

INTERTAPE POLYMER GROUP INC
Form 6-K
March 13, 2019

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 March, 2019
Commission File Number 1-10928

INTERTAPE POLYMER GROUP INC.

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

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 x 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: March 13, 2019 By: /s/ Jeffrey Crystal
Jeffrey Crystal, Chief Financial Officer

Intertape Polymer Group Inc.

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") is intended to provide the reader with a better understanding of the business, strategy and performance of Intertape Polymer Group Inc. (the "Company"), as well as how it manages certain risks and capital resources. This MD&A, which has been prepared as of March 12, 2019, should be read in conjunction with the Company's audited consolidated financial statements and notes thereto as of December 31, 2018 and 2017 and for the three-year period ended December 31, 2018 ("Financial Statements"). It should also be read together with the text below on forward-looking statements in the Section entitled "Forward-Looking Statements."

For the purposes of preparing this MD&A, the Company considers the materiality of information. Information is considered material if the Company believes at the time of preparing this MD&A that: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the common shares of the Company; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; and/or (iii) it would significantly alter the total mix of information available to investors. The Company evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. Except where otherwise indicated, all financial information presented in this MD&A, including tabular amounts, is prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS" or "GAAP") and is expressed in US dollars. Variance, ratio and percentage changes in this MD&A are based on unrounded numbers.

Financial Highlights

(In millions of US dollars, except per share amounts, selected ratios, and trading volume information)

(Unaudited)

	2018	2017	2016
	\$	\$	\$
Operations			
Revenue	1,053.0	898.1	808.8
Gross margin ⁽¹⁾	20.8	% 22.4	% 23.7
Net earnings attributable to Company shareholders ⁽²⁾	46.8	64.2	51.1
Adjusted net earnings ⁽³⁾	62.2	63.7	61.6
Adjusted EBITDA ⁽³⁾	140.9	129.6	122.0
Cash flows from operating activities	90.8	92.1	108.1
Free cash flows ⁽³⁾	15.0	6.8	58.2
Capital expenditures ⁽⁴⁾	75.8	85.3	50.0
Effective tax rate ⁽⁵⁾	17.4	% 16.9	% 27.7
Per Common Share			
IPG Net Earnings - diluted	0.79	1.08	0.85
Adjusted earnings - diluted ⁽³⁾	1.05	1.07	1.02
Dividend paid per share ⁽⁶⁾	0.56	0.56	0.53

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	2018	2017	2016
	\$	\$	\$
Financial Position			
Working capital ⁽⁷⁾	186.5	135.3	130.6
Total assets	1,004.8	715.9	580.6
Net debt ⁽⁸⁾	481.3	270.4	158.9
Total equity attributable to Company shareholders	249.8	248.1	236.5
Cash and loan availability ⁽⁹⁾	393.9	186.6	158.2
Selected Ratios			
Current Ratio ⁽¹⁰⁾	2.06	1.94	2.17
Secured Leverage Ratio ^{(3) (11)}	1.62	2.09	1.30
Total Leverage Ratio ^{(3) (12)}	3.30	2.09	1.30
Return on equity ⁽¹³⁾	25.0	% 26.3	% 27.2 %
Stock Information			
Weighted average shares outstanding - diluted ⁽¹⁴⁾	59,084	59,588	60,369
Shares outstanding as of December 31 ⁽¹⁴⁾	58,650	58,800	59,060
The Toronto Stock Exchange (CDN\$)			
Share price as of December 31	16.92	21.49	25.18
High: 52 weeks	22.84	25.41	25.74
Low: 52 weeks	14.60	17.49	15.46

(1) Gross profit divided by revenue.

(2) Net earnings attributable to Company shareholders ("IPG Net Earnings").

(3) These are non-GAAP financial measures defined below and accompanied by a reconciliation to the most directly comparable GAAP financial measure. Refer to the section below entitled "Non-GAAP Financial Measures."

(4) Purchases of property, plant and equipment.

(5) Refer to the section below entitled "Income Taxes" and Note 5 – Income Taxes to the Company's Financial Statements.

(6) Dividends paid divided by weighted average basic shares outstanding.

(7) Current assets less current liabilities.

(8) Borrowings, current and non-current, less cash.

(9) Refer to the section below entitled "Liquidity and Borrowings".

(10) Current assets divided by current liabilities.

(11) Secured borrowings less cash, divided by adjusted EBITDA. Secured borrowings are borrowings, current and non-current, less Senior Unsecured Notes (defined later in this document). Adjusted EBITDA for the twelve months ending December 31, 2018 used in this calculation includes pre-acquisition results for Polyair (defined later in this document) conformed to the Company's current definition of Adjusted EBITDA, which is not normalized for Polyair's expected run-rate results.

(12) Net debt, divided by adjusted EBITDA. Adjusted EBITDA for the twelve months ending December 31, 2018 used in this calculation includes pre-acquisition results for Polyair conformed to the Company's current definition of Adjusted EBITDA, which is not normalized for Polyair's expected run-rate results.

(13) Adjusted net earnings divided by average total equity attributable to Company shareholders.

(14) In thousands.

2018 Share Prices

	High	Low	Close	ADV ⁽¹⁾
The Toronto Stock Exchange (CDN\$)				
Q1	22.84	19.71	20.71	179,475

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Q2	20.74	17.61	18.07	126,106
Q3	19.47	16.63	19.17	180,097
Q4	19.36	14.60	16.92	191,524

⁽¹⁾ Represents average daily volume sourced from the Toronto Stock Exchange.

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Consolidated Quarterly Statements of Earnings
(In thousands of US dollars, except share and per share amounts)
(Unaudited)

1st Quarter	2nd Quarter
2018	2017
2017	2016
2018	2017