CORPORATE PARTICIPANTS

Greg Yull
Chief Executive Officer

Jeff Crystal
Chief Financial Officer

CONFERENCE CALL PARTICIPANTS

Michael Doumet
Scotiabank

Ben Holton
RBC Capital Markets

Ben Jekic
GMP Securities

Gavin Fairweather
Cormark Securities

PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by. Welcome to Intertape Polymer Group's Fourth Quarter and Year End 2016 Results Shareholders Conference call.

During the call, all participants will be in listen-only mode. Afterwards, we will conduct a question and answer session. In order to maximize the efficiency of this event, the question period will be open to financial professionals only. At that time, those with questions should press star followed by the number one on their telephone keypad. If at any time during the conference you need to reach an operator, please press star followed by zero.

Your speakers for today are Greg Yull, CEO, and Jeff Crystal, CFO.

I would like to caution all participants that in response to your questions and in our prepared remarks today we will be making forward-looking statements which reflect management's beliefs and assumptions regarding future events based on information available today. The company undertakes no duty to update this information, including its earnings outlook, even though its situation may change in the future. You are therefore cautioned to not place undue reliance on these forward-looking statements as they are not a guarantee of future performance and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those expected. I encourage you to review the discussion of the risks factors and uncertainties contained in the company's security filings in Canada and with the Securities and Exchange Commission.

During this call we will also be referring to certain non-GAAP financial measures as defined under the SEC rules, including adjusted EBITDA, adjusted net earnings, and adjusted net earnings per share. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available at our website at www.intertapepolymer.com and are included in its filings, including the MD&A filed today.

I would like to remind everyone that this conference is being recorded today, Thursday, March 9, 2017, at 10:00 a.m. Eastern Time.

I will now turn the call over to Greg Yull. Mr. Yull, please go ahead, sir.

Greg Yull, Chief Executive Officer

Thank you, operator, and good morning, everyone. Welcome to Intertape's 2016 fourth quarter and full year results conference call. Joining me is Jeff Crystal, our CFO. After our comments, Jeff and I will be happy to answer any questions you may have.

During the call we will make reference to our earnings presentation that you can download from the Investor Relations section of our website.

We are pleased by our results and what we have accomplished in 2016. Revenue for the year increased by 3.4 percent and gross margins finished up at an all-time high 23.7 percent. Adjusted EBITDA increased 17.2 percent to $119.5 million and capital expenditures reached a record high of $50 million and for the first time consisted primarily of strategic growth projects to be completed mostly in late 2017 and 2018. Furthermore, we believe that Powerband, our third and largest acquisition since we resumed our M&A program, represents an important step towards building a larger global presence. This acquisition achieves the goal of establishing our company in a low-cost, high-growth jurisdiction and strengthens our competitiveness in a product line that is important to our product bundle.

The results we achieved in 2016 were despite the negative impact of the South Carolina flood. We estimate that we lost over $25 million in sales of both masking tape and stencil products in 2016. Offsetting the negative impacts of the flood was the settlement of our insurance claim for $30 million, of which the balance of $19.9 million was received in the fourth quarter. As expected, the settlement covered most of our property and business interruption losses; however, we expect that the negative impact of lost sales volume will persist as a headwind through 2017 as we must restore production capabilities in Blythewood, South Carolina in relation to a certain masking tape product and must win back the stencil sales from our prior customers. We believe we will recapture at least a portion of those sales volumes incrementally as we progress through the year.

Regarding our new Blythewood, South Carolina facility, while we clearly haven't achieved all the original objectives at this time, we continued to deliver on making progress by successfully completing most of the commercialization of our stencil products on our new production line, as well as improving the net savings sequentially from $0.5 million in the third quarter to $1 million in the fourth quarter. We remain committed to this project and expect that these incremental improvements will continue.

Even with over $90 million of investment and the acquisition of Powerband and capital expenditures, we finished the year with a strong balance sheet and a leverage ratio of 1.5 times, which is comparable to 2015. We continue to feel confident that we can deploy a significant amount of capital in the high-return investments while keeping our leverage at a healthy level.

