FOURTH QUARTER & FULL YEAR 2020 EARNINGS CONFERENCE CALL

March 2, 2021 – 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.







One Thousand Museum

Florida, United States

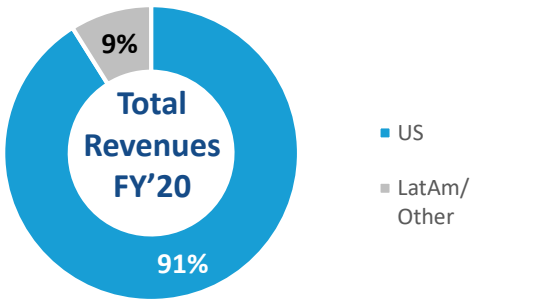
SUMMARY & HIGHLIGHTS

TECNOGLASS

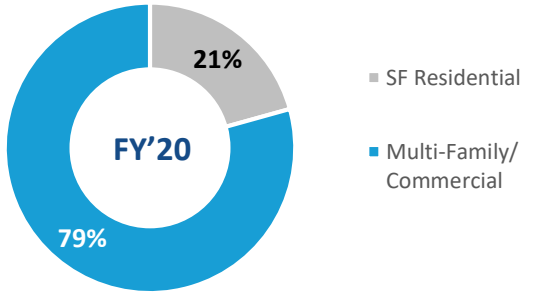
Q4 & FY 2020 Key Takeaways

- ✓ All around impressive results with record full year gross profit, operating income, Adj. EBITDA and cash flow achieved despite COVID-19 revenue pressures
- ✓ Prioritized safety and maintained workforce with no layoffs associated with the COVID-19 pandemic
- ✓ Record Q4 revenues at $102.4 mm, growth fueled by strong US performance and residential end market penetration
- ✓ Record US residential sales of $22.2 mm in Q4, up 51% or $7.5 mm from $14.7 mm through continued penetration of addressable market
- ✓ Previous high return automation initiatives drove significant and sustainable gross margin expansion; Q4 up 710 bps YoY to 36.1%; in FY20 up 560bps YoY to 37.1%
- ✓ Q4 Adj. EBITDA of $25.7 mm with margins up by 380 bps to 25.1%; FY20 Adj. EBITDA grew 6.5% YoY to a record $97.8 mm at a record 26.1% margin
- ✓ Strong cash flow from operations increased to a record of $71.4 mm; producing record free cash flow of $53.1 mm for the full year
- ✓ Improved net debt ratio to 1.6x LTM adj. EBITDA in 2020, down from 2.3x in 2019
- ✓ Completed debt refinancing with estimated annual interest savings of ~$11 mm, reducing interest rate by over 400 bps to approximately 3.50% per year
- ✓ Backlog of $545 mm, up ~1% YoY, representing ~1.5x LTM total revenues
- ✓ Exited dual listing on Colombian Stock Exchange, with TGLS shares now exclusively listed on NASDAQ

Sales By Geography



U.S. End Market Mix



FY20 Adj. EBITDA[1] Margin	26.1%
FY20 Operating Cash Flow	$71.4 mm
FY20 Free Cash Flow	$53.1 mm
FY20 Net Leverage	1.6x

Notes:

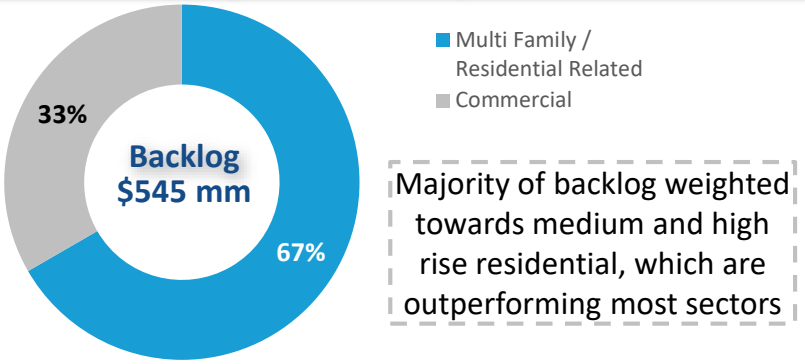
1. *Adjusted EBITDA excludes non-recurring and non-cash expenses mainly associated with our bond issuance and respective extinguishment of former debt, withholding taxes associated with payments to bondholders, acquisition related costs and other non-recurring items*

