

Allegion plc

**Directors' Report and Financial Statements
Financial Year Ended 31 December 2024**

Allegion plc
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DIRECTORS AND OTHER INFORMATION

Board of Directors

John H. Stone
Kirk S. Hachigian
Steven C. Mizell
Nicole Parent Haughey
Lauren B. Peters
Dev Vardhan
Ellen Rubin
Susan L. Main
Gregg C. Sengstack (appointed 4 December 2024)
Dean I. Schaffer (resigned 6 June 2024)
Martin E. Welch III (resigned 6 June 2024)

Company Secretary

Jeffrey N. Braun (appointed 1 November 2024)
(resigned 5 August 2024) (appointed 28 June 2024)
Eric Gunning (resigned 28 June 2024)
Stacy Cozad (appointed 5 August 2024, resigned 1 November 2024)

Registered Office

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Harcourt Road
Dublin 2
D02 VH94
Ireland

Registered Number

527370

Solicitor

Arthur Cox LLP
Ten Earlsfort Terrace
Dublin 2
D02 T380
Ireland

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Principal Banker

JPMorgan Chase Bank, N.A.
79 Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
D02 RK57
Ireland

Principal Banker (continued)

Citibank Europe PLC Ireland Branch
1 North Wall Quay
North Dock
Dublin 1
Ireland

Directors' Report for the financial year ended 31 December 2024

The Board of Directors present their report and audited Consolidated and Parent Company Financial Statements (collectively, the "Financial Statements") for the financial year ended 31 December 2024.

Principal Activities

Allegion plc (the "Parent Company"), through its subsidiaries (together with Allegion plc, referred as "Allegion," "we," "us," the "Group," or the "Company"), is a leading global provider of security products and solutions that keep people and assets safe and secure in the places they live, learn, work and connect. We pioneer safety and security to create a safer and more accessible world. Central to our work is partnering and developing ecosystems to create flawless, seamless access experiences and enable an uninterrupted and secure flow of people and assets. We offer an extensive and versatile portfolio of security and access control security products and solutions across a range of market-leading brands. Our experts across the globe deliver high-quality hardware, software, services and systems, and we use our deep expertise to serve as trusted partners to end-users who seek customised solutions to their security needs.

Allegion Principal Products and Services

Door controls, door control systems, and exit devices

Doors, glass and door systems, and accessories

Electronic security products and access control systems, including time, attendance and workforce productivity

Locks, locksets, portable locks, and key systems

Services and software

Security and access control security products and solutions are critical elements in every building and home. Many door openings are configured to maximise a room's particular form and function while also meeting local and national building and safety code requirements and end-user security needs. Most buildings have multiple door openings, each serving its own purpose and requiring different specific access control solutions. Each door must fit exactly within its frame, be prepared precisely for its hinges, synchronise with its specific lockset and corresponding latch and align with a specific key to secure the door. Moreover, with the growing adoption of connected hardware and software solutions, security products – including credentials – are increasingly linked electronically, integrated into access control software and popular consumer technology platforms and controlled with mobile applications, creating additional functionality and complexity.

We believe our ability to deliver a wide range of solutions that can be custom configured to meet end-users' security needs is a key driver of our success. We accomplish this with:

- Our extensive and versatile product and service portfolio, combined with our deep expertise, which enables us to deliver the right products and solutions to meet diverse security and functional specifications and to successfully and securely integrate into leading technologies and systems;
- Our consultative approach and expertise, which enables us to develop the most efficient and appropriate building security and access control specifications to fulfil the unique needs of our end-users and their partners, including architects, designers, security consultants, contractors, homebuilders and engineers;
- Our access to and management of key channels in the market, which is critical to delivering our products in an efficient and consistent manner; and
- Our enterprise excellence capabilities, including our global manufacturing operations and agile supply chain, which facilitate our ability to deliver specific product and system configurations to end-users and consumers worldwide, quickly and efficiently.














































We believe the security products industry will continue to benefit from several global macroeconomic trends, including:

- Expected growth in global electronic and electromechanical products and solutions as end-users adopt newer technologies in their facilities and homes;
- Heightened awareness of security and privacy requirements;
- Increased focus and adoption of mobile technology; and
- The shift to a digital, interconnected and increasingly interoperable environments that require a strong ecosystem of partners.

We operate in and report financial results for two segments: Allegion Americas and Allegion International, the latter of which provides security and access control security products, services and solutions primarily throughout Europe, Asia and Oceania. We sell our products and solutions under the following brands:

Allegion Brands






















(Listed for each business segment)

Product Category	Allegion Americas	Allegion International	
Door controls, door control systems, and exit devices			
			
			
			
			
			
Doors, glass and door systems, and accessories			
			
			
			
			
			
			
			
			
			
			
			

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Allegion Brands

(Listed for each business segment)

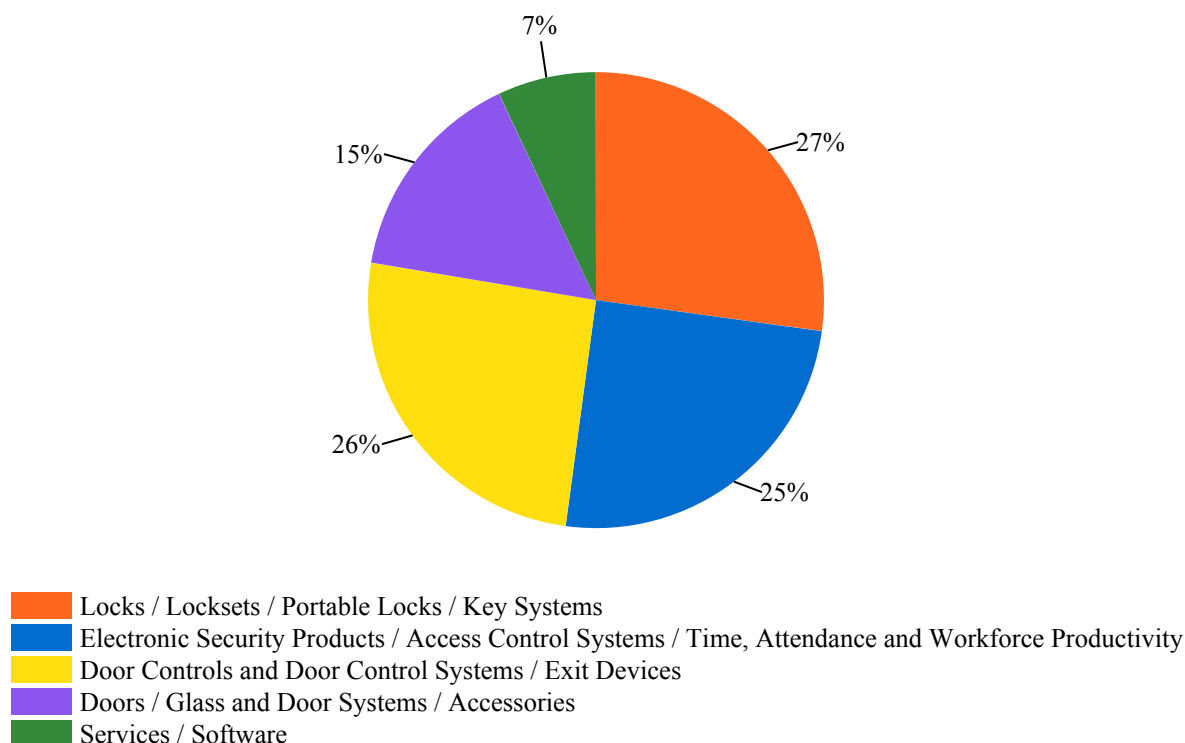
Product Category	Allegion Americas	Allegion International	
Electronic security products and access control systems, including time, attendance, and workforce productivity	ISONAS LOCKNETICS LCN  VON DUPRIN	 BRICARD  CISA  DORCAS  FSH  interflex 	ISONAS <i>PegaSys</i> plano   Simons Voss technologies VON DUPRIN
Locks, locksets, portable locks, and key systems	DEXTER FALCON KRYPTONITE LOCKNETICS 	 Austral Lock BY GAINSBOROUGH AXA  BRICARD Briton  CISA FALCON  FSH	 KRYPTONITE  NORMBAU  Simons Voss technologies  TRELOCK Deine Sicherheit.
Services and software	STANLEY Access Technologies ISONAS YONOMI  zentra	 API Locksmiths interflex 	

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We sell a wide range of security and access control solutions for end-users in commercial, institutional and residential facilities worldwide, including the education, healthcare, government, hospitality, retail, commercial office and single and multi-family residential markets. Our leading brands include CISA®, Interflex®, LCN®, Schlage®, SimonsVoss® and Von Duprin®.

During the year ended 31 December 2024, we generated Turnover of \$3,772.2 million and Operating profit of \$778.5 million.

Turnover by Product and Service Category



History and Developments

We were incorporated in Ireland on 9 May 2013, to hold the commercial and residential security businesses of what was then Ingersoll Rand plc ("Ingersoll Rand"). On 1 December 2013, we became a stand-alone public company after Ingersoll Rand completed the separation of these businesses from the rest of Ingersoll Rand via the transfer of these businesses from Ingersoll Rand to us and the issuance by us of ordinary shares directly to Ingersoll Rand's shareholders. Our security businesses have long and distinguished operating histories. Several of our brands were established more than 100 years ago, and many originally created their categories:

- Von Duprin, established in 1908, was awarded the first exit device patent;
- Schlage, established in 1920, was awarded the first patents granted for the cylindrical lock and the push button lock;
- LCN, established in 1926, created the first door closer;
- CISA, established in 1926, devised the first electronically controlled lock;
- SimonsVoss, established in 1995, created the first keyless digital transponder; and
- Stanley Access Technologies patented the world's first hands-free door operator in 1931.

We have built upon these founding legacies since our entry into the security products market through the acquisition of Schlage, Von Duprin and LCN. Today, we continue to develop, acquire and introduce innovative products.

In 2018, we announced the formation of Allegion Ventures to invest in and help accelerate the growth of companies that have innovative, digital-first technologies and products such as touchless access and workspace monitoring solutions that complement our core business solutions. Building on this success, in December 2021, Allegion Ventures announced a second fund with an additional allocation of \$100 million to focus on investing in technologies like artificial intelligence, video monitoring, machine learning and cybersecurity.

Recent examples of successful product launches by Allegion are illustrated in the table below:

Products and Services	Brands	Year	Innovation
Door controls, door control systems, and exit devices	CISA, Stanley Access Technologies, Von Duprin	2023/2024	CISA Multitop Matic Exit, a secondary lock for single and double leaf aluminum and iron panic doors, brings to market the only "Made in Italy" counter-lock featuring a long faceplate. Enables the automatic and secure locking of the main leaf against the door jam.
			Stanley Access Technologies new automatic door/window solution for increased efficiencies for drive-through restaurants (DuraGlide DT). Telescopic manual and automatic version of ICU doors, providing the biggest clear door opening in the industry, proprietary handle design and the slimmest header (ProCare 8500). More energy-efficient and robust hurricane-rated sliding doors (DuraStorm Class E).
			Von Duprin 70 series delivering both performance and value at a medium price point and is ideal for heavy duty warehouse, industrial, office, multifamily, retail and hospitality applications.
Doors, glass and door systems, and accessories	TGP, Unice	2023/2024	Smoke-rated partition featuring doors, sidelites/transoms and standalone windows suitable for enclosed elevator lobbies in multifamily buildings. It is comprised of glass, frames and hardware and is the first system fully tested to UL 1784 (TGP SmokeSafe™ Window & Door System).
			North America's first fire-rated full-lite door system certified to forced-entry standards (TGP TGProtect™ FR System).
			UL Certification of American Architectural Manufacturers Association (AAMA) 501.8 human impact resistant curtain wall using durable SentryGlas Plus (SGP) laminated glass (Unice).
Electronic security products and access control systems, including time, attendance, and workforce productivity	Gainsborough, Schlage, SimonsVoss,	2023/2024	Schlage XE360 series electronic lock is the next generation wireless lock from Schlage, designed specifically for multifamily properties. It delivers innovation, intelligence and reliability wrapped in a modern, sleek design for a variety of lock applications (mortice, tubular and exit device).
			Schlage, in collaboration with Airbnb, was the first to launch the "airkey" integration, connecting Schlage smart locks and Airbnb accounts for easy guest check-ins.
			Schlage Encode Smart WiFi Lever is for use in doors without a deadbolt; connects to home WiFi and pairs with the Schlage app.
			Gainsborough Freestyle Trilock now has built-in Wi-Fi, no longer needing a separate bridge to communicate to the router. The latest version of this residential product includes Matter over Thread -- the first smart lock in Australia to feature this technology.
			Narrow profile smart lock for Australia and New Zealand for use on aluminium and timber doors, utilising the Schlage Breeze app (Schlage Artus). Next-generation smart entry door lock for the New Zealand market, operating on the Schlage Breeze app and offering a retrofit solution to Schlage S-6000 and competitor products (Schlage Resolute).
			SimonsVoss AX2Go, a BLE-based mobile app for iOS and Android, supporting the same user experience, regardless the OS of the smartphone. Users can place unlocked smartphone on the lock and the app will send the needed data in the background.
			SimonsVoss PinCode keypad AX, a BLE-based pincode keypad suitable for communication with SimonsVoss based AX products, with a range up to 1.5 meters.

Locks, locksets, portable locks, and key systems	Bricard, Legge	2023/2024	Bricard Evidence handle range for commercial and residential markets, with an exclusive and unique rose fixation and adjustment design, functionality and finishes.
			Bricard Bi-Pass key is equipped with an integrated RFID tag, enabling seamless operation of both mechanical and electronic access control devices.
			Next generation of multi-function mortice locks, 991 Multi-Function Mortice Lock Series (Legge), allows easy conversions and anti-lockout function.
Services and software	SimonsVoss, Zentra	2023/2024	<p>SimonsVoss AXM Plus Software, first on-premise software variant with an optional cloud connection, to give customers the opportunity to deploy mobile credentials in a virtual networked environment.</p> <p>Multifamily access control solution providing a turnkey, simple, secure and smart offering of software and integrated hardware covering all access needs for the building (Zentra).</p>

Industry and Competition

We serve customers within institutional, commercial and residential construction and remodeling markets throughout North America, Europe, Asia and Oceania. We expect the security products industry will continue to benefit from favourable trends such as increased concerns about safety and security and technology-driven innovation that enables seamless access and a better user experience as people and assets traverse multiple locations and facilities. Further, we expect continued growth in connected security products and solutions as end-users continue to adopt newer technologies, including mobile solutions and artificial intelligence, in their facilities and single and multi-family homes.

The security products markets are highly competitive and fragmented throughout the world, with a number of large multi-national companies and thousands of smaller regional and local companies. This high degree of fragmentation primarily reflects local regulatory requirements and highly variable end-user needs. We believe our principal global competitors are Assa Abloy AB and dormakaba Group. We also face competition in various markets and product categories throughout the world, including Fortune Brands Innovations, Inc. in the North American residential market. As we move into more technologically advanced product categories, we may also compete against new, more specialised competitors.

Our success depends on a variety of factors, including brand and reputation, knowledge and expertise in our industry, product breadth, innovation, integration with popular technology platforms, quality and delivery capabilities, price and service capabilities. As many of our businesses sell through distribution, our success also depends on building and partnering with a strong channel network. We compete based on the breadth, innovation and quality of our products and solutions, pricing, our ability to custom-configure solutions to meet individual end-user requirements and our global supply chain.

Products and Services

We offer the following extensive and versatile portfolio of security and access control products and solutions across a range of market-leading brands:

- *Door controls, door control systems, and exit devices:* An extensive portfolio of life-safety products and solutions generally installed on fire doors and facility entrances and exits. Exit devices, also known as panic hardware, provide rapid egress to allow building occupants to exit safely in an emergency. Door controls and systems include mechanical door closers, automatic door operators, as well as high-performance interior and storefront door systems. In addition, we offer a full range of automatic entrance solutions, including sliding, swing, folding and ICU doors, as well as an array of sensors, controls and security options for commercial and institutional buildings;
- *Doors, glass and door systems, and accessories:* A portfolio of hollow metal doors and frames, glass and specialty door systems, as well as a variety of additional security products and components, including hinges, door pulls, door stops, bike lights, louvers, weather stripping, thresholds and other accessories, as well as certain bathroom fittings and accessibility aids;
- *Electronic security products and access control systems, including time, attendance and workforce productivity:* A broad range of electronic locks, electronic door closers and exit devices, access control products and systems, credentials and credential readers and accessories, including Bluetooth Low Energy, Power over Ethernet and cloud-based solutions, including products designed to help business customers manage and monitor workforce access, attendance and employee scheduling;

- *Locks, locksets, portable locks, and key systems:* A broad array of cylindrical, tubular and mortice door locksets, security levers and master key systems that are used to protect and control access and a range of portable security products, including bicycle, small vehicle and travel locks; and
- *Services and software:* Our Stanley Access Technologies business offers extensive planned inspection, maintenance and repair services for its automatic entrance solutions throughout the U.S. and Canada. Additionally, we offer software as a service ("SaaS") offerings throughout the U.S. and internationally, including access control, platform integration and workforce management solutions through our Interflex business. We also offer ongoing aftermarket services, design and installation offerings and locksmith services in select locations.

Customers

We sell most of our products and solutions through distribution and retail channels, including specialty distribution, e-commerce and wholesalers. We have built a network of channel partners that help our customers choose the right solution to meet their security needs and help commercial and institutional end-users fulfil and install orders. We also sell through a variety of retail channels, including large do-it-yourself home improvement centres, multiple online and e-commerce platforms, as well as small, specialty showroom outlets. We work with our retail partners on developing marketing and merchandising strategies to maximise their sales per square foot of shelf space. Through a few of our businesses, most notably Stanley Access Technologies, Interflex and our Global Portable Security brands, we also provide products and services directly to end-users.

Our 10 largest customers represented approximately 27% of our total Turnover in 2024. No single customer represented 10% or more of our total Turnover in 2024.

Sales and Marketing

In markets where we sell through commercial and institutional distribution channels, we employ sales professionals around the world who work with a combination of end-users, security professionals, architects, contractors, engineers and distribution partners to develop specific, custom-configured solutions to meet our end-users' needs. Our field sales professionals are assisted by specification writers who work with architects, engineers and consultants to help design door openings and security systems to meet end-users' functional, aesthetic and regulatory requirements. Both groups are supported by dedicated customer care and technical sales-support specialists worldwide. We also support our sales efforts with a variety of marketing efforts, including trade-specific advertising, cooperative distributor merchandising, digital marketing and marketing at a variety of industry trade shows.

In markets where we sell through retail and homebuilder distribution channels, we have teams of sales, merchandising and marketing professionals who help drive brand and product awareness through our channel partners and to consumers. We utilise a variety of advertising and marketing strategies, including traditional consumer media, retail merchandising, digital marketing, retail promotions and builder and consumer trade shows, to support these teams.

We also work actively with several industry bodies around the world to help promote effective and consistent safety and security open platform standards. For example, we are members of the American Association of Automatic Door Manufacturers (AAADM), Builders Hardware Manufacturers Association (BHMA), Connectivity Standards Alliance (CSA), Construction Specification Institute, Door and Hardware Institute (DHI), FiRa Consortium, National Association of State Fire Marshals (NASFM), Partner Alliance for Safer Schools (PASS), Physical Security Interoperability Alliance (PSIA), Security Industry Association (SIA), Security Technology Alliance, Z-Wave Alliance, The European Federation of Associations of Locks and Builders Hardware Manufacturers (ARGE), ASSOFERMA (Italy), BHE (Germany), Door Hardware Federation (UK), Open Security Standards Association (Germany) and UNIQ (France).

Production and Distribution

We manufacture products in several geographic markets around the world. We operate 34 principal production and assembly facilities – 21 in our Allegion Americas segment and 13 in our Allegion International segment. We own 16 of these facilities and lease the others. Our strategy is to produce in the region of use, wherever appropriate, to allow us to be closer to the end-user and increase efficiency and timely product delivery. Much of our U.S. based residential portfolio is manufactured in the Baja region of Mexico under the Maquiladora, Manufacturing and Export Services Industry ("IMMEX") program. In managing our network of production and assembly facilities, we focus on continuous improvement in customer experience, employee health and safety, productivity, resource utilisation and operational excellence. We distribute our products through a broad network of channel partners. In addition, third-party manufacturing and logistics providers perform certain manufacturing, storage and distribution services for us to support certain parts of our manufacturing and distribution network.

Raw Materials

We continue to support our region-of-use production strategy with corresponding region-of-use supplier partners for much of our supply base. Our global and regional commodity teams work with production leadership, product management and materials management teams to source materials for production. Where appropriate, we may enter fixed-cost contracts to lower overall costs.

We purchase a wide range of raw materials, including steel, zinc, brass and other non-ferrous metals, as well as other parts and components, such as electronic components, to support our production facilities.

Intellectual Property

Intellectual property, inclusive of certain patents, trademarks, copyrights, know-how, trade secrets and other proprietary rights, is important to our business. We create, protect and enforce our intellectual property investments in a variety of ways. We work actively in the U.S. and internationally to try to ensure the protection and enforcement of our intellectual property rights. We use trademarks on nearly all of our products and believe such distinctive marks are an important factor in creating a market for our goods, in identifying us and in distinguishing our products from others. We consider our CISA, Interflex, LCN, Schlage, SimonsVoss, Von Duprin and other associated trademarks to be among our most valuable assets, and we have registered these trademarks in a number of countries. Although certain proprietary intellectual property rights are important to our success, we do not believe we are materially dependent on any particular patent or license, or any particular group of patents or licenses.

Facilities

We operate through a broad network of sales offices, engineering centres, 34 principal production and assembly facilities and several distribution centres throughout the world. Our active properties represent approximately \$7.7 million square feet, of which approximately 44% is leased. The following table shows the location of our principal production and assembly facilities under the business segments in which they operate:

Production and Assembly Facilities	
Allegion Americas	Allegion International
Blue Ash, Ohio	Auckland, New Zealand
Chino, California	Blackburn, Australia
Ensenada, Mexico	Brooklyn, Australia
Everett, Washington	Clamecy, France
Farmington, Connecticut	Durchhausen, Germany
Greenfield, Indiana (2)	Faenza, Italy
Indianapolis, Indiana	Feuquieres, France
Irving, Texas	Monsampolo, Italy
Jurong, Singapore	Osterfeld, Germany
Longueuil, Canada	Renchen, Germany
McKenzie, Tennessee	Valencia, Spain
Mississauga, Canada	Veenendaal, Netherlands
Perrysburg, Ohio	Zawiercie, Poland
Pico Rivera, California	
Princeton, Illinois	
Queretaro, Mexico	
Security, Colorado	
Snoqualmie, Washington	
Tecate, Mexico	
Tijuana, Mexico	

We own 16 of our production and assembly facilities, with the remainder under long-term lease arrangements. We believe that our plants have been well maintained, are generally in good condition and are suitable for the conduct of our business.

Seasonality

Our business experiences seasonality that varies by product and service line. For instance, as more construction and do-it-yourself projects occur during the second and third calendar quarters in the Northern Hemisphere, our security product sales related to those projects are typically higher in those quarters than in the first and fourth quarters. However, certain other businesses typically experience higher sales in the fourth quarter due to demand for services and project timing.

Recent Developments

Business and Industry Trends and Outlook

In 2024, we delivered low-single-digit revenue growth in both our Allegion Americas and Allegion International segments, as well as operating margin expansion and strong cash flows from operations. We continued to execute our strategy of balanced capital allocation, evidenced by our acquisition activity, dividends paid and shares repurchased throughout the year.

Within our Allegion Americas segment, both the non-residential and residential businesses grew by a low single-digits percent compared to the prior year. Our Allegion International segment also grew by a low single-digits percent. We experienced a softening of demand within certain businesses in our Allegion International segment.

Electronic security products and solutions revenue declined by a low single-digit percent in 2024, as comparisons to the prior year were impacted by supply chain dynamics. We expect growth in global electronic security product and solutions to continue to outperform growth in mechanical products and solutions over the long-term, as end-users continue to adopt newer technologies in their facilities and homes.

We expect continued growth in 2025, and for the security products industry to benefit from increased concerns about safety and security and technology-driven innovation.

Global Trade and Macroeconomic Environment

In 2025, the US government announced tariffs on imports from Mexico, Canada and China, countries from which we manufacture and/or import products and components. We are evaluating the potential impact of these actions and considering what, if any, steps, including pricing actions, we take to mitigate the impact of the tariffs.

The demand trends and macroeconomic conditions discussed above and a number of other challenges and uncertainties that could affect our businesses are described further under the Principal Risks section of the Directors' Report below. Specifically, see the risk titled *'Our global operations subject us to political, economic and regulatory risks, including uncertainty related to the imposition of new or increased tariffs and the global trade environment more generally.'*

2024 and 2023 Significant Events

Acquisitions

On 1 February 2024, we, through our subsidiaries, acquired 100% of Boss Door Controls, a door solutions provider in the United Kingdom. Boss Door Controls is reported in the Allegion International segment.

On 4 March 2024, we, through our subsidiaries, acquired 100% of Montajes electronicos Dorcas S.L. ("Dorcas"), a manufacturer of electromechanical access control solutions based in Spain. Dorcas is reported in the Allegion International segment.

On 3 June 2024, we, through our subsidiaries, acquired 100% of Krieger Specialty Products, LLC ("Krieger"), a manufacturer of high-performance special purpose doors and windows based in the United States. Krieger is reported in the Company's Allegion Americas segment.

On 10 June 2024, we, through our subsidiaries, acquired 100% of Unicel Architectural Corp. ("Unicel"), a manufacturer of advanced glass, timber and aluminium building solutions based in Canada. Unicel is reported in the Company's Allegion Americas segment.

On 18 October 2024, we, through its subsidiaries, acquired 100% of SOSS Door Hardware ("SOSS"), a manufacturer of premium hinges and door hardware based primarily in the United States. SOSS is reported in the Company's Allegion Americas segment.

On 3 January 2023, we, through our subsidiaries, acquired plano. group ("plano"), a SaaS workforce management solution business based in Germany. Plano is reported in our Allegion International segment.

2023 Impairment of Intangible Assets

As discussed in Note 11 to the Consolidated Financial Statements, the results of our 2023 impairment test indicated that the estimated fair value of two indefinite-lived trade names in our International segment were determined to be less than book value. Consequently, intangible asset impairment charges totalling \$7.5 million were recorded in 2023 in our Allegion International segment. The impairments related to declines in volumes which reduced the brands' expected future cash flows.

Financing Activities

On 20 May 2024, we amended and restated our Credit Facilities which, among other things, (i) increased the total commitment on the Revolving Facility from \$500.0 million to \$750.0 million, (ii) extended the maturity of the Revolving Facility from 18 November 2026 to 20 May 2029, and (iii) transitioned the benchmark interest rate from the Bloomberg Short-Term Bank Yield Index ("BSBY") to the Secured Overnight Financing Rate ("SOFR") for the Credit Facilities.

On 29 May 2024, Allegion US Holding Company Inc., ("Allegion US Hold Co"), a wholly-owned subsidiary of the Company, issued \$400.0 million principal amount of 5.600% Senior Notes due 2034 (the "5.600% Senior Notes"). The 5.600% Senior Notes require semi-annual interest payments on 29 May and 29 November, and mature on 29 May 2034. Net proceeds from the 5.600% Senior Notes were used to repay the \$400.0 million outstanding on our 3.200% Senior Notes due 2024 (the "3.200% Senior Notes") on 1 October 2024.

We incurred and deferred a total of \$7.6 million of discounts and financing costs associated with amending and restating our Credit Facilities and issuing our 5.600% Senior Notes, which is being amortised to Interest payable and similar charges over their respective terms.

Dividends and Share Repurchases

During 2024, we paid quarterly dividends of \$0.48 per ordinary share to shareholders on record as of 15 March 2024, 14 June 2024, 20 September 2024, and 17 December 2024, for a total of \$167.0 million and repurchased approximately 1.6 million ordinary shares for approximately \$220.0 million.

During 2023, we paid quarterly dividends of \$0.45 per ordinary share to shareholders on record as of 15 March 2023, 15 June 2023, 18 September 2023, and 18 December 2023, for a total of \$158.7 million and repurchased approximately 0.5 million ordinary shares for approximately \$59.9 million.

Research and Development

We are committed to investing in our research and development capabilities with a focus on innovations that will deliver growth through the introduction of new products and solutions. In addition, we invest in initiatives that continuously drive improvements in product cost, quality, safety and sustainability.

Our research and development resources are managed globally to permit leveraging of innovative technologies and product platforms across businesses as well as to optimise development cost and resource efficiency. Our regionally located resources leverage expertise in local standards and configurations and apply those to adapt products for the benefit of our customers. Further, we operate a global technology centre in Bengaluru, India, which augments and supports our regional engineering and technology teams.

Consolidated Business Review

<i>In millions (\$)</i>	2024	% of Turnover	2023	% of Turnover
Turnover	3,772.2		3,650.8	
Cost of sales	(2,103.7)	55.8 %	(2,069.3)	56.7 %
Gross profit	1,668.5	44.2 %	1,581.5	43.3 %
Distribution costs	(419.6)	11.1 %	(409.6)	11.2 %
Administrative expenses	(468.2)	12.4 %	(456.0)	12.5 %
Impairment of intangible assets	—	— %	(7.5)	0.2 %
Other operating expenses	(2.2)	0.1 %	(3.9)	0.1 %
Operating profit	778.5	20.6 %	704.5	19.3 %
Other finance income (expense)	1.8		(1.0)	
Other interest receivable and similar income	20.5		6.8	
Interest payable and similar charges	(102.0)		(93.1)	
Profit before taxation	698.8		617.2	
Tax on profit	(101.3)		(76.6)	
Profit after taxation	597.5		540.6	
Attributable to non-controlling interests	—		(0.2)	
Profit for the financial year	597.5		540.4	

The discussions that follow describe the significant factors contributing to the changes in our Consolidated Profit and Loss Account for the years presented and form the basis used by management to evaluate the financial performance of the business.

Turnover

Turnover for the year ended 31 December 2024, increased by 3.3%, or \$121.4 million, as compared to the year ended 31 December 2023, due to the following:

Pricing	2.4 %
Volume	(0.3)%
Acquisitions	1.3 %
Currency exchange rates	(0.1)%
Total	3.3 %

The increase in Turnover was driven by improved pricing and the impact from acquisitions made during the year. These increases were partially offset by lower volumes and unfavourable foreign currency exchange rate movements. Pricing includes increases or decreases of price, including discounts, surcharges and/or other sales deductions, on our existing products and services. Volume includes increases or decreases of revenue due to changes in unit volume of existing products and services, as well as new products and services.

Costs of sales

For the year ended 31 December 2024, Cost of sales as a percentage of Turnover decreased to 55.8% from 56.7%, as compared to the year ended 31 December 2023, due to the following:

Pricing and productivity in excess of inflation and investment spending	(0.8)%
Volume / product mix	(0.1)%
Acquisitions	0.1 %
Currency exchange rates	(0.1)%
Total	(0.9)%

Costs of sales as a percentage of Turnover decreased primarily due to pricing and productivity, which exceeded the impacts from inflation and investment spending, favourable product mix and favourable foreign currency exchange rate movements. These decreases were partially offset by the impacts to gross margin associated with our acquired businesses.

Pricing and productivity in excess of inflation and investment spending includes the impact to Costs of sales from pricing, as defined above, in addition to productivity, inflation and investment spending. Productivity represents improvements in unit costs of materials and cost reductions related to improvements to our manufacturing design and processes. Inflation includes unit costs for the current period compared to the average actual cost for the prior period, multiplied by current year volumes. Expenses related to increased head count for strategic initiatives, new facilities or other significant spending for strategic initiatives or new product and channel development, are captured in investment spending. Volume/product mix represents the impact due to increases or decreases of revenue due to changes in unit volume, including new products and services, including the effect of changes in the mix of products and services sold on Cost of sales.

Distribution costs and Administrative expenses

For the year ended 31 December 2024, Distribution costs and Administrative expenses as a percentage of Turnover decreased to 23.5% from 23.7%, as compared to the year ended 31 December 2023, due to the following:

Inflation in excess of productivity and investment spending	0.1 %
Volume leverage	0.1 %
Acquisitions	(0.1)%
Restructuring / integration / acquisition expenses	(0.3)%
Total	(0.2)%

Distribution costs and Administrative expenses as a percentage of Turnover decreased due to a year-over-year decrease in restructuring, integration, and acquisition expenses and the beneficial impacts from current and prior year acquisition activity. These decreases were partially offset by inflation in excess of productivity and investment spending, as well as the unfavourable impact of lower volumes.

Volume leverage represents the contribution margin related to changes in sales volume, excluding the impact of price, productivity, mix and inflation. Expenses related to increased head count for strategic initiatives, new facilities or significant spending for strategic initiatives or new product and channel development, are captured in investment spending in the table above.

Operating profit/margin

Operating profit for the year ended 31 December 2024, increased \$74.0 million as compared to the year ended 31 December 2023, and Operating margin increased to 20.6% from 19.3%, due to the following:

<i>In millions (\$)</i>	Operating profit	Operating margin
31 December 2023	704.5	19.3 %
Pricing and productivity in excess of inflation and investment spending	44.5	0.7 %
Volume / product mix	(1.2)	— %
Currency exchange rates	3.6	0.1 %
Acquisitions	10.0	— %
Impairment of intangible assets	7.5	0.2 %
Restructuring / integration / acquisition expenses	9.6	0.3 %
31 December 2024	778.5	20.6 %

The increase in Operating profit was driven by pricing and productivity improvements in excess of inflation and investment spending, favourable foreign currency exchange rate movements, the contributions from recent acquisition

DIRECTORS' REPORT (continued)

activity, a year-over-year decrease in restructuring, integration and acquisition costs and impairment charges on intangible assets recorded in the prior year. These increases were partially offset by unfavourable volume/product mix.

The increase in Operating margin was driven by pricing and productivity improvements in excess of inflation and investment spending, favourable foreign currency exchange rate movements, the year-over-year decrease in restructuring, integration and acquisition expenses as well as the impairment charges recorded in the prior year.

Interest payable and similar charges

Interest payable and similar charges for the year ended 31 December 2024, increased \$8.9 million as compared to the year ended 31 December 2023, primarily due to higher outstanding indebtedness compared to the same period in the prior year.

Other finance income (expense)

The components of Other finance income (expense) for the years ended 31 December were as follows:

<i>In millions (\$)</i>	2024	2023
Earnings and gains from the sale of equity method investments, net	1.1	1.0
Net periodic pension and postretirement benefit income (cost), less service cost	0.2	(1.0)
Other income (expense)	0.5	(1.0)
Total Other finance income (expense)	1.8	(1.0)

Tax on profit

For the year ended 31 December 2024, our effective tax rate was 14.5%, compared to 12.4% for the year ended 31 December 2023. The increase in the effective tax rate was primarily due to the enactment of Global Minimum Tax and the mix of income earned in higher tax rate jurisdictions.

Review of Business Segments

We operate in and report financial results for two segments: Allegion Americas and Allegion International. These segments represent the level at which our chief operating decision maker (the "CODM") reviews our financial performance and makes operating decisions.

