

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): August 25, 2025

WOLFSPEED, INC.

(Exact name of registrant as specified in its charter)

North Carolina (State or other jurisdiction of incorporation)	001-40863 (Commission File Number)	56-1572719 (I.R.S. Employer Identification Number)
4600 Silicon Drive Durham (Address of principal executive offices)	North Carolina	27703 (Zip Code)

(919) 407-5300

Registrant's telephone number, including area code

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol	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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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 Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On August 25, 2025, Wolfspeed, Inc. (the "Company") issued a press release announcing results for the fiscal fourth quarter ended June 29, 2025. The press release is attached as Exhibit 99.1 and incorporated into this report by reference.

The information in this Item 2.02, including Exhibit 99.1 attached hereto, is being furnished under Item 2.02 and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall such information be deemed incorporated by reference into any filings of the Company under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1 104	Press release dated August 25, 2025 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 hereunto duly authorized.

WOLFSPEED, INC.

By: /s/ Kevin Speirits
Kevin Speirits
Interim Chief Financial Officer

Date: August 25, 2025



Wolfspeed Reports Financial Results for the Fourth Quarter and Full Fiscal Year 2025

DURHAM, N.C. August 25, 2025 -- Wolfspeed, Inc. (NYSE: WOLF) today announced its results for the fourth quarter of fiscal 2025 and the full fiscal year.

Quarterly Financial Highlights (Continuing operations only. All comparisons are to the fourth quarter of fiscal 2024.)

- Consolidated revenue of approximately \$197 million, compared to \$201 million
 - Mohawk Valley Fab contributed \$94.1 million in revenue, compared to \$41 million
- GAAP gross margin of (13)%, compared to 1%
- Non-GAAP gross margin of (1)%, compared to 5%
 - GAAP and non-GAAP gross margin includes the impacts of underutilization costs primarily in connection with the start of production at the Mohawk Valley Fab. Underutilization was \$23.6 million as compared to \$24.0 million.
- GAAP loss per share of (\$4.30), compared to (\$1.39)
- Non-GAAP loss per share of (\$0.77), compared to (\$0.89)

Full Fiscal Year Financial Highlights (Continuing operations only. All comparisons are to fiscal 2024.)

- Consolidated revenue of approximately \$758 million, compared to approximately \$807 million
- GAAP gross margin of (16)%, compared to 10%.
- Non-GAAP gross margin of 2%, compared to 13%.
 - GAAP and non-GAAP gross margin includes the impacts of underutilization costs primarily in connection with the start of production at the Mohawk Valley Fab. Underutilization was \$105.2 million as compared to \$124.4 million.
- GAAP loss per share of \$(11.39), compared to \$(4.56)
- Non-GAAP loss per share of \$(3.32), compared to \$(2.59).

“Reflecting upon my first three months with Wolfspeed, I am more confident than ever in my decision to join the Company and our opportunity to further strengthen our position in the industry. With our world-class greenfield and vertically integrated facility footprint, recent additions to the senior leadership team, and robust IP portfolio, Wolfspeed is well-positioned to be the global leader in silicon carbide technology,” said Wolfspeed Chief Executive Officer, Robert Feurle. “Our next important milestone is for the court to approve our Plan of Reorganization next month, and emerge from Chapter 11 shortly thereafter, with a much stronger financial structure.”

About Wolfspeed, Inc.

Wolfspeed (NYSE: WOLF) leads the market in the worldwide adoption of silicon carbide technologies that power the world’s most disruptive innovations. As the pioneers of silicon carbide, and creators of the most advanced semiconductor technology on earth, we are committed to powering a better world for everyone. Through silicon carbide material, Power Modules, Discrete Power Devices and Power Die Products targeted for various applications, we will bring you The Power to Make It Real.™ Learn more at www.wolfspeed.com.

Non-GAAP Financial Measures:

This press release highlights the Company's financial results on both a GAAP and a non-GAAP basis. The GAAP results include certain costs, charges and expenses that are excluded from non-GAAP results. By publishing the non-GAAP measures, management intends to provide investors with additional information to further analyze the Company's performance, core results and underlying trends. Wolfspeed's management evaluates results and makes operating decisions using both GAAP and

non-GAAP measures included in this press release. Non-GAAP results are not prepared in accordance with GAAP, and non-GAAP information should be considered a supplement to, and not a substitute for, financial statements prepared in accordance with GAAP. Investors and potential investors are encouraged to review the reconciliation of non-GAAP financial measures to their most directly comparable GAAP measures attached to this press release.

