UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): August 23, 2019

SYNALLOY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**0-19687**	**57-0426694**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

	4510 Cox Road, Suite 201, Richmond, Virginia	**23060**
	(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(804) 822-3260**

Inapplicable
(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $1.00 per share	SYNL	NASDAQ Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2 of this chapter).
Emerging growth company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act [ ]

Item 7.01 Regulation FD Disclosure

On August 23, 2019, Synalloy Corporation (the “Company”) issued a press release to announce that its Board of Directors, after deliberation and careful consultation with its independent financial and legal advisors, unanimously rejected an unsolicited offer by Privet Fund Management LLC (“Privet”) for a proposed transaction whereby Privet would purchase all of the issued and outstanding shares of the Company not already owned by Privet. Further, the Board announced that, after several months of ongoing due diligence and good faith cooperation with Privet as it thoroughly studied and analyzed purchasing the Company, the Company terminated its Mutual Non-Disclosure Agreement with Privet and discontinued further conversations. A copy of the press release is attached hereto as Exhibit 99.1.

In the interests of transparency to its stockholders, the Company is providing copies of its correspondence to date with Privet regarding this unsolicited offer herewith as Exhibits 99.2 - 99.7.

The information in this Current Report on Form 8-K, including the attached exhibits, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

99.1 Press Release dated August 23, 2019

99.2 Letter from Privet Fund Management LLC to Synalloy Corporation, dated April 23, 2019

99.3 Letter from Synalloy Corporation to Privet Fund Management LLC, dated April 26, 2019

99.4 Letter from Privet Fund Management LLC to Synalloy Corporation, dated May 23, 2019

99.5 Letter from Synalloy Corporation to Privet Fund Management LLC, dated May 29, 2019

99.6 Letter from Privet Fund Management LLC to Synalloy Corporation, dated August 19, 2019

99.7 Letter from Synalloy Corporation to Privet Fund Management LLC, dated August 23, 2019

Exhibit Number	Name
99.1	Press Release Dated August 23, 2019
99.2	Letter from Privet Fund Management LLC to Synalloy Corporation, dated April 23, 2019
99.3	Letter from Synalloy Corporation to Privet Fund Management LLC, dated April 26, 2019
99.4	Letter from Privet Fund Management LLC to Synalloy Corporation, dated May 23, 2019
99.5	Letter from Synalloy Corporation to Privet Fund Management LLC, dated May 29, 2019
99.6	Letter from Privet Fund Management LLC to Synalloy Corporation, dated August 19, 2019
99.7	Letter from Synalloy Corporation to Privet Fund Management LLC, dated August 23, 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on behalf by the undersigned hereunto duly authorized.

SYNALLOY CORPORATION

By: /S/ DENNIS M. LOUGHRAN
Dennis M. Loughran
Chief Financial Officer

Dated:August 23, 2019

Synalloy

Exhibit 99.1

Synalloy Announces Rejection of Reduced Offer from Privet Fund Management LLC

RICHMOND, Va., Aug. 23, 2019 (GLOBE NEWSWIRE) -- Synalloy Corporation (Nasdaq: SYNL) announced today that the Executive Committee of its Board of Directors, acting on behalf and with the unanimous support of the Company's Board of Directors, after deliberation and careful consultation with its independent financial and legal advisors, once again rejected an unsolicited offer by Privet Fund Management LLC ("Privet") for a proposed transaction whereby Privet would purchase all of the issued and outstanding shares of Synalloy not already owned by Privet. Privet's most recent offer indicated a lower price than its offer dated May 29, 2019. "The Board and management team continue to believe we can create greater value for our shareholders with our strategy of growing our existing segments and pursuing accretive acquisitions and expansion into complementary product lines," said Craig C. Bram, Synalloy's President and Chief Executive Officer.

In the interests of transparency to its stockholders, Synalloy will provide copies of its correspondence to date with Privet regarding this unsolicited offer in a Current Report on Form 8-K to be filed with the Securities and Exchange Commission.

