

Universal Display Corporation

**OLED Investor
Presentation
January 2015**

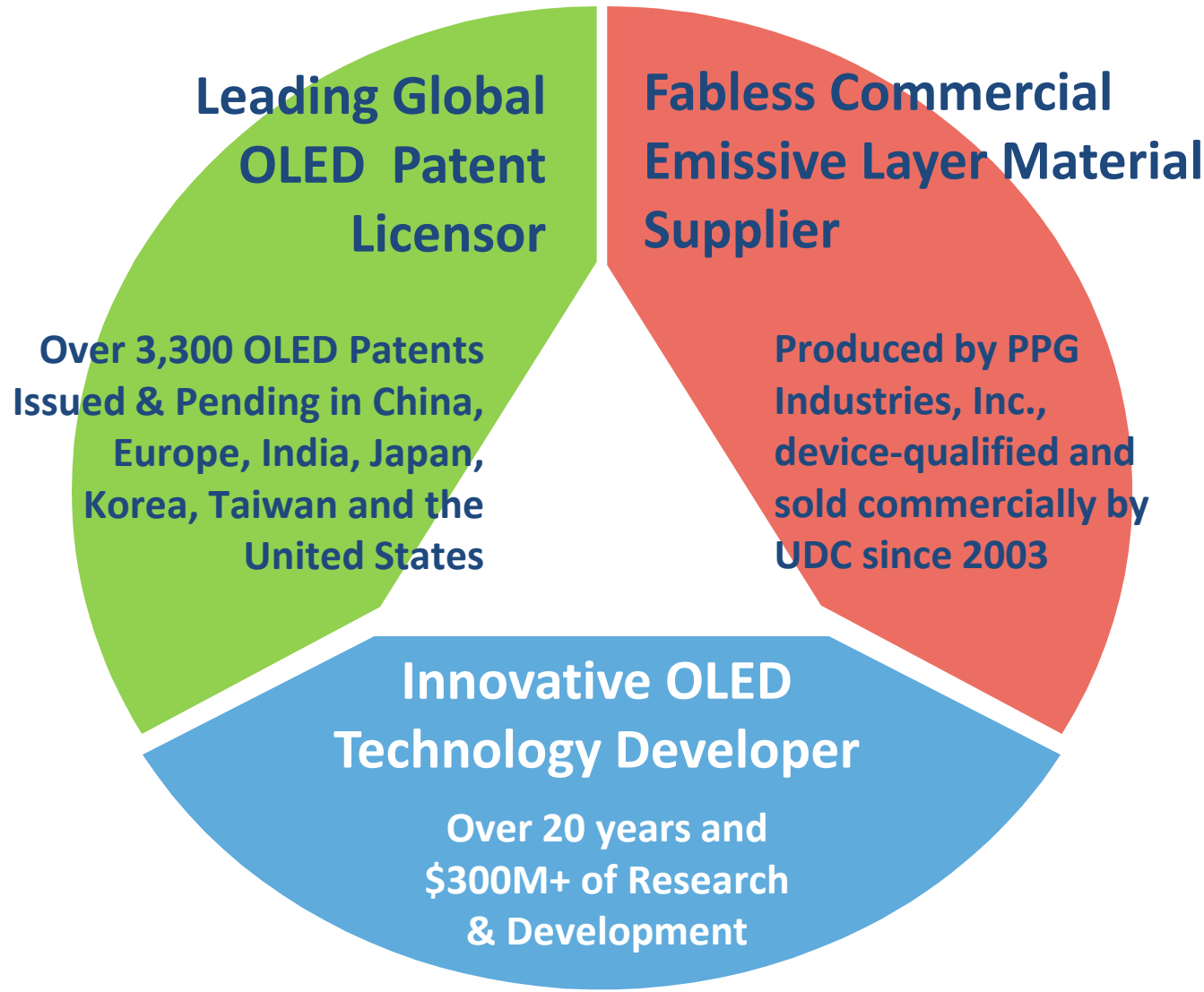


Forward-Looking Statements

All statements in this document that are not historical, such as those relating to Universal Display Corporation’s technologies and potential applications of those technologies, the Company’s expected results as well as the growth of the OLED market and the Company’s opportunities in that market, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on any forward-looking statements in this document, as they reflect Universal Display Corporation’s current views with respect to future events and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated. These risks and uncertainties are discussed in greater detail in Universal Display Corporation’s periodic reports on Form 10-K and Form 10-Q filed with the Securities and Exchange Commission, including, in particular, the section entitled “Risk Factors” in Universal Display Corporation’s annual report on Form 10-K for the year ended December 31, 2013. Universal Display Corporation disclaims any obligation to update any forward-looking statement contained in this document.

Who We are:

**Enabling the
OLED industry
through our
Innovation
and 20+ years
of Materials &
Technology
Leadership**

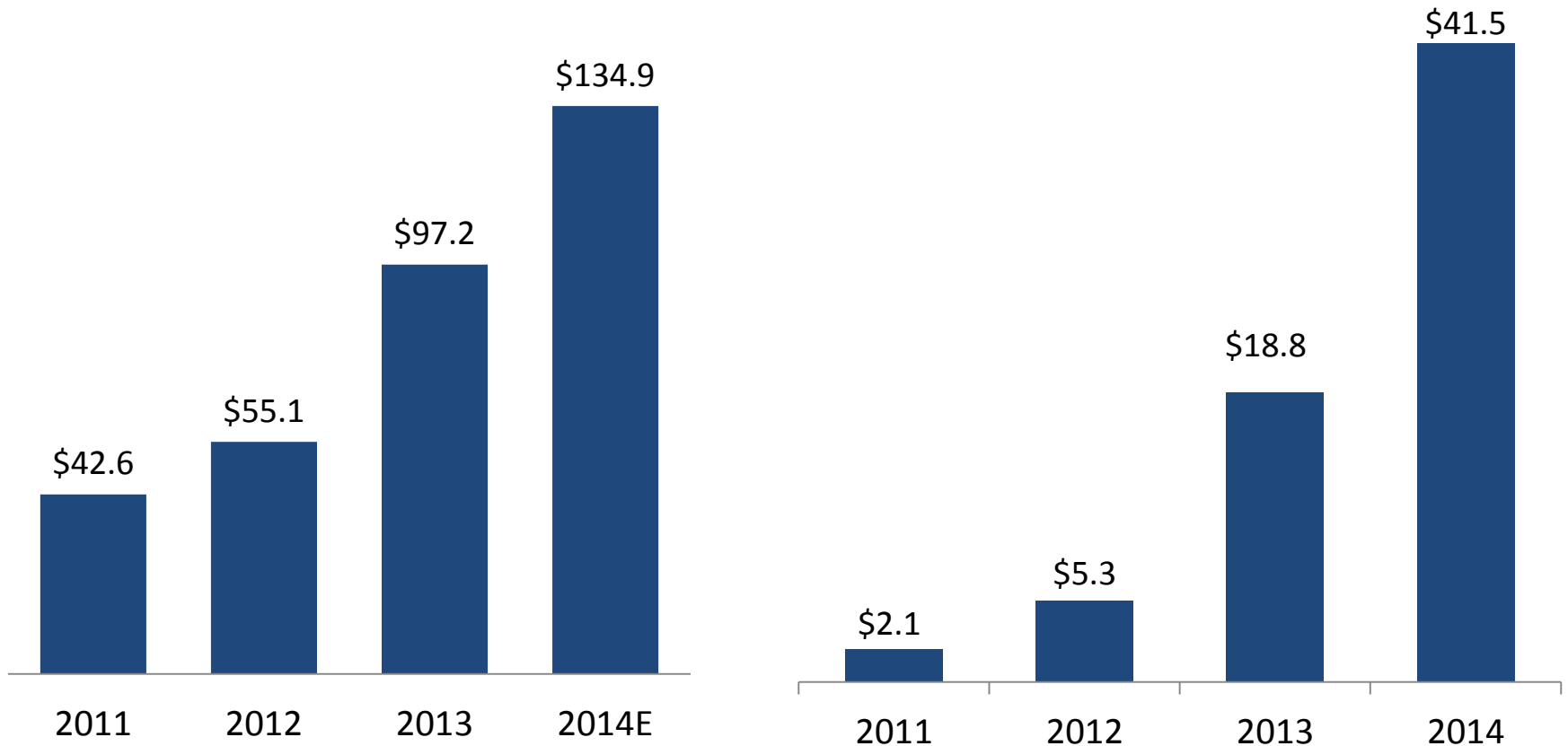


Solid Financial Performance

Revenues: First Nine-Months

Operating Profit: First Nine-Months

(\$ in millions)

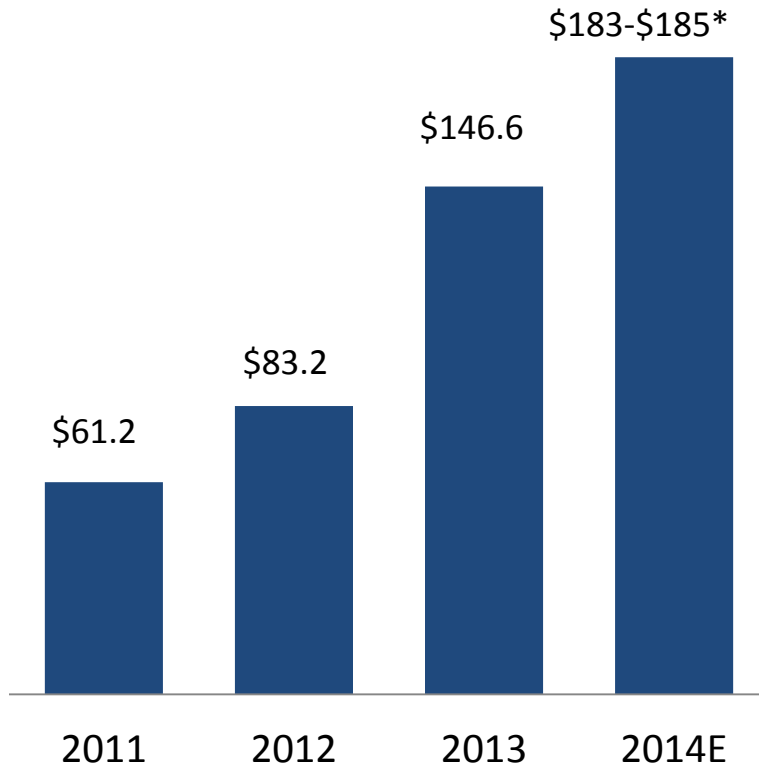


Strong Financial Performance

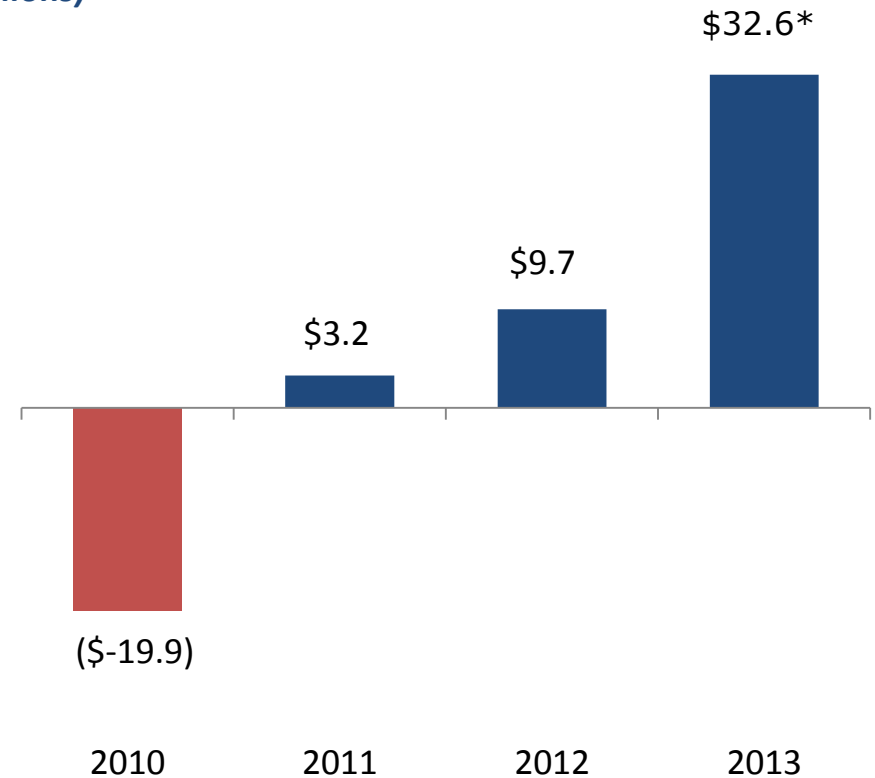
Revenues

Income (Loss)

(\$ in millions)



*Guidance range



*adjusted net income; 2013 included \$59.4M benefit from release of income tax valuation allowances of \$59.4M and deferred income tax expense of \$17.9M; GAAP net income was \$74.1M; (see "Reconciliation of Non-GAAP Measures" below for further discussion of these non-GAAP measures on slide 6).

Reconciliation of non-GAAP measures

The following table details our reconciliation of non-GAAP measures to the most directly comparable GAAP measures:

(in thousands, except per share data)	Year Ended December 31,	
	2013	2012
Operating Results:	(Unaudited)	
Net income (loss)	\$ 74,052	\$ 9,660
Non-GAAP Reconciling Items:		
Deferred income tax expense	17,934	—
Release of income tax valuation allowances	(59,352)	—
Total non-GAAP reconciling items	(41,418)	—
Non-GAAP Measures:		
Adjusted net income	\$ 32,634	\$ 9,660
Adjusted net income per common share, basic *	\$ 0.71	\$ 0.21
Adjusted net income per common share, diluted **	\$ 0.70	\$ 0.21

* The adjusted net income per common share, basic is derived from dividing adjusted net income by the number of weighted average shares used in computing basic net income per common share.

