



## LSB Industries, Inc. Provides Business Update in Connection With COVID-19 Pandemic

April 6, 2020

OKLAHOMA CITY--(BUSINESS WIRE)--Apr. 6, 2020-- LSB Industries, Inc. (NYSE:LXU) ("LSB" or the "Company") today announced that its facilities have been designated as essential critical infrastructure in the states where the Company operates, based on guidelines issued by the United States Department of Homeland Security's Cybersecurity and Infrastructure Security Agency.

"Because we produce fertilizers used by the agriculture industry, as well as chemicals required in a variety of industrial manufacturing processes, LSB has been determined to be a critical service, and therefore, our facilities are remaining in operation despite the evolving global health crisis resulting from the COVID-19 pandemic," commented Mark Behrman, LSB's President and CEO. "We have taken significant measures to ensure the health and safety of our employees and thank them for their commitment to our business continuity during this challenging situation. Specific to our plant and retail agricultural center personnel, we have worked hard to develop plans and procedures that allow them to operate in the safest manner possible in order to protect them and their families. Those policies and procedures include personnel isolation protocols, procedures for disinfecting all facilities, plant personnel health monitoring and working from home where appropriate."

Mr. Behrman continued, "Due to the unprecedented level of uncertainty prevalent in the economy at this time, management and the Board have taken several decisive actions to control our costs and maintain liquidity until the business environment stabilizes and visibility improves. Specifically, we have identified a combination of plant expenses and SG&A that have been deferred for the next sixty days or potentially longer depending on the duration of the COVID-19 crisis. Additionally, we currently have deferred between \$5 million and \$6 million of capital expenditures not related to Environmental, Health and Safety investments until the fourth quarter of 2020. On the liquidity front, as of March 31, 2020, we had approximately \$50 million of combined cash and borrowing capacity, which, we believe, provides us with ample liquidity to fund our operations and meet our obligations."

"With respect to our 2020 first quarter, our ammonia plants performed in-line with our expectations headed into the period, with our El Dorado facility delivering its best-ever quarter in terms of ammonia on-stream rate and production volume. We view this as an indicator that the extensive maintenance we performed on our facilities in 2019 has positioned us for strong production volume improvement in 2020."

"The USDA recently increased its forecast for total corn acres to be planted in 2020 from 94 million to 97 million, up from the 89 million acres of corn planted in the U.S. in 2019. This suggests strong growth in demand for fertilizers during the second quarter spring planting season, which we expect to benefit our results. While the current global health crisis remains a major uncertainty for the U.S. economy, which could affect industrial and mining orders in the coming months, to date, we have not seen a material decrease in order volume. In fact, we have continued to expand our customer base in these end markets with the addition of two new contracts in the last several weeks, leading us to believe that for the full year, demand for our products will be strong enough to utilize our recently expanded production capacity and benefit from our enhanced plant reliability."

Mr. Behrman concluded, "We expect that our cost reductions, capital preservation actions and improved performance, combined with the resolute efforts of our outstanding group of employees and the cooperation of our customers, suppliers and financing partners, will enable us to weather the storm of this pandemic and come out of it a stronger Company. Our hearts go out to all those that have been sickened by COVID-19 and most especially to those that have lost loved ones and friends to the virus."

### About LSB Industries, Inc.

LSB Industries, Inc., headquartered in Oklahoma City, Oklahoma, manufactures and sells chemical products for the agricultural, mining, and industrial markets. The Company owns and operates facilities in Cherokee, Alabama, El Dorado, Arkansas and Pryor, Oklahoma, and operates a facility for a global chemical company in Baytown, Texas. LSB's products are sold through distributors and directly to end customers throughout the United States. Additional information about the Company can be found on its website at [www.lsbindustries.com](http://www.lsbindustries.com).

### Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identifiable by use of the words "may," "believe," "expect," "intend," "plan to," "estimate," "project" or similar expressions, and include but are not limited to: performance improvement and attaining targeted operating rates.

Investors are cautioned that such forward-looking statements are not guarantees of future performance and involve risk and uncertainties. Though we believe that expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectation will prove to be correct. Actual results may differ materially from the forward-looking statements as a result of various factors. These and other risk factors are discussed in the Company's filings with the Securities and Exchange Commission (SEC), including those set forth under "Risk Factors" and "Special Note Regarding Forward-Looking Statements" in our Form 10-K for the year ended December 31, 2019 and, if applicable, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. All forward-looking statements included in this press release are expressly qualified in their entirety by such cautionary statements. We expressly disclaim any obligation to update, amend or clarify any forward-looking statement to reflect events, new information or circumstances occurring after the date of this press release except as required by applicable law.

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