

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of the earliest event reported)

March 3, 2021

COMPX INTERNATIONAL INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-13905

(Commission
File Number)

57-0981653

(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) 448-1400

(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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock (\$0.01 par value per share)	CIX	NYSE American

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.

The registrant hereby furnishes the information set forth in its press release entitled “CompX Reports Fourth Quarter 2020 Results” that the registrant issued on March 3, 2021, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The press release the registrant furnishes as Exhibit 99.1 to this current 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 3.03 Material Modification to Rights of Security Holders.

To the extent required by Item 3.03 of Form 8-K, the information contained in Item 5.03 of this Form 8-K is incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

At its meeting on March 3, 2021, the registrant’s board of directors, pursuant to Article Five of the registrant’s second amended and restated certificate of incorporation, amended and restated the registrant’s bylaws effective March 3, 2021. The approved amendments added a new Article X with forum selection provisions. Pursuant to the new provisions, unless the registrant consents in writing to selection of an alternative forum:

- the Court of Chancery of the State of Delaware (or, if such court does not have subject matter jurisdiction, the federal district court of the State of Delaware) shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the registrant, (ii) any action asserting a claim for or based on a breach of a fiduciary duty owed by any current or former director, officer, other employee, agent or stockholder of the registrant to the registrant or the registrant’s stockholders, (iii) any action asserting a claim against the registrant or any current or former director, officer, employee, agent or stockholder of the registrant arising pursuant to any provision of the Delaware General Corporation Law (“DGCL”) or the certificate of incorporation or bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) any action asserting a claim related to or involving the registrant that is governed by the internal affairs doctrine.
- the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

The foregoing description does not purport to be complete and is qualified in its entirety by reference to the complete text of the registrant’s bylaws as amended and restated on March 3, 2021, which are incorporated by reference as Exhibit 3.1 to this current report.

Item 7.01**Regulation FD Disclosures.**

The registrant hereby furnishes the information set forth in its press release entitled “CompX Announces Increase in Quarterly Dividend” that the registrant also issued on March 3, 2021, a copy of which is attached hereto as Exhibit 99.2 and incorporated herein by reference.

The press release the registrant furnishes as Exhibit 99.2 to this current report is not deemed “filed” for purposes of section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. Registration statements or other documents filed with the U.S. Securities and Exchange Commission shall not incorporate this information by reference, except as otherwise expressly stated in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Item No.</u>	<u>Description</u>
3.1	<u>Bylaws of CompX International Inc. (Amended and Restated as of March 3, 2021) – incorporated by reference to Exhibit 3.3 of the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2020 filed on March 3, 2021.</u>
99.1*	<u>Press release dated March 3, 2021 entitled “CompX Reports Fourth Quarter 2020 Results” and issued by the registrant.</u>
99.2*	<u>Press release dated March 3, 2021 entitled “CompX Announces Increase in Quarterly Dividend” and issued by the registrant.</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith



PRESS RELEASE

FOR IMMEDIATE RELEASE:

CompX International Inc.
5430 LBJ Freeway, Suite 1700
Dallas, Texas 75240

CONTACT:

Janet G. Keckeisen
Investor Relations
Tel. 972-233-1700

COMPX REPORTS FOURTH QUARTER 2020 RESULTS

DALLAS, TEXAS ...March 3, 2021 ...CompX International Inc. (NYSE American: CIX) announced today sales of \$30.0 million for the fourth quarter of 2020 compared to \$29.6 million in the same period of 2019. Operating income was \$2.3 million in the fourth quarter of 2020 compared to \$3.5 million in the same period of 2019. Net income was \$2.3 million, or \$0.17 per diluted share, for the fourth quarter of 2020 compared to \$3.2 million, or \$0.26 per diluted share, in the same period of 2019.

Net sales for the year ended December 31, 2020 were \$114.5 million compared to \$124.2 million in the previous year. Operating income was \$11.8 million for the year ended December 31, 2020 compared to \$17.7 million for 2019. Net income for the year ended December 31, 2020 was \$10.3 million, or \$0.83 per diluted share, compared to \$16.0 million, or \$1.29 per diluted share, for the year ended December 31, 2019.

Net sales increased in the fourth quarter of 2020 compared to the same period in 2019 as lower Security Products sales were more than offset by increased Marine Components sales, with the towboat market representing most of the increase in marine sales. Operating income decreased for the fourth quarter of 2020 compared to the fourth quarter of 2019 as the improvement in Marine Components operating income was offset by the decline of Security Products operating income. Security Products operating income for the period declined primarily due to the higher cost of sales noted below, as well as increased medical costs.

