

SECOND QUARTER 2021 EARNINGS CONFERENCE CALL

August 6, 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.

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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

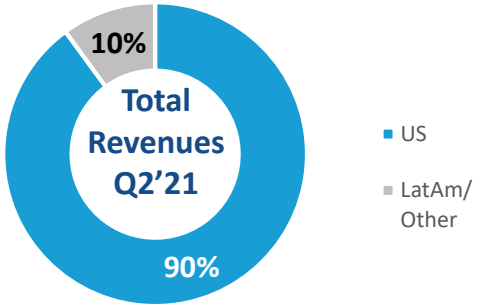
SUMMARY & HIGHLIGHTS

TECNOGLASS

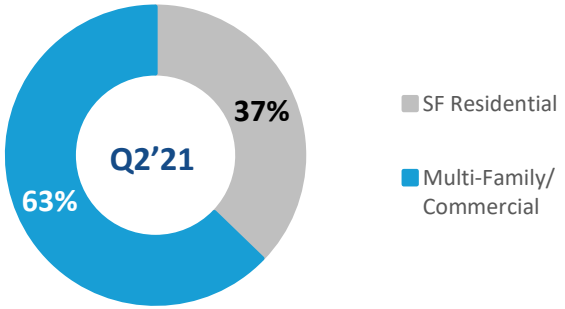
Q2 2021 Key Takeaways

- ✓ Structural advantages drove record revenues, gross profit, operating income, net income, Adjusted EBITDA, and cash flow from operations
- ✓ Total Revenues increased 48.5% to a record $121.7 mm led by strong U.S. growth, up 38.8% to $109.9 mm, accounting for 90% of total revenue mix
- ✓ US single-family residential sales up 159% to a record $40.9 mm, driven by continued penetration into Southeast U.S.
- ✓ Gross profit increased 52.9% to $48.6 mm, with gross margin reaching a second quarter record of 40.0%, attributable to higher revenue mix from manufacturing vs installation activity and operating leverage on higher sales
- ✓ Adj. EBITDA[1] increased 52.7% to a record $35.6 mm at a margin of 29.3%
- ✓ Record Adjusted net income of $19.7 mm, or $0.41 per diluted share
- ✓ 5th straight quarter of substantial cash generation with operating cash flow of $31.8 mm, driven by higher profitability and enhanced working capital management
- ✓ Continued deleveraging, with lowest net debt / LTM adj. EBITDA since 2015 at 1.1x
- ✓ Record backlog of $559 mm, up 1.7% YoY

Sales By Geography



U.S. End Market Mix



Gross Margin	$40.0%
Adj. EBITDA[1] Margin	29.3%
Operating Cash Flow	$31.8 mm
Net Leverage	1.1x

Notes:

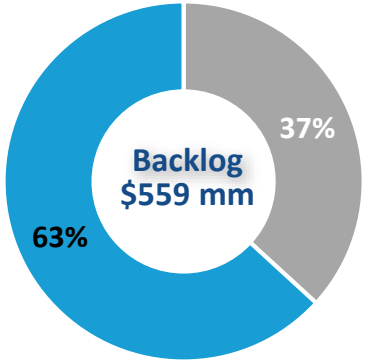
1. *Adjusted EBITDA excludes non-recurring and non-cash expenses mainly associated with our bond issuance and respective extinguishment of former debt, withholding taxes associated with payments to bondholders, acquisition related costs and other non-recurring items*

