



INVESTOR OVERVIEW

November 2024

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.

Stockholder Rights Plan in Place to Preserve Substantial NOL's

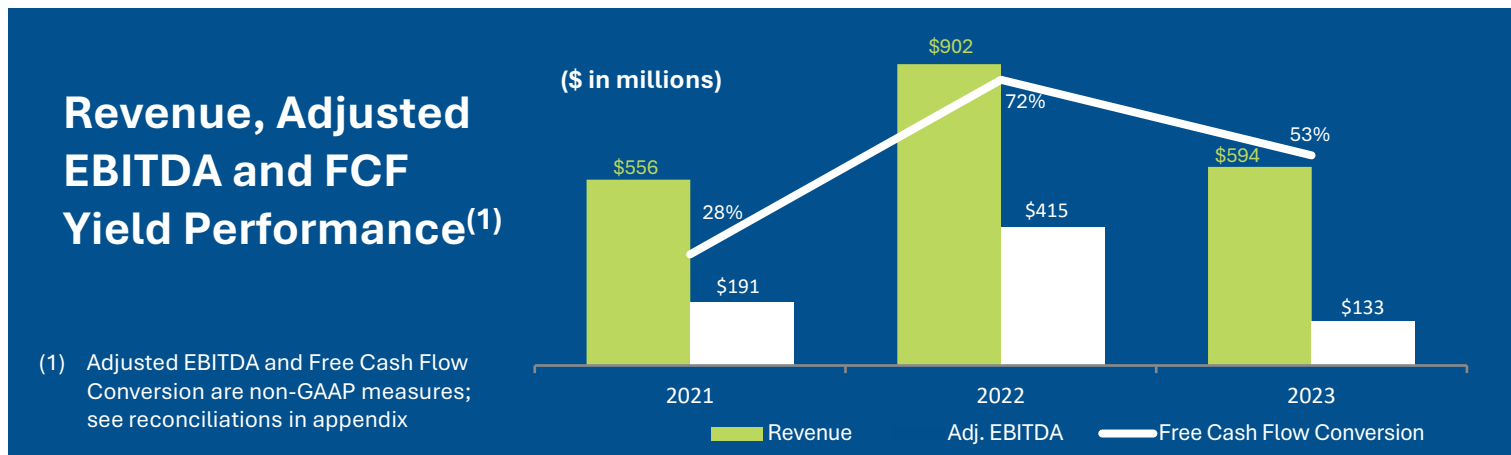
- Our Section 382 Stockholder Rights Plan (the “Rights Plan”) is intended to protect our substantial net operating losses (“NOLs”), carryforwards and other tax attributes.
- We can generally use our NOLs and other tax attributes to reduce federal and state income tax that would be paid in the future.
- Our ability to use our NOLs could be substantially limited if we experience an “ownership change,” as defined under Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”) and the Rights Plan has been designed to help prevent such an “ownership change.”
- The Rights Plan provides that if any person becomes the beneficial owner (as defined in the Code) of 4.9% or more of our common stock, stockholders other than the triggering stockholder will be entitled to acquire shares of common stock at a 50% discount or LSB may exchange each right held by such holders for one share of common stock.
- Under the Rights Plan, any person which currently owns 4.9% or more of LSB’s common stock may continue to own its shares of common stock but may not acquire any additional shares without triggering the Rights Plan.
- Our Board of Directors has the discretion to exempt any person or group from the provisions of the Rights Plan.
- On August 22, 2023, the Company entered into an Amended and Restated Section 382 Rights Agreement. As a result, the Rights Plan will continue in effect until August 22, 2026, unless terminated earlier in accordance with its terms.

Who We Are

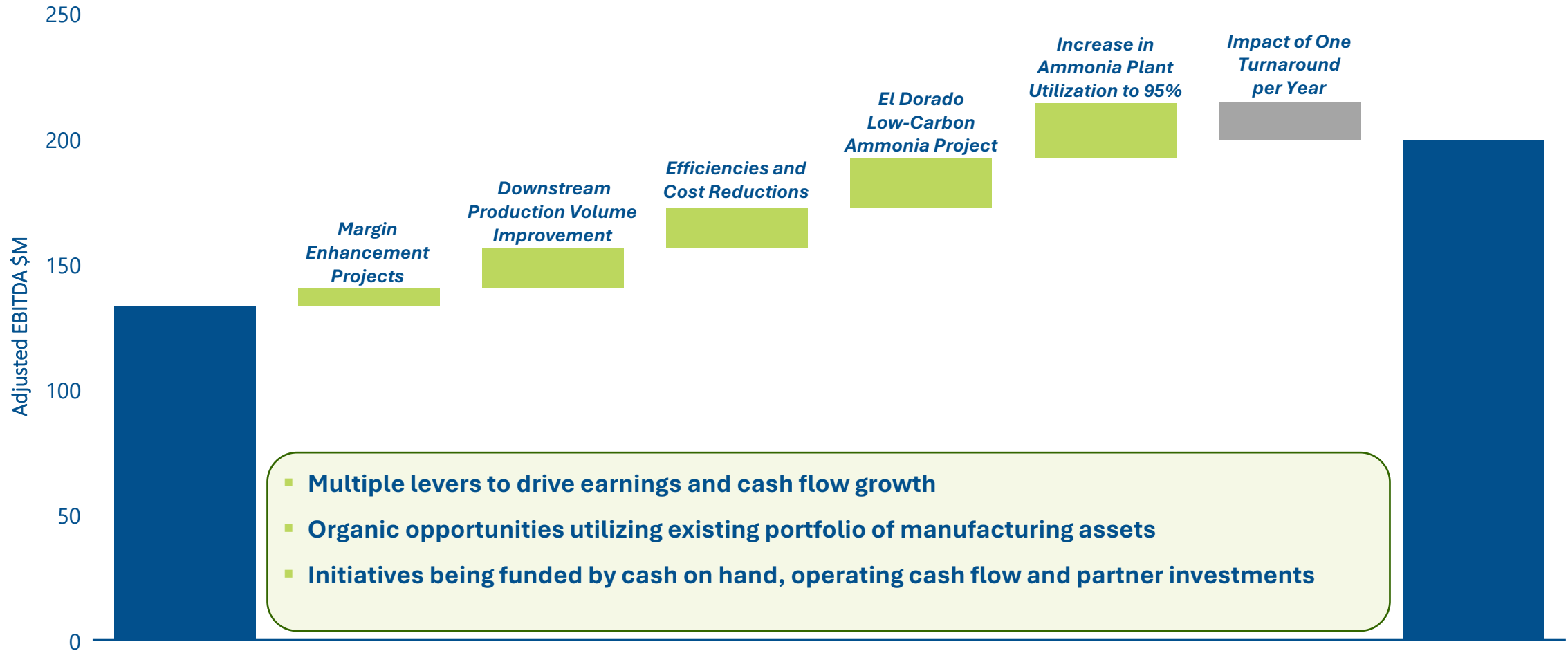


LSB at a Glance

- LSB Industries manufactures and sells nitrogen-based products for the industrial and agricultural markets
- The Company is the fifth largest producer of ammonia and the leading merchant marketer of nitric acid in the U.S.
- Headquartered in Oklahoma City, LSB owns/operates three strategically located production facilities:
 - El Dorado, AR: Manufactures ammonia, ammonium nitrate, nitric acid, sulfuric acid and AN solution
 - Cherokee, AL: Manufactures UAN, ammonia, AN solution and nitric acid
 - Pryor, OK: Manufactures UAN and ammonia
- LSB operates an additional nitric acid facility in Baytown, TX owned by Covestro
- Strong balance sheet positions company for growth through development of low-carbon ammonia projects and capacity expansion, while returning value to shareholders



