

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

**FORM 8-K**  
**CURRENT REPORT**  
**Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported)

**May 6, 2021**

**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**

---

(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.

---

**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 May 6, 2021, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information, including Exhibit 99.1, the registrant furnishes in this current report under these items 2.02 and 7.01 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 8.01 Other Events.**

The registrant is also filing this current report to revise and update the description of its capital stock. Such description is set forth in Exhibit 99.2 to this current report and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Item No.</u>	<u>Exhibit Index</u>
99.1	<a href="#">Press release dated May 6, 2021 entitled “Valhi Reports First Quarter 2021 Results” and issued by the registrant.</a>
99.2*	<a href="#">Description of the Registrant’s Capital Stock.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Intended to be deemed filed rather than furnished pursuant to General Instruction B.2 to Form 8-K.

---





---

## PRESS RELEASE

---

### FOR IMMEDIATE RELEASE

Valhi, Inc.  
Three Lincoln Centre  
5430 LBJ Freeway, Suite 1700  
Dallas, Texas 75240-2620  
(972) 233-1700

### CONTACT:

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

### VALHI REPORTS FIRST QUARTER 2021 RESULTS

DALLAS, TEXAS . . May 6, 2021. Valhi, Inc. (NYSE: VHI) reported net income attributable to Valhi stockholders of \$14.8 million, or \$.52 per share, in the first quarter of 2021 compared to net income of \$24.4 million, or \$.86 per share, in the first quarter of 2020. Net income attributable to Valhi stockholders decreased in the first quarter of 2021 as compared to the first quarter of 2020 primarily due to lower operating results from our Chemicals Segment and lower income from tax increment infrastructure reimbursement from our Real Estate Management and Development Segment in 2021.

The Chemicals Segment's net sales were \$465.0 million in the first quarter of 2021 compared to \$421.0 million in the first quarter of 2020. The Chemicals Segment's net sales increased in the first quarter of 2021 primarily due to higher sales volumes partially offset by lower average TiO<sub>2</sub> selling prices. TiO<sub>2</sub> sales volumes were 3% higher in the first quarter of 2021 as compared to the first quarter of 2020 primarily due to higher demand in North American and Latin American markets partially offset by lower sales volumes in the European market. The Chemicals Segment's average TiO<sub>2</sub> selling prices were 1% lower in the first quarter of 2021 as compared to the first quarter of 2020 and TiO<sub>2</sub> selling prices at the end of the first quarter of 2021 were 1% higher than at the end of 2020. TiO<sub>2</sub> 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. Fluctuations in currency exchange rates (primarily the euro) also affected net sales comparisons, increasing our Chemicals Segment's net sales by approximately \$20 million in the first quarter of 2021 as compared to the first quarter of 2020. The table at the end of this press release shows how each of these items impacted net sales.

The Chemicals Segment's operating income in the first quarter of 2021 was \$37.7 million as compared to \$46.8 million in the first quarter of 2020. The Chemicals Segment's operating income decreased in the first quarter of 2021 as compared to the first quarter of 2020 primarily due to the net effects of fluctuations in currency exchange rates, which decreased operating income by approximately \$16 million in the first quarter of 2021 as compared to the first quarter of 2020, lower average TiO<sub>2</sub> selling prices, higher sales volumes and lower production costs. Due to the phase-out of sulfate production at one of its facilities in the fourth quarter of 2020, the Chemicals Segment's TiO<sub>2</sub> production volumes were 1% lower in the first quarter of 2021 as compared to the first quarter of 2020. The Chemicals Segment's production facilities operated at overall average capacity utilization rates of 97% and 95% in the first quarters of 2021 and 2020, respectively.

The Component Products Segment's net sales were \$35.9 million in the first quarter of 2021 compared to \$32.3 million in the first quarter of 2020. The Component Products Segment's net sales increased primarily due to higher marine components sales to the towboat market and to a lesser extent higher security products sales. The higher marine components sales reflect the overall increase in demand in the recreational marine market which began in late spring 2020. Operating income attributable to the Component Products Segment was \$5.8 million in the first quarter of 2021 compared to \$5.0 million in the first quarter of 2020. The Component Products Segment's operating income increased in the first quarter of 2021 compared to the first quarter of 2020 due to the higher marine components sales as well as lower overall employee medical expenses for both security products and marine components, partially offset by higher cost of sales for security products.

The Real Estate Management and Development Segment had sales of \$8.1 million in the first quarter of 2021, including \$6.6 million in revenue on sales of land held for development, compared to sales of \$6.0 million in the first quarter of 2020, including \$3.6 million in revenue on sales of land held for development. 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 first quarter of 2021 as compared to the first quarter of 2020 primarily due to an increase in the amount of acreage sold in 2021 as compared to 2020. The Real Estate Management and Development Segment had operating income in the first quarter of 2021 of \$7.8 million compared to operating income of \$19.2 million in the first quarter of 2020. Operating income in the first quarter of 2021 includes income related to the recognition of tax increment reimbursement note receivables of \$6.2 million (\$3.2 million, or \$.11 per share, net of income taxes and noncontrolling interest) compared to \$19.1 million (\$9.9 million, or \$.35 per share, net of income taxes and noncontrolling interest) of such income recognized in the first quarter of 2020.

