

SECOND QUARTER 2019 EARNINGS CONFERENCE CALL

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

Salesforce Tower
California, 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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225 N Calvert Street Apartments
Maryland, United States

SUMMARY & HIGHLIGHTS

TECNOGLASS

Q2 2019 Key Take-Aways

- ✓ 9th consecutive record revenue quarter at $113.9 mm, up 28% from prior year quarter, driven by strong U.S. activity
- ✓ U.S. revenues achieved a new record level of $99.3 mm, up 42% from the prior year quarter. The U.S represented 87% of Q2 total sales due to successful diversification strategy and further penetration into the single-family residential sector
- ✓ U.S. single-family residential sales continue to grow at a rapid pace, up ~150% year-over-year
- ✓ Record quarterly Adjusted EBITDA of $25.8 mm, which grew 41% from the prior year quarter, mainly supported by U.S. sales growth, better operating leverage and the incorporation of the St Gobain JV. Two months of St. Gobain JV contributed $973K for the period
- ✓ Backlog expanded 6% YoY to a record $525 million, representing 1.3x LTM total revenues
- ✓ Completed key joint venture with Saint Gobain in May
- ✓ Completed aluminum extrusion facility expansion in July
- ✓ Approximately 60% of high return investments to increase production capacity and automate operations have already been executed as of June



