LSB INDUSTRIES

Q4 2023
EARNINGS PRESENTATION

March 6, 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.

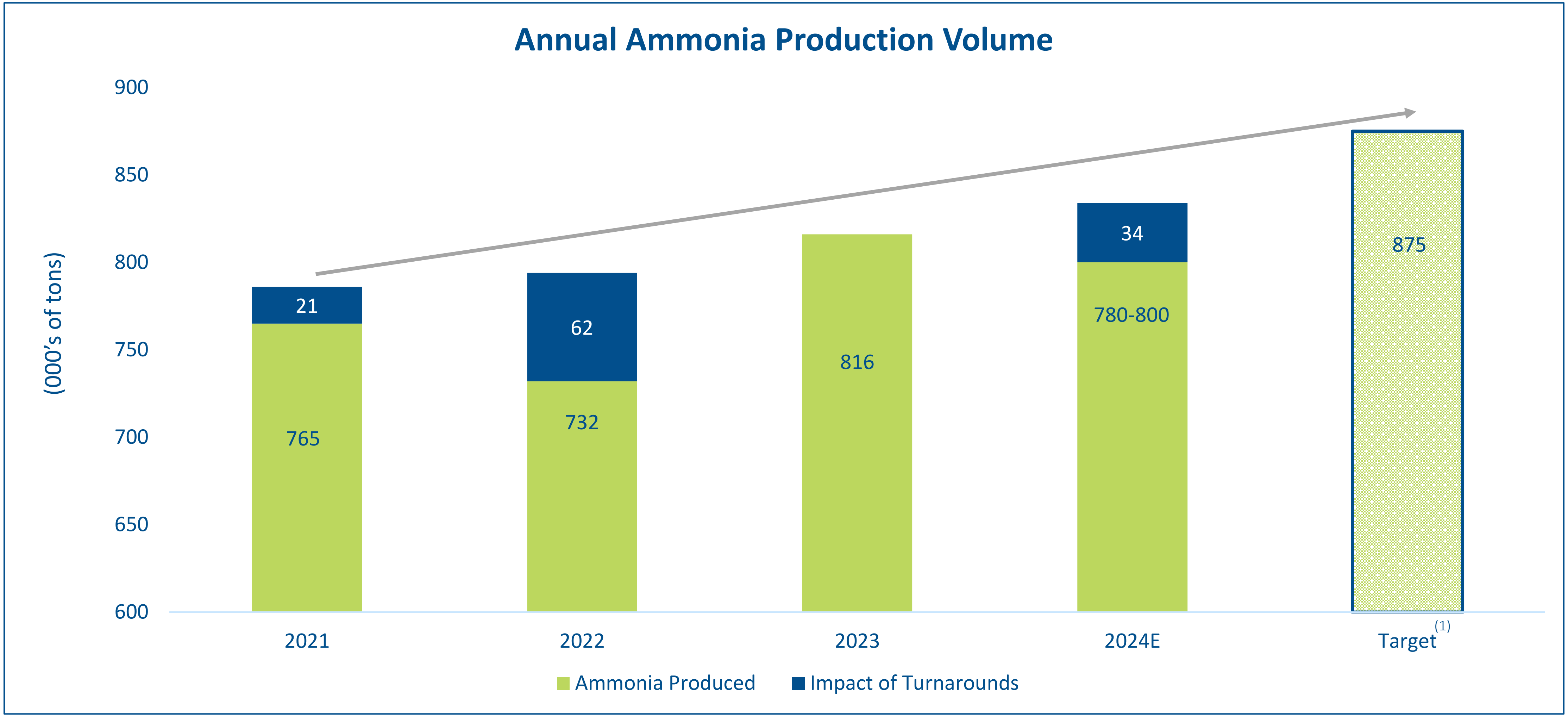
Stockholder Rights Plan in Place to Preserve Substantial NOL's

- 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. The Company plans to submit the Amended and Restated Section 382 Rights Agreement to a vote of the stockholders at its 2024 Annual Meeting of Stockholders.

