



**Second Quarter and First Half 2019
Earnings Conference Call and Webcast
July 31, 2019**



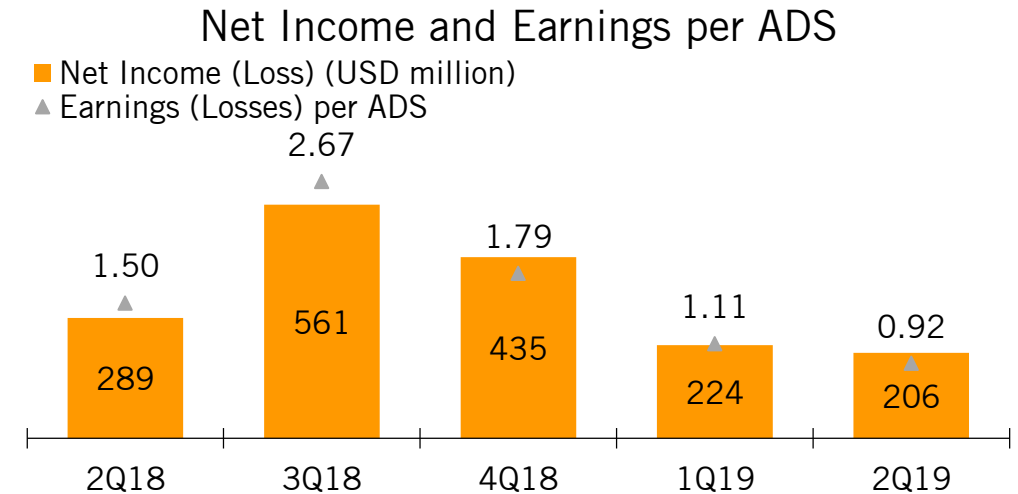
