THIRD QUARTER 2022
EARNINGS CONFERENCE CALL

November 3, 2022 – 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.







165 Main Street

Massachusetts, United States

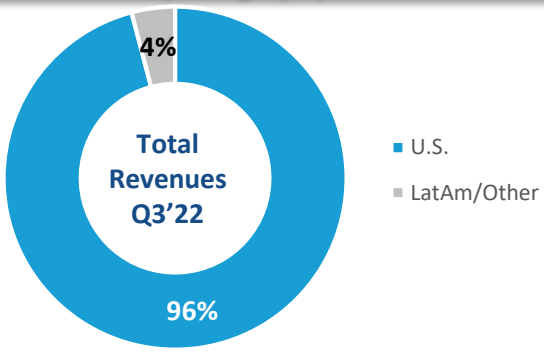
SUMMARY & HIGHLIGHTS

TECNOGLASS

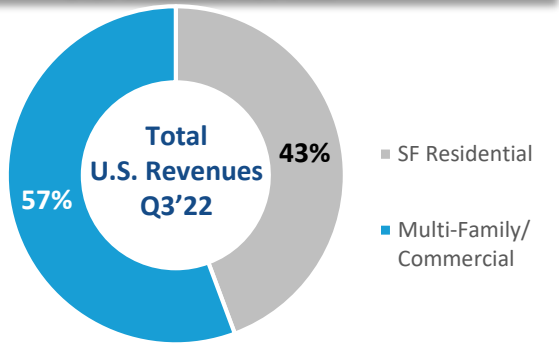
Q3 2022 Key Takeaways

- ✓ All around record results in Q3'22 revenues, gross profit, operating income, net income, Adj. EBITDA, and Adj. Net Income
- ✓ Q3'22 revenue growth entirely organic, up 53% to $201.8 mm led by strong U.S. residential and commercial activity
- ✓ Continued rapid growth in the U.S. single-family residential, with Q3'22 sales up 44.3% to $85.8 mm, through dealership expansion, geographic diversification and innovative products. Accelerated recovery in multi-family and commercial construction, up 61% YoY
- ✓ Gross profit increased 104% to $105.3 mm, with gross margin of 52.2%, attributable to operating leverage, favorable pricing and inventory efficiencies
- ✓ Adj. EBITDA of $78.5 mm, up 104.0% YoY, with margins up 970 bps to 38.9%
- ✓ Adjusted net income increased 125.9% to $48.0 mm, or $1.01 per diluted share
- ✓ Substantial cash generation with operating cash flow of $29.1 mm driven by higher profitability YoY and enhanced working capital management
- ✓ Continued deleveraging, with net debt / LTM adj. EBITDA at record low 0.4x
- ✓ Record backlog of $696.9 mm, up ~21% YoY, representing ~1.9x LTM multi family and commercial revenues

Sales By Geography



U.S. End Market Mix



Gross Margin	52.2%
Adj. EBITDA[1] Margin	38.9%
Operating Cash Flow	$29.1 mm
Net Leverage	0.4x

Notes:

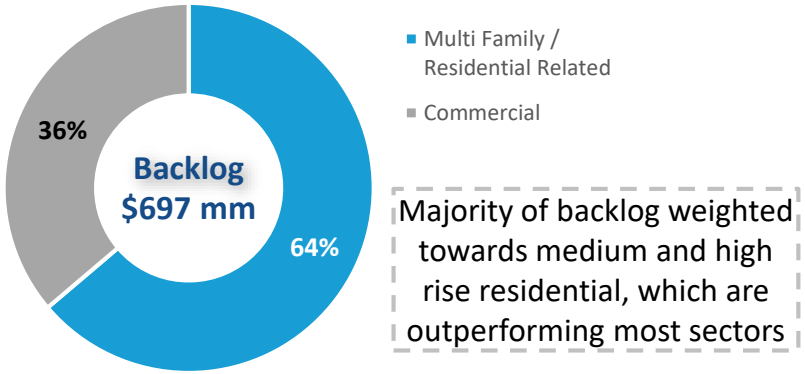
1. *Adjusted EBITDA excludes non-recurring and non-cash expenses mainly associated with our bond issuance and respective extinguishment of former debt, withholding taxes associated with payments to bondholders, acquisition related costs and other non-recurring items*

