

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 the earliest event reported)  
**March 10, 2022**

**VALHI, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation)

**1-5467**  
(Commission  
File Number)

**87-0110150**  
(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:

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common stock	VHI	NYSE

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.****Item 7.01 Regulation FD Disclosures.**

The registrant hereby furnishes the information set forth in its press release issued on March 10, 2022, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information including the exhibit, the registrant furnishes in this 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 March 10, 2022 issued by the registrant.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**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.

**VALHI, INC.**  
(Registrant)

Date: March 10, 2022

By:           /s/ Amy A. Samford

*Amy A. Samford*  
*Senior Vice President and*  
*Chief Financial Officer*



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## PRESS RELEASE

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**FOR IMMEDIATE RELEASE**

Valhi, Inc.  
Three Lincoln Centre  
5430 LBJ Freeway, Suite 1700  
Dallas, Texas 75240-2620

**CONTACT:**

Janet G. Keckeisen  
Vice President – Investor Relations  
(972) 233-1700

### VALHI REPORTS FOURTH QUARTER 2021 RESULTS

DALLAS, TEXAS . . March 10, 2022. Valhi, Inc. (NYSE: VHI) reported net income from continuing operations attributable to Valhi stockholders of \$52.0 million, or \$1.83 per share, in the fourth quarter of 2021 compared to \$20.2 million, or \$.71 per share, in the fourth quarter of 2020. For the full year of 2021, Valhi reported net income from continuing operations attributable to Valhi stockholders of \$127.2 million, or \$4.46 per diluted share compared to \$50.9 million, or \$1.79 per diluted share for the full year of 2020. Net income from continuing operations attributable to Valhi stockholders increased in the fourth quarter of 2021 as compared to the fourth quarter of 2020 primarily due to higher operating results from each of our segments. Net income from continuing operations attributable to Valhi stockholders increased for the full year of 2021 as compared to the full year of 2020 primarily due to higher operating results from each of our segments and a gain on sales of land not used in our operations in 2021, as discussed below.

The Chemicals Segment's net sales were \$496.0 million in the fourth quarter of 2021 compared to \$414.9 million in the fourth quarter of 2020 and \$1.9 billion for the full year of 2021 compared to \$1.6 billion for the full year of 2020. The Chemicals Segment's net sales increased in the fourth quarter of 2021 compared to the same period in 2020 primarily due to higher average TiO<sub>2</sub> selling prices. The Chemicals Segment's net sales increased in the full year of 2021 compared to the full year of 2020 primarily due to higher average TiO<sub>2</sub> selling prices and higher sales volumes. The Chemicals Segment's TiO<sub>2</sub> sales volumes were 6% higher in the full year of 2021 as compared to the full year of 2020 due to higher demand in the European, North American and Latin American markets. Increased demand resulted from continuing improvements in global economic activity in 2021 compared to the negative impact from the COVID-19 pandemic in 2020. The Chemicals Segment's TiO<sub>2</sub> sales volumes in the fourth quarter of 2021 were comparable to the fourth quarter of 2020. The Chemicals Segment's average TiO<sub>2</sub> selling prices were 17% higher in the fourth quarter of 2021 as compared to the fourth quarter of 2020 and 8% higher in the full year of 2021 as compared to the full year of 2020. The Chemicals Segment's average TiO<sub>2</sub> selling prices at the end of 2021 were 6% higher than the end of the third quarter of 2021 and 16% higher than at the beginning of the year. Fluctuations in currency exchange rates (primarily the euro) also affected net sales comparisons, decreasing our Chemicals Segment's net sales by approximately \$4 million in the fourth quarter of 2021 and increasing net sales by approximately \$43 million in the full year of 2021 as compared to the same periods in 2020. The table at the end of this press release shows how each of these items impacted our Chemical Segment's net sales.

