

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, 2017

Kronos Worldwide, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-31763
(Commission
File Number)

76-0294959
(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))

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.

The registrant hereby furnishes the information set forth in the press release issued on November 8, 2017, 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, 2017 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.

KRONOS WORLDWIDE, INC.
(Registrant)

By: /s/ Gregory M. Swalwell

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

Date: November 8, 2017

News Release

FOR IMMEDIATE RELEASE



KRONOS WORLDWIDE REPORTS THIRD QUARTER 2017 RESULTS

DALLAS, TEXAS...November 8, 2017... Kronos Worldwide, Inc. (NYSE:KRO) today reported net income of \$73.8 million, or \$.64 per share, in the third quarter of 2017 compared to net income of \$22.2 million, or \$.19 per share, in the third quarter of 2016. For the first nine months of 2017, Kronos Worldwide reported net income of \$307.1 million, or \$2.65 per share, compared to net income of \$20.1 million, or \$.17 per share in the first nine months of 2016. We reported higher net income in the third quarter of 2017 as compared to the third quarter of 2016 primarily due to higher income from operations resulting from the net effects of higher average selling prices, higher sales and production volumes and higher raw materials and other production costs. We reported higher net income in the first nine months of 2017 compared to the same period in 2016 in part due to higher income from operations resulting from the favorable effects of higher average selling prices, higher sales and production volumes and lower raw materials and other production costs. In addition, our results in the 2017 periods include the recognition of a non-cash deferred income tax benefit as a result of a net decrease in our deferred income tax asset valuation allowance related to our German and Belgian operations, as discussed below.

Net sales of \$464.5 million in the third quarter of 2017 were \$108.4 million, or 30%, higher than in the third quarter of 2016. Net sales of \$1.276 billion in the first nine months of 2017 were \$245.1 million, or 24%, higher than in the first nine months of 2016. Net sales increased in 2017 due to higher average TiO₂ selling prices and higher sales volumes. The Company's average TiO₂ selling prices were 23% higher in the third quarter of 2017 as compared to the third quarter of 2016 and were 20% higher in the first nine months of the year as compared to the same prior year period. The Company's average selling prices at the end of the third quarter of 2017 were 8% higher than at the end of the second quarter of 2017 and were 21% higher than at the end of 2016, with higher prices in all major markets. TiO₂ sales volumes in each of the third quarter and year-to-date period of 2017 were 5% higher as compared to the same periods in 2016 due to higher sales in the European, North American and export markets. Kronos' sales volumes in the third quarter and first nine months of 2017 set a new overall record for a third quarter and first-nine-month period. Fluctuations in currency exchange rates (primarily the euro) also affected net sales comparisons, increasing net sales by approximately \$13 million in the third quarter of 2017 and decreasing net sales by approximately \$2 million in the first nine months of 2017 as compared to the same periods in 2016. The table at the end of this press release shows how each of these items impacted the overall increase in sales.

The Company's TiO₂ segment profit (see description of non-GAAP information below) in the third quarter of 2017 was \$95.0 million as compared to \$31.0 million in the third quarter of 2016. For the year-to-date period, the Company's segment profit was \$225.2 million as compared to \$48.2 million in the first nine months of 2016. Segment profit increased in the third quarter of 2017 primarily due to higher average TiO₂ selling prices and higher sales and production volumes partially offset by higher costs for certain raw materials and other production costs. Segment profit increased in the first nine months of 2017 primarily due to higher average TiO₂ selling prices, higher sales and production volumes and lower raw materials and other production costs. Kronos' TiO₂ production volumes were 2% higher in the third quarter and 7% higher in the first nine months of 2017 as compared to the same periods in 2016. We operated our production facilities at full practical capacity utilization rates in the first nine months of 2017 compared to approximately 97% in the first nine months of 2016. Kronos' production volumes in the third quarter and first nine months of 2017 set a new overall record for a third quarter and first-nine-month period. Fluctuations in currency exchange rates also affected segment profit comparisons, which decreased segment profit by approximately \$6 million in the third quarter and by approximately \$19 million in the year-to-date period.

The Company's net income before income taxes, interest expense (including gains and losses on prepayment of debt) and depreciation and amortization expense ("EBITDA") (see description of non-GAAP information below) in the third quarter of 2017 was \$102.5 million compared to EBITDA of \$38.0 million in the third quarter of 2016. For the first nine months of 2017, the Company's EBITDA was \$245.4 million compared to \$69.4 million in the first nine months of 2016.

Other operating income, net in the first nine months of 2016 includes an insurance settlement gain of \$3.4 million (\$2.6 million, or \$.02 per share, net of income tax expense) related to a 2014 business interruption claim.

In September 2017, we voluntarily prepaid and terminated our term loan indebtedness using a portion of the proceeds from the September 2017 issuance by Kronos International, Inc., our 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 (\$4.6 million, or \$.04 per share, net of income tax benefit) related to such prepayment.

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 (\$1.47 per share) as a result of a net decrease in our deferred income tax asset valuation allowance related to our German and Belgian operations (\$7.8 million or \$.07 per share recognized in the third quarter) and a third quarter aggregate income tax benefit of \$11.3 million (\$.10 per share) related to the execution and finalization of an Advance Pricing Agreement between Canada and Germany. The Company's income tax expense in the first nine months of 2016 includes a non-cash deferred income tax expense of \$2.1 million (\$.02 per share) as a result of a net increase in our deferred income tax asset valuation allowance related to our German and Belgian operations (most of which was recognized in the second quarter) and a third quarter current income tax benefit of \$5.6 million (\$.05 per share) related to the execution and finalization of an Advance Pricing Agreement between U.S. and Canada.