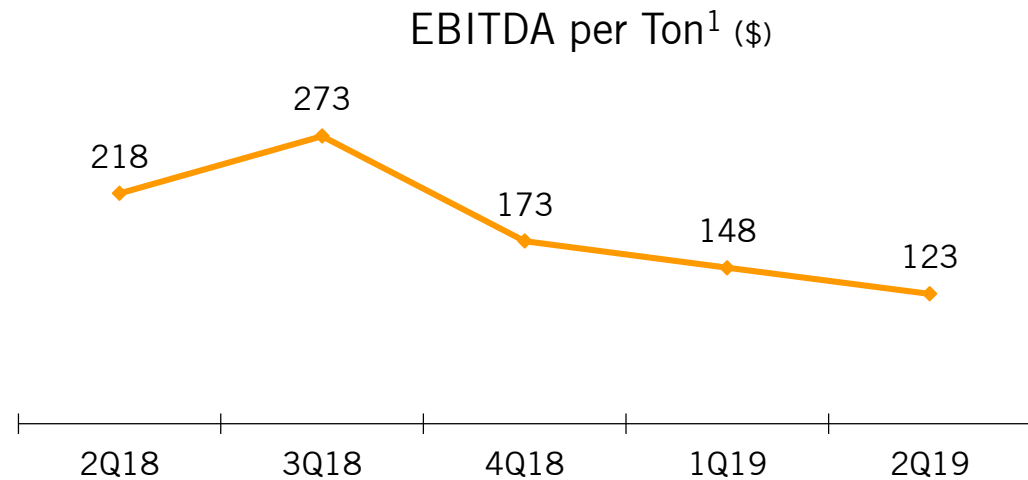
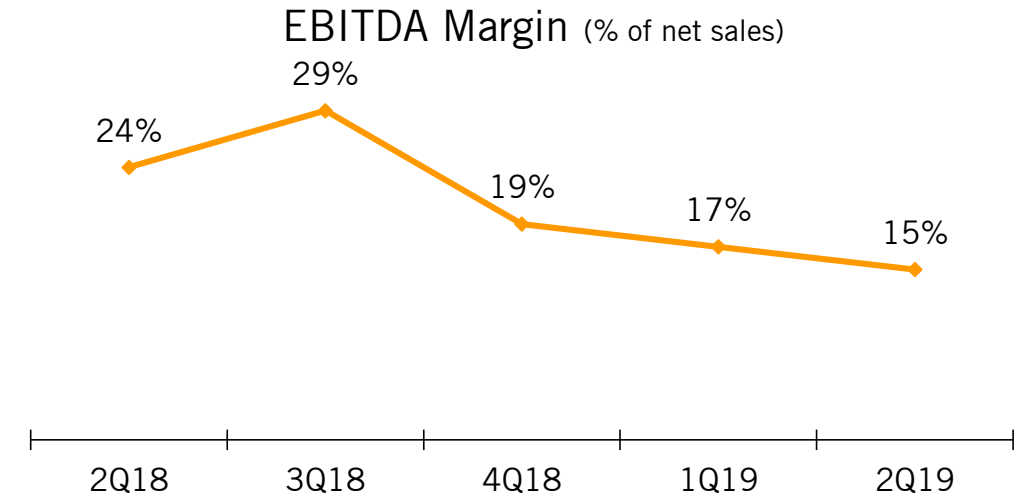
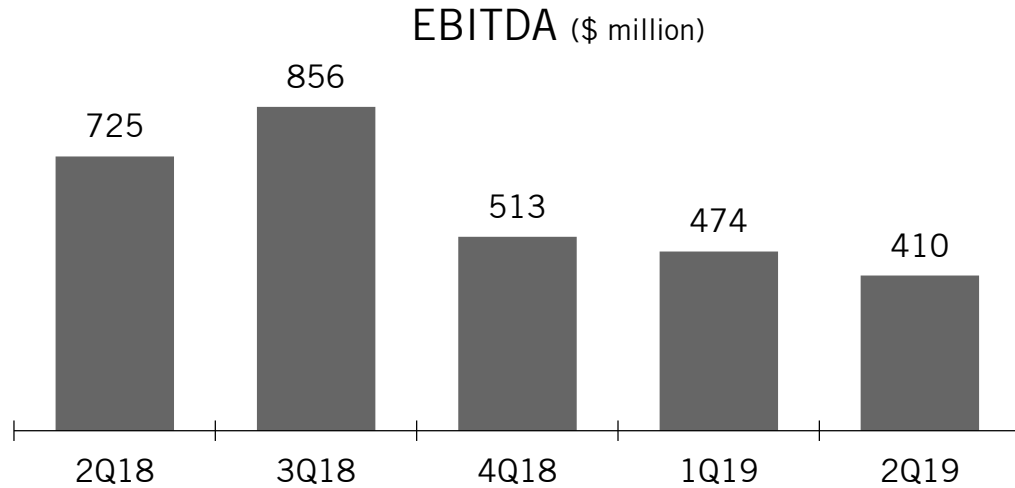
Forward-Looking Statements



