

Investor Presentation August 2022



As of August 2, 2022



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

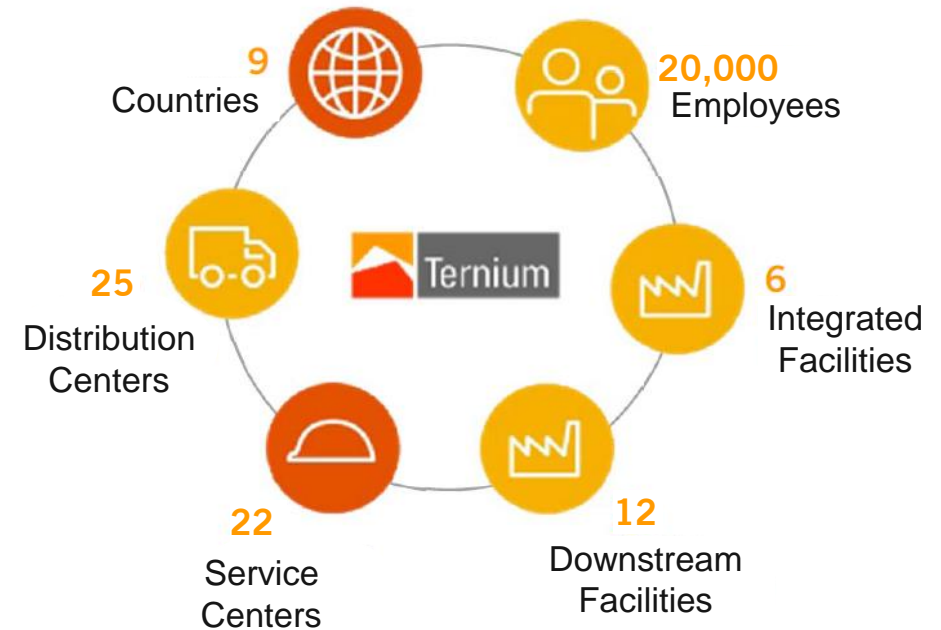
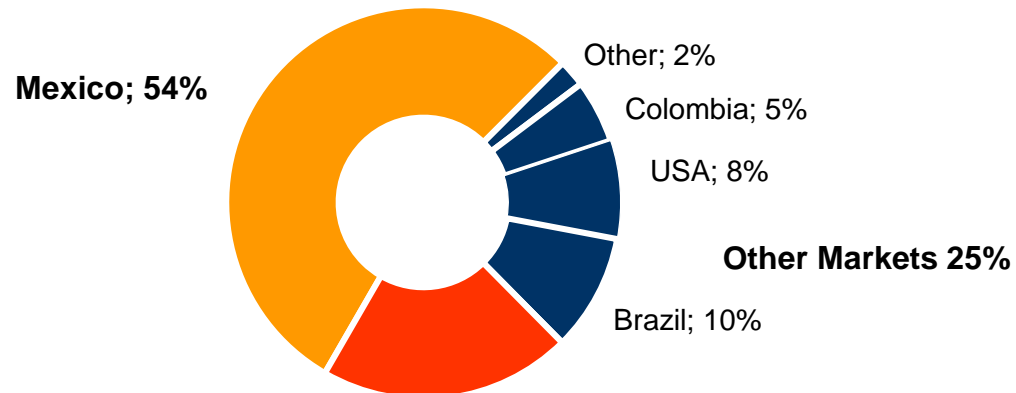


Ternium's Profile

A leading steel company in Latin America

- Net sales of **\$16.1 billion** in 2021
- Steel shipments in 2021 of **12.1 million tons**
- Industrial facilities in Mexico, Argentina, Brazil, Colombia, USA and Central America

Steel Shipments 2021



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

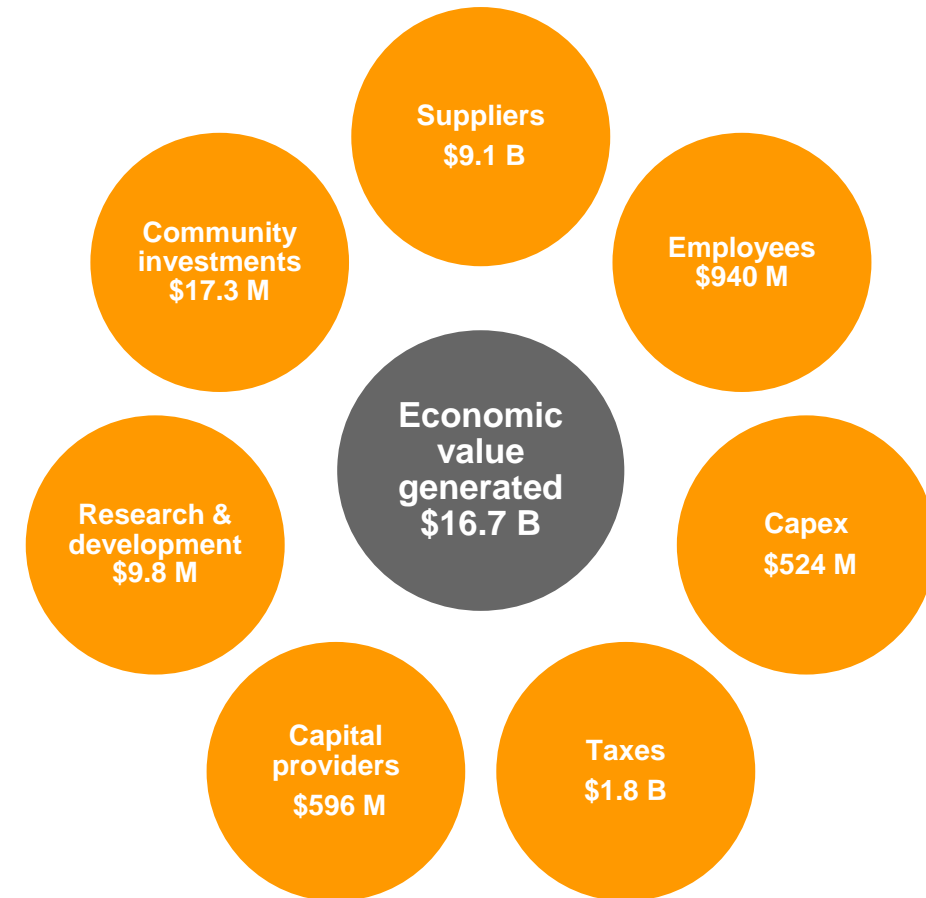
¹Usiminas: a leading company in the Brazilian flat steel market

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 Distributed¹ (2021)



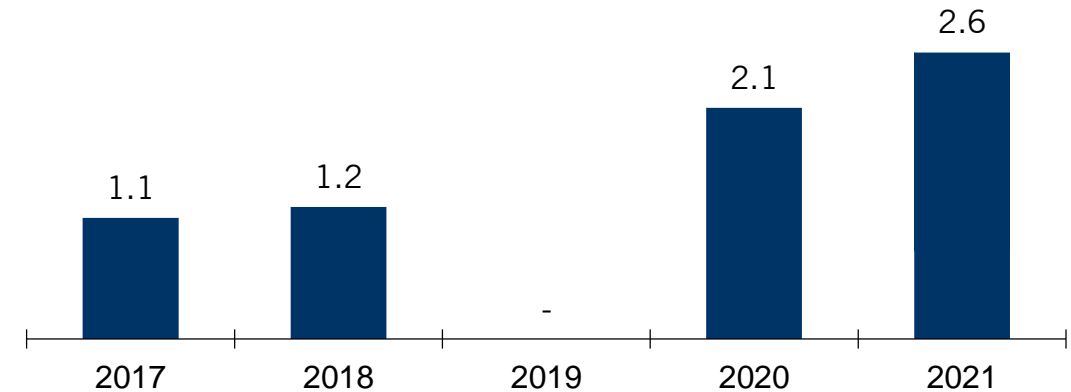
¹ According to GRI Standards

Sustainable Profitability

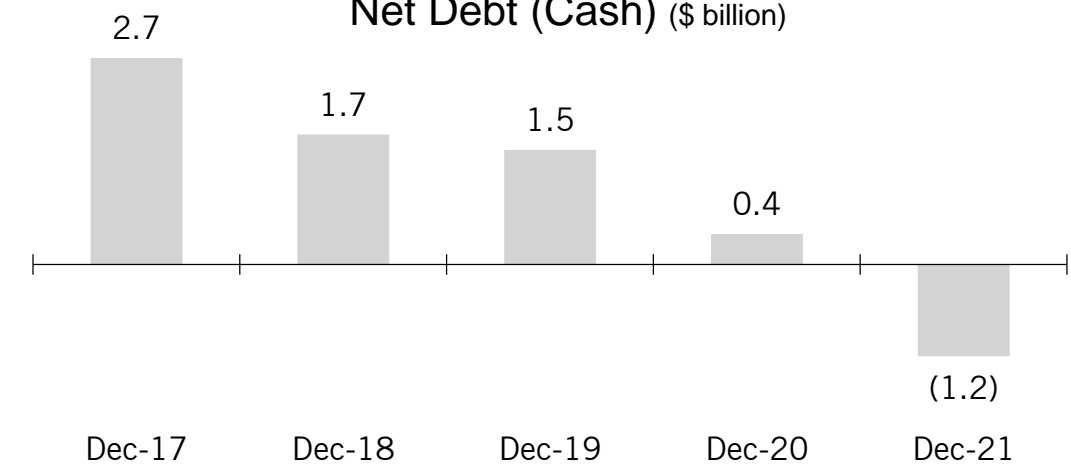
Delivering Ternium's business strategy

- 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

Annual Dividends (\$ per ADS)



