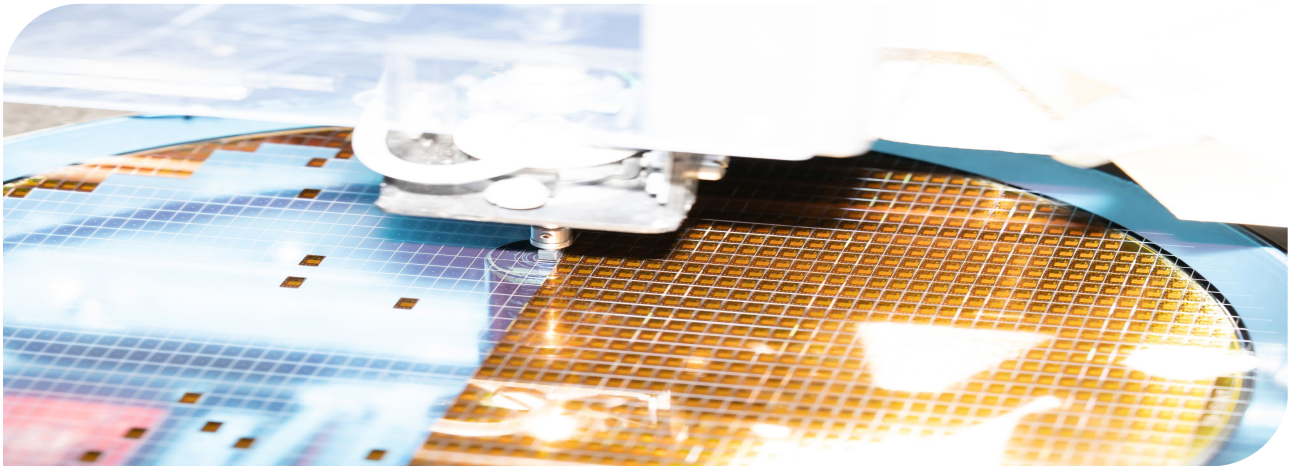
supplychain monitor™
A CreditRiskMonitor Product

WOLFSPEED, INC.
BANKRUPT SUPPLIER REPORT
ISSUED ON 06/30/2025



The FRISK® Score warned of Wolfspeed's bankruptcy risk.

Score/Index	2024							2025					
	J	J	A	S	O	N	D	J	F	M	A	M	J
FRISK® Score	3	2	2	2	3	2	1	2	2	2	1	1	1

CHALLENGE

This semiconductor manufacturer demonstrated financial distress and eventually filed for bankruptcy, which listed a variety of counterparties in the bankruptcy petition.

SOLUTION

The FRISK® Score forewarned of bankruptcy. Discover similar semiconductor operators with our industry peer analysis tools and AI-driven analytics.

HELPING SUPPLY PROFESSIONALS

Problem: Wolfspeed demonstrated prolonged financial distress and eventually filed bankruptcy.

Consequence: Counterparties were exposed to financial losses. Partners and suppliers reported billions of unsecured financial risk exposure in Wolfspeed's bankruptcy petition.

Solution: SupplyChainMonitor™ predictive analytics inform supply and finance professionals, empowering risk mitigation processes.

> **Supply and procurement professionals who mitigate risk obtain substantial ROIs on the SupplyChainMonitor™ service after only one disruptive event or bankruptcy...**
>
> **we empower supply resiliency every day**

The SupplyChainMonitor™ solution identified these key warning signs for subscribers:

96%-accurate FRISK® Score indicated Wolfspeed's high-risk for more than one year unlike tier 2 payment-based scores.

Enhanced News Alerts called out equity offerings, operational restructuring, workforce layoffs, and executive leadership changes.

Management Discussion & Analysis revealed Wolfspeed issued a going concern warning.

Financial ratios indicated stress, including relative to its industry peers.

MONTHLY AVERAGE FRISK® SCORE

SupplyChainMonitor's FRISK® Score had been warning of financial stress at Wolfspeed (NYSE: WOLF) for more than a year.

Wolfspeed announced it would receive new Chips Act funding of an estimated $750M to support the expansion of its 200mm silicon carbide plant.

Wolfspeed President & CEO Gregg Lowe would depart the company; executive departures are a red flag of business challenges

After laying off 20% of its workforce in 2024, Wolfspeed would conduct additional layoffs at its Durham campus and western Chatham plant.