Increase in Earnings Power Driven by Multiple High Returning Initiatives



*Assumes pricing levels consistent with 2023

Value Generating Transformation Underway



YESTERDAY

- Siloed and “good was good enough”
- Chemicals, HVAC, other disparate businesses
- Hamstrung by capital structure
- “Left for dead” by the equity market
- Low onstream rates; inefficient operations
- No sustainability plan
- No cohesive plan for growth: too busy ‘putting out fires’
- Less than \$40 million in EBITDA



TODAY

- Professionalized
- Chemicals-focused
- Healthy capital structure
- Multiple of yesterday’s EBITDA
- Trading in line with peers; improved volumes
- Improving onstream rates; proactively improving operations
- Sustainability plan supported by clean energy retrofit projects
- Multiple avenues for growth within existing footprint

We are fulfilling our Vision of Being a Leader in the Energy Transition



TOMORROW

- Energized workforce aligned w/ Vision: energy transition leadership
- Focused on low-carbon chemical and energy products
- An equity story of growth and sustainability
- Healthy capital structure, strategic partnerships, and improved access to growth capital
- Operational excellence with enviable onstream rates
- Sustainability as a growth engine
- Expanding competencies, end markets, and footprint
- Larger scale, lower earnings volatility

Experienced Management Team Driving Growth



MARK BEHRMAN
Chairman & Chief Executive Officer



CHERYL MAGUIRE
EVP & Chief Financial Officer



SCOTT BEMIS
EVP, Manufacturing



DAMIEN RENWICK
EVP, Chief Commercial Officer



MICHAEL FOSTER
EVP, General Counsel & Secretary



DR. JAKOB KRUMMENACHER
VP, Clean Energy

Our Core Business



Diversified Nitrogen Chemicals Business with Differentiated End Market Positions

Industrial Key Products & End Markets

Nitric Acid

Nitric Acid
Mixed Acids
Concentrated Nitric Acids

Semiconductor, nylon & polyurethane intermediates, ammonium nitrate, metals processing, DoD contractors- armaments

Ammonia

Ammonia Refrigerant Grade
Ammonia Commercial Grade
Aqua Ammonia

Chemical feedstock, emissions abatement, water treatments, refrigerants

Ammonium nitrate (AN)

Ammonium Nitrate Solution (ANS)
Low-Density AN (LDAN)
High-Density AN (HDAN)

Explosives for mining, quarries, and other blasting activities

Sulfuric Acid

Sulfuric Acid 93%
Sulfuric Acid 93% Low Iron

Bromine, pulp & paper, water treatment, metals processing (lithium, vanadium, aluminum, etc.)

CO₂

Food refrigeration, dry ice, enhanced oil recovery



Automotive & Home Building

Chemical Manufacturing

Mining

Agricultural Key Products & End Markets

Urea ammonium nitrate solutions (UAN)

Liquid fertilizer for corn and other crops

Ammonium nitrate (AN)

High-Density AN (HDAN)

High-efficacy fertilizer for corn, other crops, and pastures and key nitrogen components in nitrogen, phosphorus, and potassium (NPK) fertilizer blends

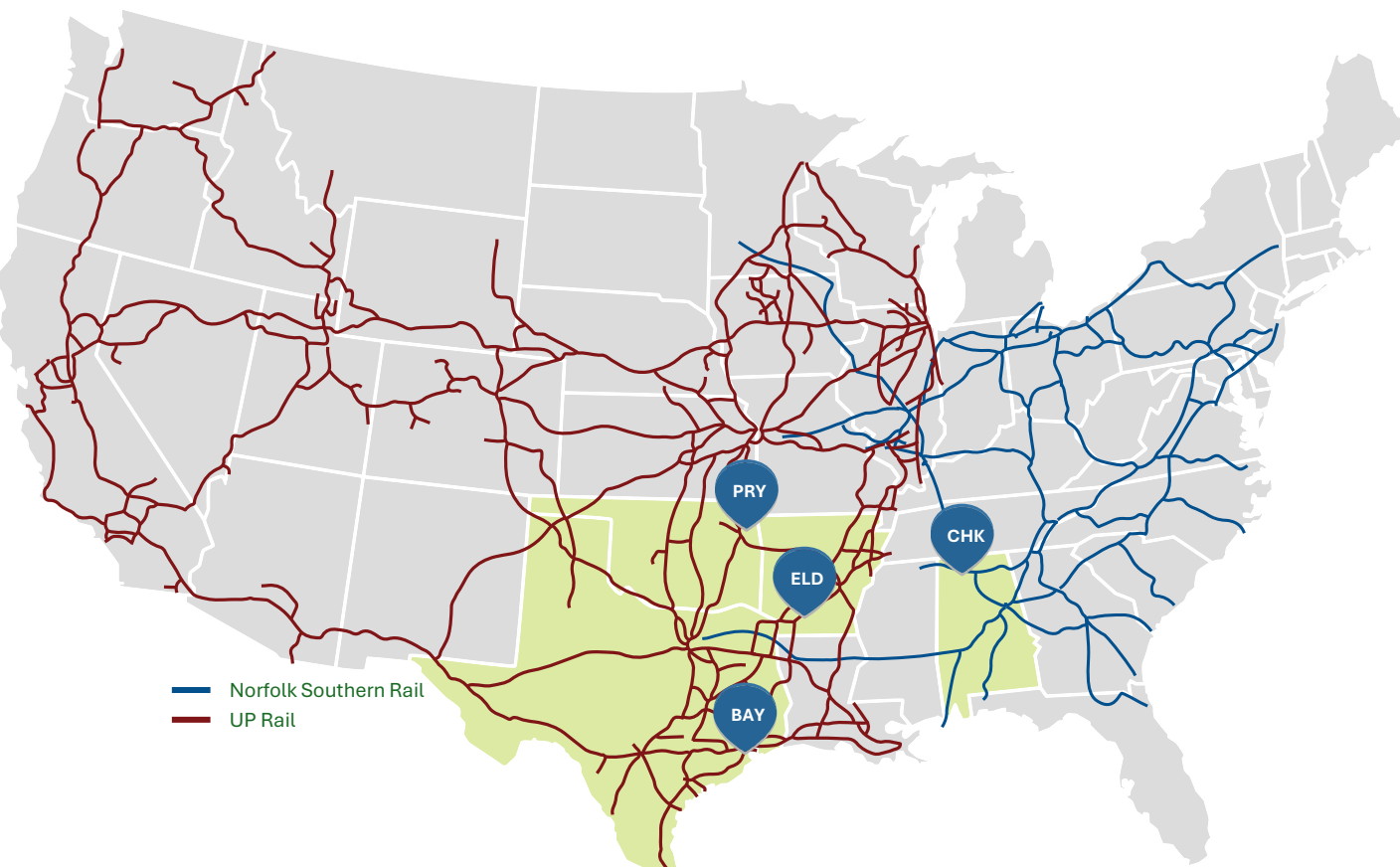
Ammonia

High nitrogen content fertilizer primarily used for corn



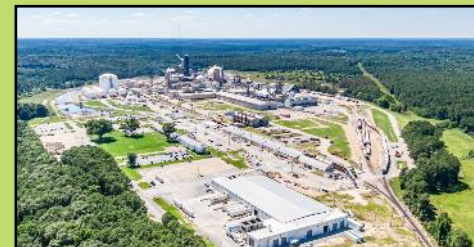
Fertilizer for Corn and Other Crops

Strategically Located Assets with Regional Competitive Advantages



KEY COMPETITIVE ADVANTAGES

- Leveraged to globally competitive, low-cost US natural gas
- Multiple options to add new, or increase existing, plant production capacities
- Strategic proximity to key end user markets
- Integrated production and logistics network to drive security of supply



EL DORADO, ARKANSAS

- Ammonia production capacity: 1,350 tons/day
- Nitric acid, AN, mixed acids, sulfuric acid
- Multiple options for new/increasing existing plant production capacities
- Strategically located to supply AN fertilizer and explosives markets, access to NuStar ammonia pipeline
- Uniquely placed to sequester carbon emissions and produce low carbon products



