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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 30, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission file number 001-40863

WOLFSPEED, INC.

(Exact name of registrant as specified in its charter)

North Carolina	**56-1572719**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
4600 Silicon Drive	
Durham North Carolina	**27703**
(Address of principal executive offices)	**(Zip Code)**

(919) 407-5300

(Registrant’s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.00125 par value	WOLF	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer”, “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Securities Act. ☐
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒
The number of shares outstanding of the registrant’s common stock, par value $0.00125 per share, as of May 2, 2025, was **155,626,720**.

WOLFSPEED, INC.
FORM 10-Q

For the Quarterly Period Ended March 30, 2025

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

WOLFSPEED, INC.
UNAUDITED CONSOLIDATED BALANCE SHEETS

(in millions of U.S. Dollars, except share data in thousands)	**March 30, 2025**	**June 30, 2024**
Assets		
Current assets:		
Cash and cash equivalents	$730.2	$1,045.9
Short-term investments	599.4	1,128.7
Total cash, cash equivalents and short-term investments	1,329.6	2,174.6
Accounts receivable, net	164.6	147.4
Inventories	459.1	440.7
Prepaid expenses	81.2	56.6
Investment tax credit receivable	586.2	—
Other current assets	249.5	180.3
Total current assets	2,870.2	2,999.6
Property and equipment, net	3,911.6	3,652.3
Goodwill	359.2	359.2
Intangible assets, net	23.8	23.9
Long-term receivables	3.0	2.3
Other long-term investments	—	79.3
Deferred tax assets	1.1	1.1
Long-term investment tax credit receivable	133.5	641.8
Other assets	271.8	225.1
Total assets	$7,574.2	$7,984.6
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$392.6	$523.6
Contract liabilities and distributor-related reserves	44.6	62.3
Income taxes payable	1.1	1.0
Finance lease liabilities	0.5	0.5
Other current liabilities	179.7	77.9
Total current liabilities	618.5	665.3
Long-term liabilities:		
Long-term debt	3,469.8	3,126.2
Convertible notes, net	3,042.0	3,034.9
Deferred tax liabilities	10.8	10.8
Finance lease liabilities - long-term	8.5	8.9
Other long-term liabilities	211.9	256.4
Total long-term liabilities	6,743.0	6,437.2
Commitments and contingencies		
Shareholders’ equity:		
Preferred stock, par value $0.01; 3,000 shares authorized at March 30, 2025 and June 30, 2024; none issued and outstanding	—	—
Common stock, par value $0.00125; 400,000 shares authorized at March 30, 2025 and June 30, 2024; 155,623 and 126,409 shares issued and outstanding at March 30, 2025 and June 30, 2024, respectively	0.2	0.2
Additional paid-in-capital	4,085.2	3,821.9
Accumulated other comprehensive loss	(4.4)	(11.6)
Accumulated deficit	(3,868.3)	(2,928.4)
Total shareholders’ equity	212.7	882.1
Total liabilities and shareholders’ equity	$7,574.2	$7,984.6

The accompanying notes are an integral part of the consolidated financial statements

WOLFSPEED, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions of U.S. Dollars, except share data)	**Three months ended**		**Nine months ended**	
	March 30, 2025	**March 31, 2024**	**March 30, 2025**	**March 31, 2024**
Revenue, net	$185.4	$200.7	$560.6	$606.5
Cost of revenue, net	207.9	178.2	656.5	531.5
Gross (loss) profit	(22.5)	22.5	(95.9)	75.0
Operating expenses:				
Research and development	42.2	52.5	137.5	141.9
Sales, general and administrative	41.1	55.8	154.4	184.8
Factory start-up costs	23.5	14.4	66.0	33.3
Amortization of acquisition-related intangibles	0.3	0.3	0.9	0.9
Loss on disposal or impairment of long-lived assets	31.1	0.6	157.5	1.0
Other operating expense	33.8	5.3	135.4	12.5
Operating loss	(194.5)	(106.4)	(747.6)	(299.4)
Non-operating expense, net	90.9	42.4	191.9	98.7
Loss before income taxes	(285.4)	(148.8)	(939.5)	(398.1)
Income tax expense	0.1	0.1	0.4	0.6
Net loss from continuing operations	(285.5)	(148.9)	(939.9)	(398.7)
Net loss from discontinued operations	—	—	—	(290.6)
Net loss	($285.5)	($148.9)	($939.9)	($689.3)
Basic and diluted loss per share				
Continuing operations	($1.86)	($1.18)	($6.88)	($3.18)
Net loss	($1.86)	($1.18)	($6.88)	($5.49)
Weighted average shares - basic and diluted (in thousands)	153,897	125,830	136,550	125,514

The accompanying notes are an integral part of the consolidated financial statements

WOLFSPEED, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Three months ended		Nine months ended	
(in millions of U.S. Dollars)	**March 30, 2025**	**March 31, 2024**	**March 30, 2025**	**March 31, 2024**
Net loss	($285.5)	($148.9)	($939.9)	($689.3)
Other comprehensive income (loss):				
Net unrealized gain (loss) on available-for-sale securities	1.3	(0.5)	7.2	12.4
Comprehensive loss	(284.2)	(149.4)	(932.7)	(676.9)

The accompanying notes are an integral part of the consolidated financial statements

WOLFSPEED, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock					
(in millions of U.S. Dollars, except share data in thousands)	Number of Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at June 30, 2024	**126,409**	**$0.2**	**$3,821.9**	**($2,928.4)**	**($11.6)**	**$882.1**
Net loss	—	—	—	(282.2)	—	(282.2)
Unrealized gain on available-for-sale securities	—	—	—	—	7.3	7.3
Tax withholding on vested equity awards	—	—	(3.6)	—	—	(3.6)
Stock-based compensation	479	—	25.3	—	—	25.3
Balance at September 29, 2024	**126,888**	**$0.2**	**$3,843.6**	**($3,210.6)**	**($4.3)**	**$628.9**
Net loss	—	—	—	(372.2)	—	(372.2)
Net unrealized loss on available-for-sale securities	—	—	—	—	(1.4)	(1.4)
Tax withholding on vested equity awards	—	—	(0.1)	—	—	(0.1)
Stock-based compensation	99	—	19.7	—	—	19.7
Issuance of shares under employee stock purchase plan	773	—	8.8	—	—	8.8
Issuance of shares under the at-the-market offering program, net of issuance costs	10,919	—	88.9	—	—	88.9
Balance at December 29, 2024	**138,679**	**$0.2**	**$3,960.9**	**($3,582.8)**	**($5.7)**	**$372.6**
Net loss	—	—	—	(285.5)	—	(285.5)
Net unrealized gain on available-for-sale securities	—	—	—	—	1.3	1.3
Tax withholding on vested equity awards	—	—	(0.2)	—	—	(0.2)
Stock-based compensation	69	—	18.2	—	—	18.2
Issuance of shares under the at-the-market offering program, net of issuance costs	16,875	—	106.3	—	—	106.3
Balance at March 30, 2025	**155,623**	**$0.2**	**$4,085.2**	**($3,868.3)**	**($4.4)**	**$212.7**

The accompanying notes are an integral part of the consolidated financial statements

WOLFSPEED, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock					
(in millions of U.S. Dollars, except share data in thousands)	**Number of Shares**	**Par Value**	**Additional Paid-in Capital**	**Accumulated Deficit**	**Accumulated Other Comprehensive Loss**	**Total Shareholders' Equity**
Balance at June 25, 2023	**124,794**	**$0.2**	**$3,711.0**	**($2,064.2)**	**($25.1)**	**$1,621.9**
Net loss	—	—	—	(395.7)	—	(395.7)
Unrealized gain on available-for-sale securities	—	—	—	—	1.9	1.9
Tax withholding on vested equity awards	—	—	(15.0)	—	—	(15.0)
Stock-based compensation	506	—	32.1	—	—	32.1
Exercise of stock options and issuance of shares	21	—	0.5	—	—	0.5
Balance at September 24, 2023	**125,321**	**$0.2**	**$3,728.6**	**($2,459.9)**	**($23.2)**	**$1,245.7**
Net loss	—	—	—	(144.7)	—	(144.7)
Unrealized gain on available-for-sale securities	—	—	—	—	11.0	11.0
Tax withholding on vested equity awards	—	—	(2.0)	—	—	(2.0)
Stock-based compensation	104	—	29.8	—	—	29.8
Exercise of stock options and issuance of shares under employee stock purchase plan	360	—	10.4	—	—	10.4
Balance at December 31, 2023	**125,785**	**$0.2**	**$3,766.8**	**($2,604.6)**	**($12.2)**	**$1,150.2**
Net loss	—	—	—	(148.9)	—	(148.9)
Unrealized loss on available-for-sale securities	—	—	—	—	(0.5)	(0.5)
Tax withholding on vested equity awards	—	—	(0.7)	—	—	(0.7)
Stock-based compensation	48	—	22.5	—	—	22.5
Balance at March 31, 2024	**125,833**	**$0.2**	**$3,788.6**	**($2,753.5)**	**($12.7)**	**$1,022.6**

The accompanying notes are an integral part of the consolidated financial statements

WOLFSPEED, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended	
(in millions of U.S. Dollars)	**March 30, 2025**	**March 31, 2024**
Operating activities:		
Net loss	($939.9)	($689.3)
Net loss from discontinued operations	—	(290.6)
Net loss from continuing operations	(939.9)	(398.7)
Adjustments to reconcile net loss to cash used in operating activities from continuing operations:		
Depreciation and amortization	191.7	135.7
Amortization of debt issuance costs and discount, net of non-cash capitalized interest	34.7	21.7
Stock-based compensation	62.7	63.9
Unrealized loss (gain) on equity investment	9.2	(7.3)
Loss on disposal or impairment of property and equipment	152.7	1.0
Impairment of ROU Assets	4.8	—
Amortization of premium on investments, net	(7.8)	(21.4)
Paid-in-kind interest on long-term debt	75.5	—
Deferred income taxes	—	0.1
Changes in operating assets and liabilities:		
Accounts receivable, net	(17.2)	30.5
Inventories	(20.8)	(132.9)
Prepaid expenses and other assets	7.3	(83.6)
Accounts payable	(16.7)	(48.2)
Accrued salaries and wages and other liabilities	22.5	(4.3)
Contract liabilities and distributor-related reserves	(27.9)	11.7
Net cash used in operating activities of continuing operations	(469.2)	(431.8)
Net cash used in operating activities of discontinued operations	—	(54.3)
Cash used in operating activities	(469.2)	(486.1)
Investing activities:		
Purchases of property and equipment	(1,059.5)	(1,629.7)
Purchases of patent and licensing rights	(3.9)	(4.3)
Proceeds from sale of property and equipment	1.0	0.4
Purchases of short-term investments	(243.2)	(1,488.6)
Proceeds from maturities of short-term investments	773.1	1,244.1
Proceeds from sale of short-term investments	39.4	52.7
Reimbursement of capital expenditures from incentives and investment credits	238.6	178.4
Proceeds from sale of business	—	75.6
Net cash used in investing activities of continuing operations	(254.5)	(1,571.4)
Net cash used in investing activities of discontinued operations	—	(3.1)
Cash used in investing activities	(254.5)	(1,574.5)
Financing activities:		
Proceeds from long-term debt borrowings	240.0	1,500.0
Payments of debt issuance costs and commitment fees	(40.2)	(46.0)
Proceeds from issuance of common stock	203.9	10.9
Tax withholding on vested equity awards	(3.9)	(17.5)
Payments on long-term debt borrowings, including finance lease obligations	(0.4)	(0.3)
Incentive-related escrow refunds	10.0	—
Commitment fees on long-term incentive agreement	(1.5)	(1.0)
Cash provided by financing activities	407.9	1,446.1
Effects of foreign exchange changes on cash and cash equivalents	0.1	(0.1)
Net change in cash and cash equivalents	(315.7)	(614.6)
Cash and cash equivalents, beginning of period	1,045.9	1,757.0
Cash and cash equivalents, end of period	$730.2	$1,142.4

The accompanying notes are an integral part of the consolidated financial statements

WOLFSPEED, INC.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Basis of Presentation and New Accounting Standards

Overview

Wolfspeed, Inc. (the Company) is an innovator of wide bandgap semiconductors, focused on silicon carbide materials and devices for power applications. The Company's product families include silicon carbide materials and power devices targeted for various applications such as electric vehicles, fast charging and renewable energy and storage.

Previously, the Company designed, manufactured and sold radio-frequency (RF) devices. As discussed more fully below in Note 2, "Discontinued Operations," on December 2, 2023, the Company completed the sale of certain assets comprising its RF product line. The Company classified the results and cash flows of the RF product line as discontinued operations in its consolidated statements of operations and consolidated statements of cash flows for the fiscal year ended June 30, 2024 (fiscal 2024). Unless otherwise noted, discussion within these notes to the consolidated financial statements relates to the Company's continuing operations.

Basis of Presentation

The consolidated financial statements presented herein have been prepared by the Company and have not been audited. In the opinion of management, all normal and recurring adjustments necessary to fairly state the consolidated financial position, results of operations, comprehensive loss, shareholders' equity and cash flows at March 30, 2025, and for all periods presented, have been made. All material intercompany accounts and transactions have been eliminated. The consolidated balance sheet at June 30, 2024 has been derived from the audited financial statements as of that date.

Certain prior period amounts in the accompanying consolidated financial statements and notes have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported net loss or shareholders' equity.

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for interim information and with the instructions to Form 10-Q and Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for annual financial statements. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2024 (the 2024 Form 10-K). The results of operations for the three and nine months ended March 30, 2025 are not necessarily indicative of the operating results that may be attained for the entire fiscal year ending June 29, 2025 (fiscal 2025).

Liquidity

In accordance with U.S. GAAP, management considers whether there are conditions or events that raise substantial doubt about the Company's ability to continue as a going concern for the twelve months following the issuance date of its financial statements.

As of March 30, 2025, the Company had approximately $6.5 billion of debt obligations, as further discussed in Note 9 "Long-term Debt." Considering the significant amount of the Company's outstanding indebtedness and related debt service expense, the Company engaged external advisors to assist with the evaluation of a number of strategic alternatives, including a potential out-of-court or in-court capital restructuring. These alternatives include, but are not limited to, restructuring, refinancing or amending the Company's existing debt, seeking new financing or pursuing asset sales to bolster liquidity. The Company has actively engaged in discussions and negotiations with certain holders of its indebtedness regarding the terms of a potential restructuring with a goal of not impacting its customers, vendors and employees in the ordinary course of business. These discussions and negotiations are ongoing and the terms of any potential restructuring have not been agreed upon by the parties. Notwithstanding the Company's efforts, there can be no assurance that the Company will reach an agreement on acceptable terms and conditions with respect to a restructuring or other transaction in a timely manner or at all. Any restructuring or other transaction, to which the Company may agree, may be conditioned on a requirement that the transaction be implemented through an in-court solution. Although there can be no assurance that the Company will pursue or successfully complete a restructuring or other transaction, any restructuring or other transaction is expected to be costly, would likely be substantially dilutive to the Company's existing shareholders and would likely limit the Company's ability to utilize its net operating loss carry forwards (and/or other nonrefundable tax attributes). The Company's ability to generate and monetize certain refundable tax credits, such as the Advanced Manufacturing Investment Credits (AMIC), is not anticipated to be limited as a result of any potential strategic alternatives being pursued.

While the Company considers these strategic alternatives, the Company retains sufficient liquidity in the near term, with approximately $1,329.6 million of unrestricted cash and cash equivalents and short-term investments on its unaudited consolidated balance sheet as of March 30, 2025, compared to scheduled debt repayments and debt service costs of $575 million and $322 million, respectively, over the next 12 months. The Company plans to submit for approximately $600 million in cash tax refunds related to the amounts eligible for reimbursement under the AMIC over the next 12 months.

The Company expects that its current operating forecast over the next 12 months will allow the Company to maintain operations and meet its obligations to customers, vendors and employees in the ordinary course of business. However, due to the Company’s ongoing consideration of an in-court restructuring that would result in an event of default during the implementation of that potential solution, management has concluded that there is substantial doubt about the Company’s ability to continue as a going concern as of the issuance date, in accordance with the requirements of ASC 205-40, “Presentation of Financial Statements – Going Concern.”

The accompanying unaudited consolidated financial statements have been prepared on the basis that the Company will continue to operate as a going concern, which contemplates that the Company will be able to realize assets and settle liabilities and commitments in the normal course of business for twelve months following the date of this filing. Accordingly, the accompanying unaudited consolidated financial statements do not include any adjustments that may result from the outcome of these uncertainties.

Summary of Significant Accounting Policies

There were no material changes to the Company's significant accounting policies during the nine months ended March 30, 2025 compared to the significant accounting policies described in the Company's fiscal 2024 Form 10-K.

Financial Statement Details

Accounts Receivable, net

(in millions of U.S. Dollars)	**March 30, 2025**	**June 30, 2024**
Billed trade receivables	$161.4	$143.3
Unbilled contract receivables	2.4	3.5
Royalties	1.5	1.3
	165.3	148.1
Allowance for bad debts	(0.7)	(0.7)
Accounts receivable, net	$164.6	$147.4

Inventories

(in millions of U.S. Dollars)	**March 30, 2025**	**June 30, 2024**
Raw material	$150.9	$138.7
Work-in-progress	304.3	290.5
Finished goods	3.9	11.5
Inventories	$459.1	$440.7

Other Current Assets

(in millions of U.S. Dollars)	March 30, 2025	June 30, 2024
Reimbursement receivable on long-term incentive agreement	$33.1	$85.8
Assets held for sale[(1)]	83.2	—
MACOM Shares[(2)]	70.1	—
Other	63.1	94.5
Other current assets	$249.5	$180.3

(1): During the third quarter of fiscal 2025, the Company determined three facilities met the held-for-sale criteria under Accounting Standards Codification (ASC) 360. The assets included in each of the disposal groups were measured at the lower of their carrying value or fair value less costs to sell.

(2): Refer to Note 2, "Discontinued Operations," and Note 7, "Fair Value of Financial Instruments," to the consolidated financial statements included herein for additional information.

Assets Held for Sale

The Company classifies an asset as held for sale when all of the criteria set forth in the Accounting Standards Codification (ASC) Topic 360: *Property, Plant and Equipment* ("ASC 360") have been met. The criteria are as follows: (i) management, having the authority to approve the action, commits to a plan to sell the property; (ii) the property is available for immediate sale in its present condition, subject only to terms that are usual and customary; (iii) an active program to locate a buyer and other actions required to complete the plan to sell have been initiated; (iv) the sale of the property is probable and is expected to be completed within one year; (v) the property is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (vi) actions necessary to complete the plan of sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. At the time the Company classifies a property as held for sale, the Company ceases recording depreciation and amortization. A property classified as held for sale is measured and reported at the lower of its carrying amount or its estimated fair value less cost to sell.

As of March 30, 2025, the Company recorded $83.2 million in assets held for sale included within other current assets on the consolidated balance sheet and an immaterial loss was recorded in Loss on disposal or impairment of long-lived assets within the accompanying consolidated statement of operations. The assets held for sale consisted of three properties including buildings, building improvements and land of idled properties located in Farmer's Branch, Texas and Durham, North Carolina and the Company's property located in Research Triangle Park, North Carolina (the RTP Facility). The disposal of properties classified as held for sale does not represent a strategic shift that has (or will have) a major effect on our operations or financial results and therefore does not meet the criteria for classification as a discontinued operation. The sale of the assets is expected to occur within the next twelve months.

Investment Tax Credit Receivable

The Company is eligible for AMIC in connection with ongoing expansion projects. The AMIC is a refundable federal tax credit provided under Internal Revenue Code Section 48D, which was enacted by the United States CHIPS and Science Act of 2022 (the CHIPS Act). In the third quarter of fiscal 2025, the Company received $192.1 million in cash tax refunds related to its fiscal 2023 and fiscal 2024 federal tax filings, inclusive of $5.6 million of interest income. As of March 30, 2025, the Company has recorded a short-term and long-term receivable of $586.2 million and $133.5 million, respectively, and the Company has reduced property and equipment, net by $906.2 million as a result of expected proceeds under the AMIC.

Accounts Payable and Accrued Expenses

(in millions of U.S. Dollars)	March 30, 2025	June 30, 2024
Accounts payable, trade	$59.3	$53.0
Accrued property and equipment	219.4	366.0
Accrued salaries and wages	72.3	64.2
Accrued expenses	41.6	40.4
Accounts payable and accrued expenses	$392.6	$523.6

Other Current Liabilities

(in millions of U.S. Dollars)	March 30, 2025	June 30, 2024
Accrued interest	$51.8	$7.3
RF Supply Agreement Liabilities[1]	75.6	47.0
Other	52.3	23.6
Other current liabilities	$179.7	$77.9

(1): Refer to Note 2, "Discontinued Operations," to the consolidated financial statements included herein for additional information.

Other Operating Expense

	Three months ended		Nine months ended	
(in millions of U.S. Dollars)	March 30, 2025	March 31, 2024	March 30, 2025	March 31, 2024
Legal settlements	$17.0	—	$17.0	—
Restructuring and other exit costs	10.0	$—	$95.0	$—
Executive severance costs	—	—	1.4	—
Project, transformation and transaction costs	6.8	5.3	20.6	12.5
Other	—	—	1.4	—
Other operating expense	$33.8	$5.3	$135.4	$12.5

Accumulated Other Comprehensive Loss, net of taxes

Accumulated other comprehensive loss, net of taxes, consisted of $4.4 million and $11.6 million of net unrealized losses on available-for-sale securities as of March 30, 2025 and June 30, 2024, respectively. Amounts for both periods include a $2.4 million loss related to tax on unrealized loss on available-for-sale securities.

Non-Operating Expense, net

	Three months ended		Nine months ended	
(in millions of U.S. Dollars)	March 30, 2025	March 31, 2024	March 30, 2025	March 31, 2024
Interest income	(19.4)	(30.1)	(58.6)	(108.9)
Interest expense, net of capitalized interest	85.4	59.5	230.4	185.5
Loss on customs matter[1]	—	7.7	—	7.7
Loss on Wafer Supply Agreement	—	6.9	9.2	20.4
Unrealized loss (gain) on equity investment	24.9	(1.9)	9.2	(7.3)
Other, net	—	0.3	1.7	1.3
Non-operating expense, net	$90.9	$42.4	$191.9	$98.7

[1] In the third quarter of fiscal 2024, the Company accrued a liability for payment of customs duties totaling approximately $7.7 million for alleged undervalued duties related to transactions by the Company's former Lighting Products business unit from 2012 to 2017.

Statements of Cash Flows - non-cash activities

	Nine months ended	
(in millions of U.S. Dollars)	**March 30, 2025**	**March 31, 2024**
Decrease in property, plant and equipment from investment tax credit receivables	$264.5	$348.0
Decrease in property, plant and equipment from long-term incentive related receivables	—	107.3
Proceeds on sale of business received in U.S. corporation common stock	—	60.8
Receivables in connection with short-term investment maturities	—	15.0
Decrease in property, plant and equipment from insurance receivable	—	2.2
Lease asset and liability additions	35.2	1.8
Lease asset and liability modifications, net	2.9	0.9
Lease asset impairment	(4.8)	—
Commitment fee payable for 2030 Senior Notes	15.2	—

Recently Adopted Accounting Pronouncements

None.

