SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended June 30, 2016

Commission file number 1-13905

COMPX INTERNATIONAL INC.

(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of Incorporation or organization)	**57-0981653** (IRS Employer Identification No.)
5430 LBJ Freeway, Suite 1700, Three Lincoln Centre, Dallas, Texas (Address of principal executive offices)	**75240-2697** (Zip Code)

Registrant's telephone number, including area code **(972) 448-1400**

Indicate by checkmark:

Whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such a shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act). Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☐

Whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒.

Number of shares of common stock outstanding on July 28, 2016:
Class A: 2,419,107
Class B: 10,000,000

COMPX INTERNATIONAL INC.

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Items 2, 3, 4 and 5 of Part II are omitted because there is no information to report.

COMPX INTERNATIONAL INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

	December 31, 2015	June 30, 2016 (unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 52,347	**$ 51,300**
Accounts receivable, net	8,760	**12,386**
Inventories, net	15,098	**14,124**
Prepaid expenses and other	704	**1,330**
Total current assets	76,909	**79,140**
Other assets:		
Goodwill	23,742	**23,742**
Other noncurrent	590	**590**
Total other assets	24,332	**24,332**
Property and equipment:		
Land	4,928	**4,928**
Buildings	21,231	**22,517**
Equipment	63,539	**64,923**
Construction in progress	1,567	**455**
	91,265	**92,823**
Less accumulated depreciation	57,714	**59,526**
Net property and equipment	33,551	**33,297**
Total assets	$ 134,792	**$ 136,769**

	December 31, 2015	June 30, 2016 (unaudited)
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 11,618	**$ 9,968**
Income taxes payable to affiliates	470	**634**
Total current liabilities	12,088	**10,602**
Noncurrent liabilities -		
Deferred income taxes	5,001	**4,975**
Stockholders' equity:		
Preferred stock	—	**—**
Class A common stock	24	**24**
Class B common stock	100	**100**
Additional paid-in capital	55,422	**55,515**
Retained earnings	62,157	**65,553**
Total stockholders' equity	117,703	**121,192**
Total liabilities and stockholders' equity	$ 134,792	**$ 136,769**

Commitments and contingencies (Note 1)

See accompanying Notes to Condensed Consolidated Financial Statements.

COMPX INTERNATIONAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2015	2016	2015	2016
	(unaudited)		(unaudited)	
Net sales	$ 28,918	**$ 27,107**	$ 56,808	**$ 54,182**
Cost of goods sold	19,758	**18,621**	39,082	**37,491**
Gross profit	9,160	**8,486**	17,726	**16,691**
Selling, general and administrative expense	4,854	**4,769**	9,719	**9,621**
Operating income	4,306	**3,717**	8,007	**7,070**
Interest income	8	**41**	16	**73**
Income before taxes	4,314	**3,758**	8,023	**7,143**
Provision for income taxes	1,504	**1,320**	2,799	**2,505**
Net income	$ 2,810	**$ 2,438**	$ 5,224	**$ 4,638**
Basic and diluted net income per common share	$ 0.23	**$ 0.20**	$ 0.42	**$ 0.37**
Cash dividends per share	$ 0.05	**$ 0.05**	$ 0.10	**$ 0.10**
Basic and diluted weighted average shares outstanding	12,407	**12,415**	12,405	**12,413**

See accompanying Notes to Condensed Consolidated Financial Statements.

COMPX INTERNATIONAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Six months ended June 30, 2015	Six months ended June 30, 2016
	(unaudited)	
Cash flows from operating activities:		
Net income	$ 5,224	**$ 4,638**
Depreciation and amortization	1,771	**1,850**
Deferred income taxes	(224)	**(26)**
Other, net	216	**291**
Change in assets and liabilities:		
Accounts receivable, net	(4,348)	**(3,634)**
Inventories, net	632	**851**
Accounts payable and accrued liabilities	(2,762)	**(1,639)**
Accounts with affiliates	174	**164**
Prepaids and other, net	(95)	**(626)**
Net cash provided by operating activities	588	**1,869**
Cash flows from investing activities -		
Capital expenditures	(1,913)	**(1,674)**
Cash flows from financing activities -		
Dividends paid	(1,240)	**(1,242)**
Cash and cash equivalents - net change from:		
Operating, investing and financing activities	(2,565)	**(1,047)**
Balance at beginning of period	45,570	**52,347**
Balance at end of period	$ 43,005	**$ 51,300**
Supplemental disclosures - cash paid for:		
Income taxes	$ 2,848	**$ 2,367**

See accompanying Notes to Condensed Consolidated Financial Statements.

COMPX INTERNATIONAL INC.

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS’ EQUITY

Six months ended June 30, 2016

(In thousands)

(unaudited)

	Common stock		Additional paid-in capital	Retained earnings	Total stockholders' equity
	Class A	Class B			
Balance at December 31, 2015	$ 24	$ 100	$ 55,422	$ 62,157	$ 117,703
Net income	—	—	—	4,638	4,638
Issuance of common stock	—	—	93	—	93
Cash dividends	—	—	—	(1,242)	(1,242)
Balance at June 30, 2016	**$ 24**	**$ 100**	**$ 55,515**	**$ 65,553**	**$ 121,192**

See accompanying Notes to Condensed Consolidated Financial Statements.