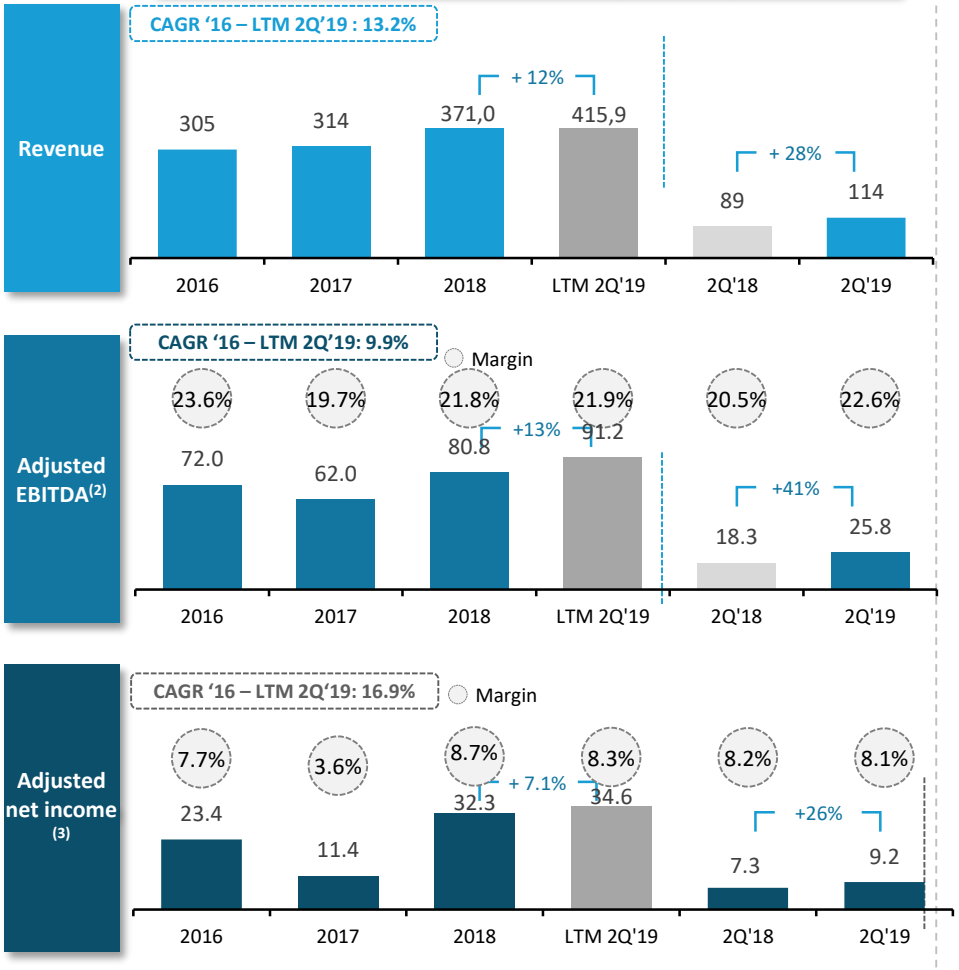
Auberge Beach Residence
Florida, US

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*

Q2 2019 Summary[1]

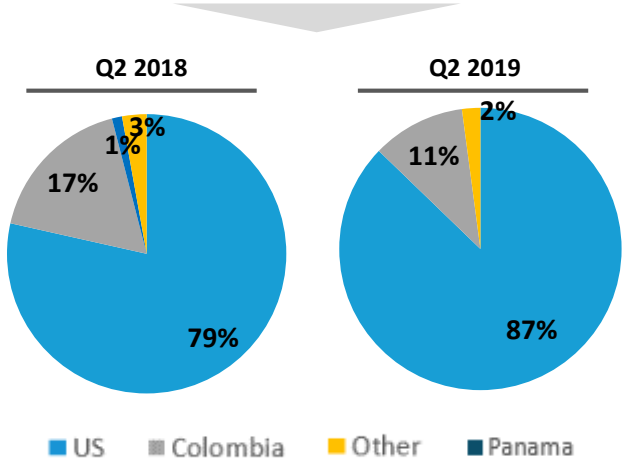
Key Financial Metrics (US$mm)



Sales Performance By Geography

	Q2		´18 vs ´19		2Q LTM		´19 vs ´18	
Revenues US$mm	2018	2019	$Δ	%Δ	2018	2019	$Δ	%Δ
United States	69,9	99,3	29,5	42%	264,7	355,1	90,4	34%
Colombia	15,6	12,2	(3,4)	-22%	69,0	50,2	(18,8)	-27%
Other Countries	3,6	2,4	(1,2)	-33%	10,1	10,6	0,5	5%
Total	89,0	113,9	24,9	28%	343,8	415,9	72,1	21%

- Strong U.S. revenue growth driven by successful geographic expansion, along with penetration into the U.S. residential market



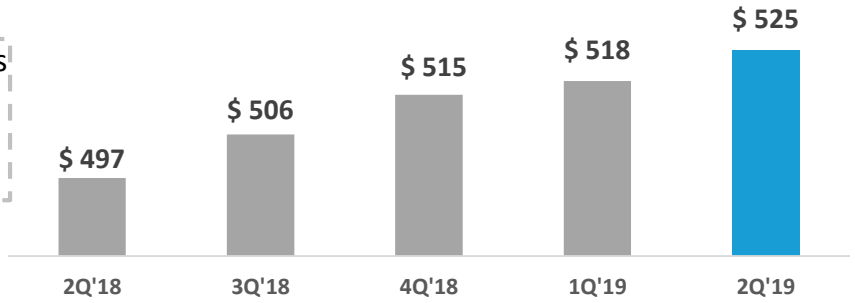
Notes:

1. *Prior-period financial information from 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)

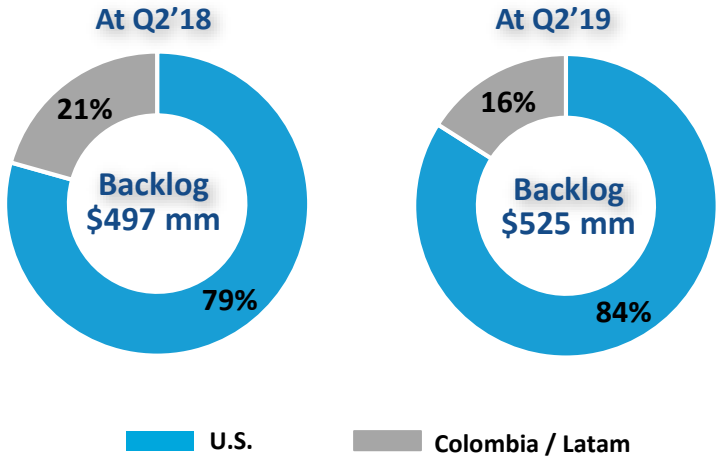
Business conditions stronger YoY with visibility beyond first half 2020