Turning to page three and four of our presentation, results for the fourth quarter were in line with our guidance and we were very pleased with the performance of our operations as a whole. Revenue increased by 7.3 percent to $209.9 million when compared to the fourth quarter of 2015. The increase in revenue was primarily due to an increase in sales volume and additional revenue from the Powerband and TaraTape acquisitions, which was partially offset by a decrease in average selling price including the impact of product mix. Gross margin in the fourth quarter increased to 25.6 percent from 23.4 percent. The increase was primarily due to insurance proceeds related to the South Carolina flood and the favourable impact of manufacturing cost reduction programs. These favourable items were partially offset by the non-recurrence of the reversal of a 2010 impairment for manufacturing equipment of $2.7 million recorded in the fourth quarter of 2015. We estimate that the South Carolina flood had a net positive impact of approximately $6 million on a gross profit in the fourth quarter of 2016 compared to a negative impact of $2.9 million in the same quarter last year. Adjusted EBITDA in the fourth quarter increased 43.6 percent to $35.3 million, which was mainly due to increased gross profit related to the insurance proceeds. Finally, cash flow from operating activities increased by $23.1 million to $65 million and free cash flow increased by $17.5 million to $50.8 million.

On pages five and six of the presentation we provide a brief review of the highlights of our full year 2016 results. Revenues increased 3.4 percent to reach $808.8 million. Excluding the negative impact from the South Carolina flood of approximately $25.5 million in 2016 and $8.6 million in 2015, revenues could have increased by 5.5 percent. Adjusted EBITDA for 2016 was $119.5 million, which was in line with our guidance. As a result of the insurance claim settlement proceeds, the South Carolina flood had only a slight negative impact of approximately $900,000. Had the insurance proceeds not been received, adjusted EBITDA would have been negatively impacted by over $13 million in 2016. Cash flows from operating activities improved to $108.1 million from $102.3 million in 2015 while free cash flow declined to $58.2 million from $68 million last year, primarily due to an increase in capital expenditures.

Turning to page eight and nine, capital expenditures in 2016 were $50 million, up from $34.3 million in 2015. This was a little less than our guidance of $55 million to $65 million, primarily due to the timing of capital expenditures on the North Carolina tape project. Of the total spend in 2016, approximately 44 percent was related to three initiatives: the Midland, North Carolina Plant; the Portuguese shrink film project, and the specialty tape project. To date, we have been pleased with the progress on our larger initiatives and expect to deliver them on time and within budgetary expectations. For 2017 we expect capital expenditures of $75 million to $85 million, representing a significant increase over 2016. As we have previously stated, we believe that we have a lot of opportunities to continue to invest in our capital asset base and, as a result, we expect our spend level to remain elevated for several years. In 2017 our greenfield projects in North Carolina and in India are expected to represent our largest capital expenditure projects with estimated investments of $26 million to $31 million and $10 million to $14 million respectively.

Turning to page 10, total manufacturing cost reductions were $11.6 million in 2016, which was slightly higher than our guidance range for the year. For 2017 we anticipate manufacturing cost reductions between $10 million to $12 million. This range includes cost savings derived from the South Carolina project, previously excluded, and the incremental cost saving synergies from the TaraTape facility closure.

Going to page 11, dividends paid in 2016 reached $31.4 million or $0.54 per common share, representing an annual increase of 5.6 percent. On March 31, 2017 we will pay a quarterly dividend of $0.14 per common share payable to shareholders of record on March 21, 2017.

On the acquisition front, we are very pleased with the integration progress to date. Operational synergies and profit contribution derived from the Better Packages and TaraTape acquisitions. The closing of TaraTape's Pennsylvania facility announced in November 2016 has proceeded as planned, including leveraging capacity in Carbondale, Illinois and Danville, Virginia manufacturing facilities, and has increased our estimated total annual synergies to between $4 million to $6 million by the end of 2017 from between $2 million and $4 million as initially expected.