Synalloy Corporation (Nasdaq: SYNL) is a growth oriented company that engages in a number of diverse business activities including the production of stainless steel pipe and tube, galvanized pipe and tube, fiberglass and steel storage tanks, specialty chemicals and the master distribution of seamless carbon pipe and tubing. For more information about Synalloy Corporation, please visit our website at www.synalloy.com.

This press release includes and incorporates by reference "forward-looking statements" within the meaning of the federal securities laws. All statements that are not historical facts are "forward-looking statements." The words "estimate," "project," "intend," "expect," "believe," "should," "anticipate," "hope," "optimistic," "plan," "outlook," "should," "could," "may" and similar expressions identify forward-looking statements. The forward-looking statements are subject to certain risks and uncertainties, including without limitation those identified below, which could cause actual results to differ materially from historical results or those anticipated. Readers are cautioned not to place undue reliance on these forward-looking statements. The following factors could cause actual results to differ materially from historical results or those anticipated: adverse economic conditions; the impact of competitive products and pricing; product demand and acceptance risks; raw material and other increased costs; raw materials availability; employee relations; ability to maintain workforce by hiring trained employees; labor efficiencies; customer delays or difficulties in the production of products; new fracking regulations; a prolonged decrease in oil and nickel prices; unforeseen delays in completing the integrations of acquisitions; risks associated with mergers, acquisitions, dispositions and other expansion activities; financial stability of our customers; environmental issues; unavailability of debt financing on acceptable terms and exposure to increased market interest rate risk; inability to comply with covenants and ratios required by our debt financing arrangements; ability to weather an economic downturn; loss of consumer or investor confidence and other risks detailed from time-to-time in the Company's Securities and Exchange Commission filings. The Company assumes no obligation to update the information included in this release.

Contact: Dennis Loughran at (804) 822-3266

PRIVET FUND

April 23, 2019

Board of Directors
Synalloy Corporation
Attention: Craig Bram, President and Chief Executive Officer
4510 Cox Road
Suite 201
Richmond, VA 23060

Dear Craig and Members of the Board of Directors,

This letter expresses our interest in acquiring Synalloy Corporation (‘**Synalloy**” or the “**Company**”). The following “Indication of Interest” includes a preliminary, nonbinding proposal for an all-cash acquisition of Synalloy by Privet Fund Management LLC (“**Privet**”) or a Privet affiliate. As you know, Privet is a significant shareholder of Synalloy owning 14.5% of the Company’s outstanding shares, and we appreciate the opportunity we have had to develop a deep understanding of the Company in connection with that investment. We hope that you and the members of the Board of Directors find this Indication of Interest compelling, and we look forward to working with you to complete a transaction.

Transaction Overview
We have reviewed the Company’s financial and other information, and we are prepared to pursue a consensual, negotiated transaction in which Privet, through a newly formed acquisition vehicle, would pay $20.00 per share in cash to acquire 100% of the outstanding shares of the Company not already owned by Privet or one of its affiliates (the “**Transaction**”). This price represents a 42% premium to the closing price of $14.05 per share for the Company’s stock on April 22, 2019.

Financing
We expect that we would finance the Transaction with a combination of available cash and debt financing from third-party financing sources. Privet has experience completing leveraged transactions, and we expect that our lending relationships would be eager to provide financing for this Transaction.

Due Diligence and Timing
Given our familiarity with the Company and deep understanding of the Company’s business, we believe we can complete our full diligence review in an expedited timeframe once we are provided full access to management and diligence information. Prior to execution of a definitive purchase agreement, we would anticipate completion of the following activities: (i) customary company and financial diligence, including reviews of historical and future prospects of the business; (ii) confirmatory accounting and tax review; and (iii) completion of confirmatory legal due diligence.

If you are willing to move forward with the Transaction, we are prepared to commit the resources needed to complete due diligence, finalize financing arrangements and negotiate and enter into a definitive acquisition agreement.