Backlog Overview

- Backlog expanded to a record $525 million; up 6% from prior year quarter mainly driven by stronger activity in the U.S.
- U.S. backlog increased 12% to $450 million, representing 84% of total backlog, due to expanded footprint in the U.S. and healthy bidding activity in key markets
- Backlog level equates to 1.3x LTM 2Q'19 revenue. Continued growth despite record invoicing at US$416 mm on an LTM basis
- Single-family residential not fully captured in backlog given shorter term "spot" duration of projects

Geographic Mix









UF Health Cancer Center

Florida, United States.

FINANCIAL UPDATE

Financial Highlights Q2 2019 vs Q2 2018

	Q2		2018 vs 2019		Year to Date 2019 vs 2018			
Key financial results (US$mm)	2018	2019	$Δ	%Δ	2Q 2018	2Q 2019	$Δ	%Δ
Revenues	89,0	113,9	24,9	28%	176,1	221,1	44,9	26%
Adjusted EBITDA	18,3	25,8	7,5	41%	36,5	46,9	10,4	28%
Adjusted net income	7,3	9,2	1,9	26%	12,8	15,1	2,3	18%
Cash at end of period	29,9	47,6	17,7	59%	29,9	47,6	17,7	59%
Capex (1)	3,8	10,1	6,3		4,9	13,8	8,9	
Paid cash dividends	0,8	2,2	1,4		1,4	2,9	1,6	
Operating Cash Flow	3,8	13,9	10,2		(6,4)	9,0	15,5	
Leverage (2)	2,83	2,36			2,83	2,36		

