

ModernGraham Valuation

Company Name:

Allegion PLC

Company Ticker ALLE

Date of Analysis

1/9/2017



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 | \$6,243,427,459 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 1.86 | 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 | | |
| 5. Earnings Growth | | 19366.67% | Pass |
| 6. Moderate PEmg Ratio | PEmg < 20 | 36.37 | Fail |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 41.76 | 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 | 1.86 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 3.86 | 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 |
| | Score | | |

Suitability

| | |
|---------------------|------------|
| Defensive | No |
| Enterprising | Yes |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|----------------|
| EPSmg | \$1.80 |
| MG Growth Estimate | 4.71% |
| MG Value | \$32.24 |
| MG Value based on 3% Growth | \$26.08 |
| MG Value based on 0% Growth | \$15.29 |
| Market Implied Growth Rate | 13.94% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$65.42 |
| % of Intrinsic Value | 202.91% |
| Opinion | Overvalued |
| MG Grade | C- |

Stage 3: Information for Further Research

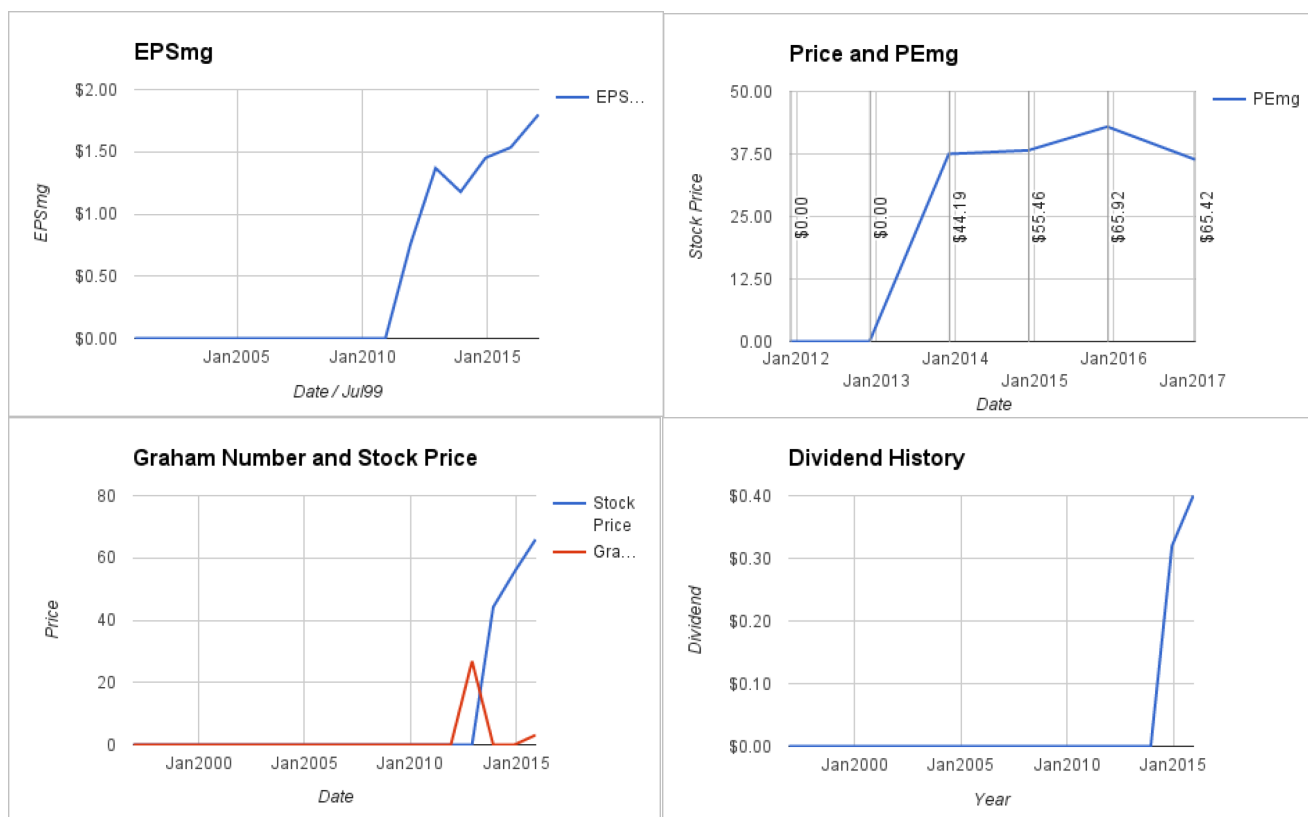
| | |
|--|----------|
| Net Current Asset Value (NCAV) | -\$13.96 |
| Graham Number | \$9.34 |
| PEmg | 36.37 |
| Current Ratio | 1.86 |
| PB Ratio | 41.76 |
| Current Dividend | \$0.46 |
| Dividend Yield | 0.70% |
| Number of Consecutive Years of Dividend Growth | 3 |

Useful Links:

| | |
|--|-------------------------------|
| ModernGraham tagged articles | Morningstar |
| Google Finance | MSN Money |
| Yahoo Finance | Seeking Alpha |
| GuruFocus | SEC Filings |

| EPS History | | EPSmg History | |
|---------------------------|--------|---|-----------------|
| Next Fiscal Year Estimate | | Next Fiscal Year Estimate | |
| | \$2.45 | | \$1.80 |
| 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 | Balance Sheet Information 9/1/2016 | |
| Dec1998 | \$0.00 | Total Current Assets | \$802,300,000 |
| Dec1997 | \$0.00 | Total Current Liabilities | \$432,300,000 |
| Dec1996 | \$0.00 | Long-Term Debt | \$1,426,400,000 |
| | | Total Assets | \$2,306,600,000 |
| | | Intangible Assets | \$1,126,100,000 |
| | | Total Liabilities | \$2,154,800,000 |
| | | Shares Outstanding (Diluted Average) | 96,900,000 |





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.

Recommended Reading:

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ModernGraham
posts about the
company

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[Allegion PLC Analysis – September 2015 Update \\$ALLE](#)
[23 Companies to Research This Week – 9/13/14](#)

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[AGCO Corporation Valuation – August 2016 \\$AGCO](#)
[PACCAR Inc Valuation – August 2016 \\$PCAR](#)
[W.W. Grainger Inc Valuation – August 2016 \\$GWW](#)
[Allegion PLC Valuation – August 2016 \\$ALLE](#)
[Xylem Inc Valuation – August 2016 \\$XYL](#)
[Rockwell Automation Inc Valuation – July 2016 \\$ROK](#)
[Roper Technologies Inc Valuation – July 2016 \\$ROP](#)