2023 Overview –Volume Increase Offset by Lower Prices

- Strong safety performance with a TRIR of 0.33 for full-year 2023
- Solid year-over-year increase in ammonia production volume
- Sales volume increased year-over-year, offset by weaker pricing
- Announced collaboration with INPEX, Air Liquide and Vopak Exolum Houston to develop a world-scale blue ammonia production and export facility on the Houston Ship Channel
- Bought back ~$29 million of common stock and repurchased $125 million in principal amount of Senior Secured Notes

Reliability Initiatives Driving Increased Ammonia Production



(1) Based on capacity utilization of 95%

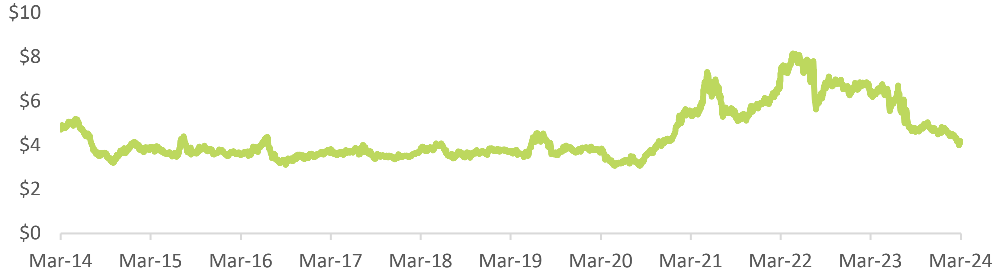
Market Overview (1)

- **U.S. corn price remains near 10-year average level**
  - Corn supply expected to increase in the coming months
  - Corn prices remain resilient despite rising stock-to-use ratios

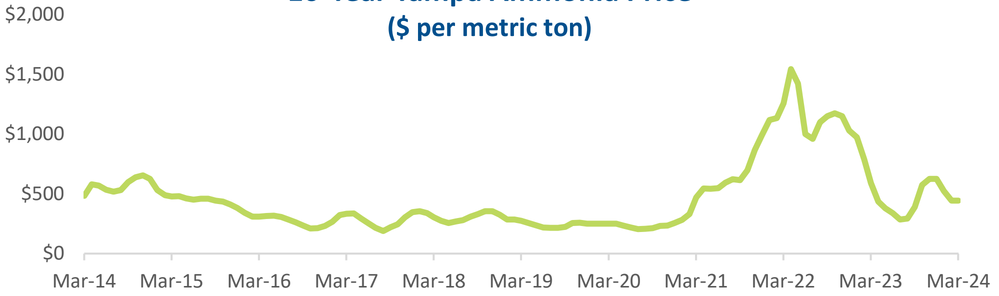
- **Nitrogen product price trends mixed**
  - Tampa ammonia price settled at $445/MT for March, unchanged from February
  - Urea and UAN prices rising recently due to favorable U.S. import/export balance and expectations for strong demand
  - Expect fertilizer prices to be at levels attractive to farmers for Spring planting season

- Demand remains stable for Industrial products supported by resilient U.S. economy
- Robust demand for Mining products due to attractive market fundamentals for quarrying and aggregate production and U.S. metals demand

10-Year Corn Price



10-Year Tampa Ammonia Price
($ per metric ton)