Net Debt (Cash) (\$ billion)

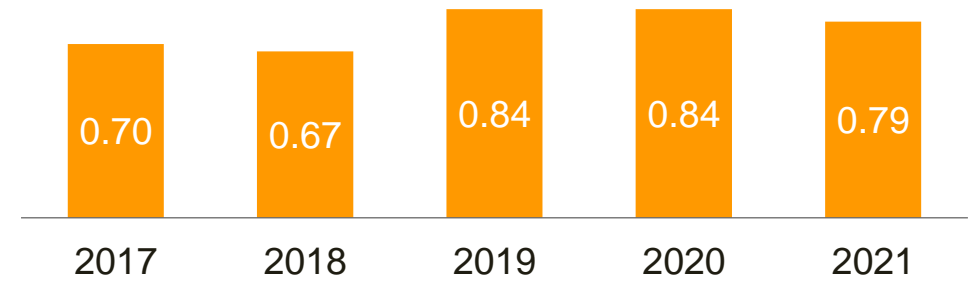


Sustainable Profitability

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

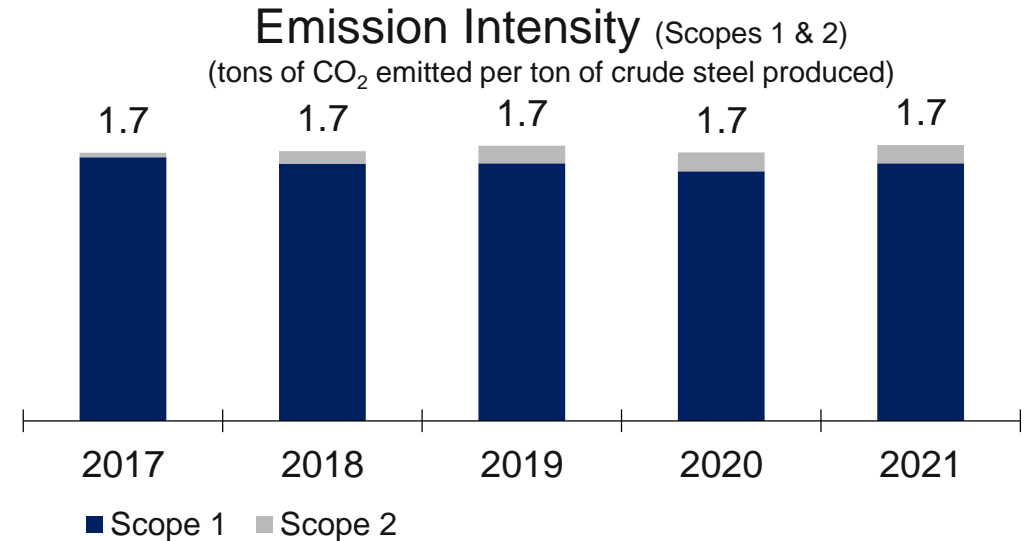
Lost time injury frequency rate
(# of events / million hours worked)



Sustainable Profitability

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
- Analysis of additional strategies to decarbonize its operations over the longer term, based upon:
 - current and developing technologies
 - availability of renewable energy and steel scrap
- Board of Directors quarterly oversight of Ternium's Climate Change strategy



Sustainable Profitability

Minimizing Ternium's environmental footprint

- New environmental investment plan:
 - encompassing Ternium's steelmaking facilities in Mexico, Brazil and Argentina
 - \$460 million capex ('21-'27)
- 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



Reintroduction of endangered species, such as the *yaguareté*, in Esteros del Iberá



New environmental monitoring center at Ternium's Rio de Janeiro unit in Brazil

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
 - Sponsorship of city races and other sport activities
 - Special funding program of \$6.4 million (in 2020) to help our communities face the COVID-19 pandemic



Roberto Rocca Technical School in Pesquería, Mexico

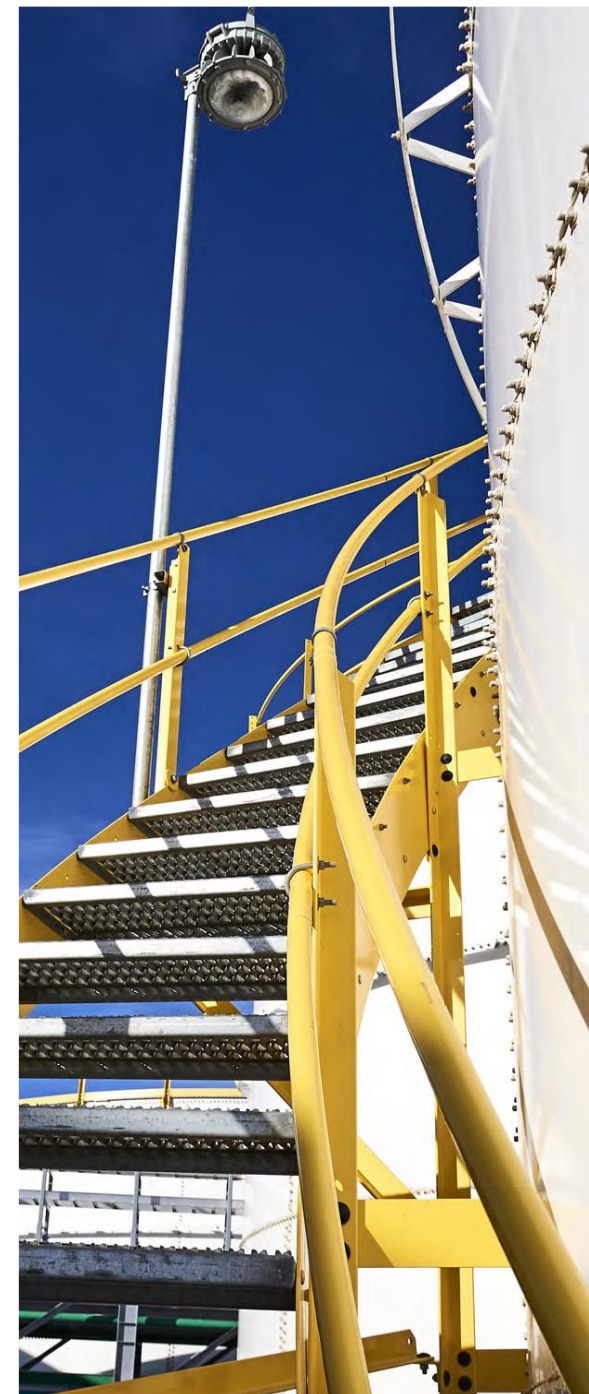


New robotic and automation laboratories at a technical school in San Nicolás, Argentina