**The adjusted net income per common share, diluted for the year ended December 31, 2013, is derived from dividing adjusted net income by adjusted weighted average shares of 46,582,347, which excludes the amount of any excess tax benefits in assumed proceeds in calculating the weighted average shares using the treasury stock method. The exclusion is intended to present our diluted net income per common share for the year ended December 31, 2013 as if our assessment of the future realizability of our deferred tax assets did not change and the income tax valuation allowances were not reversed, consistent with prior periods. For the year ended December 31, 2012, there is no difference between net income per common share and adjusted net income per common share.

Non-GAAP Measures

To supplement our selected financial data presented in accordance with U.S. generally accepted accounting principles (GAAP), we use certain non-GAAP measures. These non-GAAP measures include adjusted net income (loss), adjusted net income (loss) per common share, basic and adjusted income (loss) per common share, diluted. Reconciliation to the nearest GAAP measures of all non-GAAP measures included in the presentation can be found within the table detailing the reconciliation of non-GAAP measures to GAAP measures above.

We have provided these non-GAAP measures to enhance investors' overall understanding of our current financial performance, and as a means to evaluate period-to-period comparisons. We believe that these non-GAAP measures provide meaningful supplemental information regarding our financial performance by excluding the effect of the release of income tax valuation allowances that may not be indicative of recurring core business operating results. We believe that the non-GAAP measures that exclude the impact of the release of income tax valuation allowances and deferred income tax expense recognized after the release of the allowances, when viewed with GAAP results, enhance the comparability or results against prior periods and allow for greater transparency of financial results. The presentation of non-GAAP measures is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

Robust Capital Structure

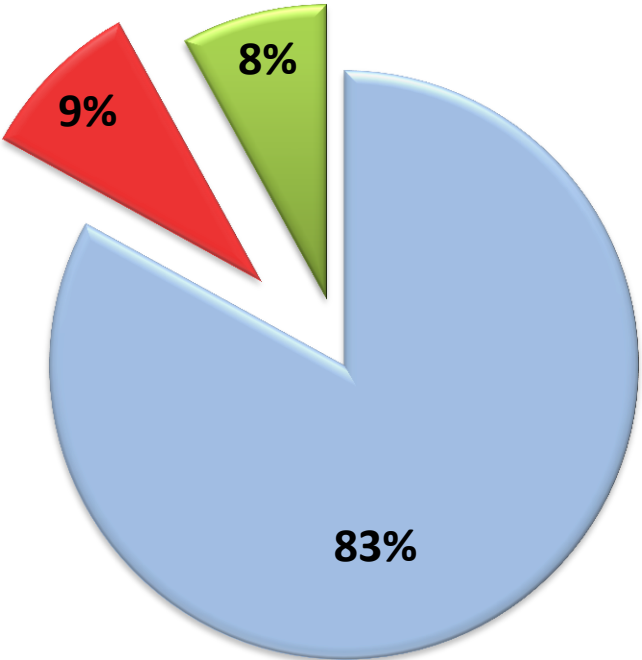
(\$ in thousands)

September 30, 2014

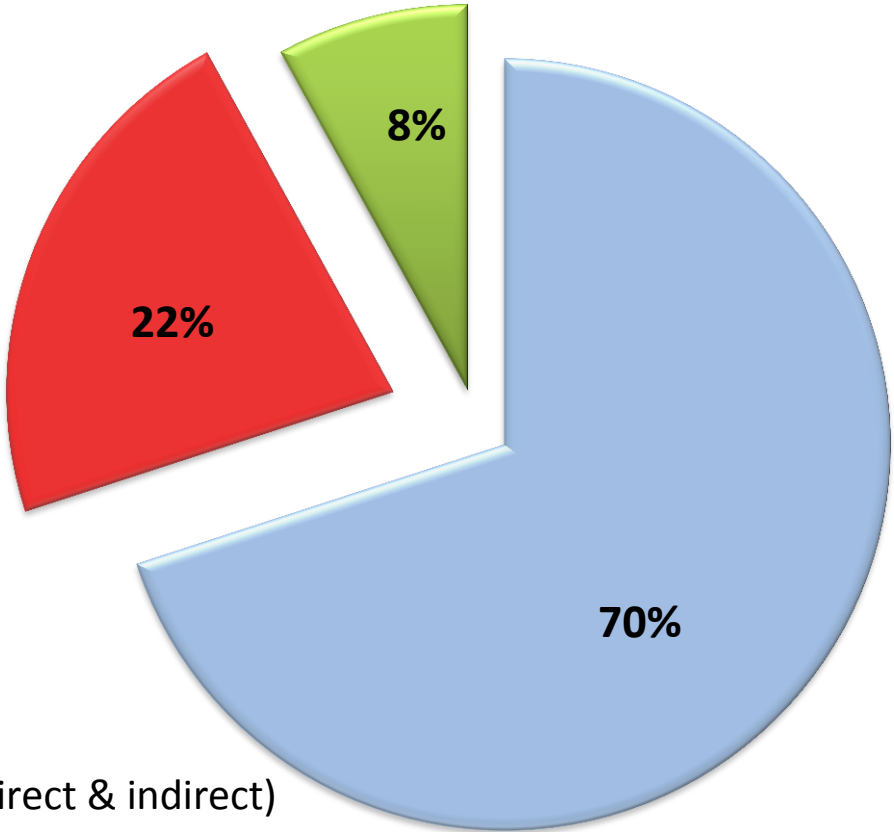
Cash, Cash Equivalents and Investments	\$268,359
Total Assets	\$472,170
Long-term Debt	-----
A/P and Accrued Liab.	\$17,359
Deferred Revenue	\$4,281
Shareholders' Equity	\$439,780
Total Shares Outstanding	46,633,763

