



Investor Day

November 8th, 2018

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Safe Harbor Statement

This presentation 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: financial performance improvement; view on sales to mining customers; estimates of consolidated depreciation and amortization and future turnaround expenses; our expectation of production consistency and enhanced reliability at our Facilities; our projections of trends in the fertilizer market; improvement of our financial and operational performance; our planned capital additions; reduction of SG&A expenses; volume outlook and our ability to complete plant repairs as anticipated.

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, 2017 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.

Please see the EBITDA Reconciliation slide included in this presentation for other important information.

Welcome and Introductions

Sales and Marketing Overview	Dan Greenwell, President and Chief Executive Officer
Operations Update	John Diesch, Executive Vice President, Manufacturing
EDC, Cherokee and Pryor Facilities	Dale Reppond, EDC Plant Manager Ben VanVeckhoven, Cherokee Plant Manager Steve Moore, Pryor Plant Manager
Procurement	Steve Bach, Director of Procurement
Logistics	John Fogerty, Director of Logistics
Financial Overview	Mark Behrman, Executive Vice President and Chief Financial Officer
Strategy	Dan Greenwell, President and Chief Executive Officer

Business Overview

Overview

- 4 production facilities
 - El Dorado, Arkansas
 - Cherokee, Alabama
 - Pryor, Oklahoma
 - Baytown, Texas
- Provides nitrogen based agricultural, mining and industrial chemicals to North American market
- Leading merchant marketer of nitric acid in the U.S.
- Over \$1 billion of investments have been made to reduce costs and increase facility reliability and capacity
- Positioned to benefit from strong agricultural market with favorable margins

Key Customers



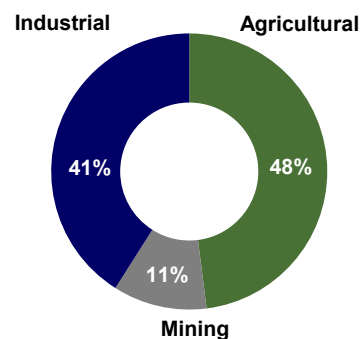
Airgas



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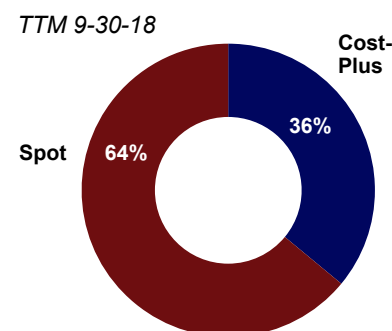
Sales Mix



A key strategy is to optimize sales mix: industrial vs. agricultural

TTM 9-30-18 sales: **\$372 million**

Cost-plus agreements vs spot market sales




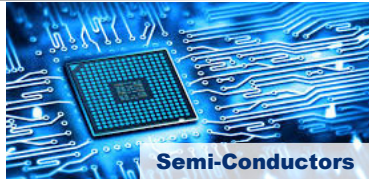



Approximately one-third of our sales are non-seasonal and priced pursuant to cost-plus agreements

Note: Sales exclude Zena and Summit. Beginning in 2018, LSB adopted Accounting Standards Update No. 2014-09 related to the new revenue recognition standards which will likely decrease reported industrial sales but is expected to have minimal impact on profitability.

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Diversified Nitrogen Chemicals Business with Differentiated End Market Positions



	Key Products	End Markets	Application
Agricultural	<ul style="list-style-type: none"> • Urea ammonium nitrate solutions (UAN) • Ammonium nitrate (AN) – High density prills • Ammonia 	<ul style="list-style-type: none"> • Fertilizer for corn and other crops • Primary nitrogen component in nitrogen, phosphorus and potassium (NPK) fertilizer blends • High nitrogen content fertilizer primarily used for corn 	 <p>Fertilizer</p>
	<ul style="list-style-type: none"> • Ammonia • Nitric Acid • Sulfuric Acid • Diesel exhaust fuel (DEF) • CO₂ 	<ul style="list-style-type: none"> • Power plant emissions abatement, water treatments, refrigerants, metals processing • Semi-conductor, nylon polyurethane intermediates, ammonium nitrate • Pulp and paper, aluminum, water treatment, metals and vanadium processing • Exhaust steam additive to reduce NO_x emissions from diesel vehicles • Food refrigeration / freezing, enhanced oil recovery 	 <p>Semi-Conductors</p>  <p>Power Plant Emissions</p>  <p>Water Treatment</p>
Mining	<ul style="list-style-type: none"> • Ammonium nitrate – low density prills and AN solutions • Specialty E2 ammonium nitrate 	<ul style="list-style-type: none"> • Specialty emulsions for mining applications • Surface mining, quarries, construction 	 <p>Mining</p>

Market Outlook

Agricultural

- Steepening cost curve outside the US leading to higher product cost and resulting higher selling prices resulting in less imports into the US market
- Net UAN and ammonia imports down 596,000 and 1,563,000 tons, respectively, versus one year ago
- US sanctions on Iran removes Urea supply from global market leading to higher Urea pricing as well as other fertilizer products
- Based on fourth quarter presales of UAN and ammonia, we expect a continued trend towards stronger pricing relative to 2017 for the balance of this year
- Trade fears coupled with a forecasted record harvest are suppressing corn prices; corn prices are expected to average ~ \$3.95/bushel over next 12 months
- China's mandate of 10% ethanol by 2020 creates potential to drive demand for US exports of corn and/or ethanol

