

Allegion plc (ALLE)

\$161.43 (Stock Price as of 12/12/2025)

Price Target (6-12 Months): **\$169.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**
(Since: 08/28/25)
Prior Recommendation: Outperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **3-Hold**
Zacks Style Scores: VGM: B
Value: B | Growth: B | Momentum: C

Summary

Allegion is well-positioned to benefit from strength in the Allegion Americas segment, driven by an increase in demand for non-residential products across end markets like education, hospitality and retail. Growing awareness about the need for the security and safety of people and infrastructure across the world bodes well for the Allegion International segment. The company is tapping this potential through strategic acquisitions, thus also fueling its growth engine. Also, handsome rewards to shareholders add to the stock's appeal. However, the rising cost of sales due to higher material costs and increasing selling and administrative expenses poses a threat to the company's bottom line. High debt levels may raise Allegion's financial obligations and drain its profitability. Forex woes might weigh on its top-line performance.

Data Overview

52 Week High-Low	\$180.68 - \$116.57
20 Day Average Volume (sh)	825,016
Market Cap	\$13.8 B
YTD Price Change	23.1%
Beta	1.03
Dividend / Div Yld	\$2.04 / 1.3%
Industry	<u>Security and Safety Services</u>
Zacks Industry Rank	Top 17% (40 out of 243)

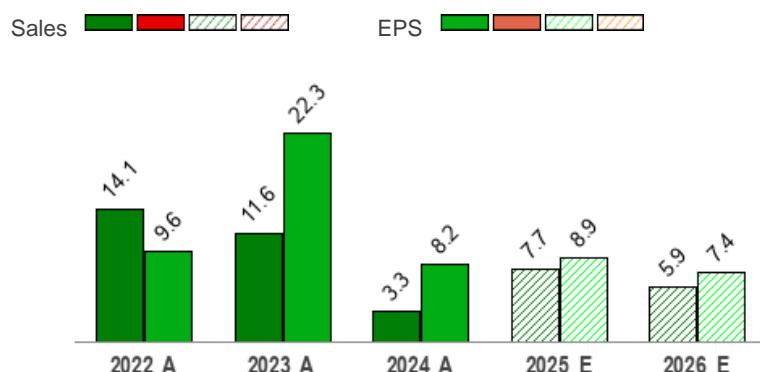
Last EPS Surprise	4.1%
Last Sales Surprise	3.3%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/17/2026
Earnings ESP	-0.5%

P/E TTM	20.0
P/E F1	19.7
PEG F1	3.0
P/S TTM	3.5

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1,009 E	1,084 E	1,126 E	1,084 E	4,304 E
2025	942 A	1,022 A	1,070 A	1,029 E	4,064 E
2024	894 A	966 A	967 A	946 A	3,772 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1.98 E	2.21 E	2.39 E	2.24 E	8.81 E
2025	1.86 A	2.04 A	2.30 A	2.00 E	8.20 E
2024	1.55 A	1.96 A	2.16 A	1.86 A	7.53 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/12/2025.

(2) The report's text and the price target are as of 12/08/2025.

Overview

Headquartered in Dublin, Ireland, Allegion plc is a leading global provider of security products and solutions for business and domestic purposes. It came into existence on Dec 1, 2013, as a stand-alone public company, after Ingersoll-Rand plc separated its commercial and residential security businesses. Exiting 2024, the company had an employee base of 14,400 people.

