

Investor Presentation May 2021



As of May 10, 2021



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.

Profile

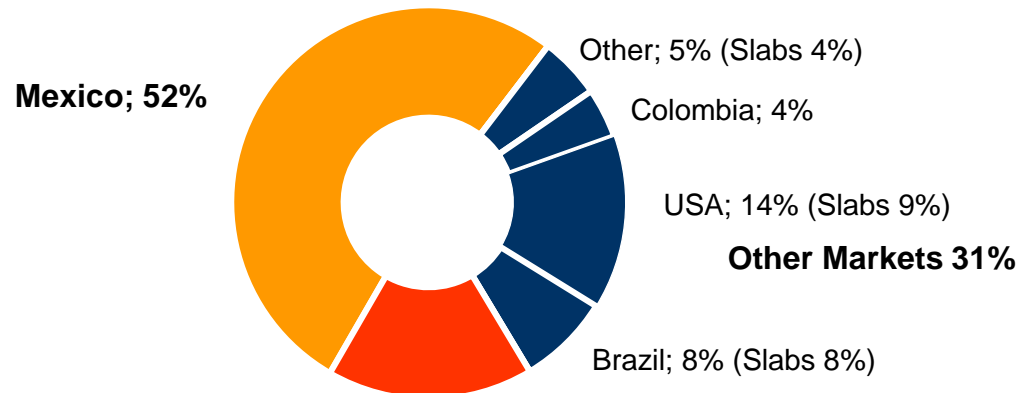


Ternium's Profile

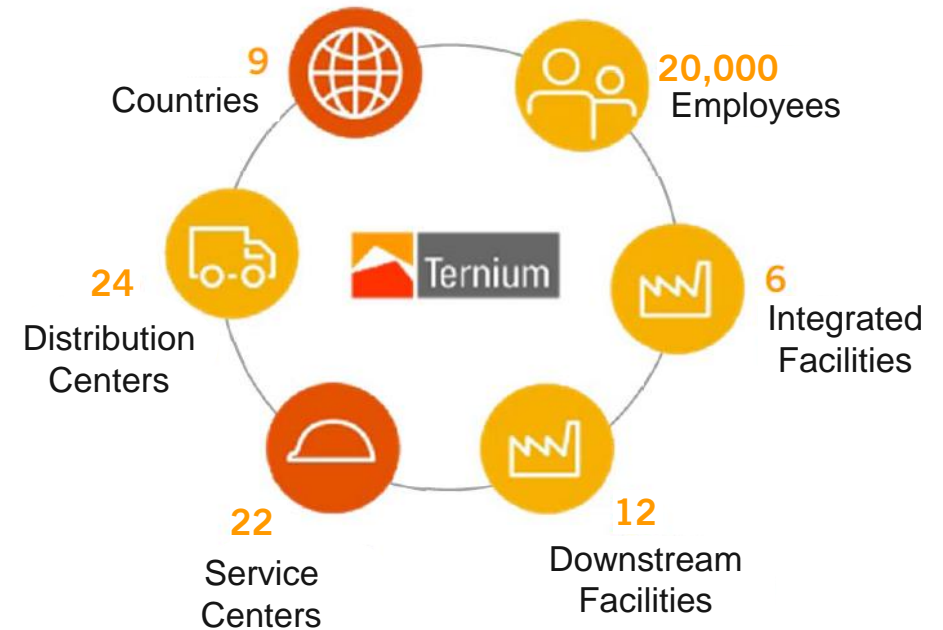
A leading steel company in Latin America

- Net sales of **\$8.7 billion** in 2020
- Steel shipments in 2020 of **11.4 million tons**
- Industrial facilities in Mexico, Argentina, Brazil, Colombia, USA and Central America

Steel Shipments 2020



TX
LISTED
NYSE



- Vertically integrated, from iron ore mines to service centers
- Focus on high value-added products
- Participation in Usiminas¹ control group

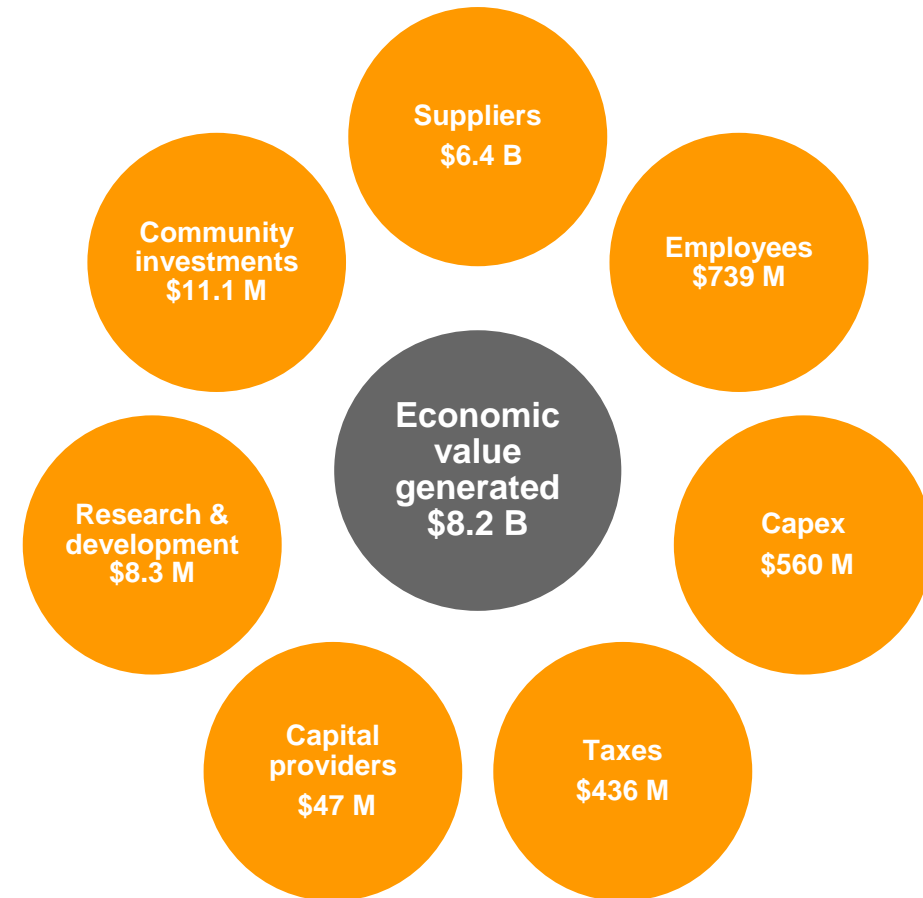
¹Usiminas: a leading company in the Brazilian flat steel market

Sustainable Profitability

A comprehensive approach to value creation

- Quest for excellence in industrial management and technology
- Focus on differentiation through sophisticated products and services
- Proactive approach to environment, health and safety
- Recruitment, training, and retention of talent
- Strengthening of steel value chain
- Deep ties with our communities
- Commitment to integrity

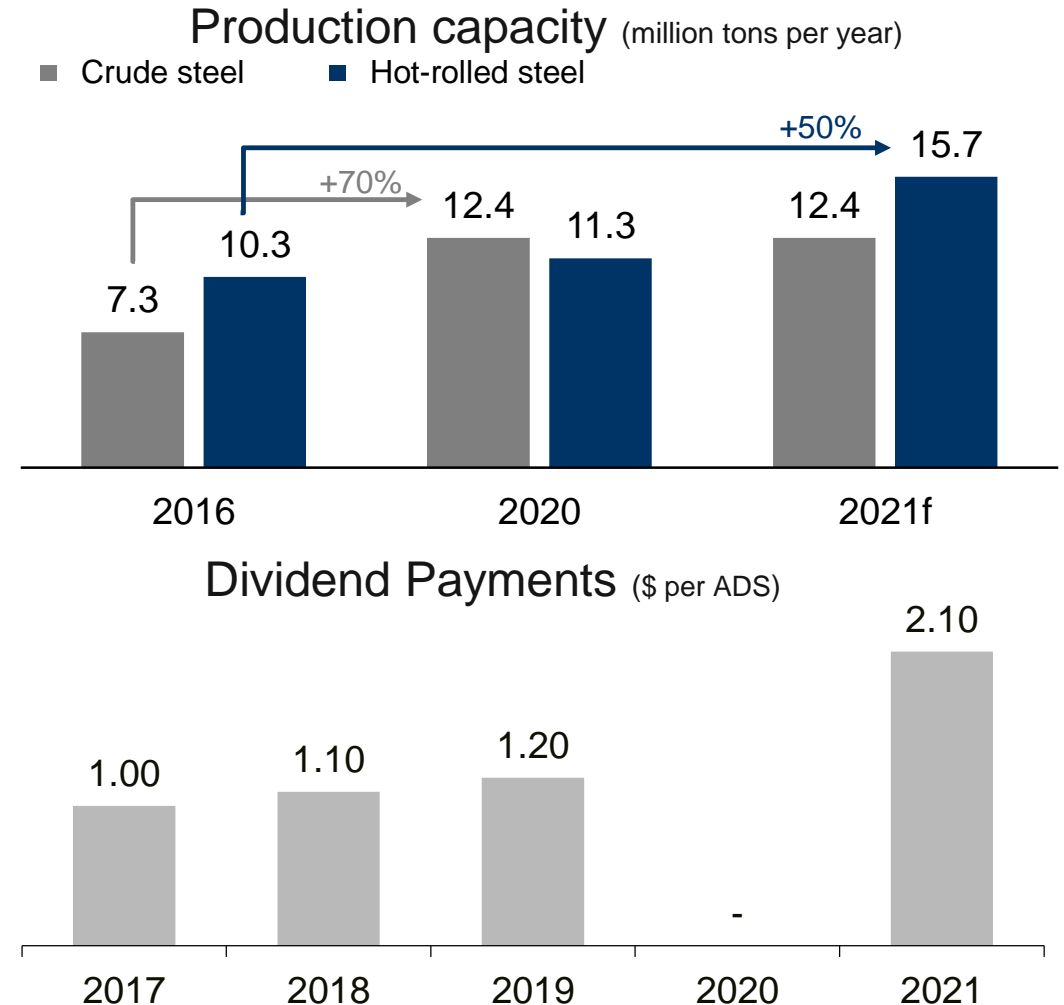
Economic Value Generated and Distributed (2020)



