

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2026**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-640

NL INDUSTRIES, INC.

(Exact name of Registrant as specified in its charter)

**New Jersey
(State or other jurisdiction of
incorporation or organization)**

**13-5267260
(IRS Employer
Identification No.)**

**5430 LBJ Freeway, Suite 1700
Dallas, Texas 75240-2620**

(Address of principal executive offices)

Registrant's telephone number, including area code: (972) 233-1700

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	NYSE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Number of shares of the registrant's common stock, \$.125 par value per share, outstanding on May 1, 2026 48,862,734.

NL INDUSTRIES, INC. AND SUBSIDIARIES

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Items 2, 3, 4 and 5 of Part II are omitted because there is no information to report.

NL INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31, 2025	March 31, 2026 (unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 110,615	\$ 101,909
Restricted cash and cash equivalents	3,123	3,125
Accounts and other receivables, net	13,801	18,989
Inventories, net	30,410	30,070
Prepaid expenses and other	1,954	1,768
Total current assets	159,903	155,861
Other assets:		
Note receivable from affiliate	8,000	7,400
Marketable securities	14,433	17,128
Investment in Kronos Worldwide, Inc.	230,088	228,245
Goodwill	27,156	27,156
Operating lease right-of-use asset	—	1,014
Other assets, net	931	935
Total other assets	280,608	281,878
Property and equipment:		
Land	5,390	5,390
Buildings	23,634	23,634
Equipment	78,021	78,137
Construction in progress	477	937
	107,522	108,098
Less accumulated depreciation	83,813	84,645
Net property and equipment	23,709	23,453
Total assets	\$ 464,220	\$ 461,192

NL INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)
(In thousands)

	December 31, 2025	March 31, 2026 (unaudited)
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 2,697	\$ 3,239
Accrued and other current liabilities	15,021	8,172
Accrued environmental remediation and related costs	2,071	2,096
Payables to affiliates	791	1,121
Total current liabilities	20,580	14,628
Noncurrent liabilities:		
Long-term debt from affiliate	500	500
Accrued environmental remediation and related costs	10,969	10,873
Deferred income taxes	54,103	55,435
Operating lease liability	—	926
Other	1,277	1,199
Total noncurrent liabilities	66,849	68,933
Equity:		
NL stockholders' equity:		
Preferred stock	—	—
Common stock	6,107	6,107
Additional paid-in capital	299,349	299,349
Retained earnings	249,380	248,838
Accumulated other comprehensive loss	(196,067)	(194,965)
Total NL stockholders' equity	358,769	359,329
Noncontrolling interest in subsidiary	18,022	18,302
Total equity	376,791	377,631
Total liabilities and equity	\$ 464,220	\$ 461,192

Commitments and contingencies (Notes 12 and 14)

See accompanying notes to Condensed Consolidated Financial Statements.

NL INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)

	Three months ended March 31,	
	2025	2026
	(unaudited)	
Net sales	\$ 40,272	\$ 40,569
Cost of sales	28,109	27,317
Gross margin	12,163	13,252
Selling, general and administrative expense	6,294	6,202
Corporate expense	2,721	2,943
Income from operations	3,148	4,107
Equity in earnings (losses) of Kronos Worldwide, Inc.	5,525	(1,477)
Other income (expense):		
Interest and dividend income	2,038	1,252
Marketable equity securities	(8,552)	2,695
Other components of net periodic pension and OPEB cost	(285)	—
Interest expense	(575)	(11)
Income before income taxes	1,299	6,566
Income tax expense (benefit)	(23)	1,472
Net income	1,322	5,094
Noncontrolling interest in net income of subsidiary	655	750
Net income attributable to NL stockholders	\$ 667	\$ 4,344
Amounts attributable to NL stockholders:		
Basic and diluted net income per share	\$.01	\$.09
Weighted average shares used in the calculation of net income per share	48,848	48,863

See accompanying notes to Condensed Consolidated Financial Statements.

NL INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Three months ended March 31,	
	2025	2026
	(unaudited)	
Net income	\$ 1,322	\$ 5,094
Other comprehensive income (loss), net of tax:		
Currency translation	4,185	1,015
Defined benefit pension plans	317	86
Other postretirement benefit plans	(33)	1
Total other comprehensive income, net	4,469	1,102
Comprehensive income	5,791	6,196
Comprehensive income attributable to noncontrolling interest	655	750
Comprehensive income attributable to NL stockholders	\$ 5,136	\$ 5,446

See accompanying notes to Condensed Consolidated Financial Statements.

NL INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(In thousands)

Three months ended March 31, 2025 and 2026 (unaudited)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Noncontrolling interest in subsidiary	Total equity
Balance at December 31, 2024	\$ 6,105	\$ 299,099	\$ 315,056	\$ (223,356)	\$ 18,999	\$ 415,903
Net income	—	—	667	—	655	1,322
Other comprehensive income, net of tax	—	—	—	4,469	—	4,469
Dividends paid - \$.09 per share	—	—	(4,396)	—	—	(4,396)
Dividends paid to noncontrolling interest	—	—	—	—	(468)	(468)
Balance at March 31, 2025	<u>\$ 6,105</u>	<u>\$ 299,099</u>	<u>\$ 311,327</u>	<u>\$ (218,887)</u>	<u>\$ 19,186</u>	<u>\$ 416,830</u>
Balance at December 31, 2025	\$ 6,107	\$ 299,349	\$ 249,380	\$ (196,067)	\$ 18,022	\$ 376,791
Net income	—	—	4,344	—	750	5,094
Other comprehensive income, net of tax	—	—	—	1,102	—	1,102
Dividends paid - \$.10 per share	—	—	(4,886)	—	—	(4,886)
Dividends paid to noncontrolling interest	—	—	—	—	(470)	(470)
Balance at March 31, 2026	<u>\$ 6,107</u>	<u>\$ 299,349</u>	<u>\$ 248,838</u>	<u>\$ (194,965)</u>	<u>\$ 18,302</u>	<u>\$ 377,631</u>

See accompanying notes to Condensed Consolidated Financial Statements.

NL INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three months ended	
	March 31,	
	2025	2026
	(unaudited)	
Cash flows from operating activities:		
Net income	\$ 1,322	\$ 5,094
Depreciation and amortization	945	868
Deferred income taxes	(34)	1,040
Equity in (earnings) losses of Kronos Worldwide, Inc.	(5,525)	1,477
Dividends received from Kronos Worldwide, Inc.	1,761	1,761
Marketable equity securities	8,552	(2,695)
Benefit plan expense greater than cash funding	311	—
Noncash interest expense	78	—
Other, net	5	21
Change in assets and liabilities:		
Accounts and other receivables, net	5,601	(5,187)
Inventories, net	(863)	268
Prepaid expenses and other	364	186
Accounts payable and accrued liabilities	(3,579)	(6,604)
Accounts with affiliates	170	329
Accrued environmental remediation and related costs	(56,511)	(71)
Other noncurrent assets and liabilities, net	(72)	(29)
Net cash used in operating activities	(47,475)	(3,542)
Cash flows from investing activities:		
Capital expenditures	(822)	(404)
Note receivable from affiliate:		
Collections	500	3,700
Loans	(500)	(3,100)
Other	10	—
Net cash provided by (used in) investing activities	(812)	196
Cash flows from financing activities:		
Dividends paid	(4,396)	(4,886)
Dividends paid to noncontrolling interests in subsidiary	(468)	(470)
Net cash used in financing activities	(4,864)	(5,356)
Cash and cash equivalents and restricted cash and cash equivalents - net change from:		
Operating, investing and financing activities	(53,151)	(8,702)
Balance at beginning of period	184,190	114,053
Balance at end of period	\$ 131,039	\$ 105,351
Supplemental disclosures:		
Cash paid for interest	\$ 497	\$ 11
Noncash investing and financing activities:		
Change in accruals for capital expenditures	\$ (352)	\$ 208
Right-of-use asset obtained in exchange for a lease liability	—	1,014

See accompanying Notes to Condensed Consolidated Financial Statements.

NL INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2026
(unaudited)

Note 1 – Organization and basis of presentation:

Organization – At March 31, 2026, Valhi, Inc. (NYSE: VHI) held approximately 83% of our outstanding common stock and a wholly-owned subsidiary of Contran Corporation held approximately 91% of Valhi’s outstanding common stock. A majority of Contran’s outstanding voting stock is held directly by Lisa K. Simmons and by family stockholders (Thomas C. Connelly (the husband of Ms. Simmons’ late sister), a family-owned entity and various family trusts established for the benefit of Ms. Simmons, Mr. Connelly and their children) who are required to vote their shares of Contran voting stock in the same manner as Ms. Simmons. Such voting rights are personal to Ms. Simmons and last through April 22, 2030. The remainder of Contran’s outstanding voting stock is held by another trust (the “Family Trust”), which was established for the benefit of Ms. Simmons and her late sister and their children and for which a third-party financial institution serves as trustee. Consequently, at March 31, 2026, Ms. Simmons and the Family Trust may be deemed to control Contran, and therefore may be deemed to indirectly control the wholly-owned subsidiary of Contran, Valhi and us.

Basis of presentation – Consolidated in this Quarterly Report are the results of our majority-owned subsidiary, CompX International Inc. We also own approximately 31% of Kronos Worldwide, Inc. (“Kronos”). CompX (NYSE American: CIX) and Kronos (NYSE: KRO) each file periodic reports with the Securities and Exchange Commission (“SEC”).

The unaudited Condensed Consolidated Financial Statements contained in this Quarterly Report have been prepared on the same basis as the audited Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2025 that we filed with the SEC on March 9, 2026 (the “2025 Annual Report”). In our opinion, we have made all necessary adjustments (which include only normal recurring adjustments) in order to state fairly, in all material respects, our consolidated financial position, results of operations and cash flows as of the dates and for the periods presented. We have condensed the Consolidated Balance Sheet at December 31, 2025 contained in this Quarterly Report as compared to our audited Consolidated Financial Statements at that date, and we have omitted certain information and footnote disclosures (including those related to the Consolidated Balance Sheet at December 31, 2025) normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Our results of operations for the interim period ended March 31, 2026 may not be indicative of our operating results for the full year. The Condensed Consolidated Financial Statements contained in this Quarterly Report should be read in conjunction with our 2025 Consolidated Financial Statements contained in our 2025 Annual Report.

Unless otherwise indicated, references in this report to “NL,” “we,” “us” or “our” refer to NL Industries, Inc. and its subsidiaries and affiliate, Kronos, taken as a whole.

Note 2 – Segment information:

Our chief operating decision maker (“CODM”) evaluates segment performance based on net income and segment profit (a non-GAAP measure), which we define as gross margin less selling, general and administrative expenses directly attributable to CompX. Differences between segment profit and the amounts included in net income (loss) are included in the table below. Substantially all depreciation and amortization amounts are included in the calculation of segment profit.

	Three months ended March 31,	
	2025	2026
	(In thousands)	
Net sales	\$ 40,272	\$ 40,569
Segment profit	5,869	7,050
Corporate expenses	(2,721)	(2,943)
Equity in earnings (losses) of Kronos Worldwide, Inc.	5,525	(1,477)
Interest and dividend income	2,038	1,252
Marketable equity securities	(8,552)	2,695
Other components of net periodic pension and OPEB cost	(285)	—
Interest expense	(575)	(11)
Income tax benefit (expense)	23	(1,472)
Net income	\$ 1,322	\$ 5,094

Note 3 – Accounts and other receivables, net:

	December 31, 2025	March 31, 2026
	(In thousands)	
Trade receivables - CompX	\$ 13,836	\$ 19,029
Other receivables	35	30
Allowance for doubtful accounts	(70)	(70)
Total	\$ 13,801	\$ 18,989

Note 4 – Inventories, net:

	December 31, 2025	March 31, 2026
	(In thousands)	
Raw materials	\$ 5,620	\$ 5,343
Work in process	19,907	20,324
Finished products	4,883	4,403
Total	\$ 30,410	\$ 30,070

Note 5 – Marketable securities:

Our noncurrent marketable securities are equity securities and consist of our investment in the publicly-traded shares of our immediate parent company Valhi, Inc. Our shares of Valhi common stock are accounted for as available-for-sale securities, which are carried at fair value using quoted market prices in active markets and represent a Level 1 input within the fair value hierarchy, as defined by ASC Topic 820, *Fair Value Measurements and Disclosures*. We record any unrealized gains or losses on the securities in other income (expense) on our Condensed Consolidated Statements of Operations.

	<u>Fair value measurement level</u>	<u>Market value</u>	<u>Cost basis</u> (In thousands)	<u>Unrealized loss, net</u>
December 31, 2025				
Noncurrent assets - Valhi common stock	1	\$ 14,433	\$ 24,347	\$ (9,914)
March 31, 2026				
Noncurrent assets - Valhi common stock	1	\$ 17,128	\$ 24,347	\$ (7,219)

At December 31, 2025 and March 31, 2026, we held approximately 1.2 million shares of common stock our immediate parent company, Valhi, Inc. At December 31, 2025 and March 31, 2026, the quoted per share market price of Valhi common stock was \$12.05 and \$14.30, respectively.

The Valhi common stock we own is subject to restrictions on resale pursuant to certain provisions of the SEC Rule 144. In addition, as a majority-owned subsidiary of Valhi we cannot vote our shares of Valhi common stock under Delaware General Corporation Law, but we do receive dividends from Valhi on these shares, when declared and paid.

Note 6 – Investment in Kronos Worldwide, Inc.:

At December 31, 2025 and March 31, 2026, we owned approximately 35.2 million shares of Kronos common stock. At March 31, 2026, the quoted market price of Kronos' common stock was \$6.57 per share, or an aggregate market value of \$231.4 million. At December 31, 2025, the quoted market price was \$4.42 per share, or an aggregate market value of \$155.7 million.

The change in the carrying value of our investment in Kronos during the first three months of 2026 is summarized below.

