



**Third Quarter and First Nine Months 2019
Earnings Conference Call and Webcast
October 30, 2019**



Forward-Looking Statements



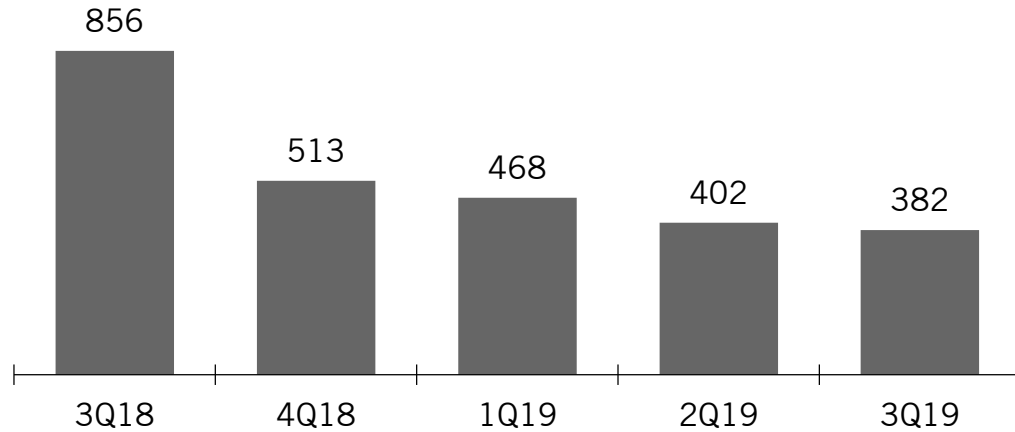
This presentation contains certain forward-looking statements and information relating to Ternium S.A. and its subsidiaries (collectively, “Ternium”) that are based on the current beliefs of its management as well as assumptions made by and information currently available to Ternium. Such statements 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 2019 Results