Business Name	2024										2025		
	J	J	A	S	O	N	D	J	F	M	A	M	J
Wolfspeed	3	2	2	2	3	2	1	2	2	2	1	1	1

Wolfspeed completed a $200m equity market offering to secure additional funding for growth capex and new plant expansion

The company laid off more than one-third of its workforce at Chatham County factory and subsequently filed for Chapter 11 bankruptcy.

FRISK® Score is 96% accurate in predicting the risk of corporate failure over a 12-month horizon.

FRISK® Score	Probability of Bankruptcy within 12 Months	
	From	To
10	0.00%	0.12%
9	0.12%	0.27%
8	0.27%	0.34%
7	0.34%	0.55%
6	0.55%	0.87%
5	0.87%	1.40%
4	1.40%	2.10%
3	2.10%	4.00%
2	4.00%	9.99%
1	9.99%	50.00%

A FRISK® Score of 5 or less indicates an above average risk of bankruptcy, an important warning sign for clients. Maximize your ROI by continuously monitoring such counterparties, begin considering mitigation strategies if they fall to a FRISK® 3, and start taking action at FRISK® 2.

Did You Know? Companies with a FRISK® of 2 or less account for almost 70% of all bankruptcies.

THE FRISK® SCORE COMPONENTS

CreditRiskMonitor's **96% accurate FRISK® Score** uses four high-quality data components:

- **Real-time subscriber crowdsourced research patterns**
- **A "Merton" type model using stock market capitalization and volatility**
- **Agency ratings**
- **Financial ratios, including those used in the Altman Z"-Score Model**

Our model's competitive advantage lies in non-linear scaling for each data subcomponent and the combination of the above components to mitigate the individual shortcomings of each input

- ✓ **Bankruptcy Focused:** our model is trained to predict bankruptcy, not default. This is important because only 1 in 5 defaulting public companies declare bankruptcy. FRISK® reduces false positives by focusing on bankruptcy
- ✓ **Daily Updating from Stock Market Data & Crowdsourced Inputs:** real-time insights, not stale data from outdated financial statements that look backward quarterly or annually. Incorporating market cap volatility captures the "wisdom of markets" every day.
- ✓ **Crowdsourcing:** insider sentiment based on the aggregate click patterns of our subscribers who are sophisticated credit professionals

We are the only platform making use of the wisdom of the crowd which represents nearly 40% of the Fortune 1000 plus thousands of corporations worldwide

Why is aggregate insider sentiment important?

- ✓ It's independently predictive of bankruptcy
- ✓ It's asymmetric to other inputs since the actors involved have access to material, non-public information under their exemption from Regulation Fair Disclosure
- ✓ If credit professionals move in aggregate, and purposely decide to cut-off working capital to a specific counterparty, then this counterparty is more prone to bankruptcy

Learn more about our approach: Crowdsourcing the Research of Credit Professionals

NEWS ALERTS: TIMELINE

Wolfspeed entered into Amendment No. 1 on its unsecured customer refundable deposit agreement, which allowed the Company to pay certain accrued interest in-kind rather than in cash, with the added amounts accruing interest at 15% annually, among other considerations. This 8K showed its cash flow and liquidity challenges.

10/16/2024	CRMZ News Service	WOLFSPEED, INC. FILES (8-K) Disclosing Entry into a Material Definitive Agreement...

In Q1 2025, net sales declined year-over-year, and operating losses deepened to $230 million, compared with a loss of $102 million in the same period of 2024. Clients monitor financial updates on their counterparties, with particular attention to high-risk entities.

11/11/2024	CRMZ News Service	Wolfspeed Inc -- updated financials available

Recent workforce reductions, combined with a FRISK® Score in the red zone, should raise significant concern for clients. While cost-cutting measures may offer temporary relief, these developments reinforce the company's elevated bankruptcy risk. At this time, the FRISK® Score was a "2", among the worst risk classifications.

03/07/2025	Tribute Content Agency	Durham chipmaker Wolfspeed to lay off more NC workers and slow hiring at Chatham campus

Neill Reynolds, Executive Vice President and Chief Financial Officer, exited the company effective May 30, 2025. Multiple executive departures represented a critical warning sign, as such instability often precedes bankruptcy filings. Further compounding concerns, Wolfspeed issued a going concern warning in its Q3 2025 filing on May 9, 2025.

