
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K**

**CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported)

May 8, 2024

NL INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

New Jersey
(State or other jurisdiction
of incorporation)

1-640
(Commission
File Number)

13-5267260
(IRS Employer
Identification No.)

5430 LBJ Freeway, Suite 1700, Dallas, Texas
(Address of principal executive offices)

75240-2620
(Zip Code)

Registrant's telephone number, including area code

(972) 233-1700

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock	NL	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

The registrant hereby furnishes the information set forth in its press release entitled “NL Reports First Quarter 2024 Results” issued on May 8, 2024, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The press release the registrant furnishes as Exhibit 99.1 to this current report is not deemed “filed” for purposes of section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. Registration statements or other documents filed with the U.S. Securities and Exchange Commission shall not incorporate this information by reference, except as otherwise expressly stated in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Item No.</u>	<u>Description</u>
99.1	Press release dated May 8, 2024 entitled “NL Reports First Quarter 2024 Results” and issued by the registrant.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NL INDUSTRIES, INC.
(Registrant)

Date: May 8, 2024

By: /s/Amy A. Samford
*Executive Vice President and
Chief Financial Officer*



NL REPORTS FIRST QUARTER 2024 RESULTS

DALLAS, TEXAS – May 8, 2024 – NL Industries, Inc. (NYSE: NL) today reported net income attributable to NL stockholders of \$6.8 million, or \$.14 per share, in the first quarter of 2024 compared to a net loss attributable to NL stockholders of \$6.7 million, or \$.14 per share, in the first quarter of 2023. NL results include an unrealized gain of \$2.4 million in the first quarter of 2024 related to the change in value of marketable equity securities compared to an unrealized loss of \$5.5 million in the first quarter of 2023.

CompX net sales were \$38.0 million in the first quarter of 2024 compared to \$41.2 million in the first quarter of 2023. CompX net sales decreased due to lower Marine Components sales primarily to the towboat market, partially offset by higher Security Products to the government security market. Income from operations attributable to CompX decreased to \$3.7 million in the first quarter of 2024 compared to \$7.0 million in the first quarter of 2023 predominantly due to lower Marine Components sales and gross margin.

NL recognized equity in earnings of Kronos of \$2.5 million in the first quarter of 2024 compared to equity in losses of Kronos of \$4.6 million in the first quarter of 2023. Kronos' net sales of \$478.8 million in the first quarter of 2024 were \$52.5 million, or 12%, higher than in the first quarter of 2023. Kronos' net sales increased in the first quarter of 2024 compared to the first quarter of 2023 due to the net effects of higher sales volumes due to strengthening demand for TiO₂ in all its major markets and lower average TiO₂ selling prices. TiO₂ sales volumes were 28% higher in the first quarter of 2024 as compared to the first quarter of 2023. Kronos started 2024 with average TiO₂ selling prices 13% lower than at the beginning of 2023 and its average TiO₂ selling prices declined 2% during the first quarter of 2024. Average TiO₂ selling prices were 11% lower in the first quarter of 2024 as compared to the first quarter of 2023. Fluctuations in currency exchange rates (primarily the euro) also affected net sales comparisons, increasing Kronos' net sales by approximately \$4 million in first quarter of 2024 as compared to the first quarter of 2023. The table at the end of this press release shows how each of these items impacted Kronos' net sales.

Kronos' income from operations in the first quarter of 2024 was \$19.5 million as compared to a loss from operations of \$18.3 million in the first quarter of 2023. Kronos' income from operations increased in the first quarter of 2024 compared to the first quarter of 2023 primarily due to the net effects of higher sales and production volumes, lower production costs (primarily energy and raw material costs) and lower average TiO₂ selling prices. TiO₂ production volumes were 15% higher in the first quarter of 2024 compared to the first quarter of 2023. Kronos operated its production facilities at 76% of practical capacity utilization in the first three months of 2023 due to decreased demand and a higher production cost environment. Due to improved overall demand and a more favorable production cost environment, Kronos increased its production rates to 87% of practical capacity utilization in the first three months of 2024. As a result, Kronos' unabsorbed fixed costs associated with production curtailments included in cost of sales decreased by \$10 million to \$12 million in the first quarter of 2024 compared to \$22 million in the first quarter of 2023. Changes in currency exchange rates had a nominal effect on Kronos's income from operations in the first quarter of 2024 as compared to the same period in 2023.

Corporate expenses decreased \$.4 million in the first quarter of 2024 compared to the first quarter of 2023 primarily due to lower litigation fees and related costs, somewhat offset by higher environmental remediation and related costs. Interest and dividend income increased \$.6 million in the first quarter of 2024 compared to the same period of 2023 primarily due to higher average interest rates and increased investment balances, somewhat offset by lower average balances on CompX's revolving promissory notes receivable from Valhi. Marketable equity securities represent the change in unrealized gains (losses) on our portfolio of marketable equity securities during the period.

Net income attributable to NL stockholders for the first three months of 2024 includes a loss of \$.3 million (\$.3 million, or \$.01 per share, net of tax) due to Kronos' recognition of an aggregate charge related to a write-off of deferred financing costs. Net loss attributable to NL stockholders for the first three months of 2023 includes income of \$.4 million (\$.3 million, or \$.01 per share, net of tax) due to Kronos' recognition of a pre-tax insurance settlement gain related to a business interruption insurance claim arising from Hurricane Laura in 2020.