Forward Looking Statements:

This press release contains forward-looking statements involving risks and uncertainties, both known and unknown, that may cause Wolfspeed’s actual results to differ materially from those indicated in the forward-looking statements. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, including estimates, forecasts, and projections about possible or assumed future results of Wolfspeed’s business, financial condition, liquidity, results of operations, plans, and objectives and Wolfspeed’s industry and market growth. Words such as “could,” “will,” “may,” “assume,” “forecast,” “position,” “predict,” “strategy,” “expect,” “intend,” “plan,” “estimate,” “anticipate,” “believe,” “project,” “budget,” “potential,” “forward” or “continue” and similar expressions are used to identify forward-looking statements. All statements in this press release that are not historical are forward-looking statements, including statements regarding Wolfspeed’s position in the industry, the restructuring pursuant to the plan of reorganization and the expected strength of its capital structure. Actual results could differ materially due to a number of factors, including but not limited to, risks and uncertainties associated with voluntary petitions filed by Wolfspeed under Chapter 11 of Title 11 of the U.S. Bankruptcy Code (the “Chapter 11 Cases”) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Court”); the effects of the Chapter 11 Cases on Wolfspeed and Wolfspeed’s relationship with its various stakeholders, including vendors and customers; Wolfspeed’s ability to develop and implement the transactions contemplated by Wolfspeed’s Chapter 11 plan of reorganization (the “Plan”) and whether the Plan will be approved by the Court and the ultimate outcome of the Chapter 11 Cases in general; the length of time Wolfspeed will operate under the Chapter 11 Cases; the potential adverse effects of the Chapter 11 Cases on Wolfspeed’s liquidity and results of operations; Wolfspeed’s ability to confirm and consummate the Plan; the timing or amount of recovery, if any, to Wolfspeed’s stakeholders; uncertainty regarding Wolfspeed’s ability to retain key personnel; the diversion of management’s attention as a result of the Chapter 11 Cases; increased administrative and legal costs related to the Chapter 11 Cases; changes in Wolfspeed’s ability to meet its financial obligations during the Chapter 11 Cases and to maintain contracts that are critical to its operations; the effectiveness of the overall restructuring activities pursuant to the Chapter 11 Cases and any additional strategies that Wolfspeed may employ to address its liquidity and capital resources and achieve its stated goals; the actions and decisions of equity holders, creditors, regulators, and other third parties that have an interest in the Chapter 11 Cases, which may interfere with the ability to confirm and consummate the Plan; risks relating to the potential delisting of Wolfspeed’s common stock from the New York Stock Exchange and future quotation of the common stock; ongoing uncertainty in global economic and geopolitical conditions, such as the ongoing military conflict between Russia and Ukraine and the ongoing conflicts in the Middle East; changes in progress on infrastructure development or changes in customer or industrial demand that could negatively affect product demand, including as a result of an economic slowdown or recession, collectability of receivables and other related matters if consumers and businesses defer purchases or payments, or default on payments; risks associated with Wolfspeed’s expansion plans, including design and construction delays, cost overruns, the timing and amount of government incentives actually received, including, among other things, any direct grants and tax credits, issues in installing and qualifying new equipment and ramping production, poor production process yields and quality control, and potential increases to Wolfspeed’s restructuring costs; Wolfspeed’s ability to obtain additional funding, including, among other things, from government funding, public or private equity offerings, or debt financings, on favorable terms and on a timely basis, if at all; the risk that Wolfspeed does not meet its production commitments to those customers who provide Wolfspeed with capacity reservation deposits or similar payments; the risk that Wolfspeed may experience production difficulties that preclude it from shipping sufficient quantities to meet customer orders or that result in higher production costs, lower yields and lower margins; Wolfspeed’s ability to lower costs; the risk that Wolfspeed’s results will suffer if it is unable to balance fluctuations in customer demand and capacity, including bringing on additional capacity on a timely basis to meet customer demand or scaling back its manufacturing expenses or overhead costs quickly enough to correspond to lower than expected demand; the risk that longer manufacturing lead times may cause customers to fulfill their orders with a competitor’s products instead; product mix; risks associated with the ramp-up of production of Wolfspeed’s new products, and Wolfspeed’s entry into new business channels different from those in which it has historically operated; Wolfspeed’s ability to convert customer design-ins to design-wins and 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 risk that the markets for Wolfspeed’s products will not develop as it expects, including the adoption of Wolfspeed’s products by electric vehicle manufacturers and the overall adoption of electric vehicles; the risk that the economic and political uncertainty caused by the tariffs imposed or announced by the United States on imported goods, and corresponding tariffs and other retaliatory measures imposed by other countries (including China) in response, may continue to negatively impact demand for Wolfspeed’s products; the risk that Wolfspeed or its channel partners are not able to develop and expand customer bases and accurately anticipate demand from end customers, including production and product mix, which can result in increased inventory and reduced orders as Wolfspeed experiences wide fluctuations in supply and demand; risks

