



ALLEGION™

PIONEERING SAFETY™

2015 Baird Industrial Conference

2015 Allegion Overview

Pioneering Security Around the World

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Safe Harbor

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the Company's 2015 financial performance, the Company's growth strategy, the Company's capital allocation strategy, the Company's tax planning strategies, the Company's Italian restructuring plan, the Company's Europe, Middle East, India and Africa (EMEA) strategy, the performance of the markets in which the Company operates and the Company's announced divestiture of Bocom Wincent, including the ability to timely close and the expected impact. 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, 2014, Form 10-Qs for the quarters ended March 31, June 30, September 30, 2015, and in our other SEC filings. The Company assumes no obligations to update these forward-looking statements.

This presentation also contains Revenue, EBITDA, EBITDA margin, diluted earnings per share (EPS) from continuing operations and effective tax rate on both a U.S. GAAP basis and 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 presentation.

Allegion Overview

- A leading global provider of security products and solutions
- Serving residential and non-residential end markets
- Strong brands with leading market positions
- Industry leading organic growth and EBITDA margins
- High level of cash conversion performance
- Broad distribution network
- Balanced and flexible capital allocation strategy



Global Reach

\$2,118 Million in 2014 Revenue

7,000+ Channel Partners

AMERICAS

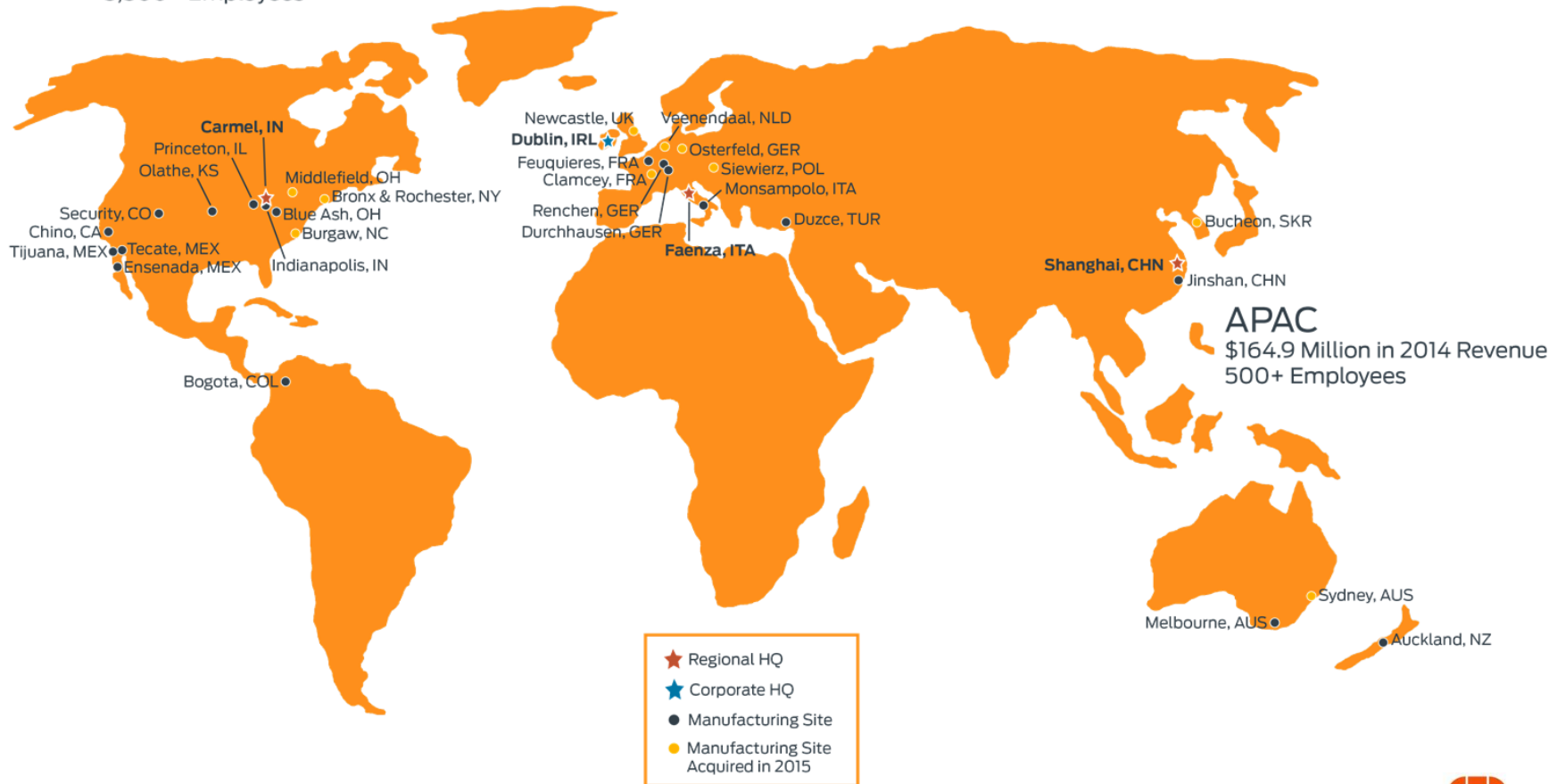
\$1,560.0 Million in 2014 Revenue

5,500+ Employees

EMEIA

\$393.4 Million in 2014 Revenue

2,000+ Employees



Our Brands

Enterprise Brand



Strategic Brands

LCN[®]



VON DUPRIN[®]



interflex

A Long Legacy of Excellence

What We Sell

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



Allegion Leadership in the IoT



RESIDENTIAL

Projected to sell
1 million e-locks in
2015

Full range of keyless
solutions: Schlage
Touch™, Connect™,
Sense™

MULTI-FAMILY & COMMERCIAL

Top share of
multi-family e-locks

