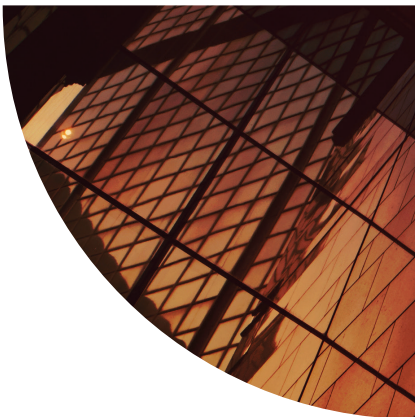
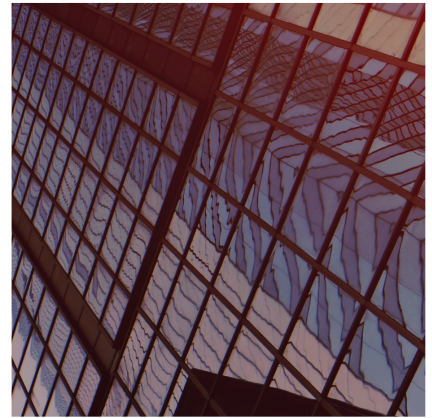
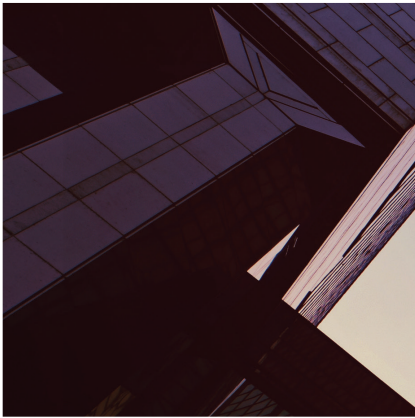
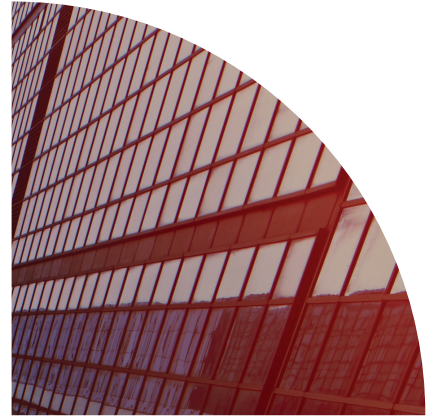
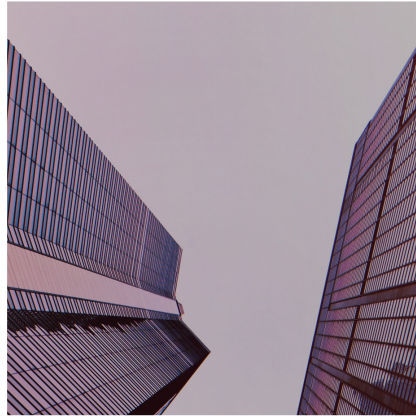
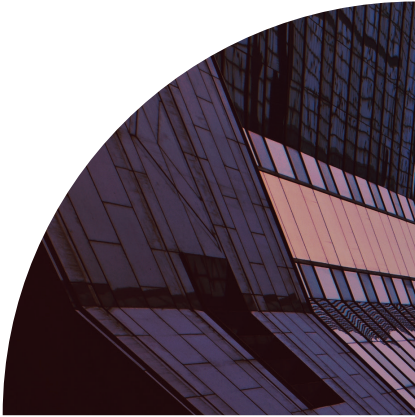




ALLEGION™

PIONEERING SAFETY™



2019 Annual Report

“Our vision of seamless access and a safer world will continue to be our lighthouse — and we’re energized by the endless opportunities it brings.”

David Petratis
Chairman, President & Chief Executive Officer



\$2.9 billion
2019
annual revenue



30+ brands
globally



30
countries
where we work



11,000+
employees



130
countries
where our products
are sold



800+
global active
patents



15,000+
channel
partners
worldwide

For more statistics
from 2019, visit
allegion.com/numbers

Our brands



Our Results

Letter from the CEO



Dear Allegion Shareholders,

One year ago, I shared with you a sharpened company strategy centered on **seamless access** and supported by five strategic pillars:

- **Expand in core markets.**
- **Deliver new value in access.**
- **Be the partner of choice.**
- **Enterprise excellence.**
- **Capital allocation.**

Today, I can assure you these priorities have never been more important – or more understood by the Allegion team.

