

Wolfspeed FY25 Q1 Earnings

Wolfspeed  NOVEMBER 6, 2024

FORWARD-LOOKING STATEMENTS AND NON-GAAP MEASURES

Note on Forward-Looking Statements

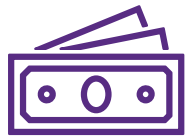
The schedules attached to this presentation are an integral part of the presentation. This presentation contains forward-looking statements involving risks and uncertainties, both known and unknown, that may cause Wolfspeed's actual results to differ materially from those indicated in the forward-looking statements. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about our plans to grow the business, our ability to achieve our targets for the second quarter of fiscal 2025 and periods beyond, our ability to meet targeted utilization rates and accelerate the shift of our device fabrication to the Mohawk Valley Fab, our revenue and market growth, and our ability to reduce costs, optimize our capital structure and access funding. Actual results could differ materially due to a number of factors including but not limited to, 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 our 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 under the CHIPS Act, issues in installing and qualifying new equipment and ramping production, poor production process yields and quality control, and potential increases to our restructuring costs; our 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; our ability to take certain actions with respect to our capital and debt structure, including issuing the full amount of senior notes under our agreements with our lenders and restructuring or refinancing our convertible notes; the risk that we do not meet our production commitments to those customers who provide us with capacity reservation deposits or similar payments; the risk that we may experience production difficulties that preclude us from shipping sufficient quantities to meet customer orders or that result in higher production costs, lower yields and lower margins; our ability to lower costs; the risk that our results will suffer if we are unable to balance fluctuations in customer demand and capacity, including bringing on additional capacity on a timely basis to meet customer 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 our new products, and our entry into new business channels different from those in which we have historically operated; our 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 our products will not develop as we expect, including the adoption of our 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 by the United States on Chinese goods, and corresponding Chinese tariffs and currency devaluation in response, may continue to negatively impact demand for our products; the risk that we or our 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 we experience wide fluctuations in supply and demand; risks related to international sales and purchases; risks resulting from the concentration of our business among few customers, including the risk that customers may reduce or cancel orders or fail to honor purchase commitments; the risk that our investments may experience periods of significant market value and interest rate volatility causing us to recognize fair value losses on our 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 our operations, supply chain, including our contract manufacturers, or customer demand; the risk we may be required to record a significant charge to earnings if our remaining goodwill or amortizable assets become impaired; risks relating to confidential information theft or misuse, including through cyber-attacks or cyber intrusion; our 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 our products obsolete; the potential lack of customer acceptance for our products; risks associated with ongoing litigation; the risk that customers do not maintain their favorable perception of our brand and products, resulting in lower demand for our products; the risk that our 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 we are not able to successfully execute or achieve the potential benefits of our efforts to enhance our value; and other factors discussed in our filings with the Securities and Exchange Commission (SEC), including our 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 presentation. Except as required under the United States 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 presentation, whether as a result of new information, future events, developments, changes in assumptions or otherwise.

Note on Non-GAAP Measures

This presentation 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 presentation. 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 presentation.

WOLFSPEED AT A GLANCE

Wolfspeed is the world’s only pure-play, vertically integrated silicon carbide company



\$195 million
FY25 Q1 revenue



The JP: world’s largest and only
dedicated 200mm silicon carbide
materials facility



Access to up to \$2.5B of incremental
proposed funding to support U.S.
capacity expansion plan



\$1.5 billion of Power
Device Design-In
Awards in FY25 Q1

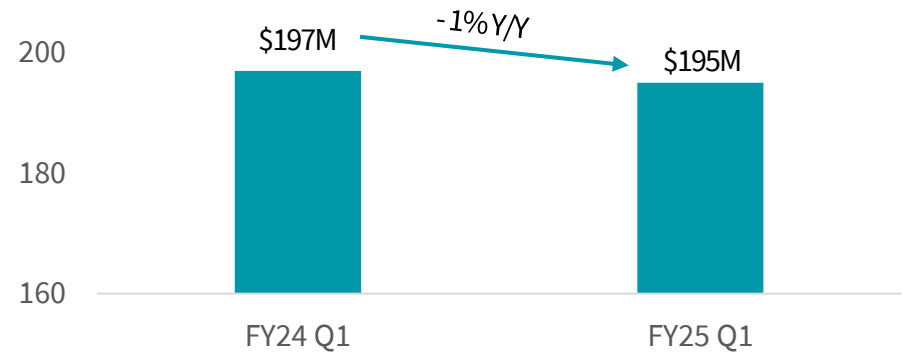


Mohawk Valley Fab:
world’s first 200mm
silicon carbide fab



First SiC company to
transition exclusively to
200mm production

Wolfspeed Revenue¹ (\$M)