The Chemicals Segment's operating income in the fourth quarter of 2021 was \$55.4 million as compared to \$22.2 million in the fourth quarter of 2020 and \$200.8 million for the full year of 2021 compared to \$126.5 million for the full year of 2020. The Chemicals Segment's operating income increased in the fourth quarter of 2021 as compared to the fourth quarter of 2020 primarily due to higher average TiO<sub>2</sub> selling prices, partially offset by higher production costs, including raw material and energy costs. The Chemicals Segment's operating income increased in the full year of 2021 primarily due to higher average TiO<sub>2</sub> selling prices and higher sales volumes, partially offset by higher manufacturing and other production costs, including higher costs for raw materials and energy. The Chemicals Segment's TiO<sub>2</sub> production volumes were 8% higher in the fourth quarter of 2021 and 5% higher in the full year of 2021 as compared to the same periods of 2020. The Chemicals Segment decreased production levels in 2020 (primarily in the third quarter) to correspond to the temporary decline in demand resulting from the COVID-19 pandemic. The Chemicals Segment operated its production facilities at full practical capacity in the full year of 2021 (97%, 100%, 100% and 100% in the first, second, third and fourth quarters of 2021, respectively) compared to 92% in the full year of 2020 (95%, 96%, 86% and 92% in the first, second, third and fourth quarters of 2020, respectively). Fluctuations in currency exchange rates (primarily the euro) increased operating income by approximately \$2 million in the fourth quarter of 2021 as compared to the fourth quarter of 2020. Fluctuations in currency exchange rates (primarily the Canadian dollar) also affected the year-to-date operating income comparison, which decreased operating income by approximately \$13 million in the full year of 2021 as compared to the full year of 2020.

The Component Products Segment's net sales were \$34.1 million in the fourth quarter of 2021 compared to \$30.0 million in the fourth quarter of 2020 and \$140.8 million for the full year of 2021 compared to \$114.5 million for the full year of 2020. The Component Products Segment's fourth quarter 2021 net sales increased over the 2020 comparable period primarily due to higher security products sales, largely increased sales to the government security and transportation markets and, to a lesser extent, higher marine component sales, predominantly to the towboat market. The Component Products Segment's net sales increased for the full year of 2021 compared to the full year of 2020 primarily due to higher sales volumes at both its reporting units. Operating income attributable to the Component Products Segment was \$3.8 million in the fourth quarter of 2021 compared to \$2.3 million in the fourth quarter of 2020 and \$20.5 million for the full year of 2021 compared to \$11.8 million for the full year of 2020. The Component Products Segment's operating income increased for the fourth quarter of 2021 compared to the fourth quarter of 2020 as higher costs, specifically increased raw material, shipping and labor costs, were more than offset by higher sales. The Component Products Segment's net sales and operating income were negatively impacted by the COVID-19 pandemic in the second and third quarters of 2020, which significantly impacts the comparisons for the full year. Beginning in the third quarter of 2020 and continuing through 2021, the Component Products Segment's sales generally improved at both its reporting units and its operating income increased for the full year of 2021 as compared to 2020 primarily due to the favorable effect of higher sales and production volumes, partially offset by higher production costs including increased raw materials, shipping and labor costs.

The Real Estate Management and Development Segment had sales of \$153.1 million in the fourth quarter of 2021, including \$150.8 million in revenue on sales of land held for development, compared to sales of \$71.9 million in the fourth quarter of 2020, including \$70.2 million in revenue on sales of land held for development. For the full year of 2021 the Real Estate Management and Development Segment had sales of \$216.2 million, including \$207.8 million in revenue on sales of land held for development, compared to sales of \$96.4 million, including \$87.0 million in sales of land held for development in the full year of 2020. Land sales revenue is generally recognized over time based on cost inputs, and land sales revenues are dependent on spending for development activities as we balance development requirements with home builder output during the year. Land sales revenues are also impacted by the relative timing of when new land parcel sales are closed. Land sales revenues increased in the fourth quarter and full year of 2021 as compared to the same periods in 2020 primarily due to an increase in both the amount of acreage sold and sales price per acre in 2021 as compared to 2020 and increased development activity in 2021 compared to the same periods of 2020. In addition, during the fourth quarter of 2021, our Real Estate Management and Development Segment closed on two parcels for proceeds of approximately \$70 million, and during the fourth quarter of 2020, our Real Estate Management and Development Segment closed on a single parcel for proceeds of approximately \$55 million. The contracts for these parcels contained no post-closing obligations therefore we recognized the full \$70 million and \$55 million in revenue in the fourth quarters of 2021 and 2020, respectively. In the second quarter of 2020, to conserve resources at the onset of the pandemic, we reduced infrastructure development spending to only those expenditures necessary to fulfill our contractual obligations. Beginning in the second half of 2020 and through 2021 we increased development spending in response to improved demand. Recognition of tax increment reimbursement note receivables of \$15.3 million (\$8.0 million, or \$.28 per share, net of income taxes and noncontrolling interest) in 2021 and \$19.1 million (\$9.9 million, or \$.35 per share, net of income taxes and noncontrolling interest) in 2020 is also included in the determination of operating income. Excluding the recognition of the tax increment note receivables, increased land sales revenues resulted in higher operating income in both the fourth quarter and full year of 2021 compared to the same periods of 2020.

