



February 24, 2020

Fourth Quarter and Full Year 2020 Earnings Conference Call and Webcast

Forward-Looking Statements

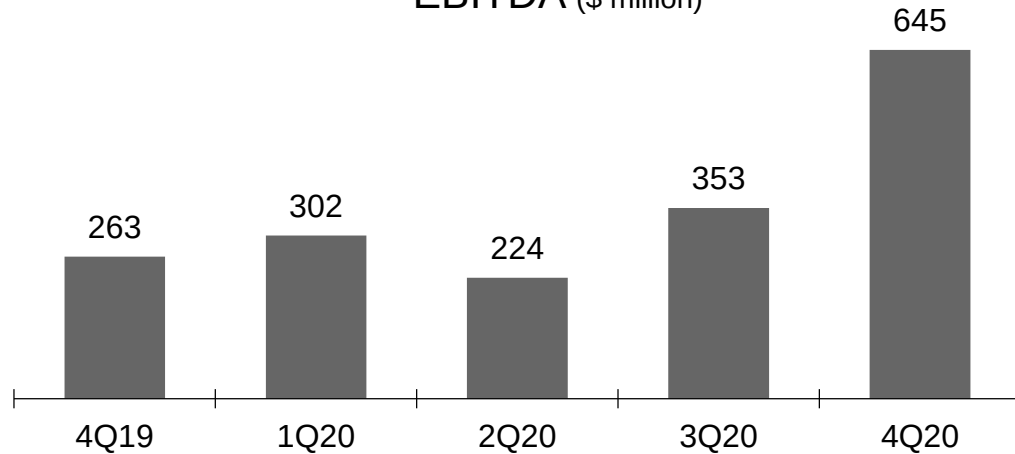


This presentation contains certain forward-looking statements and information relating to Ternium S.A. and its subsidiaries (collectively, “Ternium”) that are based on the current beliefs of its management as well as assumptions made by and information currently available to Ternium. Such statements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

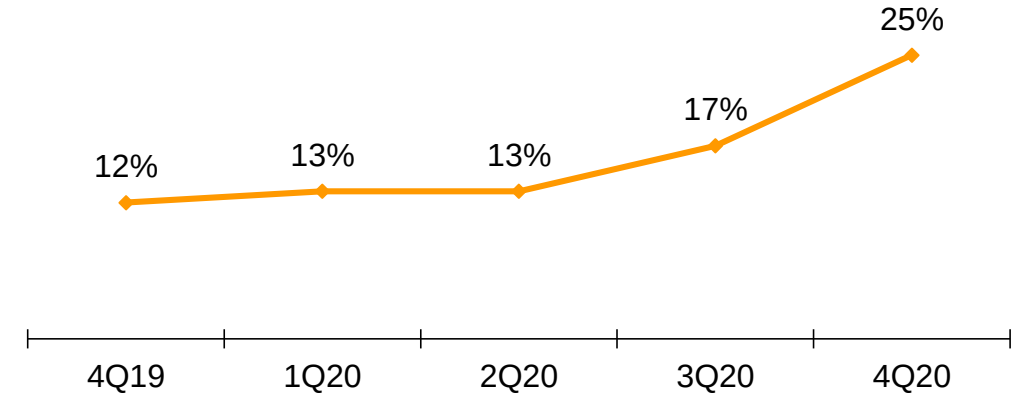
Fourth Quarter and Full Year 2020 Results

EBITDA and Net Income

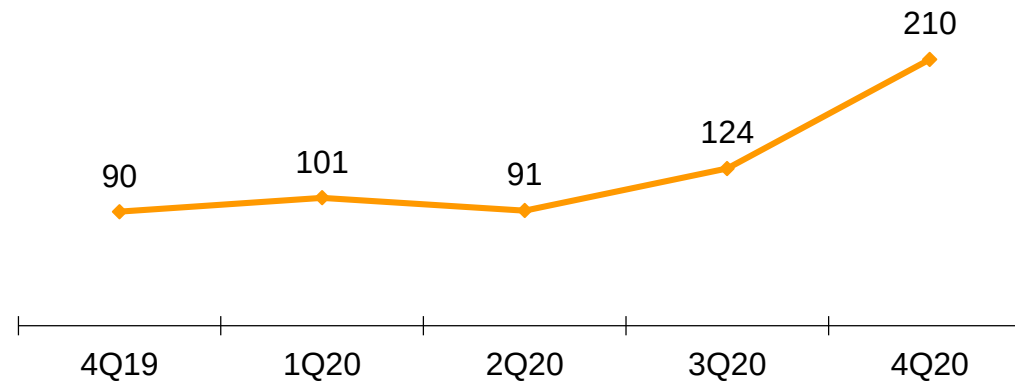
EBITDA (\$ million)



