

2016 Second Quarter Earnings Call Presentation



August 11, 2016



Safe Harbor Statement



Certain statements and information included in this presentation constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (collectively, "forward-looking statements"), which are made in reliance upon the protections provided by such legislation for forward-looking statements. All statements other than statements of historical facts included in this presentation, including statements regarding expected 2016 capital expenditures, expected 2016 manufacturing cost reductions, and the Company's third quarter and full year 2016 outlook, may constitute forward-looking statements. These forward-looking statements are based on current beliefs, assumptions, expectations, estimates, forecasts and projections made by the Company's management. Words such as "may," "will," "should," "expect," "continue," "intend," "estimate," "anticipate," "plan," "foresee," "believe," or "seek" or the negatives of these terms or variations of them or similar terminology are intended to identify such forward-looking statements. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, these statements, by their nature, involve risks and uncertainties and are not guarantees of future performance. Such statements are also subject to assumptions concerning, among other things: business conditions and growth or declines in the Company's industry, the Company's customers' industries and the general economy; the anticipated benefits from the Company's manufacturing facility closures and other restructuring efforts; the quality, and market reception, of the Company's products; the Company's anticipated business strategies; risks and costs inherent in litigation; the Company's ability to maintain and improve quality and customer service; anticipated trends in the Company's business; anticipated cash flows from the Company's operations; availability of funds under the Company's Credit Facility; and the Company's ability to continue to control costs. The Company can give no assurance that these statements and expectations will prove to have been correct. Actual outcomes and results may, and often do, differ from what is expressed, implied or projected in such forward-looking statements, and such differences may be material. You are cautioned not to place undue reliance on any forward-looking statement.

For additional information regarding important factors that could cause actual results to differ materially from those expressed in these forward-looking statements and other risks and uncertainties, and the assumptions underlying the forward-looking statements, you are encouraged to read "Item 3. Key Information - Risk Factors," "Item 5. Operating and Financial Review and Prospects (Management's Discussion & Analysis)" and statements located elsewhere in the Company's annual report on Form 20-F for the year ended December 31, 2015 and the other statements and factors contained in the Company's filings with the Canadian securities regulators and the US Securities and Exchange Commission. Each of these forward-looking statements speaks only as of the date of this presentation. The Company will not update these statements unless applicable securities laws require it to do so.

This presentation contains certain non-GAAP financial measures as defined under applicable securities legislation, including Adjusted EBITDA, Adjusted EBITDA as a Percentage of Revenue, Adjusted Net Earnings, Adjusted Earnings per Share, Free Cash Flow, Trailing Twelve Month ("TTM") Adjusted EBITDA and Leverage Ratio. The Company believes such non-GAAP financial measures improve the transparency of the Company's disclosures, and improves the period-to-period comparability of the Company's results from its core business operations. As required by applicable securities legislation, the Company has provided definitions of these non-GAAP measures contained in this presentation, as well as a reconciliation of each of them to the most directly comparable GAAP measure, on its website at <http://www.intertapepolymer.com> under "Investor Relations" and "Events and Presentations" and "Investor Presentations". You are encouraged to review the related GAAP financial measures and the reconciliation of non-GAAP measures to their most directly comparable GAAP measures set forth on the website and should consider non-GAAP measures only as a supplement to, not as a substitute for or as a superior measure to, measures of financial performance prepared in accordance with GAAP.

Variance, ratio and percentage changes in this presentation are based on unrounded numbers.

