



Fourth-Quarter 2015 Results

February 9, 2016

Safe Harbor



This presentation includes “forward-looking statements,” which are statements that are not historical facts, including statements that relate to the mix of and demand for our products, performance of the markets in which we operate, our share repurchase program including the amount of shares to be repurchased and timing of such repurchases, our projected 2016 first-quarter and full-year financial performance and targets including assumptions regarding our effective tax rate, and our sale of our equity interest in Hussmann including the net proceeds to be received and use of such proceeds. These forward-looking statements are based on our current expectations and are subject to risks and uncertainties, which may cause actual results to differ materially from our current expectations. Such factors include, but are not limited to, global economic conditions, demand for our products and services, and tax law changes. Additional factors that could cause such differences can be found in our Form 10-K for the year ended December 31, 2014, Form 10-Q for the quarters ended March 31, 2015, June 30, 2015, and September 30, 2015, and other SEC filings. We assume no obligation to update these forward-looking statements.

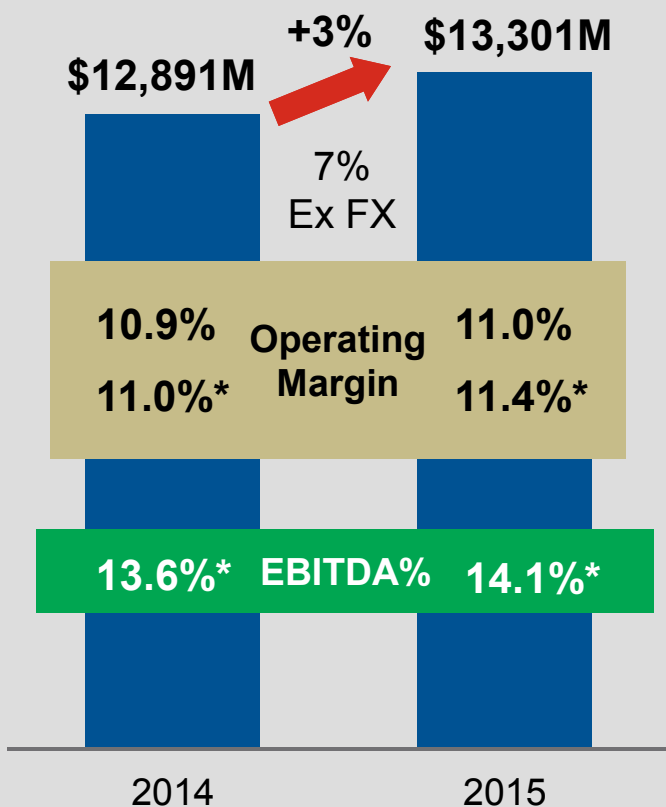
This presentation also includes adjusted non-GAAP financial information which should be considered supplemental to, not a substitute for, or superior to, the financial measure calculated in accordance with GAAP. Further information about the adjusted non-GAAP financial information is included in financial tables attached to the earnings news release that can be found at www.ingersollrand.com.

All data for beyond the fourth quarter of 2015 are estimates.

Full-Year 2015



Revenue and Operating Margin

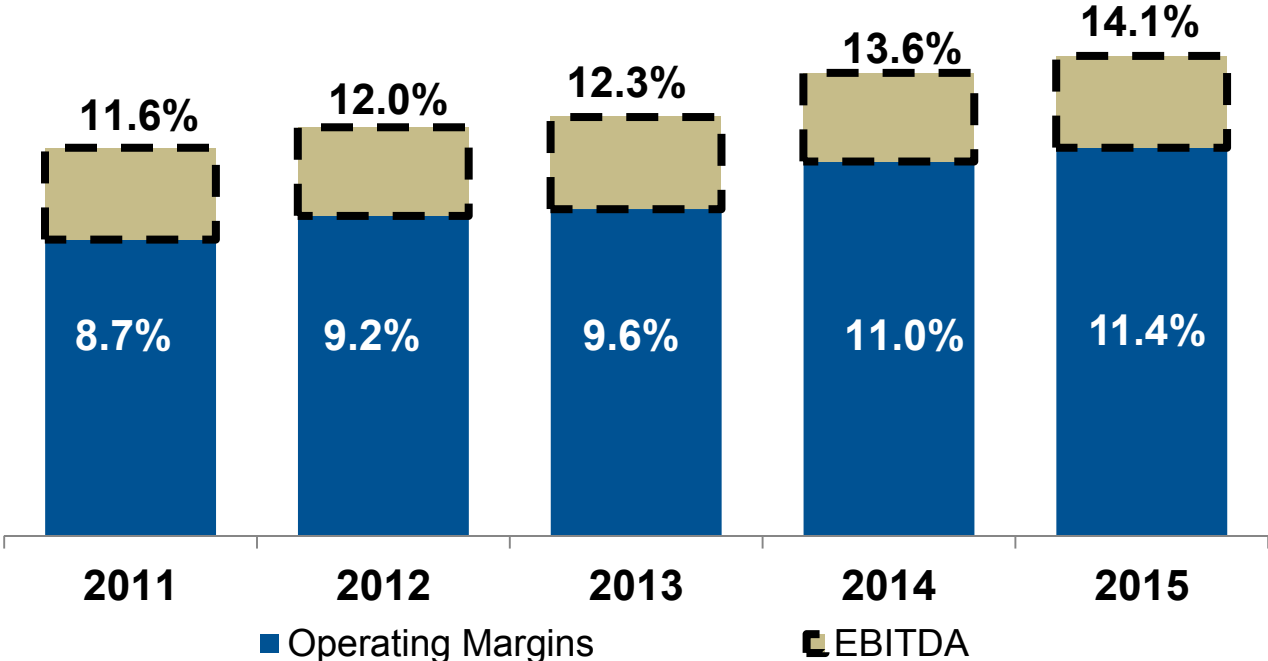


**Adjusted margin excluding restructuring and inventory step-up costs from acquisitions*

- Revenue up 3%, +7% exFX, +5% organic: mid-single digit organic growth in N. America and up low-single digits overseas
- Full-year adjusted EPS from continuing operations of \$3.73, up 12%
- Adjusted operating margin up 40 bps vs 2014
 - Up 60 bps in Climate and declined in Industrial
 - Operational excellence benefits, higher volumes and price offset inflation and negative FX
- Generated \$985M of adjusted free cash flow, 101% of adjusted net income
- Continued to invest to drive future growth
- Repurchased 4.4 million shares for \$250M
- Agreed to sell Hussmann investment for ~ \$425M
- Completed tax agreement with the IRS

