

ModernGraham Valuation

Company Name:

Allegion PLC

Company Ticker ALLE

Date of Analysis

2/2/2016



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$5,816,569,159	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.69	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	12266.67%	Pass
5. Earnings Growth	PEmg < 20	38.69	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	391.01	Fail
7. Moderate Price to Assets			

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.69	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.40	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.53
MG Growth Estimate	15.00%
MG Value	\$58.83
MG Value based on 3% Growth	\$22.16
MG Value based on 0% Growth	\$12.99
Market Implied Growth Rate	15.10%

MG Opinion

Current Price	\$59.12
% of Intrinsic Value	100.50%
Opinion	Fairly Valued

Stage 3: Information for Further Research

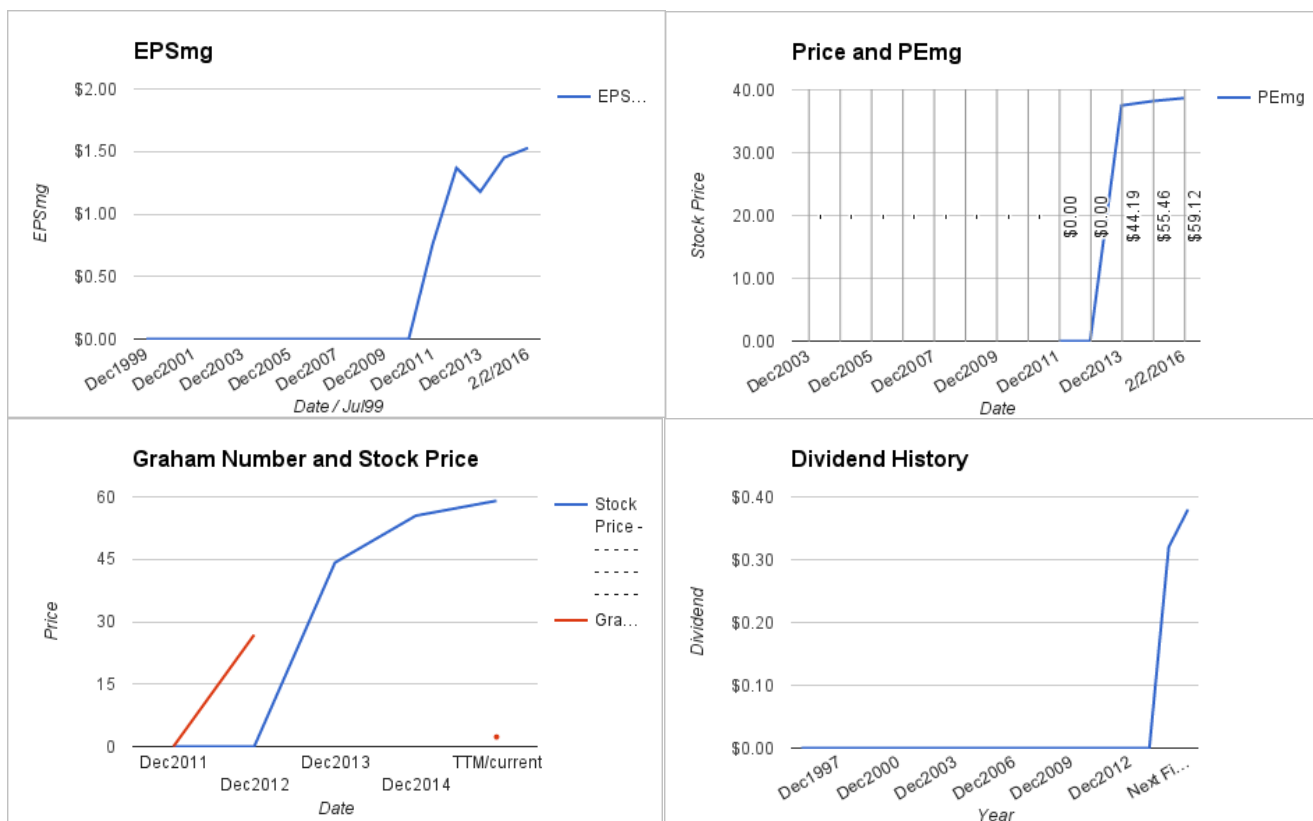
Net Current Asset Value (NCAV)	-\$15.84
Graham Number	\$2.30
PEmg	38.69
Current Ratio	1.69
PB Ratio	391.01
Dividend Yield	0.64%
Number of Consecutive Years of Dividend Growth	2

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GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.57	Next Fiscal Year Estimate	\$1.53
Dec2014	\$1.80	Dec2014	\$1.45
Dec2013	\$0.34	Dec2013	\$1.18
Dec2012	\$2.29	Dec2012	\$1.37
Dec2011	\$2.27	Dec2011	\$0.76
Dec2010	\$0.00	Dec2010	\$0.00
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Dec1999	\$0.00
Dec1998	\$0.00	Balance Sheet Information	Sep2015
Dec1997	\$0.00	Total Current Assets	\$875,700,000
Dec1996	\$0.00	Total Current Liabilities	\$517,200,000
Dec1995	\$0.00	Long-Term Debt	\$1,575,900,000
		Total Assets	\$2,409,000,000
		Intangible Assets	\$1,083,700,000
		Total Liabilities	\$2,394,500,000
		Shares Outstanding (Diluted Average)	95,900,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

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