

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

August 2, 2018
(Date of Report)

ULTRALIFE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

000-20852
(Commission File Number)

16-1387013
(IRS Employer Identification No.)

2000 Technology Parkway, Newark, New York
(Address of principal executive offices)

14513
(Zip Code)

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

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. below):

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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

On August 2, 2018, Ultralife Corporation issued a press release regarding the financial results for its second quarter ended July 1, 2018. A copy of this press release is attached hereto as Exhibit 99.1.

The information set forth in this Form 8-K and the attached exhibit is being furnished to and not filed with the Securities and Exchange Commission and shall not be deemed as incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, except to the extent specifically provided in any such filing.

Item 9.01 Financial Statements, Pro Forma Financials and Exhibits

(d) Exhibits.

Exhibit Number	Exhibit Description
99.1	Press Release of Ultralife Corporation dated August 2, 2018

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 2, 2018

ULTRALIFE CORPORATION

By: /s/ Philip A. Fain
Philip A. Fain
Chief Financial Officer and Treasurer

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Ultralife Corporation Reports Second Quarter Results

NEWARK, N.Y. – August 2, 2018 -- Ultralife Corporation (NASDAQ: ULBI) reported operating income of \$1.6 million on revenue of \$22.9 million for the second quarter ended July 1, 2018. For the second quarter of 2017, the Company reported operating income of \$1.3 million on revenue of \$19.9 million.

“Following a solid first quarter, Ultralife delivered second quarter revenue growth of 15% and leveraged operating income growth of 24%. Second quarter revenue was boosted by a 38% increase in total Company government/defense sales, as spending continued to recover in U.S. government/defense markets, and an 8% increase in medical sales,” said Michael D. Popielec, President and Chief Executive Officer. “A strong first half, expanding revenue opportunities, and adherence to our business model parameters position us well to deliver another year of profitable growth in 2018.”

Second Quarter 2018 Financial Results

Revenue was \$22.9 million, an increase of \$2.9 million, or 14.7%, compared to \$19.9 million for the second quarter of 2017 reflecting higher government/defense and medical sales. Battery & Energy Products sales increased \$1.0 million, or 5.6%, to \$17.8 million compared to \$16.9 million last year due primarily to increases in both government/defense and medical sales of 25.0% and 7.8%, respectively, partially offset by lower industrial commercial sales. Communications Systems sales grew 64.5% to \$5.0 million compared to \$3.1 million for the same period last year reflecting shipments of our Vehicle Installed Power Enhanced Riflemen Appliqué (“VIPER”) and Vehicle Amplifier Adapters for the U.S. Army’s Security Force Assistance Brigades to a large global defense prime contractor.

Gross profit was \$6.6 million, or 28.6% of revenue, compared to \$6.2 million, or 31.2% of revenue, for the same quarter a year ago. Battery & Energy Products’ gross margin was 27.6%, compared to 28.1% last year, and Communications Systems gross margin was 32.3%, compared to 48.4% last year, due to product mix.

Operating expenses were \$4.9 million for both the 2018 and 2017 quarters reflecting continued tight control over discretionary spending in line with our business model. Operating expenses were 21.5% of revenue compared to 24.6% of revenue for the year earlier period.

Operating income was \$1.6 million compared to \$1.3 million last year.

Net income was \$1.6 million, or \$0.10 per share, compared to net income of \$1.1 million, or \$0.07 per share, for the second quarter of 2017. Earnings per share for the trailing twelve-month period increased to \$.55 compared to \$.52 at the end of the first quarter of 2018, with both periods reflecting the \$.12 favorable impact of the Tax Cuts and Jobs Act in the fourth quarter of 2017.

About Ultralife Corporation

Ultralife Corporation serves its markets with products and services ranging from power solutions to communications and electronics systems. Through its engineering and collaborative approach to problem solving, Ultralife serves government, defense and commercial customers across the globe.

Headquartered in Newark, New York, the Company's business segments include Battery & Energy Products and Communications Systems. Ultralife has operations in North America, Europe and Asia. For more information, visit www.ultralifecorporation.com.

Conference Call Information

Ultralife will hold its second quarter earnings conference call today at 10:00 AM ET. To participate in the live call, please dial (800) 915-4836 at least ten minutes before the scheduled start time, identify yourself and ask for the Ultralife call. A live webcast of the conference call will be available to investors in the Events & Presentations section of the Company's website at <http://investor.ultralifecorporation.com>. For those who cannot listen to the live broadcast, a replay of the webcast will be available shortly after the call at the same location.