Corporate expenses in the fourth quarter and full year of 2021 were comparable to the same periods of 2020. In 2021 we sold excess property not used in our operations for net proceeds of approximately \$23.4 million and recognized a pre-tax gain of \$16.0 million (\$12.3 million, or \$.43 per share, net of income taxes and noncontrolling interest). In the first quarter of 2020, Kronos recognized a \$1.5 million insurance settlement gain (\$.8 million, or \$.03 per share, net of income taxes and noncontrolling interest) related to a property damage claim.

Discontinued operations represent a pre-tax gain of approximately \$4.9 million (\$4.3 million or \$.15 per diluted share) in the fourth quarter of 2020 related to proceeds received in final settlement of an earn-out provision in the sale agreement for our former Waste Management Segment.

The statements in this press 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 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 predicted. While it is not possible to identify all factors, we continue to face many risks and uncertainties. Among the factors that could cause our actual future results to differ materially include, but are not limited to, the following:

- Future supply and demand for our products;
- The extent of the dependence of certain of our businesses on certain market sectors;
- The cyclical nature of certain 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 ore, zinc, brass, aluminum, steel and energy 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, reduce demand or perceived demand for TiO<sub>2</sub>, component products and land held for development 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);
- Competitive products and substitute products;
- Customer and competitor strategies;
- Potential difficulties in integrating future acquisitions;
- Potential difficulties in upgrading or implementing accounting and manufacturing software systems;
- Potential consolidation of our competitors;
- Potential consolidation of our customers;
- The impact of pricing and production decisions;
- Competitive technology positions;
- Our ability to protect or defend intellectual property rights;
- The introduction of trade barriers or trade disputes;
- The ability of our subsidiaries to pay us dividends;
- The impact of current or future government regulations (including employee healthcare benefit related regulations);

- Uncertainties associated with new product development and the development of new product features;
- 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;
- Operating interruptions (including, but not limited to, labor disputes, leaks, natural disasters, fires, explosions, unscheduled or unplanned downtime, transportation interruptions, cyber-attacks and public health crises such as COVID-19);
- Decisions to sell operating assets other than in the ordinary course of business;
- The timing and amounts of insurance recoveries;
- Our ability to renew, amend, refinance or establish credit facilities;
- Potential increases in interest rates;
- Our ability to maintain sufficient liquidity;
- 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, 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 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 NL, with respect to asserted health concerns associated with the use of such products) including new environmental health and safety regulations such as those seeking to limit or classify TiO<sub>2</sub> or its use;
- The ultimate resolution of pending litigation (such as NL's lead pigment and environmental matters);
- Our ability to comply with covenants contained in our revolving bank credit facilities;
- Our ability to complete and comply with the conditions of our licenses and permits;
- Changes in real estate values and construction costs in Henderson, Nevada;
- Water levels in Lake Mead; and
- Possible future litigation.

Should one or more of these risks materialize (or the consequences of such 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.

Valhi, Inc. is engaged in the chemicals (TiO<sub>2</sub>), component products (security products and recreational marine components) and real estate management and development industries.

