

Success Story



Nasdaq: NSSC

Hayden IR: Engagement



Hayden IR has represented NAPCO Security Technologies, Inc. since Nov. 16, 2011. At initiation, NAPCO traded at \$2.02 or a \$38.6 million market cap. On Dec. 31, 2012 the stock closed at \$3.64 or a \$69.5 million market cap, an 80% increase.

Hayden IR reworked NAPCO's corporate materials and messaging, and converted financial text tables into graphics to better illustrate leverage and dramatic \$1.00/share earnings power at \$100 million in revenue that was hidden in the Company's presentation. Hayden IR also worked with management to provide more consistent, tangible examples of the changing product mix.



Daily Stock Chart: Price & Volume

On the first road show, one month after engagement, and with the new messaging, Boston-based Walrus Partners became a shareholder on its way to a 300,000 share position. Subsequently, Hayden IR suggested management issue a press release to continue branding NAPCO's recurring revenue. Gagnon Securities responded to the release by purchasing 300,000 shares. The principals at Gagnon now own 1.0 million shares. Hayden IR secured invitations to the Noble, Roth, B. Riley, Benchmark, and LD Micro conferences, scheduling multi-city road shows including New York, Chicago, Minneapolis, Milwaukee, Dallas, Boca Raton and Los Angeles, as well as garnering coverage for NAPCO in a June 13, 2012 unpaid Research Note containing an investor model and \$15 price target. Hayden IR has expanded NAPCO's institutional and non-institutional shareholder base, with investors tolerant of short-term earnings volatility and buying into the long term potential of the Company. NAPCO's stock price has held its gains as an HIR client and is hitting 52-week highs as of Dec. 31, 2012, up 80% since engagement.

Our Work



- ◆ Engaged HIR from November 2011 through present
- ◆ Market cap was \$38.6 million at initial engagement
- ◆ Overhauled collateral materials and positioned the Company within the investment community as ramping recurring revenue, two-three year \$1.00 per share earnings power, offering today a significant discount to future potential of trading multiple times higher
- ◆ Managed four consecutive quarters of flat to down revenues in shareholder communications to keep the focus on long term opportunities, highlighting margin improvement and revenue growth in all divisions being masked by a single underperforming division
- ◆ Targeted and arranged meetings with the financial community
- ◆ Executed strategies to reach retail and institutional investors as well as research analysts

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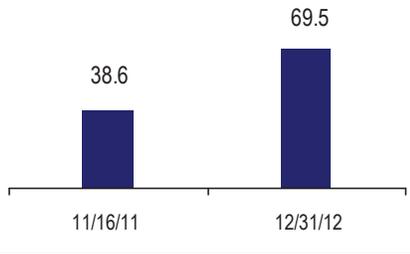
No Promises, Just Results.

Results

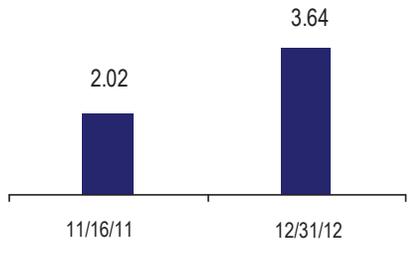


- ◆ Share price rose 80% from \$2.02 (11/16/2011) to \$3.64 (12/31/2012)
- ◆ Market cap increased 80% from \$38.6 million (11/16/2011) to \$69.5 million (12/31/2012)
- ◆ Invitations to present at five conferences in first 13 months
- ◆ Unpaid Research Note with \$15 price target and investor model
- ◆ Broad, long-term focused shareholder base, supporting the Company's improved valuation, taking it to new highs even as quarterly reported revenues are flat to down relative to comparative periods

Market Cap (\$ in millions)



Stock Price



Investor Conference Participation



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For more detailed information, the reader is referred to NAPCO Security Technologies, Inc.'s Form 10-K and other related documents filed with the Securities and Exchange Commission. This does not constitute an offer to buy or sell securities by the Company and is meant purely for informational purposes. HIR represented NSSC since November 2011. This information is not an endorsement of the Company by HIR. HIR is not responsible for any claims made by the Company. You should independently investigate and fully understand all risks before investing.