Segment operating profit is the measure of profit and loss that our CODM uses to evaluate the financial performance of the business and as the basis for resource allocation, performance reviews and compensation. For these reasons, we believe Segment operating profit represents the most relevant measure of Segment profit and loss. Our CODM may exclude certain charges or gains, such as corporate charges and other special charges, to arrive at a Segment operating profit that is a more meaningful measure of profit and loss upon which to base our operating decisions. We define Segment operating margin as Segment operating profit as a percentage of the segment's Turnover. Segment operating profit excludes Other operating expenses as disclosed in Note 5 to the Consolidated Financial Statements.

The segment discussions that follow describe the significant factors contributing to the changes in results for each segment included in Profit after taxation.

Allegion Americas

Our Allegion Americas segment is a leading provider of security products, services and solutions throughout North America. The segment sells a broad range of products and solutions including, locks, locksets, portable locks, key systems, door controls and door control systems, exit devices, doors, glass and door systems, accessories, electronic security products, access control systems and software and service solutions to customers in commercial, institutional and residential facilities, including the education, healthcare, government, hospitality, retail, commercial office and single and multi-family residential markets. This segment's primary brands are LCN, Schlage, Von Duprin and Stanley Access Technologies, which we utilise with permission in accordance with the terms of an agreement with Stanley Black & Decker ("Stanley" is the property of Stanley Logistics L.L.C).

Segment results for the years ended 31 December were as follows:

<i>In millions (\$)</i>	2024	2023	% Change
Turnover	3,012.4	2,913.6	3.4 %
Segment operating profit	816.2	757.2	7.8 %
Segment operating margin	27.1 %	26.0 %	

Turnover

Turnover for the year ended 31 December 2024, increased by 3.4%, or \$98.8 million, as compared to the year ended 31 December 2023, due to the following:

Pricing	2.6 %
Volume	(0.1)%
Acquisitions	1.0 %
Currency exchange rates	(0.1)%
Total	3.4 %

The increase in Turnover was driven by improved pricing and the impact from our acquisitions made during the year. These increases were partially offset by slightly lower volumes and unfavourable foreign currency exchange rate movements.

Growth in Americas electronic security products and solutions is a metric monitored by management and a focus of our investors. Electronic products encompass both residential and non-residential products, and include all electrified product categories including, but not limited to, electronic and electrified locks, access control systems and electronic and electrified door controls and systems and exit devices. Turnover from the sale of electronic products decreased by a low single-digits percent compared to 2023. In 2023, we experienced a low-twenties percent increase compared to 2022, driven by improvements around the availability of materials and components. We continue to believe electronic products are a long-term growth driver.

Segment operating profit/margin

Segment operating profit for the year ended 31 December 2024, increased \$59.0 million, and Segment operating margin increased to 27.1% from 26.0% as compared to the year ended 31 December 2023, due to the following:

<i>In millions (\$)</i>	Operating profit	Operating margin
31 December 2023	757.2	26.0 %
Pricing and productivity in excess of inflation and investment spending	46.4	0.9 %
Volume / product mix	0.7	— %
Currency exchange rates	1.4	0.1 %
Acquisitions	8.0	— %
Restructuring/ integration / acquisition expenses	2.5	0.1 %
31 December 2024	816.2	27.1 %

The increase in Segment operating profit was primarily driven by pricing and productivity improvements in excess of inflation and investment spending, favourable volume/product mix, favourable foreign currency exchange rate movements, operating profit from our acquired businesses and a year-over-year decrease in restructuring integration, and acquisition expenses.

The increase in Segment operating margin was driven by pricing and productivity improvements in excess of inflation and investment spending, favourable foreign currency exchange rate movements, and a year-over-year decrease in restructuring, integration and acquisition expenses.

Allegion International

Our Allegion International segment provides security products, services and solutions primarily throughout Europe, Asia and Oceania. The segment offers end-users a broad range of products, services and solutions including locks, locksets, portable locks, key systems, door controls and door control systems, exit devices, doors, electronic security products, access control systems, time and attendance and workforce productivity solutions, among other software and service solutions. This segment's primary brands are AXA, CISA, Gainsborough, Interflex and SimonsVoss.

Segment results for the years ended 31 December 2024 were as follows:

<i>In millions (\$)</i>	2024	2023	% Change
Turnover	759.8	737.2	3.1 %
Segment operating profit	66.3	58.1	14.1 %
Segment operating margin	8.7 %	7.9 %	

Turnover

Turnover for the year ended 31 December 2024, increased by 3.1%, or \$22.6 million, as compared to the year ended 31 December 2023, due to the following:

Pricing	1.5 %
Volume	(1.1)%
Acquisitions	2.5 %
Currency exchange rates	0.2 %
Total	3.1 %

The increase in Turnover was driven by improved pricing, the impact from our acquisitions made during the year and favourable foreign currency exchange rate movements. These increases were partially offset by lower volumes.

A softening demand throughout parts of Europe, Asia and Oceania in 2024 has impacted several of our businesses. Macroeconomic conditions in certain markets continue to be weak and the U.S. dollar has strengthened against most foreign currencies, particularly in the fourth quarter of 2024. As such, we currently expect foreign currency translation to have a negative impact on revenues in 2025.

Segment operating profit/margin

Segment operating profit for the year ended 31 December 2024, increased \$8.2 million, and Segment operating margin increased to 8.7% from 7.9% as compared to the year ended 31 December 2023, due to the following:

<i>In millions (\$)</i>	Operating profit	Operating margin
31 December 2023	58.1	7.9 %
Pricing and productivity in excess of inflation and investment spending	1.8	0.1 %
Volume / product mix	(1.9)	(0.2)%
Currency exchange rates	0.5	0.1 %
Acquisitions	2.0	0.1 %
Restructuring/ integration / acquisition expenses	(1.7)	(0.2)%
Impairment of intangible assets	7.5	0.9 %
31 December 2024	66.3	8.7 %

The increases in Segment operating profit and Segment operating margin were primarily driven by pricing and productivity improvements in excess of inflation and investment spending, favourable movements in foreign currency exchange rates current year acquisition activity and impairment charges on intangible assets recorded in the prior year. These increases were partially offset by unfavourable volume/product mix and a year-over-year increase in restructuring, integration and acquisition expenses.

Liquidity and Capital Resources

Liquidity Outlook, Sources and Uses

Our primary source of liquidity is cash provided by operating activities. Cash provided by operating activities is used to invest in new product development and fund capital expenditures and working capital requirements. Our ability to generate cash from our operating activities, our unused availability under the Revolving Facility and our access to the capital and credit markets enable us to fund these capital needs, execute our long-term growth strategies and return value to our shareholders. Further, our business operates with strong operating cash flows, low leverage and low capital intensity, providing us financial flexibility. Our short-term financing needs primarily consist of working capital requirements, restructuring initiatives, capital spending, dividend payments and principal and interest payments on our long-term debt. Long-term financing needs depend largely on potential growth opportunities, including potential acquisitions, repayment or refinancing of our long-term obligations and repurchases of our ordinary shares. Of our total outstanding indebtedness as of 31 December 2024, approximately 89% incurs fixed-rate interest and is therefore not exposed to the risk of rising variable interest rates.

Based upon our operations, existing cash balances and unused availability under the Revolving Facility, as of 31 December 2024, we expect cash flows from operations to be sufficient to maintain a sound financial position and liquidity and to meet our financing needs for at least the next 12 months. Further, we do not anticipate any covenant compliance challenges with any of our outstanding indebtedness for at least the next 12 months. We also believe existing availability under the Credit Facilities and access to credit and capital markets are sufficient to achieve our longer-term strategic plans.

The following table reflects the major categories of cash flows for the years ended 31 December. For additional details, see the Consolidated Statement of Cash Flows in the Consolidated Financial Statements.

DIRECTORS' REPORT (continued)

<i>In millions (\$)</i>	2024	2023
Net cash provided by operating activities	675.0	600.6
Net cash used in investing activities	(228.4)	(129.1)
Net cash used in financing activities	(394.5)	(298.7)

Operating activities

Net cash provided by operating activities for the year ended 31 December 2024, increased by \$74.4 million compared to 2023, driven primarily by higher profit after taxation and improvements in working capital.

Investing activities

Net cash used in investing activities for the year ended 31 December 2024, increased by \$99.3 million compared to 2023, primarily due to the acquisition activity in 2024 and a \$7.9 million increase in capital expenditures compared to 2023. These increases were partially offset by a decrease in other investments compared to 2023.

Financing activities

Net cash used in financing activities for the year ended 31 December 2024, increased by \$95.8 million compared to 2023. The change in cash used in financing activities was primarily due to an increase in cash used for share repurchases and dividend payments, partially offset by lower net repayments on debt compared to 2023.

Capitalisation

At 31 December, long-term debt and other borrowings consisted of the following:

<i>In millions (\$)</i>	2024	2023
Term Facility	212.5	225.0
3.200% Senior Notes due 2024	—	400.0
3.550% Senior Notes due 2027	400.0	400.0
3.500% Senior Notes due 2029	400.0	400.0
5.411% Senior Notes due 2032	600.0	600.0
5.600% Senior Notes due 2034	400.0	—
Other debt	—	0.1
Total borrowings outstanding	2,012.5	2,025.1
Discounts and debt issuance costs, net	(13.0)	(10.1)
Total debt	1,999.5	2,015.0
Less current portion of long-term debt	21.9	412.6
Total long-term debt	1,977.6	1,602.4

We have an unsecured credit agreement in place, consisting of a \$250.0 million term loan facility (the "Term Facility"), of which \$212.5 million was outstanding at 31 December 2024, and a revolving credit facility (the "Revolving Facility" and, together with the Term Facility, the "Credit Facilities"), of which there was no balance outstanding at 31 December 2024. On 20 May 2024, we amended and restated the Credit Facilities which, among other things, (i) increased the total commitment on the Revolving Facility from \$500.0 million to \$750.0 million, (ii) extended the maturity of the Revolving Facility from 18 November 2026 to 20 May 2029, and (iii) transitioned the benchmark interest rate from the Bloomberg Short-Term Bank Yield Index ("BSBY") to the Secured Overnight Financing Rate ("SOFR") for the Credit Facilities.

The Term Facility requires quarterly principal payments through its maturity on 18 November 2026. Future payments total \$21.9 million due in 2025 and \$190.6 million due in 2026. We repaid \$12.5 million of principal on the Term Facility during the year ended 31 December 2024. Principal amounts repaid on the Term Facility may not be reborrowed. The Revolving Facility aggregate commitments of up to \$750.0 million includes up to \$100.0 million for the issuance of letters of credit. We had \$18.5 million of letters of credit outstanding at 31 December 2024. Borrowings under the Revolving Facility may be repaid at any time without premium or penalty, and amounts repaid may be reborrowed.

Outstanding borrowings under the Credit Facilities accrue interest, at our option, equal to either: (i) SOFR plus an applicable margin or (ii) a base rate plus the applicable margin. The applicable margin ranges from 0.875% to 1.375% depending on our credit ratings. At 31 December 2024, our outstanding borrowings under the Credit Facilities accrued interest at SOFR plus a margin of 1.225%, resulting in an interest rate of 5.582%. The Credit Facilities also contain negative and affirmative covenants and events of default that, among other things, limit or restrict our ability to enter into certain transactions. In addition, the Credit Facilities require us to comply with a maximum leverage ratio as defined in the credit agreement. As of 31 December 2024, we were in compliance with all applicable covenants under the credit agreement, and we do not anticipate any potential concerns for at least the next 12 months.

As of 31 December 2024, we also have \$400.0 million outstanding of 3.550% Senior Notes due 2027 (the "3.550% Senior Notes"), \$400.0 million outstanding of 3.500% Senior Notes due 2029 (the "3.500% Senior Notes"), \$600.0 million outstanding of 5.411% Senior Notes due 2032 (the "5.411% Senior Notes"), and \$400.0 million outstanding of our 5.600% Senior Notes (all four senior notes collectively, the "Senior Notes"). The 3.550% Senior Notes, 3.500% Senior Notes, 5.411% Senior Notes, and 5.600% Senior Notes all require semi-annual interest payments, and mature on 1 October 2027, 1 October 2029, 1 July 2032, and 29 May 2034, respectively.

Historically, the majority of our earnings were considered to be permanently reinvested in jurisdictions where we have made, and intend to continue to make, substantial investments to support the ongoing development and growth of our global operations. At 31 December 2024, we analysed our working capital requirements and the potential tax liabilities that would be incurred if certain subsidiaries made distributions and concluded that no material changes to our historic permanent reinvestment assertions were required.

Scheduled future principal repayments on our outstanding indebtedness can be found in Note 20 to the Consolidated Financial Statements. Expected principal and interest payments related to our long-term indebtedness in 2025 amount to \$21.9 million and approximately \$95.0 million, respectively, given our current level of indebtedness and effective interest rates as of 31 December 2024.

Contractual Obligations and Other Commitments

In addition to the scheduled principal and interest payments discussed above, our material cash requirements include the following contractual and other obligations:

Purchase Commitments

We occasionally enter into short-term, firm purchase commitments to mitigate pricing risk related to certain of our commodity, parts and component purchases, which represent commitments under enforceable and legally binding agreements. Such purchase commitments are made in the normal course of business and are not anticipated to materially impact our liquidity or financial position over the next 12 months.

Leases

We have numerous real estate and equipment leasing arrangements for which we are a lessee. See Note 14 to the Consolidated Financial Statements for further information as to the short and long-term lease liabilities included within the Consolidated Balance Sheet, as well as future minimum lease payments for 2025 and future years.

Defined Benefit Plans

Our investment objective in managing defined benefit plan assets is to ensure that all present and future benefit obligations are met as they come due. We seek to achieve this goal while trying to mitigate volatility in plan funded status, contributions and expense by matching the characteristics of the plan assets to that of the plan liabilities. Global asset allocation decisions are based on a dynamic approach whereby a plan's allocation to fixed income assets increases as the funded status increases.

We monitor plan funded status, asset allocation and the impact of market conditions on our defined benefit plans regularly in addition to investment manager performance. None of our defined benefit plans have experienced a significant impact on their liquidity due to volatility in the markets.

At 31 December 2024, we had net pension assets of \$5.3 million, which consist of plan assets of \$473.0 million and benefit obligations of \$467.7 million. It is our objective to contribute to our pension plans in order to ensure adequate funds are available to make benefit payments to plan participants and beneficiaries when required. At 31 December 2024, the funded status of our U.S. pension plans decreased to 100.8% from 101.6% at 31 December 2023. The funded status for our non-U.S. pension plans increased to 101.4% at 31 December 2024 from 98.5% at 31 December 2023. The funded status for all of our pension plans at 31 December 2024 increased to 101.1% from 99.9% at 31 December 2023. We currently expect to contribute approximately \$5 million to our plans worldwide in 2025.

Determining the costs and obligations associated with our defined benefit plans is dependent on various actuarial assumptions including discount rates, expected returns on plan assets, employee mortality and turnover rates. Changes in any of the assumptions can have an impact on the net periodic pension benefit cost. An estimated 0.5% rate decline in the discount rate would have increased net periodic pension benefit cost by approximately \$0.4 million in 2023, while a 0.5% rate decline in the estimated return on assets would have increased net periodic pension benefit cost by approximately \$2.2 million. For further details on defined benefit plan activity, see Note 22 to the Consolidated Financial Statements.

Income Taxes

At 31 December 2024, we have total unrecognised tax benefits for uncertain tax positions of \$44.5 million and \$9.2 million of related accrued interest and penalties, net of tax, although we are unable to reasonably estimate the timing over which these liabilities might be paid. See Note 9 to the Consolidated Financial Statements for additional information regarding matters relating to income taxes, including unrecognised tax benefits and tax authority disputes.

Contingent Liabilities

We are involved in various litigation, claims and administrative proceedings, including those related to environmental, asbestos-related and product liability matters. We believe that these liabilities are subject to the uncertainties inherent in estimating future costs for contingent liabilities and will likely be resolved over an extended period of time. See Note 24 to the Consolidated Financial Statements for additional information.

Critical Accounting Estimates

The Company prepares its Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as defined in Section 279 (1) of the Companies Act 2014 (the "2014 Act"). Accordingly, these Consolidated Financial Statements include presentation and disclosures required by the 2014 Act in addition to those disclosures required under U.S. GAAP.

This requires management to use judgement in making estimates and assumptions based on the relevant information available at the end of each period. These estimates and assumptions have a significant effect on reported amounts of assets and liabilities, revenues and expenses as well as the disclosure of contingent assets and liabilities because they result primarily from the need to make estimates and assumptions on matters that are inherently uncertain. Actual results may differ from estimates. If updated information or actual amounts are different from previous estimates, the revisions are included in our results for the period in which they become known. The following is a summary of certain accounting estimates and assumptions made by management that we consider critical:

Goodwill

Goodwill is tested annually during the fourth quarter for impairment or when there is a significant change in events or circumstances that indicate the fair value of a reporting unit is, more likely than not, less than its carrying amount. Recoverability of goodwill is measured at the reporting unit level and starts with a comparison of the carrying amount of a reporting unit to its estimated fair value. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not impaired. To the extent that the carrying value of a reporting unit exceeds its estimated fair value, a goodwill impairment charge will be recognised for the amount by which the carrying value of the reporting unit exceeds its fair value, not to exceed the carrying amount of the reporting unit's goodwill.

As quoted market prices are not available for our reporting units, the calculation of their estimated fair values is based on two valuation techniques, a discounted cash flow model (income approach) and a market multiple of earnings (market approach), with each method being weighted in the calculation. The income approach relies on our estimates of revenue growth rates, margin assumptions and discount rates to estimate future cash flows and explicitly addresses factors such as timing, with due consideration given to forecasting risk. These assumptions are subject to varying degrees of judgement and complexity. Estimates of future revenue growth rates and margin assumptions represent our best estimates of future cash flows given our expectations of market growth for the security products industry in the specific markets in which we operate, as well as factors such as our market positioning, brand strength, pricing and marketing efforts and other growth and productivity opportunities and initiatives. Discount rate assumptions represent our best estimates of market participant adjusted weighted-average costs of capital.

Although these assumptions represent our best estimates as of the assessment date, certain factors could potentially create variances in these estimates, including, but not limited to:

- Decreases in estimated market sizes or market growth rates due to greater than expected declines in volumes, pricing pressures or disruptive technology;
- Declines in our market share and penetration assumptions due to increased competition or an inability to develop or launch new products;
- The impacts of market volatility, including but not limited to, impacts of global pandemics, greater than expected inflation, supply chain disruption and delays, declines in pricing, reductions in volumes or fluctuations in foreign currency exchange rates;
- The level of success of on-going and future research and development efforts, including those related to acquisitions, and increases in the research and development costs necessary to obtain regulatory approvals and launch new products; and
- Volatility in market interest rates that could impact the selection of an appropriate discount rate.

The market approach requires determining an appropriate peer group, which is utilised to derive estimated fair values of our reporting units based on selected market multiples. The market approach reflects the market's expectations for future growth and risk, with adjustments to account for differences between the selected peer group companies and the subject reporting units. While market multiples are based on observable, arm's-length evidence of value, these assumptions are still subject to inherent uncertainty, as the peer-group companies may differ in significant ways from one or more of our reporting units in terms of size, growth or business characteristics.

The critical accounting estimates and assumptions discussed above, include our estimates of revenue growth rates and margin assumptions, discount rates, our selection of an appropriate peer group and selected market multiples. These estimates and assumptions are considered critical, as they are subject to a high degree of judgement and complexity. Forecasted revenue growth rates and margin assumptions are updated annually and often fluctuate from year to year due

to a myriad of factors, such as our assessment of the macroeconomic conditions throughout the major markets in which we do business, supply chain challenges, elevated levels of inflation in recent years and pricing initiatives to offset inflation, market acceptance of new product innovation, investments in productivity projects, restructuring efforts, among other economic, strategic and operational factors impacting our businesses. Discount rate and market multiple assumptions are similarly updated annually, based on our best estimates of market participants, which typically include observable, arm's length-evidence of value, where possible.

While we make every effort to estimate fair value as accurately as possible with the information available at the assessment date, changes in assumptions and estimates may affect the estimated fair value of the reporting unit and could result in impairment charges in future periods. During our most recent annual impairment analysis, none of our reporting units were determined to be impaired.

Indefinite-lived intangible assets

Similar to goodwill, indefinite-lived intangible assets are tested annually during the fourth quarter for impairment or when there is a significant change in events or circumstances that indicate the fair value of the asset is more likely than not less than its carrying amount. Recoverability of indefinite-lived intangible assets is determined on a relief from royalty methodology, which is based on the implied royalty paid, at an appropriate discount rate, to license the use of an asset rather than owning the asset. The present value of the after-tax cost savings (i.e. royalty relief) indicates the estimated fair value of the asset. Any excess of the carrying value over the estimated fair value is recognised as an impairment loss equal to that excess. The critical assumptions utilised in our annual impairment analysis for indefinite-lived intangible assets include our estimates of revenue growth rate, royalty rates and discount rates, which often differ amongst our various indefinite-lived assets. We assess the appropriateness of each royalty rate assumption annually, based on our assessment of observable market royalty rates and an analysis of the profitability of the primary business that owns or otherwise uses the indefinite-lived asset. Discount rate assumptions typically consider the discount rate conclusions for the reporting unit in which an underlying business operates, plus an incremental spread, where appropriate, to consider size, country or other company-specific risk. A significant change in any or a combination of the assumptions used to estimate fair value of our indefinite-lived intangible assets could have a negative impact on the estimated fair values.

Income taxes

We account for income taxes in accordance with ASC Topic 740. Deferred tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities, applying enacted tax rates expected to be in effect for the year in which the differences are expected to reverse. We recognise future tax benefits, such as net operating losses and non-U.S. tax credits, to the extent that realising these benefits is considered in our judgement to be more likely than not. The recoverability of our deferred tax assets, which we consider to be a critical estimate, is reviewed regularly by considering our historic profitability, projected future taxable income, timing of the reversals of existing temporary differences and the feasibility of our tax planning strategies. Where appropriate, we record a valuation allowance with respect to future tax benefits. We establish valuation allowances against the realisability of any deferred tax assets based on our consideration of all available evidence, both positive and negative, using a "more likely than not" standard.

This assessment considers the nature, frequency and amount of recent losses, the duration of statutory carryforward periods and tax planning strategies. Although our assessments of the valuation and recoverability of our deferred tax assets can change given a change in facts and circumstances (such as a change in a statutory tax rate), in making such judgements and estimates, significant weight is given to evidence that can be objectively verified.

The provision for income taxes also involves a significant amount of management judgement regarding interpretation of relevant facts and laws in the jurisdictions in which we operate. Future changes in applicable laws, projected levels of taxable income and tax planning could change the effective tax rate and tax balances recorded by us. In addition, tax authorities periodically review income tax returns filed by us and can raise issues regarding our filing positions, timing and amount of income or deductions and the allocation of income among the jurisdictions in which we operate. A significant period of time may elapse between the filing of an income tax return and the ultimate resolution of an issue raised by a tax authority with respect to that return. We believe we have adequately provided for any reasonably foreseeable resolution of these matters and will adjust our estimates if significant events so dictate. To the extent that the ultimate results differ from our original or adjusted estimates, the effect will be recorded in the Tax on profit in the period the matter is finally resolved.

Business combinations

The accounting for business combinations involves a considerable amount of judgement and estimation, including the identification of and fair values determined for acquired intangible assets, which typically include trade names, customer relationships and completed technologies. The determination of fair values of acquired intangible assets involves projections of future revenues and cash flows that are either discounted at an estimated discount rate or measured at an estimated royalty rate; fair values of other acquired assets and assumed liabilities, including potential contingent consideration; and the useful lives of the acquired assets. Due to the level of judgement and estimation required, in the case of significant acquisitions, we normally obtain the assistance of a third-party valuation specialist in estimating fair

values of acquired tangible and intangible assets and assumed liabilities. An income approach or market approach (or both) is utilised in accordance with accepted valuation models to determine fair value. The determination of fair value of acquired assets typically requires the use of assumptions that include projections developed using historical information, internal forecasts, available industry and market data, estimates of revenue growth rates, profitability, customer attrition and discount and royalty rates, which are estimated at the time of acquisition, considering the perspective of marketplace participants. While we believe expectations and assumptions utilised for historical business combinations have been reasonable, they are inherently uncertain, and unanticipated market or macroeconomic events and circumstances occasionally do occur, and may occur in the future, which could affect the accuracy and validity of such assumptions.

The impact of future business combinations on our financial condition or results of operations may also be materially impacted by the change in or initial selection of assumptions and estimates, in addition to events and circumstances subsequent to the acquisition that are not reasonably anticipated when finalising our purchase accounting estimates and assumptions.

Principal Risks

We are subject to future events, risks and uncertainties – many of which are beyond our control – that could materially and adversely affect our business, financial condition, results of operations and cash flows. You should carefully consider the Principal Risks discussed below, together with all the other information included in the Financial Statements, in evaluating us and our securities. If any of the events, risks or uncertainties below actually occur, our business, financial condition, results of operations and cash flows could be materially and adversely affected. Any such adverse effect may cause the trading price of our securities to decline, and as a result, you could lose all or part of your investment in us. Our business, financial condition, results of operations and cash flows may also be materially and adversely affected by events, risks and uncertainties not known to us or events, risks and uncertainties that we currently believe to be immaterial.

Economic, Market and Financial Risks

Our business performance is impacted by the strength of the institutional, commercial and residential construction and remodeling markets and global macroeconomic factors.

Demand for our security products and solutions relies on the institutional, commercial, and residential construction and remodeling markets, which are marked by cyclicalities based on national, regional and local economic conditions, including consumer confidence and disposable income, corporate and government spending, work-from-home trends, availability of credit and demand for new housing and infrastructure. As a result, weakness or instability in one or more of these markets could slow demand for new construction or remodeling projects and cause current and potential customers to delay or cancel capital projects or otherwise choose not to make purchases, which could negatively impact the demand for our products and solutions and result in declines in our revenues, profitability and cash flows. In the recent past, our business operations and performance were also impacted by global macroeconomic challenges including supply chain disruptions and delays, material, electronic component and labour shortages, prolonged periods of cost inflation, and increased interest rates. Negative macroeconomic trends, future market disruptions or uncertainty related to potential changes to fiscal and monetary policy and/or trade policy, including the imposition, or threatened imposition, of tariffs and potential retaliatory trade restrictions, may make it more challenging for us to manufacture and deliver products to our customers, could cause periodic production interruptions and supply constraints, impact our ability to forecast and plan for future business activities and, if not adequately managed by us, could cause a material adverse impact on our business, results of operations, financial condition and cash flows.

Increased prices, whether due to inflationary pressures or other factors, could negatively impact our margin performance and our financial results.

Higher prices for raw materials, parts and components, freight, packaging, labour and energy, whether caused by inflationary pressures or other geopolitical factors, such as new or increased tariffs, duties, or other charges as a result of changes to U.S. or international trade policies or trade agreements, increase our costs to manufacture and distribute our products and services, and we may be unable to pass these increased costs on to our customers. We do not currently use financial derivatives to hedge against volatility in commodity prices; however, we utilise firm purchase commitments, where possible, to help mitigate risk. The pricing of some materials, parts and components we use is based on market prices. To mitigate this exposure, we may use annual price contracts to minimise the impact of inflation and to benefit from deflation. However, these hedging and pricing strategies may not fully protect us against cost increases caused by factors such as new or increased tariffs, changing import duties, market illiquidity and specific local regulations.

Additionally, we are exposed to fluctuations in other costs such as packaging, freight, labour and energy prices. If these costs increase beyond our ability to control for them through measures such as implementing operating efficiencies, or we are not able to increase prices to sufficiently offset the effect of various cost increases without negatively impacting customer demand, our margin performance and results of operations would be negatively impacted.

Our global operations subject us to political, economic and regulatory risks, including uncertainty related to the imposition of new or increased tariffs and the global trade environment more generally.

Our businesses operate around the world in various geographic regions and product markets. Additionally, we procure various products, parts, components and services from supplier partners located throughout the world. Our global operations depend on products manufactured, purchased and sold in the U.S. and internationally, including in Australia, Canada, China, Europe, Mexico, New Zealand and the Middle East. The political, economic and regulatory environments in which we operate are becoming increasingly volatile and uncertain. Accordingly, we are subject to multiple risks that are inherent in operating and sourcing globally, including:

- Changes to trade agreements, foreign trade policies, sanctions, import and export regulations, including the imposition or threatened imposition of new or increased tariffs, quotas, customs duties and similar restrictions, as well as retaliatory actions that may be imposed by other governments in response to such tariffs or other trade restrictions;
- Changes in applicable tax regulations and interpretations;
- Economic downturns;
- Social and political unrest, instability, national and international conflict, including the conflicts in the Middle East and the war between Russia and Ukraine, border closures, civil disturbances, terrorist acts and other geographical disputes and uncertainties;
- Government measures to restrict business activity, for example, to prevent the spread of a communicable disease;
- Changes in laws and regulations or imposition of currency restrictions and other restraints in various jurisdictions;
- Limitation of ownership rights, including expropriation of assets by a local government, and limitation on the ability to repatriate earnings;
- Sovereign debt crises and currency instability in developed and developing countries;
- Difficulty in staffing and managing global operations;
- Difficulty in enforcing agreements, collecting receivables and protecting assets through non-U.S. legal systems; and
- Difficulty in transporting materials, components and products.

These risks have increased our cost of doing business in the U.S. and internationally. These risks may also increase our counterparty risk, disrupt our operations, disrupt the ability of suppliers and customers to fulfil their obligations, increase our effective tax rate, increase the cost of our products, limit our ability to sell products and services in certain markets, reduce our operating margin and cash flows and/or negatively impact our ability to compete.

As an example, in 2025, the U.S. government announced tariffs on imports from Canada, Mexico and China, countries from which we manufacture and/or export products and components. We are evaluating the potential impact of these actions and considering what, if any, steps we take to mitigate the impact of the tariffs. We estimate we source approximately 20-25% of Cost of sales from Mexico and less than 5% of Cost of sales from China. The degree to which any new or increased tariffs would impact our business and results of operations is largely dependent on factors outside of our control, including if the tariffs are ultimately implemented, the timing, duration and magnitude of their implementation, and responses or retaliatory actions taken by other countries or regions. We can give no assurance that the impact of any tariffs will not have a material adverse effect upon our results of operations, financial condition or liquidity or that actions we may take to mitigate the impact of the tariffs will be effective.

Currency exchange rate fluctuations have had, and may continue to have, an adverse effect on our business, financial condition, results of operations and cash flows.

We are exposed to a variety of market risks, including the effects of changes in currency exchange rates. Refer to the Foreign Currency Exposures section of the Directors' Report below for further details.

Approximately 24% of our 2024 Turnover was derived outside the U.S., and we expect sales to non-U.S. customers to continue to represent a significant portion of our consolidated Turnover. Although we may enter into currency exchange contracts to reduce our risk related to currency exchange fluctuations, changes in the relative fair values of currencies occur from time to time and in some instances have had a significant impact on our Turnover. We do not hedge against all our currency exposure, and therefore, our results of operations will continue to be susceptible to impacts from currency fluctuations.

We also translate assets, liabilities, revenues and expenses denominated in non-U.S. dollar currencies into U.S. dollars for our Consolidated Financial Statements based on applicable exchange rates. Consequently, fluctuations in the value of the U.S. dollar compared to other currencies may have a material impact on the value of these items in our Consolidated Financial Statements, even if their value has not changed in their original currency. Further, certain of our businesses may invoice customers in a currency other than its functional currency, or may be invoiced by suppliers in a currency other than its functional currency, which could result in unfavourable translation effects on these businesses and our results of operations.

We may be required to recognise impairment charges for our goodwill, indefinite-lived intangible assets and other long-lived assets.

At 31 December 2024, the net carrying value of our goodwill and other indefinite-lived intangible assets totalled approximately \$1.5 billion and \$101 million, respectively. Pursuant to U.S. GAAP, we are required to annually assess our goodwill and indefinite-lived intangible assets for impairment. In addition, interim assessments must be performed for these and other long-lived assets whenever events or changes in circumstances indicate that an impairment may have occurred. Significant disruptions to our business or end market conditions, protracted economic weakness (including a potential economic downturn or recession), unexpected significant declines in operating results of reporting units, divestitures or market capitalisation declines may result in recognition of impairment charges to our goodwill, indefinite-lived intangible or other long-lived assets. Any charges relating to such impairments could have a material adverse impact on our results of operations in the periods when recognised.

The capital and credit markets are important to our business.

Future instability in U.S. and global capital and credit markets, including market disruptions, limited liquidity and interest rate volatility or reductions in the credit ratings assigned to us by independent ratings agencies, could reduce our access to capital markets, increase our costs of borrowing or adversely impact our ability to obtain favourable financing terms in the future. In particular, if we are unable to access capital and credit markets on terms that are acceptable to us, we may not be able to execute potential merger and acquisition plans, make other investments or fully execute our business plans and strategy.

Our suppliers and customers are also dependent upon the capital and credit markets. Limitations on the ability of customers, suppliers or financial counterparties to access credit could lead to insolvencies of key suppliers and customers, limit or prevent customers from obtaining credit to finance purchases of our products and services, delay institutional, commercial and/or residential construction and remodeling projects and cause delays in the delivery of key products from suppliers.

There are risks associated with our outstanding and future indebtedness.

We had approximately \$2 billion of outstanding indebtedness at 31 December 2024. In addition, we have a senior unsecured revolving credit facility (the "Revolving Facility") that permits borrowings of up to \$750 million. A portion of our cash flows from operations is dedicated to servicing our indebtedness and will not be available for other purposes, including our operations, capital expenditures, payment of dividends, share repurchases or future business opportunities or other strategic investments.

At 31 December 2024, our borrowings included a variable rate term loan facility (the "Term Facility", and together with the Revolving Facility, the "Credit Facilities"). The Credit Facilities had a combined outstanding variable rate balance of \$212.5 million at 31 December 2024, which exposes us to variable interest rate risk. We are also exposed to the risk of continued rising interest rates to the extent we fund our short or long-term financing needs with variable-rate borrowings under the Revolving Facility. If variable base rates under the Credit Facilities continue to increase in the future, our Interest expense could increase as well. For more details about our interest rate exposure under the Credit Facilities, please refer to the Market Risk Exposures section of the Directors' Report below.

Our ability to make scheduled payments or to refinance our debt obligations depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control, such as the credit ratings assigned to us by independent ratings agencies or our ability to access capital markets on acceptable terms. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, reduce or eliminate the payment of dividends, sell assets, seek additional capital or seek to restructure or refinance our indebtedness.

These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In such event, we could face substantial liquidity problems and might be required to sell material assets or operations to attempt to meet our debt service and other obligations. If we are not able to maintain compliance with stated financial covenants or if we breach other covenants in any debt agreement, we could be in default under such agreement or trigger a cross-default of other debt instruments. Such a default would adversely affect our credit ratings, may allow our creditors to accelerate the related indebtedness, and may result in the acceleration of any other indebtedness to which a cross-acceleration or cross-default provision applies.

