

Allegion to Acquire Australian Residential Door Hardware Leader Gainsborough, National Commercial Locksmith

DUBLIN--(BUSINESS WIRE)-- Allegion, plc (NYSE:ALLE), a leading global security products and solutions provider, has agreed to acquire GWA Group Limited's Door and Access Systems Business through one of its subsidiaries. The transaction is expected to close in the third quarter of 2018.

GWA's Door and Access Systems Business includes renowned Australian brands Gainsborough Hardware and API Locksmiths. Gainsborough is the market-leading residential door hardware brand in Australia, with a portfolio that includes the country's top entrance door lock. API Locksmiths is the commercial market leader for keying, installation and access control services across the country.

"This strategic acquisition bolsters Allegion's presence in Australia and significantly increases our scale in the Asia-Pacific region as a whole," said David D. Petratis, Allegion president, chairman and CEO. "We're enhancing our residential presence with market-leading positions and longstanding customer relationships, all while accelerating our development of electronic security solutions. This is consistent with Allegion's growth strategy in the region – and highly complementary to our core business."

The GWA Door and Access Systems Business generated sales of approximately AUD 95 million for calendar year 2017. The business will operate in Allegion's Asia-Pacific region.

"The Door and Access Systems Business is strong, and we believe Allegion can maximize its potential," said Tim Salt, GWA managing director. "Allegion's global scale, innovative technologies and supply chain capabilities will enable both Gainsborough and API to further enhance their offerings to customers."

The transaction is valued at AUD 107 million. Allegion plans to fund the acquisition through existing cash on hand and borrowings under its revolving credit facility. Excluding merger and acquisitions costs, Allegion expects the transaction to be slightly accretive to adjusted EPS for 2018.

Greenhill & Co., LLC acted as financial advisor, and Jones Day acted as legal advisor to Allegion with the transaction.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements that relate to the acquisition's impact on the company's financial and operational performance, the acquisition's ability to drive growth and the integration of the acquisition. These forward-looking statements are based on the company's current 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 are included in filings it makes with the Securities and Exchange Commission from time to time, including its Form 10-K for the year ended Dec. 31, 2017, and Form 10-Q for the quarter ended March 31, 2018, 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®, SimonsVoss® 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 \$2.4 billion company, with products sold in almost 130 countries. For more, visit www.allegion.com.

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