U.S. Growth Driving Resilient Backlog

Backlog Overview

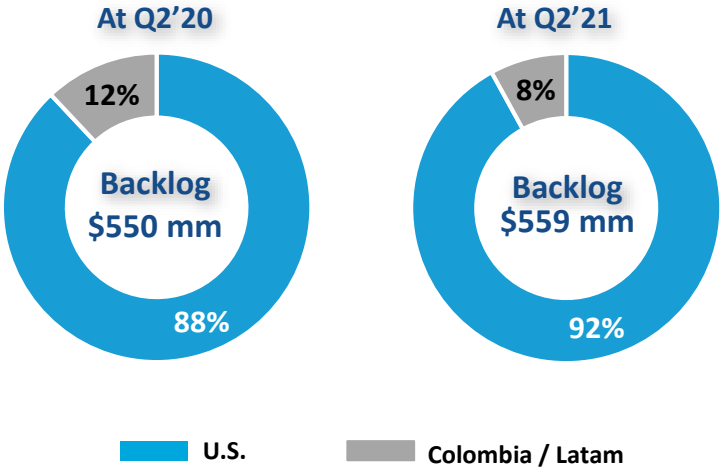
- ✓ Our track record of successfully delivering high profile projects has earned us an increasing number of opportunities across the US, evidenced by our expanding backlog, up 1.7% YoY to a record $559 mm
- ✓ US backlog of $516 mm, representing 92% of total backlog with increased geographical diversification; very strong activity in the Southeast US, the region with our deepest presence
- ✓ The ABI[(1)] score for June remained at an elevated level of 57.1, returning to levels not seen since early 2019
- ✓ Solid single family residential growth trajectory not fully captured in backlog given shorter term "spot" duration of projects

Backlog as of Q2'21 by End Market



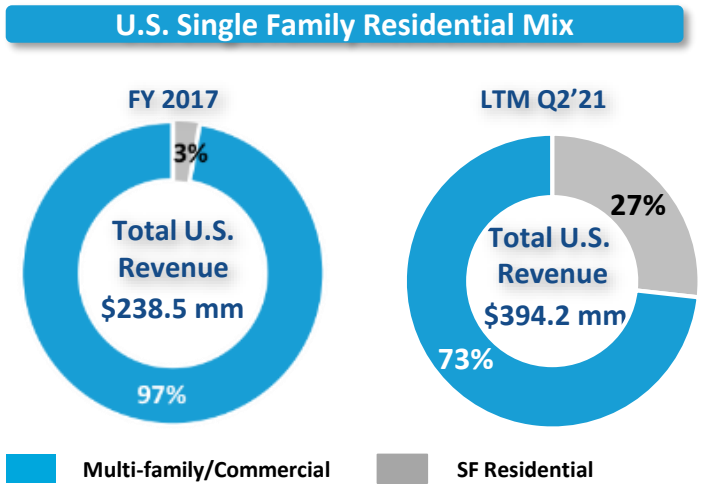
Majority of backlog weighted towards medium and high rise residential, which are outperforming most sectors

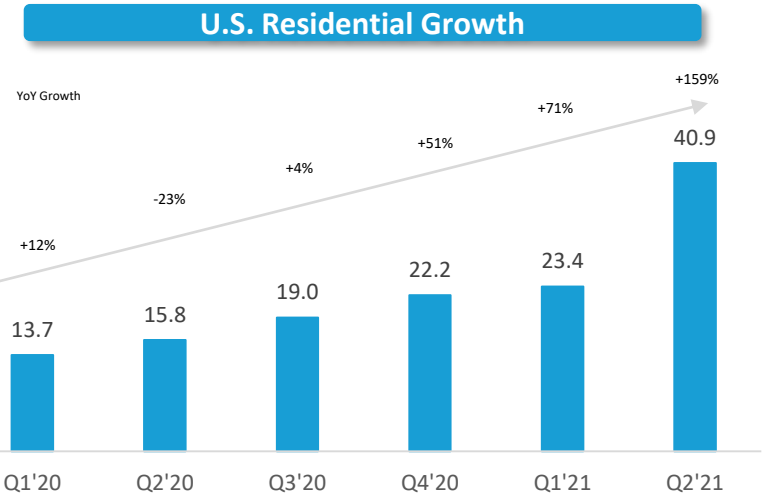
Geographic Mix



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

Continued Expansion Into U.S. SF Residential





- ✓ Single family residential segment accounts for ~27% of LTM US revenues (37% in Q2), compared to 3% in 2017
- ✓ Residential housing growth in the US supported by record-low mortgage rates and a migration from cities in search of spacious accommodation on increase in work-from-home opportunities as a result of the pandemic
- ✓ US housing starts up 6.3% MoM to an adjusted annual rate of 1.64 mm in June of 2021, above forecasts of 1.59 mm, and led by Single-family construction, up 6.3% to 1.16 mm (1)
- ✓ SF Residential revenues improved sequentially quarter-over-quarter, with a remarkable increase of 159% YoY in Q2'21
- ✓ 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

