Q3 2022 Earnings Presentation

November 2, 2022

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.

Q3'22 Overview – Record Performance with Strong Outlook

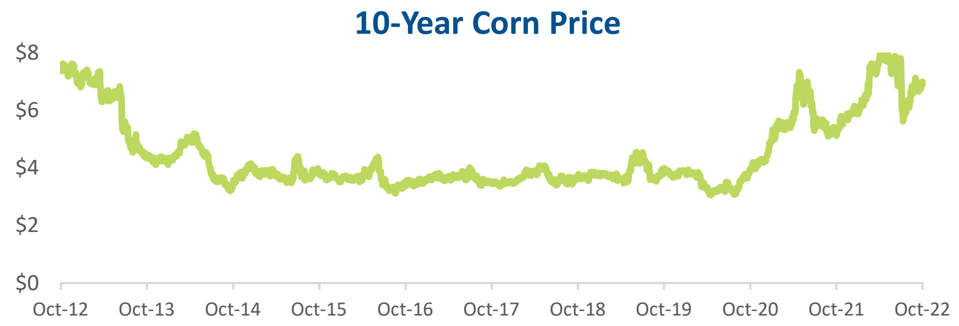
	Q3'22	Q3'21
Net Sales	$184 M	$127 M
Adjusted EBITDA[1]	$50 M	$38 M
Adjusted EBITDA Margin[1]	27%	30%
Adjusted EPS[1]	$0.27	$0.07

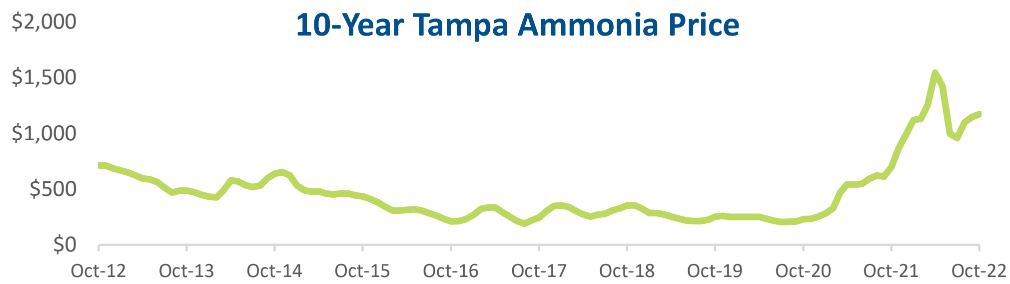
- Net sales up 45% year over year driven by higher selling prices and continued strong plant operations
- Record Q3 Adjusted EBITDA of $50 M - an increase of 32% year over year despite two turnarounds in the quarter
- Adjusted EBITDA Margin of 27% compared to 30% in the third quarter of 2021 due to lost production from Turnarounds
- Following Turnarounds at our Pryor and El Dorado facilities, expect strong performance to continue in Q4'22 and into 2023

(1) Adjusted EBITDA, Adjusted EBITDA Margin, and Adjusted EPS are non-GAAP measures; see reconciliations in appendix

Market Overview (1)

- Corn price remains well above 10-year average level
  - Drought conditions in South America and the Western U.S. impacted corn supply
  - Strong demand from China for animal feed
  - Wet weather in U.S. corn belt caused lower planted acres
  - US stock-to-usage of <10% well below 10-year average
- Nitrogen pricing is expected to remain elevated through balance of 2022 and 2023
  - High European natural gas prices caused reduced nitrogen production, reducing global supply
  - Tampa ammonia settled at $1,150/mt for November, well above 10-year average
  - NOLA UAN benchmark pricing $553/ton
- Russian military aggression towards Ukraine exacerbating global supply constraints of commodities
- Demand for Industrial products such as nitric acid remains stable for domestic end-use applications, with some softening for export end-use applications
- Mining products such as LDAN seeing strong demand and pricing as a surge in coal mining activity competes for products with aggregate and metals mining





	Spot Prices October 28, 2022	One Year Ago
Tampa Ammonia	$1,150 / MT	$825 / MT
Urea (Southern Plains)	$660 / ST	$740 / ST
UAN (Southern Plains)	$582 / ST	$575 / ST
Ammonium Nitrate (Southern Plains)	$655 / ST	$550 / ST
Natural Gas (NYMEX Spot Price)	$5.68/MMBtu	$5.78/MMBtu