Accounting Pronouncements Pending Adoption

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-07, Segment Reporting (Topic 280): Improvements to Segment Reporting Disclosures, to update reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses and information used to assess segment performance. In addition, this amendment will require annual disclosures to be provided on an interim basis. These disclosures are also required for entities with a single reportable segment. The amendments require retrospective application to all periods presented. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company does not expect the adoption of this standard to have a material impact on its financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Tax Disclosures, which requires disaggregated information about an entity's income tax rate reconciliation as well as information regarding cash taxes paid both in the United States and foreign jurisdictions. The amendments should be applied prospectively, with retrospective application permitted. The amendments are effective for annual periods beginning after December 15, 2024 with early adoption permitted. The Company is currently evaluating the impacts of adopting this guidance on its financial statement disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement (Topic 220): Disaggregation of Income Statement Expenses, to require additional disclosures of certain amounts included in the expense captions presented on the Statement of Operations as well as disclosures about selling expenses. In January 2025, the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. The ASU is effective on a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027, and early adoption is permitted. The Company is currently evaluating the impacts of adopting this guidance on its financial statement disclosures.

Note 2 – Discontinued Operations

RF Business Divestiture

On December 2, 2023 (the RF Closing), the Company completed the sale of its RF product line (the RF Business) to MACOM Technology Solutions Holdings, Inc. (MACOM) pursuant to the terms of the previously reported Asset Purchase Agreement (the RF Purchase Agreement). Pursuant to the RF Purchase Agreement, the Company received approximately $75 million in cash and 711,528 shares of MACOM common stock (the MACOM Shares).

In connection with the divestiture of the RF Business (the RF Business Divestiture), MACOM will assume control of the Company's 100mm gallium nitride (GaN) wafer fabrication facility in Research Triangle Park, North Carolina (the RTP Fab) approximately two years following the RF Closing (the RTP Fab Transfer). The RTP Fab Transfer will occur in the future to accommodate the Company's relocation of certain production equipment currently located in the RTP Fab to its fabrication facility in Durham, North Carolina. Prior to the RTP Fab Transfer, the MACOM Shares are subject to restrictions on transfer. The Company will forfeit one-quarter of the MACOM Shares if the RTP Fab Transfer has not occurred by the fourth anniversary of the RF Closing.

The Company and MACOM also entered into certain ancillary and related agreements, including (i) an Intellectual Property Assignment and License Agreement, which assigned to MACOM certain intellectual property owned by the Company and its affiliates and licensed to MACOM certain additional intellectual property owned by the Company, (ii) a Transition Services Agreement (the RF TSA), pursuant to which the Company provides MACOM certain limited transition services following the RF Closing, (iii) a Master Supply Agreement, pursuant to which the Company will continue to operate the RTP Fab and supply MACOM with Epi-wafers and fabrication services (the RF Master Supply Agreement) through the date on which the RTP Fab Transfer is complete (the RTP Fab Transfer Date), (iv) a Long-Term Epi Supply Agreement (the Long-Term Epi Supply Agreement), pursuant to which MACOM will purchase from the Company Epi-wafers from the RTP Fab Transfer Date until the fifth anniversary of the RTP Fab Transfer Date, (v) an Epi Research and Development Agreement, pursuant to which the Company will provide MACOM certain research and development activities and other technical manufacturing support services related to the RF Business during the period between the RF Closing and expiration of the Long-Term Epi Supply Agreement, and (vi) a Real Estate License Agreement (the RF RELA), which allows MACOM to use certain portions of the RTP Fab to conduct the RF Business through the RTP Fab Transfer Date. In connection with the sale of the RTP Facility, an affiliate of MACOM is expected to enter into a Lease Agreement with the purchaser of the RTP Facility and the Company will enter into a Sublease Agreement with the MACOM lessor, which will allow Wolfspeed to lease the premises of the RTP Fab until the RTP Fab Transfer Date (except for the portion covered by the RF RELA, which MACOM will retain).

Because the RF Business Divestiture represented a strategic shift that had and will continue to have a major effect on the Company's operations and financial results, the Company classified the results of the RF Business as discontinued operations in the Company's consolidated statements of operations for fiscal 2024. The Company ceased recording depreciation and amortization of long-lived assets that conveyed in the RF Purchase Agreement upon classification as discontinued operations in August 2023.

The following table presents the financial results of the RF Business as loss from discontinued operations, net of income taxes in the Company's consolidated statements of operations:

(in millions of U.S. Dollars)	**Nine months ended March 31, 2024**
Revenue, net	$59.6
Cost of revenue, net	68.7
Gross profit (loss)	(9.1)
Operating expenses:	
Research and development	30.5
Sales, general and administrative	13.9
Amortization of intangibles	1.5
Loss on disposal of assets	0.3
Other operating expense	24.3
Loss before income taxes and loss on sale	(79.6)
Loss on sale	204.0
Loss before income taxes	(283.6)
Income tax expense	7.0
Net loss	($290.6)

At the inception of the RF Master Supply Agreement, the Company recorded a supply agreement liability of $95.0 million, of which $34.3 million and $67.0 million was outstanding as of March 30, 2025 and June 30, 2024, respectively. The supply agreement liability is recognized in other current liabilities on the consolidated balance sheet as of March 30, 2025 and in other current liabilities and other long-term liabilities on the consolidated balance sheet as of June 30, 2024. A receivable of $6.5 million and $4.6 million in connection with the RF Master Supply Agreement is included in other current assets in the consolidated balance sheet as of March 30, 2025 and June 30, 2024, respectively.

Additionally, the Company recorded a supply agreement liability of $58.0 million for the Long-Term Epi Supply Agreement, which is recognized in other current liabilities and other long-term liabilities on the consolidated balance sheet as of March 30, 2025 and in other long-term liabilities on the consolidated balance sheet as of June 30, 2024. The Company recorded a liability of $38.0 million for the future transfer of assets in connection with the RTP Fab Transfer. This liability is recognized in other current liabilities on the consolidated balance sheet as of March 30, 2025 and in other long-term liabilities on the consolidated balance sheet as of June 30, 2024.

LED Business Divestiture

On March 1, 2021, the Company completed the sale of certain assets and subsidiaries comprising its former LED Products segment (the LED Business) to SMART Global Holdings, Inc. (SGH) and its wholly owned subsidiary CreeLED, Inc. (CreeLED and collectively with SGH, SMART) (the LED Business Divestiture) pursuant to the terms of the Asset Purchase Agreement (the LED Purchase Agreement), dated October 18, 2020, as amended.

In connection with the closing of the LED Business Divestiture, the Company and CreeLED also entered into certain ancillary and related agreements, including a Wafer Supply and Fabrication Services Agreement (the Wafer Supply Agreement), pursuant to which the Company supplied CreeLED with certain silicon carbide materials and fabrication services. In fiscal 2024, the Company entered into an amendment to the Wafer Supply Agreement to terminate the agreement as of September 30, 2024.

For the three and nine months ended March 30, 2025, the Company recognized a net loss of $0.0 million and $9.2 million, respectively, in non-operating expense, net related to the Wafer Supply Agreement. For the three and nine months ended March 31, 2024, the Company recognized a net loss of $6.9 million and $20.4 million, respectively, in non-operating expense, net related to the Wafer Supply Agreement.

Note 3 – Revenue Recognition

Contract liabilities and distributor-related reserves were $60.1 million as of March 30, 2025 and $88.0 million as of June 30, 2024. Contract liabilities are recorded within contract liabilities and distributor-related reserves and other long-term liabilities on the consolidated balance sheets.

Product Line Revenue

The Company's continuing operations sells products from within two product lines: Power Products and silicon carbide and GaN materials (Materials Products). Revenue from these two product lines is as follows:

	Three months ended		**Nine months ended**	
(in millions of U.S. Dollars)	**March 30, 2025**	**March 31, 2024**	**March 30, 2025**	**March 31, 2024**
Power Products	$107.5	$102.1	$295.4	$311.0
Materials Products	77.9	98.6	265.2	295.5
Total	$185.4	$200.7	$560.6	$606.5

Geographic Information

The Company conducts business in several geographic areas. Revenue is attributed to a particular geographic region based on the shipping address for the products. Disaggregated continuing operations revenue from external customers by geographic area is as follows:

	Three months ended				Nine months ended			
	March 30, 2025		March 31, 2024		March 30, 2025		March 31, 2024	
(in millions of U.S. Dollars)	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue
Asia Pacific [1]	$61.9	33.4 %	58.7	29.2 %	$221.0	39.4 %	161.9	26.7 %
Europe	34.1	18.4 %	79.7	39.7 %	123.7	22.1 %	227.7	37.5 %
Hong Kong	28.1	15.2 %	24.2	12.1 %	80.9	14.4 %	97.6	16.1 %
United States	38.4	20.7 %	28.2	14.1 %	84.5	15.1 %	93.9	15.5 %
China	21.9	11.8 %	9.6	4.8 %	48.9	8.7 %	23.9	3.9 %
Other	1.0	0.5 %	0.3	0.1 %	1.6	0.3 %	1.5	0.3 %
Total	$185.4		$200.7		$560.6		$606.5	

[1] Excluding China and Hong Kong

Note 4 – Leases

The Company primarily leases manufacturing and office spaces and bulk gas equipment. Lease agreements frequently include renewal provisions and require the Company to pay real estate taxes, insurance and maintenance costs. Variable costs include lease payments that were volume or usage-driven in accordance with the use of the underlying asset, as well as non-lease components incurred with respect to actual terms rather than contractually fixed amounts.

The Company's finance lease obligations primarily relate to contract manufacturing space in Malaysia and a 49-year ground lease on the Company's silicon carbide device fabrication facility in New York.

Balance Sheet

Lease assets and liabilities are as follows (in millions of U.S. Dollars):

Operating Leases:	**March 30, 2025**	**June 30, 2024**
Right-of-use asset [1]	$125.4	$99.2
Current lease liability [2]	9.4	6.9
Non-current lease liability [3]	141.8	114.0
Total operating lease liabilities	$151.2	$120.9
Finance Leases:		
Finance lease assets [4]	$8.5	$9.1
Current portion of finance lease liabilities	0.5	0.5
Finance lease liabilities, less current portion	8.5	8.9
Total finance lease liabilities	$9.0	$9.4

[1] Within other assets on the consolidated balance sheets.
[2] Within other current liabilities on the consolidated balance sheets.
[3] Within other long-term liabilities on the consolidated balance sheets.
[4] Within property and equipment, net on the consolidated balance sheets.

Statement of Operations

(in millions of U.S. Dollars)	Three months ended		Nine months ended	
	March 30, 2025	**March 31, 2024**	**March 30, 2025**	**March 31, 2024**
Operating lease expense	$4.3	$3.3	$12.4	$10.5
Finance lease amortization	0.2	0.2	0.6	0.6

Interest expense for finance leases was immaterial for all periods presented.

Cash Flows

Cash flow information consisted of the following [1]:

(in millions of U.S. Dollars)	Nine months ended	
	March 30, 2025	**March 31, 2024**
Cash (used in) provided by operating activities from continuing operations:		
Cash paid for operating leases	($4.0)	($5.6)
Cash received for tenant allowance on operating lease	—	0.4
Cash paid for interest portion of financing leases	(0.1)	(0.2)
Cash used in financing activities:		
Cash paid for principal portion of finance leases	(0.1)	(0.4)

[1] See Note 1, "Statements of Cash Flows - non-cash activities," for non-cash activities related to leases.

Lease Liability Maturities

Maturities of operating and finance lease liabilities as of March 30, 2025 were as follows (in millions of U.S. Dollars):

Fiscal Year Ending	**Operating Leases**	**Finance Leases**	**Total**
June 29, 2025 (remainder of fiscal 2025)	$4.6	$0.2	$4.8
June 28, 2026	17.0	0.8	17.8
June 27, 2027	16.4	0.5	16.9
June 25, 2028	16.2	0.2	16.4
June 24, 2029	16.3	0.2	16.5
Thereafter	134.3	13.7	148.0
Total lease payments	204.8	15.6	220.4
Future tenant improvement allowances	(1.5)	—	(1.5)
Imputed lease interest	(52.1)	(6.6)	(58.7)
Total lease liabilities	$151.2	$9.0	$160.2

Supplemental Disclosures

	Operating Leases	**Finance Leases**
Weighted average remaining lease term (in months) [1]	154	480
Weighted average discount rate [2]	4.69 %	2.66 %

[1] Weighted average remaining lease term of finance leases without the 49-year ground lease is 20 months.
[2] Weighted average discount rate of finance leases without the 49-year ground lease is 3.86%.

As of March 30, 2025, the Company has entered into an agreement containing operating leases for bulk gas equipment. This arrangement contains approximately $35 million of additional ROU liability obligations that have not yet commenced. The Company expects these operating leases will commence in future periods with initial lease terms of 15 years.

Lease Income

On December 1, 2023 and in connection with the RF Business Divestiture discussed in Note 2, “Discontinued Operations,” the Company entered into the RF RELA pursuant to which the Company leases to MACOM approximately 25,659 square feet of the RTP Facility for a total of $0.7 million per year. The RF RELA is expected to be terminated by the parties in connection with the sale of the RTP Facility discussed under Note 1, "Basis of Presentation and New Accounting Standards - Financial Statement Details - Assets Held for Sale."

Lease Impairment

For the three and nine months ended March 30, 2025, the Company recorded $4.8 million of non-cash impairment charges for the abandonment of right-of-use (ROU) assets as a result of the ongoing factory consolidation and optimization initiatives. The impairment of the ROU assets is included in "Loss on disposal or impairment of other long-lived assets" within the accompanying consolidated statement of operations. Refer to Note 13 - "Restructuring" to the consolidated financial statements included herein.

Note 5 – Commitments and Contingencies

Litigation

The Company is currently a party to various legal proceedings, including the cases described below. While management presently believes that the ultimate outcome of such proceedings, individually and in the aggregate, will not materially harm the Company’s financial position, cash flows, or overall trends in results of operations, legal proceedings are subject to inherent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include monetary damages or, in matters for which injunctive relief or other conduct remedies may be sought, an injunction prohibiting the Company from selling one or more products at all or in particular ways. Were unfavorable final outcomes to occur, there exists the possibility of a material adverse impact on the Company’s business, results of operations, financial position and overall trends. The outcomes in these matters are not reasonably estimable.

In October 2021, The Trustees of Purdue University (Purdue) filed a complaint against the Company in the U.S. District Court for the Middle District of North Carolina, alleging infringement of U.S. Patent Nos. 7,498,633 (the '633 Patent), entitled "High-voltage power semiconductor device," and 8,035,112 (the '112 Patent), entitled "SIC power DMOSFET with self-aligned source contact." In the complaint, Purdue also alleged willful infringement, and sought unspecified monetary damages and attorneys’ fees. In August 2022, Purdue voluntarily withdrew all allegations as to the '112 Patent after having disclaimed all rights to that patent. On February 25, 2025, the Company entered into a confidential settlement agreement with Purdue resolving all remaining claims against the Company. A stipulation for dismissal was filed with the court, and the court dismissed the case with prejudice on March 17, 2025. The Company recorded the entire financial impact of the settlement during the third quarter of fiscal 2025 as the loss became probable and estimable when the settlement was made.

On November 15, 2024, the Company and certain of its current and former executive officers were named as defendants in a securities class action lawsuit captioned *Gary Zagami v Wolfspeed, Inc., et al.,* Case No. 6:24-cv-01395, which was filed in the United States District Court for the Northern District of New York. The complaint alleges violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder. The complaint seeks unspecified compensatory damages and other relief. On January 8, 2025, two additional lawsuits were filed in the United States District Court for the Northern District of New York by shareholders regarding these same matters and name as defendant the Company and certain of its current and former officers.

On April 21, 2025, a derivative action was filed by a putative shareholder purportedly on behalf of the Company in the United States District Court for the Middle District of North Carolina against certain current and former directors and officers of the Company (collectively, “Derivative Action Defendants”), with substantially similar allegations and defendants as the other matters. The Company denies allegations of wrongdoing and intends to vigorously defend against the claims in the above-referenced actions.

Grant Disbursement Agreement (GDA) with the State of New York

The Company currently has a GDA with the State of New York Urban Development Corporation (doing business as Empire State Development). The GDA provides a potential total grant amount of $500.0 million to partially and fully reimburse the Company for certain property, plant and equipment costs related to the Company's construction of its silicon carbide device fabrication facility in Marcy, New York.

The GDA was signed in the fourth quarter of fiscal 2020 and requires the Company to satisfy a number of objectives for the Company to receive reimbursements through the span of the 13-year agreement. These objectives include maintaining a certain level of local employment, investing a certain amount in locally administered research and development activities and the payment of an annual commitment fee for the first six years. Additionally, the Company has agreed, under a separate agreement (the SUNY Agreement), to sponsor the creation of two endowed faculty chairs and fund a scholarship program at SUNY Polytechnic Institute.

As of March 30, 2025, the annual cost of satisfying the objectives of the GDA and the SUNY Agreement, excluding the direct and indirect costs associated with employment, varies from $2.2 million to $5.2 million per year through fiscal 2031.

As of March 30, 2025, the Company has reduced property and equipment, net by a total of $500.0 million as a result of GDA reimbursements, of which $467.2 million has been received in cash and an additional $32.8 million in receivables are recorded in other current assets in the consolidated balance sheet.

Supply Commitments and Capacity Deposits

From time to time, the Company may enter into agreements with its suppliers which require the Company to commit to a minimum of product purchases or make capacity reservation deposits.

In fiscal 2023, the Company entered into an agreement with a supplier which requires a minimum commitment of product purchases on a take-or-pay basis of $200.0 million over the life of the contract. During the third quarter of fiscal 2025, the Company amended the agreement to extend the term of the contract through December 2029 and modify the remaining minimum annual purchase commitments. During the three and nine months ended March 30, 2025, the Company purchased $4.5 million and $17.0 million, respectively, of product under this agreement. As of March 30, 2025, the remaining future product purchases for fiscal years 2025, 2026, 2027, 2028 and 2029 are $3.2 million, $41.1 million, $38.0 million, $40.0 million and $42.0 million, respectively.

In addition, the Company will pay quarterly capacity reservation deposits through the second quarter of fiscal 2026. The capacity reservation deposits will total $60.0 million and are refundable through credits on future product purchases. As of March 30, 2025, the Company has paid $52.9 million in connection with the agreement, which is recognized in prepaid expenses and other long-term assets on the consolidated balance sheet.

In fiscal 2024, the Company entered into an agreement with another supplier which requires a minimum commitment of product purchases on a take-or-pay basis of $86.4 million over the life of the contract. During the three and nine months ended March 30, 2025, the Company purchased $7.2 million and $21.6 million, respectively, of product under this agreement which satisfied the minimum future product purchases for the period. Minimum future product purchase for the remainder of fiscal 2025 and fiscal years 2026 and 2027 are $7.2 million, $28.8 million and $9.6 million, respectively.

The Company reviews the terms of all its long-term supply agreements and assesses the need for any accruals for estimated losses on adverse purchase commitments, such as lower of cost or net realizable value adjustments that will not be recovered by future sales prices and the recoverability of assets related to capacity deposits, as necessary.

Note 6 – Investments

(in millions of U.S. Dollars)	March 30, 2025				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Credit Loss Allowance	Estimated Fair Value
U.S. treasury securities	$224.7	$0.1	$—	$—	$224.8
Corporate bonds	263.7	0.4	(2.0)	—	262.1
Municipal bonds	93.1	0.1	(0.7)	—	92.5
Certificates of deposit	17.0	—	—	—	17.0
Commercial paper	3.0	—	—	—	3.0
Total short-term investments	$601.5	$0.6	($2.7)	$—	$599.4

	June 30, 2024				
(in millions of U.S. Dollars)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Credit Loss Allowance	Estimated Fair Value
U.S. treasury securities	$553.3	$—	($0.6)	$—	$552.7
Corporate bonds	423.5	0.2	(6.7)	—	417.0
Municipal bonds	102.8	—	(2.0)	—	100.8
Certificates of deposit	31.5	—	—	—	31.5
Commercial paper	16.7	—	—	—	16.7
U.S. agency securities	10.0	—	—	—	10.0
Total short-term investments	$1,137.8	$0.2	($9.3)	$—	$1,128.7

All short-term investments are classified as available-for-sale. The following tables present the gross unrealized losses and estimated fair value of the Company's short-term investments, aggregated by investment type and the length of time that individual securities have been in a continuous unrealized loss position (in millions of U.S. Dollars):

	March 30, 2025					
	Less than 12 Months		Greater than 12 Months		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Corporate bonds	$82.5	($0.6)	$48.1	($1.4)	$130.6	($2.0)
U.S. treasury securities	37.9	—	—	—	37.9	—
Municipal bonds	32.3	(0.2)	23.2	(0.5)	55.5	(0.7)
Total	$152.7	($0.8)	$71.3	($1.9)	$224.0	($2.7)
Number of securities with an unrealized loss		55		31		86

	June 30, 2024					
	Less than 12 Months		Greater than 12 Months		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Corporate bonds	$135.2	($0.2)	$183.4	($6.5)	$318.6	($6.7)
U.S. treasury securities	507.4	(0.4)	35.9	(0.2)	543.3	(0.6)
Municipal bonds	9.0	—	74.3	(2.0)	83.3	(2.0)
U.S. agency securities	14.9	—	10.0	—	24.9	—
Total	$666.5	($0.6)	$303.6	($8.7)	$970.1	($9.3)
Number of securities with an unrealized loss		141		66		207

Additionally, the Company held four cash equivalent securities with an aggregate fair value of $23 million in unrealized loss positions as of March 30, 2025. The aggregate unrealized loss was less than $0.1 million.

The Company does not include accrued interest in estimated fair values of short-term investments and does not record an allowance for credit losses on receivables related to accrued interest. Accrued interest receivable was $9.0 million and $11.6 million as of March 30, 2025 and June 30, 2024, respectively, and is recorded in other current assets on the consolidated balance sheets. When necessary, write-offs of noncollectable interest income are recorded as a reversal to interest income. There were no write-offs of noncollectable interest income during the three and nine months ended March 30, 2025 and March 31, 2024.

The Company evaluates its investments for expected credit losses. The Company believes it is able to and intends to hold each of the investments held with an unrealized loss as of March 30, 2025 until the investments fully recover in market value. No allowance for credit losses was recorded as of March 30, 2025.

The contractual maturities of short-term investments as of March 30, 2025 were as follows:

(in millions of U.S. Dollars)	**Within One Year**	**After One, Within Five Years**	**After Ten Years**	**Total**
U.S. treasury securities	$210.0	$14.8	$—	$224.8
Corporate bonds	190.2	71.9	—	262.1
Municipal bonds	54.8	35.3	2.4	92.5
Certificates of deposit	17.0	—	—	17.0
Commercial paper	3.0	—	—	3.0
Total short-term investments	$475.0	$122.0	$2.4	$599.4

Note 7 – Fair Value of Financial Instruments

Under U.S. GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various valuation approaches, including quoted market prices and discounted cash flows. U.S. GAAP also establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are obtained from independent sources and can be validated by a third party, whereas unobservable inputs reflect assumptions regarding what a third party would use in pricing an asset or liability. The fair value hierarchy is categorized into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical instruments that the Company is able to access. Because valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
- Level 2 - Valuations based on quoted prices in active markets for instruments that are similar, or quoted prices in markets that are not active for identical or similar instruments, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following table sets forth financial instruments carried at fair value within the U.S. GAAP hierarchy:

	March 30, 2025			June 30, 2024		
(in millions of U.S. Dollars)	Level 1	Level 2	Total	Level 1	Level 2	Total
Cash equivalents:						
Money market funds	$113.1	$—	$113.1	$87.3	$—	$87.3
Municipal bonds	—	7.8	7.8	—	—	—
Corporate bonds	—	4.3	4.3	—	—	—
U.S. treasury securities	15.0	—	15.0	10.0	—	10.0
Commercial paper	—	15.5	15.5	—	—	—
Total cash equivalents	128.1	27.6	155.7	97.3	—	97.3
Short-term investments:						
U.S. treasury securities	224.8	—	224.8	552.7	—	552.7
Corporate bonds	—	262.1	262.1	—	417.0	417.0
Municipal bonds	—	92.5	92.5	—	100.8	100.8
Commercial paper	—	3.0	3.0	—	16.7	16.7
U.S. agency securities	—	—	—	—	10.0	10.0
Certificates of deposit	—	17.0	17.0	—	31.5	31.5
Total short-term investments	224.8	374.6	599.4	552.7	576.0	1,128.7
Other current assets:						
MACOM Shares	70.1	—	70.1	—	—	—
Total current assets	70.1	—	70.1	—	—	—
Other long-term investments:						
MACOM Shares	—	—	—	79.3	—	79.3
Total other long-term investments	$—	$—	$—	$79.3	$—	$79.3
Total assets	$423.0	$402.2	$825.2	$729.3	$576.0	$1,305.3

As of March 30, 2025, other current assets and as of June 30, 2024, other long-term investments consist of the MACOM Shares which the Company received as partial consideration in connection with the RF Business Divestiture. These shares are remeasured to fair value each period with changes in the fair value of the shares recognized in non-operating expense (income), net.