Exhibit 99.2

Overview of Privet

Privet was formed in 2007 to manage investment partnerships focused on investing in small capitalization companies across all levels of the capital structure. Privet specializes in providing long-term, flexible capital solutions to complex transactions including restructurings, public to private acquisitions and special situations. Our firm focuses on companies that possess strong fundamentals and that can capably navigate through market cycles. We capitalize companies prudently to protect our downside risk and generate returns through operational execution and additive acquisitions. Privet has been a significant shareholder of the Company since 2016.

We very much hope that you and the Board of Directors find this proposal compelling for the Company's shareholders, and we look forward to working with you in connection with a possible Transaction. This proposal is not intended to be legally binding, and is subject to, among other things, the negotiation and execution of a mutually satisfactory definitive acquisition agreement, regulatory approvals, the receipt of financing and satisfactory completion of our due diligence.

We appreciate the opportunity to continue our dialogue with you and the Board. Please do not hesitate to contact us with any questions or clarifications and we hope to hear from you soon.

Best Regards,

Ryan Levenson and Ben Rosenzweig
Privet Fund Management LLC

PRIVET FUND MANAGEMENT LLC 79 WEST PACES FERRY ROAD SUITE 200B ATLANTA GA 30305

Exhibit 99.3

April 26, 2019

Mr. Ryan Levenson
Privet Fund Management LLC
79 West Paces Ferry Road
Suite 200B
Atlanta, Georgia 30305

Dear Ryan,

On behalf of the Board of Directors of Synalloy Corporation (‘’the Company”), I am writing in response to your unsolicited letter, dated April 23, 2019 (the “Indication of Interest”), in which you indicated an interest to acquire the issued and outstanding shares of the Company not already owned by Privet, for a price of $20.00 per share.

The Company’s Board of Directors carefully and thoroughly reviewed the contents of the Indication of Interest at a special meeting on April 25, 2019. We have also consulted with our independent financial and legal advisors. Our Board firmly believes that your proposed purchase price of $20.00 per share undervalues both the current and future financial performance of the Company. It is our strong opinion that the Company is better positioned today than ever before to capitalize on the many opportunities that we see across our respective business units.

The Company’s Board considered various factors in arriving at the unanimous conclusion that Privet’s current valuation in the Indication of Interest is inadequate:

1. In Privet’s letter, you referenced a premium of 42% to the Company’s closing share price of $14.05 on April 22, 2019. The Company’s Board believes that the share price has been artificially depressed due to positioning related to the rebalancing of the Russell 2000 next month, and that the stated premium of Privet’s valuation greatly exaggerates the benefit to the Company’s shareholders.

2. The Company’s share price in the first nine months of 2018 averaged $17.63. The Enterprise Value to Adjusted EBITDA (excluding metal price adjustments) was approximately 8.0 times. Following the purchase of ASTI on January 1, 2019, the Company’s forecast for the current year calls for Adjusted EBITDA (excluding metal price adjustments) of $34 million, and year-end net debt being reduced to $55 million. Privet’s current valuation of $20.00 per share results in an Enterprise Value to Adjusted EBITDA multiple of only 6.8 times.

3. The Company will report first quarter results on the morning of April 30, 2019. That report will show record sales of $85 million and a 77% increase in net income (excluding metal price adjustments), over the first quarter of last year. Every business unit met or exceeded its forecast for the quarter.

4. The Company’s management team has continuously demonstrated its skill in acquiring and integrating acquisitions. With a robust pipeline of new opportunities and ready access to capital, we are well positioned to continue our growth strategy as a public company. Over the past eight years, the management team has grown revenue from $111 million in 2010 to the forecasted revenue for 2019 of $340 million, or a compounded annual growth rate of 13%. Over the same period, Adjusted EBITDA has increased from $1.4 million in 2010 to $34.0 million forecasted for this year, or a compounded annual growth rate of 41%.

5. Taking the Company private would generate annual savings of approximately $2.0 million. The Company’s current shareholders should participate in the added value generated from these savings, as reflected in a higher purchase price, should a sale of the Company be completed.

