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

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

Date of Report (Date of earliest event reported)  
**November 2, 2023**

**NL INDUSTRIES, INC.**  
(Exact name of registrant as specified in its charter)

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

**1-640**  
(Commission  
File Number)

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

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

**75240-2620**  
(Zip Code)

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

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

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

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

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

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

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

Emerging growth company

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

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**Item 2.02 Results of Operations and Financial Condition.**

The registrant hereby furnishes the information set forth in its press release entitled “NL Reports Third Quarter 2023 Results” issued on November 2, 2023, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

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

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Item No.</u>	<u>Description</u>
99.1	<a href="#">Press release dated November 2, 2023 entitled “NL Reports Third Quarter 2023 Results” and issued by the registrant.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURE**

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

**NL INDUSTRIES, INC.**  
(Registrant)

Date: November 2, 2023

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

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## NL REPORTS THIRD QUARTER 2023 RESULTS

DALLAS, TEXAS – November 2, 2023 – NL Industries, Inc. (NYSE: NL) today reported a net loss attributable to NL stockholders of \$.1 million, or nil per share, in the third quarter of 2023 compared to a net loss attributable to NL stockholders of \$8.9 million, or \$.18 per share, in the third quarter of 2022. NL results include an unrealized gain of \$.4 million in the third quarter of 2023 related to the change in value of marketable equity securities compared to an unrealized loss of \$24.2 million in the third quarter of 2022. For the first nine months of 2023, NL reported a net loss attributable to NL stockholders of \$9.9 million, or \$.20 per share, compared to net income attributable to NL stockholders of \$39.9 million, or \$.82 per share, for the first nine months of 2022. NL results include an unrealized loss of \$10.5 million in the first nine months of 2023 related to the change in value of marketable equity securities compared to a \$4.3 million unrealized loss in the first nine months of 2022.

Net sales were \$40.3 million for the third quarter of 2023 compared to \$42.9 million in the third quarter of 2022 and \$118.1 million for the first nine months of 2023, compared to \$126.6 million for the same prior year period. The decrease in sales for both periods is predominantly due to lower Marine Components sales primarily to the towboat market, partially offset by higher Security Products sales in the third quarter of 2023. Income from operations attributable to CompX was \$6.6 million for the third quarter of 2023 compared to \$6.0 million for the third quarter of 2022 and \$18.0 million for the first nine months of 2023 compared to \$20.0 million for the same prior year period. Income from operations increased in the third quarter of 2023 compared to the same period in 2022 due to higher Security Products sales and improved gross margin percentages at both reporting units, partially offset by lower Marine Components sales. Income from operations decreased in the first nine months of 2023 compared to the same period in 2022 primarily due to lower Marine Component sales and, to a lesser extent, lower Security Products sales somewhat offset by an improvement in the Marine Component gross margin percentage.

NL recognized equity in losses of Kronos of \$6.2 million in the third quarter of 2023 compared to equity in earnings of \$6.4 million in the third quarter of 2022. NL recognized equity in losses of \$13.4 million in the first nine months of 2023 compared to equity in earnings of \$37.9 million in the same period of 2022. Kronos' net sales of \$396.9 million in the third quarter of 2023 were \$62.7 million, or 14%, lower than in the third quarter of 2022. Kronos' net sales of \$1.3 billion in the first nine months of 2023 were \$321.4 million, or 20%, lower than in the first nine months of 2022. Kronos' net sales decreased in the third quarter and first nine months of 2023 compared to the same periods of 2022 due to the effects of lower sales volumes in all its major markets and lower average TiO<sub>2</sub> selling prices. Kronos' TiO<sub>2</sub> sales volumes were 6% lower in the third quarter of 2023 as compared to the third quarter of 2022 and 22% lower in the first nine months of 2023 as compared to the first nine months of 2022. Kronos' average TiO<sub>2</sub> selling prices were 8% lower in the third quarter of 2023 as compared to the third quarter of 2022 and 2% lower in the first nine months of 2023 as compared to the first nine months of 2022. Kronos's average TiO<sub>2</sub> selling prices at the end of the third quarter of 2023 were 9% lower than at the end of 2022. Changes in product mix positively contributed to Kronos' net sales, primarily due to higher average selling prices in its complementary businesses which somewhat offset declines in TiO<sub>2</sub> sales volumes in the first nine months of 2023. Fluctuations in currency exchange rates (primarily the euro) also affected net sales comparisons, increasing net sales by approximately \$12 million in the third quarter of 2023 as compared to the third quarter of 2022. Changes in currency exchange rates had a nominal effect on net sales in the first nine months of 2023 as compared to the first nine months of 2022. The table at the end of this press release shows how each of these items impacted Kronos' net sales.

