



November 4, 2020

Third Quarter and First Nine Months 2020 Earnings Conference Call and Webcast

Forward-Looking Statements

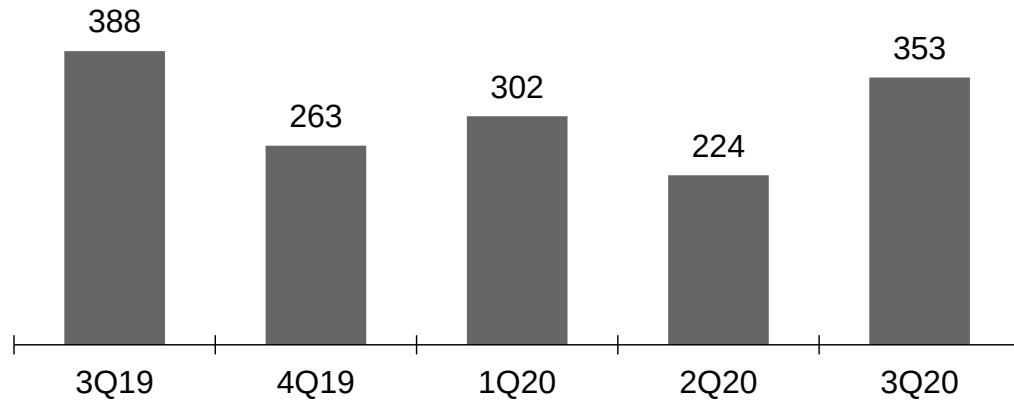


This presentation contains certain forward-looking statements and information relating to Ternium S.A. and its subsidiaries (collectively, “Ternium”) that are based on the current beliefs of its management as well as assumptions made by and information currently available to Ternium. Such statements reflect the current views of Ternium with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of Ternium to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic, political conditions in the countries in which Ternium does business or other countries which have an impact on Ternium’s business activities and investments, changes in interest rates, changes in inflation rates, changes in exchange rates, the degree of growth and the number of consumers in the markets in which Ternium operates and sells its products, changes in steel demand and prices, changes in raw material and energy prices or difficulties in acquiring raw materials or energy supply cut-offs, changes in business strategy and various other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or targeted. Ternium does not intend, and does not assume any obligation, to update these forward-looking statements.

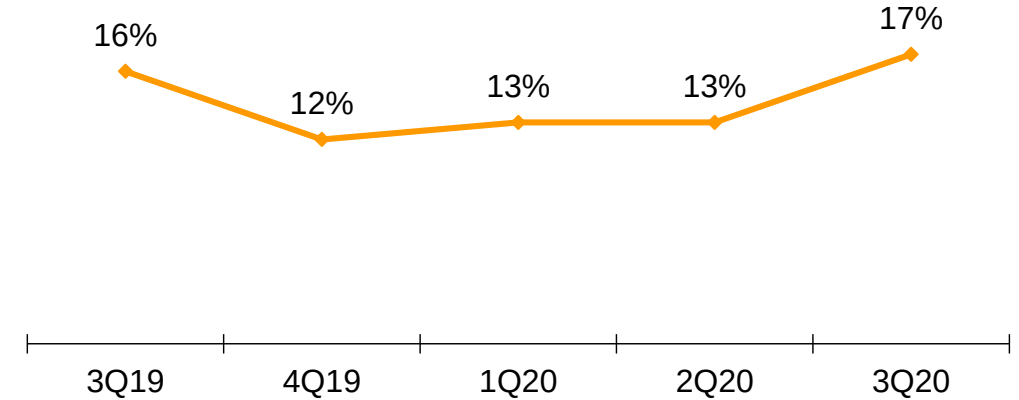
Third Quarter 2020 Results

EBITDA and Net Income

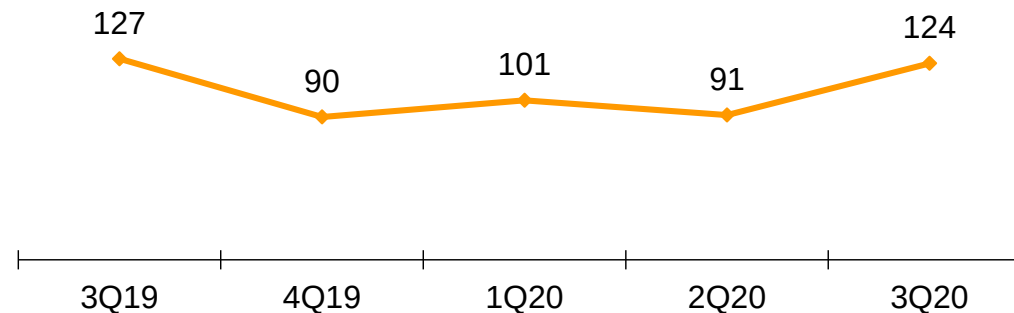
EBITDA (\$ million)