Note 8 – Goodwill and Intangible Assets

Goodwill

There were no changes to goodwill during the three and nine months ended March 30, 2025.

The Company performs an annual assessment of its goodwill during the fourth quarter of each calendar year or more frequently if indicators of potential impairment exist, such as an adverse change in business climate, declines in market capitalization or a decline in the overall industry demand, that would indicate it is more likely than not that the fair value of its single reporting unit is less than its carrying value. If the Company determines that it is more likely than not that the fair value of its single reporting unit is less than the carrying value, the Company measures the amount of impairment as the amount the carrying value of its single reporting unit exceeds the fair value, up to the carrying value of goodwill, by using a discounted cash flow method and market approach method.

Although the Company's market capitalization further declined in the third quarter of fiscal 2025, the Company does not believe that it is more likely than not that the fair value of its single reporting unit is less than its carrying value. Using the market capitalization approach, which the Company expects would be similar to the discounted cash flow method, the fair value of the single reporting unit is estimated based on the trading price of the Company's stock at the test date, which is further adjusted by an acquisition control premium representing the synergies a market participant would obtain when obtaining control of the business. If the Company's market capitalization continues to decline or future performance falls below the Company's current expectations, assumptions, or estimates, including assumptions related to current macroeconomic uncertainties, this may trigger a future material non-cash impairment charge, which could have a material adverse effect on the Company's business, financial condition, and results of operations in the reporting period in which a charge would be necessary. The Company will continue to monitor developments, including updates to the Company's forecasts and market capitalization. An update of the Company's assessment and related estimates may be required in the future.

Intangible Assets, net

The following table presents the components of intangible assets, net:

	March 30, 2025			June 30, 2024		
(in millions of U.S. Dollars)	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Acquisition related intangible assets [1]	$24.0	($23.7)	$0.3	$24.0	($22.8)	$1.2
Patent and licensing rights	51.7	(28.2)	23.5	49.8	(27.1)	22.7
Total intangible assets	$75.7	($51.9)	$23.8	$73.8	($49.9)	$23.9

[1] Relates to developed technology

Note 9 – Long-term Debt

		March 30, 2025			June 30, 2024		
(in millions of U.S. Dollars)	Effective Interest Rate	Principal	Unamortized Discount	Net	Principal	Unamortized Discount	Net
1.75% Convertible Notes[1]	2.2 %	$575.0	($2.5)	$572.5	$575.0	($4.3)	$570.7
0.25% Convertible Notes[1]	0.6 %	750.0	(8.7)	741.3	750.0	(10.9)	739.1
1.875% Convertible Notes[1]	2.1 %	1,750.0	(21.8)	1,728.2	1,750.0	(24.9)	1,725.1
2030 Senior Notes[2]	16.3 %	1,513.5	(66.2)	1,447.3	1,250.0	(80.3)	1,169.7
CRD Agreement Deposits[2]	6.8 %	2,062.0	(39.5)	2,022.5	2,000.0	(43.5)	1,956.5
		$6,650.5	($138.7)	$6,511.8	$6,325.0	($163.9)	$6,161.1

[1] Presented in convertible notes

[2] Presented in long-term debt

As of March 30, 2025, the Company was in compliance with all covenants relating to the senior secured notes due 2030 (the 2030 Senior Notes) and the Unsecured Customer Refundable Deposit Agreement entered into in July 2023 with a customer (the CRD Agreement).

2030 Senior Notes Amended and Restated Indenture

On October 11, 2024, the Company entered into the Amended and Restated Indenture (the 2030 Senior Notes Indenture), which amends certain terms and conditions of the 2030 Senior Notes and permits the Company to issue and sell $750.0 million of additional notes, subject to the fulfillment of certain conditions precedent. Pursuant to the 2030 Senior Notes Indenture, the 2030 Senior Notes bear interest (a) for the period from the effectiveness of the original Indenture related to the 2030 Senior Notes entered into on June 23, 2023 to October 11, 2024 at a rate of 9.875% per annum; (b) for the period from October 11, 2024 through and including June 22, 2025 at a rate of 9.875% per annum (payable in cash), plus 2% per annum (payable at the Company's option, in cash or in-kind); (c) for the period commencing on June 23, 2025 through June 22, 2026 (i) if the Interest Rate Step-Down Condition (as defined below) is satisfied as of June 23, 2025, at a rate of 10.875% per annum (payable in cash) plus 2% per annum (payable at the Company's option in cash or in-kind) and (ii) if the Interest Rate Step-Down Condition is not satisfied as of June 23, 2025 at a rate of 11.875% per annum (payable in cash), plus 2% per annum (payable at the Company's option, in cash or in-kind); and (d) for the period commencing on June 23, 2026 and at all times thereafter, (i) if the Interest Rate Step-Down Condition is satisfied as of June 23 of the most recent year, at a rate of 13.875% per annum (payable in cash) and (ii) if the Interest Rate Step-Down Condition is not satisfied, at a rate of 15.875% per annum (payable in cash). The Interest Rate Step-Down Condition is met if (a)(i) the Company redeems or repurchases (other than redemptions or repurchases with the proceeds of dispositions) the 2030 Senior Notes, resulting in the aggregate principal amount of 2030 Senior Notes outstanding being less than $1.0 billion and (ii) the Company receives at least $450.0 million of awards under the CHIPS Act or (b) as of the most recent June 23rd, the ratio of outstanding principal amount of the 2030 Senior Notes to EBITDA (as defined in the 2030 Senior Notes Indenture) for the most recently ended four fiscal quarter period for which financial statements have been or are required to have been delivered under the 2030 Senior Notes Indenture is less than or equal to 2:1. The 2030 Senior Notes will mature on the earlier of (x) June 23, 2030 and (y) September 1, 2029, if more than $175 million in aggregate principal amount of the Company's 1.875% convertible senior notes due December 1, 2029 remains outstanding on such date.

The 2030 Senior Notes Indenture contains certain customary affirmative covenants, negative covenants and events of default, including a liquidity maintenance financial covenant requiring the Company to have an aggregate amount of unrestricted cash and cash equivalents maintained in accounts over which the trustee and collateral agent has been granted a perfected first lien security interest of at least (a) $630.0 million as of the last day of any calendar month ending on or prior to March 31, 2025 and (b) $750.0 million as of April 1, 2025 and as of the last day of any calendar month ending thereafter. Upon the Company having received at least $450.0 million of award disbursements pursuant to governmental grants under the CHIPS Act, the level of minimum liquidity shall be permanently reduced to $500.0 million. Upon the Company having received at least $750.0 million of award disbursements pursuant to governmental grants under the CHIPS Act, the level of minimum liquidity shall be permanently reduced to $250.0 million.

On October 22, 2024, the Company issued $250.0 million in aggregate principal amount of 2030 Senior Notes pursuant to the 2030 Senior Notes Indenture. The Company may issue up to an additional $500.0 million in aggregate principal amount of 2030 Senior Notes, subject to certain conditions.

2033 CRD Agreement Amendment

On October 15, 2024, the Company entered into Amendment No. 1 to the CRD Agreement, which amends the existing agreement to, among other things, permit the Company to pay the accrued interest on the outstanding loans payable under the existing agreement on the last business day of each of December 2024 and June 2025 (together, the PIK Amounts) by adding the PIK Amounts to the then outstanding principal amount of the loans rather than in cash. The interest rate on the PIK Amounts will accrue at a rate of 15.0% per annum. The amendment also permits the Company to grant liens on additional assets in Siler City, North Carolina in connection with disbursements pursuant to governmental grants or awards under the CHIPS Act, and permits the Company to pay a portion of interest on the 2030 Senior Notes in-kind subject to the limitations set forth in the amendment to the CRD Agreement.

Interest Expense

The interest expense, net recognized related to the corporate debt holdings and the deposits under the CRD Agreement is as follows:

	Three months ended		Nine months ended	
(in millions of U.S. Dollars)	**March 30, 2025**	**March 31, 2024**	**March 30, 2025**	**March 31, 2024**
Interest expense, net of capitalized interest	$70.2	$51.7	$193.6	$161.4
Amortization of discount and debt issuance costs, net of capitalized interest	14.5	7.0	34.5	21.6
Total interest expense, net	$84.7	$58.7	$228.1	$183.0

The Company capitalizes interest in connection with ongoing capacity expansions.

	Three months ended		Nine months ended	
(in millions of U.S. Dollars)	**March 30, 2025**	**March 31, 2024**	**March 30, 2025**	**March 31, 2024**
Interest expense capitalized	$18.9	$8.6	$52.2	$16.1
Amortization of discount and debt issuance costs capitalized	3.9	1.1	9.4	2.1
Total interest expense capitalized	$22.8	$9.7	$61.6	$18.2

Note 10 – Loss Per Share

The details of the computation of basic and diluted loss per share are as follows:

	Three months ended		Nine months ended	
(in millions of U.S. Dollars, except share data)	**March 30, 2025**	**March 31, 2024**	**March 30, 2025**	**March 31, 2024**
Net loss from continuing operations	($285.5)	($148.9)	($939.9)	($398.7)
Net loss from discontinued operations	$—	$—	$—	($290.6)
Weighted average shares - basic and diluted (in thousands)	153,897	125,830	136,550	125,514
Loss per share - basic and diluted:				
Continuing operations	($1.86)	($1.18)	($6.88)	($3.18)
Discontinued operations	$—	$—	$—	($2.32)

Diluted net loss per share is the same as basic net loss per share for the periods presented due to potentially dilutive items being anti-dilutive given the Company's net loss.

For the three and nine months ended March 30, 2025, 6.4 million and 6.5 million of weighted average shares, respectively, were excluded from the calculation of diluted loss per share because their effect would be anti-dilutive. For the three and nine months ended March 31, 2024, 4.0 million and 3.9 million of weighted average shares, respectively, were excluded from the calculation of diluted loss per share because their effect would be anti-dilutive.

Note 11 – Stock-Based Compensation

Total stock-based compensation expense was classified in the consolidated statements of operations as follows:

	Three months ended		Nine months ended	
(in millions of U.S. Dollars)	**March 30, 2025**	**March 31, 2024**	**March 30, 2025**	**March 31, 2024**
Cost of revenue, net	$9.7	$7.6	$27.2	$20.0
Research and development	3.1	3.0	9.2	9.1
Sales, general and administrative	6.0	11.2	26.3	34.8
Total stock-based compensation expense	$18.8	$21.8	$62.7	$63.9

Stock-based compensation expense may differ from the impact of stock-based compensation to additional paid in capital due to manufacturing related stock-based compensation capitalized within inventory.

Note 12 – Income Taxes

In general, the variation between the Company's effective income tax rate and the U.S. statutory rate of 21% is primarily due to: (i) changes in the Company's valuation allowances against deferred tax assets in the U.S., (ii) projected income for the full year derived from international locations with differing tax rates than the U.S. and (iii) projected tax credits generated.

The Company assesses all available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets by jurisdiction. As of March 30, 2025, the Company has concluded that it is necessary to recognize a full valuation allowance against its U.S. deferred tax assets.

U.S. GAAP requires a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is cumulatively more than 50% likely to be realized upon ultimate settlement.

As of June 30, 2024, the Company's liability for unrecognized tax benefits was $9.4 million. During the nine months ended March 30, 2025, the Company recognized a $0.5 million decrease to the liability for unrecognized tax benefits. As a result, the total liability for unrecognized tax benefits as of March 30, 2025 was $8.9 million. If any portion of this $8.9 million is recognized, the Company will then include that portion in the computation of its effective tax rate. Although the ultimate timing of the resolution and/or closure of audits is highly uncertain, the Company believes it is reasonably possible that $0.5 million of gross unrecognized tax benefits will change in the next 12 months as a result of statutory requirements or settlement with tax authorities.

The Company files U.S. federal, U.S. state and foreign tax returns. For U.S. federal purposes, the Company is generally no longer subject to tax examinations for fiscal years prior to 2018. For U.S. state tax returns, the Company is generally no longer subject to tax examinations for fiscal years prior to 2020. For foreign purposes, the Company is generally no longer subject to examination for tax periods prior to 2014. Certain carryforward tax attributes generated in prior years remain subject to examination, adjustment and recapture.

Note 13 - Restructuring

During the first quarter of fiscal 2025, the Company initiated a headcount reduction and facility closure and consolidation plan intended to optimize its cost structure as the Company accelerates its transition from 150mm to 200mm silicon carbide devices (collectively with the subsequent updates described below, the 2025 Restructuring Plan).

The actions taken under the 2025 Restructuring Plan will ultimately result in the closure of the Company's 150mm device fabrication facility in Durham, North Carolina as well as a realignment of related activities across the geographic regions in which the Company operates. The Company also initiated plans to consolidate its manufacturing footprint for epitaxy products by winding down operations at its facility in Farmer's Branch, Texas during fiscal 2025. In addition, the Company is taking steps to optimize the allocation of resources across various functional groups. The Company also implemented a voluntary separation program for a limited number of eligible employees based on their age and years of service. During the third quarter of fiscal 2025, the Company increased the scope of the planned headcount reductions, primarily in its Materials Products operations.

The 2025 Restructuring Plan is expected to result in a cumulative total headcount reduction of approximately 20%. As of March 30, 2025, the 2025 Restructuring Plan resulted in a cumulative total headcount reduction of approximately 15%, and the remainder is expected to occur over the next six months.

The costs that will be incurred as a result of the 2025 Restructuring Plan primarily include severance and employee benefit costs, voluntary termination benefits, and other exit costs that qualify as exit and disposal costs under ASC 420, "Exit or Disposal Cost Obligations". The involuntary severance costs incurred were provided under an ongoing benefit arrangement and were therefore recorded once they were both probable and reasonably estimable in accordance with the provisions of ASC 712-10, “Nonretirement Postemployment Benefits”. Additionally, the Company has incurred, and over the next six months will continue to incur, additional facility closure-related costs related to these activities, including asset-related charges, fixed manufacturing costs that will be eliminated as a result of this plan, and other incremental costs related to the exit of certain facilities.

Including these additional facility closure-related costs, the Company expects to incur approximately $450 million to $500 million of total costs, including approximately $60 million of involuntary and voluntary severance costs, $190 million of other closure-related cash costs, and approximately $250 million of charges related to long-lived assets and other non-cash costs, including accelerated depreciation and impairments upon abandonment or disposal of machinery and equipment.

The Company expects to realize approximately $200 million of annualized cost savings upon completion of these initiatives.

A summary of the charges recognized in the consolidated statements of operations through the third quarter of fiscal 2025 resulting from these restructuring activities is shown below:

(in millions of U.S. Dollars)	**Three months ended March 30, 2025**	**Nine months ended March 30, 2025**
Accelerated depreciation	$4.5	$27.9
Other closure-related costs	12.3	54.6
Total cost of revenue, net	$16.8	$82.5
Impairments on abandoned assets[1]	$30.7	$155.2
Severance[2]	$7.0	$58.5
Accelerated depreciation [3]	(2.0)	10.8
Other closure-related costs	5.0	25.7
Other operating expense	$10.0	$95.0
Total	$57.5	$332.7

[1]Presented in "Loss on disposal or impairment of long-lived assets"

[2]Employee severance and benefit costs include the early exit program activity

[3] Includes net impact of change in salvage value and estimated useful life related to 150mm fab tooling and equipment

A summary of the balance sheet activity related to these restructuring activities recognized in accounts payable and accrued expenses in the unaudited consolidated balance sheet as of March 30, 2025 follows:

(in millions of U.S. Dollars)	**As of June 30, 2024**	**Charges**	**Usage**	**March 30, 2025**
Employee severance and benefit costs[1]	$—	$58.5	($37.5)	$21.0
Contract termination liability	—	1.1	(1.1)	—
Total	$—	$59.6	($38.6)	$21.0

[1]Employee severance and benefit costs includes the early exit program activity

Note 14 - Shareholders' Equity

On December 9, 2024, the Company established an "at-the-market" offering program (the ATM Program) pursuant to which the Company could offer and sell, from time to time through sales agents, up to $200 million of the Company's common stock. The ATM Program was conducted pursuant to an equity distribution agreement (the Equity Distribution Agreement) entered into by the Company and J.P. Morgan Securities LLC and Wells Fargo Securities, LLC (the Managers).

The program concluded on January 14, 2025 and the Company completed the sale of approximately $200 million of common stock and, as such, the ATM automatically terminated in accordance with the terms of the Equity Distribution Agreement. In total, the Company sold and received payment for 27.8 million additional shares of common stock at a weighted average price of $7.20 per share through the ATM Program for total gross proceeds of approximately $200.0 million and net proceeds of approximately $195.2 million, after $4 million in commissions to the Mangers and $0.8 million in other offering costs. The Company intends to use the net proceeds for general corporate purposes.

Note 15 - Subsequent Events

Employee Stock Purchase Plan

In April 2025, the Compensation Committee approved the termination of the Employee Stock Purchase Plan ("ESPP"), which was effective immediately. There were no shares purchased under the ESPP during the three months ended March 30, 2025.

Inducement Award Plan

In May 2025, the Board of Directors adopted the 2025 Inducement Award Plan (the “Inducement Plan”) and reserved 2,000,000 shares of the Company’s common stock for issuance pursuant to equity awards granted under the Inducement Plan. The Inducement Plan provides for the grant of equity-based awards, including stock options, stock appreciation rights, restricted stock and restricted stock units, performance shares and performance stock units, and other awards. Each award under the Inducement Plan is intended to qualify under Section 303A.08 of the New York Stock Exchange Company Listed Manual as a material employment inducement grant or as a limited exemption applicable to awards in the context of qualifying corporate acquisitions or mergers.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Information set forth in this Quarterly Report on Form 10-Q contains various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). All information contained in this report relative to future markets for our products, trends in and anticipated levels of revenue, gross margins and expenses, and ability to access funding as well as other statements containing words such as "believe," "project," "may," "will," "anticipate," "target," "plan," "estimate," "expect" and "intend" and other similar expressions constitute forward-looking statements. These forward-looking statements are subject to business, economic and other risks and uncertainties, both known and unknown, and actual results may differ materially from those contained in the forward-looking statements. Any forward-looking statements we make are as of the date made, and except as required under the U.S. federal securities laws and the rules and regulations of the Securities and Exchange Commission (the SEC), we have no duty to update them if our views later change. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this Quarterly Report. Examples of risks and uncertainties that could cause actual results to differ materially from historical performance and any forward-looking statements include, but are not limited to, those described in "Risk Factors" in Part II, Item 1A of this Quarterly Report.

Executive Summary

The following discussion is designed to provide a better understanding of our unaudited consolidated financial statements, including a brief discussion of our business and products, key factors that impacted our performance and a summary of our operating results. The following discussion should be read in conjunction with the unaudited consolidated financial statements and the notes thereto included in Part I, Item 1 of this Quarterly Report on Form 10-Q, and the audited consolidated financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024 (the 2024 Form 10-K). Historical results and percentage relationships among any amounts in the financial statements are not necessarily indicative of trends in operating results for any future periods. Unless otherwise noted, the following information and discussion relates to our continuing operations.

Overview

Wolfspeed, Inc. (Wolfspeed, we, our, or us) is an innovator of wide bandgap semiconductors, focused on silicon carbide materials and devices for power applications. Our product families include power devices and silicon carbide and gallium nitride (GaN) materials. Our products are targeted for various applications such as electric vehicles, fast charging and renewable energy and storage.

Our materials products and power devices are used in electric vehicles, motor drives, power supplies, solar and transportation applications. Our materials products are also used in military communications, radar, satellite and telecommunication applications.

During and prior to fiscal 2024, we designed, manufactured and sold radio-frequency (RF) devices. As discussed more fully in Note 2, "Discontinued Operations," to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report, we completed the sale of certain assets comprising our former RF product line (the RF Business Divestiture) in the second quarter of fiscal 2024.

The RF Business Divestiture represented a strategic shift that had a major effect on our operations and financial results. As a result, we have classified the results and cash flows of the RF product line as discontinued operations in our consolidated statements of operations and consolidated statements of cash flows for fiscal 2024. Unless otherwise noted, discussion within this Quarterly Report to the consolidated financial statements relates to our continuing operations.

Industry Dynamics and Trends

There are a number of industry factors that affect our business which include, among others:

- *Overall Demand for Products and Applications Using Our Wolfspeed Materials and Devices*. Our potential for growth depends significantly on the continued adoption of silicon carbide materials, device products in the power markets and our ability to win new designs for these applications. Demand also fluctuates based on various domestic and global economic and market cycles, continuously evolving industry supply chains, trade and tariff terms, and inflationary impacts, as well as evolving competitive dynamics in each of our respective markets. These uncertainties make demand difficult to forecast for us and our customers. Recently, we and other semiconductor companies have been experiencing softening demand for our products. We continue to experience increased mid- and long-term demand for our power products designed for electrical vehicle applications, though at a slower pace than initially expected. We believe that this reflects the value that the industry places on a transition to silicon carbide materials and devices while also evidencing the growing global focus on adopting higher efficiency energy solutions, including electric vehicle and related technologies. We believe these trends could have a significant positive impact on revenues in future periods.
- *Intense and Constantly Evolving Competitive Environment.* Competition in the industries we serve is intense. Many companies have made significant investments in product development, production equipment and production facilities. To remain competitive, market participants must continuously increase product performance, reduce costs and develop improved ways to serve their customers. In addition, market participants often undertake pricing strategies to gain or protect market share, increase the utilization of their production capacity and open new applications in the power markets we serve. To address these competitive pressures, we have invested in new production facilities, as well as research and development activities to support new product development, lower product costs and increase levels of product performance to differentiate our products in the market. In addition, we invest in systems, people and new processes to improve our ability to deliver a better overall experience for our customers.
- *Governmental Trade and Regulatory Conditions*. Our potential for growth, as with most multi-national companies, depends on a balanced and stable trade, political, geopolitical, economic and regulatory environment in the countries where we do business. We continue to monitor the recent changes in global trade policy, including tariffs and related trade actions announced by the U.S., China and other countries. The degree to which such tariffs and other related actions impact our business, financial condition and results of operations will depend on future developments, which are uncertain. Changes in trade policy, such as the imposition or expansion of tariffs or export bans to specific customers or countries, could reduce or limit demand for, or increase the cost of production of, our products in certain markets.
- *Technological Innovation and Advancement.* Innovations and advancements in materials and power technologies continue to expand the potential commercial application for our products. However, new technologies or standards could emerge or improvements could be made in existing technologies that could reduce or limit the demand for our products in certain markets.
- *Intellectual Property Issues.* Market participants rely on patented and non-patented proprietary information associated with product development, manufacturing capabilities and other core competencies of their business. Protection of intellectual property is critical. Therefore, steps such as additional patent applications, confidentiality and non-disclosure agreements, as well as other security measures are generally taken. To enforce or protect intellectual property rights, litigation or threatened litigation is common.