(1) Sources: USDA, Green Markets® A Bloomberg Company , Macrotrends.net, Federal Reserve Economic Data, and Gelber & Associates

Solid Balance Sheet and Cash Flow

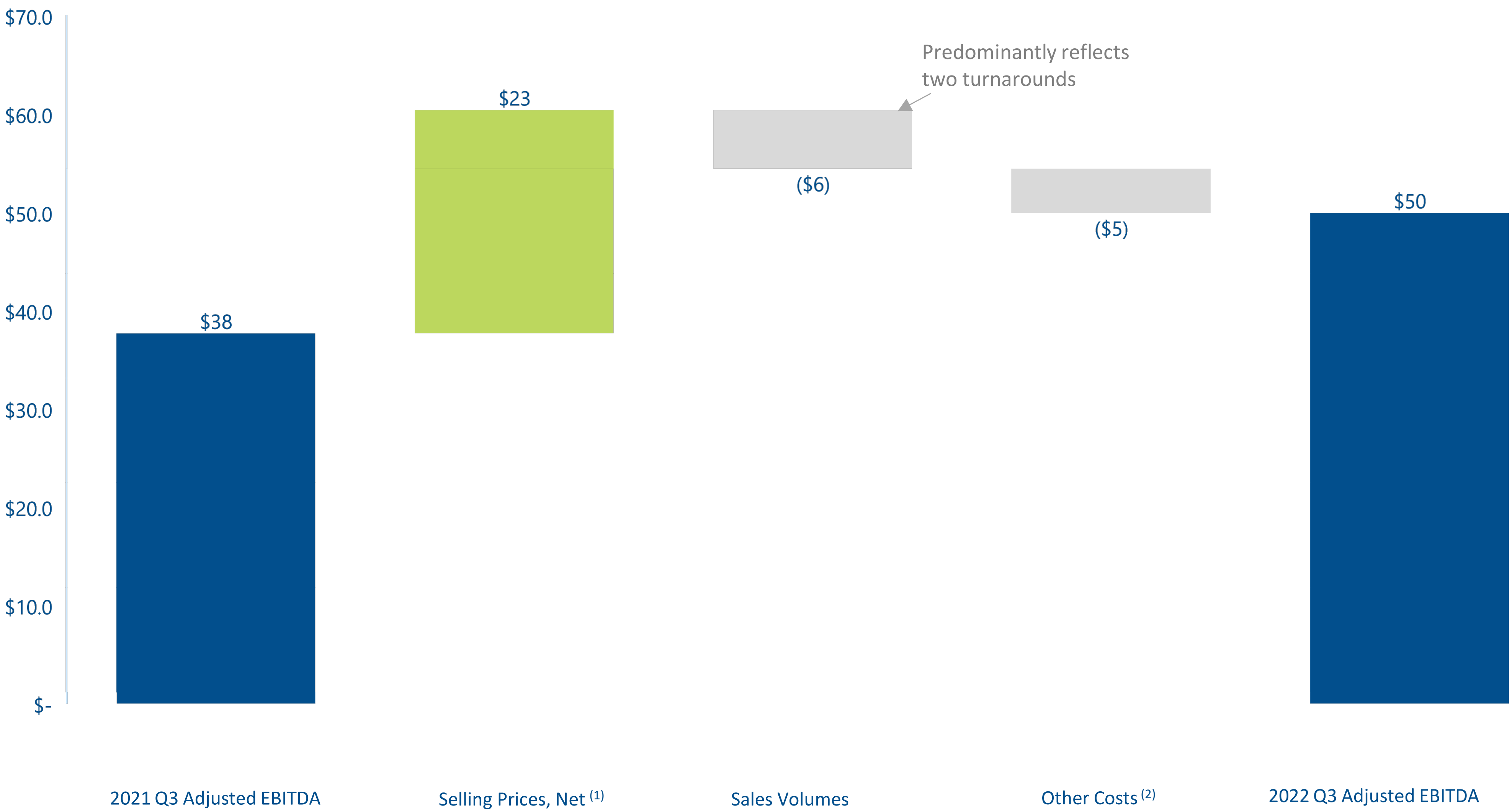
	Q3'22	Q3'21
Cash & ST Inv.	$385 M	$33 M
Total Liquidity	$450 M	$81 M
Net Debt[1]/ TTM EBITDA	0.8X	4.0X
Op. Cash Flow	$38 M	$35 M
CAPEX	$16 M	$11 M