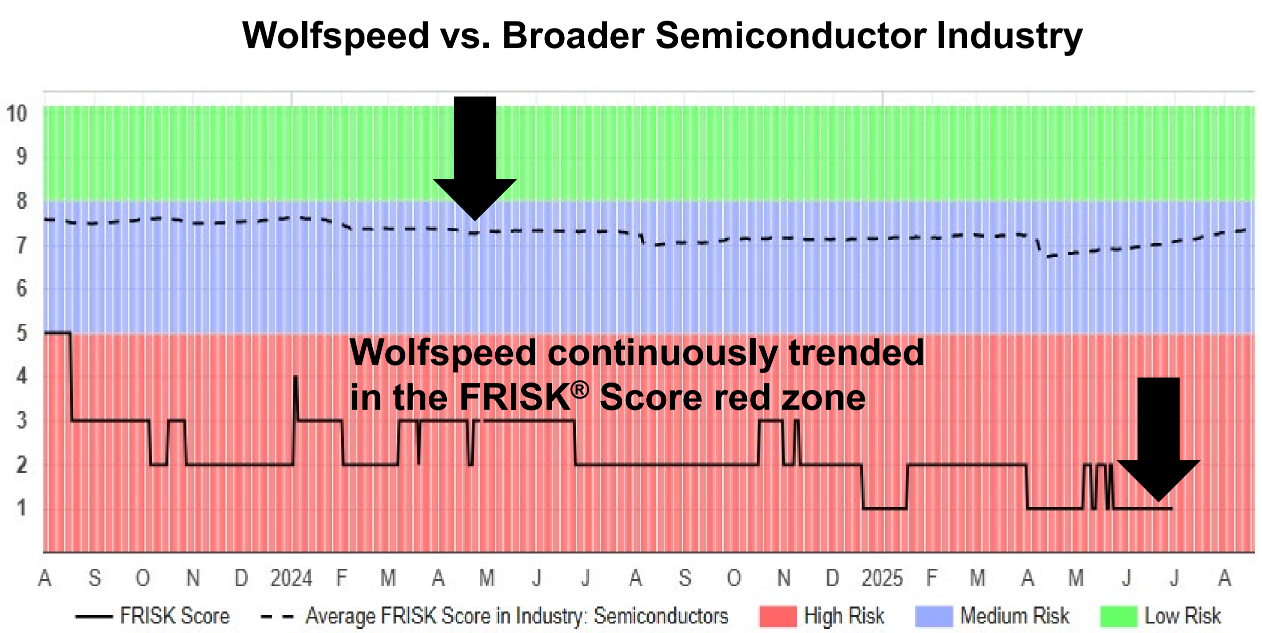
04/30/2025	CRMZ News Service	Wolfspeed Announces Executive Leadership Change

On June 30, 2025, Wolfspeed filed for Chapter 11 bankruptcy through a Restructuring Support Agreement. The bankruptcy ranked among the largest U.S. filings of 2025 and highlights wider industry risks, as many other semiconductor manufacturers also face elevated bankruptcy risk.

06/30/2025	Business Wire	Wolfspeed Takes Next Step to Implement Restructuring Support Agreement and Proactively Strengthen Capital Structure

FRISK® DEEP DIVE

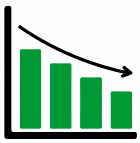
Per the FRISK® Score, this company **had a 10-50 times greater risk of bankruptcy** than the average public company.



The FRISK® Score relative to the broader Semiconductors industry raised a red flag signaling heightened risk relative to peers.

MAKING IMMEDIATE ATTENTION REQUIRED!