6. Finally, in recent meetings with myself and other members of our Board, you have stated that the Company’s shares should be trading at $30.00, or more. While the market rarely provides an accurate reflection of value in the short-term, the spread between Privet’s current valuation in the Indication of Interest and your market commentary, indicates an unreasonable discount for a business performing as well as our Company.

The Company’s Board remains committed to a growth strategy, fueled by acquisitions and organic initiatives. Our management team has proven adept at executing on this strategy. While our Board will consider any and all good faith offers made to purchase the Company, Privet's current valuation in the Indication of Interest of $20.00 per share heavily discounts the Company's recent performance and its near-term potential.

Sincerely,

/s/ Craig C. Bram
President and CEO

CC: Mr. Murray H. Wright, Chairman of the Board and Executive Committee Member
Mr. Henry Guy, Director and Executive Committee Member

PRIVET FUND

May 23, 2019

Board of Directors
Synalloy Corporation
Attention: Craig Bram, President and Chief Executive Officer
4510 Cox Road
Suite 201
Richmond, VA 23060

Dear Craig and Members of the Board of Directors (the "**Board**"),

On April 23, 2019, Privet Fund Management LLC ("**Privet**") publicly disclosed our interest in acquiring Synalloy Corporation ("**Synalloy**" or the "**Company**") in a negotiated transaction at a price of $20.00 per share in cash. We noted that this was a 42% premium to the trading price of the Company's stock prior to our disclosure.

In your April 26, 2019 letter acknowledging our offer, you state that the "current valuation in the Indication of Interest is inadequate" and proceed to list six factors in support of your conclusion. To the best of our knowledge, no piece of company-specific information listed in your letter contains any data that was unknown to the investing public prior to the letter's publication. Specifically, the 2019 guidance for revenue, Adjusted EBITDA and net debt were made public through press releases and conference call transcripts, and further refined and reiterated following the release of the Company's first quarter earnings on April 30th.

With all of the information in your letter widely available to the public beforehand, we do not believe that the decline in the Company's share price over the preceding nearly six months is attributable purely to exogenous and unquantifiable market "rebalancing" forces. The market had an adequate period to digest the Company's near and medium-term prospects and valued the Company's stock accordingly. Apparently, shareholders did not share the Board's view of the Company's present value and future prospects.

We feel it is important to note that the Company's stock is now trading above $19 per share, or more than 35% higher than the stock price prior to the disclosure of Privet's letter. Investors are clearly expecting Synalloy to engage with Privet and other potentially interested parties. Refusing to engage could adversely affect the Company's stock price — potentially causing it to return to its previous levels.

Like you, we believe that Synalloy is worth more than the $14.05 per share where it was trading prior to our offer. That is why we are offering a 42% premium to that unaffected level. Based upon publicly available information, we feel that a potential transaction at $20.00 per share fairly values the Company. In your letter, you state that our offer "undervalues both the current and future financial performance of the Company". If management and the Board possess information that would show the value of Synalloy to be greater than our offer, we are open to receiving the detail underlying those projections and can react accordingly. As your financial advisors have likely suggested to you, we are quite willing to participate as a bidder in an open and transparent process, whereby the Company's strategic plan and outlook are shared with multiple parties and the Board can gain further confidence that a market-clearing price is achieved. We are also willing to move quickly to complete our confirmatory diligence and reach a definitive agreement that will provide the Board with an additional mechanism to ensure fair value through a comprehensive go-shop process.

We believe our $20.00 per share offer represents a premium value for shareholders — a share price which has only been exceeded once (and then only for a six month period) in the past 10+ years. We also believe that the Board has a fiduciary duty to engage with us and all other credible, interested parties in order to maximize value for shareholders. We are confident such engagement would yield an opportunity to create meaningful shareholder value.

At last week's Annual Meeting Craig mentioned that the Company is in the process of evaluating two acquisitions. We strongly urge the Board not to take any action that would change the current capitalization of the Company without first fully pursuing a sale. Any acquisition (especially one outside of the Company's current lines of business) would complicate that value-maximizing outcome.

