Cerebras Systems (NASDAQ: CBRS): Culper's short report and the CEO's response

Summary & independent analysis · Culper report dated October 28, 2026 · CEO response dated November 5, 2026 · updated November 6, 2026

Update, November 6, 2026: the CEO responds

On November 5, CEO Andrew Feldman published *"What It Took to Build Wafer-Scale, and Why It Lasts"*, a point-by-point rebuttal of Culper's central claim that Cerebras wafers wear out in about two years. His key points: Cerebras **does not use the PariPoser connector and "never shipped a single system that uses it"**; the wafers are qualified by TSMC for **10 years of continuous operation at 105°C**, while the deployed CS-3 fleet averages **under 65°C and never exceeds 85°C**; and since 2024 **"less than half of one percent of all CS-3 wafers deployed have been decommissioned."** He also explains the depreciation change (1–3 years to 3–5 years) and notes KPMG audits these estimates. Feldman discloses he is long the stock.

Our read: the response directly answers the engineering and depreciation questions with specific, checkable claims, including the first field-reliability figure from either side. It does not address the governance, OpenAI-terms, insider-selling or competition points, and its own lifespan math is also modeled. Details in the new section below and in the updated analysis.

A short-seller report titled "Cerebras Systems Inc. (CBRS): Hot Garbage." Culper discloses it is short the stock — so it profits if shares fall, and the report is an advocacy document, not a neutral assessment. The thesis in one line: Cerebras never actually solved the core engineering problem it claims to have solved, and a chain of workarounds, accounting choices, and a lopsided anchor deal mask a business that doesn't work — so the stock is headed lower.

Culper's argument, summarized

1. The central engineering claim is false (per Culper). Cerebras says CEO Andrew Feldman's team solved the "75-year-old" problem of building a whole-wafer chip, chiefly by "inventing" a connector material that absorbs the mismatch in thermal expansion between wafer and board. Culper traces that material to **PariPoser**, an anisotropic conductive elastomer developed at Bell Labs in the 1980s and now sold by Paricon Technologies (Taunton, MA) — whose own marketing says it is "used by Cerebras… in their delivered product." The claim: the material is neither new nor Cerebras's invention, and Paricon itself warns it doesn't fully solve expansion mismatch.

2. The real "fix" is a workaround that trades one flaw for another. Rather than solving thermal expansion in hardware, Culper argues Cerebras runs **"dummy operations"** so the 84-die wafer never cools and never develops the temperature gradients that would crack it. Evidence assembled: a Cerebras solutions architect at a Berlin "café compute" meetup saying that without dummy ops the wafers "curve and break"; a decompiled *dummy_tokens* field in Cerebras's own InferenceUtilizationStats code; a 2022 paper co-authored by a Cerebras engineer showing the CS-2 draws ~70% of peak power at idle; and an April 2026 Harvard/Meta FAIR benchmark showing the CS-3 at ~80% idle power and 100% of rated power in both inference phases, versus ~20% idle and 50–60% decode for Nvidia/AMD GPUs.

3. Consequence: the wafers wear out fast. Because they run near full power around the clock, Culper applies an Arrhenius (temperature-driven mean-time-to-failure) model and estimates Cerebras wafers age **3–3.5× faster** than GPUs, giving a field life of **~1.5–2.5 years** vs. 5–7 for GPUs. Multiple anonymous customers and former employees describe systems breaking down and requiring full replacements within a year or two.

4. The accounting "tell." In draft registration statements filed through December 2025, Cerebras assigned its computer equipment a **1.5–3.0-year** useful life. In its **April 2026 S-1**, just before IPO, it raised that to **3–5 years** — with no explanation and no reconciliation — inflating reported margins. Culper estimates that at a 2.25-year life, 1H 2026 gross margin would be ~24% (vs. 29.9% reported) and operating margin ~−140%.

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