BAYTOWN, TEXAS

- Nitric acid production
- Co-located with Covestro under long-term operating agreement



PRYOR, OKLAHOMA

- Ammonia production capacity: 675 tons/day
- UAN production
- UAN expansion pathway
- Strategically located to supply the Southern Plains with direct rail access to Corn Belt



CHEROKEE, ALABAMA

- Ammonia production capacity: 515 tons/day
- UAN, AN and nitric acid production
- UAN expansion pathway
- Strategically located to supply Eastern Corn Belt fertilizer markets

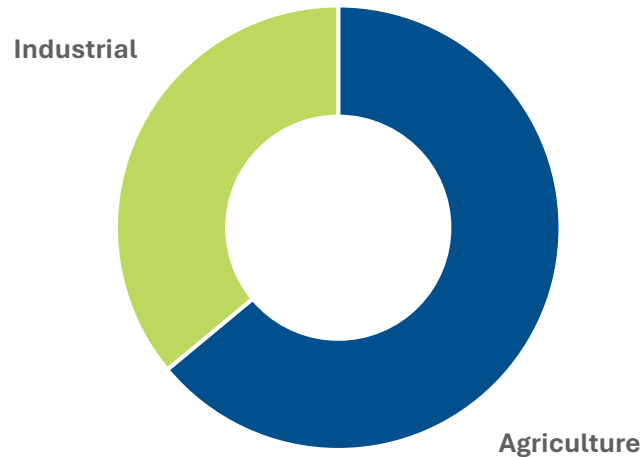
Diversified Nitrogen Chemicals Business with Differentiated End Market Positions

Broad diversification provides offtake stability and ratatability

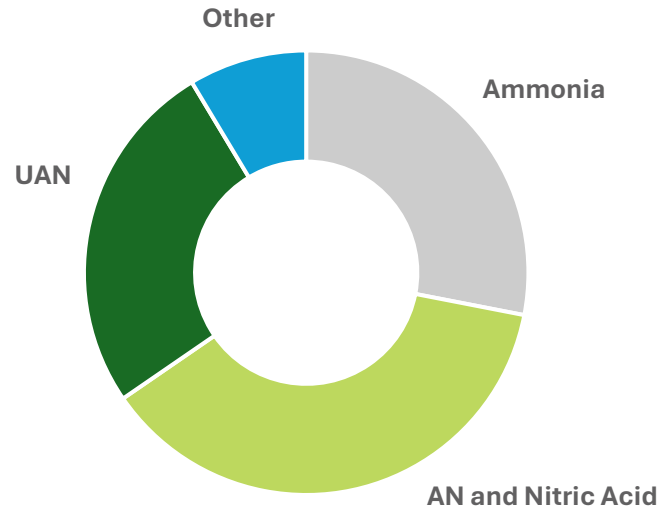
Operational and market flexibility to optimize mix and maximize earnings