Q2 2016 Highlights (as compared to Q2 2015)



- **Revenue increased 2.5% to \$201.5 million**
 - Additional revenue from the TaraTape acquisition, a decrease in the South Carolina Commissioning Revenue Reduction⁽¹⁾ and increased sales volume, partially offset by a decrease in average selling price, including the impact of product mix
- **Gross margin increased to 25.7% from 21.6%**
 - South Carolina Flood⁽²⁾ insurance claim settlement proceeds, the favourable impact of manufacturing cost reduction programs and an increase in the spread between selling prices and lower raw material costs
 - Excluding the impact of the South Carolina Flood and related insurance proceeds, the gross margin would have been 23.8%

(1) The “South Carolina Commissioning Revenue Reduction” refers to the sales attributed to the commissioning efforts of the production lines that were accounted for as a reduction of revenue and a corresponding reduction of the cost of the South Carolina Project. The “South Carolina Project” refers to the previously announced relocation and modernization of the Company’s Columbia, South Carolina manufacturing operation. This project primarily involves moving the Company’s duct tape and masking tape production to a new state-of-the-art facility in Blythewood, South Carolina as well as moving flatback tape production to the Company’s existing facility in Marysville, Michigan.

(2) The “South Carolina Flood” refers to the rainfall and subsequent severe flooding on October 4, 2015 that resulted in considerable damage to and the permanent closure of the Columbia, South Carolina manufacturing facility.

Q2 2016 Highlights

(as compared to Q2 2015 continued)



- **Net earnings increased \$1.9 million to \$13.7 million and adjusted net earnings increased \$6.2 million to \$20.3 million**
 - Increase in gross profit and additional earnings derived from the Better Packages and TaraTape acquisitions, partially offset by an increase in SG&A mainly relating to variable compensation expense
- **Adjusted EBITDA increased 21.7% to \$33.0 million**
 - Increase in gross profit, partially offset by an increase in SG&A
- **The South Carolina Flood had positive impact on Q2 2016 gross profit and adjusted EBITDA**
 - Approximately \$3 million as a result of insurance claim settlement proceeds offsetting the negative impacts of the South Carolina Flood



Q2 2016 Highlights (as compared to Q1 2016)



- **Revenue increased 5.6% to \$201.5 million**
 - Increase in sales volume, average selling price, including the impact of product mix and a decrease in the South Carolina Commissioning Revenue Reduction
- **Gross margin increased to 25.7% from 21.5%**
 - South Carolina Flood insurance claim settlement proceeds and favourable product mix variance
- **Net earnings increased \$4.1 million to \$13.7 million and adjusted net earnings \$6.3 million to \$20.3 million**
 - Increase in gross profit, partially offset by an increase in SG&A
- **Adjusted EBITDA increased 37.3% to \$33.0 million**
 - Increase in gross profit, partially offset by an increase in SG&A



Q2 YTD 2016 Highlights (as compared to Q2 YTD 2015)



- **Revenue increased 1.7% to \$392.3 million**
 - Additional revenue from the Better Packages and TaraTape acquisitions, an increase in sales volume, partially offset by a decrease in average selling price, including the impact of product mix, and an increase in the South Carolina Commissioning Revenue Reduction
- **Gross margin increased to 23.7% from 20.6%**
 - Increase in the spread between selling prices and lower raw material costs and the favourable impact of manufacturing cost reduction programs
- **Net earnings decreased \$0.3 million to \$23.2 million**
 - Increase in SG&A largely offset by an increase in gross profit and additional net earnings derived from the Better Packages and TaraTape acquisitions
- **Adjusted net earnings increased \$7.6 million to \$34.3 million and Adjusted EBITDA increased 12.6% to \$57.0 million**
 - Increase in gross profit and additional adjusted earnings/EBITDA derived from the Better Packages and TaraTape acquisitions, partially offset by an increase in SG&A

