August 11, 2017

McCOY GLOBAL INC. ANNOUNCES SECOND QUARTER 2017 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 June 30, 2017.

Quarterly Highlights

- **Enhancement of McCoy Global's strategic vision to align with industry trends;**
- **Progress on several new product development initiatives including the completion of field trials of a next-generation hydraulic power tong. This technologically advanced product was specifically developed for the US land market and provides customers with superior performance and safety features while reducing the weight and footprint of the equipment on the rig;**
- **Executed on operating model changes at McCoy's Edmonton production facility to shift to a full assembly production model. This initiative will deliver long-term cost reduction and a more agile cost structure.**

"For the past several years, McCoy has focused on leading the market in tubular make-up and handling equipment solutions, and while this remains an important component of our business, we have enhanced our strategy this quarter to align with customer trends we are seeing in the market," said Jim Rakievich, President and CEO of McCoy Global. "The oil and gas industry has been experiencing a fundamental shift towards mechanized and automated technologies that will result in improved efficiency, reliability and safety performance. Critical to this technology shift is accessibility to reliable data, preferably in real-time. McCoy has been participating in this area of the market for some time with products such as the weCATT™, WINCATT®, and weVERIFY™. The acquisition of the assets and business of 3PS Inc. (3PS) on January 1, 2017 advanced our market position in data collection technologies and better positions us to take advantage of this growing market. In addition, we will also be focusing on a broader wellbore integrity solutions market. This will allow our team to leverage the current expertise, global brand and infrastructure within McCoy Global to broaden the scope of products and services we add to our portfolio. Tubular make-up and handling solutions will continue to play a prominent role within wellbore integrity solutions as we move forward."

Operational Summary

Since April 1, 2017, McCoy Global reported:

- Revenue of $9.2 million, compared to $6.6 million in Q2 2016;
- Net loss of $3.1 million, compared to net loss of $19.1 million in Q2 2016. The $3.1 million loss includes $0.4 million in restructuring charges and $0.4 million in other losses, net (Q2 2016 - $12.2 million in restructuring and impairment charges and $0.1 million of other losses, net);
- Adjusted EBITDA[1] of ($0.9 million) compared to ($5.1 million) in Q2 2016;
- Backlog[2] of $7.7 million and customer orders of $8.6 million, compared to $8.1 million and $14.1 million, respectively, in Q1 2017; and
- Book-to-bill ratio[3] of 0.93 for the three months ended June 30, 2017, compared to 1.46 for the three months ended March 31, 2017.

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Quarterly Financial Summary

Revenue for the three months ended June 30, 2017 was $9.2 million, a 40% increase from Q2 2016. Industry fundamentals have improved from 2016 with the majority of this increase being driven by aftermarket and data acquisition opportunities, an improvement in the western hemisphere and increased revenues from the acquisition of 3PS. However, market uncertainty continues to create a challenging environment for customers, who deferred purchasing decisions during the quarter and remain hesitant to commit to capital equipment orders.

Gross profit percentage for the three months ended June 30, 2017 increased 56 percentage points from the second quarter of 2016. Gross profit was positively impacted by an overall increase in revenue, the sale of higher margin aftermarket products and services and reductions in production costs.

G&A expense for the three months ended June 30, 2017 was $2.5 million, a $0.7 million decrease from the second 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 June 30, 2017 was $1.0 million, a 4% increase from the comparative quarter. Increased sales and marketing expense associated with the 3PS acquisition were offset by the impact of 2016 restructuring efforts.

Research and development costs increased in the second quarter of 2017 to $1.1 million, from $0.4 million in the comparative period. The acquisition of 3PS enhanced McCoy's engineering team, which will contribute valuable data acquisition technology expertise. In addition, development and prototype costs were incurred, as several technology projects progressed and reached critical milestones.

Net loss for the three months ended June 30, 2017 was $3.1 million ($0.11 loss per basic share), compared to net loss of $19.1 million ($0.69 loss per basic share) in the second quarter of 2016.

Adjusted EBITDA[1] for the three months ended June 30, 2017 was ($0.9 million) compared to ($5.1 million) in the second quarter of 2016. The increase was due to improved industry fundamentals and the successful implementation of restructuring efforts to lower the Corporation's cost structure and create a more agile and efficient organization.

At June 30, 2017, the Corporation had $17.1 million in cash and cash equivalents, of which $2.5 million is restricted, and $5.6 million in borrowings.

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Selected Quarterly Information

($000 except per share amounts and percentages)	Q2 2017	Q2 2016	% Change
Total revenue	9,214	6,583	40
Gross profit	1,648	(2,512)	166
as a percentage of revenue	18	(38)	56
Net loss	(3,097)	(19,096)	84
per common share – basic	(0.11)	(0.69)	84
per common share –diluted	(0.11)	(0.69)	84
Adjusted EBITDA[1]	(918)	(5,068)	82
per common share – basic	(0.03)	(0.18)	83
per common share – diluted	(0.03)	(0.18)	83
Total assets	68,255	79,814	(14)
Total liabilities	16,422	14,357	14
Total non-current liabilities	3,428	3,594	(5)

[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; other (gains) losses, net; inventory excess and obsolete charges; and share-based compensation. The Corporation reports on adjusted EBITDA because it is a key measure 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 just-in-time buying, with a preference to standard products purchased out of finished goods inventory.

[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.

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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 August 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=1469237&s=1&k=D2DBDA6DEF4093DD0346769CABB85F75

The conference call will be archived for replay until Friday, August 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 55504824.

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, 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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