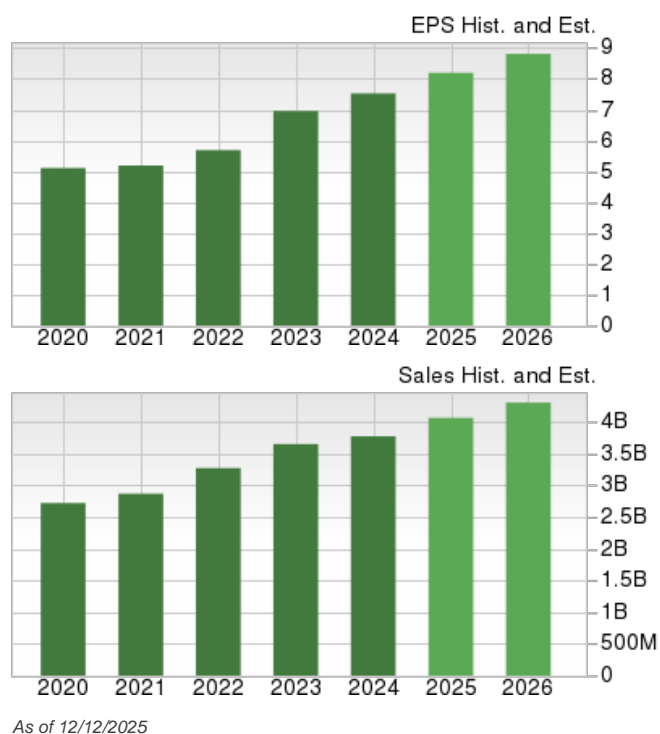
Allegion offers an extensive portfolio of mechanical and electronic security products, including doors and door systems, electronic security products, biometric and mobile access control systems, locks, locksets, exit devices, portable locks, and workforce productivity systems and other accessories.

Notably, the company sells products through distribution and retail channels like specialty distribution, wholesalers, e-commerce and several retail channels, including online platforms and small specialty showroom outlets.

Allegion reports quarterly results in two segments. A brief discussion of the quarterly results is provided below:

Allegion Americas (accounting for 79.9% of 2024 revenues) segment offers security products, services and solutions throughout North America. The segment provides products and solutions including, locks, locksets, portable locks, key systems, door controls and systems, exit devices, doors, accessories, electronic security products, access control systems and software and service solutions to customers in commercial, institutional and residential facilities, including the education, healthcare, government, hospitality, retail, commercial office and single and multi-family residential markets. Its brands are LCN, Schlage, Von Duprin and Stanley Access Technologies.

Allegion International (20.1%) segment is engaged in offering security products, services and solutions primarily throughout Europe, Asia and Oceania. The segment offers end users a broad range of products, services and solutions including locks, locksets, portable locks, key systems, door controls and systems, exit devices, doors, electronic security products, access control systems, time and attendance and workforce productivity solutions, among other software and service solutions. This segment's primary brands are AXA, Bricard, Briton, CISA, Gainsborough, Interflex, Kryptonite and SimonsVoss.



Reasons To Buy:

