

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  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.  
Consolidated Financial Statements  
December 31, 2018, 2017 and 2016

<u>Management's Responsibility for Consolidated Financial Statements</u>	<u>2</u>
<u>Management's Report on Internal Control over Financial Reporting</u>	<u>3</u>
Report of Independent Registered Public Accounting Firm	<u>4</u> to 5
Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting	<u>6</u> to 7
Consolidated Financial Statements	
<u>Consolidated Earnings</u>	<u>8</u>
<u>Consolidated Comprehensive Income</u>	<u>9</u>
<u>Consolidated Changes in Equity</u>	<u>10</u> to 12
<u>Consolidated Cash Flows</u>	<u>13</u>
<u>Consolidated Balance Sheets</u>	<u>14</u>
<u>Notes to Consolidated Financial Statements</u>	<u>15</u> to 89

---

## Management's Responsibility for Consolidated 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 controls 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 7, 2018 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 12, 2019

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 consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

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 consolidated 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 consolidated 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 provide only reasonable assurance with respect to consolidated 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, 2018 based on the criteria established in the "2013 Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment of internal control over financial reporting as of December 31, 2018 did not include the acquisition of 100% of the outstanding equity value in Polyair Inter Pak Inc. ("Polyair") consummated during fiscal year 2018. Polyair is included in the Company's consolidated financial statements and represents 18% of total assets as of December 31, 2018 and 5% of revenues for the year then ended.

Subject to the foregoing, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2018 based on those criteria.

The Company's internal control over financial reporting as of December 31, 2018 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 12, 2019

Report of Independent Registered  
Public Accounting Firm

Raymond Chabot Grant Thornton LLP  
Suite 2000  
National Bank Tower  
600 De La Gauchetière Street West  
Montréal, Quebec H3B 4L8

To the Shareholders and Directors of Intertape Polymer Group Inc.

Telephone: 514-878-2691  
Fax: 514-878-2127  
www.rcgt.com

#### Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Intertape Polymer Group Inc. (the “Company”) as of December 31, 2018 and 2017, the related consolidated statements of earnings, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2018, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2018 and 2017, and the results of its consolidated operations and its consolidated cash flows for each of the three years in the period ended December 31, 2018, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of December 31, 2018, based on the criteria established in the 2013 Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 12, 2019 expressed an unqualified opinion on the effectiveness of the Company’s internal control over financial reporting.

#### Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 1981.

Montreal, Canada

March 12, 2019

---

<sup>1</sup> CPA auditor, CA, public accountancy permit No. A121855

Report of Independent Registered  
Public Accounting Firm on Internal  
Control over Financial Reporting

Raymond Chabot Grant Thornton LLP  
Suite 2000  
National Bank Tower  
600 De La Gauchetière Street West  
Montréal, Quebec H3B 4L8

To the Shareholders and Directors of  
Intertape Polymer Group Inc.

Telephone: 514-878-2691  
Fax: 514-878-2127  
www.rcgt.com

#### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Intertape Polymer Group Inc. (the “Company”) as of December 31, 2018, based on criteria established in the 2013 Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in the 2013 Internal Control-Integrated Framework issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the consolidated financial statements of the Company as of December 31, 2018 and 2017 and for each of the three years in the period ended December 31, 2018 and our report dated March 12, 2019 expressed an unqualified opinion on those consolidated financial statements.

#### Basis for Opinion

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 the accompanying Management’s Report on Internal Control over Financial Reporting (“Management’s Report”). Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the US federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. 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 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 our audit provides a reasonable basis for our opinion.

Our audit of, and opinion on, the Company’s internal control over financial reporting does not include the internal control over financial reporting of Polyair Inter Pak Inc. (“Polyair”), a wholly owned subsidiary, whose financial statements reflect total assets and revenues constituting 18% and 5%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2018. As indicated in the accompanying Management’s Report, Polyair was acquired during 2018.

Management's assertion on the effectiveness of the Company's internal control over financial reporting excluded internal control over financial reporting of Polyair.

**Definition and Limitations 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 consolidated 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 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 the 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 financial statements.

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.