Delivered 5% Organic Revenue and 12% EPS growth

Adjusted Operating and EBITDA Margins



Adjusted Operating Margins

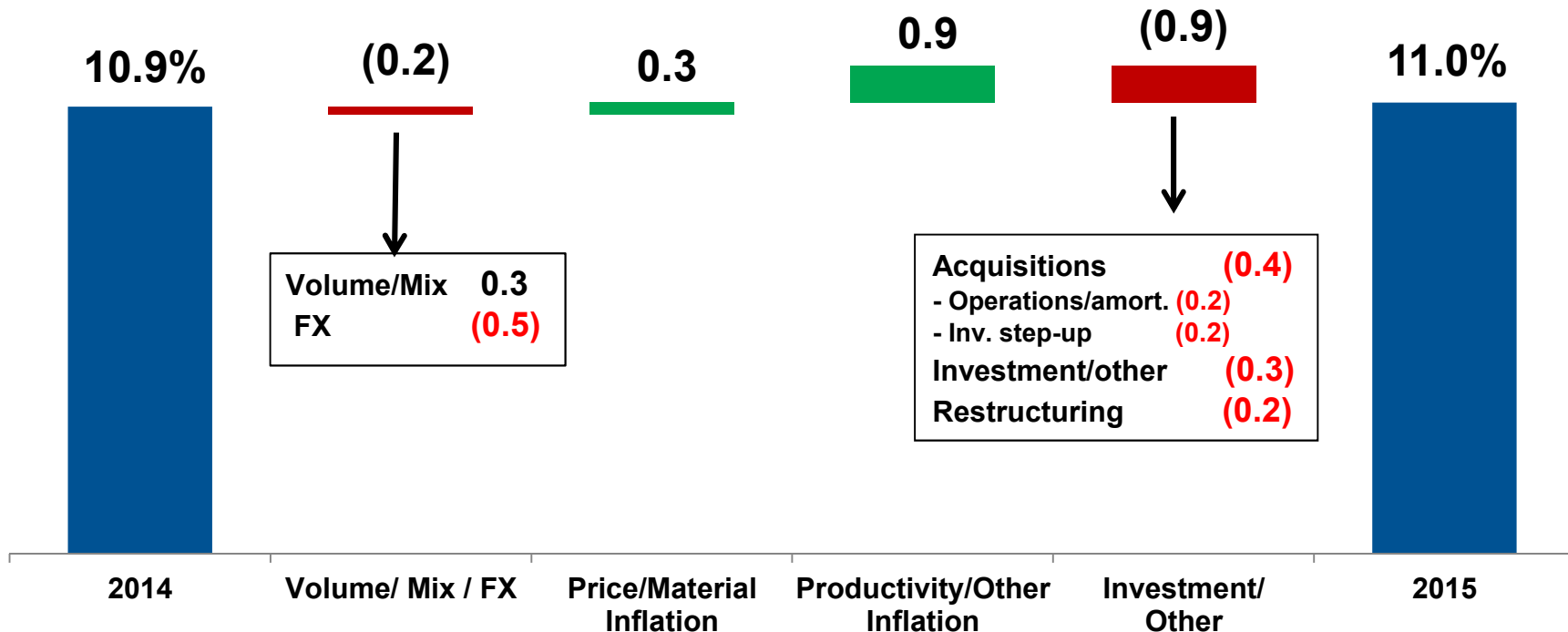
	2011	2012	2013	2014	2015
Segment	10.2%	10.9%	11.7%	12.8%	13.0%
Total	8.7%	9.2%	9.6%	11.0%	11.4%

Steady improvements in margins

Full-Year 2015 Operating Margin



Operating Leverage		
	Reported	Adjusted*
Year-Over-Year Revenue Change	\$409M	\$409M
Year-Over-Year Op. Income Change	\$ 53M	\$100M
Leverage	13%	24%
Organic**Leverage		35%



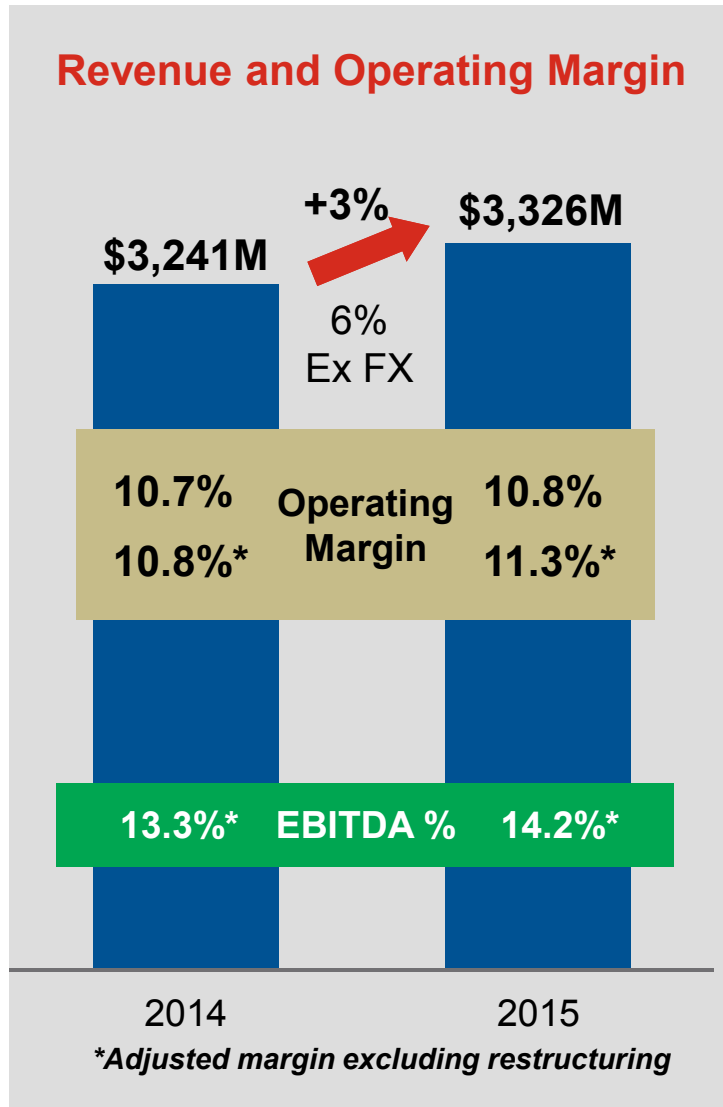
* Adjusted results exclude restructuring costs and acquisition-related inventory step-up costs