Increasing Customer Diversification

2013: % of first 9-month Revenues: \$97.2M



2014: % of first 9-month Revenues: \$134.9M



- Customer 1 (direct & indirect)
- Customer 2
- Others

Strategic Relationships with Blue Chip Partners

Licensees and
Material Supply
Customers

Material Supply
Customers

Display



Lighting



KONICA MINOLTA

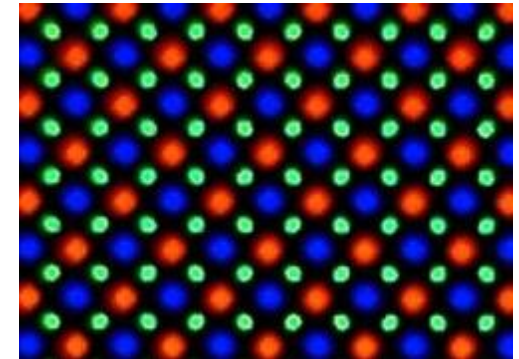
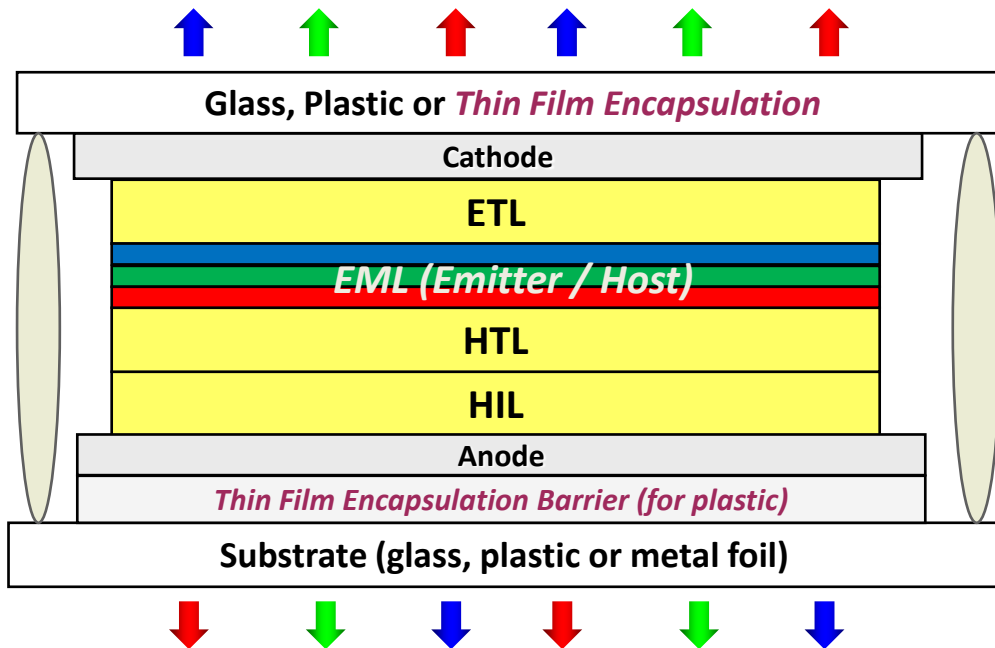


NEC NEC Lighting, Ltd.



¹ No material supply

Elegant Simplicity of an OLED



Galaxy S4 Pixel Structure

- An Organic Light Emitting Diode is a series of organic thin films between two conductors
- When electrical current is applied, bright light is emitted
- OLEDs can be used for displays and lighting
- OLEDs are not just thin and efficient - they can also be made *flexible* and *transparent*

Strong OLED Display Market Drivers

Lower Power Usage

- **RED** Phosphorescence reduces power consumption by 25%
- **Add GREEN**: 45% cumulative reduction
- **Add BLUE**: 74% cumulative reduction
- Enabled by PHOLEDs

Superior Aesthetics

- Improved image quality
- Thin and Light
- 180 degree viewing angle
- 2,000,000 : 1 contrast ratio – TRUE BLACK
- Real-time video speeds – excellent for 3D
- Self-emissive display
- On cell touch without sacrificing fill factor
- Low UV output
- **Flexible**

More Cost Effective

- Fewer manufacturing process steps
- Low cost bill-of-materials
- No backlight required
- No color filter required
- No liquid crystal required
- Reduced driver IC costs
- Enables non-glass substrates

OLED Smartphones

Samsung
GALAXY S



	Samsung Galaxy S GT-i9000	Samsung Galaxy S2 GT-i9100	Samsung Galaxy S3 GT-i9300	Samsung Galaxy S4 GT-i9500	Samsung Galaxy S5 GT-i900x
Date	3/2010	4/2011	5/2012	3/2013	4/2014
PPI	~233	~217	~306	~441	~432
Size	4.0"	4.3"	4.8"	5.0"	5.1"

OLED Smartphones



**Motorola
Moto X
(2nd Gen)**



Nokia Lumia Icon



**Intex Aqua
Style Mini**



**Google
Nexus 6**



Oppo R5



**Lenovo
Sisley S90**



**Motorola
Droid Turbo**



**Micromax
Canvas 4**

More OLED Products

**Samsung
10.5"
Galaxy
Tab S**



**LG 65"
4K TV**



**ASUS
ZenWatch**

**Samsung
Galaxy
Note 4
Edge**



**Galaxy
Gear
Series**



**LG G
Watch R**



**Samsung Gear
VR Innovator**



**Dell Venue 8
7000 8.4"**



**LG G
Flex**



**Samsung
Round**



**Canon HF-G30
camcorder**

LCD vs. OLED



- ✓ *Lower BOM (bill of materials)*
- ✓ *Better Performance, More Efficient*
- ✓ *Thinner and Flexible Form Factor*
- ✓ *Vivid Colors and Superior Contrast Ratio*

Strong OLED Lighting Market Drivers

Energy efficient – environmentally friendly

- Low drive voltage
- Low operating temperatures, cool to touch
- Long lifetime
- Easy to control

Highly desirable color quality

- Wide range of CCT, high CRI possible
- Color tunable
- Instant “ON” , Dimmable without flicker
- No glare, no noise
- Low UV content

Novel form factor

- Thin and lightweight
- Transparent
- Non-breakable, Flexible, Rollable.....

Low cost potential

- Scaling advantage
- Roll to roll process



Eco-Friendly. Extremely clean form of illumination does not contain harmful substances like mercury and consumes little power.



It is a **surface** light source. The light is soft and illuminates large areas evenly.



It remains cool. Even after many hours of use, this form of illumination does not heat up.

OLED Lighting Around the World Today



NEC NEC Lighting, Ltd.



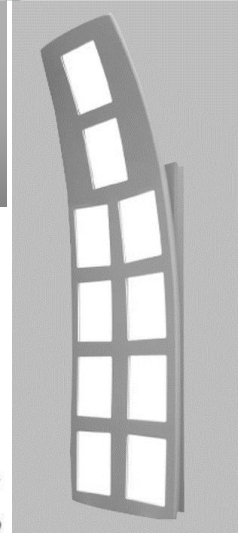
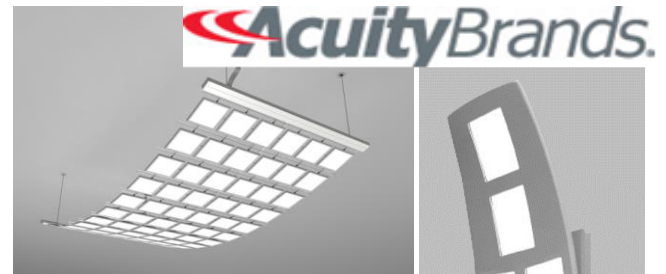
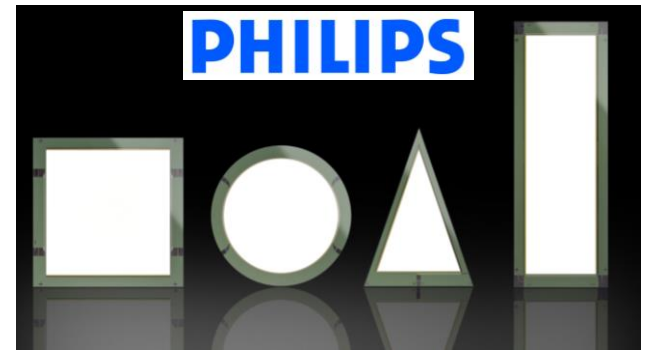
TOSHIBA
Leading Innovation >>>



Lumiotech



Kaneka



*Now available @ 

Royalty & License Revenue Stream

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AMOLED Display Market Potential

