Tecnoglass, Inc. (TGLS)

Published December 5th, 2025, by Kody Kester

Key Metrics

Current Price:	$51	**5 Year Annual Expected Total Return:**	11.8%	**Market Cap:**	$2.4B
Fair Value Price:	$53	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	12/30/25[1]
% Fair Value:	97%	**5 Year Valuation Multiple Estimate:**	0.7%	**Dividend Payment Date:**	01/30/26[1]
Dividend Yield:	1.2%	**5 Year Price Target**	$86	**Years Of Dividend Growth:**	5
Dividend Risk Score:	A	**Sector:** Industrials		**Rating:**	Buy

Overview & Current Events

Tecnoglass, Inc. is a vertically integrated manufacturer, supplier, and installer of architectural glass, windows, and aluminum and vinyl products for the global commercial and residential construction markets. In 2024, the company was awarded the #1 spot on *Forbes*' list of America's 100 most successful small-cap companies. TGLS was also ranked among the four largest glass fabricators in 2024 by *Glass Magazine*.

The company supplies over 1,000 customers in North, Central, and South America. Its tailored, high-end products can be found on many of the world's most distinctive properties. These include the Aston Martin Residences in Miami, the Raffles Hotel in Boston, Salesforce Tower in San Francisco, and AE'O Tower in Honolulu.

Approximately 95% of its $890.2 million in 2024 revenue was generated in the United States, with the remainder coming from Colombia, other countries, and Panama. In each of the last three years, no one customer made up more than 10% of its revenue. Roughly 91% of TGLS' 2024 revenue was generated by its windows and architectural systems product group, with the remaining 9% stemming from glass and framing components.

On November 6th, TGLS shared its earnings report for the third quarter ended September 30th, 2025. The company's total revenue surged 9.3% year-over-year to $260.5 million during the quarter. This was fueled by a 7.6% organic growth rate in the quarter. That was made possible by a combination of growth in multi-family/commercial revenue and single-family residential revenue (+14.3% and +3.4%, respectively) for the quarter. Along with the Continental Glass asset acquisition completed in March, this is how revenue grew at a high single-digit clip during the quarter. TGLS' adjusted diluted EPS fell by 7.4% over the year-ago period to $1.00 in the quarter. That came in $0.11 below the analyst consensus for the quarter.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$0.84	$0.70	$0.32	$0.26	$0.69	$0.79	$1.74	$3.32	$3.91	$3.65	***$3.80***	***$6.12***
DPS	-	$0.13	$0.53	$0.42	$0.56	$0.09	$0.12	$0.28	$0.34	$0.42	***$0.60***	***$0.97***
Shares[1]	26.9	33.2	34.8	38.1	46.1	47.7	47.7	47.7	47.0	47.0	***46.6***	***45.4***

Since 2015, TGLS has compounded its adjusted diluted EPS by nearly 18% annually. Moving forward, we think that the company's adjusted diluted EPS can grow by 10% annually through 2030, off an anticipated 2025 base of $3.80. Back in 2017, TGLS prioritized expanding its presence in U.S. residential markets. That has taken U.S. residential markets from less than 5% of their sales in 2017 to about 42% in 2024. The company's backlog is also exceptionally strong. As of September 30th, 2025, TGLS reported a record backlog of $1.3 billion. Recently, the company opened its California showroom. The early signs of order momentum in this market have been encouraging, which could be another growth driver for TGLS.

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[1] Estimated based on past dividend dates.

[2] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	16.4	17.5	23.0	31.2	12.0	8.8	15.1	9.3	11.7	20.9	***13.5***	***14.0***
Avg. Yld.	-	1.0%	7.2%	5.2%	6.8%	1.3%	0.5%	0.9%	0.7%	0.5%	***1.2%***	***1.1%***

In the past decade, TGLS' shares have traded at a P/E ratio ranging from as low as the upper single-digits to as high as the low 30s, for an average P/E ratio near 17. In the last five years, the average P/E ratio has been just above 13. Given TGLS's record backlog and promising growth prospects, we think that a P/E ratio of around 14 represents fair value. Compared to the current P/E ratio of 13.5, this implies that the stock is slightly undervalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	-	19%	166%	162%	81%	11%	7%	8%	9%	12%	***16%***	***16%***

