



Capstone adds \$11 Million in Revenue with Carolina Stone Acquisition – Drives Immediate Accretion and Southeast Expansion

Deal delivered at target 4–6× EBITDA range; strengthens platform with premium brands in high-growth construction market

August 25, 2025 – New York, NY – Capstone Holding Corp. (NASDAQ: CAPS), a national building products distribution platform, today announced the closing of its previously announced acquisition of Carolina Stone Products ahead of schedule.

Transaction Highlights

- **Closing Date:** August 22, 2025
- **Target:** Carolina Stone Products (North Carolina)
- **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

“With Friday’s closing, we’re delivering exactly what we said we would: immediately accretive acquisitions at disciplined valuations,” said Matthew Lipman, CEO. “Carolina Stone strengthens our brand portfolio, gives us a foothold in one of the nation’s fastest-growing construction markets, and positions us for a ~\$100 million revenue run-rate entering 2026.”

Stuart Powell, EVP of Carolina Stone Products, added: “We’re excited to officially join Capstone. The expanded reach and access to Instone’s distribution platform will allow us to better serve our customers and accelerate growth.”

Capstone’s Active M&A Pipeline

In building products distribution, scale delivers clear advantages, including pricing power, operational leverage, and broader reach. Capstone is achieving that scale with discipline, targeting acquisitions at 4–6× EBITDA with 20–45% non-cash consideration. The Carolina Stone acquisition fits squarely within those parameters, and the company is actively reviewing additional opportunities in the same range.

Capstone expects to close at least one more acquisition by year-end 2025. This disciplined M&A strategy continues to drive immediate accretion, creating long-term value for shareholders.

Achieving Platform Growth

The closing of Carolina Stone adds to a series of successful acquisitions — including HHT's stone business, Heller's Stone, and Northeast Masonry — that have expanded Capstone's footprint, lowered costs, and improved service.

The impact is evident in Capstone's Q2 results: gross margins rose to 24.4% from 21.4% a year earlier. These gains highlight the success of Capstone's two-pronged strategy: pairing disciplined acquisitions with organic growth.

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.

SOURCE: Capstone Holding Corp.