



**Fourth Quarter and Full Year 2019
Earnings Conference Call and Webcast
February 19, 2020**



Forward-Looking Statements



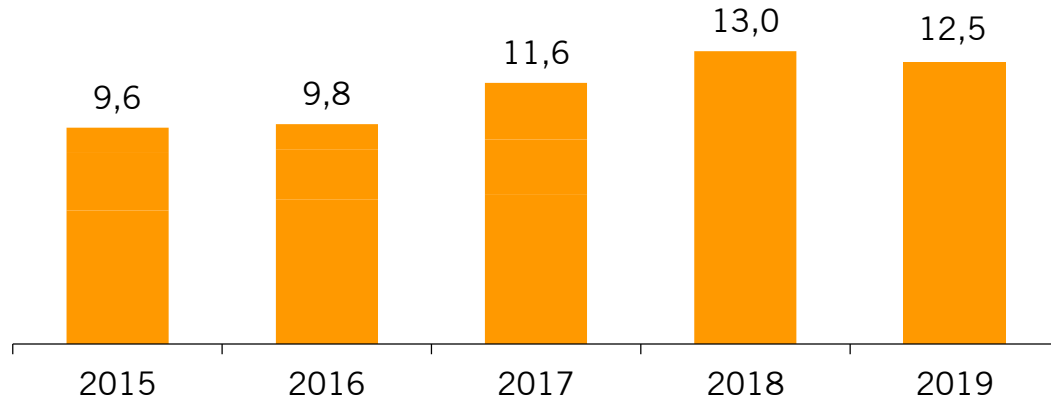
This presentation contains certain forward-looking statements and information relating to Ternium S.A. and its subsidiaries (collectively, “Ternium”) that are based on the current beliefs of its management as well as assumptions made by and information currently available to Ternium. Such statements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

