Q1 2021 Earnings Presentation

April 29, 2021

LSB INDUSTRIES

Forward-Looking Statements

- Statements in this presentation that are not historical are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance including the effects of the COVID-19 pandemic and anticipated performance based on our growth and other strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or actual achievements to differ materially from the results, level of activity, performance or anticipated achievements expressed or implied by the forward-looking statements. Significant risks and uncertainties may relate to, but are not limited to, business and market disruptions related to the COVID-19 pandemic, market conditions and price volatility for our products and feedstocks, as well as global and regional economic downturns, including as a result of the COVID-19 pandemic, that adversely affect the demand for our end-use products; disruptions in production at our manufacturing facilities; and other financial, economic, competitive, environmental, political, legal and regulatory factors. These and other risk factors are discussed in the Company's filings with the Securities and Exchange Commission (SEC).
- Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for our management to predict all risks and uncertainties, nor can management assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Unless otherwise required by applicable laws, we undertake no obligation to update or revise any forward-looking statements, whether because of new information or future developments.

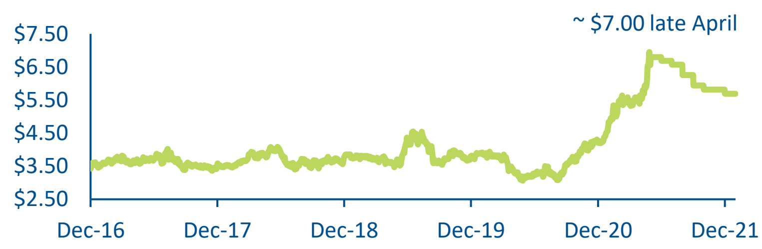
Q1 2021 Overview
Executing on Our Strategy and Improving End-Market Fundamentals

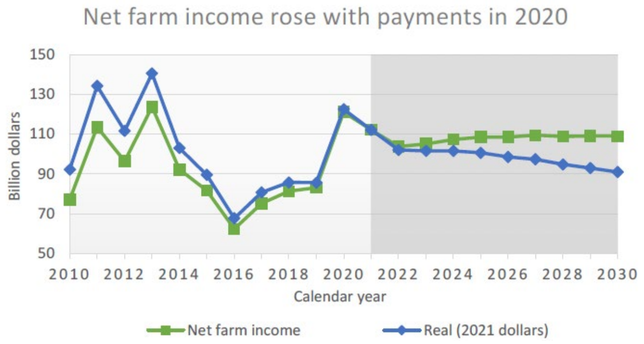
- Sales volumes increased 8% year over year despite weather-induced plant curtailments in February
  - Commenced new nitric acid contract
- Higher selling prices year over year
- Adjusted EBITDA increased 11% year over year
- Remain confident in financial position – total liquidity of ~ $56.0 million as of 3/31/2021
- Hired a Director of Clean Energy

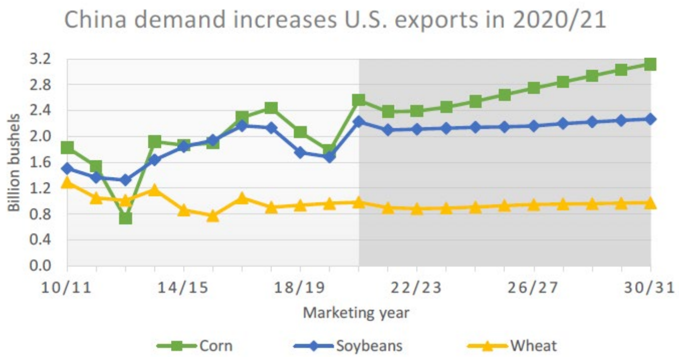
Agricultural Market Overview

- Significant increase in commodity prices since Fall 2020
  - 2020 farmer income was 2nd highest ever
  - Significant increase in Chinese imports of all agricultural commodities
  - La Nina drought conditions in South America impacting yields
- U.S. ammonia production declined approximately 200,000 tons in February as a result of record cold temperatures and natural gas disruption
- 91 million acres of corn expected to be planted in U.S. in 2021
- Corn trading over $6.90/bushel in late April, a 127% increase from 2020 lows; expected to remain at elevated levels throughout the year
- Price rally for most fertilizer products from summer lows

5 Year Corn Prices







Sources: Yahoo! Finance, Food & Agricultural Policy Research Institute

Expecting significantly higher pricing vs. a year ago

	Q2 2021 Current/Expected Average Selling Prices	Q2 2020 Actual Average Selling Prices
Tampa Ammonia	$545 / MT	$234 / MT
UAN	$250 / ST	$149 / ST
HDAN	$305 / ST	$232 / ST
Natural Gas ($/MMBtu)	$2.75 / MMBtu	$1.81 / MMBtu

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.