By the Numbers

#1

Producer of
silicon carbide
materials

\$28B+

of Design-Ins for EV and I&E
power devices

\$11B+

in Wolfspeed’s backlog of Design-
Wins

1st

First commercially available fully
qualified silicon carbide MOSFET

35+ years

Wolfspeed has been vertically
integrated making silicon carbide
semiconductors

7+ trillion

Hours of silicon carbide research,
testing and production

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1) All figures represent results from continuing operations

A CRITICAL INFLECTION POINT IN STRATEGIC DIRECTION AND PRIORITIES

Solidifying Our Capital Structure

- Awarded \$750M of ***proposed direct funding from CHIPS Act***
- Access to up to \$2.5B of incremental funding from CHIPS Act, debt financing, and 48D tax credits to support U.S. capacity expansion plan
- Further reducing FY25 CapEx guidance by an additional \$100M to a range of \$1.1B - \$1.3B

Simplifying Our Business – 200mm Silicon Carbide Leader

- First SiC company to transition entire device business to 200mm
- Finalized plans for closure of 150mm Durham device fab and Farmers Branch facility; indefinitely suspended Saarland fab plans
- ~20% reduction of current headcount

Capitalizing on Structural and Long-term, Growing Demand

- Recorded \$1.3B of Design-Wins in FY25 Q1, the 3rd highest on record
- Secured \$1.5B of Design-Ins in FY25 Q1, with ~70% for EV platforms
- EV revenue grew 2.5x Y/Y and expected to continue to grow throughout CY25

\$11 billion of Design-Wins and targeted cash savings activities **significantly lower breakeven point** and accelerate path to generate positive cash flow from operations

RECENT ANNOUNCEMENTS SUPPORT IMPROVED CASH FLOW PROFILE

Anticipated Cash Inflows from Funding Sources

Total Impact	Item	Anticipated Cash Inflows
Up to \$2.5B+ anticipated cash inflows over next several years	CHIPS Act Funding	Up to \$750M total <ul style="list-style-type: none"> First disbursement to be 20%-25% of total grant size expected in mid CY25
	Debt Financing (2030 Senior Notes)	\$750M total over three tranches <ul style="list-style-type: none"> Initial \$250M received in Oct. 2025 Required to draw additional tranches of \$250M each in conjunction with first two CHIPS Act funding disbursements
	Section 48D Cash Tax Refunds	~\$1B total <ul style="list-style-type: none"> \$725M accrued as of end of FY25 Q1, with additional accruals expected in CY25 Expect to realize first tranche of cash tax refunds in CY25 and subsequent refunds in CY26 and beyond
	Non-Debt Funding	Up to \$300M total
	Divestitures of Non-core Assets	Targeting more than \$150M of cash proceeds in CY25