related to international sales and purchases; risks resulting from the concentration of Wolfspeed's business among few customers, including the risk that customers may reduce or cancel orders or fail to honor purchase commitments; the risk that Wolfspeed's investments may experience periods of significant market value and interest rate volatility causing it to recognize fair value losses on Wolfspeed's investment; the risk posed by managing an increasingly complex supply chain (including managing the impacts of supply constraints in the semiconductor industry and meeting purchase commitments under take-or-pay arrangements with certain suppliers) that has the ability to supply a sufficient quantity of raw materials, subsystems and finished products with the required specifications and quality; risks relating to outbreaks of infectious diseases or similar public health events, including the risk of disruptions to Wolfspeed's operations, supply chain, including its contract manufacturers, or customer demand; the risk Wolfspeed may be required to record a significant charge to earnings if its remaining goodwill or amortizable assets become impaired; risks relating to confidential information theft or misuse, including through cyber-attacks or cyber intrusion; Wolfspeed's ability to complete development and commercialization of products under development; the rapid development of new technology and competing products that may impair demand or render Wolfspeed's products obsolete; the potential lack of customer acceptance for Wolfspeed's products; risks associated with ongoing litigation; the risk that customers do not maintain their favorable perception of Wolfspeed's brand and products, resulting in lower demand for its products; the risk that Wolfspeed's products fail to perform or fail to meet customer requirements or expectations, resulting in significant additional costs; risks associated with strategic transactions; the risk that Wolfspeed is not able to successfully execute or achieve the potential benefits of Wolfspeed's efforts to enhance its value; the substantial doubt about Wolfspeed's ability to continue as a going concern; and other factors discussed in Wolfspeed's filings with the Securities and Exchange Commission (the "SEC"), including Wolfspeed's report on Form 10-K for the fiscal year ended June 30, 2024, and subsequent reports filed with the SEC. These forward-looking statements represent Wolfspeed's judgment as of the date of this press release. Except as required under the U.S. federal securities laws and the rules and regulations of the SEC, Wolfspeed disclaims any intent or obligation to update any forward-looking statements after the date of this press release, whether as a result of new information, future events, developments, changes in assumptions or otherwise.

Cautionary Note Regarding the Company's Common Stock

The Company cautions that trading in the Company's common stock during the pendency of the Chapter 11 Cases is highly speculative and poses substantial risks. Trading prices for the Company's common stock may bear little or no relationship to the actual recovery by holders of the common stock in the Chapter 11 Cases. The Company cannot assure investors of the liquidity of an active trading market, the ability to sell shares of the common stock when desired, or the prices that an investor may obtain for the shares of the common stock.

Wolfspeed[®] is a registered trademark of Wolfspeed, Inc.