COMPX INTERNATIONAL INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2016

(unaudited)

Note 1 – Organization and basis of presentation:

Organization. We (NYSE MKT: CIX) are 87% owned by NL Industries, Inc. (NYSE: NL) at June 30, 2016. We manufacture and sell component products (security products and recreational marine components). At June 30, 2016, Valhi, Inc. (NYSE: VHI) owns 83% of NL's outstanding common stock and a wholly-owned subsidiary of Contran Corporation owns 93% of Valhi's outstanding common stock. All of Contran's outstanding voting stock is held by a family trust established for the benefit of Lisa K. Simmons and Serena Simmons Connelly and their children, for which Ms. Simmons and Ms. Connelly are co-trustees, or is held directly by Ms. Simmons and Ms. Connelly or entities related to them. Consequently, Ms. Simmons and Ms. Connelly may be deemed to control Contran, Valhi, NL and us.

Basis of presentation. Consolidated in this Quarterly Report are the results of CompX International Inc. and its subsidiaries. The unaudited Condensed Consolidated Financial Statements contained in this Quarterly Report have been prepared on the same basis as the audited Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2015 that we filed with the Securities and Exchange Commission ("SEC") on March 3, 2016 (the "2015 Annual Report"). In our opinion, we have made all necessary adjustments (which include only normal recurring adjustments) in order to state fairly, in all material respects, our consolidated financial position, results of operations and cash flows as of the dates and for the periods presented. We have condensed the Consolidated Balance Sheet at December 31, 2015 contained in this Quarterly Report as compared to our audited Consolidated Financial Statements at that date, and we have omitted certain information and footnote disclosures (including those related to the Consolidated Balance Sheet at December 31, 2015) normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Our results of operations for the interim period ended June 30, 2016 may not be indicative of our operating results for the full year. The Condensed Consolidated Financial Statements contained in this Quarterly Report should be read in conjunction with our 2015 Consolidated Financial Statements contained in our 2015 Annual Report.

Our operations are reported on a 52 or 53-week year. For presentation purposes, annual and quarterly information in the Condensed Consolidated Financial Statements and accompanying notes are presented as ended June 30 and December 31, as applicable. Unless otherwise indicated, references in this report to "we", "us" or "our" refer to CompX International Inc. and its subsidiaries, taken as a whole.

Note 2 – Business segment information:

	Three months ended June 30,		Six months ended June 30,	
	2015	2016	2015	2016
	(In thousands)		(In thousands)	
Net sales:				
Security Products	$ 25,059	**$ 23,195**	$ 49,716	**$ 46,609**
Marine Components	3,859	**3,912**	7,092	**7,573**
Total net sales	$ 28,918	**$ 27,107**	$ 56,808	**$ 54,182**
Operating income (loss):				
Security Products	$ 5,254	**$ 4,785**	$ 10,200	**$ 9,256**
Marine Components	606	**555**	866	**889**
Corporate operating expenses	(1,554)	**(1,623)**	(3,059)	**(3,075)**
Total operating income	4,306	**3,717**	8,007	**7,070**
Interest income	8	**41**	16	**73**
Income before taxes	$ 4,314	**$ 3,758**	$ 8,023	**$ 7,143**

Intersegment sales are not material.

Note 3 – Accounts receivable, net:

	December 31, 2015	June 30, 2016
	(In thousands)	
Accounts receivable, net:		
Security Products	$ 7,995	**$ 11,008**
Marine Components	852	**1,449**
Allowance for doubtful accounts	(87)	**(71)**
Total accounts receivable, net	$ 8,760	**$ 12,386**

Note 4 – Inventories, net:

	December 31, 2015	June 30, 2016
	(In thousands)	
Raw materials:		
Security Products	$ 2,426	**$ 2,444**
Marine Components	381	**369**
Total raw materials	2,807	**2,813**
Work-in-process:		
Security Products	7,732	**7,518**
Marine Components	1,614	**1,314**
Total work-in-process	9,346	**8,832**
Finished goods:		
Security Products	2,041	**1,792**
Marine Components	904	**687**
Total finished goods	2,945	**2,479**
Total inventories, net	$ 15,098	**$ 14,124**

Note 5 – Accounts payable and accrued liabilities:

	December 31, 2015	June 30, 2016
	(In thousands)	
Accounts payable	$ 2,671	**$ 3,207**
Accrued liabilities:		
Employee benefits	7,652	**5,114**
Taxes other than on income	253	**389**
Customer tooling	320	**408**
Professional	75	**20**
Insurance	244	**156**
Other	403	**674**
Total accounts payable and accrued liabilities	$ 11,618	**$ 9,968**

Note 6 – Provision for income taxes:

	Six months ended June 30, 2015	Six months ended June 30, 2016
	(In thousands)	
Expected tax expense, at the U.S. federal statutory income tax rate of 35%	$ 2,808	**$ 2,500**
Domestic production activities deduction	(260)	**(218)**
State income taxes	238	**208**
Other, net	13	**15**
Total income tax expense	$ 2,799	**$ 2,505**

Note 7 – Financial instruments:

The following table presents the financial instruments that are not carried at fair value but which require fair value disclosure:

	December 31, 2015		June 30, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
	(In thousands)			
Cash and cash equivalents	$ 52,347	$ 52,347	**$ 51,300**	**$ 51,300**
Accounts receivable, net	8,760	8,760	**12,386**	**12,386**
Accounts payable	2,671	2,671	**3,207**	**3,207**

Due to their near-term maturities, the carrying amounts of accounts receivable and accounts payable are considered equivalent to fair value.