	<u>Amount</u> (In millions)
Balance at the beginning of the period	\$ 230.1
Equity in losses of Kronos	(1.5)
Dividends received from Kronos	(1.8)
Equity in Kronos' other comprehensive income:	
Currency translation	1.3
Defined benefit pension plans	.1
Balance at the end of the period	\$ 228.2

Selected financial information of Kronos is summarized below:

	December 31, 2025	March 31, 2026
	(In millions)	
Current assets	\$ 994.5	\$ 988.5
Property and equipment, net	724.3	712.6
Other noncurrent assets	98.0	97.2
Total assets	\$ 1,816.8	\$ 1,798.3
Current liabilities	\$ 368.8	\$ 311.0
Long-term debt	557.4	602.7
Accrued pension costs	80.9	76.4
Other noncurrent liabilities	58.6	63.2
Stockholders' equity	751.1	745.0
Total liabilities and stockholders' equity	\$ 1,816.8	\$ 1,798.3

	Three months ended March 31,	
	2025	2026
	(In millions)	
Net sales	\$ 489.8	\$ 509.8
Cost of sales	383.0	426.5
Income from operations	38.4	12.6
Income tax expense	7.6	2.8
Net income (loss)	18.1	(4.8)

Note 7– Accrued and other current liabilities:

	December 31, 2025	March 31, 2026
	(In thousands)	
Employee benefits	\$ 11,569	\$ 5,896
Other	3,452	2,276
Total	\$ 15,021	\$ 8,172

Note 8 – Long-term debt:

During the first three months of 2026, our wholly-owned subsidiary, NLKW Holding, LLC had no borrowings or repayments under its \$50 million secured revolving credit facility with Valhi. At March 31, 2026, \$0.5 million was outstanding and \$49.5 million was available for future borrowing under this facility. Outstanding borrowings bear interest at the prime rate plus 1.875% per annum, and the average interest rate as of and for the three months ended March 31, 2026 was 8.6%. We are in compliance with all covenants at March 31, 2026.

Note 9 – Leases:

In March 2026, CompX entered into an operating lease for its distribution center located in Southern California. Upon commencement, we recognized an operating lease right-of-use asset and a corresponding operating lease liability, which are included in our Condensed Consolidated Balance Sheet. As of March 31, 2026, the remaining lease term of CompX's operating lease was approximately 7 years and the discount rate associated with such lease was 6.75%.

Note 10 – Other noncurrent liabilities:

	December 31, 2025	March 31, 2026
	(In thousands)	
OPEB	\$ 312	\$ 261
Insurance claims and expenses	684	746
Other	281	192
Total	<u>\$ 1,277</u>	<u>\$ 1,199</u>

Note 11 – Revenue recognition:

The following table disaggregates our net sales by reporting unit, which are the categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

	Three months ended March 31,	
	2025	2026
	(In thousands)	
Net sales:		
Security Products	\$ 30,230	\$ 29,896
Marine Components	10,042	10,673
Total	<u>\$ 40,272</u>	<u>\$ 40,569</u>

Note 12 – Income taxes:

	Three months ended March 31,	
	2025	2026
	(In thousands)	
Expected tax expense, at U.S. federal statutory income tax rate of 21%	\$ 273	\$ 1,379
Rate differences on equity in earnings (losses) of Kronos, net of dividends	(319)	(25)
U.S. state income taxes and other, net	23	118
Income tax expense (benefit)	<u>\$ (23)</u>	<u>\$ 1,472</u>
Comprehensive provision for income taxes allocable to:		
Net income	\$ (23)	\$ 1,472
Other comprehensive income (loss):		
Currency translation	1,112	270
Defined benefit pension plans	85	23
Other	(9)	—
Comprehensive income tax expense	<u>\$ 1,165</u>	<u>\$ 1,765</u>

In accordance with GAAP, we recognize deferred income taxes on our undistributed equity in earnings of Kronos. Because we and Kronos are part of the same U.S. federal income tax group, any dividends we receive from Kronos are nontaxable to us. Accordingly, we do not recognize and we are not required to pay income taxes on dividends from Kronos. We received aggregate dividends from Kronos of \$1.8 million in each of the first three months of 2025 and 2026, respectively. The amounts shown in the above table of our income tax rate reconciliation for rate differences on equity in earnings (losses) of Kronos, net of dividends, represent the income tax benefit associated with the nontaxable dividends we received from Kronos compared to the amount of deferred income taxes we recognized on our equity in earnings (losses) of Kronos.

On July 4, 2025, the One Big Beautiful Bill Act was signed into law in the United States. It did not have a material impact on our consolidated financial statements.

Note 13 – Stockholders’ equity:

Accumulated other comprehensive loss - Changes in accumulated other comprehensive loss attributable to NL stockholders, including amounts resulting from our investment in Kronos Worldwide (see Note 6), are presented in the table below.

	Three months ended March 31,	
	2025	2026
	(In thousands)	
Accumulated other comprehensive loss, (net of tax and noncontrolling interest):		
Currency translation:		
Balance at beginning of period	\$ (185,423)	\$ (177,512)
Other comprehensive income	4,185	1,015
Balance at end of period	<u>\$ (181,238)</u>	<u>\$ (176,497)</u>
Defined benefit pension plans:		
Balance at beginning of period	\$ (36,666)	\$ (17,359)
Other comprehensive income -		
Amortization of prior service cost and net losses included in net periodic pension cost	317	86
Balance at end of period	<u>\$ (36,349)</u>	<u>\$ (17,273)</u>
OPEB plans:		
Balance at beginning of period	\$ (1,267)	\$ (1,196)
Other comprehensive loss -		
Amortization of net gain included in net periodic OPEB cost	(33)	1
Balance at end of period	<u>\$ (1,300)</u>	<u>\$ (1,195)</u>
Total accumulated other comprehensive loss:		
Balance at beginning of period	\$ (223,356)	\$ (196,067)
Other comprehensive income	4,469	1,102
Balance at end of period	<u>\$ (218,887)</u>	<u>\$ (194,965)</u>

Note 14 – Commitments and contingencies:
General

We are involved in various environmental, contractual, product liability, patent (or intellectual property), employment and other claims and disputes incidental to our current and former businesses. At least quarterly our management discusses and evaluates the status of any pending litigation or claim to which we are a party or which has been asserted against us. The factors considered in such evaluation include, among other things, the nature of such pending cases and claims, the status of such pending cases and claims, the advice of legal counsel and our experience in similar cases and claims (if any). Based on such evaluation, we make a determination as to whether we believe (i) it is probable a loss has been incurred, and if so, if the amount of such loss (or a range of loss) is reasonably estimable, or (ii) it is reasonably possible but not probable a loss has been incurred, and if so, if the amount of such loss (or a range of loss) is reasonably estimable, or (iii) the probability a loss has been incurred is remote.

Lead pigment litigation

Our former operations included the manufacture of lead pigments for use in paint and lead-based paint. We, other former manufacturers of lead pigments for use in paint and lead-based paint (together, the “former pigment manufacturers”), and the Lead Industries Association (“LIA”), which discontinued business operations in 2002, have previously been named as defendants in various legal proceedings seeking damages for personal injury, property damage and governmental expenditures allegedly caused by the use of lead-based paints. Certain of these actions were filed by or on behalf of states, counties, cities or their public housing authorities and school districts, and certain others were asserted as class actions. We currently have no pending lead paint class action cases or pending lead paint cases brought by housing authorities, school districts or other government entities.

New cases may continue to be filed against us. We do not know if we will incur liability in the future in respect of any of the pending or possible litigation in view of the inherent uncertainties involved in court and jury rulings. In the future, if new information regarding such matters becomes available to us (such as a final, non-appealable adverse verdict against us or otherwise ultimately being found liable with respect to such matters), at that time we would consider such information in evaluating any remaining cases then pending against us as to whether it might then have become probable we have incurred liability with respect to these matters, and whether such liability, if any, could have become reasonably estimable. The resolution of any of these cases could result in the recognition of a loss contingency accrual that could have a material adverse impact on our net income for the interim or annual period during which such liability is recognized and a material adverse impact on our consolidated financial condition and liquidity.

Environmental matters and litigation

Our operations are governed by various environmental laws and regulations. Certain of our businesses are and have been engaged in the handling, manufacture or use of substances or compounds that may be considered toxic or hazardous within the meaning of applicable environmental laws and regulations. As with other companies engaged in similar businesses, certain of our past and current operations and products have the potential to cause environmental or other damage. We have implemented and continue to implement various policies and programs in an effort to minimize these risks. Our policy is to maintain compliance with applicable environmental laws and regulations at all of our plants and to strive to improve environmental performance. From time to time, we may be subject to environmental regulatory enforcement under U.S. statutes, the resolution of which typically involves the establishment of compliance programs. It is possible that future developments, such as stricter requirements of environmental laws and enforcement policies, could adversely affect our production, handling, use, storage, transportation, sale or disposal of such substances. We believe all of our facilities are in substantial compliance with applicable environmental laws.

Certain properties and facilities used in our former operations, including divested primary and secondary lead smelters and former mining locations, are the subject of civil litigation, administrative proceedings or investigations arising under federal and state environmental laws and common law. Additionally, in connection with past operating practices, we are currently involved as a defendant, potentially responsible party (“PRP”) or both, pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act (“CERCLA”), and similar state laws in various governmental and private actions associated with waste disposal sites, mining locations, and facilities that we or our predecessors, our subsidiaries or their predecessors currently or previously owned, operated or used, certain of which are on the United States Environmental Protection Agency’s (“EPA”) Superfund National Priorities List or similar state lists. These proceedings seek cleanup costs, damages for personal injury or property damage and/or damages for injury to natural resources. Certain of these proceedings involve claims for substantial amounts. Although we may be jointly and severally liable for these costs, in most cases we are only one of a number of PRPs who may also be jointly and severally liable, and among whom costs may be shared or allocated. In addition, we are occasionally named as a party in a number of personal injury lawsuits filed in various jurisdictions alleging claims related to environmental conditions alleged to have resulted from our operations.

Obligations associated with environmental remediation and related matters are difficult to assess and estimate for numerous reasons including the:

- complexity and differing interpretations of governmental regulations,
- number of PRPs and their ability or willingness to fund such allocation of costs,
- financial capabilities of the PRPs and the allocation of costs among them,
- solvency of other PRPs,
- multiplicity of possible solutions,
- number of years of investigatory, remedial and monitoring activity required,
- uncertainty over the extent, if any, to which our former operations might have contributed to the conditions allegedly giving rise to such personal injury, property damage, natural resource and related claims, and
- number of years between former operations and notice of claims and lack of information and documents about the former operations.

In addition, the imposition of more stringent standards or requirements under environmental laws or regulations, new developments or changes regarding site cleanup costs or the allocation of costs among PRPs, solvency of other PRPs, the results of future testing and analysis undertaken with respect to certain sites or a determination that we are potentially responsible for the release of hazardous substances at other sites, could cause our expenditures to exceed our current estimates. Actual costs could exceed accrued

amounts or the upper end of the range for sites for which estimates have been made, and costs may be incurred for sites where no estimates presently can be made. Further, additional environmental and related matters may arise in the future. If we were to incur any future liability, this could have a material adverse effect on our Condensed Consolidated Financial Statements, results of operations and liquidity.

We record liabilities related to environmental remediation and related matters (including costs associated with damages for personal injury or property damage and/or damages for injury to natural resources) when estimated future expenditures are probable and reasonably estimable. We adjust such accruals as further information becomes available to us or as circumstances change. Unless the amounts and timing of such estimated future expenditures are fixed and reasonably determinable, we generally do not discount estimated future expenditures to their present value due to the uncertainty of the timing of the payout. We recognize recoveries of costs from other parties, if any, as assets when their receipt is deemed probable.

We do not know and cannot estimate the exact time frame over which we will make payments for our accrued environmental and related costs. The timing of payments depends upon a number of factors, including but not limited to the timing of the actual remediation process; which in turn depends on factors outside of our control. At each balance sheet date, we estimate the amount of our accrued environmental and related costs which we expect to pay within the next twelve months, and we classify this estimate as a current liability. We classify the remaining accrued environmental costs as a noncurrent liability.

Changes in the accrued environmental remediation and related costs during the first three months of 2026 are as follows:

	Amount (In thousands)
Balance at the beginning of the period	\$ 13,040
Additions charged to expense, net	378
Payments, net	(449)
Balance at the end of the period	\$ 12,969
Amounts recognized in the Condensed Consolidated Balance Sheet at the end of the period:	
Current liability	\$ 2,096
Noncurrent liability	10,873
Balance at the end of the period	\$ 12,969

On a quarterly basis, we evaluate the potential range of our liability for environmental remediation and related costs at sites where we have been named as a PRP or defendant, including sites for which our wholly-owned environmental management subsidiary, NL Environmental Management Services, Inc. ("EMS"), has contractually assumed our obligations. At March 31, 2026, we had accrued approximately \$13 million related to approximately 27 sites associated with remediation and related matters we believe are at the present time and/or in their current phase reasonably estimable. The upper end of the range of reasonably possible costs to us for remediation and related matters for which we believe it is possible to estimate costs is approximately \$38 million, including the amounts currently accrued. These accruals have not been discounted to present value.

We believe it is not reasonably possible to estimate the range of costs for certain sites. At March 31, 2026, there were approximately five sites for which we are not currently able to reasonably estimate a range of costs. For these sites, generally the investigation is in the early stages, and we are unable to determine whether or not we actually had any association with the site, the nature of our responsibility, if any, for the contamination at the site, if any, and the extent of contamination at and cost to remediate the site. The timing and availability of information on these sites is dependent on events outside of our control, such as when the party alleging liability provides information to us. At certain of these previously inactive sites, we have received general and special notices of liability from the EPA and/or state agencies alleging that we, sometimes with other PRPs, are liable for past and future costs of remediating environmental contamination allegedly caused by former operations. These notifications may assert that we, along with any other alleged PRPs, are liable for past and/or future clean-up costs. As further information becomes available to us for any of these sites, which would allow us to estimate a range of costs, we would at that time adjust our accruals. Any such adjustment could result in the recognition of an accrual that would have a material effect on our Consolidated Financial Statements, results of operations and liquidity.

Insurance coverage claims

We are involved in certain legal proceedings with a number of our former insurance carriers regarding the nature and extent of the carriers' obligations to us under insurance policies with respect to certain lead pigment and asbestos lawsuits. The issue of whether

insurance coverage for defense costs or indemnity or both will be found to exist for our lead pigment and asbestos litigation depends upon a variety of factors and we cannot assure you that such insurance coverage will be available.

We have agreements with certain of our former insurance carriers pursuant to which the carriers reimburse us for a portion of our future lead pigment litigation defense costs, and one such carrier reimburses us for a portion of our future asbestos litigation defense costs. We are not able to determine how much we will ultimately recover from these carriers for defense costs incurred by us because of certain issues that arise regarding which defense costs qualify for reimbursement. While we continue to seek additional insurance recoveries, we do not know if we will be successful in obtaining reimbursement for either defense costs or indemnity. Accordingly, we recognize insurance recoveries in income only when receipt of the recovery is probable and we are able to reasonably estimate the amount of the recovery.

