



## NEWS RELEASE

### **Allegion (NYSE: ALLE) Reports Q2-2024 Financial Results**

*Strong execution drives second-quarter performance; Company raises full-year outlook*

#### **Quarterly Financial Highlights**

*(All comparisons against the second quarter of 2023, unless otherwise noted)*

- Net earnings per share (EPS) of \$1.77, up 9.9% compared with \$1.61; Adjusted EPS of \$1.96, up 11.4% compared with \$1.76
- Revenues of \$965.6 million, up 5.8% on a reported basis and up 5.2% on an organic basis
- Operating margin of 21.6%, compared with 20.2%; Adjusted operating margin of 23.7%, up 150 basis points compared with 22.2%

#### **Full-Year Outlook Highlights**

- Raising full-year reported revenue growth to a range of 2.5% to 3.5%
- Raising full-year adjusted EPS outlook to a range of \$7.15 to \$7.30
- Affirming available cash flow outlook

**DUBLIN (July 24, 2024)** – [Allegion plc](#) (NYSE: ALLE), a leading global security products and solutions provider, today reported financial results for its second quarter (ended June 30, 2024).

“Strong execution by the entire Allegion team drove record Q2 revenue and adjusted EPS,” said Allegion President and CEO John H. Stone.

“Q2 revenue growth and margin expansion demonstrate the resilience of Allegion’s business model. We see stability in demand given our broad end-market exposure and specification expertise. We are accelerating capital deployment, consistently returning cash to shareholders and investing in accretive acquisitions like Krieger Specialty Products and Unicel Architectural.”

“We’re raising our full-year guidance for reported revenue and adjusted EPS, and we’re affirming our available cash flow outlook. I’m proud of how the Allegion team lives our values while driving results for our customers and shareholders.”

#### **Company Results**

*(All comparisons against the second quarter of 2023, unless otherwise noted)*

Allegion reported second-quarter 2024 net revenues of \$965.6 million and net earnings of \$155.4 million, or \$1.77 per share. Adjusted net earnings were \$171.7 million, or \$1.96 per share, up 11.4%, excluding charges related to restructuring, acquisition and integration costs, a non-cash impairment charge, as well as amortization expense related to acquired intangible assets.

Second-quarter 2024 net revenues increased 5.8%. Net revenues increased 5.2% on an organic basis, excluding impacts of acquisitions, divestitures and foreign currency movements. The organic revenue increase was driven by price realization and volume growth. Reported revenue reflects a 0.9% positive impact from acquisitions and a modest headwind from foreign currency.

Second-quarter 2024 operating income was \$209.0 million, an increase of \$24.4 million or 13.2%. Adjusted operating income in second-quarter 2024 was \$228.6 million, an increase of \$26.0 million or 12.8%.

Second-quarter 2024 operating margin was 21.6%, compared with 20.2%. The adjusted operating margin in second-quarter 2024 was 23.7%, compared with 22.2%. The 150-basis-point increase in adjusted operating margin is attributable to positive price and productivity net of inflation and investments as well as favorable volume leverage.

## **Segment Results**

*(All comparisons against the second quarter of 2023, unless otherwise noted)*

The Americas segment revenues were up 6.0% (up 5.7% on an organic basis). The organic revenue increase was driven by price realization as well as volume growth. The non-residential business was up mid-single digits, and the residential business grew low-single digits. The reported revenue reflects a positive impact from acquisitions.

The International segment revenues increased 5.2% (up 3.1% on an organic basis). The organic revenue increase was driven by price realization and volume growth. Reported revenue reflects a positive impact from acquisitions of 3.2%, partially offset by a 1.1% headwind in foreign currency.

## **Additional Items**

*(All comparisons against the second quarter of 2023, unless otherwise noted)*

Interest expense for second-quarter 2024 was \$25.1 million, an increase of \$1.4 million.

Other income, net for second-quarter 2024 was \$5.1 million, compared to other income, net of \$1.6 million.

