



Capstone Captures Platform Synergies and Accelerates Path to Positive EBITDA as Revenue Momentum Builds

Midwest consolidation delivers \$0.5 million in annualized savings as part of the Company's \$2 million cost rationalization program; over 300,000 square feet of new project demand reinforces growth trajectory

March 24, 2026 — New York, NY — Capstone Holding Corp. (NASDAQ: CAPS), a tech-enabled building products distribution platform, today announced that its Midwest distribution consolidation will generate **\$0.5 million in annualized cost savings and unlock up to \$700,000 in working capital**. The initiative marks the latest milestone in the Company's previously announced \$2 million cost rationalization program. Combined with strong revenue momentum, including more than 300,000 square feet of recently awarded project demand, management expects to **establish a positive corporate EBITDA run-rate beginning in Q2 2026**.

The consolidation integrates the Company's Chicago-area warehouse operations into its Ohio distribution center, which assumes full Midwest coverage with improved product availability and higher fill rates. Having built a national platform through four acquisitions and organic growth, Capstone is now **harvesting platform synergies that convert scale into margin expansion and earnings**. The Midwest optimization joins a series of integration initiatives across the Company's eight-location national footprint serving 38 U.S. states and Canada.

Customer feedback on the transition has been positive. Centralized inventory management is expected to deliver **higher in-stock availability and improved order fulfillment immediately**, and all customer relationships and revenue are fully maintained. The initiative reflects Capstone's ability to strengthen service levels while simultaneously lowering its cost structure.

The cost discipline comes alongside accelerating revenue momentum. Capstone recently announced [more than 300,000 square feet of annualized project demand](#) from multi-year programs with national and regional homebuilders including Lennar, Jayman Homes, and Marrano Homes, as well as a large multifamily development and new customer relationships across the Southeast. Several large shipments are underway, with additional revenue ramping through the spring construction season.

"We're executing on both sides of the equation," said Matthew Lipman, Chief Executive Officer of Capstone. "Costs are coming down through platform synergies, and revenue is accelerating through project wins and customer expansion. That combination is what drives the EBITDA inflection. **Every dollar of incremental revenue now flows through a leaner cost structure and converts more directly to earnings and cash flow.**"

Key Highlights:

- **Positive EBITDA Run-Rate Targeted for Q2 2026:** The combination of cost rationalization and revenue growth is expected to establish a positive corporate EBITDA run-rate beginning in Q2 2026, independent of additional revenue growth, strengthening Capstone's financial profile and supporting continued investment in the platform.
- **Executing Against the \$2 Million Cost Rationalization Program:** The Midwest consolidation delivers approximately \$0.5 million of the Company's previously announced \$2 million program, demonstrating disciplined execution against stated targets. The Company's national footprint moves from nine to eight warehouse locations, with additional efficiency initiatives underway.

- **Up to \$700,000 in Working Capital Unlocked:** Inventory consolidation is expected to free up approximately \$500,000 to \$700,000 in working capital, improving liquidity and reducing carrying costs across the platform.
- **Improved Customer Service and Fill Rates:** Centralized inventory management is expected to drive higher in-stock availability and improved order fulfillment across the Midwest. All customer relationships and revenue are fully maintained, and customer reception has been positive.
- **Revenue Momentum Accelerating:** Recently awarded multi-year homebuilder programs represent more than 300,000 square feet of annualized demand from customers including Lennar, Jayman Homes, Marrano Homes, and Adams Homes, with several large shipments underway and additional revenue expected as projects ramp through the spring season.
- **Operating Leverage Compounding:** A lower fixed cost base means incremental revenue carries significantly higher margins and converts more directly to EBITDA and cash flow, amplifying the impact of each new project win and customer relationship.

“We built this platform through disciplined acquisitions. Now we’re harvesting the synergies and pairing them with real revenue growth,” Lipman added. “The operating leverage is compounding. This reinforces our confidence in **a strong year for both growth and earnings in 2026.**”

Capstone expects to publish an Earnings Power Presentation following its 2025 annual report, outlining organic growth momentum and management’s vision for building a technology leader in the building products sector.

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.