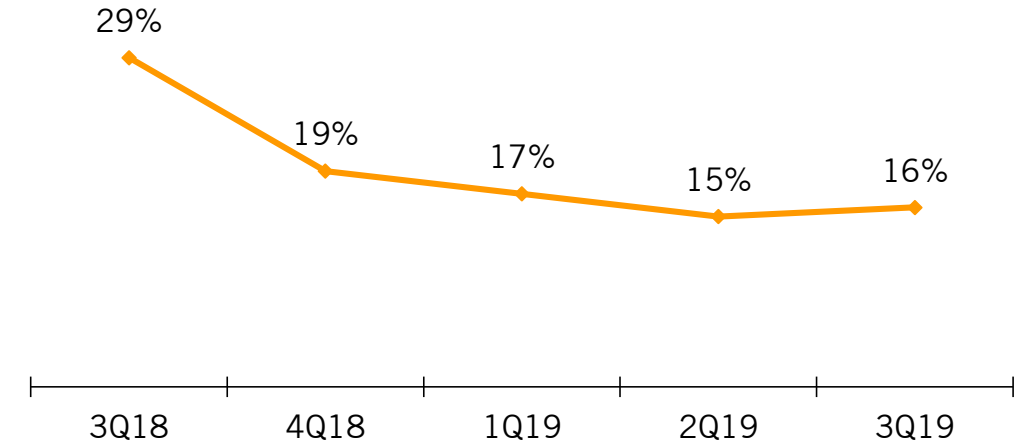
EBITDA and Net Income



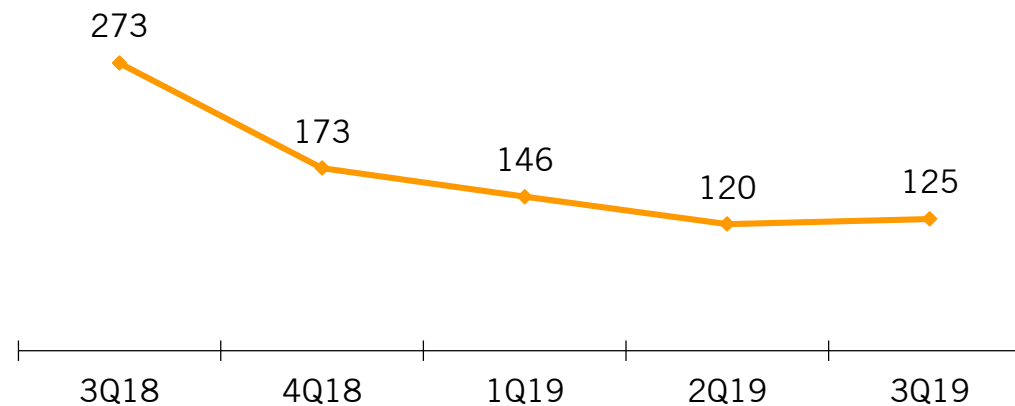
EBITDA (\$ million)



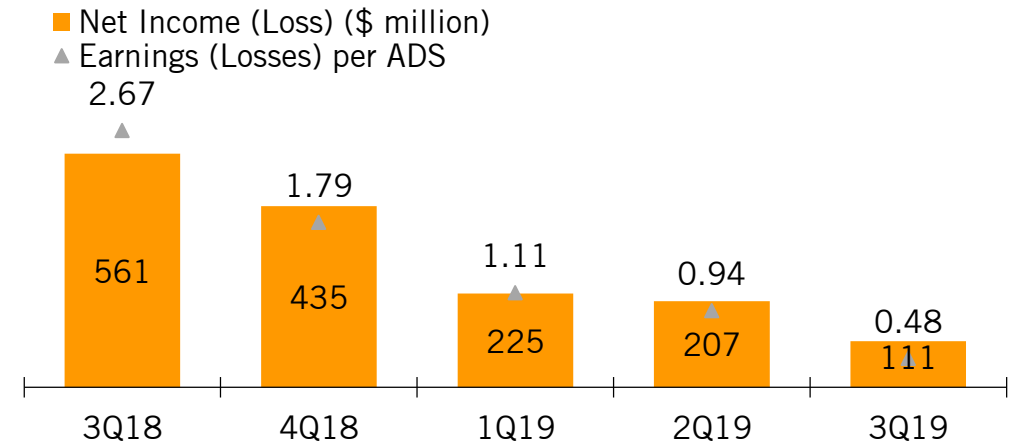
EBITDA Margin (% of net sales)



EBITDA per Ton¹ (\$)



Net Income and Earnings per ADS



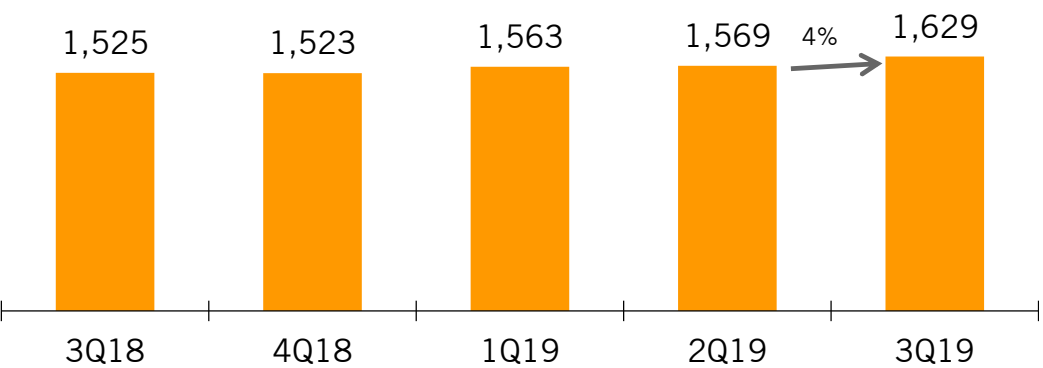
¹ Consolidated EBITDA divided by steel shipments.

