

INTERTAPE POLYMER GROUP INC  
Form 6-K  
August 11, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 6-K**

**Report of Foreign Private Issuer**  
**Pursuant to Rule 13a-16 or 15d-16 of**  
**the Securities Exchange Act of 1934**  
**For the month of August, 2016**  
**Commission File Number 1-10928**

**INTERTAPE POLYMER GROUP INC.**

**9999 Cavendish Blvd.,**  
**Suite 200, Ville St. Laurent, Quebec,**  
**Canada, H4M 2X5**

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_\_

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): \_\_\_\_\_

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTERTAPE POLYMER GROUP INC.

Date: August 11, 2016

By: /s/ Jeffrey Crystal  
Jeffrey Crystal, Chief Financial Officer

**Intertape Polymer Group Inc.**

**Interim Condensed Consolidated Financial Statements**

**June 30, 2016**

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**Intertape Polymer Group Inc.****Consolidated Earnings**

Periods ended June 30,

(In thousands of US dollars, except per share amounts)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Revenue	<b>201,517</b>	196,586	<b>392,333</b>	385,595
Cost of sales	<b>149,715</b>	154,178	<b>299,435</b>	306,172
Gross profit	<b>51,802</b>	42,408	<b>92,898</b>	79,423
Selling, general and administrative expenses	<b>26,282</b>	22,253	<b>49,666</b>	40,380
Research expenses	<b>2,734</b>	2,141	<b>5,276</b>	4,207
	<b>29,016</b>	24,394	<b>54,942</b>	44,587
Operating profit before manufacturing facility closures, restructuring and other related charges	<b>22,786</b>	18,014	<b>37,956</b>	34,836
Manufacturing facility closures, restructuring and other related charges (Note 4)	<b>2,090</b>	142	<b>3,823</b>	802
Operating profit	<b>20,696</b>	17,872	<b>34,133</b>	34,034
Finance costs (income) (Note 3)				
Interest	<b>1,022</b>	982	<b>2,004</b>	1,598
Other expense (income), net	<b>411</b>	395	<b>320</b>	(246)
	<b>1,433</b>	1,377	<b>2,324</b>	1,352
Earnings before income tax expense	<b>19,263</b>	16,495	<b>31,809</b>	32,682
Income tax expense (Note 5)				
Current	<b>3,197</b>	1,249	<b>5,273</b>	2,312
Deferred	<b>2,408</b>	3,498	<b>3,348</b>	6,844
	<b>5,605</b>	4,747	<b>8,621</b>	9,156
Net earnings	<b>13,658</b>	11,748	<b>23,188</b>	23,526

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Earnings per share (Note 6)

Basic	<b>0.23</b>	0.20	<b>0.40</b>	0.39
Diluted	<b>0.22</b>	0.19	<b>0.38</b>	0.38

The accompanying notes are an integral part of the interim condensed consolidated financial statements. Note 3 presents additional information on consolidated earnings.

**Intertape Polymer Group Inc.****Consolidated Comprehensive Income**

Periods ended June 30,

(In thousands of US dollars)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	<b>2016</b>	2015	<b>2016</b>	2015
	\$	\$	\$	\$
Net earnings	<b>13,658</b>	11,748	<b>23,188</b>	23,526
Other comprehensive income (loss)				
Change in fair value of interest rate swap agreements designated as cash flow hedges (net of the change in the deferred income tax benefit of \$126 and \$621 for the three and six months ended June 30, 2016, respectively, and change in the deferred income tax expense of \$105 and income tax benefit of \$102 for the three and six months ended June 30, 2015, respectively).	<b>(205)</b>	172	<b>(1,013)</b>	(166)
Change in cumulative translation adjustments	<b>(601)</b>	2,117	<b>4,081</b>	(5,403)
Items that will be subsequently reclassified to net earnings	<b>(806)</b>	2,289	<b>3,068</b>	(5,569)
Comprehensive income for the period	<b>12,852</b>	14,037	<b>26,256</b>	17,957

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**Intertape Polymer Group Inc.****Consolidated Changes in Shareholders' Equity**

Six months ended June 30, 2015

(In thousands of US dollars, except for number of common shares)

(Unaudited)

