

FORM 10-Q

Securities and Exchange Commission
Washington, D. C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarter ended April 1, 2000

OR

_____ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 0-19687

SYNALLOY CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

57-0426694
(I.R.S. Employer
Identification Number)

Post Office Box 5627
Croft Industrial Park
Spartanburg, South Carolina
(Address of principal executive offices)

29304
(Zip Code)

Registrant's Telephone Number, Including Area Code (864) 585-3605

Not Applicable
(Former name, former address and former fiscal year, if changed since last
year.)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports) and (2) has been subject to such
filing requirements for the past 90 days.

Yes X No _____

Indicate the number of shares outstanding of each of the issuer's classes of
Common Stock, as of the latest practical date.

Title of Class	Number of Shares Outstanding As of April 1, 2000
Common Stock, \$1.00 Par Value	6,291,061

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Synalloy Corporation

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1, 2000

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PART 1. FINANCIAL STATEMENTS

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Synalloy Corporation
Condensed Consolidated Balance Sheets

	Apr 1, 2000 (Unaudited)	Jan 1, 2000 (Note)
	-----	-----
<S>	<C>	<C>
Assets		
Current assets		
Cash and cash equivalents	\$ 70,632	\$ 120,549
Accounts receivable, less allowance for doubtful accounts	18,282,346	16,354,165
Inventories		
Raw materials	10,366,438	9,378,087
Work-in-process	4,674,438	6,033,389
Finished goods	14,800,238	13,407,243
	-----	-----
Total inventories	29,841,114	28,818,719
Deferred income taxes	406,000	406,000
Prepaid expenses and other current assets	753,635	794,232
	-----	-----
Total current assets	49,353,727	46,493,665
Cash value of life insurance	2,130,611	2,112,411
Investment	1,157,117	1,039,117
Property, plant & equipment, net of accumulated depreciation of \$35,128,000 and \$32,498,000	26,026,640	25,985,725
Deferred charges and other assets	2,340,267	2,421,655
	-----	-----
Total assets	\$81,008,362	\$78,052,573
	=====	=====
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable	\$ 3,418,000	\$ 3,084,000
Accounts payable	11,707,984	10,867,711
Income taxes	1,667,052	1,209,874

Accrued expenses	3,490,406	2,957,728
Current portion of environmental reserves	373,500	373,500
	-----	-----
Total current liabilities	20,656,942	18,492,813
Long-term debt, less current portion	10,000,000	10,000,000
Environmental reserves	1,576,503	1,661,663
Deferred compensation	1,373,582	1,374,210
Deferred income taxes	1,905,000	1,864,000
Contingencies		
Shareholders' equity		
Common stock, par value \$1 per share - authorized 12,000,000 at July 3,1999 and 8,000,000 shares at January 2, 1999; issued 8,000,000 shares	8,000,000	8,000,000
Capital in excess of par value	9,491	9,491
Retained earnings	52,084,654	51,325,183
Accumulated other comprehensive income	538,000	461,000
Less cost of Common Stock in treasury	(15,135,810)	(15,135,787)
	-----	-----
Total shareholders' equity	45,496,335	44,659,887
	-----	-----
Total liabilities and shareholders' equity	\$81,008,362	\$78,052,573

Note: The balance sheet at January 1, 2000 has been derived from the audited financial statements at that date. See accompanying notes to condensed consolidated financial statements

</TABLE>

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<TABLE>

Synalloy Corporation
Condensed Consolidated Statements of Income

(Unaudited)	Three Months Ended	
	Apr 1, 2000	Apr 3, 1999
	-----	-----
<S>	c>	<C>
Net sales	\$32,271,000	\$27,645,297
Cost of sales	27,073,288	24,274,218
	-----	-----
Gross profit	5,197,712	3,371,079
Selling, general and administrative expense	3,284,575	2,689,530
	-----	-----
Operating income	1,913,137	681,549
Other (income) and expense		
Interest expense	238,810	159,753
Other, net	7,303	3,171
	-----	-----
Income before taxes	1,667,024	518,625
Provision for income taxes	593,000	182,000
	-----	-----
Net income	\$ 1,074,024	\$ 336,625
	=====	=====
Net income per common share		
Basic	\$.17	\$.05
	=====	=====
Diluted	\$.17	\$.05
	=====	=====
Dividends paid per common share	\$.05	\$.05
	=====	=====
Average shares outstanding		
Basic	6,291,061	6,722,468
	=====	=====
Diluted	6,292,257	6,722,468
	=====	=====