Overview of the nine months ended March 30, 2025

The following is a summary of our continuing operations financial results as of and for the nine months ended March 30, 2025 compared to the nine months ended March 31, 2024, unless otherwise stated.

- Our year-over-year revenue decreased ($45.9) million to $560.6 million, primarily driven by weaker demand for applications serving the industrial and energy end markets, partially offset by continued growth from our automotive products.
- Gross margin decreased to (17.1)% from 12.4%. Gross margin includes the impacts of underutilization costs primarily in connection with the start of production at the Mohawk Valley Fab and restructuring and closure-related costs associated with the Durham Fab.
- Operating loss was $747.6 million compared to $299.4 million.
- Diluted loss per share was $6.88 compared to $3.18.
- Combined cash, cash equivalents and short-term investments was $1,329.6 million at March 30, 2025 and $2,174.6 million at June 30, 2024.
- Long-term debt, net was $6,511.8 million at March 30, 2025 and $6,161.1 million at June 30, 2024.

- Cash used in operating activities was $469.2 million compared to $431.8 million.
- Purchases of property and equipment, net were $820.9 million (net of $238.6 million in reimbursements) compared to $1,451.3 million (net of $178.4 million in reimbursements), primarily due to a planned decrease in capital expenditures and our initial receipt of Section 48D Advanced Manufacturing Investment Credits (AMIC) refundable tax credits, both related to our expansion initiatives.
- Design-wins and design-ins decreased for the nine months ended March 30, 2025 compared to the same period ended March 31, 2024. Design-wins for the third quarter of fiscal 2025 were the second highest in company history, as customers begin to ramp previously reported design-ins, although at a lower ramp rate than initially expected

Business Outlook

We believe we are uniquely positioned as an innovator in the global semiconductor industry. We are currently focused on three key priorities designed to put us on a path toward long-term growth and profitability:

- improving the financial performance of the company
- taking aggressive steps to strengthen our balance sheet
- deploying cost-efficient capital to support our growth plan

We believe these efforts will support our goals of delivering long-term growth and profitability, while enabling us to continue to invest in our business to further develop the technologies and accelerate the growth opportunities of silicon carbide materials and silicon carbide power devices and modules.

In addition, we are focused on continuous improvement in the number of usable items in a production cycle (yield) as our manufacturing technologies become more complex. We have significantly improved yields and expect to continue to improve yields as we transition additional device production to the Mohawk Valley Fab, where we have consistently realized quarterly yield improvements during fiscal 2025.

During the first quarter of fiscal 2025, we initiated a headcount reduction and facility consolidation plan (the 2025 Restructuring Plan), intended to further optimize our cost structure as we accelerate our transition from 150mm to 200mm silicon carbide devices. We have made targeted adjustments to the 2025 Restructuring Plan as we identify additional opportunities to optimize our cost structure while continuing to support future growth and meet long-term demand. Refer to Note 13, "Restructuring," to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report for additional discussion of the financial impact of these activities.

We believe we have the ability to navigate the current environment while maintaining our capital expenditure plans to support future growth to meet long-term demand. We incurred approximately $0.8 billion of net capital investment for the nine months ended March 30, 2025 and expect to incur an additional $0.2 billion of net capital investment during the fourth quarter of fiscal 2025. Our net capital investment during fiscal 2025 includes approximately $0.2 billion of incentives received for eligible expenditures, primarily under the AMIC refundable tax credits, as further discussed in Note 1, "Basis of Presentation".

Our major expansion projects at the Mohawk Valley Fab and Siler City, NC facility are approaching substantial completion. Consequently, we expect gross capital investment to decrease significantly, to approximately $0.2 billion in fiscal 2026. We also expect to receive an additional $0.6 billion of incentives primarily related to the AMIC refundable tax credits, during fiscal 2026.

Fiscal Quarters

Our fiscal quarters end on the last Sunday of the month in September, December, March and June. Each fiscal quarter is generally 13 weeks as part of a 52-week fiscal year. Occasionally, we have a 53-week fiscal year, and in those instances, one quarter within the fiscal year is comprised of 14 weeks instead of 13 weeks.

Fiscal 2025 is a 52-week fiscal year. Fiscal 2024 was a 53-week fiscal year, and the second quarter of fiscal 2024 was a 14-week fiscal quarter.

Results of Operations

Selected consolidated statements of operations data for the three and nine months ended March 30, 2025 and March 31, 2024 were as follows:

	Three months ended				**Nine months ended**			
	March 30, 2025		**March 31, 2024**		**March 30, 2025**		**March 31, 2024**	
(in millions of U.S. Dollars, except share data)	**Amount**	**% of Revenue**	**Amount**	**% of Revenue**	**Amount**	**% of Revenue**	**Amount**	**% of Revenue**
Revenue, net	**$185.4**	**100.0 %**	**$200.7**	**100.0 %**	**$560.6**	**100.0 %**	**$606.5**	**100.0 %**
Cost of revenue, net	207.9	112.1 %	178.2	88.8 %	656.5	117.1 %	531.5	87.6 %
Gross (loss) profit	**(22.5)**	**(12.1)%**	**22.5**	**11.2 %**	**(95.9)**	**(17.1)%**	**75.0**	**12.4 %**
Research and development	42.2	22.8 %	52.5	26.2 %	137.5	24.5 %	141.9	23.4 %
Sales, general and administrative	41.1	22.2 %	55.8	27.8 %	154.4	27.5 %	184.8	30.5 %
Factory start-up costs	23.5	12.7 %	14.4	7.2 %	66.0	11.8 %	33.3	5.5 %
Amortization of acquisition-related intangibles	0.3	0.2 %	0.3	0.1 %	0.9	0.2 %	0.9	0.1 %
Loss on disposal or impairment of long-lived assets	31.1	16.8 %	0.6	0.3 %	157.5	28.1 %	1.0	0.2 %
Other operating expense	33.8	18.2 %	5.3	2.6 %	135.4	24.2 %	12.5	2.1 %
Operating loss	**(194.5)**	**(104.9)%**	**(106.4)**	**(53.0)%**	**(747.6)**	**(133.4)%**	**(299.4)**	**(49.4)%**
Non-operating expense, net	90.9	49.0 %	42.4	21.1 %	191.9	34.2 %	98.7	16.3 %
Loss before income taxes	**(285.4)**	**(153.9)%**	**(148.8)**	**(74.1)%**	**(939.5)**	**(167.6)%**	**(398.1)**	**(65.6)%**
Income tax expense	0.1	0.1 %	0.1	— %	0.4	0.1 %	0.6	0.1 %
Net loss from continuing operations	**(285.5)**	**(154.0)%**	**(148.9)**	**(74.2)%**	**(939.9)**	**(167.7)%**	**(398.7)**	**(65.7)%**
Net loss from discontinued operations	—	— %	—	— %	—	— %	(290.6)	(47.9) %
Net loss	**($285.5)**	**(154.0)%**	**($148.9)**	**(74.2)%**	**($939.9)**	**(167.7)%**	**($689.3)**	**(113.7)%**
Basic and diluted loss per share								
Continuing operations	($1.86)		($1.18)		($6.88)		($3.18)	
Discontinued operations	—		—		—		(2.32)	

Revenue

	Three months ended				**Nine months ended**			
(in millions of U.S. Dollars)	**March 30, 2025**	**March 31, 2024**	**Change**		**March 30, 2025**	**March 31, 2024**	**Change**	
Power Products	$107.5	$102.1	$5.4	5 %	$295.4	$311.0	($15.6)	(5)%
Materials Products	$77.9	$98.6	($20.7)	(21)%	$265.2	$295.5	($30.3)	(10)%
Revenue	$185.4	$200.7	($15.3)	(8)%	$560.6	$606.5	($45.9)	(8)%

Net sales for the three and nine months ended March 30, 2025 were down 8% compared to the same periods in 2024.

- Net sales of our Power Product offerings were primarily impacted by ongoing weakness in the industrial and energy end market. This decrease has been primarily offset by growth in demand for automotive applications, though we are continuing to experience slower growth for automotive applications than we previously expected.
- Net sales of our Materials Product offerings were primarily impacted by weaker end market demand that has resulted in some of our customers adjusting the timing and size of their orders.

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Gross Profit and Gross Margin

(in millions of U.S. Dollars)	Three months ended		Change		Nine months ended		Change	
	March 30, 2025	March 31, 2024			March 30, 2025	March 31, 2024		
Gross (loss) profit	($22.5)	$22.5	($45.0)	(200)%	($95.9)	$75.0	($170.9)	(228)%
Gross margin	(12.1)%	11.2 %			(17.1)%	12.4 %		

The primary drivers of the decrease in gross profit and gross margin for the three and nine months ended March 30, 2025 compared to the same periods in 2024 included:

- $16.8 million and $82.5 million, respectively, of costs in connection with the 2025 Restructuring Plan as discussed in Note 13, "Restructuring," to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report.
- Unfavorable changes in product mix driven by (1) a decrease in the percent of total net sales attributable to our higher-margin Materials Products offerings and (2) an increase in the percent of Power Product net sales attributable to lower margin automotive applications, due to ongoing weakness in the industrial & energy end market. Production capacity in the Durham fab has shifted from industrial and energy products to automotive products, which have a higher production cost in that fab.

The gross margin impact of the above items was partially offset by slightly lower underutilization costs due to the timing of the Mohawk Valley Fab ramp. We incurred $26.3 million and $81.6 million for the three and nine months ended March 30, 2025, respectively, of underutilization costs in connection with the start of production at our Mohawk Valley Fab. Underutilization costs were $30.4 million and $100.4 million for the three and nine months ended March 31, 2024, respectively.

Research and Development

(in millions of U.S. Dollars)	Three months ended		Change		Nine months ended		Change	
	March 30, 2025	March 31, 2024			March 30, 2025	March 31, 2024		
Research and development	$42.2	$52.5	($10.3)	(20)%	$137.5	$141.9	($4.4)	(3)%
Percent of revenue	23 %	26 %			25 %	23 %		

The decrease in research and development expenses for the three and nine months ended March 30, 2025 as compared to the three and nine months ended March 31, 2024 was primarily due to a decrease in salary and benefits costs related to lower headcount and lower material costs from a planned decrease in research and development wafer starts associated with product transfers and technology qualifications related to the Mohawk Valley Fab ramp.

Sales, General and Administrative

(in millions of U.S. Dollars)	Three months ended		Change		Nine months ended		Change	
	March 30, 2025	March 31, 2024			March 30, 2025	March 31, 2024		
Sales, general and administrative	$41.1	$55.8	($14.7)	(26)%	$154.4	$184.8	($30.4)	(16)%
Percent of revenue	22 %	28 %			28 %	30 %		

The decrease in sales, general and administrative expenses for the three and nine months ended March 30, 2025 as compared to the three and nine months ended March 31, 2024 was primarily driven by a reduction in salaries related to planned decreases in headcount and variable compensation costs of approximately $9.9 million and $24.0 million, respectively. Outside services spending also decreased by $2.8 million and $6.5 million for the three and nine months ended March 30, 2025, respectively, as compared to the same periods in fiscal 2024 as a result of our recent efforts to optimize our cost structure.

Factory Start-up Costs

	Three months ended		Change		Nine months ended		Change	
(in millions of U.S. Dollars)	March 30, 2025	March 31, 2024			March 30, 2025	March 31, 2024		
Factory start-up costs	$23.5	$14.4	$9.1	63 %	$66.0	$33.3	$32.7	98 %

Start-up costs increased for the three and nine months ended March 30, 2025 as compared to the three and nine months ended March 31, 2024 due to increased costs incurred in connection with the construction of our materials manufacturing facility in Siler City, North Carolina. These costs are expected to be minimal once the facility begins to ramp production.

Loss on Disposal or Impairment of Long-Lived Assets

	Three months ended		Change		Nine months ended		Change	
(in millions of U.S. Dollars)	March 30, 2025	March 31, 2024			March 30, 2025	March 31, 2024		
Loss on disposal or impairment of long-lived assets	$31.1	$0.6	$30.5	5,083%	$157.5	$1.0	$156.5	15,650%

Loss on disposal or impairment of long-lived assets primarily includes the write-offs of fixed assets, as well as the write-offs of impaired or abandoned patents, partially offset by proceeds from asset sales. Loss on disposal or impairment of long-lived assets for the three and nine months ended March 30, 2025 consist of impairments of abandoned facility-related assets totaling $155.2 million related to the 2025 Restructuring Plan as discussed in Note 13, "Restructuring," to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report.

Other Operating Expense

	Three months ended		Change		Nine months ended		Change	
(in millions of U.S. Dollars)	March 30, 2025	March 31, 2024			March 30, 2025	March 31, 2024		
Legal settlements	17.0	—	17.0	100 %	17.0	—	17.0	100 %
Restructuring and other exit costs	10.0	$ —	$ 10.0	100 %	95.0	$ —	95.0	100 %
Project, transformation and transaction costs	6.8	$ 5.3	$ 1.5	28 %	20.6	$ 12.5	8.1	65 %
Executive severance costs	—	—	—	— %	1.4	$ —	1.4	100 %
Other	—	—	—	— %	1.4	—	1.4	100 %
Other operating expense	$ 33.8	$ 5.3	$ 28.5	538 %	$ 135.4	$ 12.5	$ 122.9	983 %

The increase in Other Operating Expenses during the three and nine months ended March 30, 2025 compared to the three and nine months ended March 31, 2024 was primarily driven by costs related to the 2025 Restructuring Plan. Additionally, during the third quarter of fiscal 2025, we agreed to settle several ongoing legal matters and recognized the associated financial statement impact of those settlements in Other Operating Expense.

Refer to Note 13, "Restructuring," in Part I, Item 1 of this Quarterly Report for more information on Restructuring and Other Exit Costs. Refer to Note 5, "Commitments and Contingencies," in Part I, Item 1 of this Quarterly Report for more information on our accounting for contingent losses.

Non-Operating Expense, net

(in millions of U.S. Dollars)	Three months ended March 30, 2025	Three months ended March 31, 2024	Change		Nine months ended March 30, 2025	Nine months ended March 31, 2024	Change	
Interest income	($19.4)	($30.1)	$10.7	(36)%	($58.6)	($108.9)	$50.3	(46)%
Interest expense, net of capitalized interest	85.4	59.5	25.9	44 %	230.4	185.5	44.9	24 %
Loss on customs matter	—	7.7	(7.7)	(100)%	—	7.7	(7.7)	(100)%
Loss on Wafer Supply Agreement	—	6.9	(6.9)	(100)%	9.2	20.4	(11.2)	(55)%
Unrealized loss (gain) on equity investment	24.9	(1.9)	26.8	(1,411)%	9.2	(7.3)	16.5	(226)%
Other expense, net	—	0.3	(0.3)	(100)%	1.7	1.3	0.4	31 %
Non-operating expense, net	$90.9	$42.4	$48.5	114 %	$191.9	$98.7	$93.2	94 %

Interest income. The decrease in interest income for the three and nine months ended March 30, 2025 as compared to the three and nine months ended March 31, 2024 was primarily due to lower short-term investment balances and a lower interest rate environment.

Interest expense, net of capitalized interest. The increase in interest expense for the three and nine months ended March 30, 2025 as compared to the three and nine months ended March 31, 2024 was primarily due to higher average debt outstanding and a higher average borrowing rate, offset, in part, by increased interest capitalization in the three and nine months ended March 30, 2025. Refer to Note 9 "Long-term Debt," to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report for the summary of outstanding debt.

Income Tax Expense

(in millions of U.S. Dollars)	Three months ended March 30, 2025	Three months ended March 31, 2024	Change		Nine months ended March 30, 2025	Nine months ended March 31, 2024	Change	
Income tax expense	$0.1	$0.1	$—	— %	$0.4	$0.6	($0.2)	(33)%
Effective tax rate	— %	— %			— %	— %		

The change in our effective tax rate for the three and nine months ended March 30, 2025 compared to the three and nine months ended March 31, 2024 was immaterial.

In general, the variation between our effective income tax rate and the current U.S. statutory rate of 21.0% is primarily due to: (i) changes in our valuation allowances against deferred tax assets, (ii) income derived from international locations with differing tax rates than the U.S., and (iii) tax credits generated.

Liquidity and Capital Resources

Overview

We require cash to fund our operating expenses, debt service costs, working capital requirements and capital expenditures, including the purchase of goods and services in the ordinary course of business such as raw materials, supplies and capital equipment, as well as outlays for research and development, strategic acquisitions and investments. We expect to need additional funding to fully complete all of our intended capacity expansions. Further, we may need to reduce capital expenditures and/or take other steps to preserve working capital in the future in order to ensure that we can meet our needs and obligations and maintain compliance with our debt covenants. Our principal sources of liquidity are cash on hand and marketable securities.

In the second quarter of fiscal 2025, we filed a shelf registration statement on Form S-3 to register for possible future sale shares of our common stock. The registration statement became automatically effective upon filing with the SEC on December 9, 2024. Under this shelf registration statement, we implemented an at-the-market program (the ATM Program) as described in the prospectus supplement filed with the SEC on December 9, 2024. As discussed further in Note 14, "Shareholders' Equity", the ATM Program was conducted pursuant to an equity distribution agreement (the Equity Distribution Agreement) with J.P. Morgan Securities LLC and Wells Fargo Securities, LLC (the Managers). The ATM Program concluded on January 14, 2025, and we completed the sale of approximately 27.8 million additional shares of common stock for total gross proceeds of approximately $200.0 million and net proceeds of approximately $195.2 million, after $4 million in commissions to the Managers and $0.8 million in other offering costs. As discussed in Note 9 "Long-term Debt," to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report, we also obtained additional funding of $250.0 million through the issuance of additional 2030 Senior Notes, and expect to pursue additional funding through debt refinancing (which may involve refinancing, modifying or retiring some of our existing debt), equity offerings or other non-debt capital sources.

In the third quarter of fiscal 2025, we received an initial federal cash tax refund of $186.5 million for the AMIC claimed under Section 48D of the Internal Revenue Code, related to capital projects included in fiscal 2023 and fiscal 2024 tax returns.

As described above and in Note 1, “Basis of Presentation and New Accounting Standards – Liquidity,” to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, we have a significant amount of outstanding indebtedness and have engaged external advisors to assist with the evaluation of a number of strategic alternatives, including a potential out-of-court or in-court capital restructuring. These alternatives include, but are not limited to, restructuring, refinancing or amending our existing debt, seeking new financing or pursuing asset sales to bolster liquidity. No definitive terms have been agreed upon to date and there can be no assurance that we will reach an agreement or successfully complete a transaction in a timely manner or at all. Any restructuring or other transaction is expected to be costly, would likely be substantially dilutive to our existing shareholders, and would likely limit our ability to utilize our net operating loss carry forwards (and/or other nonrefundable tax attributes). Our ability to generate and monetize certain refundable tax credits, such as the AMIC, is not anticipated to be limited as a result of any potential strategic alternatives being pursued.

While we consider these strategic alternatives, we retain sufficient liquidity in the near term, with approximately $1,329.6 million of unrestricted cash and cash equivalents and short-term investments on its unaudited consolidated balance sheet as of March 30, 2025, compared to scheduled debt repayments and debt service costs of $575 million and $322 million, respectively, over the next 12 months. We also plan to submit for approximately $600 million in cash tax refunds related to the amounts eligible for reimbursement under the AMIC over the next 12 months.

We expect that our current operating forecast over the next 12 months will allow us to maintain operations and meet our obligations to customers, vendors and employees in the ordinary course of business. However, due to our ongoing consideration of an in-court restructuring that would result in an event of default during the implementation of that potential solution, management has concluded that there is substantial doubt about our ability to continue as a going concern as of the issuance date of the unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q, in accordance with the requirements of ASC 205-40, “Presentation of Financial Statements – Going Concern.”

Sources of Liquidity

The following table sets forth our cash, cash equivalents and short-term investments:

(in millions of U.S. Dollars)	March 30, 2025	June 30, 2024	Change
Cash and cash equivalents	$730.2	$1,045.9	($315.7)
Short-term investments	599.4	1,128.7	(529.3)
Total cash, cash equivalents and short-term investments	$1,329.6	$2,174.6	($845.0)

The significant components of our working capital are liquid assets such as cash and cash equivalents, short-term investments, accounts receivable and inventories, partially reduced by accounts payable and accrued expenses.

In the first quarter of fiscal 2024, we entered into the Unsecured Customer Refundable Deposit Agreement (the CRD Agreement) with Renesas Electronics America Inc. (Renesas America), pursuant to which Renesas America agreed to provide us up to $2.0 billion in unsecured deposits, subject to certain conditions. We received an initial deposit of $1.0 billion in the first quarter of fiscal 2024, a second deposit of $500.0 million in the third quarter of fiscal 2024 and the third and final deposit in the fourth quarter of fiscal 2024. As discussed in Note 9, "Long-term Debt," to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report, we entered into an amendment to the CRD Agreement in October 2024 to permit us to pay the accrued interest on the outstanding loans payable on the last business day of each of December 2024 and June 2025 by adding those amounts to the outstanding principal amount of the loans rather than in cash, reducing our expected cash interest payments in fiscal 2025 by approximately $120.0 million.

As also discussed in Note 9, "Long-term Debt," to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report, in the second quarter of fiscal 2025, we issued an additional $250.0 million aggregate principal amount of 2030 Senior Notes. The 2030 Senior Notes Indenture permits us to issue additional tranches up to $500.0 million subject to certain conditions. We are required to maintain a minimum amount of at least $630.0 million in unrestricted cash and permitted investments as of the last day of any calendar month through March 31, 2025 and at least $750.0 million beginning on April 1, 2025, which amount will be reduced over time upon the fulfillment of certain conditions.

All of our short-term investments had investment grade ratings, and any such investments that were in an unrealized loss position at March 30, 2025 were in such position due to interest rate changes, sector credit rating changes or company-specific rating changes. We evaluate our short-term investments for expected credit losses. We believe we are able and intend to hold each of the investments held with an unrealized loss as of March 30, 2025 until the investments fully recover in market value. No allowance for credit losses was recorded as of March 30, 2025.

We also continue to actively pursue opportunities for federal funding, including but not limited to awards that may be made available through the CHIPS Act or other programs, including the recently established US Investment Accelerator Office ("federal funding opportunities").

From time to time, we evaluate strategic opportunities, including potential acquisitions, joint ventures, divestitures, spin-offs or investments in complementary businesses, and we have continued to make such evaluations. We may also access capital markets through the issuance of debt or equity, which we may use in connection with the acquisition of complementary businesses or other significant assets or for other strategic opportunities, debt restructuring or general corporate purposes.

Expected Uses of Liquidity

We believe we have the ability to navigate the current environment while maintaining our capital expenditure plans to support future growth to meet long-term demand. The initial phase of our major expansion projects at the Mohawk Valley Fab and Siler City, NC facility are approaching substantial completion. Consequently, we expect gross capital investment to decrease significantly, to approximately $0.2 billion in fiscal 2026. We also expect to receive an additional $0.6 billion of incentives primarily related to the AMIC refundable tax credits, during fiscal 2026. As such, our ability to modulate capital investment up or down in response to expected production capacity demand requirements will continue to increase.

We have take-or-pay supplier agreements that require a minimum of $209.9 million of purchases over the next five years and a commitment to provide quarterly capacity reservation deposits with a remaining total of $7.1 million, as outlined further in Note 5, "Commitments and Contingencies," to our unaudited financial statements in Part I, Item 1 of this Quarterly Report.

