



Capstone to Expand Carolina Stone into Siding, Broadening Addressable Market

Expansion into siding creates new revenue opportunities for Capstone across its existing builder relationships and installation network.

NEW YORK--([BUSINESS WIRE](#))--Capstone Holding Corp. (NASDAQ: CAPS), a national, technology-enabled building products distribution platform, today announced that its Carolina Stone subsidiary is expanding into siding, with plans to begin offering it in January 2027 at the request of its customers. **The expansion broadens Carolina Stone's product and installation offering beyond traditional stone veneer and creates new revenue opportunities across new and existing customer relationships.**

The expansion will include all types of siding. Carolina Stone will offer both the product and installation, extending the turnkey model it currently provides to residential, commercial and multifamily customers.

The new category creates an opportunity to **generate additional revenue from Carolina Stone's existing customer base**, while leveraging much of the same infrastructure and overhead. **It also expands Carolina Stone's addressable market to projects that may not use traditional masonry.**

"Carolina Stone operates in one of the country's fastest-growing markets and has built strong relationships with the region's leading builders," said Matthew Lipman, Chief Executive Officer.

"Expanding into siding gives us another way to serve those customers while significantly increasing the market we can address. We see a compelling opportunity to drive additional revenue across both new and existing relationships, using the infrastructure we already have in place."

Key Highlights:

- **Expanded Addressable Market:** Entering siding expands Carolina Stone beyond traditional stone veneer and masonry installation into a significant adjacent building-products category.
- **New Revenue Opportunities:** Carolina Stone can offer siding to its existing base of residential, commercial and multifamily customers, creating additional revenue opportunities across existing relationships.
- **Capital-Efficient Organic Growth:** The expansion leverages Carolina Stone's existing customer relationships, installation capabilities and operating infrastructure without requiring a proportionate increase in its cost base.
- **Turnkey Offering:** Carolina Stone will provide both siding products and installation, extending its existing turnkey model into the new category.

- **Platform Strategy:** The expansion demonstrates Capstone's strategy of acquiring strong regional businesses and driving additional organic growth by adding products, services and customer opportunities through its broader platform.

The siding expansion builds on **a period of growth for Carolina Stone** since its acquisition by Capstone in August 2025. The business has expanded relationships with major national homebuilders and entered the Wilmington-Myrtle Beach corridor, extending Capstone's product and installation capabilities across one of the Southeast's most active homebuilding markets. Myrtle Beach, Wilmington and Raleigh were among the ten fastest-growing metropolitan areas in the country from July 2024 to July 2025, according to the U.S. Census Bureau. The Company expects strong growth at Carolina Stone in 2027.

The launch represents another step in Capstone's strategy to generate organic growth from its acquired businesses by expanding their addressable markets and increasing the products and services sold through existing customer relationships. **On October 1, [the Company identified](#)** Carolina Stone's planned siding expansion as one of its next organic growth initiatives.

For more information, visit Capstone's Investor Relations website at www.capstoneholdingcorp.com.

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.

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 the expansion of Carolina Stone into siding, potential revenue growth and market opportunities, 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 June 30, 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.

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