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





Latin American Steel Markets

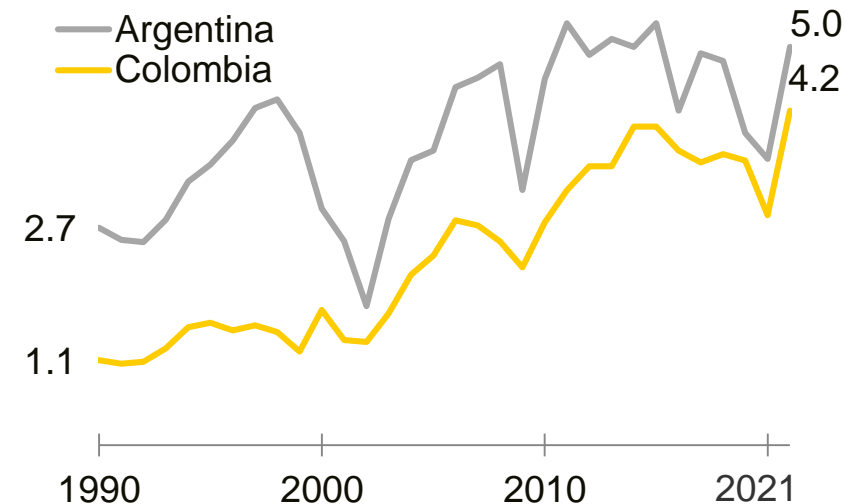
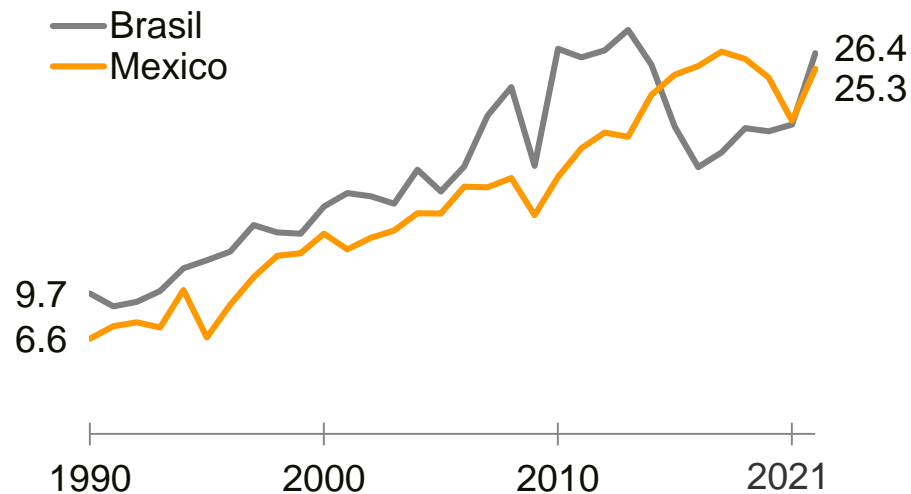


Latin America Steel Markets

Ternium has a leading position in the Mexican steel market

- The Mexican market is among 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 2021

Apparent steel use (million tons)



Source: Alacero Apr 2022

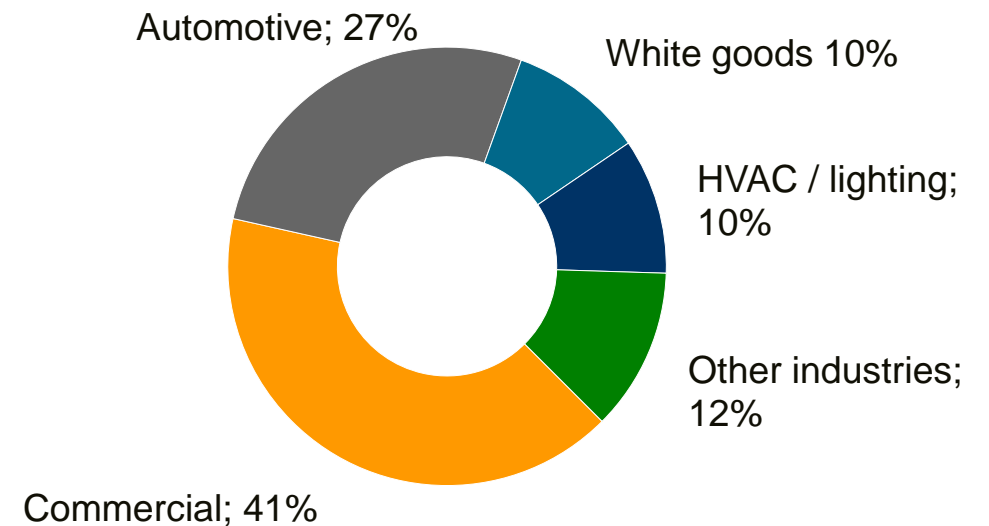
Ternium | August 2022

Mexico

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

- Developed industrial sector (approximately 59% 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
 - New capabilities to provide sophisticated steel products for industrial customers

Steel shipments by sector (2021)



Mexico

Developing our industrial center in Pesquería

- State-of-the-art industrial center provides Ternium with high-end value-added product portfolio
- Greenfield facility started operations in 2013 with cold-rolling and galvanizing lines
- Additional hot-dipped galvanizing and painting lines commissioned in 2019 with the most advanced painting technology in Mexico
- Start-up of new hot-rolling mill in mid-2021, enabling the expansion of Ternium's product range to encompass a broader dimensional offering and the most advanced steel grades
- New investment program announced with additional downstream lines

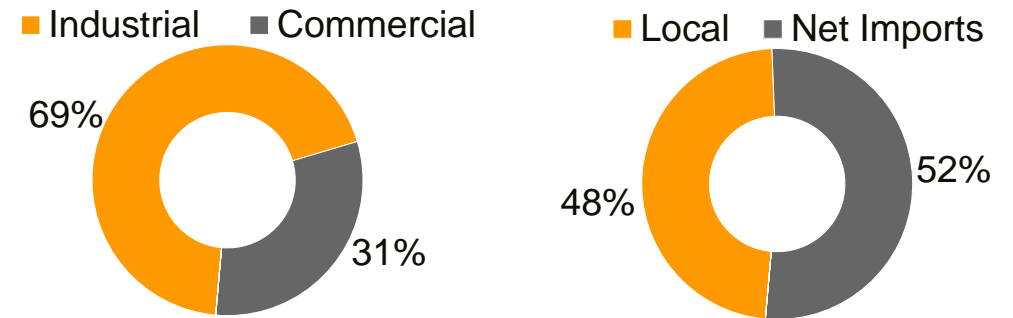


Mexico

New hot-rolling mill in Pesquería

- Significant technological upgrade to expand TX's product range and improved customer service
- The new mill increases Ternium's capabilities to substitute imports, which in 2021 accounted for 52% 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

Apparent flat steel use (2021)

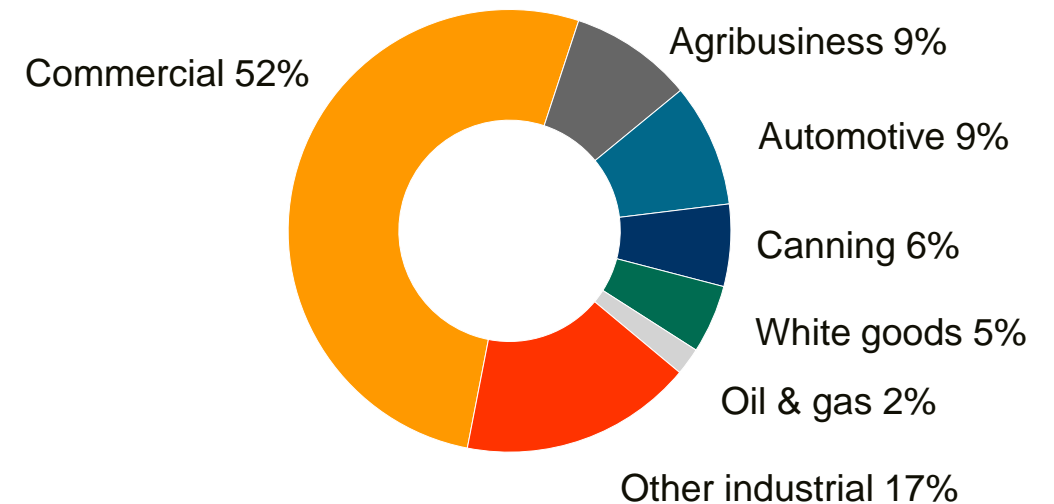


Argentina

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

- Significant industrial sector representing 48% 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 sector (2021)

