2016 Fourth Quarter and Full Year Earnings Call Presentation

ipg intertape polymer group®

March 9, 2017

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 dividends, total expected synergies from the TaraTape acquisition, expected 2017 capital expenditures, the Company's capital expenditure initiatives, including the estimated costs, estimated completion dates, and expected yields, expected 2017 manufacturing cost reductions, and the Company's first quarter and full year 2017 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 anticipated benefits from the Company's acquisitions; the anticipated benefits from the Company's capital expenditures; 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 Margin, Adjusted Net Earnings, Adjusted Earnings per Share, Free Cash Flows, 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.

Q4 2016 Highlights (as compared to Q4 2015)

- **Revenue increased 7.3% to $209.9 million**
  - Increase in sales volume and additional revenue from the Powerband and TaraTape acquisitions, partially offset by a decrease in average selling price, including the impact of product mix

- **Gross margin increased to 25.6% from 23.4%**
  - Receipt of Insurance Proceeds[1] and the favourable impact of manufacturing cost reduction programs, partially offset by the non-recurrence of the reversal of a 2010 impairment of manufacturing equipment of $2.7 million recorded in the fourth quarter of 2015

- **IPG Net Earnings[2] increased $4.2 million to $21.7 million**
  - Decrease in manufacturing facility closure charges and an increase in gross profit, both of which were mainly due to Insurance Proceeds, partially offset by an increase in income tax expense
  - The Company estimates that its IPG Net Earnings for the fourth quarter of 2016 were positively impacted by the South Carolina Flood by approximately $9.2 million as a result of Insurance Proceeds offsetting the negative impact of the South Carolina Flood

1) "Insurance Proceeds" refers to insurance claim settlement proceeds related to the South Carolina Flood. "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 eight to nine months in advance of planned shut down. Refer to Slide 7 South Carolina Flood Update for more information on the financial impacts of the South Carolina Flood.

2) "IPG Net Earnings" refers to Net earnings attributable to Company shareholders on the statement of consolidated earnings.

Q4 2016 Highlights (continued) (as compared to Q4 2015)

- **Adjusted net earnings[1] increased $1.3 million to $18.0 million**
  - Increase in gross profit, partially offset by an increase in income tax expense
  - The Company estimates that its adjusted net earnings for the fourth quarter of 2016 were positively impacted by the South Carolina Flood by approximately $3.7 million as a result of Insurance Proceeds offsetting the negative impact of the South Carolina Flood
- **Adjusted EBITDA increased 43.6% to $35.3 million primarily due to an increase in gross profit mainly due to Insurance Proceeds**
  - The Company estimates that its adjusted EBITDA for the fourth quarter of 2016 was positively impacted by the South Carolina Flood by approximately $6.0 million as a result of Insurance Proceeds offsetting the negative impact of the South Carolina Flood
- **Cash flows from operating activities increased by $23.1 million to $65.0 million and free cash flows increased by $17.5 million to $50.8 million**

1) Adjusted earnings and adjusted earnings per share are non-GAAP financial measures shown throughout this presentation. As disclosed in the Company's press release on March 1, 2017, adjusted net earnings and adjusted earnings per share for the interim and annual periods in fiscal 2014 and 2015, and the first three interim periods in fiscal 2016 were amended to correct a clerical error in the calculation of the income tax effect caption.

Full Year 2016 Highlights (as compared to 2015)

- **Revenue increased 3.4% to $808.8 million**
  - Additional revenue from the Better Packages, TaraTape and Powerband acquisitions ("Acquisitions"), an increase in sales volume and lower South Carolina Commissioning Revenue Reduction(1), partially offset by a decrease in average selling price, including the impact of product mix
- **Gross margin increased to 23.7% from 21.5%**
  - Receipt of Insurance Proceeds, the favourable impact of manufacturing cost reduction programs, an increase in the spread between selling prices and raw material costs, and non-recurrence of South Carolina Duplicate Overhead Costs(2)
  - Partially offset by the negative impact of the South Carolina Flood and an unfavourable product mix
- **Selling, general and administrative expenses ("SG&A") increased $18.5 million to $102.6 million**
  - Increase in (i) share-based and variable compensation expenses, (ii) employee related costs primarily to support growth initiatives, (iii) additional SG&A resulting from the Acquisitions and (iv) a provision for a settlement of outstanding litigation

1) **"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**. "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) **"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.

Full Year 2016 Highlights (as compared to 2015)

- **IPG Net Earnings decreased $5.6 million to $51.1 million**
  - Increases in SG&A and income tax expenses, partially offset by an increase in gross profit
  - The Company estimates that its IPG Net Earnings for 2016 were positively impacted by the South Carolina Flood by approximately $2.3 million as a result of Insurance Proceeds totalling $22.4 million offsetting the negative impact of the South Carolina Flood

- **Adjusted EBITDA increased 17.2% to $119.5 million**
  - Increase in gross profit, partially offset by an increase in SG&A
  - The Company estimates that its adjusted EBITDA for 2016 was negatively impacted by the South Carolina Flood by approximately $0.9 million net of the benefit from Insurance Proceeds

- **Cash flows from operating activities increased by $5.9 million to $108.1 million**
  - Higher operating profit

- **Free cash flows decreased by $9.8 million to $58.2 million**
  - Increase in capital expenditures