U.S. Growth Driving Resilient Backlog

Backlog Overview

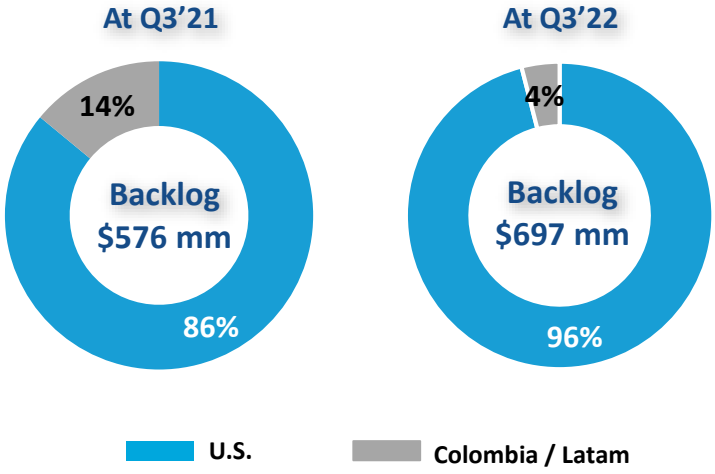
- ✓ Our track record of successfully delivering high profile projects and maintaining consistent lead times has earned us an increasing number of opportunities across the U.S., demonstrated by our backlog expanding 21% YoY to $697 mm
- ✓ U.S. backlog of $666 mm, representing 96% of total backlog, led by strong activity in the Southeast U.S., the region with our deepest presence
- ✓ ABI(1) score for September at 51.7, the 20th consecutive month in expansion territory
- ✓ Solid single-family residential growth trajectory not fully captured in backlog given shorter term "spot" duration of projects

Backlog as of Q3'22 by End Market



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

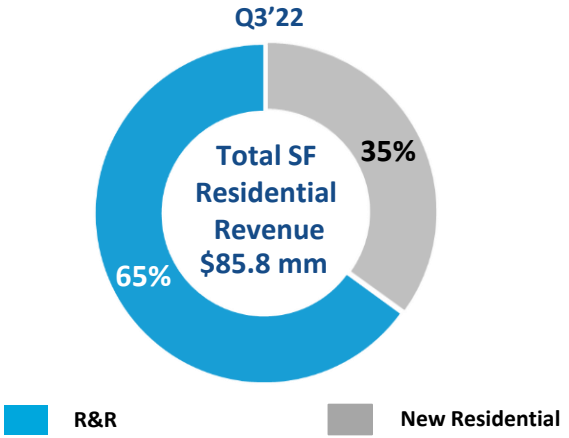
Geographic Mix



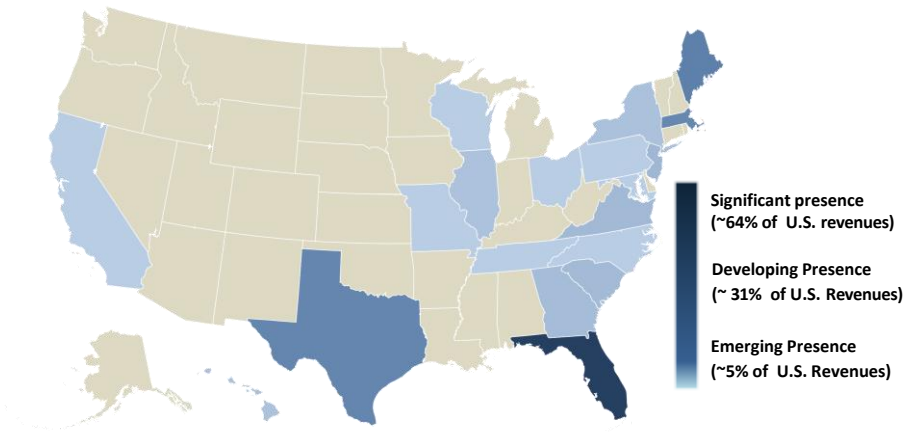
•Source:
1. The American Institute of Architects (AIA) reported the Architecture Billing Index