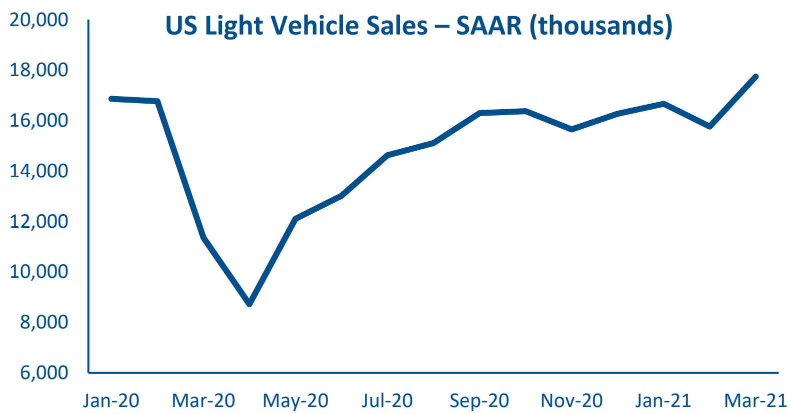
Industrial and Mining Market Overview

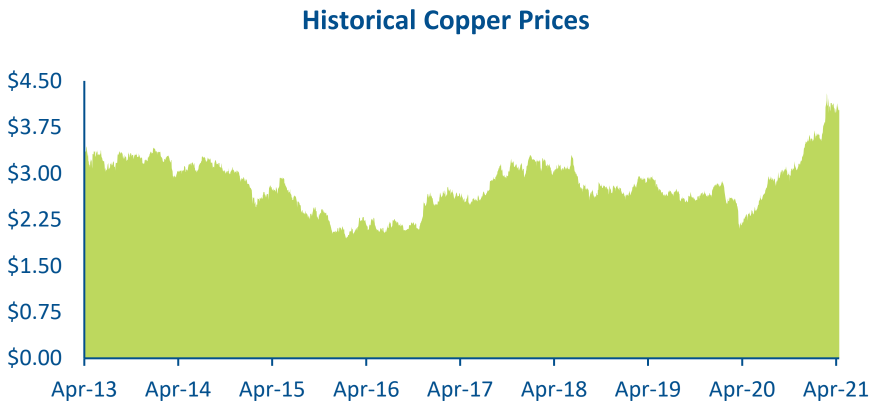
Industrial

- Automotive industry temporarily halted production in the Spring of 2020, but production has since gained momentum. Seasonally adjusted annual rate (SAAR) for light vehicle sales continued its upward trajectory into the new year, and sales in March 2021 continue to be higher than expected.
- According to the U.S. Department of Housing and Urban Development, new privately-owned housing unit starts totaled 1.739 million in March, showing continued elevated levels and an 86% increase from pandemic-related lows in April 2020.

Mining

- Copper prices rising, reaching $4.30 per pound on February 24th, the highest price since August 2011, and hovering around $4 per pound in April. This increase is driven by demand from EV companies.
- Quarry and construction business returning, with aggregates for residential construction a large driver.
- Diversification away from coal continues to be a focus (33% of LSB sales mining volumes in 2016 vs 1% of LSB mining sales volumes in 2020).