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.

Second Quarter 2019 Results

EBITDA and Net Income



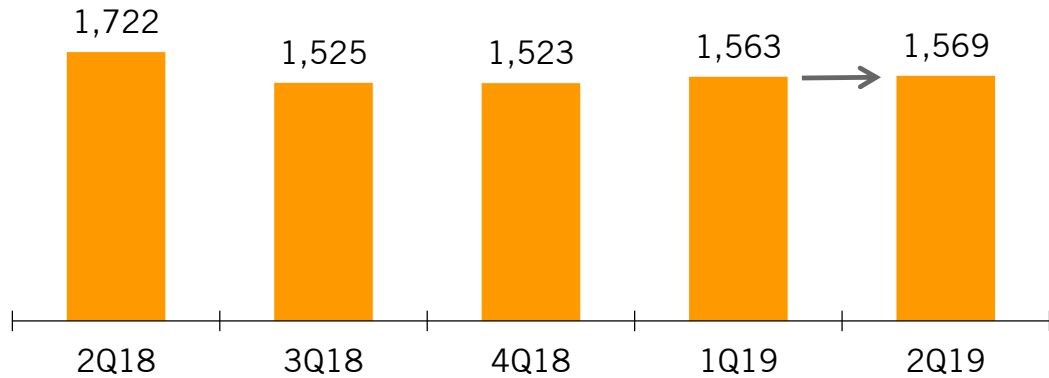
¹ Consolidated EBITDA divided by steel shipments.