As mentioned above, considering the significant amount of our outstanding indebtedness, we have engaged advisors to assist with the evaluation of a number of potential out-of-court and in-court strategic alternatives, including, but not limited to, restructuring, refinancing or amending our existing debt, seeking new financing or pursuing asset sales to bolster liquidity.

Cash Flows

In summary, our cash flows were as follows:

	Nine months ended			
in millions of U.S. Dollars	**March 30, 2025**	**March 31, 2024**	**Change**	
Net cash used in operating activities of continuing operations	($469.2)	($431.8)	($37.4)	(9)%
Net cash used in investing activities of continuing operations	(254.5)	(1,571.4)	1,316.9	84 %
Net cash provided by financing activities of continuing operations	407.9	1,446.1	(1,038.2)	(72)%
Effects of foreign exchange changes on cash and cash equivalents	0.1	(0.1)	0.2	200 %
Cash used in discontinued operations	$—	($57.4)	57.4	100 %
Net change in cash and cash equivalents	($315.7)	($614.6)	$298.9	49 %

Cash Flows from Operating Activities

Net cash used in operating activities of continuing operations increased due to higher interest payments on our long-term debt and payments under the 2025 Restructuring Plan, offset in part by reductions in personnel costs and other variable spend due to our 2025 Restructuring Plan and related cost optimization efforts.

Cash Flows from Investing Activities

Our investing activities of continuing operations primarily relate to short-term investment transactions, purchases of property and equipment, and property and equipment related reimbursements under various federal, state, and local incentive programs.

Cash used in investing activities of continuing operations decreased primarily due to decreases in net purchases of short-term investments of $761.1 million and in net property and equipment purchases of $630.4 million. The decrease in net property and equipment purchases was driven by lower capital expenditures associated with our ongoing expansion projects and the receipt of cash tax refunds as discussed in Note 1 - "Basis of Presentation and New Accounting Standards," in our unaudited financial statements in Part I, Item 1 of this Quarterly Report.

Cash Flows from Financing Activities

For the nine months ended March 30, 2025, cash provided by financing activities primarily consisted of proceeds of $240 million from the issuance of additional 2030 Senior Notes, net proceeds of $203.9 million from issuances of common stock primarily related to our ATM Program and a $10.0 million refund of escrow deposit, partially offset by $40.2 million of debt issuance costs and $3.9 million in tax withholdings on vested equity awards. For the nine months ended March 31, 2024, we had proceeds of $1.5 billion primarily related to borrowings under our CRD Agreement during fiscal 2024 and $10.9 million from the issuance of common stock. These proceeds were partially offset by payments of $46 million for debt issuance costs and $17.5 million in tax withholdings on vested equity awards.

Off-Balance Sheet Arrangements

As of March 30, 2025, we did not have any off-balance sheet arrangements. We do not use off-balance sheet arrangements with unconsolidated entities or related parties, nor do we use any other forms of off-balance sheet arrangements. Accordingly, our liquidity and capital resources are not subject to off-balance sheet risks from unconsolidated entities.

Critical Accounting Policies and Estimates

For information on critical accounting policies and estimates, see the “Critical Accounting Policies and Estimates” section of “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the 2024 Form 10-K.

Recent Accounting Pronouncements

For a description of recent accounting pronouncements pending adoption, including the expected dates of adoption and the estimated effects, if any, on our consolidated financial statements, see Note 1, “Basis of Presentation and New Accounting Standards,” to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In connection with the RF Business Divestiture, we acquired shares of MACOM common stock (the MACOM Shares), which had a market value of approximately $70.1 million as of March 30, 2025 based on the closing price of MACOM common stock on March 28, 2025, the last trading day of the third fiscal quarter. If quoted market values on MACOM's common stock were to hypothetically decrease 10%, the fair value of the MACOM Shares would decrease by $7.0 million at March 30, 2025.

For additional quantitative and qualitative disclosures about our market risks, see “Part II. Item 7A. Quantitative and Qualitative Disclosures About Market Risk” of the 2024 Form 10-K. There have been no other material changes to the amounts presented therein.

Item 4. Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) for the quarter ended March 30, 2025. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Form 10-Q, our disclosure controls and procedures are effective in that they provide reasonable assurances that the information we are required to disclose in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods required by the SEC’s rules and forms and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

We routinely review our internal control over financial reporting and from time to time make changes intended to enhance the effectiveness of our internal control over financial reporting. We will continue to evaluate the effectiveness of our disclosure controls and procedures and internal control over financial reporting on an ongoing basis and will take action as appropriate.

No changes to our internal control over financial reporting were identified in management's evaluation pursuant to Rules 13a-15(d) and 15d-15(d) under the Exchange Act during the third quarter of fiscal 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The information required by this item is set forth under Note 5, “Commitments and Contingencies,” to our unaudited financial statements in Part I, Item 1 of this Quarterly Report and is incorporated herein by reference.

Item 1A. Risk Factors

Described below are various risks and uncertainties that may affect our business. The descriptions below include any material changes to and supersede the description of the risk factors affecting our business previously disclosed in "Part I, Item 1A. Risk Factors" of the 2024 Form 10-K and subsequent reports filed with the SEC. If any of the risks described below actually occurs, our business, financial condition or results of operations could be materially and adversely affected.

Risk categories and certain principal risks under each category include (each described more fully below):

- Risks related to our global operations, including global macroeconomic and market risks
  - Our business may be adversely affected by the state of the global economy, uncertainties in global financial markets, our ability, or our customers' or suppliers' ability, to access funding, and trade tariffs and trade restrictions.
  - We are subject to risks related to international sales and purchases.
- Risks related to sales, product development and manufacturing
  - We face significant challenges managing our growth strategy.
  - Variations in our production could impact our ability to reduce costs and could cause our margins to decline and our operating results to suffer.
  - Our results of operations, financial condition and business could be harmed if we are unable to balance customer demand and capacity.
- Risks associated with our strategic transactions
  - If we fail to evaluate and execute strategic opportunities successfully, our business may suffer.
  - We are subject to a number of risks associated with our restructuring plan, and these risks could impact our operations, financial condition and ability to realize expected cost savings.
  - We are subject to a number of risks associated with the sale of our former RF Business, and these risks could adversely impact our operations, financial condition and business.
- Risks associated with our capital structure
  - Negotiations with our lenders may result in an in-court debt restructuring, and the contemplation of an in-court solution raises substantial doubt about our ability to continue as a going concern.
  - We have outstanding debt which could materially restrict our business and adversely affect our financial condition, liquidity and results of operations.
- Risks associated with cybersecurity, intellectual property and litigation
  - We may be subject to confidential information theft or misuse, which could harm our business and results of operations.
  - There are limitations on our ability to protect our intellectual property.
- Risks related to legal, regulatory, accounting, tax and compliance matters
  - We may be required to recognize a significant charge to earnings if our goodwill or other assets become impaired.
  - The adoption of or changes in government and/or industry policies, standards or regulations relating to the efficiency, performance, vehicle range or other aspects of our products and the products in which they are utilized could impact the demand for our products.
- General risk factors
  - We have been subject to shareholder activism and may be subject to such activism in the future.

Risks related to our global operations, including global macroeconomic and market risks

Our business may be adversely affected by the state of the global economy, uncertainties in global financial markets, our ability or our customers' or suppliers' ability to access funding, and possible trade tariffs and trade restrictions.

Our operations and performance depend significantly on worldwide economic and geopolitical conditions. Uncertainty about global economic conditions could result in customers postponing purchases of our products and services in response to tighter credit, unemployment, negative financial news, higher interest rates and/or declines in income or asset values and other macroeconomic factors, which could have a material negative effect on demand for our products and services and, accordingly, on our business, results of operations or financial condition. For example, current global financial markets continue to reflect uncertainty, including as a result of the ongoing military conflict between Russia and Ukraine and the ongoing conflicts in the Middle East, as well as tariff policies announced by the Trump administration and ongoing trade tensions between certain countries including the United States and China, which has impacted and could continue to impact demand for our products. Given these uncertainties, there could be further disruptions to the global economy, financial markets and consumer confidence. If economic conditions deteriorate unexpectedly, our business and results of operations could be materially and adversely affected. For example, our customers, including our distributors and their customers, may experience difficulty obtaining the working capital and other financing necessary to support historical or projected purchasing patterns, which could negatively affect our results of operations.

Various global economic slowdowns could occur and potentially result in certain economies dipping into economic recessions, including in the United States. Additionally, increased inflation around the world, including in the United States, applies pressure to our costs. Economic slowdowns or recessions and inflationary pressures could have a negative impact on our business, including decreased demand, increased costs, and other challenges. Government actions to address economic slowdowns and increased inflation, including elevated interest rates, also could result in negative impacts to our growth.

In April 2025, the Trump administration announced a baseline tariff of 10% on products from all countries and an additional individualized reciprocal tariff on the countries with which the United States has the largest trade deficits. While most of the proposed reciprocal tariffs were subsequently suspended for a 90-day period, the Trump administration has announced tariffs of 145% or more on Chinese imports, potentially subject to certain exceptions, prompting announcements of retaliatory tariffs by China on goods from the United States. General trade tensions between the United States and China continue, and any economic and political uncertainty caused by the United States tariffs imposed on goods from China, among other potential countries, and any corresponding tariffs or currency devaluations from China or such other countries in response, has negatively impacted, and may in the future negatively impact, demand and/or increase the cost for our products. Additionally, Russia's invasion of Ukraine in early 2022 triggered significant sanctions from the United States and European countries. Resulting changes in United States trade policy could trigger retaliatory actions by Russia, its allies and other affected countries, including China, resulting in a potential trade war. Furthermore, if the conflicts between Russia and Ukraine and in the Middle East continue for a prolonged period of time, or if other countries, including the United States, become involved in these conflicts, we could face significant adverse effects to our business and financial condition. For example, if our supply or customer arrangements are disrupted due to expanded sanctions or involvement of countries where we have operations or relationships, our business could be materially disrupted. Further, the use of cyberattacks could expand as part of the conflict, which could adversely affect our ability to maintain or enhance our cyber-security and data protection measures.

Although we believe we have adequate liquidity and capital resources to fund our operations for at least the next 12 months, we expect to need additional funding to fully complete all of our intended expansion initiatives, which we may seek to obtain through, among other avenues, federal funding opportunities, equity offerings or other non-debt funding sources, and debt financings (which may involve retiring, refinancing or modifying some of our existing debt). If unfavorable capital market conditions exist, we may not be able to raise sufficient capital or restructure or refinance our outstanding convertible notes on favorable terms and on a timely basis, if at all, which would impact our ability to access federal funding and/or raise additional capital. As discussed in Note 14, "Shareholders' Equity," to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report, we sold 27.8 million shares of common stock under the ATM Program, and if we further issue equity or convertible debt securities to raise additional funds, our existing shareholders may experience dilution and the new equity or debt securities may have rights, preferences and privileges senior to those of our then-existing shareholders. If we incur additional debt, it may impose financial and operating covenants that could restrict the operations of our business. In a rising interest rate environment, debt financing would become more expensive and could have higher transactional and servicing costs. In addition, our existing indebtedness may limit our ability to obtain additional financing in the future. The potential inability to obtain adequate funding from debt or capital sources in the future could force us to self-fund strategic initiatives or even forego certain opportunities, which in turn could potentially harm our performance.

We are subject to risks related to international sales and purchases.

In fiscal 2024, 86% of our revenue was from outside the United States and we expect that revenue from international sales will continue to represent a significant portion of our total revenue. As such, a significant slowdown or instability in relevant foreign economies or lower investments in new infrastructure could have a negative impact on our sales. We also purchase a portion of the materials included in our products from overseas sources.

Our international sales and purchases are subject to numerous United States and foreign laws and regulations, including, without limitation, tariffs, trade sanctions, trade barriers, trade embargoes, regulations relating to import-export control, technology transfer restrictions, the International Traffic in Arms Regulation promulgated under the Arms Export Control Act, the Foreign Corrupt Practices Act and the anti-boycott provisions of the United States Export Administration Act. The United States Government has imposed, and in the future may impose, restrictions on shipments to some of our current customers. Government restrictions on sales to certain foreign customers will reduce our revenue and profit related to those customers in the short term and could have a potential long-term impact.

Our international sales are subject to variability as our selling prices become less competitive in countries with currencies that are declining in value against the U.S. Dollar and more competitive in countries with currencies that are increasing in value against the U.S. Dollar. In addition, our international purchases can become more expensive if the U.S. Dollar weakens against the foreign currencies in which we are billed. We may in the future enter into foreign currency derivative financial instruments in an effort to manage or hedge some of our foreign exchange rate risk. We may not be able to engage in hedging transactions in the future, and, even if we do, foreign currency fluctuations may still have a material adverse effect on our results of operations.

Our operations in foreign countries expose us to certain risks inherent in doing business internationally, which may adversely affect our business, results of operations or financial condition.

We have revenue, operations and contract manufacturing arrangements in foreign countries that expose us to certain risks. For example, fluctuations in exchange rates may affect our revenue, expenses and results of operations as well as the value of our assets and liabilities as reflected in our financial statements. We are also subject to other types of risks of doing business internationally, including the following:

- protection of intellectual property and trade secrets;
- tariffs, customs, trade sanctions, trade embargoes and other barriers to importing/exporting materials and products in a cost-effective and timely manner, or changes in applicable tariffs or custom rules, such as tariffs announced by the Trump administration and retaliatory tariffs implemented by other countries in response and the additional customs duties incurred in fiscal 2024 related to our former Lighting Products business unit;
- the burden of complying with and changes in United States or international taxation policies;
- timing and availability of export licenses;
- rising labor costs;
- disruptions in or inadequate infrastructure of the countries where we operate;
- the impact of public health epidemics on employees and the global economy;
- difficulties in collecting accounts receivable;
- difficulties in staffing and managing international operations; and
- the burden of complying with foreign and international laws and treaties.

For example, the Trump administration has announced an aggressive policy for implementing tariffs, including a baseline tariff of 10% on products from all countries and an additional individualized reciprocal tariff on the countries with which the United States has the largest trade deficits. While most of the proposed reciprocal tariffs were subsequently suspended for a 90-day period, the United States has imposed significant tariffs on Chinese-made goods and President Trump announced that he will impose additional significant tariffs on goods from China, among other potential tariffs against U.S. trading partners such as Mexico and Canada. The tariffs imposed on Chinese goods, among other potential countries and any corresponding tariffs from China or such other countries in response has, and may in the future, negatively impact demand and/or increase the costs for our products. The volatility and unpredictability of international trade policies and conditions in the current political and international economic environment add further complexity to our operations, making it challenging to forecast and plan effectively. Government incentives may include tax rebates, reduced tax rates, favorable lending policies and other measures, some or all of which may be available to us due to our foreign operations. Any of these incentives could be reduced or eliminated by governmental authorities at any time or as a result of our inability to maintain minimum operations necessary to earn the incentives. Any reduction or elimination of incentives provided for our operations could adversely affect our business and results of operations. These same governments also may provide increased incentives to or require production processes that favor local companies, which could further negatively impact our business and results of operations.

Changes in regulatory, geopolitical, social, economic, or monetary policies and other factors, including those which may result under the Trump administration, if any, may have a material adverse effect on our business in the future, or may require us to exit a particular market or significantly modify our current business practices. Abrupt political change, terrorist activity and armed conflict pose a risk of general economic disruption in affected countries, which could also result in an adverse effect on our business and results of operations.

Risks related to sales, product development and manufacturing

We face significant challenges managing our growth strategy.

Our potential for growth depends significantly on the adoption of our products within the markets we serve and for other applications, and our ability to affect this rate of adoption. In order to manage our growth and business strategy effectively relative to the uncertain pace of adoption, we must continue to:

- complete comprehensive due diligence, negotiate and finalize award documentation for federal funding opportunities;
- access capital markets to fund our growth initiatives and to satisfy expected terms of potential federal funding opportunities;
- complete a restructuring or other transaction to address our outstanding indebtedness;
- maintain, expand, construct and purchase adequate manufacturing facilities and equipment, as well as secure sufficient third-party manufacturing resources, including specifically the expansion of our silicon carbide capacity with the ramping of our state-of-the-art, automated 200mm capable silicon carbide device fabrication facility in New York and the construction of a new materials manufacturing facility in Siler City, North Carolina;
- receive the expected benefits from the refundable AMIC under Section 48D of the Internal Revenue Code;
- meet our production capacity and delivery commitments to our customers, including those customers who provide us with capacity reservation deposits or similar payments;
- manage an increasingly complex supply chain and meeting purchase commitments under take-or-pay arrangements with certain suppliers that has the ability to supply an increasing number of raw materials, subsystems and finished products with the required specifications and quality, and deliver on time to our manufacturing facilities, our third-party manufacturing facilities, our logistics operations, or our customers;
- expand the skills and capabilities of our current management team;
- add experienced senior level managers and executives;
- attract and retain qualified employees;
- expand the capability of our information systems to support a more complex business, such as our ongoing implementation of a new company-wide enterprise resource planning (ERP) system;
- be successful in securing design-ins across our end markets, including automotive applications;
- realize our expected local, state and federal government incentives, including capital investment reimbursements, property tax reimbursements and sales tax exemptions from state, county and local governments;
- safeguard confidential information and protect our intellectual property;
- manage organizational complexity and communication; and
- execute, maintain and adjust the operational and financial controls that support our business.

While we intend to continue to focus on managing our costs and expenses, we expect to invest to support our growth and may have additional unexpected costs. Such investments take time to become fully operational, and we may not be able to expand quickly enough to exploit targeted market opportunities. In connection with our efforts to cost-effectively manage our growth, we have increasingly relied on contractors for production capacity, logistics support and certain administrative functions including hosting of certain information technology software applications. If our contract manufacturers (including those at which we maintain captive lines) or other service providers do not perform effectively, we may not be able to achieve the expected cost savings and may incur additional costs to correct errors or fulfill customer demand. Depending on the function involved, such errors may also lead to business disruption, processing inefficiencies, the loss of or damage to intellectual property through security breach, or an impact on employee morale. Our operations may also be negatively impacted if any of these contract manufacturers or other service providers do not have the financial capability to meet our growing needs.

There are also inherent execution risks in starting up a new factory or expanding production capacity, whether one of our own factories or that of our contract manufacturers, as well as risks to moving production to different contract manufacturers, that could increase costs and reduce our operating results. In the fourth quarter of fiscal 2022, we opened the Mohawk Valley Fab to complement the materials factory expansion underway at our United States campus headquarters in Durham, North Carolina and the Mohawk Valley Fab began revenue production in late fiscal 2023. We also commenced work on our new materials manufacturing facility in Siler City, North Carolina in the first quarter of fiscal 2023. The establishment and operation of a new manufacturing facility or expansion of an existing facility involves significant risks and challenges, some of which we have experienced and may experience in the future, including, but not limited to, the following:

- design and construction delays and cost overruns;
- issues in installing and qualifying new equipment and ramping production;
- poor production process yields and reduced quality control; and
- insufficient personnel with requisite expertise and experience to operate an automated silicon carbide device fabrication facility and a materials manufacturing facility.

If we receive government incentives through federal funding opportunities, or through state and local grants, the restrictions and operational requirements that are associated with such grants would add complexity to our operations and increase our costs. For example, we have signed a non-binding preliminary memorandum of terms (PMT) with the Department of Commerce relating to proposed funding under the CHIPS Act to support expansion of our new facilities in North Carolina and New York. The terms for awards of funding under the PMT are preliminary and are subject to a comprehensive due diligence process and continued negotiations. There is uncertainty whether any grant approved by the recently established US Investment Accelerator office within the Department of Commerce will be on the same or similar terms as the PMT. There can be no assurance that we will conclude grant negotiations or receive the full amount of federal funding set forth in the PMT, if at all. Our failure to conclude definitive agreements for any reason or to meet operational or financial milestones required to receive final awards could make it more difficult to maintain our liquidity requirements and could create a negative perception or reputational concern with respect to us and our business. In addition, there is uncertainty regarding the impact of the Trump administration's policies with respect to the semiconductor industry and government funding, tax credits and tariffs. Any of the above factors could have a material adverse effect on our business, results of operations or financial condition.

We are also increasingly dependent on information technology to enable us to improve the effectiveness of our operations and to maintain financial accuracy and efficiency. Allocation and effective management of the resources necessary to successfully implement, integrate, train personnel and sustain our information technology platforms will remain critical to ensuring that we are not subject to transaction errors, processing inefficiencies, loss of customers or suppliers, business disruptions or loss of or damage to intellectual property through a security breach in the near term. Additionally, we face these same risks if we fail to allocate and effectively manage the resources necessary to build, implement, upgrade, integrate and sustain appropriate technology infrastructure over the longer term.

Our results of operations, financial condition and business could be harmed if we are unable to balance customer demand and capacity.

As customer demand for our products changes, we must be able to adjust our production capacity to meet demand. We are continually taking steps to address our manufacturing capacity needs for our products. Currently, we are focusing on increasing production capacity that utilizes 200mm substrates. If we are not able to increase our production capacity at our targeted rate, if there are unforeseen costs associated with increasing our capacity levels, or if we are unable to obtain advanced semiconductor manufacturing equipment in a timely manner, we may not be able to achieve our financial targets. We may be unable to build or qualify new capacity on a timely basis to meet customer demand and customers may fulfill their orders with one of our competitors instead. In addition, as we introduce new products and change product generations, we must balance the production and inventory of prior generation products with the production and inventory of new generation products, whether manufactured by us or our contract manufacturers, to maintain a product mix that will satisfy customer demand and mitigate the risk of incurring cost write-downs on the previous generation products, related raw materials and tooling. Significant or prolonged shortages or delivery delays of our products to our customers could delay their manufacturing and negatively impact our relationships with these customers, including triggering the potential payment of penalties on certain agreements.

Due to the proportionately high fixed cost nature of our business (such as facility costs), if demand does not materialize at the rate forecasted, we may not be able to scale back our manufacturing expenses or overhead costs quickly enough to correspond to the lower than expected demand. This could result in lower margins and adversely impact our business and results of operations. Additionally, if product demand decreases or if we fail to forecast demand decreases or changes accurately, we may experience a mismatch between current product demand and manufactured product mix, adversely impacting our results, including due to higher costs resulting from lower factory utilization, causing higher fixed costs per unit produced. For example, in fiscal 2024 and the first three quarters of fiscal 2025, we and other semiconductor companies experienced and have continued to experience softer demand for our products than expected. In response, we adjusted our production mix in our North Carolina fab to manufacture power products for automotive applications, which have higher unit costs in this fab. Changes in product demand from our customers' forecasts may also cause variability in our supply costs if significant adjustments are needed to our forecasted or committed procurement and supply plans. Further, we may be required to recognize impairments on our long-lived assets or recognize excess inventory write-off charges, or excess capacity charges, which would have a negative impact on our results of operations.

With the opening of the Mohawk Valley Fab, we have experienced and will continue to experience increased pressure on margins during the period when production begins but before the facility is at full utilization, and in the initial periods we expect these underutilization costs will continue to be substantial as we ramp up the facility. Additionally, our large upfront investment in the facility, or any other new facility, to increase capacity does not guarantee we will need the capacity and we may experience lower than expected capacity once the facility is in production, which could result in further margin pressures.

In addition, our efforts to improve quoted delivery lead-time performance may result in corresponding reductions in order backlog. A decline in backlog levels could result in more variability and less predictability in our quarter-to-quarter revenue and operating results.

Variations in our production could impact our ability to reduce costs and could cause our margins to decline and our operating results to suffer.