This press release may contain forward-looking statements based on current expectations that involve a number of risks and uncertainties. The potential risks and uncertainties that could cause actual results to differ materially include: potential reductions in revenues from key customers, uncertain global economic conditions and acceptance of our new products on a global basis. The Company cautions investors not to place undue reliance on forward-looking statements, which reflect the Company's analysis only as of today's date. The Company undertakes no obligation to publicly update forward-looking statements to reflect subsequent events or circumstances. Further information on these factors and other factors that could affect Ultralife's financial results is included in Ultralife's Securities and Exchange Commission (SEC) filings, including the latest Annual Report on Form 10-K.

ULTRALIFE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)
(Unaudited)

ASSETS

	July 1, 2018	December 31, 2017
Current Assets:		
Cash	\$ 20,749	\$ 18,330
Trade Accounts Receivable, Net	15,468	14,657
Inventories	24,861	26,326
Prepaid Expenses and Other Current Assets	2,445	2,603
Total Current Assets	<u>63,523</u>	<u>61,916</u>
Property, Equipment and Improvements, Net	8,056	7,570
Goodwill, Intangibles and Other Assets	27,266	27,700
Total Assets	<u>\$ 98,845</u>	<u>\$ 97,186</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:		
Accounts Payable	\$ 6,656	\$ 8,787
Accrued Compensation and Related Benefits	1,711	2,413
Accrued Expenses and Other Current Liabilities	2,487	3,039
Total Current Liabilities	<u>10,854</u>	<u>14,239</u>
Deferred Income Taxes and Other Non-Current Liabilities	3,923	3,898
Total Liabilities	<u>14,777</u>	<u>18,137</u>
Shareholders' Equity:		
Common Stock	1,996	1,966
Capital in Excess of Par Value	181,818	180,211
Accumulated Deficit	(79,117)	(82,894)
Accumulated Other Comprehensive Loss	(2,036)	(1,611)
Treasury Stock	(18,469)	(18,469)
Total Ultralife Equity	<u>84,192</u>	<u>79,203</u>
Non-Controlling Interest	(124)	(154)
Total Shareholders' Equity	<u>84,068</u>	<u>79,049</u>
Total Liabilities and Shareholders' Equity	<u>\$ 98,845</u>	<u>\$ 97,186</u>

ULTRALIFE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In Thousands Except Per Share Amounts)
(Unaudited)

	Three-Month Periods Ended		Six-Month Periods Ended	
	July 1, 2018	July 2, 2017	July 1, 2018	July 2, 2017
Revenues:				
Battery & Energy Products	\$ 17,831	\$ 16,880	\$ 35,055	\$ 34,359
Communications Systems	5,033	3,059	10,878	7,615
Total Revenues	<u>22,864</u>	<u>19,939</u>	<u>\$ 45,933</u>	<u>\$ 41,974</u>
Cost of Products Sold:				
Battery & Energy Products	12,905	12,139	25,093	24,688
Communications Systems	3,409	1,579	7,008	4,175
Total Cost of Products Sold	<u>16,314</u>	<u>13,718</u>	<u>32,101</u>	<u>28,863</u>
Gross Profit	<u>6,550</u>	<u>6,221</u>	<u>13,832</u>	<u>13,111</u>
Operating Expenses:				
Research and Development	1,218	1,185	2,318	2,323
Selling, General and Administrative	3,700	3,714	7,526	7,625
Total Operating Expenses	<u>4,918</u>	<u>4,899</u>	<u>9,844</u>	<u>9,948</u>
Operating Income	1,632	1,322	3,988	3,163
Other (Income) Expense	(86)	49	48	142
Income Before Income Tax Provision	<u>1,718</u>	<u>1,273</u>	<u>3,940</u>	<u>3,021</u>
Income Tax Provision	78	179	133	266
Net Income	1,640	1,094	3,807	2,755
Net Income Attributable to Non-Controlling Interest	13	-	30	6
Net Income Attributable to Ultralife Corporation	<u>\$ 1,627</u>	<u>\$ 1,094</u>	<u>\$ 3,777</u>	<u>\$ 2,749</u>
Net Income Per Share Attributable to Ultralife Common Shareholders – Basic				
	<u>\$.10</u>	<u>\$.07</u>	<u>\$.24</u>	<u>\$.18</u>
Net Income Per Share Attributable to Ultralife Common Shareholders – Diluted				
	<u>\$.10</u>	<u>\$.07</u>	<u>\$.23</u>	<u>\$.17</u>
Weighted Average Shares Outstanding – Basic	<u>15,922</u>	<u>15,510</u>	<u>15,813</u>	<u>15,461</u>
Weighted Average Shares Outstanding – Diluted	<u>16,520</u>	<u>15,850</u>	<u>16,354</u>	<u>15,752</u>