Second Quarter 2019 Results

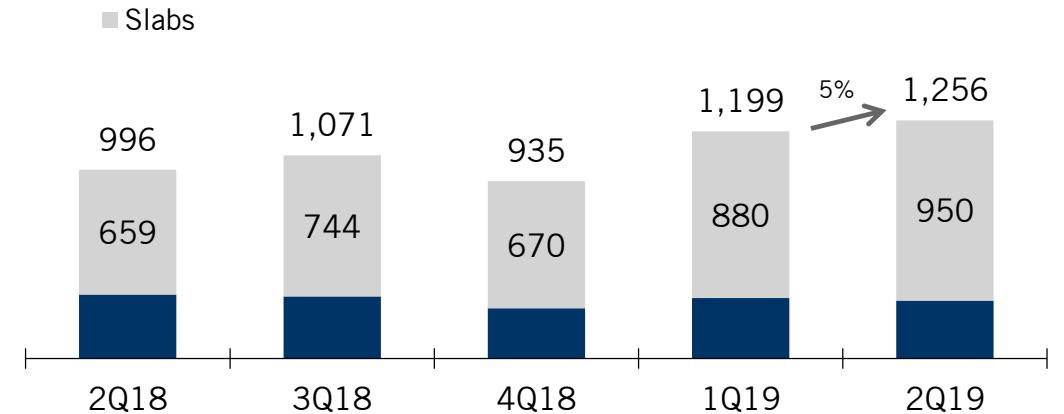
Steel Shipments



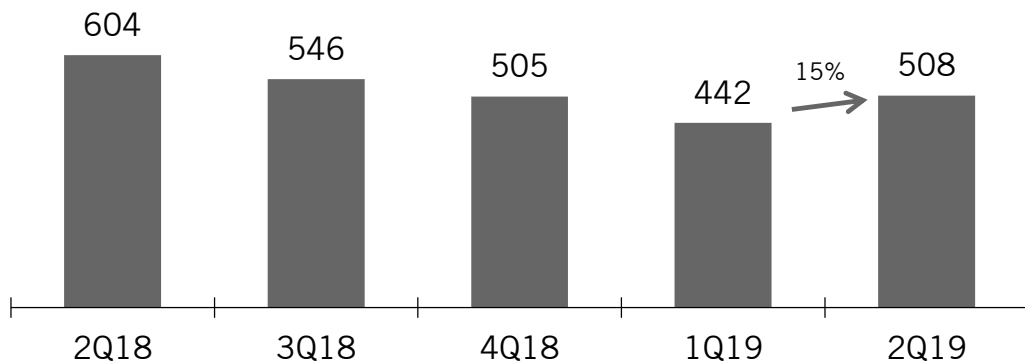
Mexico



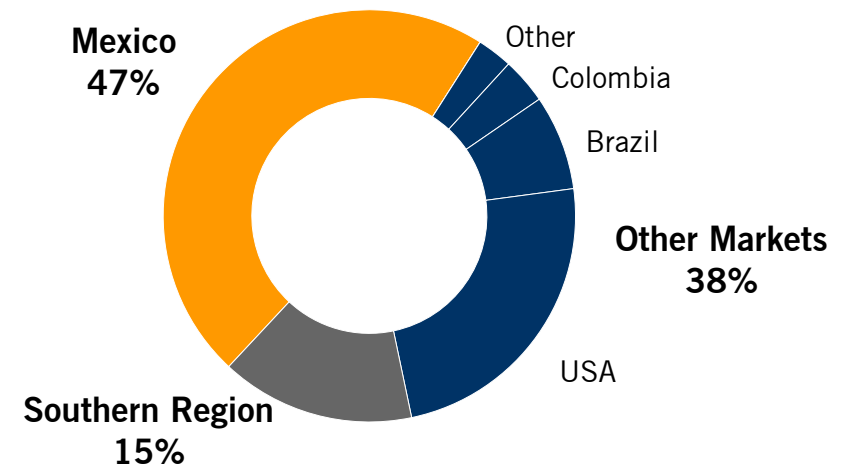
Other Markets



Southern Region



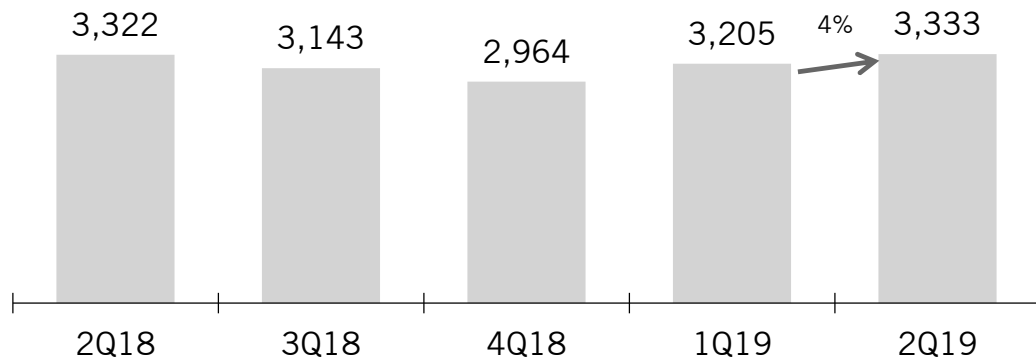