Industrial and Mining

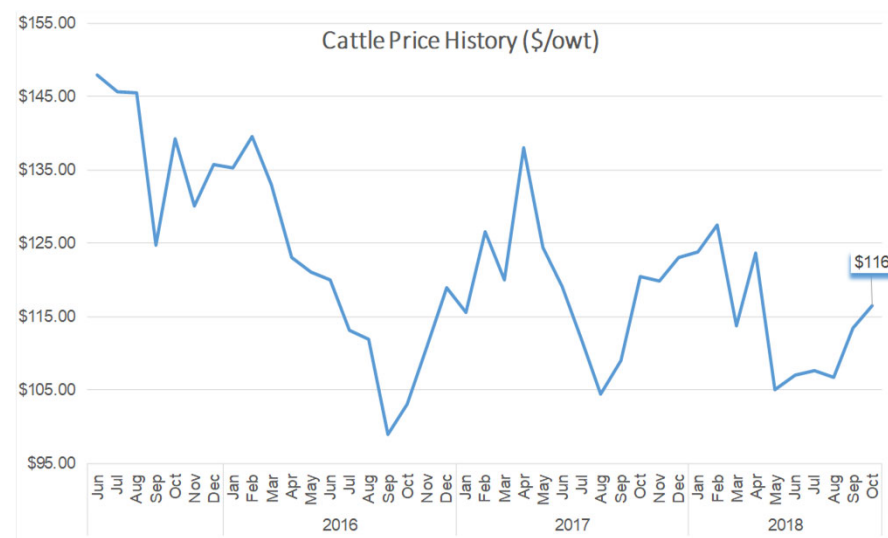
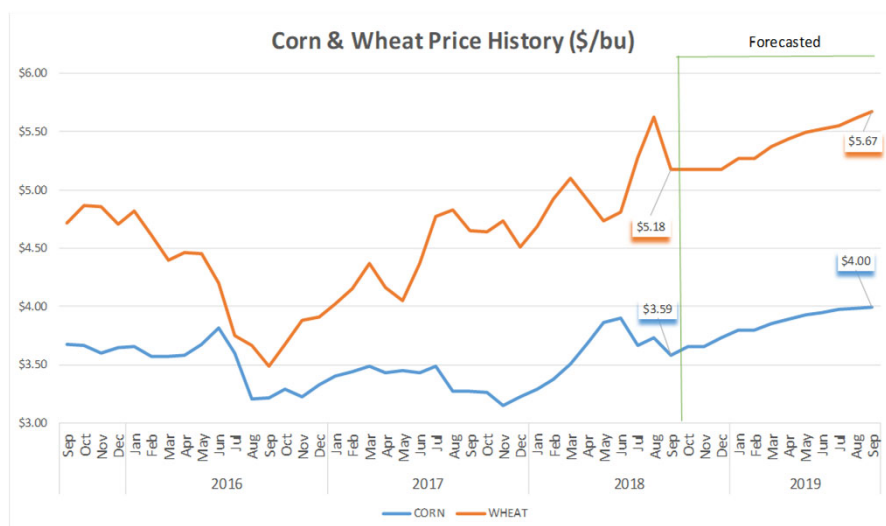
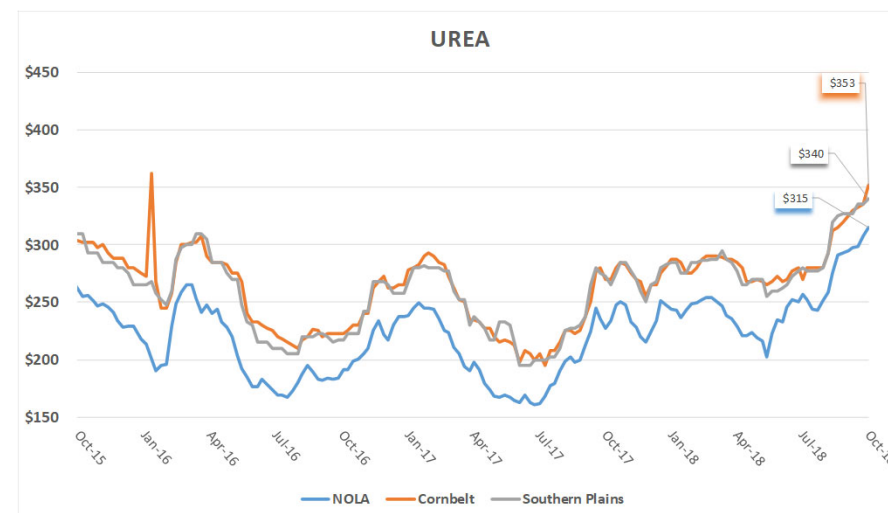
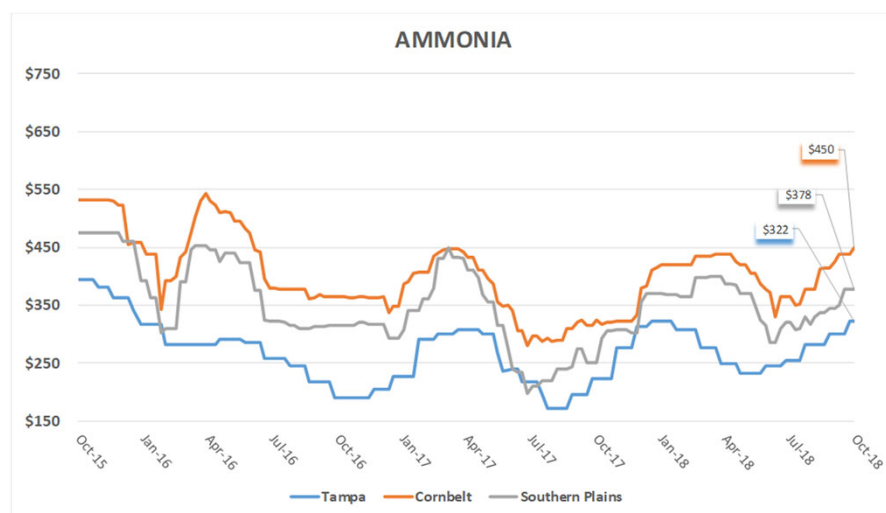
Industrial market:

- According to the American Chemistry Council, the U.S. economic indicators continue to be mostly positive for the housing, automotive, and paper sectors, domestically
- Light vehicle sales are expected to remain at elevated levels over the next several years
- Housing starts are set to improve to 1.32 million in 2018 and 1.38 million in 2019

Mining market:

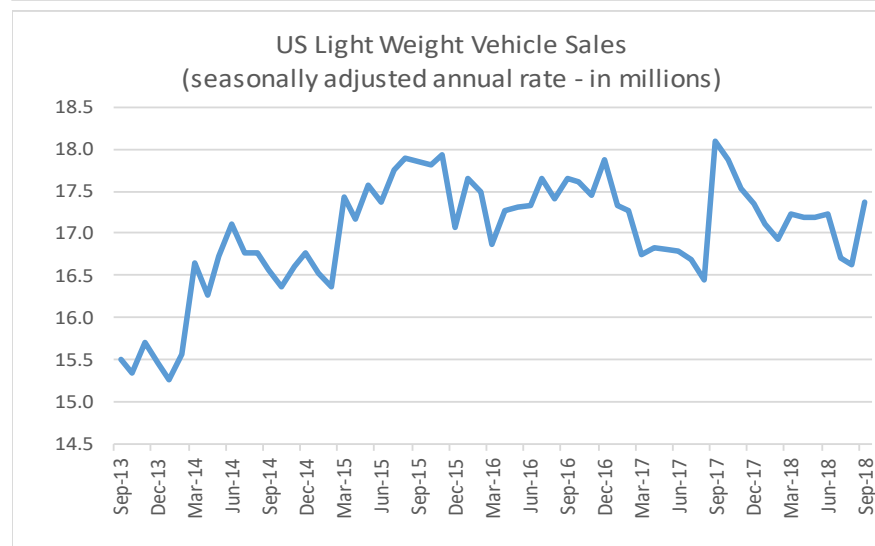
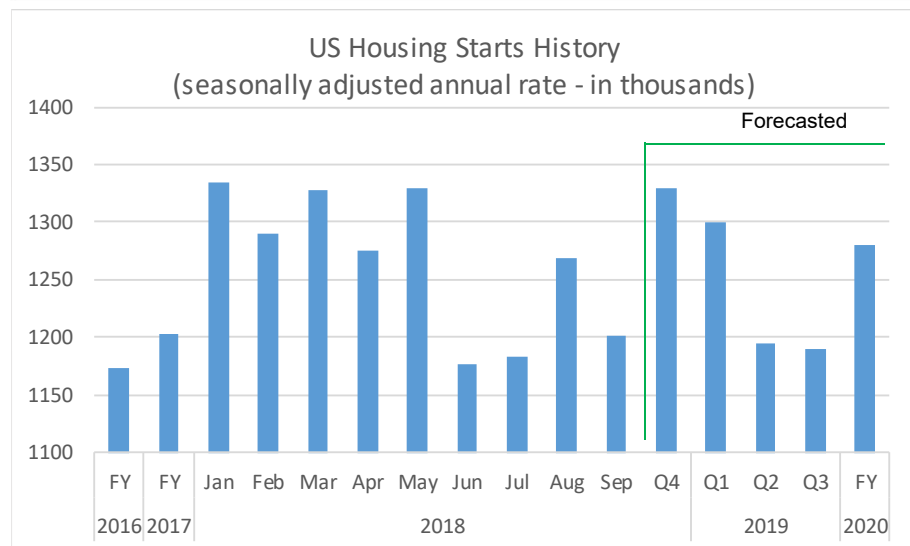
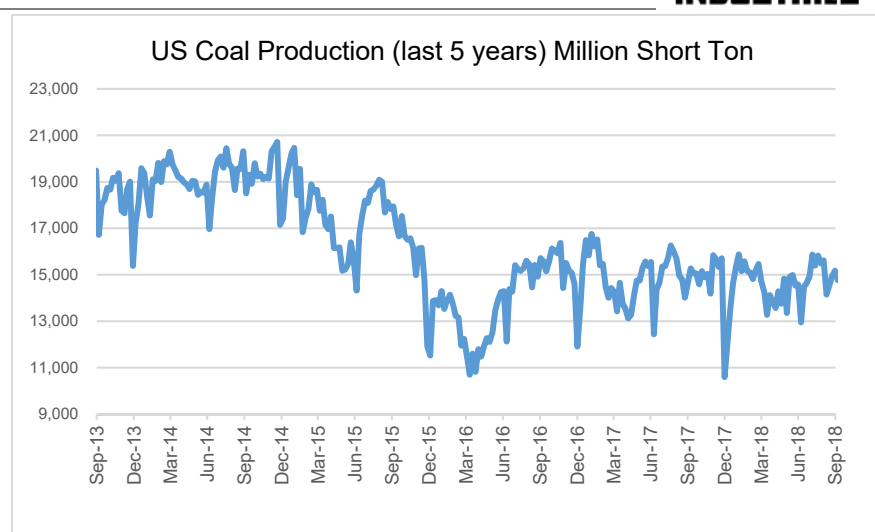
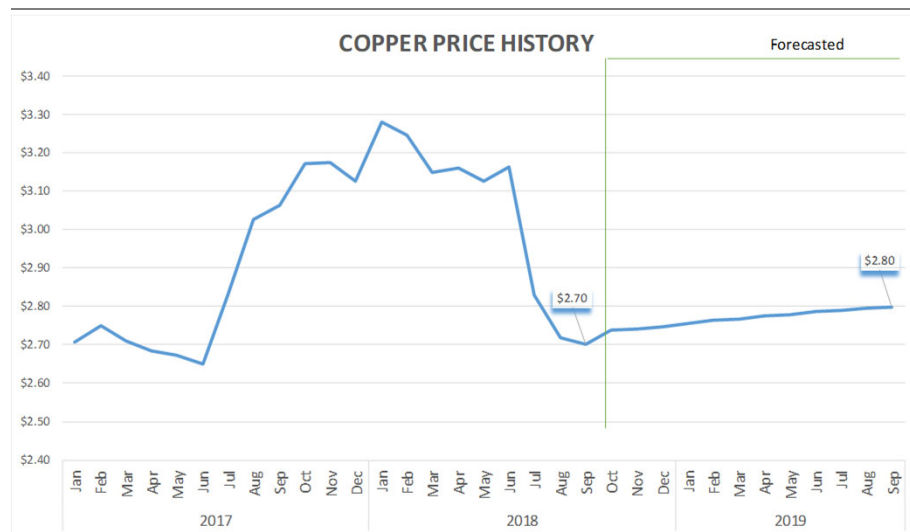
- Copper prices are expected to rise over the next 5-10 years due primarily to high demand from Asian countries
- Coal mining is the largest consuming sector for industrial explosives. Coal production is expected to decline 2% in 2019
- Metal mining accounts for 33% of the market for industrial explosives which is projected to increase 3.1% in 2019
- Production of stone for construction and production of cement for quarrying operations is expected to grow by 3.5% in 2019

Ag Sales and Marketing – Key Market Indicators



Sources: Ammonia and Urea – Green Markets; Corn and Wheat Prices – Barchart; Cattle Price – Investing.com

Industrial / Mining – Key Market Indicators



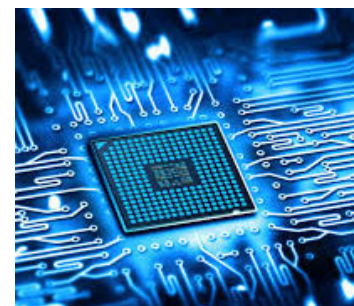
Sources: Copper Price – Barchart; US Coal Production – eia.gov historical data files; US Housing Starts – US Census Bureau historical data and Trading Economics forecast; US Light Weight Vehicle Sales – Federal Reserve Bank of St. Louis

Business Supported By Stable Industrial and Mining Products Business



Facility Location	Product	Method of Distribution	Regions Sold
El Dorado, AR	Ammonia, Acids, LDAN	<ul style="list-style-type: none"> • Ammonia pipeline; Union Pacific rail • Purchase and sale agreement with Koch through 2019; bulk truck 	<ul style="list-style-type: none"> • Industrial customers in U.S., Canada and Mexico • Mining customers in the PRB¹
Cherokee, AL	Ammonia, Acids, DEF, AN Solution, CO ₂	<ul style="list-style-type: none"> • Barge via Tennessee River; Norfolk Southern Rail; bulk truck; CO₂ pipeline 	<ul style="list-style-type: none"> • Southeast, Mid-Atlantic, Ohio Valley and Gulf Coast
Pryor, OK	Ammonia, CO ₂	<ul style="list-style-type: none"> • Bulk trucking and Union Pacific Rail 	<ul style="list-style-type: none"> • AR, AZ and OK
Baytown, TX	Nitric Acid	<ul style="list-style-type: none"> • Plant is owned by Covestro, operated by LSB through 2021 	<ul style="list-style-type: none"> • Gulf Coast

- ✓ Leading marketer of nitric acid in the U.S.
- ✓ Direct rail linkage to western mining operations
- ✓ Longstanding customer relationships
- ✓ Customers assume commodity price risk



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¹ PRB = Powder River Basin.

Diversified Agriculture Distribution Network and Logistics



Facility Location	Product	Method of Distribution	Regions Sold
Pryor, OK	UAN Ammonia	<ul style="list-style-type: none"> • Marketing agreement with CVR Partners • Direct access to distributors / dealers / end users 	Southern Plains & Corn Belt
Cherokee, AL	UAN	<ul style="list-style-type: none"> • Direct to distributors / dealers / end users 	Eastern Corn Belt
El Dorado, AR	HDAN	<ul style="list-style-type: none"> • Direct to distributors / dealers / end users • Through 10 Ag Centers 	Southern Plains, South Central, Midwest & West

- ✓ Multiple distribution channels
- ✓ Diverse geographic coverage
- ✓ Longstanding customer relationships
- ✓ Direct rail linkage to corn belt



Margin Enhancement Opportunities

El Dorado

- Ammonia – sell Ag ammonia and seek improved margin opportunities on the balance
- HDAN – continue to increase sales through grower education and broadening our customer base
- Nitric Acid – continue to increase sales by broadening our customer base
- CO₂ – find customers for this product as it's not being sold today
- AN/AN Solution – continue to grow in sales and replace lower margin business

Cherokee

- Ammonia – continue to increase sales of industrial ammonia
- UAN – position product to sell more in-season at higher selling prices; seek more strategic customers
- Further develop AN solution market