Next-generation
solution: Schlage
Control™ with
ENGAGE™
technology

RECOGNIZED LEADER

Key partnerships
Leading position in
retailers

Evaluated as #1 in
keyless and
connected categories

Highlights

- Unique in the IoT: leadership across residential, multi-family and commercial
- Schlage locks are a prevalent entry point for home automation
- Consumer applications migrate into commercial
- Collaboration with key partners in the IoT
- Open standard protocol

A photograph of a Schlage Sense smart lock installed on a grey door. The lock features a silver finish, a numeric keypad, and a keyhole. The background shows a living room with a beige sofa, patterned pillows, and framed artwork on the wall.

Schlage **Sense**TM

- Schlage Sense pre-orders started Sept. 1
 - Key-free convenience
 - Grade 1 security
 - Built-in alarm technology
 - End-to-end encryption and authentication
- *Hardware and Building Supply Dealer*: “...one of the strongest, most intelligent Bluetooth-enabled locks on the market.”
- *Mashable*: “ ‘Siri, it’s bedtime.’ And with that, the Lutron Serena shades drop, the Schlage door lock bolts tight and the Philip Hue lights soften. This is Apple’s vision for your future smart home, but it’s not exactly in the future — it’s happening now...”

Key Strategies



Expand in Core Markets

- Channel management and demand creation
- Commercial retrofit and renovation
- Residential electronics and home automation adoption



Innovation in Existing & New Product Categories

- Accelerate new product development / vitality index
- Growth of electronic product portfolio
- Global platforming



Opportunistic Acquisitions

- Emerging markets
- Emerging technology
- Expand product portfolio



Enterprise Excellence

- EMEIA transformation
- Enhanced customer experience and lead times
- Continuous improvement



Growth in Emerging Markets

- Latin America
- Asia Pacific
- Investing in localized products and supply-chain capabilities

Capital Allocation Strategy

Leverage Management

- Target 2.75-3.25x of gross Debt/Adj. EBITDA
- LTM Sep. 2015: 3.7x of gross Debt/Adj. EBITDA
- Utilize cash flow and EBITDA contribution from acquisitions to quickly de-lever back to target range

