FIRST QUARTER 2021 EARNINGS CONFERENCE CALL

May 7, 2021 – TECNOGLASS INC.
(NASDAQ: TGLS)



LVL 29
Texas, 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.

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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.







One Thousand Museum

Florida, United States

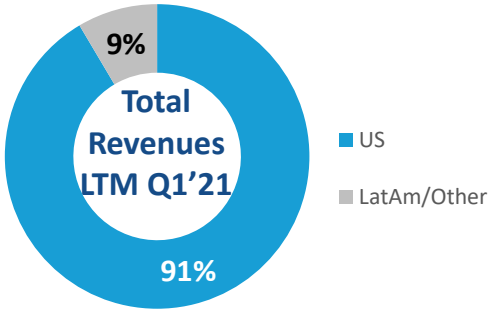
SUMMARY & HIGHLIGHTS

TECNOGLASS

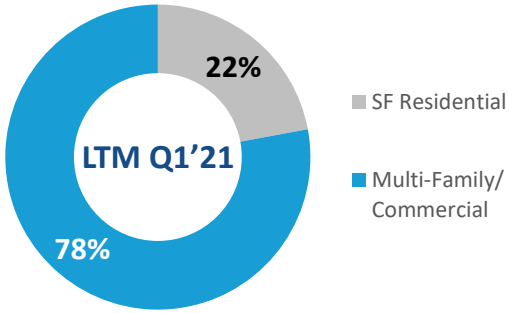
Q1 2021 Key Takeaways

- ✓ Total Revenues increased 27.0% to first quarter record of $110.9 mm led by strong U.S. growth
- ✓ Strong demand drove single family residential revenues up 71% YoY; commercial revenues up 19% YoY on recovering end market fundamentals
- ✓ Vertically integrated business model continues to provide significant competitive advantages, allowing for shorter lead times and no material inflationary pressures
- ✓ Record US revenues of $100.8 mm represented 91% of total revenues
- ✓ Gross margin improved 590 bps YoY to a record 40.7%
- ✓ Adjusted EBITDA[1] of $33.5 mm, with 690 bps in margin improvement to 30.2%
- ✓ Adjusted net income of $16.8 mm, or $0.35 per diluted share
- ✓ Cash flow from operations of $29.0 mm, marking 4 straight quarters of exceptional cash generation
- ✓ Continued deleveraging, with lowest net debt / LTM adj. EBITDA since 2015 at a conservative 1.4x
- ✓ Record backlog of $552 million, up 1% YoY
- ✓ St. Gobain JV plant construction expected to commence engineering work in Q2 of 2021 and break ground during the first half of 2022

Sales By Geography



U.S. End Market Mix



Gross Margin	$40.7%
Adj. EBITDA[1] Margin	30.2%
Operating Cash Flow	$29.0 mm
Net Leverage	1.4x

Notes:

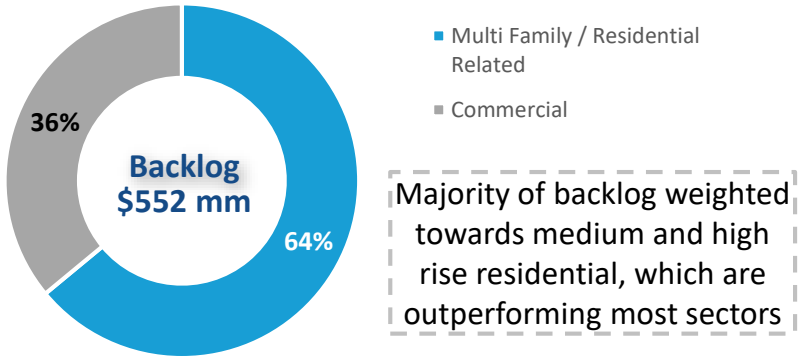
1. *Adjusted EBITDA excludes non-recurring and non-cash expenses mainly associated with our bond issuance and respective extinguishment of former debt, withholding taxes associated with payments to bondholders, acquisition related costs and other non-recurring items*