** Organic results exclude restructuring costs, acquisitions and currency

Fourth-Quarter 2015



Revenue and Operating Margin



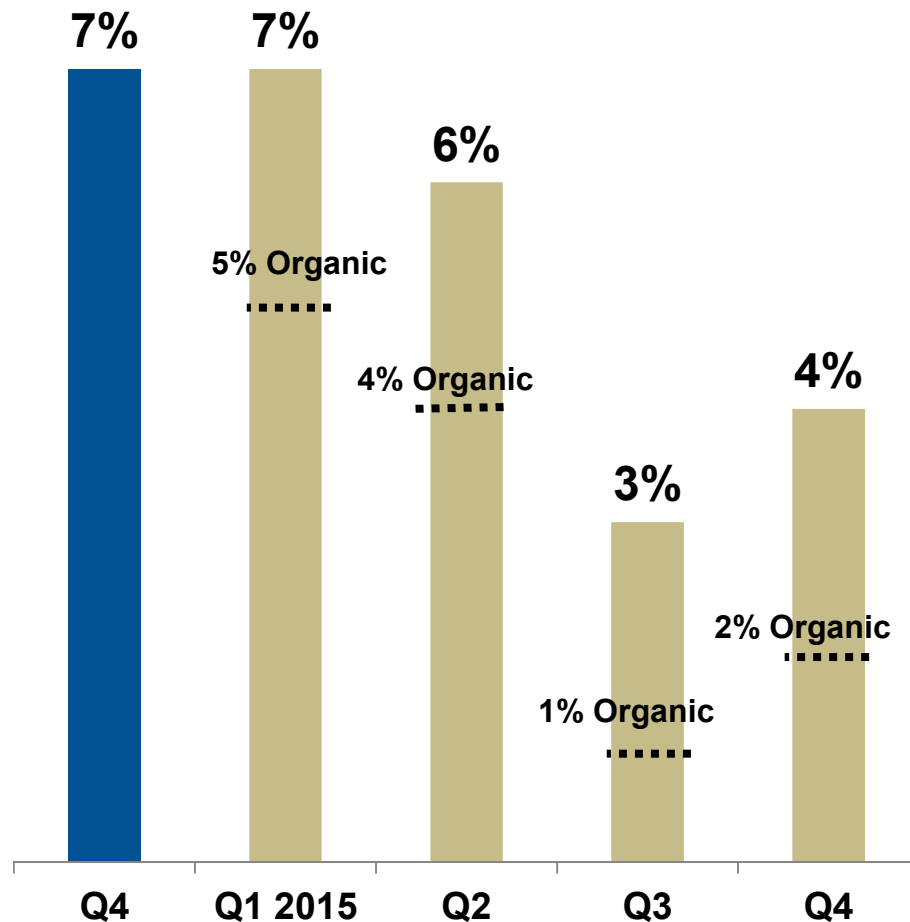
- Adjusted EPS from continuing ops of \$0.94, up 15%
- Revenue up 3%, +6% exFX, +3% organic
 - 5%+ organic growth in both residential and commercial HVAC
- 1% increase in Q4 bookings, +2% organic
- Adjusted operating margin 11.3%; up 50 bps vs. Q4 2014; 50% operating leverage at Climate
 - Increased adjusted margins 70 bps at Climate, decline at Industrial
 - Volume and productivity gains offset by inflation and negative FX
- Repurchased ~4.9 Million shares for \$250 million in January 2016; 10% dividend increase for 2016

Improved operating performance in a volatile environment

Quarterly Year-Over-Year Order Change



Orders, % Change Excluding Currency



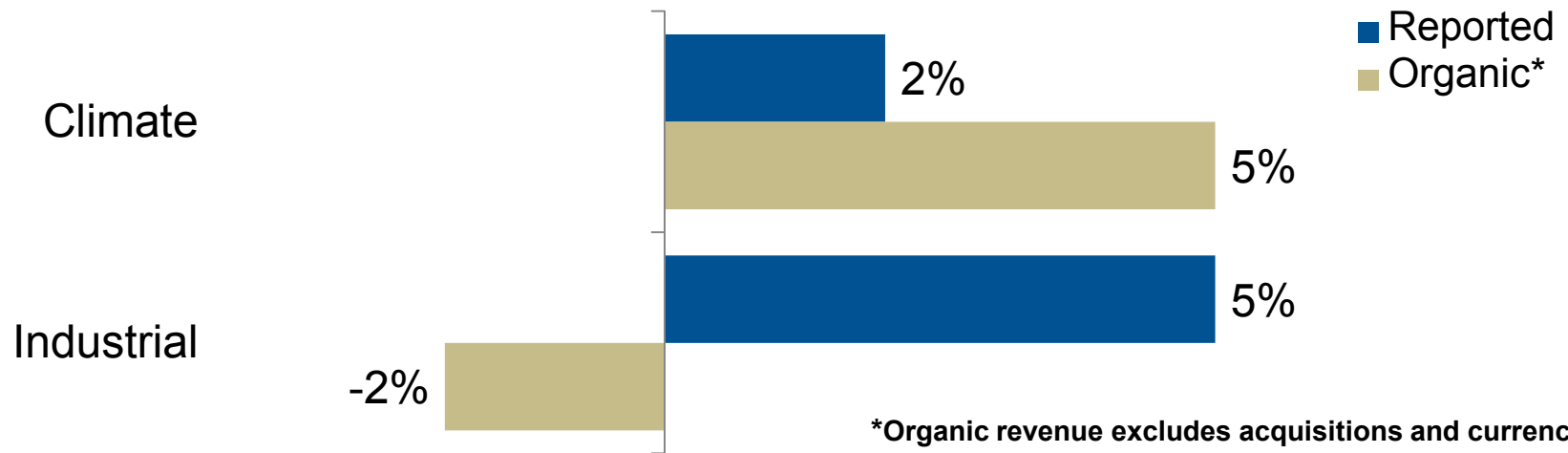
- +1% in Q4 bookings, +4% exFX, +2% organic
- Climate bookings up 2%, organic +5%
 - Commercial HVAC bookings (organic) up low-single digits; up high-single digits in North America; down in all overseas markets
 - Transport bookings (organic) increased by low-single digits; gains in Americas and Asia
 - Residential booking up high-teens
- Industrial bookings down (4%), exFX +1%, organic (7%)
 - Air and industrial products organic bookings down high-single digits
 - Club Car bookings exFX increased mid-single digits