The company's effective tax rate for second-quarter 2024 was 17.8%, compared with 12.6%. The company's adjusted effective tax rate for second-quarter 2024 was 18.2%, compared with 13.9%.

## **Cash Flow and Liquidity**

Year-to-date available cash flow for 2024 was \$176.0 million, a decrease of \$14.1 million versus the prior-year period. The company ended second-quarter 2024 with cash and cash equivalents of \$747.5 million, as well as total debt of \$2,404.6 million.

Cash and debt balances include proceeds of \$400.0 million from the May 2024 issuance of new 2034 senior notes, which will be used to repay the \$400.0 million senior note maturity in the second half of 2024.

## Share Repurchase and Dividends

In the second quarter of 2024, the company repurchased approximately 0.3 million shares for approximately \$40 million and paid quarterly dividends of \$0.48 per ordinary share or \$41.8 million.

## Updated Full-Year Outlook

*(All comparisons against full-year 2023, unless otherwise noted)*

The company is raising its revenue growth for full-year 2024, which is expected to be 2.5% to 3.5%, and tightening its organic revenue growth to be 1.5% to 2.5%, excluding the impacts of acquisition, divestitures and foreign currency movements.

The company is raising the outlook for full-year 2024 EPS and expects it to be in the range of \$6.50 to \$6.65, or \$7.15 to \$7.30 on an adjusted basis. The outlook assumes a headwind of approximately \$0.37 based on a full-year adjusted effective tax rate of 18.0% to 19.0%, inclusive of the estimated impacts of global minimum tax.

Adjustments to 2024 EPS include estimated impacts of approximately \$0.52 per share for acquisition-related amortization, as well as \$0.13 per share for M&A, restructuring and other.

The outlook assumes an average diluted share count for the full year of approximately 87.7 million shares.

The company affirms expected full-year available cash flow of approximately \$540 to \$570 million.

## Conference Call Information

On Wednesday, July 24, 2024, President and CEO John H. Stone and Senior Vice President and Chief Financial Officer Mike Wagnes will conduct a conference call for analysts and investors, beginning at 8 a.m. ET, to review the company's results.

A real-time, listen-only webcast of the conference call will be broadcast live online. Individuals wishing to listen may access the call through the company's website at <https://investor.allegion.com>.

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## About Allegion

Allegion (NYSE: ALLE) is a global pioneer in seamless access, with leading brands like CISA<sup>®</sup>, Interflex<sup>®</sup>, LCN<sup>®</sup>, Schlage<sup>®</sup>, SimonsVoss<sup>®</sup> and Von Duprin<sup>®</sup>. 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 \$3.7 billion in revenue in 2023, and its security products are sold around the world. For more, visit [www.allegion.com](http://www.allegion.com).

## Non-GAAP Measures

This news release includes adjusted non-GAAP financial information which should be considered supplemental to, not a substitute for or superior to, the financial measure calculated in accordance with GAAP. The company presents operating income, operating margin, effective tax rate, 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, EBITDA, adjusted EBITDA and adjusted EBITDA margin (all non-GAAP measures) and Available Cash Flow ("ACF," a non-GAAP measure), including in certain cases, on a segment basis. The company presents these non-GAAP measures because management believes these non-GAAP measures provide management and investors useful perspective of the

company's underlying business results and 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 U.S. GAAP measures. Further information about the adjusted non-GAAP financial tables is attached to this news release. The 2024 Full Year Outlook contains non-GAAP financial measures that exclude or otherwise have been adjusted for non-GAAP adjustment items from our U.S. GAAP financial statements. When we provide forward-looking outlooks for any of the various non-GAAP metrics described above, we do not provide reconciliations of the U.S. GAAP measures as we are unable to predict with a reasonable degree of certainty the actual impact of the non-GAAP adjustment items. By their very nature, non-GAAP adjustment items are difficult to anticipate with precision because they are generally associated with unexpected and unplanned events that impact our company and its financial results. Therefore, we are unable to provide a reconciliation of these measures without unreasonable efforts.