WOLFSPEED, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

<i>(in millions of U.S. Dollars, except per share data)</i>	Three months ended		Fiscal years ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Revenue, net	\$197.0	\$200.7	\$757.6	\$807.2
Cost of revenue, net	222.7	198.3	879.2	729.8
Gross (loss) profit	(25.7)	2.4	(121.6)	77.4
Gross margin percentage	(13)%	1 %	(16)%	10 %
Operating expenses:				
Research and development	37.6	60.0	175.1	201.9
Sales, general and administrative	36.1	61.6	190.5	246.4
Factory start-up costs	19.2	20.5	85.2	53.8
Gain on disposal of property and equipment	(19.0)	—	(20.0)	—
Goodwill impairment	359.2	—	359.2	—
Restructuring and other expenses	122.8	6.2	417.6	20.6
Total operating expense	555.9	148.3	1,207.6	522.7
Operating loss	(581.6)	(145.9)	(1,329.2)	(445.3)
Operating loss percentage	(295)%	(73)%	(175)%	(55)%
Interest expense, net of capitalized interest	84.8	60.8	315.2	246.3
Non-operating income (expense), net	13.0	(32.3)	(25.5)	(119.1)
Loss before income taxes	(679.4)	(174.4)	(1,618.9)	(572.5)
Income tax expense	(10.1)	0.5	(9.7)	1.1
Net loss from continuing operations	(669.3)	(174.9)	(1,609.2)	(573.6)
Net loss from discontinued operations	—	—	—	(290.6)
Net loss	(\$669.3)	(\$174.9)	(\$1,609.2)	(\$864.2)
Basic and diluted loss per share				
Continuing operations	(\$4.30)	(\$1.39)	(\$11.39)	(\$4.56)
Net loss	(\$4.30)	(\$1.39)	(\$11.39)	(\$6.88)
Weighted average shares - basic and diluted (in thousands)	155,631	126,245	141,320	125,693

WOLFSPEED, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

(in millions of U.S. Dollars)

	June 29, 2025	June 30, 2024
Assets		
Current assets:		
Cash, cash equivalents, and short-term investments	\$955.4	\$2,174.6
Accounts receivable, net	178.8	147.4
Inventories	435.4	440.7
Investment tax credit receivable	653.4	—
Prepaid expenses	97.2	56.6
Other current assets	222.0	180.3
Total current assets	2,542.2	2,999.6
Property and equipment, net	3,916.5	3,652.3
Goodwill	—	359.2
Intangible assets, net	23.8	23.9
Long-term receivables	2.0	2.3
Other long-term investments	—	79.3
Deferred tax assets	1.1	1.1
Long-term investment tax credit receivable	105.0	641.8
Other assets	263.8	225.1
Total assets	\$6,854.4	\$7,984.6
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$280.2	\$523.6
Contract liabilities and distributor-related reserves	50.0	62.3
Income taxes payable	0.8	1.0
Finance lease liabilities	0.5	0.5
Current maturity on long-term borrowings	6,538.0	—
Other current liabilities	220.5	77.9
Total current liabilities	7,090.0	665.3
Long-term liabilities:		
Long-term debt	—	3,126.2
Convertible notes, net	—	3,034.9
Deferred tax liabilities	0.5	10.8
Finance lease liabilities - long-term	8.4	8.9
Other long-term liabilities	202.6	256.4
Total long-term liabilities	211.5	6,437.2
Shareholders' equity:		
Common stock	0.2	0.2
Additional paid-in-capital	4,094.1	3,821.9
Accumulated other comprehensive loss	(3.8)	(11.6)
Accumulated deficit	(4,537.6)	(2,928.4)
Total shareholders' equity	(447.1)	882.1
Total liabilities and shareholders' equity	\$6,854.4	\$7,984.6

