



cocos capital®



TXAR Simplified Corporate Structure

Ternium S.A.	BYMA/FGS
<ul style="list-style-type: none"> Leading flat steel producer in Latin America, of the Techint Group, with sales of +US\$ 13.4bn in 3Q21LTM 	<ul style="list-style-type: none"> 26,03% owned by FGS 11,97% Free Float in BYMA Market cap⁽¹⁾: US\$ 2.677m

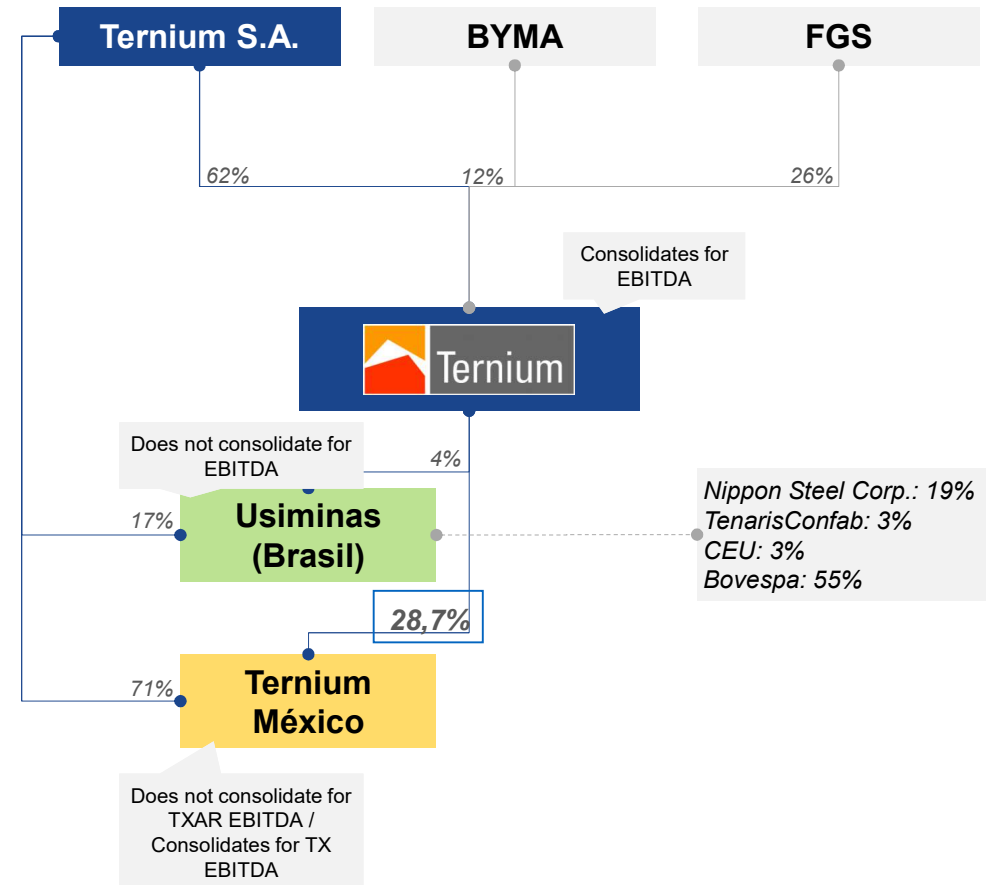
62%

38%



- Largest Steel company in Argentina
- Manufactures hot and cold rolled steels, galvanized, electrozinc, pre-painted and tinplate
- +55 years since operation start (originally Siderar)
- It operates 1 integrated steel production plant together with 4 additional processing plants and 6 service centers, with a production capacity of 3.0 MM tons of finished flat steel (**Consolidates for EBITDA**)
- 5,685 direct employees (**Only Ternium Argentina**)
- Own minority interest in Usiminas (Brasil) y Ternium México (**Does not consolidate for EBITDA**)
- 2020 flat Steel Sales: US\$ 1.8bn
- 2020 exports: 15% of net sales