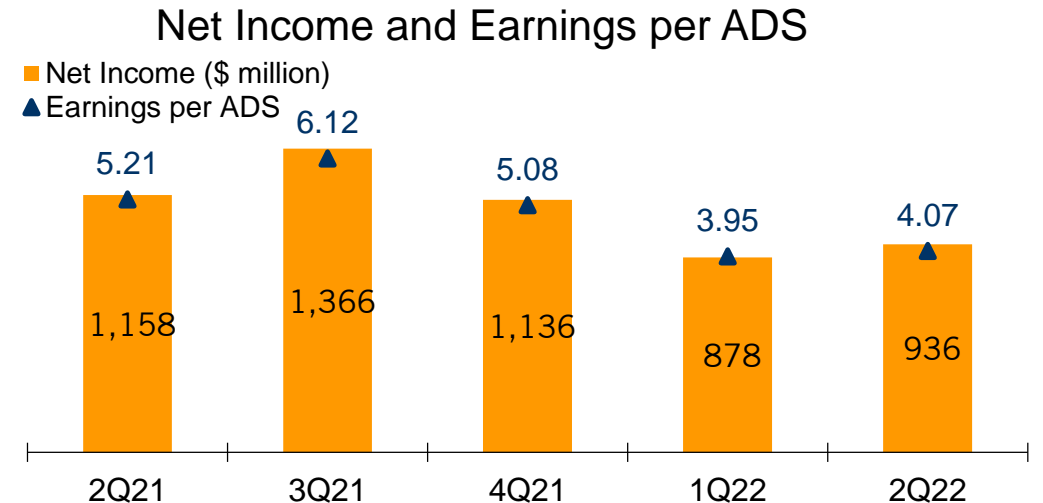
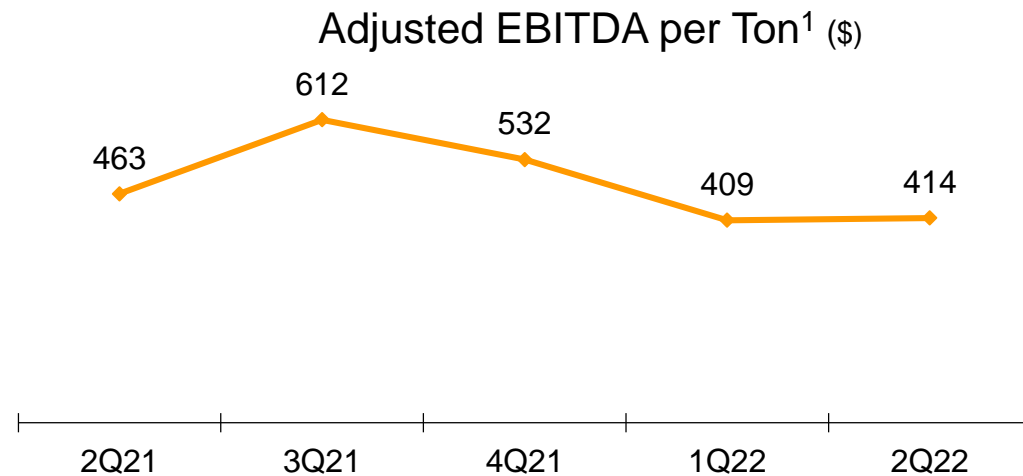
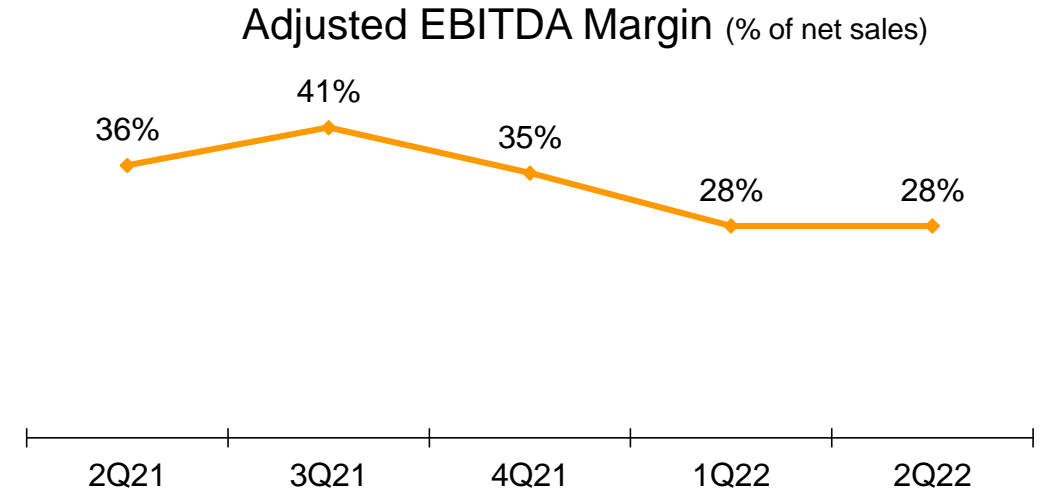
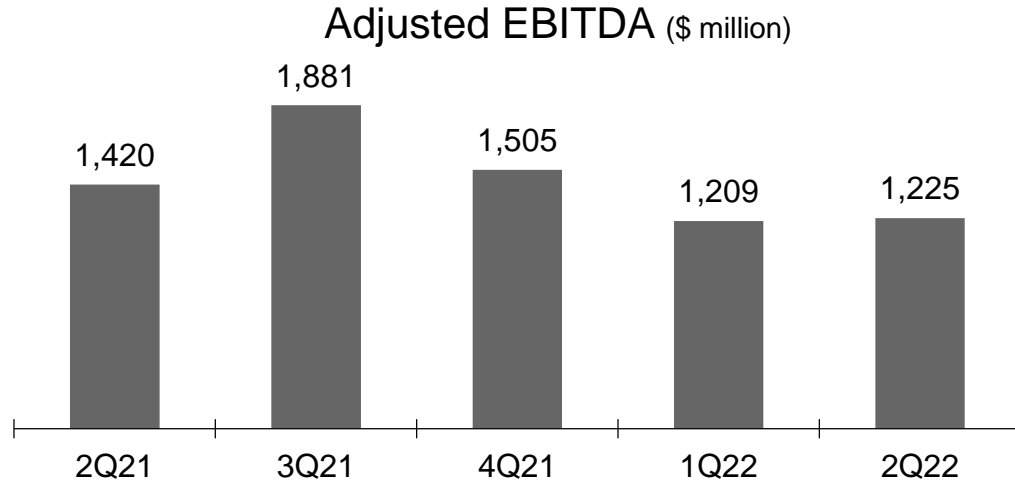




Ternium's Performance

Ternium's Performance

Adjusted EBITDA and Net Income



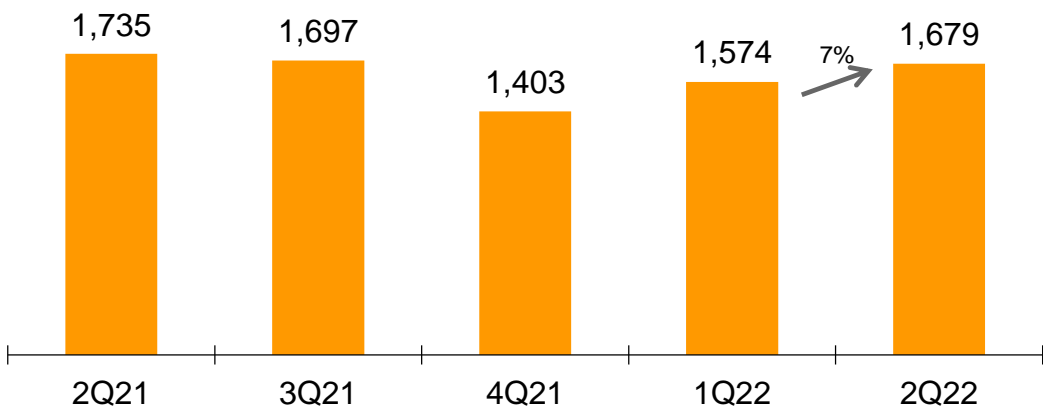
¹ Adjusted EBITDA divided by steel shipments.

Ternium's Performance

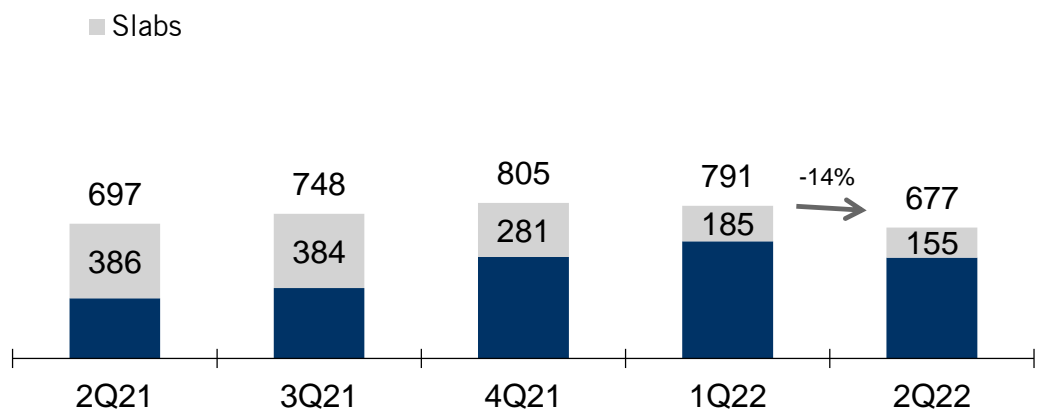
Steel Shipments



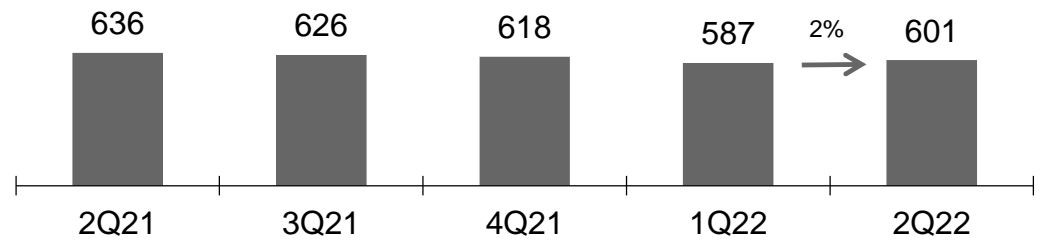
Mexico (thousand tons)