Single-Family Residential Weighted Towards R&R

Repair & Remodel Exposure



Geographic Exposure



- ✓ Q3'22 single-family residential sales up 44% YoY to $85.8 mm, accounting for 45% of LTM U.S. revenues, compared to 3% in 2017
- ✓ Approximately 65% of single-family residential revenues are tied to R&R demand, which has a historically low correlation to mortgage rates
- ✓ Market share upside to single-family revenues exists through an expanding dealer base, geographic expansion within the Southeast and Southcentral U.S., the introduction of innovative new products specifically catering to a growing opportunity with production homebuilders and the opening of new showrooms in expanding geographies
- ✓ Favorable demographics support secular trend of population migration into southern states

Vertically-Integrated & Well-Situated Operations Create Structural Advantages



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
- ✓ While TGLS pays 15% above minimum wage, this is 7-10x below U.S. peers

Transportation

- ✓ U.S./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







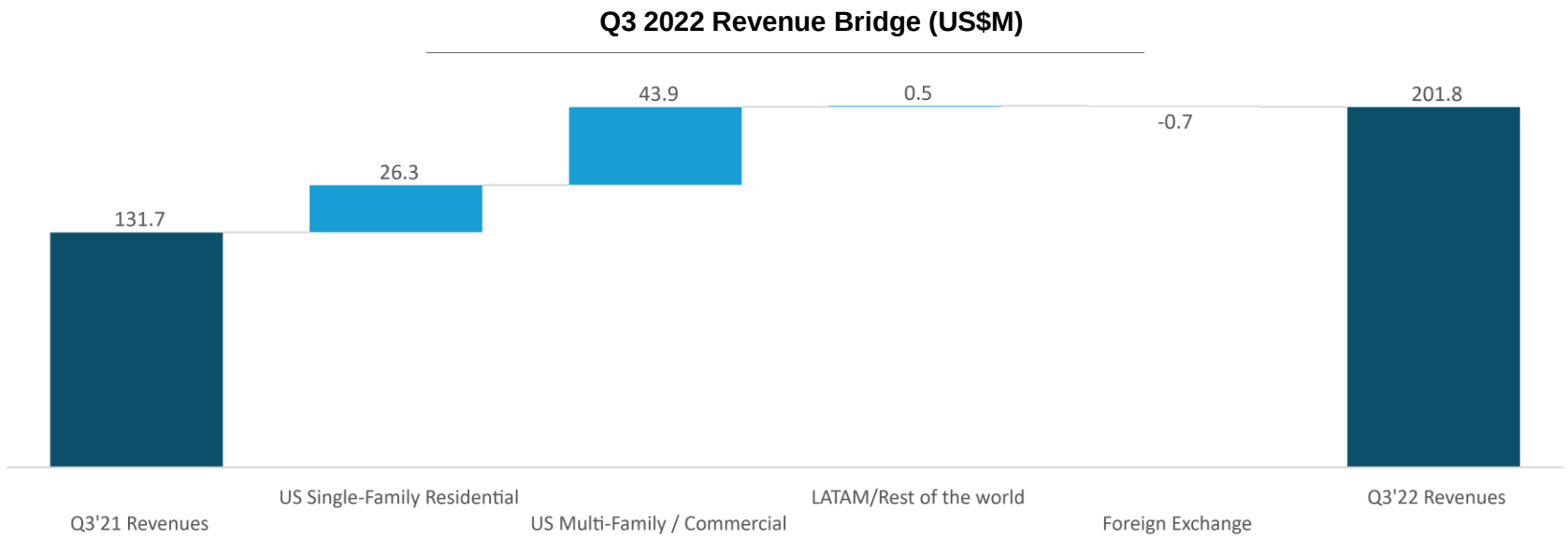
Paramount Miami Worldcenter

Florida, United States

FINANCIAL UPDATE

TECNOGLASS

Revenue Bridge Q3 2022 vs. Q3 2021

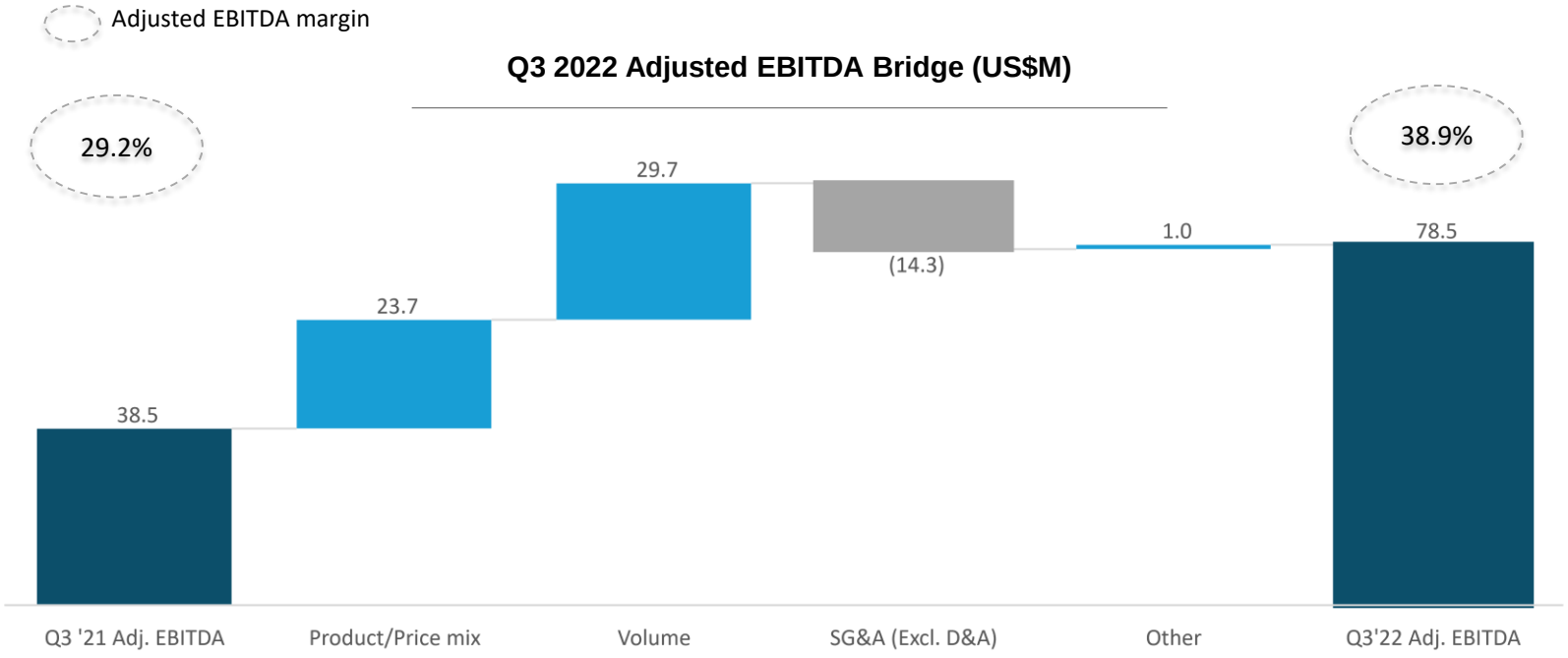


- ✓Organic revenue growth of 53.3% to $201.8 mm in Q3’22 driven by strong performance in the U.S., with outstanding growth in the southeast as well as overall ramping multi-family / commercial activity
- ✓U.S. revenues of $193.5 mm grew 57.0% compared to $123.2 mm in Q3’21, on both higher single-family residential and multi-family / commercial sales, along with market share gains
- ✓Single family residential revenues increased $26.3 mm, or 44%, to $85.8 mm in Q3’22, accounting for ~43% of total sales
- ✓Multi-family / commercial construction saw sequential growth each quarter in 2022 with continued momentum expected throughout the year; Q3’22 activity increased $43.8 mm or 61%, to $116.0 mm YoY

TGLS LTM revenue mix from U.S. +90%; higher than average of 77% for U.S.-based building product peers[1]