Kronos' loss from operations in the third quarter of 2023 was \$25.3 million as compared to income from operations of \$30.8 million in the third quarter of 2022. For the year-to-date period, Kronos' loss from operations was \$50.3 million as compared to income from operations of \$179.3 million in the first nine months of 2022. Kronos' income from operations decreased in the third quarter of 2023 compared to the same period in 2022 primarily due to lower sales volumes and lower average TiO<sub>2</sub> selling prices. Kronos' income from operations decreased in the first nine months of 2023 as compared to the first nine months in 2022 as a result of the combination of lower sales volumes, higher production costs (primarily raw material costs) and lower average TiO<sub>2</sub> selling prices. In addition, cost of sales in the third quarter and first nine months of 2023 includes \$20 million and \$74 million, respectively, of unabsorbed fixed production and other manufacturing costs associated with production curtailments at Kronos' facilities during the first nine months of 2023 as it adjusted its TiO<sub>2</sub>

production volumes to align inventory levels with lower demand. Kronos' TiO<sub>2</sub> production volumes were 22% lower in the third quarter of 2023 compared to the third quarter of 2022 and 26% lower in the first nine months of 2023 compared to the same period of 2022. As a result of reduced demand and scheduled maintenance activities, Kronos operated its production facilities at 71% of practical capacity utilization in the first nine months of 2023 (76%, 64% and 73% in the first, second and third quarters of 2023, respectively) compared to 96% in the first nine months of 2022 (100%, 95% and 93% in the first, second and third quarters of 2022, respectively). Fluctuations in currency exchange rates (primarily the euro) increased Kronos' loss from operations by approximately \$10 million in the third quarter of 2023 and decreased Kronos' loss from operations by approximately \$11 million in the first nine months of 2023 as compared to the same prior year periods.

Corporate expenses in the third quarter and for the first nine months of 2023 were comparable to the same periods of 2022. Interest and dividend income increased in the third quarter and for the first nine months of 2023 compared to the same periods of 2022 primarily due to higher average interest rates and increased investment balances, somewhat offset by lower average balances on CompX's revolving promissory notes receivable from Valhi. Marketable equity securities represent the change in unrealized gains (losses) on our portfolio of marketable equity securities during the periods.

The net loss per share attributable to NL stockholders for the first nine months of 2023 includes a non-cash loss of \$4.9 million (\$3.9 million, or \$.08 per share, net of tax) due to the termination of its U.K. pension plan.

The net loss per share attributable to NL stockholders for the first nine months of 2023 includes income of \$.6 million (\$.5 million, or \$.01 per share, net of tax), due to Kronos' recognition of a pre-tax insurance settlement gain related to a business interruption insurance claim arising from Hurricane Laura in 2020. The net income (loss) attributable to NL stockholders for the third quarter and the first nine months of 2022 includes income of \$.7 million (\$.5 million, or \$.01 per share, net of tax), due to Kronos' recognition of a pre-tax insurance settlement gain related to a business interruption insurance claim arising from Hurricane Laura in 2020.

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

- Future supply and demand for our products;
- The extent of the dependence of certain of our businesses on certain market sectors;
- The cyclicity of our businesses (such as Kronos' TiO<sub>2</sub> operations);
- Customer and producer inventory levels;
- Unexpected or earlier-than-expected industry capacity expansion (such as the TiO<sub>2</sub> industry);
- Changes in raw material and other operating costs (such as energy, ore, zinc, aluminum, steel and brass costs) and our ability to pass those costs on to our customers or offset them with reductions in other operating costs;
- Changes in the availability of raw material (such as ore);
- General global economic and political conditions that harm the worldwide economy, disrupt our supply chain, increase material and energy costs or reduce demand or perceived demand for Kronos' TiO<sub>2</sub> and our products or impair our ability to operate our facilities (including changes in the level of gross domestic product in various regions of the world, natural disasters, terrorist acts, global conflicts and public health crises such as COVID-19);
- Operating interruptions (including, but not limited to, labor disputes, leaks, natural disasters, fires, explosions, unscheduled or unplanned downtime, transportation interruptions, cyber-attacks, certain regional and world events or economic conditions and public health crises such as COVID-19);
- Competitive products and substitute products;
- Price and product competition from low-cost manufacturing sources (such as China);
- Customer and competitor strategies;