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 the Company believes that the expectations reflected in such forward-looking statements are reasonable, it 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, the Company continues to face many risks and uncertainties. The factors that could cause 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 our business
- Customer and producer inventory levels
- Unexpected or earlier-than-expected industry capacity expansion
- Changes in raw material and other operating costs (such as energy and ore 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 TiO₂)
- Competitive products and substitute products
- Customer and competitor strategies
- Potential consolidation of our competitors
- Potential consolidation of our customers
- The impact of pricing and production decisions
- Competitive technology positions
- Potential difficulties in upgrading or implementing new accounting and manufacturing software systems (such as our new enterprise resource planning system)
- The introduction of trade barriers
- Possible disruption of our business, or increases in our cost of doing business, resulting from terrorist activities or global conflicts
- 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)
- Our ability to renew or refinance credit facilities
- Our ability to maintain sufficient liquidity
- The ultimate outcome of income tax audits, tax settlement initiatives or other tax matters
- 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)
- Government laws and regulations and possible changes therein
- The ultimate resolution of pending litigation
- 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 forecasted or expected. The Company disclaims any intention or obligation to update or revise any forward-looking statement whether as a result of changes in information, future events or otherwise.

In an effort to provide investors with additional information regarding the Company's results of operations as determined by accounting principles generally accepted in the United States of America (GAAP), the Company has disclosed certain non-GAAP information, which the Company believes provides useful information to investors:

- The Company discloses segment profit, which is used by the Company's management to assess the performance of the Company's TiO₂ operations. The Company believes disclosure of segment profit provides useful information to investors because it allows investors to analyze the performance of the Company's TiO₂ operations in the same way that the Company's management assesses performance. The Company defines segment profit as income before income taxes, interest expense and certain general corporate items. Corporate items excluded from the determination of segment profit include corporate expense and interest income not attributable to the Company's TiO₂ operations; and
- The Company discloses EBITDA, which is also used by the Company's management to assess the performance of the Company's TiO₂ operations. The Company believes disclosure of EBITDA provides useful information to investors because it allows investors to analyze the performance of the Company's TiO₂ operations in the same way that the Company's management assesses performance. The Company defines EBITDA as net income before income taxes, interest expense (including gains and losses on prepayment of debt) and depreciation and amortization expense.

Kronos Worldwide, Inc. is a major international producer of titanium dioxide products.

KRONOS WORLDWIDE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share and metric ton data)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2017	2016	2017
Net sales	\$ 356.1	\$ 464.5	\$ 1,030.6	\$ 1,275.7
Cost of sales	280.6	312.3	859.2	890.3
Gross margin	75.5	152.2	171.4	385.4
Selling, general and administrative expense	43.6	53.0	129.7	152.4
Other operating income (expense):				
Currency transactions, net	(1.0)	(4.3)	3.2	(8.0)
Other income (expense), net	-	(.1)	3.2	(.1)
Corporate expense	(2.9)	(3.2)	(9.9)	(10.9)
Income from operations	28.0	91.6	38.2	214.0
Other income (expense):				
Trade interest income	.1	.2	.1	.3
Other interest and dividend income	-	.2	.4	.4
Loss on prepayment of debt, net	-	(7.1)	-	(7.1)
Interest expense	(5.2)	(5.0)	(15.4)	(14.5)
Income before income taxes	22.9	79.9	23.3	193.1
Income tax expense (benefit)	.7	6.1	3.2	(114.0)
Net income	<u>\$ 22.2</u>	<u>\$ 73.8</u>	<u>\$ 20.1</u>	<u>\$ 307.1</u>
Net income per basic and diluted share	<u>\$.19</u>	<u>\$.64</u>	<u>\$.17</u>	<u>\$ 2.65</u>
Weighted-average shares used in the calculation of net income per share	115.9	115.9	115.9	115.9
TiO ₂ data - metric tons in thousands:				
Sales volumes	143	150	430	450
Production volumes	139	141	401	427

KRONOS WORLDWIDE, INC.
RECONCILIATION OF INCOME FROM
OPERATIONS TO SEGMENT PROFIT

(In millions)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2017	2016	2017
Income from operations	\$ 28.0	\$ 91.6	\$ 38.2	\$ 214.0
Adjustments:				
Trade interest income	.1	.2	.1	.3
Corporate expense	2.9	3.2	9.9	10.9
Segment profit	<u>\$ 31.0</u>	<u>\$ 95.0</u>	<u>\$ 48.2</u>	<u>\$ 225.2</u>

RECONCILIATION OF NET INCOME TO EBITDA

(In millions)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2017	2016	2017
Net income	\$ 22.2	\$ 73.8	\$ 20.1	\$ 307.1
Adjustments:				
Depreciation and amortization expense	9.9	10.5	30.7	30.7
Interest expense (includes loss on prepayment of debt)	5.2	12.1	15.4	21.6
Income tax expense (benefit)	.7	6.1	3.2	(114.0)
EBITDA	<u>\$ 38.0</u>	<u>\$ 102.5</u>	<u>\$ 69.4</u>	<u>\$ 245.4</u>

IMPACT OF PERCENTAGE CHANGE IN SALES

(Unaudited)

	Three months ended September 30, 2017 vs. 2016	Nine months ended September 30, 2017 vs. 2016
	<u> </u>	<u> </u>
Percentage change in sales:		
TiO ₂ product pricing	23 %	20 %
TiO ₂ sales volumes	5	5
TiO ₂ product mix/other	(2)	(1)
Changes in currency exchange rates	<u>4</u>	<u>-</u>
Total	<u>30 %</u>	<u>24 %</u>