LSB Consolidated Financial Highlights

$ in millions, except per share amounts

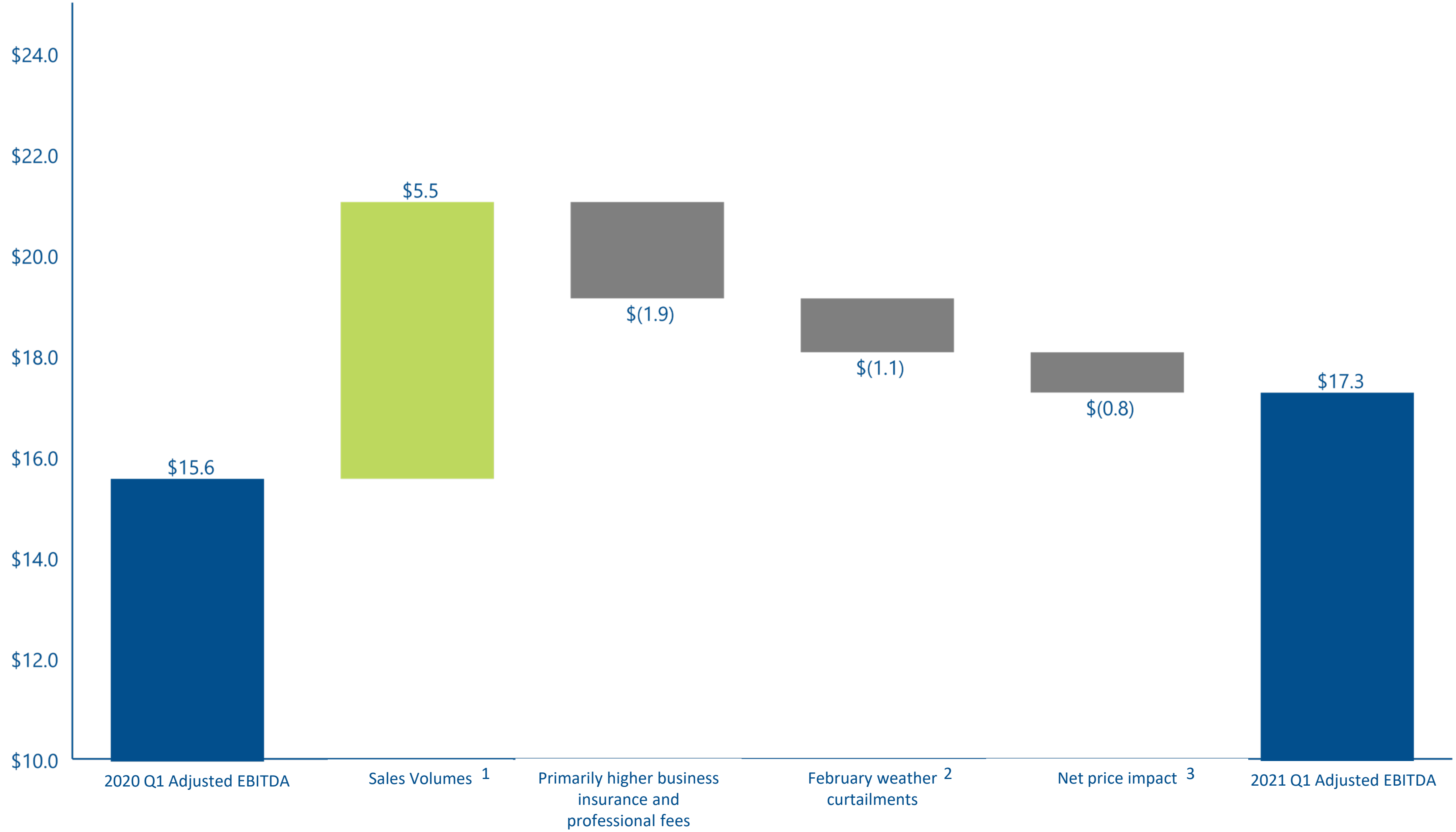
	1Q 2021	1Q 2020	
Sales	$98.1	$83.4	▪ Sales up 18%: Price up 10%, Volume up 8%
Adjusted Gross Profit [1]	$24.9	$20.1	▪ Higher sales volumes and selling prices partially offset by higher gas costs and net impact from weather induced plant curtailments in February
Operating Loss	($0.5)	($7.0)	▪ Legal fees for Leidos case approximately $3.3 million and $0.9 million in Q1 2020 and Q1 2021, respectively
EBITDA[2]	$16.2	$11.6	▪ EBITDA increased in line with previously outlined factors that improved adjusted gross profit
Adjusted EBITDA[2]	$17.3	$15.6	▪ $5.5 million from higher volume largely offset by $1.1 million lost impact from February weather curtailments, $1.9 million higher costs and $0.8 million net price impact (higher gas pricing, partially offset by higher selling prices)

(1) Adjusted gross profit excludes turnaround, depreciation, and amortization expenses. This is a non-GAAP measure. Refer to the Gross Profit Reconciliation page within this presentation for reconciliation of adjusted gross profit to reported gross profit.