Sustainable Profitability

Delivering Ternium's business strategy

- Focus on high-margin value-added products
- Pursue strategic growth opportunities
- Implement Ternium's best practices
- Maximize the benefits arising from Ternium's distribution network
- Enhance Ternium's position as a competitive steel producer
- Quest for excellence in industrial management and technology

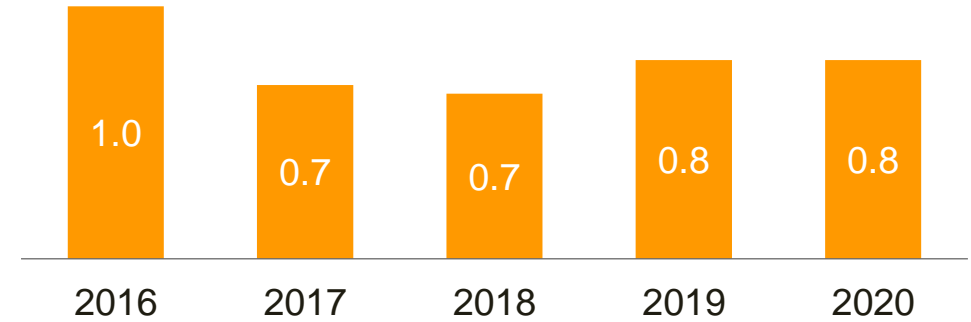


Sustainable Profitability

Improving our health and safety performance

- Occupational health and safety (OH&S) policy
- Standardized and certified OH&S management system
- Safety-focused capital expenditure plan
- Integral program for critical steel production processes and iron ore tailings dams
- Management tours at the facilities, training, workshops and conferences to raise awareness
- Extensive communication to engage and commit Ternium's and contractor's employees
- Initiatives to promote healthy and safe operations in the steel industry value chain

Lost time injury frequency rate
(# of events / million hours worked)



Sustainable Profitability

Health and safety measures against Covid-19

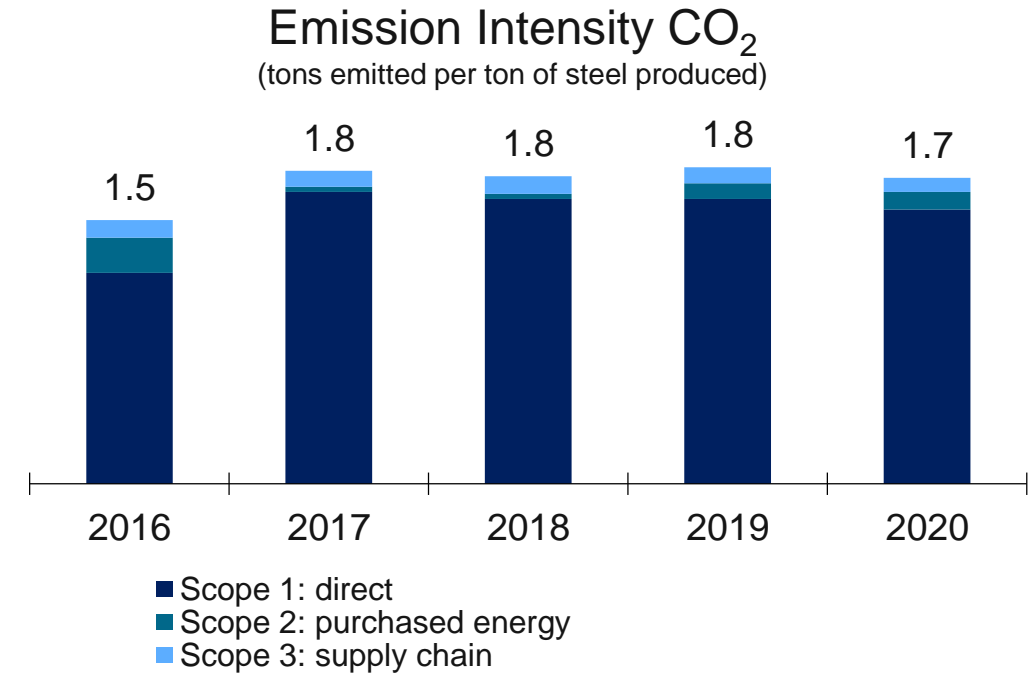
- Work-from-home policy whenever possible
- New protocols for on-site work that comply with, or exceed, local authorities' directives
 - strict social distancing and mandatory face masks
 - temperature checks at admission posts
 - strengthened disinfection routines including buses, working posts and cafeterias
- Employees with higher risk of developing complications stay at home
- Prompt testing of all individuals showing symptoms along with their close contacts and contagion tracking
- Extensive communication program to promote health and wellness protocols at both work and home



Sustainable Profitability

Roadmap to decarbonization

- Target of 20% reduction of CO₂ emissions intensity (scope 1 and 2) by 2030 (base 2018) by:
 - intensifying the use of renewable energy
 - increasing scrap in the metallic mix
 - augmenting carbon capture capacity
 - partially replacing met coal with charcoal
 - prioritizing lower specific-emission technologies
- Board of Directors quarterly oversight of Ternium's Climate Change strategy



The increased emission intensity in 2017 reflected the incorporation of the Rio de Janeiro unit (blast furnace-based) in Ternium's crude steel production mix.

Sustainable Profitability

Minimizing Ternium's environmental footprint

- New environmental investment plan:
 - encompassing Ternium's steel making facilities in Mexico, Brazil and Argentina
 - seven-year duration and \$460 million capex
- Responsible use of natural resources
- Focus on excellence in environmental performance
 - Certified environmental management system
 - Management performance accountability
 - Sustainable building solutions at new facilities
- Biodiversity protection



Project of the Rewilding Argentina Foundation at the Iberá Wetlands

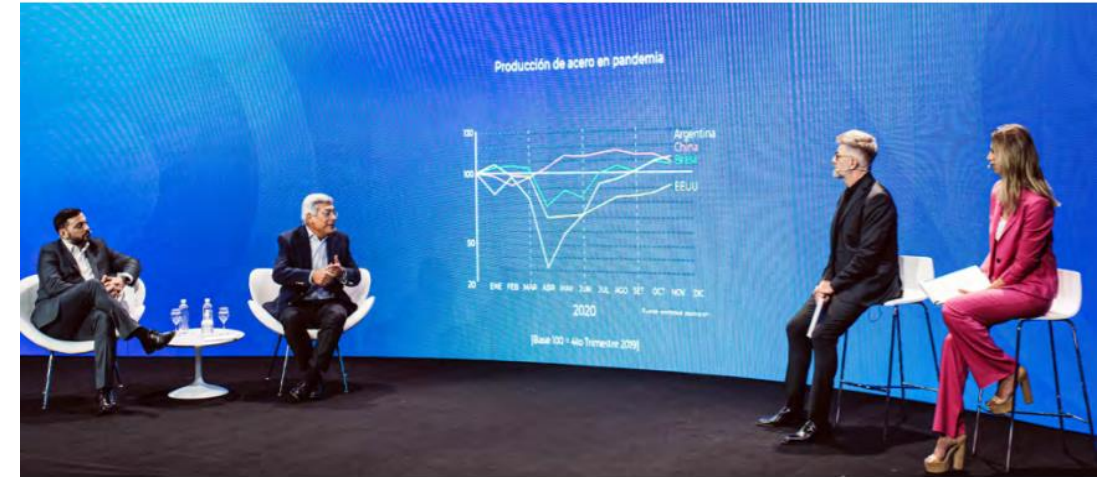


Investments to improve the capture and treatment of air emissions

Sustainable Profitability

Strengthening Ternium's value chain

- Promoting a collaborative network to foster excellence in performance:
 - Universities
 - Business schools
 - Government agencies
 - Industrial associations
- Helping 1,800 SMEs, customers and suppliers, grow:
 - Training programs
 - Industrial projects and business consultancy
 - Institutional initiatives
 - Commercial support and financial assistance



“ProPymes has helped create an industrial network that encourages the professionalization and quest for excellence of SMEs.”

