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)
November 8, 2018

VALHI, INC.

(Exact name of registrant as specified in its charter)

Delaware	**1-5467**	**87-0110150**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5430 LBJ Freeway, Suite 1700, Dallas, Texas	**75240-2620**
(Address of principal executive offices)	(Zip Code)

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

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

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company ☐

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

Item 2.02 Results of Operations and Financial Condition.

Item 7.01 Regulation FD Disclosure.

The registrant hereby furnishes the information set forth in its press release issued on November 8, 2018, 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

Item No.	Exhibit Index
99.1	Press release dated November 8, 2018 issued by the registrant.

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)

By: /s/ Gregory M. Swalwell

Date: November 8, 2018

Gregory M. Swalwell,
Executive Vice President, Chief Financial Officer and Chief Accounting Officer

VALHI

PRESS RELEASE

FOR IMMEDIATE RELEASE

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VALHI REPORTS THIRD QUARTER 2018 RESULTS

DALLAS, TEXAS . . November 8, 2018. Valhi, Inc. (NYSE: VHI) reported net income from continuing operations attributable to Valhi stockholders of $142.8 million, or $.42 per diluted share, in the third quarter of 2018 compared to $44.2 million, or $.13 per diluted share, in the third quarter of 2017. Valhi reported net income from continuing operations attributable to Valhi stockholders of $205.8 million, or $.60 per diluted share, in the first nine months of 2018 compared to $175.6 million, or $.51 per diluted share in the first nine months of 2017. Net income from continuing operations attributable to Valhi stockholders improved from the 2017 periods primarily due to the net effects of a third quarter 2018 recognition of a non-cash deferred income tax benefit related to Valhi's investment in Kronos, a second quarter 2017 recognition of a non-cash deferred income tax benefit related to the Chemicals Segment's German and Belgian operations, a second quarter 2018 litigation settlement charge related to NL and improved operating results from our three operating segments in the first nine months of 2018.

The Chemicals Segment's net sales of $410.3 million in the third quarter of 2018 were $54.2 million, or 12%, lower than in the third quarter of 2017. The Chemicals Segment's net sales of $1.3 billion in the first nine months of 2018 were $36.8 million, or 3%, higher than in the first nine months of 2017. The Chemicals Segment's net sales decreased in the third quarter of 2018 and increased in the first nine months of 2018 compared to the same periods in 2017 due to the net effects of higher average TiO_2 selling prices and lower sales volumes. The Chemicals Segment's average TiO_2 selling prices were 9% higher in the third quarter of 2018 as compared to the third quarter of 2017 and were 18% higher in the first nine months of 2018 as compared to the same prior year period. The Chemicals Segment's average selling prices at the end of the third quarter of 2018 were 2% lower than at the end of the second quarter of 2018, and were 1% higher than at the end of 2017. Higher prices in the European and North American markets were partially offset by lower prices in the Latin American and export markets (attributable to changes in customer mix) at the end of the third quarter of 2018 as compared to the end of 2017. TiO_2 sales volumes in the third quarter of 2018 were 19% lower as compared to the record third quarter sales volumes of 2017 primarily due to lower sales in the European and export markets reflecting the effects of reduced shipments as customer inventory levels returned to more normal levels. The Chemicals Segment's sales volumes in the first nine months of 2018 were 15% lower than the same period in 2017 primarily due to a combination of factors including (i) lower sales in all major markets resulting from a controlled ramp-up in January 2018 as we brought the second phase of our new global enterprise resource planning system online; (ii) inventory management to assure adequate supply to our customers during the spring and summer necessitated by the lower production volumes in the first three months of the year (as discussed below); (iii) product availability in the second quarter; and (iv) customer inventory level changes in the second and third quarters as discussed above. Fluctuations in currency exchange rates (primarily the euro) did not materially affect net sales comparisons in the third quarter but increased net sales by approximately $53 million in the first nine months of 2018 as compared to the same periods in 2017. The table at the end of this press release shows how each of these items impacted the overall change in net sales.

The Chemicals Segment's operating income in the third quarter of 2018 was $61.0 million as compared to $98.4 million in the third quarter of 2017. For the nine months ended September 30, 2018, the Chemicals Segment's operating income was $295.2 million as compared to $234.7 million in the first nine months of 2017. The Chemicals Segment's operating income decreased in the third quarter and increased in the year-to-date period of 2018 compared to the 2017 periods primarily due to the net effect of higher average TiO_2 selling prices, lower sales and production volumes and higher costs for certain raw materials and other production costs. The Chemicals Segment's TiO_2 production volumes were 7% lower in the third quarter and 6% lower in the first nine months of 2018 as compared to the same periods in 2017. The Chemicals Segment's production facilities operated at 95% of practical capacity in the first nine months of 2018 (95%, 97% and 92% in the first, second and third quarters of 2018, respectively) compared to full practical capacity utilization rates for the comparable periods in 2017. The decrease in TiO_2 production volumes in the 2018 periods compared to the production volumes in the 2017 periods was primarily due to maintenance activities at certain facilities in 2018, and the implementation of a productivity-enhancing improvement project at The Chemicals Segment's Belgian facility in the first quarter of 2018. Fluctuations in currency exchange rates also affected operating income comparisons, which increased segment profit by approximately $7 million in the third quarter of 2018 and by approximately $26 million in the year-to-date 2018 period as compared to the same periods in 2017.