### **Forward-Looking Statements**

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, including, but not limited to, statements under the headings "Full-Year Outlook Highlights," "Affirmed Full-Year Outlook" and statements regarding the company's 2024 and future financial performance, the company's business plans and strategy, the company's growth strategy, the company's capital allocation strategy, the company's ability to successfully complete and integrate acquisitions and achieve anticipated strategic and financial benefits and the performance of the markets in which the company operates. These forward-looking statements generally are identified by the words "believe," "aim," "project," "expect," "anticipate," "estimate," "forecast," "outlook," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result" or the negative thereof or variations thereon or similar expressions generally intended to identify forward-looking statements. Forward-looking statements may relate to such matters as projections of revenue, margins, expenses, tax rate and provisions, earnings, cash flows, benefit obligations, dividends, share purchases or other financial items; any statements of the plans, strategies and objectives of management for future operations, including those relating to any statements concerning expected development, performance or market share relating to our products and services; any statements regarding future economic conditions or our performance; any statements regarding pending investigations, claims or disputes; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Undue reliance should not be placed on any forward-looking statements, as these statements are based on the company's currently available information and our current assumptions, expectations and projections about future events. They are subject to future events, risks and uncertainties - many of which are beyond the company's control - as well as potentially inaccurate assumptions, that could cause actual results to differ materially from those in the forward-looking statements. Important factors and other risks that may affect the company's business or that could cause actual results to differ materially are included in filings the company makes with the Securities and Exchange Commission from time to time, including its Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q and in its other SEC filings. All forward-looking statements in this press release are expressly qualified by such cautionary statements and by reference to the underlying assumptions. The company undertakes no obligation to update these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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*Source: Allegion plc*

**ALLEGION PLC**  
**Condensed and Consolidated Income Statements**  
(In millions, except per share data)

**UNAUDITED**

	Three months ended June 30.		Six months ended June 30.	
	2024	2023	2024	2023
Net revenues	\$ 965.6	\$ 912.5	\$ 1,859.5	\$ 1,835.5
Cost of goods sold	537.3	510.6	1,039.8	1,042.6
Gross profit	428.3	401.9	819.7	792.9
Selling and administrative expenses	219.3	217.3	438.6	437.3
Operating income	209.0	184.6	381.1	355.6
Interest expense	25.1	23.7	48.0	47.3
Other income, net	(5.1)	(1.6)	(8.8)	(1.9)
Earnings before income taxes	189.0	162.5	341.9	310.2
Provision for income taxes	33.6	20.5	62.7	44.6
Net earnings	155.4	142.0	279.2	265.6
Less: Net earnings attributable to noncontrolling interests	—	—	—	0.1
Net earnings attributable to Allegion plc	<u>\$ 155.4</u>	<u>\$ 142.0</u>	<u>\$ 279.2</u>	<u>\$ 265.5</u>
<b>Basic earnings per ordinary share</b>				
<b>attributable to Allegion plc shareholders:</b>	<u>\$ 1.78</u>	<u>\$ 1.62</u>	<u>\$ 3.19</u>	<u>\$ 3.02</u>
<b>Diluted earnings per ordinary share</b>				
<b>attributable to Allegion plc shareholders:</b>	<u>\$ 1.77</u>	<u>\$ 1.61</u>	<u>\$ 3.18</u>	<u>\$ 3.01</u>
Shares outstanding - basic	87.3	87.9	87.5	88.0
Shares outstanding - diluted	87.7	88.3	87.9	88.3