Note 8 – Related party transactions:

From time to time, we may have loans and advances outstanding between us and various related parties pursuant to term and demand notes. We generally enter into these loans and advances for cash management purposes. When we loan funds to related parties, we are generally able to earn a higher rate of return on the loan than we would earn if we invested the funds in other instruments, and when we borrow from related parties, we are generally able to pay a lower rate of interest than we would pay if we had incurred third-party indebtedness. While certain of these loans to affiliates may be of a lesser credit quality than cash equivalent instruments otherwise available to us, we believe we have considered the credit risks in the terms of the applicable loans. In this regard, on August 3, 2016 we entered into an unsecured revolving demand promissory note with Valhi whereby we have agreed to loan Valhi up to $40 million. Our loan to Valhi bears interest at prime plus 1.00%, payable quarterly, with all principal due on demand, but in any event no earlier than December 31, 2017. The amount of our outstanding loans to Valhi at any time is at our discretion.

Note 9 – Recent accounting pronouncements not yet adopted:

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This standard replaces existing revenue recognition guidance, which in many cases was tailored for specific industries, with a uniform accounting standard applicable to all industries and transactions. The new standard, as amended, is currently effective for us beginning with the first quarter of 2018. Entities may elect to adopt ASU No. 2014-09 retrospectively for all periods for all contracts and transactions which occurred during the period (with a few exceptions for practical expediency) or retrospectively with a cumulative effect recognized as of the date of adoption. ASU No. 2014-09 is a fundamental rewriting of existing GAAP with respect to revenue recognition, and we are still evaluating the effect the Standard will have on our consolidated financial statements. We currently expect to adopt the standard in the first quarter of 2018. In addition, we have not yet determined the method we will use to adopt the Standard.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Business Overview

We are a leading manufacturer of engineered components utilized in a variety of applications and industries. Through our Security Products segment we manufacture mechanical and electronic cabinet locks and other locking mechanisms used in recreational transportation, postal, office and institutional furniture, cabinetry, tool storage and healthcare applications. We also manufacture stainless steel exhaust systems, gauges, throttle controls and trim tabs for the recreational marine and other industries through our Marine Components segment.

General

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Statements in this Quarterly Report that are not historical facts are forward-looking in nature and represent management's beliefs and assumptions based on currently available information. In some cases, you can identify forward-looking statements by the use of words such as "believes," "intends," "may," "should," "could," "anticipates," "expects" or comparable terminology, or by discussions of strategies or trends. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we do not know if these expectations will be correct. Such statements by their nature involve substantial risks and uncertainties that could significantly impact expected results. Actual future results could differ materially from those predicted. The factors that could cause actual future results to differ materially from those described herein are the risks and uncertainties discussed in this Quarterly Report and those described from time to time in our other filings with the SEC and include, but are not limited to, the following:

- Future demand for our products,
- Changes in our raw material and other operating costs (such as zinc, brass and energy costs) and our ability to pass those costs on to our customers or offset them with reductions in other operating costs,
- Price and product competition from low-cost manufacturing sources (such as China),
- The impact of pricing and production decisions,
- Customer and competitor strategies including substitute products,
- Uncertainties associated with the development of new product features,
- Future litigation,
- Potential difficulties in integrating future acquisitions,
- Decisions to sell operating assets other than in the ordinary course of business,
- Environmental matters (such as those requiring emission and discharge standards for existing and new facilities),
- The ultimate outcome of income tax audits, tax settlement initiatives or other tax matters,
- The impact of current or future government regulations (including employee healthcare benefit related regulations),
- Potential difficulties in upgrading or implementing new manufacturing and accounting software systems,
- General global economic and political conditions that introduce instability into the U.S. economy (such as changes in the level of gross domestic product in various regions of the world),
- Operating interruptions (including, but not limited to labor disputes, hazardous chemical leaks, natural disasters, fires, explosions, unscheduled or unplanned downtime, transportation interruptions and cyber-attacks); and
- Possible disruption of our business or increases in the cost of doing business resulting from terrorist activities or global conflicts.

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.

Operations Overview

Operating income was $3.7 million in the second quarter of 2016 compared to $4.3 million in the same period of 2015. Operating income for the first six months of 2016 was $7.1 million compared to $8.0 million for the comparable period. Our operating income decreased for the quarter and for the first six months of 2016 primarily due to lower Security Products sales.

Our product offerings consist of a significantly large number of products that have a wide variation in selling price and manufacturing cost, which results in certain practical limitations on our ability to quantify the impact of changes in individual product sales quantities and selling prices on our net sales, cost of goods sold and gross profit. In addition, small variations in period-to-period net sales, cost of goods sold and gross profit can result from changes in the relative mix of our products sold.

Results of Operations

	Three months ended June 30,					
	2015		%	2016		%
	(Dollars in thousands)					
Net sales	$	28,918	100.0%	**$**	**27,107**	**100.0%**
Cost of goods sold		19,758	68.3%		**18,621**	**68.7%**
Gross profit		9,160	31.7%		**8,486**	**31.3%**
Operating costs and expenses		4,854	16.8%		**4,769**	**17.6%**
Operating income	$	4,306	14.9%	**$**	**3,717**	**13.7%**

	Six months ended June 30,					
	2015		%	2016		%
	(Dollars in thousands)					
Net sales	$	56,808	100.0%	**$**	**54,182**	**100.0%**
Cost of goods sold		39,082	68.8%		**37,491**	**69.2%**
Gross profit		17,726	31.2%		**16,691**	**30.8%**
Operating costs and expenses		9,719	17.1%		**9,621**	**17.8%**
Operating income	$	8,007	14.1%	**$**	**7,070**	**13.0%**

Net sales. Net sales decreased $1.8 million in the second quarter of 2016 and $2.6 million in the first six months of 2016 compared to the respective periods in 2015, primarily due to Security Products sales in 2015 for a government security end-user that, as expected, did not recur in 2016. For the six months ended June 2016, the decrease in Security Products sales was partially offset by increased Marine Components sales to the waterski/wakeboard boat market. Relative changes in selling prices did not have a material impact on net sales comparisons.