Mobile Growth

Tablet / PC Growth

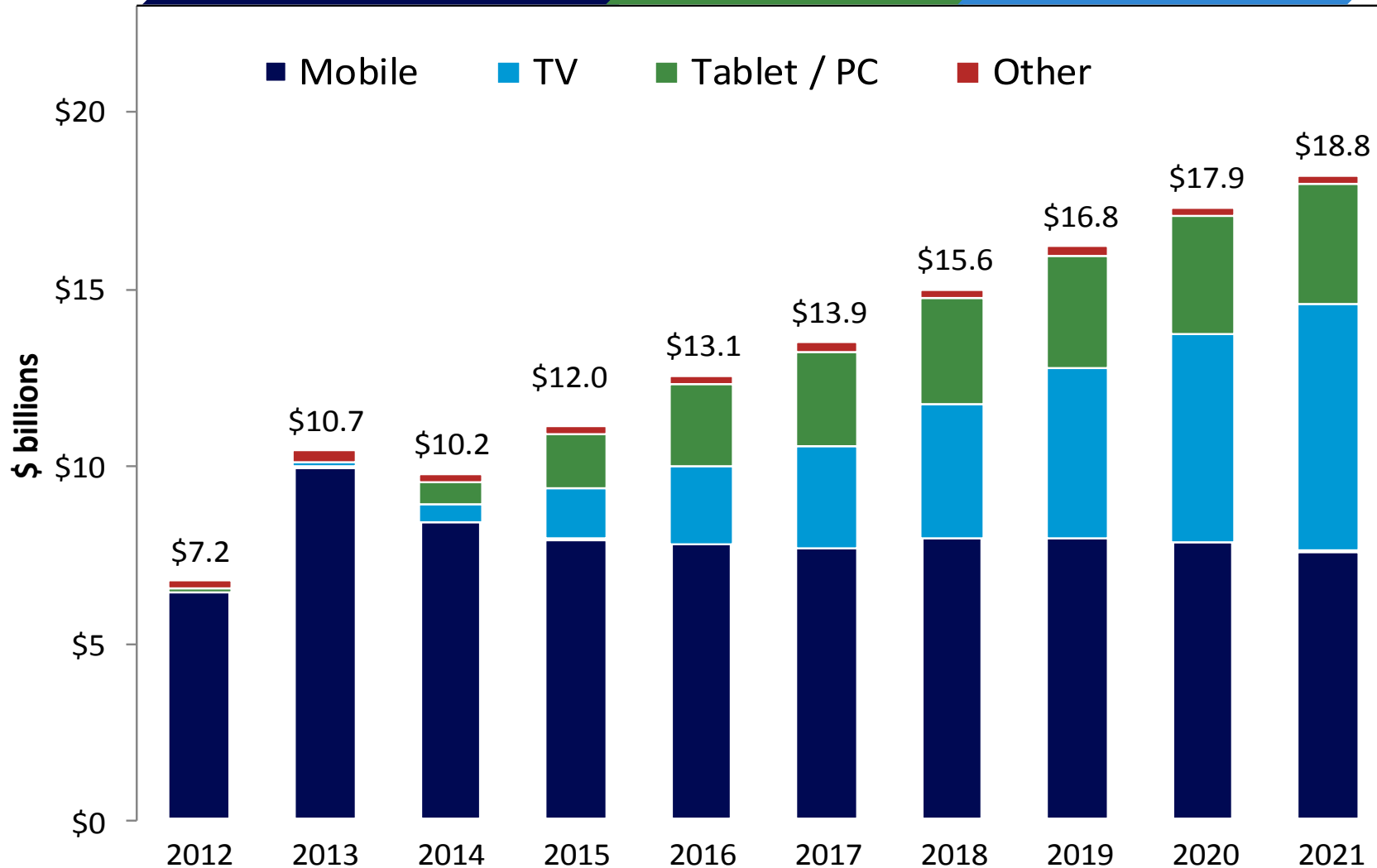
TV Growth

■ Mobile

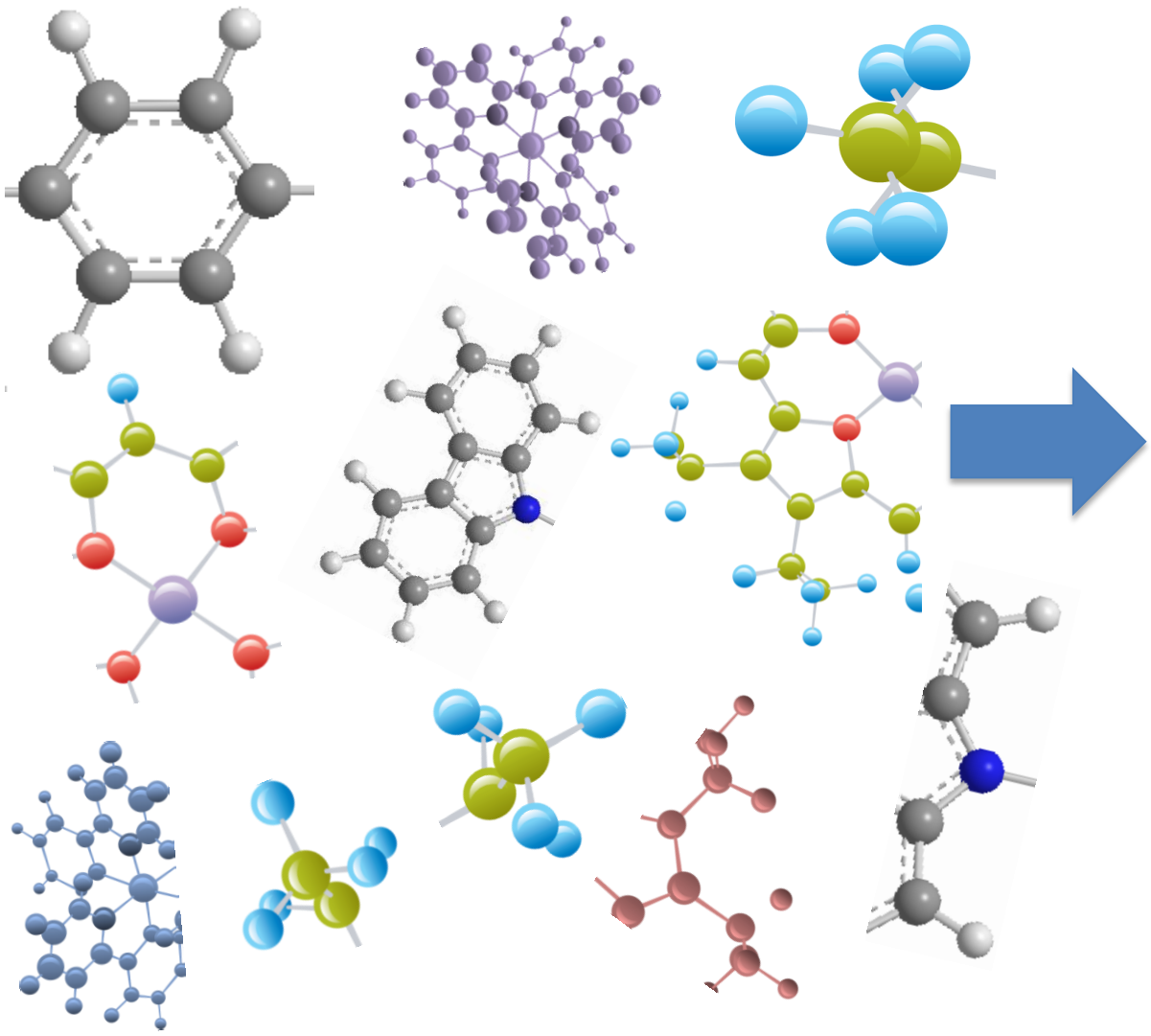
■ TV

■ Tablet / PC

■ Other



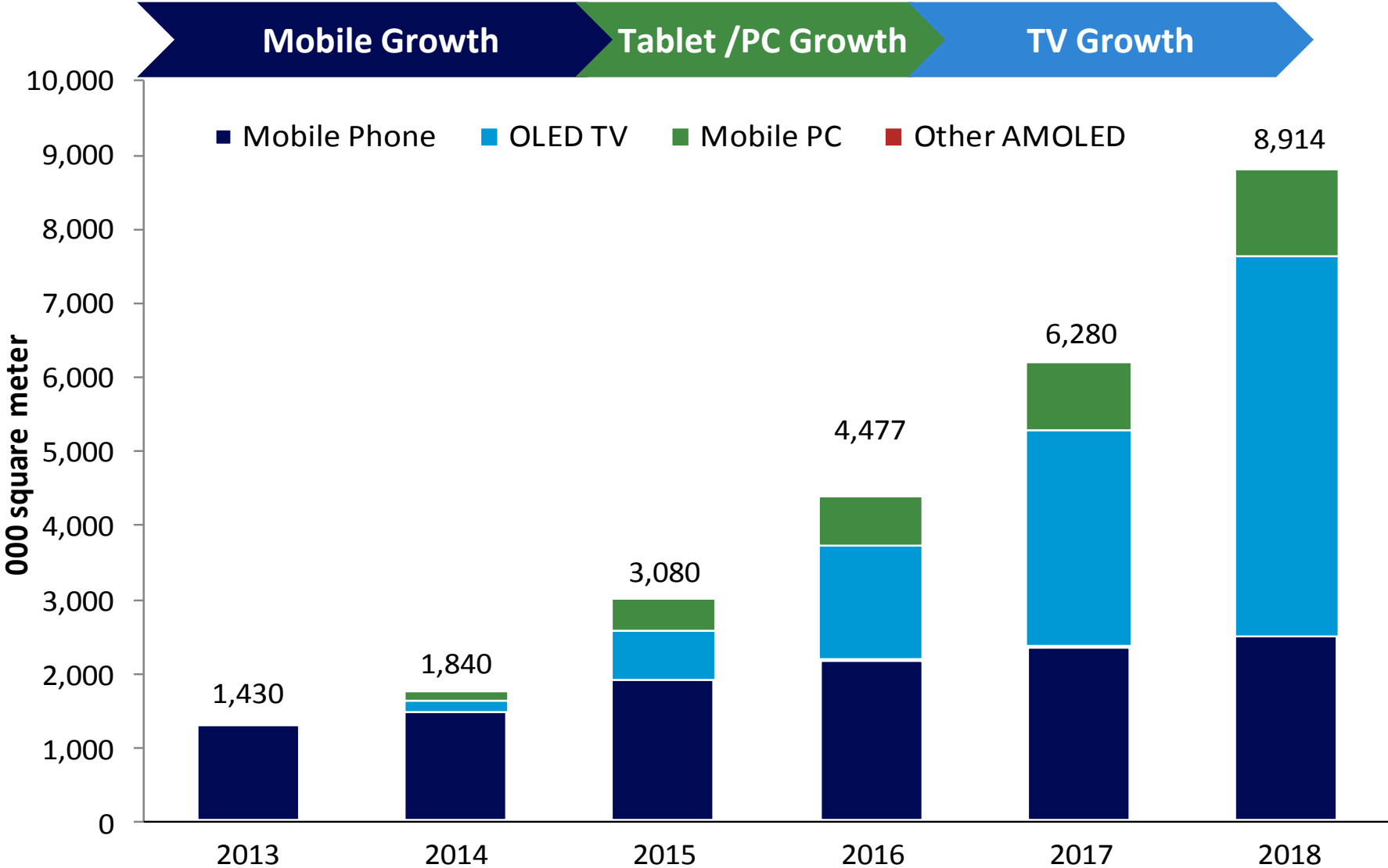
Material Revenue Stream