(2) This is a non-GAAP measure; refer to the EBITDA Reconciliation page within this presentation.

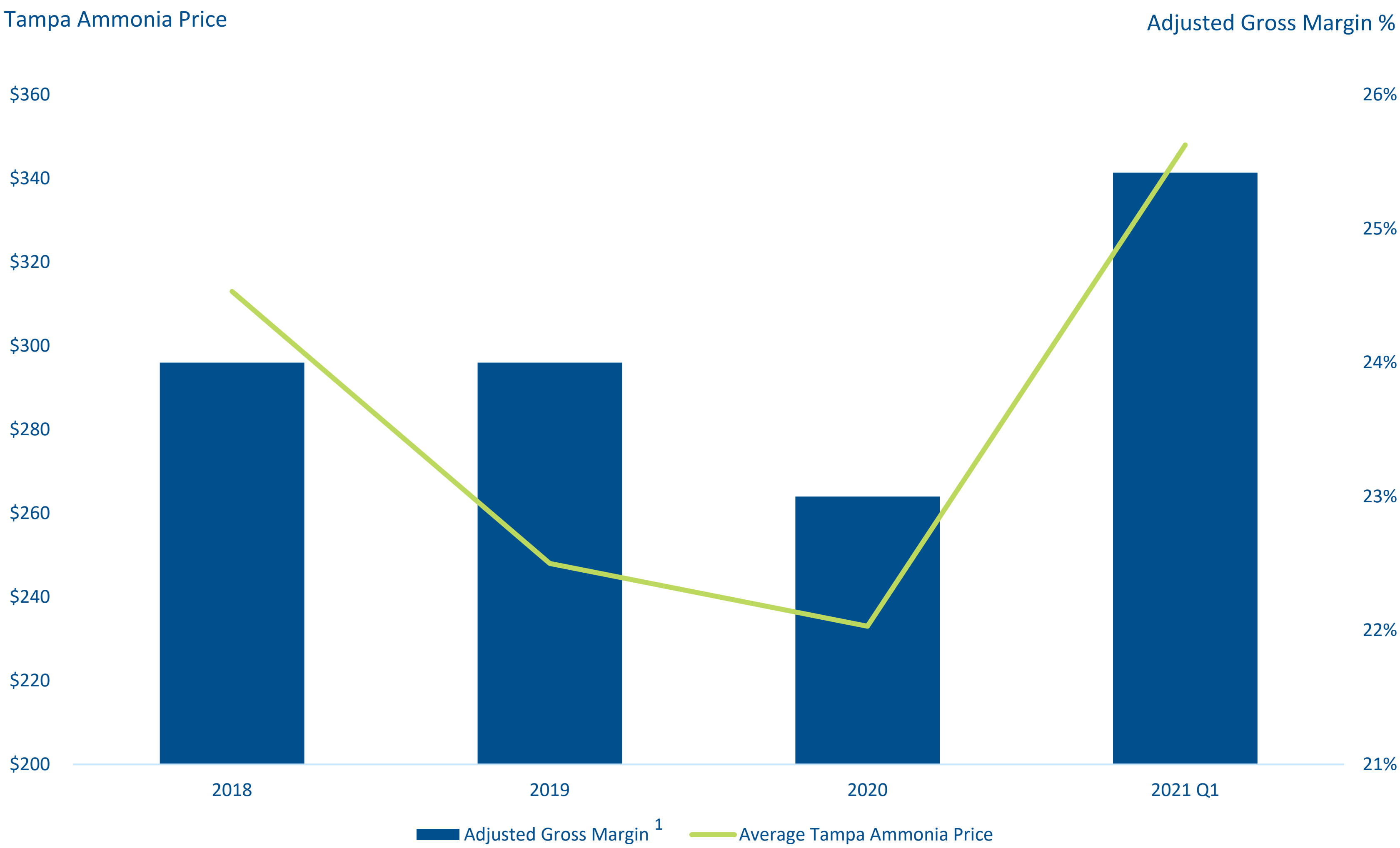
First Quarter – 2021 vs. 2020

$ in millions (amounts are approximate)