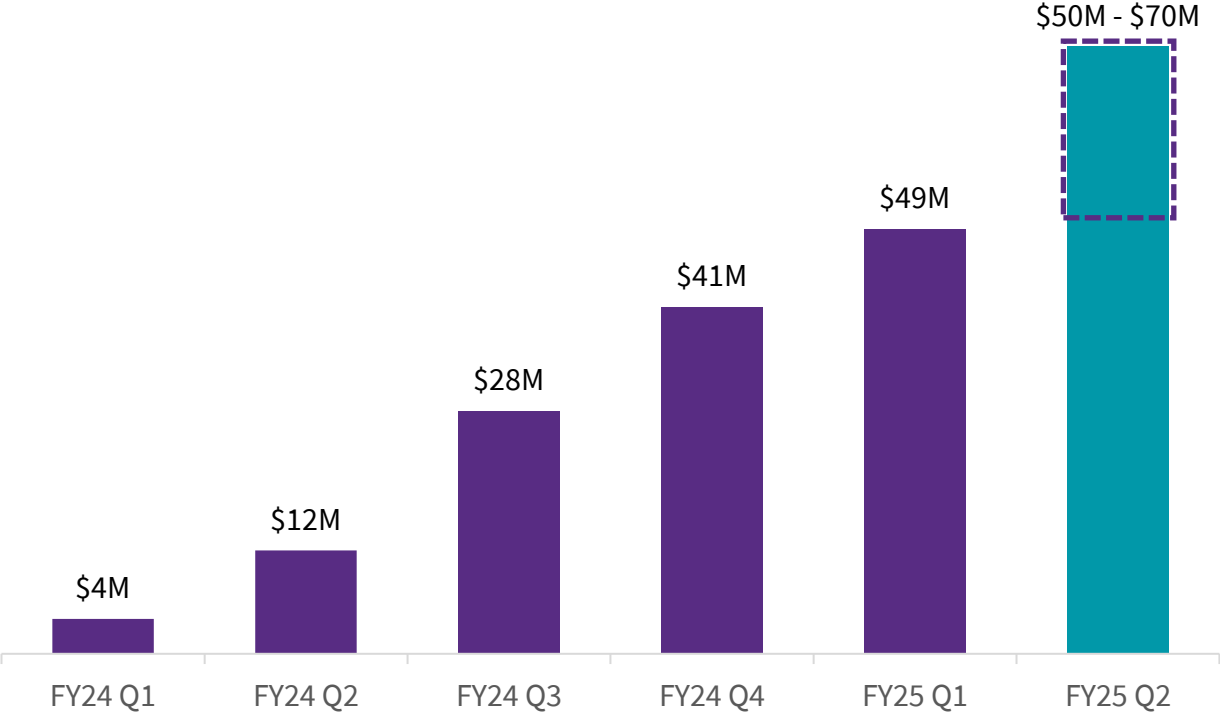
Incremental Benefits to Cash Flow

Item	Incremental Benefit to Cash Flow
Customer Financing	\$120M benefit in FY25 through deferral of cash interest payments
Cost Savings Initiatives	Expect to generate approximately \$200M in annual cash savings from restructuring initiatives and cash savings efforts <ul style="list-style-type: none"> Expect cash neutral impact in FY25 and to start generating a large portion of total annual cash savings in FY26
CapEx Reduction	\$100M further reduction to FY25 CapEx <ul style="list-style-type: none"> \$1.1B-\$1.3B in FY25 CapEx; FY26 CapEx unchanged at \$0.2B-\$0.6B

Cost to achieve anticipated cash savings is \$400M - \$450M in total restructuring charges over next several quarters, including \$87M already recorded in FY25 Q1. \$170M - \$185M of total restructuring charges will be in cash charges

MOHAWK VALLEY UPDATE

Mohawk Valley Fab Revenue



Key Takeaways

- FY24 Q1 revenue contribution of **\$49M**, up more than 20% Q/Q
- FY25 Q2 targeted revenue of **\$60M** at the midpoint
- MVF contributed more power device revenue than Durham fab for the first time in FY25 Q1
- Continues to generate great performance with yields and cycle times ahead of plan
- Expect future improvements as the fab ramps
- Expect to complete a planned maintenance shutdown at MVF in FY25 Q2 that will enable full fab output

SIGNIFICANT PROGRESS MADE TO SIMPLIFY 200MM FOOTPRINT



Materials: Wolfspeed HQ - Durham, NC

- Crystal growth and substrate processing continues to generate solid output and yields
- Level of productivity allows for a more measured ramp and measured level of spend on the JP



Materials: The JP - Siler City, NC

- Crystal growers up and running with high-quality material in production
- Construction continues with Certificate of Occupancy expected in CY25 1H