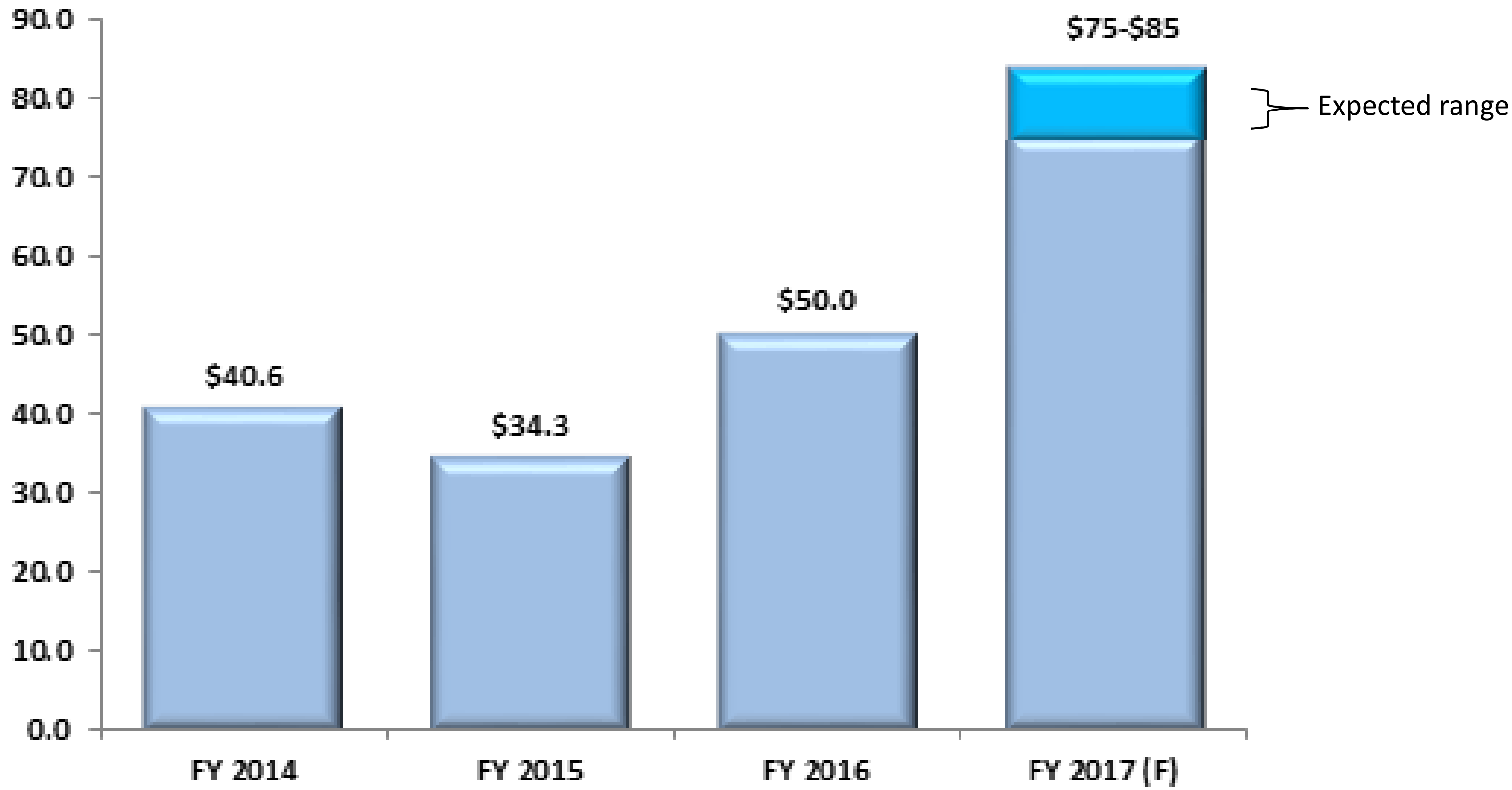
South Carolina Flood Update

Impacts to Results - Millions of USD	Q4 2016	Q3 2016	Q4 & FY 2015	FY 2016
Estimated revenue reduction	(5.0)	(9.9)	(8.6)	(25.5)
Estimated gross profit improvement (reduction) (1)(2)	6.0	(7.0)	(2.9)	(1.2)
Manufacturing facility closures, restructuring and other related recoveries (charges) (1)(3)	8.9	(1.0)	(1.5)	4.9
Estimated IPG Net Earnings improvement (reduction)	9.2	(5.0)	(2.8)	2.3
Estimated adjusted EBITDA improvement (reduction)	6.0	(6.9)	(2.7)	0.9
Estimated adjusted net earnings improvement (reduction)	3.7	(4.3)	(1.8)	0.8
Insurance Proceeds (1)	17.4	-	5.0	22.4

1) On October 19, 2016, the Company and its insurers reached a settlement for the outstanding property and business interruption claims in the amount of $30.0 million, subject to a $0.5 million deductible, covering substantially all of the claimed losses. As of December 31, 2016, the Company received a total of $29.5 million in insurance claim settlement proceeds of which $5.0 million was recorded in manufacturing facility closures, restructuring and other related charges in 2015 and $12.6 million and $9.8 million were recorded in cost of sales and manufacturing facility closures, restructuring and other related charges, respectively, in 2016. The remaining $2.1 million is included in accounts payable and accrued liabilities in the consolidated balance sheet as of December 31, 2016 and will be recognized as a benefit to gross profit in the first quarter of 2017.
2) Reflects lost gross profit on lost sales and including quality-related masking tape product returns totalling $0.3 million and $3.7 million for the three months and year ended December 31, 2016, as well as incremental costs from alternative product sourcing.
3) Charges relate primarily to site clean-up, property damage and insurance claim preparation costs.

Capital Expenditures

(In millions of US dollars)