U.S. Growth Driving Resilient Backlog

Backlog Overview

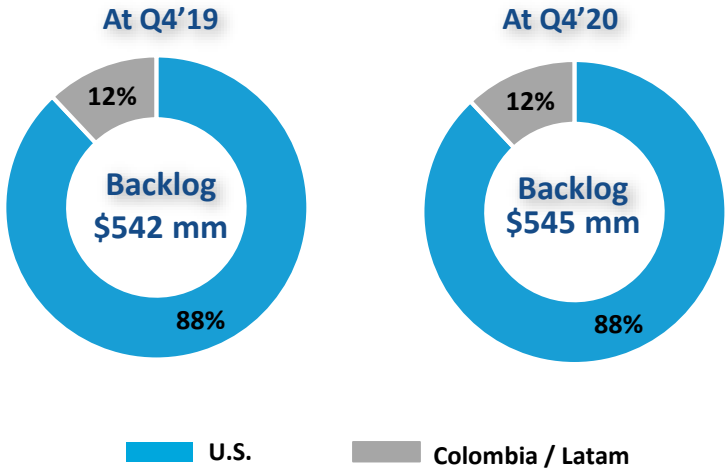
- ✓ Total Backlog grew ~1% YoY and ~2% sequentially to $545 mm as conditions continue to improve
- ✓ US backlog of $478 mm, representing 88% of total backlog with increased geographical diversification
- ✓ Solid single family residential growth trajectory not fully captured in backlog given shorter term "spot" duration of projects
- ✓ ABI index improved since trough in April 2020
- ✓ Nonresidential construction market expected to grow at an annualized rate of 2.8% over the next five years to 2025, according to IBIS World[1]

Backlog as of Q4'20 by End Market



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

Geographic Mix

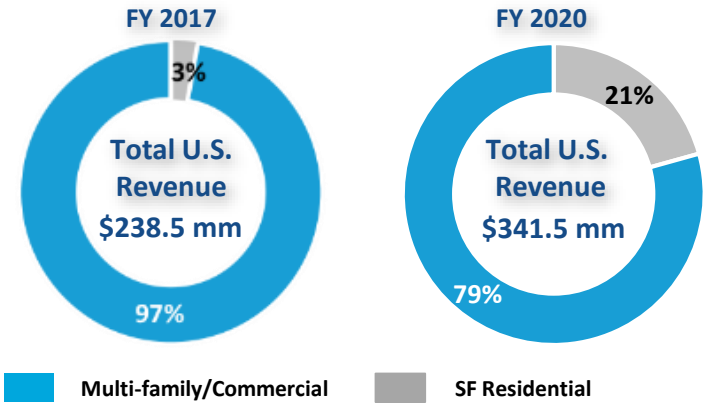


Notes:

1. *IBIS World. IBISWorld Industry Report 23815. Glass & Glazing Contractors in the U.S., November 2020*

Continued Expansion Into U.S. SF Residential

U.S. Single Family Residential Mix



Introduction of Multimax for SF Residential



- ✓ Single family residential segment now accounts for over 20% of US revenues
- ✓ Residential sales have accelerated in recent quarters supported by record-low mortgage rates and de-urbanization trends driving new residential construction
- ✓ Expanding geographic presence deeper into Southeast U.S.
- ✓ Sequential growth each quarter in 2020, going from revenues of $13.7mm for Q1 to $22.2mm in Q4
- ✓ Expanding residential penetration through dealership expansion, geographic diversification and new product introduction
- ✓ Introduced new products specifically catering to untapped opportunity with large scale homebuilders