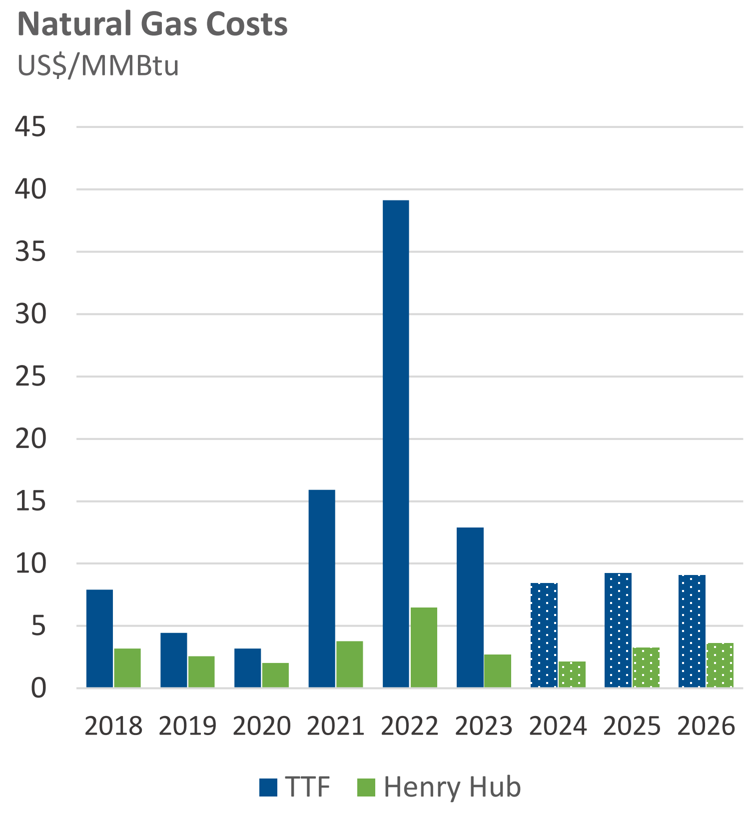


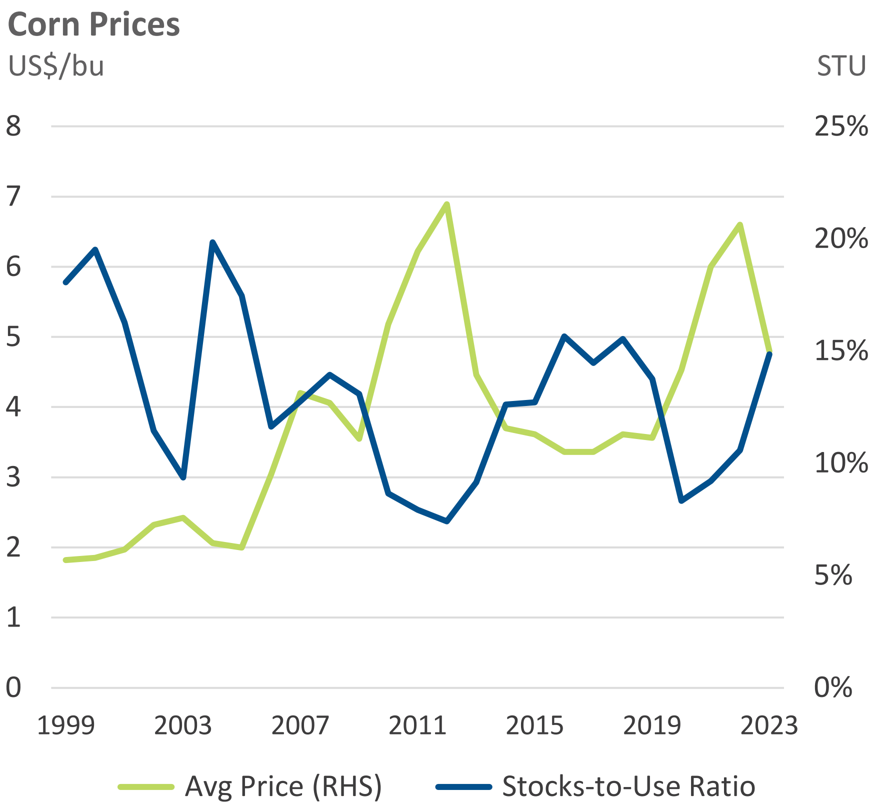
Spot Prices	March 1, 2024	March 1, 2023
Tampa Ammonia	$445 / MT	$590 / MT
UAN (NOLA)	$243 / ST	$270 / ST
Natural Gas (NYMEX Spot Price)	$1.84/MMBtu	$2.81/MMBtu