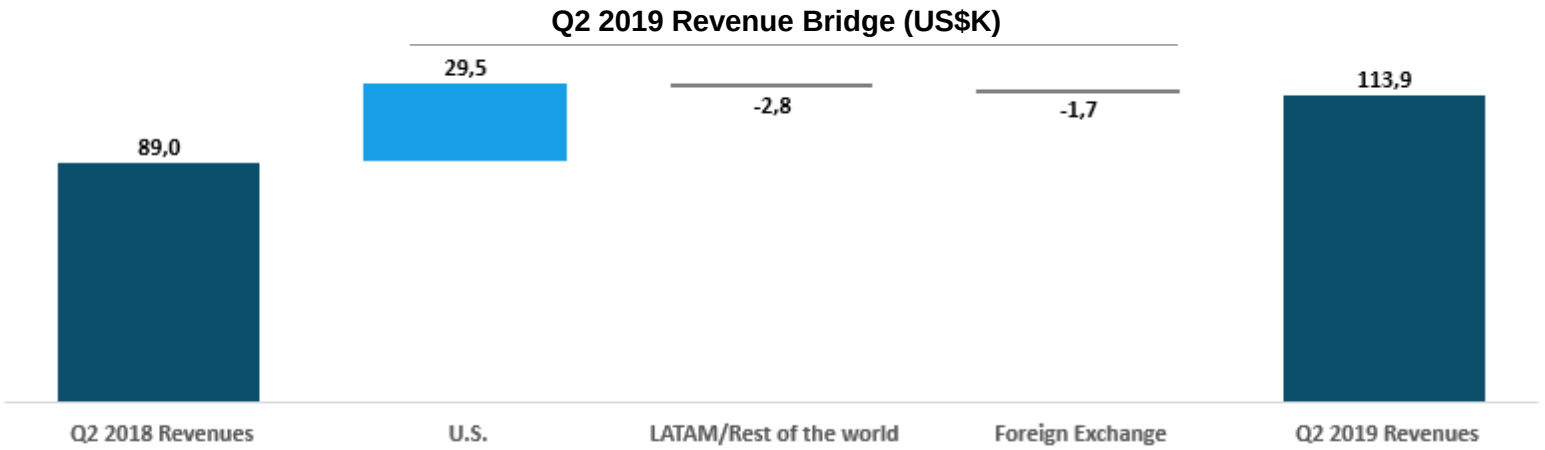
Second quarter results

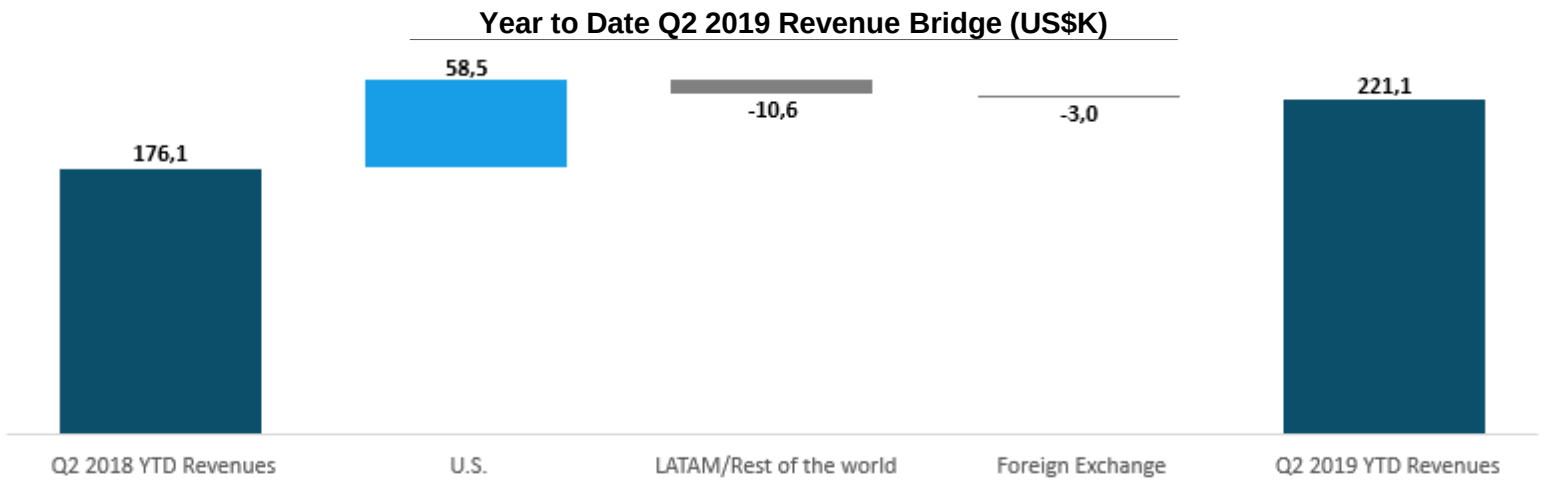
- 9th consecutive record revenue quarter at $113.9 mm driven by higher U.S. sales in both commercial and residential. Single-family residential increased ~150% from the prior year quarter
- Delivered Adjusted EBITDA of $25.8 mm, up 41% YoY with margin improvement of 200bps from the prior year quarter. Improvements driven by higher sales and cost efficiencies driving operating leverage
- Adjusted net income of $9.2 mm, or $0.20 per diluted share, up 36% from prior year quarter of $7.3 mm or $0.19 per diluted share
- $13.9 mm cash provided by operating activities despite working capital needs to support substantial growth vs. last year. Achieved through higher profitability, inventory management and economies of scale to obtain more advantageous supplier terms
- Capex of $13.8 mm YTD, in line with expectation and mainly investments in high-return growth and efficiency initiatives
- Used $34 million of cash to fund St. Gobain JV investment
- Improved net debt leverage ratio to 2.36x vs 2.83x in the prior year quarter