Sustainable Profitability

Helping our communities thrive

- Fostering education:
 - Ternium's technical school in Pesquería
 - Refurbishing of community schools
 - Special education program for children
 - Financial support to high-school, undergraduate and graduate students
- Supporting initiatives that strengthen our communities:
 - Funding of health care infrastructure and equipment
 - Sponsorship of diverse cultural exhibitions and events
 - Arrangement of city races and other sport activities
 - Special funding program: \$5.5 million to help our communities launched at the COVID-19 outbreak



Roberto Rocca Technical School in Pesquería, Mexico



Volunteer programs for school repair

Sustainable Profitability

Special funding program to help our communities

- Construction and operation of a field hospital in Monterrey, Mexico
 - 100 beds
 - 10 fully-equipped units for intensive care (IC)
- Equipment donation to 14 hospitals and health-care units in 4 countries (ventilators, units for IC, beds, IC equipment and protection gear)
- Creation of a professional network to share COVID-19 treatments
 - Linking doctors from our communities with Humanitas'¹ colleagues
 - Humanitas expertise available at a public virtual campus
- Adaptation to online learning at some of Ternium's education programs
 - Roberto Rocca Technical School
 - AfterSchool program
- Food support for vulnerable families

¹ Humanitas: an Italian network of hospitals controlled by the Techint Group



Sustainable Profitability

Commitment to integrity through strong corporate governance

- Audit committee (all independent directors)
- Internal Audit Department reporting to the Chairman and the Audit Committee
- Business Conduct Compliance Officer reporting to the CEO
- Compliance department that oversees SOX certifications, related party transactions and conflict minerals
- Employee accountability and training to ensure a transparent behavior
- Confidential channels to report non-compliant behavior



Codes	Policies	Procedures
Conduct (for wc employees)	Business conduct	Disclose (relevant information)
	Transparency	
Conduct for suppliers	Anti-fraud	Related party transactions
	Securities trading	
Ethics for senior financial officers	Diversity	Conflict mineral disclosure
	Human rights	



Latin American Steel Markets

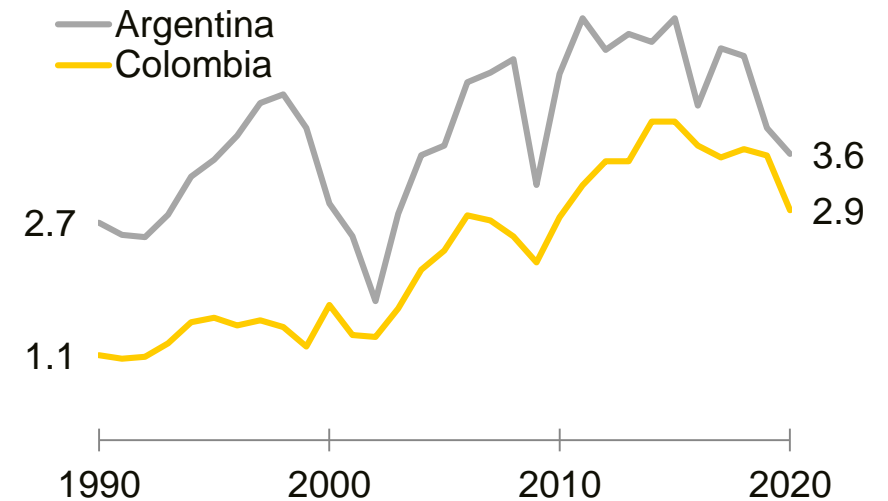
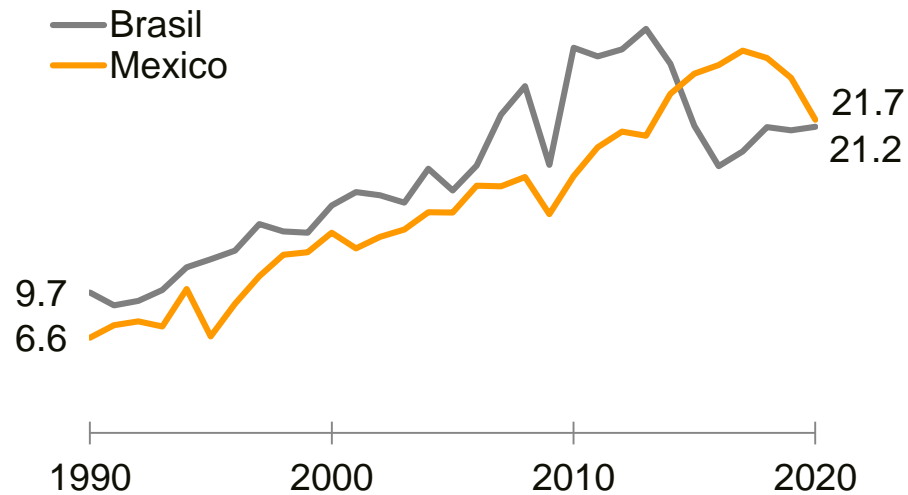


Latin America Steel Markets

Ternium has a leading position in the Mexican steel market

- The Mexican market is the largest in Latin America
- Growth in Mexico's steel consumption over the last decades was driven mainly by a dynamic manufacturing industry
- Mexico, Brazil, Argentina and Colombia accounted for approximately 80% of Latin America's steel consumption in 2020

Apparent steel use (million tons)

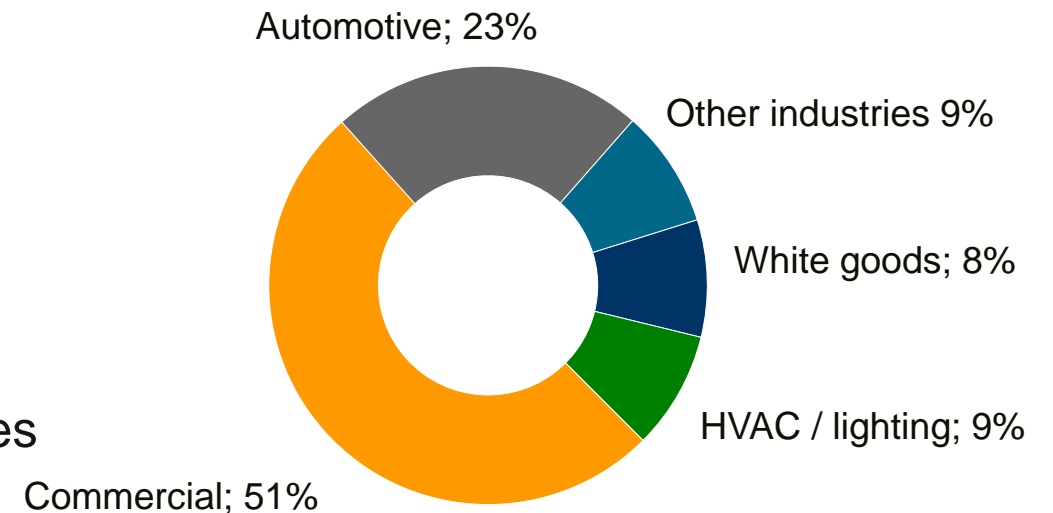


Mexico

Attractive steel market with a significant demand for high-end steel products

- Developed industrial sector (approximately 49% of shipments in Mexico)
- Access to the North American steel market through USMCA
- Ternium's focus on value added products and services:
 - Service center network
 - Nationwide coverage through distribution centers and regional distributors
 - Customer digital connectivity
 - Ongoing investment plan to increase our capabilities for industrial customers

Steel shipments by industry (2020)

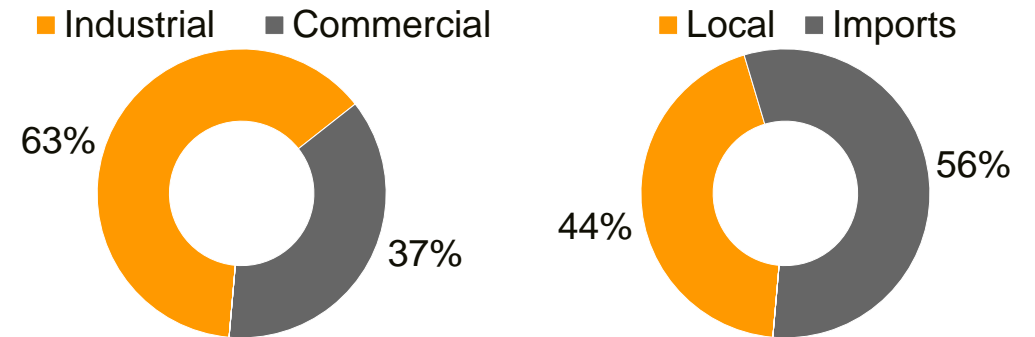


Mexico

New hot-rolling mill in Pesquería expected to start up in June 2021

- Significant technological upgrade to expand TX's product range and improve customer service
- The new mill will further increase Ternium's capabilities to substitute imports, which in 2020 accounted for 56% of Mexico's flat steel use
- Targeting the automotive industry, as well as the white goods, machinery, energy and construction sectors
- Annual production capacity of 4.4 million tons (option to increase capacity to 4.8 million tons)

Apparent flat steel use – Mexico 2020



Mexico

Developing our industrial center in Pesquería

- Greenfield facility inaugurated in 2013 with cold-rolling and galvanizing lines
- Additional hot-dipped galvanizing and painting lines inaugurated in 2019 with the most advanced painting technology in Mexico
- New hot-rolling mill to start-up in June 2021
- High-end value-added products for the automotive, white goods and heating-ventilation-air conditioning (HVAC) industries
- Expected annual production capacity in 2021:
 - Hot-Rolling: 4.4 million tons
 - Cold-rolling: 1.6 million tons
 - Hot-dipped galvanizing: 830,000 tons
 - Painting: 120,000 tons

