

Dear Fellow Shareholders,

After a mid-July transition with Dave Petratis, I am humbled to write to you on behalf of this incredible team and company. We are grateful to Dave for his many years of leadership and for growing Allegion to what it is today.

At Allegion, we rally around a mission that matters: pioneering safety. This is what drew me to our company. Guided by our vision of enabling seamless access and a safer world, our team is passionate about securing people and their property where they live, learn, work and visit. We deliver peace of mind to millions around the world. Our world is increasingly digital, connected and mobile – and so are our solutions. With more than 40 billion openings to secure across the globe, Allegion is well-positioned to provide the most seamless experiences possible, whether carrying a metal key or a digital identity in a smartphone wallet.

Core to Allegion's present and future is our commitment to environmental, social and governance excellence. We have short-term and long-term goals that guide steady progress in sustainability and pride ourselves on having one of the safest workforces in the industry. Through employee engagement, diversity, equity and inclusion initiatives, as well as giving back to our communities, we're creating a better workplace and a better world.

Despite another tough year for the global economy, supply chain challenges and persistently high inflation improve with every passing day. In 2022, Allegion delivered double-digit organic revenue growth, resulting in nearly \$3.3 billion of total revenue – the highest in our nine-year history. We also delivered record adjusted operating income and record adjusted earnings per share that grew nearly 10 percent year over year. We closed our largest acquisition to date, adding Stanley Access Technologies to the Allegion family, strategically expanding our Americas non-residential business with a strong, recurring services segment. Most recently, we acquired software-as-a-service company “plano,” underscoring our commitment to growth in software solutions.

Fueled by significant improvement in the second half of the year, our strong performance gives Allegion the right momentum entering 2023, and our team is focused on shaping what's next. We see a long-term growth trend for electronic solutions, increasingly driven by the convenience and added security of digital identities and credentials. And while our customers have very diverse application needs for their buildings, there is a universal need for security and access in all settings. Combining our best-in-class hardware – which is intrinsic to physical security – with the transformational potential of our electronics, software and services, Allegion has a compelling and differentiated growth opportunity.

Technology will fuel this growth as we increasingly design, build and market seamless access solutions in addition to individual hardware products. Paired with our competitive advantages in specification and consulting, strong distribution and channel partnerships, our leading installed base as well as the breadth of our portfolio, Allegion will deliver new value in access that's tailored to customer needs. Consider the opportunities of an integrated hardware, mobile and cloud-based access solution in a multifamily environment where the property owner can simply and securely manage the site's access from anywhere at any time. Residents are automatically added, updated or deleted in seconds with the right permissions pushed across all relevant access points. Residents can use their smart devices to seamlessly access their apartment complex, their individual living spaces, as well as shared facilities or other on-site amenities – all of this powered by Allegion. Working with key partners, we can expand this reality to other settings, creating both seamless access and valuable insights gained at the opening for customers across university campuses, K-12 schools, hospitals, commercial offices and more.



To support this, we're making strategic investments in our business. We have more than doubled our engineering team since our first year as a standalone company, and more than 70 percent of our engineers now work in electronics, software and cybersecurity. We're approaching software solutions as a business opportunity on a global scale. Capital investments in manufacturing technology are helping us deliver even higher levels of safety, quality and efficiency. At the same time, our M&A pipeline is active, and we have strong cash flow generation to support investments regardless of the industry cycle. With Allegion Ventures, we have a distinct advantage in identifying new technology trends early as we continue to invest in innovative companies that share our pioneering spirit. These organic and inorganic investments are firmly grounded in our belief that the compounding impact of effective capital deployment is critical to driving long-term growth and shareholder value.

Simply put, I am thrilled to be a part of this great team. Allegion's best days are still ahead, with industry-leading organic growth and operating margins, fueled by technology.

Building on our legacy. Securing the future.

Regards,



John H. Stone
President & CEO
Allegion plc

Vision

Enabling seamless access and a safer world

Strategy

Allegion creates value as a solutions provider of security and access



Build on
Our Legacy



Deliver New
Value in Access



Be the Partner
of Choice



Operate with
Excellence

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