For a complete discussion of certain litigation involving us and certain of our former insurance carriers, refer to our 2025 Annual Report.

Other litigation

In addition to the litigation described above, we and our affiliates are also involved in various other environmental, contractual, product liability, patent (or intellectual property), employment and other claims and disputes incidental to present and former businesses. In certain cases, we have insurance coverage for these items, although we do not expect additional material insurance coverage for environmental matters. We currently believe the disposition of all of these various other claims and disputes (including asbestos-related claims), individually and in the aggregate, should not have a material adverse effect on our consolidated financial position, results of operations or liquidity beyond the accruals already provided.

Note 15 – Financial instruments:

See Note 5 for information on how we determine fair value of our marketable securities.

The following table presents the financial instruments that are not carried at fair value but which require fair value disclosure:

	December 31, 2025		March 31, 2026	
	Carrying amount	Fair value	Carrying amount	Fair value
	(In thousands)			
Cash, cash equivalents and restricted cash	\$ 114,053	\$ 114,053	\$ 105,351	\$ 105,351

Due to their near-term maturities, the carrying amounts of accounts receivable and accounts payable are considered equivalent to fair value.

Note 16 – Recent Accounting Pronouncements:

In November 2024, the FASB issued ASU No. 2024-03, *Reporting Comprehensive Income - Expense Disaggregation Disclosures*. The ASU requires additional information about specific expense categories in the notes to financial statements for both interim and annual reporting periods. The ASU is effective for us beginning with our 2027 Annual Report, and for interim reporting, in the first quarter of 2028, with early adoption permitted. We are in the process of evaluating the additional disclosure requirements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Business overview

We are primarily a holding company. We operate in the component products industry through our majority-owned subsidiary, CompX International Inc. We also own a non-controlling interest in Kronos Worldwide, Inc. Both CompX (NYSE American: CIX) and Kronos (NYSE: KRO) file periodic reports with the Securities and Exchange Commission ("SEC").

CompX is a leading manufacturer of engineered components utilized in a variety of applications and industries. Through its Security Products operations, CompX manufactures mechanical and electronic cabinet locks and other locking mechanisms used in postal, recreational transportation, office and institutional furniture, cabinetry, tool storage and healthcare applications. CompX also manufactures wake enhancement systems, stainless steel exhaust systems, custom metal fabricated parts, gauges, throttle controls, trim tabs and related hardware and accessories for the recreational marine and other industries through its Marine Components operations.

We account for our approximate 31% non-controlling interest in Kronos by the equity method. Kronos is a leading global producer and marketer of value-added titanium dioxide pigments ("TiO₂"). TiO₂ is used for a variety of manufacturing applications including paints, plastics, paper and other industrial and specialty products.

Forward-looking information

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Statements in this Quarterly Report on Form 10-Q that are not historical facts are forward-looking in nature and represent management's beliefs and assumptions based on currently available information. Statements in this report including, but not limited to, statements found in Item 2 - "Management's Discussion and Analysis of Financial Condition and Results of Operations," are forward-looking statements that represent our management's beliefs and assumptions based on currently available information. In some cases you can identify forward-looking statements by the use of words such as "believes," "intends," "may," "should," "could," "anticipates," "expects" or comparable terminology, or by discussions of strategies or trends. Although we believe the expectations reflected in forward-looking statements are reasonable, we do not know if these expectations will be correct. Such statements by their nature involve substantial risks and uncertainties that could significantly impact expected results. Actual future results could differ materially from those predicted. The factors that could cause our actual future results to differ materially from those described herein are the risks and uncertainties discussed in this Quarterly Report and those described from time to time in our other filings with the SEC including, but are not limited to, the following:

- Future supply and demand for our products;
- Kronos' ability to realize expected cost savings from strategic and operational initiatives;
- Kronos' ability to integrate acquisitions into its operations and realize expected synergies and innovations;
- The extent of the dependence of certain of our businesses on certain market sectors;
- The cyclical nature 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) or the implementation of tariffs on imported raw materials 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 materials (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 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, tariffs, 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 (including manufacturing and accounting systems) 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;
- Competition from Chinese suppliers with less stringent regulatory and environmental compliance requirements;
- Customer and competitor strategies;
- Our ability to retain key customers;
- 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;
- The introduction of new, or changes in existing, tariffs, 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 or other debt instruments in the future;
- Changes in interest rates;
- Kronos' ability to comply with covenants contained in its revolving bank credit facility;
- 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 obligations 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, sustainability, health and safety 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 (such as litigation related to CompX's use of certain permitted chemicals in its productions process) or other actions.

Should one or more of these risks materialize (or if 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.

Results of operations

Net income overview

Quarter ended March 31, 2026 compared to the quarter ended March 31, 2025

Our net income attributable to NL stockholders was \$4.3 million, or \$0.9 per share, in the first quarter of 2026 compared to \$0.7 million, or \$0.1 per share, in the first quarter of 2025. As more fully described below, the increase in our net income attributable to NL stockholders from 2025 to 2026 is primarily due to the net effects of:

- an unrealized gain in the relative value of marketable equity securities of \$2.7 million in 2026 compared to an unrealized loss of \$8.5 million in 2025;
- equity in losses of Kronos of \$1.5 million in 2026 compared to equity in earnings of \$5.5 million in 2025; and
- higher CompX segment profit of \$7.1 million in 2026 compared to \$5.9 million in 2025.

Income from operations

The following table shows the components of our income from operations.

	Three months ended March 31,		% Change
	2025	2026	
	(In millions)		
CompX segment profit	\$ 5.9	\$ 7.1	20 %
Corporate expense	(2.7)	(3.0)	8
Income from operations	\$ 3.2	\$ 4.1	30

CompX is our component products business and corporate expense relates to NL. Each of these items is further discussed below.

The following table shows the components of our income before income taxes exclusive of our income from operations.

	Three months ended March 31,		% Change
	2025	2026	
	(In millions)		
Equity in earnings (losses) of Kronos	\$ 5.5	\$ (1.5)	(127)%
Marketable equity securities gain (loss)	(8.5)	2.7	132
Other components of net periodic pension and OPEB cost	(.3)	—	(100)
Interest and dividend income	2.0	1.3	(39)
Interest expense	(.6)	—	(98)

CompX International Inc.

CompX's segment profit in the first quarter of 2026 was \$7.1 million compared to \$5.9 million in the same period of 2025. The increase in segment profit in the first quarter of 2026 compared to 2025 is primarily due to higher gross margin at the Security Products reporting unit and, to a lesser extent, the impact of higher sales at the Marine Components reporting unit.

	Three months ended March 31,		% Change
	2025	2026	
	(In millions)		
Net sales	\$ 40.3	\$ 40.6	1 %
Cost of sales	28.1	27.3	(3)
Gross margin	12.2	13.3	9
Selling, general and administrative expenses	6.3	6.2	(1)
Segment profit (1)	\$ 5.9	\$ 7.1	20
Percentage of net sales:			
Cost of sales	70 %	67 %	
Gross margin	30	33	
Selling, general and administrative expenses	16	15	
Segment profit	15	17	

- (1) We use segment profit to assess the performance of CompX. Segment profit is defined as gross margin less selling, general and administrative expenses directly attributable to CompX's operations.

Net sales – CompX's net sales increased \$.3 million in the first quarter of 2026 compared to the same period in 2025 primarily due to higher Marine Components sales to the industrial market partially offset by lower Security Products sales. See discussion of reporting units below.

Cost of sales and gross margin – CompX's cost of sales as a percentage of sales decreased 3% in the first quarter of 2026 compared to the same period in 2025. As a result, gross margin as a percentage of net sales increased over the same period. Gross margin percentage increased in the first quarter of 2026 compared to the same period in 2025 primarily due to higher gross margin percentage at Security Products. See discussion of reporting units below.

Selling, general and administrative expenses – CompX's selling, general and administrative expenses consist primarily of personnel costs, sales commissions and advertising expenses directly related to product sales and administrative costs relating to CompX's business unit and corporate management activities, as well as any gains and losses on property and equipment. CompX's selling, general and administrative expenses for the first quarter of 2026 were comparable to the same period in 2025. CompX's selling, general and administrative expenses as a percentage of net sales for the first quarter of 2026 decreased slightly due to increased coverage of selling, general and administrative expenses as a result of higher sales.

Segment profit – As a percentage of net sales, CompX's segment profit for the first quarter of 2026 increased compared to the same period of 2025 and was primarily impacted by the factors impacting sales, cost of sales, gross margin and selling, general and administrative expenses. See discussion of reporting units below.

Results by reporting unit

The key performance indicator for CompX's reporting units is the level of their reporting unit profit (see discussion below). Reporting unit results exclude CompX corporate expenses.

	Three months ended March 31,		% Change
	2025	2026	
	(In millions)		
Security Products:			
Net sales	\$ 30.2	\$ 29.9	(1)%
Cost of sales	21.2	19.9	(6)
Gross margin	9.0	10.0	11
Selling, general and administrative expenses	3.5	3.4	(1)
Reporting unit profit (2)	\$ 5.5	\$ 6.6	19
Gross margin	30.0 %	33.5 %	
Reporting unit profit margin	18.0	22.0	

(2) Reporting unit profit includes reporting unit sales less cost of sales and selling, general and administrative expenses directly attributable to the reporting unit. Interunit sales are not material.

Security Products – Security Products net sales decreased 1% in the first quarter of 2026 compared to the same period last year primarily due to lower sales across a variety of markets. The decrease was driven by \$.3 million lower sales to the healthcare market and \$.2 million lower sales to each of the general cabinetry, electric control panel, and gas station security markets. These decreases were partially offset by \$.3 million higher sales to the tool storage market and \$.2 million higher sales to the institutional furniture market. Gross margin as a percentage of net sales increased in the first quarter primarily due to a more favorable customer and product mix. Reporting unit profit margin also increased primarily due to the improvement in gross margin discussed above.

	Three months ended		% Change
	March 31,		
	2025	2026	
	(In millions)		
Marine Components:			
Net sales	\$ 10.1	\$ 10.7	6 %
Cost of sales	6.9	7.4	8
Gross margin	3.2	3.3	2
Selling, general and administrative expenses	.9	1.0	(1)
Reporting unit profit (2)	\$ 2.3	\$ 2.3	3
Gross margin	32.0 %	30.2 %	
Reporting unit profit margin	22.0	21.7	

(2) Reporting unit profit includes reporting unit sales less cost of sales and selling, general and administrative expenses directly attributable to the reporting unit. Interunit sales are not material.

Marine Components – Marine Components net sales increased 6% in the first quarter of 2026 compared to the same period last year primarily due to \$1.9 million higher sales to the industrial market partially offset by \$1.4 million lower sales to the towboat market. Towboat market sales in the first quarter of 2025 benefitted from a one-time customer stocking event that did not repeat in 2026. Gross margin as a percentage of net sales decreased in the first quarter of 2026 compared to the same period last year primarily due to higher cost inventory produced during the fourth quarter of 2025 and sold in the first quarter of 2026, partially offset by increased coverage of fixed costs on higher sales. Reporting unit profit margin decreased primarily due to the factors impacting gross margin discussed above, partially offset by increased coverage of selling, general and administrative expenses on higher sales.

Outlook – CompX's net sales for the first quarter of 2026 exceeded the prior year period, primarily driven by improved demand in the industrial market at CompX's Marine Components reporting unit. CompX's Security Products reporting unit sales reflected mixed performance across the original equipment manufacturer ("OEM") markets, driven by differences in customer demand cycles and project timing, resulting in slightly lower net sales compared to the prior year period. CompX's segment profit increased compared to the prior

year primarily due to a more favorable customer and product mix at Security Products and, to a lesser extent, the impact of higher sales at Marine Components.

For the full year 2026, CompX expects modest net sales growth as it continues to align pricing, product features, and service levels with market conditions and customer requirements. CompX's net sales growth at Marine Components is expected to be driven primarily by the industrial market. Recreational marine sales have largely stabilized and CompX's sales to the towboat market in 2026 are expected to be generally comparable to 2025 (excluding the impact of the one-time stocking event noted above). At Security Products, CompX expects net sales to be consistent with the prior year, reflecting anticipated continued variability across multiple OEM markets.

CompX expects gross margin and reporting unit profit margins across both reporting units in 2026 to remain generally comparable to 2025. Reporting unit profit margin at Security Products benefited from favorable mix in the first quarter; however, margins are expected to moderate over the remainder of the year. CompX increased inventory levels across both reporting units during 2025 to support customer demand. These actions included an insourcing initiative at Security Products and a shift in customer mix at Marine Components. Inventory levels at the end of the first quarter of 2026 were comparable to those at December 31, 2025, and are expected to remain at these levels, consistent with near-term operating requirements.

CompX manufactures substantially all its products in the U.S. and sources a substantial majority of its raw materials from U.S. suppliers. CompX also sources certain components, primarily electronic components, from suppliers in Asia, including China. Beginning in the second quarter of 2025 and continuing through the first quarter of 2026, CompX incurred tariff-related surcharges on certain raw materials, primarily electronic components. In addition, some of CompX's U.S.-based suppliers are applying tariff-related surcharges on certain domestically sourced materials. Where possible, CompX increases selling prices to recover these higher raw material costs, although the extent to which it can fully recover such costs will depend on a variety of factors including the ultimate tariff rate, duration of tariffs, and its customers' ability to substitute alternative products. CompX will continue to monitor current and anticipated near-term customer demand levels to ensure its production capabilities and inventories are aligned accordingly.

CompX's expectations for its operations and the markets it serves are based on a number of factors outside its control. Currently, CompX's supply chains are stable and transportation and logistical delays are minimal. CompX has experienced global and domestic supply chain challenges in the past. Any future impacts on CompX's operations will depend on, among other things, disruption to its operations or its suppliers' operations, the effect of tariffs, and the impact of broader economic conditions, consumer confidence, and geopolitical events affecting demand for its products or its customers' and suppliers' operations, all of which remain uncertain and cannot be predicted.

General corporate and other items

Corporate expense – Corporate expenses were \$3.0 million in the first quarter of 2026, slightly higher than in the first quarter of 2025 primarily due to higher general and administrative costs. Included in corporate expense in the first quarter of 2025 and 2026 are:

- litigation fees and related costs of \$.6 million in 2026 compared to \$.5 million in 2025, and
- environmental remediation and related costs of \$.4 million in 2026 compared to \$.6 million in 2025.