(1) Volume includes $1.7 million improved fixed cost absorption related to improved operating rates year over year (excluding the February weather curtailments); volume is net of higher railcar and logistics costs.
(2) Impact from lost production, lost sales and higher costs resulting from the impact of the natural gas shortage caused by the February cold weather event was partially mitigated with the settlement of natural gas forward contracts and certain volume purchase commitments
(3) Represents $7.8 million from higher gas prices net of $7.0 million from higher selling prices.

Solid Operating Performance Coupled with Improved Market Pricing Leads to Gross Margin Expansion



(1) Adjusted gross profit margin excludes turnaround, vendor settlements, depreciation, and amortization expenses. This is a non-GAAP measure. Refer to the Gross Profit Reconciliation page within this presentation for reconciliation of adjusted gross profit to reported gross profit.

Current Capital Structure

Senior Secured Notes

- $435 million at 9.625%
- Due May 2023
- Call premium of 103 in May 2021
- No maintenance covenants

Working Capital Revolver

- $65 million (Prime + 50 bps)
- Expires February 2024
- Springing maintenance covenants when borrowing exceeds 90% of availability; no trigger point has occurred

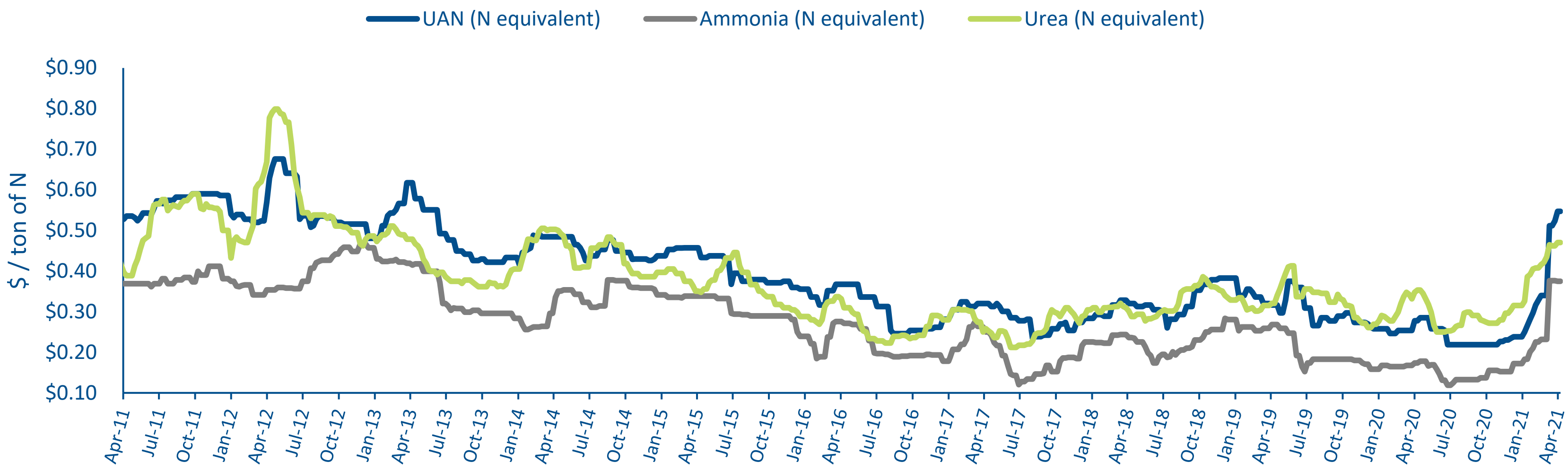
Redeemable Preferred Stock

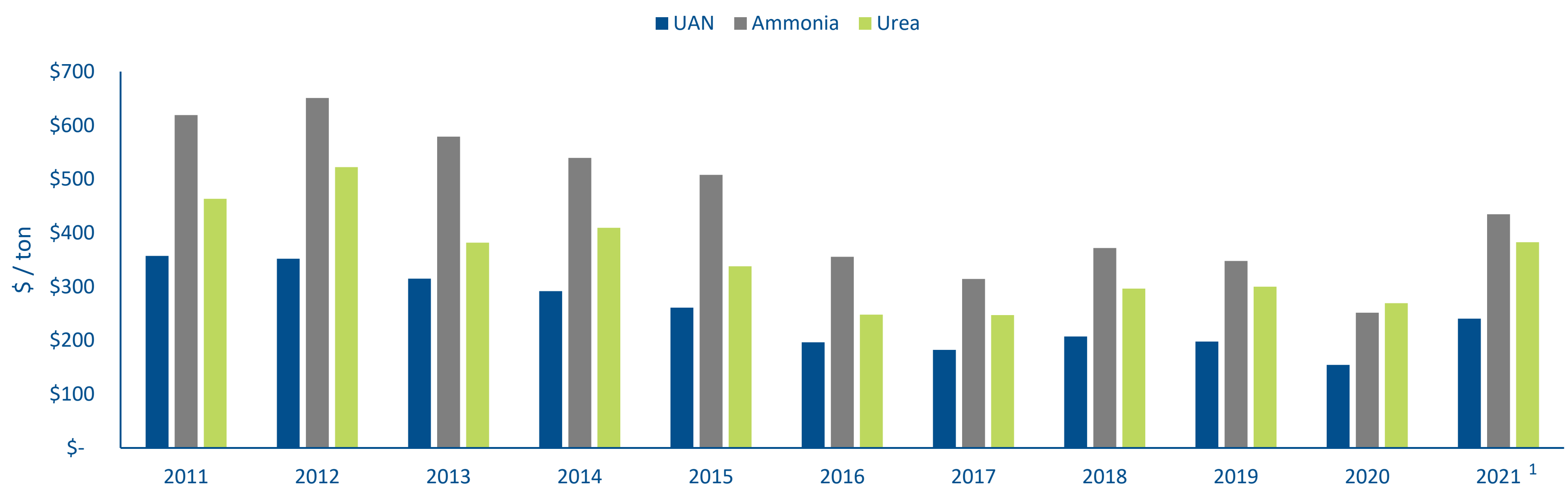
- $287.5 million at 14%
- Callable at par
- First put date October 2023

Opportunities to Improve Capital Structure

- Reviewing refinancing opportunities
  - Favorable fertilizer market trends and continued recovery of industrial demand exiting pandemic
  - Improving financial results
  - Issuer friendly credit market environment

UAN Discount to Urea on a Nitrogen Equivalent Basis That Has Persisted Through Much of the Past Year Reversed in April





(1) Represents YTD April 2021.

Positioned for Continued Growth and Improved Financial Performance