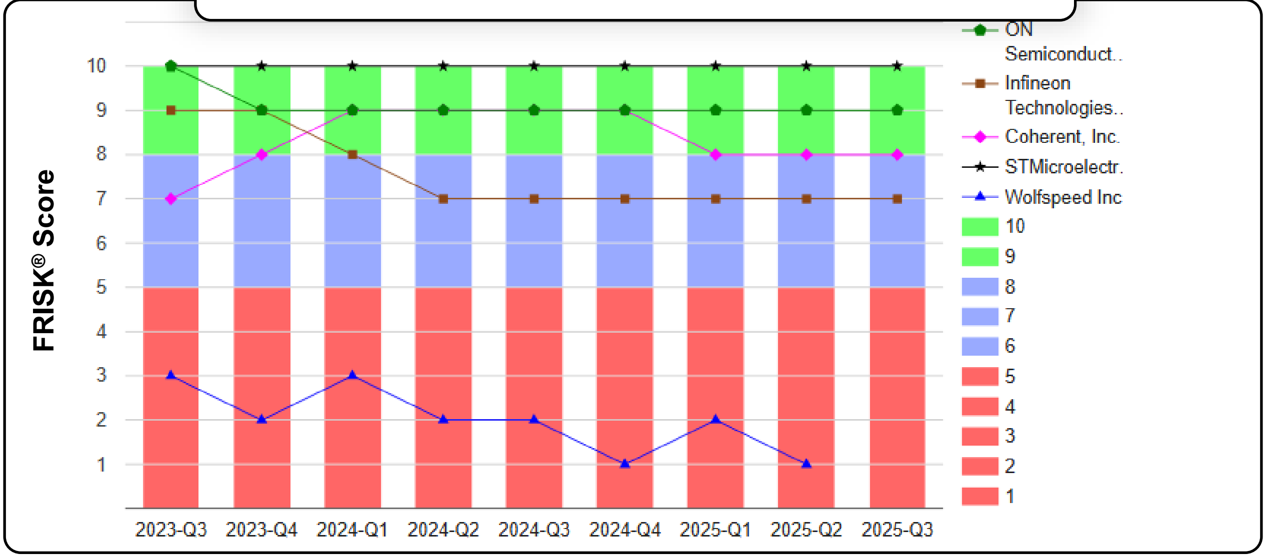
FRISK® Score Comparison



Subscribers evaluated the company's FRISK® Score of "1" relative to the average FRISK® Score of "7" for the broader industry. With severe financial distress, supply chain risk mitigation steps should be taken.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

Wolfspeed trended in the bottom quartile rankings across KPIs versus industry peers!



BUILD RESILIENCY

1. Gain access to millions of alternate suppliers or customers
2. Create a financially durable supply chain with the FRISK® Score
3. Continuously monitor your suppliers with our FRISK® Score and advanced analytics

2025 Q2 Category	Number of Peers Ranked	Peer Group Range		
		Best	Median	Worst
Scores				
FRISK® Score	1,909	10	7	1
PAYCE® Score	139	10	7	1
Altman Z" Score	1,839	> 5	4.3	< -5
Experian® FSR Score	388	100	15	BK
ayment Behavior Score	1,281	10	9	1

Company Name	FRISK® Score
STMicroelectronics NV	10
ON Semiconductor Corp.	9
Coherent Corp.	8
Infineon Technologies AG	7

REVIEWING SUPPLIER FINANCIALS

MATERIAL QUESTIONS

What does this tell us?

✓ This list provides subscribers with key financial questions, helping them to engage with their supplier and better understand its financial stability

Points of Interest (monetary values in thousands)

The company's Working Capital position is strong, with a Current Ratio of 4.64, which has experienced a positive change since last period [3.15]. Do you expect to maintain this level of working capital over the next 12 months?

Cash from operations for the period is negative [USD -469,200] which is less than last period [USD -327,100]. Cash from operations relative to current liabilities is -76%, which is weak. Do you expect to maintain this level of cash flow performance over the next 12 months?

Profitability levels are weak. Both the Operating Margin [-105%] and the net profit margin [-154%] are below healthy levels. Do you expect to maintain these margins over the next fiscal year?

The company has a material level of debt at USD 6,520,800 with a Debt to Assets Ratio of 0.86 (weak). Do you expect to maintain this level of leverage for the next 12 months?

The company's capital expenditures [USD 222,200] is strong given its depreciation [USD 53,600]. Is there any reason to expect your Productive Asset Investment Ratio [4.15] will change going forward?

The company's interest coverage position is weak given its TTM EBITDA [USD -672,400] and TTM interest expenses [USD 296,700]. Is there any reason to expect your TTM interest coverage ratio [-2.27] will change going forward?

SEQUENTIAL QUARTERLY RATIOS

PERFORMANCE RATIOS

What does this tell us?

✓ Negative gross profit indicates products are being sold at a loss, a major red flag

✓ TTM EBITDA and TTM EBIT losses more than doubled leading up to its bankruptcy filing