Cost of goods sold and gross profit. Cost of goods sold as a percentage of sales increased less than 1% in the second quarter and first six months of 2016 compared to the same periods in 2015. As a result, gross profit as a percentage of net sales decreased slightly over the same periods. Gross profit dollars decreased due to lower sales in the Security Products segment. The decrease in gross profit percentage is primarily due to decreased leverage of fixed manufacturing costs as a result of decreased production volumes during the second quarter and first six months of 2016 partially offset by improved variable contribution margins attributable to relative changes in customer and product mix, primarily in the Security Products segment.

Operating costs and expenses. Operating costs and expenses consist primarily of sales and administrative related personnel costs, sales commissions and advertising expenses, as well as gains and losses on plant, property and equipment. Operating costs and expenses for the second quarter and first six months of 2016 were comparable to the same periods in 2015.

Operating income. As a percentage of net sales, operating income for the second quarter and first six months of 2016 decreased compared to the same periods of 2015 and was primarily impacted by the factors impacting gross profit percentage and operating costs discussed above.

Provision for income taxes. A tabular reconciliation of our actual tax provision to the U.S. federal statutory income tax rate is included in Note 6 to the Condensed Consolidated Financial Statements. Our operations are wholly within the U.S. and therefore our effective income tax rate is primarily reflective of the U.S. federal statutory rate, the benefit associated with the U.S. domestic production activities deduction is fully offset by our provision for U.S. state income taxes.

Segment Results

The key performance indicator for our segments is operating income.

	Three months ended June 30, 2015	Three months ended June 30, 2016	% Change	Six months ended June 30, 2015	Six months ended June 30, 2016	% Change
	(Dollars in thousands)			(Dollars in thousands)		
Net sales:						
Security Products	$ 25,059	**$ 23,195**	-7%	$ 49,716	**$ 46,609**	-6%
Marine Components	3,859	**3,912**	1%	7,092	**7,573**	7%
Total net sales	$ 28,918	**$ 27,107**	-6%	$ 56,808	**$ 54,182**	-5%
Gross profit:						
Security Products	$ 8,053	**$ 7,383**	-8%	$ 15,823	**$ 14,669**	-7%
Marine Components	1,107	**1,103**	0%	1,903	**2,022**	6%
Total gross profit	$ 9,160	**$ 8,486**	-7%	$ 17,726	**$ 16,691**	-6%
Operating income:						
Security Products	$ 5,254	**$ 4,785**	-9%	$ 10,200	**$ 9,256**	-9%
Marine Components	606	**555**	-8%	866	**889**	3%
Corporate operating expenses	(1,554)	**(1,623)**	-4%	(3,059)	**(3,075)**	-1%
Total operating income	$ 4,306	**$ 3,717**	-14%	$ 8,007	**$ 7,070**	-12%
Gross profit margin:						
Security Products	32.1%	**31.8%**		31.8%	**31.5%**	
Marine Components	28.7%	**28.2%**		26.8%	**26.7%**	
Total gross profit margin	31.7%	**31.3%**		31.2%	**30.8%**	
Operating income margin:						
Security Products	21.0%	**20.6%**		20.5%	**19.9%**	
Marine Components	15.7%	**14.2%**		12.2%	**11.7%**	
Total operating income margin	14.9%	**13.7%**		14.1%	**13.0%**	

Security Products. Security Products net sales decreased 7% in the second quarter of 2016 and 6% in the first six months of 2016 compared to the same periods last year. The decrease in sales is primarily due to a decrease of approximately $1.6 million and $3.2 million in sales for a government security end-user that did not recur in the second quarter or first six months of 2016, respectively.

Gross profit margin and operating income as a percentage of sales for the second quarter and first six months of 2016 decreased compared to the same periods in 2015 primarily due to decreased leverage of fixed costs and operating costs and expenses as a result of decreased production volumes, partially offset by improved variable contribution margins attributable to changes in customer and product mix.

Marine Components. Marine Components net sales increased 1% and 7% in the second quarter and first six months of 2016, respectively, as compared to the same periods last year. The increase in sales for the first six months of 2016 is primarily due to improved demand for products sold to the waterski/wakeboard boat market.

Gross profit margin and operating income as a percentage of sales for the second quarter of 2016 decreased from the same period in 2015. Due to recent shifts in customer and product mix that temporarily reduced required stocking levels, Marine Components' production volumes for the second quarter of 2016 were lower than the same period in 2015, resulting in decreased leverage of fixed costs and operating costs and expenses in the current period. Gross profit margin and operating income as a percentage of net sales for the first six months of 2016 were comparable to the same period in 2015.