All of our products are manufactured using technologies that are highly complex. The number of usable items, or yield, from our production processes may fluctuate as a result of many factors, including but not limited to the following:

- variability in our process repeatability and control;
- contamination of the manufacturing environment;
- equipment failure, power outages, fires, flooding, information or other system failures or variations in the manufacturing process, such as the equipment incident we experienced in our Durham Fab in late fiscal 2024;
- lack of consistency and adequate quality and quantity of piece parts, other raw materials and other bill of materials items;
- inventory shrinkage or human errors;
- defects in production processes (including system assembly) either within our facilities or at our suppliers; and
- any transitions or changes in our production process, planned or unplanned.

In the past, we have experienced difficulties in achieving acceptable yields on certain products, which has adversely affected our operating results. We may experience similar problems in the future, and we cannot predict when they may occur or their severity.

In some instances, we may offer products for future delivery at prices based on planned yield improvements or increased cost efficiencies from other production advances. Failure to achieve these planned improvements or advances could have a significant impact on our margins and operating results.

In addition, our ability to convert volume manufacturing to larger diameter substrates is an important factor in providing a more cost-effective manufacturing process. We continue to prepare for production using 200mm substrates and if we are unable to make this transition in a timely or cost-effective manner, our results could be negatively impacted.

Our operating results are substantially dependent on the acceptance of new products.

Our future success may depend on our ability to deliver new, higher performing and/or lower cost solutions for existing and new markets and for customers to accept those solutions. The development of new products is a highly complex process, and we have in some instances experienced delays in completing the development, introduction and qualification of new products which has impacted our results in the past. Our research and development efforts are aimed at solving increasingly complex problems, and we do not expect that all our projects will be successful. The successful development, introduction and acceptance of new products depend on a number of factors, including the following:

- qualification and acceptance of our new product and systems designs, specifically entering into automotive applications which require even more stringent levels of qualification and standards;
- our customers' ability to develop competitive products incorporating our products;
- market acceptance of our products and our customers’ products;
- our ability to effectively transfer increasingly complex products and technology from development to manufacturing, including the transition to 200mm substrates;
- our ability to introduce new products in a timely and cost-effective manner;
- achievement of technology breakthroughs required to make commercially viable products;
- our ability to convert customer design-ins to sales of significant volume, and, if customer design-in activity does result in such sales, when such sales will ultimately occur and what the amount of such sales will be;
- the accuracy of our predictions for market requirements;
- our ability to predict, influence and/or react to evolving standards;
- acceptance of new technology in certain markets;
- our ability to protect intellectual property developed in new products;
- the availability of qualified research and development personnel;
- our timely completion of product designs and development;
- our ability to develop repeatable processes to manufacture new products in sufficient quantities, with the desired specifications and at competitive costs; and
- our ability to secure volume purchase orders related to new products.

If any of these or other similar factors becomes problematic, we may not be able to deliver and introduce new products in a timely or cost-effective manner.

We face risks relating to our suppliers, including that we rely on a number of key sole source and limited source suppliers, are subject to high price volatility on certain commodity inputs, including as a result of tariffs, variations in parts quality, and raw material consistency and availability, and rely on independent shipping companies for delivery of our products.

We depend on a number of sole source and limited source suppliers for certain raw materials, components, services and equipment used in manufacturing our products, including key materials and equipment used in critical stages of our manufacturing processes. Although alternative sources generally exist for these items, qualification of many of these alternative sources could take up to six months or longer. Where possible, we attempt to identify and qualify alternative sources for our sole and limited source suppliers.

We generally purchase these sole or limited source items with purchase orders, and we have limited guaranteed supply arrangements with such suppliers, including take-or-pay arrangements and capacity reserve deposit agreements. Some of our sources can have variations in attributes and availability which can affect our ability to produce products in sufficient volume or quality. We do not control the time and resources that these suppliers devote to our business, and we cannot be sure that these suppliers will perform their obligations to us. Additionally, general shortages in the marketplace of certain raw materials or key components may adversely impact our business. In the past, we have experienced decreases in our production yields when suppliers have varied from previously agreed upon specifications or made other modifications we did not specify, which impacted our cost of revenue.

Additionally, the inability of our suppliers to access capital efficiently could cause disruptions in their businesses, thereby negatively impacting ours. This risk may increase from unpredictable and unstable changes in economic conditions, including recession, inflation, or other changes, which may negatively affect key suppliers or a significant number of our other suppliers. Any delay in product delivery or other interruption or variation in supply from these suppliers could prevent us from meeting commercial demand for our products. If we were to lose key suppliers, if our key suppliers were unable to support our demand for any reason or if we were unable to identify and qualify alternative suppliers, our manufacturing operations could be interrupted or hampered significantly.

We rely on arrangements with independent shipping companies for the delivery of our products from vendors and to customers both in the United States and abroad. The failure or inability of these shipping companies to deliver products or the unavailability of shipping or port services, even temporarily, could have a material adverse effect on our business. We may also be adversely affected by an increase in freight surcharges due to rising fuel costs, oil costs and added security.

In our fabrication process, we consume a number of precious metals and other commodities, which are subject to high price volatility and the potential impacts of increased inflation. Our operating margins could be significantly affected if we are not able to pass along price increases to our customers. In addition, production could be disrupted by the unavailability of the resources used in production such as water, silicon, electricity and gases. Future environmental regulations could restrict supply or increase the cost of certain of those materials.

We operate in industries that are subject to significant fluctuation in supply and demand and ultimately pricing, which affects our revenue and profitability.

The industries we serve are in different stages of adoption and are characterized by constant and rapid technological change, rapid product obsolescence and price erosion, evolving standards and fluctuations in product supply and demand. The semiconductor industry is characterized by rapid technological change, high capital expenditures, short product life cycles and continuous advancements in process technologies and manufacturing facilities. As the markets for our products mature, additional fluctuations may result from variability and consolidations within the industry's customer base. These fluctuations have been characterized by lower product demand, production overcapacity, higher inventory levels and aggressive pricing actions by our competitors. These fluctuations have also been characterized by higher demand for key components and equipment used in, or in the manufacture of, our products resulting in longer lead times, supply delays and production disruptions. We have experienced these conditions in our business and may experience such conditions in the future, which could have a material negative impact on our business, results of operations or financial condition.

In addition, as we diversify our product offerings and as pricing differences in the average selling prices among our product lines widen, a change in the mix of sales among our product lines may increase volatility in our revenue and gross margin from period to period.

If we are unable to effectively develop, manage and expand our sales channels for our products, our operating results may suffer.

We sell a portion of our products to distributors, including a distributor that represented more than 10% of our revenue in fiscal 2024. We rely on distributors to develop and expand their customer base as well as to anticipate demand from their customers. If they are not successful, our growth and profitability may be adversely impacted. Distributors must balance the need to have enough products in stock in order to meet their customers' demand against their internal target inventory levels and the risk of potential inventory obsolescence. The risks of inventory obsolescence are especially relevant to technological products. The distributors' internal target inventory levels vary depending on market cycles and a number of factors within each distributor over which we have very little, if any, control. Distributors also have the ability to shift business to different manufacturers within their product portfolio based on a number of factors, including new product availability and performance. Similarly, we have the ability to add, consolidate, or remove distributors.

We typically recognize revenue on products sold to distributors when an item is shipped and title passes to the distributor (sell-in method). Certain distributors have limited rights to return inventory under stock rotation programs and have limited price adjustment rights for which we make estimates. We evaluate inventory levels in the distribution channel, current economic trends and other related factors in order to account for these factors in our judgments and estimates. As inventory levels and product return trends change or we make changes to our distributor roster, we may have to revise our estimates and incur additional costs, and our gross margins and operating results could be adversely impacted.

We depend on a limited number of customers, including distributors, for a substantial portion of our revenue, and the loss of, or a significant reduction in purchases by, one or more of these customers could adversely affect our operating results.

We receive a significant amount of our revenue from a limited number of customers and distributors, two of which individually represented more than 10% of our consolidated revenue in fiscal 2024. Many of our customer orders are made on a purchase order basis, which does not generally require any long-term customer commitments. Therefore, these customers may alter their purchasing behavior with little or no notice to us for various reasons, including developing, or, in the case of our distributors, their customers developing, their own product solutions; choosing to purchase or distribute product from our competitors; incorrectly forecasting end market demand for their products; or experiencing a reduction in their market share in the markets for which they purchase our products. If our customers alter their purchasing behavior, if our customers' purchasing behavior does not match our expectations or if we encounter any problems collecting amounts due from them, our financial condition and results of operations could be negatively impacted.

The markets in which we operate are highly competitive and have evolving technical requirements.

The markets for our products are highly competitive. In the semiconductor market, we compete with companies that have greater market share, name recognition, distribution and sales channels, and/or technical resources than we do. Competitors continue to offer new products with aggressive pricing, additional features and improved performance. Aggressive pricing actions by our competitors in our businesses could reduce margins if we are not able to reduce costs at an equal or greater rate than the sales price decline.

As competition increases, we need to continue to develop new products that meet or exceed the needs of our customers. Therefore, our ability to continually produce more efficient and lower cost power and materials products that meet the evolving needs of our customers will be critical to our success. Competitors may also try to align with some of our strategic customers. This could lead to lower prices for our products, reduced demand for our products and a corresponding reduction in our ability to recover development, engineering and manufacturing costs. Any of these developments could have an adverse effect on our business, results of operations or financial condition.

Our revenue is highly dependent on our customers' ability to produce, market and sell more integrated products.

Our revenue depends on getting our products designed into a larger number of our customers' products and in turn, our customers' ability to produce, market and sell their products. For example, we have current and prospective customers that create, or plan to create, power products or systems using our substrates, die, components or modules. Even if our customers are able to develop and produce products or systems that incorporate our substrates, die, components or modules, there can be no assurance that our customers will be successful in marketing and selling these products or systems in the marketplace.

Our results may be negatively impacted if customers do not maintain their favorable perception of our brands and products.

Maintaining and continually enhancing the value of our brands is critical to the success of our business. Brand value is based in large part on customer perceptions. Success in promoting and enhancing brand value depends in large part on our ability to provide high-quality products. Brand value could diminish significantly due to a number of factors, including adverse publicity about our products (whether valid or not), a failure to maintain the quality of our products (whether perceived or real), the failure of our products to deliver consistently positive consumer experiences, the products becoming unavailable to consumers or consumer perception that we have acted in an irresponsible manner. Similarly, customers and other third parties may be less likely to invest time and resources in developing business relationships with us if they are not convinced that our business will succeed. Accordingly, to build, maintain and grow our business, we must establish and maintain confidence among customers, suppliers, the investment community and other parties with respect to our liquidity and long-term business prospects. Damage to our brand, reputation or loss of customer confidence in our brand or products could result in decreased demand for our products and have a negative impact on our business, results of operations or financial condition.

If our products fail to perform or fail to meet customer requirements or expectations, we could incur significant additional costs, including costs associated with the recall of those items.

The manufacture of our products involves highly complex processes. Our customers specify quality, performance and reliability standards that we must meet. If our products do not meet these standards, we may be required to replace or rework the products. In some cases, our products may contain undetected defects or flaws that only become evident after shipment and installation. Even if our products meet standard specifications, our customers may attempt to use our products in applications for which they were not designed or in products that were not designed or manufactured properly, resulting in product failures and creating customer satisfaction issues.

We have experienced product quality, performance or reliability problems from time to time and defects or failures may occur in the future. If failures or defects occur, they could result in significant losses or product recalls. A significant product recall could also result in adverse publicity, damage to our reputation and a loss of customer confidence in our products. We also may be the target of product liability lawsuits against us if the use of our products at issue is determined to have caused injury or contained a substantial product hazard.

We provide standard warranty periods of 90 days on our products, with longer periods under a limited number of customer contracts. Although we believe our reserves are appropriate, we are making projections about the future reliability of new products and technologies, and we may experience increased variability in warranty claims. Increased warranty claims could result in significant losses due to a rise in warranty expense and costs associated with customer support.

As a result of our continued expansion into new markets, we may compete with existing customers who may reduce their orders.

We continue to expand into new markets and new market segments. Many of our existing customers who purchase our silicon carbide substrate materials develop and manufacture devices, die and components using those wafers that are offered in the same power market. As a result, some of our current customers perceive us as a competitor in these market segments. In response, our customers may reduce or discontinue their orders for our substrate materials. This reduction in or discontinuation of orders could occur faster than our sales growth in these new markets, which could adversely affect our business, results of operations or financial condition.

Risks associated with our strategic transactions

If we fail to evaluate and execute strategic opportunities successfully, our business may suffer.

From time to time, including the present, we evaluate strategic opportunities available to us for product, technology or business transactions, such as business acquisitions, investments or capacity expansions, joint ventures, divestitures, or spin-offs. If we choose to enter into such strategic transactions, we face certain risks including:

- the inability to realize the expected benefits, both from a timing and amount perspective, from our ongoing and planned capacity expansions, including the construction of a new materials manufacturing facility in Siler City, North Carolina;
- the failure of an acquired business, investee or joint venture to meet our performance and financial expectations;
- identification of additional liabilities relating to an acquired business;
- loss of customers due to perceived conflicts or competition with such customers or due to regulatory actions taken by governmental agencies;
- that we are not able to enter into acceptable contractual arrangements in connection with the transaction;
- difficulty integrating an acquired business's operations, personnel and financial and operating systems into our current business;
- that we are not able to develop and expand customer bases and accurately anticipate demand from end customers, which can result in increased inventory and reduced orders if we experience wide fluctuations in supply and demand;
- diversion of management's attention;
- difficulty separating the operations, personnel and financial and operating systems of a spin-off or divestiture from our current business;
- the possibility we are unable to complete the transaction and expend substantial resources without achieving the desired benefit;
- the inability to obtain required regulatory agency approvals;
- reliance on a transaction counterparty for transition services for an extended period of time, which may result in additional expenses and delay the integration of the acquired business and realization of the desired benefit of the transaction;
- uncertainty of the financial markets or circumstances that cause conditions that are less favorable and/or different than expected; and
- expenses incurred to complete a transaction may be significantly higher than anticipated.

We may not be able to adequately address these risks or any other problems that arise from our prior or future acquisitions, investments, joint ventures, divestitures or spin-offs. Any failure to successfully evaluate strategic opportunities and address risks or other problems that arise related to any such business transaction could adversely affect our business, results of operations or financial condition.

We are subject to a number of risks associated with our restructuring plan, and these risks could impact our operations, financial condition and ability to realize expected cost savings.

In the first quarter of fiscal 2025, we began implementing a restructuring plan to reduce costs, increase our operational efficiency and align our manufacturing capacity with our customers' demand. This plan may result in business disruptions, including impacts to our customer relationships, unfavorable publicity and reputational harm, and loss of productivity from our employees. The expected costs and charges of our restructuring plan may be greater than we have forecasted, and the estimated cost savings may be lower than we have forecasted. We may not be able to implement our restructuring program as planned, and we may need to take additional measures and incur additional costs to fulfill the objectives of our restructuring. If we experience any of these adverse consequences, our restructuring plan may not achieve or sustain the intended benefits and could adversely affect our business, results of operations or financial condition.

We are subject to a number of risks associated with our former RF Business, and these risks could adversely impact our operations, financial condition and business.

On December 2, 2023, we completed the sale of the RF Business to MACOM Technology Solutions Holdings, Inc. (MACOM) pursuant to the Asset Purchase Agreement dated August 22, 2023 (the RF Purchase Agreement). We are subject to a number of risks associated with this transaction, including risks associated with:

- issues, delays or complications in completing required transition activities to allow the RF Business to operate under MACOM, including incurring unanticipated costs to complete such activities;
- the diversion of our management's attention away from the operation of the business we retained;
- the restrictions on and obligations with respect to our business set forth in the RF master supply agreement and the transition services agreement, in each case between us and MACOM;
- the need to provide transition services in connection with the transaction;
- any required payments of indemnification obligations under the RF Purchase Agreement for retained liabilities and breaches of representations, warranties or covenants; and
- our failure to realize the full purchase price anticipated under the RF Purchase Agreement, including due to fluctuations in the market price of MACOM's common stock before we are able to sell the shares received as partial consideration for the RF Business (the MACOM Shares) following MACOM's assumption of control of our 100mm GaN wafer fabrication facility in Research Triangle Park, North Carolina, approximately two years following the closing of the transaction (the RTP Fab Transfer) and/or the forfeiture of one-quarter of the MACOM Shares in the event that the RTP Fab Transfer is not completed within four years following the closing of the transaction.

As a result of these risks, we may be unable to realize the anticipated benefits of the transaction, including the total amount of cash we expect to realize. Our failure to realize the anticipated benefits of the transaction would adversely impact our operations, financial condition and business and could limit our ability to pursue additional strategic transactions.

We are subject to risks associated with the sale of our former Lighting Products and LED Products business units, and these risks could adversely impact our financial condition.

On May 13, 2019, we closed the sale of our former Lighting Products business unit to IDEAL Industries, Inc. (IDEAL) and on March 1, 2021, we completed the sale of our former LED Products business unit (the LED Business) to SMART Global Holdings, Inc. (SGH). We are subject to risks associated with these transactions, including risks associated with any required payments of indemnification obligations under the Purchase Agreement with IDEAL and the Asset Purchase Agreement with SGH for retained liabilities and breaches of representations, warranties or covenants.

As a result, we may be unable to realize the anticipated benefits of these transactions. Our failure to realize the anticipated benefits of these transactions would adversely impact our financial condition and could limit our ability to pursue additional strategic transactions.

Risks associated with our capital structure

Negotiations with our lenders may result in an in-court debt restructuring, and the contemplation of an in-court solution raises substantial doubt about our ability to continue as a going concern.

As of March 30, 2025, we had approximately $6.5 billion of debt obligations, as further discussed in Note 9 "Long-term Debt" in our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report. Considering the significant amount of our outstanding indebtedness and related debt service expense, we have engaged external advisors to assist with the evaluation of a number of strategic alternatives, including a potential out-of-court or in-court capital restructuring. These alternatives include, but are not limited to, restructuring, refinancing or amending our existing debt, seeking new financing or pursuing asset sales to bolster liquidity. We have actively engaged in discussions and negotiations with certain holders of our indebtedness regarding the terms of a potential restructuring with a goal of not impacting our customers, vendors and employees in the ordinary course of business. These discussions and negotiations are ongoing and the terms of any potential restructuring have not been agreed upon by the parties. Notwithstanding our efforts, there can be no assurance that we will reach an agreement on acceptable terms and conditions with respect to a restructuring or other transaction in a timely manner or at all. Any restructuring or other transaction will likely be subject to a number of conditions, many of which will be outside of our control, including market and economic conditions and the agreement of the various holders of our indebtedness. Furthermore, any restructuring or other transaction. to which we may agree, may be conditioned on a requirement that the transaction be implemented through an in-court solution. There can be no assurance that we will pursue such a transaction or successfully complete a restructuring or other transaction. In addition, while we can make no assurances on what the terms of a restructuring or other transaction would be or what, if anything, our existing debt and equity holders would receive in any restructuring or other transaction and the value of our debt and equity following the consummation of any restructuring or other transaction, any restructuring or other transaction is expected to be costly, would likely be substantially dilutive to our existing shareholders and would likely limit our ability to utilize our net operating loss carry forwards (and/or other nonrefundable tax attributes).

While we consider these strategic alternatives, we retain sufficient liquidity, with approximately $1,329.6 million of unrestricted cash and cash equivalents and short-term investments on our unaudited consolidated balance sheet as of March 30, 2025, compared to scheduled debt repayments and debt service costs of $575 million and $322 million, respectively, over the next 12 months. We also plan to submit for approximately $600 million in cash tax refunds related to the amounts eligible for reimbursement under the AMIC over the next 12 months.

We expect that our current operating forecast over the next 12 months will allow us to maintain operations and meet our obligations to customers, vendors and employees in the ordinary course of business. However, due to our ongoing consideration of an in-court restructuring that would result in an event of default during the implementation of that potential solution, management has concluded that there is substantial doubt about our ability to continue as a going concern as of the issuance date of the unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q.

The reaction of investors to our potential inability to continue as a going concern could have a material adverse effect on the market price of our common stock. This could, among other things, adversely impact our ability to use our equity for strategic, financing or other purposes. Additionally, the perception that we may not be able to continue as a going concern may cause existing or prospective customers, vendors and other counterparties to choose not to conduct business with us due to concerns about our ability to meet our contractual obligations and continue operating our business without interruption.

In addition, any in-court solution would subject us to risks and uncertainties that could have a material adverse effect on our business, financial condition, results of operations and liquidity, including, but not limited to, by causing increased difficulty obtaining and maintaining commercial relationships on competitive terms with customers, vendors and other counterparties; increased difficulty retaining and motivating employees, as well as attracting new employees; diversion of management's time and attention to dealing with the in-court solution and restructuring activities rather than focusing exclusively on business operations; incurrence of substantial costs, fees and other expenses associated with any in-court solution; and loss of ability to obtain sufficient financing sources for operations or to fund any restructuring plan and meet future obligations. We may also become subject to risks and uncertainties caused by the actions of holders of our indebtedness and other third parties who have interests that may be inconsistent with our plans. Furthermore, in any in-court solution, there are risks of delay with the confirmation of the restructuring plan and there are risks of objections from certain stakeholders that could further delay the process and potentially cause an in-court solution to be rejected by the court. Any material delay in the confirmation of an in-court solution would not only add substantial expense and uncertainty to the process, but could materially adversely affect our operations and there is no assurance that any in-court solution will be consummated.

In addition, the New York Stock Exchange may take action to delist our common stock in connection with an in-court solution. Any action by the New York Stock Exchange to delist, or the delisting of, our common stock could, among other things, reduce the liquidity of our common stock, detrimentally affect the market price of our common stock, reduce the number of investors willing to hold or acquire our common stock, and impair our ability to incentivize key personnel through equity-based compensation or to use our equity for strategic, financing or other purposes.

We have outstanding debt which could materially restrict our business and adversely affect our financial condition, liquidity and results of operations.

As of March 30, 2025, our indebtedness consisted of $575.0 million aggregate principal amount of our 2026 Notes, $750.0 million aggregate principal amount of our 0.25% convertible senior notes due February 15, 2028 (the 2028 Notes), $1,750.0 million aggregate principal amount of our 1.875% convertible senior notes due December 1, 2029 (the 2029 Notes, and together with the 2026 Notes and the 2028 Notes, the Outstanding Convertible Notes) and $1,513.5 million aggregate principal amount of 2030 Senior Notes and an aggregate principal amount of $2,062.0 million of deposits under the CRD Agreement with Renesas America. As discussed in Note 9, "Long-term Debt," to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report, on October 15, 2024, we entered into the 2030 Senior Notes Indenture which amends certain terms and conditions of the 2030 Senior Notes and permits us to issue and sell $750.0 million of additional notes, subject to the fulfillment of certain conditions. On October 22, 2024, we issued an additional $250.0 million of 2030 Senior Notes.

The level of our outstanding debt may adversely affect our operating results and financial condition by, among other things:

- increasing our vulnerability to downturns in our business, to competitive pressures and to adverse general economic and industry conditions;
- requiring the dedication of an increased portion of our expected cash flows from operations to service our indebtedness, thereby reducing the amount of expected cash flow available for other purposes, including capital expenditures, or research and development;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- placing us at a competitive disadvantage compared to our peers that may have less indebtedness than we have by limiting our ability to borrow additional funds needed to operate and grow our business; and
- increasing our interest expense if interest rates increase.