Park Grove Tower

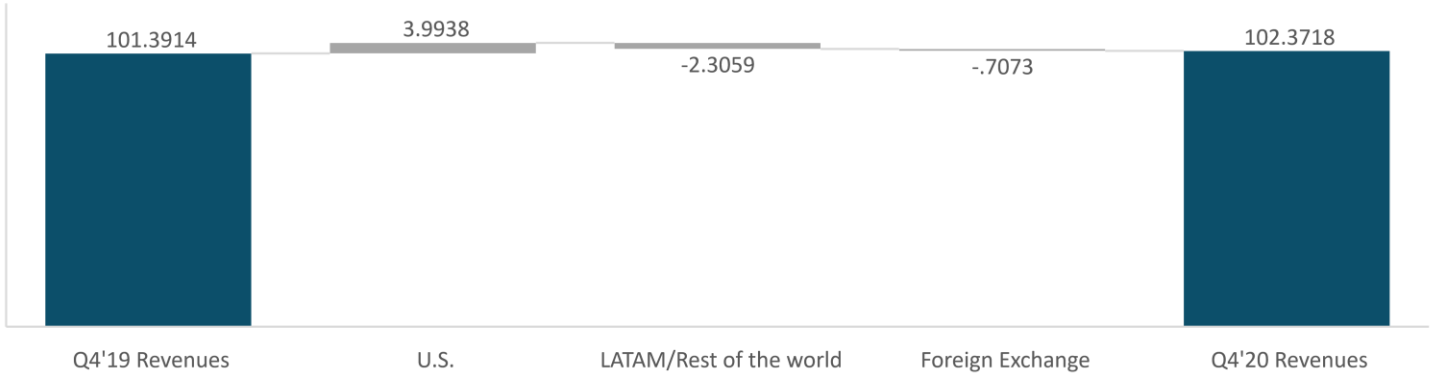
Florida, United States

FINANCIAL UPDATE

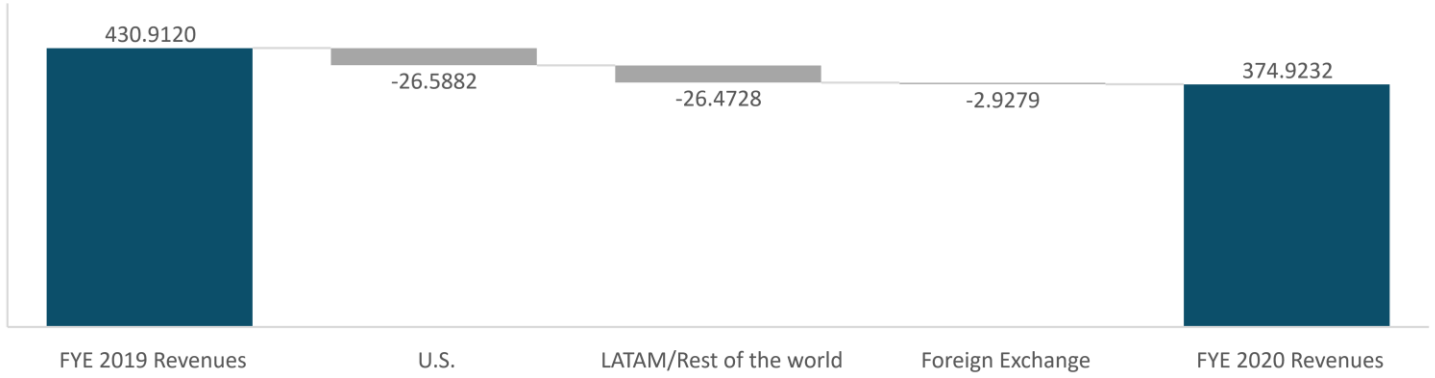
TECNOGLASS

Revenue Bridge 2020 vs 2019

Q4 2020 Revenue Bridge (US$K)



FYE 2020 Revenue Bridge (US$K)