Notes:

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

Revenue Bridge Q2 2019 vs Q2 2018



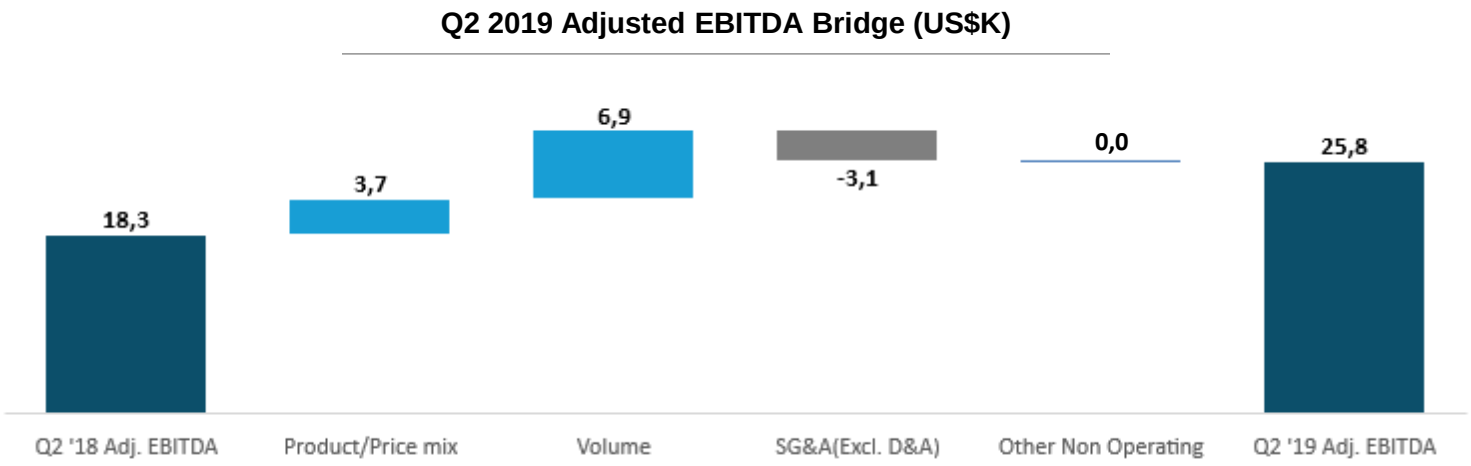


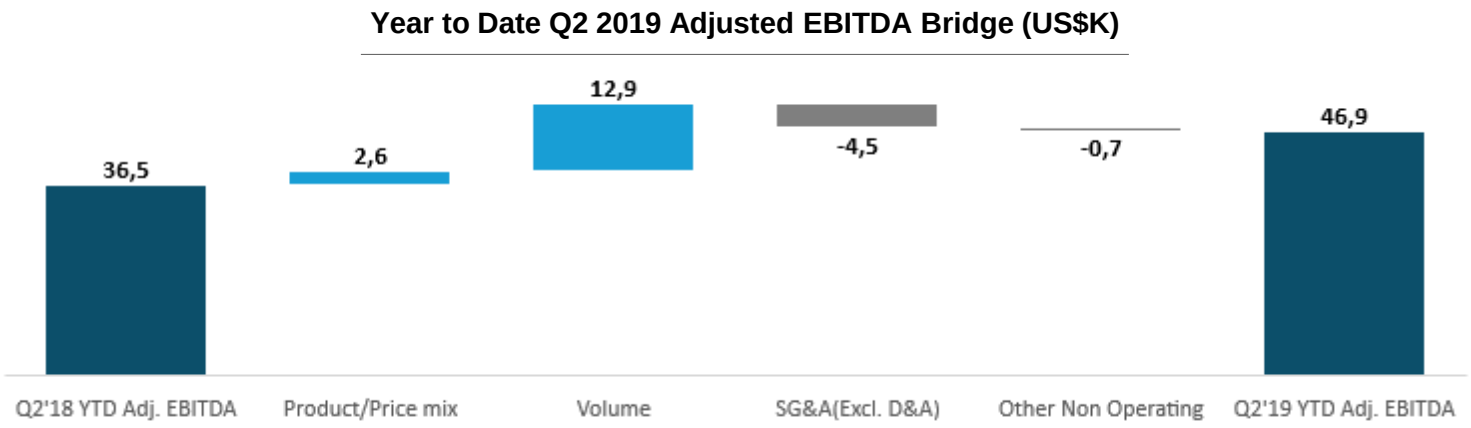
TGLS LTM revenue mix from US at 85%, higher than median of 79% for U.S.-based building product peers[1]