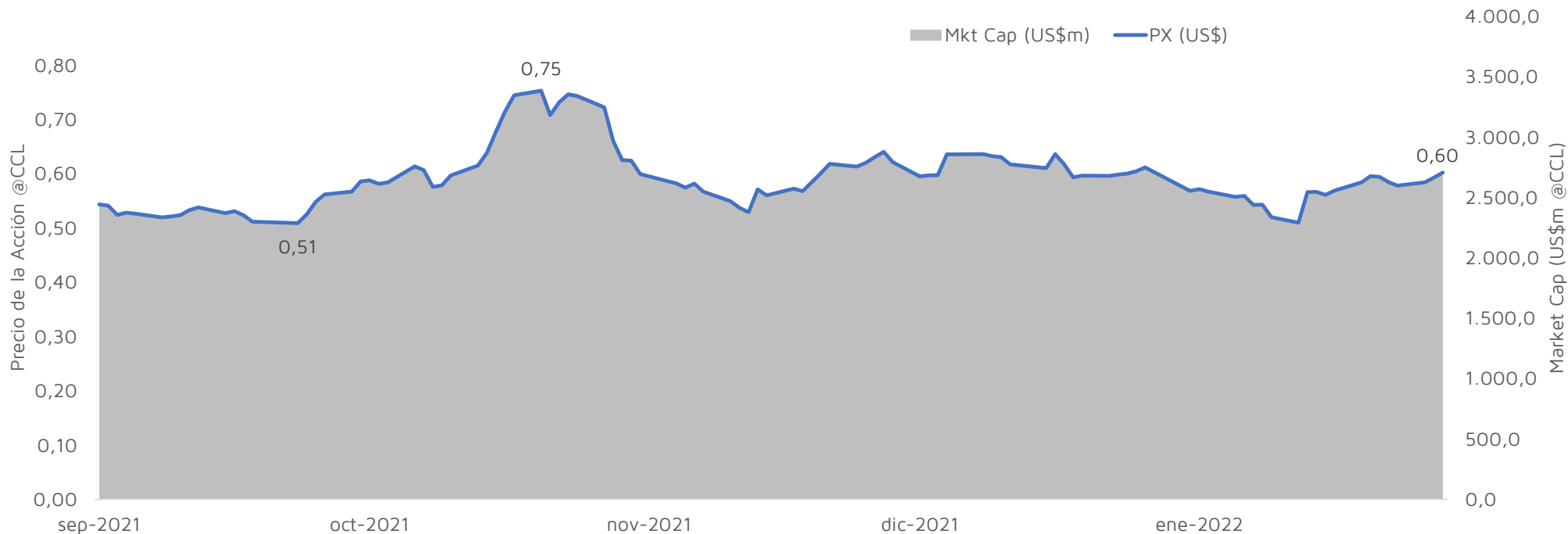
Simplified structure



(1) @Blue chip swap

Market Valuation

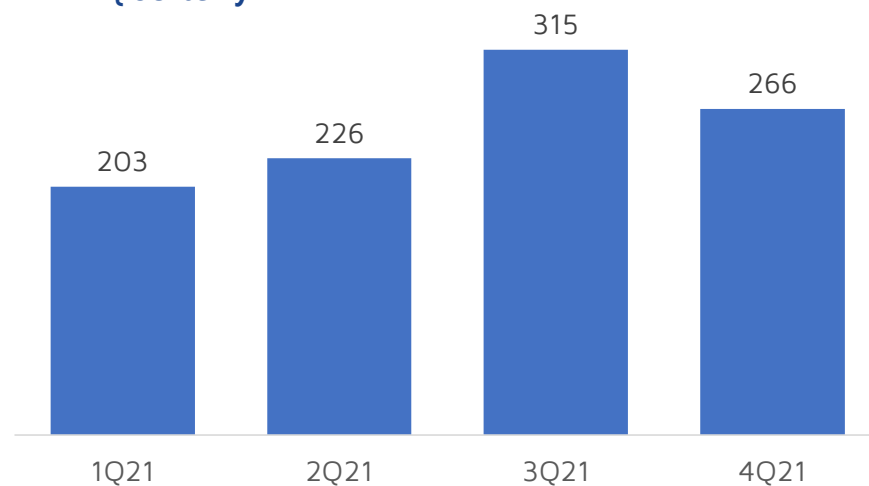
Historical Evolution BCBA:\$TXAA (US\$ - US\$ m)⁽¹⁾



\$TXAR - Market multiples @16/02/22

TXAR Consolidated	@FX Oficial	@FX CCL
Market Cap (US\$m)	2.719,1	2.719,1
Net Cash (US\$m)	857,2	615,8
Enterprise Value (US\$m)	1.861,9	2.103,3
EBITDA 2021 (US\$m)	1.010,2	591,8
EV/EBITDA (x)	1,8x	3,6x

\$TXAR - Quarterly EBITDA⁽²⁾



(1) @Blue chip swap – (2) @Official FX average from each period

Ternium Argentina (BCBA:\$TXAR) Stand-Alone Valuation

Market multiples – TXAR Stand-Alone – Ternium MX with EV/EBITDA multiple from TXAR Consolidated at FX CCL
@16/02/2022

TXAR Stand-Alone	@Official fx	@Blue chip swap
Market Cap (US\$m) ⁽¹⁾	2.719,1	2.719,1
Market Cap Usiminas (US\$m)	-117,2	-117,2
Market Cap Ternium MX (US\$m)	-3.546,7	-3.546,7
Net Debt (US\$m)	-857,2	-615,8
Enterprise Value (US\$m)	-1.802,0	-1.560,6
EBITDA 2021 (US\$m)	1.010,2	591,8
EV/EBITDA (x)	-1,8x	-2,6x