Q4 organic orders up 2%

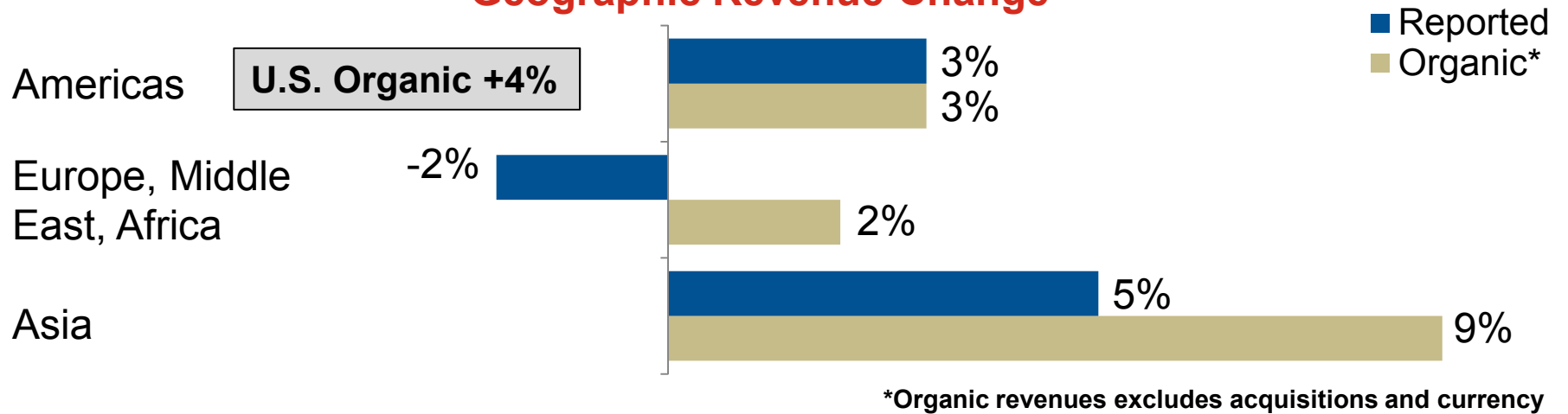
Q4 2015 Revenue Change



Segment Revenue Change



Geographic Revenue Change

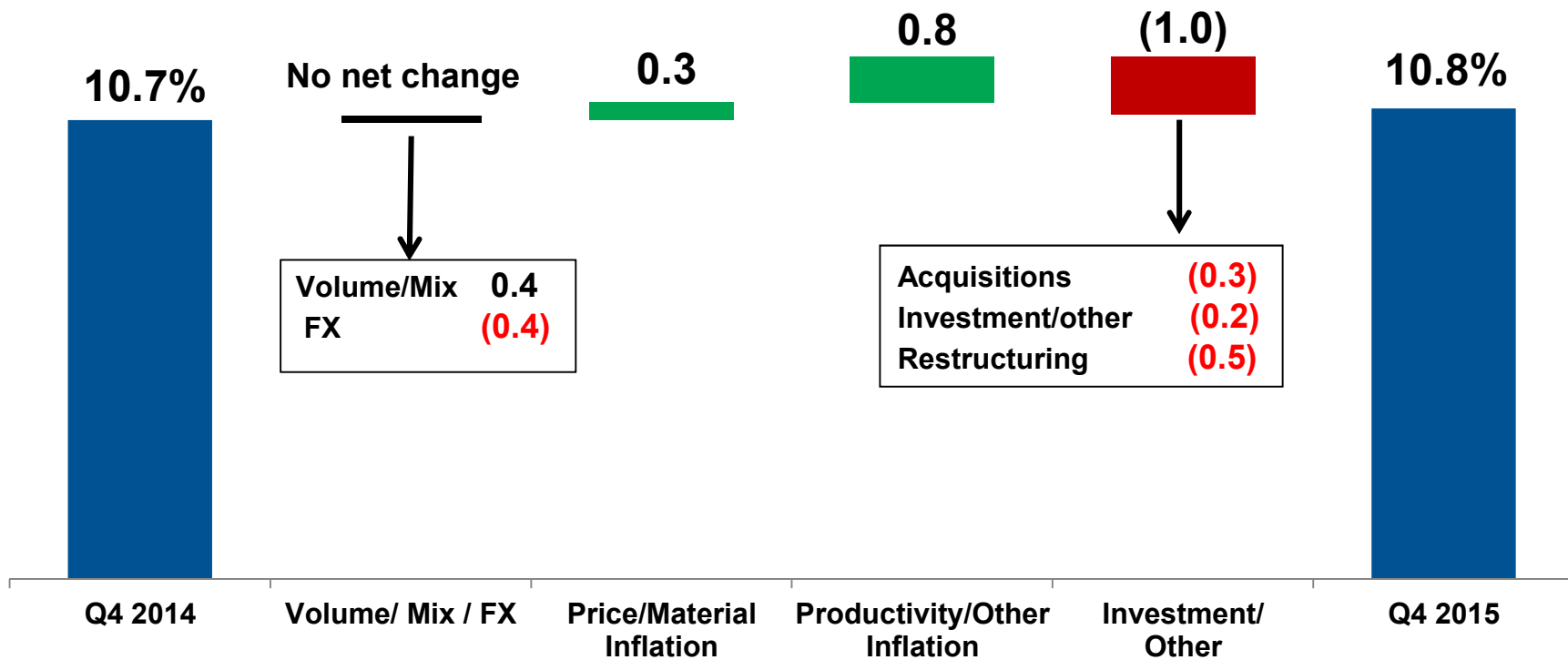


Q4 reported revenue up 3% and organic up 3%

Q4 2015 Operating Margin



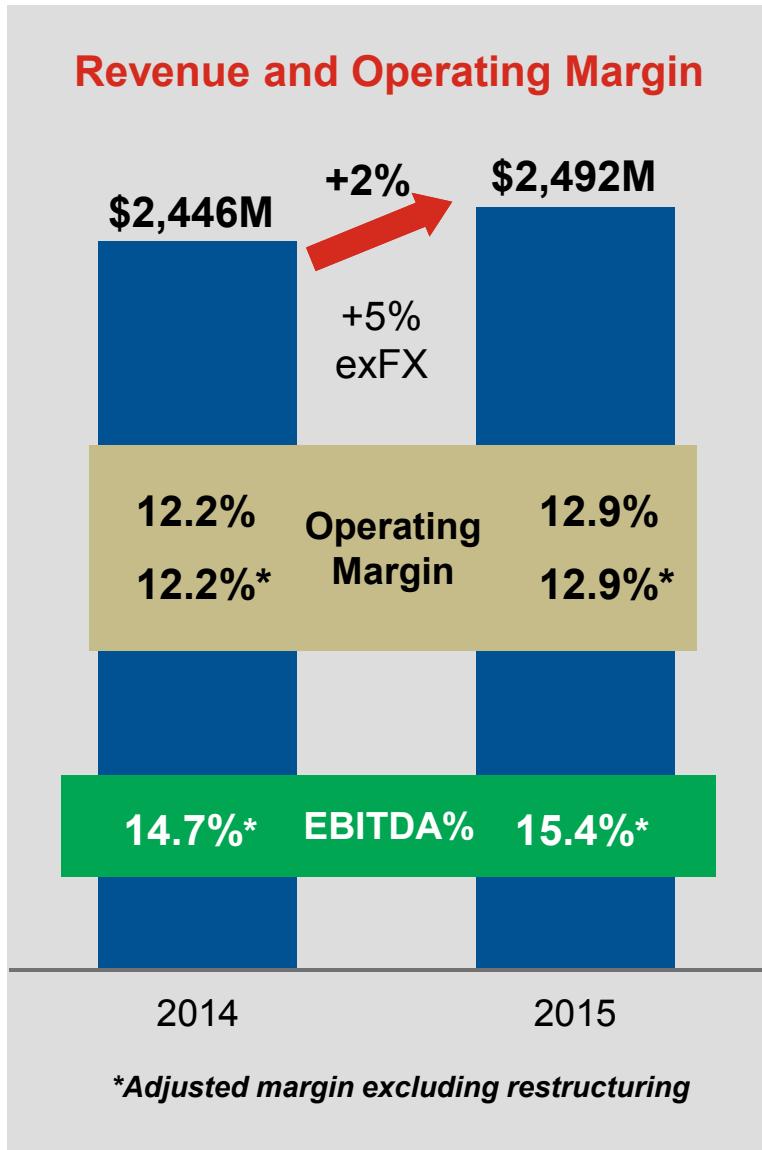
Operating Leverage		
	Reported	Adjusted*
Year-Over-Year Revenue Change	\$85M	\$85M
Year-Over-Year Op. Income Change	\$13M	\$29M
Leverage	15%	34%
Organic**Leverage		55%



* Adjusted results exclude restructuring costs

** Organic results exclude restructuring costs, acquisitions and currency

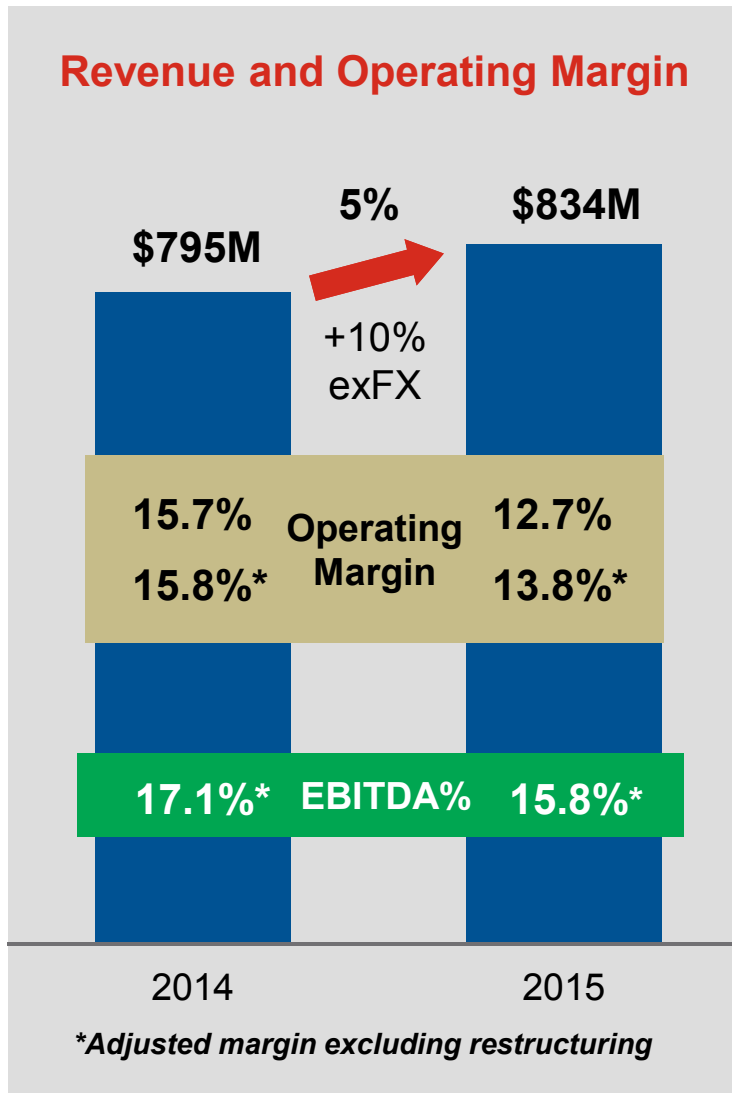
Climate Segment – Q4 2015



- Commercial HVAC revenues up mid-single digits (exFX)
 - Revenues up mid-single digits in N. America; up low teens in Asia and up low-single digits in EMEA and S. America
 - Commercial equipment up low-single digits; growth in both unitary and applied
 - Parts, services, solutions up high-single digits
- Transport organic revenues down low-single digits
 - Truck and trailer organic sales up high-single digits from growth in North America and Europe
 - APU and Marine declined significantly due to difficult comparisons with prior year
- Residential revenues up mid-single digits in a down market
- Adjusted operating margins increased 70 basis points; margin gains from increased volumes and productivity, partially offset by inflation and currency. Strong margin growth at Transport and N. America Commercial and Residential HVAC