Sales balance of spot and contract

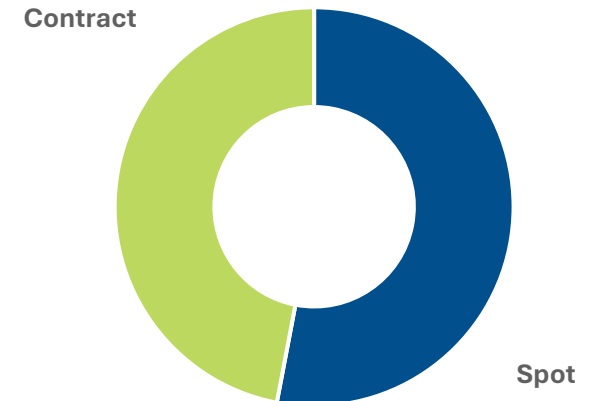
Revenue by market – 2023



Revenue by product – 2023

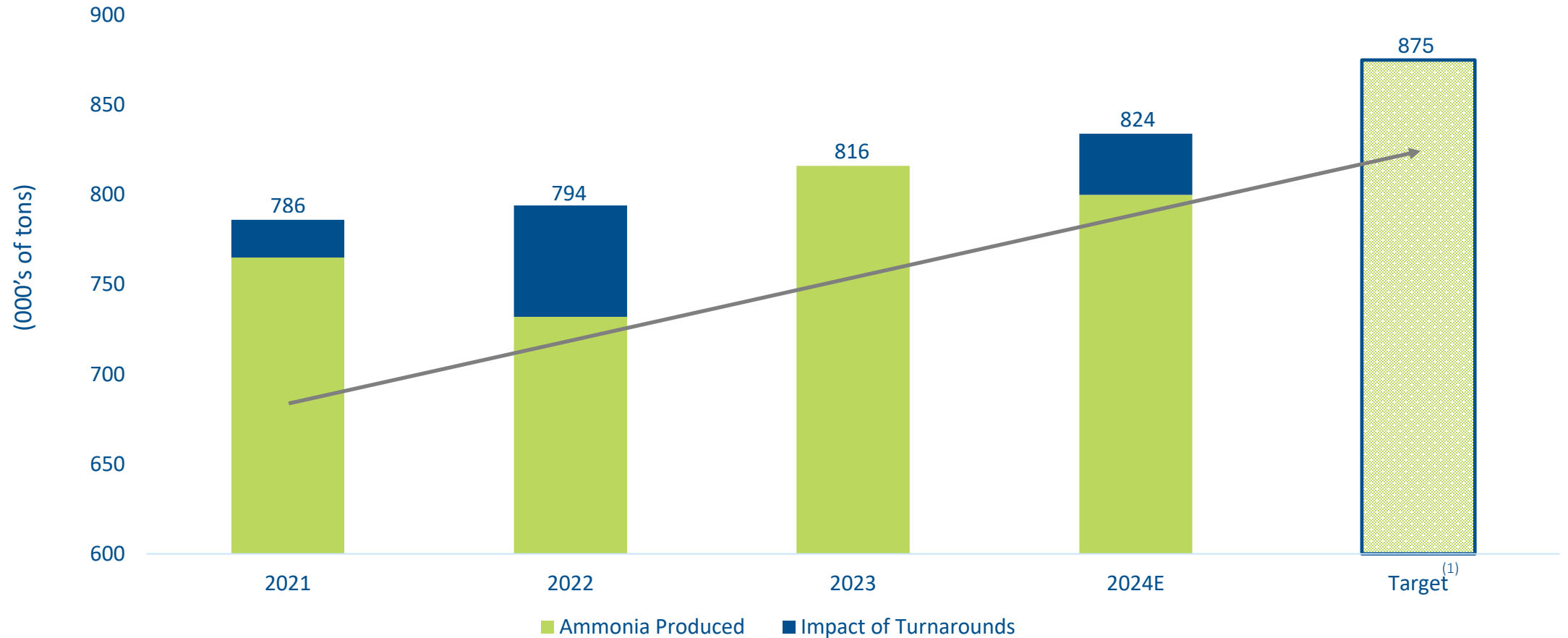


Volume by sales method – 2023



Reliability Initiatives Driving Increased Ammonia Production

Annual Ammonia Production Volume



(1) Based on capacity utilization of ~95%

Market Dynamics



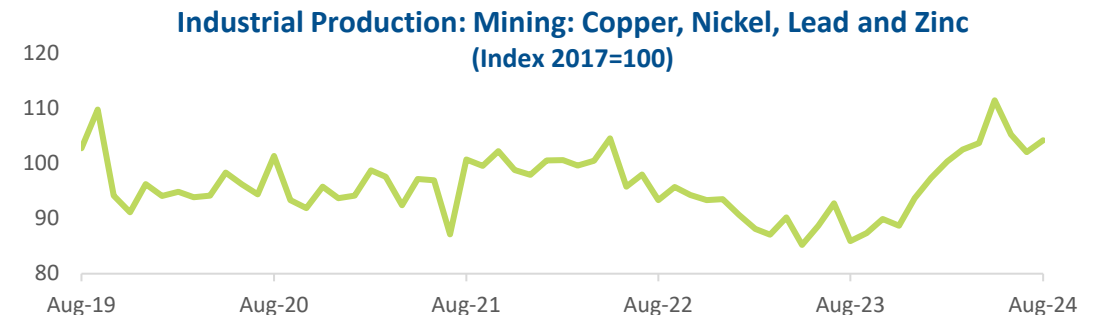
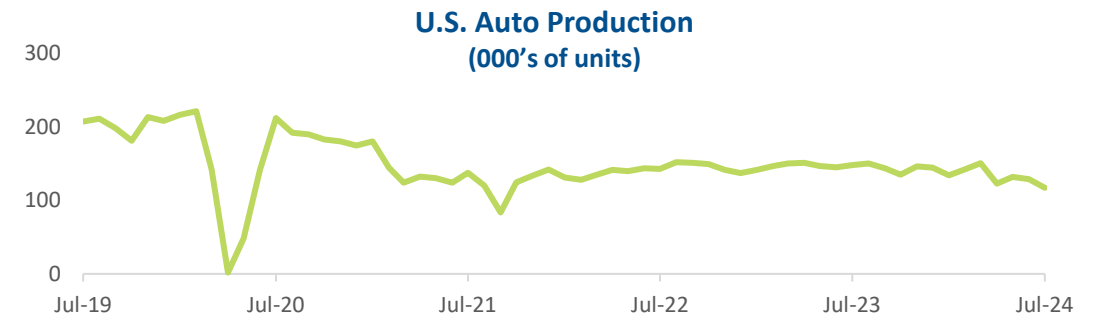
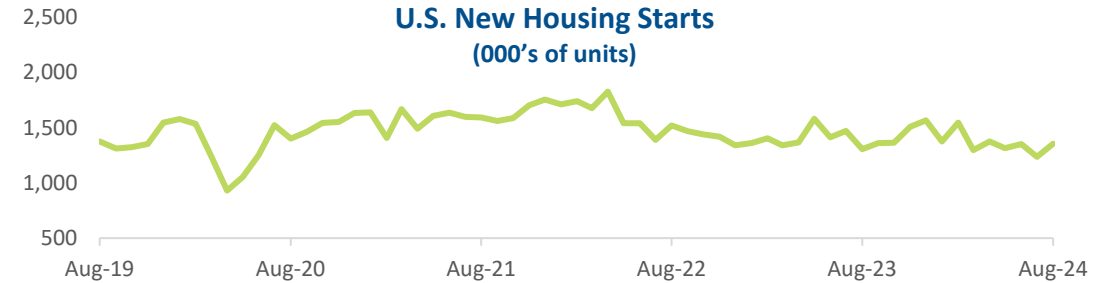
Industrial Market Overview (1)

Industrial business stable with potentially improving outlook

- Steady demand for nitric acid supported by the strength of the U.S. economy and robust consumer spending levels
- U.S. new housing starts and auto production relatively steady for past two years; both poised to increase as U.S. interest rates decrease

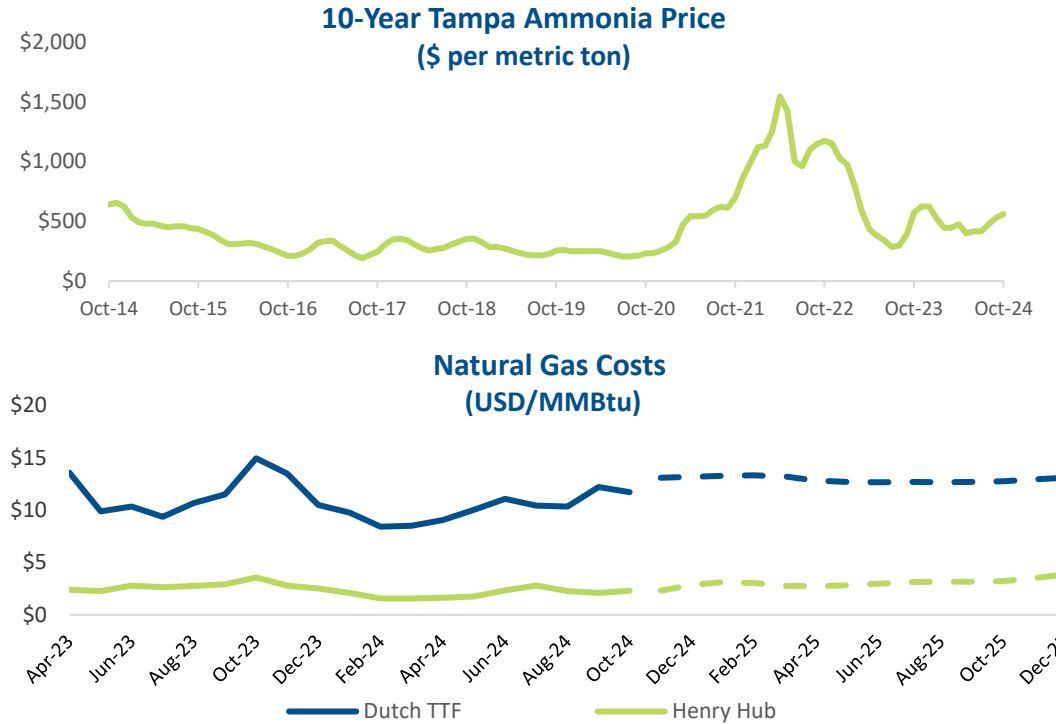
Demand for ammonium nitrate (AN) bolstered by U.S. mining of metals, including copper for data centers and electric vehicles, as well as quarrying/aggregate production for infrastructure upgrade and expansion

- Copper prices surged over the past year and currently sit above multi-year averages and exceed our estimate for cash production costs
- Improvement in new housing starts would drive U.S. aggregate production further strengthening AN demand



Nitrogen Product Pricing and Input Costs⁽¹⁾

- **Nitrogen product prices holding up well**
 - Tampa ammonia price supported by tight supply-demand dynamics, global supply constraints, disruption of shipping through the Suez Canal, and delayed startup of new capacity
 - Urea prices benefiting from limited export activity from China and Russia
 - UAN prices reflect tight channel inventories following Spring application and summer fill seasons, coupled with low imports and strong exports
- **U.S. gas prices projected to remain a cost advantage** for domestic nitrogen producers relative to European producers for the next two years