As evidenced by the lagging unaffected share price prior to our offer, we feel that pursuing the status quo as an independent, microcap public company and ignoring an opportunity to recognize liquidity for shareholders at a premium valuation is unlikely to yield superior value. As the Company's largest shareholder, should the Board decide against pursuing a transaction that will benefit all shareholders, we reserve our rights to take steps to protect the value of our investment.

Best Regards,

Ryan Levenson and Ben Rosenzweig
Privet Fund Management LLC

PRIVET FUND MANAGEMENT LLC 79 WEST PACES FERRY ROAD SUITE 200B ATLANTA GA 30305

Exhibit 99.5

May 29, 2019

Mr. Ryan Levenson
Privet Fund Management LLC
79 West Paces Ferry Road
Suite 200B
Atlanta, Georgia 30305

Dear Ryan,

On behalf of the Board of Directors (the “Board”) of Synalloy Corporation (‘’the Company”), I am writing in response to your letter, dated May 23, 2019.

There are two key points that we would like to clarify for our shareholders, as we believe that your letter has left an inaccurate impression of the Board’s position. First, as we noted in our letter of April 26, 2019, the Board will consider any and all good faith offers made to purchase the Company. Building shareholder value remains the Company’s number one priority. That said, we clearly articulated in this same letter the reasons why the Board believes that a price of $20 per share does not reflect a full valuation for the Company. You state in your recent letter that the Board has been unwilling to engage, yet almost a month transpired before we heard any response from Privet to our letter of April 26, 2019. I called you on May 17, 2019 to get a status update on Privet’s position. During that call, I suggested two potential paths going forward: 1) Privet could negotiate with the Executive Committee of the Company’s Board to determine an acceptable price, or 2) Privet could tender for the shares at $20 and let the shareholders vote directly on the offer. We ended that conversation with you saying that our Board would hear from Privet shortly.

The second point that we would make is that your letter indicates that Privet has only had access to public information in preparing its offer of $20 per share for the Company. In fact, at your request, to facilitate our open discussion regarding the Company’s business plans, Privet and the Company have been parties to a Mutual Non-Disclosure Agreement since October 31, 2018. Since that time, Privet has been an insider with full access to the management team, our acquisition strategy and various targets, business unit performance, as well as other internal financial data. None of this information has been available to the general public. To suggest in your recent letter that you could react accordingly to a potentially higher valuation should you have access to non-public data is disingenuous on your part. As an insider, you have had the information to develop a fully informed offer, and it appears that $20 per share is the best you can do.

Since your initial letter of April 23, 2019, I have spoken to several of our largest shareholders representing approximately 40% of the outstanding shares. All have represented to me that $20 per share is inadequate and, not surprisingly, all are open to considering a higher price. I suspect that you heard a similar message from your own shareholder outreach. Furthermore, in our letter of April 26, 2019, which is available at www.synalloy.com, we listed the reasons we felt this offer was inadequate.

Ryan, the Board remains puzzled by Privet’s approach since our initial meeting on April 18, 2019. Following that meeting where you indicated you felt an offer of $19 per share for the Company would be fair and we told you that the valuation was too low, you said that you would meet with your advisors and come back to us directly with a revised offer. Instead, you opted to take the negotiations public with your letter of April 23, 2019. Additionally, during our phone call on May 23, 2019, following receipt of your most recent letter, you told me that the Board should be running a full process to maximize the price to shareholders. You also indicated that Privet had no interest in tendering for the Company’s shares at $20. These tactics make us wonder whether Privet is sincere in its pursuit of the Company, or if you are attempting to put the Company in play so you can exit your position.

The Board is committed to doing what is best for all shareholders. Even though the Company has not been placed for sale, either before or after your offer, the Executive Committee has full authority to negotiate with Privet to see if an acceptable price can be achieved. If there is non-public information that you and your team have not received over the past seven months while under Mutual Non-Disclosure Agreement with the Company, you need to let us know what additional information you would like to see, and we will endeavor to make it available.