- ▲ Allegion is seeing strong momentum **across its segments**. Stable demand across end markets like education, healthcare, government, hospitality and retail, and the acquisitions of Next Door Company and Trimco are driving the Allegion Americas segment. Strength in the non-residential business (organic revenues increased in mid-single digit in third-quarter 2025), led by growth in demand for products, bodes well. The segment's organic revenues increased 6.4% year over year in the third quarter of 2025. An increase in demand for electronic security products, driven by growing awareness about the security and safety of people and infrastructure, is aiding the Allegion International segment. Positive price realization and the acquisitions of Brisant, ELATEC and Lemaar Pty also bode well for the segment. The segment's organic revenues increased 3.6% year over year in the third quarter. Also, demand recovery for mechanical products augers well for the segment. Increased adoption of advanced technologies and solutions in the electronics security products market, such as wireless locks and mobile-enabled smart locks, is expected to drive Allegion's performance in the quarters ahead. Driven by strength across the business, the company expects the Allegion Americas segment's organic revenues to increase in the mid-single-digits and the Allegion International segment's organic revenues to be flat year over year in 2025. Allegion's total revenues are anticipated to increase 7-8% in 2025 from the year-ago level, while organic sales are expected to increase 3.5-4.5% year over year.
- Strength across Allegion Americas and Allegion International segments and accretive acquisitions are benefiting Allegion. Healthy rewards to shareholders add to its attractiveness.
- ▲ Allegion is focused on strengthening its competency through **acquisitions**. In the third quarter of 2025, acquisitions boosted the company's sales by 3.9%. The company acquired Brisant and UAP Group Limited in August 2025. The addition of Brisant's residential security solutions portfolio will enable the company to strengthen its presence in the U.K. residential market while complementing its non-residential portfolio. The addition of UAP's comprehensive portfolio of door hardware, backed by about 200 patents, trademarks and registered designs, will enable the company to strengthen its presence in the U.K. non-residential market. In July 2025, the company acquired ELATEC, including Elatec GmbH and other group entities (ELATEC), from Summit Partners. ELATEC's expertise in RFID reader and credential solutions enabled Allegion to expand its global electronics portfolio in non-residential markets such as education, healthcare, hospitality, enterprise and industrial. The buyout of Novas Hardware in June 2025 enabled the company to boost its door hardware portfolio. In April 2025, the company acquired Trimco Hardware (Trimco), along with its brands and various assets, through one of its subsidiaries. The inclusion of Trimco's expertise in specialty solutions, coupled with its strong innovation capabilities, will enable Allegion to boost its door and frame portfolio within the Allegion Americas segment. The company acquired Lemaar Pty Ltd (Lemaar) in March 2025. This acquisition boosted Allegion's security and accessibility Portfolio in Australia. The acquired company is incorporated into the Allegion International segment. In February 2025, the company acquired Next Door Company, which expanded its doors and frames portfolio. Next Door is reported in its Allegion Americas segment. In June 2024, the company acquired Krieger Specialty Products. The addition of Krieger's expertise in specialty solutions will enable Allegion to strengthen its door and frame portfolio. Also, in the same month, it purchased Unicel Architectural Corp. The inclusion of Unicel's proficiency in glass and building envelope solutions will enable it to boost its product portfolio within the non-residential business. Both the acquired businesses have been incorporated into the Allegion Americas segment. Also, in March 2024, Allegion completed the acquisition of Spain-based Montajes Electronics Dorcas S.L. (Dorcas), which has been incorporated into the Allegion International segment. The inclusion of Dorcas' expertise in electric strikes and lock solutions, coupled with its strong innovation capabilities, enables Allegion to boost its security products portfolio. It also helps the company to expand its presence in lucrative end markets like healthcare and education. The company also acquired Livingston, Scotland-based Boss Door Controls in February 2024, expanding its U.K. business with a complementary portfolio and broader channel access. Boss Door Controls is part of the Allegion International segment.
- ▲ Allegion remains focused on **launching new products and upgrading the existing ones** according to industry trends. So far in 2025, Allegion has launched products including Schlage Sense Pro and Arrive smart deadbolts with advanced connectivity features like built-in WiFi. It also unveiled the CISA Series 11000 Electric Rim Lock and enhanced the Schlage Home application for improved smart access management. In 2024, Allegion expanded its connected solutions portfolio with the launch of the Schlage Encode Lever for residential use. It also added Google Wallet support to devices like NDE, LE, XE360, and MTB readers, which enabled users to unlock doors using their phones or smartwatches.
- ▲ Allegion is committed to returning value to shareholders through **share repurchases and dividends**. Dividends paid out totaled \$131.4 million in the first nine months of 2025, reflecting an increase of 4.6% year over year. In the same period, Allegion repurchased shares for \$80 million. In 2024, the company disbursed dividends worth \$166.9 million and bought back shares for \$220 million. At the time of exiting the third quarter of 2025, the company was left to repurchase shares worth approximately \$160 million under its 2023-approved program. In February 2025, Allegion announced a 6% hike in its quarterly dividend rate, which is now 51 cents per share.

Reasons To Sell:

- ▼ Allegion is dealing with **escalating costs and expenses**. During the nine months of 2025, the company witnessed a 5.1% year-over-year increase in the cost of sales due to high raw material costs. Also, selling and administrative expenses increased 11.2% year over year. The metric, as a percentage of total revenues, increased 80 basis points to 24%. This can be attributed to higher investments in new products and channel development and growth initiatives. High costs pose a threat to Allegion's bottom line. Escalating costs and expenses, if left unchecked, may negatively impact profitability in the quarters ahead.
- ▼ Allegion's **long-term debt** has been increasing. Its long-term debt in the last five years (2020-2024) increased 6.7% (CAGR). At the end of the third quarter, the company's long-term debt was \$2.06 billion, higher than \$1.98 billion at the end of 2024. Exiting the third quarter, its total debt remained high at \$2.09 billion, higher than \$2 billion at the end of 2024. Also, considering Allegion's high debt level, its cash and cash equivalents of \$302.7 million do not look impressive. High debt levels can increase the company's financial obligations and prove detrimental to profitability in the quarters ahead.
- ▼ Allegion intends to expand its business in new overseas markets. Its international presence exposes it to the risk of **adverse currency fluctuations**. This is because a strengthening U.S. dollar may require the company to either raise prices or see its margins shrink in locations outside the United States.
- ▼ Any **dip in consumer confidence** — a key determinant of the economy's health — may seriously affect spending. The company's customers, particularly from the housing and commercial industries, remain sensitive to macroeconomic factors, including inflation, interest rate hikes, credit availability and more, which may negatively impact their sentiment. This may adversely affect its growth and profitability.