Notes:

1. *Peer median includes AFI, APOG, AWI, CBPX, DOOR, FBHS, FRTA, JELD, MAS, MHK, OC, PGTI, ROCK, SSD, TILE, WMS, as of twelve months ended second quarter 2019; Sourced from FactSet*

Adjusted EBITDA Bridge Q2 2019 vs Q2 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, withholding taxes associated with payments to bondholders, acquisition related costs and other non-recurring items*



Rec Pier Hotel

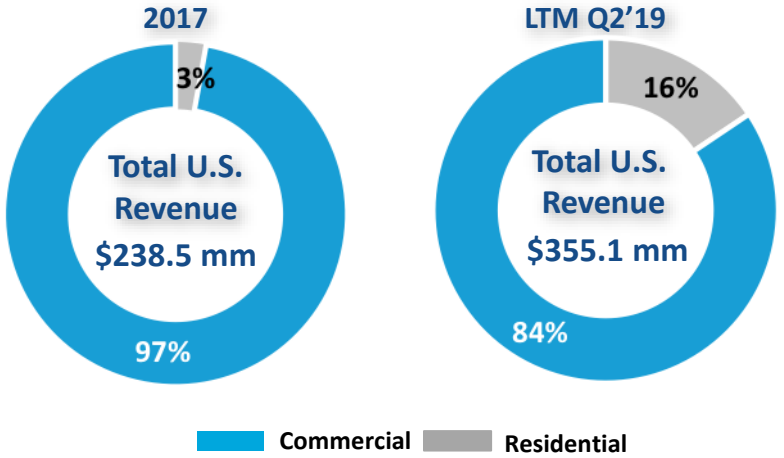
Maryland, United States.

UPDATE ON STRATEGIC INITIATIVES

Continued Expansion Into US Residential Market



US Residential Mix



- ✓ US residential ramp surpassing expectations through share gains, new products and solid execution
- ✓ Residential increased ~150% in Q2'19 compared to the prior year quarter
- ✓ Residential represented 16% of US sales as of LTM Q2'19, compared to 3% in 2017
- ✓ Fastest expected growth category for TGLS since 2017

ELITE LINE by ESWINDOWS

Prestige by ESWINDOWS

Update on Joint Venture & High-Return Capex Investments

Aluminum Operation Expansion

- ✓ Completed previously announced aluminum production capacity expansion in July
- ✓ Fully operational in August
- ✓ Expanded aluminum production capacity by 25% within certain new lines
- ✓ Expected to benefit the Company through production efficiencies and higher output
- ✓ Already funded through cash on hand

Efficiency Investments

- ✓ High-return initiatives at glass and aluminum facilities to automate key operations
- ✓ Investments expected to optimize production and improve efficiency on an end to end basis
- ✓ Expected 2.5x capacity increase on automated lines with improvement in lead times
- ✓ Majority of investment already completed. Expected to be operative by the end of the year