U.S. Growth Driving Resilient Backlog

Backlog Overview

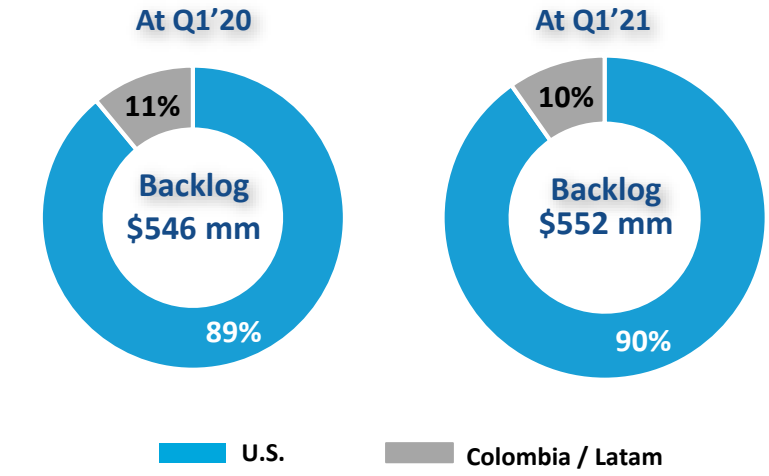
- ✓ Backlog up 1.1% YoY to a record $552 mm
- ✓ US backlog of $ 498 mm, representing 90% of total backlog with increased geographical diversification; very strong activity in the Southeast, the region with our deepest presence
- ✓ The March ABI index increased to 55.6 compared to 53.3 in February, remaining in expansion territory for two consecutive months, returning to levels not seen since early 2019
- ✓ All sectors reported billing growth in March, with the highest rate of growth in the Commercial/Industrial sector at 57.0, a strong improvement from 50.5 last month[1]
- ✓ Solid single family residential growth trajectory not fully captured in backlog given shorter term "spot" duration of projects

Backlog as of Q1'21 by End Market



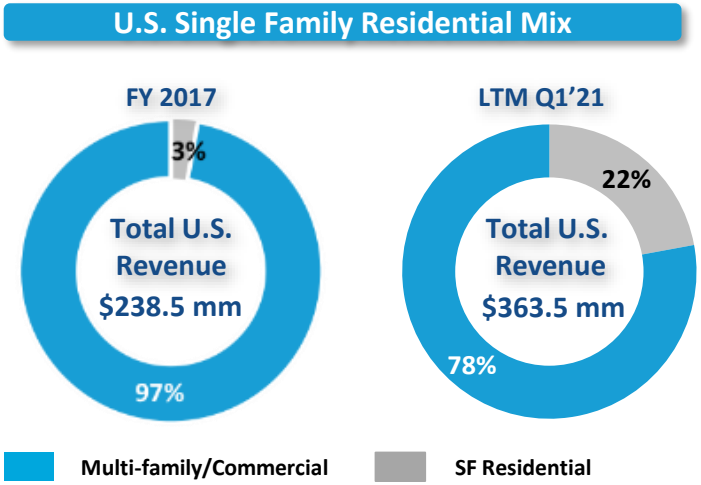
Majority of backlog weighted towards medium and high rise residential, which are outperforming most sectors