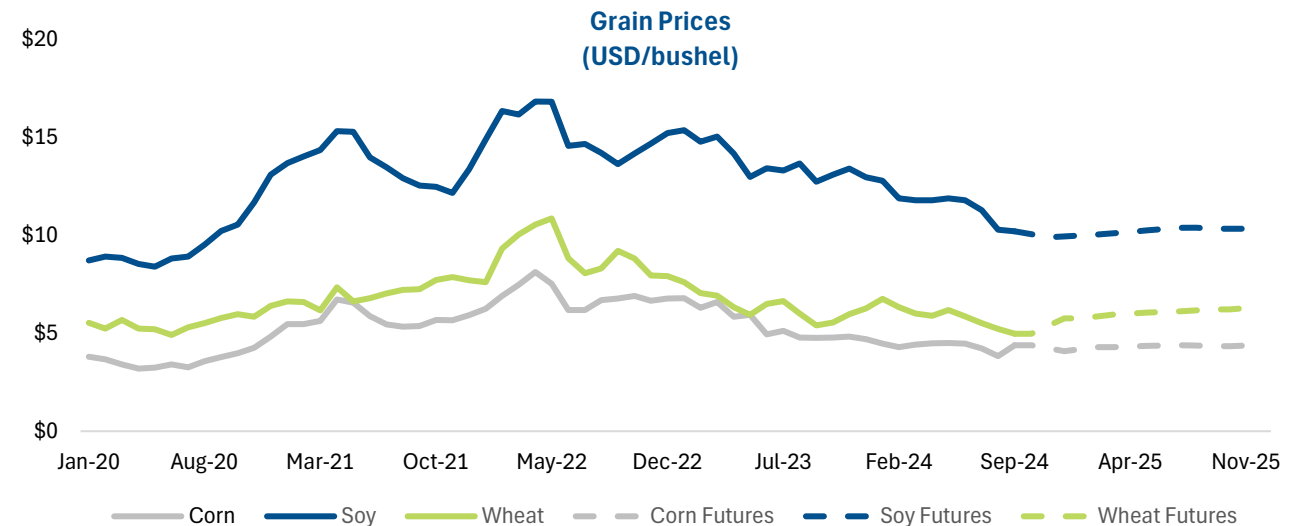
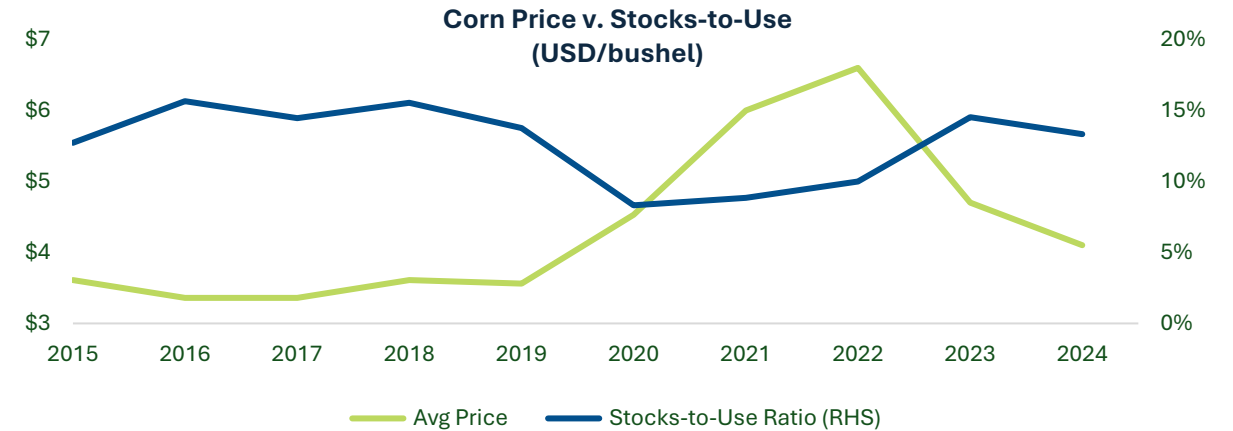


Spot Prices	October 25, 2024	October 25, 2023
Tampa Ammonia	\$560 / MT	\$625 / MT
UAN (NOLA)	\$230 / ST	\$260 / ST
Natural Gas (NYMEX Spot Price)	\$2.56/ MMBtu	\$3.01 / MMBtu

(1) Sources: USDA, Green Markets® A Bloomberg Company, Barcharts.com, Federal Reserve Economic Data, and Nasdaq.com; Natural Gas Costs derived from forward strips as of 10/22/24

Grain Price Trends

- **U.S. corn prices volatile during 2024**
 - Corn futures prices modestly above August lows reflecting USDA outlook for smaller supplies and slight decline in ending stocks
 - USDA forecasts for 2024 planted acres and stocks-to-use ratio (STU) remains higher than historical average
- **Increases in U.S. exports and production challenges** in international growing regions potentially supportive of corn prices
- **Grain prices projected to remain at attractive levels** relative to overall nitrogen costs over the next two years



Financial Overview



Continued Profitability Through the Cycle

	FY'23	FY'22	FY'21
Net Sales	\$594 M	\$902 M	\$556 M
Adjusted EBITDA¹	\$133 M	\$415 M	\$191 M
Adjusted EBITDA Margin²	22%	46%	34%

- All-time record results in 2022 reflect the impact of Russia's invasion of Ukraine on product selling prices, partially offset by two turnarounds
- 2023 results reflect moderation of product selling prices due, in part, to lower cost of production for marginal producers in Europe and weaker industrial demand in Asia translating into increased global supply of nitrogen
- Impact of lower selling prices during 2023 was partially offset by stronger ammonia operating rates and production volumes compared to 2022

(1) Adjusted EBITDA is a non-GAAP measure; see reconciliation in appendix
 (2) Adjusted EBITDA Margin is calculated as Adjusted EBITDA as a percentage of Net Sales

Solid Balance Sheet with Returns-Focused Capital Allocation

\$ in millions

	<u>9/30/24</u>	<u>9/30/23</u>
Cash & ST Inv.	\$199 M	\$318 M
Total Debt	\$487 M	\$583 M
Net Debt ¹ / TTM Adj. EBITDA	2.5X	1.2X
TTM Op. Cash Flow	\$100 M	\$207 M
TTM CAPEX	\$91 M	\$54 M
TTM Free Cash Flow Conversion ²	8%	72%

- Healthy cash balance supports growth investments in our facilities and low carbon ammonia projects
- Net debt/TTM Adjusted EBITDA of 2.5X
- Invested in safe and successful turnaround of Pryor facility in Q3'24; expected to lead to improved reliability, increased ammonia production volume and an incremental 75,000 tons per year of UAN production
- We continue to deploy capital to improve the reliability and safety of our facilities with a turnaround at our Cherokee facility this November and a turnaround of our El Dorado facility scheduled for the third quarter of 2025
- Repurchased approximately \$97 million in principal amount of Senior Secured Notes and 2.7 million shares of common stock over the twelve months ended 9/30/24

(1) Net debt calculated as total long-term debt including current minus cash and cash equivalents and short-term investments

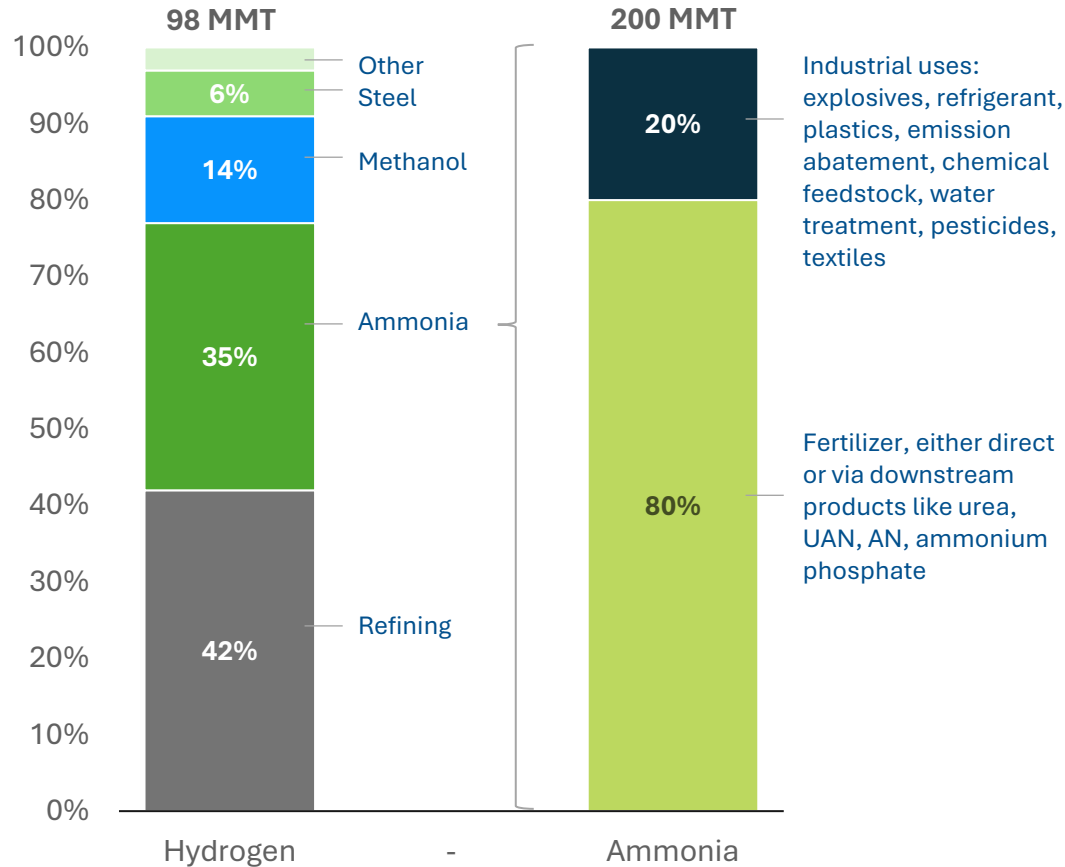
(2) Free Cash Flow Conversion calculated as (Operating Cash Flow – Capital Expenditures) / Adjusted EBITDA