The Component Products Segment's net sales increased 11% in the third quarter of 2018 and 4% in the first nine months of 2018 compared to the respective periods of 2017. Third quarter 2018 net sales increased over the comparable 2017 period primarily due to higher sales of security products across the majority of our markets and continued strong growth in sales of marine components to various marine and industrial markets. Net sales increased for the first nine months of 2018 compared to the same period in 2017 due to higher marine components sales volumes, and to a lesser extent security products sales across a majority of our markets. The Component Products Segment's operating income increased from $3.4 million in the third quarter of 2017 to $4.5 million in the third quarter of 2018 and increased from $12.5 million in the first nine months of 2017 to $14.9 million in the first nine months of 2018, principally as a result of favorable changes in customer and product mix in security products and improved manufacturing efficiencies facilitated by increased production volumes and cost reductions.

The Real Estate Management and Development Segment had third quarter 2018 sales of $14.9 million, including $13.4 million in revenue on sales of land held for development, compared to sales of $5.1 million in the third quarter of 2017, including $2.7 million in sales of land held for development. For the first nine months of 2018 the Real Estate Management and Development Segment had sales of $28.1 million, including $23.0 million in revenue on sales of land held for development, compared to sales of $21.0 million in the first nine months of 2017, including $14.8 million in sales of land held for development. The Real Estate Management and Development Segment had operating income in the third quarter of 2018 of $3.7 million, an increase of $2.4 million compared to operating income of $1.3 million in the 2017 period, consistent with the higher revenues. The Real Estate Management and Development Segment had operating income of $7.9 million in the first nine months of 2018 compared to $3.1 million in the same period of 2017. Land sales revenue is generally recognized over time based on costs inputs, and land sales revenues were higher in both periods of 2018 as compared to 2017 primarily due to the relatively higher percentage completion of land sales in existing development phases during the third quarter of 2018. Land infrastructure development spending increased in third quarter of 2018 as we balanced development requirements with home builder outputs during the periods along with developing new phases of our master planned community. Operating income in the first nine months of 2018 also includes $3.1 million of income in the first quarter related to the recognition of tax increment reimbursement note receivables. Because the land held for development acquired was initially recognized at the estimated fair value at December 31, 2013 in connection with the previously-reported acquisition of a controlling interest in this segment, the Company does not expect to recognize significant operating income on land sales during 2018.

Corporate expenses were 101% higher in the third quarter of 2018 compared to the third quarter of 2017, primarily due to higher administrative costs in 2018, offset in part by lower environmental remediation and related costs in 2018. Corporate expenses were 65% higher in the first nine months of 2018 compared to the same period in 2017, primarily due to higher administrative costs, litigation fees and related costs and environmental remediation and related costs in 2018 compared to 2017. In May 2018, NL entered into a settlement agreement in the Santa Clara County, California ligation under which, as supplemented, we recognized a pre-tax $62 million ($40.7 million or $.12 per diluted share net of income taxes and noncontrolling interest) litigation settlement expense in the second quarter of 2018. The settlement agreement is subject to a number of conditions. In the first quarter of 2018 we sold two parcels of land not used in our operating activities for an aggregate pre-tax gain of $12.5 million ($9.5 million, or $.03 per diluted share, net of income taxes and noncontrolling interest). In the third quarter of 2018 we recognized a pre-tax securities transaction gain of $12.5 million ($9.9 million, or $.03 per diluted share, net of income taxes) related to the sale of our interest in the Amalgamated Sugar Company LLC.

In September 2017, the Chemicals Segment voluntarily prepaid and terminated its term loan indebtedness using a portion of the proceeds from the September 2017 issuance by Kronos International, Inc., its wholly-owned subsidiary, of €400 million principal amount of 3.75% Senior Secured Notes due September 2025. The Company's results in the third quarter of 2017 include a pre-tax charge of $7.1 million ($.01 per diluted share, net of tax and noncontrolling interest) related to such prepayment.

The Company's income tax benefit on the third quarter and first nine months of 2018 includes a net benefit of $113 million ($.33 per diluted share) related to the recognition of a non-cash deferred income tax benefit related to Valhi's investment in Kronos. The Company's income tax benefit in the first nine months of 2017 includes a non-cash deferred income tax benefit of $170.4 million ($.29 per diluted share) as a result of a net decrease in our deferred income tax asset valuation allowance related to our Chemicals Segment's German and Belgian operations ($7.8 million, or $.01 per diluted share, recognized in the third quarter). The Company's income tax expense in the third quarter of 2017 includes an $11.3 million ($.02 per diluted share) aggregate income tax benefit related to the execution and finalization of an Advance Pricing Agreement between the Canada and Germany associated with our Chemicals Segment.

As previously reported, on January 26, 2018 we completed the sale of our Waste Management Segment, the results of operations of which have been reclassified to discontinued operations for all periods presented. Discontinued operations in the first nine months of 2018 consists principally of a first quarter pre-tax gain on the disposal of this Segment of $58.5 million ($39.3 million, or $.11 per diluted share, net of income taxes).