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

Adjusted EBITDA Bridge Q3 2022 vs. Q3 2021[(1)]



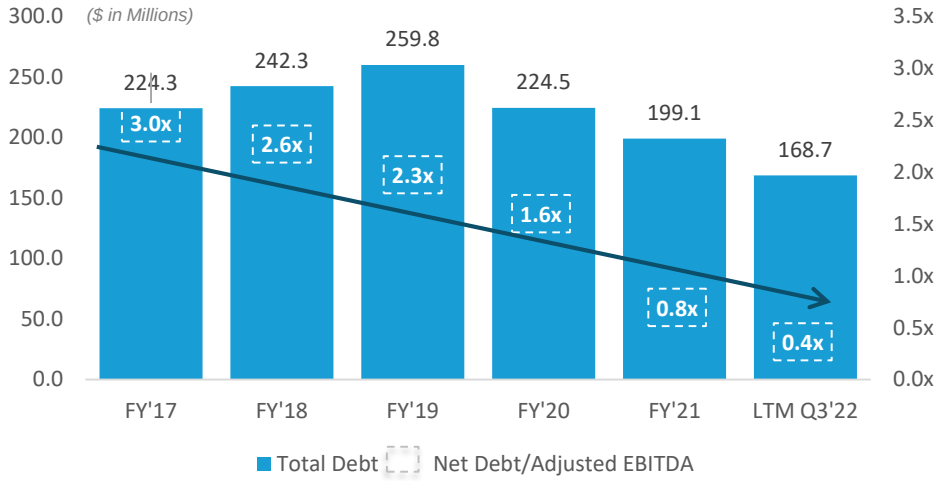
- ✓Gross margin of 52.2%, up 1300 bps, attributable to operating leverage on higher revenues, favorable pricing and FX dynamics and ongoing operational efficiencies
- ✓SG&A as a percent of total revenues was 17.4% compared to 16.5% in the prior year quarter, mostly due to higher shipping costs and one-time settlement charge

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 & Leverage Profile Improvement

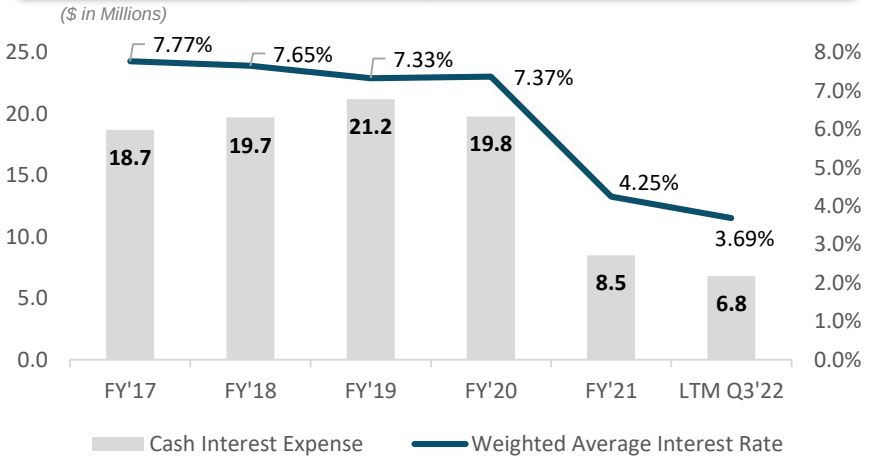
Improved Leverage



- ✓Solid cash conversion of adj. EBITDA[1] driving $29.1 mm of cash flow from operations in Q3'22
- ✓Continued deleveraging, with lowest net debt / LTM adj. EBITDA[1] in the Company's history at 0.4x
- ✓Liquidity of ~$255 mm[2], including cash of $84.4 mm and $170 mm availability under its committed revolver facility and working capital lines
- ✓Significant financial flexibility to execute growth, invest in business and return cash to shareholders

- ✓Improved weighted average interest rate by over 350 basis point since 2020
- ✓Company at lowest interest rate tier under debt agreement at LIBOR + 1.50%, with no LIBOR floor
- ✓No significant debt maturities until the end of 2026
- ✓Variable rate debt hedged through 2026 at low rates, mitigating interest rate fluctuations