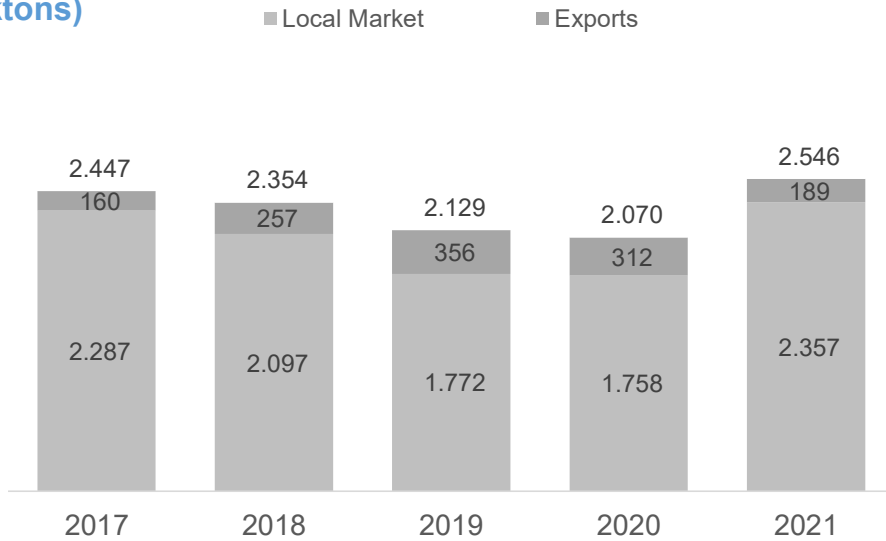
Market multiples – TXAR Stand-Alone – Ternium MX at 2x EV/EBITDA
@16/02/2022

TXAR Stand-Alone	@Official fx	@Blue chip swap
Market Cap (US\$m) ⁽¹⁾	2.719,1	2.719,1
Market Cap Usiminas (US\$m)	-117,2	-117,2
Market Cap Ternium MX (US\$m)	-1.995,8	-1.995,8
Net Debt (US\$m)	-857,2	-615,8
Enterprise Value (US\$m)	-251,0	-9,6
EBITDA 2021 (US\$m)	1.010,2	591,8
EV/EBITDA (x)	-0,2x	-0,0x

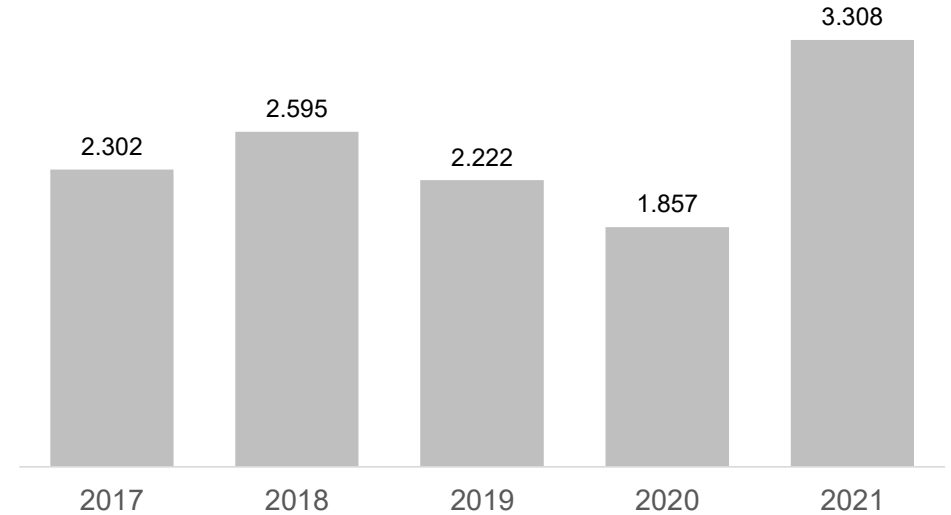
(1) @Blue chip swap

Historical Results

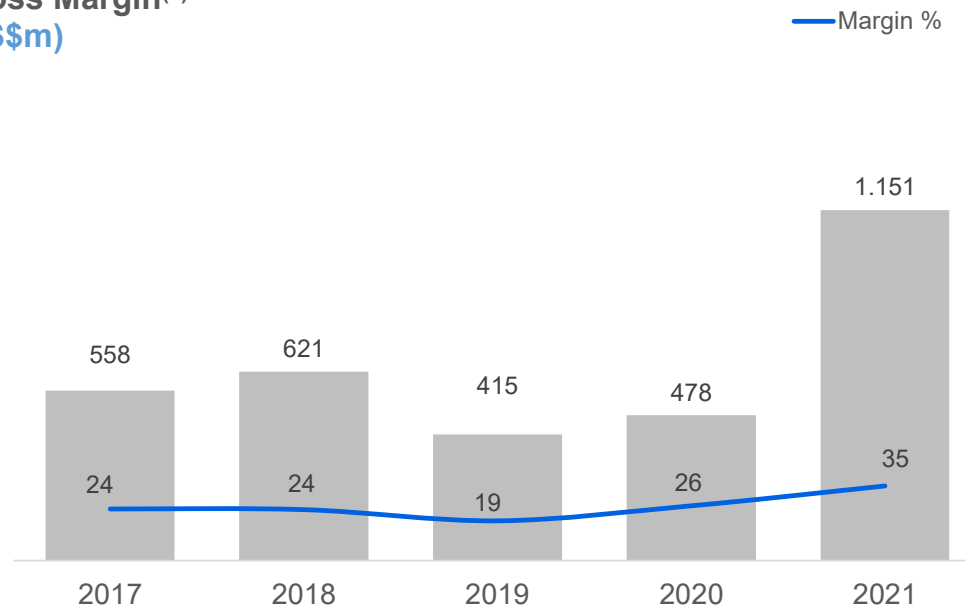
Sales (ktons)