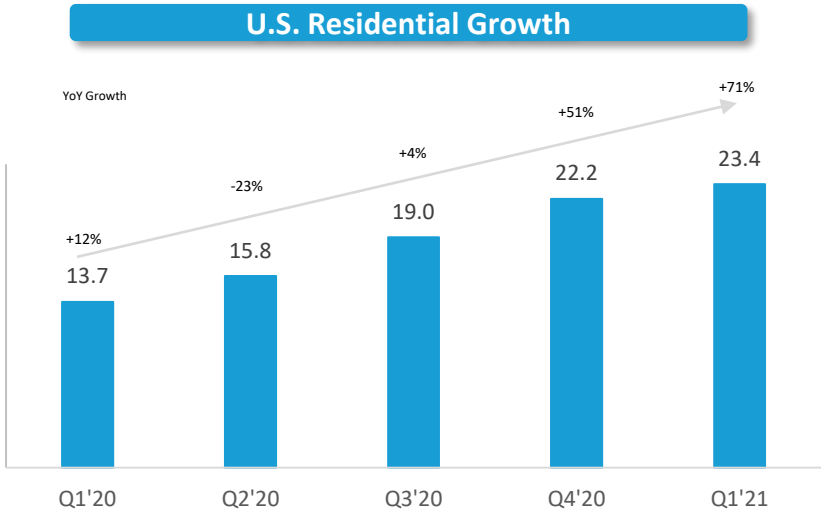
Geographic Mix



•Source:
1. The American Institute of Architects (AIA) reported the Architecture Billing Index March, 2021.

Continued Expansion Into U.S. SF Residential





- ✓ Single family residential segment now accounts for ~22% of US revenues, compared to 3% in 2017
- ✓ Strong housing activity in the US combined with low mortgage rates and shorter lead times have led to increased demand for our products
- ✓ Expanding geographic presence deeper into Southeast U.S.
- ✓ Sequential growth for four consecutive quarters. Strong demand has continued into April and May
- ✓ Expanding residential penetration through dealership expansion, geographic diversification and new product introductions
- ✓ Continued roll-out of new products specifically catering to untapped opportunity with production homebuilders

Vertically-Integrated & Well-Situated Operations Driving Step-Change in Results



Tecnoglass integration across the architectural glass and window value chain provides significant control over a substantial portion of costs and structural advantages relative to industry peers

Raw Materials

- ✓ Stable glass supply and costs resulting from JV with St. Gobain
- ✓ Majority of aluminum costs hedged through fixed price contracts

Labor

- ✓ Investments in automation initiatives and commitment to workforce providing production efficiency and low turnover
- ✓ Stable and efficient access to talented workers minimizing wage inflation

Transportation

- ✓ US/Colombia trade imbalance mitigates marine transportation costs
- ✓ Connected supply chain keeps intercompany transport costs <5% of revenues

Energy

- ✓ 15% energy savings from prior investments in renewables (solar panels)
- ✓ Utilizing co-generation through on-site natural gas emissions

Structural advantages resulting in substantially shorter lead times than industry, unlocking opportunities for continued expansion and market share gains