Outlook. Security Product sales for the first half of 2016 were comparable to the first half of 2015 except for approximately $3.2 million in 2015 sales for a government security end-user project which did not recur in 2016. We continue to benefit from innovation and diversification in our product offerings, particularly with respect to the recreational boat markets served by our Marine Components segment. With the exception of the nonrecurring sales of over $5 million in all of 2015 for the single government security end-user (including the $3.2 million in the first half of the year), and in the absence of any improvement in general economic conditions, current year sales are expected to remain relatively comparable to prior year. We will continue to monitor general economic conditions and sales order rates and respond to fluctuations in customer demand through continuous evaluation of staffing levels and consistent execution of our lean manufacturing and cost improvement initiatives. Additionally, we continue to seek opportunities to gain market share in existing markets, to expand into new markets and to further develop new and current customers, products, and features in order to mitigate the impact of changes in demand and broaden our sales base. Any success in these efforts could lead to sales and profitability levels in the second half of 2016 greater than otherwise anticipated.

Liquidity and Capital Resources

Consolidated cash flows –

Operating activities. Trends in cash flows from operating activities, excluding changes in assets and liabilities have generally been similar to the trends in operating earnings. Changes in assets and liabilities result primarily from the timing of production, sales and purchases. Changes in assets and liabilities generally tend to even out over time. However, period-to-period relative changes in assets and liabilities can significantly affect the comparability of cash flows from operating activities.

Net cash provided by operating activities for the first six months of 2016 increased by $1.3 million as compared to the first six months of 2015. The increase is primarily due to the net effects of:

- The positive impact of lower net cash used by relative changes in our inventories, receivables, payables, and non-tax-related accruals attributable to our operations of approximately $2.1 million in 2016, the majority of which relates to the timing of customer collections and vendor payments; and
- The negative impact of lower operating income in 2016 of $937,000.

Changes in working capital can have a significant effect on cash flows from operating activities. As shown below, the change in our average days sales outstanding from December 31, 2015 to June 30, 2016 varied by segment. Generally, we expect our average days sales outstanding to increase from December to June as the result of a seasonal increase in sales during the second quarter as compared to the fourth quarter. Overall, our June 30, 2016 days sales outstanding compared to December 31, 2015 is in line with our expectations. For comparative purposes, we have provided December 31, 2014 and June 30, 2015 numbers below.

Days Sales Outstanding:	December 31, 2014	June 30, 2015	December 31, 2015	June 30, 2016
Security Products	32 Days	42 Days	32 Days	43 Days
Marine Components	32 Days	34 Days	26 Days	33 Days
Consolidated CompX	32 Days	41 Days	31 Days	42 Days

Our total average number of days in inventory decreased from December 31, 2015 to June 30, 2016 as a result of the seasonal increase in sales during the second quarter of 2016 as compared to the fourth quarter 2015 and the temporary reduction in stocking levels at Marine Components. The variability in days in inventory among our segments primarily relates to the differences in the complexity of the production processes and therefore the length of time it takes to produce end-products. For comparative purposes, we have provided December 31, 2014 and June 30, 2015 numbers below.

Days in Inventory:	December 31, 2014	June 30, 2015	December 31, 2015	June 30, 2016
Security Products	85 Days	71 Days	70 Days	68 Days
Marine Components	125 Days	93 Days	120 Days	77 Days
Consolidated CompX	90 Days	74 Days	76 Days	69 Days

Investing activities. Our capital expenditures were $1.7 million in the first six months of 2016 compared to $1.9 million in the first six months of 2015. Capital expenditures for 2016 include approximately $994,000 related to the expansion of our Grayslake facility which was completed in April 2016.

Financing activities. Financing activities consisted only of quarterly cash dividends ($0.05 per share) and were comparable for the noted periods.

Future cash requirements –

Liquidity. Our primary source of liquidity on an on-going basis is our cash flow from operating activities, which is generally used to (i) fund capital expenditures, (ii) repay short-term or long-term indebtedness incurred primarily for capital expenditures, investment activities or reducing our outstanding stock and (iii) provide for the payment of dividends (if declared). From time-to-time, we will incur indebtedness, primarily to fund capital expenditures or business combinations.

Periodically, we evaluate liquidity requirements, alternative uses of capital, capital needs and available resources in view of, among other things, our capital expenditure requirements, dividend policy and estimated future operating cash flows. As a result of this process, we have in the past and may in the future seek to raise additional capital, refinance or restructure indebtedness, issue additional securities, modify our dividend policy or take a combination of such steps to manage our liquidity and capital resources. In the normal course of business, we may review opportunities for acquisitions, joint ventures or other business combinations in the component products industry. In the event of any such transaction, we may consider using available cash, issuing additional equity securities or increasing our indebtedness or that of our subsidiaries.

We believe that cash generated from operations together with cash on hand, as well as our ability to obtain external financing, will be sufficient to meet our liquidity needs for working capital, capital expenditures, debt service, dividends (if declared) and any amounts we might loan from time to time under the terms of our new revolving loan to Valhi discussed in Note 8 to our Condensed Consolidated Financial Statements (which loans would be solely at our discretion) for both the next 12 months and five years. To the extent that our actual operating results or other developments differ from our expectations, our liquidity could be adversely affected.

All of our $51.3 million aggregate cash and cash equivalents at June 30, 2016 were held in the U.S.

Capital Expenditures. Firm purchase commitments for capital projects in process at June 30, 2016 totaled $415,000. Our 2016 capital investments are limited to those expenditures required to meet our expected customer demand and those required to properly maintain our facilities and technology infrastructure.

Commitments and Contingencies. There have been no material changes in our contractual obligations since we filed our 2015 Annual Report and we refer you to that report for a complete description of these commitments.