In 2019, we made many long-term moves to align our business for a new decade of success. The work we completed in just 12 months reflects both difficult and strategic decisions as well as reinvestment in our company – from manufacturing equipment and facility upgrades, to new product development and digital transformation of both systems and mindsets. We exited operations in Turkey and transferred more production to Poland. We consolidated in Australia. We upgraded multiple legacy ERP systems. All of this and more was critical for Allegion's future growth and strength – and the timing was right.

Just as important, we recommitted to driving employee engagement and saw significant progress as a result. When we compare ourselves against peer manufacturers, we've moved from the 11th percentile to the 55th percentile of engaged workforces in five years' time. In tandem, we're investing to upskill and reskill our manufacturing workforce. Industrial IoT solutions, along with advancements in automation and technology, have put a new emphasis on programming, problem solving and data analysis on the shop floor. Through unique apprenticeship programs and efforts to attract young talent to our industry, we are positioning our team well for the future. While we still have work to do, I couldn't be prouder of Allegion for embracing our values and having a passion for excellence when it comes to workforce development. Employee engagement and strong talent are defining factors in the future success of our business. Investing in the skills of our people is the right thing to do.

I'm also proud to say we drove results for our shareholders. In 2019, Allegion's global organic revenue growth of 4.6 percent was at the top in our industry. Our Americas region achieved 10 percent electronics growth. As we navigated the global economy, strong pricing, volume leverage and productivity led to a full-year adjusted operating margin increase of 70 basis points. Our 2019 adjusted net earnings per share (EPS) of \$4.89 reflected an 8.7 percent increase compared to 2018. What's more, the pulse of our business – our cash flow – remained strong at \$422.6 million for 2019, a \$13.9 million increase. In 2019 alone, our total shareholder return grew by 58 percent, surpassing both our industry and the S&P 500 average. We are laser-focused on the financial strength of our business and on delivering on our promises to you.

Additionally, I'm pleased to share the improvements Allegion has made to our environmental, health, safety and sustainability impacts as a responsible global company. We are a values-driven organization, and our people truly care about the way we work and how it affects the well-being of our communities. There's no better way to demonstrate that than through this fact: In 2019, Allegion had no environmental violations and

no safety violations. We realized year-over-year improvements in sustainability metrics*, like greenhouse gas emissions (6-percent reduction) and water usage (4-percent reduction). We saw a 21-percent reduction in our Total Recordable Incident Rate (TRIR) and a 46-percent improvement in the number of lost-time days. Allegion also has one of the safest workforces in the world – a powerful reflection of our be safe, be healthy value – with an incident rate that's 85 percent below the 2018 U.S. industry average.**

At the same time, we raised our awareness of, and attentiveness to, customer satisfaction in 2019. We created a new chief customer and digital officer role to further advance Allegion's focus on customer advocacy and bring us closer to our customers, while also continuing to improve our digital business capabilities and execution. We leaned into customer excellence, working to take the pulse of our customers, ask the right questions and, importantly, listen to the answers. We used customer needs to guide our digital transformation and innovation. As a result, we've blended our mechanical capabilities and expertise with edge devices. We launched products like the Schlage Encode™ Smart Wifi Deadbolt, which was a first-of-its-kind in our industry. We scaled our popular digital specification tool, Overtur™, globally. We also established a chief innovation and design officer role and built new partnerships through Allegion Ventures and our company's other innovation engines, creating new value in access.

As I look ahead, I can't help but see opportunity on the horizon for Allegion: Opportunity to continue driving industry-leading performance and shareholder value. Opportunity to delight our customers through best-in-class experiences. Opportunity to sharpen our focus on our values and engagement. Opportunity to create a safer world through seamless access.

Yes, there will be challenges ahead. The start of 2020 has made that clear. But you can take on great challenges with an engaged workforce, financial strength, legacy brands that have stood the test of time and a steady focus. Our vision of seamless access and a safer world will continue to be our lighthouse – and we're energized by the endless opportunities it brings.

Our best days are ahead of us, at Allegion.

Sincerely,

David Petratis

Chairman, President & Chief Executive Officer
Allegion plc

*Data is normalized to hours worked.