Source:
1. *US Census Bureau*

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

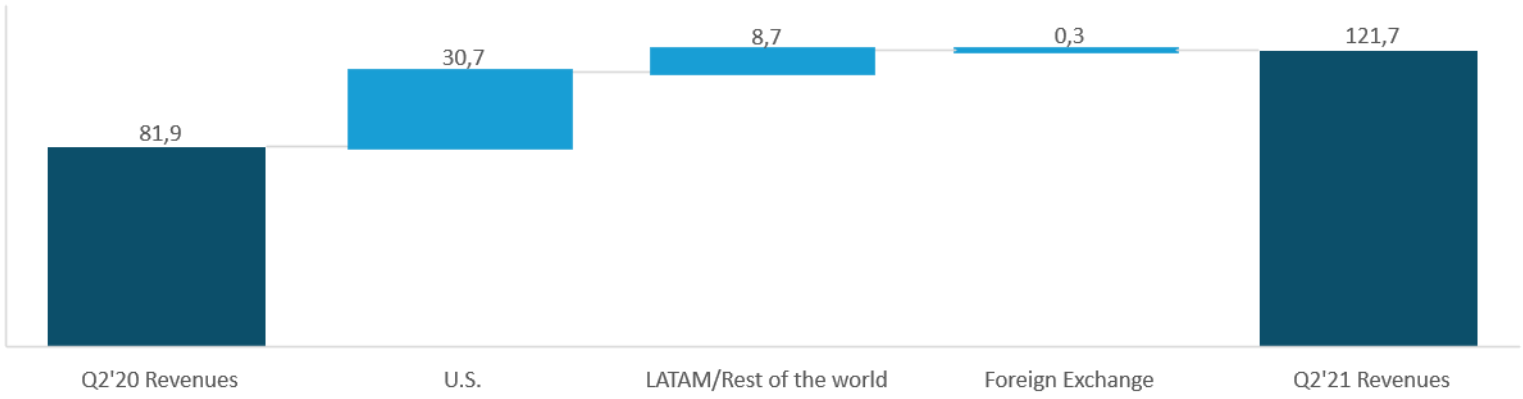
Florida, United States

FINANCIAL UPDATE

TECNOGLASS

Revenue Bridge Q2 2021 vs Q2 2020

Q2 2021 Revenue Bridge (US$M)



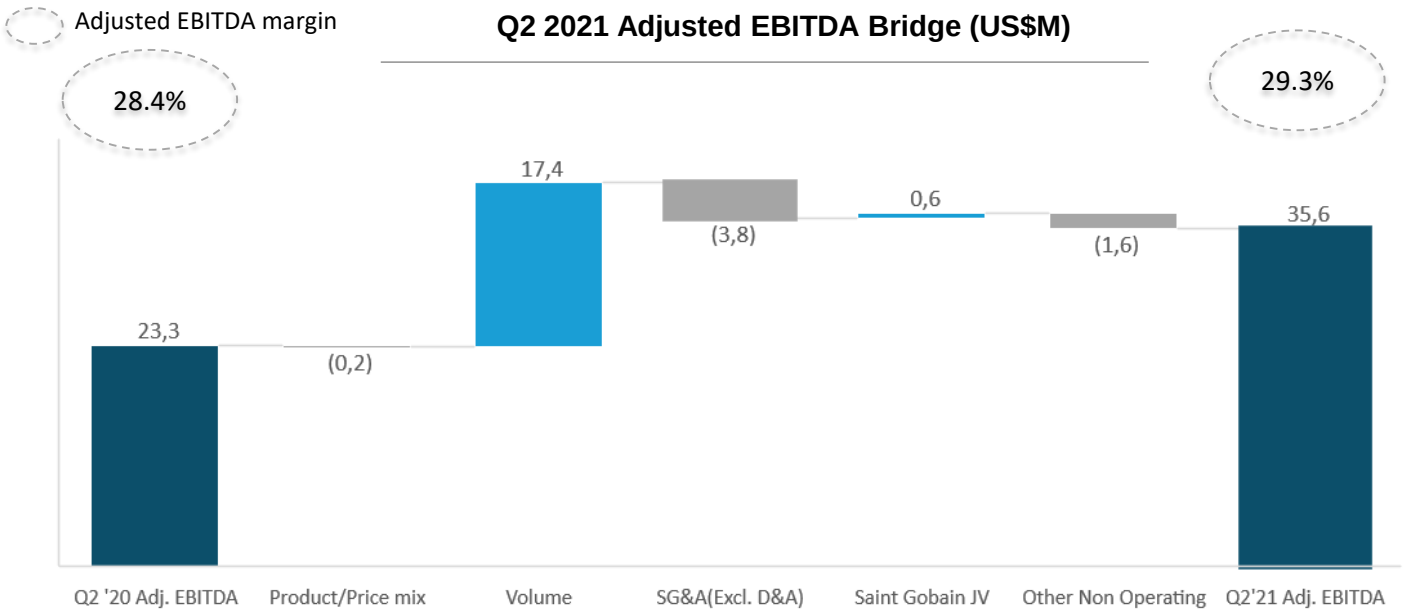
- ✓ Total revenues increased $39.8 mm or 49% in Q2'21, mainly due to higher sales in the US and a recovery in LatAm markets
- ✓ U.S. revenues of $109.9 mm, which represented 90% of total revenues, grew 38.8% or $30.7 mm compared to $79.1 mm in Q2'20, driven by strong U.S. single-family residential activity and recovering commercial market activity. Single family residential market sales increased $25.1 mm, or 159%, to $40.9 mm in Q2'21, and account for ~37% of total sales
- ✓ Sales to LatAm markets, including Colombia increased $9.0 mm, or 323.7%, as construction activity continues to resume following a slow recovery from COVID-19 related restrictions