Pryor

- UAN – review distribution agreement vs. in-house sales effort

All Facilities

- Guest plant opportunities



Plant Review

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Plant Overviews

Facility	El Dorado	Cherokee	Pryor	Baytown
Location	Arkansas	Alabama	Oklahoma	Texas
Year Acquired / Built	1983	1999	2000	2000
Ammonia Design	Kellogg	Kellogg	Pritchard	—
Plant Area (Acres)	150	160	47	2
Site Area (Acres)	1,400	1,300	104	Covestro's site
Transportation	Truck, Rail, Pipeline	Truck, Rail, Barge	Truck, Rail	Truck
Production Capability (Tons in Thousands)				
Feedstock	Natural Gas	Natural Gas	Natural Gas	Ammonia
Ammonia Production Capacity (non-turnaround)	450	180	235	—
Products Available for Sale				
Agricultural Products	UAN	—	210	350
	High Density AN ⁽¹⁾	330	—	—
	Ammonia	—	85	—
Industrial and Mining Products	Ammonia	230 ⁽²⁾	45	—
	Nitric Acid	50	40	—
	Sulfuric Acid	160	—	—
	DEF	—	15	—
	Low Density AN ⁽¹⁾	155	—	—
	AN Solutions	—	55	—
	CO ₂	—	110	85
				Total
				865
				560
				330
				85
				275
				620
				160
				15
				155
				55
				195





Notes

1. Actual sales subject to market conditions and total AN production limited by AN solution production capacity
2. Ammonia capacity available for sale dependent on tons sold of other upgraded products

Differentiated Business Profile Focuses on Customers / End Markets Where LSB Is Advantaged

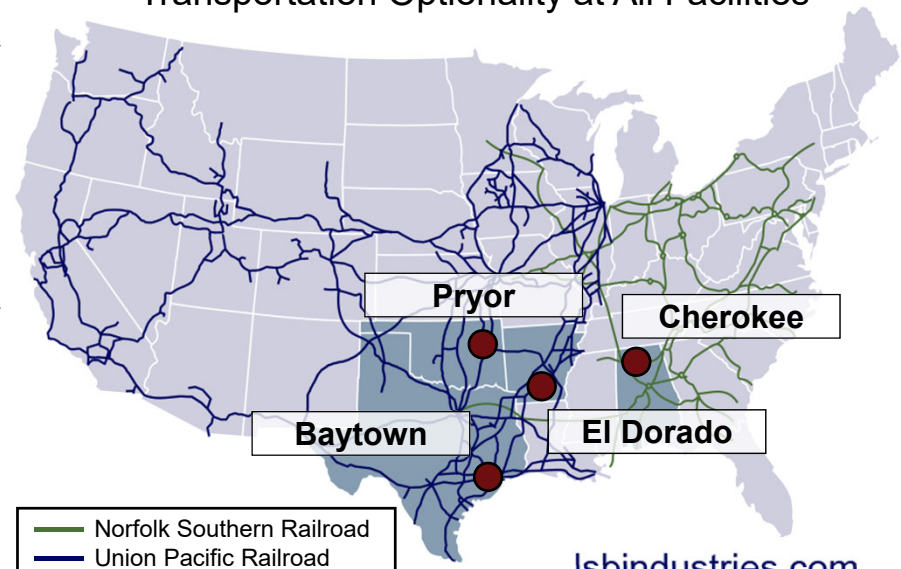


Key Logistical Advantages

El Dorado		<ul style="list-style-type: none">• Truck freight rate advantage on customers west of the Mississippi River• Direct routes to western U.S. via rail
Cherokee		<ul style="list-style-type: none">• ~\$8-10/ton freight advantage vs. UAN shipments originating from the Gulf
Pryor		<ul style="list-style-type: none">• Located in close proximity to the Central Plains with easy access to the Port of Catoosa
Baytown		<ul style="list-style-type: none">• Anhydrous ammonia feedstock is delivered via pipeline

Centrally located assets with access to...

- ✓ Northern Plains
- ✓ Southeast Paper Country
- ✓ Western Mining
- ✓ Customers not Freight Logical to Competitors
- ✓ Low Cost Feedstocks
- ✓ Transportation Optionality at All Facilities



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El Dorado Facility



El Dorado – Facility Overview

Overview

- El Dorado Chemical Company (EDC) operates a 400 acre, multi-product facility located on a 1,400 acre site in El Dorado, Arkansas
- Organization: 227 Employees: 127 Hourly, 37 Salaried, 33 Full Time Contractors
- Agrochemical Products:
 - Ammonia
 - Nitric Acid
 - Sulfuric Acid
 - Ammonia Nitrate
- Industrial Acid Products: regular nitric acid and concentrated nitric acid, mixed (nitrating) acids, sulfuric acid, industrial grade ammonium nitrate and anhydrous ammonia
- Mining Products: both solid prilled, low density and specialty high-density ammonium nitrate (AN), and AN solution used in mining, construction and quarry industries
- Raw Material: Natural Gas
- Access to NuStar ammonia pipeline
- Rail Service: Union Pacific
- Unions: United Steel Workers & IAM

Plant History

- Ozark Ordinance Works (1943)
- Lion Oil Company (1946)
- Monsanto Inorganic Chemical (1955)
- El Dorado Chemical Company (1983)

Production Capacity

- Ammonia Capacity – 450,000 ton/yr
- Nitric Acid (DMW2) Capacity – 380,000 ton/yr
- Nitric Acid (DMW1) Capacity – 110,000 ton/yr
- 98% Nitric Acid Capacity – 46,500 ton/yr
- Ammonium Nitrate Solution – 485,000 ton/yr
- High Density Ammonium Nitrate – 300,000 ton/yr⁽¹⁾
- Low Density Ammonium Nitrate – 220,000 ton/yr⁽¹⁾
- Sulfuric Acid – 162,000 ton/yr

Notes

1. Combination limited by ANS of 485,000 tons/yr

Cherokee Facility



Cherokee – Facility Overview

Overview

- Cherokee Plant operates a 160 acre, multi-product facility located on a 1,300 acre site in Cherokee, Alabama
- Organization: 133 Employees: 19 Salaried, 91 Hourly, 23 Full Time Contractors
- Products:
 - Ammonia / Aqua Ammonia
 - Carbon Dioxide
 - Nitric Acid
 - Ammonium Nitrate Solution
 - Urea-Ammonium Nitrate (UAN) Solution
 - Ammonia Nitrate-Ammonia
 - Diesel Exhaust Fluid
- Raw Material: Natural Gas
- Access to Tennessee River
- Rail Service: Norfolk Southern
- Unions: United Steel Workers

Plant History

- Armour Agricultural Chemicals (1962)
- US Steel Agrichemicals (1968)
- LaRoche Industries (1986)
- LSB Industries (2000)

Production Capacity

- Ammonia – 182,000 ton/yr
- Urea – 100,000 ton/yr
- Nitric Acid #1 – 62,000 ton/yr
- Nitric Acid #2 – 200,000 ton/yr
- Ammonium Nitrate Solution – 290,000 ton/yr
- Urea Ammonium Nitrate (UAN) – 250,000 ton/yr
- Ammonium Nitrate-Ammonia Solutions (ANA) – 30,000 ton/yr
- DEF – 50,000 ton/yr
- CO₂ – 110,000 ton/yr

Pryor Facility



Pryor – Facility Overview

Overview

- Pryor Plant operates a 47 acre, multi-product facility located on a 104 acre site in Pryor, Oklahoma
- Organization: 147 Employees: 40 Salaried, 99 Hourly, 8 Full Time Contractors
- Products:
 - Ammonia
 - Urea
 - UAN
 - Nitric Acid
 - Carbon Dioxide
- Raw Material: Natural Gas
- Access to Tennessee River
- Rail Service: Union Pacific
- Unions: None

