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INTERTAPE POLYMER GROUP INC

Form 6-K

April 30, 2003

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer
Pursuant to Rule 13a - 16 or 15d - 16 of
the Securities Exchange Act of 1934

For the month of April, 2003

Intertape Polymer Group Inc.

110E Montee de Liesse, St. Laurent, Quebec, Canada, H4T 1N4

[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 X

[Indicate by check mark whether the registrant by
furnishing the information contained in this Form is also
thereby furnishing the information to the Commission pursuant
to Rule 12g3-2(b) under the Securities Exchange Act of 1934.]

Yes No X

[If "Yes" is marked, indicate below the file number
assigned to the registrant in connection with Rule 12g3-2(b):
82-_____

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: April 28, 2003

By: /s/ Melbourne F. Yull
Melbourne F. Yull, Chairman
of the Board And Chief
Executive Officer

Intertape Polymer Group Inc. Initiatives Positively Impact
Results for First Quarter 2003
Revenues up 4.7%; unit volume up 8.2%
Earnings per share \$0.09
Cost reduction benefits being realized

Bradenton, Florida, U.S.A. - April 24, 2003 - Intertape Polymer Group Inc.
NYSE, TSX: ITP) today said that first quarter results are starting to reflect
the benefits of our cost reduction initiatives undertaken in 2002 and earlier,

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together with revenue growth. Intertape Polymer Group (IPG) Chairman and Chief Executive Officer, Melbourne F. Yull noted that while the economy is still challenging, our business is improving.

First Quarter 2003 vs Fourth Quarter 2002

Sales for the first quarter of 2003 were \$153.6 million compared to \$151.3 million for the fourth quarter of 2002. The sales improvement reflects IPG's strong non-retail unit sales, which were up 7.0% over the fourth quarter of 2002, negligible price reductions, offset by a decline in retail sector volumes which are in line with seasonal trends.

First quarter 2003 pre-tax income was \$3.2 million compared to a pre-tax loss of \$2.1 million in the fourth quarter of 2002 (excluding the net impact of the goodwill impairment charge of \$70 million less related income taxes). The Company believes these adjusted results provide a more meaningful comparison of its ongoing operational results. First quarter 2003 net income was \$2.9 million, compared to a net loss in the fourth quarter of 2002 of \$58.8 million.

First quarter 2003 value-added approached traditional levels and the gross margin in first quarter 2003 increased by 2.5 percentage points, compared to the fourth quarter of 2002. Value-added is defined as the difference between material costs and selling prices, expressed as a percentage of sales. More specifically, IPG's Chief Financial Officer, Andrew M. Archibald, C.A., stated that: "Initiatives such as waste reduction programs in all facilities, as well as changes to certain blending formulae, and improved efficiencies, contributed to reduced costs this quarter. Margins also benefited from an improvement in sales mix between the various product sub classes, as well as from maintaining manufacturing overhead and labour costs at fourth quarter levels."

Selling, general and administrative expenses were \$22.0 million in the first quarter of 2003 compared to \$23.5 million in the fourth quarter of 2002, a decrease of 6.4%, resulting from the implementation of cost reduction initiatives announced during the second half last year, as well as the normal seasonal decline relating to the retail sector.

Financial expenses in the first quarter were \$7.7 million, down slightly from the fourth quarter.

Pre-Tax Cost Reductions Update

Previously announced cost reduction initiatives of \$17.5 million continue to proceed as planned. In the fourth quarter of 2002 the Company eliminated \$3.0 million annually as a result of the Flexible Intermediate Bulk Container (FIBC) consolidation and \$2.5 million annually in SG&A expenses. Of the remaining \$12.0 million in announced reductions, \$6.0 million should be accomplished during fiscal 2003, with the full impact of the \$12.0 million anticipated in fiscal 2004.

First Quarter 2003 vs First Quarter 2002

Sales for the first quarter were \$153.6 million compared to \$146.7 million for the first quarter last year, an increase of 4.7%. The increase in sales reflects an 8.2% increase in unit sales, offset by a 3.5% decline in selling prices.

First quarter net income was \$2.9 million, or \$0.09 per share (basic and diluted), compared to net income of \$2.8 million, or \$0.09 per share a year ago.

Despite rising raw material costs over the period, value-added approached

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traditional levels in first quarter 2003, as a result of the various cost reduction initiatives implemented and, more recently, the ability to reflect raw material cost increases in selling prices.

Financial expenses in the first quarter were \$7.7 million compared to \$9.0 million in the first quarter last year. The reduction of financial expenses reflects the \$70.0 million reduction of debt made last year, as well as reduced interest rates on some of the existing outstanding debt.

Liquidity

Working capital requirements increased in the first quarter, mainly due to increased receivables outstanding at the end of the quarter resulting from a strong sales month in March and seasonally higher inventory levels as the Company prepares for annual plant shutdowns. Debt, as anticipated, increased by \$3.6 million in the quarter, bringing total debt outstanding to \$324.9 million as at March 31, 2003, compared to \$353.6 million a year ago and \$321.3 million as of December 31, 2002. Long-term debt was reduced by \$5.3 million during the first quarter of 2003.