Other Significant Items



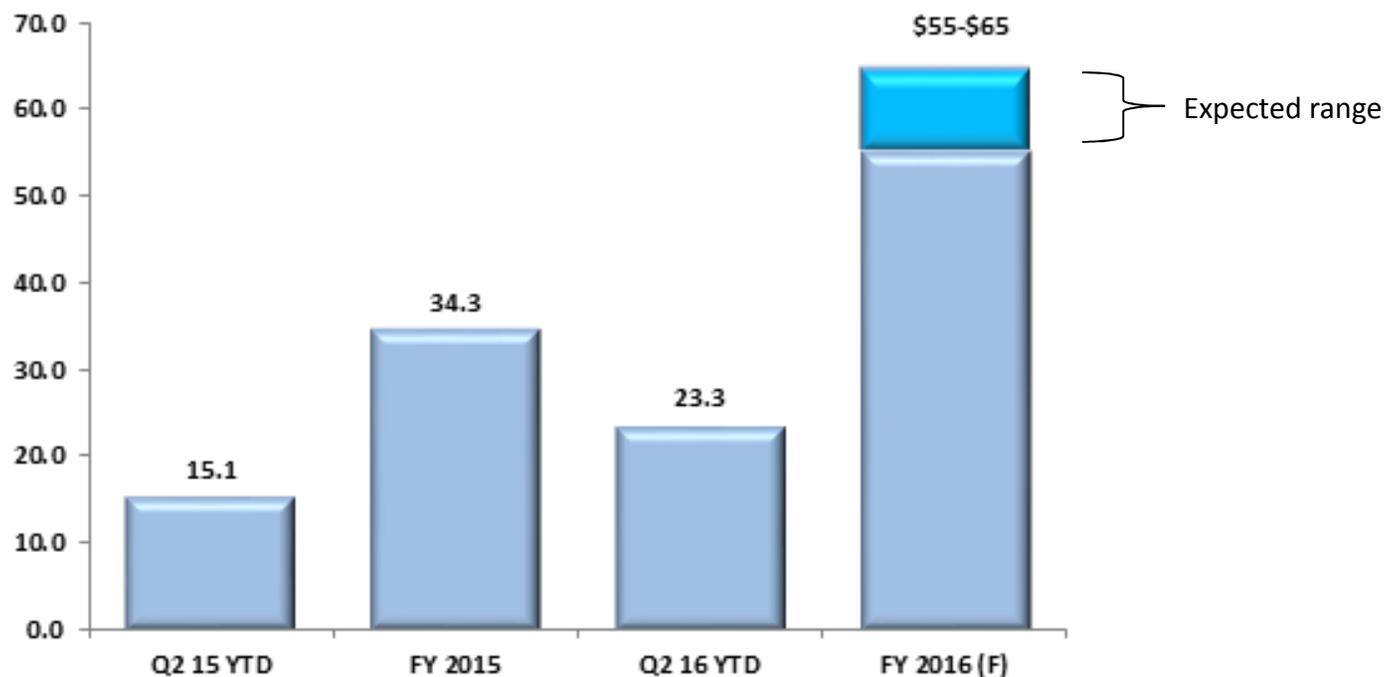
- **Normal Course Issuer Bid renewed for twelve-month period starting July 14, 2016**
 - 4,000,000 common shares may be repurchased for cancellation
 - 3,231,888 common shares repurchased and cancelled since July 2014 for a total purchase price of \$39.5 million
- **Annualized dividend increased from \$0.52 to \$0.56 per share**
 - Annual dividend increased 4 times and paid out an aggregate of \$88.3 million since the dividend policy was reinstated in August 2012
 - On August 10, 2016, the Board of Directors declared a quarterly cash dividend of \$0.14 per common share payable on September 30, 2016 to shareholders of record at the close of business on September 15, 2016



Capital Expenditures



(In millions of US dollars)



Capital expenditures to support maintenance needs are expected to be between \$8 and \$12 million in 2016. Additional expected spending in 2016 includes the South Carolina Project, the WAT Project, the Shrink Film Project and the Specialty Tape Project.

Manufacturing Cost Reductions ⁽¹⁾



(In millions of US dollars)



* Excludes any savings related to the South Carolina Project.

(1) Approximate values. Cost reductions are calculated by comparing the cost of a manufacturing process before and after implementing an improvement. The savings are reported for a period of 12 months upon implementation of the initiative.