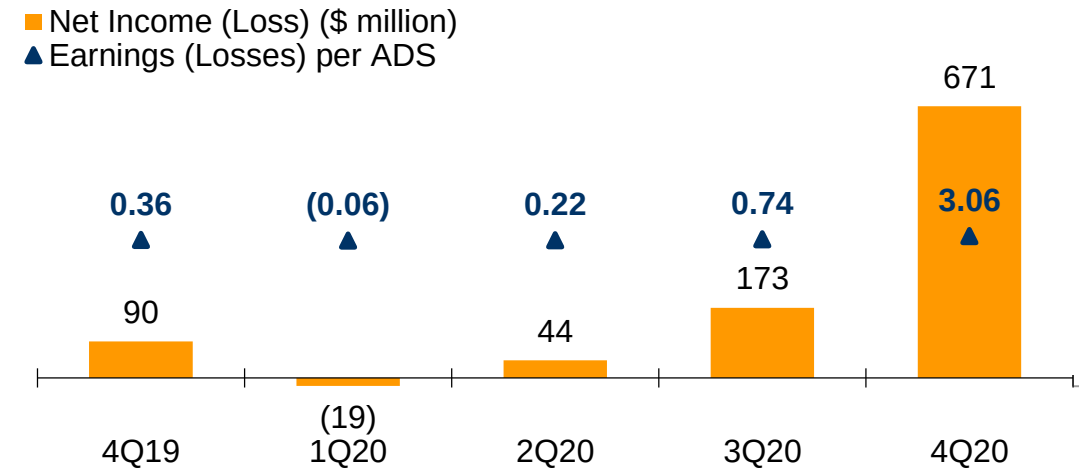
EBITDA Margin (% of net sales)



EBITDA per Ton¹ (\$)



Net Income and Earnings per ADS



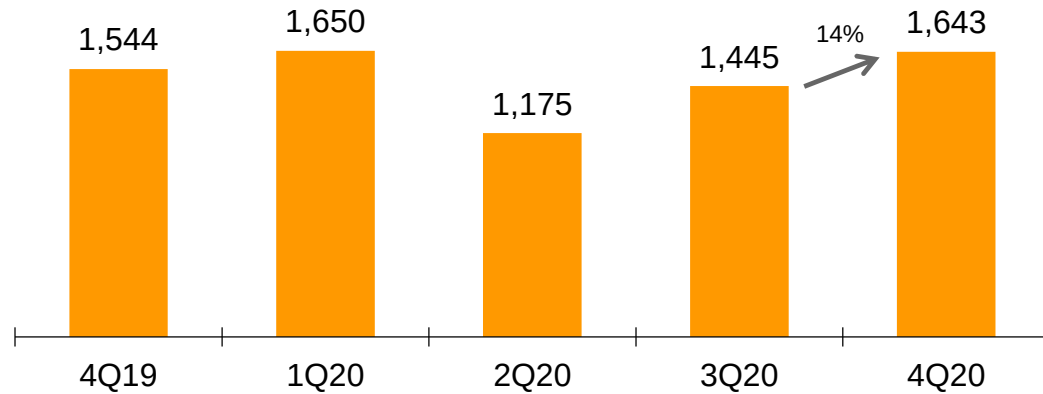
¹ Consolidated EBITDA divided by steel shipments.

