

Capstone to Acquire Carolina Stone Products—Immediately Accretive to Revenue and EBITDA; Closing Targeted by August 22, 2025

Deal adds premium brands and North Carolina footprint; pipeline remains active at 4–6× EBITDA valuation range with 20–45% non-cash consideration

August 18, 2025 – New York, NY – Capstone Holding Corp. (NASDAQ: CAPS), a national building products distribution platform, today announced it has signed a definitive agreement to acquire **Carolina Stone Products**, with **closing targeted by August 22, 2025**, subject to customary conditions. [Additional details are included in the Company’s Form 8-K filed today.](#)

Transaction Highlights

- **Target:** Carolina Stone Products (North Carolina)
 - **Closing:** Targeted by **August 22, 2025**
 - **Financials (trailing):** Revenue ≈ \$11 million; LTM EBITDA ≈ \$0.75 million/ 2026 ≈ 1.00¹ million
 - **Purchase price / multiple:** \$3.9–\$4.7 million (~4.7×–5.2× EBITDA)
 - **Accretion:** Immediately accretive to revenue and EBITDA at close
 - **Strategic fit:** Expands Southeast footprint; adds premium brands; supports **margin expansion**
- (1) Management estimate of 2026 EBITDA contribution

Carolina Stone Products Acquisition - The transaction will add Carolina Stone’s premium brands and loyal customer base to Capstone’s portfolio. It is expected to be **immediately accretive to revenue and EBITDA** and will mark Capstone’s entry into the Southeast, one of the nation’s fastest-growing construction markets.

“With a foothold in the Carolinas, we’ll begin getting Instone products on the ground right away—a **key step toward share gains and margin expansion**,” said Matthew Lipman, CEO. “We are delivering on our 2025 plan: **immediately accretive** acquisitions, a disciplined pipeline at **4–6× EBITDA**, and a clear path to a **~\$100 million revenue run-rate** entering 2026.”

“We couldn’t be more thrilled about joining the Capstone family,” added Stuart Powell, Carolina Stone Products EVP. “We believe the additional products for our customers to access along with an ability to serve our large, production builders in new markets via the Capstone reach will make us an even more valuable partner.”

Additional Acquisitions – Capstone **expects to close at least one additional acquisition by year-end 2025**. Multiple targets are under review at **4–6× EBITDA** valuations, with **20–45% non-cash consideration**, positioning Capstone to make a third acquisition and **enter 2026 at a ~\$100 million revenue run-rate**.

The company's **disciplined approach to M&A** has fueled significant platform growth. Previous acquisitions — including HHT's stone business, Heller's Stone, and Northeast Masonry — have expanded Capstone's footprint, lowered costs, strengthened supply chains, and elevated customer service.

"In building products, scale matters," Lipman added. "Larger companies enjoy competitive advantages like pricing power, operational leverage, and broader reach. Our platform and team give us the ability to capture those benefits and deliver long-term value creation."

In addition to pipeline progress, Capstone last week reported that Q2 gross margins rose to 24.4% from 21.4% a year earlier, driven by increased sales of owned brands and disciplined cost management. These results underscore the company's execution of its long-term growth strategy: pairing organic expansion with well-timed acquisitions.

"**We're doing what we set out to do,**" said Lipman. "With our flexible capital structure and deep sector expertise, we're well-positioned to continue executing on our strategy in the months ahead."

About Capstone Holding Corp.

Capstone Holding Corp. (NASDAQ: CAPS) is a diversified platform of building products businesses focused on distribution, brand ownership, and acquisition. Through its Instone subsidiary, Capstone serves 31 U.S. states, offering proprietary stone veneer, hardscape materials, and modular masonry systems. The company's strategy combines disciplined M&A, operational efficiency, and a growing portfolio of owned brands to build a scalable and durable platform.

Investor Contact:

Investor Relations

Capstone Holding Corp.

investors@capstoneholdingcorp.com

www.capstoneholdingcorp.com

Forward-Looking Statements

This press release contains forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These statements relate to future events and performance, including guidance regarding revenue and EBITDA targets, M&A strategy, use of capital, and operating outlook. Actual results may differ materially from those projected due to a range of factors, including but not limited to acquisition timing, macroeconomic conditions, and execution risks. Please review the Company's filings with the SEC for a full discussion of risk factors. Capstone undertakes no obligation to revise forward-looking statements except as required by law.