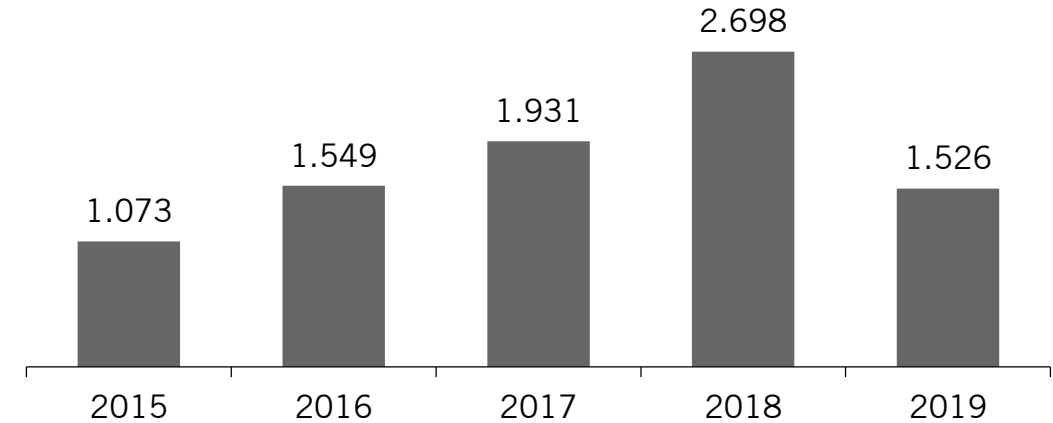
Steel Shipments and EBITDA



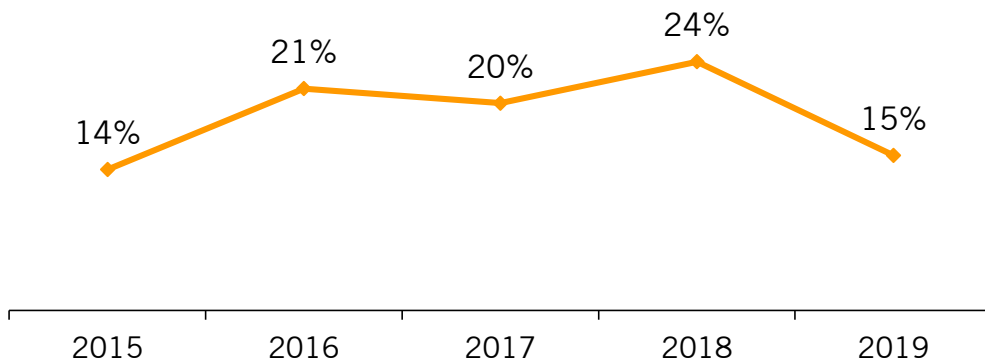
Steel shipments (million tons)



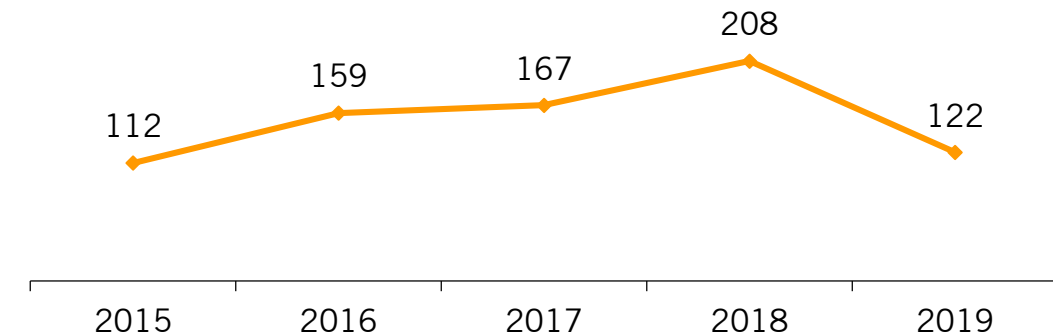
EBITDA (USD million)



EBITDA Margin (% of net sales)



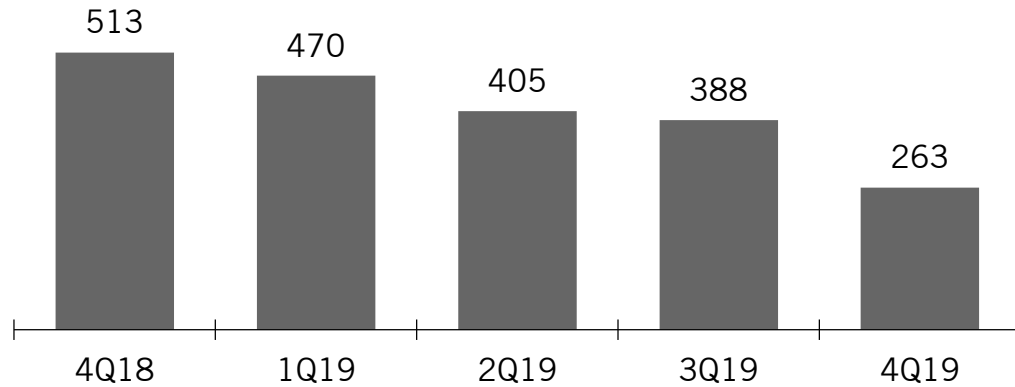
EBITDA per Ton¹ (USD)



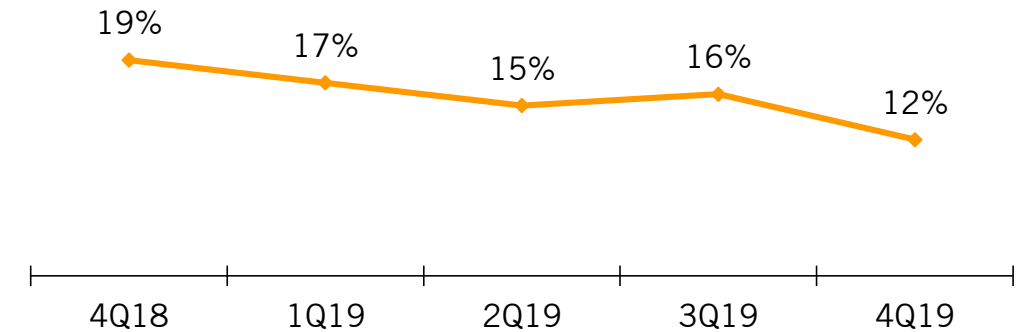
Fourth Quarter and Full Year 2019 Results

