



ALLEGION™

PIONEERING SAFETY™

2014 Imperial Capital Security Investor Conference

Allegion: Pioneering safety around the world

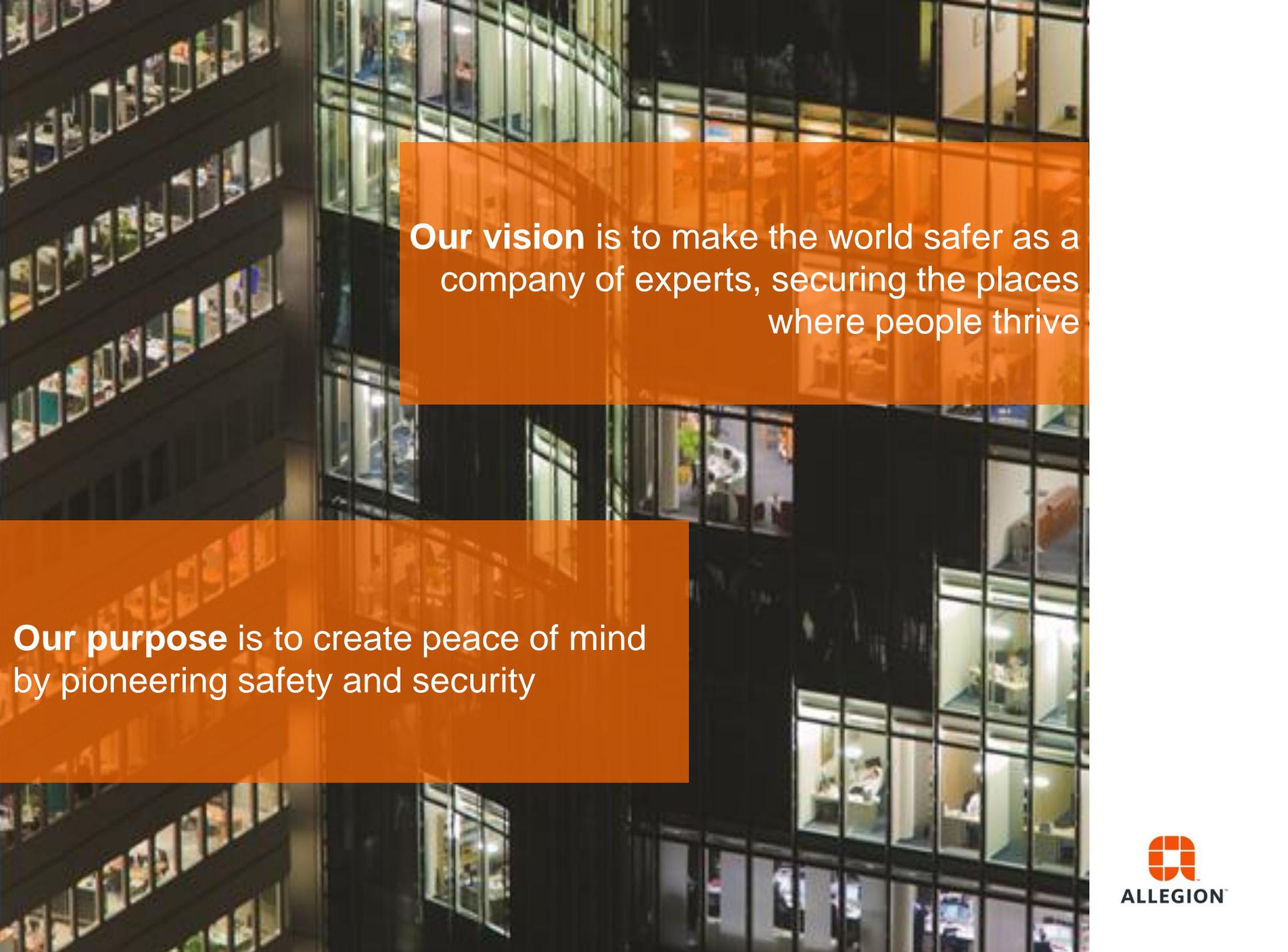
David D. Petratis, Chairman, President and CEO

December 11, 2014

Safe Harbor

This material contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements that relate to the mix of our products, the Company's growth strategy, the Company's tax rate strategies and the Company's capital allocation strategy. These forward-looking statements are based on the Company's currently available information and our current assumptions, expectations and projections about future events. They are subject to future events, risks and uncertainties – many of which are beyond our control – as well as potentially inaccurate assumptions, that could cause actual results to differ materially from those in the forward-looking statements. Further information on these factors and other risks that may affect the Company's business is included in filings it makes with the Securities and Exchange Commission from time to time, including its Form 10-K for the year ended December 31, 2013, Form 10-Q for the quarter ended March 31, 2014, and the Form 10-Qs for the quarters ended June 30, 2014 and September 30, 2014. The Company assumes no obligations to update these forward looking statements.