EBITDA Margin (% of net sales)

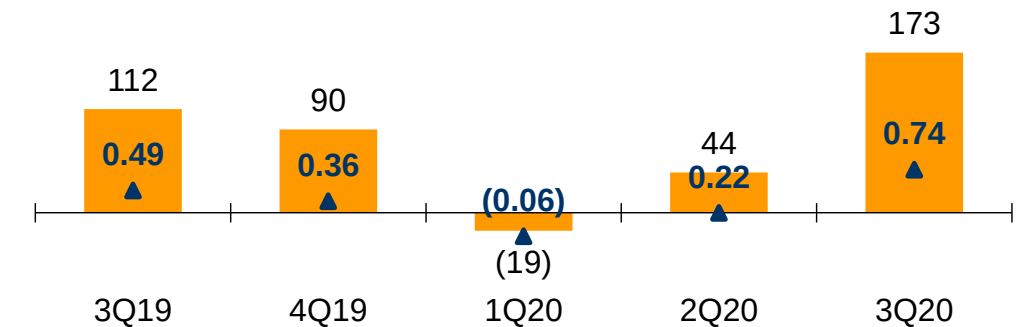


EBITDA per Ton¹ (\$)



Net Income and Earnings per ADS

■ Net Income (Loss) (\$ million)
▲ Earnings (Losses) per ADS



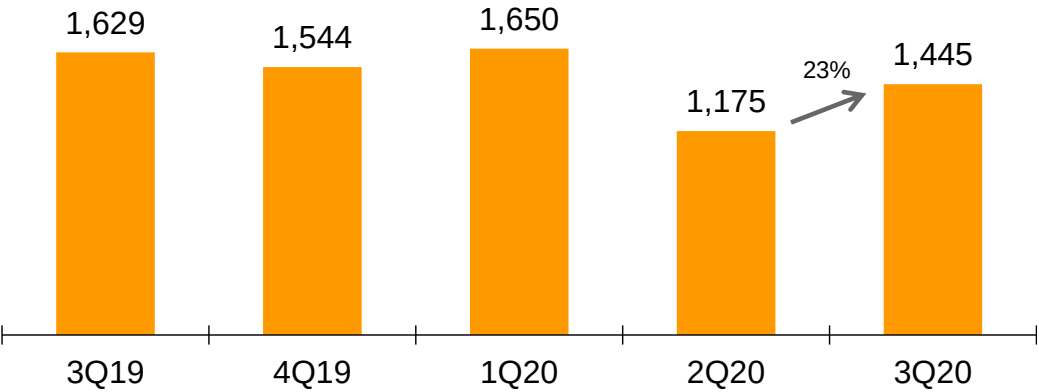
¹ Consolidated EBITDA divided by steel shipments.