Improved margins with 5% organic growth

Industrial Segment – Q4 2015



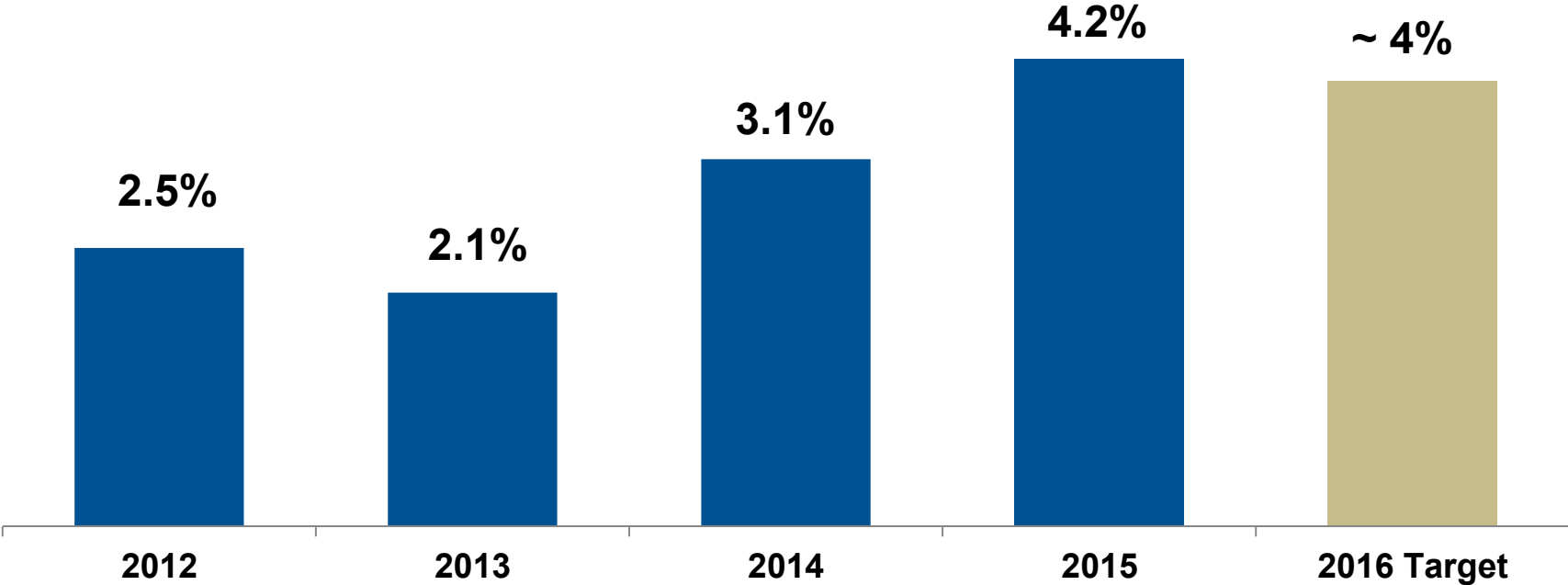
- Industrial segment organic revenues down 2%
- Air and industrial products organic revenues down low-single digits; equipment down mid-single digits; parts and service revenues up low-single digits
 - Organic revenues down high-single digits in the Americas
 - Organic revenues down low-single digits in EMEA; up high-single digits in Asia
- Club Car revenues (exFX) up slightly, growth in utility vehicles and aftermarket parts offset declines in the golf market
- Adjusted operating margin down compared with last year
 - Productivity gains and price were offset by lower volume, negative currency, purchase accounting and inflation
 - Acquisitions and currency were ~200 basis point drag on adjusted earnings