**Based on U.S. Bureau of Labor Statistics data for fabricated metal manufacturing.

5.4%
CAGR, organic
growth (6-year)

\$11.57
Billion
market cap
(as of Dec. 31, 2019)

203%
Total shareholder
return since spin
(as of Dec. 31, 2019)

Innovation

Industrial design, engineering & IT

Creating solutions and leading innovation in the core business
 UI/UX, style and design capability
 Global platforming
 Incubator/accelerator for rapid results
 Experiment and proof-of-concept engine



Ventures & partnerships

Investment and relationships with promising ideas and enterprises
 Seeding for the future

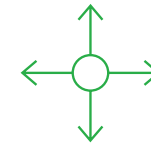


Acquisitions

Expand the strategic footprint and capabilities of the core business



Our Future



Expand in core markets

Broaden & evolve the core

- Optimize channel relationships
- Digitally enable the demand creation process
- Provide leading products and solutions
- Expand product offerings



Deliver new value in access

Create innovative access solutions & platforms

- Focus on enhancing the user experience
- Accelerate new product development and vitality index
- Create modular, globally scalable hardware and software platforms
- Connect and grow intelligent products and platforms



Be the partner of choice

Leverage partners & ecosystems

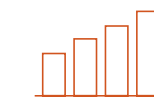
- Participate in recognized, secure, industry-leading platforms
- Develop collaborative strategic partnerships
- Leverage open standards



Enterprise excellence

Focus on total value creation

- Provide an excellent customer experience throughout the value chain
- Drive productivity and continuous improvement
- Create a workplace culture of safety, health and engagement



Capital allocation

Take a flexible, balanced & disciplined approach

- Organic investment
- Opportunistic acquisitions
- Allegion Ventures
- Shareholder distributions

Board of Directors



Kirk S. Hachigian

Lead Director (Allegion);
Former Chairman of
JELD-WEN Holding, Inc.

Steven (Steve) C. Mizell

Executive Vice President, Chief
Human Resources Officer,
Merck & Co., Inc.

Nicole Parent Haughey

Former Chief Operating Officer,
Mimeo.com, Inc.