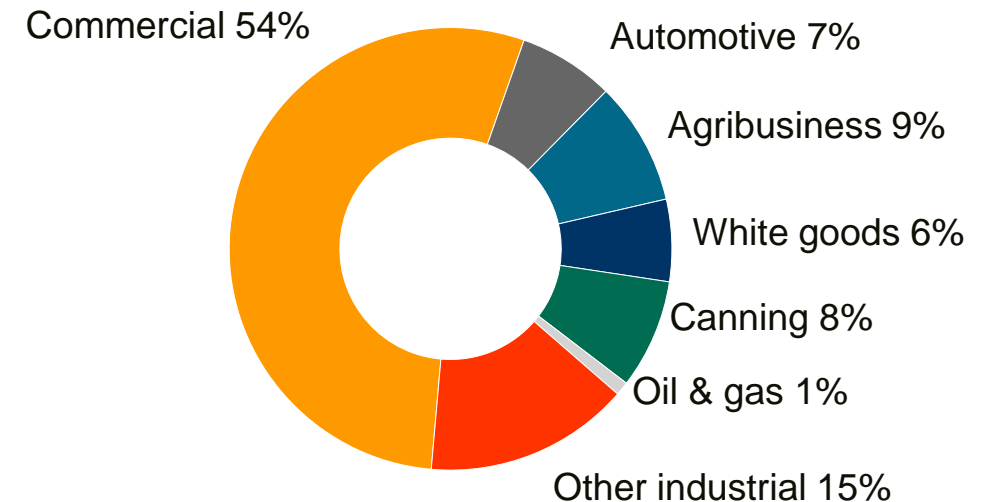


Argentina

Third largest steel market in Latin America with a developed industrial sector

- Significant industrial customer base representing 46% of steel shipments in Argentina
- Focus on value added products and services:
 - Service center network
 - Short notice delivery and just-in-time agreements
 - Customer digital connectivity
 - Joint product research and development projects with our value chain (mainly white goods, transportation and renewable energy)

Steel shipments by industry (2020)



Colombia

New rebar mill in Colombia inaugurated in November 2020

- Colombian steel market is the fourth largest in Latin America
- Imports account for a significant share of long steel consumption
- Ternium is expanding its participation in the construction sector in the north/northwest of Colombia
 - Approximately 50% of steel rebar consumption
 - No local production
 - Expensive logistics from the mills in central Colombia
- New greenfield rebar facility
 - Annual capacity of 520,000 tons
 - Total investment of \$90 million
 - Started up in November 2020

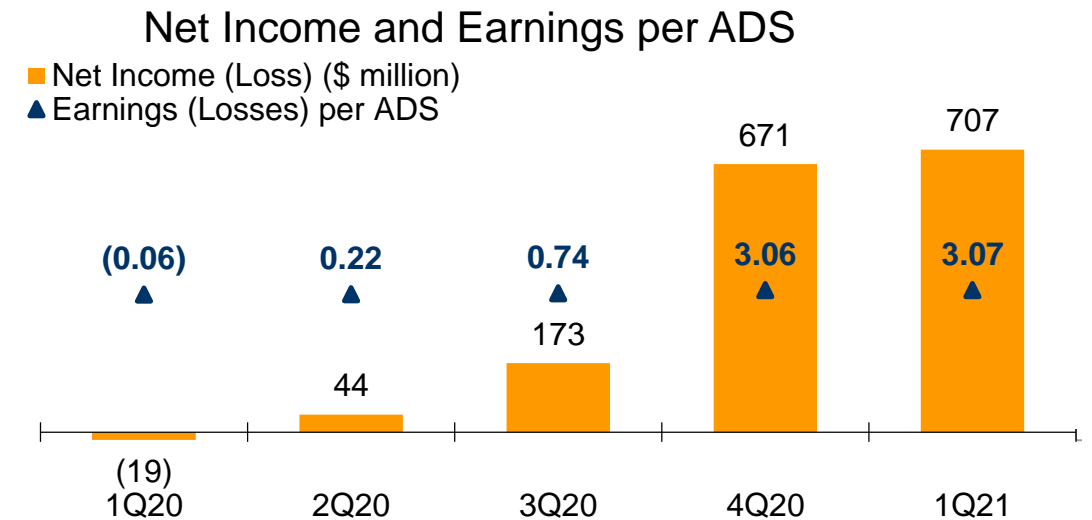
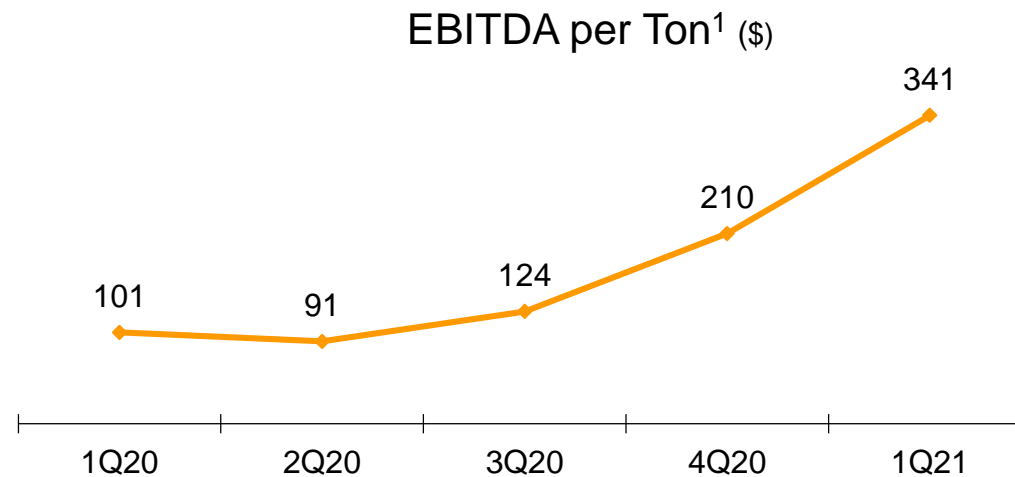
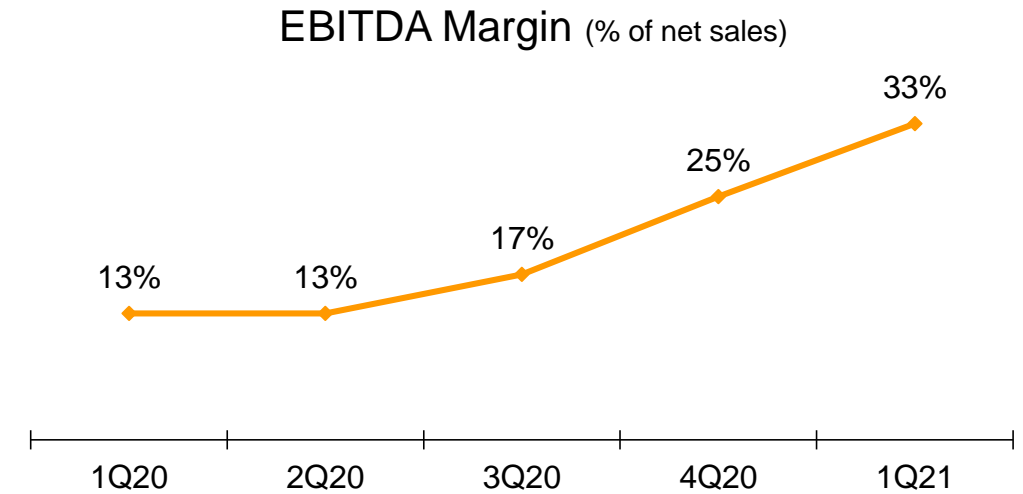
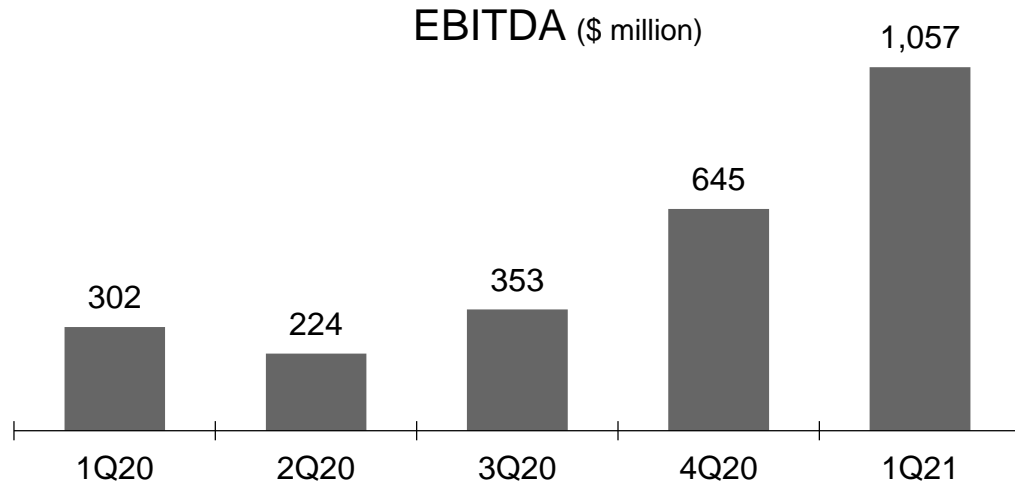