Fourth Quarter and Full Year 2020 Results

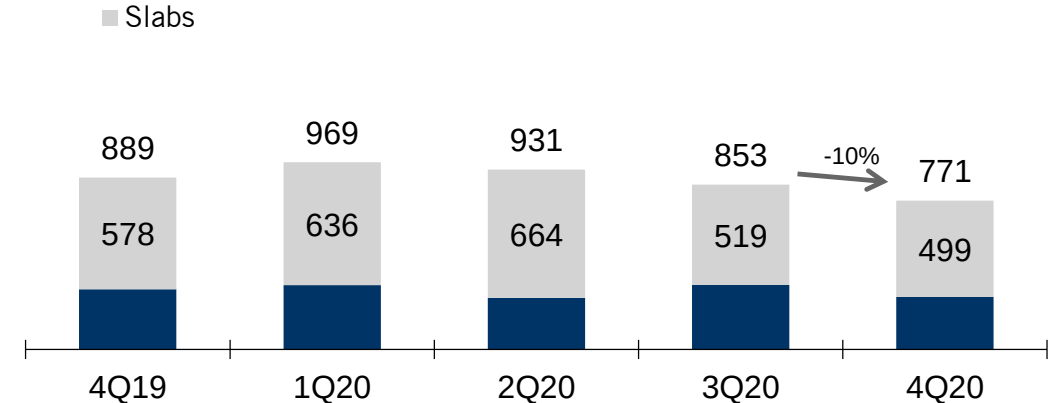
Steel Shipments



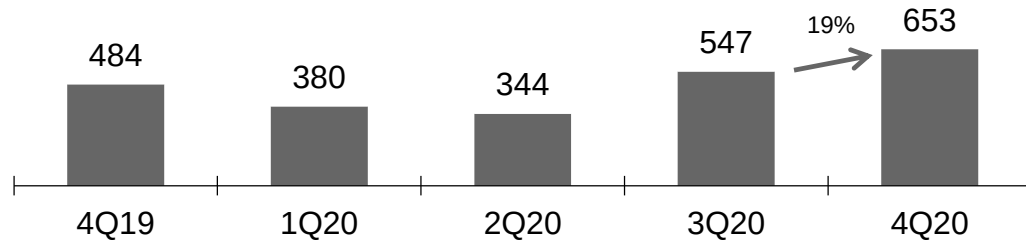
Mexico (thousand tons)



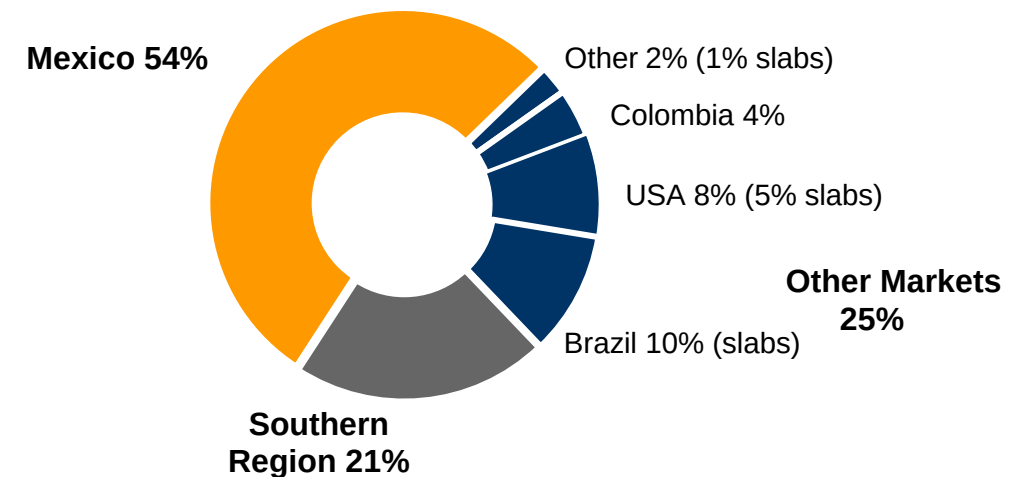
Other Markets (thousand tons)



Southern Region (thousand tons)



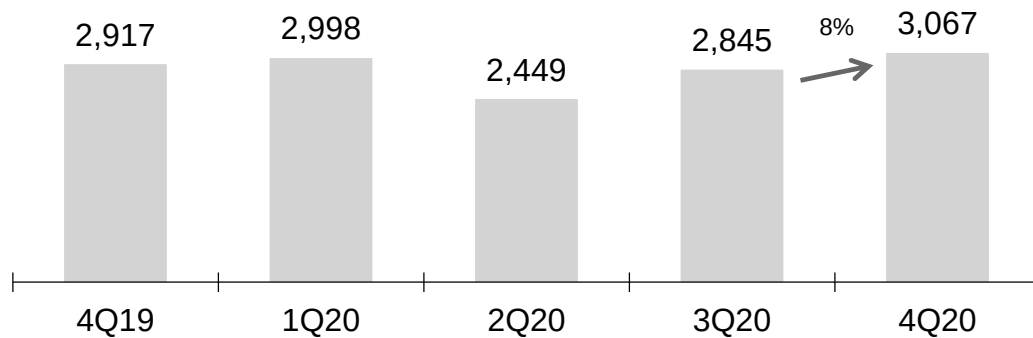
Steel Shipments 4Q20



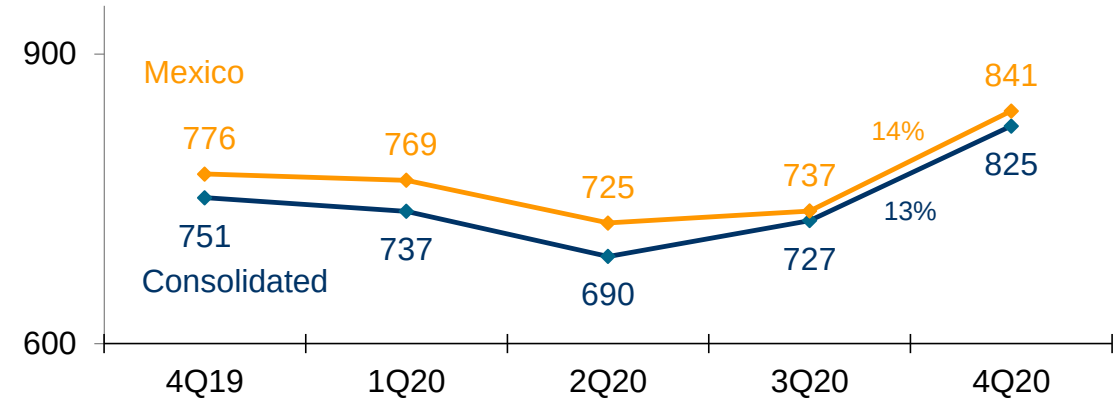
Fourth Quarter and Full Year 2020 Results