Sales⁽¹⁾ (US\$m)



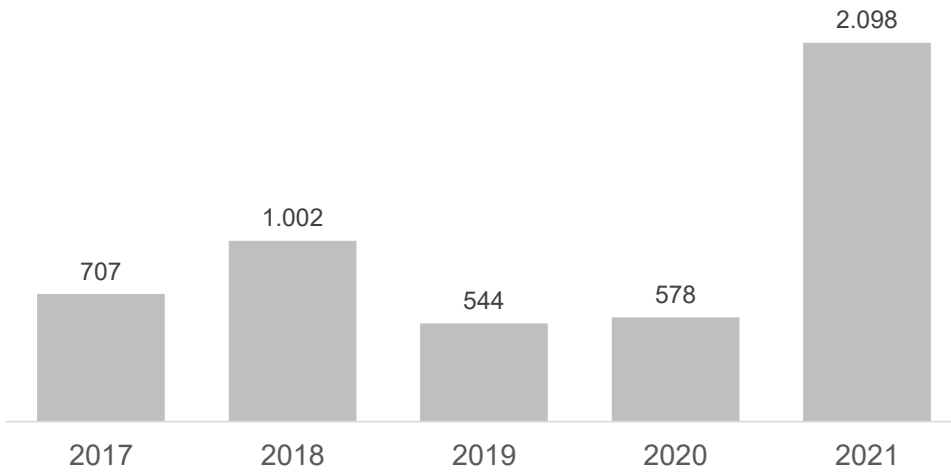
Gross Margin⁽¹⁾ (US\$m)



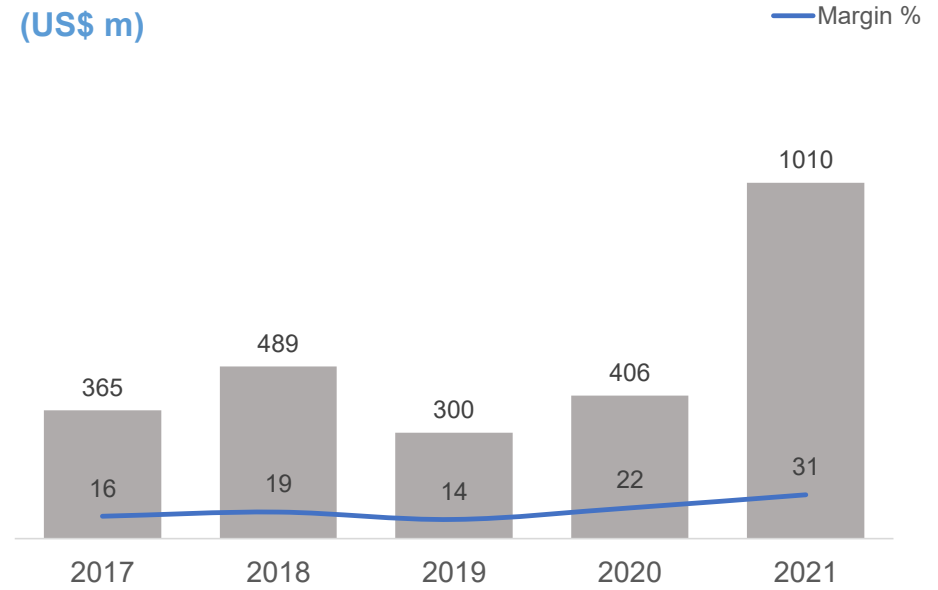
(1) @Official FX average from each period

Historical Results

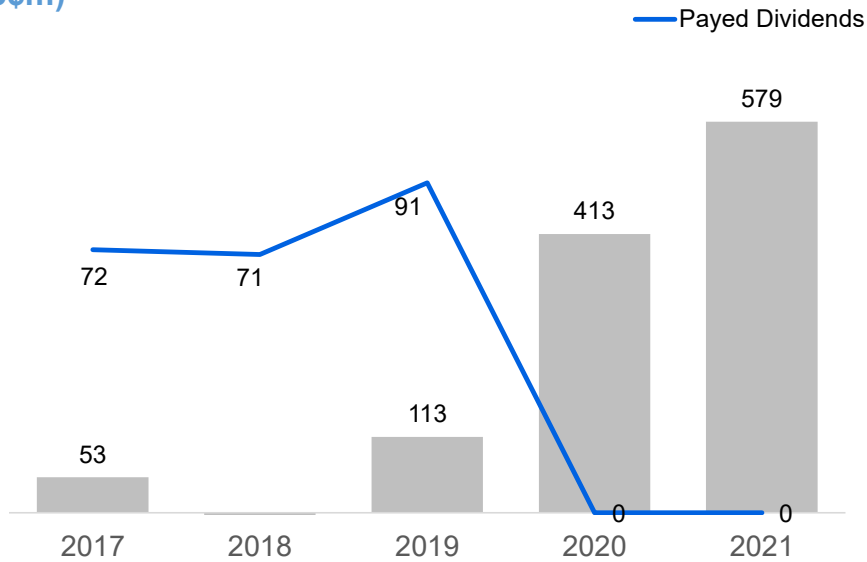
EBITDA w/affiliates@wi⁽¹⁾
(US\$ m)