Escalating costs pose a threat to Allegion's bottom line. High debt levels and foreign currency headwinds are added concerns.

Last Earnings Report

Allegion's Q3 Earnings & Revenues Surpass Estimates, Increase Y/Y

Allegion's third-quarter 2025 adjusted earnings of \$2.30 per share beat the Zacks Consensus Estimate of \$2.21. The bottom line increased 6.5% year over year.

Revenue Details

Allegion's revenues were \$1.07 billion, which increased 10.7% year over year. Organic revenues increased 5.9%, driven by solid momentum in the non-residential business in the Americas region. Revenues beat the Zacks Consensus Estimate of \$1.04 billion.

Acquired assets boosted revenues by 3.9%. Foreign currency had a positive impact of 0.9%.

It reports revenues under two segments. A brief discussion of quarterly results is provided below:

Revenues from Allegion Americas increased 7.9% year over year to \$844 million. The figure accounted for 78.9% of the quarter's revenues. Our estimate for segmental revenues was \$817.2 million. Organic revenues increased 6.4%, driven by solid momentum in the residential and non-residential businesses.

Operating income for the segment was \$242.4 million, up 9.6% year over year. Our estimate was \$244.7 million.

Revenues from Allegion International were \$226.2 million, up 22.5% year over year. The metric accounted for 21.1% of the quarter's revenues. Our estimate for segmental revenues was \$206.6 million. Organic revenues increased 21.1%.

Segmental operating income was \$19.7 million, up 10.1% year over year. Our estimate was \$26.1 million.

Allegion's Margin Profile

In the quarter, Allegion's cost of revenues increased 8.5% year over year to \$580.4 million. Gross profit was \$489.8 million, up 13.4% year over year, while the gross margin jumped 110 basis points (bps) to 45.8%.

Selling and administrative expenses increased 17.9% year over year to \$256.0 million. Adjusted EBITDA was \$274.1 million, reflecting a year-over-year increase of 10.4%. The margin was 25.7%, flat on a year-over-year basis.

Adjusted operating income increased 10.1% year over year to \$257.4 million. The adjusted margin was 24.2%, up 10 basis points year over year. Interest expenses were \$26.6 million, down 7.6% year over year. The effective tax rate was 9.8%, down from 10.5% in the year-ago quarter.

Balance Sheet and Cash Flow

While exiting third-quarter 2025, Allegion had cash and cash equivalents of \$302.7 million compared with \$503.8 million at the end of 2024. Long-term debt was \$2.06 billion compared with \$1.98 billion at the end of 2024.

In the first nine months of 2025, ALLE generated net cash of \$543.7 million from operating activities, reflecting an increase of 19.2% year over year. Capital expenditure was \$58.5 million, down 14% year over year. For the first nine months, the available cash flow was \$485.2 million.

Allegion repurchased shares for \$80.0 million. Dividends paid out totaled \$131.4 million, reflecting an increase of 4.6% year over year.

Allegion's 2025 Outlook

The company has raised the 2025 guidance. Allegion expects revenues to increase in the range of 7-8% from the year-ago level compared with 6.5-7.5% anticipated earlier. ALLE anticipates organic revenues to grow in the range of 3.5-4.5%.

Adjusted earnings are projected to be in the range of \$8.10-\$8.20 per share compared with \$8.00-\$8.15 expected earlier.