Cost containment actions partially offset soft end markets and currency

Working Capital



Annual Working Capital
% of Revenues

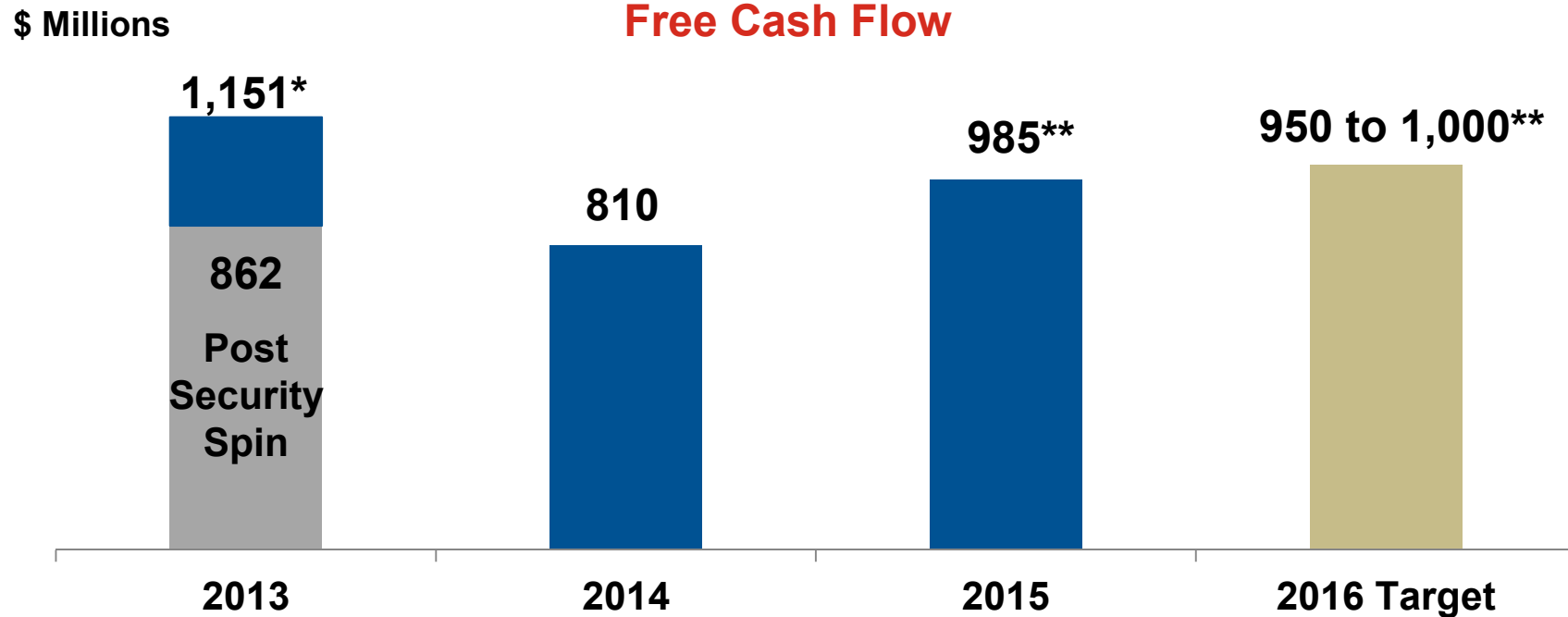


Strategically managing working capital

Balance Sheet and Cash Flow



\$ Millions	YE 13	YE 14	YE 15
Cash	1,937	1,705	737
Debt	3,521	4,224	4,239
Net Debt	1,584	2,519	3,502



*Reported – includes Allegion security business and excludes restructuring and one-time spin costs and refinancing premium

**Excludes the impact of the IRS agreement in 2015 and excludes restructuring in 2015 and 2016

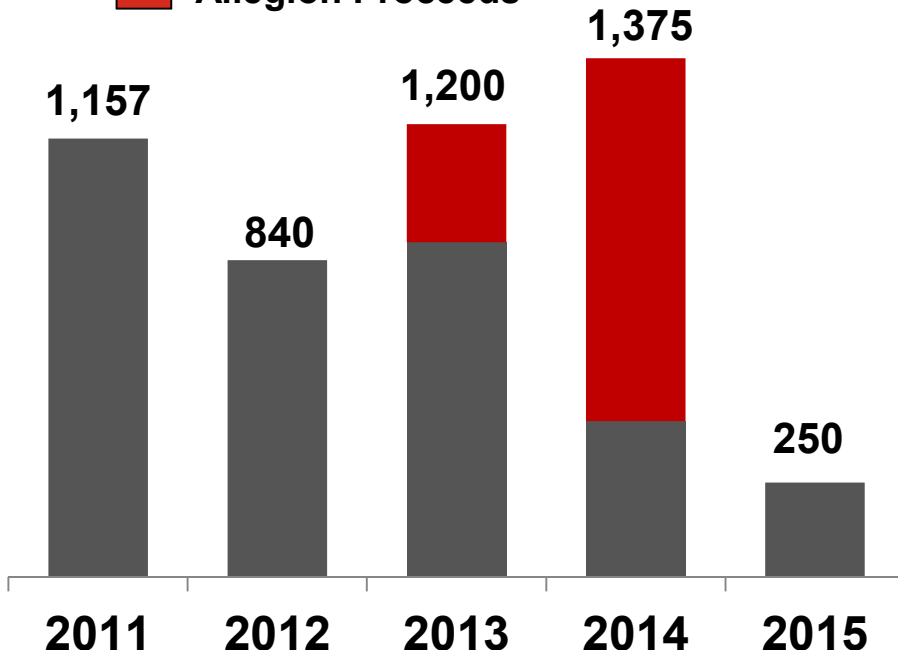
Solid balance sheet and strong cash flows

Returned \$6.1B to Shareholders 2011-15



Share Repurchase, \$M

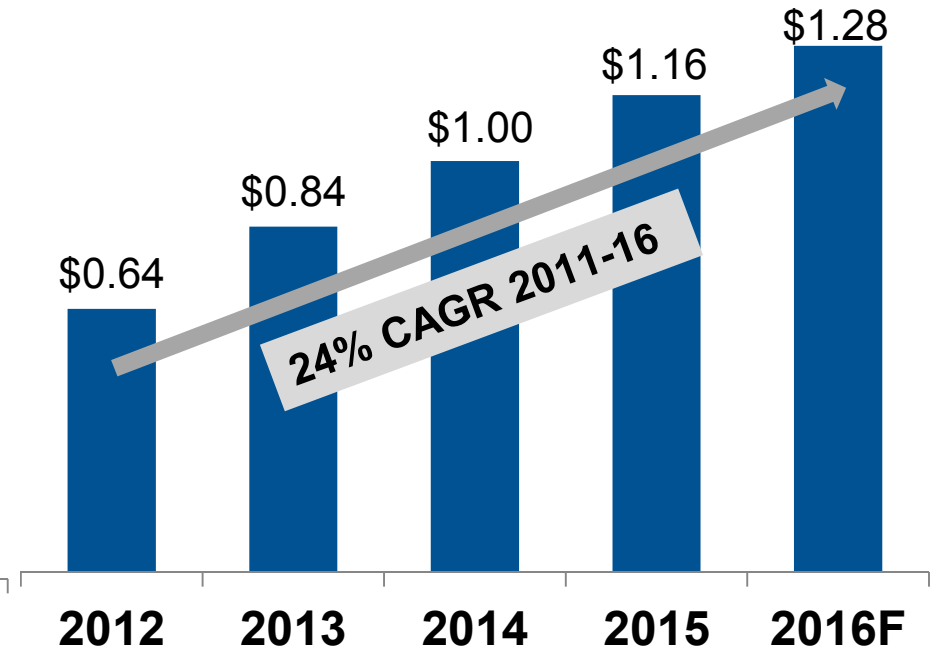
■ Allegion Proceeds



#Shares Purchased, Millions				
36.3	18.4	20.8	23.0	4.4

- Repurchased additional ~4.9M shares for \$250 million in Jan. 2016

Annual Dividend Per Share



- \$1.28 per share dividend for 2016
- 2016 dividend increased by 10%
- 24% dividend CAGR 2011 to 2016