Weighted Average Interest Rate [3]

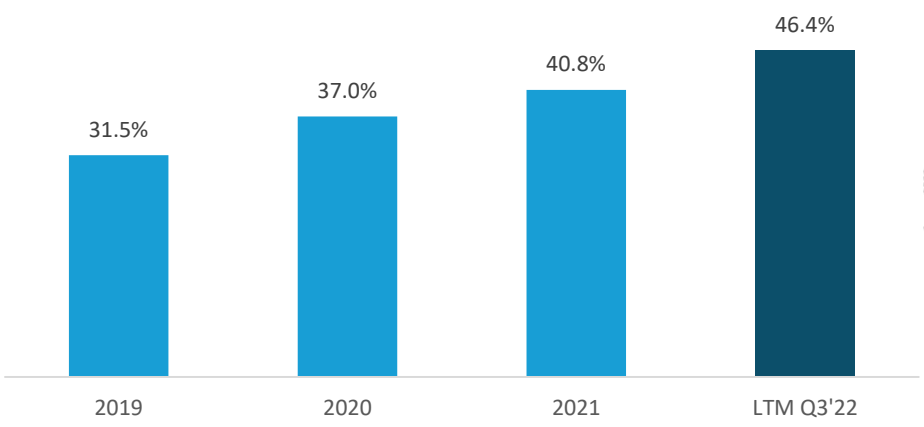


Notes:

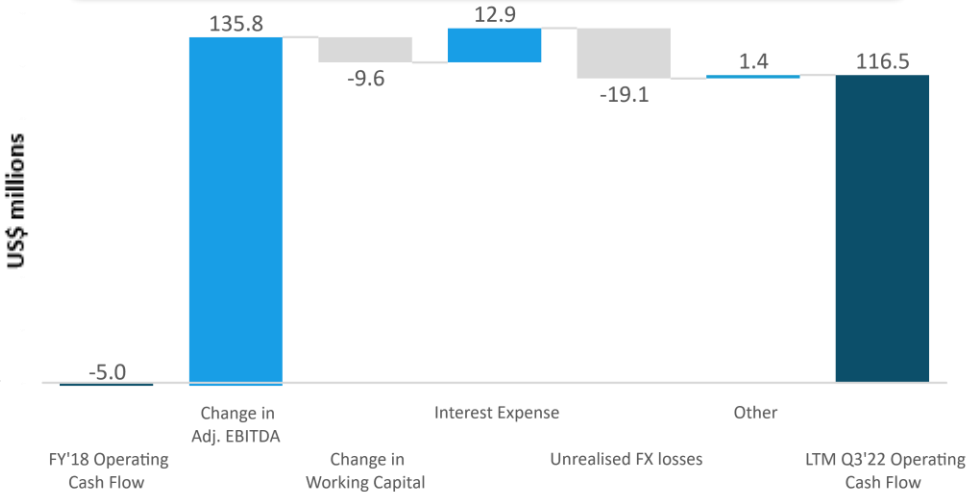
1. *Adjusted EBITDA excludes non-recurring and non-cash expenses mainly associated with our bond issuance and respective extinguishment of former debt, acquisition related costs and other non-recurring items*
2. *On a pro forma basis as of September 30, 2022 giving effect to the addition of the new $350 mm senior secured facility and pay down of previous facilities*
3. *Calculated based on current nominal amount of financial debt and assuming a Libor + 1.50% interest rate based on projected leverage profile*

Structurally Improved Margins & Cash Flow

Improved Gross Margin



Operating Cash Flow Bridge (2018 – LTM Q3'22)



- ✓ Gross margin increased to 46.4% as of LTM Q3'22, up from 31.5% at the end of 2019. Three main factors have contributed to the improved margin profile:
  - ➢ Step up in gross margin from structural and sustainable operational improvements related to automation initiatives
  - ➢ Shift of business strategy to expand into the single-family residential end market is accretive to margins given the higher mix of manufacturing vs. installation revenues
  - ➢ Operating leverage on higher revenues have more than offset depreciation, labor, and other indirect manufacturing costs

