

2020 Financials

Full-year
revenue
\$2.72
Billion

Strong execution in
difficult COVID-19
markets

Meeting customer needs
for seamless access and
healthy environments

Strong cash flow
generation supports
ongoing capital deployment

Margin expansion

Full-year 2020 adjusted
operating margin

21%

+20 bps*

Adjusted
earnings
per share

Full-year 2020

\$5.11

+4.5%*

Available
cash
flow

Full-year 2020

\$443.2

Million

+\$20.6 M*

These
results are a
testament to
Allegion's
sound
fundamental
business
practices as
well as our
commitment
to driving
shareholder
value.

—David Petratis,
Allegion Chairman,
President and CEO

*Compared to 2019.

Adjusted operating margin, adjusted earnings per share and available cash flow are considered non-GAAP measures. 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 and EPS include items such as goodwill, indefinite-lived trade name and other asset impairment charges, restructuring charges, acquisition and integration costs, debt refinancing costs and charges related to the divestiture of businesses.

• Available cash flow 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.