The level of our litigation fees and related costs varies from period to period depending upon, among other things, the number of cases in which we are currently involved, the nature of such cases and the current stage of such cases (e.g. discovery, pre-trial motions, trial or appeal, if applicable). See Note 14 to our Condensed Consolidated Financial Statements. If our current expectations regarding the number of cases in which we expect to be involved during 2026 or the nature of such cases were to change, our corporate expenses could be higher than we currently estimate.

Obligations for environmental remediation costs are difficult to assess and estimate and it is possible that actual costs for environmental remediation will exceed accrued amounts or that costs will be incurred in the future for sites in which we cannot currently estimate our liability. If these events were to occur in 2026, our corporate expenses would be higher than we currently estimate. In addition, we adjust our environmental accruals as further information becomes available to us or as circumstances change. Such further information or changed circumstances could result in an increase in our accrued environmental costs. See Note 14 to our Condensed Consolidated Financial Statements.

Overall, we currently expect that our net general corporate expenses in 2026 will be higher than in 2025 primarily due to expected increases in litigation fees and related costs. See Note 14 to our Condensed Consolidated Financial Statements.

Interest and dividend income – Interest and dividend income decreased in the first quarter of 2026 compared to the same period of 2025 primarily due to decreased average investment balances and lower average interest rates.

Marketable equity securities – We recognized an unrealized gain of \$2.7 million on the change in value of our marketable equity securities in the first quarter of 2026 compared to an unrealized loss of \$8.5 million in the first quarter of 2025. See Note 5 to our Condensed Consolidated Financial Statements.

Income tax expense – We recognized income tax expense of \$1.5 million in the first quarter of 2026 compared to an income tax benefit of less than \$.1 million in the first quarter of 2025. In accordance with GAAP, we recognize deferred income taxes on our undistributed equity in earnings of Kronos. Because we and Kronos are part of the same U.S. federal income tax group, any dividends we receive from Kronos are nontaxable to us. Accordingly, we do not recognize and we are not required to pay income taxes on dividends from Kronos. Therefore, our full-year effective income tax rate will generally be lower than the U.S. federal statutory income tax rate in years during which we receive dividends from Kronos and recognize equity in earnings of Kronos. Conversely, our effective income tax rate will generally be higher than the U.S. federal statutory income tax rate in years during which we receive dividends from Kronos and recognize equity in losses of Kronos. During interim periods, our effective income tax rate may not necessarily correspond to the foregoing due to the application of accounting for income taxes in interim periods which requires us to base our effective rate on full year projections. We received dividends from Kronos of \$1.8 million in each of the first quarters of 2025 and 2026, respectively.

Our effective tax rate attributable to our equity in earnings of Kronos, including the effect of the nontaxable dividends we received from Kronos, was 22.7% in the first three months of 2026 compared to 15.2% in the first three months of 2025. The change in our effective rate from 2025 to 2026 is primarily attributable to Kronos' anticipated higher full year earnings in 2026 as compared to 2025. See Note 12 to our Condensed Consolidated Financial Statements for more information about our 2026 income tax items, including a tabular reconciliation of our statutory tax expense to our actual expense.

Noncontrolling interest – Noncontrolling interest in net income of CompX increased during the first quarter of 2026 compared to the same prior year period. The noncontrolling interest we recognize in each period is directly related to the level of earnings at CompX for the period.

Equity in earnings (losses) of Kronos Worldwide, Inc. –

	Three months ended March 31,		% Change
	2025	2026	
	(In millions)		
Net sales	\$ 489.8	\$ 509.8	4 %
Cost of sales	383.0	426.5	11
Gross margin	<u>\$ 106.8</u>	<u>\$ 83.3</u>	(22)
Income from operations	\$ 38.4	\$ 12.6	(67)%
Interest and dividend income	.4	.2	
Marketable equity securities unrealized gain (loss)	(1.0)	.3	
Other components of net periodic pension and OPEB cost	(.5)	(.8)	
Interest expense	(11.6)	(14.3)	
Income (loss) before income taxes	25.7	(2.0)	
Income tax expense	7.6	2.8	
Net (loss) income	18.1	(4.8)	
Percentage of net sales:			
Cost of sales	78 %	84 %	
Income from operations	8	3	
Equity in earnings (losses) of Kronos Worldwide, Inc.	<u>\$ 5.5</u>	<u>\$ (1.5)</u>	
TiO ₂ operating statistics:			
Sales volumes*	136	142	4 %
Production volumes*	143	128	(10)
Change in TiO ₂ net sales:			
TiO ₂ sales volumes			4 %
TiO ₂ product pricing			(6)
TiO ₂ product mix/other			—
Changes in currency exchange rates			6
Total			<u>4 %</u>

Kronos' key performance indicators are its TiO₂ average selling prices, its level of TiO₂ sales and production volumes and the cost of titanium-containing feedstock purchased from third parties. TiO₂ selling prices generally follow industry trends, and prices will increase or decrease generally as a result of competitive market pressures.

Current industry conditions

Kronos started 2026 with average TiO₂ selling prices lower than at the beginning of 2025; however, its average TiO₂ selling prices increased 2% during the first quarter of 2026. Kronos' average TiO₂ selling prices in the first quarter of 2026 were 6% lower than average TiO₂ selling prices during the first quarter of 2025. Overall, Kronos' sales volumes increased in the first quarter of 2026 compared to the same period in 2025 due to higher overall sales volumes in the North American, Latin American and export markets partially offset by lower sales volumes in its European market.

During the fourth quarter of 2025, Kronos implemented cost reduction initiatives, including workforce reductions and other measures, to permanently improve its cost structure and enable more efficient operation of its facilities at lower production rates for extended periods. As a result, beginning in the first quarter of 2026, Kronos' normal production capacity range has been adjusted to reflect its production capabilities under this new cost structure.

Excluding the effect of changes in currency exchange rates, Kronos' cost of sales per metric ton of TiO₂ sold in the first quarter of 2026 was lower as compared to the first quarter of 2025 due to decreases in per metric ton production costs driven primarily by the cost reduction initiatives discussed above, as well as lower raw material and energy costs.

Net sales – Kronos' net sales in the first quarter of 2026 increased 4%, or \$20.0 million, compared to the first quarter of 2025 primarily due to the effects of a 4% increase in sales volumes (which increased net sales by approximately \$20 million) and the favorable impact of changes in currency exchange rates (primarily the euro) which Kronos estimates increased its net sales by approximately \$30 million. These increases were partially offset by a 6% decrease in average TiO₂ selling prices (which decreased net sales by approximately \$30 million). TiO₂ selling prices will increase or decrease generally as a result of competitive market pressures, changes in the relative level of supply and demand as well as changes in raw material and other manufacturing costs.

Kronos' sales volumes increased 4% in the first quarter of 2026 as compared to the first quarter of 2025 primarily due to higher sales volumes in its North American, Latin American and export markets partially offset by lower sales volumes in its European market.

The incremental market share gains Kronos achieved in its European market during the second half of 2025, primarily as a result of competitor plant closures, continued into the first quarter of 2026. However, gains were not sufficient to offset the underlying decline in overall European demand.

Cost of sales and gross margin – Kronos' cost of sales increased by \$43.5 million, or 11%, in the first quarter of 2026 compared to the first quarter of 2025 due to the effects of a 4% increase in sales volumes and the unfavorable impact from changes in currency exchange rates partially offset by lower production costs driven primarily by the cost reduction initiatives as well as lower raw material and energy costs. In addition, unabsorbed fixed costs were not material in the first quarter of 2026 compared to \$10 million of unabsorbed fixed costs in the first quarter of 2025.

Kronos' cost of sales as a percentage of net sales increased to 84% in the first quarter of 2026 compared to 78% in the same period of 2025, as the unfavorable impact of lower average TiO₂ selling prices more than offset the favorable effects of lower production costs.

Kronos' gross margin as a percentage of net sales decreased to 16% in the first quarter of 2026 compared to 22% in the first quarter of 2025. As discussed and quantified above, Kronos' gross margin as a percentage of net sales decreased primarily due to the net effects of higher sales volumes, lower average TiO₂ selling prices, lower production costs and changes in currency exchange rates.

Selling, general and administrative expense – Kronos' selling, general and administrative expense increased \$2.0 million, or 3%, in the first quarter of 2026 compared to the first quarter of 2025 as the negative impact of currency exchange rates exceeded the benefits of lower costs during the quarter. Excluding the effects of currency exchange rates, Kronos realized lower selling, general and administrative expenses as a result of its (i) realization of cost savings as a result of the fourth quarter of 2025 restructuring, (ii) lower warehousing costs due to lower average finished products inventory volumes and (iii) non-recurring distribution costs incurred in the first quarter of 2025 associated with tariff mitigation strategies. Selling, general and administrative expense as a percentage of net sales decreased to 12% in the first quarter of 2026 compared to 13% in the first quarter of 2025 due to the effects of higher sales.

Income (loss) from operations – Kronos' income from operations decreased by \$25.8 million to \$12.6 million in the first quarter of 2026 compared to \$38.4 million in the first quarter of 2025, primarily as a result of the factors impacting gross margin discussed above. Kronos estimates that changes in currency exchange rates decreased its income from operations by approximately \$6 million in the first quarter of 2026 compared to the same period in 2025, as discussed in the effects of currency exchange rates section below.

Other non-operating income (expense) – Kronos' interest expense in the first quarter of 2026 increased \$2.7 million compared to the first quarter of 2025 primarily due to higher average debt balances and higher interest rates. Kronos recognized an unrealized gain of \$3 million in the first quarter of 2026 related to the change in marketable equity securities compared to an unrealized loss of \$1.0 million in the same period of 2025.

Income tax expense – Kronos recognized income tax expense of \$2.8 million in the first quarter of 2026 compared to income tax expense of \$7.6 million in the first quarter of 2025. The decrease is primarily due to lower earnings in the first quarter of 2026 and the jurisdictional mix of such earnings somewhat offset by a net uncertain tax position of \$2.0 million recognized in the first quarter of 2026. Kronos' earnings and losses are subject to income tax in various U.S. and non-U.S. jurisdictions, and the income tax rates applicable to the pre-tax earnings (losses) of its non-U.S. operations are generally higher than the income tax rates applicable to its U.S. operations. Kronos would generally expect its overall effective tax rate, excluding the effect of any increase or decrease in its deferred income tax asset valuation allowance, changes in its reserve for uncertain tax positions, or tax rate changes to be higher than the U.S. federal statutory tax rate of 21% primarily because of its sizeable non-U.S. operations.

Effects of currency exchange rates

Kronos has substantial operations and assets located outside the United States (primarily in Germany, Belgium, Norway and Canada). The majority of Kronos' sales from non-U.S. operations are denominated in currencies other than the U.S. dollar, principally

the euro, other major European currencies and the Canadian dollar. A portion of Kronos' sales generated from its non-U.S. operations is denominated in the U.S. dollar (and consequently Kronos' non-U.S. operations will generally hold U.S. dollars from time to time). Certain raw materials used in all Kronos production facilities, primarily titanium-containing feedstocks, are purchased primarily in U.S. dollars, while labor and other production and administrative costs are incurred primarily in local currencies. Consequently, the translated U.S. dollar value of Kronos' non-U.S. sales and operating results are subject to currency exchange rate fluctuations which may favorably or unfavorably impact reported earnings and may affect the comparability of period-to-period operating results. In addition to the impact of the translation of sales and expenses over time, Kronos' non-U.S. operations also generate currency transaction gains and losses which primarily relate to (i) the difference between the currency exchange rates in effect when non-local currency sales or operating costs (primarily U.S. dollar denominated) are initially accrued and when such amounts are settled with the non-local currency, (ii) changes in currency exchange rates during time periods when Kronos' non-U.S. operations are holding non-local currency (primarily U.S. dollars), and (iii) relative changes in the aggregate fair value of currency forward contracts held from time to time. Kronos periodically uses currency forward contracts to manage a portion of its currency exchange risk, and relative changes in the aggregate fair value of any currency forward contracts it holds from time to time serves in part to mitigate the currency transaction gains or losses it would recognize from the first two items described above.

Fluctuations in currency exchange rates had the following effects on Kronos' sales and income from operations for the periods indicated.

Impact of changes in currency exchange rates
Three months ended March 31, 2026 vs March 31, 2025

	Transaction losses recognized			Translation gains (losses) impact of rate changes	Total currency impact 2026 vs 2025
	2025	2026	Change		
			(In millions)		
Impact on:					
Net sales	\$ —	\$ —	\$ —	\$ 30	\$ 30
Income from operations	(4)	(5)	(1)	(5)	(6)

The \$30 million increase in net sales (translation gains) was caused primarily by a weakening of the U.S. dollar relative to the euro, as Kronos' euro-denominated sales were translated into more U.S. dollars in 2026 as compared to 2025. The weakening of the U.S. dollar relative to the Canadian dollar and the Norwegian krone in 2026 did not have a significant effect on Kronos' net sales, as a substantial portion of the sales generated by its Canadian and Norwegian operations is denominated in the U.S. dollar.

The \$6 million decrease in income from operations was comprised of the following:

- Higher net currency transaction losses of approximately \$1 million primarily caused by relative changes in currency exchange rates at each applicable balance sheet date between the U.S. dollar and the euro, Canadian dollar and the Norwegian krone, and between the euro and the Norwegian krone, which causes increases or decreases, as applicable, in U.S. dollar-denominated receivables and payables and U.S. dollar currency held by Kronos' non-U.S. operations, and in Norwegian krone denominated receivables and payables held by its non-U.S. operations. In the first quarter of 2025, Kronos entered into a currency forward contract to purchase €25 million at an exchange rate of €1.05 per U.S. dollar. Kronos recognized a \$.9 million currency transaction gain for the three months ended March 31, 2025, and
- Approximately \$5 million from net currency translation losses primarily caused by a weakening of the U.S. dollar relative to the Canadian dollar, Norwegian krone and euro, as local currency-denominated operating costs were translated into more U.S. dollars in 2026 as compared to 2025. The net translation gains from the favorable effects of the weaker U.S. dollar on euro-denominated sales more than offset the negative effects on euro-denominated operating costs being translated into more U.S. dollars in 2026 as compared to 2025.