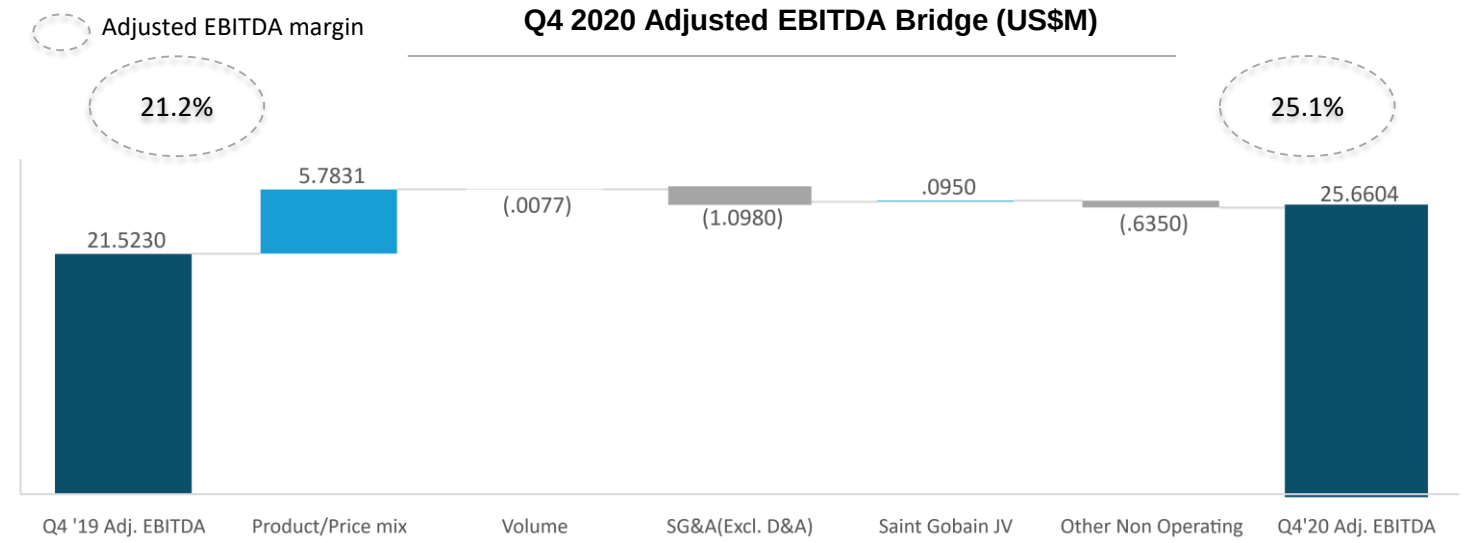


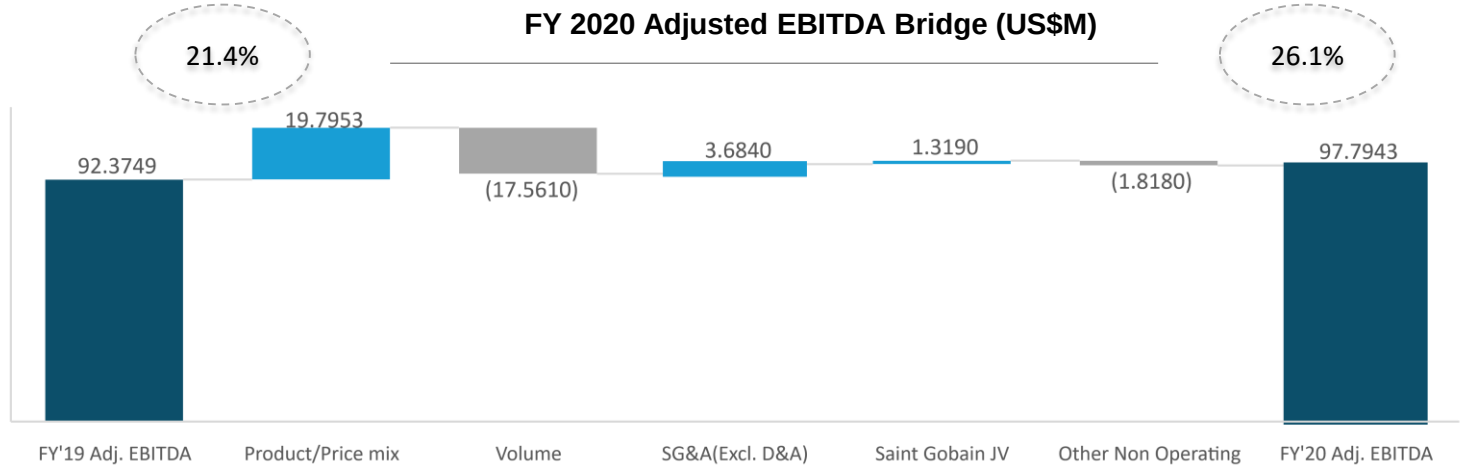
TGLS LTM revenue mix from U.S. +90%, higher than average of 81% for U.S.-based building product peers[(1)]

