

**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: June 3, 2025

VIRCO MFG. CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

001-8777

(Commission File Number)

95-1613718

(IRS Employer Identification No.)

2027 Harpers Way

Torrance

California

(Address of principal executive offices)

90501

(Zip Code)

Registrant's telephone number, including area code: (310) 533-0474

Not Applicable

(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:

- ☐ 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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which</u>
<u>Common Stock, \$0.01 par value per share</u>	<u>VIRC</u>	<u>The Nasdaq Stock Market LLC</u>

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

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Item 2.02 Results of Operations and Financial Condition.

On June 6, 2025, Virco Mfg. Corporation issued a press release announcing its financial results for the first quarter ended April 30, 2025. A copy of the press release is attached hereto as Exhibit 99.1.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 2.02 and Exhibit 99.1 shall not be 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.

Item 4.01 Changes in Registrant’s Certifying Accountant

On June 3, 2025, Virco Mfg. Corporation, (the “Company”) was notified that Moss Adams LLP (“Moss Adams”), the Company’s independent registered public accounting firm, merged with Baker Tilly US, LLP effective on June 3, 2025. The combined audit practices operate as Baker Tilly US, LLP (“Baker Tilly”). In connection with the notification of the merger, Moss Adams has resigned as the auditors of the Company and the Audit Committee of the Company’s Board of Directors approved the appointment of Baker Tilly, as the successor to Moss Adams, as the Company’s independent registered public accounting firm.

The audit reports of Moss Adams on the Company’s consolidated financial statements for the years ended January 31, 2025 and 2024, and for each of the three-years in the period ended January 31, 2025, and internal control over financial reporting as of January 31, 2025, did not contain an adverse opinion or a disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles.

During the years ended January 31, 2025, and 2024, and the subsequent interim period through June 3, 2025, there were no (a) disagreements with Moss Adams on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to Moss Adams’ satisfaction, would have caused it to make reference to the subject matter of the disagreement in connection with its reports on the Company’s financial statements, or (b) reportable events requiring disclosure pursuant to Item 304(a)(1)(v) of Regulation S-K.

During the years ended January 31, 2025 and 2024, and the subsequent interim period through the date of this Current Report on Form 8-K, neither the Company, nor anyone on its behalf, consulted with Baker Tilly regarding: (i) either the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company’s financial statements; or (ii) any matter that was either the subject of a “disagreement,” as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to that item, or a “reportable event,” as described in Item 304(a)(1)(v) of Regulation S-K.

The Company provided Moss Adams with a copy of this Current Report on Form 8-K prior to its filing with the Securities and Exchange Commission (the “Commission”) and requested that Moss Adams furnish the Company with a letter addressed to the Commission stating whether it agrees with the above statements and, if it does not agree, the respects in which it does not agree. A copy of Moss Adams’ letter to the Commission, dated June 3, 2025, is filed as Exhibit 16.1 to this Form 8-K and is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On June 3, 2025, the Company’s Board of Directors declared a cash dividend for the Company’s second fiscal quarter of \$0.025 on each outstanding share of common stock. The dividend is payable on July 11, 2025 to stockholders of record of the common stock as of the close of business on June 20, 2025. While the Company currently intends to pay future dividends on a quarterly basis, following review and approval by the Board of Directors, the declaration and payment of future dividends, as well as the amounts thereof, are subject to the discretion of the Board as well as restrictive covenants in the Company’s lending agreements. There can be no assurance that the Company will declare and pay dividends in future periods.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Description
<u>Exhibit 16.1</u>	<u>Letter of Moss Adams LLP dated June 3, 2025</u>
<u>Exhibit 99.1</u>	<u>Press Release dated June 6, 2025</u>

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 hereunto duly authorized.

VIRCO MFG. CORPORATION
(Registrant)

Date: June 6, 2025

/s/ Robert A. Virtue

(Signature)

Name: Robert A. Virtue

Title: Chief Executive Officer and Chairman of the Board of
Directors



June 3, 2025

U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Ladies and Gentlemen:

We have read the statements made by Virco Mfg. Corporation included under Item 4.01 of its Current Report on Form 8-K dated June 3, 2025 to be filed with the Securities and Exchange Commission. We agree with the statements concerning our Firm contained therein.

Sincerely,

Moss Adams LLP



Virco Reports \$700,000 First Quarter Profit as Demand for School Furniture Slows

- **Shipments plus Backlog declines 22.9% to \$105.6 million**
- **Gross Margin Improves 400 Basis Points to 47.5% vs. 43.5% LY**
Reinforcing Company's Long-Standing Commitment to Domestic Manufacturing
- **Board Declares Quarterly Dividend of \$0.025 per Share, payable July 11, 2025 to Shareholders of Record as of June 20, 2025**
- **First quarter shareholder returns reach \$4.4 million, including buybacks and dividends**

TORRANCE, CALIFORNIA, JUNE 6, 2025 (Globe Newswire) — Virco Mfg. Corporation (NASDAQ: VIRC), a leading manufacturer and direct supplier of moveable furniture and equipment for educational environments and public spaces in the United States, reported a modest profit despite slowing demand during the Company's first quarter ended April 30, 2025. Through three months, net income was \$0.7 million versus \$2.1 million for the comparable period last year. Last year's first quarter was positively impacted by a very large, counter-seasonal disaster recovery order. Because the Company's business is highly seasonal, with operating losses typical in the seasonally light first and fourth quarters, unusual orders like the one last year can have a disproportionate impact. Underlying demand unrelated to disaster recovery is also slowing somewhat, but to a lesser degree than the headline year-over-year comparison might suggest. Management believes that underlying demand is within normal parameters for multi-year, election-related bond cycles.