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 Q2 2021 vs Q2 2020[1]



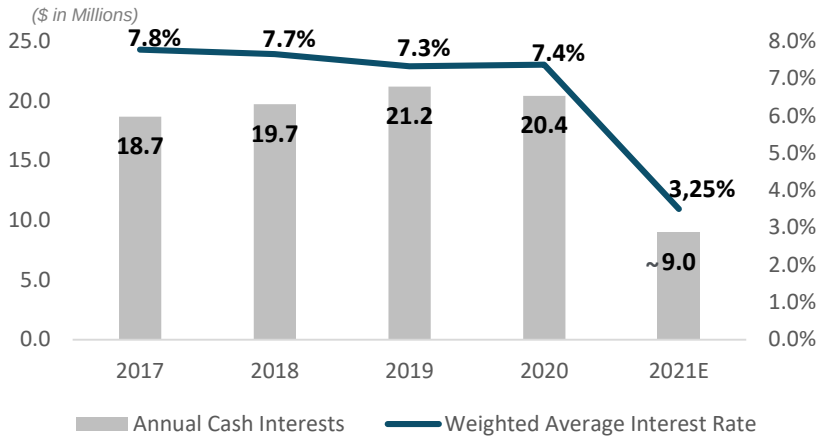
- ✓ Gross margin increased 120 bps to 40.0% attributable to a higher mix of revenue from manufactured products vs installation, operating leverage on higher sales
- ✓ SG&A as a percent of total sales was 16.6% compared to 20.2% in prior year quarter primarily due to higher sales and better operating leverage on personnel, professional fees and other fixed expenses
- ✓ Record Q2 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*

Improved Balance Sheet & Leverage Profile

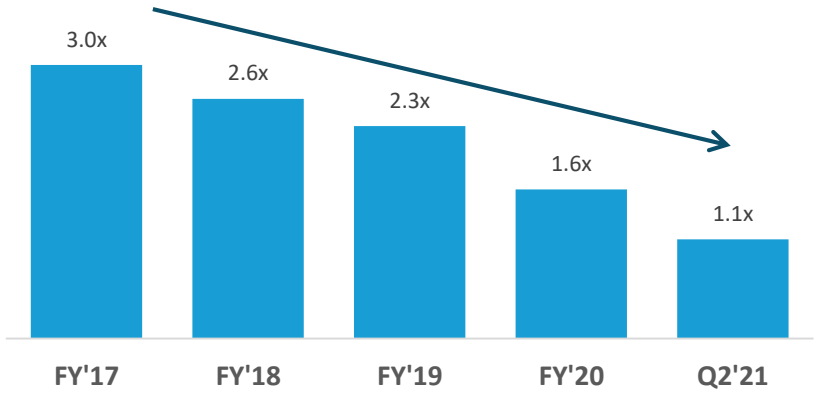
Weighted Average Interest Rate(2)



- ✓In October 2020, entered into new $300 mm credit facility: $250 mm term loan plus $50 mm revolver
- ✓Weighted average interest continues to be at the lowest part of the grid, equivalent to Libor + 2.50% in June'21, based on Tecnoglass' leverage ratio
- ✓Estimated annual cash interest savings of ~$11 mm.