Dean I. Schaffer

Former Partner,
Ernst & Young LLP



Charles L. Szews

Former Chief Executive Officer,
Oshkosh Corporation

Martin E. Welch III

Former Executive Vice President
& Chief Financial Officer,
Visteon Corporation

David Petratis

Chairman, President
& Chief Executive Officer

Committees of the board

Audit & finance

M. Welch, Chair
K. Hachigian
S. Mizell
N. Parent Haughey
D. Schaffer

Compensation

D. Schaffer, Chair
K. Hachigian
S. Mizell
N. Parent Haughey
C. Szews
M. Welch

Corporate governance & nominating

K. Hachigian, Chair
S. Mizell
N. Parent Haughey
D. Schaffer
C. Szews
M. Welch

Executive Leadership



Top row

From left to right

Rob Martens

Senior Vice President, Chief
Innovation & Design Officer

Tim Eckersley

Senior Vice President,
President of the Americas

Vince Wenos

Senior Vice President,
Chief Technology Officer

Jeff Braun

Senior Vice President,
Chief Compliance Officer &
General Counsel

Chris Muhlenkamp

Senior Vice President,
Global Operations &
Integrated Supply Chain

Jeff Wood

Senior Vice President,
President of Asia Pacific

Bottom row

From left to right

Patrick Shannon

Senior Vice President,
Chief Financial Officer

Shelley Meador

Senior Vice President, Chief
Human Resources Officer

David Petratis

Chairman, President &
Chief Executive Officer

Tracy Kemp

Senior Vice President, Chief
Customer & Digital Officer

Lúcia Veiga Moretti

Senior Vice President,
President of EMEA

Financials

	Year ended December 31, 2019 in millions, except per share amounts			Year ended December 31, 2018 in millions, except per share amounts		
	Reported	Adjustments	Adjusted (non-GAAP)	Reported	Adjustments	Adjusted (non-GAAP)
Net revenues	\$ 2,854.0	\$ —	\$ 2,854.0	\$ 2,731.7	\$ —	\$ 2,731.7
Operating income	565.1	28.3 ¹	593.4	525.8	22.8 ¹	548.6
Operating margin	19.8%		20.8%	19.2%		20.1%
Earnings before income taxes	475.2	62.9 ²	538.1	475.2	22.8 ²	498.0
Provision for income taxes	73.1	3.9 ³	77.0	39.8	27.4 ³	67.2
Effective income tax rate	15.4%		14.3%	8.4%		13.5%
Net earnings	402.1	59.0	461.1	435.4	(4.6)	430.8
Non-controlling interest	0.3	—	0.3	0.5	—	0.5
Net earnings attributable to Allegion plc	\$ 401.8	\$ 59.0	\$ 460.8	\$ 434.9	\$ (4.6)	\$ 430.3
Diluted earnings per ordinary share attributable to Allegion plc shareholders	\$ 4.26	\$ 0.63	\$ 4.89	\$ 4.54	\$ (0.04)	\$ 4.50