Montreal, Canada  
March 12, 2019

---

<sup>1</sup> CPA auditor, CA, public accountancy permit No. A121855

Intertape Polymer Group Inc.  
Consolidated Earnings  
Years ended December 31, 2018, 2017 and 2016  
(In thousands of US dollars, except per share amounts)

	2018	2017	2016
	\$	\$	\$
Revenue	1,053,019	898,126	808,801
Cost of sales	834,136	696,719	617,314
Gross profit	218,883	201,407	191,487
Selling, general and administrative expenses	122,466	107,592	102,580
Research expenses	12,024	11,601	10,790
	134,490	119,193	113,370
Operating profit before manufacturing facility closures, restructuring and other related charges	84,393	82,214	78,117
Manufacturing facility closures, restructuring and other related charges (Note 4)	7,060	1,359	2,408
Operating profit	77,333	80,855	75,709
Finance costs (income) (Note 3)			
Interest	17,072	7,246	4,398
Other expense (income), net	3,810	(3,398)	605
	20,882	3,848	5,003
Earnings before income tax expense	56,451	77,007	70,706
Income tax expense (Note 5)			
Current	934	6,635	8,757
Deferred	8,868	6,414	10,812
	9,802	13,049	19,569
Net earnings	46,649	63,958	51,137
Net earnings (loss) attributable to:			
Company shareholders	46,753	64,224	51,120
Non-controlling interests	(104)	(266)	17
	46,649	63,958	51,137
Earnings per share attributable to Company shareholders (Note 6)			
Basic	0.79	1.09	0.87
Diluted	0.79	1.08	0.85

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

Intertape Polymer Group Inc.  
 Consolidated Comprehensive Income  
 Years ended December 31, 2018, 2017 and 2016  
 (In thousands of US dollars)

	2018	2017	2016
	\$	\$	\$
Net earnings	46,649	63,958	51,137
Other comprehensive income (loss)			
Change in fair value of interest rate swap agreements designated as cash flow hedges ( <sup>1</sup> ) (Note 22)	1,433	1,608	136
Reclassification adjustments for amounts recognized in earnings related to interest rate swap agreements (Note 22)	(531 )	—	—
Deferred tax benefit due to enactment of US tax reform legislation (Note 5)	—	116	—
Change in cumulative translation adjustments	(153 )	4,734	789
Net loss arising from hedge of a net investment in foreign operations (Note 22)	(9,421 )	—	—
Items that will be reclassified subsequently to net earnings	(8,672 )	6,458	925
Remeasurement of defined benefit liability ( <sup>2</sup> ) (Note 18)	2,286	89	201
Deferred tax expense due to enactment of US tax reform legislation (Note 5)	—	(714 )	—
Items that will not be reclassified subsequently to net earnings	2,286	(625 )	201
Other comprehensive (loss) income	(6,386 )	5,833	1,126
Comprehensive income for the year	40,263	69,791	52,263
Comprehensive income (loss) for the year attributable to:			
Company shareholders	40,828	69,777	52,353
Non-controlling interests	(565 )	14	(90 )
	40,263	69,791	52,263

(<sup>1</sup>) Presented net of deferred income tax (benefit) expense of (\$463) in 2018, \$750 in 2017 and \$83 in 2016.

(<sup>2</sup>) Presented net of deferred income tax expense of \$730 in 2018, \$213 in 2017, and \$66 in 2016.

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

Intertape Polymer Group Inc.  
Consolidated Changes in Equity  
Year ended December 31, 2016

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

	Capital stock		Accumulated other comprehensive loss				Total equity attributable to Company shareholders	Non-controlling interest	Total equity	
	Number	Amount	Contributed surplus	Cumulative translation adjustment	cash flow hedges	Reserve for Total				Deficit
		\$	\$	\$	\$	\$	\$	\$	\$	
Balance as of December 31, 2015	58,667,535	347,325	23,298	(20,407 )	(272 )	(20,679 )	(133,216)	216,728	—	216,728
Transactions with owners										
Exercise of stock options (Note 16)	540,000	1,452						1,452		1,452
Change in excess tax benefit on exercised share-based awards (Note 5)		2,693	(2,693 )					—		—
Change in excess tax benefit on outstanding share-based awards (Note 5)			4,302					4,302		4,302
Share-based compensation (Note 16)			5,273					5,273		5,273
Share-based compensation expense credited to capital on options exercised (Note 16)		595	(595 )					—		—
Repurchases of common shares (Note 16)	(147,200)	(862 )					(835 )	(1,697 )		(1,697 )
Dividends on common shares (Note 16)							(31,694 )	(31,694 )		(31,694 )
	392,800	3,878	6,287				(32,529 )	(22,364 )		(22,364 )

Edgar Filing: INTERTAPE POLYMER GROUP INC - Form 6-K

Net earnings				51,120	51,120	17	51,137			
Other comprehensive income (loss)										
Change in fair value of interest rate swap agreements designated as cash flow hedges <sup>(1)</sup> (Note 22)		136	136		136		136			
Remeasurement of defined benefit liability <sup>(2)</sup> (Note 18)				201	201		201			
Change in cumulative translation adjustments	896		896		896	(107 )	789			
Comprehensive income (loss) for the year	896	136	1,032	201	1,233	(107 )	1,126			
Recognition of non-controlling interest put options arising from the acquisition of Powerband <sup>(3)</sup> (Note 22)				(10,181 )	(10,181 )		(10,181 )			
Non-controlling interest arising from the Powerband Acquisition (Note 17)						6,497	6,497			
Balance as of December 31, 2016	59,060,335	351,203	29,585	(19,511 )	(136 )	(19,647 )	(124,605 )	236,536	6,407	242,943

(1) Presented net of deferred income tax expense of \$83 for the year ended December 31, 2016.