Notes:

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

Adjusted EBITDA Bridge 2020 vs 2019[(1)]



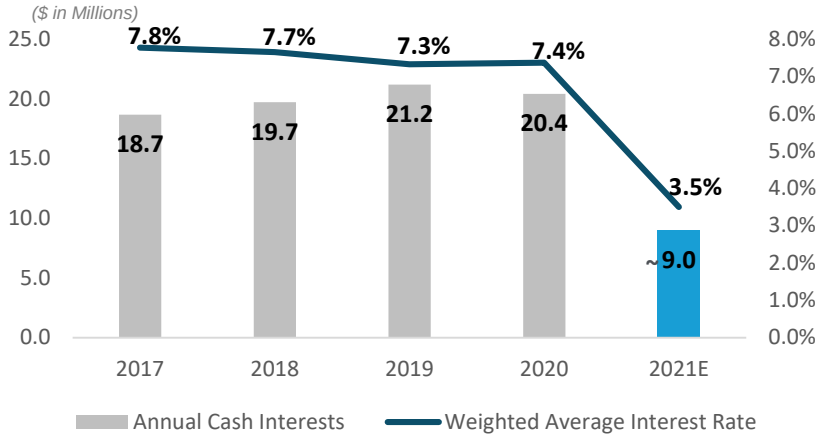


Notes:

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*

Continued Balance Sheet Deleveraging

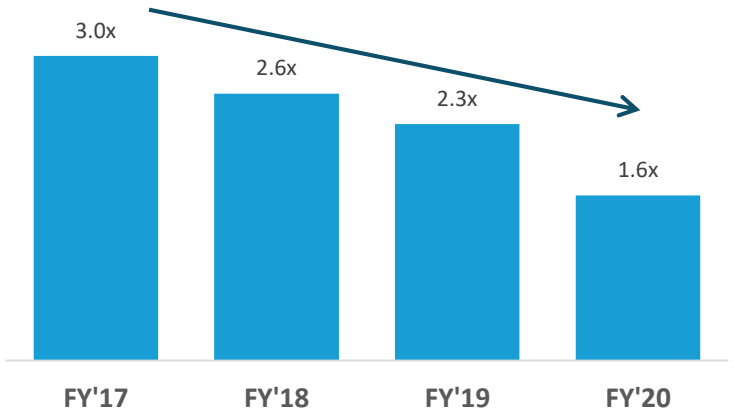
Weighted Average Interest Rate



- ✓In October 2020, entered into new $300 mm credit facility: $250 mm term loan plus $50 mm revolver
- ✓Weighted average interest rate reduced to Libor +300 bps, and falling to Libor +250 bps in April 2021E
- ✓In Q1, redeemed in full $210 mm 8.2% senior notes, plus $8.5 mm call premium
- ✓Estimated annual cash interest savings of ~$11 mm.

