

# ModernGraham Valuation

Company Name:

Allegion PLC

Company Ticker ALLE

Date of Analysis

8/14/2016



## 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	\$6,990,391,159	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.76	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	22300.00%	Pass
6. Moderate PEmg Ratio	PEmg < 20	34.58	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	50.31	Fail

*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	1.76	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	4.01	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.09
MG Growth Estimate	7.93%
<b>MG Value</b>	<b>\$50.95</b>
MG Value based on 3% Growth	\$30.33
MG Value based on 0% Growth	\$17.78
Market Implied Growth Rate	13.04%

### MG Opinion

Current Price	\$72.35
% of Intrinsic Value	142.00%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

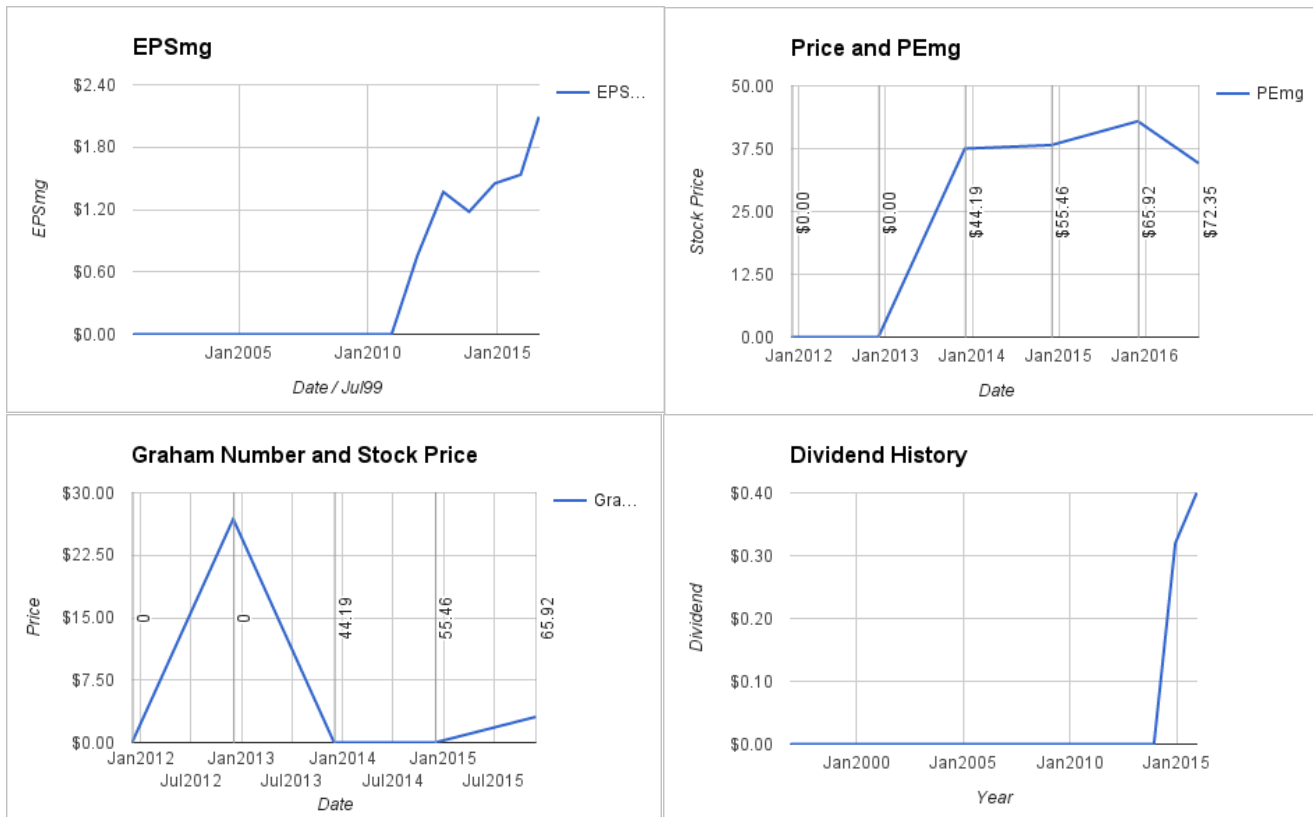
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$14.24
Graham Number	\$10.38
PEmg	34.58
Current Ratio	1.76
PB Ratio	50.31
Current Dividend	\$0.44
Dividend Yield	0.61%
Number of Consecutive Years of Dividend Growth	3

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.33	Next Fiscal Year Estimate	\$2.09
Dec2015	\$1.59	Dec2015	\$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	<b>Balance Sheet Information 6/1/2016</b>	
Dec1998	\$0.00	Total Current Assets	\$827,900,000
Dec1997	\$0.00	Total Current Liabilities	\$469,700,000
Dec1996	\$0.00	Long-Term Debt	\$1,437,100,000
		Total Assets	\$2,345,500,000
		Intangible Assets	\$1,118,700,000
		Total Liabilities	\$2,206,300,000
		Shares Outstanding (Diluted Average)	96,800,000





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.

### Recommended Reading:

Other ModernGraham posts about the company

- [26 Best Stocks For Value Investors This Week – 2/6/16](#)
- [Allegion PLC Valuation – February 2016 Update \\$ALLE](#)
- [15 Best Stocks For Value Investors This Week – 9/12/15](#)
- [Allegion PLC Analysis – September 2015 Update \\$ALLE](#)
- [15 Best Stocks For Value Investors This Week – 9/12/15](#)

Other ModernGraham posts about related companies

- [Xylem Inc Valuation – August 2016 \\$XYL](#)
- [Rockwell Automation Inc Valuation – July 2016 \\$ROK](#)
- [Roper Technologies Inc Valuation – July 2016 \\$ROP](#)
- [Eaton Corp Valuation – July 2016 \\$ETN](#)
- [Parker-Hannifin Corp Valuation – July 2016 \\$PH](#)
- [Dover Corporation Valuation – July 2016 \\$DOV](#)
- [Fastenal Company Valuation – July 2016 \\$FAST](#)
- [Deere & Company Valuation – June 2016 \\$DE](#)
- [A.O.Smith Corporation Valuation – June 2016 \\$AOS](#)
- [Ingersoll-Rand PLC Valuation – May 2016 \\$IR](#)