WOLFSPEED, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

<i>(in millions of U.S. Dollars)</i>	Fiscal years ended	
	June 29, 2025	June 30, 2024
Operating activities:		
Net loss	(\$1,609.2)	(\$864.2)
Net loss from discontinued operations	—	(290.6)
Net loss from continuing operations	(1,609.2)	(573.6)
Adjustments to reconcile net loss to cash used in operating activities of continuing operations:		
Depreciation and amortization	252.1	181.0
Amortization and write-off of deferred financing costs	103.6	28.4
Goodwill impairment	359.2	—
Stock-based compensation	73.3	84.9
Unrealized gain on equity investment	(22.6)	(18.5)
Gain on sale of property	(20.0)	—
Loss on disposal or impairment of property and equipment	171.7	1.2
Impairment of right-of-use assets	4.8	—
Amortization of premium on investments, net	(9.1)	(27.5)
Paid-in-kind interest on long-term debt	83.2	—
Deferred income taxes	(10.3)	0.2
Changes in operating assets and liabilities:		
Accounts receivable, net	(31.4)	7.4
Inventories	1.3	(152.3)
Prepaid expenses and other assets	(47.1)	(124.7)
Accounts payable	(48.7)	(45.8)
Accrued salaries and wages and other liabilities	60.0	(50.2)
Contract liabilities and distributor-related reserves	(22.5)	18.2
Net cash used in operating activities of continuing operations	(711.7)	(671.3)
Net cash used in operating activities of discontinued operations	—	(54.3)
Cash used in operating activities	(711.7)	(725.6)
Investing activities:		
Purchases of property and equipment	(1,271.4)	(2,274.0)
Purchases of patent and licensing rights	(5.3)	(5.9)
Proceeds from sale of property and equipment	85.9	0.4
Purchases of short-term investments	(390.9)	(1,601.1)
Proceeds from maturities of short-term investments	986.7	1,448.4
Proceeds from sale of short-term investments	86.5	237.9
Reimbursement of capital expenditures from incentives and investment credits	240.4	178.5
Proceeds from sale of business	—	75.6
Net cash used in investing activities of continuing operations	(268.1)	(1,940.2)
Net cash used in investing activities of discontinued operations	—	(3.1)
Cash used in investing activities	(268.1)	(1,943.3)
Financing activities:		
Proceeds from long-term debt borrowings	240.0	2,000.0
Payments of deferred financing costs	(47.9)	(46.0)
Proceeds from issuance of common stock	203.9	23.4
Tax withholding on vested equity awards	(3.9)	(18.0)
Payments on long-term debt borrowings, including finance lease obligations	(0.5)	(0.4)
Incentive-related escrow refunds	10.0	—
Commitment fees on long-term incentive agreement	(1.5)	(1.0)
Cash provided by financing activities	400.1	1,958.0
Effects of foreign exchange changes on cash and cash equivalents	1.0	(0.2)
Net change in cash and cash equivalents	(578.7)	(711.1)
Cash and cash equivalents:		
Cash and cash equivalents, beginning of period	1,045.9	1,757.0
Cash and cash equivalents, end of period	\$467.2	\$1,045.9

Product Line Revenue

<i>(in millions of U.S. Dollars)</i>	Three months ended		Fiscal years ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Power Products	\$118.6	\$104.6	\$414.0	\$415.6
Materials Products	78.4	96.1	343.6	391.6
Total	\$197.0	\$200.7	\$757.6	\$807.2

Non-GAAP Measures of Financial Performance

To supplement the Company's consolidated financial statements presented in accordance with generally accepted accounting principles ("GAAP"), Wolfspeed uses non-GAAP measures of certain components of financial performance. These non-GAAP measures include non-GAAP gross margin, non-GAAP operating loss, non-GAAP non-operating (expense) income, net, non-GAAP net loss, non-GAAP diluted loss per share, non-GAAP EBITDA, adjusted EBITDA and free cash flow. These measures are presented for continuing operations only.

Reconciliation to the nearest GAAP measure of all historical non-GAAP measures included in this press release can be found in the tables included with this press release.

Non-GAAP measures presented in this press release are not in accordance with or an alternative to measures prepared in accordance with GAAP and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with Wolfspeed's results of operations as determined in accordance with GAAP. These non-GAAP measures should only be used to evaluate Wolfspeed's results of operations in conjunction with the corresponding GAAP measures.

Wolfspeed believes that these non-GAAP measures, when shown in conjunction with the corresponding GAAP measures, enhance investors' and management's overall understanding of the Company's current financial performance and the Company's prospects for the future, including cash flows available to pursue opportunities to enhance shareholder value. In addition, because Wolfspeed has historically reported certain non-GAAP results to investors, the Company believes the inclusion of non-GAAP measures provides consistency in the Company's financial reporting.

For its internal budgeting process, and as discussed further below, Wolfspeed's management uses financial statements that do not include the items listed below and the income tax effects associated with the foregoing. Wolfspeed's management also uses non-GAAP measures, in addition to the corresponding GAAP measures, in reviewing the Company's financial results.

Wolfspeed excludes the following items from one or more of its non-GAAP measures when applicable:

Stock-based compensation expense. This expense consists of expenses for stock options, restricted stock, performance stock awards and employee stock purchases through its Employee Stock Purchase Program. Wolfspeed excludes stock-based compensation expenses from its non-GAAP measures because they are non-cash expenses that Wolfspeed does not use to evaluate core operating performance.

Amortization of acquisition-related intangibles. Wolfspeed incurs amortization or impairment of acquisition-related intangibles in connection with acquisitions. Wolfspeed excludes these items because they are non-cash expenses that Wolfspeed does not use to evaluate core operating performance.