Plant History

- Constructed by N-Ren Corporation (1966)
- Purchased by Will-Gro (1987)
- Plant shut down due to Will-Gro bankruptcy (1999)
- LSB Industries (1999)
- Plant restart by LSB (2010)

Production Capacity

- Anhydrous Ammonia – 250,000 ton/yr
- Nitric Acid – 150,000 ton/yr
- AN Solution – 190,000 ton/yr
- Urea – 135,000 ton/yr
- UAN Solution – 300,000 ton/yr
- Carbon Dioxide – 90,000 ton/yr



Operational Improvement

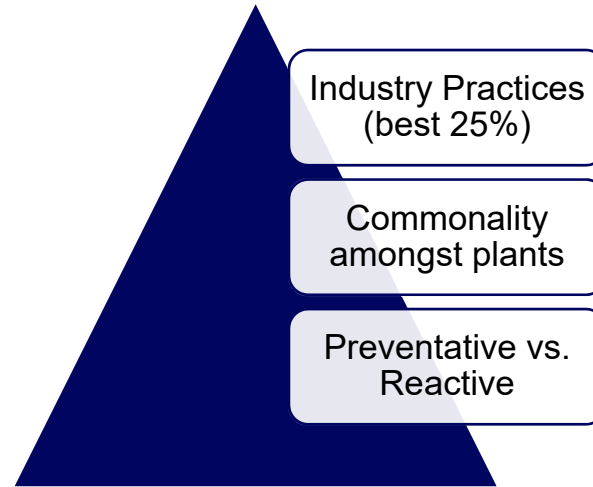
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Operations – Where we've been and where we are going...



Operating Philosophy



PriceWaterhouse
Coopers (All facilities)

- Upgrade maintenance management system. Identification of critical pieces of equipment and full preventative maintenance programs
- MRO Supply optimization

PeopleCore (All
facilities)

- Gap analysis on operating behavior and procedures

BD Energy (Pryor)

- Ammonia plant assessment

Black & Veatch
(Pryor)

- Risk assessment of full plant and infrastructure

Where are we today.....the 2018 Reliability & Operations Improvement Program focused on improving plant reliability and reducing MRO spend



Plant Reliability /Maintenance Management System

Implemented the foundational elements of a robust Maintenance & Reliability program:

- Implemented leading indicator KPIs
- Standardized downtime reporting
- Developed asset strategies
- Reinforced Root Cause Analysis (RCA) execution
- Standardized the Maintenance Work Process
- Increased utilization of JDE Maintenance Management system
- Filled key personnel vacancies

MRO Workstream

Transformed our approach to procurement and materials management:

- Projected cash savings of ~\$3M
- Established center-led organization model to coordinate purchasing and materials management across the sites
- Enabled contract pricing and automatic inventory replenishment functionality in JDE to support sustained improvements
- Identified 15% of inventory as 'rundown' based on new reorder points
- Reduce stores inventory; order based on criticality & usage

Pryor – 3rd Party Engineering Assessment

BD Energy Ammonia Plant (recommendations)	Planned outcome
Heat & material balance to improve reliability and efficiency	Evaluating for possible future upgrades
Replacement of cold mixed gas feed coil	On schedule for 2019 TA

Black & Veatch Risk Assessment	Next steps
Looking at all plants and electrical infrastructure	Plan to implement Class/Div upgrades during Turnaround
Inspections/monitoring of ammonia front end reactors and piping due to potential high temperature hydrogen attack	Implemented
Upgrade of motor control centers	2019 turnaround
Relief valve study	In progress
Add redundancy in automation project	NH3 automation slated for 2022/2023

Studies reaffirm out internal assessments – No surprises!!

In September, we partnered with PeopleCore to assess our Operating Performance. We identified 4 areas of focus:



1. Operator Training Enhancements

- Training curriculum content
- Training delivery & evaluation
- Training management system

2. Procedure Improvement

- Procedure format
- Procedure content
- Procedure use

3. Operations Work Process Improvements

- Shift (turnover, orientation round, etc.)
- Operations - day engagement with shift (near: shift direction; long: bad actors, etc.)
- Maintenance - engagement with operations. (shift: permitting, equipment prep)

4. Leadership Training

- Leadership expectations and direction
- Leadership application and effectiveness
- Training and procedures behaviors
- Organizational behaviors



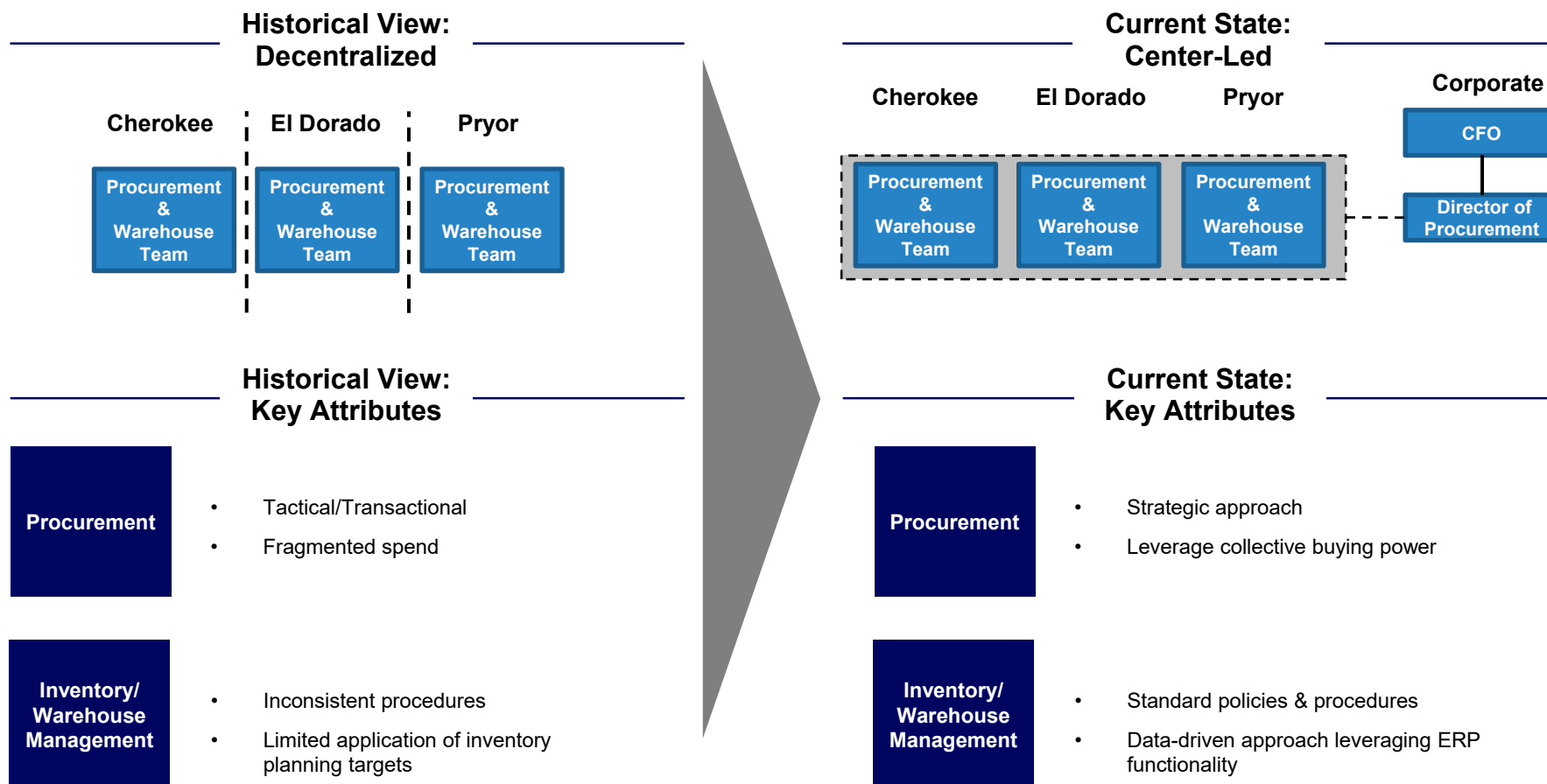
Procurement

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Procurement

Transformed approach to Procurement to extract greater value from materials & services spend and drive working capital benefits