Forecast 2016



End Markets				Organic Revenue
Americas	EMEA	Asia		
Commercial HVAC				Up low-single digits
Residential HVAC				Up mid-single digits
Transport				~Flat
Air & Industrial Products				Down low-single digits
Golf/Utility				Up low-single digits

Full-Year 2016 Forecast



	Y-O-Y Revenue Change	Adjusted Operating Margin
Climate – Reported – ExFX	1% to 3% 3% to 5%	13.25% to 13.75%
Industrial – Reported – ExFX	-4% to -2% -1% to 1%	13.0% to 13.75%
Total – Reported – ExFX	Flat to 2% 2% to 4%	11.5% to 12.0%

Forecast 2016



	Full Year	Q1
YOY reported revenue change <ul style="list-style-type: none"> • Organic • Currency 	Flat to 2% 2% to 4% -2%	Flat to 2% 3% to 5% -3%
EPS continuing – reported*	\$3.75 to \$3.95	\$0.28 to \$0.33
Restructuring – add back	\$(0.05)	\$(0.05)
EPS continuing-adjusted	\$3.80 to \$4.00	\$0.33 to \$0.38
EPS – discontinued	\$(0.09)	\$(0.03)
Shares – Millions	~260	~265
Tax rate	24% to 25%	24% to 25%

Full-year adjusted EPS up 2% to 7%



Appendix

Year-Over-Year Revenue Change



Reported	2013	2014					2015				
	<u>FY</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>
Climate	4%	4%	4%	6%	5%	5%	6%	2%	4%	2%	3%
Industrial	Flat	Flat	4%	3%	3%	3%	7%	(1%)	(2%)	5%	2%
Total	3%	3%	4%	5%	5%	4%	6%	2%	3%	3%	3%

Organic	2013	2014					2015				
	<u>FY</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>
Climate	4%	5%	4%	6%	7%	6%	9%	5%	8%	5%	7%
Industrial	(1%)	Flat	4%	3%	6%	3%	4%	(4%)	(2%)	(2%)	(1%)
Total	3%	4%	4%	6%	7%	5%	8%	3%	6%	3%	5%

Q4 organic revenue up 3%

Full-Year 2016 Guidance Bridge



2015 EPS Continuing Operations	\$2.57
Restructuring + other one-time items*	1.16
Operations – includes (\$0.05) of restructuring	\$0.37 to \$0.57
Lower share count (260M vs. 268M)	0.11
Currency	(0.19)
Investments	(0.13)
Tax rate/other**	(0.14)
EPS Continuing Reported	\$3.75 to \$3.95
2016 forecast restructuring (add back)	(0.05)
Adjusted Continuing EPS	\$3.80 to \$4.00

*Includes acquisition inventory step-up costs, restructuring, Venezuela currency write off and IRS tax agreement

** 2015 included ~\$55 Million, or EPS of \$0.15, from Hussmann income and asbestos settlements

2016 adjusted EPS \$3.80 to \$4.00

Q1 2016 Guidance Bridge



2015 EPS Continuing Operations	\$0.22
Restructuring and other one-time items*	0.16
Operations – includes (\$0.05) of restructuring	(0.01) to \$0.04
Lower share count	0.01
Currency	(0.03)
Investments	(0.04)
Tax rate/other**	(0.03)
EPS Continuing Reported	0.28 to 0.33
2016 forecast restructuring costs (add back)	(0.05)
Adjusted Continuing EPS	\$0.33 to \$0.38

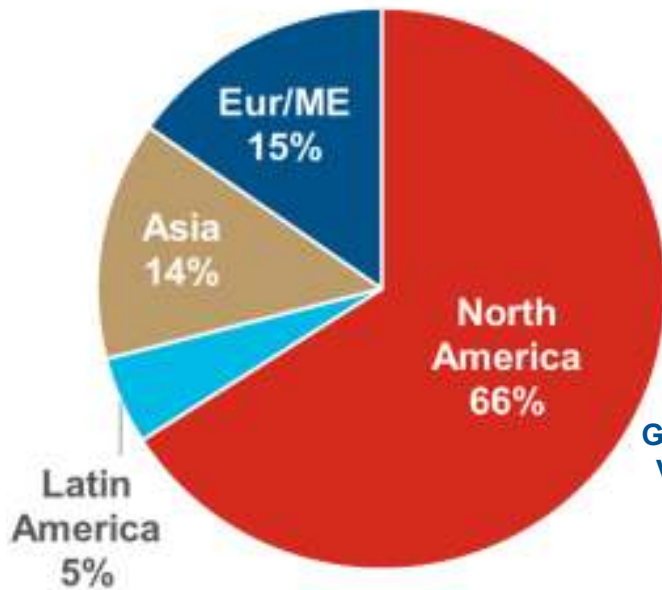
*Includes acquisition inventory step-up costs, restructuring and Venezuela currency write off

** Primarily related to transactional foreign exchange gains and income from asbestos settlements in 2015

Q1 2016 revenue forecast ~\$2.9B; Adjusted EPS \$0.33 to \$0.38

2015 Revenue Profile

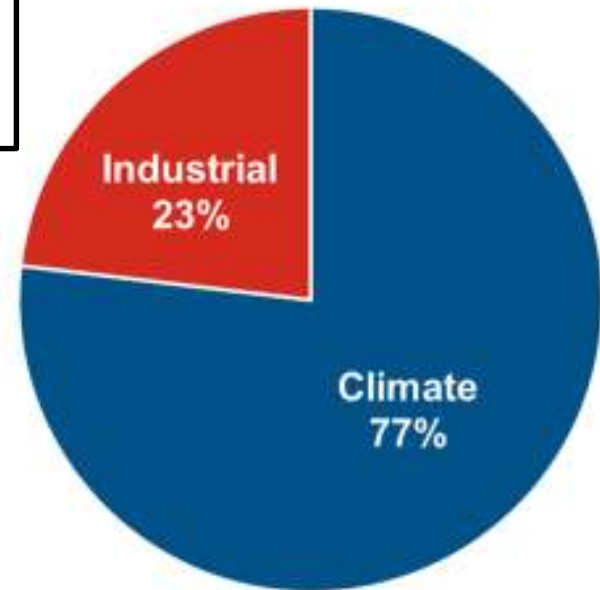
Geography



2015 Revenue: \$13.3B

**68% New Equipment
32% Aftermarket**

Segment



End Markets