Joint Venture with St. Gobain

- ✓ Closed transaction on May 3rd through $34 million cash payment
- ✓ Construction of new plant expected to start by the end of 2019
- ✓ JV reinforces vertical integration strategy and provides ample access to float glass supply













Marymount University

Virginia, United States

OUTLOOK UPDATE

TECNOGLASS

Increased Guidance

Revenues
$415 to $430 Million
Midpoint +13.9% YoY

- Outlook formed through "bottoms up" approach, analyzing backlog timing on a project-by-project basis. Solid execution YTD with strong backlog for the rest of the year
- Increase in revenue guidance resulting from 2H'19 enhanced backlog visibility and better than expected residential trends
- 1H'19 year-over-year growth higher compared to 2H'19 year-over-year growth based on anticipated timing of invoicing; unchanged

Adjusted EBITDA
$90 to $98 Million
Midpoint +16.4% YoY

- 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 Saint Gobain joint venture which closed at the beginning of May 2019
- Lower expected SG&A as a percent of sales based on favorable leverage attained through ongoing cost control efforts







Audi North

Florida, 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				
	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019
Net (loss) income	**(3.871)**	**6.152**	**(4.415)**	**7.331**	**7.660**
Less: Income (loss) attributable to non-controlling interest	212	145	116	7	(181)
(Loss) Income attributable to parent	**(3.659)**	**6.297**	**(4.299)**	**7.338**	**7.479**
Interest expense and deferred cost of financing	5.361	5.140	5.636	5.587	5.757
Income tax (benefit) provision	(1.467)	2.261	(211)	4.879	3.977
Depreciation & amortization	5.793	6.025	5.674	5.841	5.717
Foreign currency transactions losses (gains)	8.307	2.494	13.633	(3.286)	1.201
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	3.866	495	983	744	681
Director Stock compensation and provision for obsolete inventory	71	71	69	-	-
Gain on change in fair value of earnout shares liabilities	-	-	-	-	-
Gain on change in fair value of warrant liability	-	-	-	-	-
Add: VA EBITDA adjustements					973
Adjusted EBITDA	**18.272**	**22.783**	**21.485**	**21.103**	**25.785**
Net (loss) income	**(3.871)**	**6.152**	**(4.415)**	**7.331**	**7.660**
Less: Income (loss) attributable to non-controlling interest	212	145	116	7	(181)
(Loss) Income attributable to parent	**(3.659)**	**6.297**	**(4.299)**	**7.338**	**7.479**
Foreign currency transactions losses (gains)	8.307	2.494	13.633	(3.286)	1.201
Deferred cost of financing	360	372	390	393	415
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	3.866	495	983	744	681
Tax impact of adjustments at statutory rate	(1.564)	(321)	(508)	688	(822)
Add: VA Net Income adjustements	-	-	-	-	273
Adjusted net (loss) income	**7.311**	**9.337**	**10.199**	**5.877**	**9.227**
Basic income (loss) per share	(0,10)	0,16	(0,12)	0,19	0,17
Diluted income (loss) per share	(0,10)	0,16	(0,12)	0,18	0,17
Diluted Adjusted net income (loss) per share	0,19	0,24	0,27	0,15	0,20
Diluted Weighted Average Common Shares Outstanding in thousands	**38.201**	**38.970**	**38.093**	**39.883**	**45.604**
Basic weighted average common shares outstanding in thousands	38.201	38.420	38.093	38.612	44.840
Diluted weighted average common shares outstanding in thousands	38.201	38.970	38.644	39.883	45.604

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 June30,	
	2018	**2019**
Short Term Debt and Current Portion of Long Term Debt	11.497	12.224
Long Term Debt	16.751	44.526
Corporate Bond	203.642	205.707
Gross Debt	**231.890**	**262.457**
Cash at the end of the period	29.925	47.638
Net Debt	**201.965**	**214.819**
Adjusted EBITDA	71.302	91.098
Net Debt / Adjusted EBITDA	**2,83x**	**2,36x**

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.*