EBITDA and Net Income

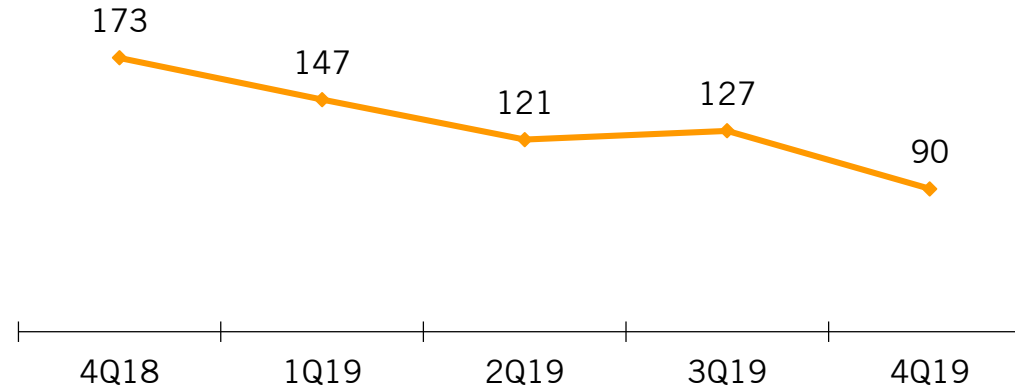
EBITDA (\$ million)



EBITDA Margin (% of net sales)

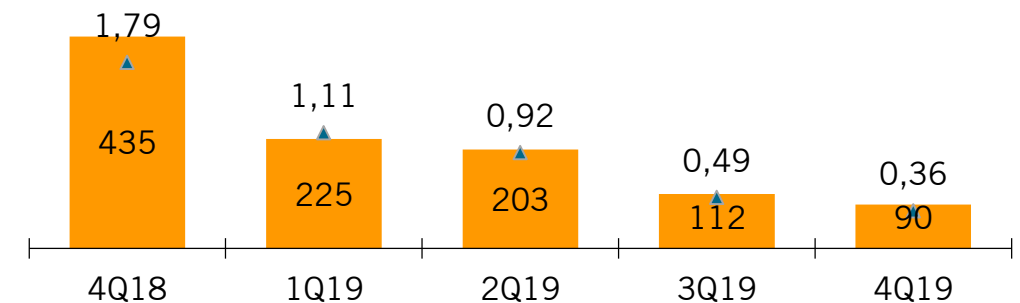


EBITDA per Ton¹ (\$)



Net Income and Earnings per ADS

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



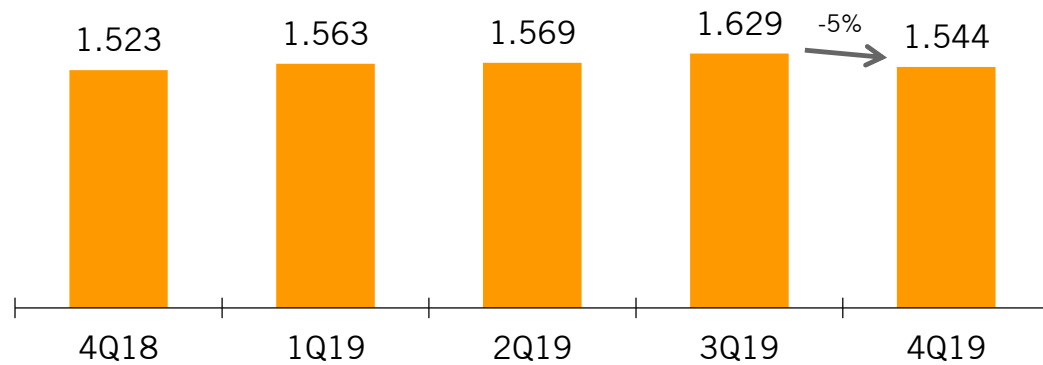
¹ Consolidated EBITDA divided by steel shipments.