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OLED Panel Area Demand



UniversalPHOLED® Product Line

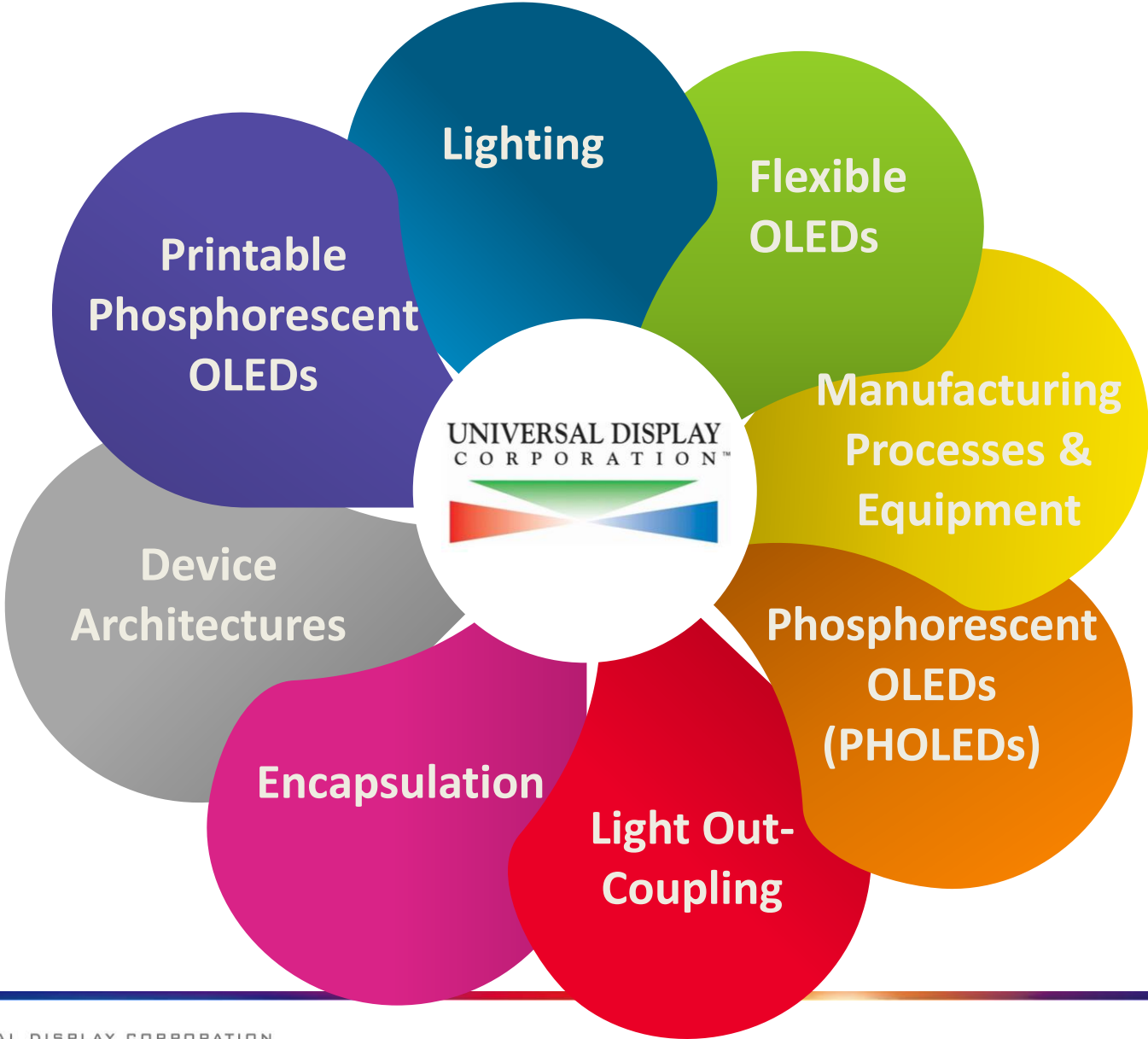
Today we offer emissive layer material systems and component materials:

- ❖ **Red, Green** and **Yellow** Emitters for Displays
- ❖ **Red, Green, Yellow** and **Light Blue** Emitters for White Lighting
- ❖ Host Systems (Mixed and Single Component) for **Red, Green, Yellow** and **Light Blue**

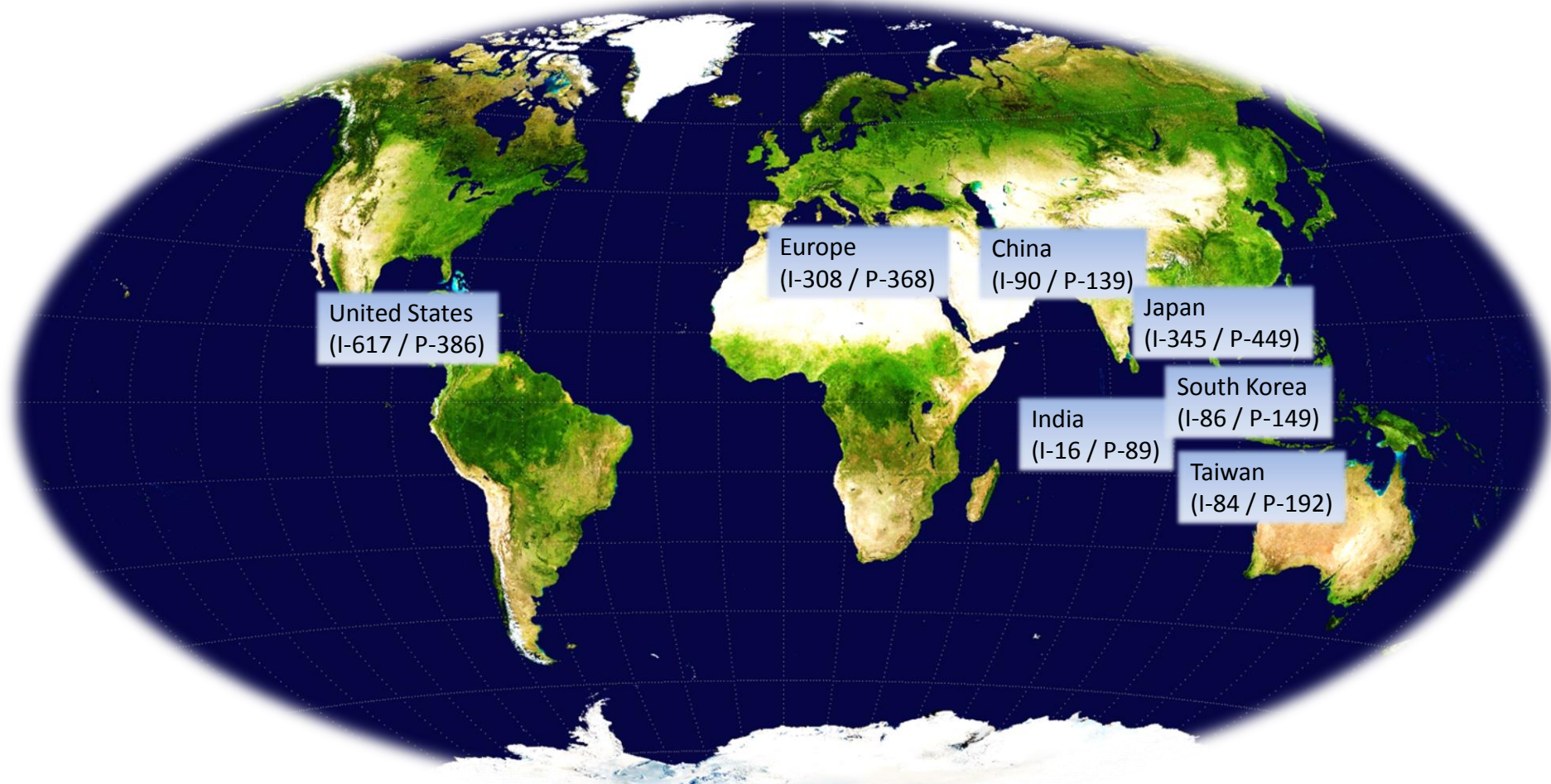
PHOLED Performance (at 1000 cd/m ²)	1931 CIE Color Coordinates	Luminous Efficiency (cd/A)	Operating Lifetime (hrs)	
			LT 95%	LT 50%
DEEP RED	(0.69, 0.31)	17	14,000	250,000
RED	(0.66, 0.34)	29	23,000	600,000
RED	(0.64, 0.36)	30	50,000	900,000
YELLOW	(0.44, 0.54)	81	85,000	1,450,000
GREEN	(0.31, 0.63)	85	18,000	400,000
LIGHT BLUE	(0.18, 0.42)	50	700	20,000

The results are for bottom-emitting structures (with no cavities) fabricated by vacuum thermal evaporation. Lifetime data are based on accelerated current drive conditions at room temperature without any initial burn-in.

