May 11, 2017

McCOY GLOBAL INC. ANNOUNCES FIRST QUARTER 2017 RESULTS

Edmonton, Alberta– **McCoy Global Inc.** ("McCoy" or "the Corporation") (TSX:MCB) today announced its operational and financial results for the three months ended March 31, 2017.

Quarterly Highlights

- **Revenue of $10.2 million, a 67% increase from Q4 2016;**
- **New customer orders of $14.8 million, a 128% increase from Q4 2016;**
- **Backlog of $8.1 million, a 119% increase from December 31, 2016; and**
- **Achievement of cost reduction initiatives**

"Improving market fundamentals encouraged customers to purchase both capital equipment and aftermarket products and services, which resulted in a 128% increase in customer orders and a 67% increase in revenue from the fourth quarter of 2016. This increase in revenue along with an organization wide commitment to cost reduction, resulted in McCoy achieving positive adjusted EBITDA in the quarter," said Jim Rakievich, President and CEO of McCoy Global. "We also made progress during the quarter in enhancing our technology platforms. Early in the quarter we welcomed the employees from recently acquired 3PS to our team and are encouraged by their capabilities and the outlook for data acquisition technologies. In addition, we progressed on a number of new product initiatives that are now in various stages of development and we look forward to bringing these to market over the next several quarters."

Operational Summary

Since January 1, 2017, McCoy Global reported:

- An increase in customer orders and backlog from the fourth quarter of 2016. New customer orders increased to $14.8 million, up from $6.5 million from Q4 2016 and backlog increased to $8.1 million, compared to $3.7 million at December 31, 2016;
- The strategic asset acquisition of 3PS, Inc. ("3PS"), a company specialized in sensors, systems and services for several heavy industry applications, including Torque and Tension Sub ("TTS") technology. The acquisition positions McCoy as a global leader in TTS technology, enhances McCoy's capabilities in data acquisition and sensor technologies and will contribute valuable design and engineering expertise. During the quarter, the rapid integration of 3PS with McCoy commenced, with significant progress made toward integration of all core aspects of the 3PS business with McCoy;

- Plans to continue to reduce the Corporations operating model cost structure. This includes:
  - discontinuing manufacturing at McCoy's Edmonton production facility through outsourcing of manufactured components to approved suppliers and moving towards an assembly production model; and
  - transitioning TTS and data acquisition technologies produced at McCoy's Edmonton production facility to the Austin production facility that was acquired as part of the 3PS acquisition
- Revenue of $10.2 million, compared to $7.2 million in Q1 2016;
- Net loss of $3.6 million, compared to net loss of $9.4 million in Q1 2016. The $3.6 million loss includes $1.0 million in restructuring charges, $0.3 million in impairment charges and $0.5 million in other losses;
- Nominal Adjusted EBITDA[1], compared to ($4.1 million) in Q1 2016; and
- Book-to-bill ratio[3] of 1.46 for the three months ended March 31, 2017, compared to 1.04 for the three months ended December 31, 2016

Quarterly Financial Summary

Revenue for the three months ended March 31, 2017 was $10.2 million, a 67% increase from the fourth quarter of 2016 and a 43% increase from Q1 2016. Improving industry fundamentals resulted in an increase in customers converting open quotations to purchase orders. During the first quarter of 2017, customer orders increased by 128% to $14.8 million from the fourth quarter of 2016. This resulted in an increase in revenue in both capital equipment and aftermarket products and services and was realized in North America and certain international markets. In addition, part of the increase in revenue pertains to the acquisition of 3PS.

Gross profit percentage for the three months ended March 31, 2017 increased 38 percentage points from the first quarter of 2016. Gross profit was positively impacted by the increase in revenues realized from product and service sales and the utilization of spare production capacity which reduced the impact of under-absorption.