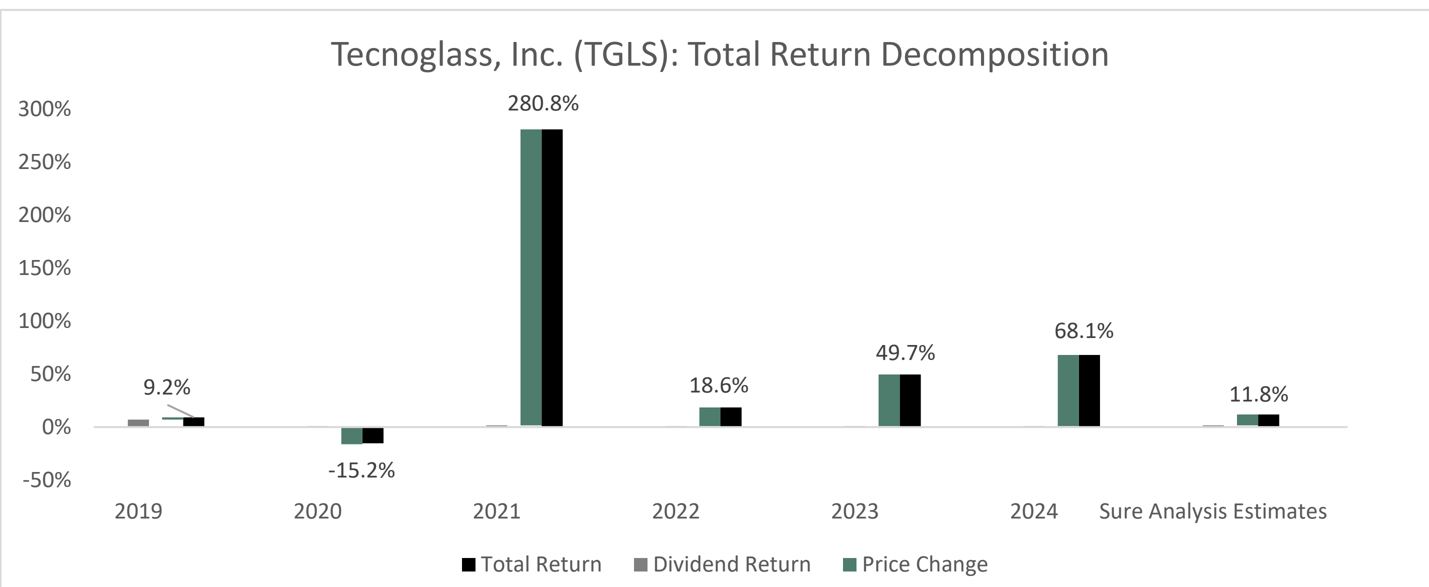
TGLS has key competitive advantages. One of them is the fact that its end-to-end manufacturing model affords control over the production lifecycle. This minimizes costs, reduces lead times, and improves its supply chain resilience. Another competitive advantage for the company arises from its advanced and customized products, including tempered, laminated, and insulating glass with solar control coatings, low emissivity features, and impact-resistant glazing. Patented technologies like TecnoBend (for curved glass) differentiate it in high-end applications. These elements have allowed TGLS to put up substantial earnings growth over the past decade.

What's more, the company's financial positioning is solid. As of September 30th, 2025, TGLS had $425 million of available liquidity under its revolving credit facilities and $124 million in cash and cash equivalents against just $111.9 million in total debt. Combined with a payout ratio set to be in the mid-teens percent range for 2025, that sets TGLS up to build on its five-year dividend growth streak for the foreseeable future.

Final Thoughts & Recommendation

TGLS's 1.2% dividend yield, 10.0% annual adjusted diluted EPS growth prospects, and 0.7% annual valuation multiple upside could lead to 11.8% annual total returns through 2030. As a result, we're initiating coverage with a Buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	239	305	314	371	431	377	497	717	833	890
Gross Profit	83	111	95	115	132	136	199	346	387	375
Gross Margin	34.9%	36.3%	30.1%	31.1%	30.5%	36.2%	40.1%	48.3%	46.5%	42.2%
SG&A Exp.	36	49	62	66	77	74	86	123	131	153
D&A Exp.	12	16	22	23	21	19	20	18	20	26
Operating Profit	39	48	34	48	60	68	119	229	264	227
Operating Margin	16.4%	15.7%	10.9%	13.0%	13.9%	17.9%	23.9%	32.0%	31.7%	25.5%
Net Profit	(13)	23	6	8	24	24	68	156	184	161
Net Margin	-5.3%	7.6%	1.8%	2.3%	5.6%	6.3%	13.8%	21.8%	22.0%	18.1%
Free Cash Flow	(14)	(26)	(1)	(18)	2	53	66	71	63	94
Income Tax	21	16	6	6	13	13	28	75	78	64

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	316	396	468	490	570	530	592	734	963	1,017
Cash & Equivalents				34		70	87	106	132	138
Accounts Receivable	62	99	120	139	153	118	129	171	185	226
Inventories	46	55	72	92		81	85	125	159	140
Goodwill & Int. Ass.	3	6	35	33	-	29	27	26	27	28
Total Liabilities	283	283	346	357		322	347	384	415	385
Accounts Payable	39	43	55	66	62	42	68	90	87	99
Long-Term Debt	121	197	221	230	-	223	188	169	163	108
Shareholder's Equity	33	114	120	132	187	208	244	349	548	631
LTD/E Ratio	4.18	1.76	1.87	1.90	1.44	1.08	0.82	0.49	0.31	0.17

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	-4.5%	6.5%	1.3%	1.8%	4.6%	4.3%	12.2%	23.6%	21.6%	16.3%
Return on Equity	-32.2%	31.6%	4.9%	6.7%	15.1%	12.0%	30.2%	52.6%	40.9%	27.4%
ROIC	-8.2%	9.6%	1.7%	2.3%	5.8%	5.4%	15.6%	32.5%	29.7%	22.1%
Shares Out.	26.9	33.2	34.8	38.1	46.1	47.7	47.7	47.7	47.0	47.0
Revenue/Share	8.25	10.08	8.90	9.75	9.69	8.13	10.42	15.03	17.54	18.94
FCF/Share	(0.49)	(0.86)	(0.02)	(0.48)	0.04	1.15	1.38	1.48	1.33	1.99

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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