Park Grove Tower

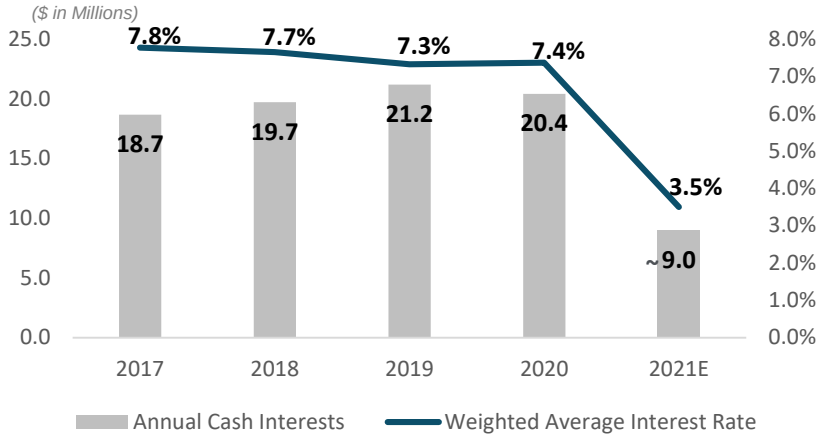
Florida, United States

FINANCIAL UPDATE

TECNOGLASS

Improved Balance Sheet & Leverage Profile

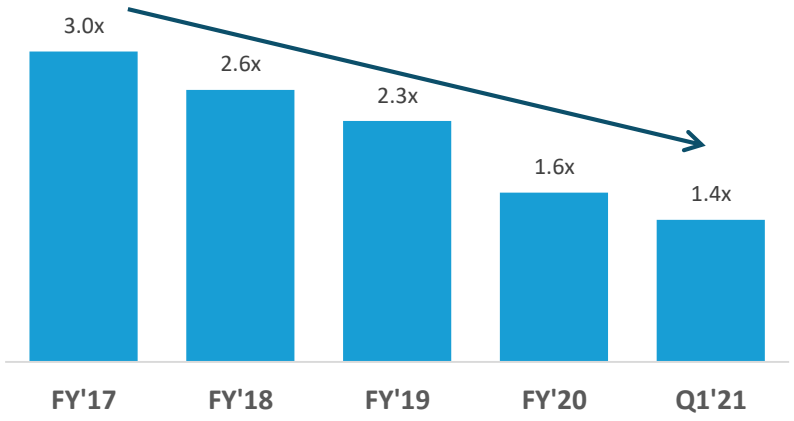
Weighted Average Interest Rate(2)



- ✓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 + 2.50% in April 2021
- ✓In Q1, redeemed in full $210 mm 8.2% senior notes, plus $8.6 mm call premium
- ✓Estimated annual cash interest savings of ~$11 mm.

- ✓Solid cash conversion of adj. EBITDA[1] driving $29 mm of cash flow from operations in Q1'21
- ✓Continued deleveraging, with lowest net debt / LTM adj. EBITDA[1] since 2015 at 1.4x
- ✓Pro forma liquidity of ~$145 mm[3], including cash of $85 mm and $60 mm availability under new credit revolver facility and working capital lines
- ✓Significant financial flexibility to execute growth

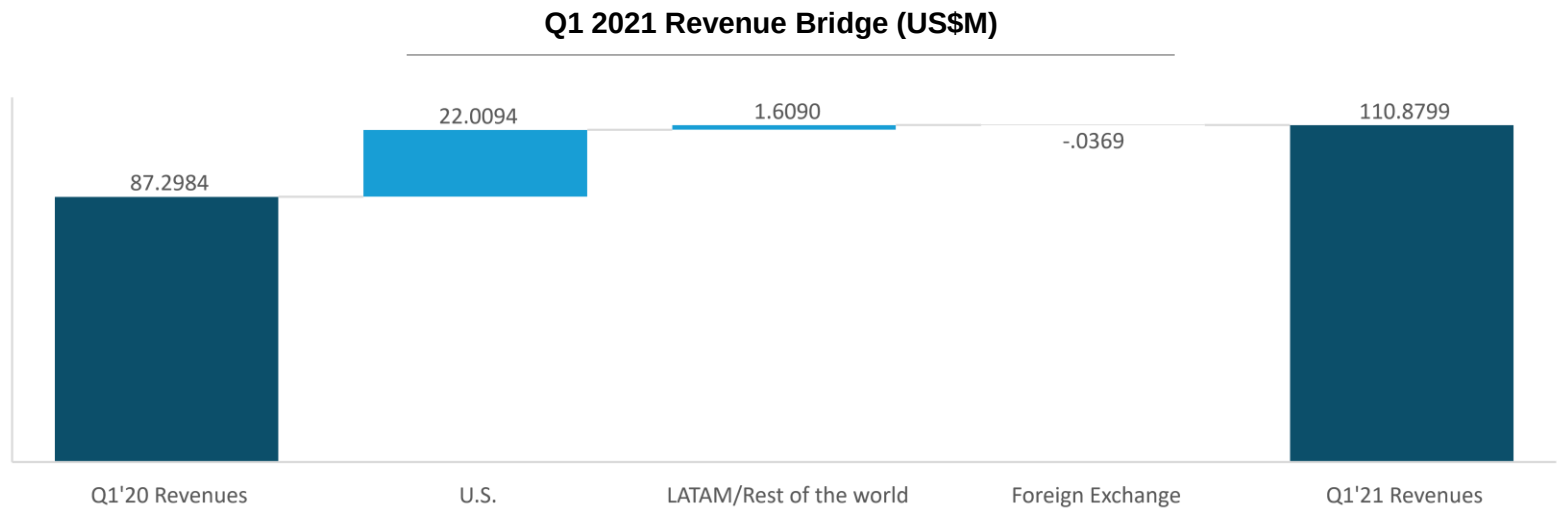
Improved Leverage



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 March 31, 2021 giving effect to the addition of the new $300 mm senior secured facility and pay down of previous facilities*