Clean Energy Vision and Strategy

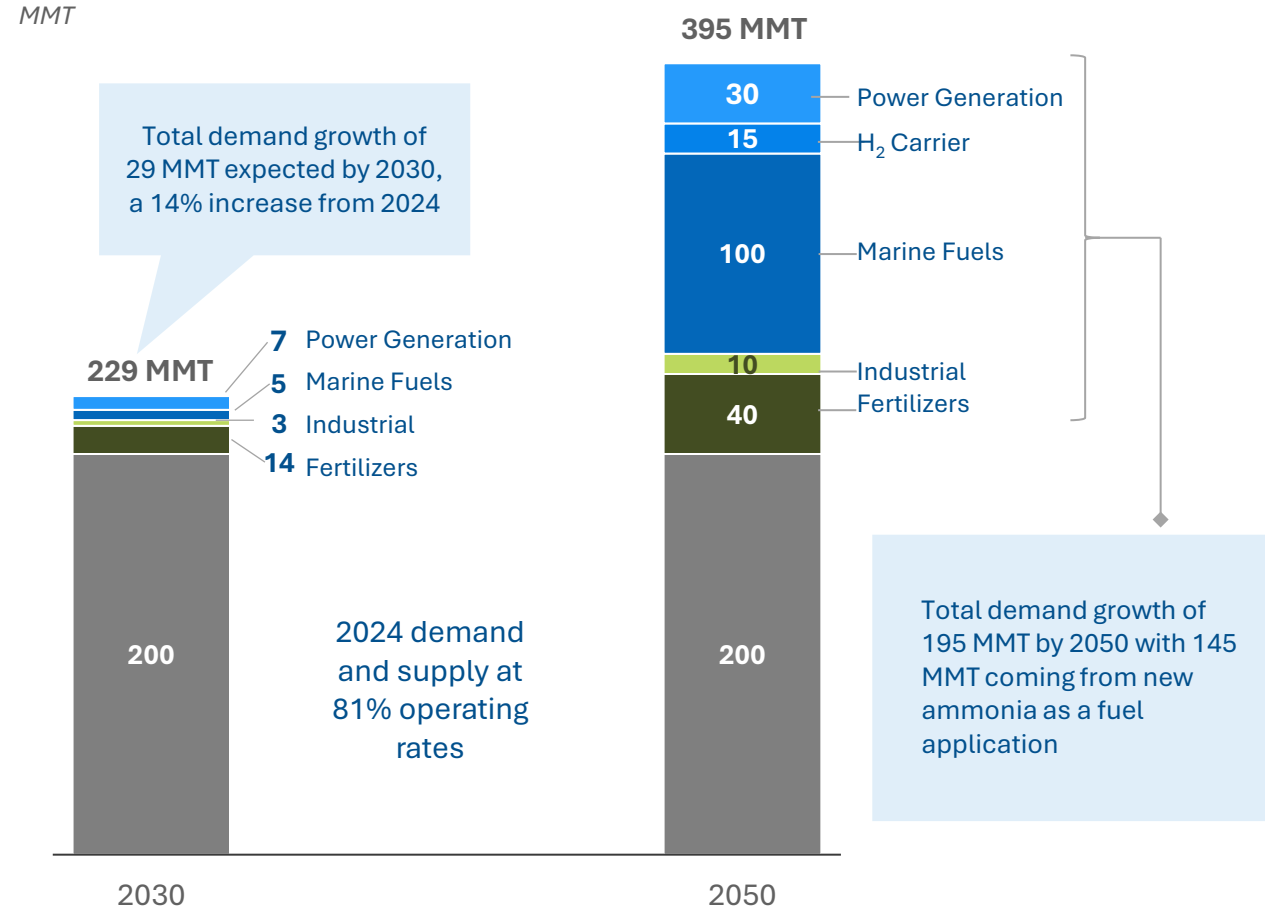


Low Carbon Ammonia – Why it Matters

2024 annual consumption of hydrogen and ammonia

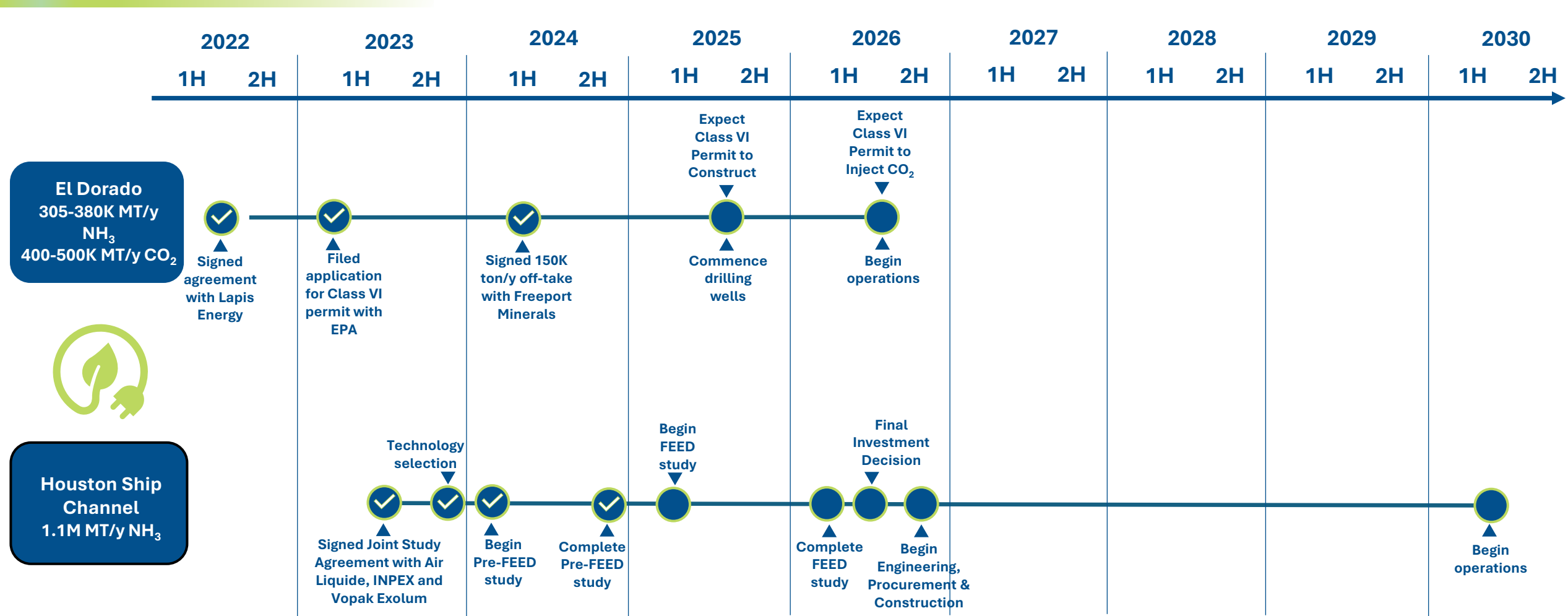


Global ammonia demand forecast



Source: International Energy Agency, CRU Nitrogen Research, IRENA (International Renewable Energy Agency)