Organic Growth Investment

- Accelerate new product development
- Expand channel capability
- Enterprise excellence

M&A

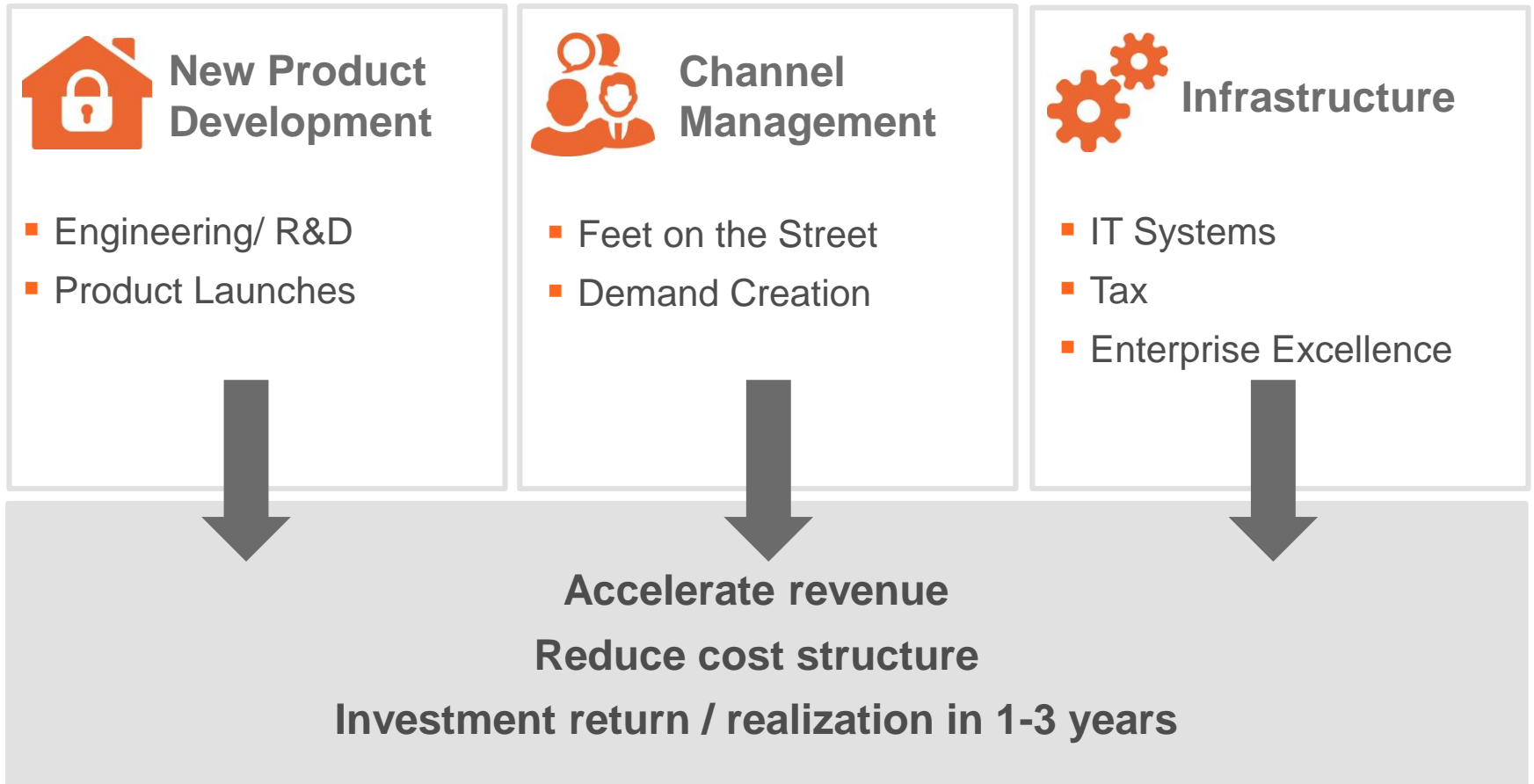
- Product/market expansion and increased presence in emerging markets and technologies
- Disciplined approach to acquisition management