Summary Q2 2016 Results



<i>(In millions of US dollars) *</i>	Q2 2016	Q1 2016	Q2 2015	Q2 16 vs Q2 15	Q2 16 vs Q1 16
Revenue	201.5	190.8	196.6	2.5%	5.6%
Gross profit	51.8	41.1	42.4	22.2%	26.1%
Gross margin	25.7%	21.5%	21.6%	+413 bps	+417 bps
SG&A	26.3	23.4	22.3	18.1%	12.4%
Research expenses	2.7	2.5	2.1	27.7%	7.5%
Net earnings	13.7	9.5	11.7	16.3%	43.3%
EPS, fully diluted	0.22	0.16	0.19	18.0%	41.4%
Adjusted net earnings	20.3	14.0	14.1	43.8%	45.3%
Adjusted EPS, fully diluted	0.33	0.23	0.23	45.9%	43.4%
Adjusted EBITDA	33.0	24.0	27.1	21.7%	37.3%
Adjusted EBITDA as % of Revenue	16.4%	12.6%	13.8%	+258 bps	+378 bps
Effective Tax Rate	29.1%	24.0%	28.8%	+32 bps	+506 bps

* Excluding EPS

Revenue Analysis



(In millions of US dollars)

	Q2 2015 to Q2 2016		Q1 2016 to Q2 2016		Q2 2015 YTD to Q2 2016 YTD	
Beginning	\$196.6		\$190.8		\$385.6	
Volume effect ⁽¹⁾	1.6	0.8%	6.3	3.2%	7.1	1.8%
Price/Mix effect ⁽¹⁾	(3.9)	-2.0%	1.3	0.7%	(13.2)	-3.4%
Foreign Exchange	(0.4)	-0.2%	0.9	0.5%	(2.0)	-0.5%
Acquisitions ⁽²⁾	4.8	2.4%	0.0	0.0%	16.3	4.2%
Commissioning ⁽³⁾	2.8	1.4%	2.2	1.1%	(1.5)	-0.4%
Ending	\$201.5	2.5%	\$201.5	5.6%	\$392.3	1.7%

(1) Embedded herein is an estimate of approximately \$5 million and \$11 million of lost sales due to the impact of the South Carolina Flood for the second quarter and first six months of 2016, respectively.

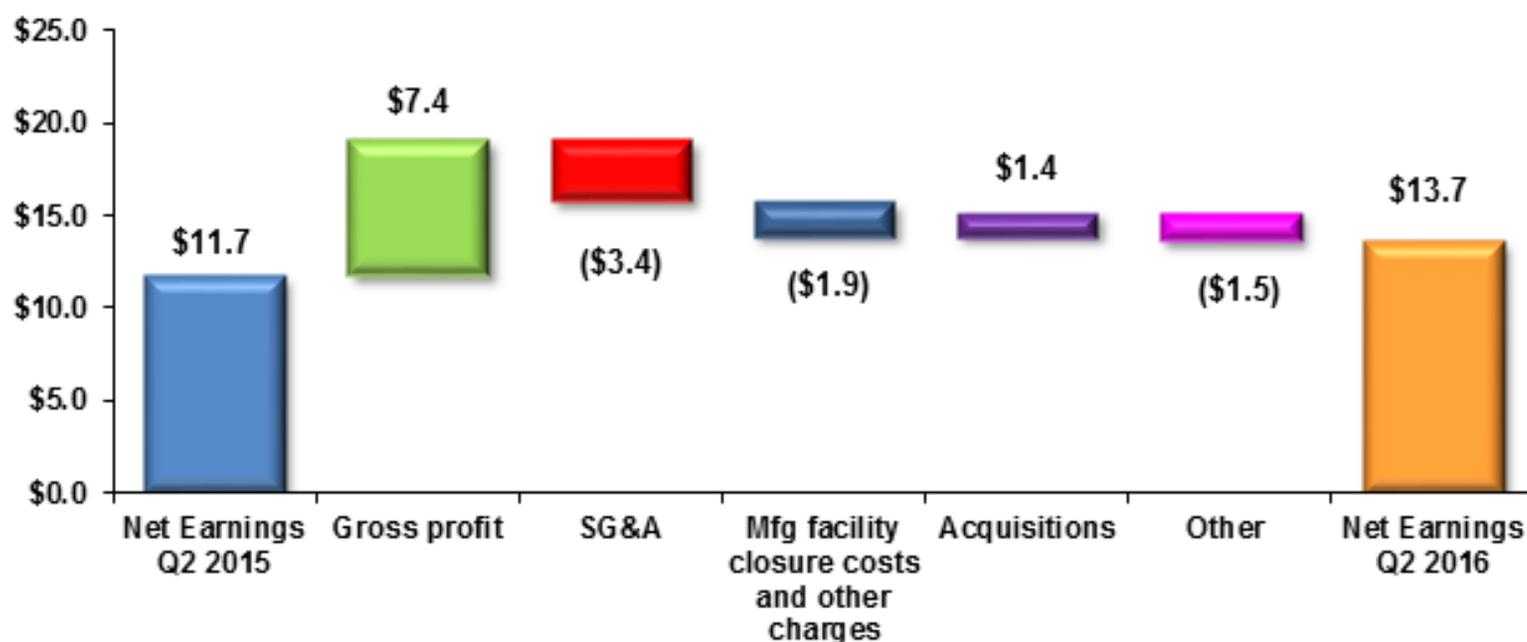
(2) Better Packages, acquired April 7, 2015, and TaraTape, acquired November 2, 2015, are only reflected as of the acquisition date.