Capital Expenditure Initiatives

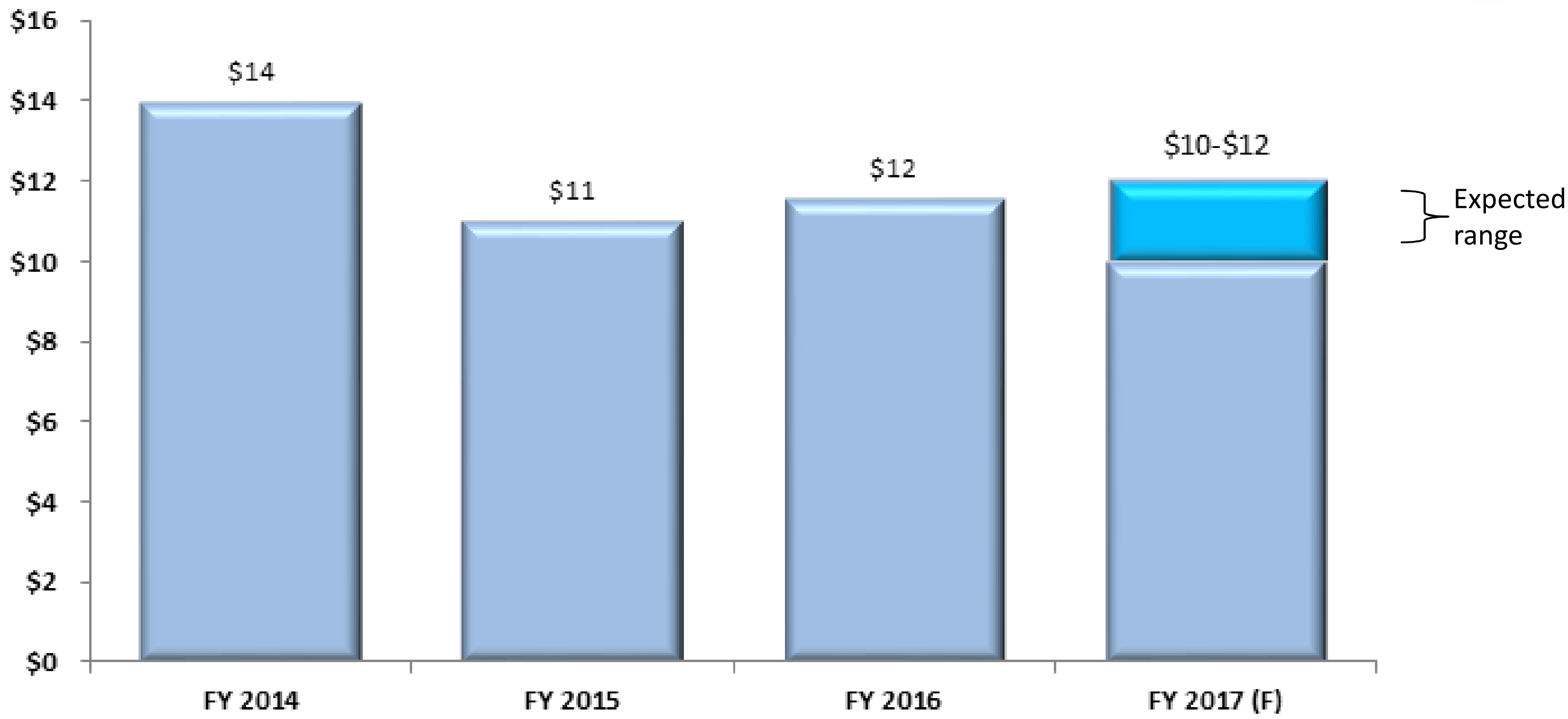
Initiatives (Millions of USD)	Year Ended 12/31/16	Estimated 2017 Spend	Estimated Total Project Spend (from inception)	Estimated Completion Date
WAT Project	13.7	26-31	44-49	End of 2017
Portuguese Shrink Film Project	5.4	1-2	11	Mid-2017
Specialty Tape Project	2.7	2-4	10	End of 2017
Powerband Investment Projects	1.5	10-14	20	Mid-2018
Stretch Film Project	1.4	8-10	11	Mid-2018
Utah Shrink Film Project	-	7-9	9	Mid-2018

For Project definitions, please refer to Management's Discussion & Analysis located in the Company's annual report for the year ended December 31, 2016.

- CAPEX initiatives detailed above are currently expected to yield an after-tax internal rate of return greater than 15%.
- Capital expenditures to support maintenance needs are expected to be between $10 and $12 million in 2017.

Manufacturing Cost Reductions (1)

(In millions of US dollars)



* FY 2017 includes savings related to the South Carolina Project and TaraTape Closure (defined on the next slide); Prior periods exclude 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.

Other Significant Items

- **Dividends**
  - Annual dividends paid increased 5.6% to $31.4 million or $0.54 per common share
  - On March 8, 2017, the Board of Directors declared a quarterly cash dividend of $0.14 per common share payable on March 31, 2017 to shareholders of record at the close of business on March 21, 2017
- **TaraTape Closure**
  - Fairless Hills, PA facility to close and production ceased as of December 31, 2016
  - Production has been transferred to Carbondale, IL and Danville, VA manufacturing facilities
  - Total expected annual synergies from the TaraTape acquisition have increased to between $4 and $6 million in additional adjusted EBITDA by the end of 2017 (previous expectation was between $2 and $4 million)
- **Powerband Acquisition**
  - Purchased 74% of Powerband Industries Private Limited ("Powerband") located in Daman, India on September 16, 2016 for $41.9 million
  - Global supplier of acrylic adhesive-based carton sealing tapes and stretch films with revenue in its most recently completed fiscal year of approximately $32 million

Revenue Analysis

(In millions of US dollars)