Ternium's Performance

Ternium's Performance

EBITDA and Net Income



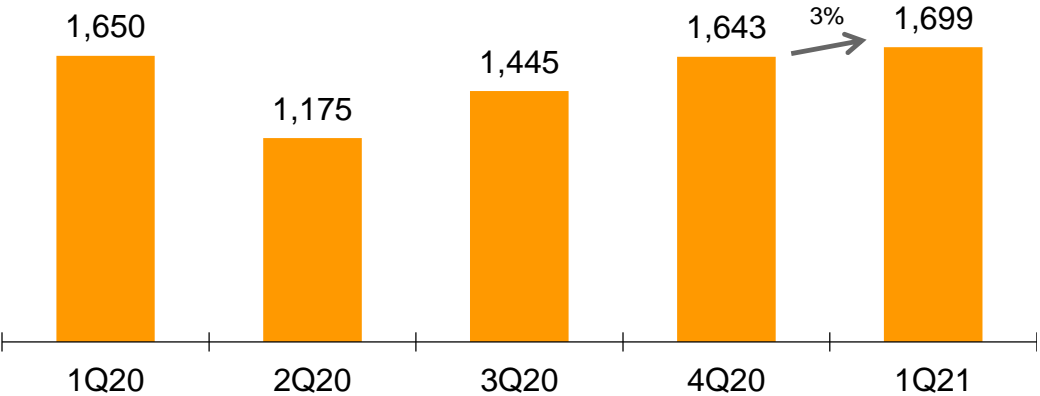
¹ Consolidated EBITDA divided by steel shipments.

Ternium's Performance

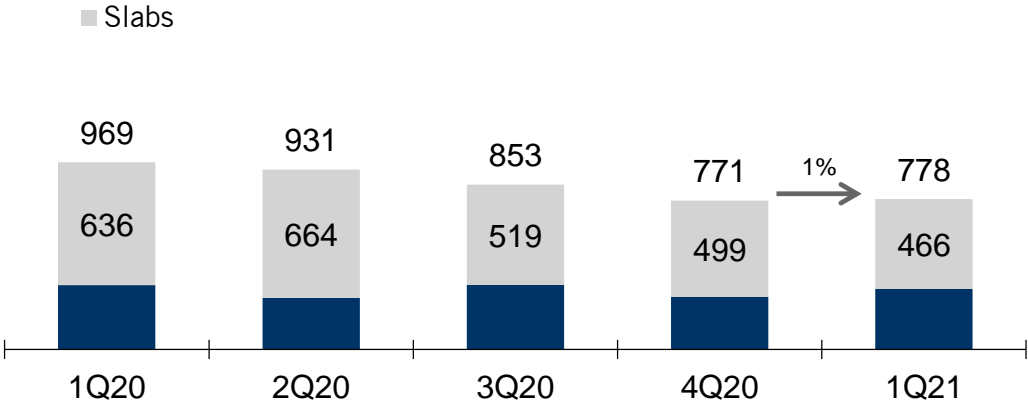
Steel Shipments



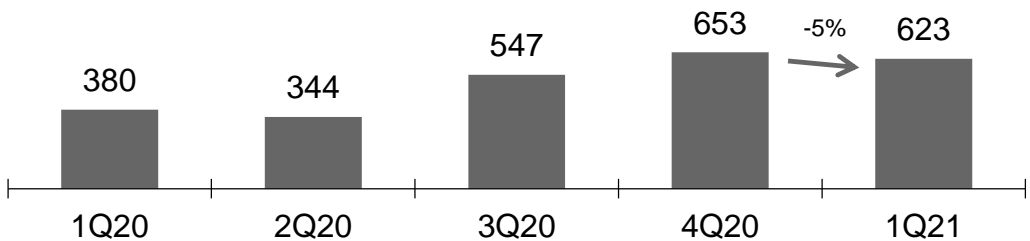
Mexico (thousand tons)



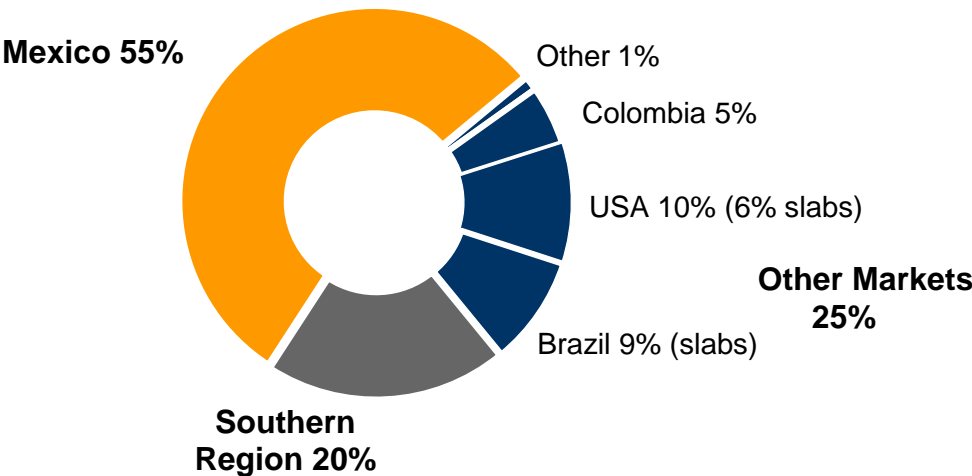
Other Markets (thousand tons)



Southern Region (thousand tons)



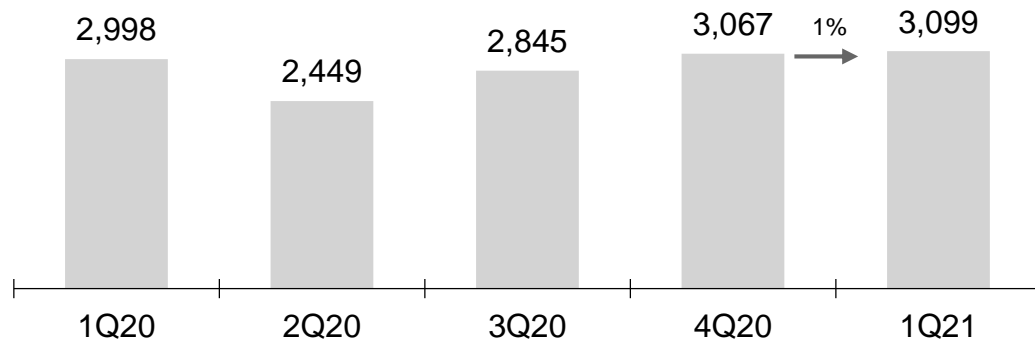
Steel Shipments 1Q21



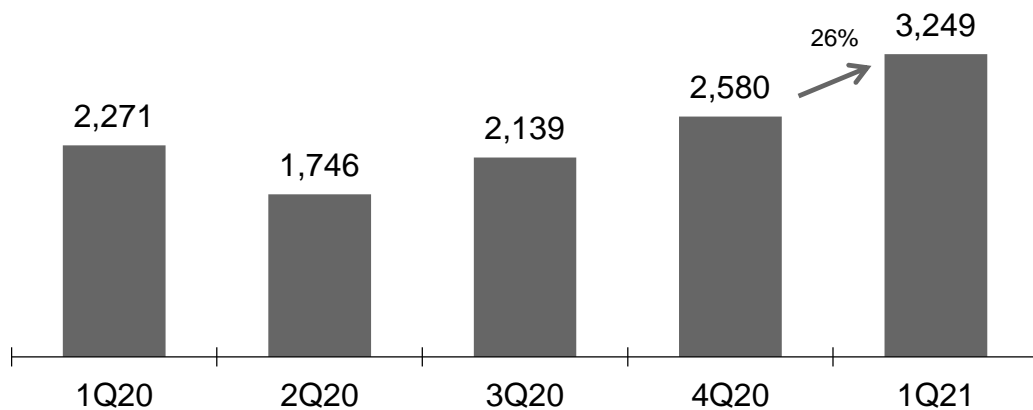
Ternium's Performance

Total Shipments and Revenue per Ton

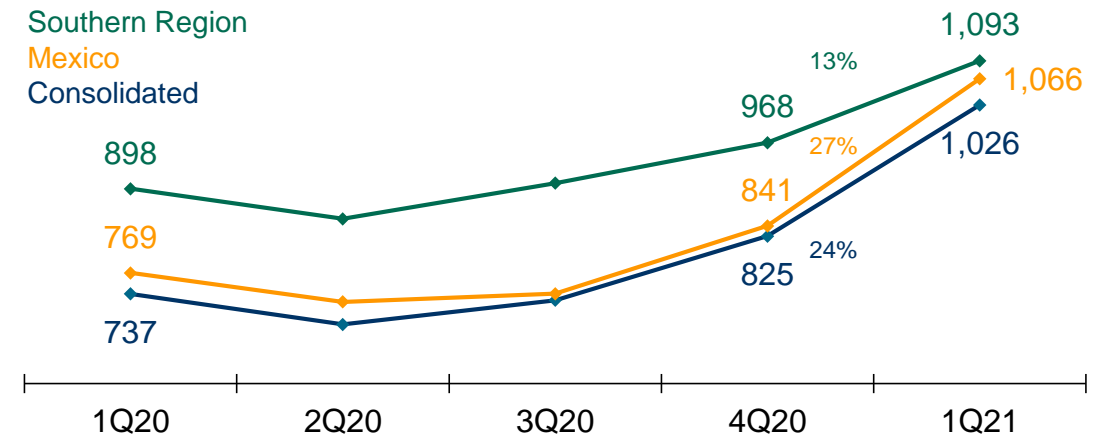
Total Shipments (thousand tons)