(2) Presented net of deferred income tax expense of \$66 for the year ended December 31, 2016.

(3) Refers to the acquisition by the Company of 74% of Powerband Industries Private Limited (doing business as "Powerband") on September 16, 2016. On November 16, 2018, the Company acquired the remaining 26% interest in Powerband, such that as of December 31, 2018, the Company owns all of the issued and outstanding common shares of Powerband. Refer to Note 22 for additional information.

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



Intertape Polymer Group Inc.  
Consolidated Changes in Equity  
Year ended December 31, 2017

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

	Capital stock		Accumulated other comprehensive loss				Total equity attributable to Company shareholders	Non-controlling interests	Total equity	
	Number	Amount	Contributed surplus	Cumulative translation adjustment	Reserve for cash flow hedges	Total				Deficit
		\$	\$	\$	\$	\$	\$	\$	\$	
Balance as of December 31, 2016	59,060,335	351,203	29,585	(19,511)	(136)	(19,647)	(124,605)	236,536	6,407	242,943
Transactions with owners										
Exercise of stock options (Note 16)	226,875	1,362						1,362		1,362
Change in excess tax benefit on exercised share-based awards (Note 5)		597	(597)					—		—
Change in excess tax benefit on outstanding share-based awards (Note 5)			(3,135)					(3,135)		(3,135)
Share-based compensation (Note 16)			(7,828)				(4,183)	(12,011)		(12,011)
Share-based compensation expense credited to capital on options exercised (Note 16)		495	(495)					—		—
Repurchases of common shares (Note 16)	(487,300)	(2,898)					(4,553)	(7,451)		(7,451)
Dividends on common shares (Note 16)							(33,030)	(33,030)		(33,030)
	(260,425)	(444)	(12,055)				(41,766)	(54,265)		(54,265)

Edgar Filing: INTERTAPE POLYMER GROUP INC - Form 6-K

Net earnings (loss)				64,224		64,224	(266 )	63,958
Other comprehensive income (loss)								
Change in fair value of interest rate swap agreements designated as cash flow hedges <sup>(1)</sup> (Note 22)		1,608	1,608			1,608		1,608
Remeasurement of defined benefit liability <sup>(2)</sup> (Note 18)				89		89		89
Deferred tax benefit (expense) due to enactment of US tax reform legislation (Note 5)		116	116	(714 )		(598 )		(598 )
Change in cumulative translation adjustments	4,454		4,454			4,454	280	4,734
Comprehensive income for the year	4,454	1,724	6,178	(625 )		5,553	280	5,833
Derecognition of non-controlling interest put options arising from the Powerband Acquisition (Note 22)				8,810		8,810		8,810
Recognition of the call option redemption liability arising from the Powerband Acquisition (Note 22)				(12,725 )		(12,725 )		(12,725 )
							15	15

Non-controlling interest arising from investment in Capstone <sup>(3)</sup> (Note 17) Capital transactions with non-controlling shareholders of Capstone (Note 17)									153	153
Balance as of December 31, 2017	58,799,910	350,759	17,530	(15,057)	1,588	(13,469)	(106,687)	248,133	6,589	254,722

(1) Presented net of deferred income tax expense of \$750 for the year ended December 31, 2017.

(2) Presented net of deferred income tax expense of \$213 for the year ended December 31, 2017.

(3) Refers to the purchase by the Company of 99.7% of the shares in Capstone Polyweave Private Limited, a newly-formed enterprise in India (d/b/a "Capstone"), on June 23, 2017. As of December 31, 2018, the Company held a 55% controlling ownership stake in Capstone while the minority shareholders held a 45% non-controlling interest in Capstone. Refer to Note 17 for additional information.

(4) Presented net of income tax benefit of \$1,620 for the year ended December 31, 2017.

