THIRD QUARTER 2020 EARNINGS CONFERENCE CALL

November 6, 2020 – TECNOGLASS INC. (NASDAQ: TGLS)



2100 L Street
Washington D.C, US

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.







One Thousand Museum

Florida, United States

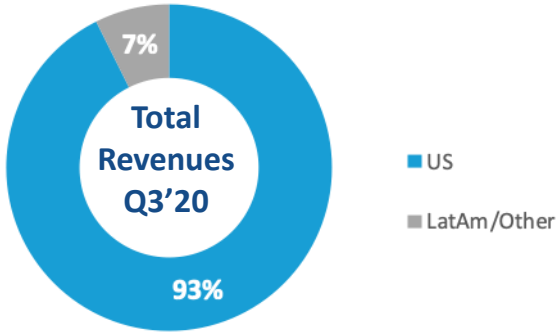
SUMMARY & HIGHLIGHTS

TECNOGLASS

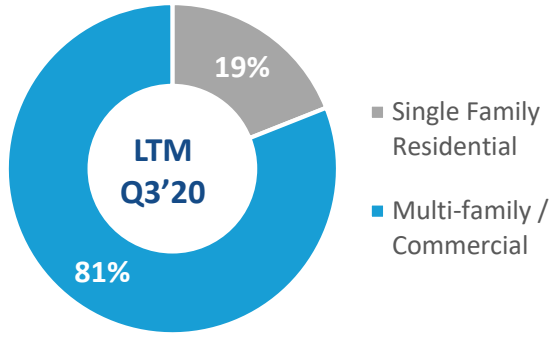
Q3 2020 Key Takeaways

- ✓ Record gross profit, operating income, Adjusted EBITDA, and cash flow
- ✓ U.S. revenues grew 3.1% to $95.7 mm, 93% of total revenue mix
- ✓ Significant demand recovery in U.S. single family residential since mid year combined with solid execution of backlog
- ✓ Gross profit up 12.3% and gross margin improved 580 bps to 38.8%
- ✓ Adjusted EBITDA up 18.7% to $28.5 mm; margin up 550 bps to 27.5%
- ✓ Adjusted net income of $12.7 mm, or $0.28 per diluted share
- ✓ Q3'20 cash flow from operations at 90% of Adjusted EBITDA
- ✓ Backlog of $536 mm supports positive momentum into Q4 and 2021
- ✓ Continued improvement in net debt / LTM adjusted EBITDA to 1.9x
- ✓ New $300 mm Credit Facility underwritten against U.S.-based peer group, reducing blended interest rate by more than half to sub -3.5%

Sales By Geography



U.S. End Market Mix



Gross Margin	**38.8%**
Adjusted EBITDA[1] Margin	**27.5%**

Notes:

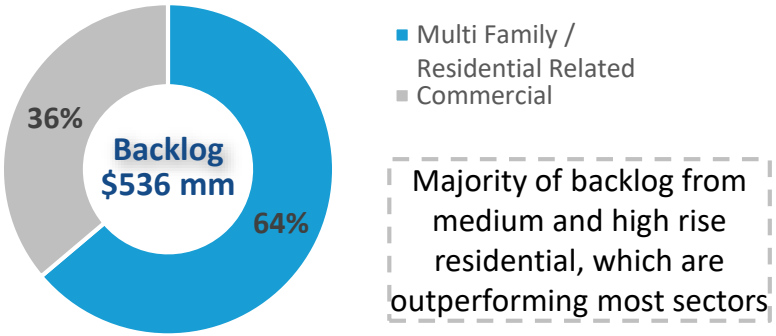
1. *Adjusted EBITDA excludes non-recurring and non-cash expenses mainly associated with our bond issuance and respective extinguishment of former debt, withholding taxes associated with payments to bondholders, acquisition related costs and other non-recurring items*