Strong, Broad and Deep Patent Portfolio



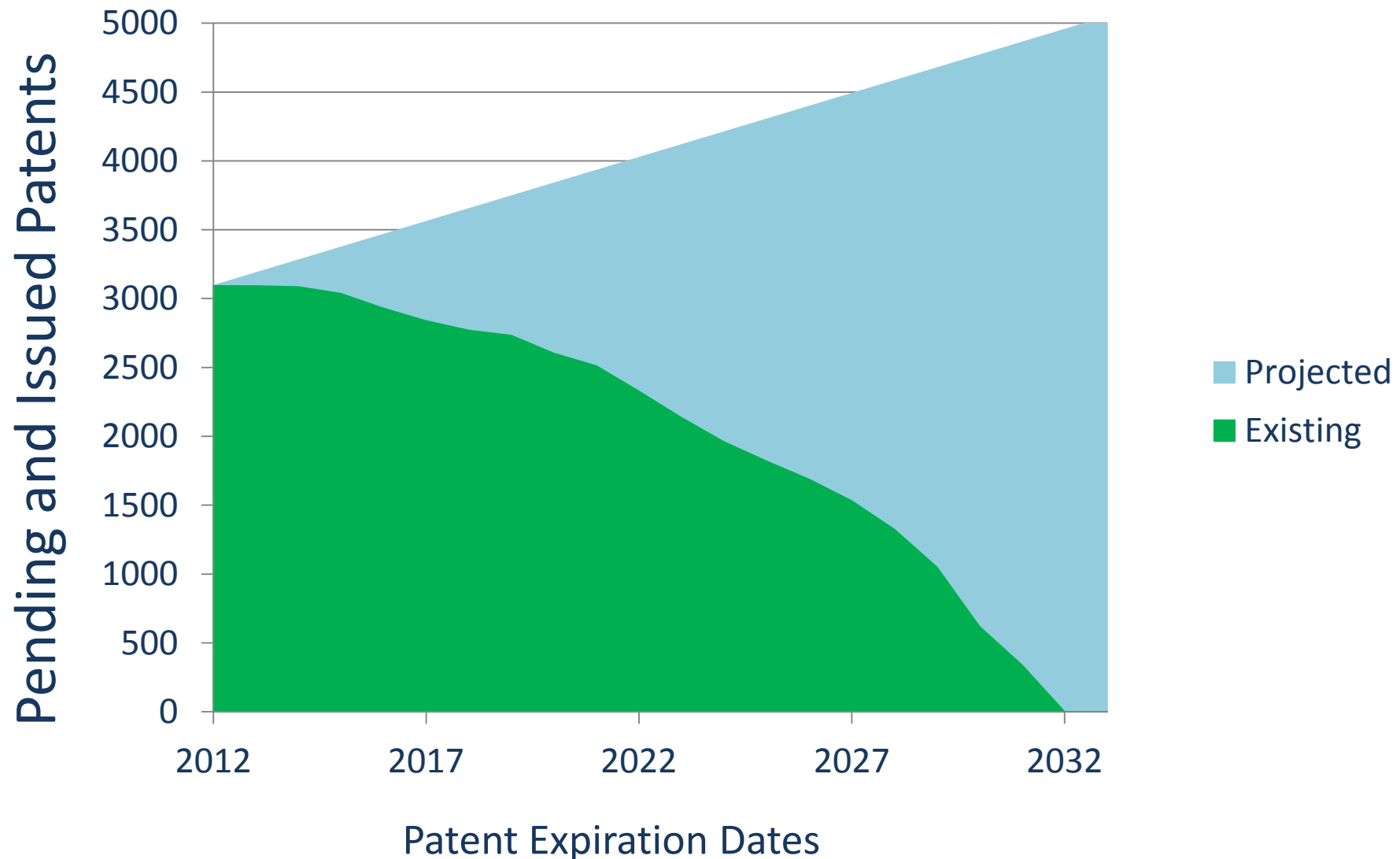
Patents are Universal



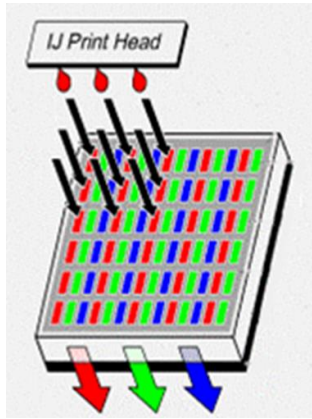
**1,546 patents issued (I) + 1,772 patents pending (P)
For a total of 3,318 (I & P)***

*as of December 31, 2013

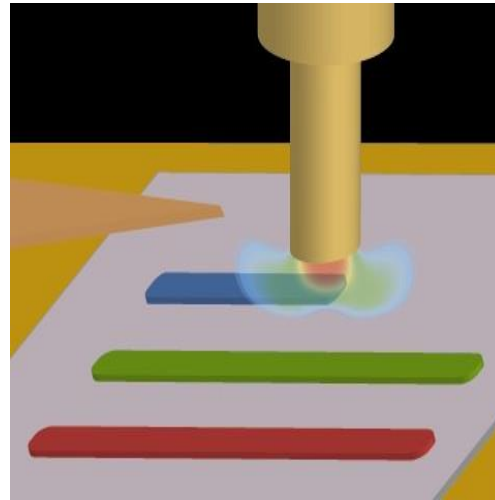
Future Growth: UDC Patents



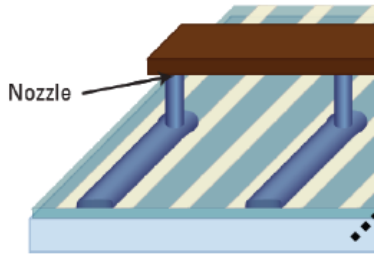
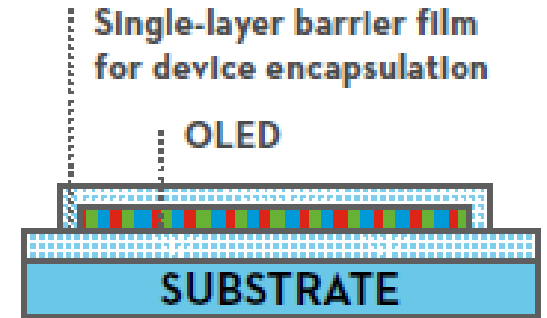
Innovation: Future Revenue Streams



Ink Jet



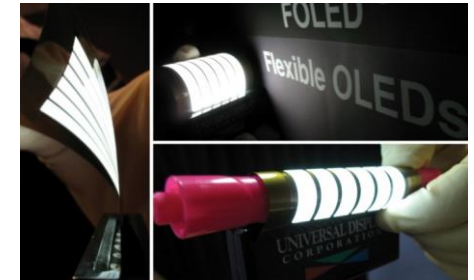
THIN FILM ENCAPSULATION



Nozzle



Vapor Jet Printing
OVJP



Single Barrier
Encapsulation



Liquid Solution Printing
P2OLED

Future Growth: Flexible



Lighter
Unbreakable



Thinner
New Form Factors



Company Highlights

Global Leader in OLED Technology & Materials

- Lighting up the OLED Revolution
- License & Sell Proprietary Phosphorescent OLED Technology and Materials to Display & Solid-State Lighting Manufacturers
- Fabless Model; 144 Employees
- Largest Global PHOLED Team

Blue-Chip Customer Base

- Displays: Samsung, LG Display, BOE, AUO, Innolux, Pioneer, Sony
- Lighting: Kaneka, Konica Minolta, Lumiotec, Pioneer, Fraunhofer IPMS, LG Chem, NEC, Philips
- Working with over 25 Companies
- Growing Pipeline

Strong Financial Performance

- \$268M Cash, no debt
- High Margin Business
- Lean Operating Model
- \$50M Stock Buy Back

Comprehensive & Robust IP

- Largest Phosphorescent OLED (PHOLED) Technology & Materials Portfolio
- Over 3,300 Issued & Pending Patents Worldwide and Growing