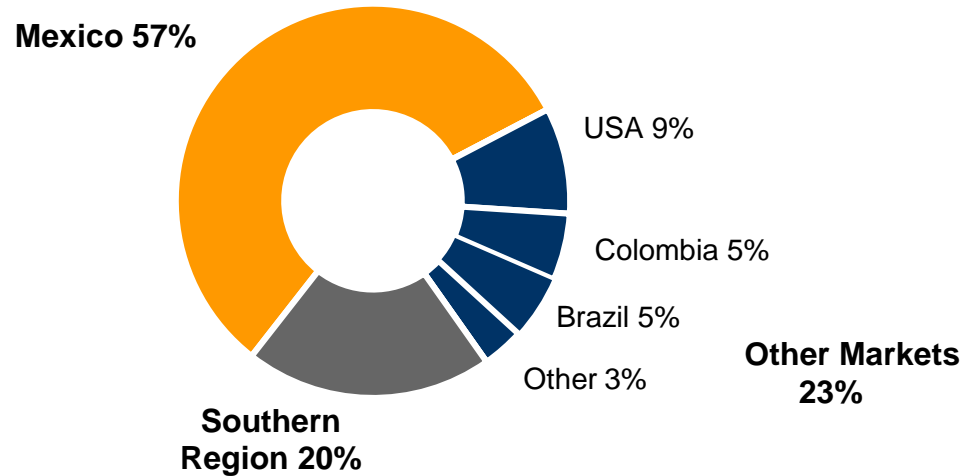
Other Markets (thousand tons)



Southern Region (thousand tons)



Steel Shipments 2Q22

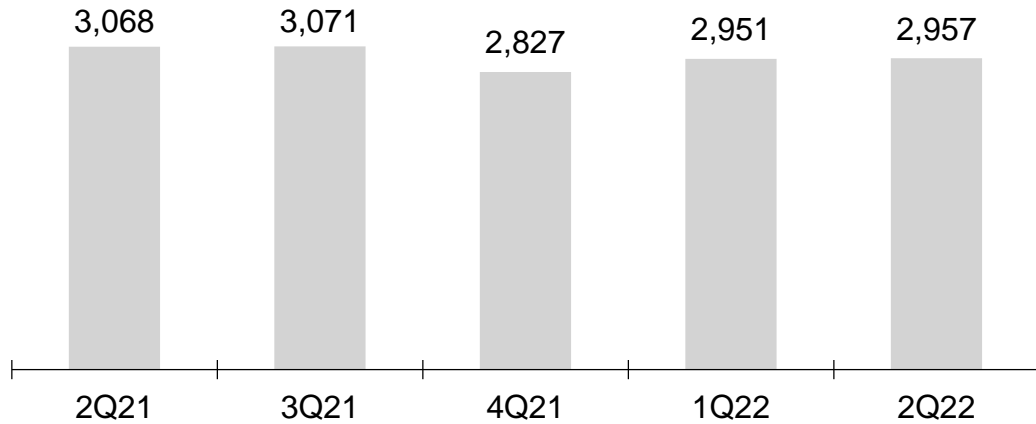


Ternium's Performance

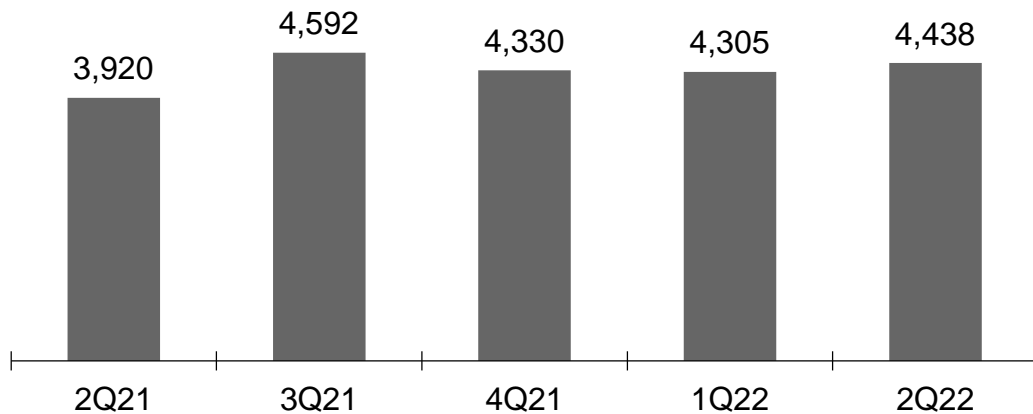
Net Sales



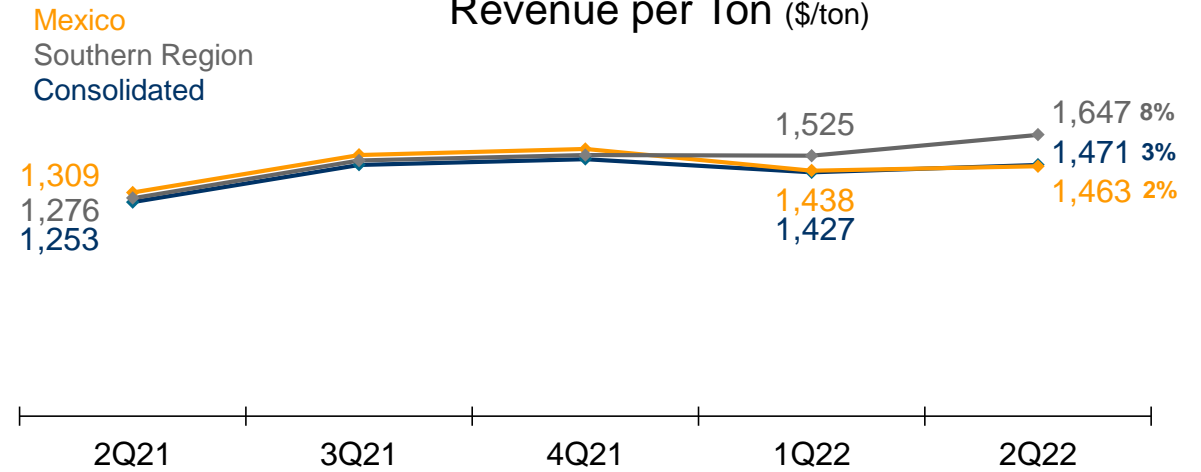
Total Shipments (thousand tons)



Net Sales (\$ million)



Revenue per Ton (\$/ton)



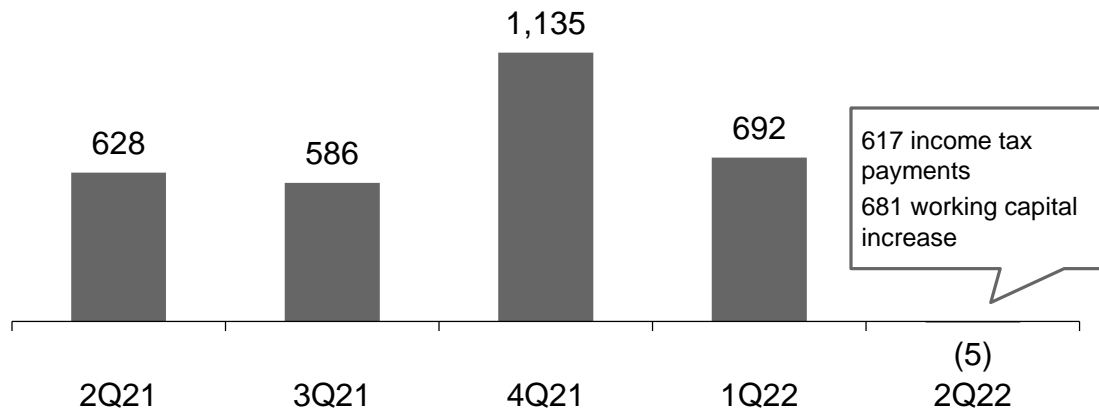
- Mexico: healthy industrial customer demand and commercial customer restocking in the 2Q22.
- Southern Region: stable steel demand despite macroeconomic uncertainties in Argentina.
- Other markets: continued decrease in slab shipments to third parties as a result of the gradual integration of Ternium's production system.
- Revenue per ton to decrease in the 3Q22 reflecting lower benchmark steel prices.