Procurement

Transformation journey kicked off in 2018 with MRO Supply Optimization initiative on certain key areas

Key 2018 Activities/Benefits

Procurement

- Leveraged corporate-wide volumes across 8 product categories through the execution of MRO Supply RFP, resulting in:
 - Improved pricing
 - Rationalized supply base
 - Increased operational efficiencies
- Engaged select contractors in direct negotiations to secure reduced labor rates

Inventory/ Warehouse Management

- Conducted comprehensive inventory review to identify active vs. inactive MRO items
- Setting inventory targets (Reorder Points & Reorder Quantities) for active items
 - Enabling ERP auto-replenishment functionality to drive inventory control

Procurement

Focus moving forward is to sustain and build upon 2018 foundation to generate additional value & working capital improvements

2019 Focus Areas

Procurement

- Expand strategic sourcing approach to drive enhanced value
- Deploy consumption management levers (e.g., vending machines)
- Implement contract pricing functionality in ERP to capture benefits of improved MRO supply pricing
- Measure/monitor performance of MRO suppliers & contractor to drive continuous improvement

Inventory/ Warehouse Management

- Implement standard inventory management policies & procedures (e.g., cycle counts)
- Kitting/staging materials based on work orders
- Disposition obsolete & surplus inventory
- Maintain Reorder Points & Reorder Quantities (for active inventory)



Logistics

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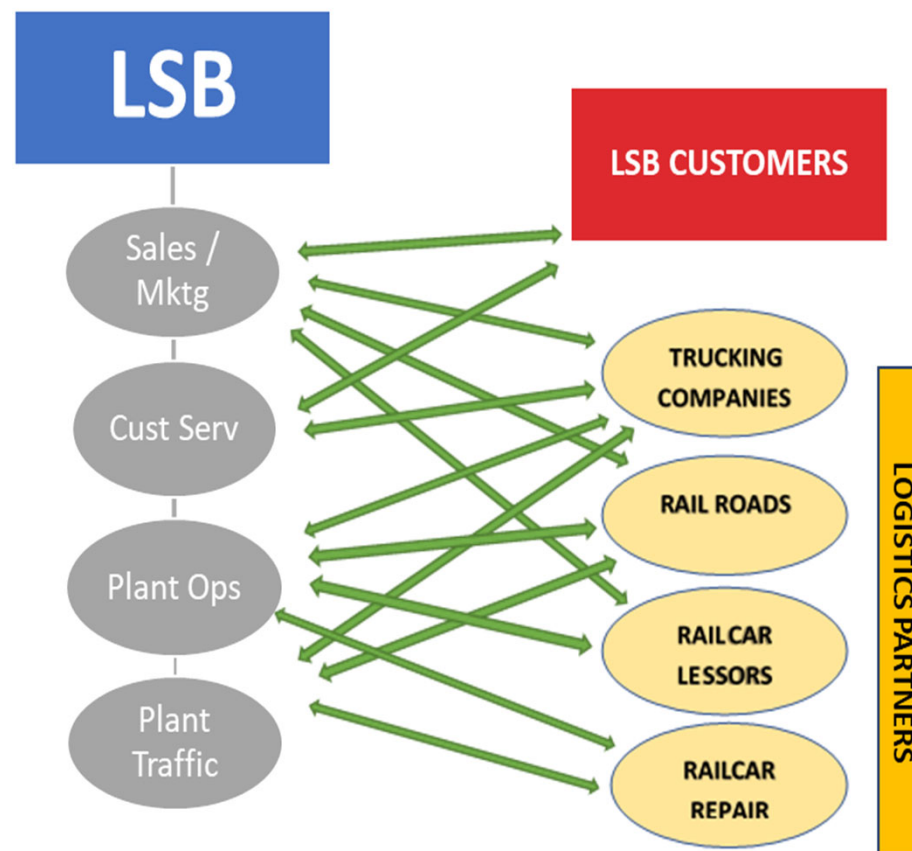
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Adjustments in LSB Logistics Structure



Past Logistics Structure

- Multiple contacts for each carrier, railroad, and car leasing company throughout LSB structure
- Hard to develop true relationships
- Multiple reports from different parts of the company offered inefficiencies and manual work where systems could provide data
- Focus on immediate needs by sales and marketing caused a lack of focus on carrier relationships and hurt capacity availability
- Lack of rail car lessor relationships forced car leases with higher than market rates resulting in lower net backs

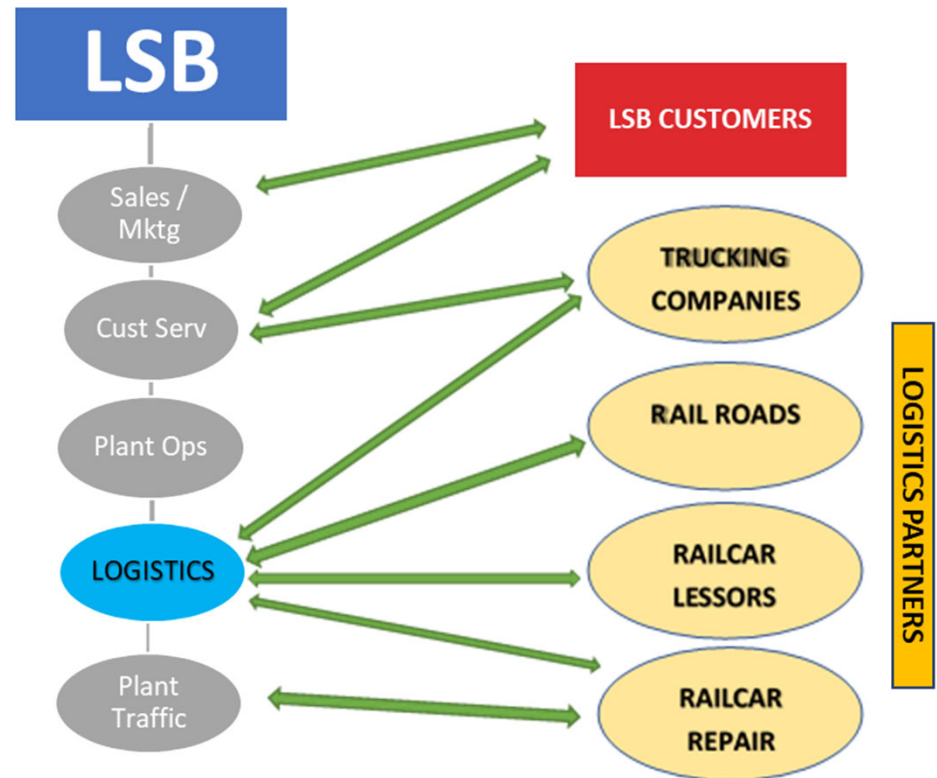


Adjustments in LSB Logistics Structure



Current Logistics Structure

- Addressed need for focus on each mode of transportation by transferring employees to Logistics Team
- Developed one point of contact for logistics partners to focus on relationships and efficiencies
- Proficiency in Rail Management System to create needed reporting



LSB Logistics Relationship Management



- Corporate Logistics Managers have met in person with all primary truck and rail carriers to verify clear expectations and to acknowledge plans to meet goals together
 - One line of communication for all of LSB
- Plant shipping departments now refer to Logistics for transportation concerns and refer to Sales for customer concerns
- Logistics is advising plants on maintenance and making final approvals on all transportation spending, oversight was missing
- Logistics has added several new rail car leasing companies to begin relationships with to verify best market opportunities
 - All new car needs are being evaluated thoroughly to address immediate needs along with future planning

Whoever has the drivers will win

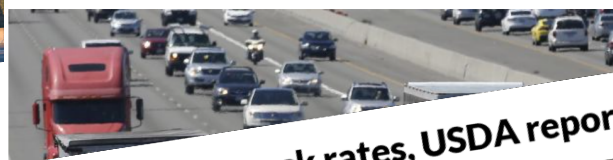
How will we survive the driver capacity crunch ?