Strategic and Operational Risks***Increased competition, including from technological developments, could adversely affect our business.***

The markets in which we operate include a large number of participants, including multi-national, regional and small, local companies. We primarily compete on the basis of quality, innovation, expertise, effective channels to market, breadth of product offering and price. We may be unable to effectively compete on all these bases. Further, in a number of our product offerings, we compete with our retail customers and technology partners who use their own private labels. If we are unable to anticipate evolving trends in the market or the timing and scale of our competitors' activities and

initiatives, including increased competition from private label brands, the demand for our products and services could be negatively impacted.

In addition, we compete in an industry that is experiencing the convergence of mechanical, electronic and digital products. Technology and innovation play significant roles in the competitive landscape. Our success depends, in part, upon the research, development and implementation of new technologies and products including obtaining, maintaining and enforcing necessary intellectual property protections. Securing and maintaining key partnerships and alliances, recruiting and retaining highly skilled and qualified employee talent and having access to technologies, services, intellectual property and solutions developed by others will play a significant role in our ability to effectively compete. The continual development of new technologies, such as artificial intelligence and machine learning, by existing and new competitors, including non-traditional competitors with significant resources, could adversely affect our ability to sustain operating margins and desirable levels of sales volumes. To remain competitive, we must develop new products and service offerings and respond to new technologies in a timely manner.

Our growth is dependent, in part, on the development, commercialisation and acceptance of new products and services.

We must develop and commercialise new products and services that meet the varied and evolving needs of our customers and end-users in order to remain competitive in our current and future markets and in order to continue to grow our business. End users are continually adopting more advanced technologies in their facilities and homes, accelerated by the increasing adoption of IoT technologies and connected devices, which will require us to devote significant effort and resources to the development, maintenance and enhancement of our IT Systems (as defined below) and other infrastructure required to support and/or enhance the functionality of our electronic products and solutions. The speed of development by our competitors and new market entrants is increasing. We cannot provide any assurance that any new product or service will be successfully commercialised in a timely manner, if ever, or, if commercialised, will result in returns greater than our investment. Investment in a product or service could divert our attention and resources from other projects that become more commercially viable in the market. We also cannot provide any assurance that any new product or service will be accepted by the market.

Changes in customer and consumer preferences and the inability to maintain beneficial relationships with large customers could adversely affect our business.

We have significant customers, particularly major retailers, although no one customer represented 10% or more of our total Turnover in any of the past three fiscal years. The loss or material reduction of business, either due to a reduction in demand from one or more of our significant customers, or our inability to timely meet any elevated level of customer demand for various reasons, the lack of success of sales initiatives or changes in customer preferences or loyalties for our products related to any such significant customer could have a material adverse impact on our business. In addition, major customers who are volume purchasers are much larger than us and have strong bargaining power with their suppliers. This limits our ability to recover cost increases through higher selling prices. Furthermore, unanticipated inventory adjustments by these customers can have a negative impact on sales.

We also sell our products through various trade channels, including traditional retail and e-commerce channels. If we or our major customers are not successful in navigating the shifting consumer preferences to distribution channels such as e-commerce, our expected future revenues may be negatively impacted.

If our products or solutions fail to meet certification and specification requirements, are defective, cause, or are alleged to have caused, bodily harm or injury, or otherwise fall short of end-users' needs and expectations, our business may be negatively impacted.

The security and access control product markets we serve often have unique certification and specification requirements, reflecting local regulatory requirements and highly variable end-user needs. While we strive to meet all certification and specification requirements, if any of our products or solutions do not meet such requirements, or contain, or are perceived to contain, defects or otherwise fall short of end-users' needs and expectations, fail to perform as intended, or are otherwise alleged to result in property damage, bodily injury and/or death we may become subject to personal injury lawsuits and/or product liability claims, and if found liable, may incur significant costs, which could negatively impact our business, results of operations or financial condition.

Additionally, electronic security products and solutions are increasingly more sophisticated and technologically complex than the mechanical security products we sell and have an increased risk of design, cybersecurity or manufacturing defects, which could lead to recalls, product replacements or modifications, write-offs of inventory or other assets and significant warranty and other expenses. Product quality issues could also adversely affect the end-user experience, resulting in reputational harm, loss of competitive advantage, poor market acceptance, reduced demand for products and solutions, delay in new product and service introductions and lost sales. Further, adverse publicity, whether or not justified, or allegations of product or service quality issues, even if false or unfounded, could damage our reputation and negatively affect our sales.

Our business and innovation strategies include making acquisitions of, and investments in, external companies. These acquisitions and investments could be unsuccessful, consume significant resources or increase our exposure to cybersecurity, data privacy or other regulatory risks, which could adversely affect our business, financial condition, results of operations and cash flows.

Our long-term growth strategies include the acquisition of businesses or product lines to strengthen our industry position, enhance our existing set of products and services offerings or expand into adjacent markets. However, we cannot provide assurance that we will identify or successfully complete acquisitions with suitable candidates in the future, nor can we provide assurance that completed or future acquisitions will be successful or otherwise achieve the anticipated strategic and financial benefits, including cost and revenue synergies.

Acquisitions often place significant demands on management, operational and financial resources, which could decrease management's capacity to focus on other important business strategies or divert resources from other parts of our business. Further, the success of future or completed acquisitions will depend, in large part, on the successful integration of operations, sales and marketing, information technology, finance and administrative operations. We cannot provide assurance that we will be able to successfully integrate these new businesses.

Additionally, the financing of future business acquisitions may increase our leverage, impact our credit rating and/or diminish our financial position and ability to re-invest in our existing businesses. Future acquisitions may also be dependent on our ability to access the capital and credit markets to obtain new debt or equity financing to fund the purchase price on terms that are acceptable to us. Some of the businesses we may seek to acquire may be marginally profitable or unprofitable. For these businesses to achieve acceptable levels of profitability, we may need to improve their management, operations, products and market penetration or incur significant capital expenditures. We may not be successful in this regard, the costs of doing so may exceed our original estimates or we may encounter other potential difficulties.

Acquisitions also involve numerous other risks, including:

- Difficulties in obtaining and verifying the financial statements and other business information of acquired businesses;
- Our ability to raise capital on reasonable terms to finance attractive acquisitions;
- Inability to obtain regulatory approvals and/or required financing on favourable terms;
- Potential loss of key employees, key contractual relationships or key customers of acquired companies or of us;
- Difficulties competing in any new markets we may enter;
- Assumption of the liabilities and exposure to unforeseen liabilities (including, but not limited to, regulatory, legal and product or personal liability claims) of acquired companies;
- Cybersecurity related vulnerabilities or data security incidents that may be present in the IT Systems of acquired companies, or emerge when integrating the acquired company into our IT Systems;
- Dilution of interests of holders of our ordinary shares through the issuance of equity securities or equity-linked securities;
- Labour disruptions, work stoppages or other employee-related issues, particularly if employees of the acquired companies are represented by labour unions or trade councils; and
- Difficulty in integrating financial reporting systems and implementing controls, procedures and policies, including disclosure controls and procedures and internal control over financial reporting appropriate for public companies of our size at companies that, prior to the acquisition, had lacked such controls, procedures and policies.

Further, as part of our innovation strategy, from time to time we invest in start-up companies and/or development stage technology or other companies. In evaluating these opportunities, we follow a structured evaluation process that considers factors such as potential financial returns, new expertise in emerging technology and business benefits. Despite our best efforts to calculate potential return and risk, some or all of the companies we invest in may be unprofitable at the time of, and subsequent to, our investment. We may lose money in these investments, including the potential for future impairment charges on the investments, and the anticipated benefits of the technology and business relationships may be less than expected.

We may pursue business opportunities that diverge from our core business.

We may pursue business opportunities that diverge from our core business, including expanding our products or service offerings, seeking to expand our products and services into new international markets, investing in new and unproven technologies and forming new alliances with companies to develop and distribute our products and services. We can offer no assurance that any such business opportunities will prove successful. Certain international markets may be slower than our established markets in adopting our services and products, and our operations in such markets may not develop at a rate that supports our level of investment. Among other negative effects, our investment in new business opportunities may exceed the returns we realise. New investments could have higher cost structures than our current business, which could reduce operating margins and require more working capital. In the event that working capital requirements exceed operating cash flow, we may be required to draw on the Revolving Facility or pursue other external financing, which may not be readily available. Additionally, our pursuit of new business opportunities that diverge from

our core business may expose us to different risks and uncertainties other than those described in this "Principal Risks" section or elsewhere in the Consolidated Financial Statements. In addition to the risks outlined above, expansion into certain new markets may require us to compete with local businesses with greater knowledge of the market, including the tastes and preferences of end-users, and higher market shares.

Our strategic initiatives, including enterprise excellence efforts among other significant capital expenditure projects, may not achieve the improvements or financial returns we expect.

We utilise a number of tools to improve efficiency and productivity. Implementation of new processes to our operations could cause disruptions and may prove to be more difficult, costly or time consuming than expected. Additionally, from time to time we undertake substantial capital projects for varying reasons, such as to increase production capacity or to insource certain products, parts or components. We invest in areas we believe best align with our business strategies and that will optimise future returns. However, there can be no assurance that all our planned enterprise excellence projects or other capital expenditures will be fully implemented, or if implemented, will realise the expected improvements or financial returns.

We may not be able to effectively manage and implement restructuring initiatives or other organisational changes.

We have, from time to time, restructured or made other adjustments to our workforce and manufacturing footprint, and may need to do so in the future, in response to market or product changes, performance issues, changes in strategy, acquisitions and/or other internal or external considerations. These restructuring activities and other organisational changes often result in increased restructuring costs, diversion of management's time and attention from daily operations, cybersecurity and other operational risks and temporarily reduced productivity. If we are unable to successfully manage and implement restructuring and other organisational changes, we may not achieve or sustain the expected growth or cost savings benefits of these activities or do so within the expected timeframe. These effects could recur in connection with future acquisitions and other organisational changes and our results of operations could be negatively affected.

The effects of global climate change or other unexpected events, including global health crises, may disrupt our operations and have a negative impact on our business.

The effects of global climate change, such as extreme weather conditions and natural disasters occurring more frequently or with more intense effects, or the occurrence of unexpected events including wildfires, tornadoes, hurricanes, earthquakes, floods, tsunamis and other severe hazards in the countries where we operate or sell products and services, could adversely affect our business, financial condition, results of operations and cash flows. These events could disrupt our operations by impacting the availability and cost of materials needed for manufacturing, cause physical damage or closure of our manufacturing sites or distribution centres, lead to loss of human capital and/or cause temporary or long-term disruption in the manufacturing or delivery of products and services to customers. These events and disruptions could also adversely affect our customers' and suppliers' financial condition or ability to operate, resulting in reduced customer demand, delays in payments received or supply chain disruptions. Further, these events and disruptions could increase insurance and other operating costs, including impacting our decisions regarding construction of new facilities to select areas less prone to climate change risks and natural disasters, which could result in indirect financial risks passed through the supply chain or other price modifications to our products and services.

Many governmental and other regulatory bodies worldwide are enacting regulations to mitigate the impacts of climate change. If we or others in our supply chain are required to comply with these laws and regulations, or if we choose to take voluntary steps to reduce or mitigate our impact on the climate, we may experience increased costs for energy, production, transportation, and raw materials, increased capital expenditures, or increased insurance premiums and deductibles, each of which could adversely impact our operations. In addition, inconsistent regulations among jurisdictions may also affect our cost to comply with such laws and regulations. Any assessment of the potential impact of future climate change legislation, regulations, or industry standards, as well as any international treaties and accords, is uncertain given the wide scope of potential regulatory change in the countries in which we operate.

Global health crises or outbreak and spread of a communicable disease or virus in the countries where we operate or sell products and provide services could adversely affect our operations and financial performance. Further, any national, state or local government mandates or other orders taken to minimise the spread of a global health crisis could restrict our ability to conduct business as usual, as well as the business activities of our key customers and suppliers, including the potential for labour shortages. In particular, the ultimate extent of the impact of any epidemic, pandemic or other global health crisis on our business, financial condition and results of operations will depend on future developments which are highly uncertain and cannot be predicted.

We may be subject to risks relating to our information technology and operational technology systems.

We rely extensively on information technology and operational technology systems, networks and services including hardware, software, firmware and technological applications and platforms (collectively, "IT Systems") to manage and operate our business from end-to-end, including ordering and managing materials from suppliers, design and development, manufacturing, marketing, selling and shipping to customers, invoicing and billing, managing our banking and cash liquidity systems, managing our enterprise resource planning and other accounting and financial systems and complying with regulatory, legal and tax requirements. There can be no assurance that our current IT Systems will

function properly. We have invested and will continue to invest in improving our IT Systems. Some of these investments are significant and impact many important operational processes and procedures. There is no assurance that newly implemented IT Systems will improve our current systems, improve our operations or yield the expected returns on the investments. In addition, the implementation of new IT Systems may be more difficult, costly or time consuming than expected and cause disruptions in our operations and, if not properly implemented and maintained, negatively impact our business. If our IT Systems cease to function properly or if these systems do not provide the anticipated benefits, our ability to manage our operations could be impaired.

We currently rely on third-party service providers for many of the critical elements of our global information and operational technology infrastructure, and their failure to provide effective support for such infrastructure could increase our cybersecurity risk or otherwise negatively impact our business and financial results.

We have outsourced many of the critical elements of our global information and operational technology infrastructure to third-party service providers in order to achieve efficiencies. If such service providers experience a disruption due to a cyberattack or other internal or external factors, or they do not perform or perform effectively, we may not be able to achieve the expected efficiencies and may have to incur additional costs to address failures in providing service by the service providers. Depending on the function involved, such non-performance, ineffective performance or failures of service may lead to business disruptions, processing inefficiencies or security breaches.

Disruptions or breaches of our information systems could adversely affect us.

Despite our implementation of cybersecurity measures, which have focused on prevention, mitigation, resilience and recovery, our network and products, including access solutions, may be vulnerable to cybersecurity attacks, computer viruses, malicious codes, malware, ransomware, phishing, social engineering, denial of service, hacking, break-ins and similar disruptions. Cybersecurity attacks and intrusion efforts are continuous and evolving, and in certain cases they have been successful at the most robust institutions.

The scope and severity of risks that cyber threats present have increased dramatically and include, but are not limited to, malicious software, ransomware attacks, attempts to gain unauthorised access to data or premises, exploiting weaknesses related to vendors or other third parties that could be exploited to attack our systems, denials of service and other electronic security breaches that could lead to disruptions in systems, unauthorised release of confidential or otherwise protected information and corruption of data. Any such event could have a material adverse effect on our business, financial condition, results of operations and cash flows as we face regulatory, reputational and litigation risks resulting from potential cyber incidents, as well as the potential of incurring significant remediation costs. Further, while we maintain insurance coverage that may, subject to policy terms and exclusions, cover certain aspects of our cyber risks, such insurance coverage may be insufficient to cover our losses or all types of claims that may arise in the continually evolving area of cyber risk.

Our daily business operations also require us to collect and/or retain sensitive data such as intellectual property, proprietary business information and data related to customers, employees, suppliers and business partners within our networking infrastructure including data from individuals subject to the European Union's General Data Protection Regulation, that is subject to privacy and security laws, regulations and/or customer-imposed controls.

Despite our efforts to protect such data, the loss or breach of such data due to various causes including material security breaches, catastrophic events, extreme weather, natural disasters, power outages, system failures, computer viruses, improper data handling, programming errors, unauthorised access and employee error or malfeasance could result in wide reaching negative impacts to our business. As such, the ongoing maintenance and security of this information is pertinent to the success of our business operations and our strategic goals. In addition, we operate in an environment where there are different and potentially conflicting data privacy laws and regulations in effect or expected to go into effect in the future, including regulations related to devices connected through IoT, in the various jurisdictions in which we operate, and we must understand and comply with such laws and regulations while ensuring our data is secure.

Our networking infrastructure and related assets may be subject to unauthorised access by hackers, employee error or malfeasance or other unforeseen activities. Such issues could result in the disruption of business processes, network degradation and system downtime, along with the potential that a third party will exploit our critical assets such as intellectual property, proprietary business information and data related to our customers, suppliers and business partners. To the extent that such disruptions occur, and our business continuity plans do not effectively address these disruptions in a timely manner, they may cause delays in the manufacture or shipment of our products and the cancellation of customer orders and, as a result, our business operating results and financial condition could be materially and adversely affected, resulting in a possible loss of business or brand reputation.

Finally, the regulatory environment around cybersecurity is increasingly challenging, with additional reporting requirements around cybersecurity, risk management, strategy and governance, as well as increased disclosure obligations around the occurrence of material cybersecurity incidents. These requirements may present material obligations and risks to our business, including significantly expanded compliance burdens, costs and enforcement risks. We may also be obligated to report a cybersecurity incident before we have been able to fully assess its impact or remediate the underlying issue, and it could potentially reveal system vulnerabilities to threat actors. Failure to timely

report incidents under these or other similar rules could also result in monetary fines, sanctions, or subject us to other forms of liability.

Our ability to successfully grow and expand our business depends on our ability to recruit and retain a highly qualified and diverse workforce.

Our ability to successfully grow and expand our business is dependent upon our ability to recruit and retain a workforce with the skills necessary to develop, manufacture and deliver the products and services desired by our customers. We need highly skilled and qualified personnel in multiple areas, including engineering, sales, manufacturing, information technology, cybersecurity, business development, strategy and management. We must therefore continue to effectively recruit, retain and motivate highly qualified, skilled and diverse personnel to maintain our current business and support our projected growth. A shortage of these employees for various reasons, including intense competition for skilled employees, labour shortages, increased labour costs, candidates' preference to work remotely, changes in laws and policies regarding immigration and work authorisations or any government or public health mandates in jurisdictions where we have operations that may result in workforce attrition and difficulty with recruiting, may jeopardise our ability to grow and expand our business.

In recent years, we have experienced labour shortages and increased turnover rates that have led to, and could in the future lead to, increased costs, such as increased overtime to meet customer demand and increased wage rates to attract and retain employees and could negatively affect our ability to efficiently operate our production facilities or otherwise operate at full capacity. An overall or prolonged labour shortage, lack of skilled labour, increased turnover or sustained level of wage inflation could have a material adverse impact on our business, financial position, results of operations and cash flows.

Disruptions in our global supply chain, including product manufacturing and logistical services provided by our supplier partners, may negatively impact our business.

We procure certain products, including raw materials and other commodities, including steel, zinc, brass and other non-ferrous metals, as well as parts, components (including electronic components) and logistical services from supplier partners located throughout the world. Our ability to meet our customers' needs and achieve cost targets depends on our ability to maintain key manufacturing and supply arrangements, including supplier execution and certain sole supplier or sole manufacturing arrangements. Our reliance on these third parties reduces our control over the manufacturing and delivery process, exposing us to risks including reduced control over product costs and delivery. Additionally, because not all of our supply arrangements provide for guaranteed supply and some key parts and components may be available only from a single supplier or a limited group of suppliers, we are also subject to supply and pricing risks, which could negatively impact our margin performance, results of operations, inventory levels and cash flows.

If we are unable to effectively manage these relationships, or if these third parties experience delays, disruptions, shortages of materials, labour, electronic and other components, capacity constraints, new or increased tariffs and/or other trade restrictions, regulatory issues or quality control problems in their operations, freight delays and other supply chain constraints and disruptions, or otherwise fail to meet our future requirements for timely delivery, our ability to ship and deliver certain of our products to our customers could be impaired and our business could be harmed.

Legal and Compliance Risks

We are subject to risks related to corporate social responsibility and reputational matters.

Our reputation and the reputation of our brands, including the perception held by our customers, end-users, business partners, investors, other key stakeholders and the communities in which we do business are influenced by various factors. There is an increased focus from our stakeholders, as well as regulatory authorities both within the U.S. and internationally, on Environmental, social and governance ("ESG") practices and disclosure. If we fail, or are perceived to have failed, in any number of ESG matters, such as environmental stewardship, good corporate governance, workplace conduct and support for local communities, or to effectively respond to changes in, or new, legal, regulatory or reporting requirements concerning climate change or other sustainability concerns, we may be subject to regulatory fines and penalties, and our reputation or the reputation of our brands may suffer. Further, we have made several public commitments regarding our intended reduction of carbon emissions, including a commitment to achieve carbon neutral emissions by 2050. Although we intend to meet these commitments, we may be required to expend significant resources to do so, which could increase our operational costs. Further, there can be no assurance of the extent to which any of our commitments will be achieved, or that any future investments we make to achieve such commitments will meet investor, legal and/or any other regulatory expectations and requirements. Moreover, we may determine that it is in the best interest of our Company and our stockholders to prioritise other business, social, governance or sustainable investments over the achievement of our current commitments based on economic, technological developments, regulatory and social factors, business strategy or pressure from investors, activist groups or other stakeholders. If we are unable to meet our commitments, we could incur adverse publicity and reaction from investors, advocacy groups or other stakeholders, which could adversely impact our reputation and brand perception. Such damage to our reputation and the reputation of our brands may negatively impact our business, demand for our products and services, our financial condition and results of operations.

In addition, negative or inaccurate postings or comments on social media or networking websites about our company or our brands could generate adverse publicity that could damage our reputation or the reputation of our brands. If we are unable to effectively manage real or perceived issues, including concerns about product quality, safety, corporate social responsibility or other matters, sentiments toward the Company or our products could be negatively impacted, and our financial results could suffer.

Our brands are important assets of our businesses, and violation of our trademark rights by imitators could negatively impact revenues and brand reputation.

Our brands and trademarks enjoy a reputation for quality and value and are important to our success and competitive position. Unauthorised use of our trademarks may not only erode sales of our products but may also cause significant damage to our brand name and reputation, interfere with relationships with our customers and increase litigation costs. There can be no assurance that our on-going effort to protect our brand and trademark rights will prevent all violations.

Material legal judgements, fines, penalties or settlements imposed against us or our assets could adversely affect our business, financial condition, results of operations and cash flows.

We are currently, and may in the future become, involved in legal proceedings, claims and disputes incidental to the operation of our business in the ordinary course. Our business may be adversely affected by the outcome of these proceedings and other contingencies (including, without limitation, environmental, product and warranty liability, claims for property damage, physical harm or bodily injury, antitrust, intellectual property, data protection, privacy and labour and employment matters) that cannot be predicted with certainty. As required by U.S. GAAP, we establish reserves based on our assessment of the probability of contingencies and whether we are able to reasonably estimate the expected range of loss. Subsequent developments in legal proceedings and other contingencies may affect our assessment and estimates of the provision for liabilities recorded as a reserve, and we may incur additional costs or be required to make material payments beyond our previously recorded reserves.

Allegations that we have infringed the intellectual property rights of third parties could negatively affect us.

We may be subject to claims of infringement of intellectual property rights by third parties. In particular, we often compete in areas having extensive intellectual property rights owned by others, and we have become subject to claims alleging infringement of intellectual property rights of others. In general, if it is determined that one or more of our technologies, products or services infringes the intellectual property rights owned by others, we may be required to cease marketing those products or services, to obtain licenses from the holders of the intellectual property at a material cost or to take other actions to avoid infringing such intellectual property rights.

The litigation process is costly and subject to inherent uncertainties, and we may not prevail in litigation matters regardless of the merits of our position. Adverse intellectual property litigation or claims of infringement against us may become extremely disruptive if the plaintiffs succeed in blocking the trade of our products and services and may have a material adverse effect on our business.

Our reputation, ability to do business and results of operations could be impaired by improper conduct by any of our employees, agents or business partners.

We are subject to regulation under a variety of U.S. federal and state and non-U.S. laws, regulations and policies including laws related to anti-bribery and anti-corruption, export and import compliance, competition and anti-money laundering due to our global operations. We provide compliance training for our employees and have other controls and procedures in these areas. We cannot provide assurance that our internal controls will always protect us from the improper conduct of our employees, agents and business partners. Any improper conduct could damage our reputation and subject us to, among other things, civil and criminal penalties, material fines, equitable remedies (including profit disgorgement and injunctions on future conduct), securities litigation, adverse publicity and a general loss of investor or public confidence.

Our operations are subject to regulatory risks.

Our U.S. and non-U.S. operations are subject to a number of laws and regulations, including fire and building codes and environmental, health and safety ("EHS") standards. We have incurred, and will be required to continue to incur, significant expenditures to comply with these laws and regulations. Changes to, or changes in interpretations of, current laws and regulations, including climate change legislation or other environmental mandates, could require us to increase our compliance expenditures, cause us to significantly alter or discontinue offering existing products and services or cause us to develop new products and services. Altering current products and services or developing new products and services to comply with changes in the applicable laws and regulations could require significant research and development investments, increase the cost of providing the products and services and adversely affect the demand for our products and services. In the event a regulatory authority concludes that we are not or have not at all times been in full compliance with these laws or regulations, we could be fined, criminally charged or otherwise sanctioned.

Certain environmental laws assess liability on current or previous owners of real property or operators of manufacturing facilities for the costs of investigation, removal or remediation of hazardous substances or materials at such properties or at properties at which parties have disposed of hazardous substances. Liability for investigative, removal and remedial

costs under certain U.S. federal and state laws and certain non-U.S. laws are retroactive, strict and joint and several. In addition to cleanup actions brought by governmental authorities, private parties could bring personal injury or other claims due to the presence of, or exposure to, hazardous substances. We have received notifications from U.S. and non-U.S. governmental agencies, including the U.S. Environmental Protection Agency ("EPA") and similar state environmental agencies, that conditions at a number of current and formerly owned sites where we and others have disposed of hazardous substances require investigation, cleanup and other possible remedial action. These agencies may require that we reimburse the government for its costs incurred at these sites or otherwise pay for the costs of investigation and cleanup of these sites, including by providing compensation for natural resource damage claims from such sites. For more information, see the Non-Financial Statement section of the Directors' Report below.

While we have planned for future capital and operating expenditures to maintain compliance with environmental laws and have accrued for costs related to current remedial efforts, our costs of compliance, or our liabilities arising from past or future releases of, or exposures to, hazardous substances, may exceed our estimates. We may also be subject to additional environmental claims for personal injury or cost recovery actions for remediation of facilities in the future based on our past, present or future business activities.

As a global business, we have a relatively complex tax structure, and there is a risk that tax authorities will disagree with our tax positions.

Since we conduct operations worldwide through our subsidiaries, we are subject to complex transfer pricing regulations in the countries in which we operate. Transfer pricing regulations generally require that, for tax purposes, transactions between us and our affiliates be priced on a basis that would be comparable to an arm's length transaction and that contemporaneous documentation be maintained to support the tax allocation. Although uniform transfer pricing standards are emerging in many of the countries in which we operate, there is still a relatively high degree of uncertainty and inherent subjectivity in complying with these rules. To the extent that any tax authority disagrees with our transfer pricing policies, we could become subject to significant tax liabilities and penalties. Our tax returns are subject to review by taxing authorities in the jurisdictions in which we operate. Although we believe we have provided for all tax exposures, the ultimate outcome of a tax review could differ materially from our provisions.

We could be subject to changes in tax rates, the adoption of new tax legislation or exposure to additional tax liabilities.

Our future effective tax rate and cash tax obligations could be adversely affected by shifts in our mix of earnings in countries with varying statutory tax rates, changes in the valuation of our deferred tax assets or liabilities or changes in tax laws, regulations, interpretations or accounting principles, as well as certain discrete items.

In addition, we are subject to regular review and audit by tax authorities. As a result, we have received, and may in the future receive, assessments in multiple jurisdictions on various tax-related assertions. Any adverse outcome of such a review or audit could have a negative effect on our operating results and financial condition.

In addition, the determination of our worldwide provision for income taxes and other tax liabilities requires significant judgement, and there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our Financial Statements and may materially affect our financial results in the period or periods for which such determination is made. Furthermore, due to shifting economic and political conditions, tax policies, laws, interpretations and rates in various jurisdictions may be subject to significant change, which could materially affect our financial position and results of operations. For example, many countries in Europe, as well as a number of other countries and organisations, have proposed, recommended or implemented changes to existing tax laws or have enacted new laws that could significantly increase our effective tax rate or cash tax obligations in countries where we do business or require us to change the manner in which we operate our business. Additionally, the European Commission has been investigating whether various tax regimes or private tax rulings provided by a country to a particular taxpayer may constitute State Aid. We continue to examine the impact the above items may have on our business and the amount of tax we must pay.

The implementation of global tax reforms could negatively impact our financial results.

In recent years, the Organisation for Economic Cooperation and Development ("OECD") has led international efforts to implement various international tax reforms, including the introduction of a global minimum effective corporate tax ("GMT") rate of 15%, applied on a jurisdiction-by-jurisdiction basis. Over 130 countries agreed to the general framework of the GMT rules and numerous countries in which we operate have transposed those rules into national laws, including Ireland, the location of our incorporation. Additional countries are in various stages of implementing the rules into their national laws.

We anticipate the continued and ongoing release of OECD GMT interpretive guidance and local country GMT legislation. We are continuing to evaluate the potential impact of this interpretative guidance and the release of GMT-implementation legislation in other countries, and such guidance or legislation could result in a material increase in our effective tax rate.

Risks Related to Our Incorporation in Ireland

Irish law differs from the laws in effect in the United States and may afford less protection to holders of our securities.

The U.S. currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgements in civil and commercial matters. As such, there is some uncertainty as to whether the courts of Ireland would recognise or enforce judgements of U.S. courts obtained against us or our directors or officers based on U.S. federal or state civil liability laws, including the civil liability provisions of the U.S. federal or state securities laws, or hear actions against us or those persons based on those laws.

As an Irish company, we are governed by the 2014 Act, as amended, which differs in some material respects from laws generally applicable to U.S. corporations and shareholders, including, among others, differences relating to interested director and officer transactions and shareholder lawsuits. Likewise, the duties of directors and officers of an Irish company generally are owed to the company only. Shareholders of Irish companies generally do not have a personal right of action against directors or officers of the company and may exercise such rights of action on behalf of the company only in limited circumstances. Accordingly, holders of our securities may have more difficulty protecting their interests than would holders of securities of a corporation incorporated in a jurisdiction of the U.S.

In addition, Irish law allows shareholders to authorise share capital which then can be issued by a board of directors without shareholder approval. Also, subject to specified exceptions, Irish law grants statutory preemptive rights to existing shareholders to subscribe for new issuances of shares for cash. At our annual general meeting of shareholders, our shareholders authorised our Board of Directors to issue up to 20% of our issued ordinary shares and further authorised our Board of Directors to issue up to 20% of such shares for cash without first offering them to our existing shareholders. Both of these authorisations will expire after a certain period unless renewed by our shareholders, and we cannot guarantee that the renewal of these authorisations will always be approved. If the Directors' authority to issue ordinary shares is not renewed, then we may be limited in our ability to use our shares, for example, as consideration for acquisitions.

Changes in tax laws, regulations or treaties, changes in our status under the tax laws of many jurisdictions or adverse determinations by taxing authorities could increase our tax burden or otherwise affect our financial condition or operating results, as well as subject our shareholders to additional taxes.

The realisation of any tax benefit related to our incorporation and tax residence in Ireland could be impacted by changes in tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof by the tax authorities of many jurisdictions. From time to time, proposals have been made and/or legislation introduced to change the tax laws of various jurisdictions or limit tax treaty benefits that if enacted could materially increase our tax burden and/or our effective tax rate. Moreover, other legislative proposals could have a material adverse impact on us by overriding certain tax treaties and limiting the treaty benefits on certain payments, which could increase our tax liability. We cannot predict the outcome of any specific legislation in any jurisdiction.

While we monitor proposals that would materially impact our tax burden and/or our effective tax rate and investigate our options, we could still be subject to increased taxation on a going forward basis no matter what action we undertake if certain proposals are enacted, certain tax treaties are amended and/or our interpretation of applicable tax law is challenged and determined to be incorrect. In particular, any changes and/or differing interpretations of applicable tax law that have the effect of disregarding our incorporation in Ireland, limiting our ability to take advantage of tax treaties between jurisdictions, modifying or eliminating the deductibility of various currently deductible payments or increasing the tax burden of operating or being resident in a particular country, could subject us to increased taxation.

Dividends received by our shareholders may be subject to Irish dividend withholding tax.

In certain circumstances, we are required to deduct Irish dividend withholding tax of 25% from dividends paid to our shareholders. In the majority of cases, shareholders residing in the U.S. will not be subject to Irish withholding tax, and shareholders resident in a number of other countries will not be subject to Irish withholding tax provided that they complete certain Irish dividend withholding tax forms. However, some shareholders may be subject to withholding tax, which could discourage the investment in our stock and adversely impact the price of our shares.

Dividends received by our shareholders may be subject to Irish income tax.

Dividends paid in respect of our shares generally are not subject to Irish income tax where the beneficial owner of these dividends is exempt from Irish dividend withholding tax, unless the beneficial owner of the dividend has some connection with Ireland other than his or her shareholding in Allegion. Our shareholders who receive their dividends subject to Irish dividend withholding tax will generally have no further liability to Irish income tax on the dividends unless the beneficial owner of the dividend has some connection with Ireland other than his or her shareholding in Allegion.

Certain provisions in our Memorandum and Articles of Association, among other things, could prevent or delay an acquisition of us, which could decrease the trading price of our ordinary shares.

Our Memorandum and Articles of Association contains provisions to deter takeover practices, inadequate takeover bids and unsolicited offers. These provisions include, amongst others:

- A provision of our Articles of Association which generally prohibits us from engaging in a business combination with an interested shareholder (being (i) the beneficial owner, directly or indirectly, of 10% or more of our voting shares or (ii) an affiliate or associate of us that has at any time within the last five years been the beneficial owner, directly or indirectly, of 10% or more of our voting shares), subject to certain exceptions;
- Rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings;
- The right of our Board of Directors to issue preferred shares without shareholder approval in certain circumstances, subject to applicable law; and
- The ability of our Board of Directors to set the number of directors and to fill vacancies on our Board of Directors.

We believe these provisions will provide some protection to our shareholders from coercive or otherwise unfair takeover tactics. These provisions are not intended to make us immune from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some shareholders and could delay or prevent an acquisition that our Board of Directors determines is in our best interests and our shareholders' best interests. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

In addition, several mandatory provisions of Irish law could prevent or delay an acquisition of us. For example, Irish law does not permit shareholders of an Irish public limited company to take action by written consent with less than unanimous consent. We also will be subject to various provisions of Irish law relating to mandatory bids, voluntary bids, requirements to make a cash offer and minimum price requirements, as well as substantial acquisition rules and rules requiring the disclosure of interests in our shares in certain circumstances. Also, Irish companies, including us, may alter their Memorandum of Association and Articles of Association only with the approval of at least 75% of the votes of the company's shareholders cast in person or by proxy at a general meeting of the company.

Cybersecurity

Risk Management and Strategy

Allegion plc recognises the significance of developing, implementing, and maintaining cybersecurity measures to safeguard our information systems and products and protect the confidentiality, integrity, and availability of our data.

Managing Material Risks & Integrated Overall Risk Management

Cybersecurity is a critical part of our enterprise risk management. To address cybersecurity threats, we leverage a multi-layer approach, with our Chief Information Security Officer ("CISO") leading a team that is responsible for forming our enterprise-wide information security strategy, training, policy, standards, architecture and processes to protect us against cybersecurity risks. Our risk management group works with our cybersecurity team to continuously evaluate and address cybersecurity risks.