**ALLEGION PLC**  
**Condensed and Consolidated Balance Sheets**  
(In millions)

**UNAUDITED**

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 747.5	\$ 468.1
Accounts and notes receivables, net	474.1	412.8
Inventories	444.6	438.5
Other current assets	49.6	41.5
Total current assets	<u>1,715.8</u>	<u>1,360.9</u>
Property, plant and equipment, net	370.5	358.1
Goodwill	1,488.3	1,443.1
Intangible assets, net	609.8	572.8
Other noncurrent assets	594.7	576.6
Total assets	<u>\$ 4,779.1</u>	<u>\$ 4,311.5</u>
<b>LIABILITIES AND EQUITY</b>		
Accounts payable	\$ 253.6	\$ 259.2
Accrued expenses and other current liabilities	364.3	407.9
Short-term borrowings and current maturities of long-term debt	416.3	412.6
Total current liabilities	<u>1,034.2</u>	<u>1,079.7</u>
Long-term debt	1,988.3	1,602.4
Other noncurrent liabilities	331.3	311.1
Equity	<u>1,425.3</u>	<u>1,318.3</u>
Total liabilities and equity	<u>\$ 4,779.1</u>	<u>\$ 4,311.5</u>

**ALLEGION PLC**  
**Condensed and Consolidated Statements of Cash Flows**  
(In millions)

**UNAUDITED**

	<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating Activities</b>		
Net earnings	\$ 279.2	\$ 265.6
Depreciation and amortization	59.5	55.5
Changes in assets and liabilities and other non-cash items	(114.6)	(91.0)
Net cash provided by operating activities	224.1	230.1
<b>Investing Activities</b>		
Capital expenditures	(48.1)	(40.0)
Acquisition of businesses, net of cash acquired	(120.8)	(28.6)
Other investing activities, net	2.9	7.4
Net cash used in investing activities	(166.0)	(61.2)
<b>Financing Activities</b>		
Net proceeds from (repayments of) debt	393.6	(36.3)
Debt financing costs	(6.6)	—
Dividends paid to ordinary shareholders	(83.8)	(79.3)
Repurchase of ordinary shares	(80.0)	(19.9)
Other financing activities, net	5.0	(2.9)
Net cash from (used) in financing activities	228.2	(138.4)
Effect of exchange rate changes on cash and cash equivalents	(6.9)	4.1
Net increase in cash and cash equivalents	279.4	34.6
Cash and cash equivalents - beginning of period	468.1	288.0
Cash and cash equivalents - end of period	<u>\$ 747.5</u>	<u>\$ 322.6</u>

**SUPPLEMENTAL SCHEDULES**

ALLEGION PLC

SCHEDULE 1

**SELECTED OPERATING SEGMENT INFORMATION**

(In millions)

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Net revenues</b>				
Allegion Americas	\$ 770.7	\$ 727.2	\$ 1,480.0	\$ 1,468.1
Allegion International	194.9	185.3	379.5	367.4
Total net revenues	<u>\$ 965.6</u>	<u>\$ 912.5</u>	<u>\$ 1,859.5</u>	<u>\$ 1,835.5</u>
<b>Operating income (loss)</b>				
Allegion Americas	\$ 214.3	\$ 195.4	\$ 401.3	\$ 382.0
Allegion International	17.7	13.9	30.7	24.5
Corporate unallocated	(23.0)	(24.7)	(50.9)	(50.9)
Total operating income	<u>\$ 209.0</u>	<u>\$ 184.6</u>	<u>\$ 381.1</u>	<u>\$ 355.6</u>



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, EBITDA, adjusted EBITDA and adjusted EBITDA margin (all non-GAAP measures), and available cash flow ("ACF", a non-GAAP measure). The Company presents these non-GAAP measures because management believes they provide useful perspective of the Company's underlying business results and 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 U.S. 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, indefinite-lived trade name and other asset impairment charges, restructuring charges, acquisition and integration costs, amortization of acquired intangible assets, debt financing costs, gains or losses related to the divestiture of businesses or equity method investments and non-operating investment gains or losses;
- Organic revenue growth is defined as U.S. GAAP revenue growth excluding the impact of divestitures, acquisitions and currency effects; and
- ACF 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.