The statements in this release relating to matters that are not historical facts are forward-looking statements that represent management's beliefs and assumptions based on currently available information. Although we believe the expectations reflected in such forward-looking statements are reasonable, we cannot give any assurances that these expectations will prove to be correct. Such statements by their nature involve substantial risks and uncertainties that could significantly impact expected results, and actual future results could differ materially from those described in such forward-looking

statements. While it is not possible to identify all factors, we continue to face many risks and uncertainties. Factors that could cause actual future results to differ materially include, but are not limited to:

- Future supply and demand for our products;
- The extent of the dependence of certain of our businesses on certain market sectors;
- The cyclicity of our businesses (such as Kronos' TiO₂ operations);
- Customer and producer inventory levels;
- Unexpected or earlier-than-expected industry capacity expansion (such as the TiO₂ industry);
- Changes in raw material and other operating costs (such as energy, ore, zinc, aluminum, steel and brass costs) and our ability to pass those costs on to our customers or offset them with reductions in other operating costs;
- Changes in the availability of raw material (such as ore);
- General global economic and political conditions that harm the worldwide economy, disrupt our supply chain, increase material and energy costs or reduce demand or perceived demand for Kronos' TiO₂ and our products or impair our ability to operate our facilities (including changes in the level of gross domestic product in various regions of the world, natural disasters, terrorist acts, global conflicts and public health crises);
- Operating interruptions (including, but not limited to, labor disputes, leaks, natural disasters, fires, explosions, unscheduled or unplanned downtime, transportation interruptions, certain regional and world events or economic conditions and public health crises);
- Technology related disruptions (including, but not limited to, cyber-attacks; software implementation, upgrades, or improvements; technology processing failures; or other events) related to our technology infrastructure that could impact our ability to continue operations, or at key vendors which could impact our supply chain, or at key customers which could impact their operations and cause them to curtail or pause orders;
- Competitive products and substitute products;
- Price and product competition from low-cost manufacturing sources (such as China);
- Customer and competitor strategies;
- Potential consolidation of Kronos' competitors;
- Potential consolidation of Kronos' customers;
- The impact of pricing and production decisions;
- Competitive technology positions;
- Our ability to protect or defend intellectual property rights;
- Potential difficulties in integrating future acquisitions;
- Potential difficulties in upgrading or implementing accounting and manufacturing software systems;
- The introduction of trade barriers or trade disputes;
- Fluctuations in currency exchange rates (such as changes in the exchange rate between the U.S. dollar and each of the euro, the Norwegian krone and the Canadian dollar and between the euro and the Norwegian krone), or possible disruptions to our business resulting from uncertainties associated with the euro or other currencies;
- Decisions to sell operating assets other than in the ordinary course of business;
- Kronos' ability to renew or refinance credit facilities;
- Increases in interest rates;
- Our ability to maintain sufficient liquidity;
- The timing and amounts of insurance recoveries;

- The ability of our subsidiaries or affiliates to pay us dividends;
- Uncertainties associated with CompX's development of new products and product features;
- The ultimate outcome of income tax audits, tax settlement initiatives or other tax matters, including future tax reform;
- Our ability to utilize income tax attributes or changes in income tax rates related to such attributes, the benefits of which may or may not have been recognized under the more-likely-than-not recognition criteria;
- Environmental matters (such as those requiring compliance with emission and discharge standards for existing and new facilities or new developments regarding environmental remediation or decommissioning at sites related to our former operations);
- Government laws and regulations and possible changes therein (such as changes in government regulations which might impose various obligations on former manufacturers of lead pigment and lead-based paint, including us, with respect to asserted health concerns associated with the use of such products), including new environmental, health, safety, sustainability and or other regulations (such as those seeking to limit or classify TiO₂ or its use);
- The ultimate resolution of pending litigation (such as our lead pigment and environmental matters); and
- Pending or possible future litigation or other actions.

Should one or more of these risks materialize (or the consequences of such a development worsen), or should the underlying assumptions prove incorrect, actual results could differ materially from those currently forecasted or expected. We disclaim any intention or obligation to update or revise any forward-looking statement whether as a result of changes in information, future events or otherwise.

NL Industries, Inc. is engaged in component products (security products and recreational marine components) and chemicals (TiO₂) businesses.

Investor Relations Contact

Bryan A. Hanley
Senior Vice President and Treasurer
(972) 233-1700

NL INDUSTRIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except earnings per share)

	Three months ended March 31,	
	2023	2024
	(unaudited)	
Net sales	\$ 41.2	\$ 38.0
Cost of sales	28.5	28.3
Gross margin	12.7	9.7
Selling, general and administrative expense	5.7	6.0
Corporate expense	2.8	2.4
Income from operations	4.2	1.3
Equity in earnings (losses) of Kronos Worldwide, Inc.	(4.6)	2.5
Other income (expense):		
Interest and dividend income	2.0	2.6
Marketable equity securities	(5.5)	2.4
Other components of net periodic pension and OPEB cost	(.4)	(.3)
Interest expense	(.2)	(.2)
Income (loss) before income taxes	(4.5)	8.3
Income tax expense	1.4	1.0
Net income (loss)	(5.9)	7.3
Noncontrolling interest in net income of subsidiary	.8	.5
Net income (loss) attributable to NL stockholders	\$ (6.7)	\$ 6.8
Net income (loss) per share attributable to NL stockholders	\$ (.14)	\$.14
Weighted average shares used in the calculation of net income per share	48.8	48.8

NL INDUSTRIES, INC.
COMPONENTS OF INCOME FROM OPERATIONS
(In millions)

	Three months ended March 31,	
	2023	2024
	(unaudited)	
CompX - component products	\$ 7.0	\$ 3.7
Corporate expense	(2.8)	(2.4)
Income from operations	\$ 4.2	\$ 1.3

CHANGE IN KRONOS' NET SALES

	Three months ended March 31, 2024 vs. 2023	
	(unaudited)	
Percentage change in net sales:		
TiO ₂ sales volume		28 %
TiO ₂ product pricing		(11)
TiO ₂ product mix/other		(6)
Changes in currency exchange rates		1
Total		12 %