Despite the reduction in revenue, gross margin for the first quarter improved from 43.5% of sales to 47.5%. This improvement was due primarily to the relatively lower margins on last year's disaster recovery order, but was also positively influenced by a higher proportion of orders requiring full service. Because the Company manufactures the majority of its products domestically, Management believes tariffs are unlikely to have significant impacts on gross margins going forward. Perhaps more importantly, the Company is confident in its ability to perform timely peak-season deliveries despite headline supply chain disruptions in other markets.

Bring production home?



Virco never left!

Following two successive years of strong profitability, the Company is directing its cash toward the financing of seasonal inventories and accounts receivable as well as open-market share repurchases and major capital equipment. In the first quarter inclusive of February through April, 2025, the Company repurchased \$4.0 million worth of shares and distributed \$0.4 million of cash dividends. On June 3, 2025, the Company's Board of Directors declared a cash dividend for the Company's second fiscal quarter of \$0.025 on each outstanding share of common stock. The dividend is payable on July 11, 2025 to stockholders of record of the common stock as of the close of business on June 20, 2025. Furthermore, the Company invested more than \$2.0 million on major "platform processes" for its factories. These platforms expand the Company's range of operations and bridge multiple product lines, providing highly controllable operating leverage. Investments of this type may also support domestically-driven expansion into adjacent markets, where new opportunities are emerging as a result of recent changes in global trade.

Chairman and CEO Robert Virtue commented on the first quarter and the prospect looking forward: "Having been through a number of cycles during our 75-year history, we knew that it would be a challenge to match last year's disaster recovery order. We also believed that thoughtful deployment of those profits would position us to take advantage of similar opportunities should they develop again.

"This includes several things. First, it requires a team with the skills and experience to evaluate, install, and operate actual fabrication and manufacturing equipment. This is why we continue to invest in the training and continuity of our employees, which we consider Virco's greatest asset. Second, it requires the liquidity to finance very large receivables and the inventories that support them. Third, it may demand rapid deployment of new technologies, for production, service, distribution, and their integration. We are maintaining this opportunistic stance and we look forward to successfully navigating whatever challenges and opportunities may develop this year and next.

"Regarding the business cycle, this current year looks like it will represent a "pause" in the recent rapid recovery of the school furniture market following COVID school closures. But we see hopeful signs in the mid-term school bond environment and look forward to supporting renewed growth in school construction as families and communities continue to invest in their futures."

About Virco Mfg. Corporation

Founded in 1950, Virco Mfg. Corporation is the largest manufacturer and supplier of moveable educational furniture and equipment for the preschool through 12th grade market in the United States. The Company manufactures a wide assortment of products, including mobile tables, mobile storage equipment, desks, computer furniture, chairs, activity tables, folding chairs and folding tables. Along with serving customers in the education market - which in addition to preschool through 12th grade public and private schools includes: junior

and community colleges; four-year colleges and universities; trade, technical and vocational schools - Virco is a furniture and equipment supplier for convention centers and arenas; the hospitality industry with respect to banquet and meeting facilities; government facilities at the federal, state, county and municipal levels; and places of worship. The Company also sells to wholesalers, distributors, traditional retailers and catalog retailers that serve these same markets. With operations entirely based in the United States, Virco designs, manufactures, and ships its furniture and equipment from one facility in Torrance, CA and three facilities in Conway, AR. More information on the Company can be found at www.virco.com.

Contact:

Virco Mfg. Corporation

(310) 533-0474

Robert A. Virtue, Chairman and Chief Executive Officer

Doug Virtue, President

Bassey Yau, Chief Financial Officer

Statement Concerning Forward-Looking Information

This news release contains “forward-looking statements” as defined by the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements regarding: our future financial results and growth in our business; our business strategies; market demand and product development; estimates of unshipped backlog; order rates and trends in seasonality; product relevance; economic conditions and patterns; the educational furniture industry generally, including the domestic market for classroom furniture; cost control initiatives; absorption rates; and supply chain challenges. Forward-looking statements are based on current expectations and beliefs about future events or circumstances, and you should not place undue reliance on these statements. Such statements involve known and unknown risks, uncertainties, assumptions and other factors, many of which are out of our control and difficult to forecast. These factors may cause actual results to differ materially from those that are anticipated. Such factors include, but are not limited to: the impacts of tariffs and global trade uncertainties; changes in general economic conditions including raw material, energy and freight costs; state and municipal bond funding; state, local, and municipal tax receipts; order rates; the seasonality of our markets; the markets for school and office furniture generally, the specific markets and customers with which we conduct our principal business; the impact of cost-saving initiatives on our business; the competitive landscape, including responses of our competitors and customers to changes in our prices; changes in demographics; and the terms and conditions of available funding sources. See our Annual Report on Form 10-K for the year ended January 31, 2025, our Quarterly Reports on Form 10-Q, and other reports and material that we file with the Securities and Exchange Commission for a further description of these and other risks and uncertainties applicable to our business. We assume no, and hereby disclaim any, obligation to update any of our forward-looking statements. We nonetheless reserve the right to make such updates from time to time by press release, periodic reports, or other methods of public disclosure without the need for specific reference to this press release. No such update shall be deemed to indicate that other statements which are not addressed by such an update remain correct or create an obligation to provide any other updates.

Financial Tables Follow

Virco Mfg. Corporation
Unaudited Condensed Consolidated Balance Sheets

	<u>4/30/2025</u>	<u>1/31/2025</u>	<u>4/30/2024</u>
	(In thousands)		
Assets			
Current assets			
Cash	\$ 935	\$ 26,867	\$ 644
Trade accounts receivables, net	12,279	13,004	19,772
Income tax receivable	3,806	4,060	66
Inventories	74,029	55,647	71,333
Prepaid expenses and other current assets	3,233	2,595	3,974
Total current assets	<u>94,282</u>	<u>102,173</u>	<u>95,789</u>
Non-current assets			
Property, plant, and equipment, net	36,482	36,428	34,074
Operating lease right-of-use assets	34,384	35,593	6,274
Deferred income tax assets, net	5,862	5,821	6,705
Other assets, net	12,772	11,931	9,631
Total assets	<u>\$ 183,782</u>	<u>\$ 191,946</u>	<u>\$ 152,473</u>

Virco Mfg. Corporation
Unaudited Condensed Consolidated Balance Sheets

	<u>4/30/2025</u>	<u>1/31/2025</u>	<u>4/30/2024</u>
	(In thousands, except share and par value data)		
Liabilities			
Current liabilities			
Accounts payable	\$ 15,706	\$ 11,593	\$ 19,202
Accrued compensation and employee benefits	5,202	11,064	5,626
Current portion of long-term debt	261	258	250
Current portion of operating lease liability	2,562	1,673	6,221
Other accrued liabilities	7,458	9,687	10,362
Total current liabilities	<u>31,189</u>	<u>34,275</u>	<u>41,661</u>
Non-current liabilities			
Accrued self-insurance retention	1,251	780	1,244
Accrued pension expenses	6,255	6,746	9,480
Income tax payable, less current portion	237	200	206
Long-term debt, less current portion	3,812	3,878	6,766
Operating lease liability, less current portion	34,628	36,007	915
Other long-term liabilities	810	795	564
Total non-current liabilities	<u>46,993</u>	<u>48,406</u>	<u>19,175</u>
Commitments and contingencies			
Stockholders' equity			
Preferred stock:			
Authorized 3,000,000 shares, \$0.01 par value; none issued or outstanding	—	—	—
Common stock:			
Authorized 25,000,000 shares, \$0.01 par value; issued and outstanding 15,738,138 shares at 4/30/2025, 16,087,082 shares at 1/31/2025, and 16,207,612 shares at 4/30/2024	157	161	162
Additional paid-in capital	113,616	117,549	120,048
Accumulated deficit	(8,528)	(8,867)	(27,235)
Accumulated other comprehensive income (loss)	355	422	(1,338)
Total stockholders' equity	<u>105,600</u>	<u>109,265</u>	<u>91,637</u>
Total liabilities and stockholders' equity	<u>\$ 183,782</u>	<u>\$ 191,946</u>	<u>\$ 152,473</u>

Virco Mfg. Corporation
Unaudited Condensed Consolidated Statements of Income

	Three months ended	
	4/30/2025	4/30/2024
	(In thousands, except per share data)	
Net sales	\$ 33,754	\$ 46,735
Costs of goods sold	17,734	26,388
Gross profit	16,020	20,347
Selling, general and administrative expenses	16,114	17,376
Operating (loss) income	(94)	2,971
Unrealized gain on investment in trust account	(1,175)	(215)
Pension expense	27	107
Interest expense, net	60	208
Income before income taxes	994	2,871
Income tax expense	262	731
Net income	<u>\$ 732</u>	<u>\$ 2,140</u>
Cash dividends declared per common share:	\$ 0.025	\$ 0.020
Net income per common share:		
Basic	\$ 0.05	\$ 0.13
Diluted	\$ 0.05	\$ 0.13
Weighted average shares of common stock outstanding:		
Basic	15,757	16,264
Diluted	15,773	16,393