## RECONCILIATION OF GAAP TO NON-GAAP NET EARNINGS

(In millions, except per share data)

	Three months ended June 30, 2024			Three months ended June 30, 2023		
	Reported	Adjustments	Adjusted (non-GAAP)	Reported	Adjustments	Adjusted (non-GAAP)
Net revenues	\$ 965.6	\$ —	\$ 965.6	\$ 912.5	\$ —	\$ 912.5
Operating income	209.0	19.6 <sup>(1)</sup>	228.6	184.6	18.0 <sup>(1)</sup>	202.6
<i>Operating margin</i>	<i>21.6 %</i>		<i>23.7 %</i>	<i>20.2 %</i>		<i>22.2 %</i>
Earnings before income taxes	189.0	20.9 <sup>(2)</sup>	209.9	162.5	18.0 <sup>(2)</sup>	180.5
Provision for income taxes	33.6	4.6 <sup>(3)</sup>	38.2	20.5	4.6 <sup>(3)</sup>	25.1
<i>Effective income tax rate</i>	<i>17.8 %</i>		<i>18.2 %</i>	<i>12.6 %</i>		<i>13.9 %</i>
Net earnings attributable to Allegion plc	<u>\$ 155.4</u>	<u>\$ 16.3</u>	<u>\$ 171.7</u>	<u>\$ 142.0</u>	<u>\$ 13.4</u>	<u>\$ 155.4</u>
Diluted earnings per ordinary share attributable to Allegion plc shareholders:	<u>\$ 1.77</u>	<u>\$ 0.19</u>	<u>\$ 1.96</u>	<u>\$ 1.61</u>	<u>\$ 0.15</u>	<u>\$ 1.76</u>

(1) Adjustments to operating income for the three months ended June 30, 2024, consist of \$4.7 million of restructuring charges and acquisition and integration expenses and \$14.9 million of amortization expense related to acquired intangible assets. Adjustments to operating income for the three months ended June 30, 2023, consist of \$4.3 million of restructuring charges and acquisition and integration expenses, and \$13.7 million of amortization expense related to acquired intangible assets.

(2) Adjustments to earnings before income taxes for the three months ended June 30, 2024, consist of the adjustments to operating income discussed above, as well as a \$1.3 million impairment on an equity investment. Adjustments to earnings before income taxes for the three months ended June 30, 2023, consist of the adjustments to operating income discussed above.

(3) Adjustments to the provision for income taxes for the three months ended June 30, 2024, and 2023, consist of \$4.6 million and \$4.6 million, respectively, of tax expense related to the excluded items discussed above.

	Six months ended June 30, 2024			Six months ended June 30, 2023		
	Reported	Adjustments	Adjusted (non-GAAP)	Reported	Adjustments	Adjusted (non-GAAP)
Net revenues	\$1,859.5	\$ —	\$ 1,859.5	\$1,835.5	\$ —	\$ 1,835.5
Operating income	381.1	36.8 <sup>(1)</sup>	417.9	355.6	39.4 <sup>(1)</sup>	395.0
<i>Operating margin</i>	<i>20.5 %</i>		<i>22.5 %</i>	<i>19.4 %</i>		<i>21.5 %</i>
Earnings before income taxes	341.9	38.1 <sup>(2)</sup>	380.0	310.2	39.4 <sup>(2)</sup>	349.6
Provision for income taxes	62.7	8.7 <sup>(3)</sup>	71.4	44.6	10.0 <sup>(3)</sup>	54.6
<i>Effective income tax rate</i>	<i>18.3 %</i>		<i>18.8 %</i>	<i>14.4 %</i>		<i>15.6 %</i>
Net earnings	279.2	29.4	308.6	265.6	29.4	295.0
Noncontrolling interests	—	—	—	0.1	0.1	0.2
Net earnings attributable to Allegion plc	<u>\$ 279.2</u>	<u>\$ 29.4</u>	<u>\$ 308.6</u>	<u>\$ 265.5</u>	<u>\$ 29.3</u>	<u>\$ 294.8</u>
Diluted earnings per ordinary share attributable to Allegion plc shareholders:	<u>\$ 3.18</u>	<u>\$ 0.33</u>	<u>\$ 3.51</u>	<u>\$ 3.01</u>	<u>\$ 0.33</u>	<u>\$ 3.34</u>

