

May 2020

# STRENGTHEN SYNALLOY

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UPG ENTERPRISES AND PRIVET FUND: THE RIGHT  
CATALYSTS FOR A STRONGER SYNALLOY

VOTE THE WHITE CARD



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# UPG AND PRIVET ARE THE RIGHT CATALYSTS FOR A STRONGER SYNALLOY

01. 02.

UPG Enterprises  
and Privet Fund



- UPG is a manufacturing industry operator that applies operating expertise and elite resources to help industrial businesses grow
- Privet is a research-driven investment firm that seeks to drive governance and strategy improvements at the companies it invests in
- UPG and Privet invested in Synalloy because their independent analyses led to a shared conclusion: the Company's high-quality operating assets should be the foundation of long-term value creation
- New leadership and a fresh strategy are needed to unlock Synalloy's full potential
- **UPG and Privet bring expertise, insight and resources that can help accelerate the leadership and strategy enhancements needed at Synalloy**

# UPG AND PRIVET HAVE A VISION FOR HELPING SYNALLOY BECOME A THRIVING PUBLIC COMPANY

01. 02.

UPG Enterprises  
and Privet Fund



- UPG and Privet, which collectively own nearly 25% of Synalloy's outstanding common stock, are fully aligned with all fellow stockholders
- The Stockholder Group has no plans to acquire or facilitate a sale of Synalloy
- **The Stockholder Group's only goal is to reinvigorate Synalloy by:**
  - ✓ Adding five elite director nominees to the eight-member Board
  - ✓ Appointing Chris Hutter, co-founder of UPG and a proven operating executive, as interim CEO
  - ✓ Leveraging the resources and scale of UPG to help enhance operational execution and cut corporate waste
  - ✓ Positioning the Company to deliver long-term value and grow as a standalone publicly-traded entity



01.

## ABOUT UPG ENTERPRISES



# UPG: A TOP MANUFACTURING SECTOR OPERATOR

01. 02.

UPG Enterprises



- Founded by Chris Hutter and Paul Douglass in 2014, UPG is a hands-on, roll-up-your-sleeves operator of diversified industrial companies
- The leadership of Chris Hutter has helped UPG reach \$725M in annual revenue (~2.5x Synalloy's revenue) in under a decade
- The company has world-class capabilities across the metals, manufacturing, distribution and logistics segments
- It prides itself on combining the integrity of a family-owned business with innovation and entrepreneurialism
- **UPG's portfolio is anchored by operational excellence and a top supply chain network – which Synalloy can benefit from while remaining a standalone public company**

# UPG HAS A GREAT DEAL TO OFFER SYNALLOY

01. 02.

UPG Enterprises

## A GROWING BUSINESS FOOTPRINT

- Operates **8 businesses** across metals, manufacturing, distribution and logistics
- Boasts **\$725M+** in annual revenue

## ROBUST DISTRIBUTION NETWORK

- More than **3M** square feet of warehouse space under roof
- A fleet of **200+** available trucks
  - ✓ Owning trucks and trailers ensures on-time delivery and flexibility
- **18** Production Facilities and Service Centers Across North America
- Redundant **machine capabilities** ensure job completion in the event of any location-specific downtime

## ELITE MANUFACTURING PROWESS

- Processes more than **1M** tons of flat roll and long products each year
- UPG's acquisition during Q4 2019 of underperforming *Morton/Metalex* has since improved its manufacturing and on-time delivery from **68%** pre-acquisition to **98%** as of March 2020
- UPG's *Lamination Specialties* has grown to over **300,000** square feet of Efficient Manufacturing Space designed to produce the highest quality electrical steel laminations and has over **40 high-speed presses** with the capacity to produce over **100M** pounds of laminations annually
- UPG's *National Metalwares* has **60 years** of progressive manufacturing and fabrication experience, focusing on technical development, statistical process controls and high-quality engineering

# UPG HAS A DIVERSE PORTFOLIO AND NETWORK THAT CAN BENEFIT SYNALLOY

01. 02.

UPG Enterprises

**LAMINATION  
SPECIALTIES™**

POWERED BY **UPG**

Specialist in fabricating electrical  
steel laminations

**METALEX®**

POWERED BY **UPG**

Leading manufacturer of high-quality  
metals products

**MAKSTEEL**

POWERED BY **UPG**

Steel service center specializing in  
flat rolled coil products



national  
metalwares, l.p.

POWERED BY **UPG**

Industry leader in high-volume  
fabricated tubular products



**MAPES & SPROWL  
STEEL**

POWERED BY **UPG**

Leading service center specializing  
in enameling steel

**Morton™**  
*Rail Products*

POWERED BY **UPG**

Solution provider for clients across  
rail car applications

 **CHICAGO  
STEEL**

POWERED BY **UPG**

A leader in steel and toll processing

**CONTRACTORS Steel CO.**

POWERED BY **UPG**

A complete steel service center



# UPG SERVES A WORLD-CLASS CUSTOMER BASE WITH DIVERSE AND GROWING NEEDS

01. 02.