</TABLE>

See accompanying notes to condensed consolidated financial statements

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<TABLE>

Synalloy Corporation
Condensed Consolidated Statements of Cash Flows

(Unaudited)	Three Months Ended	
	Apr 1, 2000	Apr 3, 1999
<S>	<C>	<C>
Operating activities		
Net income	\$1,074,024	\$ 336,625
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	990,876	993,883
Amortization of deferred charges	81,386	67,663
Deferred compensation	(628)	(420)
Provision for losses on accounts receivables	54,009	126,260
(Gain) loss on sale of property, plant and equipment	(576)	7,981
Cash value of life insurance	(18,200)	(20,942)
Environmental reserves	(85,160)	(104,512)
Changes in operating assets and liabilities:		
Accounts receivable	(1,982,190)	(3,144,518)
Inventories	(1,022,395)	356,455
Other assets	(401)	(1,734)
Accounts payable and accrued expenses	1,413,951	832,515
Income taxes payable	457,178	796,690
Net cash provided by operating activities	961,874	245,946
Investing activities		
Purchases of property, plant and equipment	(1,031,791)	(1,515,347)
Proceeds from sale of property, plant and equipment	576	9,500
Net cash used in investing activities	(1,031,215)	(1,505,847)
Financing activities		
Proceeds from revolving lines of credit	11,175,000	7,643,000
Payments on revolving lines of credit	(10,841,000)	(5,636,000)
Purchases of treasury stock	(23)	(368,251)
Dividends paid	(314,553)	(336,281)
Net cash provided by financing activities	19,424	1,302,468
(Decrease) increase in cash and cash equivalents	(49,917)	42,567
Cash and cash equivalents at beginning of year	120,549	117,658
Cash and cash equivalents at end of period	\$ 70,632	\$ 160,225

</TABLE>

See accompanying notes to condensed consolidated financial statements.

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Synalloy Corporation
Notes To Condensed Consolidated Financial Statements (Unaudited)
April 1, 2000

NOTE 1--BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for

interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended April 1, 2000, are not necessarily indicative of the results that may be expected for the year ending December 30, 2000. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the period ended January 1, 2000.

NOTE 2--INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out method) or market.

NOTE 3--LEGAL MATTERS

The Company is from time to time subject to various claims, other possible legal actions for product liability and other damages, and other matters arising out of the normal conduct of the Company's business. Management believes that based on present information, it is unlikely that liability, if any, exists that would have a materially adverse effect on the consolidated operating results or financial position of the Company.

NOTE 4--COMPREHENSIVE INCOME

Comprehensive income was \$1,151,000 for the three months ended April 1, 2000. Comprehensive income consists of net income plus unrealized gains and losses on the Company's foreign equity investment of \$77,000, net of deferred income taxes of \$41,000 for the three months ended April 1, 2000, and is recorded in Shareholders' Equity.

<TABLE>

NOTE 5--SEGMENT INFORMATION

(Dollar amounts are in thousands.)

	Three Months Ended	
	Apr 1, 2000	Apr 3, 1999
<S>	<C>	<C>
Net sales		
Colors Group	\$ 6,608	\$ 7,622
Specialty Chemicals Group	6,126	6,422
Chemicals Segment	12,734	14,044
	-----	-----
Metals Segment	19,537	13,601
	-----	-----
	\$32,271	\$27,645
	=====	=====
Operating income		
Colors Group	\$ 40	\$ 58
Specialty Chemicals Group	124	442
	-----	-----
Chemicals Segment	164	500
Metals Segment	2,182	407
	-----	-----
	2,346	907
Unallocated expenses		
Corporate	433	225
Interest, net	246	163
	-----	-----
Income before income taxes	\$ 1,667	\$ 519
	=====	=====

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Synalloy Corporation
Notes To Condensed Consolidated Financial Statements - Continued
(Unaudited)

April 1, 2000

NOTE 5--SEGMENT INFORMATION (Continued)

During the first quarter of 2000, the Company completed the reorganization of its Chemicals Segment changing the Segment into two separately managed product groups - Colors and Specialty Chemicals. Previously, the Segment had been managed by geographic location. The amounts for the first quarter of 1999 have been restated to reflect the reorganization.

Synalloy Corporation
Management's Discussion And Analysis Of Financial Condition
And Results Of Operations

The following is management's discussion of certain significant factors that affected the Company during the quarter ended April 1, 2000. (Dollar amounts are in thousands except for per share data.)