Steel Shipments 2Q19



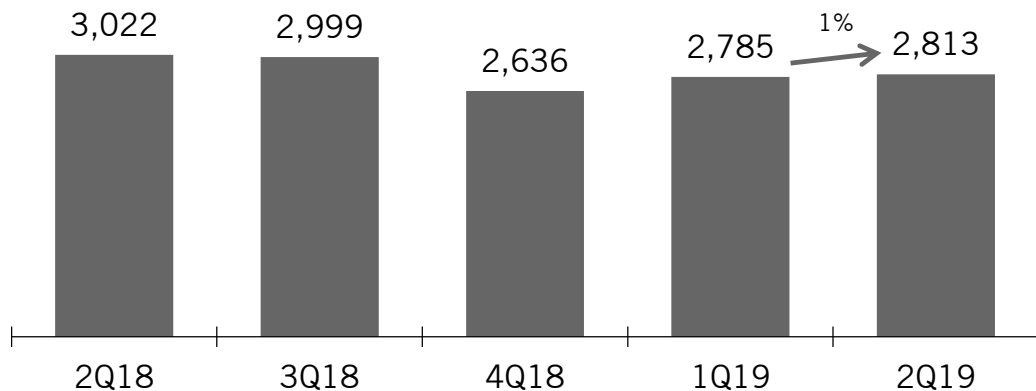
Second Quarter 2019 Results

Revenue per Ton and Total Shipments

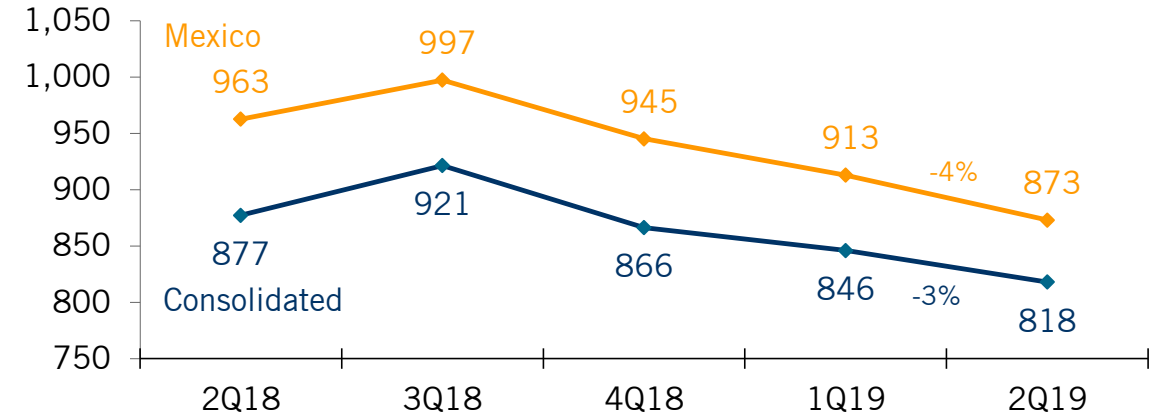
Total Shipments (thousand tons)



Net Sales (\$ million)



Revenue per Ton (\$/ton)