Shareholder Distribution

- 2015 quarterly dividend increased to \$0.10 per ordinary share
- \$200 million share repurchase program announced; Executed \$80.3 million LTD

Continued Focus on Balanced & Flexible Capital Allocation Management

Organic Investments



Standardized Process, Prioritization & Post-Implementation Review

M&A Platforms / Thresholds

Platforms



Key Acquisition Criteria

- Aligned with strategic direction and in our core
 - Strong business and market fundamentals
 - Targets with leadership position and ability to scale
 - Clear synergy opportunities
- Return on Invested Capital >12% by year 3

Focused & Disciplined Approach

Recent Acquisitions



- Leading European electronic locks manufacturer based in Germany
- Strong legacy of innovation and technical expertise
- Strong cash flow characteristics
- Complementary product portfolio with digital cylinders and smart handles

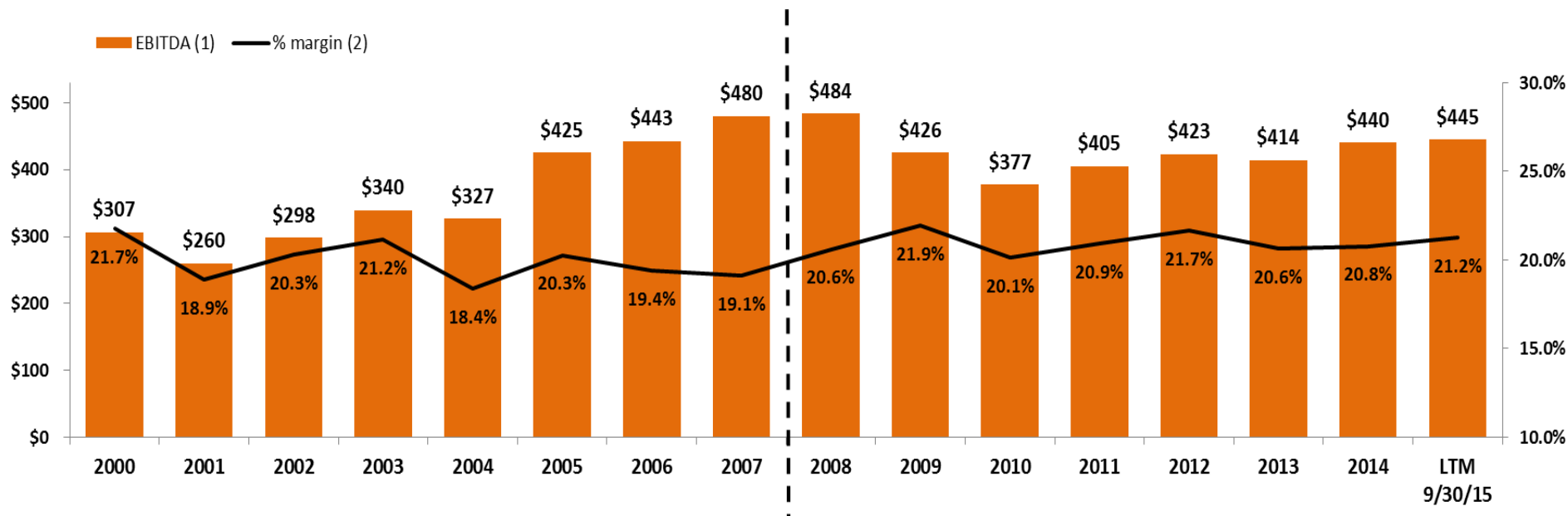


- Innovative residential and portable security product provider headquartered in the Netherlands
- Strong channel and end-user relationships
- Complementary portfolio with portable locks, lighting and door accessories



- South Korea digital door lock manufacturer
- Complementary product portfolio with mortise, rim and locker locks
- Well-known brand, strong research and development capability
- Retail and commercial distribution channels

Historical Adjusted EBITDA Margins



¹ Adjusted EBITDA defined as operating income plus depreciation and amortization, excluding discontinued operations, net of tax, other expense, net, goodwill impairment charges, gains on the sale of property, charges related to the devaluation of the Venezuelan bolivar, restructuring costs, and costs incurred as part of our spin-off from Ingersoll Rand plc.