- (1) Adjustments to operating income for the six months ended June 30, 2024, consist of \$8.0 million of restructuring charges and acquisition and integration expenses and \$28.8 million of amortization expense related to acquired intangible assets. Adjustments to operating income for the six months ended June 30, 2023, consist of \$11.6 million of restructuring charges and acquisition and integration expenses, \$27.8 million of amortization expense related to acquired intangible assets.
- (2) Adjustments to earnings before income taxes for the six months ended June 30, 2024, consist of the adjustments to operating income discussed above, as well as a \$1.3 million impairment on an equity investment. Adjustments to earnings before income taxes for the six months ended June 30, 2023, consist of the adjustments to operating income discussed above.
- (3) Adjustments to the provision for income taxes for the six months ended June 30, 2024, and 2023, consist of \$8.7 million and \$10.0 million, respectively, of tax expense related to the excluded items discussed above.

## RECONCILIATION OF GAAP TO NON-GAAP REVENUE AND OPERATING INCOME BY REGION

(In millions)

	Three months ended June 30, 2024		Three months ended June 30, 2023	
	As Reported	Margin	As Reported	Margin
<b>Allegion Americas</b>				
Net revenues (GAAP)	\$ 770.7		\$ 727.2	
Operating income (GAAP)	\$ 214.3	27.8 %	\$ 195.4	26.9 %
Acquisition and integration costs	2.7	0.4 %	2.1	0.3 %
Amortization of acquired intangible assets	9.2	1.2 %	8.4	1.1 %
Adjusted operating income	226.2	29.4 %	205.9	28.3 %
Depreciation and amortization of nonacquired intangible assets	10.3	1.3 %	8.2	1.1 %
Adjusted EBITDA	\$ 236.5	30.7 %	\$ 214.1	29.4 %
<b>Allegion International</b>				
Net revenues (GAAP)	\$ 194.9		\$ 185.3	
Operating income (GAAP)	\$ 17.7	9.1 %	\$ 13.9	7.5 %
Restructuring charges	0.2	0.1 %	1.5	0.8 %
Acquisition and integration costs	—	— %	0.2	0.1 %
Amortization of acquired intangible assets	5.7	2.9 %	5.3	2.9 %
Adjusted operating income	23.6	12.1 %	20.9	11.3 %
Depreciation and amortization of nonacquired intangible assets	4.6	2.4 %	4.4	2.4 %
Adjusted EBITDA	\$ 28.2	14.5 %	\$ 25.3	13.7 %
<b>Corporate</b>				
Operating loss (GAAP)	\$ (23.0)		\$ (24.7)	
Acquisition and integration costs	1.8		0.5	
Adjusted operating loss	(21.2)		(24.2)	
Depreciation and amortization of nonacquired intangible assets	0.2		0.2	
Adjusted EBITDA	\$ (21.0)		\$ (24.0)	
<b>Total</b>				
Net revenues	\$ 965.6		\$ 912.5	
Adjusted operating income	\$ 228.6	23.7 %	\$ 202.6	22.2 %
Depreciation and amortization of nonacquired intangible assets	15.1	1.6 %	12.8	1.4 %
Adjusted EBITDA	\$ 243.7	25.3 %	\$ 215.4	23.6 %