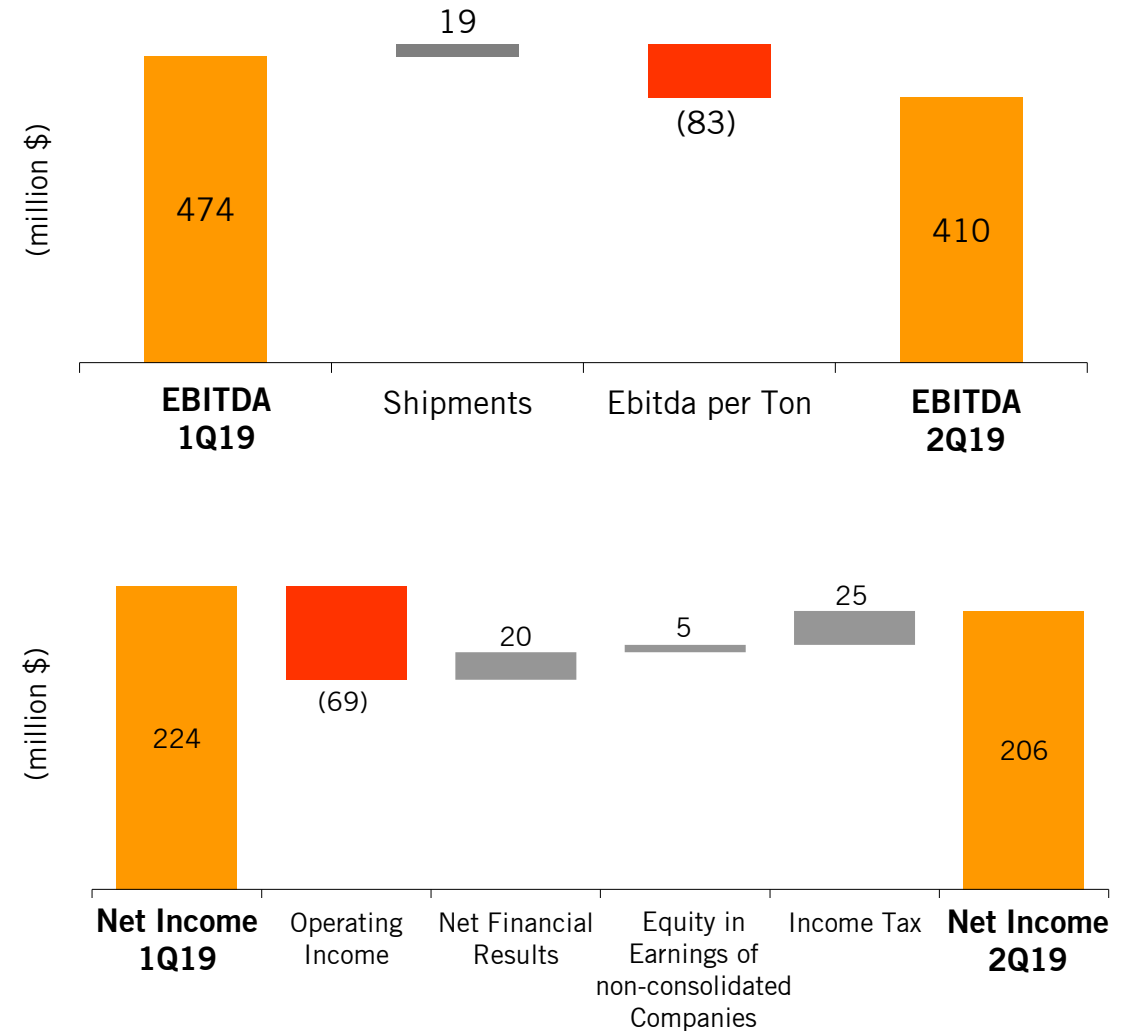
Steel prices in North America

- Downward trend continued during 2Q19
- Steel prices rebounding after bottoming out in Jul'19
- Industrial contracts realized prices in Mexico to continue decreasing in 3Q19 due to lagged price reset

Second Quarter 2019 Results

EBITDA and Net Results

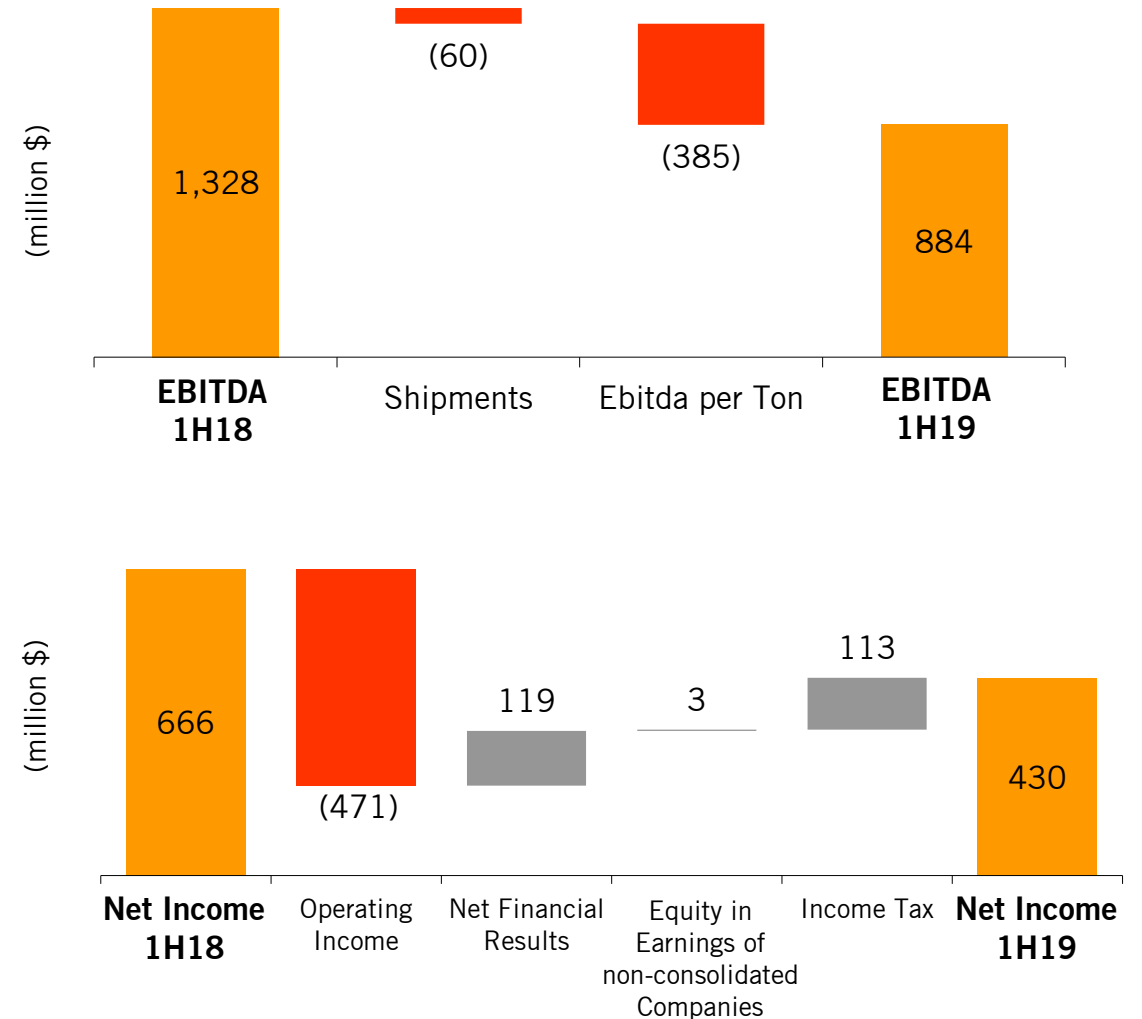
- Higher shipments in all regions in 2Q19
- Weaker pricing environment in the U.S. and Mexican markets
- Lower FX losses mainly at Ternium's Argentine subsidiary due to better ARP performance
- Lower inflation adjustment gains at Ternium's Argentine subsidiary on easing inflation
- Higher earnings from Usiminas
- Lower effective tax rate mainly due to application of inflation adjustments for tax purposes in Argentina