Fourth Quarter and Full Year 2019 Results

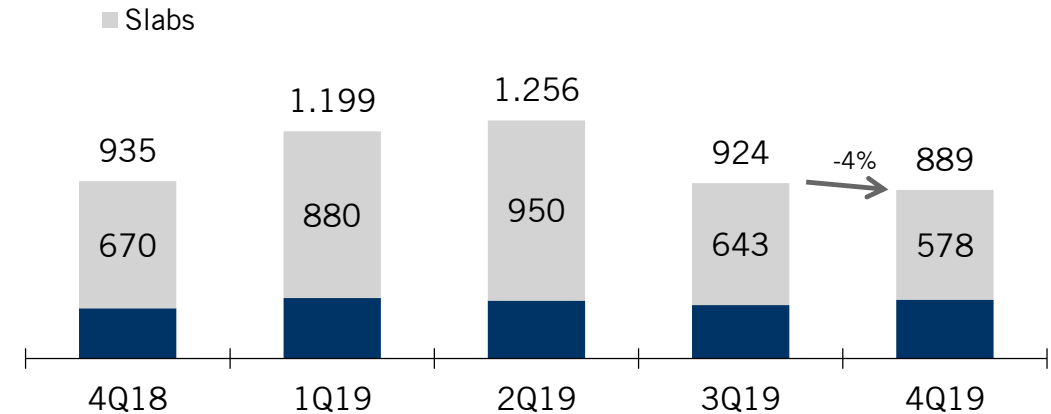
Steel Shipments



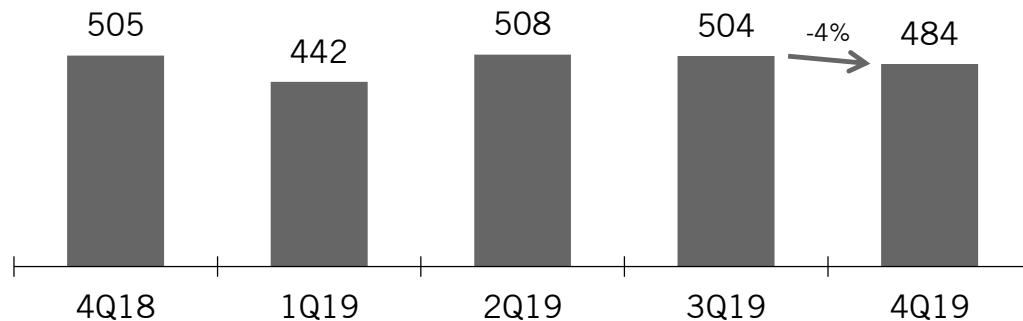
Mexico



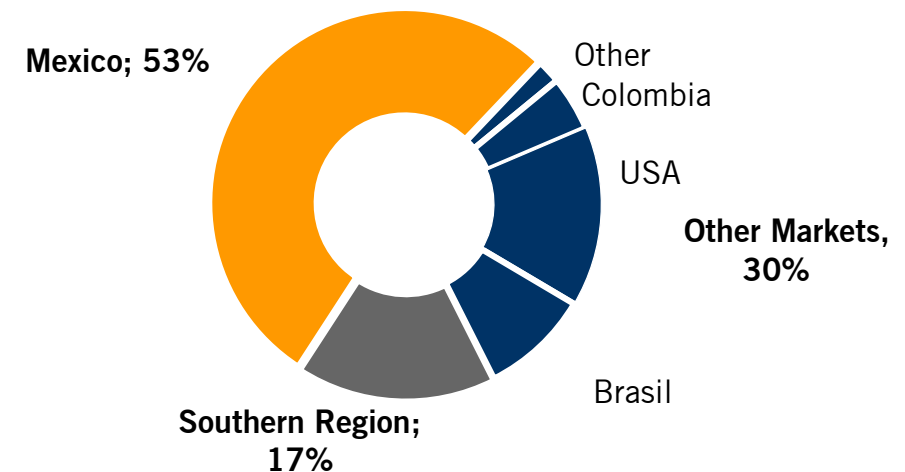