- ✓Solid cash conversion of adj. EBITDA driving $71.4 mm of cash flow from operations in FY'2020
- ✓Continued deleveraging, with lowest net debt / LTM adj. EBITDA since 2015 at 1.6x
- ✓Pro forma liquidity of ~$127 mm[3], including cash of $67 mm and $60 mm availability under new credit revolver facility and working capital lines
- ✓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

2021 Growth Outlook

- FY2021 revenues expected to be in the range of $400-$415 mm, up 8.7% at the mid-point of the range
- Revenue growth driven by US activity and by our expected continued penetration into the single family residential segment
- Adjusted EBITDA is expected to be in the range of $100-110 mm, up 7.4% at the mid point of the range
- Adjusted EBITDA outlook incorporates “normalized” gross margins in the mid 30% range, mainly attributable to higher input costs and expected mix of product versus installation revenue
- Strong start to 2021 based on solid orders and invoicing through February









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 Dec 31,		Twelve months ended Dec 31,	
	2020	**2019**	**2020**	**2019**
Net (loss) income	**18.528**	**10.597**	**24.185**	**24.269**
Less: Income (loss) attributable to non-controlling interest	(72)	296	**25**	266
(Loss) Income attributable to parent	**18.456**	**10.893**	**24.210**	**24.535**
Foreign currency transactions losses (gains)	(13.562)	(8.948)	10.631	973
Deferred cost of financing	(333)	411	1.898	1.624
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	1.215	2.962	4.115	5.350
Joint Venture VA (Saint Gobain) adjustments	615	574	1.943	1.337
Tax impact of adjustments at statutory rate	3.861	1.600	(5.948)	(2.971)
Adjusted net (loss) income	**10.252**	**7.492**	**36.849**	**30.848**
Basic income (loss) per share	0,39	0,23	0,52	0,55
Diluted income (loss) per share	0,39	0,23	0,52	0,55
Diluted Adjusted net income (loss) per share	0,22	0,16	0,79	0,69
Diluted Weighted Average Common Shares Outstanding in thousands	**47.235**	**46.118**	**46.398**	**44.464**
Basic weighted average common shares outstanding in thousands	47.235	46.118	46.398	44.464
Diluted weighted average common shares outstanding in thousands	47.235	46.118	46.398	44.464

	Three months ended Dec 31,		Twelve months ended Dec 31,	
	2020	**2019**	**2020**	**2019**
Net (loss) income	**18.528**	**10.597**	**24.185**	**24.269**
Less: Income (loss) attributable to non-controlling interest	(72)	296	25	266
(Loss) Income attributable to parent	**18.456**	**10.893**	**24.210**	**24.535**
Interest expense and deferred cost of financing	4.435	5.586	21.671	22.806
Income tax (benefit) provision	8.980	4.338	13.001	12.928
Depreciation & amortization	5.170	5.546	20.590	22.735
Foreign currency transactions losses (gains)	(13.562)	(8.948)	10.631	973
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	1.215	2.962	4.115	5.350
Director Stock compensation and provision for obsolete inventory	-	-	-	-
Gain on change in fair value of earnout shares liabilities	-	-	-	-
Gain on change in fair value of warrant liability	-	-	-	-
Joint Venture VA (Saint Gobain) EBITDA adjustments	966	1.146	3.576	3.048
Change in FV of Hedging Derivatives		-		-
Adjusted EBITDA	**25.660**	**21.523**	**97.794**	**92.375**

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 December 31,	
	2020	**2019**
Short Term Debt and Current Portion of Long Term Debt	1.764	16.084
Long Term Debt	15.055	37.123
Corporate Bond	207.667	206.604
Gross Debt	**224.486**	**259.811**
Cash at the end of the period	66.899	47.862
Net Debt	**157.587**	**211.949**
LTM Adjusted EBITDA	97.794	92.375
Net Debt / LTM Adjusted EBITDA	**1,61x**	**2,29x**

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.*