



**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 :**  
 \$7.75

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

**Shares  
 Outstanding:**  
 18.8M

**Market Cap :**  
 \$145.7 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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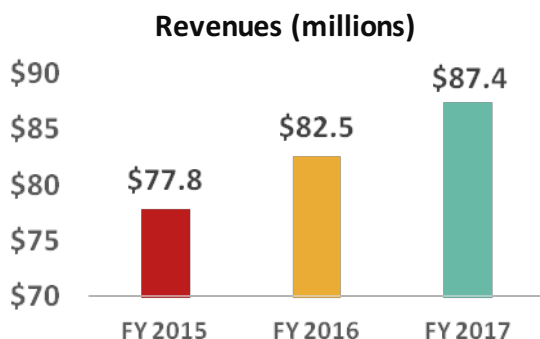
# NAPCO's Paradigm Shift Business Lines

## 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

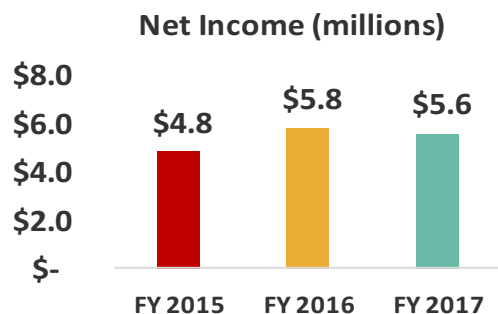


## Fiscal Fourth Quarter Highlights

- Fourth Quarter Record Sales of \$25.7 Million
- Recurring Revenue Increased 65% for the Fiscal Year and 59% for the Fourth Quarter
- Recurring Revenue Annual Run Rate Now \$9.7 Million
- Net Debt Reduced to \$0 as of 6/30/17

## Selected Balance Sheet Highlights

June 30, 2017 (millions)



Cash and Cash Equivalents	\$3.5
Working Capital <sup>(1)</sup>	\$40.8
Total Assets	\$70.9
Debt, net of cash	\$0
Total Liabilities	\$14.0
Stockholders' Equity	\$56.9
Diluted Shares Outstanding <sup>(2)</sup>	18.8