At this point I'll turn the call over to Jeff, who will provide you with additional insight into the financials. Jeff?

Jeff Crystal, Chief Financial Officer

Thank you, Greg. I would now like to refer you to page 12 of the presentation where we present a summary of our results for the fourth quarter 2016.

Revenue totalled $209.9 million for the fourth quarter of 2016, a $14.2 million or 7.3 percent increase from $195.7 million in 2015, primarily due to an increase in sales volume of approximately 4.5 percent or $9.8 million due to an increase in demand of certain tape and woven products. We believe that the increased sales volume was primarily due to growth in the carton sealing tape category, an increase in masking tape sales due to the non-recurrence of the South Carolina flood, and growth in the building and construction markets. We also generated $8.7 million in additional revenue from the Powerband and TaraTape acquisition. Powerband on its own contributed $7.6 million in the quarter. The overall revenue increases were partially offset by a decrease in average selling price, including the impact of product mix of approximately 2.2 percent or $4.3 million, primarily due to an unfavourable product mix in tape and woven products.

Revenue for the fourth quarter of 2016 also increased sequentially by $3.4 million, or 1.6 percent, from $206.6 million in the third quarter of 2016. The increase was primarily due to the Powerband acquisition and an increase in sales volume of approximately 0.7 percent or $1.5 million primarily due to increased demand for certain tape products. This was partially offset by a decrease in average selling price including the impact of product mix of approximately 2.8 percent or $5.7 million due to an unfavourable product mix variance primarily within the tape products.

Turning to page 14, gross profit totalled $53.7 million for the fourth quarter of 2016, an increase of 17.3 percent from $45.8 million a year ago. Gross margin was 25.6 percent in the fourth quarter of 2016 and $23.4 percent in 2015. Gross margin increased primarily due to insurance proceeds related to the South Carolina flood and the favourable impact of the manufacturing cost reduction programs. These favourable items were partially offset by the non-recurrence of the reversal of 2010 impairment for manufacturing equipment of $2.7 million. On a sequential basis, gross margin increased from 21.7 percent in the third quarter, primarily due to insurance proceeds in a reduction in the unfavourable impact of the South Carolina flood partially offset by an unfavourable product mix.

SG&A was essentially flat at $25.6 million for the fourth quarter of 2016 compared to $25.8 million last year; however, the decrease in variable and share-based compensation expenses and litigation-related professional fees were partially offset by the increase in employee-related cost to support growth initiatives and additional SG&A resulting from Powerband. On a sequential basis, SG&A decreased $1.8 million from $27.3 million in the third quarter. The decrease was primarily due to the provision for the litigation settlement recorded in the third quarter and a decrease in share-based compensation expense, partially offset by additional SG&A resulting from Powerband.

Adjusted net earnings totalled $18 million for the fourth quarter of 2016, a $1.3 million increase from $16.7 million in 2015. The increase was primarily due to an increase in gross profit partially offset by an increase in income tax expense. We estimate that adjusted net earnings for the fourth quarter of 2016 were positively impacted by approximately $3.7 million due to the insurance proceeds exceeding the negative adjusted net earnings impact of the South Carolina flood.

For the fourth quarter of 2016 the effective tax rate was 31 percent compared to negative 34 percent in 2015, primarily due to the non-recurrence of the tax benefit recorded in the fourth quarter of 2015 to recognize previously derecognized Canadian deferred tax assets.

As indicated on page 17 of the presentation, adjusted EBITDA totalled $35.3 million for the fourth quarter of 2015, a 43.6 percent increase from $24.6 million in 2015. The increase was primarily due to an increase in gross profit mainly due to the insurance proceeds.

As you will note on pages 22 and 23, the company had cash and loan availability under its revolving credit facility of $158.2 million as of year end 2016 compared to $182.3 million in 2015. Cash flows from operations increased in the fourth quarter of 2016 by $23.1 million to $65 million. Free cash flow increased in the fourth quarter of 2016 by $17.5 million to $50.8 million. Both increases were primarily due to higher operating profit and accounts payable and accrued liabilities. Net debt as of year end 2016 was $158.9 million, an increase of $23.7 million compared to year end 2015. We ended the year with a leverage ratio of 1.5, unchanged from last year's level.