Third Quarter 2020 Results

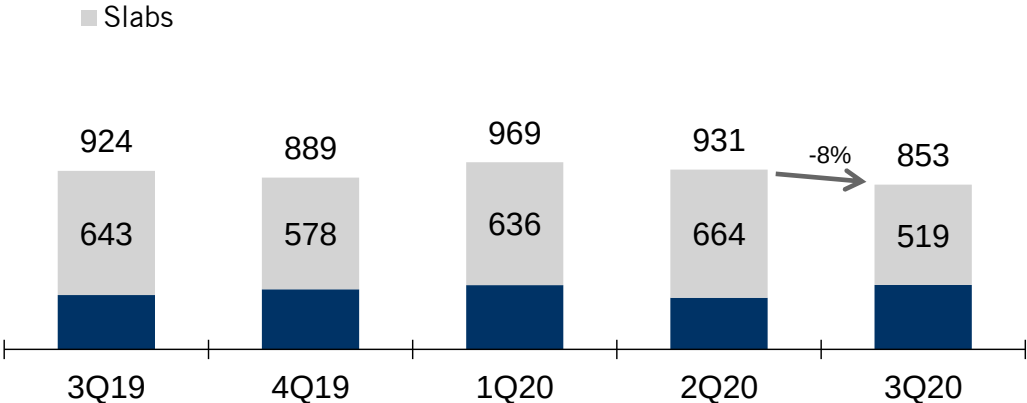
Steel Shipments



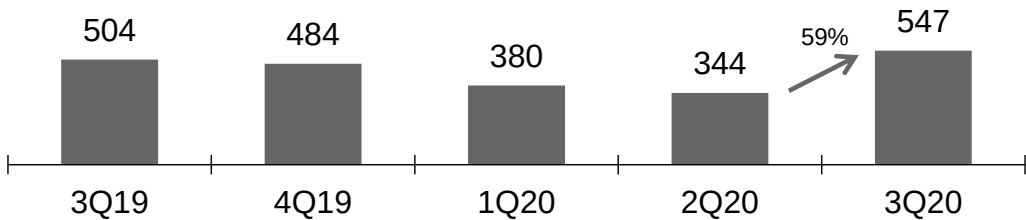
Mexico (thousand tons)



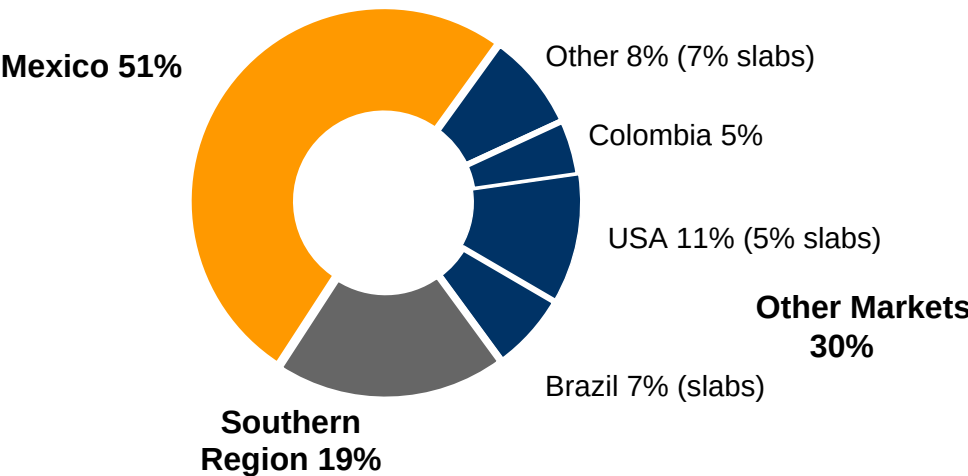
Other Markets (thousand tons)



Southern Region (thousand tons)