- Liquidity position has improved through consistent operating cash flow and strategic capital markets transactions
- Net debt/TTM Adjusted EBITDA of <1X and <2.5X target level
- Positive operating cash flow despite two turnarounds in Q3'22
- Repurchased ~$90 million of stock at an average price of ~$13 per share in Q3'22, and $100 million since initiating the program in May 2022
- Total shares repurchased were ~7.6 million; Current outstanding shares are now ~82 million
- Increased repurchase authorization by $75 million to $175 million in Q4'22

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

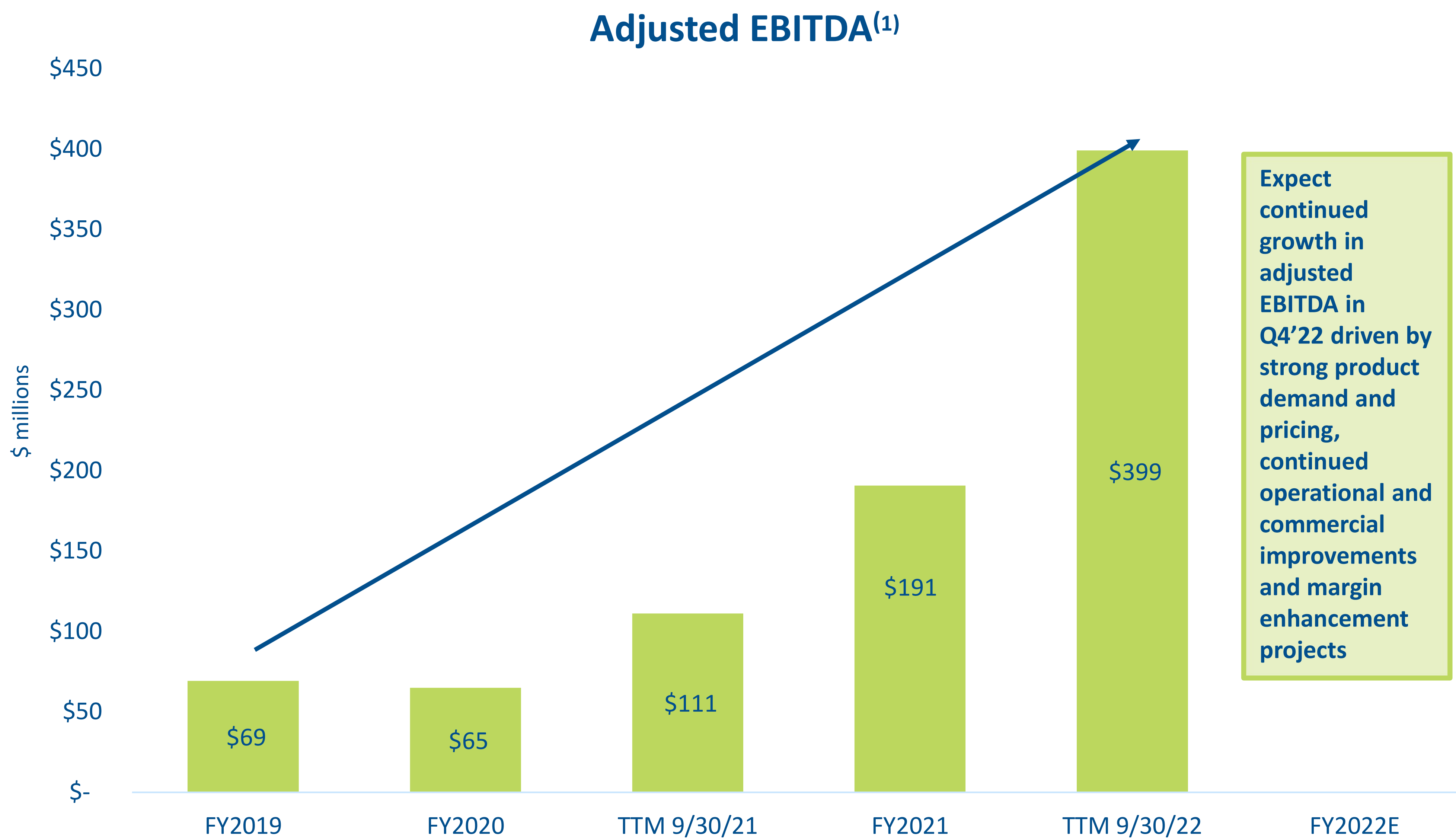
Third Quarter – 2022 vs. 2021

$ in millions



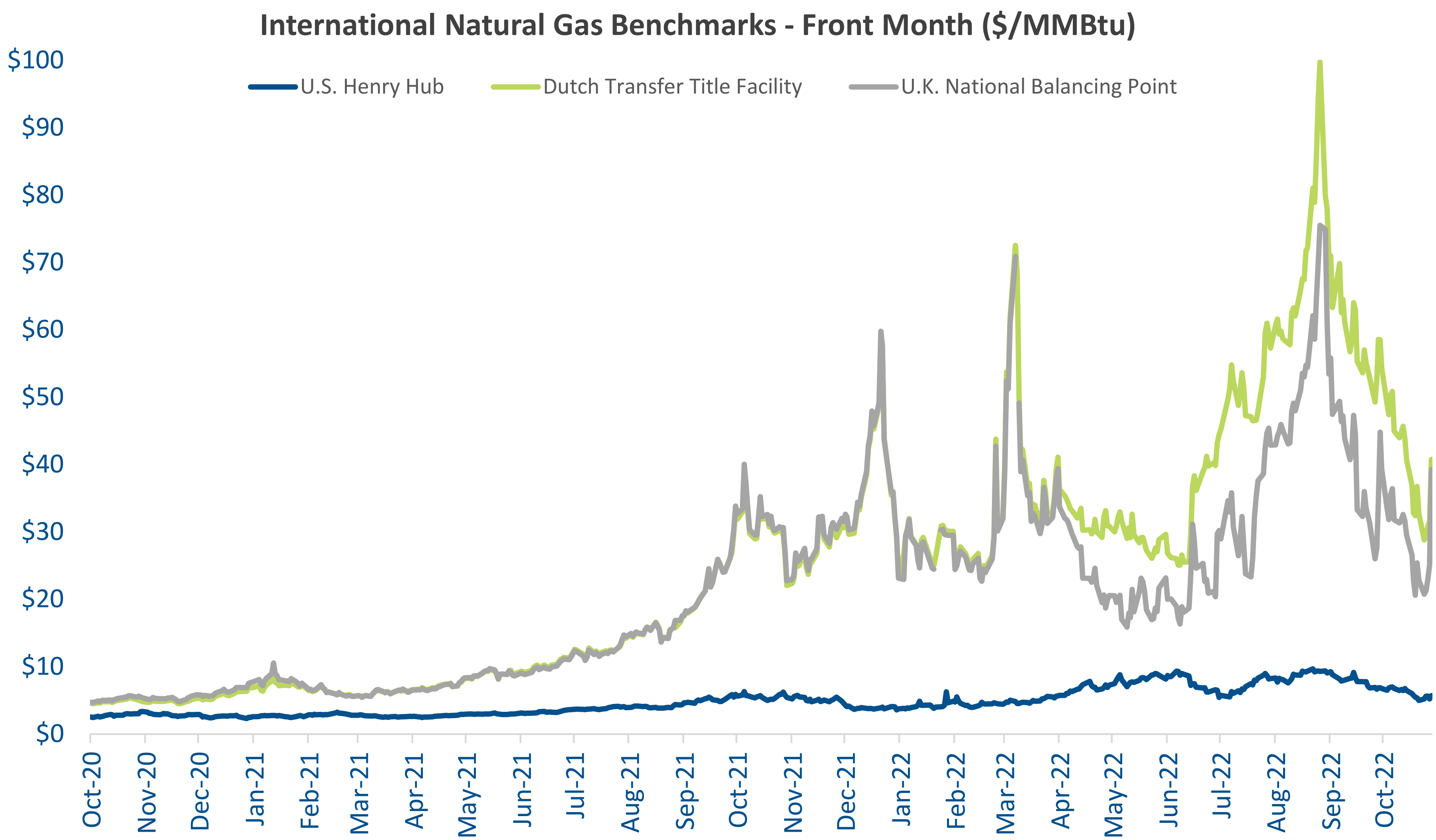
(1) Selling prices net of approximately $36 million impact of higher natural gas and sulfur raw material costs.
(2) Primarily related to higher costs for supplies, materials, contractors, and talent combined with costs for several commercial and corporate initiatives.