Consolidated sales for the quarter were up, increasing 17 percent compared to the same period one year ago. Consolidated net income also increased 219 percent to \$1,074 for the quarter, or \$.17 per share, compared to \$337, or \$.05 per share, reported the same period one year ago. On a sequential basis, sales were up eight percent, however, net income declined 26 percent resulting from special charges of \$576, or \$.06 per share, incurred in the quarter. Per share income before the special charges was the same as the \$.23 reported in the fourth quarter of 1999.

Sales in the Colors Group were down 13 percent in the first quarter, which is a continuation of the downward trend that has been evident in the domestic textile color business since 1995. Factors leading to this industry-wide malaise have been discussed in earlier press releases and periodic filings with the SEC. Management is not pleased with the modest level of operating profit but believes it is acceptable under current conditions. The Company has added vat dyes to its product line and is developing color sales outside the textile industry in an attempt to arrest the slide in color sales.

The Chemicals Group had a more modest decline in sales of five percent but operating income was down 72 percent in the first quarter. The declines were essentially attributable to results from the Augusta, Georgia plant. This plant suffered an operating loss of \$583 in the quarter, including a \$65 special charge for clean up of a chemical spill, compared to a \$285 loss a year earlier. As previously announced, the Company plans to close the Augusta plant and move most of the equipment and production to its plant in Spartanburg, S.C. by the end of this year. Management expects the closure to reduce negative operating variances and, accordingly, enhance future earnings. However, the Company expects to take a restructuring charge in the future, which has not been quantified.

The Metals Segment had a sterling performance in the first quarter with a 44 percent increase in sales producing operating income more than five times the level of 1999's comparable quarter. The sales increase resulted from 22 percent more unit volume coupled with an 18 percent increase in average selling prices. The dramatic increase in income was after a \$353 special charge related to the closure of the Company's process equipment plant in Camden, S. C. The plant incurred an operating loss, before the special

charge, of \$127 in the quarter on sales of \$581. In 1999, the plant had operating losses of \$473 on sales of \$2,477. Closure of the plant has now been completed and no losses are anticipated from this plant after the first quarter.

After four years of steady erosion of stainless steel pipe prices, the trend reversed in the third quarter of 1999 and prices are now about one-third higher than their lows. Most industry sources believe this trend will continue during 2000 and take prices even higher. If this occurs and demand remains strong the Metals Segment should produce excellent results for the rest of the year.

Selling and administrative expense for the quarter was negatively impacted by a \$158 special charge for an unanticipated payment made under a contract related to a pre 1973 employment matter. Management does not believe this contract represents any significant financial exposure to the Company in the future. Without the special charge, selling and administrative expense was 10 percent of sales for both the first quarter of 2000 and 1999.

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Synalloy Corporation

Management's Discussion And Analysis Of Financial Condition And Results Of Operations - Continued

Cash flows from operations totaled \$962 during the first three months of 2000 compared to \$246 generated during the same period one year ago. The increase came primarily from net income. Accounts receivable increased \$1,982 in the first quarter compared to a \$3,145 increase last year which resulted from an usually low level existing at January 2, 1999, due to the increase in sales experienced in the quarter compared to the fourth quarter of 1998. Inventories increased \$1,022 during the quarter compared to a decline of \$356 occurring in the first quarter of 1999, offsetting the accounts receivable change. The Company expects that available cash and existing lines of credit will be sufficient to meet normal operating requirements, including capital expenditures and payment of dividends over the near term.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

The statements contained in this management discussion and analysis that are not historical facts may be 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, which speak only as of their dates. 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, customer delays or difficulties in the production of products, and other risks detailed from time to time in Synalloy's Securities and Exchange Commission filings. Synalloy Corporation assumes no obligation to update the information included herein.

PART II: OTHER INFORMATION

Synalloy Corporation

Item 1. Legal Proceedings
None

Item 2. Change In Securities
None

Item 3. Defaults Upon Senior Securities
None

Item 4. Submission Of Matters To A Vote Of Security Holders:
None

Item 5. Other Information
None

Item 6. Exhibits And Reports On Form 8-K

The following exhibits are included herein:
None

The Company did not file any reports on Form 8-K during the three months ended April 1, 2000

Synalloy Corporation

SIGNATURES

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

SYNALLOY CORPORATION
(Registrant)

Date: May 5, 2000 /s/ James G. Lane, Jr.
James G. Lane, Jr., Chairman and
Chief Executive Officer

Date: May 5, 2000

/s/ Gregory M. Bowie
Gregory M. Bowie
Vice President, Finance

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