



TERNIUM ARGENTINA S.A.

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Ternium Argentina Files First Quarter 2025 Financial Reports with BYMA and CNV

Buenos Aires, April 29, 2025 – Ternium Argentina S.A. (BYMA: TXAR) filed today its financial reports for the first quarter ended March 31, 2025, with Bolsas y Mercados Argentinos (BYMA) and Comisión Nacional de Valores (CNV).

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

Summary

Ternium Argentina's steel shipments amounted to 410,700 tons in the first quarter of 2025, decreasing by 8% sequentially due mainly to a seasonal decline in local demand during the first months of the year. Compared to the prior-year same period, sales volumes increased by 19% in the first quarter of 2025, with improved steel demand in the domestic market partially offset by lower imports.

The company reported an ARP11.1 billion operating loss in the first quarter of 2025, in a context of elevated costs and relatively low shipment levels. Ternium Argentina's consolidated net income for the period was ARP36.3 billion, an amount that includes a positive financial result of ARP49.8 billion and a provision adjustment charge of ARP14.3 billion for ongoing litigation related to the acquisition of a participation in Usiminas in 2012.

The company's capital outlays in property, plant and equipment, and intangible assets totaled ARP55.8 billion in the first quarter of 2025. Of note during the period were the remaining investments in the wind farm, inaugurated last December, along with investments in various projects aimed at operational efficiency, safety and the environment.

Outlook

In the second quarter of 2025, Ternium Argentina expects a slight sequential increase in local market shipments following a seasonally weak start to the year.

Beyond this anticipated improvement, certain risks must be highlighted at both local and international levels. Globally, the recent increase in U.S. import tariffs could significantly alter international trade flows. Meanwhile, a surge in exports from China in response to its slower domestic growth and rising trade restrictions in key markets such as the United States, Europe and other countries, poses a threat to Latin America's manufacturing sector by increasing exposure to unfair trade practices.

Domestically, the more open to import landscape presents additional challenges to the competitiveness of the industrial value chain amid a high tax burden and logistics costs.

In this challenging environment, Ternium Argentina will continue to propel competitiveness within its operations and across its value chain, focusing on operational efficiency, cost reduction, investment in technological innovation and talent development. Likewise, the company will continue advancing its environmental and safety investment plan.

Analysis of First Quarter of 2025 Results

	1Q 2025	4Q 2024	1Q 2024
Shipments (tons)	410,700	444,500	346,400
Domestic shipments	403,900	430,500	323,300
Export shipments	6,900	14,000	23,100
Net sales (ARP million)	488,616	535,698	436,394
Operating result (ARP million)	(11,069)	(167,808)	74,631
Financial result (ARP million)	49,821	11,471	(2,312)
Provision for ongoing litigation related to the acquisition of a participation in Usiminas (ARP million)	(14,309)	104,715	-
Equity result (ARP million)	1,349	(35,860)	84,612
Income tax result (ARP million)	10,527	104,401	59,677
Net result (ARP million)	36,319	16,919	216,608
Per share net result ¹ (ARP)	8.04	3.75	47.95

Net result in the first quarter of 2025 was a gain of ARP36.3 billion, equivalent to a per share net gain¹ of ARP8.04.

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

Net sales in the first quarter of 2025 were ARP488.6 billion, compared to net sales of ARP436.4 billion in the first quarter of 2024. Shipments were 410,700 tons in the first quarter of 2025, a 64,300-ton increase compared to shipment levels in the prior-year first quarter.

Shipments in the domestic Argentine market were 403,900 tons in the first quarter of 2025, a 80,600-ton increase compared to shipment levels during the prior-year first quarter. Exports totaled 6,900 tons in the first quarter of 2025, decreasing by 16,200 tons compared to the volumes exported in the first quarter of 2024. All exports during the first quarter of 2025 were shipped to South and Central America.

Cost of sales in the first quarter of 2025 totaled ARP434.4 billion, a ARP116.4 billion increase compared to the ARP318.1 billion recorded in the first quarter of 2024, reflecting a higher cost per ton and shipments. Of note in the cost per ton change were higher maintenance costs, an increase in the cost of raw materials and other inputs, and higher labor and services costs.

Selling, General and Administrative (SG&A) expenses in the first quarter of 2025 totaled ARP63.4 billion, reaching a 13.0% SG&A expense to net sales ratio, compared to ARP43.5 billion expense and a ratio of 10.0% recorded in the same period in 2024.

Financial net results in the first quarter of 2025 were a gain of ARP49.8 billion, compared to a loss of ARP2.3 billion in the first quarter of 2024. This included:

- A net interest results gain of ARP20.7 billion in the first quarter of 2025, compared to a gain of ARP17.1 billion in the prior-year first quarter.
- A net gain related to changes in the fair value of financial instruments of ARP35.0 billion in the first quarter of 2025, mainly due to the divestment of securities, compared to a net loss of ARP23.3 billion in the first quarter of 2024.
- Net changes in foreign exchange that resulted in a loss of ARP5.4 billion in the first quarter of 2025, compared to a gain of ARP4.3 billion in the first quarter of 2024.