Ternium's Performance

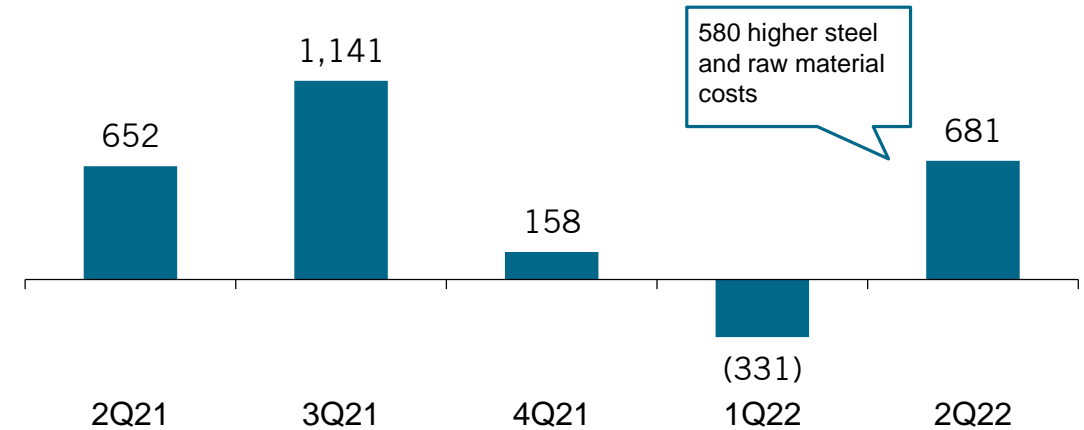
Cash Flow and Balance Sheet



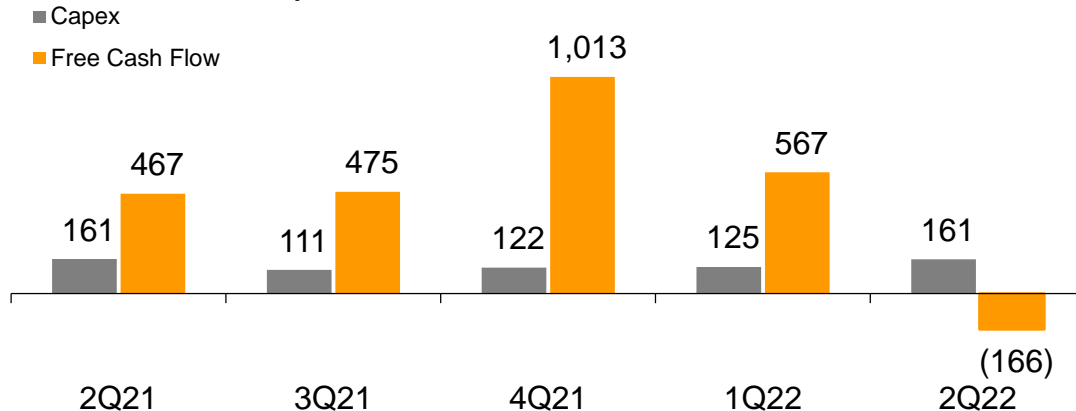
Cash from Operations (\$ million)



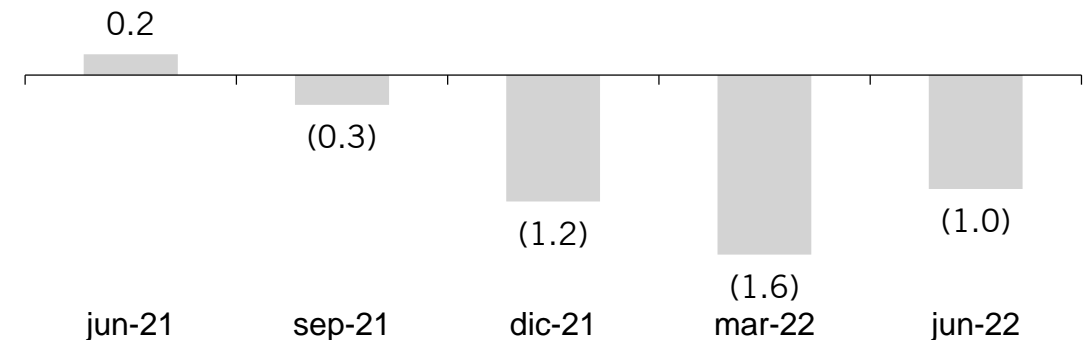
Changes in Working Capital (\$ million)



Capex and Free Cash Flow (\$ million)



Net Debt (Cash) (\$ billion)



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
- Resilient performance
- Start-up of new hot-rolling mill and new investment program in Pesquería provide 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
- Historical Performance
- Ternium's Debt Profile

Corporate Structure



¹ Participation based on total shares distributed
² Net of non-controlling interest in TX Argentina
³ Formerly known as Siderar
⁴ Formerly known as CSA

Production Capacity



In million metric tons per year

	Mexico	Argentina	Other ⁽¹⁾	Total
Slabs	2.5	3.2	5.0 ⁽²⁾	10.6
Billets	1.6		0.2	1.9
Crude steel	4.1	3.2	5.2	12.5
Hot rolled coils	9.9	2.9		12.8
Rebars & wire rods	1.2		0.7	1.9
Cold rolled coils	3.8	1.8		5.6
Tinplated products		0.2		0.2
Galvanized products	2.4	0.8	0.4	3.5
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



Shipments					
Thousand tons	2Q 2022	1Q 2022	2Q 2021	1H 2022	1H 2021
Mexico	1,679	1,574	1,735	3,252	3,434
Southern Region	601	587	636	1,188	1,259
Other Markets	677	791	697	1,468	1,475
Total steel segment	2,957	2,951	3,068	5,909	6,167
Total mining segment	837	897	906	1,734	1,940

Revenue / ton					
\$/ton	2Q 2022	1Q 2022	2Q 2021	1H 2022	1H 2021
Mexico	1,463	1,438	1,309	1,451	1,189
Southern Region	1,647	1,525	1,276	1,587	1,186
Other Markets	1,337	1,333	1,093	1,335	983
Total steel segment	1,471	1,427	1,253	1,449	1,139
Total mining segment	132	115	124	123	122

Net Sales					
\$ million	2Q 2022	1Q 2022	2Q 2021	1H 2022	1H 2021
Mexico	2,456	2,262	2,272	4,719	4,083
Southern Region	990	895	812	1,886	1,492
Other Markets	905	1,054	761	1,960	1,449
Total steel products	4,352	4,212	3,845	8,564	7,024
Other products (1)	86	93	65	179	125
Total steel segment	4,438	4,305	3,910	8,742	7,149
Total mining segment	111	103	112	214	236
Total steel and mining segment	4,548	4,408	4,022	8,956	7,385
Intersegment eliminations	-111	-103	-102	-213	-216
Total net sales	4,438	4,305	3,920	8,743	7,169

(1) The item “Other products” primarily includes Ternium Brasil’s and Ternium México’s electricity sales.□

Income Statement



\$ million	2Q2022	1Q2022	2Q2021	1H2022	1H2021
	(Unaudited)			(Unaudited)	
Net sales	4,438	4,305	3,920	8,743	7,169
Cost of sales	(3,059)	(2,984)	(2,416)	(6,043)	(4,554)
Gross profit	1,379	1,321	1,504	2,699	2,615
Selling, general and administrative expenses	(310)	(281)	(245)	(592)	(455)
Other operating income (expenses), net	3	20	12	23	17
Operating income	1,071	1,059	1,271	2,130	2,177
Finance expense	(7)	(7)	(7)	(14)	(14)
Finance income	16	24	18	40	35
Other financial income (expenses) income, net	29	(79)	11	(50)	18
Equity in earnings (losses) of non-consolidated companies	49	59	171	108	218
Profit before income tax expense	1,158	1,057	1,465	2,214	2,434
Income tax expense	(221)	(179)	(307)	(401)	(569)
Profit for the period	936	878	1,158	1,814	1,865
Attributable to:					
Owners of the parent	799	776	1,022	1,575	1,625
Non-controlling interest	137	102	136	239	240
Profit for the period	936	878	1,158	1,814	1,865

Cash Flow Statement



\$ million	2Q2022	1Q2022	2Q2021	1H2022	1H2021
	(Unaudited)			(Unaudited)	
Profit (loss) for the period	936	878	1,158	1,814	1,865
Adjustments for:					
Depreciation and amortization	153	150	149	303	300
Equity in (earnings) losses of non-consolidated companies	(49)	(59)	(171)	(108)	(218)
Changes in provisions	1	(3)	2	(2)	6
Net foreign exchange results and others	29	81	59	110	121
Interest accruals less payments	2	2	0	4	2
Income tax accruals less payments	(396)	(688)	83	(1,084)	197
Changes in working capital	(681)	331	(652)	(350)	(1,318)
Net cash provided by operating activities	(5)	692	628	687	956
Capital expenditures	(161)	(125)	(161)	(286)	(291)
Proceeds from the sale of property, plant and equipment	0	0	0	1	1
Acquisition of non-controlling interest	(4)	0	0	(4)	(1)
Dividends received from non-consolidated companies	29	0	1	29	0
(Increase) decrease in other investments	(277)	82	24	(195)	173
Net cash (used in) provided by investing activities	(413)	(42)	(136)	(455)	(117)
Dividends paid in cash to company's shareholders	(353)	-	(412)	(353)	(412)
Finance Lease Payments	(13)	(12)	(11)	(25)	(22)
Proceeds from borrowings	74	80	114	154	132
Repayments of borrowings	(339)	(203)	(242)	(541)	(279)
Net cash used in financing activities	(631)	(135)	(552)	(766)	(582)
Increase in cash and cash equivalents	(1,049)	515	(60)	(535)	257