Net sales decreased for the full year of 2020 compared to the full year of 2019 due to lower Security Products sales primarily resulting from customer disruptions caused by the COVID-19 pandemic, somewhat offset by higher Marine Components sales. Operating income for the full year of 2020 compared to the same period in 2019 was negatively impacted by higher fixed cost per unit of production as the result of lower production volumes in the second and third quarters which increased the cost of inventory produced in these quarters and sold in the second half of 2020. Additionally, operating income for the full year of 2020 compared to prior year was negatively impacted by increased employer paid medical costs unrelated to the pandemic. In the second half of 2020, our sales began to recover from the historically low levels we experienced during the second quarter, with sales steadily improving for the remainder of the year. In the second half of the year, our manufacturing operations returned to more normal production rates as demand from our customers began to return, although Security Products operations did not recover to pre-pandemic levels. The extent of the impact of the COVID-19 pandemic on our future operations will depend on the time period and degree to which the COVID-19 pandemic persists in the economy, including the timing and extent to which our customers' operations continue to be impacted, our customers' perception as to when consumer demand for their products will return to pre-pandemic levels and on any future disruptions in our operations or our suppliers' operations, all of which are difficult to predict.

CompX is a leading manufacturer of security products and recreational marine components. It operates from three locations in the U.S. and employs approximately 513 people.

Forward-Looking Statements

The statements in this press release relating to matters that are not historical facts are forward-looking statements that represent management's belief and assumptions based on currently available information. Although CompX believes the expectations reflected in such forward-looking statements are reasonable, it cannot give any assurances that these expectations will be correct. Such statements, by their nature, involve substantial risks and uncertainties that could significantly impact expected results, and actual future results could differ materially from those predicted. While it is not possible to identify all factors, CompX continues to face many risks and uncertainties. The factors that could cause our actual future results to differ materially 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, aluminum, steel and energy costs) and our ability to pass those costs on to our customers or offset them with reductions in other operating costs,
- 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 products and product features,
- Future litigation,
- Our ability to protect or defend our intellectual property rights,
- 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, including future tax reform,
- The impact of current or future government regulations (including employee healthcare benefit related regulations),
- General global economic and political conditions that disrupt or introduce instability into our supply chain, impact our customers' level of demand or our customers' perception regarding demand 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),
- Operating interruptions (including, but not limited to labor disputes, hazardous chemical leaks, natural disasters, fires, explosions, unscheduled or unplanned downtime, transportation interruptions, cyber-attacks and public health crises such as COVID-19); 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. CompX 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.

* * * * *

COMPX INTERNATIONAL INC.
SUMMARY CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share amounts)

	<u>Three months ended</u> <u>December 31,</u>		<u>Year ended</u> <u>December 31,</u>	
	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>
	(Unaudited)			
Net sales	\$ 29.6	\$ 30.0	\$ 124.2	\$ 114.5
Cost of sales	<u>20.7</u>	<u>22.3</u>	<u>85.2</u>	<u>81.7</u>
Gross margin	8.9	7.7	39.0	32.8
Selling, general and administrative expense	<u>5.4</u>	<u>5.4</u>	<u>21.3</u>	<u>21.0</u>
Operating income	3.5	2.3	17.7	11.8
Interest income	<u>0.7</u>	<u>0.4</u>	<u>3.2</u>	<u>1.7</u>
Income before taxes	4.2	2.7	20.9	13.5
Provision for income taxes	<u>1.0</u>	<u>0.4</u>	<u>4.9</u>	<u>3.2</u>
Net income	<u>\$ 3.2</u>	<u>\$ 2.3</u>	<u>\$ 16.0</u>	<u>\$ 10.3</u>
Basic and diluted net income per common share	<u>\$ 0.26</u>	<u>\$ 0.17</u>	<u>\$ 1.29</u>	<u>\$ 0.83</u>
Weighted average diluted common shares outstanding	<u>12.4</u>	<u>12.5</u>	<u>12.4</u>	<u>12.4</u>



PRESS RELEASE

FOR IMMEDIATE RELEASE:

CompX International Inc.
Three Lincoln Centre
5430 LBJ Freeway, Suite 1700
Dallas, Texas 75240

CONTACT:

Janet G. Keckeisen
Investor Relations
Tel. 972-233-1700

COMPX ANNOUNCES INCREASE IN QUARTERLY DIVIDEND

DALLAS, TEXAS . . . March 3, 2021 . . . CompX International Inc. (NYSE American: CIX) announced today a \$0.10 per share increase in its regular quarterly dividend. CompX's board of directors has declared a regular quarterly dividend of twenty cents (\$0.20) per share on its class A common stock, payable on March 23, 2021 to stockholders of record at the close of business on March 15, 2021.

CompX is a leading manufacturer of security products and recreational marine components.

* * * *