Total Shipments and Revenue per Ton

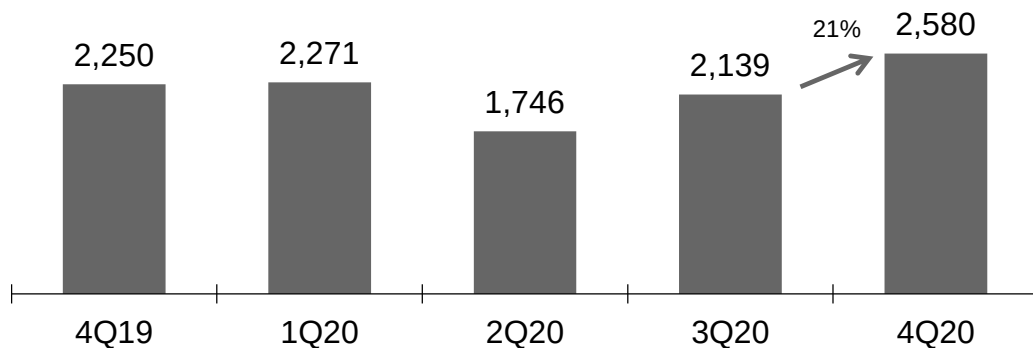
Total Shipments (thousand tons)



Revenue per Ton (\$/ton)



Net Sales (\$ million)



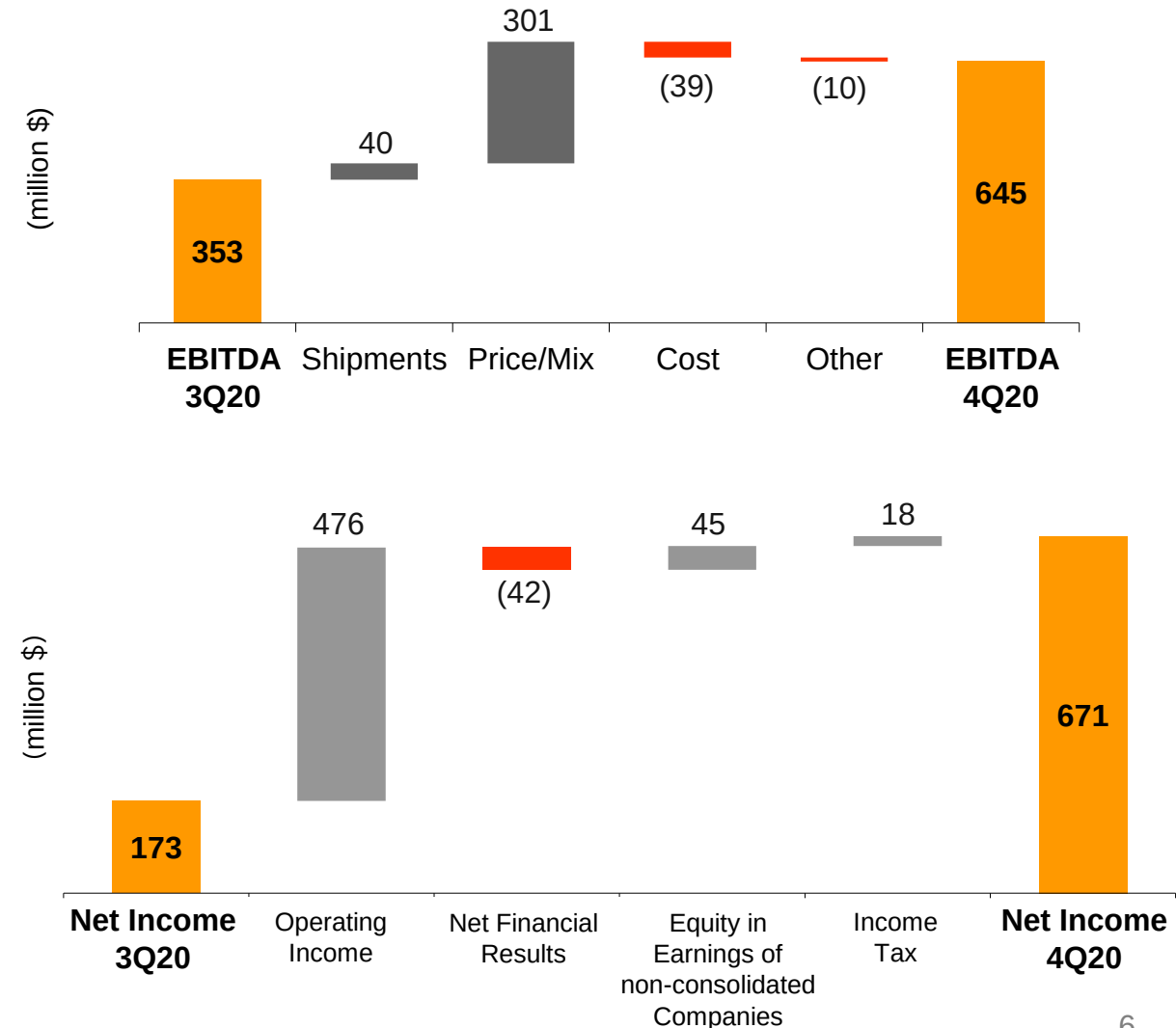
Net sales in 4Q20 up 21% sequentially and 15% year-over-year on higher shipments and revenue per ton:

- Mexico: shipments fully recovered from the pandemic. Lagged reset of contract prices prevented realized prices to increase more in 4Q20.
- Southern Region: shipments surpassed pre-pandemic levels by a wide margin on increased demand for durable goods and construction materials in Argentina.
- Other Markets: lower finished steel shipments and relatively stable slab shipments to third-parties.

Fourth Quarter and Full Year 2020 Results

EBITDA and Net Results

- Higher revenue per ton in the 4Q20, reflecting a strong pricing environment.
 - Increased shipment volumes, fully recovering from the impact of the COVID-19 pandemic.
 - Slight increase in cost per ton.
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- Better operating income, including a non-recurring derecognition of a contingency related to tax benefits in Brasil (\$186 million).
 - Better results from Ternium's investment in Usiminas.
 - Net positive effect of higher deferred tax gains and higher foreign exchange losses stemming from a 13% appreciation of the MXN against the USD.

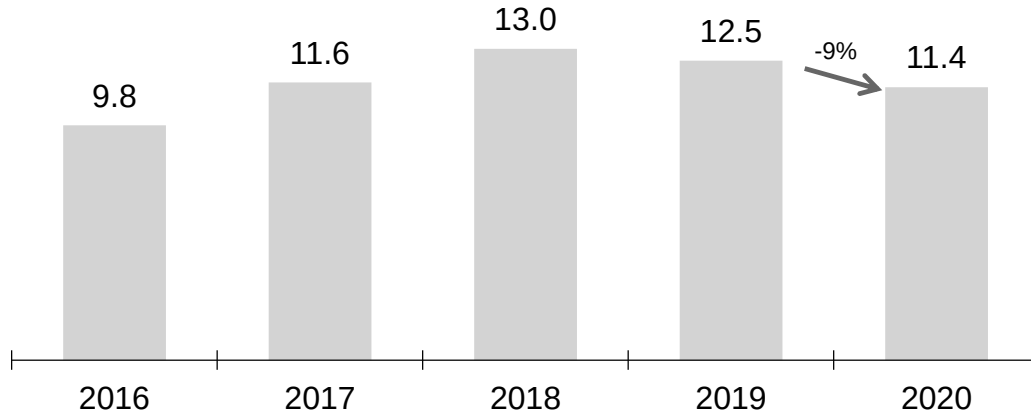


Fourth Quarter and Full Year 2020 Results

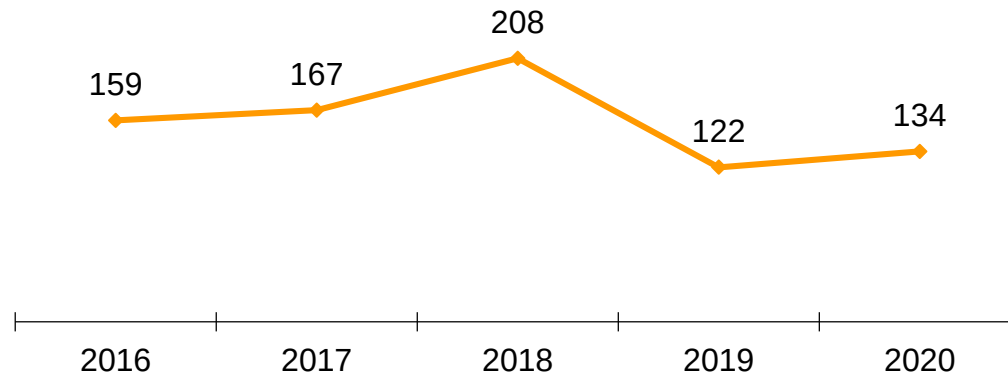
EBITDA and Net Income



Consolidated Shipments (million tons)