Our Low Carbon Ammonia Energy Transition Projects*



El Dorado
305-380K MT/y NH₃
400-500K MT/y CO₂



Houston Ship Channel
1.1M MT/y NH₃

Five-Year ANS Offtake Agreement Validates Low Carbon Strategy

Agreement:

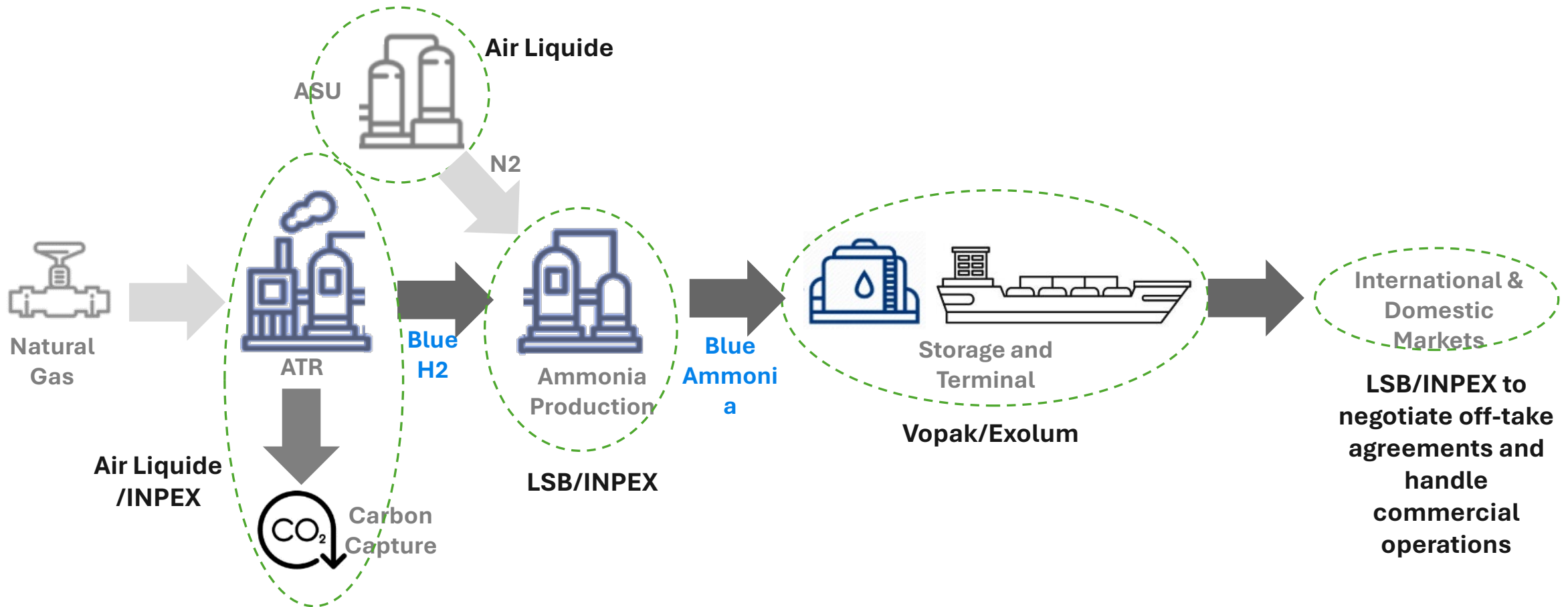
- Agreement to supply Freeport Minerals with up to 150,000 short tons of low carbon ammonium nitrate solution (ANS) per year
- Five-year agreement commences January 1, 2025, with a phasing in of the low carbon contracted volume
- Freeport intends to use the low carbon ANS for its U.S. copper mining operations
- Will leverage LSB's low-carbon ammonia project with Lapis Energy at its El Dorado facility

Key Benefits:

- Well-aligned with LSB's strategy to shift mix of sales towards more predictable, multi-year, cost-plus contracts with industrial and mining customers
- Positions LSB as a leader and first-mover in the commercialization of low-carbon nitrogen products



Houston Ship Channel Project Schematic & Ownership Structure

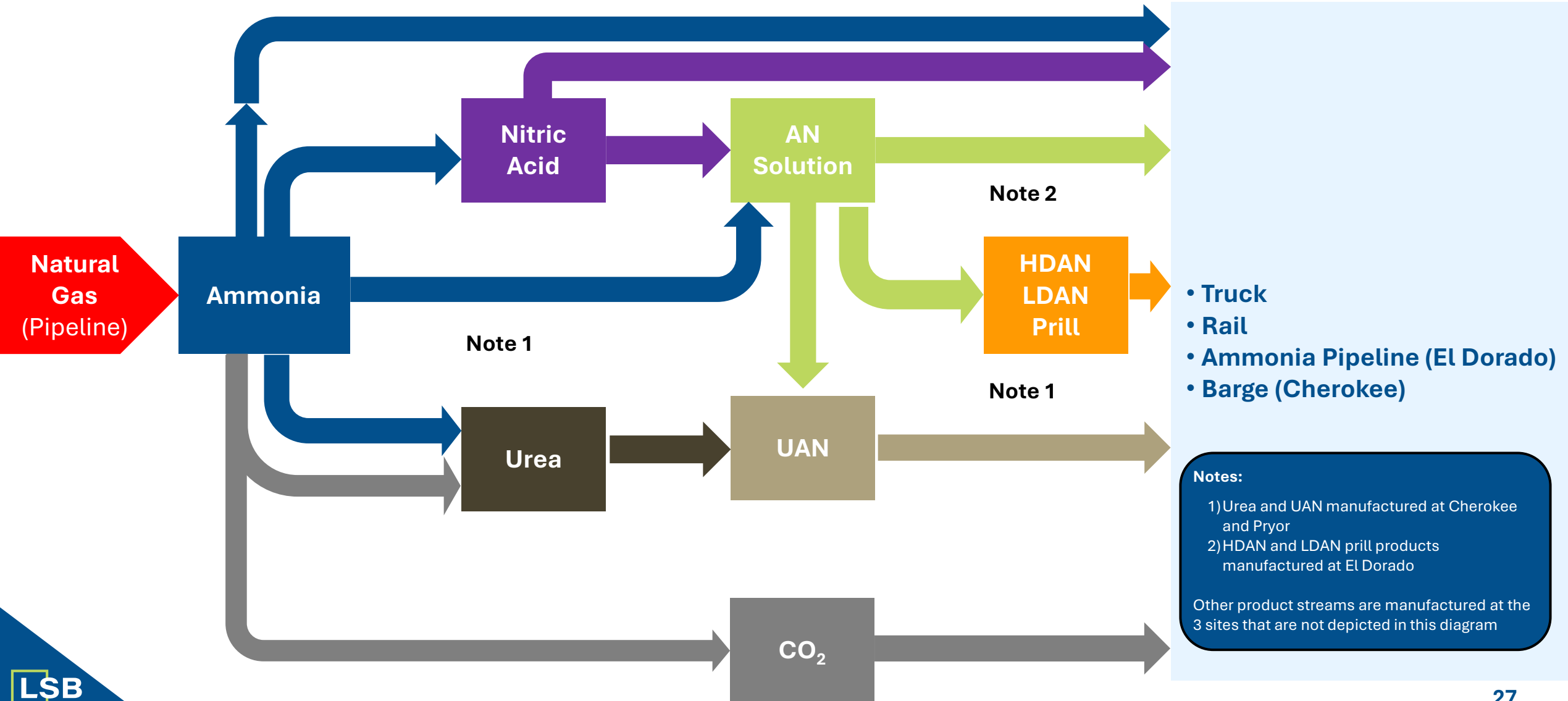


Project partners willing to accommodate equity ownership in the ATR/CCS and/or ammonia loop for material off-takers