At a glance



Grew above market



Increased EPS



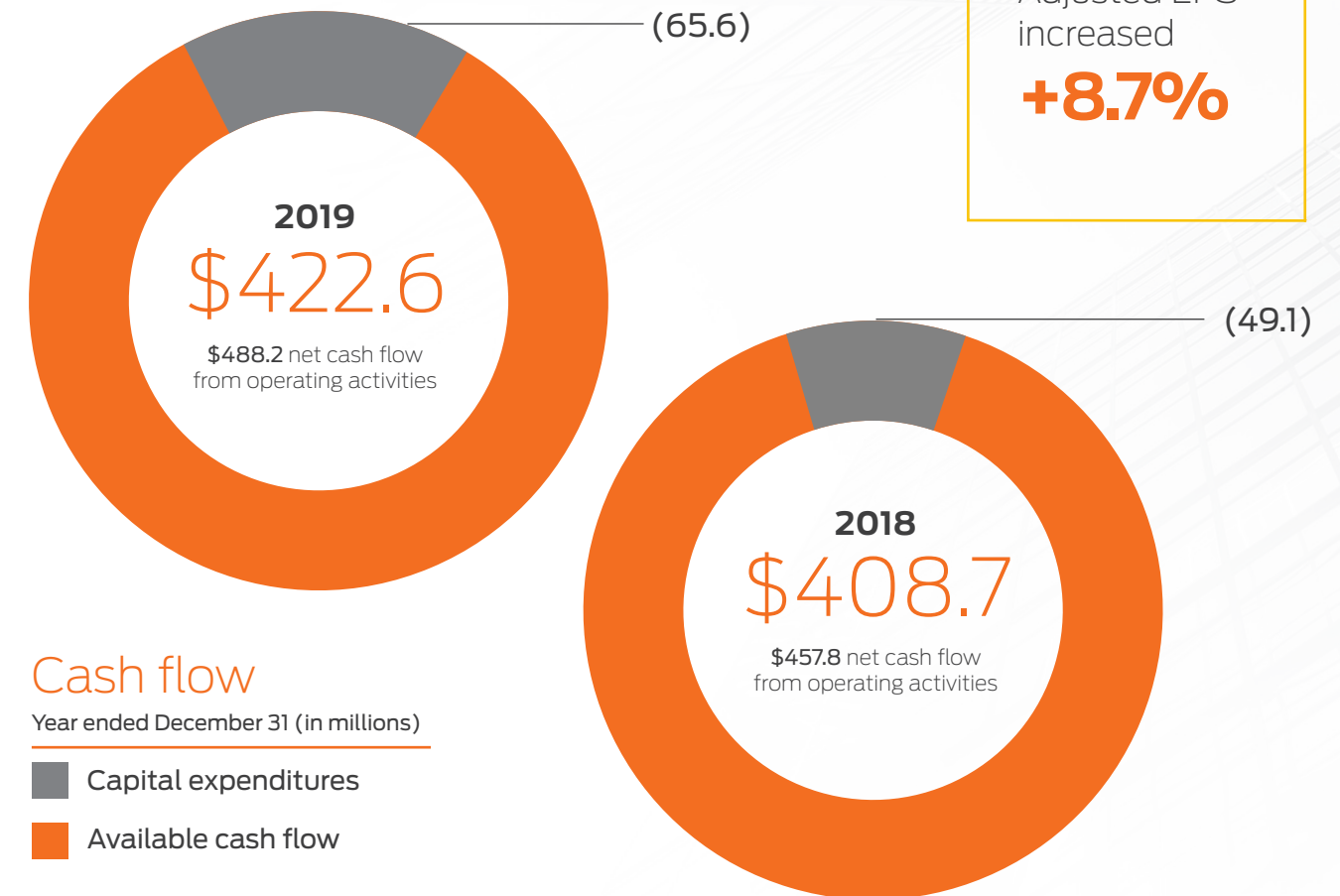
Strong cash flow

Organic growth

+4.6%

Adjusted EPS increased

+8.7%



¹ Adjustments to operating income for the year ended December 31, 2019, consist of \$22.4 million of restructuring charges and acquisition and integration expenses and a \$5.9 million charge related to the impairment of indefinite-lived trade names. Adjustments to operating income for the year ended December 31, 2018, consist of \$16.5 million of restructuring charges and acquisition and integration expenses and \$6.3 million of backlog revenue amortization related to an acquisition.

² Adjustments to earnings before income taxes for the year ended December 31, 2019, consist of the adjustments to operating income discussed above, \$30.1 million of losses related to the divestiture of the Company's business operations in Colombia and Turkey, \$2.6 million of debt refinancing costs and \$1.9 million of pension curtailment charges recorded as restructuring within Other expense (income), net. Adjustments to earnings before income taxes for the year ended December 31, 2018, consist of the adjustments to operating income discussed above.

³ Adjustments to the provision for income taxes for the year ended December 31, 2019, consist of \$3.9 million of tax expense related to the excluded items discussed above. Adjustments to the provision for income taxes for the year ended December 31, 2018, consist of \$5.5 million of tax expense related to the excluded items discussed above and a \$21.9 million tax benefit related to an adjustment to the provisional amounts previously recognized related to the enactment of U.S. Tax Reform.

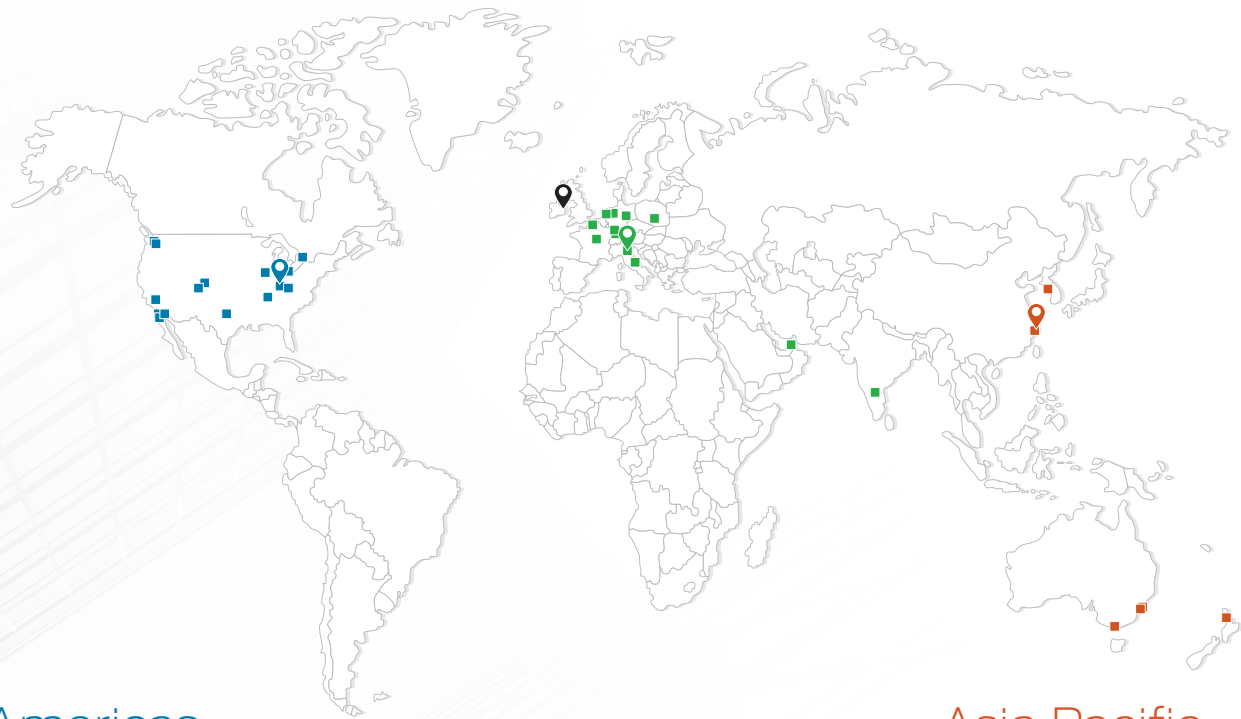
The Company presents operating income, operating margin, net earnings and diluted earnings per share (EPS) on both a U.S. GAAP basis and on an adjusted (non-GAAP) basis, revenue growth on a U.S. GAAP basis and organic revenue growth on a non-GAAP basis, and adjusted EBITDA and adjusted EBITDA margin (both non-GAAP measures). The Company presents these non-GAAP measures because management believes they provide useful perspective of the Company's underlying business results, trends and a more comparable measure of period-over-period results. These measures are also used to evaluate senior management and are a factor in determining at-risk compensation. Investors should not consider non-GAAP measures as alternatives to the related GAAP measures.