U.S. Growth Driving Resilient Backlog

Backlog Overview

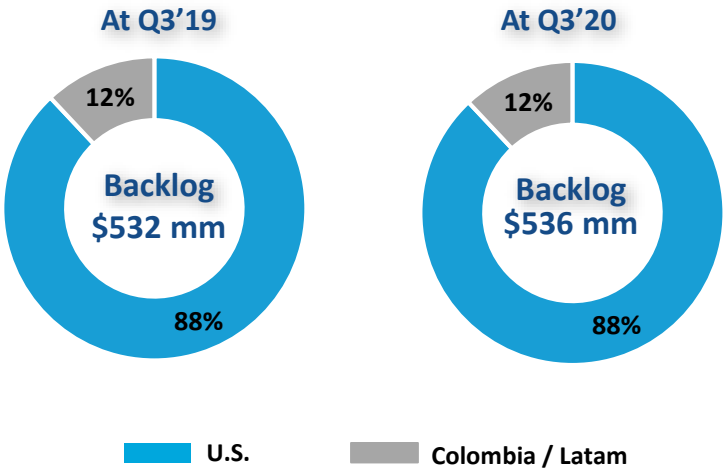
- Backlog at $536mm; up 1% YoY, despite certain delays in closings; pipeline remains active, with pent up demand evident
- US backlog up 1% YoY to $473 mm, representing 88% of total backlog with increased geographical diversification
- Well-structured backlog with significant weighting towards medium and high rise multi-family projects that are outperforming most sectors
- Solid single family residential growth trajectory not fully captured in backlog given shorter term "spot" duration of projects

Backlog as of Q3'20 by End Market



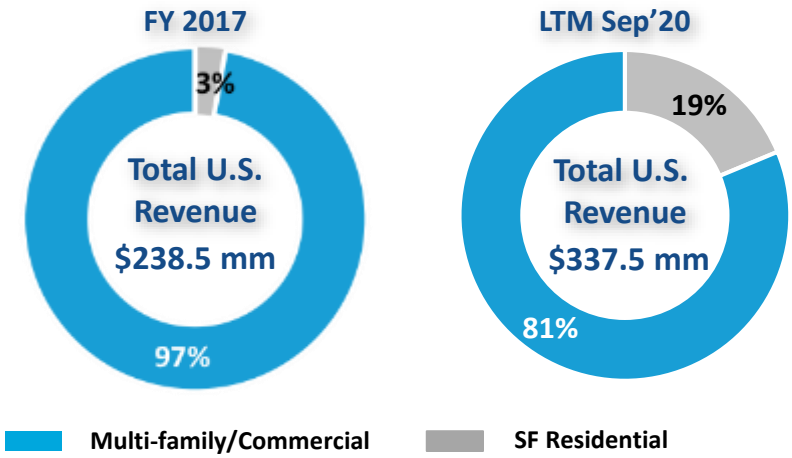
Majority of backlog from medium and high rise residential, which are outperforming most sectors

Geographic Mix



Continued Expansion Into U.S. SF Residential

U.S. Single Family Residential Mix



Introduction of Multimax for SF Residential



- ✓ Continued penetration into the U.S. SF residential end market exceeding expectations through share gains, new products and solid execution
- ✓ Positive demand environment supported by strong existing home sales and U.S. housing starts
- ✓ SF Residential revenues improved sequentially quarter-over-quarter throughout the year
- ✓ Q3'20 SF residential revenue up mid-single digits year-over-year
- ✓ SF residential expansion to 19% of U.S. sales in LTM Q3'20, compared to 3% in 2017, mainly driven by renovation upgrades in hurricane prone markets
- ✓ Recently introduced the new Multimax line for the SF residential segment, including models for homebuilders, which expands the TGLS addressable market to new SF residential construction throughout the U.S.

