May 11, 2018

McCOY GLOBAL INC. ANNOUNCES FIRST QUARTER 2018 RESULTS

Edmonton, Alberta – **McCoy Global Inc.** ("McCoy", "McCoy Global" or "the Corporation") (TSX:MCB) today announced its operational and financial results for the three months ended March 31, 2018.

"During the first quarter of 2018 improving industry fundamentals contributed to an increase in customer orders, revenue and backlog. We closed the quarter with a backlog of $10.1 million, the highest backlog we have reported since mid-2015" said Jim Rakievich, President and CEO of McCoy Global. "Since 2015, significant efforts have been made to restructure McCoy in parallel to declining market conditions. These disruptive actions have taken substantial organizational resources and are now effectively complete."

"Gross profit improved to 26% during the quarter. The increase in gross profit was offset by customer pricing pressure, product mix and the transitionary impacts of moving our Edmonton production facility to Louisiana during the quarter. Looking forward, the energy and efforts of McCoy's team will shift from internal restructuring activities to be fully focused on revenue growth and profitability," continued Jim Rakievich. "McCoy continues to have a strong platform for growth and during the quarter we secured our first orders for our new high torque hydraulic power tong and next generation torque turn system. We remain focused on introducing new technologies and identifying strategic acquisition opportunities that complement the Corporation's technology platforms and which will deliver both value and innovative solutions to customer challenges."

Operational Summary

Since January 1, 2018, McCoy Global reported:

- Revenue of $11.2 million, compared to $10.2 million in Q1 2017
- Net loss of $1.9 million, which includes $0.8 million in restructuring charges, compared to net loss of $3.6 million in Q1 2017, which includes $1.0 million in restructuring charges
- Adjusted EBITDA[1] of ($0.5 million), compared to $0.02 million in Q1 2017
- Backlog[2] of $10.1 million and customer orders of $12.5 million, compared to $8.1 million and $14.6 million, respectively, for Q1 2017
- Book-to-bill ratio[3] of 1.11, compared to 1.43 in Q1 2017
- Securing a $4.0 million USD four year term loan to provide additional liquidity to continue to evaluate strategic growth opportunities and be responsive to revenue opportunities
- Receiving customer orders for McCoy's recently developed new high torque hydraulic power tong and next generation torque turn system
- Transitioning McCoy's production facility in Edmonton, Alberta to Broussard, Louisiana, resulting in the closure of operations in Edmonton and the ramp-up of production capabilities in Broussard. Canadian customers continue to be supported as a service and rental shop was opened in the quarter in Edmonton
- Consolidating McCoy's Eastern Hemisphere operations in the UAE. McCoy will continue to support the European and Asia Pacific regions with a lower cost structure model
- Purchasing 103,400 common shares under McCoy's normal course issuer bid ("NCIB"). McCoy anticipates being active with its NCIB program through 2018

Quarterly Financial Summary

Revenue for the three months ended March 31, 2018 was $11.2 million, an increase of $1.0 million, or 10% from the first quarter of 2017, as overall industry fundamentals continued to follow a positive trend. Most of the revenue increase is attributable to aftermarket revenues and increases from the Eastern Hemisphere, including equipment orders in the offshore market.

Gross profit percentage for the three months ended March 31, 2018 increased eight percentage points from the first quarter of 2017. However, included in gross profit is the impact of inventory provision adjustments, which in the first quarter of 2017 were a $1.1 million expense and in the first quarter of 2018 were a $0.1 million recovery. Gross profit has fluctuated since the first quarter of 2017. During the second half of 2017, McCoy transitioned its production model to a full assembly model (with the exception of the dies and inserts product line which continues to be manufactured in-house). In addition, in the first quarter of 2018 McCoy completed the move of its Edmonton, Alberta production facility to Broussard, Louisiana. These strategic events impacted gross profit during the execution of these transitions given their disruptive nature. Customer pricing pressure is also impacting gross profit, particularly in the Western Hemisphere.

General and administrative expense ("G&A") for the three months ended March 31, 2018 was $2.3 million, compared to $2.1 million in the first quarter of 2017. As a percentage of revenue, G&A decreased by 1%. Restructuring efforts have resulted in a simpler organizational structure that will be better situated to increase in scale in response to market improvements without adding significant costs.

Sales and marketing expense ("Sales & Marketing") for the three months ended March 31, 2018 was $0.8 million, comparable to $0.9 million in the first quarter of 2017. As a percentage of revenue Sales & Marketing declined 2%.

Research and development expenditures ("R&D expenditures") for the three months ended March 31, 2018 was $0.7 million compared to $0.9 million in the first quarter of 2017. R&D expenditures declined as a result of the timing of product development costs being incurred.

Net loss for the three months ended March 31, 2018 was $1.9 million ($0.07 loss per basic share), compared to net loss of $3.6 million ($0.13 loss per basic share) in the first quarter of 2017. Net loss was impacted by restructuring charges related to initiatives to reduce the Corporation's cost structure.

Adjusted EBITDA[1] for the three months ended March 31, 2018 was ($0.5 million) compared to $0.02 million for the first quarter of 2017.

As at March 31, 2018, the Corporation had $12.3 million in cash and cash equivalents, and no borrowings. $0.5 million of cash and cash equivalents is restricted as per the Corporation's credit facility. Subsequent to March 31, 2018, McCoy secured a $4.0 million USD four year term loan, which will provide additional liquidity to continue to evaluate strategic growth opportunities and respond to revenue opportunities.

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Selected Quarterly Information

($000 except per share amounts and percentages)	Q1 2018	Q1 2017	% Change
Total revenue	11,243	10,214	10
Gross profit	2,896	1,845	57
as a percentage of revenue	26	18	8
Net loss	(1,951)	(3,576)	45
per common share – basic	(0.07)	(0.13)	46
per common share –diluted	(0.07)	(0.13)	46
Adjusted EBITDA[1]	(482)	15	(3,313)
per common share – basic	(0.02)	0.00	-
per common share – diluted	(0.02)	0.00	-
Total assets	50,429	73,028	(31)
Total liabilities	9,879	17,215	(43)
Total non-current liabilities	632	3,475	(82)

[1] Adjusted EBITDA is a non-GAAP measure defined as net (loss) earnings, before depreciation of property, plant and equipment; amortization of intangible assets; income tax expense (recovery); finance charges, net; provisions for excess and obsolete inventory; other losses (gains), net; restructuring charges; share-based compensation; and impairment charges. The Corporation reports on EBITDA and adjusted EBITDA because they are important 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, unusual (i.e. infrequent and not considered part of ongoing operations), 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. 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. In certain instances, the order is secured by a deposit and/or requires 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 are generally within six months.

[3] The book-to-bill ratio is a measure of the amount of net sales orders received to revenues recognized. 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.

About McCoy

McCoy provides equipment and technologies designed to support wellbore integrity and assist with collecting critical data for the global energy industry. The Corporation operates internationally through direct sales and distributors with operations in Canada, the United States of America 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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