Truck freight rates continue to climb



US truckload shippers prep for 2019 price hikes

Trucking Companies Boost Prices Amid Capacity Squeeze
Truckers are enjoying more leverage on price, even as robust shipping demand may be leveling off



Second quarter brings record truck rates, USDA reports



More Breaking Trucking Logistics News



Analysis: Shipper buying – worsening specialty truck driver scarcity



Shippers turn to technology for sharper supply chain vision



'Shipper of choice' means being more than 'truck driver-friendly'

- The US has seen an overall increase in trucking rates for 20 straight months that have ranged in a 9-10% year over year increase
- Changing laws and regulations are making it hard for drivers to make the same salaries as before forcing companies to increase driver pay
- We must be a “driver friendly” company that looks to develop partnerships with carriers to make sure they want to haul for LSB with consistency
- Higher rates are not the only focus to keep drivers around, better working environments will make a difference

Key Actions

LSB Logistics Management Procedures



- Corporate Truck Manager overseeing all campaign and last minute truck opportunities
 - Helped to gain commitments and allows us to track carrier performance
- A single point of contact for all truck carrier relations
 - Added 8 new carriers and 2 brokers to address capacity concerns
 - Cut ties with low performers
 - Changed the strategy to “filling trucks” to guarantee capacity
 - Introducing idea of truly dedicated contract services with core carriers that want to grow with LSB and offer true partnerships to give benefits of private fleet without the liability
- Automatic monthly reports to invoice customers for railcar demurrage
 - Railcars are turning faster than in years past
- Developing and adjusting rail car plans to replace cars that were added in haste with cars that are more suited for LSB needs and closer to market pricing
- Focus on quarterly railcar utilization reporting that is broken down by product and customer lanes to identify accurate netback calculations



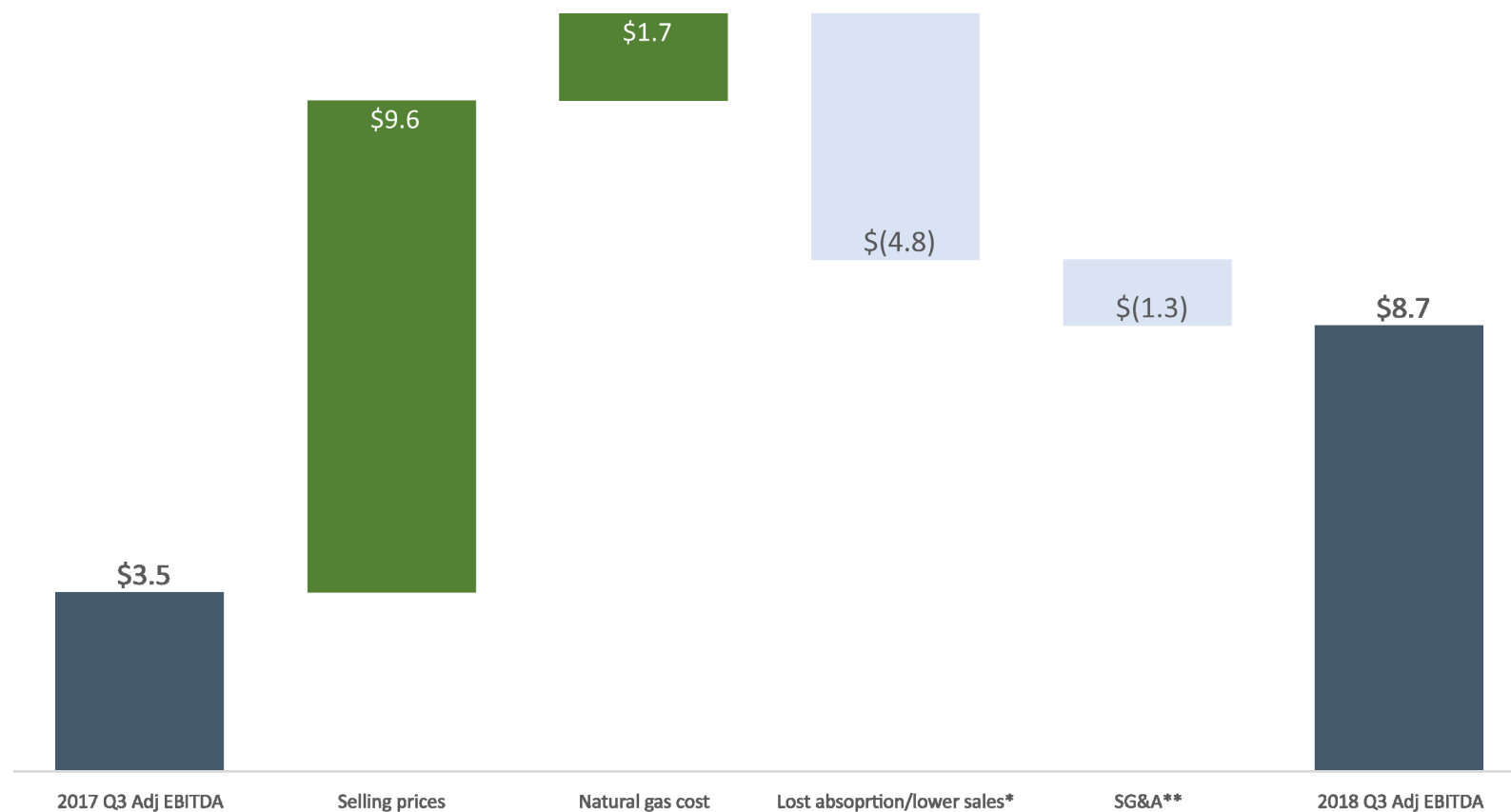
Financial Overview

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Third Quarter – 2018 vs. 2017

(\$ In Millions)



* Lost absorption and lower sales volumes primarily due to Turnaround at Cherokee and EDC in 2018

** SG&A primarily due to legal costs in 2018 Q3

Illustrative EBITDA Impact Associated with Changes in Product Selling Prices & Feedstock Costs



(Based on 2018 Volumes)

	Selling Price Comparison		Change in Selling Price Impact on EBITDA		
	Q4 2017 Actual Average Selling Prices	Q4 2018 Current/Expected Average Selling Prices	Change		Annual EBITDA Impact
UAN ¹	\$124 / ST	\$180 / ST	\$10.00	+/-	\$4.8mm
HDAN ¹	\$203 / ST	\$215 / ST	\$10.00	+/-	\$3.0mm
Tampa Ammonia ¹	\$300 / MT	\$355 / MT	\$10.00	+/-	\$3.8mm
Illustrative Impact from \$10/ton change				+/-	~\$11.6mm
Natural Gas (\$/MMBtu)	\$3.00 / MMBtu	\$2.65 / MMBtu	\$0.10	+/-	\$2.4mm

Based on management estimates. Actual pricing impacts may vary based on a number of factors, including many that are beyond the Company's control. For illustrative purposes only.