Our ability to pay interest and repay the principal for or to refinance any outstanding indebtedness under the Outstanding Convertible Notes, the 2030 Senior Notes and the CRD Agreement is dependent upon our ability to manage our business operations, generate sufficient cash flows to service such debt and/or raise additional capital, which is subject to economic, financial, competitive and other factors beyond our control. There can be no assurance that we will be able to manage any of these risks successfully and we may be unable to refinance our outstanding indebtedness on terms satisfactory to us, or at all. Such financing and other potential financings could result in substantial dilution to shareholders, and could result in the reduction in the trading price of our common stock, imposition of debt covenants and repayment obligations, or other restrictions that may adversely affect our business.

The 2030 Senior Notes Indenture includes a liquidity maintenance financial covenant requiring us to have an aggregate amount of unrestricted cash and cash equivalents maintained in accounts over which the trustee and collateral agent for the 2030 Senior Notes has been granted a perfected first lien security interest of at least $630 million as of the last day of any calendar month ending on or prior to March 31, 2025 and (b) $750 million as of April 1, 2025 and as of the last day of any calendar month ending thereafter, which amount will be reduced over time upon the fulfillment of certain conditions. In addition, the 2030 Senior Notes Indenture contains certain restrictions that could limit our ability to, among other things: incur additional indebtedness, dispose of assets, create liens on assets, make acquisitions or engage in mergers or consolidations, and engage in certain transactions with our subsidiaries and affiliates. The 2030 Senior Notes Indenture also requires us to make an offer to repurchase the 2030 Senior Notes with 100% of the net cash proceeds of certain non-ordinary course asset sales and casualty events, subject to the ability to reinvest the proceeds of such casualty events and asset sales (subject to certain limitations), or upon a change of control. The Indentures governing the Outstanding Convertible Notes (the Convertible Notes Indentures) require us to repurchase the Outstanding Convertible Notes upon certain fundamental changes relating to our common stock, and also prohibit our consolidation, merger, or sale of all or substantially all of our assets except with or to a successor entity assuming our obligations under the Indentures. The CRD Agreement contains certain restrictions on our ability to incur debt and liens, consummate non-arm's-length transactions with affiliates, consummate mergers and consolidations whereby obligations under the CRD Agreement are not assumed, and change the nature of our business. The restrictions imposed by the 2030 Senior Notes Indenture, the Convertible Notes Indentures, and the CRD Agreement could limit our ability to plan for or react to changing business conditions, or could otherwise restrict our business activities and plans.

Our ability to comply with the provisions of the 2030 Senior Notes Indenture, the Convertible Notes Indentures, and the CRD Agreement may also be affected by events beyond our control and if any of these restrictions or terms is breached, it could lead to an event of default under the 2030 Senior Notes, the Outstanding Convertible Notes, and the CRD Agreement. A default, if not cured or waived, may permit acceleration of our indebtedness. In addition, our lenders could terminate their commitments to make further loans under the 2030 Senior Notes Indenture or the CRD Agreement. If our indebtedness is accelerated, we cannot be certain that we will have sufficient funds to pay the accelerated indebtedness or that we will have the ability to refinance accelerated indebtedness on terms favorable to us or at all.

The capped call transactions may not prevent dilution of our common stock upon conversion of the 2028 Notes or the 2029 Notes.

In connection with the pricing of the 2028 Notes and the 2029 Notes, we entered into privately negotiated capped call transactions with the option counterparties. The capped call transactions are expected generally to reduce the potential dilution to our common stock upon any conversion of the 2028 Notes and 2029 Notes and/or offset any potential cash payments we are required to make in excess of the principal amount of the converted 2028 Notes and 2029 Notes, as the case may be, upon conversion of the 2028 Notes and 2029 Notes. If, however, the market price per share of our common stock, as measured under the terms of the capped call transactions, exceeds the cap price of the capped call transactions ($212.04 for the 2028 Notes and $202.538 for the 2029 Notes), there would nevertheless be dilution and/or there would not be an offset of such potential cash payments, in each case, to the extent that such market price exceeds the cap price of the capped call transactions.

Risks associated with cybersecurity, intellectual property and litigation

We may be subject to confidential information theft or misuse, which could harm our business and results of operations.

We face attempts by others to gain unauthorized access to our information technology systems on which we maintain proprietary and other confidential information and such attempts may increase in terms of frequency and severity in light of the sanctions imposed on Russia in response to its invasion of Ukraine. Our security measures may be breached as the result of industrial or other espionage actions of outside parties, employees, employee error, malfeasance or otherwise, and as a result, an unauthorized party may obtain access to our systems. The risk of a security breach or disruption, particularly through cyber-attacks, ransomware, or cyber intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as cyber-attacks have become more prevalent and harder to detect and fight against. Additionally, outside parties may attempt to access our confidential information through other means, for example by fraudulently inducing our employees to disclose confidential information. We actively seek to prevent, detect and investigate any unauthorized access, which sometimes occurs and is usually not recognized until after it has occurred. We might be unaware of any such access or unable to determine its magnitude and effects. We are also at risk of security breaches and disruptions occurring at third parties that we work with, including our customers and suppliers. To date, we do not believe that such unauthorized access to these systems has caused us any material damage. In addition, these threats are constantly evolving, thereby increasing the difficulty of successfully defending against them or implementing adequate preventative measures. The theft and/or unauthorized use or publication of our trade secrets and other confidential business information as a result of such an incident could adversely affect our competitive position, result in a loss of confidence in the adequacy of our threat mitigation and detection processes and procedures, cause us to incur significant costs to remedy the damage caused by the incident, divert management's attention and other resources, and reduce the value of our investment in research and development. In addition, the increased prevalence of employees working from home may exacerbate the aforementioned cybersecurity risks. Our business could be subject to significant disruption and we could suffer monetary or other losses.

Our disclosure controls and procedures address cybersecurity and include elements intended to ensure that there is an analysis of potential disclosure obligations arising from security breaches. In addition, we are subject to data privacy, protection and security laws and regulations, including the European General Data Protection Act (GDPR) that governs personal information of European persons. We also maintain compliance programs to address the potential applicability of restrictions against trading while in possession of material, nonpublic information generally and in connection with a cyber-security breach. However, a breakdown in existing controls and procedures around our cyber-security environment may prevent us from detecting, reporting or responding to cyber incidents in a timely manner and could have a material adverse effect on our financial position and value of our stock.

There are limitations on our ability to protect our intellectual property.

Our intellectual property position is based in part on patents owned by us and patents licensed to us. We intend to continue to file patent applications in the future, where appropriate, and to pursue such applications with United States and certain foreign patent authorities.

Our existing patents are subject to expiration and re-examination and we cannot be sure that additional patents will be issued on any new applications around the covered technology or that our existing or future patents will not be successfully contested by third parties. Also, because issuance of a valid patent does not prevent other companies from using alternative, non-infringing technology, we cannot be sure that any of our patents, or patents issued to others and licensed to us, will provide significant commercial protection, especially as new competitors enter the market.

We periodically discover products that are counterfeit reproductions of our products or that otherwise infringe on our intellectual property rights. The actions we take to establish and protect trademarks, patents and other intellectual property rights may not be adequate to prevent imitation of our products by others, and therefore, may adversely affect our sales and our brand and result in the shift of customer preference away from our products. Further, the actions we take to establish and protect trademarks, patents and other intellectual property rights could result in significant legal expense and divert the efforts of our technical personnel and management, even if the litigation or other action results in a determination favorable to us.

We also rely on trade secrets and other non-patented proprietary information relating to our product development and manufacturing activities. We try to protect this information through appropriate efforts to maintain its secrecy, including requiring employees and third parties to sign confidentiality agreements. We cannot be sure that these efforts will be successful or that the confidentiality agreements will not be breached. We also cannot be sure that we would have adequate remedies for any breach of such agreements or other misappropriation of our trade secrets, or that our trade secrets and proprietary know-how will not otherwise become known or be independently discovered by others.

Litigation could adversely affect our operating results and financial condition.

We are often involved in litigation, primarily patent litigation, such as our patent dispute with The Trustees of Purdue University that was settled during the third quarter of fiscal 2025, and we and certain current and former executive officers were named as defendants in multiple securities class action lawsuits regarding past public disclosures, each as discussed further in Note 5, "Commitments and Contingencies," in our unaudited financial statements in Part I, Item 1 of this Quarterly Report. Defending against existing and potential litigation will likely require significant attention and resources and, regardless of the outcome, result in significant legal expenses, which could adversely affect our results unless covered by insurance or recovered from third parties. If our defenses are ultimately unsuccessful or if we are unable to achieve a favorable resolution, we could be liable for damage awards that could materially affect our results of operations and financial condition.

Where necessary, we may initiate litigation to enforce our patent or other intellectual property rights, which could adversely impact our relationship with certain customers. Any such litigation may require us to spend a substantial amount of time and money and could distract management from our day-to-day operations. Moreover, there is no assurance that we will be successful in any such litigation.

Our business may be impaired by claims that we, or our customers, infringe the intellectual property rights of others.

Vigorous protection and pursuit of intellectual property rights characterize our industry. These traits have resulted in significant and often protracted and expensive litigation. Litigation to determine the validity of patents or claims by third parties of infringement of patents or other intellectual property rights could result in significant legal expense and divert the efforts of our technical personnel and management, even if the litigation results in a determination favorable to us. In the event of an adverse result in such litigation, we could be required to pay substantial damages; indemnify our customers; stop the manufacture, use and sale of products found to be infringing; incur asset impairment charges; discontinue the use of processes found to be infringing; expend significant resources to develop non-infringing products or processes; or obtain a license to use third party technology.

There can be no assurance that third parties will not attempt to assert infringement claims against us, or our customers, with respect to our products. In addition, our customers may face infringement claims directed to the customer's products that incorporate our products, and an adverse result could impair the customer's demand for our products. We have also promised certain of our customers that we will indemnify them in the event they are sued by our competitors for infringement claims directed to the products we supply. Under these indemnification obligations, we may be responsible for future payments to resolve infringement claims against them.

From time to time, we receive correspondence asserting that our products or processes are or may be infringing patents or other intellectual property rights of others. If we believe the assertions may have merit or in other appropriate circumstances, we may take steps to seek to obtain a license or to avoid the infringement. We cannot predict, however, whether a license will be available; that we would find the terms of any license offered acceptable; or that we would be able to develop an alternative solution. Failure to obtain a necessary license or develop an alternative solution could cause us to incur substantial liabilities and costs and to suspend the manufacture of affected products.

Risks related to legal, regulatory, accounting, tax and compliance matters

We and certain of our current and former executive officers have been named as defendants in a securities class action lawsuit. This lawsuit may require significant management time and attention and result in significant legal expenses, which could materially adversely affect our results and financial condition.

On November 15, 2024, we and certain current and former executive officers were named as defendants in a securities class action lawsuit filed in the United States District Court for the Northern District of New York. The complaint alleges violations of Sections 10(b) and 20(a) of the Exchange Act, and Rule 10b-5 promulgated thereunder. Additional lawsuits have been filed by shareholders regarding these same matters. Such claims and any resulting litigation or additional allegations could subject us to liability. Even if we prevail, such litigation could be time consuming and costly to defend, and could result in the diversion of our time and attention, which could materially and adversely affect our business, our reputation, results of operations and financial condition.

We may be required to recognize a significant charge to earnings if our goodwill or other assets become impaired.

Goodwill and other assets are reviewed for impairment annually and when events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Factors that may indicate that the carrying value of our goodwill may not be recoverable include a significant decline in our stock price and market capitalization and slower growth rates in our industry. For other assets such as finite-lived intangible assets and fixed assets, we assess the recoverability of the asset balance when indicators of potential impairment are present. For example, during fiscal 2025, we recorded impairment charges related to abandoned assets of $155.2 million in connection with our 2025 Restructuring Plan, and in the first quarter of fiscal 2024, we recorded an impairment to assets held for sale associated with the then-pending RF Business Divestiture of $144.6 million. The recognition of a significant charge to earnings in our consolidated financial statements resulting from any impairment of our goodwill or other assets could adversely impact our results of operations.

The adoption of or changes in government and/or industry policies, standards or regulations relating to the efficiency, performance, vehicle range or other aspects of our products and the products in which they are utilized could impact the demand for our products.

The adoption of or changes in government and/or industry policies, standards or regulations relating to the efficiency, performance, vehicle range or other aspects of our products and the products in which they are utilized or integrated may impact the demand for our products. For example, efforts to change, eliminate or reduce industry or regulatory standards could negatively impact our business. These constraints may be eliminated or delayed by legislative action, which could have a negative impact on demand for our products. Our ability and the ability of our competitors to meet evolving government and/or industry requirements could impact competitive dynamics in the market.

Changes in our effective tax rate or the ability to obtain future tax credits may affect our results and financial condition.

Our future effective tax rates and our ability to obtain future tax credits may affect our results and financial condition due to a number of factors, including:

- the jurisdiction in which profits are determined to be earned and taxed;
- potential changes in tax laws or alterations in the interpretation of such tax laws and changes in generally accepted accounting principles, for example expiration or interpretations of the significant changes to the United States tax law included within the Tax Cuts and Jobs Act of 2017 (the TCJA);
- changes or recapture of available tax credits, including our eligibility for or the receipt of the expected benefits from refundable investment tax credits obtained under the AMIC;
- the implementation of international tax and profit shifting rules in countries in which we operate, as recommended by the Organization for Economic Co-operation and Development's Base Erosion, including the establishment of a minimum tax of 15% on global income;
- the resolution of issues arising from tax audits with various authorities;
- changes in the valuation of our deferred tax assets and liabilities;
- adjustments to estimated taxes upon finalization of various tax returns;
- increases in expenses not deductible for tax purposes, including impairment of goodwill in connection with acquisitions;
- the recognition and measurement of uncertain tax positions;
- variations in realized tax deductions for certain stock-based compensation awards (such as restricted stock) from those originally anticipated; and

- the repatriation of non-United States earnings for which we have not previously provided for taxes or any changes in legislation that may result in these earnings being taxed, regardless of our decision regarding repatriation of funds. For example, the TCJA included a one-time tax on deemed repatriated earnings of non-United States subsidiaries.

Any significant increase or decrease in our future effective tax rates could impact net (loss) income for future periods. In addition, the determination of our income tax provision requires complex estimations, significant judgments and significant knowledge and experience concerning the applicable tax laws. To the extent our income tax liability materially differs from our income tax provisions due to factors, including the above, which were not anticipated at the time we estimated our tax provision, our net (loss) income or cash flows could be affected.

Failure to comply with applicable environmental laws and regulations worldwide could harm our business and results of operations.

The manufacturing, assembling and testing of our products require the use of hazardous materials that are subject to a broad array of environmental, health and safety laws and regulations. Our failure to comply with any of these applicable laws or regulations could result in regulatory penalties, fines, legal liabilities and the forfeiture of certain tax benefits; suspension of production; alteration of our fabrication, assembly and test processes; and curtailment of our operations or sales.

In addition, our failure to manage the use, transportation, emission, discharge, storage, recycling or disposal of hazardous materials could subject us to significant costs or future liabilities. Existing and future environmental laws and regulations could also require us to acquire pollution abatement or remediation equipment, modify our product designs or incur other expenses, such as permit costs, associated with such laws and regulations. Many new materials that we are evaluating for use in our operations may be subject to regulation under existing or future environmental laws and regulations that may restrict our use of one or more of such materials in our manufacturing, assembly and test processes or products. Any of these restrictions could harm our business and results of operations by increasing our expenses or requiring us to alter our manufacturing processes.

New climate change laws and regulations could require us to change our manufacturing processes or procure substitute raw materials that may cost more or be more difficult to procure. Various jurisdictions in which we do business have implemented, or in the future could implement or amend, restrictions on emissions of carbon dioxide or other greenhouse gases, limitations or restrictions on water use, regulations on energy management and waste management, and other climate change-based rules and regulations, which may increase our expenses and adversely affect our operating results. We expect increased worldwide regulatory activity relating to climate change in the future. Future compliance with these laws and regulations may adversely affect our business and results of operations.

Our results could vary as a result of the methods, estimates and judgments that we use in applying our accounting policies, including changes in the accounting standards to be applied.

The methods, estimates and judgments that we use in applying our accounting policies have a significant impact on our results (see “Critical Accounting Estimates” in Item 7, "Management’s Discussion and Analysis of Financial Condition and Results of Operations" of our 2024 Form 10-K). Such methods, estimates and judgments are, by their nature, subject to substantial risks, uncertainties and assumptions, and factors may arise over time that lead us to change our methods, estimates and judgments. Changes in those methods, estimates and judgments could significantly affect our results of operations or financial condition.

Regulations related to conflict-free minerals may force us to incur additional expenses.

Rules adopted by the SEC under the Dodd-Frank Wall Street Reform and Consumer Protection Act impose annual disclosure and reporting requirements for those companies who may use “conflict” minerals mined from the Democratic Republic of Congo and adjoining countries in their products. We may face challenges with government regulators, our customers and our suppliers if we are unable to sufficiently verify that the metals used in our products are conflict free. Our most recent disclosure regarding our due diligence was filed on May 31, 2024 for calendar year 2023.

General risk factors

Our business could be negatively impacted by shareholder activism.

We have been subject to shareholder activism and may be subject to such activism in the future, which could result in substantial costs and divert management's and our board's attention and resources from our business. For example, on April 22, 2024, JANA Partners LLC delivered a letter to our board of directors calling for a comprehensive review of strategic alternatives. Responding to actions by activist shareholders, such as potential nominations of candidates for election to our board of directors, requests to pursue a strategic combination or other transaction, or other special requests may disrupt our business and divert the attention of management and employees. In addition, any perceived uncertainties as to our future direction resulting from such a situation could result in the loss of potential business opportunities, be exploited by our competitors, cause concern to our current or potential customers and make it more difficult to attract and retain qualified personnel and business partners, any of which could negatively impact our business. Shareholder activism could result in substantial costs. In addition, actions of activist shareholders may cause significant fluctuations in our stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals of our business.

Catastrophic events and disaster recovery may disrupt business continuity.

A disruption or failure of our systems or operations in the event of a natural disaster or severe weather event, including, but not limited to, earthquakes, wildfires, droughts, flooding, tornadoes, hurricanes or tsunamis, health pandemic, such as an influenza outbreak within our workforce, or man-made catastrophic event could cause delays in completing sales, continuing production or performing other critical functions of our business, particularly if a catastrophic event were to occur at our primary manufacturing locations or our subcontractors' locations. Global climate change could result in certain natural disasters occurring more frequently or with greater intensity. Any of these events could severely affect our ability to conduct normal business operations and, as a result, our operating results could be adversely affected. There may also be secondary impacts that are unforeseeable as well, such as impacts to our customers, which could cause delays in new orders, delays in completing sales or even order cancellations.

In order to compete, we must attract, motivate and retain key employees, and our failure to do so could harm our results of operations.

Hiring and retaining qualified personnel is critical to our business, and competition for experienced employees in our industry can be intense. As a global company, this issue is not limited to the United States, but includes our other locations where we do business such as Europe and Asia. For example, there is substantial competition for qualified and capable personnel, particularly experienced engineers and technical personnel, which may make it difficult for us to recruit and retain qualified employees. If we are unable to staff sufficient and adequate personnel at our facilities, we may experience lower revenue or increased manufacturing costs, which would adversely affect our results of operations.

To help attract, motivate and retain key employees, we use benefits such as stock-based compensation awards. If the value of such awards does not appreciate, as measured by the performance of the price of our common stock or if our stock-based compensation otherwise ceases to be viewed as a valuable benefit, our ability to attract, retain and motivate employees could be weakened, which could harm our business and results of operations.

Our stock price has experienced and may continue to experience volatility.

Historically, our common stock has experienced substantial price volatility, particularly as a result of significant fluctuations in our revenue, earnings and margins over the past few years, and variations between our actual financial results and the published expectations of analysts. For example, the closing price per share of our common stock on the New York Stock Exchange ranged from a low of $2.59 to a high of $29.90 during the twelve months ended March 30, 2025. If our future operating results or margins are below the expectations of stock market analysts or our investors, our stock price will likely decline.

Speculation and opinions in the press or investment community about our strategic position, financial condition, results of operations or significant transactions have caused, and may continue to cause changes in our stock price. In addition, competition in some of the markets we address such as electric vehicles or the industrial and energy markets, the ramp up of our business, and the effect of tariffs on our business, may have a dramatic effect on our stock price.

Additionally, actions taken by the option counterparties in the capped call transactions entered into in connection with the 2028 Notes and the 2029 Notes may affect our stock price, including the potential modifications of their hedge positions by entering into or unwinding various derivatives with respect to our common stock.

We are exposed to fluctuations in the market value of our investment portfolio and in interest rates, and therefore, impairment of our investments or lower investment income could harm our earnings.

We are exposed to market value fluctuations and inherent interest rate risk related to our investment portfolio. We have historically invested portions of our available cash in fixed interest rate securities such as high-grade corporate debt, commercial paper, municipal bonds, certificates of deposit, government securities and other fixed interest rate investments. The primary objective of our cash investment policy is preservation of principal. However, these investments are generally not Federal Deposit Insurance Corporation insured and may lose value and/or become illiquid regardless of their credit rating.

In addition, we currently hold the MACOM Shares that we acquired in connection with the RF Business Divestiture. These shares are subject to risks inherent in the business of that company and to trends affecting the equity markets as a whole. As discussed further in Note 2, "Discontinued Operations," in our unaudited financial statements in Part I, Item 1 of this Quarterly Report, the shares are also subject to restrictions on transfer prior to the RTP Fab Transfer and one quarter of the shares are subject to the risk of forfeiture in the event that the RTP Fab Transfer is not completed within four years following the closing of the transaction. Should the value of these shares decline, the related write-down in value could have a material adverse effect on our financial condition and results of operations.

From time to time, we have also made investments in public and private companies that engage in complementary businesses.

We may be subject to volatility and uncertainty in customer demand, supply chains, worldwide economies and financial markets resulting from the outbreak of infectious disease or similar public health threat.

We have significant manufacturing operations in the United States and contract manufacturing operations in Asia, which may be affected by the outbreak of infectious diseases or other similar public health threats and the measures to try to contain it. For example, during the COVID-19 pandemic, we experienced some limited disruptions in our supply chain and may experience similar disruptions in the future in the event of a pandemic.

Restrictions on access to our manufacturing facilities or on our support operations or workforce, or similar limitations for our vendors and suppliers, and restrictions or disruptions of transportation, such as reduced availability of air transport, port closures, and increased border controls or closures in connection with future outbreaks of infectious diseases or similar public health events could limit our ability to meet customer demand, lead to increased costs and have a material adverse effect on our financial condition and results of operations.

Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the state courts of North Carolina will be the sole and exclusive forum for substantially all disputes between us and our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees or agents.

Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for all litigation relating to our internal affairs, including without limitation (i) any derivative action or proceeding brought on behalf of Wolfspeed, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of Wolfspeed to Wolfspeed or our shareholders, (iii) any action asserting a claim arising pursuant to any provision of the North Carolina Business Corporation Act (the NCBCA), and our amended and restated articles of incorporation, or our amended and restated bylaws, (iv) any action to interpret, apply, enforce, or determine the validity of our amended and restated articles of incorporation, or our amended and restated bylaws, or (v) any action asserting a claim governed by the internal affairs doctrine, shall be the state courts of North Carolina, or if such courts lack jurisdiction, a federal court located within the State of North Carolina, in all cases subject to the courts having personal jurisdiction over the indispensable parties named as defendants. Any such action filed in a North Carolina state court shall be designated by the party filing the action as a mandatory complex business case. In any such action where the NCBCA specifies the division or county wherein the action must be brought, the action shall be brought in such division or county. Our amended and restated bylaws also provide that, notwithstanding the foregoing, (x) the provisions described above will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction, and (y) unless we consent in writing to the selection of an alternative forum, the federal district courts shall, to the fullest extent permitted by law, be the exclusive forum for the resolution of any complaint asserting a cause of action against Wolfspeed or any director, officer, employee, or agent of Wolfspeed and arising under the Securities Act.