Third Quarter 2019 Results

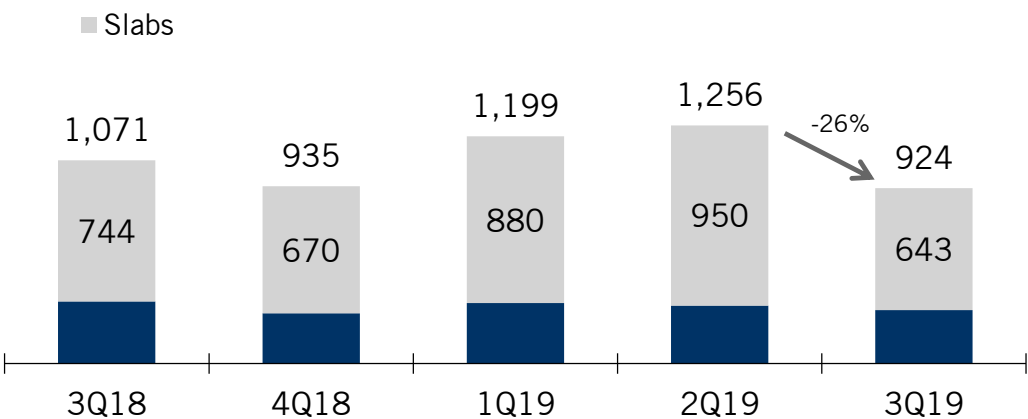
Steel Shipments



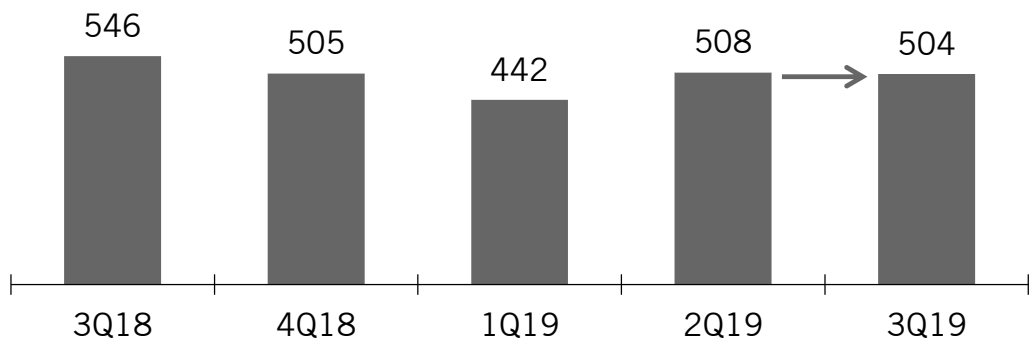
Mexico



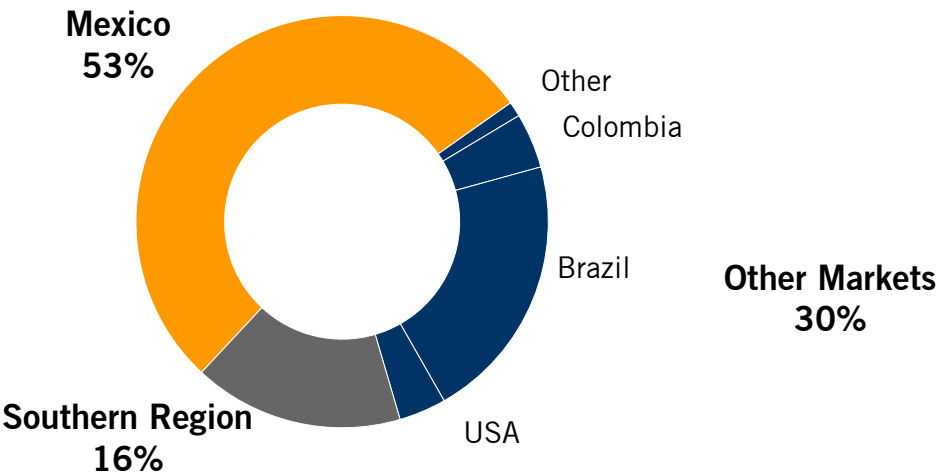
Other Markets



Southern Region



Steel Shipments 3Q19

