



Capstone Publishes Investor FAQ Detailing Margin Expansion, Operating Leverage, and Capital Discipline

Management outlines progress converting platform scale into profitability while reducing long-term dilution risk.

January 28, 2026 — New York, NY — Capstone Holding Corp. (NASDAQ: CAPS), a national building products distribution platform, today published an [investor FAQ](#) detailing management’s strategy to convert platform scale into **margin expansion, cash generation, and long-term per-share value creation**.

The FAQ provides additional clarity on the Company’s capital allocation, with growth initiatives increasingly supported by operating leverage and senior credit to **reduce long-term dilution risk**.

“We value the engagement of our shareholders and take their feedback seriously,” said **Matthew Lipman, Chief Executive Officer of Capstone**. “This FAQ is intended to help the market better understand our next phase, which is focused on achieving profitability through disciplined execution. With operating leverage and cash generation improving, we believe Capstone is on a strong trajectory.”

Key Highlights:

- **Reduced Reliance on Equity Financing:** With operating leverage and cash generation improving, Capstone expects an increasing share of growth initiatives to be funded through operating cash flow and senior credit rather than equity issuance.
- **Defined Path to Profitability:** Management targets a positive corporate EBITDA run-rate beginning in Q2 2026, supported by operating leverage, high-margin products and services, purchasing power, and sustained cost discipline.
- **Strategy-Aligned Capital Structure:** Capstone’s capital structure is designed to remain flexible as cash flow scales—supporting extensions, refinancing, or consolidation into longer-dated senior facilities. Management does not view debt maturities as a constraint on operations or growth.
- **Disciplined, Accretive Growth Model:** Capstone continues to pursue selective acquisitions that enhance route density, margin mix, and operating leverage. Acquisitions are evaluated for immediate accretion, strategic fit, and per-share value creation.
- **Financial Outlook on Track:** Capstone continues to pursue a \$100 million revenue run-rate and steady progress towards 10% EBITDA margins as the business transitions from platform expansion to monetizing scale.

Margin Expansion Underway

Following the [successful integration](#) of Canadian Stone Industries (CSI) and prior acquisitions, Capstone is focused on converting platform scale into margin expansion. The Instone operating platform is delivering measurable efficiencies across inventory management, logistics, and sales coverage, allowing incremental revenue to translate more directly into EBITDA. As revenue grows beyond Capstone's current \$70 million run-rate, **management expects a larger share of growth to flow to the bottom line.**

Recent actions, [including a \\$2.0 million cost rationalization](#), are already **accelerating the Company's path toward positive EBITDA.** Capstone expects to announce additional operational initiatives in the coming weeks aimed at further improving margins.

Capital structure management is a central component of this strategy. **Capstone is completing an inventory valuation expected to increase advance rates under its borrowing base,** expanding available liquidity. In the interim, Instone's revolver remains fully supported, penalty-free, and appropriately sized for working-capital needs, with no near-term refinancing pressure.

Additional information is available in the Company's [Form 8-K](#). Management expects to release an earnings power presentation in Q1 2026 which will provide further detail on the Company's performance.

About Capstone Holding Corp.

Capstone Holding Corp. (NASDAQ: CAPS) is a national, technology-enabled building products distribution platform optimizing supply chains across 38 U.S. states and Canada. Through its Instone operating platform and inventory portal, the Company aggregates and delivers proprietary stone veneer, hardscape materials, and modular masonry systems. Capstone's model combines digital infrastructure, owned-inventory logistics, and disciplined acquisitions to drive scalable margin expansion and operating leverage across its growing 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.