

TECNOGLASS INC.

FORM 8-K (Current report filing)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): March 1, 2017

TECNOGLASS INC.

(Exact Name of Registrant as Specified in Charter)

Cayman Islands
(State or Other Jurisdiction
of Incorporation)

001-35436
(Commission
File Number)

98-1271120
(IRS Employer
Identification No.)

Avenida Circunvalar a 100 mts de la Via 40, Barrio Las Flores, Barranquilla, Colombia
(Address of Principal Executive Offices) (Zip Code)

(57)(5) 3734000
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e 4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On March 1, 2017 (the “Effective Date”), Tecnoglass Inc. (the “Company”) entered into and consummated a purchase agreement (“Agreement”) with Giovanni Monti (the “Seller”), the owner of 100% of the outstanding shares of Giovanni Monti and Partners Consulting and Glazing Contractors (“GM&P”). GM&P is a consulting and glazing contracting company located in Miami, Florida. GM&P has over 15 years of experience in the design and installation of various building enclosure systems such as curtain window walls. GM&P has had a long-standing commercial relationship with the Company, working alongside it in different projects within the U.S, by providing engineering and installation services to those projects.

Pursuant to the Agreement, the Company acquired all of the shares of GM&P from the Seller for a purchase price of US\$35 million. The Company will pay US\$6 million of the purchase price in cash within the next 60 days, and the remaining US\$29 million of the purchase price shall be payable on or before September 1, 2017 (six months from the Effective Date), which may be paid in cash, ordinary shares of the Company or a combination of both, at the Company’s sole option. If paid in ordinary shares of the Company, such shares would be valued at US\$11.81 which is the average last sale price for the last 30 trading days prior to the Effective Date. Notwithstanding the Company’s ability to delay payment of the purchase price until September 1, 2017, 100% of GM&P’s outstanding shares as well as full control of its operations were transferred to the Company on the Effective Date.

The Seller has agreed to indemnify and hold the Company harmless for any inaccuracies or breaches of the representations and warranties of, or for the non-fulfillment or breach of any covenant or agreement of, the Seller or GM&P contained in the Agreement. To provide a fund for payment to the Company with respect to its post-closing rights to indemnification under the Agreement, an aggregate of US\$2 million (in cash or ordinary shares, at the Company’s option) (the “Escrow Fund”) will be placed in escrow (with an independent escrow agent). The escrow agent shall release the Escrow Fund on the 18-month anniversary of full payment of the purchase price.

If the Company pays a portion of the purchase price in ordinary shares of the Company, the Seller has agreed not to transfer any of the shares he receives pursuant to the Agreement until March 1, 2018 for a purchase price below \$14.00 per share. The Company has agreed to file a registration statement with the SEC to cover the resale of any shares to be paid by the Company for the purchase price.

In conjunction with the Agreement, the Seller, who is GM&P’s current CEO, has entered into a five-year non-compete and non-solicitation agreement.

The foregoing summaries of the Agreement and the transactions contemplated thereby are qualified in their entirety by reference to the text of the actual agreement.

On March 7, 2017, the Company issued a press release announcing the consummation of the transactions contemplated by the Agreement, a copy of which is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

Exhibit	Description
99.1	Press release dated March 7, 2017.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 7, 2017

TECNOGLASS INC.

By: /s/ Jose M. Daes

Name: Jose M. Daes

Title: Chief Executive Officer



TECNOGLASS ANNOUNCES ACQUISITION OF WINDOW AND DOOR DESIGN AND INSTALLATION COMPANY IN THE UNITED STATES

BARRANQUILLA, Colombia – March 7, 2017 - Tecnoglass, Inc. (NASDAQ: TGLS) (“Tecnoglass” or the “Company”), a leading manufacturer of architectural glass, windows, and associated aluminum products for the global commercial and residential construction industries, today announced that it has acquired Giovanni Monti and Partners Consulting and Glazing Contractors, Inc. (“GM&P”), a Florida-based commercial consulting, glazing and engineering company, specializing in windows and doors for commercial contractors.

GM&P has many years of experience in the design and installation of various building enclosure systems, such as glass curtain and window walls. GM&P services projects of all sizes throughout the United States, mainly serving architects, general contractors and developers. As one of the Company’s largest clients, the acquisition of GM&P provides an attractive opportunity for Tecnoglass to continue its long-term strategy of being vertically integrated and to streamline its distribution logistics. In addition, GM&P will give Tecnoglass the ability to complete some fabrication work internally in the U.S when economically advantageous, providing added operational diversification.

José M. Daes, the Company’s Chief Executive Officer, commented, “The acquisition of GM&P is a highly complementary addition to our rapidly expanding Company. The GM&P team has been a strong partner to Tecnoglass over the past five years, making this acquisition a logical next step in our ongoing efforts to strengthen our position in the United States. This accretive addition fits well with our existing strategy as it augments our vertically integrated operations, enhances our distribution capabilities, and provides us with a unique opportunity to directly install value-add products in select projects. We look forward to integrating these operations into our platform, which we expect to add additional value for our shareholders.”

The purchase price for the acquisition was \$35 million. \$6 million of the purchase price is payable in cash by the Company within the next 60 days with the remaining amount payable by the Company in cash, stock of the Company or a combination of both at the Company’s sole discretion within the next 180 days. For the full year ended December 31, 2016, GM&P had revenue of approximately \$137 million, which after giving effect to the elimination of inter-company revenues with Tecnoglass, would have contributed approximately \$50 million of net revenue to the Company on a pro forma consolidated basis for that period.

Tecnoglass will discuss additional details about the acquisition on its previously scheduled fourth quarter 2016 earnings conference call at 9:00 a.m. eastern time (9:00 a.m. Bogota, Colombia time) on Friday, March 10, 2017. A webcast of the conference call will be available on the Investor Relations section of Tecnoglass’ website at www.tecnoglass.com. To participate by telephone, dial (877) 705-6003 (Domestic) or (201) 493-6725 (International).

About Tecnoglass

Tecnoglass Inc. is a leading manufacturer of architectural glass, windows, and associated aluminum products for the global commercial and residential construction industries. Tecnoglass is the #1 architectural glass transformation company in Latin America and the second largest glass fabricator serving the United States. Headquartered in Barranquilla, Colombia, the Company operates out of a 2.7 million square foot vertically-integrated, state-of-the-art manufacturing complex that provides easy access to the Americas, the Caribbean, and the Pacific. Tecnoglass supplies more than 800 customers in North, Central and South America, with the United States accounting for approximately 60% of revenues in 2015. Tecnoglass' tailored, high-end products are found on some of the world's most distinctive properties, including the El Dorado Airport (Bogota), Imbanaco Medical Center (Cali), Trump Plaza (Panama), Trump Tower (Miami), and The Woodlands (Houston). For more information, please visit www.tecnoglass.com or view our corporate video at <https://vimeo.com/134429998>.

Forward Looking Statements

This press release 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 and changes in assumptions or otherwise, except as required by law.

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