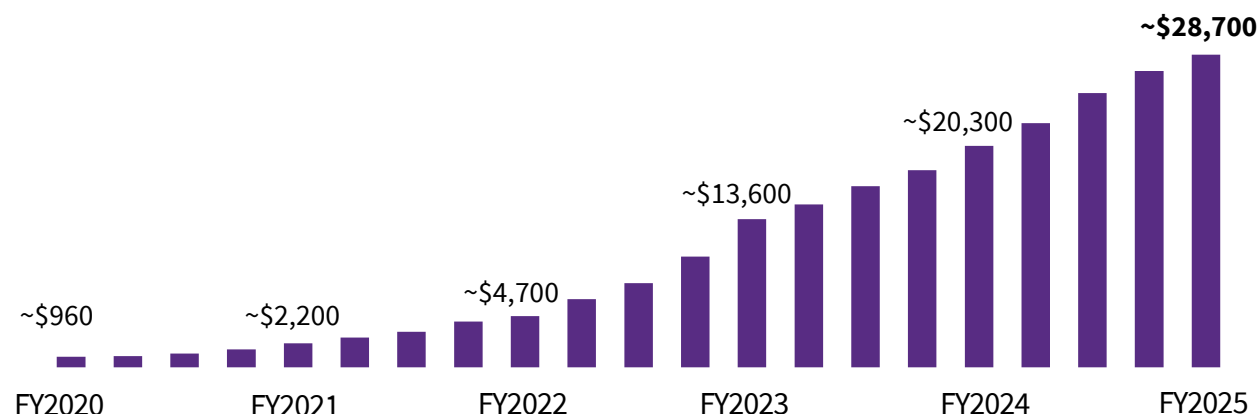


Device Fab: Mohawk Valley - Marcy, NY

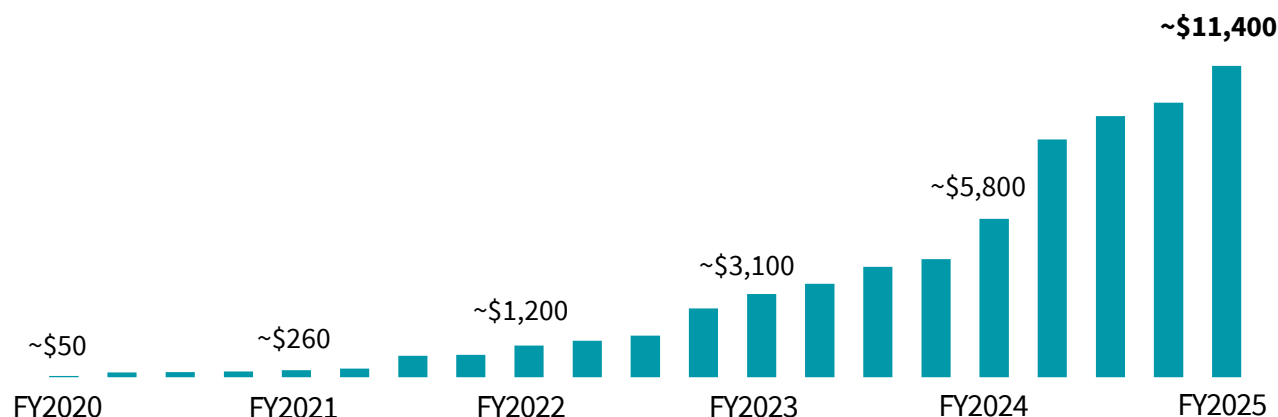
- Contributed more power device revenue than Durham fab for the first time in FY25 Q1
- Continues to generate great performance with yields and cycle times ahead of plan