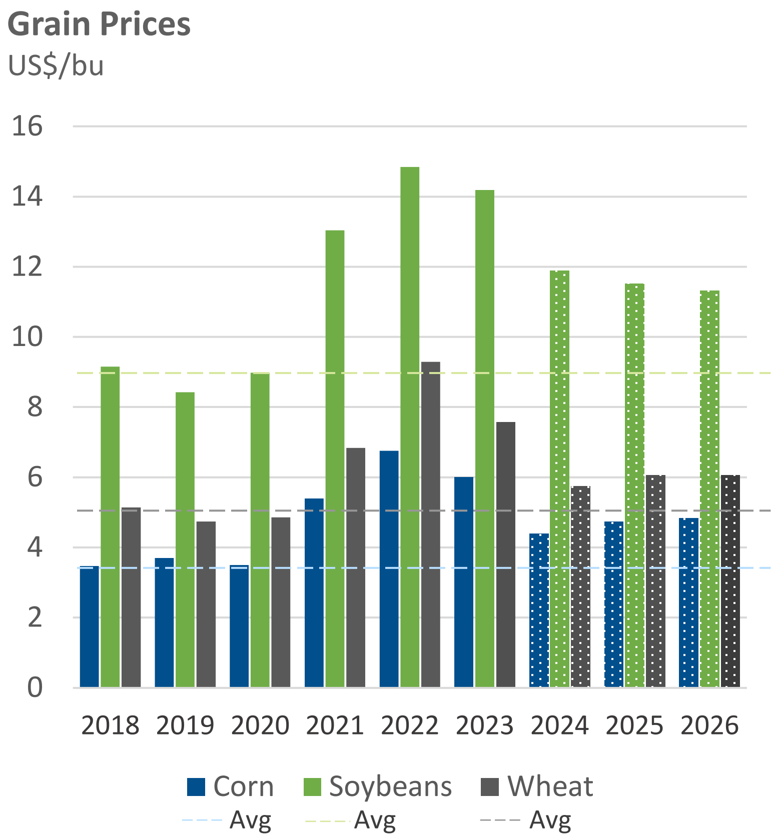
(1) Sources: USDA, Green Markets® A Bloomberg Company , Macrotrends.net, Federal Reserve Economic Data, and Nasdaq.com

Structural Changes in Nitrogen Markets with Sustained Commodity Fundamentals

US natural gas drives cost competitiveness	Rising US corn stocks-to-use ratio pressuring prices	US grain prices remain above 25-year historical averages







Source: USDA, Argus, Bloomberg, EIA, Management Estimates
Note: Natural Gas Costs derived from forward strips as of 2/19/24