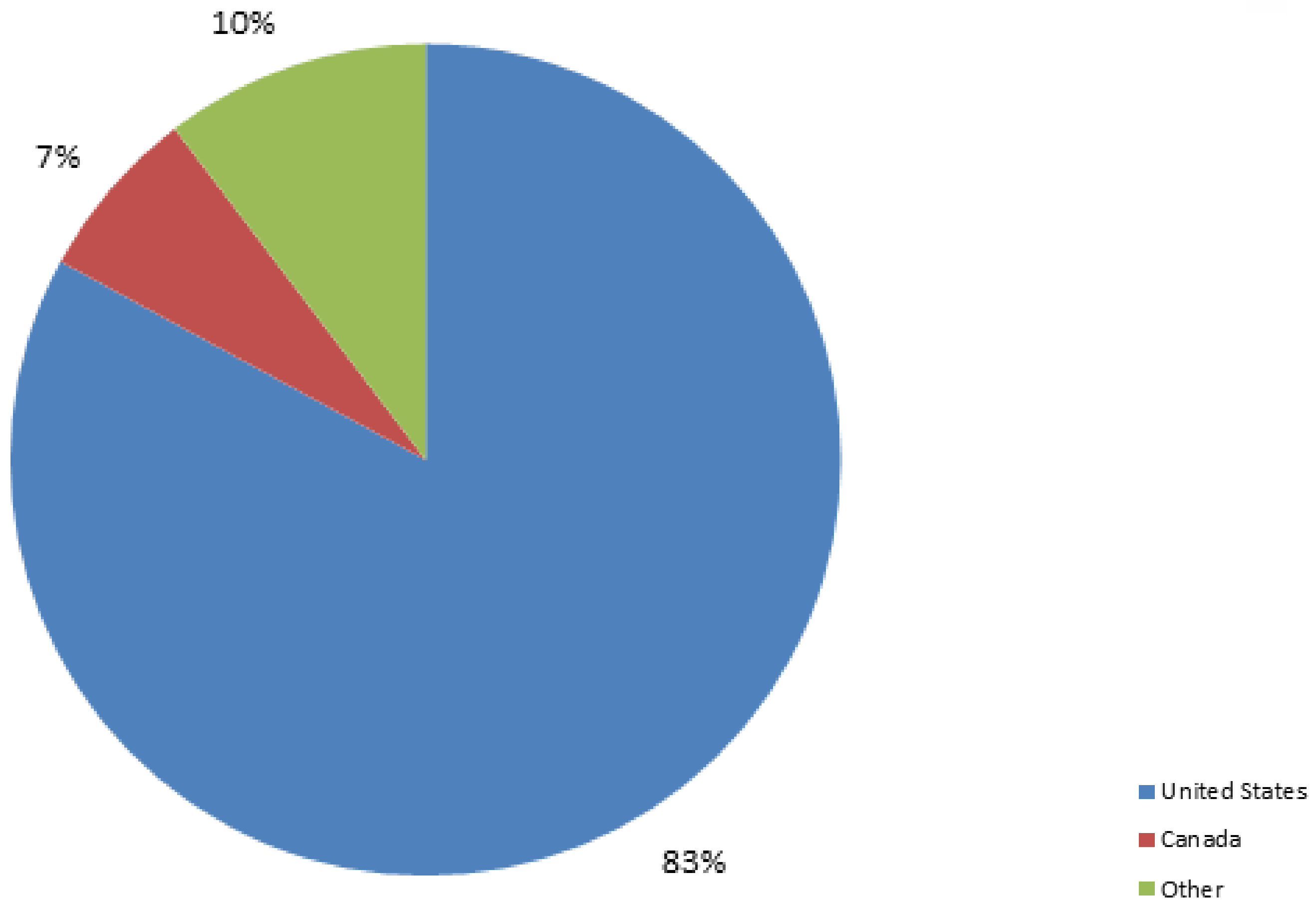
	Q4 2015 to Q4 2016		Q3 2016 to Q4 2016		FY2015 to FY2016	
Beginning	$195.7		$206.6		$781.9	
Volume effect (1)	9.3	4.8%	1.5	0.7%	13.3	1.7%
Price/Mix effect (1)	(4.2)	-2.2%	(5.2)	-2.5%	(20.4)	-2.6%
Foreign Exchange	(0.1)	0.0%	(0.5)	-0.2%	(2.0)	-0.3%
Acquisitions (2)	8.7	4.4%	7.6	3.7%	31.3	4.0%
Commissioning (3)	0.5	0.3%	0.0	0.0%	4.6	0.6%
Ending	$209.9	7.3%	$209.9	1.6%	$808.8	3.4%

1) Embedded herein is an estimate of negative impact of the South Carolina Flood of $5.0 million and $8.6 million for the fourth quarter of 2016 and 2015, respectively, $9.9 million for the third quarter of 2016 and $25.5 million and $8.6 million for the years ended December 31, 2016 and 2015, respectively.

2) Results for Better Packages, acquired April 7, 2015, TaraTape, acquired November 2, 2015, and Powerband, acquired September 16, 2016 are only reflected beginning on their respective acquisition dates.

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.

Full Year 2016 Revenue By Country



Summary Q4 2016 Results

(In millions of US dollars) [1]	Q4 2016	Q3 2016	Q4 2015	Q4 16 vs Q4 15	Q4 16 vs Q3 16
Revenue	209.9	206.6	195.7	7.3%	1.6%
Gross profit	53.7	44.9	45.8	17.3%	19.8%
Gross margin	25.6%	21.7%	23.4%	+220 bps	+388 bps
SG&A	25.6	27.3	25.8	(0.7%)	(6.4%)
Mfg. closure costs and other	(7.7)	6.3	2.7	(388.7%)	(222.4%)
IPG Net Earnings	21.7	6.3	17.5	23.9%	246.8%
IPG EPS, fully diluted	0.36	0.10	0.29	23.1%	247.5%
Adjusted net earnings	18.0	13.2	16.7	8.0%	36.5%
Adjusted EPS, fully diluted	0.30	0.22	0.28	7.2%	36.8%
Adjusted EBITDA	35.3	27.2	24.6	43.6%	29.5%
Adjusted EBITDA Margin	16.8%	13.2%	12.6%	+426 bps	+362 bps
Effective Tax Rate	31.0%	16.3%	-34.0%	+6498 bps	+1461 bps