POWER DEVICE FOOTPRINT WILL HELP CAPTURE MASSIVE MARKET OPPORTUNITY BY END OF THE DECADE

Cumulative Power Device Design-Ins (\$M)¹



Cumulative Power Design-Wins (\$M)¹



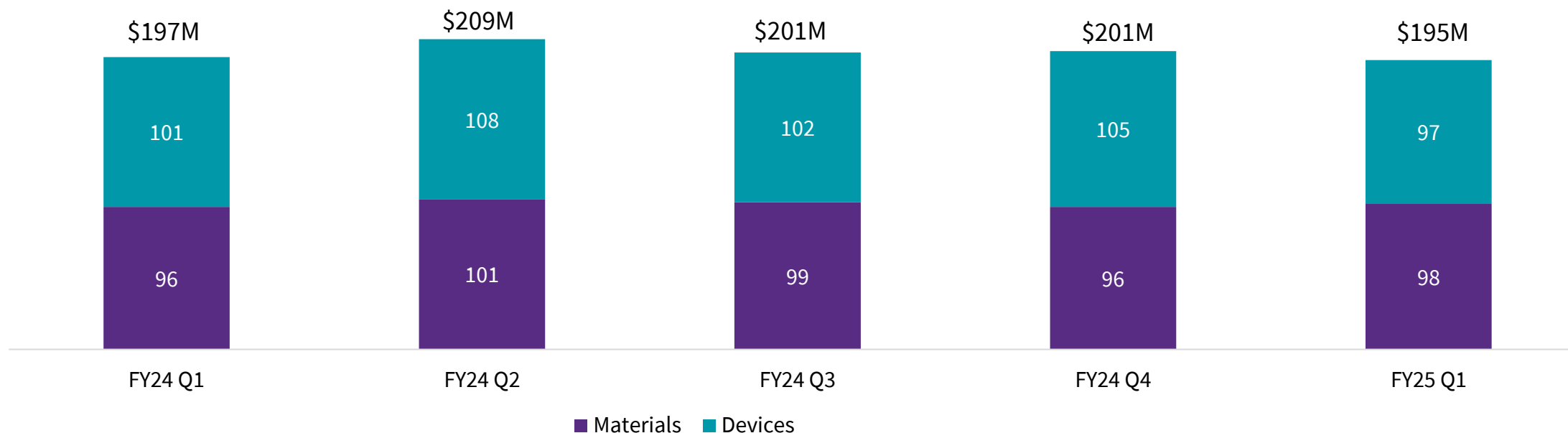
Key Takeaways

- **\$1.5B of Power Device Design-Ins in FY25 Q1**
 - ~70% of Design-Ins were from EV platforms
 - \$28B+ of cumulative Power Design-Ins since FY20
- **\$1.3B of Power Design-Wins in FY25 Q1**, the third largest on record
 - Total number of car models using a Wolfspeed SiC device in powertrain increased 4x from CY23 to CY24 and expected to grow ~75% Y/Y in CY25
 - \$11B+ of cumulative Power Design-Wins since FY20

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1) All figures represent results from continuing operations, NOTE: Design-In and Design-Win definitions in appendix

FINANCIAL PERFORMANCE – REVENUE¹



Key Takeaways

- Revenue slightly below midpoint of August guidance
- Revenue down 1% Y/Y and down 3% Q/Q
 - \$97M of Power revenue, down Q/Q and driven by lower demand in I&E
 - \$98M of Materials revenue, up slightly Q/Q and driven by continued strong operating performance by Materials operations team