Full Year 2023 Financial Results

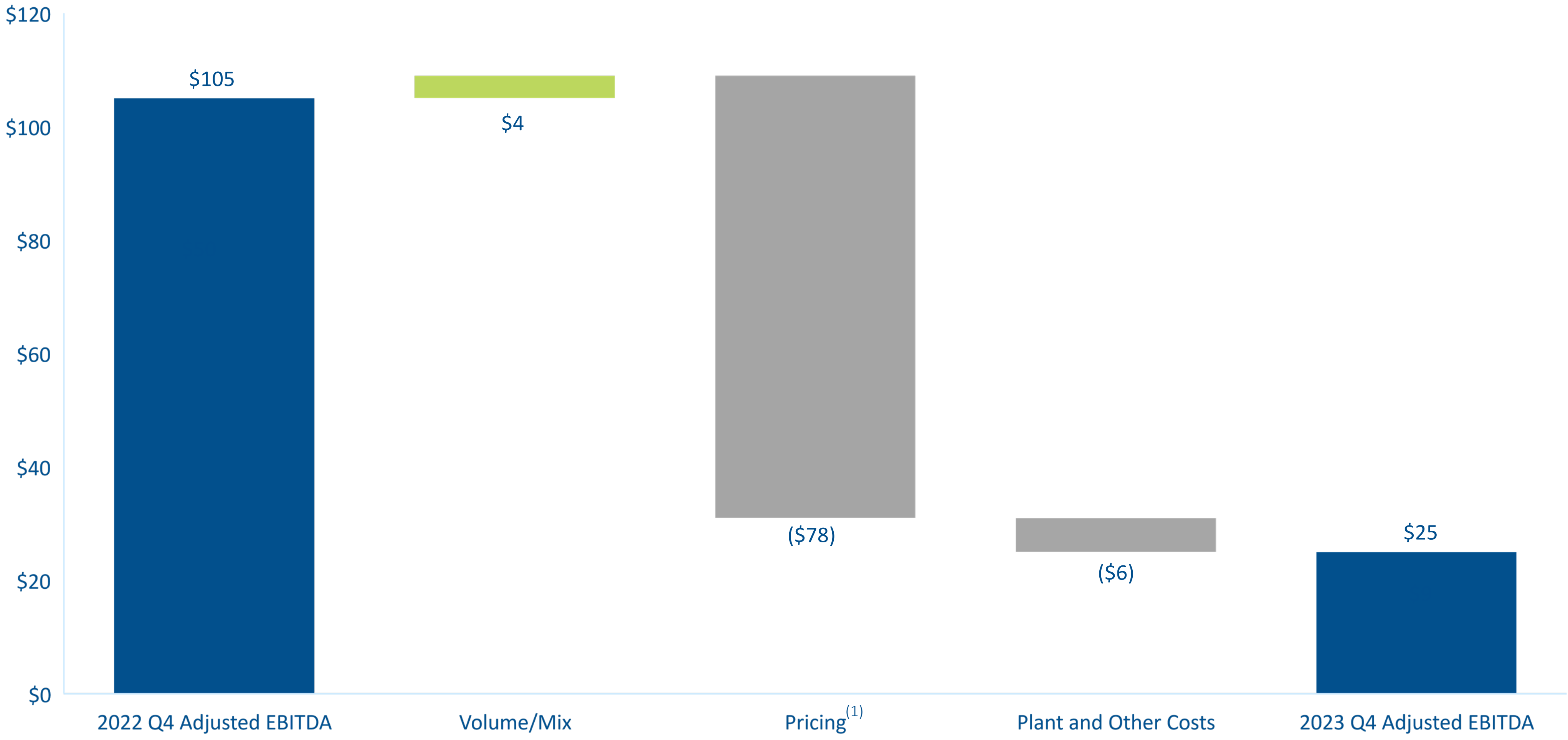
	2023	2022
Net Sales	$594 M	$902 M
Adjusted EBITDA[1]	$133 M	$415 M
Adjusted EBITDA Margin[1]	22%	46%
Diluted EPS	$0.37	$2.68

- Sales volume increased year-over-year
- Net sales and adjusted EBITDA down year-over-year due to lower pricing
- Margin impact of lower pricing partially offset by lower natural gas costs, higher volumes and the benefits of our stable industrial and mining margins

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

Fourth Quarter – 2023 vs. 2022

$ in millions



(1) Pricing includes approximately $31 million benefit of lower natural gas costs and $1 million benefit from lower sulfur raw material costs

Solid Balance Sheet and Cash Flow

	12/31/23	12/31/22
Cash & ST Inv.	$306 M	$394 M
Total Debt	$582	$712
Net Debt[1]/ TTM Adj. EBITDA	2.1X	0.8X
TTM Op. Cash Flow	$138 M	$346 M
TTM CAPEX	$68 M	$46 M
Free Cash Flow Conversion[2]	53%	72%

- Healthy cash balance and robust liquidity position supports balanced capital allocation strategy
- Net debt/TTM Adjusted EBITDA remains below target maximum level of 2.5X
- Continued solid free cash flow despite pricing environment
- Repurchased $125 million in principal amount of our Senior Secured Notes for approximately $114 million and bought back more than three million shares of our stock for approximately $29 million

(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

2024 Outlook

Production & Sales Volume		
	2024E	**2023A**
Ammonia Production (tons):	780,000 - 800,000	816,000
Sales Volume (tons):		
AN & Nitric Acid	560,000 – 580,000	529,000
UAN	560,000 – 580,000	483,000
Ammonia	280,000 – 300,000	375,000