1) Excluding EPS

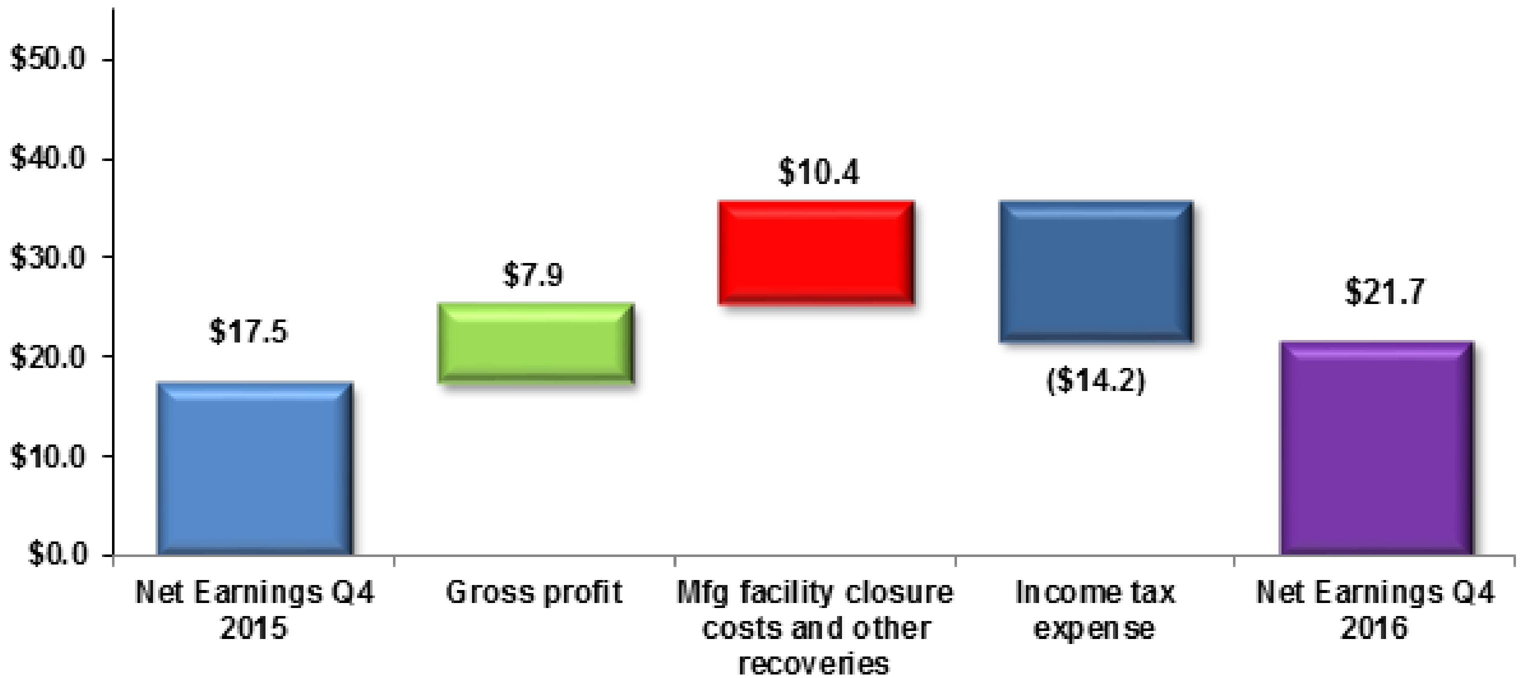
Summary Full Year 2016 Results

(In millions of US dollars) [(1)]	2016	2015	2016 vs 2015
Revenue	808.8	781.9	3.4%
Gross profit	191.5	168.0	14.0%
Gross margin	23.7%	21.5%	+219 bps
SG&A	102.6	84.1	22.0%
Mfg. closure costs and other	2.4	3.7	(34.3%)
IPG Net Earnings	51.1	56.7	(9.8%)
IPG EPS, fully diluted	0.85	0.93	(8.7%)
Adjusted net earnings	59.7	57.6	3.6%
Adjusted EPS, fully diluted	0.99	0.94	4.9%
Adjusted EBITDA	119.5	102.0	17.2%
Adjusted EBITDA Margin	14.8%	13.0%	+173 bps
Effective Tax Rate	27.7%	16.2%	+1144 bps

1) Excluding EPS

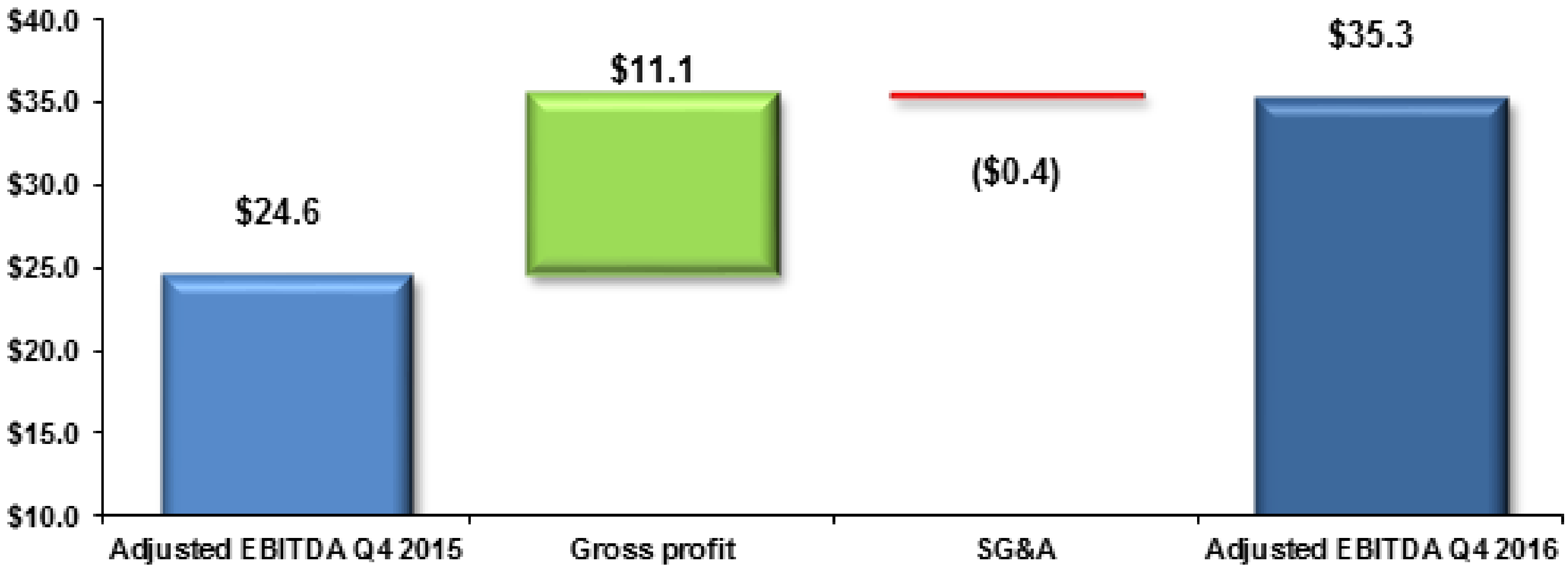
IPG Net Earnings Q4 2016 over Q4 2015

(In millions of US dollars)