Notes:
1. U.S. Census and FMI Forecast







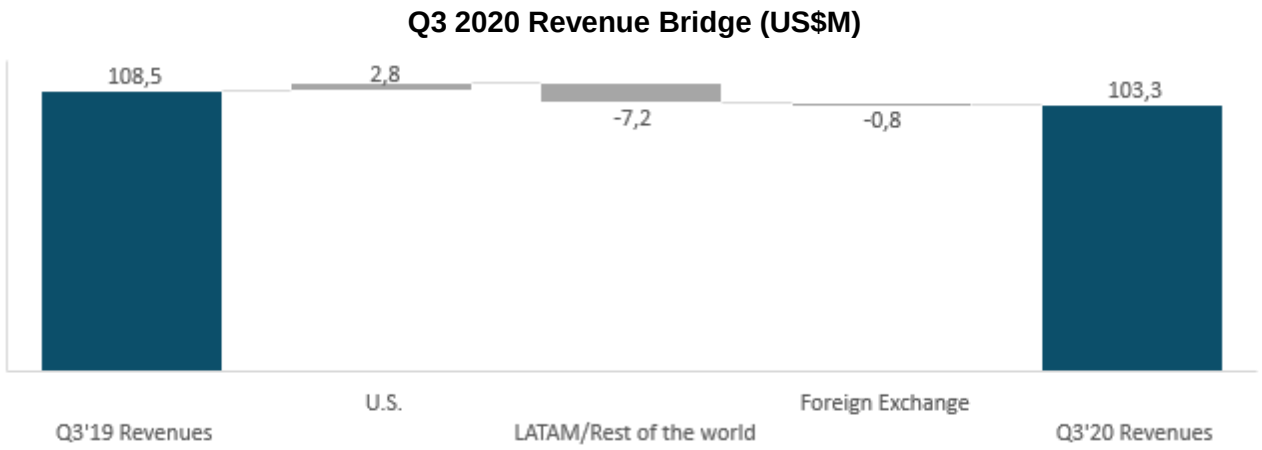
LVL 29 Legacy West

Texas, United States

FINANCIAL UPDATE

TECNOGLASS

Revenue Bridge Q3 2020 vs Q3 2019



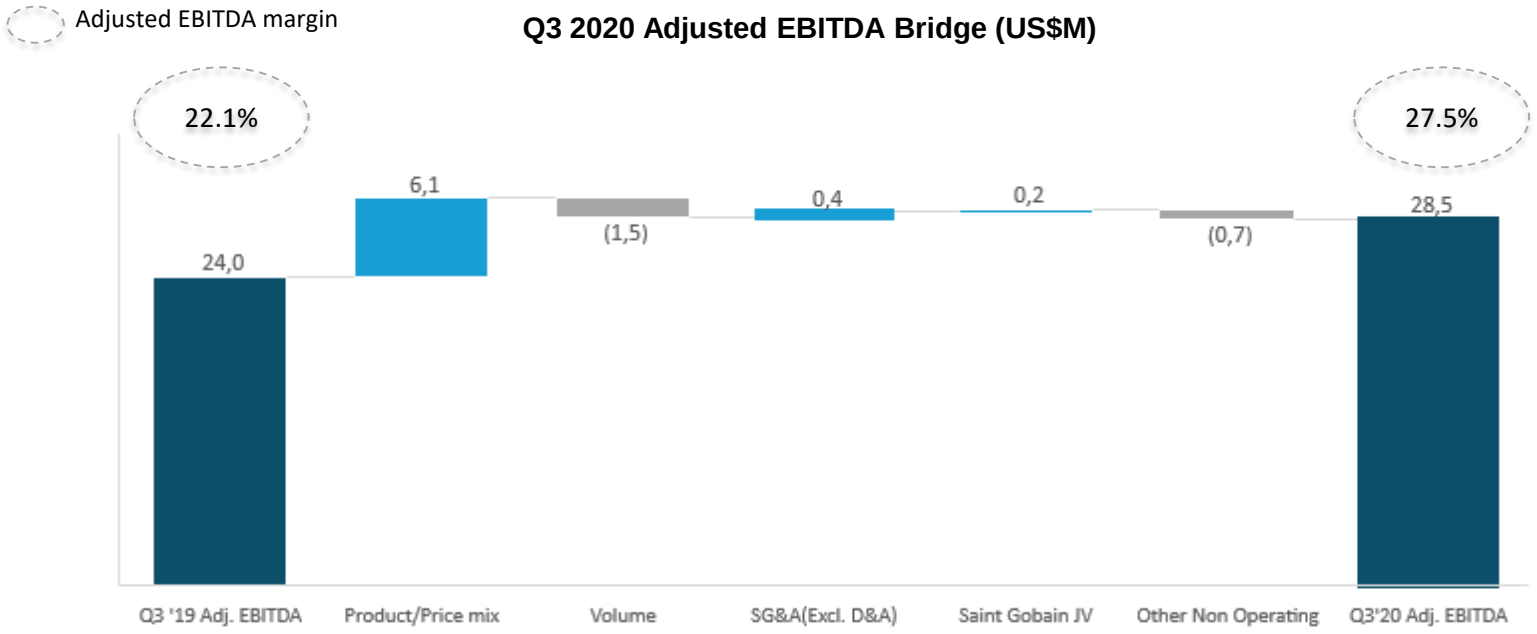
- ✓Total revenues of $103.3 mm, with U.S. representing 93% of revenues
- ✓Resilient demand drove 3.1% U.S. revenue growth YoY to $95.7 mm; growth in SF residential and backlog execution
- ✓U.S. revenue trends improved on a monthly basis as quarter progressed
- ✓Colombia and other Latin American markets remain muted due to COVID-19 related lockdowns and other preventive measures that have delayed activity at many customer job sites

