



## Capstone Strengthens North American Presence and Achieves Key Milestones in Canadian Stone Industries Integration

*Early operational wins and commercial traction reinforce the immediately accretive impact of Capstone's disciplined M&A strategy.*

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**December 9, 2025 — New York, NY** — Capstone Holding Corp. (NASDAQ:CAPS), a national building products distribution platform, today announced **key milestones in the integration of Canadian Stone Industries (CSI)**, the multi-location stone distributor that added \$15 million in revenue to the platform. **CSI was fully onboarded to Capstone's ERP and warehouse management systems on day one** — a set of significant operational and commercial achievements delivered at record speed.

Capstone is applying an integration playbook refined across a series of successful, accretive transactions. Early progress has enabled Capstone and CSI to **engage a broader base of North American suppliers and customers**, reinforcing expectations that this transaction will accelerate project activity and deliver immediate value across the platform.

"What most companies accomplish in six months, **we achieved on day one**," said Kevin Grotke, President and CEO of Instone. "We're already seeing strong inbound interest from suppliers now that we're a broad-based North American distributor. **More premium brands want to work with Capstone.**"

### *Key Highlights:*

- **Immediate Integration Milestones:** In the first week, the combined team completed full ERP and WMS upgrades, launched co-branded marketing, and began engaging new customers and suppliers through coordinated campaigns.
- **Customer Traction:** The team is already in active dialogue with a broader base of North American production homebuilders, signaling early commercial momentum and positioning the platform for accelerated growth.
- **Digital Growth Drivers:** As CSI joins Capstone's online dealer portal, customers will gain access to a best-in-class ordering platform and a broader set of premium brands. This development is expected to drive faster growth across new and existing accounts.
- **Margin & Cost Synergies:** Integration efforts are delivering near-term cost reductions and margin expansion through increased purchasing power, lower logistics costs, and expanded cross-selling.
- **North American Scale:** With this acquisition, Capstone now operates seven warehouses with coverage across 32+ states and Canada. The company has become one of the few scaled

platforms in building products — a category where growth and shareholder value consolidate around companies of Capstone’s size and service level.

“When we make acquisitions, we don’t waste time. **We are laser-focused on unlocking new operational efficiencies and growth**, and early integration milestones make that possible,” said Matthew Lipman, CEO of Capstone Holding Corp. “Thanks to the trust and hard work of our combined teams, **this is on track to be our fastest and most effective integration yet.**”

Canadian Stone Industries now has access to Instone’s proprietary product lines, advanced marketing and sales capabilities, and national logistics network. **This positions the platform to capture a larger share of both new development and secondary remodeling demand.**

### **Strategy in Action: Scaling in a Fragmented Sector**

In 2025, Capstone outlined a strategy to **drive sustainable growth, operational leverage, and a durable competitive moat through scale**. Disciplined acquisitions, including Canadian Stone Industries and Carolina Stone, are central to this thesis.

Industry research, including reporting from Bain & Company,<sup>1</sup> affirms this approach: **the most successful building products companies use M&A to expand product lines and geographic reach**. Most operators in the sector are too small or under-capitalized to execute this strategy. Capstone is one of the few platforms with the resources and operating model to become a national leader.

The company’s five acquisitions to date have added meaningful value to the platform and built a dense North American distribution network. As Capstone enters 2026 — a year in which project activity is expected to accelerate — **the platform is positioned to capture a disproportionate share of deferred demand.**

“We will continue to pursue disciplined, accretive acquisitions alongside organic growth, as our strategy continues to deliver strong results,” added Lipman. “**We are pleased to reaffirm our \$100 million run-rate revenue target as we enter 2026 stronger than ever.**”

### **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**

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<sup>1</sup> <https://www.bain.com/insights/building-products-m-and-a-report-2024/>

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**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.