The company estimates available cash flow to be 85-95% of adjusted net income. Adjusted effective tax rate is projected to be approximately 17-18%.

FY Quarter Ending **12/31/2024**

Earnings Reporting Date	Oct 23, 2025
Sales Surprise	3.33%
EPS Surprise	4.07%
Quarterly EPS	2.30
Annual EPS (TTM)	8.06

Recent News

Dividend Update — Sept. 4, 2025

Allegion's board of directors approved a quarterly cash dividend of 51 cents per share, payable Sept. 30, 2025, to shareholders of record as of Sept. 15, 2025.

Acquisition of Brisant — Aug. 13, 2025

Allegion completed the acquisition of privately owned Brisant Secure Limited (Brisant) through one of its subsidiaries. The addition of Brisant's residential security solutions portfolio, will enable the company to strengthen its presence in the UK residential market while complementing its non-residential portfolio. The acquired company is incorporated into the Allegion International segment.

Acquisition of UAP — Aug. 04, 2025

Allegion completed the acquisition of privately owned UAP Group Limited (UAP) through one of its subsidiaries. The addition of UAP's comprehensive portfolio of door hardware, backed by nearly 200 patents, trademarks and registered designs, will enable the company to strengthen its presence in the UK non-residential market.

Acquisition of Waitwhile — July 8, 2025

Allegion completed the acquisition of privately owned Waitwhile Inc. (Waitwhile) through one of its subsidiaries. The addition of Waitwhile's cloud-based appointment scheduling and queue management solutions will enable the company to strengthen its software capabilities and digital access solutions portfolio across non-residential markets.

Acquisition of Gatewise — July 7, 2025

Allegion completed the acquisition of Gatewise Incorporated (Gatewise) through one of its subsidiaries. The inclusion of Gatewise's smart access control solutions will enable the company to strengthen its electronic locks and the Zentra multifamily access portfolio.

Valuation

Allegion's shares are up 21.7% and 12.4% in the year-to-date period and over the trailing 12-month period respectively. Stocks in the Zacks sub-industry are up 18.7% in the year-to-date period, while those in the Zacks Industrial Products sector are up 7.3%. Over the past year, the Zacks sub-industry is up 10.7%, while the sector is down 1.7%.

The S&P 500 index is up 19.2% and up 16.3% in the year-to-date period and over the past year respectively.

The stock is currently trading at 18.14X forward 12-month price-to-earnings, which compares to 17.54X for the Zacks sub-industry, 20.75X for the Zacks sector and 23.61X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 27.32X and as low as 13.97X, with a 5-year median of 18.37X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our price target of \$169 reflects 19.05X forward 12-month earnings.

The table below shows summary valuation data for ALLE

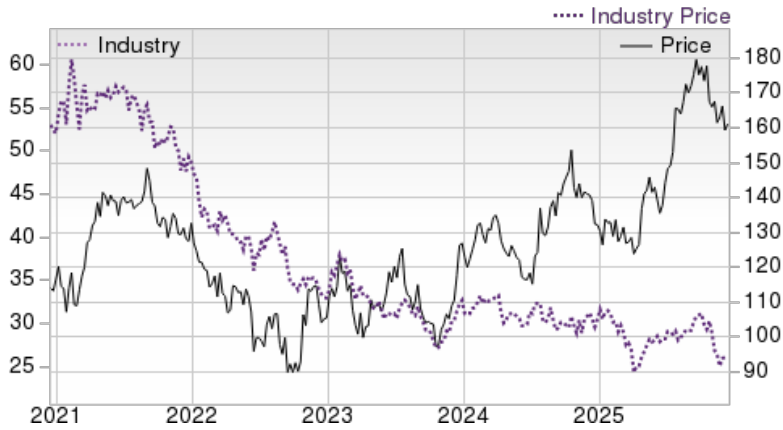
Valuation Multiples - ALLE					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	18.14	17.54	20.75	23.61
	5-Year High	27.32	21.9	23.07	23.82
	5-Year Low	13.97	14.08	13.38	15.73
	5-Year Median	18.37	17.3	18.24	21.19
P/Sales F12M	Current	3.19	3.50	4.18	5.34
	5-Year High	4.53	3.75	4.21	5.50
	5-Year Low	2.24	2.16	2.32	3.83
	5-Year Median	3.03	3.06	3.16	5.04

