



TERNIUM ARGENTINA S.A.

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Ternium Argentina Files First Quarter of 2026 Financial Reports with BYMA and CNV

Buenos Aires, May 5, 2026 – Ternium Argentina S.A. (BYMA: TXAR) filed today its financial reports for the first quarter ended March 31, 2026, with *Bolsas y Mercados Argentinos* (BYMA) and *Comisión Nacional de Valores* (CNV).

The financial information contained in this press release is based on Ternium Argentina's consolidated condensed interim financial statements prepared in accordance with the Accounting Standards of the International Financial Reporting Standards (IFRS). The financial and operational information is presented in Argentine Pesos (ARP) and metric tons, except otherwise indicated.

Summary

Ternium Argentina's steel shipments totaled 415 thousand tons in the first quarter of 2026, down 14% compared to the volumes shipped in the fourth quarter of 2025, reflecting the seasonal slowdown in activity during the initial months of the year. Compared to the same period of the prior year, sales volume in the first quarter of 2026 showed a slight increase.

Ternium Argentina's operating result was a profit of ARP15.5 billion in the period, with an operating margin of 3% on sales, reflecting relatively low utilization levels of its facilities. The company reported consolidated net income of ARP203.5 billion in the first quarter. This amount includes, in addition to operating profit, a deferred tax gain of ARP109.9 billion, a gain of ARP66.2 billion from investments in associated companies and a financial result gain of ARP29.0 billion.

The company's net expenditures on property, plant and equipment, and intangible assets amounted to ARP37.9 billion in the first quarter of 2026, driven by investments in various projects focused on operational efficiency, environmental sustainability and workplace safety.

Outlook

In the local market, Ternium Argentina anticipates a sequential increase in steel shipments in the second quarter of the year, in line with the seasonal recovery of activity. Sustained demand is expected from customers serving the agribusiness, mining and energy sectors. On the other hand, demand from the metal-mechanical and home appliance sectors remains subdued, given weak domestic consumption and greater competition from imports.

In this context, Ternium Argentina will continue to strengthen its competitiveness and that of its value chain, focusing on operational efficiency, cost reduction, investment in technological innovation and human talent development. At the same time, the company will continue advancing its environmental and safety investment plan.

Analysis of First Quarter of 2026 Results

ARP billion	1Q 2026	4Q 2025	1Q 2025
Shipments (000 tons)	415.3	485.2	410.7
Domestic market	408.2	468.0	403.9
Export markets	7.1	17.1	6.9
Net sales	609.1	715.8	488.6
Operating result	15.5	37.1	(11.1)
Financial result	29.0	31.3	49.8
Provision for ongoing litigation related to the acquisition of a participation in Usiminas	(13.8)	(4.2)	(14.3)
Equity result	66.2	41.7	1.3
Income tax result	106.5	(22.1)	10.5
Net result	203.5	83.9	36.3
Per share net result ¹ (ARP)	45.05	18.57	8.04

Net result in the first quarter of 2026 was a gain of ARP203.5 billion, equivalent to a per share net gain¹ of ARP45.05.

Net sales in the period were ARP609.1 billion, compared to net sales of ARP488.6 billion in the first quarter of 2025. Shipments were 415,300 tons in the first quarter of 2026, a 4,600-ton increase compared to shipment levels in the prior-year first quarter.

¹ Per share net result was calculated based on 4.517.094.023 shares issued and outstanding during the period.

Shipments in the domestic Argentine market were 408,200 tons in the first quarter of 2026, a 4,300-ton increase compared to shipment levels during the prior-year first quarter. Exports totaled 7,100 tons in the first quarter of 2026, similar to the volumes exported in the first quarter of 2025.

Cost of sales in the first quarter of 2026 totaled ARP519.8 billion, an ARP85.3 billion increase compared to the ARP434.4 billion recorded in the first quarter of 2025, primarily reflecting higher raw material and other input costs, higher labor and services costs, and a higher incidence of the depreciation expenses of property, plant and equipment, partially offset by lower maintenance expenses.

Selling, General and Administrative (SG&A) expenses in the first quarter of 2026 totaled ARP76.9 billion, reaching a 12.6% SG&A expense to net sales ratio, compared to ARP63.4 billion expense and a ratio of 13.0% recorded in the same period in 2025.

Financial net results in the first quarter of 2026 were a gain of ARP29.0 billion, compared to a gain of ARP49.8 billion in the first quarter of 2025. This included:

- A net interest results gain of ARP19.3 billion in the first quarter of 2026, compared to a gain of ARP20.7 billion in the prior-year first quarter.
- A net gain related to changes in the fair value of financial instruments of ARP5.3 billion in the first quarter of 2026, compared to a net gain of ARP35.0 billion in the first quarter of 2025.
- Net changes in foreign exchange that resulted in a gain of ARP3.1 billion in the first quarter of 2026, compared to a loss of ARP5.4 billion in the prior-year first quarter.

In the first quarter of 2026, the company recorded an increase of ARP13.8 billion in the **provision** for ongoing litigation related to the acquisition of a participation in Usiminas in 2012, on account for interest accrual and the appreciation of the Brazilian Real versus the U.S. dollar in the period.