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 the Company believes the expectations reflected in such forward-looking statements are reasonable, it 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, the Company continues 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 cyclicality of certain of our businesses (such as Kronos' TiO_2 operations);
- Customer and producer inventory levels;
- Unexpected or earlier-than-expected industry capacity expansion (such as the TiO_2 industry);
- Changes in raw material and other operating costs (such as ore, zinc, brass, aluminum, steel and energy 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 materials (such as ore);
- General global economic and political conditions (such as changes in the level of gross domestic product in various regions of the world and the impact of such changes on demand for, among other things, TiO_2 and component products);
- Competitive products and prices and substitute products, including increased competition from low-cost manufacturing sources (such as China);
- Possible disruption of our business or increases in the cost of doing business resulting from terrorist activities or global conflicts;
- Customer and competitor strategies;
- Potential difficulties in integrating future acquisitions;
- Potential difficulties in upgrading or implementing new accounting and manufacturing software systems (such as the Chemicals Segment's new enterprise resource planning system);
- Potential consolidation of our competitors;
- Potential consolidation of our customers;
- The impact of pricing and production decisions;
- Competitive technology positions;
- The introduction of trade barriers;

- 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) or possible disruptions to our business resulting from potential instability 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 and cyber attacks);
- 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;
- 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 ultimate ability to utilize income tax attributes, the benefits of which may or may not presently 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);
- The ultimate resolution of pending litigation (such as NL's lead pigment litigation, environmental and other litigation and Kronos' class action litigation);
- 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 titanium dioxide pigments, component products (security products and high performance marine components), waste management, 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 September 30, 2017	Three months ended September 30, 2018	Nine months ended September 30, 2017	Nine months ended September 30, 2018
	(unaudited)		(unaudited)	
Net sales				
Chemicals	$ 464.5	**$ 410.3**	$ 1,275.7	**$ 1,312.5**
Component products	26.9	**30.0**	86.9	**90.8**
Real estate management and development	5.1	**14.9**	21.0	**28.1**
Total net sales	$ 496.5	**$ 455.2**	$ 1,383.6	**$ 1,431.4**
Operating income				
Chemicals	$ 98.4	**$ 61.0**	$ 234.7	**$ 295.2**
Component products	3.4	**4.5**	12.5	**14.9**
Real estate management and development	1.3	**3.7**	3.1	**7.9**
Total operating income	103.1	**69.2**	250.3	**318.0**
General corporate items:				
Securities earnings	7.5	**19.3**	21.6	**36.1**
Insurance recoveries	0.1	**0.5**	0.2	**0.9**
Gain on land sales	-	**-**	-	**12.5**
Other components of net periodic pension and OPEB expense	(4.5)	**(3.7)**	(12.9)	**(11.2)**
Litigation settlement expense	-	**-**	-	**(62.0)**
Loss on prepayment of debt	(7.1)	**-**	(7.1)	**-**
General expenses, net	(7.2)	**(14.4)**	(26.4)	**(43.6)**
Interest expense	(15.0)	**(14.0)**	(44.2)	**(45.4)**
Income from continuing operations before income taxes	76.9	**56.9**	181.5	**205.3**
Income tax expense (benefit)	14.7	**(91.4)**	(67.5)	**(33.2)**
Net income from continuing operations	62.2	**148.3**	249.0	**238.5**
Income (loss) from discontinued operations	1.7	**0.7**	(108.2)	**38.7**
Net income	63.9	**149.0**	140.8	**277.2**
Noncontrolling interest in net income of subsidiaries	18.0	**5.5**	73.4	**32.7**
Net income attributable to Valhi stockholders	$ 45.9	**$ 143.5**	$ 67.4	**$ 244.5**

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

	Three months ended September 30,		Nine months ended September 30,	
	2017	2018	2017	2018
	(unaudited)		(unaudited)	
Amounts attributable to Valhi stockholders:				
Income from continuing operations	$ 44.2	**$ 142.8**	$ 175.6	**$ 205.8**
Income (loss) from discontinued operations	1.7	**0.7**	(108.2)	**38.7**
Net income attributable to Valhi stockholders	$ 45.9	**$ 143.5**	$ 67.4	**$ 244.5**
Basic and diluted net income per share				
Income from continuing operations	$ 0.13	**$ 0.42**	$ 0.51	**$ 0.60**
Income (loss) from discontinued operations	-	**-**	(0.31)	**0.11**
Net income attributable to Valhi stockholders	$ 0.13	**$ 0.42**	$ 0.20	**$ 0.71**
Basic and diluted weighted average shares outstanding	342.0	**342.1**	342.0	**342.0**

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

	Three months ended September 30, 2018 vs. 2017	Nine months ended September 30, 2018 vs. 2017
Percentage change in TiO_2 net sales :		
TiO_2 product pricing	9%	18%
TiO_2 sales volumes	(19)	(15)
TiO_2 product mix	(2)	(4)
Changes in currency exchange rates	0	4
Total	(12)%	3%