November 3, 2016

# McCOY GLOBAL INC. ANNOUNCES THIRD QUARTER 2016 RESULTS

Edmonton, Alberta– **McCoy Global Inc.** ("McCoy", "McCoy Global" or "the Corporation") (TSX:MCB; OTCQB:MCCRF) today announced its operational and financial results for the quarter ended September 30, 2016.

"McCoy substantially completed the company-wide restructuring plan we initiated during the second quarter. This significant undertaking removed approximately $12 million of annual cash costs and generated $1.9 million in proceeds from the sale of redundant equipment," said Jim Rakievich, President and CEO of McCoy Global. "We are pleased with the speed and efficiency with which the plan was executed, having already begun production of our Broussard power tongs at our Edmonton facility. With this difficult exercise completed and early indications of some optimism in the oil and gas market in certain regions, we are now increasing our focus on opportunities to grow revenue."

**Third Quarter Operational Summary**

For the third quarter, McCoy Global reported:

- Revenue of $7.1 million, compared to $21.4 million in Q3 2015
- Net loss of $3.1 million, compared to net loss of $2.0 million in Q3 2015
- Adjusted EBITDA[1] of ($3.2 million), compared to $0.9 million in Q3 2015
- Backlog[2] of $3.3 million at September 30, 2016, compared to $5.3 million at June 30, 2016
- Book-to-bill ratio[3] of 0.72 for the three months ended September 30, 2016 compared to 0.92 for the three months ended June 30, 2016
- A $2.6 million, or 53%, decrease in general and administrative (G&A) expense compared to Q3 2015, largely due to the successful implementation of the previously announced restructuring plan initiated during Q2 2016.
- Cash position of $20.0 million compared to $20.6 million at June 30, 2016
- No debt and non-cash working capital of $37.1 million

**Quarterly Financial Summary**

Revenue for the three months ended September 30, 2016 was $7.1 million, a decrease of $14.2 million, or 67%, from the third quarter of 2015. Industry fundamentals remained challenged over the quarter. As a result, significant pricing pressure and depressed demand for capital equipment persisted. Aftermarket revenue as a percentage of overall revenue has increased compared to Q3 2015, as is typical during a down cycle, however the severity of this down cycle has led to many customers deferring equipment maintenance, cannibalizing idle equipment for any required parts and servicing equipment internally.

Gross profit percentage for the three months ended September 30, 2016 decreased 35 percentage points from the third quarter of 2015. Gross profit was negatively impacted by the decline in revenues as a result of the down-cycle and the inability of production facilities to absorb their cost base. In addition, product mix has been unfavourable and pricing pressure has resulted in a decline in product margins. Sequentially, gross profit percentage increased by 21 percentage points from the second quarter of 2016, this was driven by the successful execution of the restructuring plan. Third quarter 2016 gross profit included a $0.9 million non-cash charge related to provisions for excess inventory.

G&A expense for the three months ended September 30, 2016 was $2.3 million, a $2.6 million decrease from the third quarter of 2015. The decrease is largely due to the restructuring plan that was initiated during the second quarter, which removed considerable costs from the Corporation's overheads. Sales and marketing expenses decreased by $0.2 million, or 23%, compared to the third quarter of 2015.

Net loss for the three months ended September 30, 2016 was $3.1 million ($0.11 loss per basic share), compared to net loss of $2.0 million ($0.07 loss per basic share) in the third quarter of 2015.

Adjusted EBITDA[1] for the three months ended September 30, 2016 was ($3.2 million) compared to $0.9 million for the third quarter of 2015. Adjusted EBITDA was impacted by the continued global reduction in drilling and completions activity and the related decline in revenues. Sequentially, adjusted EBITDA increased by $2.7 million, or 45%, from the second quarter of 2016, largely as a result of the effective execution of the restructuring plan that was initiated during the second quarter.

During Q3 2016, the Corporation cancelled its syndicated committed credit facility and replaced it with a $5.0 million operating line.

As at September 30, 2016, the Corporation had a $20.0 million cash balance and no debt. Cash preservation efforts were successful over the third quarter, largely as a result of the approximately $12 million of annual cash costs that were removed from the Corporation's cost base through the execution of the Restructuring Plan and the sale of redundant equipment. Subsequent to September 30, 2016, the Corporation received a $2.3 million corporate tax refund.

**Selected Quarterly Information**

| ($000 except per share amounts and percentages) | Q3 2016 | Q3 2015 | % Change |
|---|---|---|---|
| Total revenue | 7,137 | 21,376 | (67) |
| Gross profit | (1,182) | 3,882 | (130) |
| as a percentage of revenue | (17) | 18 | (35) |
| Net loss | (3,094) | (1,963) | 58 |
| per common share – basic | (0.11) | (0.07) | 57 |
| per common share –diluted | (0.11) | (0.07) | 57 |
| Adjusted EBITDA[1] | (3,235) | 922 | (451) |
| per common share – basic | (0.12) | 0.03 | (500) |
| per common share – diluted | (0.12) | 0.03 | (500) |
| Total assets | 73,875 | 125,015 | (41) |
| Total non-current liabilities | 3,039 | 3,752 | (19) |
| Total liabilities | 10,679 | 18,840 | (43) |

[1] 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, non-cash changes in fair value related to derivative financial instruments 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 performance on a consistent basis without regard to impairment losses, restructuring charges, non-cash changes in fair value related to derivative financial instruments, depreciation, amortization and share-based compensation expense, which are non-cash or non-recurring in nature and 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. However, McCoy Global calculates adjusted EBITDA consistently from period to period. 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 statement of cash flows.

[2] 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, however under current market conditions customers have shifted their purchasing habits towards a just-in-time model.

[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 November 3, 2016. Management participants will include: Jim Rakievich, President & CEO; Jacob Coonan, CFO; Kenny Watt, Senior Vice President; and Suzanne Langier, Vice President, Human Resources.

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=1292385&s=1&k=B61A328DB88D1A3E4F34038EFEFC4168

The conference call will be archived for replay until Thursday, November 10, 2016 at midnight. To access the archived conference call, dial 1-855-859-2056 or 1-416-849-0833 and enter the replay passcode 3183959.

**About McCoy Global**

McCoy Global 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 News 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 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) 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 News 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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