Further, we have an employee security awareness program in place and a security training program for technical personnel that provides mandatory and on-demand training.

Engage Third Parties on Risk Management

We engage a range of external experts, including cybersecurity consultants and auditors to evaluate and test our risk management systems. Our collaboration with these third parties includes regular audits, threat assessments, and consultation on security enhancements. Our cybersecurity programs generally align with the NIST Cybersecurity Framework, and third party audits on portions of our cybersecurity program or processes apply the NIST Cybersecurity Framework controls. These partnerships provide expert knowledge and insights, which are designed to ensure our cybersecurity strategies and processes are consistent with industry best practices.

Oversee Third-party Risk

We rely on our information technology systems and networks in connection with many of our business activities. Some of these networks and systems are managed by third-party service providers and are not under our direct control. The Company has implemented processes designed to manage the cybersecurity risks associated with its use of third-party service providers.

Risks from Cybersecurity Threats

Despite the security measures we have implemented, certain cyber incidents could materially disrupt operational systems; result in loss of trade secrets or other proprietary or competitively sensitive information; compromise personally identifiable information regarding customers or employees; delay our ability to deliver products to customers; and/or jeopardise the security of our facilities. These risks are further described in the Principal Risks section of the Directors' Report above, under the headings "We may be subject to risks relating to our information technology and operational

technology systems”, “We currently rely on third-party service providers for many of the critical elements of our global information and operational technology infrastructure, and their failure to provide effective support for such infrastructure could increase our cybersecurity risk or otherwise negatively impact our business and financial results”, and “Disruptions or breaches of our information systems could adversely affect us.”

We have not encountered any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition.

Governance

The Board of Directors (the "Board") has established oversight mechanisms designed to ensure effective governance in managing risks associated with cybersecurity threats.

Board of Directors Oversight

Due to the importance of cybersecurity to the Company, the full Board is charged with oversight responsibility for our risk management and security strategy and policy. The Board is composed of members with diverse expertise including, risk management, information technology, engineering, manufacturing, innovation and finance, equipping them to oversee cybersecurity risks effectively. The Board receives updates from the CISO and management at least quarterly at board meetings, which updates cover the Company's cybersecurity strategy, current cybersecurity risk assessment, key risk areas, current cyber trends, and any significant cyber incidents that have occurred or are reasonably likely to occur.

Management's Role

Management is responsible for assessing and managing cybersecurity risk. Specifically, the CISO is responsible for the prevention, mitigation, detection, and remediation of cybersecurity incidents. The CISO regularly meets with the Chief Executive Officer (“CEO”) and Executive Leadership Team to inform them on cybersecurity risks. These briefings encompass a broad range of topics, including:

- Threat intelligence;
- Risk updates with regional vice presidents;
- Third-party assessments and results of tabletop exercises;
- Training programs for employees;
- Results of phishing simulations;
- Cybersecurity technologies and best practices; and
- Significant cybersecurity incidents and/or trends (if any).

Risk Management Personnel

Primary responsibility for assessing, monitoring and managing our cybersecurity risks rests with the CISO. With over 20 years of experience in the field of information technology, the CISO brings a wealth of expertise to the role. The CISO's education includes a Master's in Cybersecurity Management. The CISO has in-depth knowledge and experience in developing and executing our cybersecurity strategies. The CISO oversees our governance programs, tests our compliance with standards, remediates known risks, and leads our comprehensive employee security awareness program. The CISO is also responsible for building and overseeing a cybersecurity team, including internal and external resources, who provide subject matter expertise and operational talents to achieve our cybersecurity objectives.

Monitor Cybersecurity Incidents

The CISO and the cybersecurity team are continually informed about the latest developments in cybersecurity, including potential threats and innovative risk management techniques, which is an important component in designing programs to prevent, detect, mitigate, and remediate cybersecurity incidents. The CISO implements and oversees processes for the regular monitoring of our information systems. This includes the deployment of advanced security measures and regular system audits to identify potential vulnerabilities. In the event of a cybersecurity incident, we have a well-defined incident response plan. This plan includes immediate actions to mitigate the impact and long-term strategies for remediation and prevention of future incidents and informing the board of significant cyber incidents in accordance with the Company's incident response plan.

Market Risk Exposures

We are exposed to fluctuations in currency exchange rates, commodity prices and interest rates which could impact our results of operations and financial condition.

Foreign Currency Exposures

We have operations throughout the world that manufacture and sell products in various international markets. As a result, we are exposed to movements in exchange rates of various currencies against the U.S. dollar as well as against other currencies throughout the world. We actively manage material currency exposures that are associated with purchases and sales and other assets and liabilities at the legal entity level; however, we do not hedge currency translation risk. We attempt to hedge exposures that cannot be naturally offset to an insignificant amount with foreign currency derivatives.

Derivative instruments utilised in our hedging activities are viewed as risk management tools, involve little complexity and are not used for trading or speculative purposes. To minimise the risk of counter party non-performance, derivative instrument agreements are made only through major financial institutions with significant experience in such derivative instruments.

We evaluate our exposure to changes in currency exchange rates on our foreign currency derivatives using a sensitivity analysis. The sensitivity analysis is a measurement of the potential loss in fair value based on a percentage change in exchange rates. Based on the firmly committed currency derivative instruments in place at 31 December 2024, a hypothetical change in fair value of those derivative instruments assuming a 10% adverse change in exchange rates would result in an additional unrealised loss of approximately \$3.4 million. This amount, when realised, would be partially offset by changes in the fair value of the underlying transactions.

Commodity Price Exposures

We purchase a wide range of raw material, including steel, zinc, brass and other non-ferrous metals, and are exposed to volatility in the prices of these and other commodities used in our products. We use fixed price contracts to manage this exposure where appropriate. We do not have committed commodity derivative instruments in place at 31 December 2024. However, an increase in commodity prices could result in lower gross profit.

Interest Rate Exposure

Of our total outstanding indebtedness of \$2.0 billion as of 31 December 2024, approximately 89% incurs fixed-rate interest and is therefore not exposed to the risk of rising variable interest rates. However, outstanding borrowings under the Credit Facilities accrue variable rate interest at our option of (i) a Secured Overnight Financing Rate ("SOFR") plus the applicable margin or (ii) a base rate plus the applicable margin. The applicable margin ranges from 0.875% to 1.375% depending on our credit ratings. At 31 December 2024, the outstanding borrowings of \$212.5 million under the Credit Facilities accrue interest at SOFR plus a margin of 1.225%, resulting in an interest rate of 5.582%. We are also exposed to the risk of rising interest rates to the extent that we fund our operations with short-term or variable-rate borrowings. We have \$18.5 million of letters of credit outstanding and unused availability of \$731.5 million under the Revolving Facility as of 31 December 2024. A hypothetical increase of 1% in the interest rate on the variable rate borrowings under our Credit Facilities would increase our interest expense over the next twelve months by \$2.1 million based on the balances outstanding for these borrowings as of 31 December 2024. If the SOFR or other applicable base rates of the Credit Facilities increase in the future, our Interest payable and similar charges could increase.

Non-Financial Statement

European Union (the "EU") Regulations

The EU Regulations 2017 requires us to identify and report on our business model and the key non-financial matters related to our activities, including information, relevant policies and principal risks.

Business Model

Our vision centres on enabling seamless access and a safer world. We create value as a solutions provider of security and access, and we believe this strategy will produce expanded opportunities for us and our Company and our customers.

Environmental, social and governance ("ESG") factors important to our business are embedded into our values and our leadership's commitment to create a workplace culture committed to doing the right thing in the right way. We believe our success is a direct reflection of our people and culture. In fact, we believe that our values-driven culture is a formidable competitive advantage – one that should be fostered and protected. Our eight values, as summarised below, are at the very heart of the Company and the way we run our business, and they are an important guide for our ESG efforts and commitments to sustainability across the enterprise:

- Serve others, not yourself
- Do the right thing
- Be curious beyond the obvious
- Have a passion for excellence
- Enjoy what you do and celebrate who we are
- Be safe, be healthy
- Be empowered and accountable; and
- This is your business, run with it

For further information, please refer to our website at www.allegion.com under the heading, "About Allegion – ESG at a Glance."

Environmental Matters

Our Board of Directors oversees the Company's ESG strategies, goals and performance, including environmental, health and safety ("EHS") policy. Both our leadership and employees have a responsibility to uphold excellence, as we believe our commitment to ESG matters helps advance engagement and business vitality. Additional information about our ESG priorities and progress may be found in the ESG section of our website (found under the ESG tab at www.allegion.com).

The website highlights our ongoing progress and advancements in ESG matters, and includes our materiality matrix of ESG priorities.

Regulatory Matters

We are subject to a variety of federal, state and local laws and regulations, both within and outside the U.S., relating to EHS matters. We are committed to conducting business in a safe, environmentally responsible and sustainable manner, in compliance with all applicable EHS laws and regulations, as well as some applicable voluntary programs and collective agreements. We continuously work to promote and protect the health and safety of our environment, associates, customers, contractors and members of our local communities worldwide. We operate with principles and practices that support our commitments, including:

- Integrating sound EHS and sustainability strategies in all elements of our business, we set quantitative metrics and targets to provide clear accountability and to monitor and measure improvement in EHS performance;
- Conducting periodic, formal evaluations and audits of our compliance status, while also routinely reviewing our objectives and metrics;
- Fostering a workplace culture where everyone at Allegion is responsible for safety;
- Implementing measures to enhance internal and external stakeholder awareness of our environmental management policy and its impacts;
- Establishing prioritisation and action plans to continuously improve our EHS and sustainability management systems and performance; this includes reduction in use of natural resources, minimisation of waste and prevention of pollution, as well as prevention and elimination of workplace accidents, injuries and risks;
- Designing, operating and maintaining our facilities in a manner that minimises negative EHS and sustainability impacts;
- Using materials responsibly, including, where feasible, the recycling and reuse of materials; and
- Acting in a way that shows sensitivity to community concerns about EHS and sustainability issues.

We recognise that these principles are critical to our future success. We are currently engaged in site investigations and remediation activities to address environmental cleanup from past operations at current and former production facilities. We also regularly evaluate our remediation methods that are in addition to, or in replacement of, those we currently utilise based upon enhanced technology and regulatory changes. We are sometimes a party to environmental lawsuits and claims and have, from time to time, received notices of potential violations of environmental laws and regulations from the U.S. Environmental Protection Agency ("EPA") and similar state authorities. We have also been identified as a potentially responsible party ("PRP") for cleanup costs associated with off-site waste disposal at federal Superfund and state remediation sites. For all such sites, there are other PRPs and we believe our involvement is minimal.

In estimating our liability, we have assumed that we will not bear the entire cost of remediation of any site to the exclusion of other PRPs who may be jointly and severally liable. The ability of other PRPs to participate has been taken into account, based on our understanding of the parties' financial condition and probable contributions on a per site basis. Additional lawsuits and claims involving environmental matters are likely to arise from time to time in the future. For a further discussion of our potential environmental liabilities, see Notes 24 to the Consolidated Financial Statements.

Environmental Goals

By 2030, we aim to achieve a 40% reduction in GHG emissions intensity for Scope 1 and Scope 2 emissions^{1,2,4,7} and 20% reduction in water usage. In 2023, Allegion transitioned away from a 20% reduction in total waste to landfill (compared to the baseline year 2020) to a target 92.5% waste diversion rate. In 2024, Allegion increased its overall GHG emission intensity target from 25% to 40% based on continued improvements in its operations.

Allegion aims to achieve carbon neutral emissions globally by 2050, and we support the UN Sustainable Development Goal to take urgent action on climate change. We know that some communities need time to build necessary energy infrastructure to make this vision a reality. In the meantime, our company is pursuing incremental improvement targets, including meeting Allegion's electricity needs with carbon-free electricity by 2030 (that is, the energy is produced by a non-fossil fuel source that generates no carbon emissions), and achieving carbon neutrality at 50% of our current sites by 2035.

Environmental Key Performance Indicators ("KPIs")

Key sustainability statistics in 2024 were as follows:

- 18% reduction in water usage intensity compared to baseline year 2020 ^[2,3,4,5,7]
- 34% reduction in greenhouse gas emission intensity compared to baseline year 2020 ^[1,2,3,4,5,6,7,8]
- 93% waste diverted from landfill disposal ^[2,3,4,5,7]

^[1] GHG emissions calculations previously used a set formula globally. Calculations have been revised for 2020 through 2024 to utilise available location specific grid data.

^[2] Data is normalised to hours worked. To the extent actual hours worked are not available for any full-time employee, an average of 40 hours per week is used.

^[3] Actual data is collected for production, assembly & distribution facilities and certain warehouses globally. For all other facilities, data is estimated based on the assumptions below:

- 15 gallons (or 57 litres) of water used per employee per workday.
- 2,700 British Thermal Units of natural gas usage and 1.5 kilowatt hours of electricity usage per square footage per month for office type facilities
- 2,000 British Thermal Units of natural gas usage and 0.6 kilowatt-hours of electricity per square footage per month for all other facility types.
- 40 pounds (18 kilograms) of non-hazardous waste per employee per month.

^[4] Data associated with activities not related with production, assembly or distribution are excluded.

^[5] Data associated with acquisitions is included within values presented starting the year following acquisition.

^[6] Data associated with the majority of fleet fuel usage has not been included.

^[7] Data and metrics associated with the manufacturing and field service activities of Stanley Access Technologies is included in 2024 values (excluding the field service activities of Stanley Access Technologies, LTIR and TRIR were 0.12 and 0.44 for 2024). For 2023, only the manufacturing activities of Stanley Access Technologies is included. Baseline year 2020 has not been adjusted.

^[8] 2024 includes 12,100 purchased Emission Free Energy Credits.

Human Capital

Our human capital strategy is based on our values and is foundational to achieving our business strategy. Our workplace culture is based on practices that reward performance, provide growth and development opportunities, and support employees with competitive compensation and benefits packages. As a testament to this, Allegion received the 2024 Gallup Exceptional Workplace Award. This award recognises the most engaged workplace cultures in the world.

As of 31 December 2024, we had approximately 14,400 employees worldwide. Approximately 48% of employees are employed within the U.S. and approximately 52% based outside the U.S. Among our U.S. based employees, approximately 14% were subject to collective bargaining agreements with various labour unions. Outside the U.S., we have employees in certain countries, particularly in Europe, that are represented by an employee representative organisation, such as a works council. Our employee base is supplemented by contingent labour where business demand fluctuates or we experience short-term needs for specialised skills. We believe our relations with our workforce in both unionised and non-unionised settings are generally positive.

Talent Attraction and Retention

Our employer brand creates a differentiated employee experience intended to attract and retain the right talent for Allegion. Our talent attraction efforts are focused on and highlight a culture that reflects our core values, Allegion leadership behaviours and business objectives.

We want to attract talent with core capabilities relevant to our long-term corporate business strategy: customer focus, innovation, partnering, pace and agility and collaboration. We use a variety of recruitment tactics to ensure a strong base of labour for manufacturing operations and to build the base of talent with these capabilities. Throughout the recruitment cycle, we provide a technology-enabled seamless experience for internal and external candidates and hiring managers. Our compensation and benefit programs are designed to be competitive in the geographies where we work, including a total rewards package (which varies by country/region) that includes hourly and salaried compensation, performance-based incentive and long-term equity incentive plans, retirement, insurance and government social welfare programs, disability and family leave, health and wellness programs, education benefits to pursue degrees and certifications and additional offerings to support financial stability and personal planning.

Talent Development and Succession Planning

Talent development and succession planning are key components of the Allegion Operating System, which supports governance, reporting processes and management of the business. Our performance management system includes annual performance reviews for all permanent salaried employees. Talent development and succession planning takes place at all levels of the organisation and is supported through individual career mapping, assessment of performance and talent pipeline planning up to and including the executive leadership team ("ELT"). As part of their quarterly business review, the ELT reviews talent development, focusing on developing a diverse succession pipeline. These cross-functional reviews highlight individuals who are ready for new opportunities, individuals who are on a special assignment or project and individuals early in their career that demonstrate emerging leadership skills.

Learning and Development

Opportunities for ongoing learning and development are delivered to employees through structured coursework, on-site and expert-led training and experiential, applied development. The Allegion Academy is offered globally, supporting multiple languages and providing thousands of self-guided online courses. We offer programs to provide successive levels of development, including re-skilling and upskilling existing employees, as well as strengths-based leadership curriculum and global programs for employee mentoring and coaching.

Culture and Engagement

Culture and engagement are also parts of the Allegion Operating System. Engagement surveys provide a mechanism to gather direct employee feedback, give team leaders insights on potential areas of focus and allow leaders to prioritise and act on their teams' foundational, inclusion, growth and development needs. Strengths-based leadership is an element of our commitment to inclusion: the more employees understand their own strengths, the better equipped they are to add value and appreciate the contributions of diverse members of their teams.

We believe in fundamental standards that support our employees, while building and maintaining diverse and inclusive workplaces. Employee-led resource and affinity groups provide opportunities for women's leadership, early career professionals, allies and members of the LGBTQIA+, Black, veteran and Hispanic communities, among others.

Employee Health and Safety

Employee health and safety are top priorities and integral to the Company's growth strategy. 'Be safe, be healthy' is a core organisational value in our proactive safety culture. The ELT, with oversight from our Board of Directors, is responsible for risk management, employee accountability, safety hazard recognition and executing safety initiatives. We monitor leading and lagging indicators related to health and safety as part of our ongoing management of the Allegion Operating System and regularly update the Corporate Governance and Nominating Committee of the Board of Directors on key developments and employee health and safety topics.

Key employee health and safety statistics in 2024 (compared to the prior year 2023) were as follows:

- The Lost Time Incident Rate (LTIR) increased by 200% (0.21 in 2024 vs. 0.07 in 2023) ^[2,5,7,9]
- The Total Recordable Incident Rate (TRIR) increased by 58% (0.63 in 2024 vs. 0.40 in 2023) ^[2,5,7,9]

^[2] Data is normalised to hours worked. To the extent actual hours worked are not available for any full-time employee, an average of 40 hours per week is used.

^[5] Data associated with acquisitions is included within values presented starting the year following acquisition.

^[7] Data and metrics associated with the manufacturing and field service activities of Stanley Access Technologies is included in 2024 values (excluding the field service activities of Stanley Access Technologies, LTIR and TRIR were 0.12 and 0.44 for 2024). For 2023, only the manufacturing activities of Stanley Access Technologies is included. Baseline year 2020 has not been adjusted.

^[9] LTIR and TRIR reflect workplace related incidents as of 31 December of each year presented. Prior year amounts may be updated when incidents are determined to be workplace related in subsequent periods.

Respect for human rights

Our respect for human rights is expressed in standards for our employees, our business partners, our customers and our communities. We uphold our Global Human Rights Policy, with standards that align with basic working conditions and human rights concepts advanced by international organisations such as the International Labour Organisation and the United Nations. This policy also represents our own minimum standards for working conditions and human rights in our business and supply chains. In addition, we conduct risk assessments and continue to have conversations with the suppliers and companies we work with about the importance of human rights.

Furthermore, Section 54 of the UK Modern Slavery Act 2015, Australian Modern Slavery Act 2018, and the California Supply Chains Act of 2010 (SB 657), and other applicable supply chain laws and regulations, require us to disclose our efforts to combat slavery and human trafficking and detail the steps we have taken to ensure such issues are not taking place in our business and supply chains. The Company has chosen to not only apply these standards for the business units under the jurisdiction of the regulations, but also to all wholly owned locations and facilities. To review the full Anti-Human Trafficking Statement, visit our website at www.allegion.com under the heading, "ESG – Governance."

We have provided training to employees and made information available to our suppliers working with us to increase awareness on human rights and supply chain transparency. In 2022, through our compliance activities, training resources were made available to select global suppliers, to raise awareness on human rights initiatives at the Company and engage suppliers in conversation regarding the topic. Also, in 2022, we conducted privacy trainings to salaried employees and targeted cross-functional groups related to privacy best practices and education of data handlers on internal procedural changes.

Bribery and corruption

The Company strives to be a leader in doing what is right. Our Ethics & Compliance Program ("E&C Program") and code of conduct detail our core values, reinforce our commitment to lawful and ethical conduct, and apply to all our officers, employees and directors. Based on a combination of written standards and procedures, regular training, communication and regular monitoring, our E&C Program provides practical application guidance that employees and business partners can understand and follow. Our global team reviews and updates our policies and processes as needed. Every new employee joining the Company is educated on our code of conduct. During 2024, salaried employees were trained on topics such as fraud, bribery and corruption, conflicts of interest and raising concerns. In addition, specific communication content was deployed for our Global Compliance Week to help raise awareness on ethical culture and compliance topics using a variety of communication methods, including messages of executive support. Training and communication are an ongoing part of our awareness program moving forward.

We communicate our Business Partner Code of Conduct, which includes topics such as protection of human rights, data privacy expectations and our stance on anti-corruption practices, to every customer and supplier through our terms and conditions. Our reputation is important, and we hold all our external third-party business partners and contract representatives to the same high standards, assessing them before engaging to do business. Employees interacting with external third-party business partners received refresher training on the importance of third-party due diligence and reputational management to continue to emphasise the importance of this step when generating new relationships. Our Ethics Helpline is accessible to all employees, shareholders, customers and any other outside parties in approximately 200 languages. The Company takes each report seriously and conducts thorough investigations, all while enforcing our strict non-retaliation policy. For more information, visit our website at www.allegion.com under the heading, “ESG – Governance” or contact our Chief Compliance Officer at ethicsandcompliance@allegion.com.

Other Information

All references to information on the ESG section of the company's website in this Non-Financial Statement refer to the versions of such reports, information, policies and statements available on our website as of the date of this Directors' Report.

Results for the Year and Proposed Transfer to Reserves

The results for the year are set out in the Consolidated Profit and Loss Account on Page 49. The balance to be transferred to reserves is \$597.5 million.

Future Developments

We intend to maintain profitable growth in the markets we serve and in adjacent product categories by being the preferred, trusted security partners to our end-users. In doing this, the Company continues to monitor the macroeconomic conditions and their likely impact on our business. Please refer to the Recent Developments section of the Directors' Report for further details.

Accounting Records

The Board of Directors are responsible for ensuring that the Company keeps proper books of accounting records and appropriate accounting systems to secure compliance with the requirements of Sections 281 to 285 of the 2014 Act. To achieve this, the Board of Directors have appointed a Chief Financial Officer who makes regular reports to the Board of Directors and to the Audit and Finance Committee of the Board of Directors. In addition, the head of the Company's internal audit department and the General Counsel make regular reports to the Audit and Finance Committee, including matters, if any, regarding fraud and other financial-related irregularities.

The Audit and Finance Committee which is comprised of nine members, all of whom are independent directors, in turn, briefs the full Board of Directors as appropriate on significant financial matters arising from reports of the Chief Financial Officer, Chief Accounting Officer, Chief Compliance Officer, the head of internal audit and the external auditor.

The measures taken by the Board of Directors to secure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at Block D, Iveagh Court, Harcourt Road, Dublin 2, D02 VH94, Ireland.

Going Concern

The Board of Directors have formed a judgement at the time of approving the Financial Statements, considering all events since year end, that there is a reasonable expectation that we have adequate resources to continue as a going concern. In arriving at this conclusion, the Board of Directors have considered the impact the current macroeconomic and geopolitical trends and uncertainties continues to have on our business and have a reasonable expectation that these trends and uncertainties would not have a material impact on our ability to continue as a going concern as of the approval date. After making enquiries, our Board of Directors has reasonable expectation that we have adequate resources to continue in operational existence for a period of not less than 12 months from the date of approval of these financial statements. Therefore, these financial statements have been prepared on a going concern basis.

Events since Year End

Dividends declared and paid

On 6 February 2025, our Board of Directors declared a quarterly dividend of \$0.51 cents per ordinary share. The dividend was paid on 31 March 2025 to shareholders of record on 14 March 2025.

Share repurchases

As of 10 April 2025, the Company had repurchased and cancelled approximately 0.3 million ordinary shares of \$0.01 each, at a weighted-average price of approximately \$128 since the year ended 31 December 2024. The Company had approximately \$200.0 million available under the 2023 Share Repurchase Authorisation.

DIRECTORS' REPORT (continued)

Directors and Secretaries

The names of the persons who were directors or secretaries at any time during the year ended 31 December 2024 are set out on Page 3 of the Financial Statements.

Directors and Secretaries Interests in Shares

No director, Company secretary nor any member of their immediate families had any interest in shares or debentures of any subsidiary. Directors remuneration is set forth in Note 8 to the Consolidated Financial Statements. The beneficial interests, including the interests of spouses and minor children, of the directors and secretary in office at 31 December in the share capital of Allegion plc pursuant to Section 329 of the 2014 Act, are presented in the table below:

	At 31 December 2024		At 31 December 2023	
	Shares Held	Options and Awards Unvested	Shares Held	Options and Awards Unvested
Board of Directors:				
John H. Stone	62,758	193,650	30,000	177,773
Kirk S. Hachigian	10,669	1,742	9,356	1,683
Steven C. Mizell	3,463	1,105	2,693	1,019
Nicole Parent Haughey	5,348	1,105	4,623	1,019
Susan L. Main	556	1,105	—	782
Lauren B. Peters	2,113	1,105	1,388	1,019
Ellen Rubin	838	1,105	—	1,178
Dev Vardhan	2,491	1,105	1,766	1,019
Secretary:				
Jeffrey N. Braun	2,360	39,541	7,757	39,671

Political Donations

No political contributions that require disclosure under Electoral Act 1997 (as amended) were made during the financial year 2024.

Subsidiary Companies and Associates

Information regarding subsidiary and associate undertakings are provided in Note 31 to the Consolidated Financial Statements.

Directors' Compliance Statement

The Board of Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations as defined in the 2014 Act and, as required by Section 225 of the 2014 Act. The Board of Directors confirm that:

- Allegion plc is committed to being compliant with all laws applicable to its operations. In particular, it is the policy of Allegion plc to comply with the Company's relevant obligations as defined in Section 225 of the 2014 Act. A compliance policy statement has been drawn up by the Company in accordance with Section 225(3)(a) of the Act setting out the Company's policies;
- Appropriate arrangements and structures are in place that, in our opinion, are designed to secure compliance with the Company's relevant obligations; and
- During the financial year ended 31 December 2024, the arrangements and structures referred to above were reviewed.

Disclosure of Information to Auditors

The directors in office at the date of this report have each confirmed that:

- As far as he/she is aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- He/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Audit and Finance Committee

The Company established an Audit and Finance Committee in 2013. Refer to the Accounting Records section of the Directors' Report for further details on the function and responsibility of the Audit and Finance Committee.

Auditors

The Company's independent auditor PricewaterhouseCoopers, has indicated its willingness to continue in office, and a

DIRECTORS' REPORT (continued)

resolution that they be re-appointed will be proposed at the AGM.

Annual General Meeting

The Annual General Meeting of Shareholders ("AGM") will take place at The Shelbourne Hotel, 27 St. Stephen's Green, Dublin 2, Ireland on 5 June 2025, at 3:00 p.m. local time.

Other

In addition to this report, for your reference, we want to remind readers that our annual and quarterly reports and other filings with the U.S. Securities and Exchange Commission ("SEC") are available at www.sec.gov under "Company Filings" and also on our website at www.allegion.com under the heading, "Investor Relations".

On behalf of the Board of Directors

John H. Stone

John H. Stone

Director

Susan L. Main

Susan L. Main

Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with Irish law.

Irish law requires the Directors to prepare financial statements for each financial year giving a true and fair view of the Consolidated and Parent Company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Group for the financial year. Under that law, the Directors have prepared the Consolidated Financial Statements in accordance with U.S. accounting standards, as defined in Section 279 (1) of the 2014 Act, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of the 2014 Act or of any regulations made thereunder and the Parent Company Financial Statements in accordance with Generally accepted accounting practice in Ireland (accounting standards issued by the Financial Reporting Council and Irish Law) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

Under Irish law, the Directors shall not approve the Financial Statements unless they are satisfied that they give a true and fair view of the Consolidated and Parent Company's assets, liabilities and financial position as of the end of the financial year and the profit or loss of the Group for the financial year.

In preparing these Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State that the Consolidated Financial Statements of the Group comply with accounting principles generally accepted under U.S. GAAP to the extent that they do not contravene Irish Company Law and that the Parent Company Financial Statements comply with accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland and Irish Law, subject to any material departure from those standards being disclosed and explained in the Notes to the Consolidated Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- Correctly record and explain the transactions of the Group;
- Enable, at any time, the assets, liabilities, financial position and profit or loss of the Group to be determined with reasonable accuracy; and
- Enable the Directors to ensure that the Financial Statements comply with the 2014 Act and enable those Financial Statements to be audited.

The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website www.allegion.com under the heading, "Investors Relations – Financial Information". Legislation in Ireland governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.



Independent auditors' report to the members of Allegion plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Allegion plc's consolidated financial statements and parent company financial statements (the "financial statements") give a true and fair view of the group's and the parent company's assets, liabilities and financial position as at 31 December 2024 and of the group's profit and cash flows for the year then ended;
- the consolidated financial statements have been properly prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), as defined in Section 279 of the Companies Act 2014, to the extent that the use of those principles in the preparation of consolidated financial statements does not contravene any provision of Part 6 of the Companies Act 2014;
- the parent company financial statements have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise:

- the Consolidated Balance Sheet as at 31 December 2024;
- the Parent Company Balance Sheet as at 31 December 2024;
- the Consolidated Profit and Loss Account and Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Parent Company Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a description of the accounting policies.

Basis for opinion


We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

	<p>Overall materiality</p> <ul style="list-style-type: none"> · \$34 million (2023: \$30 million) - Consolidated financial statements · Based on circa 5% of profit before tax. · \$43 million (2023: \$41.5 million) - Parent company financial statements · Based on circa 1% of net assets. We used the lower overall Consolidated financial statements materiality on any balances and transactions that do not eliminate on consolidation. <p>Performance materiality</p> <ul style="list-style-type: none"> · \$25.5 million (2023: \$22.5 million) - Consolidated financial statements. · \$32 million (2023: \$31.1 million) - Parent company financial statements.
	<p>Audit scope</p> <ul style="list-style-type: none"> • We conducted audit procedures on five components representing business units across the group. We included these components due to their size or risk characteristics as well as to ensure appropriate audit coverage. Full scope audits were performed on two components, audit of specific account balances and transactions was performed on one component and specified procedures were performed on two components. • Additionally, certain centralised group functions and balances, including treasury, taxation, equity, stock-based compensation, goodwill and intangible assets, and pensions were subject to full scope audit procedures. <p>Taken together, the audit work performed on components and group functions resulted in audit coverage of in excess of 65% of group turnover and in excess of 80% of group total assets.</p>
	<p>Key audit matters</p> <ul style="list-style-type: none"> · Revenue recognition for all revenue streams.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><i>Revenue Recognition for all revenue streams</i></p> <p>See Note 2 ‘Significant Accounting Policies - Revenue Recognition’ and Note 4 ‘Turnover’.</p> <p>As described in Notes 2 and 4 to the consolidated financial statements, the Company has two principal revenue streams, ‘tangible product sales’ or ‘services and software’. Net revenues are recognised based on the satisfaction of performance obligations under the terms of a contract. A performance obligation is a promise in a contract to transfer control of a distinct product or to provide a service, or a bundle of products or services, to a customer. For the year ended December 31, 2024, the Company’s turnover was \$3,772.2 million.</p> <p>As set out in note 4, c. 93% of the current year’s revenue relates to product sales. Product sales involve contracts with a single performance obligation, the transfer of control of a product or bundle of products to a customer. Transfer of control typically occurs when goods are shipped from the Company’s facilities or at other contractual predetermined control transfer points (for instance, destination terms).</p> <p>Revenue from services include inspection, maintenance and repair, aftermarket, design and installation and locksmith services, as well as software as a service solution. Unlike the single performance obligation to ship a product or bundle of products, revenue recognition related to services and software is deferred until the service-based performance obligations are satisfied, which in most instances is the point in time of delivery of the service based on customer acceptance.</p> <p>We determined this to be a key audit matter as significant auditor attention was required in performing procedures and evaluating audit evidence related to the Company’s revenue recognition.</p>	<p>We tested the operating effectiveness of relevant key controls relating to recognition of revenue.</p> <p>We tested the completeness, accuracy, and occurrence of revenue recognised during the year for a sample of revenue transactions by obtaining and inspecting source documents, such as purchase orders, invoices, shipping documentation, service order completion sheets and subsequent cash receipts. For certain revenue transactions we tested the issuance and settlement of invoices and credit memos, tracing transactions not settled to a detailed listing of accounts receivable, and testing the completeness and accuracy of data provided by management.</p> <p>We performed direct confirmation procedures with customers for a sample of outstanding customer invoices as of year-end with no differences noted on returned confirmations. Where confirmations were not returned, we inspected shipping documentation/service order completion sheets or traced the amounts to subsequent cash receipts.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

The group is structured along two reporting segments: Allegion Americas and Allegion International. Each segment has a number of management reporting entities identified as components by the group engagement team. The consolidated financial statements are a consolidation of the aforementioned components. In determining our audit scope, we first focused on individual components and determined the type of work that needed to be performed at the components by us, as the Irish group engagement team, PwC US as the US component team, or other component auditors within other PwC network firms. Where the work was performed by PwC US and other component auditors, we determined the level of involvement we needed to have in the audit work of those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole.

Three components were identified as significant components, and full scope audits were performed at two of these components and audits of specific account balances and transactions were performed at one component by the PwC US component engagement team. Based on our risk assessment and to achieve the overall level of audit coverage we considered appropriate, specified audit procedures on specific account balances, classes of transactions or disclosures were performed in respect of two additional components. Additionally, certain centralised group functions and balances,



including treasury, taxation, equity, stock-based compensation, goodwill and intangible assets, and pensions were subject to full scope audit procedures.

Through the full scope audits and specified procedures performed, and centralised group functions and accounts tested by the PwC US component engagement team, we obtained audit coverage in excess of 65% of group turnover and in excess of 80% of group total assets.

The supervision of the component teams included a combination of regular calls with the senior members of the component audit team, review of certain of the audit working papers in respect of the work performed on the centralised group functions and of significant components, and review of the results of specified audit procedures for the non-significant components.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Consolidated financial statements	Parent company financial statements
Overall materiality	\$34 million (2023: \$30 million).	\$43 million (2023: \$41.5 million).
How we determined it	circa 5% of profit before tax.	circa 1% of net assets.
Rationale for benchmark applied	We have applied this benchmark because in our view this is a metric against which recurring performance of the Group is commonly measured by its stakeholders.	The parent company is a holding company. Consequently, we consider that net assets is the most relevant measure to reflect the nature of its activities and transactions. We used the lower overall consolidated financial statements materiality on any balances and transactions that do not eliminate on consolidation.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to \$25.5 million (group audit) and \$32 million (parent company audit).