Conclusion

Mr. Yull stated that: "We are pleased that the concerted efforts we have made across all of IPG's operations have started to show results. Our performance was in line with our business plan. These results reflect the success we have had in responding to the economic environment challenges which prevailed through much of last year and continues. Revenue growth, and ongoing cost and debt reductions remain keys to our success."

(all figures in U.S. dollars; March 31, 2003, exchange rate: Cdn \$1.4678=U.S.\$1.00)

Conference Call

A conference call to discuss IPG's first quarter results will be held Friday, April 25, 2003 at 10:00 A.M. Eastern Standard Time. Participants may dial 1-800-230-1092 (U.S. and Canada) and 1-612-288-0337 (International). The conference call will also be simultaneously webcast on the Company's website at <http://www.intertapepolymer.com>. (Go to Financial Information, Conference Call Access for live Webcast).

You may access a replay of the call by dialing 1-800-475-6701 (U.S. and Canada); 1-320-365-3844 (International) and entering the passcode 682793. The recording will be available from Friday, April 25, 2003 at 5 P.M. until Friday, May 2, 2003 at 11:59 P.M., Eastern Standard Time.

About Intertape Polymer Group

Intertape Polymer Group is a recognized leader in the development and manufacture of specialized polyolefin plastic and paper based packaging products and complementary packaging systems for industrial and retail use. Headquartered in Montreal, Quebec and Sarasota/Bradenton, Florida, the Company employs approximately 2,600 employees with operations in 19 locations, including 13 manufacturing facilities in North America and one in Europe.

Safe Harbor Statement

Certain statements and information included in this release constitute "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. Such forward-looking statements

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involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied in such forward-looking statements. Additional discussion of factors that could cause actual results to differ materially from management's projections, estimates and expectations is contained in the Company's SEC filings. The Company undertakes no duty to update its forward-looking statements, including its earnings outlook.

FOR INFORMATION CONTACT: Melbourne F. Yull
 Chairman and Chief Executive Officer
 Intertape Polymer Group Inc.
 Tel.: 866-202-4713
 E-mail:itp\$info@intertapeipg.com
 Web: www.intertapepolymer.com

Intertape Polymer Group Inc.
 Consolidated Cash Flows
 Three months ended
 (In thousands of US dollars)

| | March 31, 2003 | Dec. 31, 2002 | March 31, 2002 |
|---|----------------|---------------|----------------|
| | \$ | \$ | \$ |
| OPERATING ACTIVITIES | | | |
| Net (loss) earnings | 2,901 | (58,774) | 2,819 |
| Non-cash items | | | |
| Depreciation and amortization | 6,639 | 7,647 | 6,618 |
| Loss on disposal of property, plant and equipment | | 30 | |
| Impairment of goodwill | | 70,000 | |
| Future income taxes (recovery) | 322 | (15,723) | 348 |
| | <hr/> | <hr/> | <hr/> |
| Cash flows from operations before changes in non-cash working capital items | 9,862 | 3,180 | 9,785 |
| Changes in non-cash working capital items | | | |
| Trade receivables | (6,371) | 8,825 | (2,527) |
| Other receivables | (218) | 2,531 | 3,087 |
| Inventories | (3,847) | 10,666 | 953 |
| Parts and supplies | 100 | (112) | (315) |
| Prepaid expenses | 1,147 | (3,177) | 1,051 |
| Accounts payable and accrued liabilities | (522) | 6,922 | (16,425) |
| | <hr/> | <hr/> | <hr/> |
| Cash flows from operating activities | (9,711) | 25,655 | (14,176) |
| | | | |
| INVESTING ACTIVITIES | | | |
| Property, plant and equipment | (2,451) | (2,130) | (2,842) |
| Other assets | (1,953) | (1,619) | (2,514) |
| | <hr/> | <hr/> | <hr/> |
| Cash flows from investing activities | (4,404) | (3,749) | (5,356) |
| | | | |
| FINANCING ACTIVITIES | | | |
| Net change in bank indebtedness | 8,832 | (17,419) | (4,717) |

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| | | | |
|--|---------|----------|----------|
| Issue of long-term debt | | | (32,727) |
| Repayment of long-term debt | (5,265) | (8,885) | 47,376 |
| Issue of Common Shares | | 647 | |
| | <hr/> | <hr/> | <hr/> |
| Cash flows from financing activities | 3,567 | (25,657) | 9,932 |
| | <hr/> | <hr/> | <hr/> |
| Net increase (decrease) in cash position | (686) | (571) | 185 |
| Effect of currency translation adjustments | 686 | 571 | (185) |
| Cash position, beginning and end of year | -- | -- | -- |