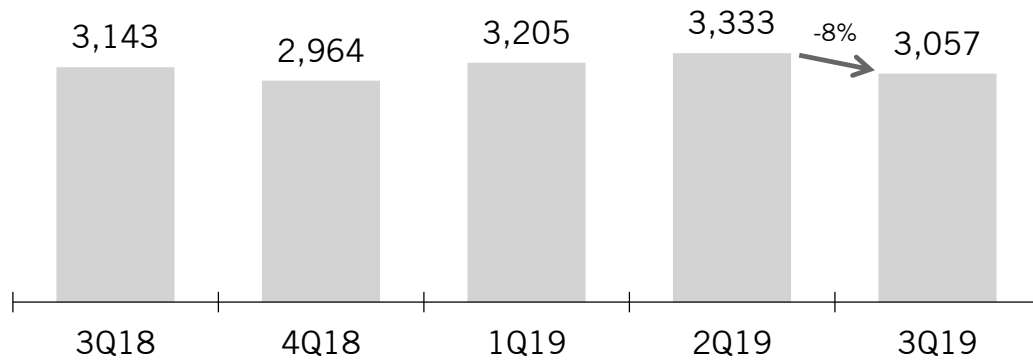


Third Quarter 2019 Results

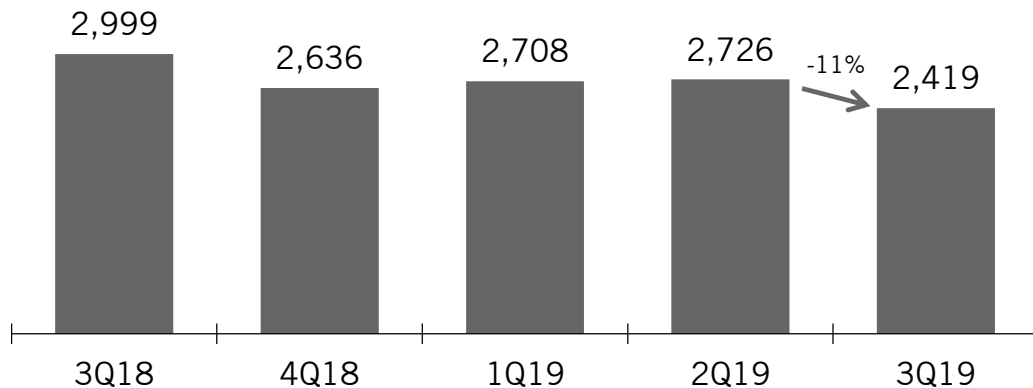
Revenue per Ton and Total Shipments



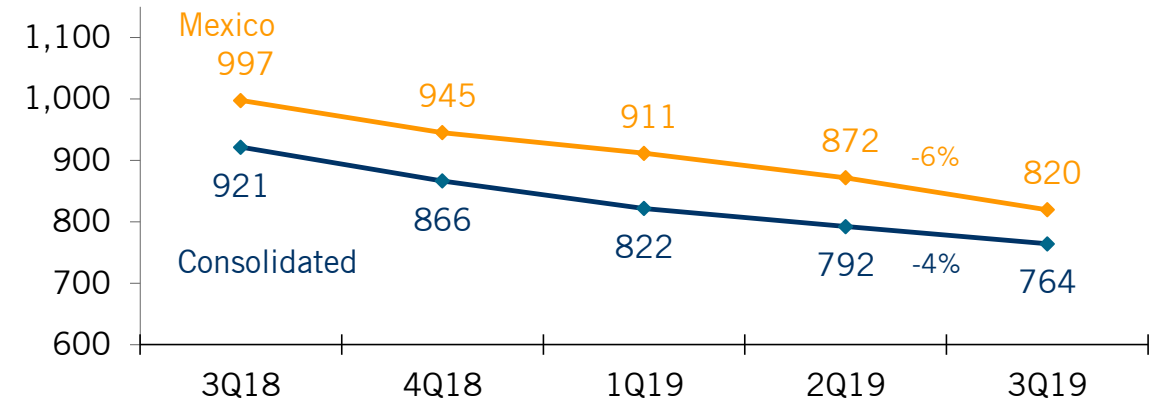
Total Shipments (thousand tons)