As of 12/05/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 17% (40 out of 243)

Top Peers⁽¹⁾



Company (Ticker)	Rec	Rank
Alarm.com Holdings, ... (ALRM)	Outperform	1
ADT Inc. (ADT)	Neutral	2
Axon Enterprise, Inc (AXON)	Neutral	3
Halma (HLMAF)	Neutral	2
MSA Safety Incorporp... (MSA)	Neutral	3
Resideo Technologies... (REZI)	Neutral	3
VERRA MOBILITY CORP (VRRM)	Neutral	3
Brady Corporation (BRC)	NA	

Industry Comparison⁽¹⁾ Industry: Security And Safety Services

Industry Peers

	ALLE	X Industry	S&P 500	ADT	HLMAF	MSA
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	2	2	3
VGM Score	B	-	-	B	A	A
Market Cap	13.84 B	92.27 M	39.38 B	6.69 B	17.84 B	6.36 B
# of Analysts	4	1.5	22	1	1	4
Dividend Yield	1.27%	0.00%	1.41%	2.70%	0.00%	1.31%
Value Score	B	-	-	A	D	B
Cash/Price	0.02	0.09	0.04	0.03	0.02	0.03
EV/EBITDA	16.95	7.74	14.60	5.51	27.04	14.30
PEG Ratio	3.00	2.20	2.23	NA	NA	NA
Price/Book (P/B)	7.11	2.71	3.35	1.83	7.36	4.90
Price/Cash Flow (P/CF)	17.95	14.46	15.20	3.84	29.37	17.31
P/E (F1)	19.69	23.28	19.78	9.38	31.33	20.85
Price/Sales (P/S)	3.48	1.31	3.06	1.31	NA	3.41
Earnings Yield	5.10%	3.19%	4.99%	10.66%	3.19%	4.80%
Debt/Equity	1.06	0.08	0.57	1.99	0.37	0.48
Cash Flow (\$/share)	8.96	0.15	8.99	2.12	1.60	9.38
Growth Score	B	-	-	C	A	B
Hist. EPS Growth (3-5 yrs)	11.24%	11.24%	8.16%	85.04%	NA	16.67%
Proj. EPS Growth (F1/F0)	8.90%	15.97%	8.57%	16.00%	25.00%	1.17%
Curr. Cash Flow Growth	6.09%	-12.75%	6.75%	-14.42%	15.99%	9.02%
Hist. Cash Flow Growth (3-5 yrs)	7.21%	7.27%	7.43%	-0.50%	9.58%	10.29%
Current Ratio	1.77	2.28	1.19	0.67	2.44	3.08
Debt/Capital	51.41%	9.20%	38.01%	66.57%	27.04%	32.26%
Net Margin	16.09%	6.23%	12.78%	12.52%	NA	15.02%
Return on Equity	40.83%	10.30%	17.00%	18.96%	NA	25.24%
Sales/Assets	0.83	0.76	0.53	0.32	NA	0.78
Proj. Sales Growth (F1/F0)	7.70%	0.00%	5.77%	4.90%	19.40%	3.70%
Momentum Score	C	-	-	F	A	C
Daily Price Chg	-2.36%	-1.35%	-1.07%	0.37%	0.47%	-0.96%
1 Week Price Chg	1.10%	0.00%	-0.63%	-0.24%	-5.24%	0.04%
4 Week Price Chg	-0.26%	0.00%	1.39%	-1.21%	4.78%	3.91%
12 Week Price Chg	-10.32%	-12.82%	2.45%	-4.78%	3.64%	-5.01%
52 Week Price Chg	15.85%	3.14%	12.83%	13.33%	33.23%	-6.89%
20 Day Average Volume	825,016	223,904	2,728,366	6,013,283	4,335	246,744
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.00%	6.38%	0.00%
(F1) EPS Est 12 week change	0.28%	0.00%	0.69%	1.23%	10.29%	-1.32%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	NA	0.00%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	B
Growth Score	B
Momentum Score	C
VGM Score	B

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

Disclosures

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