This material also contains revenue, operating income, EBITDA and EBITDA margin on both a U.S. GAAP basis and on an adjusted basis because the Company's management believes it may assist investors in evaluating the Company's on-going operations as a standalone company. The Company believes these non-GAAP disclosures provide important supplemental information to management and investors regarding financial and business trends relating to the Company's financial condition and results of operations. Investors should not consider these non-GAAP measures as alternatives to the related GAAP measures. A reconciliation of the non-GAAP measures used to their most directly comparable GAAP measure is presented as an appendix to this release.



Our vision is to make the world safer as a company of experts, securing the places where people thrive

Our purpose is to create peace of mind by pioneering safety and security

Who We Are

Our Scope

- Global provider of security products & solutions
- \$2 billion in annual revenue, \$410 million in adjusted EBITDA
- Sales in more than 120 countries
- 19 production facilities



Our Core Assets

- Strong leadership in core products
- Code influence and specification writing
- Channel management
- Operational excellence
- History of innovation

Our Team

- Over 8,000 total employees
- Approximately 700 sales people
- Including 170+ specification writers



Our Customers and Channel Partners

- 1,000,000+ end-user installations
- 5,000+ architect firms
- 9,000+ independent channel partners
- Strength in new construction – opportunity to further develop aftermarket

Our Brands



VON DUPRIN.

LCN.



Bocom System
博康系统



Briton



FALCON.



GLYNN-JOHNSON.



IVES.

KRYPTONITE



NORMBAU



STEELCRAFT.



What We Sell

Products

Secure the Door

- Exit devices
- Mechanical locks
- Key systems
- Electronic locks
- Readers
- Credentials
- Electronic strikes
- Doors and frames
- Hinges
- Accessories