Net Sales (\$ million)



Revenue per Ton (\$/ton)



Steel prices in North America

- Downward trend resumed, mainly during Oct'19
- Spot steel prices currently appear to be bottoming out
- Industrial contracts realized prices in Mexico to continue decreasing in 4Q19 due to lagged price reset

Third Quarter 2019 Results

EBITDA and Net Results

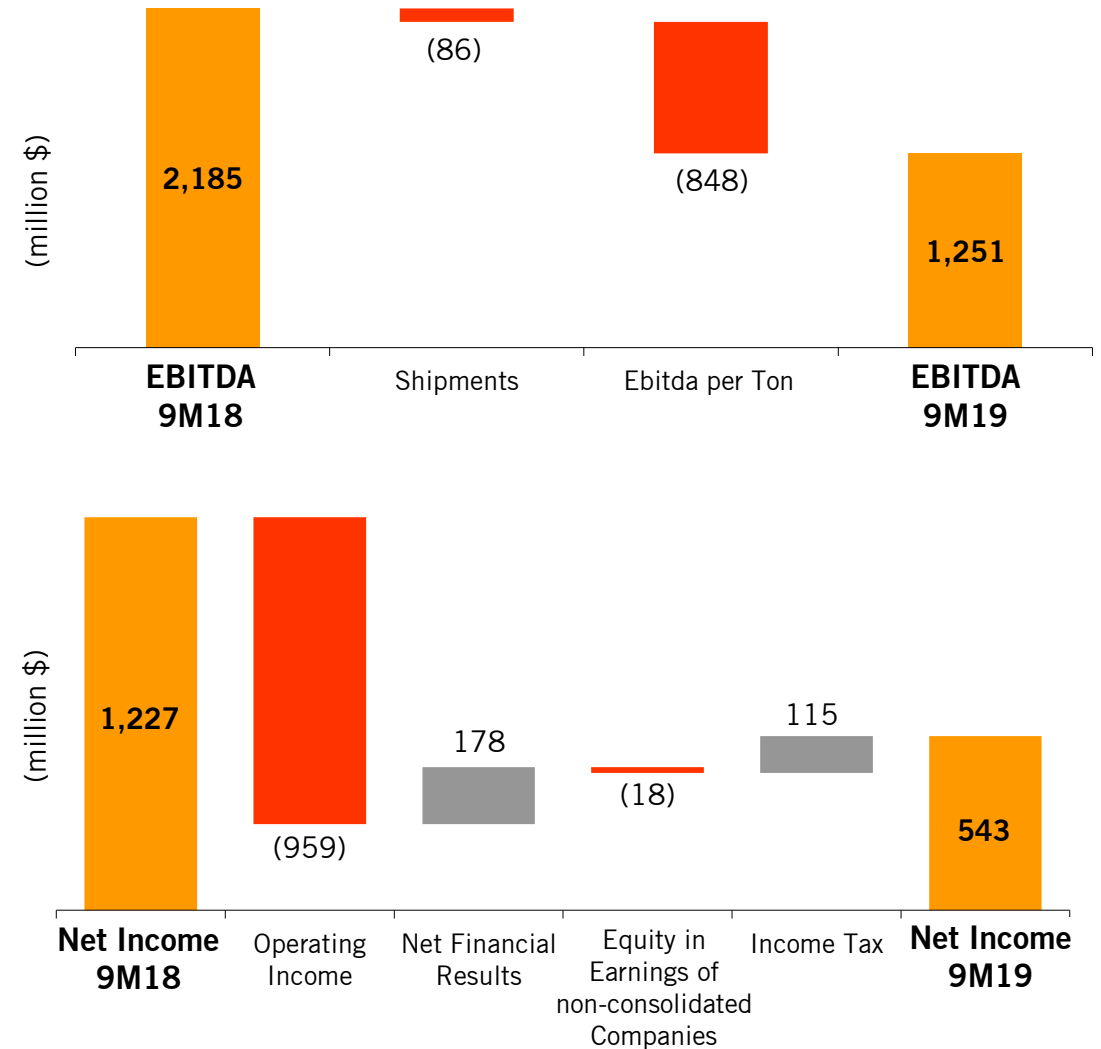
- Lower slab shipments to third parties in 3Q19
- Higher finished steel shipments in Mexico
- Lower prices in Mexico and Other Markets
- Lower costs in 3Q19 despite better value-added sales mix
- Impact in financial results from FX fluctuation in Argentina
- High effective tax rate in 3Q19 due to a FX effect on deferred taxes versus a low effective tax rate in 2Q19



