

ULTRALIFE CORP  
Form 10-Q  
October 27, 2016

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

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**FORM 10-Q**

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**(Mark One)**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**  
**For the Quarter Ended September 25, 2016**

**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 0-27460**

**ULTRALIFE  
CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

**16-1387013**

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(State or other jurisdiction of incorporation) (I.R.S. Employer Identification No.)

**2000 Technology Parkway**

**14513**

**Newark, New York**

(Zip Code)

(Address of principal executive offices)

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Registrant's telephone number, including area code: **(315) 332-7100**

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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 [  ] 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [  ] No [  ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer:

Large accelerated filer [  ] Accelerated filer [  ] Non-accelerated filer [  ] Smaller reporting company [  ]

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 of the registrant's common stock was 15,235,246, net of 4,013,695 treasury shares, as of October 27, 2016.

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**ULTRALIFE CORPORATION AND SUBSIDIARIES**

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**PART I. FINANCIAL INFORMATION****ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS****ULTRALIFE CORPORATION AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****(Dollars in Thousands)****(unaudited)**

	<b>September 25, 2016</b>	<b>December 31, 2015</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 6,650	\$ 14,393
Restricted cash	82	140
Trade accounts receivable, net of allowance for doubtful accounts of \$285 and \$300, respectively	12,888	11,430
Inventories, net	24,877	23,814
Prepaid expenses and other current assets	2,600	1,900
Due from insurance company	-	177
Deferred income taxes	92	92
Total current assets	47,189	51,946
Property, equipment and improvements, net	8,551	9,038
Goodwill	20,263	16,283
Intangible assets, net	7,481	3,946
Security deposits and other non-current assets	73	309
Total assets	\$ 83,557	\$ 81,522

**LIABILITIES AND SHAREHOLDERS' EQUITY**

Current liabilities:		
Accounts payable	\$ 6,323	\$ 6,494
Accrued compensation and related benefits	1,264	2,377
Accrued expenses and other current liabilities	3,690	1,749
Income taxes payable	199	227
Total current liabilities	11,476	10,847
Deferred income taxes	5,500	4,631
Other non-current liabilities	28	28
Total liabilities	17,004	15,506

Commitments and contingencies (Note 11)

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Shareholders' equity:

Preferred stock – par value \$.10 per share; authorized 1,000,000 shares; none issued	-	-
Common stock – par value \$.10 per share; authorized 40,000,000 shares; issued – 19,245,357 shares at September 25, 2016 and 19,181,815 shares at December 31, 2015; outstanding – 15,231,662 shares at September 25, 2016 and 15,322,155 at December 31, 2015	1,925	1,918
Capital in excess of par value	177,737	177,007
Accumulated deficit	(92,287 )	(94,051 )
Accumulated other comprehensive loss	(2,221 )	(907 )
Treasury stock - at cost; 4,013,695 shares at September 25, 2016 and 3,859,660 shares at December 31, 2015	(18,433 )	(17,808 )
Total Ultralife Corporation equity	66,721	66,159
Non-controlling interest	(168 )	(143 )
Total shareholders' equity	66,553	66,016
Total liabilities and shareholders' equity	\$ 83,557	\$ 81,522

The accompanying notes are an integral part of these consolidated financial statements.

**ULTRALIFE CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME AND**  
**COMPREHENSIVE INCOME**

(In Thousands except per share amounts)

(unaudited)

	<b>Three month periods ended</b>		<b>Nine month periods ended</b>	
	<b>September</b>	<b>September</b>	<b>September</b>	<b>September</b>
	<b>25,</b>	<b>27,</b>	<b>25,</b>	<b>27,</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Revenues</b>	\$19,631	\$ 19,044	\$60,835	\$ 57,176
<b>Cost of products sold</b>	13,634	13,144	42,533	39,410
<b>Gross profit</b>	5,997	5,900	18,302	