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**VALHI, INC. AND SUBSIDIARIES**  
**CONDENSED SUMMARY OF INCOME**  
(In millions, except earnings per share)

	Three months ended December 31,		Year ended December 31,	
	2020	2021	2020	2021
	(unaudited)			
<b>Net sales</b>				
Chemicals	\$ 414.9	\$ 496.0	\$ 1,638.8	\$ 1,939.4
Component products	30.0	34.1	114.5	140.8
Real estate management and development	71.9	153.1	96.4	216.2
<i>Total net sales</i>	<u>\$ 516.8</u>	<u>\$ 683.2</u>	<u>\$ 1,849.7</u>	<u>\$ 2,296.4</u>
<b>Operating income</b>				
Chemicals	\$ 22.2	\$ 55.4	\$ 126.5	\$ 200.8
Component products	2.3	3.8	11.8	20.5
Real estate management and development	22.4	71.3	47.8	97.3
<i>Total operating income</i>	46.9	130.5	186.1	318.6
General corporate items:				
Securities earnings	1.2	1.1	4.7	4.0
Insurance recoveries	—	.1	1.6	.1
Gain on land sales	—	—	.5	16.0
Changes in market value of Valhi common stock held by subsidiaries	.5	1.3	(1.7)	3.3
Other components of net periodic pension and OPEB expense	(5.2)	(3.8)	(20.1)	(17.0)
General expenses, net	(8.3)	(8.6)	(34.3)	(34.7)
Interest expense	(8.8)	(7.3)	(36.2)	(32.5)
<i>Income from continuing operations before income taxes</i>	26.3	113.3	100.6	257.8
Income tax expense (benefit)	(5.3)	24.9	15.9	60.1
<i>Net income from continuing operations</i>	31.6	88.4	84.7	197.7
<i>Income from discontinued operations</i>	4.3	—	4.3	—
Net income	35.9	88.4	89.0	197.7
Noncontrolling interest in net income of subsidiaries	11.4	36.4	33.8	70.5
<i>Net income attributable to Valhi stockholders</i>	<u>\$ 24.5</u>	<u>\$ 52.0</u>	<u>\$ 55.2</u>	<u>\$ 127.2</u>



**VALHI, INC. AND SUBSIDIARIES**  
**CONDENSED SUMMARY OF INCOME (Continued)**  
(In millions, except earnings per share)

	<b>Three months ended</b>		<b>Year ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>
	<b>(unaudited)</b>			
<i>Amounts attributable to Valhi stockholders:</i>				
Income from continuing operations	\$ 20.2	\$ 52.0	\$ 50.9	\$ 127.2
Income from discontinued operations	4.3	—	4.3	—
<i>Net income attributable to Valhi stockholders</i>	<u>\$ 24.5</u>	<u>\$ 52.0</u>	<u>\$ 55.2</u>	<u>\$ 127.2</u>
<i>Basic and diluted net income per share</i>				
Income from continuing operations	\$ .71	\$ 1.83	\$ 1.79	\$ 4.46
Income from discontinued operations	.15	—	.15	—
<i>Net income attributable to Valhi stockholders</i>	<u>\$ .86</u>	<u>\$ 1.83</u>	<u>\$ 1.94</u>	<u>\$ 4.46</u>
Basic and diluted weighted average shares outstanding	28.5	28.5	28.5	28.5

**VALHI, INC. AND SUBSIDIARIES**  
**IMPACT OF PERCENTAGE CHANGE IN CHEMICAL SEGMENT'S NET SALES**  
**(unaudited)**

	<b>Three months ended December 31, 2021 vs. 2020</b>	<b>Year ended December 31, 2021 vs. 2020</b>
Percentage change in TiO <sub>2</sub> net sales :		
TiO <sub>2</sub> product pricing	17 %	8 %
TiO <sub>2</sub> sales volumes	—	6
TiO <sub>2</sub> product mix/other	4	1
Changes in currency exchange rates	(1)	3
<b>Total</b>	<b>20 %</b>	<b>18 %</b>