Net Sales (\$ million)



Revenue per Ton (\$/ton)



Net sales in 1Q21 up 26% sequentially and 43% year-over-year mainly on higher revenue per ton:

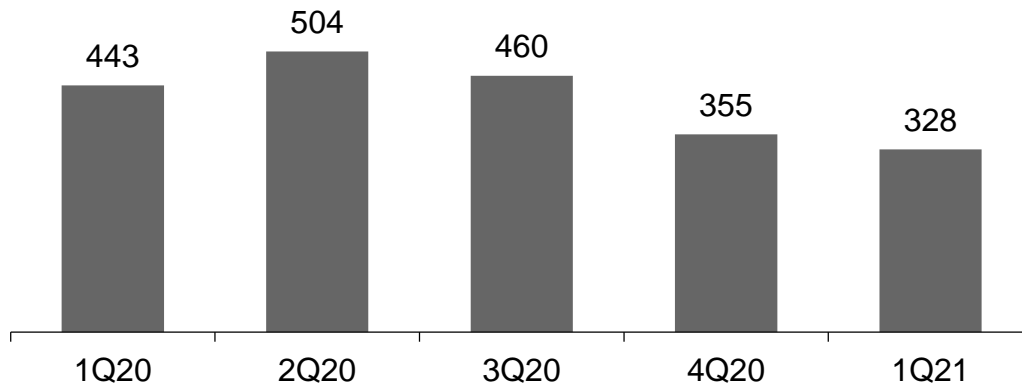
- Mexico: shipments affected by extreme weather conditions in 1Q21. Prices increasing significantly, even with lagged reset of contract prices.
- Southern Region: shipments remained at high levels on strong demand for durable goods and construction materials in Argentina.
- Other Markets: ramp-up of new facility in Colombia offset decrease in slab shipments to third-parties.

Ternium's Performance

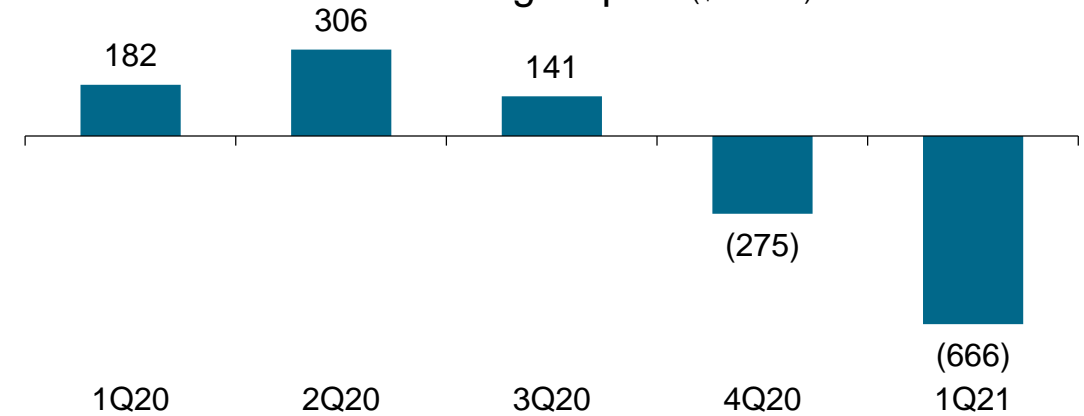
Cash Flow and Balance Sheet



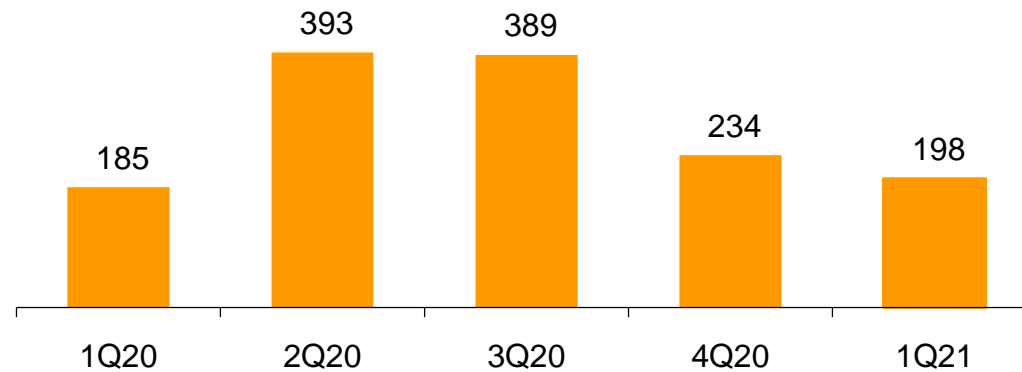
Cash from Operations (\$ million)



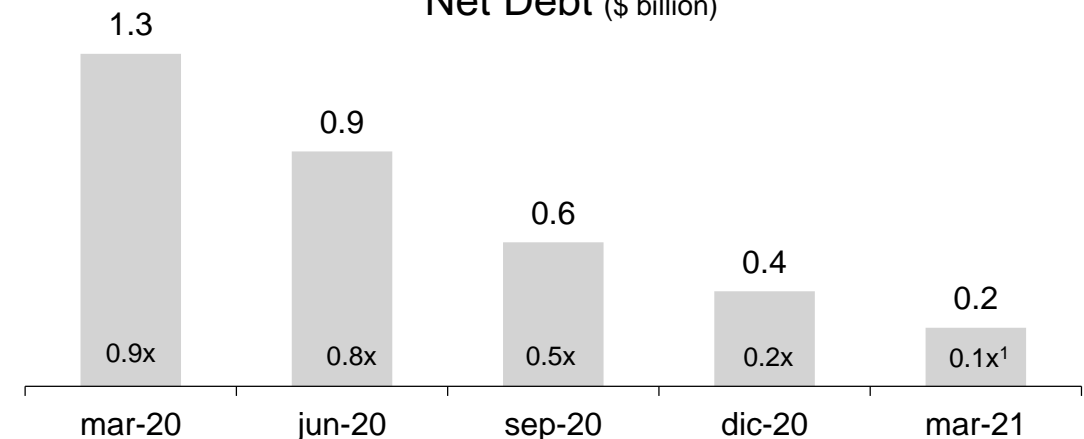
Working Capital (\$ million)



Free Cash Flow (\$ million)



Net Debt (\$ billion)



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

Conclusion



Conclusion

- A leading steel company in Latin America with a comprehensive management approach
- Successful implementation of business strategy geared toward sustainable profitable growth
- Solid financial position
- Resilience in times of crisis
- New hot-rolling mill in Mexico provides opportunity to strengthen business in the region
- Continued focus on generating long-term stakeholder value





Appendix



- Corporate Structure
- Production Capacity
- Shipments and Net Sales
- Income Statement
- Cash Flow Statement
- Balance Sheet
- Selected Webcast Presentation Slide First Quarter of 2021
- Ternium's Debt Profile
- More about Ternium's developing industrial system in Brasil

Corporate Structure



Production Capacity



Production Capacity as of year-end 2020 (million metric tons per year)

	Mexico	Argentina	Other ⁽¹⁾	Total
Slabs	2.5	3.2	5.0 ⁽²⁾	10.7
Billets	1.6		0.2	1.8
Crude steel	4.1	3.2	5.2	12.4
Hot rolled coils	6.5	2.9		9.4
Rebars & wire rods	1.2		0.7	1.9
Cold rolled coils	3.7	1.8		5.5
Tinplated products		0.2		0.2
Galvanized products	2.4	0.6	0.4	3.4
Pre-painted products	0.8	0.1	0.2	1.1
Service center	3.9	2.3	1.3	7.5

⁽¹⁾ Brazil, Southern US, Colombia and Central America

⁽²⁾ Corresponds to Ternium Brasil

Shipments and Net Sales



	Net Sales (USD million)			Shipments (thousand tons)			Revenue / ton (USD / ton)		
	1Q2021	4Q 2020	Dif.	1Q2021	4Q 2020	Dif.	1Q2021	4Q 2020	Dif.
Mexico	1,810.8	1,382.2	31%	1,699	1,643	3%	1,066	841	27%
Southern Region	680.8	632.7	8%	623	653	-5%	1,093	968	13%
Other Markets	687.7	516.9	33%	778	771	1%	884	671	32%
Total steel products	3,179.3	2,531.8	26%	3,099	3,067	1%	1,026	825	24%
Other products ¹	59.7	45.5	31%						
Total steel segment	3,239.0	2,577.3	26%						
Total mining segment	123.4	105.7	17%	1,035	943	10%	119	112	6%
Total steel and mining segments	3,362.4	2,683.0	25%						
Intersegment eliminations	(113.1)	(103.3)							
Total net sales	3,249.3	2,579.7	26%						

	Net Sales (USD million)			Shipments (thousand tons)			Revenue / ton (USD / ton)		
	1Q2021	1Q2020	Dif.	1Q2021	1Q2020	Dif.	1Q2021	1Q2020	Dif.
Mexico	1,810.8	1,268.9	43%	1,699	1,650	3%	1,066	769	39%
Southern Region	680.8	340.8	100%	623	380	64%	1,093	898	22%
Other Markets	687.7	600.2	15%	778	969	-20%	884	619	43%
Total steel products	3,179.3	2,209.9	44%	3,099	2,998	3%	1,026	737	39%
Other products ¹	59.7	44.2	35%						
Total steel segment	3,239.0	2,254.1	44%						
Total mining segment	123.4	94.3	31%	1,035	993	4%	119	95	25%
Total steel and mining segments	3,362.4	2,348.4	43%						
Intersegment eliminations	(113.1)	(77.0)							
Total net sales	3,249.3	2,271.4	43%						

¹ The item "Other products" primarily includes Ternium Brasil's and Ternium México's electricity sales.

