



Capstone's 2026 Outlook Reaffirms \$100M Run-Rate Target and Outlines Path to 10% EBITDA Margins

Record 2025 performance, rapid CSI integration, and improving demand conditions support profitable growth trajectory.

December 15, 2025 — New York, NY — Capstone Holding Corp. (NASDAQ: CAPS), a national building products distribution platform, today published its 2026 outlook presentation, **reaffirming its \$100 million run-rate revenue target for 2026** and detailing a disciplined strategy to translate scale into margin expansion. The Company outlined its path to **10% EBITDA margins** through a combination of **organic growth, operating leverage, and targeted acquisitions**.

Having grown from a single-site distributor into a national platform with nine warehouses and coast-to-coast coverage, Capstone now shifts its focus from expansion to monetizing scale — **driving margin performance and building a durable profitability engine**.

“We have added \$26 million in revenue through disciplined, immediately accretive acquisitions, putting us **firmly on track toward \$100 million in run-rate revenue**,” said Matthew Lipman, Chief Executive Officer of Capstone. “We enter 2026 with an improving macro backdrop and significant sales, marketing, and operational leverage driven by our scale. **Our focus now is building a durable profitability engine.**”

Key Highlights:

- **Record Performance:** In 2025, Capstone reported record gross margin expansion, driven by mix optimization, focus on services, and disciplined cost management. The Company also delivered record revenues, EBITDA, and gross profits.
- **Proven Execution:** Management has scaled Capstone from a single-site business into a national platform serving thousands of customers across the U.S. and Canada, executing consistently while maintaining high operational discipline.
- **Aligned, Value-Focused Ownership:** High insider ownership aligns leadership with shareholders. Leadership is deeply focused on disciplined capital allocation, earnings growth, and compounding long-term per-share value creation.
- **Strong Market Tailwinds:** Industry research from Bain & Company and Zonda indicates that deferred construction and remodeling demand is expected to drive a significant growth cycle, with spend disproportionately captured by large, scaled operators like Capstone.
- **Bridging to Profitable Growth:** Through operating leverage, a growing organic growth engine, and a strategic focus on higher-margin architectural products and installation services, Capstone is building a profitability engine with line of sight to a 10% EBITDA margin.

The investor presentation follows Capstone's rapid and successful integration of Canadian Stone Industries (CSI), including **fully onboarding CSI onto the Company's ERP and warehouse management systems on day one**. Early integration progress has generated strong engagement from suppliers and customers, reinforcing expectations that **the transaction will accelerate project activity and deliver immediate value across the platform**.

The Company expects to complete **three to four targeted acquisitions in 2026**, focused on route density, installation capabilities, and value-added services. Each dollar deployed is expected to **generate immediate operating leverage and contribute toward Capstone's 10% EBITDA margin objective**.

"With the CSI acquisition and integration, we are **closing 2025 on a strong note**. The year marked several important milestones in the growth of our platform and positions us well on our path to **\$100 million in run-rate revenue and profitable growth**." Lipman added. "As many competitors end the year constrained, Capstone is ready to **accelerate growth**."

Capstone encourages shareholders to **review its 2026 outlook presentation**, available on the Company's website. Additional details are available in the **Company's Form 8-K**.

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 and Canada, 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.

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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.