Adjusted EBITDA Q4 2016 over Q4 2015

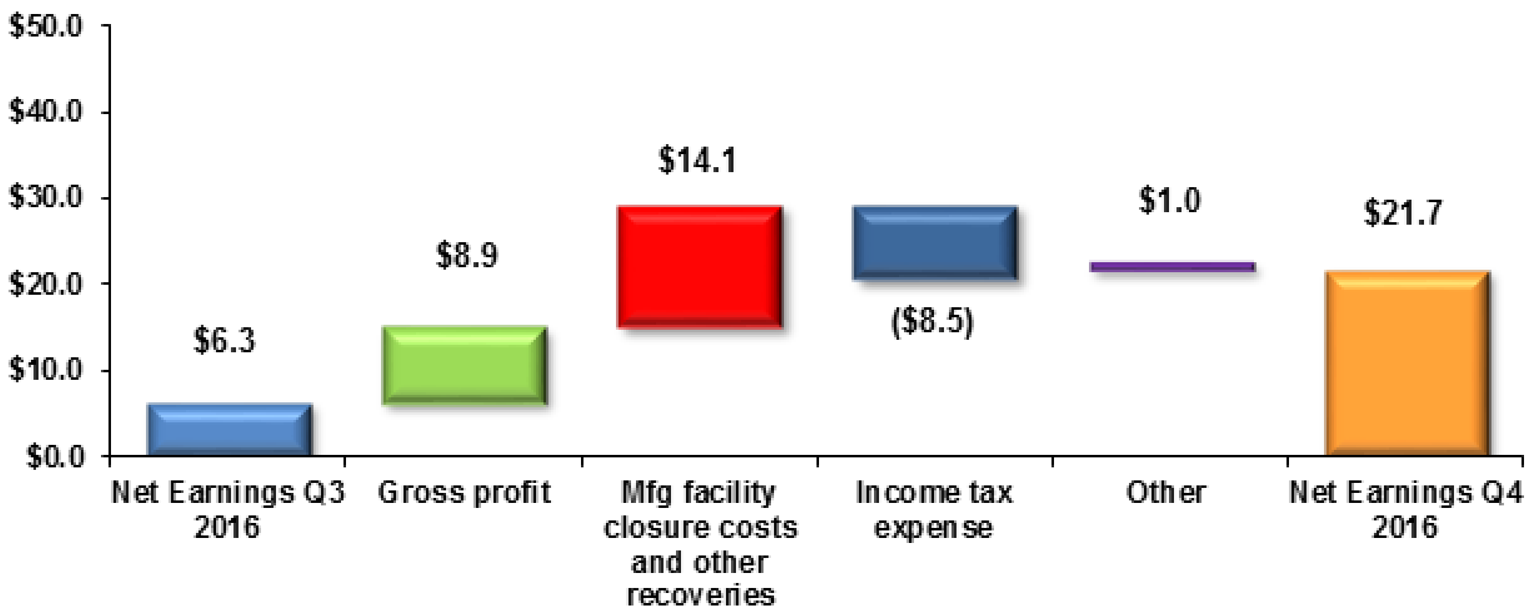
(In millions of US dollars)



Adjusted EBITDA is a non-GAAP measure. Please see the "Safe Harbor Statement" for an explanation of the Company's use of this measure and a cross-reference to its most directly comparable GAAP measure.

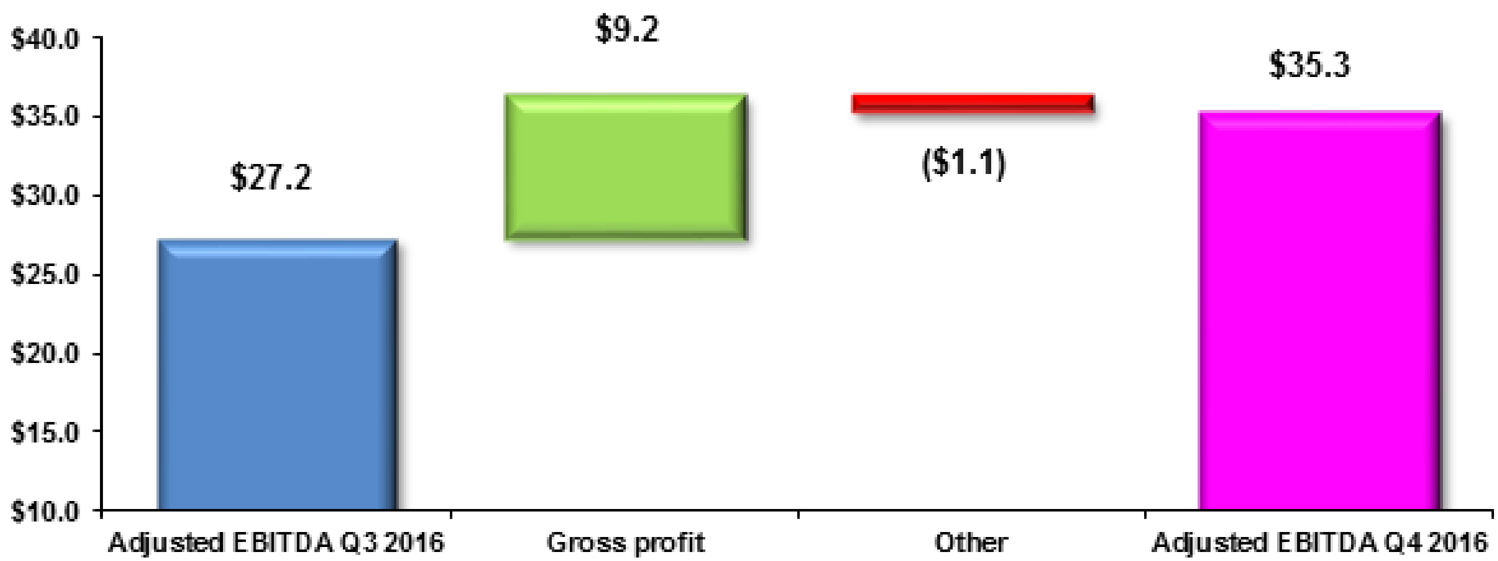
IPG Net Earnings Q4 2016 over Q3 2016

(In millions of US dollars)



