

ModernGraham Valuation

Company Name:

Allegion PLC

Company Ticker ALLE

Date of Analysis

2/26/2019



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	\$8,399,205,187	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.79	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	40600.00%	Pass
5. Earnings Growth	PEmg < 20	23.36	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	12.97	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	1.79	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.43	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.81
MG Growth Estimate	15.00%
MG Value	\$146.61
MG Value based on 3% Growth	\$55.22
MG Value based on 0% Growth	\$32.37
Market Implied Growth Rate	7.43%

MG Opinion

Current Price	\$88.94
% of Intrinsic Value	60.67%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

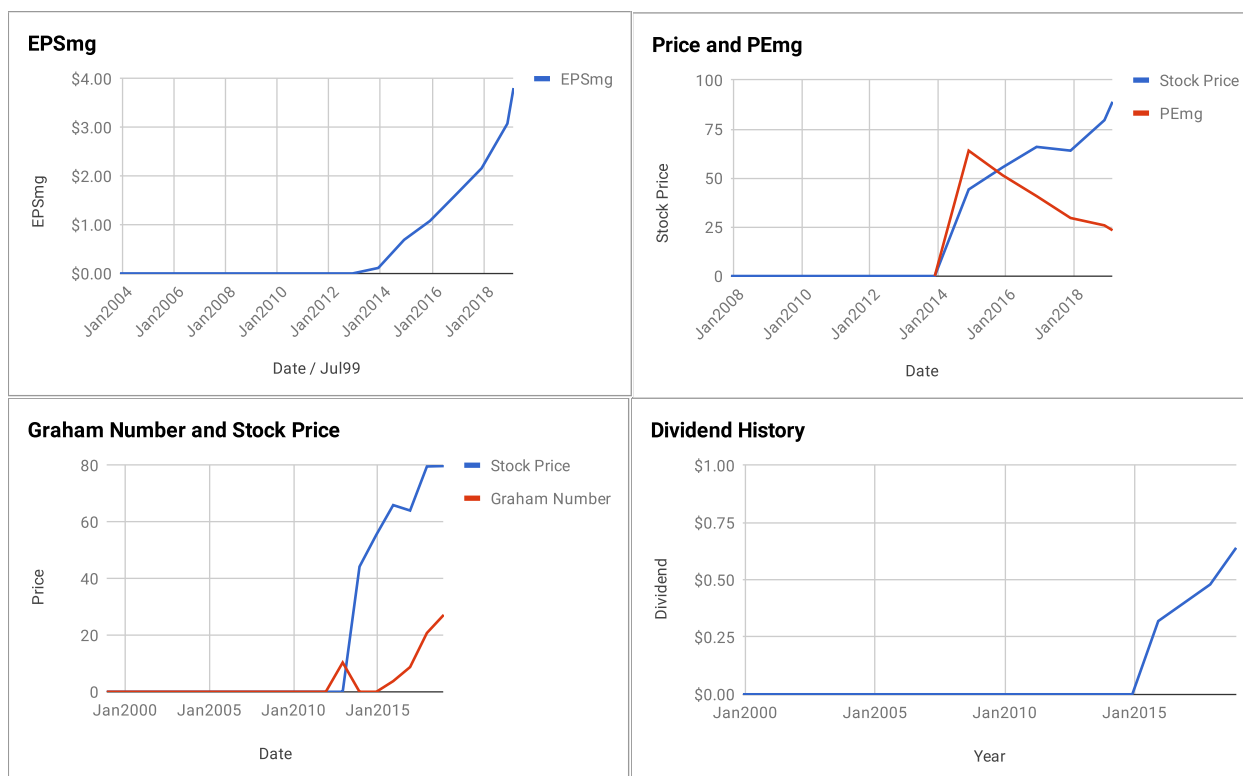
Net Current Asset Value (NCAV)	-\$12.84
Graham Number	\$27.16
PEmg	23.36
Current Ratio	1.79
PB Ratio	12.97
Current Dividend	\$0.84
Dividend Yield	0.94%
Number of Consecutive Years of Dividend Growth	5

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	
Dec2018	\$4.82	Dec2018	\$3.81
Dec2017	\$4.54	Dec2017	\$3.08
Dec2016	\$2.85	Dec2016	\$2.16
Dec2015	\$2.36	Dec2015	\$1.62
Dec2014	\$1.59	Dec2014	\$1.08
Dec2013	\$1.80	Dec2013	\$0.69
Dec2012	\$0.34	Dec2012	\$0.11
Dec2011	\$0.00	Dec2011	\$0.00
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	Balance Sheet Information	
Dec2001	\$0.00	12/1/2018	
Dec2000	\$0.00	Total Current Assets	\$931,600,000
Dec1999	\$0.00	Total Current Liabilities	\$520,800,000
		Long-Term Debt	\$1,409,500,000
		Total Assets	\$2,810,200,000
		Intangible Assets	\$1,430,100,000
		Total Liabilities	\$2,156,200,000
		Shares Outstanding (Diluted Average)	95,400,000





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

- [5 Companies for Enterprising Investors Near 52 Week Lows – July 2018](#)
- [Allegion PLC Valuation – May 2018 \\$ALLE](#)
- [Allegion PLC Valuation – January 2017 \\$ALLE](#)
- [Allegion PLC Valuation – August 2016 \\$ALLE](#)
- [26 Best Stocks For Value Investors This Week – 2/6/16](#)

Other ModernGraham posts about related companies

- [Arconic Inc Valuation – February 2019 \\$ARNC](#)
- [Roper Technologies Inc Valuation – February 2019 \\$ROP](#)
- [Rockwell Automation Inc Valuation – February 2019 \\$ROK](#)
- [Eaton Corp PLC Valuation – January 2019 \\$ETN](#)
- [Fastenal Co Valuation – January 2019 \\$FAST](#)
- [Deere & Co Valuation – January 2019 \\$DE](#)
- [A.O. Smith Corp Valuation – January 2019 \\$AOS](#)
- [Parker-Hannifin Corp Valuation – January 2019 \\$PH](#)
- [Dover Corp Valuation – January 2019 \\$DOV](#)
- [Caterpillar Inc Valuation – November 2018 \\$CAT](#)