(3) Represents change in reduction in revenue attributed to sales generated while the Company was in the commissioning phase for duct and masking tape production and therefore was accounted for as a reduction of revenue and a reduction of the cost of the South Carolina Project. However, the impact on gross profit and capital expenditures was not significant due to the requirement to offset this revenue with the associated cost of sales in the reclassification of the gross profit as a reduction of the capital expenditures.

Net Earnings Q2 2016 over Q2 2015



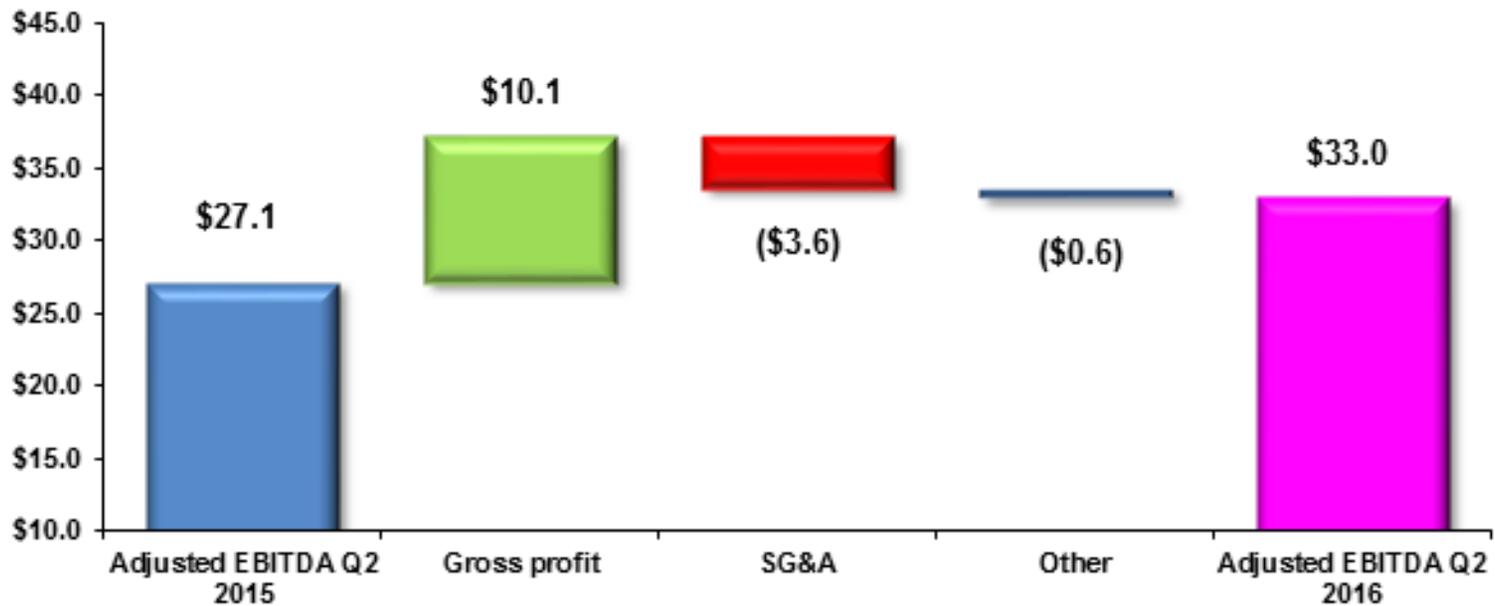
(In millions of US dollars)