Control the Door

- Door closers
- Automatic operators
- Coordinators

Protect the Door

- Kick plates
- Door pulls
- Edge guards

Portable Security

- Padlocks
- Cable locks
- Bike locks

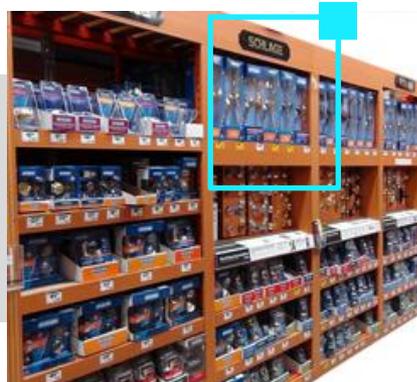
Systems¹

Project Management

Installation

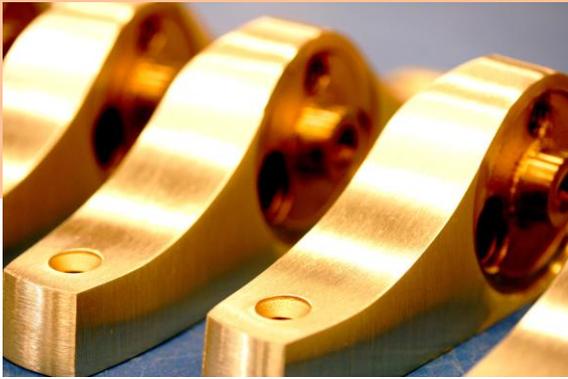
System Design

- Access control
- Video systems
- Workforce management

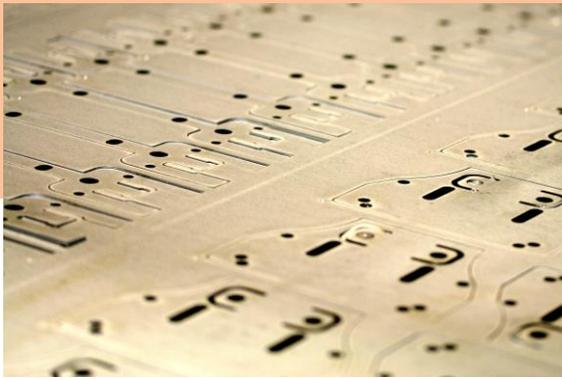


Key Strategies

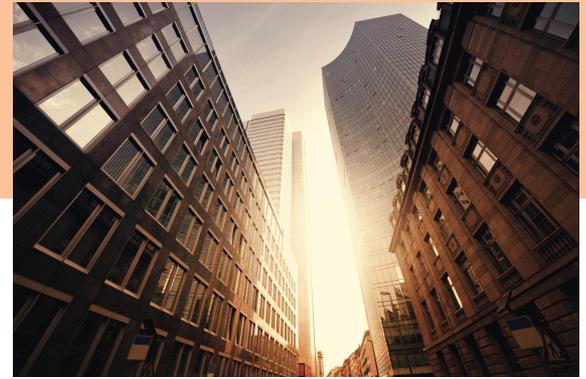
Expand in Core Markets



Innovation in Existing & New Product Categories



Growth in Emerging Markets



Operational Excellence



Opportunistic Acquisitions



Engage Platform

This quarter we introduced **ENGAGE™** technology to the market:

- This technology streamlines the transition from mechanical keys to electronic credentials
- Easy to install, manage and use
- Easily accommodates future expansion and reconfiguration.
- Provides the opportunity for a global technology platform



Leading the global convergence of
mechanical & electronic solutions

Capital Allocation Strategy

Leverage Management

- Target 2.75-3.25x of gross debt/EBITDA
- Amendment of existing credit facility in October; lowers cost of capital, continues to provide liquidity and flexibility to grow business

Organic Growth Investment

- Expand core portfolio and vertical markets
- Accelerate new product development
- Operational excellence
- Self-funding

M&A

- Product expansion and increased presence in emerging markets and technologies
- Disciplined approach to acquisition management

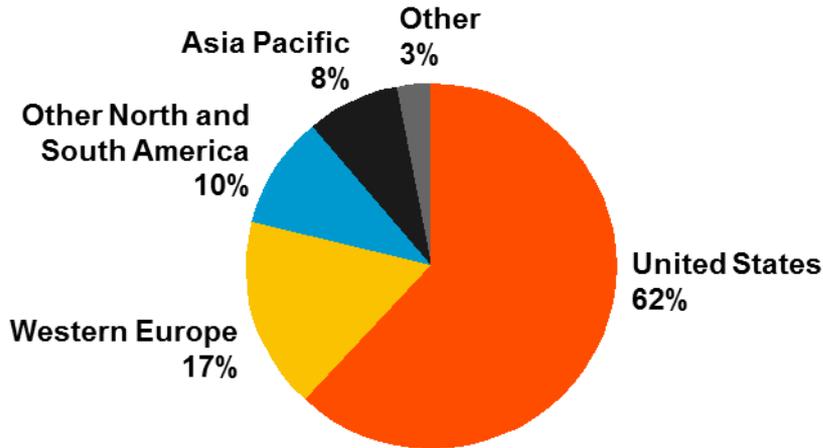
Shareholder Distribution

- 2014 quarterly dividends: \$0.08 per ordinary share.
- \$200 million share repurchase program announced. Executed \$50.3 million year-to-date.

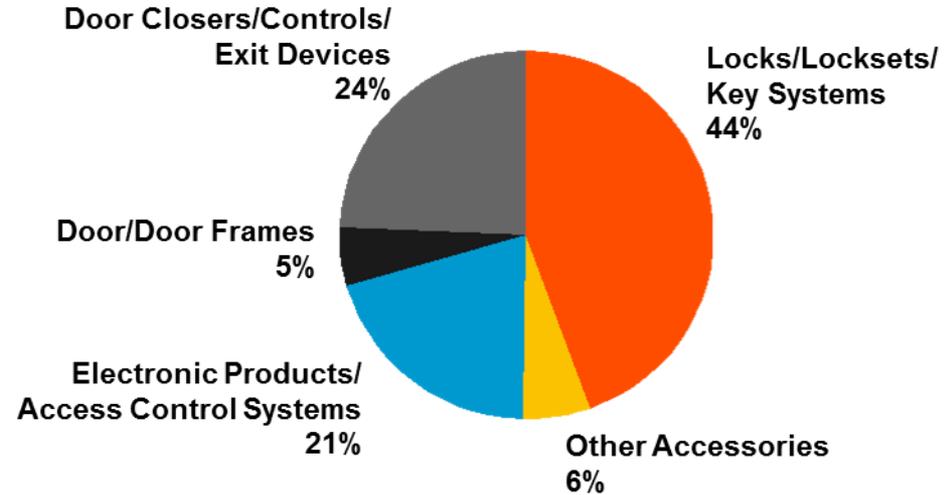
Continued focus on balanced and flexible capital allocation management