Period Ending	3/30/2025	12/29/2024	9/29/2024	6/30/2024	3/3…
…t Sales	185,400	180,500	194,700	200,700	200,7…
Net Sales % change	*3%*	*-7%*	*-3%*	*0%*	*-4…*
Gross Profit	-5,700	-5,800	-1,900	2,400	22,500
Gross Profit % of Sales	*-3%*	*-3%*	*-1%*	*1%*	*11%*
SGA	41,100	51,100	62,200	61,600	55,800
SGA % of Sales	*22%*	*28%*	*32%*	*31%*	*28%*
Operating Income	-194,500	-323,000	-230,100	-150,800	-121,000
Operating Margin	*-105%*	*-179%*	*-118%*	*-75%*	*-60%*
Operating Margin TTM	*-118%*	*-106%*	*-75%*	*-59%*	*-52%*
EBITDA	-140,600	-257,800	-168,400	-105,600	-74,300
EBITDA % of Sales	*-76%*	*-143%*	*-86%*	*-53%*	*-37%*
TTM EBITDA	-672,400	-606,100	-404,900	-298,700	-242,500
EBIT	-194,500	-324,500	-239,500	-150,900	-121,300
EBIT % of Sales	*-105%*	*-180%*	*-123%*	*-75%*	*-60%*
TTM EBIT	-909,400	-836,200	-616,900	-479,700	-424,000
Pre Tax Income	-285,400	-372,300	-281,800	-174,400	-148,800
Pretax Income % of Sales	*-154%*	*-206%*	*-145%*	*-87%*	*-74%*
Net Income/Loss	-285,500	-372,200	-282,200	-174,900	-148,900
Net Profit Margin	*-154%*	*-206%*	*-145%*	*-87%*	*-74%*
Tax Expense	100	-100	400	500	100
Effective Tax Rate	*-0%*	*0%*	*-0%*	*-0%*	*-0%*
Depreciation Expense	53,600	66,400	70,800	44,200	46,000
Capital Expenditures	222,200	403,000	438,200	645,900	578,600
Depreciation % of Cap Ex	*24%*	*16%*	*16%*	*7%*	*8%*

SEQUENTIAL QUARTERLY RATIOS

LEVERAGE RATIOS

What does this tell us?

- ✓ Total debt rapidly increases, including relative to total assets
- ✓ Liabilities to equity skyrockets, indicating a stretched balance sheet

Period Ending	3/30/2025	12/29/2024	9/29/2024	6/30/2024	3/31/2
Total Debt	6,520,800	6,433,000	6,179,200	6,170,500	5,673,900
Stockholders' Equity	212,700	372,600	628,900	882,100	1,022,600
Debt Equity Ratio	30.66	17.27	9.83	7.00	5.55
Debt Capital Ratio	0.97	0.95	0.91	0.87	0.85
Tangible Net Worth	-170,300	-10,200	246,000	499,000	639,700
Debt Tangible Net Worth Ratio			25.12	12.37	8.87
Total Assets	7,574,200	7,741,400	7,857,800	7,984,600	7,696,200
Debt Assets Ratio	0.86	0.83	0.79	0.77	0.74
Assets Equity Ratio	35.61	20.78	12.49	9.05	7.53
Net Tangible Assets	7,191,200	7,358,600	7,474,900	7,601,500	7,313,300
Short Term Debt	500	500	500	500	500
Total Liabilities	7,361,500	7,368,800	7,228,900	7,102,500	6,673,600
Liabilities Equity Ratio	34.61	19.78	11.49	8.05	6.53

LIQUIDITY RATIOS

What does this tell us?

- ✓ Cash and net working capital indicated healthy liquidity, yet this did not reveal the risk of an in-court bankruptcy restructuring

Period Ending	3/30/2025	12/29/2024	9/29/2024	6/30/2024	3/31/2
Current Assets	2,870,200	2,227,100	2,458,400	2,999,600	3,331,000
Current Assets % of Total Assets	*38%*	*29%*	*31%*	*38%*	*43%*
Current Assets % of Debt	*574,040%*	*445,420%*	*491,680%*	*599,920%*	*666,200%*
Current Liabilities	618,500	707,300	782,900	665,300	727,000
Working Capital	2,251,700	1,519,800	1,675,500	2,334,300	2,604,000
Working Capital % of Sales	*304%*	*210%*	*215%*	*291%*	*324%*
Cash	1,329,600	1,404,800	1,687,600	2,174,600	2,550,900
Cash % of Debt	*265,920%*	*280,960%*	*337,520%*	*434,920%*	*510,180%*
Cash Ratio	2.15	1.99	2.16	3.27	3.51
Quick Assets	1,494,200	1,558,700	1,833,000	2,322,000	2,675,200
Quick Assets % of Debt	*298,840%*	*311,740%*	*366,600%*	*464,400%*	*535,040%*
Quick Ratio	2.42	2.20	2.34	3.49	3.68
Current Ratio	4.64	3.15	3.14	4.51	4.58
Operating Cash Flow % of Current Liabilities	*-76%*	*-46%*	*-17%*	*-109%*	*-67%*