- ✓ Tecnoglass has established a strong record of cash flow generation as a result of increased profitability, better working capital management, reduced interest expense and a more favorable mix of revenues
- ✓ Significant DSO improvement, from 90 in 2018 to 76 as of Q3'22, driven by improved collection efforts and a higher mix of revenues from single-family residential, which includes upfront payments, shorter sales cycles and no retainage; Company allows for 10-15 day transit times
- ✓ Interest expense savings achieved through reduction in both debt outstanding and weighted average interest rate
- ✓ Anticipate strong cash flow for FY2022, further strengthening financial flexibility to execute expected growth

Stronger profitability and significant improvement in working capital metrics driving significant cash flow generation and low net leverage (Net Debt / LTM Adjusted EBITDA) levels

Notes:

1. *Prior periods retroactively adjusted to include the historical financial results of Ventanas Solar, given the acquisition of VS was deemed to be a transaction between entities under common control.*



Residential Project,
Florida, United States

OUTLOOK UPDATE

Improved 2022 Double-Digit Growth Outlook

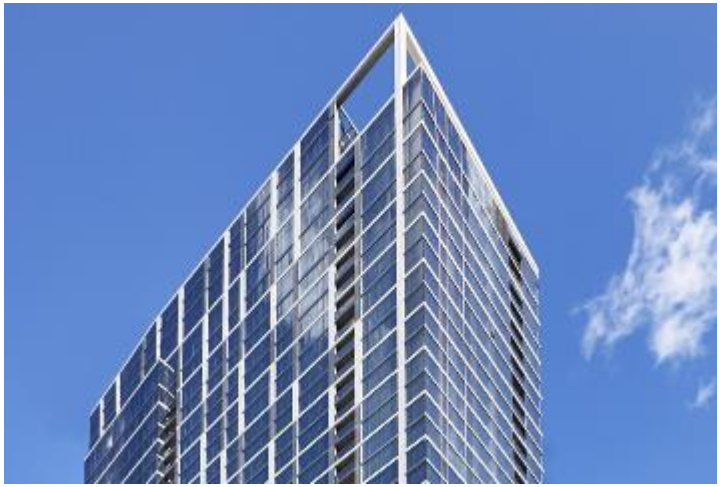
- Expected revenue growth led by continued expansion into single-family residential, coupled with stronger momentum from multi-family and commercial backlog
- Adjusted EBITDA outlook incorporates expectation for full year gross margin to be in the mid-to-high ~40% range, mainly attributable to strong operating leverage, structural advantages, vertically integrated operations, and a higher mix of product versus installation revenue
- Strong invoicing continuing into Q4'22 with October closing as the highest invoicing month of 2022
- Anticipate strong cash flow from operations and executing on growth capex investments to support expected growth in demand

Revenue
$680-$700 MM
+37-41% YoY

Adj. EBITDA
$240-$255 MM
+62-72% YoY







APPENDIX

Hub50House
Massachusetts, United States

TECNOGLASS

ESG Strategy

Outstanding Achievements

Environmental

Leading Eco-Efficiency and Innovation

- National Carbon Neutrality Program
- +15,000 Solar Panels Installed Generating Over 32.443,19 MWh
- Waste Management and Utilization
- Container and Packaging Environmental Management Plan
- Automation and Innovation

Social

Enhancing Our Environment

- Employee Training and Education Programs
- Program for Prevention and Care of COVID-19
- Occupational Health and Safety
- Tecnoglass ESWindows Foundation
- Social Intervention Campaigns

Governance

Promoting Continuous, Ethical and Responsible Growth

- Ethics and Compliance Program
- Efficient Supply Chain Security Management
- Continuous Improvement of Our Products Through Our Quality Management System “QMS”
- Communication Strategies In-Line With the Company’s Objectives and Specially Designed for Each Audience

ESG Strategy

Our Sustainability Strategy contains the Company's guidelines and value propositions to meet the expectations of our stakeholders