Days sales outstanding increased to 39 in the fourth quarter of 2016 from 37 last year. Trade receivables increased $11.6 million to $90.1 million as of year end 2016 from $78.5 million in 2015 primarily due to an increase in the amount of revenue invoiced in the fourth quarter of 2016 compared to the same period in 2015. Days inventory increased to 63 in the fourth quarter of 2016 compared to 61 in 2015. Inventories increased $2.9 million to $103.5 million as of year end 2016 from $100.6 million in 2015, primarily due to an increase in production to match sales volume growth as well as additional inventory resulting from Powerband.

Greg will now provide you further details on our outlook. Greg?

Greg Yull, Chief Executive Officer

Thanks, Jeff.

Moving on to page 25, we have our outlook for 2017. We expect gross margins for 2017 to be between 23 percent and 24 percent. Adjusted EBITDA is expected to be between $127 million and $137 million. As I mentioned previously, manufacturing cost reductions for 2017 are expected to be between $10 million and $12 million and total capital expenditures for 2017 are expected to be between $75 million and $85 million. We also expect a 25 percent to 30 percent effective tax rate for 2017. Cash taxes paid in 2017 are expected to be approximately half of the 2017 income tax expense. This excludes the potential impact of significant tax reform legislation and changes in the mix of earnings between jurisdictions.

In regards to our Q1 2017 results, revenue, gross margin, and adjusted EBITDA are expected to be greater than in Q1 of 2016. As previously indicated, our goal is to reach approximately $1.5 million in revenue with at least 15 percent adjusted EBITDA margins in the next five to seven years. In view of these goals and existing opportunities, the main focus of our current capital allocation strategy remains on maximizing shareholder value by investing in our business through acquisitions and capital expenditures. We are very proud of the achievements of our team in 2016 and look forward to realizing the completion of several key projects in 2017.

This completes my presentation and at this point Jeff and I are open to any questions. Operator?

QUESTION AND ANSWER SESSION

Operator

Thank you. Ladies and gentlemen, we will now conduct the question and answer period for analysts. If analysts would like to register a question, please press star followed by the number one on your telephone keypad. You will hear a two-tone prompt to acknowledge your request. If your question has been answered and you would like to withdraw your registration, please press pound on your telephone keypad. If you are using a speakerphone, please lift your handset before entering your request. One moment please for the first question. Your first question comes from the line of Michael Doumet from Scotiabank. Your line is open.

Michael Doumet, Scotiabank

Yeah, hi. Good morning, gentlemen. Nice quarter.

Greg Yull, Chief Executive Officer

Good morning. Thanks.

Michael Doumet, Scotiabank

I'm going to start on the adjusted EBITDA 2017 guidance. The range looks a little wider compared to last year. Could you highlight some of the larger items that would get you maybe to the lower end and the upper end of that guidance and maybe what your underlying assumptions are today?

Jeff Crystal, Chief Financial Officer

Yeah, so you're correct, we went a little wider this year on the guidance. We just felt that there were some moving parts that we're dealing with this year that, you know, were maybe a little less last year. So when we think about, for example, the impact, the continuing impact of the flood, so as we discussed, I mean we had $6 million net positive impact in Q4 but that is net of about $8 million or little more than $8 million of insurance proceeds. So in fact in Q4 we suffered still close to $2 million of negative impact and that's rolling into this year. And certainly we expect that to improve incrementally quarter by quarter but there's certainly some risk there, so it's really a question of how quickly can we regain the sales on the stencil side, because certainly the commercialization has gone very well on that, on the line in Blythewood, and then the question is when can we get the masking tape product that we currently can't produce in Blythewood back online and can we regain the sales there. So I think that's going to play into kind of where we end up somewhere in that range.