Other Markets



Southern Region



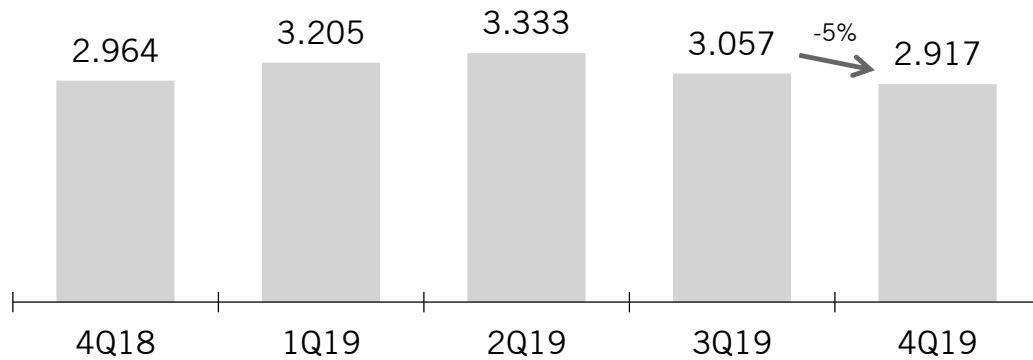
Steel Shipments 4Q19



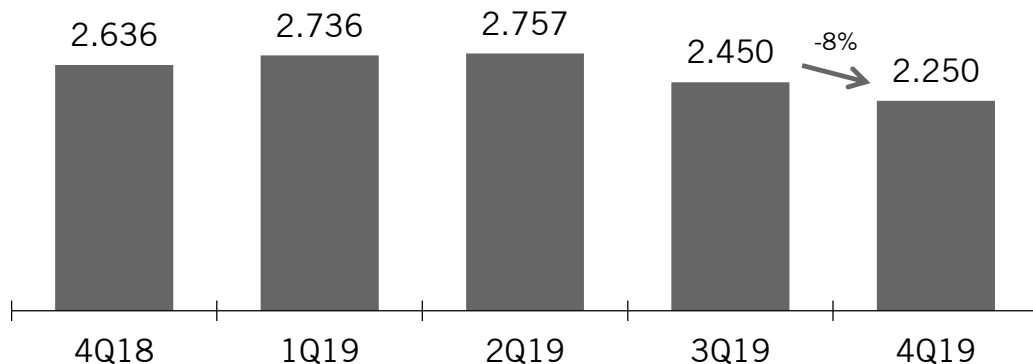
Fourth Quarter and Full Year 2019 Results