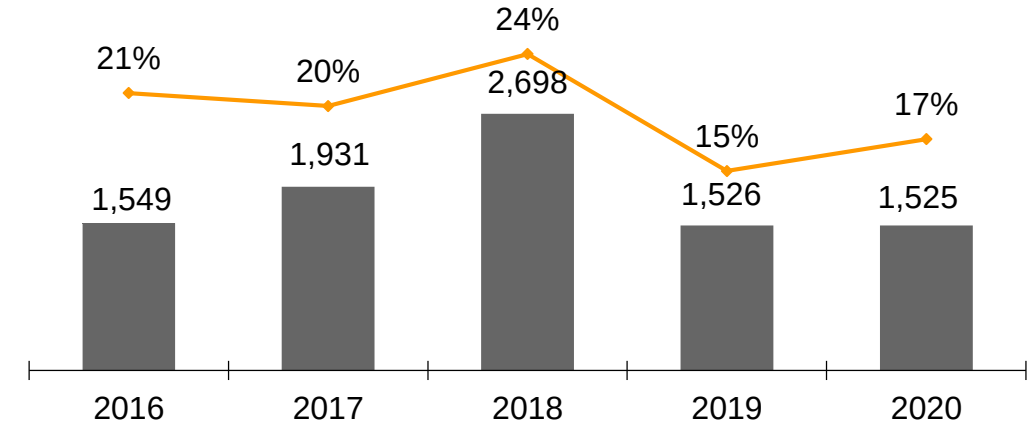


EBITDA per Ton¹ (\$)

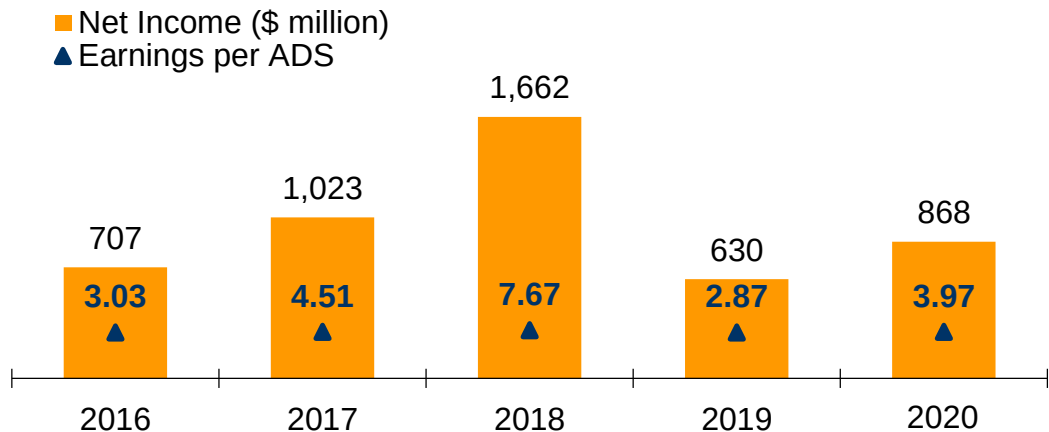


¹ Consolidated EBITDA divided by steel shipments.

Ebitda (\$ million) and Ebitda Margin (% of net sales)