I will close by reiterating what I said over the phone and earlier in this letter. Should you persist in moving forward with a plan to take Synalloy private, you should either negotiate with the Executive Committee of the Board to determine an acceptable price, or tender for the shares and let the shareholders vote directly on the offer. This back and forth letter writing about an inadequate $20 per share offer is distracting and counter to our goal of building shareholder value. It’s time to move forward, one way or another.

We look forward to hearing from you at your earliest convenience.

Sincerely,

Craig C. Bram
President and CEO

cc: Mr. Murray H. Wright, Chairman of the Board and Executive Committee Member
Mr. Henry Guy, Director and Executive Committee Member

PRIVET FUND

August 19, 2019

Board of Directors
Synalloy Corporation
Attention: Craig Bram, President and Chief Executive Officer
4510 Cox Road
Suite 201
Richmond, VA 23060

Dear Craig and Members of the Board of Directors,

We are pleased to send you this letter confirming our interest in acquiring Synalloy Corporation ("Synalloy" or the "Company"). As you are aware, Privet Fund Management LLC and its affiliates (collectively "Privet") own common stock representing approximately 14% of the Company's outstanding shares, making us the Company's largest shareholder.

We appreciate the work you have done to respond to our diligence requests. As a result of our analysis of the information provided, including the Company's most recent financial forecast, **Privet proposes to acquire Synalloy for $18.50 per share in cash**. Our proposal represents a 32% premium to the closing share price on April 22, 2019, the day prior to the disclosure of our interest in acquiring the Company.

We note that, subsequent to our initial indication of interest in late April, the Company reduced its 2019 Adjusted EBITDA guidance by nearly 27%[1]. With that revised forecast underpinning our analysis, our proposed purchase price for the business has decreased by 5%[2]. Further, our proposal represents an Enterprise Value to 2019 Adjusted EBITDA of approximately 11x. Even if the Company were to meet the aggressive estimate of expected cash generation in the second half of the year, our proposed offer remains greater than 10x forecasted Adjusted EBITDA. *Our updated offer is actually an increased valuation from the ~9x multiple our initial $20.00/share offer represented when compared to the Company's original Adjusted EBITDA guidance.*

We have seen the Company's projections and have observed the Company's uneven historical financial performance. We, like you, want to believe that the Company's earnings power is greater than the $22m of forecasted 2019 Adjusted EBITDA, but the Company's speculation on the price movements of its commodity inputs has cost the business an average of over $2 million per year of cash earnings over the past ten years, with the Company losing money in eight of those years. Even backing out these recurring losses results in our proposal representing a 10x multiple of 2019 forecasted "Normalized Adjusted EBITDA". With this perspective, we believe that a transaction resulting from our proposal provides a compelling premium for shareholders and is superior to the uncertainty and risks of remaining a micro cap public company.

1 On June 19, 2019, Synalloy revised its 2019 guidance to $329 million in sales, down from a previous forecast of $340 million, and $22 million of Adjusted EBITDA, down from a previous forecast of $30 million.

2 Expressed as total enterprise value.

During our diligence review, we have retained the services of a national investment banking firm. We have had preliminary conversations with potential financing sources and our advisor is confident that the requisite third-party debt can be obtained.

The Company has chosen to engage with us thus far without the guidance of a financial advisor. We feel it is vital that the Company retain an impartial advisor to assist the Board of Directors in evaluating our proposal.

We are confident that our offer fairly values the Company and feel that any objective, unemotional and quantitative assessment by a qualified investment bank would confirm our analysis. However, if the Board of Directors (with the assistance of a financial advisor) believes that the Company is worth more than $18.50 per share, we request that the Company conduct a market check to see if the business receives higher offers.

As a reminder, this proposal is not intended to be legally binding and is subject to, among other things, the negotiation and execution of a mutually satisfactory definitive acquisition agreement, regulatory approvals, and satisfactory completion of our due diligence.

We would like to thank you again for all of your team's efforts in providing us incremental information over these past few weeks. We look forward to working with you and the Board of Directors to achieve a value-maximizing outcome.