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$2.5 million (group audit) (2023: \$2.4 million) and \$2 million (parent company audit) (2023: \$2 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's going concern assessment for a period of twelve months from the date on which the financial statements are authorised for issue and understanding the process undertaken by management to perform the going concern assessment;
- Reviewing management's cash flow forecasts for the group and evaluating the key assumptions underpinning the forecasts;
- Assessing management's sensitivities performed over the group's cash flow forecasts; and



- Assessing current liquidity and financial position including the debt and credit facilities in place as disclosed in note 20 to the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's or the parent company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Directors' Report and Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 (excluding the information included in the "Non Financial Statement" as defined by that Act on which we are not required to report) have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report (excluding the information included in the "Non Financial Statement" on which we are not required to report) for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.
- Based on our knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report (excluding the information included in the "Non Financial Statement" on which we are not required to report).

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 42, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.



Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the U.S. Foreign Corrupt Practices Act, anti-bribery legislation and breaches of environmental and health and safety law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Irish Companies Act 2014 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inquiries with the Audit and Finance Committee, management and internal audit in respect of the risk of fraud and any known or suspected instance of fraud or non-compliance with laws and regulations;
- Reading the minutes of the meetings of the board of directors, Compensation and Human Capital committee, Corporate Governance and Nominating committee and Audit and Finance committee;
- Considered the results of reporting from component teams relating to compliance with applicable laws and regulations and procedures performed to address assessed fraud risk;
- Considering whether there was evidence of management bias in accounting estimates; and
- Identifying and testing of journal entries based on our risk assessment, in particular any journal entries posted with unusual account combinations, and consolidation journals.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the parent company financial statements to be readily and properly audited.
- The Parent Company Balance Sheet is in agreement with the accounting records.

Other exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Prior financial year Non Financial Statement

We are required to report if the company has not provided the information required by Regulation 5(2) to 5(7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 in respect of the prior financial year. We have nothing to report arising from this responsibility.

A handwritten signature in black ink that reads 'Thérèse Cregg'.

Thérèse Cregg
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
10 April 2025

Allegion plc
Consolidated Profit and Loss Account
For the years ended 31 December

<i>In millions (\$), except per share amounts</i>	Note	2024	2023
Turnover	4	3,772.2	3,650.8
Cost of sales		(2,103.7)	(2,069.3)
Gross profit		1,668.5	1,581.5
Distribution costs		(419.6)	(409.6)
Administrative expenses		(468.2)	(456.0)
Impairment of intangible assets	11	—	(7.5)
Other operating expenses	5	(2.2)	(3.9)
Operating profit		778.5	704.5
Other finance income (expenses)	6	1.8	(1.0)
Other interest receivable and similar income		20.5	6.8
Interest payable and similar charges	7	(102.0)	(93.1)
Profit before taxation	8	698.8	617.2
Tax on profit	9	(101.3)	(76.6)
Profit after taxation		597.5	540.6
Attributable to non-controlling interests		—	(0.2)
Profit for the financial year		597.5	540.4
Earnings per share attributable to Allegion plc ordinary shareholders:		\$	\$
Basic profit for the financial year:	10	6.85	6.15
Diluted profit for the financial year:	10	6.82	6.12

Allegion plc
Consolidated Statement of Comprehensive Income
For the years ended 31 December

<i>In millions (\$)</i>	Note	2024	2023
Profit after taxation		597.5	540.6
<i>Other comprehensive (loss) income, net of tax:</i>			
Currency translation		(74.2)	33.6
Cash flow hedges:			
Unrealised net gains arising during period		2.7	0.4
Net gains reclassified into the profit and loss account		(0.7)	(1.4)
Tax (expense) benefit		(0.7)	0.5
Total cash flow hedges, net of tax	26	1.3	(0.5)
Defined benefit plan adjustments:			
Prior service costs and net actuarial losses, net		(4.4)	(9.4)
Amortisation reclassified into the profit and loss account		4.6	4.1
Settlements/curtailments reclassified into the profit and loss account		0.1	0.4
Currency translation and other		2.9	(5.4)
Tax (expense) benefit		(0.4)	1.5
Total defined benefit plan adjustments, net of tax	26	2.8	(8.8)
Other comprehensive (loss) income, net of tax		(70.1)	24.3
Total comprehensive income, net of tax		527.4	564.9
Less: Total comprehensive income attributable to non-controlling interests		—	0.2
Total comprehensive income attributable to Allegion plc		527.4	564.7

Allegion plc
Consolidated Balance Sheet
At 31 December

<i>In millions (\$)</i>	<i>Note</i>	2024	2023
Fixed assets			
Intangible assets	11	2,058.4	2,015.9
Tangible assets	12	385.3	358.1
Financial assets	13	100.7	98.8
		2,544.4	2,472.8
Current assets			
Stock	15	423.0	438.5
Debtors - amounts falling due within one year	16	495.5	454.3
Cash at bank and in hand		503.8	468.1
		1,422.3	1,360.9
Creditors - amounts falling due within one year	17	(652.0)	(1,038.5)
Net current assets		770.3	322.4
Debtors - amounts falling due after more than one year	18	521.1	477.8
Total assets less current liabilities		3,835.8	3,273.0
Creditors - amounts falling due after more than one year	19	(2,092.1)	(1,719.7)
Net assets excluding provisions for liabilities		1,743.7	1,553.3
Provisions for liabilities	24	(243.0)	(235.0)
Net assets including provisions for liabilities		1,500.7	1,318.3
Capital and reserves			
Called up share capital presented as equity	26	0.9	0.9
Share premium account	26	93.0	78.3
Other reserves	26	(111.6)	(68.8)
Profit and loss account	26	1,518.4	1,307.9
Total equity		1,500.7	1,318.3

Approved by the Board of Directors on 10 April 2025 and signed on its behalf by:

John H. Stone

John H. Stone
Director

Susan L. Main

Susan L. Main
Director

Allegion plc
Consolidated Statement of Changes in Equity

<i>In millions (\$), except for number of shares (in millions) and per share amounts</i>	Total equity	Called up share capital		Share premium account	Profit and loss account	Other reserves	Non-controlling interests
		Amount	Shares				
Balance at 31 December 2022	944.5	0.9	87.9	76.6	983.1	(118.8)	2.7
Profit for the financial year	540.6	—	—	—	540.4	—	0.2
Other comprehensive loss, net of tax	24.3	—	—	—	—	24.3	—
Repurchase of ordinary shares	(59.9)	—	(0.5)	—	(59.9)	—	—
Share-based compensation activity	27.0	—	0.1	1.3	—	25.7	—
Acquisition/divestiture of non-controlling interest and other	(0.1)	—	—	0.4	2.3	—	(2.8)
Dividends declared to non-controlling interests	(0.1)	—	—	—	—	—	(0.1)
Cash dividends declared (\$1.80 per share)	(158.0)	—	—	—	(158.0)	—	—
Balance at 31 December 2023	1,318.3	0.9	87.5	78.3	1,307.9	(68.8)	—
Profit for the financial year	597.5	—	—	—	597.5	—	—
Other comprehensive loss, net of tax	(70.1)	—	—	—	—	(70.1)	—
Repurchase of ordinary shares	(220.0)	—	(1.6)	—	(220.0)	—	—
Share-based compensation activity	27.3	—	—	—	—	27.3	—
Shares issued under incentive stock plans	14.7	—	0.4	14.7	—	—	—
Cash dividends declared (\$1.92 per share)	(167.0)	—	—	—	(167.0)	—	—
Balance at 31 December 2024	1,500.7	0.9	86.3	93.0	1,518.4	(111.6)	—

Allegion plc
Consolidated Statement of Cash Flows
For the years ended 31 December

<i>In millions (\$)</i>	2024	2023
Cash flows from operating activities:		
Profit after taxation	597.5	540.6
Adjustments to arrive at net cash provided by operating activities:		
Depreciation and amortisation	119.0	111.6
Impairment of intangible assets	—	7.5
Share-based compensation	28.2	26.4
Unrealised losses on investments, net	1.0	0.8
Deferred income taxes	(44.2)	(67.7)
Other items	(2.4)	(0.8)
Changes in other assets and liabilities:		
Trade debtors and notes receivable	(6.7)	(11.9)
Stock	16.7	44.6
Trade creditors	3.6	(33.6)
Other assets and liabilities	(37.7)	(16.9)
Net cash provided by operating activities	675.0	600.6
Cash flows from investing activities:		
Capital expenditures	(92.1)	(84.2)
Acquisition of and equity investments in businesses, net of cash acquired	(137.2)	(31.7)
Other investing activities, net	0.9	(13.2)
Net cash used in investing activities	(228.4)	(129.1)
Cash flows from financing activities:		
Debt repayments	(413.3)	(12.6)
Proceeds from Revolving facility	—	30.0
Repayments of Revolving facility	—	(99.0)
Proceeds from issuance of Senior Notes	400.0	—
Repayments of debt, net	(13.3)	(81.6)
Debt financing costs	(7.6)	—
Dividends paid to ordinary shareholders	(167.0)	(158.7)
Proceeds from shares issued under incentive plans	14.7	1.3
Repurchase of ordinary shares	(220.0)	(59.9)
Other financing activities, net	(1.3)	0.2
Net cash used in financing activities	(394.5)	(298.7)
Effect of exchange rate changes on cash at bank and in hand	(16.4)	7.3
Net increase in cash at bank and in hand	35.7	180.1
Cash at bank and in hand – beginning of year	468.1	288.0
Cash at bank and in hand – end of year	503.8	468.1

1. BASIS OF PREPARATION

Allegion plc (the “Parent Company”), through its subsidiaries (together with Allegion plc, referred as “Allegion,” the “Group,” or the “Company”) is a public limited company which is listed on the New York Stock Exchange and is incorporated and domiciled in the Republic of Ireland. Irish law requires the directors to prepare financial statements for each financial year that give a true and fair view of the Consolidated and Parent Company’s assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Group for the financial year. Under that law, the directors have prepared the Consolidated Financial Statements in accordance with U.S. GAAP as defined in Section 279 (1) of the 2014 Act, to the extent that the use of those principles in the preparation of the Financial Statements does not contravene any provision of the 2014 Act or of any regulations made thereunder and the Parent Company Financial Statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK and Irish law). The Consolidated Financial Statements are prepared in accordance with Irish law, to present to the shareholders of Allegion plc and file with the Companies Registration Office in Ireland. Accordingly, these Consolidated Financial Statements include disclosures required by the 2014 Act in addition to those required under U.S. GAAP.

The profit attributable to equity shareholders dealt within the Parent Company Financial Statements in 2024 was \$505.1 million (2023: \$311.9 million). In accordance with Section 304 of the 2014 Act, the Company is availing of the exemption from presenting its individual profit and loss account at the Annual General Meeting and from filing it with the Registrar of Companies. The Consolidated Financial Statements are presented in U.S. dollars.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of the accompanying Consolidated Financial Statements:

Going concern: The Consolidated Financial Statements have been prepared on the going concern basis. The Board of Directors have formed a judgement at the time of approving the Consolidated Financial Statements, considering all events since year end and the availability on the Revolver Facility, along with cash on hand, that there is a reasonable expectation that the Company has adequate resources to continue as a going concern. In arriving at this conclusion, the Board of Directors have considered the impact the current macroeconomic and geopolitical trends and uncertainties continues to have on our business and have a reasonable expectation that these uncertainties would not have a material impact on our ability to continue as a going concern as of the approval date. After making enquiries, our Board of Directors has reasonable expectation that the Company has adequate resources to continue in operational existence for a period of not less than 12 months from the date of approval of these financial statements. Therefore, these financial statements have been prepared on a going concern basis.

Accounting convention: The Consolidated Financial Statements are prepared under the historical cost convention.

Principles of consolidation: The Consolidated Financial Statements include all controlled subsidiaries of the Company after elimination of all intercompany accounts and transactions. A non-controlling interest in a subsidiary is considered an ownership interest in a controlled subsidiary that is not attributable to the Company. The Company includes non-controlling interests as a component of Total equity in the Consolidated Balance Sheet and the Profit for the financial year attributable to non-controlling interests are presented as an adjustment from Profit after taxation used to arrive at Profit for the financial year in the Consolidated Profit and Loss Account.

Use of estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Estimates are based on several factors including the facts and circumstances available at the time the estimates are made, historical experience, risk of loss, general economic conditions and trends and the assessment of the probable future outcome. Some of the more significant estimates include useful lives of tangible and intangible assets, purchase price allocations of acquired businesses, valuation of assets and liabilities including goodwill and other intangible assets, product warranties, sales allowances, assets and liabilities related to defined benefit plans, taxes, lease related assets and liabilities, share-based compensation, environmental costs, product liability and other contingencies. Actual results could differ from the Company’s estimates. Estimates and assumptions are reviewed periodically, and the effects of changes, if any, are reflected in the Consolidated Profit and Loss Account in the period they are determined.

Currency translation: Assets and liabilities where the functional currency is not the U.S. dollar have been translated at year-end exchange rates, and income and expense accounts have been translated using average exchange rates throughout the year. Adjustments resulting from the process of translating a subsidiary’s financial statements into the U.S. dollar are recorded to Other reserves.

Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency. Transaction gains and losses are recognised in Other operating expenses in the Consolidated Profit and Loss Account in the period they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash at bank and in hand: Cash at bank and in hand include cash on hand, demand deposits and all highly liquid investments with original maturities at the time of purchase of three months or less.

Allowance for doubtful accounts: Debtors consist of billed receivables which are currently due from customers. The Company provides for an allowance for doubtful trade debtors and notes receivable, which represents the best estimate of expected lifetime credit losses inherent in the Company's trade debtors and notes receivable portfolios. The Company's estimates are influenced by a continuing credit evaluation of customers' financial condition, trade debtors and notes receivable ageing and historical loss experience, as well as reasonable and supportable forecasts of future economic conditions.

Stock: Stock is stated at the lower of cost and net realisable value using the first-in, first-out (FIFO) method.

Tangible assets: Tangible assets are stated at cost, less accumulated depreciation. Assets placed in service are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset except for leasehold improvements, which are depreciated over the shorter of their economic useful life or their lease term. Repair and maintenance costs that do not extend the useful life of the asset are expensed as incurred. Major replacements and significant improvements that increase asset values and/or extend useful lives are capitalised. The range of useful lives used to depreciate tangible assets is as follows:

Buildings	10	to	50	years
Machinery and equipment	2	to	12	years
Software	2	to	7	years

The Company assesses the recoverability of the carrying value of its tangible assets whenever events or changes in circumstances indicate that the carrying amount of the asset may not be fully recoverable. Recoverability is measured by a comparison of the carrying amount of an asset to the future net undiscounted cash flows expected to be generated by the asset. If the undiscounted cash flows are less than the carrying amount of the asset, an impairment loss is recognised for the amount by which the carrying value of the asset exceeds its fair value.

Investments: The Company periodically invests in debt or equity securities of start-up companies and/or development stage technology or other companies without acquiring a controlling interest. The Company applies the equity method of accounting when the Company has the ability to exercise significant influence over the operating and financial decision making of the investee. Equity investments that have readily determinable fair values in which the Company does not have significant influence are measured at fair value, with any unrealised holding gains and losses being recorded to the Consolidated Profit and Loss Account. Investments without readily determinable fair values are measured at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer and are qualitatively assessed for impairment indicators each reporting period. The Company's investments are recorded within Financial assets within the Consolidated Balance Sheet.

Leases: As a lessee, the Company categorises its leases into two general categories: real estate and equipment leases. The Company's real estate leases include leased production and assembly facilities, warehouses and distribution centres and office space, while the Company's equipment leases primarily include vehicles, material handling and other equipment utilised in the Company's facilities, laptops and other IT equipment. The Company records a right-of-use ("ROU") asset and lease liability for substantially all leases for which it is a lessee. At inception of a contract, the Company considers all relevant facts and circumstances to assess whether or not the contract represents a lease by determining whether or not the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses the specific terms and conditions of each lease to determine the appropriate classification as either an operating or finance lease and the lease term. Substantially all of the Company's leases for which the Company is a lessee are classified as operating leases. If at lease commencement date, a lease has a term of less than 12 months and does not include a purchase option that is reasonably certain to be exercised, the Company does not include the lease as part of its ROU asset or lease liability. If the Company enters into a large number of leases in the same month with the same terms and conditions, these are considered a group (portfolio). There are no material residual value guarantees provided by the Company nor any restrictions or covenants imposed by any leases to which the Company is a party.

The Company assesses the specific terms and conditions of each real estate lease, which can vary significantly from lease to lease, to determine the amount of the lease payments and the length of the lease term, which includes the minimum period over which lease payments are required plus any renewal options that are both within the Company's control to exercise and reasonably certain of being exercised upon lease commencement. When available, the Company will utilise the rate implicit in the lease as the discount rate to determine the lease liability; however, as this rate is not available for most leases, the Company will use its incremental borrowing rate for debt instruments with terms approximating the weighted-average term of its real estate or equipment leases to discount the future lease payments over the lease term to present value.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company incurs variable lease payments for certain of its real estate leases, such as reimbursements of property taxes, maintenance and other operational costs to the lessor. In general, these variable lease payments are not captured as part of the lease liability or ROU asset, but rather are expensed as incurred. Most of the Company's equipment leases are for terms ranging from two to five years, although terms and conditions can vary from lease to lease. The Company applies similar estimates and judgements to its equipment lease portfolio in determining the lease payments, lease term and incremental borrowing rate as it does to its real estate lease portfolio. The Company does not typically incur variable lease payments related to its equipment leases.

Goodwill: The Company records goodwill as the excess of the purchase price of an acquired business over the fair value of the net assets acquired. Goodwill is tested and reviewed annually for impairment during the fourth quarter or whenever there is a significant change in events or circumstances that indicate the fair value of a reporting unit is more likely than not less than its carrying amount. Recoverability of goodwill is measured at the reporting unit level. The carrying amount of a reporting unit is compared to its estimated fair value. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not impaired. To the extent that the carrying value of the reporting unit exceeds its estimated fair value, a goodwill impairment charge will be recognised for the amount by which the carrying value of the reporting unit exceeds its fair value, not to exceed the carrying amount of the reporting unit's goodwill. Estimated fair value of the Company's reporting units is based on two valuation techniques, a discounted cash flow model (income approach) and a market multiple of earnings (market approach), with each method being weighted in the calculation. Please refer to the Critical Accounting Estimates section of the Directors' Report for details on the principal assumptions utilised in the two valuation techniques mentioned above.

Intangible assets: Similar to Goodwill, indefinite-lived intangible assets are not amortised, but are tested and reviewed annually for impairment during the fourth quarter or whenever there is a significant change in events or circumstances that indicate the fair value of the asset is more likely than not less than its carrying amount. Recoverability of indefinite-lived intangible assets (i.e. Trade names) is determined on a relief from royalty methodology, which is based on the implied royalty paid, at an appropriate discount rate, to license the use of an asset rather than owning the asset. The present value of the after-tax cost savings (i.e. royalty relief) indicates the estimated fair value of the asset. Any excess of the carrying value over the estimated fair value is recognised as an impairment loss equal to that excess.

Intangible assets such as completed technologies, patents, customer-related intangible assets and other intangible assets with finite useful lives are amortised on a straight-line basis over their estimated economic lives. The weighted-average useful lives approximate the following:

Customer relationships	21 years
Trade names (finite-lived)	15 years
Completed technologies/patents	12 years
Other	3 years

Recoverability of intangible assets with finite useful lives is assessed in the same manner as tangible assets as described above. Please refer to the Critical Accounting Estimates section of the Directors' Report for details on the principal assumptions utilised in relation to indefinite-lived intangible assets.

Irish law requires goodwill and indefinite-lived intangible assets to be written off over a period of time which does not exceed their useful life. Consistent with U.S. GAAP, the Company does not amortise goodwill and indefinite-lived intangible assets over an arbitrary period as they are considered to have an indefinite life.

Business combinations: The fair value of consideration paid in a business combination is allocated to the tangible and identifiable intangible assets acquired, liabilities assumed and goodwill using the acquisition method of accounting. Acquired intangible assets typically include trade names, customer relationships and completed technologies. The accounting for business combinations involves a considerable amount of judgement and estimation, and as a result, for significant acquisitions the Company normally obtains the assistance of a third-party valuation specialist in estimating fair values of acquired tangible and intangible assets and assumed liabilities. The allocation of consideration paid to assets acquired and liabilities assumed may be subject to revision based on the final determination of fair values during the measurement period, which may be up to one year from the acquisition date. Any contingent consideration is recorded at the estimated fair value as of the date of the acquisition and is recorded as part of the purchase price. This estimate is updated in future periods and any changes in the estimate, which are not considered an adjustment to the purchase price, are recorded in the Consolidated Statements of Comprehensive Income. Business acquisition and integration costs are expensed as incurred. Please refer to the Critical Accounting Estimates section of the Directors' Report for details on the principal assumptions utilised in relation to business combinations.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes: The calculation of the Company's income taxes involves considerable judgement and the use of both estimates and allocations. Deferred tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities, applying enacted tax rates expected to be in effect for the year in which the differences are expected to reverse. The Company recognises future tax benefits, such as net operating losses and tax credits, to the extent that realising these benefits is considered in its judgement to be more likely than not.

The Company regularly reviews the recoverability of its deferred tax assets considering its historic profitability, projected future taxable income, timing of the reversals of existing temporary differences and the feasibility of its tax planning strategies. Where appropriate, the Company records a valuation allowance with respect to future tax benefits. Please refer to the Critical Accounting Estimates section of the Directors' Report for details on the principal assumptions utilised in relation to income taxes.

In recent years, the Organisation for Economic Cooperation and Development ("OECD") has led international efforts to implement various international tax reforms, including the introduction of a global minimum effective corporate tax ("GMT") rate of 15%, applied on a jurisdiction-by-jurisdiction basis. Over 130 countries agreed to the general framework of the GMT rules and numerous countries in which we operate have transposed those rules into national laws.

On 18 December 2023, Ireland, the location of our incorporation, enacted legislation which includes provisions regarding the implementation of GMT which came into effect for accounting periods beginning on or after 31 December 2023. The Company has applied the exception to recognising and disclosing the information about deferred tax assets and liabilities related to this legislation. Further, the Company anticipates the continued and ongoing release of GMT interpretive guidance. The Company is continuing to evaluate the potential impact of this interpretative guidance and the release of GMT-implementation legislation in other countries, and such guidance or legislation could result in a material increase in the Company's effective tax rate.

Cash paid for income taxes, net of refunds, for the years ended 31 December 2024 and 2023 was \$158.3 million and \$157.9 million, respectively.

Product warranties: The Company offers a standard warranty with most product sales, and the value of such warranty is included in the contractual sales price. Standard product warranty accruals are recorded at the time of sale and are estimated based upon product warranty terms and historical experience. The Company regularly assesses the adequacy of its liabilities and makes adjustments as necessary based on known or anticipated warranty claims, or as new information becomes available.

Revenue recognition: Turnover is recognised based on the satisfaction of performance obligations under the terms of a contract. A performance obligation is a promise in a contract to transfer control of a distinct product or to provide a service, or a bundle of products or services, to a customer. The Company has two principal revenue streams, tangible product sales and services and software. Product sales involve contracts with a single performance obligation, the transfer of control of a product or bundle of products to a customer. Transfer of control typically occurs when goods are shipped from the Company's facilities or at other predetermined control transfer points (for instance, destination terms). Services and software offerings include inspection, maintenance and repair, aftermarket, design and installation and locksmith services, as well as on-premise, software maintenance and software as a service ("SaaS") solution. Unlike the single performance obligation to ship a product or bundle of products, revenue related to services is recognised when the service based performance obligations are satisfied. In some instances, customer acceptance provisions are included in sales arrangements to give the buyer the ability to ensure the service meets any established criteria. In these instances, revenue recognition is deferred until the performance obligations are satisfied, which could include acceptance terms specified in the arrangement being fulfilled through customer acceptance or a demonstration that established criteria have been satisfied. Revenue from on-premise software solutions are recognised at the point in time when the customer can benefit from the software, which generally aligns with the beginning of the license period.

Turnover is measured as the amount of consideration expected to be received in exchange for transferring control of the products or providing the services and takes into account variable consideration, such as sales incentive programs including discounts and volume rebates. The existence of these programs does not preclude revenue recognition but does require the Company's best estimate of the variable consideration to be made based on expected activity, as these items are reserved for as a deduction to Turnover based on the Company's historical rates of providing these incentives and annual forecasted sales volumes. Sales returns and customer disputes involving a question of quantity or price are accounted for as variable consideration, and therefore, as a reduction to Turnover and as a contra receivable. All other incentives or incentive programs where the customer is required to reach a certain level of purchases, remain a customer for a certain period, provide a rebate form or is subject to additional requirements are also considered variable consideration and are accounted for as a reduction of revenue and a liability. These estimates are reviewed regularly for accuracy, and if updated information or actual amounts are different from previous estimates, the revisions are included in the Company's results for the period in which they become known.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a practical expedient, allowed under ASC 606, "Revenue from Contracts with Customers, the Company recognises incremental costs of obtaining a contract, if any, as an expense when incurred if the amortisation period of the asset would have been one year or less. The Company also applies the practical expedients to omit the disclosure of remaining performance obligations for contracts with an original expected duration of one year or less and for contracts where the Company has the right to invoice for performance completed to date. The transaction price is not adjusted for the effects of a significant financing component, as the time period between control transfer of goods and services is less than one year. Sales, value-added and other similar taxes collected by the Company are excluded from Turnover. The Company has also elected to account for shipping and handling activities that occur after control of the related goods transfers as fulfilment activities instead of performance obligations. These activities are included in Cost of sales in the Consolidated Profit and Loss Account. The Company's payment terms are generally consistent with the industries in which its businesses operate.

Environmental costs: The Company is subject to laws and regulations relating to protecting the environment and is dedicated to an environmental program to reduce the utilisation and generation of hazardous materials during the manufacturing process and to remediate identified environmental concerns. The Company is currently engaged in site investigations and remediation activities to address environmental cleanup from past operations at current and former production facilities. The Company is also sometimes a party to environmental lawsuits and claims and has, from time to time, received notices of potential violations of environmental laws and regulations from the U.S. Environmental Protection Agency and similar state authorities. It has also been identified as a potentially responsible party ("PRP") for cleanup costs associated with off-site waste disposal at federal Superfund and state remediation sites for past operations. For all such sites, there are other PRPs and, in most instances, the Company's involvement is minimal. In estimating its liability, the Company has assumed it will not bear the entire cost of remediation of any site to the exclusion of other PRPs who may be jointly and severally liable.

The ability of other PRPs to participate has been taken into account, based on the Company's understanding of the parties' financial condition and probable contributions on a per site basis. The Company regularly evaluates its remediation programs and considers alternative remediation methods that are in addition to, or in replacement of, those currently utilised by the Company based upon enhanced technology and regulatory changes.

Environmental expenditures relating to current operations are expensed or capitalised as appropriate. Expenditures relating to existing conditions caused by past operations, which do not contribute to current or future revenues, are expensed. Liabilities for remediation costs are recorded when they are probable and can be reasonably estimated, generally no later than the completion of feasibility studies or the Company's commitment to a plan of action. The assessment of this liability, which is calculated based on existing technology, does not reflect any offset for possible recoveries from insurance companies and is not discounted.

Research and development costs: The Company conducts research and development activities for the purpose of developing and improving new products and services. These costs are expensed when incurred and primarily consist of salaries, wages, benefits, facility costs and other overhead expenses.

Defined benefit plans: The Company provides a range of U.S. and non-U.S. defined benefit plan benefits to eligible current and former employees. Noncontributory defined benefit pension plans covering non-collectively bargained U.S. employees provide benefits based on an average pay formula while most plans for collectively bargained U.S. employees provide benefits based on a flat dollar benefit formula. The non-U.S. defined benefit plans generally provide benefits based on earnings and years of service. Determining the costs associated with such benefits is dependent on various actuarial assumptions, including discount rates, expected returns on plan assets, employee mortality and turnover rates. Actuarial valuations are performed to determine the plan obligations and expense in accordance with U.S. GAAP. Actual results may differ from the actuarial estimates and assumptions, and when they do, are generally recorded to Other reserves and amortised into the Consolidated Profit and Loss Account over future periods.

The Company reviews its actuarial assumptions at each measurement date and makes modifications to the assumptions as appropriate. Discount rates are generally established using hypothetical yield curves based on the yields of corporate bonds rated AA quality. Spot rates are developed from the yield curve and used to discount future benefit payments. The expected return on plan assets reflects the average rate of returns expected on the funds invested or to be invested to provide for the benefits included in the projected benefit obligation. The expected return on plan assets is based on what is achievable given the plan's investment policy, the types of assets held and the target asset allocation.

Share-based compensation: The Company records share-based compensation awards using a fair value method and recognises compensation expense for an amount equal to the fair value of the share-based payment award issued. The Company's share-based compensation plans include programs for stock options, restricted stock units ("RSUs"), performance stock units ("PSUs") and deferred compensation. The fair value of each of the Company's stock option and RSU awards is expensed on a straight-line basis over the required service period, which is generally the 3-year vesting period. However, for stock options and RSUs granted to retirement eligible employees, the Company recognises expense for the fair value of these awards at the grant date. The Company's Performance Stock Program ("PSP") provides awards for key employees in the form of PSUs based on performance against pre-established objectives.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The annual target award level is expressed as a number of the Company's ordinary shares. All PSUs are settled in the form of ordinary shares.

Other provisions for liabilities: Other provisions for liabilities are recorded for various contingencies arising in the normal course of business, including litigation and administrative proceedings, environmental matters, product liabilities, product warranties, workers' compensation and other claims. The Company has recorded reserves in the financial statements related to these matters, which are developed using inputs derived from actuarial estimates and historical and anticipated experience data, depending on the nature of the reserve and, in certain instances, with consultation of legal counsel, internal and external consultants and engineers. Amounts recorded for identified contingent liabilities are estimates, which are reviewed periodically and adjusted to reflect additional information when it becomes available.

Financial instruments: The Company uses various financial instruments, including derivative instruments, to manage the risks associated with interest and currency rate exposures. These financial instruments are not used for trading or speculative purposes. When a derivative contract is entered into, the Company designates the derivative instrument as a cash flow hedge of a forecasted transaction, a cash flow hedge of a recognised asset or liability or as an undesignated derivative. The Company formally documents its hedge relationships, including identification of the derivative instruments and the hedged items, as well as its risk management objectives and strategies for undertaking the hedge transaction. This process includes linking derivative instruments that are designated as hedges to specific assets, liabilities or forecasted transactions.

The Company assesses at inception and at least quarterly thereafter, whether the derivatives used in cash flow hedging transactions are effective in offsetting the changes in the cash flows of the hedged item. To the extent the derivative is deemed to be an effective hedge, the fair market value changes of the instrument are recorded to Other reserves and reclassified into the Consolidated Profit and Loss Account when the hedged transaction affects earnings. Changes in the fair market value of derivatives not deemed to be an effective hedge are recorded in the Consolidated Profit and Loss Account in the period of change.

The Company recognises all derivative instruments on the Consolidated Balance Sheet at their fair value, which is determined through market-based valuations and may not be representative of the actual gains or losses that will be recorded when these instruments mature due to future fluctuations in the markets in which they are traded. If the hedging relationship ceases to be effective subsequent to inception, or it becomes probable that a forecasted transaction will no longer occur, the hedging relationship will be undesignated and any future gains or losses on the derivative instrument will be recorded in the Consolidated Profit and Loss Account.

Recent Accounting Pronouncements

In November 2023, the FASB issued Accounting Standards Update No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures". This ASU updates reportable segment disclosure requirements by requiring disclosures of significant reportable segment expenses that are regularly provided to the Chief Operating Decision Maker ("CODM") and included within each reported measure of a segment's profit or loss. This ASU also requires disclosure of the title and position of the individual identified as the CODM and an explanation of how the CODM uses the reported measures of a segment's profit or loss in assessing segment performance and deciding how to allocate resources. The Company adopted this ASU retrospectively on 31 December 2024. Refer to Note 27, Business Segment Information for the inclusion of the new required disclosures.

In December 2023, the FASB issued Accounting Standards Update No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures", which modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). This ASU also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. This guidance will be effective for the annual periods beginning after 31 December 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. This ASU should be applied on a prospective basis, but retrospective application is permitted. This ASU will likely result in additional required disclosures in the Company's Consolidated Financial Statements once adopted.

In November 2024, the FASB issued Accounting Standards Update No. 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses", which requires disaggregated disclosures of certain categories of expenses that are included in expense line items on the face of the consolidated statements of comprehensive income. This guidance will be effective for annual periods beginning after 15 December 2026 and interim periods within fiscal years beginning after 15 December 15, 2027. This ASU is to be applied prospectively, but retrospective application is permitted. This ASU will likely result in additional required disclosures in the Company's Consolidated Financial Statements once adopted.

There have been no other recent accounting pronouncements, changes in accounting pronouncements or recently adopted accounting guidance that have had or are expected to have a material impact on the Consolidated Financial Statements.

3. ACQUISITIONS**2024**

On 1 February 2024, the Company, through its subsidiaries, acquired 100% of Boss Door Controls, a door solutions provider in the United Kingdom. Boss Door Controls is reported in the Company's Allegion International segment.

On 4 March 2024, the Company, through its subsidiaries, acquired 100% of Montajes electronicos Dorcas S.L. ("Dorcas"), a manufacturer of electromechanical access control solutions based in Spain. Dorcas is reported in the Company's Allegion International segment.

On 3 June 2024, the Company, through its subsidiaries, acquired 100% of Krieger Specialty Products, LLC ("Krieger"), a manufacturer of high-performance special purpose doors and windows based in the United States. Krieger is reported in the Company's Allegion Americas segment.

On 10 June 2024, the Company, through its subsidiaries, acquired 100% of Unicel Architectural Corp. ("Unicel"), a manufacturer of advanced glass, timber and aluminium building solutions based in Canada. Unicel is reported in the Company's Allegion Americas segment.

On 18 October 2024, the Company, through its subsidiaries, acquired 100% of SOSS Door Hardware ("SOSS"), a manufacturer of premium hinges and door hardware based primarily in the United States. SOSS is reported in the Company's Allegion Americas segment.

The aggregate consideration for acquisitions was approximately \$147.5 million (net of cash acquired), which includes the fair value of future consideration to be paid, including contingent consideration, which the Company estimates to be approximately \$10.3 million. The acquisitions were accounted for as business combinations and were funded with available cash on hand. The Company has included the financial results of the acquisitions in its Consolidated Financial Statements from the respective acquisition dates. Pro forma financial information for the years ended 31 December 2024 and 2023 is not material to the Consolidated Financial Statements.

The following table summarises the allocation of the aggregate purchase price, which includes initial cash consideration and the estimated fair value of contingent consideration, to assets acquired and liabilities assumed as of the respective acquisition dates:

<i>In millions (\$)</i>	
Net working capital	10.2
Property, plant and equipment and other noncurrent assets	4.1
Goodwill	74.7
Intangible assets	70.5
Other noncurrent liabilities	(12.0)
Total net assets acquired and liabilities assumed	147.5

The valuations of assets acquired and liabilities assumed had not yet been finalised as of 31 December 2024, and finalisation of the valuations during the measurement period could result in a change in the amounts recorded. The completion of the valuations will occur no later than one year from the respective acquisition dates as required by U.S. GAAP.