In the first quarter of 2025, the company recorded an increase of ARP14.3 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 ARP1.3 billion in the first quarter of 2025, including a gain of ARP3.8 billion in the investment in Usiminas and a loss of ARP2.5 billion in the investment in Ternium México. In the first quarter of 2024, the equity in the result of associated companies had been a gain of ARP84.6 billion.

Income tax result in the first quarter of 2025 was a gain of ARP10.5 billion, while the income tax result in the first quarter of 2024 was a gain of ARP59.7 billion, including a deferred tax gain of ARP61.1 billion.

Cash Flow and Liquidity

Net cash used in operating activities in the first quarter of 2025 was ARP28.5 billion. Working capital increased by ARP76.5 billion as a result of an aggregate ARP118.9 billion net decrease in accounts payable and other liabilities, partly in connection with the completion of works in the new wind farm, and an aggregate ARP4.7 billion net increase in trade and other receivables, partially offset by a ARP47.1 billion decrease in inventories. The decrease in the value of inventories was primarily attributed to a reduction in costs and lower raw material volumes, partially offset by an increase in the volume of steel products.

Cash flow related to capital expenditures in the first quarter of 2025 totaled ARP55.8 billion. Net borrowings were ARP12.0 billion in the period. In addition, in the first quarter of 2025 Ternium Argentina reduced its investments in securities by ARP111.1 billion.

Consolidated condensed interim income statement

ARP million	1Q 2025	1Q 2024
Net sales	488,616	436,394
Cost of sales	<u>(434,449)</u>	<u>(318,072)</u>
Gross profit	54,167	118,322
Selling, general and administrative expenses	(63,427)	(43,495)
Other operating expense, net	<u>(1,809)</u>	<u>(196)</u>
Operating result	(11,069)	74,631
Financial expense	(4,697)	(3,674)
Financial income	25,403	20,772
Other financial income (expense), net	29,115	(19,410)
Provision for ongoing litigation related to the acquisition of a participation in Usiminas	(14,309)	-
Result of the equity in associated companies	<u>1,349</u>	<u>84,612</u>
Income before income tax result	25,792	156,931
Income tax result	10,527	59,677
Profit for the period	36,319	216,608
Attributable to:		
Equity holders of the Company	36,319	216,608
Non-controlling interest	<u>-</u>	<u>-</u>
	36,319	216,608

Consolidated condensed interim statement of financial position

ARP million	March 31, 2025	December 31, 2024
Property, plant and equipment, net	951,559	890,690
Intangible assets, net	56,487	55,266
Investments in associated companies	2,543,239	2,421,942
Deferred tax assets	186,742	131,587
Other receivables	14,474	14,464
Other investments	197	200
Total non-current assets	3,752,698	3,514,149
Other receivables	230,647	212,788
Derivative financial instruments	84	4,078
Inventories, net	732,985	758,247
Trade receivables	100,468	86,209
Other investments	1,158,520	1,273,228
Cash and cash equivalents	112,078	60,515
Total current assets	2,334,782	2,395,065
Total assets	6,087,480	5,909,214
Capital and reserves attributable to the company's equity holders	5,347,809	5,093,492
Non-controlling interest	4	3
Total equity	5,347,813	5,093,495
Provisions	4,484	3,058
Other liabilities	19,443	17,167
Leasing liabilities	49,638	49,767
Total non-current liabilities	73,565	69,992
Provisions	127,914	110,630
Other liabilities	73,187	67,660
Trade payables	245,775	361,155
Leasing liabilities	7,432	7,296
Borrowings	211,794	198,986
Total current liabilities	666,102	745,727
Total liabilities	739,667	815,719
Total equity and liabilities	6,087,480	5,909,214

Consolidated condensed interim statement of cash flows

ARP million	1Q 2025	1Q 2024
Profit for the period	36,319	216,608
Adjustments for:		
Depreciation and amortization	26,710	21,337
Income tax accruals less payments	(30,528)	(79,959)
Interest accruals less payments	(5,024)	1,020
Changes in value of derivative financial instruments	(214)	-
Changes in provisions for contingencies	16,395	651
Result of the equity in associated companies	(1,349)	(84,612)
Changes in working capital	(76,520)	(64,137)
Net foreign exchange results and others	5,734	(5,712)
Net cash (used in) provided by operating activities	(28,477)	5,196
Capital expenditures	(55,812)	(46,452)
Disposals of property, plant and equipment	679	98
Decrease (increase) in other investments	111,119	(11,264)
Net cash provided by (used in) investing activities	55,986	(57,618)
Proceeds from borrowings	51,449	55,919
Repayments of borrowings	(39,499)	-
Payments for leasing	(1,837)	(1,341)
Payments for derivative financial products, net	4,272	-
Net cash provided by financing activities	14,385	54,578
Increase in cash and cash equivalents	41,894	2,156