Strong Bottom Line Improvement



(1) This is a non-GAAP measure; refer to the Adjusted EBITDA TTM and Quarterly reconciliation pages in the appendix of this presentation

Global Energy Price Spreads (1)



(1) Source: Gelber & Associates

Key Growth Initiatives

Becoming Best in Class Operator

- Advancing safety programs already underway and implementing new ones
- Investing capital to promote safe, reliable operations and expand production volume

Pursue Organic Growth

- Capacity expansion through debottlenecking of existing plants
- Evaluate new capacity expansion
- Other margin enhancement opportunities

Advancing Low CO_2 and Clean Energy Strategy

- Blue Ammonia project to sequester CO_2
- Green Ammonia project to produce ammonia using zero CO_2 feedstock and energy

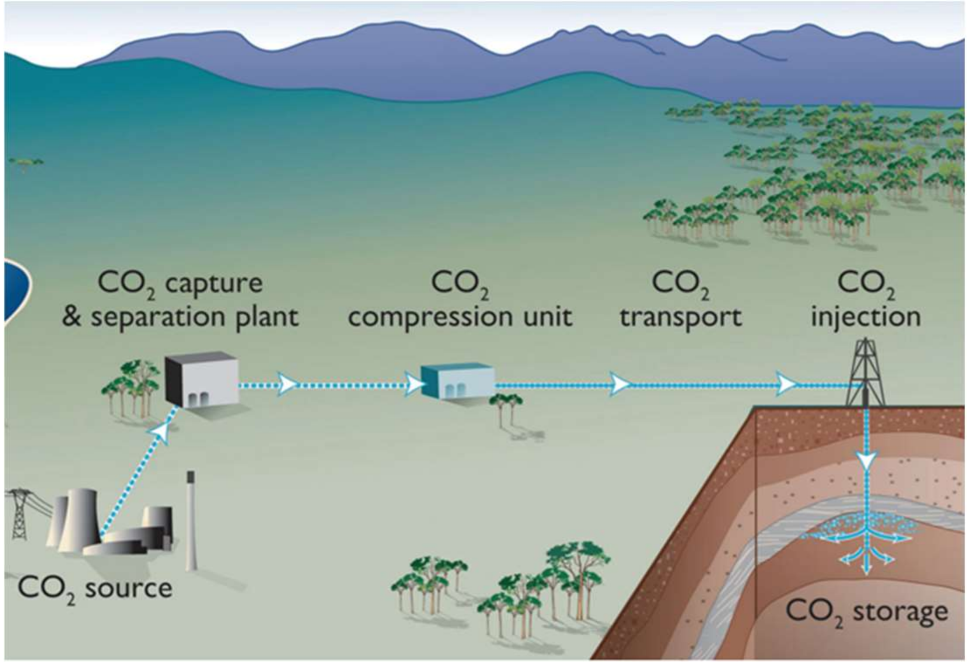
Pursuing Accretive Acquisitions

- Geographic expansion
- Extend existing product line
- Leverage existing ammonia capacity

Blue Ammonia Project

- 4/27/22 agreement with Lapis Energy to develop a CO_2 capture and sequestration (CCS) project at El Dorado facility
- Lapis will make 100% of the capital investment required for project; no capital investment from LSB
- Project to commence immediately, with expected operations to begin by early 2025, subject to EPA permitting
- Project will capture and sequester >450,000 MT of CO_2 annually in underground saline aquifers on the El Dorado site
- The sequestered CO_2 will qualify for federal tax credits under IRS Code Section 45Q of $85 per MT of CO_2 captured beginning in 2026
- Once in operation, the sequestered CO_2 will reduce LSB's scope 1 GHG emissions by 25% from current levels
- Project will yield >375,000 MT of blue ammonia annually, a higher value product compared to conventional ammonia