Outlook

During the first quarter of 2026, Kronos' sales volumes improved compared to the same period in 2025, primarily driven by higher sales volumes in its North American, Latin American, and export markets. While Kronos gained market share in Europe as a result of competitor capacity reductions in 2025, these gains were not sufficient to offset further weakening end-market demand in the region. Although customers remain reluctant to build inventory, order lead times have increased which provides Kronos with greater flexibility in near- and intermediate-term production planning. Kronos' order backlog at the beginning of 2026 was generally higher than the comparable prior-year period and has continued to show positive trends entering the second quarter. However, overall demand

remains below historical levels, and the timing and sustainability of a broader market recovery remain uncertain. Kronos implemented price increases during the first quarter of 2026; however, selling prices remain below 2025 levels, and additional price increases will be required to improve its operating margins.

During the fourth quarter of 2025, Kronos implemented cost reduction initiatives, including workforce reductions and other measures, to permanently improve its cost structure and enable more efficient operation of its facilities at lower production rates for extended periods. Kronos operated its facilities slightly below normal capacity during the first quarter of 2026. Kronos' operating model balances improved cost efficiency with flexibility to respond to changes in demand. During the first quarter of 2026, Kronos sold through higher cost inventory produced in the fourth quarter of 2025 and expects gross margin to improve as it realizes the benefit of lower cost inventory produced during 2026.

Industry supply conditions tightened during the first quarter of 2026 due to the recent geopolitical conflict in the Middle East and related supply chain disruptions, including sulfuric acid pricing pressures, and higher energy costs, particularly in Europe. As a result, Kronos is beginning to experience higher shipping and production costs driven primarily by increased energy, utility and raw material costs, especially in Europe. These cost pressures are expected to persist as long as uncertainty related to the conflict in the Middle East and broader global conditions continue. In response to rising costs, Kronos implemented surcharges in most major markets and announced price increases effective in the second quarter of 2026. Kronos expects TiO₂ selling prices to continue to rise during 2026, which would help mitigate increases in distribution, raw material, energy, and other production costs, although margins will remain below historical levels.

Kronos is focused on improving operating margins through pricing actions, disciplined cost management, and continued execution of its operating cost structural realignment initiatives. Kronos is also continuing to pursue targeted market share opportunities in regions and markets impacted by competitor curtailments, closures, logistical disruptions, or trade measures such as tariffs or duties that have reduced the competitiveness of low-cost imports. These actions are intended to support improved operating performance while maintaining flexibility in the event of continued demand volatility.

Kronos' liquidity and capital resources remain sufficient to support its operations and planned capital investments. While Kronos typically experiences significant seasonal cash usage in the first quarter, it expects cash on hand to improve over the remainder of the year. Kronos will continue to actively manage working capital, including inventories and receivables, to bolster operating cash flows and maintain financial flexibility. Kronos believes its revolver availability, combined with the absence of near-term debt maturities and improved operating cash flows, will provide adequate liquidity for expected working capital needs and capital allocation requirements.

Kronos' expectations for the TiO₂ industry and its operations are based on a number of factors outside its control. Kronos' operations are affected by global and regional economic, political and regulatory factors, and it has experienced global market disruptions. Future impacts on Kronos' operations will depend on, among other things, future energy costs, the effect of newly enacted tariffs in jurisdictions where it or its customers and suppliers operate, its success in implementing mitigation strategies, and the impact of economic conditions, consumer confidence, and geopolitical events on its operations or its customers' and suppliers' operations, all of which remain uncertain and cannot be predicted.

Liquidity and Capital Resources

Consolidated cash flows

Operating activities

Trends in cash flows from operating activities, excluding the impact of deferred taxes and relative changes in assets and liabilities, are generally similar to trends in our income from operations.

Net cash used in operating activities was \$3.5 million in the first three months of 2026 compared to net cash used in operating activities of \$47.5 million in the first three months of 2025. The decrease in net cash used in operating activities in the first three months of 2026 is primarily due to the net effects of:

- lower cash paid for environmental remediation and related costs of \$56.6 million primarily due to the payment of a settlement for an environmental remediation site in 2025;

- higher net cash used by relative changes in receivables, inventories, prepaids, payables and accrued liabilities in 2026 of \$12.9 million; and
- higher segment profit from CompX in 2026 of \$1.2 million.

We do not have complete access to CompX's cash flows in part because we do not own 100% of CompX. A detail of our consolidated cash flows from operating activities is presented in the table below. Intercompany dividends have been eliminated. The reference to NL Parent in the table below is a reference to NL Industries, Inc., as the parent company of CompX and our wholly-owned subsidiaries.

	Three months ended March 31,	
	2025	2026
	(In millions)	
Net cash provided by (used in) operating activities:		
CompX	\$ (1)	\$ (1.1)
NL Parent and wholly-owned subsidiaries	(44.1)	.8
Eliminations	(3.3)	(3.2)
Total	<u>\$ (47.5)</u>	<u>\$ (3.5)</u>

Relative changes in working capital can have a significant effect on cash flows from operating activities. As shown below, the change in average days sales outstanding increased from December 31, 2025 to March 31, 2026 primarily as a result of relative changes in the timing of sales and collections relative to the end of the quarter. Total average number of days in inventory decreased from December 31, 2025 to March 31, 2026 primarily due to higher sales volumes in the first quarter of 2026 as compared to the fourth quarter of 2025 at CompX's Marine Components reporting unit. For comparative purposes, we have provided December 31, 2024 and March 31, 2025 numbers below.

	December 31, 2024	March 31, 2025	December 31, 2025	March 31, 2026
Days sales outstanding	33 days	41 days	33 days	43 days
Days in inventory	94 days	94 days	108 days	100 days

Investing activities

Our capital expenditures, all of which relate to CompX, were \$.4 million in the first three months of 2026 compared to \$.8 million in the first three months of 2025. During the first three months of 2026, Valhi repaid a net \$.6 million under the promissory note (\$3.1 million of gross borrowings and \$3.7 million of gross repayments). During the first three months of 2025, the promissory note balance with Valhi had net activity of nil (\$.5 million of gross borrowings and \$.5 million of gross repayments).

Financing activities

In February 2026, our board of directors declared a quarterly dividend of \$.10 per share and in February 2025 our board of directors declared a quarterly dividend of \$.09 per share. The declaration and payment of future dividends, and the amount thereof, is discretionary and is dependent upon our financial condition, cash requirements, contractual obligations and restrictions and other factors deemed relevant by our board of directors. The amount and timing of past dividends is not necessarily indicative of the amount or timing of any future dividends which might be paid. There are currently no contractual restrictions on the amount of dividends which we may pay.

Cash flows from financing activities in each of the first three months of 2025 and 2026 also include CompX dividends paid to its stockholders other than us.

Outstanding debt obligations

At March 31, 2026, NLKW had outstanding debt obligations of \$.5 million under its secured revolving credit facility with Valhi, and CompX did not have any outstanding debt obligations. We are in compliance with all of the covenants contained in our secured revolving credit facility with Valhi at March 31, 2026. See Note 8 to our Condensed Consolidated Financial Statements.

Future cash requirements

Liquidity

Our primary source of liquidity on an ongoing basis is our cash flow from operating activities and credit facilities with affiliates as further discussed below. We generally use these amounts to fund capital expenditures (substantially all of which relate to CompX), pay ongoing environmental remediation and litigation costs and provide for the payment of dividends (if declared).

At March 31, 2026, we had aggregate restricted and unrestricted cash and cash equivalents of \$105.4 million, all of which was held in the U.S. A detail by entity is presented in the table below.

	Amount (In millions)
CompX	\$ 49.4
NL Parent and wholly-owned subsidiaries	56.0
Total	\$ 105.4

In addition, at March 31, 2026 we owned approximately 1.2 million shares of Valhi common stock with an aggregate market value of \$17.1 million. See Note 5 to our Condensed Consolidated Financial Statements. We also owned approximately 35.2 million shares of Kronos common stock at March 31, 2026 with an aggregate market value of \$231.4 million. See Note 6 to our Condensed Consolidated Financial Statements.

We routinely compare our liquidity requirements and alternative uses of capital against the estimated future cash flows we expect to receive from our subsidiaries and affiliates. As a result of this process, we have in the past and may in the future seek to raise additional capital, incur debt, repurchase indebtedness in the market or otherwise, modify our dividend policies, consider the sale of our interests in our subsidiaries, affiliates, business, marketable securities or other assets, or take a combination of these and other steps, to increase liquidity, reduce indebtedness and fund future activities. Such activities have in the past and may in the future involve related companies.

We periodically evaluate acquisitions of interests in or combinations with companies (including related companies) perceived by management to be undervalued in the marketplace. These companies may or may not be engaged in businesses related to our current businesses. We intend to consider such acquisition activities in the future and, in connection with this activity, may consider issuing additional equity securities and increasing indebtedness. From time to time, we also evaluate the restructuring of ownership interests among our respective subsidiaries and related companies.

Based upon our expectations of our operating performance, and the anticipated demands on our cash resources we expect to have sufficient liquidity to meet our short-term obligations (defined as the twelve-month period ending March 31, 2027) and long-term obligations (defined as the five-year period ending March 31, 2031) including any amounts CompX might loan from time to time under the terms of its revolving loan to Valhi (which loans would be solely at CompX's discretion). If actual developments differ materially from our expectations, our liquidity could be adversely affected. In this regard, Valhi has agreed to loan us up to \$50 million on a revolving basis. At March 31, 2026, we had \$.5 million in outstanding borrowings under this facility, and we had \$49.5 million available for future borrowing. See Note 8 to our Condensed Consolidated Financial Statements.

Capital expenditures

Firm purchase commitments for capital projects in process at March 31, 2026 totaled \$.4 million. CompX expects to spend approximately \$4.3 million during 2026 on capital investments, primarily those expenditures required to meet CompX's existing customer demand and to properly maintain its facilities and technology infrastructure.

Repurchases of common stock

At March 31, 2026, CompX has 523,647 shares available for repurchase under a stock repurchase program authorized by its board of directors.

Dividends

Because our operations are conducted primarily through subsidiaries and affiliates, our long-term ability to meet parent company-level corporate obligations is largely dependent on the receipt of dividends or other distributions from our subsidiaries and affiliates. A detail of annual dividends we expect to receive from our subsidiaries and affiliates in 2026, based on the number of shares of common stock of these affiliates we own as of March 31, 2026 and their current regular quarterly dividend rate, is presented in the table below.

	Shares held March 31, 2026 (In millions)	Quarterly dividend rate	Annual expected dividend (In millions)
Kronos	35.2	\$.05	\$ 7.0
CompX	10.8	.30	12.9
Valhi	1.2	.08	.4
Total expected annual dividends			\$ 20.3

Investments in our subsidiaries and affiliates and other acquisitions

We have in the past and may in the future, purchase the securities of our subsidiaries and affiliates or third-parties in market or privately-negotiated transactions. We base our purchase decisions on a variety of factors, including an analysis of the optimal use of our capital, taking into account the market value of the securities and the relative value of expected returns on alternative investments. In connection with these activities, we may consider issuing additional equity securities or increasing our indebtedness. We may also evaluate the restructuring of ownership interests of our businesses among our subsidiaries and related companies.

Commitments and contingencies

There have been no material changes in our contractual obligations since we filed our 2025 Annual Report and we refer you to that report for a complete description of these commitments.

We are subject to certain commitments and contingencies, as more fully described or referenced in our 2025 Annual Report, or in Note 14 to our Condensed Consolidated Financial Statements or in Part II, Item 1 of this report, including certain legal proceedings. In addition to such legal proceedings, various legislation and administrative regulations have, from time to time, been proposed that seek to (i) impose various obligations on present and former manufacturers of lead pigment and lead-based paint (including us) with respect to asserted health concerns associated with the use of such products and (ii) effectively overturn court decisions in which we and other pigment manufacturers have been successful. Examples of such proposed legislation include bills which would permit civil liability for damages on the basis of market share, rather than requiring plaintiffs to prove that the defendant's product caused the alleged damage and bills which would revive actions barred by the statute of limitations. While no legislation or regulations have been enacted to date that are expected to have a material adverse effect on our consolidated financial position, results of operations or liquidity, enactment of such legislation could have such an effect.

Recent accounting pronouncements

See Note 16 to our Condensed Consolidated Financial Statements.

Critical accounting policies and estimates

For a discussion of our critical accounting policies, refer to Part I, — “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2025 Annual Report. There have been no changes in our critical accounting policies during the first three months of 2026.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to market risk, including currency exchange rates, interest rates and equity security prices. There have been no material changes in these market risks since we filed our 2025 Annual Report, and we refer you to Part I, Item 7A. — “Quantitative and Qualitative Disclosure about Market Risk” in our 2025 Annual Report. See also Note 15 to our Condensed Consolidated Financial Statements.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures – We maintain disclosure controls and procedures which, as defined in Exchange Act Rule 13a-15(e), means controls and other procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit to the SEC under the Securities Exchange Act of 1934, as amended (the Act), is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information we are required to disclose in the reports we file or submit to the SEC under the Act is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions to be made regarding required disclosure. Each of Courtney J. Riley, our President and Chief Executive Officer and Amy Allbach Samford, our Executive Vice President and Chief Financial Officer, have evaluated the design and effectiveness of our disclosure controls and procedures as of March 31, 2026. Based upon their evaluation, these executive officers have concluded that our disclosure controls and procedures are effective as of the date of this evaluation.

Internal control over financial reporting – Our management is responsible for establishing and maintaining adequate internal control over financial reporting which, as defined by Exchange Act Rule 13a-15(f) means a process designed by, or under the supervision of, our principal executive and principal financial officers, or persons performing similar functions, and effected by the board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect transactions and dispositions of our assets,
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures are made only in accordance with authorizations of our management and directors, and
- Provide reasonable assurance regarding prevention or timely detection of an unauthorized acquisition, use or disposition of assets that could have a material effect on our Condensed Consolidated Financial Statements.

Other – As permitted by the SEC, our assessment of internal control over financial reporting excludes internal control over financial reporting of equity method investees. However, our assessment of internal control over financial reporting with respect to equity method investees did include controls over the recording of amounts related to our investment that are recorded in the consolidated financial statements, including controls over the selection of accounting methods for our investments, the recognition of equity method earnings and losses and the determination, valuation and recording of our investment account balances.

Changes in internal control over financial reporting – There have been no changes to our internal control over financial reporting during the quarter ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In addition to the matter discussed below, refer to Note 14 to our Condensed Consolidated Financial Statements and to our 2025 Annual Report for descriptions of certain legal proceedings.

