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Ternium Argentina Files Third Quarter and First Nine Months of 2025 Financial Reports with BYMA and CNV

Buenos Aires, October 28, 2025 – Ternium Argentina S.A. (BYMA: TXAR) filed today its financial reports for the third quarter and first nine months ended September 30, 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

During the third quarter of 2025, Ternium Argentina's steel shipments increased sequentially by 4% to 502 thousand tons, still below the company's historical sales volume. Compared to the prior-year same period, shipments rose by 6%.

Operating income for the quarter totaled ARP29.0 billion, with an operating margin of 4% that reflected elevated cost levels and relatively low facility utilization rates. The company reported a consolidated net loss of ARP59.7 billion for the period. This figure includes, in addition to operating income, a gain of ARP22.6 billion from investments in associated companies, a deferred tax charge of ARP86.4 billion and a provision charge of ARP19.0 billion related to the ongoing litigation concerning the 2012 acquisition of a stake in Usiminas. The latter reflects the accounting of interest and the appreciation of the Brazilian real during the quarter.

In the first nine months of 2025, steel shipments increased by 14% compared to the low volumes reported in the prior-year same period, reaching 1.4 million tons. Operating income for the period was ARP22.0 billion with a sales margin of 1%. The company reported a consolidated net loss of ARP466

million for the nine-month period. This result includes, in addition to operating income, a financial gain of ARP50.8 billion, a gain of ARP98.9 billion from investments in associated companies, a deferred tax charge of ARP118.4 billion and a provision charge of ARP50.5 billion related to the ongoing litigation concerning the 2012 Usiminas stake acquisition.

Net capital expenditures in property, plant and equipment, and intangible assets amounted to ARP112.2 billion in the first nine months of 2025. Notable investments during the period included the wind farm project and various initiatives aimed at operational efficiency, environmental sustainability, and workplace safety.

Outlook

Recently, the high level of uncertainty has led to a plateau in activity across the steel value chain. In this context, Ternium Argentina expects steel shipments not to show relevant changes in the fourth quarter compared to those in the third quarter of the year, aside from the seasonal slowdown of the second half of December.

Looking forward, opportunities lie for our value chain on the expansion of the most dynamic sectors of the economy: the agriculture sector, mining and the oil & gas sector. As for challenges, declining domestic consumption in China is driving an increase of its metal-mechanical product exports. This situation is further exacerbated by restrictions imposed on its exports by several countries, including the United States, the European Union, and Mexico, which are altering trade flows.

Against this backdrop, the company will continue to focus on initiatives aimed at cost reduction and improved production efficiency. In addition, as put forward by the local business community, a tax reform is needed to avoid the adverse effect of distortionary taxes (tax on financial transactions, municipal levies, and gross income) on value addition within the country.

Analysis of Third Quarter of 2025 Results

	3Q 2025	2Q 2025	3Q 2024
Shipments (tons)	501,800	484,000	471,800
Domestic shipments	495,000	470,000	462,000
Export shipments	6,800	14,000	9,800
Net sales (ARP million)	709,850	600,672	591,147
Operating result (ARP million)	29,020	4,092	30,959
Financial result (ARP million)	(5,919)	6,851	13,640
Provision for ongoing litigation related to the acquisition of a participation in Usiminas (ARP million)	(19,026)	(17,169)	(7,855)
Equity result (ARP million)	22,605	74,966	(33,089)
Income tax result (ARP million)	(86,362)	(45,843)	7,483
Net result (ARP million)	(59,682)	22,897	11,138
Per share net result ¹ (ARP)	(13.21)	5.07	2.47

Net result in the third quarter of 2025 was a loss of ARP59.7 billion, equivalent to a per share net loss¹ of ARP13.21.

Net sales in the third quarter of 2025 were ARP709.9 billion, compared to net sales of ARP591.1 billion in the third quarter of 2024. Shipments were 501,800 tons in the third quarter of 2025, a 30,000-ton increase compared to shipment levels in the prior-year third quarter.

