2. *Capex refers to acquisition of property and equipment with cash. Do not include assets acquired under capital lease and debt.*
3. *Leverage is calculated as Net Debt to Adjusted EBITDA*

Revenue Bridge Q1 2019 vs Q1 2018



Adjusted EBITDA Bridge Q1 2019 vs Q1 2018[1]



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 episodic transaction expenses which are non-recurring in nature.*



UM Thomas P. Murphy Design Studio
Florida, United States.

2018 Building of the Year by
World-Architects

BUSINESS & MARKET UPDATE

Update on Joint Venture & High Return Capex Initiatives

Strategic Joint Venture



- ✓ On May 3rd, completed previously announced JV with Saint-Gobain
- ✓ $34 million cash portion of transaction funded with cash on hand
- ✓ JV reinforces vertical integration strategy and provides ample access to float glass supply
- ✓ Expected to achieve significant synergies over time through the reduction of procurement, transportation and other operating costs
- ✓ Land permit process underway to start planned construction of second plant near HQ in Q4 2019

High Return Initiatives

- ✓ In Q4 2018, started enhancements at glass and aluminum facilities to increase production capacity and automate operations
- ✓ Expected to improve efficiency in glass production by approximately 2.5x within certain automated lines and increase aluminum manufacturing installed capacity by 25%
- ✓ Total aluminum capacity expansion expected to start in Q3 2019 and the full implementation of automation initiatives by the end of 2019
- ✓ ~$9 million already invested out of expected $20 million

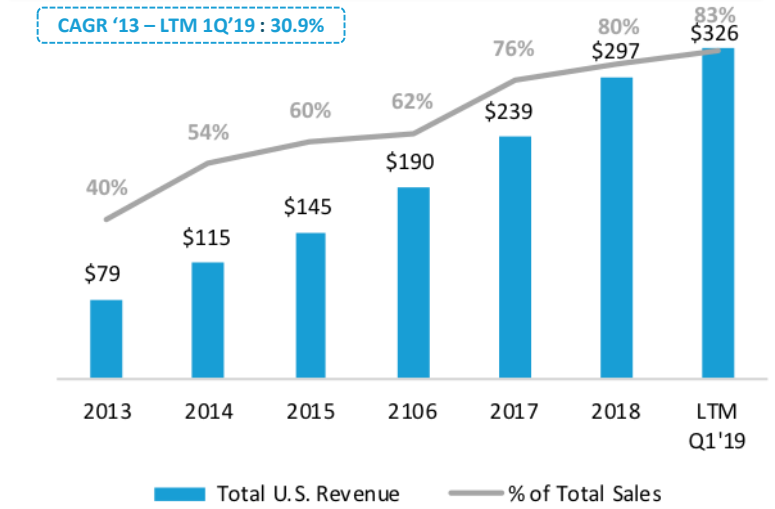


TECNOGLASS

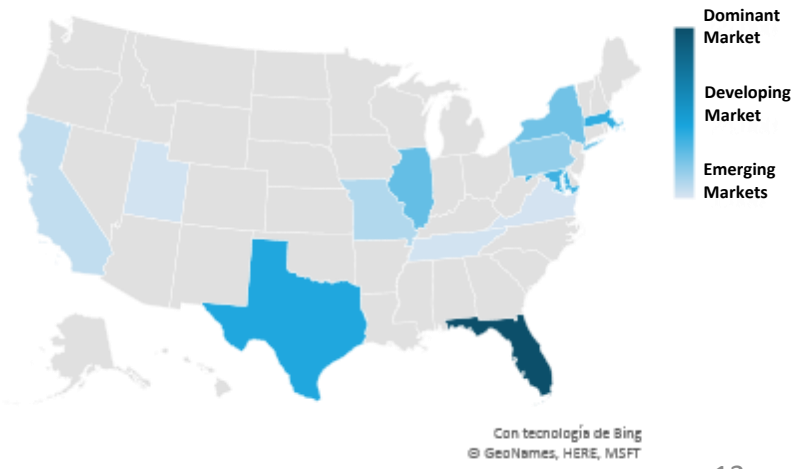
U.S Penetration Continues to Drive Significant Upside Potential