Adjusted EBITDA Q4 2016 over Q3 2016

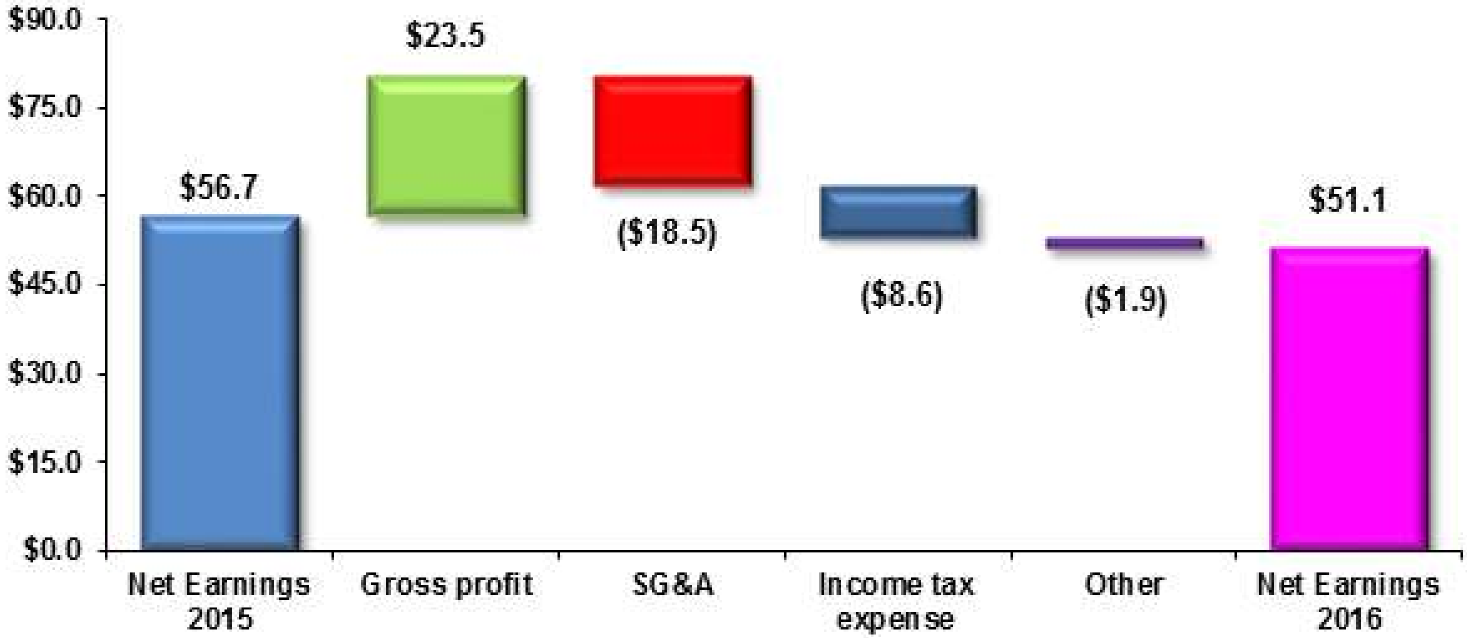
(In millions of US dollars)



Adjusted EBITDA is a non-GAAP measure. Please see the “Safe Harbor Statement” for an explanation of the Company’s use of this measure and a cross-reference to its most directly comparable GAAP measure.

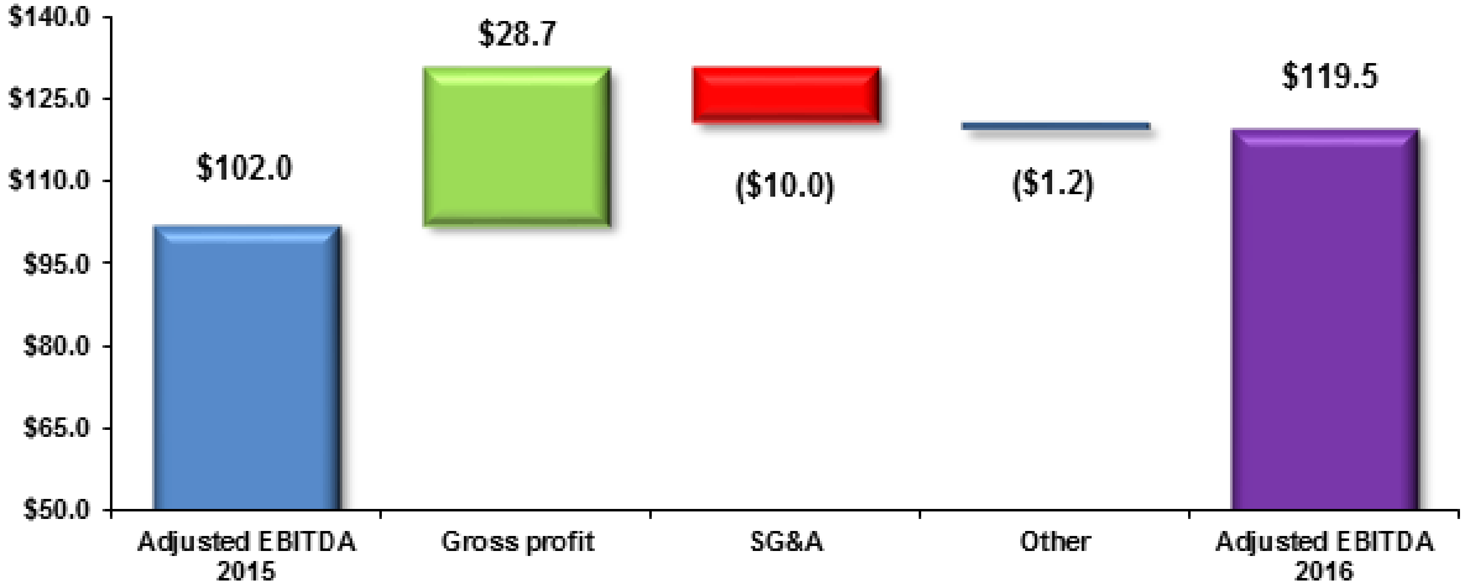
IPG Net Earnings Full Year 2016 over 2015