First Half 2019 Results

EBITDA and Net Results

- Lower shipments in Mexico in 1H19 on soft commercial market, compared to strong 1H18
- Lower shipments in Argentina on weaker steel demand
- Higher shipments in Other Markets (mainly slabs to third parties)
- Higher cost of sales (purchased slab, raw material, energy, maintenance, depreciation)
- Lower net indebtedness and average interest rates and better FX fluctuations related results
- Lower effective tax rate

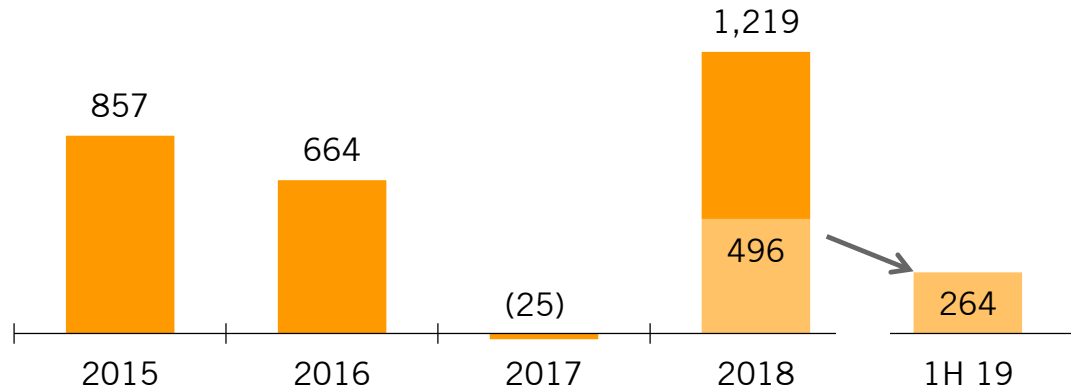


First Half 2019 Results

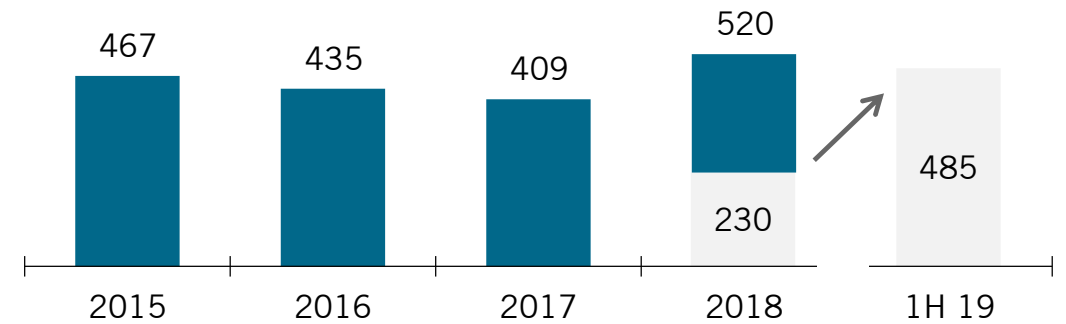
Consolidated Free Cash Flow, Net Financial Debt and Dividends



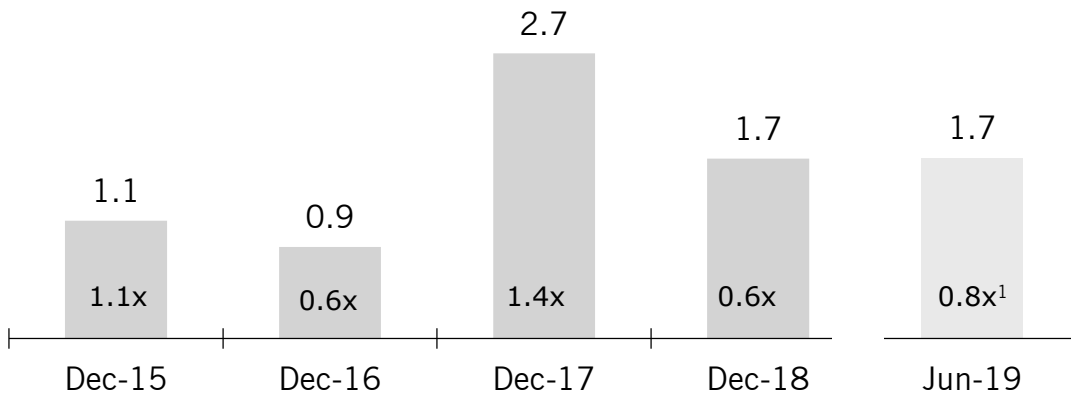
Free Cash Flow (\$ million)



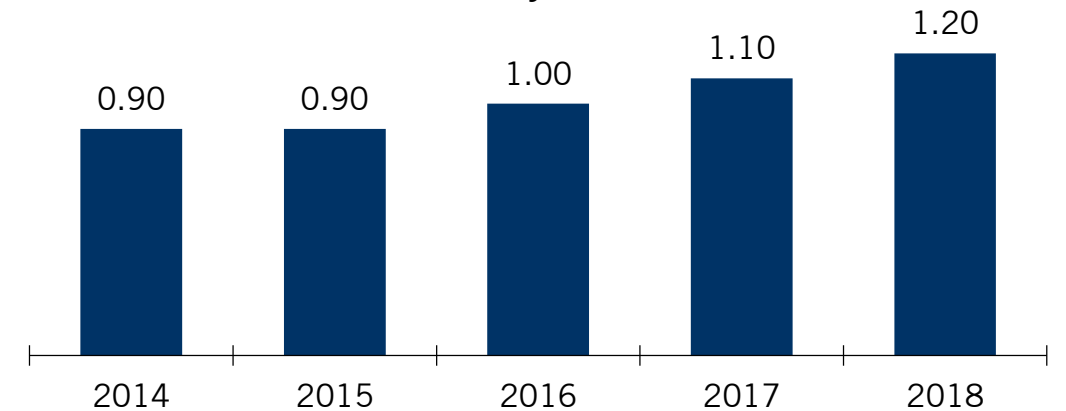
Capital Expenditures (\$ million)



Net Debt (\$ billion)



Dividends Payments (\$ per ADS)



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



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