Another factor as well, we've seen some recent increases in raw materials, in some of our key raw materials in polypropylene, polyethylene. We've also seen some increases, significant increases in Asia in butyl acrylate, which goes into our adhesives that we make at our Powerband plan, and that was due to just literally a couple of plant, one plant fire or plant explosion, so different events such as that, and certainly those factors will play to the numbers this year. And, again, we'll obviously try to pass on those cost increases to customers but again, as we've discussed in the past, there's no certainty that we will be able to pass on all of those increases.

And lastly you have the start-ups of a couple of projects. So you have the Midland, North Carolina plant starting at in Q4, so of course right now we feel quite optimistic about that but certainly with plant start-ups there could be different delays or inefficiencies at the beginning, depending on how that plays out. We also have our Portuguese shrink film line starting at earlier this year and certainly there could be some start-up issues there as well. So you basically have a few of these moving parts here that could, if you hit on our cylinders you're hitting more towards the upper end. If you don't do as well as you think, you're hitting towards the lower end of that.

Michael Doumet, Scotiabank

Okay. That's really helpful. Thanks, Jeff. Could you remind us of maybe the progress if stencils are up and running at 100 percent, masking tape, um, I'm not sure your timeline is for commercialization, and maybe what your expectations are for how you recapture that $25 million of lost sales in 2016?

Greg Yull, Chief Executive Officer

So, I think on the stencil side, I think we're on the road to regaining that. I mean we have to go back to customers where we lost the business. We have a commercial product that works, we have a production process that works, so that's just a question of time, and we've seen that ramp up through the year and I think you'll see a much higher exit rate 2017 than an entry rate in 2017. I don't think, in the stencil category I don't think will be back to 100 percent at the end of this year but we'll be well on our way. On the masking tape side, it's certainly less uncertain as we sit here today. We have products in test, being tested right now commercially, so we are not commercial at this point. The expectation, again, is to get commercial as soon as we can and then we can start chipping away and getting those sales back. It's a slow process and certainly when I compare the two product lines we are much further behind in the masking side then we are on the stencil side.

Michael Doumet, Scotiabank

Okay, thanks, Greg. And just a comment, the lost EBITDA, that has mostly to do with the stencil tape rather than the masking tape, is that correct?

Jeff Crystal, Chief Financial Officer

It's both. It's both.

Michael Doumet, Scotiabank

Okay. And just maybe one last one, a couple of projects starting in the back half of the year, 2018, should we think of any potential risks or start-up costs for any of these facilities in 2017? And maybe you can highlight some of the bigger ones and how that sort of should set our expectations for the back half.

Greg Yull, Chief Executive Officer

Yes, so when we think of the start-ups of Midland, when we think the start-ups in India, you know, the comfort level there is the technology is technology that we're currently utilizing, right? There's no leap into new technology. Certainly it's updated equipment, certainly it has better control systems and drive systems and things of that nature, but the fundamental technology being utilized to manufacture tape is the same. So certainly from our perspective with our team it gives us a lot of comfort from a risk perspective.

And when we plan these projects, you know, we are building in inefficiencies as we move through from start-up into commercialization. And so there are always risks, right? I mean in the Midland situation one of our biggest risks right now is weather, frankly, to make sure that we're on time from a construction perspective. We have teams on site in India constantly working on that project. We have operational people that are over there now that will be in charge of the start-up in that facility, so they're familiarizing themselves with the people, with the management, with the culture.

So we are being very diligent in moving forward but with any plant start up they are obviously risks. But certainly, again, technology is the same as what we utilize.

Michael Doumet, Scotiabank

Okay, perfect. That's it from me. Thanks, guys.

Operator

Your next question comes from the line of Ben Holton with RBC Capital Markets. Please proceed with your question.

Ben Holton, RBC Capital Markets

Good morning, guys.

Greg Yull, Chief Executive Officer

Good morning, Ben.

Ben Holton, RBC Capital Markets

So looking at gross margins in the quarter and trying to adjust them for everything, including flood costs, insurance offsets, and the lost revenue, it looks like they would have come in below recent quarters and be down a little bit year on year. Is that due to the full quarter of Powerband being included in that or was there something else pressuring margins in the quarter?