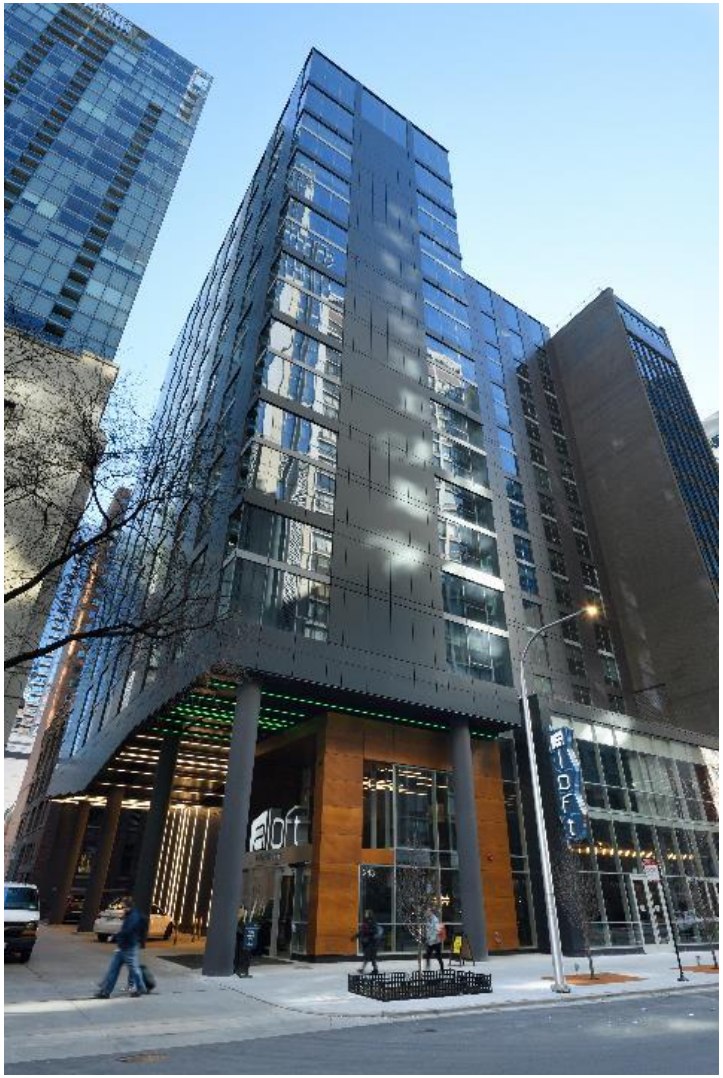
- ✓ Capitalizing on strong Florida presence as a platform to grow into additional U.S. regions
- ✓ Since becoming public in 2013, Tecnoglass has experienced a 31% US sales CAGR, significantly outpacing commercial construction and peer growth rates
- ✓ Consolidation of ESWindows and GM&P's operations further augments vertical integration to control end-to-end process and relationship with end clients
- ✓ In 2017, began rapid expansion into the U.S. single family residential market
- ✓ Ongoing diversification of backlog into additional U.S. regions building on successful growth strategy and structural competitive advantages

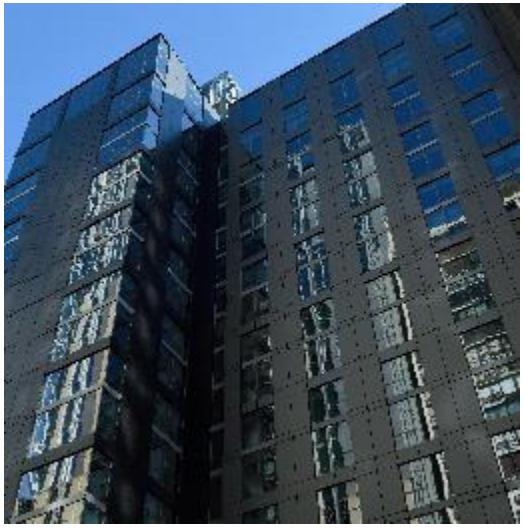
U.S. Revenues Performance



Successful Geographic Expansion in the U.S.