Allegion Revenue Snapshot

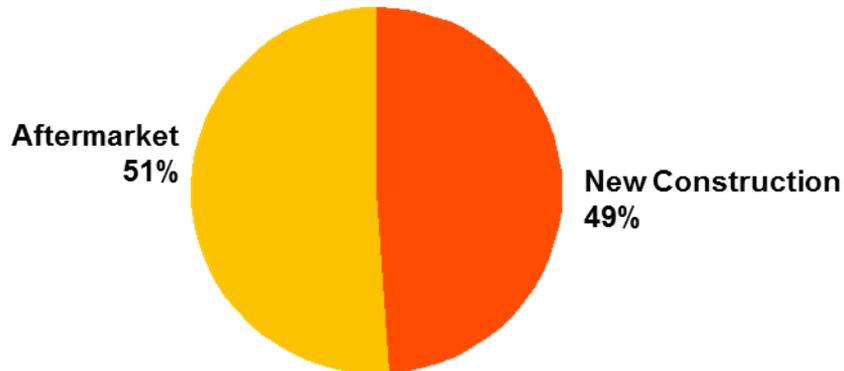
Revenue Mix - Geography



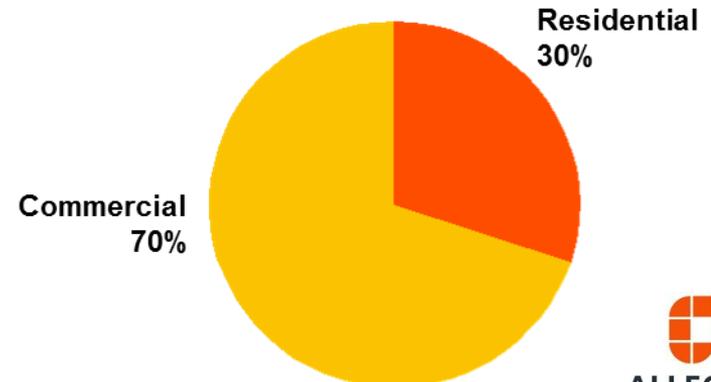
Revenue Mix - Product Category



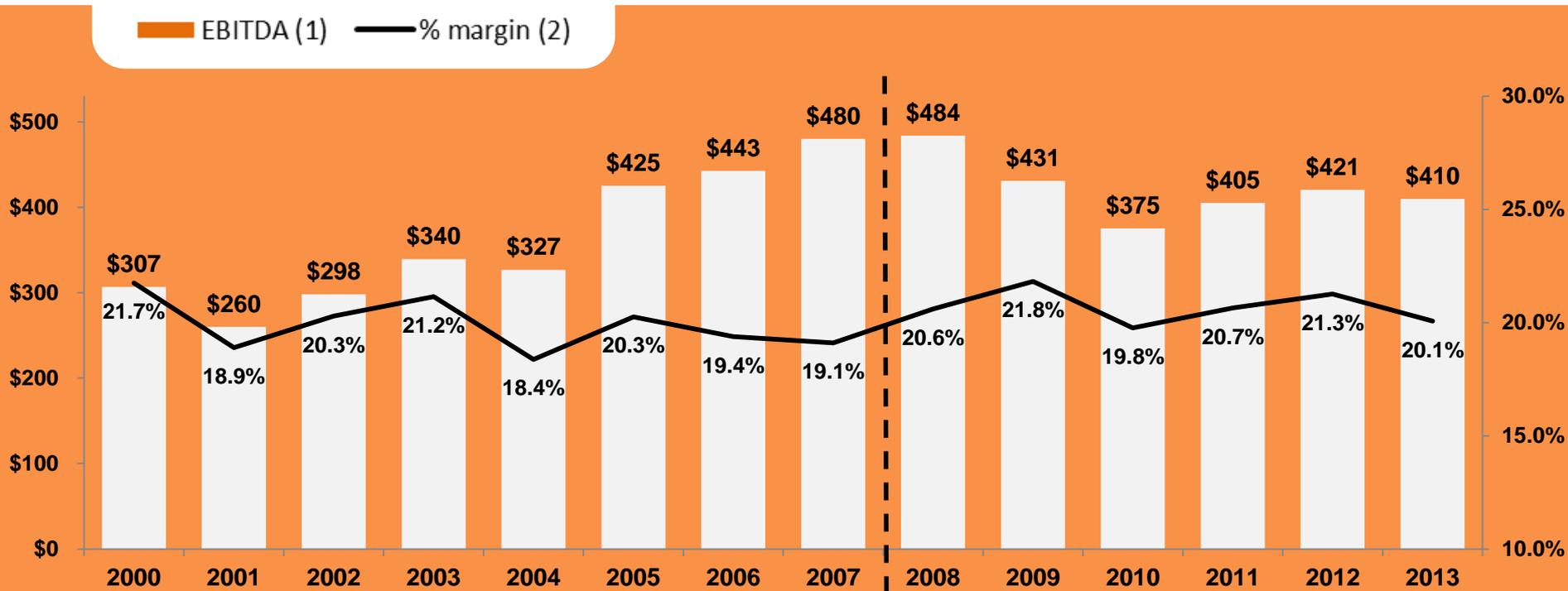
Revenue Mix - Sales Type



Revenue Mix - End-use Application



Historical Adjusted EBITDA Margins



(1) EBITDA defined as operating income plus depreciation and amortization.