Net Income and Earnings per ADS

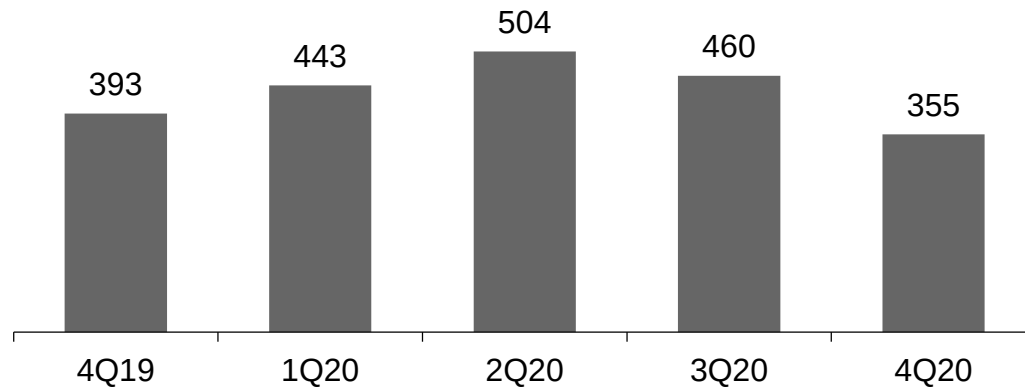


Fourth Quarter and Full Year 2020 Results

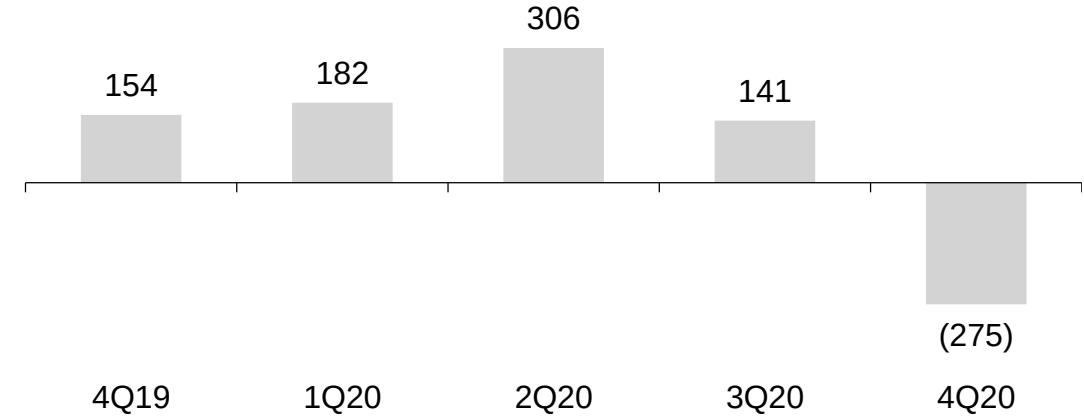
Cash Flow and Balance Sheet



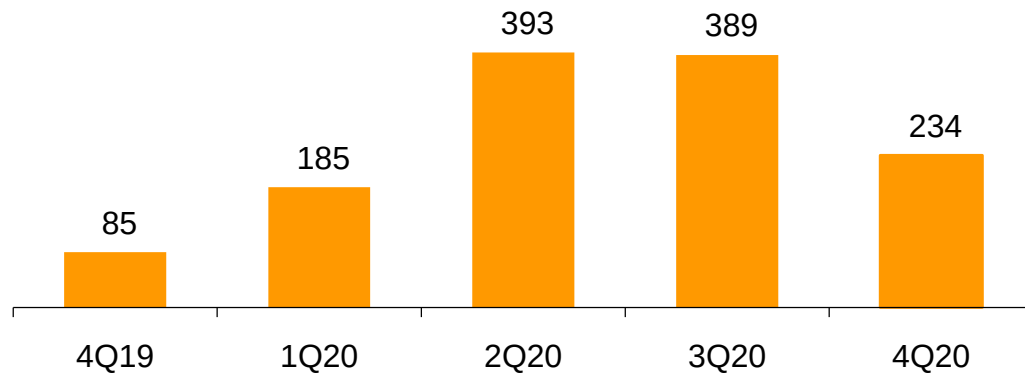
Cash from Operations (\$ million)



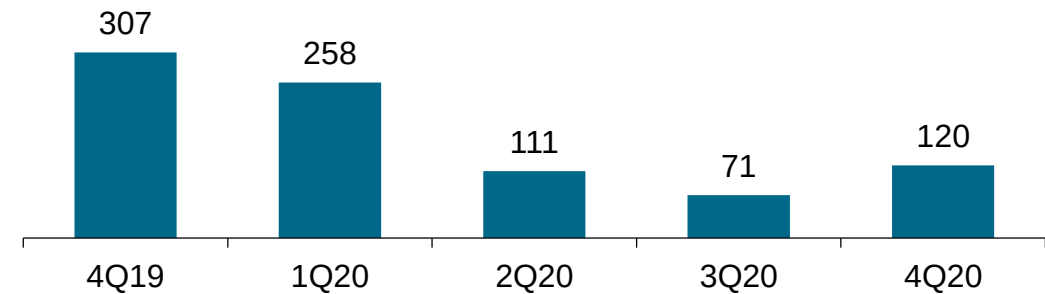
Working Capital (\$ million)



Free Cash Flow (\$ million)



Capital Expenditures (\$ million)