G&A expense for the three months ended March 31, 2017 was $2.1 million, a $1.0 million decrease from the first quarter of 2016. The decrease is largely a result of the successful implementation of restructuring initiatives and continued spending discipline

Sales and marketing expense for the three months ended March 31, 2017 was $0.9 million, which was consistent with the comparative quarter.

Research and development costs increased in the first quarter of 2017 to $0.9 million, from $0.4 million in the comparative period. The acquisition of 3PS enhanced McCoy's engineering team which will contribute valuable sensor technology expertise. In addition, development and prototype costs were incurred, as several technology projects progressed and reached critical design testing phases.

Net loss for the three months ended March 31, 2017 was $3.6 million ($0.13 loss per basic share), compared to net loss of $9.4 million ($0.34 loss per basic share) in the first quarter of 2016.

Adjusted EBITDA1 for the three months ended March 31, 2017 was $0.02 million compared to ($4.1 million) in the first quarter of 2016. Adjusted EBITDA was positively impacted by improving industry fundamentals and cost containment initiatives.

During the first quarter of 2016, the Corporation cancelled its operating line of credit and entered into a new credit facility to finance the acquisition of 3PS. The Corporation borrowed $6.0 million under the facility, which is the only debt that the Corporation has outstanding.

At March 31, 2017, the Corporation had $21.2 million in cash and cash equivalents, of which $2.5 million is restricted per the conditions of the credit facility.

Selected Quarterly Information

($000 except per share amounts and percentages)	Q1 2017	Q1 2016	% Change
Total revenue	10,214	7,159	43
Gross profit	1,845	(1,429)	234
as a percentage of revenue	18	(20)	39
Net loss	(3,576)	(9,377)	63
per common share – basic	(0.13)	(0.34)	62
per common share –diluted	(0.13)	(0.34)	62
Adjusted EBITDA[1]	15	(4,137)	102
per common share – basic	0.00	(0.15)	100
per common share – diluted	0.00	(0.15)	100
Total assets	73,028	95,265	(23)
Total liabilities	17,215	10,441	65
Total non-current liabilities	3,475	428	712

[1] EBITDA is calculated under IFRS and is reported as an additional subtotal in the Corporation's consolidated statements of cash flows. EBITDA is defined as net (loss) earnings, before finance charges, net; income tax expense (recovery); depreciation; and amortization. Adjusted EBITDA is a non-GAAP measure defined as net (loss) earnings, before: finance charges, net; income tax expense (recovery); depreciation; amortization; impairment losses; restructuring charges; other (gains) losses, net; inventory excess and obsolete charges; and share-based compensation. The Corporation reports on EBITDA and adjusted EBITDA because they are key measures used by management to evaluate performance. The Corporation believes adjusted EBITDA assists investors in assessing McCoy Global's current operating performance on a consistent basis without regard to non-cash or non-recurring items that can vary significantly depending on accounting methods or non-operating factors. Adjusted EBITDA is not considered an alternative to net (loss) earnings in measuring McCoy Global's performance. Adjusted EBITDA does not have a standardized meaning and is therefore not likely to be comparable to similar measures used by other issuers. For comparative purposes, in previous financial disclosures 'adjusted EBITDA' was defined as "net (loss) earnings before finance charges, net, income tax expense (recovery), depreciation, amortization, impairment losses, restructuring charges, non-cash changes in fair value related to derivative financial instruments and share-based compensation. The Corporation revised its definition of adjusted EBITDA in the fourth quarter of 2016, as management believes the revised metric provides a better measure for assessing McCoy Global's current operating performance without regard to inventory excess and obsolete charges and other gains or losses, net; which are non-cash or non-recurring in nature. Adjusted EBITDA should not be used as an exclusive measure of cash flow since it does not account for the impact of working capital changes, capital expenditures, debt changes and other sources and uses of cash, which are disclosed in the consolidated statements of cash flows.