(+)Tailwinds Relative to 2023

- Expecting lower natural gas costs in 2024 as compared to 2023
- Anticipate increased sales volumes of higher margin downstream products
- Pryor Urea expansion planned for Q3 2024 resulting in increased UAN sales volume of ~75,000 tons annually

(-)Headwinds Relative to 2023

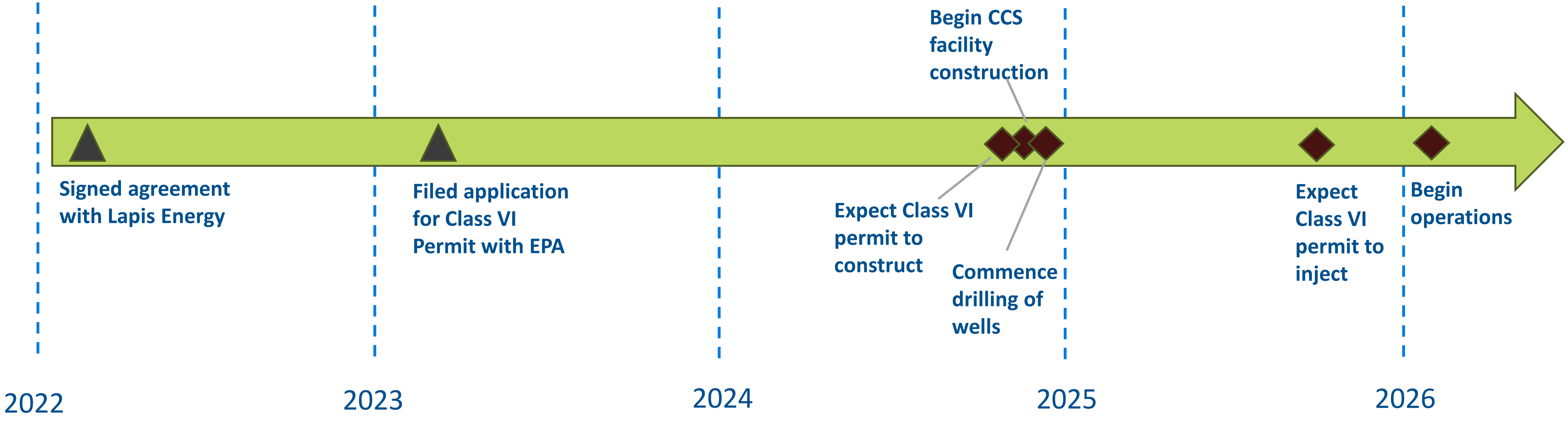
- 30-day Turnarounds at Pryor and Cherokee in Q3'24 resulting in approximately 34,000 tons of lower ammonia production and related downstream production
- Expect lower average selling prices resulting from:
  - Heavy ammonia application by U.S. farmers in Fall of 2023
  - Lower natural gas prices in Europe likely to result in greater nitrogen production/increased supply from European producers
  - Continued sluggish demand for nitrogen from industrial sector in Asia and Europe

2024E Costs and Expenses	
Variable Plant Expenses:	
Natural Gas Feedstock	~32 MMBtu/ton of ammonia
Freight[1]	12% – 13% of sales
Electricity	5% – 6% of sales
Catalyst Expense	2% – 3% of sales
Purchased Products/Ag. Retail	3% – 4% of sales
Fixed Costs:	
Fixed Plant Expenses (ex-depr.)	\$140M – \$145M
Depreciation Expense	\$70M – \$75M
Logistics/Railcar Lease Expense	\$20M – \$25M
Turnaround Expense	\$25M – \$30M
Other:	
SG&A	\$35M – \$40M
Interest Expense	\$35M – \$40M
Non-Recurring (Growth and Leidos Trial)	\$2M – \$5M
Effective Tax Rate	~25%

Capital Expenditures		
	2024E	**2023**
Reliability/EH&S/Maintenance/Growth	\$60M – \$80M	\$68M