Shipments in the domestic Argentine market were 495,000 tons in the third quarter of 2025, a 33,000-ton increase compared to shipment levels during the prior-year third quarter. Exports totaled 6,800 tons in the third quarter of 2025, decreasing by 3,000 tons compared to the volumes exported in the third quarter of 2024.

Cost of sales in the third quarter of 2025 totaled ARP601.2 billion, a ARP103.4 billion increase compared to the ARP497.8 billion recorded in the third quarter of 2024, reflecting a higher cost per ton and shipments. Notable in the cost per ton change were an increase in labor and services costs, and higher raw material and other input costs.

Selling, General and Administrative (SG&A) expenses in the third quarter of 2025 totaled ARP79.5 billion, reaching a 11.2% SG&A expense to net sales ratio, compared to ARP62.4 billion expense and a ratio of 10.6% recorded in the same period in 2024.

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

Financial net results in the third quarter of 2025 were a loss of ARP5.9 billion, compared to a gain of ARP13.6 billion in the third quarter of 2024. This included:

- A net interest results gain of ARP29.3 billion in the third quarter of 2025, compared to a gain of ARP6.7 billion in the prior-year third quarter.
- A net gain related to changes in the fair value of financial instruments of ARP5.2 billion in the third quarter of 2025, compared to a net gain of ARP7.1 billion in the third quarter of 2024.
- Net changes in foreign exchange that resulted in a loss of ARP37.6 billion in the third quarter of 2025, due to the effect of the Argentine Peso's 13% depreciation versus the U.S. dollar, compared to a gain of ARP1.0 billion in the third quarter of 2024.

In the third quarter of 2025, the company recorded an increase of ARP19.0 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 ARP22.6 billion in the third quarter of 2025. The result of the investment in Ternium México was a gain of ARP45.6 billion, while the investment in Usiminas resulted in a loss of ARP23.0 billion, an amount that includes an adjustment in the income tax, mainly deferred taxes. In the third quarter of 2024, the equity in the result of associated companies had been a loss of ARP33.1 billion.

Income tax expense for the third quarter of 2025 amounted to ARP86.4 billion, consisting entirely of a deferred tax charge resulting from the depreciation of the Argentine Peso against the U.S. dollar, the company's functional currency, which in the period exceeded the inflation adjustment for tax purposes. In the third quarter of 2024, the income tax result had been a gain of ARP7.5 billion, including a deferred tax gain of ARP7.4 billion.

Analysis of First Nine Months of 2025 Results

	9M 2025	9M 2024
Shipments (tons)	1,396,600	1,225,100
Domestic shipments	1,368,900	1,148,700
Export shipments	27,700	76,400
Net sales (ARP million)	1,799,138	1,491,608
Operating result (ARP million)	22,043	102,731
Financial result (ARP million)	50,753	15,281
Provision for ongoing litigation related to the acquisition of a participation in Usiminas (ARP million)	(50,504)	(194,571)
Equity result (ARP million)	98,920	44,133
Income tax result (ARP million)	(121,678)	122,218
Net result (ARP million)	(466)	89,792
Per share net result ² (ARP)	(0.10)	19.88

Net result in the first nine months of 2025 was a loss of ARP466 million, equivalent to a per share net loss² of ARP0.10.

Net sales in the first nine months of 2025 were ARP1,799.1 billion, compared to net sales of ARP1,491.6 billion in the first nine months of 2024. Shipments were 1.4 million tons in the first nine months of 2025, a 171,500-ton increase compared to shipment levels in the prior-year first nine months.

Shipments in the domestic Argentine market were 1.4 million tons in the first nine months of 2025, a 220,200-ton increase compared to shipment levels during the prior-year first nine months. Exports totaled 27,700 tons in the first nine months of 2025, decreasing by 48,700 tons compared to the volumes exported in the first nine months of 2024. All exports during the first nine months of 2025 were shipped to South and Central America.

Cost of sales in the first nine months of 2025 totaled ARP1,559.3 billion, a ARP330.0 billion increase compared to the ARP1,229.2 billion recorded in the first nine months of 2024, reflecting a higher cost per ton and shipments. Notable in the cost per ton change were higher raw material and other input costs, an increase in labor and services costs, and higher maintenance costs.