Environmental

Leading Eco-Efficiency and Innovation

- Encourage the energy efficiency of the operation and the products
- Prevent, mitigate and compensate environmental impacts of the business
- Promote the efficient use of materials and technologies, respectful with the environment
- Responsible management of the value chain and the product cycle
- Position an innovation and quality approach within all of the Company`s processes

Social

Enhancing Our Environment

- Generate quality work opportunities
- Promote and adopt the best labor and Human Rights
- Build and develop a comprehensive teamwork with innovating mentality
- Achieve an accident-free labor environment, supported by culture of health and safety
- Generate value for the communities in the areas of influence

Governance

Promoting Continuous, Ethical and Responsible Growth

- Adapt our offer and operation to new markets
- Conduct our business with integrity, ethical and transparency
- Adopt best corporate governance practices that facilitate decision making and accountability
- Consolidate and protect our brand
- Strengthen risk management as strategic factor for the organization

Non-GAAP Reconciliation[(1)]

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

Figures in U.S. $k

	Three months ended Sep 30,		Nine months ended Sep 30,	
	2022	**2021**	**2022**	**2021**
Net (loss) income	**46,922**	**20,659**	**101,288**	**48,583**
Less: Income (loss) attributable to non-controlling interest	(197)	(20)	(516)	(160)
(Loss) Income attributable to parent	**46,725**	**20,639**	**100,772**	**48,423**
Foreign currency transactions losses (gains)	450	(188)	856	(333)
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	538	1,266	1,947	3,524
Non Recurring professional fees	-	-	3,402	-
Extinguishment of debt - Call Option Premium	-	-	-	8,610
Extinguishment of debt - Deferred Costs	-	(175)	-	2,193
Joint Venture VA (Saint Gobain) adjustments	771	(44)	1,743	102
Change in FV of Hedging Derivatives	-	4	-	(176)
Tax impact of adjustments at statutory rate	(528)	(276)	(2,384)	(4,454)
Adjusted net (loss) income	**47,956**	**21,226**	**106,336**	**57,889**
Basic income (loss) per share	0.98	0.43	2.11	1.02
Diluted income (loss) per share	0.98	0.43	2.11	1.02
Diluted Adjusted net income (loss) per share	1.01	0.45	2.23	1.21
Diluted Weighted Average Common Shares Outstanding in thousands	**47,675**	**47,675**	**47,675**	**47,675**
Basic weighted average common shares outstanding in thousands	47,675	47,675	47,675	47,675
Diluted weighted average common shares outstanding in thousands	47,675	47,675	47,675	47,675

	Three months ended Sep 30,		Nine months ended Sep 30,	
	2022	**2021**	**2022**	**2021**
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Less: Income (loss) attributable to non-controlling interest	(197)	(20)	(516)	(160)
(Loss) Income attributable to parent	**46,725**	**20,639**	**100,772**	**48,423**
Interest expense and deferred cost of financing	2,249	2,156	5,432	8,120
Income tax (benefit) provision	22,966	8,866	48,216	20,155
Depreciation & amortization	4,627	5,098	15,089	15,605
Foreign currency transactions losses (gains)	450	(188)	856	(333)
Non Recurring expenses (extinguishment of debt, bond issuance costs, provision for bad debt, acquisition related costs and other)	538	1,266	1,947	3,269
Non Recurring professional fees	-	-	3,402	-
Extinguishment of debt - Call Option Premium	-	-	-	8,610
Extinguishment of debt - Deferred Costs	-	(175)	-	2,193
Joint Venture VA (Saint Gobain) EBITDA adjustments	948	813	2,709	2,154
Change in FV of Hedging Derivatives	-	4	-	(176)
Adjusted EBITDA	**78,503**	**38,479**	**178,423**	**108,020**

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 U.S. $k

	As of September 30,	
	2021	**2022**
Short Term Debt and Current Portion of Long Term Debt	13,047	434
Long Term Debt	189,408	168,255
Corporate Bond	-	-
Gross Debt	**202,455**	**168,689**
Cash at the end of the period	86,521	84,434
Net Debt	**115,934**	**84,255**
LTM Adjusted EBITDA	133,824	220,600
Net Debt / LTM Adjusted EBITDA	**0.87x**	**0.38x**

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.*