Revenue Bridge Q1 2021 vs Q1 2020



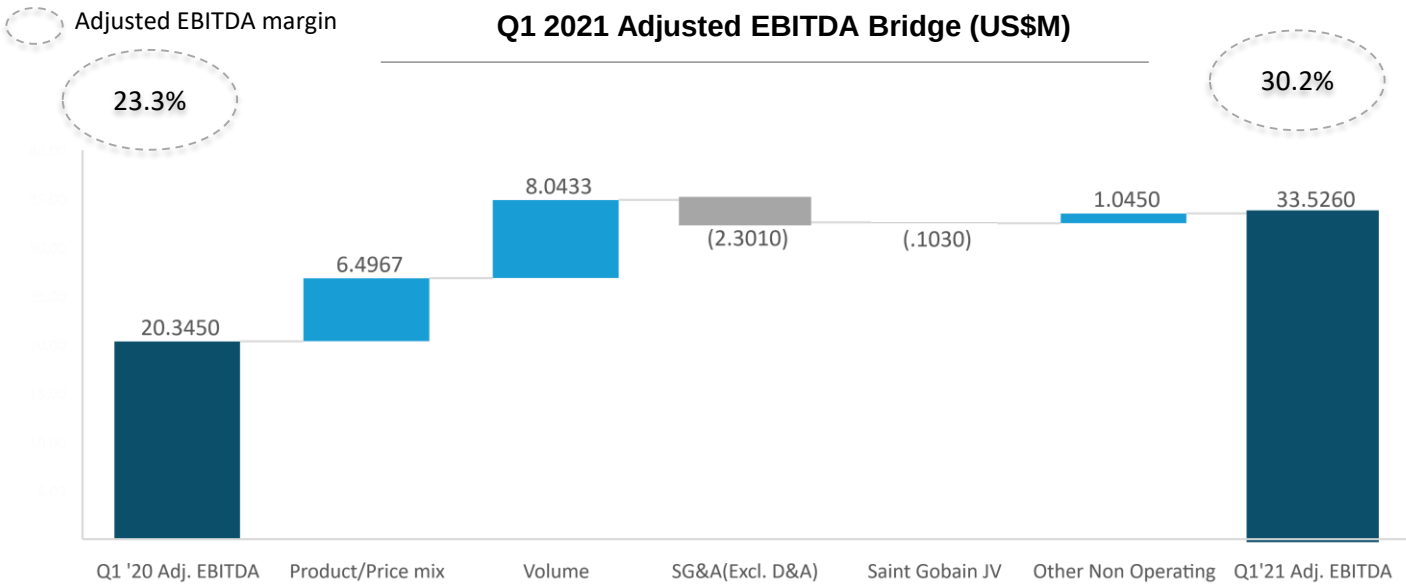
- ✓Total revenues increased 27.0% to $110.9 mm in Q1’21 driven by a strong performance in the U.S. market
- ✓U.S. revenues of $100.8 mm, which represented 91% of total revenues, grew 27.9% compared to $78.8 mm in Q1’20, on higher single family residential sales, recovering commercial construction activity, and market share gains
- ✓Colombia sales increased 18.4% or $1.2 mm to $7.7 mm as activity continues to resume following COVID-19 related disruptions
- ✓Sales in Latin America continue to be impacted by government restrictions as vaccines roll out

TGLS LTM revenue mix from U.S. +90%, higher than average of 78% for U.S.-based building product peers(1)

Notes:

1. Peer average 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 Q1 2021 vs Q1 2020[1]



- ✓ Gross margin increased 590 bps to a record 40.7% attributable to a higher mix of revenue from manufactured products vs installation, operating leverage and greater operating efficiencies from prior automation initiatives
- ✓ SG&A as a percent of total sales was 17.8% compared to 19.8% on improved operating leverage more than offsetting higher variable costs
- ✓ Record adjusted EBITDA on a dollar and margin basis, resulting from higher gross profit and operating leverage