	Capital stock		Accumulated other comprehensive loss			Total	Deficit	Total shareholders equity
	Number	Amount \$	Contributed surplus \$	Cumulative translation adjustment account \$	Reserve for cash flow hedge \$			
Balance as of December 31, 2014	60,435,826	357,840	24,493	(8,113)		(8,113)	(146,720)	227,500
Transactions with owners								
Exercise of stock options (Note 6)	152,500	404						404
Excess tax benefit on exercised stock options		689	(689)					
Excess tax benefit on outstanding stock awards			(606)					(606)
Stock-based compensation expense (Note 6)			1,871					1,871
Stock-based compensation expense credited to capital on options exercised (Note 6)		182	(182)					
Deferred Share Units settlement, net of required minimum tax withholding (Note 6)	6,397	65	(218)					(153)
Repurchases of common shares (Note 6)	(967,088)	(8,302)					(5,177)	(13,479)



Dividends on common shares (Note 6)							(14,381)	(14,381)
	(808,191)	(6,962)	176				(19,558)	(26,344)
Net earnings							23,526	23,526
Other comprehensive loss								
Change in fair value of interest rate swap agreement designated as a cash flow hedge (net of the change in deferred income tax benefit of \$207) (Note 7)					(166)	(166)		(166)
Change in cumulative translation adjustments				(5,403)		(5,403)		(5,403)
				(5,403)	(166)	(5,569)		(5,569)
Comprehensive income for the period				(5,403)	(166)	(5,569)	23,526	17,957
<b>Balance as of June 30, 2015</b>	59,627,635	350,878	24,669	(13,516)	(166)	(13,682)	(142,752)	219,113

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**Intertape Polymer Group Inc.****Consolidated Changes in Shareholders' Equity**

Six months ended June 30, 2016

(In thousands of US dollars, except for number of common shares)

(Unaudited)

	Capital stock		Accumulated other comprehensive loss			Total	Deficit	Total shareholders equity
	Number	Amount	Contributed surplus	Cumulative translation adjustment	Reserve for cash flow hedge			
		\$	\$	\$	\$	\$	\$	\$
Balance as of December 31, 2015	58,667,535	347,325	23,298	(20,407)	(272)	(20,679)	(133,216)	216,728
Transactions with owners								
Exercise of stock options (Note 6)	82,500	478						478
Excess tax benefit on exercised stock options		99	(99)					
Excess tax benefit on outstanding stock awards			1,739					1,739
Stock-based compensation expense (Note 6)			2,528					2,528
Stock-based compensation expense credited to capital on options exercised (Note 6)		154	(154)					
Repurchases of common shares (Note 6)	147,200	(862)					(835)	(1,697)
Dividends on common shares (Note 6)							(15,221)	(15,221)
	229,700	(131)	4,014				(16,056)	(12,173)

Net earnings							23,188	23,188
Other comprehensive income								
Change in fair value of interest rate swap agreements designated as cash flow hedges (net of change in deferred income tax benefit of \$621) (Note 7)					(1,013)	(1,013)		(1,013)
Change in cumulative translation adjustments				4,081		4,081		4,081
				4,081	(1,013)	3,068		3,068
Comprehensive income for the period				4,081	(1,013)	3,068	23,188	26,256
<b>Balance as of June 30, 2016</b>	58,897,235	347,194	27,312	(16,326)	(1,285)	(17,611)	(126,084)	230,811

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**Intertape Polymer Group Inc.****Consolidated Cash Flows**

Periods ended June 30,

(In thousands of US dollars)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net earnings	<b>13,658</b>	11,748	<b>23,188</b>	23,526
Adjustments to net earnings				
Depreciation and amortization	<b>7,397</b>	6,939	<b>14,632</b>	13,673
Income tax expense	<b>5,605</b>	4,747	<b>8,621</b>	9,156
Interest expense	<b>1,022</b>	982	<b>2,004</b>	1,598
Non-cash charges (recoveries) in connection with manufacturing facility closures, restructuring and other related charges	<b>787</b>	(137)	<b>1,315</b>	(100)
Stock-based compensation expense	<b>2,542</b>	2,146	<b>4,136</b>	2,127
Pension and other post-retirement benefits expense	<b>703</b>	563	<b>1,410</b>	1,163
Loss (gain) on foreign exchange	<b>168</b>	194	<b>(160)</b>	(667)
Impairment of assets	<b>135</b>		<b>163</b>	
Other adjustments for non cash items	<b>190</b>	54	<b>284</b>	229
Income taxes paid, net	<b>(1,965)</b>	(2,955)	<b>(2,164)</b>	(3,065)
Contributions to defined benefit plans	<b>(510)</b>	(602)	<b>(688)</b>	(1,201)
Cash flows from operating activities before changes in working capital items	<b>29,732</b>	23,679	<b>52,741</b>	46,439
<b>Changes in working capital items</b>				
Trade receivables	<b>(2,515)</b>	1,779	<b>(9,056)</b>	(3,507)
Inventories	<b>360</b>	2,341	<b>(10,332)</b>	(11,479)
Parts and supplies	<b>(73)</b>	(520)	<b>(537)</b>	(805)
Other current assets	<b>(1,143)</b>	(773)	<b>1,313</b>	2,134
Accounts payable and accrued liabilities	<b>(1,986)</b>	384	<b>(11,100)</b>	(5,414)
Provisions	<b>8</b>	(1,157)	<b>30</b>	(752)
	<b>(5,349)</b>	2,054	<b>(29,682)</b>	(19,823)
Cash flows from operating activities	<b>24,383</b>	25,733	<b>23,059</b>	26,616