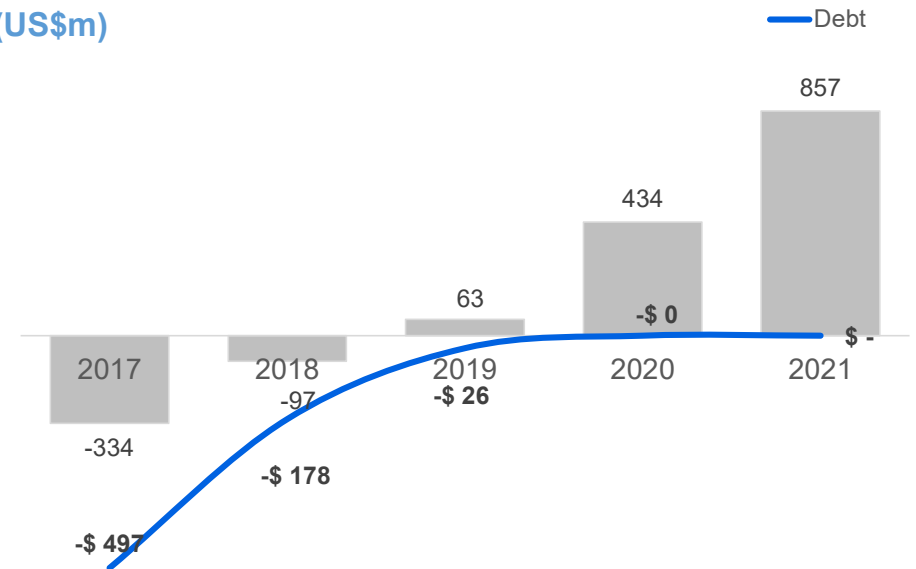
EBITDA wo/affiliates⁽¹⁾
(US\$ m)



Free Cash Flow including financial investments⁽¹⁾
(US\$m)



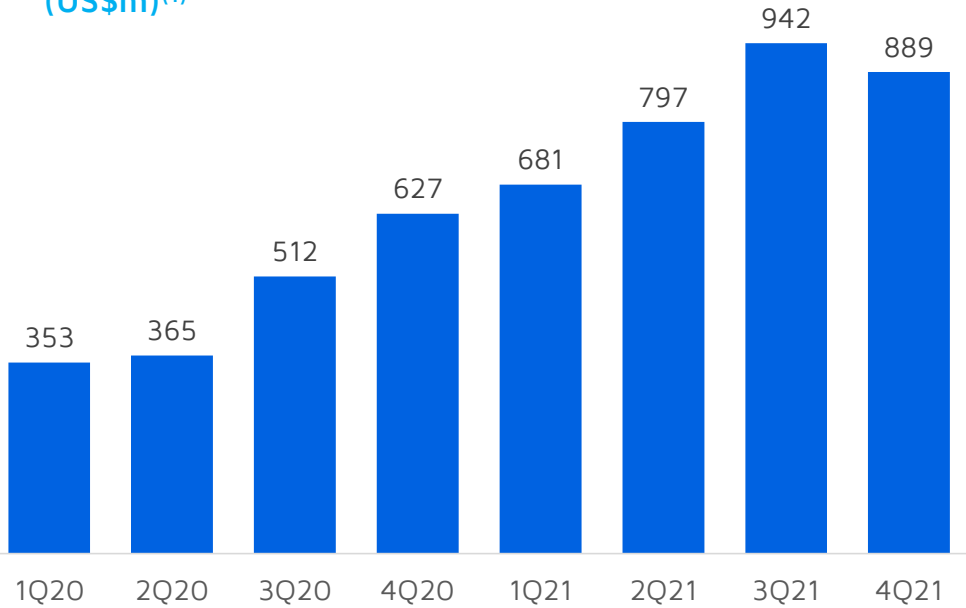
Net Cash⁽²⁾
(US\$m)