¹ Sensitivity calculated on products available for sale based on annual producing capacity.

Consolidated EBITDA

Sensitivity Analysis (\$ In Millions)



Significant Earnings Power at Optimal Operating Rates

		Natural Gas Price per mmbtu				
		\$2.50	\$3.00	\$3.50	\$4.00	\$4.50
Tampa Ammonia price per MT	\$450	\$226	\$214	\$202	\$190	\$178
	\$400	\$194	\$182	\$170	\$158	\$146
	\$350	\$162	\$150	\$138	\$126	\$114
	\$300	\$130	\$118	\$106	\$ 94	\$ 82
	\$250	\$ 98	\$ 86	\$ 74	\$ 62	\$ 50
	\$200	\$ 66	\$ 54	\$ 42	\$ 30	\$ 17

Note: The model above is only intended to illustrate the relationship between variables. It is not an estimate of operating results for any future period.

Key factors in model above:

- Assumes no turnaround at any facility and related impact from lost production/sales and expenses. Note: Company is on a three-year turnaround cycle, which will include turnarounds in the current fiscal year.
- Tampa Ammonia price assumes average over the full year
- Average ammonia plant on-stream rate of 97%, 95% and 95% at El Dorado, Cherokee and Pryor, respectively (excluding turnaround)
- Assumes that a \$50/MT change in ammonia price is equivalent to a \$21 per short ton change in UAN price and a \$23 per short ton change in AN price
- Minimal growth of mining sales
- No incremental cost savings over previously announced savings

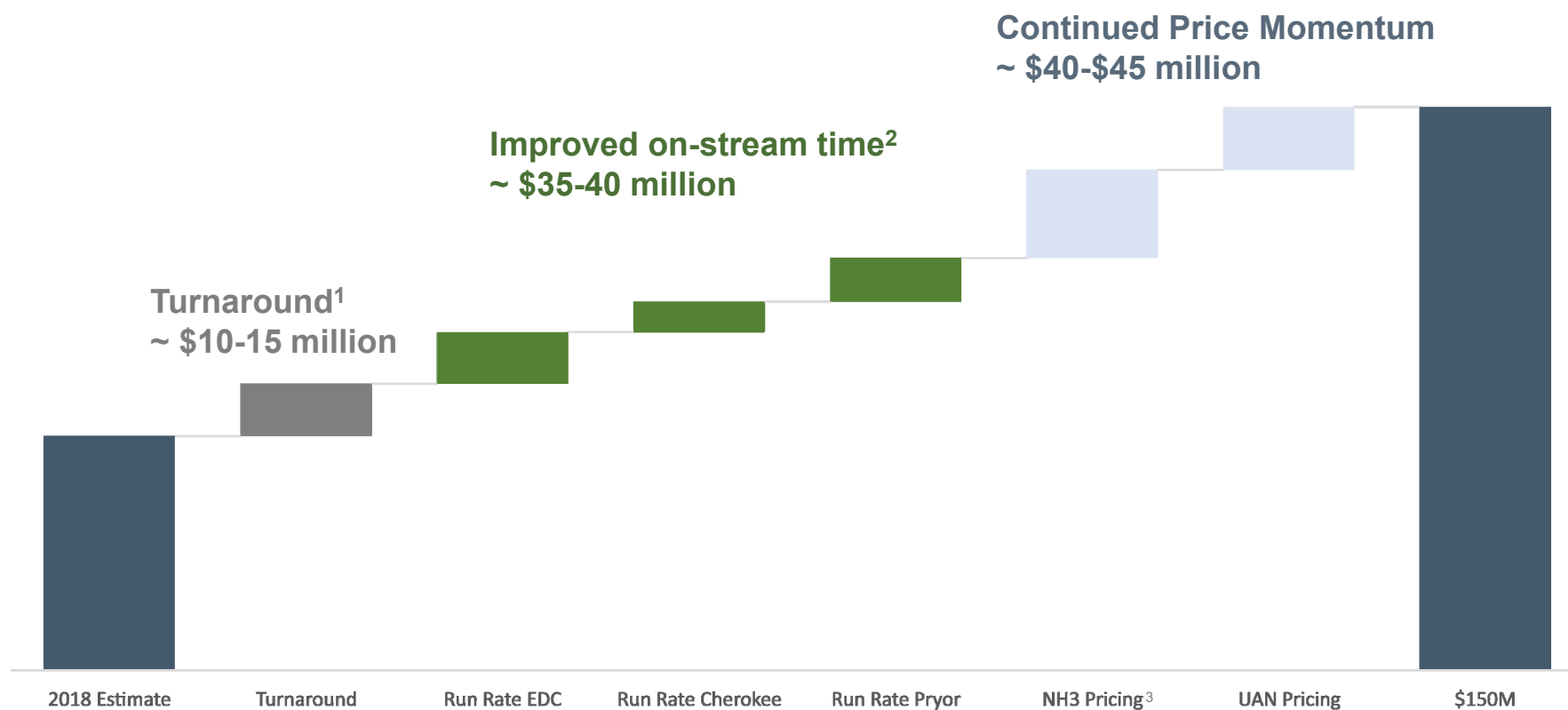
Actual results may vary based on a number of factors, including many that are beyond the control of the Company. For illustration purpose only. lsbindustries.com

Path to \$150 million EBITDA...

(\$ In Millions)



Assumes \$350/MT Tampa ammonia and \$3.00/mmbtu gas



1. Represents actual turnaround expenses and impact of lost production/sales
2. Assumes ammonia on-stream rates of 97% at El Dorado, 95% at Cherokee, and 95% at Pryor
3. Represents direct ammonia sales and impact on industrial/mining sales

Capital Structure

\$ In Millions	9/30/18
Cash	\$ 42.7
Senior Secured Notes	400.0
Working Capital Revolver (\$39.1 mm of availability at 9/30/18)	-
Other Debt	31.5
Unamortized Discount and Debt Issuance Costs	(15.8)
Total Long-Term Debt, Including Current Portion, net	\$ 415.7
Series E and F Redeemable Preferred Stock (\$205.0 million liquidation preference including accrued dividends)	194.6
Total Stockholders' Equity	\$ 360.5
Total Liquidity (Cash plus ABL availability)	\$ 81.9

Key Information:

Senior Secured Notes

- \$400 million at 9.625%
- Due May 2023

Redeemable Preferred Stock

- \$205 million @ 14%
- First put date October 2023

Working Capital Revolver

- \$50 million (Prime + 50 bps)
- Expires January 2022
- No borrowings at September 30, 2018



Strategy

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Strategy

Short Term (next 18 months)

- Enhancing training and operating and maintenance procedures
- Improving the on-stream rates of our chemical plants
- Focusing on the continued improvement of safety performance
- Continuing to broaden the distribution of our AN and Nitric Acid products to increase sales
- Improving the margins on sales of our products
- Lowering our production costs

Medium / Long Term (Thereafter)

- Larger platform to complete effectively
- Focus on opportunities to realize synergies/operational flexibility while gaining scale and diversity across key product groups