² Adjusted EBITDA Margin for 2008-2013 calculated using net revenue adjusted for Asia joint venture order flow change. Adjusted EBITDA and margin presented prior to 2007 were derived from the Security & Safety or Security Technologies segments as reported in Ingersoll Rand's 10-K. These amounts do not reflect the impact of any divestitures that occurred after 2007, changes in accounting standards after 2007 or the impact of certain historical adjustments made to our financial results due to the spin-off from Ingersoll Rand.

2008-2013 net income is adjusted for LIFO to FIFO conversion.

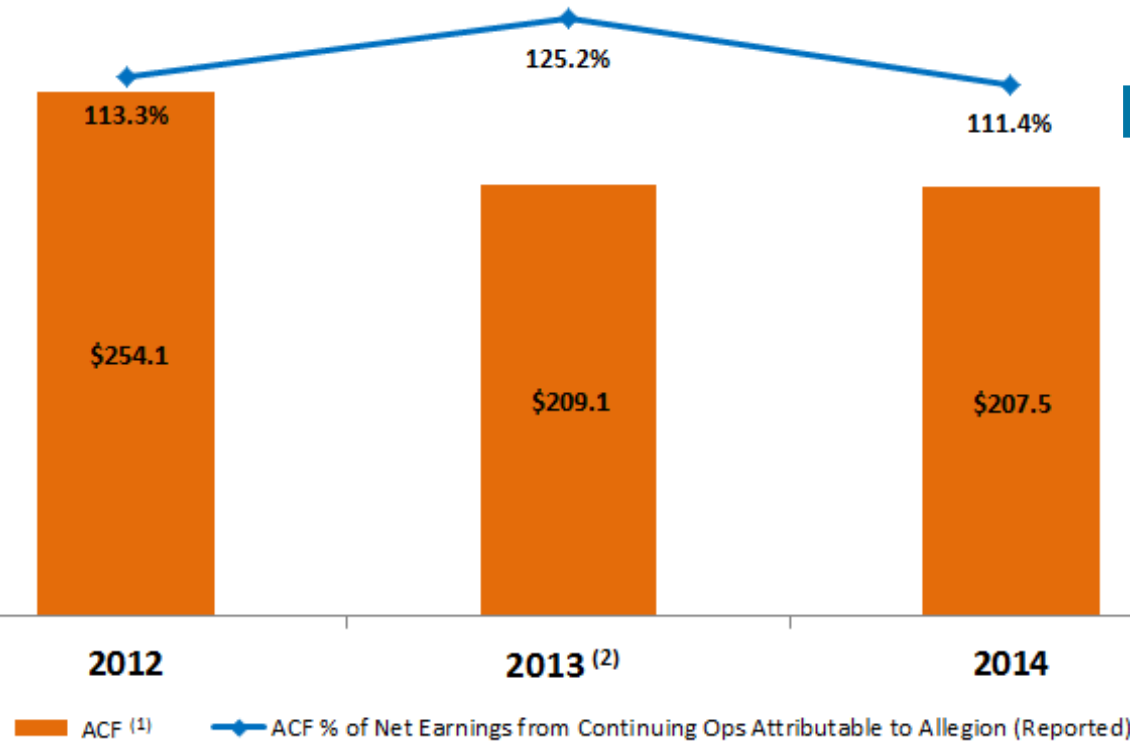
2009-2013 net revenues and net income are adjusted for the UK Door Business.