The Company defines the presented non-GAAP measures as follows:

- Adjustments to operating income, operating margin, net earnings, EPS and EBITDA include items such as goodwill impairment charges, restructuring charges, asset impairments, acquisition and integration costs, debt refinancing costs, amounts related to U.S. Tax Reform (2018 only), and charges related to the divestiture of businesses.
- Organic revenue growth is defined as U.S. GAAP revenue growth excluding the impact of divestitures, acquisitions and currency effects.
- Available cash flow is defined as U.S. GAAP net cash from operating activities less capital expenditures.

These non-GAAP measures may not be defined and calculated the same as similar measures used by other companies. A reconciliation of the non-GAAP measures used to their most directly comparable GAAP measure is presented as a supplemental schedule in the earnings release that can be found at www.allegion.com.

Manufacturing Footprint



Americas

Regional office
Carmel, Indiana

Production facilities

- | | | |
|---------------------|-----------------------|------------------------|
| Boulder, Colorado | Indianapolis, Indiana | Princeton, Illinois |
| Blue Ash, Ohio | Irving, Texas | Security, Colorado |
| Chino, California | McKenzie, Tennessee | Snoqualmie, Washington |
| Ensenada, Mexico | Mississauga, Ontario | Tecate, Mexico |
| Everett, Washington | Perrysburg, Ohio | Tijuana, Mexico |

EMEIA

Corporate headquarters
Dublin, Ireland

Regional office
Faenza, Italy

Production facilities

- | | | |
|----------------------|--------------------|-------------------------|
| Clamecy, France | Feuquieres, France | Renchen, Germany |
| Dubai, UAE | Monsampolo, Italy | Veenendaal, Netherlands |
| Durchhausen, Germany | Muenster, Germany | Zawiercie, Poland |
| Faenza, Italy | Osterfeld, Germany | |

Global engineering design center

Bangalore, India

Asia Pacific

Regional office
Shanghai, China

Production facilities

- Auckland, New Zealand
Brooklyn, Australia
Bucheon, South Korea
Jinshan, China
Melbourne, Australia
Sydney, Australia

Culture

Philanthropic pillars

Allegion is honored to support our global communities and live our value of serving others. We empower employees to identify local needs and make a difference through three philanthropic pillars:

- Safety and security
- Wellness
- Communities where we live and thrive



Vision

Seamless access and a safer world

Our values



Do the right thing



Be empowered and accountable



Enjoy what you do and celebrate who we are



Serve others, not yourself



Be safe, be healthy



Be curious beyond the obvious



Have a passion for excellence



This is your business, run with it

Environmental, Health, Safety & Sustainability



Allegion is committed to conducting its business in a safe, environmentally responsible, and sustainable manner, in compliance with all applicable environmental, health and safety laws and regulations, and in a manner that helps promote and protect the health and safety of our environment, associates, customers, contractors and members of our local communities worldwide.