Total Shipments and Revenue per Ton

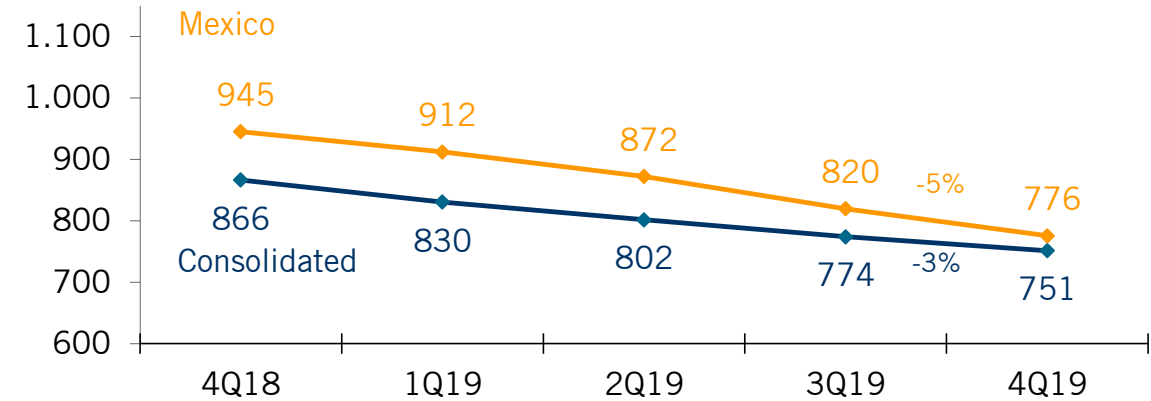
Total Shipments (thousand tons)



Net Sales (\$ million)



Revenue per Ton (\$/ton)