Appendix



The Core Manufacturing Process



Adjusted EBITDA Reconciliation

LSB Consolidated (\$ In Thousands)	Year Ended December 31,		
	2023	2022	2021
Net (loss) income	\$ 27,923	\$ 230,347	\$ 43,545
Plus:			
Interest expense and interest income, net	26,500	41,407	49,378
Net (gain) loss on extinguishment of debt	(8,644)	113	10,259
Depreciation and amortization	68,922	68,019	69,943
Provision (benefit) for income taxes	5,973	39,174	(4,556)
EBITDA⁽¹⁾	\$ 120,674	\$ 379,060	\$ 168,569
Stock-based compensation	5,353	4,025	5,516
Unrealized (gain) on commodity contracts	-	-	(1,205)
Legal fees (Leidos)	594	1,114	1,894
Loss on disposal and impairment of assets	3,613	1,219	823
Fair market value adjustment on preferred stock embedded derivatives	-	-	2,258
Change of control	-	-	3,223
Turnaround costs	2,430	29,235	9,953
Adjusted EBITDA⁽²⁾	\$ 132,664	\$ 414,653	\$ 191,031

(1) EBITDA is defined as net income (loss) plus interest expense and interest income net, plus loss (or less gain) 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 (loss), operating income (loss), 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, non-cash stock-based compensation, loss (gain) on sale of a business and other property and equipment, one-time income or fees, and certain fair market value adjustments. 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.

Trailing Twelve Month EBITDA and Adjusted EBITDA*

	Quarter Ended				
	TTM 9/30/24	9/30/2024	6/30/2024	3/31/2024	12/31/2023
Net income (loss)	(15.6)	(25.4)	9.6	5.6	(5.3)
Plus:					
Interest expense and interest income, net	23.2	5.4	5.4	6.1	6.2
Gain on extinguishment of debt	(3.0)	-	(1.9)	(1.1)	-
Depreciation and amortization	71.3	16.7	18.8	17.1	18.7
Provision (benefit) for income taxes	(0.3)	(4.5)	1.3	0.6	2.4
EBITDA ⁽¹⁾	75.7	(7.8)	33.2	28.4	21.9
Stock-based compensation	6.4	1.5	2.1	1.4	1.4
Legal fees & settlements - specific matters ⁽³⁾	3.1	1.4	1.2	0.4	0.1
Loss on disposal and impairment of assets	9.6	5.6	1.5	1.5	1.0
Turnaround costs	21.4	16.3	3.4	0.9	0.7
Growth initiatives	0.9	0.4	0.5	0.1	-
Adjusted EBITDA ⁽²⁾	117.1	17.5	41.9	32.6	25.1
	TTM 9/30/2023	9/30/2023	6/30/2023	3/31/2023	12/30/2022
Net income (loss)	99.1	(7.7)	25.1	15.9	65.9
Plus:					
Interest expense and interest income, net	30.2	3.5	8.1	8.7	9.9
Gain on extinguishment of debt	(8.6)	-	(8.6)	-	-
Depreciation and amortization	67.4	15.5	17.1	17.6	17.1
Provision (benefit) for income taxes	10.5	(5.3)	3.0	5.9	6.9
EBITDA ⁽¹⁾	198.6	6.0	44.6	48.1	99.8
Stock-based compensation	4.9	1.3	1.9	0.7	0.9
Legal fees & settlements - specific matters	0.7	0.1	0.1	0.3	0.2
(Gain) loss on disposal and impairment of assets	2.8	(0.0)	0.6	1.9	0.4
Turnaround costs	5.9	1.7	-	-	4.2
Adjusted EBITDA ⁽²⁾	212.9	9.2	47.1	51.0	105.5

(1) See definition of EBITDA on previous page

(2) See definition of adjusted EBITDA on previous page

(3) Quarter ended 6/30/24 includes certain legal fees that were not previously included in this adjustment

*Columns and rows may not foot due to rounding

El Dorado Low Carbon Ammonia Project

Project Highlights

- Capital investment for LSB is minimal
- Lapis will capture and sequester between 400,000 and 500,000 metric tons of CO₂ produced annually in the course of El Dorado's ammonia production
- We expect Lapis to receive 45Q federal tax credit of \$85 per metric ton of CO₂ sequestered and pay a fee to LSB for each ton
- The carbon sequestration is expected to result in between 305,000 and 380,000 metric tons of low carbon ammonia that LSB can potentially sell at a premium
- Once in operation, the project is expected to reduce LSB's Scope 1 CO₂ emissions by ~25% and result in an estimated \$15 - \$20 million of incremental EBITDA for the company

Roles



Ammonia production at El Dorado, AR facility

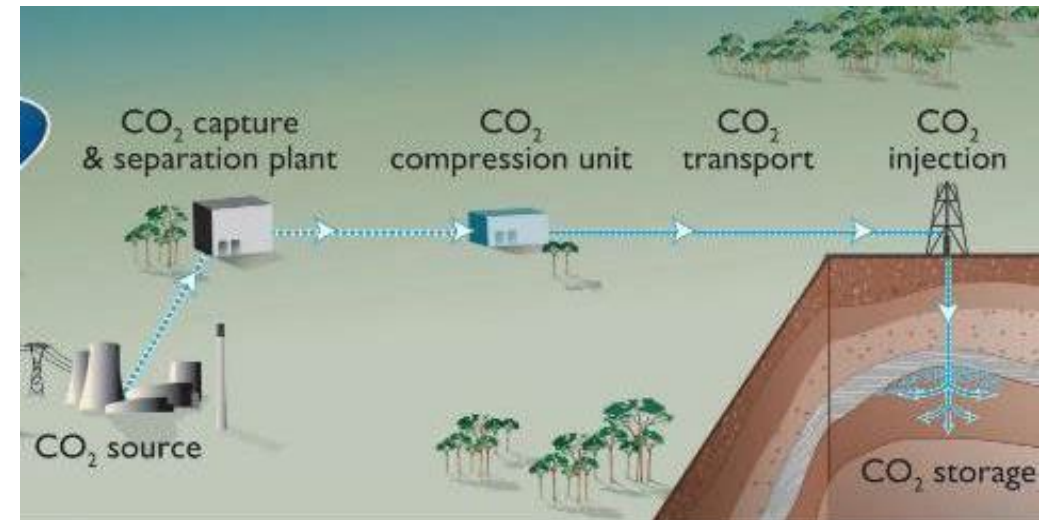
- 100% owner of ammonia production facility



Develop and construct CO₂ capture and sequestration capabilities

- Full-service CCS developer and operator
- Experienced team of energy industry professionals with expertise in engineering, construction, geology, site selection and project management

Illustrative Process Flow



Houston Ship Channel Ammonia Project

Project Highlights

- New 1.1 million TPA low carbon ammonia plant at an attractive site in Deer Park, on the Houston Ship Channel – access to low-cost natural gas, key pipelines, and deepwater logistics
- Focused on the domestic and export markets, particularly power generation demand from Japan and Korea and low carbon ammonia demand from the U.S. and Europe – seizing government incentives at both production and consumption
- INPEX relationship with Japanese utilities provides potential to be highly-contracted with creditworthy counterparties, enabling predictable cash flows and non-recourse project financing

Roles



Ammonia loop equity partner and operator

- Experienced North American ammonia producer
- To own (~ 50%) and operate the ammonia loop



Hydrogen and nitrogen feedstock supplier

- #2 supplier of industrial gases with \$100 billion of EV
- To build and operate ASU and ATR for project



Equity partner and developer delivering Asian off-takers

- #1 E&P company in Japan with \$25 billion of EV
- Equity partner to Air Liquide for ASU and ATR; equity partner to LSB for the ammonia loop



Terminaling and logistics services

- JV between major terminaling and storage firms
- To provide site and services to the project

Location