Realizing returns from completed maintenance and upgrades

- Reached record ammonia, UAN, and DEF production in 2020
- Several initiatives underway to drive further improvement in operating performance
- Opportunity to capitalize on favorable pricing trends in 2021 and beyond

Continued broadening of our distribution through aggressive sales and marketing programs and additional storage capacity

- Optimizing product mix to maximize margins
- New 7-year contract signed for 70,000 – 100,000 tons of Nitric Acid began in Q1 2021
- Added storage allows maximum capacity utilization and positioning of product; reviewing additional storage opportunities

Executing on key margin enhancement projects

- Completed upgrading Nitric Acid loading and increased storage to support new contract volumes
- HDAN storage dome completed in April 2020 allowing us to maximize annual selling prices
- Engineering and construction underway for new C02 guest plant with start-up expected in Q4 2021
- Several new projects under evaluation that would expand production, storage, or logistics capabilities

Focus on other growth initiatives

- Actively pursuing growth opportunities
- Green Ammonia strategy; Director of Clean Energy hired

Appendix

EBITDA Reconciliation

LSB Consolidated ($ In Thousands)	Three Months Ended March 31,	
	2021	2020
Net loss	**($13,279)**	**($19,452)**
Plus:		
Interest expense	12,372	13,479
Depreciation and amortization	17,077	17,907
Provision (benefit) for income taxes	42	(339)
EBITDA (1)	**$16,212**	**$11,595**
Stock-based compensation	713	495
Noncash loss (gain) on natural gas contracts	(1,205)	527
Legal fees (Leidos)	886	3,287
Loss (gain) on disposal of assets	83	(223)
Fair market value adjustment on preferred stock embedded derivatives	436	(637)
Consulting costs associated with reliability and purchasing initiatives	-	576
Turnaround costs	140	-
Adjusted EBITDA (2)	**$17,265**	**$15,620**