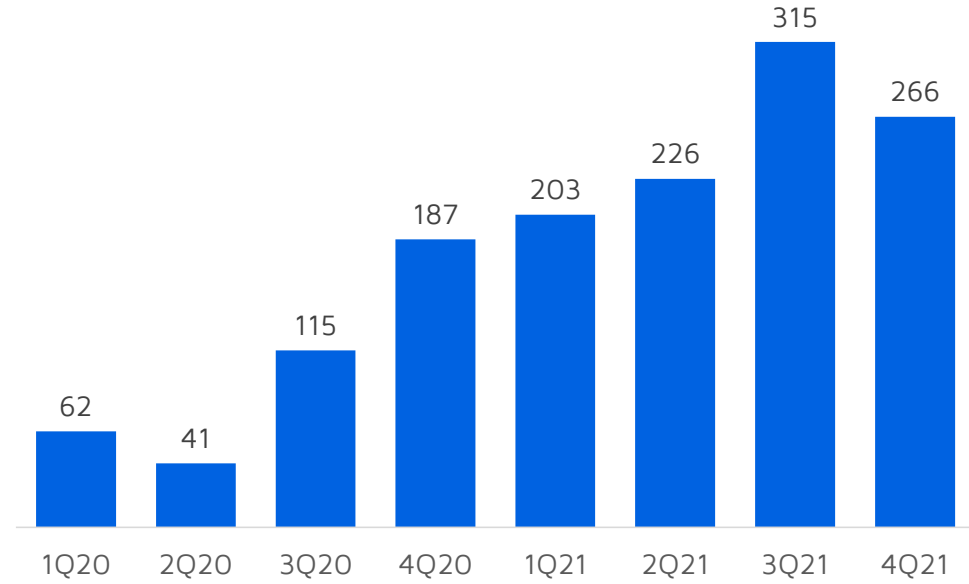
(1) @Official FX average from each period (2) @Official FX from the end of each period

Ternium Argentina (BCBA:\$TXAR) Quarterly

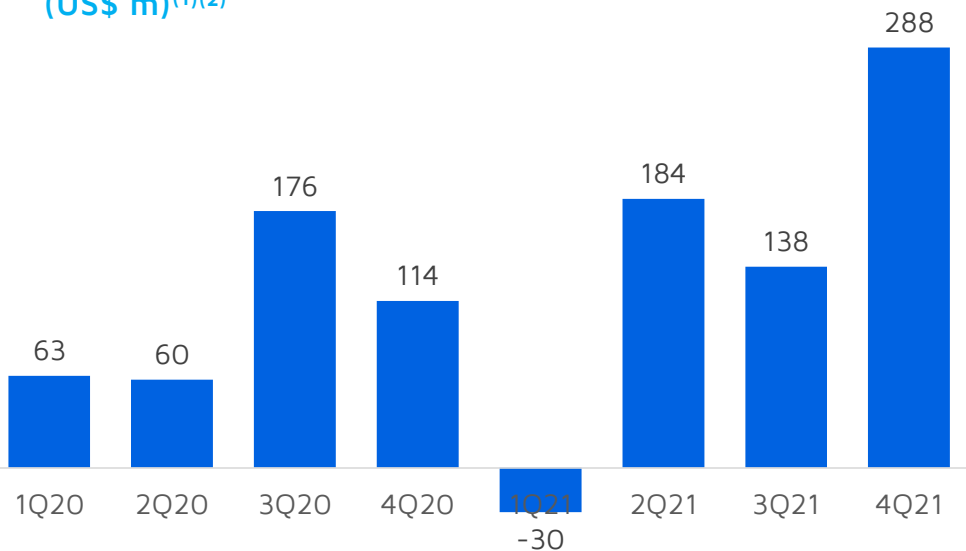
Net Sales
(US\$m)⁽¹⁾



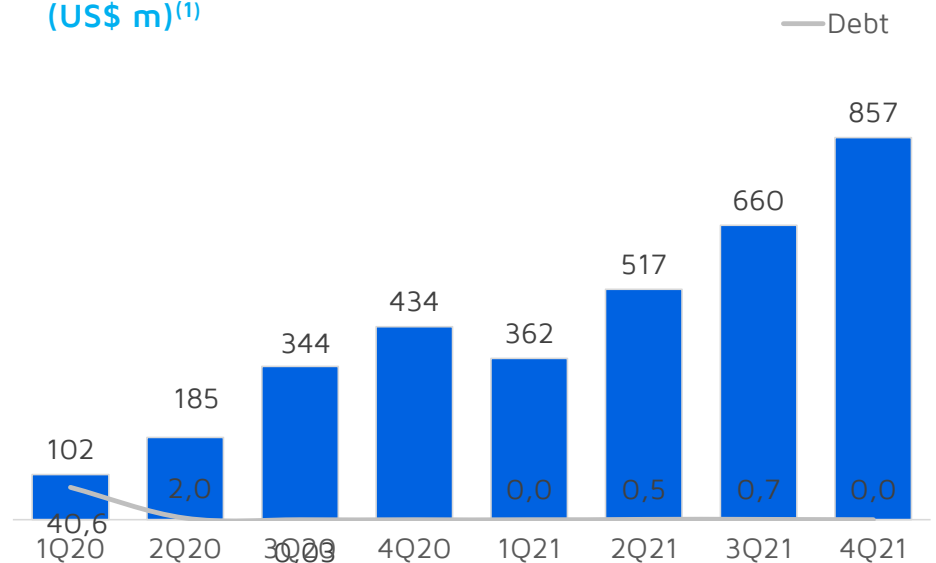
EBITDA
(US\$ m)



Cashflow
(US\$ m)⁽¹⁾⁽²⁾



Net Cash
(US\$ m)⁽¹⁾



(1) @Official FX Rate - (2) W/O considering funds allocated to financial investments