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

Edgar Filing: INTERTAPE POLYMER GROUP INC - Form 6-K

Intertape Polymer Group Inc.  
Consolidated Changes in Equity  
Year ended December 31, 2018

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

	Capital stock		Accumulated other comprehensive loss				Total equity attributable to Company shareholders	Non-controlling interests	Total equity	
	Number	Amount	Contributed surplus	Cumulative translation adjustment	Reserve for cash flow hedges	Total				Deficit
		\$	\$	\$	\$	\$	\$	\$	\$	
Balance as of December 31, 2017	58,799,910	350,759	17,530	(15,057)	1,588	(13,469)	(106,687)	248,133	6,589	254,722
Transactions with owners										
Exercise of stock options (Note 16)	67,500	618						618		618
Change in excess tax benefit on exercised share-based awards (Note 5)		7	(7)					—		—
Change in excess tax benefit on outstanding share-based awards (Note 5)			(737)					(737)		(737)
Share-based compensation (Note 16)			467				(472)	(5)		(5)
Share-based compensation expense credited to capital on options exercised (Note 16)		179	(179)					—		—
Repurchases of common shares (Note 16)	(217,100)	(1,296)					(1,263)	(2,559)		(2,559)
Dividends on common shares (Note 16)							(32,943)	(32,943)		(32,943)
	(149,600)	(492)	(456)				(34,678)	(35,626)		(35,626)

Edgar Filing: INTERTAPE POLYMER GROUP INC - Form 6-K

Net earnings (loss)			46,753	46,753	(104 )	46,649	
Other comprehensive income (loss)							
Change in fair value of interest rate swap agreements designated as cash flow hedges <sup>(1)</sup> (Note 22)	1,433	1,433		1,433		1,433	
Reclassification adjustments for amounts recognized in earnings (Note 22)	(531 )	(531 )		(531 )		(531 )	
Remeasurement of defined benefit liability <sup>(2)</sup> (Note 18)			2,286	2,286		2,286	
Change in cumulative translation adjustments	308	308		308	(461 )	(153 )	
Net loss arising from hedge of a net investment in foreign operations (Note 22)	(9,421 )	(9,421 )		(9,421 )	—	(9,421 )	
Comprehensive income (loss) for the period	(9,113 )	902	(8,211 )	2,286	(5,925 )	(461 )	(6,386 )
Non-controlling interest arising from investment in Polyair <sup>(3)</sup> (Note 22)						421	421
Capital transactions with non-controlling shareholders of Capstone (Note 17)					11,102	11,102	
			(10,888 )	(10,888 )		(10,888 )	

Recognition of non-controlling interest put options arising from the Capstone Acquisition (Note 22)											
Derecognition of call option redemption liability arising from the Powerband Acquisition (Note 22)						1,434		1,434			1,434
Acquisition of the non-controlling interest of Powerband (Note 22)						5,966		5,966	(5,966)		—
Balance as of December 31, 2018	58,650,310	350,267	17,074	(24,170)	2,490	(21,680)	(95,814)	)	249,847	11,581	261,428

(1) Presented net of deferred income tax benefit of \$463 for the year ended December 31, 2018.

(2) Presented net of deferred income tax expense of \$730 for the year ended December 31, 2018.

(3) As part of the acquisition of Polyair Inter Pack Inc. (“Polyair”), on August 3, 2018, the Company indirectly obtained a controlling 50.1% interest in the Polyair subsidiary GPCP Inc. Refer to Note 17 for additional information.

(4) Presented net of income tax benefit of \$126 for the year ended December 31, 2018.

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

Intertape Polymer Group Inc.  
Consolidated Cash Flows  
Years ended December 31, 2018, 2017 and 2016  
(In thousands of US dollars)

	2018	2017	2016
	\$	\$	\$
<b>OPERATING ACTIVITIES</b>			
Net earnings	46,649	63,958	51,137
Adjustments to net earnings			
Depreciation and amortization	44,829	36,138	30,978
Income tax expense	9,802	13,049	19,569
Interest expense	17,072	7,246	4,398
Non-cash charges in connection with manufacturing facility closures, restructuring and other related charges	6,136	133	5,204
Impairment of inventories	716	801	1,997
Share-based compensation expense	1,914	3,291	8,201
Pension and other post-retirement expense related to defined benefit plans	2,695	2,730	2,913
Loss (gain) on foreign exchange	1,933	(2,578 )	(510 )
Other adjustments for non-cash items	928	(1,958 )	276
Income taxes paid, net	(1,577 )	(6,452 )	(7,193 )
Contributions to defined benefit plans	(13,802 )	(4,143 )	(1,268 )
Cash flows from operating activities before changes in working capital items	117,295	112,215	115,702
Changes in working capital items			
Trade receivables	(9,660 )	(6,847 )	(8,920 )
Inventories	(30,388 )	(9,969 )	