Adjusted EBITDA Q2 2016 over Q2 2015



(In millions of US dollars)



The captions above include the impact of certain non-GAAP adjustments as discussed in the Safe Harbor Statement.

Net Earnings Q2 2016 over Q1 2016



(In millions of US dollars)



Adjusted EBITDA Q2 2016 over Q1 2016



(In millions of US dollars)

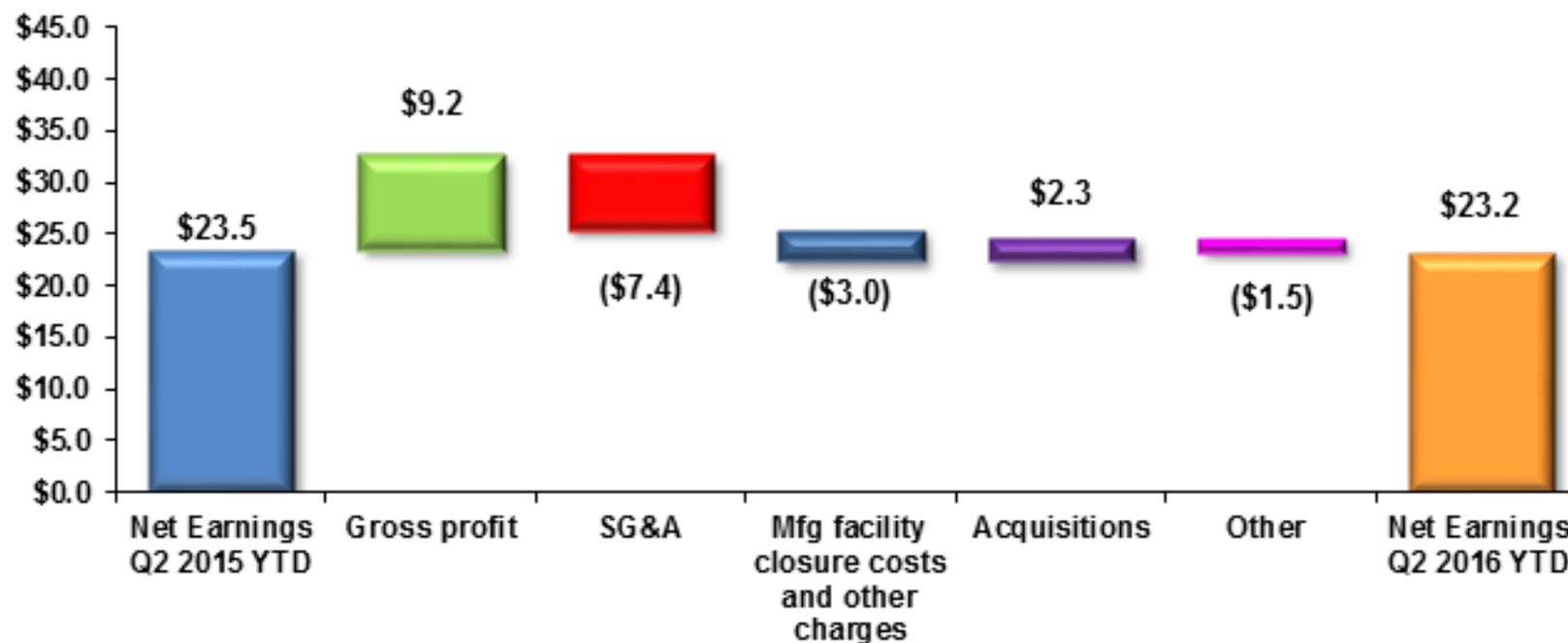