TGLS LTM revenue mix from U.S. +90%, higher than average of 75% for U.S.-based building product peers(1)

Notes:

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

Adjusted EBITDA Bridge Q3 2020 vs Q3 2019[1]



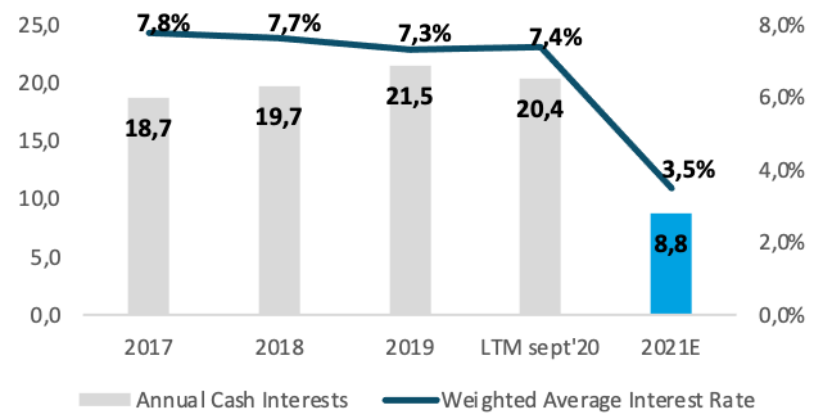
- ✓Adjusted EBITDA of $28.5 mm, with adjusted EBITDA margin expanding 550 bps to 27.5%
- ✓Gross margin improved 580 bps to 38.8% as a result of lower raw material costs, efficiencies from prior automation initiatives, and favorable revenue mix
- ✓SG&A lower YoY on reduced variable expenses related to shipping, commissions, and other personnel expenses, as well as tight cost controls

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*

Improved Balance Sheet & Leverage Profile

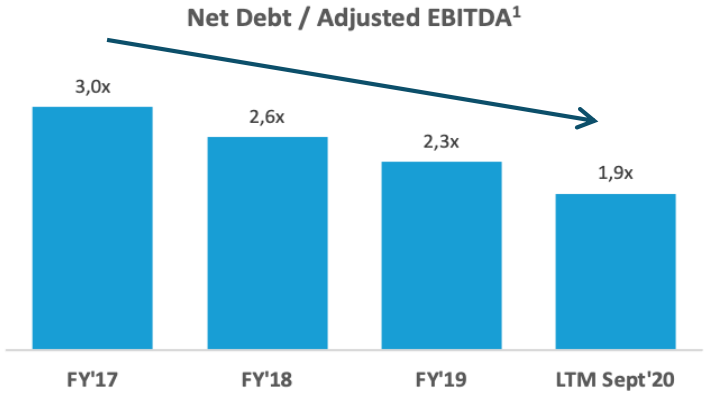
Weighted Average Interest Rate



- ✓In October 2020, entered into new $300 mm credit facility: $250 mm term loan plus $50 mm revolver
- ✓Underwritten on terms comparable to U.S. peers
- ✓Weighted average interest rate reduced to Libor +300 bps, and falling to Libor +275 bps in April 2021E
- ✓Estimated annual cash interest savings of ~$11 mm