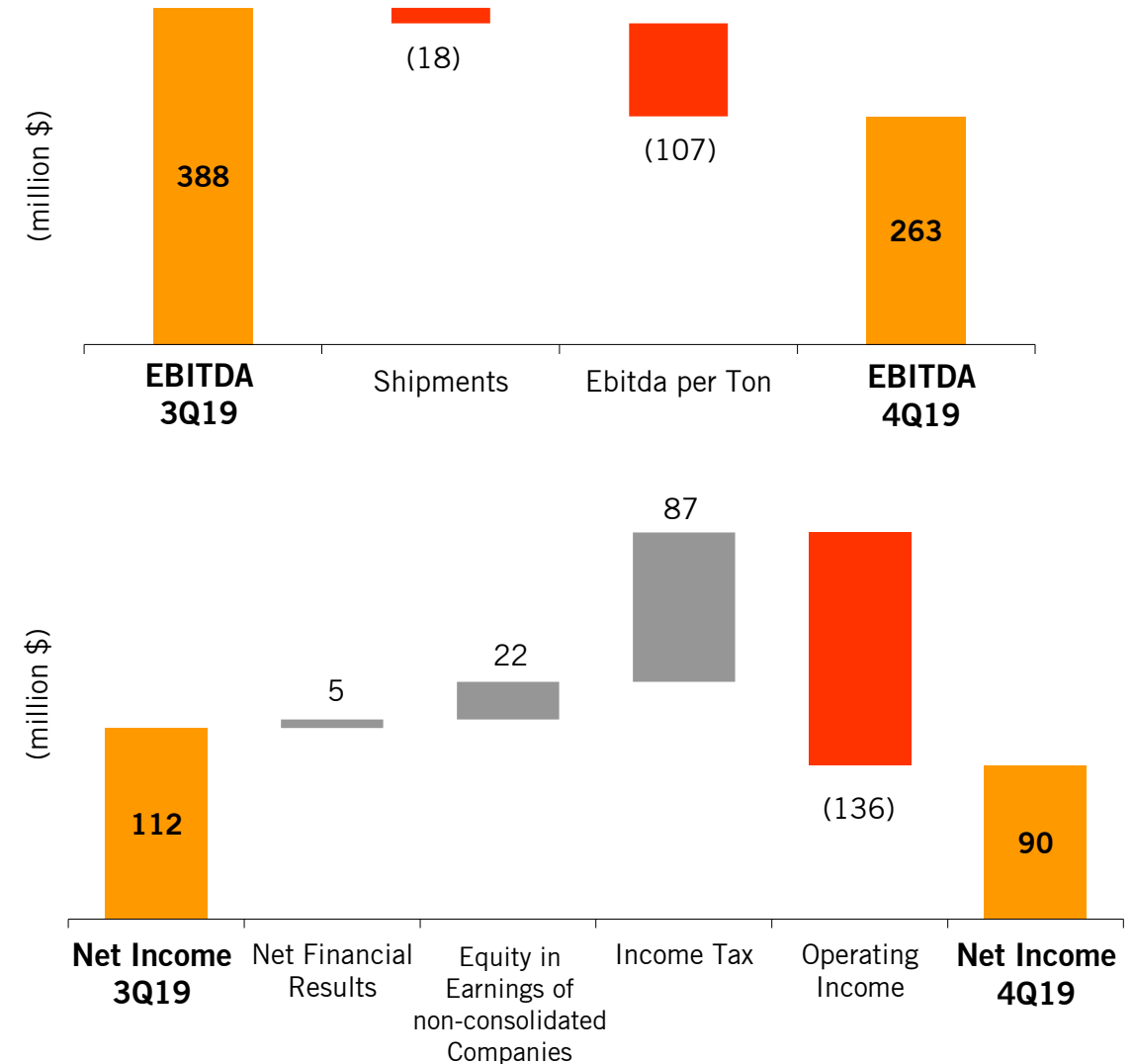
Steel prices in North America

- Spot prices bottomed out at the end of October 2019 and recovered some ground since then.
- Revenue per ton in Mexico to slightly increase sequentially in 1Q20.
- Industrial contract realized prices in Mexico to improve from 2Q20 due to lagged price reset.

Fourth Quarter and Full Year 2019 Results

EBITDA and Net Results

- Lower revenue per ton on weak pricing environment in North America.
- Lower shipment volumes in 4Q19, mainly on seasonality.
- Better result from Usiminas.
- Lower effective tax rate in 4Q19 due mainly to the effect on deferred taxes of Mexican peso fluctuations.