Example Carbon Capture and Sequestration Configuration

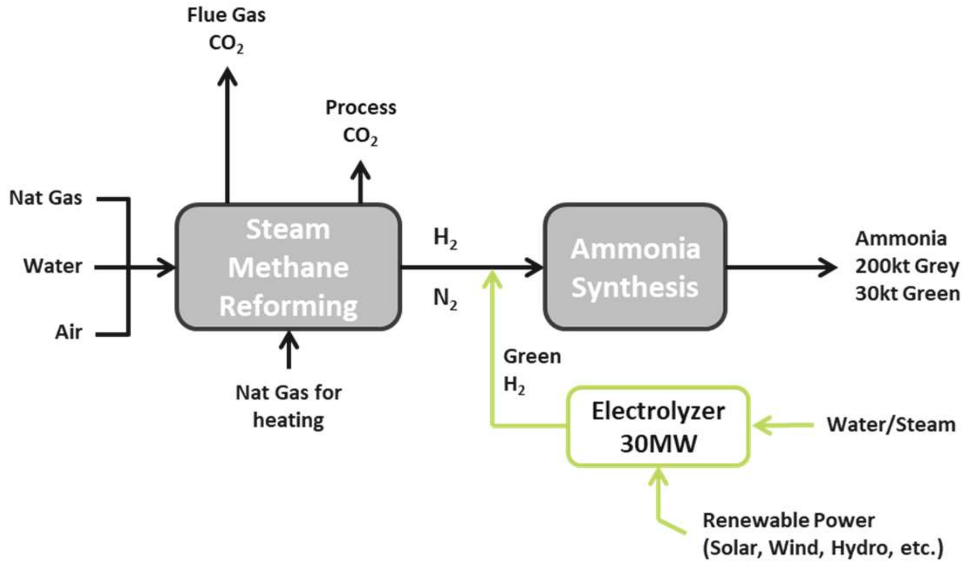


Source: CO2CRC

Green Ammonia Project

- 5/25/22 agreements with Bloom Energy and thyssenkrupp Uhde to develop a project to produce zero-carbon or "green" ammonia at Pryor facility
- Construction planned in two phases: first with Bloom supplying a 10MW solid oxide electrolyzer, followed by installation of additional 20MW alkaline electrolyzer to be sourced from a leading manufacturer
- Bloom will operate and maintain the solid oxide electrolyzer that, once in operation, will be the largest of its kind in the world. Once the second electrolyzer is installed and operational, Pryor will be the largest green ammonia production site in North America.
- Feasibility study completed with anticipated production start-up in 2023-24
- Expected production of ~30,000 metric tons of green ammonia per year with reduction in process CO_2 emissions from existing facility by ~36,000 metric tons per year
- Electrolyzers will operate on renewable power from new solar and wind facilities in Oklahoma
- Green ammonia could be sold as is or upgraded into "carbon-neutral" products like urea and UAN
- The green hydrogen produced from the electrolyzers is expected to qualify for up to $3/kg of federal incentives under Internal Revenue Code Section 45V beginning in 2023

Pryor Facility Green Ammonia Conversion



Appendix

Adjusted EBITDA Reconciliation

LSB Consolidated ($ In Millions)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Net income (loss)	**$2**	**($9)**	**$164**	**$1**
Plus:				
Interest expense, net	10	13	32	38
Gain on extinguishment of debt	-	-	-	(10)
Depreciation and amortization	16	18	51	52
Provision for income taxes	1	-	32	-
EBITDA (1)	**$29**	**$22**	**$279**	**$81**
Stock-based compensation	1	3	3	4
Change of Control	-	3	-	3
Noncash (gain) on natural gas contracts	-	-	-	(1)
Legal fees (Leidos)	1	-	1	2
Loss on disposal of assets	-	1	1	1
Fair market value adjustment on preferred stock embedded derivatives	-	1	-	2
Turnaround costs	19	8	25	9
Adjusted EBITDA (2)	**$50**	**$38**	**$309**	**$101**
Adjusted EBITDA Margin	**27%**	**30%**	**46%**	**28%**

(1) EBITDA is defined as net income (loss) plus interest expense net, plus 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, 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, 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.