Asset impairment. Wolfspeed incurred impairment charges on certain assets under construction in connection with the restructuring plan. The carrying value of the impaired assets has been reduced to an estimated salvage value. Wolfspeed does not believe this expense is reflective of ongoing operating results.

Goodwill impairment. Wolfspeed determined that goodwill for its single reporting unit was fully impaired, resulting in a \$359.2 million impairment charge. Wolfspeed excluded this amount as Wolfspeed does not believe it is reflective of the Company's ongoing operating results.

Gain on disposal of property and equipment. Wolfspeed sold two properties including buildings, building improvements and land. Wolfspeed recognized the gain on the sale of the properties and excluded this amount as it is not an event in the Company's normal course of business.

Write-off of deferred financing costs. Wolfspeed wrote off the deferred financing costs for its current outstanding debt. This is due to the restructuring support agreement and the Chapter 11 Cases. Wolfspeed does not believe this is reflective of its ongoing operating results.

Pre-petition charges. Wolfspeed recognized Pre-petition charges that consist primarily of professional fees directly related to, but incurred prior to, the filing of the Chapter 11 Cases. Wolfspeed does not believe this is reflective of its ongoing operating results.

Legal Settlements. In the third quarter of fiscal 2025, Wolfspeed incurred costs to settle legal matters that were considered outside the ordinary course of business, given the nature of the litigation and remedies sought. Wolfspeed excludes these extraordinary items because Wolfspeed believes they are not indicative of Wolfspeed's overall operating performance.

Loss on customs matter. In the third quarter of fiscal 2024, Wolfspeed 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.

Project, transformation and transaction costs. The Company has incurred professional services fees and other costs associated with completed and potential acquisitions and divestitures, as well as internal transformation programs focused on optimizing the Company's administrative processes. Wolfspeed excludes these items because Wolfspeed believes they are not reflective of the ongoing operating results of Wolfspeed's business.

Restructuring and facility closure costs. During the first quarter of fiscal 2025, the Company began a headcount reduction and facility consolidation plan (the "2025 Restructuring Plan") to incur costs to optimize its operating model and accelerate its transition to 200 mm silicon carbide offerings through facility closures and headcount reduction initiatives. Wolfspeed does not include these expenses when evaluating core operating activities for strategic decision making, forecasting future results and evaluating current performance, as these activities may be non-recurring, unusual, infrequent or directly related to an event that is distinct and non-reflective of the Company's ongoing business operations. Restructuring and facility closure costs associated with the 2025 Restructuring Plan primarily consist of severance, asset-related charges and other closure-related costs related to facilities in the process of closing or are already closed. Other closure-related costs primarily consist of contract termination costs, manufacturing transition charges and certain inventory abandonments that are directly attributable to a facility closure. Contract termination costs are directly attributable to facility closures and other restructuring-related activities. Manufacturing transition charges include non-productive manufacturing expenses incurred during the period from when shutdown activities commence to when a facility is closed. Inventory abandonments relate to identification and disposal of inventory that will not be utilized after a product line is transferred to a new manufacturing location. Loss on disposition of assets results from abandonment of non-productive assets in accordance with a restructuring plan.

Executive severance costs. The Company has incurred costs in conjunction with the termination of key executive personnel. Wolfspeed excludes these items because Wolfspeed believes they have no direct correlation to the ongoing operating results of Wolfspeed's business.

Amortization of discount and debt issuance costs, net of capitalized interest. The issuance of the Company's convertible senior notes in April 2020, February 2022 and November 2022, the sale of the Company's 2030 senior secured notes in June 2023, and the receipt of deposits in connection with an unsecured customer refundable deposit agreement in July 2023 and in the second half of fiscal 2024 results in amortization of discount and debt issuance costs. Wolfspeed excludes amortization of discount and debt issuance costs from its non-GAAP measures because they are non-cash expenses that Wolfspeed does not use to evaluate core operating performance.

Loss on Wafer Supply Agreement. In connection with the completed sale of the LED Products business unit to SMART Global Holdings, Inc., and its wholly owned subsidiary, the Company entered into a Wafer Supply and Fabrication Services Agreement (the Wafer Supply Agreement), pursuant to which the Company supplies CreeLED, Inc. with certain silicon carbide materials and fabrication services for up to four years. Wolfspeed excludes the financial impact of this agreement because Wolfspeed believes it is not reflective of the ongoing operating results of Wolfspeed's business.