(2) EBITDA Margin for 2008-2013 calculated using revenue adjusted for Asia joint venture order flow change.

2000 - 2007 represents the Security & Safety or Security Technologies segment as reported in Ingersoll Rand 's 10K.

See appendix for reconciliation of GAAP revenue and net income to adjusted revenue and EBITDA.

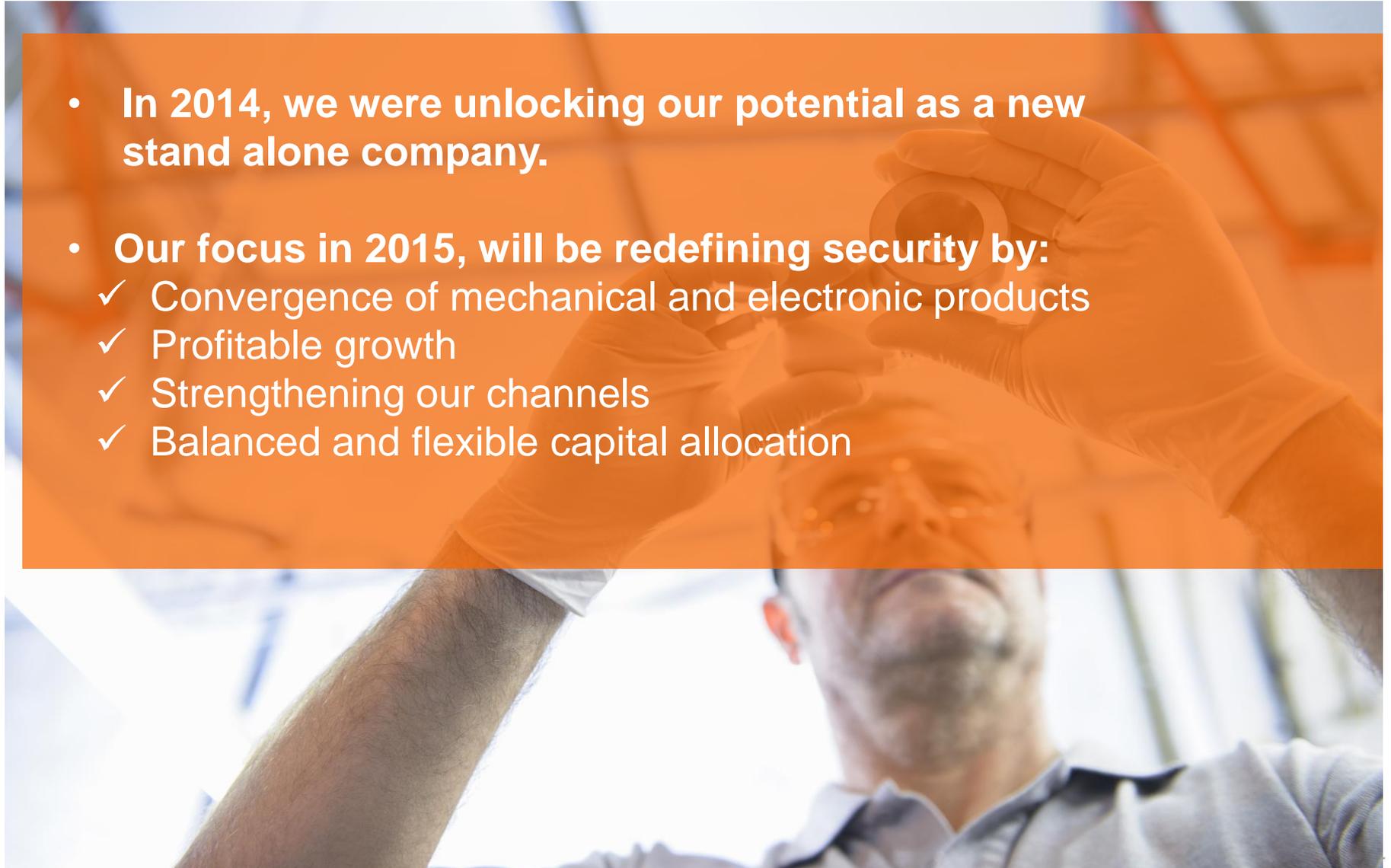
This information excludes the impact of the Q3 UK Door divestment and restatement to discontinued operations