Intertape Polymer Group Inc.
Consolidated Balance Sheets
As at
(In thousands of US dollars)

| | March 31, 2003 | Dec. 31, 2002 | March 31, 2002 |
|---|----------------|---------------|----------------|
| | \$ | \$ | \$ |
| ASSETS | | | |
| Current assets | | | |
| Trade receivables (net of allowance for doubtful accounts of \$3,475, (\$3,844 in December, 2002, \$6,069 in March, 2002) | 93,221 | 86,169 | 89,033 |
| Other receivables | 10,554 | 10,201 | 10,549 |
| Inventories | 65,732 | 60,969 | 69,705 |
| Parts and supplies | 12,422 | 12,377 | 11,902 |
| Prepaid expenses | 6,784 | 7,884 | 8,399 |
| Future income tax assets | 2,397 | 2,397 | 3,995 |
| | <hr/> | <hr/> | <hr/> |
| | 191,110 | 179,997 | 193,583 |
| Property, plant and equipment | 350,955 | 351,530 | 363,039 |
| Other assets | 14,518 | 13,178 | 13,680 |
| Goodwill | 160,248 | 158,639 | 227,859 |
| | <hr/> | <hr/> | <hr/> |
| | 716,831 | 703,344 | 798,161 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Bank indebtedness | 17,405 | 8,573 | 23,313 |
| Accounts payable and accrued liabilities | 81,271 | 80,916 | 75,058 |
| Instalments on long-term debt | 28,600 | 29,268 | 7,560 |
| | <hr/> | <hr/> | <hr/> |
| | 127,276 | 118,757 | 105,931 |
| Long-term debt | 278,902 | 283,498 | 322,687 |
| Other liabilities | 3,530 | 3,550 | 3,785 |
| Future income taxes | 3,654 | 4,446 | 21,878 |
| | <hr/> | <hr/> | <hr/> |
| | 413,362 | 410,251 | 454,281 |
| SHAREHOLDERS' EQUITY | | | |
| Capital stock and share purchase warrants | 239,186 | 239,185 | 236,872 |

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| | | | |
|--|----------------|----------------|----------------|
| Retained earnings | 53,014 | 50,113 | 107,386 |
| Accumulated currency translation adjustments | 11,269 | 3,795 | (378) |
| | <u>303,469</u> | <u>293,093</u> | <u>343,880</u> |
| | <u>716,831</u> | <u>703,344</u> | <u>798,161</u> |

Intertape Polymer Group Inc.
Consolidated Earnings
Three months ended
(In thousands of US dollars,
except per share amounts)

| | March 31, 2003 | Dec. 31, 2002 | March 31, 2002 |
|--|----------------|-----------------|----------------|
| | \$ | \$ | \$ |
| Sales | 153,592 | 151,261 | 146,737 |
| Cost of sales | 119,793 | 121,764 | 113,321 |
| Gross profit | <u>33,799</u> | <u>29,497</u> | <u>33,416</u> |
| | 22.0% | 19.5% | 22.8% |
| Selling, general and administrative expenses | 21,982 | 23,462 | 20,299 |
| Impairment of goodwill | | 70,000 | |
| Research and development | 894 | 480 | 967 |
| Financial expenses | 7,700 | 7,621 | 8,983 |
| | <u>30,576</u> | <u>101,563</u> | <u>30,249</u> |
| Earnings (loss) before income taxes | 3,223 | (72,066) | 3,167 |
| Income taxes (recovery) | 322 | (13,292) | 348 |
| Net earnings (loss) for the period | <u>2,901</u> | <u>(58,774)</u> | <u>2,819</u> |
| Earnings (loss) per share | | | |
| Basic | 0.09 | (1.79) | 0.09 |
| Diluted | 0.09 | (1.79) | 0.09 |

Consolidated Retained Earnings
Three months ended
(In thousands of US dollars)

| | March 31, 2003 | Dec. 31, 2002 | March 31, 2002 |
|------------------------------|----------------|---------------|----------------|
| | \$ | \$ | \$ |
| Balance, beginning of period | 50,113 | 108,887 | 104,567 |
| Net (loss) earnings | 2,901 | (58,774) | 2,819 |
| Balance, end of period | <u>53,014</u> | <u>50,113</u> | <u>107,386</u> |

Common shares
Average number of shares outstanding
Three months ended

| | March 31, 2003 | Dec. 31, 2002 | March 31, 2002 |
|--|----------------|---------------|----------------|
|--|----------------|---------------|----------------|

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| | | | |
|---------------------|------------|------------|------------|
| CDN GAAP - Basic | 33,821,074 | 32,829,013 | 30,155,360 |
| CDN GAAP - Diluted | 33,821,497 | 32,829,013 | 30,505,692 |
| U.S. GAAP - Basic | 33,821,074 | 32,829,013 | 30,155,360 |
| U.S. GAAP - Diluted | 33,821,497 | 32,829,013 | 30,505,692 |