(In millions of US dollars)



Adjusted EBITDA Full Year 2016 over 2015

(In millions of US dollars)



Adjusted EBITDA is a non-GAAP measure. Please see the “Safe Harbor Statement” for an explanation of the Company’s use of this measure and a cross-reference to its most directly comparable GAAP measure.

Summary Q4 2016 Results

(In millions of US dollars) [1]	Q4 2016	Q3 2016	Q4 2015	Q4 16 vs Q4 15	Q4 16 vs Q3 16
Cash and loan availability	158.2	116.7	182.3	(13.2%)	35.5%
Cash flow from operating activities before working capital	42.0	19.9	26.9	55.7%	110.7%
Working capital items	23.0	0.2	14.9	54.2%	10808.3%
Cash flow from operating activities	65.0	20.1	41.9	55.2%	222.8%
Free Cash Flow	50.8	7.6	33.3	52.6%	565.8%
Net debt [2]	158.9	200.5	135.2	17.5%	(20.8%)
TTM Adjusted EBITDA	119.5	108.8	102.0	17.2%	9.9%
Leverage ratio [3]	1.5	1.9	1.5	0.4%	(20.6%)
DSO [4]	39	42	37	7.0%	(5.1%)
Days inventory [5]	63	63	61	3.4%	(0.0%)

1) Excluding ratios, DSO and days inventory
2) Borrowings, current and non-current, less cash
3) Borrowings, current and non-current, divided by trailing twelve month ("TTM") adjusted EBITDA
4) "DSO" represents Days Sales Outstanding and is calculated as Ending trade receivables divided by Revenue per day
5) Days inventory is calculated as Cost of sales per day divided by Average inventory

Summary Full Year 2016 Results

(In millions of US dollars) [1]	2016	2015	2016 vs 2015
Cash and loan availability	158.2	182.3	(13.2%)
Cash flow from operating activities before working capital	115.7	98.7	17.2%
Working capital items	(7.6)	3.6	(311.7%)
Cash flow from operating activities	108.1	102.3	5.7%
Free Cash Flow	58.2	68.0	(14.4%)
Net debt [2]	158.9	135.2	17.5%
TTM Adjusted EBITDA	119.5	102.0	17.2%
Leverage ratio [3]	1.5	1.5	0.4%
DSO [4]	39	37	7.0%
Days inventory [5]	60	61	(0.8%)

1) Excluding ratios, DSO and days inventory
2) Borrowings, current and non-current, less cash
3) Borrowings, current and non-current, divided by trailing twelve month ("TTM") adjusted EBITDA
4) "DSO" represents Days Sales Outstanding and is calculated as Ending trade receivables divided by Revenue per day
5) Days inventory is calculated as Cost of sales per day divided by Average inventory

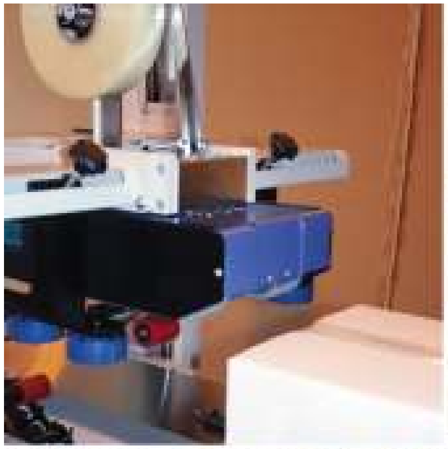
South Carolina Project Update

Impacts to Results - Millions of USD	Q4 2016	Q4 2015	2016	2015
South Carolina Commissioning Revenue Reduction	-	0.5	6.3	11.0
Project savings (costs), net of production ramp-up inefficiencies	1.0	(0.0)	3.0	(1.9)
South Carolina Duplicate Overhead Costs	-	-	-	(4.3)
Impact on gross profit	1.0	(0.0)	3.0	(6.2)
Addback: Non-cash South Carolina Duplicate Overhead Costs	-	-	-	0.4
Impact on adjusted EBITDA	1.0	(0.0)	3.0	(5.8)
South Carolina Project Capital Expenditures	-	1.9	3.7	7.9

Outlook

- The Company expects gross margin for 2017 to be between 23% and 24%.
- Adjusted EBITDA for 2017 is expected to be between $127 and $137 million.
- Manufacturing cost reductions for 2017 are expected to be between $10 and $12 million.
- Total capital expenditures for 2017 are expected to be between $75 and $85 million.
- The Company expects a 25% to 30% effective tax rate for 2017 and cash taxes paid in 2017 to be approximately half of the income tax expense in 2017, excluding the potential impact of any significant tax reform legislation and changes in the mix of earnings between jurisdictions.
- Revenue, gross margin and adjusted EBITDA in the first quarter of 2017 are expected to be greater than in the first quarter of 2016.

Industrial Packaging



Marine & Composites

HVAC

Building & Construction

Geo Membrane

Structured Fabrics

Automotive Aftermarket

Aerospace