Jeff Crystal, Chief Financial Officer

Well, that's definitely one of them. So certainly, yes, you have the impact of Powerband, which has certainly a lower gross margin but a good EBITDA margin considering they don't have a lot of SG&A.

But then you definitely had some mix in the tape category in particular. It's a quarter where you see certain tapes pick up in volume that are, I would say, a little below our average ASP. So you'd see that happen there as well.

Ben Holton, RBC Capital Markets

So was that mix a quarterly phenomenon? I.e., looking at Q1 you're kind of past that mix issue?

Jeff Crystal, Chief Financial Officer

That specific mix issue maybe, yes, but it doesn't mean there couldn't be others.

Ben Holton, RBC Capital Markets

Sure. Thinking about your capacity expansion projects, do you have a sense of time, and I'm sure it's different for each one, but in general how long you expect these to take to ramp up to kind of that target capacity utilization level once they are completed?

Jeff Crystal, Chief Financial Officer

Capability wise or order wise?

Ben Holton, RBC Capital Markets

Order wise in the sense of, you know, will there be a drag of a facility that's running at, you know, 25 percent or 50 percent utilization as you build orders. Or have you contemplated that and scaling towards that ramp rather than building it all out at once?

Greg Yull, Chief Executive Officer

Well, I think, you know, we certainly have phased in models in both the Midland, North Carolina facility and the India facility as it relates to adding more capacity, but when we think of the actual coating capacity that we're putting on, every incremental coater we put on, it takes a while to fill that up. So certainly that capacity utilization will be below desired rate until we fill that one up and take the next phased approach. I would say the Indian plant would probably take a little longer to fill up than the North Carolina plant.

Ben Holton, RBC Capital Markets

So are you talking quarters or years of time to fill up?

Jeff Crystal, Chief Financial Officer

Midland would be, certainly like we're saying that's quicker, because you have a product there that's servicing a very high growth channel. That would b the e-commerce channel. And then you have the India side, I mean, that's in the acrylic carton sealing tape, so there you're servicing obviously North America, international. You wouldn't see the same growth rates there as you'd see obviously on the Midland side. But it's tough to say like when it would be full, but certainly I think when you're talking about Midland, you know, one thing we have consciously done there is, you know, we're building out capacity now but we're building that building to house additional capacity should we need it, both in terms of additional lines or breaking a wall basically and building it out even further. So the initial capacity we put in, I mean it's probably, you know, I'd say quarters, but could be a year or two. Something like that.

Ben Holton, RBC Capital Markets

Okay. And then maybe just thinking back about South Carolina, do you have an updated view as to kind of a new targeted level of annualized savings that you think you can eventually get from Blythewood?

Jeff Crystal, Chief Financial Officer

No. I mean at that point, like we said, we're just sticking to saying that we're going to incrementally improve each quarter. We feel optimistic. We feel good that we're putting different processes, making improvements in the process, and we feel good that we will continue to improve, but it's just tough to say at this point where it's going to all end up.

Ben Holton, RBC Capital Markets

So, with that, is kind of the prior or I guess original $13 million expectation off the table and you just hope to progress, you know, call it from the $4 million run rate you did in Q4?

Jeff Crystal, Chief Financial Officer

Yeah. I mean I don't know if we'll ever hit the $13 million. I mean I'm not saying it's impossible but certainly right now I wouldn't set the expectation that high.

Ben Holton, RBC Capital Markets

Okay. Thanks. I'll pass the line.

Operator

Again, if any additional analysts would like to ask a question, please press star then the number one on your telephone keypad.

Your next question comes from the line of Ben Jekic with GMP Securities. Please proceed with your question.

Ben Jekic, GMP Securities

Good morning. I have one question and it's probably been said more or less but I just want to make sure that my timing is right. So with regards to the new facilities, Midland, India, Portugal, when is each one going to be open and kind of starting to contribute?