Goodwill results from several factors, including Allegion-specific synergies that were excluded from the cash flow projections used in the valuation of intangible assets and intangible assets that do not qualify for separate recognition. The majority of goodwill resulting from these acquisitions is not deductible for tax purposes.

Intangible assets recognised as of the acquisition dates were comprised of the following:

<i>In millions (\$)</i>	Value	Weighted Average Useful life (in years)
Completed technologies/patents	14.3	15
Customer relationships	30.6	16
Trade names (finite-lived)	15.3	15
Backlog revenue	10.3	1

2023

On 3 January 2023, the Company, through its subsidiaries, completed an acquisition of plano.group ("plano"), a SaaS workforce management solution business based in Germany, for \$36.6 million, net of cash acquired. The acquisition was accounted for as a business combination and the financial results of plano have been included in the Company's Consolidated Financial Statements since the date of the acquisition. Plano has been integrated into the Allegion International segment.

3. ACQUISITIONS (Continued)

The allocation of the purchase price, which includes initial cash consideration and the estimated fair value of contingent consideration, to assets acquired and liabilities assumed as of the acquisition date includes \$17.5 million of finite-lived intangible assets, \$23.0 million of goodwill and \$3.9 million of net liabilities assumed. The finite-lived intangible assets have a weighted average useful life of approximately 15 years.

During the years ended 31 December 2024 and 2023, the Company incurred \$11.4 million and \$21.0 million, respectively, of acquisition and integration related expenses, which are included in Administrative expenses in the Consolidated Profit and Loss Account.

4. TURNOVER

The following table shows the Company's Turnover related to both tangible product sales and services and software for the years ended 31 December 2024 and 2023, respectively, disaggregated by business segment. Turnover is shown by tangible product sales and services and software, as contract terms, conditions and economic factors affecting the nature, amount, timing and uncertainty around revenue recognition and cash flows are substantially similar within each of the two revenue streams:

2024			
<i>In millions (\$)</i>	Allegion Americas	Allegion International	Total
Products	2,855.4	663.2	3,518.6
Services and software	157.0	96.6	253.6
Total Turnover	3,012.4	759.8	3,772.2

2023			
<i>In millions (\$)</i>	Allegion Americas	Allegion International	Total
Products ^(a)	2,756.7	644.6	3,401.3
Services and software ^(a)	156.9	92.6	249.5
Total Turnover	2,913.6	737.2	3,650.8

(a) Turnover from access control systems and time, attendance and workforce productivity solutions were reclassified from electronic Products turnover to Services and software turnover to better align with the Company's operations and management reporting. The reclassification had no impact on the timing or amount of turnover recognised. Accordingly, the electronic Products turnover and Services and software turnover for the year ended 31 December 2023 were recast to reflect this change. The impact of this recast was to reclassify approximately \$57.9 million of Turnover from electronic Products to Services and software for the year ended 31 December 2023.

As of 31 December 2024 and 2023, the contract assets related to the Company's right to consideration for work completed but not billed were not material. The Company does not have any material costs to obtain or fulfil a contract that are capitalised on its Consolidated Balance Sheets.

As of 31 December 2024 and 2023, the contract liabilities related to revenues allocated to remaining performance obligations totalled \$33.2 million and \$27.2 million, respectively, and are classified as 'Creditors - amounts falling due within one year' and 'Provisions for liabilities' within the Consolidated Balance Sheets. A majority of the contract liabilities are expected to be recognised as revenue within the next twelve months.

During the years ended 31 December 2024 and 2023, no adjustments related to performance obligations satisfied in previous periods were recorded.

5. OTHER OPERATING EXPENSES

Other operating expenses for the years ended 31 December consisted of:

<i>In millions (\$)</i>	2024	2023
Currency translation loss	2.2	3.9
Total Other operating expenses	2.2	3.9

6. OTHER FINANCE INCOME (EXPENSES)

Other finance income (expenses) for the years ended 31 December consisted of:

<i>In millions (\$)</i>	2024	2023
Earnings and gains from the sale of equity method investments, net	1.1	1.0
Net periodic pension and postretirement benefit income (cost), less service cost	0.2	(1.0)
Other income (expenses)	0.5	(1.0)
Total Other finance income (expenses)	1.8	(1.0)

7. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges for the years ended 31 December consisted of:

<i>In millions (\$)</i>	2024	2023
Interest on bank debt	(15.8)	(17.8)
Interest on senior notes	(83.0)	(73.4)
Amortisation of debt issuance costs	(2.9)	(1.9)
Other interest costs	(0.3)	—
Total Interest payable and similar charges	(102.0)	(93.1)

8. PROFIT BEFORE TAXATION

The following charges have been included within Profit before taxation for the years ended 31 December:

<i>In millions (\$)</i>	2024	2023
Profit before taxation has been arrived at after charging:		
Employee costs:		
Wages and salaries*	905.8	863.9
Social insurance costs	251.0	232.3
Depreciation (Note 12)	52.2	47.3
Amortisation of intangible assets (Note 11)	63.9	61.7
Directors' remuneration	4.9	5.6
Auditors' remuneration	6.6	6.5
Research and development	112.7	101.9

- * The cost of labour capitalised within Stock as of 31 December 2024 was approximately \$21.4 million (2023: \$22.8 million). Wages and salaries does not include costs related to the Company's pension and equity incentive plans. Please refer to Note 22 and 25 for further details on the Company's pension and equity incentive plans, respectively.

Employee headcount

The average number of persons employed in the Company, including executive directors, during the year was as follows:

<i>In thousands (number)</i>	2024	2023
Allegion Americas	8.5	8.3
Allegion International	3.3	3.3
Corporate	0.9	0.8
Average number of persons employed	12.7	12.4

Directors' remuneration

Directors' remuneration for the years ended 31 December consisted of:

<i>In millions (\$)</i>	2024	2023
Emoluments	4.7	5.5
Contributions to retirement benefits schemes: Defined contribution	0.2	0.1
Directors' remuneration	4.9	5.6

8. PROFIT BEFORE TAXATION (Continued)**Auditors' remuneration**

Auditors' remuneration for the years ended 31 December consisted of:

<i>In millions (\$)</i>	2024	2023
Audit of the Consolidated and Parent Company statutory accounts	5.2	4.7
Other assurance services	0.1	0.1
Tax advisory services	1.3	1.7
Auditors' remuneration	6.6	6.5

9. TAX ON PROFIT

Profit before taxation for the years ended 31 December were taxed within the following jurisdictions:

<i>In millions (\$)</i>	2024	2023
U.S.	298.6	220.8
Non-U.S.	400.2	396.4
Total	698.8	617.2

The jurisdictional mix of earnings, which includes the impact of the location of earnings as well as the tax cost on the Company's international operations, can vary as a result of operating fluctuations in the normal course of business, the impact of internal restructurings and as a result of the extent and location of other income and expense items, such as restructuring charges, asset impairments and gains or losses on strategic business decisions.

The components of the Tax on profit for the years ended 31 December were as follows:

<i>In millions (\$)</i>	2024	2023
Current tax expense:		
U.S.	111.4	114.7
Non-U.S.	34.1	29.5
Total:	145.5	144.2
Deferred tax benefit:		
U.S.	(39.7)	(59.1)
Non-U.S.	(4.5)	(8.5)
Total:	(44.2)	(67.6)
Total tax expense:		
U.S.	71.7	55.6
Non-U.S.	29.6	21.0
Total	101.3	76.6

The Tax on profit differs from the amount of income taxes determined by applying the applicable U.S. statutory income tax rate to pretax income, as a result of the following differences:

	Percent of pretax income	
	2024	2023
Statutory U.S. rate	21.0 %	21.0 %
Increase (decrease) in rates resulting from:		
Non-U.S. tax rate differential ⁽¹⁾	(9.7)	(11.0)
State and local income taxes ⁽¹⁾	2.4	2.4
Global Minimum Tax	1.4	—
Reserves for uncertain tax positions	0.3	(0.1)
Other adjustments	(0.9)	0.1
Effective tax rate	14.5 %	12.4 %

(1) Net of changes in valuation allowances

The majority of the Company's earnings are considered permanently reinvested, and therefore, the Company has not recorded any incremental withholding or income tax liabilities on these permanently reinvested earnings.

9. TAX ON PROFIT (Continued)

At 31 December, a summary of the deferred tax accounts was as follows:

<i>In millions (\$)</i>	2024	2023
Deferred tax assets:		
Stock and trade debtors	12.7	13.0
Tangible and intangible assets	4.5	3.8
Lease liabilities	36.2	36.2
Postemployment and other benefit liabilities	31.8	36.3
Other reserves and accruals	23.2	24.3
Net operating losses, tax credits and other carryforwards	557.9	552.4
Other	1.8	1.4
Gross deferred tax assets	668.1	667.4
Less: deferred tax valuation allowances	(247.0)	(281.0)
Deferred tax assets net of valuation allowances	421.1	386.4
Deferred tax liabilities:		
Tangible and intangible assets	(96.7)	(95.5)
Right of use assets	(35.4)	(35.7)
Postemployment and other benefit liabilities	(6.5)	(4.9)
Unremitted earnings of non-U.S. subsidiaries	(4.1)	(3.4)
Other	(5.8)	(5.5)
Gross deferred tax liabilities	(148.5)	(145.0)
Net deferred tax assets	272.6	241.4

At 31 December 2024, \$4.1 million of deferred taxes were recorded for certain undistributed earnings of subsidiaries. Historically, no deferred taxes have been provided for any portion of the remaining undistributed earnings of the Company's subsidiaries since these earnings have been, and will continue to be, permanently reinvested in these subsidiaries. For many reasons, including the number of legal entities and jurisdictions involved, the complexity of the Company's legal entity structure, the complexity of tax laws in the relevant jurisdictions and the impact of projections of income for future years to any calculations, the Company believes it is not practicable to estimate, within any reasonable range, the amount of additional taxes which may be payable upon the distribution of earnings.

At 31 December 2024, the Company had the following tax losses and tax credit carryforwards available to offset taxable income in prior and future years:

<i>In millions (\$)</i>	Amount	Expiration Period
U.S. Federal tax loss carryforwards	15.2	2028-Unlimited
U.S. Federal and State credit carryforwards	5.2	2025-2037
U.S. State tax loss carryforwards	12.9	2025-Unlimited
Non-U.S. tax loss carryforwards	1,015.8	2025-Unlimited

The U.S. state tax loss carryforwards were incurred in various jurisdictions. The non-U.S. tax loss carryforwards were incurred in various jurisdictions, predominantly in Ireland, Luxembourg and the United Kingdom.

The Company evaluates its deferred income tax assets to determine if valuation allowances are required or should be adjusted. U.S. GAAP requires that companies assess whether valuation allowances should be established against their deferred tax assets based on consideration of all available evidence, both positive and negative, using a "more likely than not" standard. This assessment considers the nature, frequency and amount of recent losses, the duration of statutory carryforward periods and tax planning strategies. In making such judgements, significant weight is given to evidence that can be objectively verified.

9. TAX ON PROFIT (Continued)

Activity associated with the Company's valuation allowance is as follows:

<i>In millions (\$)</i>	2024	2023
Beginning balance	281.0	264.7
Increase to valuation allowance	2.9	15.7
Decrease to valuation allowance	(26.5)	—
Tax rate decrease	(8.8)	—
Foreign exchange translation	(1.6)	0.6
Ending balance	247.0	281.0

During the year ended 31 December 2024, the valuation allowance decreased by \$34.0 million, while during the year ended 31 December 2023, the valuation allowance increased by \$16.3 million. The Company's valuation allowance will fluctuate from year to year as a result of changes in country specific tax laws, internal restructurings, jurisdictional profitability and changes in judgements and facts regarding the realisability of deferred tax assets.

The Company had total unrecognised tax benefits of \$44.5 million and \$45.1 million as of 31 December 2024 and 2023, respectively. The amount of unrecognised tax benefits that, if recognised, would affect the effective tax rate is \$44.5 million as of 31 December 2024. A reconciliation of the beginning and ending amount of unrecognised tax benefits is as follows:

<i>In millions (\$)</i>	2024	2023
Beginning balance	45.1	45.2
Additions based on tax positions related to the current year	12.2	10.8
Additions based on tax positions related to prior years	0.1	1.4
Reductions based on tax positions related to prior years	(2.4)	(1.9)
Reductions related to settlements with tax authorities	(1.0)	—
Reductions related to lapses of statute of limitations	(8.4)	(10.9)
Translation loss (gain)	(1.1)	0.5
Ending balance	44.5	45.1

The Company records interest and penalties associated with the uncertain tax positions within its Tax on profit. The Company had reserves associated with interest and penalties, net of tax, of \$9.2 million and \$9.0 million at 31 December 2024 and 2023, respectively. For the year ended 31 December 2024, the Company recognised a \$1.0 million reduction in interest and penalties, net of tax, related to these uncertain tax positions. For the year ended 31 December 2023, the Company recognised a \$2.7 million reduction in interest and penalties, net of tax, related to these uncertain tax positions.

The total amount of unrecognised tax benefits relating to the Company's tax positions is subject to change based on future events including, but not limited to, the settlements of ongoing audits and/or the expiration of applicable statutes of limitations. Although the outcomes and timing of such events are highly uncertain, it is reasonably possible that the balance of gross unrecognised tax benefits, excluding interest and penalties, could potentially be reduced by up to approximately \$11.3 million during the next 12 months.

The provision for income taxes involves a significant amount of management judgement regarding interpretation of relevant facts and laws in the jurisdictions in which the Company operates. Future changes in applicable laws, projected levels of taxable income and tax planning could change the effective tax rate and tax balances recorded by the Company. In addition, tax authorities periodically review income tax returns filed by the Company and can raise issues regarding its filing positions, timing and amount of income or deductions and the allocation of income among the jurisdictions in which the Company operates. A significant period of time may elapse between the filing of an income tax return and the ultimate resolution of an issue raised by a tax authority with respect to that return. In the normal course of business, the Company is subject to examination by taxing authorities throughout the world, including such major jurisdictions as Australia, Canada, France, Germany, Italy, Mexico, the Netherlands, Poland and the U.S. In general, the examination of the material tax returns of subsidiaries of the Company is complete for the years prior to 2016, with certain matters being resolved through appeals and litigation.

10. EARNINGS PER SHARE ("EPS")

Basic EPS is calculated by dividing Profit for the financial year by the weighted-average number of ordinary shares outstanding for the applicable period. Diluted EPS is calculated after adjusting the denominator of the basic EPS calculation for the effect of all potentially dilutive ordinary shares, which in the Company's case, includes shares issuable under its share-based compensation plans.

10. EPS (Continued)

The following table summarises the weighted-average number of ordinary shares outstanding for basic and diluted earnings per share calculations:

<i>In millions</i>	2024	2023
Weighted-average number of basic shares	87.2	87.9
Shares issuable under share-based compensation plans	0.4	0.4
Weighted-average number of diluted shares	87.6	88.3

As of 31 December 2024 and 2023, 0.1 million and 0.6 million stock options were excluded from the computation of weighted-average diluted shares outstanding, respectively, because the effect of including these shares would have been anti-dilutive.

11. INTANGIBLE ASSETS

The following table sets forth the gross amount and related accumulated amortisation of the Company's Intangible assets at 31 December:

<i>In millions (\$)</i>	Goodwill	Trade names	Customer relationships	Completed technologies/ Patents	Other	Total
Cost						
At 31 December 2023	1,443.1	246.6	535.3	64.5	75.3	2,364.8
Acquisitions	74.7	15.3	30.6	14.3	10.3	145.2
Additions	—	—	—	—	9.8	9.8
Currency translation	(28.4)	(9.5)	(23.2)	(2.2)	(3.6)	(66.9)
At 31 December 2024	1,489.4	252.4	542.7	76.6	91.8	2,452.9
Accumulated amortisation						
At 31 December 2023	—	79.3	185.2	36.9	47.5	348.9
Charge for the year	—	16.4	26.6	6.5	14.4	63.9
Currency translation	—	(4.3)	(10.3)	(1.7)	(2.0)	(18.3)
At 31 December 2024	—	91.4	201.5	41.7	59.9	394.5
Net book amount						
At 31 December 2023	1,443.1	167.3	350.1	27.6	27.8	2,015.9
At 31 December 2024	1,489.4	161.0	341.2	34.9	31.9	2,058.4

Finite-lived intangible assets

Intangible asset amortisation expense for the years ended 31 December 2024 and 2023 was \$63.9 million and \$61.7 million, respectively.

Future estimated amortisation expense on existing intangible assets in each of the next five years amounts to approximately \$61.9 million for 2025, \$52.1 million for 2026, \$45.1 million for 2027, \$36.7 million for 2028 and \$34.4 million for 2029.

The net carrying amount of trade names (finite-lived) for the years ended 31 December 2024 and 2023 was \$59.9 million and \$62.9 million, respectively.

Indefinite-lived intangible assets

In accordance with the Company's indefinite-lived intangible asset impairment testing policy, the Company performs its annual impairment test in the fourth quarter of each year or whenever there is a significant change in events or circumstances that indicate the fair value of an indefinite-lived intangible asset is more likely than not less than its carrying amount.

In 2023, based on these tests, it was determined that two of the Company's indefinite-lived trade names in the International segment were impaired, and an impairment charge of \$7.5 million was recorded for the year ended 31 December 2023. The impairment related to declines in volumes which reduced the brands' expected future cash flows. Intangible asset impairment charges are included in Impairment of intangible assets in the Consolidated Profit and Loss Account. No intangible asset impairment charges were recorded in the year ended 31 December 2024.

12. TANGIBLE ASSETS

At 31 December the major classes of Tangible assets were as follows:

<i>In millions (\$)</i>	Land	Buildings	Machinery & equipment	Software	Construction in progress	Total
Cost						
At 31 December 2023	19.1	183.0	489.3	183.8	86.2	961.4
Additions, net of transfers	—	11.2	49.1	22.4	3.9	86.6
Acquisitions	0.1	1.0	1.6	—	—	2.7
Disposals	(0.1)	(2.6)	(16.1)	(1.0)	—	(19.8)
Currency translation	(0.6)	(6.3)	(9.3)	(3.7)	0.6	(19.3)
At 31 December 2024	18.5	186.3	514.6	201.5	90.7	1,011.6
Accumulated depreciation						
At 31 December 2023	—	103.8	359.1	140.4	—	603.3
Charge for the year	—	7.2	30.5	14.5	—	52.2
Disposals	—	(2.3)	(14.9)	(1.0)	—	(18.2)
Currency translation	—	(3.0)	(6.6)	(1.4)	—	(11.0)
At 31 December 2024	—	105.7	368.1	152.5	—	626.3
Net book amount						
At 31 December 2023	19.1	79.2	130.2	43.4	86.2	358.1
At 31 December 2024	18.5	80.6	146.5	49.0	90.7	385.3

Depreciation expense for the years ended 31 December 2024 and 2023 was \$52.2 million and \$47.3 million, which includes amounts for software amortisation of \$14.5 million and \$12.9 million, respectively.

13. FINANCIAL ASSETS

At 31 December, the Company's Financial assets were comprised of:

<i>In millions (\$)</i>	2024	2023
Investments in equity method affiliates	13.7	12.7
Investments in debt and equity securities without readily determinable fair values	66.9	65.8
Investments in debt and equity securities with readily determinable fair values	17.1	18.0
Other financial assets	3.0	2.3
Total Financial assets	100.7	98.8

14. LEASES

Total lease expense for the years ended 31 December 2024 and 2023, was \$64.2 million and \$60.9 million, respectively, and is classified within Cost of sales, Distribution costs and Administrative expenses within the Consolidated Profit and Loss Account. Lease expense related to short-term leases, variable lease payments or other leases or lease components not included within the ROU asset or lease liability totalled \$15.9 million and \$16.9 million, respectively, for the years ended 31 December 2024 and 2023. No material lease costs have been capitalised on the Consolidated Balance Sheet as of 31 December 2024 or 2023. Amounts included within the Consolidated Balance Sheet related to the Company's ROU asset and lease liability were as follows:

<i>In millions (\$)</i>	Balance Sheet classification	31 December 2024			31 December 2023		
		Real estate	Equipment	Total	Real estate	Equipment	Total
ROU asset	Debtors: amounts falling due after more than one year	107.1	40.6	147.7	114.7	33.4	148.1
Lease liability - current	Creditors: amounts falling due within one year	19.8	16.9	36.7	18.7	15.0	33.7
Lease liability - noncurrent	Creditors: amounts falling due after more than one year	91.0	23.5	114.5	98.9	18.4	117.3
Other information:							
Weighted-average remaining term (years)		11.2	2.9		11.6	2.7	
Weighted-average discount rate		5.2 %	5.8 %		5.0 %	4.4 %	

14. LEASES (Continued)

The following table summarises additional information related to the Company's leases for the years ended 31 December:

<i>In millions (\$)</i>	2024			2023		
	Real estate	Equipment	Total	Real estate	Equipment	Total
Cash paid for amounts included in the measurement of lease liabilities	25.3	23.0	48.3	24.2	19.8	44.0
ROU assets obtained in exchange for new lease liabilities	12.1	20.5	32.6	64.7	18.8	83.5

The Company's ROU asset movement schedule for the years ended 31 December was as follows:

<i>In millions (\$)</i>	2024	2023
At 1 January	148.1	98.1
Additions / renewals	32.6	83.5
Amortisation / terminations	(41.0)	(39.3)
Other	8.0	5.8
At 31 December	147.7	148.1

Future Repayments

Future minimum lease payments required under non-cancellable operating leases for both the real estate and equipment lease portfolios for the next five years and thereafter as of 31 December 2024, were as follows:

<i>In millions (\$)</i>	2025	2026	2027	2028	2029	Thereafter	Total
Real estate leases	25.0	21.1	17.0	11.4	8.1	69.4	152.0
Equipment leases	18.7	12.8	7.4	4.0	1.0	—	43.9
Total	43.7	33.9	24.4	15.4	9.1	69.4	195.9

The difference between the total undiscounted minimum lease payments and the combined current and noncurrent lease liabilities as of 31 December 2024, is due to imputed interest of \$44.7 million.

15. STOCK

At 31 December the major classes of stock were as follows:

<i>In millions (\$)</i>	2024	2023
Raw materials	196.9	218.4
Work-in-process	48.2	41.6
Finished goods	177.9	178.5
Total Stock	423.0	438.5

16. DEBTORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

At 31 December, the Company's Debtors – amounts falling due within one year were comprised of:

<i>In millions (\$)</i>	2024	2023
Amounts falling due within one year:		
Trade debtors and notes receivable	472.1	461.0
Less: Allowance for doubtful debtors and notes receivable	(20.2)	(14.0)
Less: Reserve for customer claims	(56.2)	(52.8)
Trade debtors and notes receivable, net	395.7	394.2
Other debtors	26.0	19.2
Prepayments and accrued income	44.0	32.0
Income tax receivable	29.8	8.9
Total Debtors - amounts falling due within one year	495.5	454.3

17. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

At 31 December, Creditors – amounts falling due within one year were comprised of:

<i>In millions (\$)</i>	2024	2023
Debt - current (Note 20)	21.9	412.6
Lease liability - current (Note 14)	36.7	33.7
Trade creditors	258.0	259.2
Other creditors	134.9	146.7
Sales incentive accrual	62.8	55.7
Irish dividend withholding tax	1.4	1.3
Income tax	19.0	12.0
Value added tax	7.6	9.1
Salary/payroll taxes	7.3	14.4
Freight and excise duty	16.0	17.4
Other taxes	16.7	13.0
Accruals and deferred income	69.7	63.4
Total Creditors - amounts falling due within one year	652.0	1,038.5

Trade creditors principally comprise of amounts outstanding for day to day purchases and ongoing costs and are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms. The directors consider that the carrying amount of trade creditors approximates to their fair value. Other creditors, accruals and deferred income primarily consist of amounts relating to compensation and interest outstanding.

18. DEBTORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

At 31 December, the Company's Debtors – amounts falling due after more than one year were comprised of:

<i>In millions (\$)</i>	2024	2023
Other debtors	5.8	7.5
Defined benefit plans (Note 22)	33.5	28.2
Deferred and noncurrent income taxes	331.4	292.9
ROU asset (Note 14)	147.7	148.1
Debt issuance costs, net	2.7	1.1
Total Debtors - amounts falling due after more than one year	521.1	477.8

19. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

At 31 December, the Company's Creditors – amounts falling after more than one year were comprised of:

<i>In millions (\$)</i>	2024	2023
Long-term debt (Note 20)	1,977.6	1,602.4
Lease liability - noncurrent (Note 14)	114.5	117.3
Total Creditors - amounts falling due after more than one year	2,092.1	1,719.7

20. DEBT AND CREDIT FACILITIES

At 31 December, long-term debt and other borrowings consisted of the following:

<i>In millions (\$)</i>	2024	2023
Term Facility	212.5	225.0
3.200% Senior Notes due 2024	—	400.0
3.550% Senior Notes due 2027	400.0	400.0
3.500% Senior Notes due 2029	400.0	400.0
5.411% Senior Notes due 2032	600.0	600.0
5.600% Senior Notes due 2034	400.0	—
Other debt	—	0.1
Total borrowings outstanding	2,012.5	2,025.1
Discounts and debt issuance costs, net	(13.0)	(10.1)
Total debt	1,999.5	2,015.0
Less current portion of long-term debt	21.9	412.6
Total long-term debt	1,977.6	1,602.4

Unsecured Credit Facilities

The Company has an unsecured credit agreement in place, consisting of a \$250.0 million term loan facility (the “Term Facility”), of which \$212.5 million was outstanding at 31 December 2024, and a revolving credit facility (the “Revolving Facility” and, together with the Term Facility, the “Credit Facilities”), of which there was no balance outstanding as of 31 December 2024. On 20 May 2024, the Company amended and restated the Credit Facilities which, among other things, (i) increased the total commitment on the Revolving Facility from \$500.0 million to \$750.0 million, (ii) extended the maturity of the Revolving Facility from 18 November 2026 to 20 May 2029, and (iii) transitioned the benchmark interest rate from the Bloomberg Short-Term Bank Yield Index (“BSBY”) to the Secured Overnight Financing Rate (“SOFR”) for the Credit Facilities.

The Term Facility requires quarterly principal payments through its maturity on 18 November 2026. Future payments total \$21.9 million due in 2025 and \$190.6 million due in 2026. The Company repaid \$12.5 million of principal on the Term Facility during the year ended 31 December 2024. Principal amounts repaid on the Term Facility may not be reborrowed. The Company may voluntarily prepay outstanding amounts under the Term Facility at any time without premium or penalty, subject to customary breakage costs.

The Revolving Facility provides aggregate commitments of up to \$750.0 million, which includes up to \$100.0 million for the issuance of letters of credit. The Company had \$18.5 million and \$18.4 million of letters of credit outstanding at 31 December 2024 and 2023, respectively. Borrowings under the Revolving Facility may be repaid at any time without premium or penalty, and amounts repaid may be reborrowed. The Company pays certain fees with respect to the Revolving Facility, including an unused commitment fee on the undrawn portion of between 0.090% and 0.200% per year, depending on the Company's credit ratings, as well as certain other fees.

Outstanding borrowings under the Credit Facilities accrue interest, at the option of the Company, of (i) a SOFR plus an applicable margin, or (ii) a base rate (as defined in the credit agreement) plus an applicable margin. The applicable margin ranges from 0.875% to 1.375% depending on the Company's credit ratings. At 31 December 2024, the Company's outstanding borrowings under the Credit Facilities accrued interest at SOFR plus a margin of 1.225%, resulting in an interest rate of 5.582%. The credit agreement also contains negative and affirmative covenants and events of default that, among other things, limit or restrict the Company's ability to enter into certain transactions. In addition, the Credit Facilities require the Company to comply with a maximum leverage ratio as defined in the credit agreement. As of 31 December 2024, the Company was in compliance with all applicable covenants under the credit agreement.

Senior Notes

On 29 May 2024, Allegion US Hold Co issued \$400.0 million principal amount of its 5.600% Senior Notes due 2034 (the “5.600% Senior Notes”). The Company repaid the \$400.0 million balance on the 3.200% Senior Notes on 1 October 2024.

As of 31 December 2024, Allegion US Hold Co has \$400.0 million outstanding of its 3.550% Senior Notes due 2027 (the “3.550% Senior Notes”), \$600.0 million outstanding of its 5.411% Senior Notes due 2032 (the “5.411% Senior Notes”) and \$400.0 million outstanding of the 5.600% Senior Notes, and Allegion plc has \$400.0 million outstanding of its 3.500% Senior Notes due 2029 (the “3.500% Senior Notes”, and all four senior notes collectively, the “Senior Notes”). The 3.550% Senior Notes and 3.500% Senior Notes both require semi-annual interest payments on 1 April and 1 October of each year and mature on 1 October 2027 and 1 October 2029, respectively. The 5.411% Senior Notes require semi-annual interest payments on 1 January and 1 July of each year and mature on 1 July 2032. The 5.600% Senior Notes require semi-annual interest payments on 29 May and 29 November of each year and mature on 29 May 2034.

20. DEBT AND CREDIT FACILITIES (Continued)

The 3.550% Senior Notes, 5.411% Senior Notes and 5.600% Senior Notes are senior unsecured obligations of Allegion US Hold Co and rank equally with all of Allegion US Hold Co's existing and future senior unsecured and unsubordinated indebtedness. The guarantee of the 3.550% Senior Notes, 5.411% Senior Notes and 5.600% Senior Notes is the senior unsecured obligation of Allegion plc and ranks equally with all of the Company's existing and future senior unsecured and unsubordinated indebtedness. The 3.500% Senior Notes are senior unsecured obligations of Allegion plc, are guaranteed by Allegion US Hold Co and rank equally with all of the Company's existing and future senior unsecured indebtedness.

Future Repayments

Future required principal payments on indebtedness as of 31 December 2024 were as follows:

<i>In millions (\$)</i>	
2025	21.9
2026	190.6
2027	400.0
2028	—
2029	400.0
Thereafter	1,000.0
Total	2,012.5

Cash paid for interest for the years ended 31 December 2024 and 2023 was \$100.3 million and \$92.0 million, respectively.

21. FINANCIAL INSTRUMENTS***Currency Hedging Instruments***

The gross notional amount of the Company's currency derivatives was \$167.2 million and \$175.4 million at 31 December 2024 and 2023, respectively. Neither the fair values of currency derivatives, which are determined based on a pricing model that uses spot rates and forward prices from actively quoted currency markets that are readily observable (Level 2 inputs under the fair value hierarchy described in Note 23), nor the balances included in Other reserves, were material as of 31 December 2024 and 2023. Currency derivatives designated as cash flow hedges did not have a material impact to either the Profit and loss account or Other comprehensive (loss) income during the years ended 31 December 2024 or 2023, nor is the amount to be reclassified into the Profit and loss account over the next twelve months expected to be material, although the actual amounts that will be reclassified to the Profit and loss account may vary as a result of future changes in market conditions. At 31 December 2024, the maximum term of the Company's currency derivatives, both those that are designated as cash flow hedges and those that are not, was less than one year.

Concentration of Credit Risk

The counterparties to the Company's forward contracts consist of a number of investment grade major international financial institutions. The Company could be exposed to losses in the event of nonperformance by the counterparties. However, the credit ratings and the concentration of risk in these financial institutions are monitored on a continuous basis and present no significant credit risk to the Company.

22. DEFINED BENEFIT PLANS

The Company sponsors several U.S. and non-U.S. defined benefit plans to eligible employees and retirees and also maintains other supplemental plans for officers and other key employees. The following table details information regarding the Company's defined benefit plans at 31 December:

<i>In millions (\$)</i>	U.S.		NON-U.S.	
	2024	2023	2024	2023
<u>Change in benefit obligations:</u>				
Benefit obligation at beginning of year	240.6	247.7	271.8	255.1
Service cost	2.0	0.9	3.3	1.5
Interest cost	11.6	12.1	12.0	12.5
Employee contributions	—	—	0.3	0.3
Amendments	—	—	(0.1)	(0.1)
Actuarial (gains) losses	(11.1)	10.9	(21.3)	2.8
Benefits paid	(15.6)	(14.6)	(13.6)	(13.3)
Currency translation	—	—	(7.4)	14.8
Curtailments and settlements	—	(15.9)	(0.9)	(1.8)
Other, including expenses paid	(1.6)	(0.5)	(2.3)	—
Benefit obligation at end of year	225.9	240.6	241.8	271.8
<u>Change in plan assets:</u>				
Fair value at beginning of year	244.4	242.3	267.7	248.4
Actual return on plan assets	0.4	18.3	(6.4)	17.1
Company contributions	0.2	15.9	5.0	5.0
Employee contributions	—	—	0.3	0.3
Benefits paid	(15.6)	(14.6)	(13.6)	(13.3)
Currency translation	—	—	(4.7)	13.8
Curtailement and settlements	—	(15.9)	(0.9)	(1.8)
Other, including expenses paid	(1.6)	(1.6)	(2.2)	(1.8)
Fair value of assets at end of year	227.8	244.4	245.2	267.7
<u>Funded status:</u>				
Plan assets exceeding (less than) benefit obligations	1.9	3.8	3.4	(4.1)
<u>Amounts included in the balance sheet:</u>				
Debtors: amounts falling due after more than one year	7.1	8.4	26.4	19.7
Provisions for liabilities	(5.2)	(4.6)	(23.0)	(23.8)
Net amount recognised	1.9	3.8	3.4	(4.1)

It is the Company's objective to contribute to the pension plans to ensure adequate funds are available in the plans to make benefit payments to plan participants and beneficiaries when required. However, certain plans are not funded due to either legal, accounting or tax requirements in certain jurisdictions. As of 31 December 2024, approximately 5% of the Company's projected benefit obligation relates to plans that are not funded, of which the majority are non-U.S. plans.