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Net Earnings Q2 YTD 2016 over Q2 YTD 2015



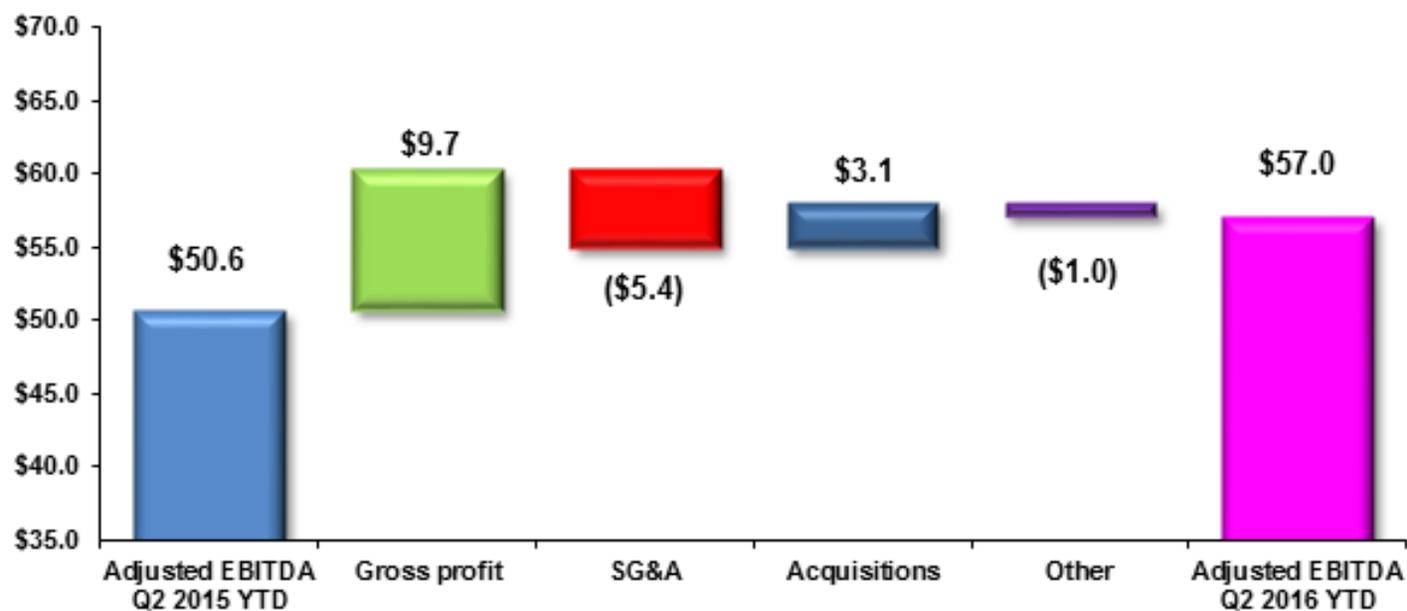
(In millions of US dollars)



Adjusted EBITDA Q2 YTD 2016 over Q2 YTD 2015



(In millions of US dollars)



The captions above include the impact of certain non-GAAP adjustments as discussed in the Safe Harbor Statement.