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

Consistent EBITDA Margin Performance

Strong Cash Flow Generation

(\$ millions)



2015 Target
~\$200 million
2016 & Beyond
~100+%

Target ACF 100+% of Net Earnings Over Time

(1) ACF is cash from continuing operating activities less capital expenditures

(2) 2013 ACF% is based on net earnings from continuing ops adjusted for \$137.6M goodwill impairment net of \$6.5M tax benefit



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Summary

- Executing strategy, delivering on commitments
- Performing at a high level in recovering markets
- Implementing successful M&A integrations
- Delivering solid organic revenue growth
- Increasing operating margins net of incremental investments
- Continuing to invest in new products and channel development
- Driving EMEIA transformation to improve profitability
- High level of cash conversion performance



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Appendix

Adjusted EBITDA Reconciliation

(in USD Millions)	2008	2009	2010	2011	2012	2013	2014	LTM 9/30/15
Revenue	\$2,413.9	\$2,006.7	\$1,942.4	\$1,998.3	\$2,023.3	\$2,069.6	\$2,118.3	\$2,096.1
Asia Joint Venture Revenue	(65.3)	(64.5)	(68.9)	(58.6)	(78.0)	(52.0)	0.0	0.0
Adjusted Revenue	2,348.6	1,942.2	1,873.5	1,939.7	1,945.3	2,017.6	2,118.3	2,096.1
Net Income	(76.4)	175.6	194.1	218.9	220.1	32.3	175.2	117.4
<i>Adjustments to arrive at operating income:</i>								
Income tax provision	145.0	144.2	126.8	130.7	136.7	175.0	84.2	68.2
Interest expense (income), net	(1.1)	1.2	1.8	1.4	1.5	10.2	53.8	52.0
Other (income) / expense	(0.7)	14.9	(3.5)	(4.6)	3.1	7.2	4.6	114.8
Noncontrolling interest	0.4	12.4	6.7	6.3	5.7	12.5	(2.6)	(12.9)
Discontinued operations	(0.6)	1.3	1.1	6.3	4.2	3.6	11.1	0.7
Operating Income	66.4	349.6	327.1	359.1	371.3	240.8	326.3	340.2
<i>% margin (Unadjusted Revenue)</i>	<i>2.8%</i>	<i>17.4%</i>	<i>16.8%</i>	<i>18.0%</i>	<i>18.4%</i>	<i>11.6%</i>	<i>15.4%</i>	<i>16.2%</i>
Restructuring and Other Costs	13.1	25.2	3.0	0.3	8.2	5.8	7.1	22.1
Spin Costs	0.0	0.0	0.0	0.0	0.0	5.8	29.3	0.0
Goodwill Impairment	356.8	5.0	0.0	0.0	0.0	137.6	0.0	0.0
Gain on Property Sale	0.0	0.0	0.0	0.0	0.0	(21.5)	0.0	0.0
Venezuela Inventory Impairment	0.0	0.0	0.0	0.0	0.0	0.0	33.3	37.5
Adjusted Operating Income	436.3	379.8	330.1	359.4	379.5	368.5	396.0	399.9
<i>% margin (Adjusted Revenue)</i>	<i>18.6%</i>	<i>19.6%</i>	<i>17.6%</i>	<i>18.5%</i>	<i>19.5%</i>	<i>18.3%</i>	<i>18.7%</i>	<i>19.1%</i>
Depreciation & amortization	47.5	46.0	47.3	46.0	43.8	45.7	44.2	45.4
Adjusted EBITDA	\$ 483.8	\$ 425.8	\$ 377.4	\$ 405.4	\$ 423.3	\$ 414.2	\$ 440.2	\$ 445.3
<i>% margin (Adjusted Revenue)</i>	<i>20.6%</i>	<i>21.9%</i>	<i>20.1%</i>	<i>20.9%</i>	<i>21.7%</i>	<i>20.6%</i>	<i>20.8%</i>	<i>21.2%</i>



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About Allegion™

Allegion (NYSE: ALLE) is a global pioneer in safety and security, with leading brands like CISA®, Interflex®, LCN®, Schlage® 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 billion company, with products sold in almost 130 countries.

NYSE: ALLE

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