Business Units and Products

Rolled steel coated

4Q21

Sales⁽¹⁾: US\$ 1.421m
Sales: 240 ktons
EBITDA⁽¹⁾: US\$ 412m

- ❑ Sale of steel strips and sheets coated with different minerals and alloys to prevent corrosion and for aesthetic use, for the construction, automotive and agro-industrial sectors:
 - Galvanized sheet
 - Electrozinc
 - Prepainted
 - Cincalum
 - Tin

- ❑ Pipes and profiles for construction, the automotive industry, civil works and agriculture:
 - General purpose tubes
 - Tubes for mechanical use
 - Structural use tubes
 - Profiles "C"
 - Profiles "U"

Uncoated rolled steel

3Q21

Sales⁽¹⁾: US\$ 1.620m
Sales: 354 ktons
EBITDA⁽¹⁾: US\$ 517m

- ❑ Sale of uncoated coils, strips and sheets for the construction, automotive, agro-industrial, transportation and energy industries:
 - Cold rolled sheet
 - Hot rolled sheet
- ❑ They are used for the manufacture of automobiles, heavy transport, pipes and high-pressure vessels, buildings and large structures, lighting fixtures, electric motors and household appliances.

Others

3Q21

Sales⁽¹⁾: US\$ 47m
Sales: 20 ktons
EBITDA⁽¹⁾: US\$ 7m

- ❑ Aggregates for the paving of roads, streets and railway uses; for cement production and for water treatment:
 - ❑ Human waste
 - ❑ Steel aggregate
 - ❑ Ferric oxide



Hot rolled

Coils, strips and sheets for various industrial uses.



Galvalum

Excellent corrosion resistance, chemtreated or acrylic coated. Cool applications.



Galvanized

Zinc-coated sheet for extended useful life of the product.



Prepainted

Offers a variety of colors and technologies including Fluorocarbon, Siliconized Polyester and Regular Polyester.



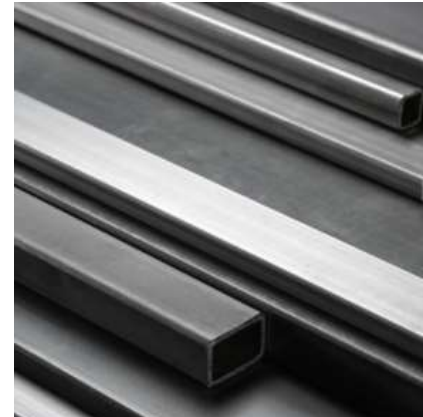
Bonderized

Bonderized is a chemical pre-treatment that is used for post-paint applications (field painting).



Mechanical Use Tubes

Round duct for mechanical use.



Structural Use Tubes

Duct with high degree of structural resistance



General Use Tubes

Round, square and rectangular duct for general use



C profile

Hot rolled or galvanized steel profile.



U profile

Hot rolled or galvanized steel profile.



Tin

Thin coated foil for packaging manufacturing.



Steel aggregate

Paving of streets, roads and railway uses.



Blast furnace slag

Cement Production.



Ferric Oxide

Construction and water treatment industry.



Historical P&L (US\$m)⁽¹⁾

	2017	2018	2019	2020	2021
Sales	2.302	2.595	2.222	1.857	3.308
Cost of service	-1.744	-1.974	-1.807	-1.380	-2.157
Gross profit	558	621	415	478	1.151
Commercialization expenses	-99	-139	-124	-88	-134
Administration expenses	-149	-139	-125	-97	-120
Other operating income and expenses	1	-6	-3	-6	0
Operating results	311	337	163	287	897
Financial Income	7	7	8	40	51
Financial Expenses	-74	-66	-21	-9	-5
Other financial income and expenses	-46	-110	9	-33	28
(Loss) Income before results from investments in affiliated companies and income tax	199	169	159	286	971
Income from investments in affiliated companies	201	303	127	87	679
Results from income tax	399	472	286	373	1.649
Income tax	-64	-6	-56	-107	-288
(Loss) Income of the period	335	466	230	266	1.361
Other comprehensive income	216	436	29	886	679
Comprehensive (loss) income for the period	552	902	259	1.151	2.040
D&A	53	151	138	119	113
EBITDA	365	489	300	406	1.010

(1) @Official Average Fx from each period

Historical Cashflow (US\$m)⁽¹⁾

	2017	2018	2019	2020	2021
Operative Cashflow	-60	109	418	483	637
CAPEX and acquisitions	-96	-85	-90	-41	-57
Dividends collected	0	293	2	0	10
Financial Investments	6	131	32	-268	-597
Financial Costs	209	-353	-217	-29	-11
FCF	59	95	145	145	-18
FCF + Financial Investments	53	-36	113	413	579