FY25 Q1 Drivers

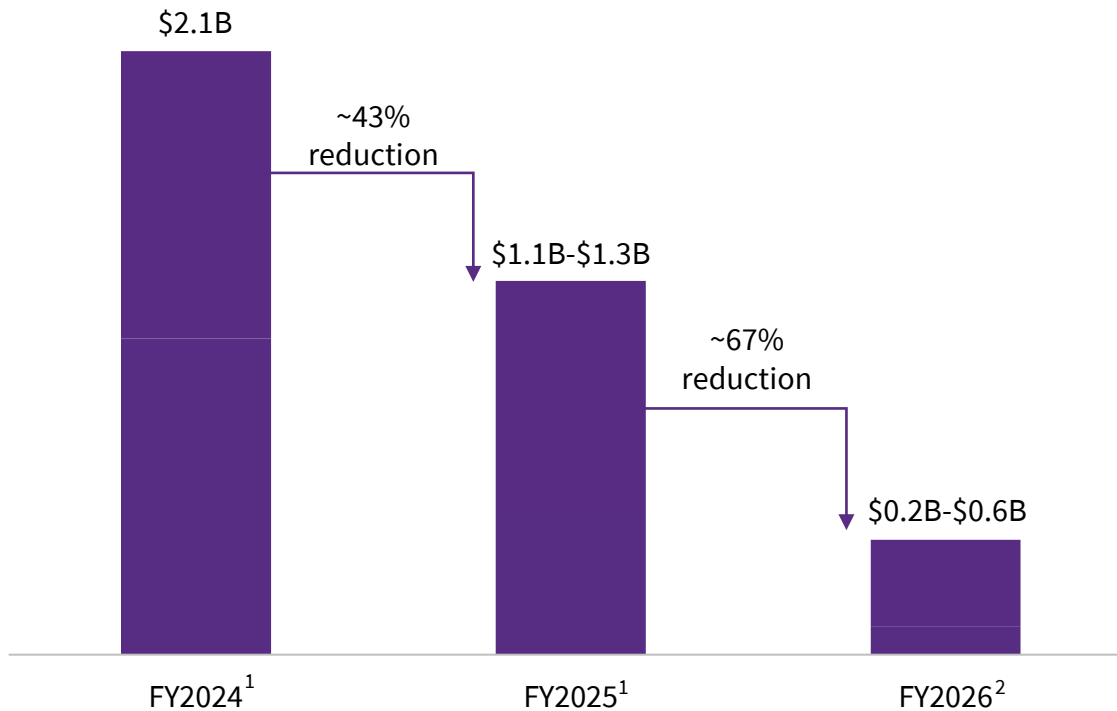
- \$49M contribution from Mohawk Valley, up 20% Q/Q and more than 12x Y/Y
- EV revenue grew 2.5x Y/Y
- Offset by weakness in I&E end markets

¹) All figures represent results from continuing operations

TAKING PROACTIVE STEPS TO IMPROVE CAPITAL STRUCTURE

The significantly lower targeted CapEx spend should result in much lower cash use exiting FY26

Significant Reduction in CapEx Expected
Over Next Two Years



Key Takeaways

- FY25 CapEx guidance further reduced by \$100M
 - Adjustment aligns with broader shift in EV and I&E market demand
- FY26 CapEx of \$200M - \$600M expected
 - Majority of future CapEx is variable
 - Expected step-down in spending following completion of Siler City facility
- Funding package announced with PMT announcement provides access to an incremental \$2.5B of proposed funding

FY25 Q2 GUIDANCE

Revenue	\$160M - \$200M
Non-GAAP Gross Margin ¹	(6)% - 6%
Non-GAAP OpEx ¹	\$105M - \$115M
Non-GAAP Net Loss ¹	\$(145)M - \$(114)M
Long-term Profitability Targets	Non-GAAP EBITDA profitability in 2H FY25 Operating cash flow breakeven in FY26

Guidance Drivers

- \$50M - \$70M revenue contribution from Mohawk Valley
- Revenue partially offset by planned maintenance shutdowns at Durham campus and Mohawk Valley in Q2
- OpEx reflects impact of restructuring actions and cash savings efforts
- Operating cash flow breakeven impacted by incremental interest expense as part of PMT announcement

Upcoming Milestones

- 200mm footprint at full utilization expected to generate annual targeted revenue of ~\$3B
- The JP
 - Expect to receive Certificate of Occupancy in CY25 1H

1) See Appendix for a reconciliation of these non-GAAP measures to the most directly comparable GAAP measure.

APPENDIX

NON-GAAP RECONCILIATION – GROSS MARGIN

	Three Months Ended	
	September 29, 2024	September 24, 2023
GAAP gross profit	(\$36.2)	\$24.7
GAAP gross margin percentage	(19)%	13%
Adjustments:		
Stock-based compensation expense	8.5	6.0
Restructuring and facility closure costs	34.3	—
Non-GAAP gross profit	\$6.6	\$30.7
Non-GAAP gross margin percentage	3%	16%