Income Statement



\$ million	1Q 2021	1Q 2020
	(Unaudited)	
Net sales	3,249.3	2,271.4
Cost of sales	(2,138.3)	(1,920.5)
Gross profit	1,111.0	350.9
Selling, general and administrative expenses	(210.4)	(211.6)
Other operating income (expenses), net	5.1	(3.6)
Operating income	905.8	135.7
Finance expense	(7.2)	(16.3)
Finance income	16.3	7.9
Other financial income (expenses), net	6.9	114.5
Equity in earnings of non-consolidated companies	46.5	6.1
Profit before income tax expense	968.3	247.9
Income tax expense	(261.6)	(267.3)
Profit (loss) for the period	706.7	(19.4)
Attributable to:		
Owners of the parent	602.9	(11.6)
Non-controlling interest	103.7	(7.8)
Profit (loss) for the period	706.7	(19.4)

Cash Flow Statement



\$ million	1Q 2021	1Q 2020
	(Unaudited)	
Profit (loss) for the period	706.7	(19.4)
Adjustments for:		
Depreciation and amortization	151.6	166.4
Equity in earnings of non-consolidated companies	(46.5)	(6.1)
Changes in provisions	4.4	(0.7)
Net foreign exchange results and others	61.9	(104.6)
Interest accruals less payments	1.7	1.3
Income tax accruals less payments	114.3	224.0
Changes in working capital	(666.2)	181.8
Net cash provided by operating activities	327.8	442.8
Capital expenditures	(129.7)	(257.6)
Proceeds from the sale of property, plant and equipment	0.6	0.2
Acquisition of non-controlling interest	(0.8)	(4.5)
Decrease in Other Investments	149.3	97.1
Net cash provided by (used in) investing activities	19.4	(164.8)
Finance Lease payments	(11.0)	(10.5)
Proceeds from borrowings	18.1	190.6
Repayments of borrowings	(36.7)	(60.7)
Net cash (used in) provided by financing activities	(29.5)	119.4
Increase in cash and cash equivalents	317.8	397.3

Balance Sheet

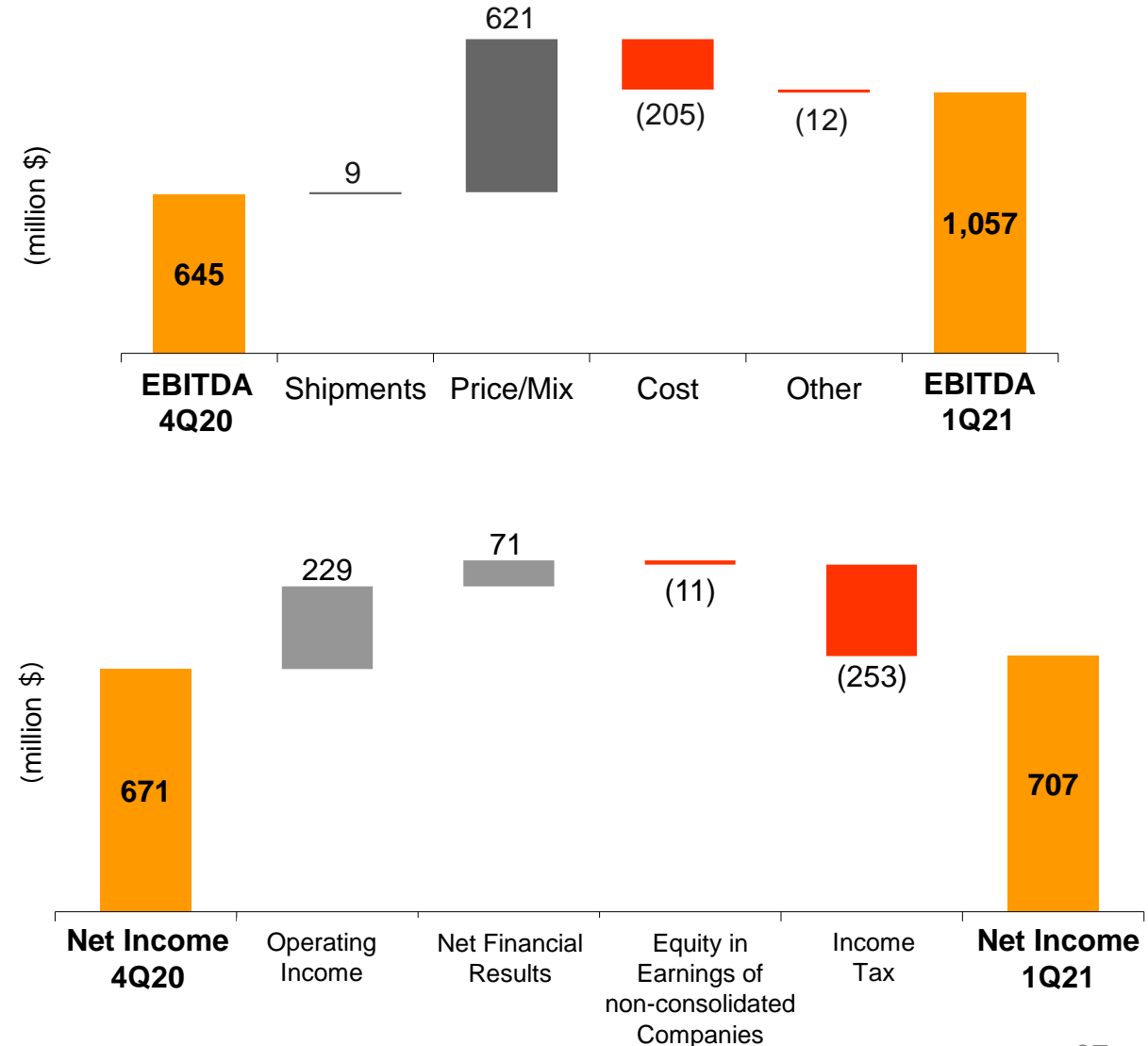


\$ million	March 31, 2021	December 31, 2020	\$ million	March 31, 2021	December 31, 2020
Property, plant and equipment, net	6,488.5	6,504.7	Capital and reserves attributable to the owners of the parent	7,841.3	7,286.1
Intangible assets, net	893.2	908.6	Non-controlling interest	1,251.2	1,157.0
Investments in non-consolidated companies	477.7	471.3	Total Equity	9,092.5	8,443.2
Deferred tax assets	151.6	158.7	Provisions	79.0	80.6
Receivables, net	200.7	243.3	Deferred tax liabilities	333.9	346.5
Other investments	2.9	2.9	Other liabilities	537.9	551.9
Total non-current assets	8,214.6	8,289.5	Trade payables	1.1	1.1
Receivables, net	345.6	288.6	Derivative financial instruments	0.3	0.5
Derivative financial instruments	1.4	1.6	Lease liabilities	242.1	251.6
Inventories, net	2,345.0	2,001.8	Borrowings	1,125.3	1,327.3
Trade receivables, net	1,368.7	918.4	Total non-current liabilities	2,319.6	2,559.5
Other investments	637.5	813.5	Current income tax liabilities	225.5	110.5
Cash and cash equivalents	835.4	537.9	Other liabilities	316.5	249.8
Total current assets	5,533.7	4,561.8	Trade payables	1,179.1	1,049.3
Non-current assets classified as held for sale	5.0	5.0	Derivative financial instruments	0.6	5.8
Total assets	13,753.2	12,856.2	Lease Liabilities	42.9	42.5
			Borrowings	576.5	395.6
			Total current liabilities	2,341.1	1,853.6
			Total liabilities	4,660.7	4,413.1
			Total equity and liabilities	13,753.2	12,856.2

First Quarter of 2021 Results- Webcast Presentation

EBITDA and Net Results

- Higher revenue per ton in the 1Q21, reflecting a strong pricing environment.
- Increase in cost per ton, mainly reflecting higher raw material, purchased slab and energy prices.
- Higher operating income.
- Better net financial results mainly due to 3% depreciation of the MXN against the USD in 1Q21 compared to a 13% appreciation in the 4Q20.
- Effective tax rate of 27% in the 1Q21, compared to 1% in the 4Q20 due to higher deferred tax gains in connection with MXN appreciation.

