

UNIVERSAL DISPLAY CORP \PA\
Form 10-Q
May 07, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934
For the quarterly period ended March 31, 2009

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 1-12031

UNIVERSAL DISPLAY CORPORATION
(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

23-2372688
(I.R.S. Employer Identification No.)

375 Phillips Boulevard
Ewing, New Jersey
(Address of principal executive offices)

08618
(Zip Code)

Registrant's telephone number, including area code: (609) 671-0980

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 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.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting

Smaller reporting company

company)

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

As of May 1, 2009, the registrant had outstanding 36,390,290 shares of common stock.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

UNIVERSAL DISPLAY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	March 31, 2009	December 31, 2008
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 6,064,487	\$ 28,321,581
Short-term investments	66,116,518	49,132,619
Accounts receivable	1,813,358	2,450,444
Inventory	2,209	2,209
Other current assets	483,896	462,908
Total current assets	74,480,468	80,369,761
PROPERTY AND EQUIPMENT, net	12,437,957	12,859,628
ACQUIRED TECHNOLOGY, net	2,505,576	2,929,344
OTHER ASSETS	83,491	69,772
TOTAL ASSETS	\$ 89,507,492	\$ 96,228,505
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,311,724	\$ 1,585,015
Accrued expenses	3,498,595	5,296,433
Deferred license fees	6,148,267	6,148,267
Deferred revenue	2,350,723	2,739,790
Total current liabilities	13,309,309	15,769,505
DEFERRED LICENSE FEES	3,236,637	3,407,037
DEFERRED REVENUE	300,000	337,500
STOCK WARRANT LIABILITY	2,515,868	—
Total liabilities	19,361,814	19,514,042
COMMITMENTS AND CONTINGENCIES (Note 8)		
SHAREHOLDERS' EQUITY:		
Preferred Stock, par value \$0.01 per share, 5,000,000 shares authorized, 200,000 shares of Series A Nonconvertible Preferred Stock issued and outstanding (liquidation value of \$7.50 per share or \$1,500,000)	2,000	2,000
Common Stock, par value \$0.01 per share, 50,000,000 shares authorized, 36,328,665 and 36,131,981 shares issued and outstanding at March 31, 2009 and	363,287	361,320

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December 31, 2008, respectively

Additional paid-in capital	251,812,110	256,696,849
Unrealized gain on available-for-sale securities	141,265	126,497
Accumulated deficit	(182,172,984)	(180,472,203)
Total shareholders' equity	70,145,678	76,714,463
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 89,507,492	\$ 96,228,505

The accompanying notes are an integral part of these statements.

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UNIVERSAL DISPLAY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended March 31,	
	2009	2008
REVENUE:		
Commercial revenue	\$ 1,369,137	\$ 1,555,065
Developmental revenue	1,464,721	1,161,754
Total revenue	2,833,858	2,716,819
OPERATING EXPENSES:		
Cost of chemicals sold	170,987	195,476
Research and development	5,219,062	4,440,139
Selling, general and administrative	2,622,945	2,373,546
Patent costs	731,531	711,385
Royalty and license expense		