*INVESTING ACTIVITIES*

Acquisition of a subsidiary, net of cash acquired	(15,333)		(15,333)	
Purchases of property, plant and equipment	<b>(13,810)</b>	(6,165)	<b>(23,304)</b>	(15,148)
Other investing activities	<b>5</b>	231	<b>(45)</b>	198
Cash flows from investing activities	<b>(13,805)</b>	(21,267)	<b>(23,349)</b>	(30,283)

*FINANCING ACTIVITIES*

Proceeds from long-term debt	<b>24,668</b>	33,759	<b>89,303</b>	132,598
Repayment of long-term debt	<b>(28,226)</b>	(30,397)	<b>(75,589)</b>	(91,664)
Interest paid	<b>(1,408)</b>	(996)	<b>(2,223)</b>	(1,620)
Proceeds from exercise of stock options	<b>363</b>	367	<b>478</b>	404
Repurchases of common shares		(9,609)	<b>(1,697)</b>	(13,532)
Dividends paid	<b>(7,574)</b>	(7,154)	<b>(15,083)</b>	(14,457)
Other financing activities		(1)		(28)
Cash flows from financing activities	<b>(12,177)</b>	(14,031)	<b>(4,811)</b>	11,701
Net (decrease) increase in cash	<b>(1,599)</b>	(9,565)	<b>(5,101)</b>	8,034
Effect of foreign exchange differences on cash	<b>349</b>	545	<b>509</b>	(1,113)
Cash, beginning of period	<b>14,273</b>	24,283	<b>17,615</b>	8,342
Cash, end of period	<b>13,023</b>	15,263	<b>13,023</b>	15,263

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**Intertape Polymer Group Inc.****Consolidated Balance Sheets**

As of

(In thousands of US dollars)

	<b>June 30, 2016 (Unaudited)</b>	December 31, 2015 (Audited)
	\$	\$
<b>ASSETS</b>		
Current assets		
Cash	13,023	17,615
Trade receivables	88,025	78,517
Inventories	111,152	100,551
Parts and supplies	15,894	15,265
Other current assets	7,689	8,699
	<b>235,783</b>	220,647
Property, plant and equipment	207,788	198,085
Goodwill	7,476	7,476
Intangible assets	12,014	12,568
Deferred tax assets	46,030	45,308
Other assets	3,332	3,178
Total assets	<b>512,423</b>	487,262
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	75,857	82,226
Provisions	2,136	2,209
Installments on long-term debt	5,761	5,702
	<b>83,754</b>	90,137
Long-term debt	161,701	147,134
Pension and other post-retirement benefits	30,211	29,292
Other liabilities	2,973	1,029
Provisions	2,973	2,942
	<b>281,612</b>	270,534
<b>SHAREHOLDERS EQUITY</b>		
Capital stock (Note 6)	347,194	347,325
Contributed surplus	27,312	23,298

Deficit	<b>(126,084)</b>	(133,216)
Accumulated other comprehensive loss	<b>(17,611)</b>	(20,679)
	<b>230,811</b>	216,728
Total liabilities and shareholders' equity	<b>512,423</b>	487,262

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

**Intertape Polymer Group Inc.**

**Notes to Interim Condensed Consolidated Financial Statements**

June 30, 2016

(In US dollars, tabular amounts in thousands, except as otherwise noted)

(Unaudited)

**1 - GENERAL BUSINESS DESCRIPTION**

Intertape Polymer Group Inc. (the *Parent Company*), incorporated under the *Canada Business Corporations Act*, has its principal administrative offices in Montreal, Québec, Canada and in Sarasota, Florida, U.S.A. The address of the *Parent Company*'s registered office is 800 Place Victoria, Suite 3700, Montreal, Québec H4Z 1E9, c/o Fasken Martineau DuMoulin LLP. The *Parent Company*'s common shares are listed on the Toronto Stock Exchange (*TSX*) in Canada.

