

INTERTAPE POLYMER GROUP INC

Form 6-K

March 09, 2017

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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, 2017

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):

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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 9, 2017

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

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December 31, 2016, 2015 and 2014

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Management's Responsibility for Financial Statements

The consolidated financial statements of Intertape Polymer Group Inc. (the Company) and other financial information are the responsibility of the Company's management and have been examined and approved by its Board of Directors. These consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and include some amounts that are based on management's best estimates and judgments. The selection of accounting principles and methods is management's responsibility.

Management is responsible for the design, establishment and maintenance of appropriate internal control and procedures over financial reporting, to ensure that financial statements for external purposes are fairly presented in conformity with IFRS. Pursuant to these internal control and procedures, processes have been designed to ensure that the Company's transactions are properly authorized, the Company's assets are safeguarded against unauthorized or improper use, and the Company's transactions are properly recorded and reported to permit the preparation of the Company's consolidated financial statements in conformity with IFRS.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and for maintaining proper standards of conduct in its activities.

The Audit Committee, all of whose members are independent directors, is involved in the review of the consolidated financial statements and other financial information.

The Audit Committee's role is to examine the consolidated financial statements and annual report and once approved, recommend that the Board of Directors approve them, examine internal control over financial reporting and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the Audit Committee meets periodically with the external auditor to review its audit plan and discuss the results of its examinations. The Audit Committee is also responsible for recommending the nomination of the external auditor.

The Company's external independent registered public accounting firm, Raymond Chabot Grant Thornton LLP, was appointed by the Shareholders at the Annual Meeting of Shareholders on June 9 2016, to conduct the integrated audit of the Company's consolidated financial statements, and the Company's internal control over financial reporting. Its reports indicating the scope of its audits and its opinions on the consolidated financial statements and the Company's internal control over financial reporting follow.

/s/ Gregory A.C. Yull

Gregory A.C. Yull

President and Chief Executive Officer

/s/ Jeffrey Crystal

Jeffrey Crystal

Chief Financial Officer

Sarasota, Florida and Montreal, Quebec

March 8, 2017

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Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of the Company's financial reporting as well as the preparation of financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS).

Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and, even when determined to be effective, can only provide reasonable assurance with respect to financial statements preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Management conducted an assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2016 based on the criteria established in *2013 Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2016 based on those criteria.

The Company's internal control over financial reporting as of December 31, 2016 has been audited by Raymond Chabot Grant Thornton LLP, the Company's external independent registered public accounting firm, as stated in its report which follows.

/s/ Gregory A.C. Yull

Gregory A.C. Yull

President and Chief Executive Officer

/s/ Jeffrey Crystal

Jeffrey Crystal

Chief Financial Officer

Sarasota, Florida and Montreal, Quebec

March 8, 2017

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**Independent Auditor's Report of
Registered Public Accounting Firm**

To the Shareholders of

Intertape Polymer Group Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Intertape Polymer Group Inc. which comprise the consolidated balance sheets as at December 31, 2016 and 2015 and the consolidated statements of earnings, comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended December 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Intertape Polymer Group Inc. as at December 31, 2016 and 2015, and its financial performance and its cash flows for each of the years in the three-year period ended December 31, 2016 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Other Matters

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Intertape Polymer Group Inc.'s internal control over financial reporting as at December 31, 2016, based on the criteria established in *2013 Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 8, 2017, expressed an unqualified opinion on Intertape Polymer Group Inc.'s internal control over financial reporting.

Montreal, Canada

March 8, 2017

¹ CPA auditor, CA, public accountancy permit No. A121855

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**Independent Auditor's Report of
Registered Public Accounting Firm on
Internal Control over Financial Reporting**

To the Shareholders of

Intertape Polymer Group Inc.

We have audited Intertape Polymer Group Inc.'s internal control over financial reporting as at December 31, 2016, based on criteria established in *2013 Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Management's Responsibility

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in Management's Report on Internal Control over Financial Reporting.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal control over financial reporting.

Definition of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in

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reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2016 based on criteria established in *2013 Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We have also audited, in accordance with Canadian generally accepted auditing standards and standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of Intertape Polymer Group Inc. as at December 31, 2016 and 2015 and for each of the years in the three-year period ended December 31, 2016 and our report dated March 8, 2017 expressed an unqualified opinion thereon.