UPG Enterprises



# UPG HAS BUILT A STRONG CULTURE THAT CAN BE REPLICATED AT SYNALLOY

01. 02.

UPG Enterprises

Under co-founder Chris Hutter, UPG has forged a dynamic culture that fuels its **dedicated employees' commitment** to quality, flexibility and serving customers

UPG companies are proud to be partnered with:

- Teamsters Local Union No. 731
- Teamsters Local Union No. 142
- Teamsters Local Union No. 407
- Teamsters Local Union No. 406
- Iron Workers Local No 853
- Plastic Workers Union Local #18 AFL-CIO
- Int'l Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers: AFL-CIO, Local 1600

**Employee Spotlight!**  
**Ike Carneygee**  
Operator

*I've been a part of Chicago Steel for over 30 years. During my time here, I've watched the company grow and helped develop the way our Tension Line runs through trial and error. I'm so happy to be a part of this team.*



Chicago Steel

Contractors Steel Co.

**Employee Spotlight!**  
**Lorenzo Lofquist**  
Laser Operator

*I love working with the laser machine. The challenge of programming is to cut the right parts for our customers. New machines need parts that are intricate, often requiring tight tolerances. I feel empowered knowing that all the material I cut goes into some large applications.*



Lamination Specialties

**Employee Spotlight!**  
**Nazario Rivas**  
Head of Maintenance

*At the age of twenty, I first started working at Lamination Specialties. So far, I have dedicated forty-four years to this company. I consider Lamination Specialties my family and take pride in assisting that operations run properly at our Oakley facility.*



# UPG HAS FORGED LONG-STANDING COMMUNITY TIES

01. 02.

UPG Enterprises

## UPG is involved in **community outreach, volunteering and partnering with world-class organizations:**

- American Brain Tumor Association
- American Heart Association
- American Lung Association
- Archdiocese of Chicago
- Association of Women in the Metals Industries
- Canadian Cancer Society
- Feed My Starving Children
- Motor City Slitter Charity Golf Outing
- Northern Illinois Food Bank
- Pits for Patriots
- Rebuilding Together
- Rett Syndrome Association of Illinois
- Susan G. Komen Race for the Cure Breast Cancer Walk
- Toys for Tots
- West Suburban Community Pantry





# UPG IS A RECOGNIZED INDUSTRY LEADER – AND SYNALLOY CAN BE TOO UNDER NEW LEADERSHIP

01. 02.

UPG Enterprises

**UPG and its family of companies** have earned the trust of their customers and partners across the metals, manufacturing and distribution verticals

*“Metalex has been consistent with hitting our ship dates listed on. They also completed movement of production of boards needed for Greenbrier's Mexico facilities to their SLP facilities, reducing costs and lead times.”*

– Greenbrier

*“Mapes & Sprowl has always been a great partner. It's great to have a supplier and a sales team that are engaged in the same goals as we are.”*

– MKT Metal Manufacturing

*“Thanks to the awesome Mapes & Sprowl team [...] for supporting this much needed medical requirement [...] Together we'll get through this.”*

– Thompson Lamination Company

*“Maksteel folks do a good job at everything they do.”*

– Michigan Service Center

*“Metalex truck/pick-up requests are submitted timely. [Metalex] is bar code compliant [and] has improved packaging and changed from metal strapping to plastic.”*

– Trinity





02.

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## ABOUT PRIVET FUND

# PRIVET IS A HANDS-ON INVESTMENT FIRM WITH A TRACK RECORD OF INTEGRITY AND SUCCESS

01. 02.

Privet Fund



- Privet is committed to delivering the long-term value Synalloy stockholders deserve
- The firm has a strong **13-year track record** of investing in companies in which it sees intrinsic value and opportunities to partner with leadership to drive improvements
- Privet has extensive experience investing in the **industrials sector** and brings:
  - ✓ Corporate governance expertise
  - ✓ Capital allocation acumen
  - ✓ Strategy development experience
- The principals at Privet have served on a combined **14 public company boards**

**PRIVET HELPS SMALL COMPANIES  
CREATE SUSTAINABLE  
STOCKHOLDER VALUE**

# PRIVET FOCUSES ON LONG-TERM VALUE CREATION

01. 02.

Privet Fund



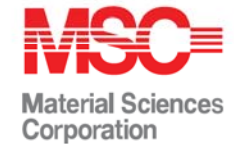
- Privet's investments are **highly selective** and rooted in intensive industry research
- When Privet has nominated directors and/or joined the board at a company, its **average holding period is nearly five years**
- The Privet investment team prioritizes **multi-faceted engagement** with management, customers, suppliers, industry experts and fellow stockholders
- Privet is a **long-term investor in Synalloy** (four years and counting) and plans to remain a large stockholder for many years to come

**PRIVET IS PLANNING TO BE A STOCKHOLDER CHAMPION AT SYNALLOY FOR YEARS TO COME**

# PRIVET'S REPRESENTATIVE INVESTMENTS ACROSS THE MANUFACTURING AND B2B SECTORS

01. 02.

Privet Fund





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