- ✓Solid cash conversion of adj. EBITDA(1) driving $31.8 mm of cash flow from operations in Q2'21
- ✓Continued deleveraging, with lowest net debt / LTM adj. EBITDA(1) since 2015 at 1.1x
- ✓Pro forma liquidity of ~$167 mm(3), including cash of $100.3 mm and $66.9 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 June 30, 2021 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

Improved 2021E Growth Outlook

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

Revenue 2021E
$450-$465 MM
+20-24% YoY

Adj. EBITDA 2021E
$125-$135 MM
+28-38% 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 Jun 30,		Six months ended Jun 30,	
	2021	**2020**	**2021**	**2020**
Net (loss) income	**19.275**	**16.054**	**27.527**	**(2.614)**
Less: Income (loss) attributable to non-controlling interest	(41)	143	(127)	45
(Loss) Income attributable to parent	**19.234**	**16.197**	**27.400**	**(2.569)**
Foreign currency transactions losses (gains)	(190)	(13.309)	(145)	19.157
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	975	1.418	2.256	2.753
Extinguishment of debt - Call Option Premium	-	-	8.610	-
Extinguishment of debt - Deferred Costs	(169)	-	2.368	-
Joint Venture VA (Saint Gobain) adjustments	68	567	147	939
Change in FV of Hedging Derivatives	3	1.358	(182)	1.358
Tax impact of adjustments at statutory rate	(206)	3.189	(3.916)	(7.746)
Adjusted net (loss) income	**19.715**	**9.420**	**36.538**	**13.892**
Basic income (loss) per share	0,40	0,35	0,58	(0,06)
Diluted income (loss) per share	0,40	0,35	0,58	(0,06)
Diluted Adjusted net income (loss) per share	0,41	0,20	0,77	0,30
Diluted Weighted Average Common Shares Outstanding in thousands	**47.675**	**46.118**	**47.675**	**46.118**
Basic weighted average common shares outstanding in thousands	47.675	46.118	47.675	46.118
Diluted weighted average common shares outstanding in thousands	47.675	46.118	47.675	46.118

	Three months ended Jun 30,		Six months ended Jun 30,	
	2021	**2020**	**2021**	**2020**
Net (loss) income	**19.275**	**16.054**	**27.527**	**(2.614)**
Less: Income (loss) attributable to non-controlling interest	(41)	143	(127)	45
(Loss) Income attributable to parent	**19.234**	**16.197**	**27.400**	**(2.569)**
Interest expense and deferred cost of financing	2.442	5.446	5.964	11.089
Income tax (benefit) provision	7.587	6.875	11.264	742
Depreciation & amortization	5.218	4.965	10.507	10.206
Foreign currency transactions losses (gains)	(190)	(13.309)	(145)	19.157
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	975	910	2.001	1.805
Extinguishment of debt - Call Option Premium	-	-	8.610	-
Extinguishment of debt - Deferred Costs	(169)	-	2.368	-
Joint Venture VA (Saint Gobain) EBITDA adjustments	503	869	1.341	1.868
Change in FV of Hedging Derivatives	3	1.358	(182)	1.358
Adjusted EBITDA	**35.603**	**23.311**	**69.128**	**43.656**

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 June 30,	
	2020	**2021**
Short Term Debt and Current Portion of Long Term Debt	18.744	13.376
Long Term Debt	35.955	218.949
Corporate Bond	207.853	-
Gross Debt	**262.552**	**232.325**
Cash at the end of the period	63.424	100.295
Net Debt	**199.128**	**132.030**
LTM Adjusted EBITDA	89.143	123.245
Net Debt / LTM Adjusted EBITDA	**2,23x**	**1,07x**

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.*