Gain on equity investment. The Company received shares of MACOM common stock in connection with the RF Business Divestiture. These shares are accounted for utilizing the fair value option and changes in the fair value of the shares are recognized in income. Wolfspeed excludes the impact of these gains or losses from its non-GAAP measures because Wolfspeed believes it is not reflective of the ongoing operating results of Wolfspeed's business.

Income tax adjustment. This amount reconciles GAAP tax (benefit) expense to a calculated non-GAAP tax (benefit) expense utilizing a non-GAAP tax rate. The non-GAAP tax rate estimates an appropriate tax rate if the listed non-GAAP items were

excluded. This reconciling item adjusts non-GAAP net (loss) income to the amount it would be if the calculated non-GAAP tax rate was applied to non-GAAP (loss) income before income taxes.

Wolfspeed may incur some of these same expenses, including income taxes associated with these expenses, in future periods.

In addition to the non-GAAP measures discussed above, Wolfspeed also uses free cash flow as a measure of operating performance and liquidity. Free cash flow represents operating cash flows from continuing operations, less net purchases of property and equipment and patent and licensing rights. Wolfspeed considers free cash flow to be an operating performance and a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business after the purchases of property and equipment, a portion of which can then be used to, among other things, invest in Wolfspeed's business, make strategic acquisitions and strengthen the balance sheet. A limitation of the utility of free cash flow as a measure of operating performance and liquidity is that it does not represent the residual cash flow available to the company for discretionary expenditures, as it excludes certain mandatory expenditures such as debt service.

WOLFSPEED, INC.
Reconciliation of GAAP to Non-GAAP Measures - Continuing Operations Only
(in millions of U.S. Dollars, except per share amounts and percentages)
(unaudited)

Non-GAAP Gross Margin

	Three months ended		Fiscal years ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
GAAP gross (loss) profit	(\$25.7)	\$2.4	(\$121.6)	\$77.4
GAAP gross margin percentage	(13)%	1 %	(16)%	10 %
Adjustments:				
Stock-based compensation expense	9.7	8.5	36.9	28.5
Restructuring and facility closure costs	14.6	—	97.1	—
Non-GAAP gross profit	(\$1.4)	\$10.9	\$12.4	\$105.9
Non-GAAP gross margin percentage	(1)%	5 %	2 %	13 %

Non-GAAP Operating Loss

	Three months ended		Fiscal years ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
GAAP operating loss	(\$581.6)	(\$145.9)	(\$1,329.2)	(\$445.3)
GAAP operating loss percentage	(295)%	(73)%	(175)%	(55)%
Adjustments:				
Stock-based compensation expense:				
<i>Cost of revenue, net</i>	9.7	8.5	36.9	28.5
<i>Research and development</i>	2.4	2.3	11.6	11.4
<i>Sales, general and administrative</i>	(1.5)	10.2	24.8	45.0
Total stock-based compensation expense	10.6	21.0	73.3	84.9
Amortization of acquisition-related intangibles	0.3	0.2	1.2	1.1
Legal settlements	—	—	17.0	—
Project, transformation and transaction costs	8.9	5.8	29.5	18.3
Pre-petition charges	55.8	—	55.8	—
Restructuring and facility closure costs:				
<i>Cost of revenue, net</i>	14.6	—	97.1	—
<i>Other operating expense</i>	39.9	—	134.9	—
Total restructuring and other costs	54.5	—	232.0	—
Executive severance costs	—	—	1.4	—
Asset impairment	15.0	—	170.2	—
Goodwill impairment	359.2	—	359.2	—
Gain on disposal of property and equipment	(16.7)	—	(16.7)	—
Total adjustments to GAAP operating loss	487.6	27.0	922.9	104.3
Non-GAAP operating loss	(\$94.0)	(\$118.9)	(\$406.3)	(\$341.0)
Non-GAAP operating loss percentage	(48)%	(59)%	(54)%	(42)%

Non-GAAP Non-Operating (Expense) Income, net

	Three months ended		Fiscal years ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
GAAP non-operating expense, net	(\$97.8)	(\$28.5)	(\$289.7)	(\$127.2)
Adjustments:				
Loss on customs matter	—	—	—	7.7
Gain on equity investment	(31.8)	(11.2)	(22.6)	(18.5)
Amortization of discount and debt issuance costs, net of capitalized interest	14.3	6.8	48.8	28.4
Loss on Wafer Supply Agreement	—	4.9	9.2	25.3
Write-off of deferred financing cost	54.7	—	54.7	—
Non-GAAP non-operating expense, net	(\$60.6)	(\$28.0)	(\$199.6)	(\$84.3)