Corporate expenses in the first quarter of 2021 were comparable to the first quarter of 2020. 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.

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 costs, reduce demand or perceived demand for TiO<sub>2</sub>, component products and land held for sale 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) 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;
- 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.

\* \* \* \* \*

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

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2020</b>	<b>2021</b>
	<b>(unaudited)</b>	
<b>Net sales</b>		
Chemicals	\$ 421.0	\$ 465.0
Component products	32.3	35.9
Real estate management and development	6.0	8.1
<i>Total net sales</i>	<u>\$ 459.3</u>	<u>\$ 509.0</u>
<b>Operating income</b>		
Chemicals	\$ 46.8	\$ 37.7
Component products	5.0	5.8
Real estate management and development	19.2	7.8
<i>Total operating income</i>	71.0	51.3
General corporate items:		
Securities earnings	1.6	.9
Insurance recoveries	1.6	-
Changes in market value of Valhi common stock held by subsidiaries	(2.4)	1.3
Other components of net periodic pension and OPEB expense	(4.7)	(4.3)
General expenses, net	(8.1)	(8.1)
Interest expense	(9.7)	(8.6)
<i>Income before income taxes</i>	49.3	32.5
Income tax expense	11.4	8.0
<i>Net income</i>	37.9	24.5
Noncontrolling interest in net income of subsidiaries	13.5	9.7
<i>Net income attributable to Valhi stockholders</i>	<u>\$ 24.4</u>	<u>\$ 14.8</u>
Amounts attributable to Valhi stockholders:		
Basic and diluted net income per share	\$ .86	\$ .52
Basic and diluted weighted average shares outstanding	28.5	28.5

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

**Three months ended**  
**March 31,**  
**2021 vs. 2020**

---

Percentage change in TiO <sub>2</sub> net sales :	
TiO <sub>2</sub> sales volumes	3 %
TiO <sub>2</sub> product pricing	(1)
TiO <sub>2</sub> product mix/other	3
Changes in currency exchange rates	<u>5</u>
Total	<u><u>10</u></u> %

**Valhi, Inc.**  
**Description of Capital Stock**  
**May 6, 2021**

***General***

Our third amended and restated certificate of incorporation, as amended, authorizes the issuance of 50,500,000 shares of all classes of stock, consisting of 50,000,000 shares of common stock, \$.01 par value per share, and 500,000 shares of preferred stock, \$.01 par value per share.

***Common Stock***

*Common Stock Outstanding.* As of April 30, 2021, there were 28,273,093 shares of our common stock issued and outstanding for voting purposes. In addition to those shares of our common stock, as of April 30, 2021 there were another 1,341,489 shares of our common stock issued and owned by majority-owned subsidiaries of ours; pursuant to Delaware law, we treat those shares as treasury stock for voting purposes. The outstanding shares of our common stock are duly authorized, validly issued, fully paid and nonassessable.

*Voting Rights.* Each holder of our common stock is entitled to one vote for each share of our common stock held of record on the applicable record date on all matters submitted to a vote of our stockholders, except as described above regarding shares owned by majority-owned subsidiaries.

*Dividend Rights.* Holders of our common stock, including majority-owned subsidiaries holding our stock, are entitled to receive such dividends as may be declared from time to time by our board of directors out of funds legally available for dividends, subject to any preferential dividend rights granted to the holders of any outstanding shares of preferred stock.

*Rights upon Liquidation.* Holders of our common stock are entitled to share pro rata, upon our liquidation, dissolution or winding up, in all remaining assets available for distribution to stockholders after payment of or provision for our liabilities and the liquidation preference of any outstanding preferred stock of ours at that time.

*No Preemptive Rights.* Holders of our common stock have no preemptive rights to purchase, subscribe for or otherwise acquire any unissued or treasury shares of our common stock or any of our other securities.

---

## ***Preferred Stock***

Under our third amended and restated certificate of incorporation, as amended, our board of directors has the authority, without stockholder approval, to create one or more classes or series within a class of preferred stock, to issue up to 500,000 shares of preferred stock in such class or series up to the maximum number of shares of the relevant class or series of preferred stock authorized, and to determine the preferences, rights, privileges and restrictions of any such class or series, including the dividend rights, voting rights, the rights and terms of redemption, the rights and terms of conversion, liquidation preferences, the number of shares constituting any such class or series and the designation of such class or series. Acting under this authority, our board of directors could create and issue a class or series of preferred stock with rights, privileges or restrictions, and adopt a stockholder rights plan, having the effect of discriminating against an existing or prospective holder of securities as a result of such stockholder beneficially owning or commencing a tender offer for a substantial amount of our common stock. One of the effects of authorized but unissued and unreserved shares of preferred stock may be to issue shares of preferred stock with rights superior to our common stock. Another of the effects of authorized but unissued and unreserved shares of capital stock may be to render more difficult or discourage an attempt by a potential acquirer to obtain control of us by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management. The issuance of such shares of capital stock may have the effect of delaying, deferring or preventing a change in control of us without any further action by our stockholders. However, since we are a majority-owned subsidiary of our parent companies, it would be difficult for an unrelated party to obtain control of us without the cooperation of our controlling stockholder. We have no present intention to adopt a stockholder rights plan, but could do so without stockholder approval at any future time.

As of April 30, 2021, none of the preferred stock is designated as to series.