In March 2026, NL and several other defendants were served with a complaint in *City of Columbus v. NL Industries, Inc.*, (Franklin County, Ohio Court of Common Pleas, Case No. 26 CV 002355), which was subsequently removed to federal court (United States District Court for the Southern District of Ohio, Case No. 2:26-cv-00465-MHW-SCS). In the complaint, the City of Columbus, Ohio, asserts that NL and several other former lead manufacturers are liable for the cost of replacing lead and galvanized service lines in the City’s water delivery system and related water treatment costs, under theories of public nuisance and civil conspiracy. We intend to deny liability and will defend vigorously against all claims.

Litigation – CompX

South Carolina Public Water Company PFAS Litigation. In April 2026, CompX filed answers denying liability in all four pending PFAS cases. CompX intends to defend vigorously against all claims.

Item 1A. Risk Factors

For a discussion of the risk factors related to our businesses, please refer to Part I, Item 1A, “Risk Factors,” in our 2025 Annual Report.

Item 6. Exhibits

10.1*	<u>Restated and Amended Richards Bay Chloride Slag Sales Agreement by and between Richards Bay Titanium (Proprietary) Limited (acting through its sales agent) and Kronos (US), Inc. effective January 1, 2016, as amended through Amendment dated February 13, 2026 (and effective January 1, 2026) between Richards Bay Titanium (Proprietary) Limited (acting through its sales agent Rio Tinto Iron and Titanium Canada Inc.) and Kronos (US), Inc.</u>
31.1	<u>Certification</u>
31.2	<u>Certification</u>
32.1	<u>Certification</u>
101.INS	Inline XBRL Instance – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Certain portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

SIGNATURES

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 thereunto duly authorized.

NL INDUSTRIES, INC.

(Registrant)

Date: May 6, 2026

/s/ Amy Allbach Samford

Amy Allbach Samford
(Executive Vice President and Chief Financial Officer)

Date: May 6, 2026

/s/ Amy E. Ruf

Amy E. Ruf
(Vice President and Controller)

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [*], HAS BEEN OMITTED BECAUSE IT IS BOTH (1) NOT MATERIAL AND (2) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.**

This document is a composite conformed copy of the Restated and Amended Richards Bay Chloride Slag Sales Agreement by and between Richards Bay Titanium (Proprietary) Limited (acting through its sales agent) and Kronos (US), Inc. effective January 1, 2016, as amended through Amendment dated February 13, 2026 (and effective January 1, 2026) between Richards Bay Titanium (Proprietary) Limited (acting through its sales agent Rio Tinto Iron and Titanium Canada Inc.) and Kronos (US), Inc.

RICHARDS BAY CHLORIDE SLAG SALES AGREEMENT

THIS RESTATED AND AMENDED AGREEMENT is made as of **January 21, 2016** but effective January 1, 2016 by and between **RICHARDS BAY TITANIUM (PROPRIETARY) LIMITED**, a South African Corporation with offices at Richards Bay, KwaZulu Natal, South Africa (hereafter "RBT") (acting through its sales agent **RIO TINTO IRON & TITANIUM LIMITED** a corporation with offices at 6 St. James's Square, London, SW1Y 4AD, United Kingdom (hereinafter "RIT")) and **KRONOS (US), INC.**, a Delaware corporation with offices at Three Lincoln Centre, 5430 LBJ Freeway, Dallas, Texas 75240, U.S.A. (hereafter "Buyer") (herein the "Agreement").

WITNESSETH

WHEREAS:

- A. RBT is a significant producer of titanium bearing slag and Buyer is a significant consumer of titanium bearing slag of the type produced by RBT;
- B. RIT is the exclusive sales and marketing agent for RBT;
- C. The parties are desirous of entering into a new Richards Bay Chloride Slag Sales Agreement (i) where the manufacture and purchase of a [***] of product is established for the mutual benefit of enhancing predictability of the operations of each of the parties and (ii) that remains in effect through the peaks and troughs of the TiO₂ and feedstock market cycles, and establishes a pricing mechanism that [***] of Buyer's chloride slag requirements; and
- D. The parties entered into a Richards Bay Slag Sales Agreement dated November 17, 2011 (the "Previous Agreement") and that such agreement and all subsequent amendments are hereby terminated and superseded by this Agreement effective January 1, 2016.

NOW, THEREFORE, for and in consideration of the covenants and conditions herein contained, the parties hereto agree as follows:

ARTICLE I. SCOPE

RBT agrees to sell and deliver, and Buyer agrees to buy and take delivery of chloride grade titanium bearing slag, produced by RBT at Richards Bay, South Africa (hereinafter called "Product"), in the quantities and at the times hereinafter specified.

ARTICLE II. DEFINITIONS

Unless otherwise indicated, a "ton" is a metric ton of one thousand kilograms dry weight, a "month," a "quarter" and a "year" are a calendar month, a calendar quarter and a calendar year, respectively, "dollars," "cents" and the dollar and cent signs (" \$" and "0") refer to lawful money of the United States of America, "Official Samples" has the meaning given to it in Article XI, all percentages are based on dry weights.

ARTICLE III. TERM

- A. This Agreement shall be for a term ending on December 31, 2028 (the "Initial Term"). Thereafter the Agreement shall automatically be extended for two-year periods (each a "Renewal Term"), unless and until terminated in writing by either Party as of the expiration of the Initial Term or any subsequent Renewal Term by either Party providing written notice of such termination not less than twelve (12) months prior to the expiration of the Initial Term or any subsequent Renewal Term.
- B. Notice of Termination
1. In the event that either Party shall become bankrupt, insolvent, commit any act of bankruptcy or insolvency, or compromise with its creditors, then the other Party shall have the option, without notice or demand, to terminate this Agreement or, at its option, to require specific performance and demand damages hereunder to the extent such performance does not occur. The preceding rights are without prejudice to any other rights and remedies as are available to the Parties hereunder or otherwise under the law.
 2. In the event of termination of this Agreement in accordance with the terms herein, Articles XII, XVIII and XXII shall survive termination, and each Party shall retain any accrued rights and remedies, including any rights and remedies it has or may have against the other Party in respect of any past breach of this Agreement.

ARTICLE IV. QUANTITY

During the 2026 calendar year, Seller agrees to sell and deliver, and Buyer agrees to buy and take delivery of a minimum of [***] of Buyer's purchase requirements for Product, in the quantities and at the times specified by Buyer in accordance with the terms of this Agreement.

During the 2027 calendar year and subsequent calendar years, Seller agrees to sell and deliver, and Buyer agrees to buy and take delivery [***] for titanium feedstock used in its chloride processes, in the quantities and at the times specified by Buyer [***]. Seller agrees to make an additional [***] Product available to Buyer and Buyer agrees to purchase said additional quantity of Product provided prices are mutually agreed by the parties. [***].

For the calendar year 2026 and subsequent calendar years, by November 1 of each calendar year, Buyer shall provide RBT with a written non-binding annual forecast of its Product needs for Product to be delivered in the following calendar year (the "Annual Forecasted Quantity").

During the term of this Agreement, by the 1st day of the month immediately prior to the upcoming calendar quarter, Buyer shall provide RBT with a written [***] forecast of its minimum Product needs for Product to be delivered [***].

During the term of this Agreement, by the 1st day of the month immediately prior to the upcoming month, Buyer shall provide RBT with a written non-binding updated annual forecast of its Product needs for Product to be delivered during the current calendar year.

For the 2026 calendar year, the Annual Forecasted Quantity of Product is [***].

If Buyer desires to purchase quantities of product in excess of the Annual Forecasted Quantity, RBT shall use reasonable best efforts to ensure such quantities are available for delivery to Buyer.

Any mutually agreed shipping schedule for the purpose of scheduling deliveries of Product shall be non-binding and revisions to the shipping schedule may, with reasonable notice, be requested by either Party. Under such circumstances, the Parties shall use commercially reasonable efforts to assist each other with any reasonable requests for revisions to the shipping schedule and negotiate in good faith to address the requested changes.

ARTICLE V. PRICE

A. Feedstock Pricing

1. For the 2026 calendar year, the purchase price (the "Purchase Price") for Product shall be as follows:
[***]
2. Commencing July 1, 2026, the Purchase Price [***] shall be calculated in accordance with Annex 1, [***].

B. Price Adjustment for TiO₂ Content. The Purchase Price established under this Article V.A is for Product containing [***]% titanium dioxide ("TiO₂") content. If the TiO₂ content of Product exceeds [***]%, the Purchase Price shall be [***] of the Purchase Price for each increment of [***]% or part thereof by which the TiO₂ content exceeds [***]%. If the TiO₂ content of Product is less than [***]%, the Purchase Price shall be [***] of the Purchase Price for each decrement of [***]% or part thereof by which the TiO₂ content is less than [***]% but greater than [***]%.

C. Price Adjustment for Product Sizing

1. In the event the sizing of the Product shipments exceeds the specifications set forth below, the Purchase Price shall be adjusted [***]:
[***]
2. Price adjustments pursuant to sizing shall be made on an individual shipment.

ARTICLE VI. SHIPMENTS

A. Shipments shall be as ordered by and pursuant to the instructions of Buyer as the same shall be agreed to by RBT. Buyer shall obtain any import licenses or other documents that may be required to import Product into the country of destination. RBT shall obtain any export license or other documents that may be required to export product from South Africa.

- B. RBT and Buyer shall agree on a shipping schedule whereby deliveries are spread more or less evenly throughout the year on a quarterly basis. Buyer shall arrange for and furnish a bulk cargo vessel (herein called "Buyer's Vessel") for each shipment. Notwithstanding the agreed shipping schedule, Buyer must request STEM (as defined in Article VI.D. below) for a specific tonnage from RBT and RBT must confirm STEM in respect of each shipment at least forty-five (45) days prior to the arrival of Buyer's Vessel in Richards Bay.

Buyer shall provide RBT with a notice of arrival of each of Buyer's Vessels at least two (2) weeks prior to its estimated time of arrival at Richards Bay.

- C. In the event RBT has given STEM to Buyer and if Product is not available for loading at the stockpile area provided by S.A. Port Operations on the date for which STEM has been given and if demurrage or dead freight is incurred as a result of such non-availability, RBT shall pay Buyer demurrage and/or dead freight at the rate specified or determined between Buyer and the shipping company under the Charter Party. In arranging for any Buyer's Vessel, Buyer will use its best efforts to have the terms of the Charter Party permit RBT, in the case of a shortfall of Product at the Richards Bay dock, to elect between having Buyer's Vessel:
- a) wait for arrival of Product at docks and thereby incur demurrage up to the expiration of time stipulated or determined under the charter party (and incur dead freight if a shortfall is not cured eventually); or
 - b) load a portion of a shipment of Product and thereby incur dead freight.
In order to facilitate RBT's decision, Buyer shall promptly advise RBT, on request, of the applicable demurrage or dead freight rates.
- D. The word "STEM", as used in this Article VI shall mean the confirmation of availability of sufficient Product for a particular shipment, at Richards Bay Harbour, on a given date or period to be stated when stem is requested and given.
- E. In no event shall RBT be liable for any losses, cost or damages in excess of such demurrage or dead freight rates except as provided for in Article XVI hereof or in the event of non-availability of product as defined in this Article VI.

ARTICLE VII. TITLE AND RISK OF LOSS

Except for Product shipped to the Warehouse or the Silos, for which title and risk of loss shall pass in accordance with Schedule 1, title to and risk of loss in Product shall pass to Buyer upon passing the ship's rail of Buyer's Vessel at the loading dock at the Port of Richards Bay, South Africa. Once the title to and risk of loss in Product has passed to Buyer, RBT shall not be responsible for any losses or damages of any kind and howsoever arising in connection with Product or otherwise, except as expressly provided in this Agreement.

ARTICLE VIII. PAYMENT

[Effective through December 31, 2026]

A. PAYMENT FOR PRODUCT SHIPPED TO THE WAREHOUSE (CONSIGNMENT).

The following payment terms shall apply to all Product shipped to the Warehouse (as defined in the Consignment Stock Terms attached hereto as Schedule 1 (the "Consignment Terms")):

1. Regular Invoicing and Payments for Product shipped to the Warehouse. Upon shipment of Product to the Warehouse, RBT shall supply the following documents:
 - a. Surveyor's certificate of mass (weight certificate);
 - b. Full set of clean onboard ocean bills of lading covering the shipment by the cargo vessel in question, designating "Richards Bay Titanium (Proprietary) Limited" as shipper and Buyer as consignee or any other affiliated company designated by Buyer as consignee; and
 - c. Such other documents and papers as may be required to clear Product for shipment from South Africa to the port of destination.

The above-mentioned documents shall be couriered to Buyer or such affiliated company as Buyer shall have designated in accordance with Article XIX. RBT shall accept payment from Buyer or any of Buyer's affiliated companies, but Buyer shall be primarily and separately liable for all sums due under this Agreement.

2. On receipt of Buyer's declaration Product withdrawn from the Warehouse on the first working day after the end of the month, RBT shall issue a commercial invoice covering the volume of Product withdrawn during the month, based on the assumption that the TiO₂ content of the Product is [***], with the invoice date being the first day of the month.
3. Unless otherwise agreed, payment for the Product shall be made by Buyer or a Related Entity in U.S. dollars by telegraphic transfer to RBT, to such the account identified in clause B.1. below within [***] of date of Seller's invoice in respect of the Buyer's usage declaration. Seller shall make its best efforts to complete the analysis of the Official Sample of a shipment prior to arrival of such shipment at the Consignment Stock Area (as defined in the Consignment Terms). Adjustments for TiO₂ content of Product sold under the consignment arrangement as defined in the Agreement, shall occur on a first in first out basis and be included in Seller's commercial invoice.
4. RBT shall accept payment from Buyer or any of Buyer's Related Entity, but Buyer shall remain primarily and separately liable for all sums due under this Agreement that are not paid by such Related Entities.

B. PAYMENT FOR PRODUCT SHIPPED TO LOCATIONS OTHER THAN THE WAREHOUSE.

The following payment terms shall apply to all Product shipped to locations other than the Warehouse:

1. Regular Payments. Unless otherwise agreed, payment in U.S. dollars shall be made by Buyer by telegraphic transfer to RBT's account #[***], naming Richard Bay Titanium as beneficiary, or such other account as RBT shall notify Buyer, within [***] of the Bill of Lading date. RBT shall supply the following documents:
 - a. RBT's commercial invoice covering the shipment, based on the assumption that the TiO₂ content of Product is [***]%;
 - b. Surveyor's certificate of mass (weight certificate);
 - c. Full set of clean onboard ocean bills of lading covering the shipment by the cargo vessel in question, designating "Richards

Bay Titanium (Proprietary) Limited" as shipper and Buyer as consignee or any other affiliated company designated by Buyer as consignee; and

- d. Such other documents and papers as may be required to clear Product for shipment from South Africa to the port of destination.

