



**NAPCO Security Technologies, Inc. (NSSC-Nasdaq)**  
 NAPCO is a leading security solutions provider and manufacturer of high tech intrusion, fire, video, access control, door locking and IoT connected home systems.

**Headquarters :**  
 Amityville, NY

**Share Price :**  
 \$9.90

**52 Week Range :**  
 \$4.95 - \$10.95

**Shares Outstanding:**  
 18.8M

**Market Cap :**  
 \$186.1 M

**Investment Highlights :**

- Insider Ownership 38%
- Zero Net Debt
- Profitable and Growing Business: TTM Revenue \$87.4 MM
- Gross Margin Expansion
- New Focus on Recurring Revenue Products
- School Security Focus Addresses Urgent Need
- IoT Connected Homes Market Forecast to Grow Rapidly
- B2B Business Model: 10K + Dealers & Integrators

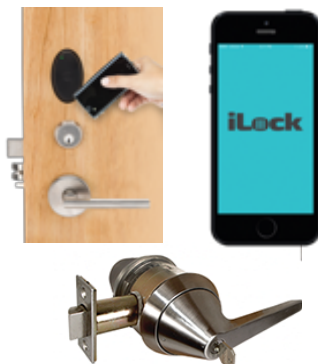


*Recurring Revenue Products*

**CONTINENTAL ACCESS**

**MARKS**

**ALARM LOCK**



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# NAPCO's Paradigm Shift Business Lines

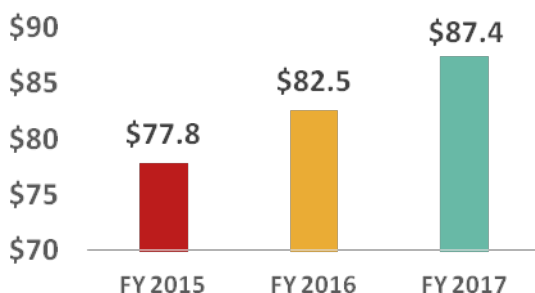
## Recurring Revenue Focus

- Develop new products to generate recurring revenue
- StarLink Radios introduced 3 years ago – RMR Opportunity
  - \$5-9 per month in RMR for small business / residential radio
  - \$15-30 per month for Red FIRE radio which was introduced less than one year ago
  - “New” Connect Radio just launched will generate \$5-9 per month plus \$2.50 per IoT service (lighting, locks, climate and video text alert)

## School Security Products Focus

- Increased trend in incidents at schools across the US
- NAPCO has products that fit every school budget from K-12 to University
- Recently hired new VP to head School Security Division
- Legislation pending in many states to potentially mandate installation of security products
- NAPCO created SAVI audit system for use by school officials to inventory preparedness
- Our products are being used in hundreds of schools in US currently

Revenues (millions)



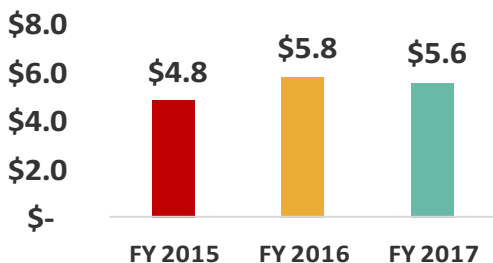
## Fiscal First Quarter 2018 Highlights

- First Quarter Record Sales of \$21.2 Million
- **13 Consecutive Quarters of Sales Growth!**
- Recurring Revenue Increased 56%
- Recurring Revenue Annual Run Rate \$10.6MM
- Operating Income Increased 48%
- Income Before Taxes Increased 49%
- Net Income Increased 57%
- Adjusted EBITDA increased 33%
- Cash Balance Grows to \$4.5 Million
- Net Debt Zero

## Selected Balance Sheet Highlights

Sept 30, 2017 (millions)

Net Income (millions)



Cash and Cash Equivalents	\$4.5
Working Capital <sup>(1)</sup>	\$41.2
Total Assets	\$69.7
Debt, net of cash	\$0
Total Liabilities	\$11.9
Stockholders' Equity	\$57.8
Diluted Shares Outstanding <sup>(2)</sup>	18.8



Three Year Stock Performance