The pretax amounts recognised in Other reserves were as follows:

<i>In millions (\$)</i>	U.S.		
	Prior service cost	Net actuarial losses	Total
At 31 December 2022	(0.5)	(34.0)	(34.5)
Current year changes recorded to Other reserves	—	(7.6)	(7.6)
Amortisation reclassified to the Profit and loss account	0.1	0.7	0.8
Settlements/curtailments reclassified to profit and loss account	—	0.1	0.1
At 31 December 2023	(0.4)	(40.8)	(41.2)
Current year changes recorded to Other reserves	—	(3.6)	(3.6)
Amortisation reclassified to the Profit and loss account	0.2	0.9	1.1
At 31 December 2024	(0.2)	(43.5)	(43.7)

22. DEFINED BENEFIT PLANS (Continued)

<i>In millions (\$)</i>	NON-U.S.		
	Prior service cost	Net actuarial losses	Total
At 31 December 2022	(3.1)	(97.2)	(100.3)
Current year changes recorded to Other reserves	0.1	(1.7)	(1.6)
Amortisation reclassified to the Profit and loss account	0.1	3.5	3.6
Settlements/curtailments reclassified to the Profit and loss account	—	0.3	0.3
Currency translation and other	(0.1)	(5.3)	(5.4)
At 31 December 2023	(3.0)	(100.4)	(103.4)
Current year changes recorded to Other reserves	0.1	(1.2)	(1.1)
Amortisation reclassified to the Profit and loss account	0.1	3.5	3.6
Currency translation and other	—	1.9	1.9
At 31 December 2024	(2.8)	(96.2)	(99.0)

Weighted-average discount rate assumptions utilised in determining benefit obligations as of 31 December, were as follows:

	2024	2023
U.S. plans	5.6 %	5.1 %
Non-U.S. plans	5.4 %	4.6 %

Information regarding pension plans with accumulated benefit obligations more than plan assets were:

<i>In millions (\$)</i>	U.S.		NON-U.S.	
	2024	2023	2024	2023
Projected benefit obligation	5.1	4.6	34.2	34.4
Accumulated benefit obligation	5.0	4.6	28.0	28.7
Fair value of plan assets	—	—	11.1	10.6

Future pension benefit payments are expected to be paid as follows:

<i>In millions (\$)</i>	U.S.	NON-U.S.
2025	19.5	14.9
2026	23.2	15.3
2027	19.1	15.7
2028	18.4	16.0
2029	18.8	17.2
2030 - 2034	86.7	91.4

The components of the Company's net periodic pension benefit cost (income) for the years ended 31 December were as follows:

<i>In millions (\$)</i>	U.S.	
	2024	2023
Service cost	0.9	0.9
Interest cost	11.6	12.1
Expected return on plan assets	(15.2)	(15.0)
Administrative costs and other	1.1	1.0
Net amortisation of:		
Prior service costs	0.2	0.2
Plan net actuarial losses	0.9	0.7
Net periodic pension benefit income	(0.5)	(0.1)

22. DEFINED BENEFIT PLANS (Continued)

<i>In millions (\$)</i>	NON-U.S.	
	2024	2023
Service cost	1.5	1.4
Interest cost	12.0	12.5
Expected return on plan assets	(16.2)	(16.0)
Administrative costs and other	1.9	1.8
Net amortisation of:		
Prior service costs	0.1	0.1
Plan net actuarial losses	3.5	3.5
Net curtailment and settlement losses	0.1	0.3
Net periodic pension benefit cost	2.9	3.6

The Service cost component of Net periodic pension benefit cost (income) is recorded in Cost of sales, Distribution costs and Administrative expenses, while the remaining components are recorded within Other finance (expenses) income within the Consolidated Profit and Loss Account.

Net periodic pension benefit cost for 2025 is projected to be approximately \$3 million, utilising the assumptions for calculating the pension benefit obligations at the end of 2024.

Weighted-average assumptions utilised in determining net periodic pension benefit cost (income) for the years ended 31 December, were as follows:

	2024	2023
Discount rate:		
U.S. plans	5.1 %	5.4 %
Non-U.S. plans	4.6 %	4.9 %
Rate of compensation increase:		
U.S. plans	3.0 %	— %
Non-U.S. plans	3.2 %	3.4 %
Expected return on plan assets:		
U.S. plans	6.5 %	6.5 %
Non-U.S. plans	6.2 %	6.4 %

The Company generally estimates the service and interest cost components of net periodic benefit cost utilising a full yield-curve approach. Under this approach, the Company applies discounting using the applicable spot rates derived from the yield curve to discount the cash flows used to measure the benefit obligation. These spot rates align to each of the projected benefit obligation cash flows and service cost cash flows. The expected return on plan assets reflects the average rate of returns expected on the funds invested or to be invested to provide for the benefits included in the projected benefit obligation and is based on what is achievable given the plan's investment policy, the types of assets held and target asset allocations. The expected long-term rate of return is determined as of the measurement date. Each plan is reviewed, along with its historical returns and target asset allocations, to determine the appropriate expected return on plan assets to be used.

The Company's overall objective in managing its defined benefit plan assets is to ensure that all present and future benefit obligations are met as they come due. The goal is to achieve this while trying to mitigate volatility in plan funded status, contributions and expense by better matching the characteristics of the plan assets to that of the plan liabilities. Each plan's funded status and asset allocation is monitored regularly in addition to investment manager performance.

The fair values of the Company's U.S. pension plan assets at 31 December 2024, by asset category were as follows:

<i>In millions (\$)</i>	Fair value measurements				Total
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Assets measured at NAV	
Cash, cash equivalents and short-term investments	—	—	—	1.9	1.9
Common collective trusts	—	—	—	169.2	169.2
Other ^(a)	—	—	—	56.7	56.7
Total U.S. pension plan assets	—	—	—	227.8	227.8

(a) Includes group trust diversified credit and real asset funds.

22. DEFINED BENEFIT PLANS (Continued)

The fair values of the Company's U.S. pension plan assets at 31 December 2023, by asset category were as follows:

<i>In millions (\$)</i>	Fair value measurements			Assets measured at NAV	Total
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)		
Cash, cash equivalents and short-term investments	—	—	—	5.5	5.5
Common collective trusts	—	—	—	183.7	183.7
Other ^(a)	—	—	—	55.2	55.2
Total U.S. pension plan assets	—	—	—	244.4	244.4

(a) Includes group trust diversified credit and real asset funds.

No material transfers in or out of Level 3 occurred during the years ended 31 December 2024 or 2023.

The Company's U.S. pension plan assets are valued using the following methodologies:

- *Cash, cash equivalents and short-term investments* – Short-term investments are valued at their daily net asset value (NAV) per share or the equivalent based upon the fair value of the underlying investments. NAV per share or the equivalent is used for fair value purposes as a practical expedient and is calculated by the investment manager or sponsor of the fund. These investments primarily consist of short-term investment funds.
- *Common collective trusts* – Common collective trust ("CCT") funds are not publicly traded and are valued at NAV per share or the equivalent based upon the fair value of the underlying investments. NAV per share or the equivalent is used for fair value purposes as a practical expedient and is calculated by the investment manager or sponsor of the applicable fund. CCT funds consist of a variety of publicly traded securities, including equity mutual funds, U.S. government and agency obligations, corporate and non-U.S. bonds, securitised credit and emerging market debt. There are no unfunded commitments, redemption frequency restrictions or other redemption restrictions related to such investments.

The fair values of the Company's non-U.S. pension plan assets at 31 December 2024 by asset category were as follows:

<i>In millions (\$)</i>	Fair value measurements			Assets measured at NAV	Total
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)		
Cash, cash equivalents and short-term investments	0.9	—	—	32.7	33.6
Equity mutual funds	—	3.6	—	72.7	76.3
Corporate and non-U.S. bonds	—	3.3	—	124.4	127.7
Other ^(a)	—	0.3	4.1	3.2	7.6
Total non-U.S. pension plan assets	0.9	7.2	4.1	233.0	245.2

(a) Primarily includes a core diversified credit fund, a credit opportunity fund and derivative contracts.

The fair values of the Company's non-U.S. pension plan assets at 31 December 2023, by asset category were as follows:

<i>In millions (\$)</i>	Fair value measurements			Assets measured at NAV	Total
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)		
Cash, cash equivalents and short-term investments	0.8	—	—	39.0	39.8
Equity mutual funds	—	3.3	—	45.4	48.7
Corporate and non-U.S. bonds	—	3.0	—	137.4	140.4
Other ^(a)	—	0.3	4.1	34.4	38.8
Total non-U.S. pension plan assets	0.8	6.6	4.1	256.2	267.7

(a) Primarily includes a core diversified credit fund, a credit opportunity fund and derivative contracts.

No material transfers in or out of Level 3 occurred during the years ended 31 December 2024 or 2023.

22. DEFINED BENEFIT PLANS (Continued)

The Company's non-U.S. pension plan assets are valued using the following methodologies:

- *Cash, cash equivalents and short-term investments* – Cash equivalents are valued using a market approach with inputs including quoted market prices for either identical or similar instruments. Short-term investments are valued at the closing price or amount held on deposit by the custodian bank, at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer, or at NAV per share or the equivalent based upon the fair value of the underlying investments. NAV per share or the equivalent is used for fair value purposes as a practical expedient and is calculated by the investment manager or sponsor of the fund. These investments primarily consist of short-term investment funds.
- *Equity mutual funds* – Equity mutual funds are primarily valued at NAV per share or the equivalent. NAV per share or the equivalent is used for fair value purposes as a practical expedient and is calculated by the investment manager or sponsor of the fund.
- *Corporate and non-U.S. bonds* – Quoted market prices are not available for these securities. Fair values are either estimated using pricing models and/or quoted prices of securities with similar characteristics or discounted cash flows, in which instances such securities are classified as Level 2, or valued at NAV per share or the equivalent. NAV per share or the equivalent is used for fair value purposes as a practical expedient and is calculated by the investment manager or sponsor of the fund.

The Company made employer contributions of \$0.2 million and \$15.9 million to the U.S. pension plans in 2024 and 2023, respectively. The Company made employer contributions to its non-U.S. pension plans of \$5.0 million and \$5.0 million in 2024 and 2023, respectively.

The Company currently projects that approximately \$5 million will be contributed to its plans worldwide in 2025. The Company's policy allows it to fund an amount, which could be in excess of or less than the pension cost expensed, subject to the limitations imposed by current tax regulations. The Company anticipates funding the plans in 2025 in accordance with contributions required by funding regulations or the laws of each jurisdiction.

Most of the Company's U.S. employees are covered by defined contribution plans. Employer contributions are determined based on criteria specific to the individual plans and amounted to approximately \$33.0 million and \$31.7 million in 2024 and 2023, respectively. The Company's contributions relating to non-U.S. defined contribution plans and other non-U.S. benefit plans were \$10.9 million and \$10.1 million in 2024 and 2023, respectively.

Deferred Compensation Plan

The Company maintains an Executive Deferred Compensation Plan ("EDCP"), which is an unfunded, nonqualified plan that, prior to 2019, permitted certain employees to defer up to 50% of their annual salary and up to 100% of their annual bonus awards, performance stock plan awards and restricted stock units into a number of investment choices, including its ordinary share equivalents, until conclusion of their employment with the Company. As of 31 December 2024 and 2023, the deferred compensation liability balance was \$12.0 million and \$13.9 million, respectively, the majority of which was recorded within 'Creditors - amounts falling due after more than one year' in the Consolidated Balance Sheet. Amounts invested in ordinary share equivalents of the Company are not included in the deferred compensation liability balance, as these amounts will be settled in ordinary shares of the Company at the time of distribution.

23. FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair value measurements are based on a framework that utilises the inputs market participants use to determine the fair value of an asset or liability and establishes a fair value hierarchy to prioritise those inputs. The fair value hierarchy is comprised of the three levels described below:

- Level 1 – Inputs based on quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than Level 1 quoted prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3 – Unobservable inputs based on little or no market activity and that are significant to the fair value of the assets and liabilities.

The fair value hierarchy requires an entity to maximise the use of observable inputs and minimise the use of unobservable inputs when measuring fair value. Observable inputs are obtained from independent sources and can be validated by a third party, whereas unobservable inputs reflect assumptions regarding what a third party would use in pricing an asset or liability based on the best information available under the circumstances. A financial instrument's categorisation within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

23. FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value at 31 December 2024, were as follows:

<i>In millions (\$)</i>	Fair value measurements			Total
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Recurring fair value measurements				
<i>Assets:</i>				
Investments	—	17.1	—	17.1
Total asset recurring fair value measurements	—	17.1	—	17.1
<i>Liabilities:</i>				
Deferred compensation and other retirement plans	—	17.4	—	17.4
Total liability recurring fair value measurements	—	17.4	—	17.4
Financial instruments not carried at fair value:				
Total debt	—	1,979.3	—	1,979.3
Total financial instruments not carried at fair value	—	1,979.3	—	1,979.3

Assets and liabilities measured at fair value at 31 December 2023, were as follows:

<i>In millions (\$)</i>	Fair value measurements			Total
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Recurring fair value measurements				
<i>Assets:</i>				
Investments	—	18.0	—	18.0
Total asset recurring fair value measurements	—	18.0	—	18.0
<i>Liabilities:</i>				
Deferred compensation and other retirement plans	—	18.2	—	18.2
Total liability recurring fair value measurements	—	18.2	—	18.2
Financial instruments not carried at fair value:				
Total debt	—	1,984.9	—	1,984.9
Total financial instruments not carried at fair value	—	1,984.9	—	1,984.9

The Company determines the fair value of its financial assets and liabilities using the following methodologies:

- *Investments* – These instruments include equity mutual funds and corporate bond funds. The fair value is obtained based on observable market prices quoted on public exchanges for similar instruments.
- *Deferred compensation and other retirement plans* – These include obligations related to deferred compensation and other retirement plans adjusted for market performance. The fair value is obtained based on observable market prices quoted on public exchanges for similar instruments.
- *Debt* – These instruments are recorded at cost and include the Credit Facilities and Senior Notes maturing through 2034. The fair value of these debt instruments is obtained based on observable market prices quoted on public exchanges for similar instruments.

The carrying values of Cash at bank and in hand, Debtors and Creditors: amounts falling due within one year are a reasonable estimate of their fair values due to the short-term nature of these instruments. As discussed in Note 2, the Company also has investments in debt and equity securities without readily determinable fair values, which are measured at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer and are qualitatively assessed for impairment indicators at each reporting period. As these investments are considered to be nonrecurring fair value measurements, they are not included in the fair value tables above.

The methodologies used by the Company to determine the fair value of its financial assets and liabilities at 31 December 2024, are the same as those used at 31 December 2023.

24. PROVISIONS FOR LIABILITIES

At 31 December, Provisions for liabilities consisted of the following:

<i>In millions (\$)</i>	2024	2023
Postretirement and similar obligations	49.0	55.2
Taxation including deferred taxation	103.0	96.5
Other provisions for liabilities	91.0	83.3
Total Provisions for liabilities	243.0	235.0

The movement on other provisions for liabilities is as follows:

<i>In millions (\$)</i>	Warranty	Environmental	Restructuring	Other ^(a)	Total
At 31 December 2023	20.7	20.2	1.9	40.5	83.3
Arising during the year	15.8	1.2	8.1	1.0	26.1
Utilised in the year	(12.6)	(3.1)	(5.7)	—	(21.4)
Changes in existing reserves	(0.7)	(0.1)	—	(3.1)	(3.9)
Acquisitions/divestitures	—	—	—	7.8	7.8
Currency translation	(0.4)	(0.4)	(0.1)	—	(0.9)
At 31 December 2024	22.8	17.8	4.2	46.2	91.0
Current	16.9	2.4	4.2	6.6	30.1
Non-current	5.9	15.4	—	39.6	60.9
At 31 December 2024	22.8	17.8	4.2	46.2	91.0

(a) Primarily includes amounts provided for in relation to product and auto liability and workers compensation.

The Company is involved in various litigation, claims and administrative proceedings, including those related to environmental and product warranty matters. Amounts recorded for identified contingent liabilities are estimates, which are reviewed periodically and adjusted to reflect additional information when it becomes available. Subject to the uncertainties inherent in estimating future costs for contingent liabilities, except as expressly set forth in this note, management believes that any liability which may result from these legal matters would not have a material adverse effect on the financial condition, results of operations, liquidity or cash flows of the Company. The timing of the settlement of these provisions has been appropriately reflected above.

Environmental Matters

As of 31 December 2024 and 2023, the Company has recorded reserves for environmental matters of \$17.8 million and \$20.2 million, respectively. The total reserve at 31 December 2024 and 2023, included \$9.9 million and \$11.2 million, respectively, related to remediation of sites previously disposed by the Company.

The Company incurred \$1.1 million and \$0.5 million of expenses during the years ended 31 December 2024 and 2023, respectively, for environmental remediation at sites presently or formerly owned or leased by the Company. Environmental remediation costs are recorded in Costs of sales within the Consolidated Profit and Loss Account. Given the evolving nature of environmental laws, regulations and technology, the ultimate cost of future compliance is uncertain.

Restructuring activities

During the years ended 31 December 2024 and 2023, the Company recorded \$8.1 million and \$12.5 million, respectively, of expenses associated with restructuring activities. Restructuring activities in each period were related to workforce reductions intended to optimise and simplify operations and cost structure. Restructuring expenses are included within Cost of sales and Administrative expenses within the Consolidated Profit and Loss Account. The majority of the costs accrued as of 31 December 2024, are expected to be paid within one year.

25. SHARE-BASED COMPENSATION

Under the Company's shareholder-approved equity incentive plan, a maximum of 2.7 million ordinary shares are authorised for issuance, of which 2.4 million remained available for issuance as of 31 December 2024, for future equity incentive awards.

Compensation Expense

Share-based compensation expense is included in Cost of sales, Distribution costs and Administrative expenses within the Consolidated Profit and Loss Account. The following table summarises the expenses recognised for the years ended 31 December:

<i>In millions (\$)</i>	2024	2023
Stock options	4.9	4.3
RSUs	15.2	14.6
PSUs	8.1	7.5
Pre tax expense	28.2	26.4
Tax benefit	(2.5)	(2.7)
After tax expense	25.7	23.7

Stock Options / RSUs

The weighted-average fair value of the stock options granted for the years ended 31 December 2024 and 2023, was estimated to be \$40.92 and \$33.66 per share, respectively, using the Black-Scholes option-pricing model. The weighted-average assumptions used were as follows:

	2024	2023
Dividend yield	1.47 %	1.60 %
Volatility	29.28 %	28.47 %
Risk-free rate of return	4.29 %	4.10 %
Expected life	6.0 years	6.0 years

Volatility is based on the Company's historic volatility. The risk-free rate of return is based on the yield curve of a zero-coupon U.S. Treasury bond on the date the award is granted with a maturity equal to the expected term of the award. The expected life of the Company's stock option awards is derived from the simplified approach based on the weighted-average time to vest and the remaining contractual term and represents the period of time that awards are expected to be outstanding.

Changes in options outstanding under the plans for the years ended 31 December 2024 and 2023, were as follows:

	Shares subject to option	Weighted-average exercise price (\$) ^(a)	Aggregate intrinsic value (\$ millions)	Weighted-average remaining life (years)
At 31 December 2022	932,582	100.21		
Granted	156,929	112.59		
Exercised	(76,969)	73.30		
Cancelled	(12,182)	117.82		
At 31 December 2023	1,000,360	104.01		
Granted	135,906	130.66		
Exercised	(247,729)	90.19		
Cancelled	(17,884)	125.72		
Outstanding 31 December 2024	870,653	111.65	16.6	5.7
Exercisable 31 December 2024	575,012	107.44	13.4	4.5

- (a) The weighted-average exercise price of awards represents the exercise price of the awards on the grant date converted to ordinary shares of the Company.

25. SHARE-BASED COMPENSATION (Continued)

The following table summarises information concerning outstanding and exercisable options as of 31 December 2024:

Range of exercise price (\$)			Options outstanding			Options exercisable		
			Number outstanding at 31 December 2024	Weighted-average remaining life (years)	Weighted-average exercise price (\$)	Number exercisable at 31 December 2024	Weighted-average remaining life (years)	Weighted-average exercise price (\$)
50.01	—	75.00	45,963	1.4	63.44	45,963	1.4	63.44
75.01	—	100.00	89,999	3.2	87.75	89,999	3.2	87.75
100.01	—	125.00	486,685	6.2	111.38	313,576	5.7	110.79
125.01	—	150.00	248,006	6.4	129.80	125,474	3.9	129.33
			870,653	5.7	111.65	575,012	4.5	107.44

At 31 December 2024, there was \$3.9 million of total unrecognised compensation cost from stock option arrangements granted under the plan, which is primarily related to unvested stock options held by non-retirement eligible employees. The aggregate intrinsic value of stock options exercised during the years ended 31 December 2024 and 2023, was \$11.4 million and \$3.5 million, respectively. Generally, stock options expire ten years from their date of grant.

The following table summarises RSU activity for the year ended 31 December 2024 and 2023:

	RSUs	Weighted-average grant date fair value (a)(\$)
Outstanding and unvested at 31 December 2022	261,048	112.79
Granted	137,677	112.38
Vested	(101,516)	115.94
Cancelled	(9,844)	112.45
Outstanding and unvested at 31 December 2023	287,365	111.51
Granted	103,774	129.51
Vested	(139,023)	112.15
Cancelled	(11,742)	122.14
Outstanding and unvested at 31 December 2024	240,374	118.40

- (a) The weighted-average grant date fair value represents the fair value of the awards on the grant date converted to ordinary shares of the Company.

At 31 December 2024, there was \$10.0 million of total unrecognised compensation cost from RSU arrangements granted under the plan, which is primarily related to unvested RSUs held by non-retirement eligible employees.

Performance Stock

In February 2023 and 2024, the Compensation Committee of the Company's Board of Directors granted PSUs that vested based 50% upon a performance condition, measured at each reporting period by earnings per share ("EPS") performance during a three-year performance period in relation to pre-established targets set by the Compensation Committee, and 50% upon a market condition, measured by the Company's relative total shareholder return ("TSR") against, for 2023, the S&P 400 Capital Goods Index over a three-year performance period, and for 2024, a 50/50 weighting of the S&P 400 Capital Goods Index and the S&P 500 Capital Goods Index over a three-year performance period. The fair values of the market conditions are estimated using a Monte Carlo simulation approach in a risk-neutral framework to model future stock price movements based upon historical volatility, risk-free rates of return and correlation matrix.

25. SHARE-BASED COMPENSATION (Continued)

The following table summarises PSU activity for the maximum number of shares that may be issued upon vesting of those awards for the years ended 31 December 2024 and 2023:

	PSUs	Weighted-average grant date fair value (a)(\$)
Outstanding and unvested at 31 December 2022	138,385	108.71
Granted	77,253	120.69
Vested	(13,028)	149.43
Forfeited	(49,419)	134.62
Outstanding and unvested at 31 December 2023	153,191	102.93
Granted	58,363	155.76
Vested	(39,932)	113.85
Forfeited	(18,665)	128.09
Outstanding and unvested at 31 December 2024	152,957	117.16

- (a) The weighted-average grant date fair value represents the fair value of the awards on the grant date converted to ordinary shares of the Company.

At 31 December 2024, there was \$8.7 million of total unrecognised compensation cost from the PSP based on actual performance through such date, which is related to shares underlying unvested awards. This compensation cost will be recognised over the required service period, which is generally the three-year performance/vesting period.

26. SHARE CAPITAL AND RESERVES**Called up share capital presented as equity**

The changes in ordinary shares outstanding for the year ended 31 December 2024, were as follows:

<i>In millions</i>	No. of Shares	\$
At 31 December 2023	87.5	0.9
Shares issued under incentive plans	0.4	—
Repurchase of ordinary shares	(1.6)	—
At 31 December 2024	86.3	0.9

Allegion had 400.0 million ordinary shares authorised and 10.0 million \$0.001 par value preferred shares authorised (with none outstanding) at 31 December 2024.

26. SHARE CAPITAL AND RESERVES (Continued)**Reserves**

At 31 December, the movement on reserves was as follows:

<i>In millions (\$), except per share amounts</i>	Share premium account	Profit and loss account	Other reserves	Total
At 31 December 2022	76.6	983.1	(118.8)	940.9
Profit for the financial year	—	540.4	—	540.4
Defined benefit plan adjustments	—	—	(8.8)	(8.8)
Currency translation	—	—	33.6	33.6
Cash flow hedges	—	—	(0.5)	(0.5)
Repurchase of ordinary shares	—	(59.9)	—	(59.9)
Share-based compensation activity	1.3	—	25.7	27.0
Acquisition/divestiture of non-controlling interest and other	0.4	2.3	—	2.7
Cash dividends declared (\$1.80 per share)	—	(158.0)	—	(158.0)
At 31 December 2023	78.3	1,307.9	(68.8)	1,317.4
Profit for the financial year	—	597.5	—	597.5
Defined benefit plan adjustments	—	—	2.8	2.8
Currency translation	—	—	(74.2)	(74.2)
Cash flow hedges	—	—	1.3	1.3
Repurchase of ordinary shares	—	(220.0)	—	(220.0)
Share-based compensation activity	—	—	27.3	27.3
Shares issued under incentive stock plans	14.7	—	—	14.7
Cash dividends declared (\$1.92 per share)	—	(167.0)	—	(167.0)
At 31 December 2024	93.0	1,518.4	(111.6)	1,499.8

Share repurchases

In June 2023, the Company's Board of Directors reauthorised the Company's existing share repurchase program and, as a result, authorised the repurchase of up to, and including \$500.0 million of the Company's ordinary shares. During the year ended 31 December 2024, the Company paid \$220.0 million to repurchase 1.6 million ordinary shares on the open market under the Share Repurchase Authorisation. As of 31 December 2024, the Company has approximately \$240.0 million still available to be repurchased under the Share Repurchase Authorisation.

Dividends declared and paid during the year

The Company's Board of Directors declared dividends of \$0.48 per ordinary share on 7 February 2024, 11 April 2024, 5 September 2024 and 5 December 2024.

<i>In millions (\$), except per share amounts</i>	2024	2023
Equity dividends on ordinary shares:		
First interim dividend for 2024 of \$0.48 per share (2023: \$0.45)	42.1	39.4
Second interim dividend for 2024 of \$0.48 per share (2023: \$0.45)	41.7	39.9
Third interim dividend for 2024 of \$0.48 per share (2023: \$0.45)	41.8	39.9
Fourth interim dividend for 2024 of \$0.48 per share (2023: \$0.45)	41.4	39.5
Total dividends declared and paid	167.0	158.7

Future dividends

Future dividends on the Company's ordinary shares, if any, will be at the discretion of the Company's Board of Directors and will depend on, among other things, the Company's results of operations, cash requirements and surplus, financial condition, contractual restrictions (including under the agreements governing our indebtedness) and other factors that the Board of Directors may deem relevant, as well as the Company's ability to pay dividends in compliance with the 2014 Act. Under the 2014 Act, dividends and distributions may only be made from distributable reserves. In addition, no distribution or dividend may be made unless the net assets of the Parent Company are equal to, or in excess of, the aggregate of the Parent Company's called up share capital plus undistributable reserves and the distribution does not reduce the Parent Company's net assets below such aggregate.

27. BUSINESS SEGMENT INFORMATION

The Company classifies its business into the following two reportable segments based on industry and market focus: Allegion Americas and Allegion International. The Company largely evaluates performance based on Segment operating profit and Segment operating margin. The Company's CODM is its chief executive officer, who uses Segment operating profit as the measure of profit and loss to evaluate the financial performance of the business and as the basis for resource allocation, performance reviews and compensation. For these reasons, the Company believes Segment operating profit represents the most relevant measure of segment profit and loss. The Company's CODM may exclude certain charges or gains, such as corporate charges and other special charges, from Operating profit to arrive at a Segment operating profit that is a more meaningful measure of profit and loss upon which to base operating decisions. The Company defines Segment operating margin as Segment operating profit as a percentage of the segment's Turnover.

A summary of operations and balance sheet information by reportable segments as of and for the years ended 31 December were as follows:

<i>In millions (\$)</i>	2024	2023
Allegion Americas		
Turnover	3,012.4	2,913.6
Cost of sales	1,666.5	1,637.9
Distribution costs and administrative expenses	529.7	518.5
Segment operating profit	816.2	757.2
Segment operating margin	27.1 %	26.0 %
Depreciation and amortisation	74.3	67.6
Capital expenditures	67.2	72.6
Total segment assets	2,572.7	2,457.7
Allegion International		
Turnover	759.8	737.2
Cost of sales	441.4	430.6
Distribution costs and administrative expenses	252.1	241.0
Impairment of intangible assets	—	7.5
Segment operating profit	66.3	58.1
Segment operating margin	8.7 %	7.9 %
Depreciation and amortisation	41.0	40.0
Capital expenditures	24.2	16.2
Total segment assets	1,146.0	1,204.3
Reconciliation to Profit before taxation		
Segment operating profit from reportable segments	882.5	815.3
Unallocated corporate expense	101.8	106.9
Interest payable and similar charges	102.0	93.1
Other operating expenses	2.2	3.9
Other finance (income) expense	(1.8)	1.0
Other interest receivable and similar income	(20.5)	(6.8)
Total Profit before taxation	698.8	617.2
Depreciation and amortisation from reportable segments	115.3	107.6
Unallocated depreciation and amortisation	0.9	1.4
Total depreciation and amortisation	116.2	109.0
Capital expenditures from reportable segments	91.4	88.8
Corporate capital expenditures, net of transfers to business segments	0.7	(4.6)
Total capital expenditures	92.1	84.2
Assets from reportable segments	3,718.7	3,662.0
Unallocated assets ^(a)	769.1	649.5
Total assets	4,487.8	4,311.5

(a) Unallocated assets consist primarily of investments in unconsolidated affiliates, tangible assets, ROU assets, deferred income taxes and cash at bank and in hand.

27. BUSINESS SEGMENT INFORMATION (Continued)

Turnover by destination for the years ended 31 December was as follows:

<i>In millions (\$)</i>	2024	2023
U.S.	2,858.7	2,754.7
Non-U.S.	913.5	896.1
Total Turnover	3,772.2	3,650.8

Turnover by product type for the years ended 31 December was as follows:

<i>In millions (\$)</i>	2024	2023
Mechanical products	2,572.2	2,436.3
Electronic products ^(a)	946.4	965.0
Services and software ^(b)	253.6	249.5
Total Turnover	3,772.2	3,650.8

- (a) Electronic products encompass both residential and non-residential products, and include all electrified product categories, including, but not limited to, electronic and electrified locks, access control systems, time and attendance systems, electronic and electrified door controls and systems and exit devices.
- (b) Services and software revenues include inspection, maintenance and repair, design and installation, aftermarket and locksmith services, as well as software offerings such as access control, platform integration, workforce management and time, attendance, and workforce productivity software.
- (c) See Note 4 for description of Turnover that was recast for the year ended 31 December 2023.

In fiscal years 2024 and 2023, no customer exceeded 10% of consolidated Turnover.

At 31 December, long-lived assets by geographic area were as follows:

<i>In millions (\$)</i>	2024	2023
U.S.	460.1	412.7
Non-U.S.	393.1	413.8
Total long-lived assets	853.2	826.5

28. LOANS TO DIRECTORS

No loans or quasi-loans have been made to any director of the Company during the financial year.

29. CAPITAL EXPENDITURE COMMITMENTS

<i>In millions (\$)</i>	2024	2023
Capital expenditures that have been authorised by the directors but not yet contracted	26.7	32.9

30. RELATED PARTY DISCLOSURES

The principal related party relationships requiring disclosure in the Consolidated Financial Statements pertain to the existence of subsidiaries and associates and transactions with these entities entered into by the Company and the identification of key management personnel as addressed in greater detail below.

Subsidiaries and associates

The Consolidated Financial Statements include the results of operations, financial positions and cash flows of the Company and its subsidiaries and associates over which the Company has control or which otherwise qualify for consolidation or equity method accounting. A listing of the principal subsidiaries and associates is provided in Note 31. The Company has availed of the exemption from disclosing information on its subsidiaries and associates as permitted by Section 315 of the 2014 Act.

Related party transactions

There were no related party transactions requiring disclosure under Sch. 3, Section 67 (1) of the 2014 Act.

Compensation of key management personnel of the Company

Key management personnel are the Company's executive and non-executive directors. Directors remuneration is set forth in Note 8 to the Consolidated Financial Statements.