If a court were to find the choice of forum provision contained in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management and other employees.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

10b5-1 Trading Plans

During the fiscal quarter ended March 30, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (in each case, as defined in Item 408 of Regulation S-K).

Item 6. Exhibits

The following exhibits are being filed herewith and are numbered in accordance with Item 601 of Regulation S-K:

Exhibit No.	Description	Filed Herewith	Incorporated by Reference: Form	Exhibit	Filing Date
10.1*	Employment Agreement, dated March 27, 2025, between Wolfspeed Inc. and Robert Feurle		8-K	10.1	3/27/2025
10.2*	Bonus Plan for Fiscal Year 2025	X			
31.1	Certification by Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
31.2	Certification by Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
32.1	Certification by Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
32.2	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
101	The following materials from Wolfspeed, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 30, 2025 formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Operations; (iii) Consolidated Statements of Comprehensive Loss; (iv) Consolidated Statement of Shareholders' Equity; (v) Consolidated Statements of Cash Flows; and (vi) Notes to Consolidated Financial Statements	X			
104	The cover page from Wolfspeed, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 30, 2025 formatted in Inline XBRL (included in Exhibit 101)	X			

*Management contract or compensatory plan or arrangement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WOLFSPEED, INC.

May 9, 2025

/s/ Neill P. Reynolds

Neill P. Reynolds
Executive Vice President and Chief Financial Officer
(Authorized Officer and Principal Financial and Chief Accounting Officer)

WOLFSPEED, INC.

WOLFSPEED BONUS PLAN

Effective for Fiscal Year 2025

1. PURPOSE

1.1. The purpose of this Wolfspeed Bonus Plan (the "**Plan**") is to motivate and reward excellent performance, to attract and retain outstanding employees, to create a strong link between individual performance and the Company's operating and strategic plans, to achieve greater corporate performance by focusing on results, and to encourage teamwork at the highest levels within the organization. The Plan rewards Participants with cash payments based on their contributions and the attainment of specific corporate goals.

1.2. For purposes of this Plan, the "**Company"** collectively includes Wolfspeed, Inc. ("**Wolfspeed**") and its Plan-participating subsidiaries and affiliates as they exist from time to time.

2. DEFINITIONS

2.1. *Annual Award Results* – a percentage reflecting achievement of the Annual Performance Goals for the fiscal year.

2.2. *Annual Performance Goals* – Financial targets and other initiatives as recommended by the CEO and approved by the Compensation Committee and detailed in section 4.2.

2.3. *Base Salary* – the Participant's annual base salary for the fiscal year, except as otherwise provided in this Plan.

2.4. *Business Unit* – a material subsidiary or a business division or business segment of the Company.

2.5. *Change in Control* – for purposes of this Plan, a "Change in Control" will be deemed to have occurred upon the happening of any of the following events:

2.5.1. Any "Person" as defined in Section 3(a)(9) of the Securities and Exchange Act of 1934, as now in effect or as hereafter amended (the "Act"), including a "group" (as that term is used in Sections 13(d)(3) and 14(d)(2) of the Act), but excluding the Wolfspeed Entities and any employee benefit plan sponsored or maintained by any Wolfspeed Entity (including any trustee of such plan acting as trustee), who together with its "affiliates" and "associates" (as those terms are defined in Rule 12b-2 under the Act) becomes the "Beneficial Owner" (within the meaning of Rule 13d-3 under the Act) of more than 50% of the then-outstanding shares of common stock of Wolfspeed or the combined voting power of the then-outstanding securities of Wolfspeed entitled to vote generally in the election of its directors. For purposes of calculating the number of shares or voting power held by such Person and its affiliates and associates under this clause 2.5.1, there shall be excluded any securities acquired by such Person or its affiliates or associates directly from any Wolfspeed Entity;

2.5.2. A sale or other disposition of all or substantially all of the Company's assets is consummated, other than such a sale or disposition that would not have constituted a Change of Control under clause 2.5.4 below had it been structured as a merger or consolidation;

2.5.3. The shareholders of Wolfspeed approve a definitive agreement or plan to liquidate the Company;

2.5.4. A merger or consolidation of the Company with and into another entity is consummated, unless immediately following such transaction (1) more than 50% of the members of the governing body of the surviving entity were Incumbent Directors (as defined in clause 2.5.5 below) at the time of execution of the initial agreement providing for such transaction, (2) no "Person" (as defined in clause 2.5.1 above), together with its "affiliates" and "associates" (as defined in clause 2.5.1 above), is the "Beneficial Owner" (as defined in clause 2.5.1 above), directly or indirectly, of more than 50% of the then-outstanding equity interests of the surviving entity or the combined voting power of the then-outstanding equity interests of the surviving entity entitled to vote generally in the election of members of its governing body, and (3) more than 50% of the then-outstanding equity interests of the surviving entity and the combined voting power of the then-outstanding equity interests of the surviving entity entitled to vote generally in the election of members of its governing body is "Beneficially Owned", directly or indirectly, by all or substantially all of the individuals and entities who were the "Beneficial Owners" of the shares of common stock of Wolfspeed immediately prior to such transaction in substantially the same proportions as their ownership immediately prior to such transaction;

2.5.5. During any period of 24 consecutive months, the individuals who, at the beginning of such period, constitute the Board (the "Incumbent Directors") cease for any reason other than death to constitute at least a majority thereof; *provided, however*, that a director who was not a director at the beginning of such 24 month period shall be deemed to have satisfied such 24 month requirement, and be an Incumbent Director, if such director was elected by, or on the recommendation of or with the approval of, at least two-thirds of the directors who then qualified as Incumbent Directors either actually, because they were directors at the beginning of such 24 month period, or by prior operation of this clause 2.5.5, but excluding for this purpose any such individual whose initial assumption of office is in connection with an actual or threatened election context subject to Rule 14a-11 of Regulation 14A promulgated under the Act or other actual or threatened solicitation of proxies or consents by or on behalf of a "Person" (as defined in clause 2.5.1 above) other than the Board; or

2.5.6. The sale, transfer or other disposition of all or substantially all of the stock or assets of a Business Unit, or a similar transaction as the Board, in each case, in its sole discretion, may determine to be a Change in Control for any Participant under this Plan; *provided, however*, that a Change in Control may only be deemed to occur under this clause 2.5.6 for a Participant if (i) the Board has determined such transaction to constitute a Change in Control for such Business Unit, and (ii) the Participant primarily worked or spent a majority of his or her time working in or for such Business Unit; and *provided further*, that for the avoidance of doubt, the term "Change in Control" shall not include (i) a transaction the sole purpose of which is to change the state of any Wolfspeed Entity's incorporation; or (ii) the initial public offering of the stock of a Business Unit of the Company, and any subsequent sell down of the stock of the Business Unit by the Company.

2.6. *Code* – the Internal Revenue Code of 1986, as amended and any successor to such code and, where applicable, the corresponding Treasury Regulations promulgated thereunder.

2.7. *Named Executive Officers or NEOs* – the individuals identified as the "named executive officers" under Item 402 of Regulation S-K under the Securities Exchange Act of 1934, as amended, in the Company's most recent proxy statement filed with the Securities and Exchange Commission.

2.8. *Participant* – all Wolfspeed employees who meet the Eligibility requirements under clause 3.1.

2.9. *Performance Period* – a period over which performance is measured and relative to which incentive amounts are calculated and paid to a Participant, as set forth in Paragraph 4.

2.10. *Plan Administrator* – the Company's Compensation Committee with respect to all decisions under the Plan concerning, affecting or related to the compensation of Named Executive Officers, and the Chief Executive Officer ("**CEO**") with respect to all other aspects of the Plan, including compensation of all Participants other than Named Executive Officers; *provided*, *however*, that the CEO may delegate all or a portion of the CEO's powers and duties to the Senior Vice President Human Resources, in coordination with the Senior Director Total Rewards, unless the Plan expressly reserves such powers and duties to the CEO.

2.11. *Plan Year* – the Company's fiscal year.

2.12. *Retirement* – a Participant's voluntary termination of employment after they have reached the age of 55 years and have completed at least five years of service (full-time or full-time equivalent) with the Company so long as the Participant has no immediate plans to work in the same or similar occupation with another employer or on a self-employed basis after such termination of employment.

2.13. *Target Award Levels* –expressed as a percentage of Base Salary and vary by position. A Participant's designated Target Award Level represents the award level for 100% achievement of all objectives by that Participant and the Company during a Plan Year.

2.14. *Wolfspeed Entity or Wolfspeed Entities* – for purposes of this Plan, "Wolfspeed Entity" or "Wolfspeed Entities" mean the Company and its successors and assigns as well as any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b), as modified by Code Section 415(h)) which includes the Company; any trade or business (whether or not incorporated) which is under common control (as defined in Code Section 414(c), as modified by Code Section 415(h)) with the Company; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Company; and any other entity required to be aggregated with the Company pursuant to regulations under Code Section 414(o).

3. **ELIGIBILITY**

3.1. To be eligible to participate in the Plan, an employee must: (i) be a regular, full-time or part-time employee (excluding employees classified as part-time casual, cooperative (co-op), intern, consultant or contingent workers of the Company, or "leased" employees), who is paid through the Company's payroll system(s); (ii) be an eligible employee qualifying for and designated as a Participant on/by May 1 of the applicable Plan Year; and (iii) not be disqualified from participation in the Plan as provided below. An employee is disqualified from participation in the Plan for any Performance Period in which: (a) the employee is on disability leave, an unpaid leave of absence or a leave covered by worker's compensation insurance, or any combination of the foregoing, for the entire Performance Period, unless such disqualification is otherwise prohibited by law; (b) the Plan Administrator exercises the right, as provided in Paragraph 3.2 below, to terminate employee's participation in the Plan prior to the end of such Performance Period on account of a material change in the employee's duties and responsibilities; or (c) the employee is not employed by the Company on the last day of the Plan Year, except in the case of termination of employment due to the Participant's Retirement, death or Disability, subject to Paragraph 5.8 below or in the case of termination of employment due to a Change in Control, subject to Paragraph 5.9. For purposes of this Plan, the term "**Disability**" shall mean meeting the requirements for benefits under the Company's long-term disability ("LTD") plan or, in the case of a Participant who is not eligible to participate in the LTD plan, the determination by a qualified, objective medical professional that the Participant is "disabled," as such term is defined in the LTD plan. Additionally, in the sole discretion of the Plan Administrator, any individual previously designated as a Participant who is not employed by the Company on the date of payout as a result of the individual's termination of employment from the Company for "cause" (as determined in the discretion of the Compensation Committee for Named Executive Officers or by the CEO for all other Participants), shall not be eligible to participate in the Plan or receive any benefits hereunder. Moreover, unless approved by the Compensation Committee for Named Executive Officers or by the Plan Administrator or designee for all other Participants, no Participant in this Plan may participate simultaneously in any other Company incentive plan that provides for payment of cash compensation based on achievement of individual sales or performance goals and/or corporate, subsidiary or division financial or performance goals (including, but not limited to, any sales incentive or commission plan or any substantially similar incentive cash compensation program), whether or not there is a payout under such other plan for the Performance Period.

3.2. The Plan Administrator reserves the right to disqualify an otherwise eligible Participant from receiving a payment under the Plan if the Company terminates the Participant's employment before payment is made, whether during or after the Plan Year, as a result of the Participant engaging in any activity deemed by the Compensation Committee for Named Executive Officers or by the CEO for all other Participants to be detrimental to the Company, including without limitation, breach by the Participant of any confidentiality, non-competition or non-solicitation obligation, or any act of fraud, misappropriation, embezzlement, or tortious or criminal behavior that adversely impacts the Company, any other activity that would have resulted in disciplinary action against such Participant or on grounds that constitute cause in the discretion of the Plan Administrator or designee, as applicable.

4. **AWARDS**

4.1. The bonus pool is primarily determined based on Company performance against the Annual Performance Goals.

4.1.1. The amount of any subsequent bonus payout award to a Participant from the bonus pool is determined based on multiple factors including, but not limited to, management discretion and individual performance.

4.2. The CEO will recommend, and the Compensation Committee will review and adopt Annual Performance Goals during the first fiscal quarter of each Plan Year. The statement of Annual Performance Goals will include a method of calculating a percentage reflecting the level of achievement of each measure comprising the goals, with full achievement of the target assigned 100% and failure to meet a specified threshold for the measure assigned 0%. Performance in excess of the target for the measure may be assigned percentages greater than 100%, up to a maximum percentage corresponding to a specified maximum amount for the measure. (Notwithstanding the foregoing, if the specified annual threshold for EBITDA is not achieved, the maximum percentage possible for the ESG measure shall be capped at 100% without regard to specific ESG performance.) Unless otherwise provided in the statement of Annual Performance Goals, performance against each measure will be weighted as follows in determining the amount of any bonus payout award and the bonus payout award percentage will be the average of the individual percentages of achievement of each measure, rounded to the nearest whole percentage.

4.2.1. Revenue– 30.0%

4.2.2. Gross Profit Margin (non-GAAP) – 30.0%

4.2.3. Adjusted EBITDA – 30.0%

4.2.4. ESG (Environmental, Social, and Governance) Initiatives Including DEI (Diversity, Equity and Inclusion) and TRIR (Total Recordable Incident Rate) – 10.0%

4.3. The Compensation Committee shall determine if the bonus pool for all Participants in the Plan is to be adjusted up or down based on the achievement, or failure to achieve, certain pre-determined safety measures, all as determined in the Compensation Committee's sole and exclusive discretion.

4.4. The bonus pool amount will equal the product of all eligible Participants' Base Salary, the Participants' Target Award Level and the Annual Award Results. The bonus pool will consider changes to the Participants' Base Salary and Target Award Level during the fiscal year. Adjustments may also be made based on the available bonus pool and based upon the CEO's discretion as outlined in Paragraph 5.4. Any corresponding awards will be paid to eligible Participants following the approval of the amount by the Plan Administrator.

4.5. The Compensation Committee shall have the authority to adjust the Annual Performance Goals, in recognition of unusual or nonrecurring events affecting the Company or its financial statements or changes in applicable laws, regulations, government policies or accounting principles. Payments will be calculated for the Plan Year based on actual performance achievement and may be amended as described in Paragraph 5.

4.6. If an employee becomes a Participant during a Performance Period, then, unless otherwise approved by the Compensation Committee for Named Executive Officers or by the Plan Administrator for other employees, the Participant's bonus payout award amount for that Performance Period shall be prorated to reflect the portion of the period he or she participated in the Plan.

4.7. If a Participant is on a leave of absence (other than a leave of absence where the Participant continues to be paid his or her full base salary through the Company's payroll system(s), except payments received under the Company's short term disability income protection plan), for all or part of a Performance Period, to the extent permitted by applicable law, the bonus payout award amount for that Performance Period shall be prorated to reflect changes to the Participants' Base Salary and Target Award Level, if any, during the fiscal year.

4.8. If the Compensation Committee for Named Executive Officers approves a change in a Named Executive Officer's Base Salary and/or Target Award Level during the fiscal year, or if there is a Base Salary and/or Target Award Level change for other Participants (i.e., not Named Executive Officers) during the fiscal year, the bonus award payout amount shall be prorated to reflect the Base Salary and/or Target Award Level change(s).

5. ADMINISTRATION

5.1. The Plan Administrators, in their respective capacities, have sole and exclusive authority to interpret the Plan and decide on all questions with respect to administration, participation, and determination of awards under this Plan, and the Plan Administrators' interpretations and determinations, in their respective capacities, shall be final, binding, and conclusive on all Participants and their heirs and assigns. The Plan Administrator or designee will have oversight and responsibility for consistent application of the Plan, appropriate documentation and timely payment.

5.2. At all times, this Plan shall be interpreted and operated so that the awards payable under this Plan shall either be exempt from or comply with the provisions of Section 409A of the Code, the treasury regulations promulgated thereunder, and applicable guidance relating thereto (collectively "**Section 409A**") so as not to subject any Plan Participant to the payment of interest and/or any tax penalty that may be imposed under Section 409A with respect to the Plan.

5.3. This Plan shall not be construed to give Participants a right of continued employment with the Company. The establishment and maintenance of this Plan shall in no way affect the Company's ability to alter or terminate the terms of a Participant's employment with the Company or to require or otherwise determine the award of future bonuses or other incentive compensation awards, if any, to employees of the Company.

5.4. In order to ensure the Company's best interests are met, the amount of the bonus pool calculated in accordance with this Plan may be increased, decreased or eliminated at any time prior to payment, in the sole discretion of the CEO except that no change with respect to any award to any Named Executive Officer of the Company shall be made without Compensation Committee approval.

5.4.1. With respect to the CEO discretion outlined in this Paragraph, the increase, decrease or elimination of the bonus pool shall not exceed greater than 10% of the overall targeted pool if the Company fails to achieve one or more of the targeted goals, without approval of the Compensation Committee.

5.5. When awarded, payments under the Plan will be made as soon as practicable after the end of the applicable award period, and in any event, payments will be made no later than the end of the second fiscal quarter following the Plan Year to which the payments relate. Notwithstanding the foregoing, if a Participant is eligible for payment of an award following a Participant's death before the end of the Plan Year as provided in Paragraph 5.8, the payment will be made based upon target level performance as soon as practicable following the Participant's death. If a Participant is eligible for payment of an award following termination of Participant's employment before the end of the Plan Year due to Participant's Disability or Retirement, payment will be made based upon actual performance as soon as practicable after the end of the applicable award period. In all cases, any payment due following a Participant's death, Disability or Retirement shall be paid no later than the end of the second fiscal quarter following the Plan Year to which the payments relate.

5.6. Unless otherwise provided in the individual's employment offer, a new hire will commence participation in the Plan as of the date of hire. To be eligible to participate in the current fiscal year of the Plan, the employee must be hired on or before May 1 of the fiscal year. An existing employee who becomes eligible to participate in the Plan after the start of the Plan Year will commence participation in the Plan on the start date approved by the Compensation Committee in the case of a Named Executive Officer, or by the Plan Administrator in all other cases.

5.7. If a Participant in the Plan remains employed by the Company in good standing, but, after the start of the Plan Year, becomes ineligible to continue to participate in the Plan for whatever reason, unless otherwise approved by the Compensation Committee in the case of a Named Executive Officer, or by the Plan Administrator in all other cases, the individual's bonus payout award amount may be prorated to reflect the portion of the period the individual was eligible under the Plan.

5.8. In the case of termination of employment due to a Participant's Retirement, death, or Disability (as Disability is defined in Paragraph 3.1 above), the Participant will be entitled to a payment under this Plan, and the Participant's bonus payout award amount for that Performance Period may be prorated to reflect the portion of the period the Participant was employed.

5.9. In the case of a Change in Control occurring during a Plan Year, a Participant whose employment is terminated before the end of such Plan Year due to such Change in Control will be entitled to a payment under this Plan in the amount and within the time period outlined in the applicable Severance Plan.

5.10. This Plan will be reviewed and evaluated at minimum on an annual basis. The Company has no obligation to implement the Plan for any fiscal period and has the right at any time, without notice, to update, modify or discontinue the Plan or any practice under which any similar payments have been previously made; provided, however, that the Company may not amend or terminate the Plan in a manner that affects a payment that has already become payable to a Participant.

6. OTHER PROVISIONS

6.1. *Non-Transferability*. No right or interest of any Participant in this Plan is assignable or transferable, or subject to any lien, directly, by operation of law, or otherwise, including without limitation by execution, levy, garnishment, attachment, pledge, and bankruptcy, except that the right to receive any form of compensation payable hereunder may be assigned or transferred by will or laws of descent and distribution.

6.2. *No Rights to Company Assets*. No Plan Participant nor any other person will have a right in, nor title to, any assets, funds or property of the Company or any of its subsidiaries through this Plan. Any earned incentives will be payable from the Company's general assets. Nothing contained in this Plan constitutes a guarantee by the Company or any of its subsidiaries that the assets of the Company and its subsidiaries will be sufficient to pay any earned incentives. The Plan is adopted as an unsecured and unfunded bonus compensation plan of the Company exempt from the Employee Retirement Income Security Act of 1974, as amended.

6.3. *Priority of Written Agreement.* Notwithstanding any language in this Plan to the contrary, the terms and conditions of any written agreement between the Company and a Participant regarding payment of one or more awards upon termination of employment for any reason or in the event of a Change in Control shall supersede and control with respect to payment of any such awards to the Participant and no payments (other than those already earned but not yet paid) will occur under this Plan except as provided in such written agreement, provided that the written agreement was approved by the Compensation Committee if the Participant was a Named Executive Officer at the time of execution of the agreement, or by the Plan Administrator in any other case.

7. TAXES.

7.1. *Section 409A of the Internal Revenue Code*. The parties intend that any payment or benefits hereunder that shall constitute non-qualified deferred compensation within the meaning of Section 409A shall be exempt from Section 409A or administered in compliance with Section 409A and all provisions of this Plan shall be construed in a manner consistent with such intention. In addition, the parties intend that any payment qualifying for a Section 409A exemption be treated as such to the maximum extent permitted by law. If the Company determines, in accordance with Sections 409A and 416(i) of the Code and the regulations promulgated thereunder, in the Company's sole discretion, that a delay in benefits provided under this Plan is necessary to comply with Code Section 409A(A)(2)(B)(i) since a Participant is a Specified Employee thereunder, then any post separation payments and any continuation of benefits or reimbursement of benefit costs provided under this Plan, and not otherwise exempt from Section 409A, shall be delayed for a period of six (6) months following the date of a Participant's separation from service (the "**409A Delay Period**") to the extent required to comply with Section 409A. In such event, any post separation payments provided under this Plan that would otherwise be due and payable to a Participant during the 409A Delay Period shall not commence until, and shall be made to the Participant in a lump sum cash amount on the first business day after, the date that is six (6) months following the Participant's "separation from service" (as such term is defined in Section 409A).

7.2. *Parachute Payment Limitation*. In the event amounts payable under this Plan or otherwise are contingent on a Change in Control for purposes of Section 280G of the Code, and it is determined by a public accounting firm or legal counsel authorized to practice before the Internal Revenue Service selected by the Company that any payment or benefit made or provided to a Participant in connection with this Plan or otherwise ("**Payment**" or collectively, the "**Payments**") would be subject to the excise tax imposed by Section 4999 of the Code (the "**Parachute Tax**"), the Award under this Plan shall be payable in full or, if applicable, in such lesser amount which would result in no portion of such Award being subject to the Parachute Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Parachute Tax, results in a Participant's receipt, on an after-tax basis, of the greatest amount of the Award under this Plan.

Exhibit 31.1

Certification pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Robert Feurle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Wolfspeed, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2025

/s/ ROBERT FEURLE

Robert Feurle
Chief Executive Officer

Exhibit 31.2

Certification by Chief Financial Officer
pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as
adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Neill P. Reynolds, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Wolfspeed, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2025

/s/ NEILL P. REYNOLDS
Neill P. Reynolds
Executive Vice President and Chief Financial Officer

Exhibit 32.1

Certification pursuant to
18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Wolfspeed, Inc. (the "Company") on Form 10-Q for the quarterly period ended March 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert Feurle, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ROBERT FEURLE

Robert Feurle
Chief Executive Officer

May 9, 2025

This Certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Report, irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification by Chief Financial Officer pursuant to
18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Wolfspeed, Inc. (the “Company”) on Form 10-Q for the quarterly period ended March 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Neill P. Reynolds, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ NEILL P. REYNOLDS

Neill P. Reynolds
Executive Vice President and Chief Financial Officer

May 9, 2025

This Certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed “filed” by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Report, irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.