Non-GAAP Net Loss

	Three months ended		Fiscal years ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
GAAP net loss from continuing operations	(\$669.3)	(\$174.9)	(\$1,609.2)	(\$573.6)
Adjustments:				
Stock-based compensation expense	10.6	21.0	73.3	84.9
Amortization of acquisition-related intangibles	0.3	0.2	1.2	1.1
Legal settlements	—	—	17.0	—
Project, transformation and transaction costs	8.9	5.8	29.5	18.3
Pre-petition charges	55.8	—	55.8	—
Executive severance costs	—	—	1.4	—
Restructuring and facility closure costs	54.5	—	232.0	—
Asset impairment	15.0	—	170.2	—
Goodwill impairment	359.2	—	359.2	—
Gain on disposal of property and equipment	(16.7)	—	(16.7)	—
Loss on customs matter	—	—	—	7.7
Gain on equity investment	(31.8)	(11.2)	(22.6)	(18.5)
Amortization of discount and debt issuance costs, net of capitalized interest	14.3	6.8	48.8	28.4
Loss on Wafer Supply Agreement	—	4.9	9.2	25.3
Write-off of deferred financing cost	54.7	—	54.7	—
Total adjustments to GAAP net loss before provision for income taxes	524.8	27.5	1,013.0	147.2
Income tax adjustment - benefit	24.7	35.4	127.2	100.5
Non-GAAP net loss	(\$119.8)	(\$112.0)	(\$469.0)	(\$325.9)
Non-GAAP diluted loss per share	(\$0.77)	(\$0.89)	(\$3.32)	(\$2.59)
Non-GAAP weighted average shares (in thousands)	155,631	126,245	141,320	125,693

Adjusted EBITDA

	Three months ended		Fiscal years ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
GAAP net loss	(\$669.3)	(\$174.9)	(\$1,609.2)	(\$573.6)
Reconciling items to EBITDA (Non-GAAP)				
Income tax (benefit) expense	(10.1)	0.5	(9.7)	1.1
Interest expense, net	75.8	34.7	247.6	111.3
Depreciation and amortization	60.4	45.3	252.1	181.0
EBITDA (Non-GAAP)	(543.2)	(94.4)	(1,119.2)	(280.2)
Reconciling items to adjusted EBITDA (Non-GAAP)				
Stock based compensation	10.6	21.0	73.3	84.9
Project, transformation and transaction costs	8.9	5.8	29.5	18.3
Pre-petition charges	55.8	—	55.8	—
Executive severance costs	—	—	1.4	—
Legal settlements	—	—	17.0	—
Loss on customs matter	—	—	—	7.7
Gain on equity investment	(31.8)	(11.2)	(22.6)	(18.5)
Restructuring and facility closure costs ⁽¹⁾	46.8	—	177.3	—
Asset impairment	15.0	—	170.2	—
Goodwill impairment	359.2	—	359.2	—
Gain on disposal of property and equipment	(16.7)	—	(16.7)	—
Write-off of deferred financing cost	54.7	—	54.7	—
Loss on Wafer Supply Agreement	—	4.9	9.2	25.3
Adjusted EBITDA (Non-GAAP)	(\$40.7)	(\$73.9)	(\$210.9)	(\$162.5)

⁽¹⁾Excludes restructuring-related depreciation of \$7.7 and \$54.7 million included in "Depreciation and amortization" for the three and twelve months ended June 29, 2025 respectively.

Free Cash Flow

	Three months ended		Fiscal years ended	
	June 29, 2025	June 30, 2024	June 29, 2025	June 30, 2024
Net cash used in operating activities	(\$242.5)	(\$239.5)	(\$711.7)	(\$671.3)
Less: PP&E spending, net of reimbursements from long-term incentive agreement	(210.1)	(644.2)	(1,031.0)	(2,095.5)
Less: Patents spending	(1.4)	(1.6)	(5.3)	(5.9)
Total free cash flow	(\$454.0)	(\$885.3)	(\$1,748.0)	(\$2,772.7)

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Source: Wolfspeed, Inc.