Selling, General and Administrative (SG&A) expenses in the first nine months of 2025 totaled ARP213.4 billion, reaching a 11.9% SG&A expense to net sales ratio, compared to ARP159.1 billion expense and a ratio of 10.7% recorded in the same period in 2024.

² Per share net result was calculated based on 4.517.094.023 shares issued and outstanding during the period.

Financial net results in the first nine months of 2025 were a gain of ARP50.8 billion, compared to a gain of ARP15.3 billion in the first nine months of 2024. This included:

- A net interest results gain of ARP67.4 billion in the first nine months of 2025, compared to a gain of ARP37.4 billion in the prior-year first nine months.
- A net gain related to changes in the fair value of financial instruments of ARP53.1 billion in the first nine months of 2025, mainly due to the divestment of securities, compared to a net loss of ARP26.5 billion in the first nine months of 2024.
- Net changes in foreign exchange that resulted in a loss of ARP65.6 billion in the first nine months of 2025, due to effect of a 25% depreciation of the Argentine Peso against the U.S. dollar on a net long local currency position, compared to a gain of ARP6.8 billion in the first nine months of 2024.

In the first nine months of 2025, the company recorded an increase of ARP50.5 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 ARP98.9 billion in the first nine months of 2025. The result of the investment in Ternium México was a gain of ARP115.7 billion, while the investment in Usiminas resulted in a loss of ARP16.7 billion, an amount that includes an adjustment in the income tax, mainly deferred taxes. In the first nine months of 2024, the equity in the result of associated companies had been a gain of ARP44.1 billion.

Income tax expense in the first nine months of 2025 was ARP121.7 billion, including a deferred tax loss of ARP118.4 billion. In the first nine months of 2024, the income tax result was a gain of ARP122.2 billion, including a deferred tax gain of ARP104.4 billion.

Cash Flow and Liquidity

Net cash provided by operating activities was ARP96.9 billion in the third quarter of 2025. Working capital decreased by ARP7.2 billion as a result of an aggregate ARP102.6 billion increase in accounts payable and other liabilities and an aggregate ARP5.7 billion net decrease in trade and other receivables, partially offset by a ARP101.0 billion increase in inventories. The increase in inventory value was driven by a higher volume of steel products and raw materials, partially offset by lower unit costs.

Cash flow related to capital expenditures in the third quarter of 2025 totaled ARP20.7 billion. Net repayment of borrowings were ARP70.4 billion in the period. In addition, in the third quarter of 2025 Ternium Argentina increased its investments in securities by ARP79.3 billion.

In the first nine months of 2025, net cash provided by operating activities was ARP208.2 billion. Working capital decreased by ARP10.4 billion as a result of an aggregate ARP17.7 billion net decrease in trade and other receivables, and a ARP16.3 billion decrease in inventories, mostly offset by an aggregate ARP23.6 billion net decrease in accounts payable and other liabilities. The decrease in the inventory value was the result of lower unit costs of steel products and raw materials, partially offset by higher volumes.

Cash flow related to capital expenditures in the first nine months of 2025 totaled ARP112.2 billion. Net repayment of borrowings were ARP214.2 billion in the period. In addition, in the first nine months of 2025 Ternium Argentina reduced its investments in securities by ARP146.1 billion.