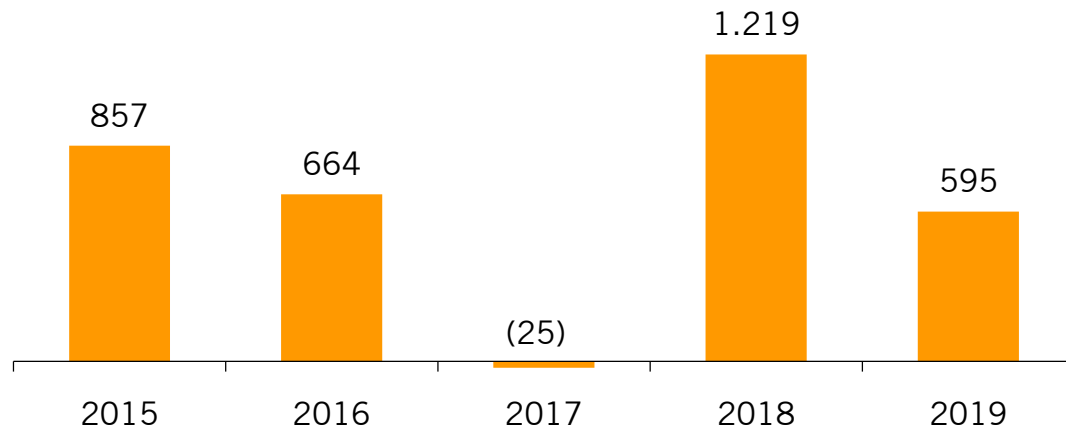


Fourth Quarter and Full Year 2019 Results

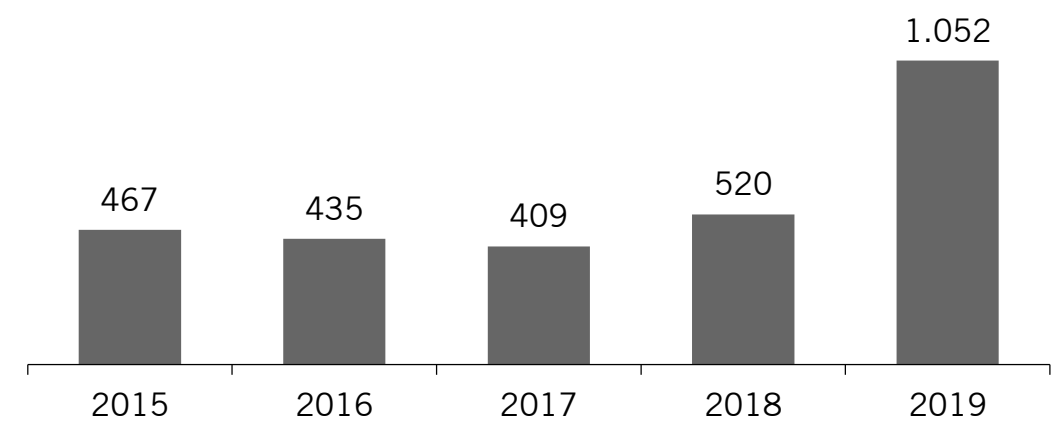
Free Cash Flow, Capex, Net Debt and Dividends



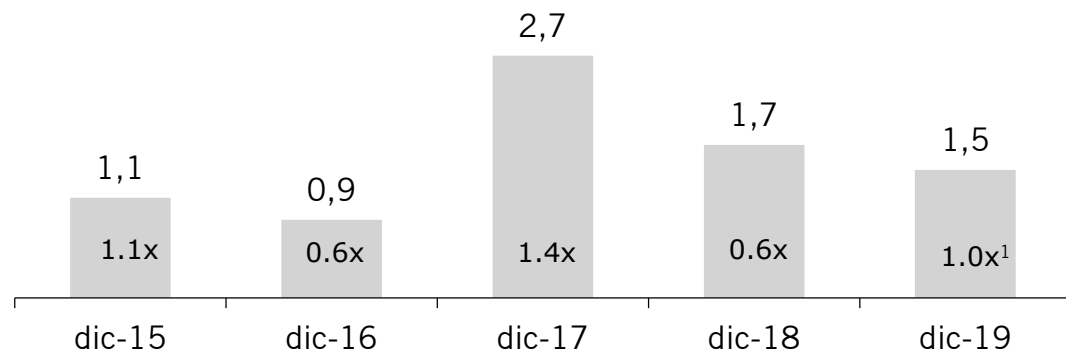
Free Cash Flow (USD million)



Capital Expenditures (USD million)

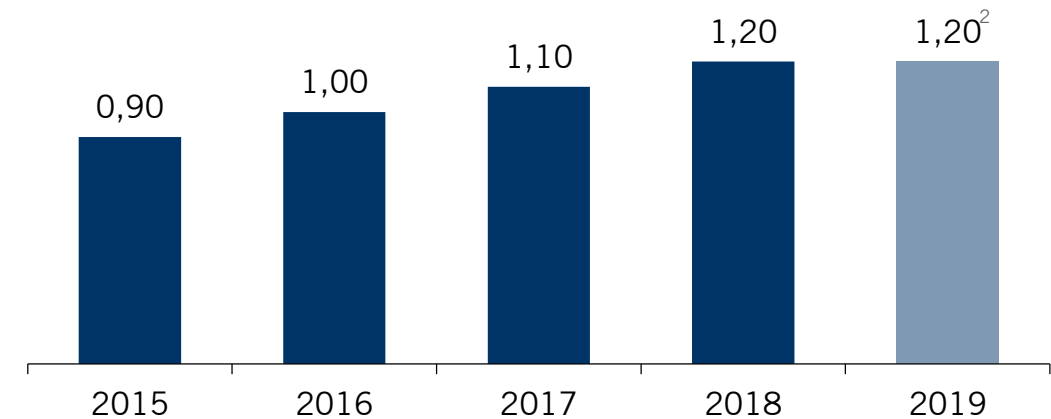


Net Debt (USD billion)



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

Dividends (USD per ADS)



² Proposed by the Board of Directors on February 18th, 2020



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