The equity in the result of associated companies was a gain of ARP66.2 billion in the first quarter of 2026. The result of the investment in Ternium México was a gain of ARP57.2 billion, while the investment in Usiminas resulted in a gain of ARP9.0 billion. In the first quarter of 2025, the equity in the result of associated companies had been a gain of ARP1.3 billion.

The income tax result for the first quarter of 2026 was positive by ARP106.5 billion. Such result included a deferred tax gain of APR109.9 billion resulting from the positive effect in the period of the depreciation of the U.S. dollar, the company's functional currency, against the Argentine Peso, together with the positive effect of the inflation adjustment for tax purposes. In the first quarter of 2025, the income tax result had been positive by ARP10.5 billion.

Cash Flow and Liquidity

Net cash provided by operating activities in the first quarter of 2026 was ARP7.5 billion. Working capital increased by ARP57.3 billion as a result of an aggregate ARP31.1 billion net decrease in accounts payable and other liabilities, an ARP13.7 billion increase in inventories and an aggregate ARP12.4 billion net increase in trade and other receivables. The increase in the inventory value was driven mainly by an increase in the volume of steel products, partially offset by a reduction in the volume of raw materials.

Cash flow related to capital expenditures in the first quarter of 2026 totaled ARP37.9 billion. In addition, the company paid ARP25.3 billion during the period in connection with the acquisition of Tubos Argentinos S.A. On the other hand, Ternium Argentina reduced its investments in securities by ARP10.4 billion.

Consolidated condensed interim income statement

ARP million	1Q 2026	1Q 2025
Net sales	609,149	488,616
Cost of sales	<u>(519,757)</u>	<u>(434,449)</u>
Gross profit	89,392	54,167
Selling, general and administrative expenses	(76,884)	(63,427)
Other operating income (expense), net	<u>2,957</u>	<u>(1,809)</u>
Operating income	15,465	(11,069)
Financial expense	(1,494)	(4,697)
Financial income	20,787	25,403
Other financial income, net	9,754	29,115
Provision for ongoing litigation related to the acquisition of a participation in Usiminas	(13,781)	(14,309)
Result of the equity in associated companies	<u>66,245</u>	<u>1,349</u>
Income before income tax expense	96,976	25,792
Income tax expense	106,497	10,527
Profit for the period	203,473	36,319
Attributable to:		
Equity holders of the Company	203,473	36,319
Non-controlling interest	<u>-</u>	<u>-</u>
	203,473	36,319

Consolidated condensed interim statement of financial position

ARP million	March 31, 2026	December 31, 2025
Property, plant and equipment, net	1,265,026	1,276,702
Intangible assets, net	69,239	75,900
Investments in associated companies	3,497,827	3,621,816
Deferred tax assets	261,560	104,961
Other receivables	7,741	22,982
Trade receivables	1,313	-
Other investments	84	85
Total non-current assets	5,102,790	5,102,446
Other receivables	133,831	120,822
Inventories, net	990,763	1,013,726
Trade receivables	142,622	132,272
Other investments	926,852	1,005,502
Cash and cash equivalents	110,346	163,490
Total current assets	2,304,414	2,435,812
Total assets	7,407,204	7,538,258
Capital and reserves attributable to the company's equity holders	6,571,771	6,812,758
Non-controlling interest	3	3
Total equity	6,571,774	6,812,761
Provisions	8,746	9,379
Other liabilities	30,094	26,056
Leasing liabilities	77,727	61,096
Total non-current liabilities	116,567	96,531
Provisions	207,714	200,790
Other liabilities	222,512	90,457
Trade payables	275,587	327,088
Leasing liabilities	13,049	10,627
Borrowings	1	4
Total current liabilities	718,863	628,966
Total liabilities	835,430	725,497
Total equity and liabilities	7,407,204	7,538,258

Consolidated condensed interim statement of cash flows

ARP million	1Q 2026	1Q 2025
Profit for the period	203,473	36,319
Adjustments for:		
Depreciation and amortization	40,210	26,710
Income tax accruals less payments	(123,134)	(30,528)
Interest accruals less payments	(10)	(5,024)
Changes in value of derivative financial instruments	-	(214)
Changes in provisions for contingencies	11,743	16,395
Result of the equity in associated companies	(66,245)	(1,349)
Changes in working capital	(57,281)	(76,520)
Net foreign exchange results and others	(1,207)	5,734
Net cash provided by (used in) operating activities	7,549	(28,477)
Capital expenditures	(37,932)	(55,812)
Investments in associated companies	(25,301)	-
Disposals of property, plant and equipment	1	679
Decrease in other investments	10,434	111,119
Net cash (used in) provided by investing activities	(52,798)	55,986
Proceeds from borrowings	-	51,449
Repayments of borrowings	-	(39,499)
Payments for leasing	(2,920)	(1,837)
Payments for derivative financial products, net	-	4,272
Net cash (used in) provided by financing activities	(2,920)	14,385
(Decrease) increase in cash and cash equivalents	(48,169)	41,894