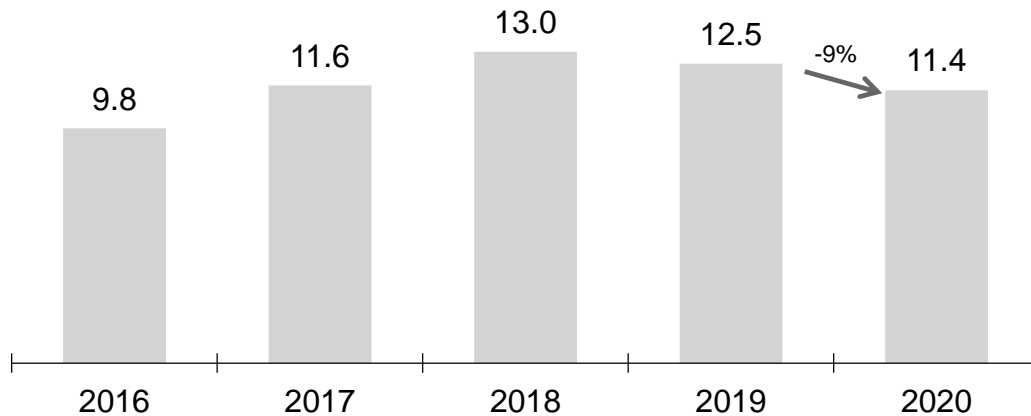


Last Five-Year Performance

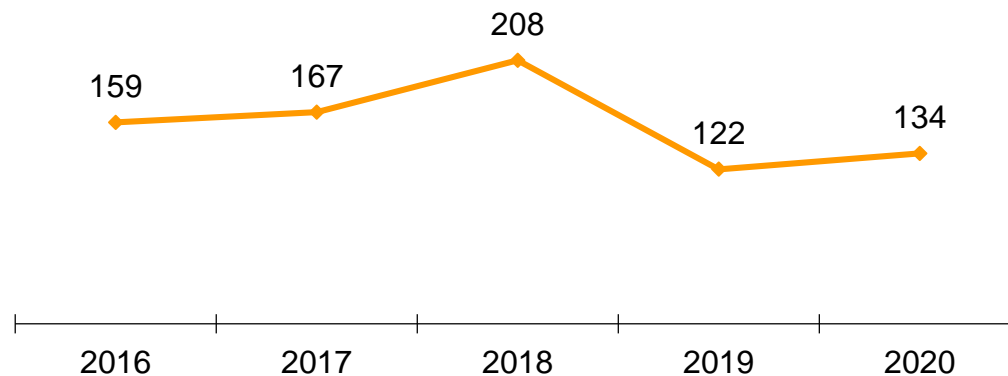
EBITDA and Net Income



Consolidated Shipments (million tons)

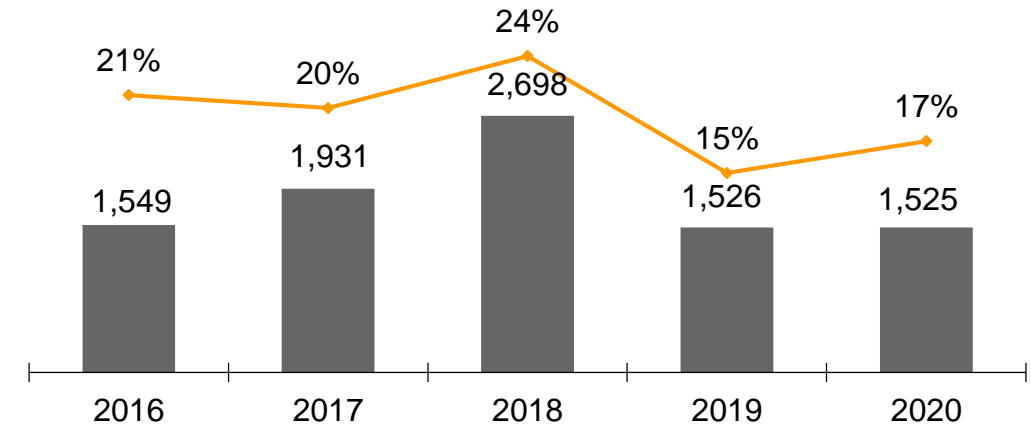


EBITDA per Ton¹ (\$)

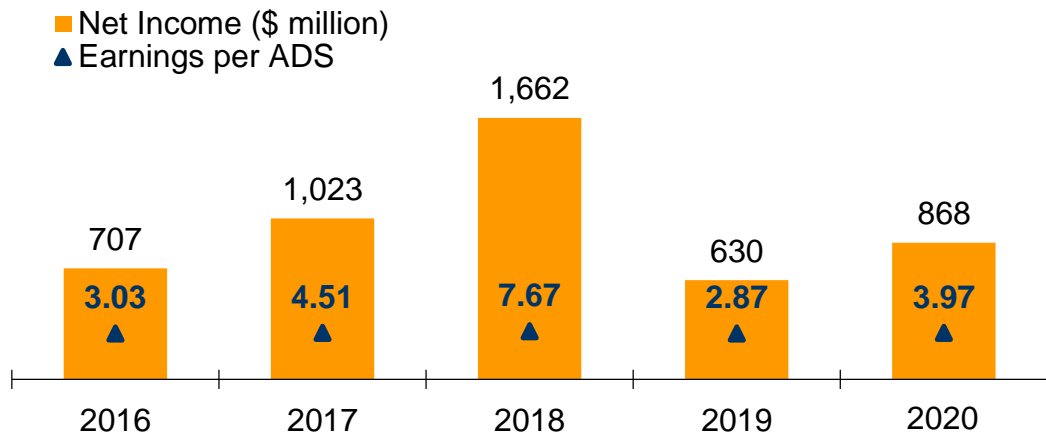


¹ Consolidated EBITDA divided by steel shipments.

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



Net Income and Earnings per ADS



Ternium Brasil Acquisition

A strong foundation for Ternium's industrial plan in the Americas

- Acquired in September 2017
- 5 mtpy high-end slab facility in Brazil
- Further integrate Ternium Brasil to take it to its full potential
- Increase competitiveness in the high-end Mexican steel market vis-à-vis imports
- Improve customer service supported by higher operational flexibility
 - Customized steel products
 - Coordinated product development
 - Enhanced logistics

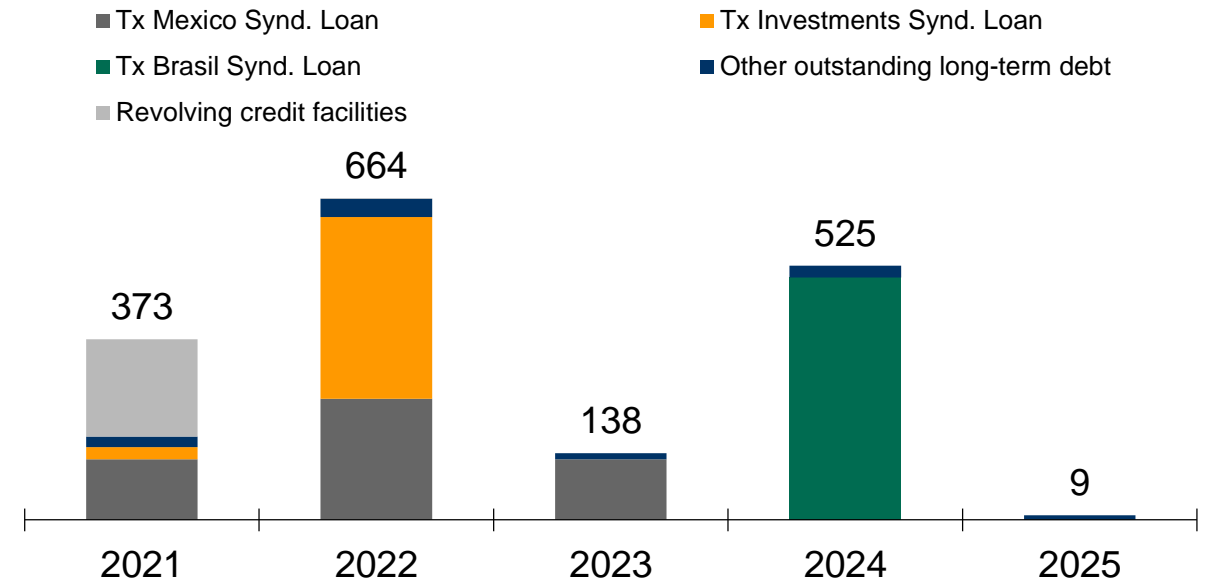


Debt Profile

Comfortable maturity schedule

- \$1.7 billion gross debt as of March 2021
- Main outstanding syndicated loans:
 - Ternium Mexico: \$500 million
 - Ternium Brasil: \$500 million
 - Ternium Investments S.à.r.l.: \$400 million
- Other outstanding long-term debt:
 - Peña Colorada: \$56 million
 - Tenigal: \$50 million
- Revolving credit facilities (uncommitted) of \$202 million outstanding, mainly in Mexico and Colombia

Debt maturity profile Mar'21 (\$/million)





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