Balance Sheet



\$ million	June 30, 2022	December 31, 2021
Property, plant and equipment, net	6,408	6,432
Intangible assets, net	916	902
Investments in non-consolidated companies	899	751
Deferred tax assets	222	161
Receivables, net	226	178
Trade receivables, net	0	0
Other investments	70	67
Total non-current assets	8,742	8,491
Receivables, net	464	358
Derivative financial instruments	7	4
Inventories, net	4,540	3,908
Trade receivables, net	1,976	1,767
Other investments	1,340	1,290
Cash and cash equivalents	719	1,277
Total current assets	9,047	8,605
Non-current assets classified as held for sale	2	2
Total assets	17,790	17,098

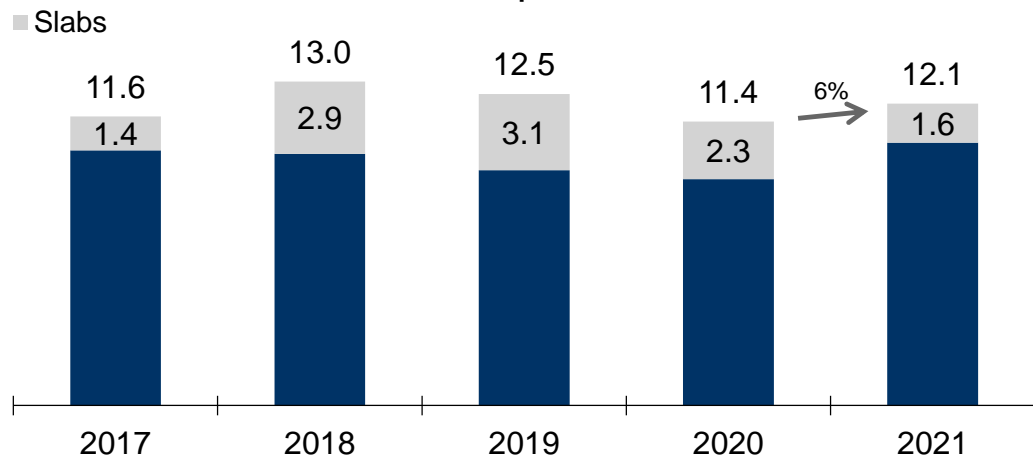
\$ million	June 30, 2022	December 31, 2021
Capital and reserves attributable to the owners of the parent	11,776	10,535
Non-controlling interest	1,928	1,700
Total Equity	13,704	12,235
Provisions	84	83
Deferred tax liabilities	128	186
Other liabilities	541	507
Trade payables	1	1
Lease liabilities	208	215
Borrowings	538	656
Total non-current liabilities	1,502	1,649
Current income tax liabilities	58	874
Other liabilities	364	345
Trade payables	1,564	1,126
Derivative financial instruments	0	2
Lease liabilities	47	44
Borrowings	551	823
Total current liabilities	2,584	3,214
Total liabilities	4,086	4,863
Total equity and liabilities	17,790	17,098

Historical Performance

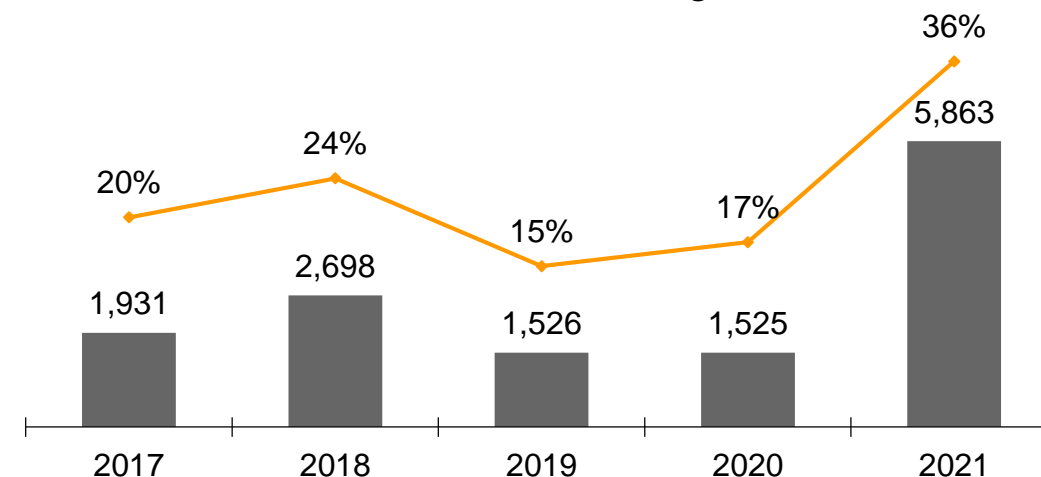
EBITDA and Net Income



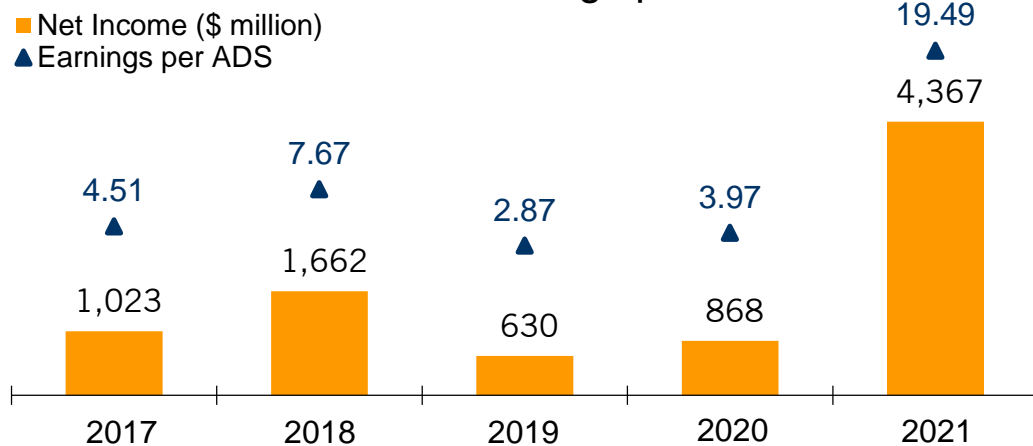
Consolidated Shipments (million tons)



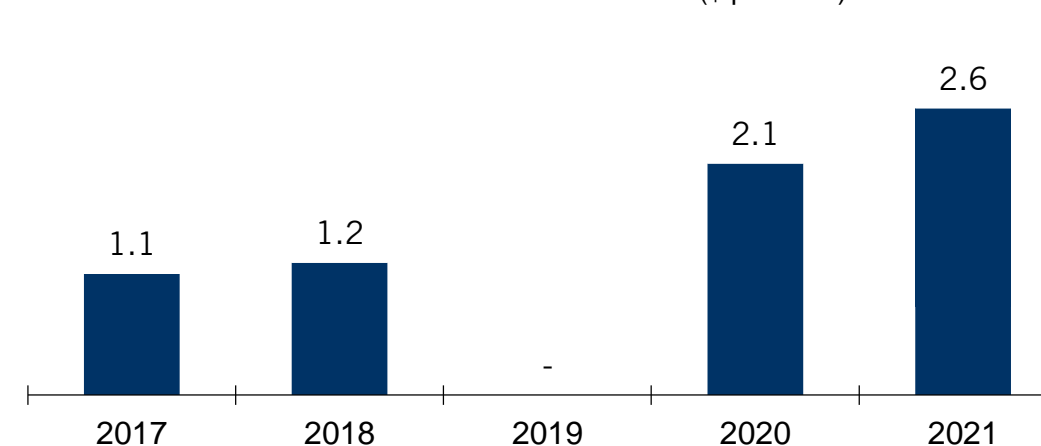
Ebitda (\$ million) and Ebitda Margin (% of net sales)



Net Income and Earnings per ADS



Annual Dividends (\$ per ADS)