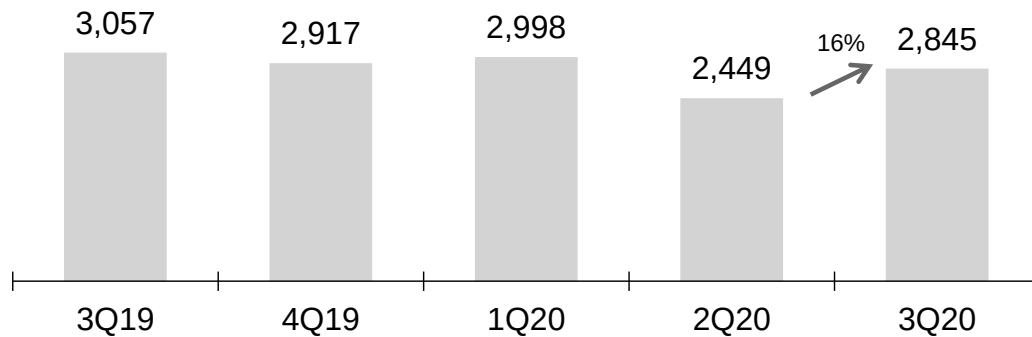
Steel Shipments 3Q20



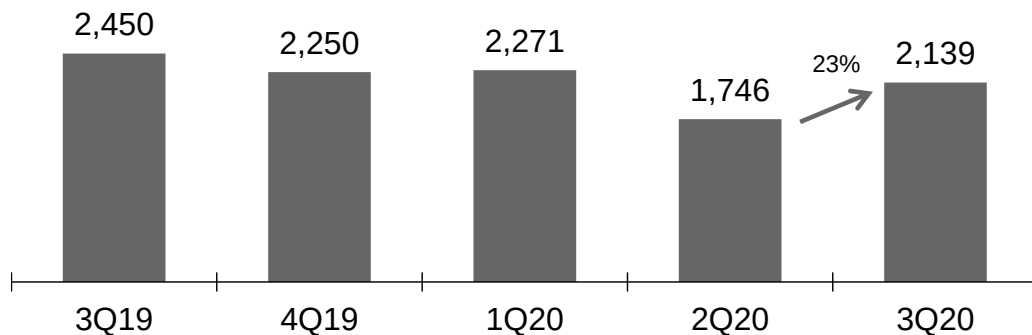
Third Quarter 2020 Results

Total Shipments and Revenue per Ton

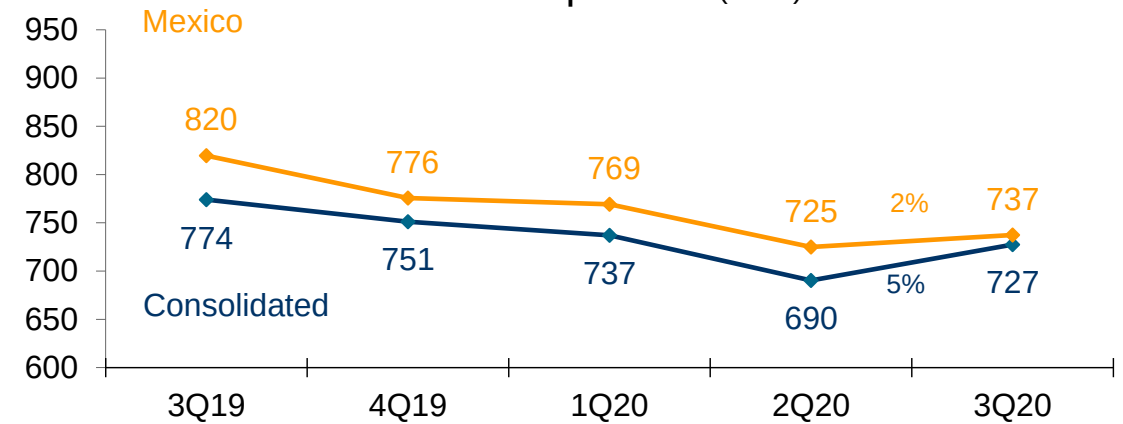
Total Shipments (thousand tons)



Net Sales (\$ million)



Revenue per Ton (\$/ton)



Shipments and realized prices expected to continue recovering in the 4Q20:

- Mexico: Industrial market shipments to reach pre-pandemic levels, construction sector improving.
- Southern Region: buildup of stocks and advance purchases to continue driving strong steel shipments.
- Other Markets: stable third party shipments, with increase in domestic sales substituting exports.