Montreal, Canada

March 8, 2017

¹ CPA auditor, CA, public accountancy permit No. A121855

Table of Contents**Intertape Polymer Group Inc.****Consolidated Earnings**

Years ended December 31, 2016, 2015 and 2014

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

	2016	2015	2014
	\$	\$	\$
Revenue	808,801	781,907	812,732
Cost of sales	617,314	613,895	649,099
Gross profit	191,487	168,012	163,633
Selling, general and administrative expenses	102,580	84,072	85,955
Research expenses	10,790	9,459	7,873
	113,370	93,531	93,828
Operating profit before manufacturing facility closures, restructuring and other related charges	78,117	74,481	69,805
Manufacturing facility closures, restructuring and other related charges (Note 4)	2,408	3,666	4,927
Operating profit	75,709	70,815	64,878
Finance costs (income) (Note 3)			
Interest	4,398	3,553	4,631
Other expense (income), net	605	(393)	1,528
	5,003	3,160	6,159
Earnings before income tax expense	70,706	67,655	58,719
Income tax expense (Note 5)			
Current	8,757	8,185	3,665
Deferred	10,812	2,798	19,238
	19,569	10,983	22,903
Net earnings	51,137	56,672	35,816
Net earnings attributable to:			
Company shareholders	51,120	56,672	35,816
Non-controlling interest	17		
	51,137	56,672	35,816
Earnings per share attributable to Company shareholders (Note 6)			
Basic	0.87	0.95	0.59

Diluted	0.85	0.93	0.58
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The accompanying notes are an integral part of the consolidated financial statements and Note 3 presents additional information on consolidated earnings.

Table of Contents**Intertape Polymer Group Inc.****Consolidated Comprehensive Income**

Years ended December 31, 2016, 2015 and 2014

(In thousands of US dollars)

	2016	2015	2014
	\$	\$	\$
Net earnings	51,137	56,672	35,816
Other comprehensive income (loss)			
Change in fair value of interest rate swap agreements designated as cash flow hedges (net of the deferred tax expense (benefit) of \$83 in 2016, (\$166) in 2015 and nil 2014) (Note 22)	136	(272)	
Change in cumulative translation adjustments	789	(12,294)	(7,343)
Items that will be reclassified subsequently to net earnings	925	(12,566)	(7,343)
Remeasurement of defined benefit liability (net of income tax (expense) benefit of \$(66), (\$964) in 2015 and \$3,183 in 2014) (Note 18)	201	1,586	(5,023)
Items that will not be reclassified subsequently to net earnings	201	1,586	(5,023)
Other comprehensive income (loss)	1,126	(10,980)	(12,366)
Comprehensive income for the period	52,263	45,692	23,450
Comprehensive income (loss) for the period attributable to:			
Company shareholders	52,353	45,692	23,450
Non-controlling interest	(90)		
	52,263	45,692	23,450

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

Table of Contents**Intertape Polymer Group Inc.****Consolidated Changes in Equity**

Year ended December 31, 2014

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

	Capital stock		Contributed surplus	Accumulated other comprehensive loss	Deficit	Equity attributable to Company shareholders and total equity
	Number	Amount \$	Amount \$	Cumulative translation adjustment account \$	Amount \$	Amount \$
Balance as of December 31, 2013	60,776,649	359,201	20,497	(770)	(148,500)	230,428
Transactions with owners						
Exercise of stock options (Note 16)	256,677	843				843
Change in excess tax benefit on exercised stock awards (Note 5)		732	(732)			
Change in excess tax benefit on outstanding stock awards (Note 5)			2,535			2,535
Share-based compensation expense (Note 16)			2,482			2,482
Share-based compensation expense credited to capital on options exercised (Note 16)		289	(289)			
Repurchases of common stock (Note 16)	(597,500)	(3,225)			(4,597)	(7,822)
Dividends on common shares (Note 16)					(24,416)	(24,416)
	(340,823)	(1,361)	3,996		(29,013)	(26,378)
Net earnings					35,816	35,816
Other comprehensive loss						
Remeasurement of defined benefit liability (net of income tax benefit of \$3,183) (Note 18)					(5,023)	(5,023)
				(7,343)		(7,343)

Changes to cumulative translation
adjustments

				(7,343)	(5,023)	(12,366)
Comprehensive income for the period				(7,343)	30,793	23,450
Balance as of December 31, 2014	60,435,826	357,840	24,493	(8,113)	(146,720)	227,500

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

Table of Contents**Intertape Polymer Group Inc.****Consolidated Changes in Equity**

Year ended December 31, 2015

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

	Capital stock	Accumulated other comprehensive loss			Equity attributable to Company shareholders and		
		Contributed surplus	Cumulative translation adjustment account	Reserve for cash flow hedge	Total	Deficit	total equity
	Number	Amount	\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$	\$
Balance as of December 31, 2014							