NON-GAAP RECONCILIATION – EPS¹

	Three Months Ended	
	September 29, 2024	September 24, 2023
GAAP net loss	(\$282.2)	(\$123.6)
Adjustments:		
Stock-based compensation expense	23.7	19.7
Amortization of acquisition-related intangibles	0.3	0.3
Project, transformation and transaction costs	6.0	2.6
Restructuring and facility closure costs	87.1	—
Amortization of discount and debt issuance costs, net of capitalized interest	6.7	7.2
Loss on Wafer Supply Agreement	9.2	6.9
Total adjustments to GAAP net loss before provision for income taxes	133.0	36.7
Income tax adjustment - benefit	33.4	20.3
Non-GAAP net loss	(\$115.8)	(\$66.6)
Non-GAAP diluted loss per share	(\$0.91)	(\$0.53)
Non-GAAP weighted average shares (in thousands)	126,733	125,105

NON-GAAP RECONCILIATION – EBITDA AND ADJUSTED EBITDA²

	Three Months Ended	
	September 29, 2024	September 24, 2023
GAAP net loss	(\$282.2)	(\$123.6)
Reconciling items to EBITDA (Non-GAAP)		
Income tax expense	0.4	0.2
Interest expense	42.3	21.1
Depreciation and amortization	71.1	40.1
EBITDA (Non-GAAP)	(168.4)	(62.2)
Reconciling items to adjusted EBITDA (Non-GAAP)		
Stock based compensation	23.7	19.7
Project, transformation and transaction costs	6.0	2.6
Restructuring and facility closure costs ⁽¹⁾	68.3	—
Loss on Wafer Supply Agreement	9.2	6.9
Adjusted EBITDA (Non-GAAP)	(\$61.2)	(\$33.0)

⁽¹⁾Excludes restructuring-related accelerated depreciation included in "Depreciation and amortization"

NON-GAAP RECONCILIATION – GROSS MARGIN OUTLOOK

	Three Months Ended December 29, 2024
GAAP gross margin from continuing operations outlook range	(33)% to (16)%
Adjustments:	
Stock-based compensation expense	6% to 5%
Restructuring and facility closure costs	21% to 17%
Non-GAAP gross margin from continuing operations outlook range	<u>(6)% to 6%</u>

NON-GAAP RECONCILIATION – OPERATING EXPENSES OUTLOOK

(in millions of U.S. Dollars)

**Three Months Ended
December 29, 2024**

GAAP operating expenses from continuing operations outlook	\$265 to \$275
Adjustments:	
Stock-based compensation expense	(15)
Project, transformation and transaction costs	(5)
Restructuring and facility closure costs	(140)
Total adjustments to GAAP operating expenses from continuing operations	(160)
Non-GAAP operating expenses from continuing operations outlook	\$105 to \$115

NON-GAAP RECONCILIATION – NET LOSS OUTLOOK

	Three Months Ended December 29, 2024
<i>(in millions of U.S. Dollars)</i>	
GAAP net loss from continuing operations outlook range	(\$401) to (\$362)
Adjustments:	
Stock-based compensation expense	24
Restructuring and facility closure costs	174
Amortization of discount and debt issuance costs, net of capitalized interest	12
Project, transformation and transaction costs	5
Total adjustments to GAAP net loss before provision for income taxes	215
Income tax adjustment	41 to 33
Non-GAAP net loss from continuing operations outlook range	<u>(\$145) to (\$114)</u>

GLOSSARY OF TERMS

Design-Ins: Design-Ins are customer commitments to purchase our products and are one of the factors we use to forecast long-term demand and future revenue. To meet the qualification of a Design-In, the customer provides us with documentation (e.g., a letter of intent, statement of work or developmental contract) that can include details such as the expected delivery timeline, estimated price, necessary capacity and required support. A design-in, even with a formal commitment, does not always convert to future revenue (a 'Design-Win') for a variety of reasons, including, but not limited to, the customer delaying or abandoning the project, capacity constraints, timeline challenges, and/or technology changes. Therefore, management uses the Design-In amount as a guide to forecast future demand but it should not be taken as an absolute indicator of future revenue.

Design-Wins: Design-Ins are considered Design-Wins when a customer issues a purchase order for at least 20% of the expected first year revenue. Design-Wins reflect each project's entire commitment at the time this criteria is satisfied and should not be taken as an absolute indicator of future revenue. Depending on timing, certain projects may be reflected within a single period's Design-In and Design-Win figures.

**LET'S REIMAGINE A MORE
SUSTAINABLE WORLD.
TOGETHER.**