(1) EBITDA is defined as net income (loss) plus interest expense, plus loss on extinguishment of debt, plus depreciation and amortization (D&A) (which includes D&A of property, plant and equipment and amortization of intangible and other assets), plus provision (or less benefit) for income taxes. We believe that certain investors consider EBITDA a useful means of measuring our ability to meet our debt service obligations and evaluating our financial performance. EBITDA has limitations and should not be considered in isolation or as a substitute for net income, operating income, cash flow from operations or other consolidated income or cash flow data prepared in accordance with GAAP. Because not all companies use identical calculations, this presentation of EBITDA may not be comparable to a similarly titled measure of other companies. The above table provides a reconciliation of net income (loss) to EBITDA for the periods indicated.

(2) Adjusted EBITDA is reported to show the impact of one time/non-cash or non-operating items-such as, loss (gain) on sale of a business and other property and equipment, one-time income or fees, certain fair market value adjustments, non-cash stock-based compensation, and consulting costs associated with our reliability and purchasing initiatives. We historically have performed Turnaround activities on an annual basis, however we are moving towards extending Turnarounds to a two or three-year cycle. Rather than being capitalized and amortized over the period of benefit, our accounting policy is to recognize the costs as incurred. Given these Turnarounds are essentially investments that provide benefits over multiple years, they are not reflective of our operating performance in a given year. As a result, we believe it is more meaningful for investors to exclude them from our calculation of adjusted EBITDA used to assess our performance. We believe that the inclusion of supplementary adjustments to EBITDA is appropriate to provide additional information to investors about certain items. The above table provides reconciliations of EBITDA excluding the impact of the supplementary adjustments. Our policy is to adjust for non-cash, non-recurring, non-operating items that are greater than $0.5 million quarterly or cumulatively.

Gross Profit Reconciliation

LSB Consolidated ($ In Thousands)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Twelve Months Ended December 31, 2020	Twelve Months Ended December 31, 2019	Twelve Months Ended December 31, 2018
Net sales					
Agricultural	$44,913	$41,458	$180,036	$187,641	$187,164
Industrial and Mining	53,203	41,953	171,280	177,429	190,996
Total net sales	**$98,116**	**$83,411**	**$351,316**	**$365,070**	**$378,160**
Adjusted gross profit [1]	**24,939**	**20,128**	**80,960**	**86,458**	**90,868**
Depreciation and amortization [2]	(16,739)	(17,577)	(69,500)	(68,263)	(70,184)
Turnaround expense	(140)	-	(76)	(13,210)	(9,768)
Settlements	-	-	5,664	-	4,919
Gross profit	**$8,060**	**$2,551**	**$17,048**	**$4,985**	**$15,835**
Adjusted gross profit margin [3]	25%	24%	23%	24%	24%
Gross profit margin [3]	8%	3%	5%	1%	4%

(1) Represents a non-GAAP measure since the amount excludes depreciation, amortization, vendor settlements, and turnaround expenses.

(2) Represents amount classified as cost of sales.

(3) As a percentage of the respective net sales.

EBITDA Sensitivity Grid at $3.00/mmbtu Gas

$ in millions

Significant Earnings Power at Optimal Operating Rates

Average Tampa Ammonia Price/MT For A Year	Average UAN Price/ST For A Year: $ 210	$ 190	$ 170	$ 150	$ 130
$ 400	$ 180	$ 170	$ 160	$ 150	$ 140
$ 350	$ 160	$ 150	$ 140	$ 130	$ 120
$ 300	$ 140	$ 130	$ 120	$ 110	$ 100
$ 250	$ 120	$ 110	$ 100	$ 90	$ 80
$ 200	$ 100	$ 90	$ 80	$ 70	$ 60

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
- Average ammonia plant on-stream rate of 97%, 95% and 95% at El Dorado, Cherokee and Pryor, respectively (excluding turnaround)
- Every $0.10 change in gas is approximately $2.0-$2.5 million (depending on product mix)

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