Adjusted EBITDA Reconciliation – Trailing Twelve Months

LSB Consolidated ($ In Millions)	TTM September 30, 2022	TTM September 30, 2021	Twelve Months Ended December 31, 2021	December 31, 2020	December 31, 2019
Net income (loss)	**$207**	**($20)**	**$44**	**($62)**	**($63)**
Plus:					
Interest expense net	43	50	49	51	46
Loss/(gain) on extinguishment of debt	20	(10)	10	-	-
Depreciation and amortization	69	70	70	71	70
Provision (benefit) for income taxes	28	(2)	(5)	(5)	(21)
EBITDA (1)	**$367**	**$88**	**$168**	**$55**	**$32**
Stock-based compensation	4	4	6	2	2
Change of Control	-	3	3	-	-
Noncash loss (gain) on natural gas contracts	-	1	(1)	1	-
Severance costs	-	-	-	-	1
Legal fees (Leidos)	1	2	2	5	10
Loss on disposal of assets and other	1	1	1	1	11
Fair market value adjustment on preferred stock embedded derivatives	-	3	2	-	(1)
Consulting costs associated with reliability and purchasing initiatives	-	-	-	1	1
Turnaround costs	26	9	10	-	13
Adjusted EBITDA (2)	**$399**	**$111**	**$191**	**$65**	**$69**

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Adjusted EBITDA Reconciliation – Quarterly

	Three Months Ended						
LSB Consolidated ($ In Millions)	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022
Net income (loss)	**($22)**	**($13)**	**$24**	**($9)**	**$42**	**$59**	**$103**
Plus:							
Interest expense net	13	12	12	13	11	9	12
Loss/(gain) on extinguishment of debt	-	-	(10)	-	20	-	-
Depreciation and amortization	18	17	17	18	18	18	17
Provision (benefit) for income taxes	(2)	-	-	-	(4)	11	20
EBITDA (1)	**$7**	**$16**	**$43**	**$22**	**$87**	**$97**	**$152**
Stock-based compensation	-	1	1	3	1	1	1
Change of Control	-	-	-	3	-	-	-
Noncash loss on natural gas contracts	2	(1)	-	-	-	-	-
Legal Fees (Leidos)	-	1	-	-	1	-	1
Loss on disposal of assets and other	-	-	-	1	-	-	1
Fair market value adjustment on preferred stock embedded derivatives	1	-	1	1	-	-	-
Turnaround costs	-	-	1	8	1	3	3
Adjusted EBITDA (2)	**$10**	**$17**	**$46**	**$38**	**$90**	**$101**	**$158**

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Adjusted EPS Reconciliation

($ in Thousands except per share amounts)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Numerator:				
Net income (loss) attributable to common stockholders	**$ 2,312**	**$ (251,504)**	**$ 164,477**	**$ (262,011)**
Adjustments for Exchange Transaction:				
Dividend requirements on Series E Redeemable Preferred	-	10,190	-	29,914
Deemed dividend on Series E and Series F Redeemable Preferred	-	231,812	-	231,812
Accretion of Series E Redeemable Preferred	-	499	-	1,523
Adjusted net income (loss) attributable to common stockholders, excluding Exchange Transaction	**2,312**	**(9,003)**	**164,477**	**1,238**
Other Adjustments:				
Stock-based compensation	921	2,553	3,089	4,329
Change of control	-	3,223	-	3,223
Noncash (gain) on natural gas contracts	-	-	-	(1,205)
Legal fees (Leidos)	302	271	915	1,598
Loss on disposal of assets	22	516	828	690
FMV adjustment on preferred stock embedded derivative	-	1,106	-	2,258
Turnaround costs	19,238	7,976	25,064	8,823
Adjusted net income (loss) attributable to common stockholders, excluding Exchange Transaction and other adjustments	**$ 22,795**	**$ 6,642**	**$ 194,373**	**$ 20,954**
Denominator:				
Adjusted weighted-average shares for basic and diluted net income per share and for adjusted net income (loss) per share, excluding Exchange Transaction (1)	**84,187**	**39,352**	**86,929**	**37,752**
Adjustment:				
Unweighted shares, including unvested restricted stock subject to forfeiture	1,224	49,473	1,380	51,072
Outstanding shares, net of treasury, at period end for adjusted net income (loss) per share, excluding Exchange Transaction and other adjustments	**85,411**	**88,825**	**88,309**	**88,824**
Basic net income (loss) per common share	**$ 0.03**	**$ (6.39)**	**$ 1.89**	**$ (6.94)**
Adjusted net income (loss) per common share, excluding Exchange Transaction	**$ 0.03**	**$ (0.23)**	**$ 1.89**	**$ 0.03**
Adjusted net income per common share, excluding Exchange Transaction and other adjustments	**$ 0.27**	**$ 0.07**	**$ 2.20**	**$ 0.24**

(1) Excludes the weighted-average shares of unvested restricted stock that are subject to forfeiture

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