31. SUBSIDIARIES AND ASSOCIATES

The subsidiary and associate undertakings at 31 December 2024 are listed below:

Name	Nature of business	Registered office	Country of incorporation	Percentage of ownership
AD Solutions, Inc.	Manufacturing & Distribution	2201 100th Street SW, Everett, WA 98201	United States	100%
AG Management Limited	Trading Company	Unit GV-00-10-08-OF-09, Level 8, Gate Village Building, 10 Dubai International Financial Centre, PO Box 236325 0000, Dubai	United Arab Emirates	100%
Allegion (Australia) Pty Ltd.	Trading Company	31-33 Alfred Street, Blackburn, VIC 3130	Australia	100%
Allegion (Hong Kong) Limited	Trading Company	29th Floor, Fortis Tower, No. 77-79 Gloucester Road, Wanchai	Hong Kong	100%
Allegion (Ireland) Finance Designated Activity Company	Trading Company	Block D Iveagh Court, Harcourt Road, Dublin 2, D02 VH94	Ireland	100%
Allegion (Malaysia) SDN. BHD.	Trading Company	1 & 1A, 2nd floor (room 2) Jalan Ipoh Kecil 50350 Kuala Lumpur	Malaysia	100%
Allegion (New Zealand) Limited	Manufacturing & Distribution	437 Rosebank Road, Avondale Box 19034, Avondale, Auckland	New Zealand	100%
Allegion (Southeast Asia) Pte. Ltd.	Trading Company	#07-01, 31 UBI Road 1, Singapore	Singapore	100%
Allegion (Thailand) Limited	Trading Company	140/37 New ITF Tower, 17th Floor, Silom Rd, Bangrak 1500 Bangkok	Thailand	100%
Allegion (UK) Limited	Trading Company	35 Rocky Lane, Aston, Birmingham, B6 5RQ	United Kingdom	100%
Allegion Access Technologies LLC	Manufacturing & Distribution	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, DE, 19801	United States	100%
Allegion B.V.	Trading Company	De Molen 19, 3994 DA Houten, Netherlands	Netherlands	100%
Allegion Canada Access Inc.	Trading Company	2900-550 Burrard Street, Vancouver, BC, V6C 0A3	Canada	100%
Allegion Canada Inc.	Trading Company	2900-550 Burrard Street, Vancouver, BC, V6C 0A3	Canada	100%
Allegion de Mexico, S. de R.L. de C.V.	Trading Company	Los Olivos 698 S/N, Chavez Tecate, 21440	Mexico	100%
Allegion Denmark A/S	Non-Operating	c/o Azets Insight A/S Lyskær 3c, 2	Denmark	100%
Allegion Deutsche Holding GmbH	Holding Company	Epplerstraße 225, 70567 Stuttgart	Germany	100%
Allegion Digital Solutions LLC	Trading Company	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, DE, 19801	United States	100%
Allegion EMEA BV	Holding Company	Spaces Building, Avenue Hermann Debroux 54, 1160 Auderghem–Belgium	Belgium	100%
Allegion German Holding I GmbH	Holding Company	Epplerstraße 225, 70567 Stuttgart	Germany	100%
Allegion Hardware de Mexico, S. de R.L. de C.V.	Manufacturing & Distribution	Carretera Estatal 100 El Colorado Higuerillas, 4200 Int. 3V and 1K, 76295, Colon, Queretaro	Mexico	100%
Allegion Immobilien GmbH	Holding Company	Epplerstraße 225, 70567 Stuttgart	Germany	100%
Allegion India Private Limited	Trading Company	Kalyani Magnum, Wing B Ground and 5th Floor, Sy No .165/2, Doresanipalya, J.P Nagar, 4th Phase, Bannerghatta Road, Bangalore 560076, Karnataka, India	India	100%
Allegion International AG	Trading Company	Tafernhof, Mellingerstrasse 207, Baden-Dattwil, CH-5405	Switzerland	100%
Allegion Investments (Switzerland) AG	Holding Company	Tafernhof, Mellingerstrasse 207, 5400 Baden	Switzerland	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Allegion Investments (UK) Limited	Holding Company	35 Rocky Lane, Aston, Birmingham, B6 5RQ	United Kingdom	100%
Allegion Investments Holding LLC	Holding Company	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, DE, 19801	United States	100%
Allegion Irish Holding Company IV Limited	Holding Company	Block D Iveagh Court, Harcourt Road, Dublin 2, D02 VH94	Ireland	100%
Allegion Irish Holding Company Limited	Holding Company	Block D Iveagh Court, Harcourt Road, Dublin 2, D02 VH94	Ireland	100%
Allegion Korea Inc.	Trading Company	Suites 1710, U Planet T-Tower, Yangji-ro, 21, Gwangmyeong-si, Gyeonggi-do, 14345	Republic of Korea	100%
Allegion LLC	Holding Company	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, DE, 19801, DE, 19801	United States	100%
Allegion Lux Financing III S.à.r.l	Holding Company	26,boulevard Royal, L-2449	Luxembourg	100%
Allegion Luxembourg Holding and Financing S.à.r.l.	Holding Company	26,boulevard Royal, L-2449	Luxembourg	100%
Allegion Management (DIFC) Limited	Trading Company	Unit GV-00-10-08-OF-09 Level 8 Gate Village Building 10 Dubai International Financial Centre, PO Box 390641, Dubai	United Arab Emirates	100%
Allegion Netherlands B.V.	Manufacturing & Distribution	Energiestraat 2, NL-3903 AV Veenendaal	Netherlands	100%
Allegion NV	Trading Company	Pontbeekstraat 2, 1702 Groot-Bijgaarden	Belgium	100%
Allegion Panama, S. de R.L.	Trading Company	Avenida Samuel Lewis y Calle 54 St, Edificio AFRA, Panamá, República de Panamá	Panama	100%
Allegion S&S Lock Holding Company Inc.	Holding Company	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, DE, 19801	United States	100%
Allegion Security Technologies (CHINA) Co., LTD.	Manufacturing & Distribution	Building No.10, No. 8158, Tingwei Road, Jinshan Industrial Zone, Shanghai	China	100%
Allegion US Holding Company Inc.	Holding Company	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, DE, 19801	United States	100%
Allegion US Holding II LLC	Holding Company	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, DE, 19801	United States	100%
Allegion US Holding III Inc.	Holding Company	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, DE, 19801	United States	100%
Allegion Ventures LLC	Holding Company	1209 Orange Street, Wilmington DE 19801	United States	100%
AM Finance Holding Limited	Holding Company	19 / 13, Vincenti Buildings, Strait Street, Valletta, VLT1432	Malta	100%
AM Finance I Limited	Holding Company	19 / 13, Vincenti Buildings, Strait Street, Valletta, VLT1432	Malta	100%
AM Finance II Limited	Trading Company	19 / 13, Vincenti Buildings, Strait Street, Valletta, VLT1432	Malta	100%
API Services and Solutions Pty Limited	Trading Company	7 Eagleview Place, Eagle Farm QLD 4009	Australia	100%
AXA Stenman Deutschland GmbH	Trading Company	Johann-Krane-Weg 37, 48149 Munster	Germany	100%
AXA Stenman France S.A.S.	Manufacturing & Distribution	Usine de Beaulieu, 58500 Clamecy	France	100%
AXA Stenman Holding B.V.	Holding Company	Energiestraat 2, NL-3903 AV Veenendaal	Netherlands	100%
AXA Stenman Poland Sp Z.O.O	Manufacturing & Distribution	ul. Technologiczna 8, 42-400 Zawiercie	Poland	100%
Boss Door Controls Limited	Trading Company	15 Carrick Gardens, Livingston, West Lothian, EH54 9ET	United Kingdom	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Bricard S.A.S	Manufacturing & Distribution	1, Rue Paul-Henri Spaak, Saint Thibault de Vignes, 77463	France	100%
Cisa Cerraduras S.A.	Trading Company	Poligono Industrial La Charluca, Calle F, parcela M16-17, 50300 Calatayud, Zaragoza	Spain	100%
Cisa S.p.A.	Manufacturing & Distribution	no 42, Via Oberdan, Faenza, 48018	Italy	100%
Conneqtech B.V.	Manufacturing & Distribution	Einsteinweg 35a, 3752 LW Bunschoten-Spakenburg	Netherlands	20%
D. Purdue & Sons Ltd.	Trading Company	Elsies River, 7490	South Africa	25%
Eco Schulte GmbH & Co. KG	Manufacturing & Distribution	Iserlohner Landstrasse 89, 58706 Menden, Germany	Germany	20%
Electronic Technologies Corporation USA	Trading Company	11819 North Pennsylvania Street, Carmel, IN, 46032	United States	100%
Fire and Security Hardware Pty Limited	Dormant Company	16-20 Third Avenue, Sunshine, VIC, 3020	Australia	100%
Gainsborough Hardware Industries Limited	Dormant Company	7 Eagleview Place, Eagle Farm QLD 4009	Australia	100%
Harrow Industries LLC	Manufacturing & Distribution	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, DE, 19801	United States	100%
Harrow Products (Delaware) LLC	Trading Company	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, DE, 19801	United States	100%
Harrow Products LLC	Trading Company	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, DE, 19801	United States	100%
Interflex Datensysteme Gesellschaft m.b.H.	Trading Company	Leonard-Bernstein-straÙe 10/8, 1220 Wien, Austria	Austria	100%
Interflex Datensysteme GmbH	Manufacturing & Distribution	EpplerstraÙe 225, 70567 Stuttgart	Germany	100%
Isonas, Inc.	Trading Company	4750 Walnut Street – Suite 110 Boulder, Colorado 80301 USA	United States	100%
Krieger Specialty Products LLC	Manufacturing & Distribution	4880 Gregg Road, Pico Rivera, CA 90660	United States	100%
Montajes Electrónicos Dorcas, S.L.	Manufacturing & Distribution	Jose Serrano 6, Siete Aguas, 46492 Valencia	Spain	100%
Normbau France S.A.S.	Trading Company	1 Rue De L'artisanat, 67240, Bischwiller	France	100%
Normbau GmbH	Manufacturing & Distribution	Schwarzwaldstrasse 15, Postfach 1261, Renchen, D-77871	Germany	100%
Overtur Architectural Services LLC	Trading Company	11819 N. Pennsylvania Street, Carmel, IN, 46032	United States	100%
Pin & Tumbler Studio LLC	Trading Company	1209 Orange Street, Wilmington DE 19801	United States	100%
Plano Solutions GmbH	Trading Company	An der Schlossmauer 2c, 98693 Ilmenau	Germany	100%
Recognition Systems LLC	Manufacturing & Distribution	CT Corporation System, 818 West Seventh Street, Los Angeles, CA, 90017	United States	100%
Republic Doors and Frames, LLC	Manufacturing & Distribution	1209 Orange Street, Wilmington, New Castle, DE, 19801	United States	100%
S&S Lock Indemnity (Barbados) Limited	Holding Company	Corporate Managers (Barbados) Ltd, Ground Fl. Belleville Corporate Center, #38 Pine Rd., Belleville, St. Michael	Barbados	100%
S&S Lock Insurance (Arizona) Company	Holding Company	c/o Aon Insurance Managers (USA) Inc., 2555 E. Camelback Road, Suite 700, Phoenix, AZ 85016	United States	100%
Schlage de Mexico S.A. de C.V.	Manufacturing	Calle Los Oliivos 698, Col. Chavez, Baja California, 21440 Tecate	Mexico	100%
Schlage Lock Company LLC	Manufacturing & Distribution	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, DE, 19801	United States	100%
SimonsVoss Technologies AB	Trading Company	Krejaren 2, Ostermalmstorg 1, 114 42 Stockholm	Sweden	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

SimonsVoss Technologies BV	Trading Company	Evert van de Beekstraat 104, 118CN, Schiphol	Netherlands	100%
SimonsVoss Technologies GmbH	Manufacturing & Distribution	Feringstrasse 4, 85774, Unterfoehring	Germany	100%
SimonsVoss Technologies Limited	Trading Company	35 Rocky Lane, Aston, Birmingham, B6 5RQ	United Kingdom	100%
SimonsVoss Technologies SAS	Trading Company	1-3 Rue des Remparts, F 93160 Noisy-le-Grand	France	100%
SOSS Asia Pte Ltd	Manufacturing & Distribution	6 Third Chin Bee Road, Singapore 618682	Singapore	100%
Technical Glass Products DMCC	Trading Company	Reef Tower, 29th Floor, Jumeirah Lakes Tower Area, 5003317	United Arab Emirates	100%
Technical Glass Products, Inc.	Manufacturing & Distribution	CT Corporation 711 Capital Way S. Suite 204, Olympia, WA 98501	United States	100%
TGP Canada Enterprises, ULC	Trading Company	2900 - 550 Burrard Street, Vancouver, BC V6C 0A3	Canada	100%
TGP International, Inc.	Holding Company	701 Fifth Avenue, Suite 4400 Seattle, WA 98104	United States	100%
Trelock Asia Pacific Limited	Trading Company	36/F Tower Two, Times Square, 1 Matheson St, Causeway Bay	Hong Kong	100%
Trelock GmbH	Trading Company	Johann-Krane-Weg 37, 48149 Munster	Germany	100%
Unicel Architectural Corp	Manufacturing & Distribution	2155 Fernand-Lafontaine, Longueuil, Québec, J4G 2J4	Canada	100%
Yonomi, LLC	Trading Company	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle, DE, 19801	United States	100%
Zero Seal Systems Limited	Trading Company	43-45 Ladford Covert, Seighford, Stafford, Staffordshire, ST18 9QG	United Kingdom	100%

32. EVENTS SINCE YEAR END***Dividends declared and paid***

On 6 February 2025, the Company's Board of Directors declared a dividend of \$0.51 per ordinary share. The dividend was paid on 31 March 2025 to shareholders of record on 14 March 2025.

Share repurchases

As of 10 April 2025, the Company had repurchased and cancelled approximately 0.3 million ordinary shares of \$0.01 each, at a weighted-average price of approximately \$128 since the year ended 31 December 2024. The Company had approximately \$200.0 million available under the 2023 Share Repurchase Authorisation.

33. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements were approved by the Board of Directors of the Company on 10 April 2025.

Allegion plc
Parent Company Balance Sheet
At 31 December

<i>In millions (\$)</i>	Note	2024	2023
Fixed assets			
Financial assets	5	5,421.7	5,396.9
Current assets			
Debtors - amounts falling due within one year	6	0.3	0.4
Cash at bank and in hand		9.6	16.0
		9.9	16.4
Creditors - amounts falling due within one year	7	(51.3)	(84.4)
Net current liabilities		(41.4)	(68.0)
Debtors - amounts falling due after more than one year	6	1.1	0.4
Total assets less current liabilities		5,381.4	5,329.3
Creditors - amounts falling due after more than one year	7	(1,059.5)	(1,172.6)
Net assets		4,321.9	4,156.7
Capital and reserves			
Called up share capital presented as equity	9	0.9	0.9
Capital redemption reserve	9	0.1	0.1
Share premium account	9	130.9	108.6
Share-based payment reserve	9	163.4	138.6
Profit and loss account	9	4,026.6	3,908.5
Shareholders' funds		4,321.9	4,156.7

The Parent Company recorded a profit of \$505.1 million for the year ended 31 December 2024 (2023: profit of \$311.9 million).

Approved by the Board of Directors on 10 April 2025 and signed on its behalf by:

John H. Stone

John H. Stone
Director

Susan L. Main

Susan L. Main
Director

Allegion plc
Parent Company Statement of Changes in Equity
For the years ended 31 December

<i>In millions (\$), except per share amounts</i>	Called up share capital presented as equity	Capital redemption reserve	Share premium account	Share-based payment reserve	Profit and loss account	Total
Balance at 31 December 2022	0.9	0.1	102.9	118.6	3,814.5	4,037
Share-based compensation activity	—	—	5.7	20.0	—	25.7
Profit for the financial year	—	—	—	—	311.9	311.9
Repurchase of ordinary shares	—	—	—	—	(59.9)	(59.9)
Cash dividends declared (\$1.80 per share)	—	—	—	—	(158.0)	(158.0)
Balance at 31 December 2023	0.9	0.1	108.6	138.6	3,908.5	4,156.7
Share-based compensation activity	—	—	22.3	24.8	—	47.1
Profit for the financial year	—	—	—	—	505.1	505.1
Repurchase of ordinary shares (Note 9)	—	—	—	—	(220.0)	(220.0)
Cash dividends declared (\$1.92 per share)	—	—	—	—	(167.0)	(167.0)
Balance at 31 December 2024	0.9	0.1	130.9	163.4	4,026.6	4,321.9

1. BASIS OF PREPARATION

The Parent Company Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in Ireland (applicable accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland and the 2014 Act). The Parent Company Financial Statements comply with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The Parent Company Financial Statements present the Parent Company Balance Sheet (the "Balance Sheet") and the Parent Company Statement of Changes in Equity (the "Statement of Changes in Equity") on a stand-alone basis, including related party transactions.

The Parent Company is a qualifying entity for the purposes of FRS 102. As a qualifying entity, the Parent Company has availed of a number of exemptions from the disclosure requirements of FRS 102 in the preparation of the Parent Company Financial Statements. The Parent Company has notified its shareholders in writing about, and they do not object to, the disclosure exemptions availed of by the Parent Company in the Parent Company Financial Statements. In accordance with FRS 102, the Parent Company has availed of an exemption from the following paragraphs of FRS 102:

- The requirements of Section 7 and paragraph 3.17(d) to present a Statement of Cash Flows; and
- The requirements of paragraph 33.7 regarding key management personnel compensation.

2. SIGNIFICANT ACCOUNTING POLICIES

Accounting convention: The Parent Company Financial Statements have been prepared under the historical cost convention.

Going concern: At 31 December 2024, the Parent Company had a Net current liabilities position of \$41.4 million (2023: \$68.0 million) due to the short term nature of its amounts due to group undertakings, all of which, are within the Group's control. The Parent Company relies on the activities of the Group for the purpose of its operational existence and as a result the going concern assessment performed at a Group level was deemed relevant to support the Parent Company's ability to continue as a going concern.

The Board of Directors have formed a judgement at the time of approving the Parent Company Financial Statements, considering all events since year end, that there is a reasonable expectation that the Parent Company has adequate resources to continue as a going concern. In arriving at this conclusion, the Board of Directors have considered the impact the current macroeconomic and geopolitical trends and uncertainties continues to have on our business and have a reasonable expectation that these uncertainties would not have a material impact on our ability to continue as a going concern as of the approval date. After making enquiries, the Board of Directors has reasonable expectation that the Group has adequate resources to continue in operational existence for a period of not less than 12 months from the date of approval of these financial statements. Therefore, these financial statements have been prepared on a going concern basis.

Functional currency: Items included in these Parent Company Financial Statements are measured using the currency of the primary economic environment in which the Parent Company operates (the "functional currency"). The Parent Company Financial Statements are presented in United States dollars, which is the Parent Company's functional currency.

Investments in subsidiaries: The Parent Company's investments in its subsidiaries are stated at cost less provision for any impairment in value. Cost represents the transaction price at the date of acquisition plus subsequent capital contributions. The Group reviews investments for impairment if events or changes in circumstances indicate that the carrying value may be impaired. The Group assesses whether such indicators exist at each reporting date. Where the recoverable amount of the investment is less than the carrying amount, an impairment is recognised.

Dividends: Dividend income is recognised when the right to receive the payment is established. Interim dividends on ordinary shares to the Parent Company's external shareholders are recognised when paid.

Currency translation: Assets and liabilities where the functional currency is not the U.S. dollar have been translated at year-end exchange rates, and income and expense accounts have been translated using average exchange rates throughout the year. Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency. Transaction gains and losses are dealt with in the individual profit and loss account of the Parent Company.

Taxation: Corporation tax is provided on taxable profits at current rates. Deferred taxation is accounted for in respect of all timing differences at tax rates enacted or substantially enacted at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in tax computation in periods different from those in which they are included in the Parent Company Financial Statements. A deferred tax asset is only recognised when it is more likely than not the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be recovered.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash flow statement: The Parent Company has not presented a separate cash flow statement as it has availed of the exemption available under FRS 102 Section 1.12 (b). This exemption is available as 100% of the Parent Company's voting rights are controlled within the Allegion plc Group and the Consolidated Financial Statements of Allegion plc (in which the Parent Company is included) are publicly available.

Share-based compensation: The Parent Company and its subsidiaries operate various equity-settled share-based compensation plans. The fair value of the employee services received in exchange for the grant of PSUs has been valued using a Monte Carlo simulation based on the grant's performance criteria and forecasted earnings per share. The fair value of the employee services received in exchange for the grant of RSUs has been valued using the fair value of Allegion plc ordinary shares on the date of grant. The fair value of the employee services received in exchange for the grant of options has been valued using the Black-Scholes option-pricing model. In accordance with Section 26 of FRS 102 Section 'Share-based Payments', the resulting cost for the employees is charged to the Consolidated Profit and Loss Account over the vesting period. The value of the charge is adjusted to reflect expected and actual levels of awards vesting.

The cost for awards granted to the Parent Company's subsidiaries' employees represents additional capital contributions by the Parent Company to its subsidiaries. An additional investment in subsidiaries has been recorded in respect of those awards granted, with a corresponding increase in the Parent Company's shareholders' funds. The additional capital contribution is based on the fair value at the grant date of the awards issued, allocated over the life of the underlying grant's vesting period. Proceeds received from employees, if any, for the exercise of share-based instruments increase the share capital and share premium accounts of the Parent Company. The difference between the proceeds received on issue of shares and the nominal value of the shares is credited to share premium on the Parent Company Balance Sheet. Note 25 of the Consolidated Financial Statements provides additional details of the Group's share-based compensation plans.

Guarantees: The Parent Company has guaranteed certain liabilities and credit arrangements of subsidiaries. The Parent Company reviews the status of these guarantees at each reporting date and considers whether it is required to make a provision for payment on those guarantees based on the probability of the commitment being called. Refer to Note 10 to the Parent Company Financial Statements for further details.

Financial instruments: The Parent Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets include prepayments and cash at bank and in hand. They are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities include amounts due to subsidiary undertakings, debt instruments, debt issuance costs, accrued interest, other payables, pay related social insurance, other creditors, income tax and dividend withholding tax. They are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as debt issuance costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

All other financial liabilities have been acquired in the normal course of business. They are classified as creditors: amounts falling due within one year if payment is due within one year or less from the balance sheet date. If not, they are presented as creditors: amounts falling due after more than one year. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Cash at bank and in hand: Cash at bank and in hand includes cash on hand and demand deposits with original maturities at the time of purchase of three months or less.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key risk identified by the Directors relates to impairment of Parent Company's investments in its subsidiaries. Consequently the Parent Company assesses at each reporting date whether there is any indication that an investment in a subsidiary has been impaired. If such an indication exists, the Parent Company is required to undertake a review for impairment and estimate the recoverable amount of the asset.

4. PROFIT FOR THE FINANCIAL YEAR

A profit of \$505.1 million for the year ended 31 December 2024 (2023: profit of \$311.9 million) has been dealt with in the individual profit and loss account of the Parent Company, which, as permitted by Section 304 of the 2014 Act, is not presented in the Parent Company Financial Statements.

The following charges have been included within Profit for the financial year for the years ended 31 December:

<i>In millions (\$)</i>	2024	2023
Profit for the financial year has been arrived at after charging:		
Employee costs:		
Wages and salaries	0.5	0.5
Social insurance costs	0.1	0.1
Auditors' remuneration	0.4	0.5

The average number of persons employed in the Parent Company, including executive directors, during 2024 was 3 (2023: 4).

5. FINANCIAL ASSETS

The Parent Company's financial assets were comprised of shares in group undertakings. At 31 December, the Parent Company's shares in group undertakings movement schedule was as follows:

<i>In millions (\$)</i>	Total
At 31 December 2022	5,376.9
Capital contribution relating to share-based payments	20.0
At 31 December 2023	5,396.9
Capital contribution relating to share-based payments	24.8
At 31 December 2024	5,421.7

On 26 March 2024, the Company transferred 92% of its investment in Allegion Irish Holding Company IV Limited to Allegion Irish Holding Company Limited in exchange for 1 ordinary share with a nominal value of \$0.0001.

On 27 March 2024, Allegion Irish Holding Company Limited distributed its investment in AM Finance Holding Limited to the Company.

On 25 July 2024, AM Finance Holding Limited bought back substantially all the ordinary and zero coupon preferences shares held by the Company, and transferred the entire shareholding of AG Management Limited to the Company.

These transactions are recorded at the original cost of the investment to the Parent Company with no increase or decrease in the total amount of the Parent Company investment in group undertakings during the year.

5. FINANCIAL ASSETS (Continued)

Details of the Parent Company's shares in group undertakings at 31 December 2024 were as follows:

Company name and registered office	Country of Incorporation	Principal Activity	Holding %
Allegion Irish Holding Company Limited – Block D, Iveagh Court, Harcourt Road, Dublin 2, D02 VH94	Ireland	Holding Company	100 %
Allegion (Ireland) Finance Designated Activity Company – Block D, Iveagh Court, Harcourt Road, Dublin 2, D02 VH94	Ireland	Trading Company	100 %
AG Management Limited, Unit GV-00-10-08-OF-09, Level 8, Gate Village Building 10, Dubai International Financial Centre, Dubai, United Arab Emirates	UAE	Trading Company	100 %
Allegion Irish Holding Company IV Limited – Block D, Iveagh Court, Harcourt Road, Dublin 2, D02 VH94	Ireland	Holding Company	8 %
Allegion US Holding Company Inc. – c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801	US	Holding Company	19 %
AM Finance Holding Limited – 19 / 13, Vincenti Buildings, Strait Street, Valletta, VLT1432	Malta	Holding Company	100 %
Allegion Immobilien GmbH – Epplstraße 225, 70567 Stuttgart	Germany	Holding Company	10.1 %

The Parent Company either directly or indirectly owns all subsidiaries in the Allegion Group. Details of all other subsidiaries, to which, the Parent Company does not have a direct holding can be found in Note 31 of the Consolidated Financial Statements.

6. DEBTORS

<i>In millions (\$)</i>	2024	2023
Amounts falling due within one year:		
Prepayments and accrued income	0.3	0.4
Total Debtors - amounts falling due within one year	0.3	0.4

The Directors consider that the carrying amount of Debtors approximates fair value due to the short-term nature of these instruments.

<i>In millions (\$)</i>	2024	2023
Amounts falling due after more than one year:		
Loans to group undertakings	0.1	—
Debt issuance costs	1.0	0.4
Total Debtors - amounts falling due after more than one year	1.1	0.4

Deferred tax

The Parent Company has unrecognised deferred tax assets of \$4.6 million related to unused tax losses as of 31 December 2024 (2023: \$4.7 million). No deferred tax asset has been recognised in respect of these amounts on the basis that the Directors do not consider that there is convincing evidence to conclude that it is probable that losses will be recovered against future taxable profits.

7. CREDITORS

<i>In millions (\$)</i>	2024	2023
Amounts falling due within one year:		
Amounts owed to group undertakings	8.6	50.0
Current portion of long-term debt	21.9	12.5
Accrued interest	7.4	18.3
Other creditors including tax and social insurance	11.4	1.8
Accruals	0.5	0.3
Income tax deducted under pay as you earn ("PAYE")	0.1	0.2
Dividend withholding tax	1.4	1.3
Total Creditors - amounts falling due within one year	51.3	84.4

7. CREDITORS (Continued)

At 31 December 2024, amounts owed to group undertakings falling due within one year are unsecured and have interest rates of 0.00%, resulting in a weighted average interest rate of 0.00%. At 31 December 2023, amounts owed to group undertakings falling due within one year are unsecured and have interest rates which range from 0.00% to 5.70%, resulting in a weighted average interest rate of 4.75%.

Income tax, pay related social insurance and dividend withholding tax are repayable at various dates over the coming months in accordance with the applicable statutory provisions. Accruals principally comprise amounts outstanding for day to day purchases and ongoing costs and are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms. The directors consider that the carrying amount of accruals approximates to their fair value due to the short-term nature of these instruments.

<i>In millions (\$)</i>	2024	2023
Amounts falling due after more than one year:		
Long-term debt	588.3	609.6
Amounts owed to group undertakings	471.2	563.0
Total Creditors - amounts falling due after more than one year	1,059.5	1,172.6

At 31 December 2024, amounts owed to group undertakings falling due after more than one year are unsecured and have interest rates which range from 1.08% to 8.13%, resulting in a weighted average interest rate of 4.69%. At 31 December 2023, amounts owed to group undertakings falling due after more than one year are unsecured and have interest rates which range from 1.08% to 7.98%, resulting in a weighted average interest rate of 5.74%.

8. LOANS AND BORROWINGS

Long-term debt consisted of the following:

<i>In millions (\$)</i>	2024	2023
Term Facility	212.5	225.0
3.500% Senior Notes due 2029	400.0	400.0
Total borrowings outstanding	612.5	625.0
Less discounts and debt issuance costs, net	(2.3)	(2.9)
Total debt	610.2	622.1
Less current portion of long-term debt	21.9	12.5
Total long-term debt	588.3	609.6

Unsecured Credit Facilities

The Parent Company has an unsecured credit agreement in place, consisting of a \$250.0 million term loan facility (the "Term Facility"), of which \$212.5 million was outstanding at December 31, 2024, and a revolving credit facility (the "Revolving Facility" and, together with the Term Facility, the "Credit Facilities"), of which there was no balance outstanding as of December 31, 2024. On 20 May 2024, the Company amended and restated the Credit Facilities which, among other things, (i) increased the total commitment on the Revolving Facility from \$500.0 million to \$750.0 million, (ii) extended the maturity of the Revolving Facility from 18 November 2026 to 20 May 2029, and (iii) transitioned the benchmark interest rate from the Bloomberg Short-Term Bank Yield Index ("BSBY") to the Secured Overnight Financing Rate ("SOFR") for the Credit Facilities. Borrowings under the Credit Facilities are unconditionally guaranteed jointly and severally on an unsecured basis by Allegion plc, Allegion US Hold Co and Allegion (Ireland) Finance Designated Activity Company, the Parent Company's wholly-owned subsidiaries.

The Term Facility requires quarterly principal payments through its maturity on 18 November 2026. Future payments total \$21.9 million due in 2025 and \$190.6 million due in 2026. The Company repaid \$12.5 million of principal on the Term Facility during the year ended 31 December 2024. Principal amounts repaid on the Term Facility may not be reborrowed. The Company may voluntarily prepay outstanding amounts under the Term Facility at any time without premium or penalty, subject to customary breakage costs.

The Revolving Facility provides aggregate commitments of up to \$750.0 million, which includes up to \$100.0 million for the issuance of letters of credit. The Company had \$18.5 million and \$18.4 million of letters of credit outstanding at 31 December 2024 and 2023, respectively. Borrowings under the Revolving Facility may be repaid at any time without premium or penalty, and amounts repaid may be reborrowed. The Company pays certain fees with respect to the Revolving Facility, including an unused commitment fee on the undrawn portion of between 0.090% and 0.200% per year, depending on the Company's credit ratings, as well as certain other fees.

8. LOANS AND BORROWINGS (Continued)

Outstanding borrowings under the Credit Facilities accrue interest, at the option of the Company, of (i) a SOFR plus an applicable margin, or (ii) a base rate (as defined in the credit agreement) plus an applicable margin. The applicable margin ranges from 0.875% to 1.375% depending on the Company's credit ratings. At 31 December 2024, the Company's outstanding borrowings under the Credit Facilities accrued interest at SOFR plus a margin of 1.225%, resulting in an interest rate of 5.582%. The credit agreement also contains negative and affirmative covenants and events of default that, among other things, limit or restrict the Company's ability to enter into certain transactions. In addition, the Credit Facilities require the Company to comply with a maximum leverage ratio as defined in the credit agreement. As of 31 December 2024, the Company was in compliance with all applicable covenants under the credit agreement.

Senior Notes

As of 31 December 2024, the Parent Company had \$400.0 million outstanding of its 3.500% Senior Notes. The 3.500% Senior Notes require semi-annual interest payments on 1 April and 1 October of each year, and will mature on 1 October 2029. The 3.500% Senior Notes are senior unsecured obligations of Allegion plc, are guaranteed by Allegion US Hold Co and rank equally with all of the Parent Company's existing and future senior unsecured indebtedness.

Debt issuance costs, net

Debt issuance costs, net consisted of the following:

<i>In millions (\$)</i>	2024	2023
At 1 January	3.3	4.1
Incurred during the year	0.8	—
Amortisation charge for the year	(0.8)	(0.8)
At 31 December	3.3	3.3

At 31 December 2024, long-term debt of \$588.3 million recorded within Creditors – amounts falling due after more than one year is shown net of debt issuance costs of \$2.3 million related to the Term Facility and the 3.500% Senior Notes. The debt issuance costs of \$1.0 million related to the Revolving Facility were recorded within Debtors – amounts falling due after more than one year.

At 31 December 2024, future retirements for the amounts outstanding under the Term Facility and the 3.500% Senior Notes were as follows:

<i>In millions (\$)</i>	
2025	21.9
2026	190.6
2027	—
2028	—
Thereafter	400.0
Total	612.5

Cash paid by the Parent Company for interest for the year ended 31 December 2024 was approximately \$29.3 million (2023: \$29.2 million). Note 20 of the Consolidated Financial Statements provides additional details of loans and borrowings of the Group.

9. SHARE CAPITAL AND RESERVES

<i>In millions (\$)</i>	2024	2023
Authorised:		
40,000 ordinary shares of €1 par value	—	—
400,000,000 ordinary shares of \$0.01 par value	4.0	4.0
10,000,000 preferred shares of \$0.001 par value	—	—
At 31 December	4.0	4.0

9. SHARE CAPITAL AND RESERVES (Continued)**Called up share capital presented as equity:**

Ordinary shares of \$0.01 each	No. of shares (m)	\$m
At 31 December 2023	87.5	0.9
Shares issued under incentive plans	0.4	—
Repurchase of ordinary shares	(1.6)	—
At 31 December 2024	86.3	0.9

Share repurchases

In June 2023, the Company's Board of Directors reauthorised the Company's existing share repurchase program and, as a result, authorised the repurchase of up to, and including \$500 million of the Company's ordinary shares (the "Share Repurchase Authorisation"). During the year ended 31 December 2024, the Parent Company paid \$220.0 million to repurchase 1.6 million ordinary shares of \$0.01 each, at a weighted-average price of \$134.08 on the open market under the Share Repurchase Authorisation. During the year ended 31 December 2023, the Parent Company paid \$59.9 million to repurchase 0.5 million ordinary shares of \$0.01 each, at a weighted-average price of \$113.54 on the open market under the Share Repurchase Authorisation. As of 31 December 2024, the Parent Company has approximately \$240.0 million still available to be repurchased under the Share Repurchase Authorisation. Distributable reserves have been reduced by \$220.0 million, which was the consideration, including expenses, paid for these shares. The repurchase transactions were financed by internally generated funds.

The shares repurchased were cancelled and an amount equivalent to their nominal value was transferred to the capital redemption reserve in accordance with the requirements of Section 106(4) of the 2014 Act. The transfer to capital redemption reserve and the premium paid on the shares repurchased were made out of retained profits.

Dividends declared and paid during the year

The Parent Company's Board of Directors declared dividends of \$0.48 per ordinary share on 7 February 2024, 11 April 2024, 5 September 2024 and 5 December 2024.

<i>In millions (\$), except per share amounts</i>	2024	2023
Equity dividends on ordinary shares:		
First interim dividend for 2024 of \$0.48 per share (2023: \$0.45)	42.1	39.4
Second interim dividend for 2024 of \$0.48 per share (2023: \$0.45)	41.7	39.9
Third interim dividend for 2024 of \$0.48 per share (2023: \$0.45)	41.8	39.9
Fourth interim dividend for 2024 of \$0.48 per share (2023: \$0.45)	41.4	39.5
Total dividends declared and paid	167.0	158.7

Capital redemption reserve

The capital redemption reserve represents the nominal value of share capital repurchased and cancelled.

Share premium account

The share premium account comprises the excess of proceeds received in respect of share capital over the nominal value of shares issued.

Share-based payment reserve

The share-based payment reserve represents the cumulative charge of share options granted, which are not yet exercised and issued as shares. The share-based compensation charge during the financial year ended 31 December 2024 amounted to \$24.8 million (2023: \$20.0 million).

Profit and loss account

The profit and loss account represents the accumulated profits and losses of the Parent Company. In addition, to the Irish High Court approved creation of distributable reserves through the reduction of the share premium account in a prior year, less the repurchase of ordinary shares and cash dividends declared and paid.

9. SHARE CAPITAL AND RESERVES (Continued)

Future dividends

Future dividends on the Parent Company's ordinary shares, if any, will be at the discretion of the Parent Company's Board of Directors and will depend on, among other things, the Group's results of operations, cash requirements and surplus, financial condition, contractual restrictions and other factors that the Board of Directors may deem relevant, as well as the Parent Company's ability to pay dividends in compliance with the Irish Companies Act. Under the 2014 Act, dividends and distributions may only be made from distributable reserves. Distributable reserves, broadly, means the accumulated realised profits of the Parent Company. The Parent Company's capital redemption reserve, share premium account and share-based payment reserve are not available for distribution.

In addition, no distribution or dividend may be made unless the net assets of the Parent Company are equal to, or in excess of, the aggregate of the Parent Company's called up share capital plus undistributable reserves and the distribution does not reduce the Parent Company's net assets below such aggregate.

10. GUARANTEES

On 2 October 2017, Allegion US Hold Co completed the offering of 3.550% Senior Notes in the aggregate principal amount of \$400.0 million maturing in 2027.

On 22 June 2022, Allegion US Hold Co issued \$600.0 million aggregate principal amount of its 5.411% Senior Notes due 2032, which will mature on 1 July 2032.

On 29 May 2024, Allegion US Hold Co issued \$400.0 million principal amount of its 5.600% Senior Notes due 2034, which will mature on 29 May 2034.

As of 31 December 2024, the combined balance of \$1,400.0 million was outstanding (2023: a balance of \$1,400.0 million). The Revolving Facility includes up to \$100.0 million available for the issuance of letters of credit. As of 31 December 2024, letters of credit of \$18.5 million have been issued (2023: \$18.4 million).

Allegion plc has guaranteed the above borrowings and letters of credit of Group undertakings, and the amounts total \$1,418.5 million as of 31 December 2024 (2023: \$1,418.4 million). Note 20 of the Consolidated Financial Statements provides additional details of loans and borrowings in the Group.

11. RELATED PARTY TRANSACTIONS

The Parent Company has not disclosed any other related party transactions as it has availed of the exemption available under the provisions of FRS 102 Section 33.1A "Related Party Disclosures" which exempts disclosure of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by a member of that group.

12. EVENTS SINCE YEAR END

Dividends declared and paid

On 6 February 2025, the Parent Company's Board of Directors declared a dividend of \$0.51 per ordinary share. The dividend was paid on 31 March 2025 to shareholders of record on 14 March 2025.

Share repurchases

As of 10 April 2025, the Company had repurchased and cancelled approximately 0.3 million ordinary shares of \$0.01 each, at a weighted-average price of approximately \$128 since the year ended 31 December 2024. The Company had approximately \$200.0 million available under the 2023 Share Repurchase Authorisation.

13. APPROVAL OF FINANCIAL STATEMENTS

The Parent Company Financial Statements were approved by the Board of Directors on 10 April 2025.