- ✓Continued improvement in net debt / LTM adjusted EBITDA to 1.9x, at lowest level since 2015
- ✓Solid cash conversion of Adjusted EBITDA driving $50.1 mm of cash flow from operations in Q3'20 YTD
- ✓Pro forma liquidity of ~$130 mm[3], including cash of $69.5 mm and availability under revolving facilities
- ✓Significant financial flexibility to execute growth

Improved Leverage



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. *Calculated based on current nominal amount of financial debt and assuming a Libor + 2.75% interest rate based on projected leverage profile*
3. *On a pro forma basis as of September 30, 2020 giving effect to the addition of the new $300 mm senior secured facility and pay down of previous facilities*



Residential Project,
Florida, United States

OUTLOOK UPDATE

2020 Outlook

- FY2020 Adjusted EBITDA expected to be in $95-$100 mm range, a ~6% increase over FY2019 at midpoint of range, driven by higher margin YoY
- Q4'20 Adjusted EBITDA up ~18% YoY
- Q4'20 revenue expected to be comparable to prior year quarter, with higher mix of product revenue vs installation revenue, and stronger U.S. demand offsetting slower recovery in Latin America
- Positive SF residential demand supported by strong existing home sales and U.S. housing starts
- Favorable trends continued into October, executing on backlog and invoicing SF residential orders









APPENDIX

Echo Brickell
Florida, United States

TECNOGLASS

Non-GAAP Reconciliation[(1)]

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

Figures in US $k

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Net (loss) income	**8,271**	**(1,319)**	**5,657**	**13,672**
Less: Income (loss) attributable to non-controlling interest	52	144	**97**	(30)
(Loss) Income attributable to parent	**8,323**	**(1,175)**	**5,754**	**13,642**
Foreign currency transactions losses (gains)	3,678	12,006	24,193	9,921
Deferred cost of financing	1,283	405	2,231	1,213
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	1,073	963	2,900	2,388
Joint Venture VA (Saint Gobain) adjustments	389	490	1,408	763
Tax impact of adjustments at statutory rate	-2,055	(4,436)	-9,809	(4,571)
Adjusted net (loss) income	**12,691**	**8,253**	**26,678**	**23,356**
Basic income (loss) per share	0.18	(0.03)	0.12	0.31
Diluted income (loss) per share	0.18	(0.03)	0.12	0.31
Diluted Adjusted net income (loss) per share	0.28	0.18	0.58	0.53
Diluted Weighted Average Common Shares Outstanding in thousands	**46,118**	**45,519**	**46,118**	**43,793**
Basic weighted average common shares outstanding in thousands	46,118	45,519	46,118	43,793
Diluted weighted average common shares outstanding in thousands	46,118	45,519	46,118	43,793

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Net (loss) income	**8,271**	**(1,319)**	**5,657**	**13,672**
Less: Income (loss) attributable to non-controlling interest	**52**	144	97	(30)
(Loss) Income attributable to parent	**8,323**	**(1,175)**	**5,754**	**13,642**
Interest expense and deferred cost of financing	6,147	5,876	17,236	17,220
Income tax (benefit) provision	3,279	(266)	4,021	8,590
Depreciation & amortization	5,214	5,631	15,420	17,189
Foreign currency transactions losses (gains)	3,678	12,006	24,193	9,921
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	1,073	963	2,900	2,388
Joint Venture VA (Saint Gobain) EBITDA adjustments	742	929	2,610	1,902
Adjusted EBITDA	**28,456**	**23,964**	**72,134**	**70,852**

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 September 30,	
	2019	**2020**
Short Term Debt and Current Portion of Long Term Debt	16,168	396
Long Term Debt	41,378	37,655
Corporate Bond	206,398	208,329
Gross Debt	**263,944**	**246,380**
Cash at the end of the period	41,739	69,431
Net Debt	**222,205**	**176,949**
LTM Adjusted EBITDA	92,337	93,635
Net Debt / LTM Adjusted EBITDA	**2.41x**	**1.89x**

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.*