Third Quarter 2020 Results

EBITDA and Net Results

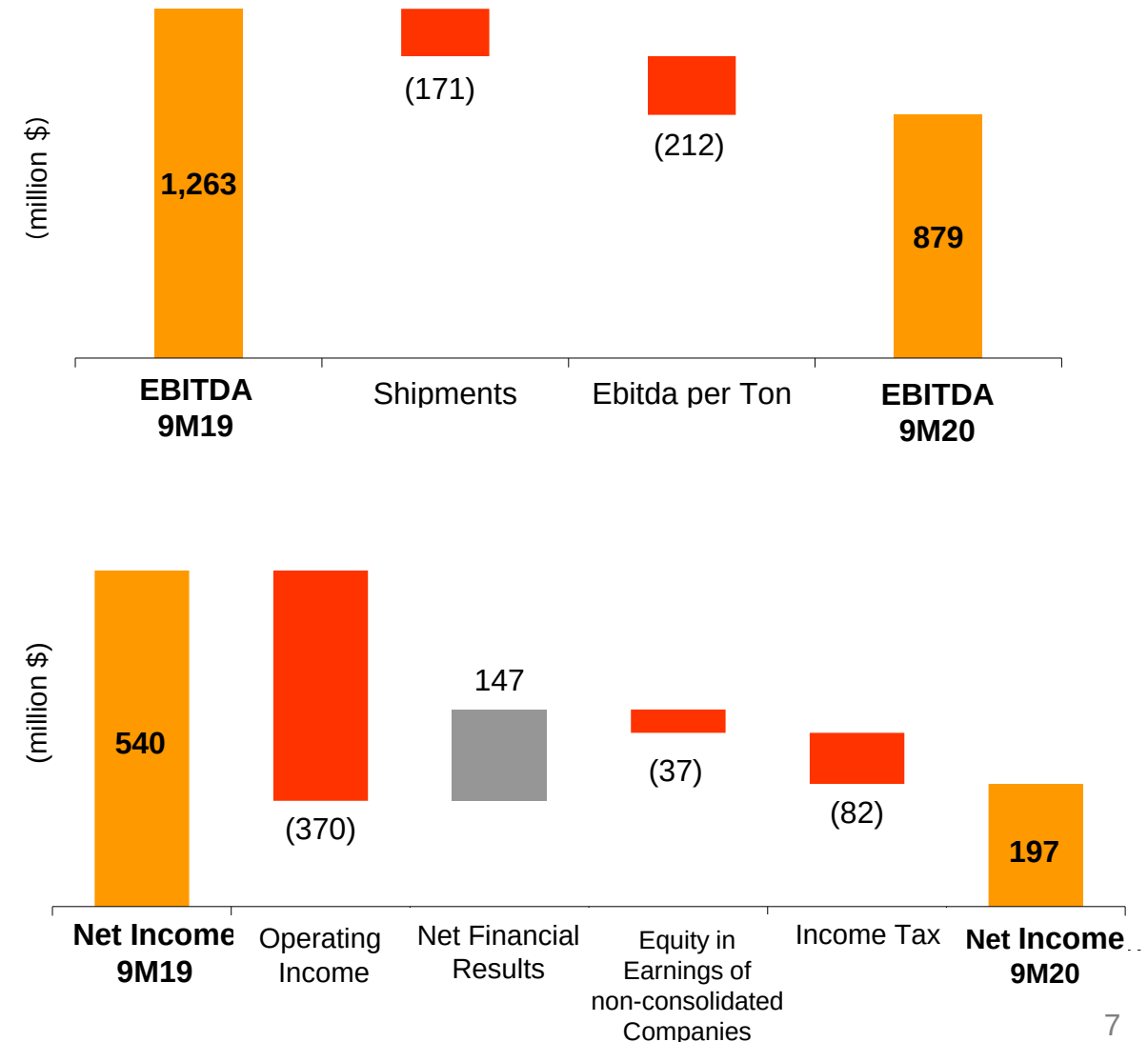
- Higher shipments in the 3Q20, particularly in Mexico and Argentina.
 - Higher revenue per ton, mainly reflecting a higher value added product mix.
 - Slight increase in cost per ton.
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- Improved result from the equity in earnings of Usiminas in the 3Q20.
 - Low effective tax rates in the 3Q20 and 2Q20, affected by non-cash deferred tax gains due to the effect of the MXN appreciation versus the USD.



First Nine Months 2020 Results

EBITDA and Net Results

- Lower shipments in 9M20 in Ternium's main markets due to the effect of the COVID-19 pandemic.
- Lower EBITDA per ton on lower steel prices partially offset by lower costs per ton.
- Significant variation in net financial results mainly related to the effect of a substantial fluctuation of the MXN, ARS and BRL versus the USD in both periods.
- High effective tax rate in the 9M20 mainly related to non-cash deferred tax loss due to the effect of significant MXN depreciation versus the USD.