The above mentioned documents shall be couriered to Buyer or such affiliated company as Buyer shall have designated in accordance with Article XIX. RBT shall accept payment from Buyer or any of Buyer's affiliated companies, but Buyer shall be primarily and separately liable for all sums due under this Agreement.

2. Final Invoice and Payment. Any price adjustment which may be necessary as a result of the outcome of RBT's analysis of the Official Sample shall be embodied in a final invoice that will be forwarded to Buyer along with the certificate of analysis signed by RBT within [***] of completion of loading. In the event of a debit to Buyer, the final invoice shall be presented, and payment by Buyer shall be effected, in the same manner as detailed in Article VIII.B.1. above. In the event of a credit to Buyer, RBT shall remit the relevant amount to Buyer by telegraphic transfer within [***] of the date of the final invoice.

- C. Other Invoices and Payments. Payment of other amounts due hereunder, such as the fees referred to in Articles XI.B.2 and XI.C.5 shall be made by Buyer to RBT within [***] of Buyer's receipt of an invoice for such amounts.

[Effective commencing January 1, 2027]

- A. PAYMENT FOR PRODUCT SHIPPED TO THE (i) WAREHOUSE OR (ii) SILOS (CONSIGNMENT).

The following payment terms shall apply to all Product shipped to the (i) Warehouse or (ii) Silos (as defined in the Consignment Stock Terms attached hereto as Schedule 1 (the "Consignment Terms")):

1. Regular Invoicing and Payments for Product shipped to the (i) Warehouse or (ii) Silos. Upon shipment of Product to the (i) Warehouse or (ii) Silos, RBT shall supply the following documents:
 - a. Surveyor's certificate of mass (weight certificate);
 - b. Full set of clean onboard ocean bills of lading covering the shipment by the cargo vessel in question, designating "Richards Bay Titanium (Proprietary) Limited" as shipper and Buyer as consignee or any other affiliated company designated by Buyer as consignee; and
 - c. Such other documents and papers as may be required to clear Product for shipment from South Africa to the port of destination.

The above-mentioned documents shall be couriered to Buyer or such affiliated company as Buyer shall have designated in accordance with Article XIX. RBT shall accept payment from Buyer or any of Buyer's affiliated companies, but Buyer shall be primarily and separately liable for all sums due under this Agreement.

2. On receipt of Buyer's declaration Product withdrawn from the (i) Warehouse or (ii) Silos on the first working day after the end of the month, RBT shall issue a commercial invoice covering the volume of Product withdrawn during the month,

based on the assumption that the TiO₂ content of the Product is [***], with the invoice date being the first day of the month.

3. Unless otherwise agreed, payment for the Product shall be made by Buyer or a Related Entity in U.S. dollars by telegraphic transfer to RBT, to such the account identified in clause B.1. below within [***] of date of Seller's invoice in respect of the Buyer's usage declaration. Seller shall make its best efforts to complete the analysis of the Official Sample of a shipment prior to arrival of such shipment at the Consignment Stock Area (as defined in the Consignment Terms). Adjustments for TiO₂ content of Product sold under the consignment arrangement as defined in the Agreement, shall occur on a first in first out basis and be included in Seller's commercial invoice.
4. RBT shall accept payment from Buyer or any of Buyer's Related Entity, but Buyer shall remain primarily and separately liable for all sums due under this Agreement that are not paid by such Related Entities.

B. PAYMENT FOR PRODUCT SHIPPED TO LOCATIONS OTHER THAN THE (i) WAREHOUSE OR (ii) SILOS.

The following payment terms shall apply to all Product shipped to locations other than the (i) Warehouse or (ii) Silos:

1. Regular Payments. Unless otherwise agreed, payment in U.S. dollars shall be made by Buyer by telegraphic transfer to RBT's account #[***], naming Richard Bay Titanium as beneficiary, or such other account as RBT shall notify Buyer, within [***] of the Bill of Lading date. RBT shall supply the following documents:
 - a. RBT's commercial invoice covering the shipment, based on the assumption that the TiO₂ content of Product is [***]%;
 - b. Surveyor's certificate of mass (weight certificate);
 - c. Full set of clean onboard ocean bills of lading covering the shipment by the cargo vessel in question, designating "Richards Bay Titanium (Proprietary) Limited" as shipper and Buyer as consignee or any other affiliated company designated by Buyer as consignee; and
 - d. Such other documents and papers as may be required to clear Product for shipment from South Africa to the port of destination.

The above mentioned documents shall be couriered to Buyer or such affiliated company as Buyer shall have designated in accordance with Article XIX. RBT shall accept payment from Buyer or any of Buyer's affiliated companies, but Buyer shall be primarily and separately liable for all sums due under this Agreement.

2. Final Invoice and Payment. Any price adjustment which may be necessary as a result of the outcome of RBT's analysis of the Official Sample shall be embodied in a final invoice that will be forwarded to Buyer along with the certificate of analysis signed by RBT within [***] of completion of loading. In the event of a debit to Buyer, the final invoice shall be presented, and payment by Buyer shall be effected, in the same manner as detailed in Article VIII.B.1. above. In the event of a credit to Buyer, RBT shall remit the relevant amount to Buyer by telegraphic transfer within [***] of the date of the final invoice.

C. Other Invoices and Payments. Payment of other amounts due hereunder, such as

the fees referred to in Articles XI.B.2 and XI.C.5 shall be made by Buyer to RBT within [***] of Buyer's receipt of an invoice for such amounts.

ARTICLE IX. SPECIFICATIONS

- A. The Product shall contain at least [***]%, but typically [***]% equivalent TiO₂ by weight, determined as set forth in Article XI hereof.
- B. The Product shall meet the following specifications:
[***]
- C. The product shall meet the following typical sizing specifications:
[***]
- D. The specifications set out in Article IX.A., IX.B. and IX.C. shall be referred to in this Agreement as the "Specifications".

ARTICLE X. WARRANTY

- A. RBT warrants that Product sold and delivered hereunder shall conform to the Specifications set forth in Article IX, hereof.
- B. In the event that any Product sold and delivered hereunder does not conform to said Specifications and in the event the parties are unable to agree on an equitable adjustment, RBT shall, at its cost and expense, including freight, insurance and handling costs, remove or otherwise dispose of such nonconforming Product from Buyer's location and replace it with an equivalent quantity of Product at Buyer's plant which meets the Specifications within [***]. RBT's obligation to remove or dispose of and replace nonconforming Product shall not be applicable in the event Buyer fails to give notice to RBT of such nonconforming Product as provided for in Article XI. Buyer may terminate the Agreement should RBT fail to deliver conforming Product within [***].

The warranty and remedy expressed in this Article X is the sole and exclusive warranty made by RBT with respect to the Product to be delivered under this Agreement. RBT makes no other warranty, express, implied (including any warranty of merchantability or fitness for a particular purpose), statutory or otherwise.

- C. RBT shall not be responsible for any damage, direct, indirect, consequential or incidental relating directly or indirectly to the use, sale and/or resale of any Product. RBT's sole obligation in the event of delivery of nonconforming Product shall be that set forth in this Article X. Buyer agrees to indemnify and hold RBT harmless from and against any claims, losses, damages, costs, expenses or liability of whatsoever nature from third parties arising out of or in connection with such use, sale and/or resale of any Product.

ARTICLE XI. INSPECTION, WEIGHING, SAMPLING AND ANALYSIS

- A. Inspection and Weighing. Inspection of Buyer's Vessels' holds for cleanliness and protection and determination of weight of Product loaded aboard Buyer's Vessel, by draft survey, will be made by Capt. G.A. Chettles & Assoc., a registered independent surveyor, or such other inspector acceptable to RBT and Buyer. The cost of such surveys shall be borne equally by RBT and Buyer and shall be included in RBT's commercial invoice referred to in Article VIII.A.1. Such surveyor shall be entitled to reject any vessel

not found to be suitable for loading of Product, provided such surveyor sends to Buyer, by facsimile, the reasons for such rejection and his certification that the Buyer's Vessel as presented would not adequately protect the Product from contamination. Such rejection shall be for Buyer's account. Such surveyor shall determine the weight of Product loaded aboard Buyer's Vessel. The Product weight so determined, which includes moisture, shall, on the basis of the analyses of the Official Samples then be adjusted for the moisture content. The resulting dry weight shall be the basis on which Product is invoiced for payment.

- B. Sampling. Each shipment of Product delivered to Buyer's Vessel at Richards Bay shall be sampled by an independent testing company, Bureau Veritas or such other independent testing laboratory acceptable to both parties. Such independent laboratory shall take and distribute representative samples (hereinafter called "Official Samples") from each shipment in accordance With the "Sampling and Sample Preparation Procedure", set forth in Exhibit "A," Procedure "SAM 78," attached hereto and made a part hereof.

The fees for services of such independent testing laboratory shall be paid for equally by RBT and Buyer and shall be included in RBT's commercial invoice referred to in Article VIII.

C. Analysis

1. Methods of Analysis. All analyses shall be made by the methods outlined in Exhibit "B" Procedure "SAM 004", Exhibit "C" Procedure "SAM 124", Exhibit "D" Procedure "SAM 051", Exhibit "E" Procedure "SAM 079" and Exhibit "F" Procedure "SAM 008" which are attached hereto and made a part hereof, or by such other methods as RBT shall consider appropriate provided that the results obtained from such other methods are consistent with the results which would be obtained by using the methods outlined in the above-mentioned exhibits.
2. Analysis by RBT. RBT shall analyze the Official Samples and the results of such analysis for each shipment shall be provided to Buyer not later than thirty (30) days following the date of such shipment.
3. Analysis by Buyer. Buyer may, but shall not be obligated to, analyze the Official Samples. Unless Buyer notifies RBT within [***] of receipt of an Official Sample that Buyer's analysis indicates that Product fails to meet Specifications or that the TiO₂ content is more than [***] different from RBT's analysis, the results of RBT's analysis shall be final and conclusive.
4. Umpire Procedure. Should Buyer's analysis of the Official Sample indicate that Product does not meet Specifications or that the TiO₂ content of Product is more than [***] different from RBT's analysis, Buyer may so advise RBT and RBT shall request the independent testing laboratory referred to above to forward for analysis its retained Official Sample to such umpire analyst (being an independent testing laboratory) as shall be agreed to from time to time by the parties. The parties hereby agree at this time for this purpose that Inspectorate Griffith Limited, 2 Perry Road, Witham, Essex, CM8 3TU, U.K. shall be the initial umpire analyst. The umpire shall analyze the Official Sample in accordance with the methods outlined in the Exhibits referred to in Article XI.C.
5. Settlement. The umpire's analysis as to TiO₂ content and that of Buyer or RBT, whichever is in closer agreement, shall be averaged as the basis for final

settlement; provided that if the umpire's analysis lies exactly halfway between Buyer's and RBT's analyses, the umpire's analysis shall be the basis for final settlement.

If such final basis for settlement results in a price adjustment in accordance with the procedure described in Article V of this Agreement, RBT shall issue a credit or debit invoice as the case may be. If an umpire's analysis is required on any Specification other than TiO₂, the umpire's analysis and that of Buyer or RBT, whichever is in closer agreement, shall be averaged as the basis for final settlement; provided that if the umpire's analysis lies exactly halfway between the Buyer's and RBT's analyses, the umpire's analysis shall be the basis for final settlement. If such analysis determines that Product does not meet each of such Specifications, the parties shall proceed as described in Article IX.B. of this Agreement. The cost of an umpire's analysis shall be paid by the party whose analysis varies most from the umpire's analysis unless such variations are equal and then the cost shall be borne equally by the parties.

- D. Revision of Sampling and Analytical Procedures. The procedures set forth in the Exhibits referred to in this article are believed to be the most satisfactory ones now available. However, better procedures may become available. Each of said Exhibits may be revised from time to time, without formal amendment to this Agreement; provided that each such revision shall require the written approval of Buyer and RBT.

ARTICLE XII. ARBITRATION

Any dispute between the parties hereto arising out of or in any way connected with this Agreement, its negotiation, performance, breach, existence or validity shall, unless settled by mutual agreement or conciliation and failing settlement thereunder, be referred for final and binding arbitration, in London, England, under the Rules of Conciliation and Arbitration of the International Chamber of Commerce. The arbitration shall be presided over by three arbitrators of which RBT shall appoint one and Buyer shall appoint another, and the two appointed arbitrators shall appoint the Chairman of the arbitral tribunal within thirty (30) days following their appointment by the parties hereto, failing which the Chairman shall be appointed by the International Court of Arbitration of the International Chamber of Commerce. The language of the arbitration and all documents submitted therein shall be in English.

ARTICLE XIII. TAXES AND DUTIES

All South African taxes and duties now or hereafter imposed during the term of this Agreement shall be for the sole account of RBT. All taxes and duties now or hereafter imposed on the import of the Product during the term of this Agreement shall be for the sole account of Buyer.

ARTICLE XIV. PATENTS

- A. RBT agrees to protect and hold Buyer harmless against any and all claims that Product in the state or form as sold under this Agreement infringes or allegedly infringes any Product claims of any South African or United States patent owned by third parties. RBT will, at its own cost and expense, defend any and all suits which may be brought against Buyer on account of said infringement of such patent or patents, and RBT shall pay any and all fees, costs and damages awarded in said suits; provided, however, that the total liability for damages under this Article XIV shall in no event exceed the aggregate sales price of Product sold to Buyer during the year in which such infringement commenced.
- B. RBT's obligations pursuant to Article XIV shall be conditional upon Buyer giving prompt

ARTICLE XV. FORCE MAJEURE

In the event of any contingency which is beyond the reasonable control of RBT or Buyer including, but not limited to (i) any strike, lockout, industrial dispute, difference with workmen, accident, fire, explosion, earthquake, flood, mobilization, war (whether declared or undeclared), act of any belligerent in any such war, civil commotion, political demonstration or disturbance, riot, rebellion, revolution or blockage, (ii) any requirement, regulation, restriction, intervention, or other act of any Government, whether legal or otherwise, (iii) any inability to secure or delay in securing export licenses or import licenses, cargo space or other transportation facilities necessary for the shipment or receipt of Product or fuel or other supplies or material including but not limited to water, ilmenite ore or electric power necessary for the operation of the mines and plants where Product is produced or consumed, (iv) any delay in or interruption to transportation by rail, water or otherwise, (v) any damage to or destruction of such mines or plants or any breakdown of plants or machinery of RBT or Buyer, or (vi) any other contingency which is beyond the reasonable control of RBT or Buyer, whether or not of the nature or character hereinbefore specifically enumerated, but excluding market conditions of any nature, which event delays or interferes with the performance of this Agreement or the consumption of Product, in spite of the affected parties' bona fide efforts to mitigate such event, then such event shall be considered sufficient justification for delay in making shipment or delivery or taking delivery or performance hereunder (other than the payment of money), in whole or in part, until such event ceases to exist, and this Agreement shall be deemed suspended for so long as such event delays or interferes with the performance hereof, provided that prompt notice (normally within one week of the occurrence of the event) of the commencement and end of any such event is given by the party affected to the other party. Any delay or interference which affects RBT's supply of Product to customers shall entitle RBT to allocate equitably any available Product among customers in its discretion. During the pendency of any Force Majeure declared by RBT, Buyer [***] for such year shall be adjusted accordingly.