	Six months ended June 30, 2024		Six months ended June 30, 2023	
	As Reported	Margin	As Reported	Margin
<b>Allegion Americas</b>				
Net revenues (GAAP)	\$ 1,480.0		\$ 1,468.1	
Operating income (GAAP)	\$ 401.3	27.1 %	\$ 382.0	26.0 %
Restructuring charges	0.1	— %	—	— %
Acquisition and integration costs	4.6	0.3 %	5.2	0.4 %
Amortization of acquired intangible assets	17.5	1.2 %	16.8	1.1 %
Adjusted operating income	423.5	28.6 %	404.0	27.5 %
Depreciation and amortization of nonacquired intangible assets	19.5	1.3 %	16.4	1.1 %
Adjusted EBITDA	\$ 443.0	29.9 %	\$ 420.4	28.6 %
<b>Allegion International</b>				
Net revenues (GAAP)	\$ 379.5		\$ 367.4	
Operating income (GAAP)	\$ 30.7	8.1 %	\$ 24.5	6.7 %
Restructuring charges	0.5	0.1 %	4.7	1.3 %
Acquisition and integration costs	0.4	0.1 %	0.4	0.1 %
Amortization of acquired intangible assets	11.3	3.0 %	11.0	3.0 %
Adjusted operating income	42.9	11.3 %	40.6	11.1 %
Depreciation and amortization of nonacquired intangible assets	9.1	2.4 %	9.1	2.4 %
Adjusted EBITDA	\$ 52.0	13.7 %	\$ 49.7	13.5 %
<b>Corporate</b>				
Operating loss (GAAP)	\$ (50.9)		\$ (50.9)	
Restructuring charges	0.1		—	
Acquisition and integration costs	2.3		1.3	
Adjusted operating loss	(48.5)		(49.6)	
Depreciation and amortization of nonacquired intangible assets	0.5		0.9	
Adjusted EBITDA	\$ (48.0)		\$ (48.7)	
<b>Total</b>				
Net revenues	\$ 1,859.5		\$ 1,835.5	
Adjusted operating income	\$ 417.9	22.5 %	\$ 395.0	21.5 %
Depreciation and amortization of nonacquired intangible assets	29.1	1.5 %	26.4	1.5 %
Adjusted EBITDA	\$ 447.0	24.0 %	\$ 421.4	23.0 %

**RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES TO AVAILABLE CASH FLOW AND NET EARNINGS TO ADJUSTED EBITDA**

(In millions)

	<b>Six months ended June 30,</b>			
	<b>2024</b>		<b>2023</b>	
Net cash provided by operating activities	\$	224.1	\$	230.1
Capital expenditures		(48.1)		(40.0)
Available cash flow	\$	176.0	\$	190.1

  

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net earnings (GAAP)	\$ 155.4	\$ 142.0	\$ 279.2	\$ 265.6
Provision for income taxes	33.6	20.5	62.7	44.6
Interest expense	25.1	23.7	48.0	47.3
Amortization of acquired intangible assets	14.9	13.7	28.8	27.8
Depreciation and amortization of nonacquired intangible assets	15.1	12.8	29.1	26.4
EBITDA	244.1	212.7	447.8	411.7
Other income, net	(5.1)	(1.6)	(8.8)	(1.9)
Acquisition and integration costs and restructuring charges	4.7	4.3	8.0	11.6
Adjusted EBITDA	\$ 243.7	\$ 215.4	\$ 447.0	\$ 421.4

## RECONCILIATION OF GAAP REVENUE GROWTH TO NON-GAAP ORGANIC REVENUE GROWTH BY REGION

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
<b>Allegion Americas</b>				
Revenue growth (GAAP)	6.0 %	23.8 %	0.8 %	32.4 %
Acquisitions	(0.4)%	(16.4)%	(0.2)%	(18.0)%
Currency translation effects	0.1 %	0.3 %	0.1 %	0.3 %
Organic growth (non-GAAP)	5.7 %	7.7 %	0.7 %	14.7 %
<b>Allegion International</b>				
Revenue growth (GAAP)	5.2 %	(0.3)%	3.3 %	(5.2)%
Acquisitions	(3.2)%	(0.1)%	(2.3)%	0.2 %
Currency translation effects	1.1 %	(0.6)%	0.2 %	2.0 %
Organic growth (non-GAAP)	3.1 %	(1.0)%	1.2 %	(3.0)%
<b>Total</b>				
Revenue growth (GAAP)	5.8 %	18.0 %	1.3 %	22.6 %
Acquisitions	(0.9)%	(12.5)%	(0.6)%	(13.2)%
Currency translation effects	0.3 %	0.1 %	0.1 %	0.8 %
Organic growth (non-GAAP)	5.2 %	5.6 %	0.8 %	10.2 %