Summary Q2 2016 Results



<i>(In millions of US dollars) *</i>	Q2 2016	Q1 2016	Q2 2015	Q2 16 vs Q2 15	Q2 16 vs Q1 16
Cash and loan availability	162.0	161.2	170.3	(4.9%)	0.5%
Cash flow from operating activities before working capital	29.7	23.0	23.7	25.6%	29.2%
Working capital items	(5.3)	(24.3)	2.1	(360.4%)	78.0%
Cash flow from operating activities	24.4	(1.3)	25.7	(5.2%)	1941.9%
Free Cash Flow	10.6	(10.8)	19.6	(46.0%)	197.7%
Net debt ⁽¹⁾	154.4	156.6	148.1	4.3%	(1.4%)
TTM Adjusted EBITDA	108.4	102.5	98.4	10.1%	5.7%
Leverage ratio ⁽²⁾	1.5	1.7	1.7	(6.9%)	(7.3%)
DSO	40	41	39	0.7%	(2.9%)
Days inventory	68	65	64	5.9%	5.0%

* Excluding ratios, DSO and days inventory

(1) Long-term debt plus installments on long-term debt less cash

(2) Long-term debt plus installments on long-term debt divided by trailing twelve month ("TTM") adjusted EBITDA

South Carolina Flood Update



Impacts to Results - Millions of USD	Q2 2016	Q1 2016	Q4 2015
Estimated revenue reduction	(5)	(5)	(9)
Estimated gross profit, adjusted EBITDA improvement (reduction) ⁽¹⁾⁽²⁾	3	(3)	(3)
Manufacturing facility closures, restructuring and other related charges ⁽¹⁾⁽³⁾	1.4	1.5	1.0
Estimated net earnings improvement (reduction)	1	(3)	(3)
Estimated adjusted net earnings improvement (reduction)	2	(2)	(2)
Insurance Claim Settlement Proceeds ⁽¹⁾	5.0	-	5.0

- 1) Insurance claim settlement proceeds to date total \$10 million of which \$5.0 million was recorded in manufacturing facility closures, restructuring and other related charges in the fourth quarter of 2015 and \$4.5 million and \$0.5 million were recorded in cost of sales and manufacturing facility closures, restructuring and other related charges, respectively, in the second quarter of 2016.
- 2) Reflects lost gross profit on lost sales as well as incremental costs from alternative product sourcing, partially offset by the reduction in South Carolina Duplicate Overhead Costs associated with the unexpected, permanent shut down of the Columbia, SC manufacturing facility. "South Carolina Duplicate Overhead Costs" refers to temporary operating cost increases related to operating both plants in South Carolina simultaneously and performing planned actions to mitigate risk associated with new technology, including state-of-the-art equipment, to support the South Carolina Project.
- 3) Charges relate to property damage as well as subsequent clean-up and insurance claim preparation costs.

South Carolina Project Update



Impacts to Results - Millions of USD	Q2 2016	Q1 2016	Q2 2015
South Carolina Commissioning Revenue Reduction	(2.1)	(4.3)	(4.9)
Cost savings, net of production ramp-up inefficiencies	0.2	1.3	(1.3)
South Carolina Duplicate Overhead Costs	-	-	(0.8)
Impact on gross profit and adjusted EBITDA	0.2	1.3	(2.1)
South Carolina Project Capital Expenditures	0.7	2.2	0.8



Outlook



- The Company expects gross margin for 2016 to be between 23% and 24%.
- Adjusted EBITDA for 2016 is expected to be \$117 to \$123 million, excluding the impact of the South Carolina Flood. While South Carolina Flood costs and lost sales are expected to be substantially offset by insurance claim settlement proceeds, the timing of the insurance claim settlement proceeds is uncertain.
- Manufacturing cost reductions for 2016 are expected to be between \$8 and \$11 million, excluding any cost savings related to the South Carolina Project.
- Total capital expenditures for 2016 are expected to be between \$55 and \$65 million.
- The Company expects a 25% to 30% effective tax rate for 2016. Cash taxes paid in 2016 are expected to be approximately half of the income tax expense in 2016.
- The Company expects revenue, gross margin and adjusted EBITDA, excluding the impact of the South Carolina Flood, to be greater in the third quarter of 2016 than in the third quarter of 2015.





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