Anything to the contrary hereinabove notwithstanding, if such event occurs, the obligation of RBT to sell and deliver and of Buyer to buy and to take delivery of Product with respect to any year shall terminate unless otherwise agreed between the parties at the end of the year as to quantities of Product which have not been loaded aboard Buyer's Vessel at Richards Bay, by the end of the year due to such event. Nothing contained in this Article shall require Buyer to pay for, or RBT to make up or compensate for, any Product not delivered due to application of this Article. Either party may terminate the Agreement if such event continues for more than one hundred and eighty (180) days.

ARTICLE XVI. DEFAULT & LIMITS OF LIABILITY

For purposes of Article XVI, a "default" shall mean any failure by either party to make any payment when due or to perform any obligation under or pursuant to this Agreement for any reason other than an event of Force Majeure as defined in Article XV.

No default shall be deemed to have occurred unless the party in default shall have first been given written notice of such default and shall have failed to cure such default within thirty (30) days in the event of a failure to pay and in all other events, within sixty (60) days after receipt of such written notice.

In the event of a default arising from a breach of Buyer's duty to pay for Product delivered or for the total quantity of Product to be purchased in any particular year, RBT shall have the right to seek damages for all loss or damage actually sustained as a direct result of the default. In addition, RBT shall have the right (subject to Buyer's right to cure its default pursuant to this

Article) to terminate this Agreement forthwith by providing notice to such effect to Buyer. Notwithstanding anything contained herein to the contrary, in no event shall Buyer be liable for consequential, indirect or special damages as a result of a default for failure to pay under this Agreement.

In the event of any default by RBT arising from a failure to deliver Product pursuant to this Agreement, RBT (subject to RBT's rights to cure its default pursuant to this Article) shall compensate Buyer for all loss or damage actually sustained as a direct result of the failure to deliver but excluding indirect, consequential, punitive or contingent damages of the default Buyer may suffer therewith including, but not limited to, loss of revenue or profits as a result of Buyer's inability to operate, or shutdown of its operations, loss of use of equipment, or cost of substitute equipment, claims of third parties, and the like.

ARTICLE XVII. WAIVER OF DEFAULT

Any failure by either party to give notice in writing to the other party of any breach or default in any terms or conditions of this Agreement shall not constitute a waiver thereof, nor shall any delay by either party in enforcing any of its rights hereunder be deemed a waiver of such rights nor shall a waiver by either party of any defaults of the other party be deemed a waiver of any other or subsequent defaults.

ARTICLE XVIII. CONFIDENTIALITY

This Agreement and information obtained by one party from the other by virtue of this Agreement, shall remain confidential and shall not be disclosed to any third party without the prior written consent of the other party, unless such information is publicly available, or previously known to the recipient or is required to be disclosed by law.

ARTICLE XIX. NOTICES

Any notice to be given to any party under the terms of this Agreement shall be deemed to have been delivered by courier service or transmitted by telefax and subsequently confirmed by prepaid registered mail to the respective addresses or telefax numbers given below:

TO RBT: **c/o Rio Tinto Iron and Titanium Ltd.**
St James's Square
London, SW1Y 4AD
United Kingdom
Telefax: (44) 20 7781 1819
Attention: General Manager Sales & Marketing, TiO2 Products

TO BUYER: **Kronos (US) Inc.**
c/o KRONOS INTERNATIONAL, Inc.
Peschstrasse 5
D-51373 Leverkusen
Germany
Telefax: (49) 214 401 526
Attention: Vice President Purchasing

or to such other address as the addressee shall have previously furnished in writing to the addressor. All notices shall be deemed to have been received on the day of delivery, if delivered by courier service or on the day of transmission, if sent by telefax, during normal business hours (9.00am to 5.00pm) of the recipient, failing which, such notice shall be deemed to have been received on the next business day.

ARTICLE XX. ASSIGNMENT

Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be reasonably withheld or delayed. The preceding sentence shall not apply to assignments made to parents, subsidiaries, or related corporations, partnerships or other entities of the parties hereto, providing that the party executing this Agreement shall remain primarily responsible for performance of its obligations hereunder unless such is waived in writing by the other party. Buyer may also assign its rights or obligations under this Agreement without prior written consent of RBT to an unrelated financially capable purchaser of all or essentially of Buyer's TiO₂ pigment business, provided that the assignee agrees to assume all of Buyer's duties and obligations hereunder and Buyer agrees to and shall remain secondarily responsible for performance of its obligations hereunder unless such is waived in writing by RBT.

Seller's Obligation to Assign. Notwithstanding the foregoing, in the event Seller sells, transfers, or disposes of all or substantially all of the assets or operations related to the production or supply of the Product (a "Business Transfer"), Seller shall cause the transferee or acquirer of such assets or operations to assume all of Seller's rights and obligations under this Agreement in a writing reasonably satisfactory to Buyer. Failure by Seller to secure such assumption shall constitute a material breach of this Agreement.

Buyer's Termination Right upon Seller Change of Control. In the event of (i) any assignment by Seller, (ii) a Business Transfer, or (iii) a Change of Control of Seller (defined as the acquisition of more than 50% of the voting equity or control of the board of directors of Seller by a third party), Buyer shall have the right, but not the obligation, to terminate this Agreement upon 180-days' prior written notice to Seller or its successor, where such written notice shall be provided not later than 180 days following receipt of written notice of such transaction from Seller. Seller shall provide Buyer with at least 60 days' prior written notice of any such proposed transaction to allow Buyer to evaluate its options.

Notwithstanding anything to the contrary herein, Seller may assign its right to receive payment of monies due or to become due under this Agreement solely in connection with a factoring, securitization, or receivables financing transaction, provided that:

1. **No Delegation of Obligations:** Such assignment shall apply only to the right to payment and shall not assign, delegate, novate, or transfer any of Seller's performance obligations or other rights under this Agreement. Seller shall remain fully liable for the performance of all obligations under this Agreement.
2. **Preservation of Buyer's Rights:** Any such assignment shall be subject to all of Buyer's rights under this Agreement, including but not limited to rights of set-off, deduction, recoupment, and defenses against payment for non-conforming goods or services.
3. **No Increased Burden:** The assignment shall not result in any additional cost, expense, or administrative burden to Buyer.
4. **Discharge of Liability:** Buyer's payment to the assignee (upon receipt of proper written notice directing such payment) shall fully discharge Buyer's payment obligation to Seller for the applicable amount.
5. **Notice Requirements:** Seller must provide Buyer with at least thirty (30) days' prior written notice of any such assignment, which notice must clearly specify payment instructions.

ARTICLE XXI. ENTIRE AGREEMENT, AMENDMENT, MODIFICATION

This Agreement states the entire understanding between the parties hereto with respect to the subject matter hereof, and there are no agreements or understandings, oral or written, expressed or implied with reference to the subject matter hereof that are not merged herein or superseded hereby. This Agreement may not be changed, modified or supplemented in any manner orally or otherwise except by an instrument in writing signed by a duly authorized representative of each of the parties hereto. The parties recognize that, for administrative purposes, documents such as purchase orders, acknowledgements, invoices and similar documents may be used during the term of this Agreement. In no event shall any term or condition contained in any such administrative documents be interpreted as amending or modifying the terms of this Agreement whether such administrative documents are signed or not.

ARTICLE XXII. GOVERNING LAW

This agreement shall be governed by and construed under the laws of England and Wales, in all respects, including construction, validity and performance to the exclusion of the United Nations Convention on International Sale of Goods and excluding any choice of law rules that would apply the law of any other jurisdiction.

ARTICLE XXIII. COMPLIANCE

A. **Business Standards.** RBT must comply at all times with the Rio Tinto Business Standards. The Buyer must comply at all times with its own policies, standards and corporate governance guidelines, including the documents found in the Corporate Governance section of the Buyer's website at <https://www.kronosww.com/ethics/>.

A. **Sanctions.** Each Party represents and warrants that neither it nor any of its Related Entities nor any of their directors, employees, agents or representatives:

- (i) is or will become a Restricted Party;
- (ii) will resell or deliver the Product, directly or indirectly, to a Restricted Party;
- (iii) will tranship or transit the Product through a country/territory that is the target of country-wide sanctions (currently including Cuba, Iran, North Korea, Syria and Crimea region of Ukraine and subject to change of the Sanctions;
- (iv) will make payment to or receive payment from, directly or indirectly, any Restricted Party in connection with the Product or transportation thereof which may cause either Party to breach any Sanctions or to be exposed to adverse action under any Sanctions (whether under secondary sanctions or otherwise); or
- (v) otherwise will transact with any Restricted Party, directly or indirectly, or in violation of the Sanctions in connection with the purchase or sale of the Product.

Each Party must comply with all applicable Sanctions.

The Buyer further represents and warrants that the Product will not be transported on a vessel or by other carrier owned, operated, flagged or chartered by any Restricted Party. The Seller shall have the right to reject any transaction in which the Buyer proposes to or in fact sells, resells, or delivers the Product to or for a Restricted Party, directly or indirectly. Each Party shall have the right to reject any transaction in which any

Restricted Party will otherwise provide services in support of, or benefit from, this Agreement, directly or indirectly. The breaching Party shall be liable to the other Party for any costs, expenses, damages or delays as a result of the non-breaching Party exercising its right to reject a transaction under this Article XXIII.

C. No Corrupt Practices.

- (a) Each Party represents and warrants to the other Party, in relation to this Agreement, that neither it nor any of its personnel or Related Entities has directly or indirectly offered or given, or will offer or give, anything of value to any Person (whether government official or otherwise):
- (i) to reward or induce the improper performance of any function or activity relating to this Agreement or the transactions contemplated hereby, including where it is known or believed that the acceptance of the offer or thing of value would itself be improper;
 - (ii) to influence any official or public conduct or function to obtain or retain business or a business advantage relating to this Agreement or the transactions contemplated hereby; and / or
 - (iii) where it is known or ought reasonably to have been known that the thing of value (or part thereof) would in turn be offered, promised or given to any other Person in any of the circumstances described above.
- (b) Each Party must ensure that neither it nor any of its personnel or Related Entities directly or indirectly accept any payment or gift or other advantage that contravenes any applicable Anti-Corruption Legislation in relation to this Agreement, and represents and warrants that the funds used to purchase the Product do not originate from the proceeds of criminal activities.
- (c) A Party will advise the other Party in the event it or any of its personnel or Related Entities are subject to a formal investigation, proceeding, conviction or written notice relating to the circumstances described in Article XXIII.C.(a) or (b) above, to the extent legally permissible.
- (d) A Party shall indemnify the other Party against any loss or claim arising as a result of any breach by the such Party of this Article XXIII.

ARTICLE XXIV. DEFINITIONS

“Anti-Corruption Legislation” means the legislation of any applicable jurisdiction which regulates anti-bribery, the prohibition of corrupt practices and other related matters.

“Person” means any natural person, corporate or unincorporated body (whether or not having separate legal personality), individual, corporation, partnership, limited liability company or similar entity.

“Related Entity” means an entity which controls, is controlled by or under common control with, whether directly or indirectly, a Party; “control” for the purposes of this clause includes holding 50% or more voting rights, having the right to appoint or remove a majority of members of the board of directors (or an equivalent decision-making body) or otherwise control the composition of or voting at the meeting of the board of directors (or an equivalent decision-making body); “entity” for the purposes of this clause includes any corporation, incorporated or unincorporated joint venture, association or trust.

“Restricted Party” means any person or entity that is the target of Sanctions, including (a) any person, entity or vessel identified in any list of designated persons maintained

by the U.S. Treasury Department's Office of Foreign Assets Control or other U.S. or non-U.S. government entity under its Sanctions; (b) any person or entity resident or organised in any country or territory that is the target of comprehensive Sanctions (currently Cuba, Iran, North Korea, Syria, and the Crimea region of Ukraine and subject to change in the Sanctions); or (c) any person 50% or more owned (individually or in the aggregate) or controlled by a Restricted Party or someone acting on behalf of a Restricted Party.

"Rio Tinto Business Standards" means the policies that govern the expected corporate conduct of the Rio Tinto Group and which includes the documents entitled The Way We Work and the Business Integrity Standard which are the Policies & Standards page on the www.riotinto.com website at https://www.riotinto.com/sustainability/policies_.

"Rio Tinto Group" means Rio Tinto Limited (ABN 96 004 458 404), Rio Tinto plc (UK company no. 719885) and their respective Related Entities.

[Signatures Omitted.]

CERTIFICATION

I, Courtney J. Riley, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of NL Industries, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2026

/s/Courtney J. Riley

Courtney J. Riley

President and Chief Executive Officer

CERTIFICATION

I, Amy Allbach Samford, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of NL Industries, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2026

/s/ Amy Allbach Samford

Amy Allbach Samford

Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of NL Industries, Inc. (the Company) on Form 10-Q for the quarter ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Courtney J. Riley, President and Chief Executive Officer of the Company, and I, Amy Allbach Samford, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Courtney J. Riley

Courtney J. Riley

President and Chief Executive Officer

/s/ Amy Allbach Samford

Amy Allbach Samford

Executive Vice President and Chief Financial Officer

May 6, 2026

Note: The certification the registrant furnished in this exhibit 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 Securities and Exchange Commission shall not incorporate this exhibit by reference, except as otherwise expressly stated in such filing.
