

VIRCO MFG CORPORATION

Form 10-Q

December 14, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

ý Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended October 31, 2018

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission File number 1-8777

VIRCO MFG. CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware 95-1613718

(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification No.)

2027 Harpers Way, Torrance, CA 90501

(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (310) 533-0474

No change

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report.

Indicate by check mark 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 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 ý No ``

Indicate by check mark 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 ý No ``

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ``	Accelerated filer ``
Non-accelerated filer `` (Do not check if a smaller reporting company)	Smaller reporting company ý
	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. o

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding for each of the registrant's classes of common stock, as of the latest practicable date:
Common Stock, \$.01 par value — 15,541,956 shares as of December 10, 2018.

TABLE OF CONTENTS

<u>Part I. Financial Information</u>	<u>3</u>
<u>Item 1. Financial Statements</u>	<u>3</u>
<u>Unaudited condensed consolidated balance sheets - October 31, 2018, January 31, 2018 and October 31, 2017</u>	<u>3</u>
<u>Unaudited condensed consolidated statements of income - Three months ended October 31, 2018 and 2017</u>	<u>5</u>
<u>Unaudited condensed consolidated statements of income - Nine months ended October 31, 2018 and 2017</u>	<u>6</u>
<u>Unaudited condensed consolidated statements of comprehensive income - Three months ended October 31, 2018 and 2017</u>	<u>7</u>
<u>Unaudited condensed consolidated statements of comprehensive income - Nine months ended October 31, 2018 and 2017</u>	<u>8</u>
<u>Unaudited condensed consolidated statements of cash flows - Nine months ended October 31, 2018 and 2017</u>	<u>9</u>
<u>Notes to unaudited condensed consolidated financial statements</u>	<u>10</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>18</u>
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	<u>19</u>
<u>Item 4. Controls and Procedures</u>	<u>20</u>
<u>Part II. Other Information</u>	<u>21</u>
<u>Item 1. Legal Proceedings</u>	<u>21</u>
<u>Item 1A. Risk Factors</u>	<u>21</u>
<u>Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities</u>	<u>21</u>
Item 3. Defaults Upon Senior Securities	<u>21</u>
Item 4. Mine Safety Disclosures	<u>21</u>
Item 5. Other Information	<u>21</u>
<u>Item 6. Exhibits</u>	<u>21</u>
EX-31.1	
EX-31.2	
EX-32.1	
EX-101 INSTANCE DOCUMENT	
EX-101 SCHEMA DOCUMENT	
EX-101 CALCULATION LINKBASE DOCUMENT	
EX-101 LABELS LINKBASE DOCUMENT	
EX-101 PRESENTATION LINKBASE DOCUMENT	

PART I. Financial Information

Item 1. Financial Statements

Virco Mfg. Corporation

Unaudited Condensed Consolidated Balance Sheets

10/31/2018 10/31/2018 10/31/2017

(In thousands)

Assets

Current assets

Cash	\$2,481	\$534	\$ 1,536
Trade accounts receivables, net	24,281	11,385	21,120
Other receivables	340	29	58
Income tax receivable	157	171	200
Inventories	42,670	42,057	36,377
Prepaid expenses and other current assets	1,547	1,537	1,536
Total current assets	71,476	55,713	60,827

Non-current assets

Property, plant and equipment

Land	3,731	3,731	3,731
Land improvements	688	688	688
Buildings and building improvements	51,176	51,176	51,176
Machinery and equipment	106,896	103,015	101,894
Leasehold improvements	828	809	805
	163,319	159,419	158,294
Less accumulated depreciation and amortization	121,254	116,977	115,551
Net property, plant and equipment	42,065	42,442	42,743
Deferred tax assets, net	8,422	10,093	13,793
Other assets	8,563	8,375	8,282
Total assets	\$130,526	\$116,623	\$125,645

See accompanying notes to unaudited condensed consolidated financial statements.

Virco Mfg. Corporation
Unaudited Condensed Consolidated Balance Sheets

10/31/2018 10/31/2018 10/31/2017

(In thousands, except share and
par value data)

Liabilities

Current liabilities

Accounts payable	\$18,052	\$ 14,106	\$ 13,623
Accrued compensation and employee benefits	5,432	4,779	6,106
Current portion of long-term debt	6,232	4,681	3,278
Other accrued liabilities	4,645	4,157	5,047
Total current liabilities	34,361	27,723	28,054

Non-current liabilities

Accrued self-insurance retention	1,952	1,425	1,613
Accrued pension expenses	14,530	14,664	17,404
Income tax payable	42	44	33
Long-term debt, less current portion	13,980	12,000	11,310
Other long-term liabilities	2,377	2,055	1,657
Total non-current liabilities	32,881	30,188	32,017

Commitments and contingencies (Notes 5 and 12)

Stockholders' equity