



Capstone Enters the Southeast's Fastest-Growing Homebuilding Corridor Amid Accelerating Builder Demand

Builder-led expansion into the Coastal Carolinas positions Carolina Stone to deliver high-margin products and installation services to hundreds of active new-home communities.

June 17, 2026—New York, NY—Capstone Holding Corp. (NASDAQ: CAPS), a tech-enabled building products distribution platform, announced today that its **Carolina Stone subsidiary is expanding into the Wilmington–Myrtle Beach coastal corridor in response to growing demand from customers.**

The expansion is driven by increased construction activity from Capstone's builder partners across the coastal Carolinas—creating immediate need for additional Carolina Stone capacity. **It brings Capstone's inventory and installation services to the most active homebuilding corridor in the Southeast, where more than 230 new-home communities are currently in development.**

The announcement follows a series of major commercial wins for Carolina Stone, **including the expansion of its D.R. Horton relationship to 19 communities**, which contributed to Capstone's strongest order volume in two years.

"Myrtle Beach is the second-fastest-growing metropolitan area in the country¹, and expanding into this market is a key milestone for Carolina Stone," **said Matthew Lipman, Chief Executive Officer.** "This expansion is a direct response to demand from our builder partners, who are seeking greater access to our products and installation services as they grow across the coastal Carolinas. It is another sign of accelerating order volume and organic growth at Capstone."

Key Highlights

- **Customer-Driven Expansion into Coastal Carolinas:** Carolina Stone is expanding into the Wilmington–Myrtle Beach corridor in response to immediate demand from existing builder partners and record residential construction activity across the region.
- **More Than 230 Active New-Home Communities:** The expansion brings Carolina Stone's inventory and installation services to the Southeast's most active homebuilding corridor, where more than 230 communities are currently in development.
- **Platform-Wide Sales Momentum:** The expansion follows a series of major commercial wins, including the expansion of Carolina Stone's D.R. Horton relationship to 19 communities, which helped drive order volume to its strongest level in two years.

¹ <https://www.census.gov/newsroom/press-releases/2026/2025-popest-metro-micro-counties.html>

- **Higher-Margin Product and Service Opportunity:** The expansion increases Carolina Stone's ability to sell architectural stone products and installation services, supporting continued gross profit growth and opportunities for margin expansion.
- **Near-Term Revenue Contribution:** The new operation is expected to open in August–September 2026, positioning Carolina Stone to capture revenue from active builder projects beginning in the second half of 2026 and supporting continued pipeline visibility thereafter.

"We look forward to sharing additional positive developments with our shareholders as **the benefits of our margin expansion and organic growth initiatives continue to materialize in the quarters ahead**. It is an exciting time for Capstone," Lipman added.

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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Non-GAAP Financial Measures

This press release references Adjusted EBITDA, a non-GAAP financial measure. Adjusted EBITDA is not a measure of financial performance under GAAP and should not be considered an alternative to net income (loss) or any other performance measure derived in accordance with GAAP. Adjusted EBITDA may not be comparable to similarly titled measures used by other companies.

The Company defines "Adjusted EBITDA" as earnings (loss) before interest expense, income taxes, depreciation and amortization expense, management fees incurred by Instone payable to Capstone and Brookstone, Instone board fees, share-based compensation, change in fair value of contingent consideration, loss on extinguishment of debt, and transaction costs.

A reconciliation of Adjusted EBITDA to net loss, the most directly comparable GAAP measure, for the three months ended March 31, 2026 and 2025 is included in the Company's first quarter 2026 investor presentation, available in the Investor Relations section of www.capstoneholdingcorp.com.

The Company has not provided a quantitative reconciliation of forward-looking Adjusted EBITDA guidance to forward-looking GAAP net income (loss) because the individual reconciling items —

including interest expense, income taxes, depreciation and amortization, share-based compensation, change in fair value of contingent consideration, loss on extinguishment of debt, and transaction costs — cannot be predicted with reasonable certainty without unreasonable effort. The unavailable reconciling items could have a significant impact on the Company's GAAP results.

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 Adjusted 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 the Company's liquidity and access to capital; its ability to comply with, or obtain waivers of, financial covenants; the refinancing or repayment of indebtedness as it matures; conditions that may raise substantial doubt about the Company's ability to continue as a going concern; acquisition timing and integration; macroeconomic conditions; and other execution risks. Please review the Company's filings with the SEC, including the Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, for a full discussion of these and other risk factors. Capstone undertakes no obligation to revise forward-looking statements except as required by law.

Source: Capstone Holding Corp.