Off-balance sheet financing arrangements –

We do not have any off-balance sheet financing agreements other than the operating leases discussed in our 2015 Annual Report.

Recent accounting pronouncements –

See Note 9 to our Condensed Consolidated Financial Statements.

Critical accounting policies –

There have been no changes in the first six months of 2016 with respect to our critical accounting policies presented in Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2015 Annual Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are exposed to market risk from changes in interest rates and raw material prices. There have been no material changes in these market risks since we filed our 2015 Annual Report, and we refer you to Part I, Item 7A – "Quantitative and Qualitative Disclosure About Market Risk" in our 2015 Annual Report. See also Note 7 to the Condensed Consolidated Financial Statements.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures. We maintain disclosure controls and procedures which, as defined in Exchange Act Rule 13a-15(e), means controls and other procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit to the SEC under the Securities Exchange Act of 1934, as amended (the "Act"), is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information we are required to disclose in the reports that we file or submit to the SEC under the Act is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions to be made regarding required disclosure. Our management with the participation of David A. Bowers, our Vice Chairman of the Board and Chief Executive Officer, and James W. Brown, our Vice President, Chief Financial Officer and Controller, has evaluated the design and operating effectiveness of our disclosure controls and procedures as of June 30, 2016. Based upon their evaluation, these executive officers have concluded that our disclosure controls and procedures are effective as of the date of such evaluation.

Internal Control Over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting which, as defined in Exchange Act Rule 13a-15(f), means a process designed by, or under the supervision of, our principal executive and principal financial officers, or persons performing similar functions, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets,
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors, and
- Provide reasonable assurance regarding prevention or timely detection of an unauthorized acquisition, use or disposition of our assets that could have a material effect on our Condensed Consolidated Financial Statements.

Changes in Internal Control Over Financial Reporting. There have been no changes in our internal control over financial reporting during the quarter ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. OTHER INFORMATION

ITEM 1A. Risk Factors.

Reference is made to the 2015 Annual Report for a discussion of the risk factors related to our businesses. There have been no material changes in such risk factors during the first six months of 2016.

ITEM 6. Exhibits.

Item No.	Exhibit Index
10.1	Unsecured Revolving Demand Promissory Note dated August 3, 2016 in the original principal amount of $40.0 million executed by Valhi, Inc. and payable to the Registrant.
31.1	Certification
31.2	Certification
32.1	Certification
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

We have retained a signed original of any of the above exhibits that contains signatures, and we will provide such exhibit to the Commission or its staff upon request. We will also furnish, without charge, a copy of our Code of Business Conduct and Ethics, and Audit Committee Charter, each as adopted by our board of directors on June 3, 2015, upon request. Such requests should be directed to the attention of our Corporate Secretary at our corporate offices located at 5430 LBJ Freeway, Suite 1700, Dallas, Texas 75240.

SIGNATURES

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 thereunto duly authorized.

COMPX INTERNATIONAL INC.
(Registrant)

Date: August 3, 2016

By: /s/ James W. Brown
James W. Brown
Vice President, Chief Financial Officer and Controller

Exhibit 10.1

UNSECURED REVOLVING
DEMAND PROMISSORY NOTE

$40,000,000.00 **August 3, 2016**

Section 1. ***Promise to Pay***. For and in consideration of value received, the undersigned, Valhi, Inc., a corporation duly organized under the laws of the state of Delaware ("*Borrower*"), promises to pay, in lawful money of the United States of America, to the order of COMPX INTERNATIONAL INC., a corporation duly organized under the laws of the state of Delaware ("*CompX*"), or the holder hereof (as applicable, CompX or such holder shall be referred to as the "*Noteholder*"), the principal sum of FORTY MILLION and NO/100ths United States Dollars ($40,000,000.00) or such lesser amount as shall equal the unpaid principal amount of the loan made by the Noteholder to Borrower together with accrued and unpaid interest on the unpaid principal balance from time to time pursuant to the terms of this Unsecured Revolving Demand Promissory Note, as it may be amended from time to time (this "*Note*"). This Note shall be unsecured and will bear interest on the terms set forth in **Section 6** below. Capitalized terms not otherwise defined shall have the meanings given to such terms in **Section 18** of this Note.

Section 2. ***Place of Payment***. All payments will be made at Noteholder's address at Three Lincoln Centre, 5430 LBJ Freeway, Suite 1700, Dallas, Texas 75240-2697, Attention: Treasurer, or such other place as the Noteholder may from time to time appoint in writing.

Section 3. ***Payments***. The unpaid principal balance of this Note and any accrued and unpaid interest thereon shall be due and payable on the Final Payment Date. Prior to the Final Payment Date, any accrued and unpaid interest on an unpaid principal balance shall be paid in arrears quarterly on the last day of each March, June, September and December, commencing September 30, 2016. All payments on this Note shall be applied first to accrued and unpaid interest, next to accrued interest not yet payable and then to principal. If any payment of principal or interest on this Note shall become due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and the payment shall be the amount owed on the original payment date.

Section 4. ***Prepayments***. This Note may be prepaid in part or in full at any time without penalty.

Section 5. ***Borrowings***. Prior to the Final Payment Date, Noteholder expressly authorizes Borrower to borrow, repay and re-borrow principal under this Note in increments of $100,000 on a daily basis so long as:

- the aggregate outstanding principal balance does not exceed $40,000,000.00; and
- no Event of Default has occurred and is continuing.

Notwithstanding anything else in this Note, in no event will Noteholder be required to lend money to Borrower under this Note and loans under this Note shall be at the sole and absolute discretion of Noteholder.