[2] The Corporation defines backlog as orders that have a high certainty of being delivered and is measured on the basis of a firm customer commitment, such as the receipt of a purchase order. Customers may default on or cancel such commitments, but several are secured by a deposit and/or require reimbursement by the customer upon default or cancellation. Backlog reflects likely future revenues; however, cancellations or reductions may occur and there can be no assurance that backlog amounts will ultimately be realized as revenue, or that the Corporation will earn a profit on backlog once fulfilled. Expected delivery dates for orders recorded in backlog historically spanned from one to six months. Under current market conditions many customers have shifted their purchasing habits towards a just-in-time model and to standard capital equipment and aftermarket parts and consumables that are carried in finished goods inventory, which typically move through backlog quicker than more complex custom orders that require longer production lead times.

[3] The book-to-bill ratio is a measure of the amount of net sales orders received to revenues recognized and billed in a set period of time. The ratio is an indicator of customer demand and sales order processing times. The book-to-bill ratio is not a GAAP measure and therefore the definition and calculation of the ratio will vary among other issuers reporting the book-to-bill ratio. McCoy Global calculates the book-to-bill ratio as net sales orders taken in the reporting period divided by the revenues reported for the same reporting period.

Conference Call Information

McCoy Global will host a conference call and webcast at 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time) on May 11, 2017. Management participants will include: Jim Rakievich, President & CEO; Jacob Coonan, Senior Vice President and CFO; Kenny Watt, Senior Vice President, Sales and Technology; and Suzanne Langier, Senior Vice President, Corporate Services, People and Culture.

Participants calling from Canada or the United States should call toll-free at: 1-888-231-8191. Callers from other locations may call in at: 1-647-427-7450. A live audio webcast of the conference call will be available at the following link:
http://event.on24.com/r.htm?e=1415156&s=1&k=1B36100A51E6A555731F900FF773991D

The conference call will be archived for replay until Thursday, May 18, 2017 at midnight. To access the archived conference call, dial 1-855-859-2056 or 1-416-849-0833 and enter the replay passcode 12909263.

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About McCoy

McCoy provides innovative products and services to the global energy industry. The Corporation operates internationally through direct sales and distributors with operations in Canada, the United States of America, the United Kingdom, Singapore and the United Arab Emirates. McCoy's corporate headquarters are located in Edmonton, Alberta, Canada.

Forward-Looking Information

This News Release contains forward looking statements and forward looking information (collectively referred to herein as "forward looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward looking statements. Forward looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "objective", "ongoing", "believe", "will", "may", "projected", "plan", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. This New Release contains forward looking statements respecting the business opportunities for the Corporation that are based on the views of management of the Corporation and current and anticipated market conditions; and the perceived benefits of the growth strategy and operating strategy of the Corporation are based upon the financial and operating attributes of the Corporation as at the date hereof, as well as the anticipated operating and financial results. Forward looking statements regarding the Corporation are based on certain key expectations and assumptions of the Corporation concerning anticipated financial performance, business prospects, strategies, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of labour and services and the ability to obtain financing on acceptable terms, which are subject to change based on market conditions and potential timing delays. Although management of the Corporation consider these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect. By their very nature, forward looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward looking statements will not be achieved. Undue reliance should not be placed on forward looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in the forward looking statements, including inability to meet current and future obligations; inability to complete or effectively integrate strategic acquisitions; inability to implement the Corporation's business strategy effectively; access to capital markets; fluctuations in oil and gas prices; fluctuations in capital expenditures of the Corporation's target market; competition for, among other things, labour, capital, materials and customers; interest and currency exchange rates; technological developments; global political and economic conditions; global natural disasters or disease; and inability to attract and retain key personnel. Readers are cautioned that the foregoing list is not exhaustive. The reader is further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These judgments and estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes. ***The information contained in this News Release identifies additional factors that could affect the operating results and performance of the Corporation. We urge you to carefully consider those factors. The forward looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward looking statements included in this News Release are made as of the date of this New Release and the Corporation does not undertake and is not obligated to publicly update such forward looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.***

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