Greg Yull, Chief Executive Officer

So Midland should be open in Q4 of this year.

Jeff Crystal, Chief Financial Officer

Portugal will be by middle of this year and the, sorry, the last one was the, India, that would be in, call it mid-2018.

Ben Jekic, GMP Securities

Okay. And then for the gross margin in 2017, like is there, what scenario would you foresee to potentially approach 24 or above? Like in the most kind of blue-sky scenario.

Jeff Crystal, Chief Financial Officer

Well, I think when you think about certainly our ability to pass on any raw material increases, that'll certainly play into it. Again, in terms of mix, mix is always difficult to predict because we do have some good products that don't always necessarily give you a good impact on mix because you might have a product that is above your average gross margin that's growing very well but your products that are well above your average gross margin are not growing as fast. So you tend to see a little deterioration in the mix there. So that plays into it significantly. And then obviously, like we said, to some degree the flood impacts will play into that and the project start-ups.

Ben Jekic, GMP Securities

Okay. And then one more question is on the woven coated fabrics. I think, and it was probably tied to the oil industry's performance, this product line has seen soft performance in 2016, but it looks like it has been perking up in the fourth quarter. What was the trend there?

Jeff Crystal, Chief Financial Officer

Well, it's performed okay, but we are still seeing the same pressure. I mean it's still, you know, we certainly feel that—it's not a fire out there in terms of the situation but we feel that certainly the cost structure that we have in place today is not one that enables us to compete in all those product lines very effectively and so we are still addressing that issue internally and planning what we're going to going forward.

Ben Jekic, GMP Securities

Okay. Okay, I'll go into the queue. Thank you.

Jeff Crystal, Chief Financial Officer

Thank you.

Operator

Again, if any further analysts have a question, please press star then the number one on your telephone keypad.

Your next question comes from the line of Gavin Fairweather with Cormark. Your line is open.

Gavin Fairweather, Cormark Securities

Hi there. Good morning.

Greg Yull, Chief Executive Officer

Good morning.

Gavin Fairweather, Cormark Securities

You mentioned one of the swing factors in terms of the year 2017 EBTIDA level was the industry's willingness to pass on higher raw material costs. When I look at resin prices in particular they've kind of spiked up this year. Curious if you could provide any commentary on the industry's willingness to move on this so far this year.

Greg Yull, Chief Executive Officer

Yeah, I'm going to stay away from that. All I can say is that what we're experiencing right now, we're seeing, in polyethylene we're seeing plus $0.05 February, we're seeing plus $0.06 March. We're pushing as much as we can through from a pricing perspective there. Most of that product goes into our films area. And then in Asia we're seeing a big jump in butyl acrylate, as Jeff mentioned earlier. We've seen the price of that on a metric ton double over the last four months, very quickly, and that's been difficult to pass on that quickly. And then on the polypropylene side we've seen an increase of approximately $0.18 to $0.20 over the past three months. So that's moved quite a bit. That mostly goes into our tape products and our ECP products. Obviously we are pushing as hard as we can to get price increases. In some areas we're seeing a lot of support; in other areas we're yet to see support. But that's in the early stages of playing out at this point. It's also key to note that the expectations right now from the industry experts are for both polypropylene and polyethylene to come down sometime mid-2017. Certainly we can't rely on that because it's ended up in a different place than what the experts have predicted before, but certainly it's spiked up quite a bit over the last 45 to 60 days.

Gavin Fairweather, Cormark Securities

Okay. That's helpful. Thank you. That's it for me.

Operator

Mr. Yull, there are no further questions at this time. I will now turn the call back to you. Please continue with your presentation or closing remarks.

Greg Yull, Chief Executive Officer

Thank you for participating in today's call. We look forward to speaking with you again following the release of our first quarter results in May. Have a great day. Thank you.

Operator

Please note that a replay of this call can be accessed as of 1:00 p.m. today, Eastern Daylight Time at 1-800-585-8367 until 11:59 p.m. Eastern Time on April 9, 2017. Thank you. You may now disconnect your lines.