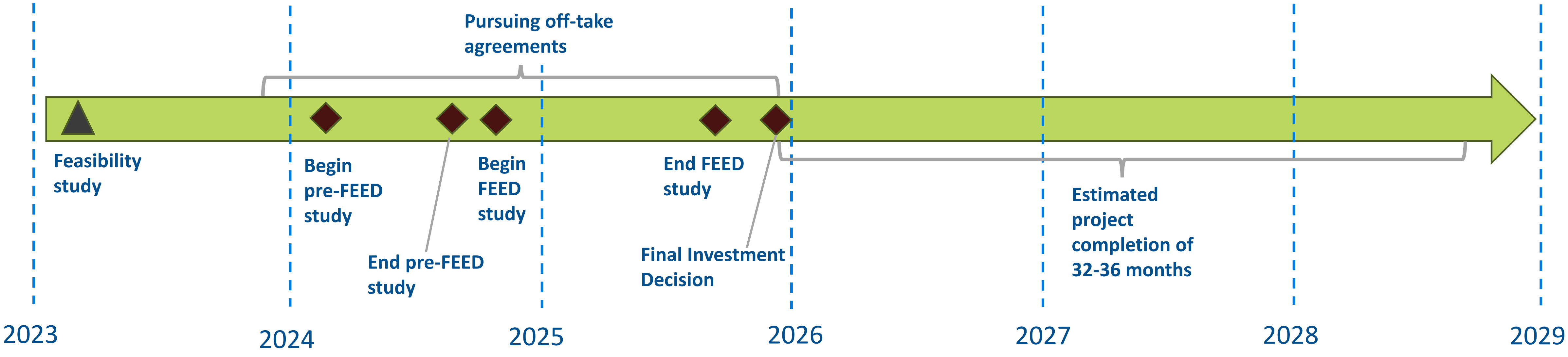
(1) The majority of freight costs are passed through to customers and are included in gross revenue

El Dorado Low-Carbon Ammonia – High Returns with Minimal Capex



- Lapis Energy to develop and construct CO_2 capture and sequestration project at LSB's El Dorado facility
- Capital investment for LSB is minimal
- Lapis will capture and sequester >450,000 metric tons of CO_2 produced annually in the course of El Dorado's ammonia production
- Lapis to receive 45Q federal tax credit of $85 per metric ton of CO_2 sequestered and pay a fee to LSB for each ton
- The carbon sequestration will result in >375,000 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 CO_2 emissions by ~25% and result in an estimated $15 - $20 million of incremental EBITDA for the company

World Scale Low-Carbon Ammonia Plant on Houston Ship Channel



- LSB and INPEX, Japan's largest E&P company, to develop and construct 1.1 million metric tons per year low-carbon ammonia loop
- Low-carbon hydrogen and nitrogen to be supplied by Air Liquide
- Facility to be located on Vopak Exolum's Houston Ship Channel site equipped with storage and handling infrastructure and deepwater berth
- LSB and INPEX in discussions with potential customers for long-term off-take arrangements

Appendix

Adjusted EBITDA Reconciliation

LSB Consolidated ($ In Thousands)	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Year Ended December 31, 2023	Year Ended December 31, 2022
Net (loss) income	**$ (5,347)**	**$ 65,870**	**$ 27,923**	**$ 230,347**
Plus:				
Interest expense and interest income, net	6,237	9,908	26,500	41,407
Net (gain) loss on extinguishment of debt	—	—	(8,644)	113
Depreciation and amortization	18,667	17,117	68,922	68,019
Provision for income taxes	2,351	6,897	5,973	39,174
EBITDA[1]	**$ 21,908**	**$ 99,792**	**$ 120,674**	**$ 379,060**
Stock-based compensation	1,389	936	5,353	4,025
Legal fees (Leidos)	119	200	594	1,114
Loss on disposal and impairment of assets	977	391	3,613	1,219
Turnaround costs	734	4,171	2,430	29,235
Adjusted EBITDA[2]	**$ 25,127**	**$ 105,490**	**$ 132,664**	**$ 414,653**

(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.