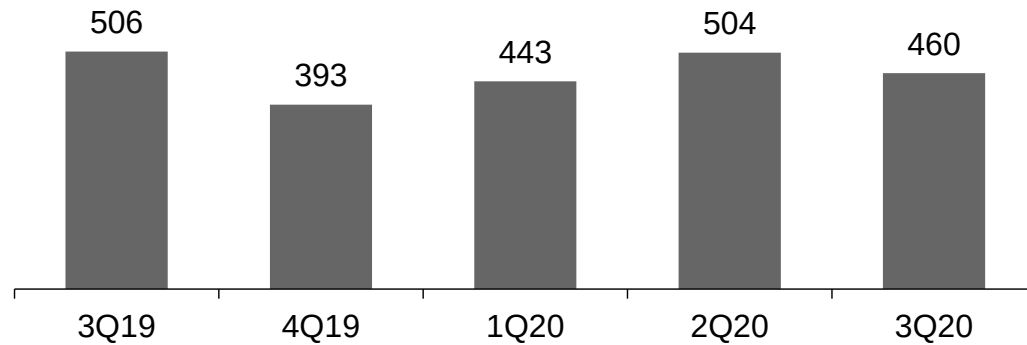


Third Quarter 2020 Results

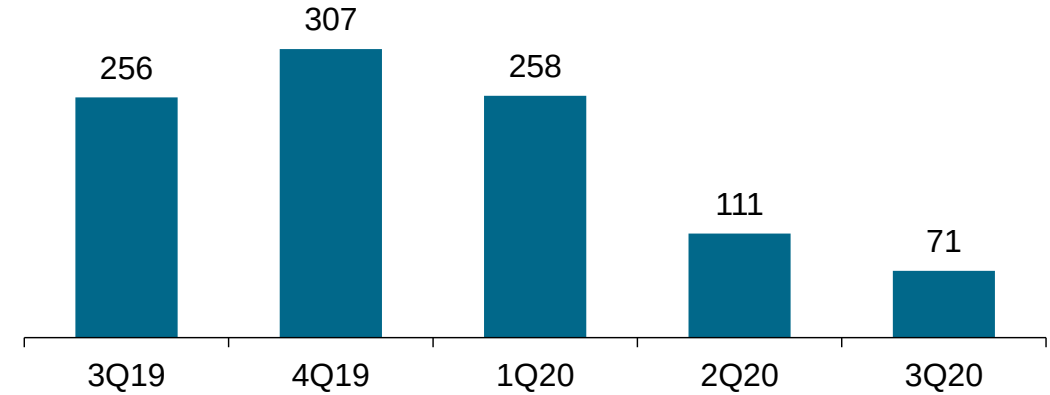
Cash Flow and Balance Sheet



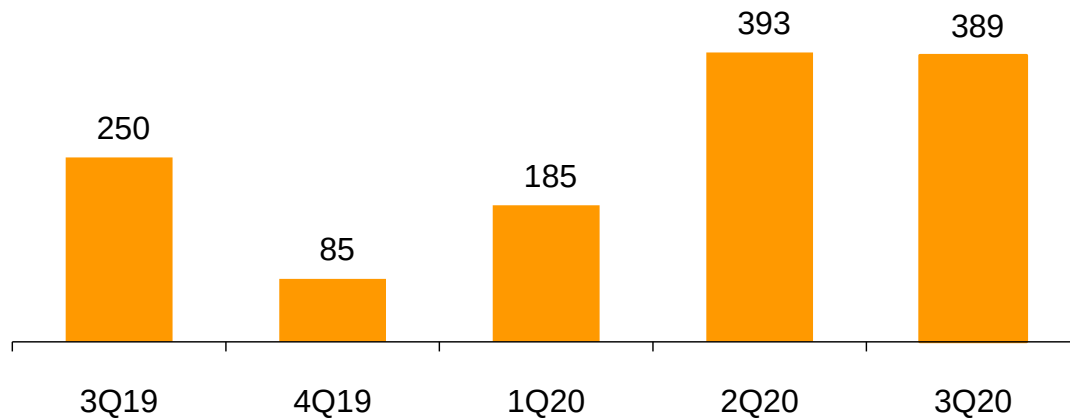
Cash from Operations (\$ million)



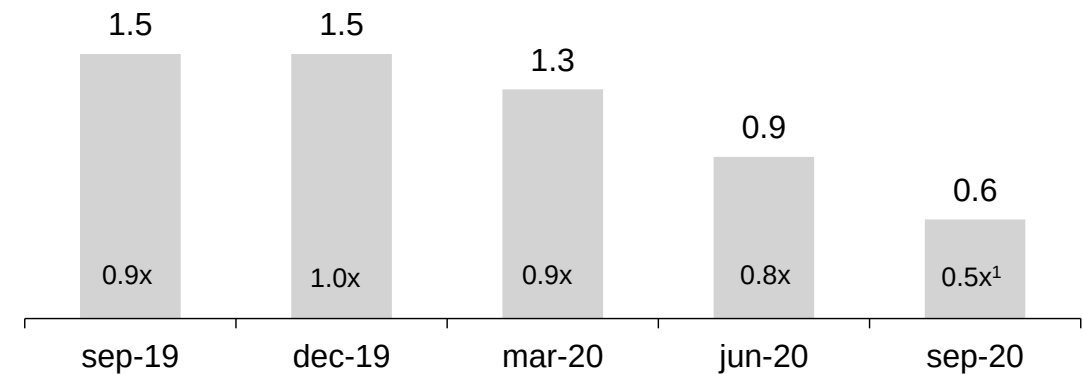
Capital Expenditures (\$ million)



Free Cash Flow (\$ million)



Net Debt (\$ billion)



¹ Net Debt/EBITDA Ratio (last 12 months EBITDA)



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