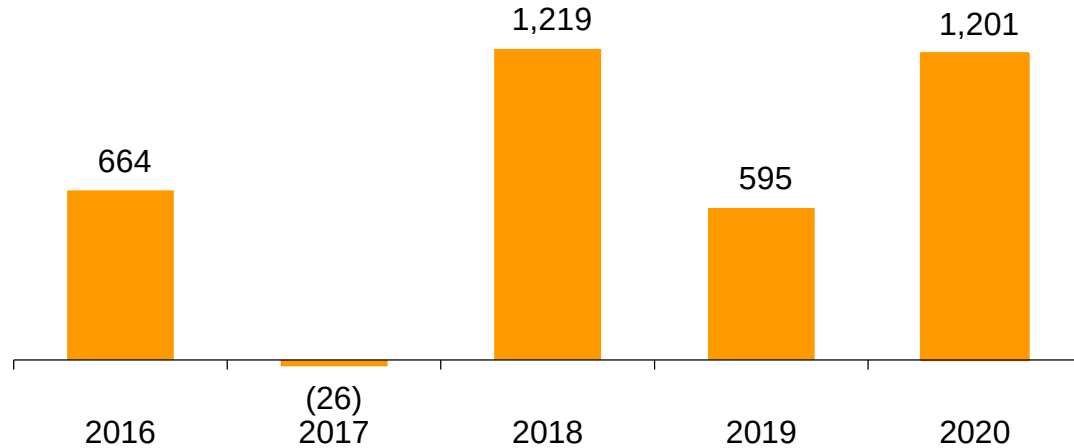


Fourth Quarter and Full Year 2020 Results

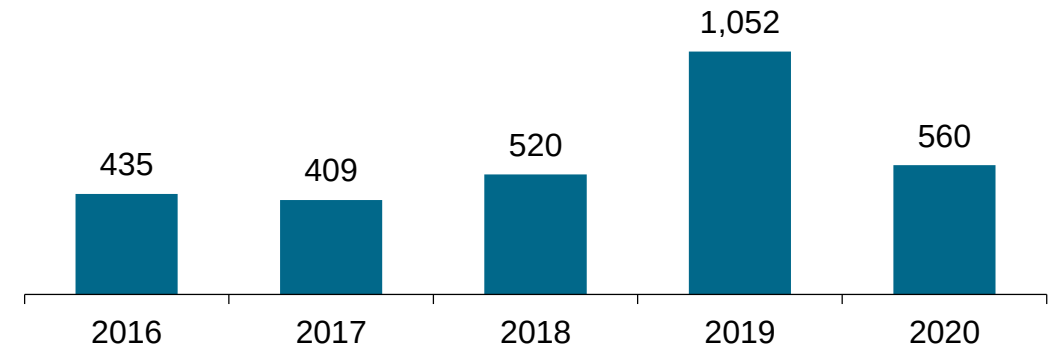
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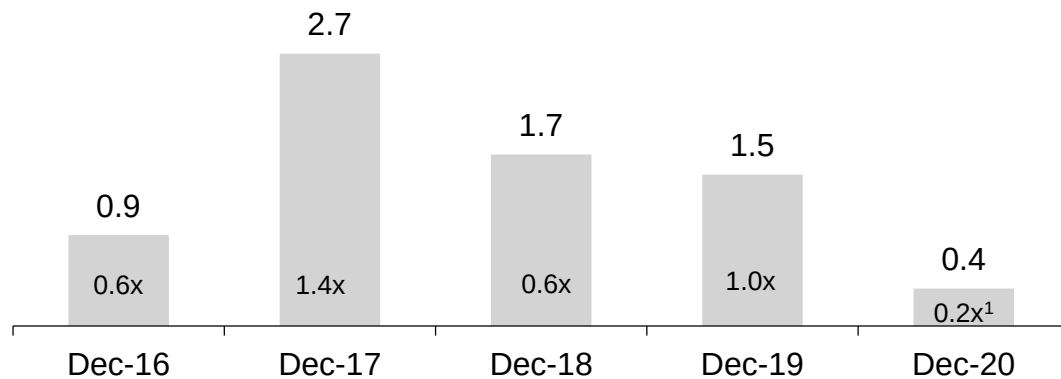
Free Cash Flow (\$ million)



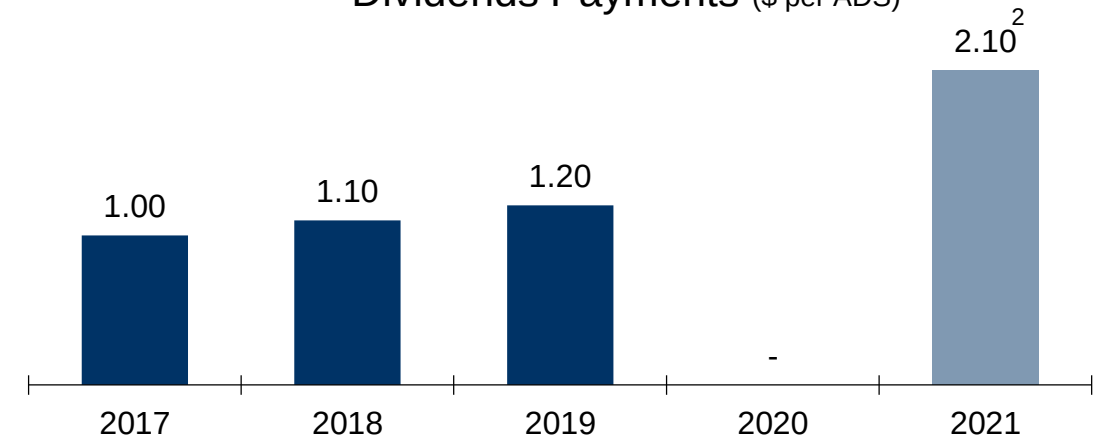
Capital Expenditures (\$ million)



Net Debt (\$ billion)



Dividends Payments (\$ per ADS)



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

² Proposed by the Board of Directors on February 23th, 2021

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