

Allegion Completes its Debt Refinancing, Migration to Investment Grade

DUBLIN--(BUSINESS WIRE)-- Allegion plc (NYSE: ALLE), a leading global provider of security products and solutions, today announced that it has completed the redemption of its outstanding \$600 million high yield senior notes, \$300 million of 5.750 percent notes due 2021, and \$300 million of 5.875 percent notes due 2023. In addition, on Oct. 2, 2017, Allegion closed its previously announced new bond offering of \$400 million aggregate principal amount of 3.200 percent senior notes due 2024 and \$400 million aggregate principal amount of 3.550 percent senior notes due 2027. The issuance of the new senior notes, the redemption of the high yield senior notes from the proceeds of such issuance, as well as the refinancing of the company's credit facility announced on Sept. 12, 2017, completes Allegion's refinancing, resulting in the company having a fully investment grade capital structure.

"Completing the debt refinancing and the migration to investment grade results in significantly lower interest expense and increased cash flows for the benefit of our shareholders," said Patrick Shannon, Allegion senior vice president and chief financial officer. "These steps reduce our cost of capital and future borrowing costs, which enhance our ability to fund accelerated organic growth as well as future acquisitions."

Allegion now has outstanding indebtedness of approximately \$1.5 billion, consisting of a \$700 million unsecured term loan facility due 2022, \$400 million of 3.200 percent senior notes due 2024, and \$400 million of 3.550 percent senior notes due 2027. The company also has an undrawn \$500 million revolving credit facility.

"Achieving an investment grade profile demonstrates our financial strength and strong cash flow characteristics. It also positions Allegion well to continue to execute our long-term strategy and enhance shareholder value," Shannon added.

As previously announced, the company expects to recognize, in 2017, a pre-tax charge of approximately \$47 million (\$0.43 per share), associated with the debt refinancing, which includes a cash redemption premium of \$33 million, as well as the write-off of previously capitalized debt issue costs and other transaction expenses. In addition, the company expects that it will realize approximately \$13 million in pre-tax, annualized interest expense savings (\$0.09 per share), as a result of the new capital structure.

This press release is for informational purposes only and shall not constitute an offer to sell, or the solicitation of an offer to buy, any securities, nor will there be any sales of securities mentioned in this news release in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. You may obtain the registration statement (including the accompanying prospectus, the related prospectus supplement and the information incorporated by reference therein) relating to the bond offering for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, copies may also be obtained by contacting J.P. Morgan Securities LLC at the following address: 383 Madison Avenue, New York, New York, 10179, Attn: Investment Grade Syndicate Desk, or by calling 1-212-834-4533; Merrill Lynch, Pierce, Fenner & Smith Incorporated at the following address: NC1-004-03-43, 200 North College Street, 3rd Floor, Charlotte, North Carolina, 28255-0001, Attn: Prospectus Department, or by calling 1-800-294-1322; or Wells Fargo Securities, LLC at the following address: 608 2nd Avenue South, Suite 1000, Minneapolis, Minnesota, 55402, or by calling 1-800-645-3751.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the company's 2017 financial performance, growth strategy, capital allocation strategy, tax planning strategies, the expected savings from the debt refinancing, and the performance of the markets in which the company operates. These forward-looking statements are based on the company's currently available information and its current assumptions, expectations and projections about future events. They are subject to future events, risks and uncertainties—many of which are beyond the company's control—as well as potentially inaccurate assumptions, which 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 SEC from time to time, including its Form 10-K for the year ended Dec. 31, 2016, Form 10-Qs for the quarters ended March 31, 2017, and June 30, 2017, and in its other SEC filings. The Company assumes no obligations to update these forward-looking statements.

About Allegion™

Allegion (NYSE: ALLE) is a global pioneer in safety and security, with leading brands like CISA®, Interflex®, LCN®, Schlage®, Simons-Voss® and Von Duprin®. Focusing on security around the door and adjacent areas, Allegion produces a range of solutions for homes, businesses, schools and other institutions. Allegion is a \$2.2 billion company, with products sold in approximately 130 countries.

View source version on businesswire.com: <http://www.businesswire.com/news/home/20171003006509/en/>

Allegion plc

Media:

Maria Pia Tamburri, +1-317-810-3399

Director, Public Affairs

Maria.Tamburri@allegion.com

or

Analysts:

Mike Wagnes, +1-317-810-3494

Vice President, Treasury and Investor Relations

Michael.Wagnes@allegion.com

Source: Allegion plc