Section 6. ***Interest***. The unpaid principal balance of this Note shall bear interest at the rate per annum of the Prime Rate plus one percent (1.00%). In the event that an Event of Default occurs and is continuing, the unpaid principal amount shall bear interest from the Event of Default at the rate per annum of the Prime Rate plus four percent (4.00%) until such time as the Event of Default is cured. Accrued interest on the unpaid principal of this Note shall be computed on the basis of a 365- or 366-day year for actual days (including the first, but excluding the last day) elapsed, but in no event shall such computation result in an amount of accrued interest that would exceed accrued interest on the unpaid principal balance during the same period at the Maximum Rate. Notwithstanding anything to the contrary, this Note is expressly limited so that in no contingency or event whatsoever shall the amount paid or agreed to be paid to the Noteholder exceed the Maximum Rate. If, from any circumstances whatsoever, the Noteholder shall ever receive as interest an amount that would exceed the Maximum Rate, such amount that would be excessive interest shall be applied to the reduction of the unpaid principal balance and not to the payment of interest, and if the principal amount of this Note is paid in full, any remaining excess shall be paid to Borrower, and in such event, the Noteholder shall not be subject to any penalties provided by any laws for contracting for, charging, taking, reserving or receiving interest in excess of the highest lawful rate permissible under applicable law. All sums paid or agreed to be paid to Noteholder for the use, forbearance or detention of the indebtedness of the Borrower to Noteholder shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full of the principal (including the period of any renewal or extension thereof) so that the interest on account of such indebtedness shall not exceed the Maximum Rate. If at any time the Contract Rate is limited to the Maximum Rate, any subsequent reductions in the Contract Rate shall not reduce the rate of interest on this Note below the Maximum Rate until the total amount of interest accrued equals the amount of interest that would have accrued if the Contract Rate had not been limited by the Maximum Rate. In the event that, upon the Final Payment Date, the total amount of interest paid or accrued on this

Note is less than the amount of interest that would have accrued if the Contract Rate had not been limited by the Maximum Rate, then at such time, to the extent permitted by law, in addition to the principal and any other amounts Borrower owes to the Noteholder, the Borrower shall pay to the Noteholder an amount equal to the difference between: (i) the lesser of the amount of interest that would have accrued if the Contract Rate had not been limited by the Maximum Rate or the amount of interest that would have accrued if the Maximum Rate had at all times been in effect; and (ii) the amount of interest actually paid on this Note.

Section 7. Fees and Expenses. On the last day of each March, June, September and December, commencing September 30, 2016, and on the Final Payment Date, Borrower shall pay to Noteholder the Unused Commitment Fee for such period, *provided*, *however*, Borrower will not owe any Unused Commitment Fee for any part of such period (prorated as applicable) that the Noteholder is a net borrower of money from the Borrower. In addition, Borrower and any guarantor jointly and severally agree to pay on the Final Payment Date to Noteholder any other cost or expense reasonably incurred by Noteholder in connection with Noteholder's commitment to Borrower pursuant to the terms of this Note, including without limitation any other cost reasonably incurred by Noteholder pursuant to the terms of any credit facility of Noteholder.

Section 8. *Remedy*. Upon the occurrence and during the continuation of an Event of Default, the Noteholder shall have all of the rights and remedies provided in the applicable Uniform Commercial Code, this Note or any other agreement among Borrower and in favor of the Noteholder, as well as those rights and remedies provided by any other applicable law, rule or regulation. In conjunction with and in addition to the foregoing rights and remedies of the Noteholder, the Noteholder may declare all indebtedness due under this Note, although otherwise unmatured, to be due and payable immediately without notice or demand whatsoever. All rights and remedies of the Noteholder are cumulative and may be exercised singly or concurrently. The failure to exercise any right or remedy will not be a waiver of such right or remedy.

Section 9. *Right of Offset*. The Noteholder shall have the right of offset against amounts that may be due by the Noteholder now or in the future to Borrower against amounts due under this Note.

Section 10. *Record of Outstanding Indebtedness*. The date and amount of each repayment of principal outstanding under this Note or interest thereon shall be recorded by Noteholder in its records. The principal balance outstanding and all accrued or accruing interest owed under this Note as recorded by Noteholder in its records shall be the best evidence of the principal balance outstanding and all accrued or accruing interest owed under this Note; *provided* that the failure of Noteholder to so record or any error in so recording or computing any such amount owed shall not limit or otherwise affect the obligations of the Borrower under this Note to repay the principal balance outstanding and all accrued or accruing interest.

Section 11. *Waiver*. Borrower and each surety, endorser, guarantor, and other party now or subsequently liable for payment of this Note, severally waive demand, presentment for payment, notice of nonpayment, notice of dishonor, protest, notice of protest, notice of the intention to accelerate, notice of acceleration, diligence in collecting or bringing suit against any party liable on this Note, and further agree to any and all extensions, renewals, modifications, partial payments, substitutions of evidence of indebtedness, and the taking or release of any collateral with or without notice before or after demand by the Noteholder for payment under this Note.

Section 12. *Costs and Attorneys' Fees*. In addition to any other amounts payable to Noteholder pursuant to the terms of this Note, in the event the Noteholder incurs costs in collecting on this Note, this Note is placed in the hands of any attorney for collection, suit is filed on this Note or if proceedings are had in bankruptcy, receivership, reorganization, or other legal or judicial proceedings for the collection of this Note, Borrower and any guarantor jointly and severally agree to pay on demand to the Noteholder all expenses and costs of collection, including, but not limited to, reasonable attorneys' fees incurred in connection with any such collection, suit, or proceeding, in addition to the principal and interest then due.