Best Regards,

Ryan Levenson and Ben Rosenzweig
Privet Fund Management LLC

PRIVET FUND MANAGEMENT LLC 79 WEST PACES FERRY ROAD SUITE 200B ATLANTA GA 30305

August 23, 2019

Mr. Ryan Levenson
Privet Fund Management LLC
79 West Paces Ferry Road
Suite 200B
Atlanta, Georgia 30305

Dear Ryan,

On behalf of the Board of Directors (the "Board") of Synalloy Corporation (the "Company"), I am writing in response to your letter dated August 19, 2019.

The Company's Board of Directors at its regularly scheduled quarterly meeting on August 22, 2019, carefully and thoroughly reviewed your revised indication of interest to acquire the issued and outstanding shares of the Company not already owned by Privet, for the price of $18.50 per share. To assist with a review of your proposal, the Company worked with the investment banking team at Stephens Inc. It is the Board's unanimous conclusion that your indication of interest at $18.50 per share substantially undervalues the current and future financial performance of the Company, and is hereby rejected.

The Board continues to believe that all shareholders will be better served by the Company's strategy of growing our existing segments and pursuing accretive acquisitions and expansion into complementary product lines. This strategy has produced excellent returns for our shareholders. Benchmarking the Company's share price performance as of July 29, 2019 to a public peer group of Metals and Chemicals businesses shows the Company to be the top performer in the peer group with a total return over the prior three-year period of 115%. Referencing premiums to historical closing prices is opportunistic and disregards the Company's earnings potential. Furthermore, considering a sale of the Company to Privet, or running a process to identify other potential buyers, at a time when the Company's earnings are depressed due to temporary factors would not be in the best interests of our shareholders.

As you have observed and undoubtedly is obvious to our long-term shareholders, the Company's cyclical businesses generate uneven financial results. However, since 2011, the Company has produced higher adjusted EBITDA at both the top and bottom of each successive business cycle, compared to previous cycles. In 2018, adjusted EBITDA, excluding the benefit of inventory profits, totaled a record $27.6 million. Had we owned ASTI last year, adjusted EBITDA would have totaled $34.5 million. The current year, as noted in our second quarter earnings release, has been challenged by a number of what we believe to be temporary factors in our stainless-steel pipe business. These factors will likely resolve in the near term, and BRISMET's position as the number one North American producer of welded stainless-steel pipe will be positively reflected in the Company's financial performance again.

Regarding your comment that the Company has been speculating on the raw material inputs for its metals segment, your accusation is unfounded and wholly inaccurate. Our raw material purchases are tied directly to the orders that have been received by this segment or forecasted demand. Over the years, we have modeled various scenarios to hedge our exposure to nickel prices. In 2016 and again in 2017, we utilized two different types of hedges, in an attempt to mitigate potential inventory losses. The hedges were not effective, and the Company had to absorb the cost of the premiums to put them in place. Additionally, in the last several years, surcharges on stainless-steel have been more heavily impacted by non-nickel components that cannot be hedged, such as chrome, moly and scrap steel. While we see a bias for higher nickel prices and potential inventory profits over the next three to five years, we will continue to view the swings in metal prices as a cost of doing business.

Our management team and Board have expended considerable time over the past several months, providing your team with detailed information about our businesses and evaluating Privet's proposals. While the process has been a distraction, we have been cooperative and responsive to your requests. Nonetheless, there has been no material progress made on the question of valuation. Also, we asked that you provide us with evidence of your funding sources and to date that has not been forthcoming. Taking all of this into consideration, the Company's Board has decided to terminate discussions with Privet. Pursuant to Section 5 of our Mutual Non-Disclosure Agreement dated October 31, 2018 (the "NDA"), the Company hereby terminates the NDA, effective thirty (30) days from the date of this letter. Accordingly, per Section 4 of the NDA, within thirty (30) days of the date of this letter, please return or confirm the destruction of all confidential information provided to you and your representatives.

Regards,

/s/ Craig C. Bram
Craig C. Bram
President and CEO

cc: Mr. Murray H. Wright, Chairman of the Board and Executive Committee Member
Mr. Henry Guy, Director and Executive Committee Member