First Nine Months 2019 Results

EBITDA and Net Results

- Lower shipments in Mexico in 9M19 on softer commercial market (and strong 9M18 in anticipation of rising steel prices)
- Lower shipments in Argentina on weaker steel demand
- Higher shipments in Other Markets (mainly slabs to third parties)
- Lower prices in Ternium's markets in 9M19 (after strong pricing in 9M18)
- Higher cost of raw materials, lower cost of labor
- Lower net indebtedness and average interest rates and better FX fluctuations related result

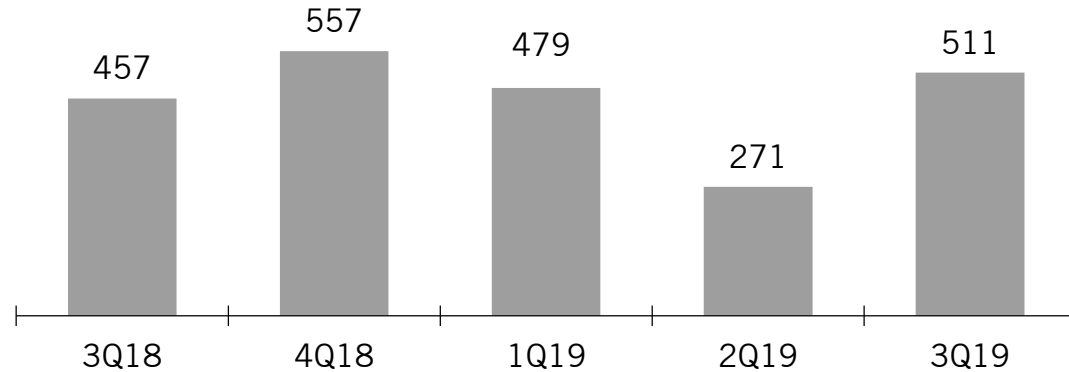


Third Quarter 2019 Results

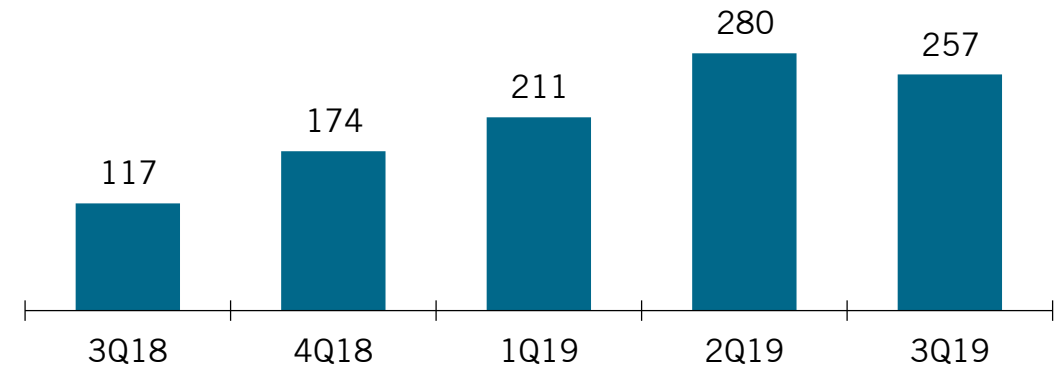
Free Cash Flow and Net and Financial Debt



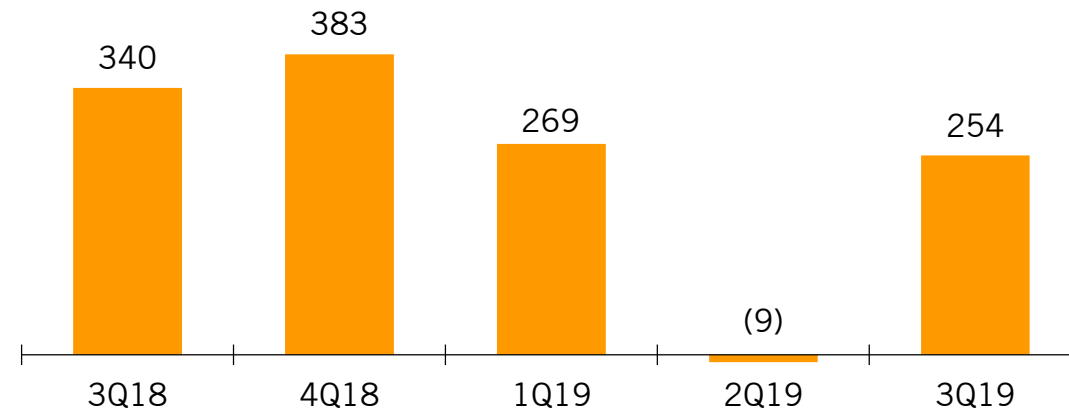
Cash from Operations (\$ million)



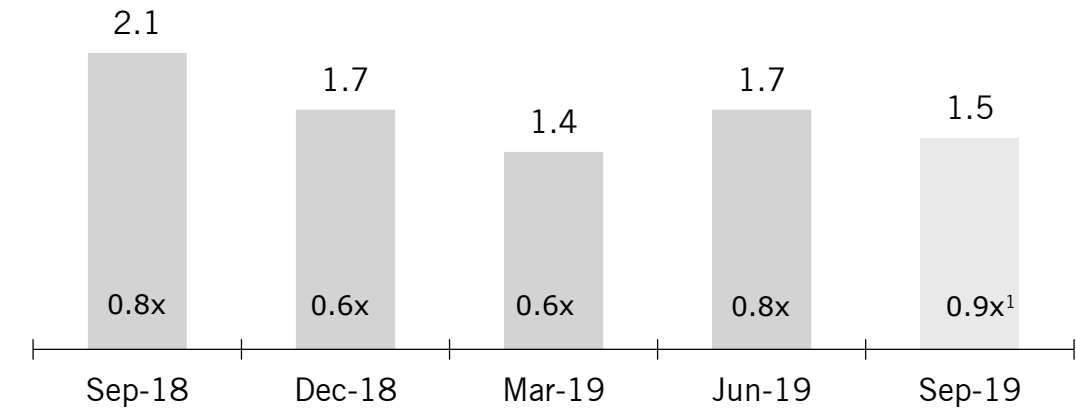
Capital Expenditures (\$ million)



Free Cash Flow (\$ million)



Net Debt (\$ billion)



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



www.ternium.com