**Consistent EBITDA
margin performance**



Wrap Up

- In 2014, we were unlocking our potential as a new stand alone company.
- Our focus in 2015, will be redefining security by:
 - ✓ Convergence of mechanical and electronic products
 - ✓ Profitable growth
 - ✓ Strengthening our channels
 - ✓ Balanced and flexible capital allocation





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Appendix

Adjusted EBITDA Reconciliation

(\$mm)

	2008	2009	2010	2011	2012	2013
Revenue	\$ 2,413.9	\$ 2,038.8	\$ 1,967.7	\$ 2,021.2	\$ 2,046.6	\$ 2,093.5
Asia Joint Venture Revenue	\$ (65.3)	\$ (64.5)	\$ (68.9)	\$ (58.6)	\$ (78.0)	\$ (52.0)
Adjusted Revenue	\$ 2,348.6	\$ 1,974.3	\$ 1,898.8	\$ 1,962.6	\$ 1,968.6	\$ 2,041.5
Net Income	\$ (76.4)	\$ 177.4	\$ 191.8	\$ 218.1	\$ 219.6	\$ 31.0
<i>Adjustments to arrive at operating income:</i>						
Income tax provision (benefit)	\$ 145.0	\$ 145.8	\$ 125.7	\$ 130.5	\$ 135.9	\$ 174.2
Interest expense, net	\$ (1.1)	\$ 1.2	\$ 1.8	\$ 1.4	\$ 1.5	\$ 10.2
Other (income) / expense	\$ (0.7)	\$ 14.9	\$ (3.5)	\$ (4.6)	\$ 3.0	\$ 7.1
Noncontrolling interest	\$ 0.4	\$ 12.4	\$ 6.7	\$ 6.3	\$ 5.7	\$ 12.5
Discontinued operations	\$ (0.6)	\$ 3.0	\$ 2.5	\$ 7.3	\$ 2.7	\$ 0.8
Operating Income	\$ 66.4	\$ 354.7	\$ 325.0	\$ 359.0	\$ 368.6	\$ 235.8
<i>% margin (Unadjusted Revenue)</i>	2.8%	17.4%	16.5%	17.8%	18.0%	11.3%
Restructuring and Other Costs	\$ 13.1	\$ 25.2	\$ 3.0	\$ 0.3	\$ 8.2	\$ 5.8
Spin Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.9
Impairment	\$ 356.8	\$ 5.0	\$ -	\$ -	\$ -	\$ 137.6
Gain on Property Sale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (21.5)
Adjusted Operating Income	\$ 436.3	\$ 384.9	\$ 328.0	\$ 359.3	\$ 376.8	\$ 363.6
<i>% margin (Adjusted Revenue)</i>	18.6%	19.5%	17.3%	18.3%	19.1%	17.8%
Depreciation & amortization	\$ 47.5	\$ 46.0	\$ 47.3	\$ 46.0	\$ 43.8	\$ 46.1
Adjusted EBITDA	\$ 483.8	\$ 430.9	\$ 375.3	\$ 405.3	\$ 420.6	\$ 409.7
<i>% margin (Adjusted Revenue)</i>	20.6%	21.8%	19.8%	20.7%	21.3%	20.1%

Note: This information excludes the impact of the Q3 UK Door divestment and restatement to discontinued operations