Aloft Chicago Mag Mile

Illinois, United States

OUTLOOK UPDATE

TECNOGLASS

2019 Outlook Reiterated

Revenues
$395 to $415 Million
Midpoint +9.2% YoY

Adjusted EBITDA
$86 to $94 Million
Midpoint +11.3% YoY

Highlights

- Outlook formed through “bottoms up” approach, analyzing backlog timing on a project-by-project basis, as similarly performed in 2018
- Growth expected primarily from U.S., fueled by increasing sales in retail/residential markets through penetration of newer products and continued share gains in commercial end markets
- Muted outlook on Colombia/Latam until positive macro-economic indicators start translating into invoicing
- Continue to expect favorable operating leverage on higher revenues and improved mix of sales from manufacturing operations
- Incorporates Tecnoglass share of Adjusted EBITDA from the Vidrio Andino joint venture which closed at the beginning of May
- Lower expected SG&A as a percent of sales based on incremental revenues and leverage attained with ongoing cost control efforts





Dealertrack
New York, United States

APPENDIX

Non-GAAP Reconciliation[1]

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

	Three months ended				
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019
Net (loss) income	**10.620**	**(3.871)**	**6.152**	**(4.415)**	**7.268**
Less: Income (loss) attributable to non-controlling interest	72	212	145	116	7
(Loss) Income attributable to parent	**10.692**	**(3.659)**	**6.297**	**(4.299)**	**7.275**
Interest expense and deferred cost of financing	5.050	5.361	5.140	5.636	5.587
Income tax (benefit) provision	5.393	(1.467)	2.261	(211)	4.942
Depreciation & amortization	5.665	5.793	6.025	5.674	5.841
Foreign currency transactions losses (gains)	(9.973)	8.307	2.494	13.633	(3.286)
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	1.342	3.866	495	983	744
Director Stock compensation and provision for obsolete inventory	71	71	71	69	-
Adjusted EBITDA	**18.240**	**18.272**	**22.783**	**21.485**	**21.103**
Net (loss) income	**10.620**	**(3.871)**	**6.152**	**(4.415)**	**7.331**
Less: Income (loss) attributable to non-controlling interest	72	212	145	116	7
(Loss) Income attributable to parent	**10.692**	**(3.659)**	**6.297**	**(4.299)**	**7.338**
Foreign currency transactions losses (gains)	(9.973)	8.307	2.494	13.633	(3.286)
Deferred cost of financing	346	360	372	390	393
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	1.342	3.866	495	983	744
Tax impact of adjustments at statutory rate	3.065	(1.564)	(321)	(508)	688
Adjusted net (loss) income	**5.472**	**7.311**	**9.337**	**10.199**	**5.877**
Basic income (loss) per share	0,29	(0,10)	0,16	(0,12)	0,19
Diluted income (loss) per share	0,28	(0,10)	0,16	(0,12)	0,18
Diluted Adjusted net income (loss) per share	0,15	0,20	0,24	0,27	0,15
Diluted Weighted Average Common Shares Outstanding in thousands	**37.405**	**36.987**	**38.970**	**38.093**	**39.883**
Basic weighted average common shares outstanding in thousands	36.855	36.987	38.420	38.093	38.612
Diluted weighted average common shares outstanding in thousands	37.405	36.987	38.970	38.644	39.883

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 US $k

	As of March 31,	
	2018	**2019**
Short Term Debt and Current Portion of Long Term Debt	5.812	28.049
Long Term Debt	16.829	14.593
Corporate Bond	202.932	205.254
Gross Debt	**225.573**	**247.896**
Cash at the end of the period	30.605	61.712
Net Debt	**194.968**	**186.184**
LTM Q1'19 Adjusted EBITDA	66.460	83.643
Net Debt / LTM Q1'19 Adjusted EBITDA	**2,93x**	**2,23x**

	As of March 31,	
Total Investment Reconciliation	**2018**	**2019**
Capex or Cash acquisition of property and equipment	1.070	3.701
Assets acquired under capital lease and debt	314	1.468
Total Investment	**1.384**	**5.169**

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.*