Section 13. *Time of Essence*. Time is of the essence with respect to all of Borrower's obligations and agreements under this Note.

Section 14. *Jurisdiction and Venue*. THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF TEXAS OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF TEXAS. BORROWER CONSENTS TO JURISDICTION IN THE COURTS LOCATED IN DALLAS, TEXAS.

Section 15. *Notice*. Any notice or demand required by this Note shall be deemed to have been given and received on the earlier of **(i)** when the notice or demand is actually received by the recipient or **(ii)** 72 hours after the notice is deposited in the United States mail, certified or registered, with postage prepaid, and addressed to the recipient. The address for giving notice or demand under this Note **(i)** to the Noteholder shall be the place of payment specified in **Section 3** or such other place as the Noteholder may specify in writing to the Borrower and **(ii)** to Borrower shall be the address below the Borrower's signature or such other place as the Borrower may specify in writing to the Noteholder.

Section 16. ***Amendment or Waiver of Provisions of this Note***. No amendment or waiver of any provision of this Note shall in any event be effective unless the same shall be in a writing referring to this Note and signed by the Borrower and the Noteholder. Such amendment or waiver shall be effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Note shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

Section 17. ***Successors and Assigns***. All of the covenants, obligations, promises and agreements contained in this Note made by Borrower shall be binding upon its successors and permitted assigns, as applicable. Notwithstanding the foregoing, Borrower shall not assign this Note or its performance under this Note without the prior written consent of the Noteholder. Noteholder at any time may assign this Note without the consent of Borrower.

Section 18. ***Definitions.*** For purposes of this Note, the following terms shall have the following meanings:

(a) "***Basis Point***" shall mean 1/100th of 1 percent.

(b) "***Business Day***" shall mean any day banks are open in the state of Texas.

(c) "***Contract Rate***" means the amount of any interest (including fees, charges or expenses or any other amounts that, under applicable law, are deemed interest) contracted for, charged or received by or for the account of Noteholder.

(d) "***Event of Default***" wherever used herein, means any one of the following events:

(i) the Borrower fails to pay any amount due on this Note and/or any fees or sums due under or in connection with this Note after any such payment otherwise becomes due and payable and three Business Days after demand for such payment;

(ii) the Borrower otherwise fails to perform or observe any other provision contained in this Note and such breach or failure to perform shall continue for a period of thirty days after notice thereof shall have been given to the Borrower by the Noteholder;

(iii) a case shall be commenced against Borrower, or Borrower shall file a petition commencing a case, under any provision of the Federal Bankruptcy Code of 1978, as amended, or shall seek relief under any provision of any other bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or shall consent to the filing of any petition against it under such law, or Borrower shall make an assignment for the benefit of its creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver, trustee or liquidator of Borrower or all or any part of its property; or

(iv) an event occurs that, with notice or lapse of time, or both, would become any of the foregoing Events of Default.

(e) "***Final Payment Date***" shall mean the earlier of:

- written demand by the Noteholder for payment of all or part of the unpaid principal, the accrued and unpaid interest thereon and the accrued and unpaid commitment fee thereon, but in any event no earlier than December 31, 2017; or
- acceleration as provided herein.

(f) "***Maximum Rate***" shall mean the highest lawful rate permissible under applicable law for the use, forbearance or detention of money.

(g) "***Prime Rate***" shall mean the fluctuating interest rate per annum in effect from time to time equal to the base rate on corporate loans as reported as the Prime Rate in the Money Rates column of *The Wall Street Journal* or other reliable source.

(h) "***Unused Commitment Amount***" for any period on after the date of this Note shall mean the average on each day of such period of the difference between (A) $40,000,000.00 and (B) the amount of the unpaid principal balance of this Note.

(i) "***Unused Commitment Fee***" shall mean the product of (A) 50 Basis Points per annum (pro rated to take into account that the fee is payable quarterly, or such shorter period if applicable) and (B) the Unused Commitment Amount.

BORROWER:

Valhi, Inc.

By: ____

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

Address:

5430 LBJ Freeway, Suite 1700
Dallas, Texas 75240-2697

Exhibit 31.1

CERTIFICATION

I, David A. Bowers, certify that:

1) I have reviewed this quarterly report on Form 10-Q of CompX International Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2016

By: /s/ David A. Bowers
David A. Bowers
Vice Chairman of the Board and
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, James W. Brown, certify that:

1) I have reviewed this quarterly report on Form 10-Q of CompX International Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 13d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) All significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2016

By: /s/ James W. Brown
James W. Brown
Vice President, Chief Financial Officer
and Controller
(Principal Accounting and Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CompX International Inc. (the Company) on Form 10-Q for the period ending June 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, David A. Bowers, Vice Chairman of the Board and Chief Executive Officer of the Company and I, James W. Brown, Vice President, Chief Financial Officer and Controller of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

By: /s/ David A. Bowers
David A. Bowers
Vice Chairman of the Board and
Chief Executive Officer

By: /s/ James W. Brown
James W. Brown
Vice President, Chief Financial Officer and Controller

Date: August 3, 2016

Note: The certification the registrant furnishes in this exhibit 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 Securities and Exchange Commission shall not incorporate this exhibit by reference, except as otherwise expressly stated in such filing.