



## Industry Research Signals Strong Demand Cycle Ahead as Capstone Enters 2026 with Expanded Scale and Margin Strength

*Market data from Zonda and Bain forecasts accelerated remodeling growth and consolidation favoring multi-regional platforms like Capstone.*

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**November 24, 2025 – New York, NY** – Capstone Holding Corp. (NASDAQ: CAPS), a national building products distribution platform, today highlighted industry data from Zonda and Bain & Company showing that deferred exterior and outdoor remodeling demand is building into a **multi-year demand cycle**. Scaled distributors like **Capstone are positioned to capture an outsized share**.<sup>1</sup>

“There is a sizable backlog of postponed exterior and outdoor projects, and Capstone is uniquely positioned to capture it,” said **Matthew Lipman, Chief Executive Officer**. “We used the last year to expand our platform, strengthen our margin profile, and scale our capabilities across 32 states. That work prepared the Company to outperform as the next demand cycle accelerates.”

### *Key Highlights:*

- **Remodeling Growth to Accelerate in 2026–2027:** Zonda projects +5.8% repair and remodeling growth in 2026 and +8.9% in 2027. Large exterior and professional projects are expected to lead the rebound, directly aligning with Capstone’s category strengths.
- **Structural Tailwinds in Exterior & Outdoor Categories:** Long-term trends show homeowners allocating more budget to outdoor upgrades *and* planned communities driving elevated year-round project activity. These developments support sustained demand in Capstone’s core categories.
- **Rebound Exceeding Prior Cycles:** Zonda data indicates that current demand deferral is expected to convert into a sharper-than-historical surge in remodeling activity, supported by favorable housing-stock fundamentals and a significant exterior-project backlog.
- **Stronger Scale and Margins:** Capstone has successfully expanded its platform, strengthened its margin profile, and scaled its capabilities across 32 states. The Company enters the next demand cycle with greater operating leverage, broader category coverage, and a more efficient distribution model.
- **Consolidation Around Scaled Platforms:** Bain & Company’s research shows value concentrating around scaled, multi-regional operators. Capstone is one of the few platforms with the reach and category depth to compete at national scale.<sup>2</sup>

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<sup>1</sup> <https://zondahome.com/data-solutions/research/building-products-outlook/>

<sup>2</sup> <https://www.bain.com/insights/building-products-m-and-a-report-2024/>

“We continue to execute on disciplined acquisitions and organic growth,” said Lipman. “Our second-half acquisitions are expected to add \$26 million of revenue and accelerate our path to a \$100 million run-rate. The industry research confirms the other half of the story: the market is entering a new demand cycle, and Capstone is positioned to win it.

Capstone reaffirms its **\$100 million run-rate revenue target** for early 2026, supported by record year-over-year growth in revenue, gross profit, and adjusted EBITDA. Further information is available in [the Company’s earnings presentation and transcript](#).

#### **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 32 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](mailto:investors@capstoneholdingcorp.com)

[www.capstoneholdingcorp.com](http://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.