- Potential consolidation of Kronos' competitors;
- Potential consolidation of Kronos' customers;
- The impact of pricing and production decisions;
- Competitive technology positions;
- Our ability to protect or defend intellectual property rights;
- Potential difficulties in integrating future acquisitions;
- Potential difficulties in upgrading or implementing accounting and manufacturing software systems;
- The introduction of trade barriers or trade disputes;
- Fluctuations in currency exchange rates (such as changes in the exchange rate between the U.S. dollar and each of the euro, the Norwegian krone and the Canadian dollar and between the euro and the Norwegian krone), or possible disruptions to our business resulting from uncertainties associated with the euro or other currencies;
- Decisions to sell operating assets other than in the ordinary course of business;
- Kronos' ability to renew or refinance credit facilities;
- Potential increases in interest rates;
- Our ability to maintain sufficient liquidity;
- The timing and amounts of insurance recoveries;
- The ability of our subsidiaries or affiliates to pay us dividends;
- Uncertainties associated with CompX's development of new products and product features;
- The ultimate outcome of income tax audits, tax settlement initiatives or other tax matters, including future tax reform;
- Our ability to utilize income tax attributes or changes in income tax rates related to such attributes, the benefits of which may or may not have been recognized under the more-likely-than-not recognition criteria
- Environmental matters (such as those requiring compliance with emission and discharge standards for existing and new facilities or new developments regarding environmental remediation or decommissioning at sites related to our former operations);
- Government laws and regulations and possible changes therein (such as changes in government regulations which might impose various obligations on former manufacturers of lead pigment and lead-based paint, including us, with respect to asserted health concerns associated with the use of such products), including new environmental health and safety or other regulations (such as those seeking to limit or classify TiO<sub>2</sub> or its use);
- The ultimate resolution of pending litigation (such as our lead pigment and environmental matters); and
- Possible future litigation.

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

NL Industries, Inc. is engaged in component products (security products and recreational marine components) and chemicals (TiO<sub>2</sub>) businesses.

#### **Investor Relations Contact**

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2023	2022	2023
Net sales	\$ 42.9	\$ 40.3	\$ 126.6	\$ 118.1
Cost of sales	30.9	27.7	88.9	82.5
Gross margin	12.0	12.6	37.7	35.6
Selling, general and administrative expense	6.0	6.0	17.7	17.6
Corporate expense	2.8	2.9	8.7	8.7
Income from operations	3.2	3.7	11.3	9.3
Equity in earnings (losses) of Kronos Worldwide, Inc.	6.4	(6.2)	37.9	(13.4)
Other income (expense):				
Interest and dividend income	1.1	2.4	2.0	6.5
Marketable equity securities	(24.2)	.4	(4.3)	(10.5)
Loss on pension plan termination	—	—	—	(4.9)
Other components of net periodic pension and OPEB cost	(.2)	(.4)	(.7)	(1.1)
Interest expense	(.2)	(.2)	(.7)	(.6)
Income (loss) before income taxes	(13.9)	(.3)	45.5	(14.7)
Income tax expense (benefit)	(5.5)	(.9)	3.6	(6.8)
Net income (loss)	(8.4)	.6	41.9	(7.9)
Noncontrolling interest in net income of subsidiary	.5	.7	2.0	2.0
Net income (loss) attributable to NL stockholders	\$ (8.9)	\$ (.1)	\$ 39.9	\$ (9.9)
Net income (loss) per share attributable to NL stockholders	\$ (.18)	\$ —	\$ .82	\$ (.20)
Weighted average shares used in the calculation of net income per share	48.8	48.8	48.8	48.8

NL INDUSTRIES, INC.

COMPONENTS OF INCOME FROM OPERATIONS

(In millions)

(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2023	2022	2023
CompX - component products	\$ 6.0	\$ 6.6	\$ 20.0	\$ 18.0
Corporate expense	(2.8)	(2.9)	(8.7)	(8.7)
Income from operations	<u>\$ 3.2</u>	<u>\$ 3.7</u>	<u>\$ 11.3</u>	<u>\$ 9.3</u>

CHANGE IN KRONOS' NET SALES

(unaudited)

	Three months ended September 30, 2023 vs. 2022	Nine months ended September 30, 2023 vs. 2022
Percentage change in net sales:		
TiO <sub>2</sub> sales volume	(6)%	(22)%
TiO <sub>2</sub> product pricing	(8)	(2)
TiO <sub>2</sub> product mix/other	(3)	4
Changes in currency exchange rates	<u>3</u>	<u>—</u>
Total	<u>(14)%</u>	<u>(20)%</u>