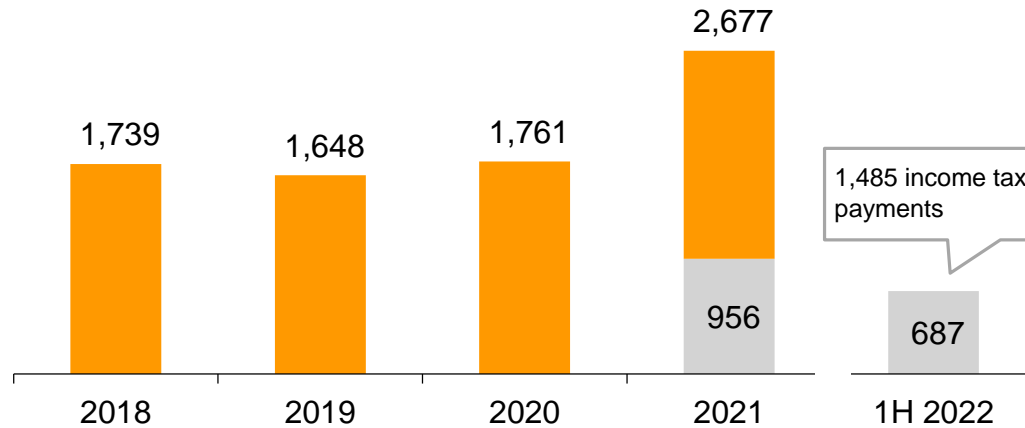


Historical Performance

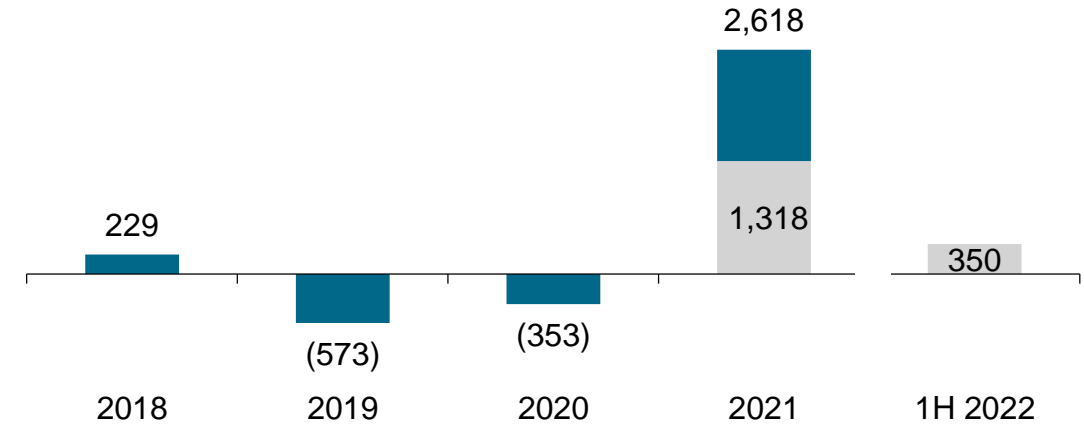
Cash Flow and Balance Sheet



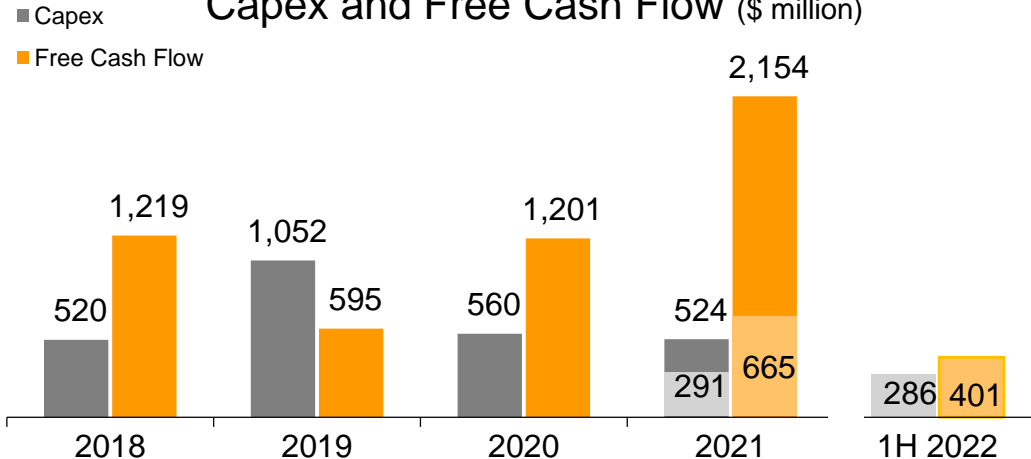
Cash from Operations (\$ million)



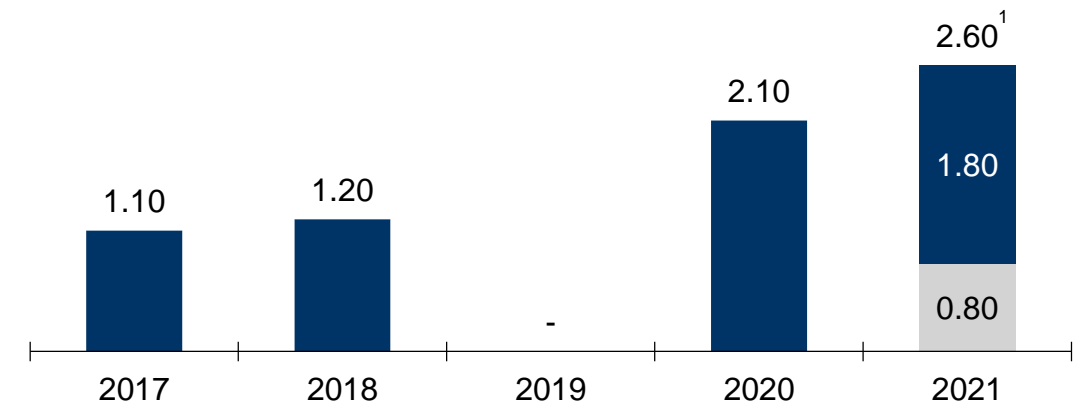
Changes in Working Capital (\$ million)



Capex and Free Cash Flow (\$ million)



Annual Dividends (\$ per ADS)

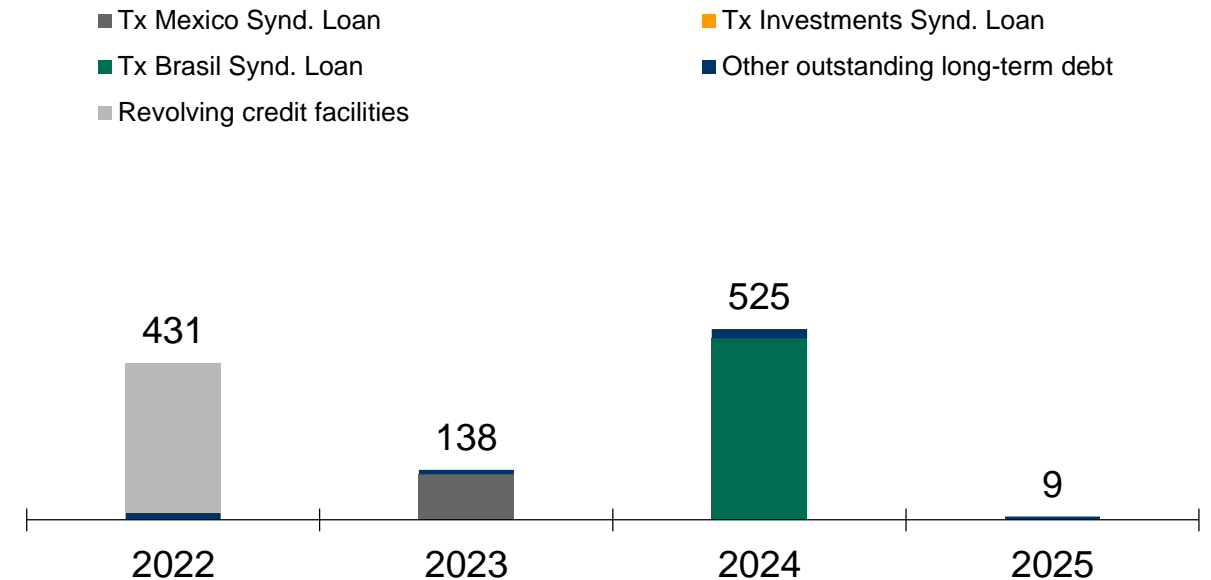


¹ Interim dividend of \$0.80 paid in Nov21 and balance of \$1.80 paid in May22, for a total of \$2.60 for fiscal year 2021

Debt Profile

- \$1.1 billion gross debt as of Jun 2022
- Main outstanding syndicated loans:
 - Ternium Brasil: \$500 million
 - Ternium Mexico: \$125 million
- Other outstanding long-term debt:
 - Peña Colorada: \$41 million
 - Tenigal: \$25 million
- Revolving credit facilities (uncommitted) of \$413 million outstanding, mainly in Mexico and Colombia

Debt maturity profile Jun'22 (\$/million)





www.ternium.com