The *Parent Company* and its subsidiaries (together referred to as the *Company*) develop, manufacture and sell a variety of paper and film based pressure sensitive and water activated tapes, polyethylene and specialized polyolefin films, woven coated fabrics and complementary packaging systems for industrial and retail use.

Intertape Polymer Group Inc. is the *Company*'s ultimate parent.

**2 - ACCOUNTING POLICIES**

**Basis of Presentation and Statement of Compliance**

The unaudited interim condensed consolidated financial statements (*Financial Statements*) present the *Company*'s consolidated balance sheets as of June 30, 2016 and December 31, 2015, as well as its consolidated earnings, comprehensive income, changes in shareholders' equity and cash flows for the three and six months ended June 30, 2016 and 2015.

These *Financial Statements* have been prepared in accordance with International Accounting Standard (*IAS*) 34 *Interim Financial Reporting* and are expressed in United States (*US*) dollars. Accordingly, certain information and footnote disclosures normally included in annual audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (*IFRS*), as issued by the International Accounting Standards Board (*IASB*), have been omitted or condensed. These *Financial Statements* use the same accounting policies and methods of computation as compared with the *Company*'s most recent annual audited consolidated financial statements, except for (i) the estimate of the provision for income taxes, which is determined in these *Financial Statements* using the estimated weighted average annual effective income tax rate applied to the earnings before income tax expense (benefit) of the interim period, which may have to be adjusted in a subsequent interim period of the financial year if the estimate of the annual income tax rate changes and (ii) the re-measurement of the defined benefit liability, which is required at year-end and if triggered by plan amendment or settlement during interim periods.

These *Financial Statements* reflect all adjustments which are, in the opinion of management, necessary to present a fair statement of the results for these interim periods. These adjustments are of a normal recurring nature.



These Financial Statements were authorized for issuance by the Company's Board of Directors on August 10, 2016.

**Critical Accounting Judgments, Estimates and Assumptions**

The preparation of these Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Significant changes in the underlying assumptions could result in significant changes to these estimates. Consequently, management reviews these estimates on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The judgments, estimates and assumptions applied in these Financial Statements were the same as those applied in the Company's most recent annual audited consolidated financial statements other than (as noted above) the accounting policies and methods of computation for the estimate of the provision for income taxes and the re-measurement of the defined benefit liability.

### **New Standards and Interpretations Issued but Not Yet Effective**

Certain new standards, amendments and interpretations, and improvements to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Company. Management anticipates that all of the relevant pronouncements will be adopted in the first reporting period following the date of application. Information on new standards, amendments and interpretations, and improvements to existing standards, which could potentially impact the Company's consolidated financial statements, are detailed as follows:

**IFRS 15 Revenue from Contracts with Customers** replaces IAS 18 Revenue, IAS 11 Construction Contracts and some revenue related interpretations. IFRS 15 establishes a new control-based revenue recognition model, changes the basis for deciding when revenue is recognized at a point in time or over time, provides new and more detailed guidance on specific topics and expands and improves disclosures about revenue. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018. Management has yet to assess the impact of this new standard on the Company's consolidated financial statements.

**IFRS 9 (2014) Financial Instruments** was issued in July 2014 and differs in some regards from IFRS 9 (2013) which the Company adopted effective January 1, 2015. IFRS 9 (2014) includes updated guidance on the classification and measurement of financial assets. The final standard also amends the impairment model by introducing a new expected credit loss model for calculating impairment. The mandatory effective date of IFRS 9 (2014) is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. Management has yet to assess the impact of this new standard on the Company's consolidated financial statements.

**IFRS 16 Leases** which will replace IAS 17 Leases was issued in January 2016. IFRS 16 eliminates the classification as an operating lease and requires lessees to recognize a right-of-use asset and a lease liability in the statement of financial position for all leases with exemptions permitted for short-term leases and leases of low value assets. In addition, IFRS 16 changes the definition of a lease; sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and options periods; changes the accounting for sale and leaseback arrangements; largely retains IAS 17's approach to lessor accounting and introduces new disclosure requirements. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019 with early application permitted in certain circumstances. Management has yet to assess the impact of this new standard on the Company's consolidated financial statements.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's consolidated financial statements.