Allegion operates with principles that support our proactive commitment, including:

- Integrate sound environmental, health, safety (EHS) and sustainability strategies in all elements of our business functions, including objectives and measurements;
- Conduct periodic, formal evaluation of our compliance status and annual review of objectives and targets;
- Create a workplace culture where everyone at Allegion is responsible for safety;
 - Our managers and supervisors are expected to lead by example to ensure a safe, healthy and environmentally friendly workplace.
 - Our associates are trained and expected to understand the EHS and sustainability issues associated with their jobs and are empowered to report unsafe conditions.
 - Our associates understand they have a duty to protect themselves, their co-workers and the environment. This is accomplished through EHS and sustainability consultation and participation during program development and/or program implementation.
- Make continuous improvements in EHS and sustainability management systems and performance, including the reduction in the usage of natural resources, waste minimization, prevention of pollution and prevention of workplace accidents, injuries and risks;
- Design, operate and maintain our facilities in a manner that minimizes negative EHS and sustainability impacts;
- Use of materials responsibly, including, where feasible, the recycling and reuse of materials; and
- Act in a way that shows sensitivity to community concerns about EHS and sustainability issues.

Allegion recognizes that these principles are critical to our future success. As a global leader, we are committed to protecting the health, safety and environment in the communities where we operate.

For more information on Allegion's corporate social responsibility and environmental, social and governance (ESG) efforts, visit allegion.com/CSR



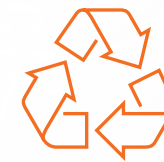
4% YOY
Reduction in
water usage*



6% YOY
Reduction in
greenhouse
gas emissions*



21% YOY
Reduction in Total
Recordable Incident
Rate (TRIR)*



2% YOY
Reduction in
waste to landfill*

*Data is normalized to hours worked

Live. Work. Visit. Protect.



At home & on-the-move

Residential
Multi-family
Portable security



At work

Commercial offices, facilities
Government institutions
Energy facilities
Transportation



In your community

Education
Community buildings, recreation centers
Hospitality
Health care facilities



Locks, keys & levers

Mechanical locks, master key systems, mechanical levers and handles, padlocks



Portable & out of home

Portable and action sports locks and security, action sports lights



Electronic access & monitoring

Electronic and connected locks, access management cards, keypads, credentials, readers, software, services



Doors, exits, openers, closers & accessories

Doors, exit devices, door openers, latches, other door accessories



Other door hardware

Weather stripping, threshold solutions, hinges, lites, louvers



Accessibility & wellness

Safety and comfort solutions, bath hardware, accessibility aids, quiet solutions



Brands & Offerings

Brand Description



High-performance interior and storefront door systems, specializing in sliding and acoustic solutions. This U.S. brand offers acoustics control, privacy and ADA compliance.



API draws on half-a-century of expertise to develop new technologies, add increasing value to customers and continues to evolve as an access and security leader in Australia.



Excellence in design and a rigorous approach to quality have given Australian-made Austral Lock a reputation for premium security.



This leading European consumer brand provides both bike and home security.



One of the most trusted security brands in France, Bricard is renowned for its quality in DIY and commercial applications. The Bricard Art luxury line is for the aesthetically-minded.



With a focus on architectural door hardware for the sliding and folding door industry, Brio's solutions bring leading designers' and architects' ideas to life.



A commitment to excellence for over a century has made Briton a competitive, quality choice for securing entrances and exits with dependable solutions worldwide.



Internationally known expert in mechanical and electronic solutions for managing security and access, CISA protects homes, businesses and hospitality.



With its quality construction, Falcon is an easy-to-use, cost-effective addition for building security, providing locks, exit devices, key systems, and closers.



Innovative products and a commitment to a greener future make FSH a leading brand of low-energy electromechanical security devices in Australia and New Zealand.



Pre-eminent supplier of door furniture for the Australian market, known for design, ease of installation and quality.



Known worldwide for its high quality door holders and door stops, Glynn-Johnson can handle even the most demanding door control applications.



German expertise in workforce management and electronic access control systems helps international customers keep employees and visitors safe.



Delivers a proven power-over-ethernet access control solution for U.S. commercial settings.



Offering a wide range of attractively designed, functional hinges, pull and push plates, door stops, and other door hardware and accessories, Ives is a proven partner in helping build security from the ground up.



The leading bicycle locks in the U.S., Kryptonite's premium portable and action sports safety and security solutions allow athletes, thrill-seekers and adventurers to venture on. Kryptonite locks are sold internationally.