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*



Residential Project,
Florida, United States

OUTLOOK UPDATE

Improved 2021E Growth Outlook

- Revenue growth led by U.S. activity and continued penetration into the single family residential segment
- Adjusted EBITDA outlook incorporates higher gross margins in the mid to high 30% range, mainly attributable to more favorable mix of manufacturing vs installation revenues, given significant expected growth into single-family residential which carries no installation activity
- Strong invoicing activity continued into April and May 2021 through execution of commercial/multi-family project backlog and further penetration of the single-family residential market

Revenue 2021E
$420-$435 MM
+12-16% YoY

Adj. EBITDA 2021E
$115-$125 MM
+18-28% YoY







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 Mar 31,		Twelve months ended Mar 31,	
	2021	**2020**	**2021**	**2020**
Net (loss) income	**8.252**	**(18.668)**	**51.105**	**(1.730)**
Less: Income (loss) attributable to non-controlling interest	(86)	(98)	**37**	161
(Loss) Income attributable to parent	**8.166**	**(18.766)**	**51.142**	**(1.569)**
Foreign currency transactions losses (gains)	45	32.466	(23.783)	36.725
Deferred cost of financing	255	440	1.713	1.671
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	1.026	895	4.224	5.501
Extinguishment of debt - Call Option Premium	8.610	-	8.610	-
Extinguishment of debt - Deferred Costs	2.537	-	2.537	-
Joint Venture VA (Saint Gobain) adjustments	79	372	1.650	1.709
Change in FV of Hedging Derivatives	(185)		1.809	
Tax impact of adjustments at statutory rate	(3.710)	(10.935)	1.284	(14.594)
Adjusted net (loss) income	**16.823**	**4.472**	**49.186**	**29.443**
Basic income (loss) per share	0,17	(0,40)	1,10	(0,04)
Diluted income (loss) per share	0,17	(0,40)	1,10	(0,04)
Diluted Adjusted net income (loss) per share	0,35	0,10	1,06	0,66
Diluted Weighted Average Common Shares Outstanding in thousands	**47.675**	**46.118**	**46.398**	**44.464**
Basic weighted average common shares outstanding in thousands	47.675	46.118	46.398	44.464
Diluted weighted average common shares outstanding in thousands	47.675	46.118	46.398	44.464

	Three months ended Mar 31,		Twelve months ended Mar 31,	
	2021	**2020**	**2021**	**2020**
Net (loss) income	**8.252**	**(18.668)**	**51.105**	**(1.730)**
Less: Income (loss) attributable to non-controlling interest	(86)	(98)	37	161
(Loss) Income attributable to parent	**8.166**	**(18.766)**	**51.142**	**(1.569)**
Interest expense and deferred cost of financing	3.522	5.643	19.550	22.862
Income tax (benefit) provision	3.677	(6.133)	22.811	1.916
Depreciation & amortization	5.289	5.241	20.638	22.135
Foreign currency transactions losses (gains)	45	32.466	(23.783)	36.725
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	1.026	895	4.224	5.501
Extinguishment of debt - Call Option Premium	8.610	-	8.610	-
Extinguishment of debt - Deferred Costs	2.537	-	2.537	-
Joint Venture VA (Saint Gobain) EBITDA adjustments	838	999	3.415	4.047
Change in FV of Hedging Derivatives	(185)	-	1.809	-
Adjusted EBITDA	**33.525**	**20.345**	**110.953**	**91.617**

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,	
	2020	**2021**
Short Term Debt and Current Portion of Long Term Debt	15.245	13.748
Long Term Debt	36.065	221.635
Corporate Bond	207.630	-
Gross Debt	**258.940**	**235.383**
Cash at the end of the period	36.824	85.160
Net Debt	**222.116**	**150.223**
LTM Adjusted EBITDA	91.617	110.953
Net Debt / LTM Adjusted EBITDA	**2,42x**	**1,35x**

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.*