ANNUAL STATEMENTS

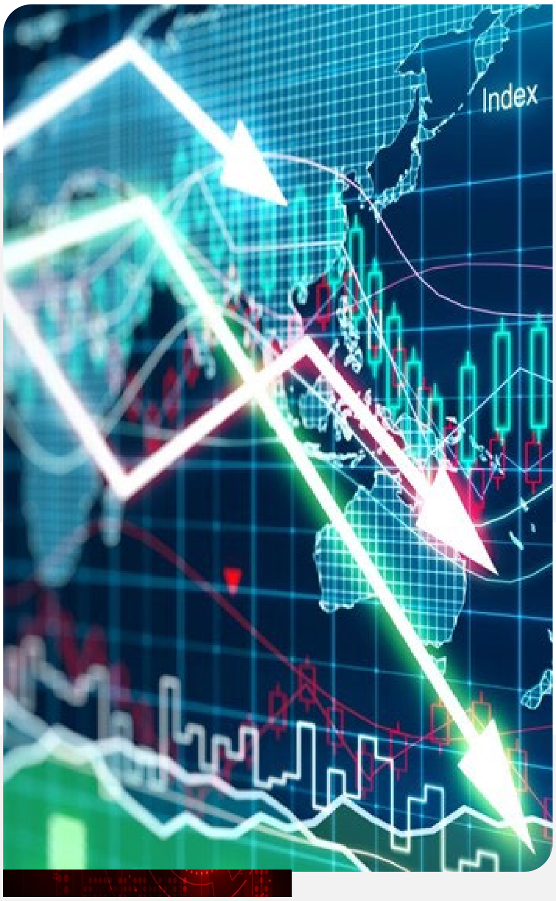
CASH FLOWS

What does this tell us?

- ✓ Substantial net losses and capex create high cash burn
- ✓ Significant consecutive years of net stock and debt issuance to bridge cash consumption

Period Ending	3/30/2025	3/31/2024	3/26/2023	3/27/2022	3/28/
Accounting Standard	U.S. GAAP	U.S. GAAP	U.S. GAAP	U.S. GAAP	U.S. GAAP
Period Length	9 months	9 months	9 months	9 months	9 months
Net Income	-939,900	-689,300	-216,600	-233,300	-374,900
Depreciation Depletion	191,700	135,700	118,200	97,900	88,600
Deferred Taxes	0	100	500	700	500
Non Cash Items	331,800	294,200	70,400	88,100	225,600
Changes In Working Capital	-52,800	-226,800	-63,200	-76,800	-15,300
Total Cash From Operating Activities	**-469,200**	**-486,100**	**-90,700**	**-123,400**	**-75,500**
Capital Expenditures	-1,063,400	-1,634,000	-534,900	-539,700	-397,600
Other Investing Cash Flow Items Total	808,900	59,500	-465,800	161,700	58,100
Total Cash From Investing Activities	**-254,500**	**-1,574,500**	**-1,000,700**	**-378,000**	**-339,500**
Financing Cash Flow Items	4,600	-18,500	-292,600	-135,300	-32,200
Issuance Retirement Of Stock Net	203,900	10,900	11,400	11,700	530,100
Issuance Retirement % of Debt Net	199,400	1,453,700	1,718,200	731,900	-300
Total Cash From Financing Activities	**407,900**	**1,446,100**	**1,437,000**	**608,300**	**497,600**
Foreign Exchange Effects	100	-100	0	0	200
Net Change In Cash	**-315,700**	**-614,600**	**345,600**	**106,900**	**82,800**
Net Cash Beginning Balance	**1,045,900**	**1,757,000**	**449,500**	**379,000**	**448,800**
Net Cash Ending Balance	**730,200**	**1,142,400**	**795,100**	**485,900**	**531,600**
Source:	10-Q 05/09/2025	10-Q 05/02/2024	10-Q 04/27/2023	10-Q 05/05/2022	10-Q 04/29/2021

ABOUT CREDITRISKMONITOR



About Our Bankrupt Supplier Report

SupplyChainMonitor™ Bankrupt Supplier Reports provide post-filing analyses of public and private companies. Our reports educate subscribers about how they can use our proprietary solutions to avoid the disastrous impacts tied to financially distressed suppliers.

About Our Company

CreditRiskMonitor is a leader in global business intelligence and predictive risk analysis that helps credit and supply chain professionals stay ahead of and manage risk quickly, accurately and cost effectively.

Nearly 40% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our coverage of 30+ million public companies and private companies globally.

Contact us at:

845.230.3000

www.supplychainmonitor.com/contact-us

Give Us a Try!