Brands & Offerings



Brand Description



The global looked-to solution for door closure in high-traffic areas, LCN products perform seamlessly in critical moments across a variety of industries, from schools to correctional facilities to healthcare.



Known for its quality locks, and fire and safe-egress hardware in Australia and New Zealand, Legge secures a wide range of commercial and institutional buildings. Residential locks and hardware are also available in the UK.



LOCKNETICS

Electric strikes, electromagnetic locks and access control accessories designed to meet the challenges of everyday, on-the-job applications in the U.S.



At the core of every Milite product is a drive to be best-in-class. After intensive research and development, these South Korean solutions are more than electronic locks: they are high-class masterpieces of technology.



NORMBAU

Normbau specializes in providing the comfort and accessibility hardware that meets architectural needs across residential, commercial and healthcare projects in France and Germany.



One of the Middle East's largest manufacturers of commercial doors and frames, including options for pre-installed door sets that are code compliant across multiple markets.



Republiff

Maker of U.S. commercial steel doors and frames, including specialty applications, e.g., bullet resistant, tornado and windstorm, acoustical and lead-lined applications.



Internationally known for superior quality, innovation, and style, Schlage is the residential and commercial leader in door hardware. Schlage's wide portfolio includes electronic and mechanical locks and access control hardware.



Brand Description



Digital cylinders and smart technology have made SimonsVoss a leader in electro-mechanical solutions in Europe and Asia-Pacific.



Quality hollow metal doors and frames by Steelcraft serve institutional, commercial and industrial customers across the U.S. and Latin America.



TGP

Advanced fire-rated glass entrance and wall systems for institutions and non-residential buildings in North America and the Middle East.



Providing portable security for bicycles and other on-the-go needs throughout Europe, Trelock's provides the ultimate innovation for on-the-go security.



VON DUPRIN

Performance-oriented exit devices and accessories has made Von Duprin a trusted mainstay for use in high-traffic areas around the world.



Sealing systems and technologies – sound, fire, smoke and threshold – are Zero's expertise. Their category leadership comes from a high attention to detail and impeccable quality.



Product Icon Key



Locks, keys & levers



Portable & out-of-home



Electronic access & monitoring



Exit, operators, cylinders & doors



Other door hardware & accessories



Quiet solutions, accessibility & wellness

Corporate Data

About Allegion

Allegion (NYSE: ALLE) is a global pioneer in seamless access, with leading brands like CISA®, Interflex®, LCN®, Schlage®, SimonsVoss® and Von Duprin®. Focusing on security around the door and adjacent areas, Allegion secures people and assets with a range of solutions for homes, businesses, schools and institutions. Allegion had \$2.9 billion in revenue in 2019, and sells products in almost 130 countries.

For more, visit www.allegion.com.



allegion.com
[linkedin.com/company/allegion-plc](https://www.linkedin.com/company/allegion-plc)
[@AllegionPlc](https://twitter.com/AllegionPlc)

To get more information on our 2019 performance visit:
allegion.com/annualreport



ALLEGION™

PIONEERING SAFETY™

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Shareholder information services

The company's 2019 Annual Report on Form 10-K as filed with the Securities and Exchange Commission, and other company information, is available through Allegion's website, www.allegion.com. Securities analysts, portfolio managers and representatives of institutional investors seeking information about the company should contact:

Tom Martineau
Vice President, Treasurer and
Investor Relations
+1.317.810.3759

Annual general meeting

June 4, 2020, at 2:00 p.m., local time
Allegion Americas
11819 N. Pennsylvania Street
Carmel, IN 46032, USA

Stock exchange

NYSE Ticker Symbol: ALLE

The most recent certifications by the company's Chief Executive Officer and Chief Financial Officer pursuant 302 of the Sarbanes-Oxley Act of 2002 are filed as exhibits to the company's Form 10-K. The company filed with the New York Stock Exchange an annual CEO certification as required by Section 303A.12(a) of the New York Stock Exchange Listed Company Manual.

Transfer agent & registrar

Computershare Telephone Inquiries:
+1.877.660.6629

Website:
www.computershare.com/investor

Address shareholder inquiries with standard priority:

Computershare, P.O. Box 30170
College Station, TX 77842-3170, USA

Address shareholder inquiries with overnight priority:

Computershare, 211 Quality Circle, Suite 210
College Station, TX 77845, USA