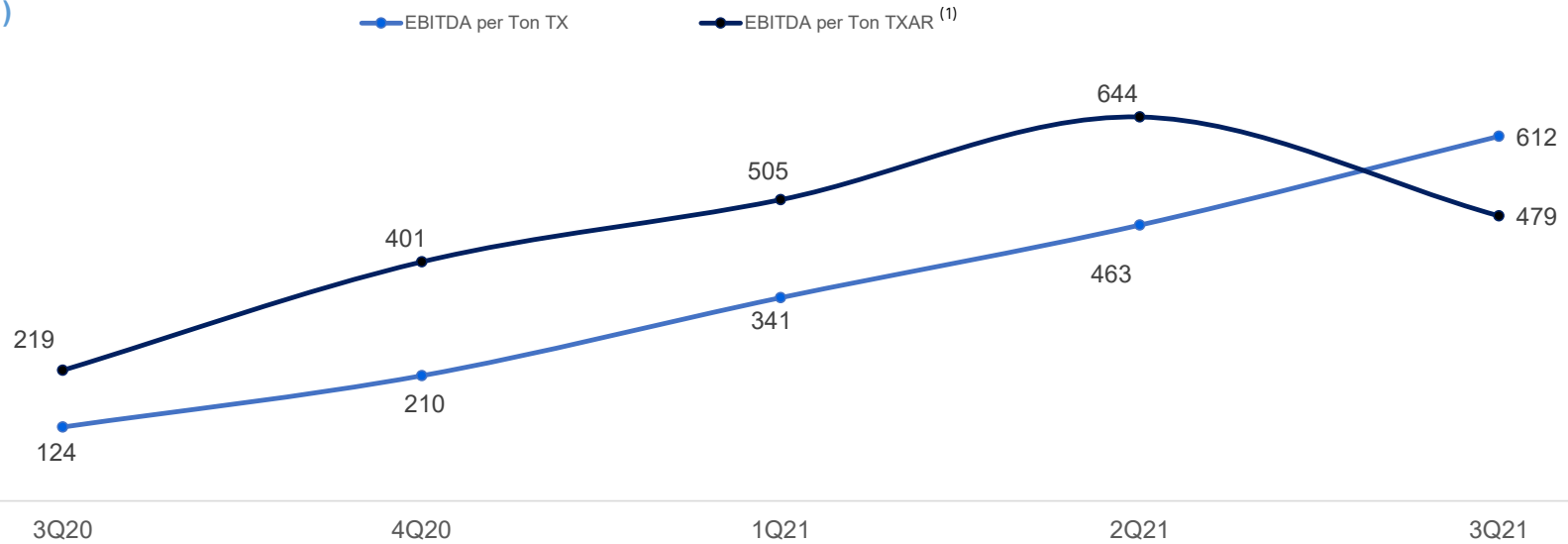
(1) @Official Average Fx from each period



Comparative Results

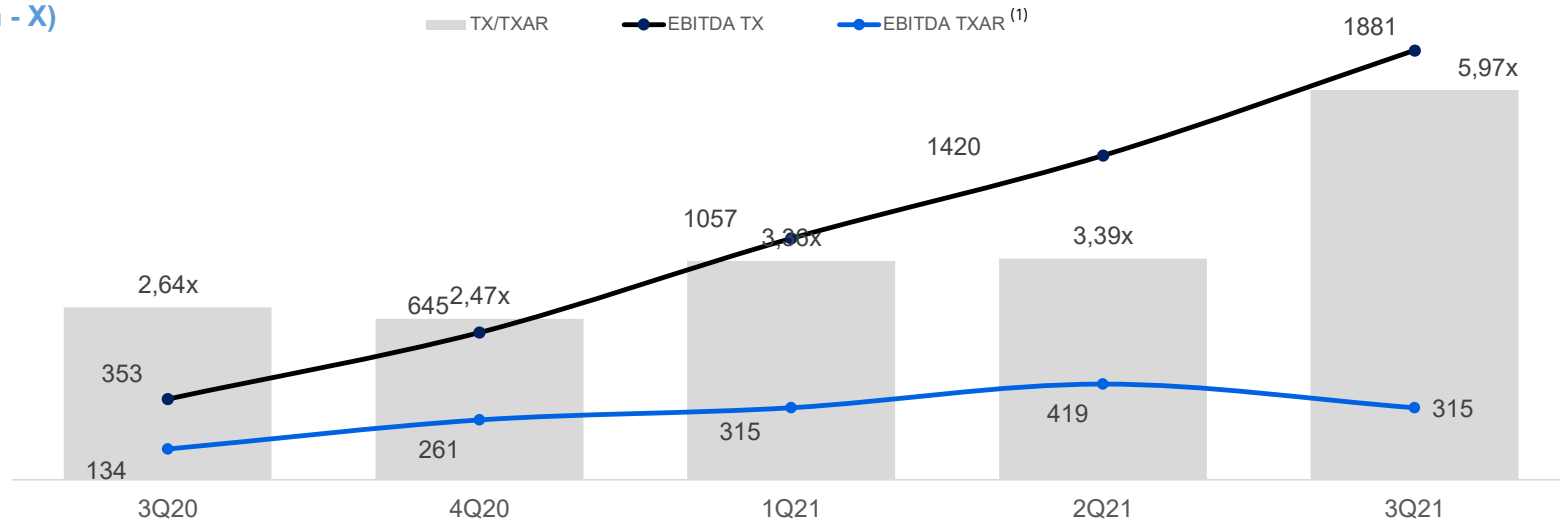
EBITDA per Ton TX / EBITDA per Ton TXAR

(ktons - X)



EBITDA TX / EBITDA TXAR

(US\$ m - X)



(1) @Official FX average from each period



Thank you!