Consolidated condensed interim income statement

ARP million	3Q 2025	3Q 2024	9M 2025	9M 2024
Net sales	709,850	591,147	1,799,138	1,491,608
Cost of sales	<u>(601,159)</u>	<u>(497,754)</u>	<u>(1,559,285)</u>	<u>(1,229,247)</u>
Gross profit	108,691	93,393	239,853	262,361
Selling, general and administrative expenses	(79,455)	(62,440)	(213,396)	(159,097)
Other operating (expense) income, net	<u>(216)</u>	<u>6</u>	<u>(4,414)</u>	<u>(533)</u>
Operating income	29,020	30,959	22,043	102,731
Financial expense	(2,010)	(14,727)	(14,495)	(25,122)
Financial income	31,299	21,410	81,866	62,508
Other financial (expense) income, net	(35,208)	6,957	(16,618)	(22,105)
Provision for ongoing litigation related to the acquisition of a participation in Usiminas	(19,026)	(7,855)	(50,504)	(194,571)
Result of the equity in associated companies	<u>22,605</u>	<u>(33,089)</u>	<u>98,920</u>	<u>44,133</u>
Income before income tax expense	26,680	3,655	121,212	(32,426)
Income tax result	(86,362)	7,483	(121,678)	122,218
(Loss) profit for the period	(59,682)	11,138	(466)	89,792
Attributable to:				
Equity holders of the Company	(59,681)	11,138	(464)	89,800
Non-controlling interest	<u>(1)</u>	<u>-</u>	<u>(2)</u>	<u>(8)</u>
	(59,682)	11,138	(466)	89,792

Consolidated condensed interim statement of financial position

ARP million	September 30, 2025	December 31, 2024
Property, plant and equipment, net	1,213,059	890,690
Intangible assets, net	66,630	55,266
Investments in associated companies	3,420,159	2,421,942
Deferred tax assets	152,807	131,587
Other receivables	20,122	14,464
Other investments	204	200
Total non-current assets	4,872,981	3,514,149
Other receivables	174,989	212,788
Derivative financial instruments	-	4,078
Inventories, net	950,425	758,247
Trade receivables	143,685	86,209
Other investments	1,104,859	1,273,228
Cash and cash equivalents	104,937	60,515
Total current assets	2,478,895	2,395,065
Total assets	7,351,876	5,909,214
Capital and reserves attributable to the company's equity holders	6,617,852	5,093,492
Non-controlling interest	3	3
Total equity	6,617,855	5,093,495
Provisions	8,208	3,058
Other liabilities	22,388	17,167
Leasing liabilities	60,105	49,767
Total non-current liabilities	90,701	69,992
Provisions	190,026	110,630
Other liabilities	79,675	67,660
Trade payables	363,591	361,155
Leasing liabilities	9,991	7,296
Borrowings	37	198,986
Total current liabilities	643,320	745,727
Total liabilities	734,021	815,719
Total equity and liabilities	7,351,876	5,909,214

Consolidated condensed interim statement of cash flows

ARP million	3Q 2025	3Q 2024	9M 2025	9M 2024
(Loss) profit for the period	(59,682)	11,138	(466)	89,792
Adjustments for:				
Depreciation and amortization	35,876	26,477	92,940	70,703
Income tax accruals less payments	83,375	(42,924)	94,277	(284,521)
Interest accruals less payments	(472)	3,063	(5,966)	5,448
Changes in value of derivative financial instruments	513	(6,928)	(91)	(7,060)
Changes in provisions for contingencies	14,309	16,137	50,500	203,800
Result of the equity in associated companies	(22,605)	33,089	(98,920)	(44,133)
Changes in working capital	7,215	(19,395)	10,426	(130,354)
Net foreign exchange results and others	38,384	19,523	65,522	11,513
Net cash provided by (used in) operating activities	96,913	40,180	208,222	(84,812)
Capital expenditures	(20,670)	(95,270)	(112,244)	(246,515)
Investments in associated companies	-	(1)	-	(810)
Dividends received and proceeds from the sale of associated companies	-	-	-	2,541
Disposals of property, plant and equipment	285	11	1,852	203
(Increase) decrease in other investments	(79,326)	59,223	146,119	163,351
Net cash (used in) provided by investing activities	(99,711)	(36,037)	35,727	(81,230)
Proceeds from borrowings	4,569	125,700	59,139	325,469
Repayments of borrowings	(74,940)	(157,414)	(273,380)	(178,519)
Payments for leasing	(2,271)	(1,531)	(6,138)	(4,354)
(Payments) proceeds from derivative financial products, net	(494)	3,631	4,234	3,875
Net cash (used in) provided by financing activities	(73,136)	(29,614)	(216,145)	146,471
(Decrease) increase in cash and cash equivalents	(75,934)	(25,471)	27,804	(19,571)